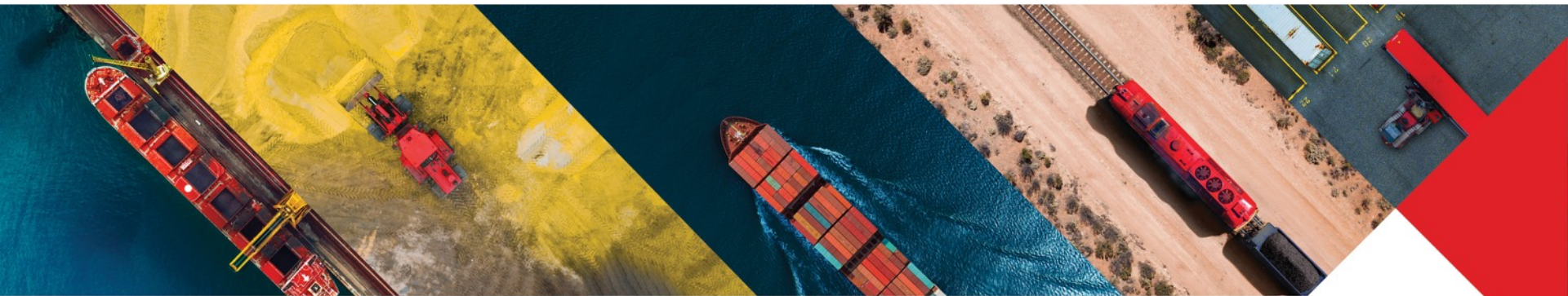


PORT
TERMINALS
LOGISTICS
BANK

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GRINDROD LIMITED

PROVISIONAL REVIEWED RESULTS AND DIVIDEND ANNOUNCEMENT for the year ended 31 December 2020



OVERVIEW AND HIGHLIGHTS

2020 – THE YEAR THAT WAS

BUSINESS OVERVIEW

Overall

Robust performance in core businesses. These businesses did well to recover in second half

Strong management focus

- Driving corridor approach in Freight
- Delivering solid performance at Grindrod Bank in challenging market
- Focusing cost base

Year significantly impacted by COVID-19 restrictions

Port and Terminals

Port demonstrated resilience and a commendable recovery with improvements in trucking activity and railway efficiencies into Mozambique

Terminals results boosted by the weaker US dollar notwithstanding overall volume decline of 7%

Containers

Improved profitability due to increased shipping activities, buoyant citrus season and strong mineral volumes as the business continues to focus on expanding its footprint

PORT AND TERMINALS + LOGISTICS + BANK

GRINDROD LIMITED

Provisional reviewed results and dividend announcement for the year ended 31 December 2020



2020 – THE YEAR THAT WAS

BUSINESS OVERVIEW

Northern Mozambique

Grindrod's presence in Northern Mozambique as a key logistics corridor player in the liquefied natural gas (LNG) project has yielded positive results

Service offering expanded to operate seven vessels to transport shore side equipment and stevedoring to provide effective supply chain solutions to the region

Rail

Completion of Railco merger to secure commercial deployment

Bank

Bank focused on its client relationships and quality lending during the period ensuring it retained a strong capital position and liquidity throughout the period



FINANCE PRESENTATION 2020 RESULTS

RESULTS 2020

GRINDROD LIMITED

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

FINANCIAL HIGHLIGHTS

Core
revenue*

R4.7 billion

Core
trading profit*

R1.4 billion

Core
earnings*

R329 million

Net
asset value

R10.75
per share

Cash generated
from operations
per legal

R871 million

Net debt
to equity
excluding Bank and IFRS 16

26%

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

SEGMENTAL INCOME STATEMENT

Rmillion	2020	2019	VAR (%)	Comments
Revenue	16 370	20 935		
Core operations	4 750	4 816	(1)	
Non-core operations	11 620	16 119	(28)	Decline in Marine Fuels revenue
Trading profit				
Core operations	1 356	1 406		
Trading profit	1 578	1 441	10	Strong performance in H2 and favourable exchange rate
Fair value losses and ECL	(222)	(35)	(>100)	Shipping shares and Bank loan book provisioning
Non-core operations	(386)	(572)	33	Fair value adjustments and impairments on Private Equity and North Coast property advances
Depreciation and amortisation	(733)	(686)	(7)	
Non-trading items	(234)	(472)	50	Impairments on Marine Fuels and Agri investments and goodwill
Net interest paid	(280)	(212)	(32)	Full year impact of 2019 B-BBEE debt and increased facility utilisation
Share of associate earnings	89	86	3	
Loss before taxation	(188)	(450)	58	
Taxation	(221)	(109)	(>100)	Withholding tax on dividends
NCI	45	9	>100	
Preference dividends	(51)	(66)	23	Decrease in SA prime rate
Net loss attributable to ordinary shareholders	(415)	(616)	(33)	

SEGMENTAL BALANCE SHEET

Rmillion	2020	2019	Comments
Property, plant and equipment	3 366	3 399	
Right of use asset	1 225	1 566	Depreciation
Intangible assets	1 091	1 256	Impairment of goodwill
Investments	2 767	3 011	Fair value losses on private equity and property investment
Other assets	167	115	
Current assets	3 938	4 973	Reduced trade in Marine Fuels
Bank and cash	2 170	4 912	Timing of Bank deposits
Liquid assets and short-term negotiable securities	2 469	2 482	
Preference share investments by trusts	-	1 127	Deconsolidation of GIT preference share trust
Loans and advances	8 933	8 431	
Total assets	26 126	31 272	

SEGMENTAL BALANCE SHEET

Rmillion	2020	2019	Comments
Shareholders' equity	7 975	8 550	Current year loss offset by FCTR increase
Interest-bearing borrowings	3 837	3 908	
IFRS 16 lease liabilities	1 415	1 676	Lease payments
Deposits from Bank customers	9 434	11 181	Timing of Bank deposits
Participatory contribution for preference share investments	-	1 727	Deconsolidation of GIT preference share trust
Other liabilities	185	212	
Current liabilities	3 280	4 018	Reduced trade in Marine Fuels
Total equity and liabilities	26 126	31 272	

DIVISIONAL FINANCIAL PERFORMANCE

GRINDROD LIMITED

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

FINANCIAL PERFORMANCE – SEGMENTAL BASIS

Core	Port and Terminals		Logistics	
	2020	2019	2020	2019
	Rm	Rm	Rm	Rm
Revenue	1 082	1 152	3 232	3 273
EBITDA	461	458	907	855
Net profit	226	175	137	134
Net asset value	2 063	2 309	2 005	1 842
US Dollar based EBITDA	83%	84%	48%	53%

DIVISIONAL FINANCIAL PERFORMANCE

GRINDROD LIMITED

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

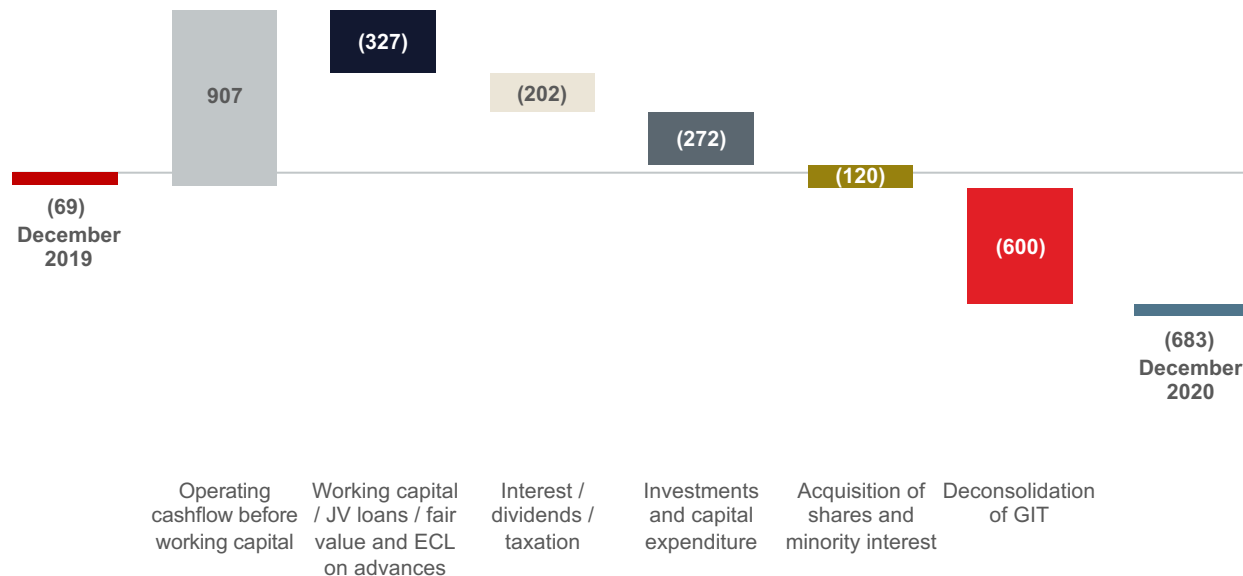
FINANCIAL PERFORMANCE – SEGMENTAL BASIS

Core	Bank	
	2020	2019
	Rm	Rm
Revenue	378	350
EBITDA	38	94
Net profit	38	83
Net asset value	1 603	1 563
Core deposits	8 551	9 342
Loans and advances	7 933	7 324

GROUP LEGAL NET DEBT ANALYSIS

NET DEBT RECONCILIATION

Rmillion



Net debt to equity excl. Bank and IFRS 16

2020	26%
2019	16%



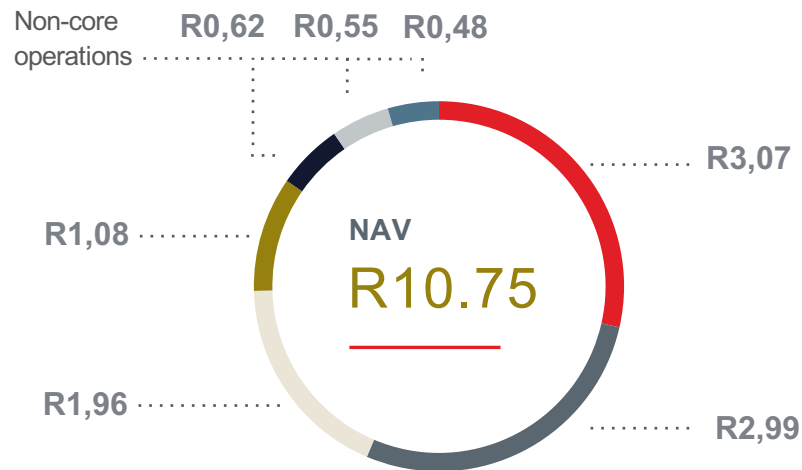
- General funding net of cash
- Preference share funding
- IFRS 16 lease liabilities

RESULTS 2020

GRINDROD LIMITED

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

NET ASSET VALUE PER SHARE



■ Ports and Terminals ■ Logistics ■ Bank ■ Group ■ Marine Fuels ■ Agri ■ Private equity and property

Division	NAV (Rand / share)	Headline earnings (Rand / share)	Return on equity (%)
Freight and Group*	7.14	0.44	6%
Bank	1.96	0.06	3%
Total core operations**	9.10	0.50	5%

*Return on equity excluding fair value loss on Shipping shares is 8%

**Return on equity excluding fair value loss on Shipping shares is 7%

No. of shares (000s)

excluding treasury shares

671 526

DIVISIONAL OVERVIEW

PORT

DIVISIONAL OVERVIEW

GRINDROD LIMITED

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

PORT

2020 operational highlights

- Earnings growth of 18%
- Volume performance was softer at 13%
- Port projects substantially complete
 - Berth rehabilitation
 - Chrome slab expansion
- Rail capacity doubled to 4.2mt
 - Railings improved from 18% pre-lockdown to 25%

2021 key focus areas

- Volume recovery
- Complete rail terminal construction project
- Rollout of Port masterplan
- Formalise land extension
- Cost optimisation including rail terminal operation
- Automation of the operations
- Increase rail volume

DIVISIONAL OVERVIEW

GRINDROD LIMITED

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

PORT

Tonnes	2020	2019	Change %
Chrome / ferrochrome	5 320 112	6 412 465	(17%)
Sub-concession and other	13 063 032	14 653 987	(11%)
Port of Maputo	18 383 144	21 066 452	(13%)
Trucks per day into Maputo (average)	335	458	(27%)
Trains per week into Maputo (average)	11	8	38%

DIVISIONAL OVERVIEW

TERMINALS

DIVISIONAL OVERVIEW

GRINDROD LIMITED
Provisional reviewed results and dividend announcement for the year ended 31 December 2020

TERMINALS

2020 operational highlights

- Terminals maintained prior year EBITDA despite 7% volume decline
- **Matola** terminal achieved
 - Improved tariffs and benefit of weaker Rand against the USD dollar
 - 10% volume recovery in H2 vs H1 2020
 - Cost reduction
- Acquired minority interest in the **Maputo car terminal**
- Volume at the **Richards Bay** complex up 4% on 2019

2021 key focus areas

- Volume recovery
- Road haul solution at **Matola terminal** during strong iron ore market
- Improve utilisation at car terminal
- Secure customer contracts for diversified products into **Richards Bay** complex
- Position **Richards Bay** to take advantage of the announced Durban port restructure
- Transnet engagement



OPERATING PERFORMANCE

**23 trains per
week into Matola**

**14 trains per week
into Richards Bay**



PORT AND TERMINALS CAPACITY AND UTILISATION

GRINDROD LIMITED

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

TERMINALS

	H1	H2	2020	2019	Change %	Annual capacity
Drybulk (tonnes)	4 385 674	5 010 549	9 396 223	10 082 575	(7%)	15 150 000
Matola terminal ¹	2 622 109	2 879 542	5 501 651	5 898 684	(7%)	7 300 000
Richards Bay	1 483 857	1 685 958	3 169 815	3 044 700	4%	6 100 000
Walvis Bay	127 364	253 088	380 452	400 852	(5%)	550 000
Maputo terminal ^{1 2}	152 344	191 961	344 305	738 339	(53%)	1 200 000

¹ Physical tonnage excluding take or pay volumes.

² Annual capacity is scalable to four million tonnes.

DIVISIONAL OVERVIEW

LOGISTICS



SEAFREIGHT, INTERMODAL, CLEARING & FORWARDING AND AGENCY

2020 operational highlights

- **Seafreight and Intermodal** business to
 - Increased shipping activities and mineral volumes, and buoyant citrus season
 - Increased footprint
- The **clearing & forwarding** business
 - Improved yields in a volatile market
 - Added 6 216 pallets at Meadowview
 - Achieved 85% utilisation in its facilities
- Restructured **NovaMarine** business
- **Road transport** businesses struggled in this environment

2021 key focus areas

- **Seafreight and Intermodal** business to
 - Expand footprint in line with customer demand
 - Grow the multipurpose terminal in Durban
 - Optimise vessel fleet
- Drive recovery of the airfreight business in the **clearing & forwarding** business

DIVISIONAL OVERVIEW

GRINDROD LIMITED

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

NORTHERN MOZAMBIQUE

2020 operational highlights

- Complied with global risk standards on SHERQ
- Embedded sustainable partnerships with key customers
- Successfully established and provided marine freight services in **Cabo Afungi**
- Expanded service offering in the LNG industry
- Loading / offloading service at port of **Nacala**
- Merged landside and marine activities to allow for integrated service offering

2021 key focus areas

- Complete **Palma** logistics hub construction covering container and fuel depots
- Secure a dedicated lay down area in **Pemba** port precinct
- Extend Stevedoring service offering to the temporary beach landing and material offloading facility in **Cabo Afungi**
- Unlock **Nacala / Malawi / Zambia** corridor
- Manage resumption and ramp up of the graphite logistics services

SERVICE OFFERING INCLUDES

7 vessels *

54 voyages during 2020

DIVISIONAL OVERVIEW

GRINDROD LIMITED

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

RAIL

2020 operational highlights

- Completed Rail merger
- Deployed rolling stock on Tazara corridor
- Secured a six-year extension of the grain wagon hire contract in Malawi / Mozambique
- Overall decline in profits due to
 - Force majeure calls on Mozambican and South African contracts
 - Low deployment (and rates)
- The rail concession business focused on cost reduction and restructuring initiatives

2021 key focus areas

- Extension of the Northline concession with NRZ
- Ramp up deployment
- Align all parties on the North-South corridor
- Pursue opportunistic locomotive disposal



OPERATING PERFORMANCE

7 countries of operation

57 locomotives

150 wagons

31% deployment



DIVISIONAL OVERVIEW

BANK

DIVISIONAL OVERVIEW

GRINDROD LIMITED

Provisional reviewed results and dividend announcement for the year ended 31 December 2020



BANK

2020 operational highlights

- Increase in Advances of 8% to R7.9 billion (December 2019: R7.3 billion)
- 8% reduction in Core Funding Base to R8.6 billion (December 2019: R9.3 billion)
- Bank remained profitable, well capitalised and liquid
- Over R3 billion in surplus liquidity at year end
- Expenses reduced through tight management (IT, staff, marketing, travel)
- Further investment in technology advancements and governance
- Impairments controlled through:
 - Quality and nature of property book
 - Focus on secured lending
 - No retail exposure
- Increase in loan provisioning
- Management of client requests for loan restructures or temporary relief

2021 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 and growing interest in the business sector to start investing again
- Supplying the increasing demand for relationship banking
- Introduction of strategic partners to support growth

DIVISIONAL OVERVIEW

NON-CORE

DIVISIONAL OVERVIEW

NON-CORE

2020 operational highlights

- The following assets are all subject to sale processes being conducted with appropriate advisor teams
- Total net asset base per share of assets subject to disposal process R1.65
- Total loss per share of assets subject to disposal process R1.10
- Total debt \$17 m and R1.4 billion

Disposal assets	Asset value	Earnings	Headline earnings	Status
Senwes	R367 m	<ul style="list-style-type: none"> • R20 m dividend income • (R65 m) loss recorded 	R20 m dividend income	Sold, expected to close in March 2021
Marine Fuels	\$29 m	<ul style="list-style-type: none"> • \$4.1 m from operating activities • (\$6.6 m) impairment of goodwill 	\$4.1 m from operating activities	The business does not form part of the long-term strategy and therefore management remained committed to an exit

DIVISIONAL OVERVIEW

NON-CORE

Disposal assets	Fair value	Earnings and headline earnings	Status
Private equity, property portfolio	R1.5 bn	Fair value adjustments and impairments of in H1 of (R270 m) and (R60 m) in H2	<ul style="list-style-type: none"> A single transaction to dispose of a significant part of the private equity and property portfolio and the loans to the KZN North Coast property companies had progressed to an advanced stage during the period. Regrettably, the transaction fell through during December 2020 Private equity and property portfolio consists of 33 investments of which eight have been exited The portfolio remains subject to a disposal process The disposal plan seeks to realise the value of individual investments rather than a disposal through a single transaction
Loans provided to KZN North Coast property companies	R1.0 bn	Fair value adjustment in H2 of (R162 m)	

GRINDROD OUTLOOK

DELIVERING A STRATEGY IN A DYNAMIC WORLD

THE RIGHT BUSINESS MODEL TO UNLOCK TRADE CORRIDORS IN FREIGHT BUSINESS

Port and Terminals

Increase utilisation and expansion of current facilities

Diversify range of commodities

Expand terminal footprint

Iron ore
Chrome
Ferrochrome
Others

Containers

Growing depot footprint

Expand service to shipping lines

Citrus
FMCG

Northern Mozambique

Nacala hub currently used for the export of graphite from Balama

Expanding its service offering into road link distribution of maize and fertiliser to Malawi

Land has been acquired in Palma to run a reefer-enabled intermodal facility

Marine logistics and seafreight solutions are provided through the chartering of vessels

LNG
Graphite

Rail corridors

Driving commercial development through integrating rail partners and deployment of existing locomotives

Presence in other rail corridors

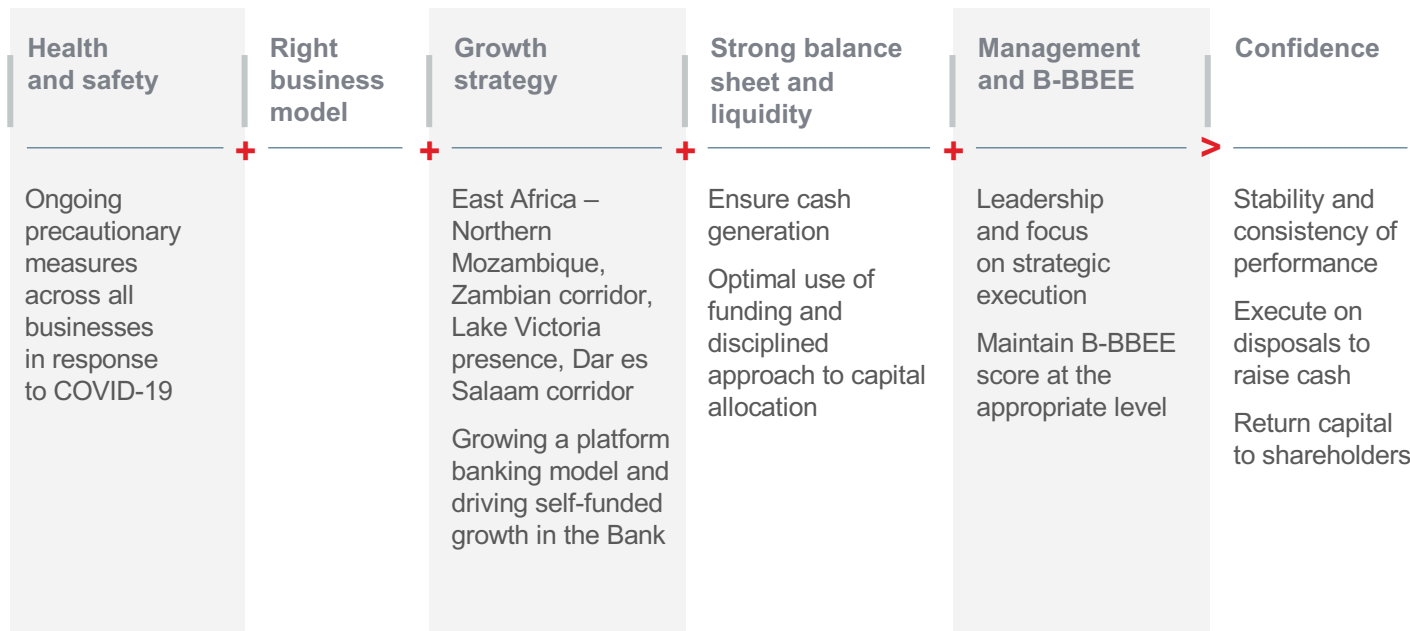
Copper
Sulphur
Agri
FMCG

DELIVERING A STRATEGY IN A DYNAMIC WORLD

GRINDROD LIMITED

Provisional reviewed results and dividend announcement for the year ended 31 December 2020

RESTORING SHAREHOLDER VALUE



OUTLOOK

Grindrod well positioned for the economic recovery

Strong recovery in commodity and container market during second half, expected to continue into 2021

Post pandemic recovery focused on stimulus funded-infrastructure capital and climate change initiatives



Our **heartfelt condolences** to the families and friends of the 5 employees who have sadly lost their lives [4 due to COVID-19].

We would like to thank all staff members, customers, suppliers, funders, shareholders and the board members for their support during these challenging times.

THANK YOU

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PORT
TERMINALS
LOGISTICS
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ANNEXURE: TRADE CORRIDORS

	North-South	Tazara	Walvis Bay	Chicualacuala	Komatipoort	Nacala
Description of corridor	Linking to Durban and Richards Bay	Linking to Dar es Salaam	Linking to Walvis Bay	Linking to Maputo port	Linking to Maputo	Linking to Nacala port
Geographical area	DRC Zambia Zimbabwe	DRC Zambia	DRC Zambia Namibia	Zimbabwe Zambia	South Africa	Zambia Mozambique Malawi
Operational focus area	Port and Terminals Containers N-S corridor	Containers N-S corridor	Port and Terminals Containers	Port and Terminals Containers N-S corridor	Port and Terminals Containers	Containers
Export cargo	Copper Cobalt Manganese Sugar	Copper Cobalt Manganese Agri	Copper Cobalt Manganese	Sugar Chrome Coal	Chrome Ferrochrome Sugar Coal Magnetite Vehicles Fosrock	
Import cargo	Sulphur Lime Chemicals Fertiliser Grains Coal Fuel	Sulphur Chemicals Fuel Fertiliser Grains Containers	Copper concentrate Coal Petcoke Sulphur Chemicals Sugar	Fuel	Containers Vehicles	Fertiliser Grain Project cargo Graphite

