



Full Year Results

For the year ended 29 February 2020

Presented by:

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Chief Executive Officer

- Corporate overview
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- Portfolio review
- Prospects and outlook
- Questions



An investment holding company

Corporate 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 defendable 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-Sahara Africa (direct)
 - Rest of World (via portfolio)
- Criteria:**
 - Arbitrage
 - Undervalued
 - Growth sectors
 - Consolidation
- Influence:**
 - Active
 - Boards
 - Management
 - Strategy
 - Transactions

Invest in **and build** businesses – *and deliver returns to our shareholders*

Category 1 disposal

Noteworthy transactions

The disposal of Zeder's interest in Pioneer Foods was successfully implemented on 23 March 2020.



- PepsiCo acquired the entire issued share capital of Pioneer Foods
- The main terms of the transaction were contained in detailed SENS announcements, circulars and market communication.
- The disposal included the following:
 - All cash payment to acquire 100% of the Pioneer Foods shares in issue @ R110 per share
 - This represented a 56.5% premium to the Pioneer Foods 30-day VWAP of R70.31 per share as at 12 July 2019
 - The final dividend of R2.19 was received by Pioneer shareholders on top of offer consideration
 - Pioneer Foods has now been delisted
- This disposal was duly approved by Zeder shareholders
- The final amount received by Zeder was R6.41bn

- Zeder is grateful for its long and proud association with Pioneer Foods and its stakeholders – thank you to all
- Zeder wishes PepsiCo, as new beneficial owner of Pioneer Foods, and all employees the very best going forward...

Application of the proceeds

Noteworthy transactions

Zeder has used a portion of the proceeds to settle all its debt and related obligations and declared a special dividend of R3.93bn.



Application of proceeds

Gross proceeds from the disposal of investment in Pioneer Foods	R 6,408 m
Settlement of debt, transaction costs and directly related obligations	(R 1,547 m)
Net cash available following the full implementation of the disposal	R 4,861 m
Distribution to shareholders	R 3,935 m
Number of issued shares	1,711 m
Distribution per share	R2.30

Immediately following the application of the proceeds outlined above, Zeder will own its remaining investments with no material long-term debt and unencumbered cash reserves of R1bn as on 28 April 2020, after the special dividend has been paid.

Disposal and unbundling

Noteworthy transactions

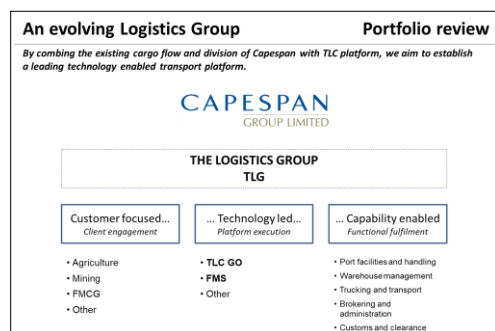
Capespan executed and implemented significant transactions and restructuring since the prior comparative period and the corresponding impact should be noted.



- Successfully disposed of the investment in China during 2018
- Fair value gains reported in headline earnings in *prior* period
- Transaction was successfully completed and proceeds received
- **Net cash received = R988m**
- Capital was applied to reduce Capespan group debt
 - All long-term debt was settled in SA
 - Short-term facilities were reduced
- Capespan's consolidated net debt was reduced significantly



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- Successfully separated and unbundled logistics division and merged with TLC on 3 January 2019
- Now two separate stand-alone investments under Zeder named:
 - Capespan Group Limited (CGL)
 - The Logistics Group (TLG)
- Comparative results for prior period on a stand-alone basis not available – indicative pro-forma indicators provided in slides

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Note: This slide included to provide context on the prior year comparable numbers for Capespan and The Logistics Group

Additional commitments

Noteworthy transactions

Zeder has committed an additional R200m-300m to Zaad during the period in order to fund its underlying transactions, as announced on SENS.



- Diversified specialist in the formulation, manufacture and supply of agrochemicals
- Number one supplier of agrochemicals to the sugar industry throughout Africa
- More than 130 product registrations in SA alone and a further 100 in other African countries
- Zaad acquired 50% in 2017 – exercised option to acquire remaining 50%
- Effective date was 1 September 2019



EAST AFRICAN SEED CO. LTD.

- Leading independent seed co in east and central African regions
- Operations in Kenya, Uganda, Rwanda, Tanzania and Zambia
- Wide distribution network in all major cities throughout eastern and central Africa
- Entered into agreement to acquire 40% equity
- Awaiting regulatory approvals

29 February 2020

- Investor sentiment and capital allocation towards country and sector continued to deteriorate during the period under review
- The **PepsiCo** offer for Pioneer Foods provided *SOTP value* underpin during the period
- **Intrinsic value** indicators:
 - *Sum-of-the-Parts increased to R5.95 per share (as on 7 April 2020)*
 - *Share price increased to R4.32 per share (as on 7 April 2020)*
 - *Discount remains around 27%*
- Challenging operating environment amidst **constrained economic conditions**
 - *Recurring Headline Earnings per share increased by 18.4%*
 - *Headline Earnings per share decreased by 47.5% (due to significant positive effect of JWM disposal in prior period)*
 - *Attributable Earnings per share increased by 532.7%*
- Satisfactory cash generation and **strengthening of investee balance sheets**

Sum-of-the-Parts

Financial results

Zeder's SOTP value increased to R5.95 as at 7 April 2020.

29 February 2020

Company	28 Feb 2019		29 Feb 2020		7 Apr 2020	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Pioneer Foods	27.1	4 689	28.6	6 348		
Zaad	95.3	2 235	95.7	2 034	95.7	2 034
The Logistics Group	97.4	978	98.6	1 028	98.6	1 028
Capespan	97.4	1 193	96.7	999	96.7	999
Kaap Agri	41.1	959	41.0	723	41.0	652
Agrivision Africa	56.0	493	56.0	242	56.0	242
Quantum Foods	29.3	216	32.1	188	32.1	210
Other		19		19		21
Total investments		10 782		11 581		5 186
Cash and cash equivalents		254		83		4 948
Other net assets		109		40		43
Debt funding		(1 500)		(1 500)		
SOTP value		9 645		10 204		10 177
Number of shares in issue (<i>net of treasury shares</i>) (million)		1 710		1 710		1 710
SOTP value per share (rand)		5.64		5.97		5.95

- The PepsiCo offer for Pioneer Foods provided *SOTP value* underpin during the period
- Pioneer Foods investment converted into cash on 23 March 2020 - all debt was immediately settled
- Unencumbered cash of R4.95bn (as on 7 April 2020) - special dividend declared of R3.93 bn (to be paid on 28 April 2020)
- Unencumbered cash of R1.00bn immediately following the payment of special dividend (as on 29 April 2020 – projected)

Earnings

Financial results

Recurring Headline Earnings per share increased by 18.4%.

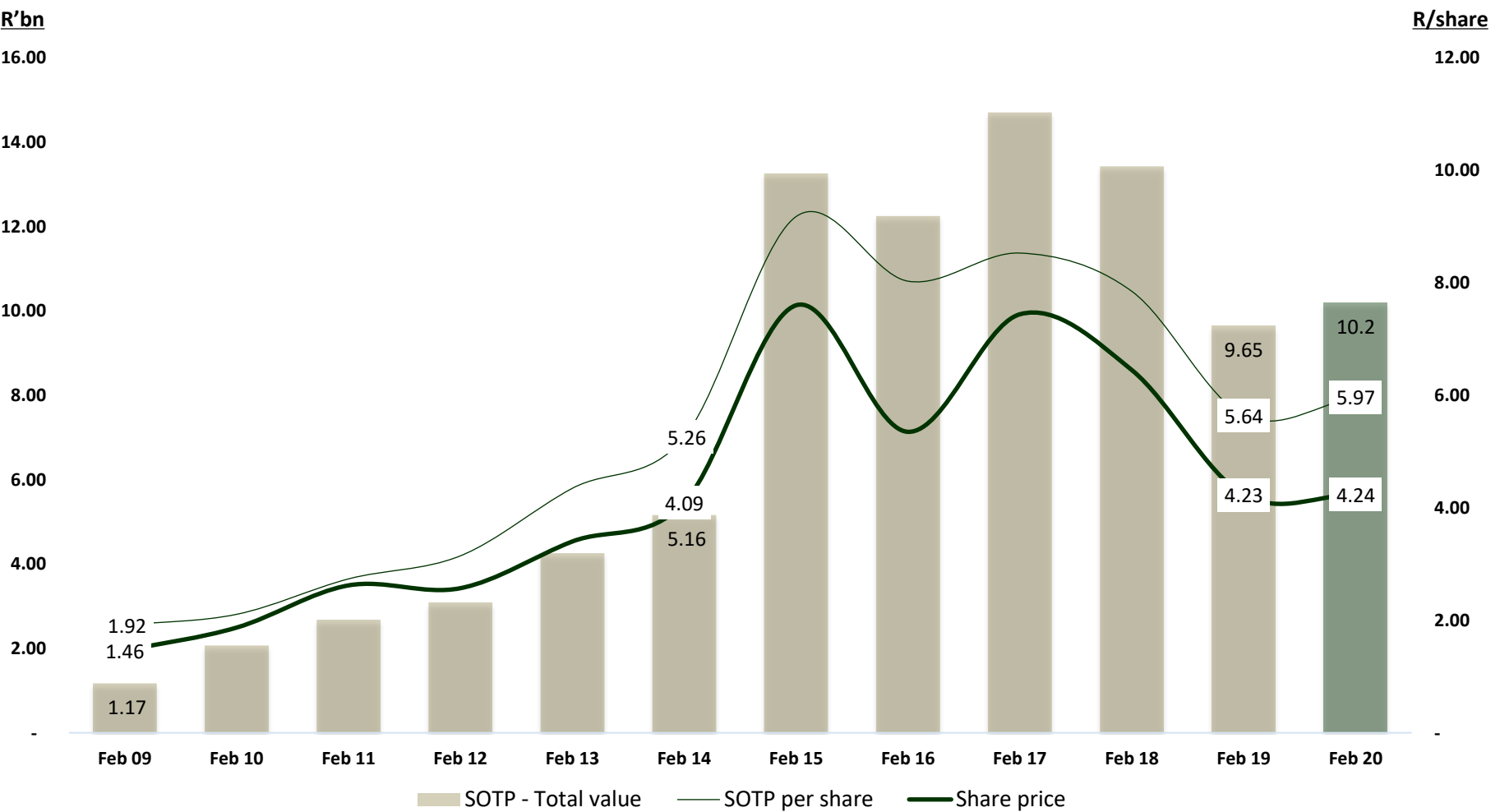
29 February 2020

REVIEWED	Audited 28 Feb 19 Rm	Change %	Reviewed 29 Feb 20 Rm
<i>Recurring</i> headline earnings from investments	604		725
Net interest, taxation and other income and expenses	(133)		(166)
<i>Recurring</i> headline earnings	471	18.7	559
Continued operations	177		263
Discontinued operations	294		296
<i>Non-recurring</i> headline earnings	296		(155)
Headline earnings	767	(47.3)	404
Continued operations	466		121
Discontinued operations	301		283
Non-headline items	(678)		157
Attributable earnings	89	530.3	561
Continued operations	374		(234)
Discontinued operations	(285)		795
Weighted average number of shares in issue (<i>net of treasury shares</i>) (million)	1 702		1 702
<i>Recurring</i> headline earnings per share (cents)	27.7	18.4	32.8
Headline earnings per share (cents)	45.1	(47.5)	23.7
Attributable earnings per share (cents)	5.2	532.7	32.9

Intrinsic value

Historical review








Valuations remain in a downward cycle but positively impacted by effect of the PepsiCo offer to acquire Pioneer Foods.



Strategic interests across value chain

Portfolio review

The remaining portfolio offers strategic exposure to meaningful and leading companies across value chain with strong management teams focused on driving growth in the long-term.

Company	Salient features	Zeder Share	Zeder Value	Indicative value of 100%
	<ul style="list-style-type: none"> Leading independent non-GMO, Hybrid Seed Company Broad basket of Agri-seeds and strategic Agri-inputs Advanced R&D with proprietary Intellectual Property 	95.7%	R 2,034 m	R 2,125 m
	<ul style="list-style-type: none"> South Africa's leading Agri-retailer Leading Western Cape grain handler + related services Well established Fuel-retail and wholesale division 	41.0%	R 723 m	R 1,763 m
	<ul style="list-style-type: none"> Port and warehousing assets in CT, Dbn, PE and Maputo Inland warehousing plus related services Leading proprietary tech-led logistical platform 	98.6%	R 1,028 m	R 1,043 m
	<ul style="list-style-type: none"> South Africa's leading fruit exporter with primary production Global fruit marketing offices ensuring global retail access Proprietary trading platform under development 	96.7%	R 999 m	R 1,033 m
	<ul style="list-style-type: none"> Zambia's 2nd largest commercial grain farming enterprise Regionally dominant maize and wheat milling operations Significant development and acquisition completed 	56.0%	R 242 m	R 432 m
	<ul style="list-style-type: none"> South Africa's largest egg supplier (vertically integrated) Regionally dominant animal feeds operations Leading broiler, layer (grand-parent + parent) farming ops 	32.1%	R 188 m	R 586 m
	<ul style="list-style-type: none"> A vertical farming start-up with potential South African concept + patent + innovators Unique intellectual property with global application 	34.4%	R nil	R nil
			R 5,214 m	R 6,982 m

Note: CAN-Agri is a "large-startup" venture and Zeder has advanced loans to fund the initial construction and operations thereof. The company remains loss-making at present. From a prudency point of view, Zeder does not currently include any value to either the loans or investment for purposes of publishing its Sum-of-the-Parts or balance sheet numbers. This will be reviewed on an ongoing basis.

Portfolio review

Pioneer Foods reported a 5.6% decrease in adjusted RHEPS for the year ended 30 September 2019.



Historical overview

Summarised Income Statement	Sep 14	Sep 15	Sep 16	Sep 17	Sep 18	Sep 19
Historical	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	17,699	18,748	20,600	19,575	20,152	22,273
EBITDA	2,006	2,488	2,615	1,664	2,040	2,021
EBITDA margin	11.3%	13.3%	12.7%	8.5%	10.1%	9.1%
EBIT	1,716	2,153	2,273	1,277	1,603	1,388
EBIT margin	9.7%	11.5%	11.0%	6.5%	8.0%	6.2%
Recurring headline earnings	1,242	1,534	1,637	823	1,032	992
WANOS (m)	184	185	186	186	187	190
Recurring HEPS (R)	6.78	8.32	8.83	4.42	5.53	5.22
Dividend per share (cents)	221.0	332.0	365.0	365.0	365.0	324.0

Financial results

- Revenue increased by 10.5% to R22.3 bn
- Adjusted HEPS decreased by 5.6% to R5.22 per share
- Dividend of R3.24 declared

Key observations

- Constrained consumer spending and trading environment
- Acceptable market shares across portfolio
- PepsiCo transaction fully implemented

Note: Commentary relates to the financial of Pioneer Foods for their period ended 30 September 2019

Zeder disposed of all its interests in Pioneer Foods on 23 March 2020 for a total consideration of R6.41 bn and will not report on this investment going forward

Portfolio review

Capespan reported a recurring loss of R36m for their year ended 31 December 2019.

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Historical overview

Summarised Income Statement	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18	Dec 19
Historical	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	7,392	7,688	8,311	6,619	5,557	3,951
EBITDA	227	299	250	241	172	72
EBITDA margin	3.1%	3.9%	3.0%	3.6%	3.1%	1.8%
EBIT	169	220	155	123	40	(10)
EBIT margin	2.3%	2.9%	1.9%	1.9%	0.7%	(0.2%)
Recurring headline earnings	159	171	98	78	(21)	(36)
WANOS (m)	321	324	338	362	366	369
Recurring HEPS (R)	0.49	0.53	0.29	0.21	(0.06)	(0.10)
Net asset value per share (R)	4.62	6.26	5.37	5.01	5.55	2.80

Financial results

- No stand-alone results in prior year (consolidated with TLG)
- Revenue decline reflects unbundling of TLG
- Dec 2019 results represent Fruit and Farming business only
- Reported a *recurring* headline loss of R36m

Key observations

- Unbundling of TLG completed on 3 January 2019
- New operating model launched – costly restructuring completed
- Farming operation performed well with significant improvement from prior year losses
- No material net debt – strong balance sheet (NAV underpin)

TLG reported a recurring headline profit of R128m for its year ended 31 December 2019.



Historical overview

Summarised Income Statement	Dec 15	Dec 16	Dec 17	Dec 18	Dec 19
Historical	R'm	R'm	R'm	R'm	R'm
Revenue	523	511	609	794	949
EBITDA	172	122	172	226	321
<i>EBITDA margin</i>	32.9%	23.9%	28.2%	28.5%	33.8%
EBIT	136	84	120	165	204
<i>EBIT margin</i>	26.0%	16.4%	19.7%	20.8%	21.5%
Recurring headline earnings	79	42	89	125	128
WANOS (m)	323	338	364	366	367
Recurring HEPS (R)	0.24	0.12	0.24	0.34	0.35

Financial results

- Revenue of R949m
- EBITDA of R321m
- *Recurring* headline earnings of R128m

Key observations

- Unbundling from Capespan completed – stand alone Logistics Group going forward
- Diversification of cargo and capabilities well advanced and delivering results
- Positive momentum with business positioning and expansion
- Strong cash generation

Kaap Agri reported an increase of 5.9% in RHEPS for their year ended 30 September 2019.



Historical overview

Summarised Income Statement	Sep 14	Sep 15	Sep 16	Sep 17	Sep 18	Sep 19
Historical	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	4,875	5,341	5,653	6,416	6,549	8,452
EBITDA	263	311	370	447	478	550
<i>EBITDA margin</i>	<i>5.4%</i>	<i>5.8%</i>	<i>6.5%</i>	<i>6.8%</i>	<i>7.3%</i>	<i>6.5%</i>
EBIT	243	291	338	402	431	493
<i>EBIT margin</i>	<i>5.0%</i>	<i>5.4%</i>	<i>6.0%</i>	<i>6.2%</i>	<i>6.6%</i>	<i>5.8%</i>
Recurring headline earnings	158	183	210	248	249	263
WANOS (m)	70	70	70	70	70	70
Recurring HEPS (R)	2.24	2.59	2.98	3.52	3.54	3.75
Net asset value per share (R)	15.83	17.81	19.95	22.45	24.84	27.42
Dividend per share (cents)	65.0	82.0	94.5	112.0	116.7	123.5

Financial results

- Revenue of R8.45bn (+29.1%)
- EBITDA of R550m (+15.1%)
- RHEPS of 375 cents per share (+5.9%)

Key observations

- Revenue growth under tough trading conditions
- Forge acquisition effective 1 October 2018.
- Improvement in grain handling following good rains in WC

Portfolio review

Zaad reported a recurring headline per share increase of 7.9% for their year ended 31 January 2020.



Historical overview

Summarised Income Statement	Feb 15	Feb 16	Jan 17	Jan 18	Jan 19	Jan 20
Historical	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	947	1,217	1,344	1,409	1,635	2,113
EBITDA	142	223	222	223	253	419
EBITDA margin	15.0%	18.3%	16.5%	15.8%	15.4%	19.8%
EBIT	120	188	185	173	200	358
EBIT margin	12.7%	15.4%	13.8%	12.3%	12.2%	17.0%
Recurring headline earnings	77	98	133	123	131	169
WANOS (m)	17	20	22	24	27	33
Recurring HEPS (R)	4.44	4.97	6.04	5.03	4.76	5.13
Net asset value per share (R)	29.00	41.28	41.86	46.90	50.40	50.59

Financial results

- Revenue of R2.1bn
- EBITDA of R421m
- *Recurring* headline earnings R169m

(Note – results for Jan 2020 includes consolidation of 100% of FarmAg)

Key observations

- Core established businesses did not perform to expectations – tough trading conditions
- Africa operations reported improved financial results ***BUT*** benefitted from currency and inflationary accounting impacts (i.e. Zim hyperinflationary impact)
- Agriculture conditions for upcoming season appears positive – but too early to tell

Agrivision reported a recurring headline profit of US\$866k for their year ended 31 December 2019.



Agrivision Africa

Historical overview

Summarised Income Statement	Dec 14	Dec 15	Dec 16	Dec 17	Dec 18	Dec 19
Historical	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	32,532	31,711	39,718	34,994	30,571	33,932
EBITDA	3,576	2,199	7,326	1,726	3,373	1,338
<i>EBITDA margin</i>	<i>11.0%</i>	<i>6.9%</i>	<i>18.4%</i>	<i>4.9%</i>	<i>11.0%</i>	<i>3.9%</i>
Recurring headline (loss)/earnings	(3,385)	(3,615)	1,305	(4,109)	(983)	866
WANOS (m)	1.3	1.9	1.9	1.9	1.9	1.9
Recurring HEPS (\$)	(2.60)	(1.90)	0.69	(2.20)	(0.53)	0.47
Net asset value per share (\$)	30.64	19.08	55.15	52.55	49.45	50.35

Financial results

- Revenue of \$33.9M
- EBITDA of \$1.3m
- *Recurring* headline profit of \$866k

Key observations

- Zambian economy remains in challenging cycle
- Constrained consumer spending and trading environment
- Volatility of raw material pricing
- Better rainfall but pricing remained low

Portfolio review

Quantum Foods reported a decrease of 44% in HEPS and declared dividends of 25c per share during their year ended 30 September 2019.



Historical overview

Summarised Income Statement	Sep 14	Sep 15	Sep 16	Sep 17	Sep 18	Sep 19
Historical	R'm	R'm	R'm	R'm	R'm	R'm
Revenue	3,561	3,468	3,913	4,052	4,122	4,418
EBITDA	84	220	134	232	544	299
EBITDA margin	2.4%	6.3%	3.4%	5.7%	13.2%	6.8%
EBIT	(21)	164	124	170	473	245
EBIT margin	(0.6%)	4.7%	3.2%	4.2%	11.5%	5.5%
Recurring headline earnings	26	126	66	112	361	189
WANOS (m)	233	233	233	229	220	204
Recurring HEPS (R)	0.11	0.54	0.28	0.49	1.64	0.92
Net asset value per share (R)	6.26	6.49	6.89	7.03	8.82	9.57
Dividend per share (cents)	-	10.0	6.0	34.0	90.0	25.0

Financial results

- Revenue of R4.4bn (+7.2%)
- HEPS of 92 cents (-44%)
- Dividends of 25 cents

Key observations

- Egg prices normalised after Avian Flu highs – but oversupply anticipated – should have downward impact
- Cash generation remains strong
- No material debt – strong balance sheet

- **PepsiCo transaction enabled Zeder to:**
 - settle all debt
 - distribute R3.93bn through special dividend
 - retain R1bn in unencumbered cash reserves
- **Covid-19 crisis will inevitably have an impact:**
 - Most investee companies and divisions classified as “essential services/industries”
 - Operations have largely continued thus far
 - Balance sheets have been strengthened
 - Zeder in position to support if required
- **Market volatility and challenging trading conditions anticipated to remain in short-to-medium term**
- **Zeder and portfolio remain resilient - appropriately positioned**