

# UNAUDITED RESULTS

FOR THE SIX MONTHS ENDED 31 AUGUST 2018



SOTP value per share  
**R6,23** as at 1 October 2018

Recurring headline earnings **↑ 158%** to  
**9,8 cents** per share

Headline earnings **↑ 605%** to  
**30,3 cents** per share

## OVERVIEW

Zeder is an investor in the broad agribusiness industry, with a specific focus on the food and beverage sectors. Its underlying investment portfolio was valued at R12,52bn on 31 August 2018. Zeder's 27,0% interest in Pioneer Foods remains its largest investment, representing 49,1% (28 February 2018: 53,9%) of the portfolio.

## SUM-OF-THE-PARTS ("SOTP")

Zeder's SOTP value per share, calculated using the quoted market prices for all JSE-listed investments, and market-related valuations for unlisted investments, decreased by 15,0% during the reporting period to R6,67 as at 31 August 2018. At the close of business on Monday, 1 October 2018, Zeder's SOTP value per share was R6,23.

Company	28 Feb 2018		31 Aug 2018		1 Oct 2018	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Pioneer Foods	27,0	7 660	27,0	6 145	27,0	5 428
Capespan	97,5	2 259	96,9	2 167	96,9	2 167
Zaad	93,2	2 043	93,5	2 235	93,5	2 235
Kaap Agri	40,9	1 376	40,9	1 198	40,9	1 183
Agrivision Africa	56,0	591	56,0	493	56,0	493
Quantum Foods	27,7	246	29,3	259	29,3	259
Other		33		23		21
<b>Total investments</b>		14 208		12 520		11 786
Cash and cash equivalents		111		272		266
Other net assets		108		111		117
Debt funding		(1 000)		(1 500)		(1 510)
<b>SOTP value</b>		13 427		11 403		10 659
Number of shares in issue (net of treasury shares) (million)		1 710		1 710		1 710
<b>SOTP value per share (rand)</b>		7,85		6,67		6,23

Note: Zeder's live SOTP is available at [www.zeder.co.za](http://www.zeder.co.za).

## RECURRING HEADLINE EARNINGS

	Audited	Unaudited		
	28 Feb 18 12 months Rm	31 Aug 17 6 months Rm	Change %	31 Aug 18 6 months Rm
<b>Recurring headline earnings from investments</b>	576	115		231
Net interest, taxation and other income and expenses	(102)	(50)		(64)
<b>Recurring headline earnings</b>	474	65	157	167
Non-recurring headline earnings	(49)	9		348
<b>Headline earnings</b>	425	74	596	515
Non-headline items	(171)	53		(51)
<b>Attributable earnings</b>	254	127	265	464
Weighted average number of shares in issue (net of treasury shares) (million)	1 717	1 722		1 702
<b>Recurring headline earnings per share (cents)</b>	27,6	3,8	158	9,8
<b>Headline earnings per share (cents)</b>	24,8	4,3	605	30,3
<b>Attributable earnings per share (cents)</b>	14,8	7,4	269	27,3

Recurring headline earnings per share increased by 158% to 9,8 cents mainly due to a strong recovery in earnings from most of its underlying investee companies compared to the previous period.

Headline earnings per share increased by 605% to 30,3 cents mainly as a result of the above and due to the upward fair value adjustment of the investment in Joy Wing Mau (previously known as Golden Wing Mau).

Attributable earnings per share increased by 269% to 27,3 cents, a lower percentage than headline earnings per share, mainly due to an impairment in Agrivision Africa goodwill in the current period in contrast to a non-headline profit on disposal of underlying business operations at a subsidiary level during the previous period.

Profit before finance cost and taxation per Zeder's consolidated income statement increased by 202% to R700m, mainly as a result of the recovery in investee earnings and the aforementioned upward fair value adjustment of the investment in Joy Wing Mau.

## NOTEWORTHY TRANSACTIONS

As detailed on the JSE Limited's Stock Exchange News Service (SENS) on 21 September 2018, Capespan Group Limited, a subsidiary of Zeder, has entered into share transfer agreements for the sale of its entire shareholding in the Joy Wing Mau Group in China for an aggregate purchase consideration of ¥566m, amounting to approximately R1,18bn, at exchange rates at the time. If the disposal is implemented as anticipated, this would represent a very successful investment that would enable Zeder to inject growth capital into the core fruit and logistics divisions of Capespan, improving debt levels while also providing Zeder with improved cash resources at a group level.

## PROSPECTS AND OUTLOOK

The climatic cycle within which our companies operate has improved but the South African and regional economies and investment climate remains constrained. The recent positive changes should contribute to improved conditions in the medium term. Zeder remains committed and actively involved with its underlying portfolio of companies. It continues to invest in organic growth opportunities within while actively seeking new investments to complement the portfolio. We believe that, despite inevitable cyclicity, investing in the agribusiness industry should offer attractive long-term returns and the strength of our companies and management teams, combined with a defensive portfolio mix, should contribute to the continued sustainability of results. We believe that the company and its shareholders will benefit from same.

## UNAUDITED FINANCIAL RESULTS

This short-form announcement contains only a summary of the information in the full announcement made on SENS on Tuesday, 9 October 2018, and is the responsibility of the directors. Please refer to the full announcement for additional information. The full announcement is also available for viewing on Zeder's website at [www.zeder.co.za](http://www.zeder.co.za) or may be requested and obtained in person, at no charge, at the registered office of the company and the offices of the sponsor during office hours. Any investment decisions should be based on consideration of the full announcement made on SENS.

## DIVIDEND

It is currently Zeder's policy to only declare a final dividend at year-end.

Signed on behalf of the board

**Jannie Mouton**  
Chairman

Stellenbosch  
9 October 2018

**Norman Celliers**  
Chief executive officer