



# Focused Approach to Delivering Value and Growth

# Westlake



# Westlake Overview

A leading producer of performance oriented and essential materials as well as North American building products that benefits from a globally competitive low-cost position

## Financial Performance

LTM June 30<sup>th</sup>, 2024

**\$12.1B**

Sales

**19%**

EBITDA Margin<sup>(2)</sup>

**\$2.3B**

EBITDA<sup>(1)</sup>

**\$0.9B**

Net Income

## Balance Sheet & Cash Flow

LTM June 30<sup>th</sup>, 2024

**0.84x**

Net Debt to EBITDA<sup>(1)</sup>

**\$1.9B**

Operating Cash Flows

**~15 Years**

Avg. Debt Maturity

**80%**

Cash Flow Conversion<sup>(3)</sup>



**80+**

Manufacturing Facilities



**15,920**

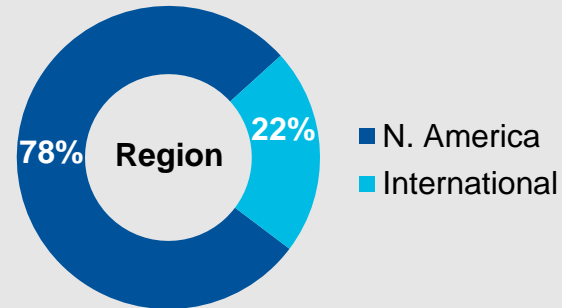
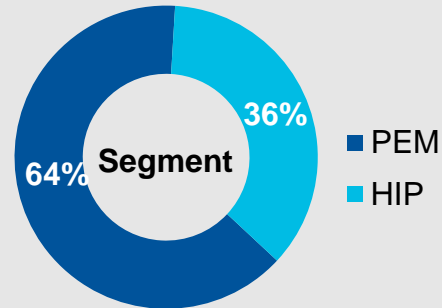
Employees



**~16%**

Sales CAGR (1986-2022)

## Sales Breakout



Strong Financials and Balance Sheet With Leadership Positions Across Several End Markets



# Leveraging Market Leading Segments in Attractive Markets



## Housing & Infrastructure

### Key Stats

**\$4.3B**

Revenue  
(LTM 2Q'24)

**25%<sup>(2)</sup>**

EBITDA  
Margin (LTM  
2Q'24)

**50+**

Manufacturing  
Sites



## Performance & Essential Materials

### Key Stats

**\$7.8B**

Revenue  
(LTM 2Q'24)

**15%<sup>(1,2)</sup>**

EBITDA  
Margin (LTM  
2Q'24)

**30**

Production  
Sites

### Leadership Positions

#### N.A. Building Products

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

#### N.A. PVC Markets

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

#### N.A. Roofing

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

#### N.A. Stone and Windows

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

### HIP Segments

#### Housing (~\$3.6B)

- Building Products
- Residential Pipe, Fittings, and Global Compounds
- Recycled Consumer Products

#### Infrastructure (~\$0.7B)

- Infrastructure Pipe and Fittings
- Medical and Automotive Markets

### Leadership Positions

#### Chlorovinyls

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

#### Polyethylene

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

#### Epoxy

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

### PEM Segments

#### Performance (~\$4.6B)

- PVC
- Polyethylene
- Epoxy

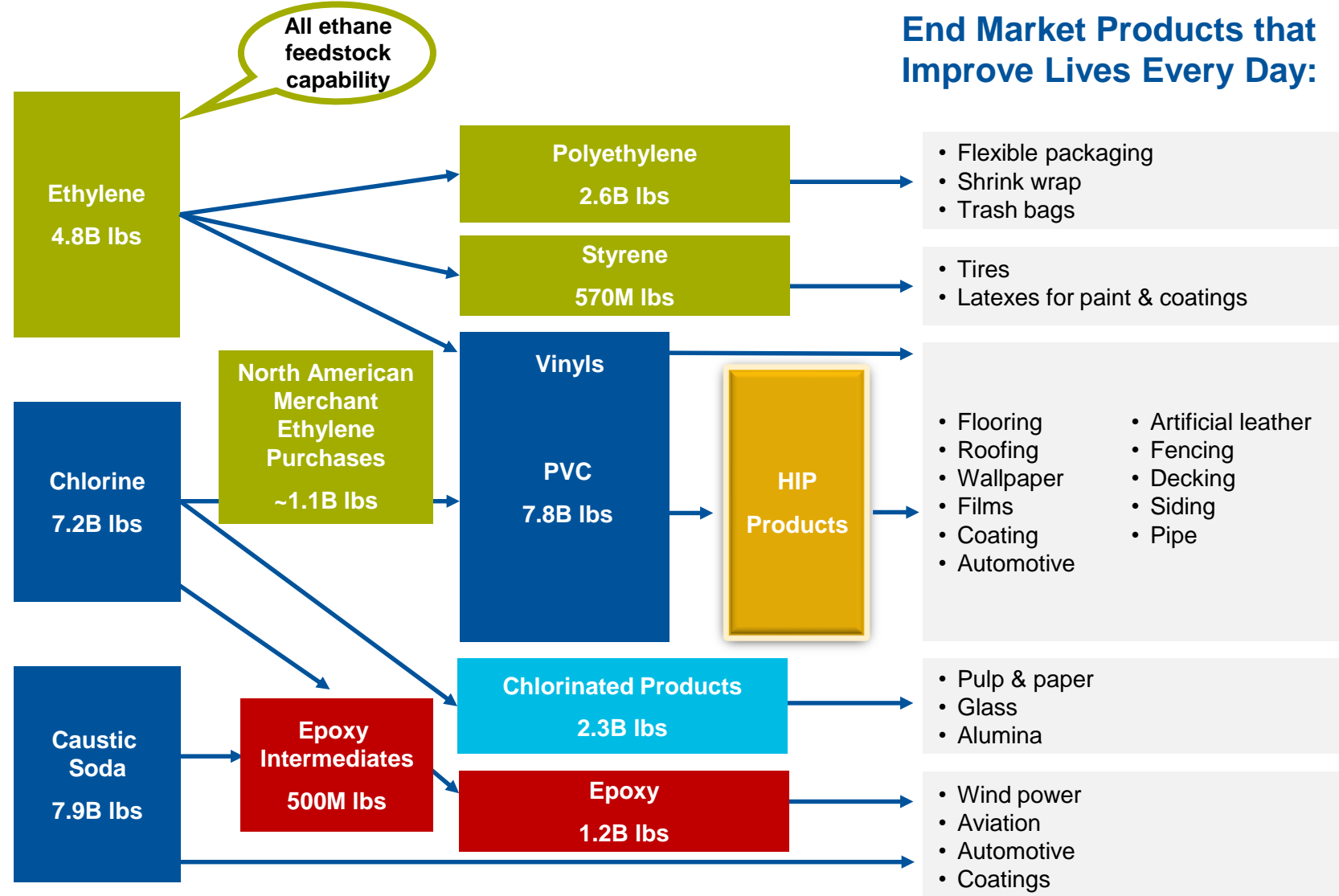
#### Essential (~\$3.2B)

- Chlor-Alkali
- Chlorovinyls Derivatives

# High Degree of Product Integration

Combined With Globally Advantaged Low-Cost Position

- ✓ 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
- ✓ Westlake products serve key market trends in:
  - Electrification
  - Automotive innovation
  - Medical and healthcare
  - Clean and fresh water
  - Energy efficient and durable housing



# Benefits of Integrated HIP and PEM Portfolio

## More Stability in Earnings and Cashflow

- PEM and HIP cycles generally do not overlap
- HIP provides insight into housing and construction demand that allows PEM to operate more efficiently
- Vertical integration lowers unit cost of production and creates highly reliable operations across both segments

## Enhances Product Innovation Across Both Segments

- Leveraging PEM's material science and HIP's product and market expertise
- Strongly supports introduction of technically advanced products

## Westlake's Cashflow Profile Supports Strategic Growth

- HIP & PEM have substantial access to capital from Westlake
- Greater stability in earnings allows more product offerings to more diversified markets

## HIP Creates New Opportunities In Which to Apply Proven M&A Skills

- Leveraging M&A expertise in disciplined capital deployment and successful integration
- Enables strategic acquisition opportunities in fragmented industry as well as organic growth in established profitable markets
- Allows opportunistic capital allocation across segments



### Performance & Essential Materials

Combined Segments Offer Lower Volatility and Greater Reliability to Westlake Investors and Customers

### Housing & Infrastructure Products



# 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** Market leading position in Housing & Infrastructure Products (**HIP**) driving strong customer selection from high-valued, strong brand name product offerings with attractive long term fundamentals in housing, repair & remodeling, and infrastructure markets
- 3** Capturing margins across the value chain in Performance and Essential Materials (**PEM**) by leveraging its leading market positions, globally advantaged feedstock and energy cost, and the benefits of vertical integration
- 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

# HIP At-a-Glance: Diverse Portfolio with Broad Market Exposure In Which Every Piece Matters



## \$4.3B HIP Total Revenue<sup>1</sup>

### \$3.6B Housing

Siding, Trim, & Shutters	<ul style="list-style-type: none"> <li>Premium housing siding</li> </ul>
Roofing	<ul style="list-style-type: none"> <li>Premium clay, composite, concrete, and stone-coated metal roofing</li> </ul>
Decorative Stone	<ul style="list-style-type: none"> <li>Exterior and interior premium decorative stone</li> </ul>
Windows	<ul style="list-style-type: none"> <li>New construction windows</li> </ul>
Pipe & Fittings	<ul style="list-style-type: none"> <li>Fresh water</li> </ul>
PVC Compounds	<ul style="list-style-type: none"> <li>Electrical</li> </ul>

### \$0.7B Infrastructure

Pipe & Fittings	<ul style="list-style-type: none"> <li>Fresh water and sewer</li> <li>Agriculture irrigation</li> </ul>
PVC Compounds	<ul style="list-style-type: none"> <li>Automotive and aerospace</li> <li>Medical</li> </ul>

## ▶ Westlake

### Royal Building Products™

Westlake Royal Building Products' revenue, which is all Housing-related, comprises approximately half of HIP's annual revenue

## ▶ Westlake

### Pipe & Fittings

Westlake Pipe & Fittings' revenue, which is both Housing- and Infrastructure-related, is the next largest component of HIP's annual revenue

## ▶ Westlake

### Global Compounds™

Westlake Global Compounds' revenue is both Housing- and Infrastructure-related

**~21,800**

Customers

**45**

Distribution Centers

**70**

Manufacturing Sites

**34**

Market Segment / Product Categories

**~62,000**

SKUs

**~8,100**

Employees

# Westlake Royal Building Products At-A-Glance



**~18,000**

Customers<sup>2</sup>

**41**

Manufacturing  
Sites

**20**

Market Segment /  
Product Categories

**~30,400**

SKUs

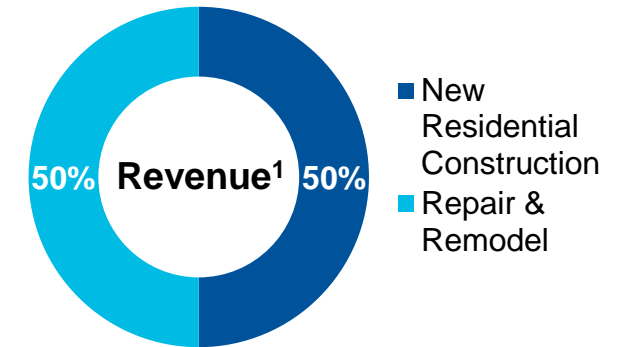
**~5,300**

Employees

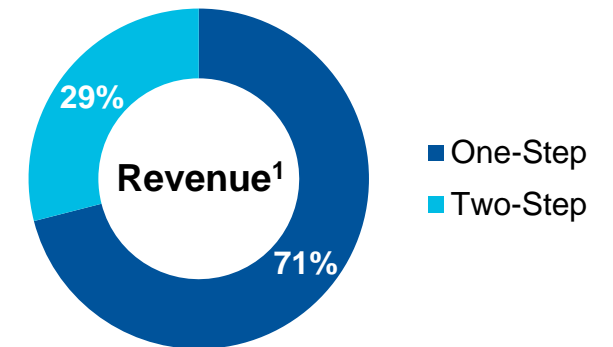
## Growth Drivers

- Decade plus of historical under-build in new housing plus aging existing homes drive future demand
- Inventive products make housing more affordable
- Partnerships with nationwide homebuilders who are gaining market share
- Coast-to-coast footprint
- Innovation in product offerings
- Shifting consumer preferences post Covid
  - Work from home
  - Outdoor living
- Replacing alternative products due to significant competitive differentiators
  - Curb appeal
  - Weather and fire resistant
  - Durability + Low maintenance
  - Lower cost
  - Service to all markets

## CONSTRUCTION VS. REMODEL



## ONE-STEP VS. TWO-STEP DISTRIBUTION



# Westlake Pipe and Fittings At-a-Glance



<b>~2,700</b> Customers <sup>3</sup>	<b>15</b> Distribution Centers	<b>15</b> Manufacturing Sites	<b>6</b> Market Segments	<b>&gt;30,000</b> SKUs	<b>~1,700</b> Employees
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## North American Growth Drivers

### Municipal and Government spending for infrastructure enhancement

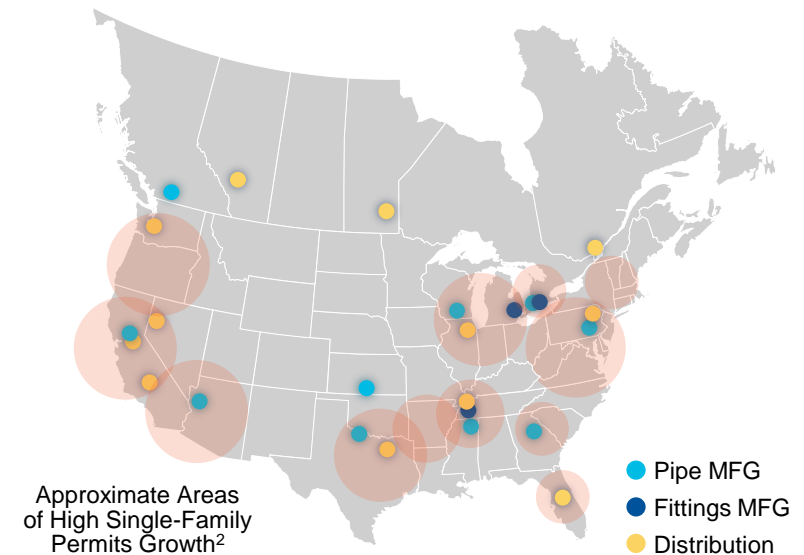
- 33% of all installed pipe is 50+ years old
- EPA estimates \$420B investment needed to maintain underground water distribution over next 20 years

### Historical under build in new housing + favorable demographics: John Burns estimates 18.6M new houses needed in U.S. over next 10 years<sup>1</sup>

- Multi story and high-rise construction
- PVC is preferred material for potable water and sewer installations, increasing from 22% to 29% of total potable water installed base since 2018

### Growing demand for agricultural irrigation

## Strategic Footprint



- Westlake serves all major markets with its well-placed Pipe & Fittings footprint
- Well-positioned to capitalize on areas with most housing starts and greatest infrastructure needs

(1) John Burns Research and Consulting, LLC (April 2024)  
(2) National Association of Home Builders (NAHB)  
(3) Current data for Westlake Housing and Infrastructure Products ("HIP")

# Westlake Global Compounds At-a-Glance



**1,605**  
Compounds<sup>2</sup>

**12**  
R&D  
Facilities

**60**  
Countries  
Served

**14**  
Manufacturing  
Sites

**1,150**  
Customers

**~1,100**  
Employees

**Developer of specialty compounds providing highly customizable solutions to specific customer challenges**

- Rigid and flexible PVC compounds
- Formulated to meet specifications and customer parameters

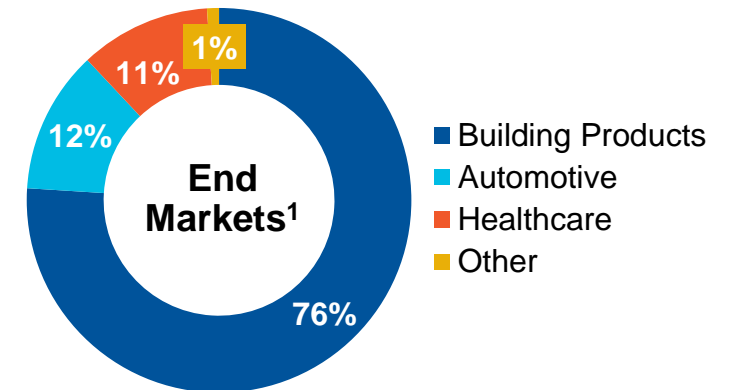
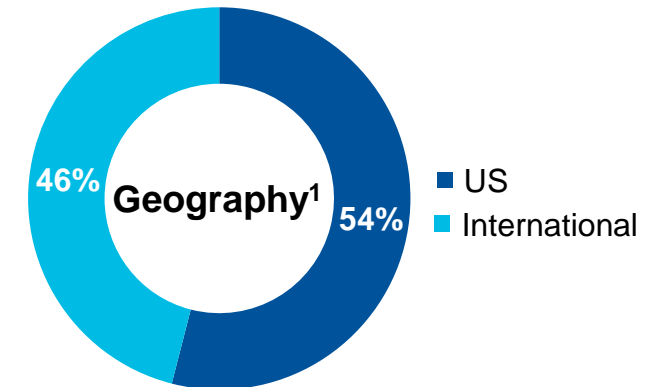
**Attractive end markets, including building products, industrial products, consumer goods, automotive, and healthcare**

**Competitive advantages:**

- Differentiating technology (including IP)
- Vertical integration with innovative PEM products
- Supply chain excellence
- Global material science and process expertise
- Strong management team

(1) Revenue is for the twelve-month period ended June 30, 2024  
(2) Current data for Westlake Housing and Infrastructure Products ("HIP")

**Revenue<sup>1</sup>**



# Compelling Growth Opportunities Across HIP End Markets



**~\$84B**  
TAM<sup>1</sup>

**3%-5%**  
Expected TAM  
CAGR

**5%-7%**  
Expected HIP  
Organic CAGR

## Aligned with market leaders in home construction

- Offering customers product breadth and depth across HIP with innovative and durable products
- Leveraging customer relationships across different HIP businesses to cross-sell
- Benefitting from partnerships with large, nationwide builders that are gaining market share

## Secular growth drivers

- Underbuilt housing supply
- Increasing demand through population growth and favorable demographics
- Repair and remodel activity provides steady growth

## Westlake offers differentiated solutions

- Durability
- Low maintenance
- Innovation
- Broad product portfolio
- Unmatched distribution and geographic reach

# Strong Brands with Expertise Across Attractive Markets



**Westlake**  
Royal Building Products™



**Westlake**  
Pipe & Fittings



**Westlake**  
Global Compounds™

- 10+ years of underbuilding in U.S. residential housing
- Demographics and work flexibility drive housing growth
- Repair and remodel spend



- Residential housing growth
- PVC replacing iron and concrete pipe for water usage
- Aging infrastructure and U.S. infrastructure bill spending
- Electrification trend



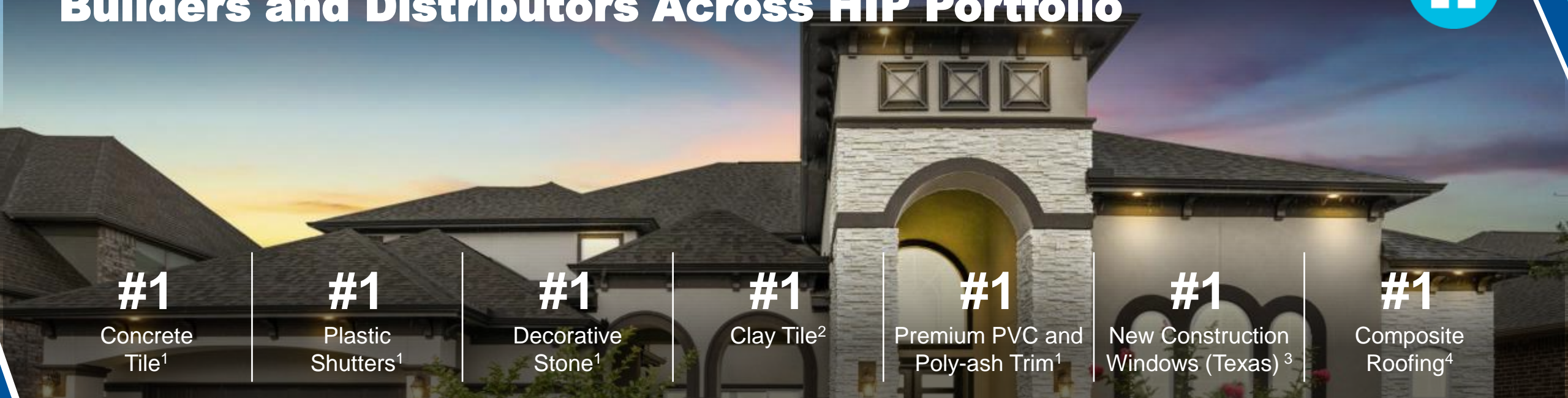
- U.S. infrastructure bill spending on power grid and broadband
- Market-leading position in building and construction wire and cable
- Medical equipment demand growth
- Sustainable automotive interiors
- Growing consumer commitment to Made-In-the-USA sustainable products



# Comprehensive Interior and Exterior Solutions



# Ability to Leverage Established Partnerships with Builders and Distributors Across HIP Portfolio



#1

Concrete Tile<sup>1</sup>

#1

Plastic Shutters<sup>1</sup>

#1

Decorative Stone<sup>1</sup>

#1

Clay Tile<sup>2</sup>

#1

Premium PVC and Poly-ash Trim<sup>1</sup>

#1

New Construction Windows (Texas)<sup>3</sup>

#1

Composite Roofing<sup>4</sup>

## Homebuilder Customers

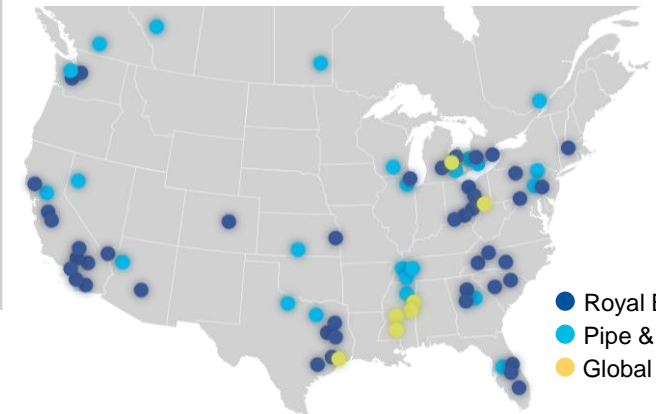


(1) North America, 2021  
 (2) United States, 2021  
 (3) 2021  
 (4) United States, 2019

## Distributor and Retail Customers

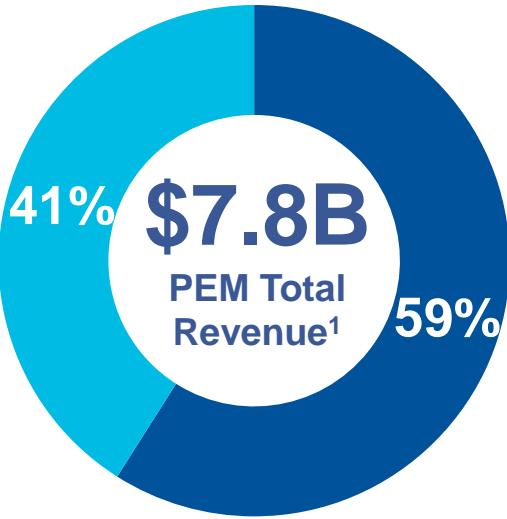


## Coast-to-coast Presence



- Royal Building Products
- Pipe & Fittings
- Global Compounds

# PEM At-a-Glance: Diverse Portfolio of Essential Products with Broad Market Exposure



## Performance \$4.6B

### PVC

- **2nd** largest PVC producer in the world
- Used for housing, construction and infrastructure

### Polyethylene

- **2nd** largest in NA **Autoclave PE** and **Specialty PE**
- **3rd** largest NA **Low Density PE**
- Used in a wide variety of film, coatings and molded product applications primarily used in packaging

### Epoxy

- One of the leading producers of epoxy specialty resins, modifiers and curing agents in Europe, the United States and Asia
- Used in the automotive, construction, wind energy, aerospace and electronics industries

## Essential \$3.2B

### Chlor-Alkali

- **2nd** largest chlor-alkali producer in the world
- Used in alumina, water treatment, disinfectants & soap, paper & tissues and cardboard packaging

### Chlorovinyls Derivatives

- Used in refrigerants, water treatment applications, chemicals and pharmaceutical production, food processing, solvent and cleaning chemicals and natural gas and oil production



# Performance & Essential Materials for Everyday Life



Product	Long-Term Demand Opportunities
PVC	<ul style="list-style-type: none"> <li>• PVC is an integral product for a significant number of housing and construction materials</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>
Chlor-Alkali	<ul style="list-style-type: none"> <li>• Chlorine demand driven by needs for clean water, global PVC for housing and infrastructure and higher growth sustainability-oriented epoxy markets</li> <li>• Caustic soda demand driven by global industrial and manufacturing growth</li> </ul>
LDPE & LLDPE	<ul style="list-style-type: none"> <li>• Population growth &amp; urbanization and worldwide focus on curing food insecurity driving packaging demand</li> <li>• Light weighting packaging increasing demand for performance materials</li> </ul>
Epoxy	<ul style="list-style-type: none"> <li>• Macro trends expected to drive demand for performance materials in:                             <ul style="list-style-type: none"> <li>✓ Coatings</li> <li>✓ Adhesives</li> <li>✓ Light Weighting</li> <li>✓ Electrification</li> <li>✓ Wind Power</li> </ul> </li> </ul>







## Recent Updates

- Cost-advantaged North America position (~85% of production capacity) at a time of high global raw material and energy costs provides increased export opportunities to counter slowing demand in some domestic end markets
- Epoxy extends Westlake’s end-market exposure to higher growth sustainability-oriented markets such as windmill blades for renewable energy as well as automotive and aerospace light weighting
- Well positioned to benefit from secular demand driven by increasing product specifications for formulated, differentiated and specialty products in housing, packaging, wind energy, aerospace and automotive



# Closer to Customers with Higher Margin Specialty Focus



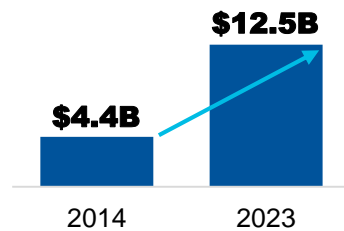
Product	End-use and Applications	Market Position	Price Advantage <sup>(1)</sup> (per pound)
<b>Specialty PE</b> 	<ul style="list-style-type: none"> <li>• Solar cell encapsulant film</li> <li>• Personal care products</li> <li>• Sterile medical packaging</li> <li>• Food preservation</li> </ul>	Leading Producer	<div style="text-align: center;">  <p><b>16.4¢</b></p> </div> <p>Avg. Specialty Premium PE Over Commodity PE</p>
<b>Specialty PVC</b> 	<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>	<b>#2</b> in Global PVC <b>#2</b> in Global Specialty PVC	<div style="text-align: center;">  <p><b>20.0¢</b></p> </div> <p>Avg. Specialty PVC Over Commodity PVC</p>
<b>Epoxy Resin</b> 	<ul style="list-style-type: none"> <li>• Coatings for consumer applications</li> <li>• Adhesives and construction applications</li> <li>• Composites for automotive &amp; aerospace light weighting</li> <li>• Electrification/semiconductor chips</li> <li>• Wind energy application</li> </ul>	Leading Producer in Global Liquid Epoxy Resin	<div style="text-align: center;">  <p><b>19.0¢</b></p> </div> <p>Avg. Specialty Epoxy Over Commodity Epoxy</p>

R&D Sites Around the Globe Provide Further Innovation & Specialization: Europe (4), North America (3), Asia (2)

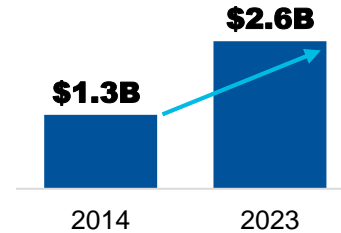
# Westlake's History of Delivering Strong Financial Results

## Ten Year Compound Annual Growth Rate (CAGR) Performance

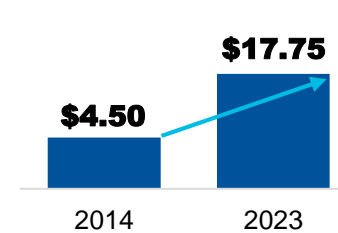
Sales  
11% CAGR



EBITDA<sup>(1)</sup>  
7% CAGR

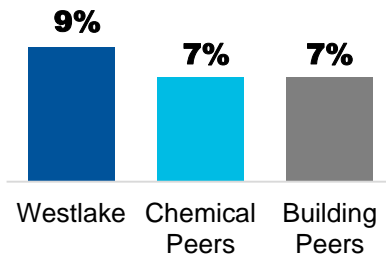


Free Cash Flow Per Share<sup>(2)</sup>  
8% CAGR

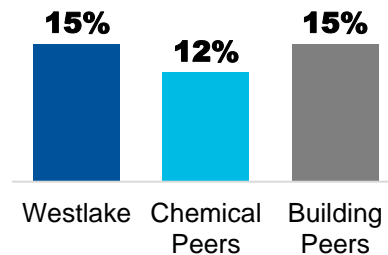


## Ten Year Average of Returns and Margins (2014-2023)<sup>2</sup>

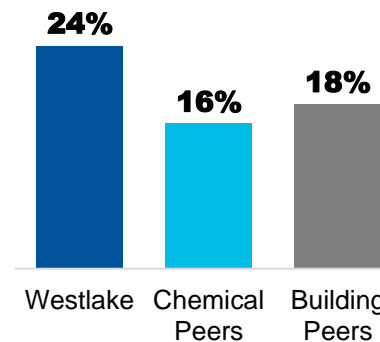
Return on Assets  
Westlake Avg: 9%



Return on Capital Employed  
Westlake Avg: 15%



EBITDA Margin  
Westlake Avg: 25%



## 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

# Westlake's History of Maintaining a Strong Balance Sheet

\$300MM in Debt Retired in 3Q 2024

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

Cash	<b>\$3.0B</b>
Fully Undrawn Revolver	<b>\$1.5B</b>
Total Available Liquidity	<b>~\$4.5B</b>
<b>Total Long Term Debt</b>	<b>\$4.7B</b>

As of June 30, 2024

**0.84x** vs. **3.6x**  
Net Debt to EBITDA vs. Peer Average

**~15 Years**  
Debt maturity life

**+99% of Debt**  
Is fixed rate averaging **3.2% APR** as of Jun 30, 2024

Recent Upgrade

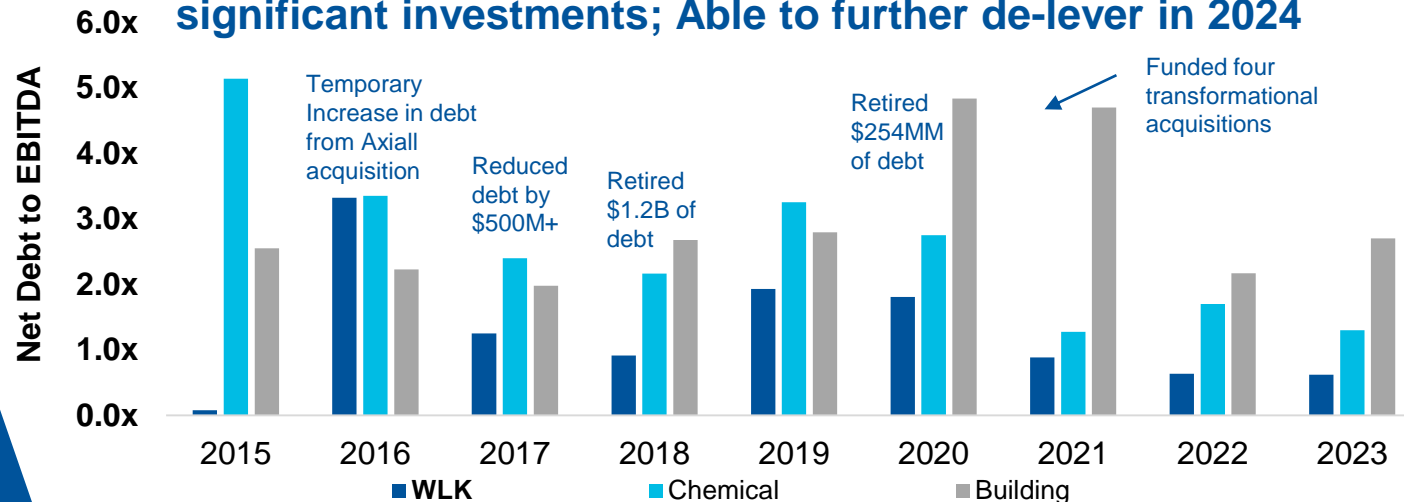
**Strong Credit Ratings Support Additional Funding**

**S&P  
BBB+**

**Fitch  
BBB**

**Moody's  
Baa2**

**Maintaining strong balance sheet while making significant investments; Able to further de-lever in 2024**



## 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

# Sustainable Commitments Embedded Across Westlake

## Through Investments, Goals and Products

### Reducing Scope 1 and 2 Emissions per Tons of Production by 20% by 2030<sup>1</sup>

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

#### This Includes:

- Energy-efficiency projects
- Increasing use of less carbon-intensive energy providers
- Adding more hydrogen as a fuel gas
- Other continuous operational improvements

#### Leading Practice Alignment:



### Expanding Portfolio of Environmentally Safe Products

Incorporating **recycled and bio-derived materials** while maintaining product quality



**Pivotal (One Pellet Solution)** an efficient polyethylene solution incorporating post consumer resin (PCR) while maintaining the strength of plastic materials



**Epoxy** used in coatings and composites to fabricate wind turbine blades and light-weight aerospace and automotive components



**Molecular-Oriented (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

### Efforts Recognized Through Awards and Industry Memberships

**Rewards** from the leading provider of business sustainability ratings - **EcoVadis**



**Vinnolit**



**Nakan**



**Epoxy**

#### Selected Solution Oriented Industry Memberships:



# Key Takeaways of Westlake's Compelling Story

- 1** **Performance & Essential Materials (PEM)** is 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
- 2** **Housing & Infrastructure Products (HIP)** longer-term fundamentals for housing remain intact related to recent decade plus of under-building, increasingly favorable demographics, prevalence of remote work, and aging housing stock driving repair and remodeling
- 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 recent 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 Showing Interest in Westlake's Exciting Future



**Westlake**

# Housing and Infrastructure Products (“HIP”) Segment Performance



\$ in millions	2Q'24	1Q'24	4Q'23	3Q'23	2Q'23
<b>Housing Products Sales</b>	<b>\$1,010</b>	<b>\$879</b>	<b>\$795</b>	<b>\$963</b>	<b>\$918</b>
<b>Infrastructure Products Sales</b>	<b>\$184</b>	<b>\$165</b>	<b>\$151</b>	<b>\$181</b>	<b>\$197</b>
<b>Total HIP Sales</b>	<b>\$1,194</b>	<b>\$1,044</b>	<b>\$946</b>	<b>\$1,144</b>	<b>\$1,115</b>
EBITDA <sup>(1)</sup>	\$336	\$264	\$173	\$327	\$244
EBITDA Margin <sup>(2)</sup>	28%	25%	13%	29%	22%

- For the second quarter of 2024, HIP EBITDA of \$336 million increased by \$92 million as compared to the second quarter of 2023. The year-over-year increase was primarily the result of higher pipe & fitting and Siding & trim sales volume
- Sequentially, HIP EBITDA increased by \$72 million as compared to the first quarter of 2024. This increase was primarily due to higher sales volume as a result of the seasonal increase in demand

**HIP Segment**  
2Q 2024 vs. 1Q 2024

Sales **+14%**      EBITDA Margin **+3%**

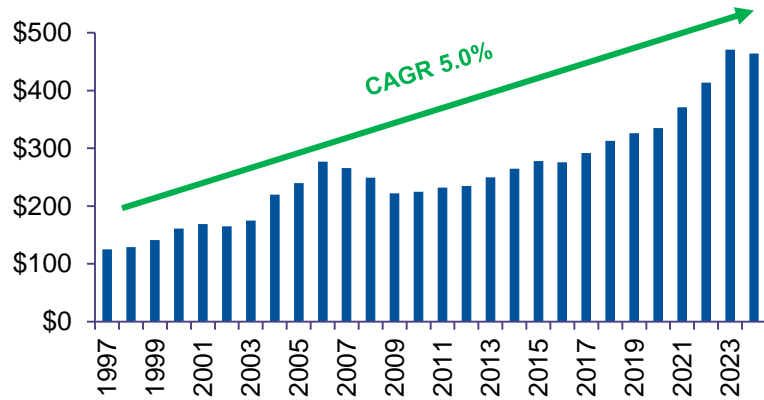
**HIP Segment**  
2Q 2024 vs. 2Q 2023

Sales **+7%**      EBITDA Margin **+6%**

# Demographics Support Favorable Long-Term Trends

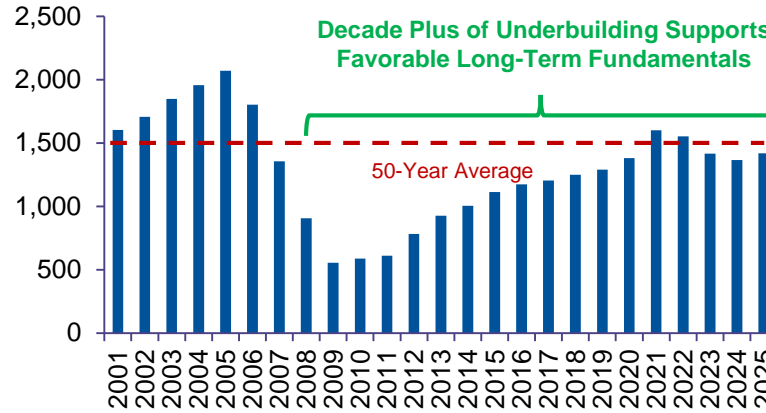


**U.S. Repair and Remodel Expenditures (\$B)**



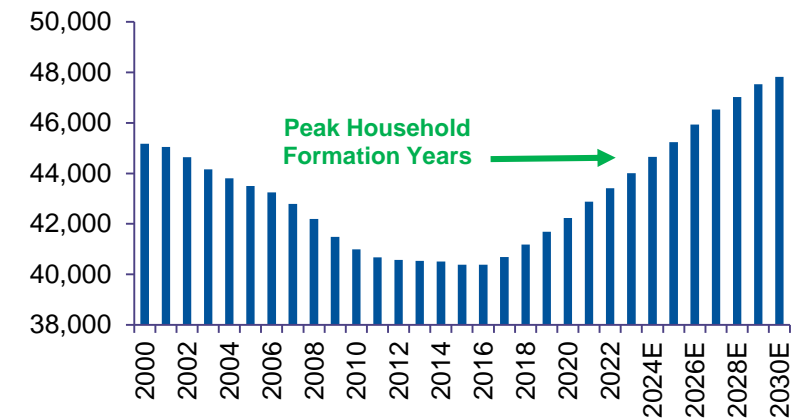
R&R activity expected to continue to grow, driven by high number of homes in prime remodel age, healthy home equity levels, homeowners staying in place with low rate mortgages, backlog of projects, and lower volatility

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



Underbuilding of homes since 2007-2009 financial recession creates significant cumulative deficit in available homes today supporting longer term growth

**U.S. Population Age 35-44 (Thousands)**



Favorable demographics with increasing number of U.S. population to be in peak household formation years

## Recent Updates

- Leading positions in key markets enabling HIP to capitalize on resilient North American residential construction and infrastructure activity
- Longer-term fundamentals for housing strength remain intact due to decade-plus of under-building, increasingly favorable demographics and increasing popularity of remote work
- Pipe and fittings demand growth remains strong, particularly for large-diameter pipe, which is typically a positive leading indicator for future new residential construction that would benefit Westlake's broader Housing Products business
- The breadth of our footprint and expansive offerings provide customers the branded products they need to execute their growth plans and provided the product cross-selling and product suite sales opportunities that helped drive our record first quarter operating income

**As Housing Stock Continues to Age, the Median Home Age of Owner Occupied Housing is 40+ Years Old**

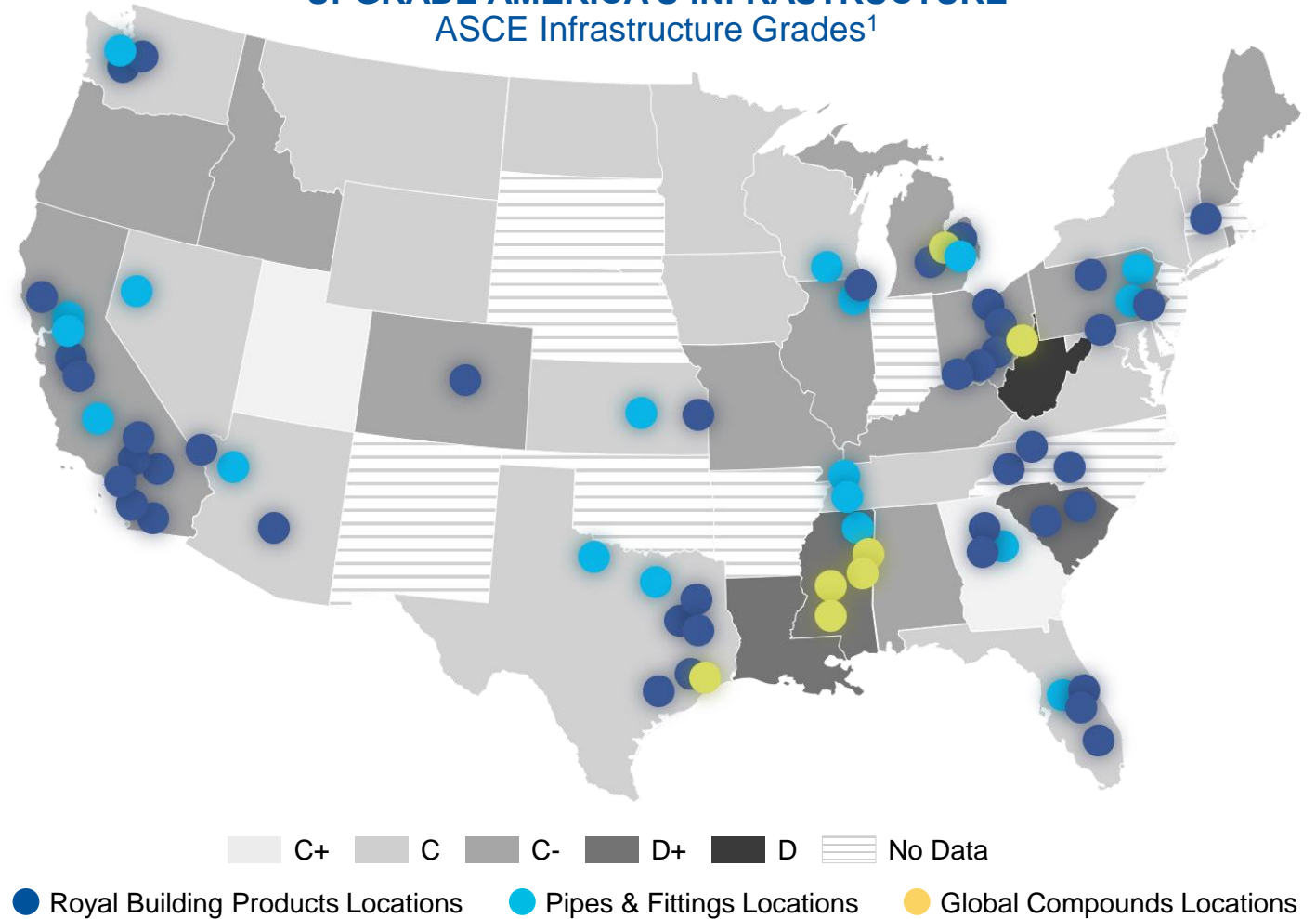
Sources for page: Harvard JCHS, U.S. Bureau of the Census, 2021 American Community Survey

# Infrastructure Bill Adds Additional Growth Tailwind



## WESTLAKE HIP POSITIONED TO HELP CUSTOMERS UPGRADE AMERICA'S INFRASTRUCTURE ASCE Infrastructure Grades<sup>1</sup>

- American Society of Civil Engineers rated America's infrastructure at a C- in their most recent report from 2021, up from a D+ in 2017
- Infrastructure Bill is expected to result in infrastructure upgrades across the country
- Targeted infrastructure projects often include element of water management, including replacing aging infrastructure with a better solution, such as PVC or PVCO pipe
- Positioned to benefit from this activity through large, national reach
- Partnerships with distributors are competitive advantage
- Innovative products meet desired specifications



Right Assets in the Right Locations to Capitalize on Trends

# Performance & Essential Materials ("PEM") Segment Performance



\$ in millions	2Q'24	1Q'24	4Q'23	3Q'23	2Q'23
<b>Performance Materials Sales</b>	<b>\$1,177</b>	<b>\$1,164</b>	<b>\$1,107</b>	<b>\$1,127</b>	<b>\$1,140</b>
<b>Essential Materials Sales</b>	<b>\$836</b>	<b>\$767</b>	<b>\$773</b>	<b>\$844</b>	<b>\$996</b>
<b>Total PEM Sales</b>	<b>\$2,013</b>	<b>\$1,931</b>	<b>\$1,880</b>	<b>\$1,971</b>	<b>\$2,136</b>
EBITDA <sup>(1)</sup>	\$391	\$253	\$201	\$339	\$435
EBITDA Margin <sup>(2)</sup>	19%	13%	11%	17%	20%

- Sequentially, PEM 2Q 2024 EBITDA increased by \$138 million as compared to the first quarter of 2024. This increase was primarily driven by higher average sales prices, particularly for Performance Materials
- For the second quarter of 2024, PEM EBITDA decreased by \$44 million as compared to 2Q 2023 primarily due to lower average sales prices for most of our major products

## PEM Segment

2Q 2024 vs. 1Q 2024

Sales  
**+4%**

EBITDA Margin  
**+6%**

## PEM Segment

2Q 2024 vs. 2Q 2023

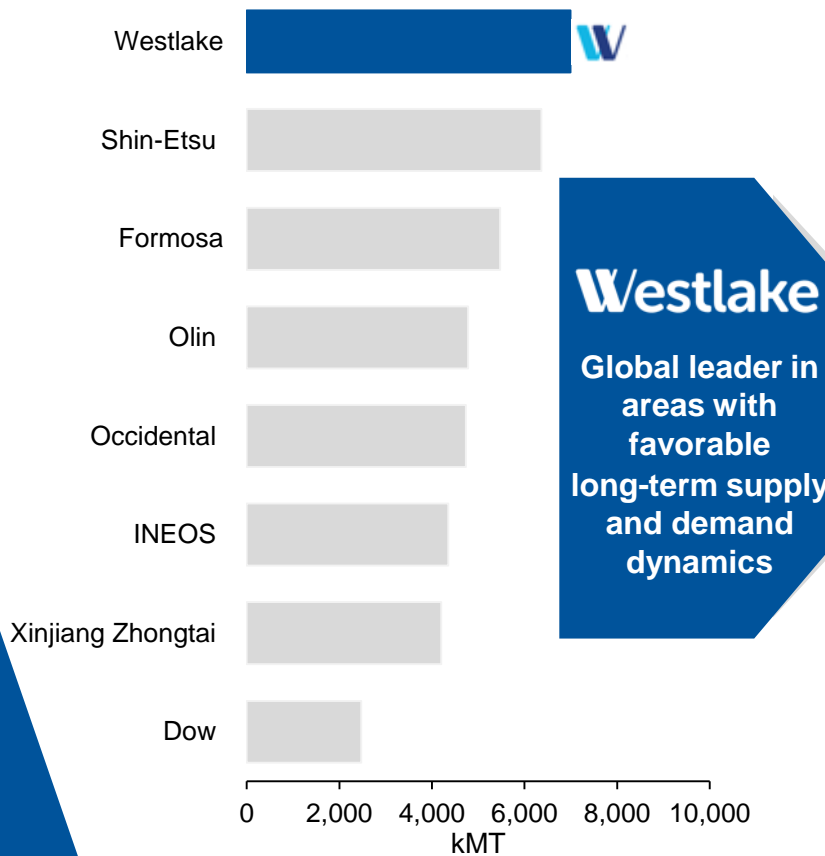
Sales  
**-6%**

EBITDA Margin  
**-1%**

# Chlor-Alkali and PVC Benefitting from Compelling Supply & Demand Dynamics



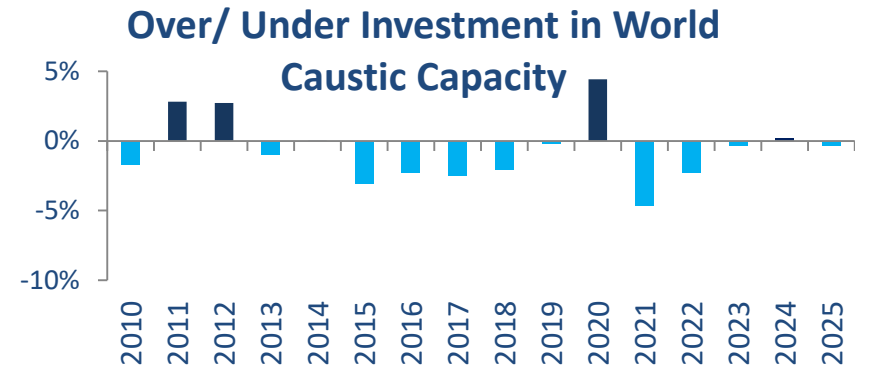
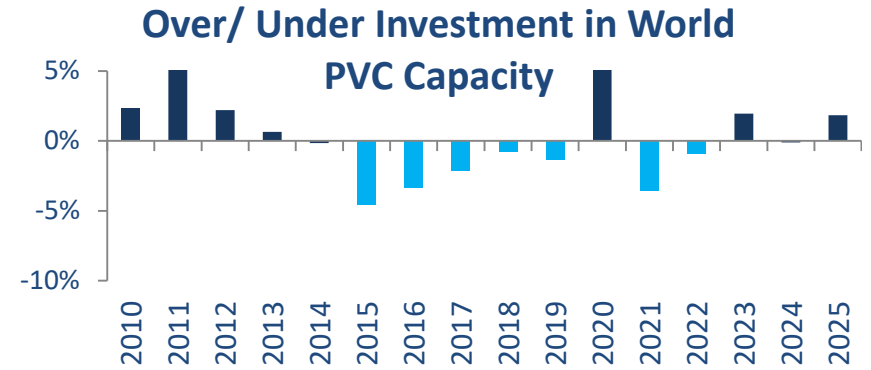
## 2023 Global Caustic & PVC Capacity



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:

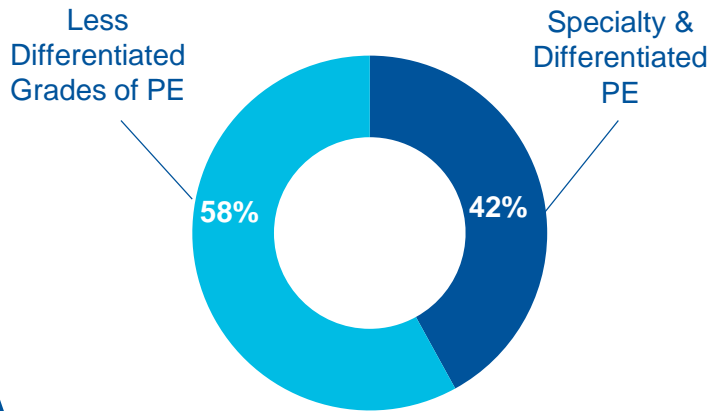


Largest Global Chlorovinyl Producer Providing Customers Leading Products and Service

# Westlake's Unique LDPE Focus Provides Advantages



## Westlake's PE Capacity Breakout

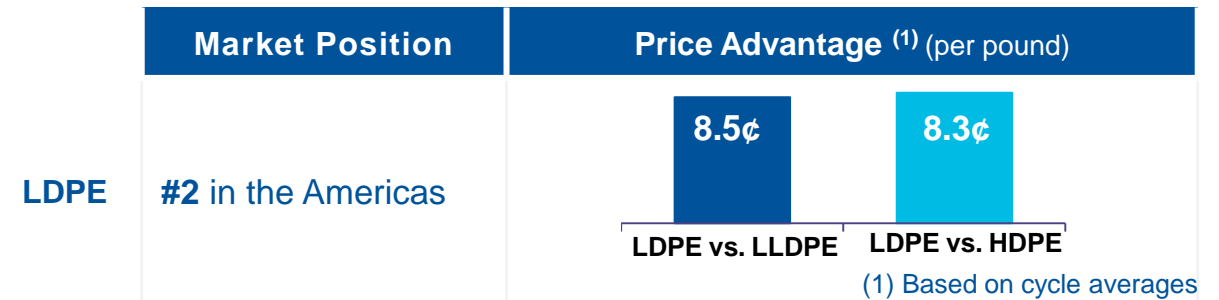


Westlake's PE is used in a variety of demanding applications including food packaging that increases shelf life and enhances transportation efficiency

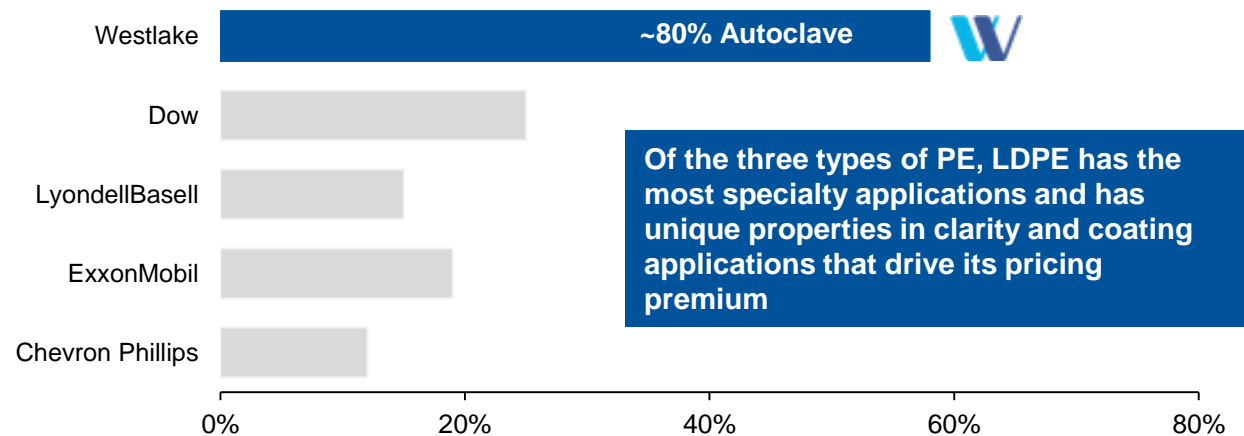
- Westlake is a leading producer of specialty polyethylene (PE) that drives higher pricing and customer specification compared to commodity PE grades
- **42% of Westlake's capacity is specialty PE** that is harder to substitute for and generally not the focus of the other larger PE producers who tend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

## 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



## LDPE Capacity as a % of Total PE Capacity



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

(in \$ millions)

	LTM 2Q 2024	FY 2023	FY 2022	FY 2021	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4	2022 Q3
EBITDA	\$ 1,736	\$ 1,962	\$ 4,179	\$ 3,693	\$ 744	\$ 546	\$ (235)	\$ 682	\$ 690	\$ 825	\$ 619	\$ 804
Less:												
Income Tax (Provision) Benefit	(148)	(178)	(649)	(607)	(102)	(49)	71	(70)	(70)	(109)	(57)	(84)
Interest Expense	(161)	(165)	(177)	(176)	(40)	(40)	(41)	(40)	(42)	(42)	(43)	(44)
Depreciation & Amortization	(1,111)	(1,097)	(1,056)	(840)	(279)	(273)	(282)	(277)	(271)	(267)	(271)	(264)
Non Controlling Interest	(41)	(43)	(50)	(55)	(10)	(10)	(10)	(10)	(10)	(13)	(26)	(10)
Net Income (Loss)	\$ 275	\$ 479	\$ 2,247	\$ 2,015	\$ 313	\$ 174	\$ (497)	\$ 285	\$ 297	\$ 394	\$ 222	\$ 402
Non Controlling Interest	41	43	50	55	10	10	10	10	10	13	26	10
Changes in operating assets & liabilities	1,541	1,989	1,077	301	(50)	7	1,168	417	283	121	610	572
Deferred income taxes	(182)	(175)	21	23	(36)	(22)	(108)	(16)	(35)	(16)	(23)	(37)
Cash flow from operating activities	\$ 1,675	\$ 2,336	\$ 3,395	\$ 2,394	\$ 237	\$ 169	\$ 573	\$ 696	\$ 555	\$ 512	\$ 835	\$ 947
Performance & Essential Materials EBITDA	559	965	3,237	3,247	391	253	(423)	338	435	615	442	562
Housing & Infrastructure Products EBITDA	1,099	948	955	534	335	264	172	327	244	205	133	254
Corporate EBITDA	78	49	(13)	(88)	18	28	16	17	11	5	44	(13)
Westlake EBITDA	\$ 1,736	\$ 1,962	\$ 4,179	\$ 3,693	\$ 744	\$ 546	\$ (235)	\$ 682	\$ 690	\$ 825	\$ 619	\$ 804
Add:												
Impairment Charge	475	475					475					
Litigation Settlement Charge	150	150					150					
EBITDA excl. Identified Items	\$ 2,361	\$ 2,587	\$ 4,179	\$ 3,693	\$ 744	\$ 546	\$ 390	\$ 682	\$ 690	\$ 825	\$ 619	\$ 804

## 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.

# Consolidated Statements of Operations

	Three months ended June 30,		Three months ended March 31,	Six months ended June 30,	
	2024	2023	2024	2024	2023
	(In millions of dollars, except per share data)				
Performance and Essential Materials Sales	\$ 2,013	\$ 2,136	\$ 1,931	\$ 3,944	\$ 4,485
Housing and Infrastructure Products Sales	1,194	1,115	1,044	2,238	2,122
Net sales	3,207	3,251	2,975	6,182	6,607
Cost of sales	2,543	2,609	2,509	5,052	5,173
Gross profit	664	642	466	1,130	1,434
Selling, general and administrative expenses	224	213	209	433	435
Amortization of intangibles	30	30	30	60	61
Restructuring, transaction and integration-related costs	4	3	4	8	6
Income from operations	406	396	223	629	932
Interest expense	(41)	(42)	(40)	(81)	(84)
Other income, net	59	23	50	109	45
Income before income taxes	424	377	233	657	893
Provision for income taxes	101	70	48	149	179
Net income	323	307	185	508	714
Net income attributable to noncontrolling interests	10	10	11	21	23
<b>Net income attributable to Westlake Corporation</b>	<b>\$ 313</b>	<b>\$ 297</b>	<b>\$ 174</b>	<b>\$ 487</b>	<b>\$ 691</b>
Earnings per common share attributable to Westlake Corporation:					
Basic	\$ 2.42	\$ 2.32	\$ 1.35	\$ 3.77	\$ 5.39
Diluted	\$ 2.40	\$ 2.31	\$ 1.34	\$ 3.75	\$ 5.35

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

	Three months ended June 30,		Three months ended	Six months ended June 30,	
	2024	2023	March 31, 2024	2024	2023
	(In millions of dollars)				
<b>Net cash provided by operating activities</b>	\$ 237	\$ 555	\$ 169	\$ 406	\$ 1,067
Changes in operating assets and liabilities and other	50	(283)	(6)	44	(404)
Deferred income taxes	36	35	22	58	51
<b>Net income</b>	<b>323</b>	<b>307</b>	<b>185</b>	<b>508</b>	<b>714</b>
Less:					
Other income, net	59	23	50	109	45
Interest expense	(41)	(42)	(40)	(81)	(84)
Provision for income taxes	(101)	(70)	(48)	(149)	(179)
<b>Income from operations</b>	<b>406</b>	<b>396</b>	<b>223</b>	<b>629</b>	<b>932</b>
Add:					
Depreciation and amortization	279	271	273	552	538
Other income, net	59	23	50	109	45
<b>EBITDA</b>	<b>\$ 744</b>	<b>\$ 690</b>	<b>\$ 546</b>	<b>\$ 1,290</b>	<b>\$ 1,515</b>

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

	Three months ended June 30,		Three months ended	Six months ended June 30,	
	2024	2023	March 31, 2024	2024	2023
	(In millions of dollars)				
<b>Performance and Essential Materials EBITDA</b>	\$ 391	\$ 435	\$ 253	\$ 644	\$ 1,050
Less:					
Depreciation and Amortization	224	217	220	444	427
Other income, net	10	3	11	21	5
Performance and Essential Materials Operating Income (Loss)	157	215	22	179	618
<b>Housing and Infrastructure Products EBITDA</b>	<b>336</b>	<b>244</b>	<b>264</b>	<b>600</b>	<b>449</b>
Less:					
Depreciation and Amortization	53	51	50	103	106
Other income, net	17	3	4	21	10
Housing and Infrastructure Products Operating Income (Loss)	266	190	210	476	333
<b>Corporate EBITDA</b>	<b>17</b>	<b>11</b>	<b>29</b>	<b>46</b>	<b>16</b>
Less:					
Depreciation and Amortization	2	3	3	5	5
Other income, net	32	17	35	67	30
Corporate Operating Income (Loss)	(17)	(9)	(9)	(26)	(19)
Performance and Essential Materials Operating Income (Loss)	157	215	22	179	618
Housing and Infrastructure Products Operating Income (Loss)	266	190	210	476	333
Corporate Operating Income (Loss)	(17)	(9)	(9)	(26)	(19)
<b>Total Operating Income (Loss)</b>	<b>\$ 406</b>	<b>\$ 396</b>	<b>\$ 223</b>	<b>\$ 629</b>	<b>\$ 932</b>

# Reconciliation of Free Cash Flow to Net Cash Provided by Operating Activities

	Three months ended June 30,		Three months ended	Six months ended June 30,	
	2024	2023	March 31, 2024	2024	2023
	(In millions of dollars)				
<b>Net cash provided by operating activities</b>	\$ 237	\$ 555	\$ 169	\$ 406	\$ 1,067
Less:					
Additions to property, plant and equipment	231	240	272	503	507
<b>Free Cash Flow</b>	<b>\$ 6</b>	<b>\$ 315</b>	<b>\$ (103)</b>	<b>\$ (97)</b>	<b>\$ 560</b>

# 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, increased export opportunities, expectations regarding epoxy operating rates increasing over the next decade, maximizing shareholder value, housing and infrastructure market trends, sustainability goals and supply and demand dynamics as they relate to our products. Actual results or ability to weather economic cycles, or belief that chlorovinyl bottlenecks will drive further bottom line growth 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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