

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

TRADING STATEMENT FOR THE YEAR ENDED 31 MARCH 2021

The following trading statement is issued in terms of Section 3.4 (b) of the JSE Limited ("JSE") Listings Requirements.

Tongaat Hulett will be releasing its financial results for the year ended 31 March 2021 in the next two weeks.

Shareholders should note that earnings are expected to be substantially higher than last year due to the c.R3.3 billion profit on disposal of the Starch, Namibia and Eswatini operations. At the same time, headline earnings (which excludes this R3.3 billion profit on disposal) will be substantially lower than the previous year for the following reasons:

- the significant impact of COVID-19 on the ability to conclude land sales which affected the profitability of the property business;
- reduced profits from the starch business which only contributed for 7 months of the current year and was affected during those months by the alcohol ban during the lockdown;
- raw sugar production in South Africa reduced by 10% to 535 000 tons as the lockdown delayed both the season start-up as well as commissioning of the second milling line at the Maidstone sugar mill;
- an unrealised foreign exchange rate loss on lease liabilities and intercompany funding in Mozambique given significant volatility in the MZN/ZAR exchange rate;
- the once-off sugar loss at the South African refinery which was partly offset by the reversal of all short-term and turnaround incentive accruals for the South African businesses; and
- the benefit of lower borrowings was largely offset by the higher cost of the restructured South African debt facilities.

These factors negated the good operational progress and strong market share gains in the sugar operations, as well as continued progress with the overall business turnaround strategy. Progress was also made with restructuring the balance sheet with cumulative debt reduction proceeds of c.R6.0 billion received as at 31 March 2021.

Shareholders are advised that a reasonable degree of certainty exists that Tongaat Hulett's earnings per share ("EPS") and headline earnings per share ("HEPS") for the year ended 31 March 2021 are expected to be within the ranges reflected in the table below.

	March 2020	March 2021	
	As Reported	Expected Range	
		<i>Lower</i>	<i>Upper</i>
Weighted average number of shares	134.8 million	134.8 million	134.8 million
Earnings for the year	R120 million	R2 406 million	R2 430 million
Earnings per share	89 cents	1 784 cents	1 802 cents
Headline earnings/(loss) for the year	R121 million	(R863 million)	(R839 million)
Headline earnings/(loss) per share	90 cents	(640 cents)	(622 cents)

While HEPS and EPS both include the trading contribution from the businesses disposed of up until the date the transaction was concluded, only EPS includes the c.R3.3 billion profit recognised on disposal of these businesses. Further disclosure concerning the classification of the starch and glucose operation as discontinued will be provided in the annual financial statements.

In order to prevent an event of default, THL and the South African lenders amended the 30 June 2021 milestone measurement date to 13 July 2021. The quantum of the milestone remains unchanged and still requires THL to sign cumulative debt reduction agreements amounting to R8.1 billion. Negotiations with the lenders in terms of a debt refinance continue to be progressed and a further announcement will be made with the release of annual financial statements.

The financial information contained in this trading statement has not been reviewed or reported on by Tongaat Hulett's auditors.

Tongaat
1 July 2021

Sponsor:
Investec Bank Limited