EDISON

Sylvania Platinum

Strong revenue growth continues

Q326 results

Metals and mining

6 May 2026

Sylvania Platinum reported record quarterly revenue of US$78.7m in Q326, with healthy 4E platinum group metals (PGMs) production (22,853oz, down 7% on the Q226 record), strong PGM prices and a growing chrome contribution. The company expects to achieve or exceed FY26 4E PGM production guidance, but lowered its chrome production guidance due to further weather-related and other challenges as the Thaba joint venture (JV) ramps up to full production. Q326 saw high cost growth, affected by dollar weakness and higher royalty tax. We have cut our FY26e EPS by 19.6% to 28.3 US cents, largely due to the US$12.3m impairment of exploration assets during H126. Our FY27 and FY28 EPS forecasts have been lifted by 1.5% and 2.5% respectively. Our valuation is unchanged at 195p per share.

Year end	Revenue ($m)	PBT ($m)	EPS (¢)	DPS (p)	P/E (x)	Yield (%)
6/25	104.2	27.7	7.73	2.75	17.4	2.8
6/26e	248.1	114.5	28.32	9.01	4.7	9.1
6/27e	393.9	240.4	65.73	12.00	2.0	12.1
6/28e	426.2	262.7	70.88	13.00	1.9	13.1

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments.

PGM production remains strong

Following six consecutive quarters of increased production, Sylvania's 4E PGM output slowed less than expected to 22,853oz in Q326. Plant feed tons rose strongly (up 7%), offset by lower plant recoveries and plant feed grade. We lift our FY26 forecast from 93,000oz to 94,900oz. Chrome production increased from 10,531t in Q226 to 19,030t, but due to post-period weather-related and feed grade challenges, Sylvania lowered FY26 guidance from a range of 60,000t to 90,000t to 50,000t to 55,000t. We have similarly reduced our FY26 forecast and take a more conservative view on FY27, with full production of 200,000t now only forecast for FY28.

Record revenue supports our outlook

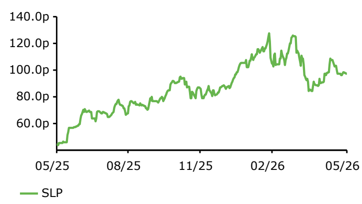
Healthy production, including US$4.0m in chrome revenue, together with a 28% increase in the PGM basket price (US$3,047/oz) resulted in record net revenue of US$78.7m in Q226 (up 44%). Total operating costs grew by 23% in rand terms (on strong plant feed growth and higher royalty tax) and 27% in dollar terms (due to dollar weakness). We cut our FY26 revenue forecast by 3.0% to US$248.1m on lower chrome guidance and a delayed expected pick-up in the PGM basket price, but increase our FY27 revenue forecast by 1.1% to US$393.9m (FY28 by 2.2%) on stronger forecast PGM production and the JV ramp-up being achieved.

FY26 EPS cut, but valuation flat at 195p/share

During H126, Sylvania recognised a US$12.3m impairment loss on its Hacra exploration asset, following a decision not to invest further in the project. We cut our FY26 EPS forecast by 19.6% to 28.3 US cents on the back of the impairment and slightly lower revenue forecasts. Higher production forecasts for FY27 and FY28 result in 1.5% (to 65.7 US cents) and 2.5% (to 70.9 US cents) EPS upgrades. We lift our Sylvania Dump Operations (SDO) valuation by 1.8% to 162.1p/share and our JV valuation by 1.7% to 22.7p. We carry exploration assets at book value (down 20.6% to 10.8p/share) following the impairment. Our total valuation is flat at 195p/share.

Price	**99.00p**
Market cap	**£256m**
	US$1.36/£; ZAR16.42/US$
Net cash at end Q326	$63.3m
Shares in issue	258.8m
Free float	90.0%
Code	SLP
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	5.3	(8.8)	120.0
52-week high/low		125.8p	43.7p

Business description

Sylvania Platinum focuses on the re-treatment and recovery of platinum group metals including platinum, palladium and rhodium, mainly from tailings dumps and other surface sources, but also lesser amounts of run-of-mine underground ore from Samancor chrome mines in South Africa.

Next events

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Edison profile page

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Record revenue on healthy production and rising PGM prices

Following six consecutive quarters of increased production, Sylvania's Q326 4E PGM output slowed by 7.3% to 22,853oz in Q326, which is stronger than the 21,589oz we had expected. The company's capital expenditure cycle over recent years continues to bear fruit with another 6.5% increase in raw materials treated and a 2.7% increase in PGM plant feed to 379,173t. The period included a higher proportion of lower-grade material treated, which is typical at the start of the calendar year, resulting in 5.3% lower feed grade and 3% lower plant recovery. The company is now expected to at least achieve the upper-end of its FY26 4E PGM guidance of 93,000oz and we have lifted our forecast from 93,000oz to 94,900oz. We have also become somewhat more positive on FY27 and FY28 and forecast SDO 4E PGM production of 92,400oz and 90,100oz respectively, with a further c 14,000oz from the JV. While the JV lifted chrome production by 81% to 19,030t in Q326, it experienced post-period weather-related and feed grade challenges, which is a key focus area. As a result, Sylvania lowered FY26 guidance from 90,000t to a range of 50,000t to 55,000t. We have similarly reduced our FY26 forecast and take a more conservative view on FY27 with full production of 200,000t now only forecast for FY28.

Exhibit 1: Comparison of Q326 results with Q226

	Q226	Q326	Q326e	Q326 vs Q226	Q326 vs Q326e	Q426e
Production						
Plant feed (t)	637,771	679,366	586,273	6.5%	15.9%	643,187
Feed head grade (g/t)	2.34	2.04	2.27	-13.0%	-10.2%	2.16
PGM plant feed (t)	369,071	379,173	339,269	2.7%	11.8%	358,981
PGM plant feed grade (g/t)	3.61	3.42	3.44	-5.3%	-0.6%	3.62
Total 4E PGMs (oz)	24,642	22,853	21,589	-7.3%	5.9%	22,886
Total 6E PGMs (oz)	31,380	29,372	27,783	-6.4%	5.7%	29,058
Chrome (t)	10,531	19,030	27,783	80.7%	-31.5%	25,439
Basket price ($/oz)	2,374	3,047	3,488	28.3%	-12.6%	3,085
Financials	0	0	0	0.0%	0.0%	0
4E Revenue (US$m)	43.6	52.0	56.2	19.2%	-7.4%	52.7
By-product revenue (US$m)	5.3	8.9	6.8	67.6%	30.3%	9.5
Chrome revenue (US$m)	0.6	4.0	0.0	523.7%	0.0%	7.6
Total revenue before sales adjustment (US$m)	49.6	64.9	63.0	31.0%	3.1%	69.8
Sales adjustment (US$m)	5.3	13.8	0.0	162.4%	0.0%	0.0
Total revenue (US$m)	54.8	78.7	63.0	43.5%	25.0%	69.8
Total operating costs (ZARm)	427.6	518.1	312.7	21.2%	65.7%	361.0
Total operating costs (US$m)	25.0	31.7	23.7	26.7%	33.5%	26.4
General & administrative costs (US$m)	0.8	0.8	0.8	-8.5%	-5.4%	0.8
EBITDA (US$m)	29.8	47.8	38.6	60.5%	23.9%	42.7
Net profit (US$m)	21.9	33.0	28.3	50.6%	16.5%	29.6
Gross margin	54.4%	59.8%	62.3%	9.8%	-4.1%	62.2%
Basic EPS (USc)	8.4	12.7	0.0	50.6%	0.0%	0.0
Capex (US$m)	7.3	3.5	0.0	-52.4%	0.0%	0.0
Cash balance (US$m)	54.0	63.3	0.0	17.3%	0.0%	0.0
Average ZAR/US$ rate	17.12	16.37	0.00	-4.4%	0.0%	0.0
Spot ZAR/US$ rate	16.58	17.06	0.00	2.9%	0.0%	0
Unit costs (US$/oz)						
SDO cash cost/4E PGM oz	747	910		21.8%		
SDO cash cost/6E PGM oz	587	708		20.6%		
Group cash cost/4E PGM oz	935	1,110		18.7%		
Group cash cost/6E PGM oz	734	863		17.6%		
All-in-sustaining cost (4E)	1,289	1,577		22.3%		
All-In cost (4E)	1,610	1,752		8.8%		

Source: Edison Investment Research, Sylvania Platinum accounts

On top of the healthy production in Q326, Sylvania's PGM basket price increased by 28.3% from US$2,374/oz to US $3,047/oz. This was 12.6% lower than our forecast, with the Iran war resulting in a sell-off in early March 2026. We forecast a largely flat basket price for Q426 before an uptick to a more constructive outlook for FY27 based on an expected increase in demand, particularly from the US as it builds strategic stocks to meet its needs, especially its armaments and military requirements (see our February 2026 update note).

Despite the lower-than-expected PGM basket price, Sylvania delivered record quarterly revenue of US$78.7m (25% ahead of our expectation) due to higher-than-expected by-product revenue (resulting from spikes in iridium and ruthenium prices), a strong pick-up in chrome revenue (to US$4.0m) and a large sales adjustment of US$13.8m. As a result of our flat forecast for the PGM basket price in Q426 (pick-up delayed due to the Iran war) and our lower chrome production forecast (on management guidance), we have cut our FY26 revenue forecast by 3% to US$248.1m. Despite a more conservative view on the JV ramp-up (with full production now only forecast for FY28), our increased SDO PGM production forecasts for FY27 and FY28 have resulted in revenue upgrades of 1.1% in FY27 to US$393.9m and 2.1% in FY28 to US$426.2m.

During Q326 total operating costs rose by 21% in rand terms, affected by strong plant feed growth and higher royalty taxes (on the back of strong revenue growth). Dollar costs rose by 27% to US$23.7m, further affected by currency weakness over the period. SDO cash cost per 4E PGM ounce increased by 16% in rand terms and 22% in dollar terms due to the lower feed grade and plant recovery referred to above. We expect this to improve over the course of the calendar year as access to higher-grade current arisings normalises and reliance on lower-grade open pit and historical dump material reduces. We have increased our FY26 total operating cost forecast by 4% to account for the higher observed plant feed, plant efficiency and currency dynamics.

Capital expenditure moderated further to US$3.5m (vs US$7.3m in Q226) over the quarter and is forecast to peak at US $30m for FY26, down from US$36m on revised company guidance, especially as it relates to tailings and infrastructure investment. The company still expects a meaningful reduction in spend over coming years, with US$9.2m guidance for FY27, of which US$6.4m relates to tailings and infrastructure projects.

During Q326, the cash balance increased by 17% from US$54.0m to US$63.3m, with strong operating cash flow, lower capital expenditure and a dividend provision (interim dividend of 2p/share (c US$6.8m) was paid post-period). The forecast reduction in capital expenditure, combined with healthy forecast cash generation and the commencement of JV-related debt repayments, is very supportive of a strongly growing cash balance over coming years. We expect a progressive dividend policy over coming years (the 2p/share interim dividend vs 0.75p/share in the previous year supports this) as well as the increased potential for windfall dividends.

During H126, Sylvania recognised a US$12.3m impairment loss on its Hacra exploration asset, following a decision not to invest further in the project. This has had an adverse effect on our FY26 EPS forecasts as well as our exploration assets valuation, which is based on the company's book value.

We have cut our FY26 EPS forecast by 19.6% to 28.3 US cents on the back of the impairment and our slightly lower revenue forecasts. Higher production forecasts for FY27 and FY28 result in 1.5% (to 65.7 US cents) and 2.5% (to 70.9 US cents) EPS upgrades.

We forecast a healthy increase in the dividend from 2.75p/share in FY25 to 9p/share in FY26 and 12p/share in FY27 (increased from 10p/share). We forecast a further increase to 13p/share in FY28. The company launched a US$2.0m share buyback programme during Q326 and we believe there is the potential for further buybacks over time as a mechanism to distribute surplus cash if the current conducive PGM environment continues.

Valuation

We lift our SDO valuation by 1.8% to 162.1p/share and our JV valuation by 1.7% to 22.7p. We carry exploration assets at book value (down 20.6% to 10.8p/share) following the impairment. Our total valuation is flat at 195p/share.

Exhibit 2: Valuation unchanged at 195p/share

	Current	Previous	Change
Combined valuation (p/share)	**195.0**	**195.1**	**0%**
SDO (p/share)	161.5	159.2	1%
Exploration (p/share)	10.8	13.6	-21%
Thaba JV (p/share)	22.7	22.3	2%
FY26 EPS (c/share)	28.3	35.2	-20%
Implied P/E (x)	8.3	6.7	
FY27 EPS (c/share)	65.7	64.8	1%
Implied P/E (x)	3.6	3.6	
FY28 EPS (c/share)	70.9		
Implied P/E (x)	3.3		

Source: Edison Investment Research

The forward P/E multiple implied by our FY26 EPS estimate is an attractive 8.3x, which falls further to 3.6x and 3.3x based on our EPS forecasts for FY27 and FY28, respectively.

Exhibit 3: Financial summary

Year ending 30 June (US$m), IRFS	2024	2025	2026e	2027e	2028e
PROFIT & LOSS					
Revenue	81.7	104.2	248.1	393.9	426.2
Cost of Sales	(69.0)	(79.2)	(120.7)	(131.4)	(140.2)
Royalties Tax	(1.4)	(0.7)	(12.7)	(21.8)	(24.0)
Gross Profit	11.3	24.3	114.7	240.7	262.0
EBITDA	12.3	29.3	119.9	247.3	268.2
Operating profit (before amort. and excepts.)	7.4	22.6	110.5	236.4	257.4
Intangible Amortisation	(4.9)	(6.7)	(9.5)	(10.9)	(10.8)
Exceptionals	0.0	0.0	(12.3)	0.0	0.0
Other Expenses	(4.2)	(2.7)	(4.7)	(4.8)	(5.1)
Operating Profit	7.4	22.6	98.2	236.4	257.4
Net Interest	6.1	5.1	4.0	4.0	5.2
Profit Before Tax (norm)	13.5	27.7	114.5	240.4	262.7
Profit Before Tax (FRS 3)	13.5	27.7	102.2	240.4	262.7
Tax	(6.5)	(7.6)	(28.5)	(69.4)	(78.3)
Profit After Tax (norm)	7.0	20.2	85.9	171.0	184.4
Profit After Tax (FRS 3)	7.0	20.2	73.7	171.0	184.4
Average number of shares outstanding (m)	262.3	260.9	260.1	260.1	260.1
EPS - normalised (c)	2.7	7.7	28.3	65.7	70.9
EPS - normalised fully diluted (c)	2.7	7.7	28.3	65.7	70.9
EPS - (IFRS) (c)	2.7	7.7	28.3	65.7	70.9
Dividend per share (p)	2.0	2.8	9.0	12.0	13.0
Gross Margin (%)	0.1	0.2	0.5	0.6	0.6
EBITDA Margin (%)	0.2	0.3	0.5	0.6	0.6
Operating Margin (before GW and except.) (%)	0.1	0.2	0.4	0.6	0.6
BALANCE SHEET					
Fixed Assets	117.3	167.5	190.3	186.5	183.1
Intangible Assets	47.7	48.6	38.1	38.7	39.2
Tangible Assets	61.8	89.8	109.3	107.6	106.3
Investments	7.8	29.1	42.9	40.3	37.7
Current Assets	140.2	112.7	143.0	262.6	338.5
Stocks	5.7	6.9	9.9	15.8	17.0
Debtors	34.7	44.9	74.4	145.8	157.7
Cash	97.8	60.9	58.6	101.1	163.8
Other	2.0	0.0	0.0	0.0	0.0
Current Liabilities	14.1	15.1	20.9	32.5	34.9
Creditors	14.1	15.1	20.9	32.5	34.9
Short-term borrowings	0.0	0.0	0.0	0.0	0.0
Long-term Liabilities	18.0	21.2	21.7	22.1	22.5
Long-term borrowings	0.5	0.4	0.4	0.4	0.4
Other long-term liabilities	17.5	20.8	21.3	21.7	22.1
Net Assets	225.5	243.9	290.6	394.6	464.3
CASH FLOW					
Operating Cash Flow	15.0	18.0	93.0	181.8	257.5
Net Interest	6.0	5.4	4.3	4.3	5.5
Tax	(6.2)	(3.6)	(28.5)	(69.4)	(78.3)
Capex	(15.8)	(31.0)	(30.2)	(9.8)	(10.0)
Other investing activities	0.1	(16.6)	(13.8)	2.6	2.6
Financing	(5.2)	(3.1)	0.0	0.0	0.0
Dividends	(23.4)	(5.8)	(27.0)	(67.0)	(114.7)
Net Cash Flow	(27.0)	(37.1)	(2.3)	42.5	62.7
Opening net (debt)/cash	124.2	97.8	60.9	58.6	101.1
HP finance leases initiated	0.0	0.0	0.0	0.0	0.0
Other	0.7	0.1	0.0	0.0	0.0
Closing net (debt)/cash	97.8	60.9	58.6	101.1	163.8

Source: Company accounts, Edison Investment Research. Note: Forecasts exclude windfall dividends.

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