

# Third Quarter 2016 Earnings

November 1, 2016



**STRONG.**

**CONSISTENT.**

**FOCUSED.**

# 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 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; 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; 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, 2015, 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. The non-GAAP measures we have presented include income from continuing operations excluding LCM, diluted earnings per share excluding LCM, EBITDA and EBITDA excluding LCM. LCM stands for “lower of cost or market,” which 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. Market is determined based on an assessment of the current estimated replacement cost and selling price of the inventory. In periods where the market price of our inventory declines substantially, cost values of inventory may be higher than the market value, which results in us writing down the value of inventory to market value in accordance with the LCM rule, consistent with GAAP. This adjustment is related to our use of LIFO accounting and the decline in pricing for many of our raw material and finished goods inventories. 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 earnings and EBITDA excluding 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.

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 have also presented financial information herein exclusive of adjustments for LCM.

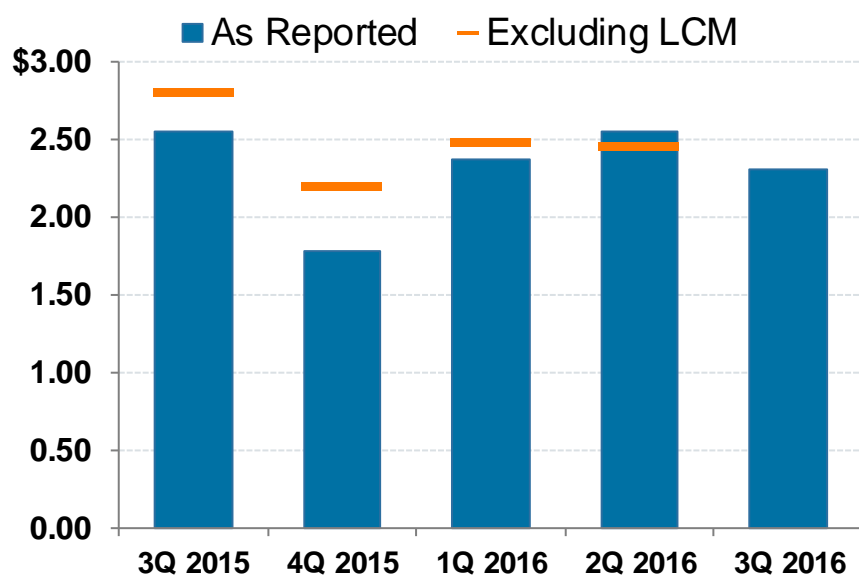
While we also believe that free cash flow (FCF) and free cash flow yield (FCF Yield) are measures commonly used by investors, free cash flow and free cash flow yield, as presented herein, may not be comparable to similarly titled measures reported by other companies due to differences in the way the measures are calculated. For purposes of this presentation, free cash flow means net cash provided by operating activities minus capital expenditures and free cash flow yield means the ratio of free cash flow to market capitalization.

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

# 3Q 2016 Highlights

(\$ in millions, except per share data)	As Reported			Excluding LCM <sup>(1)</sup>		
	3Q15	2Q16	3Q16	3Q15	2Q16	3Q16
EBITDA	\$2,001	\$1,783	\$1,606	\$2,182	\$1,715	\$1,606
Income from Continuing Operations	\$1,189	\$1,092	\$955	\$1,303	\$1,045	\$955
Diluted Earnings (\$ / share) from Continuing Operations	\$2.55	\$2.56	\$2.31	\$2.80	\$2.45	\$2.31

## Strong EPS Performance

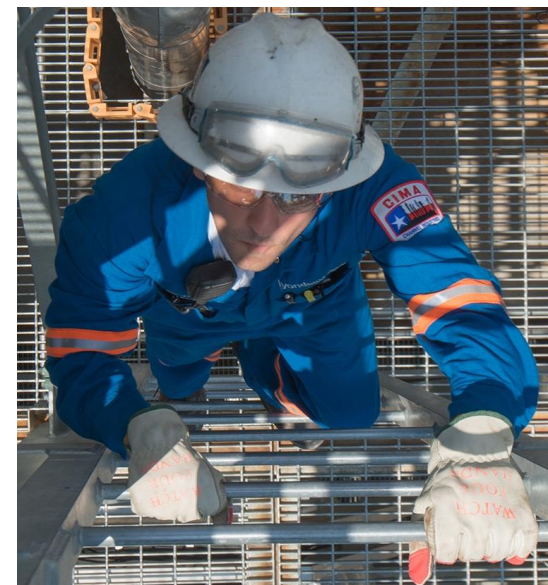
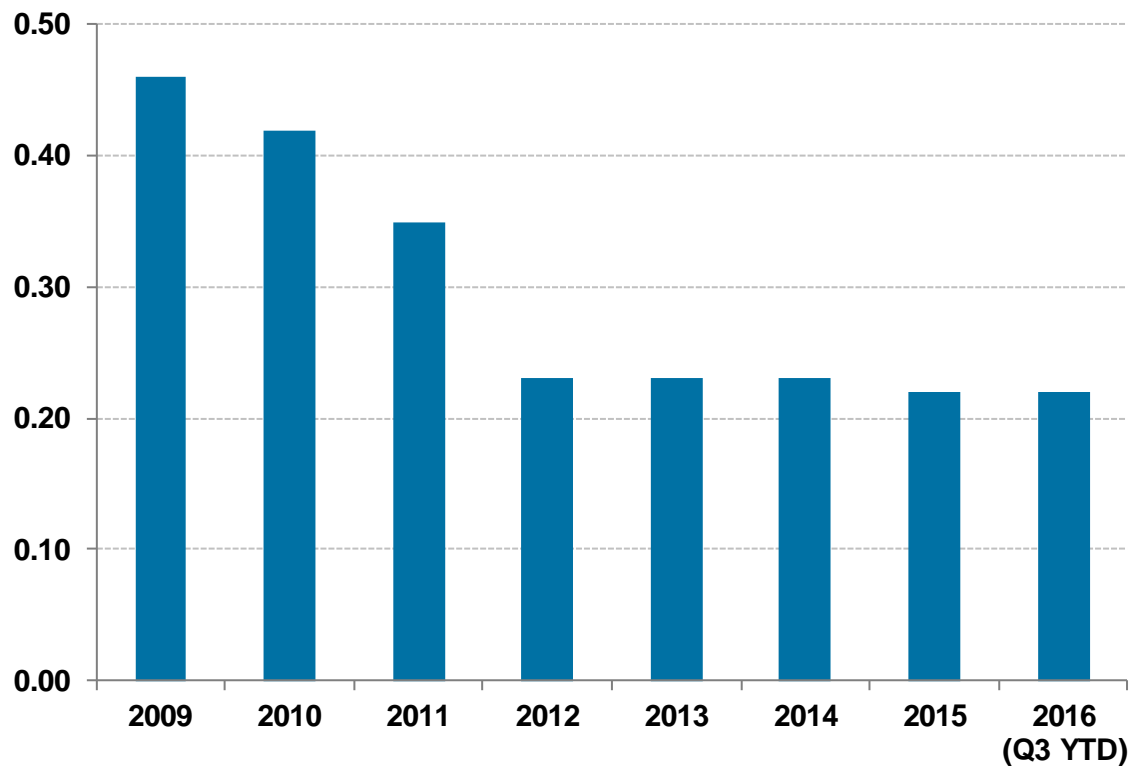


## Highlights

- Continued good Olefin chain margins – Combined Olefins and Polyolefins results relatively unchanged
- Significant internal maintenance affected Olefins and Polyolefins Americas
- Excellent European Olefins and Polyolefins results
- Operational disruptions impacted Refining segment
- \$1.2 billion in 3Q16 share repurchases and dividends

(1) LCM stands for "lower of cost or market." An explanation of LCM and why we have excluded it from our financial information in this presentation can be found on the third page of this presentation under "Information Related to Financial Measures."

## Safety Benchmark: Injuries per 200,000 Hours Worked (1)



Maintaining strong safety performance in 2016

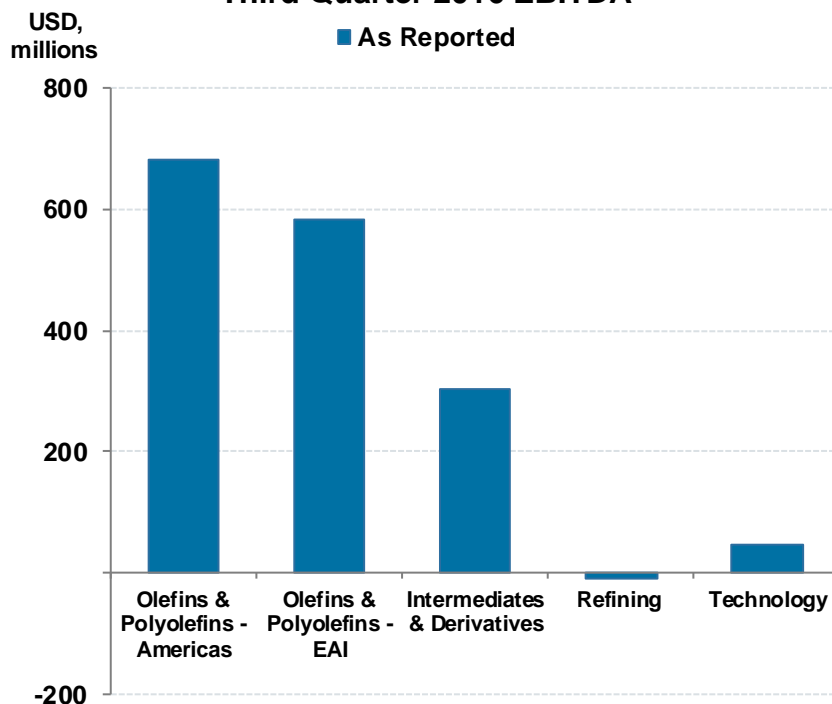
(1) Includes employees and contractors. 2016 data as of September 30, 2016.

# Third Quarter 2016 and LTM Segment EBITDA

## Third Quarter 2016

(\$, millions)	EBITDA	Op. Income
As Reported	\$1,606	\$1,249
As Adjusted for LCM	\$1,606	\$1,249

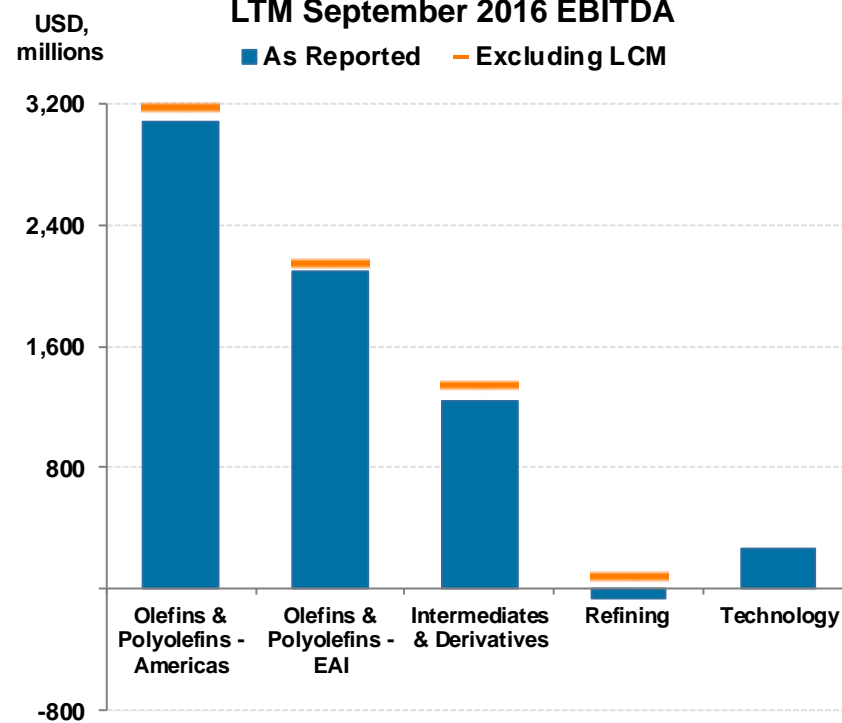
### Third Quarter 2016 EBITDA



## LTM September 2016 <sup>(1)</sup>

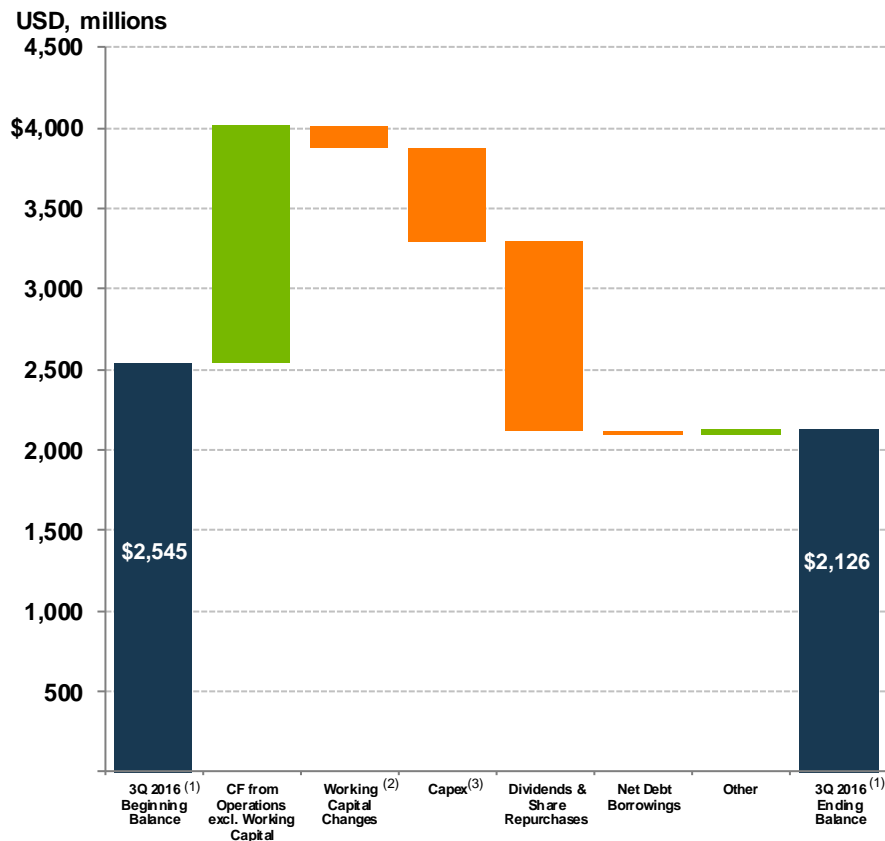
(\$, millions)	EBITDA	Op. Income
As Reported	\$6,590	\$5,064
As Adjusted for LCM	\$6,874	\$5,348

### LTM September 2016 EBITDA

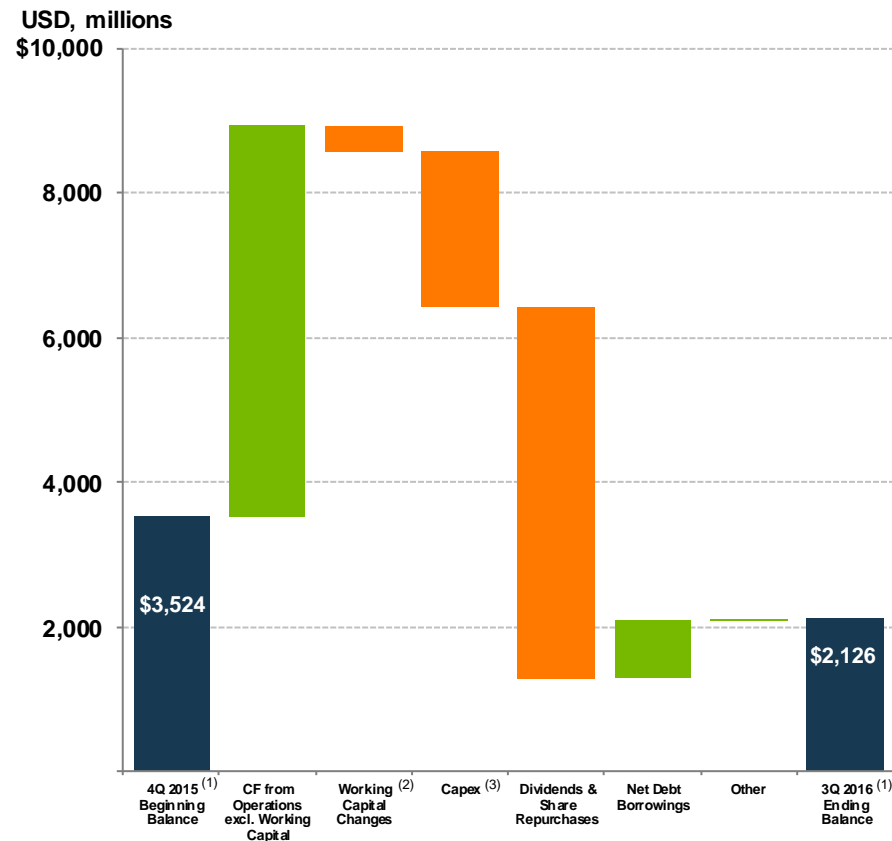


(1) Includes \$78 million after-tax gain on sale of Petroken: \$57 million gain for O&P Americas for polypropylene business and \$21 million gain for O&P EAI for polypropylene compounding business.

## Third Quarter 2016



## LTM September 2016

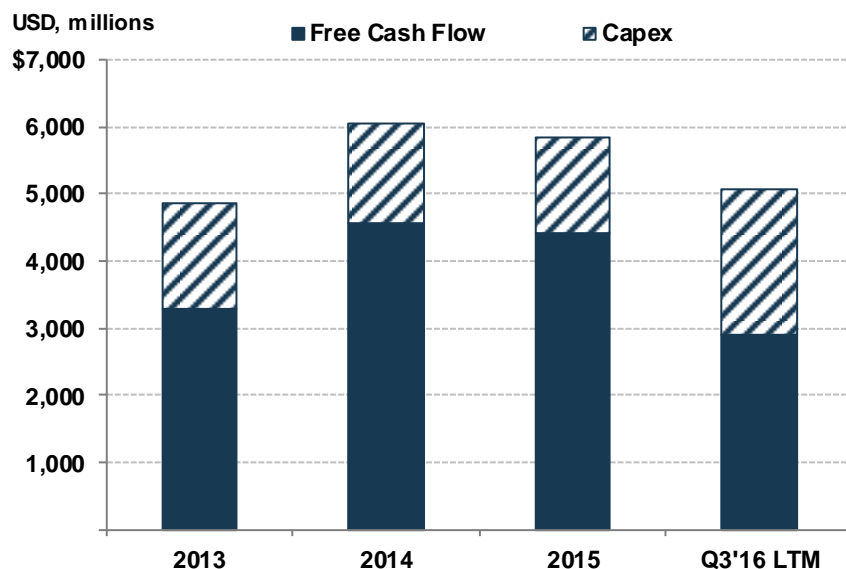


**~ \$5.1 billion in cash from operations generated over the last 12 months**

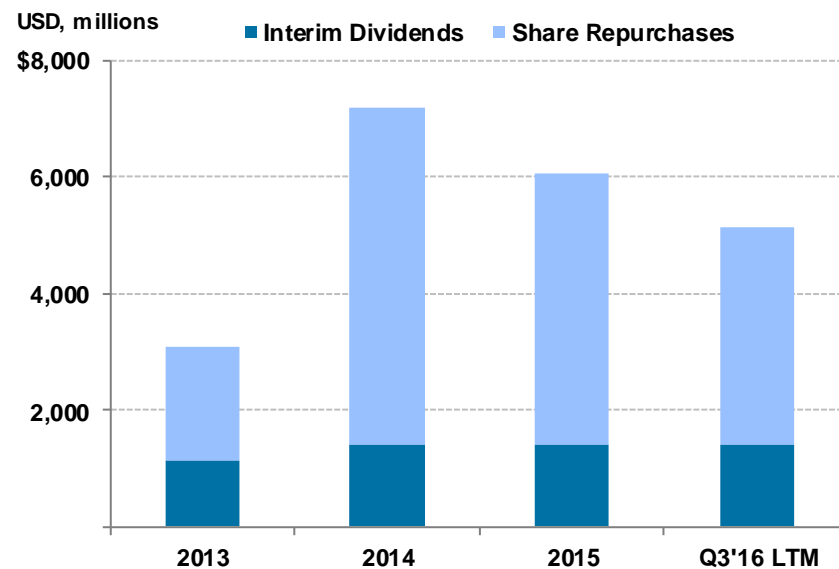
(1) Beginning and ending cash balances include cash and liquid investments. (2) Includes accounts receivable, inventories and accounts payable. (3) Includes capital and maintenance turnaround spending.

# Strong Cash Generation, Share Repurchases & Dividends

## Cash From Operations



## Dividends & Share Repurchases



## Key Statistics

	2013	2014	2015	2016 Est./YTD
FCF Yield <sup>(1)</sup>	7.4%	11.8%	11.5%	9.0%
Dividend Yield <sup>(2)</sup>	2.5%	3.4%	3.5%	4.2%
Shares Repurchased <sup>(3)</sup>	4.8%	11.5%	10.6%	7.1%

- **10.3 million shares (2% of outstanding) purchased during 3Q 2016**
- **\$1.2 billion in share repurchases and dividends during 3Q 2016**

(1) Free Cash Flow Yield= (Cash from Operations – Capital Expenditures) / End of Period Market Capitalization. 2016 is annualized based upon the first three quarters of the year.

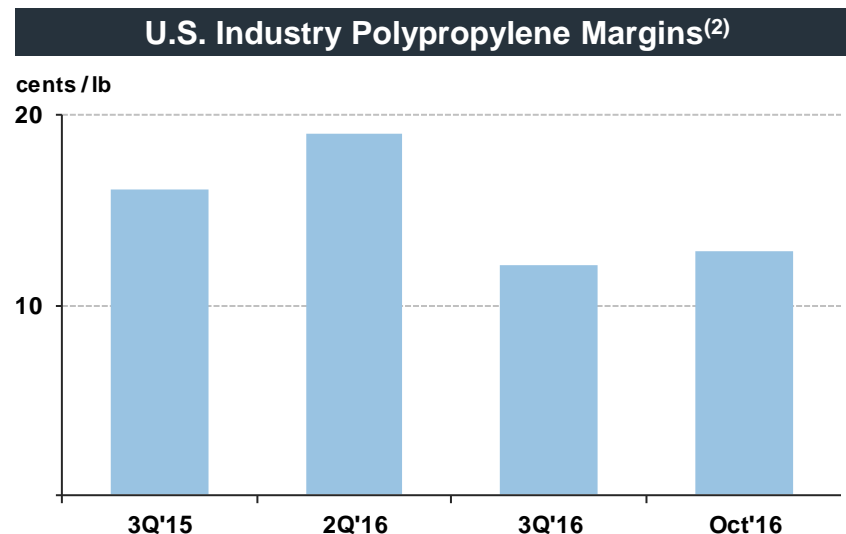
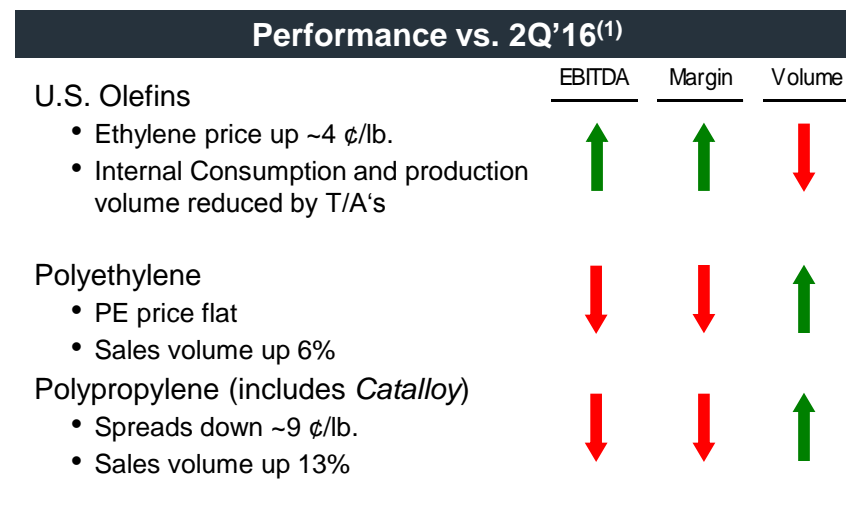
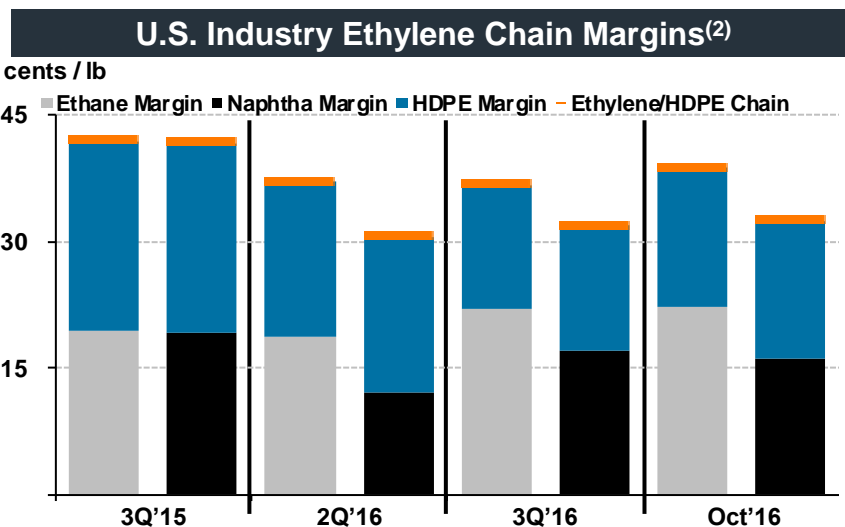
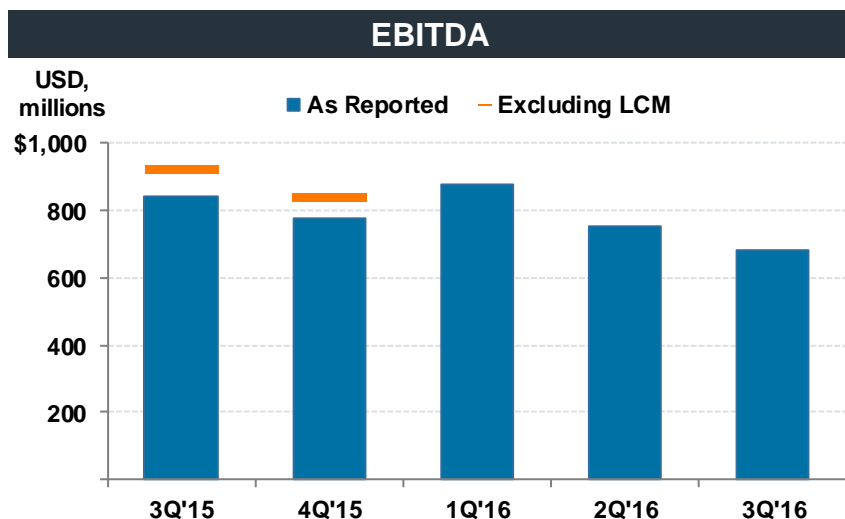
(2) Dividend Yield = Annual Dividend per Share / Closing Share Price. 2016 is as of September 30 and assumes \$3.40 annual dividend per share.

(3) Percent of Shares Repurchased as of balance at the beginning of the year. 2016 is September year to date.



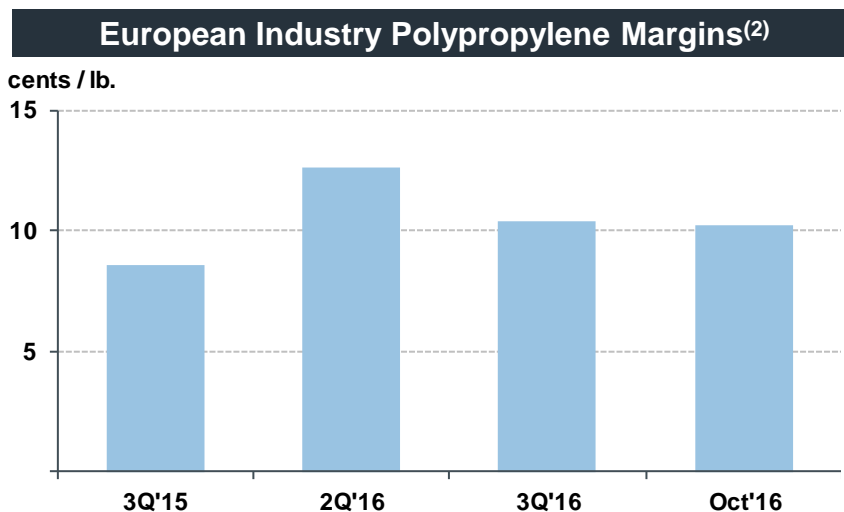
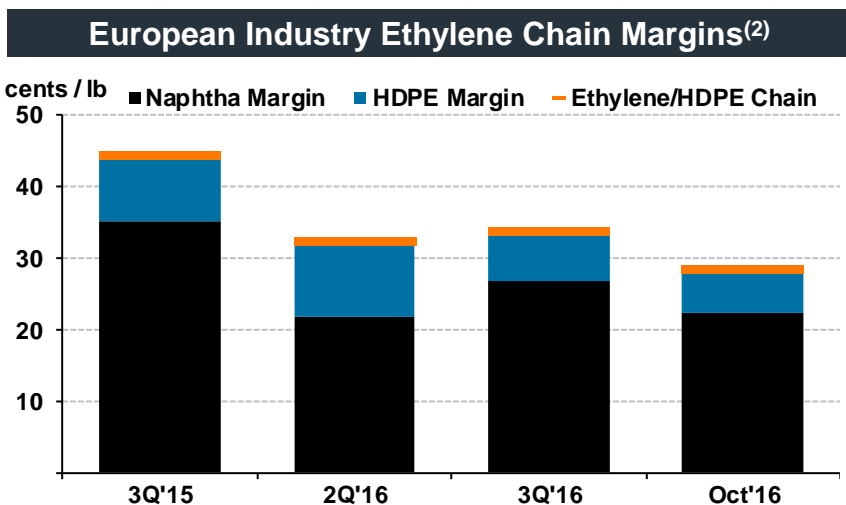
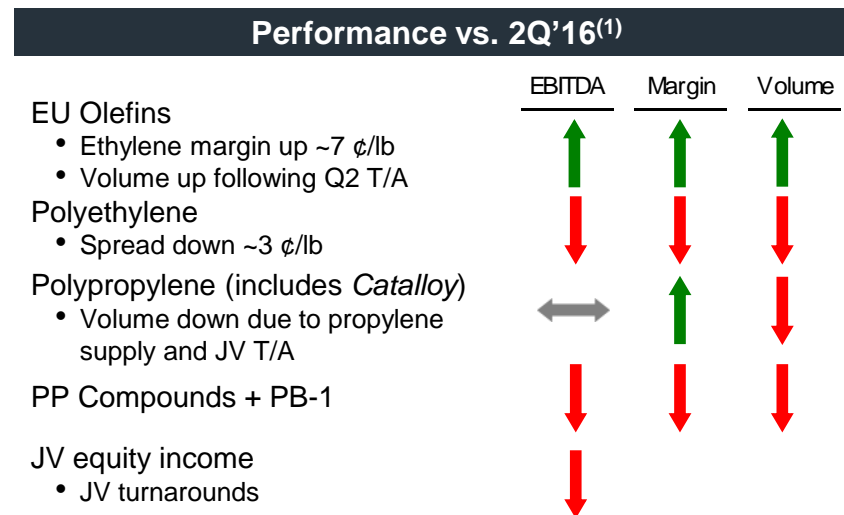
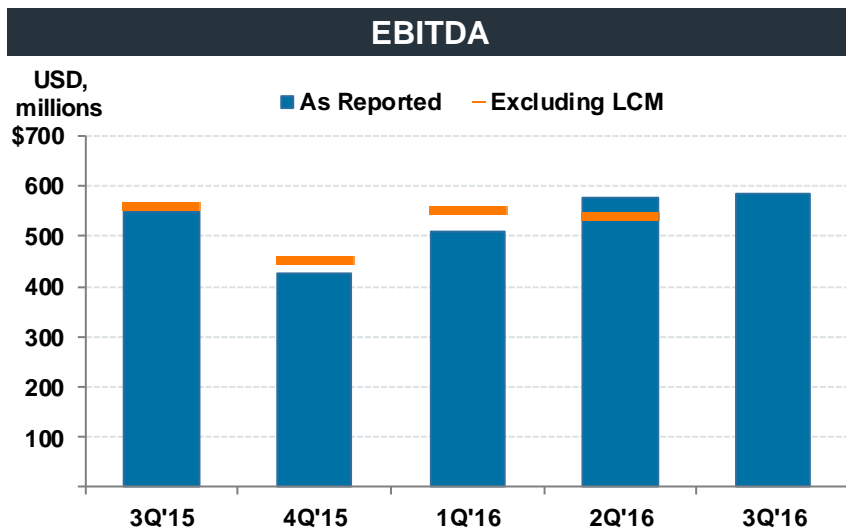
# Olefins & Polyolefins – Americas

## Highlights and Business Drivers – 3Q'16



(1) Arrow direction reflects our underlying business metrics. (2) Source: Quarterly and Oct.16, 2016 month-to-date average IHS industry data.

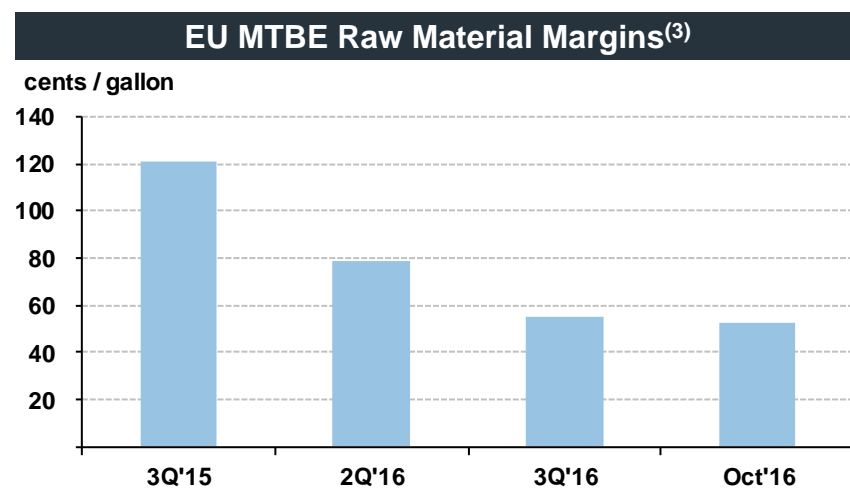
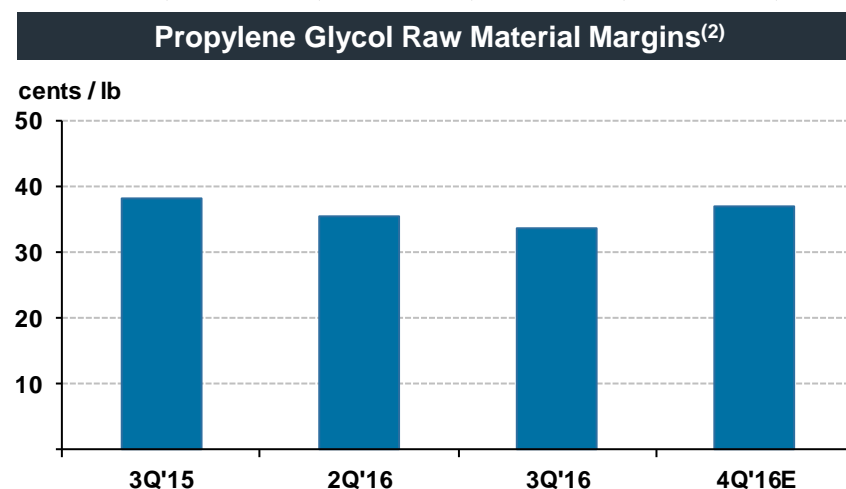
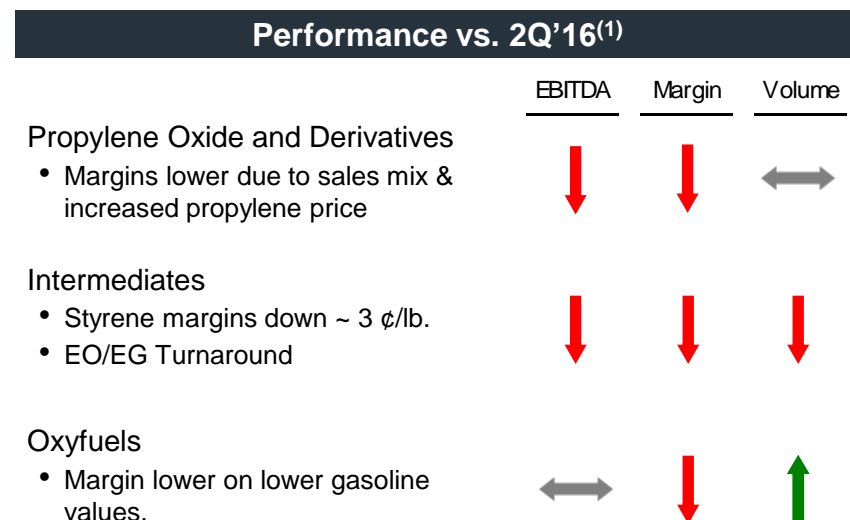
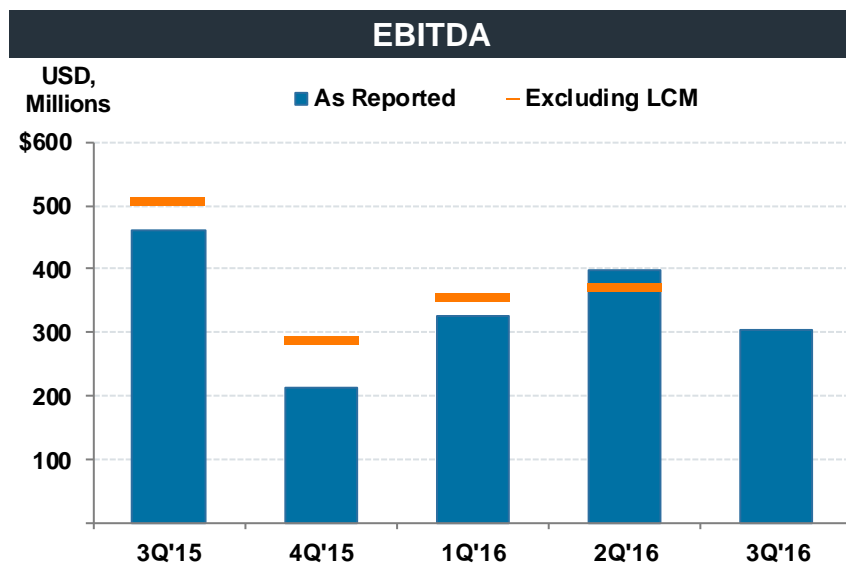
# Olefins & Polyolefins – Europe, Asia, International Highlights and Business Drivers – 3Q'16



(1) Arrow direction reflects our underlying business metrics. (2) Source: Quarterly and Oct. 16, 2016 month-to-date average IHS industry data.

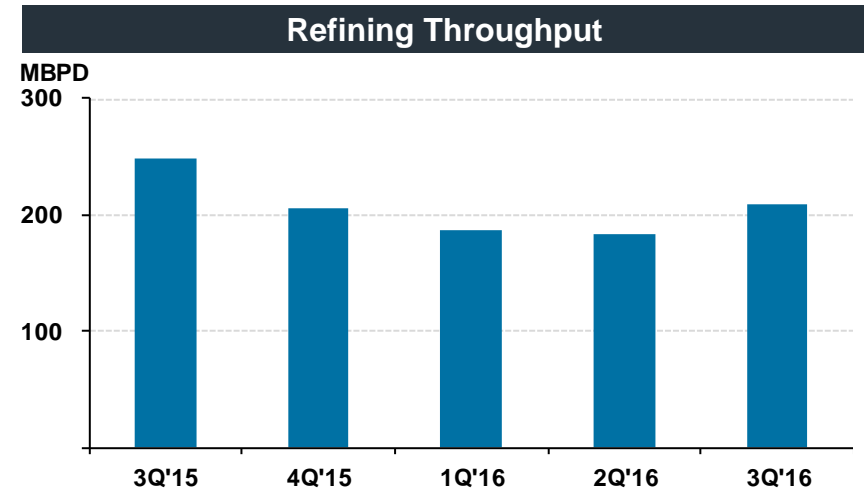
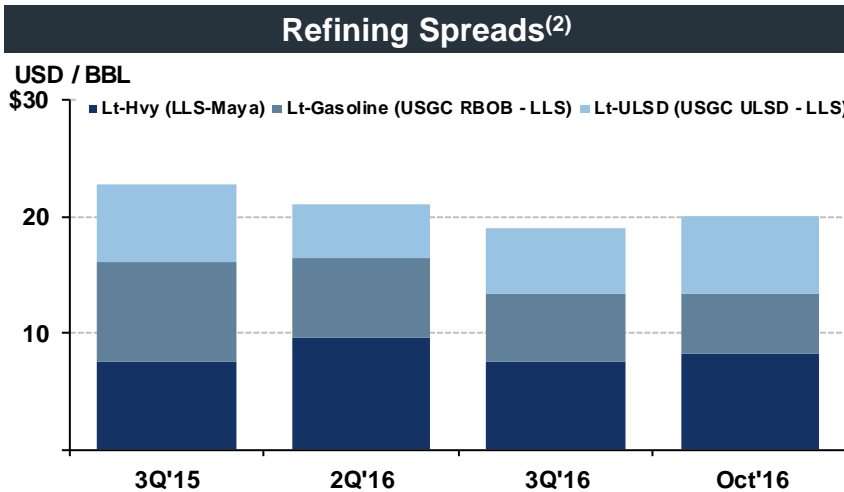
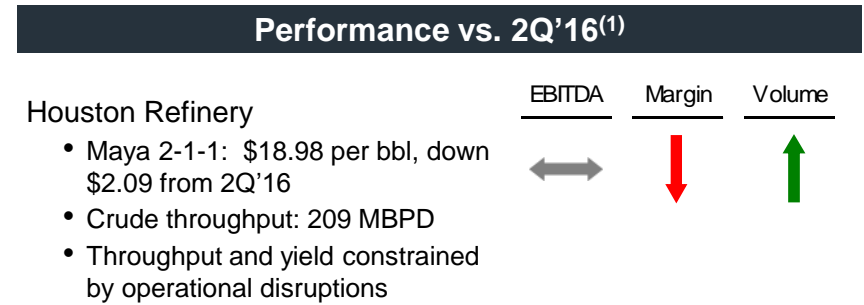
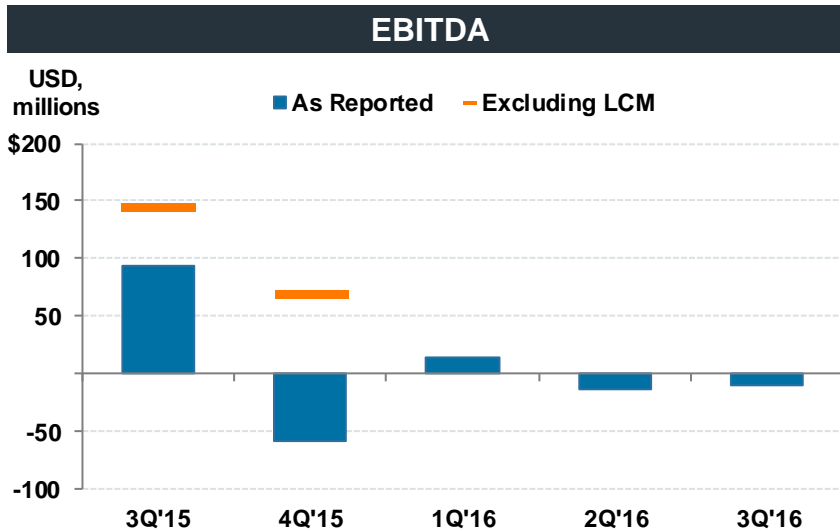
# Intermediates & Derivatives

## Highlights and Business Drivers – 3Q'16



(1) Arrow direction reflects our underlying business metrics. (2) Source: ChemData September 2016 Report (3) Source: Platts quarterly and Oct. 16, 2016 month-to-date averages.

# Refining Highlights and Business Drivers – 3Q'16



(1) Arrow direction reflects our underlying business metrics.

(2) Light Louisiana Sweet (LLS) is the referenced light crude. Data represents quarterly and Sep 27, 2016 month-to-date average per Platts.

## Third Quarter Summary

- Third quarter industry trends developed as anticipated
- O&P Americas impacted by planned maintenance and capacity expansion
- O&P EAI continued to benefit from strong polyolefin margins and demand
- Refining business impacted by operational disruptions
- \$1.2 billion share repurchase and dividends

## Near-Term Outlook

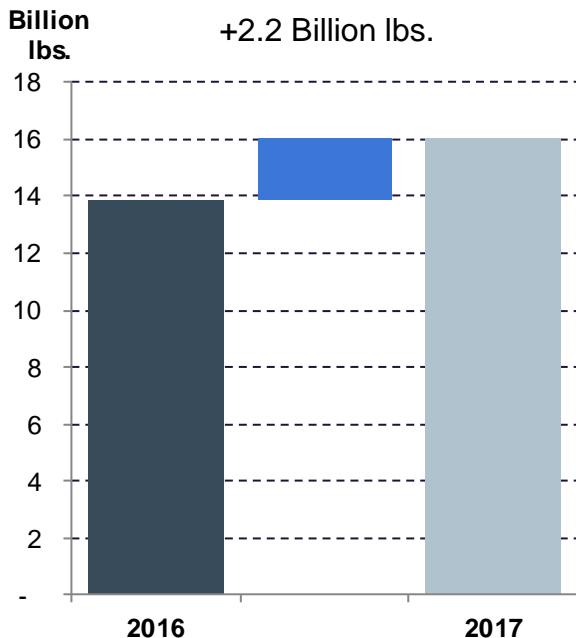
- Global O&P markets remain balanced
- Oxyfuels and refining spreads at typical seasonal conditions
- At industry benchmark margins, lost production related to planned maintenance activities in O&P and I&D is expected to impact 4Q by ~\$75 – 100 MM

# LYB Maintenance and Expansion Investments in 2016 Provide Increased Available Capacity for 2017



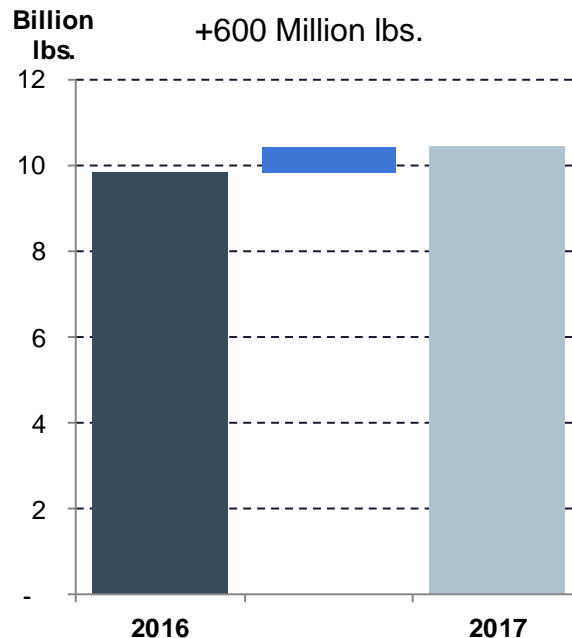
## Ethylene

+2.2 Billion lbs.



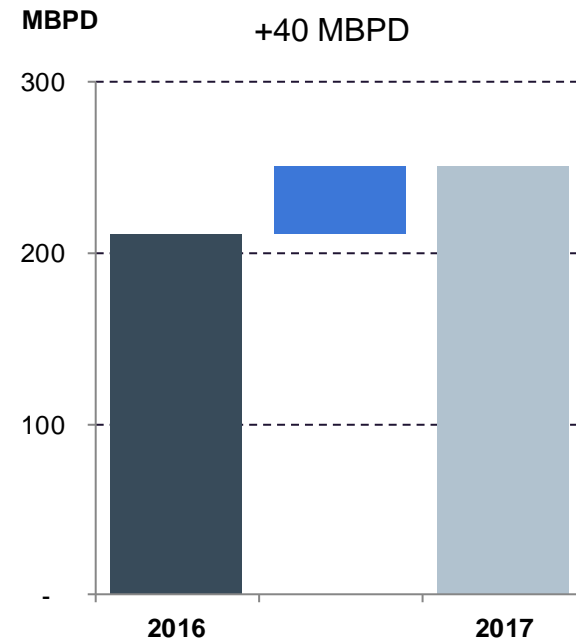
## Ethylene Derivatives: PE and EO

+600 Million lbs.



## Refining

+40 MBPD



### Turnarounds

2016: 4 Crackers, Corpus Christi Expansion  
2017: Zero Crackers

3Q16 YTD Cash Margins <sup>(1)</sup>:  
WE = 25 cpp  
US = 20 cpp

### Turnarounds

2016: PE tied to crackers + EO/EG  
2017: Zero Crackers

3Q16 YTD Margins<sup>(1)</sup>:  
EG Raw Material Margin = 19 cpp  
WE PE Cash Margin = 9 cpp  
US PE Cash Margin = 16 cpp

### Turnarounds

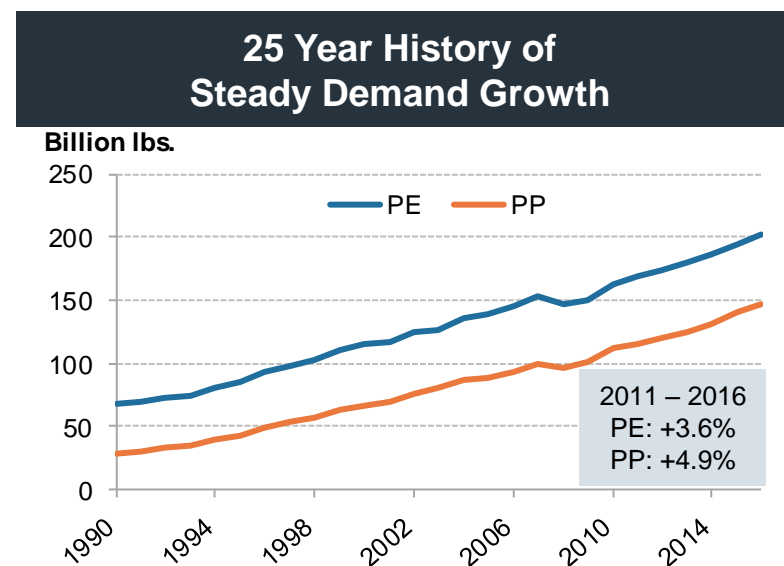
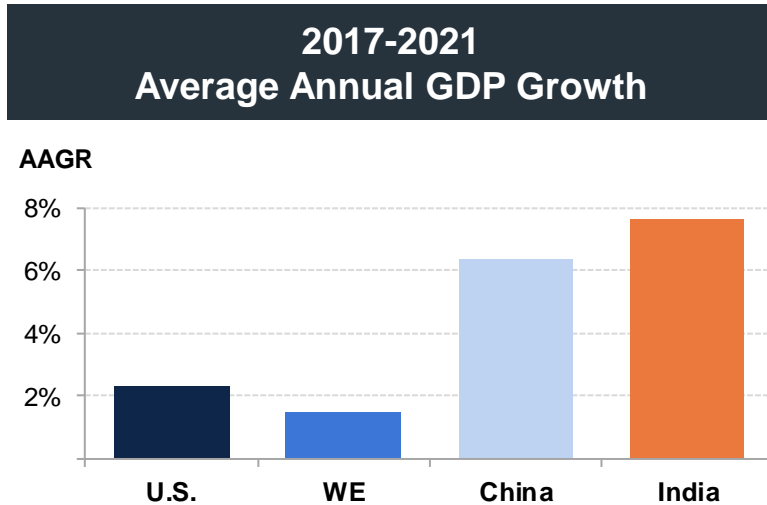
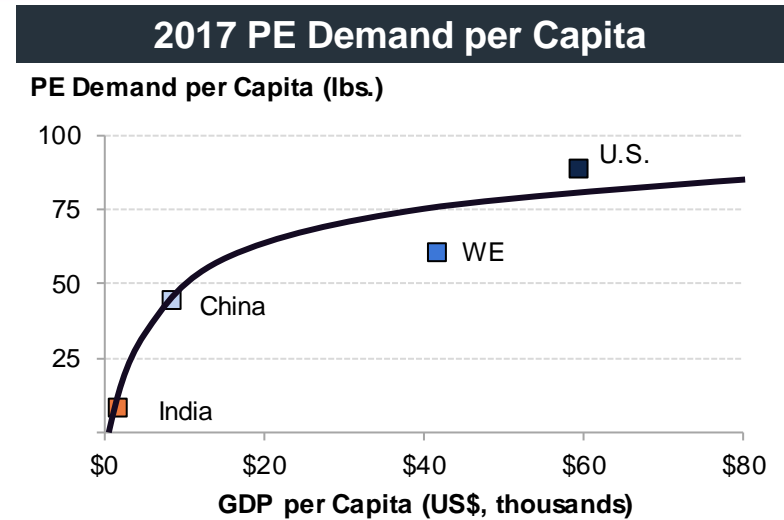
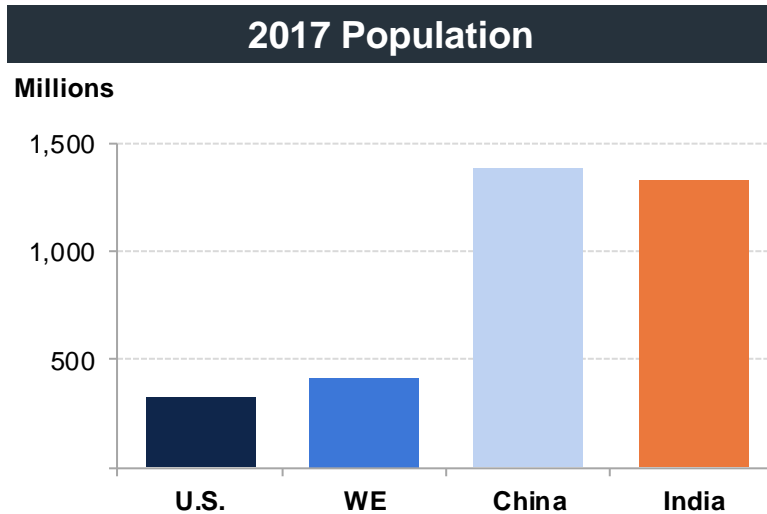
2016: 1 crude unit, 1 coker;  
Unplanned fire and utility outages  
2017: FCC + 1 crude unit

3Q16 YTD Maya 211 = \$19/bbl

1) Source: IHS.

# O&P: Steady Demand Growth

Supported by Demographics, Urbanization and Rising Middle Class



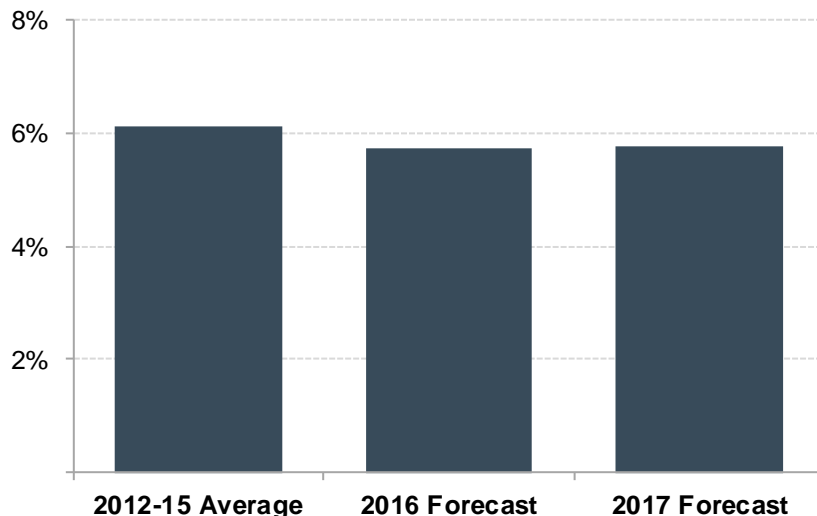
Source: IHS. WE = Western Europe, excluding Turkey.

**STRONG. CONSISTENT. FOCUSED.**

# O&P: Industry Capacity Delays and Demand Growth Support Strong Operating Rates

## Ethylene Downtime (1)

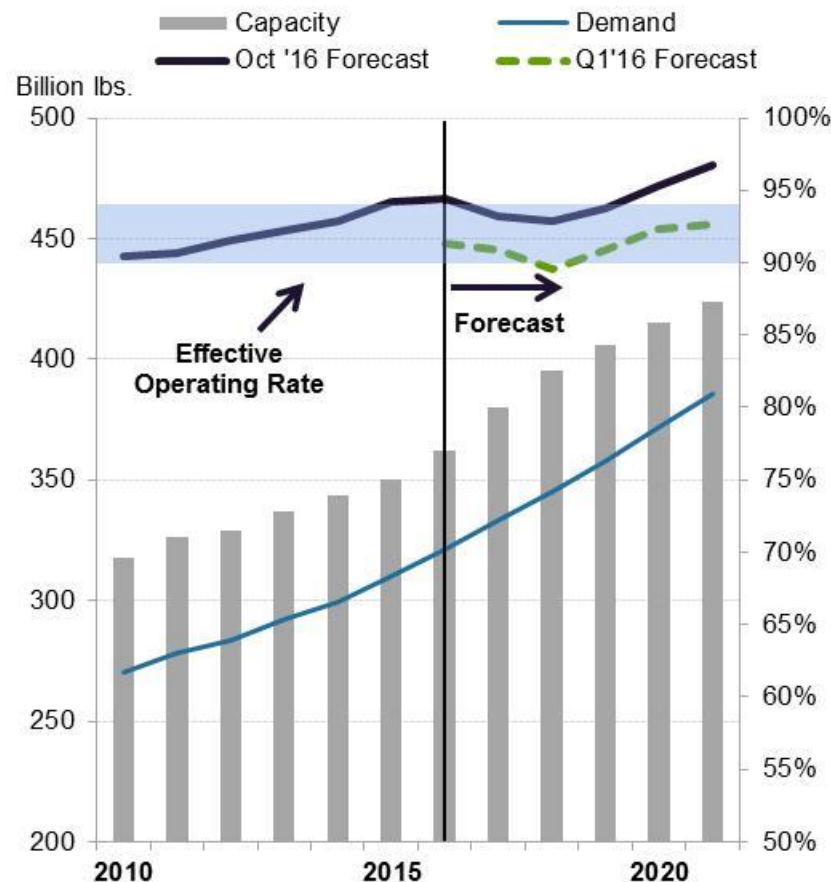
% Maintenance Downtime / Nameplate



## Updated View on 2018 Effective Operating Rates

- NA Capacity Delays (per IHS): 5.5 Blbs, + 1.4%
- ROW Capacity Delays (per IHS): 0.8 Blbs, + 0.2%
- Average Downtime = 6%, + 2%

## Global Ethylene Supply / Demand (2)

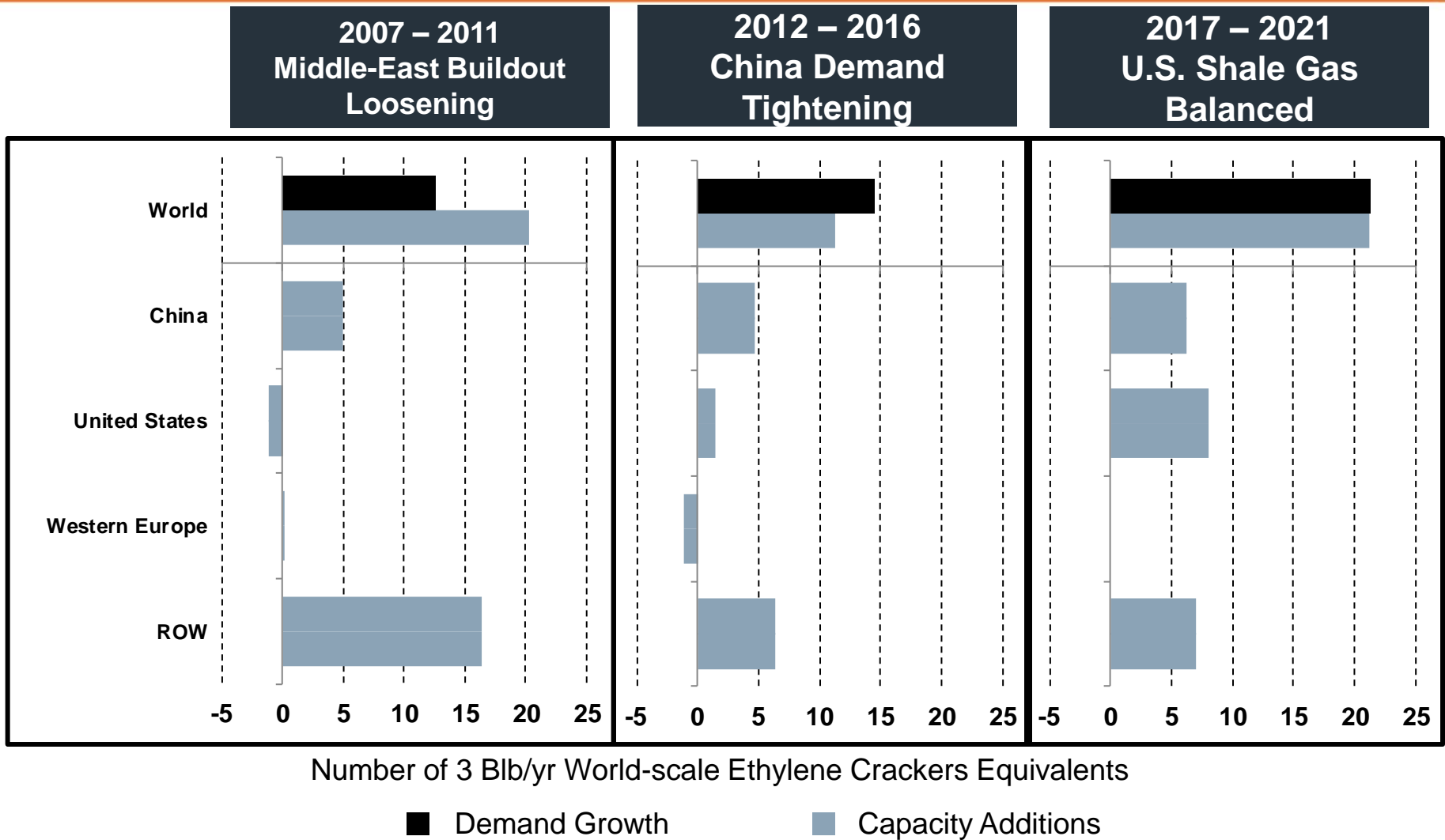


1) Source: IHS. Economic downtime excluded.

2) Source: IHS. Effective operating rates are calculated assuming 6% industry downtime. Demand and Q1'16 Forecast are sourced from the IHS Chemical Supply and Demand 2016 Balance Update. Capacity and Oct '16 Forecast are sourced from the IHS Chemical Capacity as of Oct 11, 2016.



# Demand for World-scale Ethylene Crackers



Number of 3 Bbl/yr World-scale Ethylene Crackers Equivalents

■ Demand Growth      ■ Capacity Additions

Source: IHS.

Demand is sourced from the IHS Chemical Supply and Demand 2016 Balance Update. Capacity additions are sourced from the IHS Chemical Capacity as of Oct 11, 2016.



lyondellbasell  
**Investor Day**

**April 5, 2017**

**NEW YORK CITY**

LyondellBasell is planning an Investor Day to be held on **April 5, 2017**, in New York City. At this half-day session, you will have an opportunity to interact with members of our leadership team.

Invitations and additional information to follow.