

Tongaat Hulett Limited
(Registration number 1892/000610/06)
Share code: TON
ISIN ZAE000096541
("Tongaat Hulett" or "the group" or "the company")

INTERIM FINANCIAL RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

SALIENT FEATURES

- A pleasing recovery in financial performance reflects progress in the turnaround strategy, which includes hyperinflationary effects in Zimbabwe
- Strong performance across all the sugar operations
- Sound results from starch and glucose and continued progress in land development, despite COVID-19 impact on both these sectors
- Cash generated from operations increased to R1.3 billion, relative to a cash outflow of R615 million in the prior comparable period
- A step-change reduction in debt through the successful conclusion of several asset disposals, as well as through reduced costs and working capital improvements
- Strategic transformational partnerships, while decelerated by the pandemic, continue to be progressed

Group financial results (including the discontinued starch and glucose operation)

- Basic earnings per share improved by 171% to 166 cents (September 2019: loss of 235 cents)
- Basic headline earnings per share improved by 156% to 130 cents (September 2019: loss of 233 cents)

Group results from continuing operations

- Revenue up 37% to R8.2 billion (September 2019: R6.0 billion)
- Operating profit up 95% to R1.9 billion (September 2019: R973 million)
- Earnings up 108% to R43 million (September 2019: loss of R519 million)
- Basic earnings per share up 108% to 32 cents (September 2019: loss of 384 cents)
- Headline loss improved by 101% to R6 million (September 2019: loss of R517 million)
- Basic headline loss per share improved by 101% to 4 cents (September 2019: loss of 383 cents)
- No dividend was declared in the current period

(Tongaat Hulett's starch and glucose operation was reclassified as a discontinued operation pending finalisation of the disposal which occurred post period-end on 31 October 2020. All financial results reflect the continuing operations unless stated otherwise)

Tongaat Hulett delivered significantly improved financial results in a period of substantial volatility and disruption. The restructuring and reinvigoration of our group over the past two years has permitted us to thrive in this challenging environment, supported by a leaner, fit-for-purpose

platform from which to weather the storm. Our sugar operations performed pleasingly, with the South African sugar operations, in particular, producing a standout performance. Our starch and glucose operation generated a steady performance. The property operation was negatively impacted by COVID-19 induced transfer delays and deal cancellations. Three property transactions totalling R197 million were concluded post period-end. The group has achieved a considerable reduction in outstanding debt. Several key disposals have successfully been concluded during the period, while cash flow from operations has improved by nearly R2 billion.

Outlook

Any forward-looking statements have not been reviewed or reported on by the external auditors.

The prevailing sentiment of considerable caution amongst business and governments alike, is evidence of the difficult times in which we continue to operate. We expect the COVID-19-related challenges of the past six months to continue for the remainder of the financial year, as the countries in which we operate looks to be entering a second wave of the pandemic. Significant uncertainty prevails as to the ultimate duration and impact of COVID-19, as well as the rate of economic recovery in the aftermath of the pandemic. Due to the evolving and uncertain environment, any forward looking guidance that the group provides is based on best efforts and could be impacted by factors outside our control.

Notwithstanding this austere outlook, good progress has been made across our businesses. We anticipate the strong growth in the sugar EBITDA to continue for the remainder of this financial year. In our property portfolio, new property sales will be balanced against legacy obligations.

Pleasing progress has been made to improve cash flows and the group is well on track to deliver on its two-year, R3 billion cash flow improvement target. We continue to review the capital structure in light of the remaining debt reduction milestones. The reduced debt levels will have a positive impact on finance costs for the remainder of the year. To rejuvenate and maintain our quality assets, capital investment will be increased and aligned to depreciation.

We have made considerable progress to firmly re-establish a sustainable growth path, and we remain committed to restoring confidence in Tongaat Hulett.

For a more comprehensive analysis of Tongaat Hulett's financial results and strategy, please refer to the full results announcement on www.tonga.com.

This short-form announcement is the responsibility of the board of directors. It is a summary of the information in the full announcement and does not contain full or complete details. Any investment decision should be based on the full announcement, published and available at: <https://senspdf.jse.co.za/documents/2020/jse/isse/thgl/Interims21.pdf> and on Tongaat Hulett's website <https://www.tonga.com/Interims21.pdf>.

This short form announcement has itself not been audited or reviewed but has been extracted from reviewed results.

Investors and/or shareholders may request copies of the full announcement by contacting the Company Secretary, details of whom are set out below. The full announcement is available for inspection at the registered office of the group, or at the offices of the sponsor or copies of the full announcement may be requested during business hours from the company at no charge.

Review conclusion report

The condensed consolidated financial statements for the period ended 30 September 2020, from which this short form announcement has been extracted, have been reviewed by Deloitte & Touche, who expressed an unmodified review conclusion in terms of the International Standards on Review Engagements (ISRE) 2410: Review of Interim Financial Information Performed by the Independent Auditor of the Entity, including a section on the material uncertainty relating to going concern. Comparative information for the six months ended 30 September 2019 is neither audited nor reviewed and the information for the year ended 31 March 2020 was audited.

Tongaat
11 December 2020

Tongaat Hulett Limited

Registration No: 1892/000610/06, **JSE share code:** TON, ISIN: ZAE000096541

Directorate Non-executive directors: L von Zeuner (Chairman), L de Beer, RM Goetzsche, JJ Nel, DC Noko, AH Sangqu, L Stephens

Executive directors: JG Hudson (CEO), RD Aitken (CFO), DL Marokane

Company Secretary: JJ van Rooyen

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