



Freight Expectations

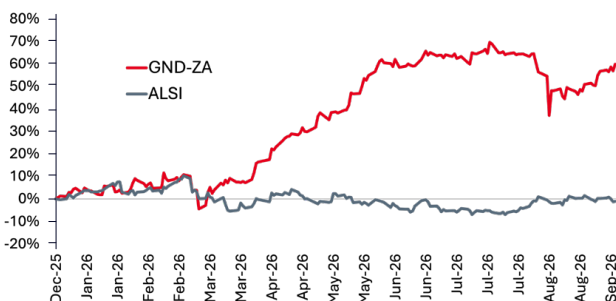
Grindrod is a Durban-based ports and logistics group that barely registers on most watchlists, despite the numbers. Founded by John Grindrod in 1910, it runs ports, terminals and logistics operations across Southern Africa. Prospects still look excellent despite the stock rallying in 2026.



A Century in the Making

Grindrod spent most of its history as a sprawling freight, shipping and financial services group. That changed through two clean breaks: unbundling its shipping division, Grinship, in 2018, then selling Grindrod Bank in 2022. What's left is a leaner logistics operator, anchored by ports and terminals in Richards Bay, Walvis Bay and Maputo, plus the North-South rail corridor linking Beitbridge to Victoria Falls.

Grindrod YTD Performance



Source: FactSet, 14 September 2026

The Real Engine

This is an operational story: the Port of Maputo handled a record 8.4 million tonnes in H1 2026, up 29% year-on-year, supported by improving rail efficiency along the Komatipoort corridor. Matola, now fully owned by Grindrod, hit a record 9.9 million tonnes in 2025, adding R371 million of incremental EBITDA in H1 2026 alone. The result: group EBITDA increased by 62.8% over the past year, well ahead of revenue growth of just 11.7%, with the group EBITDA margin now at 31%, above the 5-year average of 22.5%. The Ports and Terminals segment itself is running even hotter, at a 43% EBITDA margin.

An Irreplaceable Moat

Grindrod's moat is physical: you can't build another Richards Bay or Maputo. That scarcity is now compounding with a friendlier Transnet. What was once a bottleneck has become a genuine partnership: better rail coordination has already slashed transit times on the Maputo corridor, and Grindrod is positioning for direct quayside access and its own locomotive operations on the national rail network.

What Is Next

Three near-term triggers stand out: the outcome of Grindrod's bid for Transnet's Richards Bay Dry Bulk Terminal, with the qualification round closing at the end of October, the start of open-access rail operations in April 2027, and progress on the Matola expansion and Maputo dredging project.

Around 85% of Ports and Terminals EBITDA is earned in hard currency, making this a genuine rand hedge.



The views expressed above are those of the Advantage Securities Investment Team and are based on our analysis, interpretation of publicly available information, and professional judgement at the time of writing.

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