

welcome

to a presentation of our **2022 Interim 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

www.grindrod.com

PORT
TERMINALS
LOGISTICS
BANK



PORT
TERMINALS
LOGISTICS
BANK

GRINDROD LIMITED 2022 Interim Financial Results

www.grindrod.com



overview and highlights

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2022

Drybulk terminal | MATOLA

ANDREW WALLER



Overall environment

Global

- Global geopolitical conflicts and pandemic causing supply chain disruptions
- Generally strong commodity markets, volatile iron ore prices
- Buoyant agri markets remained
- High oil price environment
- Increasing inflation and interest rates

SADC

- Growth fueled by elevated commodity prices and agri markets
- Challenges include KZN floods and power supply disruptions

Highlights

Drybulk terminal volumes

^ 52%

7.5 million tonnes

2021 H1:
5.0 million tonnes

Port volumes

^ 30%

12.3 million tonnes

2021 H1:
9.4 million tonnes

Earnings grew

^ 88%

for coastal
shipping and container
depot business

Port capacity upgrade US\$110.3 million

capital spend at
100% (inaugurated in
May 2022)

Impact of KZN floods 2 weeks

to resume operations.
Impact mitigated by
insurance

LTIFR 0.4

against target of 0.5
2021 H1: 0.54

Highlights

Revenue

from core operations *

^ **31%****R3.1 billion**

2021 H1: R2.4 billion

Trading profit

from core operations *

^ **37%****R1.1 billion**

2021 H1: R0.8 billion

Headline earnings

from core operations *

^ **53%****R529.1 million**

2021 H1: R344.8 million

Net debtv **27%****R1.6 billion**2021 December:
R2.2 billion**Cash generated
from operations**^ **120%****to R740.5 million**

2021 H1: R336.3 million

**Net asset value
per share**^ **1 231 cents**2021 December:
1 176 cents**Interim ordinary
dividend**^ **17.2 cents**

2021 H1: nil cents

**Capital
expenditure *****R287.6****million**

2022 H1 actual

**Capital
commitments *****R286.5****million**

2022 H2 approved

* Inclusive of joint ventures.

DIVISIONAL OVERVIEW

freight services

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2022

Stevedores | RICHARDS BAY

XOLANI MBAMBO



Freight Services - financial highlights

Core	Port and Terminals		Logistics	
	2022 H1	2021 H1	2022 H1	2021 H1
SHERQ				
Fatality (target: nil)	nil	nil	nil	nil
LTI (target: nil)	3	3	5	8
LTIFR (target: <=0.5)	0.33	0.44	0.37	0.51
FINANCIAL				
Revenue (Rm)	1 182	495	1 664	1 640
EBITDA (Rm)	442	166	582	380
EBITDA margins (%)	37	34	35	23
Headline earnings (Rm)	300	111	261	46
ROE (%) *	22	17	25	13

* Based on headline earnings (H1 2022 + H2 2021) over average equity.

DIVISIONAL OVERVIEW

port and terminals

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2022

Port | MAPUTO

XOLANI MBAMBO

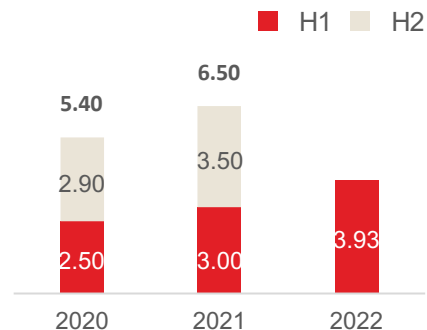
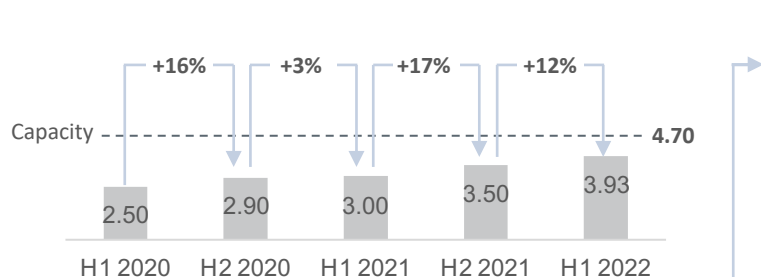


Port and Terminals - H1 2022 highlights

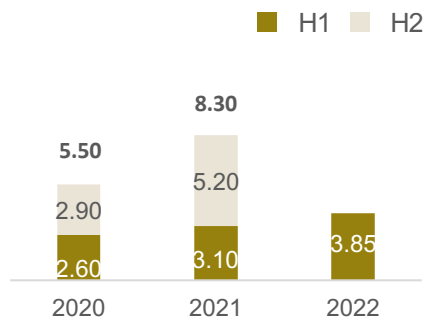
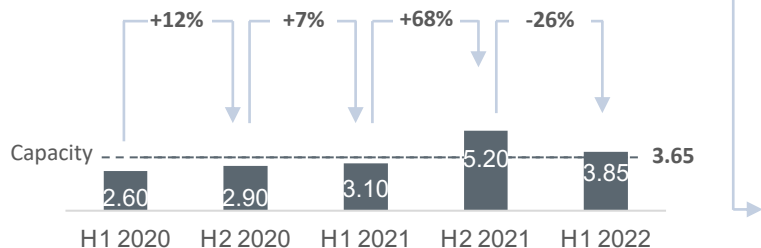
- Maputo port volumes grew 30% to 12.3 million tonnes
- Maputo port successfully commissioned its 6 berths
- Grindrod drybulk terminals volumes handled increased 52%
- Expansion of Maputo terminals facility in response to global coal demand
 - Temporary expansion to 4.5 mtpa
 - Collaboration with South African miners, eSwatini Rail, and CFM
- Maputo car terminal volumes grew 35%
 - Secondhand car transshipments and higher domestic demand
 - Project cargo storage
- Some challenges faced by the operations
 - Disruptive weather challenges
 - Frequent power outages
 - Fire damaged conveyor belt infrastructure in Richards Bay
 - Loss of 20 vessel loading days in Matola due to its berth infrastructure incident

Port and Terminals - operational highlights

Maputo Port Development Company (MPDC) million tonnes



Terminal de Carvão da Matola (TCM) million tonnes



GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2022

PORT
TERMINALS
LOGISTICS
BANK

Car terminal | MAPUTO



Port and Terminals - growth opportunities

Facility	Additional capacity	Commodity	Timing
Matola drybulk terminal	4.7 mtpa	Iron ore / Coal	● Medium term
Richards Bay drybulk terminal *	1.0 mtpa	Coal	● Medium term
Manganese handling facility	0.6 mtpa	Manganese	● Short term
Ngqura manganese terminal	PSP	Manganese	● Long term

* Potential for additional estimated 8.0 mtpa coming through MPT PSP opportunity.

Market outlook

Port and Terminals

Market	Current exposure	Short term fundamentals	Long term fundamentals
Iron ore	7.3 mtpa	●	●
Chrome ore / ferrochrome	9.3 mtpa	●	●
Manganese	0.3 mtpa	●	●
Coal	4.2 mtpa	●	●

DIVISIONAL OVERVIEW

logistics

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2022

Cleaning and Forwarding | JOHANNESBURG

XOLANI MBAMBO



Logistics - H1 2022 highlights

- Strong recovery in coastal shipping and container depot business
 - Depot facilities were impacted by severe floods during April
 - Damages to the infrastructure as well as clean-up costs covered by insurance
- Delivering on container depot solutions to our customers
 - Denver container depot park development
 - Improvements to UCD container business
- Northern Mozambique graphite operations developed alternative routes to market
- Clearing and Forwarding business delivered solid results
- Locomotive deployment and modernisation programme progressing well
- Our locomotive fleet out of workshop is fully deployed supporting our customers across Africa

Logistics solutions - growth opportunities

Facility	Probability	Impact	Timing
Container			
- Maersk / Grindrod JV	High	High	● Short term
- Terminal (PSP)	High	High	● Medium term
Rail (deployment / open access)	Medium	High	● Long term
East Africa footprint	High	High	● Medium term
Northern Mozambique LNG	Low	High	● Uncertain
Container depot development projects	High	Medium	● Short term
Cross border business growth	High	Medium	● Short term

Market outlook

Logistics solutions

Market	Current exposure	Short term fundamentals	Long term fundamentals
Container	300 000m ²	●	●
Graphite	360 000 tpa	●	●
Rail	56 locomotives (owned)	●	●
Agriculture	N/A	●	●
East Africa	N/A	●	●

PORT
TERMINALS
LOGISTICS
BANK

DIVISIONAL OVERVIEW

bank

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2022

DAVID POLKINGHORNE



Financial performance - segmental basis

Core	Bank	
	2022 H1	2021 H1
	Rm	Rm
Revenue	258	223
Headline earnings	74	45
Net asset value	1 745	1 650
Deposits	11 712	11 420
Loans and advances	8 337	8 636

Bank

Operational highlights

- Strong growth in comparative period earnings of 63%
- Advances of R8.3 billion (December 2021: R8.3 billion)
- Strong deposit funding base at R11.7 billion (December 2021: R11.2 billion)
- R6 billion in surplus liquidity
- Bank is well capitalised with strong capital and liquidity ratios comfortably above regulatory minimums
- Sale to African Bank
 - African Bank, with its corporate strategy of building a scalable and sustainable diversified offering across the consumer and business banking segments, is the appropriate shareholder to support the Bank, its employees and clients in fulfilling its growth strategy
 - SME market penetration which is aligned to that of African Bank
 - The additional capital to be provided by the strong African Bank balance sheet will support growth

H2 2022 key focus areas

- Growth in loans and advances by continuing focused lending
- SME banking growth
- Growth in funding base
- Scale platform banking offering
- Completion of conditions precedent for African Bank transaction

FINANCE PRESENTATION

2022 H1 results

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2022

Multi-purpose terminal | DURBAN

FATHIMA ALLY



Segmental income statement

Rmillion	H1 2022	H1 2021	VAR (%)	Comments
Revenue				
Core operations	3 134	2 389	31	Volumes
Non-core operations	8 096	5 886	38	Oil price increase
Trading profit				
Core operations	1 066	779	37	
Non-core operations	(78)	(269)	71	Lower private equity impairments and higher Marine Fuels earnings
Depreciation and amortisation	(315)	(337)	(7)	
Non-trading items	(29)	(433)	(93)	Carrier businesses held for sale in prior period
Net interest paid	(58)	(112)	(48)	Debt reduction
Share of associate earnings	58	47	23	Maputo port volumes
Profit / (loss) before taxation	644	(325)	<100	
Taxation	(225)	(79)	(>100)	Earnings growth and higher withholding tax
NCI	(8)	3	(>100)	
Preference dividends	(25)	(23)	(9)	
Net profit / (loss) attributable to ordinary shareholders	385	(424)	191	

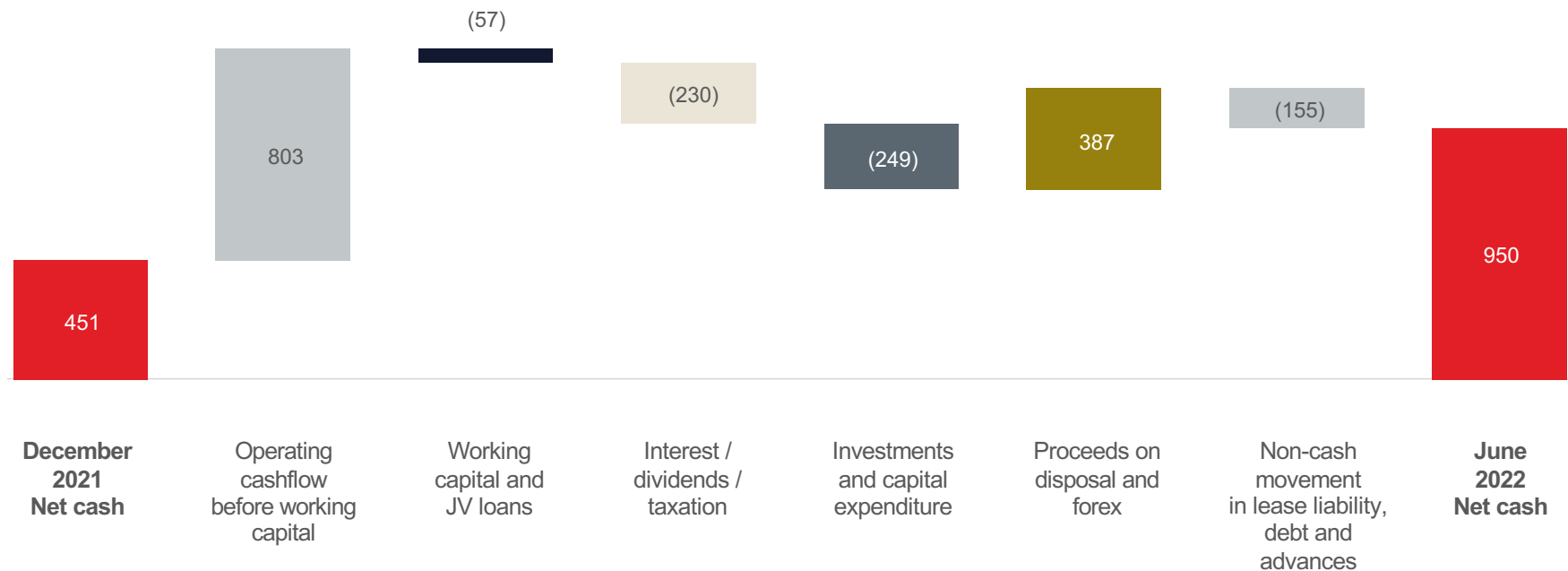
Core businesses headline earnings

	Port and Terminals		Logistics		Bank		Group		Total	
Rmillion	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Earnings from core businesses	296	112	226	(223)	74	45	(86)	130	510	64
Headline earnings adjustments	4	(1)	35	269	-	-	(20)	13	19	281
Headline earnings from core businesses	300	111	261	46	74	45	(106)	142	529	345
Adjusted for:										
KZN floods net insurance proceeds	-	-	(50)	-	-	-	-	-	(50)	-
Northern Mozambique provisioning	-	-	(10)	53	-	-	-	-	(10)	53
Fair value adjustments on Grindrod Shipping shares	-	-	-	-	-	-	-	(186)	-	(186)
Adjusted headline earnings from core businesses	300	111	201	96	74	45	(106)	(44)	469	212

Segmental balance sheet

Rmillion	Jun 2022	Dec 2021	VAR %	Comments
Property, plant and equipment	3 169	3 144	1	Capex and exchange rate offset by disposals and depreciation
Right of use asset	1 387	1 441	(4)	Depreciation and disposals offset by additions
Intangible assets	995	976	2	
Investments	1 767	2 019	(12)	Private equity disposals and fair value losses
Other assets	459	645	(29)	Proceeds received from carrier disposals and forex losses on SIRE receivable
Current assets	5 056	3 974	28	Higher bunker fuel prices and improved trading
Bank and cash	2 759	2 546	8	
Liquid assets and negotiable securities	4 950	3 936	26	Increase in funds invested in treasury bills
Loans and advances	9 501	9 537	-	
Total assets	30 043	28 218	6	
Shareholders' equity	8 944	8 571	4	
Interest-bearing borrowings	3 370	3 227	4	Additional funding raised by Bank, offset by repayments
Lease liabilities	1 503	1 558	(4)	Repayment and disposal partly offset by new leases
Deposits from Bank customers	11 712	11 221	4	Growth in deposits
Other liabilities	104	135	(23)	
Current liabilities	4 410	3 506	26	Marine Fuels prices and higher trading activity
Total equity and liabilities	30 043	28 218	6	

Rmillion

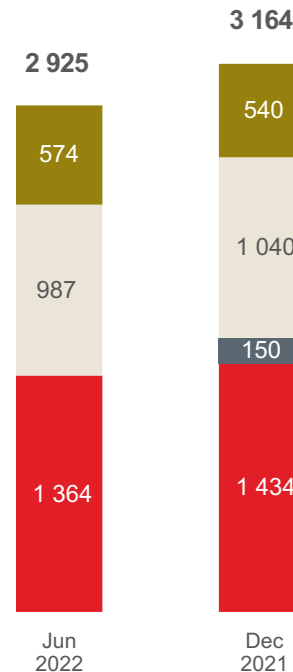


Rmillion	Jun 2022	Dec 2021
Total debt	2 925	3 164
Less: cash	(1 277)	(952)
Net debt excluding Bank	1 648	2 212
%	2022	2021
Net debt to equity ratio	18	26
Net cash to equity ratio including Bank	11	5

Capital allocation

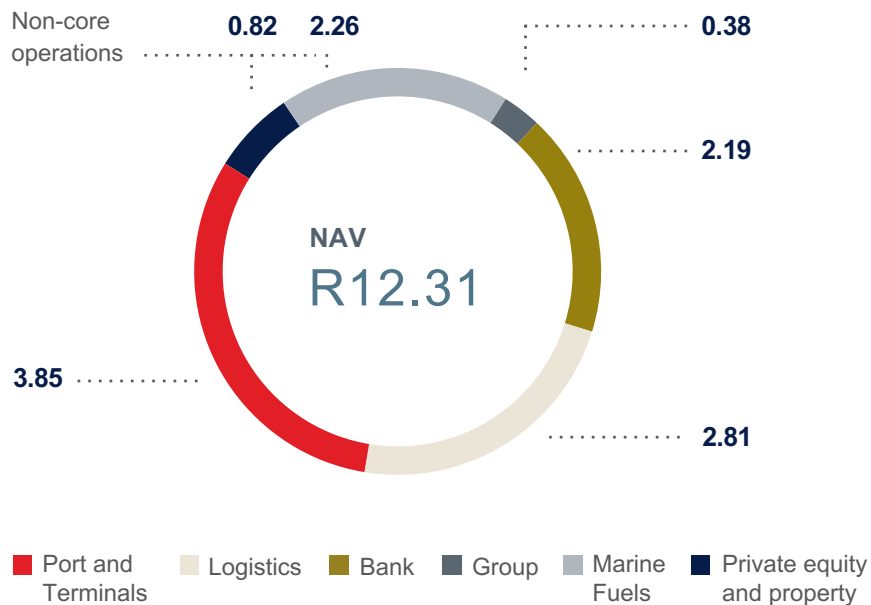
- Stay-in-business projects
- Growth projects / acquisitions
- Sustainable dividends

Total debt analysis Rmillion



- Bank overdraft
- Lease liabilities
- Preference share funding
- Borrowings

Financial performance - segmental basis



Division	NAV (Rand / share)	Headline earnings (Rand / share)	2022 Return on equity	2021 Return on equity
Freight and Group *	7.04	1.35	19%	13%
Bank	2.19	0.19	9%	7%
Total core businesses **	9.23	1.54	17%	12%

* Headline earnings - (H1 2022 + H2 2021) and excludes fair value adjustments on Grindrod Shipping shares incurred in the prior periods.

No. of shares
(000s)

excluding treasury shares

667 199

non-core

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2022

North Coast properties | DURBAN

ANDREW WALLER



Non-core

Private equity

The private equity portfolio exit is largely complete with only one significant asset remaining with a carrying value of R306.7 million.

Disposal proceeds of R152.1 million realised during this period were applied to settle private equity debt.

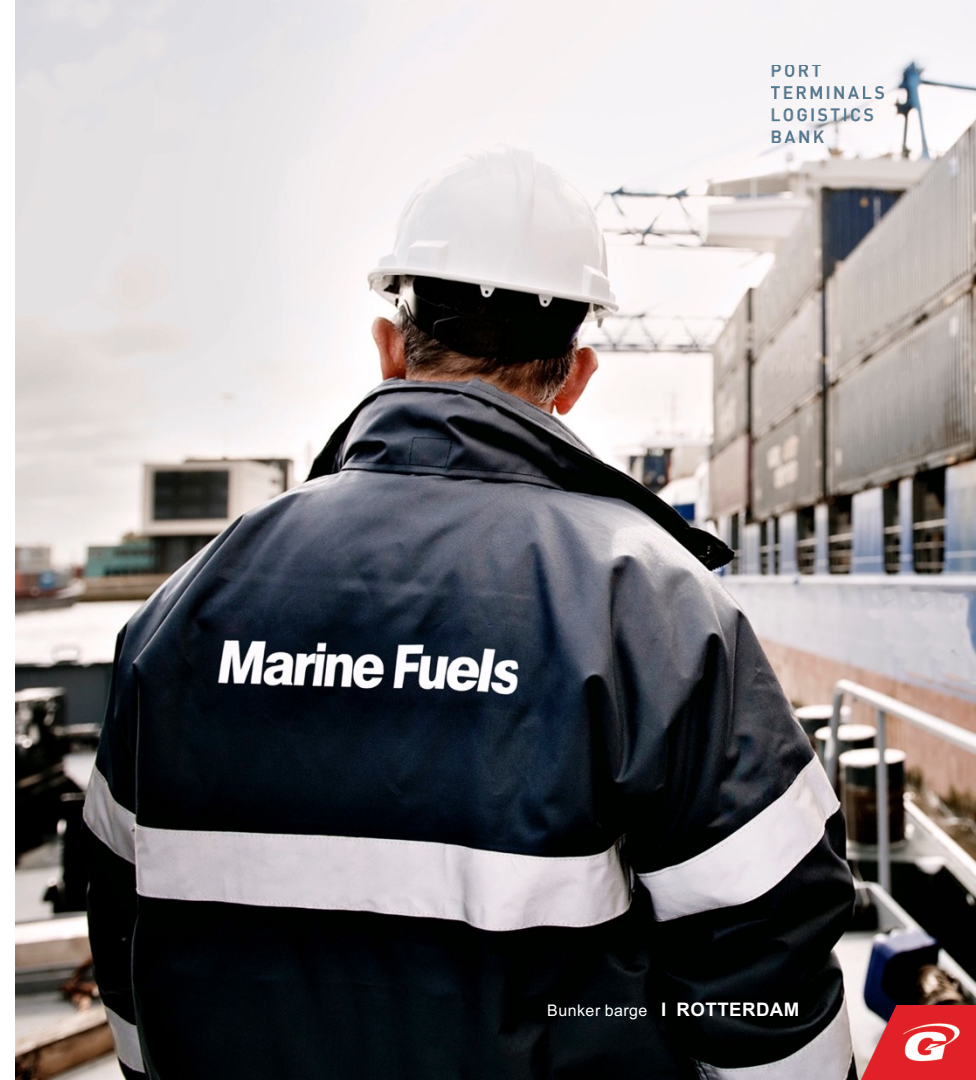
Land

Management continues to explore various options to recover the significant loans and advances of R1.8 billion secured by two North Coast properties.

Marine Fuels

Continue to explore opportunities to exit business in conjunction with co-shareholder.

Carrying value of investment is R547.7 million.





PORT
TERMINALS
LOGISTICS
BANK

outlook

GRINDROD LIMITED

Unaudited interim results for the six months ended 30 June 2022

Logistics | JOHANNESBURG

ANDREW WALLER



Delivering our strategy

- Global markets are showing low growth through to 2023 with inflation impacting heavily in the short term
- Minerals and agricultural commodity segments forecast to be resilient
- Grindrod's strategy of separating the three businesses and focusing on the core is almost complete
- Each of the businesses being Shipping, Bank and Freight Services are well placed to grow in the future
- The market cap of the combined Grindrod Limited and unbundled Shipping business is well above R20 indicating a recovery of value for shareholders
- Grindrod Freight is well placed with its refreshed strategy focusing on customer solutions, specific commodities and geographies, with a pipeline of opportunities led by a strong execution orientated team

ALL FOR AFRICA

thank you

For more information contact
Fathima Ally

P +27 31 302 7575

E fathima.ally@grindrod.com

www.grindrod.com

PORT
TERMINALS
LOGISTICS
BANK



annexure

PORT
TERMINALS
LOGISTICS
BANK



Port

Tonnes	H1 2022	H1 2021	Change %	H1 2021	FY 2021	FY 2020
Chrome / ferrochrome	3 934 328	3 039 076	29	3 499 269	6 538 345	5 320 112
Sub-concession and other	8 322 155	6 396 834	30	9 329 496	15 726 330	13 063 032
Port of Maputo	12 256 483	9 435 910	30	12 828 765	22 264 675	18 383 144
Trucks per day into Maputo (average)	536	457	17	418	438	340
Trains per week into Maputo (average)	17	9	89	12	11	11



Terminals

	H1 2022	Change %	H1 2021	H2 2021	H2 2021	FY 2020	Template capacity
Drybulk (tonnes)	7 543 444	52	4 971 399	8 010 117	12 981 516	9 396 223	15 150 000
Matola terminal ¹	3 848 198	24	3 104 117	5 168 919	8 273 036	5 501 651	7 300 000
Richards Bay	2 174 152	28	1 696 937	2 091 143	3 788 080	3 169 815	6 100 000
Walvis Bay	224 128	74	129 091	137 171	266 262	380 452	550 000
Maputo terminal ^{1 2}	1 296 966	3 044	41 254	612 884	654 138	344 305	1 200 000

¹ Physical tonnage excluding take or pay volumes.

² Annual capacity is temporarily scalable to additional 4.5 million tonnes.