Business case

IMPLATS SEEKS TO LEVERAGE ITS COMPETITIVE MINERAL PORTFOLIO AND COLLECTION OF PROCESSING ASSETS THROUGH A FOCUS ON RESPONSIBLE CORPORATE STEWARDSHIP, OPERATIONAL EXCELLENCE, AND AN OPTIMAL CAPITAL ALLOCATION FRAMEWORK TO DELIVER SUSTAINED VALUE TO ITS KEY STAKEHOLDERS.

Responsible corporate stewardship
IMPLATS aspires to deliver superior value to all stakeholders through operational excellence in PGMs. This strategic imperative prioritises modern, safe, responsible, competitive, and consistent operational delivery while employing leading environmental social and governance practices.

The Group’s core values to respect, care and deliver underpin health and safety goals, the management of operational impacts on the environment, responsible stewardship and progressive sustainable development practices, while building value accretive relationships with host communities.

Market
PGMS have diverse and desirable properties, with wide and evolving applications and end-uses.

Primary supply is highly concentrated with limited expectations for medium-term expansion due to increasingly prudent capital allocation by the peer group, rising regulatory oversight and increasing stakeholder requirements which have raised the “hurdle rate” for new projects.

Constrained processing capacity and the challenges associated with the steady and cost-effective provision of electricity present further material challenges to primary supply growth in South Africa.

IMPLATS continues to expect persistent market deficits in both palladium and rhodium – constrained primary supply and legislated demand growth are marked features of these markets and are unlikely to be mitigated by the impact of lower vehicle sales as a result of the Covid-19 pandemic.

The market surplus in the platinum market will erode in the longer-term with stagnant primary and secondary supply offset by continued growth in industrial demand, spurred by increased uptake from elements of the hydrogen economy, tightening global heavy-duty vehicle emission standards and some switching in gasoline catalysts.

Supply and demand balances
as at 30 June 2020 (Koz)

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Market analysis