AozoraStep

For professional clients

27th January 2026

Sylvania Platinum: Production growth & higher PGM prices[1]

Company:	Sylvania Platinum (SLP)	**Market Cap:**	$428m (121p)
Industry:	PGM producer	**Net cash:**	$72m
Country:	South Africa	**Revenue:**	$247m*
Entry Date:	23rd January 2026	**EBITDA:**	$108m (56% margin)*
Dividend:	2.75p ($10m) (2.5%)	**Free cash flow:**	$74m*
Entry:	$412m (116.56p)	**Target:**	$600m or 170p (+40%)

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

Why Sylvania Platinum?

- 4E PGM basket price has risen +140% year-on-year (as of 26th January)
- Company is increasing PGM production by 9% and is adding 210k Mt of chromite concentrate to production in 2025, and lifted 4E PGM production by another 8% on 27th January 2026
- Strong >$50m net cash position, likely to move higher, offering special dividends
- Sits right around the bottom of the PGM production cost curve
- PGM producers have reduced their inventories, and the market remains in deficit
- China 7 emissions regulations expected to be announced soon, driving more rhodium demand
- Record gold price drives substitution into platinum for jewelry
- Iridium and Ruthenium demand climbs amidst data centers and new technologies

Risks

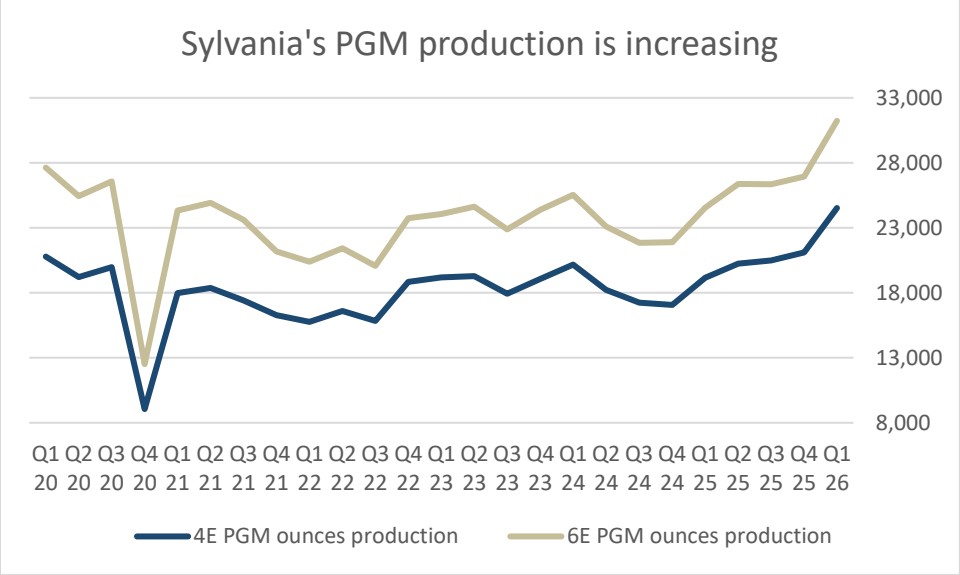
- ICE to BEV shift. BEVs do not require PGMs (at least 4E PGMs)
- Vehicle production might decline due to tariffs/trade war/China rare earths ban
- Company valuation has already rerated higher by 155%, although from depressed levels

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

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com

About Sylvania Platinum[2]

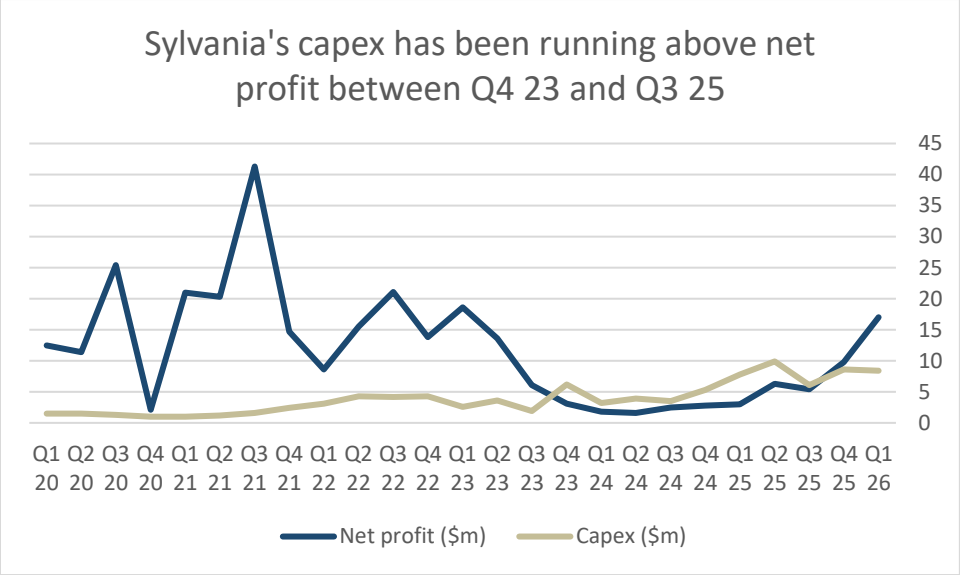
Sylvania Platinum is a South African Platinum Group Metal (PGM) producer, operating 6 PGM processing plants in the Bushveld Igneous Complex (BIC), which operate under revenue sharing agreements with PGM producers, providing Sylvania with 70% of 4E PGM production (Platinum, Palladium, Rhodium, [Gold]) and 56% of 6E PGM production (Iridium, Ruthenium). Most recently, the company initiated a joint venture with Thaba, which enables the production of 210k Mt of chrome and another 6.8k oz of PGM, lifting their 2026 PGM production to 85,800 oz 4E PGM (65% is platinum, 23% palladium and 12% rhodium, nearly 0% is gold), and 110,700 oz 6E PGM (the remainder of 25k oz is split into 78% of ruthenium and 22% iridium). Sylvania also owns two explorations assets, Volspruit and Far Northern Limb, of which the former is currently valued at $69m NPV with a 14-year life. The firm has reserves of over 3m ounces of PGM, giving their assets a lifespan of over 36 years at current production. In FY 2025 and FY 2026 (ending 30 June 2026), Sylvania spends $35m capex due to the Thaba JV and to make improvements to its tailings dams and infrastructure, after which capex will drop to $15m in FY 2027 with $5m maintenance capex.



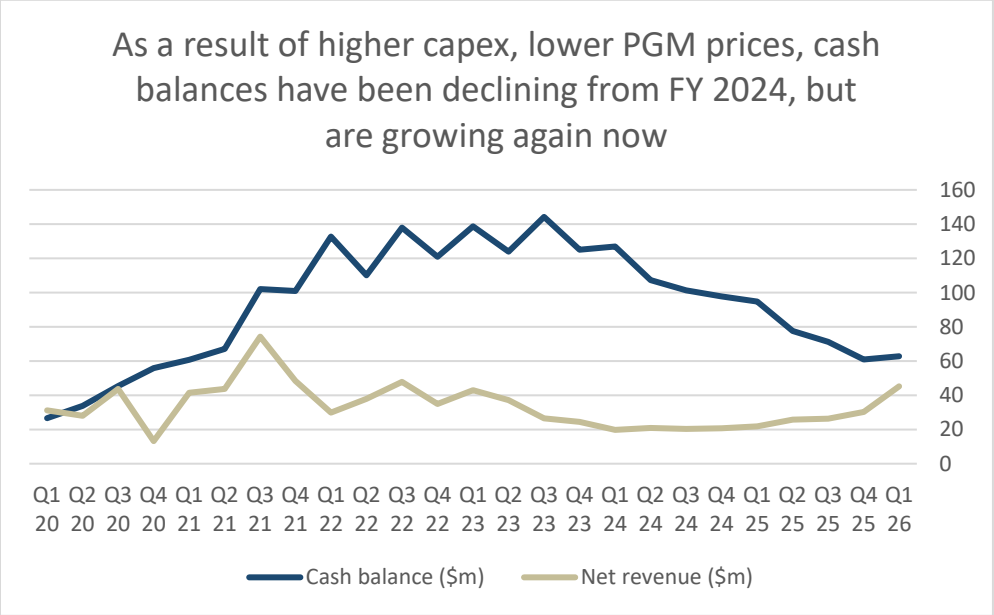
Source: Sylvania Platinum quarterly results, https://www.sylvaniaplatinum.com/investors-and-media/financial-reports

[2] All information from this section is taken from the May 2025 presentation p. 8/9 (https://www.sylvaniaplatinum.com/all-categories?task=download.send&id=999:updated-corporate-investor-presentation-2&catid=126), the interim results webcast (https://www.youtube.com/watch?v=w2JcQrbjEfc), as well as from a meeting with management

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com



Source: Sylvania Platinum quarterly results, https://www.sylvaniaplatinum.com/investors-and-media/financial-reports



Source: Sylvania Platinum quarterly results

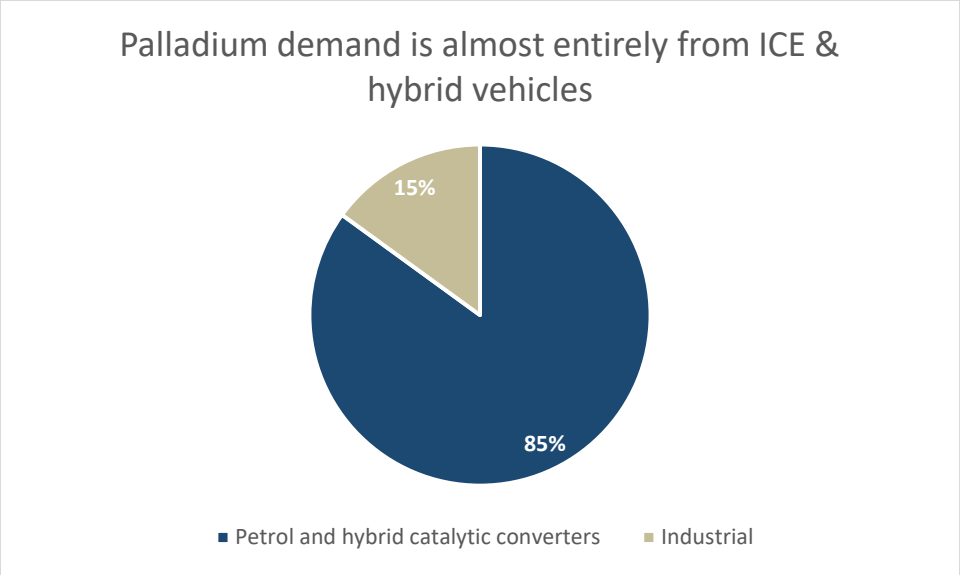
21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com

The PGM supply/demand balance

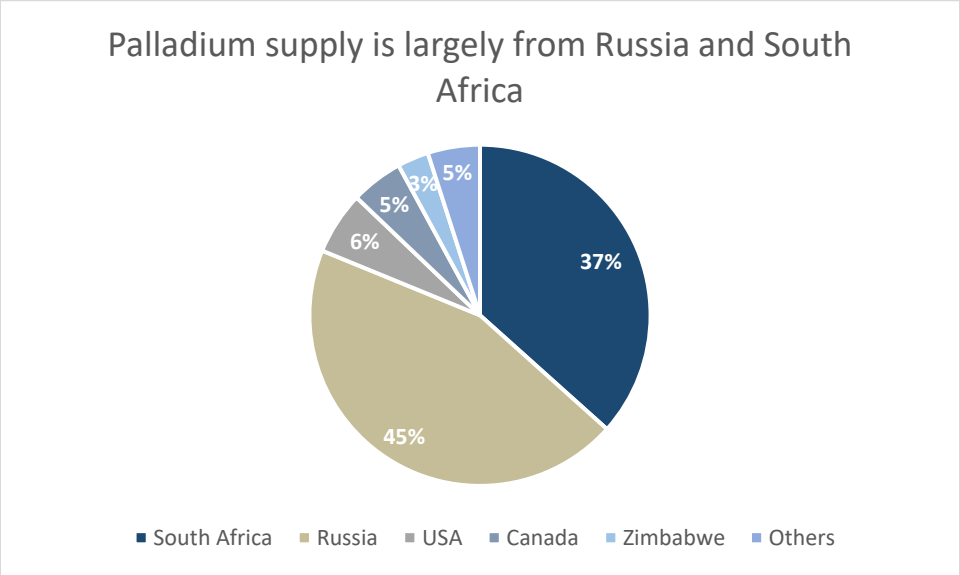
PGMs (4E) are mostly used for catalytic converters in vehicles to reduce emissions and pollutants as per charts below. For example, over 80% of palladium and rhodium are used for petrol and hybrid catalytic converters. Platinum, on the other hand, is mostly used for diesel catalytic converters (39%), with 26% of all platinum demand coming from jewelry[3]. The remaining use cases are mostly industrial and glass. Whilst Palladium is largely produced in Russia (45% of total production) and South Africa (37%), platinum and rhodium are almost entirely produced in South Africa only (72% of global platinum, 90% of rhodium)[4]. Therefore, supply is very concentrated in just one or two countries and a handful of producers, whilst demand is almost entirely driven by automotive production and vehicle emission standards. Matthey Johnson noted in its annual PGM supply/demand report that platinum, palladium and rhodium faced supply deficits since 2022/23 and only palladium is expected to move into a small supply surplus in 2026[5]. A similar supply/demand balance is playing out in ruthenium and iridium (6E PGMs), where supply deficits exist since 2023 and only a small supply surplus is to be expected in iridium for 2025[6]. Ruthenium is used to a large degree for chemicals & fuels (42%), but also in resistor components that are present in nearly every chip device – with high data centre demand behind it[7]. Whereas iridium sees nearly half (46%) of its demand coming from the electrochemical industry, with OLED displays and circuit board/lithium-ion batteries for BEVs being the main growth engine[8]. The supply of iridium and ruthenium is similarly to rhodium coming mostly from South Africa (87% & 91% respectively as of 2022[9]).

[3] https://www.galileomining.com.au/what-are-high-demand-metals/
[4] https://www.orobel.biz/en/information/actuality/palladium-how-much-do-we-still-have, https://suissegold.com/en/posts/the-platinum-market-in-2023, https://www.rawmaterialoutlook.org/rhodium
[5] https://matthey.com/documents/161599/509428/PGM_Market_Report_25.pdf/5f4e4078-8e9a-3c96-d334-9d14da9de094?t=1747663939434 p. 15/17
[6] https://matthey.com/documents/161599/509428/PGM_Market_Report_25.pdf/5f4e4078-8e9a-3c96-d334-9d14da9de094?t=1747663939434 p. 19
[7] https://matthey.com/products-and-markets/pgms-and-circularity/pgm-markets/ruthenium
[8] https://matthey.com/products-and-markets/pgms-and-circularity/pgm-markets/ruthenium
[9] https://w3ask.com/iridium-producing-countries/, https://w3ask.com/ruthenium-producing-countries/

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com

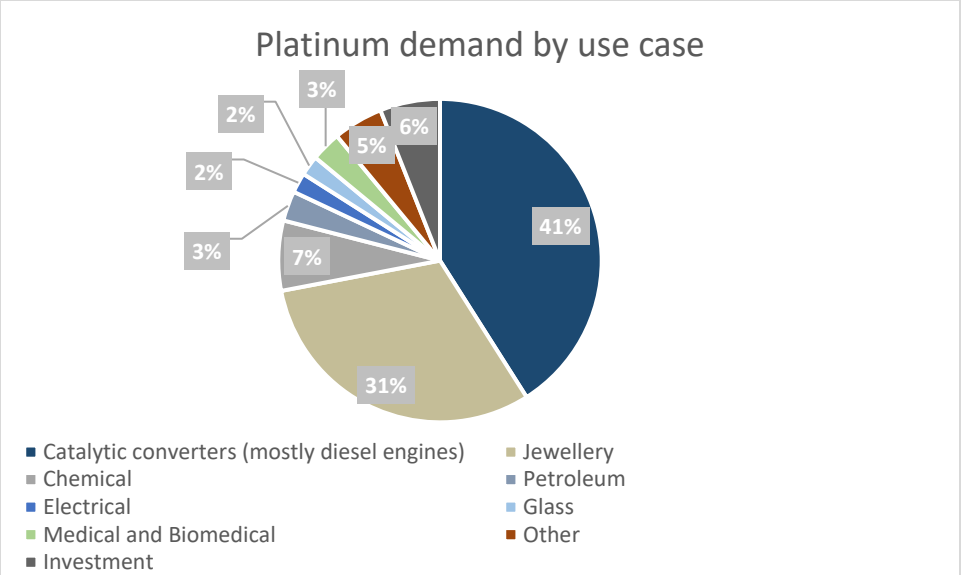


Source: https://www.galileomining.com.au/what-are-high-demand-metals/

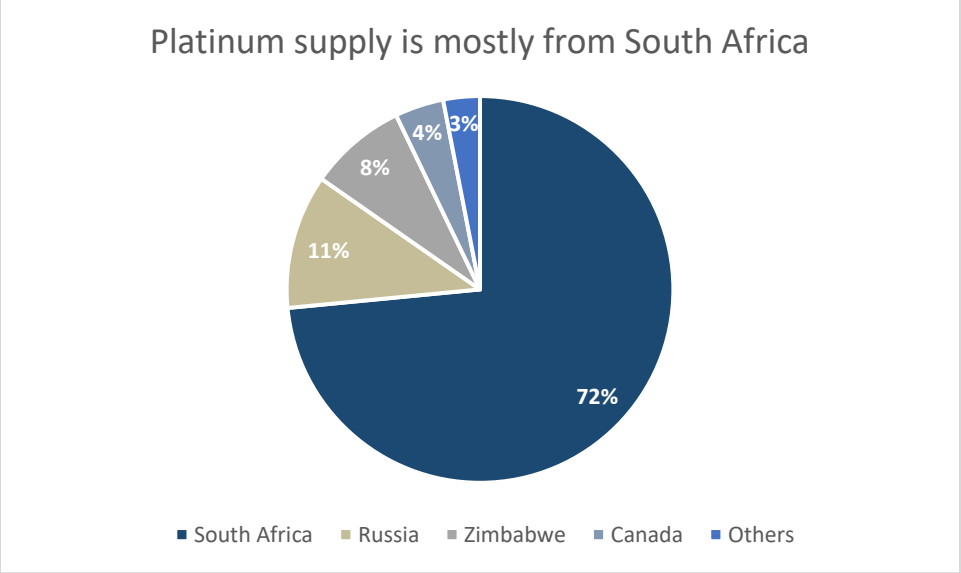


Source: https://www.orobel.biz/en/information/actuality/palladium-how-much-do-we-still-have

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com

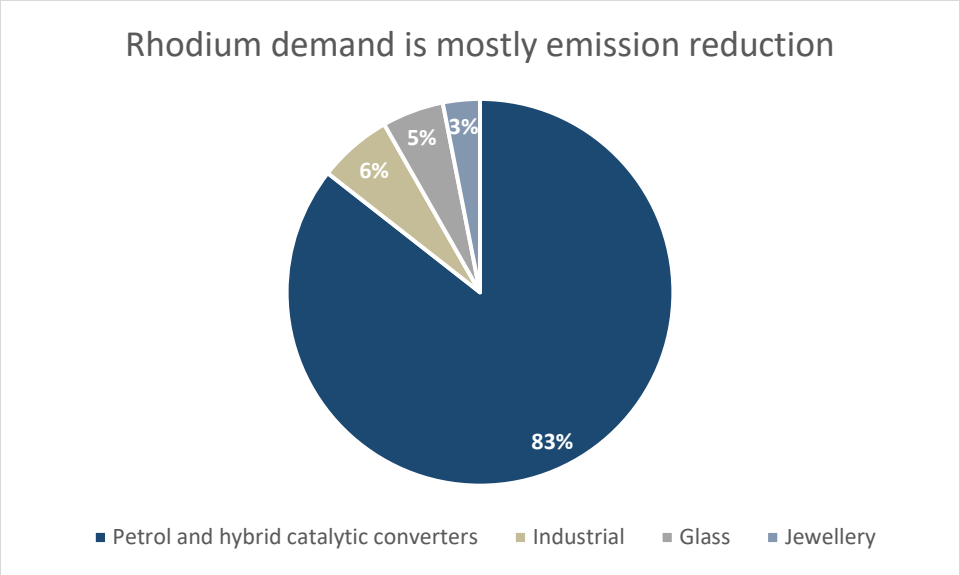


Source: https://suissegold.com/en/posts/the-platinum-market-in-2023

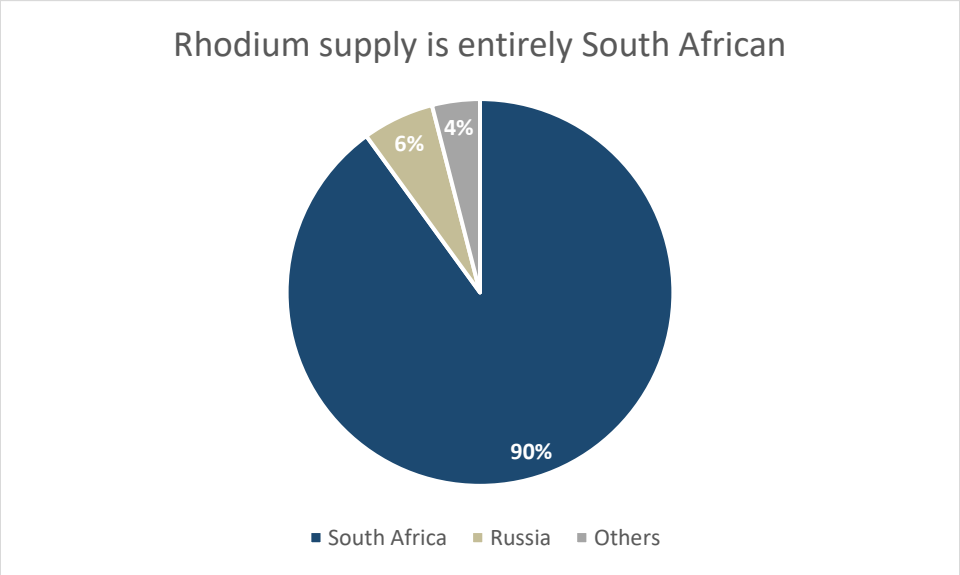


Source: https://suissegold.com/en/posts/the-platinum-market-in-2023

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com

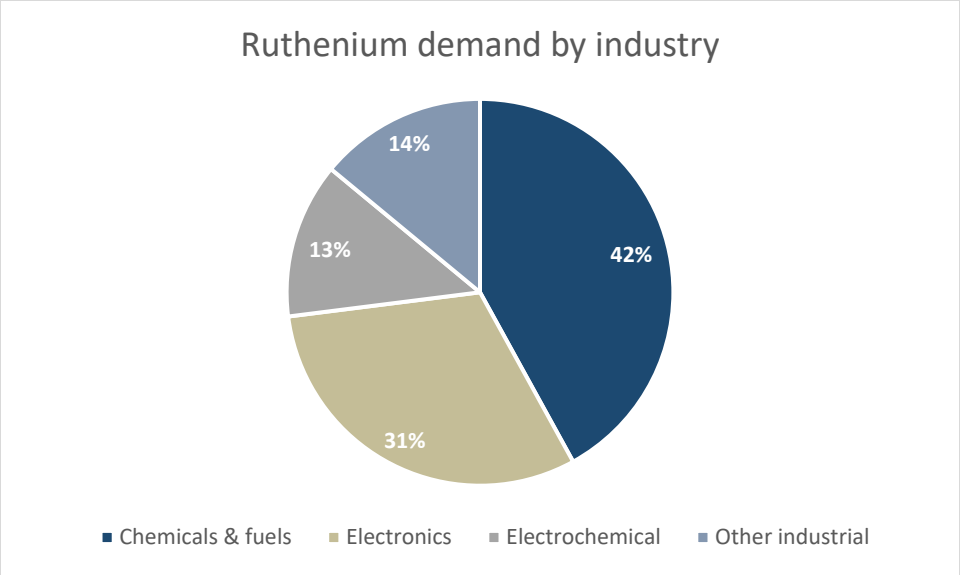


Source: https://www.galileomining.com.au/what-are-high-demand-metals/

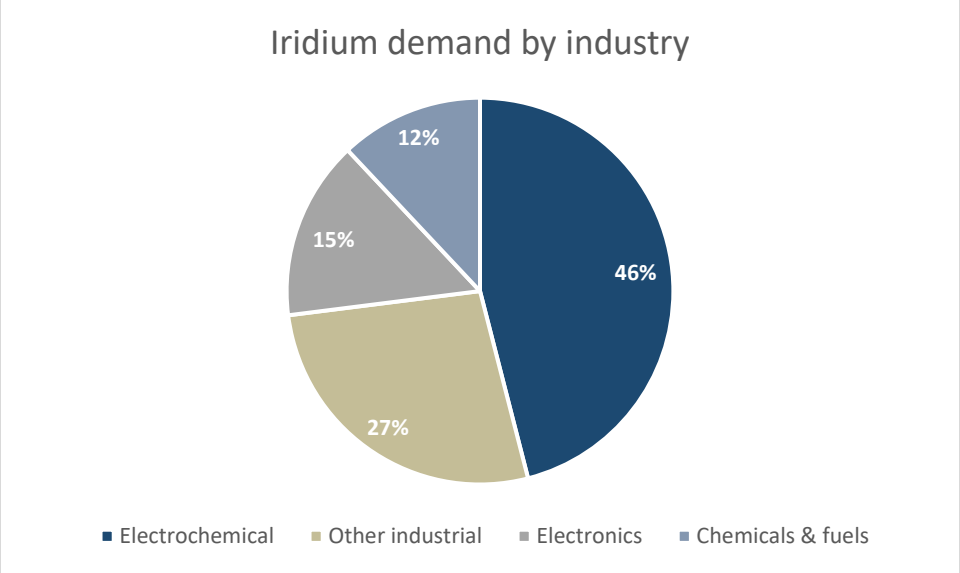


Source: https://www.rawmaterialoutlook.org/rhodium

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com



Source: https://matthey.com/products-and-markets/pgms-and-circularity/pgm-markets/ruthenium



Source: https://matthey.com/products-and-markets/pgms-and-circularity/pgm-markets/iridium

How emissions regulations are driving PGM prices

Battery Electric Vehicles (BEVs) are a threat to PGM producers, because they do not require any 4E PGMs. Between 2022 and 2024, electric vehicles (including PHEVs) grew from 10.2m to 17.5m annual

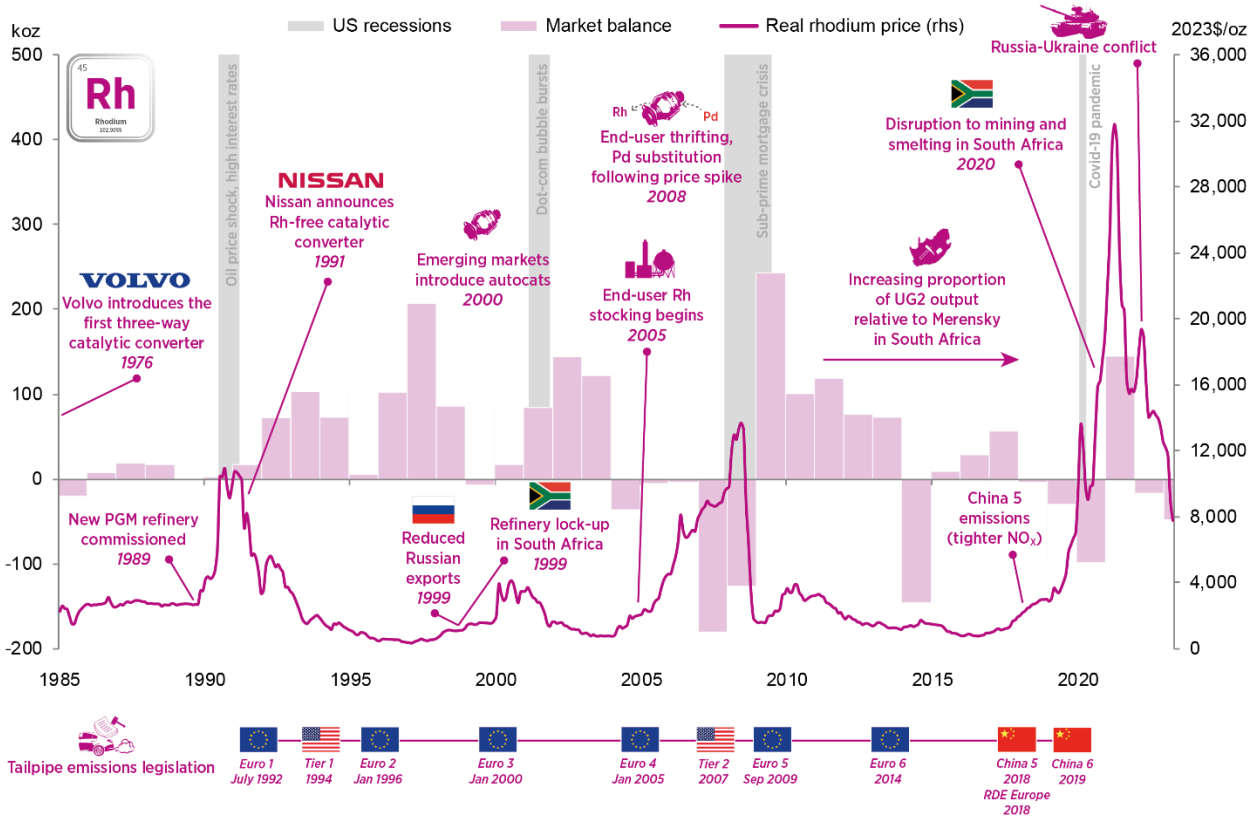
21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com

production[10]. However, around 6.5m of the 17.5m EVs in 2024 were hybrids[11]. PHEVs consume 10-15% more PGMs compared to ICE vehicles due to their equivalent petrol car due to engines being started cold and infrequently[12]. Including the PHEVs and adding 10-15% of PGMs to the PHEV requirements, this gives a total non-BEV vehicle production of 69.3m equivalent ICE vehicles in 2024 – the highest since nearly 75m in 2019. Moreover, compared to 2019, China has implemented its China 6 emission regulations between 2021 and 2023, with its 6b targets aiming for reductions of 40% in NOx (tailpipe emissions for which PGMs are required) compared to Euro 6 levels[13], leading to an increase in palladium demand by 40% and by 50-100% in rhodium demand[14]. China vehicle production reached 34.5m in 2025[15], of which around 1/3 were BEVs[16]. In other words, demand for PGMs is higher than it was before Covid, despite lower passenger vehicle production. At the same time, we are seeing a reversal of the EV mandate in California[17], EV tax credits being terminated in the US[18], the Canadian automotive industry is pushing to end the EV mandate as well[19], and Europe recently watered down its ICE engine ban from 0% to 10% by 2035[20], which is a strong signal, as I believe it could lead to further reductions in BEV mandates. Importantly, whilst the One Big Beautiful Bill does scrap higher emission standards for diesel trucks[21], it does not scrap the US Tier 4 emission standards. Finally, China is implementing new emission requirements from 1 January 2026 with an even stricter China 7 emission regulation expected imminently[22]. This leaves the PGM demand outlook healthy for the next few years.

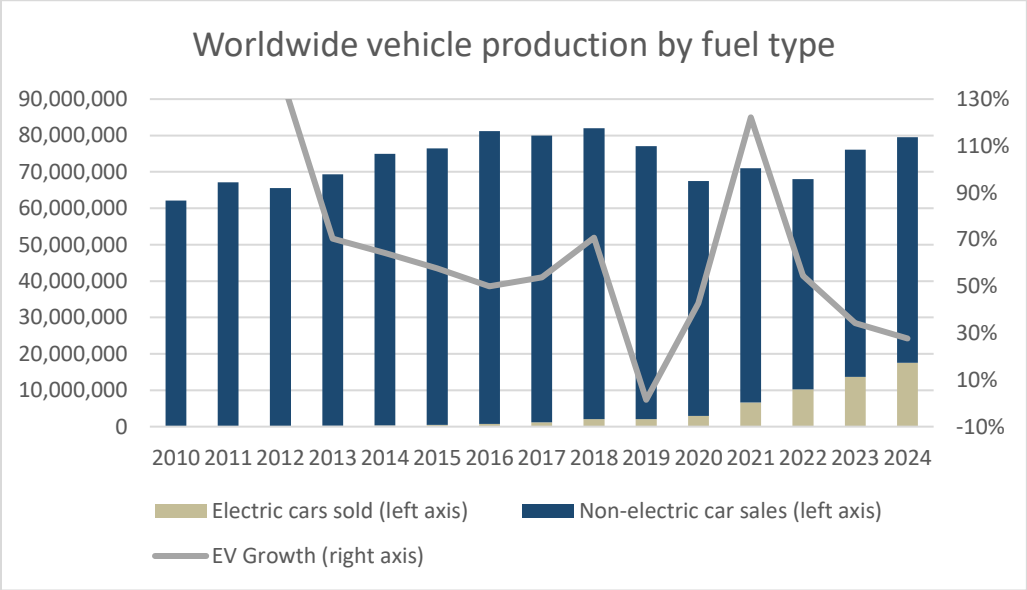
[10] https://ourworldindata.org/grapher/car-sales
[11] https://autovista24.autovistagroup.com/news/what-are-the-global-ev-markets-most-successful-brands/
[12] https://www.reuters.com/markets/commodities/hybrid-cars-throw-lifeline-platinum-metals-2024-09-09/
[13] https://dieselnet.com/standards/cn/ld.php#
[14] https://www.ocim.com/insights/2020-created-a-perfect-storm-for-platinum-and-pgms-what-does-the-future-hold-2/#:~:text=Platinum%2Dpalladium%20substitution,demand%20in%20the%20coming%20years.
[15] https://autonews.gasgoo.com/articles/news/chinas-2025-auto-market-hits-new-highs-in-both-annual-sales-output-2011438280283627520
[16] https://cleantechnica.com/2026/01/20/another-record-month-for-ev-sales-in-china
[17] https://calmatters.org/environment/2025/05/california-electric-car-mandate-senate-revoke-waiver/
[18] https://www.reuters.com/business/autos-transportation/automakers-push-ev-sales-7500-us-tax-credit-is-set-end-2025-07-09/
[19] https://www.cbc.ca/news/science/zev-mandate-climate-1.7576456
[20] https://www.bbc.com/news/articles/crk78y7k8ezo
[21] https://www.fleetequipmentmag.com/diesel-emissions-regulations-rolled-back/
[22] https://en.sdaofu.com/chinas-national-vi-b-emission-standard-to-be-fully-implemented-in-2026-marking-auto-industrys-strictest-emission-era---zol-zhongguancun-online.html, https://www.linkedin.com/pulse/dual-credit-policy-update-20262027-upcoming-china-7-emissions-zhan-soflc/

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com

Rhodium: Price history & events



Source: https://www.sfa-oxford.com/platinum-group-metals/rhodium-market-and-rhodium-price-drivers/

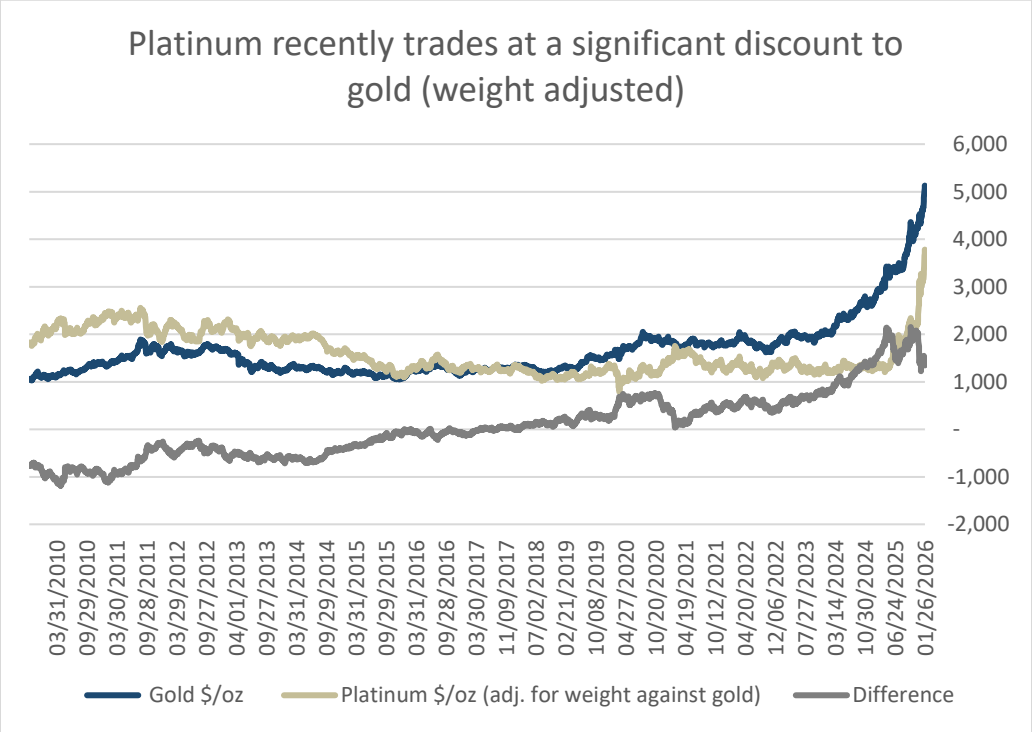


Source: https://ourworldindata.org/grapher/car-sales

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com

The correlation between (white) gold and platinum

Global platinum production stands at around 226 Mt (8m oz) as of 2024[23]. This compares to 1,877 Mt of gold jewelry demand in 2024[24], of which white gold had a market share of 26% in 2025[25] (488 Mt). As of 2023, only around 31% of platinum demand was down to jewelry[26] (53 Mt). Platinum is around 1/3 heavier than white gold[27], hence if just 1% of white gold demand (4.9 Mt) shifts to platinum, we would see a 6.3 Mt equivalent demand increase in platinum (2.8% of total platinum demand). Already early last year, we have seen Chinese jewelry demand for platinum increase while jewelry demand for gold declined[28]. This happened when the weight adjusted gap between gold and platinum reached $2,000/oz. Although this gap has narrowed back down from $2,000/oz in December to just below $1,400/oz at the end of January, it shows that when the gap increases to the $2,000/oz variance, platinum prices rise rapidly.



Source: Investing.com

[23] https://www.statista.com/statistics/418216/global-platinum-demand/?srsltid=AfmBOoqB3KJ9xOhBLvRpBuLtHed7zvuZ93trs6vYkm_nKkl0z4UpctX-
[24] https://www.gold.org/goldhub/research/gold-demand-trends/gold-demand-trends-full-year-2024
[25] https://www.carattrade.com/blog/2025-jewelry-industry-statistics-global-us-trends
[26] https://suissegold.com/en/posts/the-platinum-market-in-2023
[27] https://www.serendipitydiamonds.com/blog/upgrading-from-18ct-white-gold-to-platinum/
[28] https://platinuminvestment.com/investment-research/perspectives/chinese-platinum-jewellery-fabrication-is-growing-rapidly-as-consumers-turn-away-from-expensive-gold

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com

Modelling Sylvania Platinum's basket price

Sylvania Platinum's PGM 4E basket price as of 26th January 2026 stands at about $3,509/oz ($2,800/oz platinum, $2,100/oz palladium, $10,325/oz rhodium[29]). Although this is 24% lower than the average 4E PGM basket price in Q3 FY 2021 ($4,576/oz)[30], 4E PGM ounces produced climbed by over 40% from 17.5k oz in Q3 FY 21[31] to 24.5k oz in Q1 FY 26[32]. On top of that, Sylvania also added chromite production, and my model suggests $108m net income based on annualized 26th January 2026 6E PGM prices, which compares to a valuation of $425m market cap and an enterprise value of around $375m now. This makes Sylvania Platinum one of the most attractively valued PGM producers in South Africa. The tables below assume the revised chromite production figures, but kept the 6E PGM production figure stable despite the 7k oz upgrade on 4E PGM production guidance[33]. PGM prices of mid-day of 26th January 2026 were used.

Sylvania Platinum annual revenues based on 26 Jan 2026 PGM prices

	6E PGM			
Metal	% of total production	$/oz	Revenue share	Revenue $m
Platinum	52%	2,800	70%	111
Palladium	19%	2,100	70%	31
Rhodium	10%	10,325	70%	75
Irridium	4%	6,300	56%	16
Ruthenium	15%	1,425	56%	13
Gold	0%	5,090	56%	1
Chromite	100%	285	70%	21

Source: https://www.sylvaniaplatinum.com/investors-and-media/financial-reports, management guidance, proprietary model, https://matthey.com/products-and-markets/pgms-and-circularity/pgm-management as of 26th January 2026

[29] https://matthey.com/products-and-markets/pgms-and-circularity/pgm-management as of 26th January 2026
[30] https://www.sylvaniaplatinum.com/investors-and-media/financial-reports?task=download.send&id=537:quarterly-report-31-march-2021&catid=82
[31] https://www.sylvaniaplatinum.com/investors-and-media/financial-reports?task=download.send&id=537:quarterly-report-31-march-2021&catid=82
[32] https://www.sylvaniaplatinum.com/investors-and-media/financial-reports?task=download.send&id=1038:quarterly-report-30-september-2025&catid=123
[33] https://www.sylvaniaplatinum.com/all-categories?task=download.send&id=1066:second-quarter-operations-report-to-31-december-2025&catid=129

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com

Sylvania Platinum key figures based on 26 Jan 2026 PGM prices

Summarised figures	
Total revenue in $m	268
EBITDA	149
Net income	108
Capex	35
6E basket price $/oz	3,314
All-in-costs	1,250
Profit per oz	2,064

Source: https://www.sylvaniaplatinum.com/investors-and-media/financial-reports, management guidance, proprietary model, https://matthey.com/products-and-markets/pgms-and-circularity/pgm-management as of 26th January 2026

21 Knightsbridge, London SW1X 7LY
www.aozorastep.com · david@aozorastep.com

Legal Disclaimer

The contents of this publication have been prepared solely for the purpose of providing information about AozoraStep Capital LLP and the services and products it is intending to offer, which are targeted for professional investors only. The opinions and views expressed are those of AozoraStep Capital LLP, may change without notice and should not be construed as investment, tax, legal or other advice. AozoraStep Capital LLP does not guarantee the completeness and accuracy of the information provided and all content can become out of date. Products or services mentioned in this publication are subject to legal and regulatory requirements in applicable jurisdictions and may not be available in all jurisdictions. Accordingly, persons are required to inform themselves and observe any such restrictions. In respect to investments described in this document, past performance is not a guide to future performance. The value of investments and the income of any financial instruments mentioned in this document may fall as well as rise and may have tax consequences. The performance of the investment strategy of AozoraStep Capital LLP is based on a personal track record of its managing partner and approved by accounting firm Sedulo for the time period Q1 2019 - Q1 2021 and by HiCloud Accounting for the time period 2020 - 2024, only with further examinations being done on an occasional basis. AozoraStep Capital LLP is currently not authorized and regulated by the FCA, and therefore, is not allowed to provide financial products and services. AozoraStep Capital LLP is registered in England and Wales with registered number OC436835. Registered Office: 21 Knightsbridge, London SW1X 7LY, United Kingdom. Reproduction or distribution of any materials obtained in this publication or linking to this publication without written permission is prohibited.