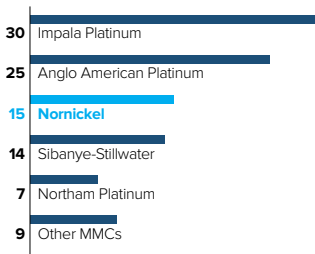


# PLATINUM (Pt)

## THE COMPANY'S INDUSTRY POSITION

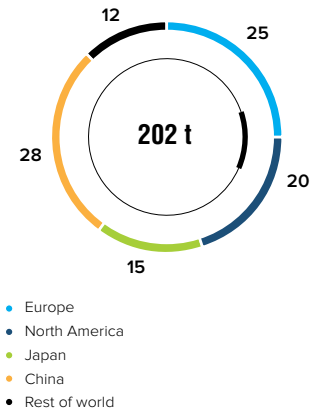
**No 3**

IN PLATINUM PRODUCTION<sup>1</sup> [%]



Source: Company data

## PLATINUM CONSUMPTION BY REGION [%]



Source: Company data

## KEY TRENDS IN THE PLATINUM MARKET

Platinum price remained relatively stable in January and February, staying within a narrow range between USD 900/oz and USD 1,000/oz before falling to a 10-year low of USD 600/oz in March. However, the price quickly recovered to between USD 800/oz and USD 850/oz. In the second half of 2020, the platinum price continued an upward trend, reaching the August 2016 level of USD 1,050/oz driven by equipment failures at Anglo American Platinum's

pyrometallurgical facilities and stronger investor demand, which was manifested through inflows into ETFs (+ 16 t) and higher retail investment volume (+ 11 t). Average annual net speculative positions dropped 4% to 49 t on the New York Mercantile Exchange (NYMEX).

## AVERAGE ANNUAL PLATINUM PRICES (USD/OZ)

2015	2016	2017	2018	2019	2020
1,053	989	949	880	863	884

Source: LPPM

2020 platinum prices averaged at

**884**

USD/oz,

a 2% increase over the 2019 average of USD 863/oz.

<sup>1</sup> Refined metal including production from own feedstock by third parties under tolling agreements

## MARKET BALANCE

In 2020, the platinum market came into balance, with the metal production sufficient to meet consumption. However, strong investment demand

pushed the market into deficit, which was offset by previously accumulated metal stocks. The sources of previously accumulated platinum stockpiles

include trading companies, financial institutions, and surplus inventories of consumers, while the movement of these inventories is non-transparent.

### PLATINUM MARKET BALANCE IN 2020 (t)

Palladium production and consumption balance	0
Investor demand	11
ETF inflow	16
Supply and demand balance	-27

## CONSUMPTION

Industrial consumption of platinum in 2020 declined to

**202 t,**

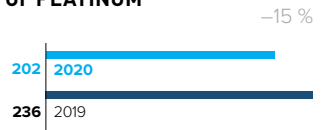
down 34 t (or 15%) y-o-y.

### AUTOMOTIVE INDUSTRY

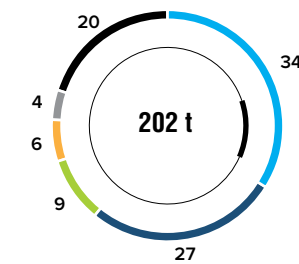
The automotive industry is the predominant consumer of platinum. Over 30% of platinum in this industry is used to manufacture exhaust gas catalysts for diesel vehicles.

Platinum consumption in the automotive sector slumped in 2020 (down 19 t from 2019) due to the COVID-19 pandemic and a falling share of diesel vehicles in the European market (the 27 EU countries + the UK + EFTA countries), a key market for vehicles running on this fuel, – the market share slipped from 30% to 26% in 2020.

### INDUSTRIAL CONSUMPTION OF PLATINUM



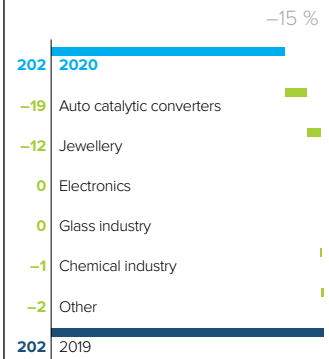
### PLATINUM CONSUMPTION IN 2020 BY INDUSTRY



- Exhaust treatment systems
- Jewellery
- Chemical catalysts
- Glass production
- Electronics
- Other

Source: Company data

### PLATINUM CONSUMPTION BY APPLICATION AREA (t)



Source: Company data

## JEWELLERY INDUSTRY

The second-largest platinum consumer is the jewellery industry, accounting for a third of demand. The reporting period saw a sustained downward trend in platinum consumption in the industry (down 12 t), persisting over the last few years. Apart from the coronavirus, the decrease was driven primarily by lower jewellery demand in China due to consumers switching to other investment options, and the falling demand for luxury goods amid concerns over the country's sustained economic growth. Platinum in this market is under increasing pressure from gold jewellery.

## CHEMICAL INDUSTRY

In 2020, platinum consumption in industrial catalyst manufacturing decreased by 1 t due to falling refining volumes.

## GLASS INDUSTRY

Platinum is needed to produce glass fibre and optical glass. Demand for the metal in this industry remained unchanged in 2020.

Platinum consumption in electronics also remained flat.

## INVESTMENTS

Platinum is widely used as an investment instrument. Physical investments may vary from coins and smaller bars to investments in physical platinum ETFs, which accumulate large amounts of platinum in standard bars. In 2020, demand for platinum bars from retail investors rose slightly (up 11 t) due to low prices coupled with expectations of growth. During the year, investments in platinum ETFs rose by 16 t to 121 t.

## PRODUCTION

Global production of primary refined platinum in 2020 decreased y-o-y by 40 t to 150 t.

In the reporting period, supply from South Africa, the world's largest platinum producer, declined by 40 t due to the nationwide lockdown and operational issues at Anglo American Platinum's pyrometallurgical facilities, while Zimbabwe increased its output by 1 t. The Russian Federation's output remained flat. Production in North America slipped 1 t.

The main sources of recycled platinum include used exhaust gas catalysts and jewellery scrap. In 2020, recycled output declined by 10 t to 52 t due to COVID-19 restrictions and a drop in new car sales which, in turn, impacted the supply of vehicles for recycling.

### PRIMARY PLATINUM PRODUCTION IN 2019–2020 (t)

2019: 190 t

Countries	2020
South Africa	-40
Zimbabwe	+1
Russia	0
Canada	-1
USA	0
Rest of world	0
<b>Total</b>	<b>150</b>

Source: Company data