

PORT
TERMINALS
LOGISTICS
BANK

2022 RMB Morgan Stanley
Big Five and Off Piste Investor Conference

www.grindrod.com



A woman with curly hair, wearing a blue work uniform with reflective stripes, a yellow hard hat with a headlamp, and safety glasses, is walking towards the camera in an industrial port setting. She is holding a white work glove in her right hand. In the background, there are large industrial structures, including a crane and a ship's hull. The scene is brightly lit, suggesting daytime. The right side of the image is partially obscured by a red overlay.

purpose and strategy

Our **PURPOSE** is to make a positive difference
in Africa's trade with the world, touching lives of the
communities in which we operate.

Provide customer solutions for an efficient and cost-effective cargo flow

CUSTOMER

Focus areas

- Customer-focused solutions
- Customer satisfaction
- Customer growth and retention

At Grindrod, care is taken and time is invested in understanding the specific needs of each of our customers.

OUR PEOPLE AND COMMUNITIES

Focus areas

- A sustainable and high-performance corporate culture driven by a united purpose
- Training, development and transformation
- Community inclusiveness and engagement with direct CSI interventions
- Creation of business opportunities / enterprise development

Our employees live our values and form winning teams that deliver on our purposes.

OPERATIONAL EXCELLENCE

Focus areas

- Operational metrics
- ISO certification
- Operational system and process modernisation
- Compliance with equipment maintenance scheduling
- Asset replacement
- Automation

Grindrod seeks both organic and inorganic growth.

MARKET DIFFERENTIATION

Focus areas

- Efficient and cost-effective customer solutions
- Operational efficiencies
- Strategic assets
- Market insight
- Agility

We are differentiated by our strategic assets, institutional knowledge, divergent thinking and agility.

REVENUE GROWTH

Focus areas

- Value adding partnerships
- Acquisitions

Providing innovative, efficient and cost-effective customer solutions with disciplined balance sheet management to ensure sustainable revenue growth.

SHAREHOLDER GROWTH

Focus areas

- Free cash flow
- Return on equity
- Dividends

Shareholder value is an outcome of the other five pillars.

Key metrics across three horizons

The strategy is being executed across three horizons

RENOVATE existing products,
maximise impact in existing markets

OPTIMISE new solutions based on
existing capabilities

INNOVATE to create new markets

Horizon 1 Operational excellence

The focus is on enhancing our customer solution offering, providing alternative and additional logistics capabilities to maximise utilisations across Port and Terminals.

We target a 15 percent ROE for Port and Terminals, and Logistics.

Horizon 2 Extend current business

Extend the current business through both greenfield and acquisitive growth.

Horizon 3 Develop new playing fields

Develop new game-changing businesses / research and development.

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business update



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.



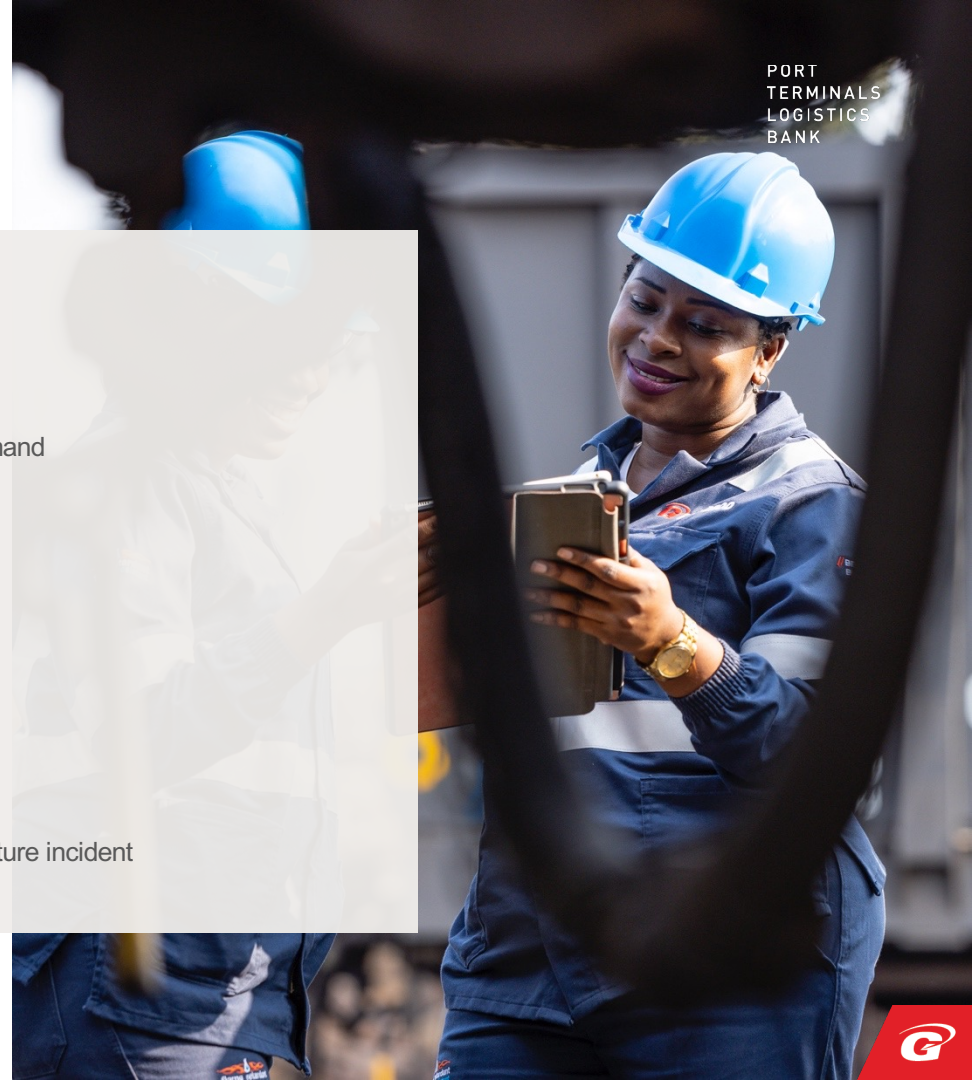
DIVISIONAL OVERVIEW

port and terminals



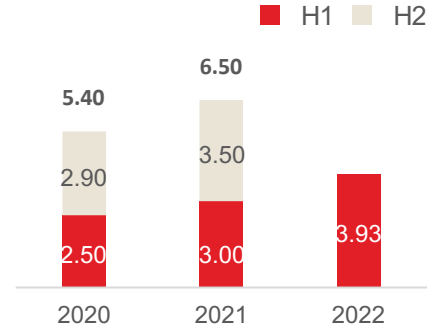
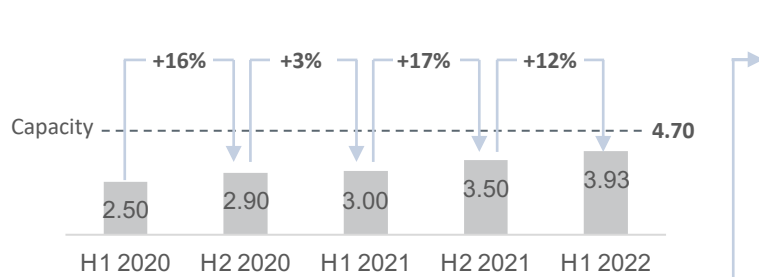
Port and Terminals - H1 2022 highlights

- 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

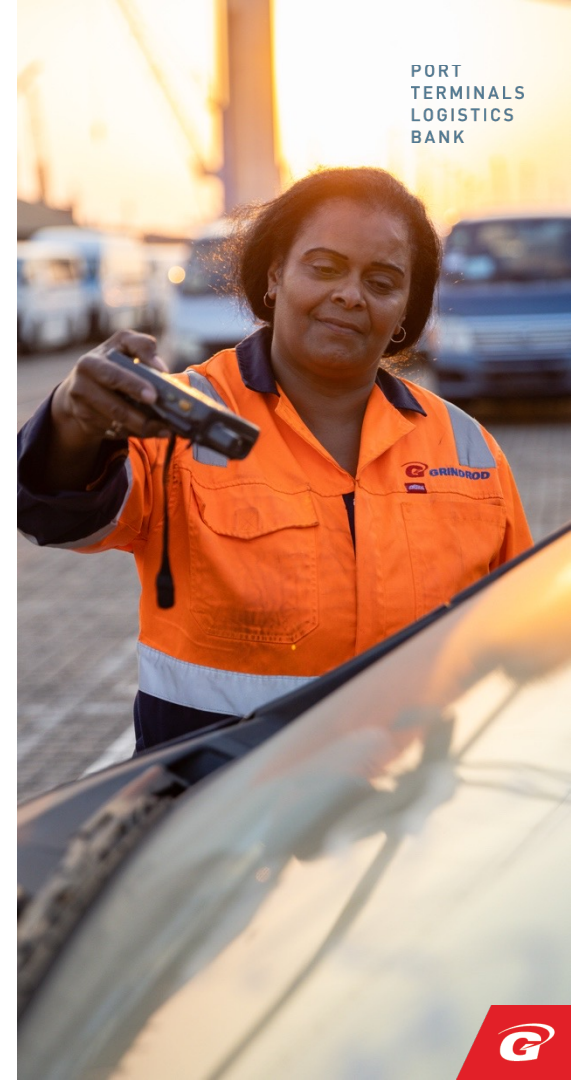
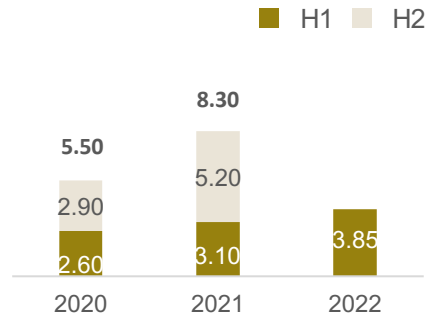
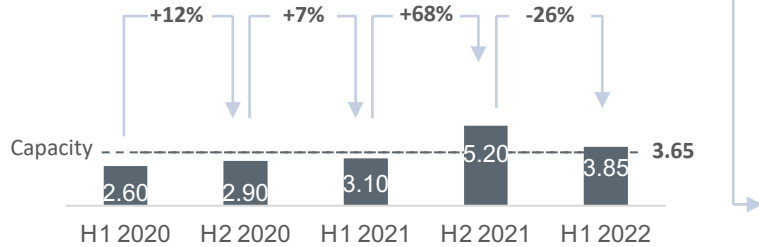


Port and Terminals - operational highlights

Maputo Port Development Company (MPDC) million tonnes



Terminal de Carvão da Matola (TCM) million tonnes



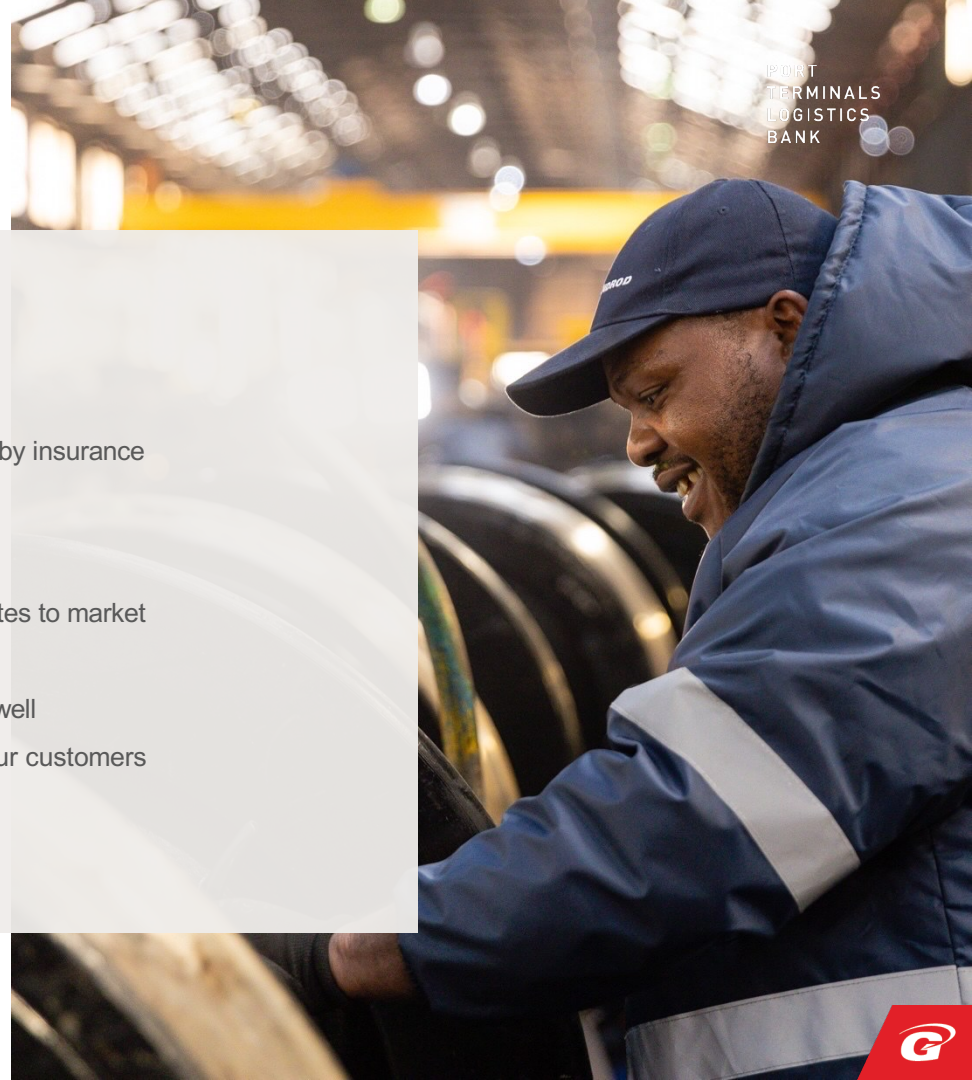
DIVISIONAL OVERVIEW

logistics



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



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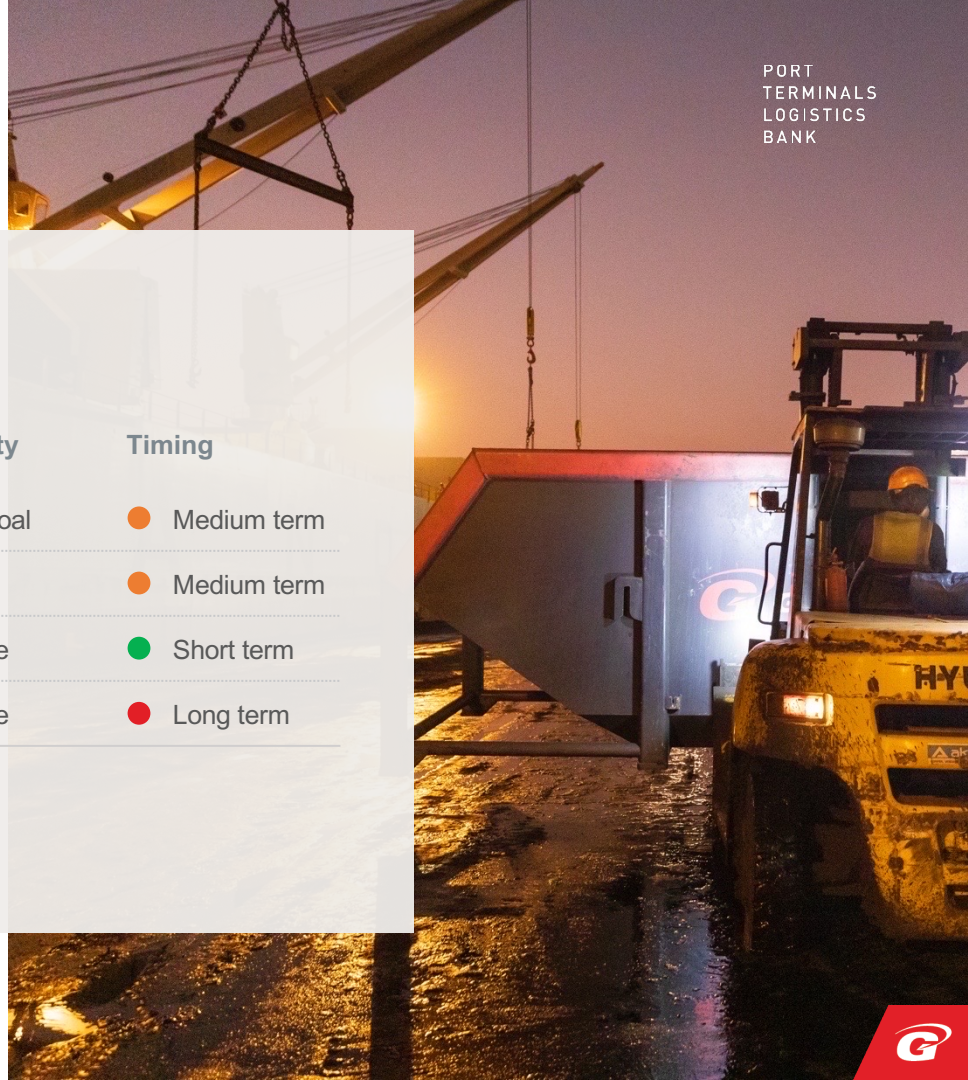
growth projects



Port and Terminals - growth opportunities

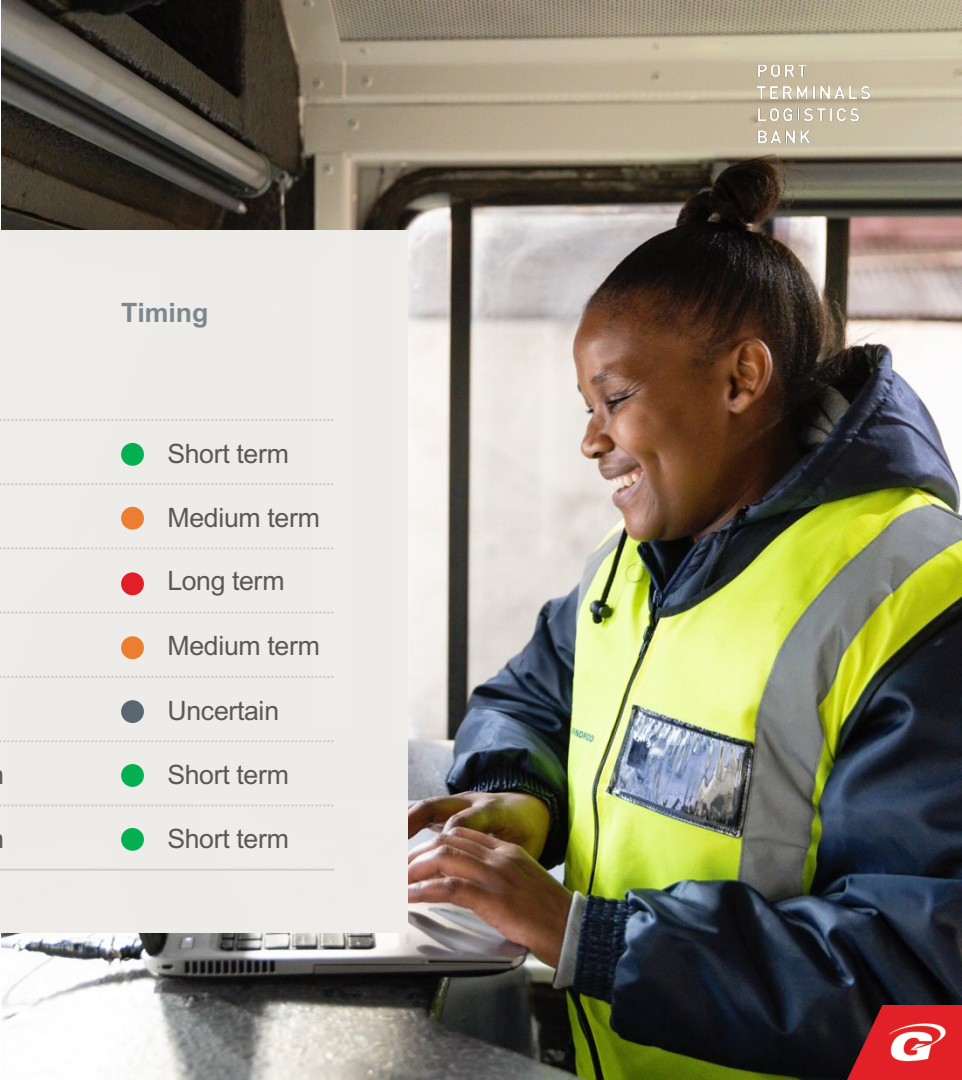
Facility	Additional capacity	Commodity	Timing
Matola drybulk terminal	4.7 mtpa	Iron ore / Coal	● Medium term
Richards Bay drybulk terminal *	1.0 mtpa	Coal	● Medium term
Manganese handling facility	0.6 mtpa	Manganese	● Short term
Ngqura manganese terminal	PSP	Manganese	● Long term

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



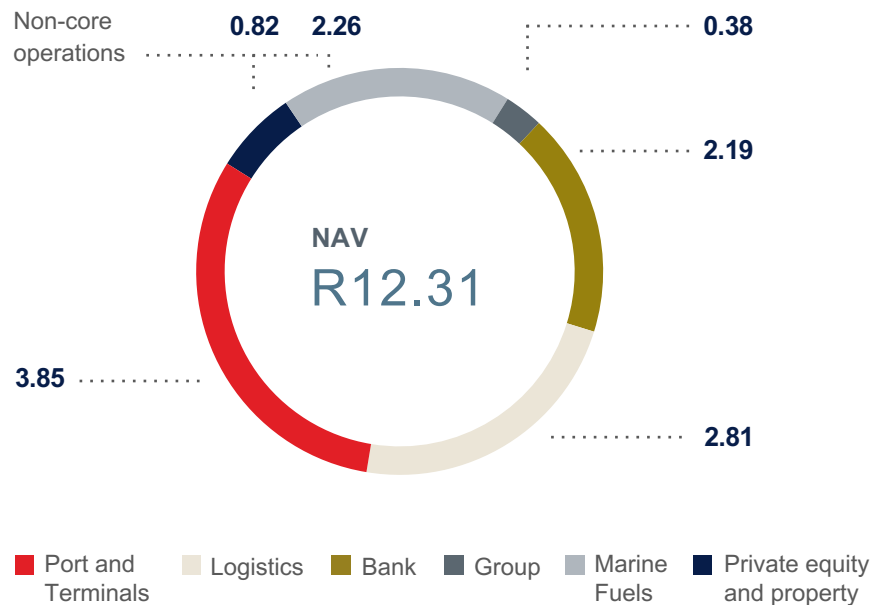
Logistics solutions - growth opportunities

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



financial position – H1 2022

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

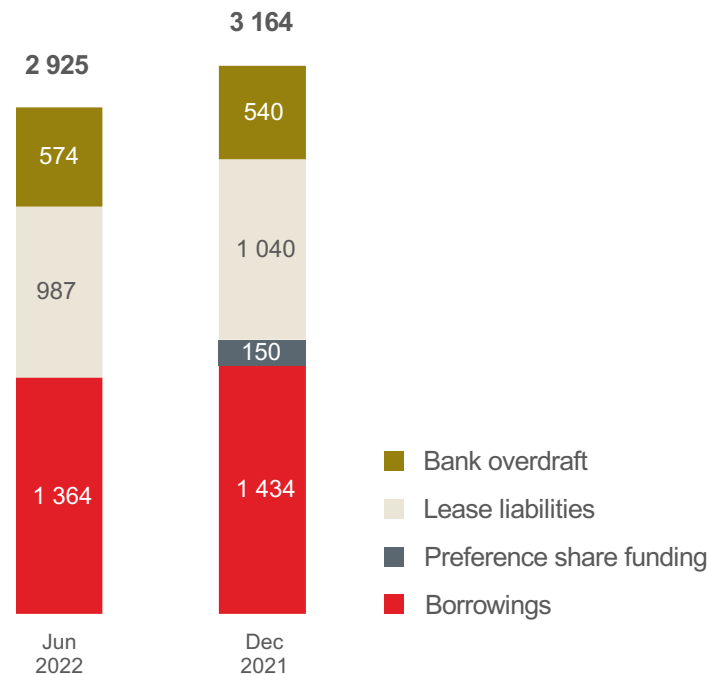
Legal net debt analysis (excluding Bank)

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 and non-core



Bank and non-core

Bank

The disposal of Grindrod Bank to African Bank for R1.5 billion is ongoing, with all parties focused on fulfilling the conditions precedent.

Private equity portfolio

Only one significant asset remaining with a carrying value R306.7 million.

Land

Significant loans and advances of R1.8 billion secured by two North Coast properties.

Marine Fuels

Carrying value of investment is R547.7 million.





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outlook



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	●	●



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	●	●

ALL FOR AFRICA

thank you

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