LyondellBasell Industries N.V. (LYB)

Updated February 2nd, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$50	**5 Year Annual Expected Total Return:**	13.1%	**Market Cap:**	$15.8 B
Fair Value Price:	$57	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date[1]:**	03/10/26
% Fair Value:	87%	**5 Year Valuation Multiple Estimate:**	2.7%	**Dividend Payment Date[1]:**	03/17/26
Dividend Yield:	11.0%	**5 Year Price Target**	$63	**Years Of Dividend Growth:**	14
Dividend Risk Score:	F	**Sector:**	Industrials	**Rating:**	Hold

Overview & Current Events

LyondellBasell Industries goes back to 1955, when its predecessor company began industrial-scale production of polyethylene in Germany. Today LyondellBasell is one the largest plastics, chemicals and refining companies in the world. The company provides materials and products that help advance solutions for food safety, water purity, fuel efficiency of vehicles, and functionality in electronics and appliances. LyondellBasell sells products in more than 100 countries and is the world's largest producer of polymer compounds. The $15.8 billion market cap company, with U.S operations headquartered in Houston, Texas and global operations headquartered in London, generated $30.2 billion in sales last year.

On January 30th, 2026, LyondellBasell reported its Q4 and full-year results for the period ending December 31st, 2025. The company reported revenues of $7.09 billion, down from $7.73 billion in Q3, as seasonally lower demand and planned maintenance activity weighed on volumes and pricing across several segments. The company posted a net loss of $140 million ($0.45 per share), reflecting $61 million of identified items. Excluding these items, the net loss was $79 million, or $0.26 per share. Adjusted EBITDA was $417 million, compared with $835 million in Q3, driven by higher NGL feedstock and natural gas costs, margin compression across most businesses, and weaker performance in polyethylene and European operations. We have set our earnings power $6.00 per share reflecting the company's performance potential under "normal conditions". Actual EPS, however, is likely to land closer to $2.70 this year.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$9.13	$12.23	$12.02	$9.58	$4.24	$16.75	$11.81	$6.46	$4.15	($2.34)	***$2.70***	***$6.62***
DPS	$3.33	$3.55	$4.00	$4.15	$4.20	$4.44	$9.90	$4.94	$5.27	$5.45	***$5.48***	***$6.05***
Shares[2]	404.0	395.0	376.0	353.0	334.0	334.0	328.0	326.0	326.0	322.0	***322.0***	***300.0***

Over the past decade LyondellBasell's results have been quite volatile, reflecting the highly unpredictable chemicals market. From 2016–2018, LyondellBasell delivered consistently high EPS. This was due to a favorable petrochemicals "mid-cycle" setup: strong ethylene/polyolefin chain economics, healthy demand, and solid capacity utilization.

The 2019 step-down fits a classic cycle turn, spreads and co-product credits compress as global growth cools and incremental supply/competition weighs on pricing power, pulling earnings back toward more normalized levels. The 2020 drop to $4.24 reflects the COVID-era demand shock (including weaker volumes/margins across several chemicals and fuels-linked businesses). EPS then snapped back to a 2021 peak on "robust demand and tight markets" that drove record margins.

In the following years, EPS steadily eroded as the post-reopening tightness faded and end-market demand, especially durable goods, remained soft, pressuring margins while input costs stayed elevated. That the 2025 GAAP loss of (-$2.34) was amplified by large "identified items" (notably non-cash asset write-downs and restructuring/portfolio actions) on top of a late-year margin squeeze from higher feedstock/energy costs and lower product prices.

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[1] Estimate

[2] In millions.

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Nevertheless, we expect earnings to then grow at a CAGR of 2% from our earnings power base estimate of $6.00, assuming improving conditions in the commodities market. That said, it is very hard to forecast future earnings accurately due to the unpredictable nature of commodity prices. We also forecast a DPS CAGR of 2% through 2031, but a dividend cut is also possible if industry conditions don't improve.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	8.8	8.2	8.8	9.0	16.7	5.3	7.4	10.0	14.8	---	***8.3***	***9.5***
Avg. Yld.	4.1%	3.9%	3.8%	4.8%	5.9%	4.6%	10.7%	5.7%	5.6%	9.7%	***11.0%***	***9.6%***

Since 2016, shares of LyondellBasell have traded hands with an average P/E ratio of about 9.9 times earnings. We think this is a fair valuation estimate for the firm, keeping in mind this has ranged from 6 to 14 times earnings in the past. The current valuation is well below this level, reflecting the market's uncertainly regarding the company retuning to more substantial profitability levels. The dividend is one of the main attractions in LYB's investment case, now yielding 11.0%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

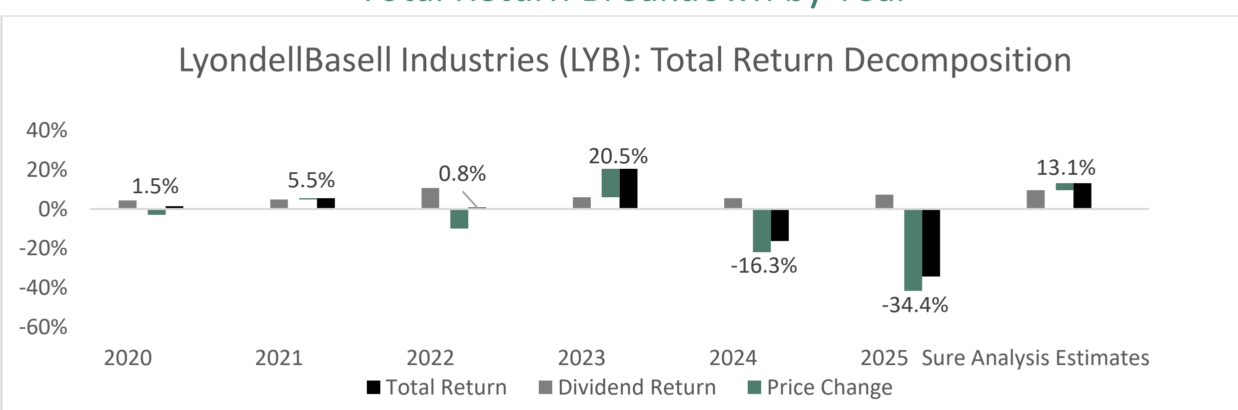
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	36%	29%	33%	43%	99%	27%	84%	76%	127%	---	***91%***	***91%***

LyondellBasell's competitive strength lies in its global scale, advanced expertise, and focus on high-demand products like polyolefins and polypropylene. While its business remains cyclical, tied to commodity prices and industrial demand, the company has taken significant steps to mitigate volatility through cost discipline, sustainability initiatives, and strategic expansions in emerging markets. A key moment in its history was its Chapter 11 bankruptcy filing in 2009, during the Great Financial Crisis. Emerging from bankruptcy in 2010, LyondellBasell restructured its operations and balance sheet, turning a challenging period into a foundation for future growth. Today, we don't really trust the company's dividend, which makes up almost 100% of the company's underlying earnings power. We are wary of a potential dividend cut.

Final Thoughts & Recommendation

LyondellBasell is a high-quality business with a fairly sound financial condition. The company is not recession-resistant, but it is in much better shape today than it was a decade ago. Its results remain below the record levels seen during the midst of the pandemic, but we expect an improving performance in the light of an improving commodities environment over the medium-term. We forecast a total return potential of 13.1% annually, to be driven by a starting 11.0% yield, a 2% annual growth rate, and the possibility of a valuation tailwind. LyondellBasell earns a hold rating due to a weak dividend risk score.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	45608	2735	9183	34484	39004	27750	46170	50450	41110	40300
Gross Profit	6,669	7,052	5,992	6,425	6,475	3394	8776	6604	5258	4564
Gross Margin	14.6%	21.5%	20.5%	18.6%	16.6%	12.2%	19.0%	13.1%	12.8%	11.3%
SG&A Exp.	806	828	833	859	1,129	1140	1255	1310	1557	1663
D&A Exp.	1,019	1,047	1,064	1,174	1,241	1385	1393	1267	1534	1522
Operating Profit	5,736	6,122	5,060	5,460	5,231	2141	7397	5170	3571	2766
Op. Margin	12.6%	18.7%	17.3%	15.8%	13.4%	7.7%	16.0%	10.2%	8.7%	6.9%
Net Profit	4,174	4,476	3,836	4,879	4,690	1420	5596	3882	2114	1360
Net Margin	9.2%	13.7%	13.1%	14.1%	12.0%	5.1%	12.1%	7.7%	5.1%	3.4%
Free Cash Flow	4,549	4,402	3,363	3,659	3,366	1457	5736	4229	3411	1980
Income Tax	1,540	1,730	1,386	598	613	-43	1163	882	501	240

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	24221	22757	23442	26206	28278	35400	36740	36360	37000	35750
Cash & Equivalents	1,031	924	875	1,523	332	1763	1472	2151	3390	3375
Acc. Receivable	3,448	2,517	2,842	3,539	3,503	3291	4808	3593	3356	3121
Inventories	4,517	4,051	3,809	4,217	4,515	4344	4901	4804	4765	4658
Goodwill & Int.	1,335	1,176	1,078	1,138	2,779	2704	2570	2489	2288	2138
Total Liabilities	15877	16183	17369	17256	17998	27420	24870	23740	23940	23160
Accounts Payable	3,064	2,182	2,529	2,895	3,087	2398	4291	3583	3354	3732
Long-Term Debt	7,045	8,028	8,981	8,619	9,387	15960	11610	11320	11230	11150
Total Equity	8314	6550	6048	8949	10257	7971	11860	12620	12930	12460
LTD/E Ratio	0.85	1.23	1.49	0.96	0.92	2.00	0.98	0.90	0.87	0.89

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	16.2%	19.1%	16.6%	19.7%	17.2%	4.3%	15.5%	10.6%	5.8%	3.7%
Return on Equity	40.2%	60.2%	60.9%	65.1%	48.8%	17.7%	56.4%	31.7%	16.4%	10.6%
ROIC	24.7%	29.8%	25.9%	29.9%	25.2%	6.4%	23.6%	16.4%	8.7%	5.7%
Shares Out.	440	404	395	376	353	334	334	328	326	326
Revenue/Share	87.54	70.25	69.48	86.43	100.27	83.09	138.24	153.81	126.10	123.63
FCF/Share	8.73	9.45	8.01	9.17	8.65	4.36	17.17	12.89	10.46	6.07

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.