

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")

CONDENSED CONSOLIDATED INTERIM RESULTS (REVIEWED) FOR THE SIX MONTHS ENDED 31 DECEMBER 2024 AND RETIREMENT OF DIRECTORS

Key features for H1 FY2025:

- Five fatalities in four incidents at managed operations
- 29% improvement in LTIFR* to 3.31 and 22% improvement in TIFR* to 7.10
- No major or significant environmental incidents
- Fourth consecutive inclusion in the S&P Global Sustainability Yearbook (2025)
- Group 6E production declined 4% to 1.82Moz
- Refined and saleable 6E production increased 2% to 1.79Moz
- 6E sales volumes rose 5% to 1.77Moz
- Group 6E unit costs increased 3% to R20 885/oz (stock-adjusted)
- Consolidated Group capital expenditure reduced 42% to R3.9bn
- Dollar revenue per 6E ounce sold down 3% to US\$1 334
- Rand revenue per 6E ounce declined 8% to R23 831
- EBITDA of R6.5bn with headline earnings of R1.85bn or 206c per share
- Basic earnings of R1.9bn or 208c per share
- Free cash flow of R639m and closing adjusted net cash of R6.7bn
- No interim dividend declared
- Weak consumer and investor sentiment weighed on pricing despite tightening near term outlooks for platinum, palladium and rhodium, which are expected to remain in deficit in 2025
- On track to meet FY2025 refined production and cost guidance

Commentary

Implats delivered a commendable performance in the first six months of FY2025, during which it concluded a Group-wide labour restructuring and adjusted the operating parameters at several of its assets — both in response to continued low rand pricing for platinum group metals (PGMs). Operating momentum faced headwinds: water and power interruptions were experienced in southern Africa, Zimplats navigated significant activity during project commissioning, and both Impala Rustenburg and Impala Bafokeng navigated safety stoppages following loss-of-life accidents.

Implats successfully advanced its suite of strategic mining, processing and energy projects designed to optimise operational efficiency and ensure the long-term sustainability of its mining and processing assets. Key highlights include the successful ramp-up to full power of Zimplats 35MW solar plant, part of a planned 185MW solar complex, and the technical completion of Zimplats' smelter expansion and SO₂ abatement project (Phase 1) and Impala Refineries' base metals refinery (BMR) debottlenecking project.

* per million man-hours worked

Strong operational delivery, higher sales volumes and excellent cost containment were offset by continued weakness in rand PGM pricing, which impacted Group profitability. While reported earnings metrics declined, free cash flow generation improved and the Group maintained a strong and flexible balance sheet.

Implats generated EBITDA of R6.5 billion, headline earnings of R1.85 billion or 206 cents per share and recorded a free cash flow of R639 million. The Group closed the period with an adjusted net cash balance of R6.7 billion and R17.8 billion in liquidity headroom. Implats is on track to deliver to previously provided operational cost and capital expenditure guidance in FY2025.

Safety

Implats has intensified its efforts to cultivate a safety-first culture across all operations, including actions taken to highlight caring for your own safety, holding employees accountable and improved teamwork. The Group's commitment to employee safety and wellbeing is supported by robust systems and processes and through effective and proactive risk management. Eliminating fatalities and life-changing injuries are core values the Group is determined to realise, in line with our vision of achieving zero harm.

It is with tremendous regret that management reports five fatalities in four incidents at its managed operations in the period. The fatalities resulted from a fall-of-ground incident and explosives-related incident at Impala Rustenburg, and a drowning event and winch-related incident at Impala Bafokeng's BRPM operation. The Implats board and management teams have extended their sincere condolences to those affected.

Encouraging improvements were recorded in the Group's lost-time injury frequency rate (LTIFR) and the total-injury frequency rate (TIFR), which improved by 29% to 3.31/mmhw and 22% to 7.10/mmhw, respectively (H1 FY2024: 4.65 and 9.05). Excluding injuries related to the 11 Shaft accident, the LTIFR and TIFR improved by 6% and 11%, respectively.

Operational summary

Following a Group-wide labour restructuring and revised operating parameters at several assets, Implats delivered a commendable operating performance in the first half of FY2025. Unit costs benefitted from strategic actions and easing input inflation, while capital expenditure reduced as various projects were commissioned in the period.

Tonnes milled at managed operations decreased by 4% to 13.74 million tonnes, due primarily to lower throughput at Impala Canada and Marula. 6E milled grade benefitted from initiatives implemented at Impala Rustenburg and improvements at each of Zimplats and Impala Bafokeng, rising 1% to 3.80g/t. Managed operations' 6E volumes of 1.44 million ounces declined by 5%, impeded by the accumulation of in-process inventory at Zimplats during the commissioning of the expanded furnace complex.

6E production from JVs increased by 2% to 282 000 ounces (H1 FY2024: 276 000). Two Rivers benefitted from improved operational delivery at the UG2 operations and Mimosa delivered higher volumes, despite challenges presented by intermittent regional power disruptions. 6E concentrate receipts from third parties declined by 9% to 103 000 ounces (H1 FY2024: 113 000), reflecting underlying contractual agreements.

In total, Group 6E production decreased by 4% to 1.82 million ounces (H1 FY2024: 1.90 million).

Refined 6E production, which includes saleable ounces from Impala Bafokeng and Impala Canada, increased by 2% to 1.79 million ounces (H1 FY2024: 1.75 million) benefitting from increased available processing capacity despite intermittent interruptions to both water and power supply at Group processing facilities. Implats ended H1 FY2025 with excess inventory of circa 375 000 6E ounces (H1 FY2024: 330 000; FY2024: 390 000).

In December 2024, a decision was taken to expedite the full rebuild of Furnace 3 at Impala Rustenburg, while in early February 2025, further unplanned repairs were completed at Furnace 5 resulting in constrained processing capacity in Q3 FY2025. The commissioning of the expanded

furnace complex in Zimplats offers Implats increased flexibility to navigate these events, but processing constraints will slow the previously anticipated release rate of excess inventory in FY2025.

Strong cost control, easing input inflation and a lower labour complement were bolstered by rand appreciation on the translated dollar cost base of Zimplats and Impala Canada. As a result, Group unit costs per 6E ounce increased by 3% to R20 885 (H1 FY2024: R20 334).

Capital expenditure at managed operations decreased by 42% to R3.9 billion (H1 FY2024: R6.8 billion) due to lower levels of growth and replacement capital as projects neared completion and spend at Impala Canada was transferred to working costs in line with the Group's accounting policies. Stay-in-business spend of R2.7 billion, replacement capital of R379 million and expansion capital of R905 million decreased by 18%, 73% and 58%, respectively.

Financial summary

Group profitability remained challenged by lacklustre rand PGM pricing. The benefit of strong operational delivery, higher sales volumes and cost containment were negated by lower revenue. While Implats' reported earnings declined, free cash flow generation improved and the Group maintained a strong and flexible balance sheet with closing adjusted net cash and adequate liquidity headroom.

Revenue of R42.3 billion decreased by 3%, while cost of sales of R40.2 billion were stable and Implats delivered gross profit of R2.1 billion. EBITDA of R6.5 billion was achieved at an EBITDA margin of 15%.

Profit in the prior comparable period was impacted by two once-off, non-cash items relating to impairments of property, plant and equipment at each of Impala Canada and the Two Rivers JV (included in income from associates). There were no impairments in the period under review.

Basic earnings increased to R1.9 billion or 208 cents per share, from R1.6 billion and 180 cents per share. Headline earnings of R1.85 billion or 206 cents per share were 43% and 44% lower, respectively. The weighted average number of shares in issue increased to 898.05 million from 894.75 million in the prior period.

The Group recorded a free cash inflow of R639 million, after net cash capital outflows of R3.8 billion, and ended the period with adjusted net cash after debt of R6.7 billion and liquidity headroom of R17.8 billion.

Implats' capital allocation framework aims to sustain and grow meaningful value for all stakeholders and provide attractive returns to shareholders, while maintaining financial flexibility for the Group.

During the period, Implats incurred a cash outflow of R2.9 billion on stay-in-business and replacement capital with a further R0.6 billion spent on acquiring shares for the Implats share incentive schemes. After adjusting for foreign exchange translation losses, the Group realised an adjusted free cash inflow of R1.0 billion. In H1 FY2025, R0.9 billion was allocated to growth and investment through funding expansion projects at mining and processing operations.

The Group's dividend policy is premised on returning a minimum of 30% of adjusted free cash flow, pre-growth capital and cash outflows. However, given constrained free cash flow generation due to persistent low PGM prices, the uncertain macroeconomic environment and still-elevated working capital as we navigate reduced processing capacity utilisation during smelting facility repair projects, no interim dividend has been declared. The board will reassess a dividend declaration at year end.

Outlook and guidance

The start of 2025 has seen global markets reflect renewed bets on a stronger-for-longer dollar and higher-for-longer interest rates as the domestic growth outlook in the US has continued to improve. As the world waits for US policies under a Trump administration to unfold and settle, policymakers and central banks are being challenged to operate amid ongoing geopolitical uncertainty while facing their own domestic fiscal dynamics.

The potential impact of tariffs, geopolitical tensions and the increasingly divergent outlook for growth, inflation and interest rates across major economies continue to present downside risks to the global macroeconomic outlook.

Anecdotal evidence indicates that destocking by automotive and industrial end-users of PGMs is slowing. Implats continues to receive robust requests for spot material from our customer base. In addition, a continued deferral of the expected recovery in recycling flows and secondary supply is tightening near-term market outlooks for each of platinum, palladium and rhodium. Despite these price-supportive developments, both business and investor confidence and dollar pricing remain anaemic, with a lack of conviction in the underlying demand outlook. PGM rand revenue remains rangebound and South African producer economics are strained.

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. Weak rand PGM pricing for much of the past year has resulted in pressure on operating margins and free cash flow potential. We have taken decisive action and continue to develop and evolve our response to the reality presented by the sharp downturn in the sector. The majority of our operations delivered well in the period under review, but the challenges at some may require additional interventions and adjustments to future operating parameters.

Group production in FY2025 will be supported by strong delivery at Impala Rustenburg, Impala Bafokeng, Mimoso and Two Rivers, together with the expected partial unwind of accumulated inventory at Zimplats — countering the weak performance at Marula and tapering production profile at Impala Canada. Group smelting rates in Q3 FY2025 have been constrained by required maintenance and repairs at two Impala Rustenburg furnaces, which will serve to moderate the pace of excess inventory destocking in FY2025.

Group 6E refined and saleable production and unit costs guidance are maintained between 3.45 and 3.65 million ounces and between R21 000 and R22 000 per 6E ounce on a stock-adjusted basis. The forecasts for Group capital expenditure have been lowered, with spend at Impala Canada transferred to working costs, and is now expected to be between R7.0 billion and R8.0 billion, including growth capital of between R1.0 billion and R1.2 billion.

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

		6 months ended 31 December 2024	6 months ended 31 December 2023	Variance %
Revenue	(Rm)	42 280	43 425	(2.6)
Gross profit	(Rm)	2 128	3 435	(38.0)
EBITDA*	(Rm)	6 465	8 435	(23.4)
Profit for the six months	(Rm)	1 808	1 697	6.5
Basic earnings	(Rm)	1 867	1 614	15.7
Headline earnings	(Rm)	1 848	3 264	(43.4)
Free cash flow*	(Rm)	639	(4 760)	113.4
Adjusted net cash*	(Rm)	6 711	6 432	4.3
Basic earnings per share	(cps)	208	180	15.6
Headline earnings per share	(cps)	206	365	(43.6)
Dividends per share	(cps)	-	-	-

*Non-International Financial Reporting Standards metrics

Operating statistics

		6 months ended 31 December 2024	6 months ended 31 December 2023	Variance %
Gross refined production				
6E	(000oz)	1 787.7	1 751.1	2.1
Platinum	(000oz)	862.8	831.9	3.7
Palladium	(000oz)	587.1	593.3	(1.0)
Rhodium	(000oz)	102.0	97.7	4.4
Nickel	(tonnes)	8 375	8 309	0.8
Sales volumes				
6E	(000oz)	1 773.3	1 696.8	4.5
Platinum	(000oz)	843.7	809.5	4.2
Palladium	(000oz)	575.6	598.4	(3.8)
Rhodium	(000oz)	100.7	95.5	5.4
Nickel	(tonnes)	5 805	5 780	0.4
Prices achieved				
Platinum	(US\$/oz)	968	924	4.8
Palladium	(US\$/oz)	994	1 182	(15.9)
Rhodium	(US\$/oz)	4 627	4 152	11.4
Nickel	(US\$/t)	15 771	19 553	(19.3)
Consolidated statistics				
Average rate achieved	(R/US\$)	17.87	18.75	(4.7)
Closing rate for the period	(R/US\$)	18.90	18.36	2.9
Revenue per 6E ounce sold	(US\$/oz)	1 334	1 376	(3.1)
Revenue per 6E ounce sold	(R/oz)	23 831	25 795	(7.6)
Tonnes milled ex-mine*	(000t)	13 740	14 313	(4.0)
Group 6E production	(000oz)	1 821.8	1 901.6	(4.2)
Group unit cost per 6E ounce (stock-adjusted)	(R/oz)	20 885	20 334	(2.7)
Group unit cost per 6E ounce (stock-adjusted)	(US\$/oz)	1 164	1 088	(7.0)
Capital expenditure*	(Rm)	3 945	6 816	42.1

*Managed operations

Short form announcement

This announcement is extracted from the Group's condensed consolidated interim results (reviewed) for the six months ended 31 December 2024 ("Reviewed Results") and, as such, does not contain full or complete details. Any investment decisions should be based on consideration of the Reviewed Results.

This short form announcement is the responsibility of the board of directors of Implats and is not itself reviewed but extracted from the Reviewed Results.

Deloitte & Touche, the external auditors, have issued an unmodified review conclusion on the Reviewed Results. The review conclusion forms part of the Reviewed Results and is available on Implats' website at <https://www.implats.co.za> and on the JSE's cloudlink at <https://senspdf.jse.co.za/documents/2025/jse/isse/IMPE/ie2025.pdf>. Copies of the Reviewed Results are also available on request from the company secretary at investor@implats.co.za.

DIRECTORATE

Implats announces the planned retirement of independent non-executive directors, Mr Billy Mawasha and Ms Mpho Nkeli, from the Implats board of directors, in line with the Group's board rotation policy. The two board members will not be availing themselves for re-election, therefore their tenure on the board will end on conclusion of the Company's scheduled annual general meeting on 30 October 2025. The board and management team extend their sincere appreciation to Mr Mawasha and Ms Nkeli for their outstanding contribution to Implats.

Queries :

Johan Theron

E-mail : johan.theron@implats.co.za

T : +27 (0) 11 731 9013

M : +27 (0) 82 809 0166

Emma Townshend

E-mail : emma.townshend@implats.co.za

T : +27 (0) 21 794 8345

M : +27 (0) 82 415 3770

Alice Lourens

E-mail : alice.lourens@implats.co.za

T: +27 (0) 11 731 9033

M: +27 (0) 82 498 3608

27 February 2025

Johannesburg

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