

**Citi Basic Materials Conference**

**Thomas Aebischer**

**CFO**

November 27, 2018

## Cautionary Statement

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The statements in this presentation relating to matters that are not historical facts are forward-looking statements. These forward-looking statements are based upon assumptions of management which are believed to be reasonable at the time made and are subject to significant risks and uncertainties. Actual results could differ materially based on factors including, but not limited to, the business cyclicality of the chemical, polymers and refining industries; the availability, cost and price volatility of raw materials and utilities, particularly the cost of crude oil, natural gas, and associated natural gas liquids; competitive product and pricing pressures; labor conditions; our ability to attract and retain key personnel; operating interruptions (including leaks, explosions, fires, weather-related incidents, mechanical failure, unscheduled downtime, supplier disruptions, labor shortages, strikes, work stoppages or other labor difficulties, transportation interruptions, spills and releases and other environmental risks); the supply/demand balances for our and our joint ventures' products, and the related effects of industry production capacities and operating rates; our ability to achieve expected cost savings and other synergies; our ability to successfully execute projects and growth strategies; any proposed business combination, the expected timetable for completing any proposed transactions and the receipt of any required governmental approvals, future financial and operating results, benefits and synergies of any proposed transactions, future opportunities for the combined company; legal and environmental proceedings; tax rulings, consequences or proceedings; technological developments, and our ability to develop new products and process technologies; potential governmental regulatory actions; political unrest and terrorist acts; risks and uncertainties posed by international operations, including foreign currency fluctuations; and our ability to comply with debt covenants and service our debt. Additional factors that could cause results to differ materially from those described in the forward-looking statements can be found in the "Risk Factors" section of our Form 10-K for the year ended December 31, 2017, which can be found at [www.LyondellBasell.com](http://www.LyondellBasell.com) on the Investor Relations page and on the Securities and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

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

Reconciliations for our non-GAAP measures can be found in the Appendix to this presentation or on our website at [www.LyondellBasell.com/investorrelations](http://www.LyondellBasell.com/investorrelations).

# LyondellBasell

## A Strong, Global Company Delivering Outstanding Performance

### GLOBAL

**\$47 billion** enterprise value<sup>(1)</sup>

Manufacturing in **24** countries and our products are sold in more than **100** countries

### LEADING<sup>(2)</sup>

**#1**

Producer of  
polyethylene in  
Europe

**POLYETHYLENE**



**ETHYLENE**

**#1**

Producer of  
polypropylene in  
N. America and Europe

**POLYPROPYLENE**



**PROPYLENE**

**#2**

Producer of  
propylene oxide  
in the world

**PROPYLENE  
OXIDE**



**PROPYLENE**

### GROWING

#### OLEFINS & POLYOLEFINS

Expanded polypropylene compounds capacity in  
**China, India** and **Europe**

Building the first world-scale **Hyperzone HDPE plant**

**Acquired** A. Schulman

#### INTERMEDIATES & DERIVATIVES

Began construction for the world's largest  
**PO/TBA plant**

(1) Enterprise value means market capitalization plus preferred equity (non-controlling interests), total debt and minority interest less cash and cash equivalents and short term investments as of September 30, 2018.

(2) Source IHS, LYB. 2017 ranking as of Dec. 31, 2017

# LyondellBasell 3Q 2018 Last Twelve Months

## Delivering Results

**\$ 5.9 billion**  
Net Income

**\$ 7.4 billion**  
EBITDA

**9.7%**  
Free Cash Flow Yield

## Advancing Growth

Continued evaluation of  
**Braskem**  
opportunity

Premium Polyolefin  
**Recycling JV  
with Suez**

Construction on track  
for *Hyperzone* HDPE  
**1.1 billion lb**

Completed acquisition of  
**A. Schulman**

**New  
Compounding  
Plant**  
Dalian, China

Building the  
world's largest  
**PO/TBA Plant**

## Capturing Opportunity

Refinery Reliability  
**Capturing  
Margin**

**Monetizing  
Innovation**  
by Licensing Technology

**Targeted  
Investment**  
In Project Management  
& Execution

# LYB Portfolio Diversity Increases Earnings Resiliency

## Stable:

Global Portfolio

## Improved:

I&D performance

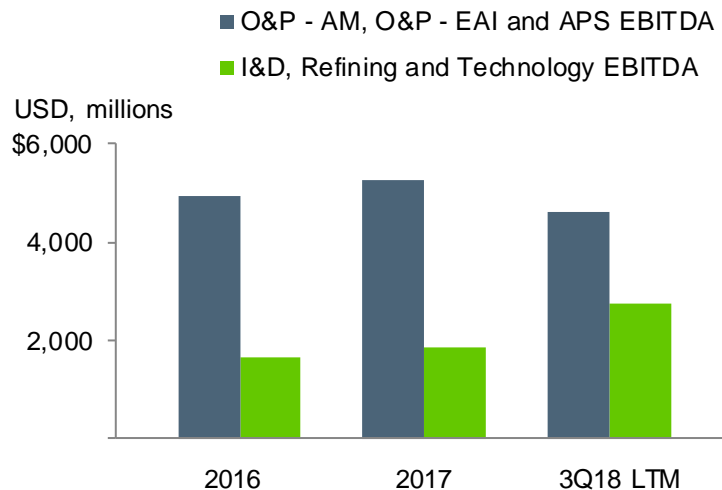
Refining operations

## Growing:

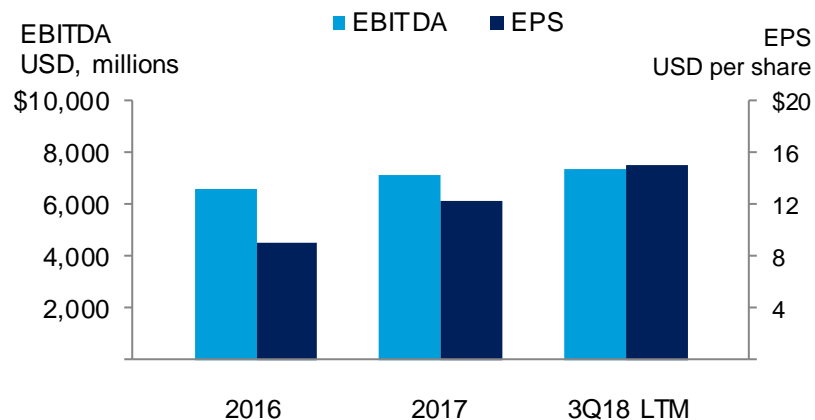
Acquisition of A. Schulman

Technology licensing

### Segment EBITDA

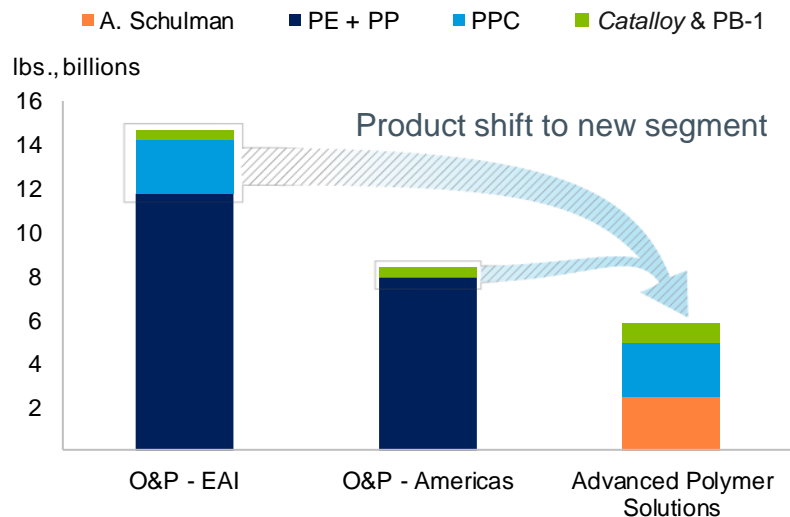


### LyondellBasell Profitability



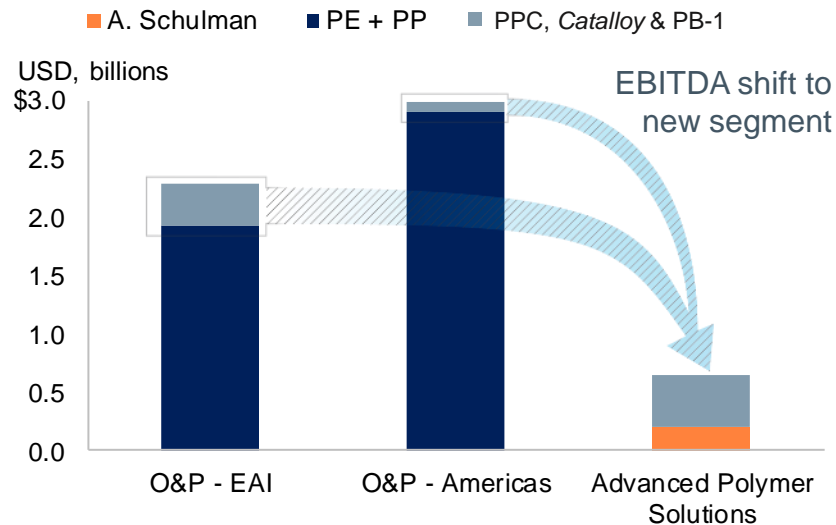
# Advanced Polymer Solutions: Creating a New Platform for Growth

## 2017 Sales Volume<sup>(1)</sup>



- A. Schulman ~ 2.4 Blb
- LyondellBasell ~ 3.4 Blb
  - PP Compounds
  - Catalloy
  - PB-1

## 2017 EBITDA<sup>(2)</sup>



- A. Schulman ~ \$200 MM
- LyondellBasell ~ \$440 MM
  - PP Compounds
  - Catalloy
  - PB-1

(1) 2017 sales volume represents LyondellBasell's third party polyethylene, polypropylene, polypropylene compounds, Catalloy and polybutene-1 sales for the twelve-month period ended December 31, 2017. A. Schulman was acquired on August 21, 2018. A. Schulman information was obtained from publicly available quarterly release data and management estimate for the twelve-month period ended November 30, 2017.

(2) A. Schulman EBITDA is adjusted EBITDA based on publicly available quarterly release data for the twelve-month period ended November 30, 2017.

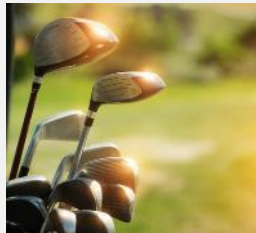
# Advanced Polymer Solutions: A New Segment Focusing on Broad and Attractive Markets

## Compounding & Solutions

Polypropylene  
Compounds



Masterbatch



Engineered  
Composites



Engineered  
Plastics

Specialty  
Powders



Custom  
Performance  
Colors



## Advanced Polymers

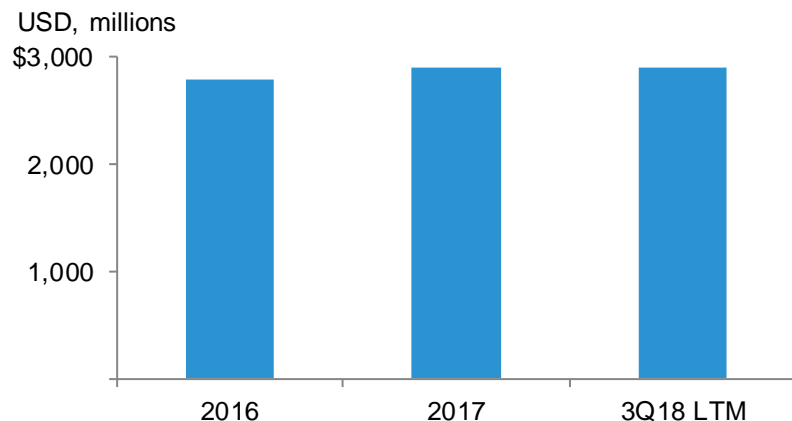
*Catalloy*



Polybutene-1

# Olefins & Polyolefins - Americas: Strong Demand Fundamentals Support Polyolefin Chain Margins

## EBITDA History



## Key Messages

- Proven operational reliability
- U.S. feedstock advantaged
- Strong earnings and cash generator in diverse market

## 2017 Product Capacities and Rankings<sup>(1)</sup>

Product	Capacity (Blbs)	North America Ranking
Ethylene	11.8	#2
Polyethylene	6.4	#3
Polypropylene	3.3	#1



(1) Source: IHS and LYB. LYB wholly-owned capacity and proportional share of JV capacity as of December 31, 2017. Polypropylene does not include *Catalloy* which was shifted to the new Advanced Polymer Solutions segment.



# Cracker Flexibility & Midstream Investment: Expected to Reduce Ethane Price Volatility by 2020

## Recent Mont Belvieu ethane price volatility

~ 25 - 60 ¢/gal

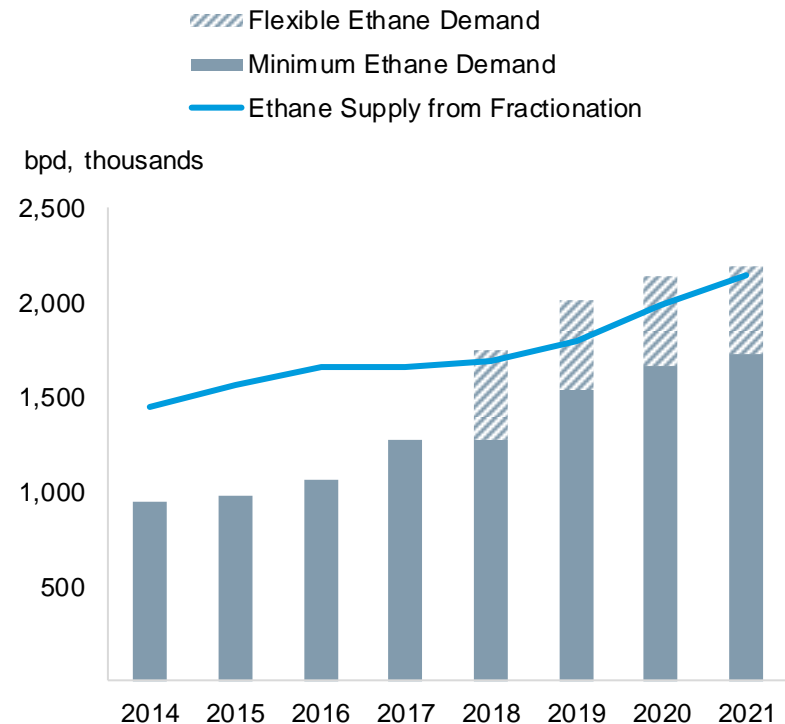
### Aggravating factors:

- New ethylene capacity
- Fewer fractionation additions
- Pipeline constraints

### Relieving factors:

- Ethylene feedstock flexibility
- New fractionation capacity
- Fewer ethylene capacity additions
- Pipeline builds/expansions/repurposing
- Ethylene industry downtime

## Gulf Coast Ethane Demand & Supply from Fractionation



Source: EIA, IHS, Jacobs Consultancy and LYB estimates. Gulf coast data represents PADD 3. Minimum ethane demand includes ethane exports, ethane demand for ethane crackers and minimum ethane demand for flexible crackers. Flexible ethane demand reflects the ability of flexible crackers to switch to alternative feeds similar to levels consumed during 2006-2008.

# LyondellBasell Flexibility & Business Portfolio Reduces Ethane Impacts

## Advantaged N. American Cracker Fleet:

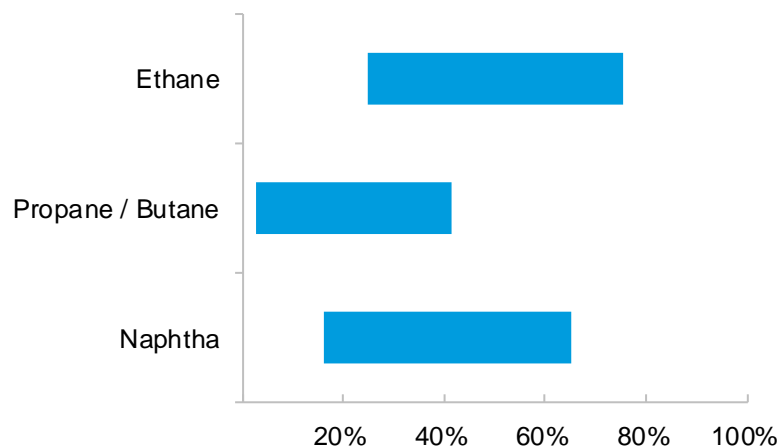
- Gulf Coast crackers
  - High feedstock flexibility
- Midwest crackers
  - Low priced Conway feedstock

Annual EBITDA impact due to a 20 ¢/gal ethane price change<sup>(2)</sup> = **\$380 MM**

## Diverse portfolio offers potential pricing offsets:

- Polyethylene
- Styrene
- Ethylene Oxide & Derivatives
- Vinyl Acetate Monomer

## LYB U.S. Gulf Coast Feedstock Flexibility<sup>(1)</sup>

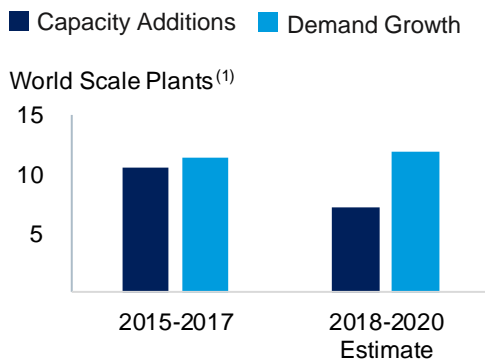


(1) Source: LYB. Data represents the percentage of feedstock used in LYB's U.S. Gulf Coast crackers.

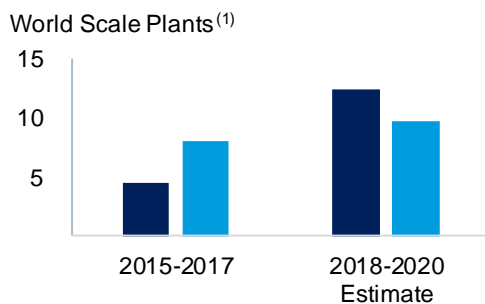
(2) Source: LYB. Basis for ethylene impact is ethylene production, net of metathesis unit consumption. Impact assumes a 20 ¢/gal ethane increase for a full year and ethane representing 80% of LYB's U.S. Gulf Coast cracker feedstocks.

# LYB's *Hyperzone* PE Technology is Poised to Capture HDPE Demand

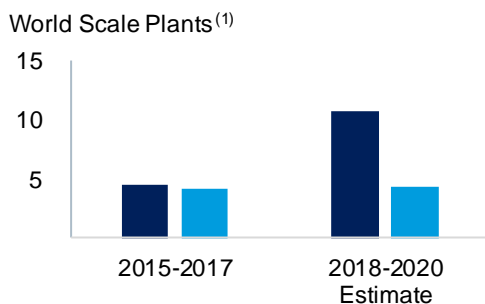
HDPE



LLDPE



LDPE



## La Porte *Hyperzone* HDPE

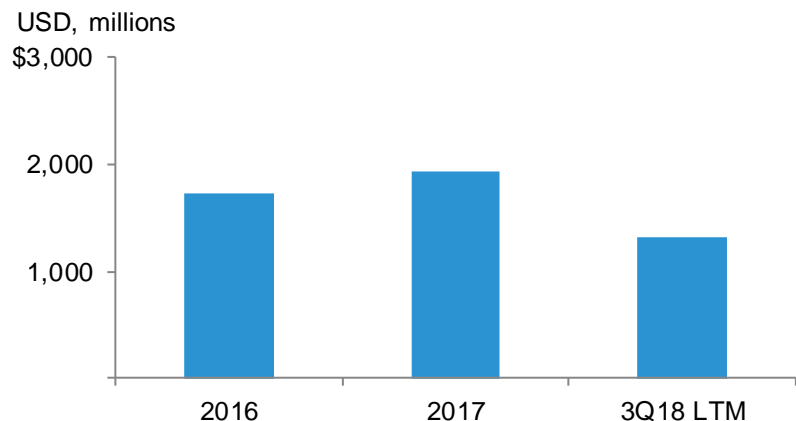
- 1.1 billion pounds per year
- Estimated investment: ~\$725 million
- Startup 2019
- Estimated EBITDA<sup>(2)</sup>: \$150 - \$200 MM/year

(1) Source: IHS polyethylene supply-demand data with an operating rate of 90%. World scale plant equivalents are 1.1 billion pounds.

(2) For the purpose of this slide, estimated EBITDA for *Hyperzone* Polyethylene is volume times average 2015-2017 margins.

# Olefins & Polyolefins – Europe, International and Asia: Leveraging O&P Restructuring in a Diverse Market

## EBITDA History



## Key Messages

- Capacity leader in European polyethylene and polypropylene
- Stable portfolio of wholly-owned and joint venture assets
- Modestly growing market with limited capacity additions

## 2017 Product Capacities and Rankings<sup>(1)</sup>

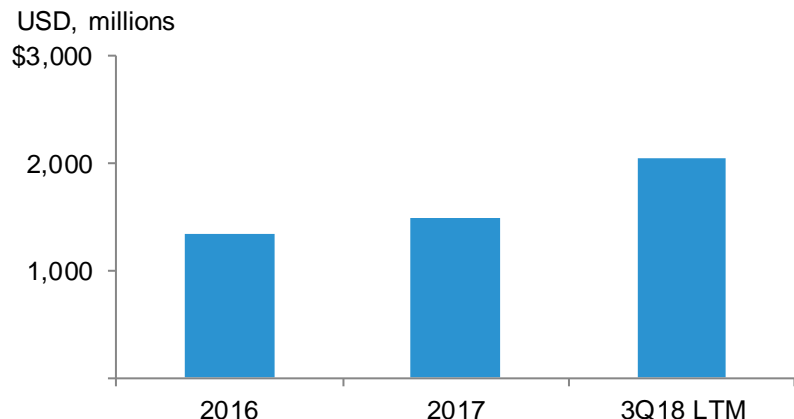
Product	Europe Capacity (Blbs)	Europe Ranking
Ethylene	4.3	#5
Polyethylene	4.8	#1
Polypropylene	5.2	#1



(1) Source: IHS and LYB. LYB wholly-owned capacity and proportional share of JV capacity as of December 31, 2017. Polypropylene does not include *Catalloy* which was shifted to the new Advanced Polymer Solutions segment.

# Intermediates and Derivatives: Structural Changes and Reliable Operations Capturing Opportunities

## EBITDA History



## Key Messages

- Improved contracting strategies
- Broad product portfolio with feedstock integration
- Leading market positions and differential technologies create a platform for growth

## 2017 Product Capacities and Rankings<sup>(1)</sup>

Product	Capacity	Global Ranking
Propylene Oxide	2.8 Blbs	#2
Oxyfuels	75 MBPD	#2
Styrene	3.8 Blbs	#3



(1) Source: IHS and LYB. LYB wholly-owned capacity and proportional share of JV capacity as of December 31, 2017

# Advancing Our Leading PO/TBA Technology and Market Position

- 1.0 billion pounds Propylene Oxide, 2.2 billion pounds TBA
- Est. cost: ~\$2.4 billion
- Groundbreaking – Mid 2018
- Startup 2021
- Estimated EBITDA<sup>(1)</sup>: \$350 - \$450 MM/year

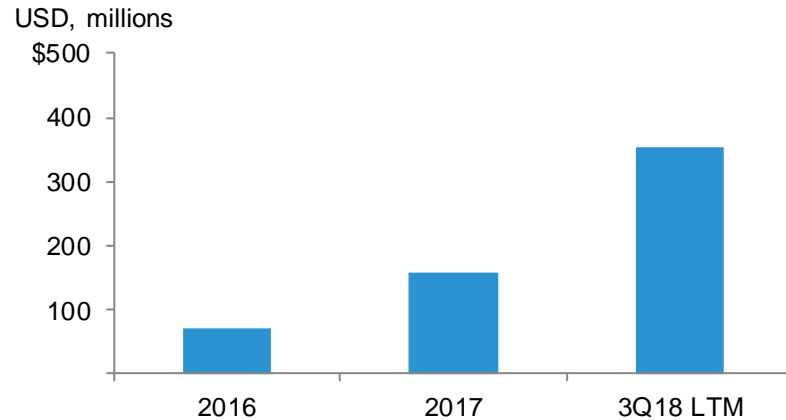


Value-driven growth supported by advantaged feedstocks and technology

(1) For the purpose of this slide, estimated EBITDA for Propylene Oxide / TBA is volume times 2015-2017 average margins.

# Refining: Improved Reliability Producing Results

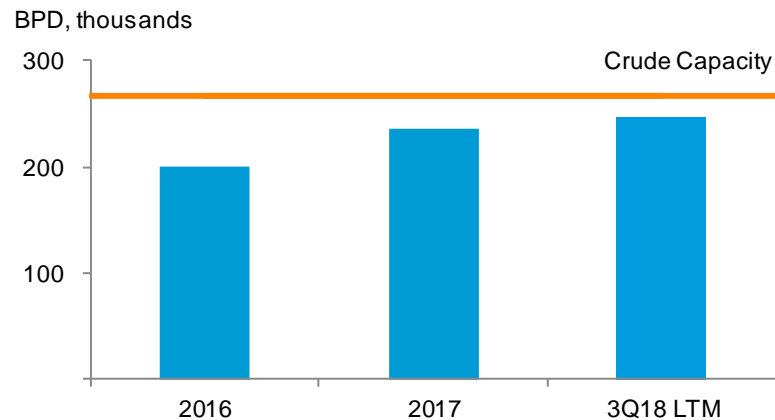
## EBITDA



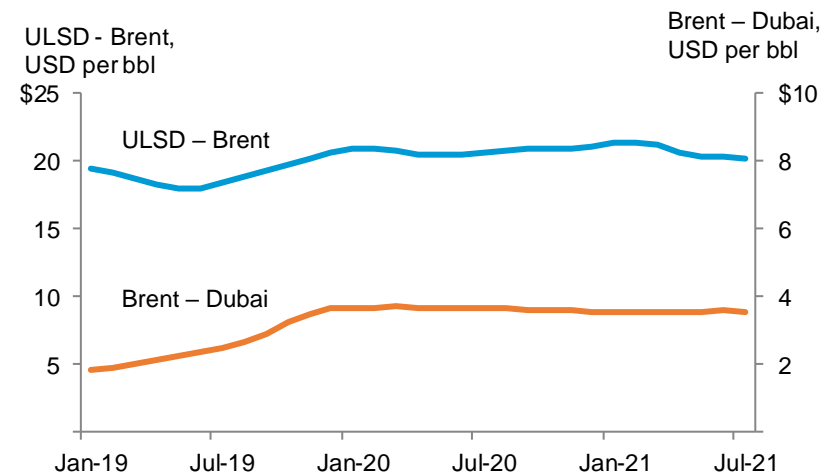
## Refinery Outlook

- Improved reliability since 2017
- Increased profitability driven by strong diesel demand and improved heavy/light crude differentials
- Full capability to meet Tier 3 gasoline sulfur specifications
- Poised to benefit from the January 2020 IMO marine fuel oil sulfur regulations

## Refining Throughput



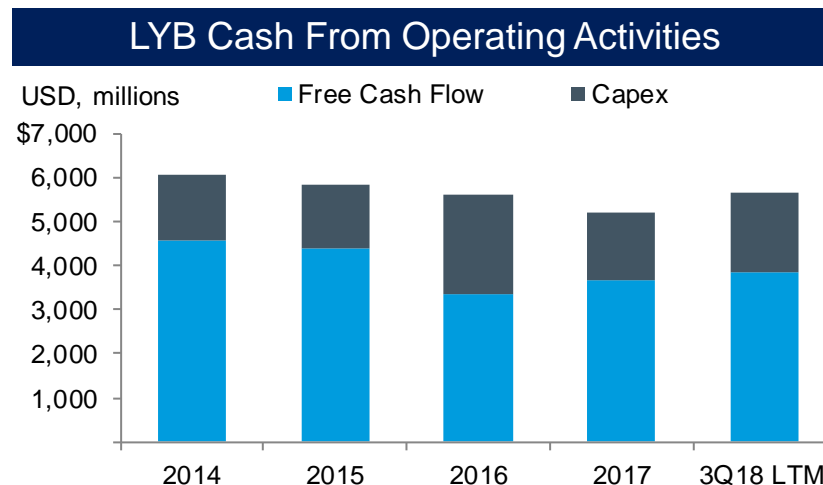
## Indicative Forward Curves<sup>(1)</sup>



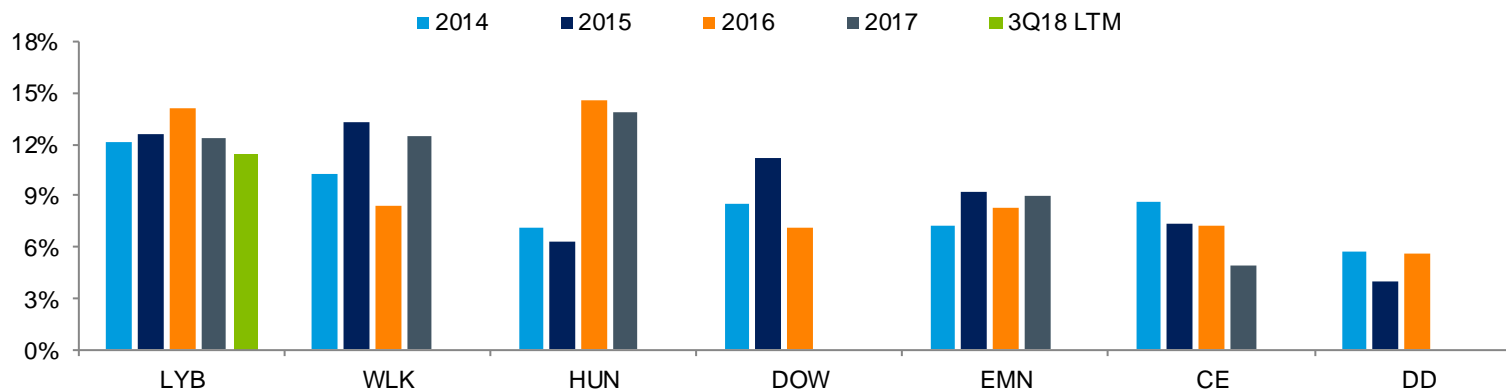
(1) Source: NYMEX as of Nov 1, 2018

# Strong, Consistent Cash Generation

- 3Q18 LTM Capex: \$1.8 billion
- 3Q18 LTM Free Cash Flow<sup>(1)</sup>: \$3.8 billion
- 3Q18 Ending Total Liquidity<sup>(2)</sup>: \$5.3 billion



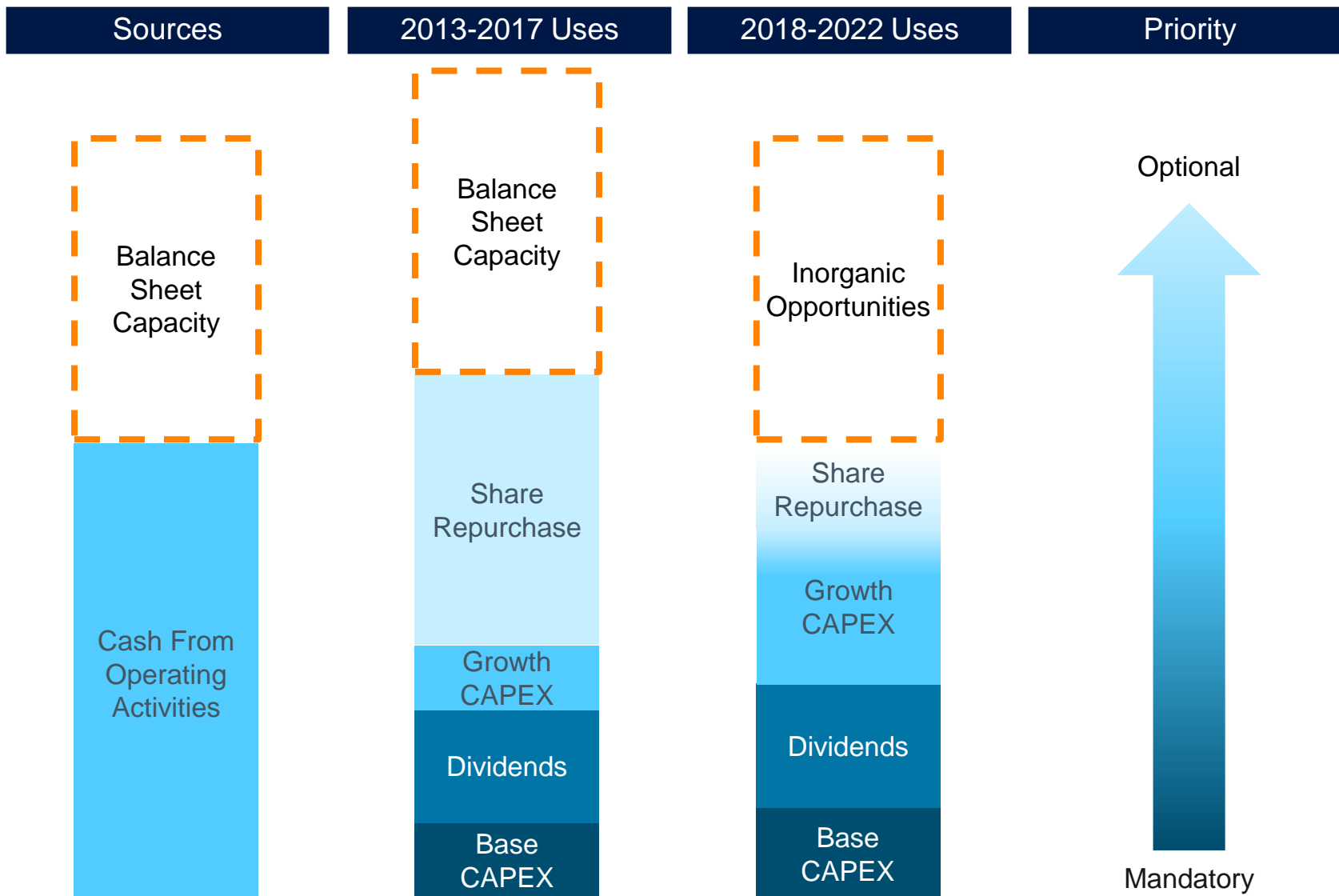
### Cash From Operating Activities as a Percent of Average Enterprise Value<sup>(3)</sup>



- (1) Free Cash Flow is calculated as cash from operating activities less capital expenditures.
- (2) Total liquidity includes cash and cash equivalents, restricted cash and restricted cash equivalents, short term investments, repurchase agreements, and availability under our Senior Revolving Credit Facility and U.S. Receivables Facility as of September 30, 2018.
- (3) Source: CapIQ, LYB. Cash from operating activities is as of December 31 for each full year and as of September 30, 2018 for the period 3Q18 LTM. Average enterprise value means average market capitalization plus preferred equity, total debt and minority interest less cash and cash equivalents and short term investments. Market capitalization is based upon the average daily closing share price for the respective period. Preferred equity, total debt, minority interest, cash and cash equivalents and short-term investments are as of the last day of the respective period.



# Profitability Supports Reinvestment for Value-Driven Growth



Note: Graphic for illustrative purposes only.

# Tangible Earnings Growth Over the Next Twelve Months



## Acquisition of A. Schulman

Vertical Integration

End-to-End Customer Solutions

Diverse and Growing Market

## Hyperzone HDPE

Poised to Capture HDPE Demand

Increased Capture of Ethylene Chain Margin

Serving a Balanced Global Market

## I&D Improvement

Sustainable Contract Improvements

Improved Capture of Market Upside

Robust Global Demand

## Refinery Reliability

Increased Focus on Operational Excellence

Six Consecutive Quarters of Stable Operation

Improved Margin Capture

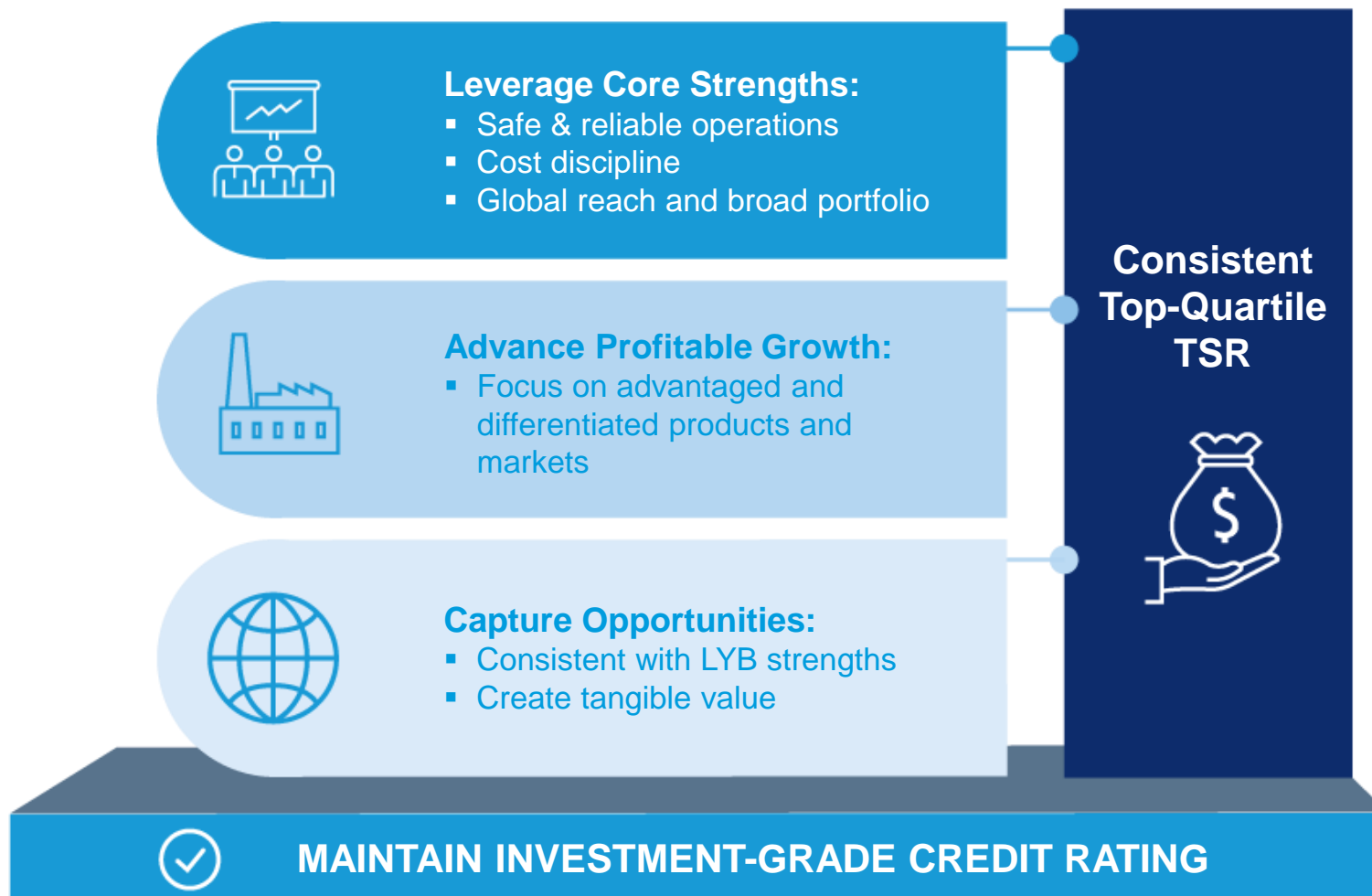
## Refining Markets

Well Positioned for IMO Sulfur Regulations

Improved Maya 2-1-1 Spread

Potential for Substantial Profitability

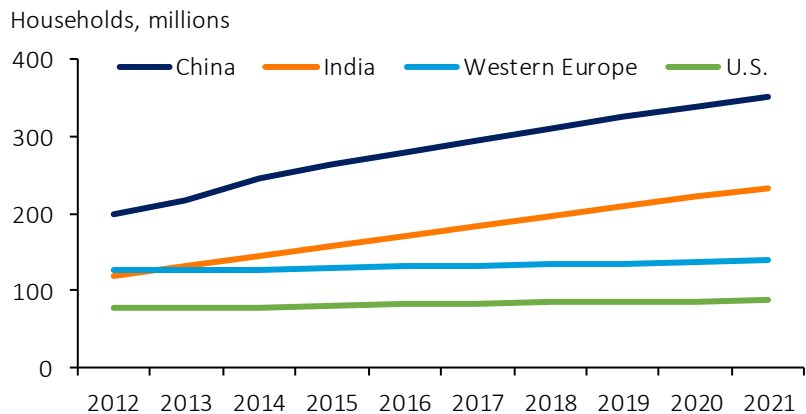
# Growth Guided by Strategic Goals



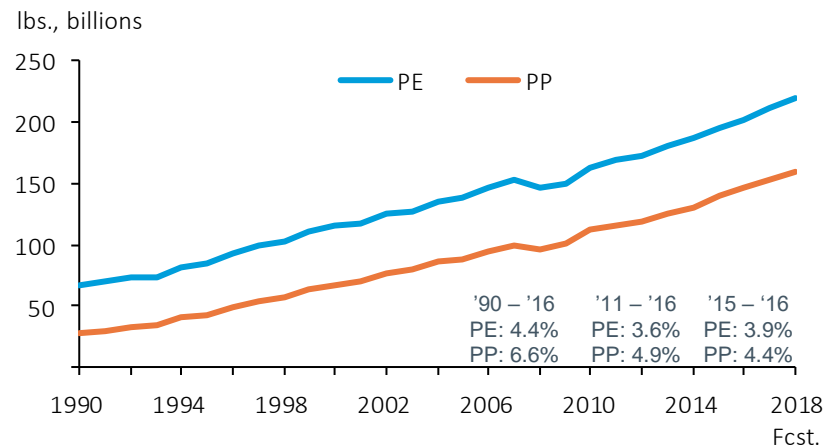
# Appendix

# Global Macro Trends - Demographics Driving Demand

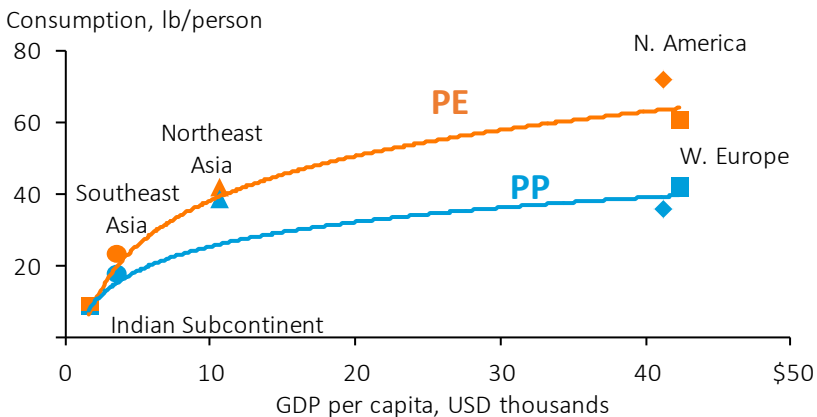
## Upper/Middle Class Households



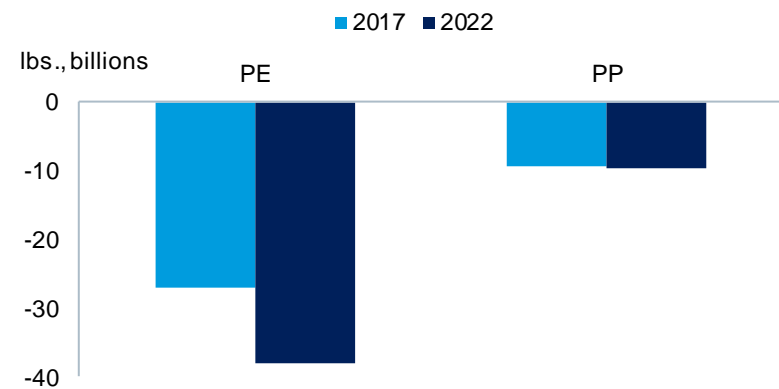
## World PE and PP Demand



## 2016 Polyolefins Consumption



## China Polyolefin Trade Deficit<sup>(1)</sup>

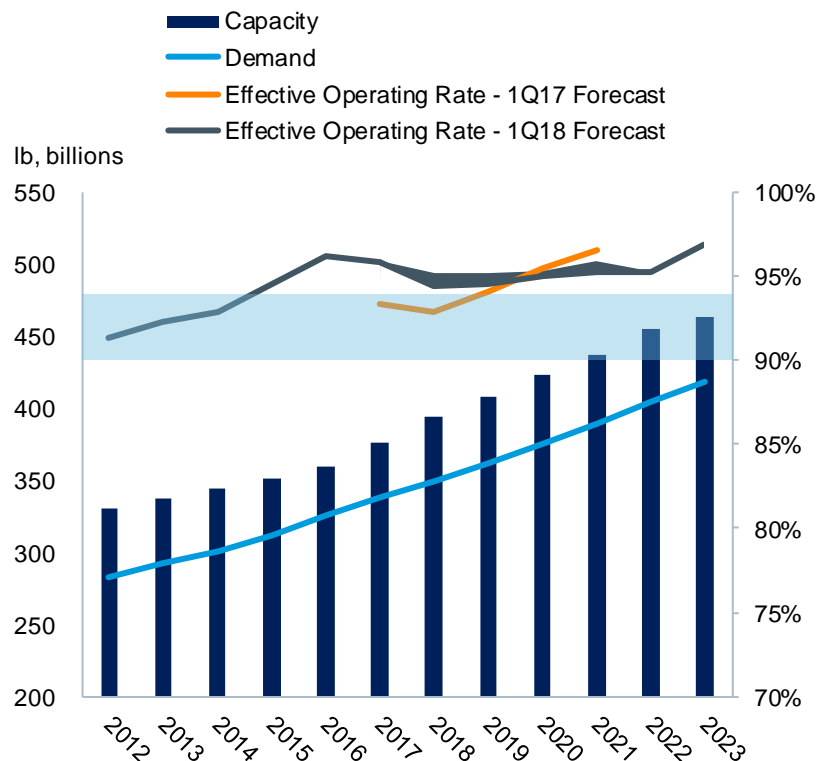


Source: IHS.

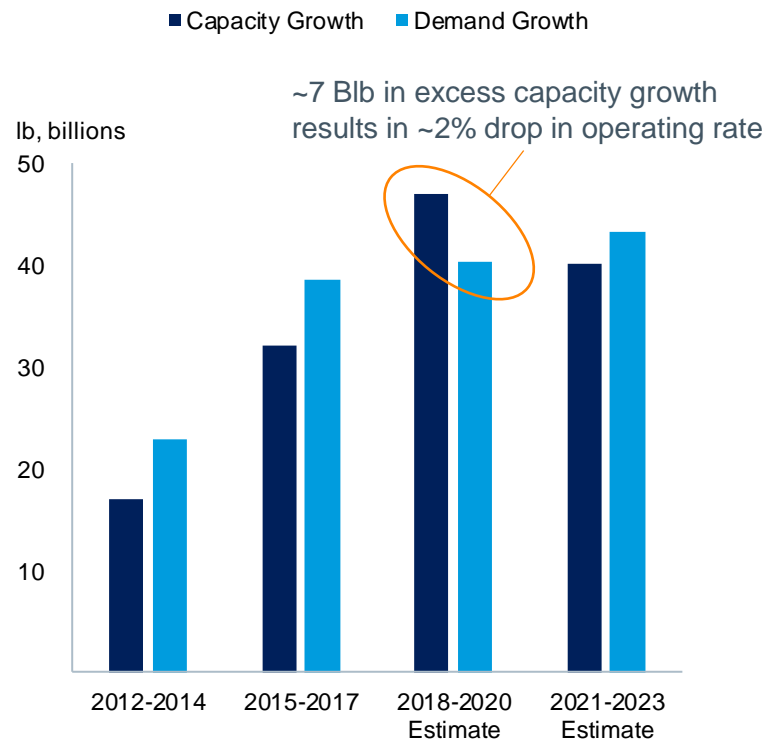
1. China polyolefin trade deficit is production less domestic demand.

# Industry Capacity Additions Serving Strong Global Demand Growth

## Global Ethylene Supply & Demand<sup>(1)</sup>



## Global Ethylene Supply & Demand Growth<sup>(1)</sup>



Project delays and constrained supply due to Chinese reforms and Hurricane Harvey support a short and shallow downturn thesis

(1) Source: IHS, Wood Mackenzie, LYB estimates, effective operating rate assuming 6% industry downtime. Based on 2017 updated balances.

# Majority of New N. American Industry Capacity Already in the Market

## Status & Impact of New Capacity

- Ethylene units are running well
- New PE capacity is in the market
- PE exports are expected to increase

## 2016-2019: N. America Capacity Startups<sup>(1)</sup>

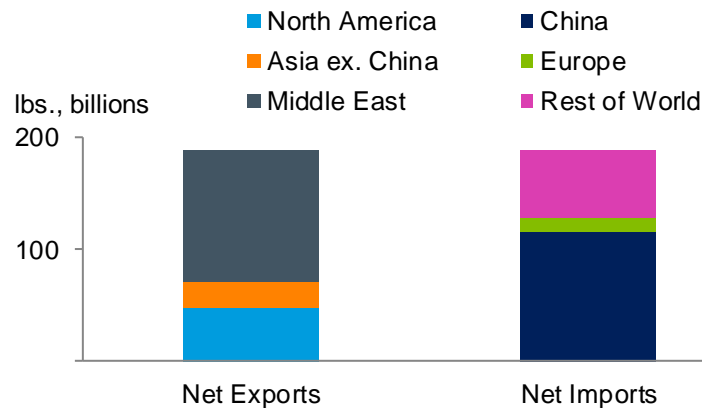
~ 65% of 24 Blbs of Ethylene

~ 65% of 19 Blbs of Polyethylene

## 2018 YTD: Strong Operations and Markets<sup>(2)</sup>

	Ethylene Effective Operating Rate	Polyethylene Domestic Demand Growth
U.S. & Canada	94%	5.3%
Northeast Asia	98%	6.3%
Europe	95%	1.9%

## 2016-2019: Polyethylene Trade<sup>(1)</sup>



(1) Source: IHS and LYB estimates.

(2) Source: IHS and LYB estimates. Polyethylene domestic demand growth is YTD 2018 compared to YTD 2017. YTD 2018 includes actuals for 2Q18 and forecasts for 3Q18.

## Information Related to Financial Measures

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This presentation makes reference to certain “non-GAAP” financial measures as defined in Regulation G of the U.S. Securities Exchange Act of 1934, as amended. The non-GAAP measures we have presented include EBITDA, LTM Adjusted EBITDA and LTM Adjusted EBITDA Margin. We report our financial results in accordance with U.S. generally accepted accounting principles, but believe that certain non-GAAP financial measures, such as EBITDA and earnings provide useful supplemental information to investors regarding the underlying business trends and performance of the company’s ongoing operations and are useful for period-over-period comparisons of such operations. Non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the financial measures prepared in accordance with GAAP.

EBITDA, as presented herein, may not be comparable to a similarly titled measure reported by other companies due to differences in the way the measure is calculated. We calculate EBITDA as income from continuing operations plus interest expense (net), provision for (benefit from) income taxes, and depreciation & amortization. EBITDA should not be considered an alternative to profit or operating profit for any period as an indicator of our performance, or as an alternative to operating cash flows as a measure of our liquidity.

Additionally, LTM Adjusted EBITDA, as presented herein, may not be comparable to similarly titled measures of A. Schulman or as reported by other companies due to differences in the way the measure is calculated. LTM Adjusted EBITDA, as presented for LyondellBasell Polypropylene Compounding (PPC) business, is calculated based upon a standard inventory costing methodology. For GAAP purposes, we present EBITDA for our Olefins and Polyolefins Europe, Asia, and International segment which includes PPC based upon last-in, first-out (LIFO) inventory costing methodology. To date, we have not allocated a ‘LIFO effect’ to PPC as it is not available. As such, we are unable to provide a quantitative reconciliation of Adjusted EBITDA to the most directly comparable GAAP measure. We calculate PPC Adjusted EBITDA in this presentation as income from continuing operations, with cost of goods sold valued at standard cost, plus interest expense (net), provision for (benefit from) income taxes, and depreciation & amortization. Adjusted EBITDA should not be considered an alternative to profit or operating profit for any period as an indicator of our performance, or as an alternative to operating cash flows as a measure of our liquidity.

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

Additionally, total liquidity, enterprise value and the ratio of cash from operating activities to average enterprise value are measures that provide an indicator of value to investors. For purposes of this presentation, total liquidity includes cash and cash equivalents, restricted cash and restricted cash equivalents, short term investments, repurchase agreements, and availability under our Senior Revolving Credit Facility and U.S. Receivables Securitization Facility. Enterprise value means market capitalization plus preferred equity (non-controlling interests), total debt and minority interest less cash and cash equivalents and short term investments. The ratio of cash from operating activities to average enterprise value means cash from operating activities divided by average enterprise value. Average enterprise value means average market capitalization plus preferred equity (non-controlling interests), total debt and minority interest less cash and cash equivalents and short term investments.

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



# Enterprise Value

## Calculation of Enterprise Value

<u>In Millions of Dollars, except share amounts</u>		<u>September 30,</u>
		<u>2018</u>
Common Shares Outstanding		387,177,776
Closing Price		\$ 102.51
Market Capitalization		39,690
Current Maturities of Long Term Debt	\$ 984	
Short-Term Debt	214	
Long-Term Debt	<u>7,471</u>	8,669
Redeemable noncontrolling interests		123
Noncontrolling Interests		25
Less:		
Cash and Cash Equivalents		521
Short-Term Investments		<u>944</u>
<b>Enterprise Value</b>		<u>\$ 47,042</u>
<b>Enterprise Value, in billions</b>		<u>\$ 47</u>

## EBITDA by Segment to EBITDA

### Reconciliation of EBITDA by Segment to EBITDA

<u>In Millions of Dollars</u>	<u>For the Year</u>	<u>For the Year</u>	<u>For the Year</u>	<u>For the Nine Months Ended</u>		<u>Last Twelve</u>
	<u>Ended</u>	<u>Ended</u>	<u>Ended</u>	<u>Ended</u>		<u>Months</u>
	<u>December 31,</u>	<u>December 31,</u>	<u>December 31,</u>	<u>September 30,</u>	<u>September 30,</u>	<u>September 30,</u>
	<u>2016</u>	<u>2017</u>	<u>2017</u>	<u>2017</u>	<u>2018</u>	<u>2018<sup>(a)</sup></u>
<b>EBITDA:</b>						
Olefins & Polyolefins - Americas	\$ 2,788	\$ 2,899	\$ 2,899	\$ 2,130	\$ 2,131	\$ 2,900
Olefins & Polyolefins - EAI	1,729	1,927	1,927	1,638	1,036	1,325
Intermediates & Derivatives	1,333	1,490	1,490	1,080	1,632	2,042
Advanced Polymer Solutions	427	438	438	356	314	396
Refining	72	157	157	53	251	355
Technology	262	223	223	155	267	335
Other	(9)	-	-	(4)	24	28
Continuing	<u>6,602</u>	<u>\$ 7,134</u>	<u>\$ 7,134</u>	<u>\$ 5,408</u>	<u>\$ 5,655</u>	<u>\$ 7,381</u>

(a) Last twelve months EBITDA is calculated as annual EBITDA for the prior year less EBITDA for the first nine months of the prior year plus EBITDA for the first nine months of the current year.

# Net Income to EBITDA

## Reconciliation of Net Income To EBITDA

<u>In Millions of Dollars</u>	For the Years Ended				For the Year	For the Nine Months Ended		Last Twelve
	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	Ended December 31, 2017	September 30, 2017	September 30, 2018	Months September 30, 2018
Net Income <sup>(a)(c)</sup>	\$ 4,168	\$ 4,474	\$ 3,837	\$ 4,877	\$ 4,877	\$ 2,983	\$ 3,998	\$ 5,892
Loss from Discontinued Operations	4	5	10	18	18	14	3	7
Income from Continuing Operations <sup>(a)(c)</sup>	4,172	4,479	3,847	4,895	4,895	2,997	4,001	5,899
Add:								
Provision for (benefit from) Income Taxes <sup>(a)</sup>	1,540	1,730	1,386	598	598	1,154	514	(42)
Depreciation and Amortization	1,019	1,047	1,064	1,174	1,174	876	908	1,206
Interest expense, net <sup>(b)</sup>	319	277	305	467	467	381	232	318
EBITDA <sup>(d)</sup>	<u>\$ 7,050</u>	<u>\$ 7,533</u>	<u>\$ 6,602</u>	<u>\$ 7,134</u>	<u>\$ 7,134</u>	<u>\$ 5,408</u>	<u>\$ 5,655</u>	<u>\$ 7,381</u>

(a) Includes an \$819 million non-cash tax benefit in 2017 related to the lower federal income tax rate resulting from the U.S. Tax Cuts and Jobs Act enacted in December 2017. Also includes a \$346 million non-cash benefit in 2018 from the release of unrecognized tax benefits and associated accrued interest.

(b) Includes pre-tax charges totaling \$113 million in 2017 related to the redemption of \$1,000 million aggregate principal amount of our then outstanding 5% Senior Notes due 2019.

(c) Includes an after-tax gain of \$103 million in 2017 on the sale of our interest in Geosel.

(d) Includes a pre-tax gain of \$108 million in 2017 on the sale of our interest in Geosel.

# Free Cash Flow Yield

## Calculation of Free Cash Flow Yield

<u>In Millions of Dollars (except share data)</u>	Three Months Ended				Last Twelve
	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018	September 30, 2018
Net Cash Provided by Operating Activities	\$ 1,482	\$ 1,006	\$ 1,727	\$ 1,441	\$ 5,656
Less:					
Capital Expenditures	401	429	496	482	1,808
Free Cash Flow	\$ 1,081	\$ 577	\$ 1,231	\$ 959	\$ 3,848
Divided by:					
Market Capital:					
Common stock outstanding					387,177,776
Closing Share Price, end of period					\$ 102.51
Market Capital					\$ 39,690
Free Cash Flow Yield					9.7%

# Cash and Liquid Investments and Total Liquidity

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## Components of Cash and Liquid Investments and Total Liquidity

<u>In Millions of Dollars</u>	<u>September 30,</u> <u>2018</u>
Cash and Cash Equivalents and Restricted Cash	\$ 532
Short-Term Investments	944
Repurchase Agreements	550
<b>Cash and Liquid Investments</b>	<b>2,026</b>
Availability under Senior Revolving Credit Facility	2,360
Availability under U.S. Receivables Facility	900
<b>Total Liquidity</b>	<b>\$ 5,286</b>

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# Free Cash Flow to Net Cash Provided by Operating Activities

## Reconciliation of Free Cash Flow to Net Cash Provided by Operating Activities

<u>In Millions of Dollars</u>	<u>Years Ended December 31,</u>				<u>Year Ended</u>	<u>Nine Months Ended</u>		<u>Last Twelve</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>December 31,</u>	<u>September 30,</u>	<u>September 30,</u>	<u>Months<sup>(a)</sup></u>
					<u>2017</u>	<u>2018</u>	<u>2018</u>	<u>September 30,</u>
Free Cash Flow	\$ 4,549	\$ 4,402	\$ 3,363	\$ 3,659	\$ 3,659	\$ 2,578	\$ 2,767	\$ 3,848
Add:								
Capital Expenditures	1,499	1,440	2,243	1,547	1,547	1,146	1,407	1,808
Net Cash Provided by Operating Activities	<u>\$ 6,048</u>	<u>\$ 5,842</u>	<u>\$ 5,606</u>	<u>\$ 5,206</u>	<u>\$ 5,206</u>	<u>\$ 3,724</u>	<u>\$ 4,174</u>	<u>\$ 5,656</u>

(a) Last twelve months Free Cash Flow and Capital Expenditures are calculated as annual Free Cash Flow and Capital Expenditures for the prior year less Free Cash Flow and Capital Expenditures for the first nine months of the prior year plus Free Cash Flow and Capital Expenditures for the first nine months of the current year.

# Cash from Operating Activities as a Percent of Average Enterprise Value

## Cash from Operating Activities as a Percent of Average Enterprise Value

<u>In Millions of Dollars, except share amounts</u>	<u>For the Years Ended December 31,</u>				<u>Last Twelve</u>
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>Months</u>
					<u>September 30,</u>
					<u>2018</u>
<b>Cash from Operating Activities</b>	\$ 6,048	\$ 5,842	\$ 5,606	\$ 5,206	\$ 5,656
<b>Average Enterprise Value:</b>					
Common Shares Outstanding	486,969,402	440,150,069	404,046,331	394,512,054	387,177,776
Daily Average Closing Price	\$ 93.66	\$ 91.47	\$ 81.00	\$ 92.00	\$ 108.64
<b>Market Capitalization</b>	45,610	40,261	32,728	36,295	42,063
Current Maturities of Long Term Debt	4	4	2	2	984
Short-Term Debt	346	353	594	68	214
Long-Term Debt	6,695	7,671	8,385	8,549	7,471
Redeemable noncontrolling interests	-	-	-	-	123
Non controlling interests	30	24	25	1	25
Less:					
Cash and Cash Equivalents	1,031	924	875	1,523	521
Short-Term Investments	1,593	1,064	1,147	1,307	944
<b>Enterprise Value</b>	<u>\$ 50,061</u>	<u>\$ 46,325</u>	<u>\$ 39,712</u>	<u>\$ 42,085</u>	<u>\$ 49,415</u>
<b>Cash from Operating Activities as a Percent of Enterprise Value</b>	<u>12%</u>	<u>13%</u>	<u>14%</u>	<u>12%</u>	<u>11%</u>