

Capespan owner Zeder reports profit, still considering 'third-party approaches'

The South African-based agricultural investment company Zeder has reported a half-year headline profit from a loss last year, though the company said it is still considering third-party approaches for some of its portfolio of investments.

After a loss of 14.3 cents per share in the same period of the previous year, the company reported earnings of 31.4 cents this year, according to [News24](#).

Zeder's net asset value per share increased by 19 percent from R3.73 per share at August 31 last year to R4.45 cents per share at August 31 this year.

Zeder's underlying investment portfolio was valued at R6.1 billion on August 31 this year, an increase of seven percent from Feb. 28, 2021.

"On a relative basis, our portfolio companies appear to be better positioned than most companies with regards to the Covid-19 risks," CEO Johann le Roux said during a virtual briefing on Wednesday.

"It, however, remains difficult to predict the business environment that will unfold in the short to medium term."

Zeder said the disposal of its investments in Pioneer Foods and Quantum Foods and the declaration of special dividends during the past 18 months, resulted in a material change to the size and composition of the group.

During this process, Zeder received "third-party approaches on various portfolio investments", which are currently being evaluating.

Independent analyst Anthony Clark of Small Talk Daily thinks Capespan and The Logistics Group may be the most likely targets.

"The positive climatic environment and demand for commodities should contribute to improved trading conditions in the medium term and Zeder's portfolio companies are well-positioned to benefit," le Roux said.

"Kaap Agri is the best performing asset in the portfolio currently and we expect this to continue for a while. The three remaining meaningful businesses are being impacted by the global supply-chain disruptions and continuing Covid-19 impacts," Jan Meintjes, portfolio manager at Denker Capital said.

"It is unfortunate to see that Capespan cannot fully benefit from the booming citrus industry in SA. Hopefully when container flows and shipping schedules normalize we can see the benefit coming through in the numbers," Meintjes said.

The market was generally quite pleased with Zeder's interim results, Clark said.