



APERTURE

INSIGHTFUL AND RELEVANT RESEARCH UPDATES

Impala Platinum HY 2026 Results

Share Price
Date

R273.6
12 March 2026

RESULTS SUMMARY

Impala Platinum (Implats) recovered strongly in 1H26, with revenue rising 44% y-o-y to R60.8bn as refined sales volumes and PGM prices improved. EBITDA increased to R18.1bn (+180% y-o-y), slightly below consensus expectations (R18.9bn), while strong cash generation and disciplined capital allocation left the group with R12.1bn in net cash.

Operation performance stabilised across the portfolio. Impala Rustenburg and Zimplats delivered higher production, although Zimplats faced cost pressures, while Impala Canada and Marula both generated positive free cash flow. Group refined production remained broadly stable, supported by a 12% increase in third-party concentrate volumes.

Looking ahead, management reiterated FY26 refined production guidance of 3.4 – 3.6Moz (6E). Capex was 23% lower in the first half (R3.3bn) but is expected to increase in the second half, remaining within the R8bn - R9bn full-year guidance. An interim dividend of 410c per share was declared (60% free cash flow payout ratio). With improving operational stability, a strong balance sheet and a valuation around 6.4x forward EV/EBITDA, Implats remains well positioned to benefit from expected medium-term PGM market deficits.

OUR LONG-TERM INVESTMENT VIEW

- Implats produces platinum, palladium and rhodium, supplying the automotive emissions control, industrial, and emerging hydrogen energy markets. Earnings are cyclical, influenced by global vehicle production, emissions regulations and substitution within the PGM basket. However, long-term demand is underpinned by structural supply constraints
- The group's portfolio spans SA, Zimbabwe and Canada. Its offshore operations reduce exposure to SA structural risks such as energy shortages and logistics disruptions, while Rustenburg, Zimplats, Marula and Impala Canada provide multiple sources of free cash flow and operational optionality.
- Implats maintains a strong balance sheet and disciplined capital allocation, providing flexibility to invest in growth projects while preserving value through commodity cycles. This positions the group to capture upside from medium-term PGM deficits and optionality in emerging energy applications.

UNPACKING THE HY 2026 RESULTS

High-level numbers

- **Revenue:** 1H26 revenue of R60.8bn, broadly in line with expectations and up 44% y/y, supported by improved refined sales volumes and stronger PGM basket pricing
- **EBITDA:** R18.1bn, modestly below consensus (~R18.9bn), but still +180% y/y, reflecting significant operating leverage as production and prices recovered from the prior period
- **Headline earnings:** R9.3bn, also substantially higher year-on-year, consistent with the recovery in PGM markets and improved operational performance
- **Balance sheet:** The group ended the period with ~R10.8bn net cash, stronger than expected, reflecting robust operating cash flow, disciplined capex and working capital improvements
- **Impala Canada:** Tonnes milled of ~1.37Mt were lower y/y as underground mining volumes were reduced. Grades improved to ~3.0g/t 6E, while unit costs decreased ~7% in CAD terms. The operation generated ~R701m in free cash flow, supported by higher palladium pricing and cost control
- **Marula:** Tonnes milled of ~852kt were broadly flat y/y with grades of ~4.05g/t 6E. Unit costs increased ~7% y/y, broadly in line with inflation. The operation returned to positive free cash flow during the period after previous outflows
- **Processing and refining (IRS):** Refined and saleable production was broadly stable y/y. Third-party concentrate and purchase-of-concentrate volumes increased ~12% y/y, supporting refinery utilisation and group margins.

- **Capex:** Capex declined -23% y/y, reflecting completion of several major projects and management's continued capital discipline, though spending is expected to be H2-weighted to remain within FY26
- **Dividend:** Interim dividend of 410cps, equating to a 60% of adjusted free cash flow, broadly consistent with the group's capital allocation framework

Operational Performance

- **Impala Rustenburg (Core SA Asset):** Tonnes milled increased to ~7.8Mt (+3% y/y) with grades broadly stable at ~4.1g/t 6E. Unit costs rose ~5% y/y, remaining below inflation. The operation generated ~R3.8bn in free cash flow, reflecting improved productivity following the RBPlat integration.
- **Zimplats (Zimbabwe):** Throughput increased to ~4.0Mt (+5.5% y/y) with grades stable at ~3.3g/t 6E. Unit costs increased ~21% in US\$ terms, mainly due to labour cost adjustments and USD inflation. Despite cost pressures, the asset remains one of the group's **lower-cost operations**

Looking ahead

Management reiterated its FY26 refined production guidance of 3.4 – 3.6Moz (6E), reflecting stable operating performance across the portfolio.

Implats delivered strong cash generation and balance sheet improvement despite slightly weaker-than-expected EBITDA. Operational performance is stabilising, capital intensity is declining and management remains positive on the outlook for PGM markets

Implats is currently trading at 6.4x forward EV/EBITDA. With PGMs expected to remain in structural deficit in the medium term, we continue to see value in the investment case

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