

Sibanye-Stillwater Q1 2025 operating results "pleasing"

Neal Froneman, CEO of Sibanye-Stillwater says there are many "pleasing aspects from the Q1 2025 operating results which reinforce the positive trends which were evident in the Group's operating and financial performance for H2 2024".



Neal Froneman, CEO of Sibanye-Stillwater says there are many "pleasing aspects from the Q1 2025 operating results. Pictured: Driefontein Mine. (Image: Sibanye-Stillwater)

Health and Safety

He also says, "It is particularly gratifying to note the continued improvement in most Group safety indicator with the Group lost day injury frequency rate (LDIFR) and total recordable injury frequency rate (TRIFR) for Q1 2025, the lowest recorded in the Group's history."

While he commended the teams at the operations for maintaining and improving safety trends since 2021 he says they regrettably continue to experience high-impact safety incidents, which are the cause of serious and fatal injuries.

"We will continue with our efforts to address the occurrence of these incidents, to ensure the safety and health of all our employees."

Repositioning of the US PGM operations

The repositioning of the US PGM operations and restructuring of high-cost and end-of-life mines, along with the realignment of the SA regional services to more effectively support the reduced operating footprint in South Africa, has notably improved Group profitability.

Group adjusted EBITDA of R4bn (\$222m) was 89% higher than adjusted EBITDA of R2.2bn (\$115m) for Q1 2024.

Stabilising of Group profitability

The first quarter of the year is also historically a seasonally low production quarter for the SA mining industry.

and the 31% or R981m (\$47m) increase in Q1 2025 adjusted EBITDA, from adjusted EBITDA for Q4 2024 of R3.1bn (\$175m) is a significant change in the financial performance of the Group.

“This reinforces the trend we noted in our H2 2024 results in February 2025, that Group profitability appeared to have stabilised, with H2 2024 marking the third consecutive six-month period of consistent Group adjusted EBITDA of between R6.4 to R6.7bn (\$344 – 357m per half year period,” says Fronema

SA Gold operation

The SA gold operations continued to benefit from high leverage to the increasing gold price for Q1 2025, with adjusted EBITDA increasing by 178% year-on-year to R1.8bn (\$98m).

Operational challenges which constrained production during Q1 2025 have largely been addressed at Beatrix and Driefontein, with production and costs expected to improve during Q2 2025.

Kloof is undergoing a transition to a higher volume, lower grade future production profile, accessing secondary reef horizons, which have largely been unexploited in the past, and is expected to stabilise over longer period.

With the gold price increasing further during Q2 2025, if maintained, profits from the SA gold operations could increase materially.

SA PGM operations

The SA PGM operations also reversed a declining profitability trend despite the 4E PGM basket price remaining under pressure. Adjusted EBITDA increased by 74% to R2.5bn (\$137m) for Q1 2025, driven by solid cost management, which offset inflationary cost pressures and enabled positive financial leverage to 5% increase in the 4E basket price.

US PGM operations

The restructuring of the US PGM operations during Q4 2024, successfully reduced absolute operating costs (excluding provision for S45X credits) by 37% with absolute AISC costs (excluding provision for S45X credits) declining by 44% year-on-year.

Despite a marginally lower average 2E PGM basket price for Q1 2025 compared with Q1 2024, on a like-for-like basis (excluding the once off \$43m (R812m) insurance payment during Q1 2024 related to the flooding event during mid-2022), adjusted EBITDA for the US PGM operations for Q1 2025 (excluding provision for S45X credits) improved by \$2m (R31m) year-on-year to a loss of \$9m (R172m).

Including the estimated S45X credit for Q1 2025 of \$6m (R111m), the adjusted EBITDA loss would have reduced further, to approximately \$3m (R55m) for Q1 2025.

Combined with an estimated S45X credit of \$6m (R111m) for the US PGM recycling operations along with consistent financial contribution from the US PGM recycling operation for Q1 2025 (Adjusted EBITDA of \$4m), the financial position of the US PGM operations on a combined basis is considerably improved, supporting a more sustainable future for the US PGM operations.

Century operations

The Century operations in the Australian (AUS) region, increased production materially compared with Q1 2024 (impacted by extreme weather and flooding) after implementing weather resilience measures during 2024, enabling a \$10m (R178m) contribution to Group adjusted EBITDA, compared with a \$14m (R262m) adjusted EBITDA loss for Q1 2024.

Sandouville refinery

We are confident that further operational improvements can be achieved during the course of 2025 and sustained into 2026, with losses from the Sandouville refinery anticipated to decline as operations wind down and the facility is placed on planned care and maintenance, further improving Group profitability.

Keliber lithium project

Group cash flow from 2026 will also benefit from reduced annual capital commitments following the forecast completion of the construction/development phase of the Keliber lithium project, with hot commissioning of the refinery scheduled for H1 2026.

Capital

Project capital is forecast to drop to a substantially reduced level, from revised capital guidance of €300m (R5.9bn) for 2025, positively impacting Group cash flow for 2026.

The Group annual capital expenditure has steadily decreased since 2023, with capital expenditure guidance for 2025, R2bn (\$120m) or 12% lower than invested for 2023.

This reduction in annual capital expenditure is primarily related to restructuring of the US PGM operations and sustainability through an extended period of low PGM prices, which has been successfully achieved, and restructuring of the SA gold operations, primarily related to the closure of Kloof 4 shaft and the development of the Burnstone project being deferred from H2 2023.

Capital investment for the Keliber lithium project has increased since the project was approved in 2022.

Project capital is forecast to decrease to a substantially reduced level for 2026, from revised capital guidance of €300m (R5.9bn) for 2025, following forecast completion of the project construction/development phase in H1 2026.

This is likely to result in Group capital commitments for 2026 reducing to below R15bn, with a resulting benefit to annual Group cash flow.

Positive outcomes to continue

“We have actively managed our operations and balance sheet for sustainability and profitability through an extended period of low metal prices.

“The increase in Group adjusted EBITDA for Q1 2025 was not solely a function of our leveraged exposure to the increasing gold price, but reflects the combined outcome of operational restructuring we implemented from H2 2023, which has resulted in increased profitability from most of our operations.

“We expect these positive outcomes from our actions during the last two years to continue.

“Along with reduced future annual capital requirements, we believe that this result signals a clear inflexion point for the Group, and is set to position us to realise ongoing value for stakeholders,” states Froneman.

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