



2Q 2023
Earnings Presentation
Westlake

Westlake Second Quarter 2023 Highlights

2Q 2023 Financial Results

 Net income:	 Net income per share:	 EBITDA:	 Cash and equivalents:
\$297 MM	\$2.31	\$690 MM	\$2.7 B

- Net sales of \$3.3 billion, net income of \$297 million and EBITDA⁽¹⁾ of \$690 million
- Elevated level of unplanned outages impacted operating income and EBITDA by ~\$50 million
- Performance and Essential Materials second quarter sales of \$2.1 billion with EBITDA⁽²⁾ of \$435 million
- Housing and Infrastructure Products second quarter sales of \$1.1 billion with EBITDA⁽³⁾ of \$244 million
- Raising 2023 cost savings target to \$75 - \$105 million after achieving cost savings of \$25 million in the second quarter and \$50 million year to date
- Generated cash from operations of \$555 million and free cash flow⁽⁴⁾ of \$315 million in the second quarter
- Strong balance sheet with \$2.7 billion of cash and cash equivalents and \$4.9 billion of gross debt locked in at interest rates averaging 3.2% with a weighted average maturity of more than 16 years

1) Reconciliation of EBITDA to Net Income, Income from Operations and Net Cash Provided by Operating Activities can be found on page 12

2) Reconciliation of PEM EBITDA to the applicable GAAP measure can be found on page 13

3) Reconciliation of HIP EBITDA to the applicable GAAP measure can be found on page 13

4) Free cash flow is defined as Net Cash Provided by Operating Activities less Capital Expenditures

Westlake Corporation Performance Second Quarter 2023

(\$ in millions)	2Q 2023	1Q 2023	2Q 2023 vs. 1Q 2023	2Q 2022	2Q 2023 vs. 2Q 2022
Sales	\$3,251	\$3,356	(3%)	\$4,483	(27%)
Operating Income	\$396	\$536	(26%)	\$1,175	(66%)
<i>Performance and Essential Materials EBITDA</i>	<i>\$435</i>	<i>\$615</i>	<i>(29%)</i>	<i>\$1,162</i>	<i>(63%)</i>
<i>Housing and Infrastructure Products EBITDA</i>	<i>\$244</i>	<i>\$205</i>	<i>19%</i>	<i>\$310</i>	<i>(21%)</i>
<i>Corporate EBITDA</i>	<i>\$11</i>	<i>\$5</i>	<i>-</i>	<i>(\$16)</i>	<i>-</i>
EBITDA⁽¹⁾	\$690	\$825	(16%)	\$1,456	(53%)

- Soft economic conditions, in addition to unplanned outages, drove PEM sales volume down 4% QoQ with growth in polyethylene and chlorine more than offset by declines in PVC resin and caustic soda
- Imports and weakness in global manufacturing and industrial activity drove sequentially lower PEM average selling prices and integrated margins, particularly for epoxy and caustic soda
- Elevated level of unplanned outages impacted operating income and EBITDA by ~\$50 million in the quarter
- + HIP sales volume grew 13% QoQ across our building products portfolio supported by seasonal trends
- + HIP segment EBITDA margin improved QoQ reflecting the value of our brands and relationships with customers
- + Achieved cost savings of ~\$25 million in 2Q 2023 and ~\$50 million in 1H 2023

Performance and Essential Materials (“PEM”) Segment Performance

(\$ in millions)	2Q 2023	1Q 2023	2Q 2023 vs. 1Q 2023	2Q 2022	2Q 2023 vs. 2Q 2022
Performance Materials Sales	\$1,140	\$1,282	(11%)	\$2,060	(45%)
Essential Materials Sales	\$996	\$1,067	(7%)	\$1,044	(5%)
Total PEM Sales	\$2,136	\$2,349	(9%)	\$3,104	(31%)
Operating Income	\$215	\$403	(47%)	\$965	(78%)
EBITDA ⁽¹⁾	\$435	\$615	(29%)	\$1,162	(63%)
EBITDA Margin ⁽²⁾	20%	26%	-	37%	-

- Sales volumes fell QoQ due to continuing soft macroeconomic conditions and unplanned production outages, particularly in PVC resin and caustic soda
- Average selling prices were lower QoQ primarily driven by declines in epoxy and caustic soda as demand weakness in Asian markets prompted competitively priced exports
- Elevated level of unplanned production outages impacted operating income and EBITDA by ~\$50 million
- + Feedstock and energy costs were lower on both a QoQ and YoY basis in the U.S. and Europe

PEM Segment 2Q 2023 vs. 1Q 2023	
Average Sales Price	Volume
-5.5%	-3.6%

PEM Segment 2Q 2023 vs. 2Q 2022	
Average Sales Price	Volume
-20.9%	-10.3%

Performance and Essential Materials Update

1

Softer industrial and manufacturing activity against a challenging macroeconomic backdrop drove sequentially lower sales volumes, particularly for PVC resin, epoxy and caustic soda

2

Feedstock and energy costs fell from the elevated 2022 levels, which supported integrated margins

3

Our North American feedstock cost advantage supported sequentially higher polyethylene sales volume and operating rates by creating export opportunities

4

Innovation and investment to capture secular growth in clean fresh water, electrification, renewable energy, and circularity applications continues



Housing and Infrastructure Products (“HIP”) Segment Performance

(\$ in millions)	2Q 2023	1Q 2023	2Q 2023 vs. 1Q 2023	2Q 2022	2Q 2023 vs. 2Q 2022
Housing Products Sales	\$918	\$818	12%	\$1,116	(18%)
Infrastructure Products Sales	\$197	\$189	4%	\$263	(25%)
Total HIP Sales	\$1,115	\$1,007	11%	\$1,379	(19%)
Operating Income	\$190	\$143	33%	\$236	(19%)
EBITDA ⁽¹⁾	\$244	\$205	19%	\$310	(21%)
EBITDA Margin ⁽²⁾	22%	20%	-	22%	-

- + Seasonal increase in residential construction activity drove solid QoQ volume growth with widespread gains across most of our building products businesses
- + EBITDA margin improved QoQ due to fixed cost absorption on the higher sales volume
- On a YoY basis, sales volume and EBITDA fell due to lower housing starts over the past year driven by higher mortgage rates

HIP Segment 2Q 2023 vs. 1Q 2023	
Average Sales Price	Volume
-1.7%	+12.6%

HIP Segment 2Q 2023 vs. 2Q 2022	
Average Sales Price	Volume
-1.4%	-17.7%

Housing and Infrastructure Products Update

1 Stabilizing building products demand with sequential sales volume improvement as homebuilders and homebuyers adjust to higher mortgage rates

2 Our diverse portfolio of brands at multiple price points is well positioned to service homebuilders' changing home designs as housing starts are impacted by higher mortgage rates

3 Recent all-time low inventory of existing homes for sale supports both new residential construction (~50% of HIP sales) and increased repair and remodel (R&R) activity (~50% of HIP sales)

4 Longer-term fundamentals for housing strength remain intact due to decade-plus of under-building, increasingly favorable demographics, the aging housing stock and increasing popularity of remote work

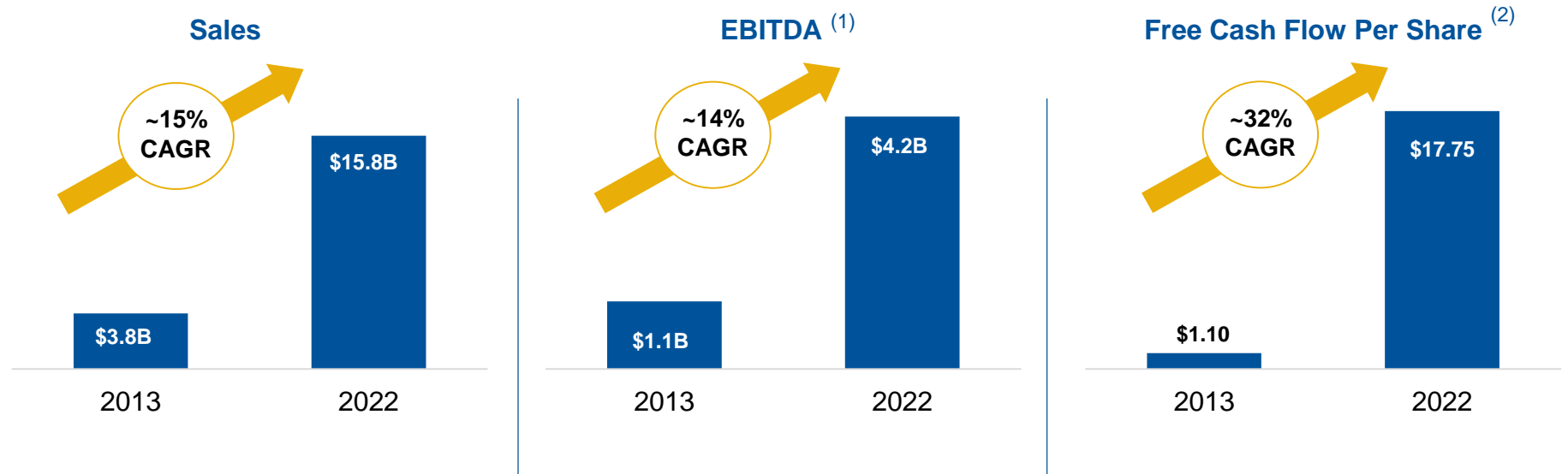


Westlake's Historical Financial Performance

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 (2013-2022)



■ Westlake ■ Chemical Peers ■ Building Peers



Source: FactSet: Chemical peers includes: EMN, HUN, OLN, LYB, DOW
Building products peer includes: JHX, FBHS, MAS, PGTI, DOOR, CNR, JELD

1) See page 14 for a reconciliation of EBITDA to Net Income and Cash Flow from Operating Activities

3) EBITDA Margin is EBITDA divided by Net External Sales

2) Free Cash Flow Per Share is defined as Net Cash Provided by Operating Activities less Capital Expenditures divided by Weighted Average Common Shares Outstanding

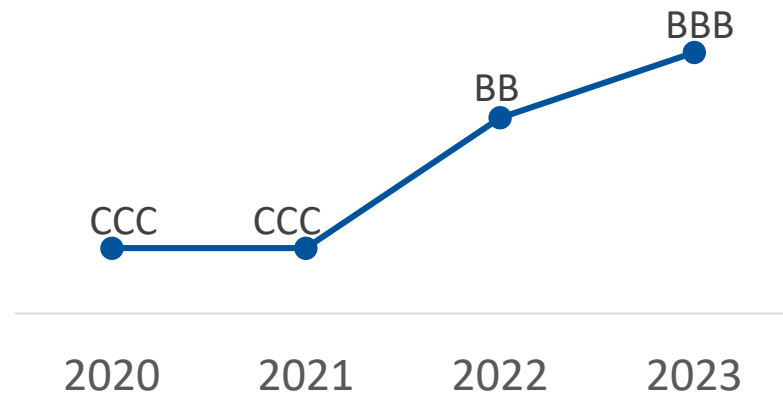
ESG Rating Agency Score Improvement

Significant ESG score improvement from two leading rating agencies over the past two years

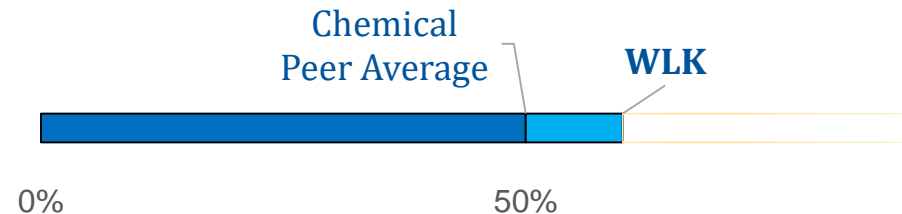


MORNINGSTAR®

SUSTAINALYTICS



Ratings for Westlake now reflect scores in the top 40% of chemical peers



- Established 20% carbon intensity reduction by 2030 target and goals for natural resource use, safety, community engagement and circularity
- Developed products with an improved environmental profile (e.g. GreenVin®, PIVOTAL™ and PVCO)
- Aligning disclosures with Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB)

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 large window. There are some plants and a small tree in the yard. The image is partially covered by a blue diagonal graphic on the left side.

Financial Reconciliations

Consolidated Statements of Operations

	Three months ended June 30,		Three months ended	Six months ended June 30,	
	2023	2022	March 31,	2023	2022
			2023		
	(In millions of dollars, except per share data)				
Performance and Essential Materials Sales	\$ 2,136	\$ 3,104	\$ 2,349	\$ 4,485	\$ 5,936
Housing and Infrastructure Products Sales	1,115	1,379	1,007	2,122	2,603
Net sales	3,251	4,483	3,356	6,607	8,539
Cost of sales	2,609	3,038	2,564	5,173	5,809
Gross profit	642	1,445	792	1,434	2,730
Selling, general and administrative expenses	213	220	222	435	420
Amortization of intangibles	30	43	31	61	85
Restructuring, transaction and integration-related costs	3	7	3	6	18
Income from operations	396	1,175	536	932	2,207
Interest expense	(42)	(44)	(42)	(84)	(90)
Other income, net	23	17	22	45	28
Income before income taxes	377	1,148	516	893	2,145
Provision for income taxes	70	275	109	179	508
Net income	307	873	407	714	1,637
Net income attributable to noncontrolling interests	10	15	13	23	23
Net income attributable to Westlake Corporation	\$ 297	\$ 858	\$ 394	\$ 691	\$ 1,614
Earnings per common share attributable to Westlake Corporation:					
Basic	\$ 2.32	\$ 6.65	\$ 3.07	\$ 5.39	\$ 12.52
Diluted	\$ 2.31	\$ 6.60	\$ 3.05	\$ 5.35	\$ 12.43

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

	Three months ended June 30,		Three months	Six months ended June 30,	
	2023	2022	ended March 31, 2023	2023	2022
	(In millions of dollars)				
Performance and Essential Materials EBITDA	\$ 435	\$ 1,162	\$ 615	\$ 1,050	\$ 2,233
Less:					
Depreciation and Amortization	217	192	210	427	376
Other Income (Expenses)	3	5	2	5	13
Performance and Essential Materials Operating Income (Loss)	215	965	403	618	1,844
Housing and Infrastructure Products EBITDA	244	310	205	449	568
Less:					
Depreciation and Amortization	51	70	55	106	141
Other Income (Expenses)	3	4	7	10	6
Housing and Infrastructure Products Operating Income (Loss)	190	236	143	333	421
Corporate EBITDA	11	(16)	5	16	(45)
Less:					
Depreciation and Amortization	3	2	2	5	4
Other Income (Expenses)	17	8	13	30	9
Corporate Operating Income (Loss)	(9)	(26)	(10)	(19)	(58)
Performance and Essential Materials Operating Income (Loss)	215	965	403	618	1,844
Housing and Infrastructure Products Operating Income (Loss)	190	236	143	333	421
Corporate Operating Income (Loss)	(9)	(26)	(10)	(19)	(58)
Total Operating Income (Loss)	\$ 396	\$ 1,175	\$ 536	\$ 932	\$ 2,207

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

(In millions of dollars)

	LTM 2Q 2023	FY 2022	FY 2021	FY 2020	2023 Q2	2023 Q1	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2
EBITDA	\$ 2,938	\$ 4,179	\$ 3,693	\$ 1,246	\$ 690	\$ 825	\$ 619	\$ 804	\$ 1,456	\$ 1,300	\$ 1,131	\$ 1,077	\$ 932
Less:													
Income Tax (Provision) Benefit	(320)	(649)	(607)	42	(70)	(109)	(57)	(84)	(275)	(233)	(184)	(193)	(158)
Interest Expense	(171)	(177)	(176)	(142)	(42)	(42)	(43)	(44)	(44)	(46)	(46)	(61)	(36)
Depreciation & Amortization	(1,073)	(1,056)	(840)	(773)	(271)	(267)	(271)	(264)	(264)	(257)	(240)	(203)	(202)
Non Controlling Interest	(50)	(50)	(55)	(43)	(10)	(13)	(16)	(11)	(15)	(8)	(17)	(13)	(14)
Net Income Attributable to Westlake Corp	\$ 1,324	\$ 2,247	\$ 2,015	\$ 330	\$ 297	\$ 394	\$ 232	\$ 401	\$ 858	\$ 756	\$ 644	\$ 607	\$ 522
Non Controlling Interest	50	50	55	43	10	13	16	11	15	8	17	13	14
Changes in operating assets & liabilities	1,628	1,119	301	778	283	121	652	572	1	(106)	123	109	67
Deferred income taxes	(153)	(21)	23	146	(35)	(16)	(65)	(37)	39	42	(27)	26	14
Cash flow from operating activities	\$ 2,849	\$ 3,395	\$ 2,394	\$ 1,297	\$ 555	\$ 512	\$ 835	\$ 947	\$ 913	\$ 700	\$ 757	\$ 755	\$ 617
Performance & Essential Materials EBITDA	2,054	3,237	3,247	898	435	615	443	561	1,162	1,071	997	946	846
Housing & Infrastructure Products EBITDA	836	955	534	388	244	205	133	254	310	258	162	137	130
Corporate EBITDA	48	(13)	(88)	(40)	11	5	43	(11)	(16)	(29)	(28)	(6)	(44)
Westlake EBITDA	\$ 2,938	\$ 4,179	\$ 3,693	\$ 1,246	\$ 690	\$ 825	\$ 619	\$ 804	\$ 1,456	\$ 1,300	\$ 1,131	\$ 1,077	\$ 932

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 creating value for our shareholders, pricing and demand for our products, industry outlook for both of our segments, our cost control and efficiency efforts, our ability to capture integrated chain margin, our development of additional products with sustainability attributes in the future, our sustainability goals and commitments and our reduction in carbon impact, our investment criteria to drive growth, our expectations regarding secular demand for products in our Performance and Essential Materials segment and our belief that we are well positioned to service homebuilders' changing designs. 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.

Investor Relations Contacts

Steve Bender
Executive Vice President &
Chief Financial Officer

Jeff Holy
Vice President &
Treasurer

Westlake Corporation
2801 Post Oak Boulevard, Suite 600
Houston, Texas 77056
713-960-9111





Westlake