

Exit Sylvania Platinum: Iran war could lead to higher costs¹

Company:	Sylvania Platinum (SLP)	Market Cap:	\$340m (99p)
Industry:	PGM producer	Net cash:	\$72m
Country:	South Africa	Revenue:	\$247m*
Exit Date:	3 rd March 2026	EBITDA:	\$108m (56% margin)*
Dividend:	2.75p (\$10m) (2.5%)	Free cash flow:	\$74m*
Entry:	\$412m (116.56p)	Exit:	\$405m or 114.5p (-2%)

*Based on PGM and Chromite concentrate prices as of 26th Jan 2026, \$35m capex, 109k oz 6E PGM, 115k Mt chromite production

Why exit Sylvania Platinum?

- Iran war and higher fuel costs could increase the cost base
- In my opinion, the silver rally is over. Silver has an 80% correlation to Platinum in daily price moves over multiple decade horizon
- Insider selling² (insider are also selling in Tharisa Plc³, a competitor)

This could be the end of the metals rally

I always view the metal space as a speculative investment, as prices are controlled by Chinese imports due to their monopoly on most of the refining⁴ (hence opaque), and often only the interest of the investment community is sparking big price moves. This was no different with PGMs in 2025, as despite large supply deficits in all PGMs⁵, only once the investment community started believing in it, the prices

¹ all assumptions and observations are based on internal modelling and data analysis

² <https://www.sylvaniaplatinum.com/all-categories?task=download.send&id=1081:director-dealings&catid=129>

³ <https://www.tharisa.com/download/sens-rns-announcement-directors-dealings-in-shares-5mar26.pdf>

⁴ <https://warontherocks.com/2025/07/chinas-mineral-monopoly-demands-renewing-the-development-finance-corporation/>

⁵ <https://matthey.com/media/2025/johnson-matthey-publishes-2025-pgm-market-report>

in these PGMs started to move⁶. However, when it became clear that the US is striking Iran amidst the military build-up⁷, I viewed the risks of a market downturn as too high to ignore and chose to close the position to re-deploy the capital elsewhere. As insiders also began selling shares in both Sylvania Platinum and competitor Tharisa Plc⁸, I believe that caution continues to be warranted, despite the very low valuation at current prices (3.5 PE at current market cap, production and PGM prices⁹). Platinum prices also have an 80% correlation to silver prices based on multiple decades of daily data¹⁰. Silver is even more speculative than PGMs based on the volatile price moves in recent history¹¹, as rapid declines have generally led to further declines in silver prices in the past¹². And this could mean that the metals rally is over, in my opinion. The news that Pandora, the world's largest jewelry brand¹³, is moving away from silver and into platinum¹⁴ should in theory break this price correlation between platinum and silver. However, given the Iran war, I believe capital is still best deployed in the energy space, not the least due to the historically attractive gold-oil ratio, which has started to move down recently¹⁵.



⁶ <https://www.mining.com/web/platinum-set-for-biggest-monthly-gain-in-39-years-on-eu-auto-policy-boost/>

⁷ <https://www.csis.org/analysis/us-military-middle-east-numbers-behind-trumps-threats-against-iran>

⁸ <https://www.sylvaniaplatinum.com/all-categories?task=download.send&id=1081:director-dealings&catid=129>,
<https://www.tharisa.com/download/sens-rns-announcement-directors-dealings-in-shares-5mar26.pdf>

⁹ Own models used

¹⁰ Used investing.com historical prices for silver <https://www.investing.com/commodities/silver-historical-data> and <https://matthey.com/products-and-markets/pgms-and-circularity/pgm-management> prices for platinum

¹¹ <https://www.investing.com/commodities/silver-historical-data>

¹² <https://www.aozorastep.com/The%20Precious%20Metals%20Selloff.pdf>

¹³ <https://sdgs.un.org/partnerships/worlds-largest-jewellery-brand-shifting-100-recycled-silver-and-gold>

¹⁴ <https://www.bbc.com/news/articles/cly3ygi7189o>

¹⁵ <https://www.macrotrends.net/1380/gold-to-oil-ratio-historical-chart>

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