



Interim Results

6-month period ended 31 August 2017

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

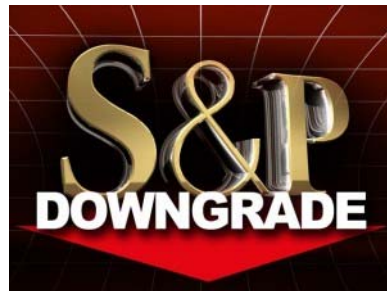
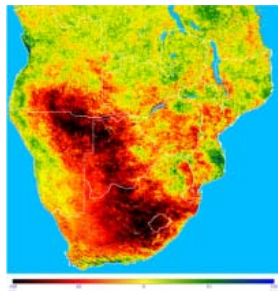
Invest in **and build** businesses

Challenging conditions prevailed

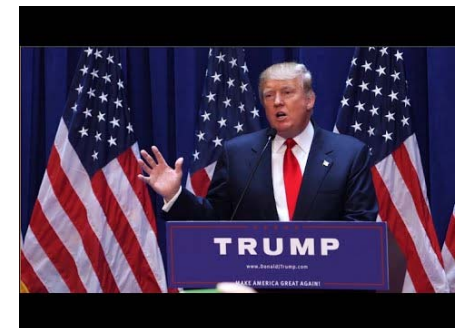
Performance review

The period under review continues to reflect financial results derived during a period of challenging environmental conditions exacerbated by high levels of political and economical volatility.

Macro environment



African
Economic
Outlook



Sum-of-the-Parts (SOTP)

Performance review

Zeder's SOTP declined since 28 February 2017 and closed at R7.17 on 26 September 2017.

1H2018

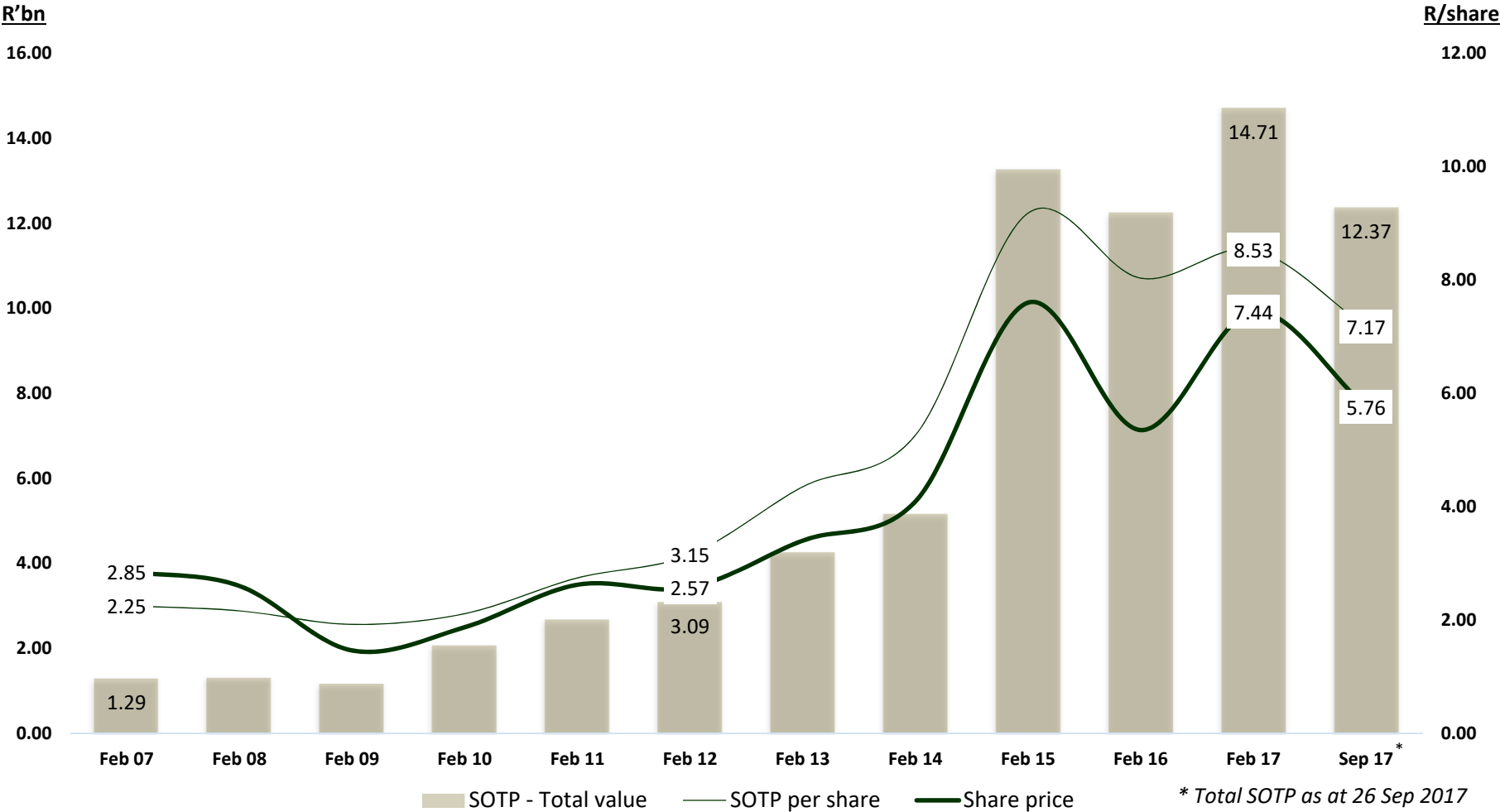
Company	28 Feb 2017		31 Aug 2017		26 Sep 2017	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Pioneer Foods	27,1	9 538	27,0	7 377	27,0	6 553
Capespan	98,1	1 975	97,5	2 277	97,5	2 277
Zaad	91,4	1 531	93,2	2 043	93,2	2 043
Kaap Agri	39,8	1 321	39,8	1 563	39,8	1 465
Agrivision	55,6	614	55,9	614	55,9	614
Quantum Foods	26,7	193	27,0	199	27,0	185
Other		39		39		39
Total investments		15 211		14 112		13 176
Cash		173		75		66
Other net liabilities		(678)		(876)		(874)
SOTP value		14 706		13 311		12 368
Number of shares in issue (<i>net of treasury shares</i>) (million)		1 725		1 725		1 725
SOTP value per share (rand)		8,53		7,72		7,17

Intrinsic value

Performance review

Despite the recent decline, the longer term trend remains positive and should resume.

Historical overview



Recurring headline earnings

Performance review

Challenging conditions affected portfolio resulting in Zeder's RHEPS declining by 74.5% during the first six months compared to the same period in the prior year.

1H2018

	Audited 28 Feb 2017 12 months Rm	Unaudited 31 Aug 2016 6 months Rm	Unaudited 31 Aug 2017 6 months Rm
Recurring headline earnings from investments	821	314	115
Management (base) fee	(75)	(75)	
Net interest, taxation and other income and expenses	(55)	(11)	(50)
Recurring headline earnings	691	228	65
<i>Non-recurring</i> headline earnings			
Management fee internalisation charge	(1 449)		
Other	(12)	(10)	9
Headline (loss)/earnings	(770)	218	74
Non-headline items	(26)	(4)	53
Attributable (loss)/earnings	(796)	214	127
Weighted average number of shares in issue (<i>net of treasury shares</i>) (million)	1 622	1 523	1 722
<i>Recurring headline earnings</i> per share (cents)	42,6	14,9	3,8
Headline (loss)/earnings per share – basic (cents)	(47,5)	14,3	4,3
Attributable (loss)/earnings per share – basic (cents)	(49,1)	14,0	7,4

Business overview

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.

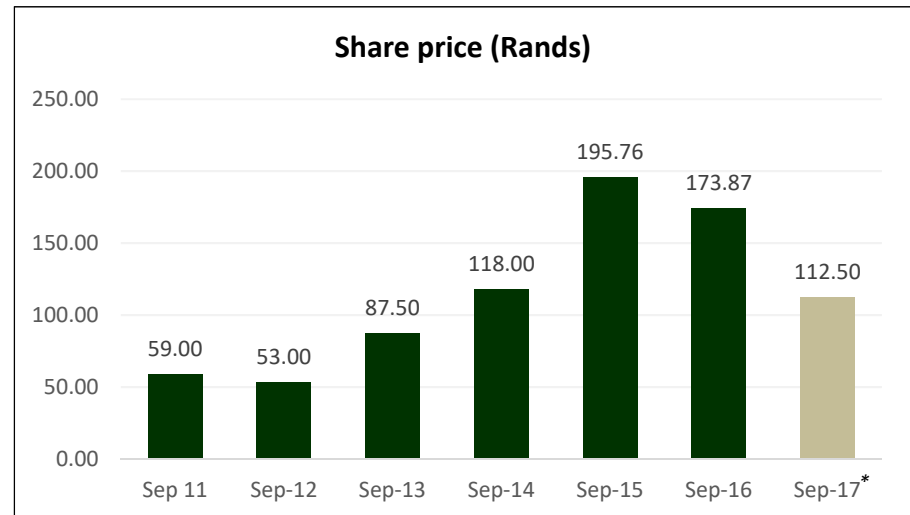
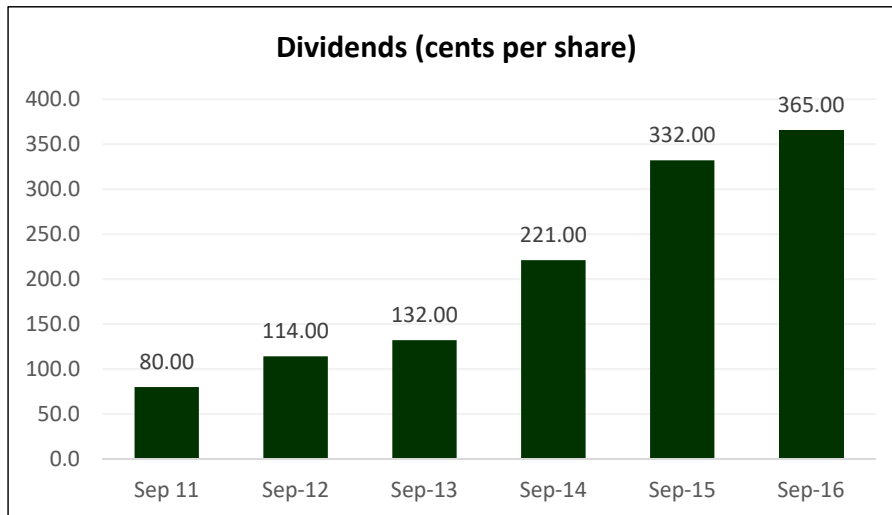
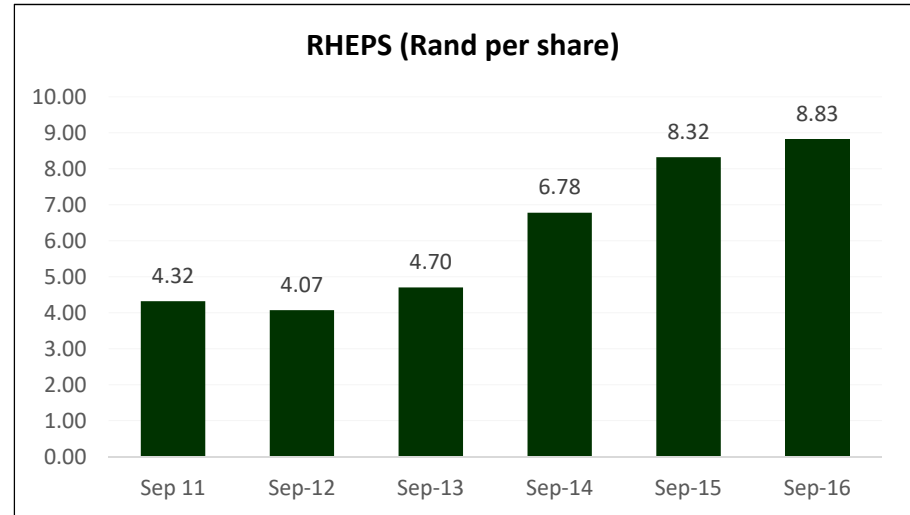
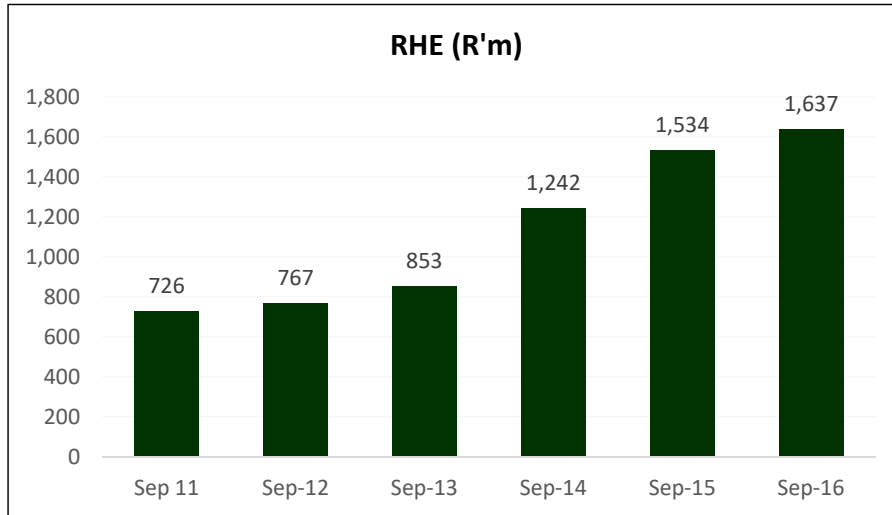
Portfolio evaluation



Historical performance

Portfolio evaluation

Pioneer has performed exceptionally well over the past 5 years but has experienced a pull-back from its highs of 2015...



* As at 26 Sep 2017

Interim results

Portfolio evaluation

... largely due to their weaker interim results reported for the 6-month period ended 31 March 2017. This was, in part, due to items that are unlikely to reoccur.



FINANCIAL REVIEW

Six months to 31 March 2017	
Revenue	↑ 2% to R10.2bn
Operating profit *	↓ 43% to R700m
Operating margin	↓ from 12% to 7%
HEPS *	↓ 47% to 253 cents
Cash generated by operations	↑ 27% to R875m
Interim dividend declared	↔ 105 cents

PROFIT MOVEMENT ANALYSIS

Major categories - unfavourable movement	Contribution	
Maize	R357m	58%
International fruit	R105m	17%
Beverages (Local & International)	R152m	25%
	R614m	100%
Other categories - favourable movement	R86m	
	↓	
	+15.5% EBIT growth	

* Adjusted for Phase I B-BBEE (charge)/income and for related hedge, as well

“Time is the friend of a wonderful company, and the enemy of the mediocre ”

(Apologies to W Buffett)



Seamless leadership change

Portfolio evaluation

Phil Roux elected to retire early as CEO and Tertius Carstens has been appointed as his successor.



Phil Roux
Group CEO
Until 30 September 2017



Tertius Carstens
Group CEO
Effective 1 October 2017

Business overview

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

Portfolio evaluation



Interim results

Portfolio evaluation

Capespan reported a decline in RHEPS for their 6-month period ended 30 June 2017. Prospects remain positive with strong NAV underpin.

CAPESPAN
GROUP LIMITED

Summarised Income Statement Key metrics	Dec 14		Dec 15		Dec 16		Jun 16		Jun 17	
	R'm	% Δ	R'm	% Δ	R'm		R'm	% Δ	R'm	
Revenue	7,392	4.0%	7,688	8.1%	8,311		4,161	-13.6%	3,597	
EBITDA	227	31.7%	299	-16.4%	250		70	-52.9%	33	
EBITDA margin	3.1%		3.9%		3.0%		1.7%		0.9%	
EBIT	169	30.2%	220	-29.5%	155		22	n/a	(23)	
EBIT margin	2.3%		2.9%		1.9%		0.5%		-0.6%	
Net finance income/(costs)	(3)	-1166.7%	(38)	-2.6%	(39)		(22)	63.6%	(36)	
Income from associates	61	18.0%	72	-41.7%	42		19	47.4%	28	
Recurring headline earnings	159	7.5%	171	-42.7%	98		(2)	1000.0%	(22)	
Headline earnings	97	40.2%	136	-33.8%	90		(10)	250.0%	(35)	
WANOS (m)	321		324		338		324		364	
Recurring HEPS (R)	0.49	8.2%	0.53	-45.3%	0.29		(0.01)		(0.06)	
Net asset value per share (R)	4.62	35.5%	6.26	-14.2%	5.37		5.77		5.08	

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.



Interim results

Zaad reported similar results for its 6-months as new investments contributed positively.

Portfolio evaluation



Summarised Income Statement Key metrics	Feb 15	% Δ	Feb 16	% Δ	Jan 17	Jul 16	% Δ	Jul 17
	R'm		R'm		R'm	R'm		R'm
Revenue	947	29.5%	1,226	10.0%	1,349	512	-3.3%	495
EBITDA	142	63.4%	232	-5.6%	219	24	-20.8%	19
EBITDA margin	15.0%		18.9%		16.2%	4.7%		3.8%
EBIT	120	64.2%	197	-6.1%	185	8	n/a	(2)
EBIT margin	12.7%		16.1%		13.7%	1.6%		-0.4%
Recurring headline earnings	77	36.4%	105	26.7%	133	(6)	16.7%	(7)
Headline earnings	74	41.9%	105	24.8%	131	(11)	0.0%	(11)
WANOS (m)	17		20		22	21		24
Recurring HEPS (R)	4.44	20.0%	5.33	13.3%	6.04	(0.27)	11.1%	(0.30)

Business overview

Portfolio evaluation

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



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.



Interim results

Portfolio evaluation

Kaap Agri reported an increase of 12.4% in RHEPS for their 6-month period ended 31 March 2017.

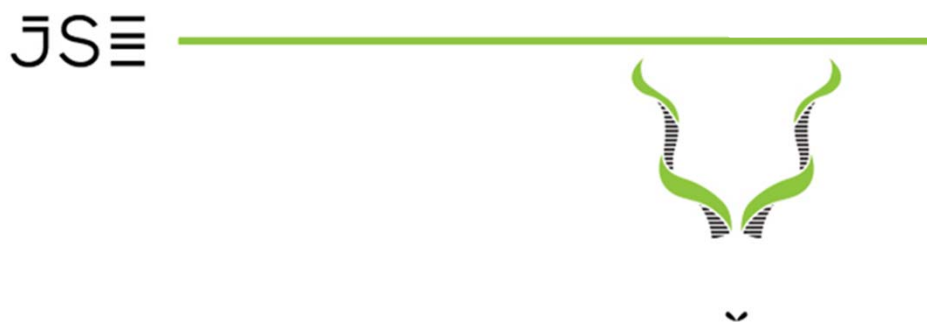


Summarised Income Statement Key metrics	Sep 14	% Δ	Sep 15	% Δ	Sep 16	Mar 16	% Δ	Mar 17
	R'm		R'm		R'm	R'm		R'm
Revenue	4,875	9.6%	5,341	5.8%	5,653	3,041	13.7%	3,457
EBITDA	263	18.3%	311	18.3%	368	219	16.0%	254
<i>EBITDA margin</i>	5.4%		5.8%		6.5%	7.2%		7.3%
EBIT	243	19.8%	291	16.2%	338	204	16.7%	238
<i>EBIT margin</i>	5.0%		5.4%		6.0%	6.7%		6.9%
Recurring headline earnings	158	15.8%	183	14.8%	210	131	12.2%	147
Headline earnings	158	15.8%	183	14.8%	210	131	10.7%	145
WANOS (m)	70		70		70	70		70
Recurring HEPS (R)	2.24	15.6%	2.59	15.3%	2.99	1.85	12.4%	2.08
Net asset value per share (R)	15.83		17.81		19.95	19.09	11.7%	21.32

Successful JSE listing

Portfolio evaluation

The group successfully listed on the JSE and communicated ambition to generate annual profits in excess of R500m in the medium to long term.



THE JSE WELCOMES KAAP AGRI LIMITED TO THE MAIN BOARD

The sound of the African kudu horn will echo as we celebrate the listing of Kaap Agri Limited on the JSE Main Board.

The Kaap Agri group specialises in retail and trade in agricultural, fuel and related retail markets in Southern Africa. With its strategic footprint, infrastructure, facilities and client network, it follows a differentiated market approach. In support of the core retail business, Kaap Agri also offers financial, grain handling and agency services.

DATE: Monday, 26 June 2017

TIME: 08:30 - 09:15

VENUE: The JSE, One Exchange Square, Gwen Lane, Sandown

- Listed on the JSE main board
 - Monday, 26 June 2017
 - Encouraging market response
- Restructuring over past 5 years
 - Clear divisional approach
 - Business growth plans in place
 - Organic growth prospects
- New chapter for organisation
 - Unique positioning
 - Agri foundation with retail and fuel
 - M&A not a requirement but now better positioned to drive if/when appropriate

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

Interim results

Agrivision reported a loss of \$2.1m for its 6-month period ended 30 June 2017. Operations functioning very well but low levels of commodity pricing challenging.

Portfolio evaluation



Agrivision Africa

Summarised Income Statement	Dec 14	Δ%	Dec 15	Δ%	Dec 16
	\$'000		\$'000		\$'000
Revenue	32,532	-2.5%	31,711	25.2%	39,718
EBITDA	3,576	-38.5%	2,199	233.2%	7,326
EBITDA margin	11.0%		6.9%		18.4%
EBIT	5		(955)	n/a	4,305
EBIT margin	0.0%		-3.0%		10.8%
Recurring headline earnings	(3,385)		(3,615)	n/a	1,306
Headline earnings	(4,016)		(5,955)	n/a	3,645
Wanos (m)	1.3		1.9		1.9
Recurring HEPS (\$)	(2.60)		(1.90)		0.69
Net asset value per share (\$)	30.64		19.08		55.15*

Jun 16	Δ%	Jun 17
\$'000		\$'000
17,828	-0.2%	17,795
4,095	n/a	(344)
23.0%		-1.9%
2,366	n/a	(1,920)
13.3%		-10.8%
2,596	n/a	(2,106)
2,596	n/a	(2,106)
1.9		1.9
1.40	n/a	(1.13)
19.08	n/a	53.77*

* Adjusted as per formal US\$-based 3rd party valuation conducted in November 2016

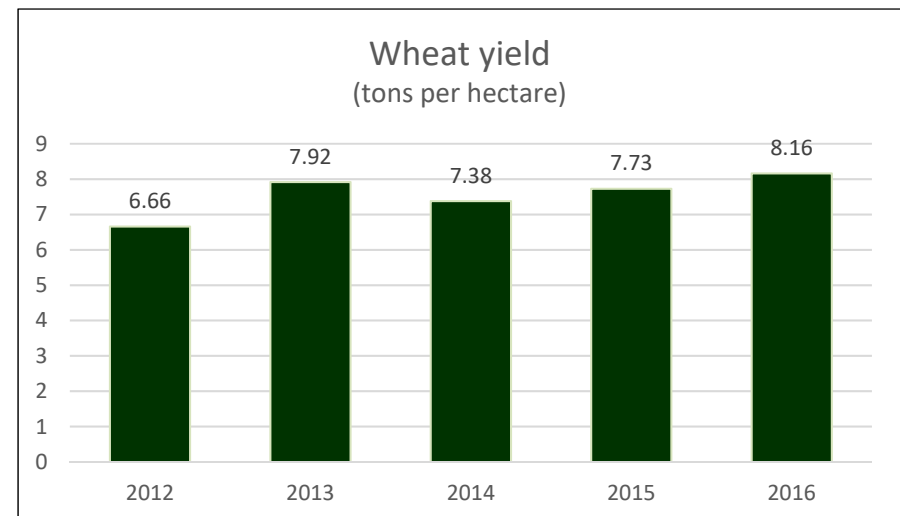
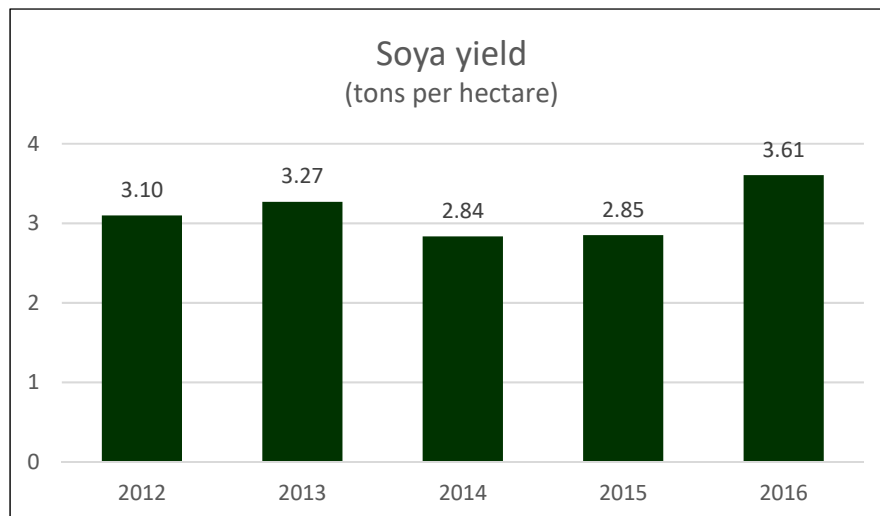
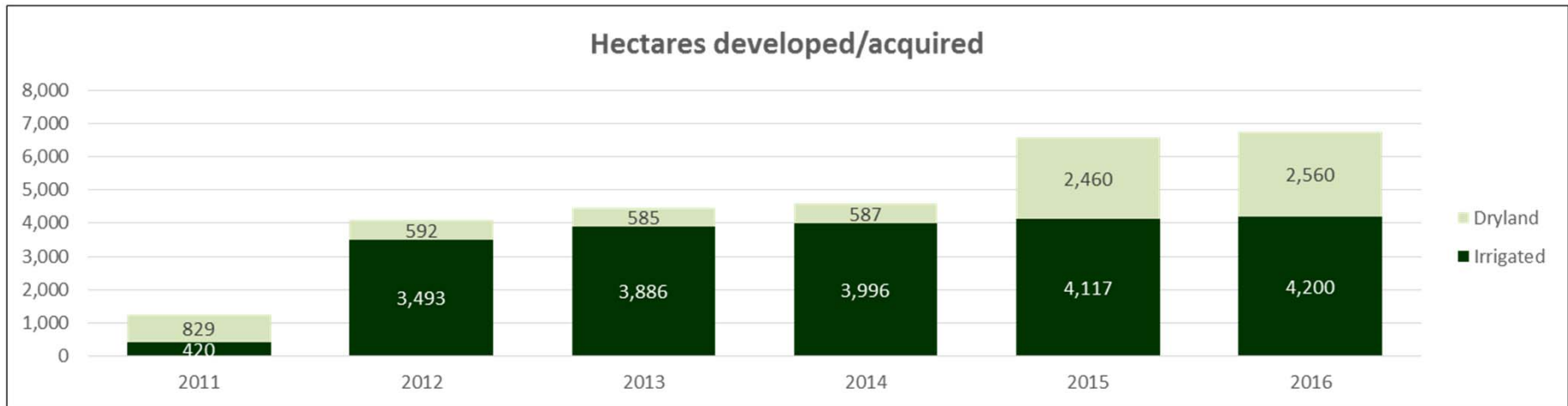
Agricultural performance.

We have a total of 6,700 ha (4,200 ha irrigated) and deliver acceptable average yields.

Portfolio evaluation



Agrivision Africa



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.



Interim results

Portfolio evaluation

Quantum's reported a decline of 16% in its HEPS for their 6-month period ended 31 March 2017. Challenging environment but lower commodity pricing likely to benefit going forward.



STATEMENT OF INCOME

Six months ended 31 March	2017 Rm	2016 Rm	% change
Revenue	2 040.9	1 807.6	▲ 13
Operating profit*	42.3	76.5	▼ 45
Income from associates	0.4	(0.3)	
Net finance income	2.5	5.2	
Profit before tax	45.2	81.4	
Tax	(13.1)	(20.7)	
Profit for the period	32.1	60.7	
* Operating profit includes capital items	3.7	36.1	
Adjusted operating profit	38.6	40.4	▼ 5
Adjusted operating margin	1.9%	2.2%	
EPS - cents	13.9	26.0	▼ 47
HEPS - cents	12.4	14.8	▼ 16

Prospects

Conclusion

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

General commentary

- We have a strong and well diversified portfolio that provides us with broad exposure to the industry
- We have worked hard internally on and within the underlying companies to ensure that they are aligned and prepared to deliver sustainable growth
- Significant progress continues to be made internally within companies, but full results may only be visible in medium term
- Focus is on recovery in the short term with platform growth continuously pursued
- New and adjacent opportunities are reviewed on an ongoing basis
- Despite the short-term challenges, there are opportunities and we remain committed to deliver attractive shareholder returns over the next 5 years.



Thank you