

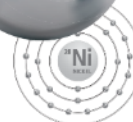
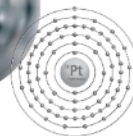
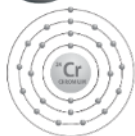


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DISCOVER DEVELOP **DELIVER** DIVERSIFY

## FY2019 ANNUAL RESULTS

28 November 2019



# FY2019 SALIENT FEATURES

## REEF MINED

**4.63 Mt**

down 5.1%  
(FY2018: 4.88 Mt)

## PGM PRODUCTION (5PGE+Au)

**139.7 koz**

down 8.2%  
(FY2018: 152.2 koz)

## CHROME CONCENTRATE PRODUCTION

**1.29 Mt**

down 10.9%  
(FY2018: 1.45 Mt)

## REVENUE

**US\$342.9 m**

down 15.6%  
(FY2018: US\$406.3 m)

## OPERATING PROFIT

**US\$24.2 m**

down 66.6%  
(FY2018: US\$72.5 m)

## EBITDA

**US\$51.6 m**

down 49.4%  
(FY2018: US\$101.9 m)

## PROFIT BEFORE TAX

**US\$11.2 m**

down 82.8%  
(FY2018: US\$65.0 m)

## EPS AND HEPS

**US 4 c / 5 c**

down 78.9%  
(FY2018: US 19 c)

## PROPOSED TOTAL DIVIDEND\*

**US 0.75 c**

23.7% of NPAT  
(FY2018: US 4 c)

*\*includes interim distribution of US 0.5 c*

3 MILLION FATALITY FREE SHIFTS

DEVELOPING A TIER ONE PROJECT IN ZIMBABWE

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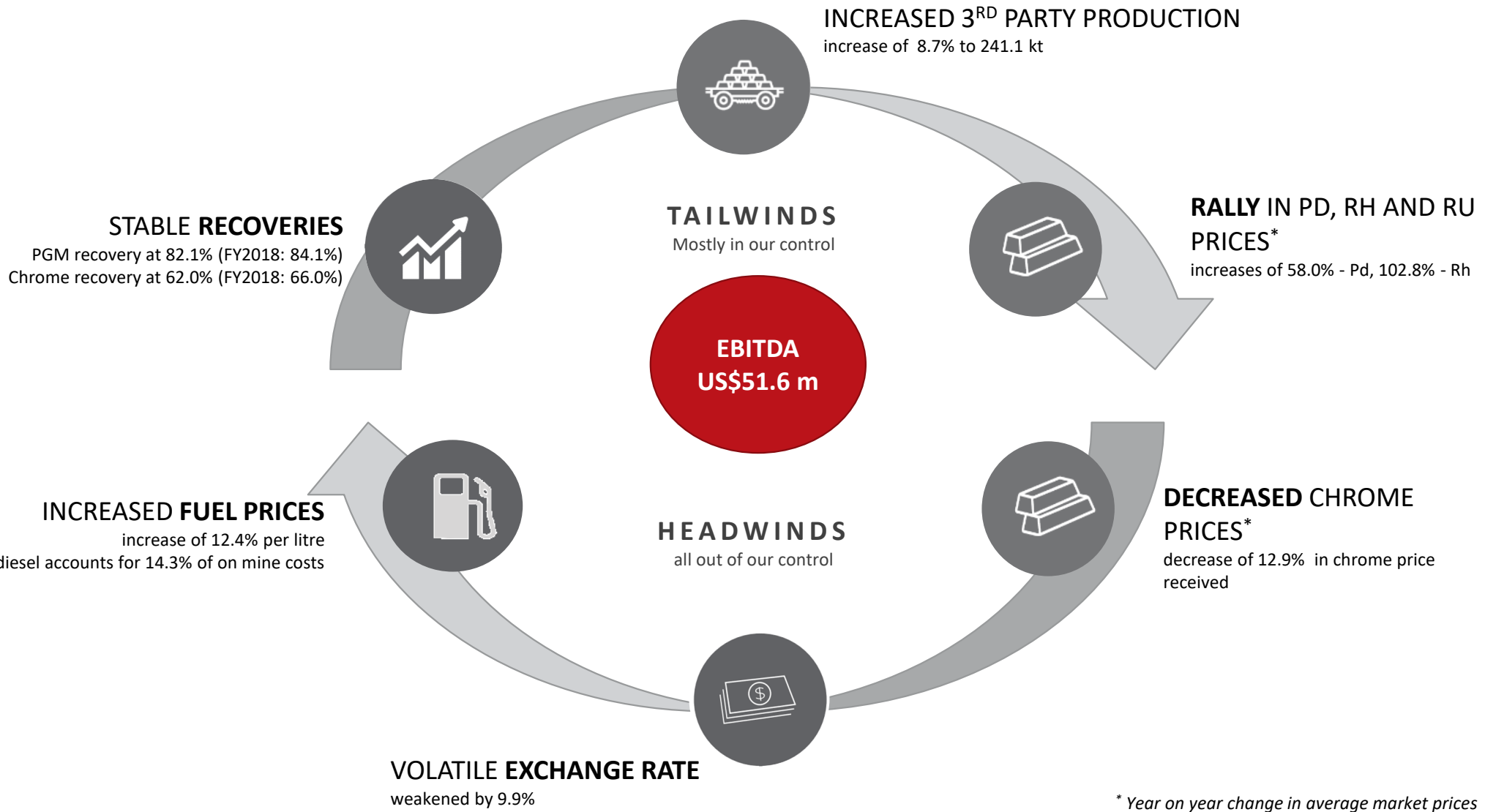
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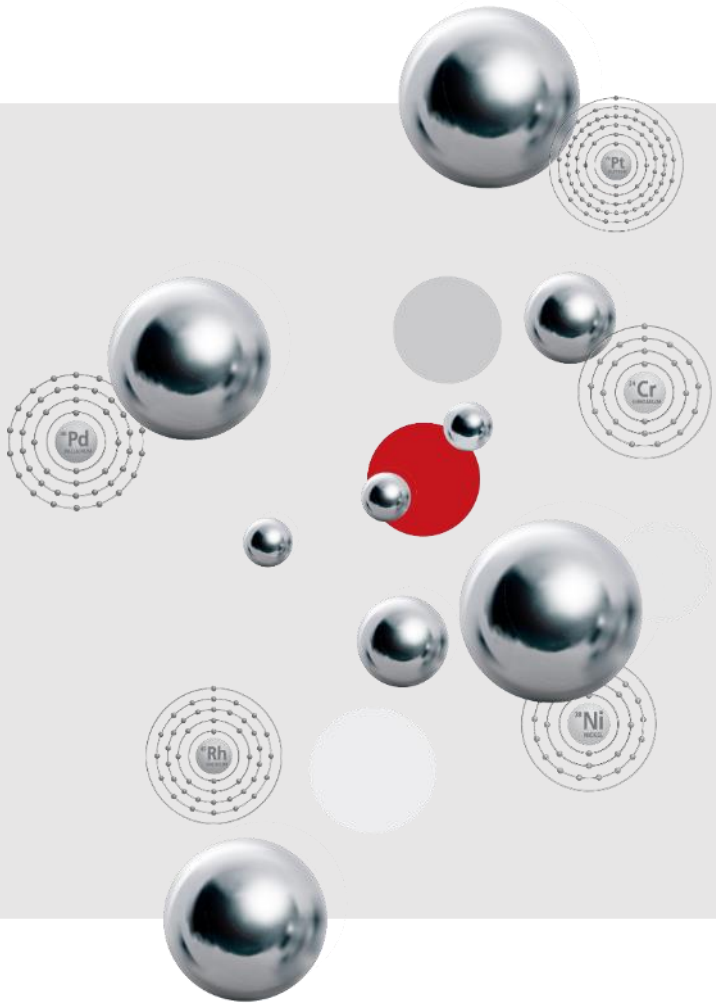
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DEVELOPING A TIER ONE PROJECT IN ZIMBABWE

# FY2019 IN REVIEW



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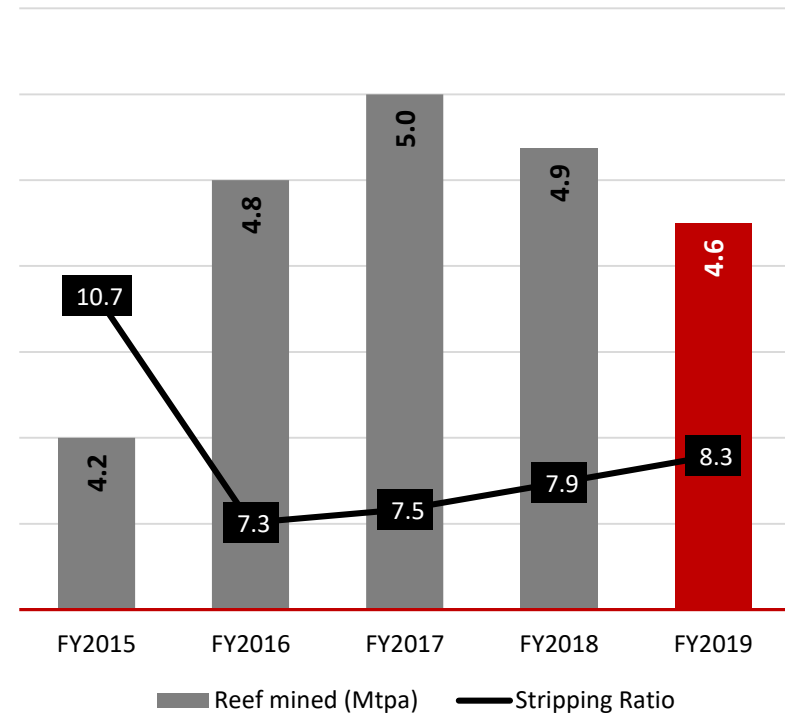


PRODUCTION

# PRODUCTION - MINING

- Revised pit layout has been completed
  - Over 1.7 Mm<sup>3</sup> extra in pit material moved
- Total reef tonnes mined for FY2019 at 4.6 Mt down from the previous year's 4.9 Mt
- Stripping ratio of 8.3 m<sup>3</sup>:m<sup>3</sup>
- Second Caterpillar 6050 face shovel commenced operations on 15 November 2019

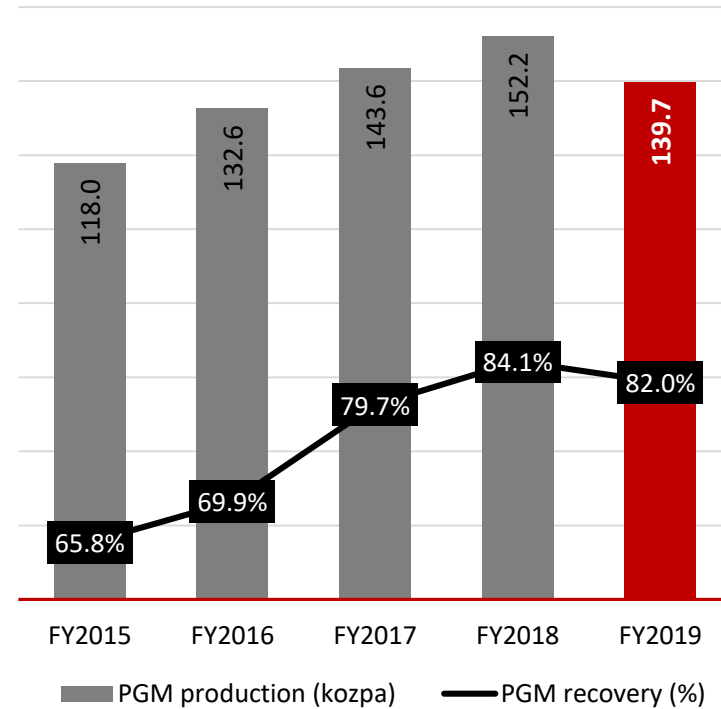
MINING  
(Mtpa)



# PRODUCTION - PGM

- Reduced ROM had a direct effect on PGM volume output
- PGM recoveries down by 2.3% year on year
- Rougher feed grade marginally lower at 1.47 g/t (1.51 g/t)
- Post year end PGM optimisation completed

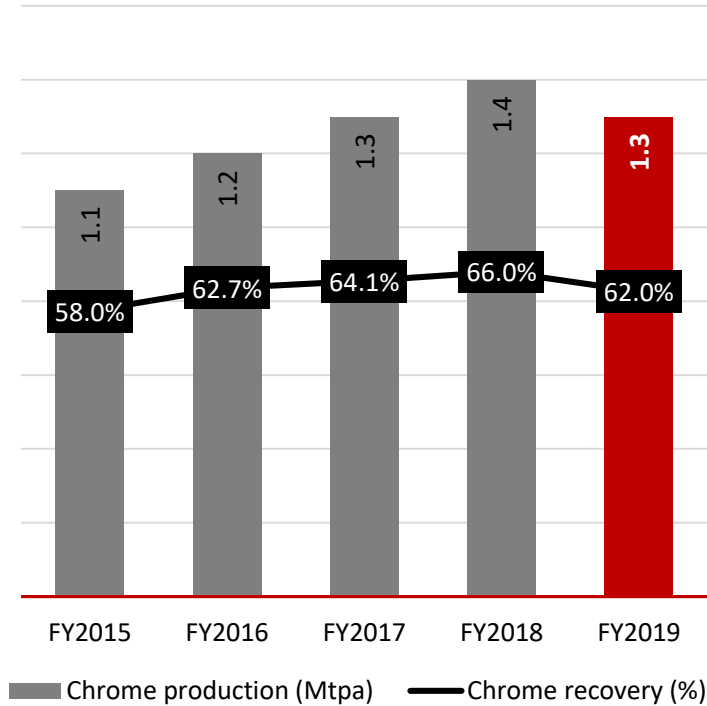
PGM PRODUCTION  
(koz)



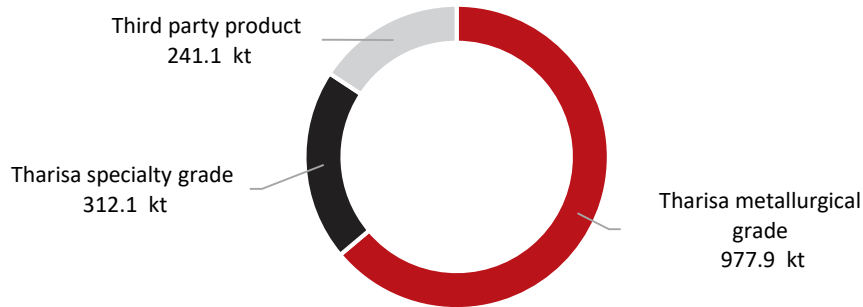
# PRODUCTION - CHROME

- Pit redesign had an effect on stockpile development and thus ROM grade fed into the plant
- Curtailed ROM had a direct effect on chrome production
- Year on year production down 10.9% to 1.29 Mt

CHROME PRODUCTION  
(Mt)

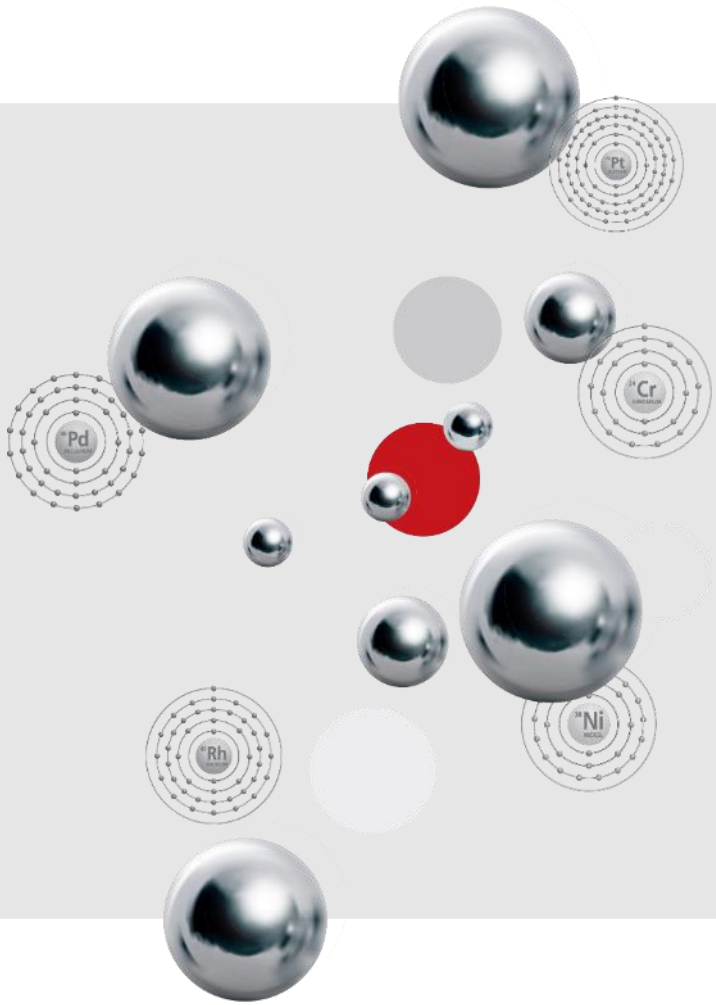


PRODUCTION





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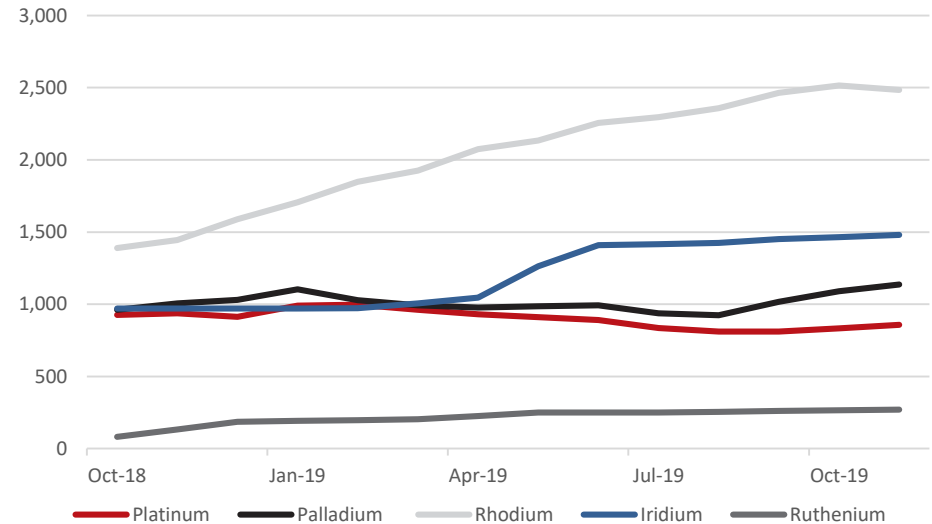


MARKETS

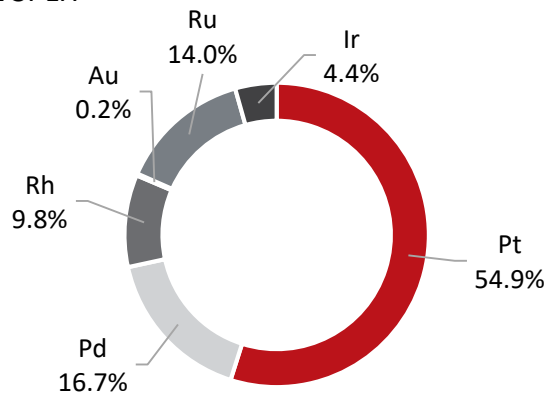
# PGM MARKET

- A PGM market dominated by
  - Palladium rising 41%
  - Rhodium surging 144%
- Platinum has languished as market remains in surplus
  - Latest WPIC data suggest 670 koz surplus in 2020
- Palladium and rhodium demand likely to remain strong due to structural demand changes taking place in autocatalytic demand from India, China and Europe as a result of tightening emission standards.

PGM PRICE DEVELOPMENT  
(USD\$/oz)



THARISA PRILL SPLIT



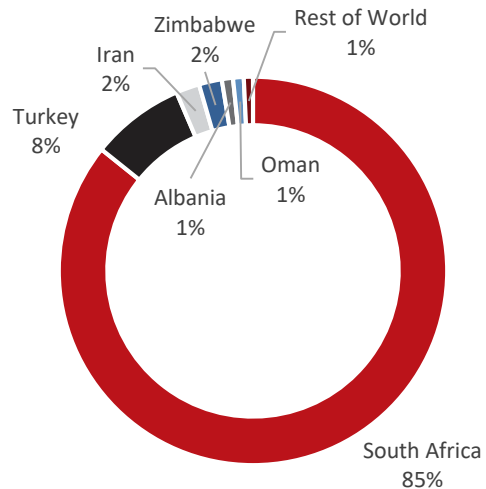
# CHROME MARKET

- Demand not reflective of low chrome prices
- Prices need to recover to ensure industry stays sustainable
- Logistic issues in South Africa adding to cost pressures for producers
- Pipeline between primary product and end stainless steel manufacturers remains balanced

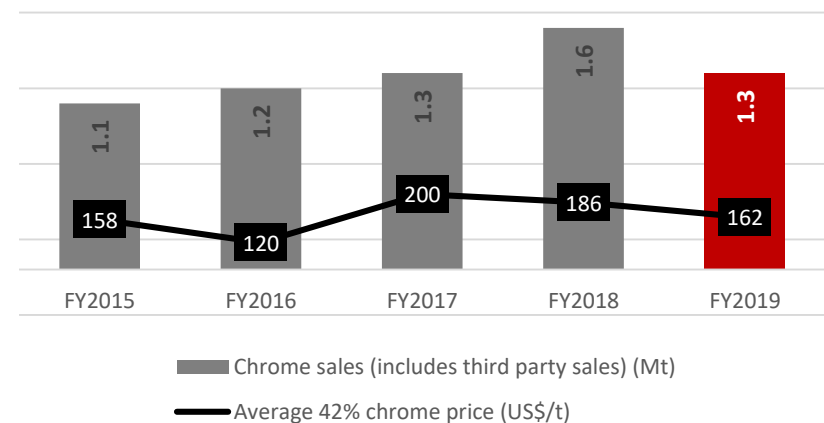
42% METALLURGICAL GRADE CHROME PRICE (US\$/t)



CHINA CHROME IMPORTS 2018



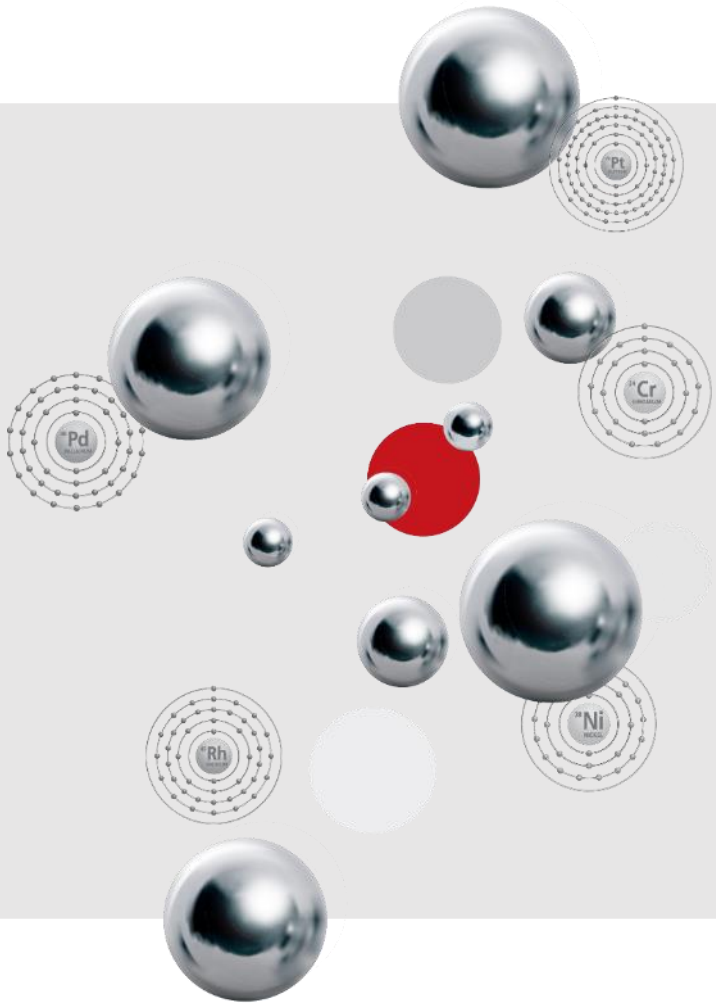
THARISA CHROME SALES



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FINANCIAL REVIEW



# FY2019 THEMES

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**CO-PRODUCT  
BENEFITS**



**OPERATIONALLY CASH  
GENERATIVE**



**INVESTING FOR THE  
FUTURE**



**CONTINUED  
DISCIPLINED CAPITAL  
ALLOCATION**

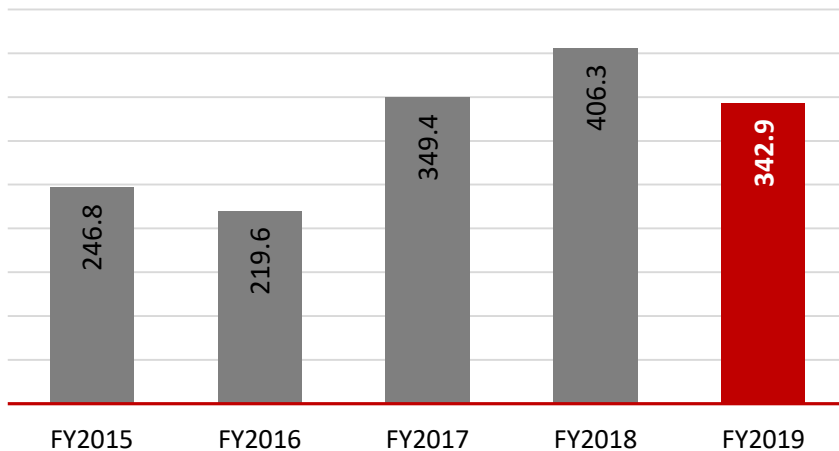


**DIVIDEND PAYER**

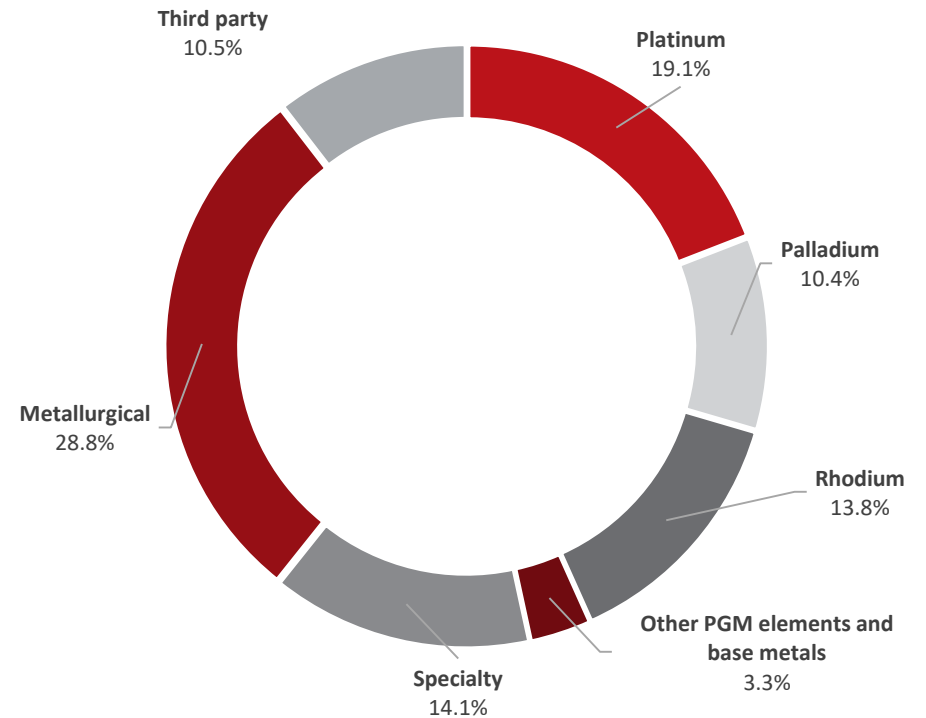
# REVENUE

- Benefit of co-production as prices diverged
- Group revenue decreased by 15.6% year on year
  - Lower overall sales volumes
  - Decrease in the chrome price received
- Chrome contributed US\$177.9 million
- PGM contributed US\$130.1 million
- Agency and trading contributed US\$34.9 million

GROUP REVENUE  
(US\$ m)



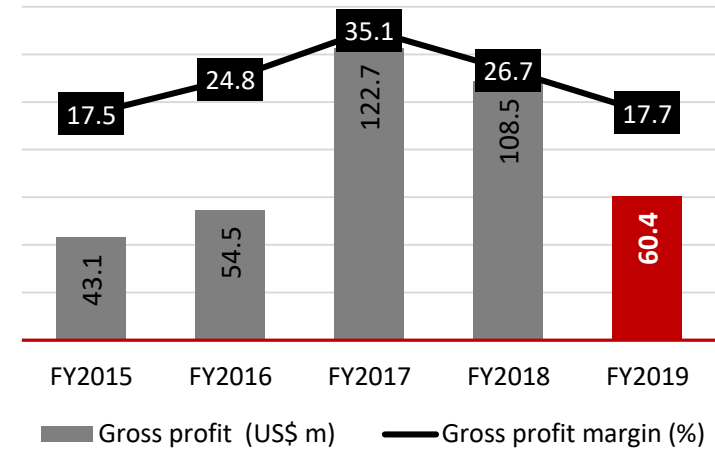
REVENUE CONTRIBUTION EX WORKS BASIS  
(US\$m)



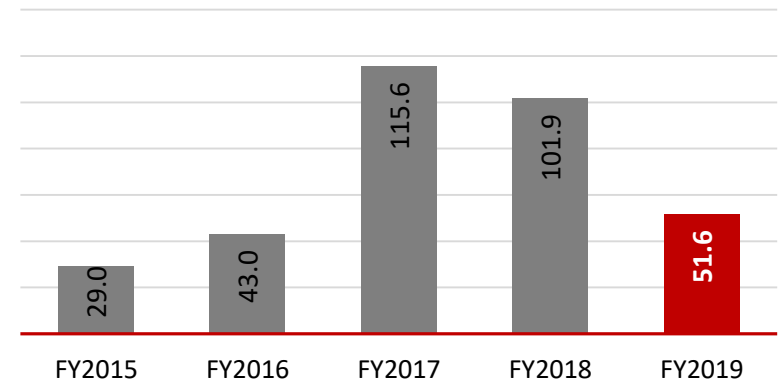
# GROSS PROFIT

- The major factors contributing to the reduced gross margin were the lower production levels with the embedded fixed cost component
- An increase in the stripping ratio moving 0.7% more waste while producing 5.1% fewer ROM tonnes
- Above inflation pricing pressures such as diesel and electricity
  - Diesel consumption comprises 14.3% of the on-mine cost of production with a 12.4% increase in the average price per litre of diesel
  - Electricity costs, while not being a significant input cost at 6.4% of the on-mine cost of production, increased by 6.8% per kilowatt hour
- Shared costs allocated 55% to the PGM segment and 45% to the chrome segment

GROSS PROFIT AND MARGIN



EBITDA  
(US\$ m)

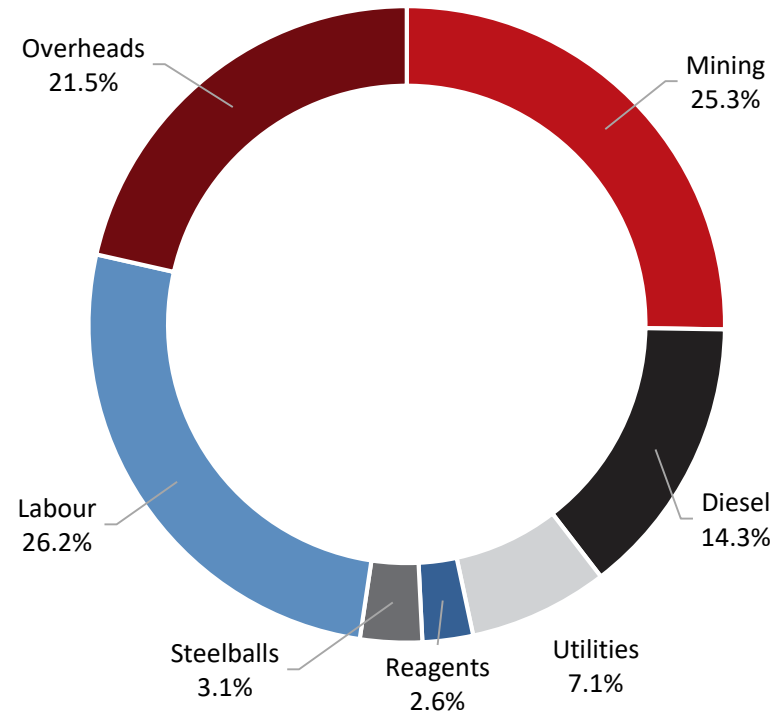


CO-PRODUCTION MODEL

# COSTS

- Cash cost per tonne milled (excluding transport and freight) increased by 11.7% from US\$37.5/t to US\$41.9/t
- On a unit cost basis, the reef mining cost per tonne increased by 17.6% from US\$21.0/t to US\$24.7/t
  - This cost per reef tonne was incurred on a stripping ratio of 8.3 (m<sup>3</sup> waste: m<sup>3</sup> reef)
  - In-pit material of 1.7 Mm<sup>3</sup> excluded from stripping ratio
- Chrome selling costs increased marginally by 1.6% from US\$62.0/t to US\$63.0/t

## ON MINE CASH COST OF SALES



By product basis		FY2019	FY2018
All in cost per Pt ounce sold	US\$/oz	715.7	125.3
All in cost per 42% chrome tonne sold	US\$/t	146.4	117.4

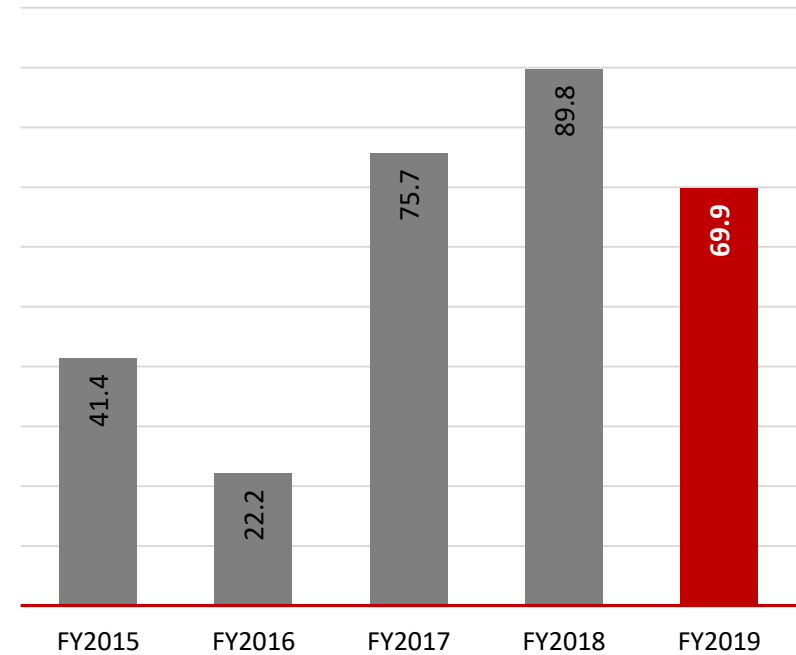
*All in cost includes operating cost, administration costs and capital*



# CASH FLOW

- The Group generated net cash from operations of US\$69.9 million (FY2018: US\$89.8 million)
- Taking into account capex, the free cash flow was US\$26.0 million (FY2018: US\$49.3 million)
- Cash on hand amounted to US\$59.2 million (FY2018: US\$66.8 million)

NET CASH FLOWS FROM OPERATING ACTIVITIES  
(US\$ m)



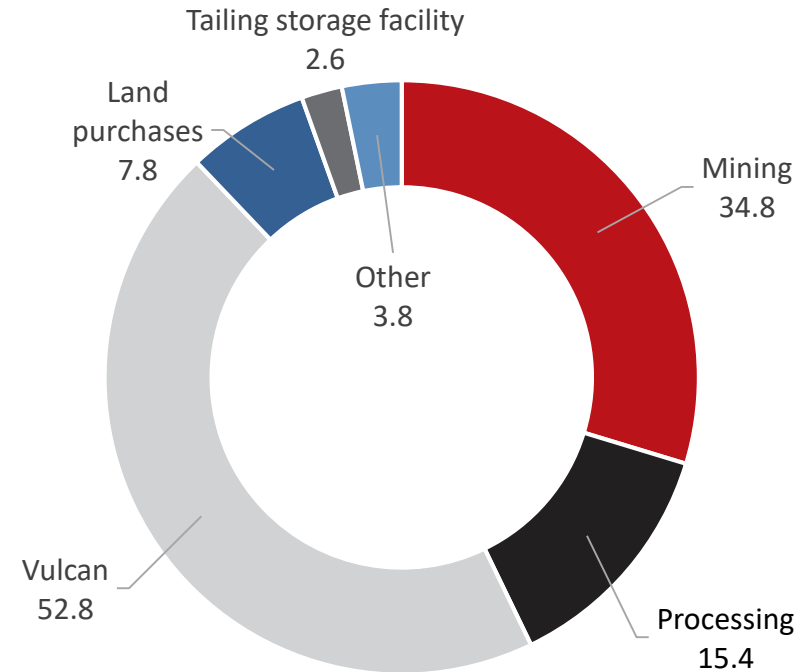
US\$ millions	FY2019
Cash flow from operating activities	69.9
Investing cash flows	(52.4)
Financing cash flows	(22.8)
Net increase / (decrease) in cash	(5.2)
Cash at the end of the period	59.2

OPERATIONALLY CASH GENERATIVE

# CAPEX

- FY2019 capex spend focused on
  - stay in business capex
  - mining fleet additions to optimise the fleet
  - ongoing projects aimed at improving recoveries of both PGMs and chrome concentrates
- Additions to PPE amounted to US\$43.9 million of which US\$27.5 million related to additions to the mining fleet
- The depreciation charge amounted to US\$27.2 million (FY2018: US\$29.9 million)
- Proposed FY2020 capex budget is US\$117.2 million of which US\$52.8 million is for Vulcan
- Negotiations for separate Vulcan financing are ongoing

FY2020 CAPEX BUDGET  
(US\$m)

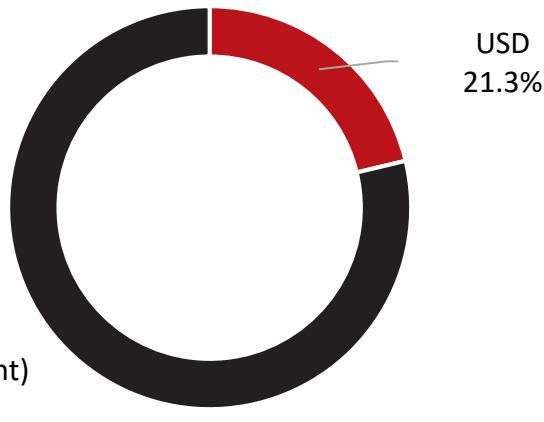


INVESTING FOR THE FUTURE

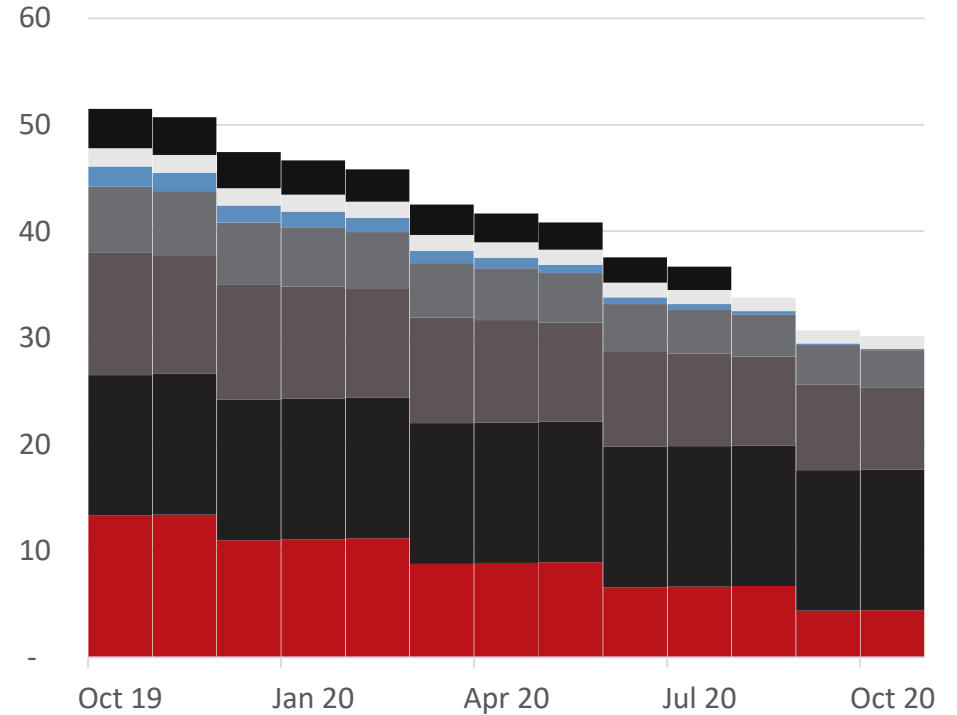
# BALANCE SHEET

- Total debt amounted to US\$71.2 million
  - Of this trade finance amounted to US\$14.9 million
- Debt to total equity ratio of 24.7%
- Cash and cash equivalent of US\$59.2 million
- Net debt to total equity ratio of 4.2%
- There is continued focus on working capital management, with the current ratio at 1.6 times

DEBT PROFILE EXCLUDING TRADE FINANCE



DEBT PROFILE\*  
(US\$m)



\*Excluding trade finance and Vulcan project funding

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STRATEGY IMPLEMENTATION

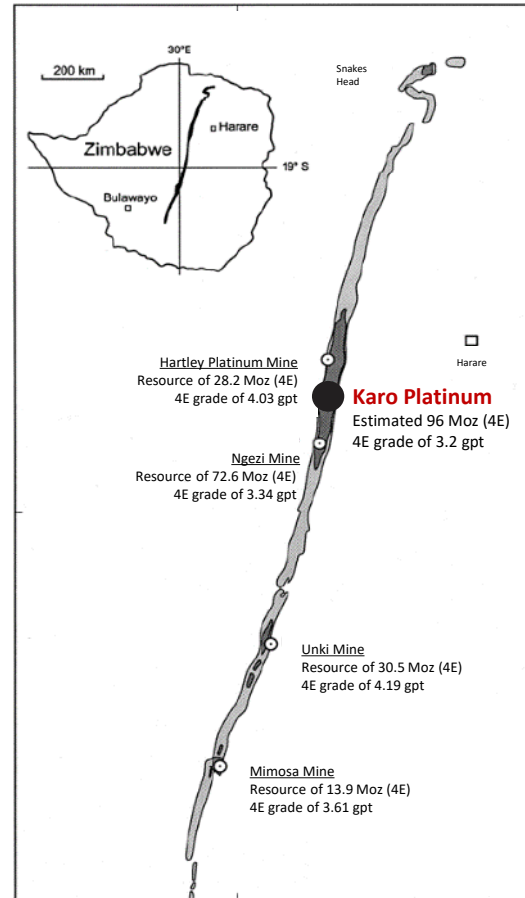
# EXPLORATION PROJECTS

**DIVERSIFICATION**  
FROM SINGLE ASSET

HIGHLY  
**PROSPECTIVE**  
AREA

**MINERAL RICH**  
GEOGRAPHY

**LARGE SCALE**

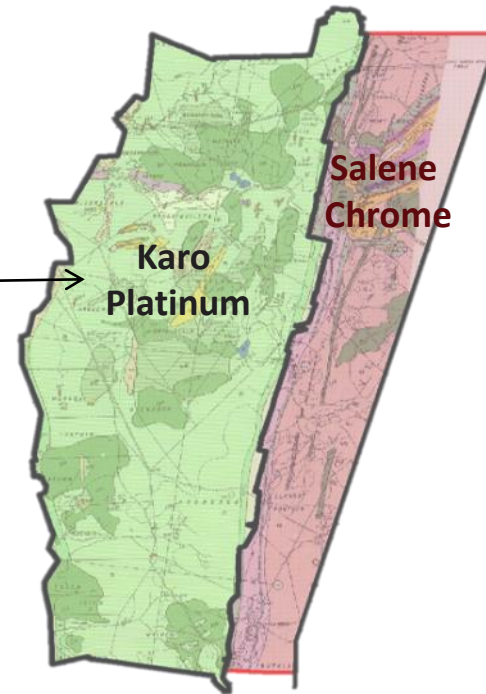


PRODUCT  
**EXPANSION**

FURTHER  
**GROWTH**  
OPPORTUNITIES

STRONG  
**CASH GENERATION**  
POTENTIAL

**LOW COST**  
PRODUCTION



Source: [https://www.researchgate.net/figure/Generalized-geology-of-the-Great-Dyke-and-locations-of-platinum-mines-and-prospects\\_fig1\\_235917128](https://www.researchgate.net/figure/Generalized-geology-of-the-Great-Dyke-and-locations-of-platinum-mines-and-prospects_fig1_235917128) and Company Data

# ZIMBABWE DEVELOPMENTS

- Tharisa owns 26.8% of Karo Mining Holdings
- 238 boreholes completed – 32 400 m drilled
- Drilling focused on western boundary of the Great Dyke
  - average depths of 50 m to 150 m below surface targeted
- Special Economic Zone awarded
- Resource and reserve statement due January 2020
  - extended drill program
- Staged development approach
  
- Tharisa has an option over Salene Chrome
- 78 boreholes completed – 3 000 m drilled
- Mining contractor award underway
- Targeting 10 ktpm initial lumpy production
- Local sales but export logistics being explored





# DELIVERING ON OUR STRATEGY

## DISCOVER

- Globally significant, diversified low cost operations

## DEVELOP

- Innovative approach to viable mineral extraction
- Sustainable polymetallic business model

## DELIVER

- FY2020 production targets
- Vulcan Plant
- Vision 2020

## DIVERSIFY

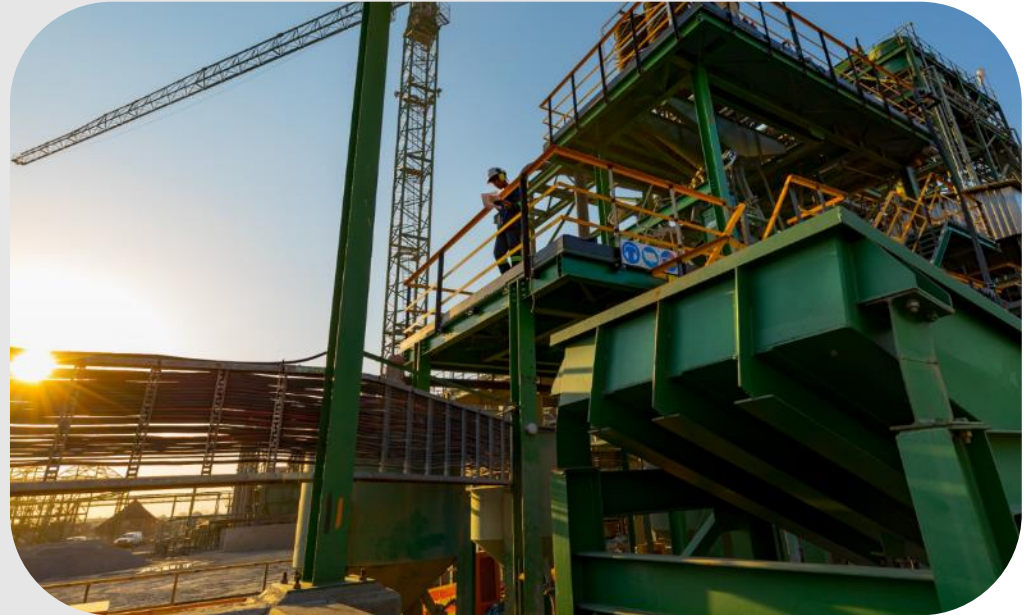
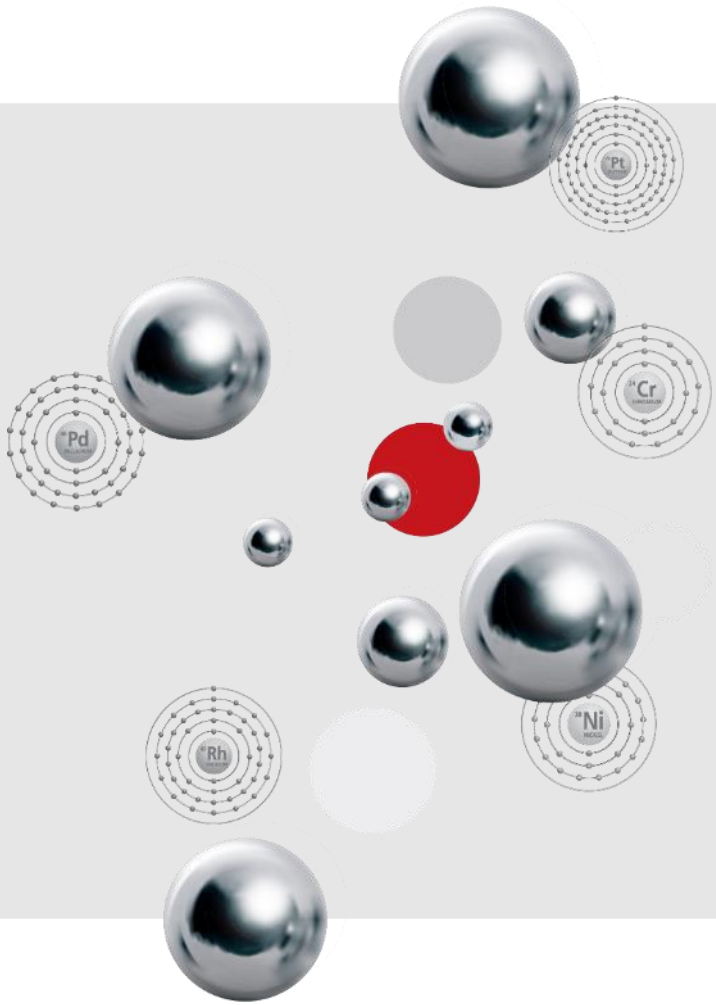
- Multi asset, multi commodity, multi jurisdictional business
- Using technology as our catalyst

**Engineering the mining company of the future**



**FY2020 PRODUCTION TARGETS: 155 koz to 165 koz PGM; 1.45 Mt to 1.55 Mt CHROME CONCENTRATES**

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## QUESTIONS?



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