



# FIRST QUARTER 2023 EARNINGS

April 28, 2023



# 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 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 cyclical nature 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; our ability to successfully implement initiatives identified pursuant to our value enhancement program and generate anticipated earnings; 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 and our ability to align our assets with our core; 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 goals; our ability to procure energy from renewable sources; our ability to build a profitable Circular & Low Carbon Solutions business; the successful shut down and closure of the Houston Refinery, including within the expected timeframe; our ability to successfully implement initiatives identified pursuant to our value enhancement program and generate anticipated earnings; 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, 2022, 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 release 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.

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, net income and diluted EPS exclusive of identified items 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, net income and diluted EPS exclusive of identified items. Identified items include adjustments for “lower of cost or market” (“LCM”), impairment and refinery exit costs. 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. Goodwill is tested for impairment annually in the fourth quarter or whenever events or changes in circumstances indicate that the fair value of a reporting unit with goodwill is below its carrying amount. If it is determined that the carrying value of the reporting unit including goodwill exceeds its fair value, an impairment charge is recognized. In April 2022 we announced our decision to cease operation of our Houston Refinery no later than the end of 2023. In connection with exiting the refinery business, we began to incur costs primarily consisting of accelerated lease amortization costs, personnel related costs, accretion of asset retirement obligations and depreciation of asset retirement cost.

Normalized EBITDA is EBITDA assuming portfolio normalizations including benefits associated with the following strategic initiatives: Grow & Upgrade the Core, Building a Profitable Circular & Low Carbon Solutions (“CLCS”) Business and Step Up Performance & Culture. Portfolio normalizations reflect a 2022 year-end asset portfolio with 2013-2022 historical average margins and operating rates.

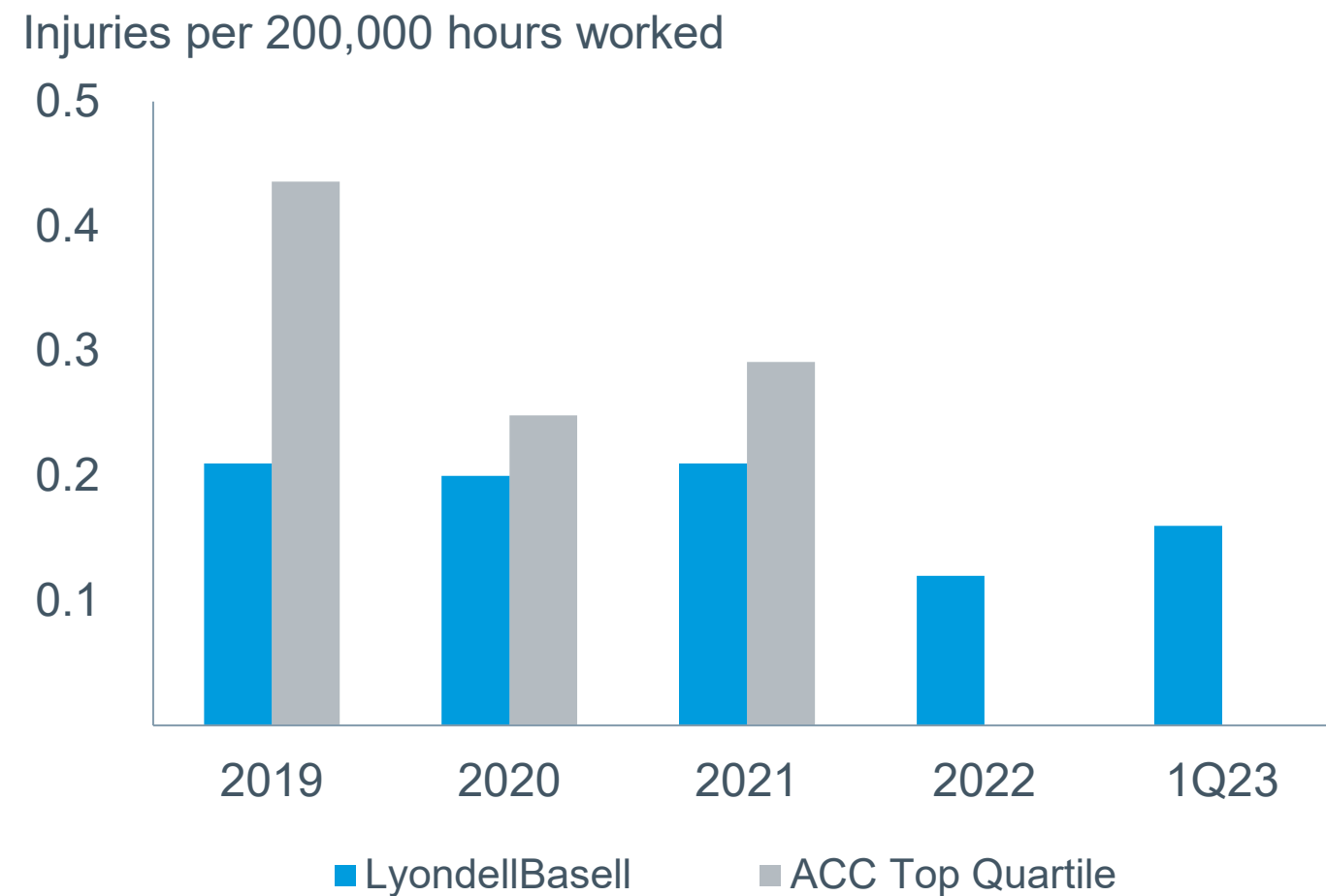
Incremental normalized EBITDA related to CLCS cannot be reconciled to net income due to the inherent difficulty in quantifying certain amounts that are necessary for such reconciliation at the business unit level, including adjustments that could be made for interest expense (net), provision for (benefit from) income taxes and depreciation & amortization, the amounts of which, based on historical experience, could be significant.

Free operating cash flow, free cash flow, net debt to EBITDA and cash conversion are measures commonly used by investors to evaluate liquidity. For purposes of this presentation, free operating cash flow means net cash provided by operating activities minus sustaining (maintenance and health, safety and environment) capital expenditures. Free cash flow means net cash provided by operating activities minus capital expenditures. Net debt to EBITDA means total debt minus cash and cash equivalents, restricted cash and short-term investments divided by EBITDA excluding LCM and impairment. Cash conversion means net cash provided by operating activities divided by EBITDA excluding LCM and impairment.

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).

# SAFETY PERFORMANCE

OUR RESULTS DEMONSTRATE CONSISTENT LEADERSHIP IN SAFETY





# ADVANCING OUR STRATEGY

FOCUSED AND SYNERGETIC MOVES THAT DELIVER A MORE PROFITABLE AND SUSTAINABLE GROWTH ENGINE

## GROW & UPGRADE THE CORE

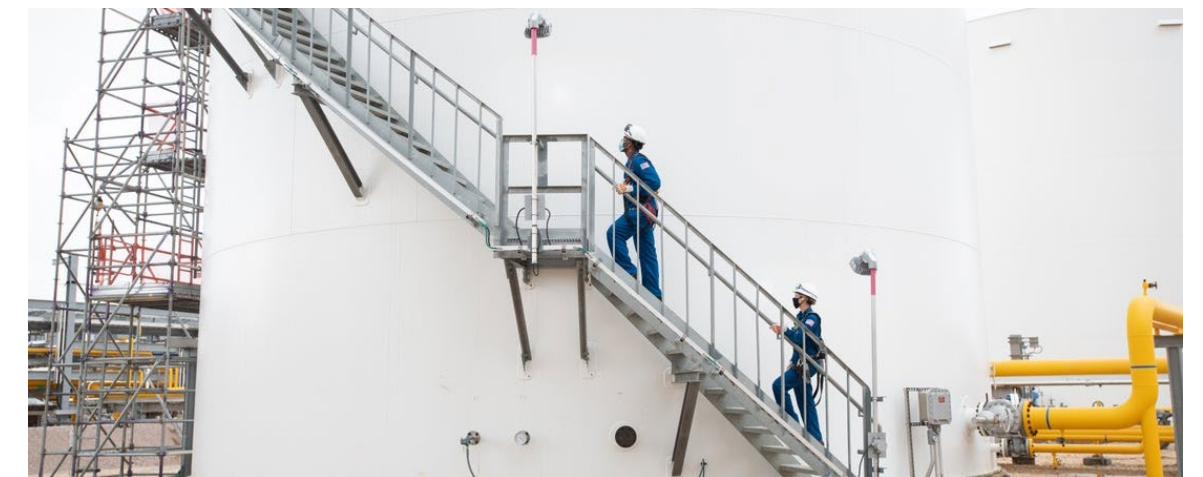
- Launched value enhancement program to unlock additional production
- Started up world's largest propylene oxide plant
- Strategic decision to exit refining business and evaluating options to transform the facility to support growth of our Circular & Low Carbon Solutions business
- Divested Australian polypropylene business and announced strategic review of EO&D

## BUILD A PROFITABLE CIRCULAR & LOW CARBON SOLUTIONS BUSINESS

- Created new Circular & Low Carbon Solutions business
- Established multiple arrangements and partnerships to advance circularity
- Increased GHG emission reduction targets to align with science-based guidance
- Achieved 70% of our target to procure at least half of global electricity from renewable sources by 2030
- Published 2022 Sustainability Report

## STEP UP PERFORMANCE & CULTURE

- Launched value enhancement program to expand margins and capture long-term value
- Realigned management to drive accountability and improve line of sight
- Launched customer and commercial excellence initiatives
- Embarked on Advanced Polymer Solutions transformation



# FIRST QUARTER 2023 HIGHLIGHTS

SOLID RESULTS DRIVEN BY MODERATE IMPROVEMENTS IN MARKET CONDITIONS



**\$0.5 B**

NET INCOME

**\$0.8 B**

NET INCOME

ex. Identified Items



**\$1.44**

DILUTED EPS

**\$2.50**

DILUTED EPS

ex. Identified Items



**\$1.1 B**

EBITDA

**\$1.5 B**

EBITDA

ex. Identified Items



**\$0.5 B**

CASH FROM  
OPERATING ACTIVITIES

**\$5.8 B**

LIQUIDITY

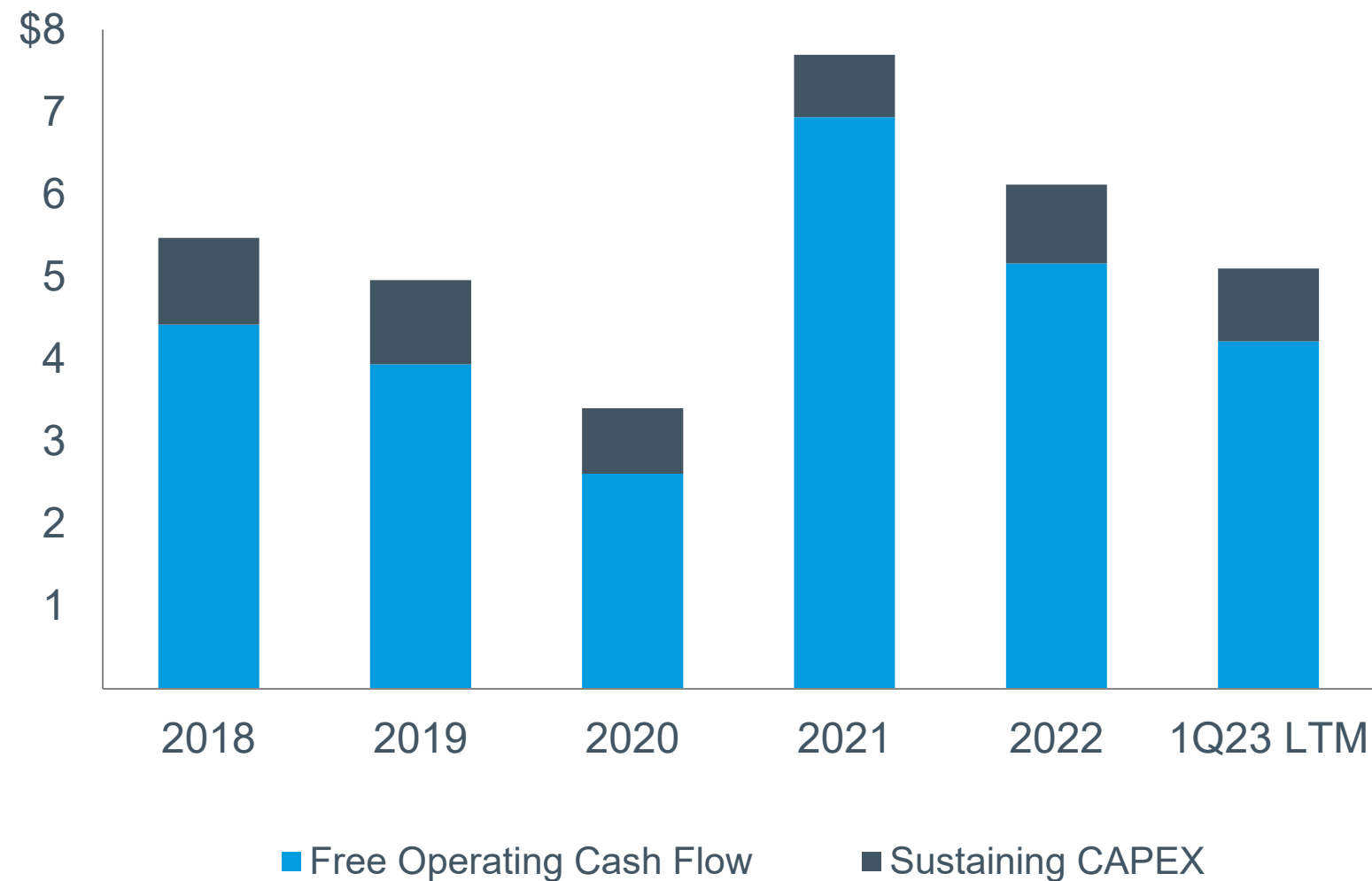
**12%**

RETURN ON INVESTED CAPITAL

# EXCELLENT CASH GENERATION

OUTSTANDING CASH GENERATION SUPPORTING STRONG BALANCE SHEET AND SHAREHOLDER RETURNS

Cash from Operating Activities  
USD, billions



**\$5.1 B**

CASH FROM OPERATING ACTIVITIES  
1Q23 LTM



**\$1.8 B**

CASH AND CASH EQUIVALENTS  
Balance as of March 31, 2023



**1.7x**

NET DEBT TO EBITDA  
March 31, 2023



**89%**

CASH CONVERSION  
1Q23 LTM



**\$3.5 B**

RETURNED TO SHAREHOLDERS IN  
DIVIDENDS AND SHARE REPURCHASES  
1Q23 LTM

Note: Free operating cash flow is cash from operating activities minus sustaining (maintenance and HSE) capital expenditures. Net debt to EBITDA is gross debt, net of cash and cash equivalents divided by EBITDA excluding LCM and impairment. Cash conversion equals net cash provided by operating activities divided by EBITDA excluding LCM and impairment.



# CASH GENERATION AND ALLOCATION

## CONTINUED DISCIPLINE IN CAPITAL ALLOCATION

### DELIVERING RESULTS

Generated ~\$480 MM in cash from operating activities

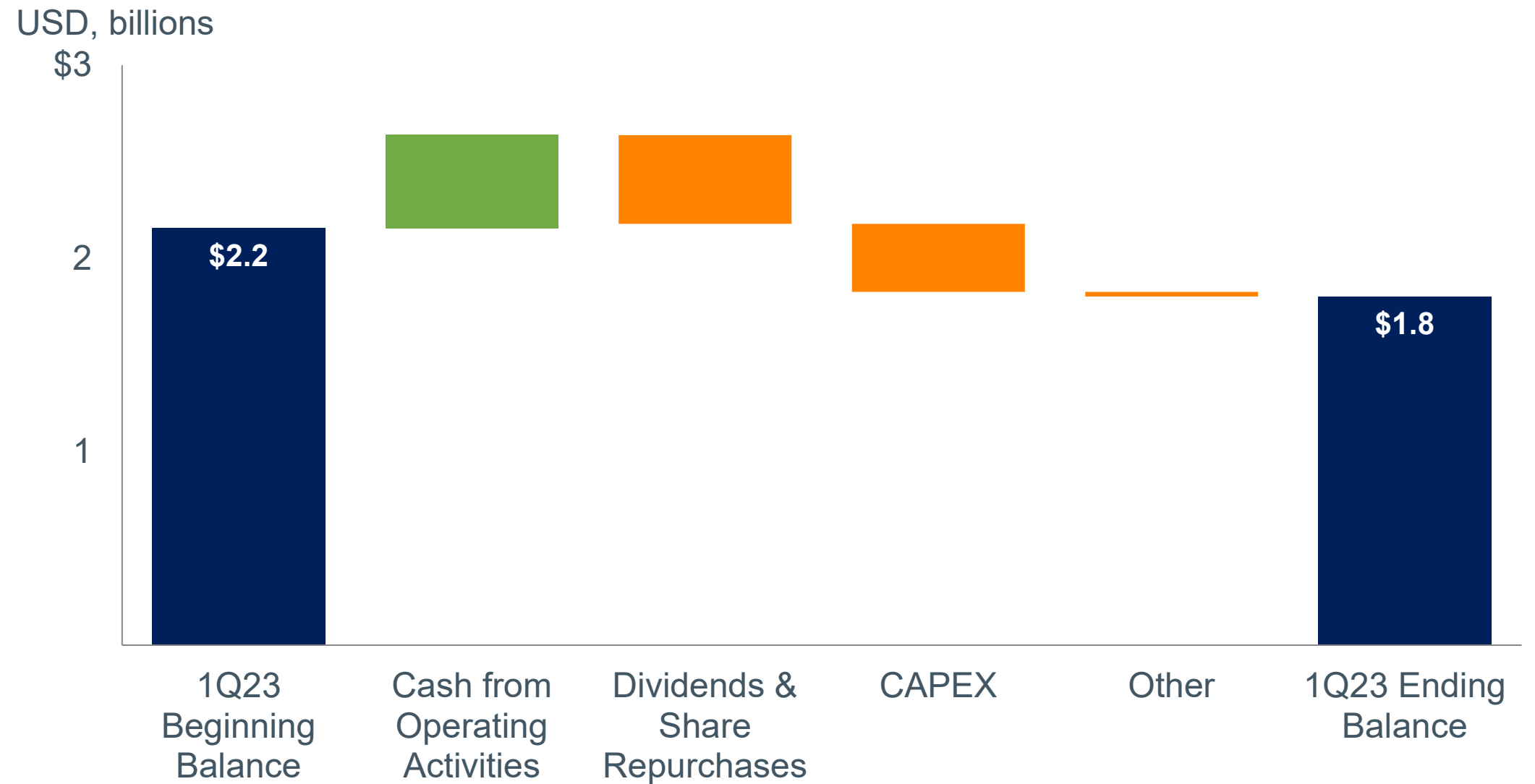
### GENERATING VALUE FOR SHAREHOLDERS

Returned ~\$460 MM to shareholders through dividends and share repurchases in 1Q23

Returned 107% of free cash flow to shareholders over trailing 12 months

### GROWING THROUGH INVESTMENT

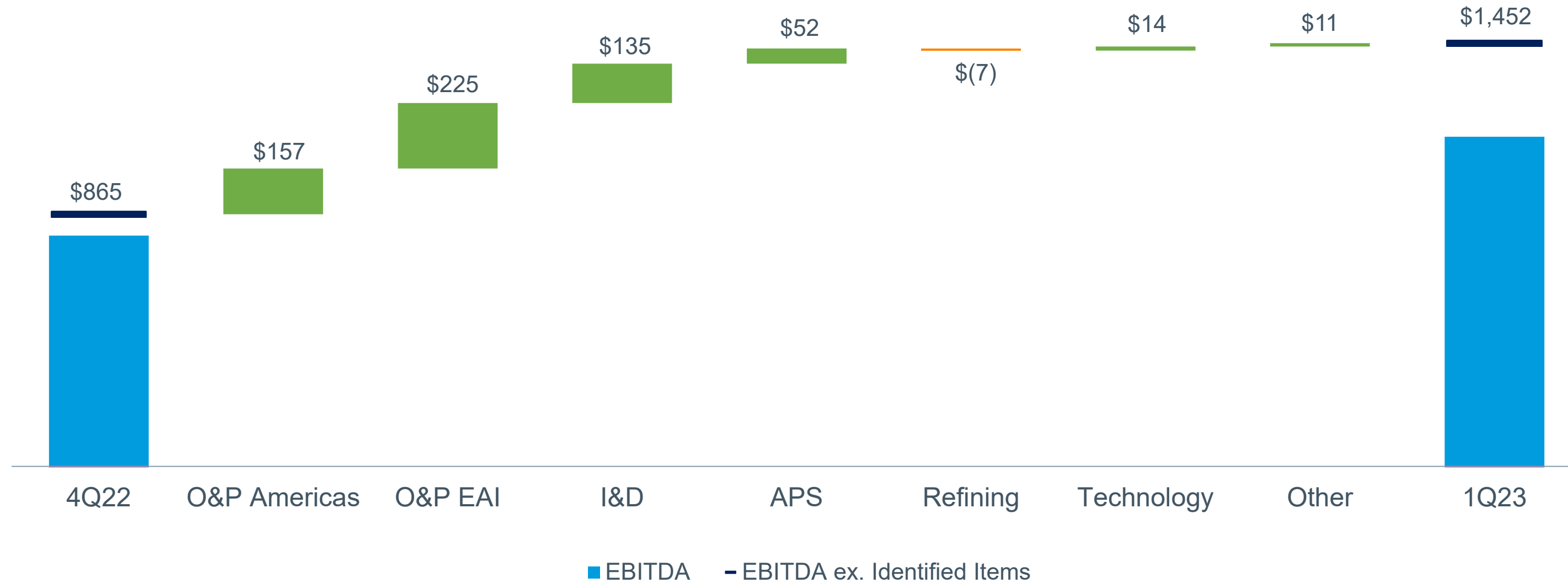
Successfully started up the world's largest propylene oxide plant



# 1Q23 SEGMENT HIGHLIGHTS

MODERATE MARGIN AND VOLUME IMPROVEMENTS ACROSS MOST SEGMENTS

EBITDA Variance by Segment ex. Identified Items  
USD, millions

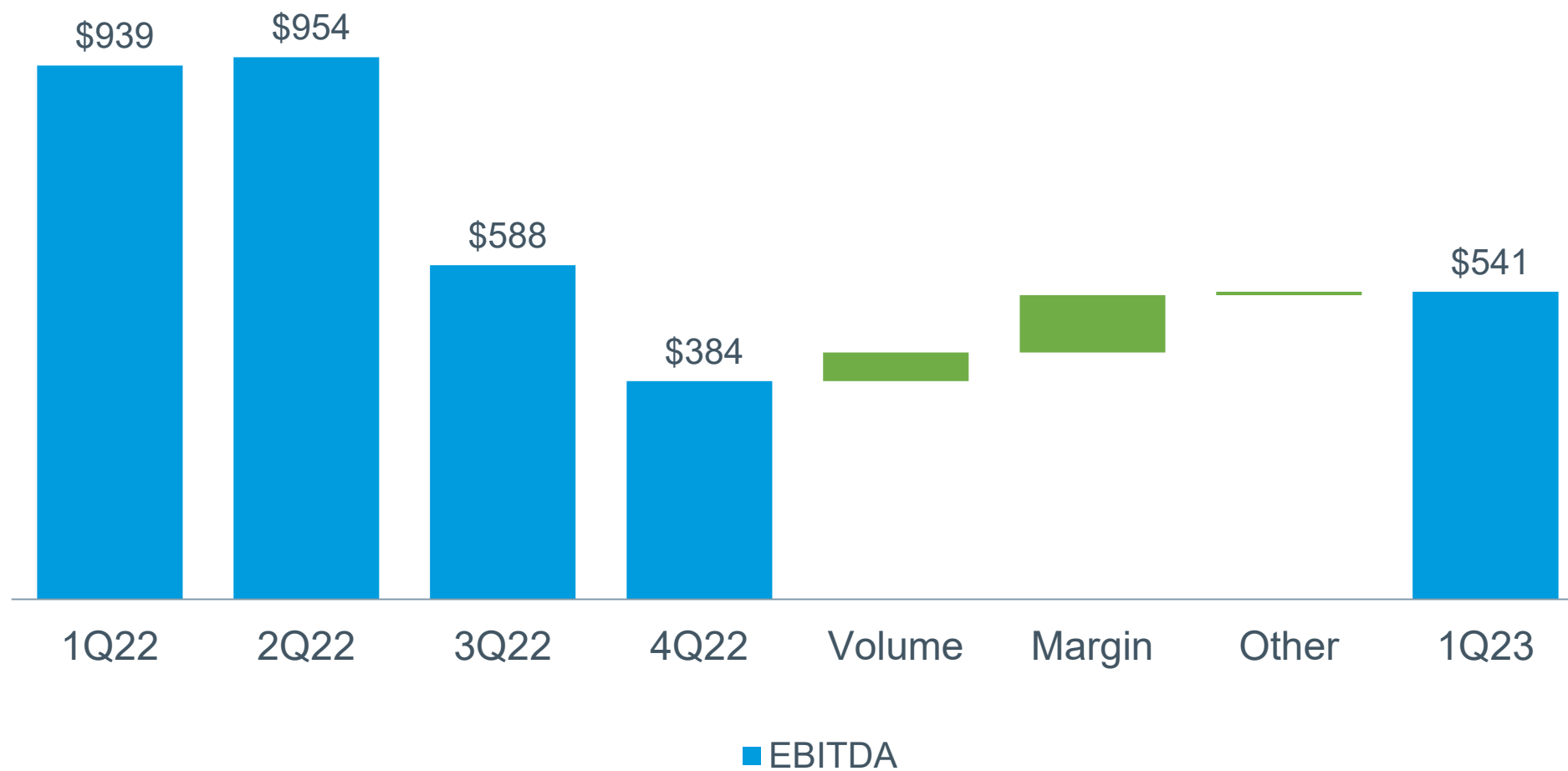




# OLEFINS & POLYOLEFINS – AMERICAS

MODERATELY HIGHER OLEFINS MARGINS DUE TO LOWER FEEDSTOCK AND ENERGY COSTS; IMPROVED POLYETHYLENE DEMAND

EBITDA  
USD, millions



## 1Q23 MARKET DYNAMICS

Moderately higher olefins margins due to lower feedstock and energy costs

Higher polyethylene margins with improving U.S. sales prices

Lower polypropylene margins impacted by increased supply and weak demand for durable goods

## NEAR-TERM OUTLOOK

Delays in new industry polyethylene capacity supporting margins

## OUR ACTIONS

Aligning operating rates with seasonal demand

2Q23 estimated EBITDA impact from planned maintenance increased to ~\$110 MM

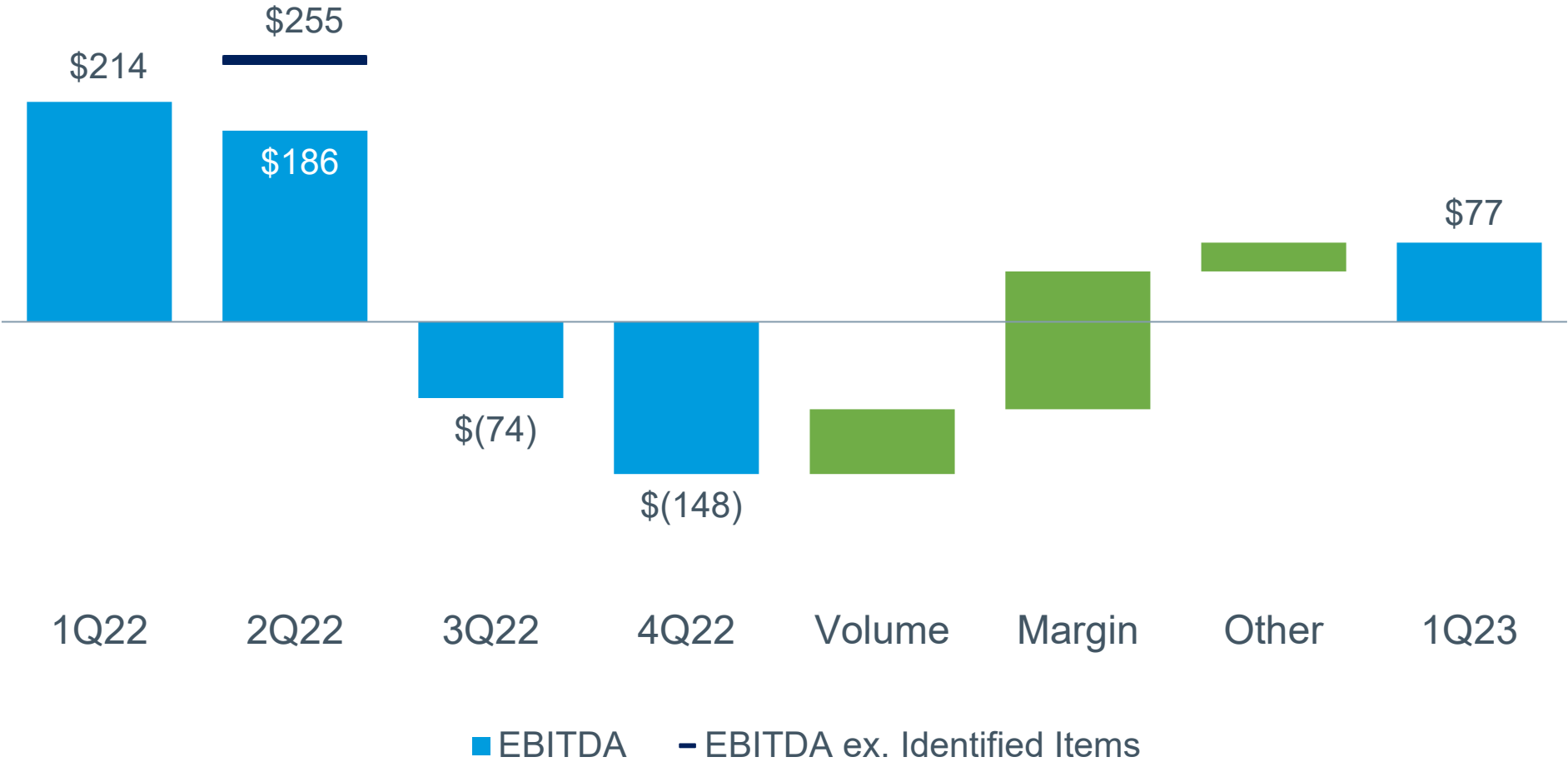
Signed long-term contract with Nexus Circular for advanced recycled feedstock



# OLEFINS & POLYOLEFINS – EUROPE, ASIA & INTERNATIONAL

HIGHER UTILIZATION WITH RESTART OF LYONDELLBASELL'S CRACKER IN FRANCE

EBITDA ex. Identified Items  
USD, millions



### 1Q23 MARKET DYNAMICS

Improved margins driven by lower energy costs  
Higher volumes from slightly better demand and utilization following significant destocking in 4Q22

### NEAR-TERM OUTLOOK

European markets remain challenging

### OUR ACTIONS

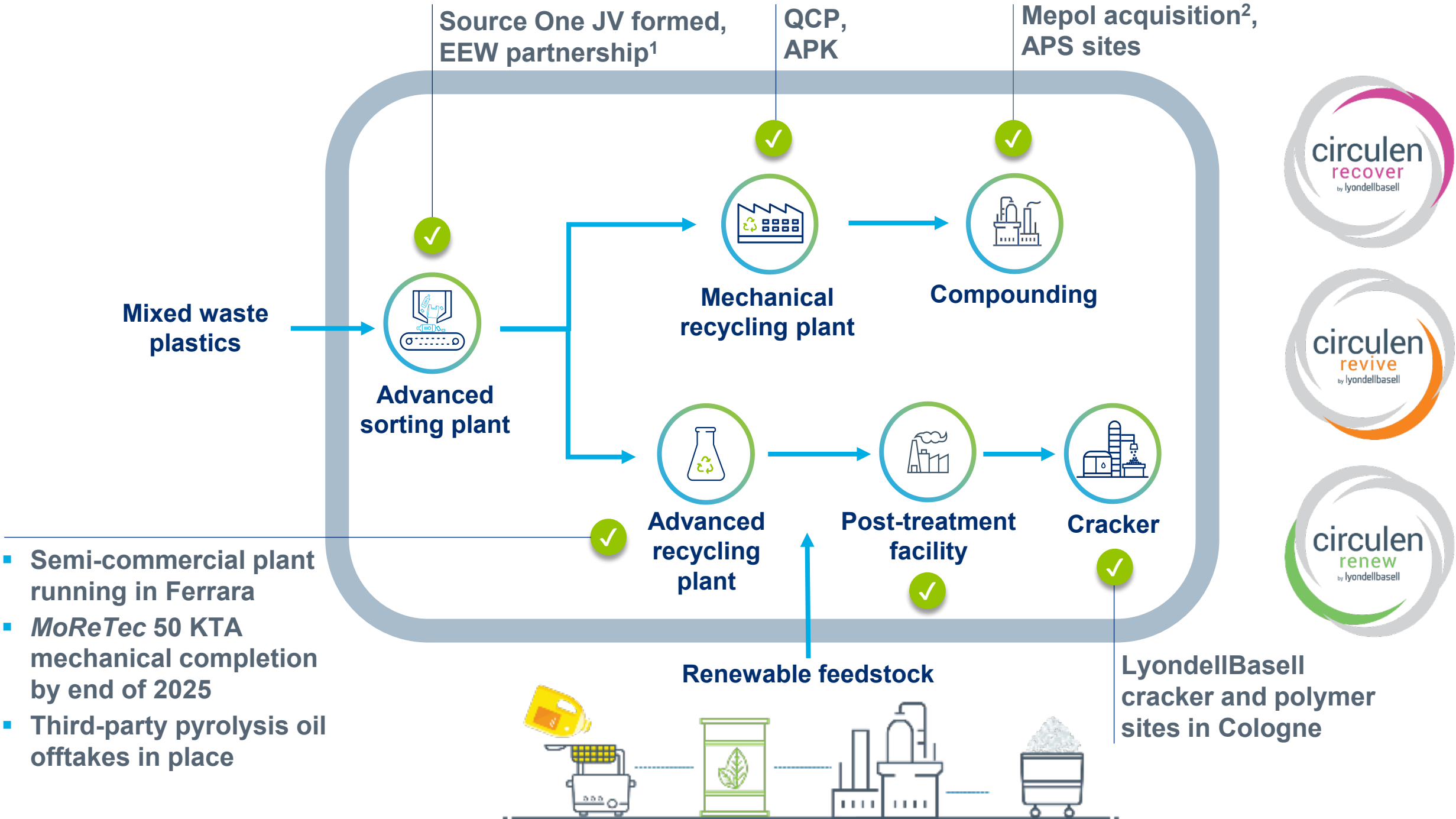
- Aligning operating rates to match market demand
- Co-investing with KIRKBI in APK, a solvent-based recycling company
- Advancing our regional hub strategy for recycled and renewable-based polymers in Cologne

Note: ~\$55 MM LIFO charges in 4Q22



# UNIQUELY POSITIONED TO LEAD IN SUSTAINABLE SOLUTIONS

OUR INTEGRATED HUB MODEL IN COLOGNE BUILDS SCALE, REDUCES COST AND CAPTURES VALUE FROM WASTE TO FINAL PRODUCT



- Semi-commercial plant running in Ferrara
- *MoReTec* 50 KTA mechanical completion by end of 2025
- Third-party pyrolysis oil offtakes in place

## Our strategic advantages in circular and low carbon solutions markets

- ✓ Product offerings for both PE and PP
- ✓ Integrated footprint in U.S. and EU
- ✓ Mechanical and advanced recycling footprint
- ✓ Liquid naphtha crackers capable of processing advanced recycling and renewable feedstocks
- ✓ Compounding capability to upgrade mechanical recycling product portfolio

**~195,000 Tons**

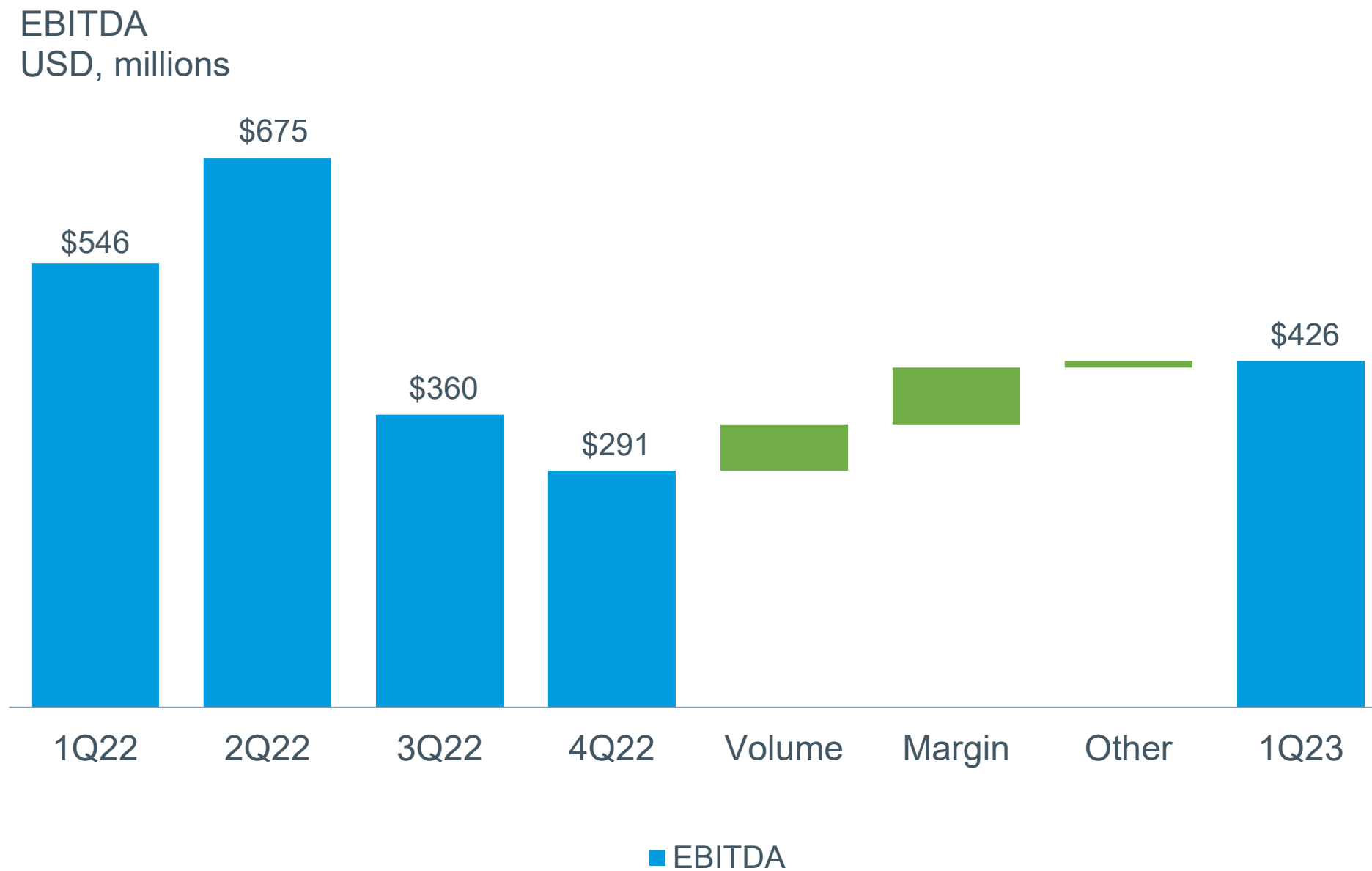
of recycled and renewable-based polymers sold by LyondellBasell since 2019

1. Signed letter of intent (LOI) with EEW Energy from Waste  
 2. Entered into definitive agreement to acquire Mepol Group



# INTERMEDIATES & DERIVATIVES

INCREASED OXYFUELS MARGINS AND HIGHER VOLUMES ACROSS MOST BUSINESSES



## 1Q23 MARKET DYNAMICS

Oxyfuels margins remained well above seasonal averages  
 Increased volumes with higher propylene oxide utilization  
 Continued weak demand for durable goods led to lower PO&D margins

## NEAR-TERM OUTLOOK

New PO/TBA volume largely offset by planned maintenance at three existing propylene oxide assets in 2023

## OUR ACTIONS

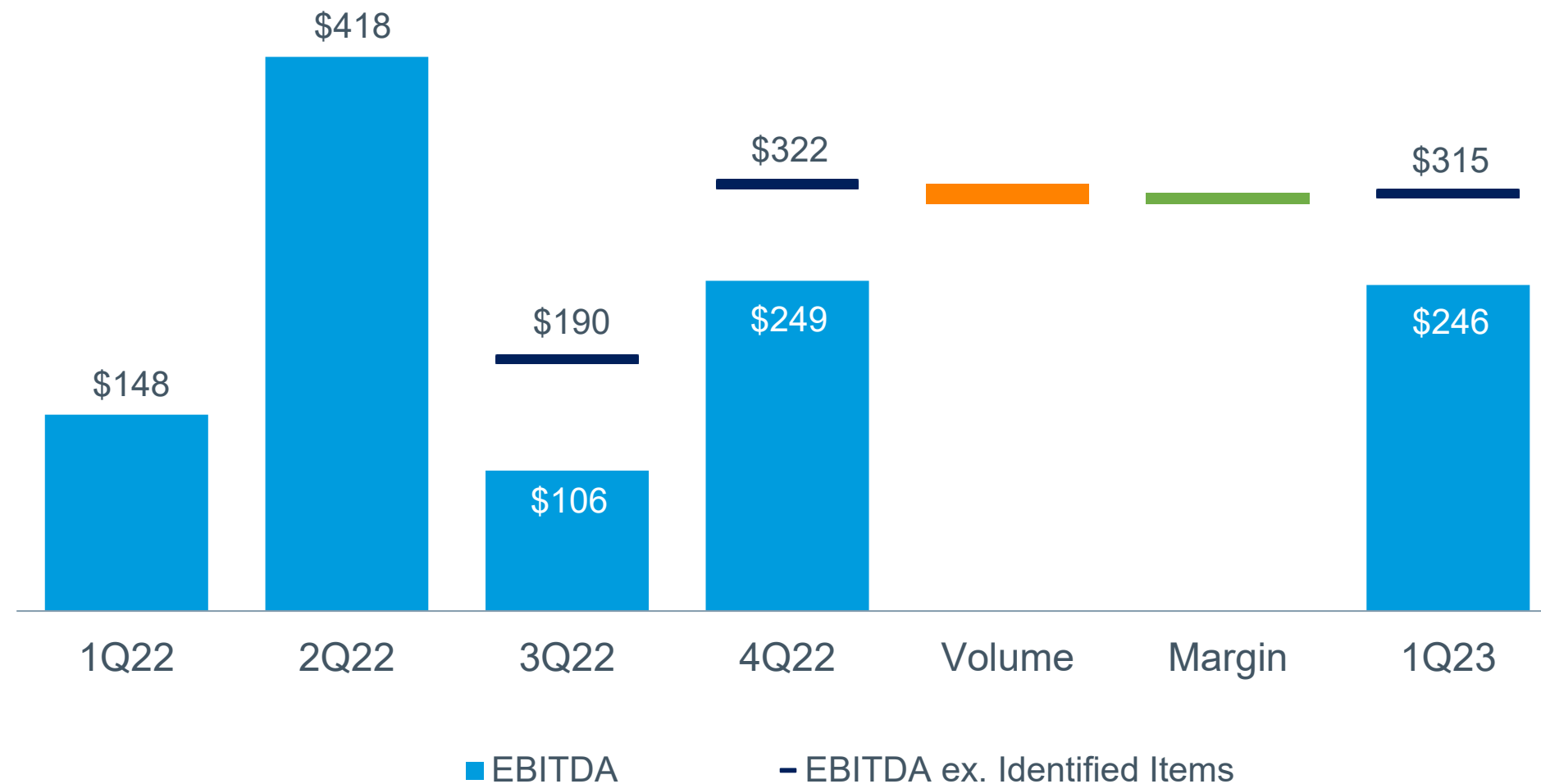
Operating rates in line with demand  
 Successfully started up the world's largest propylene oxide plant



# REFINING

CONTINUED STRENGTH IN REFINING CRACK SPREADS DRIVEN BY LOW SUPPLY AND STABLE DEMAND

EBITDA ex. Identified Items  
USD, millions



## 1Q23 MARKET DYNAMICS

Maya 2-1-1 crack spread remained stable at \$49/bbl  
Low fuels inventories due to U.S. Gulf Coast weather event and heavy maintenance across the industry

## NEAR-TERM OUTLOOK

Targeting ~95% utilization rate in 2Q23  
Moderating Maya 2-1-1 spread

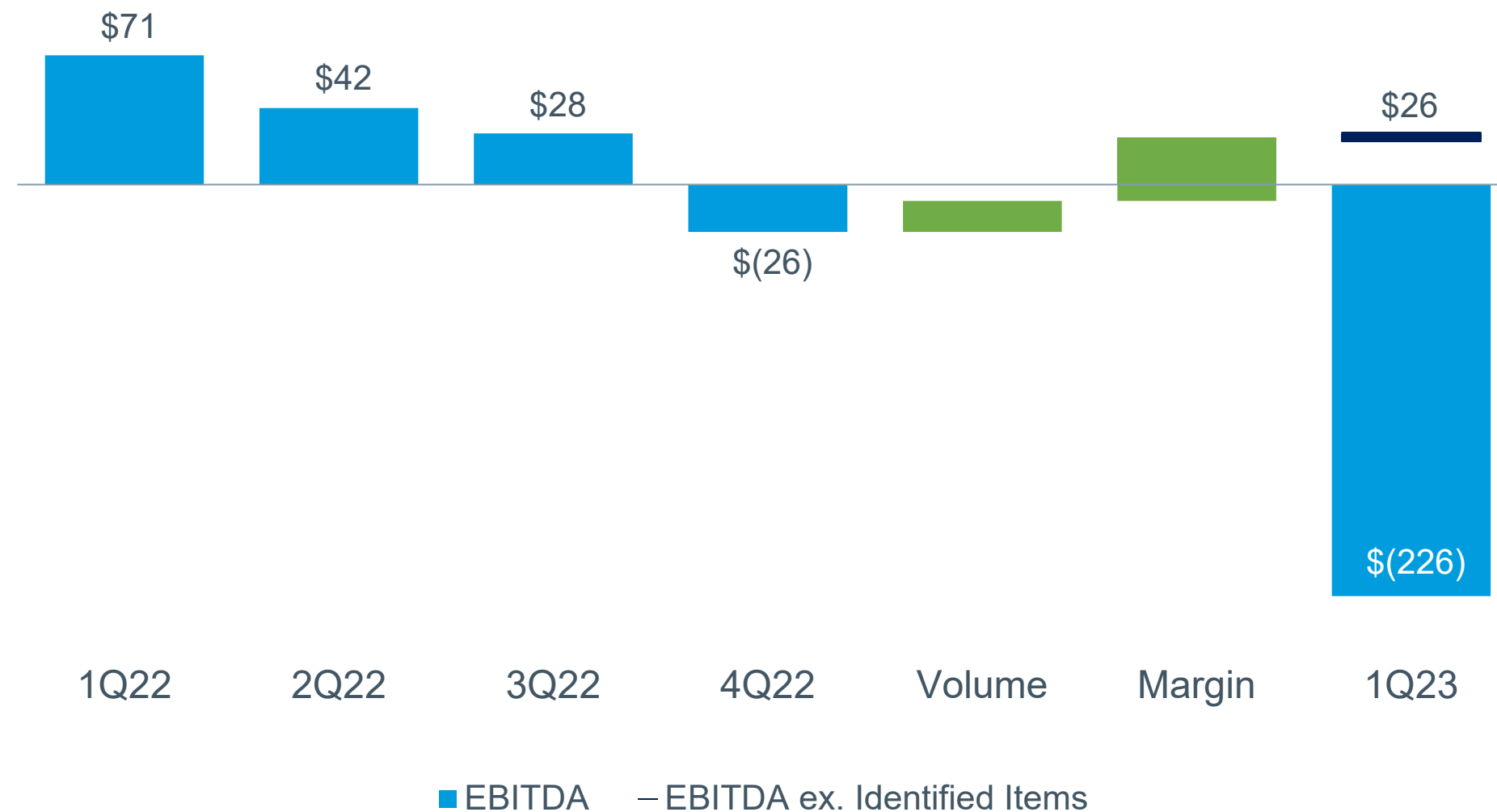
## OUR ACTIONS

Maintain safe operations and maximize utilization  
Evaluating options to transform facility to support growth of our Circular & Low Carbon Solutions business

# ADVANCED POLYMER SOLUTIONS

MODERATELY HIGHER MARGINS AND VOLUMES

EBITDA ex. Identified Items  
USD, millions



## 1Q23 MARKET DYNAMICS

Higher margins for polypropylene compounds capturing raw material price increases  
Slightly better demand across all businesses

## NEAR-TERM OUTLOOK

Continued moderate improvement in demand

## OUR ACTIONS

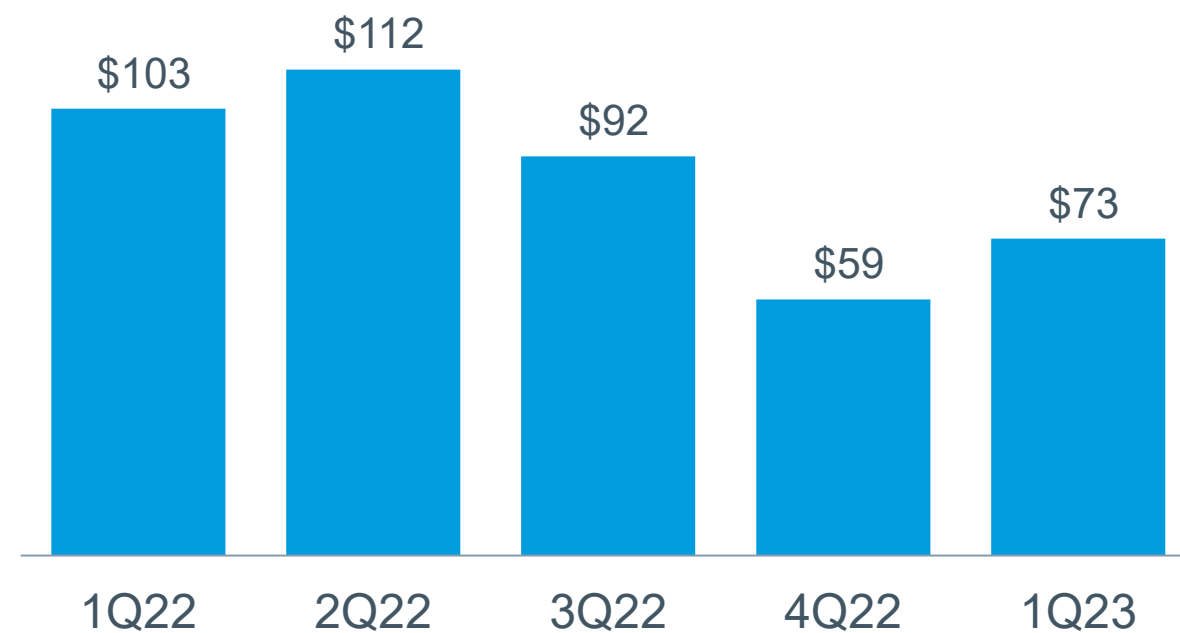
Increasing customer centricity to maximize value  
Sharpening focus by moving *Catalloy* and polybutene-1 into O&P Americas and O&P EAI segments  
Signed agreement to acquire Mepol, a manufacturer of recycled high-performance compounds



# TECHNOLOGY

## STABLE CATALYST VOLUMES AND LOWER LICENSING REVENUE

EBITDA  
USD, millions



### 1Q23 MARKET DYNAMICS

Stable catalyst volumes reflect continued low operating rates across polyolefins industry  
Slower licensing activity

### NEAR-TERM OUTLOOK

Higher licensing revenue after slow 1Q23  
Steady catalyst demand

### OUR ACTIONS

Continuing engineering on our first commercial advanced recycling plant utilizing LyondellBasell's proprietary *MoReTec* technology

# ADVANCING OUR STRATEGY

DELIVERING A MORE PROFITABLE AND SUSTAINABLE GROWTH ENGINE

## RESILIENT RESULTS

Exceptional safety performance

Moderately improving market environment

Continued strength in oxyfuels and refining margins

Focused on cash generation, capital discipline and high returns for shareholders

## MARKET OUTLOOK

Modest seasonal demand improvements

Delays in North American polyethylene capacity additions

Aligning our operating rates to match market demand

Watchful for improving economic activity in China during 2H23

## ADVANCING SUSTAINABILITY

Signed contract with Nexus Circular for advanced recycled feedstock

Signed letter of intent with EEW Energy from Waste to collect and sort plastic waste

Signed 5 additional renewable power purchase agreements

Signed agreement to acquire Mepol, a manufacturer of recycled high-performance compounds

## STRATEGY EXECUTION

Growing and upgrading our core to leverage strengths, support growth, increase resiliency and drive higher returns

Building a profitable Circular & Low Carbon Solutions business at scale to meet rapidly growing demand for sustainable solutions

Unlocking significant value across the portfolio by stepping up performance and culture