

Sylvania Platinum

Q126 results

Record Q126 production and rising PGM prices

Sylvania's production in Q126 continued to accelerate, reaching a record high of 24,522oz for 4E platinum group metals (PGMs) and 31,234oz for 6E. Net profit continued to recover thanks to record production, a rising PGM basket price and healthy unit cost control. We lift our FY26 4E forecast to 92,000oz, ahead of company guidance, and as a result upgrade our FY26 EPS by 7.3% to 23.18 US cents. We also introduce small earnings upgrades for FY27 and FY28 and increase our valuation by 2% to 156p/share.

Year end	Revenue (\$m)	PBT (\$m)	EPS (¢)	DPS (p)	P/E (x)	Yield (%)
6/25	104.2	27.7	7.73	2.75	13.9	3.3
6/26e	193.5	83.4	23.18	7.00	4.6	8.5
6/27e	233.5	102.6	27.81	9.01	3.9	10.9
6/28e	245.3	105.7	28.45	10.00	3.8	12.1

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

Record production increases our outlook

Sylvania's 4E PGM output has increased for five quarters in a row to reach record levels in Q126. Thanks to production efficiencies, Sylvania achieved this ramp-up while at the same time treating lower volumes of raw material with higher feed grade and plant recoveries. Both Eastern and Western operations exceeded their production targets, and we consider the company's FY26 guidance of 83,000oz to 86,000oz as conservative in the light of this, and have increased our FY26 outlook to 92,000oz. We allow for 102,000t of chromite concentrate for FY26 (at the bottom-end of company guidance of 100,000t to 130,000t), increasing to 204,000t for FY27.

Production, basket price and cost control

On top of the record production in Q126, Sylvania's PGM basket price increased by 20.4% from US\$1,622/oz to US\$1,953/oz in Q126, driving a 49% increase in total revenue for the quarter. Total operating costs grew by 27.3% in rand terms and 32% in dollar terms (due to dollar weakness), but still represented increased efficiency and drove a gross margin improvement from 44.4% to 50.7%. The Sylvania Dump Operations (SDO) cash cost/4E PGM ounce was flat in rand terms and up only 3.8% in dollar terms.

Earnings upgrades, after higher costs and tax

Sylvania's strong revenue delivery in Q126 was accompanied by higher total operating costs, including higher royalties tax. We have incorporated the enhanced revenue and increased cost and tax profile into our forecasts, resulting in a 7.3% upgrade to our FY26 EPS to 23.18 US cents. Our FY27 forecast has been lifted by 1.1% to 27.81 US cents and FY28 by 2% to 28.45 US cents,

Valuation: Increased by 2% to 156p per share

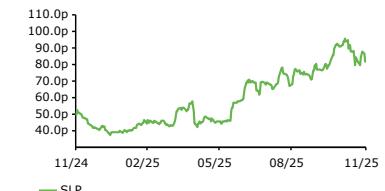
We have increased our valuation by 2% to 156p/share (SDO up 1.3% to 120.8p, JV up 5% to 21.1p and exploration assets up 2.9% to 14.1p due to dollar strength). Our SDO valuation is very sensitive to rhodium and our JV valuation, to chrome prices. The development or disposal of exploration assets could add value in a strong PGM environment.

Metals and mining

5 November 2025

Price	82.40p
Market cap	£214m
	US\$1.32/£; ZAR17.37/US\$
Net cash at end Q126	\$62.7m
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	(8.3)	22.3	80.6
52-week high/low	94.7p	37.5p	

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.

Next events

Q226 results January 2026

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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 Q126, the company reached record quarterly production of 24,522oz 4E PGMs (with total 6E PGMs up 15.9% to 31,324oz), while treating 9.3% less raw materials. The company achieved improved plant recoveries, together with an increase in PGM feed grade, allowing both its Eastern and Western operations to exceed their business plan ounce targets for the quarter. While the company has maintained its FY26 production target of 83,000oz to 86,000oz, we have lifted our forecast to 92,000oz, allowing for the Q126 beat and slightly higher forecasts for the remainder of the year (albeit not as strong as the Q126 record). The company's 100,000t to 130,000t chromite concentrate target for the Thaba joint venture (JV) reflects its confidence around ramping up production after initial rain-driven delays. This is supportive of our 102,000t forecast for FY26 and 204,000t for FY27.

Exhibit 1: Comparison of Q126 results with Q425

	Q425	Q126	Q126e	Q126 vs Q425	Q126 vs Q126e	Q226e
Production						
Plant feed (t)	673,909	611,458	680,278	-9.3%	-10.1%	578,636
Feed head grade (g/t)	2.18	2.79	2.13	27.7%	30.8%	2.69
PGM plant feed (t)	344,441	339,838	342,138	-1.3%	-0.7%	321,596
PGM plant feed grade (g/t)	3.71	3.82	3.50	3.0%	9.2%	3.65
Total 4E PGMs (oz)	21,114	24,522	20,785	16.1%	18.0%	22,173
Total 6E PGMs (oz)	26,954	31,234	26,568	15.9%	17.6%	28,525
Basket price (\$/oz)	1,622	1,953	2,224	20.4%	-12.2%	2,244
Financials						
4E revenue (US\$m)	24.0	35.0	33.5	45.9%	4.4%	36.4
By-product revenue (US\$m)	3.7	5.5	4.6	49.3%	18.2%	5.1
Total revenue before sales adjustment (US\$m)	27.7	40.5	38.2	46.3%	6.1%	41.5
Sales adjustment (US\$m)	2.6	4.7	0.0	77.8%	0.0%	0.0
Total revenue (US\$m)	30.3	45.1	38.2	49.0%	18.3%	41.5
Total operating costs (ZARm)	308.2	392.3	287.0	27.3%	36.7%	274.7
Total operating costs (US\$m)	16.9	22.2	19.1	32.0%	16.5%	18.8
Other costs (US\$m)	0.8	0.6	0.7	-21.9%	-6.7%	0.6
EBITDA (US\$m)	12.9	22.0	18.4	71.0%	19.5%	22.1
Net profit (US\$m)	9.8	17.0	17.6	74.2%	-3.6%	17.2
Gross margin	44.4%	50.7%	50.0%	14.4%	1.5%	54.7%
Basic EPS (USc)	3.7	6.5		74.7%		
Capex (US\$m)	8.6	8.4		-1.4%		
Cash balance (US\$m)	60.9	62.7		2.9%		
Average ZAR/US\$ rate	18.29	17.64		-3.6%		
Spot ZAR/US\$ rate	17.64	17.23		-2.3%		
Unit costs (US\$)						
SDO cash cost/4E PGM oz	676	702		3.8%		
SDO cash cost/6E PGM oz	529	551		4.1%		
Group cash cost/4E PGM oz	840	863		2.7%		
Group cash cost/6E PGM oz	658	678		3.0%		
All-in-sustaining cost (4E)	858	1,119		30.4%		
All-in cost (4E)	1,245	1,493		19.9%		

Source: Edison Investment Research, Sylvania Platinum accounts

On top of the record production in Q126, Sylvania's PGM basket price increased by 20.4% from US\$1,622/oz to US \$1,953/oz in Q126, driving a 49% increase in total revenue for the quarter. Both platinum and rhodium prices, which are the main drivers of the basket price, rose by almost 40% in the quarter and have appreciated even further subsequently. We increased our PGM price forecasts in our [6 August 2025 note](#) and these forecasts are well-supported by recently observed prices.

Total operating costs grew by 27.3% in rand terms and 32% in dollar terms (due to dollar weakness), but still represented increased efficiency and drove a gross margin improvement from 44.4% to 50.7%. SDO's cash cost per 4E PGM ounce was flat in rand terms and up only 3.8% in dollar terms.

Capital expenditure remained flat over the quarter and is forecast to peak at US\$36m for FY26, after which the company expects it to moderate over the following years. 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. The cash balance increased in the quarter to US\$62.7m, with operating cash flow exceeding capital investments and taxes (including a ramp-up in royalties tax on the back of higher revenues), with no offsetting dividend flows.

On the back of our higher forecast production for FY26 and the strong delivery during Q126, we forecast revenue growth of 85.6% for the year to US\$193.5m (up from US\$184.8m in our [12 September 2025](#) note). After allowing for higher operating costs and royalty taxes (in line with higher revenue), our EPS has been lifted by 7.3% to 23.2 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, driving a further 20.7% increase in revenue during the year, resulting in EPS growth of 20% to 27.8 US cents (up 1.1% on our previous forecast). We thereafter forecast modest 2.3% growth in EPS for FY28 to 28.5 US cents (up 2.0% on our previous forecast).

We forecast a healthy increase in the dividend from 2.75p/share in FY25 to 7.00p/share in FY26 and 9.01p/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 increased our valuation for Sylvania by 2% to 156.0p/share, made up of a 120.8p/share valuation for the SDO (up 1%), a 21.1p/share valuation for the JV (up 5%) and a 14.1p/share valuation for the exploration assets. The valuation assets are carried at book value, with the 3% increase the result of a stronger dollar to sterling.

Exhibit 2: Valuation upgrade on PGM forecasts

	Current	Previous	Change
Combined valuation (p/share)	156.0	153.0	2%
SDO (p/share)	120.8	119.2	1%
Exploration (p/share)	14.1	13.7	3%
Thaba JV (p/share)	21.1	20.1	5%
FY26 EPS (c/share)	23.2	21.6	7%
Implied P/E (x)	8.1	8.6	
FY27 EPS (c/share)	27.8	27.5	1%
Implied P/E (x)	6.8	6.7	
FY28 EPS (c/share)	28.4		
Implied P/E (x)	6.6		

Source: Edison Investment Research

The forward P/E multiple implied by our FY26 EPS forecast is 8.1x, which falls further to 6.8x and 6.6x based on our EPS forecasts for FY27 and FY28, respectively.

Exhibit 3: Financial summary

Year ending 30 June (US\$m), IFRS	2024	2025	2026e	2027e	2028e
PROFIT & LOSS					
Revenue	81.7	104.2	193.5	233.5	245.3
Cost of Sales	(69.0)	(79.2)	(100.8)	(116.9)	(124.8)
Royalties Tax	(1.4)	(0.7)	(9.5)	(13.5)	(14.3)
Gross Profit	11.3	24.3	83.2	103.1	106.2
EBITDA	12.3	29.3	89.0	110.7	113.9
Operating profit (before amort. and excepts)	7.4	22.6	79.3	99.0	101.9
Intangible Amortisation	(4.9)	(6.7)	(9.7)	(11.7)	(12.0)
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other Expenses	(4.2)	(2.7)	(4.3)	(4.5)	(4.8)
Operating Profit	7.4	22.6	79.3	99.0	101.9
Net Interest	6.1	5.1	4.1	3.6	3.8
Profit Before Tax (norm)	13.5	27.7	83.4	102.6	105.7
Profit Before Tax (FRS 3)	13.5	27.7	83.4	102.6	105.7
Tax	(6.5)	(7.6)	(23.1)	(30.3)	(31.8)
Profit After Tax (norm)	7.0	20.2	60.3	72.3	74.0
Profit After Tax (FRS 3)	7.0	20.2	60.3	72.3	74.0
Average number of shares outstanding (m)	262.3	260.9	260.1	260.1	260.1
EPS - normalised (c)	2.7	7.7	23.2	27.8	28.4
EPS - normalised fully diluted (c)	2.7	7.7	23.2	27.8	28.4
EPS - (IFRS) (c)	2.7	7.7	23.2	27.8	28.4
Dividend per share (p)	2.0	2.8	7.0	9.0	10.0
Gross Margin (%)	14%	23%	43%	44%	43%
EBITDA Margin (%)	15%	28%	46%	47%	46%
Operating Margin (before GW and except.)	9%	22%	41%	42%	42%
BALANCE SHEET					
Fixed Assets	117.3	167.5	197.0	198.7	195.0
Intangible Assets	47.7	48.6	51.1	52.1	52.1
Tangible Assets	61.8	89.8	116.8	120.1	119.0
Investments	7.8	29.1	29.1	26.5	23.9
Current Assets	140.2	112.7	118.5	148.5	171.8
Stocks	5.7	6.9	7.7	9.3	9.8
Debtors	34.7	44.9	63.9	77.0	80.9
Cash	97.8	60.9	46.9	62.2	81.1
Other	2.0	0.0	0.0	0.0	0.0
Current Liabilities	14.1	15.1	16.6	19.6	20.4
Creditors	14.1	15.1	16.6	19.6	20.4
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	277.3	305.6	323.9
CASH FLOW					
Operating Cash Flow	15.0	18.0	70.2	99.1	110.5
Net Interest	6.0	5.4	4.3	3.9	4.1
Tax	(6.2)	(3.6)	(23.1)	(30.3)	(31.8)
Capex	(15.8)	(31.0)	(38.5)	(16.0)	(10.9)
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)	(44.0)	(55.6)
Net Cash Flow	(27.0)	(37.1)	(14.0)	15.3	18.9
Opening net (debt)/cash	124.2	97.8	60.9	46.9	62.2
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	46.9	62.2	81.1

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

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