



# CONDENSED CONSOLIDATED INTERIM RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

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# 01 OVERVIEW





## KEY FEATURES OF OUR PERFORMANCE



### Human

- > **37.4%** improvement in SIFR
- > **16.7%** improvement in LTIFR
- > Supported our employees and contractors by paying salaries of approximately **R225 million** during initial lockdown



### Financial

- > **573.6% increase** in basic headline earnings per share to 335.3 cents
- > Net cash position of **R701.8 million**
- > **RPM deferred consideration settled** in full



### Manufactured

- > **Strong performance** at BRPM and Styldrift hampered by **45 production days lost** due to COVID-19
- > **12.9% decrease** in 4E ounce production to 173.5koz
- > **10.1% increase** in total cash operating costs to R2 896 million



### Natural

- > **Potable water cost saving** of R3.0 million by using our water treatment plant
- > Due to the national lockdown and Eskom load curtailment **water treated at the BRPM plant** decreased to 263.97MI



# POSITIONED TO RETURN FREE CASH TO SHAREHOLDERS, BARRING UNFORESEEN CIRCUMSTANCES

## RBPlat

- > Business in a healthy position
  - Improved PGM basket in 2020
  - Basket price of R28 389/4E oz
  - Strengthening balance sheet
    - Net cash of R701.8 million
  - Revenue up 45.6% to R4 606.0 million
  - EBITDA up 297.2% to R2 087.8 million
  - Free cash flow of R1 539 million

## BRPM

- > Strong production performance
  - COVID-19 impact: 45 days lost
    - 234kt production impact
    - 17.9% lower tonnes milled
  - UG2 production continues to increase as South shaft transitions to UG2
    - UG2 approximately 35% of BRPM production
  - IMS remains aligned with current depletion rates

## Styldrift

- > Commercial operating entity
  - Ramp up progressed to 210ktpm
    - 14 operating sections
  - 230ktpm third quarter milestone under pressure
  - COVID-19 impact: 45 days lost
    - 144kt of stock accumulated
  - Grade improved to 3.98g/t (4E)

## Achievements

- > BRPM and Styldrift delivered record gross profits despite COVID-19 impact
- > Repaid in full RPM deferred consideration
  - First repayment would have been due in June 2020

## 2020 Project update

- > BRPM TSF expansion construction on-going
- > Maseve tailings dam operational
- > Maseve concentrator MF2 upgrade in progress – 4 month COVID-19 delay

## 2020 Project update

- > Infrastructure build on target to support Styldrift 230ktpm milestone
- > On-reef decline development beyond capital footprint



## MORE THAN MINING DURING COVID-19 – FIVE KEY FOCUS AREAS

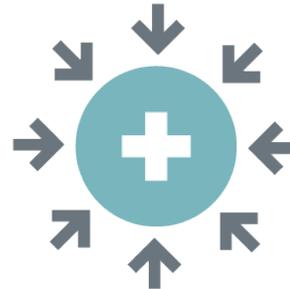
- > We've worked closely with various stakeholders including our local leaders, the traditional leadership, the local municipality and social workers to identify areas where we can assist and to identify the most needy and vulnerable households in our community
- > Our community support program focuses on 5 key areas



**COVID-19  
AWARENESS  
CAMPAIGNS**



**NUTRITIONAL  
SUPPORT**



**VIRAL SPREAD  
REDUCTION AND  
CONTAINMENT**



**EDUCATION  
SUPPORT**



**QUARANTINE,  
ISOLATION AND  
TREATMENT  
FACILITIES**



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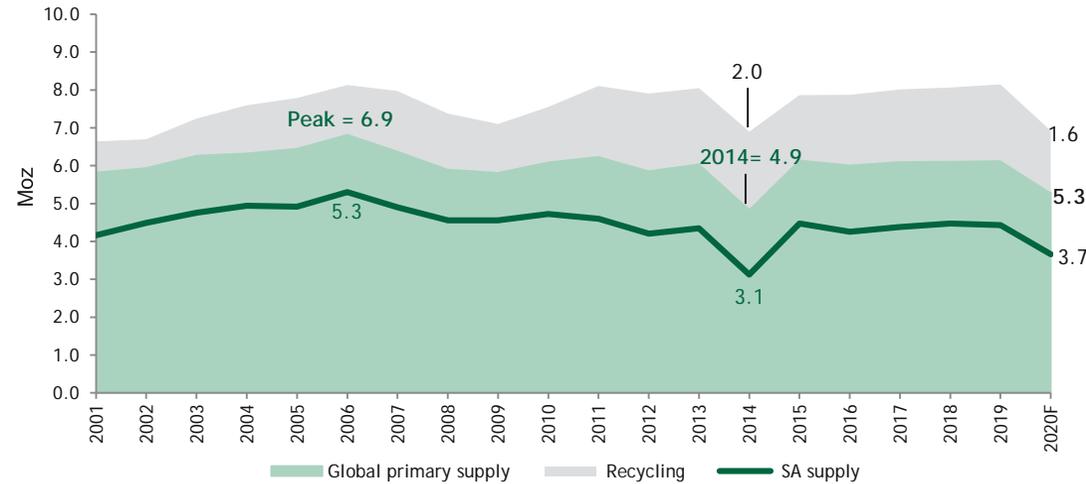
## MARKET REVIEW





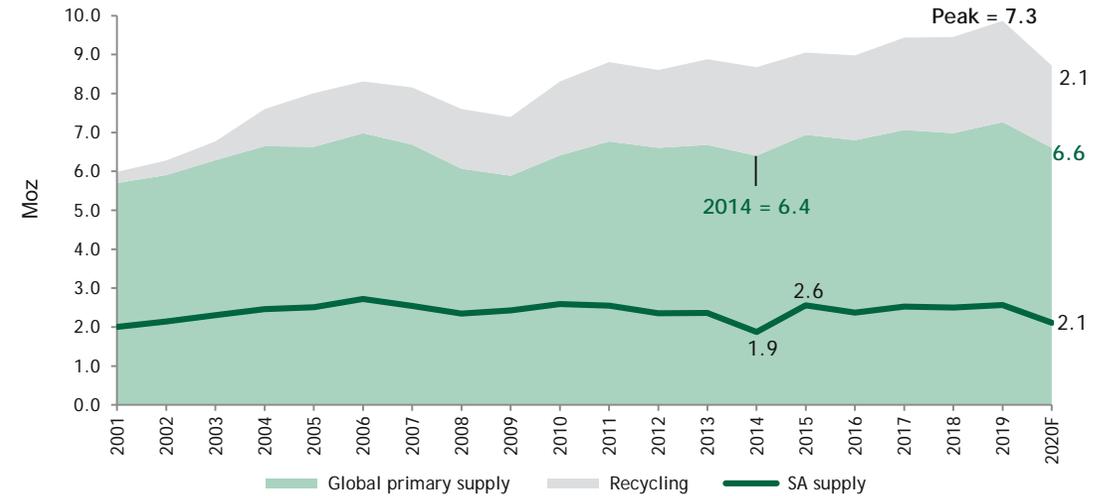
# PLATINUM AND PALLADIUM PRODUCTION PREDICTED TO DECLINE

## Global platinum supply forecast



- > Global refined platinum production is predicted to decline by 14% year-on-year to 5.3Moz this year
  - South African mine output is estimated to decrease by 17% to 3.7Moz
  - Supply of platinum from recycling is forecast to be lower than in 2019

## Global palladium supply forecast



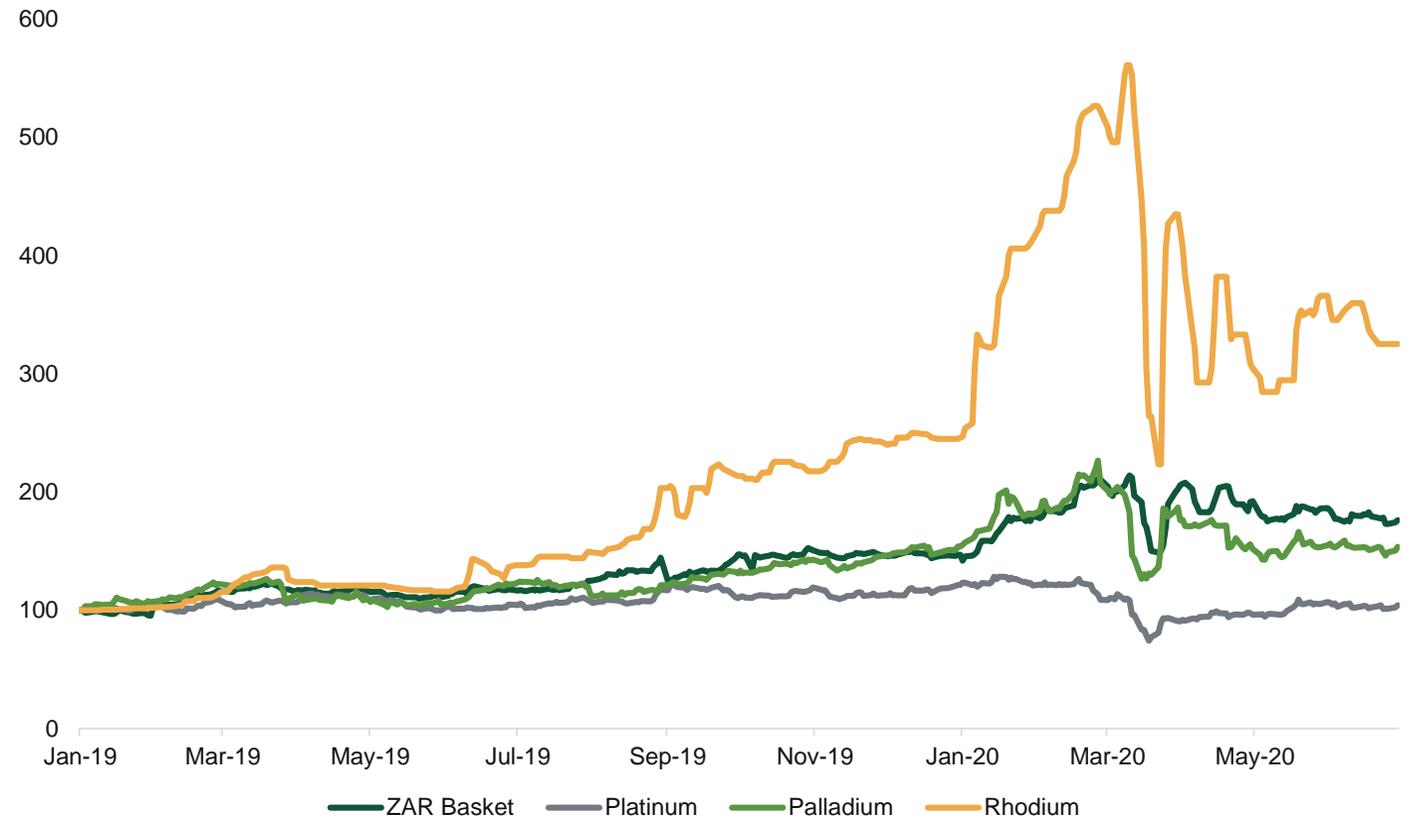
- > Total palladium supply is forecast to contract by 12% to 8.7Moz
  - Global palladium production from mines is forecast to decline by 9% to 6.6Moz from a peak of 7.3Moz in 2019
- > Total rhodium supply is expected to be 17% lower at 0.95Moz compared to 1.15Moz in 2019



## RHODIUM MARKET REMAINS IN DEFICIT DRIVING HIGHER BASKET PRICE

- > Strong average basket price of R28 388.8/4E oz driven by a higher rhodium price and rand weakness
- > Automotive demand for platinum and palladium forecast to decline in 2020
- > Industrial, jewellery and investment demand also forecast to decline in 2020
- > Recovery in China expected to be quicker than in Europe or North America supporting a faster recovery in PGM demand
- > Platinum market forecast to be in a modest deficit
- > Palladium market deficit forecast to reduce
- > Rhodium market forecast to be in a deficit

### Indexed price (2 January 2019 = 100) – 4E Basket





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# OPERATIONAL REVIEW





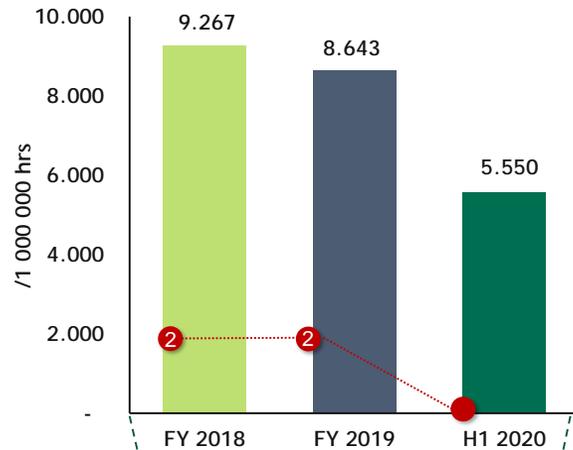
# STRATEGIC POSITIONING AND STRONG EXECUTION KEY TO MANAGING CHALLENGING ENVIRONMENT



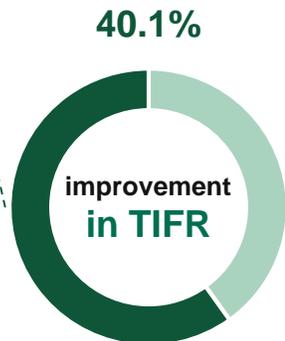


# SIGNIFICANT IMPROVEMENT IN SAFETY METRICS

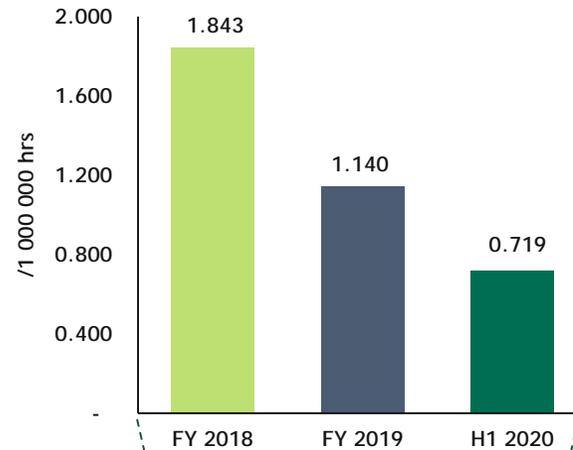
### Total recordable injury frequency rate



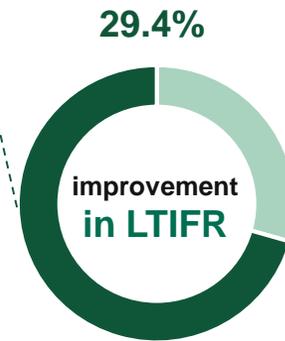
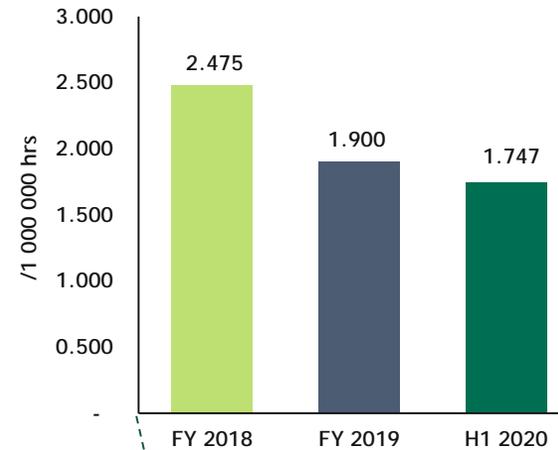
● Number of fatalities



### Serious injury frequency rate



### Lost time injury frequency rate



## H1 2020 PERFORMANCE

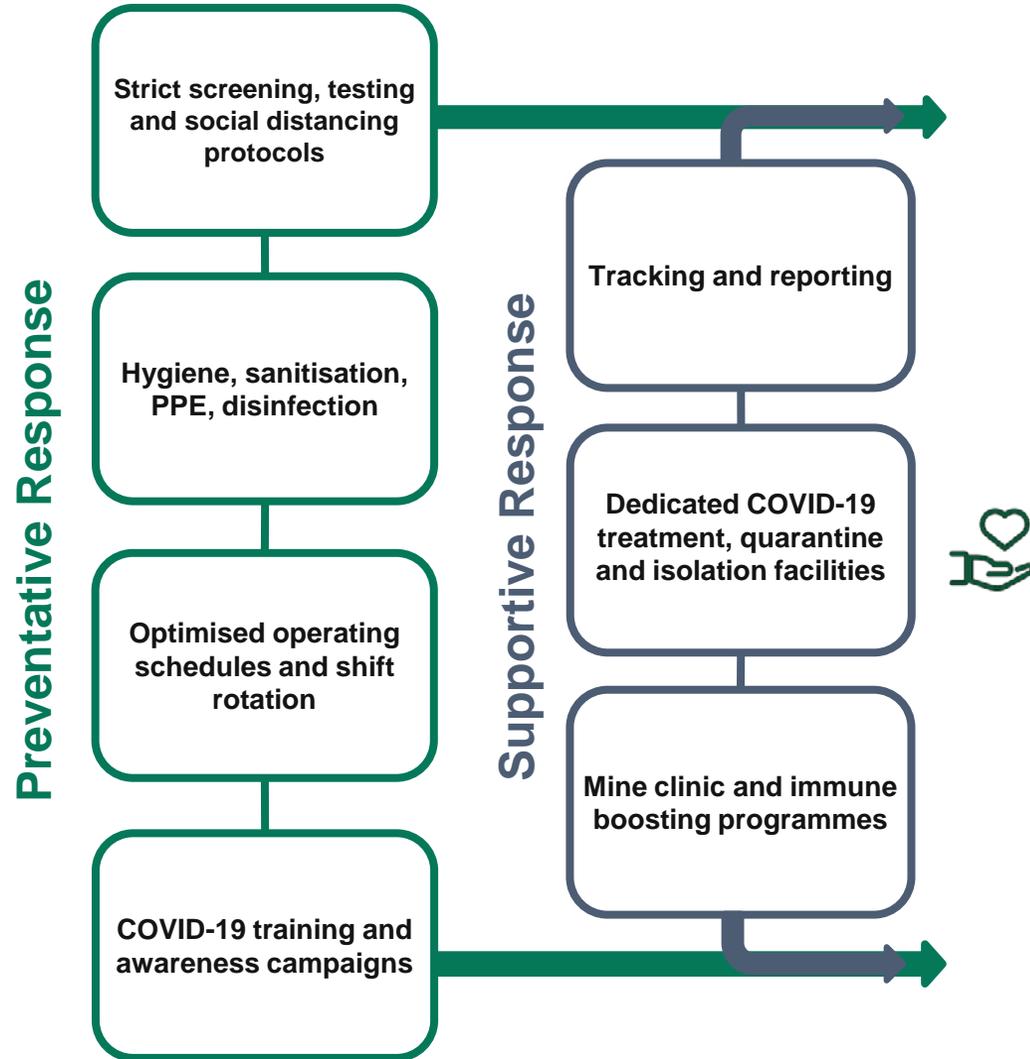
- > No operational fatalities for the period
- > Continued trend of year-on-year improvements in all injury frequency rate metrics

## H1 2019 vs H1 2020

- > 36.9% **improvement** in TIFR
- > 37.4% **improvement** in SIFR
- > 16.7% **improvement** in LTIFR



# PROACTIVE PROCESSES IN PLACE TO MANAGE AND PREVENT THE SPREAD OF COVID-19





# SUSTAINABILITY IS EMBEDDED IN OUR STRATEGY

- > RBPlat supports all **SDGs** – prioritised and adopted them as part of our sustainability framework



- > **Waterkloof Hills School** to be built over a 2 year period in partnership with the **North West Department of Education**



- > **84.7%** of total discretionary expenditure spend was on HDP\* (R1 710.45 million)
- > Community support programmes in response to COVID-19



- > **Potable water savings** due to treatment of 264Ml of water equating to **R3 million** savings
- > Board approved water and energy efficiency targets



- > **R47.1 million** invested in social and labour plans
- > Over **1 200** families live in our employee housing development, Waterkloof Hills Estate



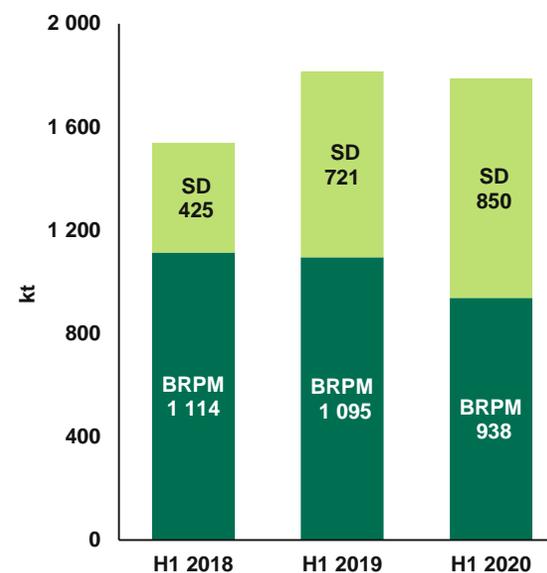
\* HDP – Historically disadvantaged person



## STRONG PRODUCTION PERFORMANCE DESPITE THE COVID-19 PANDEMIC

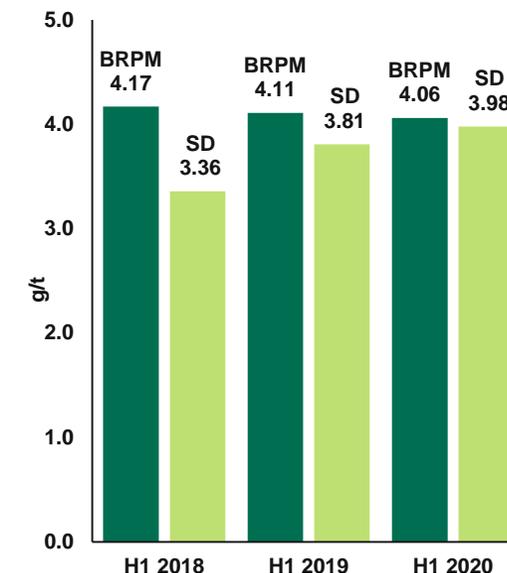
Description	Unit	H1 2018	H1 2019	H1 2020	% Var
<b>Total development</b>	<b>km</b>	<b>17.0</b>	<b>18.9</b>	<b>15.0</b>	<b>(20.6)</b>
BRPM	km	13.7	15.6	12.2	(21.8)
Styldrift	km	3.3	3.3	2.8	(15.2)
<b>Total stoping square metres</b>	<b>000m<sup>2</sup></b>	<b>256</b>	<b>301</b>	<b>277</b>	<b>(8.0)</b>
BRPM	000m <sup>2</sup>	211	204	168	(17.6)
Styldrift	000m <sup>2</sup>	45	97	109	12.4
<b>IMS panel ratio (BRPM)</b>	<b>ratio</b>	<b>1.89</b>	<b>2.05</b>	<b>1.75</b>	<b>(14.6)</b>
<b>Total tonnes hoisted</b>	<b>kt</b>	<b>1 539</b>	<b>1 816</b>	<b>1 788</b>	<b>(1.5)</b>
BRPM	kt	1 114	1 095	938	(14.3)
Styldrift	kt	425	721	850	17.9
Merensky	kt	1 324	1 563	1 474	(5.7)
UG2	kt	215	253	314	24.1
<b>Built-up head grade (4E)</b>	<b>g/t</b>	<b>3.96</b>	<b>3.99</b>	<b>4.03</b>	<b>1.0</b>
BRPM	g/t	4.17	4.11	4.06	(1.2)
Styldrift	g/t	3.36	3.81	3.98	4.5

Total tonnes hoisted



- > **8.0% decline** in stoping square metres
- > **17.9% improvement** in Styldrift tonnes hoisted

Built-up head grade (4E)



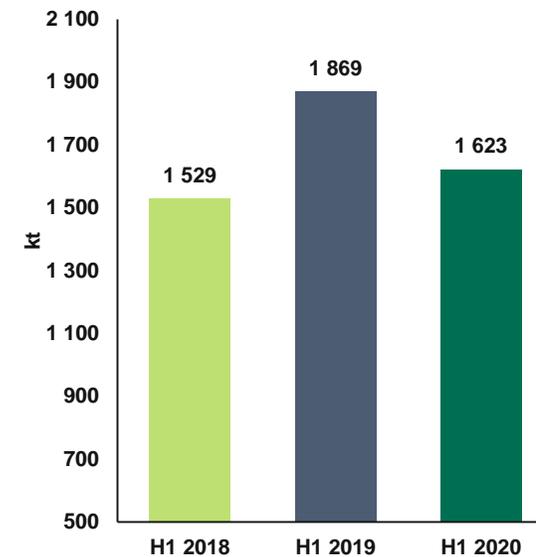
- > **1.0% improvement** in built-up head grade
- > **4.5% improvement** in Styldrift built-up head grade



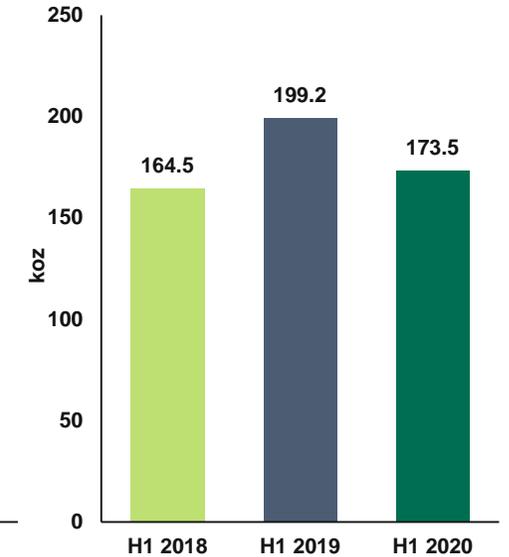
## CURTAILED PROCESSING DRIVES STOCKPILE GROWTH

Description	Unit	H1 2018	H1 2019	H1 2020	% Var
<b>Total tonnes milled</b>	<b>kt</b>	<b>1 529</b>	<b>1 869</b>	<b>1 623</b>	<b>(13.2)</b>
BRPM	kt	1 123	1 112	913	(17.9)
Styldrift	kt	406	757	710	(6.2)
Merensky	kt	1 314	1 610	1 319	(18.1)
UG2	kt	215	259	304	17.4
<b>UG2 % milled</b>	<b>%</b>	<b>14</b>	<b>14</b>	<b>19</b>	<b>(35.7)</b>
<b>Concentrator tonnes milled</b>	<b>kt</b>	<b>1 407</b>	<b>1 869</b>	<b>1 623</b>	<b>(13.2)</b>
BRPM Plant	kt	1 407	1 289	1 114	(13.6)
Maseve Plant	kt	0	580	509	(12.2)
<b>Tonnes milled – UG2 Toll</b>	<b>kt</b>	<b>122</b>	<b>0</b>	<b>0</b>	<b>0.0</b>
<b>Stockpile</b>	<b>kt</b>	<b>10</b>	<b>0</b>	<b>172</b>	<b>100</b>
<b>Recovery – 4E (total concentrating)</b>	<b>%</b>	<b>84.62</b>	<b>83.09</b>	<b>82.60</b>	<b>(0.6)</b>
<b>4E metals in concentrate</b>	<b>koz</b>	<b>164.5</b>	<b>199.2</b>	<b>173.5</b>	<b>(12.9)</b>
BRPM	koz	128.4	123.6	99.7	(19.3)
Styldrift	koz	36.1	75.6	73.8	(2.4)
<b>Pt metal in concentrate</b>	<b>koz</b>	<b>106.5</b>	<b>129.2</b>	<b>112.7</b>	<b>(12.8)</b>
BRPM	koz	83.0	80.1	64.2	(19.9)
Styldrift	koz	23.5	49.1	48.5	(1.2)

Total tonnes milled



4E metals in concentrate



- > **13.2% decline** in tonnes milled
- > **6.2% decline** in Styldrift tonnes milled

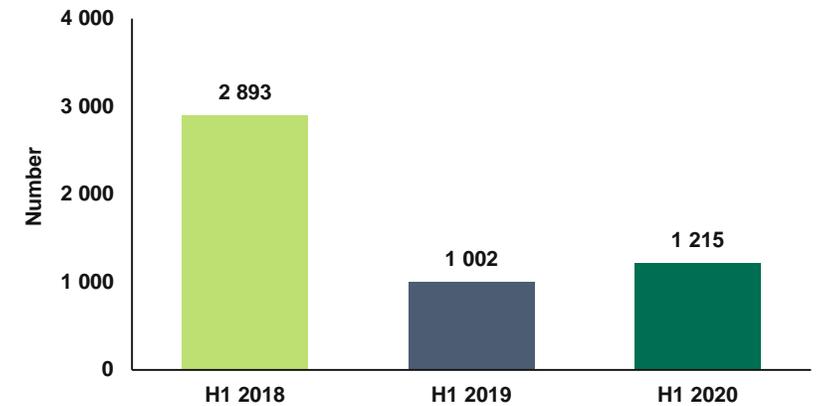
- > **17.4% increase** in UG2 tonnes milled
- > **12.9% decline** in 4E metals in concentrate



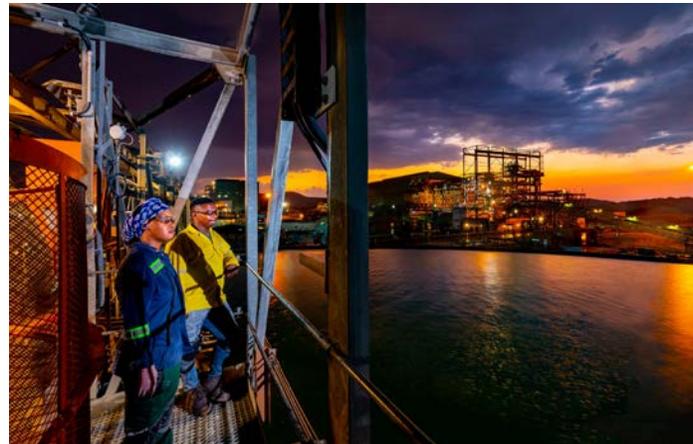
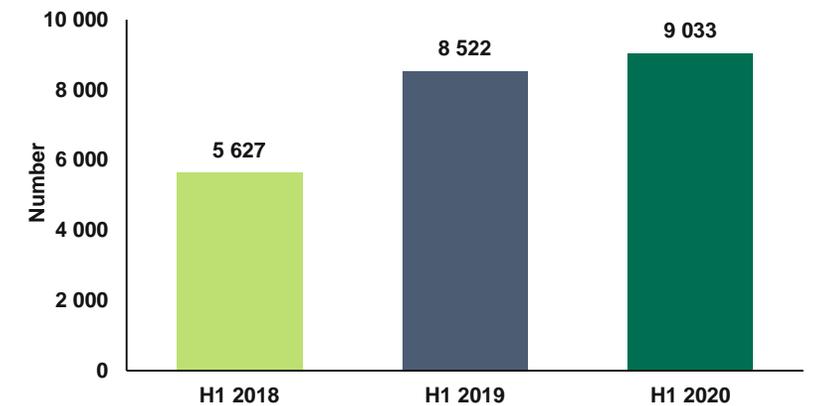
# LABOUR ALIGNED TO OPERATIONAL AND PROJECT REQUIREMENTS

Description	Unit	H1 2018	H1 2019	H1 2020	% Var
<b>Total labour</b>	<b>No.</b>	<b>8 520</b>	<b>9 524</b>	<b>10 248</b>	<b>(7.6)</b>
<b>Working cost labour</b>	<b>No.</b>	<b>5 627</b>	<b>8 522</b>	<b>9 033</b>	<b>(6.0)</b>
BRPM	No.	5 129	5 006	5 131	2.5
Styldrift	No.	0	2 618	3 007	14.9
Central and Shared Services	No.	208	454	456	0.4
Concentrators	No.	288	443	439	0.9
<b>Capital labour</b>	<b>No.</b>	<b>2 893</b>	<b>1 002</b>	<b>1 215</b>	<b>(21.3)</b>
<b>Tonnes milled/TEC</b>	<b>t/TEC</b>	<b>33.2</b>	<b>36.6</b>	<b>30.0</b>	<b>(18.0)</b>

Capital labour



Working cost labour





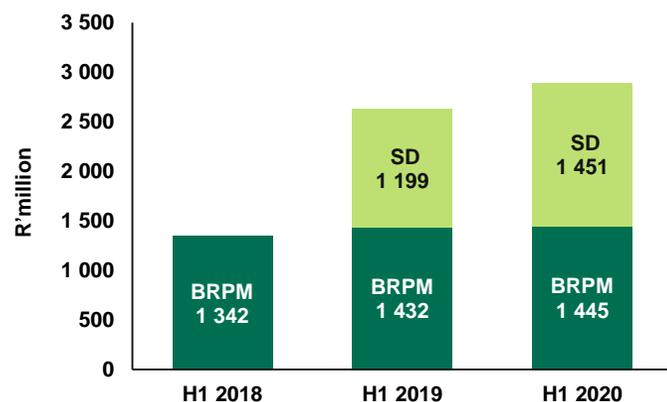
## RBPLAT UNIT COSTS REFLECTIVE OF COVID-19 OPERATIONAL IMPACT

Description	Unit	H1 2018	H1 2019	H1 2020	% Var
<b>Total cash operating costs</b>	<b>R'm</b>	<b>1 342</b>	<b>2 631</b>	<b>2 896</b>	<b>(10.1)</b>
Cash operating cost/tonne milled	R/t	1 195	1 407	1 784	(26.8)
Cash operating cost/4E oz	R/oz	10 449	13 211	16 685	(26.3)
Cash operating cost/tonne milled stock adjusted	R/t	1 195	1 407	1 629	(15.8)
Cash operating cost/tonne milled COVID-19 and stock adjusted	R/t	1 195	1 407	1 390	(1.2)
Cash operating cost/4E oz stock adjusted	R/oz	10 449	13 211	15 237	(15.3)
Cash operating cost/4E oz COVID-19 and stock adjusted	R/oz	10 449	13 211	12 921	2.2

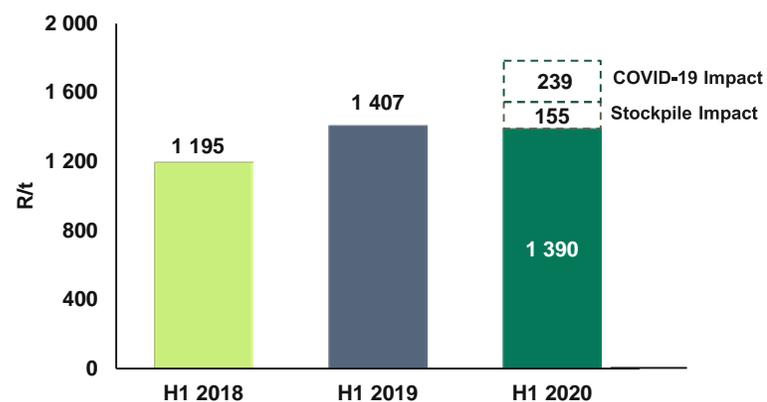
### H1 2020 Impacts

- > 45 days of production
- > 480kt in milled production
- > 27.5koz 4E lost at BRPM
- > 26.4koz 4E lost at Styldrift
- > 172kt stockpile

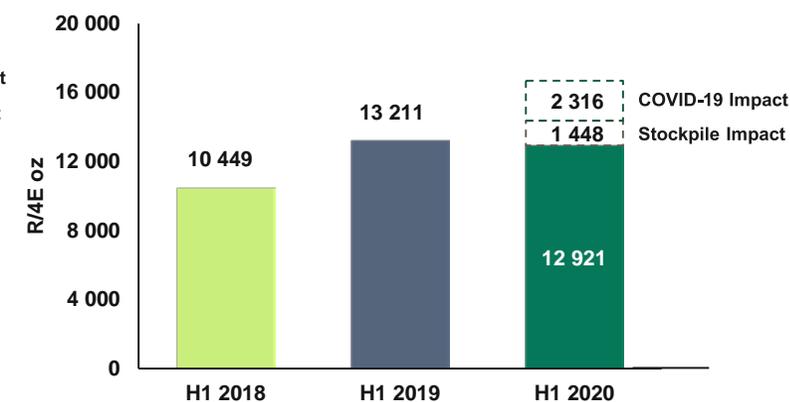
**Total cash operating costs**



**Cash operating cost/tonne milled**



**Cash operating cost/4E oz**

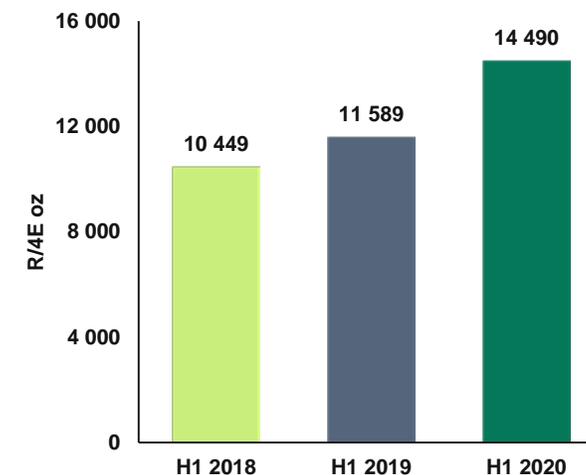




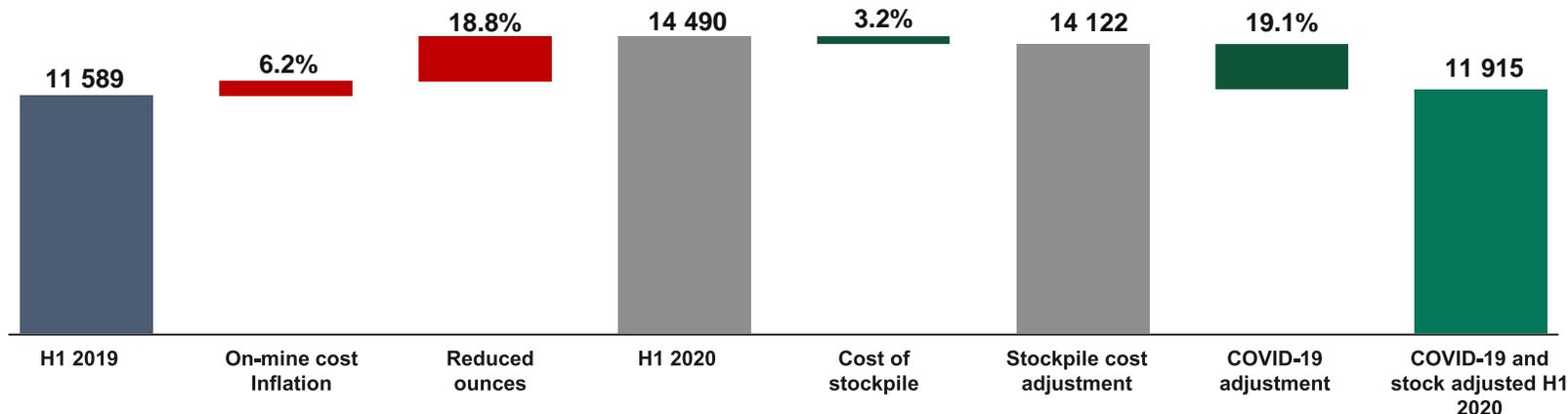
## ADJUSTED BRPM UNIT COSTS IN LINE WITH INFLATION

Description	Unit	H1 2018	H1 2019	H1 2020	% Var
<b>BRPM cash operating costs</b>	R'm	1 342	1 432	1 445	(0.9)
Cash operating cost/tonne milled	R/t	1 195	1 288	1 582	(22.8)
Cash operating cost/4E oz	R/oz	10 449	11 589	14 490	(25.0)
Cash operating cost/tonne milled stock adjusted	R/t	1 195	1 288	1 541	(19.6)
Cash operating cost/tonne milled COVID-19 and stock adjusted	R/t	1 195	1 288	1 317	(2.3)
Cash operating cost/4E oz stock adjusted	R/oz	10 449	11 589	14 122	(21.9)
Cash operating cost/4E oz COVID-19 and stock adjusted	R/oz	10 449	11 589	11 915	(2.8)

### Cash operating cost/4E ounce



### Cash operating cost/4E oz H1 2019 vs H1 2020



### Key drivers of unit costs

#### Volume

- > 234kt of milled production lost due to impact of COVID-19
- > Equating to 27.5koz of 4E metals
- > 28kt of stock accumulated

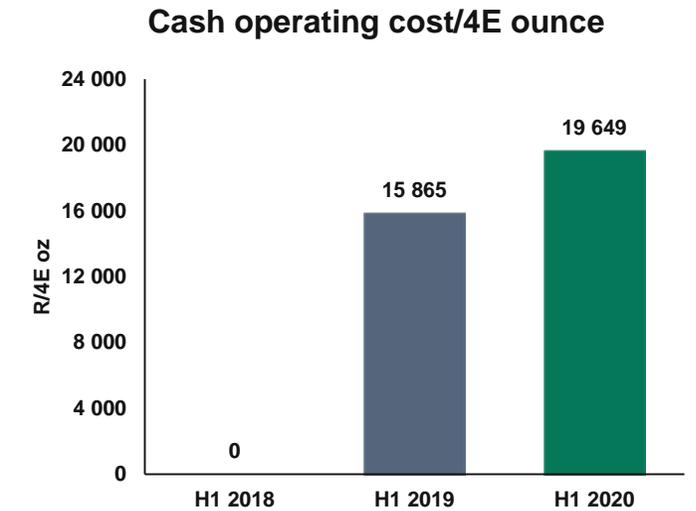
#### Operating costs

- > 6.2% increase in on-mine costs
- > Includes mining-related stockpile costs

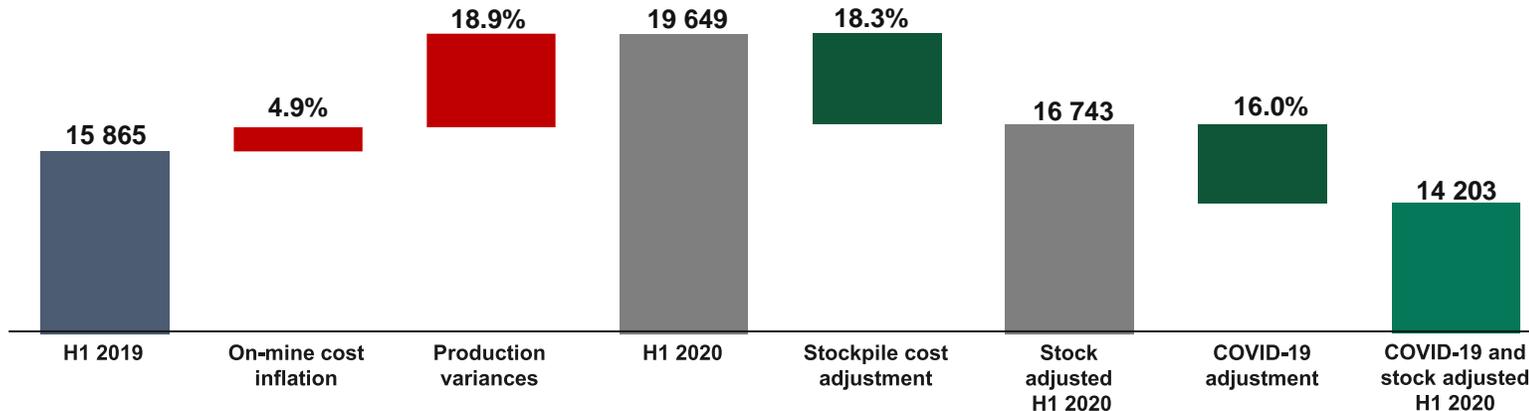


# STYLDRIFT UNIT COSTS IMPACTED BY COVID-19 AND SURFACE STOCKS

Description	Unit	H1 2019	H1 2020	% Var
<b>Styldrift cash operating costs</b>	<b>R'm</b>	<b>1 199</b>	<b>1 451</b>	<b>(21.0)</b>
Cash operating cost/tonne milled	R/t	1 583	2 044	(29.1)
Cash operating cost/4E oz	R/oz	15 865	19 649	(23.9)
Cash operating cost/tonne milled stock adjusted	R/t	1 583	1 741	(10.0)
Cash operating cost/tonne milled COVID-19 and stock adjusted	R/t	1 583	1 477	6.7
Cash operating cost/4E oz stock adjusted	R/oz	15 865	16 743	(5.5)
Cash operating cost/4E oz COVID-19 and stock adjusted	R/oz	15 865	14 203	10.5



**Cash operating cost/4E oz H1 2019 vs H1 2020**



## Key drivers of unit costs

### Volume

- > 246kt of milled production lost due to impact of COVID-19
- > Equating to 26.4koz of 4E metals
- > 144kt of stock accumulated

### Operating costs

- > 4.9% increase in on-mine costs
- > Includes mine related stockpile costs

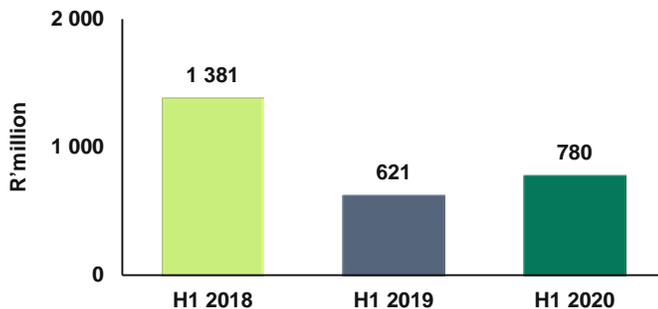


# CAPITAL EXPENDITURE IN LINE WITH KEY PROJECT PROGRESS

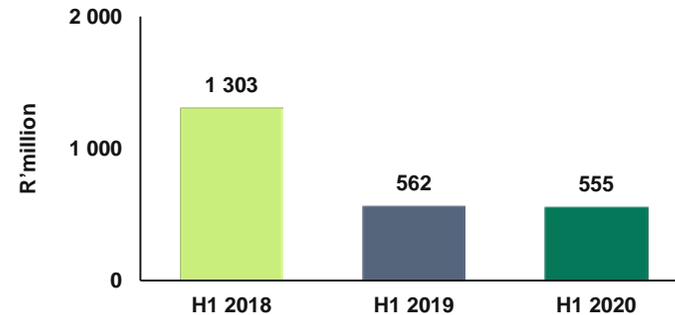
Description	Unit	H1 2018	H1 2019	H1 2020	% Var
<b>Stay-in-business capital (SIB)</b>	R'm	57	53	113	(113.2)
SIB % of total operating costs	%	4.3	2.0	3.9	(95.0)
<b>Replacement capital</b>	R'm	21	6	112	(1 766.7)
BRPM	R'm	21	6	0	100.0
Styl drift	R'm	0	0	112	-
<b>Expansion capital</b>	R'm	1 303	562	555	1.2
Styl drift	R'm	1 303	536	432	19.4
Concentrators	R'm	0	24	119	(395.4)
Other	R'm	0	2	3	(118.3)
<b>Total capital expenditure</b>	R'm	<b>1 381</b>	<b>621</b>	<b>780</b>	<b>(25.6)</b>

<b>Stay-in-business capital</b>		<b>R113 million for H1 2020</b> > 3.9% of total operating cost
<b>Replacement capital</b>		<b>R112 million for H1 2020</b> > Expansion of north and south declines beyond 230ktpm capital footprint
<b>Expansion capital</b>		<b>R555 million for H1 2020</b> > Key construction for tailings deposition on Maseve TSF completed > Delays on BRPM TSF and 160ktpm Maseve upgrade due to national lockdown

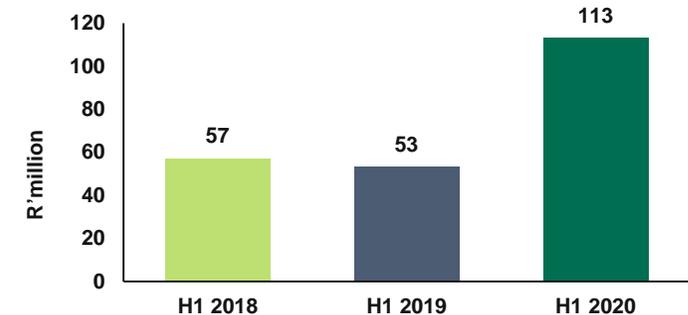
Total capital expenditure



Total expansion capital



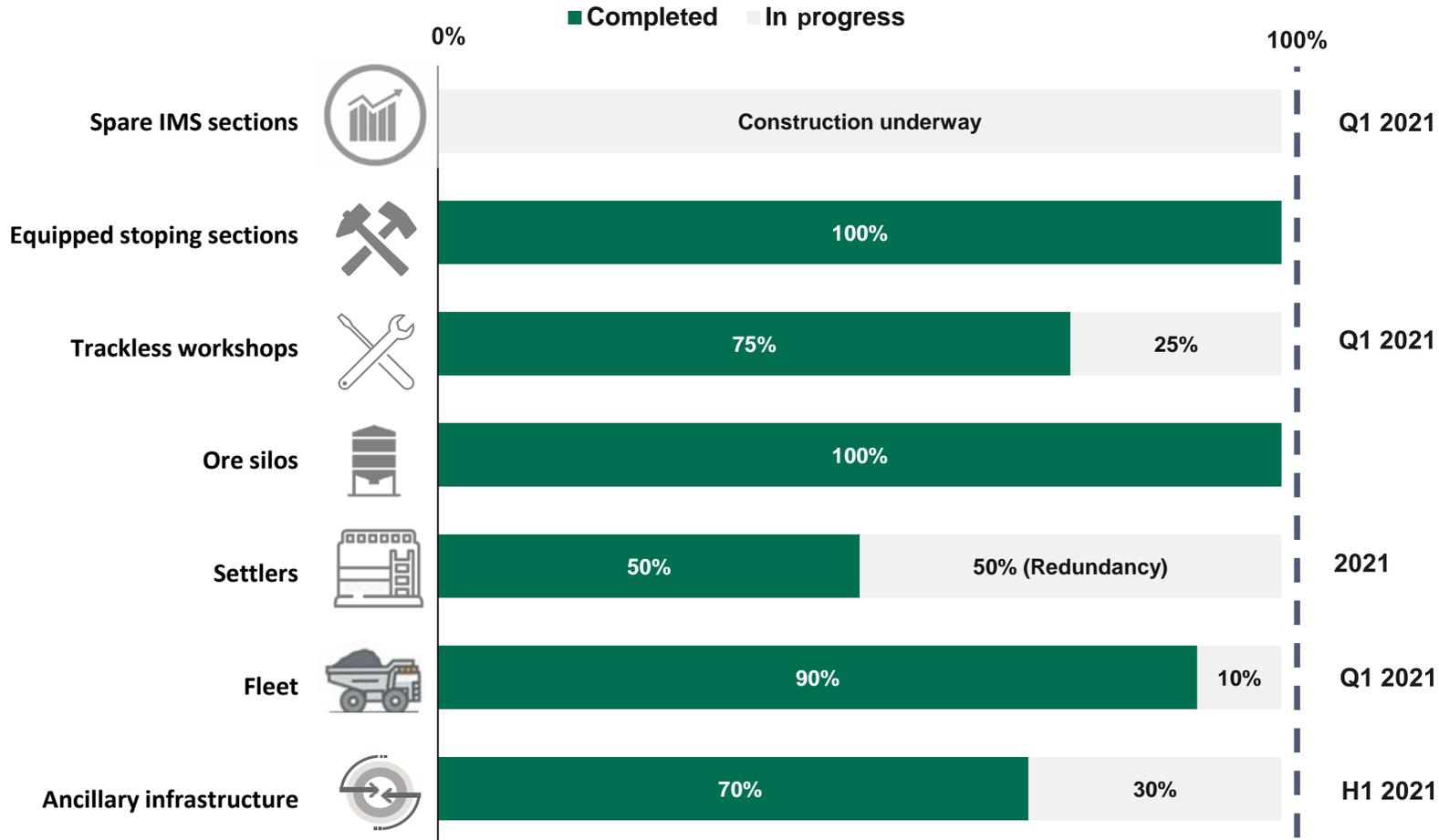
Total stay-in-business capital



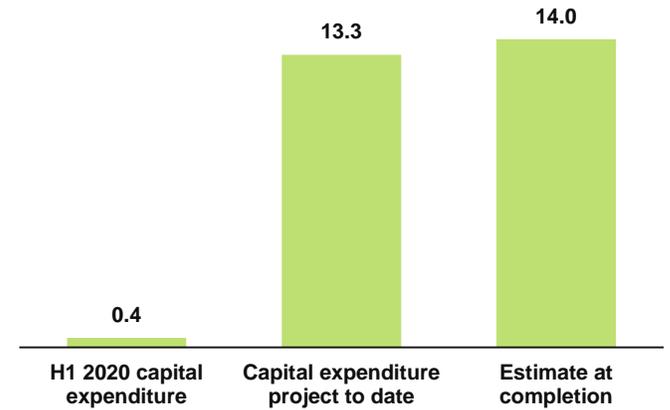


# STYLDRIFT: INFRASTRUCTURE AND MINING PROGRESS

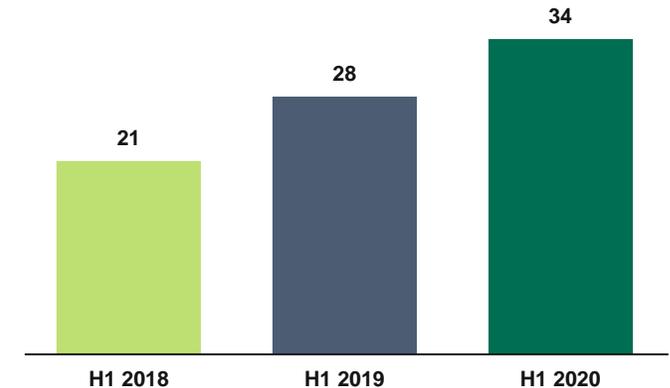
## Key infrastructure % progress



## Styl drift capital expenditure (R'm)



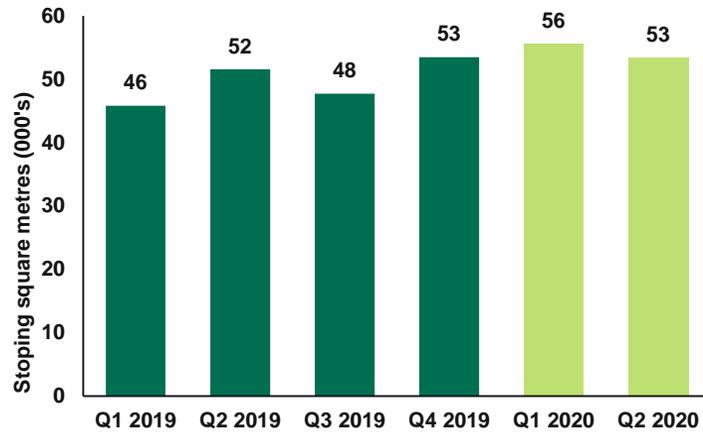
## Footprint development project to date (kms)



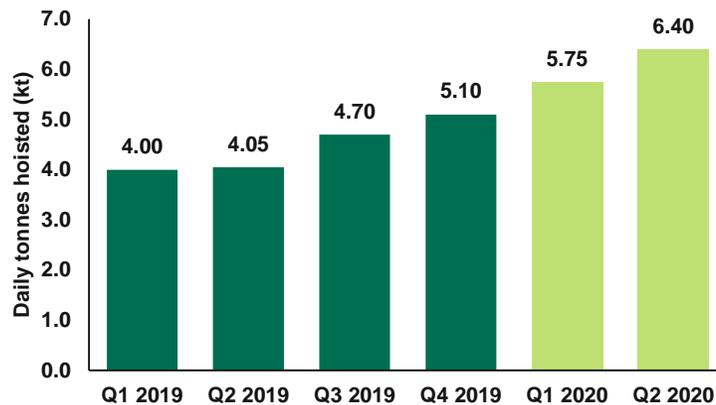


# STYLDRIFT: PROGRESS TOWARDS STEADY STATE

Stoping square metres



Styldrift mine daily tonnes hoisted\*



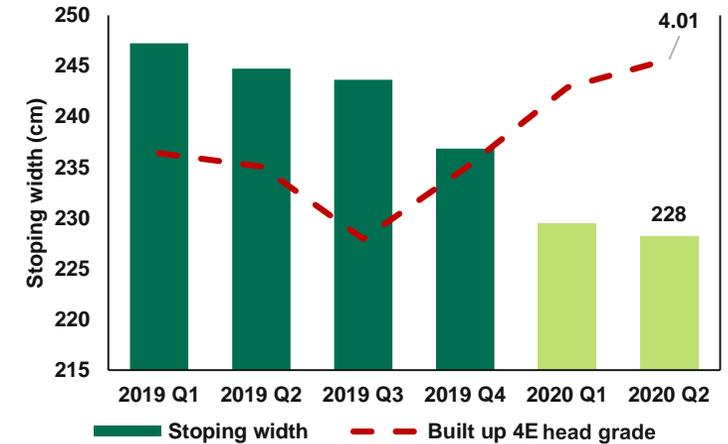
\* COVID-19 period excluded

## Key drivers to meet 230ktpm steady state

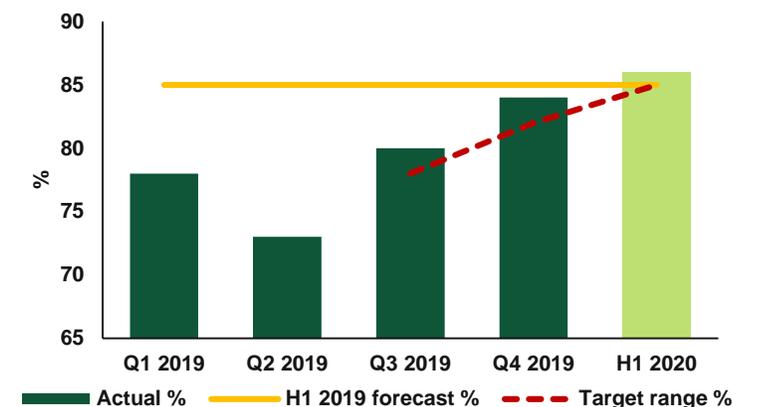
### Focus areas

- > Maintain minimum of 85% trackless fleet availability
- > Maintain tip-to-face distance below 90m
- > Focus on stoping width to optimise grade
- > Develop 4 IMS sections to mitigate the potential impact of geology and geotechnical requirements
- > Continuous improvement in operator proficiencies

Stoping quality



Fleet availability





## PROJECT PROGRESS SUPPORTING ORGANIC GROWTH



### BRPM TSF

- > R458 million
- > Completion date – Q4 2021
- > 63ha footprint increase



### Maseve TSF

- > R112 million
- > In operation
- > Close out date – Aug 2020
- > 21ha footprint increase



### Maseve concentrator upgrade (160ktpm)

- > R444 million
- > Completion date – Q2 2021
- > Unlocks South shaft UG2

### Project studies

#### Overland conveyor phase 2

- > Evaluate overland conveyor options to directly link mine sites to Maseve concentrator

#### Maseve and BRPM concentrator optimisation

- > Incremental increases in concentrator capacity

#### Styldrift narrow reef optimisation study

- > Feasibility study in progress to optimise narrower reef mining option



## SECOND HALF 2020 KEY OPERATIONAL FOCUS AREAS

**Ensuring business continuity in current dynamic COVID-19 operating environment by optimising cashflows:**

**Optimise volumes, contain costs and secure operational flexibility**

### **Operational stability**

- > Employee and community COVID-19 support
- > Effective testing programmes (diagnostic and antibody)
- > Supply chain security
- > Optimisation of production and support services processes



### **Cost control**

- > Deferment of non-essential capital
- > Manage fixed costs in restricted production periods



### **Volume growth and operational flexibility**

- > Styldrift 230ktpm milestone
- > South shaft UG2 ramp-up
- > Maseve concentrator MF2 upgrade
- > BRPM TSF upgrade

### **Reduce surface stock inventories**

- > Toll treatment
- > Incremental increases in current concentrator performance



# 04

## FINANCIAL REVIEW





## 2020 INTERIM RESULTS SUMMARY

Description	Unit	6 months ended 30 June 2020	6 months ended 30 June 2019	YoY % change	Year ended 31 December 2019
Revenue	R'm	4 606.0	3 163.0	45.6	7 491.9
Cost of sales	R'm	(3 385.3)	(3 114.1)	(8.7)	(6 810.6)
<b>Gross profit</b>	<b>R'm</b>	<b>1 220.7</b>	<b>48.9</b>	<b>2 396.3</b>	<b>681.3</b>
Other income	R'm	435.7	112.8	286.3	267.9
Administrative expenses	R'm	(178.4)	(175.4)	(1.7)	(326.6)
Restructuring costs	R'm	-	-	-	(10.6)
Scrapping and impairment of non-financial assets	R'm	(4.0)	-	(100.0)	(58.9)
Net finance cost	R'm	(196.8)	(201.3)	2.2	(429.5)
<b>Profit/(loss) before tax</b>	<b>R'm</b>	<b>1 277.2</b>	<b>(215.0)</b>	<b>694.0</b>	<b>123.6</b>
EBITDA	R'm	2 087.8	525.6	297.2	1 756.5
EBITDA margin	%	45.3	16.6	172.9	23.4

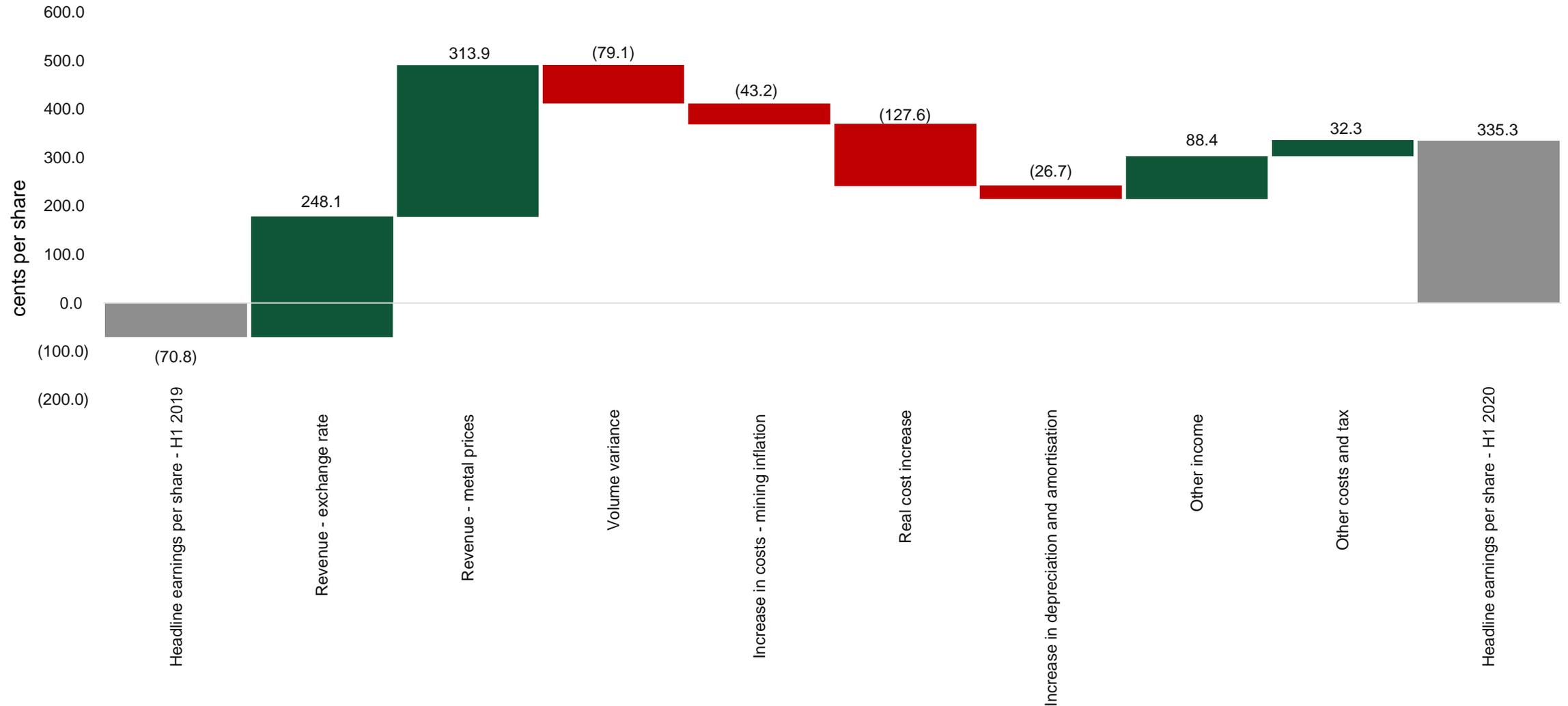


## STRONG GROWTH IN HEADLINE EARNINGS

Description	Unit	6 months ended 30 June 2020	6 months ended 30 June 2019	YoY % change	Year ended 31 December 2019
<b>Attributable comprehensive income/(loss)</b>	R'm	<b>869.5</b>	<b>(164.4)</b>	<b>628.9</b>	<b>64.1</b>
(Profit)/loss on disposal of PPE and other assets	R'm	(6.9)	-	(100.0)	0.1
Scrapping and impairment of non-financial assets	R'm	-	-	-	58.9
<b>Headline earnings/(loss)</b>	R'm	<b>862.6</b>	<b>(164.4)</b>	<b>624.7</b>	<b>123.1</b>
Weighted average number of shares outstanding	# million	257.3	232.2	(10.8)	244.3
<b>Basic earnings/(loss) per share</b>	<b>Cents</b>	<b>338.0</b>	<b>(70.8)</b>	<b>577.4</b>	<b>26.3</b>
<b>Headline earnings/(loss) per share</b>	<b>Cents</b>	<b>335.3</b>	<b>(70.8)</b>	<b>573.6</b>	<b>50.4</b>



## RECONCILIATION OF HEADLINE EARNINGS PER SHARE



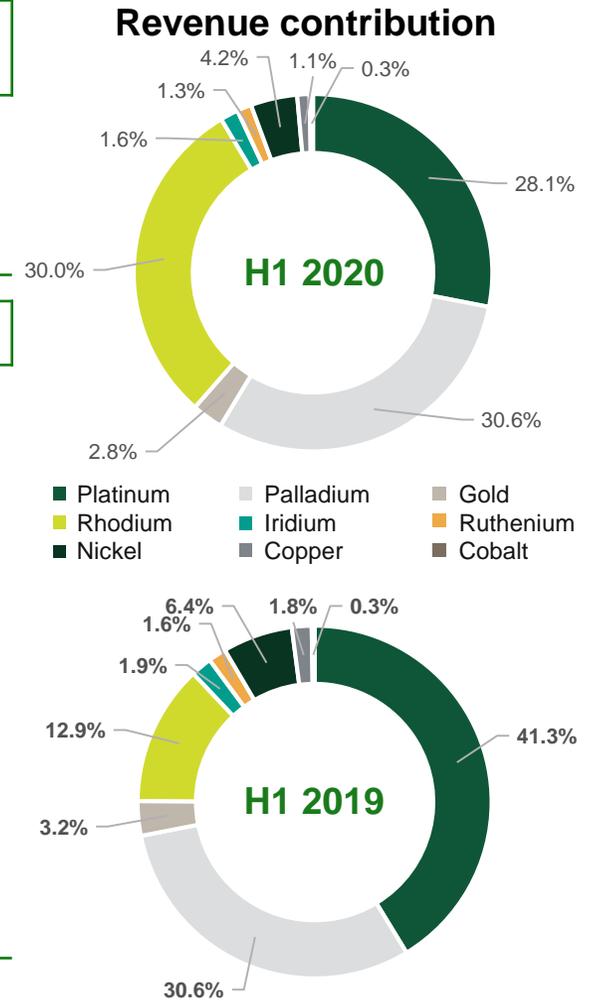


## REVENUE GROWTH SUPPORTED BY STRONGER BASKET PRICE

Description	Unit	6 months ended 30 June 2020	6 months ended 30 June 2019	YoY % change	Year ended 31 December 2019
Average basket price	R/Pt oz	43 681	24 694	76.9	28 743
Average basket price	R/4E oz	28 389	16 024	77.2	18 668
Average R:US\$ exchange rate	R:US\$	17.53	14.47	21.1	14.6

Description	Unit	6 months ended 30 June 2020		6 months ended 30 June 2019	
		Volume	Price (US\$)	Volume	Price (US\$)
Platinum	oz	112 457	803/oz	129 225	825/oz
Palladium	oz	45 850	1 992/oz	53 107	1 395/oz
Gold	oz	5 092	1 588/oz	6 074	1 317/oz
Rhodium	oz	9 684	8 463/oz	10 741	2 840/oz
Iridium	oz	3 232	1 494/oz	3 512	1 443/oz
Ruthenium	oz	16 604	234/oz	18 019	250/oz
Nickel	tonne	1 138	6.52/lb	1 312	5.54/lb
Copper	tonne	695	2.8/lb	806	2.7/lb

Note: The table above illustrates the average prices received by RBPlat in terms of the disposal of concentrate agreement (including the pipeline revaluation)

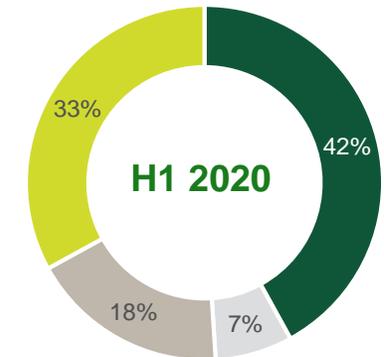




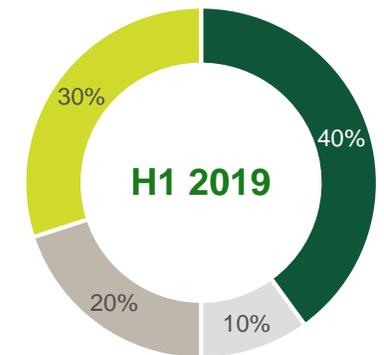
## COVID-19 IMPACTS COST BASE COMPARISON

Description	Unit	6 months ended 30 June 2020	6 months ended 30 June 2019	YoY % change	Year ended 31 December 2019
<b>Cost of sales</b>	R'm	<b>(3 385.3)</b>	<b>(3 114.1)</b>	<b>(8.7)</b>	<b>(6 810.6)</b>
Cost of sales (excl. depreciation and amortisation)	R'm	(3 015.3)	(2 645.8)	(14.0)	(5 726.0)
Depreciation and amortisation	R'm	(599.3)	(504.0)	(18.9)	(1 095.7)
Increase in inventories	R'm	229.3	35.7	542.3	11.1
<b>Administrative expenses</b>	<b>R'm</b>	<b>(178.4)</b>	<b>(175.4)</b>	<b>(1.7)</b>	<b>(337.2)</b>
Corporate office	R'm	(97.2)	(110.2)	11.8	(187.3)
Housing project	R'm	(16.5)	(37.0)	55.4	(53.5)
Industry membership and market development	R'm	(28.4)	(15.8)	(79.7)	(16.6)
Maseve care and maintenance and other costs	R'm	(36.3)	(12.4)	(192.7)	(69.2)
Restructuring costs	R'm	-	-	-	(10.6)

Cost of sales (excl. depreciation and amortisation) contribution



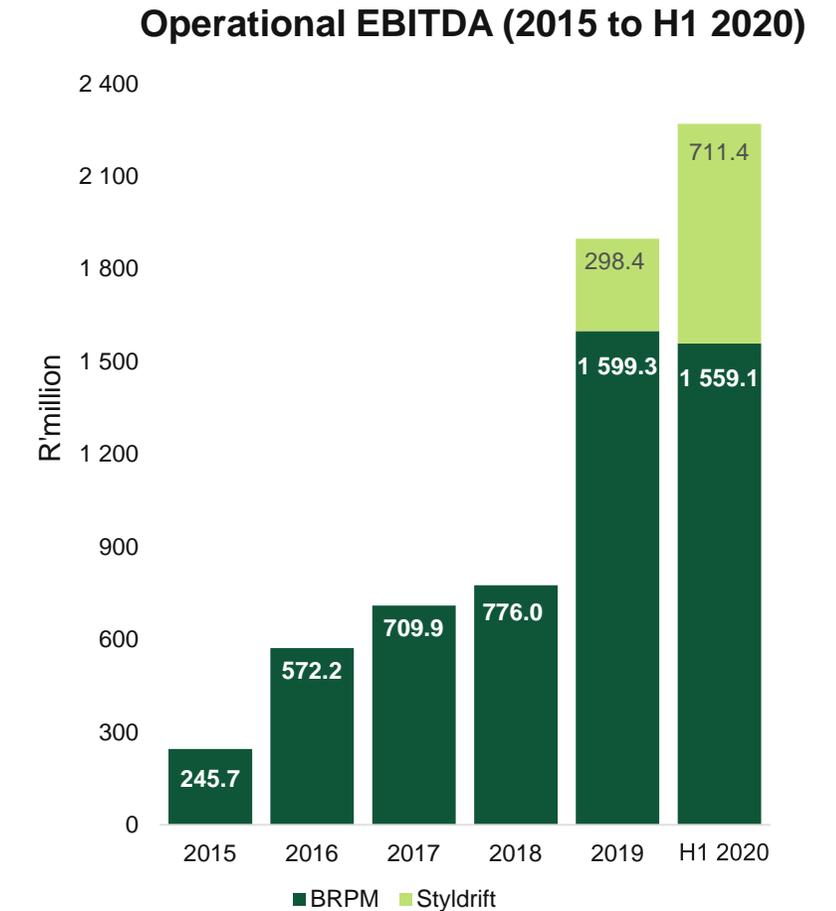
■ Labour
 ■ Utilities  
■ Contractor costs
 ■ Materials and other costs





## STRONG BRPM AND STYLDRIFT PROFIT GROWTH

Description	RBR operations segment	BRPM mining segment	Styl drift mining segment
Six months ended 30 June 2020	R' million	R' million	R' million
Revenue	4 606.0	2 729.6	1 876.4
Cost of sales	(3 344.0)	(1 657.0)	(1 687.0)
Cash cost of sales excluding depreciation	(3 058.1)	(1 532.2)	(1 525.9)
Depreciation	(515.2)	(164.2)	(351.0)
Movement in inventories	229.3	39.4	189.9
<b>Gross profit per segment and total</b>	<b>1 262.0</b>	<b>1 072.6</b>	<b>189.4</b>
<b>2020 vs 2019</b>	<b>1 289.9%</b>	<b>201.0%</b>	<b>NM</b>





## SOLID CASH GENERATION SUPPORTS MOVE TO NET CASH POSITION

Description	Unit	6 months ended 30 June 2020	6 months ended 30 June 2019	YoY % change	Year ended 31 December 2019
<b>Cash generated by operating activities*</b>	R'm	<b>3 861.3</b>	<b>160.4</b>	<b>2 307.3</b>	<b>1 027.6</b>
- Cash generated by operations	R'm	1 764.0	234.0	653.8	1 154.5
- Proceeds from streaming transaction	R'm	2 093.5	-	100.0	-
<b>Cash utilised in investing activities*</b>	R'm	<b>(775.0)</b>	<b>(671.3)</b>	<b>(15.4)</b>	<b>(1 751.8)</b>
- Capital expenditure	R'm	(773.1)	(641.7)	(20.5)	(1 695.3)
<b>Cash utilised in financing activities*</b>	R'm	<b>(1 227.4)</b>	<b>302.5</b>	<b>(505.8)</b>	<b>654.9</b>
- Proceeds from issue of shares	R'm	-	1 029.1	(100.0)	1 029.1
- Proceeds from interest-bearing borrowings	R'm	1 112.3	175.5	533.8	841.0
- Repayment of interest-bearing borrowings	R'm	(481.5)	(941.4)	48.9	(1 264.3)
- Repayment of RPM deferred consideration	R'm	(1 851.2)	-	(100.0)	-
<b>Cash and cash equivalents</b>	R'm	<b>2 673.1</b>	<b>675.1</b>	<b>296.0</b>	<b>814.2</b>
<b>Net cash/(debt)**</b>	R'm	<b>701.8</b>	<b>(284.6)</b>	<b>346.6</b>	<b>(491.3)</b>

Note: \* Key items highlighted above and not a comprehensive list

\*\* Net debt calculated as interest-bearing borrowings net of cash and cash equivalents



# CAPITAL ALLOCATION CRITICAL IN UNCERTAIN TIMES

Our capital allocation framework is integrated into our strategy, budget, planning and management processes, and further enhanced to manage financial health and liquidity.

## Assessment of financial risk and returns



impact on:

- Manufactured capital
- Human capital
- Intellectual capital
- Social capital
- Natural capital

**Governance structure, including the delegation of authority framework, ensures appropriate level of accountability and flexibility**

## Valuation process



measure performance of:

- Operational improvements and other
- Organic growth projects
- Mergers and acquisitions

**Considers significant uncertainty of macro-economic factors to balance risk and returns**

## Optimal funding structure



ongoing assessment of:

- Optimal sources of equity
- Optimal sources of debt

**Ensures the best balance of risk and returns**



**Maximise shareholder returns while maintaining an appropriate level of risk**



## ROBUST BALANCE SHEET SUPPORTS SUSTAINABLE DIVIDEND

### > **Net cash of R701.8 million at period end\***

- RPM deferred consideration settled with proceeds from the gold streaming transaction
- Free cash flow, before growth capital, of R1 539 million

### > **Strong liquidity and funding**

- Cash and cash investments of R2 673 million at period end
- R3 008 million in debt facilities, with R809 million available at period end

### > **Dividend policy**

- Minimum of 10% of free cash flow, before growth capital
- Annual dividend, with excess cash returned through special dividends
- Target gearing of 0.5x Net Debt to EBITDA

Note: \* Net cash calculated as cash and cash equivalents net of interest-bearing borrowings



# PLATFORM FOR ENHANCED VALUE CREATION AND SHAREHOLDER RETURNS



## > Transformative year for Royal Bafokeng Platinum

- Strong business performance from Styldrift and BRPM despite COVID-19
- Settled the R1 851.2 million RPM deferred consideration



## > Strong financial performance

- EBITDA of R2 087.8 million (2019: R525.6 million)
- EBITDA margin of 45.3% (2019: 16.6%)
- Record EBITDA contribution from BRPM and Styldrift



## > Capital allocation to optimise returns

- Maintain robust balance sheet
- Dividend policy underpins commitment of sustainable cash returns



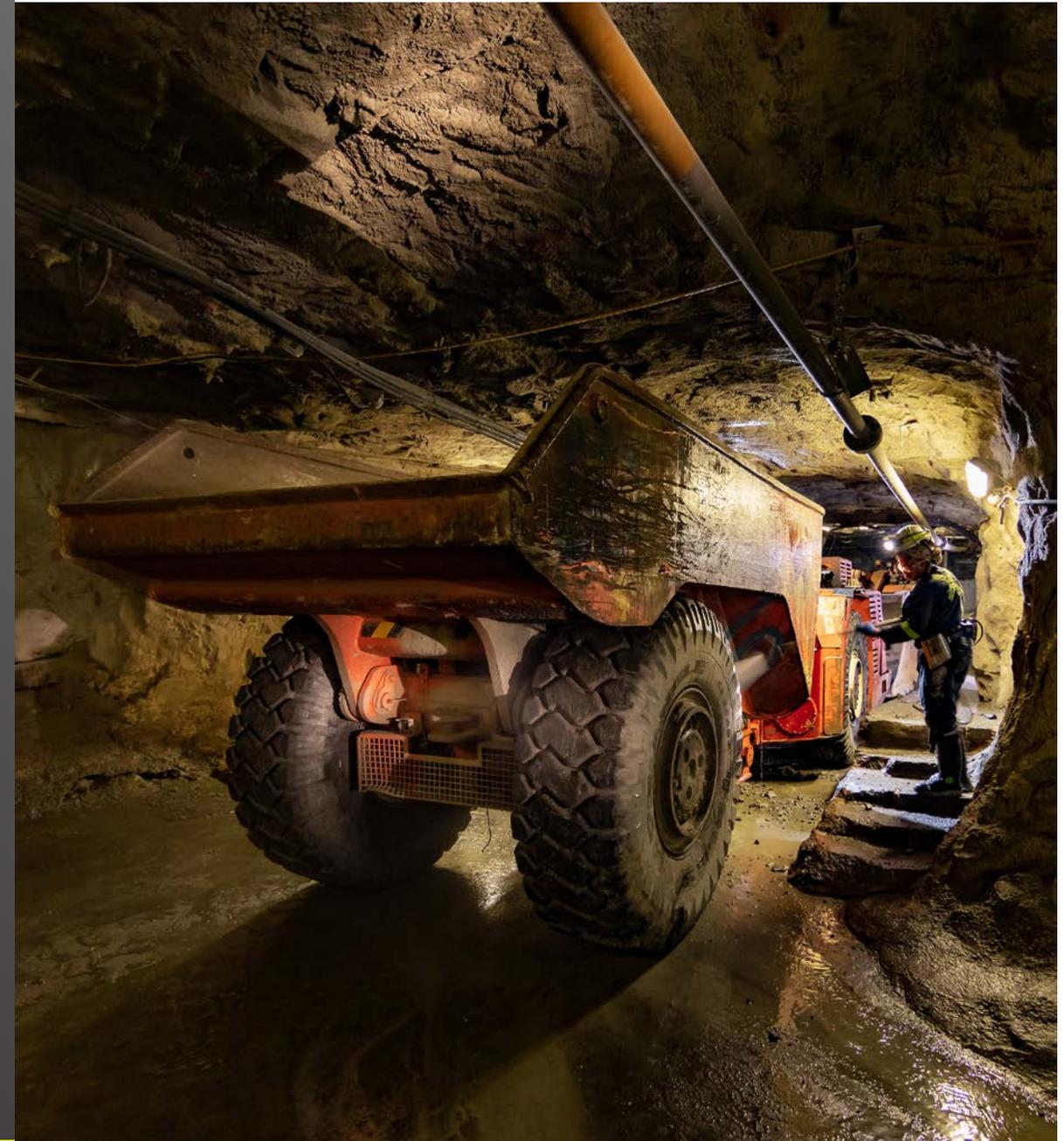
## > Finance focus areas for 2020 and beyond

- Close monitoring of financial health and liquidity
- Delivery of Styldrift 230ktpm ramp-up and further optimisation



# 05

## OUTLOOK AND GUIDANCE





## OUTLOOK AND GUIDANCE

- > Continued focus on keeping our people healthy and safe
- > Visibility of COVID-19 second half impact on operations is limited
- > Production is forecast to be between 3.55Mt and 3.80Mt, yielding between 380koz and 405koz 4E metals in concentrate
- > Forecast built-up head grade of 3.98g/t to 4.03g/t (4E)
- > Total cash operating cost per 4E ounce is forecast to be between R15 600 and R16 200 for the Group
- > Total capex for 2020 forecast at approximately R1.8 billion with the main drivers being:
  - Styldrift mining and infrastructure of R700 million
  - Maseve plant expansion of R260 million
  - Tailings storage facility upgrades of R250 million
  - Styldrift replacement capital of R200 million
  - SIB expenditure is expected to be approximately 6% of operating expenditure
- > Impact of COVID-19 on the PGM market is expected to continue in the near term
- > However, total PGM demand growth should continue in the medium term due to increasingly restrictive emissions standards