



## Grindrod Limited

# Additional Information for Analysts

for the six months ended 30 June 2018

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## MANAGEMENT SEGMENTAL BALANCE SHEETS

AS AT 30 JUNE 2018

R000	PORT AND TERMINALS	LOGISTICS	MARINE FUEL AND AGRICULTURAL LOGISTICS	FINANCIAL SERVICES	GROUP	TOTAL CONTINUING OPERATIONS	DIS- CONTINUED OPERATIONS	TOTAL GROUP
Fixed assets	1 149 040	961 581	51 265	190 978	578 108	2 930 972	-	2 930 972
Other assets	1 051 504	731 369	954 870	1 400 929	1 062 222	5 206 894	-	5 206 894
Current assets excluding cash, liquid assets and advances	238 022	847 203	2 228 963	68 595	1 986 441	5 369 224	582 356	5 951 580
<b>TOTAL ASSETS</b>	<b>2 438 566</b>	<b>2 540 153</b>	<b>3 235 098</b>	<b>1 660 502</b>	<b>3 632 771</b>	<b>13 507 090</b>	<b>585 356</b>	<b>14 089 446</b>
Equity	2 422 738	1 848 944	1 159 173	1 168 266	3 016 538	9 615 659	(92 652)	9 523 007
Preference share capital	-	-	-	750 000	(10 000)	740 000	-	740 000
Net debt including cash, liquid assets and advances	(279 683)	(381 613)	309 025	(563 395)	24 658	(891 008)	449 484	(441 524)
Non-current liabilities	75 805	71 156	5 465	126 315	72 395	351 136	-	351 136
Current liabilities	219 706	1 001 666	1 761 435	179 316	529 180	3 691 303	225 524	3 916 827
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2 438 566</b>	<b>2 540 153</b>	<b>3 235 098</b>	<b>1 660 502</b>	<b>3 632 771</b>	<b>13 507 090</b>	<b>582 356</b>	<b>14 089 446</b>

**OTHER SEGMENTAL INFORMATION**

AS AT 30 JUNE 2018

R000	PORT AND TERMINALS	LOGISTICS	MARINE FUEL AND AGRICULTURAL LOGISTICS	FINANCIAL SERVICES	GROUP	SEGMENTAL ADJUSTMENTS	TOTAL CONTINUING OPERATIONS
Depreciation and amortisation	(52 190)	(90 527)	(4 695)	(2 666)	(1)	62 510	(87 569)
Net interest received/(paid)	26 001	30 064	(15 841)	(13 204)	26 416	32 849	86 285
Preference dividend (paid)/received	-	-	-	(33 317)	637	-	(32 680)

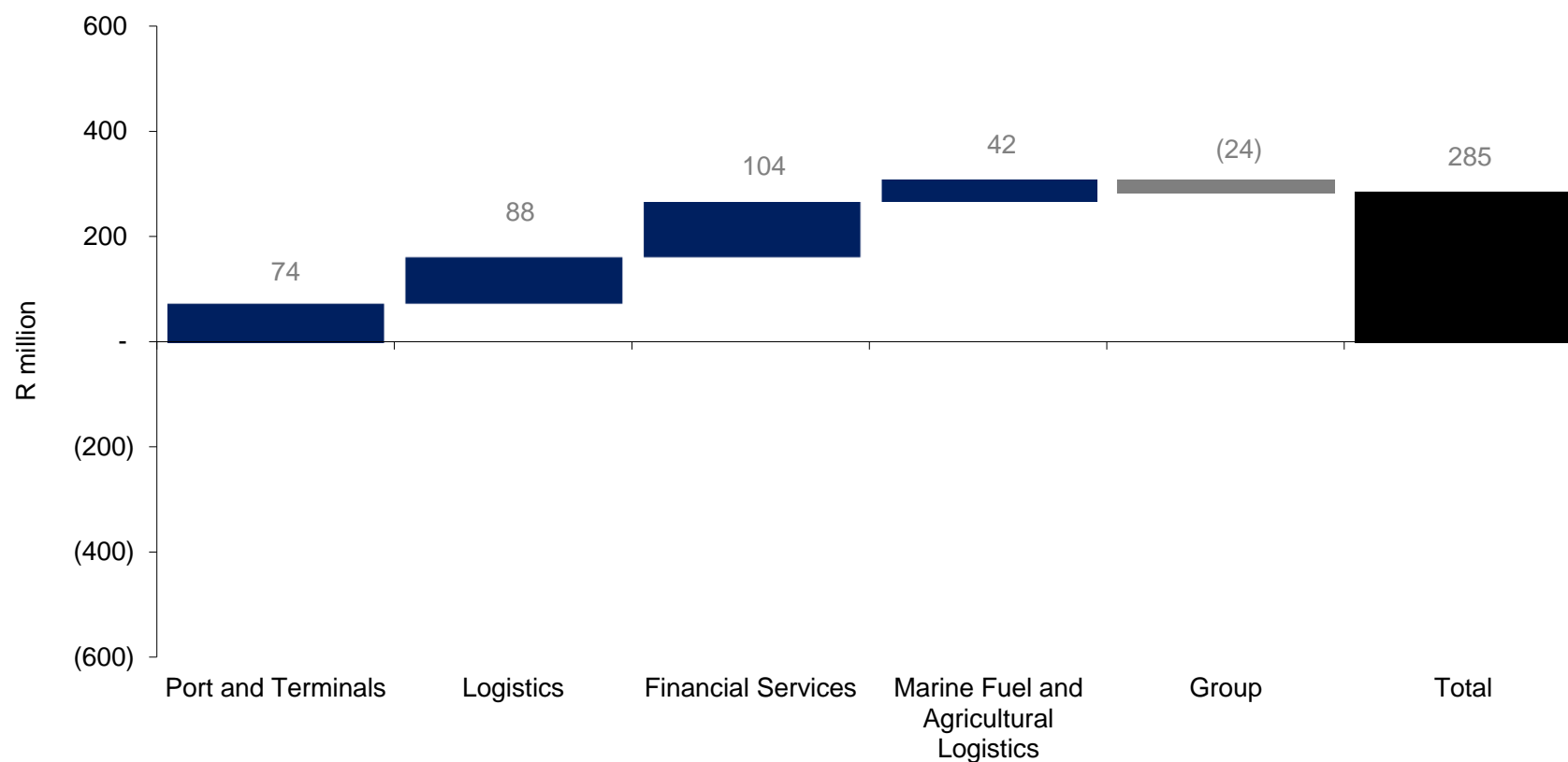
**OTHER SEGMENTAL INFORMATION**

AS AT 30 JUNE 2017

R000	PORT AND TERMINALS	LOGISTICS	MARINE FUEL AND AGRICULTURAL LOGISTICS	FINANCIAL SERVICES	GROUP	SEGMENTAL ADJUSTMENTS	TOTAL CONTINUING OPERATIONS
Depreciation and amortisation	(52 983)	(84 347)	(4 595)	(2 708)	2 572	46 648	(95 413)
Net interest received/(paid)	36 594	32 085	(14 492)	(28 729)	4 171	27 866	57 496
Preference dividend (paid)/received	(3 790)	(2 946)	-	(22 498)	(4 673)	-	(33 907)

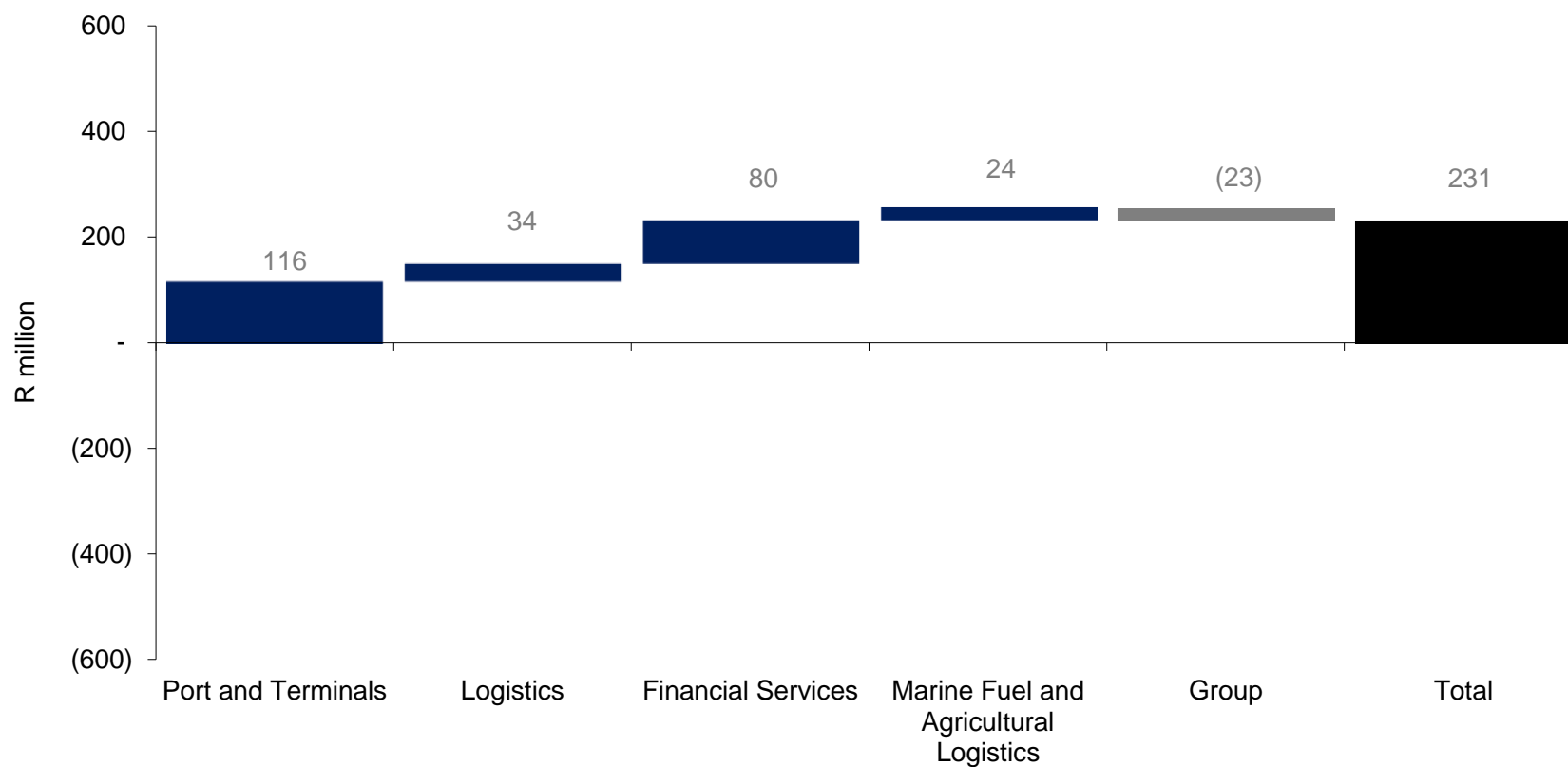
**HEADLINE EARNINGS BY DIVISION – CONTINUING OPERATIONS**

H1 2018



**HEADLINE EARNINGS BY DIVISION – CONTINUING OPERATIONS**

H1 2017



# SEGMENTAL ANALYSIS

## AS AT 30 JUNE 2018

### Segmental analysis for continuing operations for the six months ended 30 June 2018

	Unaudited 30 June 2018 R000	Unaudited 2017 R000 Re-presented*	Audited 31 December 2017 R000
<b>Revenue</b>			
Port and Terminals	411 598	421 159	874 607
Logistics	1 246 062	1 139 247	2 336 408
Financial Services	233 441	224 993	467 039
Marine Fuel and Agricultural Logistics	9 122 391	8 720 011	17 585 797
Group	38 188	10 490	12 045
Segmental adjustments**	11 051 680	10 515 900	21 275 896
Port and Terminals	(9 501 838)	(9 034 257)	(18 216 474)
Logistics	(213 471)	(235 688)	(444 044)
Marine Fuel and Agricultural Logistics	(165 977)	(78 558)	(186 633)
	(9 122 391)	(8 720 011)	(17 585 797)
<b>Earnings/(loss) before interest, taxation, depreciation and amortisation</b>	1 549 842	1 481 643	3 059 422
Port and Terminals	113 820	152 176	309 247
Logistics	250 077	120 620	339 738
Financial Services	197 486	164 302	362 952
Marine Fuel and Agricultural Logistics	29 129	28 498	65 061
Group	(59 325)	(28 099)	(123 392)
Segmental adjustments**	531 187	437 497	953 606
Port and Terminals	(281 587)	(162 732)	(331 625)
Logistics	(93 523)	(115 592)	(217 971)
Marine Fuel and Agricultural Logistics	(158 935)	(18 642)	(48 593)
	(29 129)	(28 498)	(65 061)
<b>Operating profit/(loss) before interest and taxation</b>	249 600	274 765	621 981
Port and Terminals	61 630	99 192	204 313
Logistics	159 549	36 273	165 275
Financial Services	194 821	161 594	357 707
Marine Fuel and Agricultural Logistics	24 434	23 903	50 740
Group	(59 326)	(25 526)	(124 525)
Segmental adjustments**	381 108	295 436	653 510
Port and Terminals	(219 077)	(116 083)	(227 373)
Logistics	(59 160)	(81 544)	(150 141)
Marine Fuel and Agricultural Logistics	(135 483)	(10 636)	(26 492)
	(24 434)	(23 903)	(50 740)
<b>Share of associate companies' profit/(loss) after taxation</b>	162 031	179 353	426 137
Port and Terminals	27 434	27 288	54 077
Logistics	294	(5 129)	(10 130)
Marine Fuel and Agricultural Logistics	39 456	20 395	55 093
	67 184	42 554	99 040
Segmental adjustments**	(23 891)	(21 761)	(38 559)
Port and Terminals	(23 891)	(23 038)	(48 249)
Logistics	-	1 277	9 690
<b>Profit/(loss) attributable to ordinary shareholders</b>	43 293	20 793	60 481
Port and Terminals	91 691	114 427	182 137
Logistics	133 414	173 546	221 809
Financial Services	104 233	80 256	188 958
Marine Fuel and Agricultural Logistics	45 513	16 801	57 777
Group	(23 505)	(42 853)	23 032
Segmental adjustments**	351 346	342 177	673 713
	-	-	(27 438)
	351 346	342 177	646 275

\* Re-presented for discontinued operations as detailed in the basis of preparation.

\*\* Joint venture earnings are reviewed together with subsidiaries by the key decision-makers. Segmental adjustments relate to joint ventures and are necessary to reconcile to IFRS presentation.

**LEGAL NET CASH/(DEBT) BREAKDOWN**

AS AT 30 JUNE 2018

	Including Financial Services	Excluding Financial Services
R 000	Net cash/(debt)	Net cash/(debt)
Loans and advances to bank customers	7 524 148	–
Liquid assets and short-term negotiables	2 209 999	–
Bank and cash	11 105 598	1 511 806
Bank and cash included in non-current assets held for sale	22 244	22 244
Long-term loans	(1 343 249)	(318 571)
Deposits from bank customers	(17 183 473)	–
Current portion of long-term loans	(581 345)	(30 501)
Short-term borrowings and overdraft	(513 266)	(513 266)
Interest-bearing debt included in non-current liabilities held for sale	(349 487)	(349 487)
Net cash	<b>891 169</b>	<b>322 225</b>



**FREIGHT SERVICES****CONTRIBUTION BY BUSINESS UNIT**

Please note that these KPIs are as per the management structure (JVs are proportionally consolidated line by line i.e. revenue will be higher than revenue in the legal structure, where JVs are accounted for in one line).

Discontinued operations comprise the rail leasing business.

Amounts are presented in R millions.

<b>Freight Services</b>	<b>H1 2018</b>	H1 2017
Revenue	<b>1 751</b>	1 949
EBITDA	<b>288</b>	118
Operating income/(loss)	<b>145</b>	(42)
Attributable loss	<b>(437)</b>	(5)
Operating margin (%)	<b>8</b>	(2)

<b>Continuing operations</b>	<b>H1 2018</b>	H1 2017
Revenue	<b>1 658</b>	1 560
EBITDA	<b>364</b>	272
Operating income	<b>221</b>	135
Attributable income	<b>225</b>	288
Operating margin (%)	<b>13</b>	9

<b>Discontinued operations</b>	<b>H1 2018</b>	H1 2017
Revenue	<b>93</b>	389
EBITDA	<b>(76)</b>	(155)
Operating loss	<b>(76)</b>	(177)
Attributable (loss)/income	<b>(662)</b>	(293)
Operating margin (%)	<b>(82)</b>	(46)

## FREIGHT SERVICES

### CONTRIBUTION BY BUSINESS UNIT

Please note that these KPIs are as per the management structure (JVs are proportionally consolidated line by line i.e. revenue will be higher than revenue in the legal structure, where JVs are accounted for in one line).

Discontinued operations comprise the rail leasing business.

Amounts are presented in R millions.

Port and Terminals	H1 2018	H1 2017
Revenue	412	421
EBITDA	114	152
Operating income	62	99
Earnings/(loss) before NTI <sup>1</sup>	69	118
Attributable income/(loss)	92	114
Operating margin (%)	15	24

Logistics	H1 2018	H1 2017
Revenue	1 246	1 139
EBITDA	250	121
Operating income	160	36
Earnings/(loss) before NTI <sup>1</sup>	76	35
Attributable income/(loss)	133	174
Operating margin (%)	13	3

Rail	H1 2018	H1 2017
Revenue	93	389
EBITDA	(76)	(155)
Operating (loss)/ income	(76)	(177)
(Loss)/earnings before NTI <sup>1</sup>	(88)	(224)
Attributable (loss)/income	(662)	(293)
Operating margin (%)	(82)	(46)

<sup>1</sup> NTI – Non-trading items

# ADDITIONAL Market Outlook

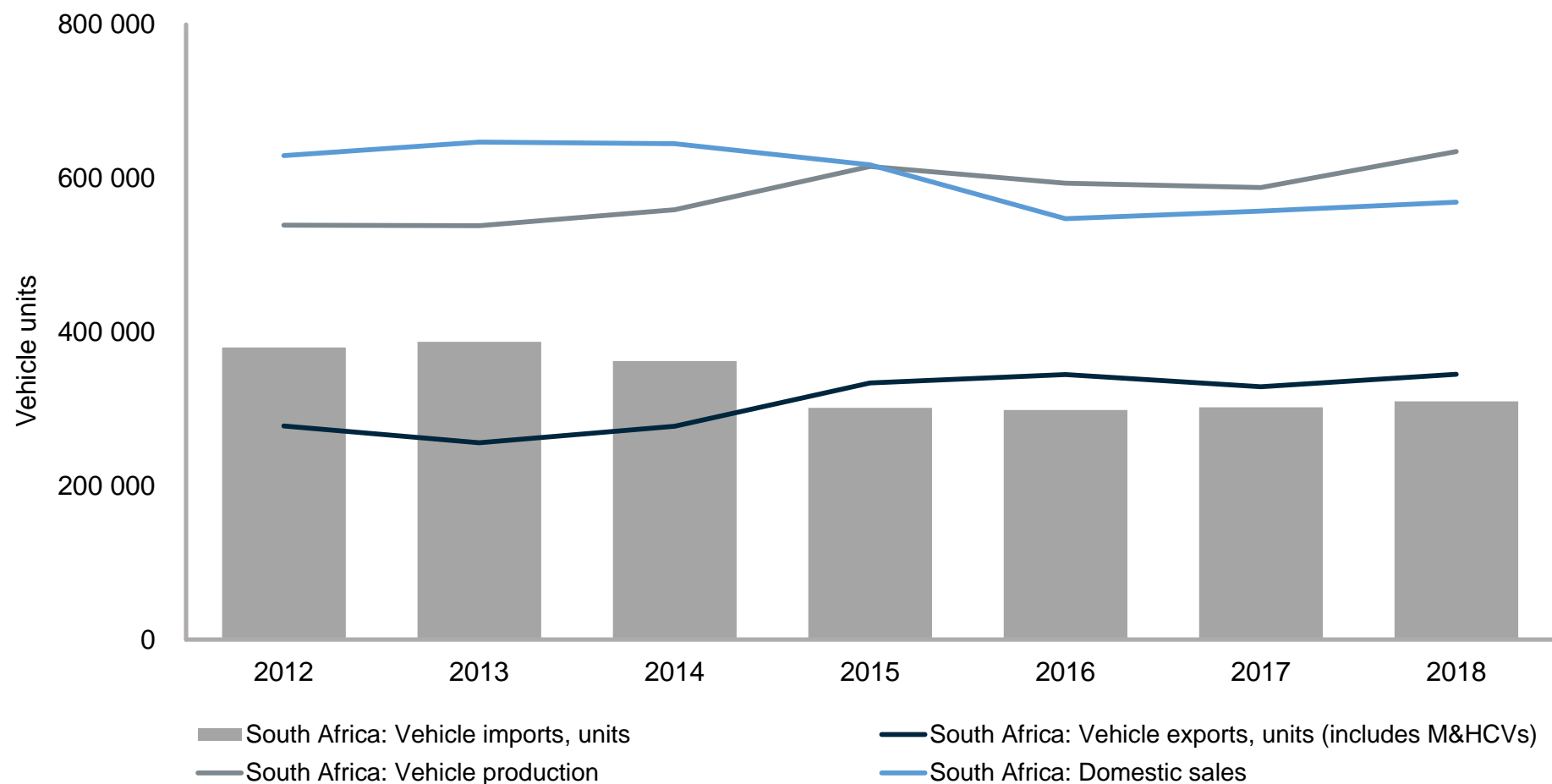


## SOUTH AFRICAN NATIONAL PORT VOLUMES – YTD 2018

TEUs	YTD 2018	YTD 2017	Variance	Variance %
Deep sea landed full	801 814	578 577	222 237	39
Deep sea landed empty	122 348	115 929	6 419	6
Deep sea shipped full	594 065	467 178	126 887	27
Deep sea shipped empty	368 136	212 491	155 645	73
<b>Total</b>	<b>1 886 363</b>	<b>1 374 175</b>	<b>511 880</b>	<b>37</b>

Source: Transnet National Ports Authority, June 2018

## AUTO INDUSTRY SECTOR – SOUTH AFRICA



f = BMI forecast

Source: Automotive News Europe, NAAMSA, BMI forecasts, July 2018

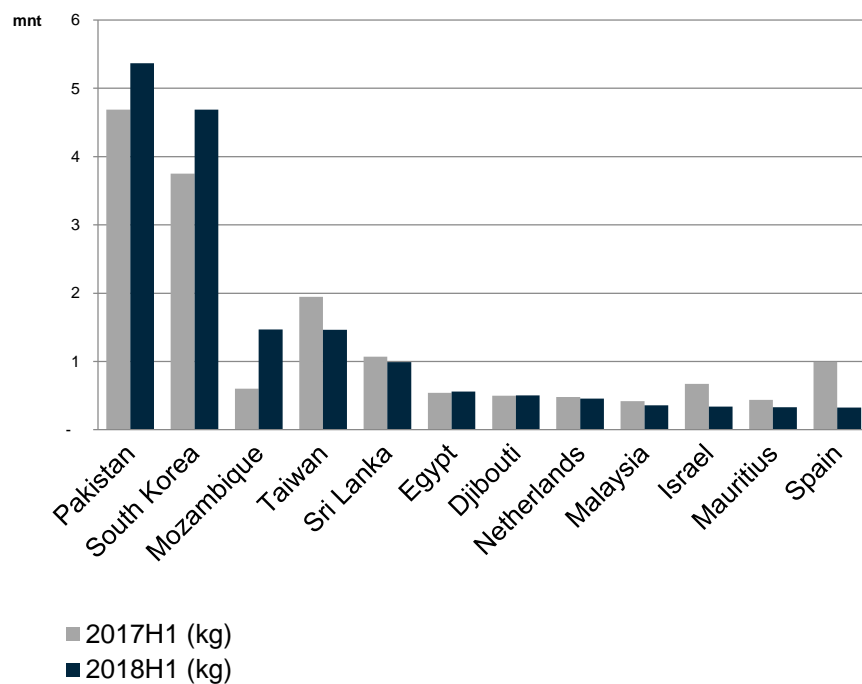
## SA MOTOR INDUSTRY SALES

	Domestic sales			Export sales		
	2018	2017	2016	2018	2017	2016
January	45 888	50 333	48 615	14 212	11 659	13 057
February	46 347	48 113	48 149	27 437	29 388	29 308
March	49 233	48 534	47 631	27 438	25 020	27 714
April	36 346	34 956	40 390	24 422	24 449	32 856
May	42 984	41 783	42 907	32 731	29 596	33 676
June	46 678	45 369	44 939	26 790	31 631	30 965
July		46 719	44 883		35 486	29 042
August		49 222	46 146		29 927	35 620
September		50 675	47 399		36 359	32 876
October		51 037	48 745		28 229	30 718
November		49 754	46 413		27 178	31 508
December		40 636	41 639		17 374	18 668
	267 476	557 131	547 856	153 030	326 296	346 008

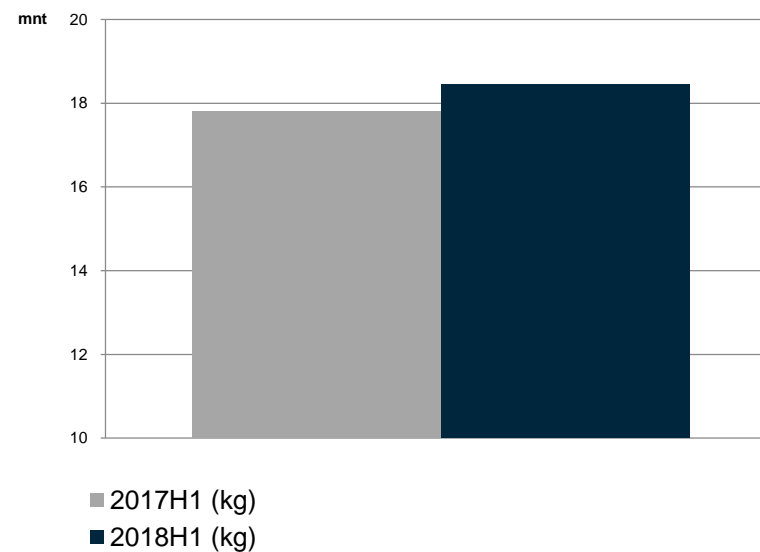
Source: NAAMSA, June 2018

## SOUTH AFRICAN COAL EXPORTS

### South African Coal Exports (excluding India)

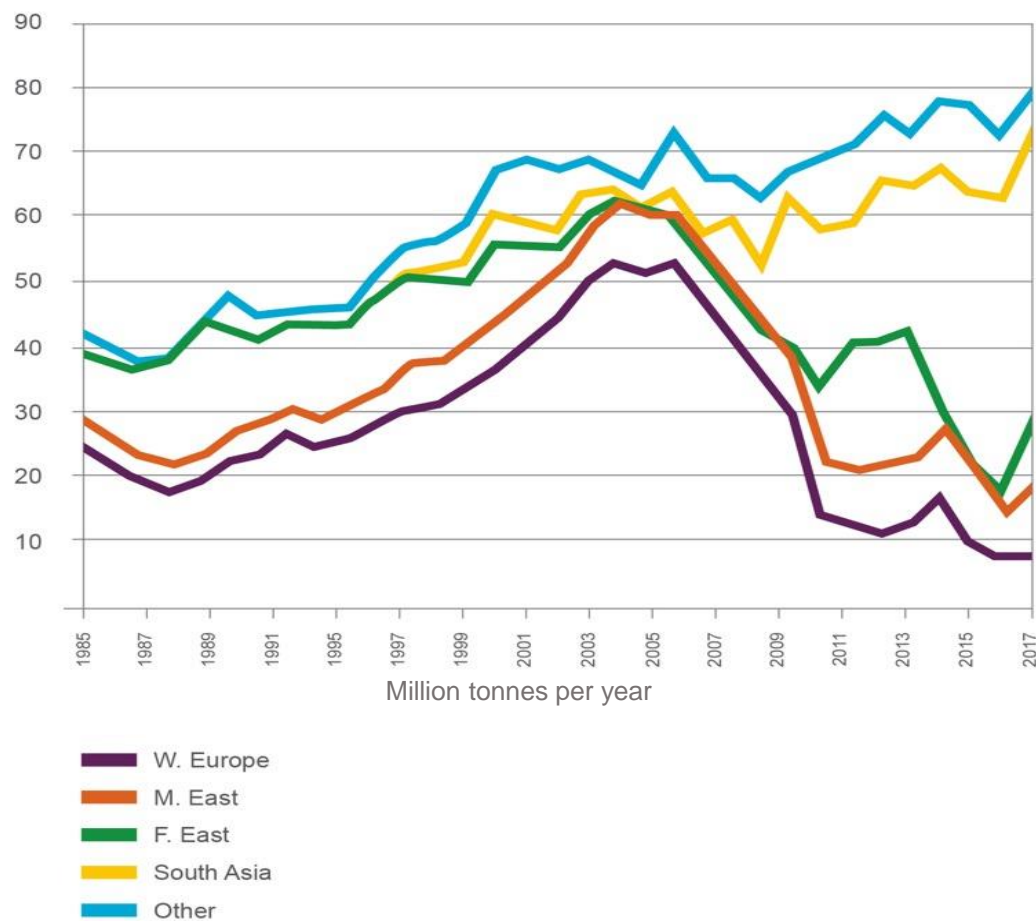


### South African Coal Exports to India



Source: Afriforesight Commodities, July 2018

## SOUTH AFRICAN THERMAL COAL EXPORTS



Source: Braemer ACM, July 2018



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GRINDROD LIMITED

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