



**EMERGING STRONGER**

# **THIRD QUARTER 2021 EARNINGS**

October 29, 2021

**lyondellbasell**  
*Advancing Possible*

# CAUTIONARY STATEMENT AND INFORMATION RELATED TO FINANCIAL MEASURES

## CAUTIONARY STATEMENT

The statements in this presentation relating to matters that are not historical facts are forward-looking statements. These forward-looking statements are based upon assumptions of management of LyondellBasell which are believed to be reasonable at the time made and are subject to significant risks and uncertainties. When used in this presentation, the words “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “should,” “will,” “expect,” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. Actual results could differ materially based on factors including, but not limited to, market conditions, the business cyclicalities of the chemical, polymers and refining industries; the availability, cost and price volatility of raw materials and utilities, particularly the cost of oil, natural gas, and associated natural gas liquids; uncertainties and impacts related to the extent and duration of the pandemic; competitive product and pricing pressures; labor conditions; our ability to attract and retain key personnel; operating interruptions (including leaks, explosions, fires, weather-related incidents, mechanical failure, unscheduled downtime, supplier disruptions, labor shortages, strikes, work stoppages or other labor difficulties, transportation interruptions, spills and releases and other environmental risks); the supply/demand balances for our and our joint ventures’ products, and the related effects of industry production capacities and operating rates; our ability to manage costs; future financial and operating results; benefits and synergies of any proposed transactions; our ability to identify, evaluate and complete any strategic alternative related to the refinery; legal and environmental proceedings; tax rulings, consequences or proceedings; technological developments, and our ability to develop new products and process technologies; our ability to meet our sustainability goals, including the ability to operate safely, increase production of recycled and renewable-based polymers, and reduce our emissions and achieve net zero emissions by the time set in our respective goals; our ability to procure energy from renewable sources; potential governmental regulatory actions; political unrest and terrorist acts; risks and uncertainties posed by international operations, including foreign currency fluctuations; and our ability to comply with debt covenants and to amend, extend, repay, redeem, service, and reduce our debt. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the “Risk Factors” section of our Form 10-K for the year ended December 31, 2020, which can be found at [www.LyondellBasell.com](http://www.LyondellBasell.com) on the Investor Relations page and on the Securities and Exchange Commission’s website at [www.sec.gov](http://www.sec.gov). There is no assurance that any of the actions, events or results of the forward-looking statements will occur, or if any of them do, what impact they will have on our results of operations or financial condition. Forward-looking statements speak only as of the date they were made and are based on the estimates and opinions of management of LyondellBasell at the time the statements are made. LyondellBasell does not assume any obligation to update forward-looking statements should circumstances or management’s estimates or opinions change, except as required by law.

This presentation contains time sensitive information that is accurate only as of the date hereof. Information contained in this presentation is unaudited and is subject to change. We undertake no obligation to update the information presented herein except as required by law.

## INFORMATION RELATED TO FINANCIAL MEASURES

This presentation makes reference to certain “non-GAAP” financial measures as defined in Regulation G of the U.S. Securities Exchange Act of 1934, as amended.

We report our financial results in accordance with U.S. generally accepted accounting principles, but believe that certain non-GAAP financial measures, such as EBITDA and diluted EPS exclusive of adjustment for “lower of cost or market” (“LCM”) provide useful supplemental information to investors regarding the underlying business trends and performance of the company’s ongoing operations and are useful for period-over-period comparisons of such operations. Non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the financial measures prepared in accordance with GAAP.

We calculate EBITDA as income from continuing operations plus interest expense (net), provision for (benefit from) income taxes, and depreciation and amortization. We also present EBITDA and diluted EPS exclusive of adjustments for LCM and impairment. LCM is an accounting rule consistent with GAAP related to the valuation of inventory. Our inventories are stated at the lower of cost or market. Cost is determined using the last-in, first-out (“LIFO”) inventory valuation methodology, which means that the most recently incurred costs are charged to cost of sales and inventories are valued at the earliest acquisition costs. Fluctuation in the prices of crude oil, natural gas and correlated products from period to period may result in the recognition of charges to adjust the value of inventory to the lower of cost or market in periods of falling prices and the reversal of those charges in subsequent interim periods as market prices recover. Property, plant and equipment are recorded at historical costs. If it is determined that an asset or asset group’s undiscounted future cash flows will not be sufficient to recover the carrying amount, an impairment charge is recognized to write the asset down to its estimated fair value. Estimated EBITDA for A. Schulman is adjusted EBITDA based on publicly available quarterly release data for the twelve-month period ended November 30, 2017. Estimated EBITDA for projects and joint ventures is calculated as nameplate capacity multiplied by 2017-2019 average cash margins assuming 40% of the polyethylene, propylene oxide and methyl tertiary butyl ether from U.S. production is exported to Asia. Estimated EBITDA cannot be reconciled to net income due to the inherent difficulty in quantifying certain amounts that are necessary for such reconciliation, including adjustments that could be made for interest expense (net), provision for (benefit from) income taxes, depreciation & amortization and other changes reflected in the reconciliation of historical numbers, the amounts of which, based on historical experience, could be significant.

Free operating cash flow and free operating cash flow yield are measures of profitability commonly used by investors to evaluate performance. For purposes of this presentation, free operating cash flow means net cash provided by operating activities minus sustaining (maintenance and health, safety and environment) capital expenditures. Free operating cash flow yield means the ratio of free operating cash flow to market capitalization.

These measures as presented herein, may not be comparable to similarly titled measures reported by other companies due to differences in the way the measures are calculated. Reconciliations for our non-GAAP measures can be found on our website at [www.LyondellBasell.com/investorrelations](http://www.LyondellBasell.com/investorrelations).

# THIRD QUARTER 2021 HIGHLIGHTS

ROBUST DEMAND AND TIGHT MARKETS SUPPORTED STRONG MARGINS



**\$1.8 B**

NET INCOME



**\$5.25**

DILUTED EPS



**\$2.7 B**

EBITDA



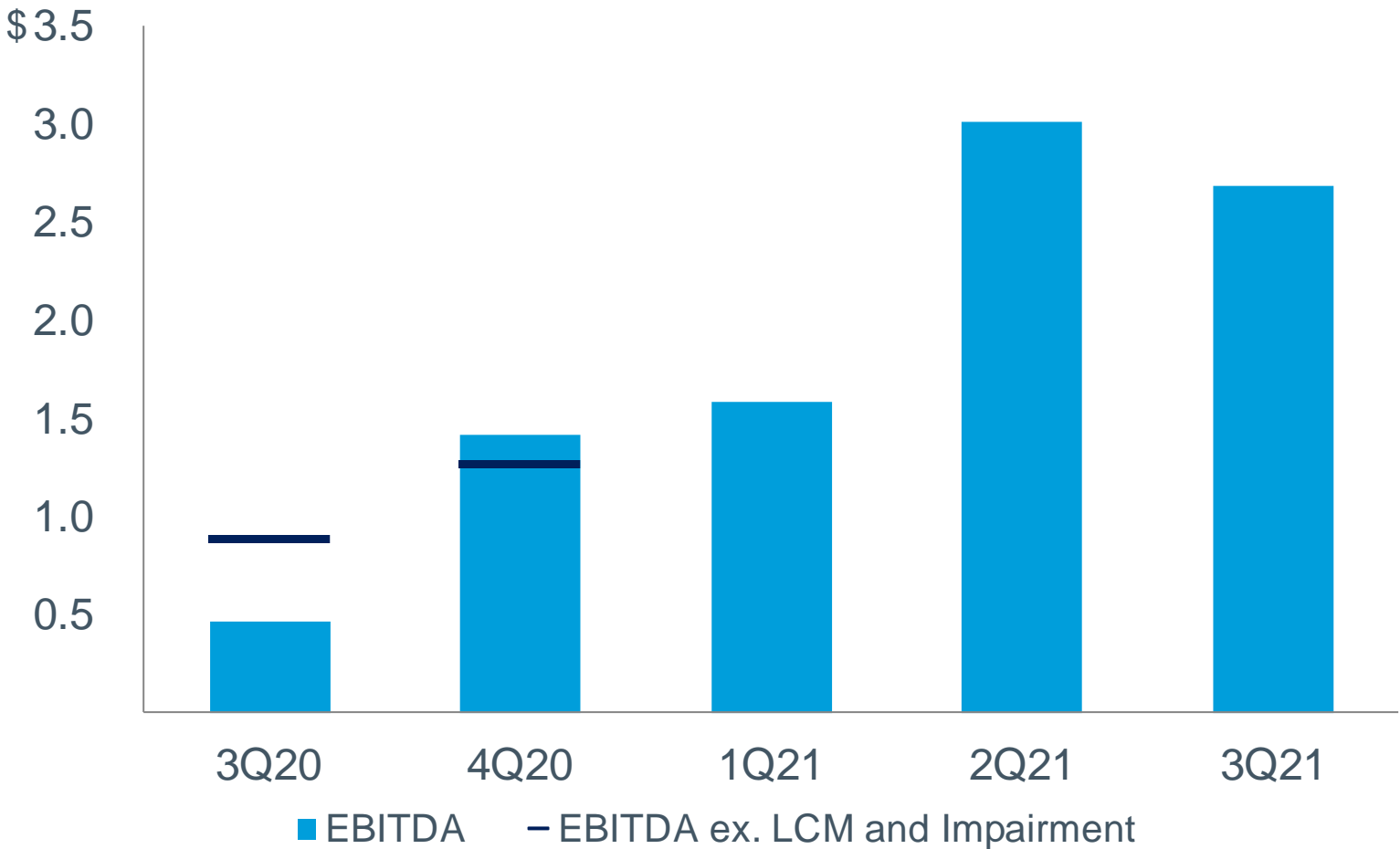
**\$2.1 B**

CASH FROM OPERATING  
ACTIVITIES

# CAPTURING THE REBOUND

SOLID PERFORMANCE POWERED BY A WELL-BALANCED PORTFOLIO

EBITDA ex. LCM and Impairment  
USD, billions



## **STRONG CONSUMER & INDUSTRIAL DEMAND**

Driven by manufactured goods and service industries

## **INCREASING COSTS**

Higher ethane, naphtha, natural gas and butane prices

## **TIGHT GLOBAL MARKETS**

Order backlogs and growing demand from reopening



# SAFETY PERFORMANCE

OUR FOCUS ON SAFETY REMAINS CONSISTENT

Injuries per 200,000 hours worked



# GOALS & PATHWAY TO NET ZERO

WE ARE COMMITTED TO ADDRESS THE GLOBAL CHALLENGE OF CLIMATE CHANGE

**2030**

30% reduction in scope 1 & 2 CO<sub>2</sub> emissions

**2050**

Reach net zero scope 1 & 2 emissions

- Improve energy efficiency
- Procure at least 50% of electricity from renewable sources
- Minimize flare emissions
- Source lower-emitting fuels such as hydrogen
- Pursue process electrification and furnace upgrades

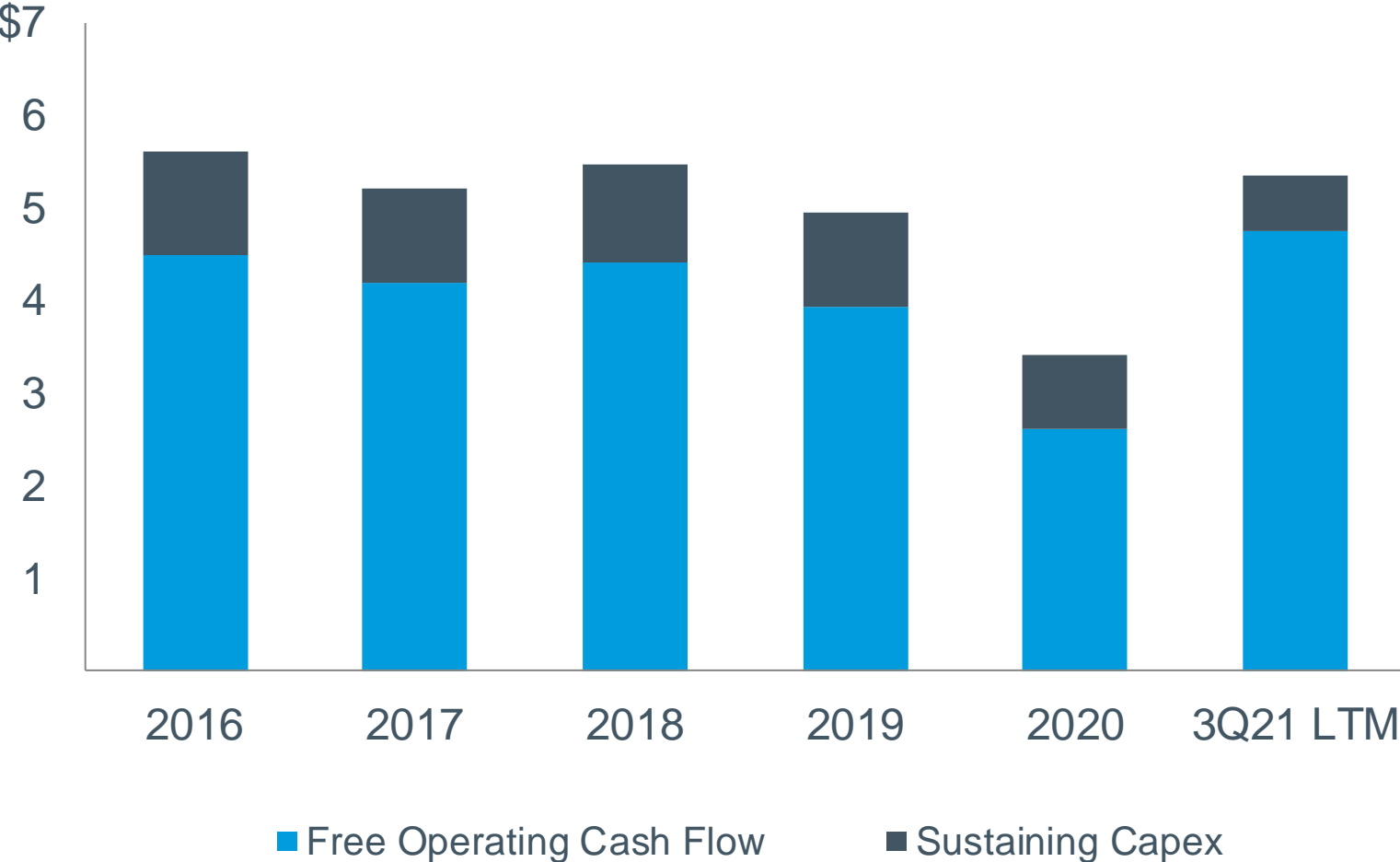


Note: 2030 goal is relative to 2020 levels. Please see our Cautionary Statement for a discussion of the factors that could impact these goals.

# STRONG CASH GENERATION

RECORD CASH FROM OPERATING ACTIVITIES DRIVEN BY GROWTH INVESTMENTS AND STRONG MARKETS

Cash from Operating Activities  
USD, billions



**\$5.4 B**

CASH FROM OPERATING ACTIVITIES  
3Q21 LTM



**+12%**

FREE OPERATING CASH FLOW  
3Q21 vs. 2Q21



**15%**

FREE OPERATING CASH FLOW YIELD  
3Q21 LTM

Note: Free Operating Cash Flow = cash from operating activities – sustaining (maintenance and HSE) capital expenditures.

# CASH GENERATION AND DEPLOYMENT

STRENGTHENING OUR BALANCE SHEET AND DELIVERING SHAREHOLDER RETURNS

## DELIVERING RESULTS

Generated \$2.1 B in cash from operating activities

## PROVIDING VALUE FOR SHAREHOLDERS

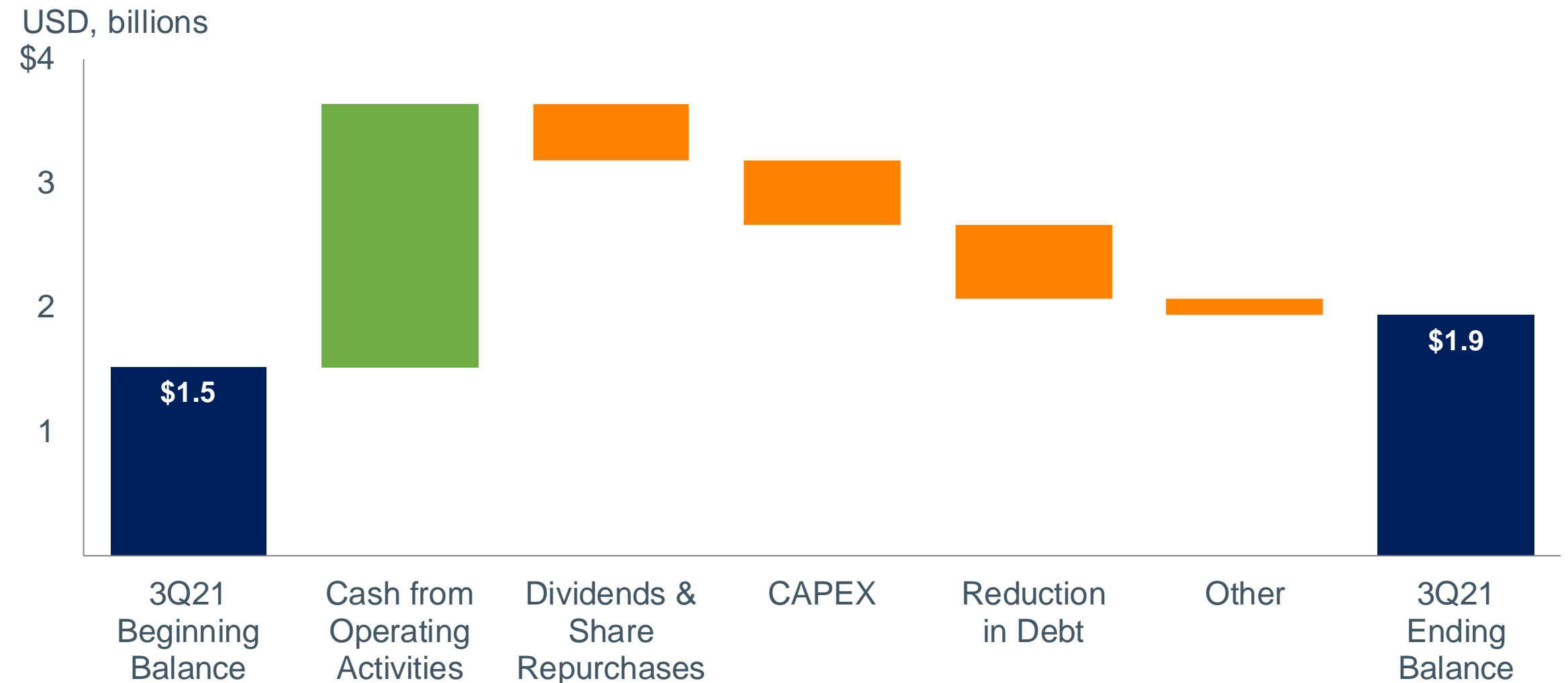
Paid \$380 MM in dividends

Repurchased \$89 MM of our shares

Invested in growth

## IMPROVING BALANCE SHEET

Reduced debt by \$0.7 B

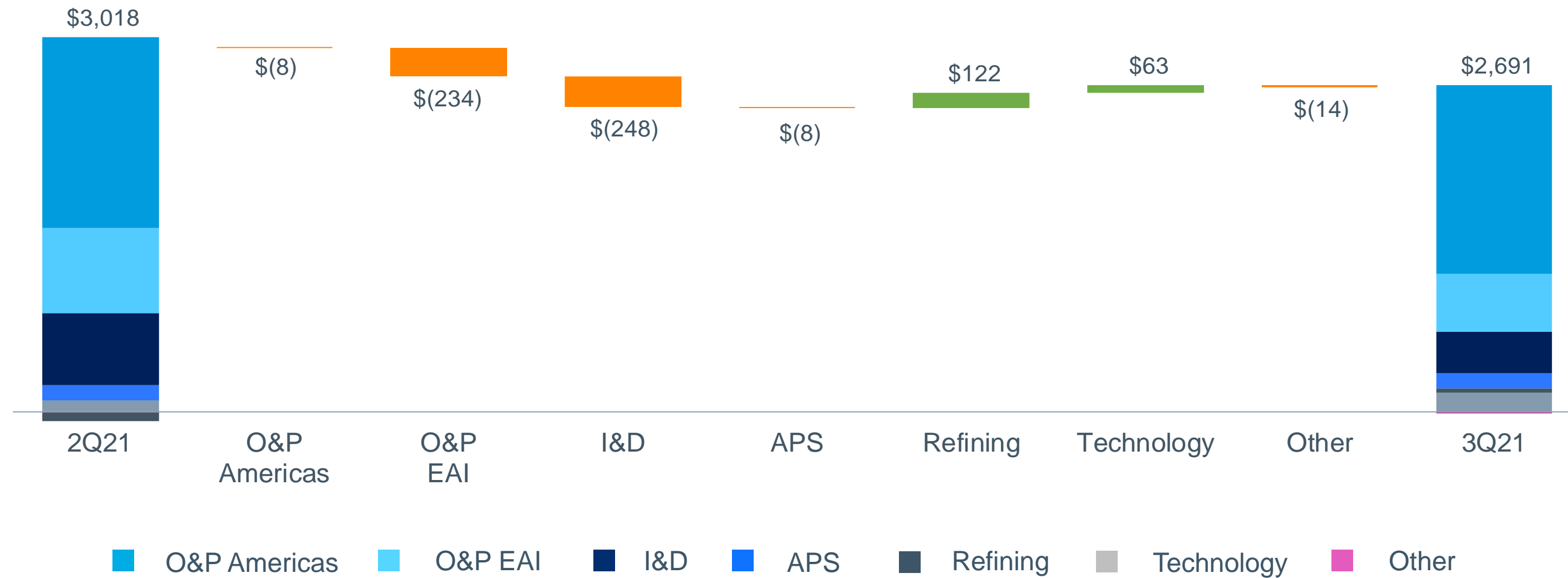




# 3Q21 SEGMENT HIGHLIGHTS

ROBUST DEMAND AND TIGHT MARKET CONDITIONS SUPPORTED STRONG MARGINS

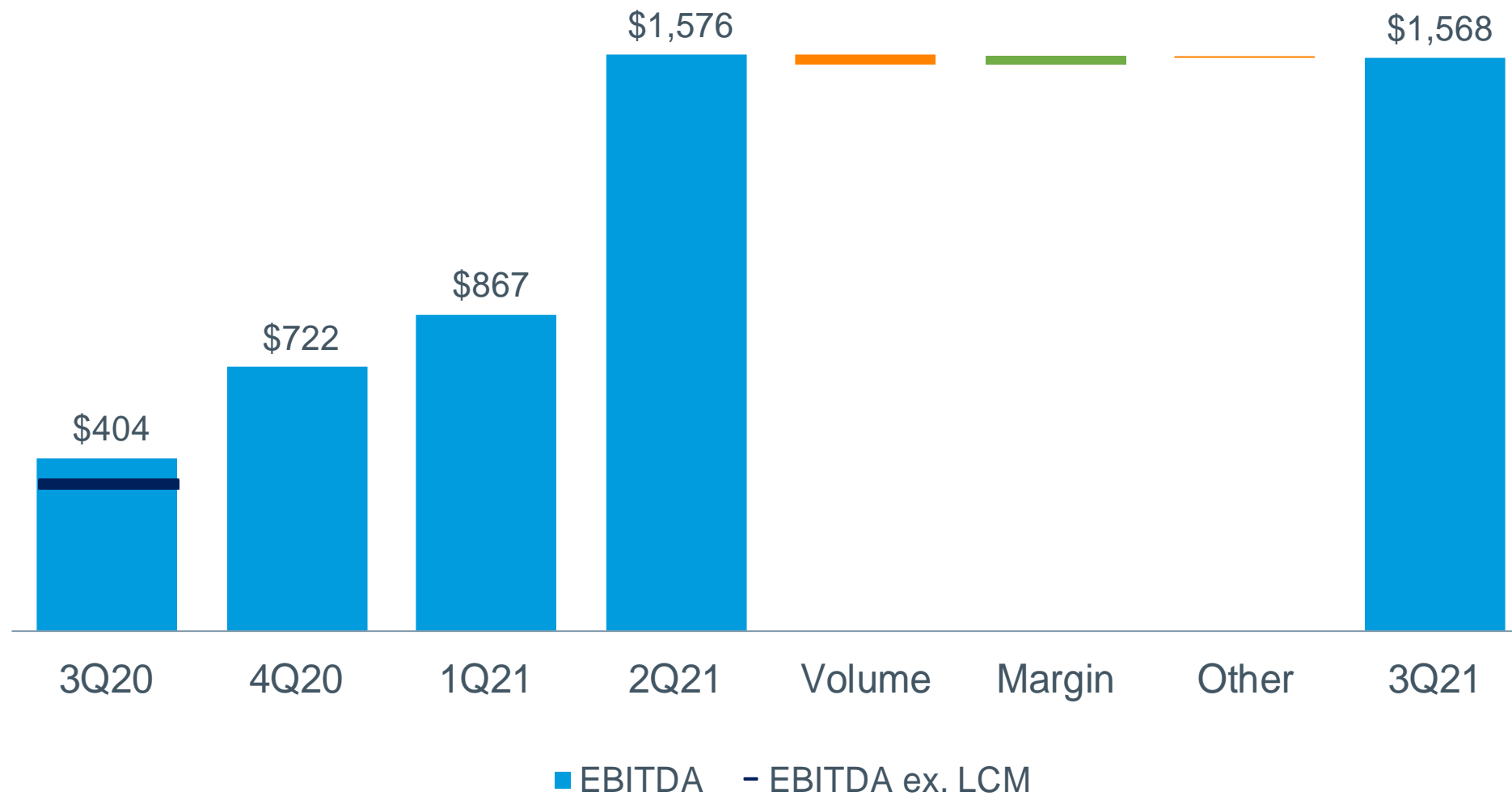
EBITDA variance by segment  
USD, millions



# OLEFINS & POLYOLEFINS – AMERICAS

ROBUST DEMAND DRIVING SOLID PERFORMANCE

EBITDA ex. LCM  
USD, millions



## OLEFINS

Margins declined as we purchased ethylene to supplement production

Volumes declined due to unplanned maintenance

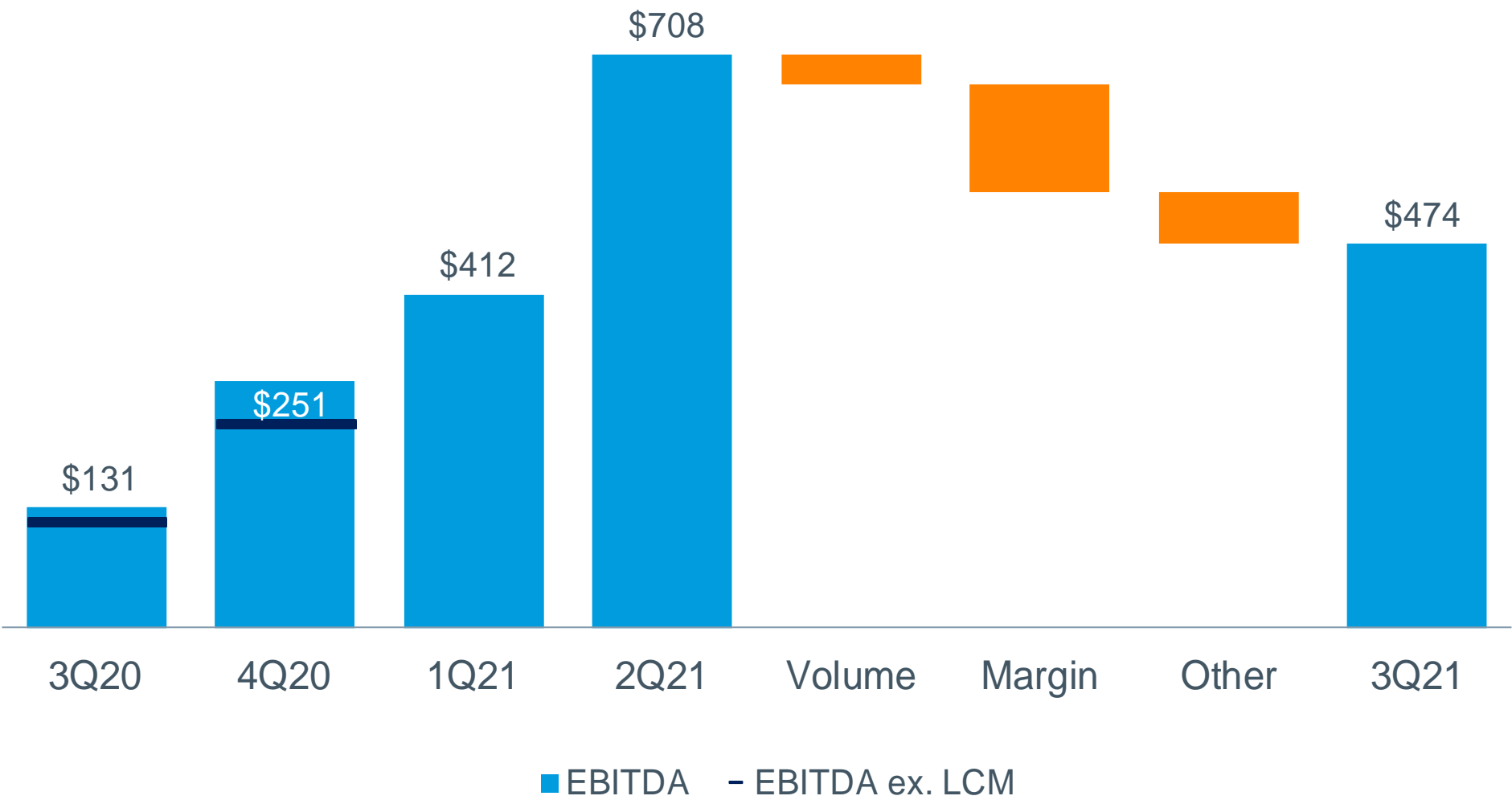
## POLYOLEFINS

Strong demand drove polyolefins spread increases with polypropylene reaching record highs

# OLEFINS & POLYOLEFINS – EUROPE, ASIA & INTERNATIONAL

HIGHER FEEDSTOCK COSTS AND LOWER SEASONAL DEMAND REDUCED MARGINS AND VOLUMES

EBITDA ex. LCM  
USD, millions



**OLEFINS**

Margins decreased driven by higher feedstock costs, partially offset by higher ethylene and co-product prices  
Volumes declined due to planned maintenance

**POLYOLEFINS**

Low seasonal demand drove declines in polyolefin price spreads and volumes

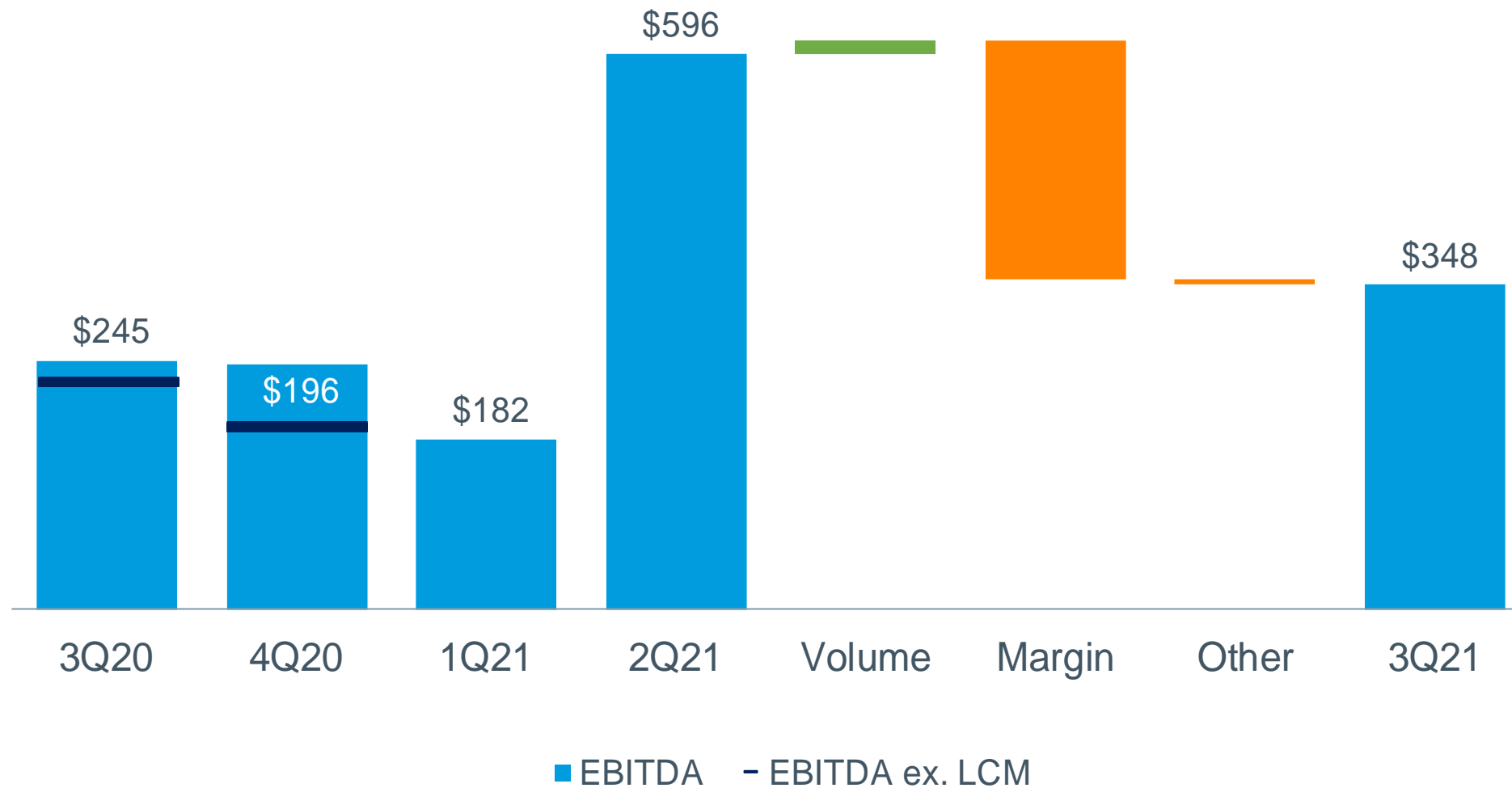
**EQUITY INCOME**

Polyolefin spreads declined

# INTERMEDIATES & DERIVATIVES

MARGIN DECLINES IN MOST BUSINESSES DRIVEN BY HIGHER COSTS

EBITDA ex. LCM  
USD, millions



## PO & DERIVATIVES

Margins declined slightly from historical high in 2Q  
Volumes increased due to strong durable goods demand

## INTERMEDIATE CHEMICALS

Margins decreased in most businesses, primarily styrene  
Volume decreased due to acetyls downtime

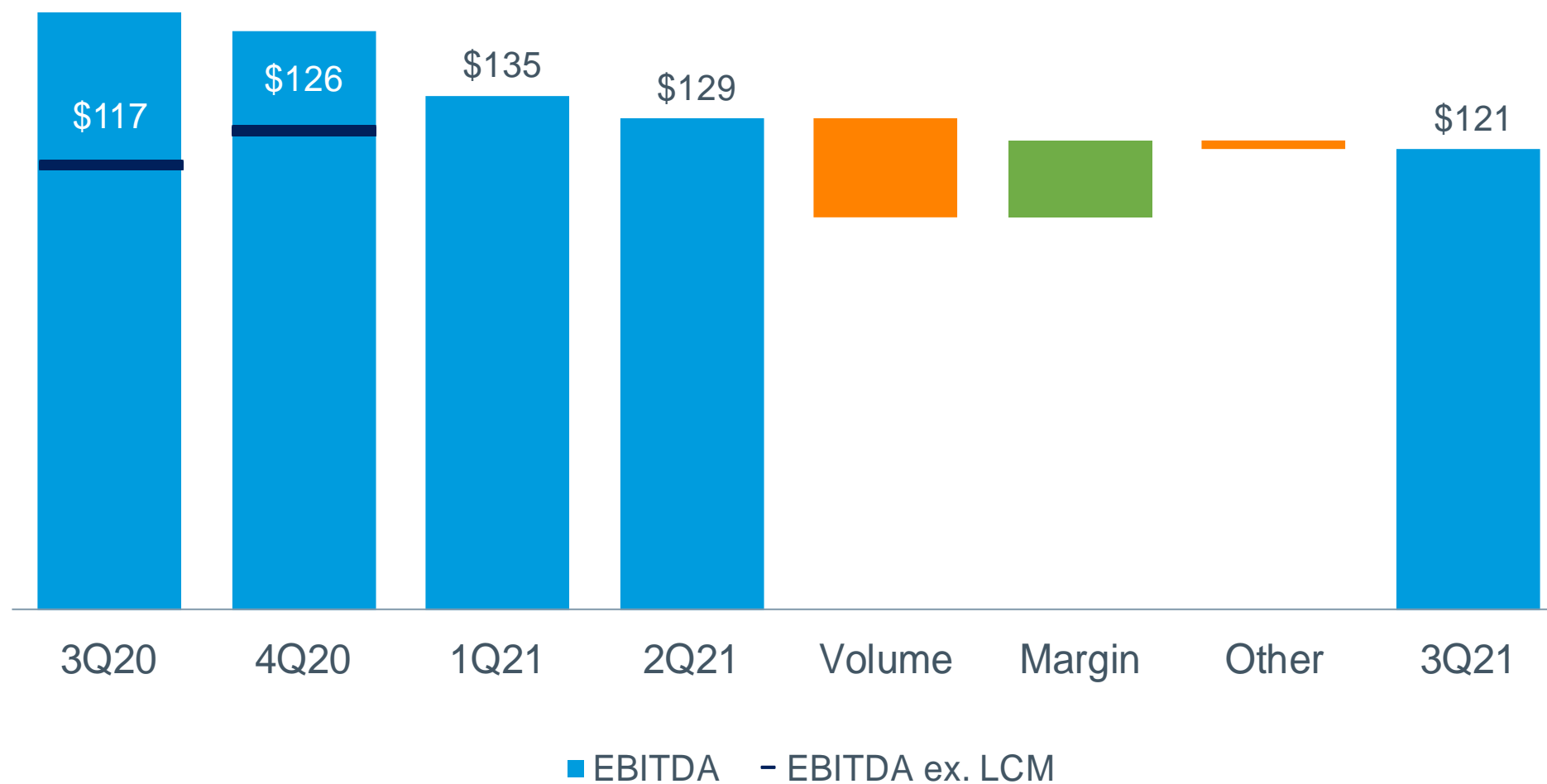
## OXYFUELS & RELATED PRODUCTS

Margins declined due to increased butane feedstock prices  
Volume increased driven by increasing mobility

# ADVANCED POLYMER SOLUTIONS

VOLUMES REDUCED DUE TO CUSTOMERS' SUPPLY CHAIN CONSTRAINTS

EBITDA ex. LCM  
USD, millions



## COMPOUNDING & SOLUTIONS

Margins increased

Volumes decreased with semiconductor shortages constraining production in automotive, appliances and other industries

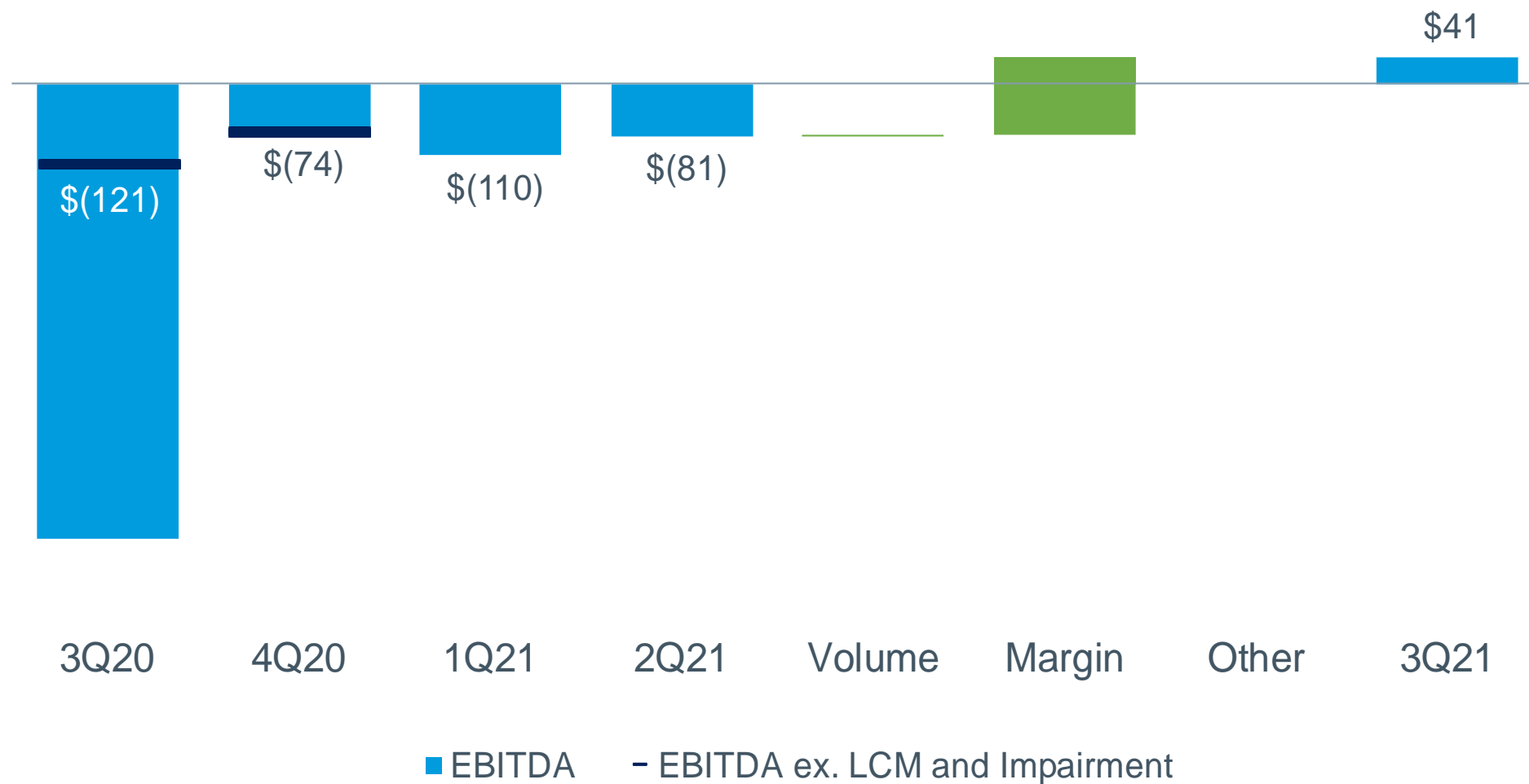
## ADVANCED POLYMERS

Margins and volumes decreased driven by planned maintenance

# REFINING

MARGIN IMPROVED WITH HIGHER PRODUCT PRICES AND LOWER RINS COSTS

EBITDA ex. LCM and Impairment  
USD, millions



## CRUDE THROUGHPUT

97% utilization rate

## MARGIN

Higher prices for by-products

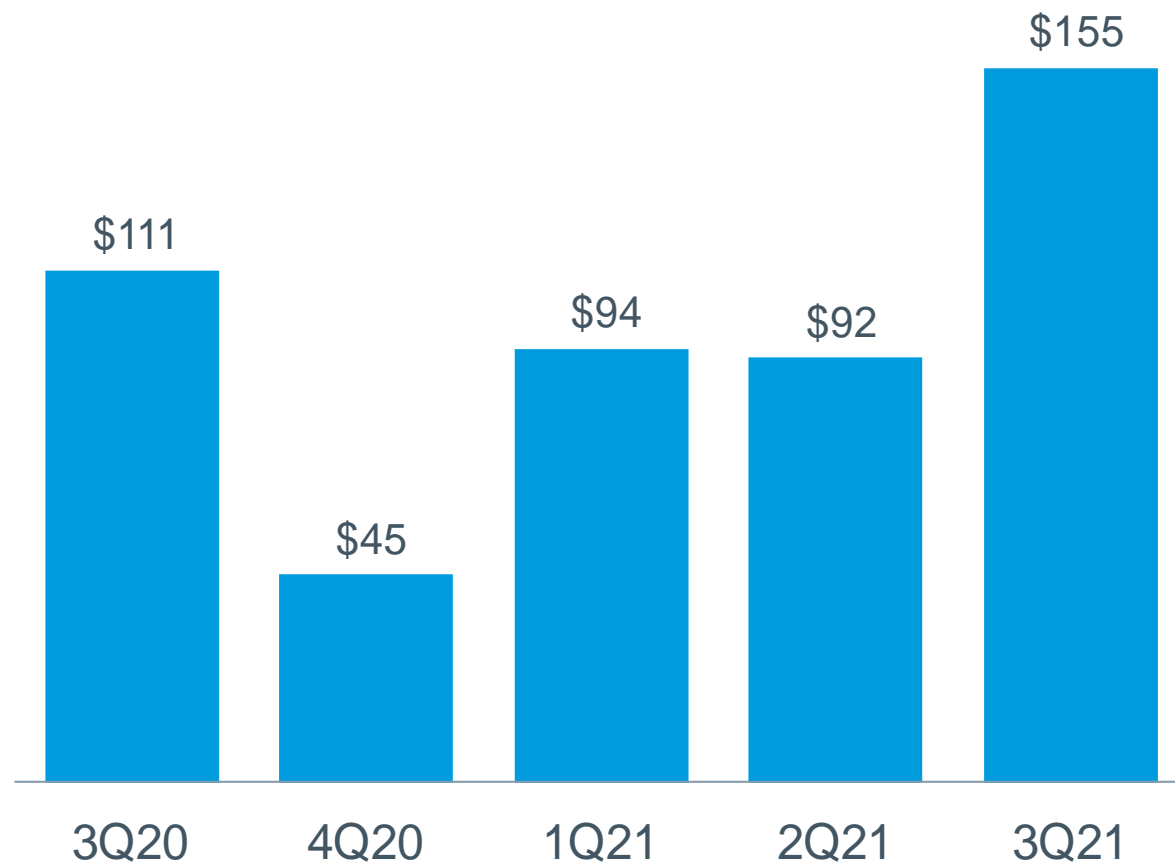
Lower costs for RINs

Maya 2-1-1 increased by \$1.65 to \$23.11

# TECHNOLOGY

RECORD QUARTER BENEFITTING FROM INCREASED LICENSING REVENUE

EBITDA  
USD, millions



## LICENSING

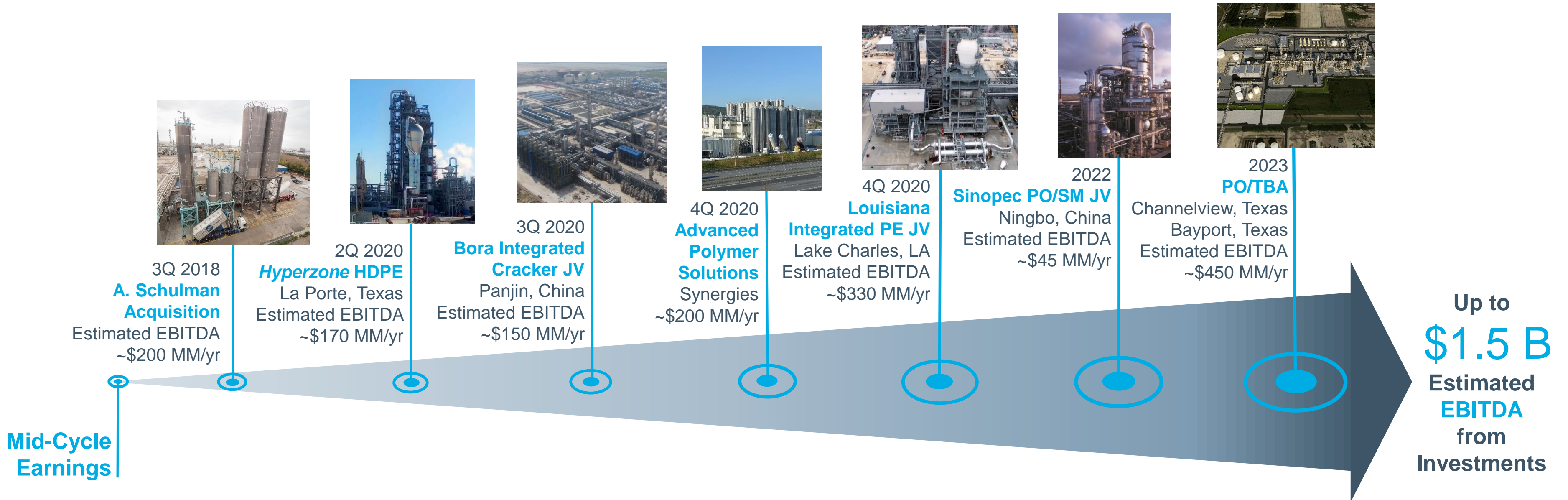
Higher revenue

## CATALYST

Steady results

# DISCIPLINED INVESTMENTS DRIVING GROWTH AND VALUE

A CLEAR PATH FOR INCREASING EBITDA



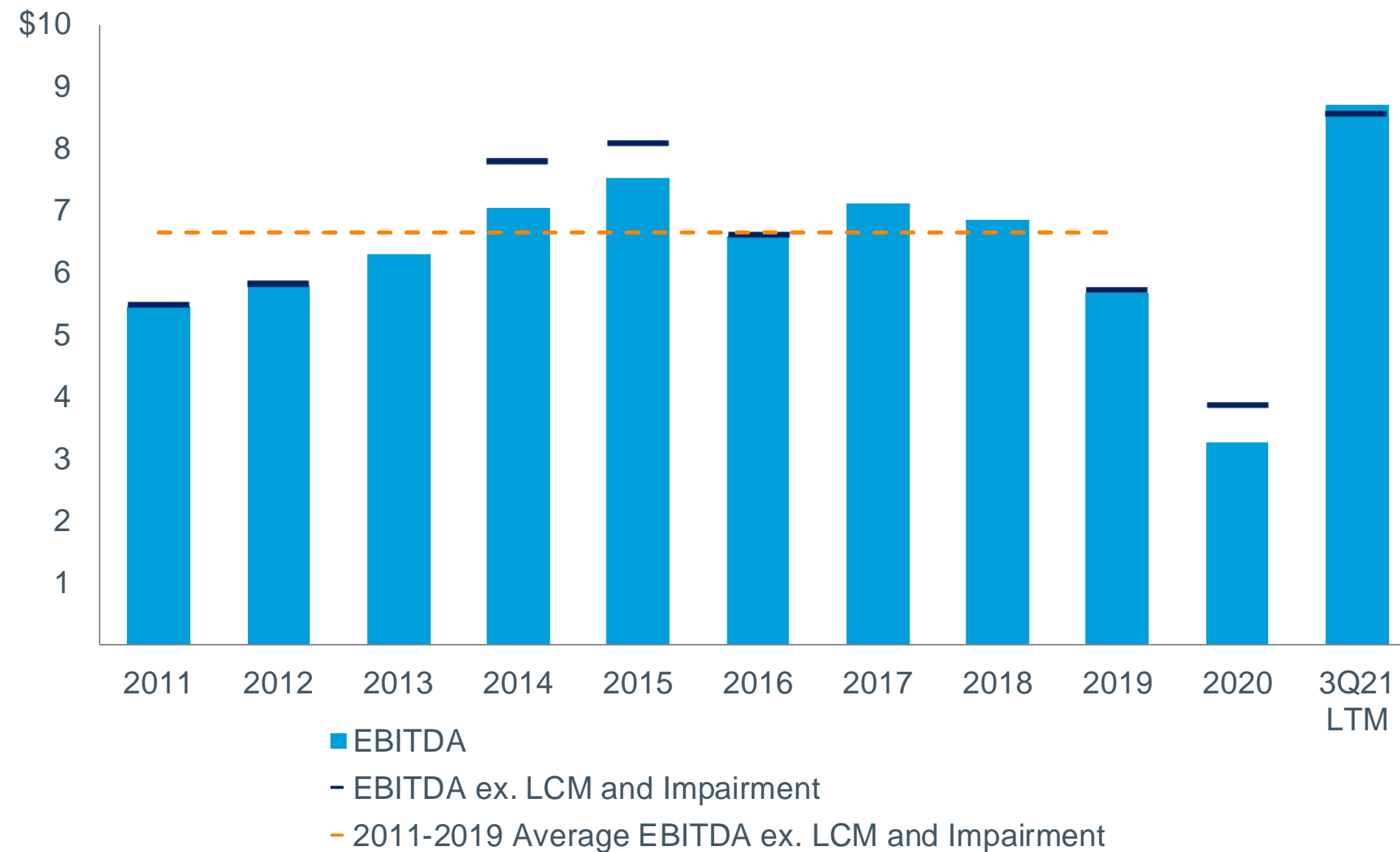
Note: A. Schulman estimated EBITDA is adjusted EBITDA based on publicly available quarterly release data for the twelve-month period ended November 30, 2017. APS synergies are based upon sales volumes returning to pre-pandemic levels. Estimated EBITDA for projects and joint ventures is nameplate capacity multiplied by 2017-2019 average cash margins assuming 40% of the PE, PO and MTBE from U.S. production exported to Asia. These estimates are intended to be representative of typical mid-cycle earnings. The results or returns of growth projects are presented for illustrative purposes only and not intended to be a guarantee or representation of the Company's expectations for future performance.



# INCREASED EARNINGS POWER

LARGER ASSET BASE TO PROVIDE ADDITIONAL EARNINGS

EBITDA ex. LCM and Impairment  
USD, billions



## ADDITIONAL EARNINGS POWER

- APS volume and synergies
- Hyperzone* HDPE volume and margin
- China integrated cracker JV
- Louisiana integrated polyethylene JV
- China propylene oxide JV
- Oxyfuels and Refining recovery
- PO/TBA

# SUMMARY & OUTLOOK

STRONG MARKETS WITH MODERATING MARGINS

## REOPENING DEMAND

Vaccination roll out will continue to drive economic progress

## MARGINS MODERATING

Feedstock prices and energy costs are increasing and winter seasonality is expected

## PENT-UP DEMAND

LyondellBasell is well-positioned to benefit from extended market strength



# WELL POSITIONED COMPANY

STRONG MOMENTUM WITH EMBEDDED GROWTH AND SUSTAINABLE VALUE

## LEADING ADVANTAGED POSITIONS

Reliable, cost efficient operator

Larger global portfolio

Advancing market leadership in sustainable plastics

## MAXIMIZING FREE CASH FLOW

Increased earnings power

Efficient cash generation

Prudent capital investments

## CONSISTENT FINANCIAL STRATEGY

Deleveraging on target

Repurchasing shares

Robust and progressive dividend

Committed to investment-grade rating