



Full Year Results

For the year ended 28 February 2018

Presented by:

Norman Celliers

Chief Executive Officer

An investment holding company

Company overview

We play an active role in investee companies through strategic interests with a controlling influence.

Business definition

Business definition

- An actively managed investment holding company listed on the Johannesburg Securities Exchange
- Long-term value investor with a primary focus on Agribusiness, food and related industries
- Key characteristics of investment considerations:
 - Sustainable growth sectors or sub-sectors
 - Management with proven track record
 - High barriers to entry
 - Unique and defensible products (brands)
 - Simple (easy to understand) and scalable business models
 - Focused execution

Strategic Focus

- Industry:**
 - Agribusiness
- Sub-sector:**
 - Food and Beverages
 - *Adjacent and related*
- Geography:**
 - South Africa (direct)
 - Sub-Saharan Africa (direct)
 - Rest of World (via portfolio)
- Criteria:**
 - Arbitrage
 - Undervalued
 - Growth sectors
 - Consolidation
- Influence:**
 - Active
 - Boards
 - Management
 - Strategy
 - Transactions

Invest in **and build** businesses

Challenging conditions prevailed

Performance review

The financial results reflect a period of challenging environmental conditions exacerbated by high levels of political and economical volatility. Many of these factors have improved recently.

Operating environment

	2012 – 2014		2014 – 2016		2016 – 2018		2018 – 2020
Industry focus:	• Agri Cooperatives		• Agribusiness – food and beverage		• Agribusiness – food, beverage and directly related		• Agribusiness and broadly related or adjacent
Our strategy:	• Rebalance portfolio • Exit non-core • Increase position in core		• Ensure investee companies have sustainable growth strategies in place		• Implement strategies • Introduce required KPI's and measurement tools • Drive for focus and operational efficiencies • Capitalise as required		• Monitor and assist existing companies • Find 1 or 2 substantial new investments • Build on smaller high growth investments
Political environment:	• RSA stable		• RSA stable – risks increase		• RSA deteriorates rapidly • Global volatility (i.e. Trump, Brexit etc)		• RSA positive change • Africa regional improvement • Global volatility remains
Economic environment:	• RSA credit rating maintained • Africa investment appetite strong • China growth slows • Global growth slows		• RSA credit rating risks emerge • Commodity prices decline • Africa appetite wanes • Economic activity slows		• RSA credit downgraded • Supressed commodity pricing maintained • Africa appetite reversed • Economic activity deteriorates rapidly		• Global supplies normalise – marginal improvement in pricing • Africa appetite stabilises • Economic activity shows signs of improvement
ZAR/US\$:	7.53	9.01	10.76	11.66	16.17	13.11	11.79
Climatic conditions:	• Normalised		• Emergence of El-Nino		• Peak/decline of El-Nino • Emergence of WC drought		• Normalised to wet • WC unclear

Sum-of-the-Parts

Performance review

Zeder's SOTP value per share decreased by 8.0% from R8.53 to R7.85, as of 28 February 2018.

FY2018

Company	28 Feb 2017		28 Feb 2018		5 Apr 2018	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Pioneer Foods	27.1	9,538	27.0	7,660	27.0	7,340
Capespan	98.1	1,975	97.5	2,259	97.5	2,259
Zaad	91.4	1,531	93.2	2,043	93.2	2,043
Kaap Agri	39.8	1,321	40.9	1,376	40.9	1,465
Agrivision Africa	55.6	614	56.0	591	56.0	591
Quantum Foods	26.7	193	27.7	246	27.7	267
Other		39		33		34
Total investments		15,211		14,208		13,999
Cash		173		111		107
Other net assets		120		108		109
Debt funding		(798)		(1,000)		(1,008)
SOTP value		14,706		13,427		13,207
Number of shares in issue (net of treasury shares) (million)		1,725		1,710		1,710
SOTP value per share (rand)		8.53		7.85		7.72

Observations:

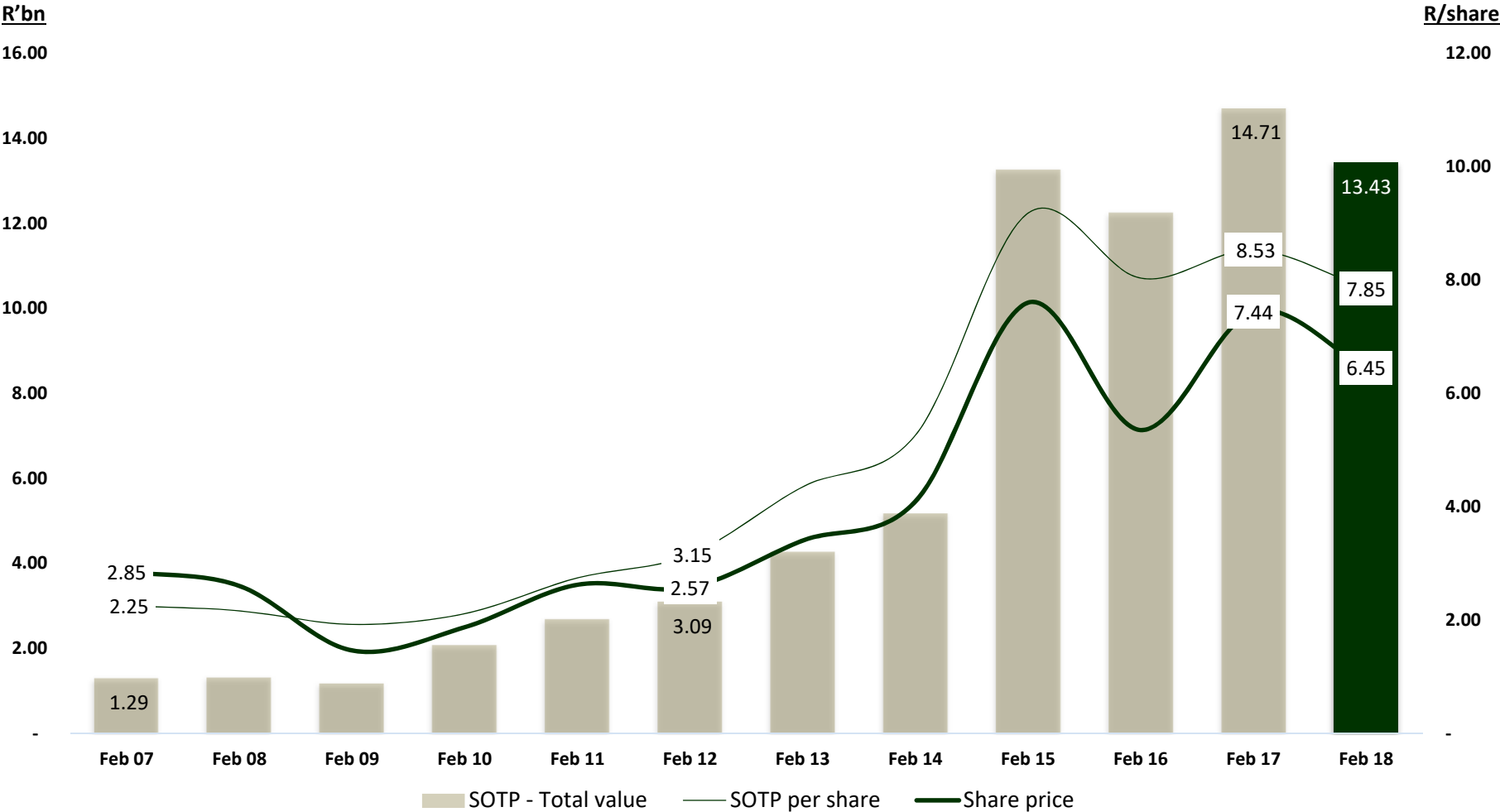
- Pioneer Foods's share price declined with corresponding negative impact on Zeder's SOTP value
- Follow-on investments made into Zaad
- Increase in net debt from R798m to R1,008m
- Share buy-backs resulting in number of issued shares declining from 1,725m to 1,710m

Intrinsic value

Performance review

The recent sideways trend is disappointing but longer term outlook remains positive.

Historical overview



Recurring headline earnings

Performance review

Recurring headline earnings per share decreased 35.2% for the period ending 28 February 2018.

FY2018

	Audited		
	28 Feb 2017 Rm	Change (%)	28 Feb 2018 Rm
Recurring headline earnings from investments	821	(29.8)	576
Management (base) fee	(75)		
Net interest, taxation and other income and expenses	(55)		(102)
Recurring headline earnings	691	(31.4)	474
Non-recurring headline earnings			
Management fee internalisation charge	(1,449)		
Other	(12)		(49)
Headline (loss)/earnings	(770)	n/a	425
Non-headline items	(26)		(171)
Attributable (loss)/earnings	(796)	n/a	254
Weighted average number of shares in issue (net of treasury shares) (million)	1,622		1,717
Recurring headline earnings per share (cents)	42.6	(35.2)	27.6
Headline (loss)/earnings per share (cents)	(47.5)	n/a	24.8
Attributable (loss)/earnings per share (cents)	(49.1)	n/a	14.8

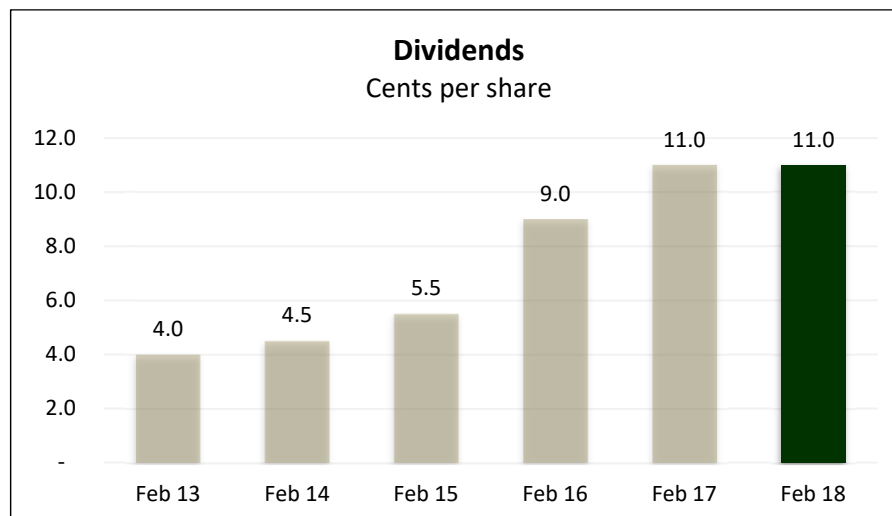
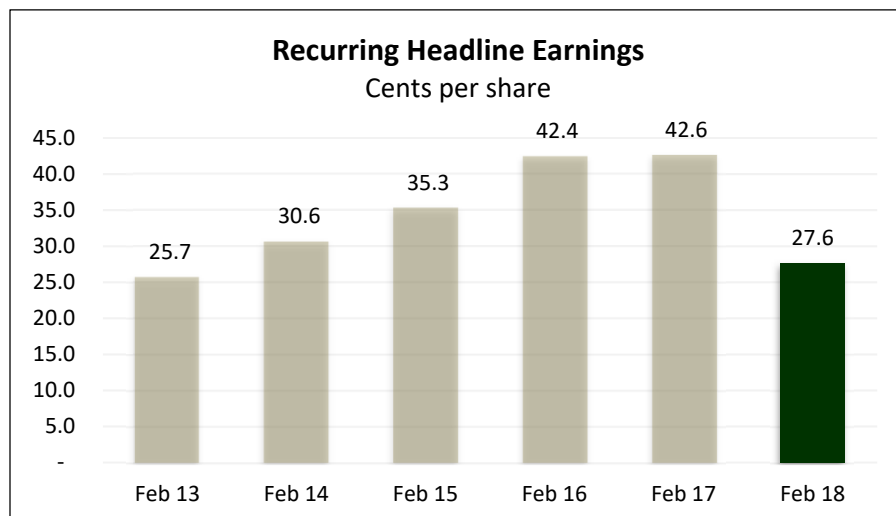
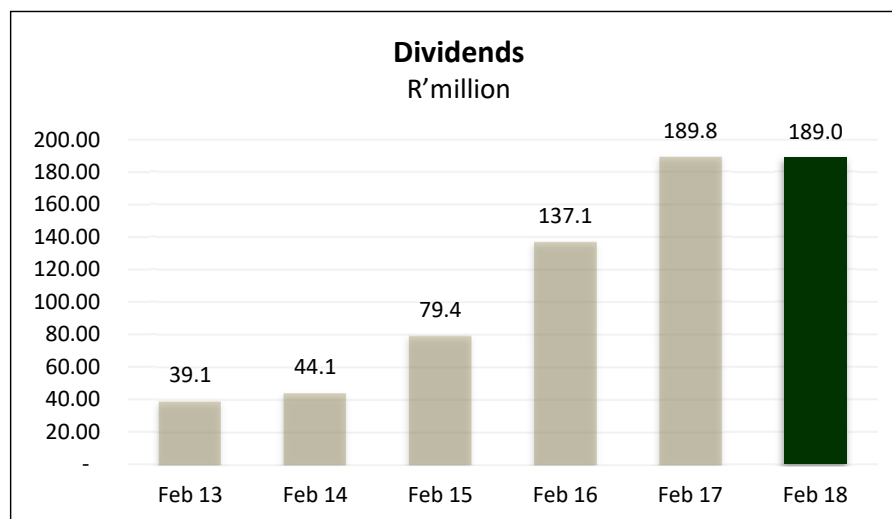
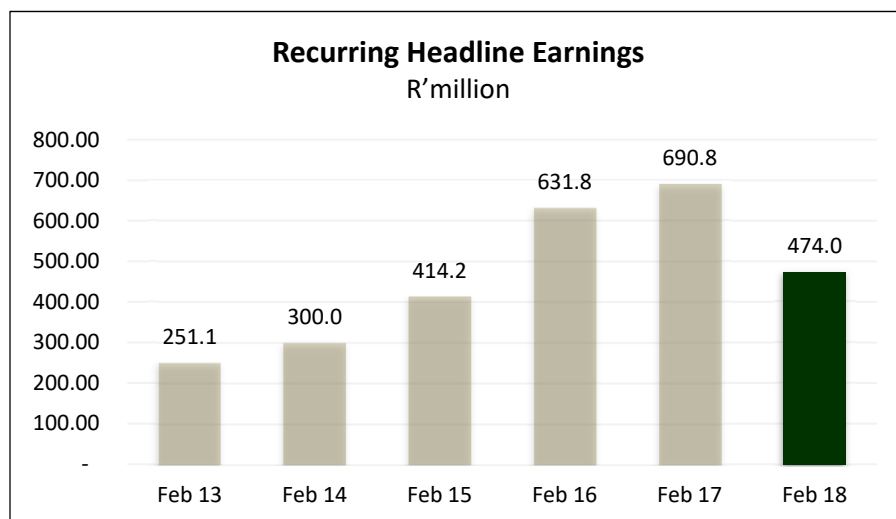
- Observations:**
- Most investee companies reported weaker recurring earnings (except Quantum and Kaap Agri)
 - Positive impact due to no further management fees paid in terms of original agreement
 - Negative impact of increased interest as a result of increased borrowings

Context and dividends

Performance review

Despite the decline in earnings, the dividend has been maintained at 11c per share due to comparable cash generation and likely non-recurring factors.

FY2018

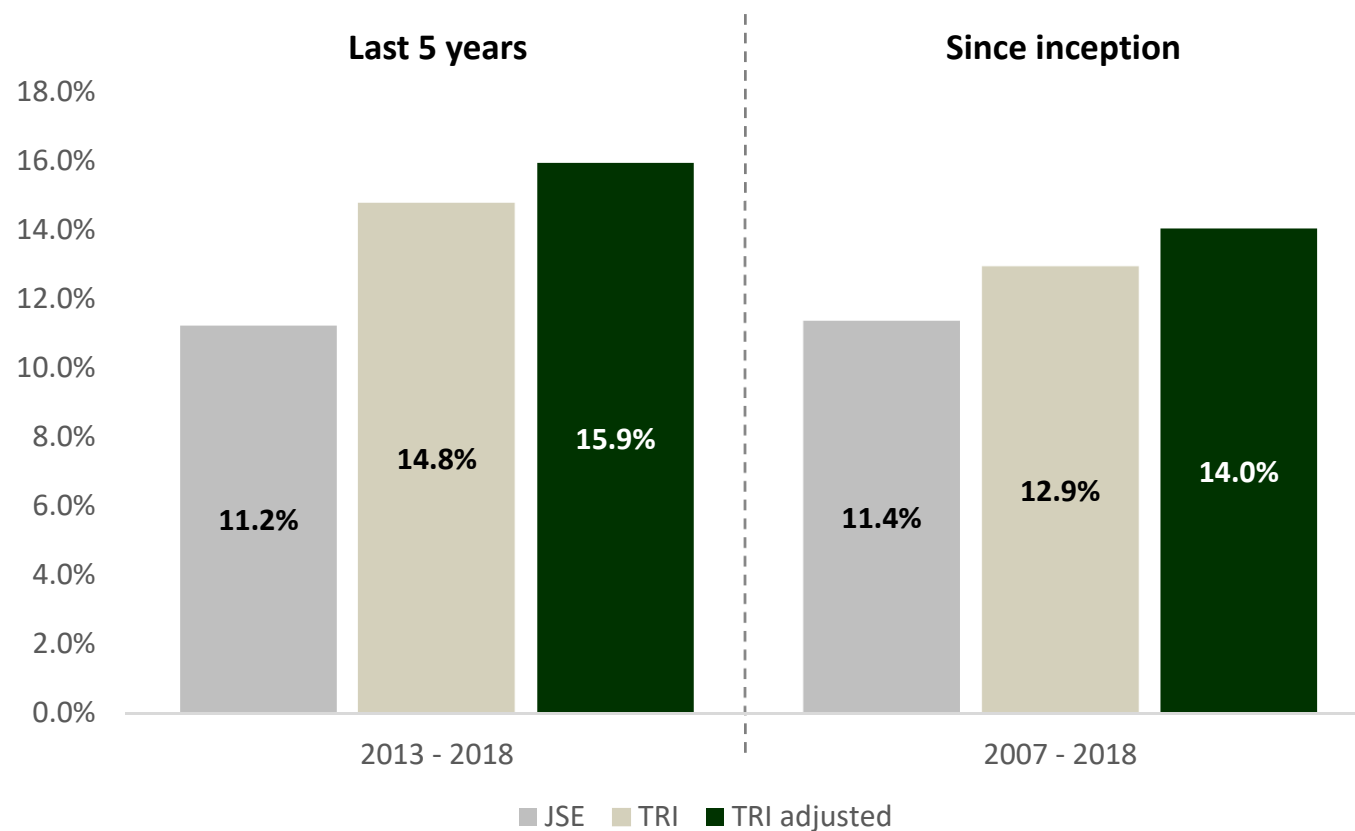


Total shareholder return

Performance review

Total shareholder return acceptable to date but objective remains to improve on this performance.

Shareholder value



Note: TRI adjusted by adding back management fees and treating this as dividends

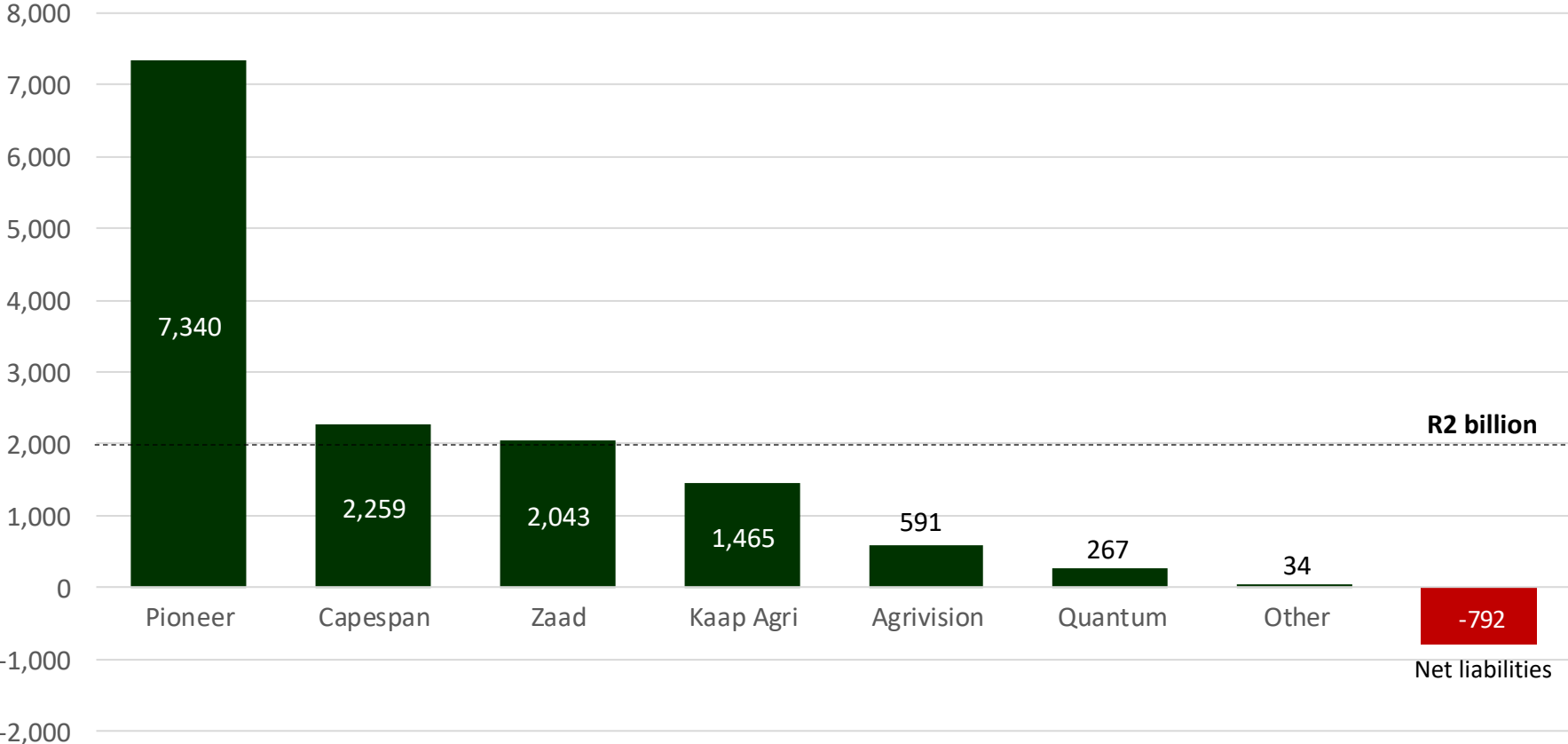
Robust portfolio with upside

Portfolio evaluation

We have a stable and resilient portfolio that provides additional upside.

FY2018

Value of investments
R'm



Business overview

Portfolio evaluation

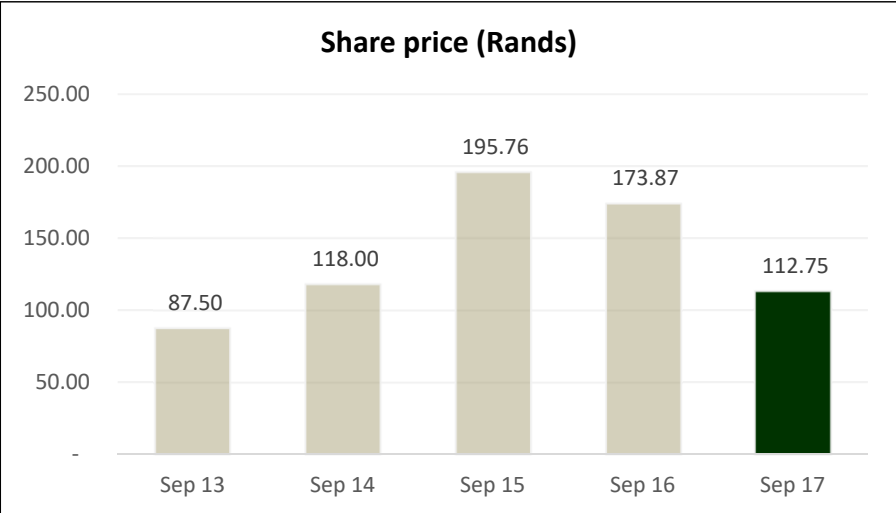
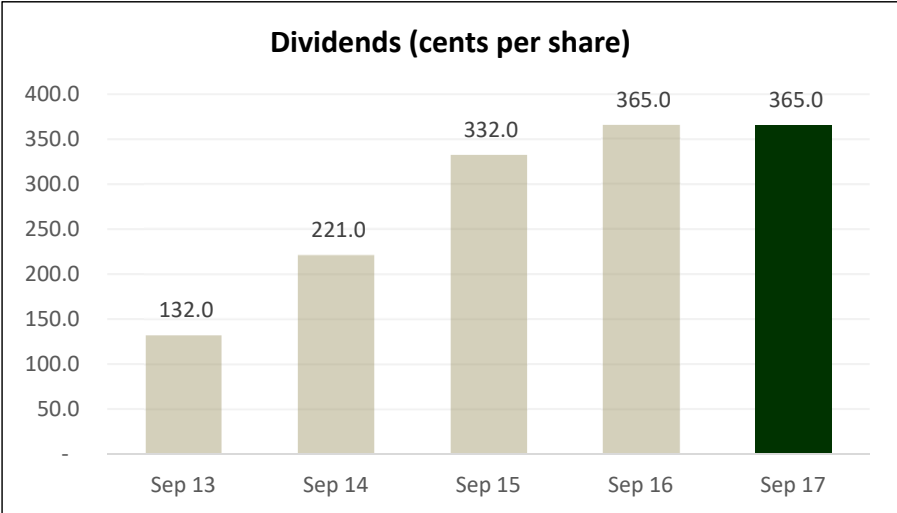
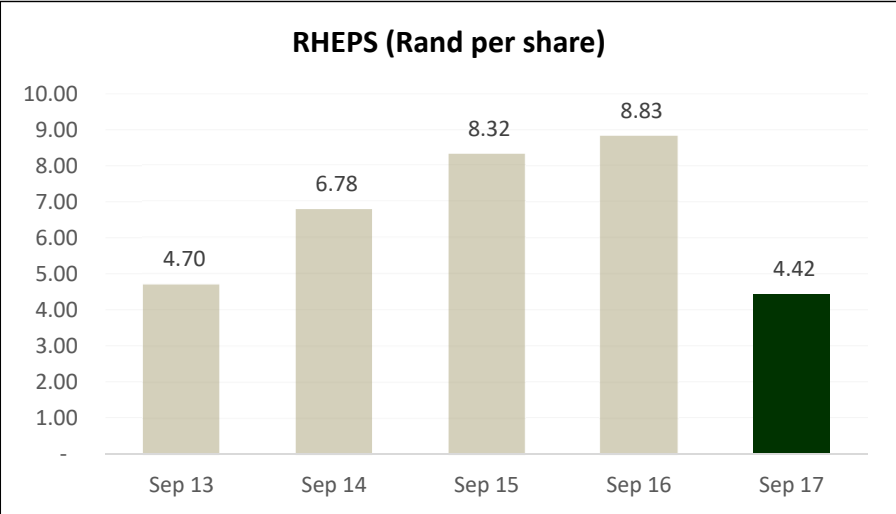
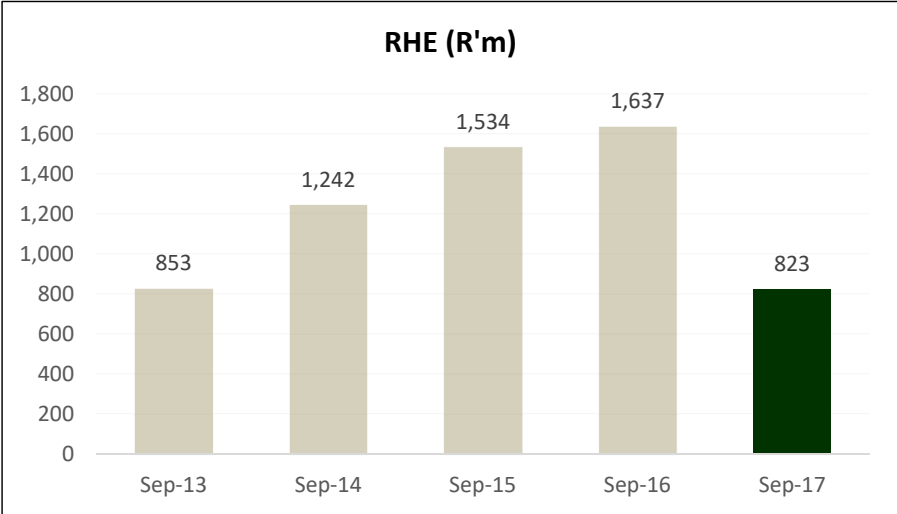
Pioneer is South Africa's 2nd largest food producer with leading market share positions across a number of core categories and extensive geographical footprint and penetration.



Financial performance

Portfolio evaluation

Pioneer has performed exceptionally well over the past 5 years but experienced a challenging year during 2017.



Despite disappointing results...

Portfolio evaluation

Adjusted headline earnings per share declined by 50% during the year ended 30 September 2017, due in part to an unfavourable maize procurement position...



Financial Review

Year ended 30 September 2017

Revenue	-5% to R19.6bn
Adjusted operating profit*	-44% to R1.28bn
Operating margin	From 11.0% to 6.5%
Adjusted HEPS*	-50% to 442 cents
Cash generated by operations	+50% to R2.58bn
Final dividend declared	260 cents

* Adjusted for Phase I B-BBEE (charge)/income and for related hedge, as well as items of a capital nature and once off M&A costs



Profit Movement Analysis

Major Categories – Unfavourable Movement	Full year	Contribution	1H2017
Maize	R408m	47%	R357m
International Fruit	R195m	22%	R105m
Local & International Beverages	R273m	31%	R152m
	R876m	100%	R614m



...an improvement likely.

Portfolio evaluation

... but recent trends encouraging and, with a strong balance sheet and cash flow, a recovery should be possible during 2018.



Brand Performance

Value Share by Brand – full year

12MM Oct 2016 – Sep 2017

Power Brands	Value Share	Share points change
Sasko Bakery	29.3%	-0.9%
Sasko Flour	27.8%	-3.2%
Weet-Bix	17.1%	-0.2%
White Star	30.5%	-1.8%
Safari	37.9%	-1.9%
Spekko	24.3%	2.8%
Liqui-Fruit	28.7%	-0.1%

1 Measured as weighted average of Pioneer Foods' share in 18 categories in which it operates. TEG only. Including DOB's.

Brand Performance

Value Share by Brand – final quarter

12MM Sep 2017 versus 3MM Sep 2017

Power Brands	12MM	3MM
Sasko Bakery	29.3%	30.0%
Sasko Flour	27.8%	28.7%
Weet-Bix	17.1%	17.2%
White Star	30.5%	33.7%
Safari	37.9%	37.7%
Spekko	24.3%	26.5%
Liqui-Fruit	28.7%	28.7%

1 Measured as weighted average of Pioneer Foods' share in 18 categories in which it operates. TEG only. Including DOB's.

Business overview

Portfolio evaluation

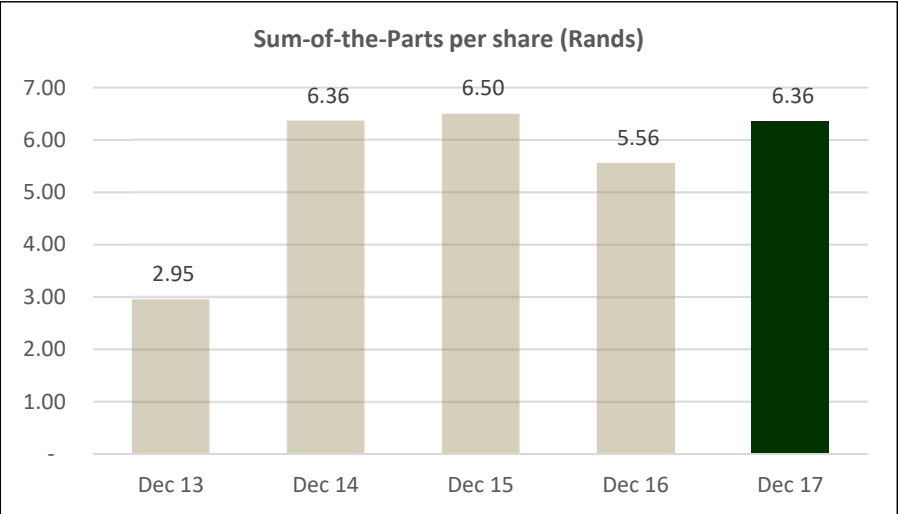
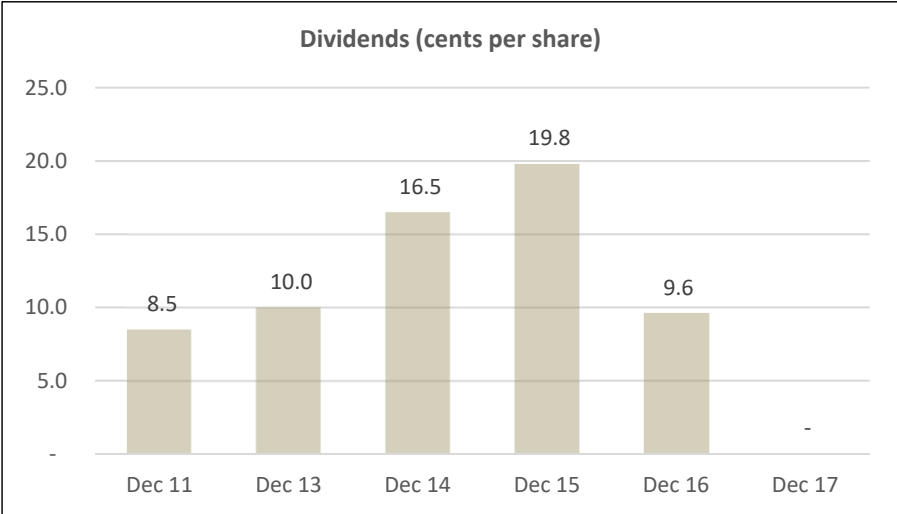
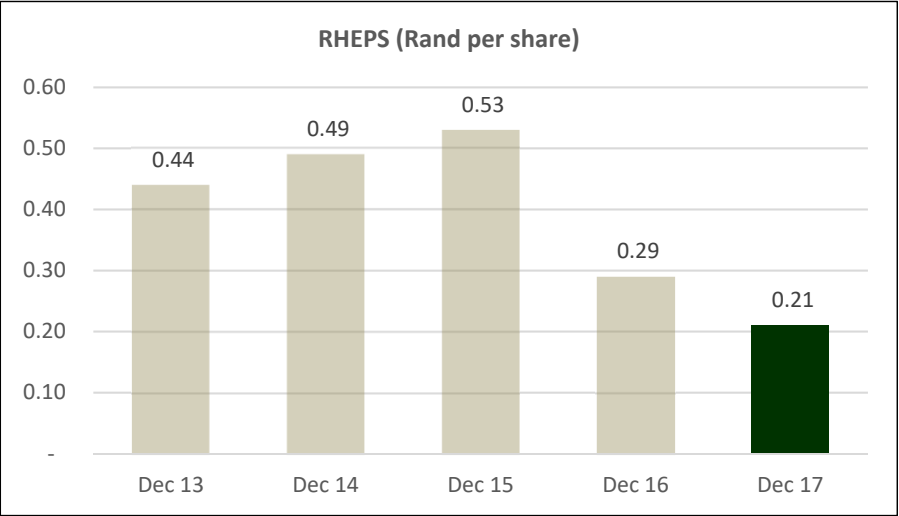
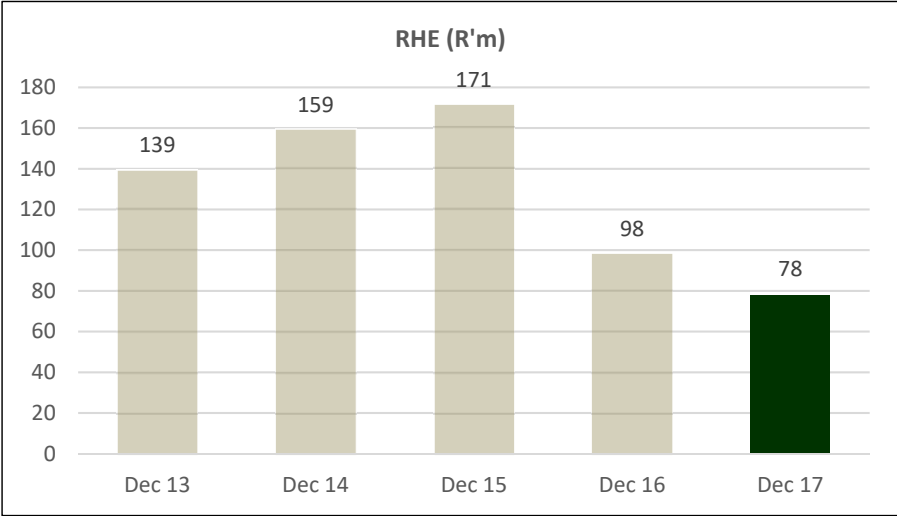
Capespan is an internationally diversified group with a primary exposure to fruit farming, marketing, distribution, port logistics and related services.



Financial performance

Portfolio evaluation

Capespan reported a 26.7% decline in RHEPS due to the lagged effect of volume declines following the drought and increased finance costs.



Historical review

Portfolio evaluation

The recent decline in RHEPS should not detract from the underlying investments made to drive medium- to long-term EBITDA growth and SOTP value creation.

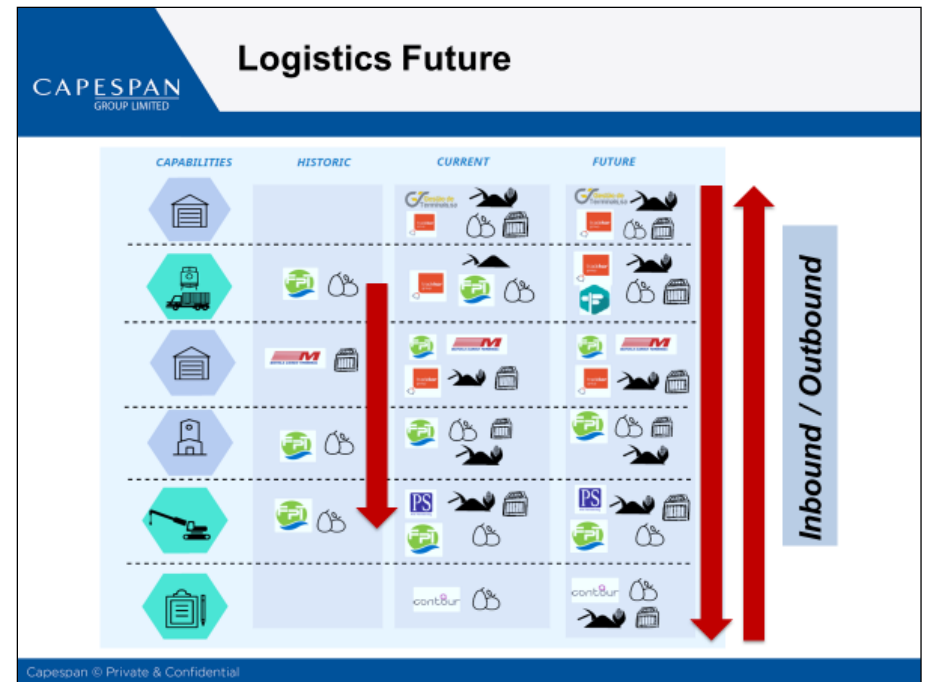
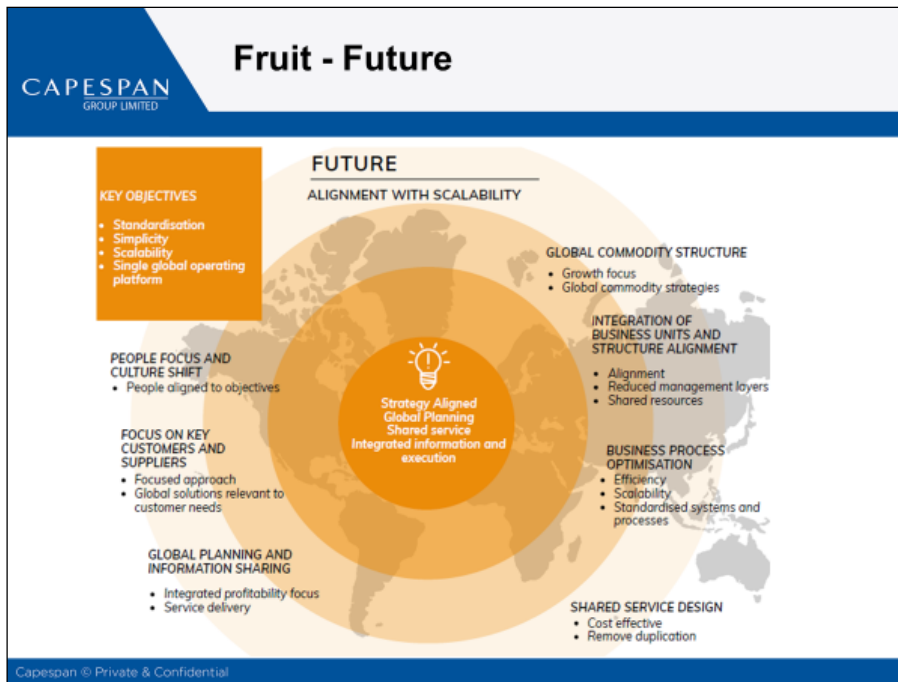


Summarised Income Statement	Dec 11	Dec 12	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17
Key metrics	R'm	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	3,181	5,631	7,149	7,392	7,688	8,311	6,619
EBITDA	146	206	228	227	299	250	241
<i>EBITDA margin</i>	<i>4.6%</i>	<i>3.7%</i>	<i>3.2%</i>	<i>3.1%</i>	<i>3.9%</i>	<i>3.0%</i>	<i>3.6%</i>
EBIT	109	165	191	169	220	155	123
<i>EBIT margin</i>	<i>3.4%</i>	<i>2.9%</i>	<i>2.7%</i>	<i>2.3%</i>	<i>2.9%</i>	<i>1.9%</i>	<i>1.9%</i>
Net finance income/(costs)	3	1	(9)	(3)	(38)	(39)	(55)
Income from associates	7	26	29	61	72	42	68
Recurring headline earnings	64	99	139	159	171	98	78
Headline earnings	64	87	127	97	136	90	62
WANOS (m)	299	316	319	321	324	338	364
Recurring HEPS (R)	0.22	0.28	0.44	0.49	0.53	0.29	0.21
Net asset value per share (R)	3.27	3.61	4.34	4.62	6.26	5.37	5.01
P/E	10.9	10.0	6.7	13.0	12.3	19.2	30.3
Sum-of-the-Parts per share (R)	2.40	2.75	2.95	6.36	6.50	5.56	6.36
Market cap (m)	717	822	941	2,056	2,098	2,014	2,317
Dividend per share (cents)	9.0	10.0	14.5	16.5	19.2	9.6	-

Key observations

Focus is to complete divisional repositioning...

Portfolio evaluation



... and continue on journey of growing to deliver sustainable annualised RHE ~R500m.

CAPESPAN
GROUP LIMITED

Capespan Focus and Future

- Farms: Targeted yields and quality for market
- Fruit: Scalable, diversified fruit supplier
- Logistics: Integrated Supply Chain Solutions for SA key commodities
- Recurring Earnings: R500m *Goal we are building towards*



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Business overview

Kaap Agri is a leading Agri-related retail, trade, supply and services company.

Portfolio evaluation



KAAP AGRI

is a retail services group that supplies a variety of products and services mainly to the agricultural sector, but also to the general public.

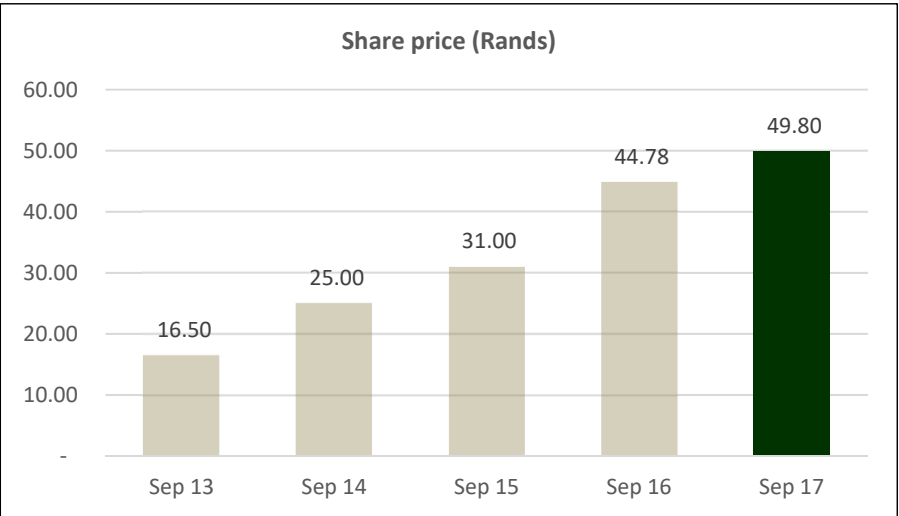
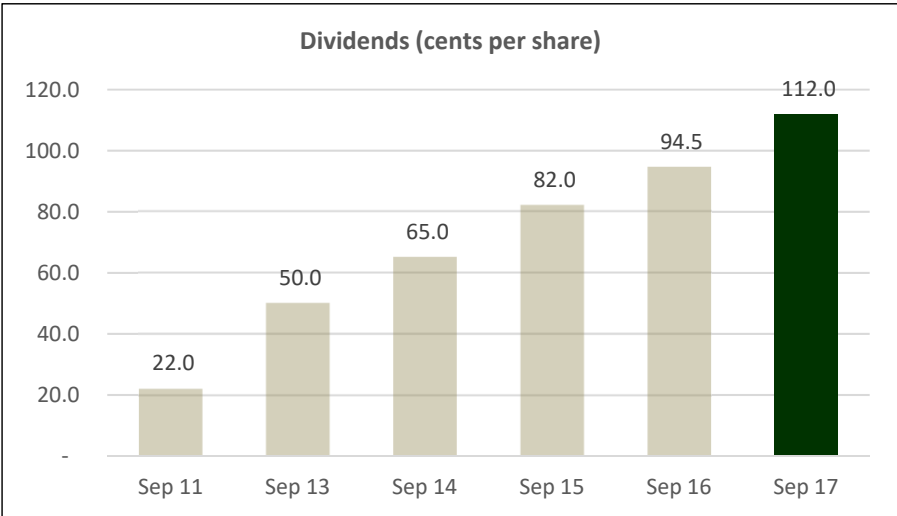
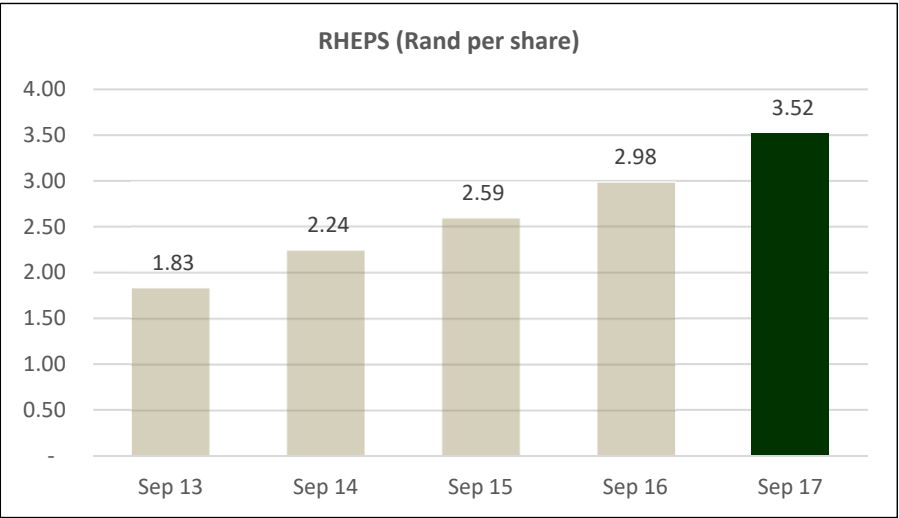
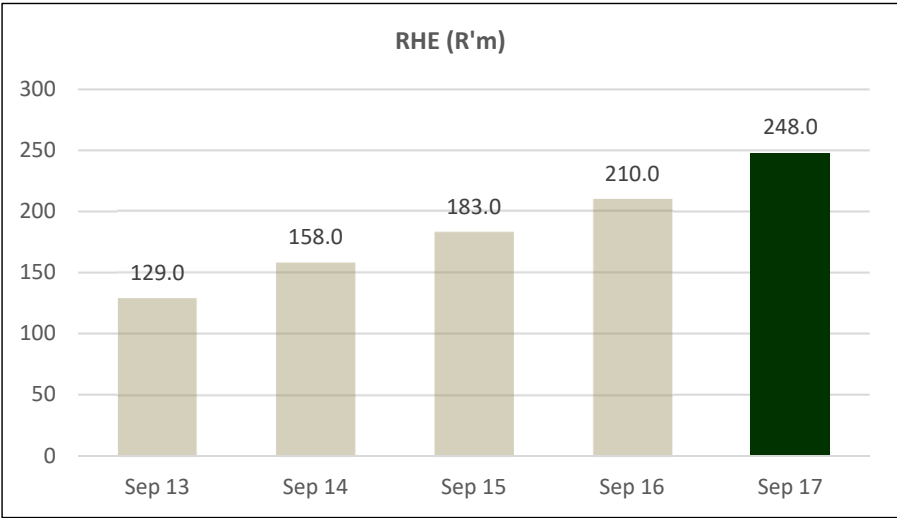
Kaap Agri has 183 operating points that stretch over 97 cities, towns and places, and include areas such as the Swartland, Boland, Winelands, Overberg, Langkloof, Namaqualand, Orange River, Sundays River Valley, Namibia and adjacent areas, as well as Limpopo, Mpumalanga and Gauteng.



Financial performance

Portfolio evaluation

Kaap Agri reported a 17.9% increase in RHEPS and an increase of 18.5% in dividends per share.



Historical review

Portfolio evaluation

Encouraging longer term trend of growth in key metrics combined with a measured degree of margin improvements bode well for the group.



Summarised Income Statement	Sep 11	Sep 12	Sep 13	Sep 14	Sep 15	Sep 16	Sep 17
Key metrics	R'm	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	2,624	3,212	4,008	4,875	5,341	5,653	6,416
EBITDA	147	183	219	263	311	370	439
<i>EBITDA margin</i>	<i>5.6%</i>	<i>5.7%</i>	<i>5.5%</i>	<i>5.4%</i>	<i>5.8%</i>	<i>6.5%</i>	<i>6.8%</i>
EBIT	134	169	202	243	291	338	400
<i>EBIT margin</i>	<i>5.1%</i>	<i>5.3%</i>	<i>5.0%</i>	<i>5.0%</i>	<i>5.4%</i>	<i>6.0%</i>	<i>6.2%</i>
Recurring headline earnings	78	102	129	158	183	210	248
Headline earnings	78	102	129	158	183	210	244
WANOS (m)	67	69	70	70	70	70	70
Recurring HEPS (R)	1.18	1.48	1.83	2.24	2.59	2.98	3.52
P/E	6.0	6.1	9.0	11.2	12.0	15.0	14.1
Share price (R)	7.08	9.00	16.50	25.00	31.00	44.78	49.80
Market cap (m)	474.4	667.5	1,223.8	1,854.3	2,299.3	3,321.0	3,693.7

Key observations

The past financial year included numerous highlights as group continued to grow and expand with strong balance sheet in place.

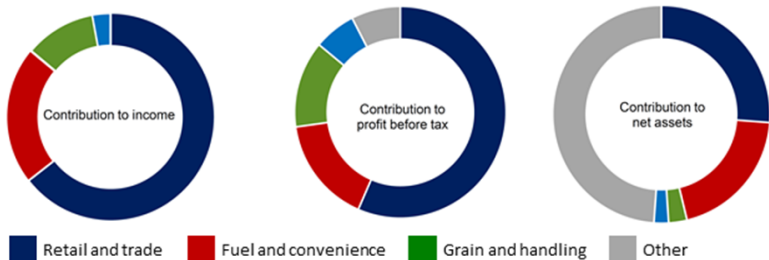
Portfolio evaluation



1 KEY MILESTONES

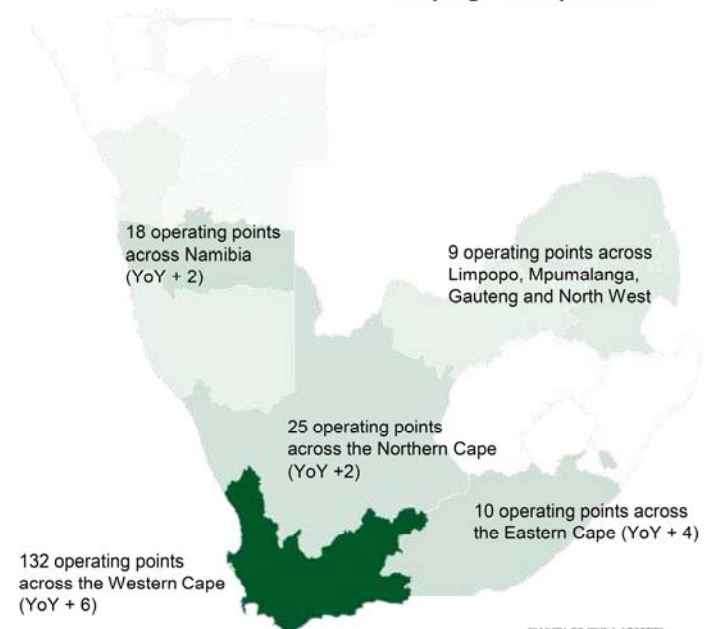
- Listed on the JSE Main Board
- TFC structure
- TFC transactions
- Kaap Agri Namibia
- Urban retail format

4 BUSINESS PROFILE UPDATE (cont.)



4 BUSINESS PROFILE UPDATE

Kaap Agri store presence



6

Business overview

Portfolio evaluation

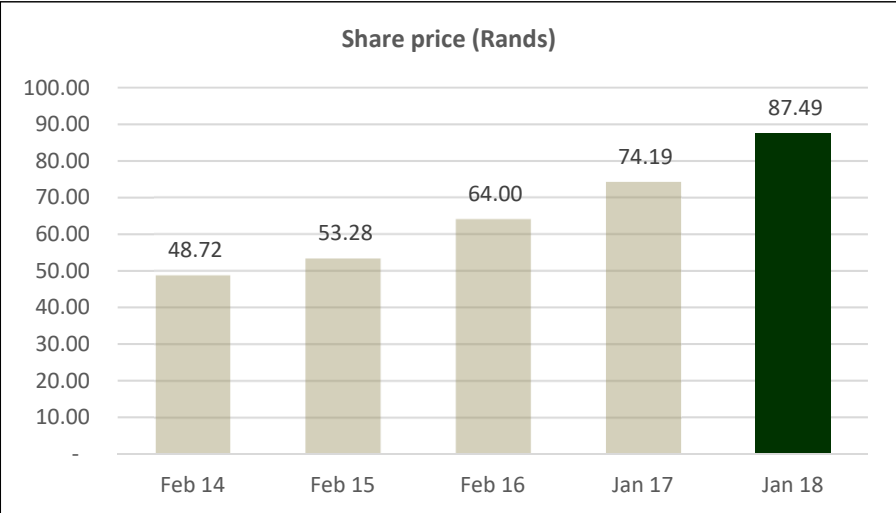
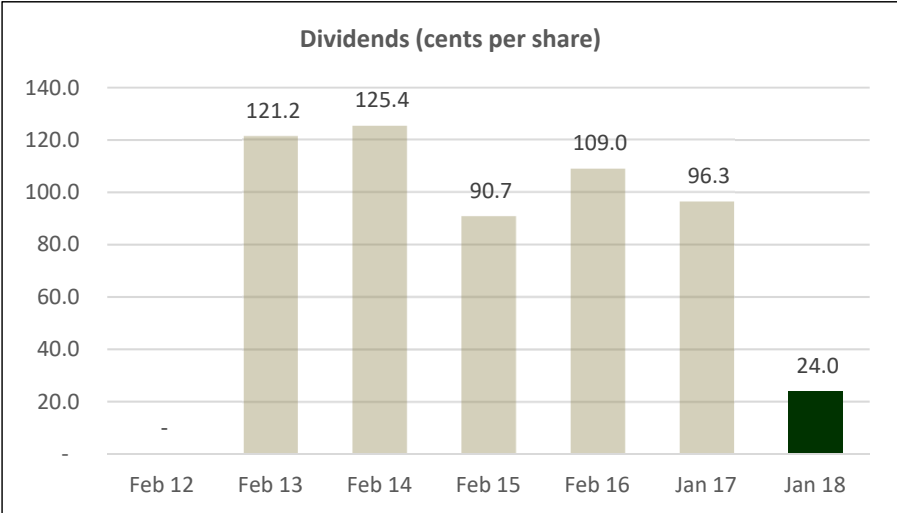
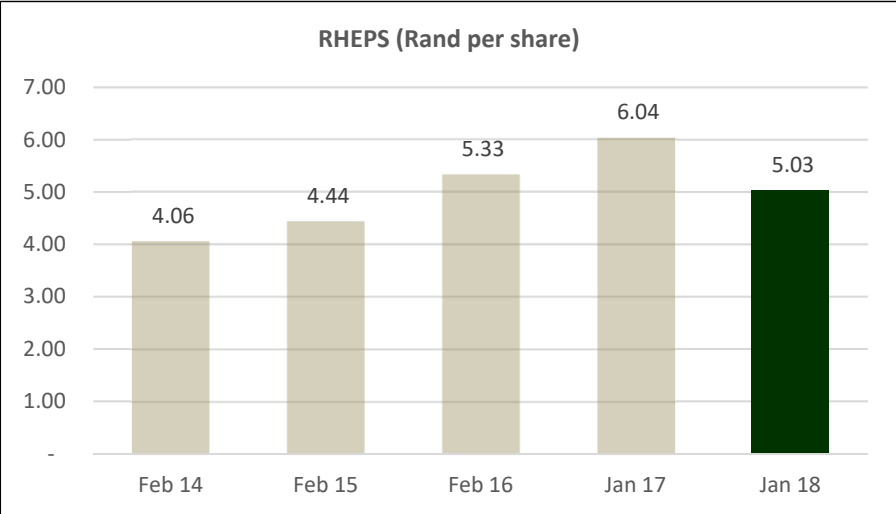
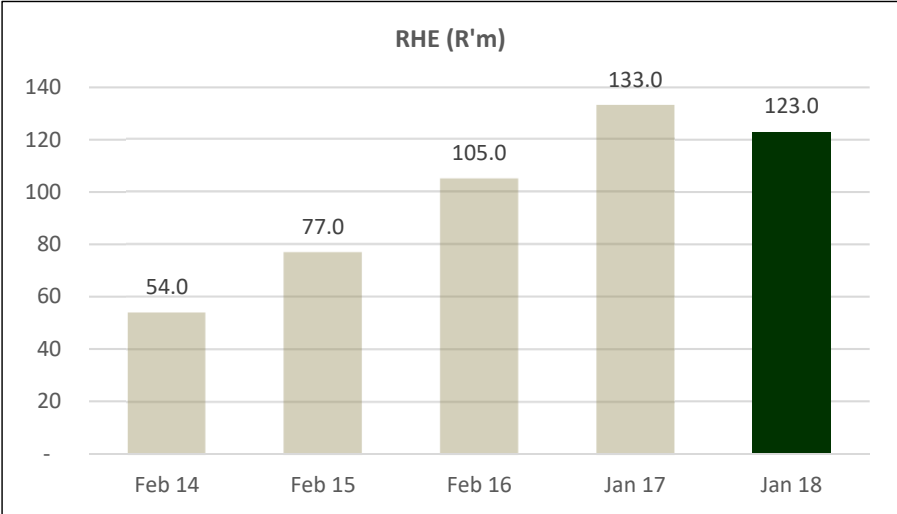
Zaad is a specialist agricultural seed company that develops and supplies a broad basket of proprietary seeds to more than 96 international markets.



Financial performance

Portfolio evaluation

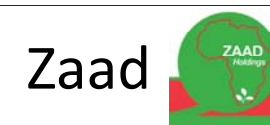
Zaad reported a decrease of 16.7% in RHEPS, driven in most part by weaker results in South Africa as a result of the drought and increased finance costs.



Historical review

Portfolio evaluation

Through a combination of strategic acquisitions, R&D and organic growth the group has been strengthened over the past 5 years.



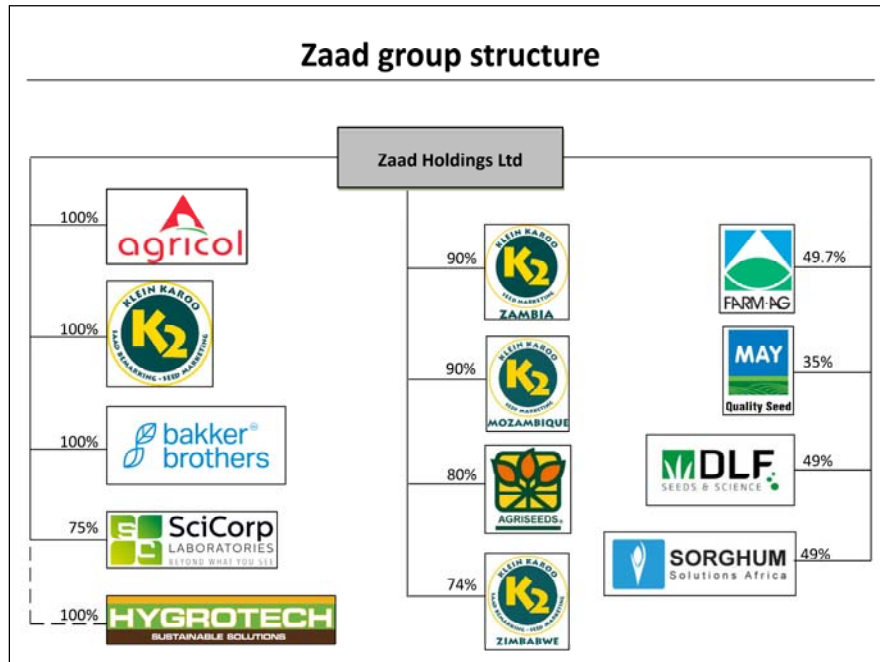
Summarised Income Statement	Feb 12	Feb 13	Feb 14	Feb 15	Feb 16	Jan 17*	Jan 18
Key metrics	R'm	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	257	294	465	947	1,226	1,349	1,409
EBITDA	39	48	92	142	232	219	222
<i>EBITDA margin</i>	<i>15.2%</i>	<i>16.3%</i>	<i>19.8%</i>	<i>15.0%</i>	<i>18.9%</i>	<i>16.2%</i>	<i>15.8%</i>
EBIT	36	45	80	120	197	185	172
<i>EBIT margin</i>	<i>14.0%</i>	<i>15.3%</i>	<i>17.2%</i>	<i>12.7%</i>	<i>16.1%</i>	<i>13.7%</i>	<i>12.2%</i>
Recurring headline earnings	28	36	54	77	105	133	123
WANOS (m)	9	10	13	17	20	22	24
Recurring HEPS (R)	3.14	3.49	4.06	4.44	5.33	6.04	5.03
Net asset value per share (R)	11.62	5.86	25.16	29.00	37.73	40.47	47.18
P/E	12.0	12.0	12.0	12.0	12.0	12.3	17.4
Share price (R)	37.68	41.88	48.72	53.28	64.00	74.19	87.49
Market cap (m)	377	512	784	962	1,350	1,676	2,192

* Financial year end changed from 28 February to 31 January

Key observations

Portfolio evaluation

Zeder continues to support Zaad and have made additional capital commitments as the group aims to deliver on its ambitious objectives.



- Zeder invested R145m during FY2018
- Zeder committed to participate in further R200m rights issue
- Goal is to build one of the leading hybrid seed companies with market leadership in emerging markets

Business overview

Agrivision Africa is a vertically integrated, grain-related food supplier that farms, mills and distributes products in the northern region of Zambia and southern parts of the DRC.

Farming & Development



- 4,200 ha (irrigated)
- 2,500 ha (dry-land)

Milling & Processing



- 50,000 tons (Maize)
- 24,000 tons (Wheat)

Portfolio evaluation



Agrivision Africa

Brands & Distribution



- Formal retail
- Distribution depots

Financial performance

Portfolio evaluation

Disappointing recurring losses reported but net asset value in US\$ and conservative exchange rate approach supports investment value..



Agrivision Africa

Summarised Income Statement	Dec 13	Dec 14	Dec 15	Dec 16	Dec 17
Key metrics	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	14,304	32,532	31,711	39,718	34,994
EBITDA	2,831	3,576	2,199	7,326	1,672 [^]
<i>EBITDA margin</i>	<i>19.8%</i>	<i>11.0%</i>	<i>6.9%</i>	<i>18.4%</i>	<i>4.8%</i>
EBIT	(245)	5	(955)	4,305	(2,012) [^]
<i>EBIT margin</i>	<i>-1.7%</i>	<i>0.0%</i>	<i>-3.0%</i>	<i>10.8%</i>	<i>-5.7%</i>
Recurring headline earnings	(1,509)	(3,385)	(3,615)	1,306	(4,700)
Headline earnings	(1,509)	(4,016)	(5,955)	3,645	(4,700)
Wanos (m)	0.8	1.3	1.9	1.9	1.9
Recurring HEPS (\$)	(1.80)	(2.60)	(1.90)	0.69	(2.47)
Net asset value per share (\$)*	38.33	30.64	19.08	55.15	52.55
USD:ZAR	10.50	10.82	10.82	10.82	10.82
Sum-of-the-Parts (R'm)				614	591

**FY2016 NAV restated to market value due to reporting currency changes in Zambia as compiled by 3rd party valuations*

[^]Adjusted for impairment of intangible assets in FY2017

Business overview

Portfolio evaluation

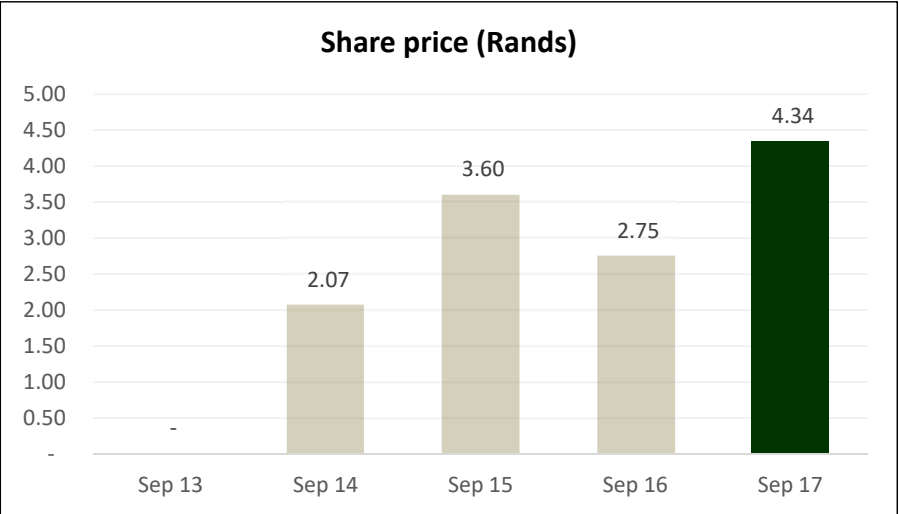
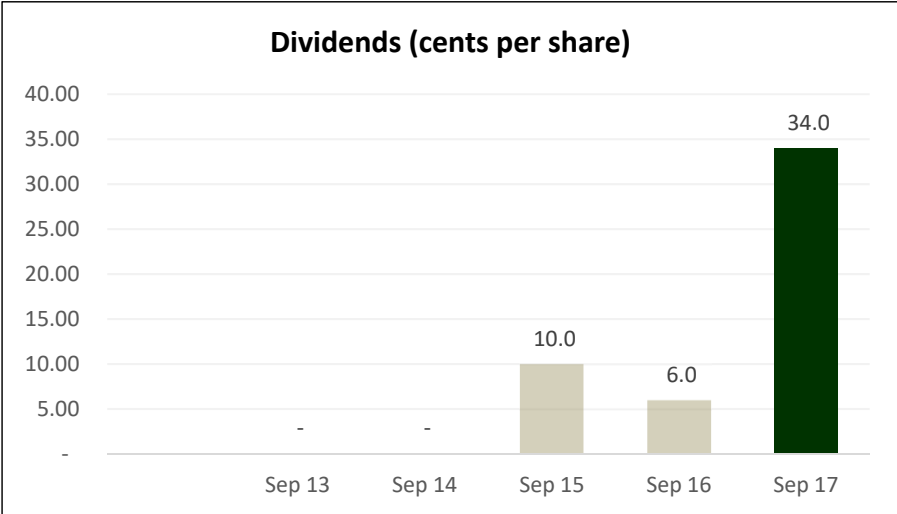
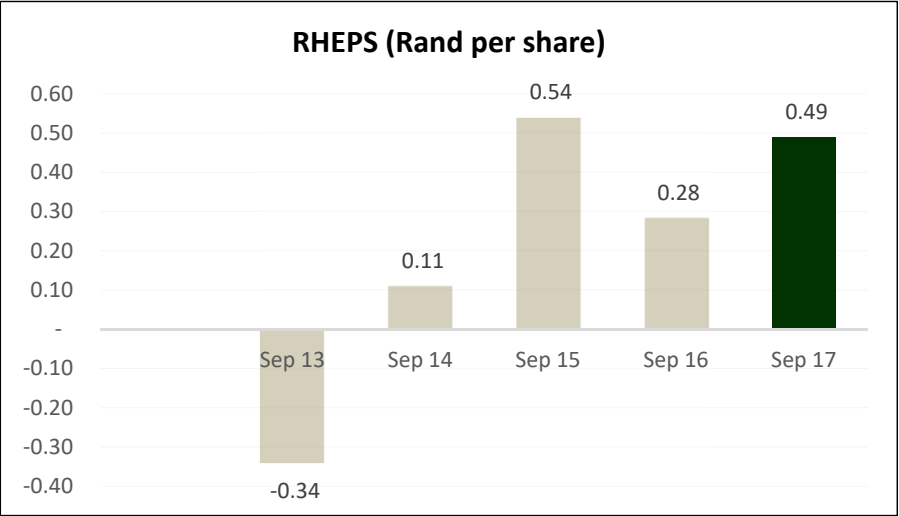
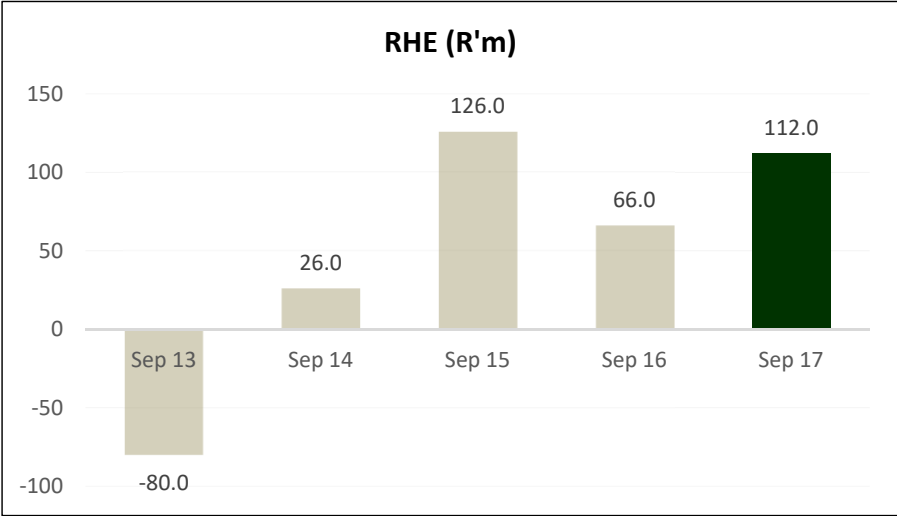
Quantum is South Africa's #1 commercial egg supplier and operates a regionally dominant and nationally recognised premium animal feeds business.



Financial performance

Portfolio evaluation

Quantum Foods reported an increase of 74% in RHEPS and declared a special dividend due to strong cash generation.




Key observations

Portfolio evaluation

Despite challenging macro conditions, Quantum benefited from lower commodity prices following the drought.



BUSINESS OVERVIEW



ECONOMY

- › ZAR strengthened by 9%
- › GDP per capita decline
- › Low consumer confidence


INDUSTRY

- › Drought followed by good summer rains
- › Sharp decline in maize and related raw material prices
- › Egg supply cycle in downswing
- › Avian Influenza (AI) outbreak

Revenue	Operating profit
▲ 4%	▲ 67%
HEPS	Cash generated
▲ 74%	R265m
Dividend 2017	Dividend 2016
34c	6c




STATEMENT OF INCOME



For the year ended 30 September 2017	2017 Rm	2016 Rm	% change
Revenue	4 051.9	3 913.1	▲ 4
Operating profit*	170.1	124.3	▲ 37
Income from associates	1.1	0.3	
Net finance income	6.4	6.8	
Profit before tax	177.6	131.4	
Tax	(50.0)	(40.0)	
Profit for the period	127.6	91.4	
* Operating profit includes capital items	20.6	34.9	
Adjusted operating profit	149.5	89.4	▲ 67
Adjusted operating margin	3.7%	2.3%	
EPS - cents	55.7	39.2	▲ 42
HEPS - cents	49.0	28.2	▲ 74

DIVIDENDS AND SHARE REPURCHASES

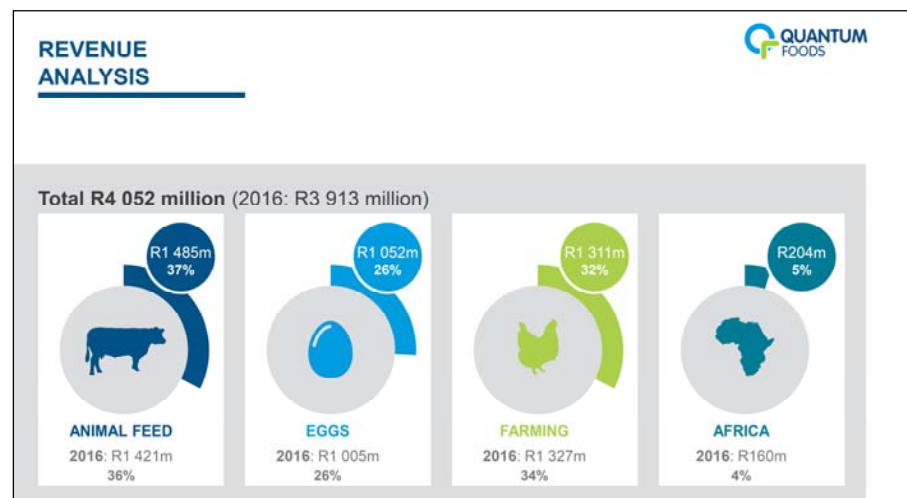


- › 2015 and 2016 dividends declared at a HEPS cover of approximately 5 times
- › For 2017
 - Dividend at a HEPS cover of 4.1 times 12 cents
 - Special dividend due to 2017 cash generation 22 cents
 - Total dividend 34 cents
- › 9 488 659 shares repurchased in 2017 at average R3.03 per share
- › Total amount of R104.3 million returned to shareholders

Outlook

Portfolio evaluation

Business has been structured with clear divisional focus and growth strategies.



STATEMENT OF FINANCIAL POSITION

At year end	2017 Rm	2016 Rm
Non-current assets	1 076.8	1 071.7
Net working capital	590.4	687.4
Non-current liabilities	(230.8)	(236.1)
Cash	261.5	79.5
Total net assets	1 697.9	1 602.5
Borrowings	(6.3)	(6.4)
Equity	1 691.6	1 596.1
Net working capital	590.4	687.4
Inventory	201.8	307.4
Biological assets	299.3	324.0
Receivables	415.2	483.4
Payables	(325.9)	(427.4)

SEGMENT RESULTS

	2017 Rm	2016 Rm
Adjusted operating profit		
Eggs	46.5	(26.8)
Farming	47.3 *	61.0
Animal Feeds	77.8	72.5
Other African countries	(9.7)	(0.2)
Head Office costs	(12.4)	(17.1)
	149.5	89.4

STATEMENT OF CASH FLOW

For the year ended 30 September 2017	2017 Rm	2016 Rm
Cash operating profit	200.4	164.3
Working capital inflow / (outflow)	115.2	(173.6)
Change in exchange rate	0.7	10.5
Cash effect of hedging activities	3.4	(3.0)
Tax paid	(61.3)	(29.7)
Net finance income	6.9	7.3
Cash generated by / (utilised in) operations	265.3	(24.2)
Shares repurchased	(28.7)	(4.0)
Dividends paid	(13.8)	(23.3)
Capital expenditure	(73.0)	(98.8)
Business combinations	-	(79.8)
Proceeds from sale of assets	32.2	122.1
Net cash increase / (decrease)	182.0	(108.0)

Small seeds planted

New platform investments

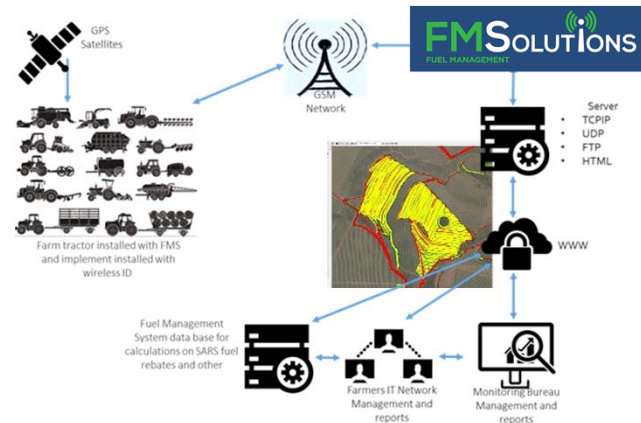
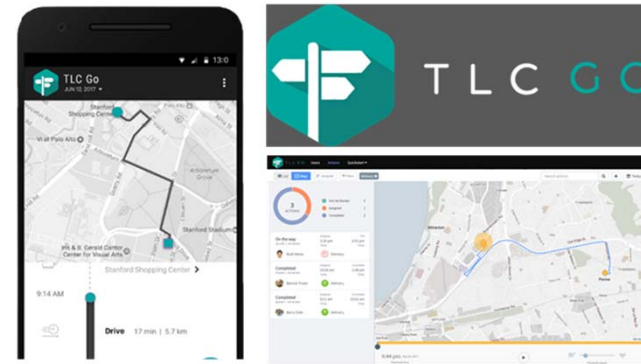
We have acquired controlling interests in two new small companies that provide us with an affordable entry into smart urban farming and logistics related technology.

CAN-AGRI



- Urbanisation and vertical farming is a growing theme
- Decline in cost effective available agricultural land and damage to environment is forcing a rethink of the sustainability of current approach
- Identified a South African team and concept
- **Committed to invest R40m for proof of concept phase**
- Roll-out to be considered thereafter

THE LOGISTICS COMPANY



- **Invested R4m as seed capital**
- Rapid growth possible – but VC type risk
- Technology adoption in portfolio
- Technology adoption 3rd party logistics

Prospects

With a strong existing platform and focused addition of new opportunities, the prospects remain positive going forward.

- Early indications of improved political, economical and climatic conditions in markets where our portfolio operates
- Indications of inflationary relief after period of sustained pressure
- Strong and well diversified portfolio that provides us with broad exposure to the industry
- Well developed strategies aligned to deliver sustainable growth
- Investments made (financed in part with debt) to deliver results in medium term
- Focus remains on recovery in the short term
- Platform growth continuously pursued – *exiting new avenues established, both within and adjacent to existing investments*
- New and adjacent opportunities are reviewed on an ongoing basis



Despite the short-term challenges, we remain committed to deliver attractive shareholder returns over the next 5 years.

Conclusion

General commentary

Thank you