



Once the presentation commences, you may type your questions in the Q & A section

Alternatively questions can be emailed to **fathima.ally@grindrod.com** for a response in due course



GRINDROD LIMITED
UNAUDITED INTERIM RESULTS

for the six months ended 30 June 2020



OVERVIEW AND HIGHLIGHTS 2020

OVERALL OPERATING ENVIRONMENT

PROACTIVE MEASURES IMPLEMENTED IN LIGHT OF CHALLENGING TRADING CONDITIONS

Strong trading in the first quarter of the year

COVID-19 lockdowns impacted significantly on continuing businesses

- Some businesses operated as essential services in very complex circumstances
- COVID-19 committee established to manage and mitigate impact on employees
- All businesses reduced and deferred costs

COVID-19 and the weak macro economy resulted in the fair value losses in the private equity investments

All businesses opened during June

- Mineral cargo flows resumed
- Efforts focused on operating efficient and effective corridors in “new world”



GROUP HIGHLIGHTS

DELIVERING ON STRATEGY

Volumes remained resilient at Maputo Port recording a marginal decline on prior period

Matola terminal volumes up on prior period

Intermodal volumes strong on increased port activities

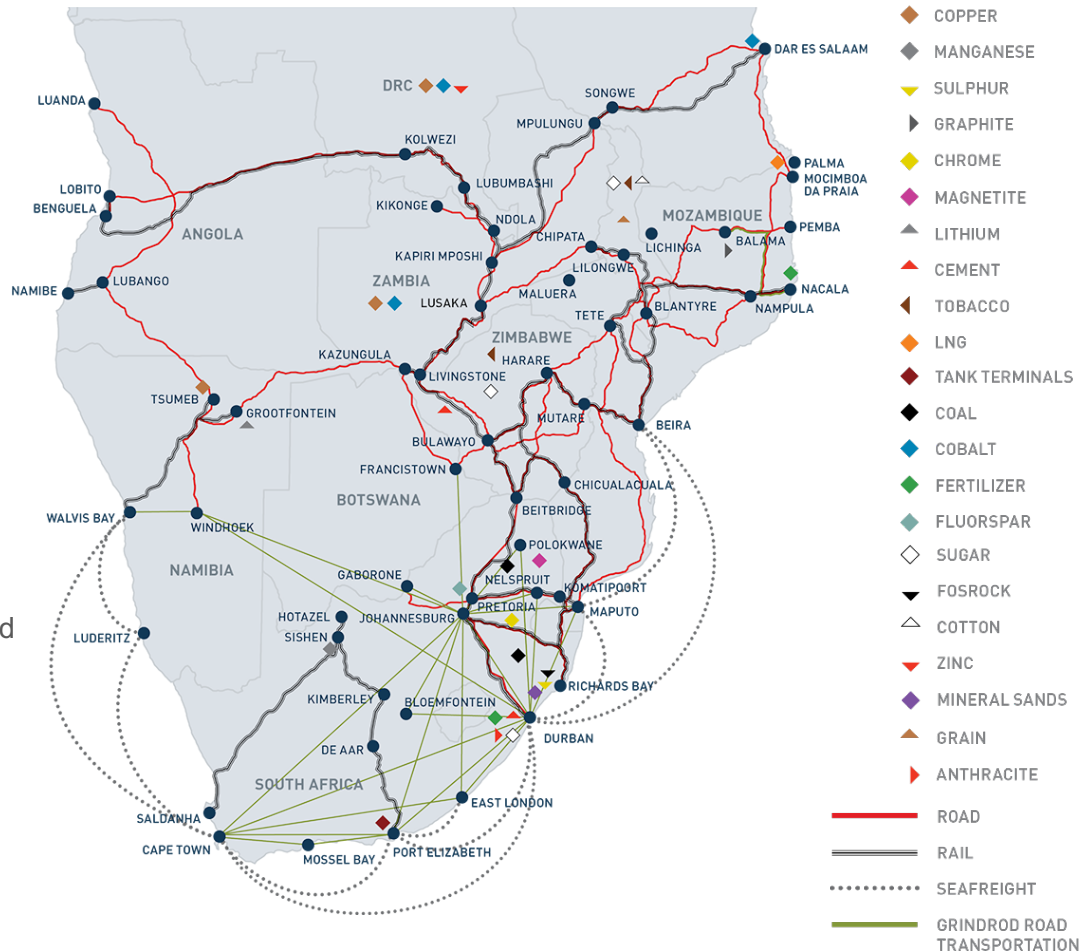
Fourth vessel delivered in Northern Mozambique to meet continued growth in demand

Commercial deployment of locomotives and wagons on Dar es Salaam corridor

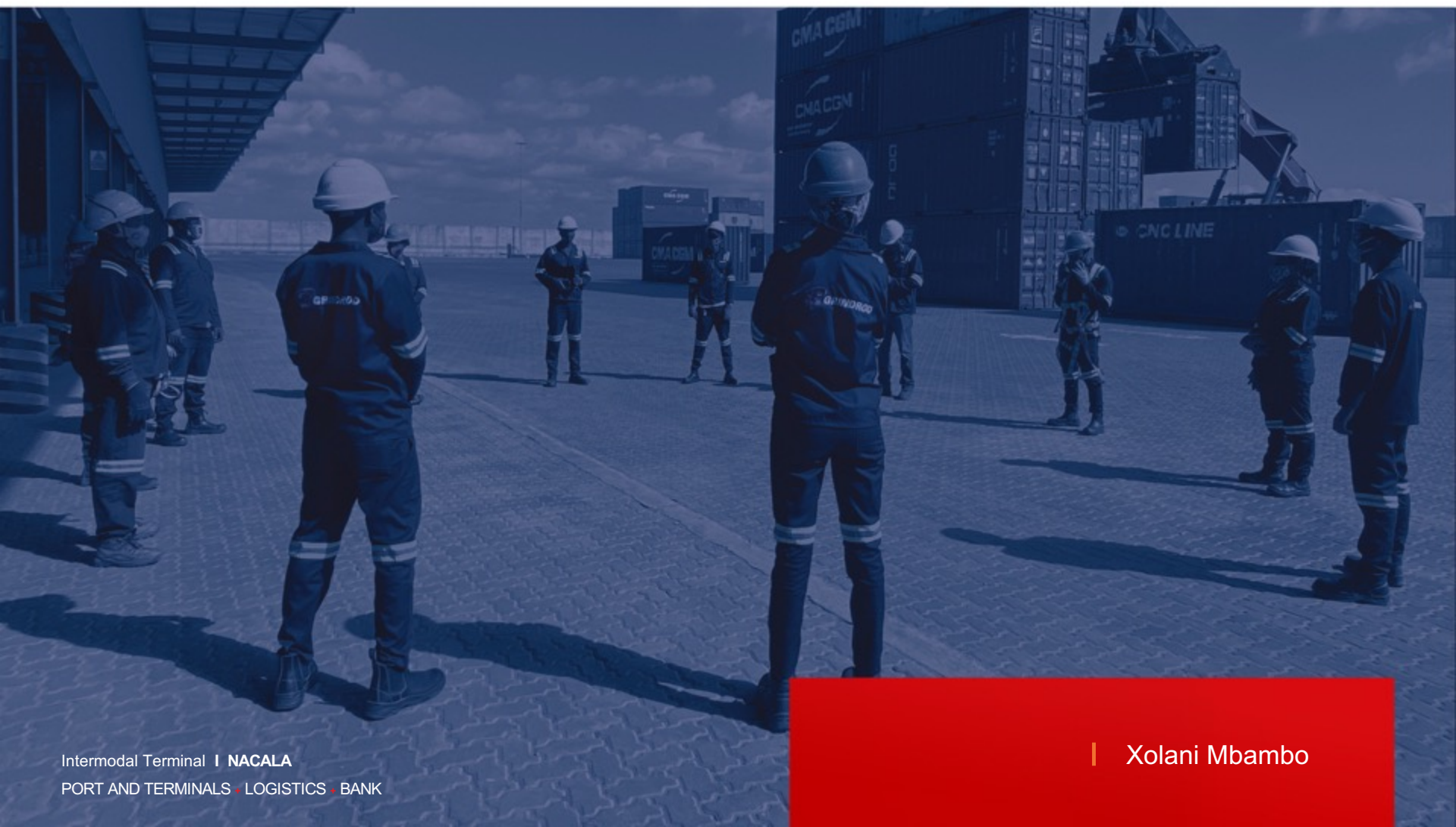
Bank remains cautious on lending whilst SME and platform banking initiatives continued

Delayed disposal process due to COVID-19

Business structure and leadership driving strategy implementation



FINANCE PRESENTATION 2020 H1 RESULTS



CONSOLIDATED H1 2020 RESULTS

FINANCIAL PERFORMANCE – LEGAL (Continuing operations)

Revenue ¹

(5%)

R1 767.0 million

(H1 2019:
R1 855.0 million)

Trading profit ¹

10%

R458.6 million

(H1 2019:
R417.6 million)

Headline earnings ¹

R23.4

million

(H1 2019:
R165.5 million)

Net profit ¹

R36.2

million

(H1 2019:
R165.6 million)

BALANCE SHEET AND LIQUIDITY – LEGAL (Continuing operations)

Cash generated from operations

R507.4

million

(H1 2019:
R363.8 million)

Net debt / equity

5%

(Dec 2019:
0%)

Net asset value

R12.34

per share

(Dec 2019:
R11.75 per share)

Facility headroom

R526

million

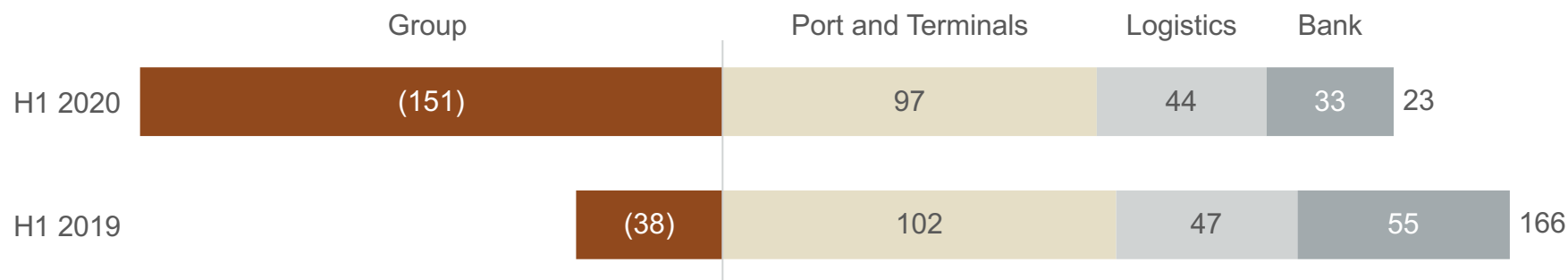
¹ Re-presented for discontinued operations.



CONSOLIDATED H1 2020 RESULTS

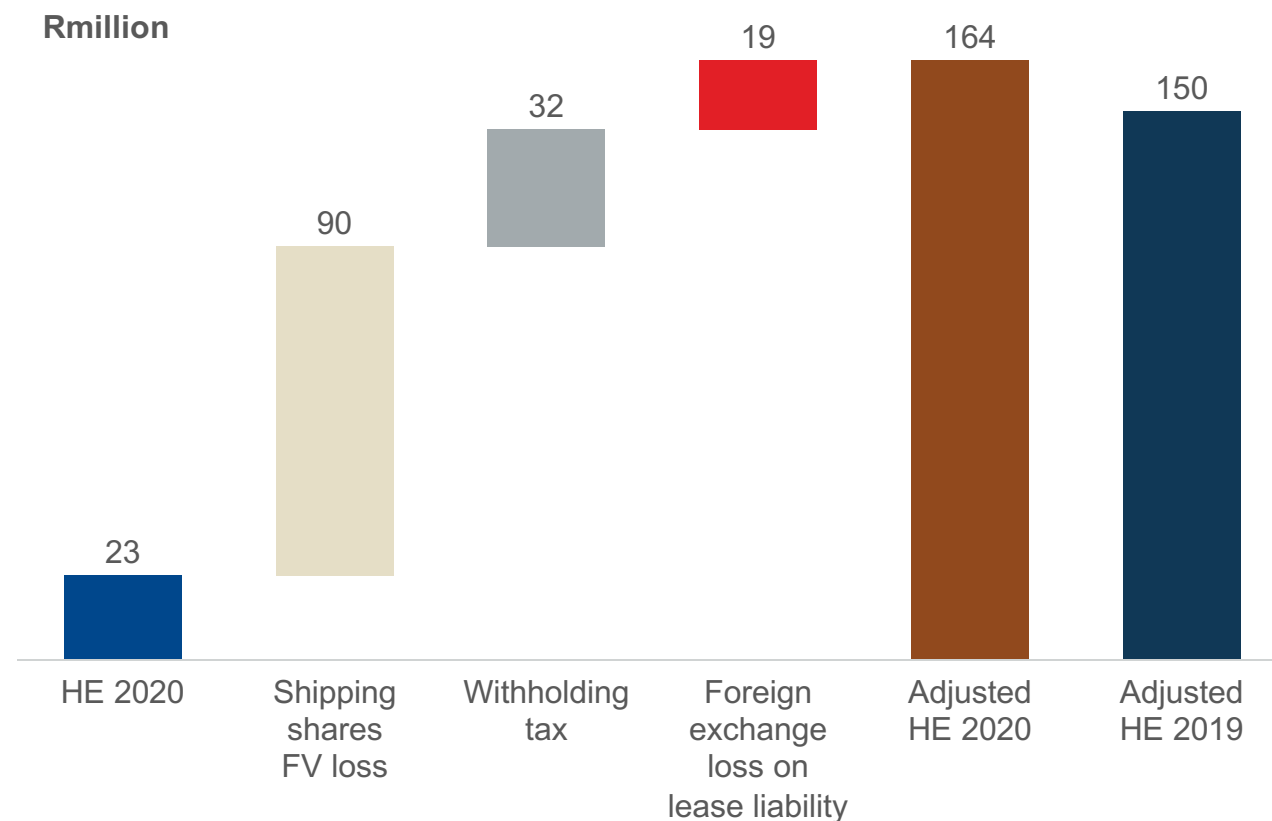
HEADLINE EARNINGS BY SEGMENTS (Continuing operations)

Rmillion



CONSOLIDATED FINANCIAL PERFORMANCE

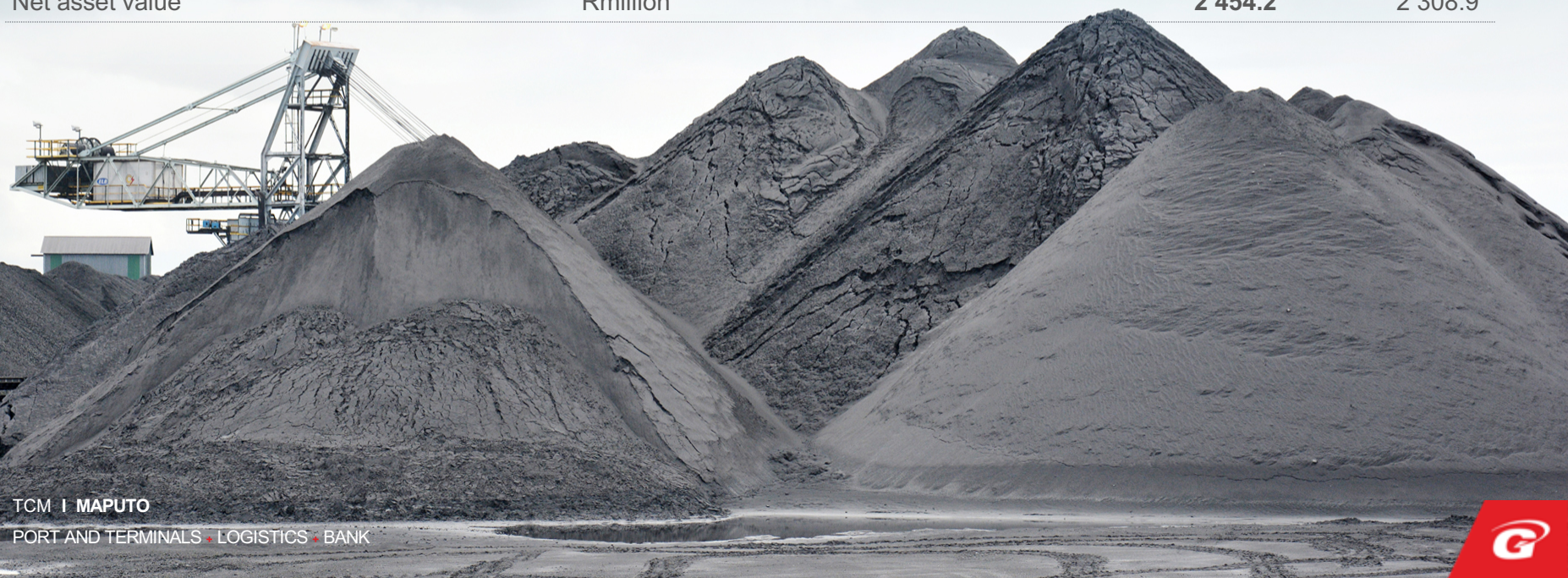
ADJUSTED HEADLINE EARNINGS



DIVISIONAL FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE – MANAGEMENT BASIS

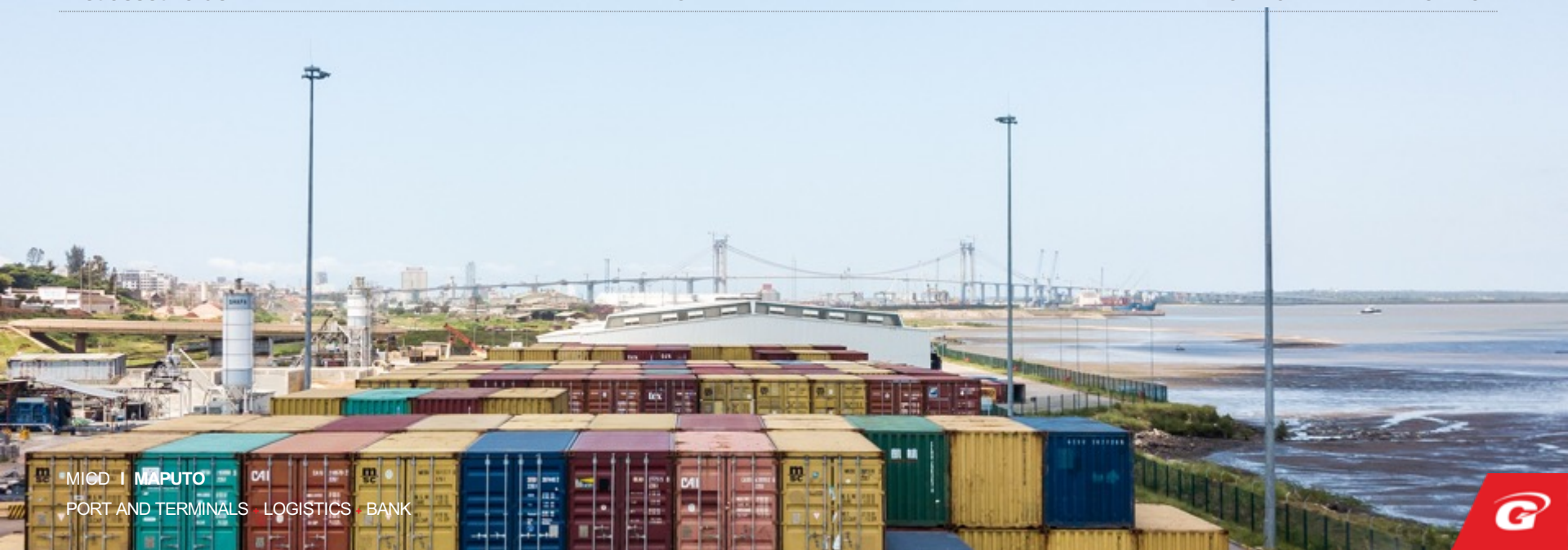
		Port and Terminals	
		2020	2019
Continuing			
Revenue	Rmillion	483.1	512.8
EBITDA	Rmillion	207.3	214.6
EBITDA margin	%	43	42
Net profit	Rmillion	96.7	102.3
Net asset value	Rmillion	2 454.2	2 308.9



DIVISIONAL FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE – MANAGEMENT BASIS

		Logistics	
		2020	2019
Continuing			
Revenue	Rmillion	1 498.2	1 586.5
EBITDA	Rmillion	428.6	377.3
EBITDA margin	%	29	24
Net profit	Rmillion	52.4	47.3
Net asset value	Rmillion	1 944.6	1 842.5



DIVISIONAL FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE – MANAGEMENT BASIS

		Bank	
Continuing		2020	2019
Revenue	Rmillion	214.2	211.5
EBITDA	Rmillion	59.7	91.4
Net profit	Rmillion	32.9	54.8
Net asset value	Rmillion	1 597.1	1 563.2
Core deposits	Rmillion	9 852.4	10 411.4
Loans and advances	Rmillion	7 621.3	7 416.5

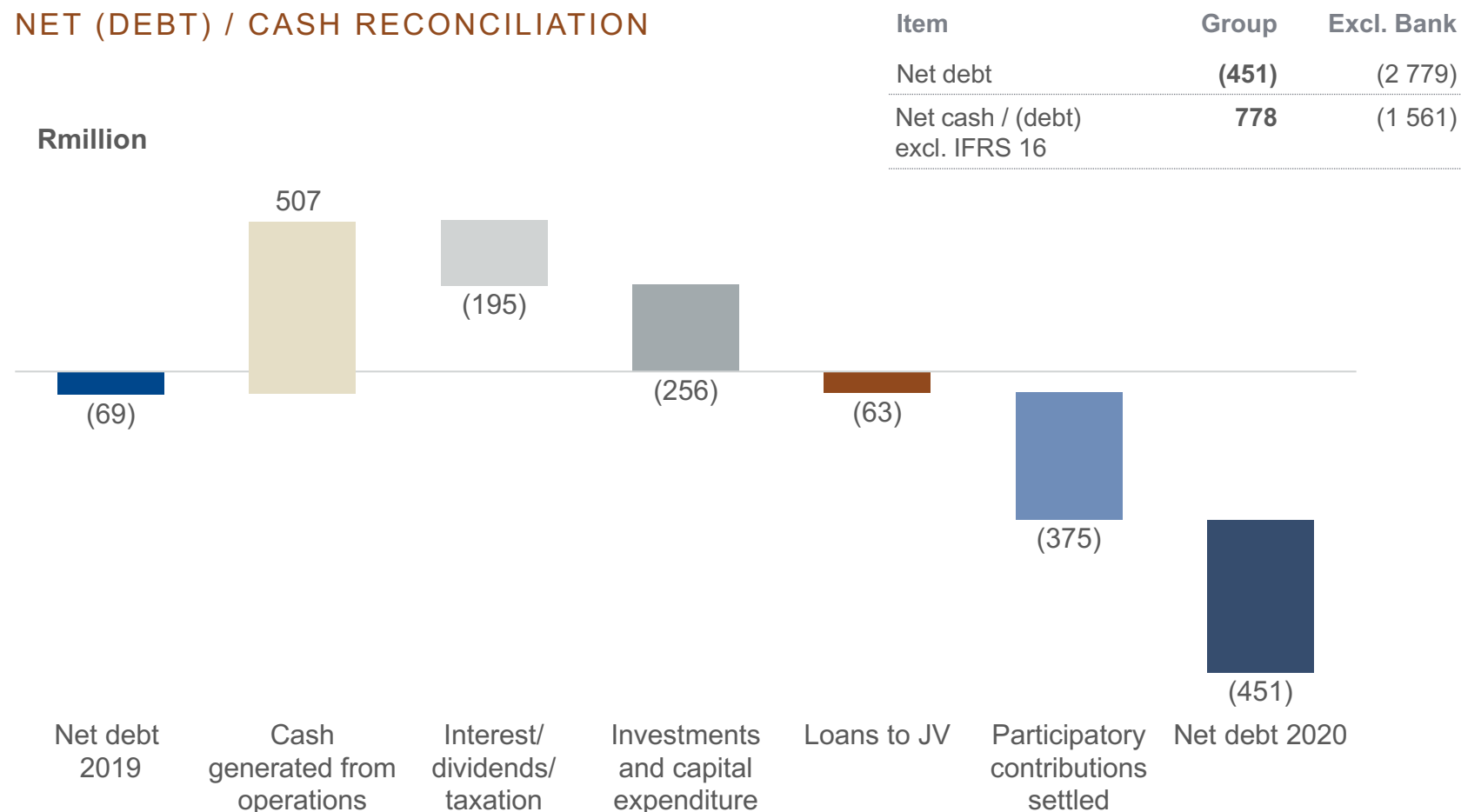
DIVISIONAL FINANCIAL PERFORMANCE

FINANCIAL PERFORMANCE – MANAGEMENT BASIS

		Discontinued Operations	
		2020	2019
Revenue	Rmillion	49.1	9 053.0
Fair value losses / impairments	Rmillion	(270.2)	(359.6)
Net loss	Rmillion	(336.7)	(678.2)
Marine Fuels and Agri	Rmillion	-	(649.3)
Private equity portfolio	Rmillion	(336.7)	(28.9)
Non-current assets held for sale	Rmillion	4 108.5	985.9
Associated liabilities	Rmillion	(873.0)	-
Internal funding	Rmillion	(1 272.8)	

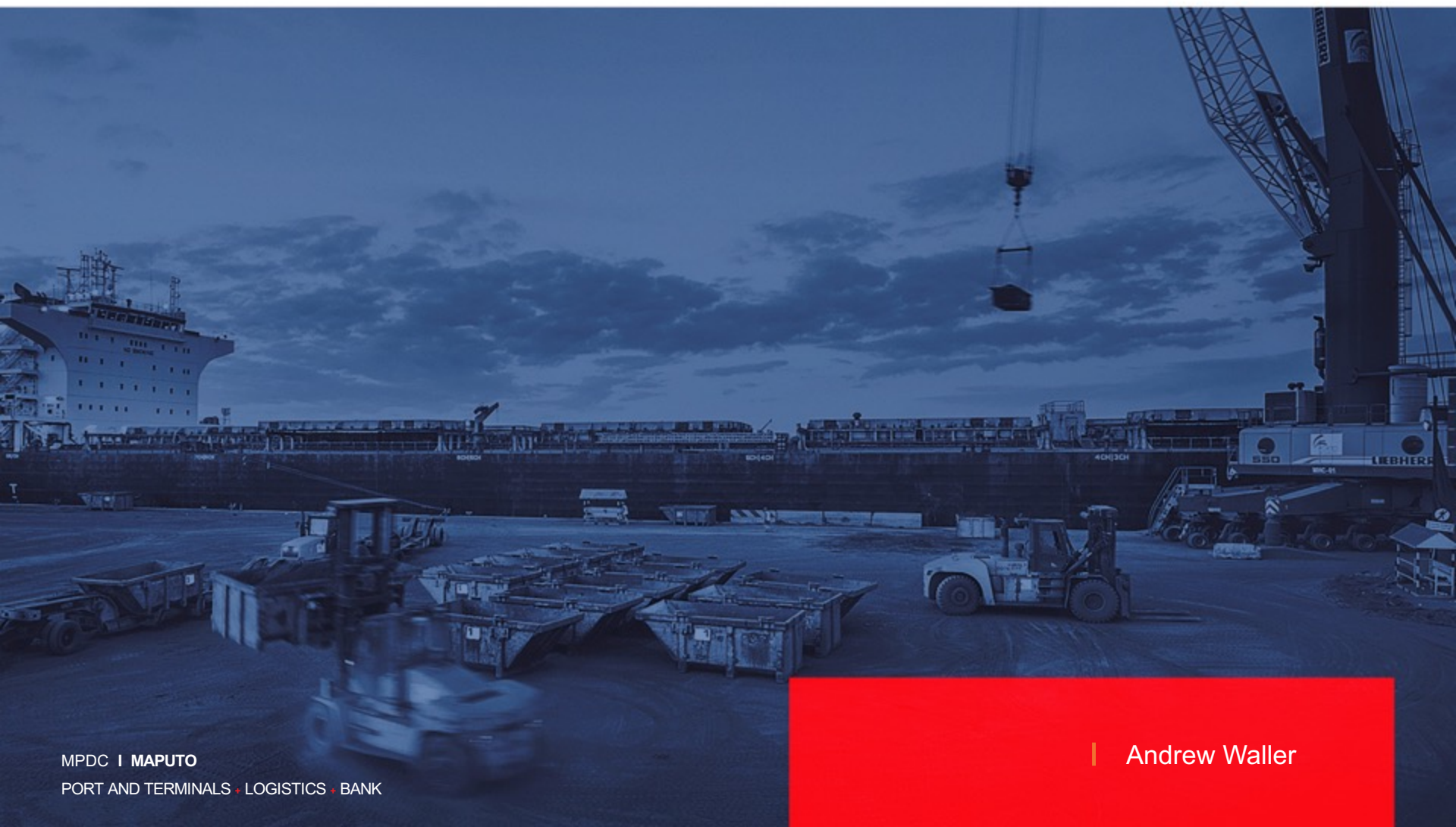
GROUP NET DEBT ANALYSIS

NET (DEBT) / CASH RECONCILIATION



DIVISIONAL OVERVIEW

PORT



MPDC | MAPUTO
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DIVISIONAL OVERVIEW

PORT

Operational highlights

Port handled volumes maintained at >9mt

Infrastructure development plans delayed during H1 are now progressing

Portion of new facilities are complete and available for use

2020 H2 focus

Completion of infrastructure development plans

Commencement of the next extension of the chrome slab to accommodate two rakes of 50 wagons enhancing rail turnaround times

DIVISIONAL OVERVIEW

TERMINALS



DIVISIONAL OVERVIEW

TERMINALS

Operational highlights

Strong performance during first quarter resulted in resilient overall volumes for H1

Matola volumes 13% up on prior period with key customer contract secured

Richards Bay facilities delivered

- Continued cargo flows during the lockdown period
- Seamunye facility improvements complete and now operational – first Sulphur wagon loaded during H1

2020 H2 focus

Focus on ramping up volumes

Conclusion on acquisition of minority interest in car terminal

Drive project related cargo to improve utilisation

Committed to achieve peak performance and working towards diversification

PORT AND TERMINALS CAPACITY AND UTILISATION

RESILIENT PERFORMANCE

Terminals	H1 2020	H1 2019	Change %	2019	Annual capacity
Drybulk (tonnes)	4 385 674	4 416 107	(1%)	10 882 575	15 150 000
Matola Terminal ¹	2 622 109	2 323 657	13%	5 898 684	7 300 000
Richards Bay	1 483 857	1 571 370	(6%)	3 044 700	6 100 000
Walvis Bay	127 364	196 318	(35%)	400 852	550 000
Maputo Terminal ^{1, 2}	152 344	324 762	(53%)	738 339	1 200 000
Port of Maputo ³	8 828 364	9 332 435	(5%)	21 065 452	-

¹ Physical tonnage, excluding take or pay volumes.

² Annual capacity is scalable to four million tonnes.

³ Includes volumes of Matola Terminal and Maputo Terminal.



DIVISIONAL OVERVIEW

LOGISTICS



DIVISIONAL OVERVIEW

SEAFREIGHT, INTERMODAL, CLEARING & FORWARDING AND AGENCY

Operational highlights

Container volumes delivered peak performance during first quarter

Essential cargo volumes during lockdown resulted in erratic container flows

Following the opening of South African ports

- Depots commenced delivery of the full containers to suppliers
- Delivery of necessary reefer services for citrus season

Additional warehouse space has been contracted in Port Elizabeth

Secured long-term tenure at the Maydon Wharf facilities
- now leased directly from Transnet

2020 H2 focus

Further alignment of the service offering along the corridors

Growing the customer base

Contracting more closely with the shipping lines

Expanding capabilities and securing new facilities

DIVISIONAL OVERVIEW

NORTHERN MOZAMBIQUE

Operational highlights

Strong delivery of freight solutions included

- Deployment of trucks to carry project cargo and supplies to Cabo Afungi in Northern Mozambique on chartered vessels
- Four vessels have delivered 5 654 tonnes of cargo in 13 sailings
- Sailings continued throughout the lockdown period

2020 H2 focus

Expanding the service offering through the development of the Palma intermodal depot

Continue to unlock regular logistics services on Malawi corridor



DIVISIONAL OVERVIEW

NORTH-SOUTH CORRIDOR

Operational highlights

Operations impacted by closure of borders and force majeure called on some mine sites

Since re-opening two locomotives and 54 new wagons have been positioned on the Dar es Salaam corridor to run freight in and out of the copper belt

Durban container terminal successfully delivered volumes to Ndola and returned with mineral cargo

Six of the 20 locomotives repatriated from Sierra Leone have been rehabilitated and are ready for deployment

2020 H2 focus

Completion of the rail merger with African Rolling Stock Solutions to secure commercial deployment

Continued effort in aligning all parties on the North-South corridor

DIVISIONAL OVERVIEW

BANK

DIVISIONAL OVERVIEW

BANK

Operational highlights

Marginal increase in Advances of 2.76% to R7.6 billion
(December 2019: R7.4 billion)

5.37% drop in Core Funding Base to R9.9 billion
(December 2019: R10.4 billion), however 1.6% increase in Q2

Cash liquidity at June 2020 R4.3 billion

Credit rating maintained at A-

Further investment in technology advancements and
governance pushing up cost base

B-BBEE transformation at all levels especially at Board
and senior management

COVID-19 impact on advances

Limited impairments due to:

- Quality and nature of property book
- Focus on secured lending
- No retail exposure

ECL impact

Increase in customer requests for loan restructures or
temporary relief

DIVISIONAL OVERVIEW



BANK

2020 H2 focus

Introduction of strategic partners to support growth

Continue focused lending

SME banking growth

Positioning of “platform banking” offering

Managing impact of COVID-19 across our client base

DIVISIONAL OVERVIEW

NON-CORE

Marine Fuels
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DIVISIONAL OVERVIEW

Disposals in progress and expected to be concluded in the short term:

- Senwes
- Private equity divestment
- Marine Fuels

OUTLOOK GRINDROD



DELIVERING A STRATEGY IN A DYNAMIC WORLD

RESTORING SHAREHOLDER VALUE



THANK YOU

Due to time constraints, we may not have answered all questions. We will email you a detailed response

If you have any further questions, please email your questions to
fathima.ally@grindrod.com

Thank you for your attendance
We appreciate your interest in our company

