Market analysis

PLATINUM SUPPLY/Demand outlook

**Platinum**
- Near-term industrial surpluses partially offset by conducive macro-economic outlook for precious metal investment
- Limited primary and secondary supply growth offset by increasing use in gasoline catalysts, and rising heavy duty vehicle loadings tightens the market in the medium term with a strong underpin from the development of the nascent hydrogen economy

**Palladium**
- Tight short- to medium-term market fundamentals due to rising catalyst loadings on tightening emission standards in both developed and developing markets
- Rising primary and secondary supply in the long term, together with metal optimisation in catalyst formulations likely to ease future market tightness

**Rhodium**
- Structural shift in demand drivers from industrial applications to growth in auto use to meet tighter NOx standards have resulted in market deficits and lent substantial medium-term price support
- Limited primary and secondary supply growth suggest meaningful price support

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### IMPLICATIONS FOR IMPLATS

- Benefit of polymetallic ore bodies results in burgeoning co-product revenue, limiting the near-term financial impact of weak platinum pricing
- Targeted marketing development aimed at securing long-term demand growth and underpinning life-of-mine demand for our primary product
- Focus on delivering near-term value from palladium-rich ore bodies in Zimbabwe and Canada
- Drive efficiency gains to offset potential impact of lower medium-term pricing
- Substantial and structural re-pricing of the UG2 basket price has meaningful implications for the viability of deep level, labour-intensive operations across the Group
- High production exposure to rhodium relative to the peer group and ability to extend and expand rhodium production is a core competitive advantage