

EVP INTERNATIONAL CHEMICALS - ANTJE GERBER

**CAPITAL MARKETS DAY 2025
SCRIPT**

**TUESDAY, 20 MAY 2025
JOHANNESBURG**

Slide 22: Antje Gerber | International Chemicals Reset



Antje Gerber
Executive Vice President: International Chemicals

INTERNATIONAL CHEMICALS RESET

- © Profitability challenges are being addressed
- © Strong turnaround plan
- © First results delivered

Copyright © 2025, Sasol

26

Many thanks Tiffany, welcome back from the break and good Morning Ladies and Gentlemen!

Simon and Walt many thanks for setting the context for the International Chemicals Reset.

As Simon has said, I joined Sasol just a year ago and was amazed by this business, by the global reach, the new and strong asset base and broad portfolio of key chemicals used in consumer and industrial applications.

At the same time I was surprised about the financial results. The situation has been challenging for everyone, all or most chemical players in recent years.

Nevertheless from the outside it looked as if Sasol is burdened more by the recent downturn than others, so there must be something that can be improved to increase the profitability and leverage the new footprint of this business.

Before I share my observations of Sasol's international chemicals business situation, our improvements plans and what we have achieved so far already, let me reconfirm that my assumption was right: there is a lot we can do ourselves to improve the profitability and resilience of this business.

Slide 23: Who we were in FY24

International Chemicals | Who we were in FY24



Turnover ~US\$4bn

EBITDA margin ~6 %

4 000 customers in 88 countries

Employees ~4 000



Copyright © 2025, Sasol

27

With a presence spanning 12 countries, we integrate cutting-edge technologies into world-scale facilities to source, produce, and market high-quality products.

Our reach extends to over 4,000 customers across 88 countries and various industries, generating all together a revenue of US\$4.5 billion.

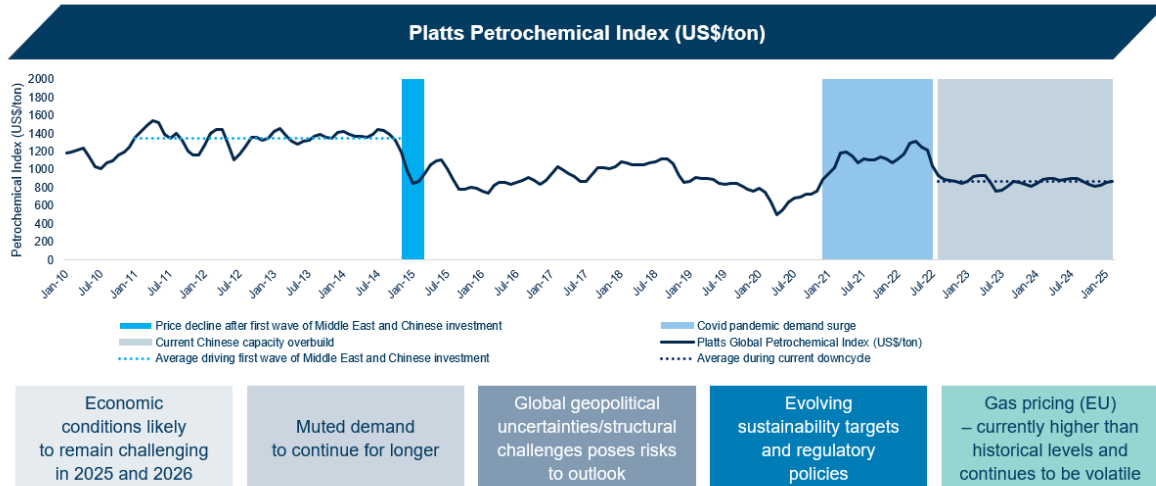
Despite our impressive footprint, we recognize that our business has not performed to its full potential.

We have clear plans to significantly enhance shareholder value by fortifying our International Chemicals business.

Let me set the operating context for our chemicals business first.

Slide 24: External macro environment remains challenged in the near-term

External macro environment remains challenged in the near-term



Source: S&P Global, March 2025

Copyright © 2025, Sasol

28

Over the last past decades there have been a lot of petrochemical cycles, only this one seems to manifest itself for much longer and at a lower level.

So our chemicals business has been navigating this challenging operating context over the last years.

One of the primary hurdles as well has been the muted demand, particularly from China and Europe.

Despite recent interest rate cuts in Europe and stimulus packages in China, the chemicals industry continues to face subdued demand and substantial geopolitical uncertainties that affect trade flows.

This situation is compounded by new capacity coming online at a time of structurally weaker global demand in recent years.

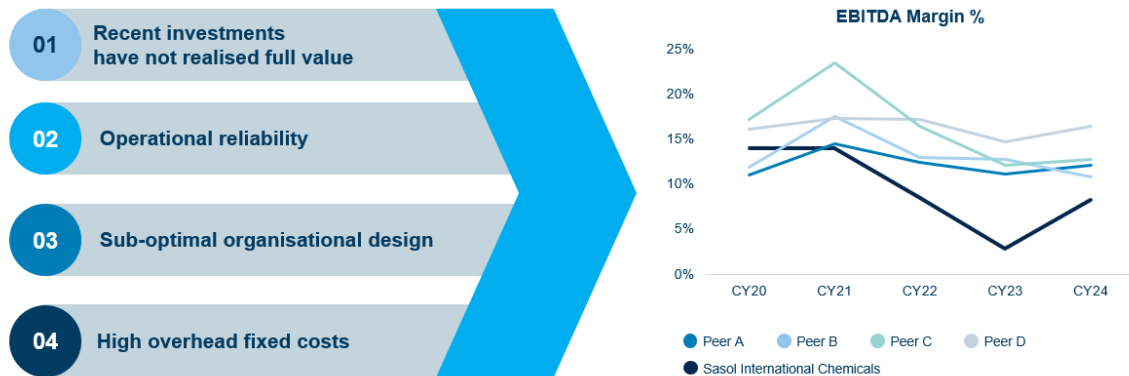
Given the scale of the overcapacity, chemical producers will face subdued demand and lower margins in 2025 and beyond.

Additionally, gas prices in Europe remain high and evolving sustainability targets and regulatory policies have resulted in ambiguity in global sustainability benchmarks.

Adhering to diverse and frequently changing environmental regulations often leads to increased operational costs.

Slide 25: Lagging margins vs peers highlighted the need for structural change

Lagging margins vs peers highlighted the need for structural change



EBITDA margin of 6,4% vs. average peer level of 12,5% in FY24

Additionally we have faced internally significant challenges and, as a result, have underperformed compared to our peers.

In FY24, our EBITDA margin stood at 6.4%, while our peers achieved an average level of 12.5%.

Together with our leadership team, we have identified several key challenges for this business.

The first challenge we faced was that our recent investment in Lake Charles had fallen short of expectations.

Secondly, several of our assets encountered operational reliability issues, including our legacy Lake Charles ethane cracker, which suffered a fire, resulting in eight months of downtime from March to November 2024.

Thirdly, our previous organizational structure was regionally focused, leading to duplication of functions, roles, and also systems.

Additionally, we were carrying stranded costs from previous asset optimizations.

Altogether this resulted in high overhead costs and inefficiencies.

Now: these challenges provide opportunities and we are turning the business around, by leveraging the strengths of the business and competitive advantages we have to drive improvements and achieve better results going forward.

Slide 26: We are leveraging our competitive advantages



We are strategically positioned to benefit from our access to cost-effective ethane feedstock and also low energy cost environment in the US.

Our global assets are geographically close to our key customer markets and geared to meet increasing demand.

We pride ourselves on our established, and strong relationships with our customers and main brand owners in targeted markets, such as Fabric & Home Care, Personal Care, Metal Working & Lubricants, Abrasives and catalyst supports.

Our product portfolio is tailored to address the needs of multiple markets.

And the end markets which we will focus on are structurally sound.

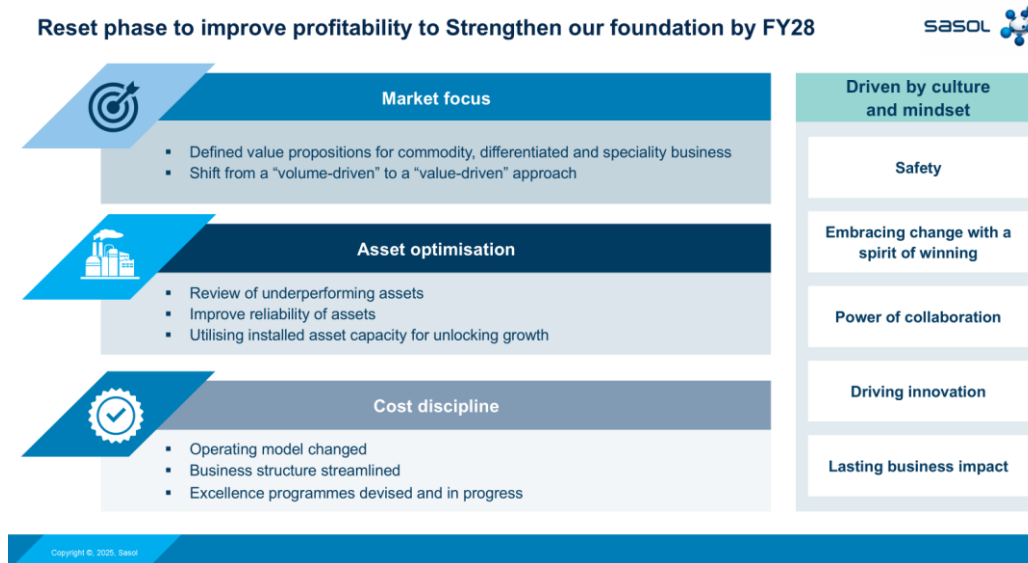
Throughout the business we have an experienced and knowledgeable team member, for example:

Our technical experts in our state-of-the-art global R&D facilities. They work closely with customers to meet their current and future needs by collaborating on innovative solutions.

On the sustainability front, we remain committed to delivering our part of the Group's 30% GHG reduction target by 2030 from our 2017 base, while at the same time we are lowering the carbon footprint of our products for our customers.

So you may ask: how do we leverage all this into closing the profitability gap to our peers and in enabling profitable growth?

Slide 27: Reset phase to improve profitability to Strengthen our foundation by FY28



Over the last months, we have developed a plan stretching over the next few years with a clear focus on fostering a strong and resilient foundation.

Then post FY28, we will build on this to leverage options for Sasol, as Simon has mentioned, and grow the business further.

Our initial reset phase is centered on improving our profitability and consists of three core strategic initiatives.

First, we have made a conscious decision to change our go-to-market strategies by implementing a tailored, market-oriented operating model for commodity, differentiated and specialty products.

This shift from a "volume-driven" to a "value-driven" approach ensures a stronger focus on margin expansion over scale.

Secondly, we are reviewing our global asset footprint to maximize value going forward.

We have already taken decisive action to mothball or close four assets across Italy, Germany, and the USA.

Finally, cost discipline is a key driver to improve International Chemicals' financial performance and we have started with implementing a new organizational structure and also various excellence programs.

Such as our recent procurement excellence initiative, which is targeting unlocking value across direct and indirect purchases will deliver already more than US\$30 million EBITDA uplift this fiscal year.

All together, Our RESET phase will deliver altogether an EBITDA uplift of US\$350 to 400 million by FY28.

Importantly, all of this is underpinned by a renewed culture and mindset, with the goal of fostering a cultural transformation that reignites the power of collaboration and spirit of winning.

Slide 28: Changing our go-to-market approach | Surfactants as core with growth in associated value chains

Changing our go-to-market approach | Surfactants as core with growth in associated value chains



				
	Base Chemicals	Care Chemicals	Technical Formulations	Advanced Materials
Products	Ethylene and industrial intermediates (EO, MEGs and amines)	Linear alkyl benzene (LAB), alcohols, and surfactants	Alcohols and derivatives, esters, and surfactants	Tailor made high purity <u>aluminas</u>
End Markets	Packaging and Plastics, Industrial Fluids, Automotive Components	I&I, Fabric and Home Care and Personal Care	Oil and Gas, Metal Working and Lubricants, Paper and Water, Textile and Leather	Abrasives, Technical Ceramics and Catalyst Carriers
Commodity		Specialty		
Serving multiple end markets with superior product performance and tailored go-to-market strategies aligned with customer requirements				

Copyright © 2025, Sasol

32

At International Chemicals, we benefit from integrated value chains with a tailored approach for each business division to meet our customers' needs and also to deliver returns for Sasol.

Our Base Chemicals business provides the critical raw material for captive use in our alcohol and ethoxylate based surfactant value chains.

It includes ethylene and industrial intermediates, such as ethylene oxide and Mono ethylene glycol sold to merchant markets.

Our focus here, is to become leaner, more efficient, and maximize our cash generation.

Care Chemicals is a leading producer of surfactants, intermediates, fatty alcohols, and linear alkyl benzenes for three distinct markets: one is Fabric & Home Care, as I mentioned before; Industrial & Institutional Cleaning; and Personal Care.

Certain portions of this portfolio behave like commodities, and the focus of the Care Chemicals business in these areas is to unlock value by implementing a commodity business model for these businesses.

This approach will reduce costs and improve regional competitiveness in commodity detergent and surfactant applications.

We have initiated this process by reducing capacity for LAB in Italy, as previously mentioned.

On the other hand, our world-class portfolio of surfactants and alcohols enables innovations like Cold Water Wash.

In this area, we also continue to drive disciplined innovation, targeting for example differentiated markets like personal care, health, and wellness segments.

Over the past few months, I have met several of our largest Care Chemicals customers major brand owners along with our commercial teams.

I have been really impressed by the depth of our relationships and, most importantly, by the commitment to jointly continue developing sustainable solutions that provide value to both parties.

In technical Formulations we will unlock further value through the expansion and development of differentiated markets for alcohols and specialty alkoxylates in key industrial applications.

This business is well-positioned to deliver components that enable superior performance in Metal Working & Lubricants and other high value industrial applications.

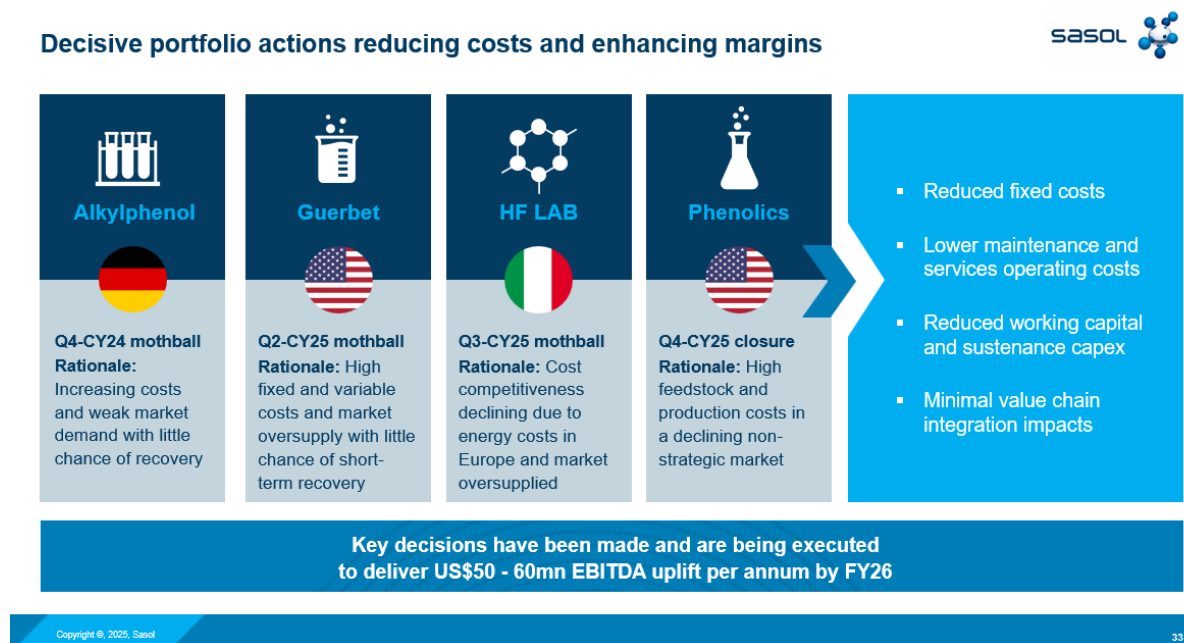
Lastly, Advanced Materials houses our specialty alumina portfolio, which finds applications in end-markets, such as engineered abrasives for precision machining.

Technical ceramics for use in artificial hip and knee joints, and various catalytic applications.

A key strength of the Advanced Materials division is its ability to provide tailored solutions to our customers, and therefore emphasizing the specialty nature of this business.

By focusing on tailored solutions, and targeted market expansion, International Chemicals is well-positioned to meet current and also the upcoming customer needs, unlocking value for both the customer and Sasol.

Slide 29: Decisive portfolio actions reducing costs and enhancing margins



The closure, sale or mothballing of an asset is never an easy decision.

We fully understand the impact these measures have on our employees, and therefore these decisions are not made lightly.

However, to ensure a sustainable International Chemicals business, we believe these actions are necessary.

Recently, we made decisions to mothball our Alkylphenol and HF LAB plants in Europe, as well as our US Guerbet plant.

Further plans are progressing as well for the closures of the phenolics producing sites in the US: Greens Bayou and Winnie.

All of these decisions were driven by a combination of weak market demand with no signs of recovery, global overcapacity and / or sustained higher input costs – all of that negatively impacting profitability and we do not foresee this changing in the medium to long term.

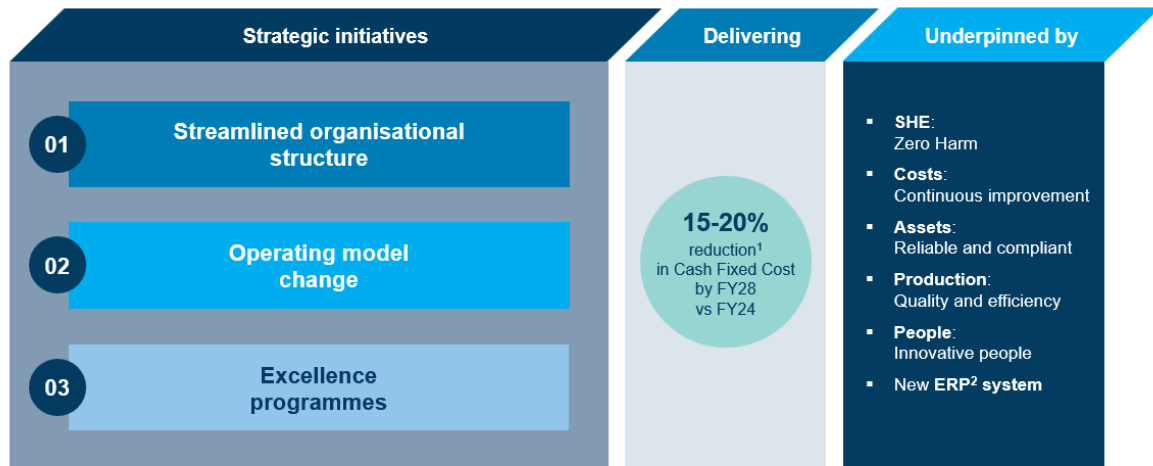
These actions will have minimal impact on our integrated value chain but it will lead to reduced costs and capital requirements.

We are already well on track and expect to see a US\$50 to US\$60 million EBITDA uplift per annum from these measures by FY26.

Asset reviews will remain part of our normal business process, while we continue to optimize our portfolio.

Slide 30: We are reducing our cost base to take advantage of a future market upturn

We are reducing our cost base to take advantage of a future market upturn



1. Includes impact of asset portfolio optimisation
2. ERP: Enterprise Resource Planning (SAP S4/HANA)

Copyright © 2025, Sasol

34

Lastly, to further reduce our cost base, we have also identified three levers.

Firstly, we streamlined our organization across all functions and regions.

This started with a leaner Executive Management team with consolidated functions organized along our global value chain, rather than a regional model.

This new organizational structure enables us to standardize our processes and systems and apply best practices globally, resulting in higher efficiencies and also making faster decisions.

Secondly, we have adjusted our operating model to be a fit-for-purpose Go-To-Market organization with defined service levels differentiated for commodity and specialty products.

We also launched a Commercial Excellence program to define the different business needs based on our customer segmentation.

Lastly, to accelerate cost efficiencies, the focus is on Operational Excellence (OE) program to facilitate and guide a unified approach to global operations within International Chemicals.

Our goal is to produce quality products efficiently and according to plan, ensuring "Zero Harm" to our people, assets, and the environment.

This is achieved through the efforts of innovative, enabled, and highly skilled personnel, utilizing reliable and compliant assets, while continuously improving our production costs and operational methods.

Our excellence programs are supported by our new SAP S4/HANA platform, which is currently in implementation.

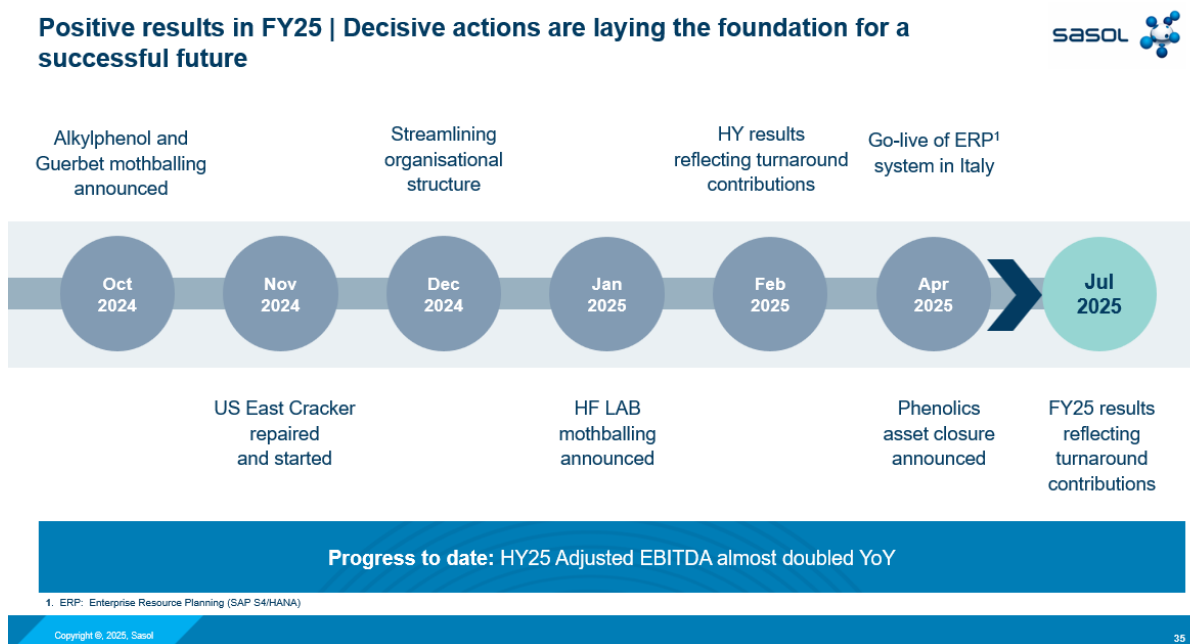
This updated platform enhances our abilities across all functions via globally aligned processes based on "best in class" standards.

This is a big step forward compared to our fragmented legacy approach using regionally focused SAP systems.

We will also introduce organizational structures that will increase the efficiency of end-to-end processes.

The impact of all of these actions will be significant, delivering between 15 to 20% reduction in fixed costs by FY28 versus FY24.

Slide 31: Positive results in FY25 | Decisive actions are laying the foundation for a successful future



We understand the urgency of turning our business around and are moving at pace with decisive actions.

We have made key decisions on assets and the full benefits of these decisions will become evident in the next Financial Year.

The unfortunate fire incident in the US resulted in our legacy ethylene cracker being taken offline for eight (8) months.

However, I am pleased to report that production has been stable for six (6) months now without any safety incidents.

Our new streamlined Leadership Team is working effectively to ensure we are on track with our turnaround strategy.

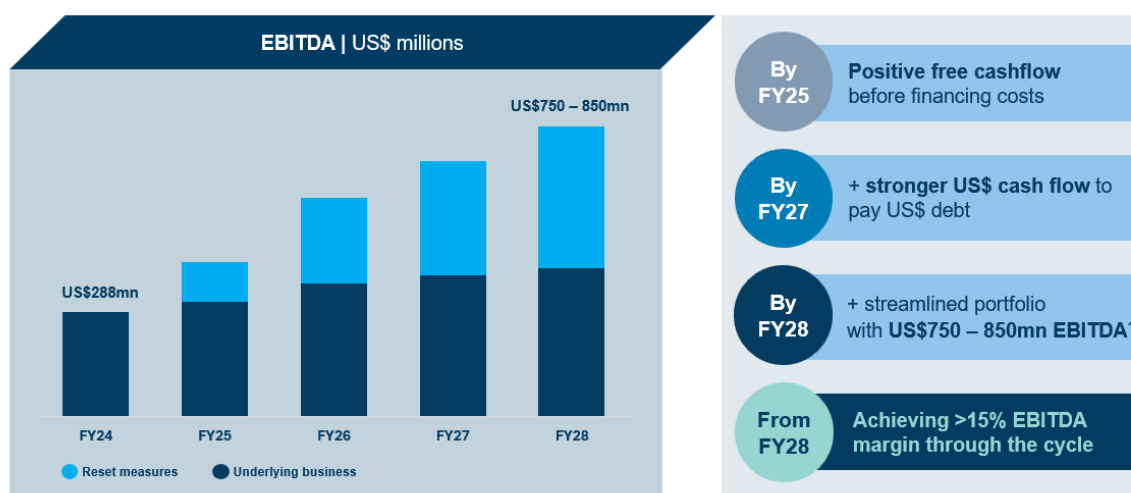
The results of our actions have started to show in our half-year results, where our HY25 EBITDA has almost doubled year on year.

Our streamlining activities are in full swing, and the recent milestone is the Go-Live of our new ERP system in Italy in April.

We are confident that we are on track to creating a healthy and sustainable business for Sasol.

Slide 32: We will strengthen and grow our core business and deliver robust performance relative to peers

We will strengthen and grow our core business and deliver robust performance relative to peers



1. ~70% of Adjusted EBITDA growth under own control and ~30% from Macros

Copyright © 2025, Sasol

36

As I close, I would like reiterate our commitment to strengthening the International Chemicals business.

Our targets remain bold, and we are confident in our ability to reach them through the decisive actions we have already taken and further identified.

We are on track to be free cash flow positive before financing costs this financial year.

The significant investment we made in the US has incurred substantial debt, but we believe we will be in a much better position to service this US dollar debt with stronger US dollar cashflow going forward.

This will put us in a strong position to embark on our Growth journey to build on our position as a global leader in surfactant and associated value chains.

By the end of FY28 we anticipate that our International Chemicals portfolio will be a US\$750 to 850 million EBITDA business, achieving more than a 15% EBITDA margin through the cycle.

However, this will not be an overnight result. We expect this journey to span the next three years to achieve this ambitious target.

As an investor, you may be wondering, given all the challenges, if this business can be turned around?

Well after a year in the role, my team and I are convinced that this is indeed possible!

We are confident that the strategic initiatives that we have identified will yield significant value, and we look forward to sharing more of the positive outcomes of these actions and decisions.

Thank you and now please let me hand over now to my colleague Victor Bester to share more about South African Operations.