



Full Year Results

FY2016

Presented by:
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Chief executive officer

April 2016



Agenda

- Business overview
- Full year results
- Portfolio review



Business overview

Our corporate strategy and business definition remains unchanged.

- **Long term active** 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:
 - Sustainable 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

Strategic focus

We aim to invest in and grow large businesses – the past 36 months priority was “Project Internal Focus”.

	Before 2012	Since 2012
Industry:	<ul style="list-style-type: none">• Agribusiness	<ul style="list-style-type: none">• Agribusiness
Sub-sector:	<ul style="list-style-type: none">• Food and Beverages	<ul style="list-style-type: none">• Food and Beverages• <i>Bio Fuels, Bio/Renewable energy*</i>• <i>Non-food (i.e. Rubber, timber)*</i>
Geography:	<ul style="list-style-type: none">• South Africa (Direct)• Rest of World (via portfolio)	<ul style="list-style-type: none">• South Africa (Direct)• Sub-Sahara Africa (Direct)• Rest of World (via portfolio)
Criteria:	<ul style="list-style-type: none">• Arbitrage• Undervalued	<ul style="list-style-type: none">• Arbitrage• Undervalued• Growth sectors• Consolidation
Influence:	<ul style="list-style-type: none">• Passive	<ul style="list-style-type: none">• Passive• Active

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

** No current investments in these sub sectors but broad evaluations considered*

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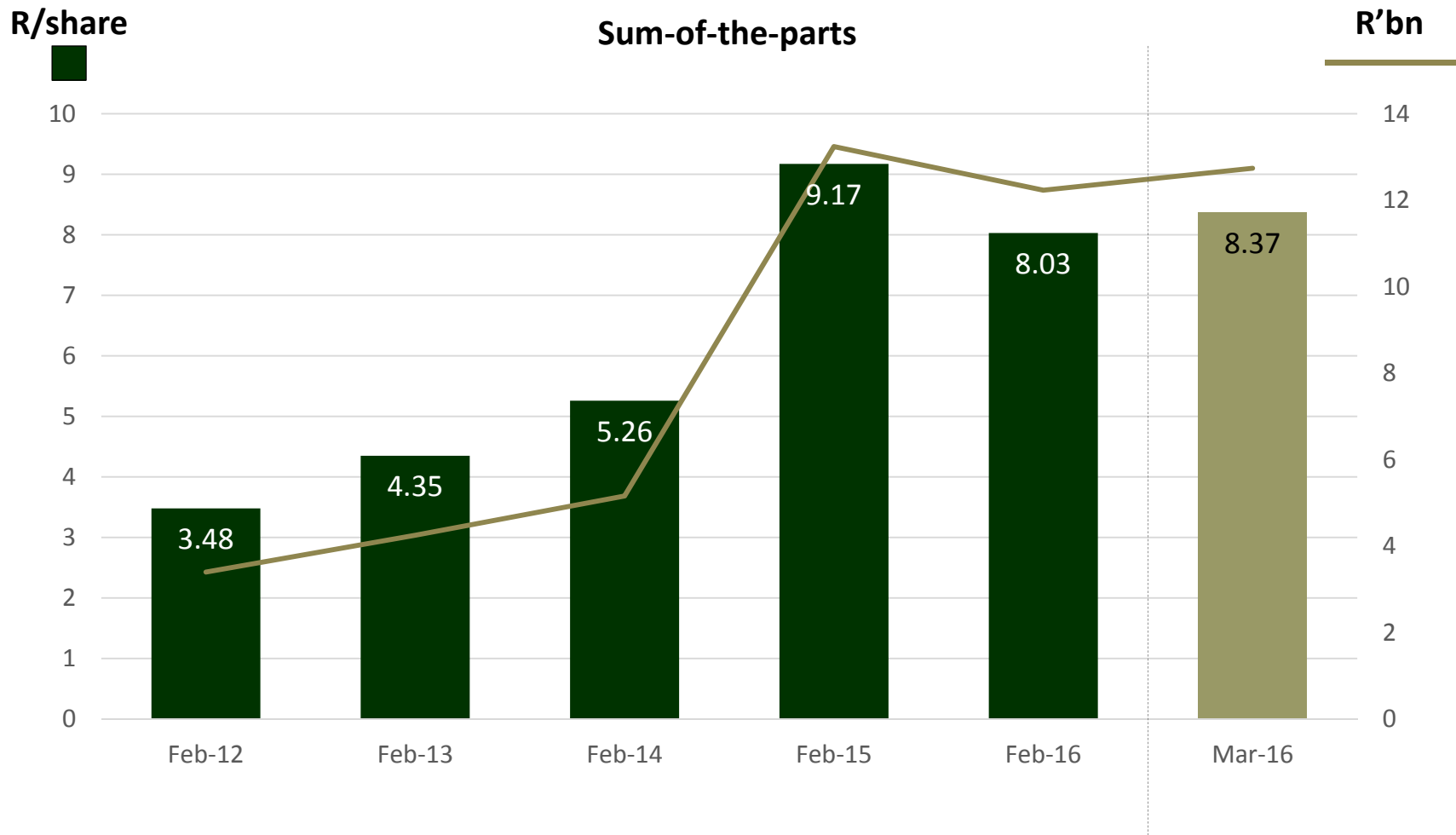
Financial results



	Feb 13	Feb 14	Feb 15	Feb 16	Y-o-Y Change	CAGR 3yrs
Sum of the parts (R'bn)	4.25	5.16	13.24	12.25	-7%	+42%
Recurring headline earnings from investments (R'm)	333	366	540	805	+49%	+34%
Recurring headline earnings (R'm)	251	300	414	632	+53%	+36%
Headline earnings (R'm)	196	261	257	545	+112%	+41%
Dividend (R'm)	39	44	79	137	+73%	+52%
Issued number of shares (m)	978	980	1,444	1,523		
Weighted number of issued shares (m)	978	980	1,172	1,490		
<i>Per share:</i>						
Sum of the parts (R)	4.35	5.26	9.17	8.03	-12%	+23%
Recurring headline earnings from investments (cents)	34.0	37.4	46.1	54.0	+17%	+17%
Recurring headline earnings (cents)	25.7	30.6	35.3	42.4	+20%	+18%
Headline earnings (cents)	20.1	26.6	22.0	36.5	+66%	+22%
Dividend (cents)	4.0	4.5	5.5	9.0	+64%	+31%

Sum-of-the-parts

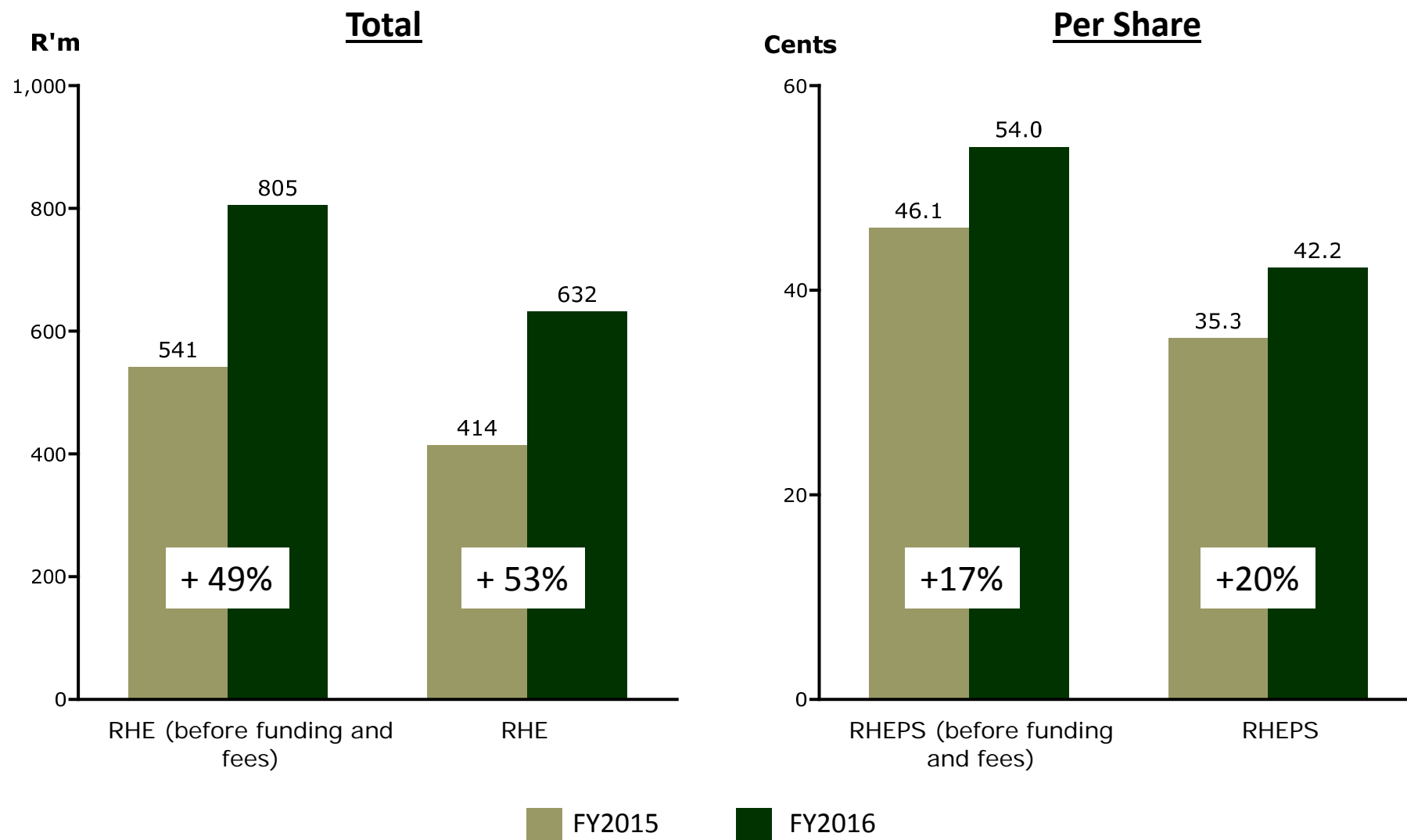
The value of Zeder's portfolio was R12,7bn on 31 March 2016.



Note: Decrease in sum-of-the-parts value largely due to 21% decrease in Pioneer share price during the period

Recurring headline earnings

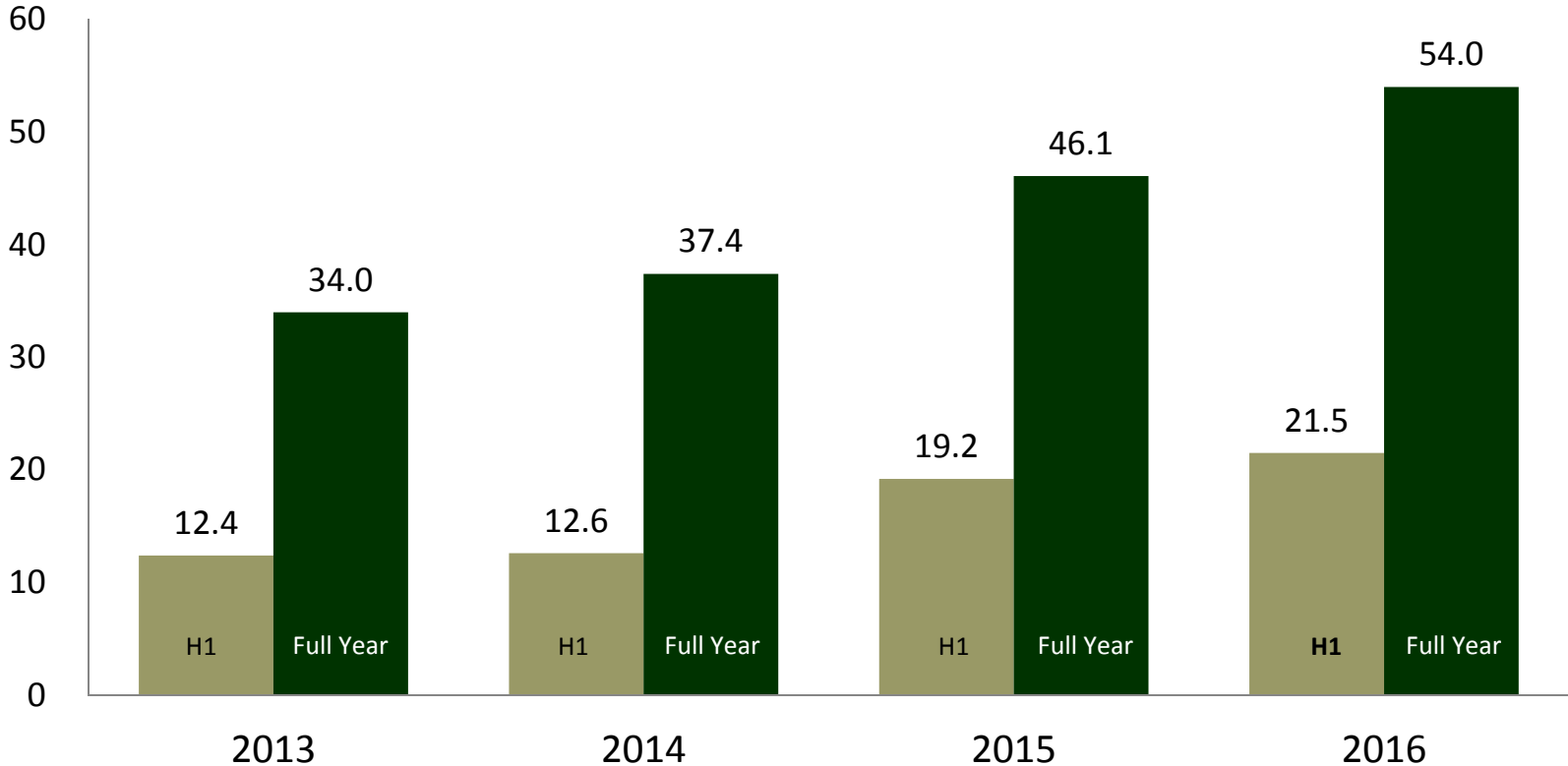
Recurring headline earnings increased by 20% per share.



Earnings from investments

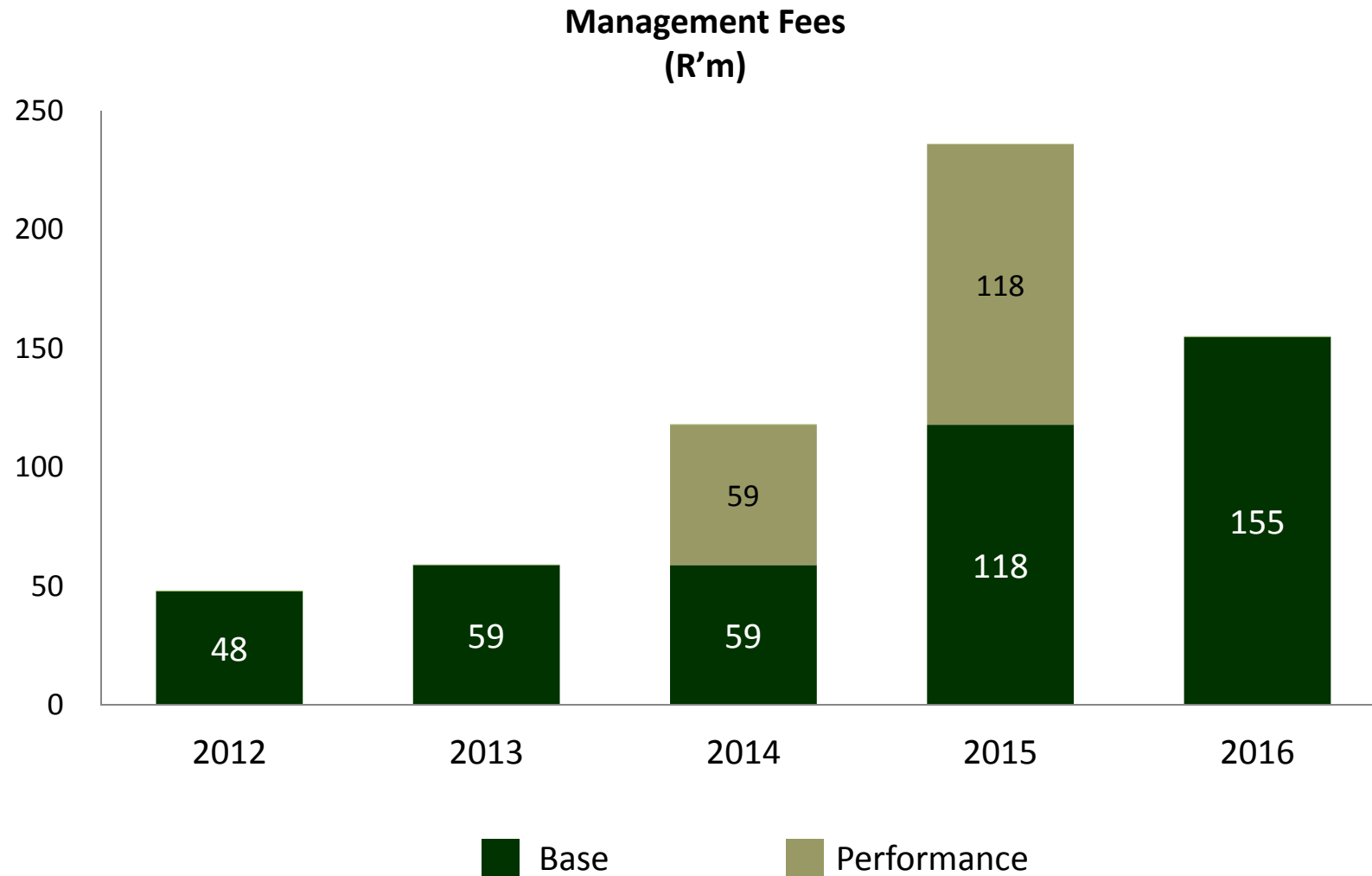
The improved trend in RHEPS growth from underlying investee companies has been maintained.

Recurring headline earnings from investments before funding and fees
(cents per share)



Management fees

Due to the downward pressure on Zeder's share price during the year, no performance fees were paid to PSG Group.



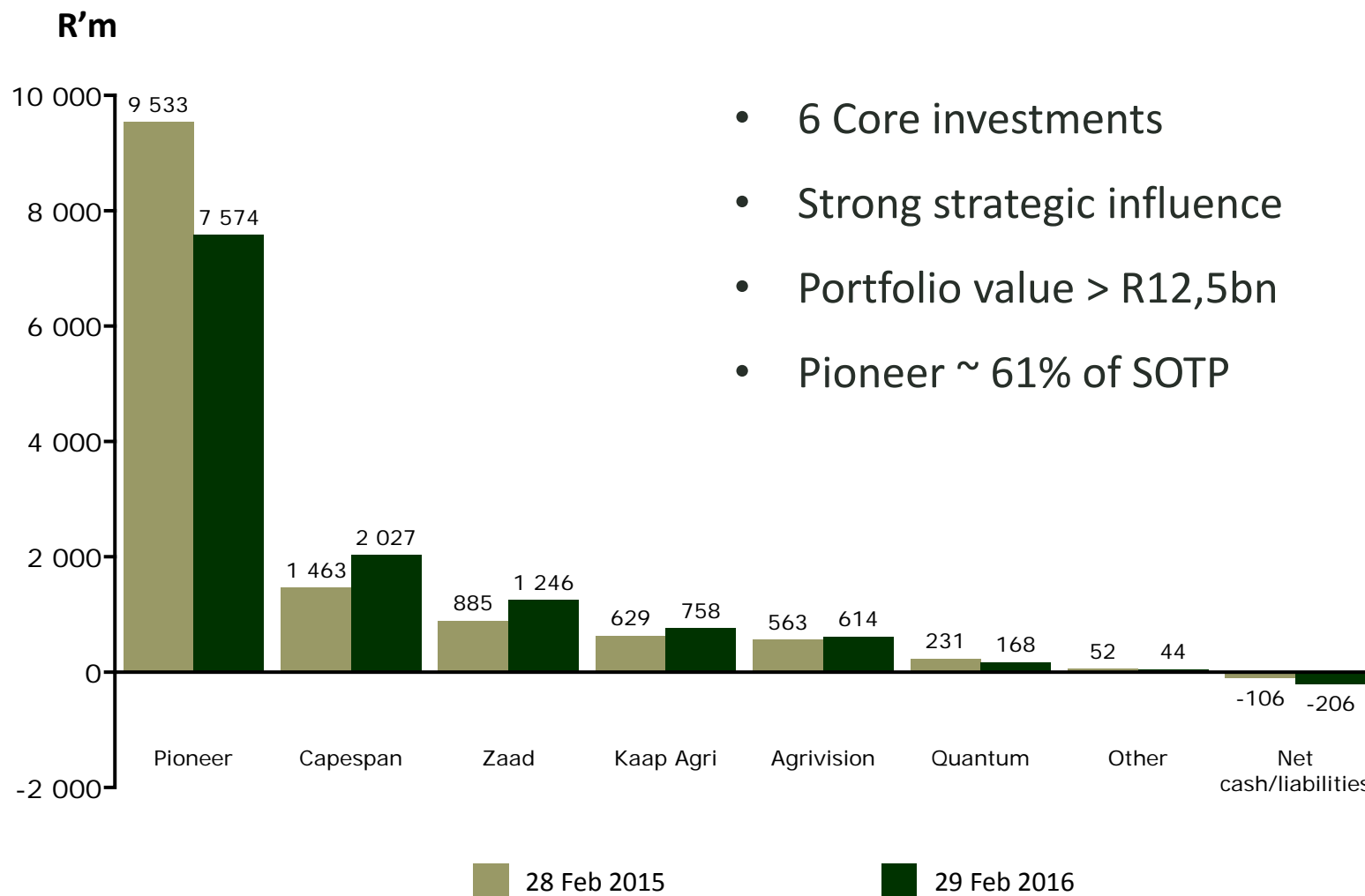
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Portfolio distribution

No change in the portfolio mix - from a valuations point of view, most of the downward adjustment is due to decrease in Pioneer share price during the period.



Portfolio review

Pioneer reported sustained strong growth for year ended 30 September 2015 with adj. HEPS increasing by 30%.



For the 12 months ended 30 September 2015 *Continuing operations*

Revenue #	↑	6% to R18,8 bn
Operating profit *	↑	+28% to R2,153 bn
Operating margin *	↑	from 9.5% to 11.5%
HEPS *	↑	30.5% to 832 cents
Final dividend declared	↑	+52% to 237 cents
Total dividend declared for year	↑	+50% to 332 cents

* Adjusted for the Phase I B-BBEE charge

7% excluding Pepsi and biscuits

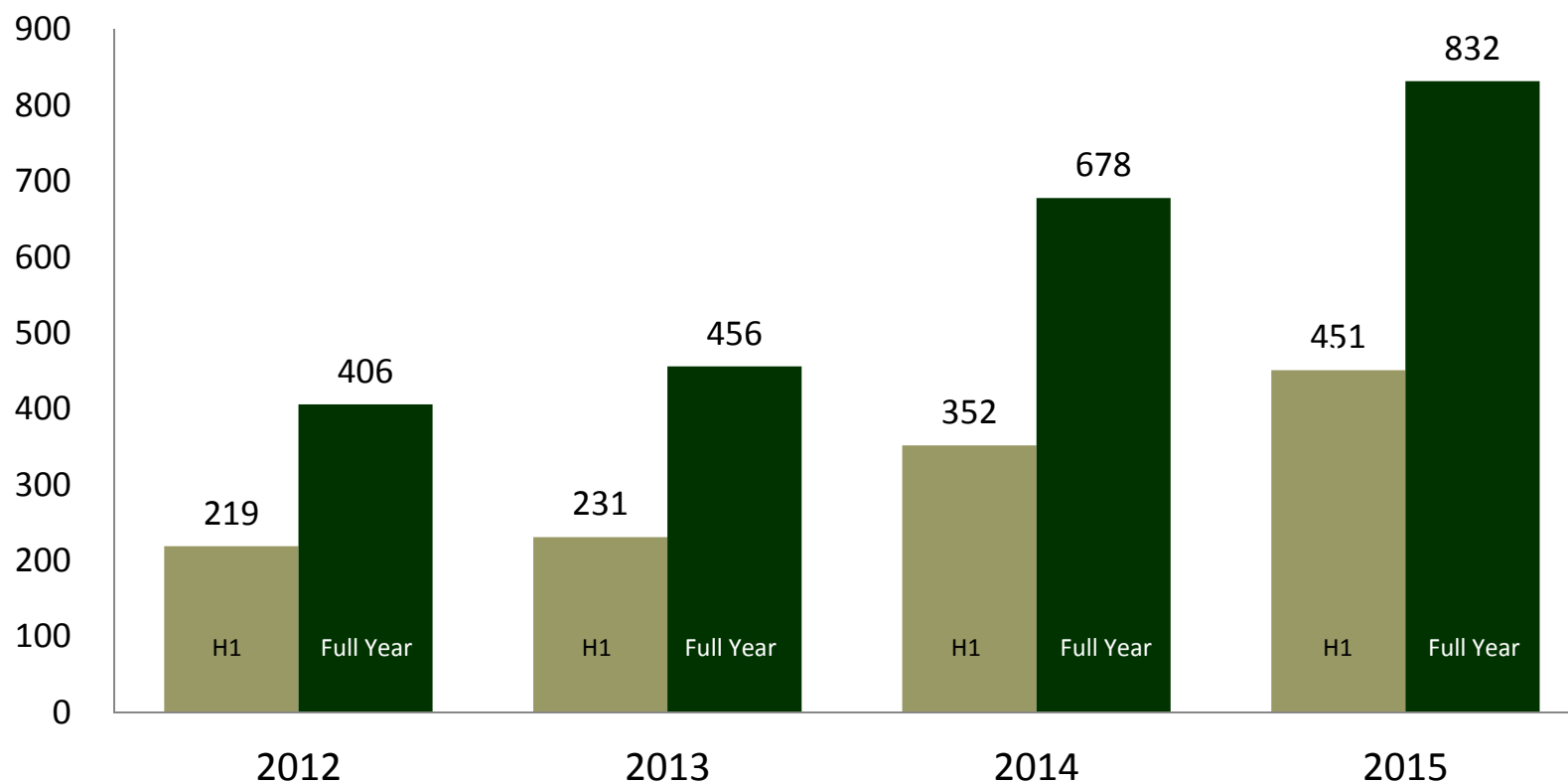


Portfolio review

The sustained growth in profitability has to be commended, particularly given the constrained environment.



Adjusted headline earnings
(cents per share)



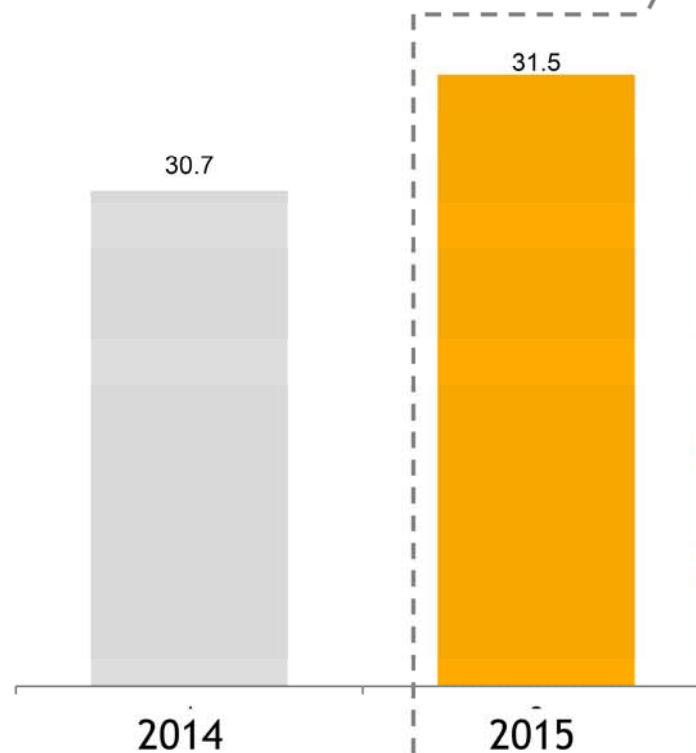
Portfolio review

Market share indicators for core brands in formal retail very positive...



Corporate share¹

%, 12mm to September 15



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

Biscuits and Pepsi removed.

² MAT June 2015

12mm October 2014 - September 2015

Pioneer Foods

	Value share	Share Pts change	Market change (%)
Sasko Bread	32.7	↑ 1.4	↑ 6.3
Weet-Bix	16.7	↑ 0.8	↑ 6.1
Safari	38.8	↓ -4.1	↑ 9.0
Spekko	17.6	↑ 3.4	↑ 5.1
White Star	31.4	↑ 0.8	↑ 7.6
Liqui-Fruit	30.9	↑ 2.2	↑ 7.7

Ceres International Val Growth: 15%

Portfolio review

... with improving margin trend maintained across all divisions.



	Operating Profit *		Operating Margin *	
	2015	%	2015	2014
	Rm	Change	%	%
Group	2 153	28%	11.5	9.5
Essential Foods	1 279	31%	11.3	9.2
Groceries	434	25%	9.0	7.2
<i>Bokomo Foods</i>	252	14%	10.4	9.3
<i>Ceres Beverages</i>	182	46%	7.7	5.2
International	444	22%	17.0	16.0
Other	-4			

* Adjusted for the Phase I B-BBEE charge

Portfolio review



Capespan continues to realign its business, invest for growth and reported a modest increase of 8% in RHEPS.



Summarised Income Statement	Dec 13		Dec 14		Dec 15
	R'm	% growth	R'm	% growth	R'm
Revenue	7,149	3.4%	7,392	4.0%	7,688
EBITDA	228	(0.4%)	227	31.7%	299
<i>EBITDA margin</i>	3.2%		3.1%		3.9%
EBIT	191	(11.5%)	169	30.2%	220
Recurring headline earnings	139	14.4%	159	7.5%	171
Headline earnings	127	(23.6%)	97	40.2%	136
Weighted average number of shares (m)	319	0.7%	321	0.7%	324
Recurring HEPS (R)	0.44	11.4%	0.49	8.2%	0.53

Zeder successfully concluded the buy-out of minority shareholders in Capespan during the period under review – R500m

Portfolio review



Capespan operates along three divisions namely Farms, Fruit and Logistics...



Portfolio review

Zaad delivered an increase of 36% in earnings that translated to 20% per share (diluted as a result of investment of R92m during the year).



Summarised Income Statement	Feb 14		Feb 15		Feb 16
	R'm	% growth	R'm	% growth	R'm
Revenue	465	103.7%	947	29.5%	1,226
EBITDA	79	63.3%	129	68.2%	217
<i>EBITDA margin</i>	<i>17.0%</i>		<i>13.6%</i>		17.7%
EBIT	67	59.7%	107	70.1%	182
Recurring headline earnings	54	42.6%	77	36.4%	105
Headline earnings	51	45.1%	74	41.9%	105
Weighted average number of shares (m)	13	30.1%	17	13.9%	20
Recurring HEPS (R)	4.06	9.4%	4.44	20.0%	5.33

Portfolio review

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



Portfolio review



Kaap Agri delivered commendable results for the year ended 30 September 2015 with RHEPS up 15.6%.



Summarised Income Statement	Sep 13		Sep 14		Sep 15
	R'm	% growth	R'm	% growth	R'm
Revenue	5,530	18.0%	6,528	8.5%	7,082
EBITDA	219	20.1%	263	18.3%	311
<i>EBITDA margin</i>	4.0%		4.0%		4.4%
EBIT	202	20.3%	243	19.8%	291
Recurring headline earnings	129	22.5%	158	15.8%	183
Headline earnings	129	22.5%	158	15.8%	183
Weighted average number of shares (m)	70		70		70
Recurring HEPS (R)	1.83	22.4%	2.24	15.6%	2.59

Portfolio review

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



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.



Portfolio review



Agrivision Africa remains in net J-curve but underlying business performances encouraging despite challenges.



Agrivision Africa

Summarised Income Statement	Dec 13		Dec 14		Dec 15
	US\$'000	% growth	US\$'000	% growth	US\$'000
Revenue	14,305	127.4%	32,532	(2.6%)	31,677
EBITDA	8,322	(7.2%)	7,726	47.5%	11,396
<i>EBITDA margin</i>	58.2%		23.7%		36.0%
EBIT	2,485	107.8%	5,164	61.9%	8,361
Recurring headline earnings *	(1,502)		(507)		1,921
<i>Foreign currency translation reserve</i>	(44)		(1,814)		(6,616)
Recurring headline earnings	(1,546)		(2,321)		(4,695)



Successfully completed strategic equity participation of **\$30m** during the year

* Adjusted for FCTR movements

Portfolio review

Limited expansion was undertaken during the year with a focus on existing investments only.



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



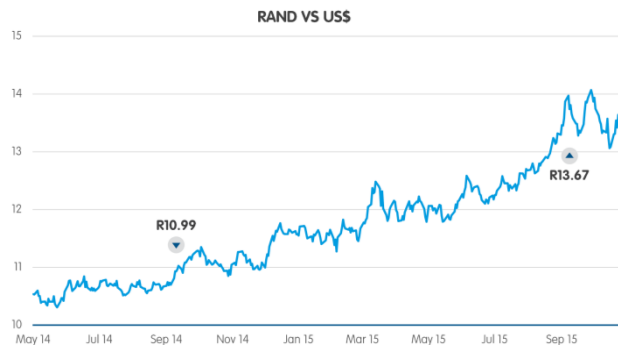
Following a period of extreme challenges in the industry, Quantum delivered improved results.



Summarised Income Statement	Sep 14		Sep 15
	R'm	% growth	R'm
Revenue	3,561		3,469
EBITDA	84	161.9%	220
<i>EBITDA margin</i>	2.4%		6.3%
EBIT	(21)		164
Recurring headline earnings	26	384.6%	126
Headline earnings	26	384.6%	126
Weighted average number of shares (m)	233		233
Recurring HEPS (R)	0.11	390.9%	0.54

Portfolio review

Quantum Foods will aim to navigate cyclical volatility while pushing forward in pursuing its strategic objectives.



- Raw material prices at higher levels
- Weak exchange rate environment
- Consumer under pressure
- New business model better aligned
- Management to focus:
 - Efficiencies
 - Growth to scale
 - Acquisitions (RSA/Africa)



Conclusion

We remain optimistic about the prospects of the group.

- Drought and tough economic conditions likely to remain a challenge in the short term – but longer term the sector is resilient
- Appropriately diversified portfolio likely to mitigate volatility
- Strong existing portfolio companies with focused and able management teams
- “Internal focus” offers additional opportunities and platform growth will be encouraged
- Strategic investments and diversification if/when appropriate



Thank you