



# Annual General Meeting

Presented by:

**Norman Celliers**

Chief executive officer

19 June 2015



*Our corporate strategy and business definition remains unchanged...*

- Long term value investor with a primary focus on Agribusiness, specifically the food and beverage sectors
- Listed on the JSE – ZED - hybrid private equity vehicle
- Key characteristics of investment considerations:
  - Growth sectors or subsectors
  - Management with proven track record
  - High barriers to entry
  - Unique and defensible products (brands)
  - Simple (easy to understand)
  - Scalable business models
  - Focused execution

*... with an expanded active strategy aimed at investing in and growing large businesses.*

## Before 2012

## Since 2012

### Industry:

- Agribusiness

- Agribusiness

### Sub-sector:

- Food and Beverages

- Food and Beverages

### Geography:

- South Africa (Direct)
- Rest of World (via portfolio)

- South Africa (Direct)
- Sub-Saharan Africa (Direct)
- Rest of World (via portfolio)

### Criteria:

- Arbitrage
- Undervalued

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- Undervalued
- Growth sectors
- Consolidation

### Influence:

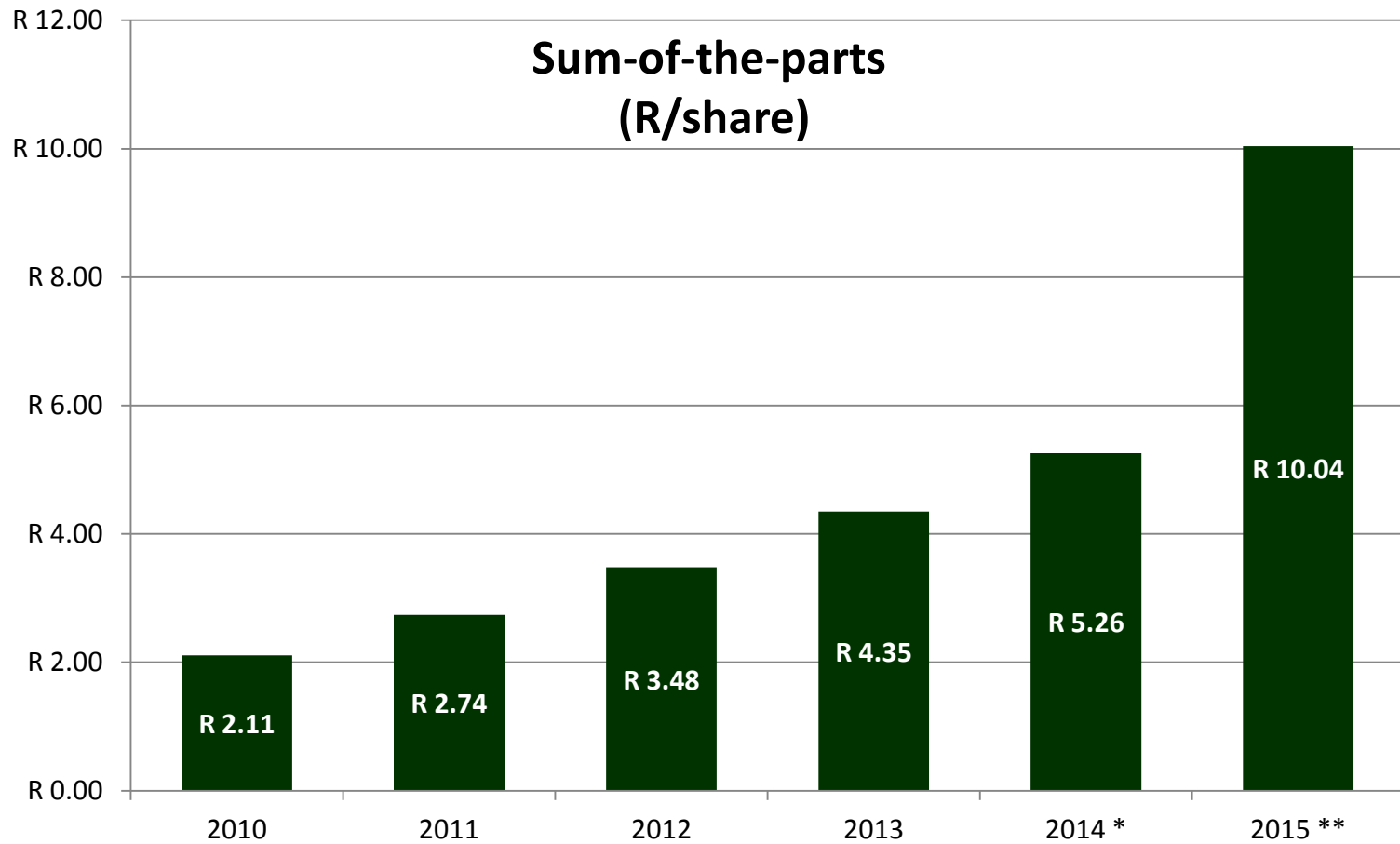
- Passive

- Passive
- **Active**

**Invest in and build the businesses of tomorrow**

# Full Year Results

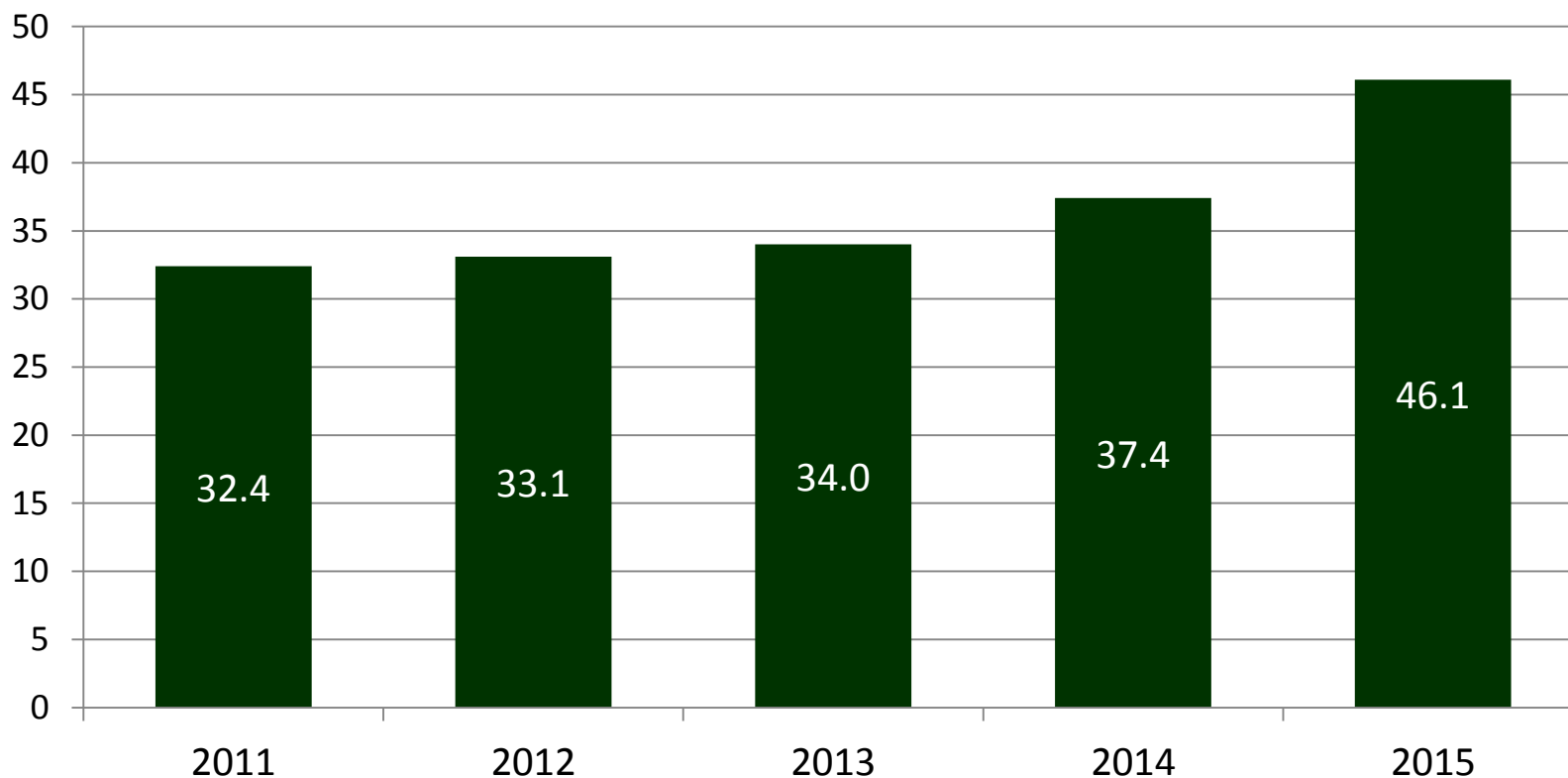
***Zeder's strong growth in SOTP has continued with a 91% increase on a per-share-basis over the past 16 months.***



# Full Year Results

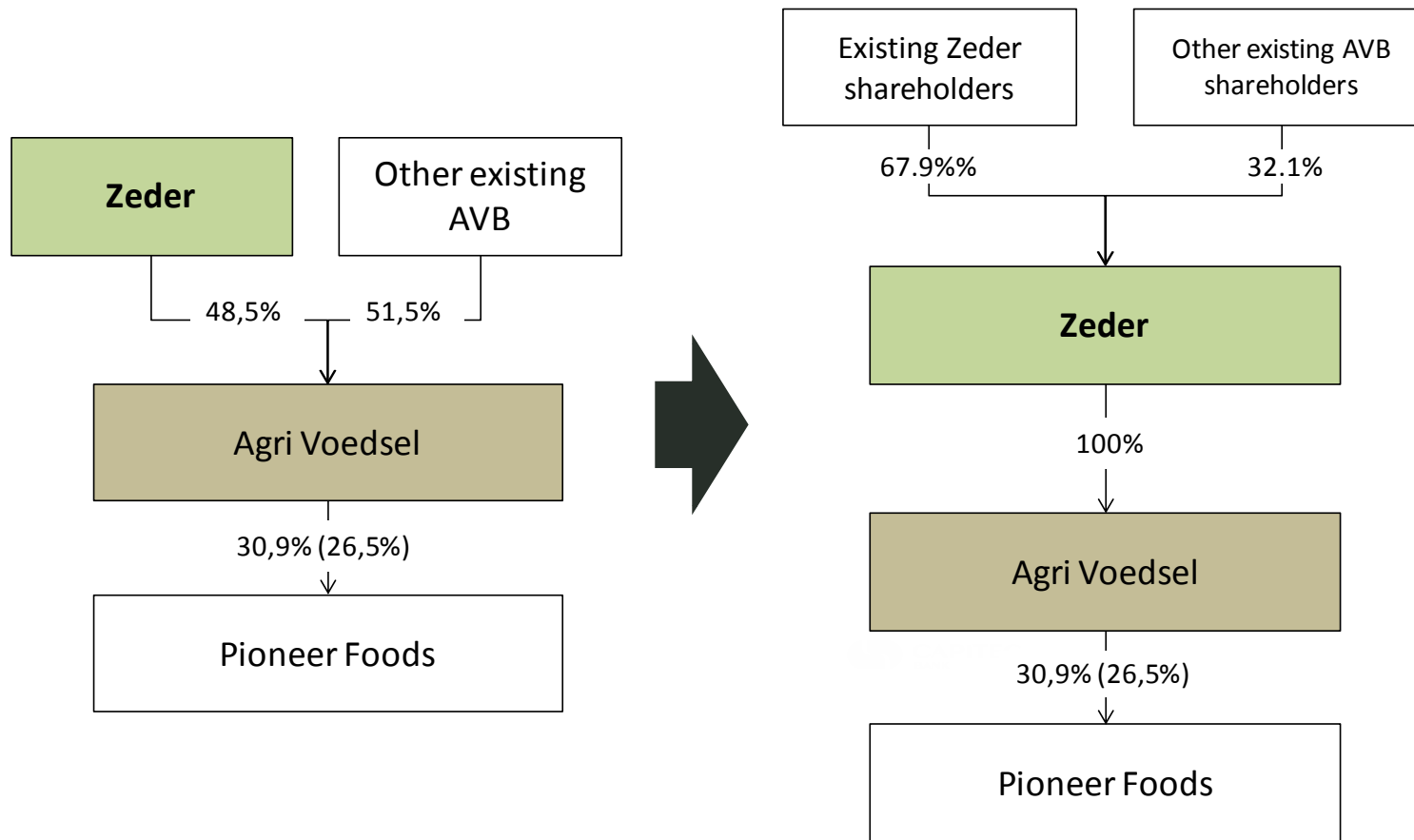
***Zeder's share in RHE from portfolio companies increased by 23% during FY2015 as investee companies delivered strong results.***

**Recurring headline earnings from portfolio companies  
(cents per share)**



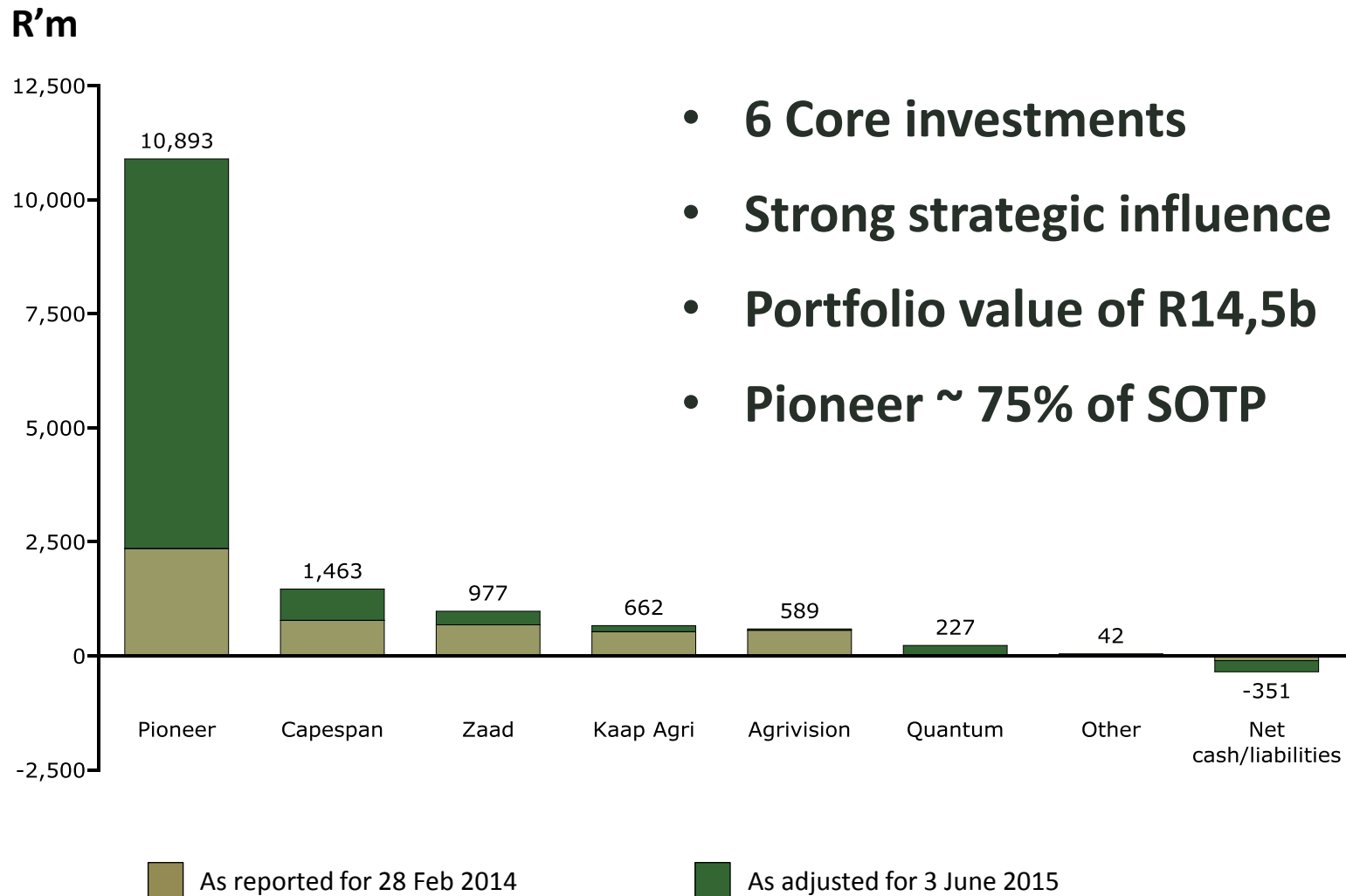
# Full Year Results

***Zeder successfully acquired an additional 13% in Pioneer through a transaction valued at R3,35b...***



# Full Year Results

*... and this, combined with the strong performance of Pioneer, contributed to an increase of R9,3b in SOTP value since 28 Feb 2014.*

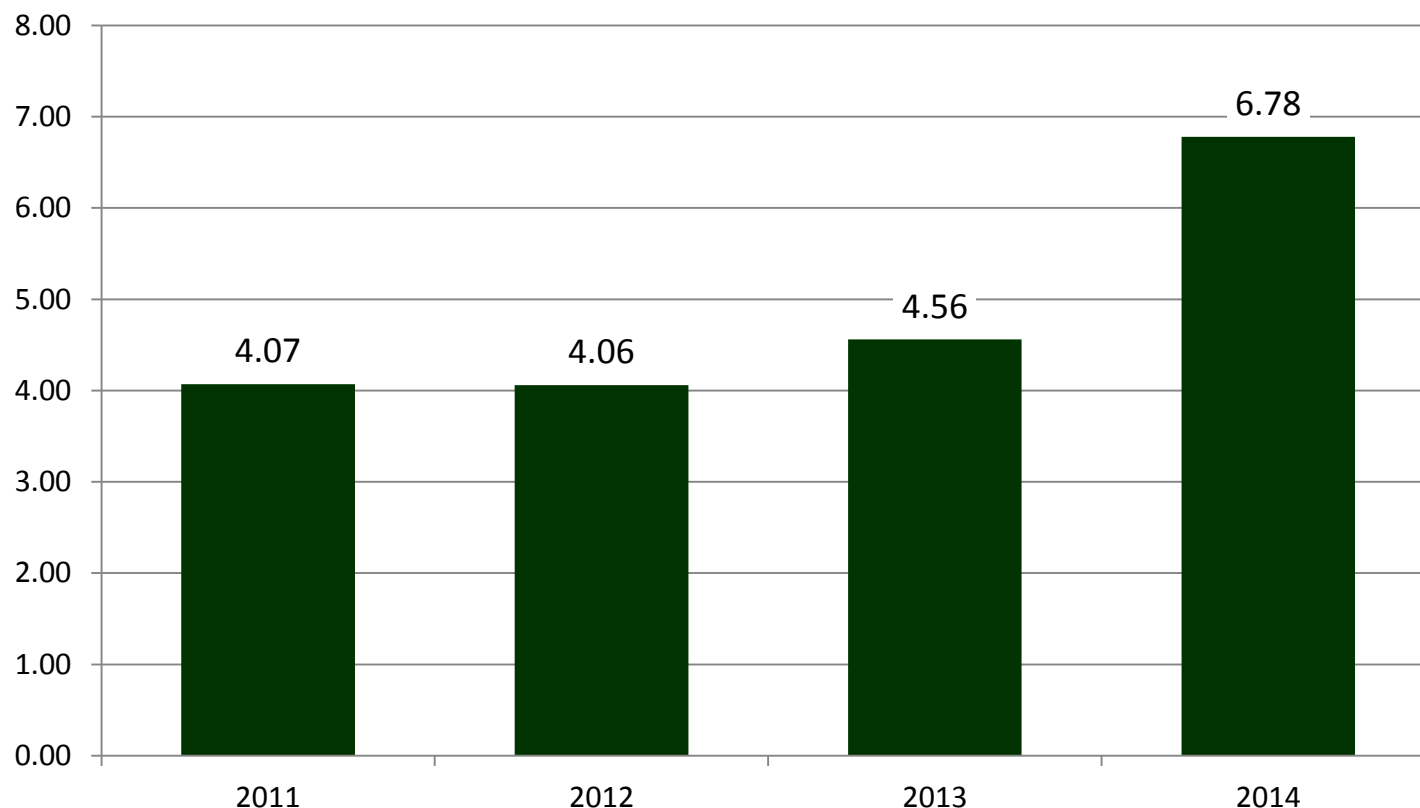




***Pioneer continues to deliver strong results and reported an increase of 37% in Adjusted FY Headline Earnings...***



## Adjusted Headline Earnings Per Share (Rand)



*Note: Pioneer's financial year-end is 30 September.*

*... and 39% for the interim results - the trend in operational margin improvement has to be commended.*



	1H 2012 *	1H 2013	1H 2014	1H 2015
Operating Profit (R'm)	624	581	855	1,166
<i>Gross Margin</i>	<i>28.9%</i>	<i>29.3%</i>	<i>30.3%</i>	<i>32.3%</i>
<i>Operating Margin</i>	<i>6.8%</i>	<i>7.2%</i>	<i>9.7%</i>	<i>12.3%</i>
Headline earnings per share (cents)	219	230	325	451

Thank you to Phil Roux (CEO), Leon Cronje, Felix Lombard, Tertius Carstens and entire senior team

# Portfolio review

*Capespan is growing as an organisation with significant strategic alignment underway.*

	2009	2010	2011	2012	2013*	2014
Revenue (R'm)	2 637	2 681	2 759	5 232	7 149	7 392
Recurring headline earnings (R'm)	64	73	64	99	139	159
Recurring headline earnings (c/share)	21	24	21	31	44	49

Zeder announced an offer to minority shareholders of Capespan:  
**85 Zeder Shares for every 100 Capespan shares offered**

***Capespan has two strong divisions, each with different but complimentary strategies and opportunities.***

## FRUIT



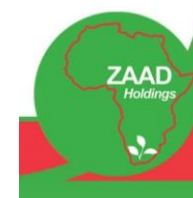
- Improving performance
- Expanding footprint/markets
- Adding capability in RSA
- Adding distribution in Asia/EU
- Exciting growth in China (GWM)

## LOGISTICS



- Realigning port assets
- Refurbishing Durban/Cape Town
- Growing Mozambique / KM4
- Investing in systems
- Evaluating expansion in Africa

*Zaad increased revenues while also investing significantly in new opportunities, both locally and internationally.*



	2010	2011	2012	2013	2014	2015
Revenue (R'm)	218	241	249	294	465	947
Recurring headline earnings (R'm)	20	26	28	36	54	77
<b>Recurring headline earnings (c/share)</b>	<b>227</b>	<b>292</b>	<b>314</b>	<b>349</b>	<b>406</b>	<b>444</b>

Invest, expand and grow in South Africa, Africa, Europe and Middle East



# Portfolio review

*With a strong product portfolio, proprietary IP and established market presence, growth is underway.*



# Portfolio review

***Kaap Agri continued to deliver strong results supported by non-agri growth.***



	2009	2010	2011	2012	2013	2014
Revenue (R'm)	2 274	2 450	2 624	4 233	5 530	6 528
Recurring headline earnings (R'm)	98	78	78	103	129	158
<b>Recurring headline earnings (c/share)</b>	<b>132</b>	<b>105</b>	<b>106</b>	<b>148</b>	<b>183</b>	<b>224</b>

Continue to invest and expand in Core-Agri offering while simultaneously investing in higher growth adjacencies

# Portfolio review

*With a strong footprint and historical base, opportunities exist to continue growing.*

**KAAP  AGRI**

## 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.





***Agrivision Africa remains in J-curve but has increased revenues and continues with growth***



Agrivision Africa

	2013	2014	Δ (%)
Revenue (R'm)	138	353	156
Operating (loss)/profit (R'm)	(2.4)	5.1	n/a
Recurring headline loss (R'm)	(10.9)	(11.7)	n/a



Successfully completed strategic equity participation of \$30m (~R360m)

*Farm expansions have continued while major investments were made down stream in Zambia.*



Agrivision Africa

## Farming & Development



- 4,500 ha (irrigated)
- 1,800 ha (dry-land)

## Milling & Processing



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

## Brands & Distribution



- Formal retail
- Distribution depots

# Portfolio review

*Following a period of extreme challenges in the industry, Quantum delivered improved results.*



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	2013	2014	Δ (%)
Revenue (R'bn)	3.5	3.6	3.1
Recurring headline (loss)/earnings (R'm)	(80)	26	n/a





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Very strong interim results released – R62m headline earnings

*Quantum Foods aims to be the leading feed and animal protein business in Africa.*



## Strategic intent per business area

Business area		Strategic intent
Animal feeds		Organic growth of the feeds business Acquisitive growth as opportunities arise
Eggs		Remain the leading fully integrated national egg business Ensure lowest cost of production Grow sales of layer livestock
Broilers		Extract value from Gauteng broiler business Exit the broiler meat market in the Western Cape
Related businesses in Africa		Further expansion on the African continent <b>Zambia</b> Grow the table egg and layer breeder business <b>Uganda</b> Invest in the table egg business <b>Further African opportunities</b> Explore other geographies

*We remain optimistic about the prospects of the group.*

- Strong existing portfolio and management teams
- Internal focus offers additional opportunities
- Platform growth and adjacency expansion attractive
- Strategic investment and diversification when appropriate



**Thank you**