

Grindrod Limited
 Registration number: 1966/009846/06
 Incorporated in the Republic of South Africa
 Share code: GND and GNDP
 ISIN: ZAE000072328 and ZAE000071106

Unaudited condensed consolidated interim results for the six months ended 30 June 2021

Revenue*
 Up 5%
 R2 388 million
 (2020 H1: R2 278 million)

EBITDA*
 Up 33%
 R779 million
 (2020 H1: R586 million)

Headline earnings*
 Up 1 376%
 R345 million
 (2020 H1: R23 million)

* Core businesses inclusive of joint ventures

COMMENTARY - CORE BUSINESSES

Grindrod's Port and Terminals, Logistics, Bank and Group ("core businesses") performance improved during the first six months ended 30 June 2021 ("period") compared to the same period last year ("prior period") as operations recovered from the effects of the COVID-19 pandemic. Port, Terminals and Logistics benefitted from commodity demand. Grindrod Bank remained conservative in lending and maintained strong capital and liquidity ratios.

Overall, Port and Terminals reported an increase of 15% on headline earnings compared to prior period due to stronger volumes at the Maputo port and Matola terminal. The coastal shipping, container depots and transport, and multi-purpose terminal businesses achieved earnings growth of 60% on the prior period on the back of strong citrus demand and mining mineral exports whilst continually providing deep sea shipping lines with alternative solutions through our entire network to alleviate challenges.

The resumption of production at the Balama graphite mine during the period positively impacted the northern Mozambique performance, with volumes expected to ramp up in the second half of the year in line with global demand. However, Grindrod's activities in the northern Mozambique region relating to the liquefied natural gas project have ceased due to the insurgency and subsequent suspension of the gas project at the beginning of April 2021. Austerity measures have been implemented resulting in impairments and provisioning of R75.7 million for the period.

The disposals of the Automotive and Fuel Carrier businesses are underway. This necessitated the impairment of goodwill and assets of R260.9 million.

Grindrod Bank focused on its client relationships and quality lending during the period, ensuring it retained a strong liquidity and capital position. The strategic focus on platform banking has generated growth in the number of new accounts in the current period.

Core businesses inclusive of joint ventures

	Unaudited 30 June 2021 R000	Unaudited 30 June 2020 R000	% Change
Revenue	2 388 087	2 277 505	5
Earnings before interest, taxation, depreciation and amortisation (EBITDA)	778 900	586 292	33
Profit attributable to ordinary shareholders	63 616	36 217	76
Headline earnings	344 839	23 362	1 376

COMMENTARY - NON-CORE BUSINESSES

The Group continues to pursue the sale of non-core assets, however the market remains difficult and challenging.

During the period, Grindrod concluded disposals of private equity assets resulting in total proceeds of R176.0 million, of which R163.7 million was received by period end. Results include impairments and fair value losses of R301.7 million. The carrying value of the private equity and property portfolio as at 30 June 2021 is R983.3 million.

Of the remaining private equity portfolio assets, two material investments have not produced acceptable offers. The strategy remains to exit the investments at the right valuations.

Progress has been made by the owners on the development plan for the properties on the KwaZulu Natal North Coast. Interest in various nodes within this development has continued and the owners are in the process of launching the prospectus. The strategy remains for Grindrod to have these exposures settled.

RESULTS

The Group incurred a loss of R424.0 million for the period, mainly due to the fair value losses and impairments detailed above against a prior period loss of R238.5 million. Headline earnings increased by 103% to R4.5 million compared to a headline loss of R169.3 million in the prior period.

	Unaudited 30 June 2021 R000	Unaudited 30 June 2020 R000 Restated ¹	% Change
Revenue	1 915 489	1 816 095	5
EBITDA	325 204	150 495	116
Headline earnings / (loss)	4 468	(169 287)	103
Basic loss per share (cents)	(63.1)	(35.2)	(79)
Headline earnings / (loss) per share (cents)	0.7	(25.0)	103

1 Represented for the impact of reclassifying Marine Fuels and Agricultural Logistics and the Private Equity and Property segments back into continuing operations and restated for the impact of equity accounting prior year earnings of Marine Fuels. Details of the restatement are disclosed in the unaudited condensed consolidated interim results available on the website.

DECLARATION OF DIVIDEND

Ordinary dividend

Notice is hereby given that no interim dividend has been declared for the six months ended 30 June 2021 (2020 H1: nil cents). The Board will review this position at year end.

At the date of this announcement, there were 698 031 586 issued ordinary shares.

Preference dividend

Notice is hereby given that a gross interim dividend of 305.0 cents (2020 H1: 381.0 cents) per cumulative, non-redeemable, non-participating and non-convertible preference share has been declared out of income reserves for the six-month period ended 30 June 2021, payable to preference shareholders in accordance with the timetable below.

At the date of this announcement, there were 7 400 000 cumulative, non-redeemable, non-participating and non-convertible preference shares in issue. The interim net preference dividend is 244.0 cents per share for preference shareholders who are not exempt from dividends tax.

With respect to the preference dividend, in terms of the dividends tax effective since 22 February 2017, the following information is disclosed:

The local dividends tax rate is 20% and Grindrod Limited's tax reference number is 9435/490/71/0.

Preference dividend table	
Dividend declaration date	Friday, 27 August 2021
Last date to trade cum-dividend	Monday, 20 September 2021
Preference shares start trading ex-dividend	Tuesday, 21 September 2021
Record date	Thursday, 23 September 2021
Payment date	Monday, 27 September 2021

No dematerialisation or rematerialisation of preference shares will be allowed for the period Tuesday, 21 September 2021 to Thursday, 23 September 2021, both days inclusive.

The dividend is declared in the currency of the Republic of South Africa.

Directors' statement

This short-form announcement is the responsibility of the directors and is only a summary of the information of the full announcement and does not contain full or complete details. The full announcement is available for inspection at no charge, Monday to Friday, during office hours at the Company's registered office, the office of the sponsor and on the Company's website at www.grindrod.com. The full announcement is available on the JSE's website on 27 August 2021 at <https://senspdf.jse.co.za/documents/2021/jse/isse/GNDE/ie2021.pdf>. Copies of the full announcement may also be requested by email at investorrelations@grindrod.com or telephonically from the Company's registered office and the office of the sponsor. Any investment decision by investors and / or shareholders should be made having considered the full announcement as a whole.

By order of the board

VB Commaille
Group Company Secretary
27 August 2021

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