

DRDGOLD Limited

09:25 26 Aug 2020

DRDGold expecting near sevenfold increase in earnings per share for its fiscal year

DRDGOLD Limited (NYSE:DRD) (JSE:DRD), the gold producer, said it expects to report a near sevenfold increase in earnings per share for its fiscal year to end-June as revenue rises amid a rising gold price.

In a trading statement on Wednesday, the South Africa mine tailings retreatment specialist also revealed it held cash and cash equivalents of R1,715.1 million (US\$101.9 million) compared to R279.5 million (US\$16.6 million) as at June 30, 2019.

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It also has a revolving credit facility with ABSA Bank of R175 million (US\$10.4 million) available if needed and no bank debt. Its liquidity is further enhanced by current high Rand gold price levels.

DRDGold said, for the 12 months to June 30, 2020, it expects to report an almost sevenfold increase in earnings per share (EPS) of 82.5 US cents per share compared to 11.8 US cents per share in the 2019 fiscal year.

DRDGold, which is majority-owned by Sibanye-Stillwater, a major platinum group metals (PGMs) and gold producer, said the increased earnings was mainly due to group revenue increasing by R1,422.9 million (US\$84.6 million), or 52%, to R4,185 million (US\$248.8 million). In 2019, group revenue was R2,762.1 million (US\$164.3 million).

The revenue increase was due to a R486.8 million (US\$28.9 million) rise in revenue at its Ergo Mining Operations (EMO) business operates on the eastern Witwatersrand to R3,064.3 million (US\$182 million) (2019: R2,577.5 million or US\$153.1 million) and an increase of R936.1 million (US\$55.6 million) in revenue at its Far West Gold Recoveries operation (FWGR) to R1,120.7 million (US\$66.5 million) (2019: R184.6 million or US\$10.9 million).

Cash operating costs per unit were stable at R100/t (US\$5.9per tonne), DRDGold added.

The miner temporarily halted its operations on March 26 this year due to the South African national coronavirus pandemic lockdown and only resumed them once it was satisfied appropriate measures were implemented. Ergo restarted operations on April 9, with reclamation from a limited number of sites continuing through to the end of June. Ergo's Knights plant only restarted on May 7.

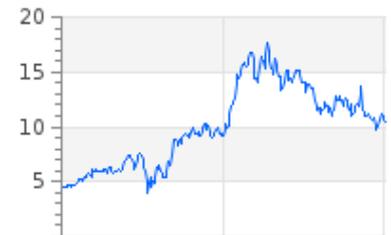
Meanwhile, FWGR, which has a relatively small footprint and staff living close, was able to restart operations on April 4.

DRDGold said its results for the year ended June 30, 2020, will be released at or around 8.00am ET on Tuesday, September 1, 2020

Price: 10.45

Market Cap: \$893.59 m

1 Year Share Price Graph



December 2019 June 2020 December 20

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.

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