



# Deutsche Bank 13th Annual Global Materials Conference

1<sup>st</sup> Quarter 2022

**Westlake**

# 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

A Leading Global Producer of Products and Materials that Enhance People's Lives Every Day



Net Sales <sup>(2)</sup>	\$13,477 Million	(LTM Mar 31, 2022)
EBITDA <sup>(1,2)</sup>	\$ 4,441 Million	
EBITDA Margin	33 %	
Net Income <sup>(3)</sup>	\$ 2,529 Million	



## Performance & Essential Materials (LTM Mar 31, 2022)

\$ 3,860 Million in EBITDA <sup>(1)</sup>  
\$ 9,760 Million in Net Sales

A leading global producer of performance oriented and essential materials that benefit from a globally competitive low cost position and specialized product orientation. The PEM Segment includes Westlake: North American Vinyls, North American Chlor-alkali & Derivatives, European & Asian Chloro-Vinyls, Olefins, Polyethylene and Epoxy

## Housing & Infrastructure Products (LTM Mar 31, 2022)

\$ 687 Million in EBITDA <sup>(1)</sup>  
\$ 3,717 Million in Net Sales

A leading producer of North American Building Products with strong brand positions and diverse product offerings. The HIP Segment includes Westlake: Royal Building Products, Pipe & Fittings, Global Compounds and Dimex

## Select Cash Flow and Liquidity Metrics (LTM Mar 31, 2022)

\$2,829 million in LTM March 31, 2022 Operating Cash Flows <sup>(1)</sup>  
Conservative balance sheet and long dated Maturity of Debt (17+ years)

Established in 1986, IPO in 2004, Westlake employs over 16,000 people around the globe with over 100 manufacturing sites in 23 countries

# Diverse Portfolio with Market Leading Positions

Global Scale With Leading Market Positions

## Performance & Essential Materials (PEM)



**Performance Materials**  
(PVC, Polyethylene, Epoxy)

~\$6.7 Billion Sales (LTM 1Q 2022)



**Essential Materials**  
(Chlor-alkali, Olefins)

~\$3.0 Billion Sales (LTM 1Q 2022)

## Housing & Infrastructure Products (HIP)



**Housing Products**  
(Building Products, Dimex, Residential - Pipe & Fittings and Global Compounds)

~\$2.9 Billion Sales (LTM 1Q 2022)



**Infrastructure Products**  
(Infrastructure - Pipe & Fittings and Global Compounds)

~\$0.9 Billion Sales (LTM 1Q 2022)

**Total Westlake ~\$13.5 Billion Sales (LTM 1Q 2022)**

### Epoxy

- #1 Specialty for Wind Energy
- #2 Specialty for European Aerospace
- #2 Specialty for N.A. Automotive
- #2 N.A. & European Epoxy Resin

### Chlorovinyls

- #1 Global Combined Chlorovinyls
- #2 Global PVC
- #2 Global Chlor-Alkali
- #2 Global Specialty PVC

### Polyethylene

- #2 N.A. Autoclave Polyethylene
- #3 N.A. Low Density Polyethylene

### N.A. Building Products

- #1 Premium PVC & Poly-ash Trim
- #1 Non-wood Shutters
- #3 PVC Siding
- #3 Premium Siding

### N.A. Roofing

- #1 Clay Tile
- #1 Concrete Tile
- #1 Composite Roofing
- #2 Stone Coated Metal

### N.A. PVC Pipe & Fittings and Compounds

- #1 PVC Fittings
- #1 PVC Compounds
- #2 PVC Pipe

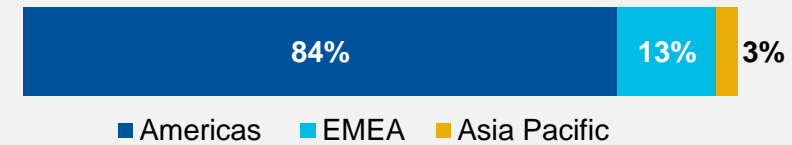
### N.A. Stone and Windows

- #1 Architectural Stone Veneer
- #1 Texas New Construction Windows

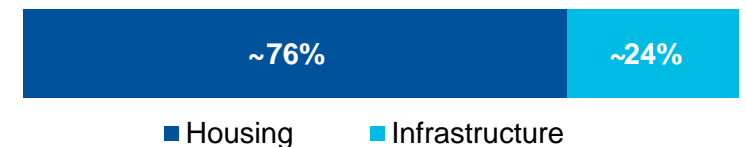
### End-Market Diversity



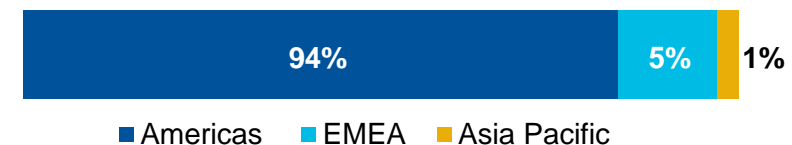
### Production Capacity by Region



### End-Market Diversity



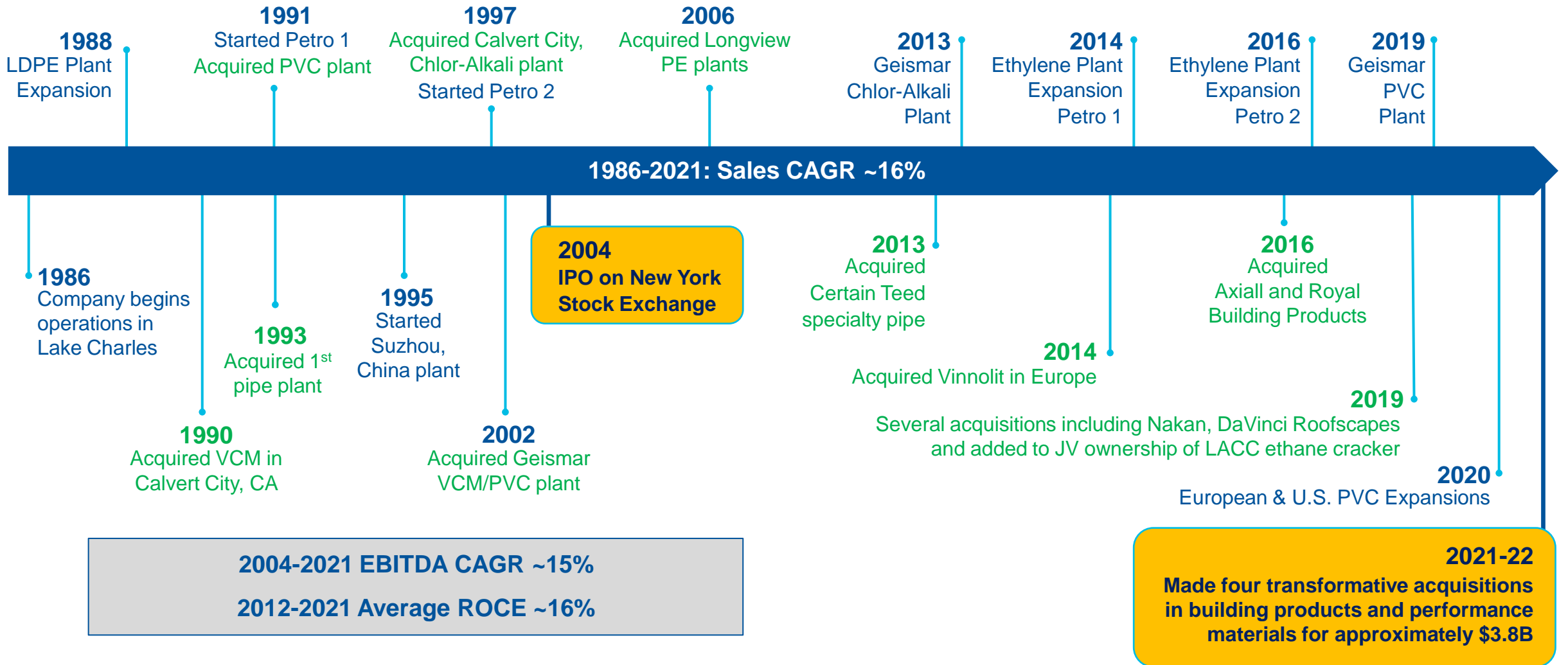
### Production Capacity by Region



Source: IHS Markit



# Westlake's History of Driving Value Creation



Organic and Inorganic Investments in the Portfolio Have Consistently Created Long-Term Value

# Sustainability Focus Grounded in Longstanding Values

Our **CORE VALUES**, in place since our founding in 1986, are grounded in socially responsible business practices and continue to be a guiding light for our evolving sustainability strategy



Health, Safety & Environment (“HSE”)



Our People



Quality & Continuous Improvement



Competitiveness



Citizenship





**Almost 95% of our products are used for durable, long-lasting goods**

We understand the importance of reducing the environmental impacts of our feedstocks, production and usage, and are developing exciting innovations, together with our customers, to meet their objectives while also reducing environmental impacts

**We guard against our products going anywhere besides their intended use and seek to reduce waste by diverting unused inputs and other materials from landfills**



# 2030 Carbon Emissions Reduction Goal

On February 21, 2022 we officially announced a carbon emissions reduction goal:

**Reduce Scope 1 & 2 CO<sub>2</sub> emission intensity 20% by 2030\***

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

## This includes:

- Energy-efficiency projects
- Increasing power from less carbon-intensive electricity providers
- Adding more hydrogen as a fuel gas
- Other continuous operational improvements

“Westlake has been **lowering carbon intensity every year** through our continuous improvement efforts and capital investments. As a manufacturer of essential products that enhance people’s lives every day, **we are committed to innovating more sustainable products** and producing them in a more sustainable fashion.”

– Albert Chao, Westlake President and CEO

# Westlake Commitment to Robust ESG Governance

We are proud to have received the following awards from **EcoVadis** – the world’s largest provider of business sustainability ratings



Westlake Corporation



Epoxy



Vinnolit



Nakan

## Board Oversight

Our Board of Directors had previously delegated sustainability oversight to the Board’s Corporate Risk Committee, but more recently amended the Committee charter, changing its name to the Corporate Risk and Sustainability Committee

## Executive Oversight

In 2020, we created a new executive level role, Vice President – Sustainability, which reports directly to our CFO

## Aligned with SDGs

The United Nations Sustainable Development Goals (SDGs) guide our sustainability approach. Collectively, the 17 SDGs provide a blueprint for a better and more sustainable future for all people and for the planet

## Aligned with Frameworks

Our disclosure is informed by the SASB industry standard and Global Reporting Initiative (GRI) framework; starting in our 2022 report, we will also begin use of the Task Force of Climate-related Financial Disclosures (TCFD)



# HIP Portfolio Overview

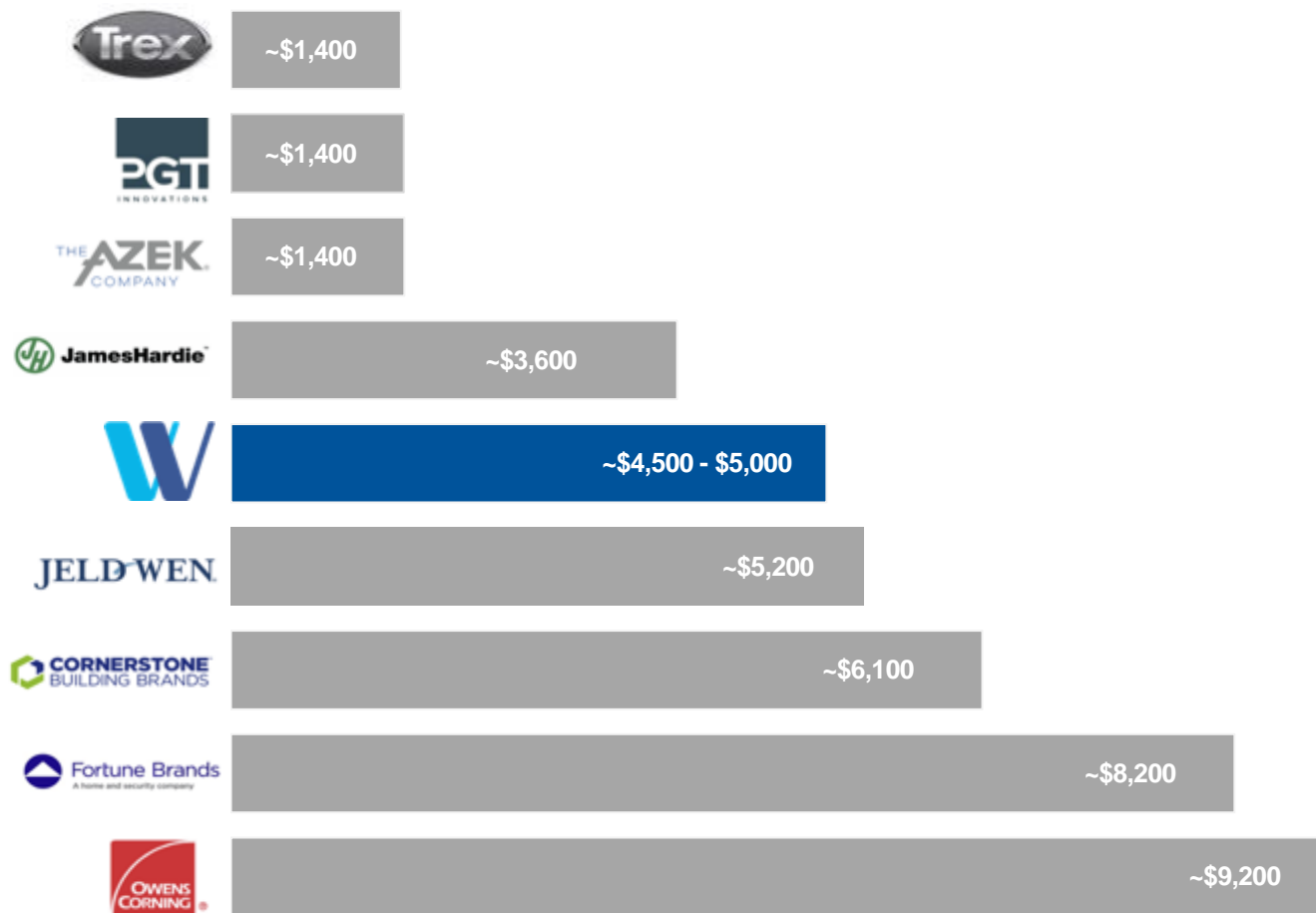
Business	Leading Brands & Product Examples	Demand Drivers/Major-End-Markets
		<ul style="list-style-type: none"> <li>• Over a decade of underbuilding in U.S. residential housing</li> <li>• Demographics and work flexibility drive housing growth</li> <li>• Repair and remodel spend</li> </ul>
		<ul style="list-style-type: none"> <li>• Residential housing growth and outdoor living</li> <li>• Demographics and work flexibility drive housing growth</li> <li>• Growing consumer commitment to made in the USA green sustainable products</li> </ul>
		<ul style="list-style-type: none"> <li>• Residential housing growth</li> <li>• PVC replacing iron and concrete pipe for water transmission</li> <li>• Aging infrastructure &amp; U.S. infrastructure bill</li> <li>• Electrification trends</li> </ul>
		<ul style="list-style-type: none"> <li>• U.S. Infrastructure bill spend on power grid &amp; broadband</li> <li>• Housing, construction, and electrification trends</li> <li>• Medical equipment demand growth</li> <li>• Sustainable automotive interiors</li> </ul>

# HIP Benefits from Significant Scale and a Long History of Customer Satisfaction

Significant growth since 2016 driven by both organic **market growth** and **strategic M&A**

- Prior to 2016** Leader in PVC Pipe
- 2016** Acquired Royal Building Products to become leader in Vinyl building products
- 2019** Acquired NAKAN Global Compounds and DaVinci Composite Roofing
- Aug. 2021** Acquired LASCO Fittings
- Sep. 2021** Acquired Dimex Post Industrial Recycled Products
- Oct. 2021** Acquired Boral North America Building Products

Fiscal Year 2022 Consensus Revenue Estimates (\$ in millions)



# Closer to the Customer with Value-Added Name Brands

	Flagship Brands	Growth Opportunities	US TAM*	Market Positions
<p><b>Name Value</b></p> <p><b>Brands make up the majority of Westlake Royal Building Products</b> offering that drive higher and more stable margins</p> <p><b>~80% of Sales</b></p> <p><b>Go through 1 Step</b> distributors who sell to the final customer enhancing margins over two-step distribution</p>	<p><b>Siding &amp; Accessories</b></p> 	<ul style="list-style-type: none"> <li>Vinyl siding provides lowest installed cost</li> <li>Majority is driven by stable R&amp;R spend</li> <li>Strong housing construction demand</li> </ul>	~\$10B	<p><b>#1</b> Non-wood Shutters</p> <p><b>#3</b> Premium Siding</p>
	<p><b>Trim &amp; Molding</b></p> 	<ul style="list-style-type: none"> <li>Displacing wood and other alternatives</li> <li>Strong housing construction demand</li> <li>Stable R&amp;R spend</li> </ul>	~\$3B	<p><b>#1</b> Premium PVC Trim</p> <p><b>#1</b> Poly-Ash Trim</p>
	<p><b>Roofing</b></p> 	<ul style="list-style-type: none"> <li>Displacing natural slate and other alternatives</li> <li>Strong housing construction demand</li> <li>Majority is driven by stable R&amp;R spend</li> </ul>	~\$15B	<p><b>#1</b> Concrete &amp; Clay Tile</p> <p><b>#1</b> Composite Tile</p> <p><b>#2</b> Stone Coated Metal</p>
	<p><b>Decorative Stone</b></p> 	<ul style="list-style-type: none"> <li>Housing construction and R&amp;R spend</li> <li>Market leading brands support demand</li> <li>Westlake's innovation in cultured stone</li> </ul>	~\$4B	<b>#1</b> Architectural Stone Veneer
	<p><b>Windows</b></p> <p>Legacy Collection</p> <p>Magnolia Collection</p> <p>Krestmark® Collection</p>	<ul style="list-style-type: none"> <li>Leveraging strength in Texas and other regions</li> <li>New home construction demand</li> <li>Stable R&amp;R spend provides additional support</li> </ul>	Leading position in attractively growing Texas market and surrounding areas	
	<p><b>Outdoor Living</b></p> 	<ul style="list-style-type: none"> <li>Displacing wood decking</li> <li>Growing outdoor trends post-pandemic</li> <li>Market leading brands appeal to consumers</li> <li>Attractive aesthetics</li> </ul>	Leveraging leading brands driving higher penetration in Outdoor Living	

# Demographics Support Favorable Housing Trends

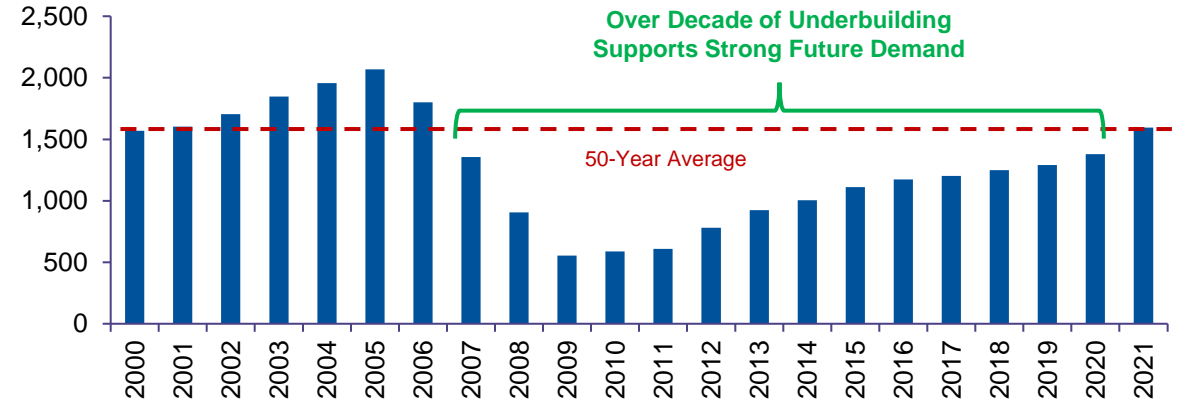
## Secular trends to drive U.S. housing demand growth, which will benefit Westlake's Building Products and our PVC businesses:

- Favorable demographics with increasing number of U.S. population to be in peak household formation years
- Underbuilding of homes since 2007-2009 financial recession creates significant cumulative deficit in available homes today
- Impact from COVID-19 pandemic increasing preferences for single family housing and enhanced indoor and outdoor living environment
- Increased work flexibility drives demand for single family homes

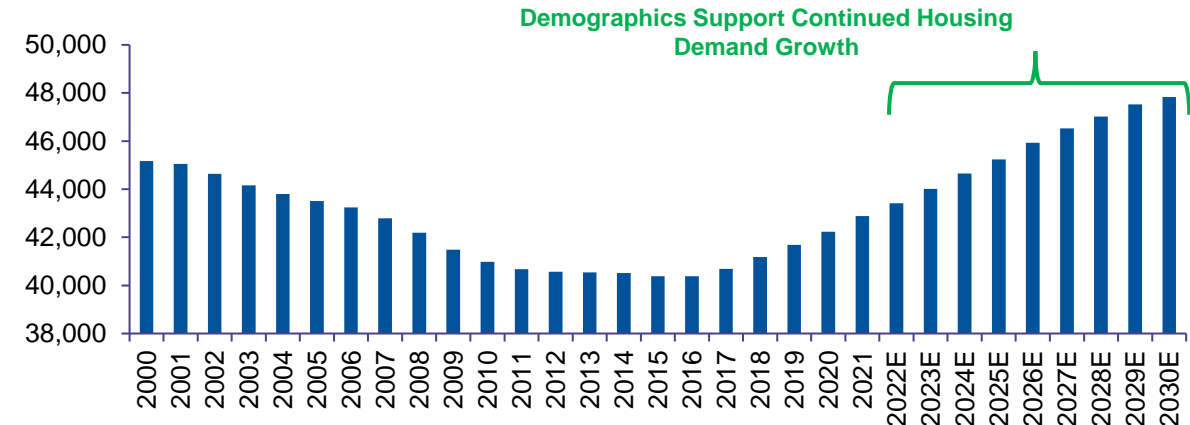
## U.S. Repair and Remodel Expenditures (\$B)



## Annual U.S. Housing Starts (Thousands)



## U.S. Population Age 35-44 (Thousands): Peak Household Formation Years



Expect Continued Growth in Repair and Remodel Spend and Housing Starts

# Recent Acquisitions Enhance Value-Added Portfolio

Enhancements create a significant ability to apply our proven skills towards new growth and return opportunities across both segments

## Adding Dynamic End Market Applications to Our Value Chain



Establishing HIP as a national player, able to comprehensively serve the largest distribution customers and partners



Expanding capabilities for growth in value-added products and solutions



Building on strong market positions in PEM

Aug.  
2021

### LASCO Acquisition

- Complements our pipe & fittings business which is one of the nation's largest
- Expands our offering primarily in 4 inches or smaller fittings
- Expands end-market exposure in plumbing, irrigation and pool & spa

Sep.  
2021

### Dimex Acquisition

- A leading manufacturer of sustainably oriented consumer products
- Products made from post-industrial recycled PVC and PE
- Complements our HIP offering with landscaping and matting products

Oct.  
2021

### Boral Building Products Acquisition

- Significantly expands our building product offering
- Provides a full-suite of leading brands and high value products
- Expands geographical reach particularly in the western U.S.

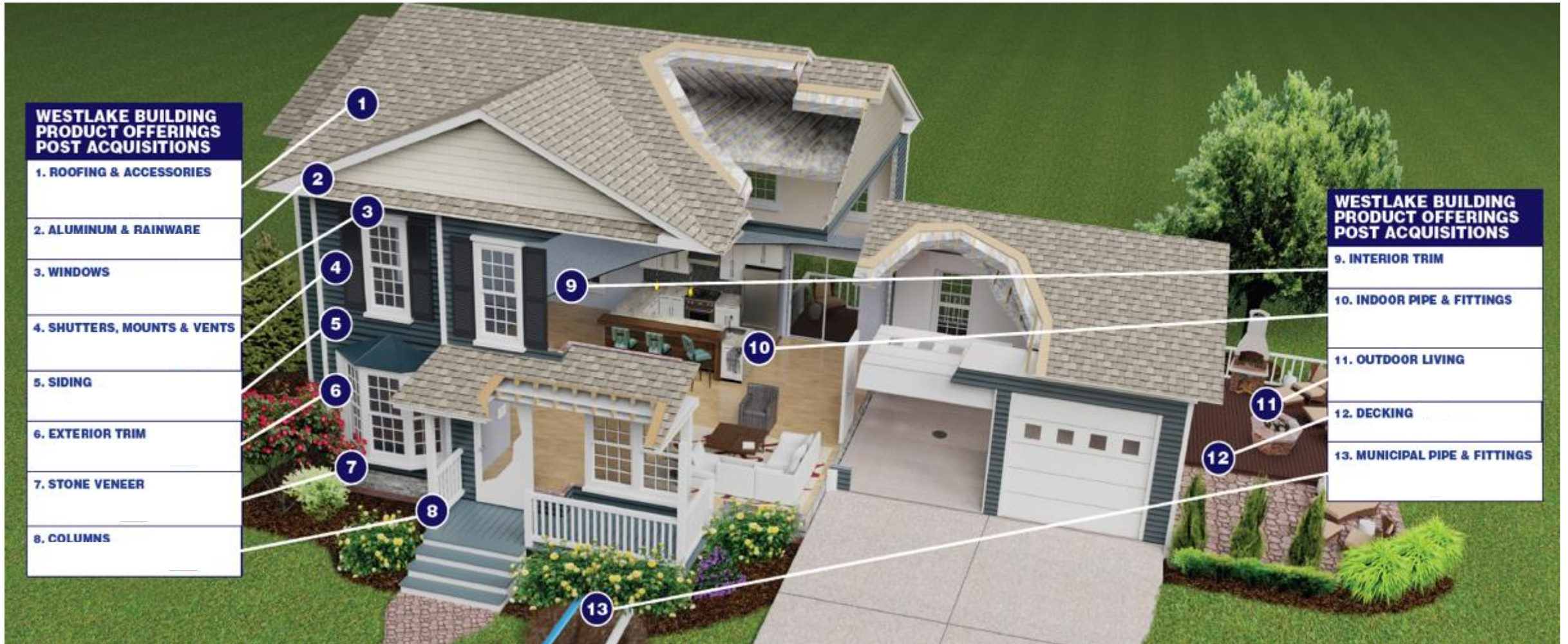
Feb  
2022

### Epoxy Acquisition

- Significantly expands our specialty offering in PEM
- Materials support the light weighting of products to reduce carbon intensity
- Provides growth to sustainable end-markets such as wind energy and EV's

Four Catalytic and Capability-Enhancing Acquisitions in the Past Year Valued at \$3.8 Billion

# Westlake Royal Building Products Full Suite Offering

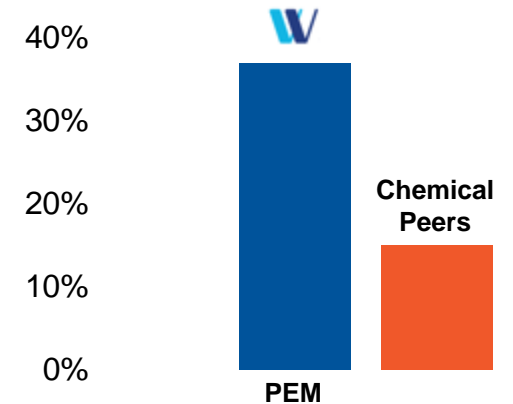


# Performance & Essential Materials for Everyday Life

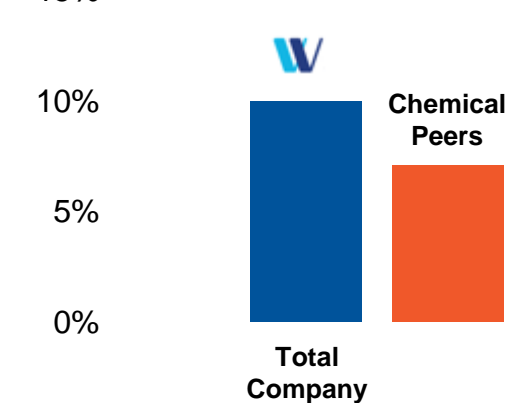
Product	Demand Opportunities	Market Position
<b>PVC</b>	<ul style="list-style-type: none"> <li>PVC is an integral product for a significant number of housing and construction materials that are short in supply and high in demand</li> <li>PVC is a superior product over lead, iron and concrete pipe driving material substitution</li> <li>Growth in consumer demand for products such as premium vinyl flooring and artificial leather for specialty PVC</li> </ul>	<b>#2</b> Global PVC <b>#2</b> Global Specialty PVC
<b>Low and Linear-Low Density Polyethylene</b>	<ul style="list-style-type: none"> <li>Population growth and urbanization driving packaging demand</li> <li>Light weighting packaging increasing demand for performance materials</li> </ul>	<b>#2</b> N.A. Autoclave Polyethylene <b>#2</b> Specialty Co-Polymer Polyethylene <b>#3</b> N.A. Low Density Polyethylene
<b>Epoxy</b>	<ul style="list-style-type: none"> <li>Macro trends driving demand for essential materials in wind energy, light weighting, coatings, adhesives and electrification expected to grow faster than global GDP</li> </ul>	<b>#1</b> Specialty for Wind Energy <b>#2</b> Specialty for European Aerospace <b>#2</b> Specialty for N.A. Automotive <b>#2</b> N.A. & European Liquid Epoxy Resin
<b>Chlor-Alkali</b>	<ul style="list-style-type: none"> <li>Robust demand for chlorine supporting global PVC demand</li> <li>Strong demand for caustic driven by industrial and manufacturing demand</li> </ul>	<b>#1</b> Global Chlorovinyls <b>#2</b> Global Chlor-Alkali

## PEM Outperformance vs. Peers

2021 EBITDA Margin



2021 ROCE



# High Product Integration with a Globally Advantaged Low-Cost Position

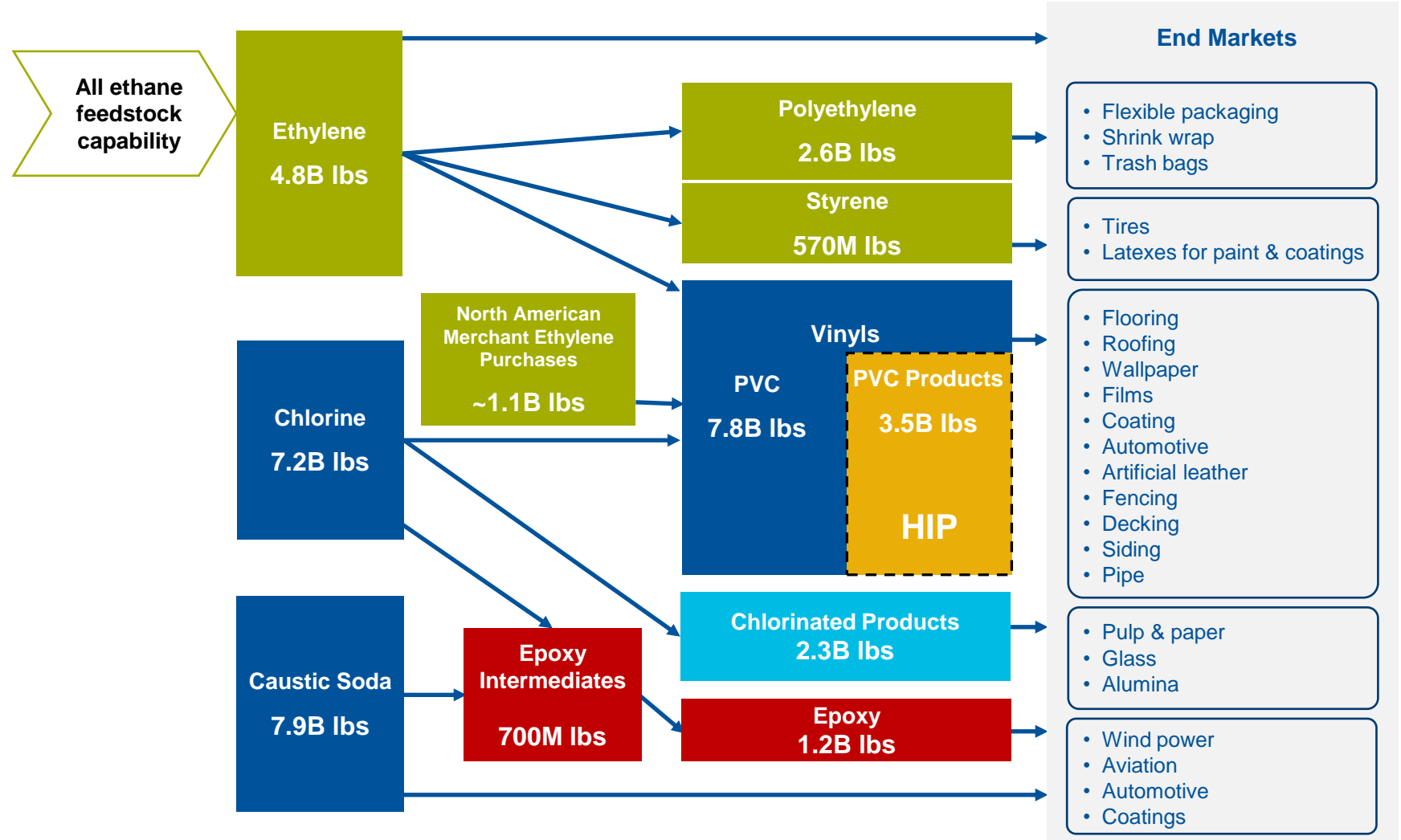
## Westlake has long-term strategic cost advantage:



North America has a long-term cost advantaged position through abundant supply of Ethane from shale, electricity from natural gas and ample salt compared to global markets

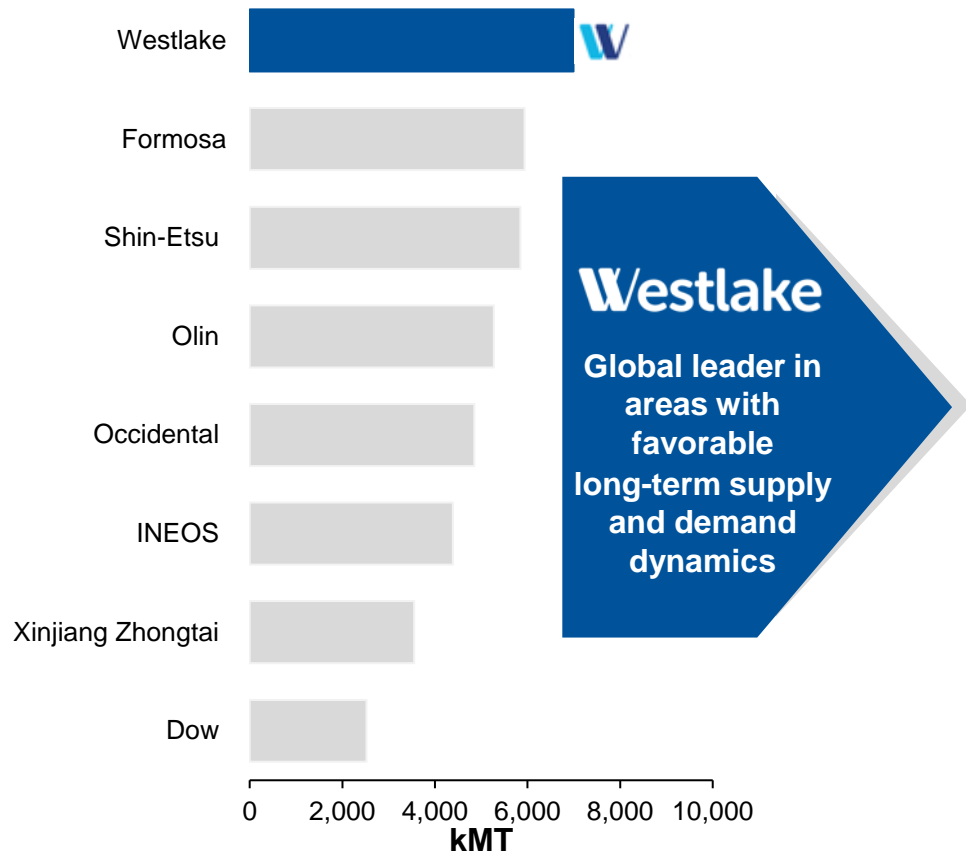


Integration from feedstock to final product captures margin across the production chain and throughout the economic cycle enhancing margin stability



# Benefitting from Compelling Supply & Demand Dynamics

## 2021 Global Caustic & PVC Capacity

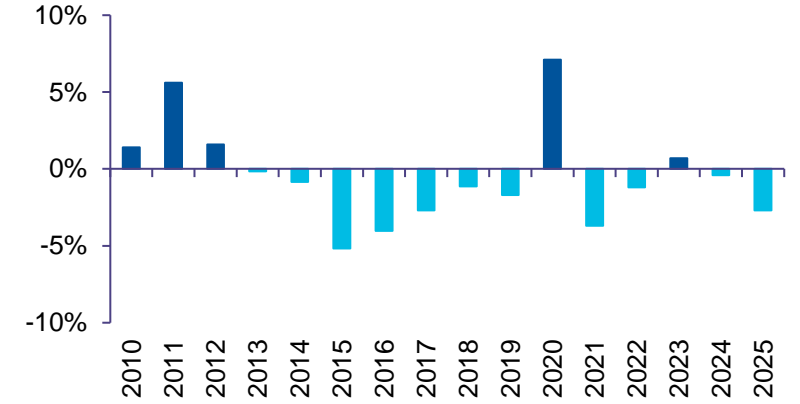


**Both PVC and Chlor-Alkali demand growth is expected to materially exceed supply additions in the coming years supporting a robust outlook**

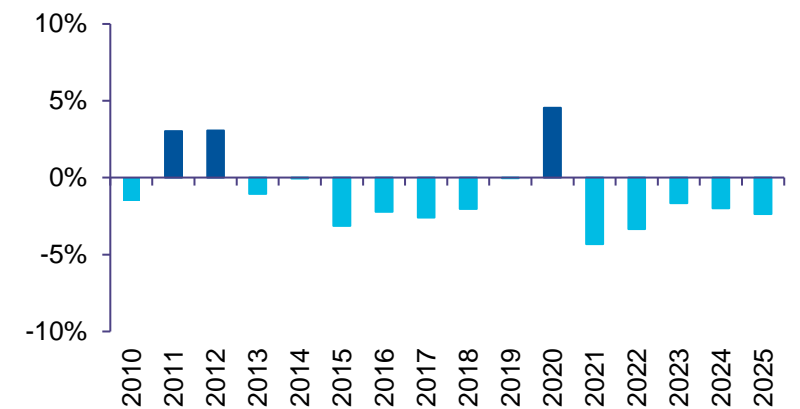
- Complexity and capital cost of the Chlorovinyls chain raises barriers to entry leading to less capacity additions over time
- PVC demand is expected to be strong driven by global housing and infrastructure markets
- Caustic demand is driven by broad global economic growth with applications across a variety of end uses from paper to alumina to soaps and detergent

## Relative Industry Changes in Capacity Compared to World GDP:

Global Over/Under Investment PVC Capacity



Global Over/Under Investment Caustic Soda Capacity



**Largest Global Chlorovinyl Producer Providing Customers Leading Products and Service**

# Penetrating New End-Markets Through Epoxy

## Epoxy at a Glance:

Epoxies expand Westlake’s integrated materials business into attractive high-growth innovative and sustainability oriented end-use products

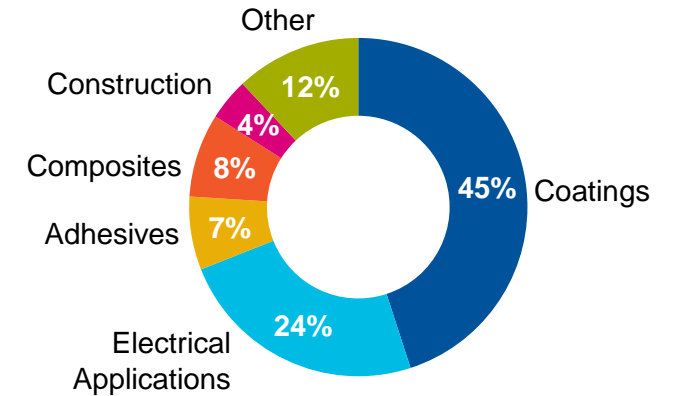
Applications & Products	Leadership Position
Wind Energy	<b>#1</b> Global
Aerospace	<b>#2</b> Europe
Automotive	<b>#2</b> North America
Liquid Epoxy Resin	<b>#2</b> North America, Europe
BPA	<b>#2</b> North America

### Other Epoxy Detail

- Significant global scale with 8 manufacturing sites worldwide and 5 R&D labs across 3 continents
- Epoxy operating rates are expected to increase over the next decade driven by increasing demand and limited capacity additions
- Fast growing markets:
  - Composites for wind energy, aerospace and automotive
  - Electrical applications including semiconductors
  - Adhesives across an array of markets
  - Coatings for food preservation and construction markets

## Epoxy Market Overview

### Global Industry Sales



Markets	Growth Forecast
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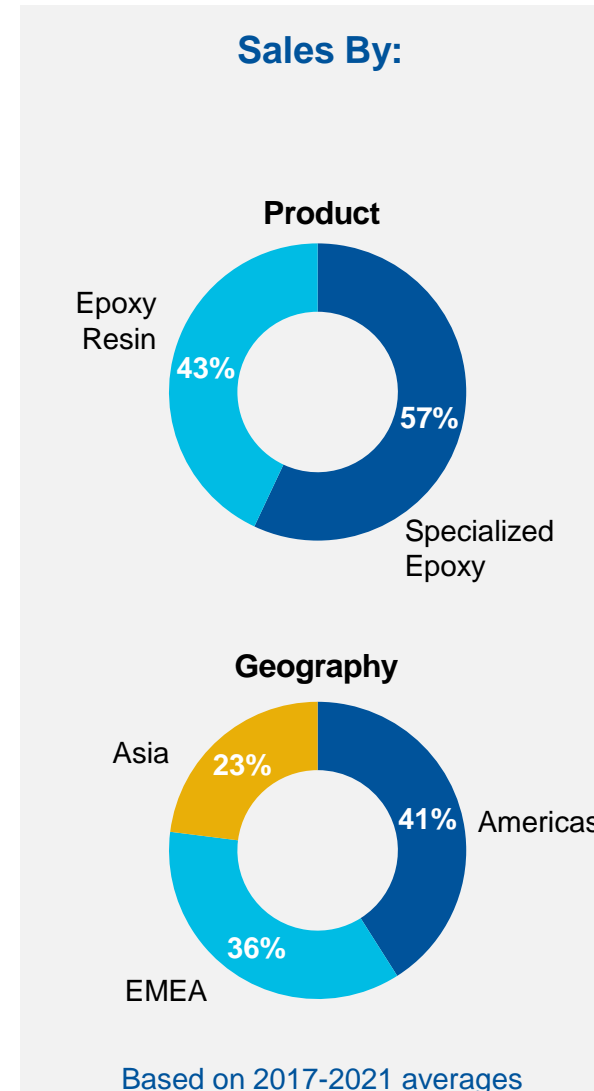
<b>Coatings</b>	3.2%
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<b>Electrical Applications</b>	3.6%
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<b>Adhesives</b>	3.4%
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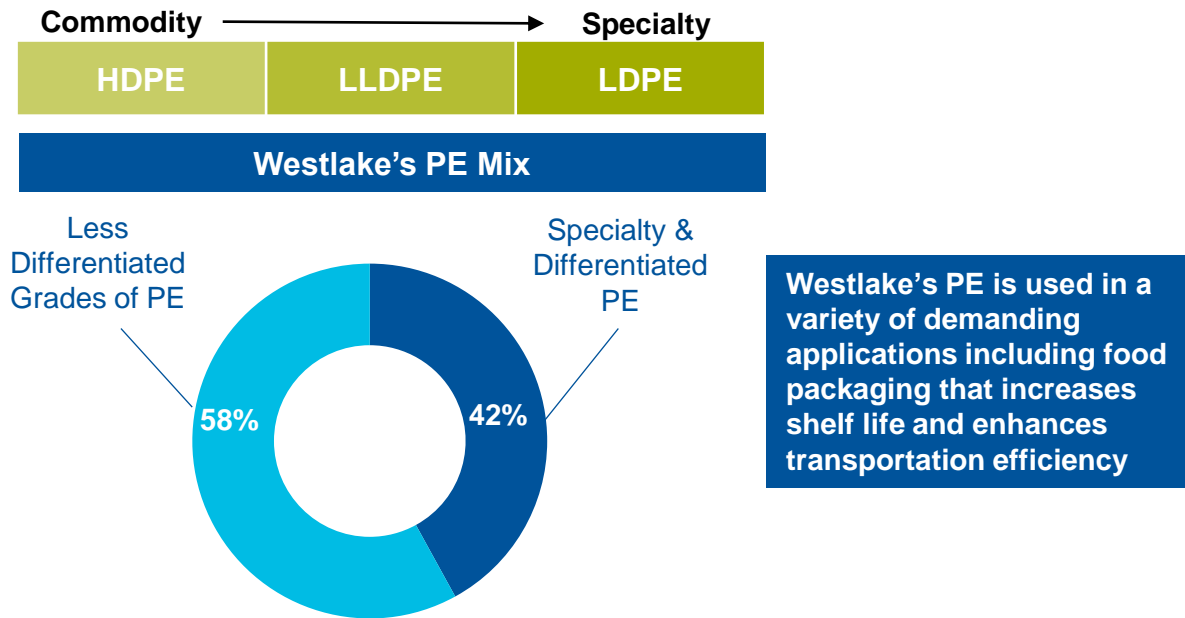
<b>Composites</b>	5.8%
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<b>Construction</b>	2.6%
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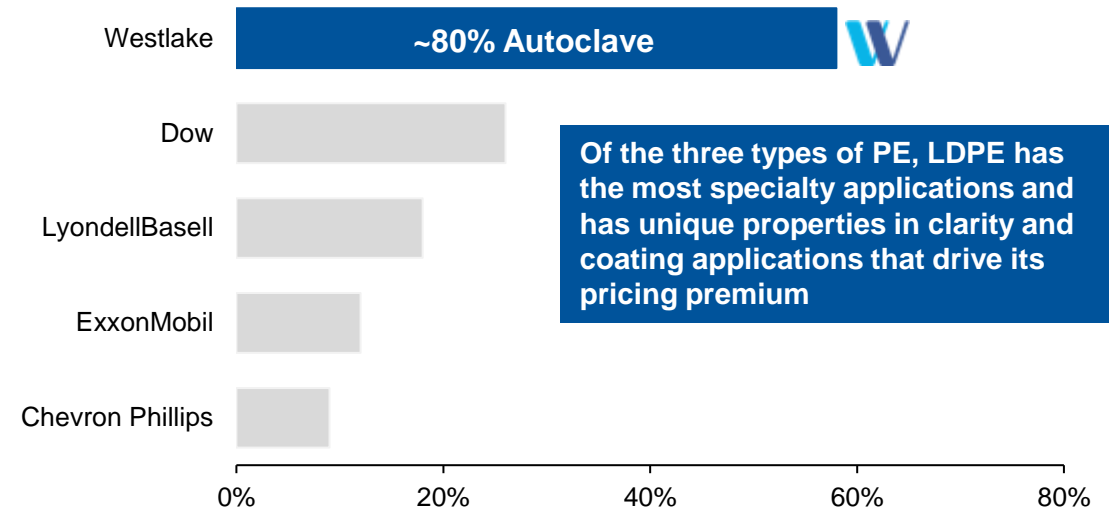
# Westlake's Unique LDPE Focus Provides Advantages

## Westlake's PE Capacity Breakout



- Westlake is a leading producer of specialty polyethylene (PE) that drives higher pricing and customer specification compared to commodity PE grades
- **42% of Westlake's capacity is specialty PE** that is harder to substitute for and generally not the focus of the other larger PE producers who tend to focus on the commodity PE that Westlake does not produce

## LDPE Capacity as a % of Total PE Capacity






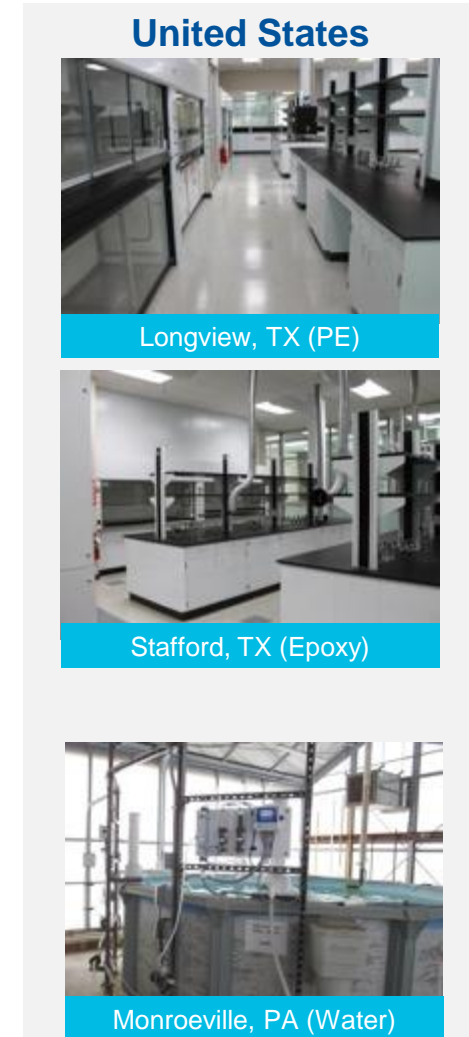
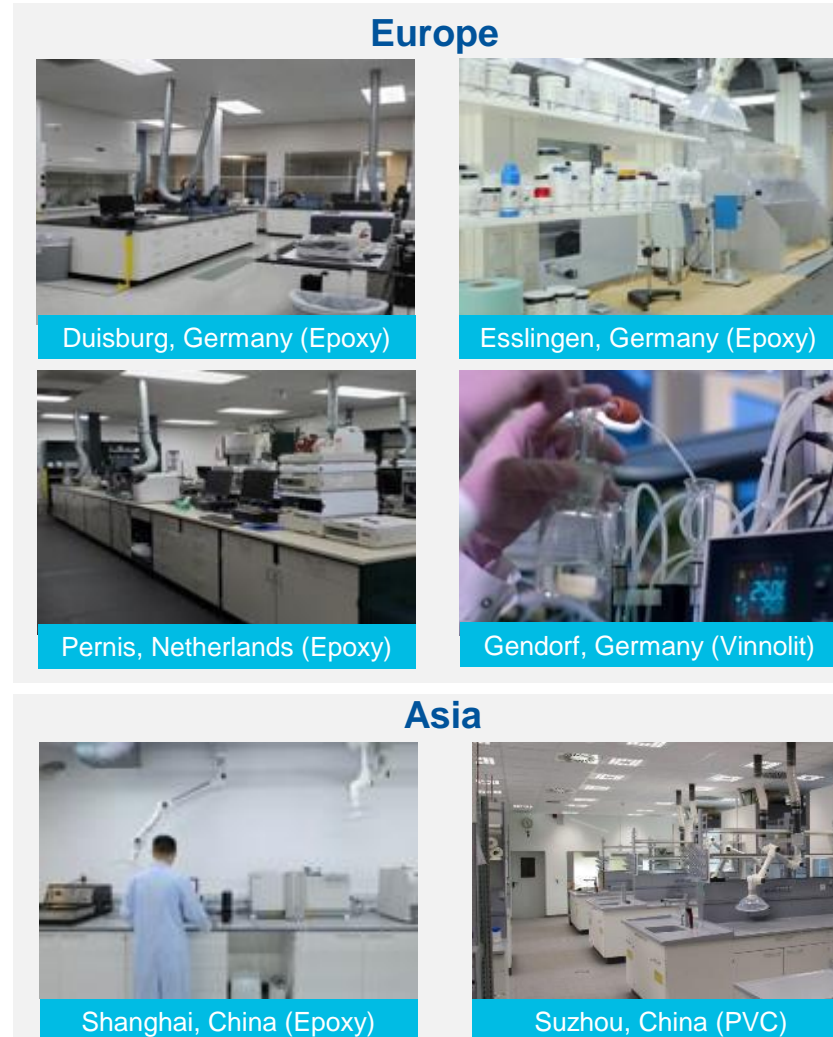
### Westlake's greater mix of LDPE bolsters margin advantage

- Westlake further adds to its advantage from LDPE by producing 80% of it through the even more specialized Autoclave method vs. Tubular LDPE
- Autoclave LDPE is more costly to build and requires greater development and customer focus increasing barriers to entry

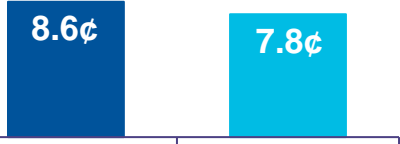
# Closer to Customers with Specialty Products & Innovation

## Global R&D Footprint Supporting Product Development

Product	End-use and Applications
<p><b>Specialty PE</b></p> 	<ul style="list-style-type: none"> <li>• Solar cell encapsulant film</li> <li>• Personal care products</li> <li>• Sterile medical packaging</li> <li>• Food preservation</li> </ul>
<p><b>Specialty PVC</b></p> 	<ul style="list-style-type: none"> <li>• Medical equipment such as blood bags</li> <li>• Premium vinyl flooring and wall covering</li> <li>• Consumer durables</li> <li>• Automotive applications</li> </ul>
<p><b>Epoxy Specialty Resin</b></p> 	<ul style="list-style-type: none"> <li>• Wind energy application</li> <li>• Composites for automotive &amp; aerospace light weighting</li> <li>• Electrification/semiconductor chips</li> <li>• Coatings for consumer applications</li> <li>• Adhesives and construction applications</li> </ul>



# Specialty & Downstream Product Mix Enhances Margins

Product	Market Position	Price Advantage (1) (per pound)
Specialty PVC	#2 in Global PVC #2 in Global Specialty PVC	 <p>Avg. Specialty PVC Over Commodity PVC</p>
Epoxy Specialty Resins	#2 in Epoxy Resin	 <p>Avg. Specialty Epoxy Over Commodity Epoxy</p>
Specialty PE	Leading Producer	 <p>Avg. Specialty Premium PE Over Commodity PE</p>
LDPE	#3 in the Americas	 <p>LDPE vs. LLDPE    LDPE vs. HDPE</p>

- Westlake is a leading producer of specialty PVC delivering higher margins and increased earnings stability
- Population growth and urbanization in global economies drives specialty product demand in automotive, medical and housing applications as well as consumer durables
- Epoxy broadens Westlake’s end-market exposure to higher growth sustainability-oriented markets such as wind energy as well as automotive and aerospace light weighting
- Leading producer of specialty polyethylene that has higher pricing and customer specification compared to other PE grades
- Westlake’s higher priced and application focused specialized PE product combined with its globally advantaged cost position drives higher margin and more resilient profitability

(1) Based on cycle averages

# Compelling Portfolio of Growth Opportunities

## Performance & Essential Materials

### Chloro-Vinyl Dynamics

- Geismar PVC capacity additions delivers near-term value
- Newly announced EDC, VCM and PVC in growth markets to drive further bottom-line growth

### New Growth Lever With Epoxy

- Trends in wind energy, light weighting, coatings and electrification resulting in demand above global GDP
- Global scale manufacturing supported with R&D drive continued specialization

### LDPE Opportunity

- Growing specialty and differentiated PE to drive higher margins
- Ongoing product formulation and sustainable product solutions drive closer customer relationships

## Housing & Infrastructure Products

### Favorable Housing Trends

- Over 10 years of underbuilding in residential housing
- Demographics and work from home flexibility supporting increased housing demand

### Recurring R&R Revenue Stream

- Predictable demand CAGR supports growth in R&R products of Westlake
- Rising value in home equity supports continued R&R spending

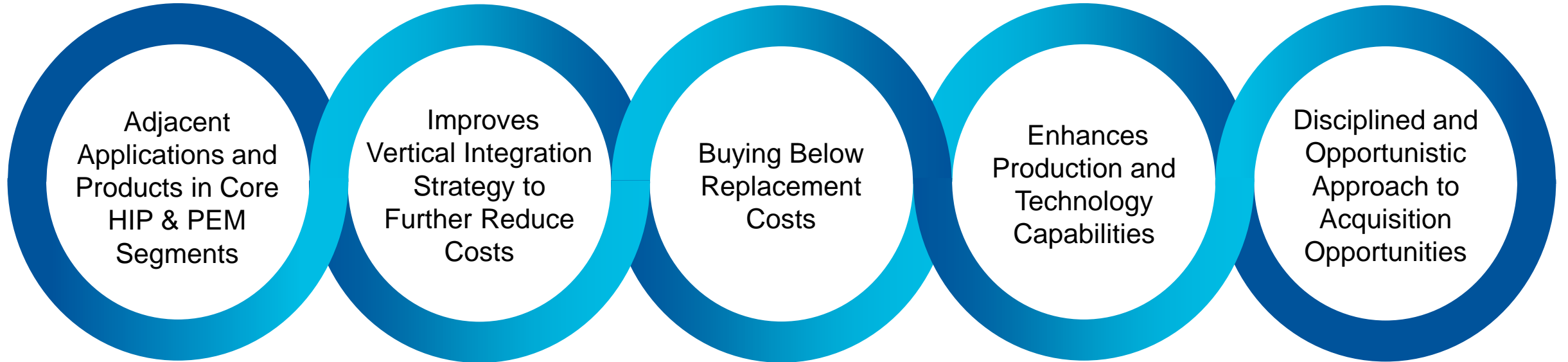
### Infrastructure Bill

- Long term demand supports Westlake's leading PVC pipe and fittings offering
- Product substitution of PVC over lead, iron and concrete pipe

Global Macro Trends Driving Demand for Westlake's Product Portfolio

# Investment Criteria to Drive Growth

## Strategic Filters



## Supporting Key Attributes

1

Positioned for profitable growth

2

Deep competitive moat

3

Favorable market outlook

4

Strong cash flows and balance sheet

5

Sustainable Product Offering

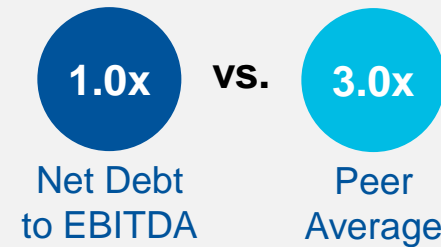
Defining a Proven M&A Strategy to Drive Bottom-Line Growth & Peer Leading Return on Capital

# Westlake History of Maintaining A Strong Balance Sheet

**Strong Balance Sheet With Significant Availability to Support Future Growth and Investment**

Cash	\$1,054M
Fully Undrawn Revolver	\$1,000M
Total Available Liquidity	~\$2,054M
Total Debt	\$5,180M

As of March 31<sup>st</sup>, 2022



Debt maturity life of ~17 years compared to peer average of ~7 years

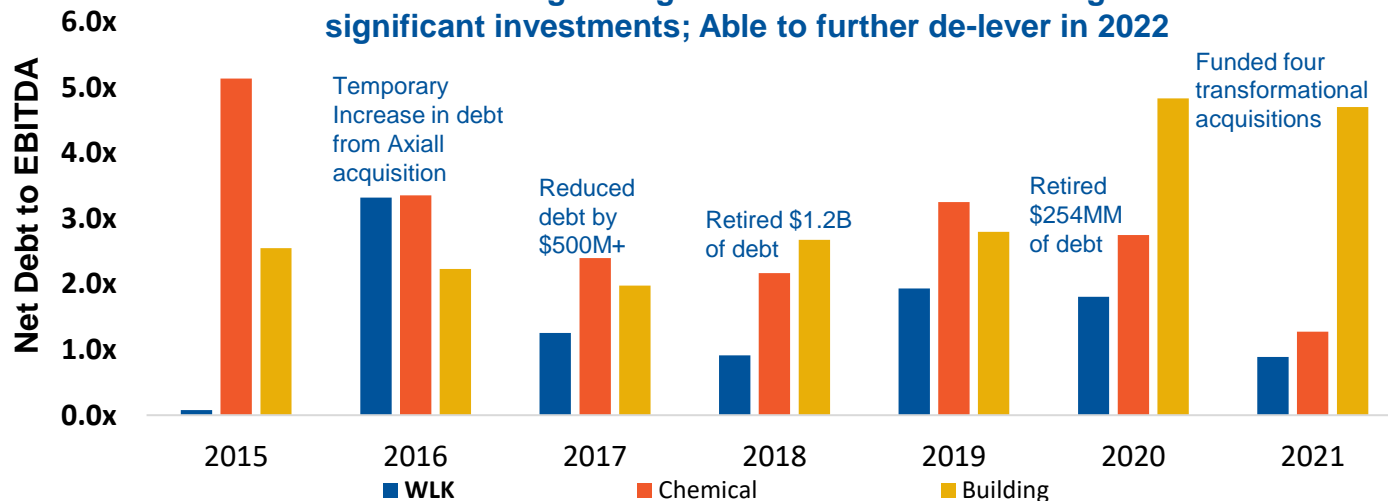
**Strong Credit Ratings Supports Additional Funding**

**S&P  
BBB**

**Fitch  
BBB**

**Moody's  
Baa2**

**Maintaining strong balance sheet while making significant investments; Able to further de-lever in 2022**



## Westlake Chemical Partners (WLKP) & Westlake Corporation:

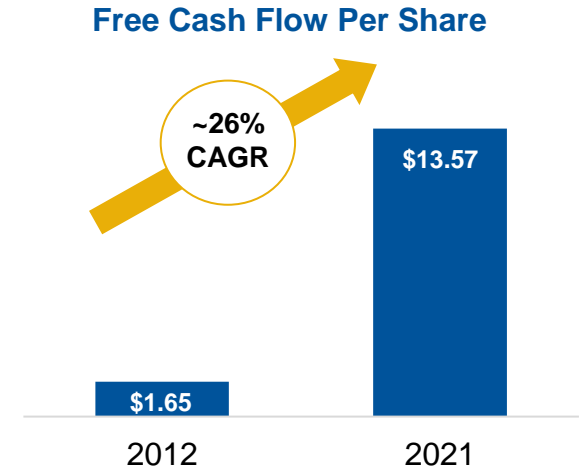
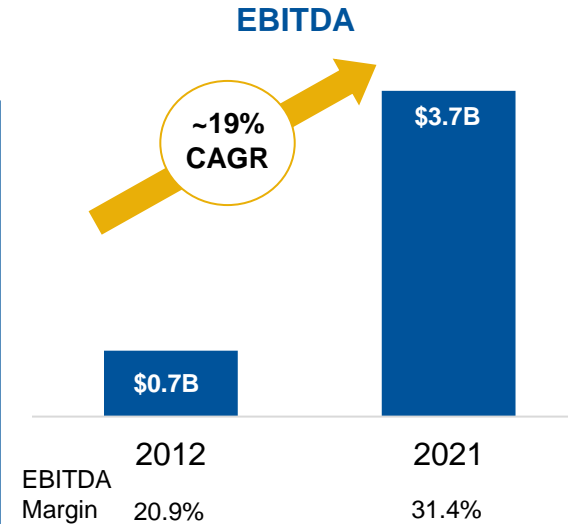
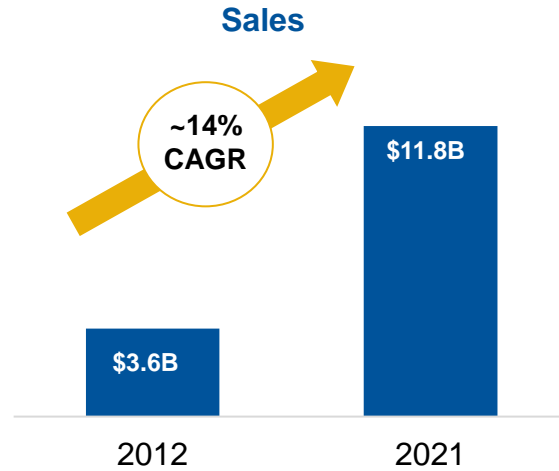
- Allows Westlake Corporation to capture a premium EBITDA multiple and reinvest it back into its core businesses, providing cost effective capital to fund future needs
- Over \$500M of equity proceeds raised by Westlake Partners has been reinvested by Westlake Corporation to generate incremental EBITDA at WLK

# Westlake's History of Delivering Strong Financial Results

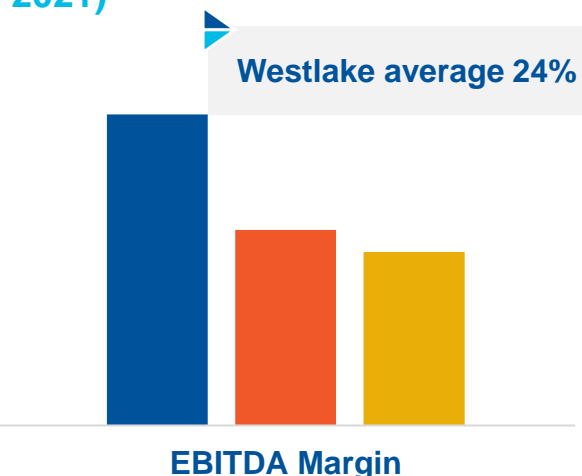
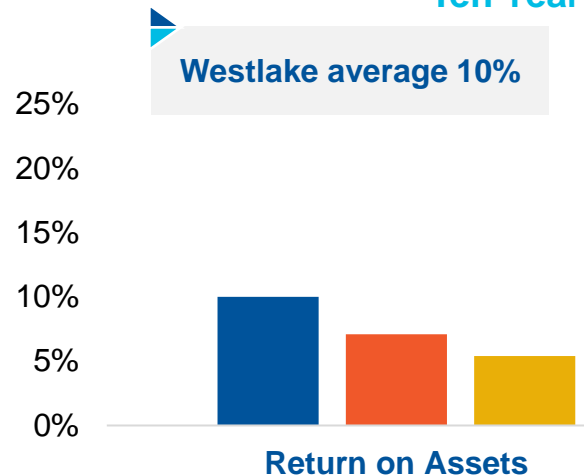
## Higher Sales, Margins and Returns Attributable to:

- Focused Bottom Line Growth
- Asset Quality
- Operating Rate Advantages
- Chain Integration
- Leading Market Positions
- Specialty & Downstream Focus
- Advantaged Feedstock

## Ten Year CAGR Performance



## Ten Year Average of Returns and Margins (2012-2021)



■ Westlake ■ Chemical Peers ■ Building Peers



# Successful History of M&A

## Investment Criteria

- 1 Adjacent applications and products in core HIP and PEM segments
- 2 Improves vertical integration strategy to further reduce costs
- 3 Buying below replacement costs
- 4 Enhances production and technology capabilities
- 5 Disciplined and opportunistic approach to acquisition opportunities

## Supporting Key Attributes

- Positioned for profitable growth
- Defensible longer-term
- Favorable market outlook
- Strong cashflow and balance sheet
- Sustainable product offering

## Focus

- Investment below replacement cost
- Expands specialty PE offering
- Product integration improvement
- Specialty PVC offering expands market access
- Investment below replacement cost
- Investment below replacement cost
- Product integration
- Reduces cost and increases production
- Rich mix of leading brand products
- Expands geographic reach
- Product integration and cross-selling capabilities
- Investment below replacement cost
- Provides access to current & new markets
- Improves integration
- Investment at attractive price
- Reduces cost of production
- Improves vertical integration

## History of Successful Integration

Acquisition of specialty PE from Eastman Chemical

Acquisition of specialty PVC leader Vinnolit

Acquisition of Axiall Corporation

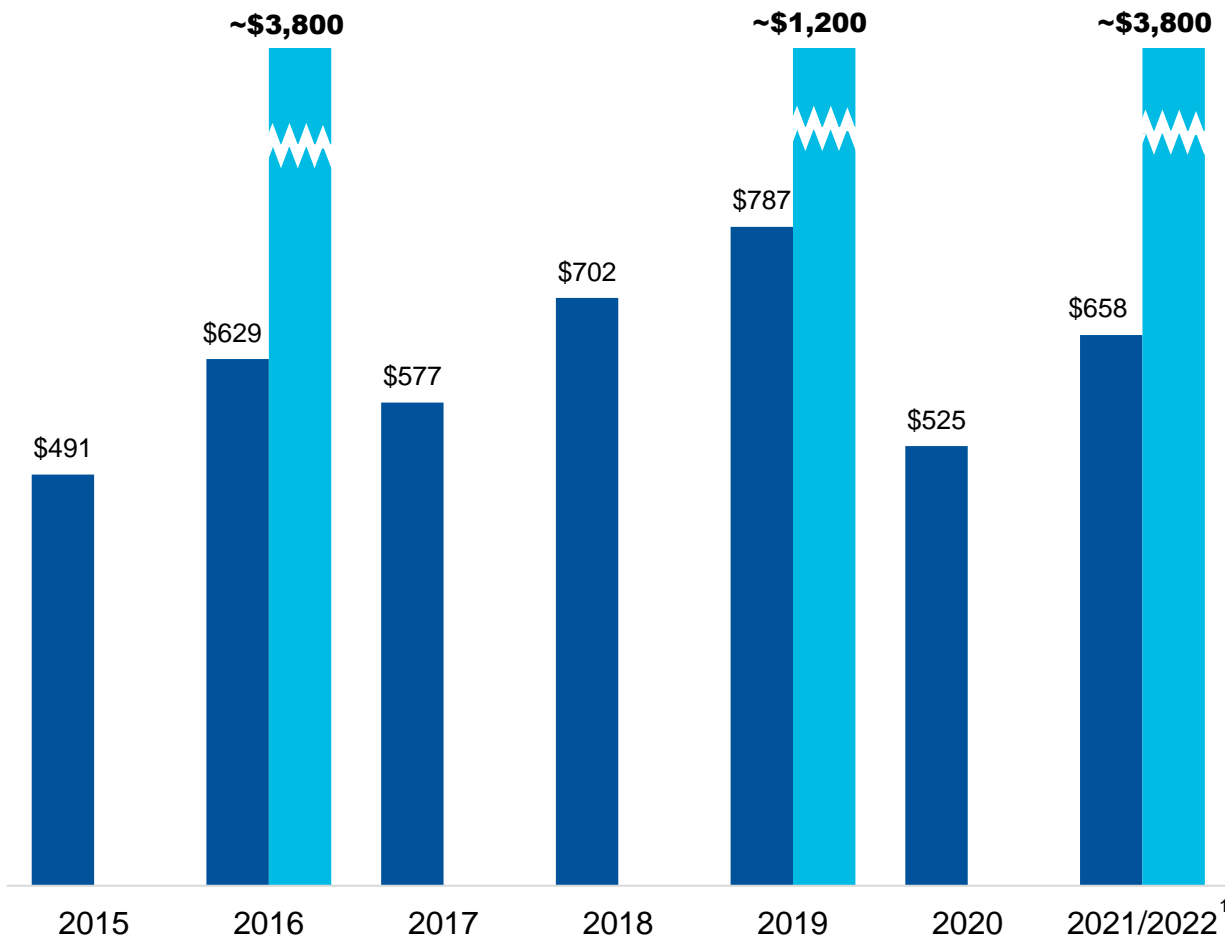
Acquisition of Boral North America, LASCO, Dimex

Epoxy acquisition from Hexion

Acquired 50% of LACC ethylene joint venture

# Continuing to Allocate Capital Efficiently

## Recent Capital Expenditures and Acquisitions (\$ in millions)



### Acquisitions

- Increases vertical integration
- Investments aligned with core strengths driving high returns
- Access to new, growing and sustainable markets
- Expands capabilities for growth in value-added products and solutions
- Expands global reach of our products

### Growth & Maintenance Capex

- Prudent spending to maintain asset base
- Integrated production chain driving reliability
- Higher return incremental growth products in attractive markets
- Structural and secular strength in housing presents growth opportunities
- Investments and innovations
- Growing pipeline of sustainable products

<sup>1</sup> Represents 2021 capital expenditures and acquisitions and Q1 2022 acquisition of Epoxy business from Hexion Inc.

# Key Takeaways of Westlake's Compelling Story

1

**Performance & Essential Materials (PEM)** is a leading producer of products that improve everyday life with strong specialty and downstream focus and a profitable growth outlook driven by favorable demand trends and capacity expansions

2

**Housing & Infrastructure Products (HIP)** has market leading brands with strong growth prospects supported by demand trends in U.S. residential housing and repair and remodeling spend coupled with benefits from increased infrastructure spend and electrification trends

3

**Well positioned to execute on profitable growth** by leveraging our globally advantaged low-cost position, shifting mix to more downstream and higher margin products, fully integrating \$3.8B of acquisitions, and driving operational excellence with a focus on continuous improvement throughout the organization

4

**Maintaining a disciplined and proven investment culture** with a focus on economic value added (EVA) that is strongly supported by a healthy balance sheet and free cash generation profile

5

**Executing on growth with a commitment to sustainability and ESG** by incorporating recycled material in our high-quality products and establishing long-term carbon emission reduction goals

Thank You For Attending and Showing Interest in Westlake's Exciting Future



**Westlake**

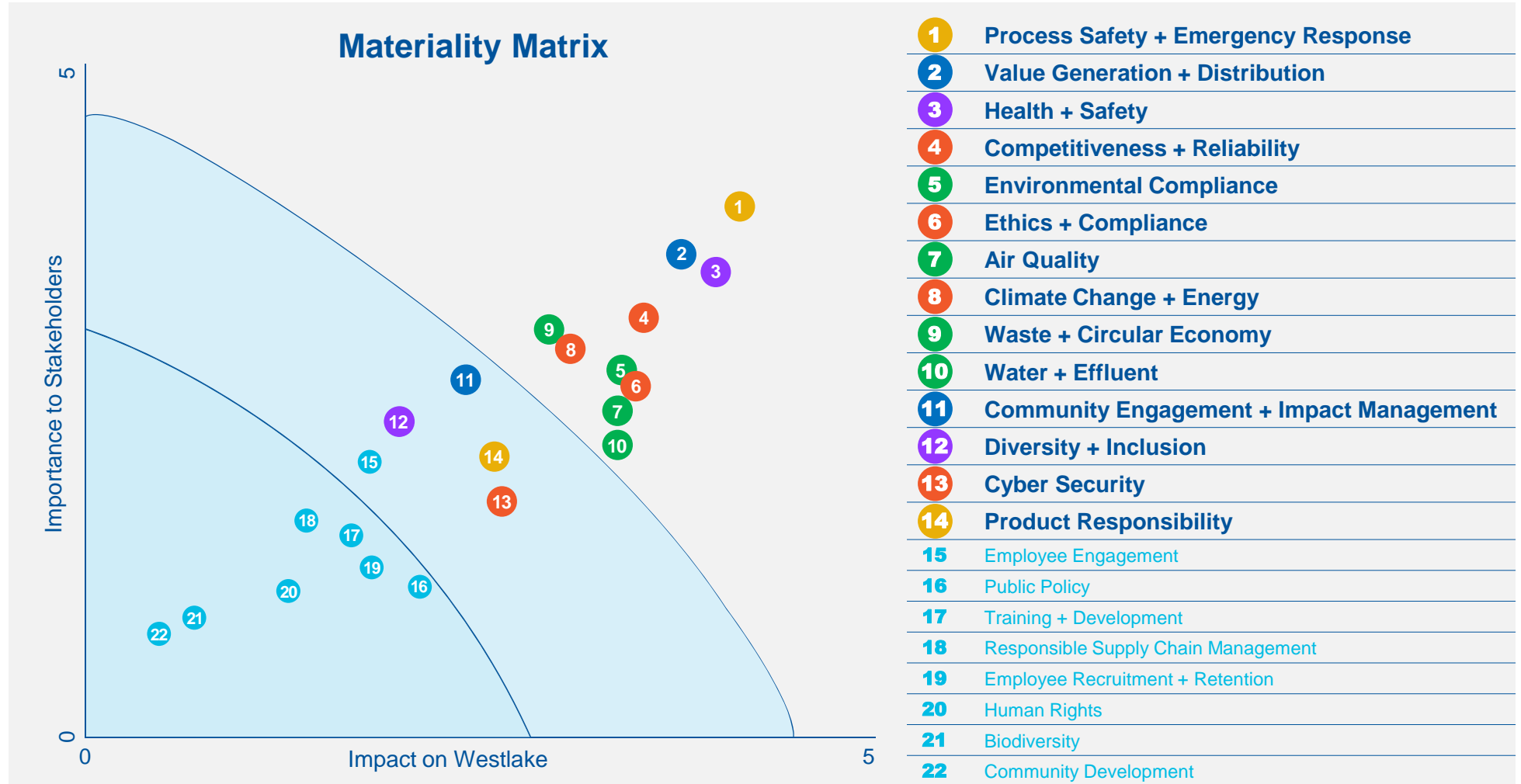
# Appendix

# Material Factors to Westlake

**We engaged a third-party leading research firm to perform a materiality assessment for Westlake in 2021.** The materiality assessment identified a list of 14 ESG topics as being particular areas of focus, for us and our stakeholders

We consider these top 14 material topics and our related efforts throughout this report under our **5 ESG Pillars**, as determined by our materiality assessment:

- Resilience
- Operations
- Products
- People
- Community



# Reducing Our Environmental Impact

## CO<sub>2</sub> reduction progress to date

We are making progress to decrease our environmental footprint across multiple areas of focus\*

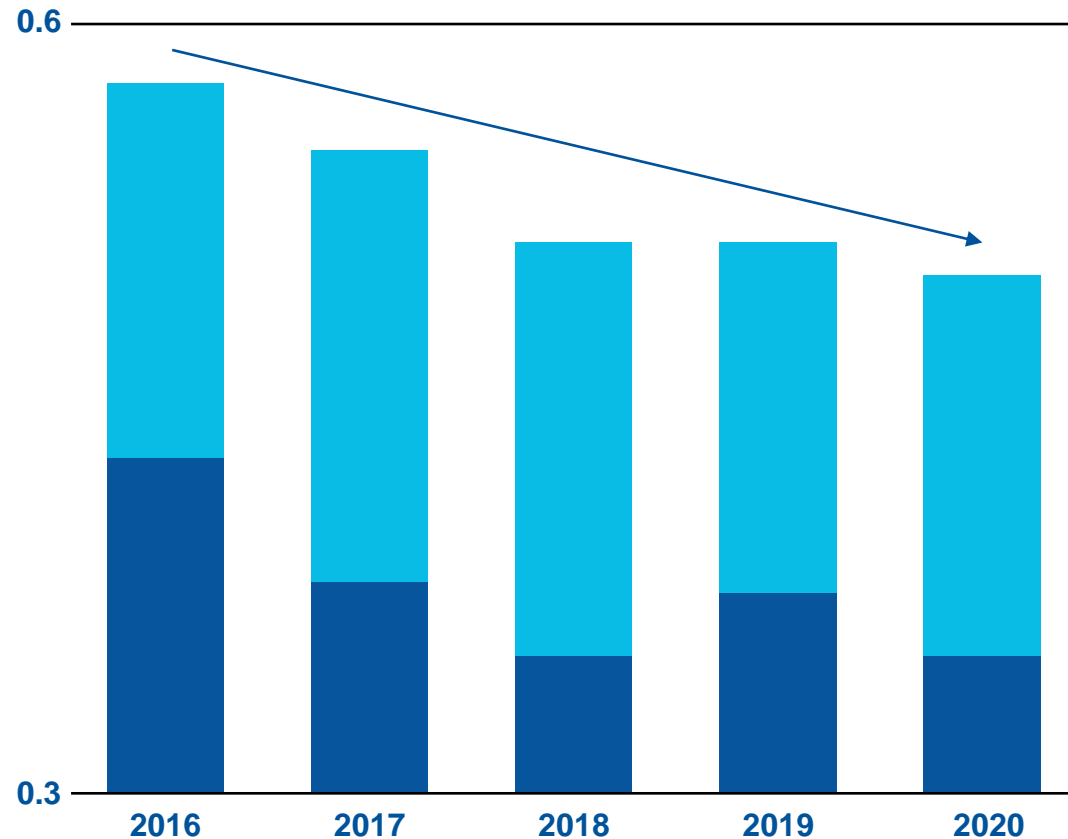
**NOx Emission Rate (tons)** ▼ **28.6%**  
(11,012 – 7,860) reduction

**SOx Emission Rate (tons)** ▼ **97.7%**  
(2,603 – 59) reduction

**Water Usage (MM gal)** ▼ **5.2%**  
(18,220 – 17,277) reduction

**Total Waste (tons)** ▼ **31.1%**  
(228,587 – 87,616) reduction

**CO<sub>2</sub>e Emission Rate**  
(ton CO<sub>2</sub>e per ton production)



■ **Scope 2** emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling

■ **Scope 1** emissions are direct greenhouse (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces or vehicles)

# Performance & Essential Materials Overview

<b>Feedstock &amp; Products</b>	<b>Performance</b>	
	<b>Sales</b> LTM 1Q 2022	<b>Materials &amp; Consumer Applications</b>
	<b>~\$6.7 Billion</b>	<b>PVC</b> <ul style="list-style-type: none"> <li>Housing, Construction &amp; Infrastructure</li> </ul>
		<b>Polyethylene</b> <ul style="list-style-type: none"> <li>Medical &amp; Automotive</li> <li>Packaging</li> <li>Consumer Products</li> </ul>
		<b>Epoxy</b> <ul style="list-style-type: none"> <li>Wind Power</li> <li>Light Weighting</li> <li>Aerospace &amp; Automotive</li> </ul>
	<b>Essential</b>	
<b>~\$3.0 Billion</b>	<b>Chlor-Alkali</b> <ul style="list-style-type: none"> <li>Water Treatment</li> <li>Disinfectants</li> <li>Paper &amp; Tissues</li> <li>Cardboard Packaging</li> </ul> <b>Chlorovinyls Derivatives</b> <ul style="list-style-type: none"> <li>Wind Power</li> <li>Light Weighting</li> <li>Pool Treatment</li> </ul>	

**~\$9.7B**  
Revenue (LTM 1Q 2022)

**~70%**  
Of Westlake's Sales

**37%**  
EBITDA Margin

**30**  
Production Locations

**~6,800**  
Employees

## Chlorovinyls

- #1 Global Combined Chlorovinyls
- #2 Global Chlor-Alkali
- #2 Global PVC
- #2 Global Specialty PVC

## Epoxy

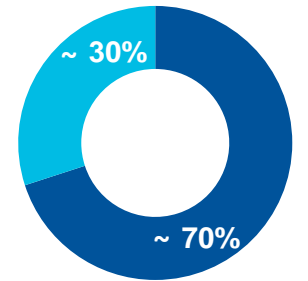
- #1 Specialty for Wind Energy
- #2 Specialty for European Aerospace
- #2 Specialty for N.A. Automotive
- #2 N.A. & European Liquid Epoxy Resin

## Polyethylene

- #2 N.A. Autoclave Polyethylene
- #2 Specialty Co-Polymer Polyethylene
- #3 N.A. Low Density Polyethylene

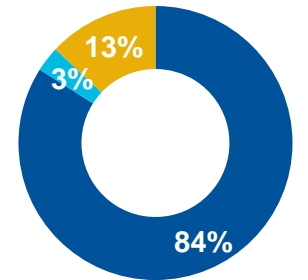
**Locations across 8 countries  
with 42 billion pounds of capacity**

## Performance vs. Essential



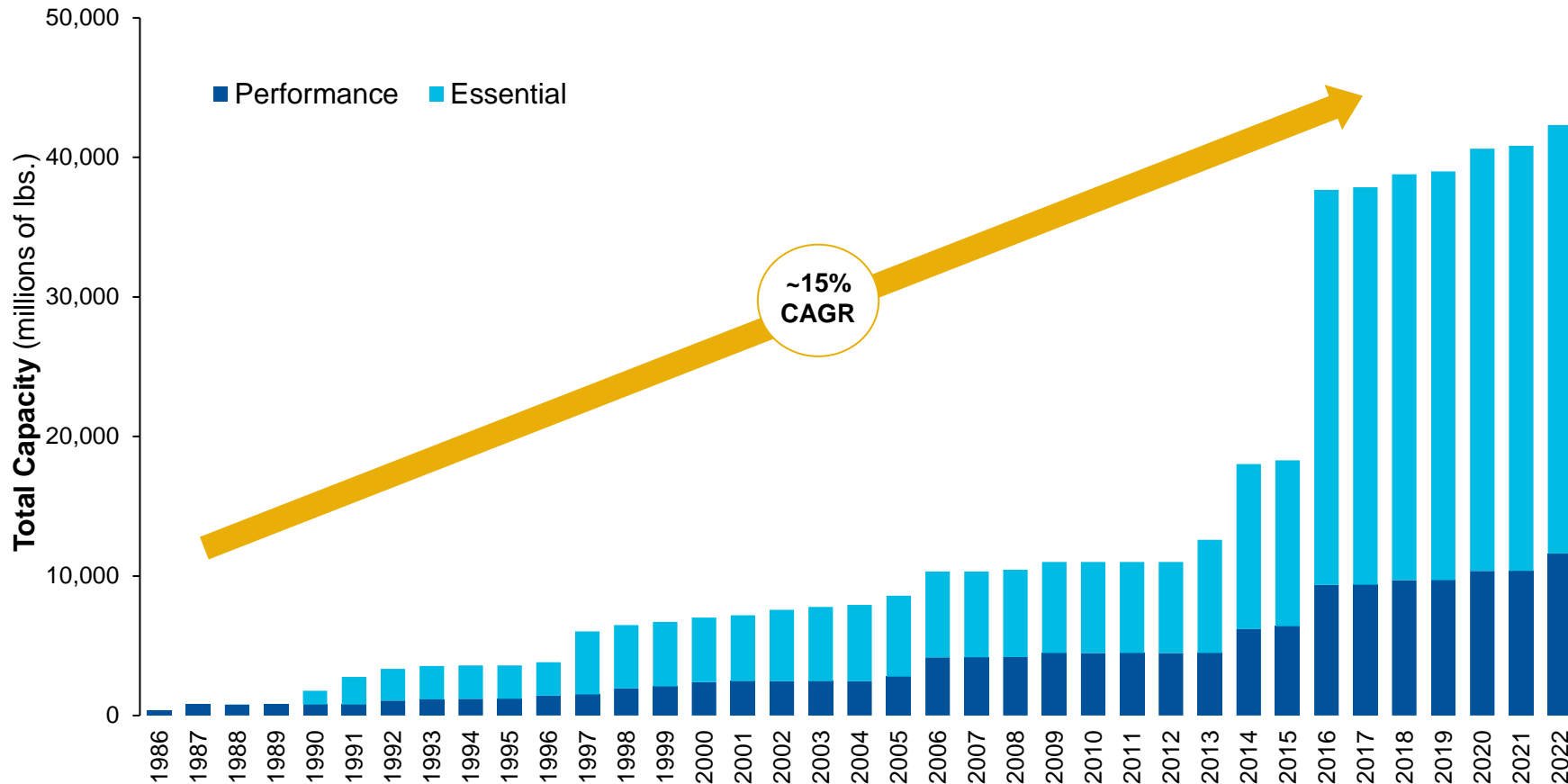
■ Performance ■ Essential

## Production Capacity by Region



■ Americas ■ Asia Pacific ■ EMEA

# PEM has a Long History of Strategic & Profitable Growth

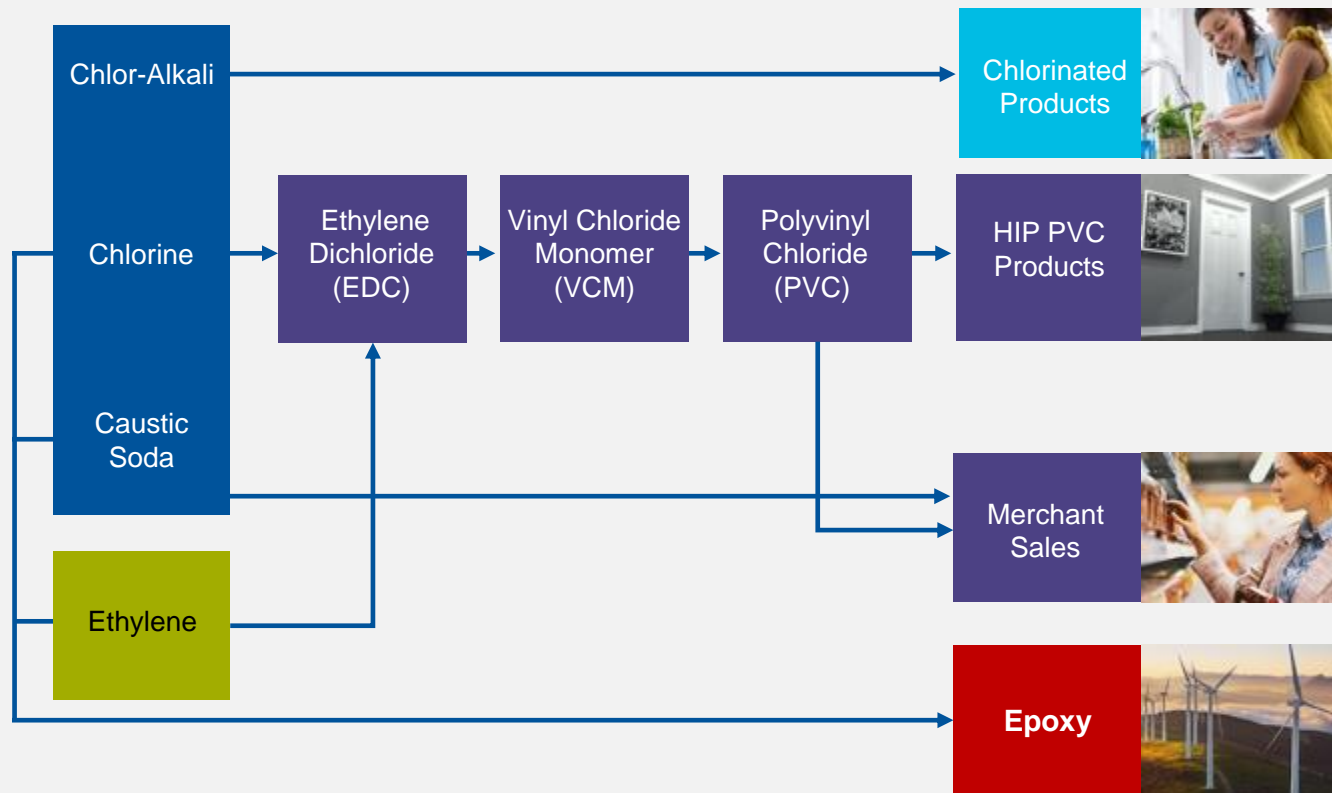


## Key Expansion Events

- Expanded Ethylene Capacity (2013, 2014, 2016, 2017)
- Expanded PVC Capacity (2013, 2014, 2019, 2020)
- Expanded Chlor-Alkali Capacity (2013)
- Acquired Vinnolit Specialty PVC (2014)
- Acquired Axiall (2016)
- Acquired Ethylene Capacity via new cracker JV (2019, 2022)
- Acquired Hexion Epoxy, expanding product offering and adding new markets (2022)

# Leading Scale, Vertical Integration with Globally Advantaged Low-Cost Position Drives Chlorovinyl Margin Support

Overview of the Chlorovinyls Chain



**Westlake benefits from its globally competitive cost position and integrated production footprint as the world's largest chlorovinyls manufacturer**

- ✓ Significant benefits from low cost North American natural gas and ethane driving a globally advantaged position in producing ethylene and chlor-alkali
- ✓ Integrated position as the world's largest chlorovinyls producer further lowers production costs and enhances margin capture and resiliency
- ✓ Complexity and capital cost of the vinyls chain raises barriers to entry
- ✓ Recent Epoxy acquisition captures additional integration and downstream focus

# Housing & Infrastructure Products Overview

**~\$3.7B**

Revenue (LTM 1Q 2022)

**~30%**

Of Westlake's Sales

**17%**

EBITDA Margin

**75**

Production Locations

**~8,760**

Employees

Business Units

## Housing

Sales  
LTM 1Q  
2022

### Description

**~\$2.9  
Billion**

- Building Products
- Residential Pipe & Fittings
- Residential Global Compounds
- Recycled Consumer Products

## Infrastructure

**~\$0.9  
Billion**

- Infrastructure Pipe & Fittings
- Medical Markets
- Automotive Markets

## N.A. Building Products

- #1** Premium PVC & Poly-ash Trim
- #1** Non-wood Shutters
- #3** PVC Siding
- #3** Premium Siding

## N.A. Roofing

- #1** Clay Tile
- #1** Concrete Tile
- #1** Composite Roofing
- #2** Stone Coated Metal Roofing

## N.A. PVC Pipe & Fittings and Compounds

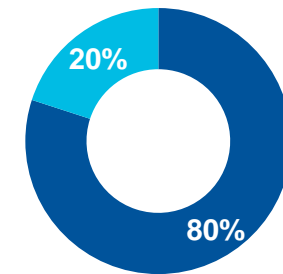
- #1** PVC Compounds
- #1** PVC Fittings
- #2** PVC Pipe

## N.A. Stone and Windows

- #1** Architectural Stone Veneer
- #1** Texas New Construction Windows

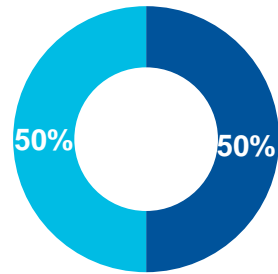
## Sales Breakout

1-step distribution  
vs.  
2-step distribution



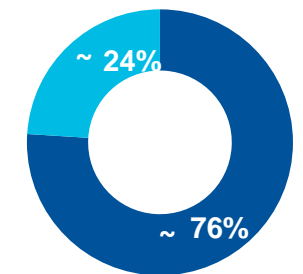
■ 1-step ■ 2-step

Construction  
vs.  
Remodel



■ New construction ■ Remodel

Housing vs. Infrastructure



■ Housing ■ Infrastructure

# Reconciliation of Westlake EBITDA to Net Income and to Cash Flow from Operating Activities

(in \$ millions)

	LTM Q1 2022	FY 2021	FY 2020	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1	2020 Q4	2020 Q3	2020 Q2	2020 Q1
EBITDA	\$ 4,441	\$ 3,693	\$ 1,247	\$ 1,301	\$ 1,131	\$ 1,078	\$ 932	\$ 553	\$ 386	\$ 288	\$ 236	\$ 337
Less:												
Income Tax (Provision) Benefit	(769)	(607)	42	(234)	(183)	(193)	(158)	(72)	(33)	15	19	41
Interest Expense	(189)	(176)	(142)	(46)	(46)	(61)	(36)	(33)	(34)	(37)	(40)	(31)
Depreciation & Amortization	(902)	(840)	(774)	(257)	(240)	(204)	(202)	(195)	(196)	(197)	(191)	(190)
Non Controlling Interest	(52)	(55)	(43)	(8)	(17)	(13)	(14)	(11)	(10)	(12)	(9)	(12)
Net Income	\$ 2,529	\$ 2,015	\$ 330	\$ 756	\$ 644	\$ 607	\$ 522	\$ 242	\$ 113	\$ 57	\$ 15	\$ 145
Non Controlling Interest	52	55	43	8	17	13	14	11	10	12	9	12
Changes in operating assets & liabilities	193	301	778	(106)	122	109	67	2	316	230	454	(222)
Deferred income taxes	55	23	146	42	(26)	26	14	10	(8)	58	(30)	126
Cash flow from operating activities	\$ 2,829	\$ 2,394	\$ 1,297	\$ 700	\$ 757	\$ 755	\$ 617	\$ 265	\$ 431	\$ 357	\$ 448	\$ 61
Performance & Essential Materials EBITDA	3,860	3,247	897	1,071	997	946	846	458	313	160	145	279
Housing & Infrastructure Products EBITDA	687	534	389	258	162	137	130	105	99	131	93	66
Corporate EBITDA	(106)	(88)	(39)	(28)	(28)	(5)	(44)	(10)	(26)	(3)	(2)	(8)
Westlake EBITDA	\$ 4,441	\$ 3,693	\$ 1,247	\$ 1,301	\$ 1,131	\$ 1,078	\$ 932	\$ 553	\$ 386	\$ 288	\$ 236	\$ 337

Note 1 from page 3: Non-GAAP Financial Measures

This presentation includes the non-GAAP measure EBITDA. A reconciliation to net income and to cash flow from operating activities is included above.

# Safe Harbor Language

This presentation contains certain forward-looking statements including statements regarding future profitable growth in both of our segments, market outlook, margin improvement for all of our products, maximizing shareholder value, housing and infrastructure market trends, sustainability goals and supply and demand dynamics as they relate to our products. Actual results may differ materially depending on factors such as general economic and business conditions; the cyclical nature of the chemical industry; the availability, cost and volatility of raw materials and energy; supply chain constraints; uncertainties associated with the United States, Europe and worldwide economies, including those due to war in Ukraine, political tensions in the Middle East and elsewhere; current and potential governmental regulatory actions in the United States and Europe and regulatory actions and political unrest in 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; the COVID-19 pandemic and the response thereto; 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; technological developments; 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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