Valterra Platinum FY 2025 Results

Share Price	R1 595
Date	6 March 2026

RESULTS SUMMARY

Valterra Platinum delivered materially stronger full-year 2025 results, with revenue up 7% y-o-y and EBITDA around 15% ahead of consensus. The inflection came in the second half, driven by the recovery at Amandelbult and stable performance at Mogalakwena. HEPS of R63.48 was about 7% ahead of consensus, while solid free cash flow enabled the group to close the year with net cash of R11.5bn.

Operationally, Amandelbult's return to full production in the second half was the key driver, alongside disciplined cost control across the portfolio. The group achieved **R5bn in cost savings** (vs a R4bn target), with FY25 unit costs of R19,488/oz within guidance. Stronger second-half performance supported a meaningful dividend beat, with a total FY25 payout of **R45 per share** (71% payout ratio), well above the stated 40% policy.

Looking ahead, management maintained its medium-term production guidance. For FY26, cash unit costs are expected to be between R19 000 – R20 000 per ounce, with all in sustaining costs of around US$1 050 per ounce. Lower planned capex should support free cash flow, while stable production and a strong balance sheet position the group to continue generating solid cash flows in FY26.

OUR LONG-TERM INVESTMENT VIEW

- Valterra Platinum (formerly Anglo American Platinum) offers investors direct exposure to a portfolio of high-quality platinum group metal (PGM) assets. With a strong operational track record and deep expertise inherited from its former parent, Valterra is well positioned to benefit from long-term demand trends such as green hydrogen, industrial decarbonisation and clean transport.
- Its primary metals - platinum, palladium and rhodium - are essential to catalytic converters, hydrogen fuel cells and various industrial and medical technologies. With tightening supply and growing demand visibility, particularly for platinum, Valterra is well placed to create long-term value.
- The company maintains a strong balance sheet, disciplined capital allocation and efficient operations. As an independent, pure-play PGM business, Valterra now has the opportunity to refine its strategy, improve performance and attract greater investor interest.

UNPACKING THE FY 2025 RESULTS

High-level numbers

- **Revenue** increased to **R116.3bn**, +7% y-o-y and **~4% above consensus** (R111.9bn), driven by stronger sales and improved realised pricing
- **EBITDA of R33.4bn** was a **~15% beat vs consensus** (R29.1bn), reflecting operating leverage and cost savings. H2 EBITDA of R26.7bn was particularly strong, +19% vs consensus
- **Headline earnings per share of R63.48** was **~7% ahead of consensus**
- **Balance sheet:** Exceeded expectations with the group closing the year in a **net cash position of R11.5bn**, vs market forecasts of R7.7bn
- **Costs:** The group delivered **R5bn in cost savings** vs a R4bn target. Unit costs were within guidance.
- **Unki** (~7% of revenue): EBITDA increased to **R2.7bn** (+83% y-o-y), supported by operational consistency and improved recoveries, reinforcing its position as a steady cash contributor within the portfolio.
- **Tolling & third-party purchases** (~35% of revenue): EBITDA of **R8.7bn** (+36% y-o-y) benefited from stronger volumes and pricing dynamics, supporting group-level margin expansion.

Looking ahead

Management reiterated medium-term production guidance of **3.0–3.4Moz**, with FY26–28 volumes broadly unchanged. The recovery at Amandelbult and stable production from Mogalakwena support confidence in meeting these targets, following improved operational performance in the second half of the year.

- **Dividend:** Total FY25 dividend of **R45/sh** (including a R20/sh special) represents a **~100% beat vs consensus**, equating to a 71% payout ratio vs the stated 40% policy

Operational Performance

- **Mogalakwena** (~30% of revenue): PGM production was broadly stable y-o-y (6E guidance 920–980koz), with lower grades offset by throughput resilience. EBITDA of **R14.7bn** was broadly in line with expectations (+33% y-o-y). Operational discipline and cost control remained evident, supporting strong cash generation.
- **Amandelbult** (~17% of revenue): Performance rebounded meaningfully in H2 following the February flooding disruption. FY25 EBITDA of **R6.2bn** materially exceeded consensus expectations (R2.5bn expected), reflecting restoration to full production and operating leverage. This represents a key swing factor in the group's H2 earnings acceleration.
- **Mototolo** (~8.5% of revenue): EBITDA of **R3.7bn** (+94% y-o-y) reflects improved operational stability and higher volumes. Cost pressures were contained, with margins improving on stronger throughput.

For FY26, cash unit costs are expected to be broadly flat year-on-year, while all in sustaining costs are likely to rise modestly, reflecting some inflation but continued cost discipline. Management flagged a further pipeline of **R1bn – R1.5bn in annualised cost savings** expected by FY27. Planned capital spending for FY26 capex has been reduced to **R17bn – R18bn** (from R19bn – R19.8bn), reflecting improved capital prioritisation and efficiencies rather than project delays. This should boost free cash flow.

Overall, Valterra enters FY26 with improved operational stability, lower capital intensity and a stronger balance sheet. Stable production guidance, lower capex and additional cost savings support the outlook for continued free cash flow generation.

Valterra is trading at 5.9x forward EV/EBITDA. With PGM markets expected to remain in a deficit in the medium term, we continue to see value in the investment case.

Old Mutual Wealth, Mutualpark, Jan Smuts Drive, Pinelands, 7405 | Tel: +27 (0)21 524 4678 | Email: privateclients@omwealth.co.za