INTERIM RESULTS

For the six months ended 30 September 2020

11 DECEMBER 2020
Presentation Outline

01 Business update
Gavin Hudson
Chief Executive Officer

02 Financial results
Rob Aitken
Chief Financial Officer

03 Business outlook
Gavin Hudson
Chief Executive Officer
We continue to respond to Covid-19

- Medical equipment and infrastructure donated
- Contributions to Solidarity Fund
- Ongoing review of safety protocols
- Food security initiatives

- R75m Allocated to COVID-19 initiatives
- ~20 000 Employees assessed (COF)
- ~1 million Litres sanitiser donated
- 120 tons Porridge and feeding schemes

Our business has shown significant resilience throughout the pandemic
Reminder – where we come from

A business in distress

- Lack of investment in assets and people
- Material restatements of previous financial results
- Inadequate processes and procedures
- A significant debt burden
We committed to improve the business

Rightsize and fix the fundamentals

Create a platform for sustainable profitable growth

Drive efficiencies to leverage our asset base

Build capability in our people

Through our four (4) strategic pillars
We are making great progress

**SA Sugar**
- +217% Adj. EBITDA
- +24% volume growth
- +9% refined sugar share
- +5% market share growth

**Mozambique**
- +22% Adj. EBITDA
- 100% growth in refined sugar
- Zero - rated VAT until 2023

**Zimbabwe**
- +169% Adj. EBITDA
- R288 m dividend repatriated
- +16% ethanol production
- +42% growth in export volumes

**Property**
- ~R200 m deals closed to date
  - Good collaboration with industry and municipalities
  - Improved talent mix and skills
  - Repositioning our business

**Reduced debt**
- R6.4 / R8.1 bn transactions concluded
- R5.8 bn cash received

**Cash flow**
- Significant cash flow improvements
Material focus on governance and sustainability

- Decisive effort on **safety performance**
- Reviewed and strengthened **policies and procedures**
- Criminal and civil matters progressing well
- Key **governance** roles filled
- Significant progress against **ESG parameters**
- Regulatory processes concluded
- Reinforcing **strategic partnerships**
- Capability building and upskilling our people
A convincing interim financial performance*

<table>
<thead>
<tr>
<th>Category</th>
<th>From</th>
<th>To</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>R6.0 bn</td>
<td>R8.2 bn</td>
<td>37%</td>
</tr>
<tr>
<td>Adj. EBITDA</td>
<td>R1.1 bn</td>
<td>R2.5 bn</td>
<td>127%</td>
</tr>
<tr>
<td>Cash flow from operating activities</td>
<td>R615 m outflow</td>
<td>R6.0 bn</td>
<td>318%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>R973 m</td>
<td>R1.9 bn</td>
<td>95%</td>
</tr>
<tr>
<td>Headline loss</td>
<td>R517 m</td>
<td>R6 m</td>
<td>99%</td>
</tr>
<tr>
<td>Net borrowings</td>
<td>R11.9 bn</td>
<td>R10.9 bn</td>
<td>R10.9 bn</td>
</tr>
</tbody>
</table>

*Excluding Starch

Sep’20
Strong financial results notwithstanding a very challenging market

- **EPS**: Improved 171% to 166 cents (2019: loss of 235 cents)
- **HEPS**: Improved 156% to 130 cents (2019: loss of 233 cents)
- No interim dividend declared

Notable COVID-19 impact on starch and glucose and property business
Salient financial features indicating positive trends (Continuing operations)

Revenue
Up 37%
to R8.2 bn

Adjusted EBITDA*
Up 127%
to R2.5 bn

Operating profit
Up 95%
to R1.9 bn

Segmental cash flow*
Up 180%
to R1.4 bn

Net monetary loss
R301 m
Effect of hyperinflation

Operating profit excl Zimbabwe
Up R333 m
to R378 m

Headline loss
improved 99%
to R6 m

HLPS
improved 99%
to 4 cents

Tongaat Hulett utilises the concept of adjusted EBITDA
that removes any fair value adjustments to biological assets

*Total of cash flows from operating and investing activities excluding tax, expansion capex, finance income and disposals
Zimbabwe hyperinflation inflates financial results

- Application of IAS 29 Financial Reporting in Hyperinflationary Economies
- Official inflation rate: 659% (September 2020)
- Estimated that hyperinflation and currency dynamics contributed R869 million to profits
- New currency auction system has improved gap between the official and unofficial exchange rates
- Net monetary loss arises from local currency cash balances that are losing purchasing power
- Post period-end, currency and inflation are showing relative stability

<table>
<thead>
<tr>
<th></th>
<th>As reported (Official FX rate)</th>
<th>Sensitivity (Unofficial FX rate)</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exchange rate (vs US$)</td>
<td>ZWL 81</td>
<td>ZWL 97</td>
<td>(107)</td>
</tr>
<tr>
<td>Revenue</td>
<td>3 075</td>
<td>2 582</td>
<td>(493)</td>
</tr>
<tr>
<td>Operating profit</td>
<td>1 532</td>
<td>1 286</td>
<td>(246)</td>
</tr>
<tr>
<td>Profit for the year</td>
<td>719</td>
<td>612</td>
<td>(107)</td>
</tr>
<tr>
<td>Net asset value</td>
<td>3 536</td>
<td>2 963</td>
<td>(573)</td>
</tr>
<tr>
<td>Total assets</td>
<td>5 564</td>
<td>4 698</td>
<td>(866)</td>
</tr>
</tbody>
</table>

Zimbabwe annual inflation rates (Sep 2019, Mar 2020 to Aug 2020)

Zimbabwe weekly currency auction (vs US$)

- Highest Rate
- Lowest Rate (Accepted)
- Weighted Average Rate
Zimbabwe hyperinflation masks strong performance in other operations

*Continuing operations;
# Includes profit on disposal on Namibian operations of R183 million, and benefit of not depreciating assets held for resale
Statement of Profit or Loss (Continuing operations – excl starch)

<table>
<thead>
<tr>
<th></th>
<th>6 months ended 30 September 2020 (Reviewed)</th>
<th>6 months ended 30 September 2019 (Unaudited)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R ‘million</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>8 248</td>
<td>5 984</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(5 126)</td>
<td>(3 695)</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>3 122</td>
<td>2 289</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>1 910</td>
<td>973</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(1 053)</td>
<td>(855)</td>
</tr>
<tr>
<td>Net monetary loss</td>
<td>(301)</td>
<td>(329)</td>
</tr>
<tr>
<td>Share of net profit of associates</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td><strong>Profit / (loss) before taxation</strong></td>
<td>561</td>
<td>(209)</td>
</tr>
<tr>
<td>Taxation</td>
<td>(241)</td>
<td>(180)</td>
</tr>
<tr>
<td><strong>Profit / (loss) from continuing operations</strong></td>
<td>320</td>
<td>(389)</td>
</tr>
<tr>
<td>Profit from discontinued operations</td>
<td>171</td>
<td>190</td>
</tr>
<tr>
<td><strong>Profit/(loss) for the period</strong></td>
<td>491</td>
<td>(199)</td>
</tr>
<tr>
<td>Basic and diluted loss per share (cents) from continuing operations</td>
<td>32</td>
<td>(384)</td>
</tr>
</tbody>
</table>

Increased exchange losses, higher cost of restructured SA facilities

Strong operational progress, impact of hyperinflation, profit on disposal of Namibia packaging operation included

Hyperinflation, erosion of purchasing power of monetary assets
Revenue (from continuing operations) up 37% to R8.2bn

- Local market sales up 24%
- Export volumes up 104k tons
- Export pricing benefitted from weaker exchange rate and improved pricing, particularly in refined sugar markets

- Average sugar pricing up 18%
- Sales volumes in line with prior period
- Export pricing up
- Improved local sales mix

- Revenue impacted by Namibia disposal

- 35ha of large land sales
- Townships sales down 80% to 28,000m² - COVID-19 and low economic activity

- Local market sugar volumes declined during period in which a price freeze was recommended by Government to prevent arbitrage by traders.
- Export sales up 42% to generate foreign currency
- Hyperinflation dynamics

- Sales to alcoholic beverage industry affected by lockdown
- Strong sales to the coffee creamer and canning sectors

<table>
<thead>
<tr>
<th>Sep 2019</th>
<th>South Africa</th>
<th>Mozambique</th>
<th>Inter-Segment</th>
<th>Other SADC</th>
<th>Property</th>
<th>Sep 2020 (Pre-Zimbabwe)</th>
<th>Zimbabwe</th>
<th>Sep 2020 (Continuing Operations)</th>
<th>Starch &amp; Glucose</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,984</td>
<td>869</td>
<td>305</td>
<td>93</td>
<td>106</td>
<td>372</td>
<td>6,773</td>
<td>1,475</td>
<td>8,248</td>
<td>1,981</td>
</tr>
</tbody>
</table>

Other SADC

<table>
<thead>
<tr>
<th>Mozambique</th>
<th>South Africa</th>
<th>Inter-Segment</th>
<th>Other SADC</th>
<th>Property</th>
<th>Sep 2020 (Pre-Zimbabwe)</th>
<th>Zimbabwe</th>
<th>Sep 2020 (Continuing Operations)</th>
<th>Starch &amp; Glucose</th>
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<td>93</td>
<td>305</td>
<td>106</td>
<td>372</td>
<td>6,773</td>
<td>1,475</td>
<td>8,248</td>
<td>1,981</td>
<td></td>
</tr>
</tbody>
</table>
Adjusted EBITDA (from continuing operations) up 127% to R2.5bn

- Higher revenue translated into improved EBITDA
- Benefit of continued cost savings and non-repeat of retrenchment / restructure costs
- Similar NRV adjustment for export sugar

Improved profits impacted by improved pricing and ongoing cost saving initiatives

EBITDA impacted by disposal of Namibia.

- Centralisation of Regional Sugar function
- Restructuring costs - MAC dispute, criminal / civil cases debt restructure
- Appointment of key roles

- Reduction in land sales
- R19m credit loss allowance for cost recoveries from municipality.
- Benefit of lower employee costs post retrenchment.

Impact of hyper inflation and weaker Rand, with margins further improved by prepayments of goods to mitigate currency losses.

Lower sales volumes and higher maize prices offset by higher pricing and cost control

<table>
<thead>
<tr>
<th>Year</th>
<th>Region</th>
<th>EBITDA</th>
<th>EBITDA</th>
<th>EBITDA</th>
<th>EBITDA</th>
<th>EBITDA</th>
<th>EBITDA</th>
<th>EBITDA</th>
<th>EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sep 2019</td>
<td>South Africa</td>
<td>1 088</td>
<td>495</td>
<td>62</td>
<td>21</td>
<td>289</td>
<td>1 334</td>
<td>340</td>
<td>283</td>
</tr>
<tr>
<td>Sep 2020</td>
<td>Sep 2020</td>
<td>2 543</td>
<td>869</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Starch &amp; Glucose</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Pre-Zimbabwe)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Underlying)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Hyperinflation)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(Continuing Operations)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sep 2020</td>
<td>Starch &amp; Glucose</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 088 495 21 289 1 334 340 283
**Improved cash and borrowings position**

**Gross Borrowings (R millions)**

<table>
<thead>
<tr>
<th></th>
<th>Mar 19</th>
<th>Sep 19</th>
<th>Mar 20</th>
<th>Sep 20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11 171</td>
<td>12 465</td>
<td>12 596</td>
<td>11 726</td>
</tr>
</tbody>
</table>

**Cash Balances (R millions)**

<table>
<thead>
<tr>
<th></th>
<th>Mar 19</th>
<th>Sep 19</th>
<th>Mar 20</th>
<th>Sep 20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>957</td>
<td>529</td>
<td>1 175</td>
<td>828</td>
</tr>
</tbody>
</table>

*Adjusted for operations with held-for-sale assets at 30 September 2020

**Net Borrowings (R millions)**

<table>
<thead>
<tr>
<th></th>
<th>Mar 19</th>
<th>Sep 19</th>
<th>Mar 20</th>
<th>Sep 20</th>
<th>10 Dec 20</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10 214</td>
<td>11 936</td>
<td>11 421</td>
<td>10 898</td>
<td>6 049</td>
</tr>
</tbody>
</table>

*Group net borrowings has decreased by R4.849bn from 30 September 2020 to 10 December 2020

*Collection of debt reduction proceeds, offset by normal working capital movements across the business*
Cash flows improved and new borrowings reduced

<table>
<thead>
<tr>
<th>R million</th>
<th>September 2020</th>
<th>September 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flows before working capital</td>
<td>2 844</td>
<td>1 478</td>
</tr>
<tr>
<td>Working capital movements</td>
<td>(1 503)</td>
<td>(2 093)</td>
</tr>
<tr>
<td>Cash generated from operations</td>
<td>1 341</td>
<td>(615)</td>
</tr>
<tr>
<td>Additions to property, plant and equipment</td>
<td>(232)</td>
<td>(120)</td>
</tr>
<tr>
<td>Proceeds on disposal of Namibian packaging operation</td>
<td>220</td>
<td>-</td>
</tr>
<tr>
<td>Other (tax, intangibles, etc)</td>
<td>(294)</td>
<td>(131)</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(656)</td>
<td>(624)</td>
</tr>
<tr>
<td>Borrowings raised</td>
<td>(184)</td>
<td>1 599</td>
</tr>
<tr>
<td>Raised</td>
<td>1 955</td>
<td>7 085</td>
</tr>
<tr>
<td>Repaid</td>
<td>(2 139)</td>
<td>(5 486)</td>
</tr>
</tbody>
</table>

- Cash generated from operations of R1.341 bn, relative to cash outflow of R615m in prior period
- Normalisation of working capital cycle
- Debt repayments exceeded debt drawdowns for the first time in some time
- Capital expenditure of R232 m (in line with depreciation), confined to essential replacement, cane root replant, second milling line at Maidstone
Net finance costs impacted by debt restructure and FX losses

- Risk premium applied to restructured debt facilities c.2.3% applied from March 2020, meaning prior period rates remained investment grade risk
- External and internal funding balances (including lease obligations) in Zimbabwe and Mozambique
- Amortisation of debt raising and commitment fees
- Extension of leases in Mozambique (R21m), discounting of provisions (R12m), no interest earned on liquidated pension fund surplus (R22m)
- South African prime lending rates reduced by 2.80% on average period-on-period

Average borrowings in South Africa were aligned with prior period – cash flows from turnaround initiative used to fund interest costs and capital expenditure
Borrowings restructured to accommodate COVID-19 induced delays

<table>
<thead>
<tr>
<th>Facility</th>
<th>Facility type</th>
<th>30 September 2020</th>
<th>10 December 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facility A</td>
<td>Senior Term Loan Facility</td>
<td>8 592</td>
<td>3 548</td>
</tr>
<tr>
<td>Facility B</td>
<td>Senior Revolving Credit Facility</td>
<td>2 200</td>
<td>2 200</td>
</tr>
<tr>
<td>Facility C</td>
<td>Seasonal Sugar Revolving Loan Facility</td>
<td>553</td>
<td>553</td>
</tr>
<tr>
<td>Facility D</td>
<td>Seasonal Sugar Term Loan Facility</td>
<td>47</td>
<td>47</td>
</tr>
<tr>
<td>Overdraft</td>
<td>General banking</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>11 692</td>
<td>6 648</td>
</tr>
</tbody>
</table>

**Commentary**

- At 30 September 2020, net borrowings decreased by R577 m to R10.372 bn
- Second restructuring of existing debt facilities, agreed in principle on 31 July 2020 and concluded on 4 November 2020
  - Facility A and B maturity dates extended from 31 March 2021 to 30 September 2021
  - Facility C and D (i.e. seasonal facilities) maturity dates extended from 31 March 2021 to 31 March 2022
  - Revision to the debt reduction milestones
  - Revision to financial ratio covenants
- Debt reduction proceeds from disposal of starch and Tambankulu in excess of R5.0 bn (excluding R450 m held in escrow) banked post period-end

Target Total Debt / Adjusted EBITDA: < 2.0x
**Good progress with debt reduction milestones**

### Pricing Milestones

<table>
<thead>
<tr>
<th>Signed Agreements</th>
<th>Nov 19 ✓</th>
<th>Mar 20 ✓</th>
<th>Jun 20 ✓</th>
<th>Sep 20 ✗</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds</td>
<td>Jun 20 ✓</td>
<td>Sep 20 ✓</td>
<td>Dec 20</td>
<td>Mar 21</td>
</tr>
<tr>
<td>No. milestones met</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>No. milestones missed</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>

#### Key Milestones

- **R500m** Milestone met
- **R4bn** Milestone met
- **R6bn** Milestone met
- **R8.1bn** Milestone missed

### Default Milestones

<table>
<thead>
<tr>
<th>Signed Agreements</th>
<th>Nov 19 ✓</th>
<th>Mar 20 ✓</th>
<th>Jun 20 ✓</th>
<th>Mar 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds</td>
<td>Jun 20 ✓</td>
<td>Dec 20 ✓</td>
<td>Mar 21</td>
<td>Sep 21</td>
</tr>
</tbody>
</table>

#### Key Milestones

- **R500m** Milestone met
- **R4bn** Milestone met
- **R6bn** Milestone met
- **R8.1bn** Milestone met

### Financial Breakdown

- **R500m** milestone met
- **R4bn** milestone met
- **R6bn** milestone met
- **R8.1bn** milestone missed

### Milestone Achievements

- **Reduction target of R8.1 bn**
  - Deals of R1.7 bn to go
  - Cash of R2.2 bn to go

- **Pricing Milestones**
  - 5 out of 6 achieved
  - 1x upward ratchet applied

- **Default Milestones**
  - 5 out of 5 achieved
  - Timing risk on 31 March 2021
A significant reduction in debt levels since December 2019

- Debt refinance proposal being progressed for tabling to lenders prior to redraw of seasonal facilities
- Remainder of R450 million escrow balance at 31 October 2021 to be applied to debt – various liability limits in place
- Strategic partnerships over SA Sugar assets and the group’s landholdings remain work in progress
  - MillCo: Lockdown slowed progress, engagements with industry bidders paused to align on valuation
  - PropCo: Sites visits were delayed, due diligence and valuation processes are ongoing
- Equity capital raise remains a consideration

Cash proceeds only, excluding R450m escrow balance

- SA Facilities (ex. Seasonal)
- TH DB Pension Fund Liquidation
- Namibia Packaging Operation
- Starch Operation
- Tambankulu Sugarcane Estate
- Various Landholdings
- T-H Pension Fund Liquidation
- Working Capital Adj. (Tambankulu)
- Various Landholdings
- Remaining SA Facilities
- Various Initiatives

Completed
In progress

Cash proceeds only, excluding R450m escrow balance

11 592
512
111
4 641
389
107
148
42
70
5 572
5 572
### Mozambique Debt Standstill

<table>
<thead>
<tr>
<th>Type</th>
<th>September 2020</th>
<th>September 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term loans (MZN)</td>
<td>494</td>
<td>692</td>
</tr>
<tr>
<td>Overdraft and similar</td>
<td>276</td>
<td>572</td>
</tr>
<tr>
<td>Overdraft (US$)</td>
<td>81</td>
<td>31</td>
</tr>
<tr>
<td>Liquidity facility</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>Long term</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and leaseback</td>
<td>72</td>
<td>nil</td>
</tr>
<tr>
<td>Borrowings</td>
<td>923</td>
<td>1 295</td>
</tr>
<tr>
<td>Cash balances</td>
<td>(163)</td>
<td>(236)</td>
</tr>
<tr>
<td>Net borrowings</td>
<td>760</td>
<td>1 059</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Net debt in Mozambique decreased from R1.059 bn to R760 m</td>
</tr>
<tr>
<td>• Improved operational cash flows, with some translation benefit from a weaker Metical exchange rate against the Rand</td>
</tr>
<tr>
<td>• The debt standstill agreement remains in effect until 30 June 2021</td>
</tr>
<tr>
<td>• Lenders have agreed, in principle, to a debt restructuring proposal and certain lenders have obtained credit approval in support thereof</td>
</tr>
<tr>
<td>• Debt restructure is premised on a 2 year “trade out” based on improved operational performance</td>
</tr>
<tr>
<td>• Other debt reduction initiatives include the sale of the operation’s vehicle fleet to Unitrans and the disposal of less profitable company farms</td>
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Divisional Performance
Sugar South Africa delivered a strong turnaround

**Adjusted EBITDA Bridge**

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<tbody>
<tr>
<td></td>
<td>-156</td>
<td>251</td>
<td>163</td>
<td>75</td>
<td>25</td>
<td>8</td>
<td>10</td>
<td>17</td>
<td>339</td>
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**Commentary**

- Adjusted EBITDA of R339 m (Sep 2019: loss of R156 m)
- Sugar mills crushed 3.507 m tons cane (Sep 2019: 3.467 m tons)
- Raw sugar produced 404 060 tons (Sep 2019: 387 210)
- COVID-19 and other disruptions in production
- Local market sales up 24% to 246 130 tons
- Inflation-linked price increase in September 2020
- Cost reductions improved margins on sales
- Exports sales volumes increased by 103 802 tons to 147 628 tons, with a lower write-down of sugar stocks to net realisable value
- Export pricing of both raw and refined sugar higher in US$ terms, and benefit from the weaker exchange rate
- Segmental cash inflow up to R217 m (Sep 19: outflow of R661 m)
## Adjusted EBITDA Bridge

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<tr>
<th>R million</th>
<th>Sep 2019</th>
<th>Sep 2020</th>
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<tbody>
<tr>
<td>Local Sales Mix</td>
<td>23</td>
<td>26</td>
</tr>
<tr>
<td>Export Pricing</td>
<td>17</td>
<td>24</td>
</tr>
<tr>
<td>Refining</td>
<td>20</td>
<td>26</td>
</tr>
<tr>
<td>Manpower</td>
<td></td>
<td>24</td>
</tr>
<tr>
<td>Agricultural Initiatives</td>
<td></td>
<td></td>
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<tr>
<td><strong>Total</strong></td>
<td>280</td>
<td>342</td>
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## Commentary

- Adjusted EBITDA up 22% to R342 million
- Crushed 1 538 824 tons cane (Sep 2019: 1 478 125 tons)
- Raw sugar produced 173 668 tons (Sep 2019: 164 547 tons).
- Xinavane – excellent performance in terms of reliability
- Mafambisse – began recovery after Cyclone Idai
- Refinery production at Xinavane more than doubled to 47 266 tons
- Domestic sales were in line with prior period, supported by extension of VAT exemption until December 2023
- Average sugar pricing up 18% with improved export pricing and local market sales mix
- Export volumes were lower than prior period
- Cost reduction initiatives – R26 million saving
- Investment in agricultural initiatives

Sugar Mozambique delivered a solid performance.
Sugar Zimbabwe had a steady performance impacted by hyperinflation

**Adjusted EBITDA Bridge**

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<tr>
<td>R million</td>
<td>717</td>
<td>158</td>
<td>146</td>
<td>124</td>
<td>204</td>
<td>1 057</td>
<td>115</td>
<td>754</td>
<td>1 926</td>
</tr>
</tbody>
</table>

**Commentary**

- Adjusted EBITDA of R1.926 bn (Sep 2019: R717 million)
- Margins improved through prepayments of goods to preserve currency value
- Crushed 2.473 m tons of cane (Sep 2019: 2.481 m tons)
- Raw sugar of 296 974 tons (Sep 2019: 303 155 tons)
- Refined sugar of 26 251 tons (Sept 2019: 32 050 tons)
- Local sales volumes down 13% to 158 439 tons to prevent arbitrage and from impact of low household disposable incomes
- Export volumes up 42%; total sales contribution up from 21% to 30%
- Export pricing in US$ in line with the previous interim period
- Ethanol production up 16% to 14.2 m litres, ethanol sales up 17% to 11.6 m litres
Adjusted EBITDA loss of R46 million (Sep 2019: profit of R243 million)

Large land sales in line with prior period (2 transactions)

Township property sales reduced significantly to 28,000m² new floor areas (Sep 2019: 138,000m²) –
  - Deeds offices closed during lockdown
  - Deals under negotiation that were halted or abandoned

Repositioning sites in Umhlanga Hills to a more affordable product – once-off adjustment of R20 million

Allowance for credit losses for infrastructure recoveries up R19 million

Cost reduction initiatives – R32 million saving

Property transactions valued at R197 million concluded in October 2020 (i.e. properties transferred and cash banked)
Starch was sold on 31 October 2020

Adjusted EBITDA Bridge

- Adjusted EBITDA down to R283 million
- Domestic sales volumes down 13% to 189 749 tons
- Exports sales were 18% lower at 29 057 tons
- Alcoholic beverage sector sales down 39%, due to lockdown restrictions
- Other non-essential services such as confectionary and papermaking similarly impacted
- Coffee creamer sales volumes up by 33% to 13 276 tons.
- Margins under pressure from maize prices despite record crop
- Higher co-product realisations
- Positive impact from cost reduction initiatives
- Operating profit impacted by the requirement to not depreciate assets classified as held-for-sale (R56 million)
Tongaat is a formidable business

Sugar
Leading Agri business in Sugar, Ethanol, Animal Feeds and Cattle

Property
One of the largest portfolios of premier commercial land in KZN and SA

11.7k Hectares of prime commercial land(1)
20k ha in total

60k Hectares farmed
177k ha total farmed

1.5m Tons per annum in sugar production capacity

40m Litres per annum in ethanol capacity

400k Tons per annum in animal feed capacity

30 000 Employees in peak milling season

Underpinned by a significant asset base

Notes: Unless otherwise indicated, operational data and company estimates as at September 2020. (1) Independent Valuation Report issued on 23 August 2019, valued as at 1 June 2019. (2) Developable value of land once infrastructure is in place.
It’s time to **pivot** and look towards the future

**Sustainability**
- Deepening our focus on ESG and transformation

**Diversification**
- 19 opportunities in 4 countries
- SA Sugar Industry Master Plan is a catalyst

**Growth**
- Market share, per capita consumption and exports growth
- Repositioning our Property business

**Efficiency**
- Low cost and reliable producer

**Talent**
- Overall talent and capability enhancement

Our ambition remains to create value for all our stakeholders
Outlook

1. Review our capital structure in light of debt reduction glidepath and remaining milestones
2. Continued growth in sugar EBITDA
3. The reduced debt levels to benefit future finance costs
4. Increased capital investment aligned with depreciation
5. We remain on track to meet our R3 bn cash flow improvement target
6. Drive property sales whilst managing legacy infrastructure obligations
7. Ongoing dividend stream from Zimbabwe
Questions?