



**SASOL KHANYISA PUBLIC (RF) LIMITED**  
**FINANCIAL HIGHLIGHTS – YEAR ENDED 30 JUNE 2020**

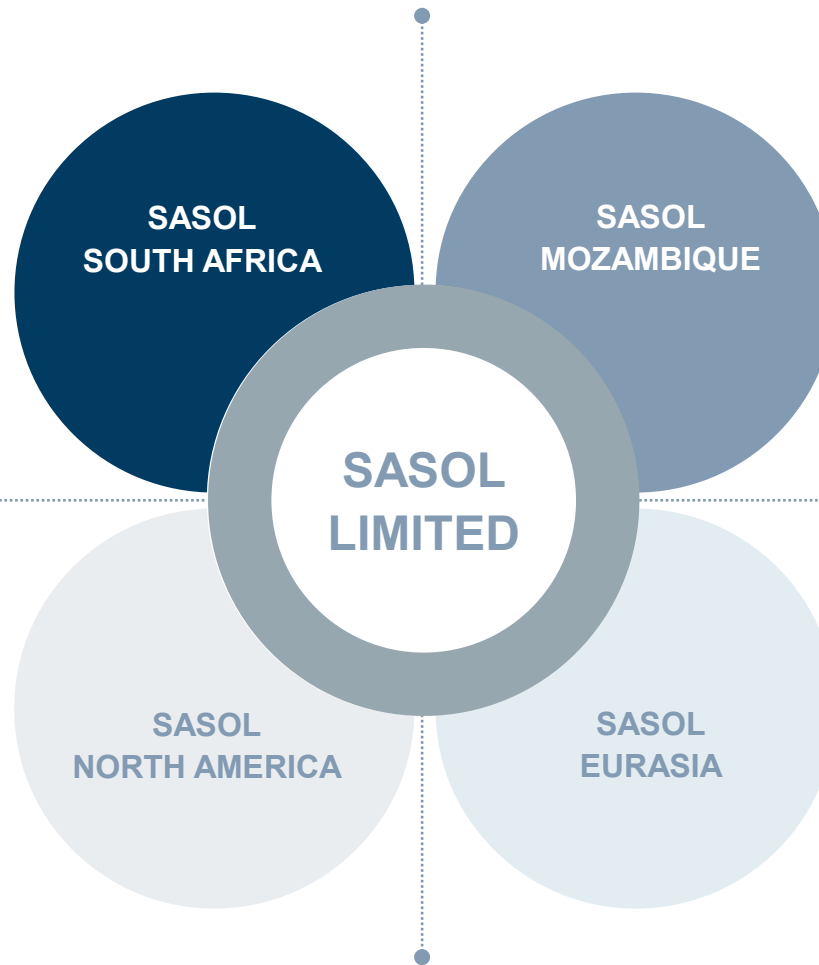
31 October 2020

# Agenda

- Sasol South Africa in context
- Sasol South Africa salient financial performance features
- Factors impacting Sasol South Africa's performance
- Sasol Khanyisa Public salient financial performance features
- Vendor funding – cumulative value as at 30 June 2020

# Sasol South Africa Limited

- Secunda Synfuels Operations
- Secunda Chemicals Operations
- Sasolburg Operations
- Sasol Gas (Energy) and Rompco
- Satellite Operations
- Group Technology
- Sasol Group Services



- Sasol Mozambique Temane Operations
- Sasol Exploration & Production International

- Existing Lake Charles Operations
- Lake Charles Chemicals Project

- Germany Operations
- Italy Operations
- ORYX GTL, Qatar
- China Operations

# Sasol South Africa salient financial performance features



## Company value

**R94 billion**



## Turnover

**R88 billion**



## Capital expenditure

**R13 billion**



## Dividends

FY19 interim – R3,3 billion  
FY19 final – R2,2 billion  
FY20 interim – R5 billion  
FY20 final – R2 billion



## Impact of Sasol Limited's performance on Sasol South Africa's financial results

- Sasol has significant debt levels, largely as a result of the capital expenditure required for the Lake Charles Chemicals Project (LCCP)
- This debt is with various international banks and Sasol is obligated to repay this debt according to agreements with these banks.
- Part of these debt agreements requires that Sasol meet certain conditions imposed by the lending banks to ensure it is able to repay this debt as these payments become due.
- To provide assurance to these banks, Sasol has to provide them with information on the measures the Company has taken to ensure it has the ability to repay this debt.

# Factors impacting Sasol South Africa's performance



**1 JUL 19 –  
31 DEC 19**

- Brent crude oil price trading between US\$55/bbl and US\$65/bbl – impacted by geopolitical tensions
- Already soft global and local chemical trading prices
- Higher input costs due to operational challenges faced by Sasol Mining, key supplier to SSA

**1 JAN 20 –  
29 FEB 20**

- Brent crude oil price trading between US\$50/bbl and US\$55/bbl – impacted by heightened geopolitical tensions
- Already soft global and local chemical trading prices
- Softer global and local chemical trading prices

**1 MAR 20 –  
30 JUN 20**

- Brent crude oil price trading at average of US\$28,9/bbl, lowest closing price of US\$13,24/bbl – mainly resulting from oversupply from OPEC+ key members
- Softer global and local chemical trading prices deteriorated further
- Sasol and RSA downgraded by ratings agencies – end of March 2020
- RSA 5-week full lockdown due to COVID-19 – minimal demand for SSA products, resulting in Synfuels cut back in production (7,4mt for FY20 compared to 7,8mt for FY19)
- Gradual re-opening of RSA economy – continued adverse impact on sales volumes

**OUTLOOK  
IMPACTED  
IMPAIRMENTS**

- Brent crude oil price outlook adjusted significantly lower to US\$35/bbl to US\$45/bbl
- Global and local chemical prices to remain soft
- WACC rate increased significantly to 14,22%



## Group's portion of fair value of SSA R1 billion

What is Sasol Khanyisa Public group's portion of the estimated value of the SSA group?

- SKP portion ▼ from R8,1 bn to R1bn
- Represents 9,2% of fair value of SSA ▼ significantly to R11,4bn.
- SSA financial results impacted by COVID-19, severe fall in oil and chemical prices.
- Weak macro-economic environment mitigated by cash cost, working capital and capex performance.



## Loan balance R8,6 billion

Why is the debt increasing?

- Net debt increasing because portion of SSA dividends (97,5%) is less than the interest accrued on debt owed to Sasol to date.
- This is to be expected in the initial stages of the transaction.
- Repayment of debt driven by SSA's ability to generate free cash flows.
- Debt is expected to decrease as SSA generates free cash flows exceeding interest on debt.

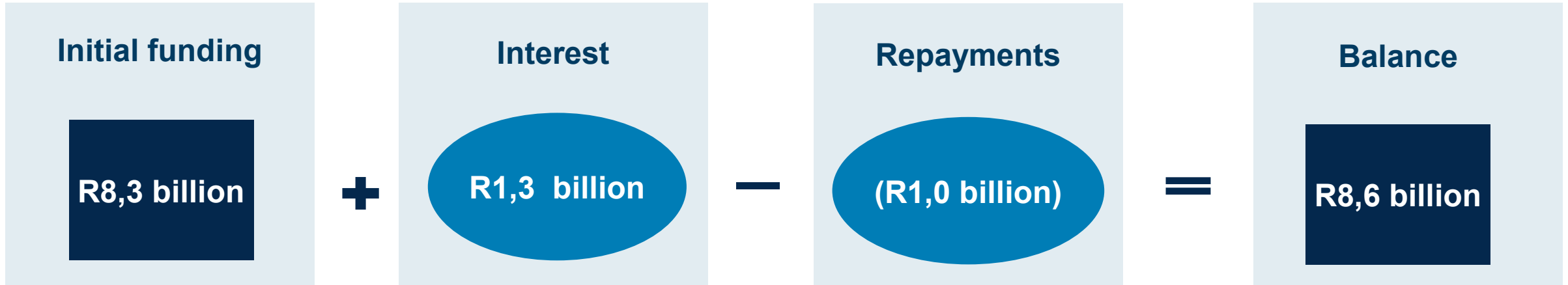


## Dividends FY20 final R4,6 million

What impact did the Lake Charles Chemicals Project cost over-run have on the dividends declared by SSA to Sasol Khanyisa?

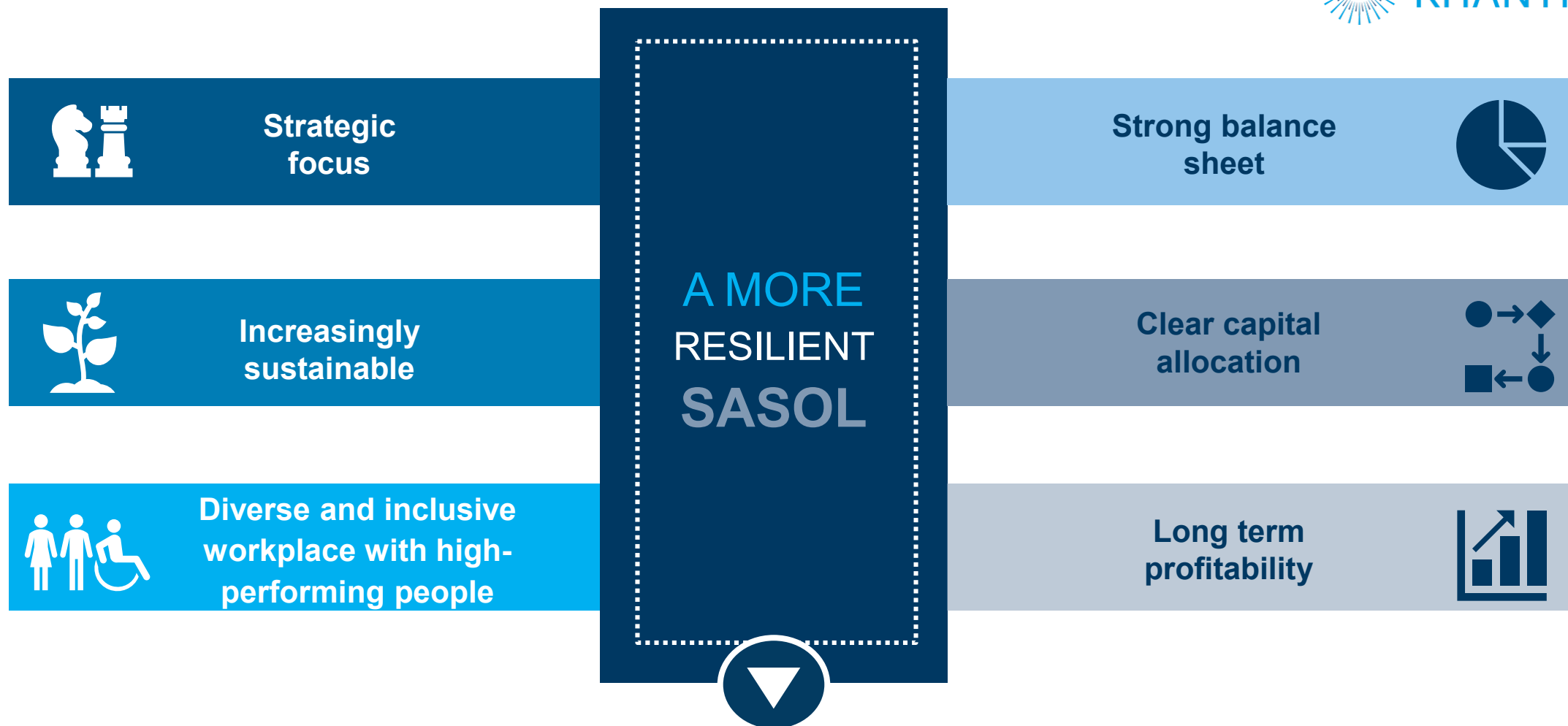
- Dividends calculated from operations in South Africa and not impacted by LCCP.
- SSA's underlying businesses are Sasol Synfuels and Chemicals Operations in Secunda, and Sasolburg Operations in Sasolburg.

# Vendor funding – cumulative value as at 30 June 2020



Interest rate – 5,25% (current prime interest rate 7%)

Repayment terms – 2028 or earlier



Sasol Khanyisa participants expected to benefit as SSA will be positively impacted by strategic reset to become a leaner and more competitive company in a sustained low oil price environment delivering increased cashflows and delivering value to all its stakeholders





**QUESTION AND ANSWER SESSION**