

# welcome

to a presentation of our **2022 Annual Financial Results**

## COMMENCEMENT **9am**

Following our SENS announcement at approximately 08h00 this morning, the investor presentation will be uploaded to the website. A link to download the presentation will be mailed to all who have previously confirmed attendance in person, via livestream, or via audio.


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.

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PORT  
TERMINALS  
LOGISTICS



A large blue industrial machine, likely a port terminal loader or conveyor system, is shown in operation. A worker in a blue uniform and hard hat stands on a metal platform of the machine. The machine is positioned over a large pile of dark material, possibly coal or ore. The background shows a clear sky with some clouds.

# GRINDROD LIMITED 2022 Annual Financial Results

PORT  
TERMINALS  
LOGISTICS

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## Safety | Our priority

## SHERQ

2022

2021

Target

Fatality

nil

nil

nil

LTI

16

19

nil

LTIFR

0.34

0.41

&lt;=0.5



# overview and highlights

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Project logistics | GQEBERHA

XOLANI MBAMBO





## Macro context | Dynamic operating environment

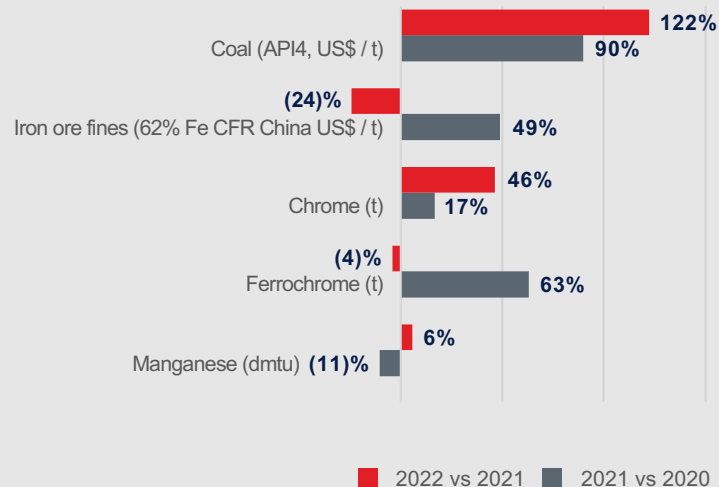
### GLOBAL

- Geopolitical risk between China and Japan
- Ukraine war - scramble for fossil fuel / energy
- US federal reserve pressure
- Winter - not as expected
- COVID-19 restrictions in China

### MOZAMBIQUE AND SOUTH AFRICA

- Insurgency risk decrease
- LNG impact on economy
- High debt levels
- Increase in reserving
- Loadshedding, strike, corridor challenges and South Africa's grey listing
- Unemployment and economic growth remains under pressure

### STRONG COMMODITY PERFORMANCE



## Performance highlights | Strong growth

### Operational

Record drybulk  
volumes

**^ 23%**

16 million tonnes

Record port  
volumes

**^ 29%**

10 million tonnes

### Social

Taxes and  
social contribution

**^ 37%**

R0.4 billion

Human  
capital

**^ 14%**

R1.4 billion

### Shareholder

Core headline  
earnings

**^ 37%**

R1.1 billion

Dividends to  
shareholders

**R0.6 billion**





# port and terminals

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Port | MAPUTO

XOLANI MBAMBO



## Port and Terminals | 2022 highlights

Maputo port volumes grew 29% to 9.8 mt

- Successfully commissioned six berths
- Implementation of 24-7 border operations

Grindrod drybulk terminals volumes handled increased 23%

- Matola volume was 8.1 mt
- Maputo terminal volume significantly increased - terminal capacity expanded to 4.5 mt
- eSwatini corridor mitigated impact of Komatipoort border congestion
- Profit participation of 0.5 mtpa coal handled added R167.1 million of earnings

Businesses faced unprecedented challenging operational environment

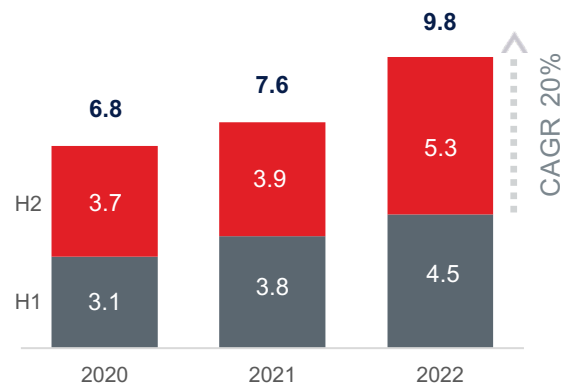




## Port and Terminals | Performance highlights

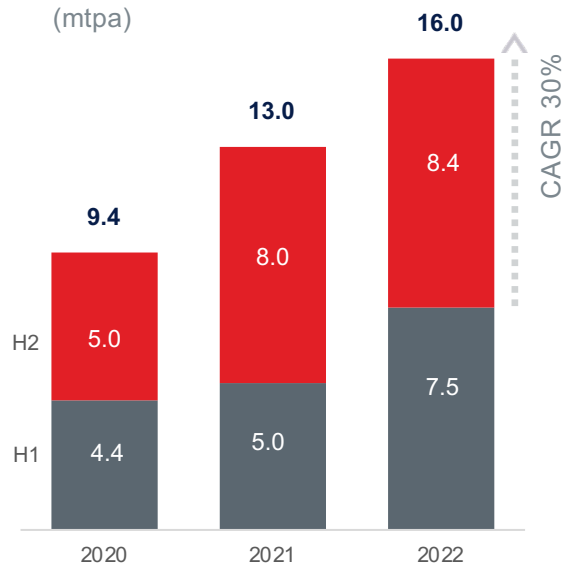
## Port volumes

(mtpa)



## Terminals volumes

(mtpa)



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Drybulk terminal | MAPUTO



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logistics

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Rail | TSHWANE

**XOLANI MBAMBO**





## Logistics | 2022 highlights

- Successful completion of the Maersk joint venture
- Coastal shipping and container depot businesses recovered exceptionally following floods in KwaZulu-Natal
  - Underpinned by strong container handling performance
  - Higher shipping rates as a result of favourable market conditions
- Enduring performance on export solution for graphite customer
- Clearing and forwarding business delivered record performance
- Achieved 5.6 mt on iron ore rail solution in Sierra Leone
- Continued execution on the locomotive refurbishment programme
- Established presence in East Africa





non-core

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North Coast properties | DURBAN

XOLANI MBAMBO





NON-CORE

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## Non-core | Overview

**Marine Fuels**

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Bunker barge | ROTTERDAM

### PRIVATE EQUITY

The private equity portfolio exit is largely complete

### LAND

Efforts to recover loans and advances to North Coast property companies are progressing

### MARINE FUELS

Business is profitable - benefitting from the healthy fuel margins in line with strong oil prices in 2022





FINANCE

# 2022 results

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Drybulk terminal | RICHARDS BAY

FATHIMA ALLY





## Segmental income statement from continuing operations

Rmillion	2022	2021 *	VAR (%)	Comments
Revenue	24 360	17 550	39	
Core operations	7 405	4 683	58	Volume growth
Non-core operations	16 955	12 867	32	Oil price increase
Trading profit	1 917	1 524	26	
Core operations	2 174	1 646	32	
Non-core operations	(257)	(122)	(>100)	Advances and private equity impairments offset by higher Marine Fuels earnings
Depreciation and amortisation	(645)	(653)	1	
Non-trading items	54	(450)	>100	Mainly carrier businesses disposal in prior period
Net interest paid	(125)	(199)	37	Timing of debt reduction
Share of associate earnings	163	115	42	Maputo port volumes
<b>Profit before taxation</b>	<b>1 364</b>	<b>337</b>	<b>&gt;100</b>	
Taxation	(535)	(209)	(>100)	Non-deductible expenditure and withholding tax on dividends
NCI	3	(21)	>100	
Preference dividends	(56)	(46)	(22)	In line with prime rate increase
<b>Net profit attributable to ordinary shareholders</b>	<b>776</b>	<b>61</b>	<b>&gt;100</b>	
Core operations	1 090	426	>100	
Non-core operations	(314)	(365)	14	

## Financial highlights | Healthy earnings growth

Core	Port and Terminals		Logistics	
	2022 FY	2021 FY	2022 FY	2021 FY
	Rmillion	Rmillion	Rmillion	Rmillion
Revenue	3 713	1 413	3 635	3 242
EBITDA	1 151	580	1 315	895
EBITDA margin *	31%	41%	36%	28%
Headline earnings	822	389	636	243
Return on equity	32%	16%	32%	14%

\* Adjusted for coal trading profit participation, the margin is 44%

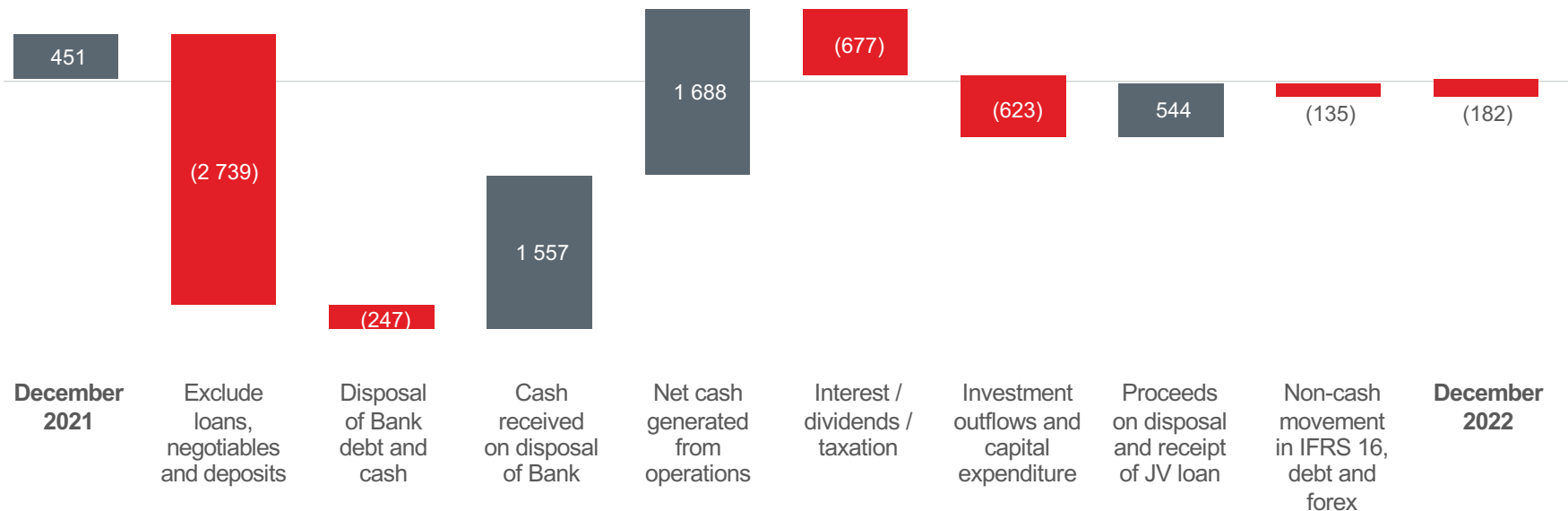


## Segmental balance sheet

Rmillion	Dec 2022	Dec 2021	Comments
Property, plant and equipment	3 119	3 144	Capex and exchange rate net of scrapping due to KZN floods and transfers to held for sale
Right of use asset	1 129	1 441	Depreciation and transfers to held for sale partly offset by additions
Intangible assets	851	976	Transfers to non-current assets held for sale
Investments	1 535	2 019	Private equity disposals and fair value losses, preference share loan impairment
Other assets	453	453	
Non-current assets held for sale	975	65	Joint venture with Maersk logistics and services operations
Current assets	4 741	4 101	Trading activity, Terminals, clearing and forwarding, ships agency and marine fuel trading
Bank and cash	3 272	2 546	Improved trading, bank disposal proceeds
Liquid assets and negotiable securities	-	3 936	Bank disposal
Loans and advances	1 073	9 537	Bank disposal
<b>Total assets</b>	<b>17 148</b>	<b>28 218</b>	
Shareholders' equity	8 821	8 571	
Interest-bearing borrowings	2 194	3 227	Repayments and Bank disposals partly offset by loans raised
Lease liabilities	1 223	1 558	Repayment and transfer to held for sale partly offset by loans raised
Deposits from Bank customers	-	11 221	Bank disposals
Other liabilities	48	135	
Non-current liabilities associated with assets held for sale	364	-	Joint venture with Maersk logistics and services operations
Current liabilities	4 498	3 506	Trading activity, Terminals, customer disbursements and marine fuel trading
<b>Total equity and liabilities</b>	<b>17 148</b>	<b>28 218</b>	

## Legal net debt reconciliation

Rmillion



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## Legal net debt based on operational cash

Rmillion	Dec 2022	Dec 2021 *
Total debt	2 788	3 164
Less: operational cash ^	(1 456)	(952)
<b>Net debt</b>	<b>1 332</b>	2 212
<b>Net debt to equity ratio (%)</b>	<b>15</b>	26

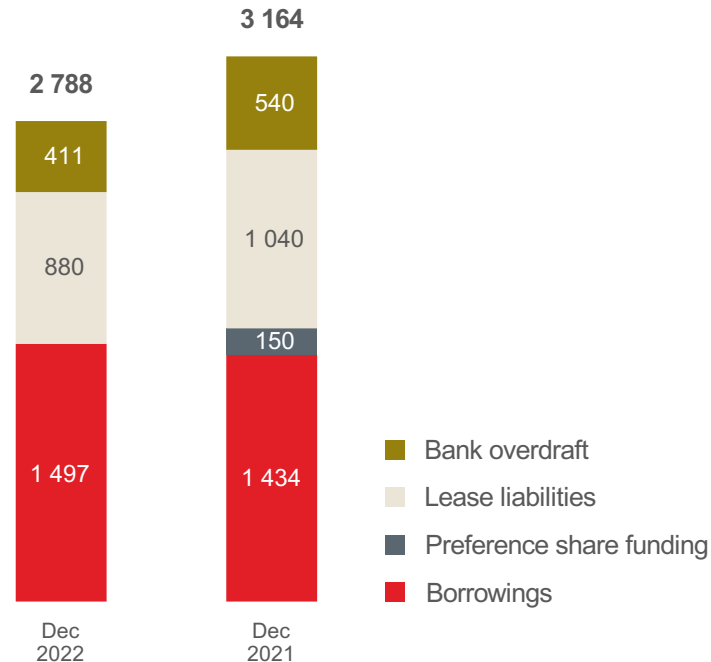
\* Excludes Bank

^ Excludes cash of R1.1 billion from the disposal of Bank ring-fenced for the Matola upgrade and manganese logistics solution projects and warranties

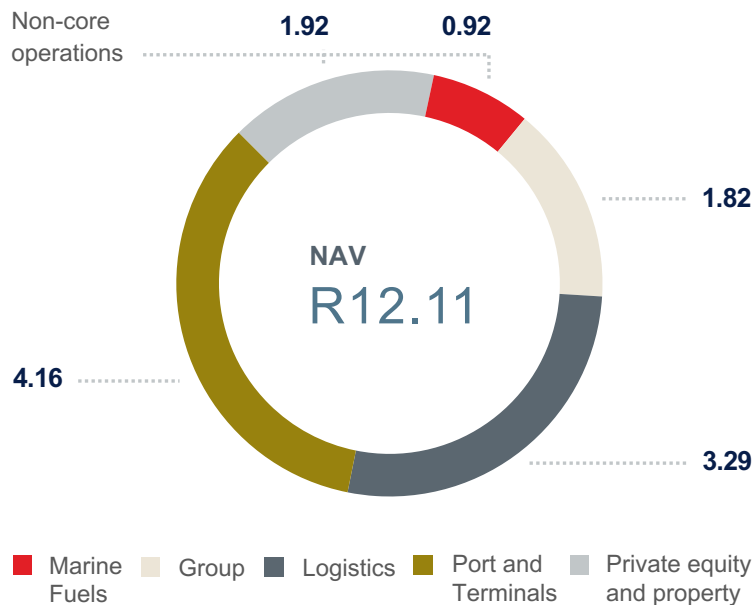
### Capital allocation

- Stay-in-business projects
- Growth projects / acquisitions
- Sustainable dividends
- Share buy-backs

### Total debt analysis Rmillion



## Financial performance | Segmental basis



## Core businesses

Division	NAV (Rand / share)	Headline * earnings (Rand / share)	2022 Return on equity *	2021 Return on equity ^
Total core businesses	9.27	1.92	21%	13%

\* Excludes impairment on the preference share loan

^ Excludes the fair value gain on Shipping shares

No. of shares  
(000s)  
excluding treasury shares

667 296





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outlook

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Logistics | JOHANNESBURG

XOLANI MBAMBO



## Portfolio of commodities | Diversification remains imperative





## Delivering on the strategy | Growth opportunities



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### Port and Terminals

Matola sustaining capital expenditure  
Manganese  
Private sector participation

### Logistics

Rail - open access and partnerships  
East Africa footprint  
Northern Mozambique LNG  
Container depot development projects  
Provide solutions to land locked countries

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Rail | DURBAN



## Macro economic environment | Economic complexities

### GLOBAL ECONOMY

- High inflation and risk of recession
- A third of global economy to experience negative growth
- China's economy and its importance for global supply chains

### SADC

- South Africa expected to grow by 1.2% in F2023
- Region impacted multiple factors and influenced by financial and monetary conditions

### EAST AFRICA

- Inflation at moderate levels is projected to rise
- Increase is largely attributed to higher energy and other tradable goods prices

### WORLD ECONOMIC OUTLOOK

January 2023

Region	F2023
Global economy	2.9%
Advanced economies	1.2%
Emerging market and developing economies	4.0%

- The 10-year economic outlook signals a period of disruptions and uncertainties
- It is likely that global growth will return to its slowing trajectory once the 2022 - 2023 regional recessions end, with mature markets making smaller contributions to global GDP over the next decade



## Next phase of value delivery

**Driven by our purpose – to make a positive difference in Africa's trade with the world, touching lives of the communities in which we operate**



Our strategic pillars

**CUSTOMER**   OUR PEOPLE AND COMMUNITIES   **MARKET DIFFERENTIATION**   OPERATIONAL EXCELLENCE   **REVENUE GROWTH**   **SHAREHOLDER VALUE**

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# thank you

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# annexure

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## Terminals

	H1 2022	H2 2022	FY 2022	FY 2021	Change %	Template capacity
<b>Drybulk (tonnes)</b>	<b>7 543 444</b>	<b>8 441 144</b>	<b>15 984 588</b>	12 981 516	23	15 150 000
Matola terminal <sup>1 2</sup>	3 848 198	4 262 502	8 110 700	8 273 036	(2)	7 300 000
Richards Bay	2 174 152	1 883 423	4 057 575	3 788 080	7	6 100 000
Walvis Bay	224 128	370 542	594 670	266 262	123	550 000
Maputo terminal <sup>1 3</sup>	1 296 966	1 924 677	3 221 643	654 138	393	1 200 000

<sup>1</sup> Physical tonnage excluding take or pay volumes

<sup>2</sup> Capacity is based on rail. Including trucking volumes, capacity is c.8.5 million

<sup>3</sup> Annual capacity is temporarily scalable to 4.5 million tonnes



## Port

Tonnes	H1 2022	H2 2022	FY 2022	FY 2021	Change %
Own handled <sup>1</sup>	4 523 319	5 311 954	9 835 273	7 638 362	29
Sub-concession and other	7 733 164	9 203 779	16 936 943	14 626 314	16
<b>Port of Maputo</b>	<b>12 256 483</b>	<b>14 515 733</b>	<b>26 772 216</b>	<b>22 264 676</b>	<b>20</b>
Trucks per day into Maputo (average)	536	550	541	438	
Trains per week into Maputo (average)	17	16	17	11	

<sup>1</sup> Own handled includes chrome, ferrochrome and other commodities