



**Q1 2022
Earnings Presentation**

Westlake

Westlake Delivers Record Quarter

1Q 2022 Financial Results

 Net income:	 Net income per share:	 EBITDA:	 Cash and equivalents:
\$756 MM	\$5.83	\$1.3 B	\$1.1 B

Business Highlights

- Record results in 1Q 2022
 - Record quarterly net sales of \$4.1 billion, an increase of 72% vs. first quarter 2021 net sales
 - Record quarterly net income of \$756 million, an increase of 212% vs. first quarter 2021 net income
 - Record quarterly EBITDA of \$1.3 billion, an increase of 135% vs. first quarter 2021 EBITDA
- Expanded specialty product focused portfolio with acquisition of Hexion's global epoxy business
- Established 2030 sustainability goal to reduce CO₂ intensity of operations by 20%¹

Westlake is a Compelling Investment Opportunity

1

Strong and experienced leadership with a proven track record of operating excellence, asset allocation, and successful acquisitions and integrations all driving long-term value creation

2

Accelerating profitable growth in Performance & Essential Materials (**PEM**) by leveraging our globally advantaged low-cost position with a market leading specialized product orientation in attractive end-markets

3

Market leading position in Housing & Infrastructure Products (**HIP**) driving growth from high-valued, strong brand name product offerings with attractive secular growth

4

Well positioned to execute on a portfolio of opportunities across both segments by leveraging a proven system of operational excellence and value creative capital allocation

5

Disciplined investment culture and a strong balance sheet provide the ability to weather economic cycles and generate strategic bottom line growth



Leveraging a Strong History of Success Across a Dynamic Portfolio of Opportunities

Westlake Corporation Performance First Quarter 2022

(\$ in millions)	1Q 2022	4Q 2021	1Q 2022 vs. 4Q 2021	1Q 2021	1Q 2022 vs. 1Q 2021
Sales	\$4,056	\$3,507	16%	\$2,357	72%
Operating Income	\$1,032	\$873	18%	\$346	198%
<i>Housing and Infrastructure Products EBITDA</i>	\$258	\$162	59%	\$105	146%
<i>Performance and Essential Materials EBITDA</i>	\$1,071	\$997	7%	\$458	134%
<i>Corporate EBITDA</i>	(\$29)	(\$28)	-	(\$10)	-
EBITDA¹	\$1,300	\$1,131	15%	\$553	135%

A Record Quarter for Westlake

- + Strong market conditions attributable to a robust demand environment
- + Favorable market pricing offset inflationary cost pressure
- + Westlake's leading market positions, low cost raw materials and vertical integration captures strong margins across the integrated value chain

Westlake delivers differentiated, specialty and branded products and solutions

Advancing Sustainability

To further reduce our carbon footprint, we are allocating capital to both proven and emerging technologies, including additional product and operational innovations



- We are expanding our portfolio of sustainable products and prioritizing implementation of **additional environmentally friendly innovation** by incorporating recycled and bio-derived materials while maintaining product quality:

- **Low-Carbon PVC and Caustic Soda** – meets market demand for lower-carbon plastics and materials
- **One Pellet Solution** – an efficient polyethylene solution incorporating post consumer resin (PCR) while maintaining the strength of plastic materials
- **Dimex** – one of the largest processors of recycled plastic materials in the United States and the leading supplier of recycled flexible PVC and TPE compounds; includes products such as the MotionTex exercise equipment mat

- **Aspire Vinyl** – a bio-based solution for building materials; the first phthalate-free bio-based compound with more than 35% renewable content
- **Epoxy** – given its lightweight properties, epoxy is used in coatings and composites to fabricate wind turbine blades and light-weight aerospace and automotive components
- **Molecular-Oriented PVC (PVC-O) Pipe** – engineering solution for lighter-weight, more durable PVC pipe that is manufactured with a lower-carbon footprint than any other water main pipe materials; used in housing and infrastructure





Segment Update

Housing and Infrastructure Products (“HIP”) Segment Performance

(\$ in millions)	1Q 2022	4Q 2021	1Q 2022 vs. 4Q 2021	1Q 2021	1Q 2022 vs. 1Q 2021
Housing Products Sales	\$972	\$843	15%	\$443	119%
Infrastructure Products Sales	\$252	\$204	24%	\$172	47%
Total HIP Sales	\$1,224	\$1,047	17%	\$615	99%
Operating Income	\$185	\$86	115%	\$71	161%
EBITDA	\$258	\$162	59%	\$105	146%
EBITDA Margin	21%	15%	-	17%	-

- + Strong repair and remodeling activity and new residential construction in North America
- + Residential housing construction has driven demand for our higher-margin offerings in building products, pipe and fittings as well as wire and cable compound products

HIP Segment 1Q 2022 vs. 4Q 2021	
Average Sales Price	Volume
+10.1%	+6.8%

HIP Segment 1Q 2022 vs. 1Q 2021	
Average Sales Price	Volume
+53.4%	+45.6%

Housing and Infrastructure Products Update

1 U.S. census data reports new housing starts continuing at elevated levels, reflecting strong demand for single and multi-family housing construction

2 Home buyer demand fundamentals are being driven by home upsizing, historic under building, favorable demographics and more people working from home offsetting headwinds of rising mortgage interest rates

3 New housing starts remain elevated and the leading indicators for construction activity are forecasting sustained growth over the next several of years

4 Infrastructure Investment and Jobs Act should provide further demand strength as states and municipalities begin to develop and start construction of projects to address our nations long neglected infrastructure needs



Performance and Essential Materials (“PEM”) Segment Performance

(\$ in millions)	1Q 2022	4Q 2021	1Q 2022 vs. 4Q 2021	1Q 2021	1Q 2022 vs. 1Q 2021
Performance Materials Sales	\$1,929	\$1,664	16%	\$1,204	60%
Essential Materials Sales	\$903	\$796	13%	\$538	68%
Total PEM Sales	\$2,832	\$2,460	15%	\$1,742	63%
Operating Income	\$879	\$821	7%	\$288	205%
EBITDA	\$1,071	\$997	7%	\$458	134%
EBITDA Margin	38%	41%	-	26%	-

- + Solid demand for PVC anchored by robust economic activity in end-use markets including construction and home remodeling
- + Polyethylene benefitted from the continuing strong demand in industrial and consumer packaging markets
- + Caustic soda saw pricing gains as global manufacturing activities improved driving demand
- + New epoxy business contributed to our earnings with higher sales prices and strong sales volumes

PEM Segment 1Q 2022 vs. 4Q 2021	
Average Sales Price	Volume
+3.8%	+11.3%

PEM Segment 1Q 2022 vs. 1Q 2021	
Average Sales Price	Volume
+43.8%	+18.8%

Performance and Essential Materials Update

1

Value-added specialty polyethylene portfolio combined with our globally advantaged cost position in North America drives higher margin and more resilient profitability

2

Population growth and urbanization in global economies drive performance product demand in housing, medical and automotive applications

3

Epoxy extends Westlake's end-market exposure to higher growth sustainability-oriented markets such as wind energy as well as automotive and aerospace light weighting

4

Well positioned to benefit from secular demand driven by increasing product requirements for formulated, differentiated and specialty products in housing, packaging, wind energy, aerospace and automotive



Financial Reconciliations

Consolidated Statements of Operations

	Three months ended December 31,	Three months ended March 31,	
	2021	2022	2021
	(In millions of dollars, except per share data)		
Housing and Infrastructure Products Sales	\$ 1,047	\$ 1,224	\$ 615
Performance and Essential Materials Sales	2,460	2,832	1,742
Net sales	<u>3,507</u>	<u>4,056</u>	<u>2,357</u>
Cost of sales	<u>2,411</u>	<u>2,771</u>	<u>1,848</u>
Gross profit	1,096	1,285	509
Selling, general and administrative expenses	168	200	136
Amortization of intangibles	40	42	27
Restructuring, transaction and integration-related costs	15	11	—
Income from operations	<u>873</u>	<u>1,032</u>	<u>346</u>
Interest expense	(46)	(46)	(33)
Other income, net	18	11	12
Income before income taxes	<u>845</u>	<u>997</u>	<u>325</u>
Provision for income taxes	<u>184</u>	<u>233</u>	<u>72</u>
Net income	661	764	253
Net income attributable to noncontrolling interests	17	8	11
Net income attributable to Westlake Corporation	<u>\$ 644</u>	<u>\$ 756</u>	<u>\$ 242</u>
Earnings per common share attributable to Westlake Corporation:			
Basic	\$ 5.01	\$ 5.87	\$ 1.88
Diluted	<u>\$ 4.98</u>	<u>\$ 5.83</u>	<u>\$ 1.87</u>

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

	Three months ended December 31,	Three months ended March 31,	
	2021	2022	2021
	(In millions of dollars)		
Net cash provided by operating activities	\$ 757	\$ 700	\$ 265
Changes in operating assets and liabilities and other	(123)	106	(2)
Deferred income taxes	27	(42)	(10)
Net income	661	764	253
Less:			
Other income, net	18	11	12
Interest expense	(46)	(46)	(33)
Benefit from (provision for) income taxes	(184)	(233)	(72)
Income from operations	873	1,032	346
Add:			
Depreciation and amortization	240	257	195
Other income, net	18	11	12
EBITDA	\$ 1,131	\$ 1,300	\$ 553

Reconciliation of HIP, PEM and Corporate EBITDA to Applicable Operating Income (Loss)

	Three months ended December 31,	Three months ended March 31,	
	2021	2022	2021
	(In millions of dollars)		
Housing and Infrastructure Products EBITDA	\$ 162	\$ 258	\$ 105
Less:			
Depreciation and Amortization	70	71	32
Other Income (Expenses)	6	2	2
Housing and Infrastructure Products Operating Income (Loss)	86	185	71
Performance and Essential Materials EBITDA	997	1,071	458
Less:			
Depreciation and Amortization	168	184	161
Other Income (Expenses)	8	8	9
Performance and Essential Materials Operating Income (Loss)	821	879	288
Corporate EBITDA	(28)	(29)	(10)
Less:			
Depreciation and Amortization	2	2	2
Other Income (Expenses)	4	1	1
Corporate Operating Income (Loss)	(34)	(32)	(13)
Housing and Infrastructure Products Operating Income (Loss)	86	185	71
Performance and Essential Materials Operating Income (Loss)	821	879	288
Corporate Operating Income (Loss)	(34)	(32)	(13)
Total Operating Income (Loss)	\$ 873	\$ 1,032	\$ 346

A young girl with long brown hair, wearing a blue floral dress, white tights, and brown boots, is hula hooping on a concrete sidewalk. She is smiling and looking down at the hoop. The background shows a modern house with dark grey siding, white trim, and a front porch with steps. There are green plants and a small tree in the yard. A large blue diagonal graphic is on the left side of the image.

Quarterly Industry Data

Average Quarterly Industry Prices and Housing Starts Data

	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
<u>Average domestic prices ⁽¹⁾</u>					
Natural gas (\$/MMBtu) ⁽²⁾	2.8	2.9	4.0	5.8	4.8
Ethane (cents/lb) ⁽³⁾	8.1	8.7	11.7	13.2	13.5
Propane (cents/lb) ⁽⁴⁾	21.2	20.7	27.6	29.5	30.7
Ethylene (cents/lb) ⁽⁵⁾	45.1	43.0	48.0	35.4	37.6
Polyethylene (cents/lb) ⁽⁶⁾	78.0	99.0	109.0	92.0	79.3
Styrene (cents/lb) ⁽⁷⁾	76.5	90.5	82.0	84.8	91.3
Caustic soda (\$/short ton) ⁽⁸⁾	648	755	825	920	972
Chlorine (\$/short ton) ⁽⁹⁾	234	309	443	563	680
PVC (cents/lb) ⁽¹⁰⁾	92.8	105.0	109.0	114.3	113.3
<u>Average export prices ⁽¹⁾</u>					
Polyethylene (cents/lb) ⁽¹¹⁾	76.3	89.7	86.0	72.7	69.6
Caustic soda (\$/short ton) ⁽¹²⁾	249	333	364	573	617
PVC (cents/lb) ⁽¹³⁾	67.8	77.8	74.1	90.0	72.6
<u>Housing Starts (in thousands of units)</u>					
Housing Starts - Actual quarterly starts ⁽¹⁴⁾	358	435	419	389	395
Housing Starts - Seasonally Adjusted Annual Rate ⁽¹⁵⁾	1,599	1,588	1,562	1,670	1,753

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.

14) Quarterly Single and Multi-family Starts data per the U.S. Census Bureau - April 19, 2022 report.

15) Quarterly Average Single and Multi-family Seasonally Adjusted Annual Rate data per the U.S. Census Bureau - April 19, 2022 report.

Safe Harbor Language

This presentation contains certain forward-looking statements including statements regarding creating value for our shareholders, pricing and demand for our products, continued recovery in key end markets, industry outlook for both of our segments, 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, our sustainability goals and commitments 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 including the conflict between Russia and Ukraine; 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; information systems failures and cyber attacks; 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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