



ANNUAL GENERAL MEETING

NORMAN CELLIERS

CHIEF EXECUTIVE OFFICER

17 JULY 2020

AGENDA

- Post balance sheet events
- Summary results: *Sum-of-the-Parts*
- Summary results: *Earnings*
- Covid-19 impact and update
- Social and ethics feedback
- Prospects and outlook
- Questions

POST BALANCE SHEET EVENTS

Significant transactions have been implemented since 29 February 2020, being Zeder's financial year-end.

Disposal of Pioneer Foods

- All of the shares held in Pioneer Foods were disposed to PepsiCo
- This disposal was duly approved by Zeder shareholders
- The final amount received by Zeder was R6.41bn

+ R6.41bn

Settlement of all obligations

- R1.55bn of the cash proceeds were utilised to settle all debt and related obligations
- Zeder has no debt at present

- R1.55bn

Payment of Special Dividend

- A special dividend of R2.30 per share was declared and paid to shareholders
- R3.93bn of cash resources were returned to shareholders

- R3.93bn

Disposal of Quantum Foods

- All of the shares held in Quantum Foods were disposed
- Cash proceeds of R308m were received

+ R308m

Buyback of Zeder shares

- 77.7m Zeder shares have been purchased
- R181m of cash resources were utilized in the process

- R181m

SUMMARY RESULTS: *SUM-OF-THE-PARTS*

The post-balance sheet events have had a material impact on the portfolio construction and size of Zeder as a significant portion of the company has been returned to shareholders.

Company	28 Feb 2019		29 Feb 2020		9 Jul 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	98.5	1 028
Capespan	97.4	1 193	96.7	999	96.7	999
Kaap Agri	41.1	959	41.0	723	41.0	631
Agrivision Africa	56.0	493	56.0	242	56.0	242
Quantum Foods	29.3	216	32.1	188		
Other		19		19		30
Total investments		10 782		11 581		4,964
Cash and cash equivalents		254		83		1,176
Other net assets		109		40		19
Debt funding		(1 500)		(1 500)		
SOTP value		9 645		10 204		6 159
Number of shares in issue (net of treasury shares) (million)		1 710		1 710		1 631
SOTP value per share (rand)		5.64		5.97		3.78

SUMMARY RESULTS: EARNINGS

Satisfactory underlying financial performance under constrained conditions – note that comparative numbers going forward will exclude Pioneer Foods and Quantum.

AUDITED	28 Feb 19 Rm	Change %	29 Feb 20 Rm
Recurring headline earnings from investments	604		725
Net interest, taxation and other income and expenses	(133)		(166)
Recurring headline earnings	471	18.7	559
Continued operations	177		263
Discontinued operations	294		296
Non-recurring headline earnings	296		(155)
Headline earnings	767	(47.3)	404
Continued operations	466		121
Discontinued operations	301		283
Non-headline earnings	(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
Recurring 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

COVID-19 IMPACT AND UPDATE

- **Investee companies are mostly positioned in the “essential” industries**
- **Operations have largely remained “open” – *but under constrained demand and capacity conditions***
- **Full impact obviously remains unclear – *but year to date performance better than anticipated***
- **Balance sheets monitored closely - *group is positioned with significant cash resources and liquidity***

SOCIAL AND ETHICS FEEDBACK: A *STRUCTURED APPROACH*

Zeder implements its monitoring and adherence to Social and Ethics obligations through conscious and deliberate participation at investee company level while aligning and monitoring at holding company level.

- **Listed Companies**

- Formally constituted Social & Ethics committee
- See website and integrated annual report for details

- **Unlisted Companies**

- Zaad, Capespan and The Logistics Group
 - ❖ *Formally constituted Social & Ethics committee for all unlisted companies*
- Agrivision Africa
 - ❖ *Compliance with and monitoring in terms of the IFC global ESG guidelines*

SOCIAL AND ETHICS FEEDBACK: *EXAMPLES OF INITIATIVES*

While it is impossible to record each “social and ethical” initiative across the group, below are examples referenced to illustrate our actions and intentions.

Education	Skills Development	Sustainability	Community Outreach
<ul style="list-style-type: none">• >126 bursaries• >R2.6m invested in learnerships.• >R2.9m in school grants and improvements.• Pledges and support to make schools economically self-sustainable.• Early language and literacy development courses.	<ul style="list-style-type: none">• Wellness programs for Farm workers.• Skills development programs for both scholars and teachers in impoverished communities.• Occupational Health & Safety and Hygiene training.	<ul style="list-style-type: none">• Plans to construct tunnels for vegetable production, sustainable energy and water supply.• Funding for the planting of approximately 20,000 trees.	<ul style="list-style-type: none">• Provision of meals to schools and orphanages.• Provision of basic health services on various farms.• Distribution of personal hygiene hampers.• Sponsorship of sports teams and events in farming communities.

- We view ourselves as good corporate citizens with the best interest of our stakeholders at heart
- We contribute significantly to society
- We are dedicated to making positive contributions to our direct and indirect communities and stakeholders

PROSPECTS AND OUTLOOK

- **Strong balance sheet(s) with sufficient cash and liquidity in group**
- **Full Covid-19 impact unclear but thus far managing the challenges**
- **Notwithstanding the reduced overall size, remaining portfolio presents opportunities**
- **Committed to deliver acceptable shareholder returns going forward**

QUESTIONS?

PHYSICAL ADDRESS

2ND FLOOR, OU KOLLEGE BUILDING
35 KERK STREET
STELLENBOSCH
7600

WEBSITE: INFO@ZEDER.CO.ZA

POSTAL ADDRESS

PO BOX 7403
STELLENBOSCH
7599

TEL: 021 831 9559

