



# SASOL LIMITED

FY22 ANNUAL RESULTS  
for the year ended 30 June 2022



Delivering with Purpose  
**FUTURE SASOL**



# AGENDA

- **Business overview**
  - Business highlights
  - ESG update
  - Operating performance
  - Financial highlights
- **Financial performance**
- **Delivering Future Sasol**
- **Q&A**



# Forward-looking statements



These statements may also relate to our future prospects, expectations, developments and business strategies

Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, expectations, developments, and business strategies. Examples of such forward-looking statements include, but are not limited to, the impact of the novel coronavirus (COVID-19) pandemic, and measures taken in response, on Sasol's business, results of operations, markets, employees, financial condition and liquidity; the effectiveness of any actions taken by Sasol to address or limit any impact of COVID-19 on its business; the capital cost of our projects and the timing of project milestones; our ability to obtain financing to meet the funding requirements of our capital investment programme, as well as to fund our ongoing business activities and to pay dividends; statements regarding our future results of operations and financial condition, and regarding future economic performance including cost containment, cash conservation programmes and business optimisation initiatives; recent and proposed accounting pronouncements and their impact on our future results of operations and financial condition; our business strategy, performance outlook, plans, objectives or goals; statements regarding future competition, volume growth and changes in market share in the industries and markets for our products; our existing or anticipated investments, acquisitions of new businesses or the disposal of existing businesses, including estimates or projection of internal rates of return and future profitability; our estimated oil, gas and coal reserves; the probable future outcome of litigation, legislative, regulatory and fiscal developments, including statements regarding our ability to comply with future laws and regulations; future fluctuations in refining margins and crude oil, natural gas and petroleum and chemical product prices; the demand, pricing and cyclicity of oil, gas and petrochemical product prices; changes in the fuel and gas pricing mechanisms in South Africa and their effects on prices, our operating results and profitability; statements regarding future fluctuations in exchange and interest rates and changes in credit ratings; total shareholder return; our current or future products and anticipated customer demand for these products; assumptions relating to macroeconomics; climate change impacts and our climate change strategies, our development of sustainability within our Energy and Chemicals Businesses, our energy efficiency improvement, carbon and GHG emission reduction targets, our net zero carbon emissions ambition and future low-carbon initiatives, including relating to green hydrogen and sustainable aviation fuel; our estimated carbon tax liability; cyber security; and statements of assumptions underlying such statements. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour", "target", "forecast" and "project" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections, and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors and others are discussed more fully in our most recent annual report on Form 20-F filed on 22 September 2021 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider foregoing factors and other uncertainties and events, and you should not place undue reliance on forward-looking statements. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

**Comprehensive additional information is available on our website: [www.sasol.com](http://www.sasol.com)**

SASOL



## BUSINESS OVERVIEW

● Fleetwood Grobler

## People

- Safety focus
- Sasol in society



## Planet

- On track for 2030 targets
- Building pathways to 2050

## Profit

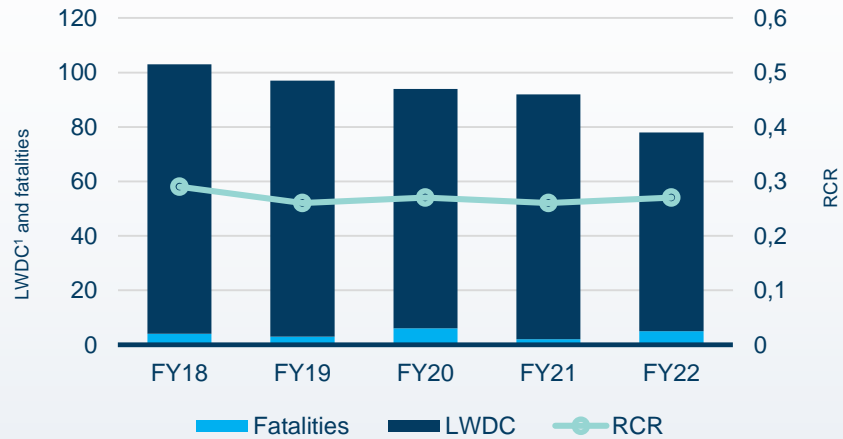
- Step change improvement
- Dividend resumed

FY22 overview

# Committed to our zero harm ambition

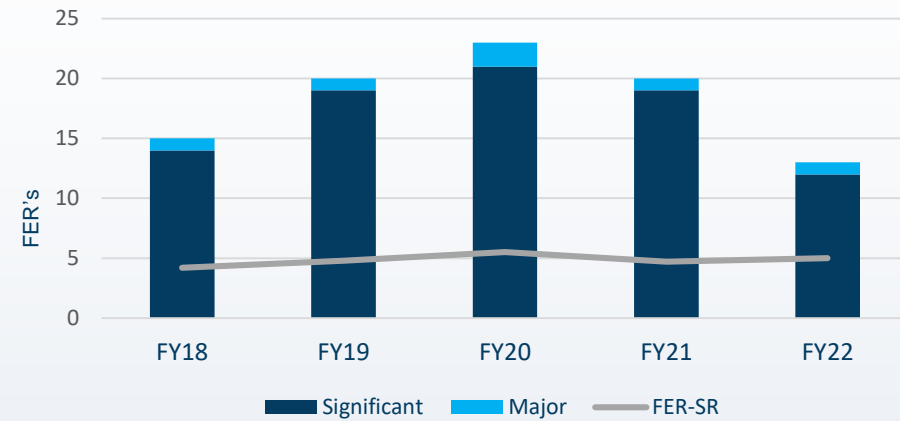


## SAFETY



- Tragically, **five** fatalities in H1
- **Pro-active actions** preventing safety incidents
- **Improved understanding** of risks
- **Embedding** lessons learnt

## FIRES EXPLOSIONS AND RELEASES (FER)



- **Decreasing trend** in FER-SR rate
- **Process safety** a key focus area
- Maintain **safe** and **reliable** operations

ESG update

## POSITIVELY IMPACTING THE ECONOMY<sup>1</sup>



**R58,8bn** Tax and royalties



**R33,6bn** Black-owned businesses spend



**R1,2bn** Skills development



**R743m** Socio-economic investment

1. All spend relates to financial year 2022

## SUPPORTING OUR COMMUNITIES

- 
- **>1 500** bursaries/scholarships awarded over last 5 years
  - **>5 000** artisans trained over last 3 years
  - **~R30m** support through our “Sasol for Good” programme
  - **25** business start-ups through Ntsika entrepreneur development programme

# Decarbonisation plans



## Renewables

- PPA terms >600MW
- >5 projects awaiting regulatory approval
- ▼ 70kt CO<sub>2</sub> eq in Europe
  - RE supply to Germany & Italy
  - Biomass-based steam in Brunsbuttel



## Transition gas

- Moz gas supply plateau extension to 2028
- Adjacent exploration acreage
- PSA progressing
- LNG supply options from 2026



## Low carbon enablers

- Sasolburg green H<sub>2</sub> in 2023
- Natref green hybrid refinery
- Secunda SAF production
- Feasibility for fine coal solution
- ISCC certifications
- Bio-based surfactants



## Just Transition

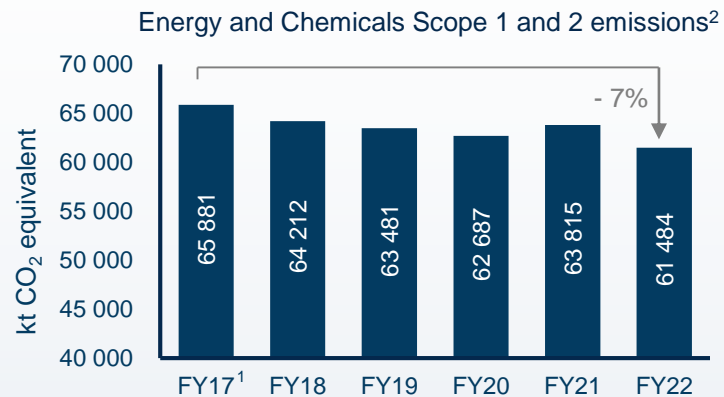
- Principles formulated for roadmap refinement
- Leveraging existing initiatives
- Collaborative approach with partners

**Significant progress made in FY22 to advance our 30% GHG reduction target by 2030**



# Environmental performance continues to be a focus

## GHG EMISSIONS



- Lower FY22 emissions, mainly reduced SO production
- Strong progress on mitigation and transformation initiatives
- Tracking 30% GHG emission reduction plans by 2030

## ROADMAP LEVERS

Progressing our 2030 plan while enabling a net zero future

Large-scale RE	Energy efficiency	Incremental gas
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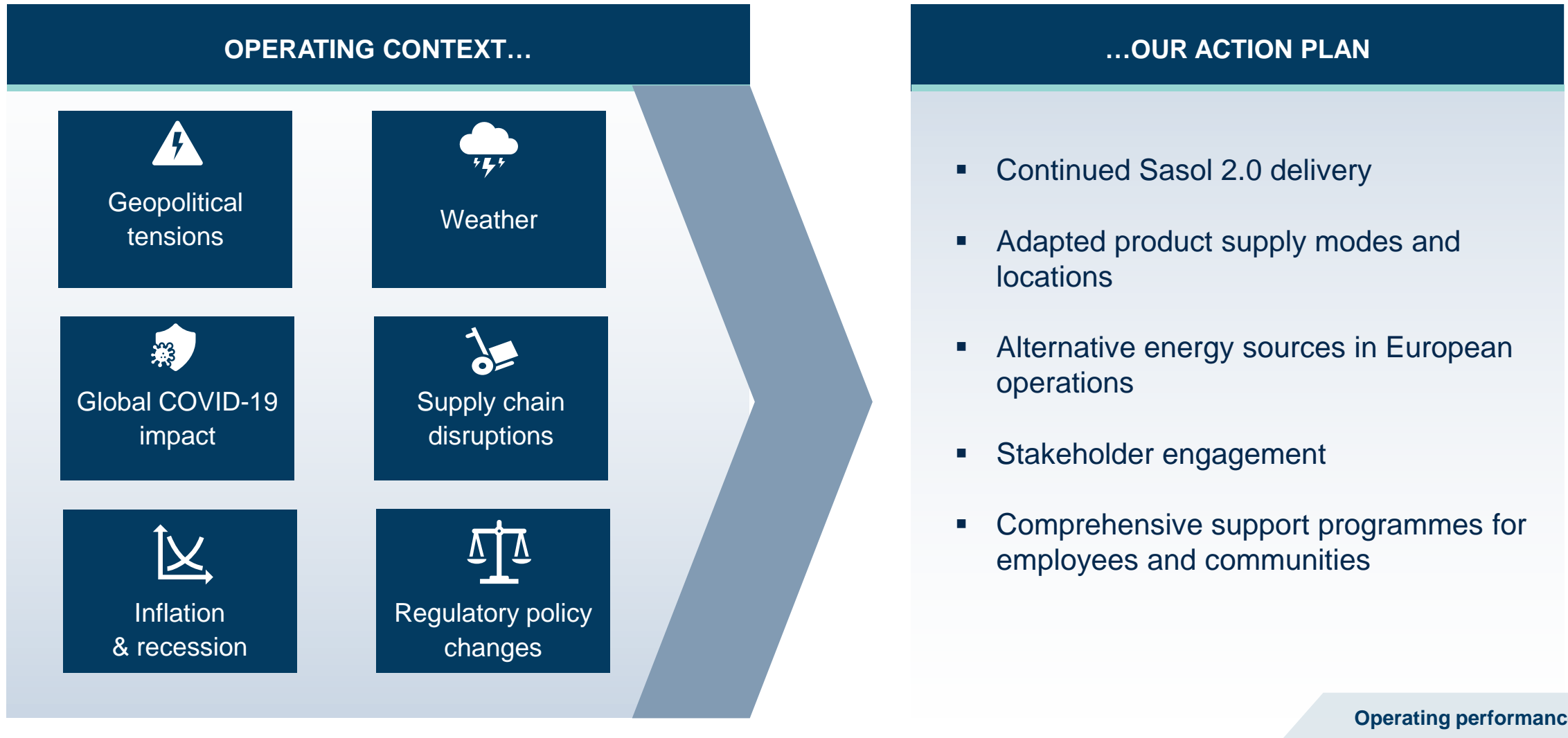
### KEY RISKS

Transmission infrastructure readiness	Short term supply chain constraints	Affordability of gas
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ESG update

1. FY17 GHG emission baseline re-stated to account for divestments  
 2. Excludes scope 1 and 2 emissions from Natref and Mozambique to align with our 2030 30% reduction scope

# Agility in a volatile macro environment



# Continuous improvement to business profitability



## ENERGY BUSINESS

- 68%▲ revenue driven by higher prices and demand recovery
- 13%▼ Mining productivity; coal stockpile restored
- Mozambique drilling campaign progressing to plan
- 10%▼ production at SO, operational stability in H2
- Completed Canada, ROMPCO and CTRG divestments



## CHEMICALS BUSINESS

- 21%▲ revenue benefitting from higher chemicals prices
- 12%▼ Chemicals sales volumes - impacted by operational challenges at SO and US BC divestment
- Higher specialty chemicals sales as LCCP ramp-up continues
- Successful divestment of European Wax business



**Business benefitting from focused interventions, supported by higher prices**

Operating performance

# Progressing operational improvement plans

## MINING



- Intensified **safety remediation programme**
- **Focused plans** to reach full potential of all mines
- Coal quality improvement **initiatives underway**

## SA OPERATIONS



- Improve **maintenance effectiveness**
- **Improved reliability** of critical equipment
- Proactive **risk management** of key integrity issues

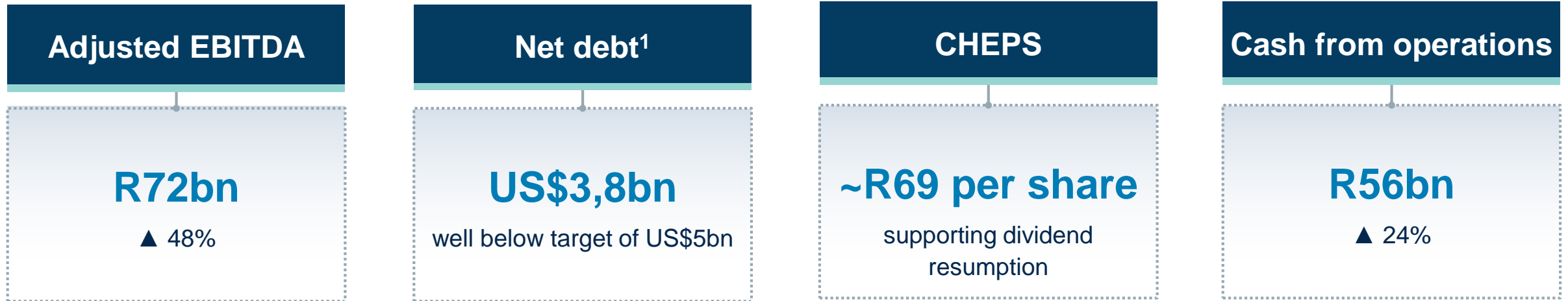
## INTERNATIONAL OPERATIONS



- LC specialty unit operational ramp-up progressing well
- **Close collaboration** with LIP JV partner
- **Task team appointed** to respond to EU gas supply constraints

Operating performance

# Significant step up in financial performance



**Improved financial position, creating a stronger platform to deliver Future Sasol**

Financial highlights

1. Excluding leases





SASOL



## FINANCIAL PERFORMANCE

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# Strong pricing in the context of a volatile macro environment

	FY22
 Brent crude oil	92 US\$/bbl ▲ 70% from FY21
 Exchange rate	15,21 R/US\$ average ▼ 1% from FY21
 Ethane	43 US\$/c/gal ▲ 86% from FY21
 Polyethylene	1 634 US\$/ton ▲ 38% from FY21

### LOOKING AHEAD

Continued price volatility  
Supply chain disruptions  
Inflation and recession risk  
Struggling SA economy



Robust cost management  
Disciplined capital allocation  
Agility and responsiveness

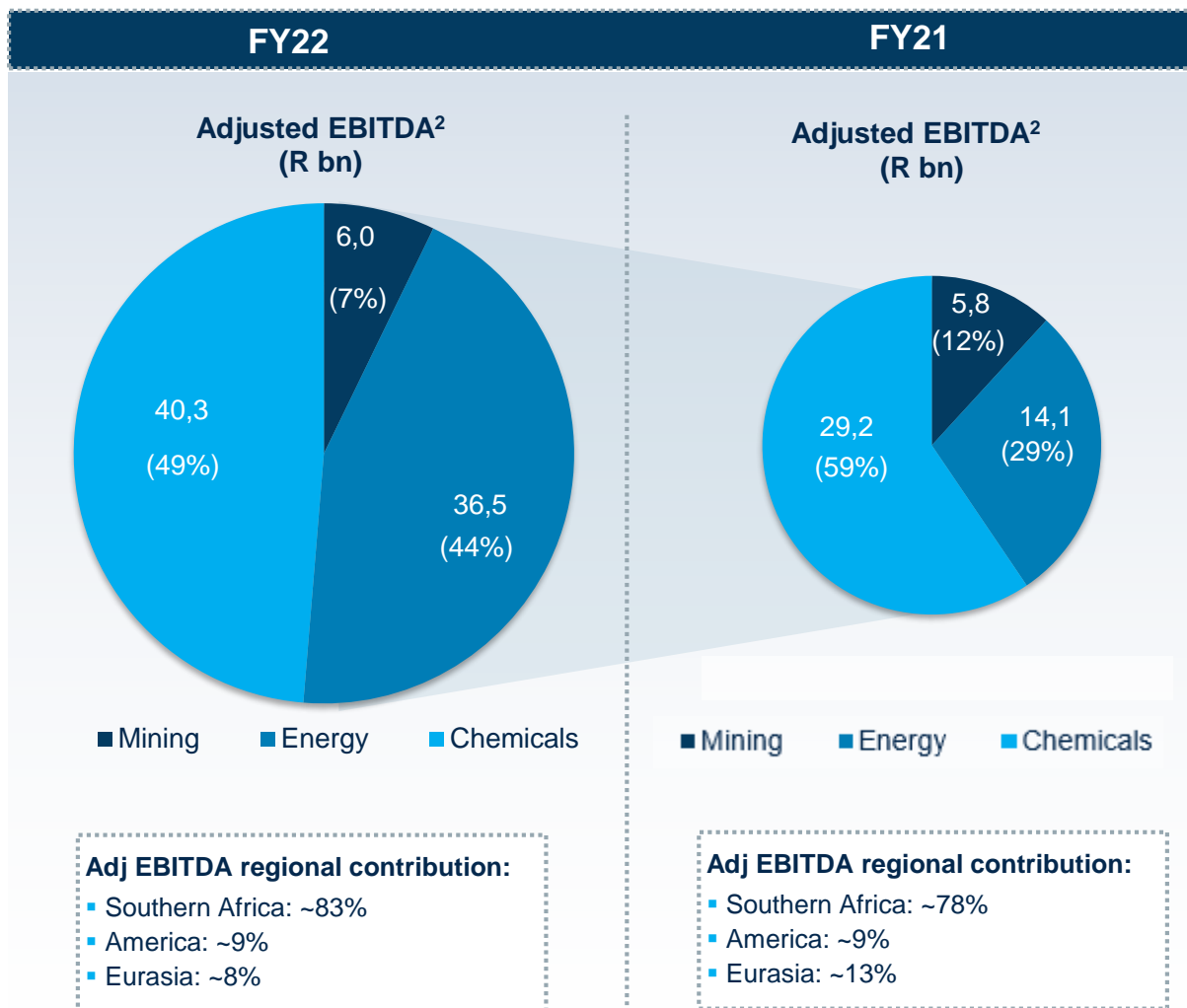
Financial performance

# Group profitability by segment

EBIT BY SEGMENT		FY22 Rm	FY21 Rm	%
ENERGY	Mining	3 456	3 227	7 ▲
	Gas	14 622	6 656	>100 ▲
	Fuels	27 959	(18 170)	>100 ▲
CHEMICALS	Chemicals Africa	24 072	6 957	>100 ▲
	Chemicals America	981	8 116	88 ▼
	Chemicals Eurasia	7 552	4 680	61 ▲
	Corporate Centre	(17 225)	5 153	>100 ▼
<b>Earnings before interest and tax (Rm)</b>		<b>61 417</b>	<b>16 619</b>	<b>&gt;100 ▲</b>
<b>Adjusted EBITDA (Rm)</b>		<b>71 843</b>	<b>48 420</b>	<b>48 ▲</b>
<b>Cash generated by operating activities (Rm)</b>		<b>56 138</b>	<b>45 114</b>	<b>24 ▲</b>
<b>Capital expenditure (Rm)</b>		<b>22 713</b>	<b>16 375</b>	<b>39 ▲</b>
<b>Core headline earnings per share (R)</b>		<b>68,54</b>	<b>27,74</b>	<b>&gt;100 ▲</b>
<b>Dividends per share (R)</b>		<b>14,70</b>	<b>-</b>	<b>&gt;100 ▲</b>
<b>Return on invested capital<sup>1</sup> (%)</b>		<b>21,9</b>	<b>4,3</b>	<b>&gt;100 ▲</b>

1. ROIC excluding AUC. Normalised for business disposals profit/loss, and derivative and hedging gains/losses

2. Excludes the Corporate Centre EBITDA profit/(loss) in FY22 and FY21



**Financial performance**



# Segmental highlights

## Mining

**▲ 3% adjusted EBITDA**

Higher export coal prices

Lower production

## Chemicals Africa

**▲ 44% adjusted EBITDA**

Higher sales prices

Impacted by KZN floods and operational challenges

## Gas

**▲ 2% adjusted EBITDA**

Higher volumes and gas prices

## Chemicals America

**▲ 72% adjusted EBITDA**

Higher sales prices

Strong specialty chemicals ramp up

## Fuels

**▲ >100% adjusted EBITDA**

Higher crude oil prices, refining margins and sales volumes

Increased demand

## Chemicals Eurasia

**▼ 3% adjusted EBITDA**

Higher prices offset by lower volumes and increased feedstock cost

Financial performance

# Improving volume performance in FY23



## ENERGY BUSINESS

### Mining productivity

**1 000 - 1 100 t/cm/s**

Improvement through full potential of Fulco

### Mozambique gas production

**109 - 112 bscf**

Drilling campaign on track

### Liquid fuels sales

**53 - 56 mm bbl**

Improved fuels demand

### SO production

**7,0 - 7,2 mt**

Improved plant utilisation  
Coal stockpile stability

### ORYX GTL utilisation

**83% - 88%**

Unplanned shutdown in Q1



## CHEMICALS BUSINESS

### Chemicals Africa sales

**6 - 12% higher**

Improved operational performance

### Chemicals America sales

**5 - 10% higher**

Continued LCCP ramp up

### Chemicals Eurasia sales

**0 - 5% higher<sup>1</sup>**

Improved demand  
Geopolitical risk remains

Financial performance

1. Normalised for the disposal of the European Wax business

# Sasol 2.0 delivering sustainable value



## Cash fixed cost<sup>1</sup>

✓ **R4,2bn**  
above target of R3bn

Mainly reduction in headcount and external services

>R5bn

- Maintenance strategies
- Automation and process optimisation



## Gross margin<sup>1</sup>

✓ **R2,6bn**  
above target of R1,5bn

Plant efficiency and margin optimisation

>R3,5bn

- Operational improvement
- Market driven strategies



## Capital<sup>2</sup>

✓ **R22,6bn**  
within guidance

Through continuous embedding and maturing of risk-based capital allocation approach

R20 - R25bn p.a.

- Shutdown and maintenance focus
- Capital optimisation



## Working capital<sup>1</sup>

**14,6%**  
above target of 14%

Product price increases in H2 presented significant challenges

14% of turnover

- Value-based trade-off decisions

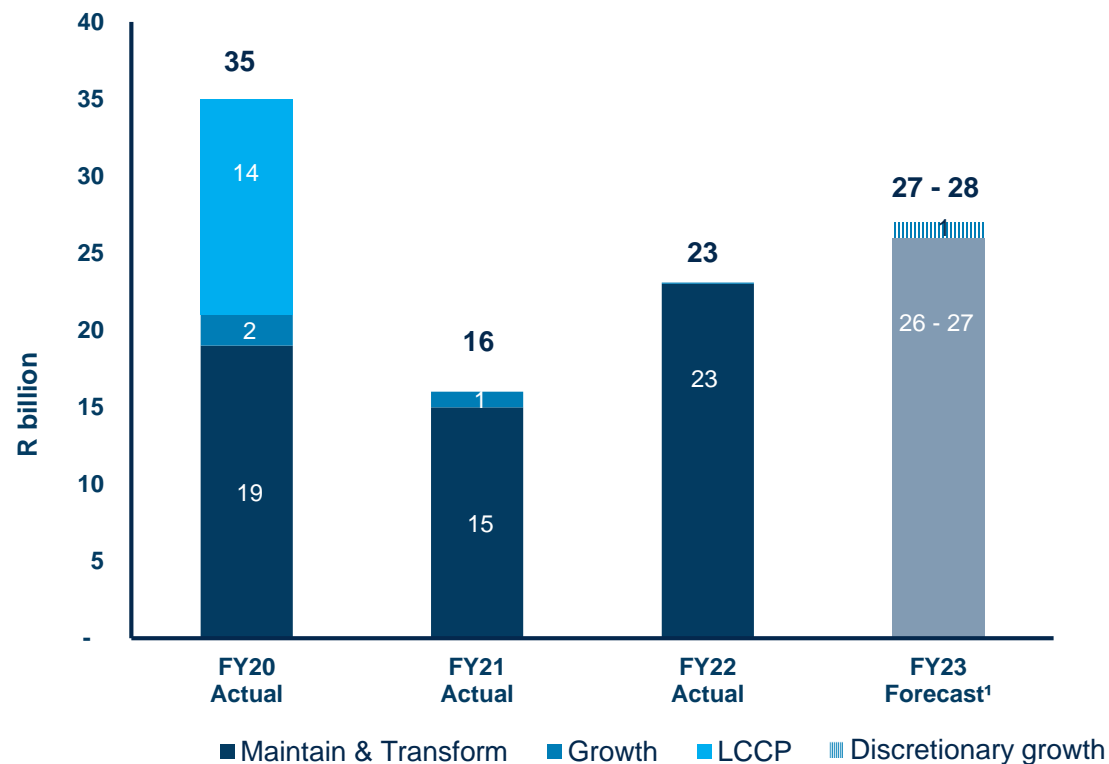
FY23 SUSTAINABLE TARGET

1. Baseline comparison to FY20 for cash fixed cost and gross margin; FY19 for working capital

2. Maintain and Transform capital spend, target of R20-25bn in 2020 real terms

Financial performance

# Continued focused capital management



- Safeguarding **safe, effective** and **reliable** operations
- FY23 Maintain & Transform capital of **R26 - R27bn**
  - PSA programme and SO major shutdown
  - Approximately R1bn Transform capex
- ~R1bn selective investment for **high return growth** options
- FY24 - FY25 Maintain and Transform capital of **R20 - 25bn p.a.** in 2020 real terms




**Effective capital spend whilst ensuring safe and reliable operations**

1. Forecast based on R15,65/US\$ for FY23  
Capital expenditure is impacted by R/US\$ exchange rate – 10c change equals ~R70m impact in capital cost

# Commitment to our capital allocation framework

CAPITAL ALLOCATION PRIORITIES	
1 <sup>st</sup> order Allocation	<p><b>MAINTAIN CAPITAL</b> Safe and reliable operations and protect licence to operate</p> <p><b>TRANSFORM CAPITAL</b> Deliver GHG reduction targets</p>
	<p><b>SELECTIVE GROWTH / IMPROVE CAPITAL</b> Small high-return, short payback projects</p>
	<p><b>ROBUST BALANCE SHEET</b> ND: EBITDA &lt;1,5x Net debt<sup>2</sup> &lt; US\$4bn</p>
	<p><b>DIVIDEND POLICY</b> 2,8 - 2,5x cover of CHEPS</p>


**~R20 - 25bn per annum<sup>1</sup>**

2 <sup>nd</sup> order Allocation	<p><b>EXPANSIONARY GROWTH AND ADDITIONAL SUSTAINABILITY INITIATIVES</b></p>
	<p><b>ADDITIONAL SHAREHOLDER RETURNS</b></p>

<p>Capital allocation process <b>risk-weighted returns</b></p>	<p>Accelerated divestment programme concluded <b>&gt;R50bn proceeds</b></p>	<p><b>Significantly reduced hedging</b> deleveraged balance sheet</p>	<p>2050 roadmap capital <b>compete with other 2<sup>nd</sup> order capital</b></p>
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1. In 2020 real terms  
2. Net debt excluding lease liabilities

Financial performance

# Delivering against our financial objectives

**Improved  
profitability**



R72bn  
adjusted EBITDA

**Strengthened  
balance sheet**



US\$3,8bn  
Net debt

**Dividend  
restored**



14,70  
per ordinary share

**Self-funded  
transition**



R15 - 25bn capital  
delivering 2030 target

Financial performance



## FUTURE SASOL

🕒 Fleetwood Grobler

# Progressing a sustainable business towards net zero ambition

Progressing **2050**  
roadmap

Flexibility through  
**multiple viable**  
pathways

Accelerating  
**'no-regret'** moves

Sasol's FT PtX,  
including **SAF global**  
focus

Maximising **Lake**  
**Charles** potential

Advancing **new /**  
**emerging**  
technologies



Net zero by  
**2050**

Delivering Future Sasol



# MAINTAINING FOCUS

Zero harm

Progress  
ESG

Operational  
stability

Sasol 2.0  
delivery

Safe and  
reliable  
operations

Sustainable  
business in  
the future

Enhance  
cash flow  
generation

**Sustainable  
shareholder  
returns**

**Delivering Future Sasol**

### PORTFOLIO



Assets with **optimal capital** requirements

**Optionality** with diversified portfolio

FT technology **leadership**

### PERFORMANCE



**30%** GHG reduction target by 2030

**>15%** ROIC through transition

**<1,5x** Net debt: EBITDA; **2,5 – 2,8x** dividend cover ratio

### POTENTIAL



Flexible pathways to **net zero ambition** by 2050

**Leadership in green H<sub>2</sub>** in Southern Africa

**Global FT PtX technology solutions**

## Abbreviations and definitions

<b>AUC</b>	Assets under construction	<b>LIP JV</b>	Louisiana Integrated Polyethylene Joint venture
<b>BC</b>	Base Chemicals business	<b>LNG</b>	Liquefied natural gas
<b>BOE</b>	barrels of oil equivalent	<b>LWDC</b>	Lost work day cases
<b>BPD</b>	barrels per day	<b>m<sup>3</sup>/h</b>	cubic meter per hour
<b>Bscf</b>	billion standard cubic feet	<b>m bbl</b>	thousand barrels
<b>CFC</b>	Cash fixed cost	<b>mm bbl</b>	million barrel
<b>CHEPS</b>	Core headline earnings per share	<b>mm tons</b>	million tons
<b>CO<sub>2</sub></b>	Carbon dioxide	<b>Moz</b>	Mozambique
<b>CTRG</b>	Central Termica De Ressane Garcia S.A.	<b>mt</b>	million tons
<b>eq</b>	Equivalent	<b>MW</b>	Megawatt
<b>ESG</b>	Environmental, Social and Governance	<b>NG</b>	Natural Gas
<b>FER-SR</b>	Fires' explosions and releases – severity rate	<b>p.a.</b>	Per annum
<b>FT</b>	Fischer-Tropsch	<b>PPA</b>	Power Purchase Agreement
<b>Fulco</b>	Sasol Mining full calendar operation	<b>PSA</b>	Production Sharing Agreement
<b>GHG</b>	Greenhouse gas	<b>PtX</b>	Renewable power and sustainable CO <sub>2</sub> to low carbon fuels and chemicals
<b>GM</b>	Gross margin	<b>RCR</b>	Recordable case rate
<b>GTL</b>	Gas-to-liquids	<b>RE</b>	Renewable Energy
<b>H<sub>2</sub></b>	Hydrogen	<b>ROIC</b>	Return on invested capital
<b>ISCC</b>	International Sustainability and Carbon Certification	<b>ROMPCO</b>	Republic of Mozambique Pipeline Investment Company (Pty) Ltd
<b>kt</b>	thousand tons	<b>SAF</b>	Sustainable Aviation Fuel
<b>KZN</b>	Kwa-Zulu Natal	<b>SO</b>	Secunda Operations
<b>LC</b>	Lake Charles	<b>t/cm/s</b>	tons per continuous miner per shift

**Adjusted EBITDA** - Adjusted EBITDA is calculated by adjusting EBIT for depreciation, amortisation, share-based payments, remeasurement items, change in discount rates of our rehabilitation provisions, all unrealised translation gains and losses and all unrealised gains and losses on our derivatives and hedging activities.

**Core HEPS** - Core HEPS is calculated by adjusting headline earnings with non-recurring items, earnings losses of significant capital projects (exceeding R4 billion) which have reached beneficial operation and are still ramping up, all translation gains and losses (realised and unrealised), all gains and losses on our derivatives and hedging activities (realised and unrealised), and share-based payments on implementation of Broad-Based Black Economic Empowerment (B-BBEE) transactions



**SASOL**