



Westlake



Second Quarter 2021 Earnings Presentation

August 3, 2021



Commitment to Corporate Social Responsibility is Formed by Five Longstanding Core Values



HEALTH, SAFETY & ENVIRONMENT (“HSE”)

The health and safety of our employees and communities, and the vigilant stewardship of the environment and sustainability are of utmost importance and at the forefront of everything we do.

OUR PEOPLE

The integrity, creativity, dedication, diversity and drive of our employees allow us to excel. We support, develop and inspire our people to achieve their personal best and treat them with dignity and respect.

QUALITY & CONTINUOUS IMPROVEMENT

Our commitment to quality products and service is so strong that both are symbolized as the two check marks that form the Westlake “W” in our logo. We seek to maintain this commitment through an intensive practice of “never-ending process of improvement.”

COMPETITIVENESS

We are committed to enhancing the lives of people in the global marketplace every day. We do this by providing innovative and useful products, maintaining high standards of customer service and operational excellence with a constant focus on managing costs.

CITIZENSHIP

We recognize 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.





Advancing Sustainability

Developing Green Products

Vinnolit, a Westlake company, offers certified climate-friendly caustic soda utilizing renewable energy Guarantees of Origin (GOs). The CO₂ footprint of this low-carbon caustic soda introduced to the market under the brand name **GreenVin** is reduced by more than 30% compared to conventional Vinnolit caustic soda. We are continuing to work to develop additional green products that will drive value while reducing our carbon footprint. We are continuing to develop products that are in line with our sustainability goals while meeting the need for greener products.

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 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 Second Quarter 2021 Highlights


Net income:
\$522 MM



Net income per share:
\$4.04



Cash and equivalents:
\$1.8 B



EBITDA⁽¹⁾:
\$932 MM



Business Highlights

- Westlake achieved record quarterly net income of \$522 million, excluding one-time tax benefits, and record EBITDA of \$932 million, anchored by strong margins across our product offerings and generated \$617 million in operating cash flows
- Announced agreement to acquire Boral's North American building products businesses in roofing; siding, trim and shutters; decorative stone; and windows, transforming our building and construction materials business
- Announced agreement to acquire LASCO Fittings, Inc., a leading manufacturer of injected-molded PVC fittings

Industry Outlook

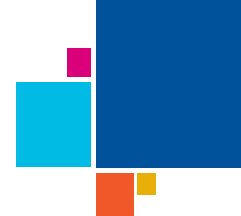
- Continued strength in PVC driven by globally strong demand in new construction, repairs and remodeling activity
- Consumer demand remains robust for essential everyday packaged products driving value in polyethylene



(1) Reconciliations of EBITDA to the applicable GAAP measure can be found on page 10

Westlake Chemical Corporation

Second Quarter 2021 Financial Highlights



(\$ in millions)	2Q2021	1Q2021	2Q2021 vs. 1Q2021	2Q2020	YTD 2021	YTD 2020	YTD 2021 vs. YTD 2020
Sales	\$2,859	\$2,357	21%	\$1,709	\$5,216	\$3,641	43%
Operating Income	\$720	\$346	108%	\$36	\$1,066	\$172	520%
<i>Vinyls EBITDA</i>	\$605	\$367	65%	\$182	\$972	\$414	135%
<i>Olefins EBITDA</i>	\$316	\$216	46%	\$60	\$532	\$158	237%
<i>Corporate EBITDA</i>	\$11	(\$30)	-	(\$6)	(\$19)	\$1	-
EBITDA¹	\$932	\$553	69%	\$236	\$1,485	\$573	159%

Second Quarter 2021 vs. First Quarter 2021

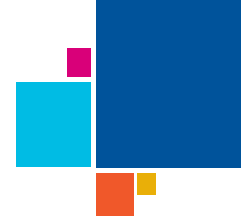
- + Higher sales prices for all of our major products including PVC resin, polyethylene, building and construction materials and caustic soda
- + Higher sales volumes for PVC resin
- + Strong earnings in our building and construction materials business driven by high prices

Second Quarter 2021 vs. Second Quarter 2020

- + Higher sales prices and margins for most of our major products, including PVC resin and polyethylene
- + Higher sales volumes for PVC resin
- + Strong earnings in our building and construction materials business driven by higher prices and volumes
- 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 10 and 11



Vinyls Segment Performance

(\$ in millions)	2Q2021	1Q2021	2Q2021 vs. 1Q2021	2Q2020	YTD 2021	YTD 2020	YTD 2021 vs. YTD 2020
Sales	\$2,188	\$1,820	20%	\$1,348	\$4,008	\$2,853	40%
Operating Income	\$435	\$200	118%	\$20	\$635	\$93	583%
EBITDA ¹	\$605	\$367	65%	\$182	\$972	\$414	135%

Second Quarter 2021 vs. First Quarter 2021

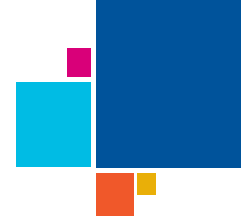
- + Higher sales prices for all of our major products and higher integrated margins
- + Higher sales volumes for PVC resin
- + Strong earnings in our building and construction materials business driven by higher prices
- Lower caustic sales volumes

Second Quarter 2021 vs. Second Quarter 2020

- + Higher sales prices and margins
- + Higher sales volumes for PVC resin
- + Strong earnings in our building and construction materials business driven by higher prices and volumes
- Higher feedstock and fuel costs



(1) Reconciliations of EBITDA to the applicable GAAP measure can be found on page 11



Olefins Segment Performance

(\$ in millions)	2Q2021	1Q2021	2Q2021 vs. 1Q2021	2Q2020	YTD 2021	YTD 2020	YTD 2021 vs. YTD 2020
Sales	\$671	\$537	25%	\$361	\$1,208	\$788	53%
Operating Income	\$277	\$180	54%	\$25	\$457	\$87	425%
EBITDA ¹	\$316	\$216	46%	\$60	\$532	\$158	237%

Second Quarter 2021 vs. First Quarter 2021

- + Higher polyethylene sales prices and margins
- Higher ethane feedstock costs

Second Quarter 2021 vs. Second Quarter 2020

- + Higher polyethylene sales prices and margins
- Lower polyethylene sales volumes
- Higher ethane feedstock costs

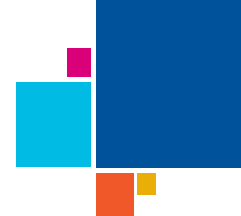


(1) Reconciliations of EBITDA to the applicable GAAP measure can be found on page 11



Financial Reconciliations

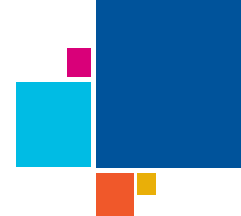




Consolidated Statements of Operations

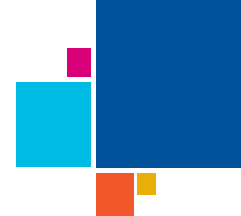
	Three months ended March 31,	Three months ended June 30,		Six months ended June 30,	
	2021	2021	2020	2021	2020
	(In millions of dollars, except per share data)				
Net sales	\$ 2,357	\$ 2,859	\$ 1,709	\$ 5,216	\$ 3,641
Cost of sales	1,848	1,987	1,540	3,835	3,189
Gross profit	509	872	169	1,381	452
Selling, general and administrative expenses	136	125	104	261	224
Amortization of intangibles	27	27	27	54	54
Restructuring, transaction and integration-related costs	-	-	2	-	2
Income from operations	346	720	36	1,066	172
Interest expense	(33)	(36)	(40)	(69)	(71)
Other income, net	12	10	9	22	20
Income before income taxes	325	694	5	1,019	121
Provision for (benefit from) income taxes	72	158	(19)	230	(60)
Net income	253	536	24	789	181
Net income attributable to noncontrolling interests	11	14	9	25	21
Net income attributable to Westlake Chemical Corporation	\$ 242	\$ 522	\$ 15	\$ 764	\$ 160
Earnings per common share attributable to Westlake Chemical Corporation:					
Basic	\$ 1.88	\$ 4.06	\$ 0.11	\$ 5.94	\$ 1.24
Diluted	\$ 1.87	\$ 4.04	\$ 0.11	\$ 5.91	\$ 1.24





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

	Three months ended March 31,	Three months ended June 30,		Six months ended June 30,	
	2021	2021	2020	2021	2020
(In millions of dollars)					
Net cash provided by operating activities	\$ 265	\$ 617	\$ 448	\$ 882	\$ 509
Changes in operating assets and liabilities and other	(2)	(67)	(454)	(69)	(232)
Deferred income taxes	(10)	(14)	30	(24)	(96)
Net income	253	536	24	789	181
Less:					
Other income, net	12	10	9	22	20
Interest expense	(33)	(36)	(40)	(69)	(71)
Benefit from (provision for) income taxes	(72)	(158)	19	(230)	60
Income from operations	346	720	36	1,066	172
Add:					
Depreciation and amortization	195	202	191	397	381
Other income, net	12	10	9	22	20
EBITDA	\$ 553	\$ 932	\$ 236	\$ 1,485	\$ 573



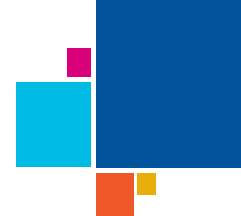
Reconciliation of Vinyls, Olefins and Corporate EBITDA to Applicable Operating Income (Loss)

	Three months ended March 31,		Three months ended June 30,		Six months ended June 30,					
	2021		2021	2020	2021	2020				
	(In millions of dollars)									
Vinyls EBITDA	\$	367	\$	605	\$	182	\$	972	\$	414
Less:										
Depreciation and Amortization		157		163		154		320		307
Other Income (Expenses)		10		7		8		17		14
Vinyls Operating Income (Loss)		200		435		20		635		93
Olefins EBITDA		216		316		60		532		158
Less:										
Depreciation and Amortization		36		37		35		73		70
Other Income (Expenses)		-		2		-		2		1
Olefins Operating Income (Loss)		180		277		25		457		87
Corporate EBITDA		(30)		11		(6)		(19)		1
Less:										
Depreciation and Amortization		2		2		2		4		4
Other Income (Expenses)		2		1		1		3		5
Corporate Operating Income (Loss)		(34)		8		(9)		(26)		(8)
Vinyls Operating Income (Loss)		200		435		20		635		93
Olefins Operating Income (Loss)		180		277		25		457		87
Corporate Operating Income (Loss)		(34)		8		(9)		(26)		(8)
Total Operating Income (Loss)	\$	346	\$	720	\$	36	\$	1,066	\$	172



Quarterly Industry Pricing





Average Quarterly Industry Prices ⁽¹⁾

	Quarter Ended				
	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021
<u>Average domestic prices</u>					
Natural gas (\$/MMBtu) ⁽²⁾	1.8	2.0	2.7	2.8	2.9
Ethane (cents/lb) ⁽³⁾	6.4	7.4	7.1	8.1	8.7
Propane (cents/lb) ⁽⁴⁾	9.6	11.9	13.5	21.2	20.7
Ethylene (cents/lb) ⁽⁵⁾	11.0	19.3	24.0	45.1	43.0
Polyethylene (cents/lb) ⁽⁶⁾	49.0	61.0	67.7	78.0	99.0
Styrene (cents/lb) ⁽⁷⁾	48.3	53.8	59.6	76.5	90.5
Caustic soda (\$/short ton) ⁽⁸⁾	698	697	653	648	755
Chlorine (\$/short ton) ⁽⁹⁾	175	176	193	234	309
PVC (cents/lb) ⁽¹⁰⁾	66.5	73.3	84.5	92.8	105.0
<u>Average export prices</u>					
Polyethylene (cents/lb) ⁽¹¹⁾	38.5	45.7	53.2	76.3	89.7
Caustic soda (\$/short ton) ⁽¹²⁾	319	260	219	249	333
PVC (cents/lb) ⁽¹³⁾	27.5	38.5	55.4	67.8	77.8

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."

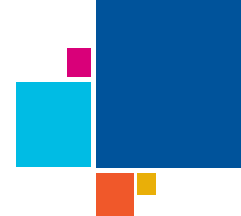
11) Average North American export price for low density polyethylene GP-Film grade over the period.

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, including, but not limited to, the following: the timing to consummate the previously announced acquisitions (the “Acquisitions”) of (i) Boral Limited’s North American building products business and (ii) LASCO Fittings, Inc. (“LASCO”); the conditions to the closing of the Acquisitions may not be satisfied or the closing of the Acquisitions otherwise does not occur; the risk that Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, approval is not obtained or is obtained subject to conditions that are not anticipated; the diversion of management time on transaction-related issues; the ultimate timing, outcome and results of integrating the operations of the Boral target companies and LASCO and the ultimate outcome of our operating efficiencies applied to the products and services of the Boral target companies and LASCO; the effects of the Acquisitions, including the combined company’s 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; 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; 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.

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