

NORTHAM

PLATINUM HOLDINGS LIMITED

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Incorporated in the Republic of South Africa

Registration number: 2020/905346/06

Share code: NPH ISIN: ZAE000298253

(“Northam Holdings” or the “company” or, together with its subsidiaries, “Northam” or the “group”)

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PLATINUM LIMITED

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Incorporated in the Republic of South Africa

Registration number: 1977/003282/06

Debt issuer code: NHMI

Bond code: NHM015	Bond ISIN: ZAG000164922
Bond code: NHM016	Bond ISIN: ZAG000167750
Bond code: NHM018	Bond ISIN: ZAG000168097
Bond code: NHM019	Bond ISIN: ZAG000168105
Bond code: NHM020	Bond ISIN: ZAG000172594
Bond code: NHM021	Bond ISIN: ZAG000181496

(“Northam Platinum”)

AUDITED GROUP ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2022 AND NOTICE OF ANNUAL GENERAL MEETING

Key financial features

- Revenue of R34.1 billion.
- Operating profit of R14.9 billion.
- EBITDA of R16.5 billion (EBITDA margin of 48.3%).
- Normalised headline earnings of R10.2 billion, equating to R25.74 per share.
- Profit after tax of R9.8 billion.
- Earnings per share of R26.15 and headline earnings per share of R26.11.
- Net debt of R16.0 billion (Net Debt to EBITDA of 0.97).

Production and unit cash costs

Notwithstanding the array of challenges faced during the year under review, our operations collectively achieved a steady increase in production and our growth projects remain on track.

A key feature during the year under review has been the difficult operational environments at the Zondereinde and Booyensdal mines. During the first half of the financial year, Zondereinde tragically suffered two mining related fatalities, together with increased medical absences relating to the COVID-19 pandemic. Booyensdal was affected by regional community unrest, which impacted the entire eastern Bushveld region, throughout the financial year. This resulted in lost production shifts. Booyensdal was also affected by the intersection of a lower grade reef package in the upper southern portion of the North UG2 mine, which led to a decrease in concentrator feed grade. These challenges and external events negatively impacted the group’s metal production and unit cash costs during the financial year.

Despite the aforementioned challenges, the group’s equivalent refined metal from own operations increased to 716 488 oz 4E (F2021: 690 867 oz 4E). Zondereinde recorded improved production during the second half of the financial year, whilst production growth from Booyensdal was lower than forecast as a result of lower grade mined at Booyensdal North.

In respect of our current expansionary projects, development of the Western extension at Zondereinde has progressed well; Booyensdal has made good progress on South mine whilst recording 7 million fatality free shifts and remaining fatality free since inception; and Eland continues its ramp-up, with the addition of the recently acquired Maroelabult section adding considerable synergistic benefits.

Group unit cash costs per equivalent refined platinum ounce increased by 18.9% to R34 069/Pt oz (F2021: R28 662/Pt oz) on the back of cost increases at all of the operations. Cash costs per equivalent refined platinum ounce increased by 14.8% at Zondereinde to R34 828/Pt oz (F2021: R30 350/Pt oz), 21.9% at Booyensdal to R25 321/Pt oz (F2021: R20 780/Pt oz), and 29.5% at Eland to R55 594/Pt oz (F2021: R42 928/Pt oz). These increases were primarily driven by (i) above-inflationary increases in chemicals, steel components, emulsion explosives and fuel, (ii) an increase in the number of employees in service as the group continues to grow the labour complement to enable the planned expanded production profile together with the negotiated wage increase for our employees, and (iii) lower concentrator feed grades from the Booyensdal North UG2 mine.

Capital expenditure

Capital expenditure increased to R4.6 billion (F2021: R3.3 billion). This is in line with our capital schedule and is the combined result of increased expansionary capital of R3.1 billion (F2021: R1.8 billion), together with a marginal decrease in sustaining capital expenditure to R1.4 billion (F2021: R1.5 billion).

Expansionary capital expenditure increased as a result of significant development on the Western extension project at Zondereinde, together with the ongoing ramp-up at Eland. Sustaining capital expenditure at Booyensdal increased due to a number of extensions to strike belts and the first significant fleet replacements, whilst sustaining capital requirements at our metallurgical operations decreased following the commissioning of the rebuilt smelter furnace 1 at Zondereinde.

Financial highlights

		30 June 2022	30 June 2021	% Variance
Sales revenue	R000	34 064 270	32 626 918	4.4
Operating profit	R000	14 885 101	16 107 293	(7.6)
Operating profit margin	%	43.7	49.4	(11.5)
Normalised headline earnings	R000	10 208 024	10 867 830	(6.1)
Earnings per share	cents	2 614.9	2 681.8	(2.5)
Headline earnings per share	cents	2 611.1	2 687.9	(2.9)
Normalised headline earnings per share	cents	2 573.8	2 131.9	20.7
EBITDA	R000	16 462 860	16 655 317	(1.2)
EBITDA margin	%	48.3	51.0	(5.3)
Capital expenditure	R000	4 570 223	3 332 204	37.2

Returning meaningful value to our shareholders

There are a number of ways in which Northam can return value to its shareholders, including cash dividends, share buy-backs and, previously, the purchase of Zambezi Platinum (RF) Proprietary Limited (previously Zambezi Platinum (RF) Limited) (“**Zambezi**”) preference shares.

The group has returned R20.6 billion of value to shareholders over the last two financial years (F2022 and F2021) through the acquisition of Zambezi preference shares and Northam Platinum shares, which collectively culminated in a 28.9% reduction in the group’s issued share capital through the early maturity of the Zambezi BEE transaction.

The company is currently at a critical juncture in our growth trajectory, with various potential alternative outcomes which remain to be determined. These outcomes will inform our approach to dividends.

The board of directors of the company (“**board**”) has therefore resolved not to declare a final dividend for the year ended 30 June 2022 (F2021: R Nil per share).

ANNUAL GENERAL MEETING

The annual general meeting of shareholders (“**AGM**”) will be held on Tuesday, 25 October 2022 at 10:00 to transact the business as stated in the Notice of the 2022 Annual General Meeting (“**notice of 2022 AGM**”).

The AGM will be held entirely by way of electronic participation. Shareholders are encouraged to read the notice of 2022 AGM for information on how to electronically attend, participate in and vote at the AGM.

Shareholders are advised that the notice of 2022 AGM, containing the summarised audited annual financial statements for the year ended 30 June 2022, will be distributed to shareholders today, 26 August 2022.

The annual integrated report for the year ended 30 June 2022, the complete consolidated audited annual financial statements which incorporates the external auditor’s report in which Ernst & Young Inc. expressed an unmodified audit opinion and the notice of 2022 AGM, are available on the company’s website at <https://www.northam.co.za/investors-and-media/publications/annual-reports> or can be obtained from the company’s registered office on request.

The salient dates for the AGM are as follows:

	2022
Record date to determine which shareholders are entitled to receive the notice of 2022 AGM, on	Friday, 19 August
Distribution of the notice of 2022 AGM to shareholders, on	Friday, 26 August
Last date to trade in order to be recorded in the register to be able to electronically attend, participate in and vote at the AGM, on	Tuesday, 11 October
Record date to determine which shareholders are entitled to electronically attend, participate in and vote at the AGM, on	Friday, 14 October
For administration purposes, forms of proxy to be lodged by 10:00 (SA time), on *	Friday, 21 October
AGM to be held at 10:00 (SA time), on	Tuesday, 25 October
Results of AGM expected to be published on SENS, on	Tuesday, 25 October

** Any forms of proxy not lodged by this date and time must be submitted electronically to the chairperson of the AGM before the start of the AGM, as set out in the notice of 2022 AGM, before the appointed proxy may exercise any rights of the shareholder at the AGM.*

This short-form announcement is the responsibility of the directors of the company and is only a summary of the information contained in the full results announcement and does not contain full or complete details.

Any investment decision should be based on the full results announcement accessible *via* the JSE link at https://senspdf.jse.co.za/documents/2022/JSE/ISSE/NPHE/AFS_2022.pdf and available on Northam’s website at <https://www.northam.co.za/investors-and-media/publications/annual-reports>.

The consolidated audited annual financial statements, from which the full results announcement has been extracted, have been audited by Ernst & Young Inc. The key audit matters contained in the auditor’s report are addressed on page 15 of the consolidated audited annual financial statements, which are available on Northam’s website at <https://www.northam.co.za/investors-and-media/publications/annual-reports>.

The full results announcement and the consolidated audited annual financial statements for the year ended 30 June 2022, incorporating the auditor’s report, are also available at our registered office and at the offices of our sponsor for inspection, at no charge, during office hours.

On behalf of the board at Johannesburg on 26 August 2022.

TI Mvusi

PA Dunne

Independent non-executive chairman

Chief executive officer

Directors

TI Mvusi	(independent non-executive chairman)
HH Hickey	(lead independent non-executive director)
PA Dunne *	(chief executive officer)
AH Coetzee	(chief financial officer)
GT Lewis *	(independent non-executive director)
NY Jekwa	(independent non-executive director)
MH Jonas	(independent non-executive director)
TE Kgosi	(non-executive director)
JG Smithies *	(independent non-executive director)

* *British*

Registered office
Building 4, 1st Floor, Maxwell Office Park
Magwa Crescent West
Waterfall City
Jukskei View, 2090
South Africa

PO Box 412694
Craighall, 2024
South Africa

Telephone +27 11 759 6000
www.northam.co.za

Company secretary
PB Beale
Building 4, 1st Floor, Maxwell Office Park
Magwa Crescent West
Waterfall City
Jukskei View, 2090
South Africa

e-mail: trish.beale@norplats.co.za

PO Box 412694
Craighall, 2024
South Africa

Transfer secretaries
JSE Investor Services Proprietary Limited
13th Floor
19 Ameshoff Street
Braamfontein, 2001
South Africa

PO Box 4844
Johannesburg, 2000
South Africa
Telephone: +27 11 713 0800 / 086 147 2644

e-mail: InvestorServices@jseinvestorservices.co.za

Sponsor to Northam Holdings and debt sponsor to Northam Platinum
One Capital
17 Fricker Road
Illovo, 2196
Johannesburg
South Africa

PO Box 784573
Sandton, 2146
South Africa

Johannesburg
26 August 2022

Corporate Advisor and Sponsor to Northam Holdings

One Capital

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Attorneys to Northam Holdings and Northam Platinum

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Corporate Advisor and Debt Sponsor to Northam Platinum

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