



## ASX PRELIMINARY FINAL REPORT

### Appendix 4E

Zimplats Holdings Limited

ARBN: 083 463 058

Australian Stock Exchange code: ZIM

Year ended 30 June 2021

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This report was approved and authorised for release to the market by the board of directors of Zimplats Holdings Limited ('Zimplats' or the 'Company').

The report covers the consolidated entity of Zimplats and its subsidiaries (together the 'Group') and it is based on the financial statements which have been audited by independent auditors, Deloitte & Touche, who have expressed an unmodified opinion.

The directors' report and the financial statements of the Group for the year ended 30 June 2021 have been released on the ASX announcement platform and are also available on the Company's website ([www.zimplats.com](http://www.zimplats.com)).

The report is presented in United States Dollars (US\$).

FY in this report refers to the financial year for the Group which ends on 30 June.

6E (six elements) consists of platinum, palladium, rhodium, gold, ruthenium and iridium.

Mtpa in this report refers to million tonnes per annum.







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**1. REPORTING PERIOD**

Reporting period: 1 July 2020 to 30 June 2021 (FY2021)  
 Previous reporting period: 1 July 2019 to 30 June 2020 (FY2020)

**2. RESULTS FOR ANNOUNCEMENT TO THE MARKET**

|  |  | <b>FY2021</b>   | <b>FY2020</b>   |
|--|--|-----------------|-----------------|
|  |  | <b>US\$ 000</b> | <b>US\$ 000</b> |
| Revenue                                      |  56%    | 1 353 792       | 868 912         |
| Profit before income tax                     |  114%   | 800 550         | 374 230         |
| Income tax expense                           |  111%   | (237 426)       | (112 391)       |
| Profit for the year attributable to members  |  115%   | 563 122         | 261 839         |
| Basic and diluted earnings per share (cents) |  115% | 523             | 243             |
| Dividend per share (cents)                   |  98%  | 83              | 42              |

**3. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

Refer to the annual financial statements.

**4. CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

Refer to the annual financial statements.

**5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

Refer to the annual financial statements.

**6. CONSOLIDATED STATEMENT OF CASH FLOWS**

Refer to the annual financial statements.

## 7. DIVIDENDS

- A final dividend for the year ended 30 June 2020, amounting to US\$44 million (equating to 41 US cents per share) was declared in November 2020 and paid on 3 December 2020 to securityholders on record as at 17 November 2020.
- An interim dividend for the half year ended 31 December 2020, amounting to US\$45 million (equating to 42 US cents per share) was declared in February 2021 and paid on 5 March 2021 to securityholders on record as at 19 February 2021.
- Following the end of the financial year, the board of directors declared a final dividend for the year ended 30 June 2021 amounting to US\$85 million (equating to 79 US cents per share) to securityholders on record as at 20 August 2021. The dividend will be paid on 3 September 2021.

## 8. NET TANGIBLE ASSET BACKING

|                                  |  | FY2021    | FY2020    |
|----------------------------------|--|-----------|-----------|
| Net tangible assets per security |  37% | US\$16.22 | US\$11.82 |

## 9. DETAILS OF ENTITIES OVER WHICH CONTROL HAS BEEN GAINED OR LOST

- There are no entities over which control has been gained during the year.
- In February 2021, the Group disposed of its wholly owned subsidiary, Baydonhill Investments (Private) Limited, a property-owning company, for a consideration of US\$3.3 million. The gain on disposal of the subsidiary, amounting to US\$58 000, is included in profit for the year in the consolidated statement of profit or loss and other comprehensive income.

## 10. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The Group has no joint venture entities or material associates. Refer to note 2.4 of the annual financial statements for details of the associates held by the Group.

## 11. ACCOUNTING STANDARDS

The Group prepares its financial statements in accordance with International Financial Reporting Standards and interpretations issued by the International Financial Reporting Standards Interpretations Committee.

## 12. COMMENTARY ON RESULTS AND OPERATIONS

Key highlights for the year ended 30 June 2021 includes:

### 12.1 Finance

- Revenue increased by 56% to US\$1.4 billion (FY2020: US\$868.9 million) primarily due to the increase in the prevailing average metal prices during the year. Revenue per 6E ounce sold increased to US\$2 493 (FY2020: US\$1 566). 6E ounces sold decreased by 2% to 543 000 ounces (FY2020: 555 000 ounces) largely due to an administrative delay in the export of production towards year end.
- Despite the 2% decline in volumes sold, cost of sales increased by 14% to US\$546.7 million (FY2020: US\$480.4 million) primarily due to an increase in revenue indexed expenses resulting from the higher revenue achieved in the year.
- Operating cash cost per 6E ounce increased by 8% to US\$661 per ounce (FY2020: US\$613 per ounce). This increase was mainly due to a deterioration in 6E head grade and recovery, an increase in revenue-indexed expenditure and Covid-19 administration costs.
- The gross profit margin increased to 60% (FY2020: 45%) primarily due to higher metal prices.
- The income tax expense increased to US\$237.4 million (FY2020: US\$112.4 million) on higher profitability
- As a result, profit after tax increased to US\$563.1 million (FY2020: US\$261.8 million).
- Net cash generated from operating activities increased to US\$453.1 million (FY2020: US\$258.4 million).

## 12.2 Safety, health and environment

- The Group regrettably reported one fatality during the year. Three lost-time injuries (LTIs) were reported, including the fatality, compared to nine LTIs in the previous year. As a result, the lost-time injury frequency rate improved by 66% to 0.20 per million man-hours worked (FY2020: 0.59 per million man-hours worked).
- An external safety, health and environment management systems audit was conducted during the year. No non-conformities were raised in terms of the three management systems (ISO 45001:2018, ISO 14001:2015 and ISO 9001:2015) and certification was maintained.
- The Group reduced the amount of water drawn from dams by 10% and increased water recycling by 14% from the previous year. This was largely due to higher rainfall during the year, which boosted the Group's water recycling efforts.
- The rehabilitation of the closed open-pits progressed well. During the year 15.5 hectares were rehabilitated. The concurrent revegetation of the tailings storage facilities (TSFs) progressed well and a total area of 1.8 hectares was revegetated.
- The Group's energy efficiency and climate change response plan was progressed. The solar lighting project was completed, and the current phase of the solar water heating project is scheduled to be concluded in FY2022.

## 12.3 Operations

- The Covid-19 global pandemic continued to impact the operating environment as the Group sustained its role in the management and mitigation of Covid-19, maintaining protocols to protect its employees. It is pleasing to note that post year end, the Group achieved 100% Covid-19 vaccination for its employees and contractors.
- The Group has been spared from operational disruptions as mining continues to be categorised as an "essential service" in Zimbabwe.
- Volumes of mined and milled ore were sustained at similar levels to the previous year at 7.2 million tonnes and 6.8 million tonnes, respectively. Following the collapse of a section of the highwall western box cut at the Ngwarati Mine in February 2021, production teams were redeployed to other operations while rehabilitation was underway. Production at Ngwarati Mine restarted on 1 July 2021. Ore production from Mupani and Bimha mines increased significantly from the previous year. The Mupani Mine project increased access to stoping panels, while Bimha Mine benefitted from the temporary redeployment of Ngwarati production teams. General ground conditions in the mines remained stable.

6E production at 579 000 ounces (FY2020: 580 000 ounces) was flat due to a proactive response plan implemented by management in the wake of the Ngwarati Mine high wall collapse and subsequent temporary closure of that mine.

## 12.4 Capital projects

- The Group spent US\$159.1 million on capital projects including stay-in-business, replacement and expansion projects (FY2020: US\$104.2 million).
- The redevelopment of Bimha Mine is largely complete with cumulative spend of US\$100.3 million, in line with the estimated project budget of US\$101 million.
- The development of Mupani Mine, the replacement production source for Rukodzi and Ngwarati mines which will deplete in FY2022 and FY2025, respectively, is progressing well and remains on schedule. The project has a design capacity of 2.2Mtpa, which is expected to be achieved in September 2024 at a total estimated cost of US\$264 million.
- The project to upgrade Mupani and Bimha mines as replacements for Mupfuti Mine, which depletes in FY2027, was approved by the board during FY2021. The upgrade project encompasses the following:
  - ▶ Mupani Mine will be upgraded from the current design capacity of 2.2Mtpa to 3.6Mtpa at a total additional cost of US\$122.6 million, thereby increasing the estimated total project cost from US\$264 million to US\$386 million. US\$48.4 million was spent during the year increasing the cumulative total project expenditure to US\$146.6 million at year end. Full production capacity of the upgraded mine is expected to be achieved in August 2028.
  - ▶ The Bimha Mine upgrade from the current design capacity of 2.0Mtpa to 3.1Mtpa is progressing well and is currently ramping up to achieve full production capacity in FY2023. US\$6.9 million was spent during the year from an approved budget of US\$81.7 million.
- During the year, the board approved the Phase 3A concentrator expansion, which will increase production capacity by 0.9Mtpa. The project comprises the following:
  - ▶ A third concentrator plant project at Ngezi which commenced in FY2021. The plant will process the additional ore volumes from the early ramp up at Mupani Mine and Bimha mines and is expected to be commissioned in the first quarter of FY2023. During the year, US\$14.7 million was spent from the project budget of US\$93.8 million.
  - ▶ The acquisition of additional trackless mining machinery fleets to supply the expanded third concentrator plant at a total project cost of US\$17.6 million. During the year, US\$9.8 million was spent to support the unconstrained ramp-up production profile.

## 13. EVENTS AFTER THE REPORTING PERIOD

A final dividend for FY2021 of US\$85 million was declared as detailed in section 7 above. There have been no other significant events since the statement of financial position that have an impact on the understanding of this preliminary final report.

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