

Sylvania Platinum

FY25 results

High chrome price supports stronger outlook

Sylvania's strong FY25 production and a higher platinum group metals (PGM) basket price resulted in 2.9x higher EPS of 7.7 US cents versus our forecast of 5.1 US cents. Our outlook for the Sylvania Dump Operations (SDO) is largely unchanged, except for a slight (3.3%) increase in cost forecasts due to a weaker dollar. The outlook for the Thaba joint venture (JV) has improved, thanks to attractive chrome prices, despite a slower ramp-up to steady-state production. We reduce our FY26 EPS by 6% to 21.6 US cents to allow for a slower ramp-up and a weaker dollar, with longer-term forecasts benefiting from a higher chrome price forecast. Our valuation is unchanged at 152.9p/share, with a 3.2% lower SDO valuation (weaker dollar) offset by a higher JV valuation (on higher chrome forecasts).

Year end	Revenue (\$m)	PBT (\$m)	EPS (¢)	DPS (p)	P/E (x)	Yield (%)
6/25	104.2	27.7	7.73	2.75	13.6	3.5
6/26e	172.8	78.0	21.58	7.00	4.9	9.0
6/27e	220.2	102.0	27.55	9.00	3.8	11.6
6/28e	232.1	104.1	27.90	10.00	3.8	12.9

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

Strong production drives earnings recovery

4E PGM output increased for four straight quarters in a row, bringing the total for FY25 to 81,002oz (6E of 104,223oz). Revenue grew by 27.5% to \$104.2m, supported by a higher PGM basket price. Net profit of \$20.2m was 2.9x higher than FY24, driving EPS of 7.7 US cents versus our forecast of 5.1 US cents.

Delayed ramp-up, but increased upside for JV

The JV plant has been commissioned, but ramp-up to steady-state production is delayed to Q326 due to heavy rains earlier this year and instability in electricity supply. Conservatively, we only include JV revenues in our forecasts from H226. This revenue delay is offset in the medium term by higher chrome price forecasts. With current spot prices remaining steady at levels approaching \$275/tonne, we increase our FY26e chrome price from \$224/tonne to \$260/tonne and maintain it at that level thereafter.

Dollar pressure on earnings

A weaker dollar reduces our earnings forecasts due to higher dollar costs (rand forecasts unchanged). Dollar cost pressure in FY26, plus conservative JV ramp-up assumptions, results in a 6% reduction in our FY26 EPS to 21.6 US cents. We have cut our FY27 EPS by only 1% to 27.5 US cents as higher chrome forecasts offset the cost impact and forecast almost flat EPS of 27.9 US cents for FY28.

Valuation: Unchanged at 152.9p per share

With our dividend forecasts unchanged, we maintain our valuation at 152.9p/share (SDO down 3.2% to 119.2p, JV up 24.5% to 20p and exploration assets unchanged at a book value of 13.7p). Our SDO valuation is very sensitive to rhodium, while our JV valuation is sensitive to chrome prices. The development or disposal of exploration assets could add value in a strong PGM environment.

Metals and mining

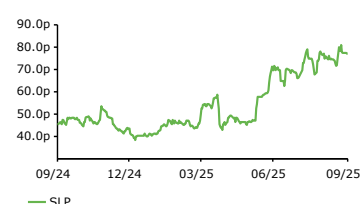
12 September 2025

Price 77.60p
Market cap £202m

US\$1.36/£; ZAR17.49/US\$

Net cash/(debt) at end FY25	\$60.9m
Shares in issue	260.1m
Free float	90.0%
Code	SLP
Primary exchange	AIM
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	(0.5)	8.7	55.0
52-week high/low		81.0p	38.4p

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

Q126 results	October 2025
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Higher chrome price outlook on top of strong PGM environment

Our [last note](#) on Sylvania's Q425 results was dedicated to unpacking the company's strong production increases and introducing our higher PGM price forecasts. The company's FY25 results have not changed our views and forecasts around SDO production or PGM prices. Instead, they have allowed us to calibrate our modelling and provided support for our outlook. The only area of change to our SDO forecasts is a mechanical one, relating to dollar-based costs due to our constant currency approach and a 2.7% depreciation in the dollar versus the rand. Together with other minor recalibrations, this results in an approximate 3.3% increase in SDO costs, with rand-based costs largely unchanged (see the Financials section below).

We have introduced two important changes to our JV valuation, which has a negative impact on our FY26 forecast but thereafter results in increased forecasts, which are sufficient to offset the negative dollar cost impact discussed above. The first change relates to the production ramp-up of the JV, which has suffered delays and is only forecast to reach a steady state in Q326. While the JV plant has been commissioned as planned, heavy rains earlier in the year and instability in electricity supply are expected to limit production in H126, while Sylvania finishes construction on a new primary electricity substation (to be commissioned in Q226). Conservatively, we only include JV revenues in our forecasts from H226, which has affected our production and revenue forecasts for FY26.

This revenue delay has been offset in the medium term by higher chrome price forecasts. With current spot prices remaining steady at levels approaching \$275/tonne, we have increased our FY26 chrome price forecast from \$224/tonne to \$260/tonne and maintain it at that level thereafter. The net impact on our total revenue forecast for FY26 is to reduce it by 6.5% to \$172.8m, which nevertheless represents a 66% increase on FY25, assisted by higher PGM and chrome price forecasts. From FY27, higher chrome prices (offset by higher depreciation related to the slower ramp-up) result in 2% higher total revenue, which largely offsets the dollar cost impact.

Financials

Sylvania delivered EPS of 7.7c in FY25, which was a marked (2.9x) increase on 2.7c in FY24. The stronger earnings were delivered thanks to a 27.5% increase in revenue, while dollar-based costs grew by 14.7% (rand-based costs were 10.3% higher). This resulted in a gross margin improvement from 13.8% to 23.3%. Further operational gearing, thanks to lower general and administration costs and a lower tax rate (specifically much lower dividend withholding taxes), drove a 189% increase in net profit to \$20.2m from \$7.0m (excluding the Grasvally transaction) and the nearly threefold increase in EPS.

The company's cash balance has reduced from \$97.8m at end-FY24 to \$60.9m as it continued to invest in its SDO and JV operations. As part of the JV, Sylvania deployed cash in the form of a loan to its JV partner, Limberg Mining Company. This loan makes up \$24.7m of Sylvania's balance sheet investments of \$29.1m, which has increased from \$7.8m in FY24 (see Exhibit 2 below). This loan will start to be repaid from FY27 and supports cash accumulation in our forecasts. We still forecast high levels of capital expenditure in FY26, but expect this to decline meaningfully from FY27 as the JV is fully commissioned and the SDO investment cycle moderates. Together with the loan repayment and strong earnings growth, this drives cash accumulation from FY27, even allowing for a strongly growing dividend profile.

FY26 revenue is set to benefit from healthy SDO production (we forecast a 1% increase on the much improved FY25 base), our higher PGM price forecasts (introduced in our last note) and a maiden contribution from the JV. As discussed above, although the JV has been commissioned, there have been delays in the ramp-up to a steady state. We have moderated our FY26 revenue forecast by 6.5% to \$172.8m to allow for a steady state, only achieved from Q326. In FY27, we forecast a 66% increase in revenue to \$220.2m, with the JV contributing for a full year and higher PGM prices maintained. On the back of chrome prices remaining steady at c \$275/tonne, we have increased our price forecast from \$224/tonne to \$260/tonne in FY26 and flat thereafter. The net impact is an approximate 2% increase in total revenue from FY27 relative to our previous forecast.

As mentioned above, we have increased our dollar-based cost of sales forecast by c 3.3% per year from FY26 due to the impact of a weaker dollar. We use a constant currency approach in our forecasts and valuation, which has resulted in higher dollar-based costs, although our rand-based costs are largely unchanged. In FY26, the cost impact is in addition to the delayed JV ramp-up impact and results in an EPS forecast of 21.6 US cents, which is 5.7% lower than our prior forecast but nevertheless represents a 179% increase on FY25.

In FY27, the negative dollar cost impact is largely offset by our higher chrome price forecasts, with the net impact of reducing our EPS by 0.8% to 27.5 US cents, which represents 27.7% growth on our FY26 forecast. We do not forecast further meaningful production increases from either the SDO or the JV in FY28 and, as a result, our FY28 EPS is fairly flat at 27.9 US cents.

We forecast a healthy increase in the dividend from 2.75p/share in FY25 to 7.00p/share in FY26 and 9.00p/share in FY27 (unchanged from our previous forecasts). We forecast a further increase to 10p/share in FY28. While we do not explicitly forecast windfall dividends, we expect these to resume (in FY27 at the latest) in the current conducive PGM environment.

Valuation

We have maintained our valuation for Sylvania at 152.9p/share and see a reduction in our SDO valuation offsetting an increase in our JV valuation. We increase our JV valuation by 25% from 16.1p/share to 20.0p/share on the back of our higher chrome price forecasts (16% higher than previously). Our SDO valuation has reduced by 3% from 123.1p/share to 119.2p/share due to the impact of a weaker dollar on our cost forecasts. The exploration assets are still carried at a book value of 13.7p/share, which we use as our valuation for these businesses.

Exhibit 1: Valuation upgrade on PGM forecasts

	Current	Previous	Change
Combined valuation (p/share)	152.9	152.9	0%
SDO (p/share)	119.2	123.1	-3%
Exploration (p/share)	13.7	13.7	0%
Thaba JV (p/share)	20.1	16.1	25%
FY26 EPS (c/share)	21.6	22.9	-6%
Implied P/E (x)	8.6	8.1	
FY27 EPS (c/share)	27.5	27.8	-1%
Implied P/E (x)	6.7	6.7	
FY28 EPS (c/share)	27.9		
Implied P/E (x)	6.6		

Source: Edison Investment Research

The forward P/E multiple implied by our FY26 EPS forecast is 8.6x, which falls further to 6.7x and 6.8x based on our EPS forecasts for FY27 and FY28, respectively.

Exhibit 2: Financial summary

Year ending 30 June (US\$m), IRFS	2024	2025	2026e	2027e	2028e
PROFIT & LOSS					
Revenue	81.7	104.2	172.8	220.2	232.1
Cost of Sales	(69.0)	(79.2)	(89.1)	(107.0)	(113.9)
Royalties Tax	(1.4)	(0.7)	(6.0)	(11.0)	(13.7)
Gross Profit	11.3	24.3	77.7	102.2	104.5
EBITDA	12.3	29.3	74.0	110.0	112.4
Operating profit (before amort. and excepts)	7.4	22.6	74.0	98.3	100.4
Intangible Amortisation	(4.9)	(6.7)	0.0	(11.7)	(12.0)
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other Expenses	(4.2)	(2.7)	(4.2)	(4.4)	(4.6)
Operating Profit	7.4	22.6	74.0	98.3	100.4
Net Interest	6.1	5.1	4.0	3.7	3.7
Profit Before Tax (norm)	13.5	27.7	78.0	102.0	104.1
Profit Before Tax (FRS 3)	13.5	27.7	78.0	102.0	104.1
Tax	(6.5)	(7.6)	(21.7)	(30.1)	(31.3)
Profit After Tax (norm)	7.0	20.2	56.3	71.9	72.8
Profit After Tax (FRS 3)	7.0	20.2	56.3	71.9	72.8
Average number of shares outstanding (m)	262.3	260.9	260.9	260.9	260.9
EPS - normalised (c)	2.7	7.7	21.6	27.5	27.9
EPS - normalised fully diluted (c)	2.7	7.7	21.6	27.5	27.9
EPS - (IFRS) (c)	2.7	7.7	21.6	27.5	27.9
Dividend per share (p)	2.0	2.8	7.0	9.0	10.0
Gross Margin (%)	14%	23%	45%	46%	45%
EBITDA Margin (%)	15%	28%	43%	50%	48%
Operating Margin (before GW and except.)	9%	22%	43%	45%	43%
BALANCE SHEET					
Fixed Assets	117.3	167.5	197.0	198.7	194.7
Intangible Assets	47.7	48.6	51.1	52.1	52.1
Tangible Assets	61.8	89.8	116.8	120.1	118.8
Investments	7.8	29.1	29.1	26.5	23.9
Current Assets	140.2	112.7	112.1	140.4	160.6
Stocks	5.7	6.9	6.9	8.8	9.3
Debtors	34.7	44.9	57.0	72.7	76.6
Cash	97.8	60.9	48.2	58.9	74.7
Other	2.0	0.0	0.0	0.0	0.0
Current Liabilities	14.1	15.1	14.9	18.6	19.4
Creditors	14.1	15.1	14.9	18.6	19.4
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	272.6	298.4	313.5
CASH FLOW					
Operating Cash Flow	15.0	18.0	70.9	96.3	109.0
Net Interest	6.0	5.4	4.3	3.9	4.0
Tax	(6.2)	(3.6)	(21.7)	(30.1)	(31.3)
Capex	(15.8)	(31.0)	(38.5)	(16.0)	(10.6)
Other investing activities	0.1	(16.6)	0.0	2.6	2.6
Financing	(5.2)	(3.1)	0.0	0.0	0.0
Dividends	(23.4)	(5.8)	(27.6)	(46.0)	(57.8)
Net Cash Flow	(27.0)	(37.1)	(12.7)	10.7	15.8
Opening net (debt)/cash	124.2	97.8	60.9	48.2	58.9
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	48.2	58.9	74.7

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

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