

**EVP OPERATIONS AND PROJECTS SOUTHERN AFRICA -  
VICTOR BESTER**

**CAPITAL MARKETS DAY 2025  
SCRIPT**

**TUESDAY, 20 MAY 2025  
JOHANNESBURG**

## Slide 33: Victor Bester | Restore Southern Africa



**Victor Bester**  
Executive Vice President: Operations and Projects

### RESTORE SOUTHERN AFRICA

- © Improving coal quality
- © Restoring gasification performance
- © Optimising our cost base

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Thank you, Antje. Thank you, Simon and Walt, for setting the context and for providing a holistic overview of the business. Good day ladies and gentlemen, we will now take a closer look at the Southern Africa business.

## Slide 34: Restore Southern Africa



As we reflect on the past year, we do so with a deep sense of responsibility and commitment.

Our High Severity Incident programme is delivering results, which shows a decline in serious incidents, which is a testament to our teams' dedication and the effectiveness of targeted interventions.

At Natref and Sasolburg we are improving asset management practices, setting the stage for long-term operational reliability, and competitiveness aligned to industry benchmarks.

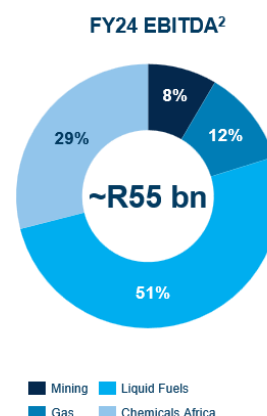
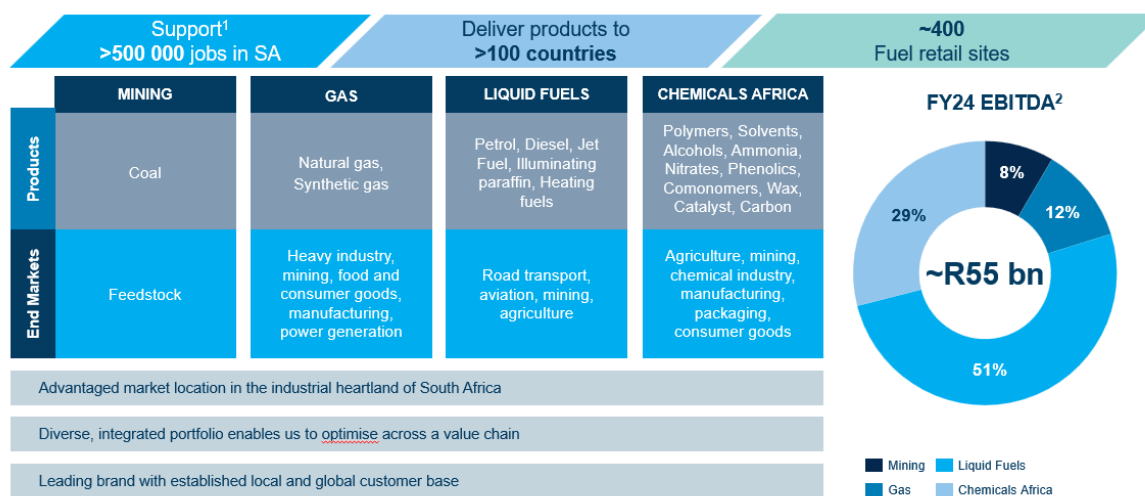
But Secunda is the subject of this deep dive - more specifically the key aspects that impact performance. These are:

1. Improving coal quality
2. Restoring gasification performance, and
3. Optimising our cost base

All of this is done to achieve our ambition to be competitive, delivering a nominal oil breakeven price of \$50/bbl by FY28, which includes capital.

## Slide 35: Restore Southern Africa

### Southern Africa Business | Who we are



So let's take another look at the Southern African business, and I'm sure you know the Southern Africa business well. The Southern Africa Business is the cornerstone of Sasol. It is characterized by significant value and of strategic importance to the country.

Key features of the business are:

1. It has an advantaged market location in the industrial heartland of South Africa
2. Its diverse and integrated portfolio enables us to optimise across the entire value chain
3. A leading brand with established local and global customers

This is not just a good business but a strategically advantaged one with immense potential. We recognize that our recent performance has not been reflective of this potential, leading to questions about its future.

But I must state and clarify that this is not a broken business. We are dealing with a specific set of issues that we understand and are working to address them.

In the next section, I will outline our plan to restore business performance to historic levels.

## Slide 36: Unlocking the value from the Southern Africa value chain

### Unlocking the value from the Southern Africa value chain



Unlocking value in the SA business is anchored in feedstock, operations and marketing & sales. With feedstock and operations being the largest levers at our disposal.

We know Secunda operating at full capacity with affordable and high-quality coal represents an exceptional business. However, a 9% reduction in throughput has a significant impact.

Which has really prompted us to launch an extensive investigation to identify and understand the causes leading to this level of underperformance.

The primary causes are escalating cost and a decline in coal quality. The sustained decline in coal quality has adversely affected gasification.

To address this, we are following an integrated approach spanning Mining downstream facilities with a focus on targeted reliability interventions to reverse this trend.

Finally, for the overall business we are managing costs below inflation for enhanced profitability.

So let's dive into the specific areas.



## Slide 37: Shifting to a quality first approach



And let's start with Mining – here the background matters. For many decades the Mining business benefited from favorable geology, shaping a business that could deliver volumes at competitive cost.

However, as Mining develops reserves further away, we encountered complex geology that required pro-active mine deployment and or reactive beneficiation. Unfortunately, our response to these changes has not been timely.

While current benchmarks indicate that we are one of the lowest cost producers of coal in SA, the true cost of maintaining quality has eroded one of Secunda's key competitive advantages, i.e. inexpensive fit-for-purpose feedstock.

Poor quality of coal has a dual impact on the business:

- It reduces the gas yield at gasification – meaning we produce less gas per gasifier
- It damages equipment leading to longer downtimes and fewer gasifiers available for production.

In response we have shifted to a quality 1<sup>st</sup> approach, balancing quality, volume and cost to restore Secunda's competitive advantage. I will now unpack each one of these Mining levers:

## Slide 38: Our holistic approach to improving coal quality and mining performance

### Our holistic approach to improving coal quality and mining performance



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### Starting with Quality

We have commenced construction of the destoning project. The successful delivery of the project is the most significant lever to improve coal quality.

In broad terms, the scope of the project is to retrofit and repurpose our existing Twistdraai Export Plant to destone Thubelisha run of mine (ROM) and 30% of the Bosjespruit coal to route, this combined feed will go to gasification for the production of pure gas. This is a low risk, cost-effective solution that will come onstream by the end of this calendar year.

We are currently testing real-time quality analyzers to allow for in time decisions to improve blending capabilities.

Together, these improvements represent a significant shift in the operating philosophy to improve our coal quality, both from a blend composition and variability perspective.

Moving on to how we are addressing the volume problem:

We are resetting selected Mining fundamentals to meet expected Secunda demand with increased drilling for improved reserve interpretation.

This will enable effective mine planning and the timely establishment of required infrastructure deployment, which is supported by our current capital plans.

And with improved geological understanding, we can proactively plan stonework, ensuring flexibility in mine execution.

But this approach still requires us to supplement supply with competitive external purchases.

#### Proceeding to the cost of Coal

Here our goal is to maximise production from our own low-cost sources leveraging our operating efficiencies.

And we have implemented a few operating efficiencies, like the Walk-On Walk-Off operations (WOWO) at a few of our mining sections. This initiative employs two continuous miners per section, to minimize downtime.

Coupled to these efficiency improvements are actions to address the competitiveness of specific internal sources. Here trade-offs are considered to substitute or supplement volumes with competitive external purchases.

#### Moving on to our Long-term supply

Here, we are developing solutions to extend supply beyond 2030 as we face the depletion of existing collieries. Isibonelo will cease deliveries by December 2025, and our Bosjesspruit operation is expected to close by 2030.

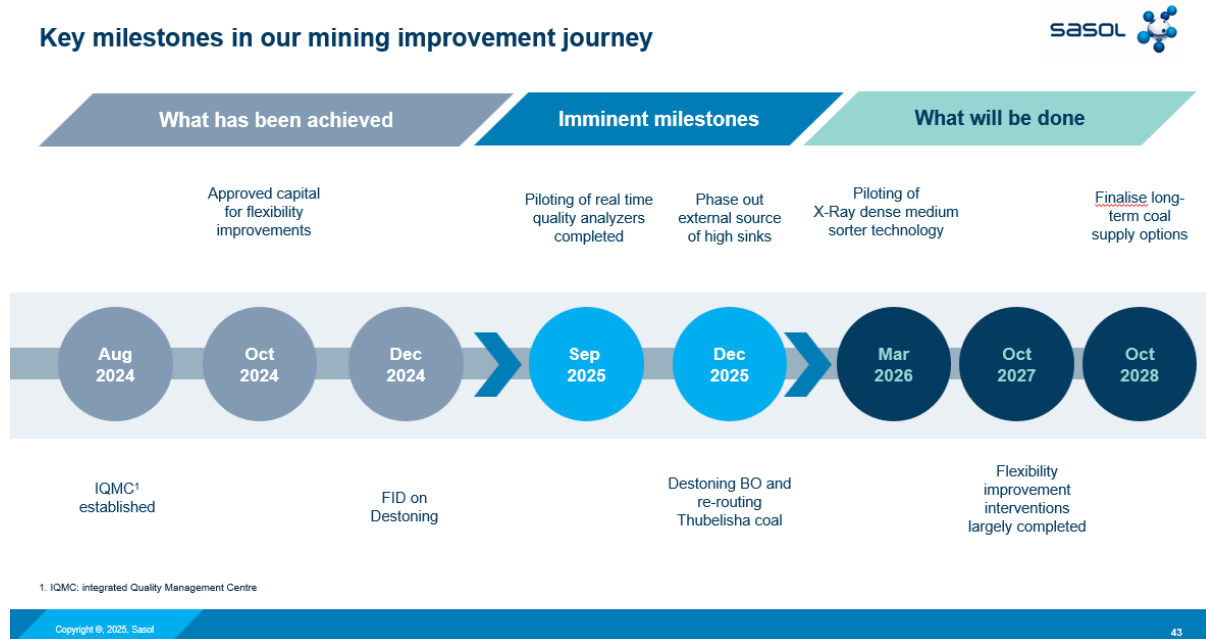
To address this, we are following a multi-phased approach to evaluate both internal and external supply options. These include:

- Developing own reserves
- Procuring external coal, and
- Forming strategic partnerships to unlock future supply

We have shortlisted several potential suppliers, and we will compare internal and external options to determine the most reliable and cost-effective path forward.



## Slide 39: Key milestones in our mining improvement journey



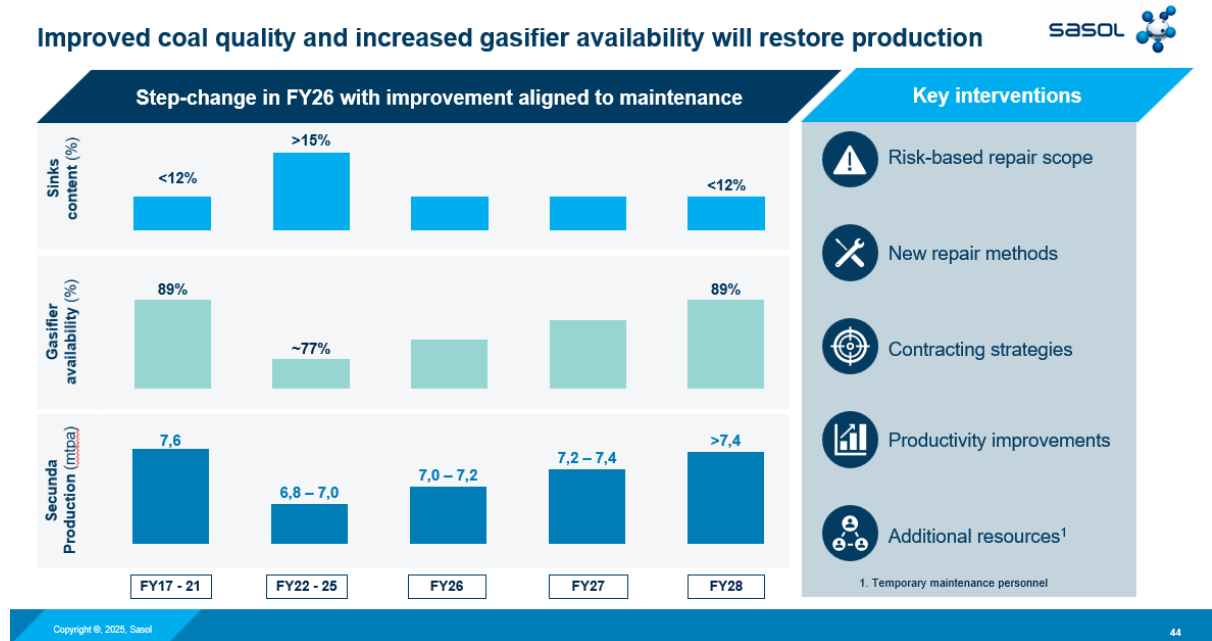
As you can see we have translated our action plans into a comprehensive and realistic roadmap with key milestones – some have been achieved, some are about to be achieved and others in the long term. I will highlight a few.

In August 2024, we established a world class Integrated Quality Management Center and combined with real time analysers, this will be a key operational lever for our quality 1<sup>st</sup> approach.

Simon mentioned we took the Financial Investment Decision for the Destoning project and expect Beneficial Operations by the end of this calendar year.

And in October 2028 we will finalize long term coal supply options.

## Slide 40: Improved coal quality and increased gasifier availability will restore production



Now, moving on to Gasification.

With the destoning project coming onstream it is important to note we will see an immediate and measurable increase in gasifier yield.

Though I must state, that production levels will still be limited by gasifier availability. This is due to longer gasifier maintenance durations which are caused by high wear and tear rates associated with poor coal quality. And we have seen outage durations have increased from 65 to 135 days per gasifier.

We have a fleet of 84 gasifiers and under normal circumstances we expect 75 to be online at any given time. However, over the past 4 years this number dropped to 65 – 70 gasifiers, representing a significant drop in our production capacity.

The good news is we are working on the restoration of gasifier availability. And we have a set of levers that we are working on lever to achieve this:

1. We are taking a risk-based approach to restore integrity and reliability
2. We deployed new repair methods
3. Optimised contracting strategies for competitive outcomes
4. Implemented productivity improvements
5. Added additional but temporary resources to catchup on the maintenance backlog

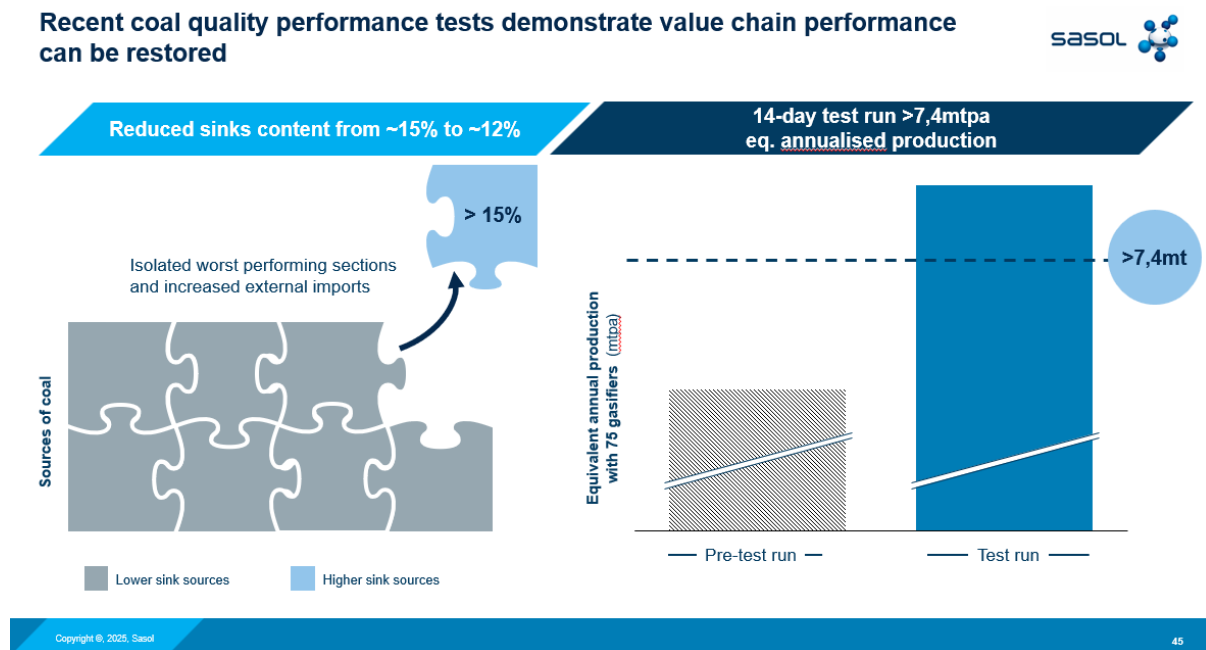
These interventions, with improved coal quality will result in an average maintenance outage duration of 65 days.

In the graph you see the correlation between sinks, gasifier availability and total production. It shows, that over the FY22-25 period there was a step increase in sinks

with a decrease in gasifier availability that resulted in lower overall production for Secunda Operations, relative to where we were prior to that period.

That being said, with destoning and the increase in gasifier availability we expect a ramp up of Secunda production to more than 7.4mt in FY28.

## Slide 41: Recent coal quality performance tests demonstrate value chain performance can be restored



This particular slide is an illustration of our recent coal quality efforts show our value chain performance can be restored

We recently performed a test run to validate the impact of coal quality on gasifier yields. This was done by isolating high sink sources. If I could explain this, what this represent the puzzle pieces, is basically a coal blend which consists of coal from different sources and we make it up for a recipe to feed into the gasifiers and in this instance we isolated high sink sources and replaced it with low sink sources.

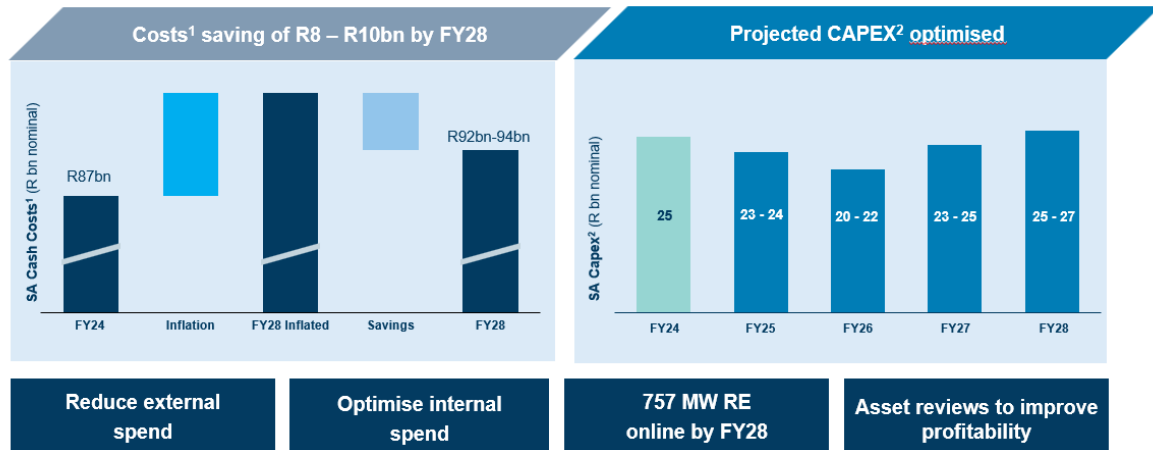
What that demonstrated is on the graphs on the right, you can see the period before the test run, what the gasifier yields were, and during the test run which is the darker blue bar, what the yields were during the test run. This was done over a 14 day period.

The graph shows the equivalent annual production of the period before the test run and during the test which is the darker blue bar. Extrapolating this result for 75 gasifiers over a year confirms that we can produce more than 7.4mt out of the Secunda facility.

The destoning investment , the focus on gasifier availability will restore Secunda's production levels to where we want it to be, more than 7,4 mt

## Slide 42: Further sustainable savings planned

### Further sustainable savings planned



1. Includes fixed and variable cost – excludes external feedstock and white product purchases.  
2. Includes Corporate Centre-related capex

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Regarding cost, Walt has covered some of this and I will talk to some of it as well. Our business is characterised by high revenues with low conversion to FCF due to our cost and capital structure. We know this and recognize this and more needs to be done to increase conversion to cash.

Our recent history demonstrates our ability to manage costs below inflation and we aim to build on this. Going forward we will:

- Focus on the efficiency and cost effectiveness of both internal and external spend. We will keep cash costs below inflation, by targeting a cash cost saving of between R8-10bn by FY28, whilst keeping our capital expenditure below R27bn
- We will ramp-up renewables by 757 MW, this in an effort to lower our increasing utility costs
- Focus our efforts on assets that continue to add value to our portfolio

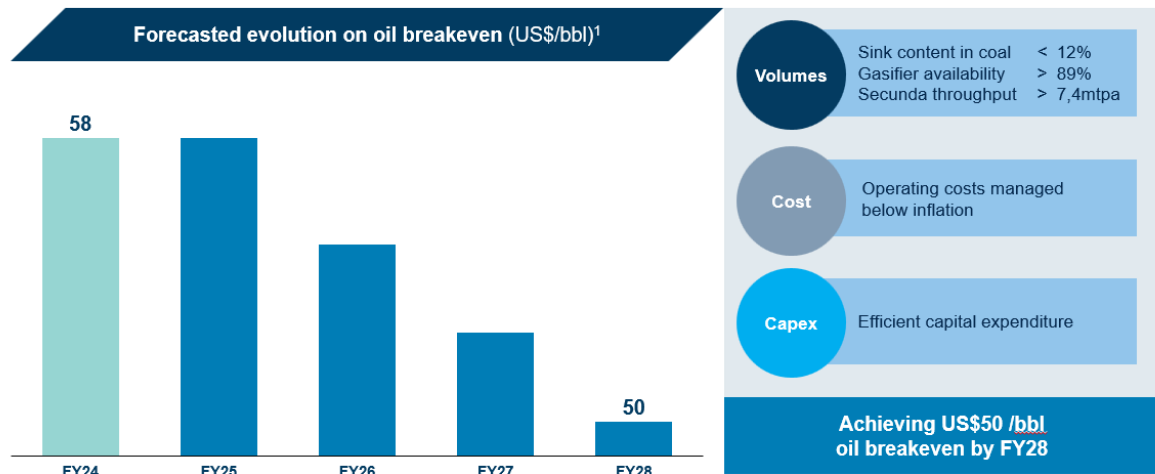
Our approach to Capital Efficiency is anchored on the following principles:

- Sustained reduction in sustenance capital whilst ensuring no compromise on equipment integrity, safety, operational stability and reliability
- We will take a closer look on project scope optimisation, and
- Improve project contracting strategies

We believe by leveraging these measures, we are well positioned to optimise our cost base.

## Slide 43: Integrated approach to deliver more resilient business

### Integrated approach to deliver more resilient business



1. In nominal terms

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In conclusion, our focus in Southern African business can be summarized as follows:

- Deliver on volume growth and margin upliftment
- Drive disciplined cost reduction; with targeted focus on capital efficiency, and both internal and external spend.

This approach ensures business resilience at a nominal oil breakeven of \$50/bbl by FY28.

We are confident that these interventions will position the SA Business as an exceptional investment case.

I will now hand you over to Sarushen Pillay who will provide insights into how we aim to grow and transform our business, Thank you.