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**FLEETWOOD GROBLER**

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# 2024 INTERIM FINANCIAL RESULTS PRESENTATION
# LIVE WEBCAST SCRIPT

**MONDAY, 26 FEBRUARY 2024**
**JOHANNESBURG**

**FINAL**

## SLIDES 1 – 3: Cover | Agenda | Forward-looking Statements

**INTRODUCTION:**

Good morning and welcome to Sasol Limited's financial year 2024 interim results presentation.

Thank you for dialling in and listening to our announcement.

My name is Tiffany Sydow from Investor Relations. With me is:

- **Fleetwood Grobler, President and CEO of SASOL, and**
- **Hanré Rossouw**, **Chief Financial Officer**

**CLICK SLIDE**

Fleetwood will start today's presentation, with an overview of the business performance in this period.

The financials will be covered in more detail by Hanré. Fleetwood will then conclude with a brief update on our social commitment and sustainability strategy.

We will commence with the Q&A session immediately after the presentation, where you will have an opportunity to engage with management and ask a few questions via our webcast or teleconference facility.

**CLICK SLIDE**

I'd like you note our 'FORWARD LOOKING STATEMENT' shown on the slide. Please peruse in your own time and note the important information regarding statements that are made in this presentation.

**CLICK SLIDE**

Thank you and now handing over to Fleetwood to commence his presentation today

## SLIDE 4: BUSINESS OVERVIEW

Good day everyone and welcome to our interim financial results update for the 2024 financial year.

The last six months have again seen an incredibly challenging external environment for us to navigate, with a high level of macro uncertainty, inflationary pressure, weak economic growth and specific operating constraints in South Africa.

These factors have had a material impact on our business, particularly with lower prices and demand across many of our chemical products but they are not the sole determinants of our performance.

As an organisation, we have worked hard to mitigate the external pressures to the extent that we can, through focus on the issues that we can control.

As part of this I'm pleased that we continued to deliver against our Sasol 2.0 improvement programme targets and we delivered further operational improvement in South Africa. Unfortunately, though, our efforts were hampered by persistent underperformance of the state-owned enterprises involved in Sasol's value chain and, in some instances, unplanned safety-related production stoppages.

Moving forward, whilst we are well positioned to benefit from a turn in the chemicals cycle at this stage, we need to keep absolutely focused on our priorities, to step up cashflow generation to make sure, that we maintain the robust balance sheet needed to cope in these extremely, uncertain times.

## SLIDE 5: HY24 in review

As with previous results presentations, I will start by reviewing our half-year performance across our **People, Planet and Profit** pillars.

From a safety standpoint, the period has been marred by four tragic fatalities. Mr. Xolani Dube, Mr. Dumisani Dumile, Mr. Mthobisi Mahlobo and Mr. Sfiso Maduna, lost their lives in work-related incidents and we again express our heartfelt condolences to their families, friends, and colleagues. Safety is our priority, and we must continue, our work towards zero harm.

Our recordable case rate of 0,24 for the half year, is below the 0,27 of the corresponding period last year.

Our dedication to enhancing social welfare in our communities, remains steadfast, exemplified by our investment of over 280 million rand, in social impact programmes. We continue to actively participate in initiatives, aimed at uplifting communities, yielding positive and impactful results, for the most vulnerable members of society.

Staying with the theme of **People**, in November last year, we announced the appointment of Simon Baloyi, our EVP for Energy Operations and Technology, as my successor, with effect from 1 April 2024. I am also pleased to confirm that Gerrit Viljoen, our SVP Secunda Operations, will assume Simon's current role on our Group Executive Committee, on the same date.

I share the Board's confidence that the wealth of experience and leadership capabilities that both Simon and Gerrit possess, will be a considerable asset to Sasol, in delivering sustainable performance improvements.

On our **Planet pillar**, we again recorded excellent progress in our renewable energy procurement programme. Over 600 megawatt has now been procured for Secunda Operations, and a further 69MW for Sasolburg, of which approximately 498 megawatt, has reached financial close and some of which is under construction.

In Mozambique, our gas drilling campaign continues to yield positive results, with four additional wells coming online, during the period under review.

On **Profit**, our continued focus on operational improvement, is yielding results, with productivity improvements realised in Mining and higher volumes delivered at Secunda Operations.

These and other notable areas of delivery, helped partially offset the impacts of severe macro headwinds, and challenges that we continue to face with South African state-owned entities, involved in Sasol's value chain.

Despite continued volatility over the period, the Board decided to declare an interim dividend of two rand per share.

## SLIDE 6: Striving for ZERO HARM remains our key priority

Turning to safety, earlier I acknowledged that we suffered four tragic fatalities over the past six months. Any workplace fatality is a deeply heart wrenching experience for all of us, with a profound sense of loss felt not only by loved ones and friends, but Sasol colleagues too.

Any loss of life or harm is simply unacceptable to us, and we are working incredibly hard to realise a zero harm workplace, because we want all our people – employees and contractors alike – to return home safely each day.

While no further reason is needed to pursue our safety agenda, it is also true that safety incidents, often lead to unplanned work stoppages, which impacts our production.

Our commitment to excellence in safety, is an embedded priority, and we have bolstered existing safety initiatives, through institutionalising learnings, reinforcing our life saving rules and focused leadership visibility and engagement to help prevent future incidents.

Furthermore, our High Severity Injury prevention programme, remains the backbone for improving our SHE performance. As we mature the programme, we can see that it is reaping results as we continue to see our Fires, Explosions and Releases or FER severity rate decreasing. There were NO major FER incidents during the first half of FY24.

Through our humanising safety initiative, we are driving a culture that looks beyond safety statistics. Here our focus is on showing care through every layer of influence, instead of only through a compliance-driven approach.

We are striving to provide an enduringly safe work environment. This requires a dedicated leader-championed, safety culture. And, as important, employees who are fully engaged and comply with all safety rules and procedures, who speak up, report and stop unsafe work immediately, if that is required.

## SLIDE 7: Facing a challenging and complex operating environment

As I referenced in my opening remarks, Sasol faced a challenging macro backdrop during this period, and many of these factors continue to pose near-term challenges to our business. They include higher inflation and weak economic growth, while our Chemicals Business, also faces weak demand and margin pressure.

We are taking measures to position Chemicals for improved performance, when the chemicals cycle turns. Across the organisation strict cost and capital management measures, have been introduced to improve cash flow generation.

We also continue to embed operational improvements, with a relentless focus on safety, improving productivity rates at Mining, which will lead to better performance of the South African value chain. I will unpack this in more detail in a later slide.

This takes place against a backdrop of continued volatility, and in South Africa specifically, an uncertain regulatory environment and other business challenges, such as power supply and infrastructure constraints.

The legal and regulatory environment in South Africa includes a range of complexities, such as the domestic gas price, environmental compliance, fuel blending mandates and carbon tax. We continue to navigate these challenges and uncertainties, through proactive engagements with all stakeholders.

This includes ongoing engagements with NERSA on gas prices. On 26 October 2023, NERSA dismissed our FY23 application and confirmed that Sasol is entitled to submit a claw back application, to recover the cost increase that occurred in FY23. At the same time NERSA approved our FY24 application, including the quarterly adjustment.

We also still await a decision from the Minister of Forestry, Fisheries, and the Environment, regarding Sasol's application for an alternative emission load basis, for sulphur dioxide from Secunda boilers.

While all these matters present challenge, and hence uncertainty, it is important to keep them in perspective.

We have constructive dialogue on these issues across a range of stakeholders and we are executing on these plans, to increase resilience irrespective of the outcomes.

## SLIDE 8: Operational improvement a key focus against adverse macro backdrop

In terms of operational improvement, although we've got much more to do, we made some real progress, despite the challenges.

Looking at our Energy Business, Mining productivity for the half-year was 6% higher than the corresponding period in FY23, with productivity for the Secunda Collieries up 5%.

Although we have seen an improvement in productivity since the implementation of our full potential programme, we experienced a challenging second quarter in FY24, where productivity declined by 8% compared to the first quarter, mainly due to safety-related incidents as well as other operational challenges.

In Mozambique, gas production for the reporting period was 10% higher than the prior period, reflecting another strong production performance, underpinned by the addition of four wells brought online in our PPA licence.

Secunda Operations production volumes were 8% higher than the prior period mainly due to a phase shutdown relative to a total shutdown in the prior year, and improved operational performance. Coal quality did, however, continue to negatively impact production.

ORYX GTL achieved a utilisation rate of 79% over the half year, 19% above the prior period.

Owing to this performance, the Energy Business recorded a 1 percent decline in gross margin, with higher sales volumes, offset by lower rand oil prices and higher input costs. This stemmed from higher external coal purchases, increased maintenance expenditure and higher gas feedstock costs, due to a weaker rand US dollar exchange rate.

In the Chemicals Business, Chemicals Africa sales volumes for the period were 3% higher than the corresponding period last year, despite ongoing infrastructure challenges in South Africa. While close collaboration with Transnet continues, supply chain challenges persist and remains a risk to our business.

Chemicals America sales volumes were 12% higher, compared to the prior half-year, mainly due to higher ethylene and polyethylene sales volumes, albeit at continued low US ethane/ethylene margins, while both Essential Care Chemicals and Advanced Materials were higher.

For our Eurasian Operations, sales volumes for the first half of FY24, were 4% lower than the same period in FY23, due to continued low market demand, that is significantly below historic levels, with continued inventory destocking by customers and an overall weaker economic environment in both Europe and China. Production rates at several of our units continue to be managed proactively, in response to the lower demand and to avoid inventory build.

The combination of these factors, saw our Chemicals Business record a 10% decrease in gross margin, reflective of continued weak macro environment and margin pressure.

## SLIDE 9: SA operations | Focused planning and integration ensuring value chain stability

Let me now delve deeper into our South African operations, where our focused planning and effective integration between Mining and Secunda Operations, is ensuring value chain stability.

Looking at our delivery over the past six months, safety is, of course, a major concern and I have already shared details on rigorous actions we are taking to improve our performance.

Our Secunda Operations coal stockpile was 1,9 million tons on 31 December 2023, which is above the minimum safety threshold and productivity is within guidance. The external coal purchasing programme to supplement our own production, continues to assist us to meet Secunda Operations coal demand and quality requirements.

This, together with other interventions to unlock coal quality improvements, will help us to get back to the historic levels of production, of around 7,5 million tons per annum. Our Integrated Coal Quality Management Center, implemented last year, has assisted us in managing coal quality variations to the Secunda factory.

Phase two of our full potential programme, started in quarter one and two of FY24 at Shondoni and Thubelisha collieries respectively.

We also had a successful phase shutdown of Secunda Operations in September 2023.

Given the challenges we experienced over the past six months, which impacted productivity at Mining and volumes at Secunda, it is understandable to question whether these are once-off in nature or indicate that progress is slowing down.

Let me be clear that we are seeing improvements in productivity rates since the implementation of our full potential programme. Challenges are to be expected, but it is how we mitigate and adapt to these, that will ultimately yield results.  We are fully committed to driving interventions, to realise sustainable benefits.

Additionally, our coal destoning project, which is nearing a final investment decision later in 2024, can improve coal quality and has the potential to reduce the percentage of rocks, in the coal feed to Secunda Operations, which will enable improved gasifier yield and thus, better value chain performance.

A strong focus on optimisation of our cash costs, will be critical in the near term to improve our competitiveness.

Furthermore, we have bolstered our operations experience at executive level through the appointment of leaders with deep operations and technical expertise, in the form of both Simon and Gerrit. Their combined intimate knowledge of our South African value chain will stand us in good stead as they drive focused plans to improve our operations.

In summary, in our efforts to optimise the efficiency of our South African operations, particularly in Mining and at Secunda, we have had, some setbacks during the reporting period. But for the reasons given, I remain confident of the trajectory of progress and that we will continue to deliver and report further progress, in this critical engine room of the business.

**SLIDE 10: International operations | Volatile market conditions with pro-active management response**

In Chemicals, we mitigated against volatile market conditions through active margin management.

In the first half of FY24, production rates at several of our units were managed proactively, in response to the lower demand and to avoid inventory build, while US sales volumes are ahead of plan, and our cost containment measures are unlocking savings.

Turning to the focus areas. In February 2024 we experienced a setback at our ORYX GTL plant in Qatar. During the inspection of Train 1 reactor coils, we observed  coil erosion which will result in extended scope of repair work. This means that both Train 1 and 2 will be offline for longer than planned. The focus is on the successful completion of the shutdown in the next months. Hanré will expand on the performance impact of this maintenance shutdown.

In the short term, we will also focus on proactively managing operating rates to meet demand, product optimisation to maximise profitability, and exercising, strict cost and capital management.

To close on this slide, I want to emphasize that the fundamentals of our chemicals business remain strong.  It is operationally sound and highly efficient, which is evident in how we are managing the business in a difficult operating climate.  We have seen many cycles in the past and the proactive measures we are executing, allow us to conserve cash now and make us very well-positioned, to take advantage of a recovery in the cycle.

## Slide 11: Mozambique projects delivering gas to plan in the near term

Turning attention to Mozambique, I am pleased to report that our projects are delivering gas to plan. Post LCCP, our PSA project is the largest capital project and we continue to deliver within schedule and budget, with commissioning readiness expected towards the end of calendar year 24.

Our focus here is to extend the natural gas plateau to FY30 and beyond, from an original estimated decline which was anticipated for 2024/25. We have already invested over 700 million dollars in plateau extension projects, with benefits of additional gas to sustain the plateau in this decade already realised.

On PSA, the initial gas facility achieved beneficial operation in November 2023. This is a precursor to the integrated gas facility. Commissioning activities are expected to commence in quarter 4 of this financial year. We have completed approximately 75% of our surface facilities and 80% of the wells are drilled. We are exploring all options to allow early gas flow to South Africa.

We continued our infill well drilling projects, on our PPA licence. Development remains on track, progressing within budget and schedule. As mentioned earlier, four new wells have been operationalised in the reporting period.

Our exploration strategy has also resulted in a successful gas discovery in block PT5-C, which is located in Southern Mozambique. This could bolster our reserves and further extend our plateau. Our appraisal plan has been approved, which allows us to progress work to determine commercial viability.

What you are seeing in this picture on the right, is a before and after view of the PSA integrated oil, gas and LPG processing facility in Mozambique, where significant progress has been achieved in a year. The control room building, the utility area, the substations and the equipment rooms have all been completed.

## Slide 12: HY24 financial summary

Given the operating context and our operational performance, I will highlight a few financial metrics before I hand over to Hanré.

Our adjusted EBITDA was 12 percent lower, around 28 billion rand. Earnings were significantly impacted this half-year, by non-cash adjustments relating to impairments coupled with translation impacts and financial instruments and derivatives.

Our net debt, now standing at 4,6 billion US dollars, is up around 1 percent, with net debt to EBITDA of 1,6 times.

Although we're well within our debt covenants, improving cash flow and increasing balance sheet strength, are critical priorities for management. For this reason, we are driving several interventions to improve cash generated by our operations.

Cash generated by operating activities declined by 31% to 15 billion rand compared to the prior period, in line with the decrease in EBIT and the movement in working capital. Our immediate focus on cash unlock across the business, will be prioritised in the coming months through a range of initiatives, including operation efficiencies, optimisation of turnover and stringent management of costs.

Lastly, we declared an interim dividend of two rand per share. Looking ahead, our dividend policy is currently under review. Hanré will provide more detail in this regard.

On that note, I will now hand over to Hanré. He will take us through the detailed financial results for the reporting period.

## SLIDE 13: Financial overview

Thank you Fleetwood, and good morning ladies and gentlemen.

As Fleetwood already mentioned, whilst we saw some operational improvements, this was not enough to mitigate the external challenges and resulted in a weaker financial performance in this half. I am confident that enhanced by the initiatives we are implementing now, our business however will be better placed for the second half.

## SLIDE 14: Navigating a volatile macro environment

Let me start with some detail around the macro environment and some of the key metrics we track.

Oil prices softened during the first half of the financial year, decreasing by 10 percent to an average of 85 dollars per barrel. This was offset by the rand weakening 8 percent to an average of 18 rand 69 cents to the dollar. As such, a 3% decrease in the rand oil price was realised compared to the prior period. However, the weaker closing exchange rate negatively impacted the translation of our US dollar denominated debt.

Although we have seen a significant decrease in ethane and energy input costs in the first half of the financial year, they remain elevated compared to historic levels. As such, Chemical margins remained under pressure due to weak market conditions.

Polyethylene prices continued to decrease on the back of weaker demand, as seen in the 19% decrease compared to the previous period.

Looking ahead, we expect pricing and demand volatility to continue in the short term given the uncertain global market sentiment and ongoing geopolitical events.

Locally, the South African economy continues to face multiple challenges relating to the underperformance of state-owned enterprises, which needs to be factored into our business planning.

These headwinds require us to adapt quickly to the prevailing situation and optimise our integrated cash cost and margins across our portfolio.

## SLIDE 15: Group profitability

Turning to the financial results, with operational improvements unable to mitigate external headwinds we experienced a significant decrease in our cash generation and profitability.

Cash fixed costs increased by 5% mainly due to inflationary increases and the weaker exchange rate.  However, excluding inflation, exchange rate and once off costs, cash fixed costs decreased by approximately 1%, reflecting continued cash fixed cost savings from our Sasol 2.0 programme.

Adjusted EBITDA and cash generated by operations decreased by 12 percent and 31 percent respectively. Following the same trend from last year, with ongoing cyclical pressures in global chemicals, group EBITDA continues to be heavily reliant on the contribution from our Southern Africa region.

Earnings before interest and tax for the period was negatively impacted by non-cash adjustments, most notably impairments in the Fuels segment relating to the Secunda liquid fuels refinery cash generating unit as well as in two of Chemicals Africa CGUs. This was partly offset by the translation of monetary assets and liabilities, and valuation of financial instruments and derivative contracts.

Core headline earnings of 18 rand 39 cents per share decreased by 25 percent compared to the previous period. An interim dividend of 2 rand per share was declared.

## SLIDE 16: Segmental performance

Let me now turn to the business segments, starting with the Energy business.

Our **Mining business** saw a 39 percent decline in adjusted EBITDA. This was largely due to lower export coal prices, higher external coal purchases and higher cash fixed costs coupled with safety incidents and related operational challenges experienced in the second quarter of our 2024 financial year. Despite these challenges, we achieved a 6% increase in productivity since the prior period.

Our productivity guidance remains between 975 to 1 100 tonnes per continuous miner per shift, however due to our recent challenging performance, we expect to achieve the lower end of the guidance range.

Adjusted EBITDA for our **Gas business** was down by 19 percent. Our gross margin percentage decreased mainly due to the higher cost of gas, driven by the weaker rand/US$ exchange rate, while our selling prices in South Africa remained flat. This was partially offset by higher external sales in South Africa and higher gas production in Mozambique from the additional wells coming online.

For this segment, we expect the volume guidance to remain between 113 to 119 billion standard cubic feet for 2024, in line with previous market guidance.

In our **Fuels segment**, adjusted EBITDA decreased by 1 percent. Liquid fuel sales volumes were 1% lower whilst refining margins increased mainly due to higher production, improved product yield and lower cost of crude.  This was negated by higher operational costs.

Secunda Operations is expected to meet guidance of between 7,0 to 7,3 million tons for the year, and our South African liquid fuels sales volumes is expected to range between 51 and 54 million barrels.

As mentioned by Fleetwood earlier,  ORYX GTL Trains 1 and 2 are offline. Our second half of 2024 performance will thus be further impacted and we expect the utilisation rate for the year to be 50 to 60%, slightly below the previous market guidance of 65 - 75%.

Turning to the Chemicals business:

**Chemicals Africa** saw a 44 percent decline in adjusted EBITDA compared to the previous period mainly due to lower sales prices and a constrained supply chain. This was partially offset by higher sales volumes which are mainly attributable to the Secunda phase shutdown in 2024 relative to a total shutdown in the previous year.

In **Chemicals America**, adjusted EBITDA increased by more than 100 percent compared to the previous period due to higher sales volumes and improvements seen in ethylene and derivative margins as feedstock and energy costs reduced. Cash fixed cost was lower despite inflationary pressures and the weaker rand dollar exchange rate.

Strict cost management measures and lower spend on maintenance and repairs in Lake Charles contributed to the decrease, noting that maintenance spend was higher in the previous period partly due to the fire that occurred in the Ziegler alcohols unit.

**Chemicals Eurasia** adjusted EBITDA decreased by 84 percent compared to the previous year.  Margins were largely impacted by continued low market demand and higher pre-war energy prices. Against a backdrop of the challenging macroeconomic environment and weaker chemicals demand globally, we maintain our guidance ranges across all Chemicals segments, with a recovery in demand only expected to commence in the second half of 2024.

## SLIDE 17: Maturing Sasol 2.0 delivery against reset targets

Delivery of our Sasol 2.0 transformation programme continues to reset our business in a volatile economic landscape with further initiatives, currently being confirmed which we will announce in due course. Looking at our performance for the first 6 months of the financial year, we realised 4,1 billion rand in net sustainable cash fixed cost savings, towards a full year target of over 8 billion rand.

We also saw a 3,2 billion rand gross margin improvement, progressing well towards our revised target of more than 7 billion rand. It should be noted that the benefit trend of some of these initiatives are not linear, where gross margin benefits in particular often step up in the second half.

The progress on both cash fixed cost and gross margin are also measured against the increased 2025 targets. These targets were increased in August 2023 as we intensified our business reset and will amount to an additional 4 billion rand in annual EBITDA enhancements by FY25.

We continue to also successfully track on our capital expenditure and working capital targets.

During the remainder of this year, we will continue to mature our pipeline of initiatives. These initiatives include but are not limited to the optimisation of our portfolio, continued improvement of our maintenance processes and optimisation of 3rd party spend. Given the half year-end progress shared today, we are confident that we will achieve the Sasol 2.0 targets.

## SLIDE 18 : Capital expenditure and guidance

We continue with our efforts to apply disciplined capital management in the prudent capital expenditure to maintain, transform and grow our business.

Our maintain and transform capital expenditure for the half year 24 of 16 billion rand mainly includes peak capital spend on the PSA project, which remains within budget and schedule, and the Secunda Operations Phase shutdown.

We see increasing capital spend consistent with our compliance roadmap, which includes our environmental and Clean Fuels 2 projects.

To date, minimal discretionary growth capital has been incurred with spend mainly towards the Sasolburg green hydrogen pilot project.

The total capital spend of 16 billion rand tracks within our market guidance and of capital forecasted of 33 to 34 billion rand for the financial year. Although this is aligned to our Sasol 2.0 target range, we continued to apply further focus to optimise capital expenditure.

## SLIDE 19: Capital Allocation Framework supporting improvement plans

In conclusion, let me walk you through some of our key capital allocation priorities in the near term. Our capital allocation framework is underpinned by two pillars - first order allocation enables us to prioritise Maintain and Transform capital, which ensures that we run sustainable operations, and deliver on our 30% GHG reduction target by 2030.

Within the first order allocation, we prioritise debt reduction and under our current dividend policy the payment of dividends is linked to core headline earnings per share.

Second order allocation focusses on expansionary growth, additional sustainability initiatives and/or additional shareholder returns. This framework remains relevant for Sasol during our RESET phase of the strategy.

There are a few key focus areas which we have prioritised to strengthen the balance sheet, namely:

- Firstly, stepping up free cash flow generation. We will prioritise initiatives that will increase cash generation by our operations, reduce operational costs and deliver Sasol 2.0 savings, which includes strict working capital management.

  The delivery of Sasol 2.0 is critical for further cash unlock. Without the success achieved through the Sasol 2.0 programme, our free cash flow generation would have been in a far more unfavourable position.

- Secondly, the deleveraging pathway is a critical priority for us.

  Our liquidity headroom of nearly 5 billion US dollars, is still above our target to maintain liquidity in excess of 1 billion US dollars. We have also optimised our debt maturity profile, through the successful refinancing of our near-term debt maturities, which was important given current macro volatility and market uncertainty.

- Lastly, prudent capital allocation. Intensifying our disciplined approach to capital allocation and further refinement of the Emission Reduction Roadmap are key levers for this area.

Regarding our dividend policy, we are conscious of the considerable recent disparity between core headline earnings and cash flow. To address the disparity the Board is considering a revised dividend policy to better align shareholder returns with the cash flow generation of the business and we undertake to announce an updated dividend policy at the Full Year 2024 results.

In consideration of an interim dividend for the period, the two rand per share interim dividend reflects a balanced consideration of our continued confidence in the cash flow generation of the business whilst recognising other factors such as the continued external and internal pressures and risks on Sasol.

Thank you for listening and as I hand back to Fleetwood, just a quick word of thanks and farewell.  John F Kennedy noted that "Efforts and courage are not enough without purpose and direction" and you have certainly embodied this.  Thank you for your incredible commitment and leadership to Sasol over the last 40 years, especially in bringing stability and purpose when the company most needed it.  Back to you to conclude.

## SLIDE 20: Strategy overview

Thank you Hanré.

In the last few slides, I will cover the highlights of our societal contributions, progress made on our 2030 greenhouse gas reduction pathway, and our key focus areas for the coming months.

## SLIDE 21: Sasol remain a key pillar of the economy through ongoing value creation

The value generated by our Secunda facility, alongside our Sasolburg site, contributes materially to South Africa's economy and society, from making everyday products, to critical value chains such as agriculture, chemicals and mining, while also delivering substantial socio-economic contributions.

A recent Sasol-commissioned study confirmed that our direct, indirect and induced employment contribution is in the order of 500 000 people. We contribute around 5% to the country's Gross Domestic Product (or GDP) and also remain, one of the largest corporate taxpayers.

During the half year we invested over a quarter of a billion rand globally in our communities, through social impact programmes spanning education, skills and employability, health and infrastructure, environment, sports development, local content and volunteerism.

Our focused preferential procurement, has grown 17%, achieving 21,5 billion rand spend with black owned businesses compared to 18,4 billion rand the previous period, thereby allowing us to surpass the South African government targets by a good margin.

## SLIDE 22: Making a positive change in our communities

At Sasol, we pride ourselves in being pathfinders, continuously seeking out novel ways to realise sustainable socio-economic benefits, for our communities and broader society.

Our diligent efforts, ensure that the programmes we develop and execute, continue to deliver meaningful outcomes to mitigate the scourge of youth unemployment, improve access to quality education and reduce poverty, among other pressing societal needs.

Some examples include Bridge to Work, a skills development and employability programme, which will see over 110 beneficiaries graduating from various technical programmes in the next 6 months.

Through this programme we are partnering on projects that could potentially provide biomass feedstock, required as part of the pilot to replace coal in the boilers in Sasolburg, aligned to our emission reduction roadmap.  This includes a pilot for farmers from the Iphepe programme being coached and mentored on growing Solaris, and employing 200 beneficiaries to harvest and process invasive and alien plants , as biomass feedstock.

Improving access to quality education remains a core focus area of our social impact programmes. We invested over 88 million rand during the half-year supporting some 800 educational institutions across our host communities in South Africa, Mozambique and North America.

As part of our focus on community health and service infrastructure, we are reducing the impact of loadshedding and have already installed solar power at nine clinics in Metsimaholo local municipality in the Free State.

## SLIDE 23: 2030 GHG reduction levers unchanged

We remain committed to a sustainable energy transition for Sasol and are working hard, to refine our roadmaps to 2030 and beyond. We share a mutual interest in South Africa's energy transition to a low carbon future, and acknowledge our responsibility in enabling this transition, while remaining a key pillar of the economy.

The desire for urgency is understandable, but this sometimes ignores the imperatives of balancing all stakeholders' needs - environmental protection, sustaining our socioeconomic contributions and remaining profitable. Our environmental, social and governance focus, is premised on striking a balance between People, Planet and Profit.

Our greenhouse gas reduction journey is progressing well, and we are forging ahead on a number of fronts. The levers to achieve our 2030 target, are unchanged - integration of renewable energy, transitioning away from coal as a feedstock, and greater energy efficiency across our operations. In addition, we are also moving ahead with other initiatives and projects, for our longer term pathways to get to net zero by 2050.

There are a few milestones, I wish to highlight:

Last year, we announced the conclusion of a significant tranche of our renewable power purchase agreements, representing more than 50% of our commitment of 1 200 megawatt for Secunda. Approximately 498 MW of this 1st tranche has reached financial close, with a portion already under construction.

Together with our IPP partners, this is a major achievement in light of the recent regulatory changes, for renewable energy grid allocation in South Africa. The 69MW Msenge wind farm, is far advanced in their construction phase, and expected to come online before the end of this financial year, delivering 69MW of renewables to Sasolburg. Our 3MW Sasolburg solar PV plant, is also contributing renewable power to the Sasolburg grid.

We are exploring options to progress the 2nd tranche of renewable power to meet our target of 1 200 megawatt by 2030, leveraging lessons learned from execution of the 1st tranche.

In Europe, we continue to leverage renewable energy at most of our facilities.

Our boiler turndown strategy is dependent on the outcome of the air quality compliance clause 12A appeal relating to our sulphur dioxide emissions in Secunda. This decision is with the Minister of Forestry, Fisheries and the Environment, and a final decision expected next month. The implementation of the integrated air quality and greenhouse gas reduction roadmap, results in a 30% reduction in sulphur dioxide emissions on a load base, further reductions in particulate matter and nitrogen oxide emissions and significantly more health benefits to the surrounding communities.

Execution of energy efficiency projects on our various sites are progressing well, and we are investigating innovative solutions to incorporate lower carbon steam options such as green steam into our facilities.

Feedstock transition remains the most controversial lever of the plan, as this could potentially result in lower production from the Secunda facility if we are unable to secure additional carbon feedstock to replace the coal step down by 2030. In August 2023, we indicated that this could be as low as 6.7 million tons as a worst case, without mitigation measures, which triggered an impairment write down of the Secunda liquid fuels refinery at that time. Let me reiterate, this is not our base case. I will unpack more detail on the next slide.

Alternative feedstocks means that we will continue to use transition gas, and gradually progress to sustainable sources of carbon once they become viable, such as biomass. My earlier update on our Mozambique projects confirms, that we have sufficient gas for the greater part of the decade to be able to maximise production from Secunda in the near term, and will continue to develop options for further extensions to our gas supply beyond 2030.

The 25% reduction in coal will be achieved through a combination of boiler turndown and gasifier turndown, with the majority of the reduction attributed to boiler turndown. This means that the alternative source of carbon required to supplement production is not equivalent to the full 25% coal reduction.

More broadly, we have recently commenced a study in partnership with the South African council of Geoscience, on carbon capture and sequestration to explore viability of this technical solution in South Africa.

In line with the need for alternative carbon feedstock sources, we are planning to test biomass as a co-feedstock, to coal later this calendar year to understand the technical viability and scalability of biomass in our facility. If successful, this opens up a range of opportunities for the integrated value chain, which can be further explored.

The journey is complex, and we are committed to prioritising an affordable and sustainable energy transition for our business. We have also to consider our commitments to today's energy needs, as well as the collective interest in South Africa's just energy transition. We need to strike a reasonable balance on environmental protection, socio-economic contributions and remaining profitable.

## SLIDE 23: Value Unlock | Up to and beyond 2030

The recent write-down of the Secunda liquid fuels refinery has sparked a fair number of questions and criticism from a broad range of stakeholders, which is premised on a potential ‘low road’ outcome of a lower production output by 2030 to meet our 30% reduction target. I want to spend some time taking you through the key drivers of this ‘low road’ outcome, and why we firmly believe that this is not our reality.

Last August we evaluated our Emission Reduction Roadmap reference case, against the backdrop of no further investment in LNG and other changes in assumptions, which then resulted in a lower production output from Secunda post 2030 in order to meet our 30% greenhouse gas target. It is important to note that this reference case did not account for some of the medium term levers we are currently progressing, like Destoning, and assumed no benefit from these levers between now and 2030.

We have done extensive modelling to confirm that volume restoration is underpinned by coal quality and that destoning is the enabler.

The reality is that we will be implementing a Destoning solution, to address coal quality, together with additional coal supply options, to maximise our production rates from Secunda between now and 2030.

With these medium term levers in place, the potential step down in production is less significant, at approximately 7,0 million tons to achieve a 30% GHG reduction. It goes without saying that the Secunda value chain must be profitable and optimised for cost and capex commensurate to a production volume output at this level. However, there are several value unlock levers to be progressed beyond 2030, which could uplift production to higher levels.

Sourcing transition gas and sustainable sources of carbon is a key lever to restore production volumes but it is not needed to achieve a 30% greenhouse gas reduction.

Coal quality remains important, as well as the sourcing of alternative affordable feedstocks such as biomass and green hydrogen. More renewables integration, energy efficiency and green steam are all additional levers which can unlock more volume depending on the market demand for fuels in later years.

Understandably, our emission reduction roadmap is not without risk. There are some factors which are outside of Sasol’s control which rely on regulatory processes and decisions, and global supply chains to progress. We are partnering and working on mechanisms and alternative plans to mitigate uncertainties, as we continue work to transition towards a stable and sustainable business.

## SLIDE 25: Transitioning to achieve a resilient Future Sasol

In closing, since these are the last set of results I will present as chief executive, I thought it might be useful to share a few brief reflections on the past few years.

The initial priority was completing the Lake Charles project and bringing all the units online. While our ramp-up of the remaining specialty units is currently hampered by the weak chemicals market conditions, I am confident that this facility will be profitable again when the cycle turns.

Since then, macro factors have featured very prominently. First, the unique disruption of Covid. Then the fall-out from the Russia Ukraine war for global energy markets and the impact thereof. And all the while in South Africa, the deterioration in some crucial national infrastructure services, notably electricity and transport.

Of course, these challenges were not uniquely faced by Sasol, though it is fair to say that few businesses were as exposed and impacted as we have been.

Clearly these macro challenges have affected performance, as today's figures show. But as you reflect on these figures, I would leave you with three thoughts.

First, there is no attempting by me or Sasol to pretend that we are simply the victims of challenging macro factors. Clearly there have been issues within Sasol's own control where we should have done better. These would include our safety performance, and some of the operational challenges we have faced across the business.

Second, the macro challenges have forced us to improve the overall efficiency of Sasol. Sasol 2.0 still has some way to run, but I am confident in saying that Sasol is a stronger and a more resilient business today than it was in 2019.

Last, but certainly not least, Sasol has continued to make progress in its goal of transitioning towards a less carbon intensive business model. This is the central strategic challenge we face and our success in meeting this challenge has enormous implications for all our many stakeholders.

Our RESET, TRANSFORM and REINVENT strategy was developed, and now in execution. We are doing a huge amount of good work, across a number of fronts, and I am confident that we will see the dividends of this work in the years ahead.

I introduced a mantra at the start of my term – REALISM, FOCUS and DELIVERY. This has underpinned all my plans, targets and engagements both internally and externally. I have used this to course-correct in the face of challenges and unforeseen events, and I hope that this continues to serve Team Sasol long after I depart.

In closing, I would like to thank Team Sasol for the privilege I had to work with you for 40 years, your hard work, grit, and dedication are reflected in our achievements and in navigating all the obstacles that we have encountered.

I know that many challenges remain for Sasol. But I am confident that we have the capabilities, the resilience and the will to find solutions, and will continue to do so under Simon's leadership.

## SLIDE 26: THANK YOU

This concludes our results presentation for today. Thank you for watching and listening.

We will commence with the question-and-answer session shortly.

<END>