

# THIRD QUARTER 2019 EARNINGS

November 1, 2019



**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 which are believed to be reasonable at the time made and are subject to significant risks and uncertainties. Actual results could differ materially based on factors including, but not limited to, 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 crude oil, natural gas, and associated natural gas liquids; 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 achieve expected cost savings and other synergies; our ability to successfully execute projects and growth strategies; any proposed business combination, the expected timetable for completing any proposed transactions and the receipt of any required governmental approvals, future financial and operating results, benefits and synergies of any proposed transactions, future opportunities for the combined company; legal and environmental proceedings; tax rulings, consequences or proceedings; technological developments, and our ability to develop new products and process technologies; 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 service 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, 2018, 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).

The illustrative results or returns of growth projects are not in any way intended to be, nor should they be taken as, indicators or guarantees of performance. The assumptions on which they are based are not projections and do not necessarily represent the Company's expectations and future performance. You should not rely on illustrated results or returns or these assumptions as being indicative of our future results or returns.

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.

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.

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

Reconciliations for our non-GAAP measures can be found on our website at [www.LyondellBasell.com/investorrelations](http://www.LyondellBasell.com/investorrelations).

# THIRD QUARTER 2019 HIGHLIGHTS

LEADING CASH FLOW GENERATION FROM OPERATING ACTIVITIES



**\$1.0 B**

NET INCOME



**\$1.5 B**

EBITDA



**\$2.85**

DILUTED EPS

USD/share



**\$1.9 B**

CASH FROM  
OPERATING  
ACTIVITIES

# DELIVERING, GROWING, ADVANCING

APPLYING OUR STRONG CASH FLOW TO OUR DISCIPLINED, VALUE-DRIVEN GROWTH STRATEGY

**STRONG  
CASH FROM  
OPERATING ACTIVITIES**

## GROWING THROUGH INVESTMENT

Commissioning  
*Hyperzone PE – 2H19*

Building world's largest  
PO/TBA plant

## ADVANCING VALUE-DRIVEN OPPORTUNITIES

Propylene supply contract  
with Enterprise

MoU with Bora

Completed tender offer

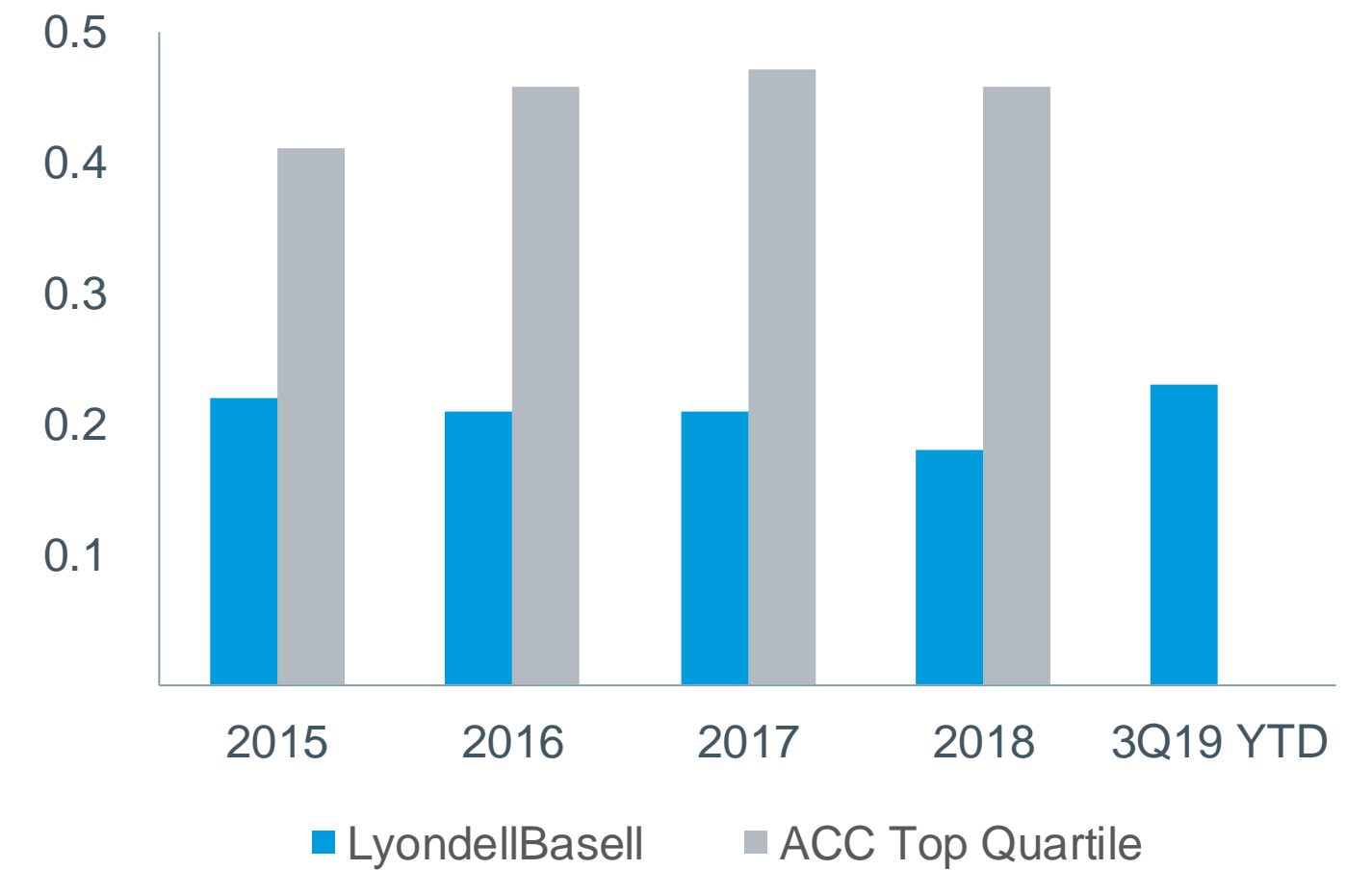




# SAFETY LEADERSHIP

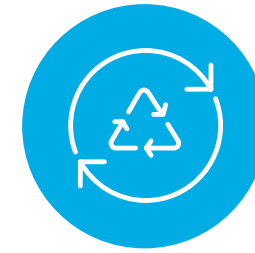
CONSISTENT FOCUS ON SAFETY

Injuries per 200,000 hours worked



# ADVANCING SUSTAINABILITY

SERVING CUSTOMER NEEDS AND ADDRESSING SOCIETAL DEMANDS



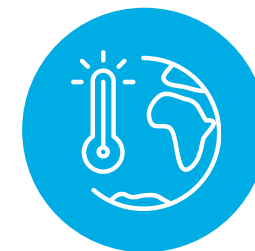
## SUSTAINABLE AND CIRCULAR PRODUCTS

Advancing sustainable technologies to create profitable business opportunities



## PLASTIC WASTE IN THE ENVIRONMENT

Developing and deploying meaningful solutions through our leadership in the Alliance to End Plastic Waste

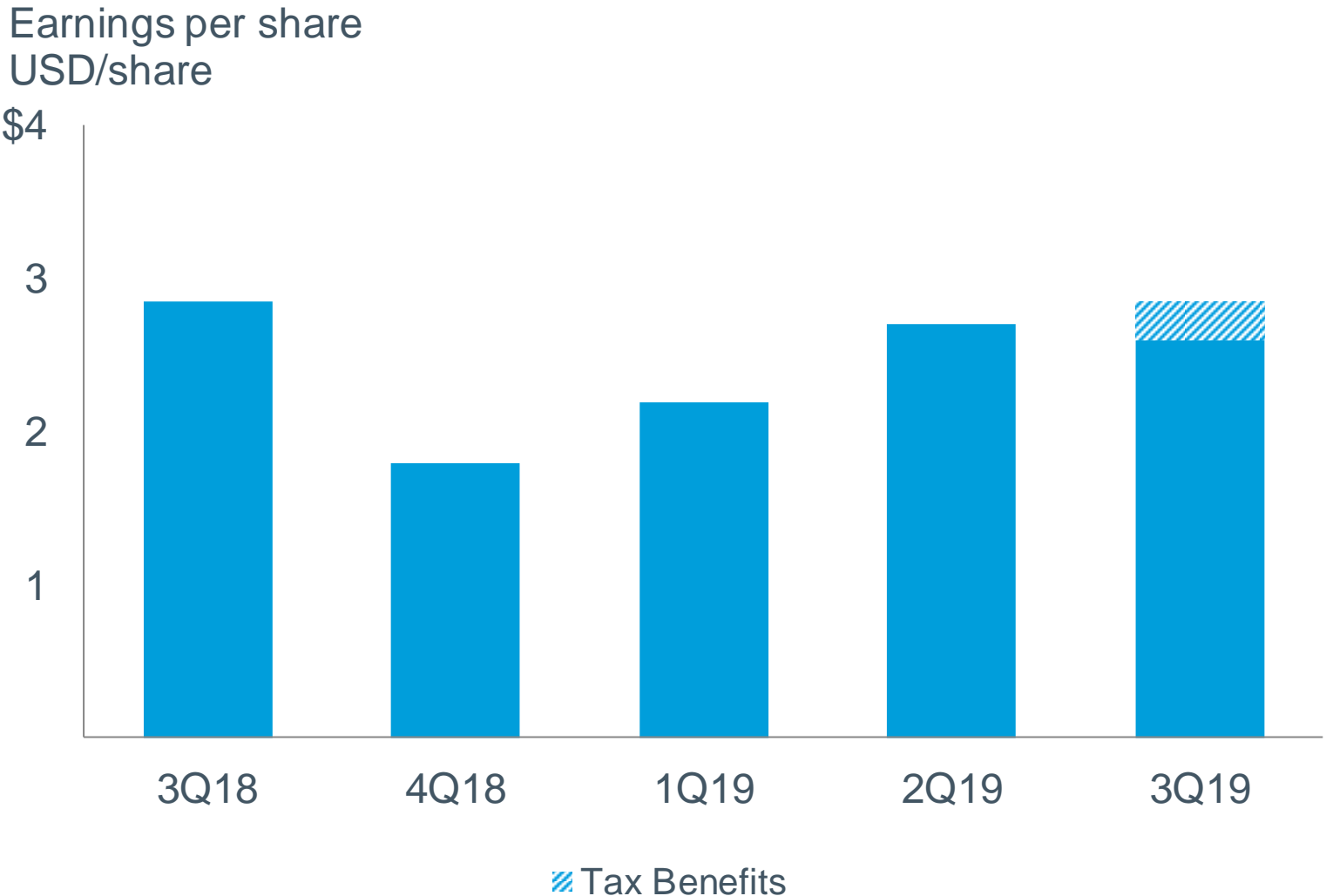


## CLIMATE CHANGE

Targeting a 15% reduction in CO<sub>2</sub> equivalent emissions per ton of product by 2030

# STEADY EARNINGS IMPROVEMENT

THREE CONSECUTIVE QUARTERS OF EPS GROWTH



## RESILIENT PROFITABILITY

Strong seasonal demand

## INCREASING VALUE PER SHARE

Significant share repurchases in 3Q19

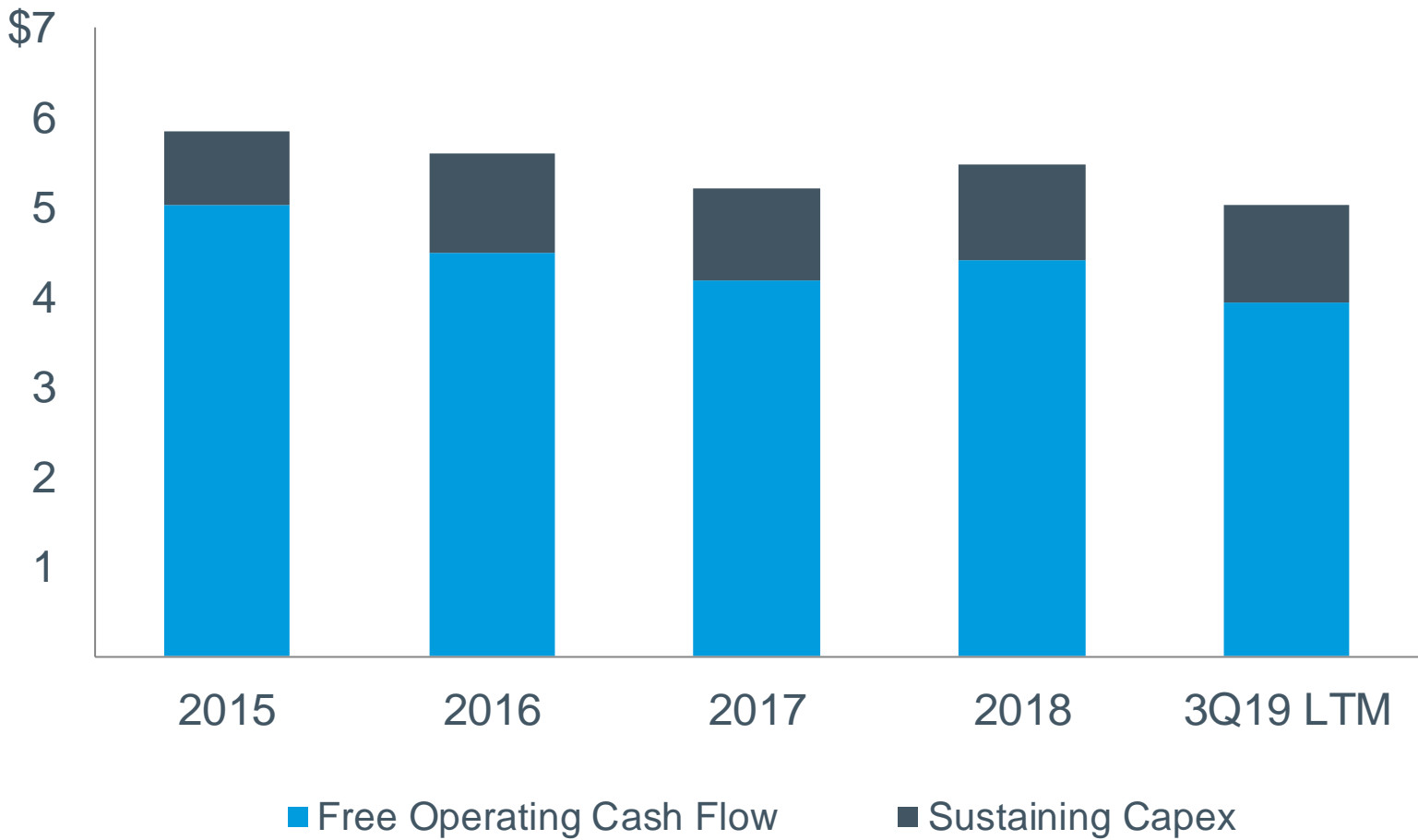
Note: 3Q19 results include a one time, non-cash tax benefit that increased earnings by \$0.25 per share.



# STRONG CASH CONVERSION

## EFFICIENT DELIVERY OF VALUE

Cash from Operating Activities  
USD, billions



**\$5.0 B**

CASH FROM OPERATING ACTIVITIES  
3Q19 LTM



**\$1.1 B**

SUSTAINING CAPEX  
3Q19 LTM



**13.2%**

FREE OPERATING CASH FLOW YIELD  
3Q19 LTM

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



# CASH GENERATION AND DEPLOYMENT

CASH FLOW SUPPORTING ACCRETIVE INVESTMENTS AND SHAREHOLDER RETURNS

## DELIVERING STRONG RESULTS

Cash from operating activities \$1.9 B

## GROWING THROUGH INVESTMENT

Hyperzone PE and PO/TBA

## RETURNING VALUE TO SHAREHOLDERS

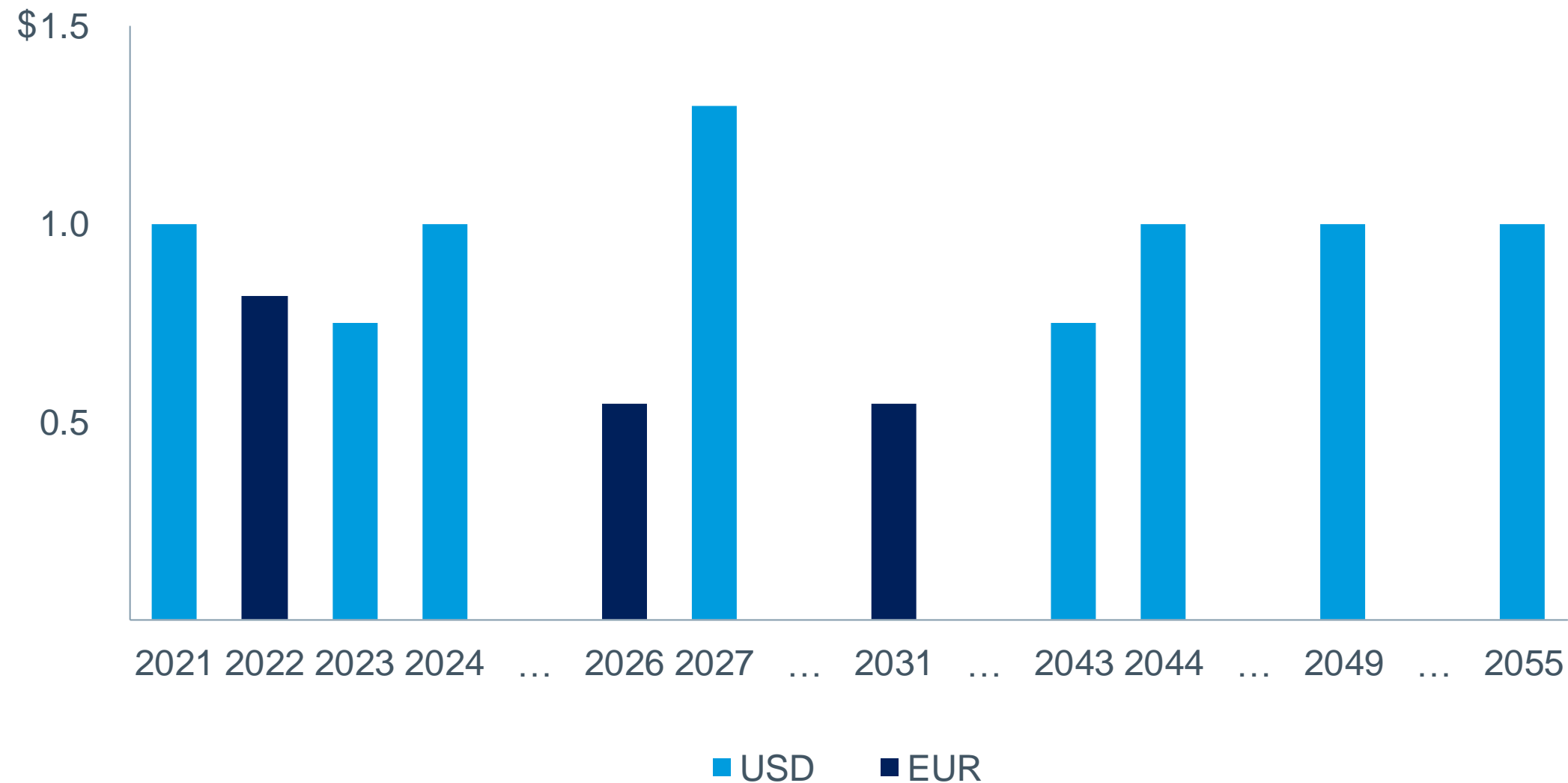
Completed tender offer for 35.1 million shares



# BALANCED MATURITY PROFILE

THOUGHTFUL APPROACH THAT MINIMIZES FINANCIAL RISK

Long-Term Debt  
USD, billions



## STRATEGICALLY MANAGED DEBT MATURITIES

Refinanced over \$2 B in debt at favorable rates

## DISCIPLINED INTEREST RATE RISK MANAGEMENT

Reduced long term weighted average interest rate by more than 40 bps to 4.25%

## ESTABLISHED FIXED INCOME MARKET PRESENCE

Active participant in both European and U.S. markets



# DISCIPLINED CAPITAL ALLOCATION

CLEAR FRAMEWORK THAT SUPPORTS VALUE CREATION AND SHAREHOLDER REMUNERATION

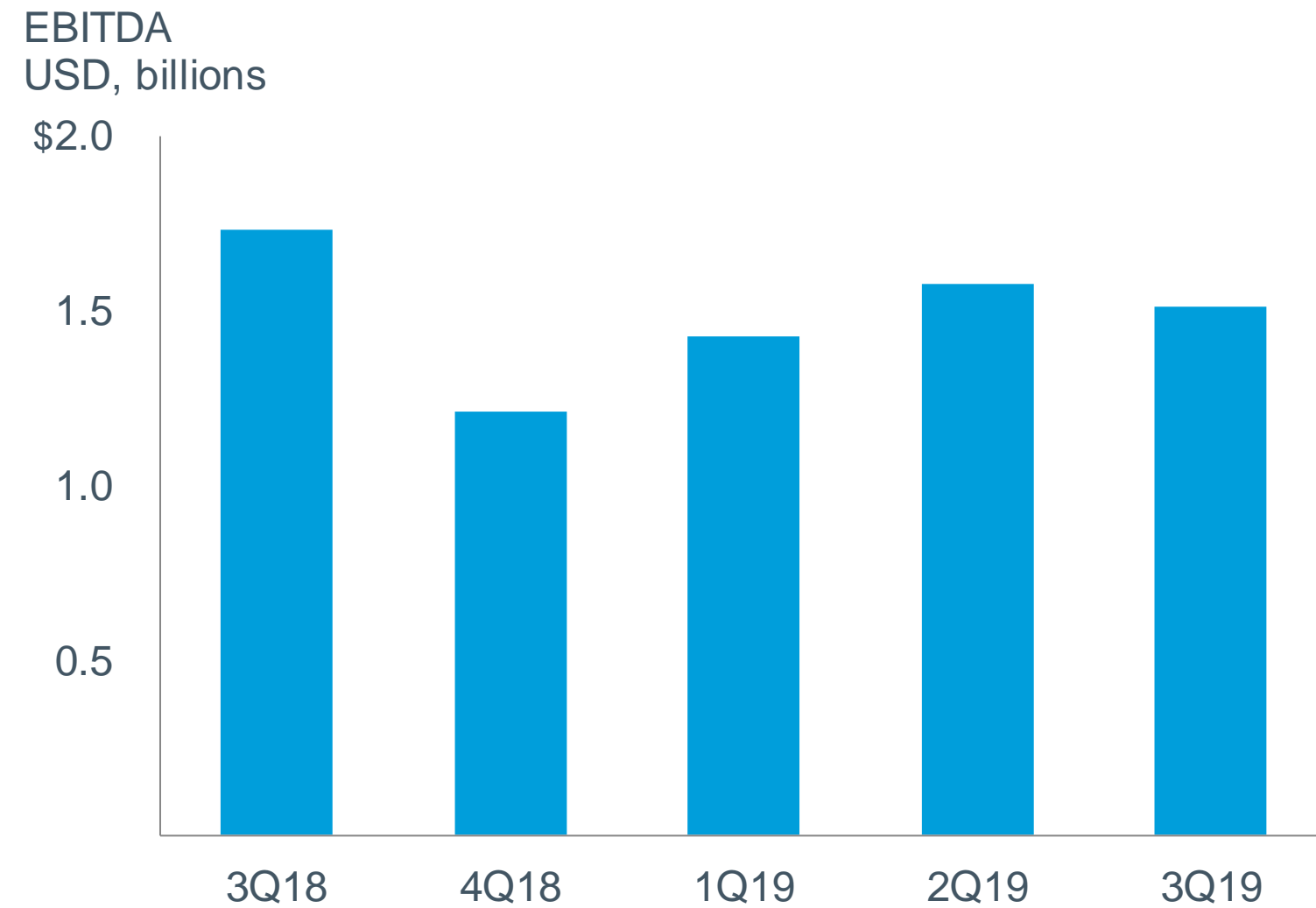


- 1 DIVIDEND**  
Committed to a strong and progressive dividend
- 2 SUSTAINING & GROWTH CAPEX**  
Capital investments to sustain and expand our assets
- 3 INORGANIC INVESTMENTS & SHARE REPURCHASES**  
Value-minded inorganic growth  
Return surplus cash through share repurchases

Committed to Strong Investment Grade Rating

# RESILIENT PORTFOLIO

DIVERSE GLOBAL BUSINESS PORTFOLIO PROVIDES RESILIENCE



## **DURABLE**

Polyethylene chain margin

## **IMPROVING**

Refining margins

## **COMPRESSED**

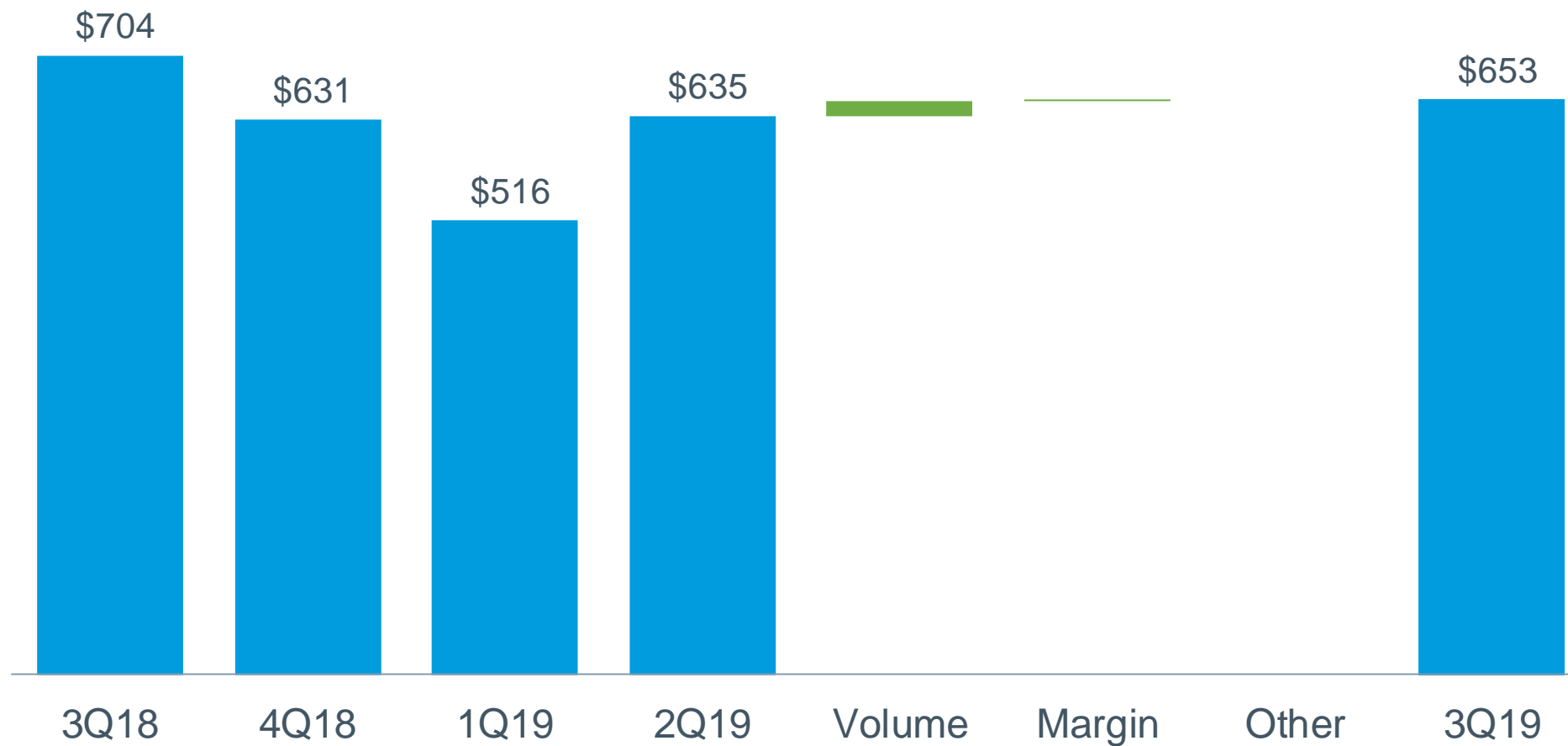
Intermediate Chemicals margins



# OLEFINS & POLYOLEFINS – AMERICAS

AFFORDABLE NATURAL GAS LIQUIDS AND STRONG GLOBAL DEMAND EXPAND PROFITABILITY

EBITDA  
USD, millions



## OLEFINS

Completed planned maintenance in 3Q

Margin improved due to high feedstock flexibility

## POLYETHYLENE

Volume increased with higher exports

Spread declined more than \$220/ton

# BALANCED POLYETHYLENE MARKET

LOWER PRICE VOLATILITY YTD 3Q19 VERSUS PRIOR YEARS

## OFFSETTING PRICE IMPACTS

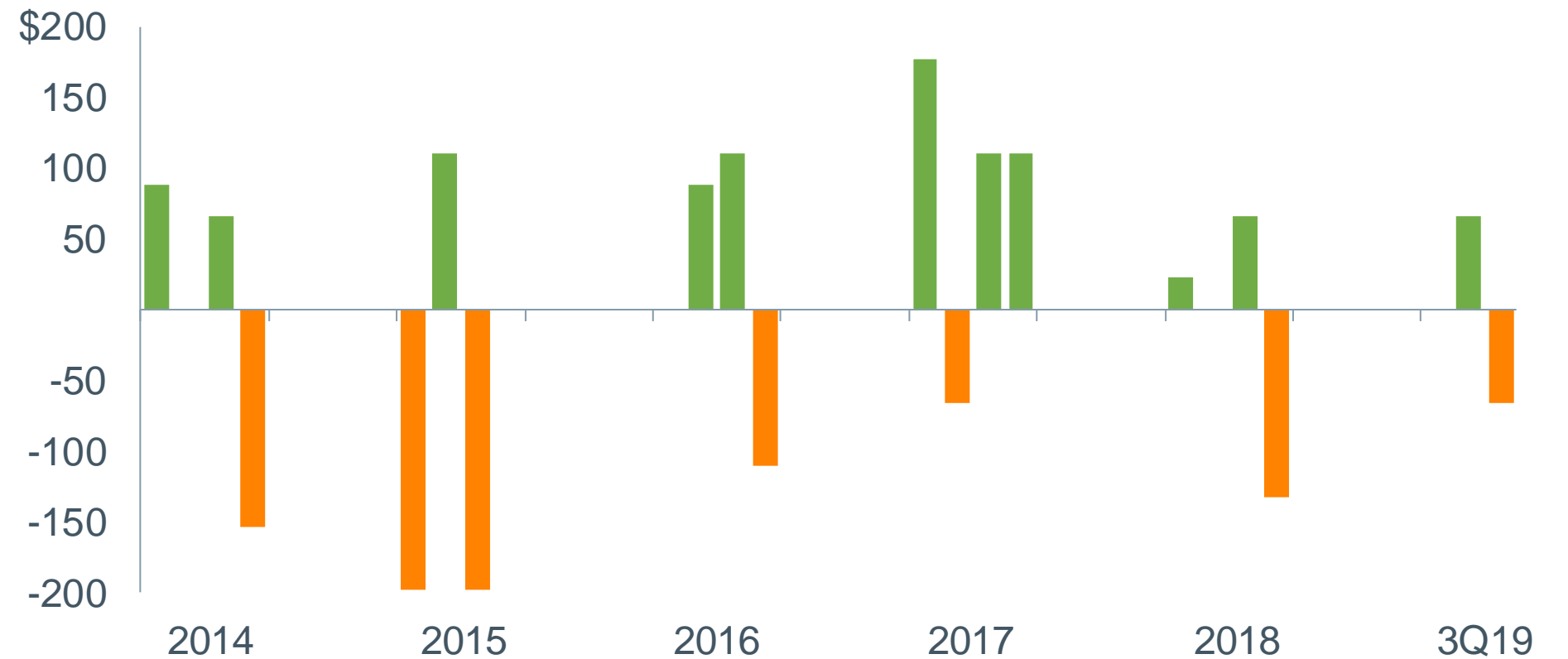
2019 YTD net contract price change = \$0 per ton

## NEW CAPACITY WELL-ABSORBED BY GLOBAL MARKET

80% of 2015-2019 U.S. PE additions are in the market

U.S. exports up 45% YTD August 2019

North America Industry  
Quarterly Polyethylene Price Change  
USD/ton

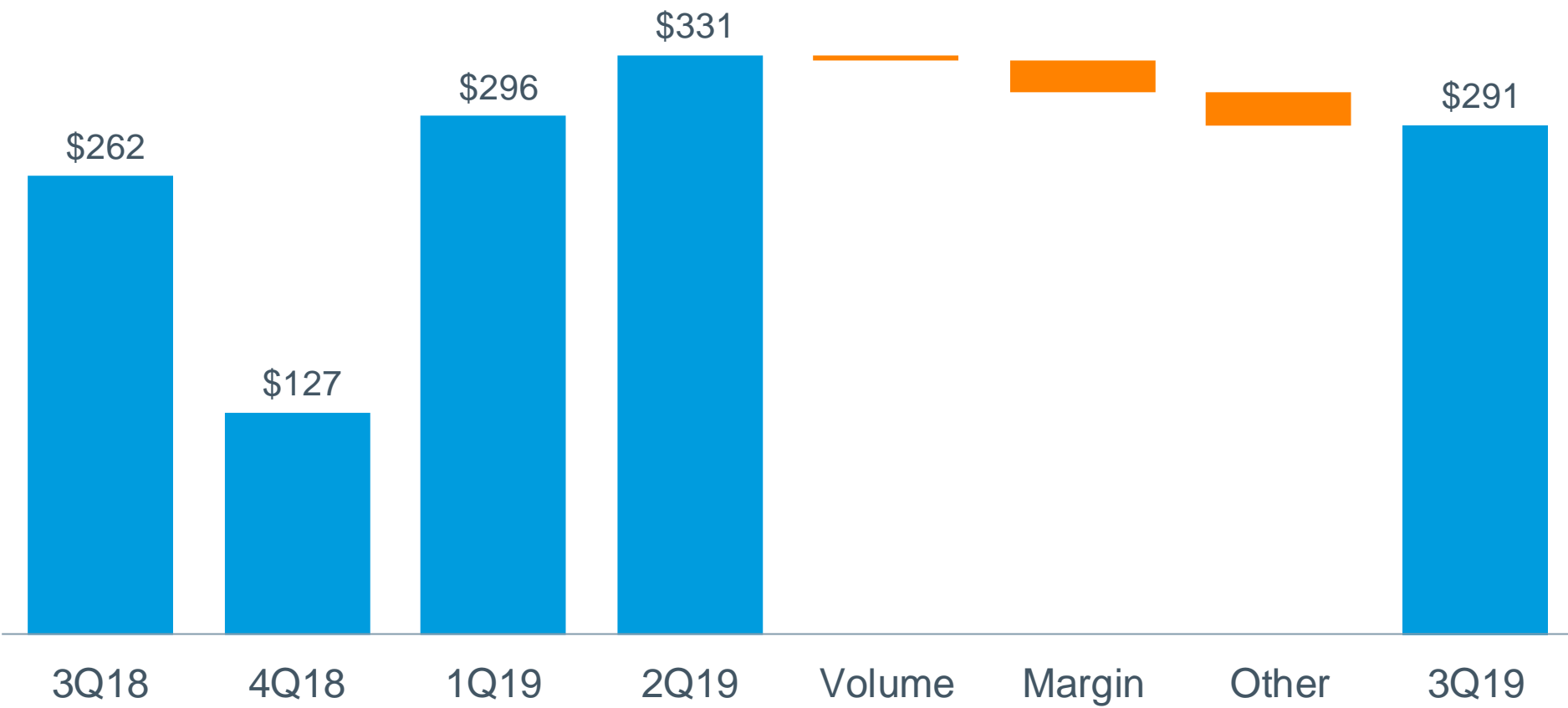




# OLEFINS & POLYOLEFINS – EUROPE, ASIA & INTERNATIONAL

DURABLE CONSUMER DEMAND SUPPORTS PROFITABILITY

EBITDA  
USD, millions



### OLEFINS

Small decline in volume

### POLYETHYLENE

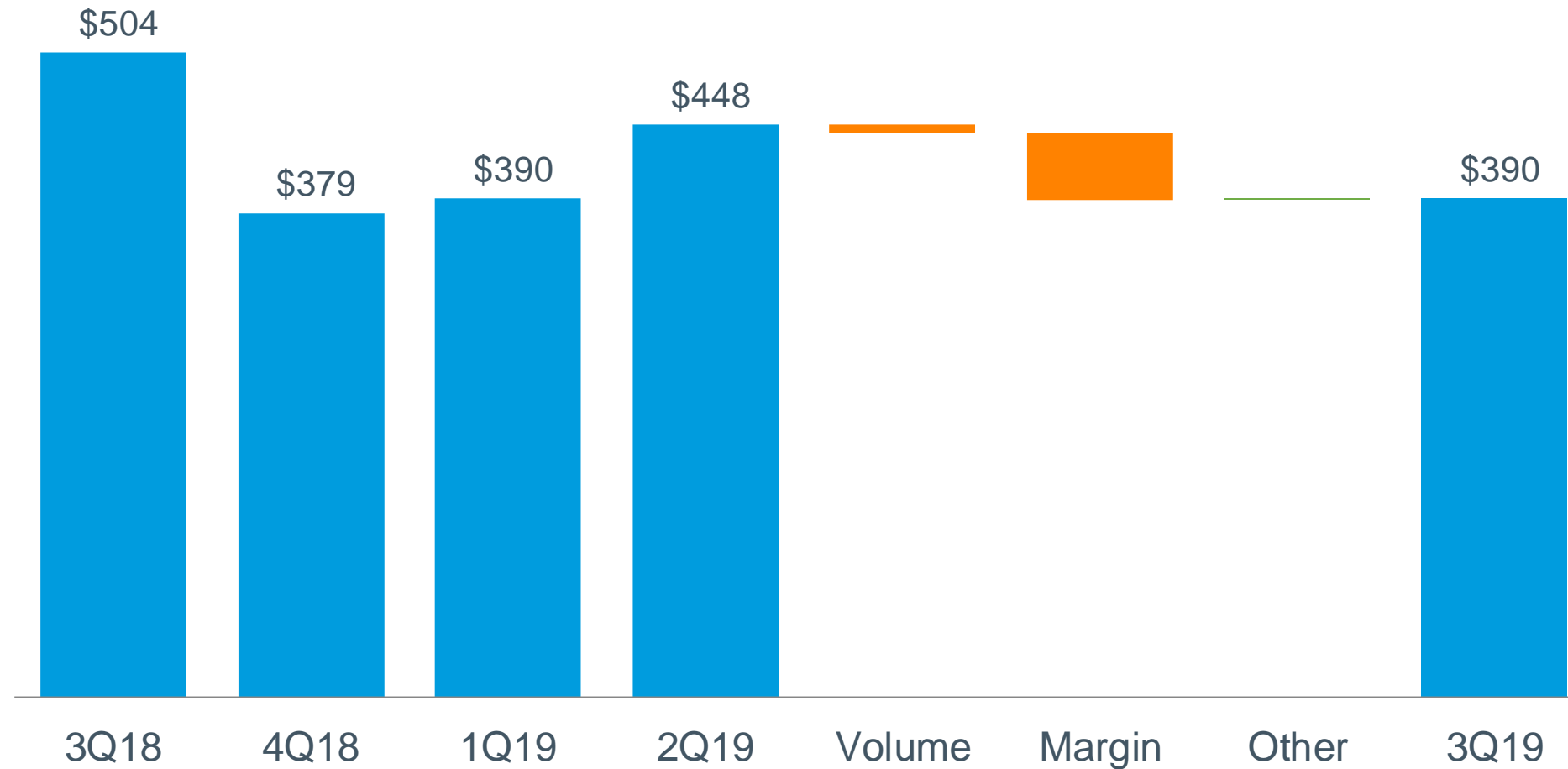
Volume increased 10%

Spread decreased ~\$40/ton

# INTERMEDIATES & DERIVATIVES

INTERMEDIATE CHEMICALS MARGINS PRESSURED BY WELL SUPPLIED MARKET

EBITDA  
USD, millions



## INTERMEDIATE CHEMICALS

Margins declined in all businesses, mainly styrene  
Acetyls planned maintenance 3Q-4Q

## OXYFUELS & RELATED PRODUCTS

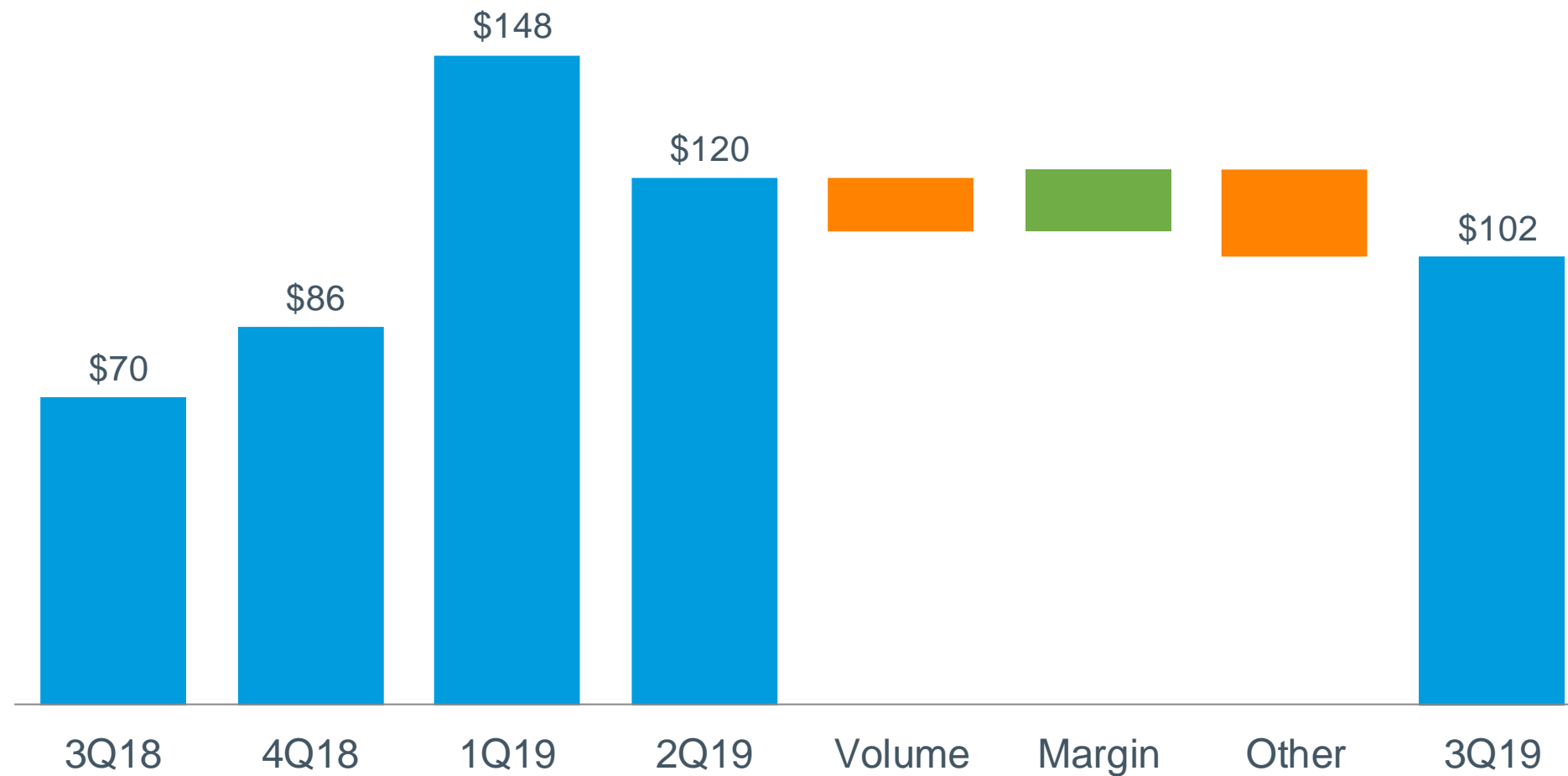
Margin improved with low-cost butane and higher  
gasoline blend premium



# ADVANCED POLYMER SOLUTIONS

CONTINUED HEADWINDS FROM AUTOMOTIVE AND MODEST IMPROVEMENT IN CONSTRUCTION DEMAND

EBITDA  
USD, millions



## COMPOUNDING & SOLUTIONS

Continued automotive headwinds

## ADVANCED POLYMERS

Modest improvement in construction demand

## SYNERGY CAPTURE

\$125 MM annualized run rate

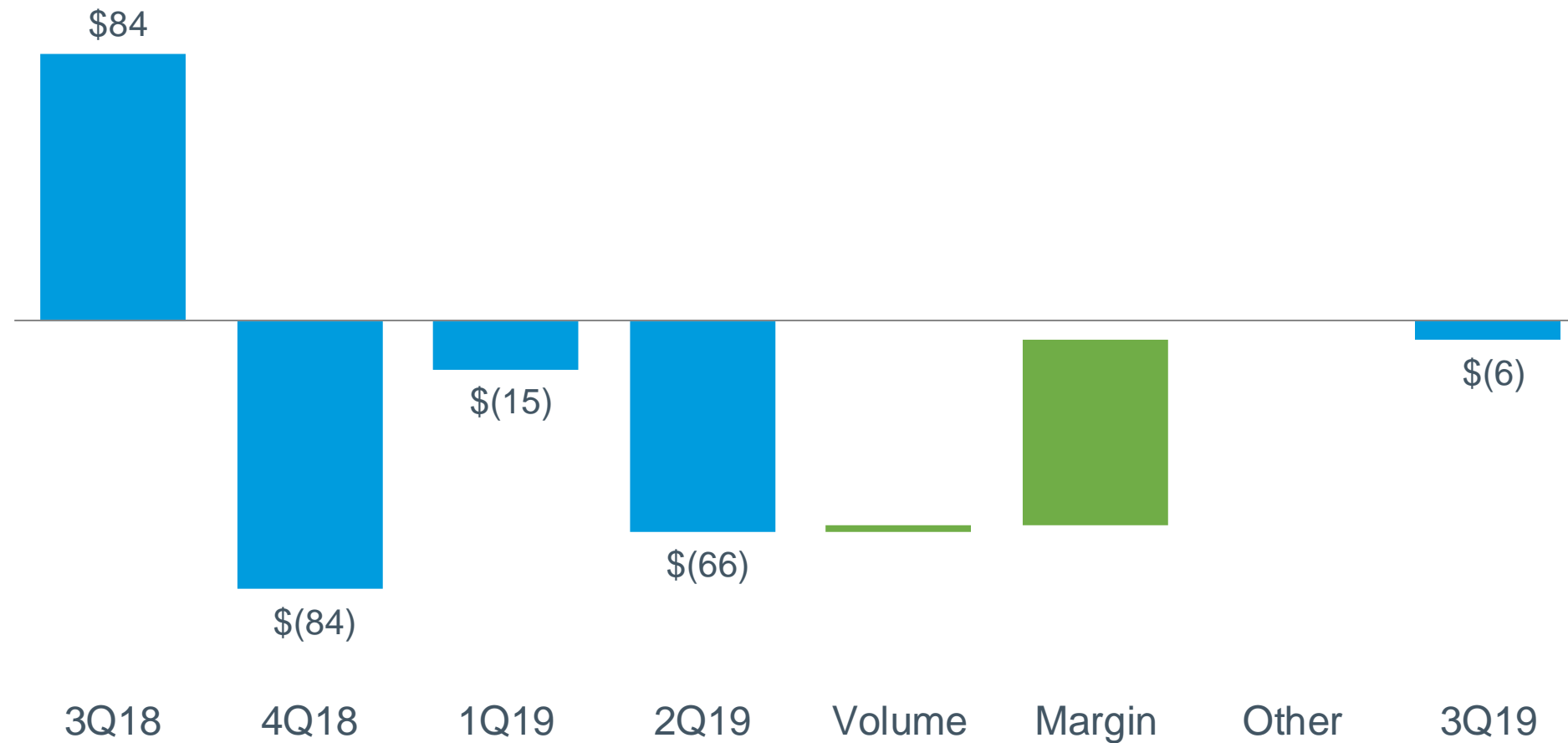
## INTEGRATION COSTS

\$43 MM in 3Q19

# REFINING

STRONG OPERATIONS AND LOWER CRUDE OIL PRICING EXPAND PROFITABILITY

EBITDA  
USD, millions



## CRUDE THROUGHPUT

264 MBPD – 99% of Capacity

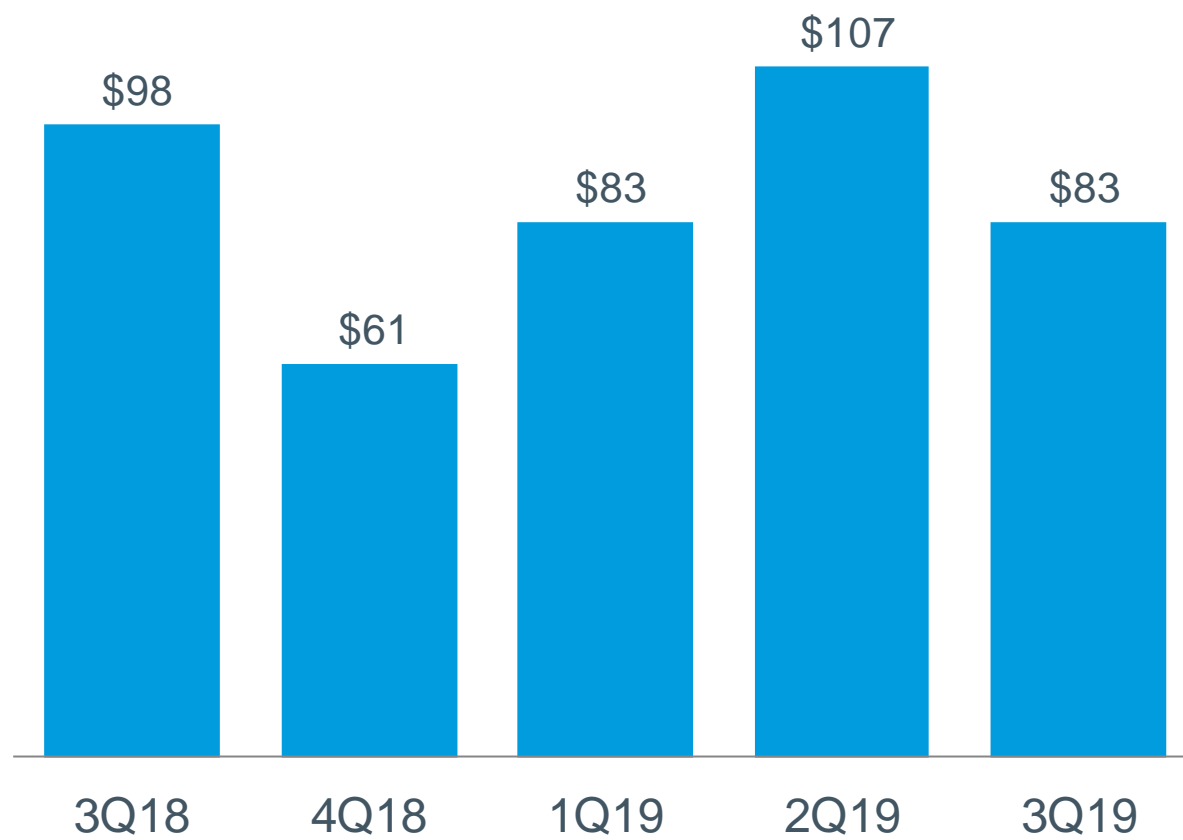
## IMPROVED MARGIN

Lower prices for heavy sour crude oil on U.S. Gulf Coast open market

# TECHNOLOGY

CONTINUED STRONG PERFORMANCE IN OUR CATALYST AND LICENSING BUSINESSES

EBITDA  
USD, millions



## LICENSING

Fewer revenue milestones reached vs. strong 2Q19

## CATALYST

Stable volumes and margins



# THIRD QUARTER 2019 SUMMARY & OUTLOOK

DELIVERING RESILIENT RESULTS AND DISCIPLINED CAPITAL ALLOCATION

## RESILIENT RESULTS

Strong cash from operating activities and stable EBITDA

## TANGIBLE EARNINGS

Expect typical seasonality in Q4 and tangible earnings growth in 2020 from IMO and *Hyperzone PE*

## ADVANCING OPPORTUNITIES

Disciplined approach to investment through MoU with Bora and propylene supply contract with Enterprise