

WELCOME

to a presentation of our 2021 Interim Financial Results

COMMENCEMENT **9am**

Once the presentation commences, you may
type your questions in the Q & A section
All questions will be answered at the end of the presentation

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



A large, stylized, 3D letter 'G' in a light grey color with a metallic sheen, set against a solid red background. The 'G' is thick and has a sense of depth, with shadows and highlights that give it a three-dimensional appearance.

PORT
TERMINALS
LOGISTICS
BANK

www.grindrod.com

GRINDROD LIMITED
UNAUDITED INTERIM RESULTS

for the six months ended 30 June 2021

OVERVIEW AND HIGHLIGHTS

RESULTS 2021 H1

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

PERFORMANCE SCORECARD



Core
revenue *

^ 5%
R2.4 billion

Cash generated
from operations

R336 million

SHERQ

Fatality: Nil
LTIFR: 0.58
Target: <0.5

Core
trading profit *

^ 33%
R779 million

Net
asset value

R10.19
per share

COVID-19

91% recovery rate
10 fatalities

Core
headline earnings *

^ 1 376%
R345 million

Net debt to equity
excluding Bank and
lease liabilities

25%

B-BBEE

Overall: Level 2
BO: 62.3%
BWO: 29.7%

* Core operations comprise Port and Terminals, Logistics, Bank and Group



FIRST HALF 2021

BUSINESS OVERVIEW

Overall environment and performance

- Exceptional circumstances continue in the first half of 2021
 - COVID-19 waves continue to disrupt supply lines
 - Insurgency
- Strong commodity demand
 - Mining minerals
 - Agricultural produce
- Improved performance in core businesses
 - Strong customer solution orientation
 - Conservative approach in Grindrod Bank maintained
- Negatively impacted by
 - Temporary withdrawal from northern Mozambique
 - Provisions ahead of sales in the carrier businesses
- Non-core
 - 9 private equity businesses sold
 - 2 large assets remain
 - Continue to seek solutions on the Land and Marine Fuels



FINANCE PRESENTATION 2021 H1 RESULTS

RESULTS 2021 H1

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

SEGMENTAL INCOME STATEMENT

Rmillion	H1 2021	H1 2020 *	VAR (%)	Comments
Revenue	8 275	8 645	(4)	
Core operations	2 389	2 278	5	
Non-core operations	5 886	6 367	(8)	Lower Marine Fuels revenue
Trading profit	510	475	5	
Core operations	779	586	33	Trading impacted by softer margins at Matola and northern Mozambique provisioning offset by Grindrod Shipping fair value gains
Non-core operations	(269)	(111)	(142)	Private equity impairments and lower Marine Fuels earnings
Depreciation and amortisation	(337)	(386)	13	
Non-trading items	(433)	(66)	(>100)	Carrier businesses and private equity impairments
Net interest paid	(112)	(174)	37	Decreased facility utilisation
Share of associate earnings	47	29	62	Port earnings up due to increased volumes
Loss before taxation	(325)	(122)	(>100)	
Taxation	(79)	(126)	36	Withholding tax on dividends in prior period
NCI	3	38	(92)	
Preference dividends	(23)	(28)	18	Decrease in SA prime rate
Net loss attributable to ordinary shareholders	(424)	(238)	(78)	

* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels



RESULTS 2021 H1

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

CORE HEADLINE EARNINGS ANALYSIS

Rmillion	Port and Terminals		Logistics		Bank		Group		Total core businesses	
	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020	H1 2021	H1 2020
Headline earnings from core businesses	111	97	46	44	45	33	143	(151)	345	23
Adjusted for										
Northern Mozambique provisioning	-	-	53	-	-	-	-	-	53	-
Fair value adjustments on Grindrod Shipping shares	-	-	-	-	-	-	(186)	90	(186)	90
Adjusted headline earnings from core businesses	111	97	99	44	45	33	(43)	(61)	212	113



RESULTS 2021 H1

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

SEGMENTAL BALANCE SHEET

Rmillion	2021 June	2020 December *	Comments
Property, plant and equipment	3 011	3 366	Carrier transferred to held for sale, depreciation and stronger rand against the dollar
Right of use asset	1 517	1 225	Acquisition of Durban port leases and new UCD Beaconvale lease
Intangible assets	912	1 091	Carrier businesses goodwill impairment
Investments	2 380	2 767	Private equity disposals and fair value losses
Other assets	160	167	
Non-current assets held for sale	220	447	Carrier businesses (2020: Senwes)
Current assets	3 968	3 491	Increase in northern Mozambique and Marine Fuels debtors
Bank and cash	2 237	2 170	
Liquid assets and short-term negotiable securities	3 894	2 469	Increase in funds invested in treasury bills
Loans and advances	9 673	8 933	New loans and advances
Total assets	27 972	26 126	

* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior earnings of Marine Fuels



RESULTS 2021 H1

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

SEGMENTAL BALANCE SHEET

Rmillion	2021 June	2020 December *	Comments
Shareholders' equity	7 604	7 975	Current period losses
Interest-bearing borrowings	3 760	3 837	
Lease liabilities	1 550	1 415	Acquisition of Durban port leases and new UCD Beaconvale lease offset by lease payments
Deposits from Bank customers	11 420	9 434	Growth in core deposits
Other liabilities	137	185	
Current liabilities	3 501	3 280	Increase in Marine Fuels creditors
Total equity and liabilities	27 972	26 126	

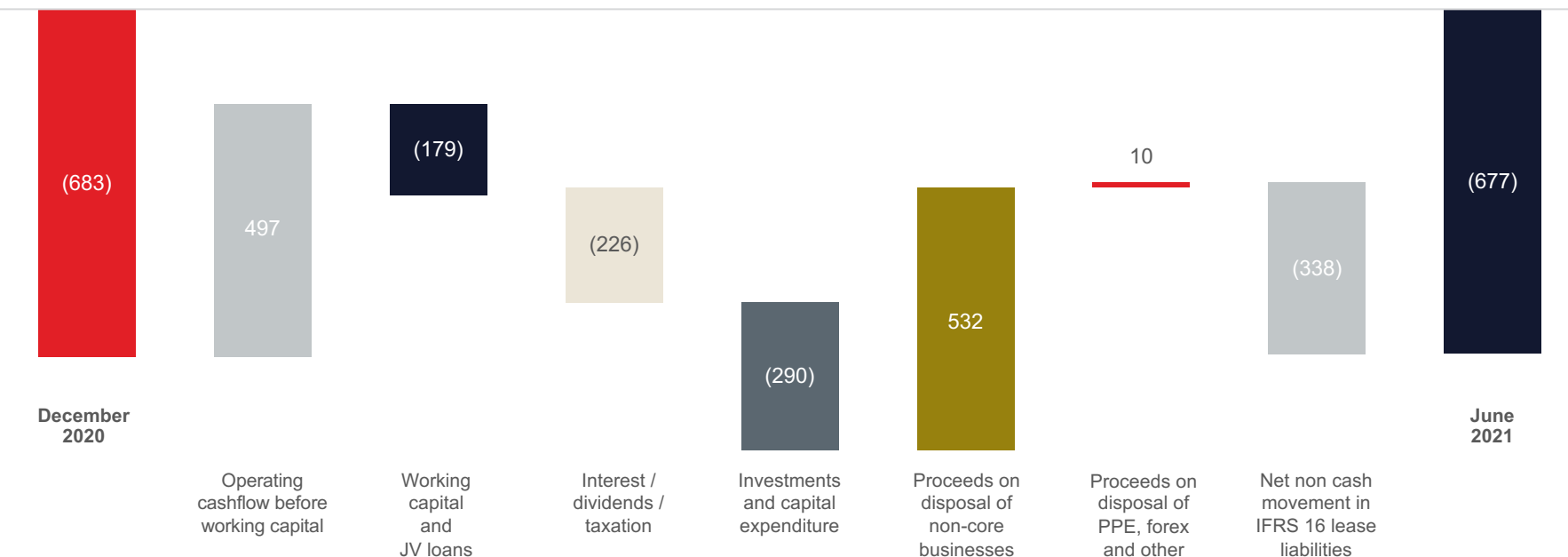
* Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior earnings of Marine Fuels

GROUP LEGAL NET DEBT RECONCILIATION

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

Rmillion



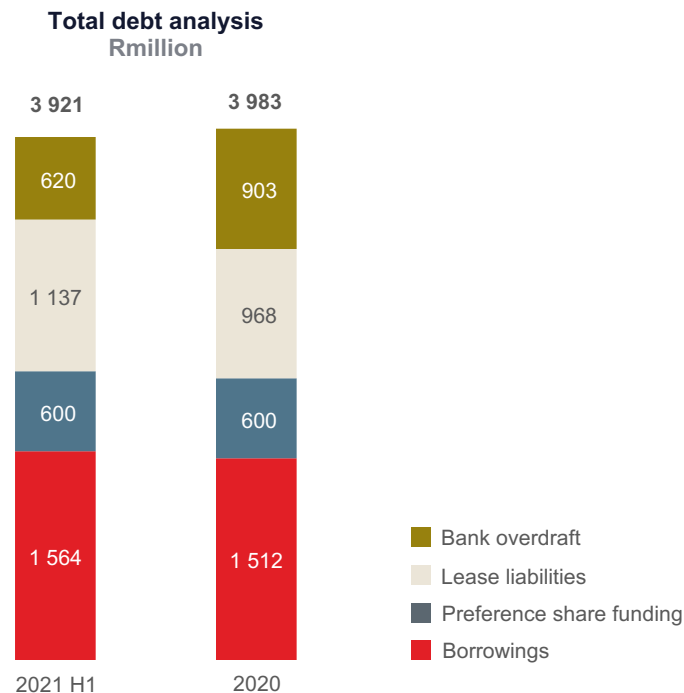
LEGAL NET DEBT ANALYSIS (EXCLUDING BANK)

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

%	2021 June	2020 December
Net debt to equity excluding lease liabilities	25	26
Net debt to equity	40	38

Rmillion	2021 June	2020 December
Total debt	3 921	3 983
Less: cash	(855)	(939)
Net debt excluding lease liabilities	3 066	3 044

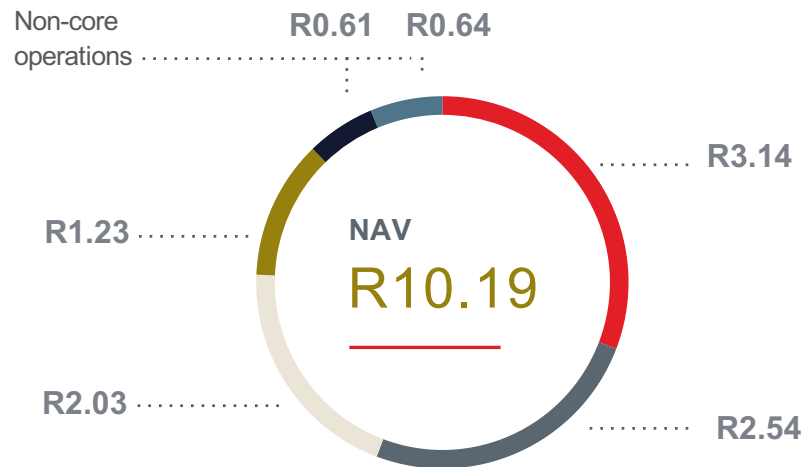


RESULTS 2021 H1

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

NET ASSET VALUE PER SHARE



Port and Terminals Logistics Bank Group Marine Fuels Private equity

PORT AND TERMINALS + LOGISTICS + BANK

Division	NAV (Rand / share)	Headline earnings* (Rand / share)	Return on equity (%)
Freight and Group **	6.91	0.90	13%
Bank	2.03	0.07	3%
Total core businesses **	8.94	0.97	11%

* Headline earnings = (H1 2021 + H2 2020) and exclude fair value adjustments on Grindrod Shipping shares

** Return on equity excluding fair value gain on Grindrod Shipping shares is 9% for Freight and Group and 8% for core businesses

No. of shares (000s)

excluding treasury shares

671 747



DIVISIONAL OVERVIEW

FREIGHT SERVICES

DIVISIONAL FINANCIAL PERFORMANCE

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

FINANCIAL PERFORMANCE – SEGMENTAL BASIS

Core	Port and Terminals		Logistics	
	2021 H1	2020 H1	2021 H1	2020 H1
	Rm	Rm	Rm	Rm
Revenue	495	483	1 640	1 498
Headline earnings	111	97	46	44
Net profit / (loss)	112	97	(223)	52
Net asset value	2 108	2 063	1 709	2 005
US Dollar based revenue	57%	69%	19%	16%

DIVISIONAL OVERVIEW

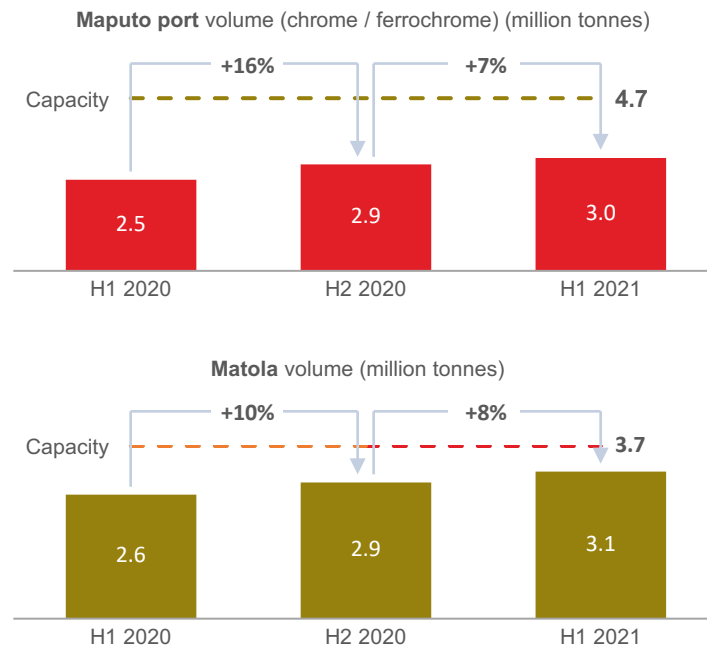
GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

OPERATIONAL PERFORMANCE – PORT AND TERMINALS

H1 operational highlights

- COVID-19 vaccination over 90% in Maputo port and Matola terminal
- Maputo port chrome and ferrochrome volume up 23%, overall Port volume grew by 7%
- Slab capacity at the port up 89% to 9.3 million tonnes p.a.
- Road haulage to the port recovered to 433 trucks per day, up 39%
- The new port masterplan has now been completed and approved
- Matola terminal volume up 18%, overall Terminals up 13%
- Capacity utilisation at Matola was 85%, up from prior period's 72%
- Rail allocation and Mozambique border congestion a challenge
- Successful trials to load bigger vessels in Maputo port and Matola



DIVISIONAL OVERVIEW

OPERATIONAL PERFORMANCE – PORT AND TERMINALS

H2 key focus areas

- Uplift rail allocation and port performance in Richards Bay
- Optimise berth utilisation at Maputo port and Matola terminal
- Address low margins at Matola terminal
- Complete the automation of the Maputo port operations
- Unlock bottleneck at the Mozambique border to lift cargo flow
- Grow the current manganese solution beyond Maydon Wharf
- Position Grindrod for terminal handling PSP opportunities
- Rollout the newly approved Maputo port masterplan



DIVISIONAL OVERVIEW

OPERATIONAL PERFORMANCE – LOGISTICS

H1 operational highlights

- Strong performance at the coastal shipping and container business
- Resumed graphite logistics operation in Nacala, mitigating impact of LNG project suspension in Cabo Delgado
- Deployed five locomotives in Sierra Leone's Tonkolili iron ore mine
- Progressed disposal of four locomotives at estimated \$11.3 million (Grindrod effective share \$4.8 million)
- Completed buy-up of additional interest in Röhlig Grindrod
- Disposal of the road transportation business well progressed

H2 key focus areas

- Focus on margins improvement
- Replace and / or grow footprint in the container business
- Continually optimise the graphite logistics solution as the customer ramps up production at the mine
- Monitor developments in the Cabo Delgado region, ensuring readiness for the operational resumption
- Pursue value extraction from the rail businesses through locomotive disposal and / or deployment
- Conclude disposal of the road transportation businesses

DIVISIONAL OVERVIEW

BANK

DIVISIONAL FINANCIAL PERFORMANCE

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

FINANCIAL PERFORMANCE – SEGMENTAL BASIS

Core	Bank	
	2021 H1	2020 H1
	Rm	Rm
Revenue	223	214
Net profit	45	33
Net asset value	1 650	1 603
Core deposits	10 517	8 551
Loans and advances	8 636	7 933

DIVISIONAL OVERVIEW

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021



BANK

H1 operational highlights

- Healthy growth in advances of 9% to R8.6 billion (December 2020: R7.9 billion)
- Strong core deposit funding base at R10.5 billion (December 2020: R8.6 billion)
- Over R4 billion in surplus liquidity at 30 June 2021
- Good demand for the bank's loan notes which were oversubscribed 1.25x during the June 2021 refinance at a 50bps lower cost
- GCR credit rating maintained at A -
- Bank is well capitalised with strong capital and liquidity ratios, comfortably above regulatory minimums
- Support to our clients by providing temporary relief to loan obligations due to operational challenges experienced as a result of COVID-19, civil unrest and looting
- Bank's platform banking strategy on-track

H2 key focus areas

- Continue focused lending
- SME banking growth
- Positioning of "platform banking" offering
- Continue with improved deal flow that started late in 2020
- Capitalise on increasing economic activity
- Supplying the increasing demand for relationship banking
- Introduction of strategic partners to support growth

DIVISIONAL OVERVIEW

NON-CORE

DIVISIONAL OVERVIEW

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

NON-CORE

Private equity

- Market remains challenging
- Grindrod concluded disposals of private equity assets resulting in total proceeds of R176.0 million, of which R163.7 million was received by period end
- Disposal of UK real estate asset for £17.4 million substantially complete
- Of the remaining private equity portfolio assets, two material investments have not produced acceptable offers
 - The strategy remains to exit the investments at the right valuations
- The carrying value of the private equity and property portfolio as at 30 June 2021 is R983.3 million

Land

- Progress has been made by the owners on the development plan for the properties on the KwaZulu Natal North Coast
 - Interest in various nodes within this development has continued and the owners are in the process of launching the prospectus
 - The strategy remains for Grindrod to have these exposures settled
- The carrying value of the north coast loan advance as at 30 June 2021 is R1.0 billion

Marine fuels

- The Marine Fuels business has been marginally profitable during the period
 - Management remains committed to an exit of this business
- The carrying value of this investment as at 30 June 2021 is \$28.6 million



MARKET OUTLOOK

MARKET OUTLOOK

Economic growth

- Global growth is forecast at 5% ¹ up from negative 3.7% from 2020
- Acceleration of private sector participation programme in South Africa

Iron ore

- Prices have softened from record levels
- US infrastructure bill when passed will likely support prices
- New sources of iron ore are expensive and difficult to execute

Manganese

- 80% of manganese resources are found in South Africa
- Prices to increase slowly on growing global steelmaking demand
- This will remain South Africa's attractive export mining commodity

Chrome and ferrochrome

- Volume flows into China impacted by higher freight rates
- Ferrochrome continues to be supplied to fulfill supply contracts

Container rates

- Container rates at high levels
- Impact of supply shortage and increased demand

Coal

- Positive outlook for coal in the short term
- Lag between new energy sources and decreasing coal supply
- Demand from India, China / Australia trade dispute will be key factors
- Coal as energy baseload vs technological breakthrough in power storage

Banking

- Delayed recovery on the economy due to the COVID-19 impact remains a major risk

¹ Source: IMF – World Economic Outlook (July 2021)

ANNEXURE

DIVISIONAL OVERVIEW

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2021

PORT

Tonnes

	H1 2021	H1 2020	Change %	2020
Chrome / ferrochrome	3 039 076	2 461 037	23%	5 320 112
Sub-concession and other	6 396 834	6 367 328	-%	13 063 032
Port of Maputo	9 435 910	8 828 365	7%	18 383 144
Trucks per day into Maputo (average)	433	311	39%	335
Trains per week into Maputo (average)	9	9	-%	11

PORT AND TERMINALS CAPACITY AND UTILISATION

TERMINALS

	H1 2021	H1 2020	Change %	FY 2020	Annual capacity
Drybulk (tonnes)	4 971 399	4 385 674	13%	9 396 223	15 150 000
Matola terminal ¹	3 104 117	2 622 109	18%	5 501 651	7 300 000
Richards Bay	1 696 937	1 483 857	14%	3 169 815	6 100 000
Walvis Bay	129 091	127 364	1%	380 452	550 000
Maputo terminal ^{1 2}	41 254	152 344	(73%)	344 305	1 200 000

¹ Physical tonnage excluding take or pay volumes.

² Annual capacity is scalable to four million tonnes.

THANK YOU

For more information contact

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