Sylvania Platinum

Rise in PGMs and higher production guidance

Q226 results

Metals and mining

2 February 2026

Sylvania Platinum's production in Q226 remained strong at 24,642oz for 4E platinum group metals (PGMs), slightly up on the previous record in Q126. PGM prices started rallying in December 2025, ahead of our expectations. Our new PGM forecasts are between 50% and 90% higher for FY26, driving earnings upgrades. We upgrade FY26 EPS by 52% to 35.2 US cents, FY27 EPS by 133% to 64.8 US cents and FY28 EPS by 143% to 69.0 US cents. Allowing for PGM prices to reverse from FY29 towards our long-term assumptions has resulted in a 24.8% increase in our valuation to 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	19.4	2.5
6/26e	255.6	126.8	35.20	9.00	4.3	8.2
6/27e	389.6	238.1	64.78	12.00	2.3	11.0
6/28e	417.1	256.4	69.19	13.00	2.2	11.9

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

Record production maintained and guidance lifted

Sylvania's 4E PGM output has increased for six consecutive quarters to reach a new record in Q226. PGM plant feed tons increased by an impressive 9%, offset by lower plant recoveries and plant feed grade to drive 4E PGM production of 24,642oz. FY26 guidance has been lifted to 90,000–93,000oz and we increase our forecast from 92,000oz to 93,000oz. We reduce our chromite concentrate forecast for FY26 from 102,000t to 90,000t (on updated guidance).

PGM price rally and PGM forecasts upgraded

On top of the record production in Q226, Sylvania's PGM basket price increased by 21.6% to US$2,374/oz, driving a 21.5% increase in total revenue for the quarter. Over the latter part of December 2025, PGM prices started rallying, with platinum up over 50% and rhodium up almost 35% due to accelerated US stockpiling of critical minerals, with PGMs considered the most critical. We have upgraded our PGM price basket by 34% for FY26 and 77% for FY27 before our forecasts moderate from FY29 and revert to our long-term assumptions from FY31.

Earnings upgrades, after higher costs and tax

Sylvania's strong revenue delivery in Q226 was accompanied by higher total operating costs due to a much stronger rand and higher royalties tax on much better revenue. We have incorporated the enhanced revenue and increased cost and tax profile into our forecasts, resulting in a 52% upgrade to FY26 EPS and upgrades of 133% and 143% to FY27 and FY28 EPS, respectively.

Valuation: Increased by 24.8% to 195p per share

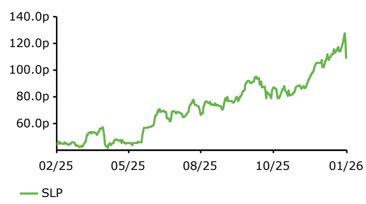
We have increased our valuation by 24.8% to 195p/share (Sylvania Dump Operations (SDO) up 31.6% to 158.9p, JV up 5.5% to 22.3p and exploration assets down 3.6% to 13.6p due to dollar weakness). Our SDO valuation is very sensitive to rhodium prices and our JV valuation to chrome prices. The development or disposal of exploration assets could add value in a strong PGM environment.

Price	**109.50p**
Market cap	**£285m**

US$1.32/£; ZAR17.37/US$

Net cash at end Q226	$54.0m
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	1.4	26.4	138.5
52-week high/low		128.0p	40.5p

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.

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Record production and rising PGM prices with JV ramp-up to follow

Sylvania's capital expenditure cycle over recent years continues to bear fruit in the form of increased efficiencies and production. During Q226, the company reached a new record quarterly production of 24,642oz 4E PGMs (vs 24,522oz in Q126) with total 6E PGMs of 31,380oz. While the company treated 4.3% more raw materials (8.6% more PGM plant feed), it experienced a 5.5% decline in feed grade and delivered slightly lower plant recovery. The company increased its FY26 production target from 83,000–86,000oz to 90,000–93,000oz and we have lifted our forecast from 92,000oz to 93,000oz. Sylvania moderated its chromite concentrate target for the Thaba joint venture (JV) from 100,000–130,000t to 60,000t– 90,000t due to a slower than anticipated ramp-up. We have reduced our FY26 production forecast from an already conservative level of 102,000t to 90,000t (top of the new guidance range) and maintain our FY27 forecast at 204,000t.

Exhibit 1: Comparison of Q226 results with Q126

	Q126	Q226	Q226e	Q226 vs Q126	Q226 vs Q226e	Q326e
Production						
Plant feed (t)	611,458	637,771	578,636	4.3%	10.2%	586,273
Feed head grade (g/t)	2.42	2.34	2.69	-3.3%	-13.0%	2.27
PGM plant feed (t)	339,838	369,071	321,596	8.6%	14.8%	339,269
PGM plant feed grade (g/t)	3.82	3.61	3.65	-5.5%	-1.1%	3.44
Total 4E PGMs (oz)	24,522	24,642	22,173	0.5%	11.1%	21,589
Total 6E PGMs (oz)	31,234	31,380	28,525	0.5%	10.0%	27,783
Basket price ($/oz)	1,953	2,374	2,244	21.6%	5.8%	3,488
Financials						
4E revenue (US$m)	35.0	43.6	36.4	24.6%	20.0%	56.2
By-product and chrome revenue (US$m)	5.5	5.9	5.1	8.7%	16.7%	6.8
Total revenue before sales adjustment (US$m)	40.5	49.6	41.5	22.5%	19.6%	63.0
Sales adjustment (US$m)	4.7	5.3	0.0	12.8%	0.0%	0.0
Total revenue (US$m)	45.1	54.8	41.5	21.5%	32.2%	63.0
Total operating costs (ZARm)	392.3	427.6	326.1	9.0%	31.1%	312.7
Total operating costs (US$m)	22.2	25.0	19.5	12.3%	28.4%	23.7
Other costs/income (US$m)	0.9	0.1	0.6	-94.0%	-91.7%	0.6
EBITDA (US$m)	22.0	29.8	21.4	35.5%	39.5%	38.6
Net profit (US$m)	17.0	21.9	16.7	28.8%	31.3%	28.3
Gross margin	50.7%	54.4%	53.1%	7.3%	2.6%	62.3%
Basic EPS (USc)	6.5	8.4		28.8%		
Capex (US$m)	8.4	7.3		-12.9%		
Cash balance (US$m)	62.7	54.0		-13.9%		
Average ZAR/US$ rate	17.64	17.12		-2.9%		
Spot ZAR/US$ rate	17.23	16.58		-3.8%		
Unit costs (US$)						
SDO cash cost/4E PGM oz	702	747		6.4%		
SDO cash cost/6E PGM oz	551	587		6.5%		
Group cash cost/4E PGM oz	863	935		8.3%		
Group cash cost/6E PGM oz	678	734		8.3%		
All-in-sustaining cost (4E)	1,119	1,289		15.2%		
All-in cost (4E)	1,493	1,610		7.8%		

Source: Edison Investment Research, Sylvania Platinum accounts

On top of the record production in Q226, Sylvania's PGM basket price increased by 21.6% to US$2,374/oz from US $1,953/oz in Q126, 5.8% ahead of our forecasts for the quarter. In addition, PGM prices rallied sharply in the latter part of December 2025 and have now far surpassed our previous PGM price forecast profile. The two most material PGMs for Sylvania's revenue are platinum (up over 50% since the start of December 2025) and rhodium (up almost 35%). We have reviewed and upgraded our PGM price forecasts (see below).

Total revenue for the quarter increased by 21.5% to US$54.8m (after a 49% rise in Q126), driven by 24.6% higher 4E PGM revenue and a large US$5.3m sales adjustment, which relates to the late rally in PGM prices. Total operating costs rose by 9% in rand terms, largely in line with PGM plant feed growth over the period and allowing for higher royalties tax (with the effective royalties tax rate bolstered by strong production and revenue). The growth in dollar terms was 12.3% to US$25m, affected by dollar weakness (on average the dollar was 2.9% weaker than the rand and the 31 December 2025 spot price was 3.8% weaker). SDO cash cost per 4E PGM ounce increased by 3.3% in rand terms and 6.4% in dollar terms. Since quarter-end, the dollar has lost another 4.7% to the rand, which has resulted in higher cost growth forecasts for FY26 and thereafter.

Capital expenditure moderated to US$7.3m over the quarter and is still forecast to peak at US$36m for FY26, after which the company expects it to reduce over the following years. The cash balance reduced by 13.9% to US$54.0m due to a US$6.8m final dividend payment, US$5.7m in tax and capital expenditure, including a further working capital loan of US$5.7m to the JV partner. Together with healthy forecast operating cash generation and the commencement of JV-related debt repayments, we expect the cash balance to start growing healthily from FY27, supporting a progressive dividend policy and increasing the potential for windfall dividends.

On the back of our higher forecast production for FY26, our upgrades to PGM prices and the strong delivery during Q226, we now forecast revenue growth of 145% for the year to US$255.6m (up from US$193.5m in our previous note). After allowing for higher operating costs and royalty taxes (in line with higher revenue), our FY26 EPS has been lifted by 51.7% to 35.2 US cents.

After a ramp-up to full capacity by the end of FY26, we forecast a full-year of production from the JV for FY27. This, together with our higher PGM price forecasts, drives a further 52% forecast increase in revenue during the year, resulting in EPS growth of 84% to 64.8 US cents (up 133% on our previous forecast). We thereafter forecast modest 6.5% growth in EPS for FY28 to 69.0 US cents (up 143% on our previous forecast).

We forecast a healthy increase in the dividend from 2.75p/share in FY25 to 9p/share in FY26 (increased from 7p/share) and 12p/share in FY27 (increased from 10p/share). We forecast a further increase to 13p/share in FY28. While we do not explicitly forecast windfall dividends, we expect these to resume (now in FY26 versus FY27 as mentioned in our previous research) in the current conducive PGM environment.

PGM upgrade on strong rally an improved outlook

Following the strong rally since late-December 2025, we have upgraded our PGM price forecasts, lifting our FY26 basket by 34% to US$3,045/oz (and by 77% to US$4,433/oz for FY27). The most meaningful upgrades are for platinum and palladium.

Exhibit 2: Edison updated PGM price forecasts (average June year-end prices)

US$/oz	FY23	FY24	FY25	FY26e Old	FY26e New	FY27e	FY28e	FY29e	FY30e Old	FY30e New	Long-term
Platinum	1,000	906	1,125	1,396	2,087	2,968	3,170	2,618	2,065	2,065	1,500
Palladium	1,711	1,073	1,005	1,183	1,713	2,339	2,497	1,999	1,501	1,501	1,200
Rhodium	11,778	4,285	5,412	9,000	10,639	16,259	18,761	15,100	11,438	11,438	7,000
Gold	1,868	2,310	3,093	2,449	4,595	2,239	2,098	2,023	1,794	2,274	1,794
Ruthenium	480	444	608	916	1,216	1,831	2,099	1,953	1,807	1,807	1,000
Iridium	4,406	4,863	4,401	4,500	5,700	7,080	7,274	5,999	4,723	4,723	4,500
Chromite (US$/t)			271	260	280	280	275	289	260	302	260

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

The publication by the USGS of the American Critical Minerals List and the recognition that China, South Africa and the Democratic Republic of the Congo control the top 15 minerals on the list has, in our view, led to rapid price rises as the US tries to build strategic stocks to meet its needs, especially its armaments and military requirements. All PGMs are included in the list, with rhodium being the most critical. South Africa has 90% of all PGM reserves in the world, and we believe Sylvania, as a South African-based company, stands to benefit significantly from both its geographic positioning and its critical metals production.

Valuation

We have increased our valuation of Sylvania by 25% to 195.0p/share, made up of a 159.2p/share valuation for the SDO (up 31.8%), a 22.3p/share valuation for the JV (up 5.5%) and a 13.6p/share valuation for the exploration assets. The valuation assets are carried at book value, with the 3.6% decline the result of a weaker dollar to sterling.

Exhibit 3: Valuation upgrade on PGM forecasts

	Current	Previous	Change
Combined valuation (p/share)	**195.0**	**156.0**	**25%**
SDO (p/share)	159.2	120.8	32%
Exploration (p/share)	13.6	14.1	-4%
Thaba JV (p/share)	22.3	21.1	6%
FY26 EPS (c/share)	35.2	23.2	52%
Implied P/E (x)	6.7	8.1	
FY27 EPS (c/share)	64.8	27.8	133%
Implied P/E (x)	3.6	6.8	
FY28 EPS (c/share)	69.2		
Implied P/E (x)	3.4		

Source: Edison Investment Research

The forward P/E multiple implied by our FY26 EPS estimate is a very attractive 6.7x, which falls further to 3.6x and 3.4x based on our EPS forecasts for FY27 and FY28, respectively.

Exhibit 4: Financial summary

Year ending 30 June (US$m), IRFS	2024	2025	2026e	2027e	2028e
PROFIT & LOSS					
Revenue	81.7	104.2	255.6	389.6	417.1
Cost of Sales	(69.0)	(79.2)	(115.6)	(129.1)	(137.8)
Royalties Tax	(1.4)	(0.7)	(12.9)	(21.7)	(23.6)
Gross Profit	11.3	24.3	127.1	238.8	255.8
EBITDA	12.3	29.3	132.5	246.5	263.5
Operating profit (before amort. and excepts	7.4	22.6	122.9	234.0	250.7
Intangible Amortisation	(4.9)	(6.7)	(9.7)	(12.5)	(12.7)
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other Expenses	(4.2)	(2.7)	(4.7)	(5.3)	(5.6)
Operating Profit	7.4	22.6	122.9	234.0	250.7
Net Interest	6.1	5.1	3.9	4.1	5.7
Profit Before Tax (norm)	13.5	27.7	126.8	238.1	256.4
Profit Before Tax (FRS 3)	13.5	27.7	126.8	238.1	256.4
Tax	(6.5)	(7.6)	(35.2)	(69.6)	(76.5)
Profit After Tax (norm)	7.0	20.2	91.6	168.5	180.0
Profit After Tax (FRS 3)	7.0	20.2	91.6	168.5	180.0
Average number of shares outstanding (m)	262.3	260.9	260.1	260.1	260.1
EPS - normalised (c)	2.7	7.7	35.2	64.8	69.2
EPS - normalised fully diluted (c)	2.7	7.7	35.2	64.8	69.2
EPS - (IFRS) (c)	2.7	7.7	35.2	64.8	69.2
Dividend per share (p)	2.0	2.8	9.0	12.0	13.0
Gross Margin (%)	14%	23%	50%	61%	61%
EBITDA Margin (%)	15%	28%	52%	63%	63%
Operating Margin (before GW and except.)	9%	22%	48%	60%	60%
BALANCE SHEET					
Fixed Assets	117.3	167.5	205.2	206.1	205.1
Intangible Assets	47.7	48.6	51.1	52.1	52.1
Tangible Assets	61.8	89.8	125.0	127.5	129.1
Investments	7.8	29.1	29.1	26.5	23.9
Current Assets	140.2	112.7	154.7	258.4	327.2
Stocks	5.7	6.9	10.2	15.6	16.7
Debtors	34.7	44.9	84.4	128.6	137.6
Cash	97.8	60.9	60.1	114.2	172.8
Other	2.0	0.0	0.0	0.0	0.0
Current Liabilities	14.1	15.1	21.5	32.1	34.2
Creditors	14.1	15.1	21.5	32.1	34.2
Short-term borrowings	0.0	0.0	0.0	0.0	0.0
Long-term Liabilities	18.0	21.2	20.3	20.7	21.2
Long-term borrowings	0.5	0.4	0.4	0.4	0.4
Other long-term liabilities	17.5	20.8	20.0	20.4	20.8
Net Assets	225.5	243.9	328.7	422.3	487.6
CASH FLOW					
Operating Cash Flow	15.0	18.0	95.7	207.6	255.5
Net Interest	6.0	5.4	4.2	4.4	6.0
Tax	(6.2)	(3.6)	(35.2)	(69.6)	(76.5)
Capex	(15.8)	(31.0)	(38.5)	(16.0)	(14.3)
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)	(27.0)	(74.9)	(114.7)
Net Cash Flow	(27.0)	(37.1)	(0.8)	54.1	58.6
Opening net (debt)/cash	124.2	97.8	60.9	60.1	114.2
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	60.1	114.2	172.8

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

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