

# Second Quarter 2019 Earnings

August 2, 2019

# 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 cyclicity 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.

While we also believe that free operating cash flow (FOCF) is a measure of profitability commonly used by investors to evaluate performance, free operating 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 operating cash flow means net cash provided by operating activities minus sustaining (maintenance and HSE) capital expenditures.

Additionally, total liquidity is a measure that provide an indicator of value to investors. For purposes of this presentation, total liquidity includes cash and cash equivalents, restricted cash and restricted cash equivalents, short term investments, repurchase agreements, and availability under our Three-Year Team Loan due 2022, Senior Revolving Credit Facility and our receivables facilities.

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

## Second Quarter 2019 Highlights

### Delivering strong results

- Diluted EPS: \$2.70
- EBITDA: \$1.6 B, 11% increase over 1Q19

### Growing through investment

- Announced new PP project at Thailand JV
- Commissioning *Hyperzone* PE – 2H19
- Building world's largest PO/TBA plant

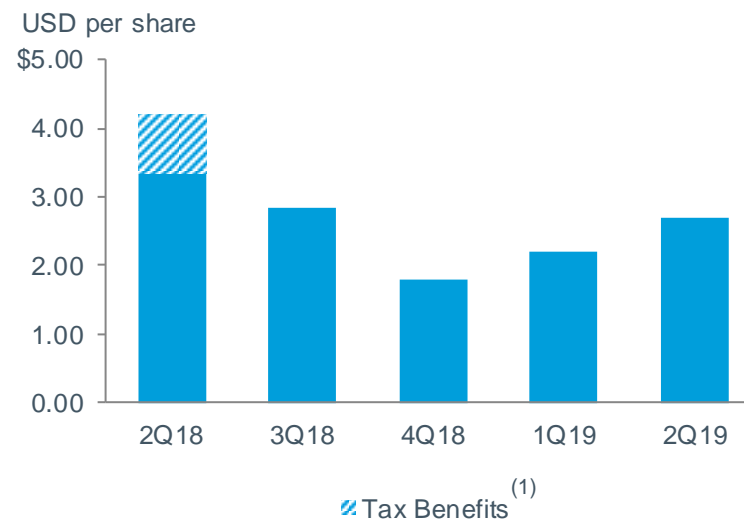
### Advancing value-driven opportunities

- Launched tender offer

### Financial Highlights

<i>\$ in millions, except per share data</i>	2Q18	1Q19	2Q19
Net Income	\$1,654	\$817	\$1,003
EBITDA	\$2,010	\$1,428	\$1,579
Diluted Earnings (\$/share)	\$4.22 <sup>(1)</sup>	\$2.19	\$2.70

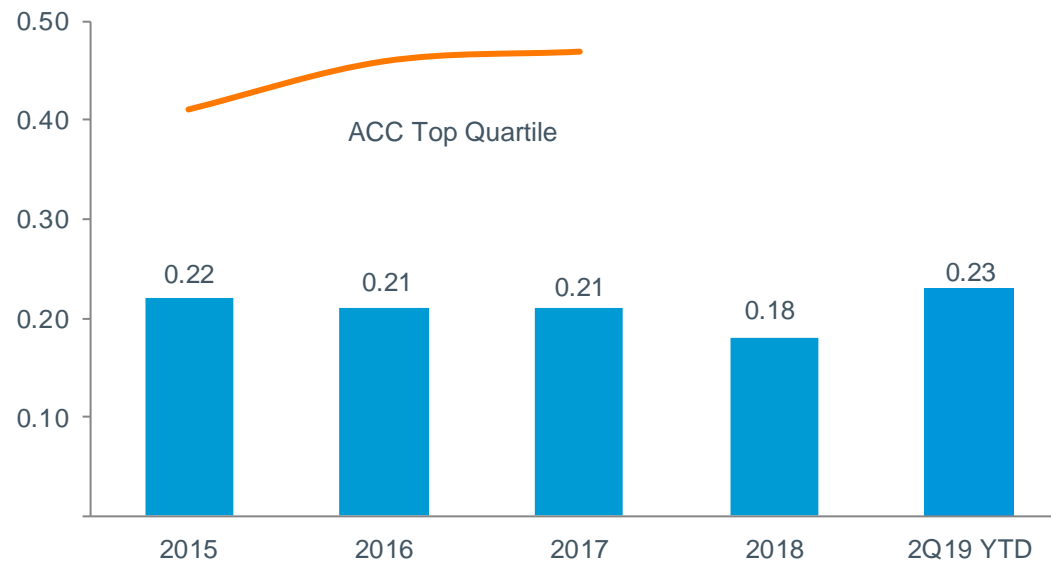
### EPS Performance



(1) 2Q18 results include a non-cash benefit from the settlement of prior-year tax positions of \$346 million that increased earnings by \$0.88 per share.

# Achieving Considerable Progress to Maintain LyondellBasell's Industry Leading Safety Performance

## Injuries per 200,000 Hours Worked



*Knapsack, Germany*

Source: American Chemistry Council (ACC), LYB. ACC data is data for all available periods. Number of hours worked includes employees and contractors. Data includes safety performance from the acquisition of A. Schulman from August 21, 2018 forward.

# Strong Seasonal Improvements Driven by Global Consumer Demand

## Strong:

Oxyfuels & Related Products margins

## Improved:

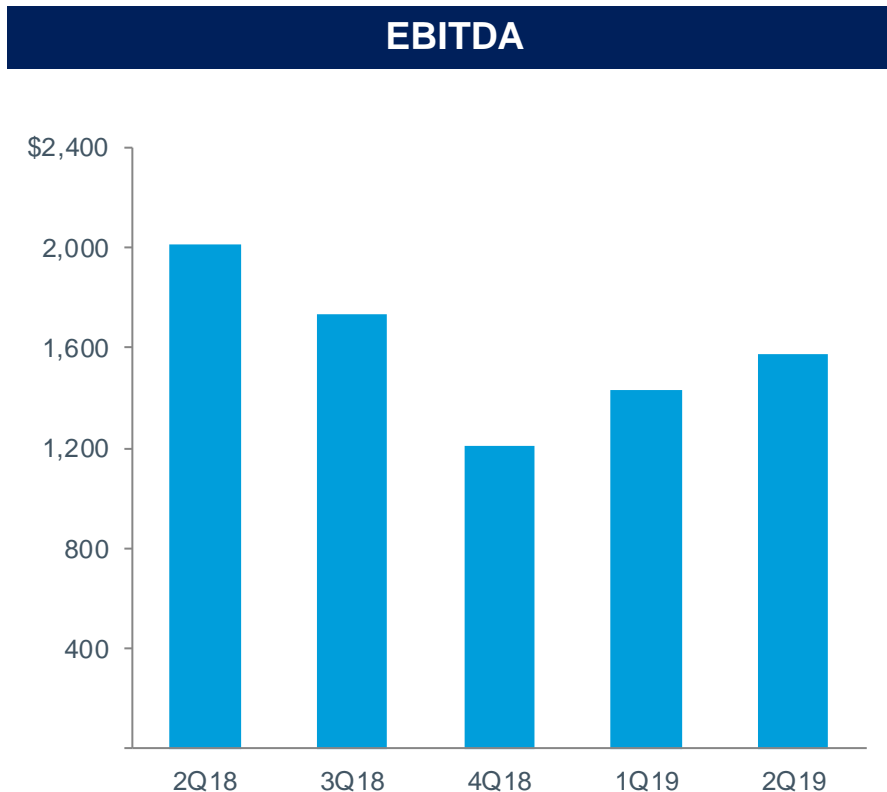
Polyethylene chain margins

## Challenging:

Heavy sour crude oil pricing

## Growing:

Technology licensing



# Cash Generation and Deployment

## Second Quarter 2019

### Delivering strong results:

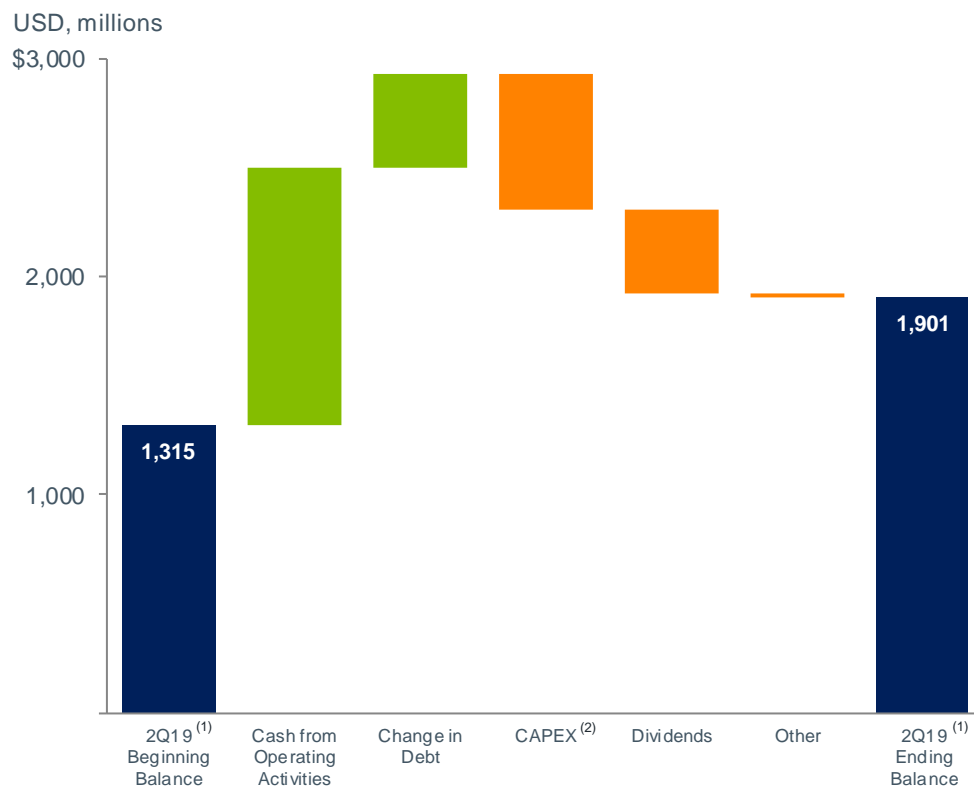
Cash from operating activities \$1.2 B

### Growing through investment:

Progressing construction on *Hyperzone* PE and PO/TBA

### Returning value to shareholders:

11<sup>th</sup> quarterly dividend increase

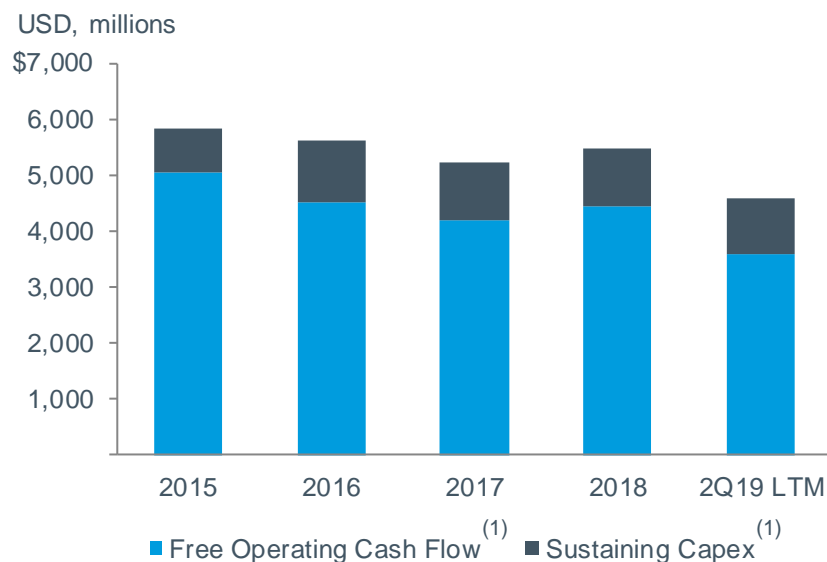


(1) Beginning and ending cash balances include cash and cash equivalents, restricted cash, and liquid investments.

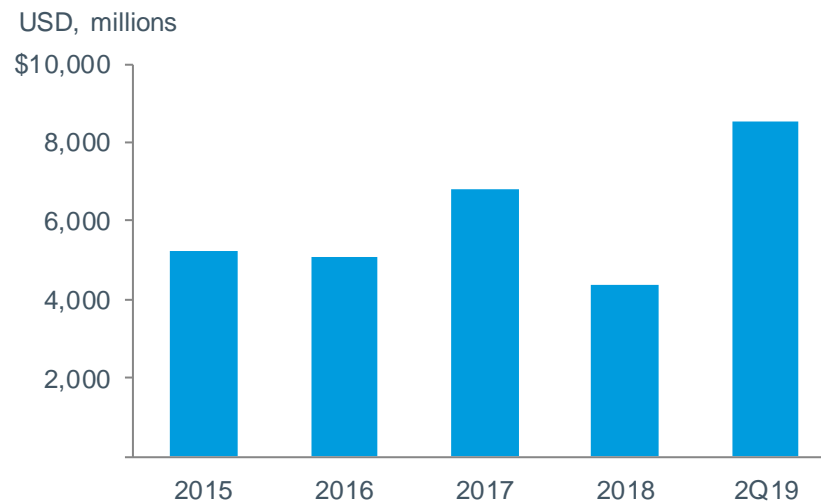
(2) CAPEX includes growth and sustaining (maintenance and HSE) capital.

# Strong Cash Generation With Ample Liquidity

## Cash From Operating Activities



## Total Liquidity(2)



### 2Q19 LTM

Cash from operating activities: **\$4.6 B**

Sustaining capex: **\$1.0 B**

Free operating cash flow: **\$3.6 B**

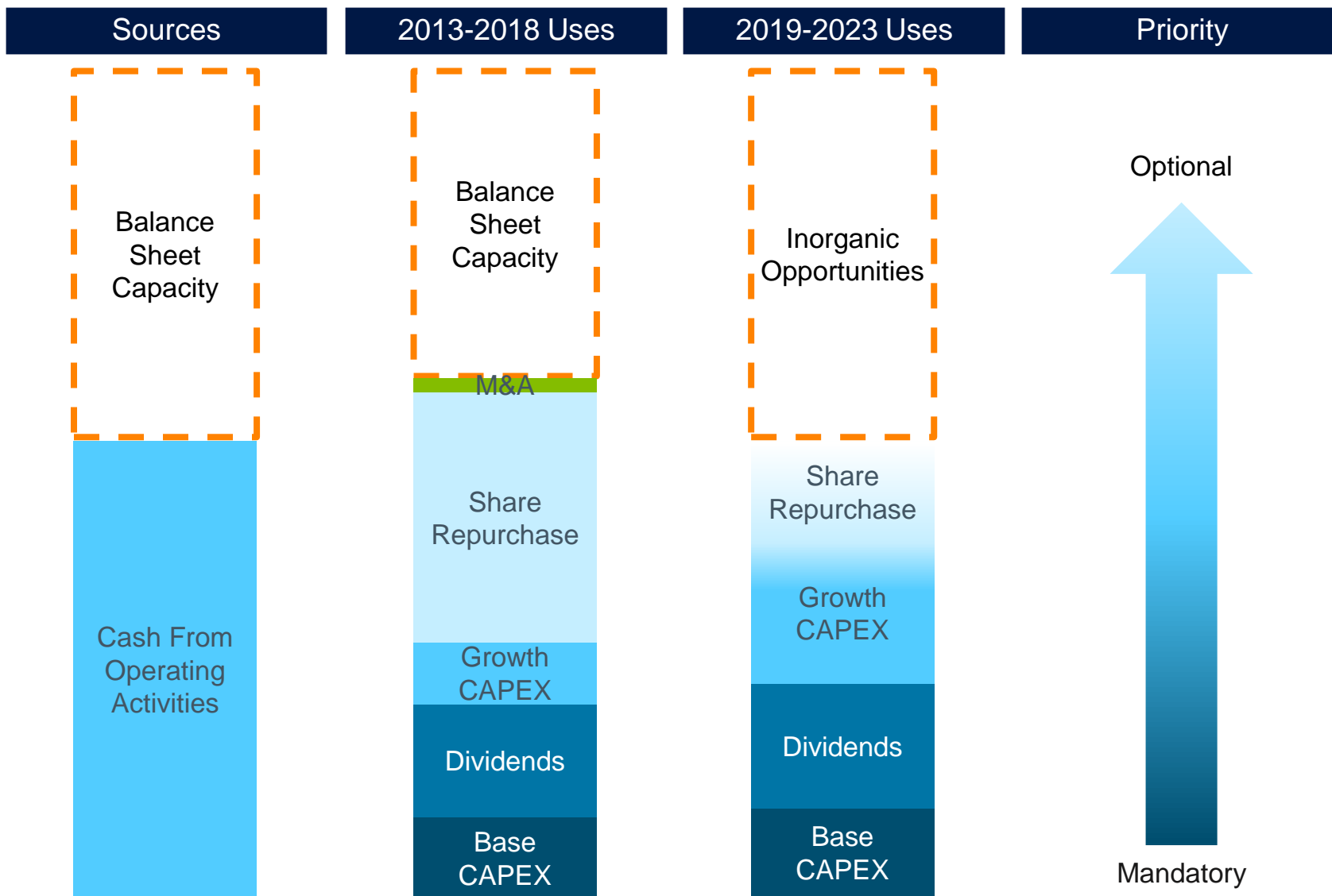
### Total Liquidity

2019 increase used for 3Q19 **tender offer**

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

(2) Total liquidity includes cash and cash equivalents, restricted cash and restricted cash equivalents, short term investments, repurchase agreements, and availability under our Three-Year Team Loan due 2022, Senior Revolving Credit Facility and our receivables facilities as of December 31 for each whole year and June 30, 2019 for 2Q19. \$3.1 B of our available liquidity was used to fund the tender offer which closed on July 12, 2019.

# Our Capital Deployment Strategy Remains Consistent



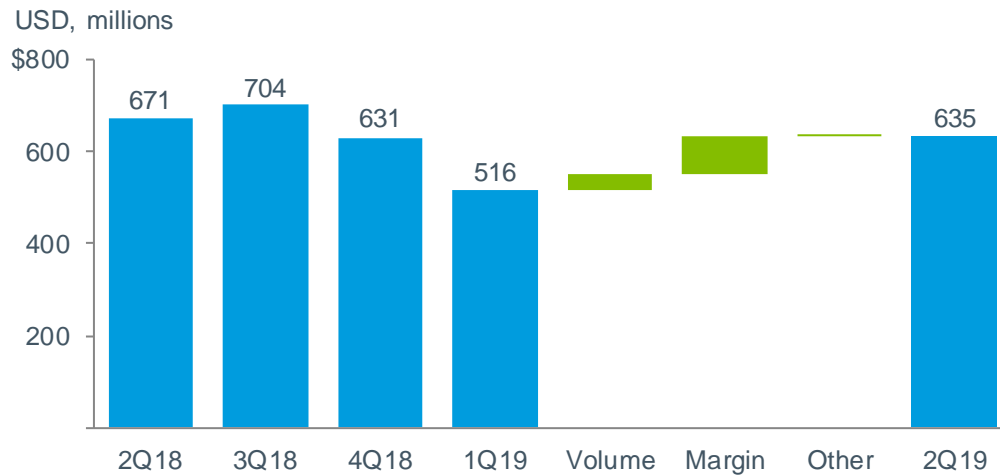
Note: Graphic for illustrative purposes only.



# Olefins & Polyolefins – Americas

## Abundant and Affordable Natural Gas Liquids Expand Profitability

### EBITDA



### 2Q19 Performance vs. 1Q19<sup>(1)</sup>

	EBITDA	Margin	Volume
Olefins	▲	▲	▲
▪ Feedstock costs declined			
Polyethylene	▲	▲	—
▪ Spread increased ~\$65/ton			
Polypropylene	—	—	—



Matagorda, Texas

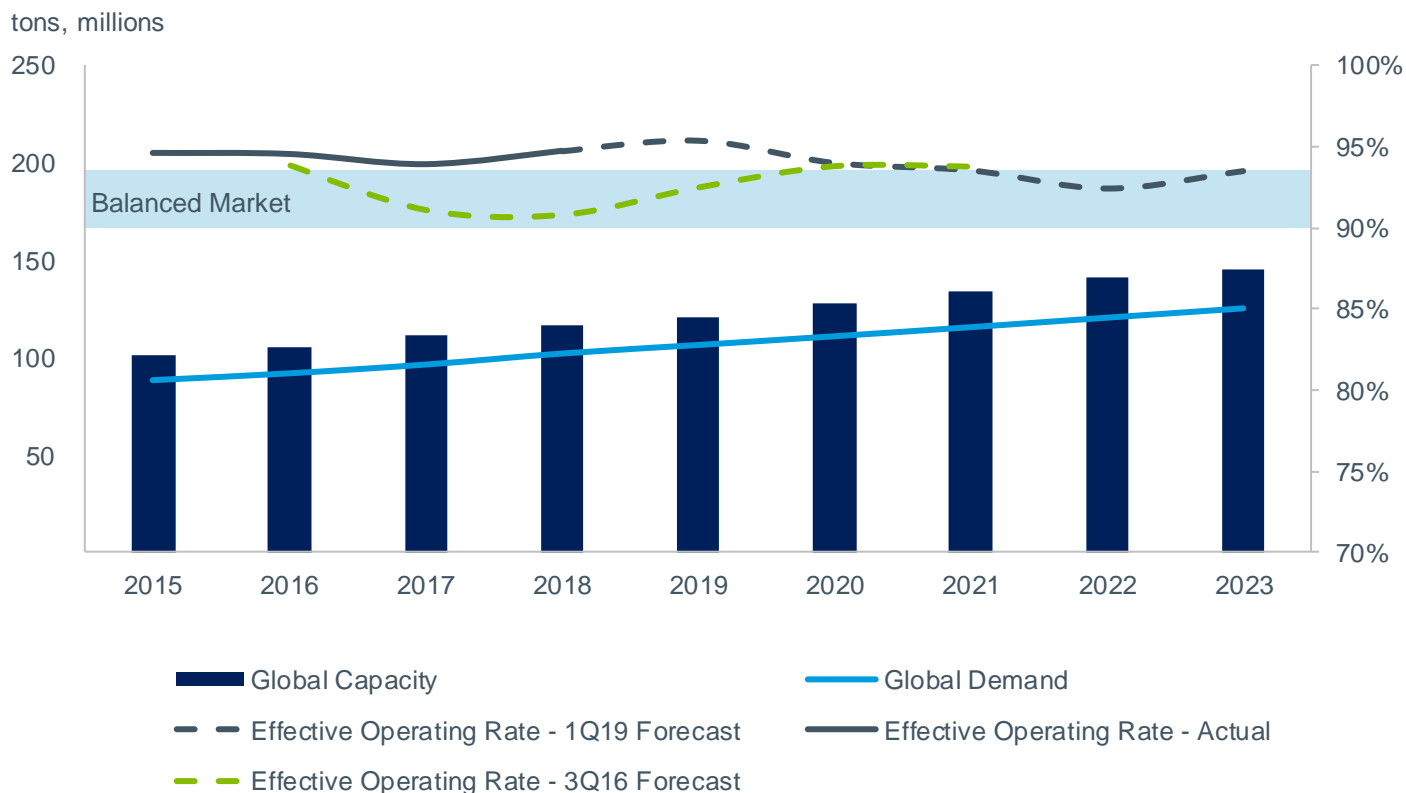
(1) Arrow direction reflects our underlying business metrics.

# Polyethylene Capacity Additions Absorbed by Steady Global Demand

Demand growth last 20 years: **4.1%**

2018 demand growth: **5.9%**

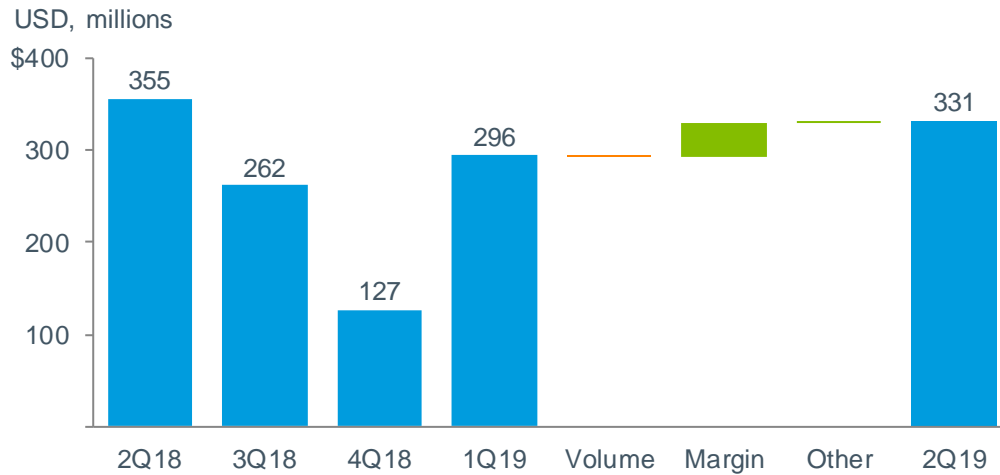
2020-2023 demand growth forecast: **4.2%**



Source: IHS Markit and LYB estimates, effective operating rate assuming 8% industry downtime. Data based on 2019 updated balances.

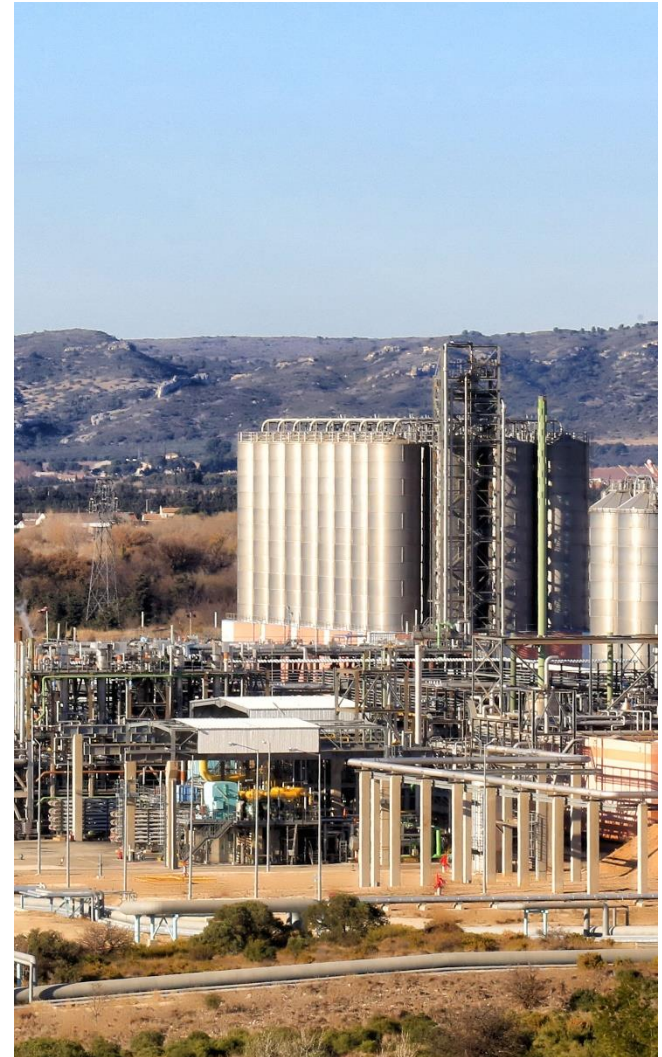
# Olefins & Polyolefins – Europe, Asia, and International Continued Seasonal Improvement

## EBITDA



## 2Q19 Performance vs. 1Q19<sup>(1)</sup>

	EBITDA	Margin	Volume
Olefins	▲	▲	▲
▪ Ethylene price increased			
Polyethylene	▼	—	▼
Polypropylene	—	—	—



Berre, France

(1) Arrow direction reflects our underlying business metrics.



# QCP Premium Recycled Plastics - Providing Sustainable Solutions in Attractive End Markets

Samsonite

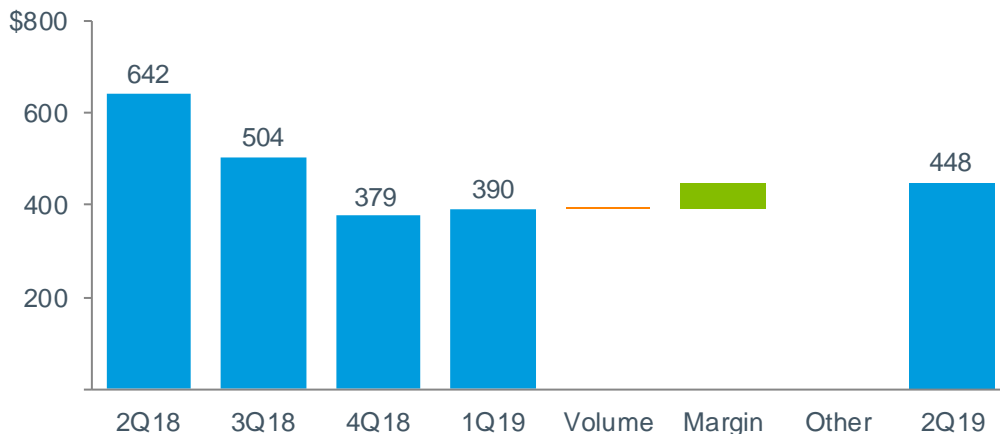


# Intermediates & Derivatives

## Consistent Performance Bolstered by Strong Oxyfuels Profitability

### EBITDA

USD, millions



### 2Q19 Performance vs. 1Q19<sup>(1)</sup>

	EBITDA	Margin	Volume
Propylene Oxide and Derivatives	▼	—	▼
Intermediate Chemicals	▲	—	▲
▪ Volume increased for most products			
Oxyfuels & Related Products	▲	▲	—
▪ Increased seasonal margins			



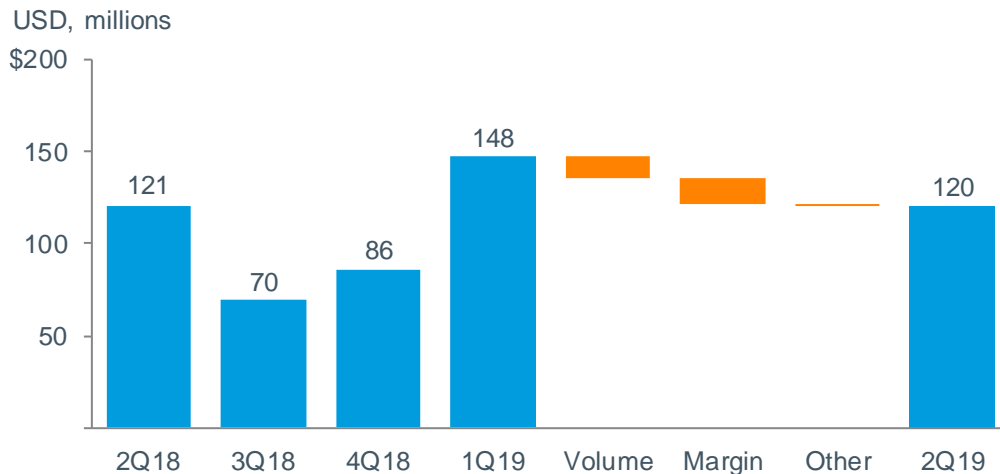
Botlek, The Netherlands

(1) Arrow direction reflects our underlying business metrics.

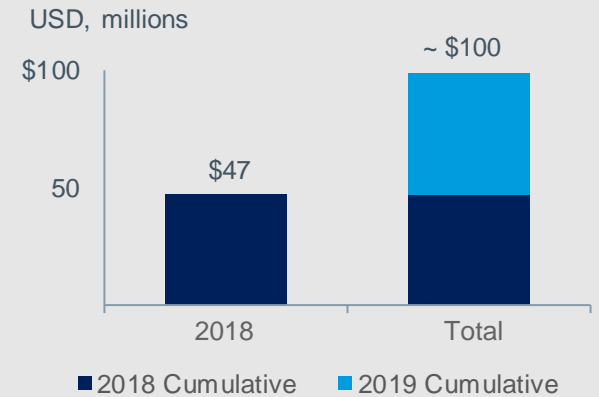
# Advanced Polymer Solutions

## Continued Headwinds from Automotive & Industrial Construction

### EBITDA<sup>(1)</sup>



### Annualized Synergy Run Rate<sup>(3)</sup>



### 2Q19 Performance vs. 1Q19<sup>(2)</sup>

	EBITDA	Margin	Volume
Compounding & Solutions	▼	▼	▼
Advanced Polymers	—	—	—

#### Compounding & Solutions

- Volume decline for most products
- Margin decline for PP Compounds

#### Advanced Polymers



Akron, Ohio

(1) 3Q18 EBITDA includes transaction and integration costs of \$49 MM. 4Q18 through 2Q19 EBITDA includes integration costs of \$55 MM.

(2) Arrow direction reflects our underlying business metrics.

(3) Annualized synergy run rate as of December 31, 2018 and June 30, 2019.



# Product Spotlight: Anti-blocking Masterbatches

## Improved performance through:

- Streamlined fabrication process
- Reduced friction and sticking of film rolls
- Increased processing efficiencies

## Applications:

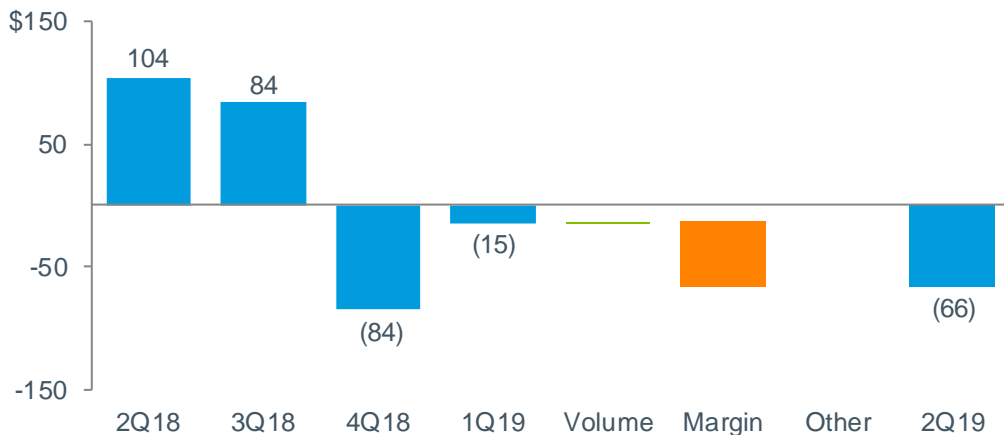
- Food packaging
- Labels
- Lidding film
- Agricultural film
- Tape



# Refining Margins Challenged by Heavy Sour Crude Oil Prices

## EBITDA

USD, millions



## 2Q19 Performance vs. 1Q19<sup>(1)</sup>

### Houston Refinery

- Crude throughput: 261 MBPD
- Maya 2-1-1 up ~\$5 to ~\$19
- Margin declined due to high prices for purchases of USGC heavy sour crude oil

EBITDA	Margin	Volume
▼	▼	—



Houston, Texas

(1) Arrow direction reflects our underlying business metrics.

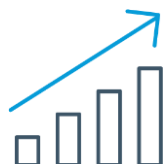


## Second Quarter Summary and Outlook

### Summary



Diluted earnings per share: **\$2.70**



Quarterly EBITDA improvement: **11%**



**Strong** cash from operating activities  
**\$4.6 billion** for LTM 2Q19

### Outlook



**Resilient** consumer-driven demand



Continued **low-cost NGLs**



**Highest margin** for NWE Oxyfuels  
since 2015

### Advancing Growth



Announced new PP project at Thailand JV



Commissioning *Hyperzone* PE – 2H19

## Investor Day 2019 – Save the Date

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***LYB Investor Day***  
September 24, 2019  
Houston, TX

Join us for an opportunity to meet with members of our executive leadership team and learn more about LyondellBasell

Please contact us at: [cheryl.fletcher@lyb.com](mailto:cheryl.fletcher@lyb.com) for additional information