



Westlake



Third Quarter 2021 Earnings Presentation

November 2, 2021



Westlake Chemical Third Quarter 2021 Highlights


Net income:
\$607 MM



Net income per share:
\$4.69



Cash and equivalents:
\$3.6 B



EBITDA⁽¹⁾:
\$1.1 B



Business Highlights

- Westlake achieved record quarterly net income of \$607 million and record EBITDA of \$1.1 billion, anchored by strong margins across our product offerings and generated \$755 million in operating cash flows
- Record quarterly Vinyls EBITDA of \$777 million
- Record quarterly Olefins EBITDA of \$317 million

Strategic Acquisitions

Acquisitions totaling \$2.6 billion Westlake expands footprint, product offerings and green portfolio

- In the third quarter, completed the acquisitions of LASCO Fittings, Inc. and Dimex LLC
- In early October, completed the acquisition of Boral Limited's North American building products
- The three acquisitions create leading market positions in the housing and repair & modeling markets driving enhanced customer satisfaction



(1) Reconciliations of EBITDA to the applicable GAAP measure can be found on page 11



Industry Outlook and Sustainability

Industry Outlook

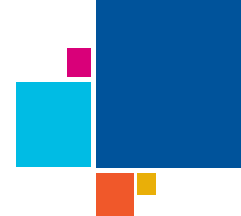
- Globally strong demand for construction materials. Robust demand in U.S. housing and repairs and remodeling activities
- PVC supply/demand fundamentals remaining strong with the growth in demand higher than the limited supply increases
- Consumer demand remains favorable for essential everyday packaging and healthcare products driving value in polyethylene



Green Products

- Introducing our GreenVin, a low-carbon caustic soda that utilizes a reduced CO₂ footprint by more than 30% compared to conventional caustic soda
- Our newly launched PVC Oriented Pipe, referred to as “PVC-O,” allows Westlake to offer PVC pipe that uses less material while delivering the enhanced strength and capabilities of current PVC pipes
- Westlake Dimex, one of the largest processors of post-industrial recycled plastic material, manufactures a variety of consumer products including lawn edging





Westlake Chemical Corporation

Third Quarter 2021 Financial Highlights

(\$ in millions)	3Q 2021	2Q 2021	3Q 2021 vs. 2Q 2021	3Q 2020	YTD 2021	YTD 2020	YTD 2021 vs. YTD 2020
Sales	\$3,055	\$2,859	7%	\$1,898	\$8,271	\$5,539	49%
Operating Income	\$861	\$720	20%	\$79	\$1,927	\$251	668%
<i>Vinyls EBITDA</i>	<i>\$777</i>	<i>\$605</i>	<i>28%</i>	<i>\$209</i>	<i>\$1,749</i>	<i>\$623</i>	<i>181%</i>
<i>Olefins EBITDA</i>	<i>\$317</i>	<i>\$316</i>	<i>0%</i>	<i>\$86</i>	<i>\$849</i>	<i>\$244</i>	<i>248%</i>
<i>Corporate EBITDA</i>	<i>(\$17)</i>	<i>\$11</i>	<i>-</i>	<i>(\$8)</i>	<i>(\$36)</i>	<i>(\$7)</i>	<i>(414%)</i>
EBITDA¹	\$1,077	\$932	16%	\$287	\$2,562	\$860	198%

Third Quarter 2021 vs. Second Quarter 2021

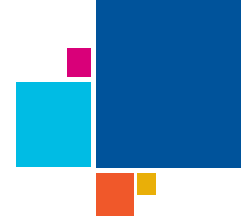
- + Higher sales prices for most of our major products including caustic soda, PVC and building products
- + Higher earnings in our building products business driven by high prices
- Impact of Hurricane Ida

Third Quarter 2021 vs. Third Quarter 2020

- + PVC resin margins benefited from the continued strength of residential construction
- + Robust strength from packaging and healthcare markets resulting in higher prices
- Impact of planned maintenance outages



(1) Reconciliations of EBITDA, Vinyls EBITDA, Olefins EBITDA and Corporate EBITDA to the applicable GAAP measures can be found on pages 11 and 12



Vinyls Segment Performance

(\$ in millions)	3Q 2021	2Q 2021	3Q 2021 vs. 2Q 2021	3Q 2020	YTD 2021	YTD 2020	YTD 2021 vs. YTD 2020
Sales	\$2,348	\$2,188	7%	\$1,529	\$6,356	\$4,382	45%
Operating Income	\$601	\$435	38%	\$42	\$1,236	\$135	816%
EBITDA	\$777	\$605	28%	\$209	\$1,749	\$623	181%

Third Quarter 2021 vs. Second Quarter 2021

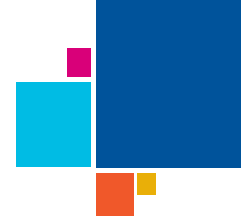
- + Higher sales prices for caustic, PVC and most of our other major products and higher integrated margins from continued tight supply/demand dynamics
- + Increased earnings in our building products business driven by higher prices

Third Quarter 2021 vs. Third Quarter 2020

- + Significantly higher sales prices and margins driven by strong demand for caustic and PVC attributable to momentum in global construction
- + Increased earnings in our building products business



(1) Reconciliations of EBITDA to the applicable GAAP measure can be found on page 12



Olefins Segment Performance

(\$ in millions)	3Q 2021	2Q 2021	3Q 2021 vs. 2Q 2021	3Q 2020	YTD 2021	YTD 2020	YTD 2021 vs. YTD 2020
Sales	\$707	\$671	5%	\$369	\$1,915	\$1,157	66%
Operating Income	\$281	\$277	1%	\$51	\$738	\$138	435%
EBITDA	\$317	\$316	0%	\$86	\$849	\$244	248%

Third Quarter 2021 vs. Second Quarter 2021

- + Higher polyethylene sales prices and margins from continuing consumer demand for essential everyday packaging and healthcare products
- Impact of Hurricane Ida

Third Quarter 2021 vs. Third Quarter 2020

- + Significantly higher sales prices and margins for all of our products, driven by solid global demand for packaging and healthcare products
- Impact of planned maintenance outages



(1) Reconciliations of EBITDA to the applicable GAAP measure can be found on page 12



Commitment to Corporate Social Responsibility is Formed by Five Longstanding Core Values



HEALTH, SAFETY & ENVIRONMENT (“HSE”)

The health and safety of our employees and communities, and the vigilant stewardship of the environment and sustainability are of utmost importance and at the forefront of everything we do.

OUR PEOPLE

The integrity, creativity, dedication, diversity and drive of our employees allow us to excel. We support, develop and inspire our people to achieve their personal best and treat them with dignity and respect.

QUALITY & CONTINUOUS IMPROVEMENT

Our commitment to quality products and service is so strong that both are symbolized as the two check marks that form the Westlake “W” in our logo. We seek to maintain this commitment through an intensive practice of “never-ending process of improvement.”

COMPETITIVENESS

We are committed to enhancing the lives of people in the global marketplace every day. We do this by providing innovative and useful products, maintaining high standards of customer service and operational excellence with a constant focus on managing costs.

CITIZENSHIP

We recognize the importance of supporting the communities in which we work and live and make it a priority to take an active role in making these communities better.





Advancing Sustainability

Protecting the Environment

Westlake has numerous programs designed to promote safe, ethical, environmentally and socially responsible practices including: a worldwide recycling program, operating in an energy efficient manner and reducing water usage and emissions. As discussed in our 2020 sustainability report, Westlake has reduced greenhouse gas emissions by 8.73% despite an increase in production of 4.84% from 2016 to 2020.



Developing Green Products

Westlake offers certified climate-friendly caustic soda utilizing renewable energy Guarantees of Origin (GOs). The CO₂ footprint of this low-carbon caustic soda introduced to the European market under the brand name **GreenVin** is reduced by more than 30% compared to conventional caustic soda. Westlake offers **PVC Oriented Pipe** delivering PVC pipe that uses less material while delivering the enhanced strength and capabilities of current PVC pipes. Through the acquisition of Dimex, one of the largest processors of post-industrial recycled plastic material in the United States, Westlake expands product portfolio to include a variety of consumer products. We are continuing to develop products that are in line with our sustainability goals while meeting the need for greener products.

Participating in Multi-Industry Associations for Environmental Protection

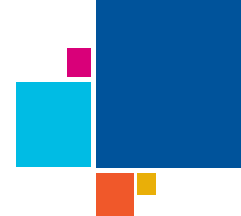
Westlake is a proud partner with the following organizations to drive sustainable action to eliminate plastic waste, capture more flexible food packaging waste for recycling and support vinyls' sustainable impact in the world, along with many other initiatives.





Financial Reconciliations

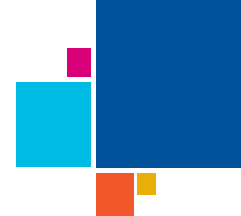




Consolidated Statements of Operations

	Three months ended June 30,	Three months ended September 30,		Nine months ended September 30,	
	2021	2021	2020	2021	2020
	(In millions of dollars, except per share data)				
Net sales	\$ 2,859	\$ 3,055	\$ 1,898	\$ 8,271	\$ 5,539
Cost of sales	1,987	2,037	1,650	5,872	4,839
Gross profit	872	1,018	248	2,399	700
Selling, general and administrative expenses	125	122	108	383	332
Amortization of intangibles	27	29	27	83	81
Restructuring, transaction and integration-related costs	-	6	34	6	36
Income from operations	720	861	79	1,927	251
Interest expense	(36)	(61)	(37)	(130)	(108)
Other income, net	10	13	12	35	32
Income before income taxes	694	813	54	1,832	175
Provision for (benefit from) income taxes	158	193	(15)	423	(75)
Net income	536	620	69	1,409	250
Net income attributable to noncontrolling interests	14	13	12	38	33
Net income attributable to Westlake Chemical Corporation	\$ 522	\$ 607	\$ 57	\$ 1,371	\$ 217
Earnings per common share attributable to Westlake Chemical Corporation:					
Basic	\$ 4.06	\$ 4.71	\$ 0.45	\$ 10.65	\$ 1.69
Diluted	\$ 4.04	\$ 4.69	\$ 0.45	\$ 10.60	\$ 1.69





Reconciliation of EBITDA to Net Income, Income from Operations and Net Cash Provided by Operating Activities

	Three months ended June 30,	Three months ended September 30,		Nine months ended September 30,	
	2021	2021	2020	2021	2020
(In millions of dollars)					
Net cash provided by operating activities	\$ 617	\$ 755	\$ 357	\$ 1,637	\$ 866
Changes in operating assets and liabilities and other	(67)	(109)	(230)	(178)	(462)
Deferred income taxes	(14)	(26)	(58)	(50)	(154)
Net income	536	620	69	1,409	250
Less:					
Other income, net	10	13	12	35	32
Interest expense	(36)	(61)	(37)	(130)	(108)
Benefit from (provision for) income taxes	(158)	(193)	15	(423)	75
Income from operations	720	861	79	1,927	251
Add:					
Depreciation and amortization	202	203	196	600	577
Other income, net	10	13	12	35	32
EBITDA	\$ 932	\$ 1,077	\$ 287	\$ 2,562	\$ 860

Reconciliation of Vinyls, Olefins and Corporate EBITDA to Applicable Operating Income (Loss)



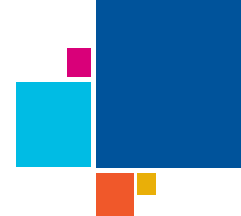
	Three months ended June 30,		Three months ended September 30,		Nine months ended September 30,					
	2021	2021	2020	2021	2020	2020				
	(In millions of dollars)									
Vinyls EBITDA	\$	605	\$	777	\$	209	\$	1,749	\$	623
Less:										
Depreciation and Amortization		163		166		160		486		467
Other Income (Expenses)		7		10		7		27		21
Vinyls Operating Income (Loss)		435		601		42		1,236		135
Olefins EBITDA		316		317		86		849		244
Less:										
Depreciation and Amortization		37		36		34		109		104
Other Income (Expenses)		2		-		1		2		2
Olefins Operating Income (Loss)		277		281		51		738		138
Corporate EBITDA		11		(17)		(8)		(36)		(7)
Less:										
Depreciation and Amortization		2		1		2		5		6
Other Income (Expenses)		1		3		4		6		9
Corporate Operating Income (Loss)		8		(21)		(14)		(47)		(22)
Vinyls Operating Income (Loss)		435		601		42		1,236		135
Olefins Operating Income (Loss)		277		281		51		738		138
Corporate Operating Income (Loss)		8		(21)		(14)		(47)		(22)
Total Operating Income (Loss)	\$	720	\$	861	\$	79	\$	1,927	\$	251





Quarterly Industry Pricing





Average Quarterly Industry Prices ⁽¹⁾

	Quarter Ended				
	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021
<u>Average domestic prices</u>					
Natural gas (\$/MMBtu) ⁽²⁾	2.0	2.7	2.8	2.9	4.0
Ethane (cents/lb) ⁽³⁾	7.4	7.1	8.1	8.7	11.7
Propane (cents/lb) ⁽⁴⁾	11.9	13.5	21.2	20.7	27.6
Ethylene (cents/lb) ⁽⁵⁾	19.3	24.0	45.1	43.0	48.0
Polyethylene (cents/lb) ⁽⁶⁾	61.0	67.7	78.0	99.0	109.0
Styrene (cents/lb) ⁽⁷⁾	53.8	59.6	76.5	90.5	82.0
Caustic soda (\$/short ton) ⁽⁸⁾	697	653	648	755	825
Chlorine (\$/short ton) ⁽⁹⁾	176	193	234	309	443
PVC (cents/lb) ⁽¹⁰⁾	73.3	84.5	92.8	105.0	109.0
<u>Average export prices</u>					
Polyethylene (cents/lb) ⁽¹¹⁾	45.7	53.2	76.3	89.7	86.0
Caustic soda (\$/short ton) ⁽¹²⁾	260	219	249	333	364
PVC (cents/lb) ⁽¹³⁾	38.5	55.4	67.8	77.8	74.1

1) Industry pricing data was obtained through IHS Markit ("IHS"). We have not independently verified the data.

2) Average Burner Tip contract prices of natural gas over the period.

3) Average Mont Belvieu spot prices of purity ethane over the period.

4) Average Mont Belvieu spot prices of non-TET propane over the period.

5) Average North American spot prices of ethylene over the period.

6) Average North American Net Transaction prices of polyethylene low density GP-Film grade over the period.

7) Average North American contract prices of styrene over the period.

8) Average USGC-CSLi index values for caustic soda over the period. As stated by IHS, "the caustic soda price listing represents the USGC-CSLi values. USGC-CSLi does not reflect contract price discounts, implementation lags, caps or other adjustments factors. Additionally, it is not intended to represent a simple arithmetic average of all market transactions occurring during the month. Rather, the USGC-CSLi is most representative of the month-to-month caustic soda price movement for contract volumes of liquid 50% caustic soda rather than the absolute value of contract prices at a particular point in time. It is intended to serve only as a benchmark."

9) Average North American contract prices of chlorine over the period.

10) Average North American contract prices of pipe grade polyvinyl chloride ("PVC") over the period. As stated by IHS, "the contract resin prices posted reflect an "index" or "market" for prices before discounts, rebates, incentives, etc."

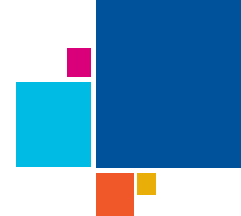
11) Average North American export price for low density polyethylene GP-Film grade over the period.

12) Average North American low spot export prices of caustic soda over the period.

13) Average North American spot export prices of PVC over the period.



Safe Harbor Language



This presentation contains certain forward-looking statements including statements regarding PVC, polyethylene, building products and caustic soda pricing and demand, continued recovery in key end markets, our cost control and efficiency efforts, our ability to deliver end-use building products to consumers, our ability to capture integrated chain margin, our development of additional green products in the future and our reduction in carbon impact. Actual results may differ materially depending on factors, including, but not limited to, the following: the effects of our recently completed acquisitions, including our future financial condition, results of operations, strategy and plans; and expected synergies and other benefits from the acquisitions and our ability to realize such synergies and other benefits; general economic and business conditions; the cyclical nature of the chemical and building products industries; the availability, cost and volatility of raw materials and energy; uncertainties associated with the United States, European and worldwide economies, including those due to political tensions and unrest in the Middle East and elsewhere; uncertainties associated with pandemic infectious diseases, particularly COVID-19; current and potential governmental regulatory actions in the United States and other countries; industry production capacity and operating rates; the supply/demand balance for our products; competitive products and pricing pressures; instability in the credit and financial markets; access to capital markets; terrorist acts; operating interruptions (including leaks, explosions, fires, weather-related incidents, mechanical failure, unscheduled downtime, labor difficulties, transportation interruptions, spills and releases and other environmental risks); changes in laws or regulations, including trade policies; technological developments; foreign currency exchange risks; our ability to implement our business strategies; creditworthiness of our customers; and other factors described in our reports filed with the Securities and Exchange Commission. Many of these factors are beyond our ability to control or predict. 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. These forward-looking statements are not guarantees of our future performance, and our actual results and future developments may differ materially from those projected in the forward-looking statements. Management cautions against putting undue reliance on forward-looking statements. Every forward-looking statement speaks only as of the date of the particular statement, and we undertake no obligation to publicly update or revise any forward-looking statements.

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