SASOL LIMITED FINANCIAL RESULTS

for the six months ended 31 December 2018

VALUE THROUGH FOCUS AND DISCIPLINE

February 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, 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) programme 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 are discussed more fully in our most recent annual report on Form 20-F filed on 28 August 2018 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 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

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INTRODUCTION






Bongani Nqwababa and Stephen Cornell

VALUE THROUGH FOCUS AND DISCIPLINE

February 2019

What you will hear today

- Satisfactory set of results in a **volatile macro environment**
- LCCP **fundamentals remain intact** despite increased cost and schedule delays
- Unrelenting drive towards **zero harm** and improved **operations stability**
- **Stellar cost performance** underpins our competiveness
- Increasing our **focus on sustainability** to remain resilient in the long-term
- Addressing near-term challenges, focused on **delivering our strategy**

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Satisfactory set of results in a volatile macro environment

FINANCIAL RESULTS

- Oil price ▲**26%** to US$71/bbl and US$ exchange rate ▲**6%** to R14,20
- EBITDA ▲**10%** to R27bn
- Core HEPS ▲**18%** to R21,45 HEPS ▲**32%** to R23,25
- Normalised cash fixed costs ▲**4,3%**, below 6% inflation target
- Gearing at 48,9%, however investment grade credit ratings remains sacrosanct
- Interim dividend of R5,90 per share based on Core HEPS

OPERATIONAL PERFORMANCE

- Group recordable case rate at **0,26**, regrettably two fatalities
- Natref ▲**43%** and Secunda Synfuels Operations (SSO) ▼**6%**
- ORYX GTL utilisation **99%**, Eurasian Operations ▼**8%**
- Sales volumes ▲**4%** for liquid fuels,▼**3%**[1] for Performance Chemicals and ▼**11%**[1] for Base Chemicals
- Much improved operational performance in Q2 driven by focused management actions

Core HEPS ▲18%, despite some operational challenges

1. Restated for the transfer of Phenolics, Ammonia and Specialty Gases from PC to BC. Ammonia and Specialty Gases managed by Energy

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LCCP fundamentals remain intact despite increased cost and schedule challenges

- Overall project 94% complete, construction at 84% and capital expenditure US$10,9bn
  - Exceptional safety performance continues with RCR of 0,11
  - Utility systems, enabling early production units, reached BO[1] end November 2018
  - LLDPE reached BO on 13 February 2019, delayed by 2 months
- As at 31 December 2018, overall project plan impacted by several factors including:
  - Increased scope, required for process safety reasons, for Cracker and EO/EG due to defective carbon steel forgings identified in Q4 CY2018 leading to one month delay
  - Late scope additions for Cracker as a result of incomplete engineering work not timeously identified
  - Additional month of work lost as a result of excessive rainfall in Q4 CY2018
  - Productivity losses exacerbated by higher absenteeism around public holidays and construction rework
- Revised capital cost estimate of US$11,6 - 11,8bn (including US$200m contingency and weather provision)
  - EBITDA[2] loss of ~US$165 - 195m in FY19; EBITDA[2] contribution of US$700m in FY20

On track for EBITDA[2] of US$1,3bn by FY22

LLDPE – Purification Area with Reactor

Aerial view of cracker

1. Beneficial operation
2. Based on our current assumptions

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Sharpened focus on commissioning and business readiness

- Enhanced focus on key work streams as project transitions to commissioning activities
  - Later units to benefit from lessons learnt in construction progress thus far
  - Prioritise optimal demobilisation of construction labour to realise efficient cost ramp down
  - Earlier accountability to operations team to support construction and efficient commissioning
- Unrelenting focus on productivity, process safety and progressing units to mechanical completion and BO
  - Cracker BO planned in July 2019 with ~80% of LCCP capacity to reach BO by August 2019
  - ~95% of LCCP capacity to reach BO by end CY2019, Guerbet moved to January 2020
- Integrated business readiness approach underpins confidence in delivery of cash flows
  - Ethane supply ensured with long-term volume contracts in place
  - Customer engagements advanced to support product placement
  - Outbound logistics infrastructure in place to facilitate local and export distribution

~80% of LCCP planned capacity to reach BO by August 2019

Cracker compressor house

Olefins storage

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Unrelenting drive towards zero harm and operations stability

Safety performance

- Safety improvement remains an imperative with two tragic fatalities at our Mining operations
  - Corrective actions implemented on weekend work processes
- Additional focus areas to address high severity incidents and fatalities
  - Improvement of safety rules to reinforce operational discipline in the workplace
  - Institutionalising learnings to eliminate repeat incidents

Operations performance

- Significant milestones achieved through focused management interventions
  - Natref operations achieved 43% improved run rate
  - Mining productivity improved 8% - targeting ~40mtpa sustainable production
- SSO remain robust despite extended shutdown and subsequent start-up challenges
  - Operating cost remains highly competitive
  - Current performance supports strong H2 FY19 volume delivery
  - Sustenance capital expenditure guidance remains adequate

SSO Q2 performance supports run rate of 7,8 mtpa

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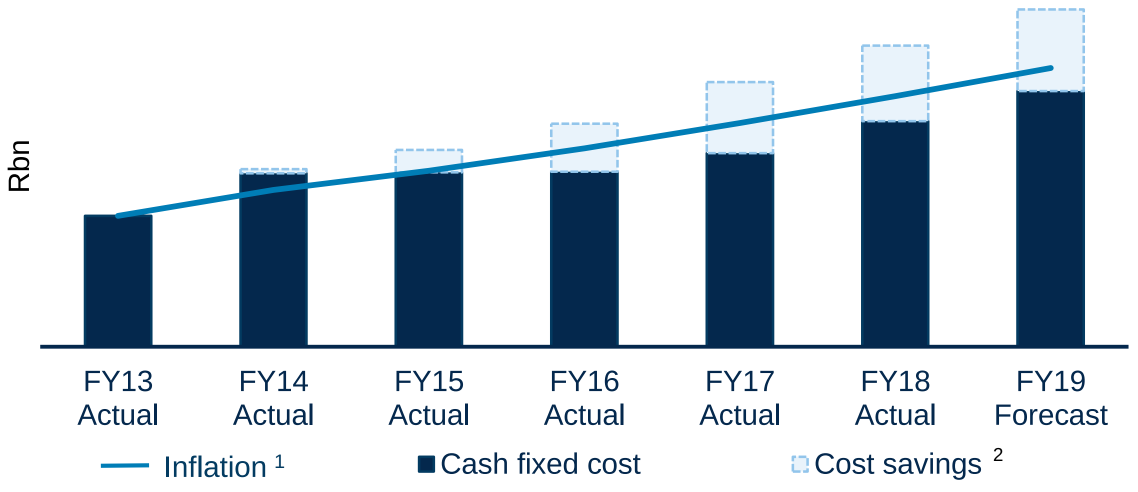
Stellar cost performance underpins our competiveness

- Historical cost base managed to below inflation target despite operational challenges and once-off costs
  - HY19 normalised cost below 6% inflation target
- FY18 real cost down 5% compared with FY13

Cost performance (excluding LCCP growth)



Robust cost management protects $35/bbl cost competitive position

- Our Continuous Improvement programme will further improve our robustness with digitalisation as a value enabler
  - R2bn of value has been unlocked with specific gross margin, cash fixed costs and balance sheet initiative
  - Completed industry benchmarks against global peers for the majority of functions and value chains

1. Off a FY13 base
2. BPEP, RP and Continuous Improvement savings

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Increasing our focus on sustainability to ensure long-term value

Environmental

- Committed to transition to a lower carbon footprint
  - Sasol has adopted and started aligning to the TCFD[1]
  - Specific focus on our climate change challenges to be included in 2019 Sustainability Report
  - Scenario analysis underway to test the robustness of our strategy
- Energy efficiency improvement of ~22% (off a 2005 base)
  - On track to meet our 30% target by 2030
- Founding member of Alliance to End Plastic Waste with a joint commitment of >US$1 billion

Social

- Sasol reached Level 4 B-BBEE[2] status, two years earlier than planned
  - Khanyisa transaction successfully implemented
- Market maker appointed to enhance SOLBE1 liquidity benefitting broad-based black shareholders
- Global spend of ~R0,4bn towards social investment programmes and ~R0,6bn in employee bursaries, learnerships and skills development
  - Funded 845 undergraduate and postgraduate bursars in South Africa

Sasol Oil tax judgement favourable, R1,3bn liability reversed

1. Task Force on Climate-related Financial Disclosures
2. Broad-Based Black Economic Empowerment

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Focused on delivering our strategy

OUR CURRENT PERFORMANCE…	WITH CLEAR FOCUS AREAS…	LEADS TO
Safety indicators trending positive, **regrettably two fatalities**	Improve our safety performance in pursuit of **achieving zero harm**	**EBIT GROWTH >5% CAGR[1]** through the cycle
Cash fixed cost under inflation target with working capital improvements	Maintaining our **low cost** and **working capital competitiveness** through Continuous Improvement	**ROIC[2] (US$) >12%** through the cycle
SSO operational challenges; **improved Mining and Natref** run rates	Drive **safe, reliable and stable** operations	**FCF per share >US$6[3]** in 2022
LLDPE and utility complex reached BO, LCCP **cost and schedule overrun**	**Delivery of LCCP** commissioning, operations and business readiness	**Dividend returns** 40% by 2022 **45% thereafter**
Successful bond issuance extends maturity profile; gearing tight but investment grade ratings sacrosanct	**Balance sheet management** to protect investment grade metrics and position the company for growth	

Focused approach to address near-term challenges

1. Compound annual growth rate
2. Return on invested capital
3. R840/bbl assumption

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FINANCIAL AND OPERATIONAL PERFORMANCE






Paul Victor

VALUE THROUGH FOCUS AND DISCIPLINE

February 2019

What you will hear today

- **Stellar cost** and improved working capital performance
- Gearing tight in FY19, **investment grade credit ratings** remain sacrosanct
- Continuous **balance sheet management** through effective hedging execution
- **Successful bond issuance** supports drive towards optimal capital structure
- Free cash flow inflection point **deferred to mid-FY20**
- FY19 outlook – specific focus areas to achieve our **compelling investment case**

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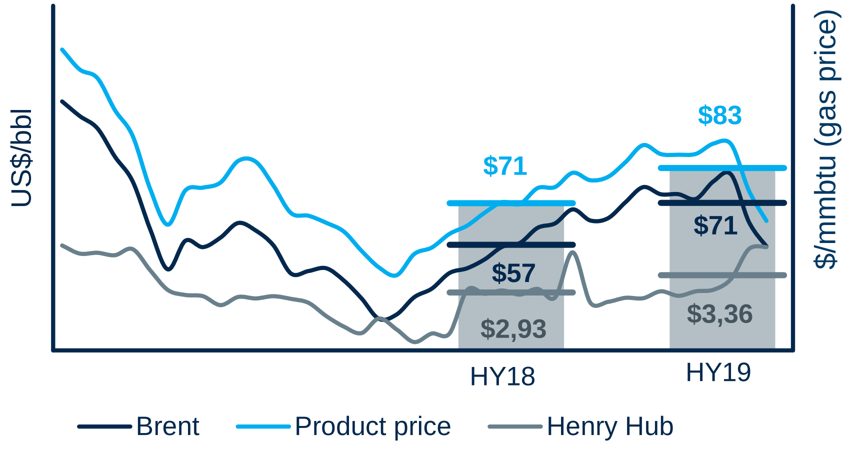
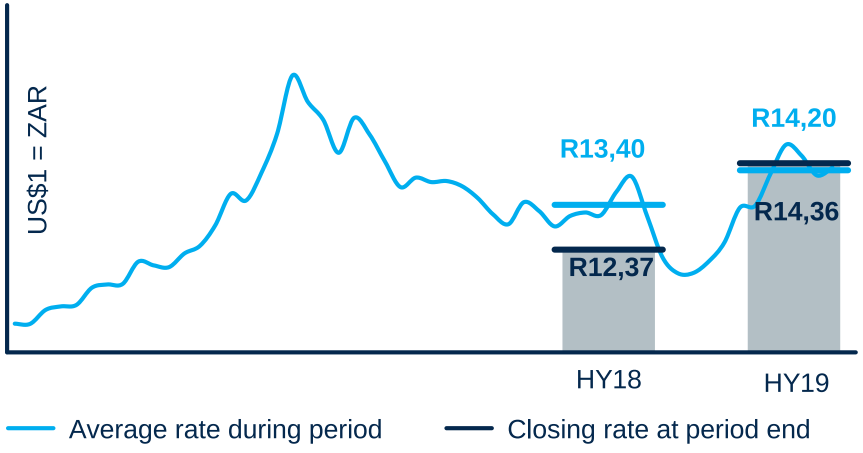
Managing macro economic volatility

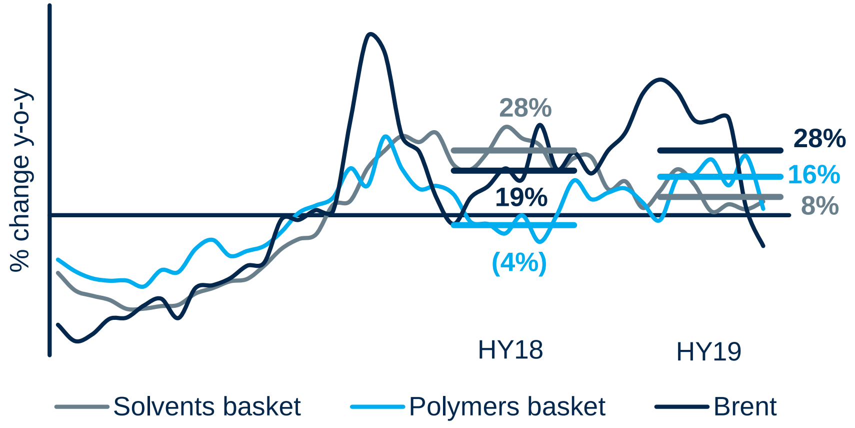
Brent crude oil prices volatility persists



Closing rate impacts gearing



Base chemical prices vs Brent



Product prices

US$/unit	Average HY19	% Δ vs PY
Brent/bbl	71,33	26▲
Fuel products/bbl	83,51	17▲
Base Chemicals/ton[1]	861	10▲
Performance Chemicals/ton[1]	1 828	6▲
Export coal/ton	96	12▲

1. Comparative restated for the transfer of Phenolics, Ammonia and Specialty Gases from PC to BC. Ammonia and Specialty Gases managed by Energy.

Product prices trending up

Prices reflect international commodities or baskets of commodities and are not necessarily Sasol specific
Sources: RSA Department of Energy, ICIS-LOR, Reuters, Platts, International Energy Agency

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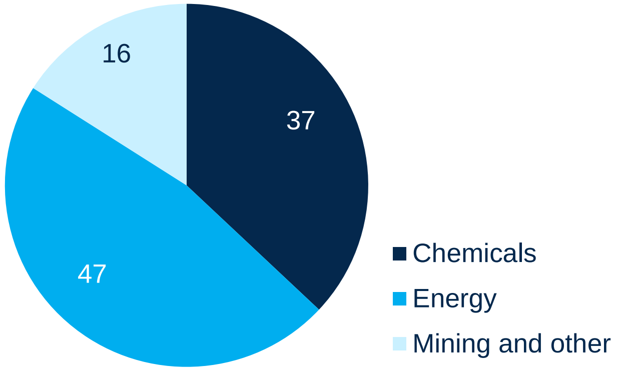
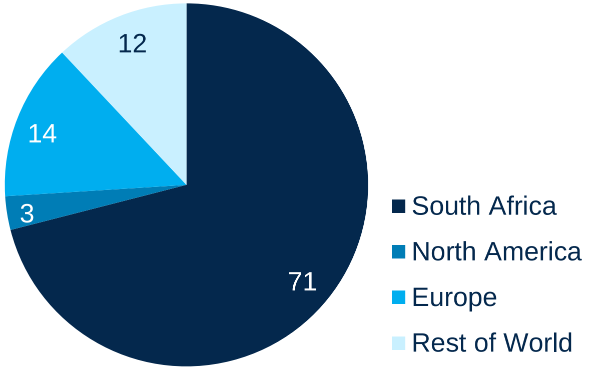
Strong earnings performance

	HY18	HY19	% ∆
Mining	2 864	**2 661**	7▼
Exploration and Production International (EPI)	(2 649)	**764**	>100▲
Energy	5 748	**9 565**	66▲
Performance Chemicals (PC)	3 889	**3 599**	7▼
Base Chemicals (BC)	2 541	**3 076**	21▲
Group Functions	(607)	**1 126**	>100▲
EBIT (Rm)	11 786	**20 791**	76▲
EBITDA[1] (Rm)	24 178	**26 655**	10▲
Earnings per share (R)	11,29	**23,92**	>100▲
Headline earnings per share (R)	17,67	**23,25**	32▲
Core headline earnings per share (R)	18,22	**21,45**	18▲
Dividend per share (R)	**5,00**	**5,90**	18▲
Capital expenditure (Rbn)	27,7	**30,4**	10▲

EBITDA (%) by product



EBITDA (%) by geography



Underlying cash generation remains robust, Core HEPS▲18%

1. Excluding share based payment , unrealised hedging gains/losses & remeasurement items

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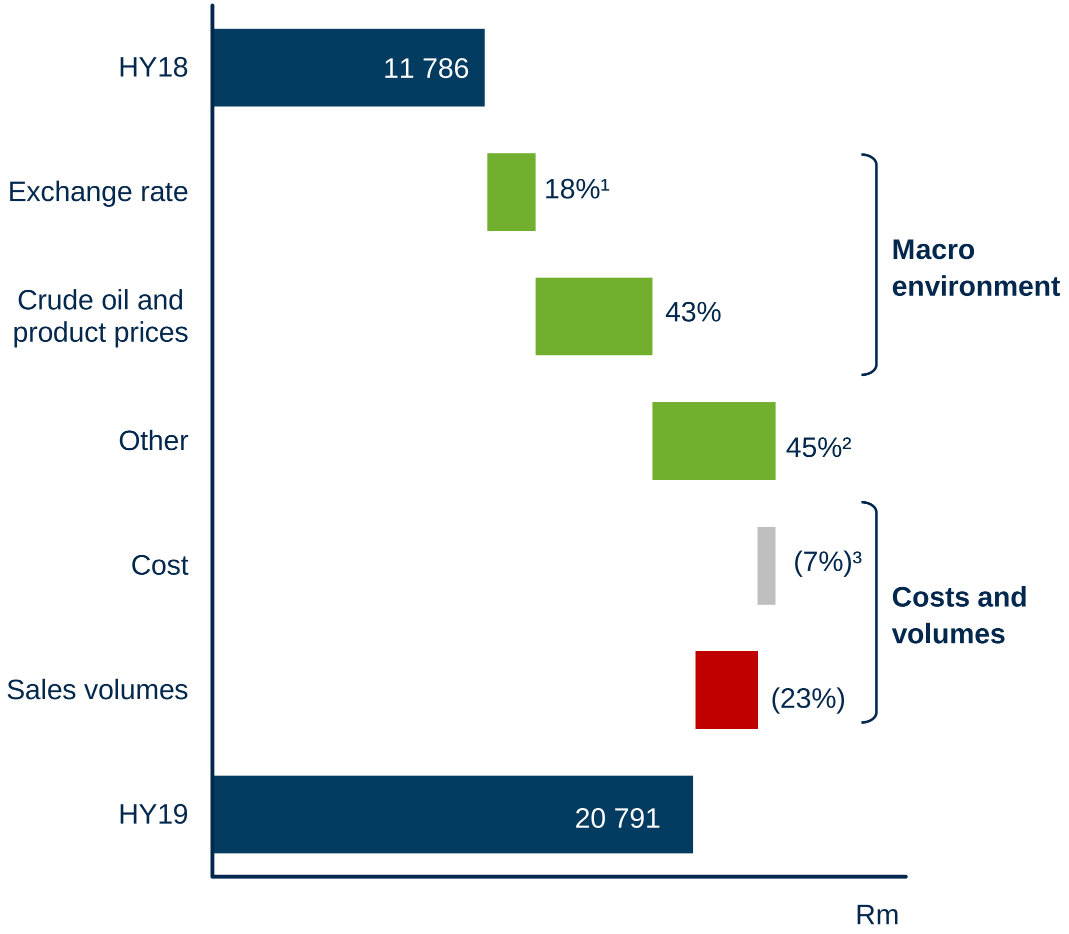
EBIT benefiting from higher rand oil prices



TAILWINDS

- Normalised cash fixed costs below inflation target
- Weaker average exchange rate
- Higher crude oil and product prices
- Lower remeasurement items

HEADWINDS

- Sales volumes impacted by extended SSO shutdown
- Ethylene feedstock supply constraints in Europe
- LCCP fixed cost incurred with delay in corresponding income

1. Includes inflation offset
2. Includes lower remeasurement items and hedging gains
3. Mainly higher growth costs, partly offset by lower electricity consumption after start-up of 17th oxygen train at SSO

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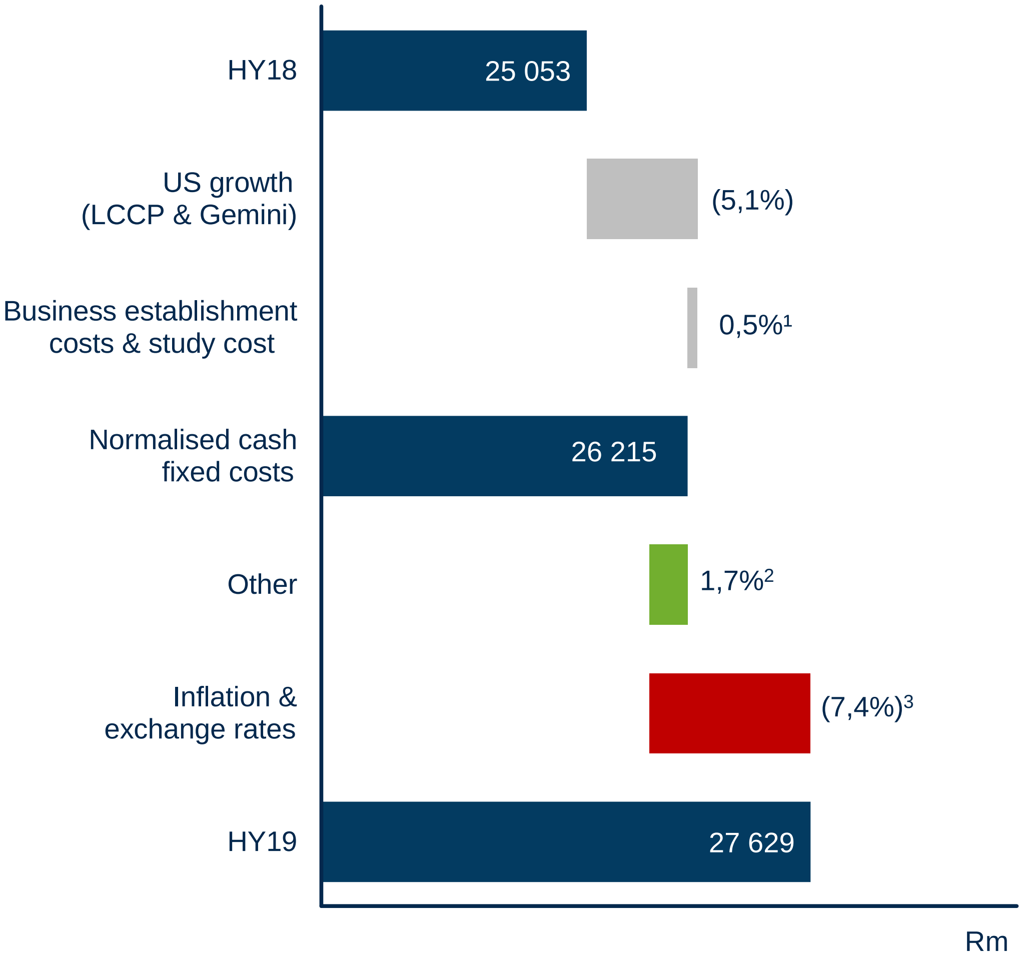
Normalised cash fixed cost managed below inflation target



TAILWINDS

- Focused cost management
- Lower unplanned production interruptions during this period
- Continuous Improvement programme delivering savings

HEADWINDS

- LCCP cost ramping up
- Increase cost associated with the extended shutdown at SSO

1. Includes lower electricity cost after start-up of 17th oxygen train, partly offset by higher study cost
2. Early savings realised as a result of Continuous Improvement & digitisation efforts and cost management
3. Includes exchange rate of 1,4%

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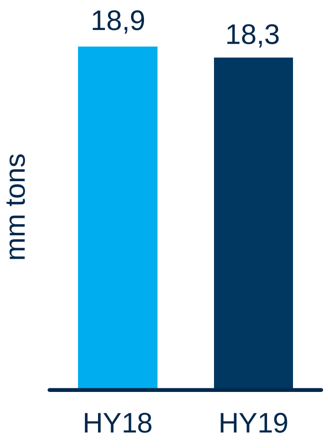
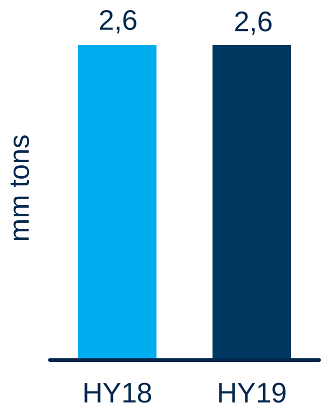
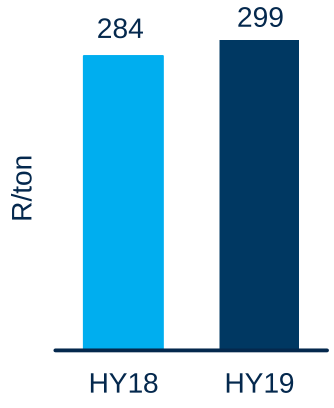
Satisfactory operational performance



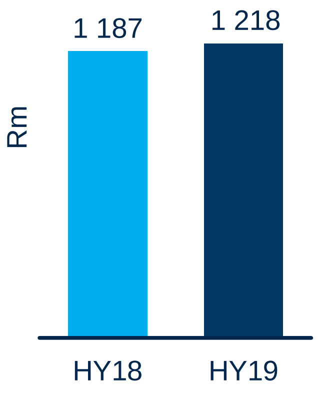
Production



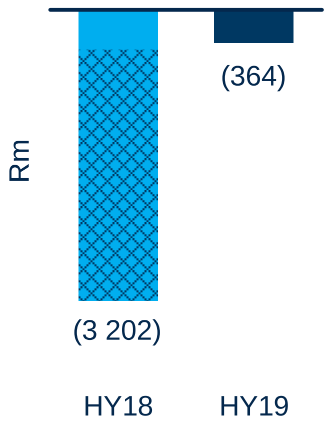
External purchases



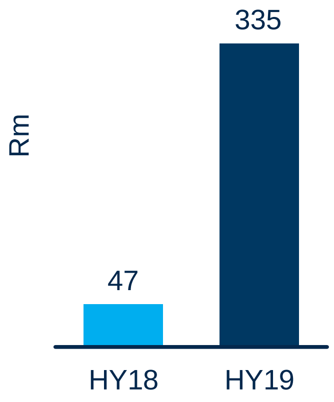
Unit cost/production ton



Mozambique[1]



Canada[1]



Gabon[1]

MINING

- Productivity improved by 8%
- Unit cost up 5% due to lower production
- 12% higher export coal price, offset by 6% lower export volumes

EPI

- Increased normalised EBIT to R812m excluding remeasurement items and translation
- Stable Mozambique operations underpins value delivery
- Gabon benefiting from higher sales prices and 3% higher production

Impact of impairment

Continued focus on improving productivity

1. EBIT of producing assets

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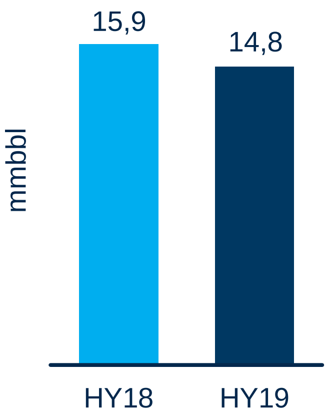
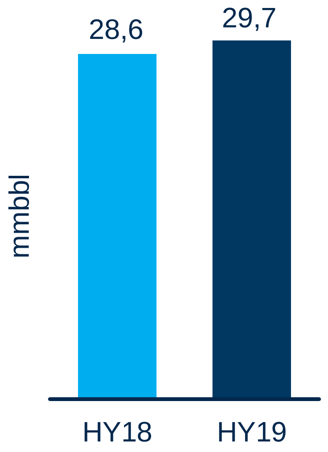
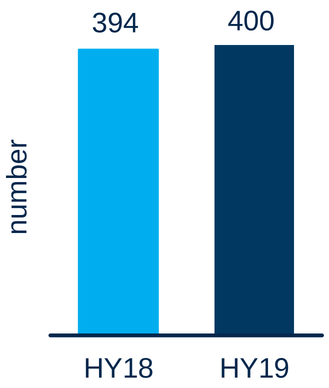
Liquid fuel sales up 4%



Synfuels refined products

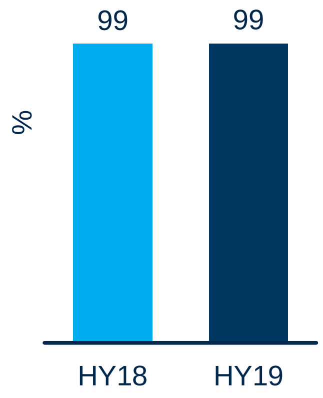


Liquid fuels sales

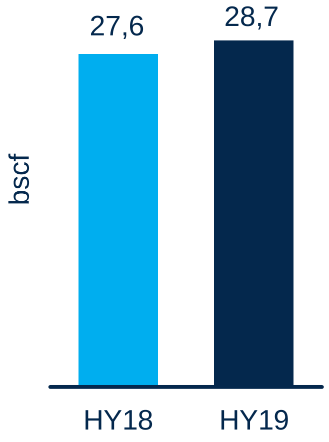


Retail Convenience Centres

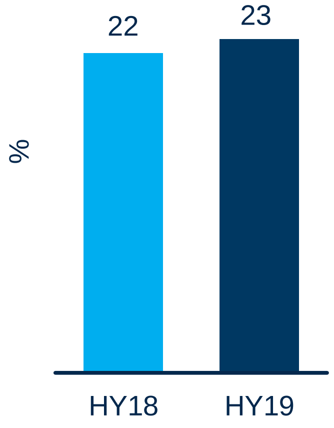
ORYX GTL achieved 99% utilisation



ORYX utilisation



Gas sales



Normalised EBIT margin[1]

ENERGY

- Normalised EBIT up 38% to R10bn
  - Benefitted from higher rand oil offset by extended SSO shutdown
- Liquid fuels sales increased by 4% due to higher wholesale and commercial sales
- Natref achieved 43% higher production run rate of 641m³/h for H1 FY19
- Petrol differential 43% lower, diesel differential 20% higher
- Target completion of 15 Retail Convenience Centres for FY19

1. Normalised for remeasurement items, translation effects and Khanyisa IFRS2 charges

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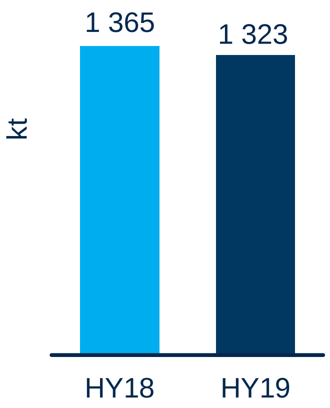
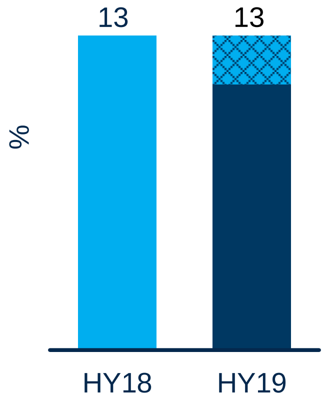
Resilient prices offset by lower volumes

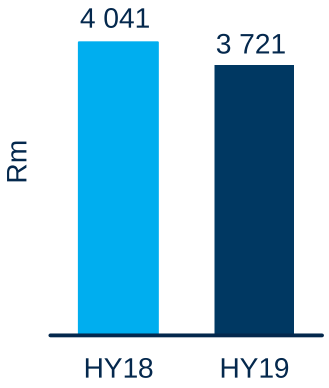
PC margins remain strong in rand terms



Sales volumes[1]



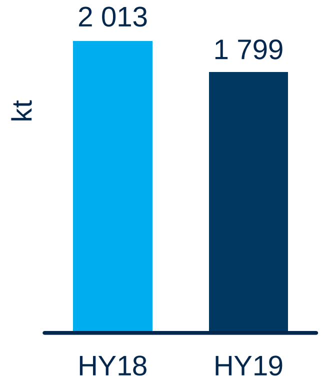
Normalised EBIT margin[1,2]



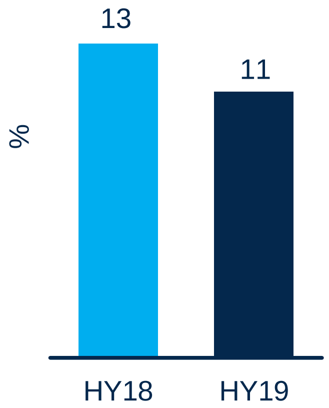
Normalised EBIT[1,2]

PERFORMANCE CHEMICALS

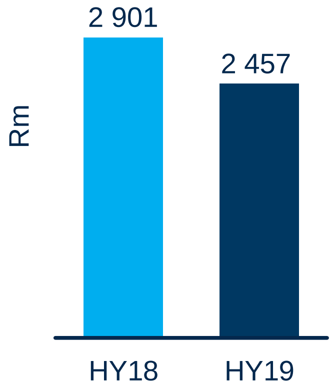
- European and US margins remains strong in rand terms
- Sales volumes impacted by external ethylene supply force majeure in Europe and extended SSO shutdown
- Robust margins and demand in inorganics business
- Normalised for the impact of the force majeure, SSO shutdown and ethane / ethylene price contraction



Sales volumes[1]



Normalised EBIT margin[1,2]



Normalised EBIT[1,2]

BASE CHEMICALS

- Chemical basket price up 10%, with significant increase in US basket price
- Sales volumes decrease due to the extended SSO shutdown and lower fertiliser demand
- Strong H2 FY19 performance supports 1% lower full year sales volumes

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, translation effects and Khanyisa IFRS2 charges

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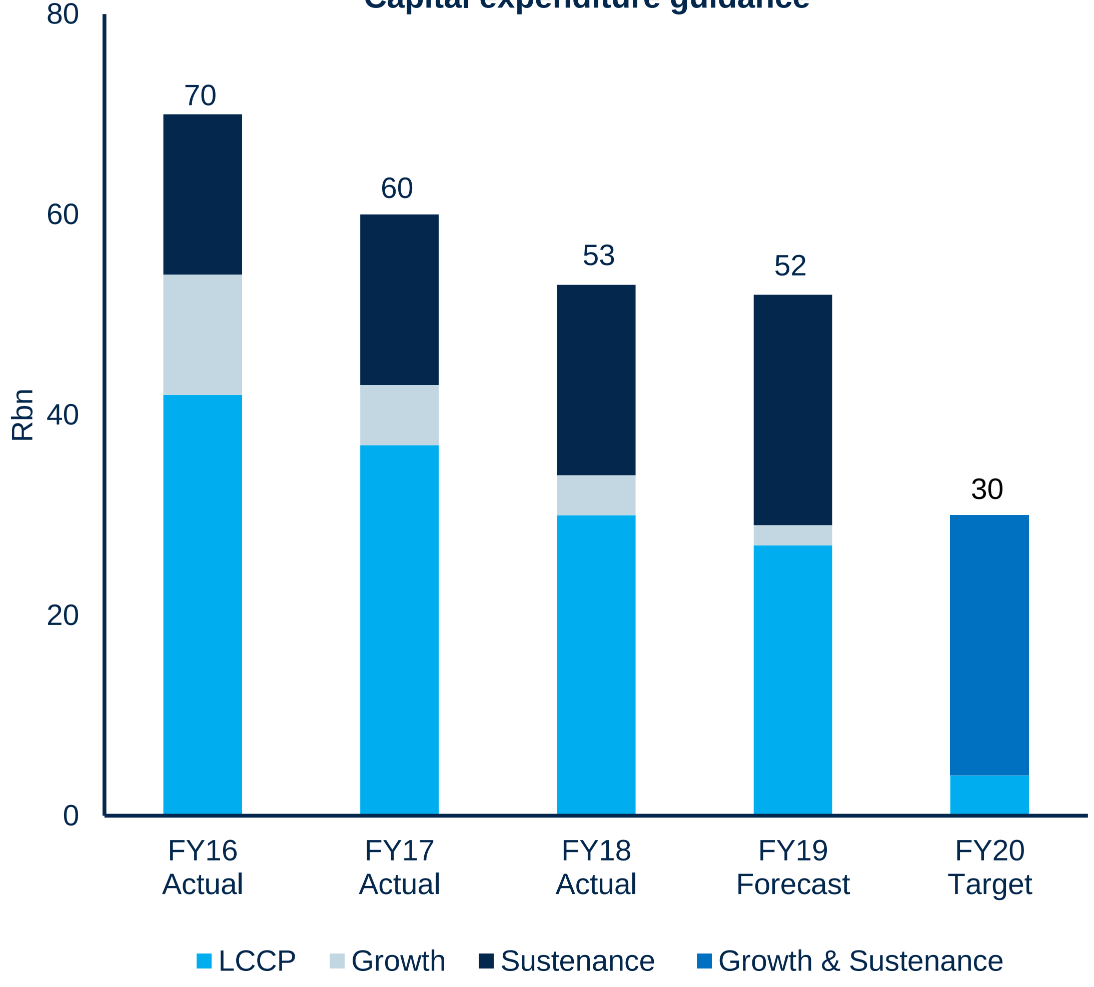
Reducing capital expenditure enables deleveraging

Free cash flow inflection point in mid-FY20

Capital expenditure guidance



- Capital expenditure optimised to prioritise LCCP
- LCCP capital expenditure guidance
  - US$1,1bn in H1 FY19
  - US$0,8bn in H2 FY19
- Forecast based on R14,10/US$ for FY19 and R13,25/US$ FY20
  - Capital estimates may change due to exchange rate volatility
  - 10c change in exchange rate equals R250m impact on capital expenditure in FY19
- FY20 capital portfolio optimised to ensure effective balance sheet metrics

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Focused balance sheet management protecting investment grade credit ratings

FINANCIAL RISK MANAGEMENT

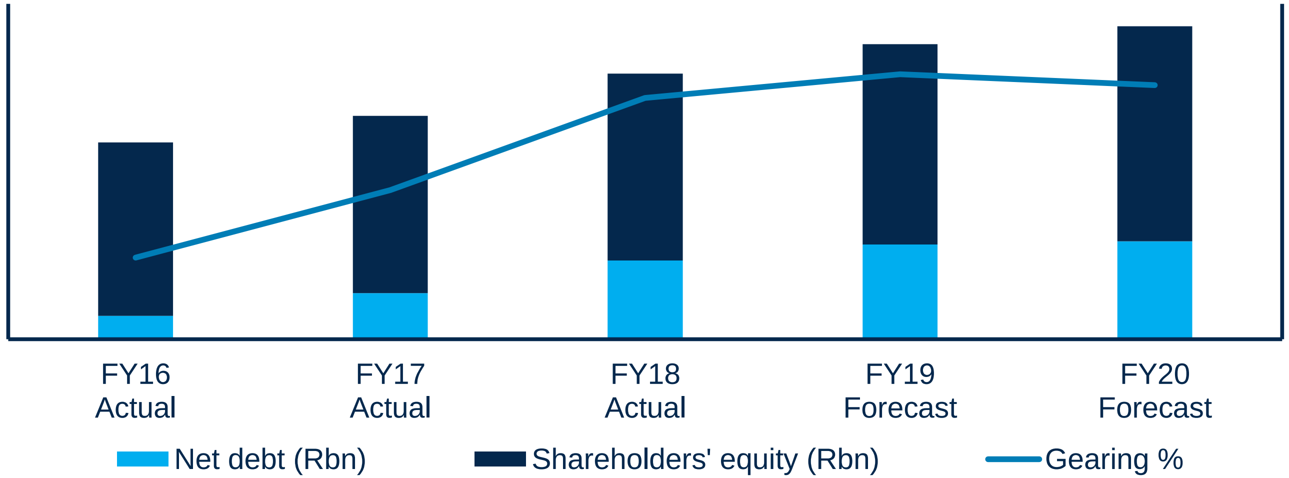
- Access to liquidity of ~US$2bn equivalent – sufficient for LCCP completion
- Gearing to peak at 48,9% in FY19, impacted by exchange rates (2%) and LCCP cost and schedule (2%)
  - Successful hedging program underpins balance sheet protection
- Debt metrics expected to remain within covenants thresholds

CAPITAL STRUCTURE

- Successful bond issuance extends maturity profile and diversifies sources of funding
- Dividend for HY19 declared in full, reflecting commitment to shareholders
  - Dividend step up to 40% pay-out by FY22, and 45% thereafter, remains on track
- Disciplined capital allocation framework unchanged as we execute strategy

Dividend maintained, reflects shareholder commitment

Changing composition of growing balance sheet



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A defining FY19

UPSTREAM	• Focus on safety and stability of mining operations as productivity increases • PPA gas production **114-118 bscf**
PERFORMANCE CHEMICALS	• Sales volumes (excluding LCCP) **1-2%** higher than FY18 • Start-up of ethoxylation plant in China in second half of FY19
BASE CHEMICALS	• Sales volumes (excluding US produced products) **1%** lower than FY18 • US HDPE plant to contribute for full year, utilisation rate **~80%**
ENERGY	• Liquid fuels sales **~57-58 million** barrels • ORYX GTL average utilisation of **~90%**
LCCP	• LLDPE, EO/EG and utility systems on line • EBITDA loss of **~US$165m-US$195m**
GROUP	• Normalised cash fixed costs to remain below inflation target of 6% • Gearing to range between 45-49%, Net Debt to EBITDA to range between 2,0x-2,3x • Capital expenditure of **R52bn** as we execute our growth plans and strategy

Delivery on commitments sets the platform

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QUESTIONS AND ANSWERS

VALUE THROUGH FOCUS AND DISCIPLINE

February 2019