



**EMERGING STRONGER**

# **GOLDMAN SACHS INDUSTRIALS AND MATERIALS CONFERENCE FIRESIDE CHAT**

May 13, 2021

**Bob Patel – CEO**

**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 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” section of our Form 10-K for the year ended December 31, 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.

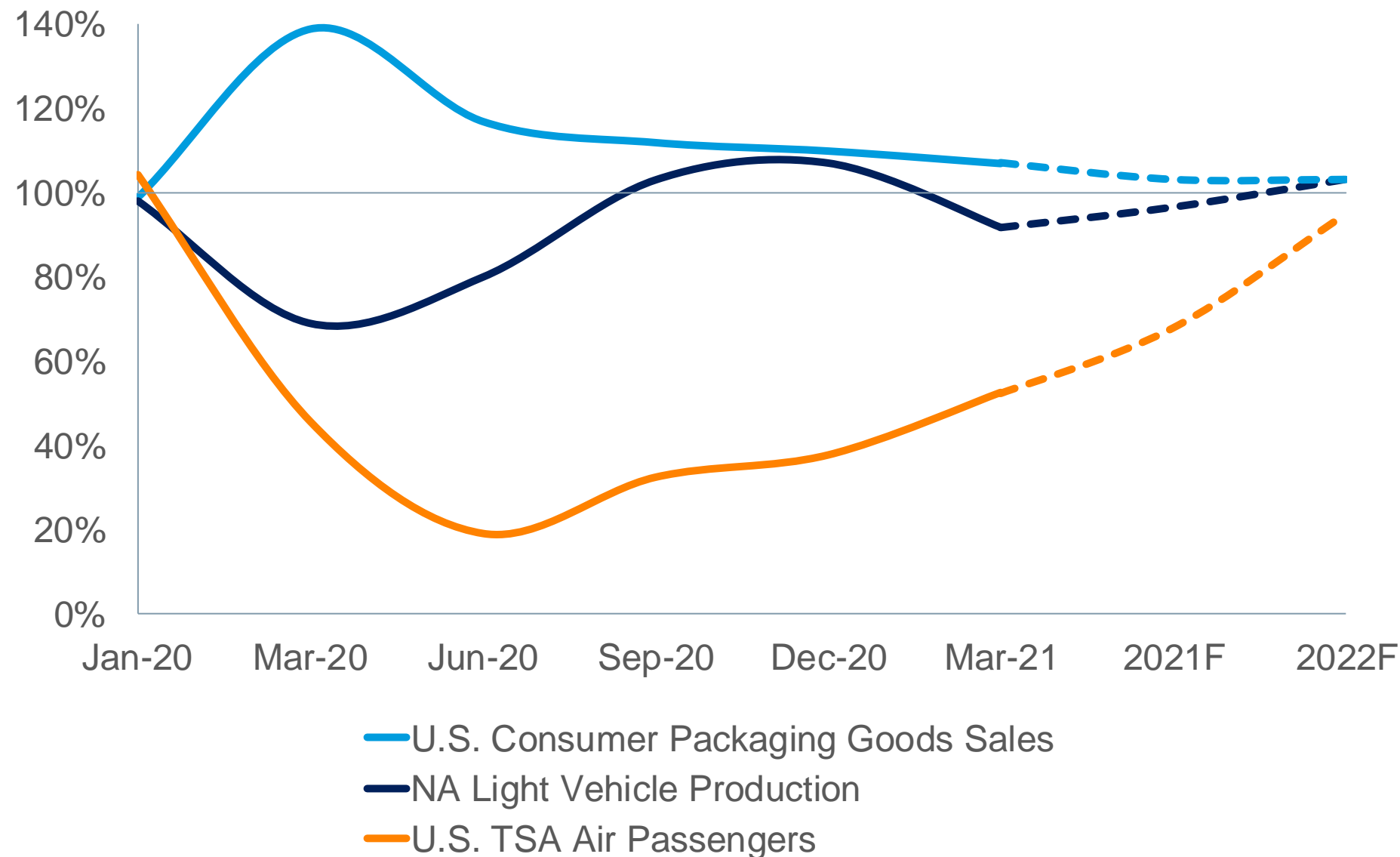
This presentation contains time sensitive information that is accurate only as of the date hereof. Information contained in this presentation is unaudited and is subject to change. We undertake no obligation to update the information presented herein except as required by law.

Explanations and reconciliations for our non-GAAP measures can be found in the Appendix to this presentation.

# EMERGING STRONGER

## MACRO TRENDS BENEFITING LYONDELLBASELL'S BUSINESS OUTLOOK

North American Market Trends  
Indexed to 2019



### NON-DURABLE GOODS

U.S. CPG demand remains elevated at 7% 1Q21 vs. 1Q19



### DURABLE GOODS

Vehicle production recovered in 3Q20 and experienced supply chain interruptions in 1Q21



### MOBILITY

Increasing activity in the service economy with roll-out of vaccinations

# IMPROVING CYCLE OUTLOOK

## ONE YEAR OF RECOVERY-DRIVEN DEMAND GROWTH MUTES EFFECT OF UPCOMING CAPACITY ADDITIONS

### 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

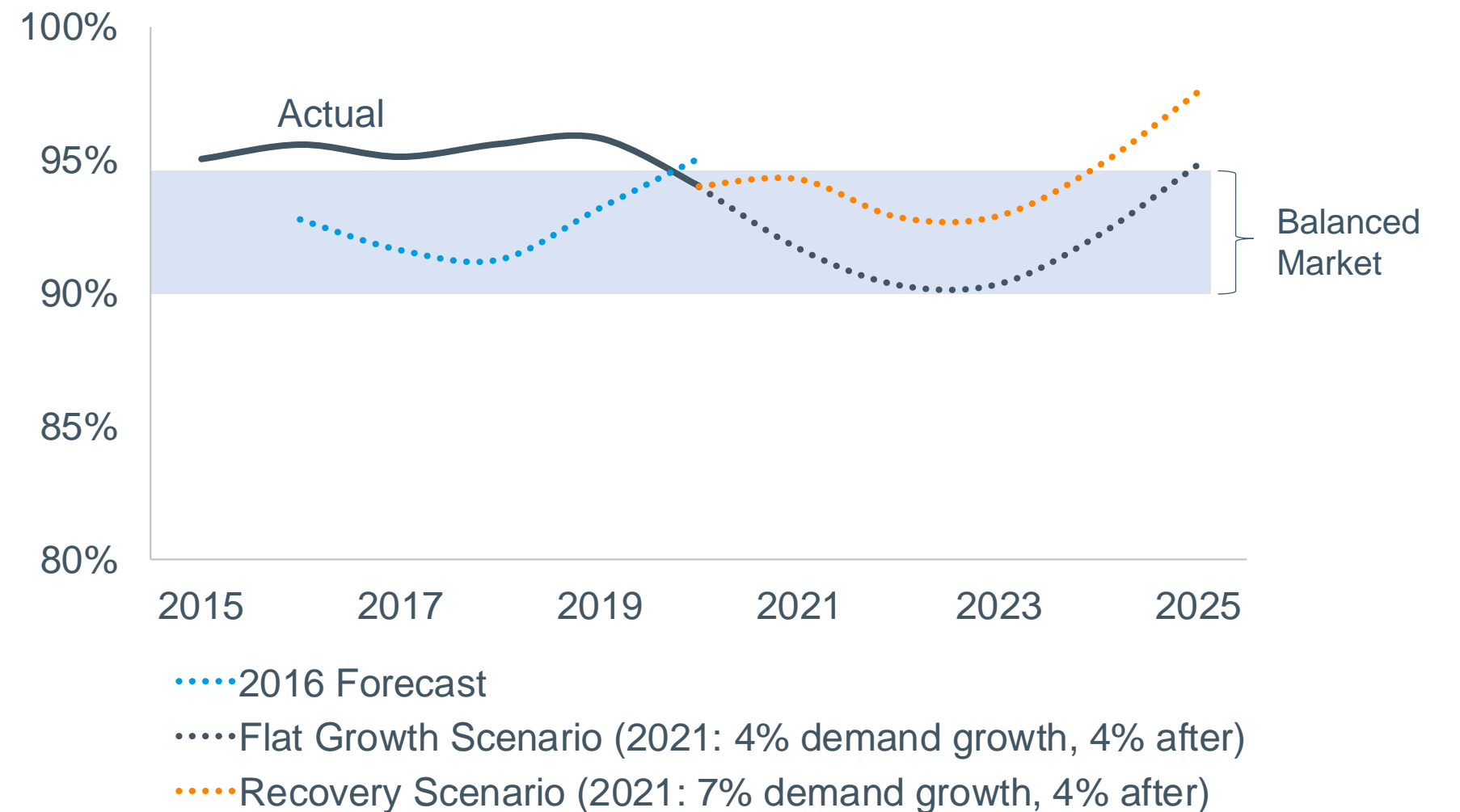
### FORECAST SCENARIOS

Consultants predict a low operating rate in 2022

Capacity additions forecasted, primarily in China

Typical delays likely to improve the operating rate forecast

PE & PP Effective Operating Rate



# ADVANCING CIRCULAR SOLUTIONS

LYONDELLBASELL'S *CIRCULEN* BRAND ENABLES CUSTOMERS TO DELIVER SUSTAINABLE CONSUMER PRODUCTS



Polymers made from plastic waste through a mechanical recycling process



Polymers made by converting plastic waste into feedstock to produce new polymers using a molecular recycling process



Polymers made from renewable feedstocks such as used cooking oil

# PRUDENT INVESTMENTS DRIVING GROWTH AND VALUE

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

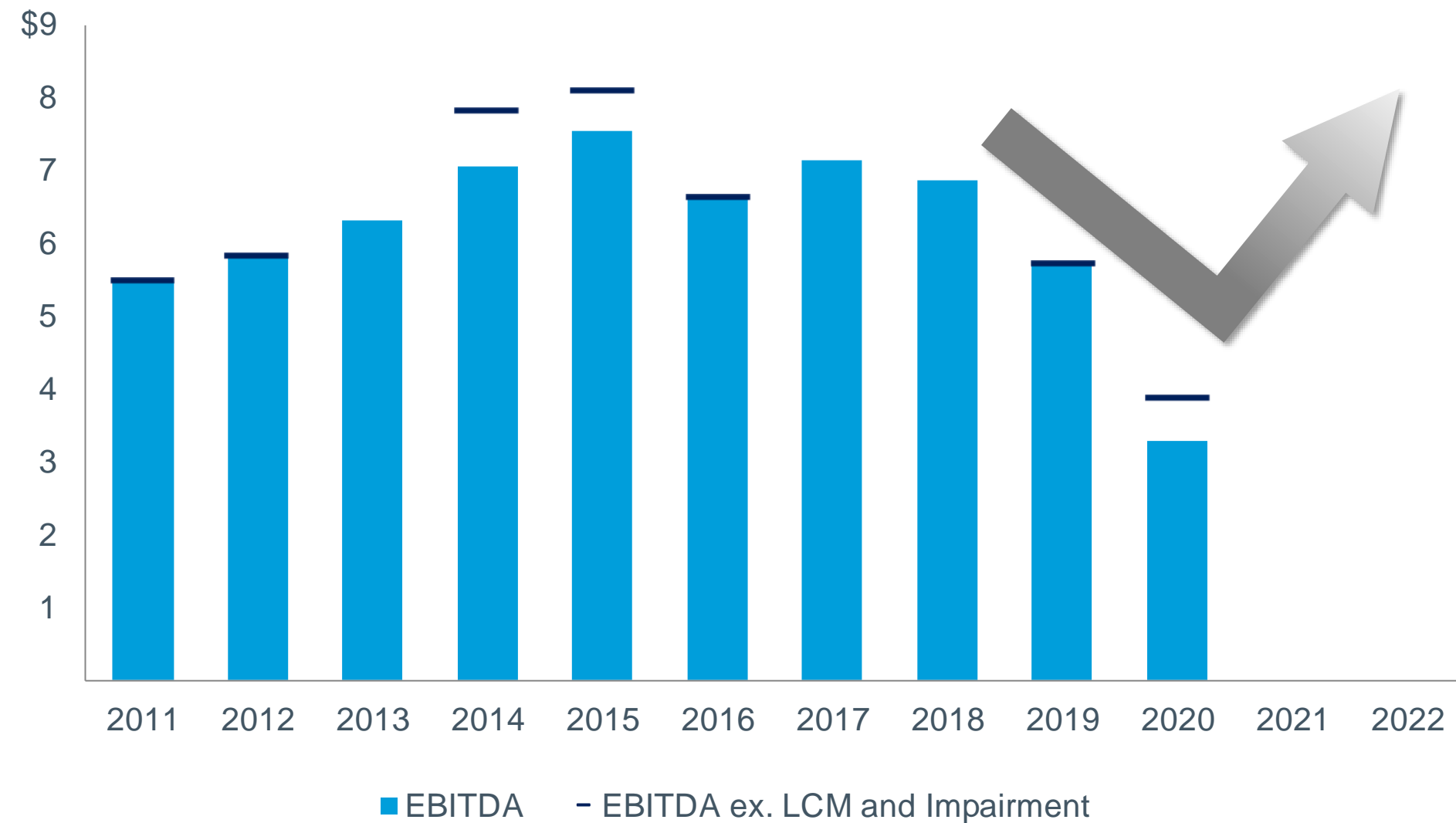


Note: Estimated EBITDA for projects and joint ventures is nameplate capacity multiplied by 2017-2019 average cash margins assuming 40% of the PE, PO and MTBE from U.S. production exported to Asia. The results or returns of growth projects are presented for illustrative purposes only and not intended to be a guarantee or representation of the Company's expectations for future performance.

# INCREASED EARNINGS POWER

LARGER ASSET BASE SET TO PROVIDE ADDITIONAL EARNINGS

EBITDA ex. LCM and Impairment  
USD, billions



## 2021-2022 ADDITIONAL EARNINGS vs. 2020

- APS volume and synergies
- Hyperzone HDPE volume and margin
- China integrated cracker JV
- Louisiana integrated polyethylene JV
- China propylene oxide JV
- Broad-based margin improvements
- Oxyfuels and Refining recovery

# SUMMARY & OUTLOOK

TIGHT GLOBAL MARKETS EXPECTED TO PERSIST THROUGH 2021



## BUSINESS DRIVERS

### CUSTOMER BACKLOGS

Customers need our products to fulfill their current orders

### INVENTORIES

Our inventories have been depleted to minimums  
Full restocking not anticipated until 3Q-4Q 2021

### ADDITIONAL DEMAND

Travel, leisure and hospitality demand expected to increase in 2H21



# 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 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.

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

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

<b>Millions of dollars</b>	<b>Year Ended December 31,</b>									
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Net income	\$ 2,140	\$ 2,834	\$ 3,853	\$ 4,168	\$ 4,474	\$ 3,837	\$ 4,877	\$ 4,690	\$ 3,397	\$ 1,427
Loss from discontinued operations, net of tax	332	24	7	4	5	10	18	8	7	2
Income from continuing operations	2,472	2,858	3,860	4,172	4,479	3,847	4,895	4,698	3,404	1,429
Provision for (benefit from) income taxes	1,059	1,327	1,136	1,540	1,730	1,386	598	613	648	(43)
Depreciation and amortization	931	983	1,021	1,019	1,047	1,064	1,174	1,241	1,312	1,385
Interest expense, net	1,007	640	294	319	277	305	467	315	328	514
add: LCM charges, pre-tax	-	-	-	760	548	29	-	-	33	16
add: Impairment of long-lived assets, pre-tax	23	22	-	-	-	-	-	-	-	582
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
less: LCM charges, pre-tax	-	-	-	(760)	(548)	(29)	-	-	(33)	(16)
less: Impairment of long-lived assets, pre-tax	(23)	(22)	-	-	-	-	-	-	-	(582)
EBITDA	<u>\$ 5,469</u>	<u>\$ 5,808</u>	<u>\$ 6,311</u>	<u>\$ 7,050</u>	<u>\$ 7,533</u>	<u>\$ 6,602</u>	<u>\$ 7,134</u>	<u>\$ 6,867</u>	<u>\$ 5,692</u>	<u>\$ 3,285</u>