

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 001-34726

LYONDELLBASELL INDUSTRIES N.V.
(Exact name of registrant as specified in its charter)

Netherlands
(State or other jurisdiction of
incorporation or organization)

98-0646235
(I.R.S. Employer
Identification No.)

1221 McKinney St.,
Suite 300
Houston, Texas
USA 77010

4th Floor, One Vine Street
London
W1J0AH
United Kingdom

Delftseplein 27E
3013AA Rotterdam
Netherlands

(Address of principal executive offices) (Zip code)

(713) 309-7200 +44 (0) 207 220 2600 +31 (0) 10 2755 500

(Registrant's telephone numbers, including area codes)

(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange On Which Registered
Ordinary Shares, €0.04 Par Value	LYB	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company,” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒

Non-accelerated filer ☐

Emerging growth company ☐

Accelerated filer ☐

Smaller reporting company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had 325,089,214 ordinary shares, €0.04 par value, outstanding at July 31, 2024 (excluding 15,333,284 treasury shares).

LYONDELLBASELL INDUSTRIES N.V.

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PART I. FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

LYONDELLBASELL INDUSTRIES N.V. CONSOLIDATED STATEMENTS OF INCOME

Millions of dollars, except earnings per share	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Sales and other operating revenues:				
Trade	\$ 10,398	\$ 10,149	\$ 20,155	\$ 20,225
Related parties	160	157	328	328
	10,558	10,306	20,483	20,553
Operating costs and expenses:				
Cost of sales	9,148	8,868	17,911	17,732
Impairments	—	—	—	252
Selling, general and administrative expenses	407	395	833	780
Research and development expenses	33	32	65	65
	9,588	9,295	18,809	18,829
Operating income	970	1,011	1,674	1,724
Interest expense	(120)	(115)	(247)	(231)
Interest income	37	28	78	51
Gain on sale of business	293	—	293	—
Other income (expense), net	13	(7)	18	(2)
Income from continuing operations before equity investments and income taxes	1,193	917	1,816	1,542
(Loss) income from equity investments	(19)	(12)	(46)	5
Income from continuing operations before income taxes	1,174	905	1,770	1,547
Provision for income taxes	249	188	371	355
Income from continuing operations	925	717	1,399	1,192
Loss from discontinued operations, net of tax	(1)	(2)	(2)	(3)
Net income	924	715	1,397	1,189
Dividends on redeemable non-controlling interests	(1)	(1)	(3)	(3)
Net income attributable to the Company shareholders	\$ 923	\$ 714	\$ 1,394	\$ 1,186
Earnings per share:				
Net income (loss) attributable to the Company shareholders —				
Basic				
Continuing operations	\$ 2.82	\$ 2.19	\$ 4.27	\$ 3.64
Discontinued operations	—	(0.01)	(0.01)	(0.01)
	\$ 2.82	\$ 2.18	\$ 4.26	\$ 3.63
Diluted				
Continuing operations	\$ 2.82	\$ 2.19	\$ 4.26	\$ 3.63
Discontinued operations	—	(0.01)	(0.01)	(0.01)
	\$ 2.82	\$ 2.18	\$ 4.25	\$ 3.62

See Notes to the Consolidated Financial Statements.

LYONDELLBASELL INDUSTRIES N.V.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<u>Millions of dollars</u>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 924	\$ 715	\$ 1,397	\$ 1,189
Other comprehensive income (loss), net of tax –				
Financial derivatives	49	3	50	7
Defined benefit pension and other postretirement benefit plans	4	2	7	4
Foreign currency translations	(44)	(31)	(104)	28
Total other comprehensive income (loss), net of tax	9	(26)	(47)	39
Comprehensive income	933	689	1,350	1,228
Dividends on redeemable non-controlling interests	(1)	(1)	(3)	(3)
Comprehensive income attributable to the Company shareholders	<u>\$ 932</u>	<u>\$ 688</u>	<u>\$ 1,347</u>	<u>\$ 1,225</u>

See Notes to the Consolidated Financial Statements.

LYONDELLBASELL INDUSTRIES N.V.
CONSOLIDATED BALANCE SHEETS

Millions of dollars	June 30, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,839	\$ 3,390
Restricted cash	25	15
Accounts receivable:		
Trade, net	3,855	3,356
Related parties	207	151
Inventories	5,073	4,765
Prepaid expenses and other current assets	912	1,475
Total current assets	12,911	13,152
Operating lease assets	1,460	1,529
Property, plant and equipment	25,082	24,906
Less: Accumulated depreciation	(9,508)	(9,359)
Property, plant and equipment, net	15,574	15,547
Equity investments	4,290	3,907
Goodwill	1,603	1,647
Intangible assets, net	615	641
Other assets	611	577
Total assets	\$ 37,064	\$ 37,000

See Notes to the Consolidated Financial Statements.

LYONDELLBASELL INDUSTRIES N.V.
CONSOLIDATED BALANCE SHEETS

Millions of dollars, except shares and par value data	June 30, 2024	December 31, 2023
LIABILITIES, REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 7	\$ 782
Short-term debt	166	117
Accounts payable:		
Trade	3,557	3,354
Related parties	517	461
Accrued and other current liabilities	1,900	2,436
Total current liabilities	6,147	7,150
Long-term debt	11,017	10,333
Operating lease liabilities	1,363	1,409
Other liabilities	2,113	2,164
Deferred income taxes	2,847	2,886
Commitments and contingencies		
Redeemable non-controlling interests	114	114
Shareholders' equity:		
Ordinary shares, €0.04 par value, 1,275 million shares authorized, 325,078,684 and 324,483,402 shares outstanding, respectively	19	19
Additional paid-in capital	6,122	6,145
Retained earnings	10,233	9,692
Accumulated other comprehensive loss	(1,523)	(1,476)
Treasury stock, at cost, 15,343,814 and 15,939,096 ordinary shares, respectively	(1,402)	(1,450)
Total Company share of shareholders' equity	13,449	12,930
Non-controlling interests	14	14
Total equity	13,463	12,944
Total liabilities, redeemable non-controlling interests and equity	\$ 37,064	\$ 37,000

See Notes to the Consolidated Financial Statements.

LYONDELLBASELL INDUSTRIES N.V.
CONSOLIDATED STATEMENTS OF CASH FLOWS

<u>Millions of dollars</u>	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 1,397	\$ 1,189
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	752	787
Impairments	—	252
Amortization of debt-related costs	5	4
Share-based compensation	53	48
Equity investments—		
Equity loss (income)	46	(5)
Distributions of earnings, net of tax	40	50
Deferred income tax (benefit) provision	(55)	19
Gain on sale of business	(293)	—
Changes in assets and liabilities that provided (used) cash:		
Accounts receivable	(604)	(192)
Inventories	(335)	(349)
Accounts payable	373	(64)
Other, net	(145)	33
Net cash provided by operating activities	1,234	1,772
Cash flows from investing activities:		
Expenditures for property, plant and equipment	(967)	(653)
Acquisition of equity method investments	(512)	(2)
Proceeds from sale of business	700	—
Other, net	(44)	(87)
Net cash used in investing activities	(823)	(742)
Cash flows from financing activities:		
Repurchases of Company ordinary shares	(75)	(170)
Dividends paid - common stock	(846)	(797)
Issuance of long-term debt	744	500
Payments of debt issuance costs	(7)	(5)
Repayment of long-term debt	(775)	—
Net repayments of commercial paper	—	(200)
Proceeds from settlement of cash flow hedges	882	—
Payments from settlement of cash flow hedges	(835)	—
Other, net	19	(29)
Net cash used in financing activities	(893)	(701)
Effect of exchange rate changes on cash	(59)	9
(Decrease) increase in cash and cash equivalents and restricted cash	(541)	338
Cash and cash equivalents and restricted cash at beginning of period	3,405	2,156
Cash and cash equivalents and restricted cash at end of period	\$ 2,864	\$ 2,494

See Notes to the Consolidated Financial Statements.

LYONDELLBASELL INDUSTRIES N.V.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

Millions of dollars	Ordinary Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Company Share of Shareholders' Equity	Non- Controlling Interests
	Issued	Treasury					
Balance, March 31, 2024	\$ 19	\$ (1,372)	\$ 6,112	\$ 9,752	\$ (1,532)	\$ 12,979	\$ 14
Net income	—	—	—	924	—	924	—
Other comprehensive income	—	—	—	—	9	9	—
Share-based compensation	—	45	10	(4)	—	51	—
Dividends - common stock (\$1.34 per share)	—	—	—	(438)	—	(438)	—
Dividends - redeemable non-controlling interests (\$15.00 per share)	—	—	—	(1)	—	(1)	—
Repurchases of Company ordinary shares	—	(75)	—	—	—	(75)	—
Balance, June 30, 2024	<u>\$ 19</u>	<u>\$ (1,402)</u>	<u>\$ 6,122</u>	<u>\$ 10,233</u>	<u>\$ (1,523)</u>	<u>\$ 13,449</u>	<u>\$ 14</u>

Millions of dollars	Ordinary Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Company Share of Shareholders' Equity	Non- Controlling Interests
	Issued	Treasury					
Balance, March 31, 2023	\$ 19	\$ (1,360)	\$ 6,092	\$ 9,277	\$ (1,307)	\$ 12,721	\$ 14
Net income	—	—	—	715	—	715	—
Other comprehensive loss	—	—	—	—	(26)	(26)	—
Share-based compensation	—	13	19	(3)	—	29	—
Dividends - common stock (\$1.25 per share)	—	—	—	(408)	—	(408)	—
Dividends - redeemable non-controlling interests (\$15.00 per share)	—	—	—	(1)	—	(1)	—
Repurchases of Company ordinary shares	—	(99)	—	—	—	(99)	—
Balance, June 30, 2023	<u>\$ 19</u>	<u>\$ (1,446)</u>	<u>\$ 6,111</u>	<u>\$ 9,580</u>	<u>\$ (1,333)</u>	<u>\$ 12,931</u>	<u>\$ 14</u>

Millions of dollars	Ordinary Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Company Share of Shareholders' Equity	Non- Controlling Interests
	Issued	Treasury					
Balance, December 31, 2023	\$ 19	\$ (1,450)	\$ 6,145	\$ 9,692	\$ (1,476)	\$ 12,930	\$ 14
Net income	—	—	—	1,397	—	1,397	—
Other comprehensive loss	—	—	—	—	(47)	(47)	—
Share-based compensation	—	123	(23)	(7)	—	93	—
Dividends - common stock (\$2.59 per share)	—	—	—	(846)	—	(846)	—
Dividends - redeemable non-controlling interests (\$30.00 per share)	—	—	—	(3)	—	(3)	—
Repurchases of Company ordinary shares	—	(75)	—	—	—	(75)	—
Balance, June 30, 2024	<u>\$ 19</u>	<u>\$ (1,402)</u>	<u>\$ 6,122</u>	<u>\$ 10,233</u>	<u>\$ (1,523)</u>	<u>\$ 13,449</u>	<u>\$ 14</u>

Millions of dollars	Ordinary Shares		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Company Share of Shareholders' Equity	Non- Controlling Interests
	Issued	Treasury					
Balance, December 31, 2022	\$ 19	\$ (1,346)	\$ 6,119	\$ 9,195	\$ (1,372)	\$ 12,615	\$ 14
Net income	—	—	—	1,189	—	1,189	—
Other comprehensive income	—	—	—	—	39	39	—
Share-based compensation	—	73	(8)	(4)	—	61	—
Dividends - common stock (\$2.44 per share)	—	—	—	(797)	—	(797)	—
Dividends - redeemable non-controlling interests (\$30.00 per share)	—	—	—	(3)	—	(3)	—
Repurchases of Company ordinary shares	—	(173)	—	—	—	(173)	—
Balance, June 30, 2023	<u>\$ 19</u>	<u>\$ (1,446)</u>	<u>\$ 6,111</u>	<u>\$ 9,580</u>	<u>\$ (1,333)</u>	<u>\$ 12,931</u>	<u>\$ 14</u>

See Notes to the Consolidated Financial Statements.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

LyondellBasell Industries N.V. is a limited liability company (Naamloze Vennootschap) incorporated under Dutch law by deed of incorporation dated October 15, 2009. Unless otherwise indicated, the “Company,” “we,” “us,” “our” or similar words are used to refer to LyondellBasell Industries N.V. together with its consolidated subsidiaries (“LyondellBasell N.V.”). LyondellBasell N.V. is a worldwide manufacturer of chemicals and polymers, a refiner of crude oil, a producer of gasoline blending components and a developer and licensor of technologies for the production of polymers.

The accompanying unaudited Consolidated Financial Statements have been prepared from the books and records of LyondellBasell N.V. in accordance with the instructions to Form 10-Q and Rule 10-01 of Regulation S-X for interim financial information. Certain notes and other information have been condensed or omitted from the interim financial statements included in this report. Accordingly, they do not include all of the information and notes required by accounting principles generally accepted in the United States (“U.S. GAAP”) for complete financial statements. These Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023. In the opinion of management, all adjustments, including normal recurring adjustments, considered necessary for a fair statement have been included. These statements contain some amounts that are based upon management estimates and judgments. Future actual results could differ from such current estimates. The results for interim periods are not necessarily indicative of results for the entire year.

2. Accounting and Reporting Changes

Recently Adopted Guidance

There were no new Accounting Standard Updates (“ASU”) adopted in the six months ended June 30, 2024 that had a material impact on the Consolidated Financial Statements.

Accounting Guidance Issued But Not Adopted as of June 30, 2024

Segment Disclosures—In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The guidance improves the disclosures about a public entity’s reportable segments and addresses requests from investors for additional detailed information about a reportable segment’s expenses. The guidance is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. We are currently assessing the impact of adopting the new guidance on the Consolidated Financial Statements.

Income Tax Disclosures—In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 74): Improvements to Income Tax Disclosures*. The guidance requires companies to disclose certain specific categories in the rate reconciliation and provide additional information for reconciling items that meet the quantitative threshold of 5% of the expected tax using the applicable statutory income tax rate. There is also a required disclosure to provide the net income taxes paid or received disaggregated by federal, state, and foreign taxes with jurisdictions to be separately disclosed if the jurisdiction is 5% or more of the total net income taxes paid or received. The guidance is effective for annual periods beginning after December 15, 2024. Earlier adoption is permitted. We are currently assessing the impact of adopting the new guidance on the Consolidated Financial Statements.

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

3. Revenues

Contract Balances—Contract liabilities were \$131 million and \$175 million at June 30, 2024 and December 31, 2023, respectively. Revenue recognized in each reporting period that was included in the contract liability balance at the beginning of the period was immaterial.

Disaggregation of Revenues—The following table presents our revenues disaggregated by key products:

Millions of dollars	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Sales and other operating revenues:				
Olefins and co-products	\$ 1,000	\$ 907	\$ 1,908	\$ 1,790
Polyethylene	1,942	1,920	3,840	3,936
Polypropylene	1,577	1,453	3,075	2,979
Propylene oxide and derivatives	630	538	1,232	1,179
Oxyfuels and related products	1,431	1,302	2,541	2,535
Intermediate chemicals	667	766	1,456	1,512
Compounding and solutions	943	956	1,903	1,951
Refined products	2,197	2,293	4,155	4,350
Other	171	171	373	321
Total	<u>\$ 10,558</u>	<u>\$ 10,306</u>	<u>\$ 20,483</u>	<u>\$ 20,553</u>

The following table presents our revenues disaggregated by geography, based upon the location of the customer:

Millions of dollars	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Sales and other operating revenues:				
United States	\$ 5,029	\$ 5,032	\$ 9,817	\$ 9,884
Germany	663	619	1,323	1,405
China	535	533	1,141	1,047
Mexico	460	389	896	819
Italy	393	346	794	722
Japan	360	426	594	791
France	301	272	558	566
Poland	247	223	489	462
The Netherlands	214	240	399	473
Other	2,356	2,226	4,472	4,384
Total	<u>\$ 10,558</u>	<u>\$ 10,306</u>	<u>\$ 20,483</u>	<u>\$ 20,553</u>

LYONDELLBASELL INDUSTRIES N.V.**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)****4. Accounts Receivable**

Accounts receivable are reflected in the Consolidated Balance Sheets, net of allowance for credit losses of \$5 million and \$6 million as of June 30, 2024 and December 31, 2023, respectively.

5. Inventories

Inventories consisted of the following components:

<u>Millions of dollars</u>	June 30, 2024	December 31, 2023
Finished goods	\$ 3,317	\$ 3,134
Work-in-process	180	182
Raw materials and supplies	1,576	1,449
Total inventories	<u>\$ 5,073</u>	<u>\$ 4,765</u>

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
6. Debt

Long-term loans, notes and other debt, net of unamortized discount, debt issuance cost and cumulative fair value hedging adjustments, consisted of the following:

Millions of dollars	June 30, 2024	December 31, 2023
Senior Notes due 2024, \$1,000 million, 5.75%	\$ —	\$ 775
Senior Notes due 2055, \$1,000 million, 4.625% (\$15 million of discount; \$10 million of debt issuance cost)	975	975
Guaranteed Notes due 2027, \$300 million, 8.1%	300	300
Issued by LYB International Finance B.V.:		
Guaranteed Notes due 2043, \$750 million, 5.25% (\$18 million of discount; \$6 million of debt issuance cost)	726	726
Guaranteed Notes due 2044, \$1,000 million, 4.875% (\$10 million of discount; \$8 million of debt issuance cost)	982	982
Issued by LYB International Finance II B.V.:		
Guaranteed Notes due 2026, €500 million, 0.875% (\$1 million of discount; \$1 million of debt issuance cost)	525	542
Guaranteed Notes due 2027, \$1,000 million, 3.5% (\$2 million of discount; \$2 million of debt issuance cost)	581	585
Guaranteed Notes due 2031, €500 million, 1.625% (\$4 million of discount; \$2 million of debt issuance cost)	524	542
Issued by LYB International Finance III LLC:		
Guaranteed Notes due 2025, \$500 million, 1.25% (\$1 million of debt issuance cost)	483	481
Guaranteed Notes due 2030, \$500 million, 3.375% (\$1 million of debt issuance cost)	121	124
Guaranteed Notes due 2030, \$500 million, 2.25% (\$2 million of discount; \$3 million of debt issuance cost)	472	474
Guaranteed Notes due 2033, \$500 million, 5.625% (\$5 million of debt issuance cost)	495	495
Guaranteed Notes due 2034, \$750 million, 5.5% (\$6 million of discount; \$7 million of debt issuance cost)	737	—
Guaranteed Notes due 2040, \$750 million, 3.375% (\$1 million of discount; \$7 million of debt issuance cost)	742	742
Guaranteed Notes due 2049, \$1,000 million, 4.2% (\$14 million of discount; \$10 million of debt issuance cost)	976	976
Guaranteed Notes due 2050, \$1,000 million, 4.2% (\$6 million of discount; \$10 million of debt issuance cost)	978	975
Guaranteed Notes due 2051, \$1,000 million, 3.625% (\$2 million of discount; \$10 million of debt issuance cost)	906	916
Guaranteed Notes due 2060, \$500 million, 3.8% (\$4 million of discount; \$6 million of debt issuance cost)	480	483
Other	21	22
Total	11,024	11,115
Less current maturities	(7)	(782)
Long-term debt	<u>\$ 11,017</u>	<u>\$ 10,333</u>

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Fair value hedging adjustments associated with the fair value hedge accounting of our fixed-for-floating interest rate swaps for the applicable periods are as follows:

Millions of dollars	Gains (Losses)				Cumulative Fair Value Hedging Adjustments Included in Carrying Amount of Debt	
	Three Months Ended June 30,		Six Months Ended June 30,		June 30,	December 31,
	2024	2023	2024	2023	2024	2023
Guaranteed Notes due 2025, 1.25%	\$ (1)	\$ 1	\$ (1)	\$ (1)	\$ 8	\$ 9
Guaranteed Notes due 2026, 0.875%	—	—	—	(1)	8	8
Guaranteed Notes due 2027, 3.5%	—	6	4	3	6	2
Guaranteed Notes due 2030, 3.375%	—	4	3	—	20	17
Guaranteed Notes due 2030, 2.25%	—	2	3	(1)	23	20
Guaranteed Notes due 2031, 1.625%	1	1	2	(1)	5	3
Guaranteed Notes due 2050, 4.2%	(1)	1	(3)	(1)	6	9
Guaranteed Notes due 2051, 3.625%	(1)	19	10	2	82	72
Guaranteed Notes due 2060, 3.8%	—	4	3	1	10	7
Total	<u>\$ (2)</u>	<u>\$ 38</u>	<u>\$ 21</u>	<u>\$ 1</u>	<u>\$ 168</u>	<u>\$ 147</u>

Fair value adjustments are recognized in Interest expense in the Consolidated Statements of Income.

Long-Term Debt

Senior Revolving Credit Facility—Our \$3,250 million senior unsecured revolving credit facility (the “Senior Revolving Credit Facility”), may be used for dollar and euro denominated borrowings. The facility also supports our commercial paper program, has a \$200 million sub-limit for dollar and euro denominated letters of credit and a \$1,000 million uncommitted accordion feature. Borrowings under the facility bear interest at either a base rate, secured overnight financing rate (“SOFR”) or EURIBOR rate, plus an applicable margin. Additional fees are incurred for the average daily unused commitments. At June 30, 2024, we had no borrowings or letters of credit outstanding and \$3,250 million of unused availability under this facility.

In July 2024, we amended our credit agreement to increase our senior unsecured revolving credit facility from \$3,250 million to \$3,750 million and extend the maturity to July 2029.

Guaranteed Notes due 2034—In February 2024, LYB International Finance III, LLC (“LYB Finance III”), a wholly owned finance subsidiary of LyondellBasell Industries N.V., issued \$750 million of 5.5% guaranteed notes due 2034 (the “2034 Notes”) at a discounted price of 99.2%. Net proceeds after deducting original issuance discounts, underwriting fees and offering expenses totaled \$737 million. We used the net proceeds from the sale of the 2034 Notes to repay our 5.75% senior notes due 2024 as discussed further below.

These unsecured notes, which are fully and unconditionally guaranteed by LyondellBasell Industries N.V., rank equally in right of payment to all of LYB Finance III’s and LyondellBasell Industries N.V.’s existing and future senior unsecured indebtedness and will rank senior in right of payment to any future subordinated indebtedness that LYB Finance III or LyondellBasell Industries N.V. incurs. There are no significant restrictions that would impede LyondellBasell Industries N.V., as guarantor, from obtaining funds by dividend or loan from its subsidiaries.

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

The indenture governing these notes contains limited covenants, including those restricting our ability, and the ability of our subsidiaries, to incur indebtedness secured by significant property or by capital stock of subsidiaries that own significant property, enter into certain sale and lease-back transactions with respect to any significant property or enter into consolidations, mergers or sales of all or substantially all of our assets.

The 2034 Notes may be redeemed at any time in whole, or from time to time in part, prior to the scheduled maturity date, at a redemption price equal to the greater of (i) the sum of the present values of the remaining scheduled payments of principal and interest (discounted at the treasury rate plus the applicable basis points) less interest accrued on the notes to be redeemed, and (ii) 100% of the principal amount of the notes redeemed; plus, in either case, accrued and unpaid interest thereon to, but excluding, the redemption date. The 2034 Notes may also be redeemed at any time, on or after the date that is three months prior to the scheduled maturity date of the notes at a redemption price equal to 100% of the principal amount of the notes to be redeemed plus accrued and unpaid interest thereon to, but excluding, the redemption date. The notes are also redeemable upon certain tax events.

Senior Notes due 2024—In March 2024, we repaid the \$775 million remaining outstanding principal of our 5.75% senior notes due 2024.

Short-Term Debt

U.S. Receivables Facility—Our U.S. Receivables Facility has a purchase limit of \$900 million in addition to a \$300 million uncommitted accordion feature. In May 2024, we extended the term of the facility to June 2025. This facility provides liquidity through the sale or contribution of trade receivables by certain of our U.S. subsidiaries to a wholly owned, bankruptcy-remote subsidiary on an ongoing basis and without recourse. We pay variable interest rates on our secured borrowings. Additional fees are incurred for the average daily unused commitments. This facility also provides for the issuance of letters of credit up to \$200 million. At June 30, 2024, we had no borrowings or letters of credit outstanding and \$900 million unused availability under this facility.

Commercial Paper Program—We have a commercial paper program under which we may issue up to \$2,500 million of privately placed, unsecured, short-term promissory notes (“commercial paper”). At June 30, 2024, we had no borrowings of outstanding commercial paper.

Precious Metal Financings—At June 30, 2024 and December 31, 2023, we had \$165 million and \$117 million, respectively, of Short-term debt related to our precious metal financings.

Weighted Average Interest Rate—At June 30, 2024 and December 31, 2023, our weighted average interest rates on outstanding Short-term debt were 1.3% and 1.9%, respectively.

Additional Information

Debt Compliance—As of June 30, 2024, we are in compliance with our debt covenants.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)
7. Financial Instruments and Fair Value Measurements

We are exposed to market risks, such as changes in commodity pricing, interest rates and currency exchange rates. To manage the volatility related to these exposures, we selectively enter into derivative contracts pursuant to our risk management policies.

Financial Instruments Measured at Fair Value on a Recurring Basis—The following table summarizes financial instruments outstanding for the periods presented that are measured at fair value on a recurring basis:

Millions of dollars	Fair Value		Balance Sheet Classification
	June 30, 2024	December 31, 2023	
Assets—			
Derivatives designated as hedges:			
Commodities	\$ 2	\$ 1	Prepaid expenses and other current assets
Commodities	1	—	Other assets
Foreign currency	97	44	Prepaid expenses and other current assets
Foreign currency	71	45	Other assets
Interest rates	18	38	Prepaid expenses and other current assets
Derivatives not designated as hedges:			
Commodities	56	98	Prepaid expenses and other current assets
Foreign currency	11	3	Prepaid expenses and other current assets
Total	<u>\$ 256</u>	<u>\$ 229</u>	
Liabilities—			
Derivatives designated as hedges:			
Commodities	\$ 67	\$ 109	Accrued and other current liabilities
Commodities	19	33	Other liabilities
Foreign currency	9	40	Accrued and other current liabilities
Foreign currency	9	32	Other liabilities
Interest rates	38	31	Accrued and other current liabilities
Interest rates	184	172	Other liabilities
Derivatives not designated as hedges:			
Commodities	30	52	Accrued and other current liabilities
Foreign currency	1	10	Accrued and other current liabilities
Total	<u>\$ 357</u>	<u>\$ 479</u>	

The financial instruments in the table above are classified as Level 2. We present the gross assets and liabilities of our derivative financial instruments on the Consolidated Balance Sheets.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Financial Instruments Not Measured at Fair Value on a Recurring Basis—The following table presents the carrying value and estimated fair value of our short-term precious metal financings and long-term debt:

<u>Millions of dollars</u>	<u>June 30, 2024</u>		<u>December 31, 2023</u>	
	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Carrying Value</u>	<u>Fair Value</u>
Precious metal financings	\$ 165	\$ 167	\$ 117	\$ 114
Long-term debt	11,004	9,582	10,316	9,225
Total	<u>\$ 11,169</u>	<u>\$ 9,749</u>	<u>\$ 10,433</u>	<u>\$ 9,339</u>

The financial instruments in the table above are classified as Level 2. Our other financial instruments classified within Current assets and Current liabilities have a short maturity and their carrying value approximates fair value.

Derivative Instruments:

Commodity Prices—The following table presents the notional amounts of our outstanding commodity derivative instruments:

<u>Millions of units</u>	<u>Notional Amount</u>		<u>Unit of Measure</u>	<u>Maturity Date</u>
	<u>June 30, 2024</u>	<u>December 31, 2023</u>		
Derivatives designated as hedges:				
Natural gas	72	72	MMBtu	2024 to 2027
Ethane	16	18	Bbls	2024 to 2026
Power	1	1	MWhs	2024 to 2027
Refined products	—	1	Bbls	2024
Derivatives not designated as hedges:				
Crude oil	6	12	Bbls	2024
Refined products	16	16	Bbls	2024 to 2025
Precious metals	1	1	Troy Ounces	2024 to 2025
Renewable Identification Numbers	29	59	RINs	2024

Interest Rates—The following table presents the notional amounts of our outstanding interest rate derivative instruments:

<u>Millions of dollars</u>	<u>Notional Amount</u>		<u>Maturity Date</u>
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	
Cash flow hedges	\$ —	\$ 200	2024
Fair value hedges	2,164	2,171	2025 to 2031

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Foreign Currency Rates—The following table presents the notional amounts of our outstanding foreign currency derivative instruments:

<u>Millions of dollars</u>	<u>Notional Amount</u>		<u>Maturity Date</u>
	<u>June 30, 2024</u>	<u>December 31, 2023</u>	
Net investment hedges	\$ 3,289	\$ 3,289	2024 to 2030
Cash flow hedges	300	1,150	2027
Not designated	1,207	555	2024 to 2025

Impact on Earnings and Other Comprehensive Income—The following tables summarize the pre-tax effect of derivative instruments recorded in Accumulated other comprehensive income (“AOCI”), the gains (losses) reclassified from AOCI to earnings and additional gains (losses) recognized directly in earnings:

<u>Millions of dollars</u>	Effects of Financial Instruments							<u>Income Statement Classification</u>
	Three Months Ended June 30,							
	Balance Sheet				Income Statement			
	Gain (Loss) Recognized in AOCI		Gain (Loss) Reclassified to Income from AOCI		Additional Gain (Loss) Recognized in Income			
	2024	2023	2024	2023	2024	2023		
Derivatives designated as hedges:								
Commodities	\$ (1)	\$ —	\$ 1	\$ —	\$ —	\$ —		Sales and other operating revenues
Commodities	31	(3)	35	—	—	—		Cost of sales
Foreign currency	25	(8)	1	(6)	14	24		Interest expense
Interest rates	—	12	1	2	(17)	(53)		Interest expense
Derivatives not designated as hedges:								
Commodities	—	—	—	—	16	(1)		Sales and other operating revenues
Commodities	—	—	—	—	2	—		Cost of sales
Foreign currency	—	—	—	—	16	(13)		Other income (expense), net
Total	\$ 55	\$ 1	\$ 38	\$ (4)	\$ 31	\$ (43)		

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

	Effects of Financial Instruments							
	Six Months Ended June 30,							
	Balance Sheet				Income Statement			
	Gain (Loss) Recognized in AOCI		Gain (Loss) Reclassified to Income from AOCI		Additional Gain (Loss) Recognized in Income		Income Statement Classification	
	2024	2023	2024	2023	2024	2023		
Millions of dollars								
Derivatives designated as hedges:								
Commodities	\$ (3)	\$ —	\$ 2	\$ —	\$ —	\$ —	Sales and other operating revenues	
Commodities	(17)	(8)	73	19	—	—	Cost of sales	
Foreign currency	120	(63)	(27)	14	35	38	Interest expense	
Interest rates	11	(2)	2	3	(61)	(30)	Interest expense	
Derivatives not designated as hedges:								
Commodities	—	—	—	—	(69)	(34)	Sales and other operating revenues	
Commodities	—	—	—	—	77	27	Cost of sales	
Foreign currency	—	—	—	—	24	(24)	Other income (expense), net	
Total	<u>\$ 111</u>	<u>\$ (73)</u>	<u>\$ 50</u>	<u>\$ 36</u>	<u>\$ 6</u>	<u>\$ (23)</u>		

As of June 30, 2024, on a pre-tax basis, \$4 million is scheduled to be reclassified from Accumulated other comprehensive loss as an increase to Interest expense over the next twelve months.

Other Financial Instruments:

Cash and Cash Equivalents—At June 30, 2024 and December 31, 2023, we had marketable securities classified as Cash and cash equivalents of \$1,876 million and \$2,432 million, respectively.

8. Income Taxes

For interim tax reporting, we estimate an annual effective tax rate which is applied to the year-to-date ordinary income. Tax effects of significant, unusual, or infrequently occurring items are excluded from the estimated annual effective tax rate calculation and recognized in the interim period in which they occur. Our effective income tax rate fluctuates based on, among other factors, changes in pre-tax income in countries with varying statutory tax rates, changes in valuation allowances, changes in foreign exchange gains or losses, the amount of exempt income, changes in unrecognized tax benefits associated with uncertain tax positions and changes in tax laws.

Our exempt income primarily includes interest income, export incentives, and equity earnings of joint ventures. Interest income earned by certain of our subsidiaries through intercompany financings is taxed at rates substantially lower than the U.S. statutory rate. Export incentives relate to tax benefits derived from elections and structures available for U.S. exports. Equity earnings attributable to the earnings of our joint ventures, when paid through dividends to certain European subsidiaries, are exempt from all or portions of normal statutory income tax rates. We currently anticipate the favorable treatment for interest income, dividends, and export incentives to continue in the near term; however, this treatment is based on current law. The United Kingdom, as well as certain other jurisdictions in which we operate, enacted legislation implementing the Organization for Economic Cooperation and Development's Pillar Two Model Rules effective as of January 1, 2024. We do not expect the impact to the Consolidated Financial Statements to be material based on the legislation enacted at this stage.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Our effective income tax rate for the second quarter of 2024 was 21.2% compared to 20.8% for the second quarter of 2023. The higher effective tax rate for the second quarter of 2024 was primarily due to a decrease in exempt income of 4.1% and the impact of changes in pre-tax income in countries with varying statutory tax rates of 1.1%. These increases were offset by a 4.8% decrease in our effective income tax rate due to an audit settlement that occurred during the second quarter of 2023.

Our effective income tax rate for the first six months of 2024 was 21.0% compared to 22.9% for the first six months of 2023. The lower effective tax rate for the first six months of 2024 was primarily due to the first quarter 2023 goodwill impairment, for which there was no tax benefit, of 2.8%, an audit settlement during the second quarter 2023 of 2.4%, and changes in foreign exchange gains or losses of 1.0%. These decreases were partially offset by a 4.1% increase in our effective income tax rate due to a decrease in exempt income.

9. Commitments and Contingencies

Commitments—We have various purchase commitments for materials, supplies and services incidental to the ordinary conduct of business, generally for quantities required for our businesses and at prevailing market prices. These commitments are designed to ensure sources of supply and are not expected to be in excess of normal requirements. Additionally, we have capital expenditure commitments, which we incur in our normal course of business.

Financial Assurance Instruments—We have obtained letters of credit, performance and surety bonds and have issued financial and performance guarantees to support trade payables, potential liabilities and other obligations. Considering the frequency of claims made against the financial instruments we use to support our obligations, and the magnitude of those financial instruments in light of our current financial position, management does not expect that any claims against or draws on these instruments would have a material adverse effect on the Consolidated Financial Statements. We have not experienced any unmanageable difficulties in obtaining the required financial assurance instruments for our current operations.

Environmental Remediation—Accrued liabilities for future environmental remediation costs at current and former plant sites and other remediation sites totaled \$142 million and \$124 million as of June 30, 2024 and December 31, 2023, respectively. At June 30, 2024, the accrued liabilities for individual sites range from less than \$1 million to \$42 million. The remediation expenditures are expected to occur over a number of years and are not concentrated in any single year. In our opinion, it is reasonably possible that losses in excess of the liabilities recorded may have been incurred. However, we cannot estimate any amount or range of such possible additional losses. New information about sites, new technology or future developments, such as involvement in investigations by regulatory agencies, could require us to reassess our potential exposure related to environmental matters.

Indemnification—We are parties to various indemnification arrangements, including arrangements entered into in connection with acquisitions, divestitures and the formation and dissolution of joint ventures. Pursuant to these arrangements, we provide indemnification to and/or receive indemnification from other parties in connection with liabilities that may arise in connection with the transactions and in connection with activities prior to completion of the transactions. These indemnification arrangements typically include provisions pertaining to third-party claims relating to environmental and tax matters and various types of litigation. As of June 30, 2024, we had not accrued any significant amounts for our indemnification obligations, and we are not aware of other circumstances that would likely lead to significant future indemnification obligations. We cannot determine with certainty the potential amount of future payments under the indemnification arrangements until events arise that would trigger a liability under the arrangements.

As part of our technology licensing contracts, we give indemnifications to our licensees for liabilities arising from possible patent infringement claims with respect to certain proprietary licensed technologies. Such indemnifications have a stated maximum amount and generally cover a period of 5 to 10 years.

Legal Proceedings—We are subject to various lawsuits and claims, including but not limited to, matters involving contract disputes, environmental damages, personal injury and property damage. We vigorously defend ourselves and prosecute these matters as appropriate.

LYONDELLBASELL INDUSTRIES N.V.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Our legal organization applies its knowledge, experience and professional judgment to the specific characteristics of our cases, employing a litigation management process to manage and monitor legal proceedings in which we are a party. Our process facilitates the early evaluation and quantification of potential exposures in individual cases. This process also enables us to track those cases that have been scheduled for trial, mediation or other resolution. We regularly assess the adequacy of legal accruals based on our professional judgment, experience and the information available regarding our cases.

Based on consideration of all relevant facts and circumstances, we do not believe the ultimate outcome of any currently pending lawsuit against us will have a material adverse effect upon our operations, financial condition or Consolidated Financial Statements.

10. Shareholders' Equity and Redeemable Non-controlling Interests
Shareholders' Equity

Dividend Distributions—The following table summarizes the quarterly dividends paid in the period presented:

<u>Millions of dollars, except per share amounts</u>	<u>Dividend Per Ordinary Share</u>	<u>Aggregate Dividends Paid</u>	<u>Date of Record</u>
March 2024	\$ 1.25	\$ 408	March 4, 2024
June 2024	1.34	438	June 3, 2024
	<u>\$ 2.59</u>	<u>\$ 846</u>	

Share Repurchase Authorization—In May 2024, our shareholders approved a proposal to authorize us to repurchase up to 34.0 million ordinary shares, through November 24, 2025 ("2024 Share Repurchase Authorization"), which superseded any prior repurchase authorizations. The timing and amount of these repurchases, which are determined based on our evaluation of market conditions and other factors, may be executed from time to time through open market or privately negotiated transactions. The repurchased shares, which are recorded at cost, are classified as Treasury stock and may be retired or used for general corporate purposes, including for various employee benefit and compensation plans.

The following table summarizes our share repurchase activity for the periods presented:

<u>Millions of dollars, except shares and per share amounts</u>	<u>Shares Repurchased</u>	<u>Average Purchase Price</u>	<u>Total Purchase Price, Including Commissions and Fees</u>
For the six months ended June 30, 2024:			
2024 Share Repurchase Authorization	784,505	\$ 95.62	\$ 75
For the six months ended June 30, 2023:			
2022 Share Repurchase Authorization	1,365,898	\$ 88.98	\$ 122
2023 Share Repurchase Authorization	576,044	89.34	51
	<u>1,941,942</u>	<u>\$ 89.09</u>	<u>\$ 173</u>

Total cash paid for share repurchases for the six months ended June 30, 2024 and 2023 was \$75 million and \$170 million, respectively. Cash payments made during the reporting period may differ from the total purchase price, including commissions and fees, due to the timing of payments.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Ordinary Shares—The changes in the outstanding amounts of ordinary shares are as follows:

	Six Months Ended June 30,	
	2024	2023
Ordinary shares outstanding:		
Beginning balance	324,483,402	325,723,567
Share-based compensation	1,203,741	571,224
Employee stock purchase plan	176,046	163,234
Purchase of ordinary shares	(784,505)	(1,941,942)
Ending balance	325,078,684	324,516,083

Treasury Shares—The changes in the amounts of treasury shares held by the Company are as follows:

	Six Months Ended June 30,	
	2024	2023
Ordinary shares held as treasury shares:		
Beginning balance	15,939,096	14,698,931
Share-based compensation	(1,203,741)	(571,224)
Employee stock purchase plan	(176,046)	(163,234)
Purchase of ordinary shares	784,505	1,941,942
Ending balance	15,343,814	15,906,415

Accumulated Other Comprehensive Loss—The components of, and after-tax changes in, Accumulated other comprehensive loss as of and for the six months ended June 30, 2024 and 2023 are presented in the following tables:

<u>Millions of dollars</u>	Financial Derivatives	Defined Benefit Pension and Other Postretirement Benefit Plans	Foreign Currency Translation Adjustments	Total
Balance – December 31, 2023	\$ (226)	\$ (279)	\$ (971)	\$ (1,476)
Other comprehensive income (loss) before reclassifications	17	—	(79)	(62)
Tax expense before reclassifications	(5)	—	(25)	(30)
Amounts reclassified from accumulated other comprehensive loss	50	8	—	58
Tax expense	(12)	(1)	—	(13)
Net other comprehensive income (loss)	50	7	(104)	(47)
Balance – June 30, 2024	\$ (176)	\$ (272)	\$ (1,075)	\$ (1,523)

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Millions of dollars	Financial Derivatives	Defined Benefit Pension and Other Postretirement Benefit Plans	Foreign Currency Translation Adjustments	Total
Balance – December 31, 2022	\$ (146)	\$ (182)	\$ (1,044)	\$ (1,372)
Other comprehensive (loss) income before reclassifications	(28)	—	17	(11)
Tax benefit before reclassifications	8	—	11	19
Amounts reclassified from accumulated other comprehensive loss	36	5	—	41
Tax expense	(9)	(1)	—	(10)
Net other comprehensive income	7	4	28	39
Balance – June 30, 2023	<u>\$ (139)</u>	<u>\$ (178)</u>	<u>\$ (1,016)</u>	<u>\$ (1,333)</u>

The amounts reclassified out of each component of Accumulated other comprehensive loss are as follows:

Millions of dollars	Three Months Ended June 30,		Six Months Ended June 30,		Affected Line Item on the Consolidated Statements of Income
	2024	2023	2024	2023	
Reclassification adjustments for:					
Financial derivatives:					
Commodities	\$ 1	\$ —	\$ 2	\$ —	Sales and other operating revenue
Commodities	35	—	73	19	Cost of sales
Foreign currency	1	(6)	(27)	14	Interest expense
Interest rates	1	2	2	3	Interest expense
Income tax (expense) benefit	(11)	1	(12)	(9)	Provision for income taxes
Financial derivatives, net of tax	27	(3)	38	27	
Amortization of defined pension items:					
Actuarial loss	4	1	7	3	Other income (expense), net
Prior service cost	—	1	1	2	Other income (expense), net
Income tax expense	—	—	(1)	(1)	Provision for income taxes
Defined pension items, net of tax	4	2	7	4	
Total reclassifications, before tax	42	(2)	58	41	
Income tax (expense) benefit	(11)	1	(13)	(10)	Provision for income taxes
Total reclassifications, after tax	<u>\$ 31</u>	<u>\$ (1)</u>	<u>\$ 45</u>	<u>\$ 31</u>	Amount included in net income

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Redeemable Non-controlling Interests

Our redeemable non-controlling interests relate to shares of cumulative perpetual special stock (“redeemable non-controlling interest stock”) issued by a consolidated subsidiary. As of June 30, 2024 and December 31, 2023, we had 113,059 and 113,075 shares of redeemable non-controlling interest stock outstanding, respectively. These shares may be redeemed at any time at the discretion of the holders.

In February and May 2024, we paid cash dividends of \$15.00 per share to our redeemable non-controlling interest shareholders of record as of January 15, 2024 and April 15, 2024. These dividends totaled \$3 million for each of the six months ended June 30, 2024 and 2023.

11. Per Share Data

Basic earnings per share is based upon the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share includes the effect of certain stock option and other equity-based compensation awards. Our unvested restricted stock units contain non-forfeitable rights to dividend equivalents and are considered participating securities. We compute basic and diluted earnings per share under the two-class method.

Earnings per share data is as follows:

	Three Months Ended June 30,			
	2024		2023	
	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations
<u>Millions of dollars</u>				
Net income (loss)	\$ 925	\$ (1)	\$ 717	\$ (2)
Dividends on redeemable non-controlling interests	(1)	—	(1)	—
Net income attributable to participating securities	(5)	—	(4)	—
Net income (loss) attributable to ordinary shareholders – basic and diluted	<u>\$ 919</u>	<u>\$ (1)</u>	<u>\$ 712</u>	<u>\$ (2)</u>
<u>Millions of shares, except per share amounts</u>				
Basic weighted average common stock outstanding	326	326	325	325
Effect of dilutive securities	—	—	1	1
Potential dilutive shares	<u>326</u>	<u>326</u>	<u>326</u>	<u>326</u>
Earnings per share:				
Basic	<u>\$ 2.82</u>	<u>\$ —</u>	<u>\$ 2.19</u>	<u>\$ (0.01)</u>
Diluted	<u>\$ 2.82</u>	<u>\$ —</u>	<u>\$ 2.19</u>	<u>\$ (0.01)</u>

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Millions of dollars	Six Months Ended June 30,			
	2024		2023	
	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations
Net income (loss)	\$ 1,399	\$ (2)	\$ 1,192	\$ (3)
Dividends on redeemable non-controlling interests	(3)	—	(3)	—
Net income attributable to participating securities	(6)	—	(5)	—
Net income (loss) attributable to ordinary shareholders – basic and diluted	<u>\$ 1,390</u>	<u>\$ (2)</u>	<u>\$ 1,184</u>	<u>\$ (3)</u>
Millions of shares, except per share amounts				
Basic weighted average common stock outstanding	325	325	326	326
Effect of dilutive securities	1	1	1	1
Potential dilutive shares	<u>326</u>	<u>326</u>	<u>327</u>	<u>327</u>
Earnings per share:				
Basic	<u>\$ 4.27</u>	<u>\$ (0.01)</u>	<u>\$ 3.64</u>	<u>\$ (0.01)</u>
Diluted	<u>\$ 4.26</u>	<u>\$ (0.01)</u>	<u>\$ 3.63</u>	<u>\$ (0.01)</u>

12. Segment and Related Information

Our operations are managed by senior executives who report to our Chief Executive Officer, the chief operating decision maker. Discrete financial information is available for each of the segments, and our Chief Executive Officer uses the operating results of each of the operating segments for performance evaluation and resource allocation.

The activities of each of our segments from which they earn revenues and incur expenses are described below:

- *Olefins and Polyolefins-Americas (“O&P-Americas”)*. Our O&P-Americas segment produces and markets olefins and co-products, polyethylene and polypropylene.
- *Olefins and Polyolefins-Europe, Asia, International (“O&P-EAI”)*. Our O&P-EAI segment produces and markets olefins and co-products, polyethylene and polypropylene.
- *Intermediates and Derivatives (“I&D”)*. Our I&D segment produces and markets propylene oxide and its derivatives; oxyfuels and related products; and intermediate chemicals such as styrene monomer, acetyls and ethylene glycol.
- *Advanced Polymer Solutions (“APS”)*. Our APS segment produces and markets compounding and solutions, such as polypropylene compounds, engineered plastics, masterbatches, engineered composites, colors and powders.
- *Refining*. Our Refining segment refines heavy, high-sulfur crude oils and other crude oils of varied types and sources available on the U.S. Gulf Coast into refined products, including gasoline and distillates.
- *Technology*. Our Technology segment develops and licenses chemical and polyolefin process technologies and manufactures and sells polyolefin catalysts.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Our chief operating decision maker uses EBITDA as the primary measure for reviewing profitability of our segments, and therefore, we have presented EBITDA for all segments. We define EBITDA as earnings from continuing operations before interest, income taxes, and depreciation and amortization.

“Other” includes intersegment eliminations and items that are not directly related or allocated to business operations, such as foreign exchange gains or losses and components of pension and other postretirement benefit costs other than service costs. Sales between segments are made at prices approximating prevailing market prices.

Summarized financial information concerning reportable segments is shown in the following tables for the periods presented:

Three Months Ended June 30, 2024								
Millions of dollars	O&P– Americas	O&P– EAI	I&D	APS	Refining	Technology	Other	Total
Sales and other operating revenues:								
Customers	\$ 1,871	\$ 2,659	\$ 2,751	\$ 943	\$ 2,197	\$ 137	\$ —	\$ 10,558
Intersegment	1,055	183	44	5	148	22	(1,457)	—
	2,926	2,842	2,795	948	2,345	159	(1,457)	10,558
Loss from equity investments	(1)	(16)	(2)	—	—	—	—	(19)
EBITDA	670	70	794	40	(7)	84	(7)	1,644
Gain on sale of business	—	—	293	—	—	—	—	293
Capital expenditures	174	107	150	25	6	20	2	484

Three Months Ended June 30, 2023								
Millions of dollars	O&P– Americas	O&P– EAI	I&D	APS	Refining	Technology	Other	Total
Sales and other operating revenues:								
Customers	\$ 1,756	\$ 2,535	\$ 2,629	\$ 956	\$ 2,293	\$ 137	\$ —	\$ 10,306
Intersegment	971	194	33	4	166	17	(1,385)	—
	2,727	2,729	2,662	960	2,459	154	(1,385)	10,306
Income (loss) from equity investments	12	(19)	(5)	—	—	—	—	(12)
EBITDA	679	84	472	34	47	79	(12)	1,383
Capital expenditures	102	65	104	14	—	15	1	301

Six Months Ended June 30, 2024								
Millions of dollars	O&P– Americas	O&P– EAI	I&D	APS	Refining	Technology	Other	Total
Sales and other operating revenues:								
Customers	\$ 3,621	\$ 5,221	\$ 5,278	\$ 1,903	\$ 4,155	\$ 305	\$ —	\$ 20,483
Intersegment	2,176	366	103	10	280	46	(2,981)	—
	5,797	5,587	5,381	1,913	4,435	351	(2,981)	20,483
Income (loss) from equity investments	8	(48)	(6)	—	—	—	—	(46)
EBITDA	1,191	84	1,106	75	48	202	(15)	2,691
Gain on sale of business	—	—	293	—	—	—	—	293
Capital expenditures	355	194	292	48	31	44	3	967

LYONDELLBASELL INDUSTRIES N.V.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

	Six Months Ended June 30, 2023							
Millions of dollars	O&P– Americas	O&P– EAI	I&D	APS	Refining	Technology	Other	Total
Sales and other operating revenues:								
Customers	\$ 3,483	\$ 5,245	\$ 5,270	\$ 1,951	\$ 4,350	\$ 254	\$ —	\$ 20,553
Intersegment	2,052	376	74	6	299	39	(2,846)	—
	5,535	5,621	5,344	1,957	4,649	293	(2,846)	20,553
Income (loss) from equity investments	35	(18)	(11)	(1)	—	—	—	5
EBITDA	1,220	161	898	(192)	293	152	(18)	2,514
Impairments	—	—	—	252	—	—	—	252
Capital expenditures	184	119	283	31	2	32	2	653

Disposition of Ethylene Oxide & Derivatives (“EO&D”) Business—In May 2024, we sold our U.S. Gulf Coast-based EO&D business along with the production facilities located in Bayport, TX. The EO&D business was included in our I&D segment. In connection with the sale, we received cash proceeds of \$700 million and recognized a pre-tax gain of \$293 million, subject to post-closing working capital adjustments.

Acquisition of Joint Venture—In May 2024, we acquired a 35% interest in Saudi Arabia-based National Petrochemical Industrial Company (“NATPET”) from Alujain Corporation for approximately \$500 million. The joint venture is enabled by our *Spheripol* polypropylene (“PP”) technology and positions us to expand our core PP business by gaining access to advantaged feedstocks. The joint venture has the capacity to produce 0.4 million tons of PP per year. We will market the majority of the off-take through our global sales team. The joint venture is included in our O&P-EAI segment and accounted for using the equity method of accounting.

Houston Refinery Operations—Costs incurred for the planned exit from the refinery business are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		Cumulative June 30,
Millions of dollars	2024	2023	2024	2023	2024
Accelerated lease amortization costs	\$ 10	\$ 38	\$ 18	\$ 89	\$ 219
Personnel costs	10	27	16	43	156
Asset retirement obligation accretion	2	2	4	4	15
Asset retirement cost depreciation	20	44	40	99	209
Refinery exit costs	\$ 42	\$ 111	\$ 78	\$ 235	\$ 599

Total costs incurred since our decision to exit the refining business through June 30, 2024, were \$599 million. Our estimate of total exit costs, inclusive of costs incurred to date, ranges from \$560 million to \$1,000 million.

In subsequent periods, we expect to incur additional costs primarily consisting of accelerated amortization of operating lease assets of \$10 million to \$40 million, personnel costs of \$15 million to \$70 million and other charges of \$20 million to \$60 million.

In connection with the planned exit from the refinery business, we recorded liabilities for asset retirement obligations of \$264 million as of June 30, 2024. We estimate that the Houston refinery’s asset retirement obligations are in the range of \$150 million to \$450 million.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS-(Continued)

Segment Structure Changes and Related Goodwill Impairment—Effective January 1, 2023, our *Catalloy* and polybutene-1 businesses were moved from our APS segment and reintegrated into our O&P-Americas and O&P-EAI segments. As a result of the reallocation of goodwill and the change in both fair value and carrying value among reporting units, we recognized a non-cash goodwill impairment charge of \$252 million in the first quarter of 2023 in our APS segment.

A reconciliation of EBITDA to Income from continuing operations before income taxes is shown in the following table for each of the periods presented:

<u>Millions of dollars</u>	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
EBITDA:				
Total segment EBITDA	\$ 1,651	\$ 1,395	\$ 2,706	\$ 2,532
Other EBITDA	(7)	(12)	(15)	(18)
Less:				
Depreciation and amortization expense	(387)	(391)	(752)	(787)
Interest expense	(120)	(115)	(247)	(231)
Add:				
Interest income	37	28	78	51
Income from continuing operations before income taxes	<u>\$ 1,174</u>	<u>\$ 905</u>	<u>\$ 1,770</u>	<u>\$ 1,547</u>

Item 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

This discussion should be read in conjunction with the information contained in the Consolidated Financial Statements, and the accompanying notes elsewhere in this report. Unless otherwise indicated, the “Company,” “we,” “us,” “our” or similar words are used to refer to LyondellBasell Industries N.V. together with its consolidated subsidiaries (“LyondellBasell N.V.”).

OVERVIEW

Results for the second quarter of 2024 improved compared to the first quarter of 2024. Second quarter volumes benefited from increased production and improving seasonal demand. Our Olefins and Polyolefins-Americas (“O&P-Americas”) segment volumes increased while favorable ethane and natural gas costs continued to provide support for margins. Our Olefins and Polyolefins-Europe, Asia, International (“O&P-EAI”) segment benefited from polyethylene margin expansion with increased utilization of advantaged liquified petroleum gas (“LPG”) feedstocks in Europe. Our Intermediates & Derivatives (“I&D”) segment benefited from improved oxyfuels volumes driven by production from our newest propylene oxide/tertiary butyl alcohol (“PO/TBA”) plant in Houston, Texas. Intermediate chemical margins and volumes improved, largely due to higher production from our acetyls assets. Refining margins fell due to lower crack spreads.

Results for the first six months of 2024 compared to the first six months of 2023 improved driven in part by the absence of a non-cash goodwill impairment recognized in our Advanced Polymer Solutions (“APS”) segment in the first quarter of 2023. Technology results improved as more contracts reached significant milestones. Results for our Refining segment decreased as margins declined. An increase in loss from equity investments drove the decrease in our O&P-EAI segment results. Our O&P-Americas segment results decreased as margins were compressed by higher monomer costs.

In May 2024, we divested our U.S. Gulf Coast-based Ethylene Oxide & Derivatives (“EO&D”) business for \$700 million, while investing approximately \$500 million to acquire a 35% interest in Saudi Arabia-based National Petrochemical Industrial Company (“NATPET”).

During the quarter, we announced a strategic review of some of our European assets to position the company for a more sustainable and circular future by strengthening profitability and competitive advantage in the region.

We remain committed to our balanced and disciplined capital allocation strategy. During the first six months of 2024 we generated \$1,234 million in cash from operating activities, invested \$967 million in capital expenditures and returned \$921 million to shareholders through dividend payments and share repurchases.

Results of operations for the periods discussed are presented in the table below:

	Three Months Ended		Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Millions of dollars				
Sales and other operating revenues	\$ 10,558	\$ 9,925	\$ 20,483	\$ 20,553
Cost of sales	9,148	8,763	17,911	17,732
Impairments	—	—	—	252
Selling, general and administrative expenses	407	426	833	780
Research and development expenses	33	32	65	65
Operating income	970	704	1,674	1,724
Interest expense	(120)	(127)	(247)	(231)
Interest income	37	41	78	51
Gain on sale of business	293	—	293	—
Other income (expense), net	13	5	18	(2)
(Loss) income from equity investments	(19)	(27)	(46)	5
Income from continuing operations before income taxes	1,174	596	1,770	1,547
Provision for income taxes	249	122	371	355
Income from continuing operations	925	474	1,399	1,192
Loss from discontinued operations, net of tax	(1)	(1)	(2)	(3)
Net income	924	473	1,397	1,189
Other comprehensive income (loss), net of tax –				
Financial derivatives	49	1	50	7
Defined benefit pension and other postretirement benefit plans	4	3	7	4
Foreign currency translations	(44)	(60)	(104)	28
Total other comprehensive income (loss), net of tax	9	(56)	(47)	39
Comprehensive income	\$ 933	\$ 417	\$ 1,350	\$ 1,228

RESULTS OF OPERATIONS

Revenues—Revenues increased by \$633 million, or 6%, in the second quarter of 2024 compared to the first quarter of 2024. Higher volumes, driven by improved availability and demand, resulted in a 4% increase in revenues. Higher average sales prices for many of our products resulted in a 2% increase in revenues.

Revenues remained relatively unchanged in the first six months of 2024 compared to the first six months of 2023. Higher volumes resulted in a 1% increase in revenues, which was partially offset by a 1% decrease in revenues due to lower average sales prices.

Cost of Sales—Cost of sales increased by \$385 million, or 4%, in the second quarter of 2024 compared to the first quarter of 2024 and by \$179 million, or 1%, in the first six months of 2024 compared to the first six months of 2023, primarily driven by higher feedstock and energy costs, including the impact of our commodity hedges.

Impairments—During the first six months of 2023 we recognized a non-cash goodwill impairment charge of \$252 million in our APS segment after the effect of moving our *Catalloy* and polybutene-1 businesses from our APS segment and reintegrating them into our O&P-Americas and O&P-EAI segments.

SG&A Expenses—Selling, general and administrative (“SG&A”) expenses decreased by \$19 million, or 4%, in the second quarter of 2024 compared to the first quarter of 2024 and increased by \$53 million, or 7%, in the first six months of 2024 compared to the first six months of 2023, primarily attributable to changes in employee-related expenses.

Operating Income—Operating income increased by \$266 million, or 38%, in the second quarter of 2024 compared to the first quarter of 2024. Operating income in our I&D, O&P-Americas, O&P-EAI and APS segments increased by \$180 million, \$163 million, \$41 million and \$2 million, respectively. These increases were partially offset by decreases in our Refining and Technology segments of \$81 million and \$37 million, respectively.

Operating income decreased by \$50 million, or 3%, in the first six months of 2024 compared to the first six months of 2023. Operating income in our Refining, I&D, O&P-EAI and O&P-Americas segments decreased by \$216 million, \$77 million, \$56 million and \$20 million, respectively. The decreases were partially offset by increases in our APS and Technology segments of \$266 million and \$50 million, respectively.

Results for each of our business segments are discussed further in the “Segment Analysis” section below.

Gain on Sale of Business—In the second quarter of 2024, we completed the sale of our EO&D business and associated production facilities located in Bayport, Texas and recognized a pre-tax gain of \$293 million. See Note 12 to the Consolidated Financial Statements for additional information.

(Loss) Income from Equity Investments—Loss from equity investments decreased by \$8 million, or 30%, in the second quarter of 2024 compared to the first quarter of 2024 primarily driven by improved margins at our Asian joint ventures in our O&P-EAI segment.

Income from equity investments decreased by \$51 million or 1020% in the first six months of 2024 compared to the first six months of 2023. Approximately half of the decrease was driven by lower margins at our Mexico joint venture in our O&P-Americas segment. The remainder of the change is primarily driven by a one-time gain on sale of an asset recognized by one of our European joint ventures in our O&P-EAI segment in the first quarter of 2023.

Income Taxes—Our effective income tax rate for the second quarter of 2024 was 21.2% compared to 20.4% for the first quarter of 2024. In the second quarter of 2024, the impact of changes in pre-tax income in countries with varying statutory tax rates and fluctuations in foreign exchange gains or losses increased our effective income tax rate by 2.0% and 0.9%, respectively. These increases were partially offset by the reduced relative impact of our tax rate drivers, primarily exempt income, due to increased earnings including the gain on the EO&D divestiture recognized in the second quarter of 2.1%.

Our effective income tax rate for the first six months of 2024 was 21.0% compared to 22.9% for the first six months of 2023. The lower effective tax rate for the first six months of 2024 was primarily due to the first quarter 2023 goodwill impairment, for which there was no tax benefit, of 2.8%, an audit settlement during the second quarter 2023 of 2.4%, and changes in foreign exchange gains or losses of 1.0%. These decreases were partially offset by a 4.1% increase in our effective income tax rate due to a decrease in exempt income.

Comprehensive Income—Comprehensive income increased by \$516 million in the second quarter of 2024 compared to the first quarter of 2024, and by \$122 million in the first six months of 2024 compared to the first six months of 2023, primarily due to the increase in Net income. The components of Other comprehensive income (loss) are discussed below.

Financial derivatives designated as cash flow hedges, primarily our commodity swaps, led to an increase in Comprehensive income of \$48 million and \$43 million in the second quarter of 2024 compared to the first quarter of 2024 and in the first six months of 2024 compared to the first six months of 2023, respectively, reflecting commodity price volatility.

Defined pension and postretirement benefit plans remained relatively unchanged in the second quarter of 2024 compared to the first quarter of 2024 and in the first six months of 2024 compared to the first six months of 2023.

Foreign currency translations remained relatively unchanged in the second quarter of 2024 compared to the first quarter of 2024. Foreign currency translations decreased Comprehensive income by \$132 million in the first six months of 2024 compared to the first six months of 2023, primarily due to the strengthening of the U.S dollar relative to the euro offset by the effective portion of our net investment hedges.

Segment Analysis

We use earnings from continuing operations before interest, income taxes, and depreciation and amortization (“EBITDA”) as our measure of profitability for segment reporting purposes. This measure of segment operating results is used by our chief operating decision maker to assess the performance of and allocate resources to our operating segments. Intersegment eliminations and items that are not directly related or allocated to business operations, such as foreign exchange gains or losses and components of pension and other postretirement benefits other than service costs are included in “Other”. See the table below for a reconciliation of EBITDA to its nearest generally accepted accounting principles (“GAAP”) measure.

The following table presents the reconciliation of Net Income to EBITDA for each of the periods presented:

Millions of dollars	Three Months Ended		Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Net income	\$ 924	\$ 473	\$ 1,397	\$ 1,189
Loss from discontinued operations, net of tax	1	1	2	3
Income from continuing operations	925	474	1,399	1,192
Provision for income taxes	249	122	371	355
Depreciation and amortization	387	365	752	787
Interest expense, net	83	86	169	180
EBITDA	<u>\$ 1,644</u>	<u>\$ 1,047</u>	<u>\$ 2,691</u>	<u>\$ 2,514</u>

Our continuing operations are managed through six reportable segments: O&P-Americas, O&P-EAI, I&D, APS, Refining and Technology. Revenues and other information by segment for the periods presented are reflected in the tables below:

Millions of dollars	Three Months Ended		Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Sales and other operating revenues:				
O&P-Americas segment	\$ 2,926	\$ 2,871	\$ 5,797	\$ 5,535
O&P-EAI segment	2,842	2,745	5,587	5,621
I&D segment	2,795	2,586	5,381	5,344
APS segment	948	965	1,913	1,957
Refining segment	2,345	2,090	4,435	4,649
Technology segment	159	192	351	293
Other, including intersegment eliminations	(1,457)	(1,524)	(2,981)	(2,846)
Total	<u>\$ 10,558</u>	<u>\$ 9,925</u>	<u>\$ 20,483</u>	<u>\$ 20,553</u>
Operating income (loss):				
O&P-Americas segment	\$ 519	\$ 356	\$ 875	\$ 895
O&P-EAI segment	30	(11)	19	75
I&D segment	392	212	604	681
APS segment	15	13	28	(238)
Refining segment	(57)	24	(33)	183
Technology segment	72	109	181	131
Other, including intersegment eliminations	(1)	1	—	(3)
Total	<u>\$ 970</u>	<u>\$ 704</u>	<u>\$ 1,674</u>	<u>\$ 1,724</u>

	Three Months Ended		Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Millions of dollars				
Depreciation and amortization:				
O&P-Americas segment	\$ 152	\$ 151	\$ 303	\$ 288
O&P-EAI segment	54	52	106	95
I&D segment	103	100	203	227
APS segment	22	20	42	46
Refining segment	46	31	77	110
Technology segment	10	11	21	21
Total	<u>\$ 387</u>	<u>\$ 365</u>	<u>\$ 752</u>	<u>\$ 787</u>
(Loss) income from equity investments:				
O&P-Americas segment	\$ (1)	\$ 9	\$ 8	\$ 35
O&P-EAI segment	(16)	(32)	(48)	(18)
I&D segment	(2)	(4)	(6)	(11)
APS segment	—	—	—	(1)
Total	<u>\$ (19)</u>	<u>\$ (27)</u>	<u>\$ (46)</u>	<u>\$ 5</u>
Gain on sale of business:				
I&D segment	\$ 293	\$ —	\$ 293	\$ —
Total	<u>\$ 293</u>	<u>\$ —</u>	<u>\$ 293</u>	<u>\$ —</u>
Other income (expense), net:				
O&P-Americas segment	\$ —	\$ 5	\$ 5	\$ 2
O&P-EAI segment	2	5	7	9
I&D segment	8	4	12	1
APS segment	3	2	5	1
Refining segment	4	—	4	—
Technology segment	2	(2)	—	—
Other, including intersegment eliminations	(6)	(9)	(15)	(15)
Total	<u>\$ 13</u>	<u>\$ 5</u>	<u>\$ 18</u>	<u>\$ (2)</u>
EBITDA:				
O&P-Americas segment	\$ 670	\$ 521	\$ 1,191	\$ 1,220
O&P-EAI segment	70	14	84	161
I&D segment	794	312	1,106	898
APS segment	40	35	75	(192)
Refining segment	(7)	55	48	293
Technology segment	84	118	202	152
Other, including intersegment eliminations	(7)	(8)	(15)	(18)
Total	<u>\$ 1,644</u>	<u>\$ 1,047</u>	<u>\$ 2,691</u>	<u>\$ 2,514</u>

Olefins and Polyolefins-Americas Segment

Overview—EBITDA increased in the second quarter of 2024 compared to the first quarter of 2024, primarily due to improved olefins results. EBITDA decreased in the first six months of 2024 relative to the first six months of 2023 driven by lower polymer margins.

Ethylene Raw Materials—Ethylene and its co-products are produced from two major raw material groups:

- natural gas liquids (“NGLs”), principally ethane and propane, the prices of which are generally affected by natural gas prices; and
- crude oil-based liquids (“liquids” or “heavy liquids”), including naphtha, condensates and gas oils, the prices of which are generally related to crude oil prices.

We have flexibility to vary the raw material mix and process conditions in our U.S. olefins plants in order to maximize profitability as market prices fluctuate for both feedstocks and products. Although prices of crude-based liquids and natural gas liquids are generally related to crude oil and natural gas prices, during specific periods the relationships among these materials and benchmarks may vary significantly. In the second and first quarter of 2024, and the first six months of 2024 and 2023, approximately 70% to 80% of the raw materials used in our North American crackers was ethane.

The following table sets forth selected financial information for the O&P-Americas segment including (Loss) income from equity investments, which is a component of EBITDA:

	Three Months Ended		Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Millions of dollars				
Sales and other operating revenues	\$ 2,926	\$ 2,871	\$ 5,797	\$ 5,535
(Loss) income from equity investments	(1)	9	8	35
EBITDA	670	521	1,191	1,220

Revenue—Revenues for our O&P-Americas segment increased by \$55 million, or 2% in the second quarter of 2024 compared to the first quarter of 2024 and by \$262 million, or 5%, in the first six months of 2024 compared to the first six months of 2023.

Second quarter of 2024 versus first quarter of 2024—Revenue increased by 5% as a result of higher ethylene average sales prices driven by an increase in demand. Lower co-product sales volumes driven by planned outages led to a 3% decrease in revenue.

First six months of 2024 versus first six months of 2023—Higher average polypropylene sales prices resulted in a 5% increase in revenue.

EBITDA—EBITDA increased by \$149 million, or 29%, in the second quarter of 2024 compared to the first quarter of 2024 and decreased by \$29 million, or 2%, in the first six months of 2024 compared to the first six months of 2023.

Second quarter of 2024 versus first quarter of 2024—Higher olefins results led to a 21% increase in EBITDA driven equally by higher volumes and margins resulting from the absence of planned and unplanned outages and higher ethylene prices, respectively. Higher polyolefins results led to a 7% increase in EBITDA primarily driven by an increase in margins due to increased polyethylene pricing despite higher ethylene costs and increased polypropylene spreads driven by lower propylene costs.

First six months of 2024 versus first six months of 2023—Lower polyolefins results led to a 6% decrease in EBITDA primarily driven by lower margins reflecting higher monomer costs. EBITDA decreased 2% due to lower income from equity investments reflecting lower polypropylene margins at our joint venture in Mexico. Higher olefins results led to a 9% increase in EBITDA primarily due to higher margins driven by higher average ethylene sales prices and lower feedstock and energy costs.

Olefins and Polyolefins-Europe, Asia, International Segment

Overview—EBITDA increased in the second quarter of 2024 compared to the first quarter of 2024, primarily due to higher olefins margins and improved results from our equity investments. EBITDA decreased in the first six months of 2024 relative to the first six months of 2023 primarily due to losses from equity investments.

Ethylene Raw Materials—In Europe, naphtha is the primary raw material for our ethylene production and represented approximately 60% to 65% of the raw materials used in the second and first quarter of 2024, and in the first six months of 2024 and 2023.

The following table sets forth selected financial information for the O&P-EAI segment including Loss from equity investments, which is a component of EBITDA:

	Three Months Ended		Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Millions of dollars				
Sales and other operating revenues	\$ 2,842	\$ 2,745	\$ 5,587	\$ 5,621
Loss from equity investments	(16)	(32)	(48)	(18)
EBITDA	70	14	84	161

Revenue—Revenues increased by \$97 million, or 4%, in the second quarter of 2024 compared to the first quarter of 2024 and decreased by \$34 million, or 1%, in the first six months of 2024 compared to the first six months of 2023.

Second quarter of 2024 versus first quarter of 2024—Higher average sales prices resulted in a 3% increase in revenue as sales prices generally correlate with crude oil prices, which on average, increased compared to the first quarter of 2024. Higher volumes resulted in a revenue increase of 2% primarily due to an increase in demand. Unfavorable foreign exchange impacts resulted in a revenue decrease of 1%.

First six months of 2024 versus first six months of 2023—Lower average sales prices resulted in a decrease of 2% due to lower polyethylene demand. Higher volumes resulted in an increase of 1% due to the absence of planned and unplanned downtime.

EBITDA—EBITDA increased by \$56 million, or 400%, in the second quarter of 2024 compared to the first quarter of 2024 and decreased by \$77 million, or 48%, in the first six months of 2024 compared to the first six months of 2023.

Second quarter of 2024 versus first quarter of 2024—Higher olefins results led to a 264% increase in EBITDA primarily driven by higher margins as a result of higher ethylene prices and lower costs of ethylene production driven by an increased use of advantaged feedstocks. Improved results from our equity investments led to an increase in EBITDA of 100% mainly attributable to improved margins at our Asian joint ventures.

First six months of 2024 versus first six months of 2023—Losses from our equity investments led to a decline in EBITDA of 19% primarily driven by the absence of a gain on sale of asset recognized by one of our joint ventures in Europe in the first quarter of 2023.

Intermediates and Derivatives Segment

Overview—EBITDA increased in the second quarter of 2024 compared to the first quarter of 2024, and in the first six months of 2024 compared to the first six months of 2023 primarily due to recognition of a gain on the sale of the EO&D business. Higher volumes for oxyfuels and related products and intermediate chemicals further contributed to the increase in EBITDA in the second quarter of 2024 compared to the first quarter of 2024.

The following table sets forth selected financial information for the I&D segment including Loss from equity investments, which is a component of EBITDA:

	Three Months Ended		Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Millions of dollars				
Sales and other operating revenues	\$ 2,795	\$ 2,586	\$ 5,381	\$ 5,344
Loss from equity investments	(2)	(4)	(6)	(11)
EBITDA	794	312	1,106	898

Revenue—Revenues increased by \$209 million, or 8%, in the second quarter of 2024 compared to the first quarter of 2024 and by \$37 million, or 1%, in the first six months of 2024 compared to the first six months of 2023.

Second quarter of 2024 versus first quarter of 2024—Sales volumes increased due to the absence of unplanned downtime resulting in a 10% increase in revenue. Lower average sales prices resulted in a 2% decrease in revenue driven primarily by MTBE blend premiums reflecting increased market supply.

First six months of 2024 versus first six months of 2023—Sales volumes increased resulting in a 4% increase in revenue due to additional PO/TBA production. Lower average sales prices resulted in a 3% decrease in revenue driven by oxyfuels and related products as a result of lower gasoline crack spreads.

EBITDA—EBITDA increased by \$482 million, or 154%, in the second quarter of 2024 compared to the first quarter of 2024 and by \$208 million, or 23%, in the first six months of 2024 compared to the first six months of 2023.

Second quarter of 2024 versus first quarter of 2024—In the second quarter of 2024 we recognized a \$293 million gain on the sale of our EO&D business which resulted in a 94% increase in EBITDA. Improved oxyfuels and related products results led to an EBITDA increase of 29% as volumes increased due to the absence of unplanned downtime coupled with increased production at our newest PO/TBA asset. Intermediate chemicals results improved, resulting in a 17% increase in EBITDA primarily driven by higher volumes reflecting the absence of unplanned downtime.

First six months of 2024 versus first six months of 2023—EBITDA increased 33% due to the recognition of the gain on sale of the EO&D business in the second quarter of 2023.

Advanced Polymer Solutions Segment

Overview—EBITDA increased in the second quarter of 2024 relative to the first quarter of 2024 primarily due to higher margins. During the first quarter of 2023 we recognized a non-cash goodwill impairment charge of \$252 million, no similar charges were recognized during the first six months of 2024.

The following table sets forth selected financial information for the APS segment including Loss from equity investments, which is a component of EBITDA:

	Three Months Ended		Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Millions of dollars				
Sales and other operating revenues	\$ 948	\$ 965	\$ 1,913	\$ 1,957
Loss from equity investments	—	—	—	(1)
EBITDA	40	35	75	(192)

Revenue—Revenues decreased by \$17 million, or 2%, in the second quarter of 2024 compared to the first quarter of 2024 and by \$44 million, or 2%, in the first six months of 2024 compared to the first six months of 2023.

Second quarter of 2024 versus first quarter of 2024—Sales volumes decreased resulting in a 4% decrease in revenue stemming from lower demand. Average sales prices increased resulting in a 2% increase in revenue reflecting favorable product mix.

First six months of 2024 versus first six months of 2023—Average sales prices decreased resulting in a 5% decrease in revenue. Sales volumes increased resulting in a 3% increase in revenue due to increased recycled compounds capacity.

EBITDA—EBITDA increased by \$5 million or 14% in the second quarter of 2024 compared to the first quarter of 2024 and by \$267 million or 139% in the first six months of 2024 compared to the first six months of 2023.

Second quarter of 2024 versus first quarter of 2024—EBITDA increased by \$5 million primarily due to higher margins reflecting higher average sales prices.

First six months of 2024 versus first six months of 2023—During the first quarter of 2023 we recognized a non-cash goodwill impairment charge of \$252 million after the effect of moving our *Catalloy* and polybutene-1 businesses from our APS segment and reintegrating them into our O&P-Americas and O&P-EAI segments. The absence of a similar impairment charge in the first six months of 2024 was the primary driver for the improved EBITDA results.

Refining Segment

Overview—EBITDA decreased in the second quarter of 2024 compared to the first quarter of 2024 and in the first six months of 2024 compared to the first six months of 2023 primarily due to lower margins.

The following table sets forth selected financial information and heavy crude oil processing rates for the Refining segment and the U.S. refining market margins for the applicable periods. “Brent” is a light sweet crude oil and is one of the main benchmark prices for purchases of oil worldwide. “Maya” is a heavy sour crude oil grade produced in Mexico that is a relevant benchmark for heavy sour crude oils in the U.S. Gulf Coast market. References to industry benchmarks for refining market margins are to industry prices reported by Platts, a division of S&P Global.

	Three Months Ended		Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Millions of dollars				
Sales and other operating revenues	\$ 2,345	\$ 2,090	\$ 4,435	\$ 4,649
EBITDA	(7)	55	48	293
Thousands of barrels per day				
Heavy crude oil processing rates	250	212	231	236
Market margins, dollars per barrel				
Brent - 2-1-1	\$ 17.59	\$ 21.41	\$ 19.50	\$ 27.27
Brent - Maya differential	11.54	12.29	11.92	16.87
Total Maya 2-1-1	<u>\$ 29.13</u>	<u>\$ 33.70</u>	<u>\$ 31.42</u>	<u>\$ 44.14</u>

Revenue—Revenues increased by \$255 million, or 12%, in the second quarter of 2024 compared to the first quarter of 2024 and decreased by \$214 million, or 5%, in the first six months of 2024 compared to the first six months of 2023.

Second quarter of 2024 versus first quarter of 2024—Higher sales volumes due to the absence of planned and unplanned outages led to an 8% increase in revenue. Higher product prices led to a revenue increase of 4% due to an average Brent crude oil price increase of approximately \$3.15 per barrel.

First six months of 2024 versus first six months of 2023—Lower product prices led to a revenue decrease of 4% due to lower average sales prices reflecting lower margins on refined products. Sales volumes decreased resulting in a 1% decrease in revenue due to slightly lower operating rates.

EBITDA—EBITDA decreased by \$62 million, or 113%, in the second quarter of 2024 compared to the first quarter of 2024 and by \$245 million, or 84%, in the first six months of 2024 compared to the first six months of 2023.

Second quarter of 2024 versus first quarter of 2024—Lower margins resulted in an EBITDA decrease of 178% in the second quarter of 2024 due to a decrease in the Maya 2-1-1 industry crack spread of approximately \$4.57 per barrel to \$29.13 per barrel and a decrease in byproduct margins partially offset by the impact of commodity hedges. Higher volumes, as a result of the absence of planned and unplanned downtime in the second quarter of 2024, resulted in a 76% increase in EBITDA.

First six months of 2024 versus first six months of 2023—Lower margins resulted in a 114% decrease in EBITDA primarily due to a decrease in the Maya 2-1-1 industry crack spread of approximately \$12.72 per barrel to \$31.42 per barrel and lower by-product margins. A decrease in costs incurred related to our planned exit from the refining business in the first six months of 2024 compared to the first six months of 2023 resulted in a 33% increase in EBITDA.

Technology Segment

Overview—EBITDA decreased in the second quarter of 2024 compared to the first quarter of 2024 and increased in the first six months of 2024 relative to the first six months of 2023 primarily due to licensing results.

The following table sets forth selected financial information for the Technology segment:

	Three Months Ended		Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2024	June 30, 2023
Millions of dollars				
Sales and other operating revenues	\$ 159	\$ 192	\$ 351	\$ 293
EBITDA	84	118	202	152

Revenue—Revenues decreased by \$33 million, or 17%, in the second quarter of 2024 compared to the first quarter of 2024 and increased by \$58 million, or 20%, in the first six months of 2024 compared to the first six months of 2023.

Second quarter of 2024 versus first quarter of 2024—Lower licensing revenues resulting from more contracts with lower average values reaching significant contract milestones drove a 13% decrease in revenue. Lower catalyst volumes resulted in a 5% decrease in revenue primarily driven by weaker demand. Unfavorable foreign exchange impacts decreased revenue by 1%. Higher average catalyst sales prices resulted in a 2% increase in revenues.

First six months of 2024 versus first six months of 2023—Higher licensing revenues resulting from more contracts with higher average values reaching significant milestones drove a 15% increase in revenue. Higher catalyst volumes resulted in a 3% increase in revenue primarily driven by higher demand. Higher average catalyst sales prices resulted in a 2% increase in revenues.

EBITDA—EBITDA decreased by \$34 million, or 29%, in the second quarter of 2024 compared to the first quarter of 2024 and increased by \$50 million, or 33%, in the first six months of 2024 compared to the first six months of 2023.

Second quarter of 2024 versus first quarter of 2024—Licensing results led to a 21% decrease in EBITDA as a result of more contracts with lower average values reaching significant milestones. Lower catalyst volumes resulted in a 7% decrease in EBITDA driven by lower polymer end-use demand.

First six months of 2024 versus first six months of 2023—Licensing results led to a 31% increase in EBITDA as a result of more contracts with higher average values reaching significant milestones.

FINANCIAL CONDITION

Operating, investing and financing activities of continuing operations, which are discussed below, are presented in the following table:

<u>Millions of dollars</u>	Six Months Ended June 30,	
	2024	2023
Cash provided by (used in):		
Operating activities	\$ 1,234	\$ 1,772
Investing activities	(823)	(742)
Financing activities	(893)	(701)

Operating Activities—Cash provided by operating activities of \$1,234 million in the first six months of 2024 primarily reflected earnings adjusted for non-cash items and cash used by the main components of working capital—Accounts receivable, Inventories, and Accounts payable.

In the first six months of 2024, the main components of working capital used \$566 million of cash primarily driven by increases in Accounts receivable and Inventories partially offset by an increase in Accounts payable. The increase in Accounts receivable was primarily due to higher volumes sold coupled with timing of receipts. Our I&D and Refining segments built inventory to align with demand. The increase in Accounts payable was primarily driven by timing of payments and higher raw material costs for our Refining segment.

Cash provided by operating activities of \$1,772 million in the first six months of 2023 primarily reflected earnings adjusted for non-cash items and cash used by the main components of working capital.

In the first six months of 2023, the main components of working capital used \$605 million of cash driven primarily by increases in Inventories and Accounts receivable. The increase in Inventories was primarily due to inventory build associated with our PO/TBA plant as well as planned and unplanned outages. The increase in Accounts receivable was primarily driven by higher volumes and average sales prices in our O&P-EAI and I&D segments.

Investing Activities—Capital expenditures in the first six months of 2024 totaled \$967 million compared to \$653 million in the first six months of 2023. During the first six months of 2024 and 2023, approximately 80% and 60% of the expenditures support sustaining maintenance, respectively, with the remaining expenditures supporting profit-generating growth projects. Capital expenditures in the first six months of 2023 included spending for our PO/TBA plant. See Note 12 to the Consolidated Financial Statements for additional information regarding capital expenditures by segment.

In the second quarter of 2024 we sold our EO&D business for \$700 million and invested approximately \$500 million to acquire a 35% stake in the NATPET joint venture in Saudi Arabia. See Note 12 to the Consolidated Financial Statements for additional information.

Financing Activities—We made dividend payments totaling \$846 million and \$797 million in the first six months of 2024 and 2023, respectively. Additionally, we made payments of \$75 million and \$170 million to repurchase outstanding ordinary shares in the first six months of 2024 and 2023, respectively.

In February 2024, we issued \$750 million of 5.5% guaranteed notes due 2034. In March 2024, we repaid the \$775 million remaining of outstanding principal on our 5.75% senior notes due 2024.

In May 2023, we issued \$500 million of 5.625% guaranteed notes due 2033. For additional detail regarding these debt transactions see Note 6 to the Consolidated Financial Statements.

Through the repurchase and issuance of commercial paper instruments under our commercial paper program, we made net repayments of \$200 million in the first six months of 2023.

In April 2024, foreign currency contracts with an aggregate notional value of €784 million expired. Upon settlement of these foreign currency contracts, which were designated as cash flow hedges, we paid €784 million (\$835 million at the expiry spot rate) to our counterparties and received \$849 million from our counterparties.

Liquidity and Capital Resources

Overview

We plan to fund our working capital, capital expenditures, debt service, dividends and other cash requirements with our current available liquidity and cash from operations, which could be affected by general economic, financial, competitive, legislative, regulatory, business and other factors, many of which are beyond our control. Debt repayment, and the purchase of shares under our share repurchase authorization, may be funded from cash and cash equivalents, cash from short-term investments, cash from operating activities, proceeds from the issuance of debt, or a combination thereof.

As part of our overall capital allocation strategy, we plan to provide returns to shareholders in the form of dividends and share repurchases. Barring any significant or unforeseen business challenges, mergers or acquisitions, over the long-term, we are targeting shareholder returns of 70% of free cash flow, defined as net cash provided by operating activities less capital expenditures. We intend to continue to declare and pay quarterly dividends, with the goal of increasing the dividend over time, after giving consideration to our cash balances and expected results from operations. Our focus on funding our dividends while remaining committed to a strong investment grade balance sheet continues to be the foundation of our capital allocation strategy.

Cash and Liquid Investments

As of June 30, 2024, we had Cash and cash equivalents totaling \$2,839 million, which includes \$1,768 million in jurisdictions outside of the U.S., the majority of which is held within the European Union and the United Kingdom. There are currently no legal or economic restrictions that would materially impede our transfers of cash.

Credit Arrangements

At June 30, 2024, we had total debt, including current maturities, of \$11,190 million. Additionally, we had \$169 million of outstanding letters of credit, bank guarantees and surety bonds issued under uncommitted credit facilities.

We had total unused availability under our credit facilities of \$4,150 million at June 30, 2024, which included the following:

- \$3,250 million under our \$3,250 million Senior Revolving Credit Facility, which backs our \$2,500 million commercial paper program. Availability under this facility is net of outstanding borrowings, outstanding letters of credit provided under the facility and notes issued under our commercial paper program. At June 30, 2024, we had no outstanding commercial paper and no borrowings or letters of credit outstanding under this facility; and
- \$900 million under our \$900 million U.S. Receivables Facility. Availability under this facility is subject to a borrowing base of eligible receivables, which is reduced by outstanding borrowings and letters of credit, if any. At June 30, 2024, we had no borrowings or letters of credit outstanding under this facility. In May 2024, we extended the term of the facility to June 2025 in accordance with the terms of the agreement.

At any time and from time to time, we may repay or redeem our outstanding debt, including purchases of our outstanding bonds in the open market, through privately negotiated transactions or a combination thereof, in each case using cash and cash equivalents, cash from our short-term investments, cash from operating activities, proceeds from the issuance of debt or proceeds from asset divestitures. Any repayment or redemption of our debt will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. In connection with such repurchases or redemptions, we may incur cash and non-cash charges, which could be material in the period in which they are incurred.

In July 2024, we amended our credit agreement to increase our senior unsecured revolving credit facility from \$3,250 million to \$3,750 million and extend the maturity to July 2029.

Share Repurchases

In May 2024, our shareholders approved a proposal to authorize us to repurchase up to 34.0 million ordinary shares, through November 24, 2025, which superseded any prior repurchase authorizations. Our share repurchase authorization does not have a stated dollar amount, and purchases may be made through open market purchases, private market transactions or other structured transactions. Repurchased shares could be retired or used for general corporate purposes, including for various employee benefit and compensation plans. The maximum number of shares that may yet be purchased is not necessarily an indication of the number of shares that will ultimately be purchased. In the first six months of 2024, we purchased approximately 0.8 million shares under our share repurchase authorizations for \$75 million.

As of July 31, 2024, we had approximately 33.3 million shares remaining under the current authorization. The timing and amounts of additional shares repurchased, if any, will be determined based on our evaluation of market conditions and other factors, including any additional authorizations approved by our shareholders. For additional information related to our share repurchase authorizations, see Note 10 to the Consolidated Financial Statements.

CURRENT BUSINESS OUTLOOK

In the third quarter of 2024 we expect margins to continue to benefit from low costs for natural gas and natural gas liquids utilized in our North American and Middle East production relative to higher oil-based costs in other regions. With the summer driving season underway, oxyfuels margins are expected to remain above historical levels with high octane premiums. During the third quarter of 2024, we expect to operate our assets in line with market demand with average operating rates of 85% for our O&P-Americas assets, 80% for European O&P-EAI assets and 75% for I&D assets.

ACCOUNTING AND REPORTING CHANGES

For a discussion of the potential impact of new accounting pronouncements on the Consolidated Financial Statements, see Note 2 to the Consolidated Financial Statements.

CAUTIONARY STATEMENT FOR THE PURPOSES OF THE “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This report includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934 (the “Exchange Act”). You can identify our forward-looking statements by the words “anticipate,” “estimate,” “believe,” “continue,” “could,” “intend,” “may,” “plan,” “potential,” “predict,” “should,” “will,” “expect,” “objective,” “projection,” “forecast,” “goal,” “guidance,” “outlook,” “effort,” “target” and similar expressions.

We based forward-looking statements on our current expectations, estimates and projections of our business and the industries in which we operate. We caution you that these statements are not guarantees of future performance. They involve assumptions about future events that, while made in good faith, may prove to be incorrect, and involve risks and uncertainties we cannot predict. Our actual outcomes and results may differ materially from what we have expressed or forecast in the forward-looking statements. Any differences could result from a variety of factors, including the following:

- the cost of raw materials represents a substantial portion of our operating expenses, and energy costs generally follow price trends of crude oil, natural gas liquids and/or natural gas; price volatility can significantly affect our results of operations and we may be unable to pass raw material and energy cost increases on to our customers due to the significant competition that we face, the commodity nature of our products and the time required to implement pricing changes;
- our operations in the United States (“U.S.”) have benefited from low-cost natural gas and natural gas liquids; decreased availability of these materials (for example, from their export or regulations impacting hydraulic fracturing in the U.S.) could reduce the current benefits we receive;
- if crude oil prices are low relative to U.S. natural gas prices, we could see less benefit from low-cost natural gas and natural gas liquids and it could have a negative effect on our results of operations;
- industry production capacities and operating rates may lead to periods of oversupply and low profitability;
- we may face unplanned operating interruptions (including leaks, explosions, fires, weather-related incidents, mechanical failures, unscheduled downtime, supplier disruptions, labor shortages, strikes, work stoppages or other labor difficulties, transportation interruptions, spills and releases and other environmental incidents) at any of our facilities, which would negatively impact our operating results;
- changes in general economic, business, political and regulatory conditions in the countries or regions in which we operate could increase our costs, restrict our operations and reduce our operating results;
- our ability to execute our organic growth plans may be negatively affected by our ability to complete projects on time and on budget;
- the successful outcome of any strategic review of our assets, or our ability to acquire or dispose of product lines or businesses could disrupt our business and harm our financial condition;
- uncertainties associated with worldwide economies could create reductions in demand and pricing, as well as increased counterparty risks, which could reduce liquidity or cause financial losses resulting from counterparty default;
- the negative outcome of any legal, tax and environmental proceedings or changes in laws or regulations regarding legal, tax and environmental matters may increase our costs, reduce demand for our products, or otherwise limit our ability to achieve savings under current regulations;
- any loss or non-renewal of favorable tax treatment under tax agreements or tax treaties, or changes in tax laws, regulations or treaties, may substantially increase our tax liabilities;

- we may be required to reduce production or idle certain facilities because of the cyclical and volatile nature of the supply-demand balance in the chemical and refining industries, which would negatively affect our operating results;
- we rely on continuing technological innovation, and an inability to protect our technology, or others' technological developments could negatively impact our competitive position;
- we may be unable to continue operations until the shutdown of the Houston refinery within the expected timeframe or without incurring additional charges or expenses;
- we have significant international operations, and fluctuations in exchange rates, valuations of currencies and our possible inability to access cash from operations in certain jurisdictions on a tax-efficient basis, if at all, could negatively affect our liquidity and our results of operations;
- we are subject to the risks of doing business at a global level, including wars, terrorist activities, political and economic instability and disruptions and changes in governmental policies, which could cause increased expenses, decreased demand or prices for our products and/or disruptions in operations, all of which could reduce our operating results;
- if we are unable to achieve our emission reduction, circularity, or other sustainability targets, it could result in reputational harm, changing investor sentiment regarding investment in our stock or a negative impact on our access to and cost of capital;
- our ability to execute and achieve expected results of our value enhancement program;
- if we are unable to comply with the terms of our credit facilities, indebtedness and other financing arrangements, those obligations could be accelerated, which we may not be able to repay; and
- we may be unable to incur additional indebtedness or obtain financing on terms that we deem acceptable, including for refinancing of our current obligations; higher interest rates and costs of financing would increase our expenses.

Any of these factors, or a combination of these factors, could materially affect our future results of operations and the ultimate accuracy of the forward-looking statements. Our management cautions against putting undue reliance on forward-looking statements or projecting any future results based on such statements or present or prior earnings levels.

All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section and any other cautionary statements that may accompany such forward-looking statements. Except as otherwise required by applicable law, we disclaim any duty to update any forward-looking statements.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our exposure to market and regulatory risks is described in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2023. Our exposure to such risks has not changed materially in the six months ended June 30, 2024.

Item 4. CONTROLS AND PROCEDURES

As of June 30, 2024, with the participation of our management, our Chief Executive Officer (principal executive officer) and our Chief Financial Officer (principal financial officer) carried out an evaluation, pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended (the “Act”), of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Act). Based upon that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our disclosure controls and procedures were effective as of June 30, 2024.

There have been no changes in our internal controls over financial reporting, as defined in Rule 13a-15(f) of the Act, in the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Information regarding our litigation and legal proceedings can be found in Note 9 to the Consolidated Financial Statements, which is incorporated into this Item 1 by reference.

Item 1A. RISK FACTORS

There have been no material changes to the risk factors associated with our business previously disclosed in “Item 1A. Risk Factors,” in our Annual Report on Form 10-K for the year ended December 31, 2023.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Authorizations	Maximum Number of Shares That May Yet Be Purchased Under the Plans or Authorizations
April 1 - April 30	—	\$ —	—	33,058,941
May 1 - May 23	—	\$ —	—	33,058,941
May 24 - May 31	—	\$ —	—	34,042,250
June 1 - June 30	784,505	\$ 95.62	784,505	33,257,745
Total	<u>784,505</u>	<u>\$ 95.62</u>	<u>784,505</u>	33,257,745

On May 24, 2024, our shareholders approved a share repurchase authorization of up to 34,042,250 shares of our ordinary shares, through November 24, 2025, which superseded any prior repurchase authorizations. The maximum number of shares that may yet be purchased is not necessarily an indication of the number of shares that will ultimately be purchased.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

During the three months ended June 30, 2024, none of our Section 16 officers or directors adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement.”

Item 6. EXHIBITS

Exhibit Number	Description
10.1	<u>Sixth Amendment to Receivables Purchase Agreement, dated as of May 29, 2024, among Lyondell Chemical Company, as servicer, LYB Receivables LLC, as seller, the conduit purchasers, related committed purchasers, LC participants and purchaser agents party thereto, the other parties thereto and Mizuho Bank, Ltd., as Administrator and LC Bank (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on May 30, 2024).</u>
10.2	<u>Third Amended and Restated Credit Agreement, dated July 17, 2024, among LyondellBasell Industries N.V. and LYB Americas Finance Company LLC, as Borrowers, the various institutions from time to time party thereto as Lenders and L/C Issuers, Citibank, N.A., as Administrative Agent, and Wells Fargo Bank, National Association, as Syndication Agent (incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K filed with the SEC on July 18, 2024).</u>
31.1*	<u>Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934</u>
31.2*	<u>Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934</u>
32**	<u>Certifications pursuant to 18 U.S.C. Section 1350</u>
101.INS*	XBRL Instance Document—The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	XBRL Schema Document
101.CAL*	XBRL Calculation Linkbase Document
101.DEF*	XBRL Definition Linkbase Document
101.LAB*	XBRL Labels Linkbase Document
101.PRE*	XBRL Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

* Filed herewith

** Furnished herewith

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LYONDELLBASELL INDUSTRIES N.V.

Date: August 2, 2024

/s/ Chukwuemeka A. Oyolu
Chukwuemeka A. Oyolu
Senior Vice President,
Chief Accounting Officer and Investor Relations
(Principal Accounting Officer)

CERTIFICATION

I, Peter Vanacker, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LyondellBasell Industries N.V.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 2, 2024

/s/ Peter Vanacker
Peter Vanacker
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Michael C. McMurray, certify that:

1. I have reviewed this quarterly report on Form 10-Q of LyondellBasell Industries N.V.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 2, 2024

/s/ Michael C. McMurray
Michael C. McMurray
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATIONS PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report of LyondellBasell Industries N.V. (the Company) on Form 10-Q for the period ended June 30, 2024, as filed with the U.S. Securities and Exchange Commission on the date hereof (the Report), each of the undersigned hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to their knowledge:

- (1) The Report fully complies with the requirements of Sections 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 2, 2024

/s/ Peter Vanacker
Peter Vanacker
Chief Executive Officer
(Principal Executive Officer)

/s/ Michael C. McMurray
Michael C. McMurray
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)