



## **Grindrod Limited**

(Incorporated in the Republic of South Africa)

(Registration number 1966/009846/06)

Share code: GND & GNDP

ISIN: ZAE000072328 & ZAE000071106

("Grindrod" or the "Company")

## **PRE-CLOSE TRADING UPDATE**

This announcement includes unaudited financial information relating to the period 01 January 2024 to 31 May 2024 (the "period").

### **Market and operating environment**

- Price performance on Grindrod's portfolio of commodities handled through its port and terminals continued its weakening streak with an average price drop of 19% compared to the period 01 January 2023 to 31 May 2023 (the "prior period").
- However, price performance for chrome ore, copper, iron ore and manganese was resilient, up 2% on the prior period.
- Security concerns around the Red Sea have resulted in a spike in container rates.
- A challenging operating environment, and a cyclonic event in Mozambique, impacted terminals performance.
- Continuing logistics constraints and cost pressures impacted our customers' cargo flows.

### **Core**

- Port of Maputo achieved record volumes of 5.8 million tonnes, up 17% on the prior period.
- Grindrod's drybulk terminals in Mozambique handled 4.6 million tonnes, down 6% on the prior period.
- In South Africa, Grindrod handled 2.2 million tonnes, up 27% on the prior period.
- TNPA has appointed Grindrod as the preferred bidder to develop and operate a container handling facility at the port of Richards Bay.
- Logistics was largely impacted by lower container volume throughput.
- Structural reorganisation of the rail business is substantially complete.
- Following mutual termination of the iron ore rail operation with the customer in Sierra Leone, a fleet of 13 locomotives is being repositioned for SADC rail business opportunities.

### **Non-core**

- Management's efforts to recover advances secured by the KwaZulu-Natal north-coast properties continue.
- Trading performance on the marine fuel trading business was impacted by volatile oil prices.

### **Balance sheet**

- Net debt is R455 million (2023 December: R101 million) and the corresponding net debt/equity ratio is 4.5% (2023 December: 1.0%).

The information in this trading update has not been reviewed or reported on by Grindrod's auditors.

Further details will be provided in the interim results for the period ending 30 June 2024, which are expected to be announced on SENS on or about 23 August 2024.

28 June 2024

### **Sponsor**

Nedbank Corporate and Investment Banking, a division of Nedbank Limited