

IMPALA PLATINUM HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1957/001979/06)
JSE Share code: IMP
ISIN: ZAE00083648
JSE Convertible Bond Stock Code: IMCB22
JSE Convertible Bond ISIN: ZAE000247458
ADR code: IMPUY

("Implats" or "the Group")

INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

Key features for the six months

- Board declares interim dividend of R1,25 per ordinary share - linked to free cash flow
- Headline earnings of R3,4bn or 436 cents per share
- Free cash flow of R5,0bn
- Net debt of R1,9bn after funding North American Palladium acquisition cost of R10,9bn
- 6% and 9% improvements in TIFR and LTIFR
- PGM 6E dollar basket price up 36% to \$1 420/6E ounce
- Rand revenue per 6E ounce sold increased by 41% to R20 888/6E
- Further tightening in markets for palladium and rhodium expected to support higher pricing in the short to medium term
- Strong longer-term underpin to industrial demand for platinum from hydrogen and fuel cell technology adoption
- Operational and cost guidance for FY2020 remains unchanged, premised on the expected release of excess inventory in the second half of the financial year

Commentary

Implats delivered solid results for its half year ended 31 December 2019. Sustained operating performances from mining operations, together with robust rand PGM pricing during the period, offset short-term challenges associated with concentrator maintenance and constrained smelter availability, resulting in improved free cash flow and strong headline earnings.

This enabled the funding of the acquisition of Impala Canada through a combination of cash, a forward sale of metal and debt. The Group was also able to reinstate dividends, based on a pay-out ratio of free cash flow generated before growth capital of 30%. The Board declared an interim dividend of R1,25 per ordinary share, which will be paid on 23 March 2020.

Safety remains the Group's foremost priority. Despite 6% and 9% improvements in the total and lost-time injury frequency rates, respectively, Implats mourns the loss of three employees at its managed operations.

The Group's strategic re-positioning as a high-value, profitable and competitive PGM producer was meaningfully advanced through initiatives to improve organisational effectiveness at key operations. In addition, a three-year wage settlement was secured with the Association of Mineworkers and Construction Union at Impala Rustenburg and Marula.

At Impala Rustenburg, the sustained improvement in cost performance, productivity and safety at 12 and 14 Shafts has resulted in these operations collectively meeting the internal targets set to avoid disposal or closure and we now expect to operate these assets for the foreseeable future. While higher pricing has provided some medium-term life extension at 1 Shaft, 9 Shaft is likely to be closed in the short-term due to depleted mineable reserves.

The Group delivered stable 6E in concentrate production of 1,53 million ounces, with Group refined 6E production down by 17% on constrained smelter availability due to a planned furnace rebuild at Zimplats.

Free cash inflow of R5,0 billion improved year-on-year as received rand PGM pricing rose by 41% per ounce, offsetting a 16% decline in 6E sales volumes due to an increase in work-in-process metal inventories. Revenue improved by 19% to R28,0 billion, gross profit increased by more than 90% to R6,2 billion and headline earnings rose by 52% to R3,4 billion or 436 cents per share.

Net cash generated from operating activities amounted to R6,0 billion for the six months. The incentivised early conversion of the US\$ bond resulted in a R3,1 billion reduction in debt as 64,3 million Implats shares were issued in August 2019. The benefit of this, together with the payment of residual debt at Zimplats, was partially offset by a bridging loan used to fund the acquisition of Impala Canada, and the Group ended the half year in a net debt position of R1,9 billion.

Key financial metrics

	December 2019	December 2018
Revenue	28 019	23 521
Gross profit	6 166	3 232
Profit for the period	3 467	2 458
Headline earnings	3 378	2 228
Dividends (cps)	125	-
Capital expenditure (Rm)	1 925	1 706
Net (debt)/cash (excluding leases)	(1 943)	(976)
Net asset value (Rm)	49 079	42 614
Share performance		
Earnings per share (cents)	439	321
Headline earning per share (cents)	436	310

Operating statistics

		Six months to 31 Dec 2019	Six months to 31 Dec 2018
Gross refined production			
6Es	(000oz)	1 316,7	1 589,1
Platinum		657,7	799,8
Palladium		391,1	464,1
Rhodium		85,2	106,2
Nickel	(tonnes)	8 126	8 074
Sales volumes			
6Es	(000oz)	1 327,9	1 572,6
Platinum		675,2	773,4
Palladium		396,6	485,5
Rhodium		91,5	104,2
Nickel	(tonnes)	5 198	5 949
Prices achieved			
Platinum	(\$/oz)	888	829
Palladium		1 647	1 035
Rhodium		4 491	2 395
Nickel	(\$/t)	14 772	13 399
Consolidated statistics			
Average rate achieved	(R/\$)	14,71	14,18
Closing rate for the period	(R/\$)	13,98	14,38
Revenue per 6E ounce sold	(R/oz)	20 888	14 804
	(\$/oz)	1 420	1 044
Tonnes milled ex-mine	(000t)	10 305	10 235
Capital expenditure	(Rm)	1 925	1 706

Group unit cost per 6E ounce stock adjusted	(R/oz)	13 157	11 413
	(\$/oz)	896	805

DECLARATION OF INTERIM DIVIDEND

The Board of Implats wishes to inform shareholders that it has approved the declaration of an interim cash dividend of R1,25 per ordinary share for the six-month period ended 31 December 2019. The interim dividend has been declared in terms of the newly approved dividend policy, which is aligned to the Company's capital allocation framework. The dividend policy states that a dividend will be declared from 30% of free cash flow generated, pre-growth capital, for any given period, subject to the Board's discretion.

The Company has 799 034 147 ordinary shares in issue and the Company's tax reference number is 9700178719. The dividend has been declared from retained earnings and will be subject to a 20% dividend withholding tax for shareholders who are not exempt from, or do not qualify for, a reduced rate of withholding tax. Therefore, the net dividend amount is R1,00 per ordinary share for shareholders liable to pay the dividend withholding tax and R1,25 per ordinary share for shareholders exempt from dividend withholding tax. Shareholders are advised to complete the requisite declaration form to make the Company aware of their tax status. The salient dates are as follows:

Declaration date	Thursday, 27 February 2020
Last day for trading to be eligible for cash dividend	Tuesday, 17 March 2020
Trading ex-dividend commences	Wednesday, 18 March 2020
Record date	Friday, 20 March 2020
Dividend payment date	Monday, 23 March 2020

Share certificates may not be dematerialised or rematerialised between Wednesday, 18 March 2020 and Friday, 20 March 2020, both days inclusive.

Short form announcement

This announcement is a summarised version of the Group's full announcement and, as such, it does not contain full or complete details pertaining to the Group's results. Investment decisions should be made after taking into consideration the full announcement. This announcement in itself is not reviewed but extracted from reviewed results.

Implats' results were released on the JSE Stock Exchange News Service (SENS) on 27 February 2020 and are available on the Group's website www.implats.co.za and <https://senspdf.jse.co.za/documents/2020/jse/isse/impe/ie2019.pdf>. They are available for inspection, at no charge, at our registered office (2 Fricker Road, Illovo) and the office of our sponsor (Nedbank Corporate and Investment Banking, 135 Rivonia Road, Sandton) from 09:00 to 16:00 weekdays. A copy of the full announcement may be requested from the company secretary.

This short-form announcement is the responsibility of the Board of directors.

Transfer secretaries

South Africa: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Ave, Rosebank, Johannesburg, 2196, (PO Box 61051, Marshalltown, 2107)

United Kingdom: Computershare Investor Services plc, The Pavilions, Bridgwater Road, Bristol, BS13 8AE

Sponsor: Nedbank Corporate and Investment Banking

Directors: MSV Gantsho (Chairman), NJ Muller (Chief Executive Officer), M Kerber (Chief Financial Officer), PW Davey*, D Earp, BT Koshane, AS Macfarlane*, FS Mufamadi, B Ngonyama, MEK Nkeli, LN Samuel, PE Speckmann, ZB Swanepoel
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27 February 2020
Johannesburg

Sponsor to Implats
Nedbank Corporate and Investment Banking