SASOL LIMITED FINANCIAL RESULTS
for the year ended 30 June 2019





POSITIONING FOR A
SUSTAINABLE FUTURE

October 2019

Forward-looking statements

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, statements regarding exchange rate fluctuations, volume growth, increases in market share, total shareholder return, executing our growth projects (including LCCP), oil and gas reserves, cost reductions, our Continuous Improvement (CI) initiative and business performance outlook. Words such as “believe”, “anticipate”, “expect”, “intend", “seek”, “will”, “plan”, “could”, “may”, “endeavour”, “target”, “forecast” and “project” and similar expressions are intended to identify such 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 or about 28 October 2019 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 both these factors and other uncertainties and events. 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.

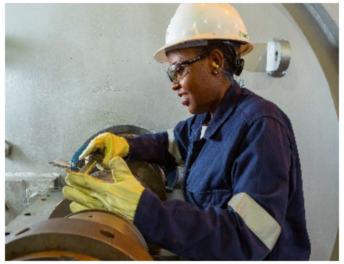
Please note: One billion is defined as one thousand million. bbl – barrel, bscf – billion standard cubic feet, mmscf – million standard cubic feet, oil references brent crude: mmboe – million barrels oil equivalent.
All references to years refer to the financial year ended 30 June.
Any reference to a calendar year is prefaced by the word “calendar”.

Comprehensive additional information is available on our website: www.sasol.com

INTRODUCTION





Fleetwood Grobler

POSITIONING FOR A
SUSTAINABLE FUTURE

Board Review concluded

Board actions deliver **assurance** and **change**

Resilient performance in FY19

Resilient results from foundation business in a challenging environment

LCCP **cost on track** with strengthened control environment

Improving **stability of operations** and pathway to **zero harm**

Decisive actions to protect and strengthen balance sheet

Balance sheet protection prioritised, **final dividend passed**

Enhanced sustainability framework positions us for the future

Focused priorities to restore stability and confidence

LCCP root causes[1] understood and learnings to be entrenched in organisation

No earnings, financial position or cash flow restatement

REMEDIAL ACTIONS

- Implemented a new LCCP controls structure and redesigned the controls regarding cost reporting
- Reassigned LCCP oversight and accountability; additional project management resources added
- Additional external assurance to validate LCCP cost, schedule and estimates
- Separation of LCCP senior personnel and reduction of remuneration at Sasol leadership levels
- More robust challenge in all reviews relating to LCCP reporting

ORGANISATIONAL LEARNINGS

- Focused roll-out of new and enhanced controls throughout the organisation
- Encouraging open and transparent dialogue across all areas of the business
- Better understanding of the cultural aspects; conduct and tone adapted to the specific business environment
- Executing fit-for-purpose capital project practices, with strengthening of our Capital Projects Excellence Programme

1. Complete disclosure in Item 15 of Form 20-F

Resilient results from foundation business in a challenging environment

OPERATIONAL PERFORMANCE

- Three tragic fatalities occurred; Group recordable case rate at **0,26** excluding illnesses
- Strong production and cost performance from foundation business
- Natref ▲**20%**, Synfuels performing strongly following shutdown
- ORYX GTL utilisation **81%**, Eurasian Operations volumes ▼**7%**
- Sales volumes ▲**2%** for liquid fuels, ▲**4%** for Base Chemicals and ▼**3%** for Performance Chemicals

Final dividend passed to protect and strengthen balance sheet

FINANCIAL RESULTS

- Normalised cash fixed costs ▲**5,7%**, below 6% inflation target
- Adjusted EBITDA ▼**9%** to R47bn due to softer chemical margins and LCCP ramp-up
- Core HEPS ▲**5%** to R38,13; HEPS ▲**12%** to R30,72
- Cash generated by operating activities up ▲**20%** to R51bn
- Gearing at **56%**; Net Debt : EBITDA at **2,6 times** (Bank Net Debt : EBITDA 2,2 – 2,4 times)

LCCP cost on track with capital cost estimate of US$12,6 - 12,9bn

Strengthened control environment

FY19

- Overall project 98% complete, construction at 94% and capital expenditure of US$11,8bn
  - Strong safety performance continues with RCR of 0,11
- Marketing channels supporting successful placement of products
- Project controls, reporting cadence and functional oversight enhanced

Q1 FY20

- Q1 of FY20 the overall project 99% complete, construction at 96% and capital expenditure of US$12,2bn
  - Ethane cracker achieved beneficial operation in August 2019
  - ~ 90% of LCCP nameplate capacity (including LDPE) will be operational by Q2 of FY20
- Remaining units operational by:
  - Q3 FY20 for ETO; Q4 FY20 for Ziegler and Guerbet
- FY20 EBITDA ~US$100 - 200m with ~US$1bn run rate EBITDA from FY22

Improving stability of operations and pathway to zero harm

Southern Africa

- Our relentless focus on reducing high severity incidents continues
- Coal production productivity improved 3%
- Synfuels production of 7,6mt; strong performance with extended shutdown
- Natref production rate of 637 m^3/h following multi-year management intervention, highest in eight years
- Maintained B-BBEE Level 4 status, procurement from South African Black-owned businesses up 33% to R19bn

North America

- LLDPE ramp up in line with expectations; EO/EG and HDPE exceeding expectation
- Cracker capacity utilisation above 50%; start-up modifications planned around half year-end
  - Further ramp up planned for H2 FY20

Europe / Asia

- 150ktpa Nanjing ethoxylation plant successfully completed within approved budget, 26 months after investment decision was made
- Brunsbüttel projects delivered within budget and schedule
- Business impacted by external feedstock supply and macroeconomic conditions
- ORYX GTL achieved utilisation of 81% due to unplanned shutdown

Overall health of operations generally robust

Enhanced sustainability framework positions Sasol for the future

- Four sustainability focus areas linked to specific UN Sustainability Development Goals:
  - Resilience in a lower carbon future
  - Enduring and safe operations
  - Minimise our environmental footprint
  - Growing shared value for all shareholders and society at large
- GHG emission reduction roadmap will help transform Sasol for a lower carbon future

Our internal ambition and climate change targets

- Reduce absolute **GHG emissions** from SA operations by at least **10% by 2030** (2017 baseline)
- 30% global energy efficiency improvement by 2030 (2005 baseline)
- Carbon budget set for Sasol expected to be met by 2020
- Enhanced climate change disclosures

Current status of portfolio optimisation

Asset disposal for value and aligned to strategic objectives

2017 ASSET REVIEW PRINCIPLES

- Asset portfolio aligned to company's strategic objectives and growth targets
- Continuous reviews to test strategic alignment and enhance competitive advantage
- Maximise return on investment in the long term
- Effective execution of capital allocation framework

CURRENT STATUS

- On track with total divestment target of US$2bn
- Divestments include Malaysian Optimal and Petlin plants, US Lake De Smet land and its coal reserves; German heat transfer fluids business and Sasol-Huntsman chemicals business in Germany
- Transactions nearing completion includes Explosives business JV with Enaex S.A. and Sasol Lianyungang Alcohols JV in China with Wilmar
- Approximately 20% of divestment target will be achieved on successful completion of these transactions

Focused short term priorities to restore confidence

Delivery through win-win customer and stakeholder partnerships

	CURRENT STATUS	FY20 PRIORITIES
Operational excellence	• Generally robust operational performance • Foundation business sales volumes mostly on target • Normalised cash fixed costs trending below target • Cash generated from operations up 20%	• Relentlessly **drive zero harm** and eliminate fatalities • **Deliver all units of the LCCP** and embed learnings across the organisation • Deliver **reliable and efficient** operations • Continue to explore alternative **gas supply options** • Enhance our **competitive advantage** through continuous improvement and digitalisation

Balance sheet protection	• Strong cash flow generation from foundation business
	• Term loan refinanced through bond with extended maturity
	• Investment Grade rating retained
	• Downside protection through hedging framework
		• **Reduce gearing** and create balance sheet flexibility
		• Proactive **financial risk management** to ensure
		  ○ robust liquidity, optimal debt mix and maturity profile
		  ○ fit for purpose hedging programme
		• Optimise assets to **drive long term** sustainable value

Stakeholder value	• 1st Climate Change Report supporting focus on enhanced disclosure • R19bn SA black owned business procurement spend • Founding member of Alliance to End Plastic Waste	• Progress credible **sustainability response** and **GHG reduction roadmap** • Position for **affordable** investment options • Embed **aspirational culture** to deliver on value-based strategy

FINANCIAL AND OPERATIONAL PERFORMANCE

Paul Victor

POSITIONING FOR A
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What you will hear today

Challenging and volatile macro-economic environment

Strong core earnings; **remeasurement items** weigh in on earnings

Resilient performance in our **foundation business**

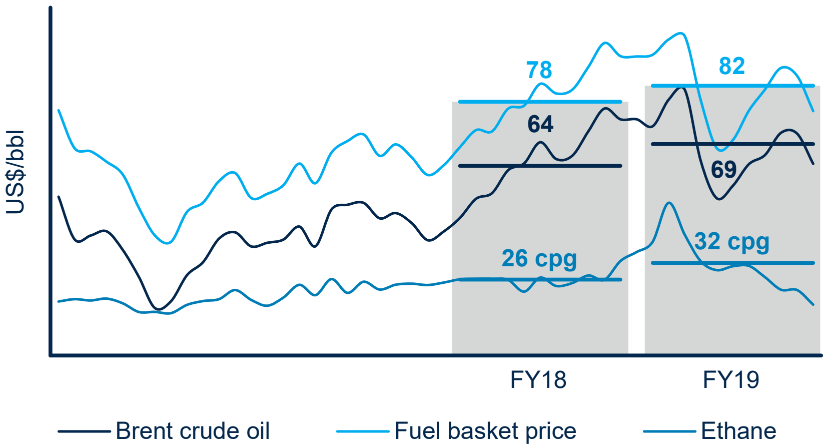
Focused actions to **protect and strengthen** balance sheet

FY20 outlook and Q1 performance – maintaining **discipline and focus**

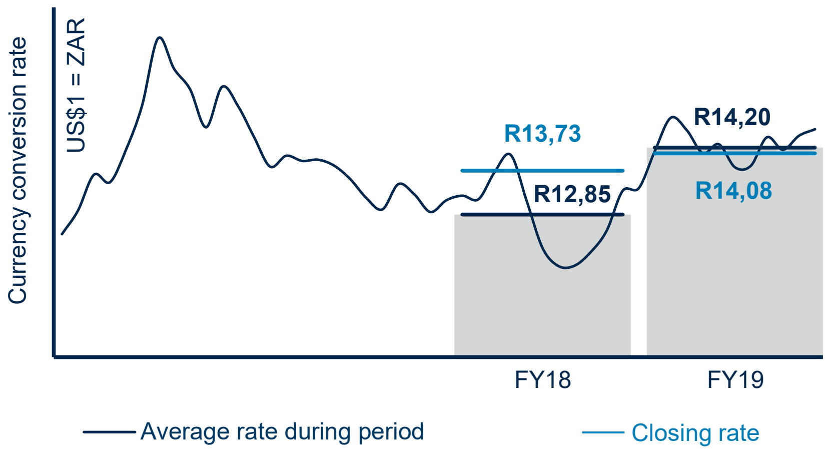
Managing macroeconomic volatility

Chemical prices lag Brent oil due to global oversupply and lower growth

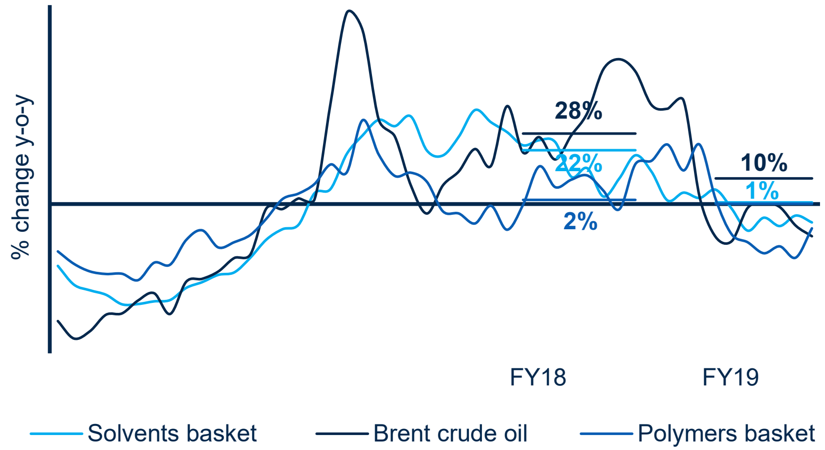
Improved crude oil prices



Weaker currency



Chemical prices vs Brent



Prices

US$/unit	FY19 ave	% ∆ vs FY18 ave
Brent/bbl	69	8▲
Fuel products/bbl	82	5▲
Base chemicals/ton[1]	830	2▼
Performance chemicals/ton[2]	1 661	2▼
Ethane US$c/gal[3]	32	22▲

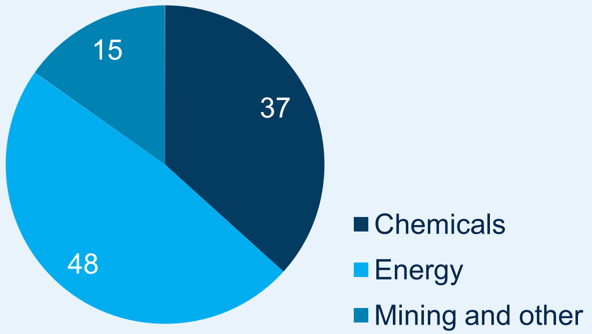
1. Softer chemical prices due to oversupplied chemicals market offset by product mix from LCCP ramp-up
2. Excluding kerosene sales
3. Ethane gas impacted by supply & demand

Strong core headline earning performance

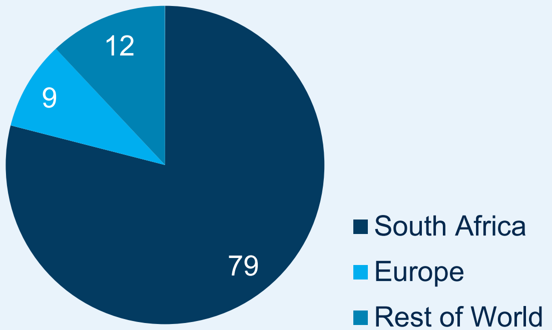
	FY19	FY18	% ∆
Mining	**4 701**	5 244	10▼
Exploration and Production International (EPI)	**(889)**	(3 683)	76▲
Performance Chemicals (PC)	**(7 040)**	7 853	>100▼
Base Chemicals (BC)	**(1 431)**	918	>100▼
Energy	**16 566**	14 081	18▲
Group Functions	**(2 210)**	(6 666)	67▲
Earnings before interest and tax (Rm)	**9 697**	17 747	45▼
Adjusted EBITDA[1] (Rm)	**47 051**	51 533	9▼
Cash generated by operating activities (Rm)	**51 398**	42 877	20▲
Earnings per share (R)	**6,97**	14,26	51▼
Headline earnings per share (R)	**30,72**	27,44	12▲
Core headline earnings per share (R)	**38,13**	36,38	5▲
Dividend per share (R)	**5,90**	12,90	54▼[2]
Capital expenditure (Rbn)	**55,8**	53,4	5▲

Cash generated by operating activities up 20%

Adjusted EBITDA (%) by product

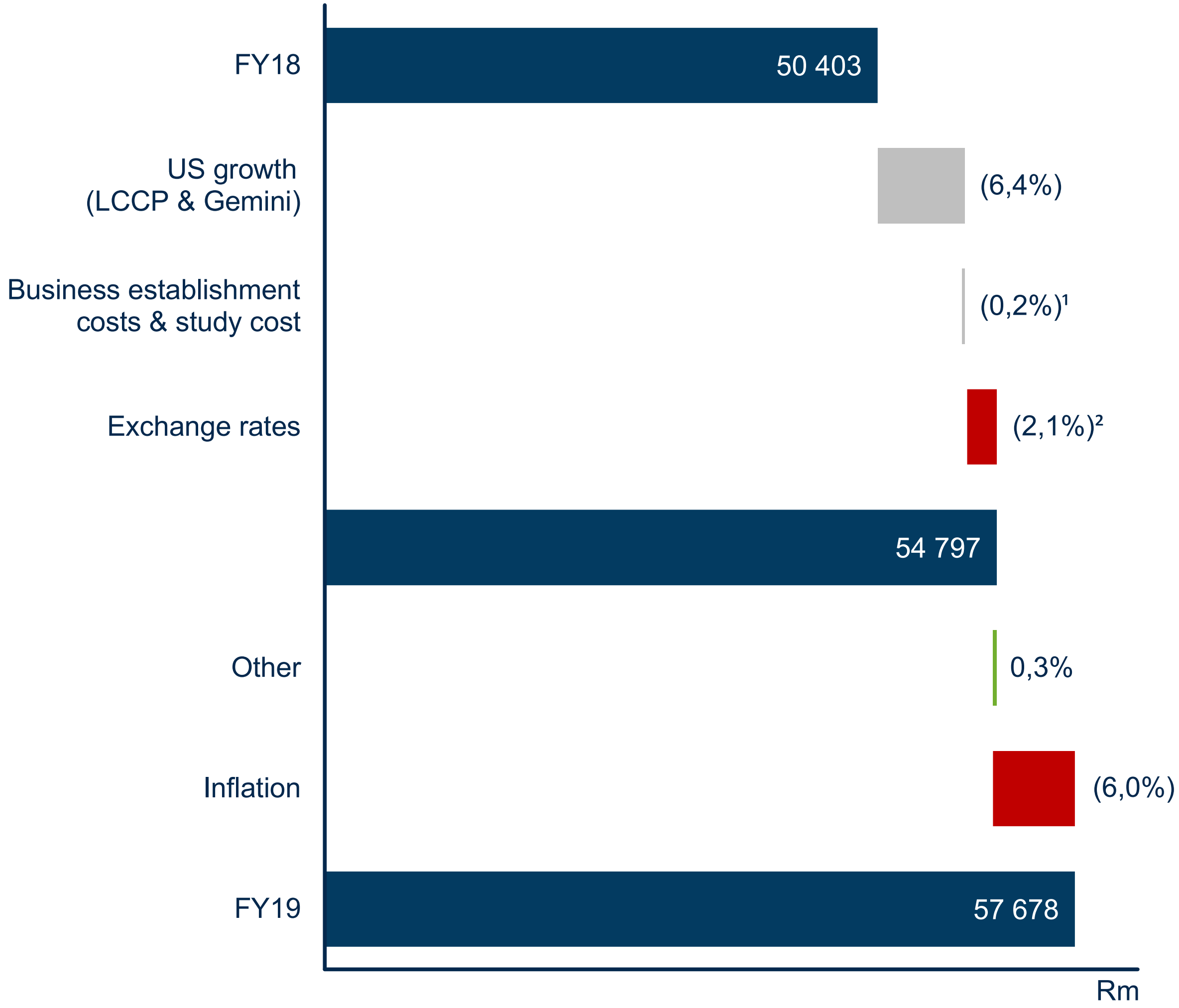


Adjusted EBITDA (%) by geography



1. Adjusted EBITDA is calculated by adjusting EBIT for depreciation, amortisation, share-based payments, remeasurement items, movement in rehabilitation provisions due to discount rate changes, unrealised translation gains and losses, and unrealised gains and losses on hedging activities.
2. FY19 interim dividend; FY18 interim and final dividend

Normalised cash fixed cost managed below inflation target, 6 years in a row



TAILWINDS

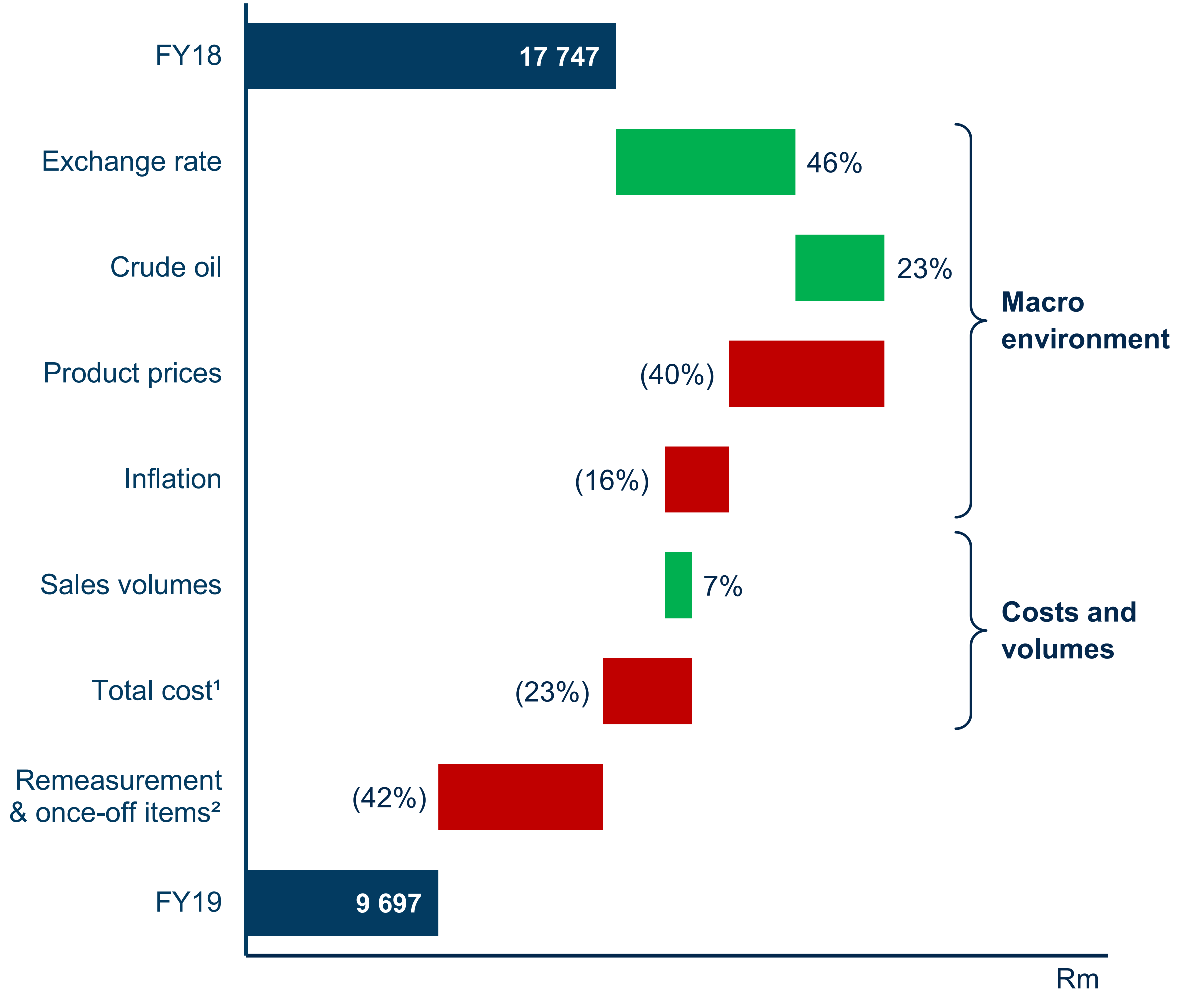
- Actions taken to control costs across the organisation
- Improved production tons per head
- Continuous improvement initiatives support foundation business
- Sustained operations at lower cost

HEADWINDS

- Volatile macro-economic environment leading to above inflation labour and electricity costs
- Mismatch between LCCP ramp-up cost and revenue

1. Mainly higher costs for studies, improvement programmes and new business partly offset by lower electricity consumption following the start-up of Oxygen Train 17 in Secunda
2. Exchange rate impact of foreign currency denominated expenditure

Operating profit negatively impacted by remeasurement items



TAILWINDS

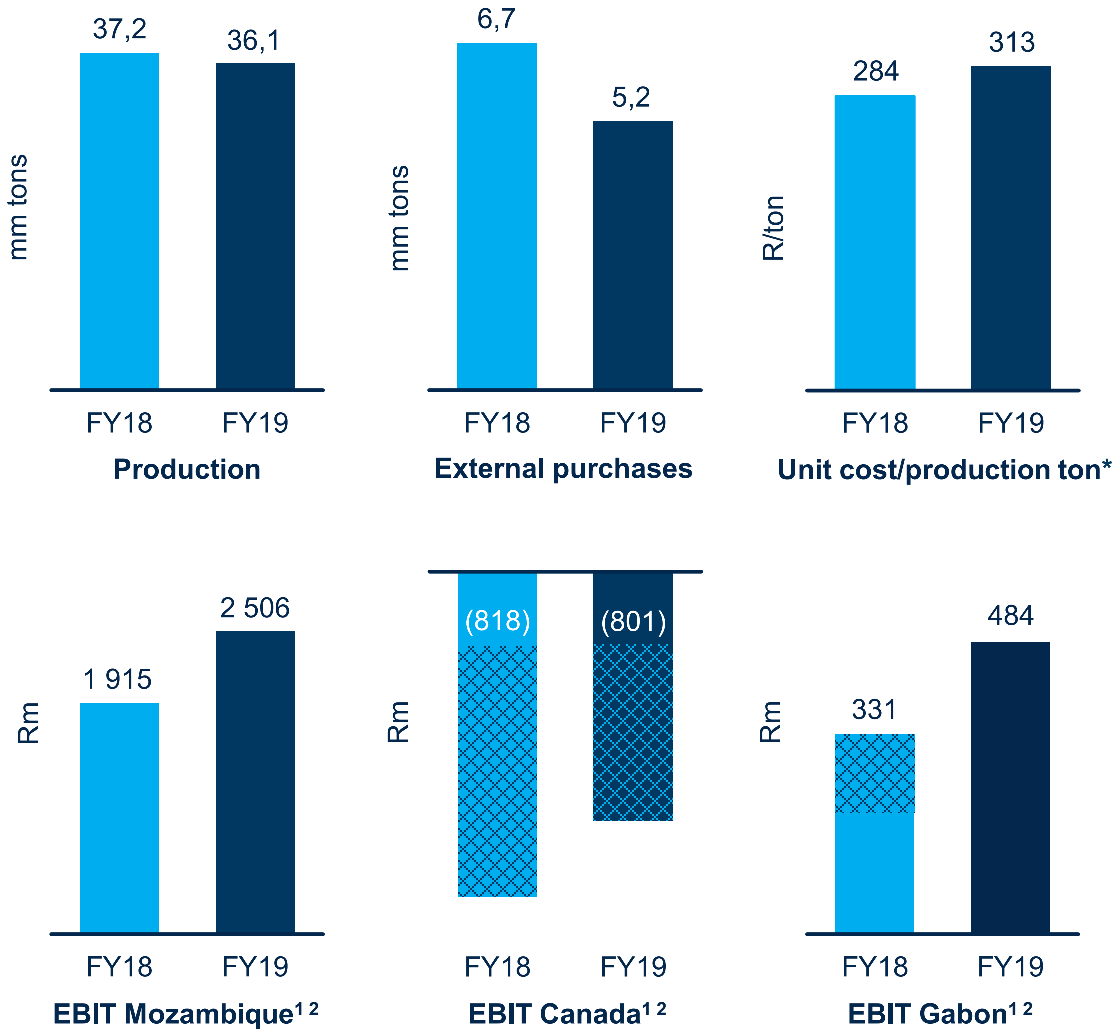
- Weaker average R/US$ exchange rate and higher oil prices
- Strong operations performance
- Strong cost discipline
- LCCP volume ramping up

HEADWINDS

- Lower petrol differentials and softer chemical prices negatively impacting gross margin
- Higher impairments resulting from weaker macro environment and increased LCCP cost
- FY19 mismatch between LCCP ramp-up schedule and operational costs expensed

1. Higher growth and labour costs, LCCP depreciation and rehabilitation provisions, partly offset by lower Khanyisa share-based payments
2. Includes higher remeasurement items, higher realised hedge losses and interest rate swap settlement offset by mark-to-market valuation of group hedges

Resilient operational performance



MINING

- Productivity improved by 3%
- Production meeting customer demand
- Normalised unit cost up 10% due to lower production and higher maintenance and labour cost
- External purchases decreased by 22%

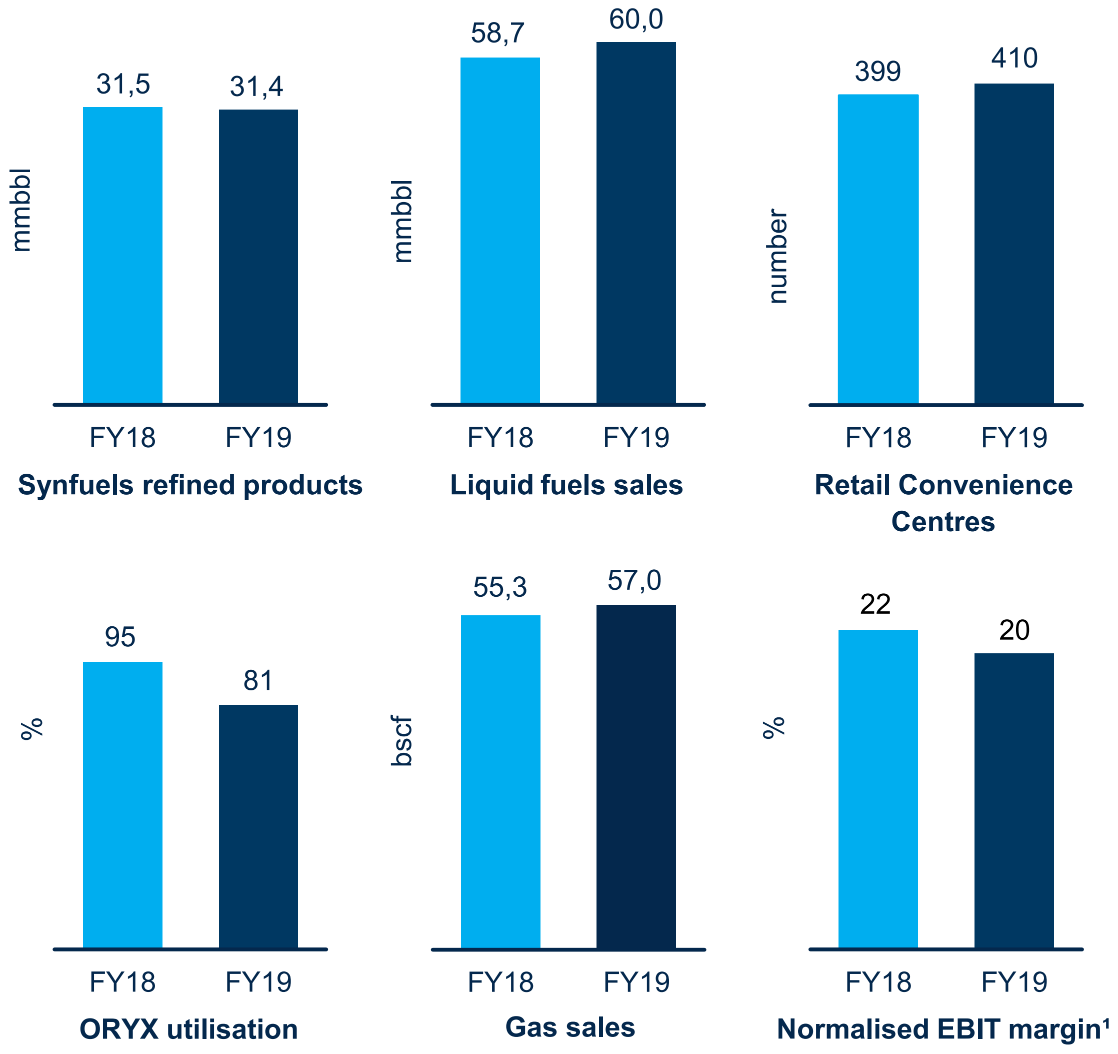
EPI

- Increased normalised EBIT with >100% to R1,2bn
- Stable Mozambique operations and higher prices drives profitability
- Gabon normalised EBIT increase of 46% mainly due to higher oil price and lower well maintenance cost
- Canada impairment recognised of R1,9bn (CAD181m)

Continued focus on improving productivity

1. Producing assets
2. Normalised EBIT adjusted for remeasurement items and closing rate translation effects

Solid volume performance following strong Natref and SSO production



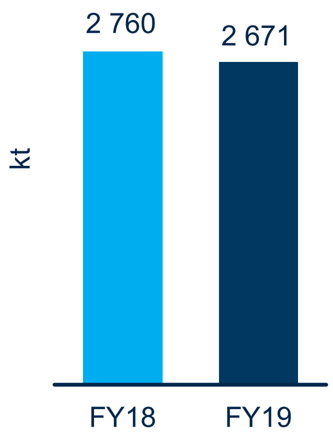
ENERGY

- Normalised EBIT up 13% to R17,1bn
  - Benefitted from higher rand oil and 11% higher diesel differential negated by 45% lower petrol differential
- ROIC of 27%
- Liquid fuels sales increased by 2% due to higher wholesale and commercial sales
- Natref achieved 20% higher production run rate of 637m³/h for FY19
- Achieved the targeted 15 new retail convenience centres; 4 strategic divestments
- ORYX impacted by unplanned shutdown to inspect and repair waste heat boilers
- Impact of total shutdown (FY19) vs phase shutdown (FY18) is ~0,5mmbbl of refined products

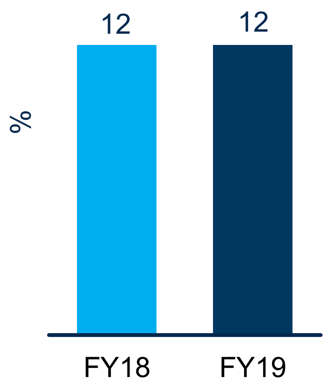
Synfuels run rate above 7,8mtpa post H1 shutdown

1. Normalised EBIT adjusted for remeasurement items and closing rate translation effects

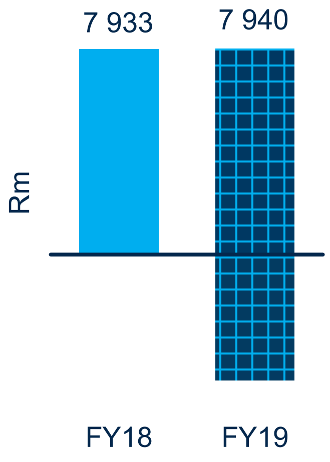
Foundation business strong, impacted by macroeconomic environment



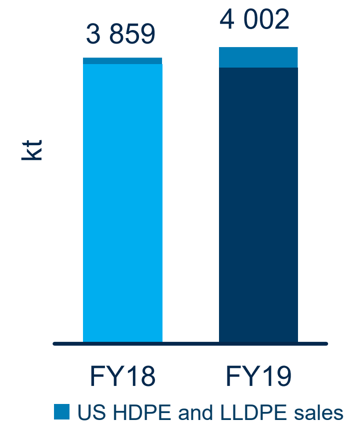
Sales volumes[1]



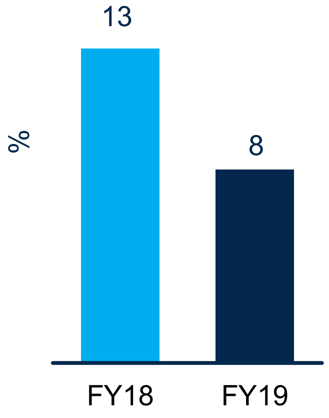
Normalised EBIT margin[1 2]



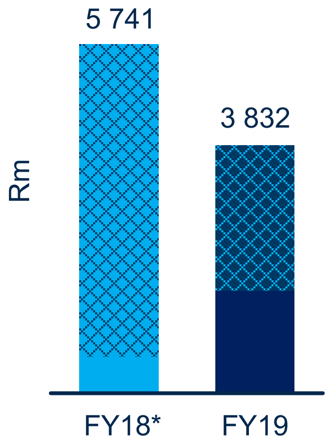
Normalised EBIT[1 2]



Sales volumes[1]



Normalised EBIT margin[1 2]



Normalised EBIT[1 2]

PERFORMANCE CHEMICALS

- Sales volumes impacted by external supply constraints in Europe, extended SSO shutdown and softer macro-environment
- Robust margins and demand in the specialty product ranges
- Impairment of the North American value chain of ~US$900m as a result of LCCP capital cost increase and macro economic outlook
- US impairment of tetramerization (R7,4bn) and EO/EG (R5,5bn) value chains

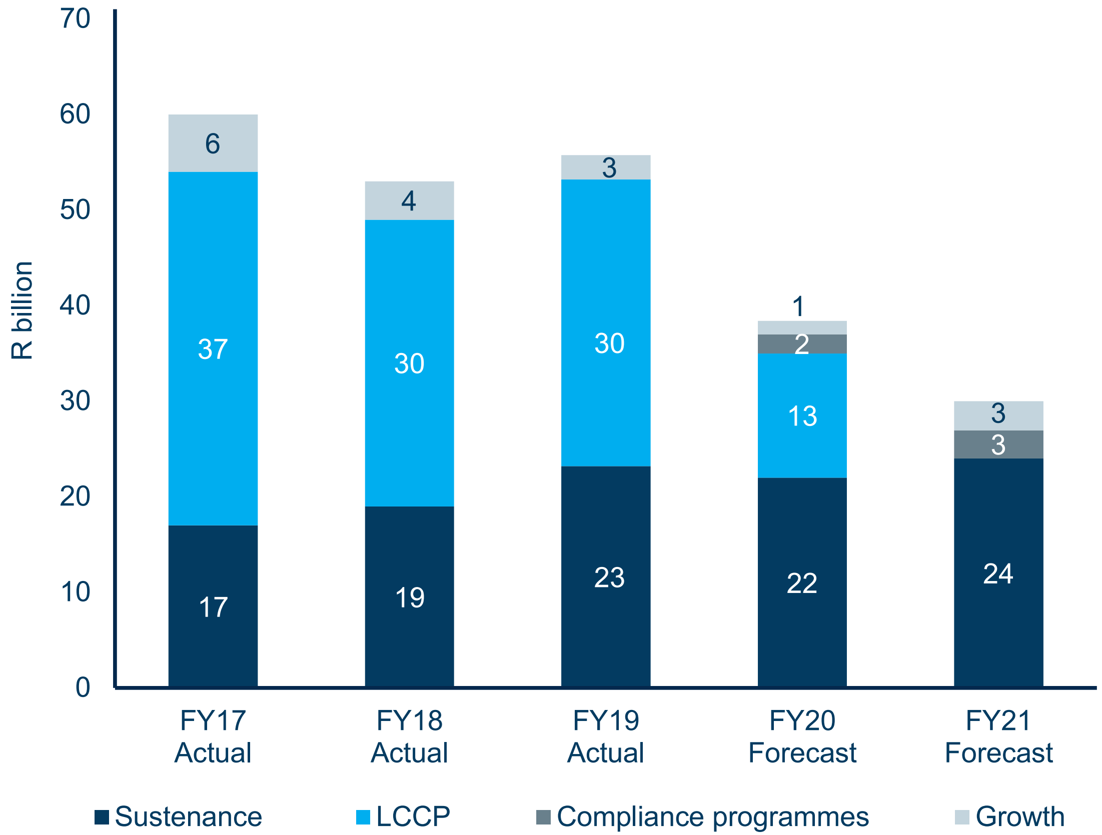
BASE CHEMICALS

- Sales volumes increase by 4% due to
  - HDPE volumes for the full year with utilization at upper end of nameplate capacity;
  - LLDPE volumes since BO in Feb 2019
- Chemical basket price down 2%, impacted by softer commodity chemical prices
- Impairment of ammonia business (R3,3bn) partly offset by R0,9bn reversal of chlor vinyls' FY18 impairment

Base Chemicals sales volumes up 4%, exceeding previous market guidance

1. Restated for the transfer of Phenolics, Ammonia and Specialty Gases from PC to BC. Ammonia and Specialty Gases managed by Energy
2. Normalised for remeasurement items, closing rate translation effects and LCCP ramp-up depreciation and net operating loss

Capital spend declining as LCCP completed



- Capital expenditure guidance
  - LCCP spend of R13bn (US$868m) in FY20
  - Total capital expenditure for FY20 is R38bn; R30bn in FY21 largely sustenance
- Forecast based on R14,60/US$ for FY20 and R13,60/US$ for FY21
  - 10c change in R/US$ exchange rate equals R100m impact on capital expenditure in FY20
- Position for affordable investment options

Lower capex in support of balance sheet metrics

Elevated gearing with cash flow inflection late in FY20

STATUS

- Elevated gearing due to LCCP and current chemicals pricing
  - Gearing = 56%
  - Net debt : EBITDA = 2,6 times
- Increased flexibility from balance sheet management actions
  - US$4bn LCCP asset-based loan refinanced with unsecured financing
  - Debt maturity profile extended, with no maturities until 2022

OUTLOOK

- Gearing expected to peak in FY20 and sensitive to macro drivers
  - Capital spend declining with LCCP completion
  - Cash generated as LCCP ramps up
  - Strong ongoing contribution from Foundation business
- Balance sheet is a key priority during peak gearing phase
- Limited capacity to absorb macroeconomic volatility

Taking decisive action to support balance sheet during peak gearing

Long term commitment to maintain investment grade credit rating

OBJECTIVES	ACTIONS

• **Balance sheet flexibility**
• **Active liquidity management**
• **Disciplined capital allocation**
• **Long term shareholder value**
	• **Enhance cash flow profile**
	  ○ Continued focus on management self-help actions
	  ○ Hedge selectively to protect downside
	  ○ FY19 final dividend passed
	  ○ Passing of FY20 interim dividend under consideration
	• **Preserve and enhance shareholder value**
	  ○ No compromises on sustenance capital
	  ○ Value discipline paramount in portfolio optimisation
	• **Increase balance sheet flexibility**
	  ○ Active liquidity management
	  ○ Increased covenant flexibility

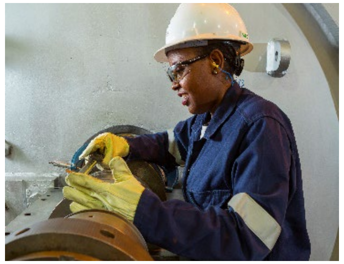
Turning the corner by focused delivery

	FY20 outlook	Q1 FY20 performance
GROUP	• Bank Net Debt: EBITDA range **2,6 - 2,9 times** • Normalised cash fixed costs to remain below **6%** inflation target • Capital expenditure of **R38bn** (FY20)	• Tracking targets for FY20
UPSTREAM	• Focus on safety and efficiency of mining operations • PPA gas production **114 - 118 bscf**	• **9,5 mt** saleable production • **29,8 bscf** PPA production
ENERGY	• Liquid fuels sales **57 - 58 mmbbls** • ORYX GTL average utilisation of **55 - 60%**	• **14,7 mmbbls** sales • **99%** utilisation
PERFORMANCE CHEMICALS	• Sales volumes (excluding LCCP) **1 - 2%** higher than FY19 • Nanjing ethoxylation plant at **>80%** utilisation • Marketing plans in place for LCCP products	• **▼1,7%** vs. Q1FY19
BASE CHEMICALS	• Sales volumes (excl. US products) **1 - 2%** higher than FY19 • Product-to-market channels and systems fully enabled for placement of LCCP ethylene and polyethylene product	• **▲2%** vs. Q1FY19
LCCP	• Remaining units achieve beneficial operation • EBITDA of **US$100 - 200m**	• **96%** completion of construction

QUESTIONS AND ANSWERS





POSITIONING FOR A
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Abbreviations

AVE	Average
BC	Base Chemicals
B-BBEE	broad-based Black economic empowerment
EBIT	earnings before interest and tax
EBITDA	earnings before interest, tax, depreciation and amortisation
EO/EG	ethylene oxide / ethylene glycol
ETO	ethoxylates
ESG	environmental, social, governance
FCF	free cash flow
GHG	Greenhouse Gas Emissions
H1	Half year 1
HEPS	headline earnings per share
HDPE	high density polyethylene
LCCP	Lake Charles chemicals project
LDPE	low density polyethylene
LLDPE	linear low density polyethylene
OBU	operating business unit
PC	Performance Chemicals
PPA	Petroleum Production Agreement
Q1	first quarter
ROIC	return on invested capital
SBU	strategic business unit
SSO	Secunda Synfuels Operations
UN	United Nations