

DRDGOLD Limited

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DRDGOLD sees revenue and profits boosted by Far West Gold Recoveries tailings project

DRDGOLD Limited (NYSE:DRD), the Johannesburg and New York-listed South African gold producer, saw revenue and profit in its full year to end June boosted as its Far West Gold Recoveries (FWGR) tailings project came online, leading it to sanction a threefold increase in its dividend.

In a statement on Tuesday, the company said group gold production for the 12 month period came in 6% higher at 4,977 kilogrammes (kg), mainly due to the 484 kg produced by the new FWGR operation.

READ: DRDGOLD expects to report strong growth in full-year earnings, revenue boosted by higher average gold price

The group's after-tax profit jumped to 78.5 million rand (US\$5.19 million) from 6.5 million rand (US\$0.43 million) a year earlier, as revenue increased to 2.8 billion rand (US\$0.2 billion) from 2.5 billion rand (US\$0.17 billion) and gold production rose by 6% to 160,000 ounces.

In reponse to the strong results, the company said it is paying a dividend of 20 South African cents per share, a threefold increase on the dividend declared for last year and marking 12 consecutive years of dividend yield.

DRD's CEO Niël Pretorius told investors that full year 2019 for the South African industry as a whole had been "exceptionally challenging...fraught with disruptive labour action, the near-collapse of power utility Eskom and a loss of investor confidence, as evidenced by capital freeze and high-profile corporate emigrations".

Group gold output expected at between 175,000 and 190,000 ounces. For the 2020 financial year, DRD Gold said it plans group gold production of between 175,000 and 190,000 ounces at a cash operating cost of around 490,000 rand per kg.

"DRDGOLD looks forward to seeing the full benefits of Ergo's completed capital projects and the attainment of steady-state operations at FWGR Phase 1 flowing through to the group bottom-line," Pretorius added. "We expect also to advance planning for commencement of FWGR Phase 2."

Shares in New York jumped nearly 8% on the day to US\$4.64 each.

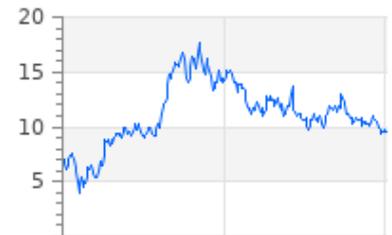
Contact the author at giles@proactiveinvestors.com

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Price: 9.41

Market Cap: \$801.24 m

1 Year Share Price Graph



February 2020 August 2020 February 2021

Share Information

Code: DRD

Listing: NYSE

52 week High Low
18.03 3.06

Sector: Gold & silver

Website: www.drdgold.com

Company Synopsis:

DRDGOLD is a South African gold producer and a world leader in the recovery of gold from the retreatment of surface tailings. Our network of assets is unrivalled in South Africa and, with our consolidated businesses operating as a single entity, is focused on optimising these assets in order to increase gold production.

action@proactiveinvestors.com

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Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

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