LyondellBasell Industries N.V. (LYB)

Updated May 2nd, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$75	**5 Year Annual Expected Total Return:**	5.6%	**Market Cap:**	$24.4 B
Fair Value Price:	$76	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date[1]:**	06/02/26
% Fair Value:	99%	**5 Year Valuation Multiple Estimate:**	0.3%	**Dividend Payment Date[1]:**	06/09/26
Dividend Yield:	3.7%	**5 Year Price Target**	$84	**Years Of Dividend Growth:**	N/A
Dividend Risk Score:	F	**Sector:**	Industrials	**Rating:**	Sell

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 $24.4 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 February 20th 2026, LyondellBasell cut its dividend nearly in half (down 49.6%) to a quarterly rate of $0.69.

On May 1st, 2026, LyondellBasell reported its Q1 results for the period ending March 31st, 2026. The company reported revenues of $7.20 billion, up from $7.09 billion in Q4, as improved pricing, higher volumes, and stronger demand driven sequential improvement across several businesses. The company posted net income of $125 million ($0.38 per share), reflecting $38 million of identified items. Excluding these items, net income was $163 million, or $0.49 per share. Adjusted EBITDA was $615 million, compared with $417 million in Q4, driven by lower feedstock costs, stronger polyethylene pricing, improved European demand, and better propylene oxide and derivatives margins.

The company also advanced its portfolio transformation through the sale of four European sites, while continuing to focus on fixed-cost reductions, capital discipline, and working-capital management. We believe the company will achieve EPS of $8.00 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)	***$8.00***	***$8.83***
DPS	$3.33	$3.55	$4.00	$4.15	$4.20	$4.44	$9.90	$4.94	$5.27	$5.45	***$2.76***	***$3.05***
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)

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[1] Estimate

[2] In millions.

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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.

Nevertheless, we expect earnings to then grow at a CAGR of 2% from here 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.

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	---	***9.4***	***9.5***
Avg. Yld.	4.1%	3.9%	3.8%	4.8%	5.9%	4.6%	10.7%	5.7%	5.6%	9.7%	***3.7%***	***3.6%***

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 in line with our fair multiple, reflecting the market's uncertainly regarding the company retuning to more substantial profitability levels. The dividend yield now hovers at significantly lower levels following the recent cut.

Safety, Quality, Competitive Advantage, & Recession Resiliency

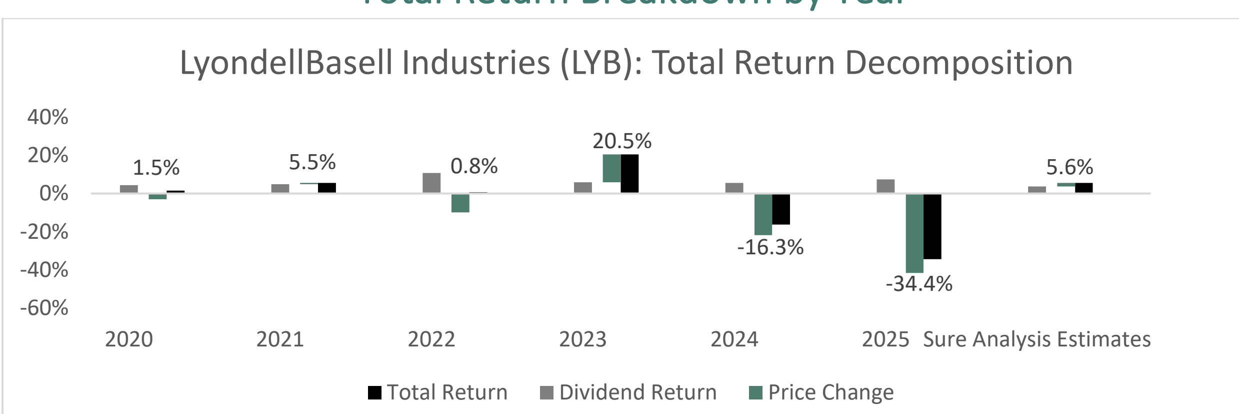
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	36%	29%	33%	43%	99%	27%	84%	76%	127%	---	***35%***	***35%***

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 5.6% annually, to be mainly driven by the starting 3.7% yield and a 2% annual growth rate. LyondellBasell earns a sell rating due to the recent dividend cut.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	2735	9183	34484	39004	27750	46170	50450	41110	40300	30150
Gross Profit	7,052	5,992	6,425	6,475	3394	8776	6604	5258	4564	2725
Gross Margin	21.5%	20.5%	18.6%	16.6%	12.2%	19.0%	13.1%	12.8%	11.3%	9.0%
SG&A Exp.	828	833	859	1,129	1140	1255	1310	1557	1663	1610
D&A Exp.	1,047	1,064	1,174	1,241	1385	1393	1267	1534	1522	1390
Operating Profit	6,122	5,060	5,460	5,231	2141	7397	5170	3571	2766	979
Op. Margin	18.7%	17.3%	15.8%	13.4%	7.7%	16.0%	10.2%	8.7%	6.9%	3.2%
Net Profit	4,476	3,836	4,879	4,690	1420	5596	3882	2114	1360	(792)
Net Margin	13.7%	13.1%	14.1%	12.0%	5.1%	12.1%	7.7%	5.1%	3.4%	(2.6%)
Free Cash Flow	4,402	3,363	3,659	3,366	1457	5736	4229	3411	1980	384
Income Tax	1,730	1,386	598	613	-43	1163	882	501	240	70

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	22757	23442	26206	28278	35400	36740	36360	37000	35750	34000
Cash & Equivalents	924	875	1,523	332	1763	1472	2151	3390	3375	3449
Acc. Receivable	2,517	2,842	3,539	3,503	3291	4808	3593	3356	3121	2517
Inventories	4,051	3,809	4,217	4,515	4344	4901	4804	4765	4658	3604
Goodwill & Int.	1,176	1,078	1,138	2,779	2704	2570	2489	2288	2138	1158
Total Liabilities	16183	17369	17256	17998	27420	24870	23740	23940	23160	23800
Accounts Payable	2,182	2,529	2,895	3,087	2398	4291	3583	3354	3732	2694
Long-Term Debt	8,028	8,981	8,619	9,387	15960	11610	11320	11230	11150	14040
Total Equity	6550	6048	8949	10257	7971	11860	12620	12930	12460	10080
LTD/E Ratio	1.23	1.49	0.96	0.92	2.00	0.98	0.90	0.87	0.89	1.45

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	19.1%	16.6%	19.7%	17.2%	4.3%	15.5%	10.6%	5.8%	3.7%	(2.3%)
Return on Equity	60.2%	60.9%	65.1%	48.8%	17.7%	56.4%	31.7%	16.4%	10.6%	(7.0%)
ROIC	29.8%	25.9%	29.9%	25.2%	6.4%	23.6%	16.4%	8.7%	5.7%	(3.2%)
Shares Out.	404	395	376	353	334	334	328	326	326	322
Revenue/Share	70.25	69.48	86.43	100.27	83.09	138.24	153.81	126.10	123.63	93.64
FCF/Share	9.45	8.01	9.17	8.65	4.36	17.17	12.89	10.46	6.07	1.19

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