



# AUDITED ANNUAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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ROYAL BAFOKENG  
PLATINUM  
MORE THAN MINING





# 01

## OVERVIEW





# KEY FEATURES OF OUR PERFORMANCE



## Safety

- > Regrettably **two fatalities**
- > **38.1%** improvement in SIFR
- > **23.2%** improvement in LTIFR
- > Ongoing **training and empowerment**
- > Principle of **zero harm** remains



## Financial

- > Headline earnings per share of **50.4** cents (2018: 25.0 cents)
- > **Balance sheet optimisation** through rights offer and gold streaming agreement
- > **Review of corporate costs** and optimisation programme initiated



## Operations

- > **12.5% increase** in tonnes milled to 3 847kt
- > 4E and platinum ounces **increased by 9.0%** and **9.2%**
- > **1.3%** reduction in overall built-up head grade to **3.91g/t** (4E)
- > Cost performance **did not meet expectation**



## Labour and Social

- > Further **five-year wage agreement** signed with enrolled employees
- > Operational and regional **NUM leadership elections**
- > **86.6%** of total discretionary procurement spend was with **HDSAs**



# BUSINESS OVERVIEW

## RBPlat

- > Business in a transitional phase
  - Improved PGM market in 2019
  - Strengthening balance sheet
  - Challenging domestic dynamics
  - Load shedding a key risk to near term production
  - CAGR 4E ounce growth rate of 9.6% pa since 2015

## BRPM

- > Weaker production performance
  - Complex localised geology at BRPM North shaft Phase III
  - Challenge to maintain operational flexibility as South shaft Merensky reserves deplete
  - South shaft UG2 crews onboarded but still in ramp-up

## Styldrift

- > Commercial operating entity
  - Ramp-up progression slower than planned due to technical and operational challenges
  - Unit cost performance did not meet expectations
  - Mechanised skills shortage

### Achievements

- > 20ktpm ramp-up of UG2 at South shaft
- > Completed gold streaming agreement
- > Completed acquisition of Anglo American Platinum's participating interest
- > A further successful five-year wage agreement

### 2020 initiatives

- > Expand South shaft UG2 to 80ktpm by 2023
- > Upgrade Maseve concentrator to MF2
- > Operational reorganisation to ensure fit for purpose in the longer term

### 2020 initiatives

- > Infrastructure build on target to support Styldrift 230ktpm milestone
- > Leverage Styldrift's shallow, high grade, world class ore body to cement RBPlat's position as a low cost producer

RBPlat positioned to return value through our dividend policy of a minimum of 10% of free cash flow



# SUSTAINABILITY IS CORE TO OUR STRATEGY

- > Our environmental management systems are aligned to the **ISO 14001** requirements



- > **R944.5 million** invested in social and labour plans in the last ten years
- > 1 000 families live in our employee housing development



- > 11.8% **↑** in procurement from local HDSA businesses to R1 687.9 million
- > 4.1% **↑** in the number of women in mining



- > Voluntary disclosures to the CDP - achieved a **B score** for water and climate change
- > RBPlat supports all **SDGs**



- > **Potable water savings** from water treatment plant of 682MI equating to R7.3 million in 2019
- > **Investing in solar renewable energy**





# FOCUS ON OUR STRATEGY CONTINUES TO DRIVE PERFORMANCE

01

- ✗ Achieve zero harm
- ✓ Labour stability
- ✓ Optimise volumes
- ✗ Reduce costs
- ✓ Integrating sustainability throughout our operations

02

- ✓ Maintaining our IMS panel ratio at BRPM
- ✓ Achieving IMS panel ratio at Styldrift
- ✓ Processing flexibility and capacity
- ✓ Robust balance sheet to provide financial flexibility and optimal capital allocation

03

- ✓ Styldrift ramp-up to 230ktpm in third quarter 2020
- ✓ LOM extension and ramp-up of BRPM South shaft UG2
- ✓ 100% owners of 68.6Moz 4E resources

04

- ✓ Royalty agreements
- ✓ Gold streaming agreement
- ✓ Mergers and acquisitions





# 02

## MARKET REVIEW

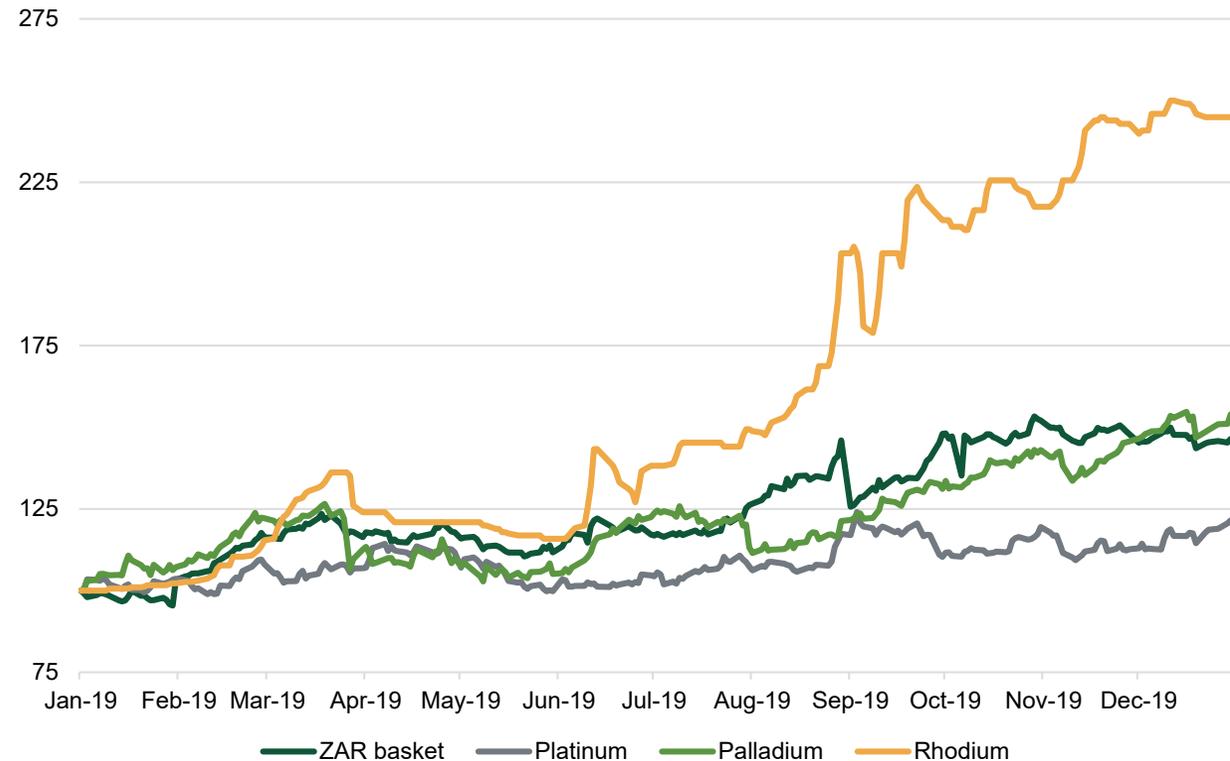




# PALLADIUM AND RHODIUM DRIVE BASKET PRICE HIGHER

- > Rand weakness benefitted the basket price
- > Platinum automotive demand fell while demand for palladium and rhodium increased
- > Jewellery demand for platinum continued to decrease, driven by the ongoing slowdown in China
- > Investment demand for platinum was over 1 million ounces
- > Substitution will be driven by supply security challenges

Indexed price (2 January 2019 = 100)





# 03

## OPERATIONAL REVIEW





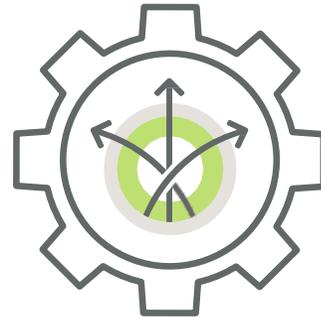
# TRANSITIONING FOR GROWTH AND SUSTAINABILITY



1

## ZERO HARM

The **safety** and **health** of our employees remains fundamental to our **core** principle of **people first**



2

## COMPETITIVE RESOURCES

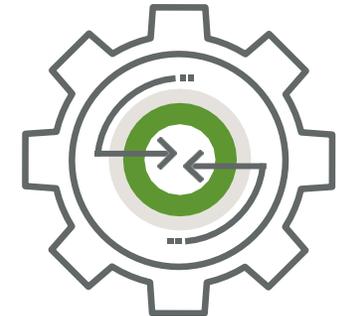
**High grade** Merensky and shallow **capital efficient** access to UG2 ore bodies position RBPlat **competitively**



3

## SUSTAINABLE GROWTH

**Growth** through Styldrift paired with **increased** Merensky and UG2 concentrating capacity



4

## FLEXIBILITY

Operational **flexibility** through scalable Merensky and UG2 extraction and processing



# ZERO HARM: OUR GOAL IS TO ELIMINATE FATALITIES

## 2019 FEATURES

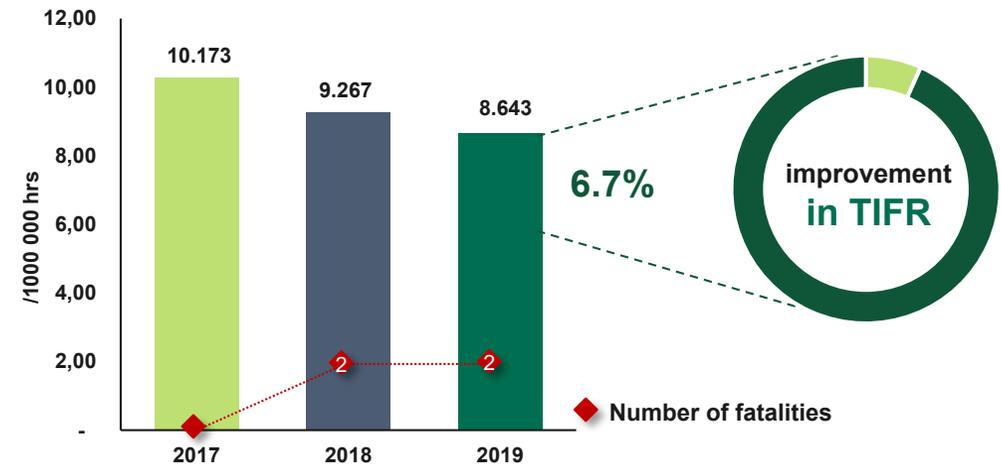
- > Tragically two fatalities during 2019
  - 1 mining related
  - 1 non-mining related
- > Substantial year-on-year improvements in lost time and serious injury frequency rates
- > 240 days without an injury

## KEY INITIATIVES

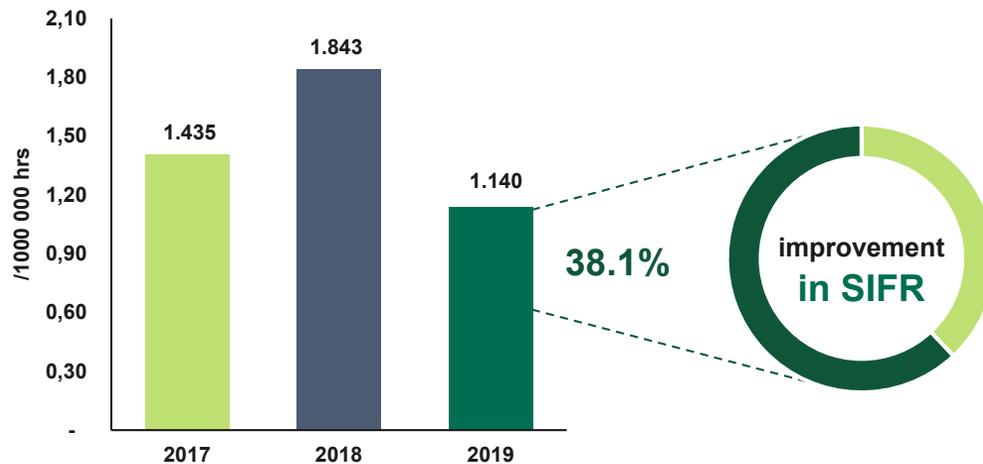
- > Technology driven safety solutions
- > HERO training, to create
  - Hope
  - Efficacy
  - Resilience
  - Optimism

**ISO 45001** – Focus on risk-based thinking to be more proactive, flexible and preventative in our approach to remedy a broader range of risks before they materialise.

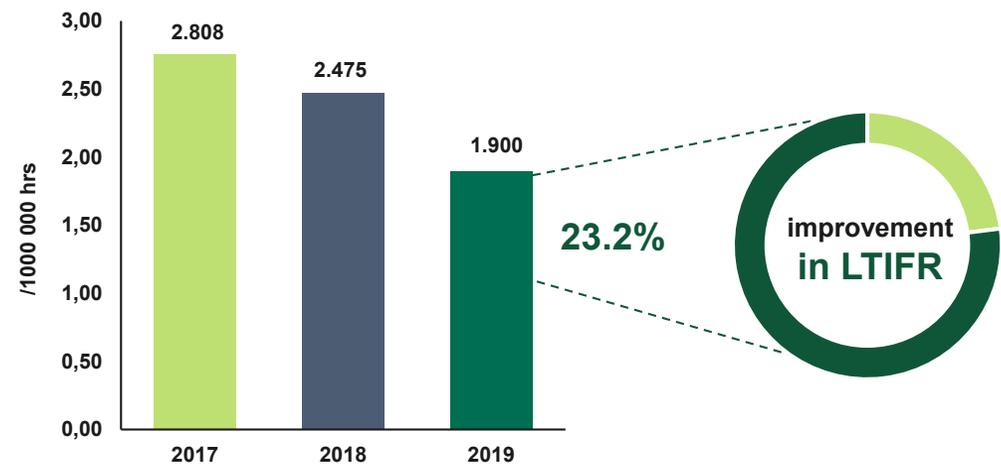
## Total recordable injury frequency rate



## Serious injury frequency rate

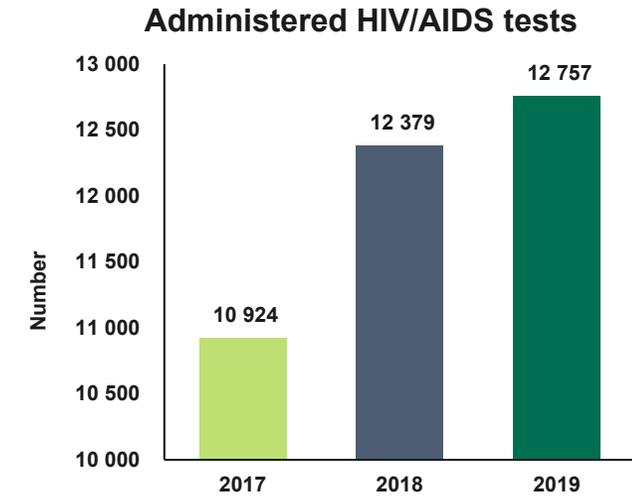
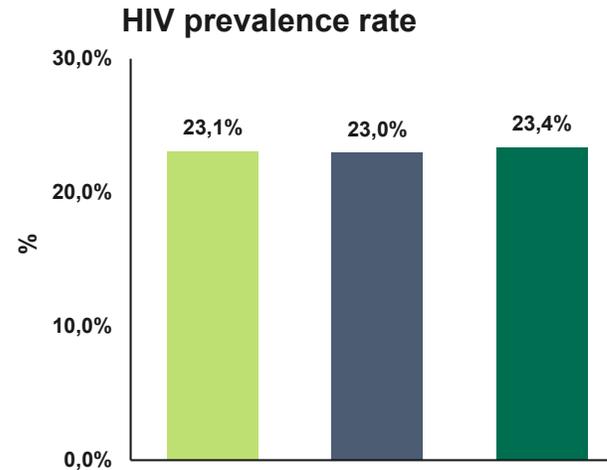
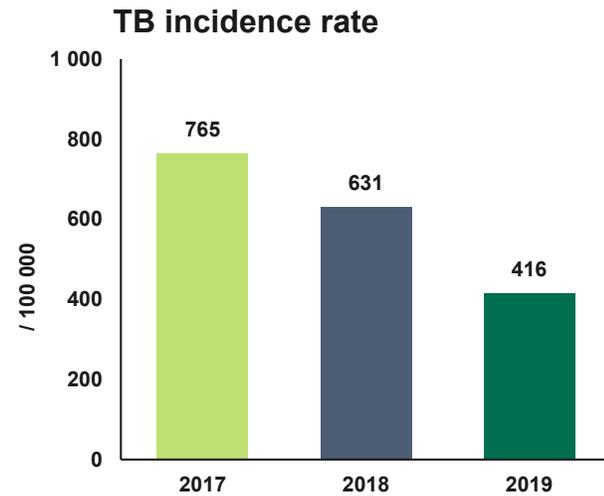


## Lost time injury frequency rate





# FOCUSED ON OUR RESPONSIBILITY TO CARE FOR OUR PEOPLE



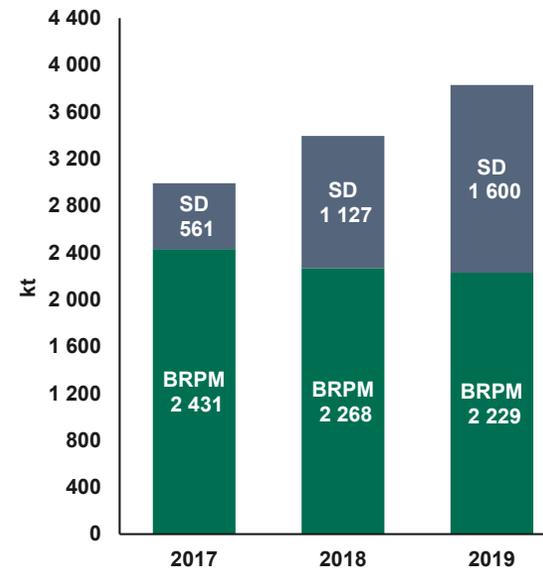
<b>TB</b>	<p><b>Extensive TB treatment programme</b></p> <ul style="list-style-type: none"> <li>&gt; 26.3% reduction in the number of employees and contractors who tested positive for TB</li> <li>&gt; 34.1% reduction in TB incidence rate</li> </ul>
<b>HIV</b>	<p><b>HIV prevalence testing and antiretroviral treatment programme</b></p> <ul style="list-style-type: none"> <li>&gt; 1 144 HIV positive employees on antiretroviral treatment</li> <li>&gt; 2 903 employees and contractors known to be HIV positive</li> </ul>
<b>Hearing</b>	<p><b>Preventing occupational hearing loss</b></p> <ul style="list-style-type: none"> <li>&gt; 23.1% decrease in employees diagnosed with NIHL</li> </ul>



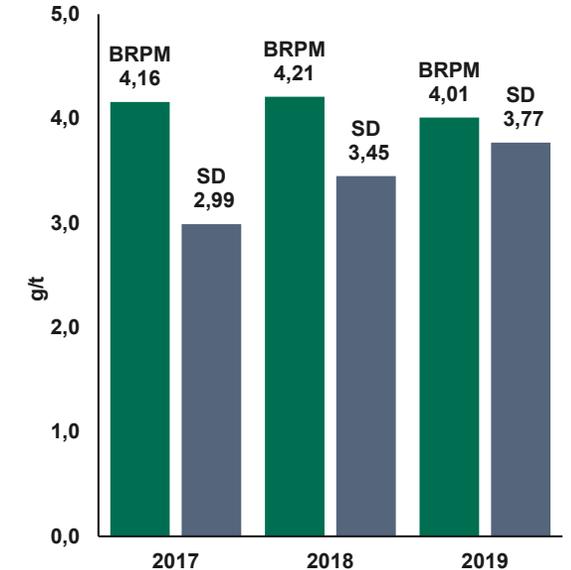
# ORGANIC GROWTH DRIVEN BY STYLDRIFT RAMP-UP

Description	Unit	2018	2019	% Var
<b>Total development</b>	<b>km</b>	<b>35.0</b>	<b>39.1</b>	<b>11.7</b>
BRPM	km	28.0	32.3	15.4
Styl drift	km	7.0	6.8	(2.9)
<b>Total stoping square metres</b>	<b>000m<sup>2</sup></b>	<b>542</b>	<b>610</b>	<b>12.5</b>
BRPM	000m <sup>2</sup>	420	411	(2.1)
Styl drift	000m <sup>2</sup>	123	199	61.8
<b>IMS panel ratio (BRPM)</b>	<b>ratio</b>	<b>1.92</b>	<b>1.87</b>	<b>(2.6)</b>
<b>Total tonnes delivered</b>	<b>kt</b>	<b>3 395</b>	<b>3 829</b>	<b>12.8</b>
BRPM	kt	2 268	2 229	(1.7)
Styl drift	kt	1 127	1 600	42.0
Merensky	kt	2 969	3 240	9.1
UG2	kt	426	589	38.3
<b>Built-up head grade (4E)</b>	<b>g/t</b>	<b>3.96</b>	<b>3.91</b>	<b>(1.3)</b>
BRPM	g/t	4.21	4.01	(4.8)
Styl drift	g/t	3.45	3.77	9.3

Total tonnes delivered



Built-up head grade (4E)



**12.8% improvement**  
in tonnes delivered



**9.3% improvement**  
in Styl drift built-up head grade

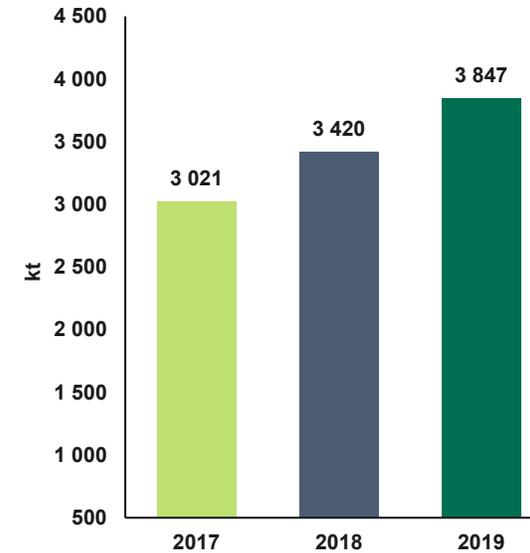




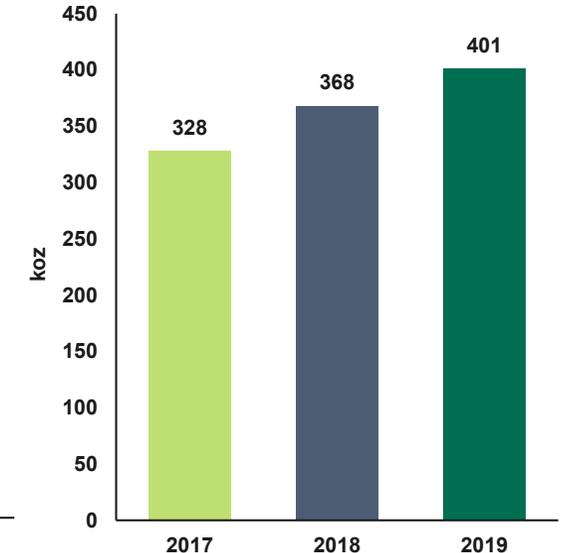
# IMPROVEMENT IN 4E OUNCES ALIGNED TO INCREASED VOLUMES

Description	Unit	2018	2019	% Var
<b>Total tonnes milled</b>	<b>kt</b>	<b>3 420</b>	<b>3 847</b>	<b>12.5</b>
BRPM	kt	2 299	2 222	(3.3)
Styldrift	kt	1 121	1 625	45.0
Merensky	kt	2 997	3 266	9.0
UG2	kt	423	581	37.4
<b>UG2 % milled</b>	<b>%</b>	<b>12.4</b>	<b>15.1</b>	<b>21.8</b>
<b>BRPM concentrator tonnes milled</b>	<b>kt</b>	<b>2 847</b>	<b>2 689</b>	<b>(5.5)</b>
Merensky	kt	2 657	2 463	(7.3)
UG2	kt	190	226	18.9
<b>Maseve concentrator tonnes milled</b>	<b>kt</b>	<b>389</b>	<b>1 158</b>	<b>197.7</b>
Merensky	kt	341	803	135.5
UG2	kt	48	355	639.6
<b>Tonnes milled – UG2 Toll</b>	<b>kt</b>	<b>184</b>	<b>-</b>	<b>(100)</b>
<b>Recovery – 4E (total concentrating)</b>	<b>%</b>	<b>84.43</b>	<b>83.07</b>	<b>(1.6)</b>
<b>4E metals in concentrate</b>	<b>koz</b>	<b>368</b>	<b>401</b>	<b>9.0</b>
BRPM	koz	266	241	(9.4)
Styldrift	koz	102	160	56.9
<b>Pt metal in concentrate</b>	<b>koz</b>	<b>239</b>	<b>261</b>	<b>9.2</b>
BRPM	koz	173	156	(9.8)
Styldrift	koz	66	105	59.0

Total tonnes milled



4E metals in concentrate



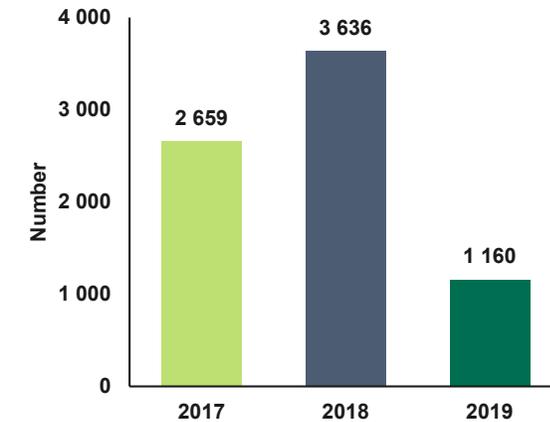
- > **12.5% increase** in tonnes milled
- > **45.0% increase** in Styldrift tonnes milled
- > **37.4% increase** in UG2 tonnes milled
- > **9.0% increase** in 4E metals in concentrate



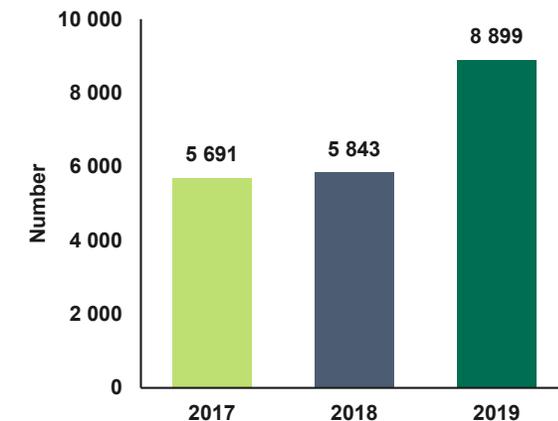
# LABOUR ALIGNED TO OPERATIONAL AND PROJECT REQUIREMENTS

Description	Unit	2018	2019	% Var
<b>Total labour</b>	<b>No.</b>	<b>9 479</b>	<b>10 059</b>	<b>(6.1)</b>
<b>Working cost labour</b>	<b>No.</b>	<b>5 843</b>	<b>8 899</b>	<b>(52.3)</b>
BRPM	No.	4 918	5 093	(3.6)
Styl drift	No.	-	2 913	(100.0)
Central and Shared Services	No.	507	485	4.3
Concentrator	No.	418	408	2.4
<b>Capital labour</b>	<b>No.</b>	<b>3 636</b>	<b>1 160</b>	<b>68.1</b>
BRPM	No.	50	9	82.0
Styl drift	No.	3 557	1 094	69.2
Central and Shared Services	No.	29	29	-
Concentrator	No.	-	28	(100.0)
<b>Tonnes milled/TEC</b>	<b>t/TEC</b>	<b>33.4</b>	<b>36.8</b>	<b>10.2</b>

Capital labour



Working cost labour



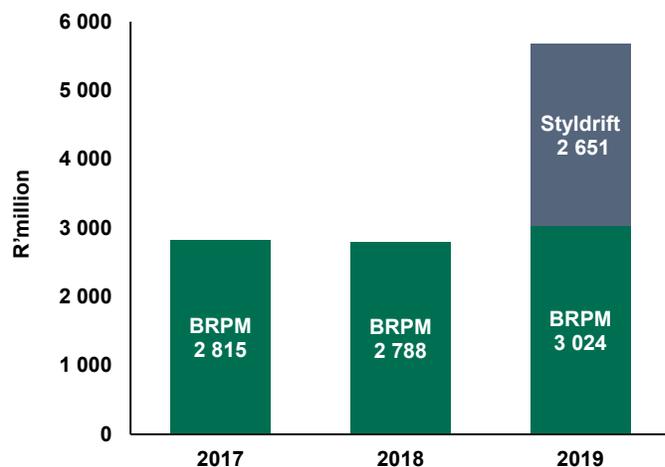


# RBPLAT UNIT COSTS REFLECTIVE OF OPERATIONAL TRANSITION

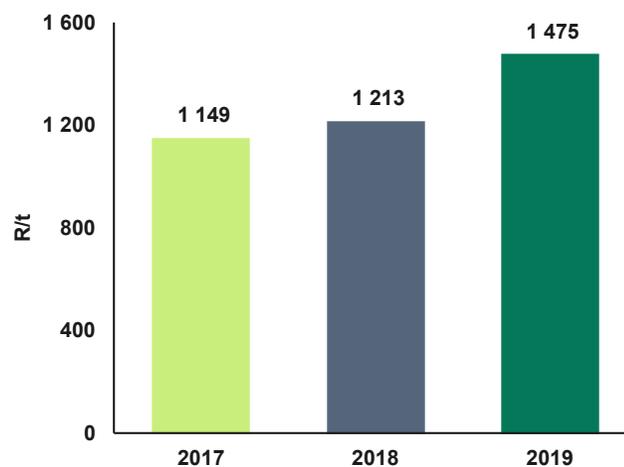
Description	Unit	2018	2019*	% Var
<b>Total cash operating cost</b>	<b>R'm</b>	<b>2 788</b>	<b>5 675</b>	<b>(103.6)</b>
Cash operating cost/tonne milled	R/t	1 213	1 475	(21.6)
Cash operating cost/4E oz	R/oz	10 468	14 139	(35.1)
Cash operating cost/Pt oz	R/oz	16 145	21 770	(34.8)

\*Note: Styldrift commercially operational from 1 January 2019

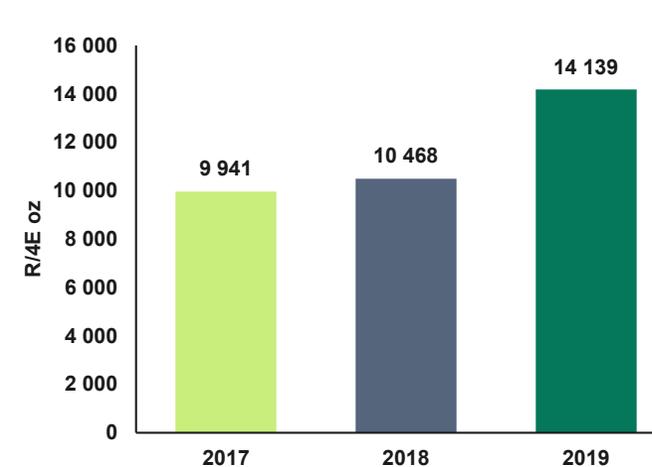
### Total cash operating cost



### Cash operating cost/tonne milled



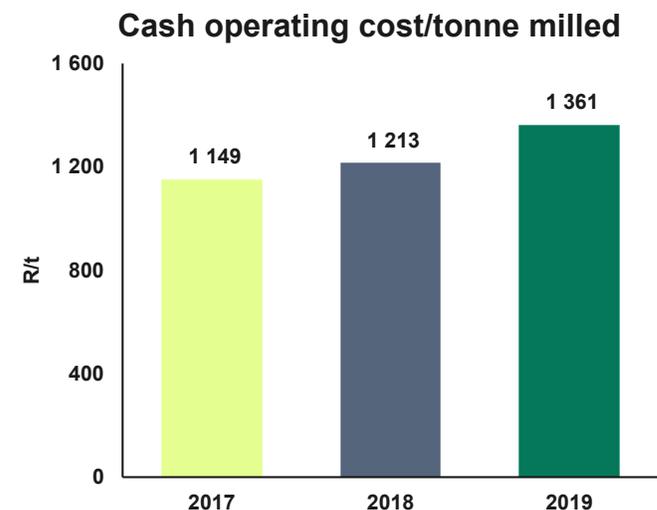
### Cash operating cost/4E oz



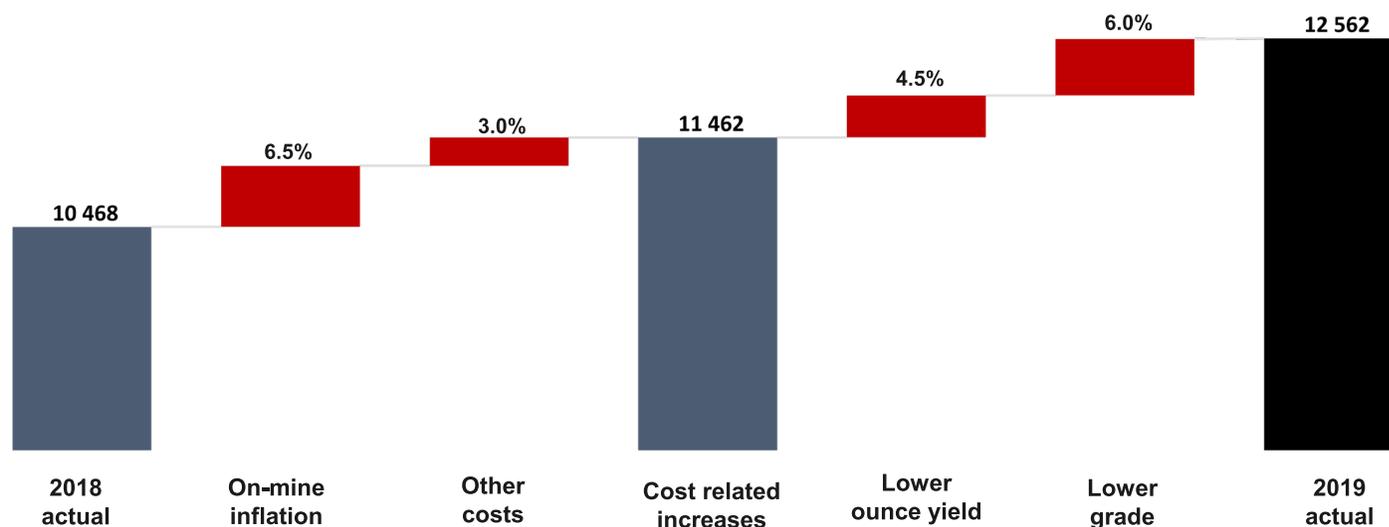


# BRPM UNIT COSTS PRESSURED BY LOWER VOLUMES AND GRADE

Description	Unit	2018	2019	% Var
<b>Total cash operating cost</b>	<b>R'm</b>	<b>2 788</b>	<b>3 024</b>	<b>(8.5)</b>
Cash operating cost/tonne milled	R/t	1 213	1 361	(12.2)
Cash operating cost/4E oz	R/oz	10 468	12 562	(20.0)
Cash operating cost/Pt oz	R/oz	16 145	19 427	(20.3)



**Cash operating cost/4E oz 2018 vs 2019**



## Key drivers of unit costs

### Volume

- > Lower Merensky milled volumes

### Recovered grade

- > Lower Merensky and UG2 grades with lower recovery potential

### Above CPI costs

- > South shaft UG2 increased total cash costs
- > Increased Merensky development to stoping replacement ratio



# STYLDRIFT UNIT COSTS PRESSURED BY LOWER VOLUMES

Description	Unit	2019
<b>Styldrift cash operating cost</b>	<b>R'm</b>	<b>2 651</b>
Cash operating cost/tonne milled	R/t	1 632
Cash operating cost/4E oz	R/oz	16 504
Cash operating cost/Pt oz	R/oz	25 242

## Key drivers of unit costs

### Volume

- > Lower economy of scale benefits due to fewer delivered ounces and lower recovery potential

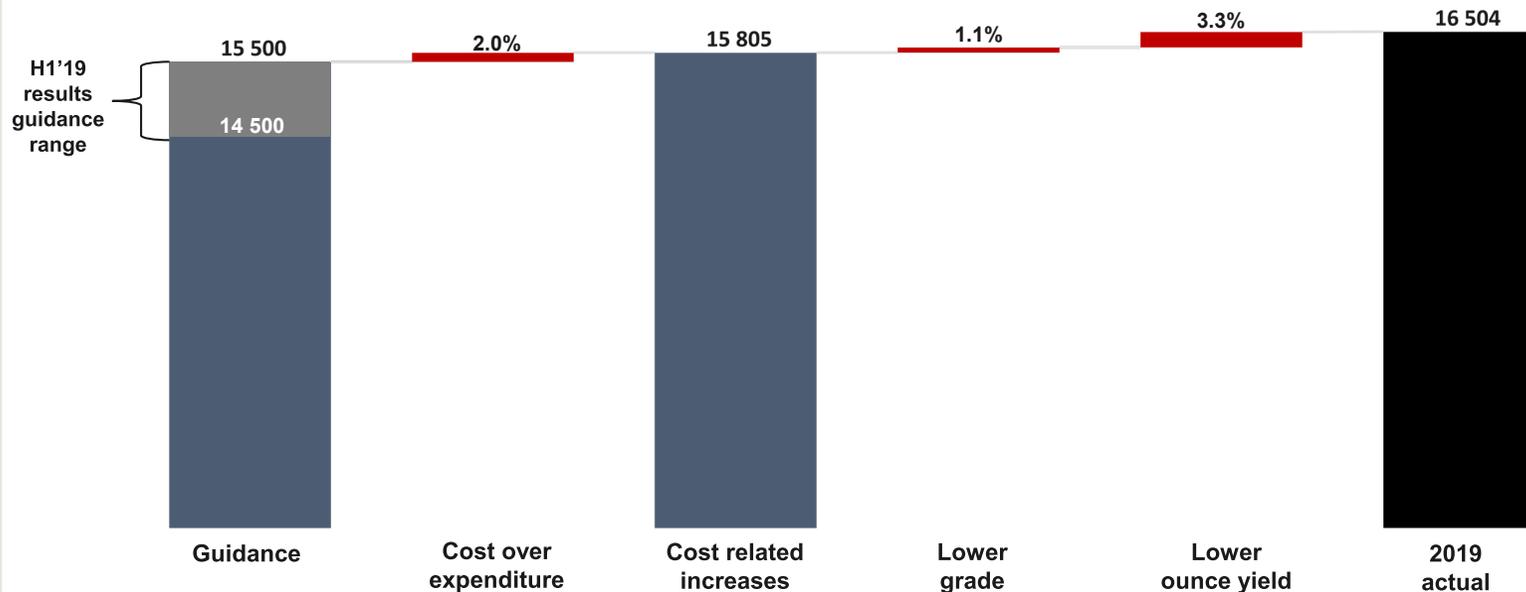
### Grade

- > Lower built-up head grade

### Over expenditure

- > 2.0% of total cost per ounce incurred due to over expenditure in:
  - Fleet maintenance
  - Stock inventory
  - Fleet consumables

Cash operating cost/4E oz component of guidance vs actual



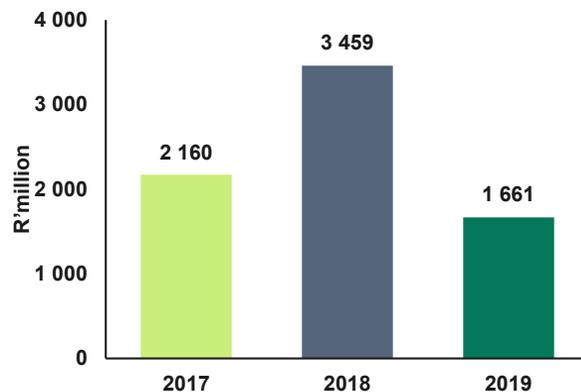


# CAPITAL EXPENDITURE IN LINE WITH KEY PROJECT PROGRESS

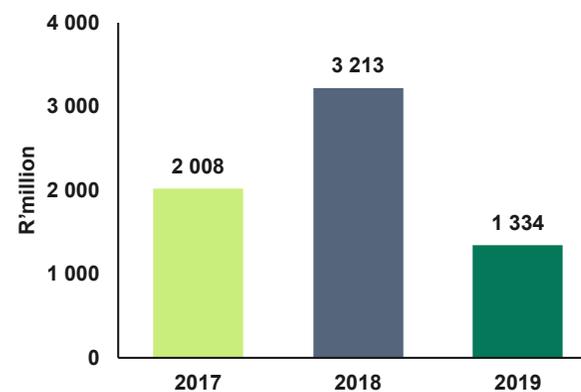
Description	Unit	2018	2019	% Var
<b>Stay-in-business capital (SIB)</b>	<b>R'm</b>	<b>196</b>	<b>226</b>	<b>15.3</b>
SIB % of total operating cost	%	3.4	4.0	(17.6)
<b>Replacement capital</b>	<b>R'm</b>	<b>50</b>	<b>101</b>	<b>(102.0)</b>
BRPM	R'm	50	21	58.0
Styldrift	R'm	-	80	(100.0)
<b>Expansion capital</b>	<b>R'm</b>	<b>3 213</b>	<b>1 334</b>	<b>58.5</b>
Styldrift	R'm	3 213	1 225	61.8
Processing	R'm	-	109	(100.0)
<b>Total capital expenditure</b>	<b>R'm</b>	<b>3 459</b>	<b>1 661</b>	<b>(52.0)</b>

<b>Stay-in-business capital</b> 	<b>R226 million for 2019</b> > 4.0% of total operating cost
<b>Replacement capital</b> 	<b>R101 million for 2019</b> > R80 million for Styldrift North and South decline replacement programs
<b>Expansion capital</b> 	<b>R1 334 million for 2019</b> > 61.8% reduction in Styldrift capital as project transitions to operational mine

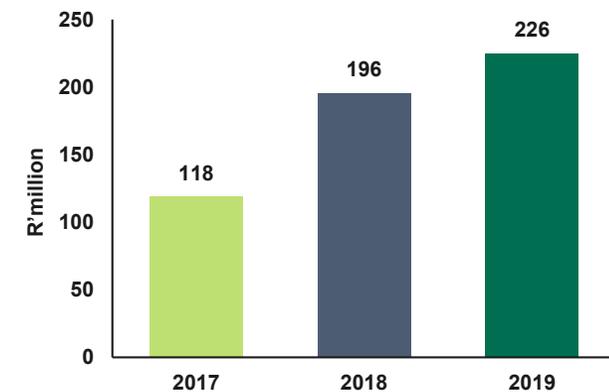
Total capital expenditure



Total expansion capital



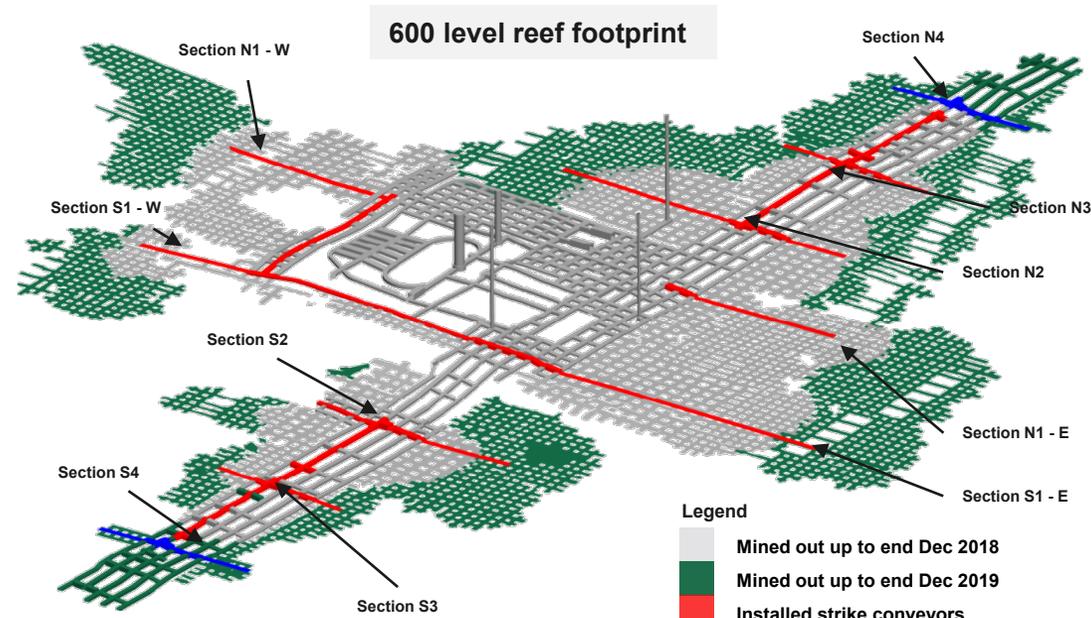
Total stay-in-business capital





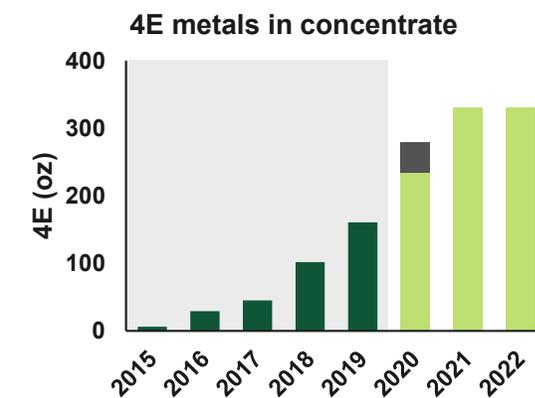
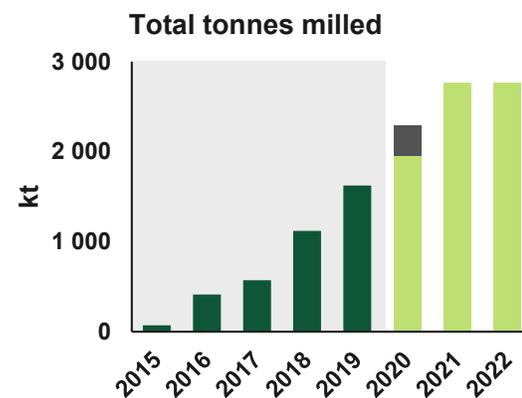
# STYLDRIFT INFRASTRUCTURE BUILD IN FINAL PHASE

Description	Unit	2018	2019	% Var
<b>Capital expenditure</b>				
Reporting period	R'bn	3.21	1.23	61.7
Project-to-date	R'bn	11.67	12.87	10.3
<b>Project progress</b>				
Capital development	m	7 011	3 450	(50.8)
Working cost development	m	-	3 296	100.0
Development to-date	m	24 811	31 557	27.2
ROM tonnes delivered	kt	1 127	1 600	42.0
Project-to-date ROM delivered	kt	2 182	3 782	73.3
<b>Revenue generation</b>				
Reporting period	R'm	1 420	2 973	109.4
Project-to-date	R'm	2 410	5 083	140.9



## Key infrastructure commissioned in 2019:

- Six strike belt sections on 600 level
- 642 level ore handling infrastructure, including conveyor belts, section bulkheads and silo 3
- Ventilation shaft No. 2
- Settler 1 and the main pump station
- Eight trackless workshops, underground stores & associated IT network
- On-reef dip belts North and South



■ Production range 2020

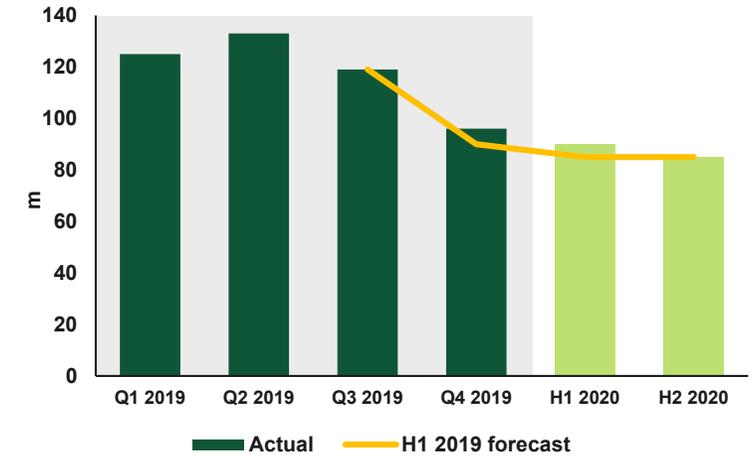


# PERFORMANCE IMPROVEMENTS SUPPORT RAMP-UP

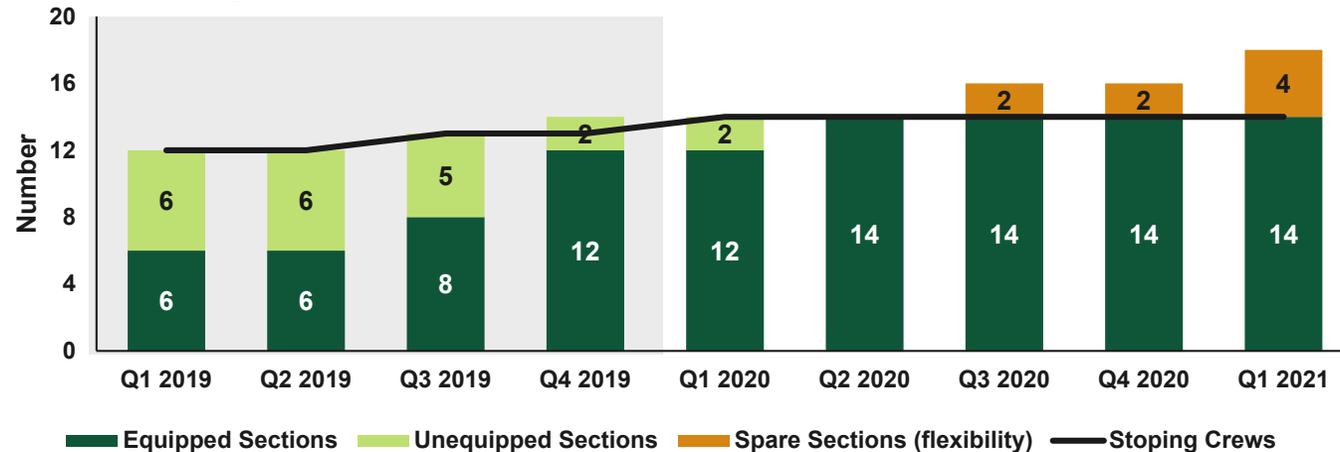
## Key factors impacting on crew performance

Description	Steady state	H1 2019 status		FY 2019 status	
		Equipped sections	Unequipped sections	Equipped sections	Unequipped sections
Sections operating	14	6	6	12	2
Average face length	102m	✓	✓	✓	✓
Fleet availability	85%	✓ (73%)	✓ (73%)	✓ (84%)	✓ (84%)
Ave tip-to-face tramming distance	80m-90m	✓ (133m)	✗	✓ (96m)	✗
Spare IMS sections	4	✗	✗	✗	✗

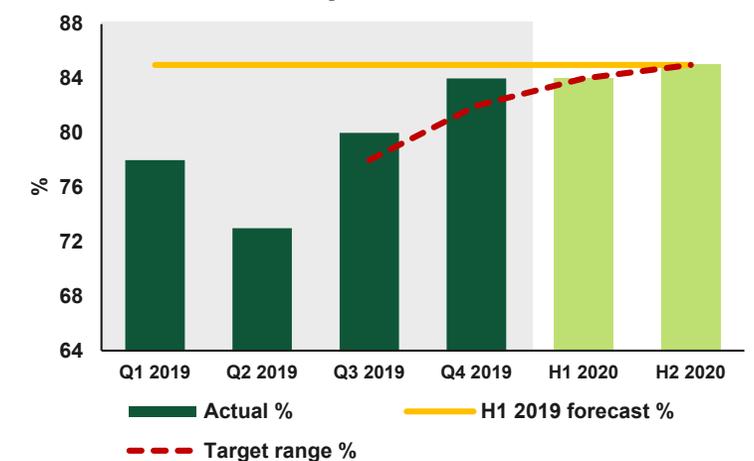
## Overall tip-to-face tramming distance



## Operating sections



## Fleet availability





# BRPM STRATEGIC INITIATIVES FOR THE FUTURE



## Volume

- > Leverage mining volumes supported by robust prices
- > Replace declining South shaft Merensky with UG2
- > Incremental increases in throughput at BRPM and Maseve concentrators



## Quality

- > Focus on monitoring and control systems to ensure mining best cut
- > Pre-develop South shaft UG2 ore body to optimise extraction
- > Optimise mining mix through UG2 optionality
- > Maintain IMS flexibility



## Cost

- > Organisation redesign for lower grade environment
- > Unlock value through supply chain and optimisation of inventory management
- > Identify technology and automation opportunities



# STYLDRIFT INITIATIVES FOR STEADY STATE AND BEYOND



## Volume

- > Create operational flexibility through IMS
- > Leverage infrastructure capabilities
- > Optimise stoping and development efficiencies
- > Achieve on-going improvements in trackless fleet availability
- > Optimise tip-to-face tramming distance



## Quality

- > Enhance maintenance and asset management processes
- > Continuous skills development
- > Augmentation technologies and analytics to leverage production gains and enhance safety
- > Maximise extraction and optimise mining quality



## Cost

- > Leverage economy of scale benefits
- > Optimise fleet replacement strategy
- > Unlock value through supply chain and optimisation of inventory management
- > Organisational design for further transition from project to operational mine



# 04

## FINANCIAL REVIEW





# 2019 FULL YEAR RESULTS SUMMARY

Description	Unit	2019	2018	YoY % change
Revenue	R'm	7 491.9	3 627.1	106.6
Cost of sales	R'm	(6 810.6)	(3 317.2)	(105.3)
<b>Gross profit</b>	<b>R'm</b>	<b>681.3</b>	<b>309.9</b>	<b>119.8</b>
Other income	R'm	267.9	124.0	116.0
Administrative expenses	R'm	(326.6)	(284.0)	(15.0)
Restructuring costs	R'm	(10.6)	-	(100.0)
Gain on bargain purchase	R'm	-	118.3	(100.0)
Scrapping and impairment of non-financial assets	R'm	(58.9)	(26.3)	(124.0)
Net finance (cost)/income	R'm	(429.5)	74.1	(679.6)
<b>Profit before tax</b>	<b>R'm</b>	<b>123.6</b>	<b>316.0</b>	<b>(60.9)</b>
EBITDA	R'm	1 756.4	504.1	248.4
<i>EBITDA margin</i>	%	23.4	13.9	68.7

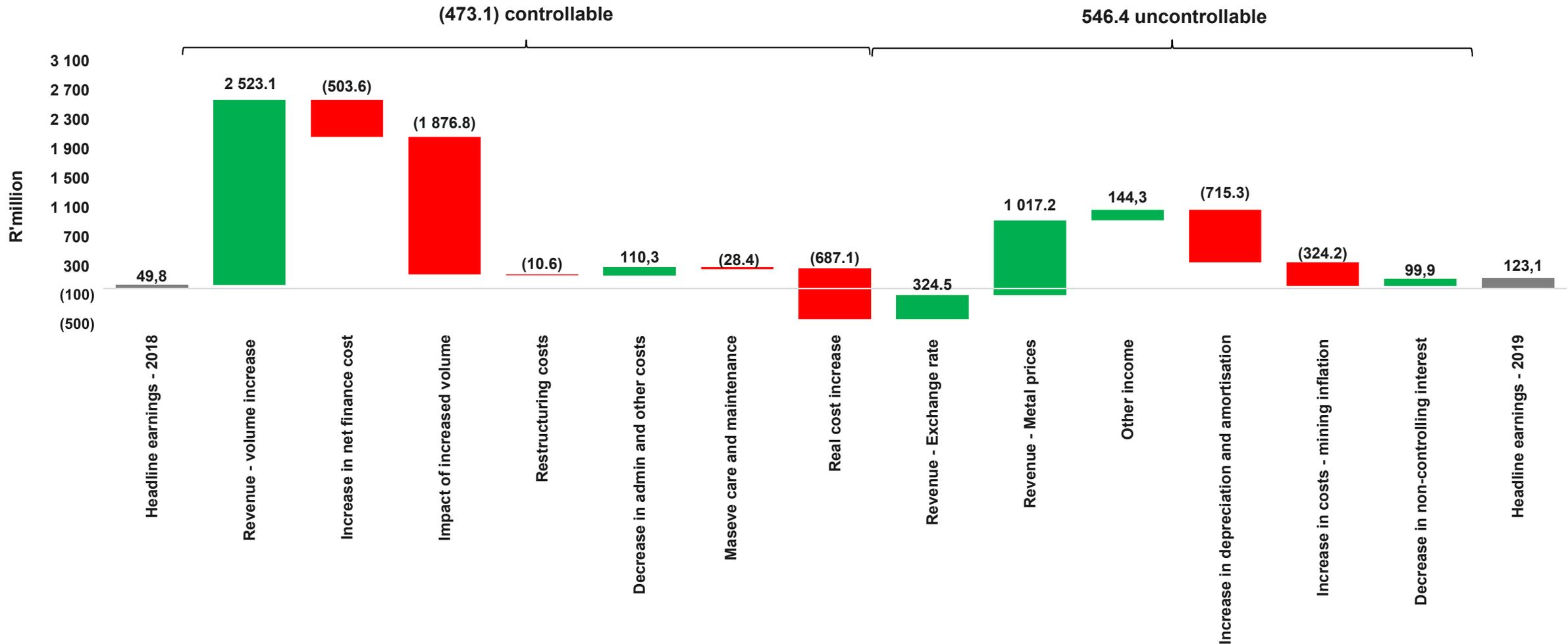


# STRONG GROWTH IN HEADLINE EARNINGS

Description	Unit	2019	2018	YoY % change
<b>Attributable comprehensive income</b>	R'm	<b>64.1</b>	<b>155.6</b>	<b>(58.8)</b>
Profit/(loss) on disposal of PPE and other assets	R'm	0.1	(0.3)	133.3
Scrapping and impairment of non-financial assets	R'm	58.9	12.8	360.2
Gain on bargain purchase	R'm	-	(118.3)	100.0
<b>Headline earnings</b>	<b>R'm</b>	<b>123.1</b>	<b>49.8</b>	<b>147.2</b>
Weighted average number of shares outstanding	# million	244.3	199.2	(22.6)
<b>Basic earnings per share</b>	Cents	<b>26.3</b>	<b>78.1</b>	<b>(66.3)</b>
<b>Headline earnings per share</b>	Cents	<b>50.4</b>	<b>25.0</b>	<b>101.6</b>



# RECONCILIATION OF HEADLINE EARNINGS





# REVENUE GROWTH SUPPORTED BY STRONGER BASKET PRICE

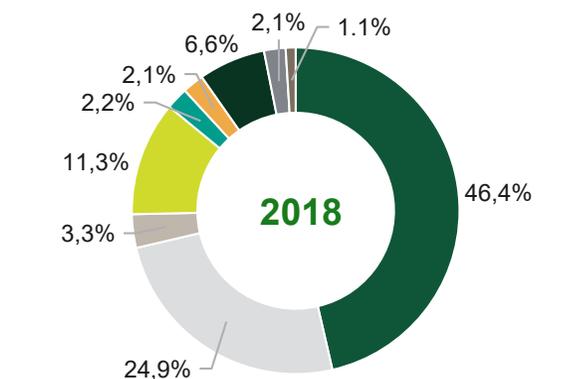
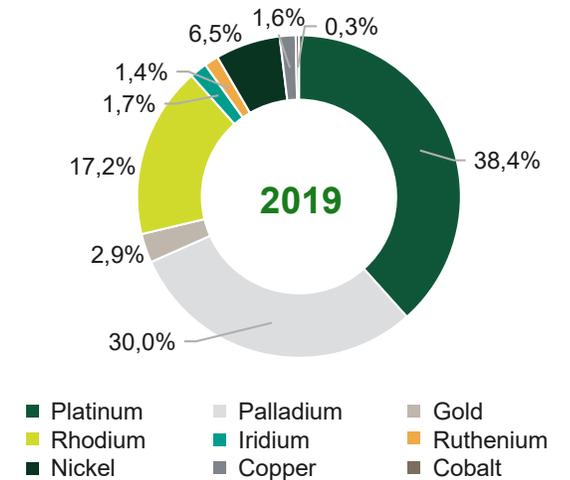
Description	Unit	2019	2018	YoY % change
Average basket price	R/Pt oz	28 743	21 006	36.8
Average R:US\$ exchange rate	R:US\$	14.55	13.82	5.3

Description	Unit	2019		2018	
		Volume	Price (US\$)	Volume*	Price (US\$)
Platinum	oz	260 690	866/oz	172 648	833/oz
Palladium	oz	106 678	1 541/oz	70 620	1 095/oz
Gold	oz	12 175	1 417/oz	8 231	1 252/oz
Rhodium	oz	21 879	3 863/oz	14 658	2 395/oz
Iridium	oz	7 248	1 449/oz	4 823	1 406/oz
Ruthenium	oz	37 431	239/oz	25 404	258/oz
Nickel	tonne	2 706	6.37/lb	1 651	5.63/lb
Copper	tonne	1 671	2.65/lb	1 074	2.79/lb

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

\* Excludes Styldrift incidental revenue ounces

Revenue contribution



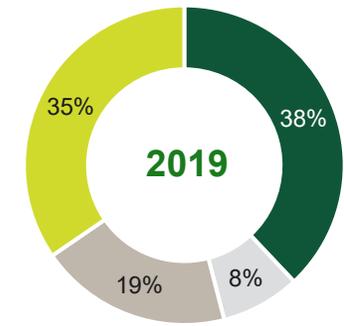


# STYLDRIFT INCLUSION CHANGES COST BASE

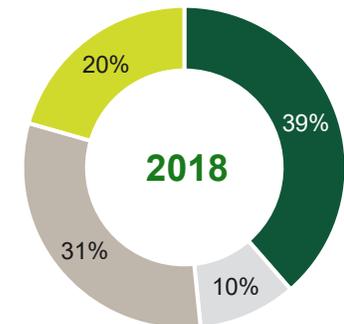
Description	Unit	2019	2018	YoY % change
<b>Cost of sales</b>	<b>R'm</b>	<b>(6 810.6)</b>	<b>(3 317.2)</b>	<b>(105.3)</b>
Cost of sales (excl. depreciation and amortisation)	R'm	(5 726.0)	(2 921.7)	(96.0)
Depreciation and amortisation	R'm	(1 095.7)	(380.4)	(188.0)
Increase/(decrease) in inventories	R'm	11.1	(15.1)	173.5
<b>Administrative expenses</b>	<b>R'm</b>	<b>(337.2)</b>	<b>(284.0)</b>	<b>(18.7)</b>
Corporate office	R'm	(187.3)	(247.8)*	24.4
Housing project	R'm	(53.5)	21.3	(351.2)
Industry membership and market development	R'm	(16.6)	(16.7)	0.6
Maseve care and maintenance and other costs	R'm	(69.2)	(40.8)	(69.6)
Restructuring costs	R'm	(10.6)	-	(100.0)

\* R16.7 million of corporate costs has been reallocated and disclosed separately as industry membership and market development costs

## Cost of sales (excl. depreciation and amortisation) contribution



- Labour
- Contractor costs
- Utilities
- Materials and other costs

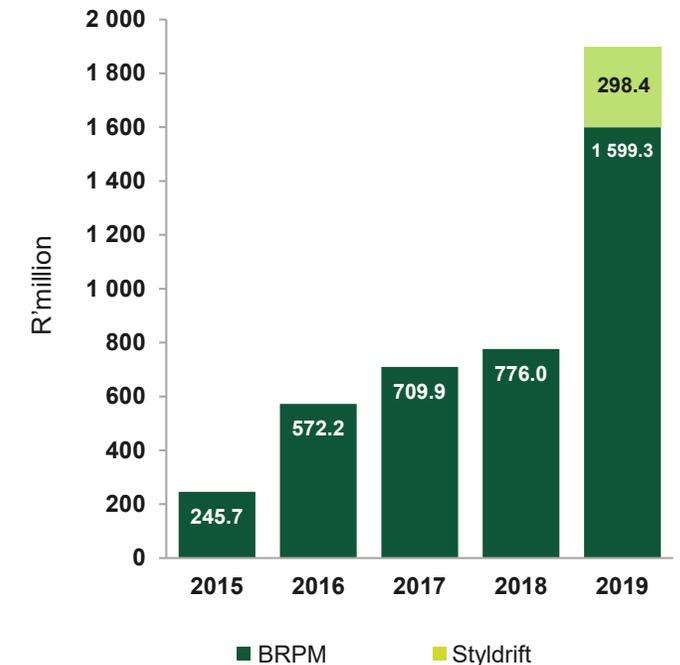




# STRONG BRPM PROFIT GROWTH WITH STYLDRIFT IN FIRST YEAR OF COMMERCIAL PRODUCTION

Description	RBR operations segment 2019	BRPM mining segment	Styldrift mining segment
<b>Full year ended 31 December 2019</b>	<b>R' million</b>	<b>R' million</b>	<b>R' million</b>
<b>Revenue</b>	<b>7 491.9</b>	<b>4 518.5</b>	<b>2 973.4</b>
<b>Cost of sales</b>	<b>(6 684.7)</b>	<b>(3 432.3)</b>	<b>(3 252.4)</b>
Cash cost of sales excluding depreciation	(5 771.7)	(3 090.7)	(2 681.0)
Depreciation	(924.1)	(349.9)	(574.2)
Movement in inventories	11.1	8.3	2.8
<b>Gross profit/(loss) per segment and total</b>	<b>807.2</b>	<b>1 086.2</b>	<b>(279.0)</b>
<b>2019 vs 2018 changes</b>	<b>146.5%</b>	<b>217.5%</b>	<b>NM</b>

Operational EBITDA (2015 to 2019)





# CASH GENERATION SUPPORTED INVESTMENT IN STYLDRIFT RAMP-UP

Description	Unit	2019	2018	YoY % change
<b>Cash generated by operating activities</b>	R'm	1 027.6	665.9	54.3
<b>Cash utilised in investing activities*</b>	R'm	(1 751.8)	(3 600.5)	51.3
- Capital expenditure***	R'm	(1 695.3)	(3 510.9)	51.7
- Styl drift on-reef revenue receipts	R'm	-	973.4	(100.0)
- Maseve acquisition	R'm	-	(658.0)	100.0
<b>Cash utilised in financing activities*</b>	R'm	654.9	2 485.0	(73.6)
- Proceeds from issue of shares	R'm	1 029.1	239.9	329.0
- Net proceeds from interest-bearing borrowings	R'm	841.0	2 015.0	(58.3)
- Repayment of interest-bearing borrowings	R'm	(1 264.3)	(270.0)	(368.3)
- Initial payment of non-controlling interest	R'm	-	(554.7)	100.0
<b>Cash and cash equivalents</b>	R'm	814.2	883.5	(7.8)
<b>Net (debt)/cash**</b>	R'm	(491.3)	(832.4)	41.0

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

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

\*\*\* RBR ops capex: R1 661.0 million

Less: elimination of intergroup charges of R40 million

Other group capex of R74.3 million

RBPlat group capex: R1 695.3 million



# CAPITAL ALLOCATION FRAMEWORK

Our capital allocation framework is integrated into our strategy, budget, planning and management processes.

## 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 debt of R491.3 million at year end\***

- Successfully raised R1 029 million in March 2019
- Free float increased from 50.8% to 58.8%
- RPM deferred consideration settled with proceeds from the gold streaming transaction

## > **Strong liquidity and funding**

- Cash and cash investments of R814 million at year end
- R3 008 million in debt facilities, of which R1 566 million was available at year end
- GBF recently enlarged with more favourable terms negotiated

## > **Dividend policy**

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

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



# TRANSFORMED BUSINESS THAT IS PERFECTLY POSITIONED



## > Transformative year for Royal Bafokeng Platinum

- Styldrifft in commercial production from January 2019
- 100% owners of our business with acquisition debt settled



## > EBITDA of R1 756 million (2018: R504 million)

### > EBITDA margin of 23.4% (2018: 13.9%)

### > BRPM EBITDA of R1 599 million, up 106.1% from 2018

### > Styldrifft EBITDA of R298 million in first year of production despite being sub-scale in ramp-up



## > Capital allocation

- Optimised balance sheet
- Strong liquidity and funding
- Dividend policy underpins commitment of sustainable cash returns



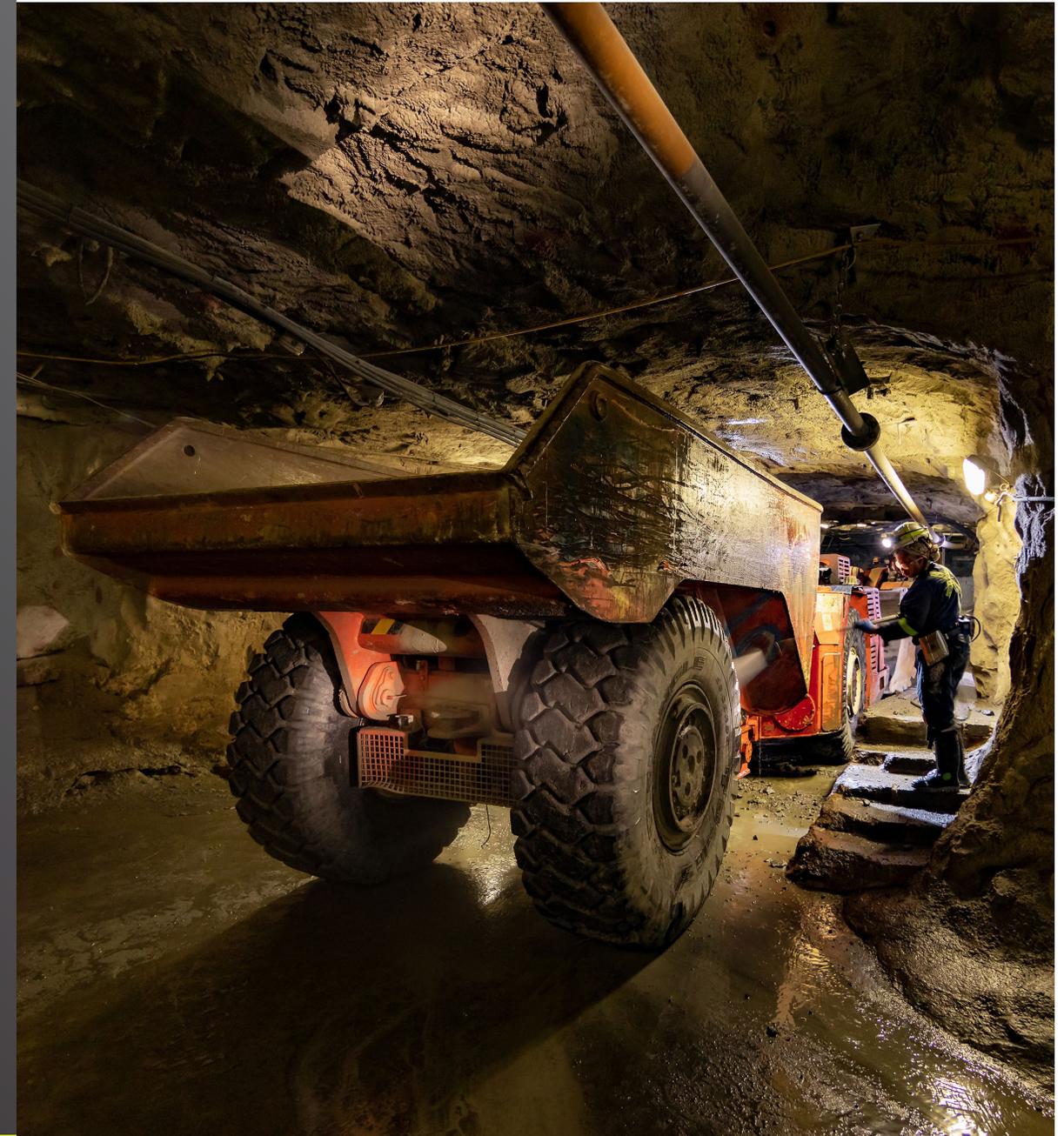
## > Finance focus areas for 2020 and beyond

- Continued optimisation of head office, corporate and shared services functions
- Delivery of Styldrifft to 230ktpm ramp-up
- UG2 and chrome opportunities



# 05

## OUTLOOK AND GUIDANCE





# OUTLOOK

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- > Objective of zero harm remains a major focus
- > Palladium and rhodium expected to remain in deficit in 2020
- > Eskom remains a risk to SA supply
- > Coronavirus impact on demand
- > Focussed on reaching 230ktpm at Styldrift in third quarter 2020
- > Continue with the ongoing drive to reduce costs and increase efficiencies
- > Board approved dividend policy



## 2020 GUIDANCE

- > Production is forecast to be between 4.2Mt and 4.5Mt yielding between 450koz and 485koz 4E metals in concentrate
- > Forecast built-up head grade of 3.90g/t to 4.00g/t (4E)
- > Total capex for 2020 forecast at approximately R2.2 billion
  - Expansion capital of R1.5 billion
  - Replacement capital of R0.3 billion
  - SIB expenditure is expected to be between 6% and 7% of operating expenditure
- > Total cash operating cost per 4E ounce is forecast to be between R13 300 and R14 400 for the Group