



Westlake
Chemical



First Quarter 2021 Earnings Presentation

May 4, 2021



Commitment to Social Responsibility and Advancing Sustainability

Westlake’s commitment to social responsibility and advancing sustainability is formed by the company’s longstanding core values:

- Health, Safety & Environmental - The vigilant stewardship of the environment and sustainability are of utmost importance and at the forefront of everything we do.
- Our People - Support, develop and inspire our people to achieve their personal best and treat them with dignity and respect.
- Quality & Continuous Improvement – An intensive practice of “never-ending process of improvement.”
- Competitiveness - Providing innovative and useful products, maintaining high standards of customer service and operational excellence with a constant focus on managing costs.
- Citizenship - Recognizing the importance of supporting the communities in which we work and live and make it a priority to take an active role in making these communities better.
- Westlake’s sustainability report can be found at <https://www.westlake.com/sustainability>

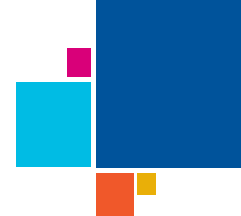
Protecting the Environment

Westlake has numerous programs designed to promote safe, ethical, environmentally and socially responsible practices including: a worldwide recycling program, operating in an energy efficient manner that stabilizes the power grids and reducing water usage and emissions. As discussed in our sustainability report, over a five year period, Westlake has reduced Sulphur Dioxide emissions to almost zero, reduced energy usage per ton of global production and achieved a nearly 30% reduction on CO₂ emissions.

Participating in Multi-Industry Associations for Environmental Protection

Westlake is a proud partner with the following organizations to drive sustainable action to eliminate plastic waste, capture more flexible food packaging waste for recycling and support vinyls’ sustainable impact in the world, along with many other initiatives.





Westlake Chemical First Quarter 2021 Highlights

Net income:

\$242 MM



Net income per share:

\$1.87



Cash and equivalents:

\$1.4 B



EBITDA:

\$553 MM



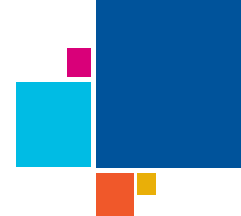
Business Highlights

- By quarter end, restored operations to all facilities after severe Winter Storm Uri, which had a significant impact on our business from reduced production and sales and additional maintenance expense
- Robust global demand and pricing environment continued for PVC, Polyethylene and downstream building products driving strong integrated margins from cross-section of industries including packaging, housing and automotive
- Generated \$265 million cash flow provided by operating activities in the first quarter

Industry Outlook

- Continued strength in PVC and Polyethylene demand driven by globally strong demand in building products, packaging and automotive
- Recovering caustic soda demand driven by robust industrial, construction and automotive activity
- Focus on sustainability with Westlake launching green caustic soda, which has a reduced CO₂ impact of more than 30% compared to conventional caustic soda





Westlake Chemical Corporation

First Quarter 2021 Financial Highlights

(\$ in millions)	1Q2021	4Q2020	1Q2021 vs. 4Q2020	1Q2020	1Q2021 vs. 1Q2020
Sales	\$2,357	\$1,965	20%	\$1,932	22%
Operating Income	\$346	\$178	94%	\$136	154%
<i>Vinyls EBITDA</i>	\$367	\$334	10%	\$232	58%
<i>Olefins EBITDA</i>	\$216	\$59	266%	\$98	120%
<i>Corporate EBITDA</i>	(\$30)	(\$7)	-	\$7	-
EBITDA¹	\$553	\$386	43%	\$337	64%

First Quarter 2021 vs. Fourth Quarter 2020

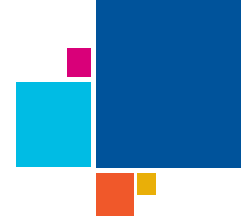
- + Higher sales prices and margins for polyethylene and PVC resin
- + Strong earnings in our downstream building products business
- Lower caustic soda prices
- Higher feedstock and fuel costs

First Quarter 2021 vs. First Quarter 2020

- + Higher sales prices and margins for polyethylene and PVC resin
- + Higher earnings in our downstream building products business
- Lost production, lower sales and higher maintenance expense from winter storm
- Lower caustic soda prices
- Higher feedstock and fuel costs



(1) Reconciliations of EBITDA, Vinyls EBITDA, Olefins EBITDA and Corporate EBITDA to the applicable GAAP measures can be found on pages 8, 9 and 10.



Vinyls Segment Performance

(\$ in millions)	1Q2021	4Q2020	1Q2021 vs. 4Q2020	1Q2020	1Q2021 vs. 1Q2020
Sales	\$1,820	\$1,590	14%	\$1,505	21%
Operating Income	\$200	\$166	20%	\$73	174%
EBITDA	\$367	\$334	10%	\$232	58%

First Quarter 2021 vs. Fourth Quarter 2020

- + Higher sales prices for PVC resin
- + Higher sales volumes for most of our major products
- + Strong earnings in our downstream building products business
- Lower caustic soda prices
- Higher feedstock costs

First Quarter 2021 vs. First Quarter 2020

- + Higher sales prices and margins for PVC resin
- + Higher earnings in building products business
- Lost production, lower sales and higher maintenance expense from winter storm
- Lower sales prices for caustic soda
- Higher feedstock and fuel costs

Vinyls Segment 1Q 2021 vs. 4Q 2020

Average
Sales Price

+7.3%

Volume

+7.2%

Vinyls Segment 1Q 2021 vs. 1Q 2020

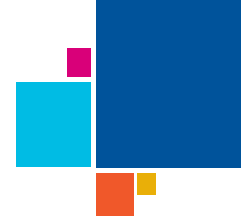
Average
Sales Price

+19.1%

Volume

+1.8%





Olefins Segment Performance

(\$ in millions)	1Q2021	4Q2020	1Q2021 vs. 4Q2020	1Q2020	1Q2021 vs. 1Q2020
Sales	\$537	\$375	43%	\$427	26%
Operating Income	\$180	\$22	718%	\$62	190%
EBITDA	\$216	\$59	266%	\$98	120%

First Quarter 2021 vs. Fourth Quarter 2020

- + Higher sales prices and margins
- + Increased sales volumes

First Quarter 2021 vs. First Quarter 2020

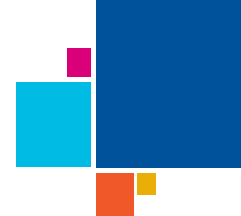
- + Higher sales prices and margins
- Lost production, lower sales and higher maintenance expense from winter storm
- Higher feedstock costs and fuel costs





Financial Reconciliations

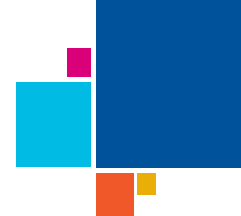




Consolidated Statements of Operations

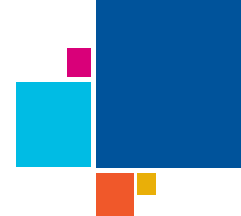
	Three months ended December 31,	Three months ended March 31,	
	2020	2021	2020
(In millions of dollars, except per share data)			
Net sales	\$ 1,965	\$ 2,357	\$ 1,932
Cost of sales	1,642	1,848	1,649
Gross profit	323	509	283
Selling, general and administrative expenses	117	136	120
Amortization of intangibles	28	27	27
Restructuring, transaction and integration-related costs	-	-	-
Income from operations	178	346	136
Interest expense	(34)	(33)	(31)
Other income, net	12	12	11
Income before income taxes	156	325	116
Provision for (benefit from) income taxes	33	72	(41)
Net income	123	253	157
Net income attributable to noncontrolling interests	10	11	12
Net income attributable to Westlake Chemical Corporation	\$ 113	\$ 242	\$ 145
Earnings per common share attributable to Westlake Chemical Corporation:			
Basic	\$ 0.87	\$ 1.88	\$ 1.13
Diluted	\$ 0.87	\$ 1.87	\$ 1.13





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

	Three months ended December 31,	Three months ended March 31,	
	2020	2021	2020
(In millions of dollars)			
Net cash provided by operating activities	\$ 431	\$ 265	\$ 61
Changes in operating assets and liabilities and other	(316)	(2)	222
Deferred income taxes	8	(10)	(126)
Net income	123	253	157
Less:			
Other income, net	12	12	11
Interest expense	(34)	(33)	(31)
Benefit from (provision for) income taxes	(33)	(72)	41
Income from operations	178	346	136
Add:			
Depreciation and amortization	196	195	190
Other income, net	12	12	11
EBITDA	\$ 386	\$ 553	\$ 337



Reconciliation of Vinyls, Olefins and Corporate EBITDA to Applicable Operating Income (Loss)

	Three months ended December 31,		Three months ended March 31,			
	2020		2021	2020		
(In millions of dollars)						
Vinyls EBITDA	\$	334	\$	367	\$	232
Less:						
Depreciation and Amortization		159		157		153
Other Income (Expenses)		9		10		6
Vinyls Operating Income (Loss)		166		200		73
Olefins EBITDA		59		216		98
Less:						
Depreciation and Amortization		35		36		35
Other Income (Expenses)		2		-		1
Olefins Operating Income (Loss)		22		180		62
Corporate EBITDA		(7)		(30)		7
Less:						
Depreciation and Amortization		2		2		2
Other Income (Expenses)		1		2		4
Corporate Operating Income (Loss)		(10)		(34)		1
Vinyls Operating Income (Loss)		166		200		73
Olefins Operating Income (Loss)		22		180		62
Corporate Operating Income (Loss)		(10)		(34)		1
Total Operating Income (Loss)	\$	178	\$	346	\$	136



Quarterly Industry Pricing





Average Quarterly Industry Prices ⁽¹⁾

	Quarter Ended				
	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021
<u>Average domestic prices</u>					
Natural gas (\$/MMBtu) ⁽²⁾	2.0	1.8	2.0	2.7	2.8
Ethane (cents/lb) ⁽³⁾	4.7	6.4	7.4	7.1	8.1
Propane (cents/lb) ⁽⁴⁾	8.8	9.6	11.9	13.5	21.2
Ethylene (cents/lb) ⁽⁵⁾	15.8	11.0	19.3	24.0	45.1
Polyethylene (cents/lb) ⁽⁶⁾	52.3	49.0	61.0	67.7	78.0
Styrene (cents/lb) ⁽⁷⁾	62.3	48.3	53.8	59.6	76.5
Caustic soda (\$/short ton) ⁽⁸⁾	648	698	697	653	648
Chlorine (\$/short ton) ⁽⁹⁾	176	175	176	193	234
PVC (cents/lb) ⁽¹⁰⁾	71.8	66.5	73.3	84.5	92.8
<u>Average export prices</u>					
Polyethylene (cents/lb) ⁽¹¹⁾	39.4	38.5	45.7	53.2	76.3
Caustic soda (\$/short ton) ⁽¹²⁾	203	319	260	219	249
PVC (cents/lb) ⁽¹³⁾	36.9	27.5	38.5	55.4	67.8

1) Industry pricing data was obtained through IHS Markit ("IHS"). We have not independently verified the data.

2) Average Burner Tip contract prices of natural gas over the period.

3) Average Mont Belvieu spot prices of purity ethane over the period.

4) Average Mont Belvieu spot prices of non-TET propane over the period.

5) Average North American spot prices of ethylene over the period.

6) Average North American Net Transaction prices of polyethylene low density GP-Film grade over the period.

7) Average North American contract prices of styrene over the period.

8) Average USGC-CSLi index values for caustic soda over the period. As stated by IHS, "the caustic soda price listing represents the USGC-CSLi values. USGC-CSLi does not reflect contract price discounts, implementation lags, caps or other adjustments factors. Additionally, it is not intended to represent a simple arithmetic average of all market transactions occurring during the month. Rather, the USGC-CSLi is most representative of the month-to-month caustic soda price movement for contract volumes of liquid 50% caustic soda rather than the absolute value of contract prices at a particular point in time. It is intended to serve only as a benchmark."

9) Average North American contract prices of chlorine over the period.

10) Average North American contract prices of pipe grade polyvinyl chloride ("PVC") over the period. As stated by IHS, "the contract resin prices posted reflect an "index" or "market" for prices before discounts, rebates, incentives, etc."

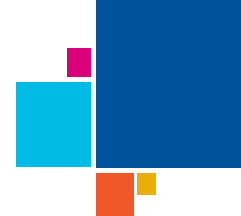
11) Average North American export price for low density polyethylene GP-Film grade over the period.

12) Average North American low spot export prices of caustic soda over the period.

13) Average North American spot export prices of PVC over the period.



Safe Harbor Language



This presentation contains certain forward-looking statements including statements regarding PVC, polyethylene, building products and caustic soda pricing and demand, continued recovery in key end markets (such as housing starts), our cost control and efficiency efforts, our ability to capture integrated chain margin, results of reinvestment in our businesses and our reduction in carbon impact. 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; uncertainties associated with the United States, Europe and worldwide economies, including those due to 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; 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; uncertainties associated with the COVID-19 pandemic; 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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