

# FOURTH QUARTER 2020 EARNINGS

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January 29, 2021



**lyondellbasell**  
Advancing Possible

# CAUTIONARY STATEMENT AND INFORMATION RELATED TO FINANCIAL MEASURES

## CAUTIONARY STATEMENT

The statements in this release and the related teleconference 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 release, 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 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; 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; future financial and operating results; benefits and synergies of any proposed transactions; 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 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" sections of our Form 10-K for the year ended December 31, 2019, and our Forms 10-Q for the quarters ended March 31, 2020, and September 30, 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.

## 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.

Change in cash working capital represents changes in Accounts receivable, Inventories and Account payable that (provided) used cash in our consolidated statements of cash flows.

Free cash flow is a measure of profitability commonly used by investors to evaluate performance. Free cash flow, 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.

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](http://www.LyondellBasell.com/investorrelations).

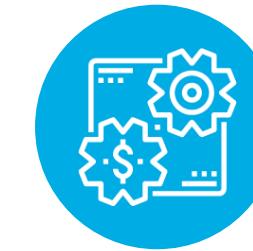
# MAINTAINING OUR COMMITMENTS

BUILDING A STRONGER COMPANY FOR OUR INVESTORS, CUSTOMERS AND EMPLOYEES



## PROTECTING EMPLOYEES

- Maintained a safe work environment during pandemic
- No company-wide workforce reductions
- Bolstered diversity, equity and inclusion efforts
- Maintained 401(k) and other benefits



## SAFEGUARDING INVESTORS

- Committed to investment-grade credit rating
- Funded dividend and capex with cash from operations
- Actively managed capex and working capital
- Accelerated cost efficiency initiatives

# 2020 HIGHLIGHTS

MAINTAINED STRATEGIC FOCUS WHILE NAVIGATING THE PANDEMIC AND RECESSION

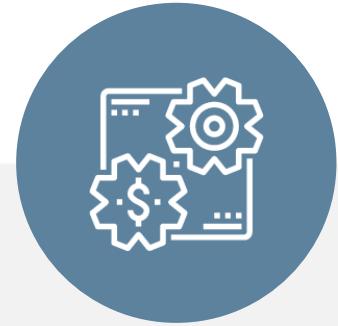


**\$1.4 B**

NET INCOME

**\$1.9 B**

NET INCOME  
ex. LCM and Impairment



**\$3.3 B**

EBITDA

**\$3.9 B**

EBITDA  
ex. LCM and Impairment

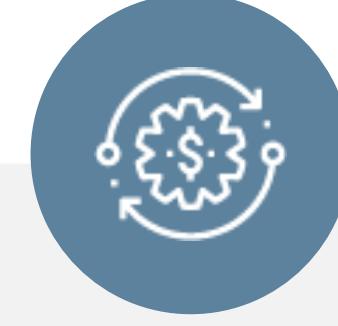


**\$4.24**

DILUTED EPS

**\$5.61**

DILUTED EPS  
ex. LCM and Impairment



**\$5.2 B**

LIQUIDITY

# CONSISTENT SAFETY FOCUS

IMPROVING SAFETY PERFORMANCE IN A CHALLENGING YEAR



5

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.



FACIAL COVERING



SOCIAL DISTANCING



HEALTH SCREENING



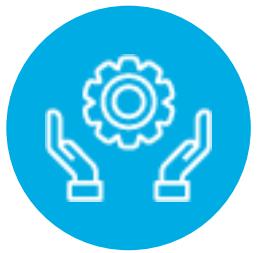
# ADVANCING CIRCULAR PLASTICS

## QCP PARTNERSHIP EXPANDS CAPACITY AND FOOTPRINT



### EXPANDING LYB'S MECHANICAL RECYCLING NETWORK

- 2018 – Geleen, The Netherlands
- 2020 – Blandain, Belgium



### ADVANCING PRODUCT OPTIONS

- Expands the number of end-use applications
- Assists brand owners to achieve sustainability goals



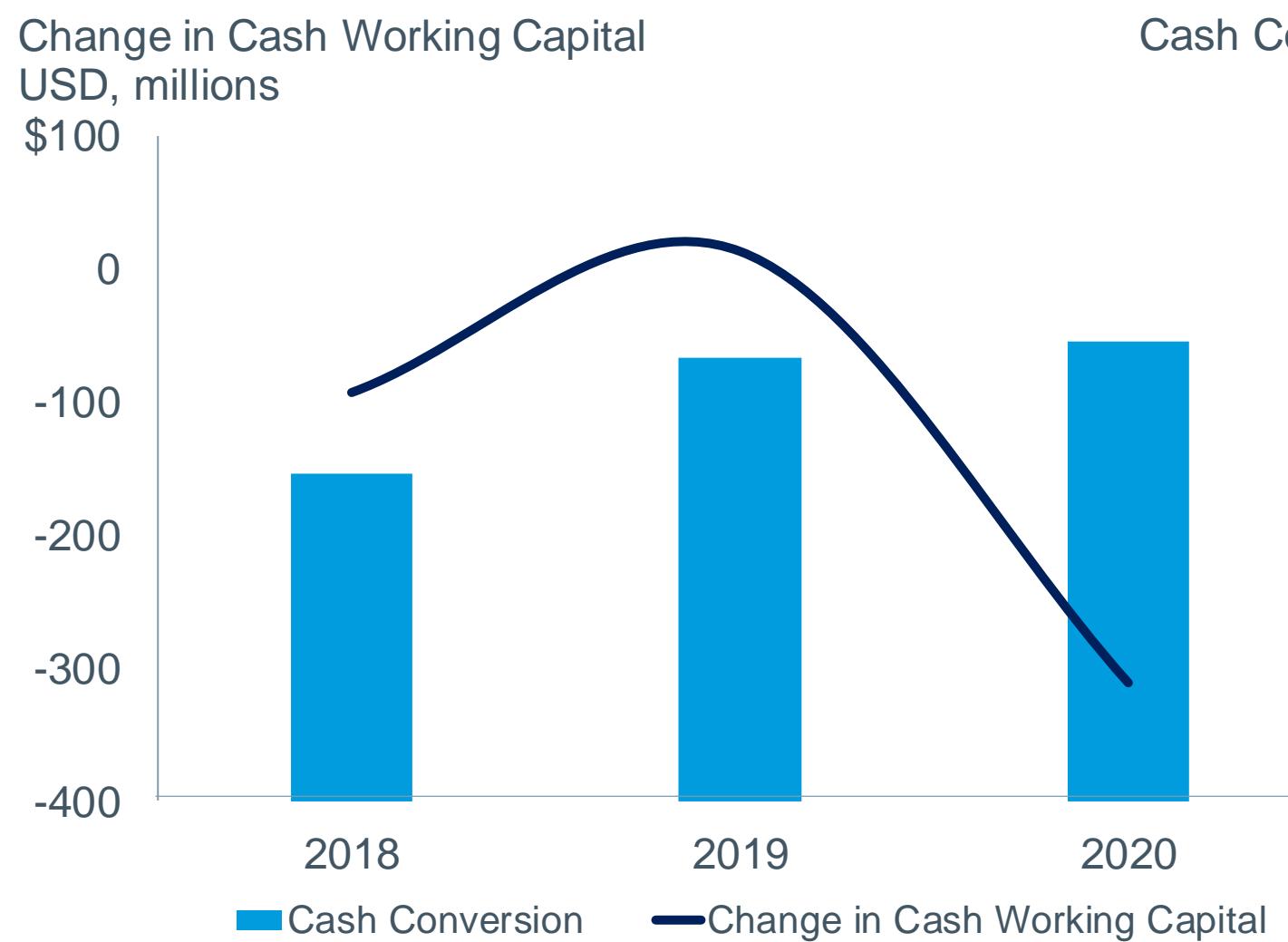
### SUPPORTING SUSTAINABILITY INITIATIVES

- Expands LYB plastic waste recycling capacity to 55 K ton per year
- Goal: Produce and market 2 MM ton of recycled and renewable-based polymers annually by 2030



# STRONG CASH CONVERSION

DIVIDEND AND CAPITAL INVESTMENTS COVERED BY CASH FROM OPERATING ACTIVITIES



Cash Conversion

100%  
90%  
80%  
70%  
60%



88%  
CASH CONVERSION  
2020



\$3.4 B  
CASH FROM OPERATING ACTIVITIES  
2020



\$1.4 B  
DIVIDENDS PAID  
2020

# CASH GENERATION AND DEPLOYMENT

ADVANCING ON OUR GROWTH STRATEGY DESPITE ECONOMIC DOWNTURN

## DELIVERING RESULTS

Cash from operating activities \$3.4 B

## GROWING THROUGH INVESTMENT

Ramped up PO/TBA activity in 4Q20

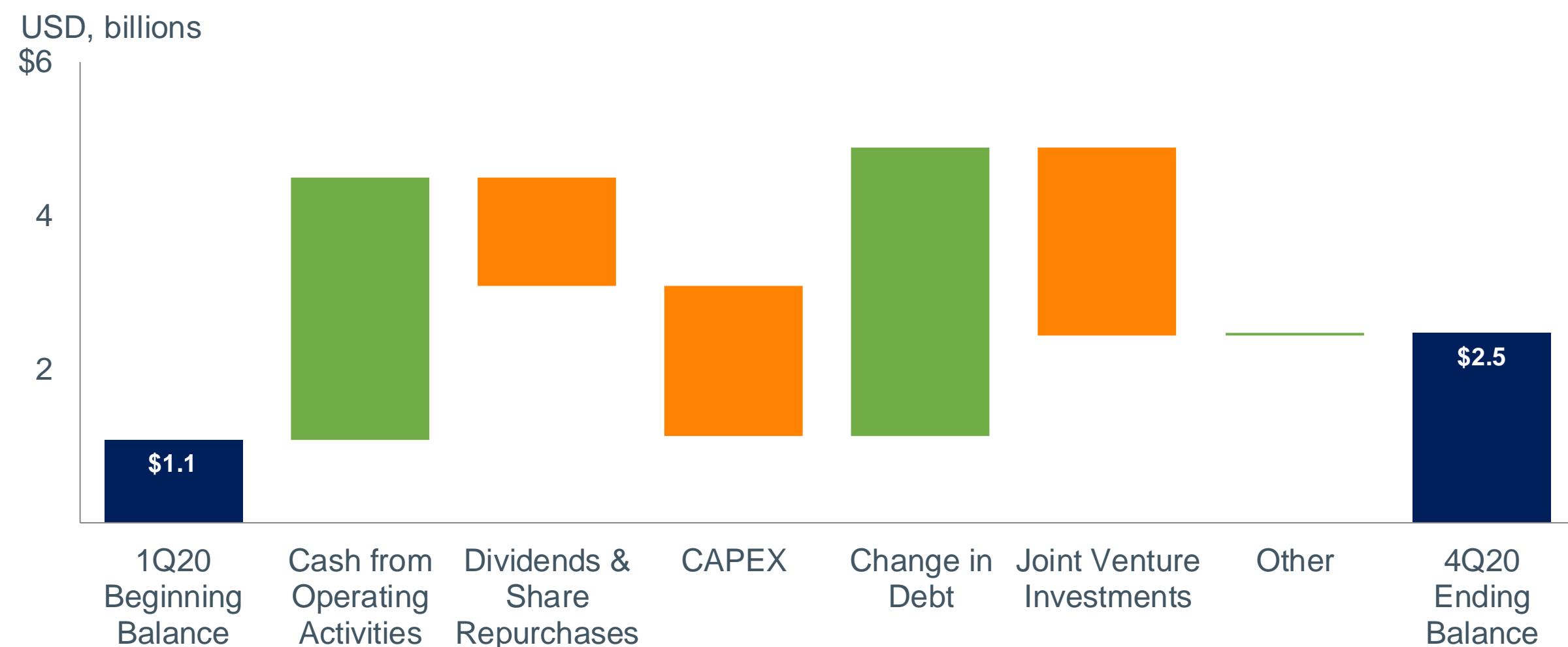
Established Bora JV in China

Formed Louisiana PE JV

## PROVIDING AMPLE LIQUIDITY

\$5.2 B total liquidity

Well positioned for debt reduction

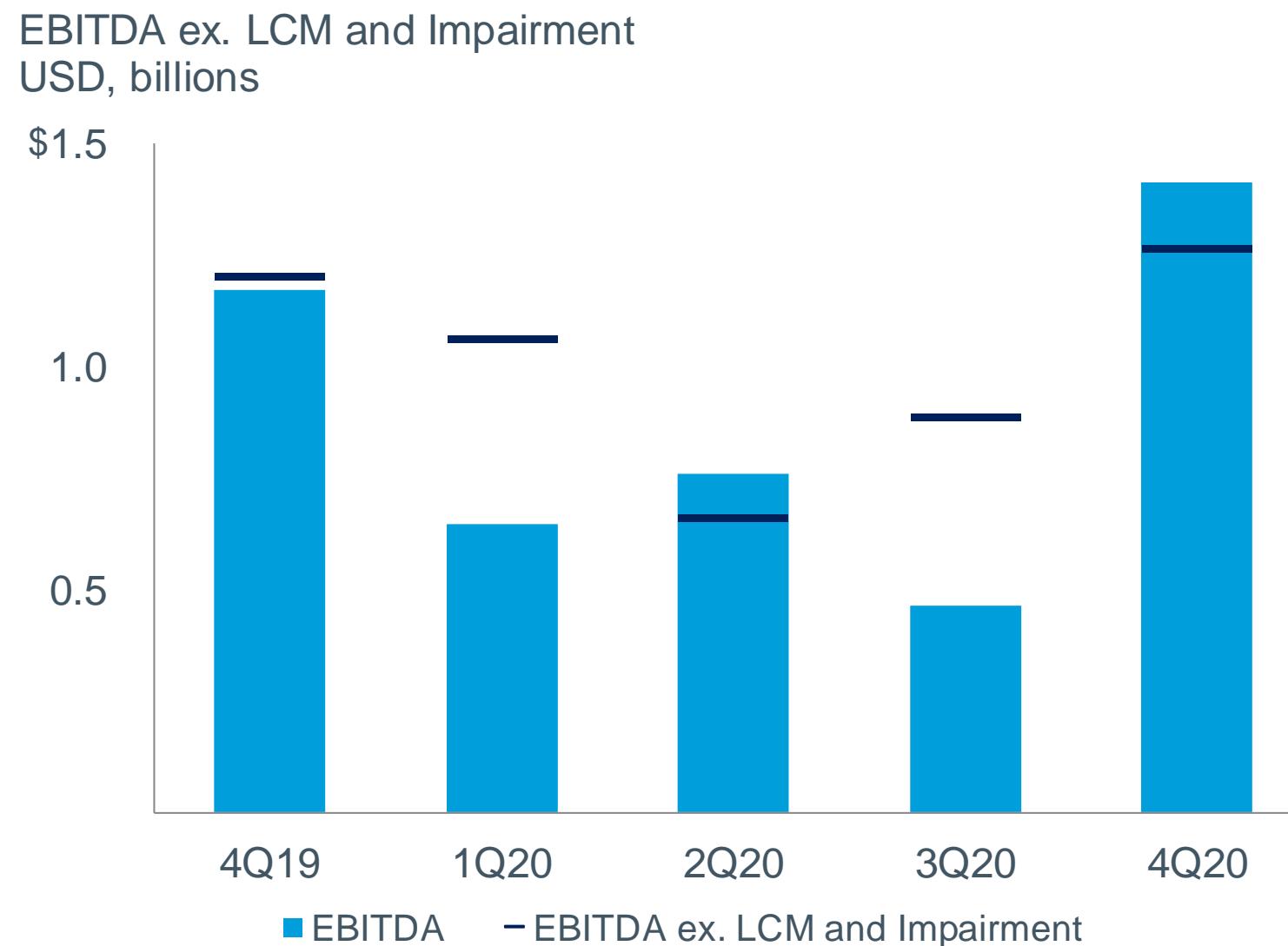


# LYONDELLBASELL 2021 MODELING INFORMATION

CAPITAL EXPENDITURES	Total CAPEX				Sustaining CAPEX ~\$1.0 B	Profit Generating CAPEX ~\$1.0 B	FINANCIAL METRICS
	1Q	2Q	3Q	4Q			
MAJOR PLANNED MAINTENANCE EBITDA IMPACT ~\$170 MM	O&P - EAI				~\$10 MM	~\$15 MM	Net Interest Expense ~\$430 MM
	I&D	~\$20 MM	~\$60 MM	~\$35 MM	~\$30 MM		Depreciation & Amortization ~\$1.4 B

# RECOVERING MARKETS

DIVERSE GLOBAL PORTFOLIO REFLECTING SIGNIFICANT ECONOMIC RECOVERY



## STRONG CONSUMER DRIVEN DEMAND

Packaging and non-durable products

## FURTHER INDUSTRIAL SECTOR RECOVERY

Automotive and other durable products

## PERSISTENTLY LOW MOBILITY

Transportation fuels

# GLOBAL POLYETHYLENE

## FUTURE OPERATING RATES LIKELY COMPARABLE TO PREVIOUS CYCLES

### 2016 FORECAST

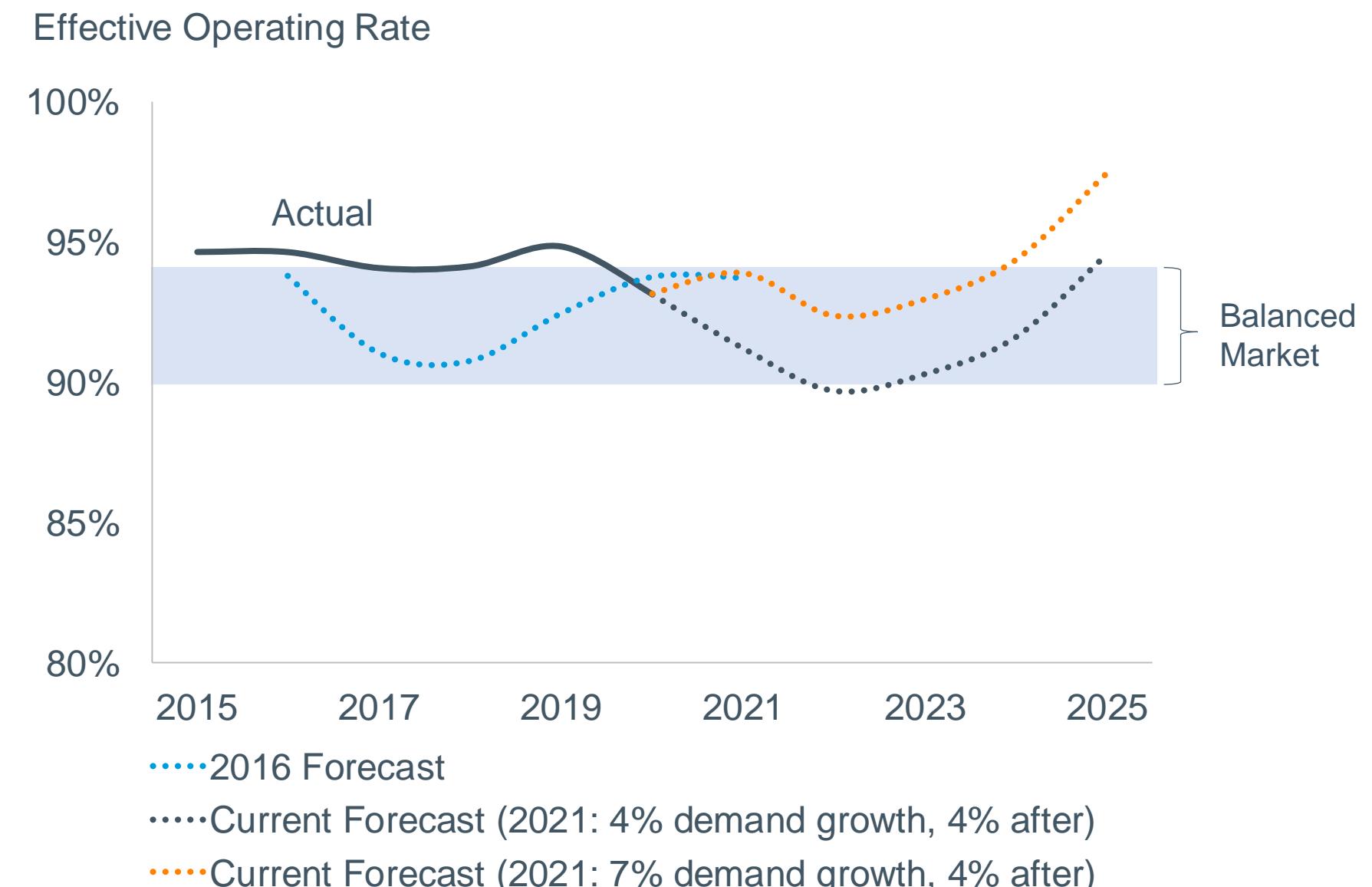
- Consultants predicted low operating rates 2017-2018
- Typical delays in new capacity maintained high operating rates

### 2020 ENVIRONMENT

- Global demand growth was 4%
- Persistent increases in demand from lifestyle changes

### CURRENT FORECAST

- Consultants predict a low operating rate in 2022
- Capacity additions forecasted, primarily in China
- Typical delays likely to improve the operating rate forecast



# OLEFINS & POLYOLEFINS – AMERICAS

TIGHT MARKETS DROVE MARGIN AND VOLUME IMPROVEMENTS

EBITDA ex. LCM  
USD, millions



## OLEFINS

Higher ethylene and propylene prices driven by tight supply

Volumes increased due to higher demand

## POLYOLEFINS

Polyethylene and polypropylene spreads improved

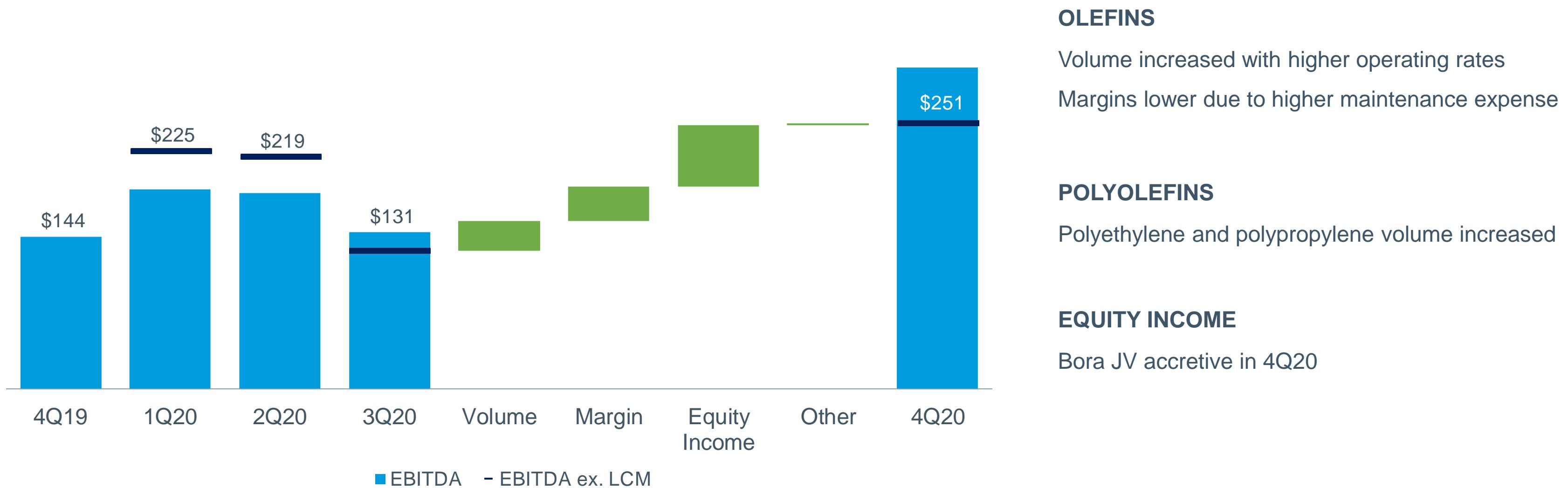
## LOUISIANA JV

Accretive in 4Q20

# OLEFINS & POLYOLEFINS – EUROPE, ASIA & INTERNATIONAL

IMPROVING DEMAND AND INCREASED BORA JV CONTRIBUTION DROVE IMPROVED PROFITABILITY

EBITDA ex. LCM  
USD, millions



# INTERMEDIATES & DERIVATIVES

EARNINGS GROWTH MUTED BY LOW OXYFUELS MARGINS

EBITDA ex. LCM  
USD, millions



## PO & DERIVATIVES

Margins increased due to strong Asia demand and market tightness

## OXYFUELS & RELATED PRODUCTS

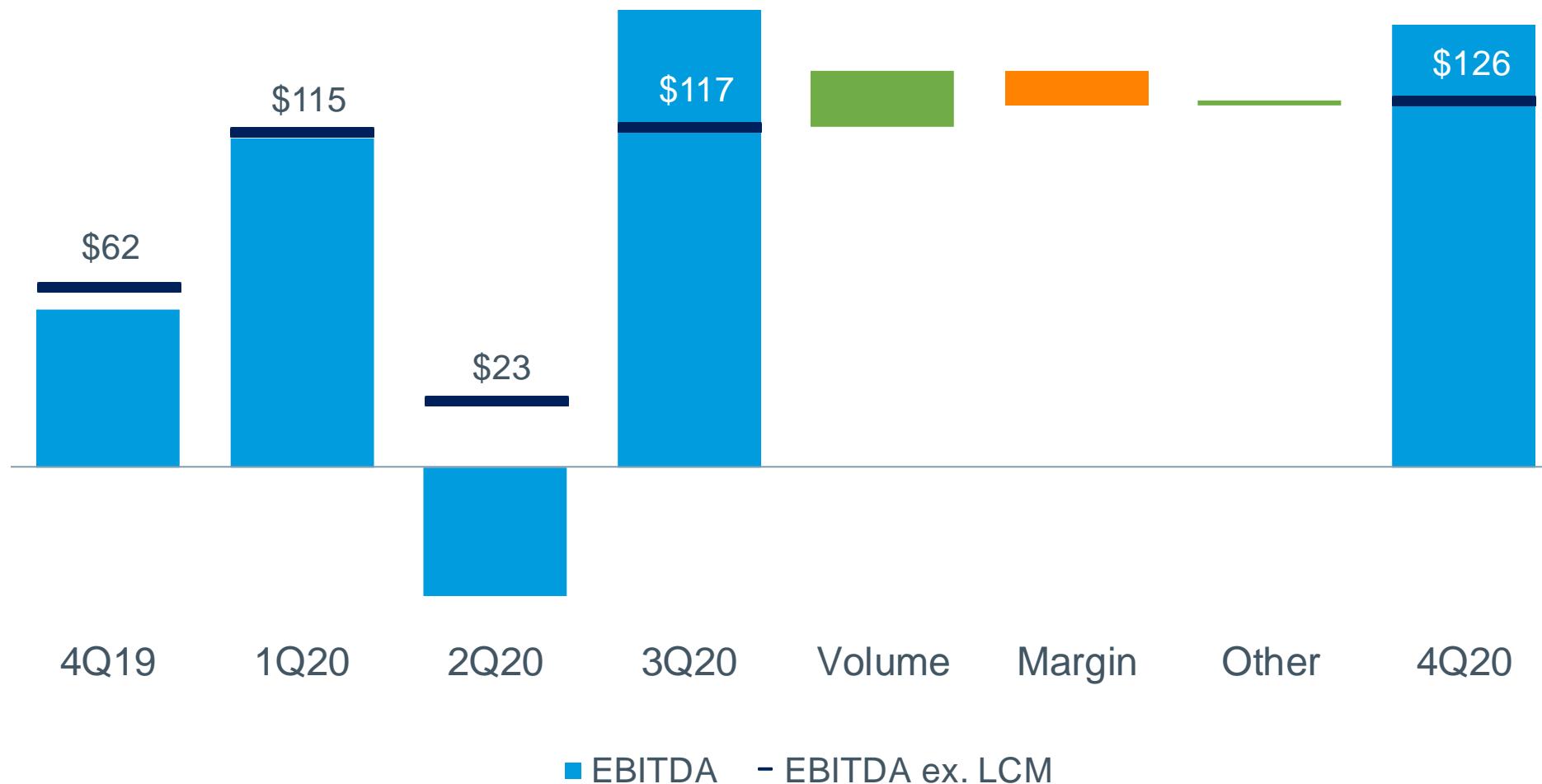
Volumes improved slightly

Margins decreased driven by low gasoline pricing and higher butane costs

# ADVANCED POLYMER SOLUTIONS

VOLUME IMPROVEMENT FROM REBOUNDING AUTOMOTIVE MANUFACTURING

EBITDA ex. LCM  
USD, millions



## COMPOUNDING & SOLUTIONS

Volumes increased with improved automotive demand

Margins declined on product prices lagging feedstocks

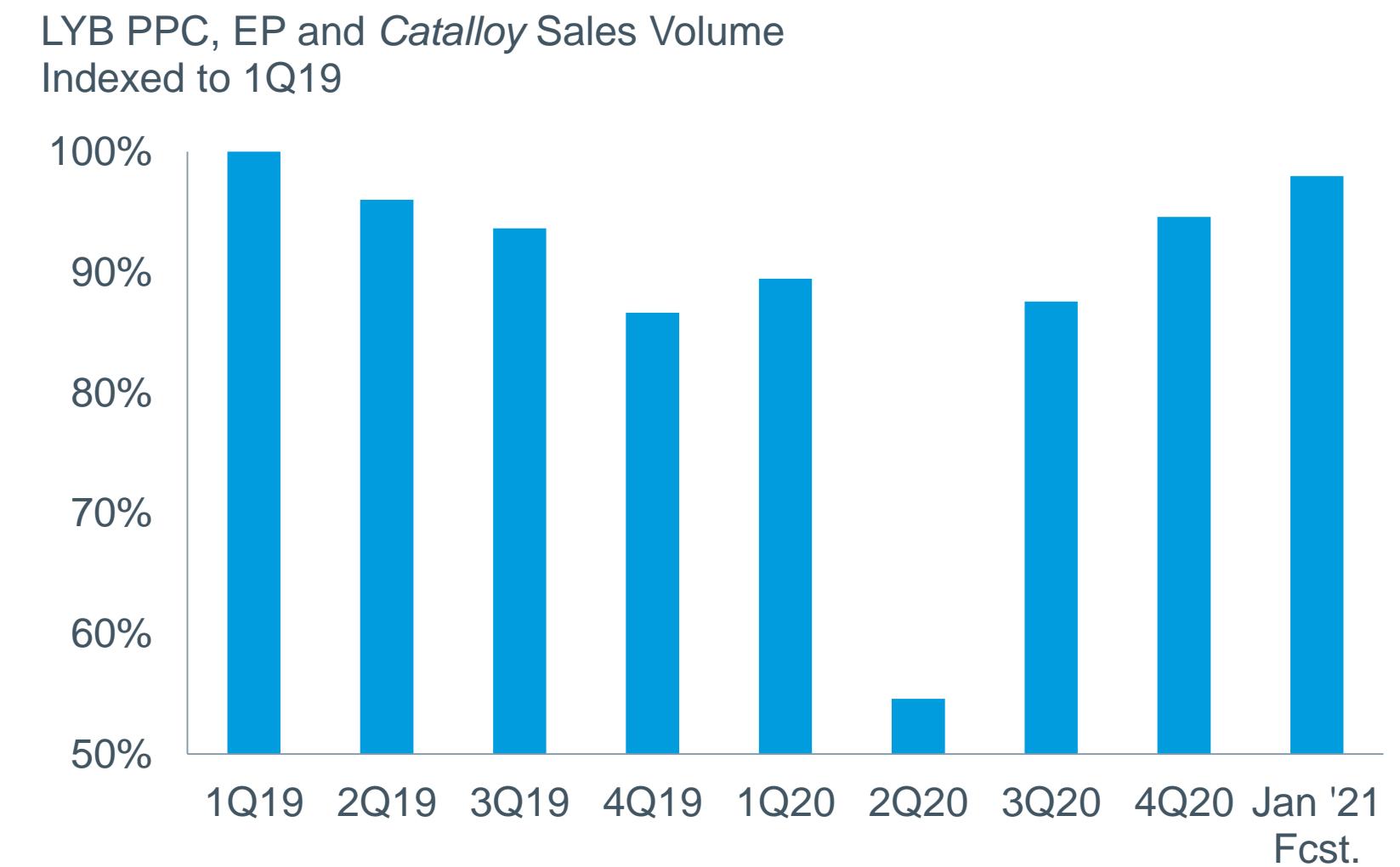
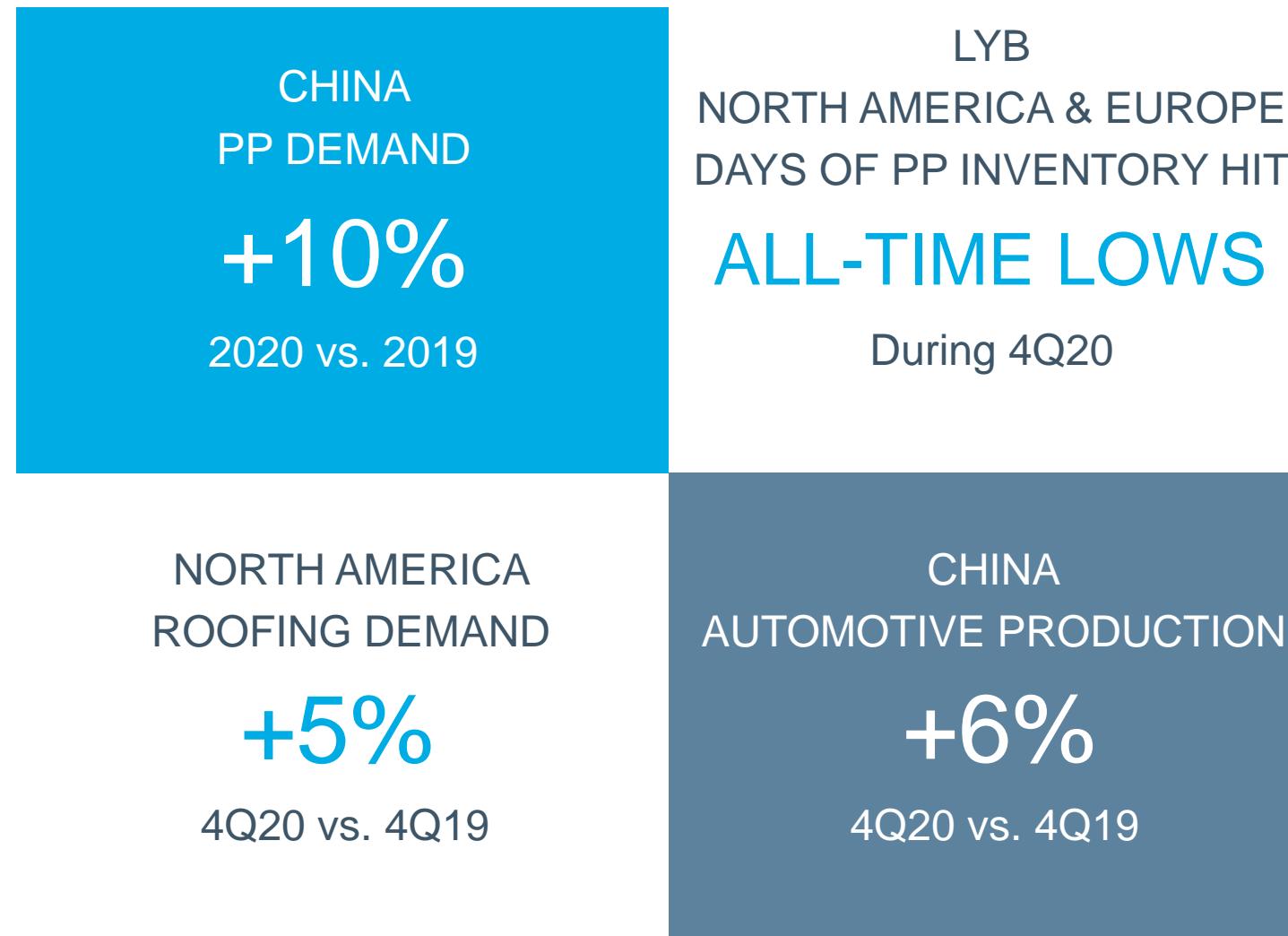
## SYNERGIES

Beginning to capture >\$200 MM annual run rate

Increasing visibility as volumes continue to recover

# POLYPROPYLENE DURABLE GOODS

MARKETS SHOWING STRENGTH INTO FIRST QUARTER 2021



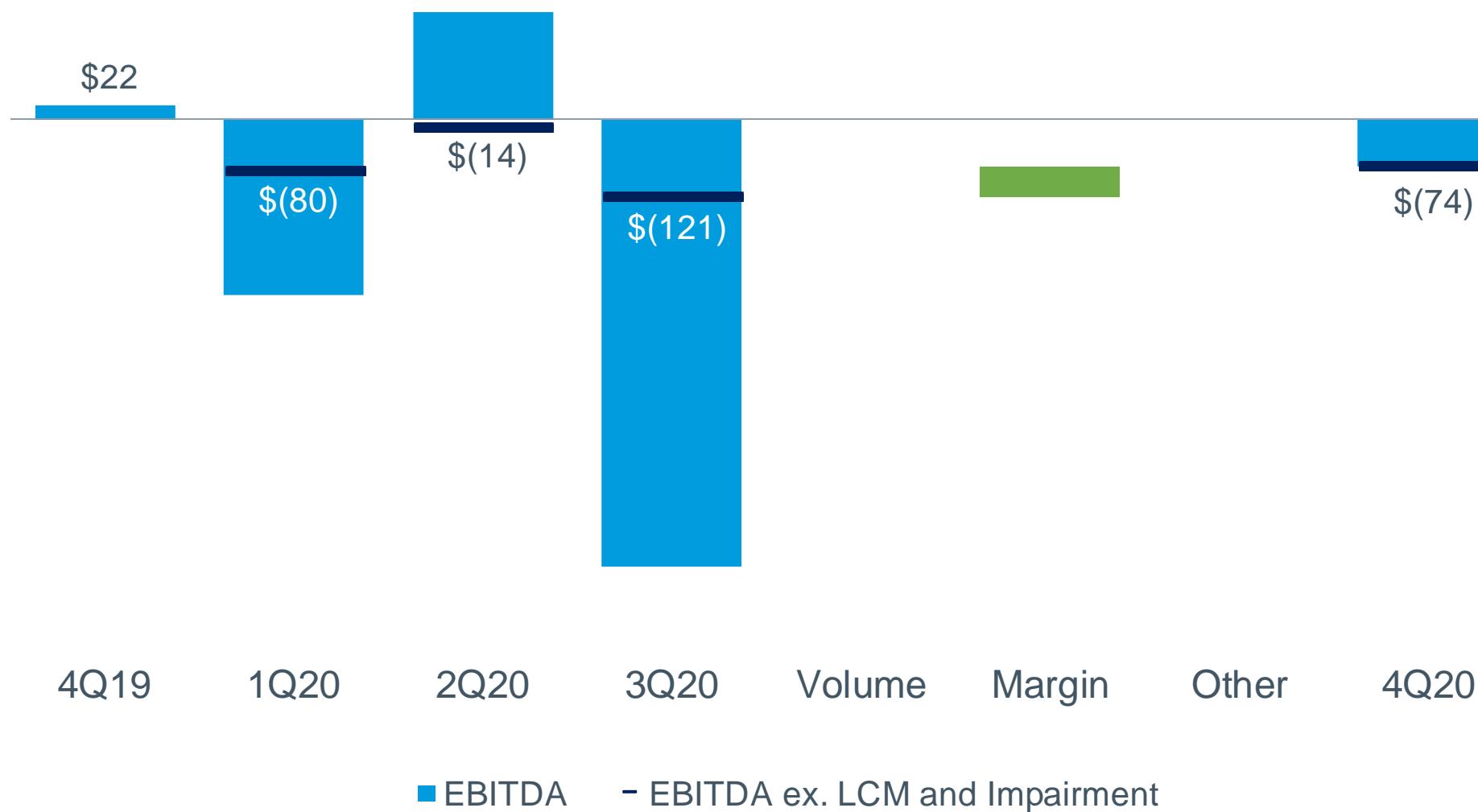
Source: LyondellBasell, IHS Markit, ICIS, and ChemOrbis

Note: Roofing demand is for single-ply thermoplastic polyolefin roofing. January forecast based upon LyondellBasell January order book multiplied by 3.

# REFINING

LOW DEMAND FOR GASOLINE AND JET FUEL CONTINUE TO PRESSURE PROFITABILITY

EBITDA ex. LCM and Impairment  
USD, millions



## CRUDE THROUGHPUT

80% utilization rate matching reduced demand

## MARGIN IMPROVED

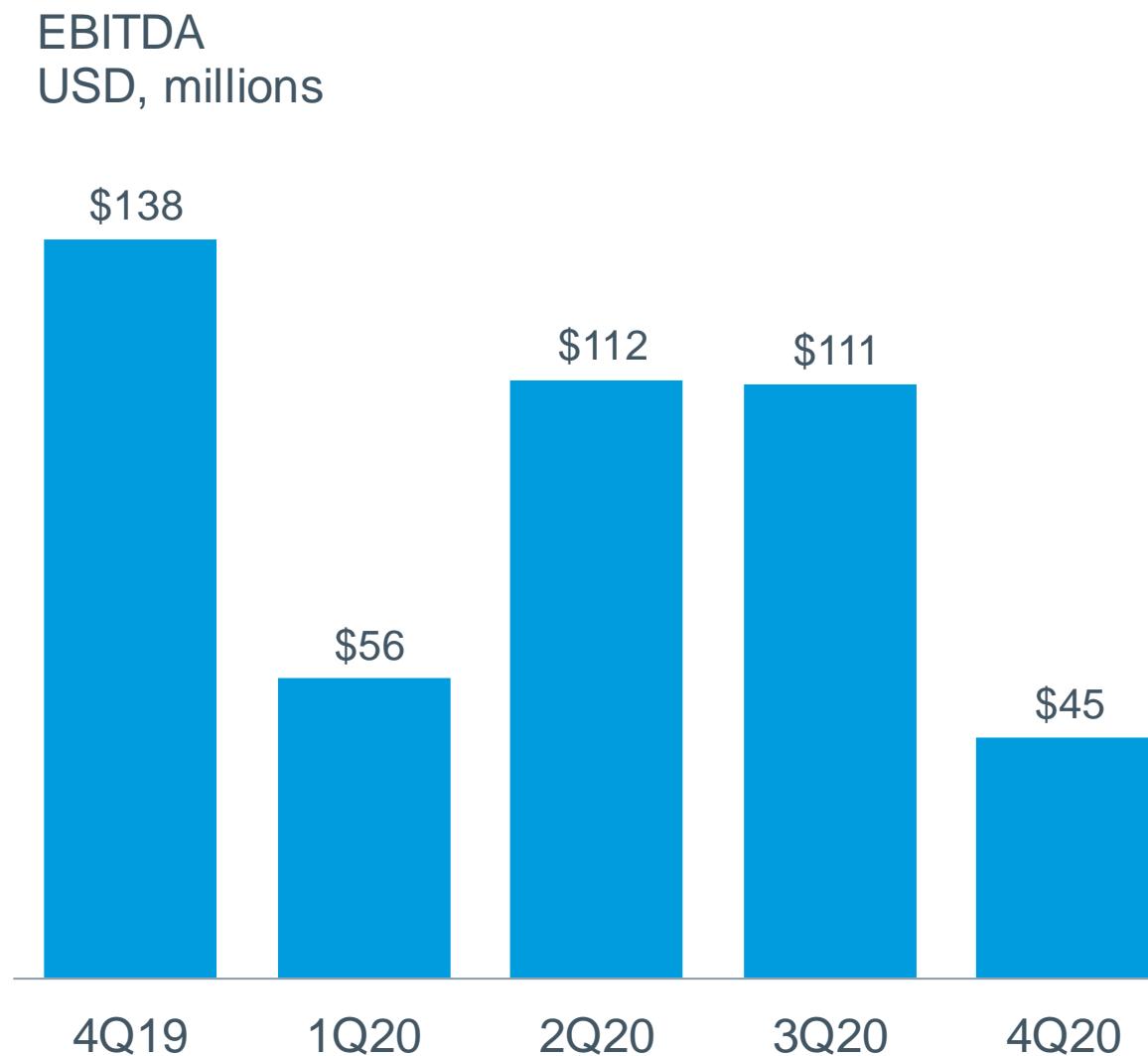
Lower fixed cost and commercial agility  
Maya 2-1-1 increased by \$0.22 to \$10.11

## 3Q20 CHARGES

\$582 MM impairment  
\$8 MM restructuring costs

# TECHNOLOGY

LICENSING PROFITABILITY REDUCED DUE TO TIMING



## LICENSING

Decreased number of revenue milestones

## CATALYST

Margins increased due to inventory mix

Volumes decreased as customers managed inventories at year-end

# DISCIPLINED INVESTMENTS DRIVING GROWTH AND VALUE

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



# FOURTH QUARTER 2020 SUMMARY & OUTLOOK

COMMITTED TO DELIVERING VALUE THROUGH CYCLES

## COMMITMENTS KEPT

- Supported employees
- Advanced sustainability initiatives
- Maintained investment-grade rating
- Preserved dividend

## MARKETS IMPROVING

- Robust global PE/PP demand
- Increasing automotive and construction demand
- Upside from increasing transportation fuel demand

## FREE CASH FLOW GROWING

- APS synergies
- Hyperzone* PE & PO/TBA
- Bora, Louisiana and PO/SM Joint Ventures
- Lower CAPEX

## PATH FORWARD

- Further deleveraging
- Maintaining capital discipline
- Optimizing portfolio
- Advancing sustainability & DEI initiatives