
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (date of earliest event reported): November 24, 2021

Westlake Chemical Corporation
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation)	001-32260 (Commission File Number)	76-0346924 (I.R.S. Employer Identification No.)
2801 Post Oak Boulevard, Houston, (Address of principal executive offices)	Suite 600 Texas	77056 (Zip Code)

Registrant's telephone number, including area code: (713) 960-9111

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value	WLK	The New York Stock Exchange
1.625% Senior Notes due 2029	WLK29	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01 Entry into a Material Definitive Agreement.

On November 24, 2021, Westlake Chemical Corporation (the “Company”) announced that it has entered into a Stock Purchase Agreement (the “SPA”), dated as of November 24, 2021, between Hexion Inc. (“Hexion”), Westlake Olefins LLC, a wholly owned subsidiary of the Company (“Buyer”), and, solely for the limited purposes set forth therein, the Company. Pursuant to the terms of the SPA, Buyer agreed to acquire Hexion’s global epoxy business (“Hexion Epoxy”) for a purchase price of approximately \$1.2 billion (the “Acquisition”), subject to certain closing date adjustments as set forth in the SPA.

The closing of the Acquisition is currently expected to occur in the first half of 2022, subject to the receipt of certain regulatory approvals and other customary closing conditions. The consummation of the Acquisition is not subject to a financing condition.

The SPA contains customary representations and warranties made by the parties, and also contains customary covenants and agreements, including, among other things, agreements by Hexion to conduct its business in the ordinary course consistent with past practice during the period between the execution of the SPA and the closing of the Acquisition.

The foregoing description of the SPA and the transactions contemplated thereby does not purport to be complete.

Item 7.01 Regulation FD Disclosure.

On November 24, 2021, the Company provided supplemental information regarding the Transaction in connection with a presentation given to investors. A copy of the investor presentation is furnished with this Current Report on Form 8-K as Exhibit 99.2.

The foregoing information (including Exhibit 99.2 hereto) is being furnished under Item 7.01. Such information (including Exhibit 99.2 hereto) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such filing.

Forward-Looking Statements

The statements in this Current Report on Form 8-K that are not historical statements, including statements regarding the expected timing of closing of the transaction, whether required regulatory approval will be obtained, and potential benefits of the transaction, are forward-looking statements within the meaning of the U.S. securities laws. These forward-looking statements are subject to significant risks and uncertainties, many of which are beyond the Company's control. Actual results could differ materially, based on factors including, but not limited to: the timing to consummate the proposed transaction; the conditions to closing of the proposed transaction may not be satisfied or the closing of the proposed transaction otherwise may not occur; the risk that regulatory approvals are not obtained or are obtained subject to conditions that are not anticipated; the diversion of management time on transaction-related issues; and other risks and uncertainties described in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the Securities and Exchange Commission ("SEC") in February 2021, the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, which was filed with the SEC in November 2021, the Company's recent Current Reports on Form 8-K, and the Company's other SEC filings. These filings also discuss some of the important risk factors that may affect the Company's business, results of operations and financial condition. The Company undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibits are furnished herewith:

- 99.1 [Press Release dated November 24, 2021.](#)
- 99.2 [Investor Presentation dated November 24, 2021.](#)
- 104 The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WESTLAKE CHEMICAL CORPORATION

Date: November 24, 2021

By: /s/ L. Benjamin Ederington
L. Benjamin Ederington
Senior Vice President, General Counsel,
Chief Administrative Officer and
Secretary

**Westlake to Acquire Hexion's Global Epoxy Business**

Leading global supplier of coatings and composites used in wind turbine blades and automotive structural components to expand Westlake's chemicals portfolio

HOUSTON, November 24, 2021 – Westlake Chemical Corporation (NYSE: WLK), today announced that it has entered into a definitive agreement with Hexion Inc. to acquire Hexion's global epoxy business for approximately \$1.2 billion. Based in Rotterdam, The Netherlands, Hexion's epoxy business is an industry leader in the manufacture and development of specialty resins, coatings and composites for a variety of industries, including high-growth and sustainability oriented end-uses such as wind turbine blades and light-weight automotive structural components. In the twelve months ended September 30, 2021, Hexion's epoxy business had net sales of approximately \$1.5 billion.

With this transaction, which is anticipated to be completed in the first half of 2022 following customary closing conditions, Westlake will significantly expand its integrated business by adding a downstream portfolio of coatings and composite products to its leading chloro-vinyls businesses.

"Light-weighting is a critical feature for the manufacture of structural components for automobiles and for renewable energy, particularly the composite blades used by wind turbines, and epoxies are key ingredients for these sustainable products," said Westlake President and Chief Executive Officer Albert Chao. "The industries served by Hexion Epoxy are very attractive to Westlake and the business is expected to be a synergistic addition to Westlake's existing businesses. We look forward to welcoming the Hexion epoxy employees to the Westlake family and realizing the tremendous opportunities to grow the combined businesses."

Hexion Epoxy is a global leading producer of epoxy resins, modifiers and curing agents for high-performance materials, coatings and composites. The fully-integrated business includes upstream base epoxy resins and intermediates delivered as liquid or solid epoxy resins, as well as downstream specialty epoxy resins used in coatings and composites. Hexion Epoxy operates globally on three continents with eight manufacturing facilities and five research and development labs located in Asia, Europe and the United States, as well as tolling sites in Asia.

About Westlake

Westlake is a global manufacturer and supplier of materials and innovative products that enhance life every day. Headquartered in Houston, we provide the building blocks for vital solutions — from building products and infrastructure materials, to packaging and healthcare products, to automotive and consumer goods. For more information, visit the company's web site at www.westlake.com.

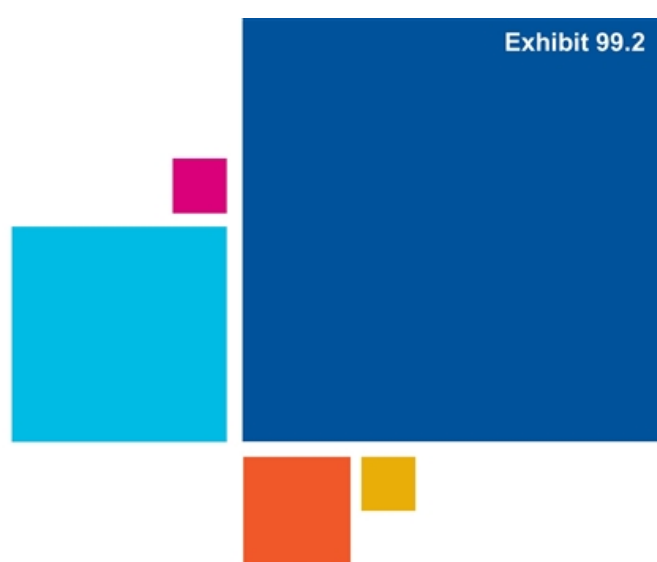
Forward-Looking Statements

The statements in this release that are not historical statements, including statements regarding the expected timing of closing, whether required regulatory approval will be obtained, and potential benefits of the transaction, are forward-looking statements within the meaning of the U.S. securities laws. These forward-looking statements are subject to significant risks and uncertainties, many of which are beyond Westlake's control. Actual results could differ materially, based on factors including, but not limited to: the timing to consummate the proposed transaction; the conditions to closing of the proposed transaction may not be satisfied or the closing of the proposed transaction otherwise may not occur; the risk that regulatory approval is not obtained or is obtained subject to conditions that are not anticipated; the diversion of management time on transaction-related issues; and other risks and uncertainties described in Westlake's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the Securities and Exchange Commission ("SEC") in February 2021, Westlake's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, which was filed with the SEC in November 2021, Westlake's recent Current Reports on Form 8-K, and Westlake's other SEC filings. These filings also discuss some of the important risk factors that may affect Westlake's business, results of operations and financial condition. Westlake undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

Contacts

Media Relations – L. Benjamin Ederington – 1-713-585-2900

Investor Relations – Steve Bender – 1-713-585-2900



Westlake Chemical Corporation

Westlake Adds to Downstream Integration and Sustainable Products
Through Acquisition of Hexion's Epoxy Business

November 24, 2021

Westlake's Acquisition of Hexion Epoxy Adds A New Growth Platform With Sustainable Applications

- Epoxies expand Westlake's integrated materials business into attractive global high-growth, innovative, and sustainably oriented end-use products including: wind turbine blades, EV automotive light weighting, aerospace and consumer coating applications
- Hexion epoxy is a global leader with strong positions across all key applications
 - Highly innovative with majority of business in specialty areas of epoxy
 - Leading positions: #1 in wind energy globally, #2 in aviation in Europe, and #2 in automotive In North America
 - Significant global scale with 8 manufacturing sites and 5 R&D labs across 3 continents with 330 patents and TTM Revenue of \$1.5 billion⁽¹⁾
- The acquisition of Hexion's epoxy business enhances Westlake's chloralkali and olefins vertical integration strategy bringing attractive growth and synergy opportunities
- Transaction expected to close in the first half of 2022
- Transaction expected to be accretive in the first year of combined operations



(1) TTM: trailing twelve months as of Sept 30, 2021

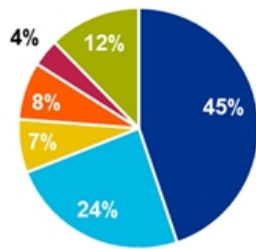
Hexion Epoxy Transaction Overview

Business, Structure and Consideration	▪ An industry leader in the manufacturing and development of specialty resins, coatings and composites for a variety of industries, including high-growth end-uses such as wind turbine blades and automotive & aviation structural components ▪ Employs approximately 1,350 persons across 8 manufacturing sites and 5 R&D labs across 3 continents in Asia, Europe, and the United States ▪ Trailing twelve months revenue of approximately \$1.5 billion as of September 30, 2021 ▪ \$1.2 Billion purchase price, subject to customary adjustments
Funded by Available Cash on Hand	▪ Acquisition utilizes Westlake's strong cash position with no debt financing anticipated to fund purchase price ▪ Westlake expects to maintain strong investment grade credit metrics post-acquisition
Transaction Closing	▪ Transaction subject to customary closing conditions, including regulatory approvals ▪ Transaction expected to close in the first half of 2022



Major Applications for Epoxy Resins

Global Industry Sales



- Coatings
- Electrical Applications
- Adhesives
- Composites
- Construction
- Other

Coatings

Growth Forecast = 3.2%



Electrical Applications

Growth Forecast = 3.6%



Adhesives

Growth Forecast = 3.4%



Composites

Growth Forecast = 5.8%



Construction

Growth Forecast = 2.6%

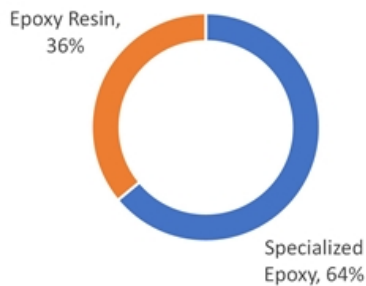


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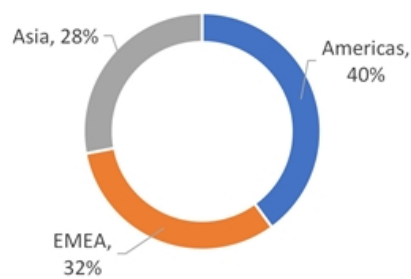
Hexion Epoxy Overview

- Global integrated manufacturing footprint from epoxy raw materials through customized specialty products in attractively growing end products and international markets
- Utilizes differentiated technology driven by a focus on R&D and new product development with a growing focus on ESG and sustainability oriented products
- Leading specialty resins, coatings and composites positions with global diversification and attractive applications
 - Downstream specialized epoxy business represents majority of revenue with superior process technology and product innovation and leading positions in wind energy and light weighting for aviation and automotive
 - Upstream epoxy resin business fully integrated with leading positions in liquid epoxy resins and BPA

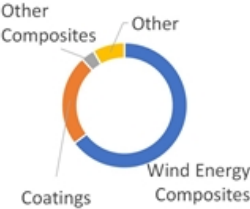
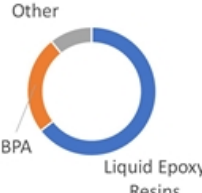
Sales by Product



Sales by Geography



Hexion Epoxy a Global Leader with Strong Positions Across All Applications

Segment	Sales by Sector	Key End Markets	Leadership Position	Hexion Epoxy Differentiation
Downstream Specialty Epoxy		 Wind  Aero  Auto	 1st Global  2nd Europe  2nd North America	Comprehensive product suite Leading product innovation Superior process technology Critical certified supplier Fully integrated player
Upstream Epoxy Resin		 LER  BPA	 2nd North America Europe  2nd North America	Flexible supply chain Only combined BPA / BPF unit Fully integrated player Critical supplier

Epoxy operating rates are expected to increase over the next decade driven by increasing demand and limited capacity additions; fastest growing markets are composites, electrical applications, and adhesives



Westlake Key Value Creation from Hexion Epoxy Acquisition

- 1 Expands Westlake into new attractive platforms in specialty resins, coatings, and composites serving high-growth, innovative, and sustainability oriented end-uses including wind energy and light weight automotive components and coatings
- 2 Hexion Epoxy has highly attractive business operations with leading product positions, specialty focus, broad product offerings across all epoxy end-uses, and integrated global operations with R&D led innovation
- 3 Enhances downward integration in Westlake's chloralkali and olefins chemicals businesses
- 4 Combination builds on Westlake's history of strategic growth, vertical integration, and successful acquisition integration and capture of cost and revenue synergies
- 5 Utilizes Westlake's strong investment grade balance sheet and cash position with purchase price expected to be fully funded from existing cash on hand



Safe Harbor Language

The statements in this presentation that are not historical statements, including statements regarding the integration of Hexion's epoxy business, the expected benefits of the proposed transaction, including expected synergies and accretion to earnings, the expected timing of closing and whether required regulatory approval will be obtained, the expected sources of financing the proposed transaction, and the expectation that Westlake will maintain its investment grade rating, are forward-looking statements within the meaning of the US securities laws. These forward-looking statements are subject to significant risks and uncertainties, many of which are beyond Westlake's control. Actual results could differ materially, based on factors including, but not limited to: the timing to consummate the proposed transaction; the conditions to closing of the proposed transaction may not be satisfied or the closing of the proposed transaction otherwise may not occur; the risk that regulatory approval is not obtained or is obtained subject to conditions that are not anticipated; the diversion of management time on transaction-related issues; the ultimate timing, outcome and results of integrating Hexion's operations and the ultimate outcome of Westlake's operating efficiencies applied to Hexion's products and services; the effects of the proposed transaction, including the combined company's future financial condition, results of operations, strategy and plans; expected synergies and other benefits from the proposed transaction and the ability of Westlake to realize such synergies and other benefits; results of litigation, settlements, and investigations; and other risks and uncertainties described in Westlake's Annual Report on Form 10-K for the fiscal year ended December 31, 2020, which was filed with the Securities and Exchange Commission ("SEC") in February 2021, Westlake's Quarterly Report on Form 10-Q for the quarter ended September 30, 2021, which was filed with the SEC in November 2021, recent Current Reports on Form 8-K, and Westlake's other SEC filings. These filings also discuss some of the important risk factors that may affect Westlake's business, results of operations and financial condition. Westlake undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

Investor Relations Contacts

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**Westlake
Chemical**

