



IMPALA PLATINUM HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1957/001979/06)
JSE share code: IMP
ISIN: ZAE000083648
ADR code: IMPUY
("Implats" or the "Group")

PRODUCTION UPDATE AND INITIAL TRADING STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

Implats will release its audited results for the year ended 30 June 2023 (the "period" or "FY2023") on or about 31 August 2023.

Royal Bafokeng Platinum Limited ("RBPlat") became a subsidiary of Implats on 30 May 2023. As a result, with effect from 1 June 2023, RBPlat's operating and financial results are consolidated into the Implats results.

PRODUCTION UPDATE

The operating environment in FY2023 was typified by continuing headwinds, and regional power constraints provided a notable impediment to operational continuity and delivery. While input pricing across key consumables eased in the latter half of FY2023, rand depreciation persisted, limiting the benefit to our South African operations, and adversely impacting the translated dollar cost and capital base of our Zimbabwean and Canadian assets.

Gross Group 6E production increased by 2% to 3.25 million 6E ounces from 3.19 million 6E ounces for the year ended 30 June 2022 (the "comparative period").

Production from managed operations increased by 6% to 2.42 million 6E ounces:

- Impala Rustenburg increased production by 3% to 1.23 million stock-adjusted 6E ounces despite the severity and frequency of load curtailment impacting operational continuity.
- Zimplats benefitted from the commissioning of the third concentrator at the end of Q1 FY2023 and, despite the impact of lower grade and regional power disruptions, delivered a 5% increase in 6E matte production to 611 000 ounces.
- Operating momentum at Marula was negatively impacted by sporadic community unrest in the second half of the period, compounded by the impact of load curtailment resulting in a 7% decline from the record production achieved in FY2022, to deliver 6E concentrate production of 241 000 ounces.
- Impala Canada delivered a 17% gain in 6E concentrate production to 291 000 ounces, with increased throughput of higher-grade underground ore.
- A maiden contribution of 43 000 6E ounces in concentrate from RBPlat was recorded for the 30 days to 30 June 2023.

Group operational performance		FY2023	FY2022	Var, %
Safety				
LTIFR	Pmmhw	3.92	4.21	7.0
TIFR	Pmmhw	9.25	9.76	5.3
Fatalities	Count	5	7	28.6
6E Group production				
	000oz	3 246	3 189	1.8
Managed operations	000oz	2 418	2 289	5.6
JV operations	000oz	541	548	-1.4
Third-party	000oz	287	351	-18.1
Gross 6E refined				
	000oz	2 959	3 087	-4.1
Impala 6E refined	000oz	1 207	1 138	6.1
IRS 6E refined	000oz	1 447	1 717	-15.7
Impala Canada 6E saleable	000oz	267	232	14.9
RBPlat 6E saleable	000oz	37	-	n/a
Gross platinum refined	000oz	1 360	1 426	-4.7
Gross palladium refined	000oz	1 051	1 071	-2.0
Gross rhodium refined	000oz	169	181	-6.3
Gross nickel refined	t	14 970	16 520	-9.4
6E sales volumes				
	000oz	2 973	3 147	-5.5
Managed operations production:				
Impala Rustenburg				
Tonnes milled	000t	10 248	9 801	4.6
6E grade	g/t	3.88	3.86	0.4
6E stock adjusted ¹	000oz	1 232	1 198	2.9
Zimplats				
Tonnes milled	000t	7 500	6 882	9.0
6E grade	g/t	3.33	3.42	-2.6
6E in matte (incl. concentrate sold to IRS) ²	000oz	611	584	4.7
Marula				
Tonnes milled	000t	1 935	1 995	-3.0
6E grade	g/t	4.39	4.53	-3.1
6E in concentrate ³	000oz	241	259	-7.1
Impala Canada				
Tonnes milled	000t	3 798	3 685	3.1
6E grade	g/t	2.93	2.68	9.1
6E in concentrate ³	000oz	291	249	17.0
RBPlat				
6E in concentrate ³	000oz	43	-	n/a
JV operations production:				
Mimosa				
Tonnes milled	000t	2 735	2 816	-2.9
6E Grade	g/t	3.77	3.82	-1.4
6E in concentrate ³	000oz	245	246	-0.5
Two Rivers				
Tonnes milled	000t	3 558	3 458	2.9
6E grade	g/t	3.09	3.22	-4.1
6E in concentrate ³	000oz	295	302	-2.2
Impala Refining Services production:				
Gross 6E receipts	000oz	1 658	1 763	-6.0
Managed operations	000oz	839	878	-4.5
JV operations	000oz	532	534	-0.4
Third-party	000oz	287	351	-18.1

1. PGM production post the precious metals refinery, adjusted for any increase (added) or decrease (deducted) in smelting and refining lock-up
2. PGM production post the smelter ahead of the base metal refinery, unadjusted for further processing recoveries
3. PGM production post the concentrator ahead of the smelter, unadjusted for further processing recoveries

Production from joint ventures (“**JVs**”) declined by 1% to 541 000 6E ounces:

- Two Rivers recorded a 2% decline in 6E in concentrate production to 295 000 ounces, due to safety stoppages, intermittent localised community and power disruptions, and the ongoing impact of split-reef and development tonnage on milled grade.
- At Mimosa, 6E in concentrate volumes declined by 1% to 245 000 ounces. Processing and plant stability was impacted by the commissioning and optimising of the concentrator project, power interruptions, changes in reagent supply and poor water quality.

Concentrate receipts from third parties declined by 18% to 287 000 6E ounces, with several operational challenges reported at peer-group producers and the termination of two contracts in Q3 FY2023.

The Group manages the lower stages of load curtailment by reducing power to its furnaces and concentrators, with mining and hoisting volumes impacted at higher stages. These mitigating actions result in a combination of “foregone” and “deferred” production volumes. In addition to load curtailment at South African managed and JV operations during the period, severe loadshedding was experienced across the Zimbabwean national grid in March 2023, while operations at Mimosa were impacted by further intermittent power outages in May and June. In total, the Group estimates circa 36 000 6E ounces of production were foregone across southern African managed and JV operations during the period, of which 28 000 6E and 8 000 6E ounces were attributable to Impala Rustenburg and the Zimbabwean operations, respectively. Circa 101 000 6E ounces were deferred as result of power constraints at the Group’s smelting operations and the consequent delay to restart the refurbished Number 4 furnace in Q4 FY2023. A further 10 000 6E ounces were deferred due to cable theft at Impala Rustenburg, particularly the instance which resulted in power supply interruptions to the metallurgical complex.

Gross refined and saleable volumes declined by 4% to 2.96 million 6E ounces and Implats ended FY2023 with excess inventory of approximately 245 000 6E ounces.

Sales volumes declined by 6% to 2.97 million 6E ounces, with limited destocking of refined metal inventories from an already reduced FY2022 base. Softer US dollar basket pricing was partially offset by the rand exchange rate weakening by 16%, resulting in a 4% decline in Group sales revenue to circa R36 120 per 6E ounce sold.

Group capital expenditure is expected to have increased to circa R11.5 billion from R9.1 billion in the comparative period, due to higher levels of stay-in-business and replacement spend, and rand depreciation. Implats incurred growth capital of circa R1.9 billion in FY2023.

Group unit costs per 6E ounce are expected to increase to circa R19 840 on a stock-adjusted basis due to persistent inflationary pressures, which were exacerbated by the impact of rand depreciation on the translated dollar cost base of Zimplats and Impala Canada.

ACQUISITION OF RBPLAT SHARES AND TRANSACTION UPDATE

During the period, Implats incurred a cash outflow of circa R4.9 billion and issued circa 16.2 million shares to increase its aggregate holding in RBPlat from 37.83% to 56.41% at 30 June 2023. The financial results for the period will therefore include the consolidation of RBPlat results from 1 June 2023, including the subsidiary’s R4.5 billion cash balance. Implats ended the period with a closing cash balance of R26.8 billion.

As at the date of this production update, Implats had acquired a further 123.4 million RBPlat shares, for a cash consideration of circa R11.1 billion and the issue of circa 37.0 million Implats shares, resulting in a 98.91% shareholding in RBPlat.

On 1 August 2023, in terms of Section 124(1) of the Companies Act (71 of 2008) as amended, Implats announced the compulsory acquisition of all remaining RBPlat shares not already owned by Implats. The estimated cash outflow and share issuance associated with the compulsory acquisition of the residual shareholding in RBPlat is R286 million and circa 952 000 Implats shares, respectively.

INITIALTRADING STATEMENT FOR THE YEAR ENDED 30 JUNE 2023

In terms of the Listings Requirements of the JSE Limited, issuers must publish a trading statement on SENS as soon as they become reasonably certain that the financial results for the period to be reported on will differ by at least 20% from those of the previous comparative period.

Due primarily to the impact of weaker dollar PGM pricing and lower refined production as result of load curtailment, Implats is expecting headline earnings and headline earnings per share (“**HEPS**”) for the period to be at least 20% lower than those reported in the comparative period. Headline earnings and HEPS for the comparative period were R32 028 million and 3 853 cents, respectively.

Basic earnings and basic earnings per share (“**EPS**”) are also expected to be at least 20% lower than the comparative period, primarily due to the lower dollar PGM basket price, lower refined production, and the impact of accounting adjustments arising on the consolidation of RBPlat. Basic earnings and EPS in the comparative period were R32 049 million and 3 856 cents, respectively.

Implats will publish a further trading statement once it has a reasonable degree of certainty on the expected EPS and HEPS ranges for the period.

The production and financial information for the year ended 30 June 2023, on which this production update and trading statement is based, has not been reviewed and reported on by the external auditors of Implats.

Ends

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Johannesburg

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