



Interim Results

6-month period ended 31 August 2020

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Contents

- Noteworthy transactions
- Interim financial results
- Portfolio review
- Prospects and strategy
- Questions



Noteworthy transactions

As previously reported, significant transactions have been implemented during the interim reporting period.

Disposal of Pioneer Foods	Settlement of all obligations	Payment of Special Dividend	Disposal of Quantum Foods	Buyback of Zeder shares
<ul style="list-style-type: none">• 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	<ul style="list-style-type: none">• R1.55bn of the cash proceeds were utilised to settle all debt and related obligations• Zeder has no debt at present	<ul style="list-style-type: none">• A special dividend of R2.30 per share was declared and paid to shareholders• R3.93bn of cash resources were returned to shareholders	<ul style="list-style-type: none">• All of the shares held in Quantum Foods were disposed• Cash proceeds of R308m were received	<ul style="list-style-type: none">• 110m Zeder shares have been purchased and cancelled• R262m of cash resources were utilized in the process
+ R6.41bn	- R1.55bn	- R3.93bn	+ R308m	- R262m

Zeder's SOTP value decreased, mainly as a result of the sale of Pioneer Foods, and the resultant special dividend paid to shareholders. 31 August 2020

- **Change in accounting policy** to that of an Investment Entity (effective 1 March 2020)
 - *Prospective treatment (prior year numbers not restated)*
 - *Cease to consolidate its subsidiaries*
 - *Investments measured at fair value through income statement*
 - *Balance sheet will closely resemble SOTP values*
 - *Change in accounting policy to provide much more relevant information*
- **Intrinsic value** indicators:
 - *Sum-of-the-Parts to R3.72 per share (as on 31 August 2020)*
 - *Discount increased to around 36%*
 - *Discount not unique to Zeder*
- **Dividend**
 - *Board remains cautious during Covid-19 recovery period*
 - *No interim dividend declared*

Sum-of-the-Parts

Interim financial results

Agri-input cycle results in majority of unlisted investment valuations being in line with prior period reported numbers.

31 August 2020

Company	29 Feb 2020		31 Aug 2020		30 Sep 2020	
	Interest (%)	Rm	Interest (%)	Rm	Interest (%)	Rm
Pioneer Foods	28.6	6 348				
Zaad	95.7	2 034	95.7	2 034	95.7	2 034
The Logistics Group	98.6	1 028	98.5	1 028	98.5	1 028
Capespan	96.7	999	96.0	999	96.0	999
Kaap Agri	41.0	723	42.3	626	42.3	642
Agrivision Africa	56.0	242	56.0	155	56.0	155
Quantum Foods	32.1	188				
Other		19		31		24
Total investments		11 581		4 873		4 882
Cash and cash equivalents		83		1 050		1 050
Other net assets		40		31		32
Debt funding		(1 500)				
SOTP value		10 204		5 954		5 964
Number of shares in issue <i>(net of treasury shares)</i> (million)		1 710		1 600		1 600
SOTP value per share (rand)		5.97		3.72		3.73

Note: Zeder's live SOTP is available at www.zeder.co.za.

Fewer shares in issue, as a result of share repurchases.

Proactive measures taken and implemented by portfolio management teams during Covid-19.

- **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 interim results performance better than anticipated, also due to softer input cycle***
- **Balance sheets monitored closely - *group is positioned with cash resources and liquidity***



Agrivision Africa



Business overview

Portfolio review

Zaad is a specialist agricultural seed company that develops and supplies a broad basket of proprietary seeds to international markets.



Portfolio review

Zaad reported recurring headline earnings of R23m for the 6-month period ended 31 July 2020, compared to the comparative prior period loss of R9m.



Historical overview

Summarised Income Statement	Jan 19	Jan 20	Jul 19	Jul 20
	12 months	12 months	6 months	6 months
Historical	R'm	R'm	R'm	R'm
Revenue	1 635	2 113	570	1 286
EBITDA	253	421	20	67
EBIT	200	358	(9)	(11)
Recurring headline earnings	131	169	(9)	23
WANOS (m)	27	33	32	35
Recurring HEPS (R)	4.76	5.14	(0.27)	0.67
Net debt	845	1 145	897	1 154

General comments

- Interim results reflect mostly annual input-cost cycle
- Consolidation of FarmAg makes comparatives difficult
- Covid-19 negative impact on Bakker Brothers
- Limagrain transaction concluded
- Summer conditions expected to normalise

Valuation considerations

- Valuation based on comparable p/e multiples, adjusted for company specific factors
- Cyclical business, cannot be assessed on interim earnings

	Feb 20	Aug 20
Zeder value (R'm)	2 034	2 034
P/E multiple	12.6	

Transactions

Portfolio review

The status of previously reported transactions.



The African Seed Company

- Parties created joint venture in South Africa dedicated to field seeds
- Vilmorin & Cie 4th largest seed company in the world
- Seed Co is a leading African seed company, of which Vilmorin & Cie is the reference shareholder.
- The Joint Venture is primarily dedicated to corn seeds (white and yellow), an essential crop in South Africa.
- Joint Venture will constitute a major player in South Africa.



- 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
- Regulatory approvals obtained
- Final conditions precedent to be met during 2020



Business overview

Portfolio review

The Logistics Group is an asset light business, operating strategic logistical and terminal assets in South Africa, whilst expanding its service offering and capabilities to a broader market base in Southern Africa.



Portfolio review

TLG reported a decrease of 35.3% in RHEPS for the 6-month period ended 30 June 2020.



Historical overview

Summarised Income Statement	Dec 18	Dec 19	Jun 19	Jun-20
	12 months	12 months	6 months	6 months
Historical	R'm	R'm	R'm	R'm
Revenue	794	949	429	423
EBITDA	226	321	141	138
EBIT	165	204	88	72
Recurring headline earnings	125	128	49	31
WANOS (m)	366	367	367	368
Recurring HEPS (R)	0.34	0.35	0.13	0.09
Net debt	200	200	200	200

General comments

- Recurring headline earnings of R31m
- Covid-19 negative impact on FPT and Tradekor
- Sharp V-recovery seen with growth prospects
- Solid cash generation

Valuation considerations

- Valuation based on comparable p/e multiples, adjusted for company specific factors
- Valuation in-line with prior period reported number, taking effects of Covid-19 into account

	Feb 20	Aug 20
Zeder value (R'm)	1 028	1 028
P/E multiple	8.2	

Business overview

Portfolio review

Capespan is a vertically integrated fruit producer with global marketing, sales and distribution capabilities.



Portfolio review

Capespan reported a reduced loss for the 6-month period ended 30 June 2020.

CAPESPAN
GROUP LIMITED

Historical overview

Summarised Income Statement	Dec 18	Dec 19	Jun 19	Jun-20
	12 months	12 months	6 months	6 months
Historical	R'm	R'm	R'm	R'm
Revenue	4 763	3 951	1 986	1 730
EBITDA	(54)	72	(62)	(17)
EBIT	(124)	(10)	(105)	(54)
Recurring headline earnings	(146)	(36)	(89)	(27)
WANOS (m)	367	367	367	369
Recurring HEPS (R)	(0.40)	(0.10)	(0.24)	(0.07)

General comments

- Interim results reflect mostly farms input-cost cycle
- Reported recurring loss of R27m at half-year
- Improved results due to lower global marketing cost structure and better farms performance
- Restructuring not yet complete, farms moving out of J-curve
- Sale of Von Wylicks (Germany)

Valuation considerations

- Valuation based on market related NAV, adjusted for company specific factors

	Feb 20	Aug-20
	R'm	R'm
Market related NAV - farms and packhouses	1 049	1 035
Fruit - associates	177	53
Head office and other costs/net debt	(193)	(47)
Total market related NAV	1 033	1 041
Zeder value	999	999

Business overview

Portfolio review

Kaap Agri is a leading Agri-related retail, trade, supply and services company.



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

Kaap Agri reported an increase of 7.5% in RHEPS for the 6-month period ended 31 March 2020.



Historical overview

Summarised Income Statement	Sep 18	Sep 19	Mar 19	Mar-20
	12 months	12 months	6 months	6 months
Historical	R'm	R'm	R'm	R'm
Revenue	6 549	8 452	4 390	4 900
EBITDA	478	550	303	349
Recurring headline earnings	249	263	165	177
WANOS (m)	70	70	70	70
Recurring HEPS (R)	3.54	3.75	2.30	2.48

General comments

- Revenue of R4.9bn (+11.6%)
- EBITDA of R349m (+15.1%)
- RHEPS of 248 cents per share (+7.5%)
- No interim dividend
- Positive Q3 trading update released to the market
- Pro-active management during Covid-19

Valuation considerations

- Kaap Agri valued at JSE listed closing market price
- More information at: www.kaapagri.co.za

Portfolio review

Improved performance by Agrivision for the 6-month period ended 30 June 2020.



Agrivision Africa

Historical overview

Summarised Income Statement	Dec 18	Dec 19	Jun 19	Jun-20
	12 months	12 months	6 months	6 months
Historical	\$'000	\$'000	\$'000	\$'000
Revenue	30 571	33 932	11 159	11 991
EBITDA	3 373	1 338	(1 825)	(697)
EBIT	(209)	(1 815)	(3 504)	(2 050)
Recurring headline (loss)/earnings	(983)	866	(3 218)	(2 835)
WANOS (m)	1.9	1.9	1.9	1.9
Recurring HEPS (\$)	(0.53)	0.47	(1.74)	(1.53)

General comments

- Interim results reflect mostly farms input-cost cycle
- Improved performance at interim
- Challenging operating environment remains
- Remains a difficult investment for Zeder

Valuation considerations

- Zambian economy in challenging cycle
- Zambian government requesting extension on their US\$ debt repayment
- Resultant downwards adjustment in valuation
- Significant discount to market related NAV applied

Zeder portfolio companies are well positioned to benefit from favourable conditions.

- **Agricultural conditions favourable:**
 - Western Cape winter rains (dam levels optimal)
 - Winter snow and cold units (positive for fruit farmers)
 - Winter wheat crops promising as result of timing of winter rains
 - La Nina forecast for summer rainfall season



- **Investment holding company discounts:**
 - Zeder trades at a discount
 - Initiatives undertaken (management fee internalised, sale of Pioneer/Quantum)
 - Theme is prevalent in listed markets and will remain
 - We understand the market concerns
- **Strategy:**
 - Overall strategy remains – create value for shareholders
 - Impact of Covid-19 remains uncertain and needs to be evaluated
 - Material change in the size and composition of Zeder
 - Board considering various strategies: No quick solutions
 - No final decisions made yet
 - We will revert to the market once made

We will do what is right for shareholders.



Questions will now be answered as registered on the webinar's call or data log