

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")

SUMMARISED CONSOLIDATED ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

Key features for FY2024:

- Safety performance dominated by the 11 Shaft tragedy
- 19 fatalities at managed operations
- 1% improvement in LTIFR* to 3.89 and 10% improvement in TIFR* to 8.29
- No major, significant or limited environmental incidents
- Achieved an overall BBB rating from MSCI for ESG performance
- Third consecutive inclusion in the S&P Global Sustainability Yearbook (2024)
- Achieved volumes benefitted from maiden annual inclusion of Impala Bafokeng
- Group 6E production increased 13% to 3.65Moz
- Refined and saleable 6E production increased 14% to 3.38Moz
- 6E sales volumes were 16% at 3.44Moz
- Group 6E unit costs rose 5% to R20 922/oz (stock-adjusted)
- Consolidated Group capital expenditure of R14.0bn
- Dollar revenue per 6E ounce decreased 34% to US\$1 350 on materially lower rhodium and palladium pricing
- Rand revenue per 6E ounce declined 30% to R25 257
- EBITDA of R12.4bn with headline earnings of R2.4bn or 269c per share
- Basic loss of R17.3bn or 1 929c per share
- Free cash outflow of R4.0bn and closing adjusted net cash (excluding leases) of R6.9bn
- No dividend declared
- RBPlat acquisition completed and landmark B-BBEE transaction concluded
- PGM pricing heavily impacted by industrial destocking and uncertain macroeconomic and geopolitical landscape
- Market deficits forecast for each of platinum, palladium and rhodium in 2024

Commentary

Implats delivered guided production volumes and commendable cost controls despite navigating several serious challenges amid a constrained operating environment characterised by macroeconomic headwinds and persistently low prices for platinum group metals (PGMs). The journey to zero harm suffered a significant set-back, with the Groups' safety performance dominated by the devastating 11 Shaft tragedy at Impala Rustenburg in the first half of the year.

* per million man-hours worked

Key strategic projects at the Group's mining and processing operations were successfully advanced and the construction of its flagship renewable energy project — the largest solar power plant in Zimbabwe — was completed. Together with water security and community investment initiatives which were progressed in the period, Implats continued to demonstrate its overarching commitment to environmental stewardship and long-term sustainability.

The acquisition of the remaining shareholding in Royal Bafokeng Platinum Limited (RBPlat), now Impala Bafokeng, was concluded in the period. The Group's landmark broad-based black economic empowerment (B-BBEE) transaction at its key Western Limb assets — Impala Rustenburg and Impala Bafokeng — was completed for value and broadened economic participation in the Group's mining and processing assets.

Significantly weaker US dollar sales revenue offset the benefit of strong operational delivery in FY2024 — average palladium and rhodium pricing dropped sharply, negating higher sales volumes and compressing operating margins and free cash flow. Financial metrics were further impacted by impairments resulting from lower PGM pricing, several once-off cash and non-cash charges arising from the conclusion of the RBPlat and B-BBEE transactions, as well as the labour restructuring initiated during the period.

FY2025 started with labour restructuring completed, and the Group set up to deliver free cash flow — despite the assumption of continued near-term PGM pricing weakness — and Implats' suite of processing assets well capitalised and able to draw down previously accumulated inventory and release cash to the Group.

Safety

Implats' safety performance was dominated by the 11 Shaft tragedy in the first half of the year, in which 13 employees lost their lives and a further 73 employees were injured following an accident involving a personnel conveyance.

With deep regret, we report that an additional six employees lost their lives in unrelated incidents at managed operations in FY2024, bringing the Group's reported fatalities to 19 in the period. As a result, Implats' fatal-injury frequency rate deteriorated to 0.127 per million man-hours worked (FY2023: 0.040). The lost-time injury frequency rate (LTIFR) improved by 1% to 3.89 per million man hours worked and the Group recorded a 10% improvement in the total-injury frequency rate (TIFR) in FY2024.

Implats is actively embedding a safety-conscious culture at all operations, one that emphasises care, individual accountability and collaboration. The commitment to employee wellbeing and protection is multifaceted and includes robust systems and processes to ensure proactive risk management and continuous process improvements, as well as empowering employees to actively collaborate on safety improvements and technology adoption.

Operational summary

While notable performances were achieved at the Group's key mining and processing operations in FY2024, production volumes also benefitted from the maiden annual consolidation of Impala Bafokeng.

Tonnes milled at the Group's managed operations increased by 17% to 27.89 million tonnes (FY2023: 23.88 million) and were up 1% on a like-for-like basis (excluding Impala Bafokeng), with higher milled volumes at Zimplats and stable tonnage at Impala Rustenburg offsetting the impact of rebased production volumes at Impala Canada and safety-impacted throughput at Marula. 6E milled grade rose 4% to 3.73g/t (FY2023: 3.60g/t) on the consolidation of higher-grade Impala Bafokeng volumes and improvements at Impala Rustenburg. 6E production at managed operations increased by 21% to 2.92 million ounces (FY2023: 2.42 million ounces), with like-for-like gains of 2%.

The Group's JV operations increased 6E concentrate production by 1% to 547 000 ounces (FY2023: 541 000 ounces). Mimosa benefitted from plant optimisation but Two Rivers delivered lower volumes due to constrained mining flexibility from challenging geological conditions. Third-party 6E concentrate receipts declined by 34% to 191 000 ounces (FY2023: 287 000 ounces) as two contracts terminated in Q3 FY2023.

In total, Group 6E production increased by 13% to 3.65 million ounces (FY2023: 3.25 million ounces) and was 1% lower on a like-for-like basis.

Refined 6E production, which includes saleable ounces from Impala Bafokeng and Impala Canada, increased by 14% to 3.38 million 6E ounces (FY2023: 2.96 million 6E ounces) and was 2% higher on a like-for-like basis. Mining and processing performance benefitted from a notable reduction in the frequency and intensity of load curtailment in South Africa, but Zimbabwe experienced heightened electricity supply constraints. As a result, Implats estimates that production of c. 21 000 6E ounces was foregone across southern African managed and JV operations in the period, while a further 12 000 6E ounces was deferred (FY2023: 36 000 foregone and 101 000 deferred 6E ounces).

Group processing capacity was limited by the scheduled rebuild of the Impala Rustenburg's Number 5 furnace in the period. Maintenance was initiated in December 2023 with the furnace successfully recommissioned as planned in April 2024. All three furnaces at Impala Rustenburg were successfully rebuilt between FY2022 and FY2024, with excess concentrates and matte stockpiled for future refining and sale. Implats ended the period with excess inventory of approximately 390 000 6E ounces (FY2023: 245 000 6E ounces). Group processing capacity will benefit from higher annual available capacity at Impala Rustenburg and will be bolstered by the commissioning of the new furnace at Zimplats in H1 FY2025. This will facilitate the steady release of excess inventory over the FY2025, FY2026 and FY2027 reporting periods.

Mining inflation, the maiden annual consolidation of Impala Bafokeng costs and the translation of the dollar cost base of Zimplats and Impala Canada offset the benefit of volume gains and cost containment measures delivered at managed operations. Group stock-adjusted unit costs increased by 5% to R20 922 per 6E ounce (FY2023: R19 834) and were 3% higher on a like-for-like basis (excluding Impala Bafokeng and the discretionary employee bonus payment).

Capital expenditure at managed operations rose by 22% to R14.0 billion (FY2023: R11.5 billion) as annual spend at Impala Bafokeng was consolidated in the period and expenditure on growth projects at Zimplats accelerated, offsetting reduced capital expenditure at Impala Rustenburg, Impala Canada and Marula.

Financial summary

The benefit of strong operational delivery in FY2024 was offset by significantly weaker US dollar sales revenue. Sharply lower average palladium and rhodium pricing negated higher sales volumes and the benefit of a weaker average rand. Reported financial metrics were also negatively impacted by several once-off cash and non-cash items in the period.

Revenue of R86.4 billion decreased by 19%, while cost of sales of R80.9 billion declined by 4% and Implats delivered gross profit of R5.5 billion. EBITDA of R12.4 billion was achieved at an EBITDA margin of 14%.

Implats accounted for several significant once-off, non-cash items in profit before tax in FY2024:

- A R1.9 billion (no tax impact) IFRS 2 (share-based payment) B-BBEE non-cash charge arising on the implementation of the empowerment transaction at Impala Rustenburg and Impala Bafokeng in June 2024, reflecting the facilitation provided to empowerment parties including employees, communities and the Siyanda-led broad-based empowerment consortium, Bokamoso
- The impairment of goodwill (R6.3 billion), pre-paid royalty (R3.2 billion) and property, plant and equipment (R10.6 billion) at Impala Rustenburg of R20.2 billion (pre-tax), due to lower rand PGM pricing
- The impairment of property, plant and equipment of R1.6 billion (no tax impact) at Impala Canada, reflecting the change in the operation's planned operating parameters effected during the period
- The R987 million post-tax attributable share of a property, plant and equipment impairment at the Two Rivers JV (included in loss from associates) due to the combined valuation impact of lower rand PGM pricing and elevated near-term capital expenditure on the Merensky project

- The R686 million post-tax attributable share of a property, plant, and equipment impairment at the Mimosa JV (included in loss from associates) due to the combined valuation impact of lower rand PGM pricing and the deferral of the North Hill life-of-mine replacement project.

Headline earnings of R2.4 billion or 269 cents per share were 87% and 88% lower, respectively, and reflect the 215 cents per share impact of the IFRS 2 B-BBEE charge (FY2023: R18.8 billion and 2 211 cents per share). Basic earnings declined to a loss of R17.3 billion or 1 929 cents per share, from basic earnings of R4.9 billion and 577 cents per share in the prior year. The cumulative impact of impairments in FY2024 resulted in a post-tax charge of R19.8 billion or 2 204 cents per share.

The weighted average number of shares in issue increased to 897.36 million from 850.28 million in the comparative period. The number of shares in issue increased to 904.37 million at period end from 866.40 million at 30 June 2023, after 37.97 million Implats shares were issued as part of the acquisition consideration for RBPlat.

The Group recorded a free cash outflow of R4.0 billion, after net cash capital outflows of R12.3 billion at its managed operations and ended the period with adjusted net cash after debt of R6.9 billion and liquidity headroom of R17.7 billion. No dividend was declared, in line with the Group's dividend policy, which is premised on returning a minimum of 30% of adjusted free cash flow, pre-growth capital.

Outlook and guidance

All three major PGM markets are likely to remain in fundamental deficits in 2024, although market shortfalls are expected to ease from those witnessed in 2023 – automotive production growth is expected to moderate, industrial demand is expected to be marginally lower as capacity expansions ease, and supply is expected to stage a modest recovery on improved auto catalyst scrap collections.

The outlook for growth and inflation continues to face risks, with implications for the timing and pace of rate cuts, which are seen as integral to the expected recovery in precious metal investor sentiment and pricing. Political and geopolitical risks and the potential impact for trade, industrial policy, fiscal dynamics and productivity are likely to prevail for much of FY2025, resulting in continued uncertainty and investor caution.

Implats remains focused on delivering safe and profitable production. Operational planning and capital investment is structured to enhance the competitive positioning of each asset to maximise returns and limit the use of the balance sheet to cross-subsidise loss-making operations. Following the significant setback in fatalities in FY2024, the focus on improving the Group's safety performance and eliminating fatal injuries remains steadfast, reinvigorated by targeted initiatives to enhance the safety culture, individual compliance and visible felt leadership.

Key mining and processing assets operated well in FY2024, however some failed to deliver to expectations and a series of interventions are underway at each of Marula, Two Rivers and Styldrift to ensure these operations revert to plan and realise their inherent potential during FY2025.

PGM miners continue to face challenging — and sometimes competing — stakeholder expectations from host communities, governments, organised labour and investors. Given persistent socioeconomic challenges and financial constraints across our operating geographies, Implats will continue to prioritise labour stability and constructive engagement with its mine communities, regulators and other key stakeholders.

Group production in FY2025 will be supported by sustained operating momentum at each of Impala Rustenburg, Zimplats and Mimosa. Performance at Two Rivers is expected to stabilise as the Merensky project is placed on care and maintenance and UG2 production is prioritised. At Impala Bafokeng, production at Styldrift will be consolidated at a lower labour complement, while third-party receipts will reflect expected volumes from pre-existing contracts. Refined volumes will benefit from the partial release of previously accumulated excess inventory, with Group sales in line with refined and saleable production.

Group 6E refined and saleable production is expected to be between 3.45 million and 3.65 million ounces. Group unit costs are forecast to rise by up to 5% to be between R21 000 and R22 000 per 6E ounce on a stock-adjusted basis. Group capital expenditure is forecast to be between R8 billion and R9

billion, inclusive of growth capital of between R0.9 billion and R1.1 billion. This guidance assumes exchange rates of R18.25/US\$ and C\$1.33/US\$, respectively.

The financial information on which the above-mentioned prospects and outlook is based has not been reviewed and reported on by Implats' external auditors.

Key financial metrics

		Year ended 30 June 2024	Year ended 30 June 2023	Variance %
Revenue	(Rm)	86 398	106 594	(18.9)
Gross profit	(Rm)	5 467	22 338	(75.5)
EBITDA*	(Rm)	12 367	36 002	(65.6)
(Loss)/profit for the year	(Rm)	(17 151)	6 178	(377.6)
Basic (loss)/ earnings	(Rm)	(17 313)	4 905	(453.0)
Headline earnings	(Rm)	2 411	18 801	(87.2)
Free cash flow*	(Rm)	(3 954)	14 171	(127.9)
Adjusted net cash (excluding leases)	(Rm)	6 923	24 974	(72.3)
Basic (loss)/earnings per share	(cps)	(1 929)	577	(434.3)
Headline earnings per share	(cps)	269	2 211	(87.8)
Dividends per share	(cps)	-	585	(100)

*Non-International Financial Reporting Standards metrics

Operating statistics

		Year ended 30 June 2024	Year ended 30 June 2023	Variance %
Gross refined production				
6E	(000oz)	3 337.8	2 958.7	14.2
Platinum	(000oz)	1 589.8	1 359.5	16.9
Palladium	(000oz)	1 157.5	1 050.5	10.2
Rhodium	(000oz)	189.6	169.3	12.0
Nickel	(tonnes)	16 155	14 970	7.9
Sales volumes				
6E	(000oz)	3 438.6	2 973.0	15.7
Platinum	(000oz)	1 579.4	1 408.1	12.2
Palladium	(000oz)	1 192.9	1 047.4	13.9
Rhodium	(000oz)	193.3	167.8	15.2
Nickel	(tonnes)	12 617	10 902	15.7
Prices achieved				
Platinum	(US\$/oz)	934	962	(2.9)
Palladium	(US\$/oz)	1 083	1 763	(38.6)
Rhodium	(US\$/oz)	4 360	11 696	(62.7)
Nickel	(US\$/t)	18 241	23 864	(23.6)
Consolidated statistics				
Average rate achieved	(R/US\$)	18.71	17.75	5.4
Closing rate for the period	(R/US\$)	18.19	18.85	(3.5)
Revenue per 6E ounce sold	(US\$/oz)	1 350	2 035	(33.7)
Revenue per 6E ounce sold	(R/oz)	25 257	36 118	(30.1)
Tonnes milled ex-mine*	(000t)	27 887	23 883	16.8
Group 6E production	(000oz)	3 653.7	3 245.6	12.6
Capital expenditure*	(Rm)	14 003	11 510	(21.7)
Group unit cost per 6E ounce (stock adjusted)*	(R/oz)	20 922	19 834	(5.5)
Group unit cost per 6E ounce (stock adjusted)*	(US\$/oz)	1 118	1 116	(0.2)

*Managed operations

Short form announcement

This announcement is a summary of the Group's audited consolidated annual financial statements for the year ended 30 June 2024 ("consolidated annual financial statements") and, as such, does not contain full or complete details. Any investment decisions should be based on consideration of the consolidated annual financial statements.

This short form announcement is the responsibility of the board and is not audited but is extracted from the consolidated annual financial statements. Deloitte & Touche, the external auditors, have issued an unmodified audit opinion, which includes key audit matters on the consolidated annual financial statements. The audit opinion, which contains key audit matters, together with the consolidated annual financial statements, are available on Implats' website at <https://www.implats.co.za/corporate-reports-results-and-presentations.php> and on the JSE's cloudlink at <https://senspdf.jse.co.za/documents/2024/jse/isse/IMPE/ye2024.pdf>.

Further information on the Group's annual results is available on Implats' website at www.implats.co.za. Copies of the consolidated annual financial statements, in summarised format, are available on request from the company secretary at investor@implats.co.za.

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Johannesburg

Sponsor

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