

# Strong metal prices help Amplats deliver higher annual profit

By [Tanisha Heiberg](#)

22 Feb 2021

South Africa's Anglo American Platinum (Amplats) on Monday, 22 February, posted a 63% jump in its annual profit, underpinned by higher metal prices and a weaker rand exchange rate.



Tumela Mine, an Anglo American Platinum open pit mine located in the north-western part of South Africa in Thabazimbi, Limpopo.  
Reuters/Siphiwe Sibeko

The Johannesburg-listed miner, one of the world's largest platinum producers, reported headline earnings per share (HEPS) for 2020 of R115.54 (\$7.83), compared with R70.87 a year earlier.

Supply shortfalls have driven rapid price gains for metals extracted by Amplats, including platinum, palladium and rhodium, boosting profit and helping cushion the impact of the coronavirus crisis.

Amplats said the average dollar basket price of the platinum group metals (PGM) it mines increased by 51% year-on-year, particularly with upbeat rhodium prices.

A weaker rand, which reduces production costs for the miner, further boosted its full-year earnings.

Revenue during the reported period increased to R137.8bn from R99.6bn in the year-ago period, while EBITDA (earnings before interest, taxes, depreciation, and amortisation) surged 39% to R41.6bn.

Total PGM output during the year fell 14% to 3.808 million ounces due to the impact of lockdown restrictions in South Africa and Zimbabwe.

The precious metals miner said it had a build-up of work-in-progress inventory of around 1 million PGM ounces due to disruptions caused after an explosion at its Anglo Converter Plant (ACP) processing site last year.

Amplats said it expects the build-up in inventory to be released by the end of 2022, and declared a final dividend of R35.35 per share. Last year, the miner had announced a base dividend of R16.60 and a special dividend of R25.

*Source: Reuters*

For more, visit: <https://www.bizcommunity.com>