Appendix 4D

Half Year Report
Zimplats Holdings Limited
ARBN: 083 463 058
Australian Stock Exchange code: **ZIM**

Results for announcement to the market

Reporting period: 1 July 2019 to 31 December 2019
Previous reporting period: 1 July 2018 to 31 December 2018

			2019 US$000	2018 US$000
1.	Revenue	↑ 29%	377 726	291 844
2.	Profit before income tax	↑ 28%	126 518	98 480
3.	Income tax expense	↑ 150%	(45 330)	(18 123)
4.	Profit for the half year attributable to shareholders	↑ 1%	81 188	80 357
5.	Dividend per share (cents)		41.81	18.58

Net tangible asset backing

		2019	2018
Net tangible assets per security	↑ 7%	US$10.14	US$9.45

The directors' report and the condensed consolidated interim financial statements of Zimplats Holdings Limited ('Zimplats' or the 'Company') and its subsidiaries (together the 'Group') for the half year ended 31 December 2019, which have been reviewed by auditors, have been released and are available on the Company's website (www.zimplats.com).

Commentary on results

Below are key highlights for the half year ended 31 December 2019.

Finance

- Half year revenue increased by 29% to US$377.7 million compared to the same period last year largely driven by an increase in average metal prices. The gross revenue per 6E ounce for the half year at US$1 494 was 47% higher than the US$1 018 for the same period last year.

- Cost of sales at US$240.6 million was 7% higher than the same period last year's US$225.2 million mainly due to increase in depreciation, royalties and share based payments. The increase in depreciation was a result of the higher asset base and a review of estimated useful lives of assets. The comparative cost of sales has been restated as explained in note 11 of the condensed consolidated interim financial statements.

Resultantly, gross profit margin at 36% increased by 13% points from 23% achieved in the same period last year.

- Administrative expenses at US$3.7 million were 13% higher than the US$3.3 million reported during the same period last year mainly due to higher corporate social responsibility costs.

- Net foreign exchange transactions losses were higher than prior year largely as a result of the significant depreciation of the Zimbabwean dollar against the United States dollar.

- Other income decreased significantly from US$39.2 million reported in the same period last year to US$0.3 million in the current period as the previous period benefited from export incentive of US$29.4 million from the Reserve Bank of Zimbabwe and a ÚS$9.6 million refund due from the Zimbabwe Revenue Authority following a court ruling in favour of the operating subsidiary, Zimbabwe Platinum Mines (Private) Limited.

- Cash operating cost per 6E (six elements - platinum, palladium, gold, rhodium, iridium and ruthenium) ounce produced at US$641 was 6% higher than that reported in the same period last year of US$607. This was driven by a 7% reduction in 6E production and increase in selling expenses due to higher volume of concentrate sales during a major smelter shutdown.

- Finance costs at US$1.3 million were below prior period due to higher capitalised borrowing costs for the current period and the repayment of part of the Standard Bank of South Africa revolving credit facility (SBSA RCF) in the prior period. The final instalment on the SBSA RCF was made in December 2019.

Resultantly, profit before income tax for the period at US$126.5 million was 28% higher than US$98.5 million recorded in the same period last year. Income tax for the half year at US$45.3 million (2018: US$18.1 million) resulted in profit after tax for the period of US$81.2 million compared to US$80.4 million achieved in the same period last year.

As at 31 December 2019, the Group had no bank borrowings (30 June 2019: US$42.5 million and 31 December 2018: US$62.5 million) after repaying the US$42.5 million on the SBSA RCF in December 2019.

Safety, Health and Environment

- Six lost-time accidents were recorded during the half year resulting in a lost-time injury frequency rate of 1.26 against 0.26 for the same period last year. A detailed safety strategy to arrest this uncharacteristic decline in safety performance has been drawn up and is being rigorously implemented across the operations.

- An external safety, health and environment management systems audit was conducted during the half year. No nonconformities were raised for the three management systems (ISO 45001:2018, ISO 14001:2015 and ISO 9001:2015).

- The Group's rehabilitation programs progressed well during the half year. Twenty hectares of open-pit disturbed areas were revegetated, and 2 800 trees were planted on the surfaces of tailings storage facilities.

- Water management strategies continued with recycled water accounting for 34% of the total water consumed, same as what was achieved in the same period last year.

Operations

- Tonnes mined increased by 9% to 3.6 million tonnes compared to the same period last year benefiting from improved fleet productivity and additional tonnage from Mupani Mine which is still under development.

- Tonnes milled increased by 2% to 3.4 million tonnes compared to the same period last year. This was mainly due to an increase in the milling rates and good running time at both concentrators. The Selous Metallurgical Complex concentrator benefited from the positive impact of the High-Pressure Grinding Rolls (HPGR) project which was commissioned in the second quarter of the year under review. The Ngezi concentrator achieved a higher average milling rate due to a steady ore supply.

- 6E mill head grade at 3.48g/t remained largely unchanged from the same period last year reflecting sustained grade control at the Group's operations.

- 6E production decreased by 7% to 267 366 ounces from 289 010 ounces in the prior period due to unfavourable furnace inventory movement on start-up (first fill) following the furnace rebuild shutdown.

Capital Projects

- The redevelopment of Bimha Mine is progressing well. Installation of the south underground crusher and the ore-conveyancing system were completed during the half year. The focus is now on completing the two underground workshops. A total of US$90 million had been spent as at 31 December 2019 against a project budget of US$101 million.

- The development of Mupani Mine (the replacement for Ngwarati and Rukodzi mines) is ahead of schedule and the mine is scheduled to receive the first production fleet from Rukodzi Mine in the second half of the financial year. Focus is currently on establishing the surface crushing infrastructure to treat current ore production for feed to the concentrators. Mupani Mine targets full production in August 2025. A total of US$79.4 million had been spent as at 31 December 2019 against an approved project budget of US$264 million.

Mineral Resources and Ore Reserves

There have been no material changes in the Group's Mineral Resources and Ore Reserves compared to those reported in the annual integrated report for the financial year ended 30 June 2019.

Dividend

The board of directors declared and paid a final dividend for the year ended 30 June 2019, amounting to US$45 million (equating to US$0.42 per share), to shareholders on record as at 12 September 2019.