

Sylvania Platinum

Production guidance lifted again

Q325 results

Metals and mining

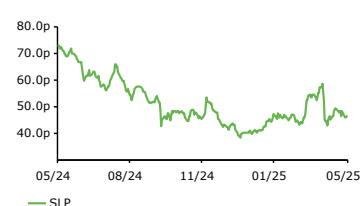
5 May 2025

Price 46.90p
Market cap £122m

\$1.37/£; ZAR18.61/US\$

Net cash at end Q325	\$71.2m
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	(18.7)	2.5	(29.9)
52-week high/low		70.3p	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

Q325 results	April 2025
--------------	------------

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](#)

Sylvania Platinum has increased its full-year 4E platinum group metals (PGM) guidance again, to 78,000–80,000oz. Positive developments at Millsell (a new column flotation cell), Lesedi (initiatives to improve feed source and profitability) and Lannex (optimisation efforts) are likely behind management's increased confidence. Q325 results were healthy (largely in line, but for higher depreciation and royalties tax and lower finance income) and support our forecasts, which remain unchanged. The earnings outlook for FY26 remains strong. Due to the depreciation of the dollar to sterling, we have reduced our valuation by 7.5% from 99.6p/share to 92.1p/share, which is almost twice the current share price.

Year end	Revenue (\$m)	PBT (\$m)	EPS (¢)	DPS (p)	P/E (x)	Yield (%)
6/24	81.7	13.5	2.66	2.00	23.4	4.3
6/25e	101.0	18.3	5.10	2.25	12.2	4.8
6/26e	135.5	34.8	9.47	3.50	6.6	7.5
6/27e	144.4	39.2	10.44	4.50	6.0	9.6

Note: PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and share-based payments. 1p/share declared special dividend included for FY24, but exclusive of windfall dividends thereafter.

Production improvements and growing confidence

Q325 plant feed was affected by heavy rainfall, affecting tailings storage access and transport, but total 4E PGMs increased 1% to 20,490oz, with stable PGM feed grade and slightly higher PGM plant recovery, and 6E PGM production was flat on Q225 (26,358oz). Sylvania increased FY25 production guidance to 78,000–80,000oz after increasing it to 75,000–78,000 at H125. Increasing management confidence is supported by projects starting to bear fruit, including a new column flotation cell at Millsell (recovery, payability and grade upside), improvements to Lesedi's current arisings feed source and a centralised PGM filtration plant (from Q226), as well the optimisation of the milling and fines classification at Lannex (chrome beneficiation and PGM recovery). Our full-year production forecast was already ahead of the previous guidance, and we have left it largely unchanged.

Q325 results support our unchanged forecasts

Total revenue was up 2.4% on Q225 (\$26.3m), offset by 3.4% cost growth (\$19m), resulting in slightly lower EBITDA of \$6.5m (vs \$6.7m). Net profit was down 14% (\$5.4m), due to higher depreciation (recent capital expenditure), higher royalty taxes and lower interest rates. The cash balance reduced from \$77.5m to \$71.2m (planned capital expenditure of \$6.1m). The current rand level (ZAR18.61/\$) is similar to that in our recent [March 2025 report](#), with no impact on our forecasts. We maintain our production, PGM price assumptions and EPS forecasts.

Valuation lower on dollar depreciation

Our US dollar valuation for Sylvania is largely unchanged. However, the depreciation of the dollar from \$1.26/£ to \$1.37/£ since our last report results in a 7.5% lower sterling valuation of 92.1p/share. The investment case for Sylvania remains healthy with a strong FY26 EPS lift as its Thaba joint venture comes into production and diversifies its revenue into chromite. Our valuation has meaningful gearing to a PGM recovery, especially in rhodium prices.

Sylvania Platinum is a research client of Edison Investment Research Limited

Exhibit 1: Financial summary

Year ending 30 June (US\$m), IRFS	2023	2024	2025e	2026e	2027e
PROFIT & LOSS					
Revenue	130.2	81.7	101.0	135.5	144.4
Cost of Sales	(63.2)	(69.0)	(84.1)	(97.9)	(99.2)
Royalties Tax	(4.9)	(1.4)	(1.6)	(4.1)	(6.7)
Gross Profit	62.1	11.3	15.2	33.6	38.4
EBITDA	65.9	12.3	18.5	38.9	44.9
Operating profit (before amort. and excepts)	61.8	7.4	12.3	29.8	34.5
Intangible Amortisation	(4.1)	(4.9)	(6.2)	(9.1)	(10.5)
Exceptionals	0.0	0.0	0.0	0.0	0.0
Other Expenses	(4.0)	(4.2)	(3.7)	(4.1)	(4.3)
Operating Profit	61.8	7.4	12.3	29.8	34.5
Net Interest	5.2	6.1	5.8	5.0	4.7
Profit Before Tax (norm)	67.0	13.5	18.1	34.8	39.2
Profit Before Tax (FRS 3)	67.0	13.5	18.1	34.8	39.2
Tax	(21.6)	(6.5)	(4.9)	(10.0)	(11.9)
Profit After Tax (norm)	45.4	7.0	13.2	24.8	27.3
Profit After Tax (FRS 3)	45.4	7.0	13.2	24.8	27.3
Average number of shares outstanding (m)	266.6	262.3	261.6	261.6	261.6
EPS - normalised (c)	17.0	2.7	5.0	9.5	10.4
EPS - normalised fully diluted (c)	16.9	2.7	5.0	9.5	10.4
EPS - (IFRS) (c)	16.9	2.7	5.0	9.5	10.4
Dividend per share (p)	8.0	2.0	2.2	3.5	4.5
Gross Margin (%)	48%	14%	15%	25%	27%
EBITDA Margin (%)	51%	15%	18%	29%	31%
Operating Margin (before GW and except.)	47%	9%	12%	22%	24%
BALANCE SHEET					
Fixed Assets	101.5	117.3	158.0	171.1	166.1
Intangible Assets	46.5	47.7	48.6	48.6	48.6
Tangible Assets	48.7	61.8	91.4	104.6	102.1
Investments	6.4	7.8	18.0	18.0	15.4
Current Assets	168.2	140.2	99.4	99.0	108.8
Stocks	5.1	5.7	4.0	2.6	2.7
Debtors	35.7	34.7	38.4	44.7	47.7
Cash	124.2	97.8	55.0	49.7	56.4
Other	3.3	2.0	2.0	2.0	2.0
Current Liabilities	13.9	14.1	12.6	14.0	14.9
Creditors	13.9	14.1	12.6	14.0	14.9
Short-term borrowings	0.0	0.0	0.0	0.0	0.0
Long-term Liabilities	16.5	18.0	18.8	19.1	19.5
Long-term borrowings	0.4	0.5	0.5	0.5	0.5
Other long-term liabilities	16.2	17.5	18.3	18.7	19.0
Net Assets	239.4	225.5	228.4	239.4	243.0
CASH FLOW					
Operating Cash Flow	77.7	15.0	14.9	35.5	42.7
Net Interest	5.1	6.0	6.1	5.3	5.0
Tax	(19.8)	(6.2)	(3.7)	(10.0)	(11.9)
Capex	(14.5)	(15.8)	(43.4)	(22.3)	(8.0)
Other investing activities	0.0	0.1	(10.2)	0.0	2.6
Financing	(10.6)	(5.2)	0.0	0.0	0.0
Dividends	(35.5)	(23.4)	(6.6)	(13.8)	(23.7)
Net Cash Flow	6.6	(27.0)	(42.8)	(5.3)	6.7
Opening net (debt)/cash	121.3	124.2	97.8	55.0	49.7
HP finance leases initiated	0.0	0.0	0.0	0.0	0.0
Other	(3.7)	0.7	0.0	0.0	0.0
Closing net (debt)/cash	124.2	97.8	55.0	49.7	56.4

Source: Sylvania Platinum accounts, Edison Investment Research
From FY25, DPS forecasts are exclusive of windfall dividends, which are considered for valuation purposes.

General disclaimer and copyright

This report has been commissioned by Sylvania Platinum and prepared and issued by Edison, in consideration of a fee payable by Sylvania Platinum. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2025 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.
