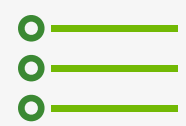




Platinum Market Dynamics and Their Impact on Cancer Treatment Costs

How rising platinum costs impact drug pricing, supply, and patient access



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Platinum-based chemotherapy drugs remain an essential pillar of modern cancer treatment. Active pharmaceutical ingredients (APIs) such as cisplatin, carboplatin, and oxaliplatin are used worldwide and play a critical role in treating a broad range of cancers. Because these APIs contain a significant proportion of platinum, their cost structure is highly sensitive to movements in platinum prices.

For many years, platinum prices remained relatively stable, allowing pharmaceutical manufacturers, buying groups, and healthcare systems to operate within predictable economic frameworks. However, the unprecedented platinum rally in 2025 fundamentally changed this situation. Driven by metal liquidity tightness, surging demand, and speculative activity, platinum prices increased dramatically, placing significant pressure on the economics of platinum-based pharmaceuticals.

The resulting impact has been felt throughout the healthcare value chain. API costs rose sharply, tender-based procurement systems struggled to adapt, and supply shortages emerged in several markets. This paper examines the characteristics of platinum as a commodity, the drivers behind the 2025 platinum rally, the consequences for pharmaceutical pricing and supply, and the measures that can help stabilize access to these critical cancer therapies.



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The role of platinum in cancer treatments and the cost structure of the API

Platinum-based active pharmaceutical ingredients (APIs) represent the backbone of many chemotherapy regimens used in oncology. Cisplatin, carboplatin, and oxaliplatin have established standards of care for decades and continue to play a vital role in treating millions of cancer patients around the world.

A defining characteristic of these APIs is their platinum content. Depending on the molecule, their platinum content ranges from 49% to 65% of volume. As a result, the cost of the API is strongly linked to the platinum market price. Any significant movement in the precious metal market therefore has an immediate impact on the API cost.

This relationship became particularly evident during the platinum rally of 2025. Platinum prices temporarily increased by almost three times compared with historical levels before stabilizing at approximately double in 2026. As platinum pricing increased, the price of the API rose by more than 100% at the peak of the platinum rally.

This development hit the price-sensitive generic pharmaceutical market unprepared. In many countries, prices for generic medicines are regulated or effectively capped by healthcare authorities to ensure affordable access for patients. Regularly, authorities impose mandatory annual price reductions designed to compensate for expected productivity gains.

While such mechanisms are effective under normal circumstances, they create significant challenges when cost increases are driven entirely by raw material inflation rather than manufacturing inefficiencies or margin expansion. For platinum-containing oncology products, sudden increases in platinum prices can therefore disrupt the economic balance of the entire supply chain.

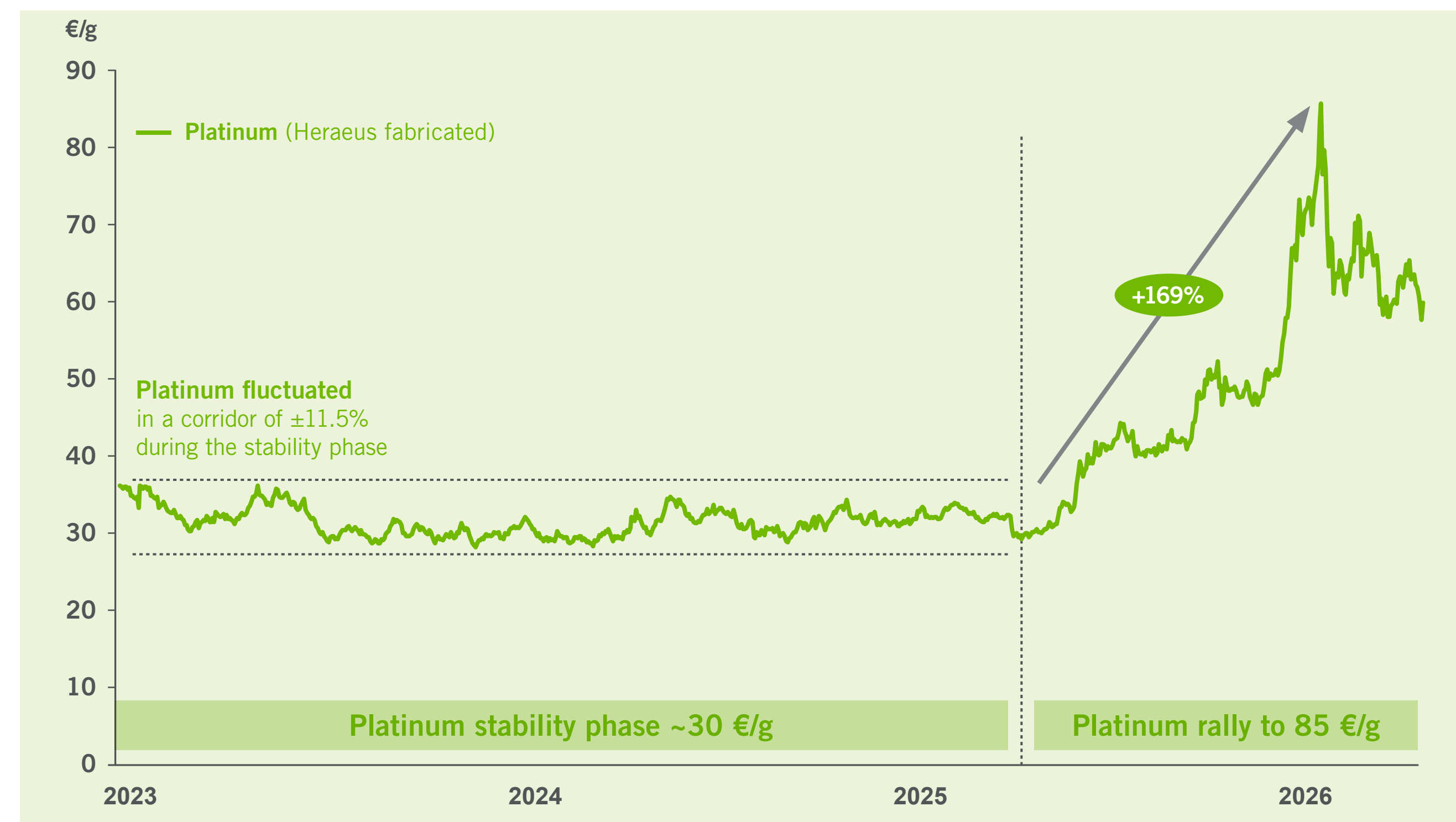
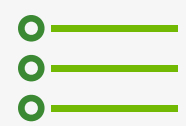


Figure 1. Platinum price development since 2023, showing the sudden increase in platinum pricing compared to the long-term stability before June 2025 (Source: Heraeus)



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To understand the impact on pharmaceutical products, it is important to look at the characteristics of platinum itself.

Unlike conventional industrial raw materials, platinum is a precious metal traded on global exchanges and subject to continuous price fluctuations. Market prices are influenced by a wide range of factors, including industrial demand, investment flows, geopolitical events and physical metal liquidity. As a result, platinum prices are inherently volatile and difficult to predict.

Platinum also differs from many standard commodities because the published market price often does not reflect the actual cost of material required for industrial production. In pharmaceutical manufacturing, platinum must be available in a specific form, quality, quantity, and location. One simple example is shown by the form of platinum. While exchange quotations frequently refer to platinum bars, pharmaceutical precursor production requires platinum sponge. The premium between these forms can vary depending on the physical availability of each form.

In addition, industrial applications require platinum that is physically available at the production site and in the required quantity. Therefore, factors such as logistics, financing, insurance, security and handling are added to the cost of the metal. These considerations become particularly important in pharmaceu-

tical manufacturing, where production lead times are long and strict quality requirements must be met.

Handling precious metals for industrial applications and products typically comes with substantial quantities of precious metal in a company's inventory. The resulting tied-up capital attracts significant financing costs throughout the manufacturing cycle.

Consequently, platinum pricing is not only influenced by the metal itself but also by the efforts required to make the metal available and the associated financing costs for the inventory.



Figure 2. Platinum sponge, used in the manufacture of industrial applications. For pharmaceutical products, rigorous quality control and analytical testing are applied to ensure the highest standards of purity, quality.

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As we have just seen, platinum shows the characteristics of both an industrial metal and a precious metal. So, the price behaviour over the past 18 months has, at different times, been driven by both fundamental factors and by speculative influences.

Geopolitical uncertainty has heightened through 2025 and 2026. It contributed to rising precious metal prices, with platinum reaching an all-time high of €85/g in January 2026, up 169% year-on-year.

While the absolute price is important, this has also been one of the most volatile periods for the platinum price. This has added significant timing risks for buyers, especially for the pharmaceutical sector where there are several transactions in the value chain from the initial purchase of refined platinum from a mine through to final purchase of a platinum-based drug by a healthcare provider.

Global interest in critical metals has been high, especially from China; investors have been buying metals and governments have been building strategic stockpiles across many commodities, including platinum. As primary supply of platinum cannot quickly be increased in response, this has tightened markets and squeezed liquidity, increasing price volatility.

Some of the diverse drivers of platinum's price rally, most recent first, include:

- Platinum was carried on a rising tide with other commodities through Q4'25 and into Q1'26
- The introduction of 13% VAT on platinum sales in China was likely passed on to buyers
- The Guangzhou Futures Exchange in China launched, with some high and spiky sales volumes
- Mine supply from South Africa was reduced in H1'25, due to a series of disruptions
- Wholesale re-stocking of platinum for jewellery and investment bars saw significant platinum shipments into China from April 2025
- Uncertainty over US President Trump's tariff plans shifted more platinum into US vaults

While some of these events are apparently 'one-offs', it is always possible that similar, unexpected but inevitable, events may take place in future.



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Some of the key events driving recent platinum price movements are shown on the chart below.

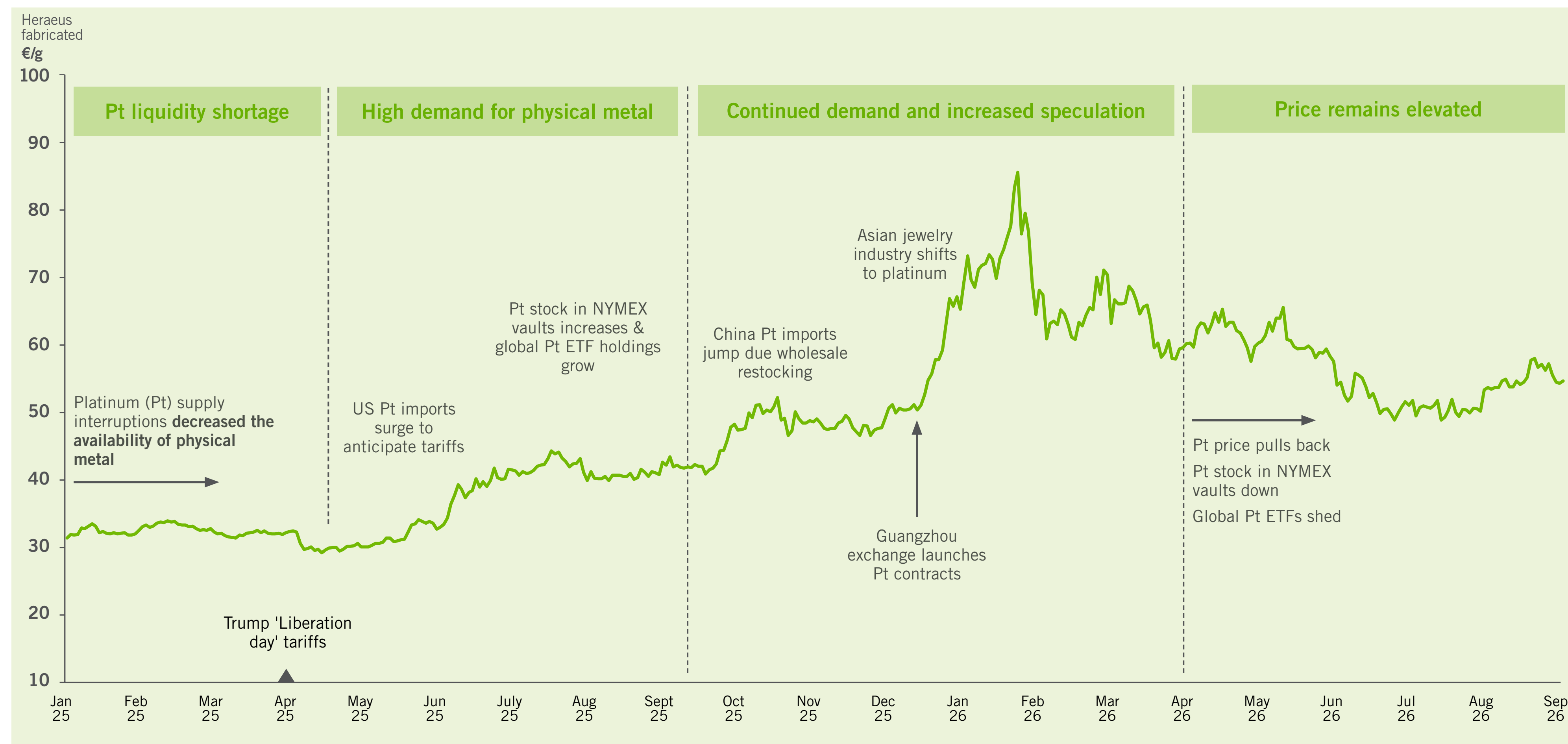
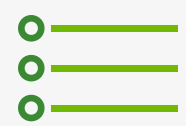


Figure 3. Platinum Rally 2025 to 2026, driven by a shortage of platinum in global markets and high demand for physical metal that was further amplified by US tariffs (Source: SFA (Oxford))



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The platinum rally of 2025 demonstrated how quickly a system that appeared stable for many years can become disrupted. The pharmaceutical industry had largely built its procurement, pricing, and contracting structures around the assumption of relatively stable platinum costs. When that assumption proved invalid, significant challenges emerged.

Although volatility has moderated during 2026, platinum continues to trade well above 2024 levels. Consequently, the manufacturing costs of platinum-based APIs remain substantially higher than before the rally, driving corresponding increases in the cost of finished chemotherapy products.

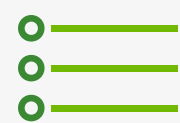
The effects are particularly visible in markets that rely heavily on public tenders and centralized procurement models. Long-term supply contracts for oncology medicines are commonly awarded through competitive bidding processes, with fixed prices agreed for extended periods. During the years of stability, many pharmaceutical companies had little incentive to implement platinum hedging strategies. As a result, manufacturers that secured tender contracts before the rally often found themselves exposed to dramatically higher API costs while being obligated to supply finished dosage at contractually fixed prices.

Where no platinum price protection was in place, the increase in platinum costs directly reduced or eliminated contract profitability. At the same time, procurement organizations and healthcare authorities frequently resisted accepting new prices based on current platinum market realities, as these could imply increases of up to 100% compared with previous procurement levels.

This has created a fundamental impasse. Pharmaceutical companies cannot sustainably supply products below cost, while procurement organizations face budgetary constraints and often lack awareness of the exchange-traded characteristics of platinum. Because platinum pricing had remained stable for so long, the importance of precious metal dynamics within pharmaceutical manufacturing was largely invisible to many stakeholders, while the price increases are perceived as an attempt to increase margins.

Consequently, some pharmaceutical companies have reduced their participation in platinum-based markets or chosen not to bid for new tenders where pricing conditions fail to reflect actual production costs. The outcome is increasingly visible worldwide: reduced supply availability, shrinking or depleted inventories of platinum-based chemotherapy medicines, and official shortage notifications issued by national healthcare authorities (especially in the US and India).





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Addressing these challenges requires greater recognition of platinum as a strategic and highly volatile raw material rather than a conventional pharmaceutical input.

Pharmaceutical manufacturers need to establish a more proactive approach to precious metal management to protect themselves against future market disruptions.

Ultimately, maintaining a resilient supply of platinum-based chemotherapy medicines requires awareness of the exchange-traded nature of platinum, its implications and risks. Procurement organizations, health-care authorities, pharmaceutical companies, and precious metal specialists must work together to build a good understanding of the working principles of precious metals and the consequences when risks are not handled adequately.

Pharmaceutical manufacturers are especially exposed to financial risks when they enter long-term supply obligations without a mitigation strategy for platinum price volatility. Thus, Pharma companies should deepen their understanding of commercial impacts for their own products from product management to purchasing.

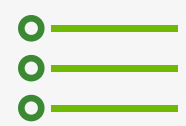
- **Raise awareness of price risk:** Product management needs to be aware that platinum prices have no natural limits. Therefore, business models must be resilient and consider this volatility rather than being built on the assumption of stable platinum pricing
- **Confirm fixed prices consciously:** Entering contracts that comprise supply obligations with fixed prices must consider the price risk of platinum. It is critical to ensure sustainable margins across the contract runtime. This means actively managing platinum costs, e.g. by securing a percentage of the required API at a fixed price.
- **Explore price management instruments:** Purchasing managers should explore different approaches and instruments to deal with platinum price volatility. Considering the company's individual risk affinity is also crucial as this can have an impact on the selection of mitigation instruments.

Not considering these aspects can quickly lead to financial losses or the inability to supply if the market environment changes suddenly. In order to overcome these challenges, pharmaceutical manufacturers need a partner that supplies them not only with precious metals or a product, but also with the required expertise: Ideally an experienced and full-service precious metals house.

Criteria for the selection of a qualified partner are:

- **Deep integration into the global precious metals supply chain** to always ensure precious metal availability.
- **Long-standing experience managing the complexities** associated with precious metal procurement, financing, and risk management.
- **Offering tailored solutions** that help customers manage platinum exposure in a manner aligned with their individual business requirements.

The precious metal partner is a key success factor as they provide solutions for platinum sourcing, inventory management, financing arrangements, and other tools designed to improve planning reliability while reducing exposure to market volatility.



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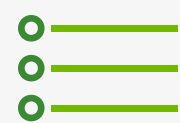
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Equally important is supply security, and here collaboration with a specialist is just as crucial as the supply-chain-relevant selection criteria for a partner. Focus on:

- **An established position within the precious metals ecosystem** with partnerships and contracts for primary supply directly with mines and platinum sources.
- **Own capabilities to process raw materials** that support continuous access to platinum and platinum-derived products, even under challenging market conditions.
- **Especially in Europe: local production of APIs** to avoid geopolitical disruption of critical ingredients.

Considering the above, the challenges of precious metals management can be tackled when the risks of precious metals are understood, and the right partners are selected. A partner should be embedded into both the pharmaceutical and the precious metals ecosystems to safely ensure the availability of APIs. Furthermore, industrial players should work together to educate their authorities on the correlation between access to treatments and raw material supply to foster the implementation of adequate compensation schemes. This way, industry and authorities can join in the fight against cancer and thereby contribute to safeguarding patient access to essential therapies





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Patrick Manske

Global Head of Marketing and Sales
Business Line Pharmaceutical Ingredients

Heraeus Precious Metals GmbH & Co. KG

Heraeusstr. 12–14 • 63450 Hanau, Germany
Phone +49 6181 35-5446
Mobile +49 159 040 020 48
patrick.manske@heraeus.com
www.heraeus-pharma.com

Dr. Jenny Watts

Head of Clean Energy & Sustainability

Henk de Hoop

CEO

SFA (OXFORD) LIMITED

The Magdalen Centre, Robert Robinson Avenue,
The Oxford Science Park, Oxford, OX4 4GA, UK
www.sfa-oxford.com

Heraeus Precious Metals

Heraeus Precious Metals is one of the world's leading precious metals companies and among the largest manufacturers of platinum-based APIs globally. Through its Pharmaceutical Ingredients business, the company supplies critical materials that form the basis of life-saving cancer treatments.

Heraeus Precious Metals is integrated across the precious metal supply chain and supplies platinum

for industrial applications. The Company offers its customers advice on price hedging and risk management and supports with security of supply by three trading locations across major time zones.

Customers profit from professional tools and knowhow for precious metals handling, such as an electronic trading platform, pool accounts, worldwide transfers, comprehensive logistics, and high compliance standards.





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Heraeus is a globally active, family-owned technology group based in Hanau, Germany. The company develops and manufactures high quality materials and solutions across its business areas Precious Metals, Healthcare, Semiconductor & Electronics, and Industrials. The group is among the leading providers of precious metals, quartz glass solutions for the semiconductor and telecommunications industries, and sensor systems for industrial applications. In addition, the company improves the quality of life of millions of people through materials and technologies for medical applications.

In fiscal year 2025, the company generated revenues of €43.2 billion (€2.8 billion excluding precious metals) and employed around 15,100 people in 40 countries. It is therefore among the top 10 family-owned companies in Germany.

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Heraeus Precious Metals is one of the world’s leading players in the precious metals industry.

As part of the Heraeus Group, the company covers the value chain from trading to precious metals products to refining and recycling. It has extensive expertise in all platinum group metals as well as gold and silver.

With about 2,500 employees at 11 sites worldwide, Heraeus Precious Metals offers a broad portfolio of products that are essential for many industries such as the automotive, chemicals, semiconductor, aerospace, pharmaceutical and hydrogen industry.

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