# THIRD QUARTER 2020 EARNINGS

October 30, 2020

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# 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. The statements in this presentation relating to matters that are not historical facts are forward-looking statements. Actual results could differ materially based on factors including, but not limited to, market conditions, the results of any repayment or redemption of indebtedness, the business cyclicality 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; our ability to complete the Louisiana Joint Venture, and the timing of such transaction; the receipt of all required governmental and shareholder approvals for such transaction; our ability to achieve expected synergies from such transaction; the completion of the acquisition of joint venture assets in the future and ability to recognize the anticipated benefits thereof; uncertainties related to the extent and duration of the pandemic-related decline in demand, or other impacts due to the COVID-19 pandemic in geographic regions or markets served by us, or where our operations are located, including the risk of prolonged recession; future financial and operating results; risks and uncertainties posed by international operations, including foreign currency fluctuations; and our ability to comply with debt covenants and to amend, extend, repay, 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” sections of our Form 10-K for the year ended December 31, 2019, and our Form 10-Q for the quarter ended March 31, 2020, which can be found at www.LyondellBasell.com on the Investor Relations page and on the Securities and Exchange Commission’s website at 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.

**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.

EBITDA, as presented herein, may not be comparable to a similarly titled measure reported by other companies due to differences in the way the measure is calculated. We calculate EBITDA as income from continuing operations plus interest expense (net), provision for (benefit from) income taxes, and depreciation & amortization. EBITDA should not be considered an alternative to profit or operating profit for any period as an indicator of our performance, or as an alternative to operating cash flows as a measure of our liquidity. We also present EBITDA, net income 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, as presented for future projects is calculated as volume multiplied by average historical margins. Estimated EBITDA cannot be reconciled to net income due to the inherent difficulty in forecasting and 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.

Cash from operating activities yield from EBITDA excluding LCM and impairment is a measure that provides an indicator of a company’s operational efficiency and management. Cash from operating activities yield from EBITDA excluding LCM and impairment, 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. For purposes of this presentation, cash from operating activities yield from EBITDA excluding LCM and impairment means cash from operating activities divided by EBITDA excluding LCM and impairment.

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

Additionally, liquidity is a measure that provides an indicator of value to investors. For purposes of this presentation, liquidity includes cash and cash equivalents, restricted cash and restricted cash equivalents, short term investments, and availability under our Senior Revolving Credit Facility and our Receivables Facility.

Reconciliations for our non-GAAP measures can be found on our website at www.LyondellBasell.com/investorrelations.

# THIRD QUARTER 2020 HIGHLIGHTS

PRIORITIZING LIQUIDITY DURING CHALLENGING MARKET CONDITIONS

| | | | |
|---|---|---|---|
| **$0.1 B** | **$0.5 B** | **$0.33** | **$5.5 B** |
| NET INCOME | EBITDA | DILUTED EPS | LIQUIDITY |
| **$0.4 B** | **$0.9 B** | **$1.27** | |
| NET INCOME ex. LCM and Impairment | EBITDA ex. LCM and Impairment | DILUTED EPS ex. LCM and Impairment | |



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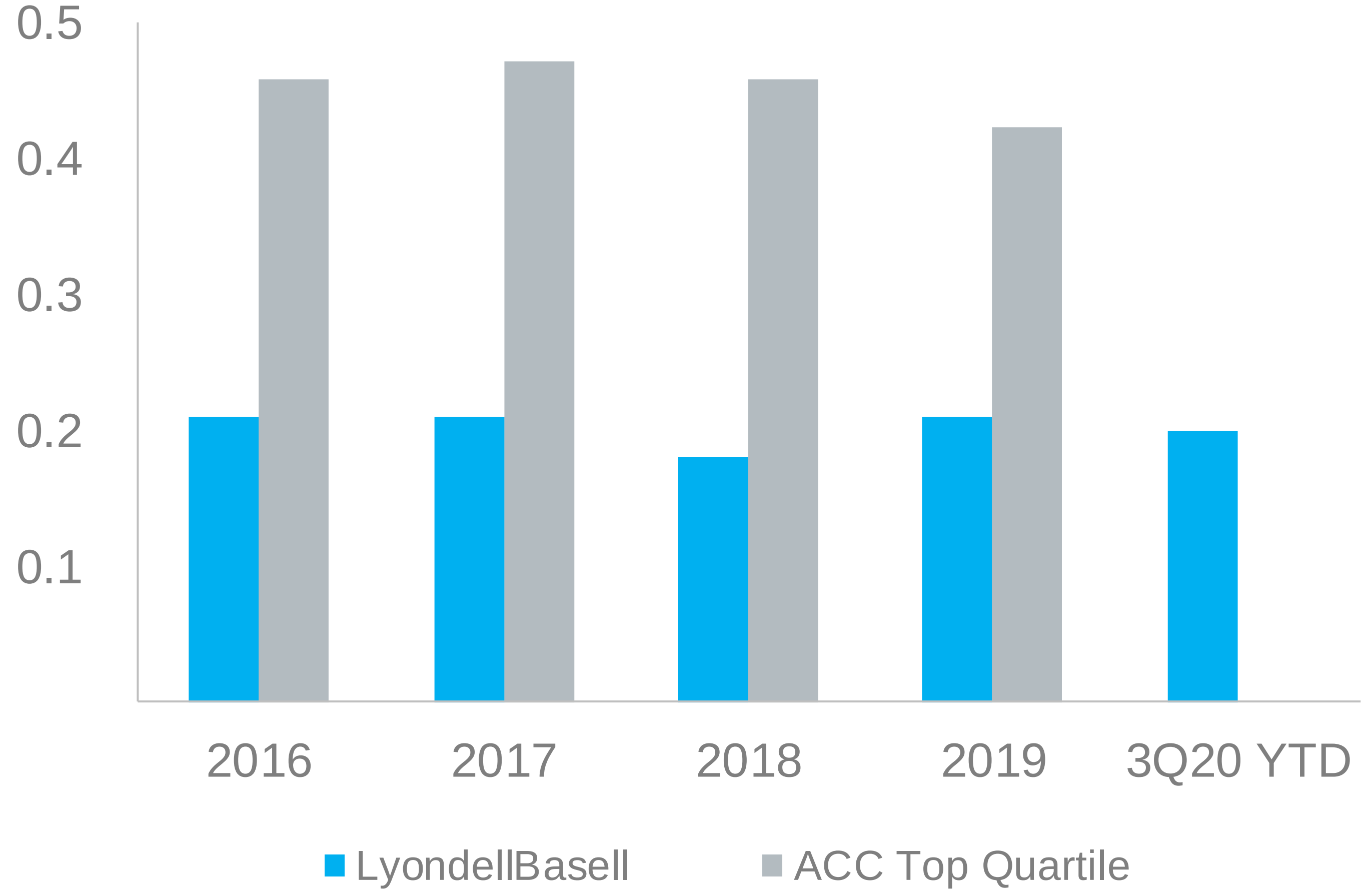
# CONSISTENT SAFETY FOCUS

## BEST PRACTICES SUPPORTING RETURN TO WORK

Injuries per 200,000 hours worked




FACIAL COVERING

SOCIAL DISTANCING

HEALTH SCREENING


Source: American Chemistry Council (ACC) and LyondellBasell. Note: Number of hours worked includes employees and contractors. Data includes safety performance from the acquisition of A. Schulman from August 21, 2018 forward.

# ADVANCING SUSTAINABILITY

## SERVING CUSTOMER NEEDS AND ADDRESSING SOCIETAL DEMANDS


### ELIMINATING PLASTIC WASTE

Targeting production and marketing of 2 MM ton of recycled and renewable-based polymers annually by 2030

### ADDRESSING CLIMATE CHANGE

Targeting a 15% reduction in $CO_2$ equivalent emissions per ton of product by 2030

### SUPPORTING A THRIVING SOCIETY

Focusing on operating safely and with zero incidents, zero injuries and zero accidents



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# LOUISIANA INTEGRATED PE JV

IMMEDIATE RETURNS FROM NEWLY-BUILT WORLD-SCALE ASSETS

### ADVANTAGES

- Top-quartile cost positions with established technologies and cyclical upside
- New, well-built and operational assets derisked from project development uncertainties
- Synergy benefits from LyondellBasell's proven operational excellence

### 50/50 LYONDELLBASELL / SASOL JOINT VENTURE

- LyondellBasell acquires 50% of JV from Sasol for $2 B
- LyondellBasell operates assets on behalf of JV
- LyondellBasell has potential to acquire JV assets in full in the future

### CLOSING CONSIDERATIONS

- Customary regulatory and Sasol shareholder approvals
- Closing anticipated before year-end 2020

**1.5**
MM ton per yr
Ethane cracker

**0.9**
MM ton per yr
Low density &
linear-low density
polyethylene

**All**
Associated
utilities,
offsites &
infrastructure

# PROACTIVELY MANAGING OUR DEBT PORTFOLIO

CAPTURING FAVORABLE INTEREST RATES

**COMPLETED BOND TRANSACTION**

$3.9 B to fund refinancing and Sasol JV

2.72% weighted average coupon

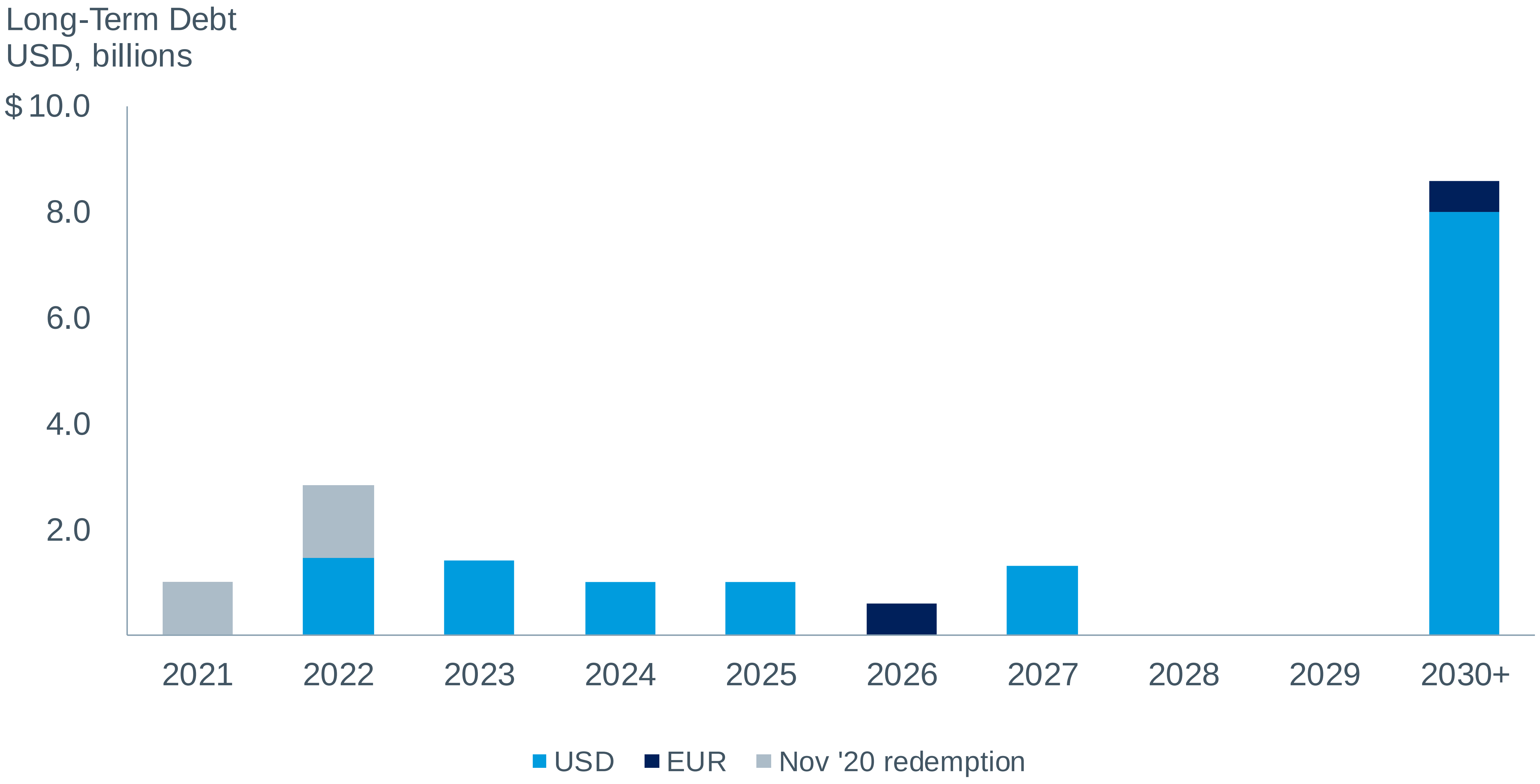
**HISTORICALLY LOW RATES**

Reduced weighted average interest rate of portfolio by 34 basis points to 3.77%

**BALANCED MATURITY PROFILE**

Accessible near term maturities

Staggered long term maturities

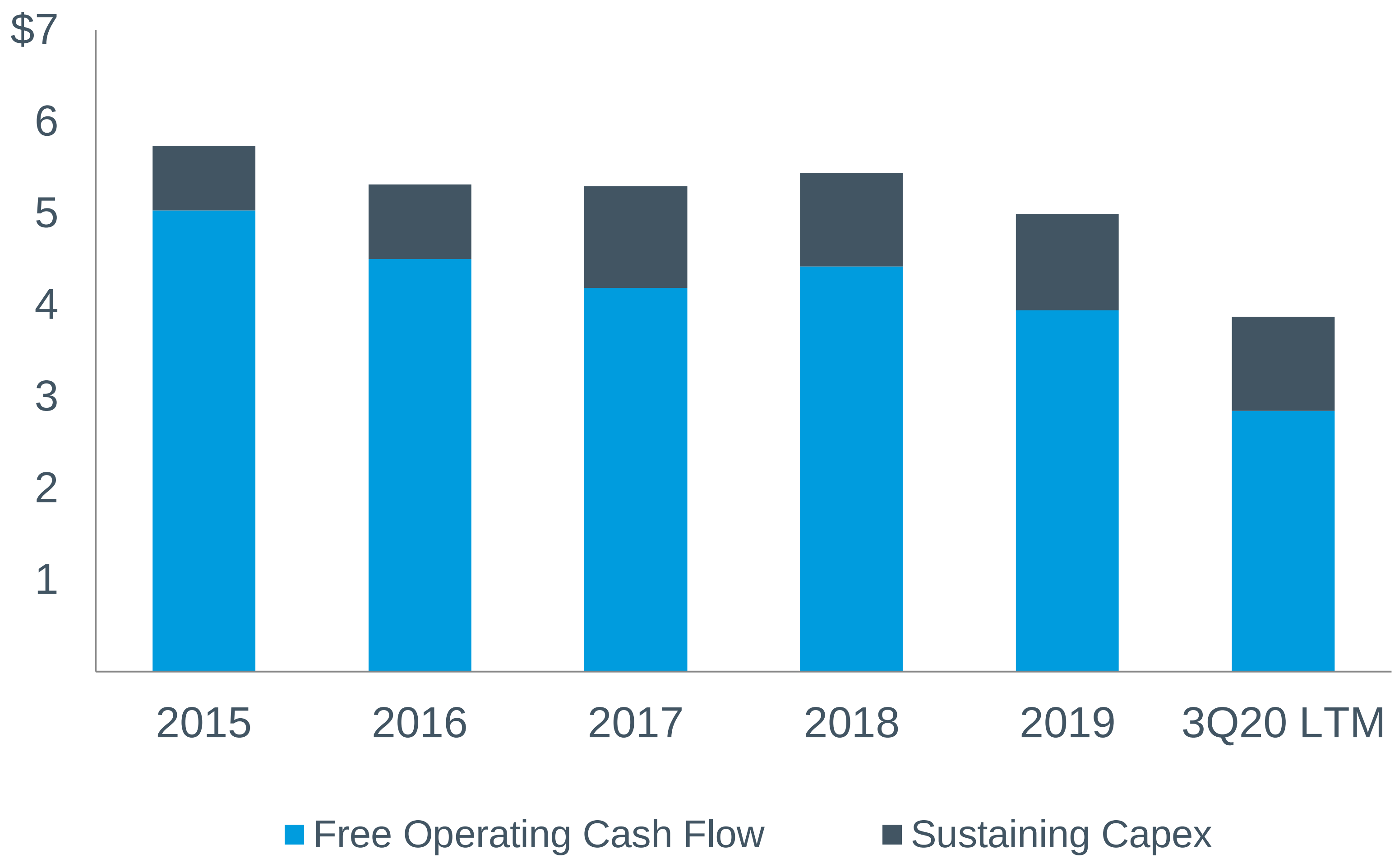



Note: Long-term debt pro-forma as of November 6, 2020 following redemption of 6% Senior Notes due 2021, 1.875% EUR Guaranteed Notes 2022 and $500 million of the $1.95 billion borrowed under our Term Loan due 2022. The new $3.9 billion bond includes the Floating Rate Guaranteed Notes due 2023, 1.25% Guaranteed Notes due 2025, 2.25% Guaranteed Notes due 2030, 3.375% Guaranteed Notes due 2040, 3.635% Guaranteed Notes due 2051 and 3.8% Guaranteed Notes due 2060 issued on October 8, 2020. Excludes debt discount, debt issuance cost and leases classified as long-term. EUR notes outstanding are shown in USD equivalent using a FX rate of 1.1709 USD to 1 EUR.

# STRONG CASH CONVERSION

## PRIORITIZING LIQUIDITY THROUGH BUSINESS CYCLES

Cash from Operating Activities
USD, billions




**102%**

CASH FROM OPERATING ACTIVITIES / EBITDA ex. LCM AND IMPAIRMENT

3Q20 LTM

**$3.9 B**

CASH FROM OPERATING ACTIVITIES

3Q20 LTM

**12.6%**

FREE OPERATING CASH FLOW YIELD

3Q20 LTM

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

# CASH GENERATION AND DEPLOYMENT

## MAXIMIZING CASH FLOW TO SUPPORT SHAREHOLDER RETURNS

**DELIVERING RESULTS**

Cash from operating activities $0.8 B

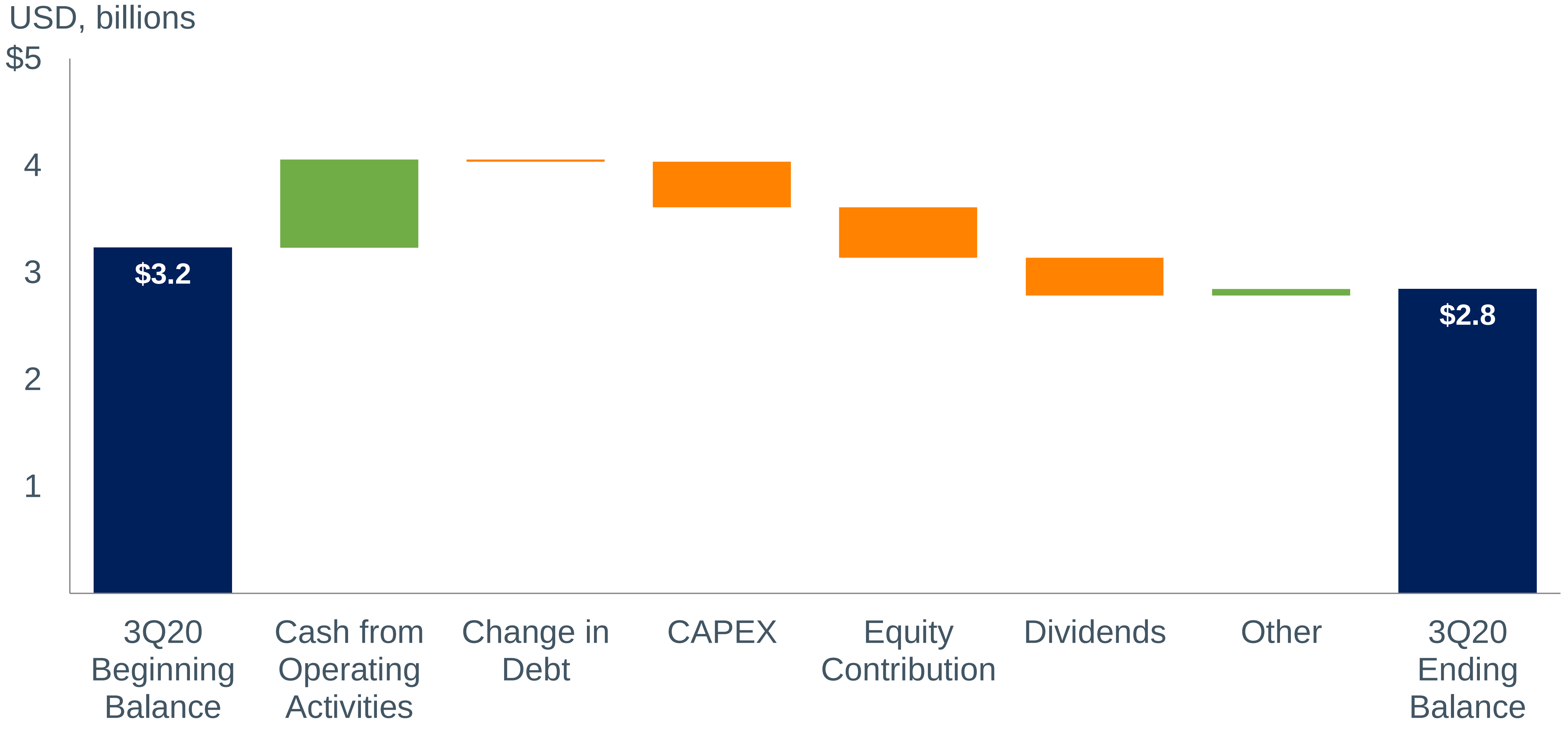
**GROWING THROUGH INVESTMENT**

Slowed PO/TBA activity during pandemic

Established Bora JV in China

**DELIVERING VALUE FOR SHAREHOLDERS**

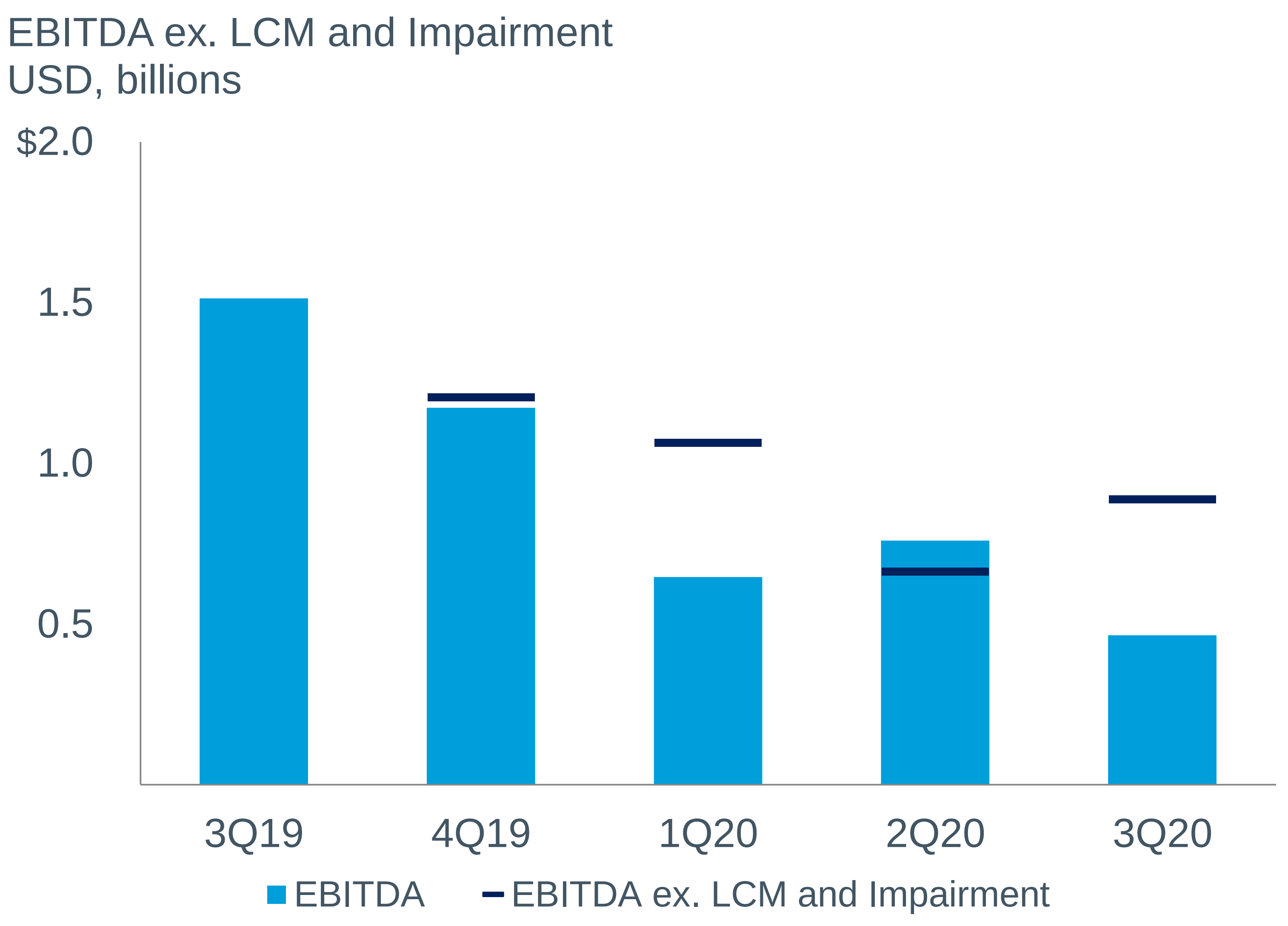
Dividends $352 MM




Note: Beginning and ending cash balances include cash and cash equivalents, restricted cash, and liquid investments. CAPEX includes growth and sustaining (maintenance and HSE) capital.

# RESILIENT PORTFOLIO

## DIVERSE GLOBAL BUSINESSES REFLECTING INITIAL STAGES OF ECONOMIC RECOVERY




**STRONG CONSUMER DRIVEN DEMAND**

Packaging and non-durable products

**RECOVERING INDUSTRIAL SECTOR**

Automotive and other durable products

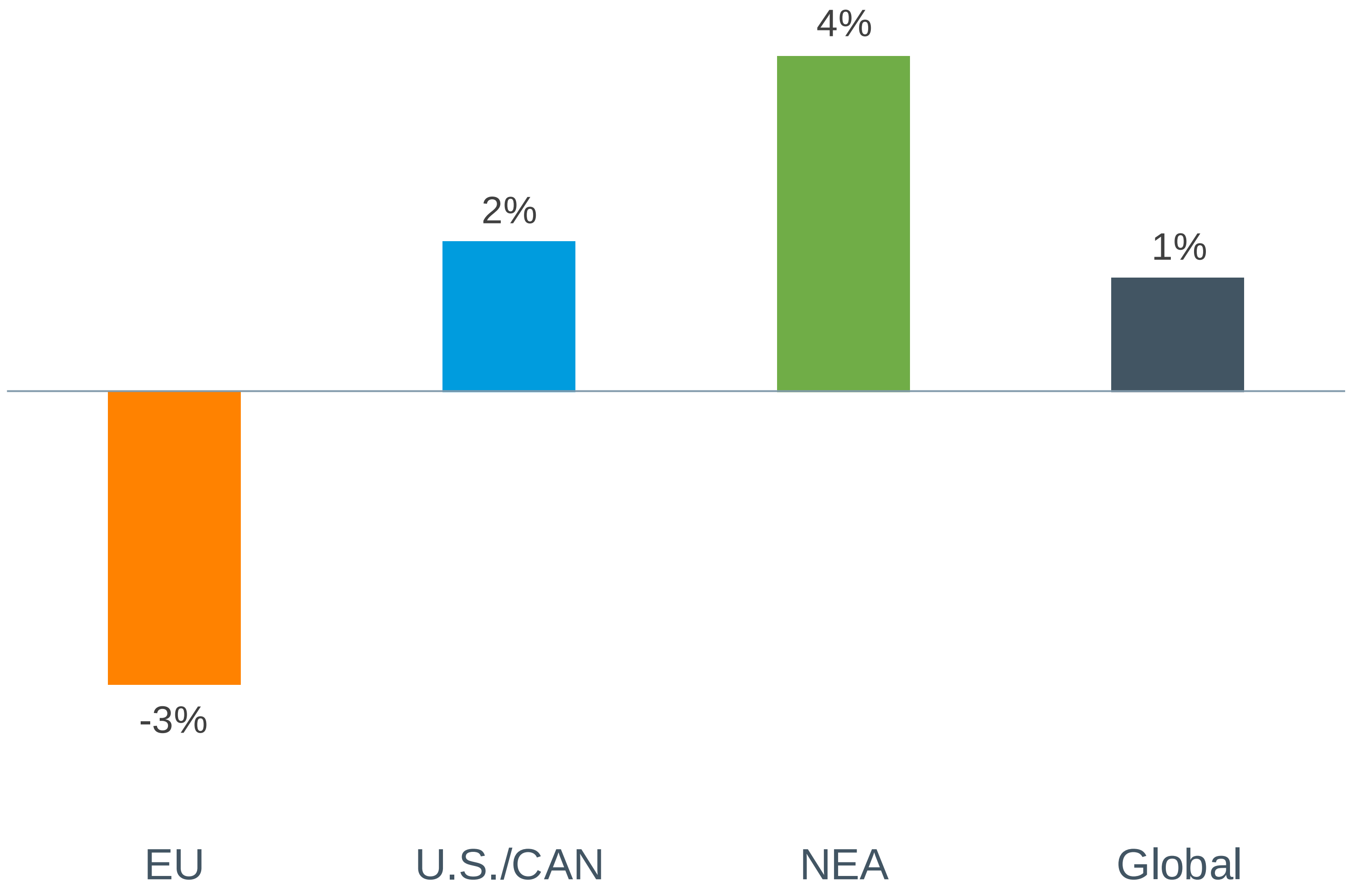
**REDUCED MOBILITY**

Transportation fuels

# GLOBAL POLYETHYLENE MARKET

## DEMAND GROWTH CONTINUES DESPITE PANDEMIC AND RECESSION

Polyethylene Year-over-Year Demand Growth
YTD 3Q20




**GROWING DEMAND**

Asia growth drawing exports from North America

**CONSTRAINED SUPPLY**

Tight North American market impacted by Hurricane Laura and low 2Q utilization

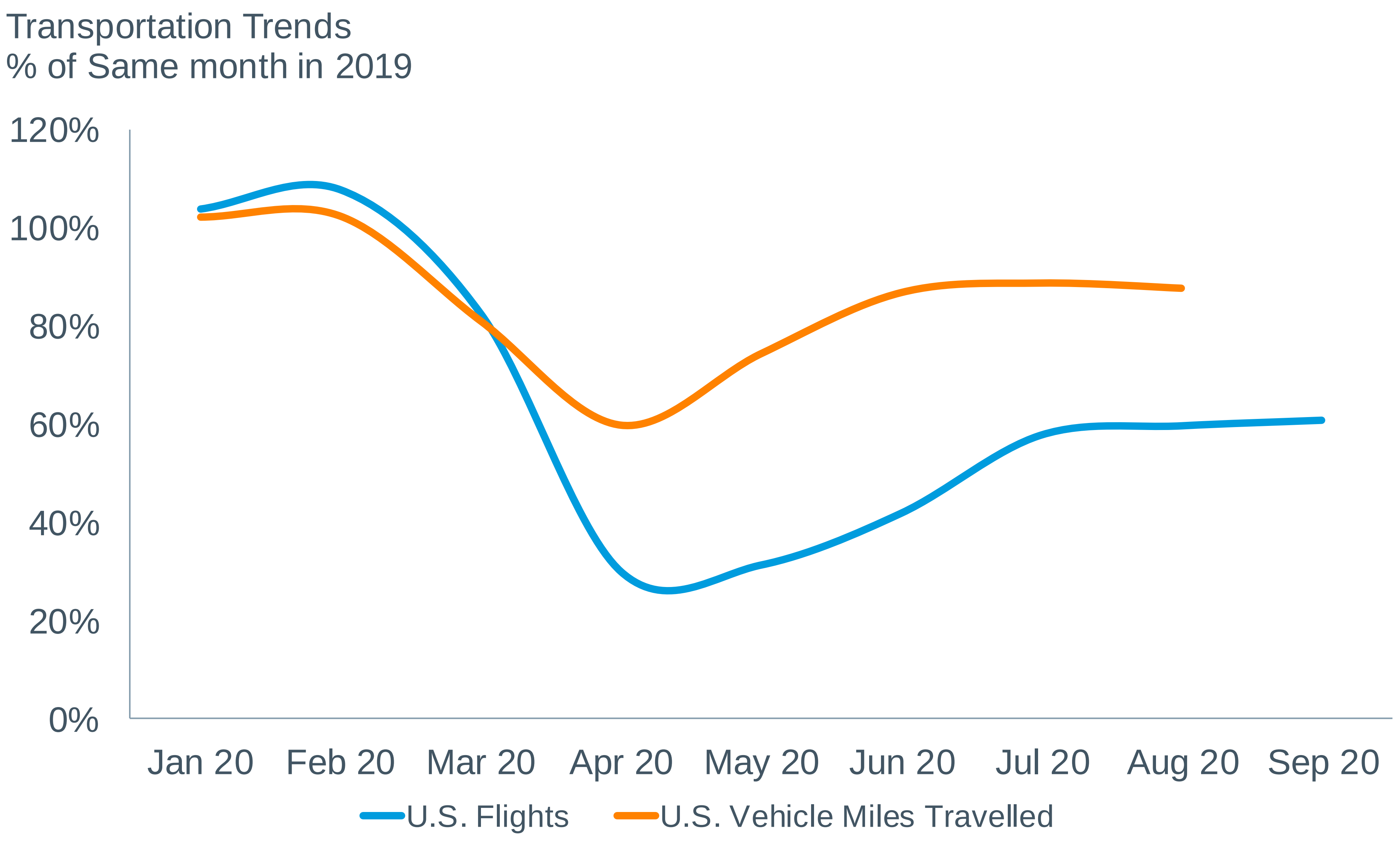
**REBOUNDING MARGINS**

U.S. producers achieved ~$420/ton price increase Jun - Sep 2020

Source: IHS Markit and American Chemistry Council. Year-over-year stands for 9-months ended September 30, 2019 and 2020.

# TRANSPORTATION TRENDS

REBOUND IN AIRLINE TRAVEL NEEDED FOR FULL REFINING UTILIZATION




Source: EIA, DOT, Radarbox

**Sep 2020 vs. Sep 2019**

**↓ 10%**

**U.S. GASOLINE & DIESEL CONSUMPTION**

**↓ 40%**

**U.S. JET FUEL CONSUMPTION**

**↓ 10%**

**U.S. GASOLINE & JET FUEL INVENTORY**

**↑ 30%**

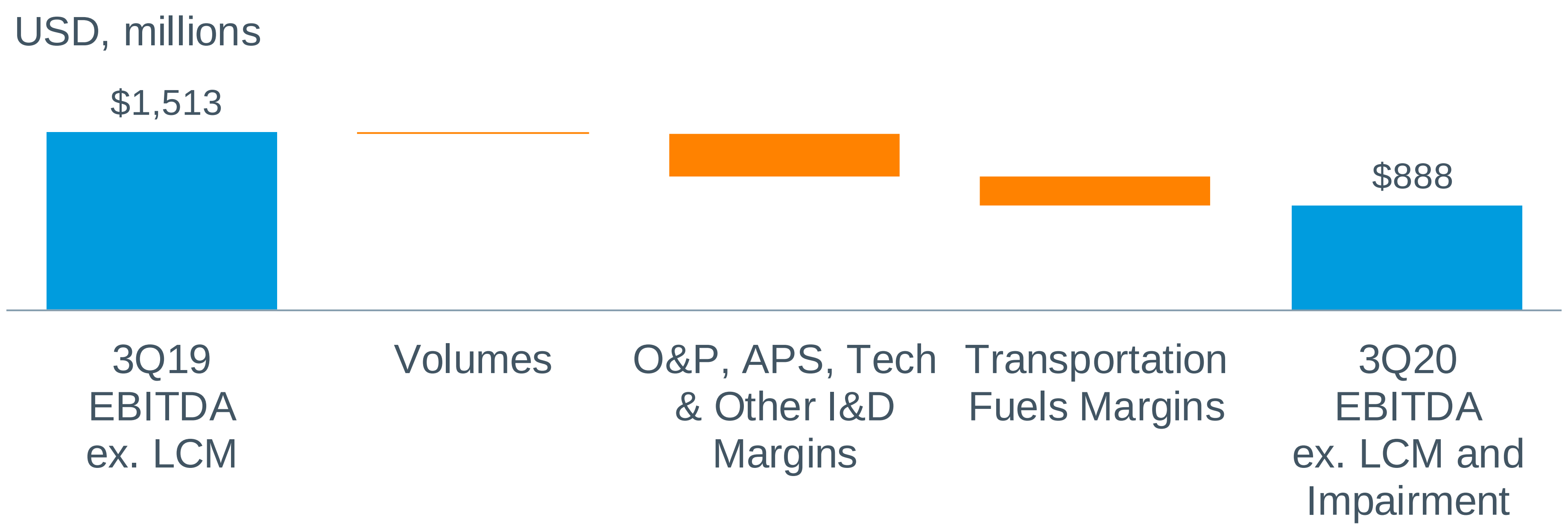
**U.S. DIESEL INVENTORY**

# RECOVERING MARKET ENVIRONMENT

## IMPROVED THIRD QUARTER SALES VOLUMES

**VOLUME INTACT**

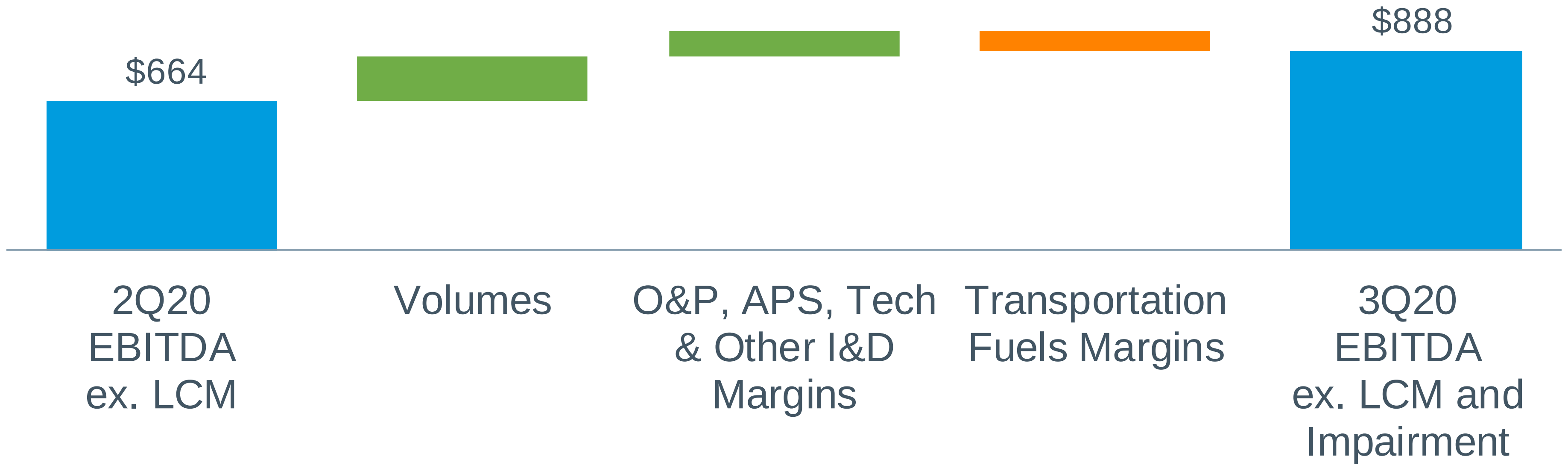
LyondellBasell recovered to prior year levels




**MARGINS MIXED**

Improvement reflecting the reopening of economies

Transportation fuels remain a headwind

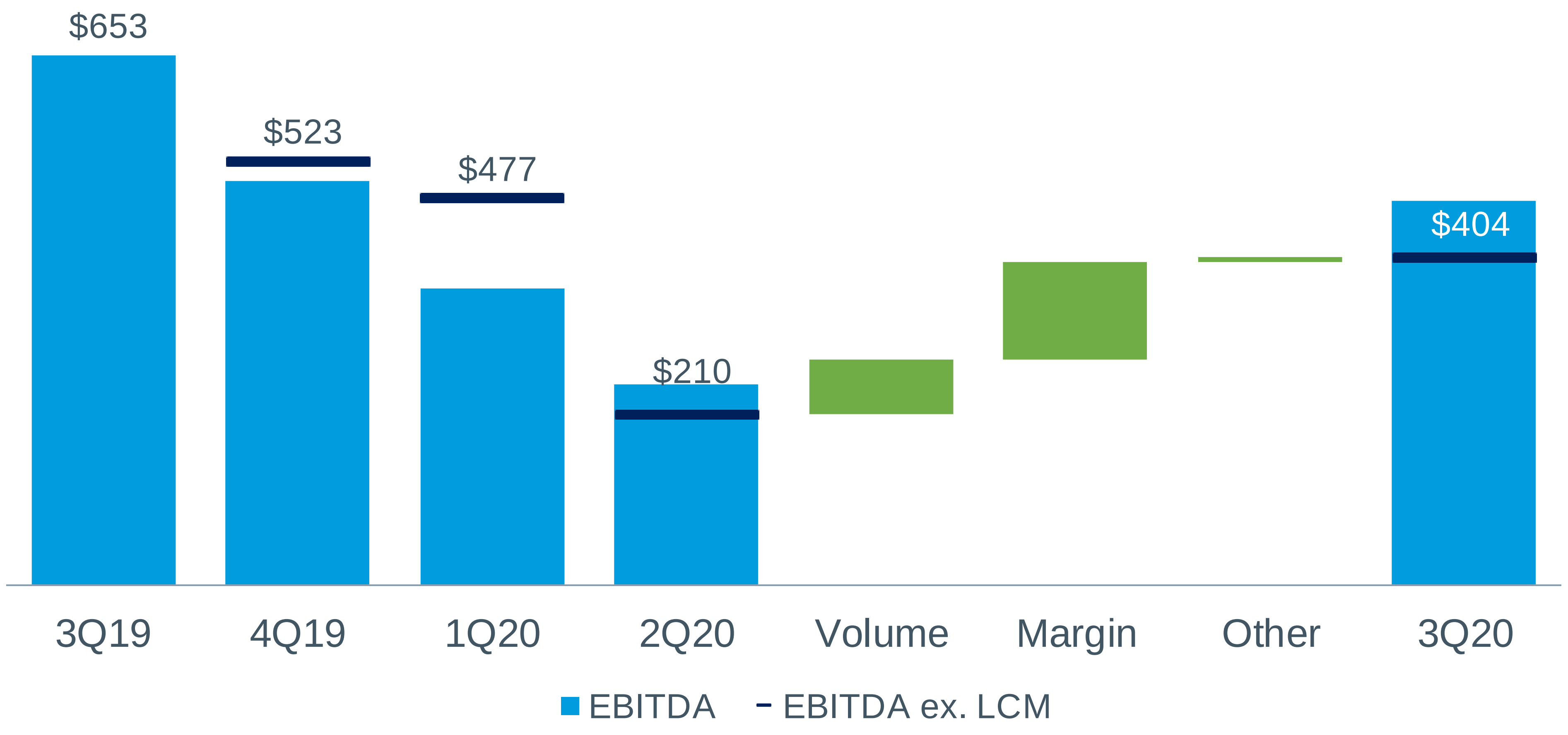



Note: Transportation fuels margins are Refining and Oxyfuels & Related Products.

# OLEFINS & POLYOLEFINS – AMERICAS

INTEGRATED POLYETHYLENE MARGIN AND VOLUME BENEFITTING FROM IMPROVED DEMAND

EBITDA ex. LCM
USD, millions




**OLEFINS**

Higher ethylene prices driven by tight supply

Volumes increased due to higher demand

**POLYOLEFINS**

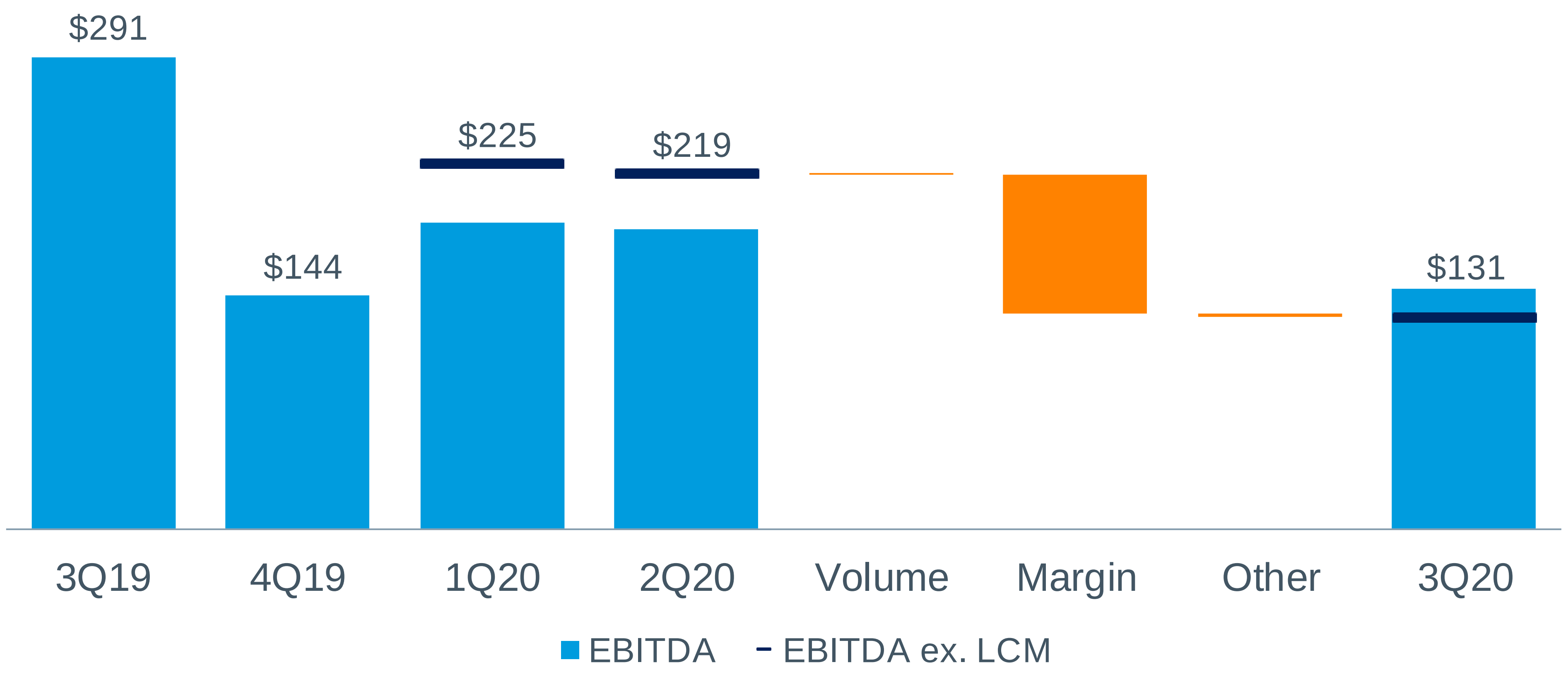
Polyethylene margins and volumes increased with higher demand

Polypropylene margins declined

# OLEFINS & POLYOLEFINS – EUROPE, ASIA & INTERNATIONAL

## CRACKER MARGINS CHALLENGED BY INCREASING FEEDSTOCK COSTS

EBITDA ex. LCM
USD, millions




**OLEFINS**

Margins lower due to higher crude oil driven feedstock prices

**POLYOLEFINS**

Polyethylene volume decreased

Polypropylene spread decreased



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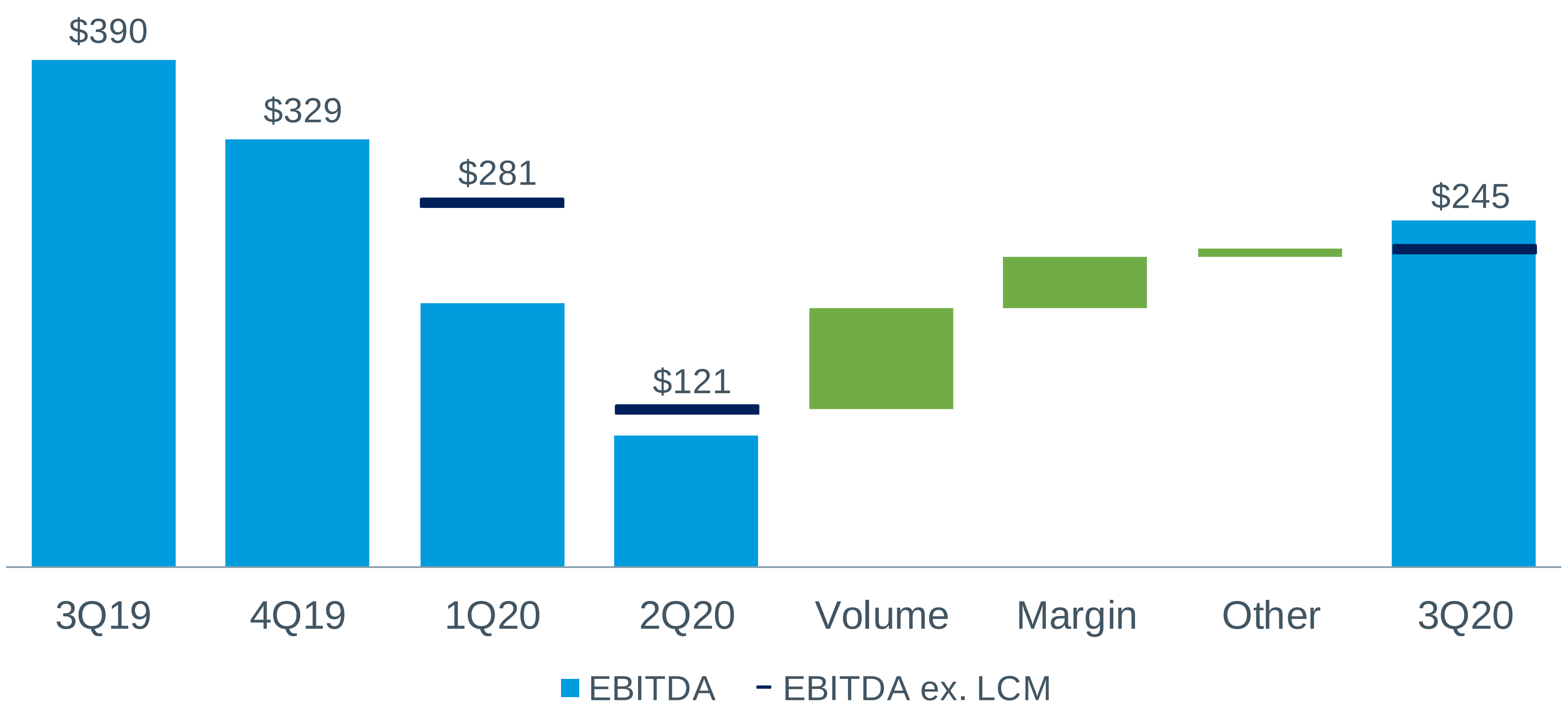
# INTERMEDIATES & DERIVATIVES

VOLUME IMPROVED WITH INCREASED DURABLE GOODS DEMAND

EBITDA ex. LCM
USD, millions




**PO & DERIVATIVES**

Volumes increased due to higher polyurethanes demand from automotive, construction and furniture markets

**INTERMEDIATE CHEMICALS**

Volumes increased with completion of planned maintenance

**OXYFUELS & RELATED PRODUCTS**

Slightly higher margins driven by increasing product prices



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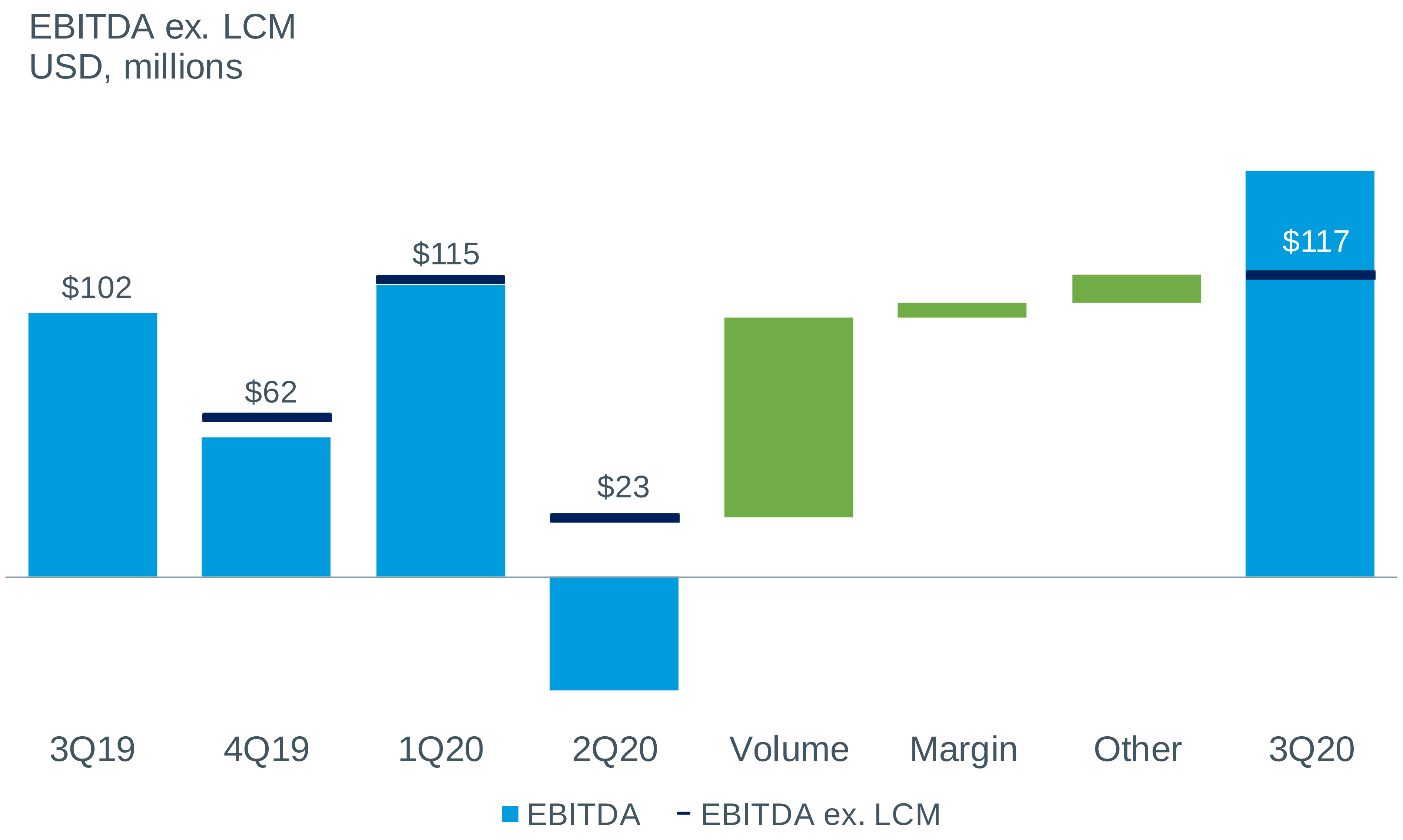
# ADVANCED POLYMER SOLUTIONS

## REBOUNDING AUTOMOTIVE MANUFACTURING DROVE VOLUME IMPROVEMENTS




**COMPOUNDING & SOLUTIONS**

Volumes increased with automotive restarts

**INTEGRATION COSTS**

$7 MM in 3Q20

**SYNERGIES**

>$200 MM annual run rate

Increasing visibility as volumes recover



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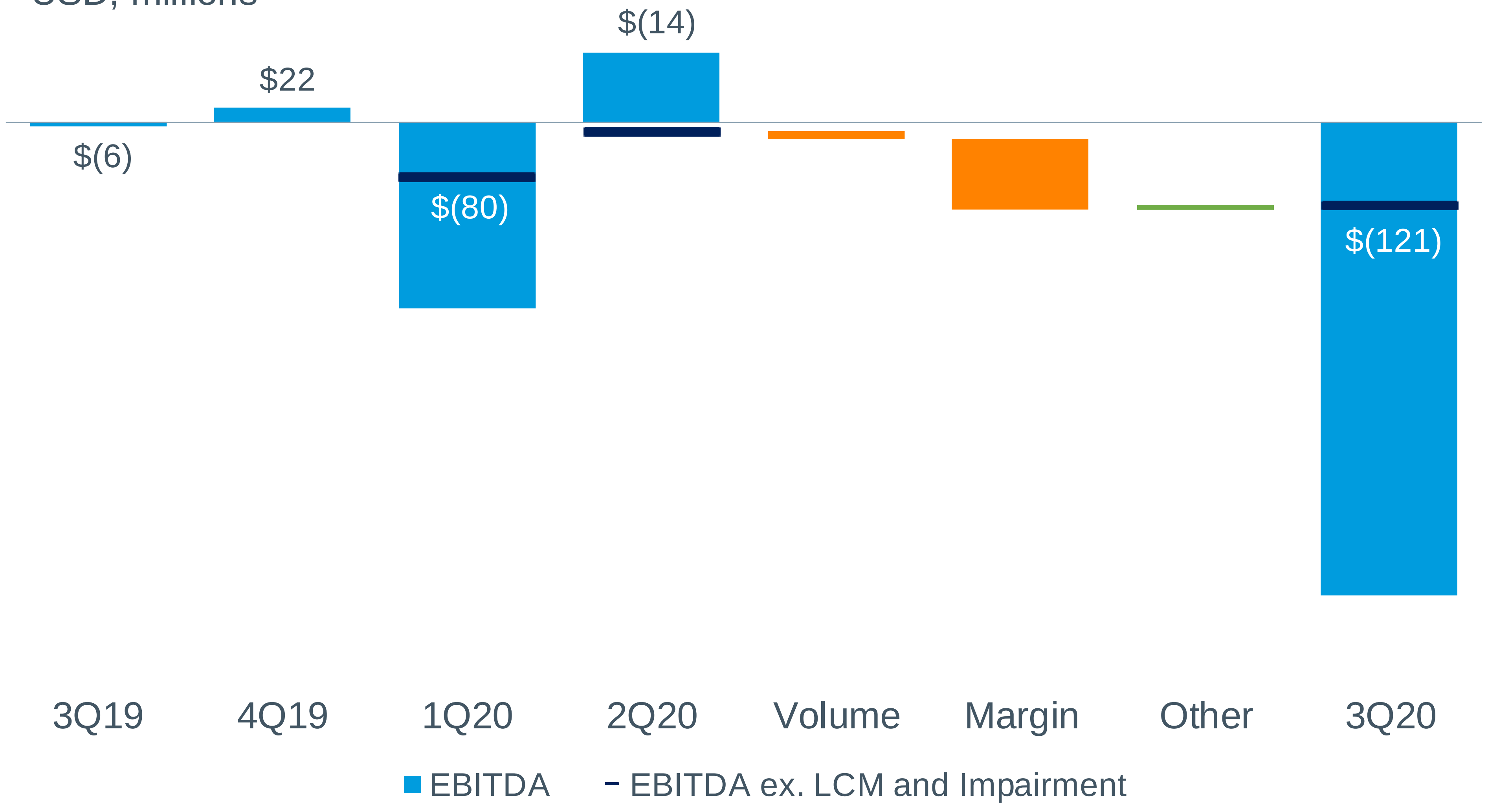
# REFINING

## LOWER DEMAND FOR GASOLINE AND JET FUEL PRESSURING PROFITABILITY

EBITDA ex. LCM and Impairment
USD, millions




**CRUDE THROUGHPUT**

81% utilization rate matching reduced demand

**MARGIN**

Lower crack spreads; absence of 2Q20 hedge gains

Maya 2-1-1 decreased by $3.38 to $9.89

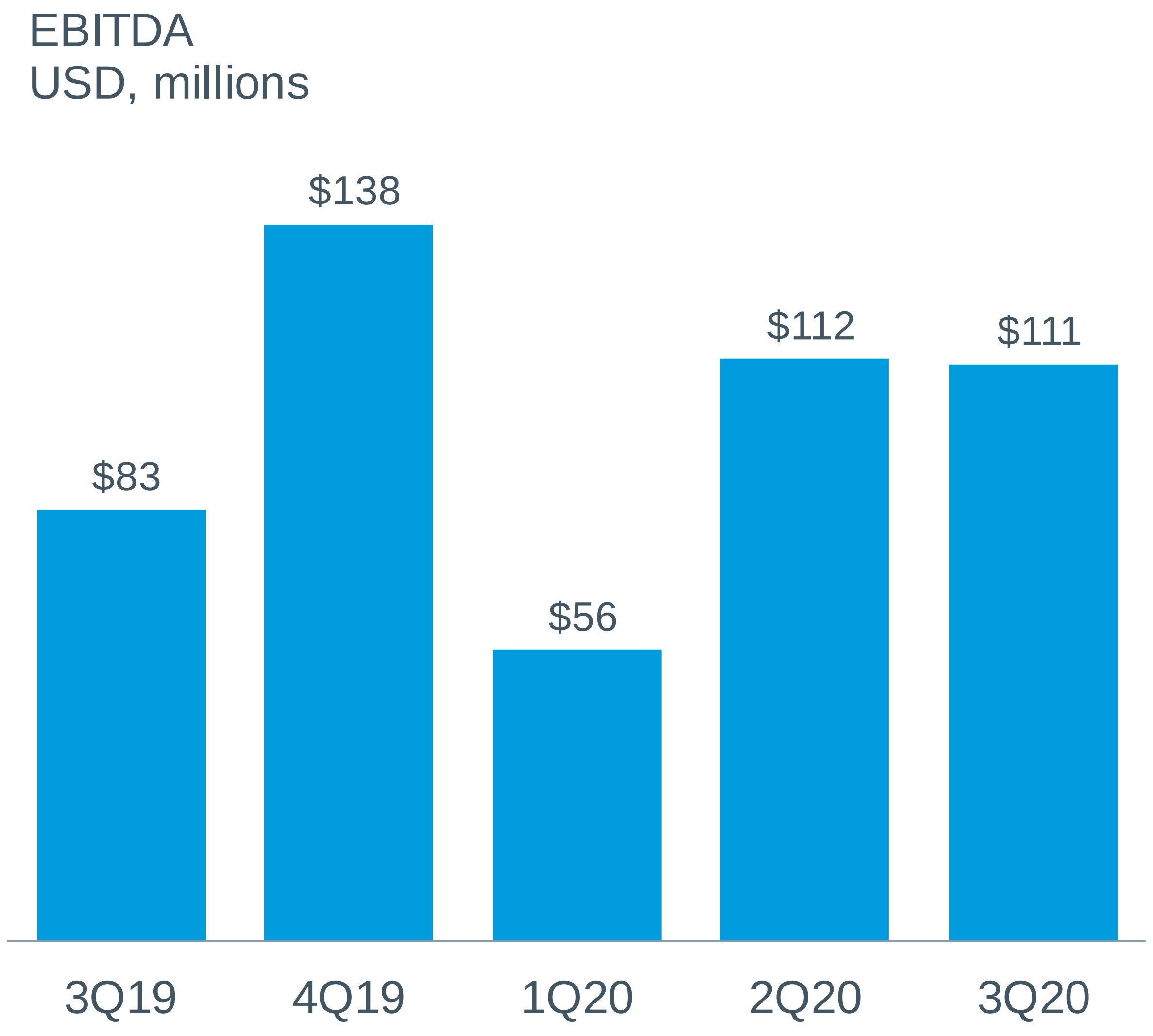
**ONE-TIME CHARGES**

$582 MM impairment

$8 MM restructuring costs

# TECHNOLOGY

LICENSING AND CATALYST PROFITABILITY SIMILAR TO PRIOR QUARTER




**LICENSING**

Increased number of revenue milestones

**CATALYST**

Margins decreased

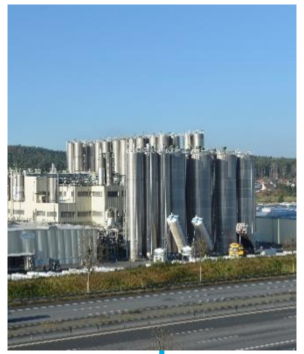
Volumes decreased as customers utilized inventories built during 2Q

# DISCIPLINED INVESTMENTS DRIVING GROWTH AND VALUE

## HIGHER EBITDA AND LOWER CAPEX: A CLEAR STRATEGY FOR INCREASING FREE CASH FLOW

2Q 2020
***Hyperzone* HDPE**
La Porte, Texas
Estimated EBITDA
~$170 MM/yr

3Q 2020
**Bora Integrated Cracker JV**
Panjin, China
Estimated EBITDA
~$150 MM/yr



4Q 2020
**Advanced Polymer Solutions Synergies**
~$200 MM/yr

4Q 2020
**Louisiana Integrated PE JV**
Lake Charles, LA
Estimated EBITDA
~$330 MM/yr

2022
**Sinopec PO/SM JV**
Ningbo, China
Estimated EBITDA
~$45 MM/yr

2023
**PO/TBA**
Channelview, Texas
Bayport, Texas
Estimated EBITDA
~$450 MM/yr

**Reducing CAPEX to ~$2 B/yr**
2020-2023

**FREE CASH FLOW**

Note: 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. 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.

# THIRD QUARTER 2020 SUMMARY & OUTLOOK

WELL POSITIONED PORTFOLIO CAPTURING VALUE AND MAXIMIZING FREE CASH FLOW

## LEADING ADVANTAGED POSITIONS

Reliable, cost efficient operator

Commercial agility

Resilient portfolio

## RECOVERING ECONOMIES

Growing Asia PE demand

Increasing automotive and durables market demand

Rising global mobility

## CONSISTENT FINANCIAL STRATEGY

Prioritizing investment-grade rating

Focused on maintaining dividend

Committed to deleveraging

## MAXIMIZE FREE CASH FLOW

APS synergies

*Hyperzone* PE & PO/TBA

Bora, Sasol and Sinopec Joint Ventures

Decreasing CAPEX



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