EDISON

Sylvania Platinum

More than a platinum story

Q1 results

Metals and mining

23 November 2026

Sylvania Platinum continues to break production records with further near-term upside as the Thaba JV ramps up. It is differentiated from the peer group because of its large relative exposure to rhodium, ruthenium, iridium and chromite, as well as its lack of dependence on mining operations and its success in driving production efficiencies. Since FY13, Sylvania has increased its 4E platinum group metals (PGM) production per 1,000 shares in issue from 148oz to 369oz, which is an impressive performance. An increase in guided capital expenditure for FY27 and FY28, a higher expense run-rate and near-term pressure on PGM price forecasts has resulted in an 8% cut in our FY27e EPS to 25.6c and a 7% lower valuation of 155.8p/share. This leaves this differentiated PGM producer very attractively priced (52% discount to our valuation) with attractive optionality to AI demand, cost efficiencies and mine life extension.

Year end	Revenue ($m)	PBT ($m)	EPS (¢)	DPS (p)	P/E (x)	Yield (%)
6/26	226.3	108.8	30.43	6.00	3.2	7.9
6/27e	243.6	92.0	25.64	4.20	3.9	5.6
6/28e	258.2	104.1	29.08	7.89	3.4	10.5
6/29e	269.4	110.8	30.78	9.54	3.2	12.6

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

Record production continues

Q127 PGM production was up 4% on Q426 at 25,97Koz 4E, achieved mainly from the Sylvania Dump Operations (SDO) with a small contribution from work-in-progress of around 2,6Koz and the JV ramp-up of 597oz of 4E PGMs (around half of planned full production). Guidance for FY26 is unchanged at 85–95Koz 4E, but we see potential upside to 100Koz if the JV ramp-up accelerates. Rhodium (Rh), ruthenium (Ru) and iridium (Ir) made up c 31% of production and over 60% of revenue in the quarter, while the JV contributed almost 30k tonnes of full production chrome product, up 67% from Q426.

Higher rhodium, ruthenium and iridium prices

Our near-term PGM basket price forecasts have been cut on weaker platinum and palladium, but offset by higher Rh, Ru and Ir prices. We expect the effect of AI demand on platinum, ruthenium and iridium to be positive over the next five years, which favours Sylvania's differentiated product mix. The company's chromite exposure offers further optionality.

Valuation cut to 155.8p/share on capex and costs

We cut our valuation by 7% to 155.8p/share, with the operating business at 144.9p and exploration assets at 10.9p. The implied FY27 P/E of 3.9x (3.5x for FY28) positions Sylvania well below the peer group average of 5.7x (FY28: 5.3x). This conservative perception of Sylvania is likely influenced by long-term production uncertainty, and we reflect a conservative view in our own modelling. However, the rating may not fully account for significant production successes and the large Rh, Ru and Ir exposure, as well as chromite diversification. There is upside to our valuation from potential mine life extension, increased production efficiencies and cost control. See our valuation sensitivity analysis in Exhibit 14.

Price	**75.50p**
Market cap	**£195m**
	US$1.36/£; ZAR16.42/US$
Net cash at end Q426	$79.7m
Shares in issue	257.8m
Free float	90.0%
Code	SLP
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(15.2)	(9.2)	(3.3)
52-week high/low		120.4p	68.9p

Business description

Sylvania Platinum recovers platinum group metals and chrome in South Africa, mainly by re-treating tailings dumps and other surface sources from Samancor chrome mines, together with lesser amounts of run-of-mine ore. Its 50:50 Thaba JV treats a combination of historical dump material and primary open-pit ore managed by its JV partner, adding chrome concentrate and growing PGM production.

Next events

AGM	27 November

Analysts

Lord Ashbourne	+44 (0)20 3077 5700
Rene Hochreiter	+44 (0)20 3077 5700
Marius Strydom	+44 (0)20 3077 5700

mining@edisongroup.com

Edison profile page

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Record annual production with further near-term upside

Sylvania recorded an 8.8% increase in 4E PGM production during Q127 to a record 25,971oz, 6.8% above our forecast of 24,312oz, resulting in total 6E PGM production of 31,825oz for the quarter. Of the 2,904oz of FY26 work-in-progress, 2,360oz was released in Q127 and the remaining 544oz was dispatched early in Q227. With the centralised PGM concentrate filtration plant in operation since November 2025, management expects work-in-progress to normalise at c 1,000oz to 1,500oz. The record quarter was underpinned by a 5.1% increase in total plant feed to 742,906t and a 10.9% higher feed head grade of 2.44g/t, while PGM plant feed was little changed at 395,826t. FY27 guidance has been maintained at 85,000oz to 95,000oz of 4E PGMs and 110,000t to 140,000t of attributable chrome. Chrome concentrate production rose 66.6% to 29,799t as the chrome yield at the Thaba joint venture (JV) improved to 39.6% (29.5% in FY26), and a further 30,562t of chrome work-in-progress was dispatched in Q227.

The average 4E PGM basket price for Q127 of US$2,432/oz was 5.8% higher than in Q426 and 9.7% above our expectation. As a result, the company's total revenue for the quarter of US$62.9m was 29.6% up on Q426 and 12.0% ahead of our forecast, although chrome revenue was only US$3.6m, reflecting dispatch timing.

Total operating costs rose 24.0% to US$38.5m, inflated by an anomalous work-in-progress reversal adjustment in direct costs, and SDO and group cash costs rose 13.6% and 8.4% per 4E ounce. EBITDA (up 46.6% to US$24.7m, in line with our forecast) and net profit (up 42.4% to US$18.4m) benefited from the higher PGM prices.

Exhibit 1: Comparison of Q127 results with Q426

	Q426	Q127	Q127e	Q127 vs Q426	Q127 vs Q127e	Q227e
Production						
Plant feed (t)	706,594	742,906	661,816	5.1%	12.3%	655,034
Feed head grade (g/t)	2.20	2.44	2.18	10.9%	11.9%	2.16
PGM plant feed (t)	392,617	395,826	367,477	0.8%	7.7%	363,426
PGM plant feed grade (g/t)	3.54	3.58	3.45	1.1%	3.9%	3.41
Total 4E PGMs (oz)	23,868	25,971	24,312	8.8%	6.8%	21,281
Total 6E PGMs (oz)	30,474	31,825	31,056	4.4%	2.5%	27,185
Chrome (t)	17,889	29,799	24,255	66.6%	22.9%	32,472
Basket price ($/oz)	2,299	2,432	2,217	5.8%	9.7%	2,296
Financials						
4E Revenue (US$m)	38.3	49.0	38.8	27.8%	26.3%	35.9
By-product revenue (US$m)	7.5	9.0	8.9	19.5%	1.1%	8.5
Chrome revenue (US$m)	5.1	3.6	8.3	-29.2%	-56.3%	13.7
Total revenue before sales adjustment (US$m)	51.0	61.6	56.0	20.9%	10.0%	58.1
Sales adjustment (US$m)	(2.5)	1.3	0.1	-150.3%		(1.6)
Total revenue (US$m)	48.5	62.9	56.2	29.6%	12.0%	56.5
Total operating costs (US$m)	31.0	38.5	30.3	24.0%	27.1%	33.2
General & administrative costs (US$m)	0.9	0.9	0.9	-1.4%	-1.0%	0.9
EBITDA (US$m)	16.9	24.7	25.0	46.6%	-1.0%	22.4
Net profit (US$m)	12.9	18.4	16.9	42.4%	9.0%	15.0
Gross margin	34.2%	37.4%	44.5%	9.3%	-16.0%	39.6%
Capex (US$m)	12.5	6.2		-50.5%		
Cash balance (US$m)	67.2	79.7		18.6%		
Average ZAR/US$ rate	16.50	16.29		-1.3%		
Spot ZAR/US$ rate	16.41	16.40		-0.1%		
Unit costs (US$/oz)						
SDO cash cost/4E PGM oz	848	964		13.6%		
SDO cash cost/6E PGM oz	677	782		15.6%		
Group cash cost/4E PGM oz	1,034	1,121		8.4%		
Group cash cost/6E PGM oz	810	915		13.0%		
All-in-sustaining cost (4E)	1,278	1,378		7.9%		
All-In cost (4E)	1,783	1,626		-8.8%		

Source: Sylvania Platinum accounts, Edison Investment Research

Capital expenditure fell 50.5% to US$6.2m in Q127. The company now expects to spend US$31.9m in FY27, of which US$17.9m relates to tailings and infrastructure projects, and US$17.7m in FY28, superseding its US$9.2m FY27 guidance, and we have adopted this schedule in our forecasts. This increased guidance has negatively affected our forecast cash generation and valuation for the company, although we have not yet allowed for any positive impact on host mine capacity (increased tailings and host mine infrastructure investment), increased current arisings (eg Doornbosch investment) and our SDO plant recovery, while maintaining our conservative SDO feed grade forecasts.

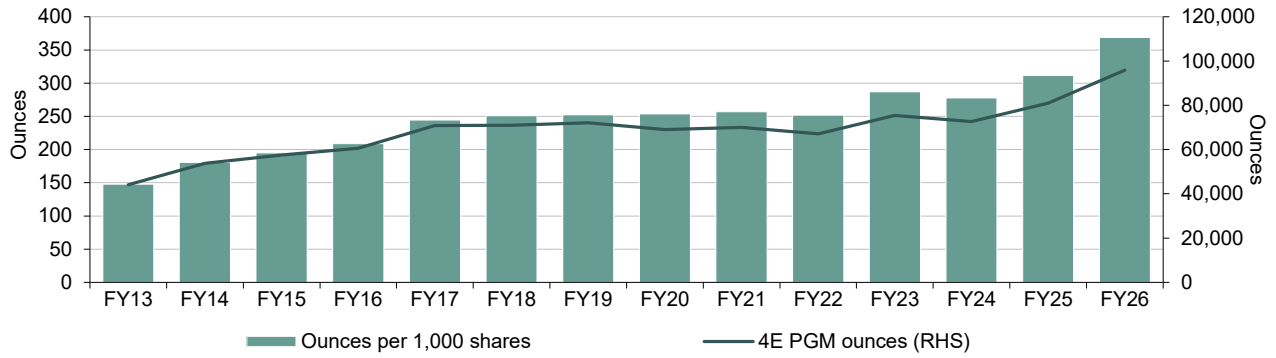
During Q127, the cash balance increased by 18.6% from US$67.2m to US$79.7m, after capital expenditure and the c US$1.5m share buyback completed in the quarter, while the 4p/share FY26 final dividend is payable on 4 December,

after the quarter end.

4E ounces per 1,000 issued shares has more than doubled since FY13

Sylvania has grown 4E production per 1,000 shares in issue from 148oz in FY13 to 369oz in FY26, an increase of 149% over a period in which plant feed rose only 31%. The superior growth in production per share is thanks to the return on a sustained internal investment programme, as well as capital management. Plant recovery improved from c 40% in FY13 to c 57%, driven principally by the Project Echo secondary milling and flotation modules, the share of plant feed routed to the PGM circuit rose from c 46% to c 56%, and the continuous share buyback programme, extended by a further c US $1.5m in Q127, has reduced shares in issue by c 13% since FY15.

Exhibit 2: 4E PGM production expressed per 1,000 issued Sylvania shares



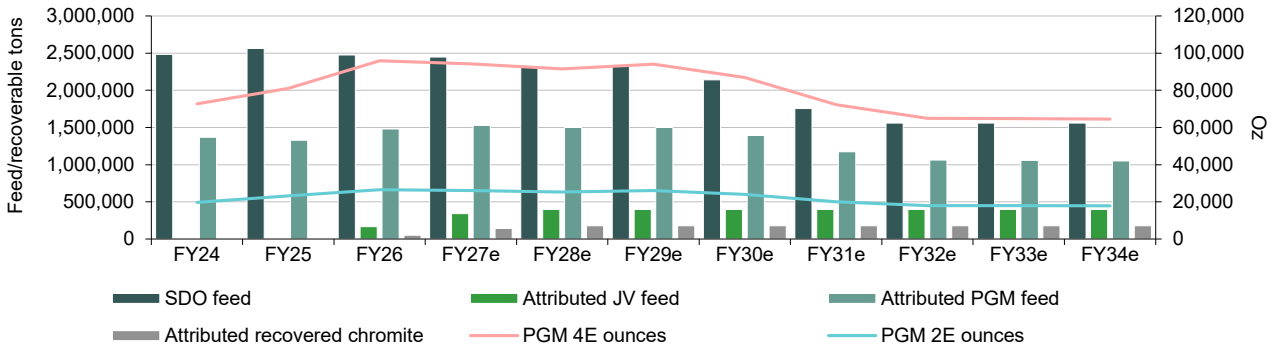
Source: Edison Investment Research, Sylvania Platinum data

Production per share has therefore compounded at more than twice the rate of production itself. We view this record as central to the investment case, as it demonstrates management's ability to grow the operating base independently of the PGM price cycle. When the PGM cycle is added into the mix, it amplifies Sylvania's significant delivery as EPS increased 20-fold over the period from FY13 to FY26 (a compound annual growth rate of 26%). There was a structural bear market in PGMs until FY16 (the average PGM 4E basket increased 2.5x from FY13 to FY26).

Conservative production forecasts driven by medium-term SDO outlook

Sylvania's SDO production has grown strongly over recent years, despite growing pressure on plant feed, which peaked at 2.56m tonnes in FY25. After a dip in PGM feed tonnes in FY25 (all SDO-related), which was affected by significant investment production improvements, combined PGM feed tonnes rose by an impressive 11.6% in FY26, with c 4.5% largely due to improvements in feed-head grade (resulting in a healthy rise in PGM feed relative to overall feed) but also supported by the maiden contribution from the JV (c 93,000t). PGM feed rose a further 0.8% in Q127.

Exhibit 3: JV pick-up to buffer against forecast SDO production decline



Source: Edison Investment Research

We forecast SDO plant feed of c 2.4m tonnes in FY27 and c 2.3m tonnes in FY28 and FY29, before it starts tapering off from FY30, on the back of feed declines for the Lannex, Millsell and Doornbosch operations, reducing to c 1.6m tonnes from FY32, when we forecast it to stabilise for the remainder of our explicit forecast period to FY40. We forecast combined plant feed of c 2.8m tonnes in FY27 and c 2.7m tonnes in FY28, as the JV ramp-up to full production partly offsets lower SDO feed. We have not allowed for large proposed investment in Doornbosch (chrome section mine) in our

production forecasts, but this offers upside potential.

We forecast combined PGM plant feed to hold at c 1.50m tonnes across FY27 to FY29, and we maintain our SDO PGM feed-grade assumption of 3.65g/t. On this basis, 4E PGM production remains broadly in line with the FY26 record, at c 94,200oz in FY27 (top of guidance, including the work-in-progress related to FY26) and c 91,500oz in FY28, recovering modestly to c 94,000oz in FY29, before the SDO run-off takes hold from FY30. Forecast production stabilises at c 65,000oz from FY32 until FY36, after which we allow for production from the JV to start moderating (in line with our 10-year life-of-mine assumption). Rebased on Q127, our Thaba JV chrome yield rises from 40% to 44.5% through FY27 and 45% from FY28 (design 53%), and PGM recovery from 24.0% to 33% by Q427 and 38% in FY28 (previously 34% to 41%). Our FY27 chrome forecast of c 142,000t therefore sits above the guided range, as the Thaba JV yield is already ahead and chrome work-in-progress was released into Q227.

We continue to apply more conservatism to our production forecasts than in our earlier modelling, to reflect the uncertainty of long-term production due to Sylvania's dependence on feed from host mines where mineral resource estimates are not available as well as the current terms of the JV agreement being limited to 10 years. We have also taken a more conservative approach around PGM plant-feed grade and recovery, limiting further improvements from current levels. We believe that uncertainty around long-term production and efficiency may play a role in how investors perceive Sylvania, and we consider our lower forecasts as a more conservative base case against which attractive upside scenarios can be tested, particularly given the Q127 beat and the company's record of exceeding guidance. We test the sensitivity of our valuation to several of these assumptions, including the JV term, SDO plant feed and recovery, and the Thaba JV chrome yield, in Exhibit 14.

Price forecasts upside shifts from platinum to ruthenium and iridium

In our September 2026 note, we reset our PGM price forecasts for the Iran war retracement. Since then, the war-driven premium has continued to unwind, with oil back at its August lows on de-escalation in the Strait of Hormuz, and rhodium trades at c US$9,000/oz, above our previous FY27 forecast. Ruthenium and iridium have remained strong, at c US $1,900/oz and c US$10,150/oz, and we have upgraded our forecasts for both again. Since September, platinum prices have dropped to US$1,450/oz and palladium to around US$970/oz. The falls in the gold and platinum prices reflect the rise in rates in the US that could be forthcoming in December and the consequent strengthening of the US dollar. However, this is a short-term response, and these prices should see a correction in 2027 as the effect of high oil prices should see inflation staying high. Higher interest rates are likely to affect vehicle sales and as such, our platinum and palladium prices are forecast softer in the near future. Our demand and supply analyses show that deficits in rhodium and ruthenium should support higher prices from 2027 to 2030. There is limited rhodium supply from the new PGM projects ramping up and planned over the next five years; IvanPlats and Karo ore have relatively minute amounts of contained rhodium, ruthenium and iridium in them, resulting in growing deficits for these metals. This is likely to result in rising prices, as we have shown in our forecasts below.

Exhibit 4: Edison updated PGM price forecasts (average June year-end prices)

US$/oz	FY23	FY24	FY25	FY26	FY27e Old	FY27e New	FY28e	FY29e	FY30e Old	FY30e New	Long-term
Platinum	969	934	992	1,828	1,700	1,600	1,601	1,602	1,887	1,597	1,629
Palladium	1,757	1,076	984	1,465	1,250	1,200	1,084	1,060	1,256	1,056	1,141
Rhodium	11,429	4,446	4,934	8,603	8,500	9,250	10,273	10,764	11,623	11,220	11,677
Gold	1,833	2,079	2,815	4,249	4,100	4,200	4,482	4,587	4,600	4,362	4,000
Ruthenium	490	449	507	1,199	1,650	1,750	2,165	2,268	1,892	2,351	2,412
Iridium	4,451	4,824	4,443	5,698	8,000	9,000	12,281	12,537	7,492	12,373	10,562
Chromite (US$/t)			271	289	300	270	275	276	302	276	320

Source: Edison Investment Research, Austin Lawrence Gidon, LSEG Data & Analytics

Our FY27 forecasts are mixed across the 4E metals, with platinum cut from US$1,700/oz to US$1,600/oz and palladium from US$1,250/oz to US$1,200/oz, while rhodium rises from US$8,500/oz to US$9,250/oz and gold from US$4,100/oz to US$4,200/oz, and chromite falls from US$300/t to US$270/t. From FY28 we forecast a gradual recovery, with rhodium reaching US$11,220/oz by FY30 (previously US$11,623/oz), as autocatalyst demand proves stickier than the electric vehicle (EV) narrative implies, as a result of the sharp rise in demand for hybrid vehicles, and AI-related demand builds across the PGM complex. Ruthenium and iridium rise to US$1,750/oz and US$9,000/oz in FY27 (from US$1,650/oz and US$8,000/oz), reflecting their structural deficits and demand bases that are decoupled from the autocatalyst cycle.

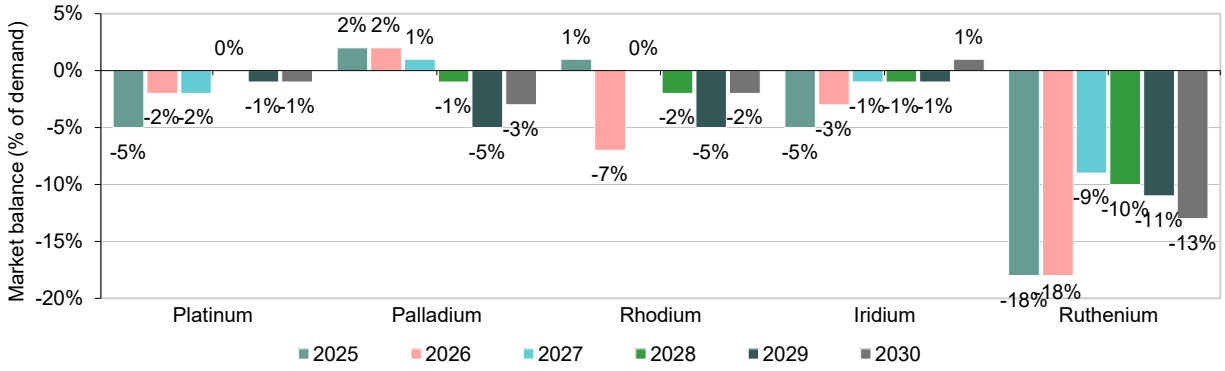
Our long-term prices apply from FY31, at US$11,677/oz for rhodium (previously US$12,045/oz), US$2,412/oz for

ruthenium (US$2,000/oz) and US$10,562/oz for iridium (US$7,198/oz), with platinum at US$1,629/oz. These long-term assumptions matter more than any near-term forecast, as they govern 10 of the 14 years of our explicit forecast period and account for c 60% of the valuation sensitivity to each metal. We believe they are defensible on supply fundamentals. South African supply continues to constrain rhodium, ruthenium and iridium as new projects contain very little of these metals and none of them have any primary production. Producer stocks have been depleted over five years and demand from AI data storage, semiconductors and proton exchange membrane (PEM) electrolysis is growing structurally. We test the sensitivity of our valuation to these long-term prices in Exhibit 13.

Supply and demand dynamics for PGMs

Our forecasts for PGM supply and demand are summarised in Exhibit 5 to 2030. We see deficits in platinum, ruthenium, rhodium and iridium and surpluses for palladium to 2027 and deficits to 2030. These deficits are not large as a percentage of demand. They are driven mainly by AI demand for platinum and ruthenium for data storage. Catalysed car production drives the deficit in palladium and rhodium after 2028 as we think that hybrid vehicles will see a strong rise and battery electric vehicles (BEV) a drop in sales as subsidies are dropped for these vehicles. Recent falls in BEV sales in China (18% down YTD and in the US (30% down YTD) are evidence of this trend continuing. Iridium is used in AI glass making and hydrogen fuel cell manufacturing, and we see a deficit to 2029 with a small surplus in 2030.

Exhibit 5: PGM market balance (surplus/deficit), 2025–30



Source: Edison Investment Research

In our analysis, ruthenium is the metal that is likely to see the biggest price move as a result of its use in data storage. However, platinum is a good substitute for it if the price of ruthenium increases much above the platinum price, so the deficits we have forecast may be self-correcting.

Large exposure to rhodium and growing importance of ruthenium and iridium

Exhibit 6 compares Sylvania's PGM prill split with its peers on their latest annual disclosures. Rhodium, ruthenium and iridium make up 31.0% of Sylvania's 6E ounces and 60.8% of their gross value at our FY27 prices, before allowing for the basket price that Sylvania receives after the offtake terms with host mines (net of offtake terms), the highest in the peer group, with Tharisa close behind at an estimated 30.3% and 60.2%. Northam (26.1% and 53.4%) and Sibanye-Stillwater's SA PGM operations (22.7% and 50.0%) come next, ahead of an estimated 20.2% and 46.4% for Valterra and 15.4% and 40.0% for Impala. The two chromite-hosted producers therefore stand well above the large producers on both measures. Net of offtake terms, these three metals generated 47.9% (not shown in Exhibit 6) of Sylvania's FY26 realised PGM revenue, the basis of Exhibit 6.

Exhibit 6: PGM prill split and Rh+Ru+Ir exposure – Sylvania versus peers (% of 6E ounces unless stated)

	Pt	Pd	Rh	Ru	Ir	Rh+Ru+Ir (oz)	Rh+Ru+Ir (gross value)
Sylvania	50.8%	18.2%	9.5%	16.7%	4.8%	31.0%	60.8%
Tharisa*	53.1%	16.3%	9.8%	16.0%	4.5%	30.3%	60.2%
Sibanye-Stillwater (SA PGM)*	50.1%	25.5%	7.7%	12.2%	2.8%	22.7%	50.0%
Valterra*	45.6%	31.2%	6.1%	10.6%	3.5%	20.2%	46.4%
Impala*	47.2%	33.4%	5.9%	7.1%	2.4%	15.4%	40.0%
Northam*	53.3%	20.0%	7.7%	14.7%	3.7%	26.1%	53.4%

Source: Sylvania Platinum accounts, peer accounts, Edison Investment Research
Note: *Peer figures are from each company's latest annual disclosures (Sylvania, Impala, Northam and Tharisa FY26; Sibanye-Stillwater and Valterra 2025). Where ruthenium and iridium are not disclosed (n/d), the Rh+Ru+Ir share of ounces is an Edison estimate: the disclosed combined ruthenium, iridium and gold residual less an assumed gold share.

Exhibit 7 shows the estimated contribution of each metal to Sylvania's realised PGM revenue, after payability. Rhodium contributed 34.4% of realised revenue in Q127, within the 34–37% range of FY26, despite being only c 9% of 6E ounces, which makes it the single largest earnings driver. Ruthenium and iridium together contributed 16.5% in Q127, up from 9–15% through FY26, with ruthenium's contribution rising from 4.0% in Q225 to 6.8% as its price re-rated. We present these contributions net of payability. Management indicates effective payability of 74–75% on 4E PGMs, depending on concentrate quality, and c 48.5–50% on ruthenium and iridium. Our forecasts use the lower rates implied by reported revenue on our price series, 73.5% and 43.5% respectively, which we regard as conservative. Applying the company's ruthenium and iridium rate would add c 5% to our valuation, as Exhibit 14 shows.

Exhibit 7: Estimated contribution to 6E revenue (FY25 and FY26, quarterly)

	Q225	Q325	Q425	Q126	Q226	Q326	Q426	Q127
Platinum	38.1%	36.8%	42.2%	38.3%	43.0%	40.1%	40.1%	39.0%
Palladium	14.0%	12.8%	12.6%	11.7%	13.0%	11.8%	10.4%	10.1%
Rhodium	33.3%	37.1%	33.0%	37.3%	34.6%	36.3%	34.4%	34.4%
Ruthenium	4.0%	4.3%	4.2%	4.9%	3.7%	5.8%	6.3%	6.8%
Iridium	10.6%	8.9%	8.0%	7.7%	5.7%	6.0%	8.7%	9.7%

Source: Edison Investment Research, Sylvania Platinum data

Improved payability on the minor PGMs, which management has targeted through the centralised filtration plant, remains a source of upside that requires no additional production. Together with chrome, which contributed only US$3.6m of revenue in Q127 owing to dispatch timing and which we forecast to grow to c 15% of revenue in FY27 and c 18% in FY28 as the JV reaches full production, the revenue base is far more diversified than it was two years ago.

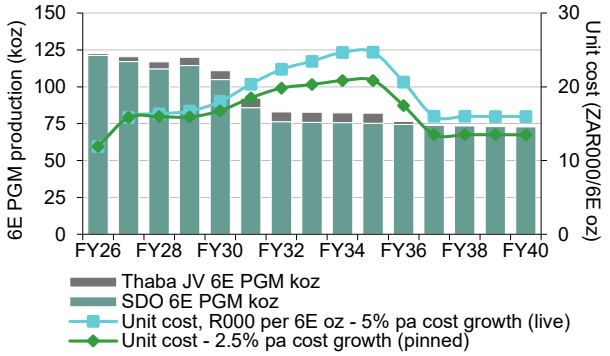
Forecasts cut on higher costs and the capex schedule

Our FY27 revenue forecast rises by 2% to US$243.6m, while FY28 is cut by 3% to US$258.2m. Normalised EPS is cut by 8% to 25.6 US cents in FY27, by 13% to 29.1 US cents in FY28 and by 13% to 30.8 US cents in FY29, so FY28 remains below the 30.4 US cents delivered in FY26 and FY29 is only just above it. As our 4E production forecasts are little changed, the cuts are driven by our higher direct and indirect cost forecasts and by higher depreciation, as we have adopted the company's capital expenditure schedule, partly offset by the lower share count following the Q127 buyback.

Q127 direct costs of US$32.6m, which the company guides 7% to 10% lower, were inflated by an anomalous work-in-progress reversal adjustment. Bottom up, we forecast US$27.4m, US$27.6m and US$28.5m for Q227 to Q427, for FY27 direct costs of US$116.1m and an SDO cash cost of c US$927/4E oz. Q127 coincided with peak Iran war fuel prices; oil has since fallen to its August lows, and South African diesel fell by more than ZAR1/litre in November, alongside ZAR10bn of fuel levy relief, which supports our forecast of lower quarterly costs for the rest of the year.

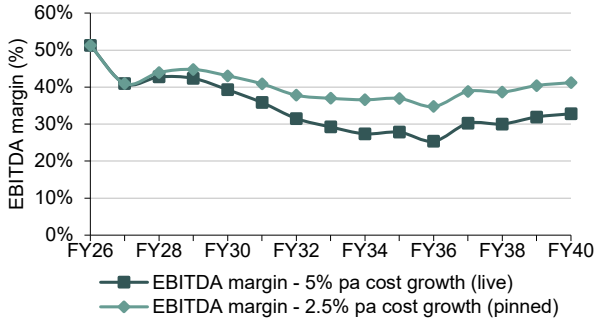
Exhibit 8 sets our production forecasts against unit costs and shows why cost inflation is the key variable for margins. As SDO production runs off, from 121,000oz of 6E PGMs in FY26 to c 76,000oz from FY32, and with our assumed 5% per year growth in rand costs, we forecast unit costs to rise from ZAR11,900/6E oz in FY26 to ZAR15,800/6E oz in FY27 and c ZAR24,700/6E oz by FY35. Our forecast EBITDA margin therefore declines from 51% in FY26 to 41% in FY27 and to below 30% by FY33. With cost growth of 2.5% per year, the margin would hold at c 37% in FY33 and FY34 and our valuation would be c 20p/share higher, at 176.2p/share.

Exhibit 8: EBITDA margin is very exposed to unit cost inflation



Source: Edison Investment Research

Exhibit 9: EBITDA margin is very exposed to unit cost



Source: Edison Investment Research

We now forecast capital expenditure of US$31.9m in FY27, in line with the company's schedule (of which US$17.9m

relates to tailings and infrastructure projects) and up from our previous US$13.8m, falling to US$17.7m in FY28 (previously US$8.8m), and we have raised our depreciation forecasts accordingly. The schedule excludes deferred stripping, none of which is forecast. With Q127 spend of US$6.2m, the schedule implies heavier spending over the rest of the year. Cash generation remains healthy: after this spending and the 4p/share final dividend, we forecast a cash balance of c US$78m at the end of FY27, little changed from the US$79.7m at the end of Q127, rising to c US$132m in FY28 (previously c US$100m and c US$161m).

Sylvania's dividend policy is to pay a minimum of 40% of adjusted free cash flow, with one-third at the interim and two-thirds at the final, and our forecasts apply this minimum directly. The total FY26 ordinary dividend is 6p/share, more than double the 2.75p/share of FY25, comprising the 2p interim already paid and the 4p final declared with the FY26 results and payable on 4 December, and the company described it as higher than the policy minimum. On our revised forecasts, the minimum yields 4.2p/share in FY27 (previously 6.9p), below the 6p of FY26, as FY27 carries the peak of the tailings and infrastructure capital expenditure, before rising to 7.9p/share in FY28 (previously 9.6p) and 9.5p/share in FY29, with the shares yielding 5.6% on FY27. As the company paid above the minimum for FY26 and we forecast a cash balance of c US$78m at the end of FY27, it could do so again, and we therefore regard our FY27 dividend forecast as conservative. With the cash balance building well beyond operational requirements from FY29, we see increasing potential for windfall distributions over and above the ordinary dividend. The company completed a c US$1.5m share buyback programme during Q127, continuing a repurchase record that has run since FY15, and we believe further buybacks remain a live mechanism for distributing surplus cash.

Valuation

Our valuation declines by 7% to 155.8p/share (previously 167.7p), as the company's capital expenditure schedule, our higher cost forecasts and the new PGM price deck more than offset the time value. We continue to present the SDO and Thaba JV as a single operating valuation of 144.9p/share (previously 157.0p), as the JV is fully integrated into the group production, cost and cash flow. We carry exploration assets at book value of 10.9p/share (10.7p) following the Hacra impairment. Our valuation is based on a dividend discount model with a 10% discount rate over an explicit period to FY40, with a declining tail and no perpetuity, and it reflects the distribution of the accumulating cash surplus over time.

Exhibit 10: Valuation cut by 7% on costs, capex and PGMs

	Current	Previous	Change
Combined valuation (p/share)	**155.8**	**167.7**	**-7%**
SDO and Thaba JV (p/share)	144.9	157.0	-8%
Exploration (p/share)	10.9	10.7	2%
FY27 EPS (c/share)	25.6	28.0	-8%
Implied valuation multiple (x)	8.1	8.0	
FY28 EPS (c/share)	29.1	33.5	-13%
Implied valuation multiple (x)	7.2	6.7	
FY29 EPS (c/share)	30.8	35.4	-13%
Implied valuation multiple (x)	6.8	6.4	

Source: Edison Investment Research

The multiples implied by our valuation are 8.1x FY27 EPS, 7.2x FY28 and 6.8x FY29. At the current share price, Sylvania trades on an FY27 P/E multiple of 3.9x (3.5x on FY28) and a dividend yield of 5.6%. Exhibit 11 compares Sylvania with its listed peers on LSEG consensus, which trade on an average year one P/E of 5.7x (5.3x in year two) and yield 8.7% on average. Sylvania is therefore not the cheapest in the group on earnings, as Tharisa (3.1x) and Sibanye-Stillwater (3.5x) trade on lower year one multiples, and its yield is below the peer average, as our dividend forecast applies the policy minimum in a year of peak capital expenditure. What sets Sylvania apart is its balance sheet, with net cash of US$79.7m equivalent to c 30% of its c US$261m market capitalisation, and the c 52% discount of the share price to our valuation. All other things being equal, the market is effectively pricing the forward basket for Sylvania at c 32% below our forecasts.

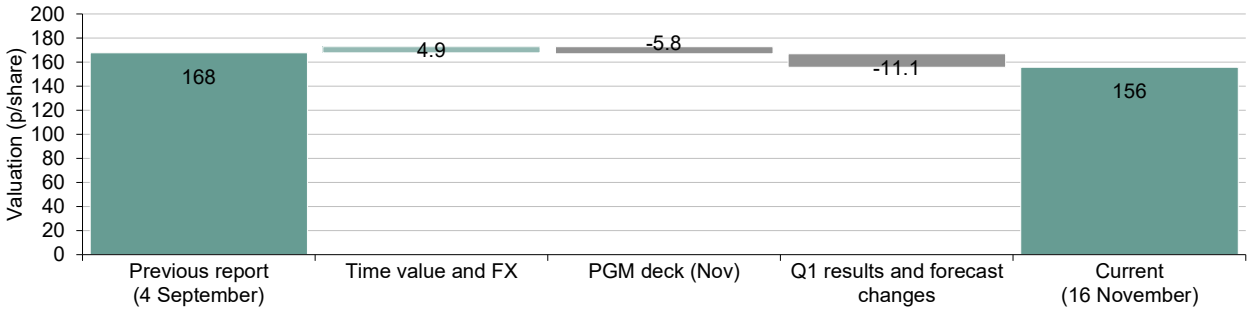
Exhibit 11: Sylvania valuation relative to peers

	Year-end	Market Cap (US$m)	P/E year 1 (x)	P/E year 2 (x)	Dividend yield year 1 (%)
Sylvania	June	261	3.9	3.5	5.6%
Tharisa	September	357	3.1	2.4	4.3%
Sibanye-Stillwater	December	5,522	3.5	2.7	11.1%
Valterra	December	15,766	7.9	9.2	9.0%
Impala	June	8,656	6.3	5.0	12.1%
Northam	June	5,233	7.5	7.4	7.1%
Peer average			**5.7**	**5.3**	**8.7%**

Source: Edison Investment Research, LSEG Data & Analytics, Note: Peers are on LSEG consensus as at 16 November 2026, with market cap converted at R17.50/US$. Year 1 & year 2 are FY27 and FY28 for June & September year-ends and 2026 & 2027 for December year-ends.

Exhibit 12 shows the change in our valuation by source. Time value and FX add 4.9p, while the new PGM price deck subtracts 5.8p and the Q127 results and our forecast changes a net 11.1p, mainly from the company's capital expenditure schedule, higher indirect and direct cost forecasts, the Thaba JV rebase and lower payability, partly offset by the lower share count.

Exhibit 12: Valuation change split by source



Source: Edison Investment Research

Valuation sensitivity to long-term rhodium, iridium and ruthenium prices

Given the weight of the long-term prices in our valuation, we test them directly. A 10% move in the long-term rhodium price from FY31 moves the valuation by 3.9% (c 6p/share) in either direction, while a 10% move in long-term ruthenium and iridium prices together moves it by 2.1% (c 3p/share). We regard these as modest elasticities for a valuation at c 2.1x the share price, and they indicate that the investment case does not rest on any single long-term price assumption.

Exhibit 13: 3.9% upside to 10% higher long-term rhodium price and 2.1% to 10% higher ruthenium and iridium prices

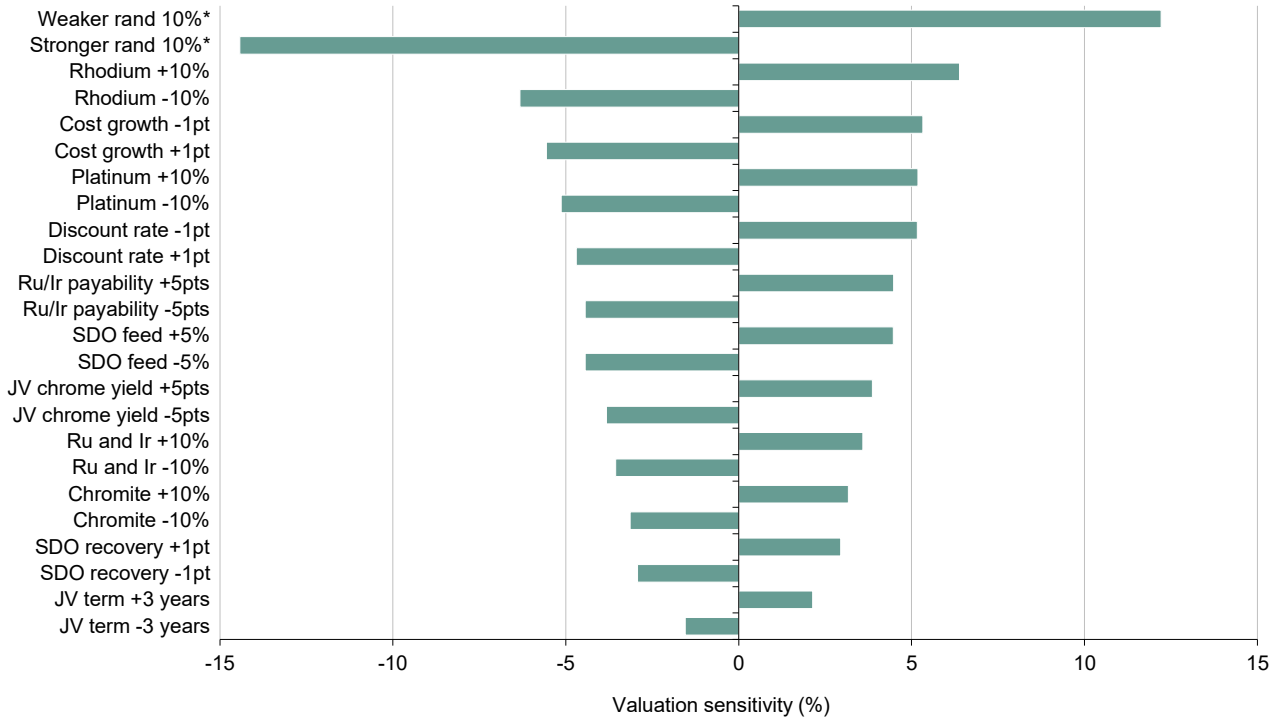
US$/oz	Current	Base case	Rh high-road	Rh low-road	Ru/Ir high-road	Ru/Ir low-road
Rhodium	9,400	11,677	12,845	10,509	11,677	11,677
Ruthenium	1,950	2,412	2,412	2,412	2,653	2,171
Iridium	9,650	10,562	10,562	10,562	11,618	9,506
Valuation (p/share)		155.8	161.9	149.7	159.0	152.6
Change			3.9%	-3.9%	2.1%	-2.1%

Source: Edison Investment Research. Note: Long-term prices set from FY31 onwards, rhodium high-road +10% and low-road -10% with ruthenium/iridium high-road +10% and low-road -10%.

Exhibit 14 widens the test to all our key assumptions, with prices flexed from FY28. The rand is the largest sensitivity, with a 10% weaker rand adding 12.2% to our valuation and a 10% stronger rand subtracting 14.4%, as it works through the cost base: we convert rand costs at a constant ZAR16.45/US$, while dollar revenue is unchanged. In practice, a weaker rand usually brings higher rand cost inflation, so the bar overstates the net exposure. Rhodium (+6.4%/-6.3% for a 10% move), cost growth (+5.3%/-5.6% for 1 point a year), platinum (+5.2%/-5.1%) and the discount rate (+5.2%/-4.7% for 1 point) follow. Our operating assumptions rank alongside the metal prices: Ru/Ir payability (5 points) and SDO plant feed (5%) each move the valuation by c 4.5%, and the Thaba JV chrome yield (5 points) by c 3.9%, more than ruthenium and iridium together (3.6%) and chromite (3.2%), which is now a material third leg of the revenue base.

Valuation tornado: Candidates for explaining the price gap

Exhibit 14: Valuation sensitivity to key assumptions



Source: Edison Investment Research. Note: *Rand costs are converted to US dollars at a constant ZAR16.45/US$, so the weaker/ stronger rand scenarios lower/lift dollar costs while dollar revenue is unchanged.

No single assumption explains the gap between the share price and our valuation. The largest downside in Exhibit 14, from a 10% stronger rand, is c 14%, and even this overstates the net effect, against a discount of c 52% to our valuation. Based on the current share price discount, the market appears to be pricing several of these risks at once. Alternatively, the current price may be implying a forward PGM basket c 32% below our forecasts.

Exhibit 15: Financial summary

Year ending 30 June (US$m), IRFS	2025	2026	2027e	2028e	2029e
PROFIT & LOSS					
Revenue	104.2	226.3	243.6	258.2	269.4
Cost of Sales	(78.6)	(112.8)	(143.2)	(145.4)	(152.7)
Royalties Tax	(0.7)	(8.5)	(9.7)	(12.6)	(13.2)
Gross Profit	24.9	105.0	90.6	100.2	103.4
EBITDA	29.3	114.2	98.8	109.5	113.2
Operating profit (before amort. and except	22.6	103.4	87.3	96.7	99.7
Intangible Amortisation	(6.7)	(10.7)	(11.5)	(12.8)	(13.4)
Exceptionals	0.0	(12.3)	0.0	0.0	0.0
Other Income/Expenses	(2.3)	(1.6)	(3.3)	(3.5)	(3.7)
Operating Profit	22.6	91.1	87.3	96.7	99.7
Net Interest	5.1	5.4	4.7	7.3	11.1
Profit Before Tax (norm)	27.7	108.8	92.0	104.1	110.8
Profit Before Tax (FRS 3)	27.7	96.5	92.0	104.1	110.8
Tax	(7.6)	(30.1)	(25.8)	(29.1)	(31.4)
Profit After Tax (norm)	20.2	78.8	66.2	75.0	79.3
Profit After Tax (FRS 3)	20.2	66.4	66.2	75.0	79.3
Average number of shares outstanding (m)	260.9	258.8	258.1	257.8	257.8
EPS - normalised (c)	7.7	30.4	25.6	29.1	30.8
EPS - normalised fully diluted (c)	7.7	30.4	25.5	29.0	30.7
EPS - (IFRS) (c)	7.7	25.7	25.6	29.1	30.8
Dividend per share (p)	2.8	6.0	4.2	7.9	9.5
Gross Margin (%)	24%	46%	37%	39%	38%
EBITDA Margin (%)	28%	50%	41%	42%	42%
Operating Margin (before GW and except.)	22%	46%	36%	37%	37%
BALANCE SHEET					
Fixed Assets	167.5	212.3	218.0	217.1	207.7
Intangible Assets	48.6	37.7	37.5	38.0	38.5
Tangible Assets	89.8	122.2	133.3	138.7	135.6
Investments	29.1	52.3	47.3	40.5	33.7
Current Assets	112.7	163.2	182.8	242.7	306.0
Stocks	6.9	13.9	12.5	12.7	13.4
Debtors	44.9	72.5	91.3	96.8	101.0
Cash	60.9	67.2	78.2	132.0	190.0
Other	0.0	9.6	0.7	1.1	1.7
Current Liabilities	15.0	30.5	29.1	30.0	31.5
Creditors	15.0	30.5	29.1	30.0	31.5
Short-term borrowings	0.0	0.0	0.0	0.0	0.0
Long-term Liabilities	21.3	36.7	26.6	28.9	31.3
Long-term borrowings	0.5	0.7	0.5	0.5	0.5
Other long-term liabilities	20.8	36.0	26.2	28.4	30.8
Net Assets	243.9	308.3	345.1	400.9	450.8
CASH FLOW					
Operating Cash Flow	18.4	101.4	86.7	105.1	110.6
Net Interest	3.8	1.9	4.7	6.9	10.5
Tax	(2.3)	(30.2)	(23.6)	(25.3)	(27.2)
Capex	(31.0)	(35.5)	(31.9)	(17.7)	(9.3)
Other investing activities	(18.6)	(15.8)	(3.0)	6.8	6.8
Financing	(1.6)	(2.5)	(2.2)	(2.2)	(2.2)
Dividends	(5.8)	(13.8)	(18.8)	(18.8)	(29.2)
Net Cash Flow	(37.1)	5.6	12.0	54.8	59.9
Opening net (debt)/cash	97.8	60.9	67.2	78.2	132.0
HP finance leases initiated	0.0	0.0	0.0	0.0	0.0
Other	0.1	0.7	(1.0)	(1.0)	0.0
Closing net (debt)/cash	60.9	67.2	78.2	132.0	192.0

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

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20 Red Lion Street
London, WC1R 4PS
United Kingdom