



# STEPPING UP

**Credit Suisse**

**35th Annual Specialties & Basics Conference – Fireside**

September 14, 2022

**Ken Lane – EVP Global Olefins & Polyolefins**

**lyondellbasell**  
*Advancing Possible*

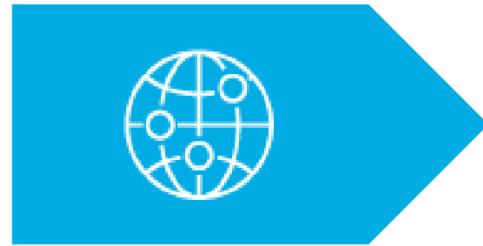
# CAUTIONARY STATEMENT

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 cyclicity 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 to meet our targets and forecasts, 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; the successful shut down and closure of the Houston Refinery, including within the expected timeframe; 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 repay 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, 2021, 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.

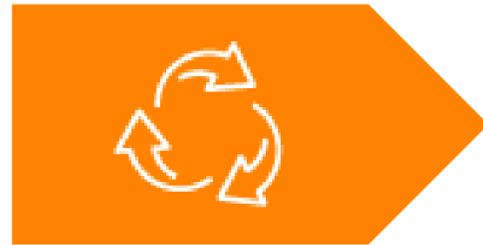
This presentation contains time sensitive information that is accurate only as of the date hereof. Information contained in this presentation is unaudited and is subject to change. We undertake no obligation to update the information presented herein except as required by law.

# STEPPING UP

WELL POSITIONED PORTFOLIO CAPTURING VALUE AND MAXIMIZING FREE CASH FLOW



**LEADING** global operations



**ADVANCING** the circularity of plastics



**MAXIMIZING** free cash flow



**CONSISTENT** financial strategy

# LYONDELLBASELL'S NEW CEO

EXPERIENCED LEADER WITH A STRONG TRACK RECORD OF SUSTAINABLE GROWTH AND VALUE CREATION

## Peter Vanacker

Assumed role as CEO on May 23rd



“ LyondellBasell is building upon on our strengths, scaling our reach and advancing our leadership in serving the world’s growing need for circular and sustainable materials while reducing our carbon footprint. ”

PETER VANACKER, CEO

## 30 PLUS YEARS OF INDUSTRY AND LEADERSHIP EXPERIENCE

President and CEO of Neste, a leading renewable products company

CEO of the CABB Group, a global leader in fine and specialty chemicals

CEO and Managing Director of the Treofan Group, a global leader in polypropylene films

EVP, Head of Global Polyurethanes and Member of the Executive Committee at

Bayer MaterialScience, now Covestro

# PERFORMANCE SNAPSHOT

RESILIENT PORTFOLIO DELIVERING VALUE IN DYNAMIC MARKETS

**\$5.5 B**

NET INCOME  
2Q22 LTM

**\$9.2 B**

EBITDA  
ex. LCM and Impairment  
2Q22 LTM

**\$6.2 B**

FREE  
CASH FLOW  
2Q22 LTM

**24%**

RETURN ON  
INVESTED CAPITAL  
2Q22 LTM

## REPORTING SEGMENTS

EBITDA ex. LCM and Impairment

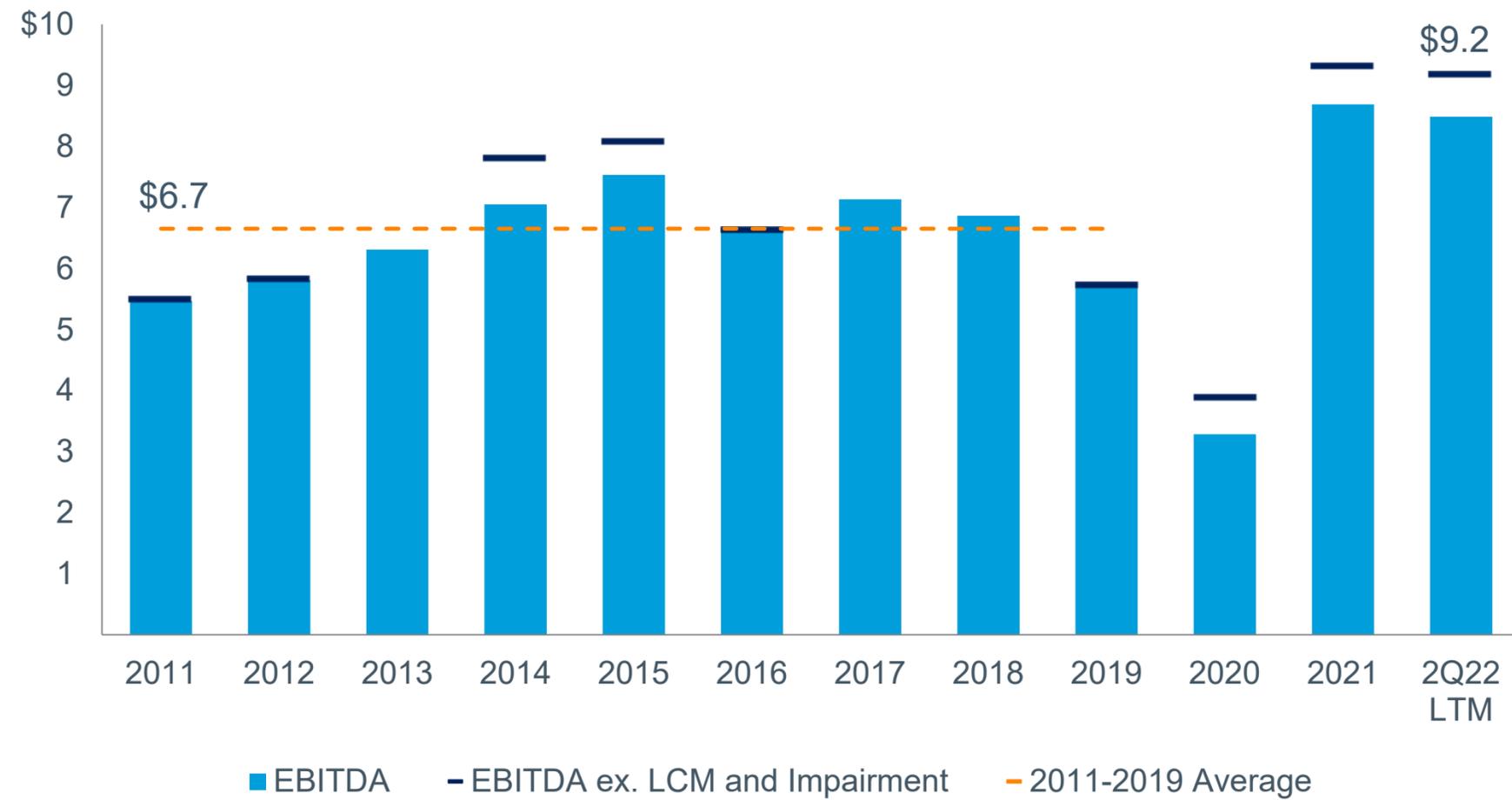
2Q22 LTM

Olefins & Polyolefins – Americas	\$4,646 MM
Olefins & Polyolefins – Europe, Asia, International	\$1,045 MM
Intermediates & Derivatives	\$1,821 MM
Advanced Polymer Solutions	\$388 MM
Refining	\$757 MM
Technology	\$543 MM

# STEPPING UP EARNINGS

LYONDELLBASELL BENEFITING FROM DIVERSE MARKETS AND A GROWING ASSET BASE

EBITDA ex. LCM and Impairment  
USD, billions



# ADVANCING SUSTAINABILITY

SUBSTANTIVE PROGRESS TOWARD OUR MEANINGFUL GOALS



## RENEWABLE ENERGY

Signed 4 Renewable Power Purchase Agreements for 380 MW of wind and solar power capacity in Texas

## RENEWABLE FEEDSTOCKS

*CirculenRenew*: Processed 12 KT of renewable feedstocks in 2021, forecasting 40 KT in 2022

## CIRCULEN AND OTHER CIRCULAR SOLUTIONS

Sold over 140 KT of recycled or renewable-based polymer since 2019



# BUSINESS OUTLOOK

## EMERGING THEMES DURING 3Q22

Higher energy costs

Broad-based weaker demand

Rate reductions to address softer demand

Margin compression

SEGMENTS	NA	EU	ASIA	NEAR-TERM TRENDS
<b>Olefins &amp; Polyolefins – Americas</b>	●	○	○	Elevated U.S. ethane costs and lower product prices compressing margins Rates reduced to meet softer demand for certain products/markets New U.S. capacity in 2022 with near-term headwinds from remaining start-ups Slowly improving global logistics; U.S. rail remains sluggish
<b>Olefins &amp; Polyolefins – Europe, Asia &amp; International</b>	○	●	●	Persistently high and volatile EU natural gas prices; LYB implementing energy surcharges Prolonged LYB French cracker and EU downtimes with estimated 3Q EBITDA impact of \$100MM <sup>1</sup> Rates reduced across LYB system due to weaker demand; China JV running at technical minimum Operational continuity expected under most gas rationing scenarios China demand unlikely to rebound until 2023; impacting supply/demand balances in all regions
<b>Intermediates &amp; Derivatives</b>	●	●	●	Weaker demand for durable goods compressing margins EU assets pressured by high energy costs Healthy oxyfuels margins supported by strong demand
<b>Advanced Polymer Solutions</b>	●	●	●	Slow recovery in automotive production Elevated raw material and energy costs Margin pressure from higher transportation and labor costs
<b>Refining</b>	●	○	○	Healthy margins supported by strong demand Tight markets and low inventories LYB 3Q22 refinery rates ~87% due to planned maintenance
<b>Technology</b>	●	●	●	Moderating PE and PP licensing activity: fewer new builds in Asia Moderating catalyst volumes

1. Estimated EBITDA impact is based on estimated volume loss multiplied by assumed product margins plus additional costs incurred as a result of the downtime.

# CAPTURING VALUE

MAXIMIZING CASH GENERATION WHILE ADVANCING LYONDELLBASELL'S GLOBAL PORTFOLIO

## DELIVERING RESULTS

Outstanding safety performance

Exceptional I&D results

Mixed global O&P markets

Disciplined capital allocation

Continued focus on shareholder returns

## ADVANCING SUSTAINABILITY

Growing our *Circulen* portfolio based on recycled and renewable feedstocks

Meaningful progress toward our renewable power targets

## STRATEGY DEVELOPMENT

Defining LyondellBasell's North Star

Significant opportunities for value capture

Investor Day in early 2023

## UPDATED OUTLOOK

Near-term margin compression from elevated energy and feedstock costs

LYB production curtailed by EU maintenance and weaker demand

China reopening likely to provide 2023 tailwinds

# APPENDIX

# 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 EBITDA exclusive of adjustment for “lower of cost or market” (“LCM”) and impairment 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 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, within the same fiscal year as the charge, 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.

Free cash flow is a measure of profitability commonly used by investors to evaluate performance. For purposes of this presentation, free cash flow means net cash provided by operating activities minus capital expenditures.

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).

**Reconciliation of Net Income to EBITDA, including and excluding LCM and Impairment**

	Year Ended	Six Months Ended		Last Twelve Months
	December 31, 2021	June 30, 2021	June 30, 2022	June 30, 2022
<b>Millions of dollars</b>				
Net income	\$ 5,617	\$ 3,129	\$ 2,964	\$ 5,452
add: LCM charges (benefits), after-tax	—	—	—	—
add: Impairments, after tax	481	—	69	550
Net income excluding LCM and impairment	6,098	3,129	3,033	6,002
less: LCM (charges) benefits, after-tax	—	—	—	—
less: Impairments, after-tax	(481)	—	(69)	(550)
Net income	5,617	3,129	2,964	5,452
Loss from discontinued operations, net of tax	6	—	2	8
Income from continuing operations	5,623	3,129	2,966	5,460
Provision for income taxes	1,163	576	694	1,281
Depreciation and amortization	1,393	665	615	1,343
Interest expense, net	510	233	126	403
add: LCM charges (benefits), pre-tax	—	—	—	—
EBITDA excluding LCM	8,689	4,603	4,401	8,487
add: Impairments, pre-tax	624	—	69	693
EBITDA excluding LCM and impairment	9,313	4,603	4,470	9,180
less: LCM (charges) benefits, pre-tax	—	—	—	—
less: Impairments, pre-tax	(624)	—	(69)	(693)
EBITDA	\$ 8,689	\$ 4,603	\$ 4,401	\$ 8,487

Note: Last twelve months June 30, 2022 is calculated as year ended December 31, 2021 plus six months ended June 30, 2022, minus six months ended June 30, 2021.

**Reconciliation of EBITDA to EBITDA Excluding LCM and Impairment by Segment**

	Year Ended	Six Months Ended		Last Twelve Months
	December 31, 2021	June 30, 2021	June 30, 2022	June 30, 2022
<b>Millions of dollars</b>				
<b>EBITDA:</b>				
Olefins & Polyolefins - Americas	\$ 5,273	\$ 2,443	\$ 1,816	\$ 4,646
Olefins & Polyolefins - EAI	1,749	1,120	347	976
Intermediates & Derivatives	1,378	778	1,221	1,821
Advanced Polymer Solutions	409	264	243	388
Refining	(624)	(191)	566	133
Technology	514	186	215	543
Other	(10)	3	(7)	(20)
Continuing Operations	<u>\$ 8,689</u>	<u>\$ 4,603</u>	<u>\$ 4,401</u>	<u>\$ 8,487</u>
<b>Add: Impairments, pre-tax:</b>				
Olefins & Polyolefins - EAI	\$ —	\$ —	\$ 69	\$ 69
Refining	624	—	—	624
Continuing Operations	<u>\$ 624</u>	<u>\$ —</u>	<u>\$ 69</u>	<u>\$ 693</u>
<b>EBITDA excluding impairment:</b>				
Olefins & Polyolefins - Americas	\$ 5,273	\$ 2,443	\$ 1,816	\$ 4,646
Olefins & Polyolefins - EAI	1,749	1,120	416	1,045
Intermediates & Derivatives	1,378	778	1,221	1,821
Advanced Polymer Solutions	409	264	243	388
Refining	—	(191)	566	757
Technology	514	186	215	543
Other	(10)	3	(7)	(20)
Continuing Operations	<u>\$ 9,313</u>	<u>\$ 4,603</u>	<u>\$ 4,470</u>	<u>\$ 9,180</u>

Note: Last twelve months June 30, 2022 is calculated as year ended December 31, 2021 plus six months ended June 30, 2022, minus six months ended June 30, 2021.

## Return on Invested Capital

Millions of Dollars	Three Months Ended					Last Twelve Months
	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	June 30, 2022
Income from continuing operations		\$ 1,763	\$ 731	\$ 1,321	\$ 1,645	\$ 5,460
Add:						
Interest expense, net		125	152	72	54	403
Tax effect		(25)	(28)	(14)	(10)	(77)
Interest expense, net, after tax		100	124	58	44	326
Special items effecting comparability:						
Impairments - Refinery, after tax			481			481
Adjusted income from continuing operations		1,863	1,336	1,379	1,689	6,267
Divided by:						
Average adjusted invested capital:						
Shareholders' equity	10,524				12,230	
Long-term debt	13,482				11,062	
Operating lease liabilities	1,364				1,569	
Current debt:						
Current maturities of long-term debt	8				8	
Short-term debt	683				405	
Invested capital	26,061				25,274	
Cumulative effect of impairments, after tax <sup>(a)</sup>	446				927	
Adjusted invested capital	\$ 26,507				\$ 26,201	
2-Yr average adjusted invested capital						\$ 26,354
Return on average adjusted invested capital						24 %

(a) Cumulative effect of impairments, after tax, at June 30, 2022 includes impairments, after tax, of \$446 million and \$481 million recognized in 2020 and 2021, respectively.

Note: Last twelve months June 30, 2022 is calculated as the sum of the quarters ended September 30, 2021, December 31, 2021, March 31, 2022 and June 30, 2022.

### Historical Reconciliation of Net Income to EBITDA, including and excluding LCM and Impairment

Millions of dollars	Year Ended December 31,											Six Months Ended		Last Twelve Months
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	June 30, 2021	June 30, 2022	June 30, 2022
Net income	\$ 2,140	\$ 2,834	\$ 3,853	\$ 4,168	\$ 4,474	\$ 3,837	\$ 4,877	\$ 4,690	\$ 3,397	\$ 1,427	\$ 5,617	\$ 3,129	\$ 2,964	\$ 5,452
Loss from discontinued operations, net of tax	332	24	7	4	5	10	18	8	7	2	6	—	2	8
Income from continuing operations	2,472	2,858	3,860	4,172	4,479	3,847	4,895	4,698	3,404	1,429	5,623	3,129	2,966	5,460
Provision for (benefit from) income taxes	1,059	1,327	1,136	1,540	1,730	1,386	598	613	648	(43)	1,163	576	694	1,281
Depreciation and amortization	931	983	1,021	1,019	1,047	1,064	1,174	1,241	1,312	1,385	1,393	665	615	1,343
Interest expense, net	1,007	640	294	319	277	305	467	315	328	514	510	233	126	403
add: LCM charges, pre-tax	—	—	—	760	548	29	—	—	33	16	—	—	—	—
add: Impairments, pre-tax	23	22	—	—	—	—	—	—	—	582	624	—	69	693
EBITDA excluding LCM and impairment	5,492	5,830	6,311	7,810	8,081	6,631	7,134	6,867	5,725	3,883	9,313	4,603	4,470	9,180
less: LCM charges, pre-tax	—	—	—	(760)	(548)	(29)	—	—	(33)	(16)	—	—	—	—
less: Impairments, pre-tax	(23)	(22)	—	—	—	—	—	—	—	(582)	(624)	—	(69)	(693)
EBITDA	\$ 5,469	\$ 5,808	\$ 6,311	\$ 7,050	\$ 7,533	\$ 6,602	\$ 7,134	\$ 6,867	\$ 5,692	\$ 3,285	\$ 8,689	\$ 4,603	\$ 4,401	\$ 8,487

Note: Last twelve months June 30, 2022 is calculated as year ended December 31, 2021 plus six months ended June 30, 2022, minus six months ended June 30, 2021.

### Calculation of Free Cash Flow

Millions of dollars	Year Ended	Six Months Ended		Last Twelve Months
	December 31, 2021	June 30, 2021	June 30, 2022	June 30, 2022
Net cash provided by operating activities	\$ 7,695	\$ 2,473	\$ 3,101	\$ 8,323
less:				
Capital expenditures	1,959	771	978	2,166
Free cash flow	\$ 5,736	\$ 1,702	\$ 2,123	\$ 6,157

Note: Last twelve months June 30, 2022 is calculated as year ended December 31, 2021 plus six months ended June 30, 2022, minus six months ended June 30, 2021.