



APERTURE

INSIGHTFUL AND RELEVANT RESEARCH UPDATES

Impala Platinum FY 2026 Results

Share Price
Date

R248.4
08 September 2026

RESULTS SUMMARY

Impala Platinum (Implats) delivered a strong full-year 2026 result, with revenue rising 58% y-o-y to R135.1bn as higher production and sales volumes allowed the group to benefit from stronger PGM prices. EBITDA rose more than fourfold to R43.6bn, while robust cash generation and disciplined capital allocation strengthened the balance sheet, leaving the group with adjusted net cash of R22bn.

Operational performance remained resilient, with 6E production broadly stable at 3.50Moz and refined production increasing 5% to 3.56Moz. Impala Rustenburg delivered record production at several shafts and generated R9.21bn in free cash flow, while Zimplats increased throughput despite cost pressures. Impala Canada and Marula also remained free cash flow positive, while processing and refining (IRS) benefited from a 6% increase in third-party concentrate receipts.

Capital expenditure remained disciplined, increasing only 3% to R7.2bn and below the upper end of prior guidance. Implats declared a final dividend of 490c per share, alongside an additional ordinary dividend, bringing total FY26 dividends to 1,855c per share, approximately 82% of adjusted free cash flow.

Looking ahead, FY27 refined production is expected to be 3.30 – 3.50Moz, reflecting the planned Zimplats furnace rebuild and recent safety disruptions at Rustenburg. Trading at around 4x forward EV/EBITDA, in line with its long-term average, we believe Implats remains well positioned to benefit from an expected medium-term PGM market deficit.

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 FY 2026 RESULTS

High-level numbers

- **Revenue:** FY26 revenue of R135.1bn, up 58% y/y, driven by a 51% increase in the PGM basket to R38,116/oz and a 4% rise in sales volumes to 3.51 million 6E ounces
- **EBITDA:** R43.6bn, up more than fourfold y/y with a significant margin expansion to 32% (FY25: 12%), reflecting high operating leverage as the group captured broad-based price strength across platinum, rhodium, palladium, and ruthenium.
- **Headline earnings:** R22.9bn (2,548cps), representing a thirty-one-fold increase y/y, while basic earnings reached R31.0bn due to the R8.1bn post-tax reversal of prior
- **Impala Canada:** Tonnes milled declined 9% to 2.73Mt following a planned tapering of production rates. Stock-adjusted unit costs increased 10% to C\$1,489/oz, but the operation generated C\$175m in free cash flow (FY25: C\$18m) due to resurgent palladium pricing and disciplined capital control
- **Marula:** Tonnes milled decreased 2.9% to 1.63Mt. Unit costs rose 21% to R26,484/oz as higher employee numbers were added to support a seven-day development schedule. Despite these cost pressures, the operation reported an improved FY26 free cash flow status as management focused on increasing mining flexibility and development rates

impairments at Impala Rustenburg

- **Balance sheet:** The group ended the period with R22.0bn adjusted net cash (FY25: R8.5bn), supported by R22.0bn in free cash flow despite a R7bn build-up in working capital
- **Capex:** Capex increased 3% y/y to R7.2bn, as a decline in spending from completed projects was offset by increased investment in life-of-mine extensions at Impala Rustenburg (14 and 20 Shafts) and Zimplats (Mupani)
- **Dividend:** Total FY26 dividend beat of 1,855cps (R16.8bn), comprising a 410cps interim, 490cps final base, and 955cps additional dividend, representing a total return of 82% of adjusted free cash flow

Operational Performance

- **Impala Rustenburg (Core SA Asset):** Tonnes milled increased 7% to 15.07Mt (FY25: 14.15Mt), stock-adjusted unit costs rose 5% to R24,946/oz. The operation delivered a significant turnaround in cash generation, reporting R9.21bn in free cash flow (FY25: outflow of R475m), supported by a R8.1bn post-tax reversal of prior impairments and production records at the 14, 16, and 20 shafts
- **Zimplats (Zimbabwe):** Throughput (tonnes milled) increased 7.7% to 8.05Mt. Unit costs increased 23% to \$1,101/oz (FY25: \$898/oz), yet Zimplats remains one of the group's lower-cost operations with a gross margin that expanded to 31.9% from 11.8% y/y

- **Processing and refining (IRS):** Refined and saleable production increased 5% to 3.56Moz 6E, benefiting from the reduction of excess inventory by 120koz to 300koz at year-end. Third-party concentrate receipts increased 6% to 222koz 6E, which supported high refinery utilization and boosted IRS operating margins and free cash flow generation

Looking ahead

Management expects FY27 refined production of 3.30Moz – 3.50Moz, with output affected by the planned Zimplats furnace rebuild and recent safety disruptions at Rustenburg.

The bottom line

With PGMs expected to remain in deficit over the medium term, Implats offers geared exposure to higher metal prices through its operational leverage and strategic inventory management.

At around 4x forward EV/EBITDA, the shares trade in line with their long-term average. We continue to see value in the investment case, supported by the prospect of a tighter PGM market and Implats' strong balance sheet.

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