



Westlake Chemical Corporation

Fourth Quarter 2019

Westlake Chemical Corporation

A Leading Integrated Materials Company

(2019)



Net Sales	\$8,118 Million
EBITDA ^(1,2)	\$1,407 Million
Net Income ⁽³⁾	\$421 Million



Our mission is to create long term value with a risk adjusted return approach.

Vinyls (2019)

\$1,032 million EBITDA⁽¹⁾

72% of total EBITDA

Olefins (2019)

\$407 million EBITDA⁽¹⁾

28% of total EBITDA

Our Mission:

- Profitable bottom line growth.
- In businesses we understand.
- Globally in areas we can gain an edge.
- In a disciplined and opportunistic manner.

Strategic Action Update:

- Disciplined, financially conservative strategy provides for opportunistic growth:
 - Increased Ethylene JV ownership to expand integrated vinyls margins.
 - Global PVC, VCM & Chlor Alkali expansions 2019 -2021.
- Opportunistic acquisitions continue to diversify and grow value.

Westlake's Commitment to Advancing Sustainability

Westlake's commitment to corporate social responsibility 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.

Industry Associations

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 promote a more sustainable relationship with the environment.



Protecting the Environment

Westlake has numerous programs designed to promote safe, ethical, environmentally and socially responsible practices including: a world wide recycling program, operating in an energy efficient manner that stabilizes the power grids, and reducing water usage and emissions. Over the past five years 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.

Westlake, A Global Diversified Product Mix

A Global Leading Producer:

Chlor Alkali

2nd largest Chlor Alkali producer in the world, capitalizes on globally low cost natural gas in North America.

PVC

2nd largest producer of PVC in the world leveraging the high level of product integration and globally low cost feedstocks.

Low Density Polyethylene

- Largest specialty autoclave LDPE producer globally.
- 2nd largest producer of Low Density Polyethylene in the Americas.

World Wide Presence:

North America

Highly integrated, low cost production of PE, PVC & Caustic Soda:

- 11 Chemical sites.
- 20+ Polymer product sites.

Europe

Global leader in Specialty PVC, Leading global PVC compounder:

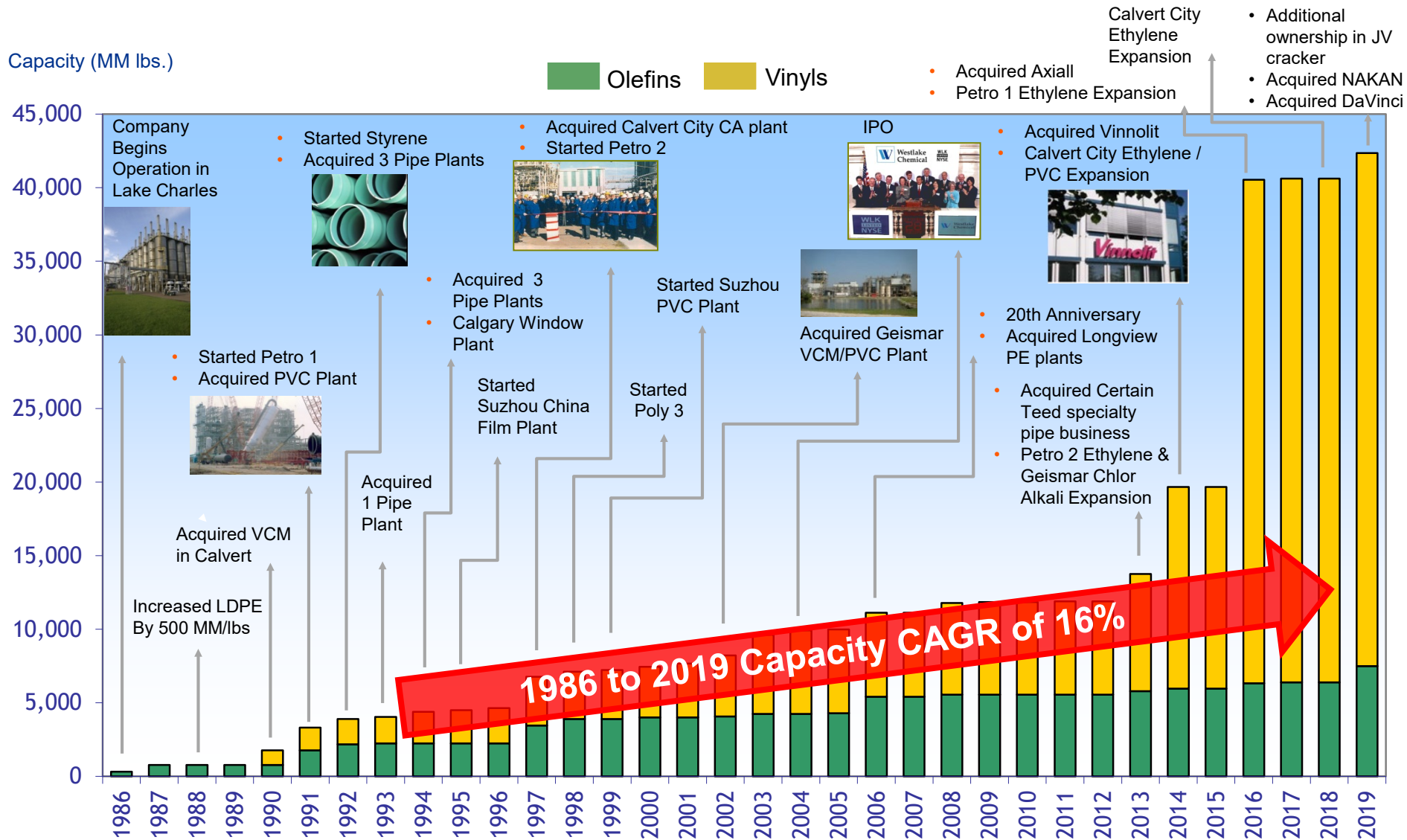
- 6 Chemical sites.
- Downstream value added polymer compound products.

Asia

High quality PVC resin and film products in a growth region:

- 2 Chemical sites.
- 3 Polymer product sites.

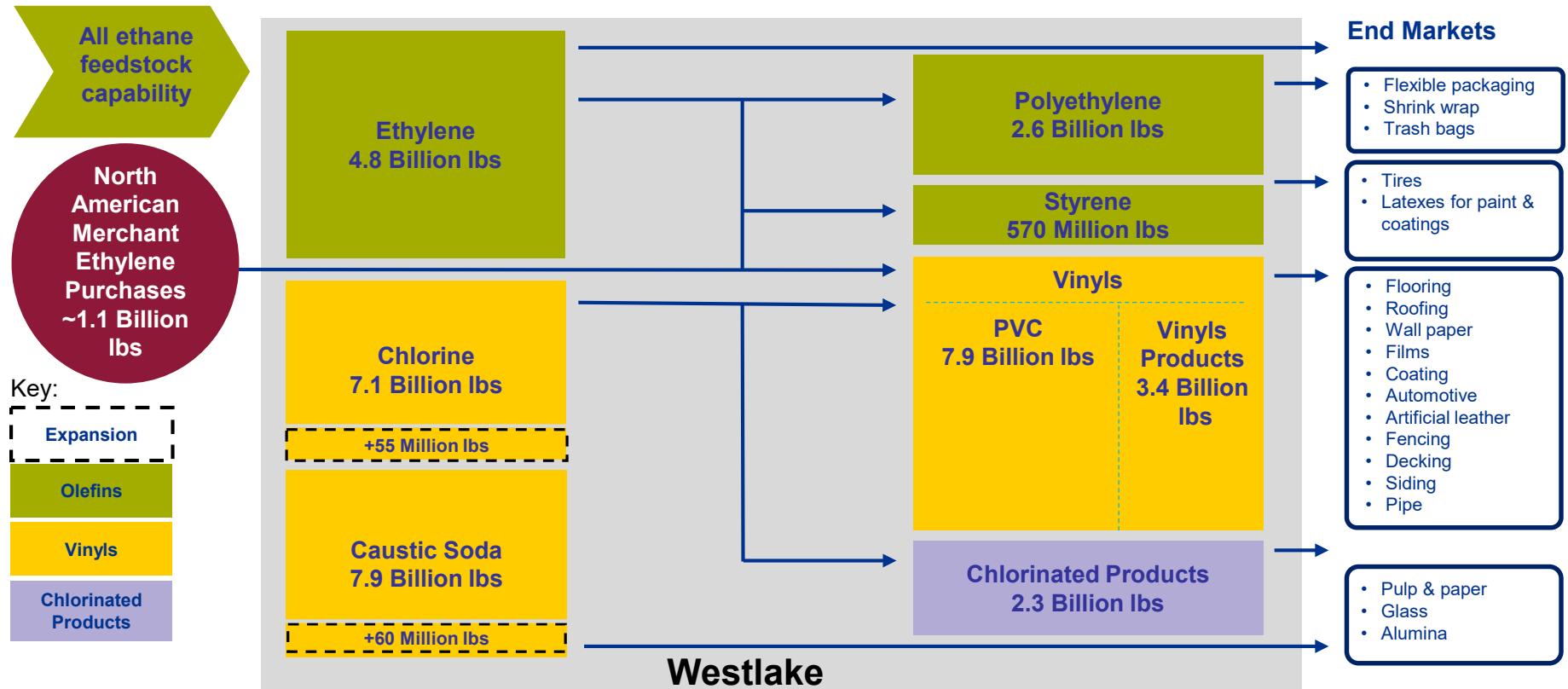
Strategic Growth Diversifies Product Lines and Further Strengthens Integration Advantage



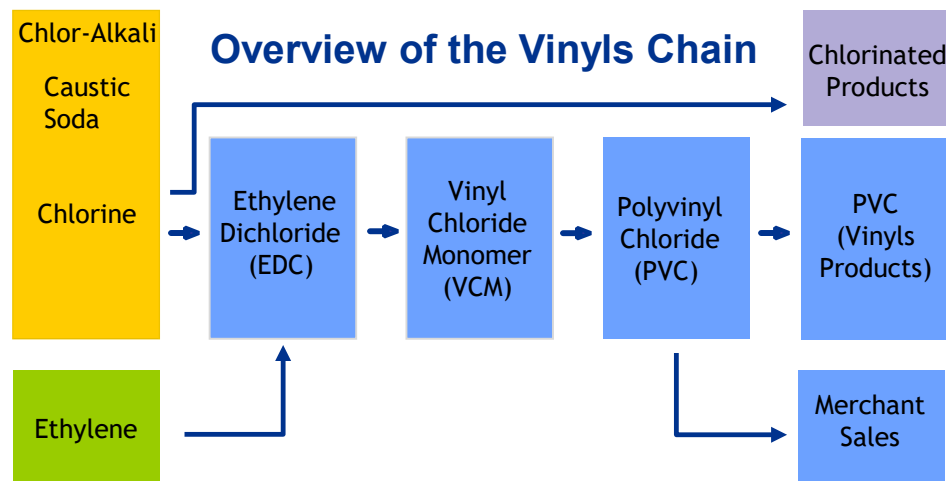
Globally Advantaged Cost Position With A Very High Degree of Product Integration

Westlake Chemical has a strategic cost advantage:

- North America has a cost advantaged, abundant supply of Ethane from shale gas, electricity from natural gas and ample salt supply when compared to global markets.
- Integration from feedstock to final product captures margin across the production chain and throughout the economic cycle.

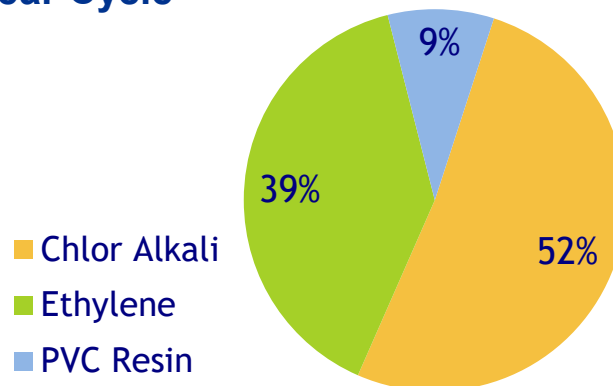


Low Cost Producer of PVC Combined with High Integration Captures Margin



Majority of Margin Captured in Chlor-Alkali and Ethylene.

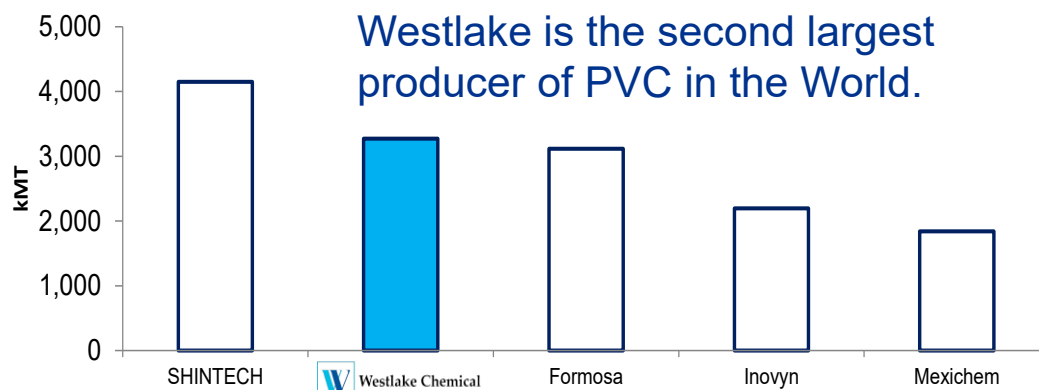
Average Vinyls Industry Margin Distribution Over the Last 10 Year Cycle



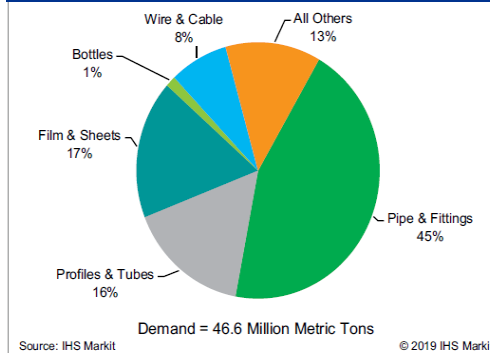
- **Westlake has numerous PVC debottlenecks that will capture more integrated margin**
- Integration has allowed Westlake to operate its chlorovinyls plants at higher operating rates than US industry average.
- Increased ownership in the Westlake – Lotte JV Ethylene cracker expands Ethylene integration advantage.
- Through backward integration into Chlor Alkali (shale gas based power) and ethylene (shale gas based ethane), Westlake is one of the lowest cost PVC producers globally.
- Cost competitive PVC exports as Westlake sits at the low end of the cost curve.
- Complexity of vinyls chain drives value and raises barriers to entry.

Global Chlorovinyls Leader with Enhanced Scale

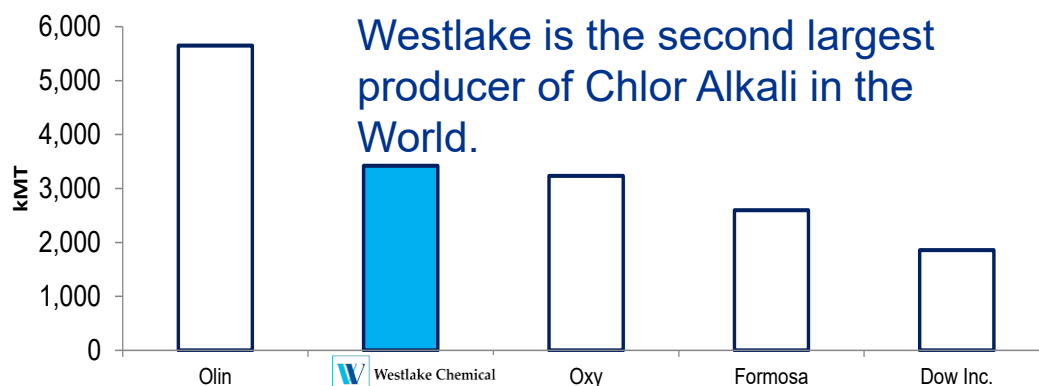
2019 Global PVC capacity (KMT)



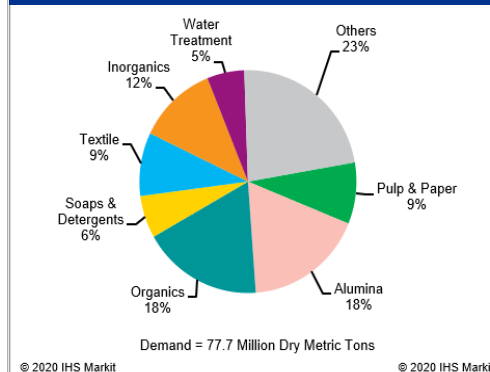
World PVC Demand



2019 Global Chlor-Alkali capacity (KMT)



World Caustic Soda Demand

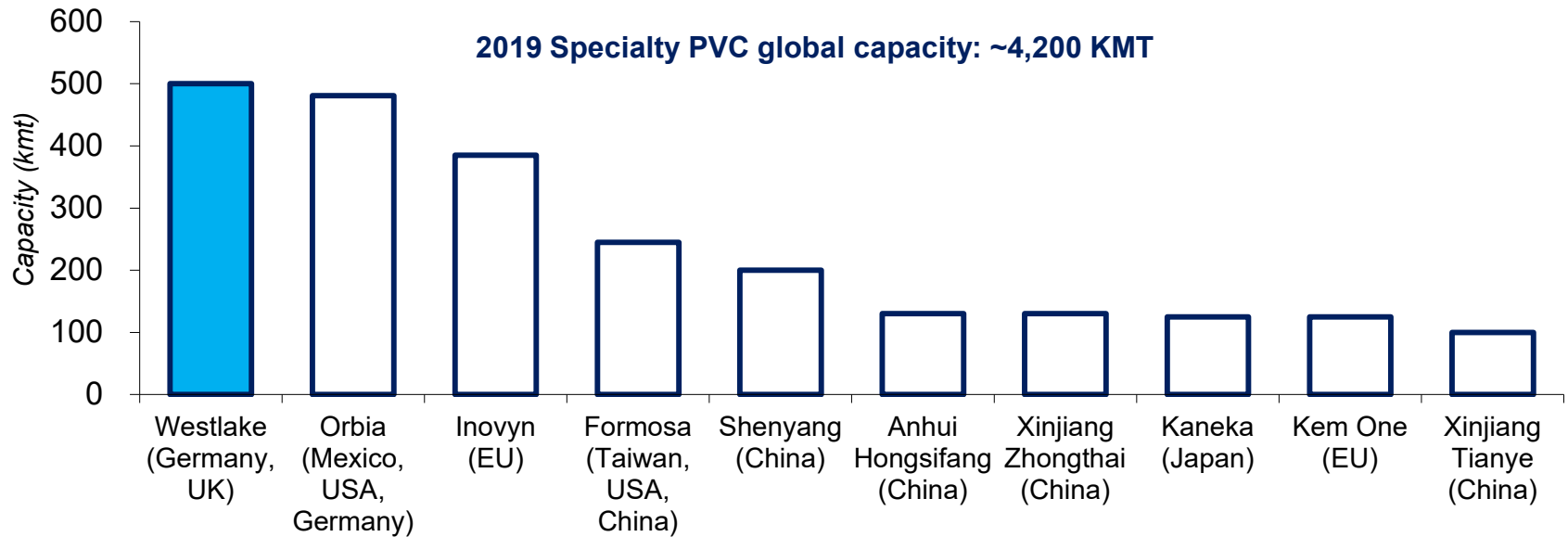


Solid Fundamentals for PVC and Chlor Alkali:

- Supply / demand balance with minimal announced capacity additions in both PVC and Chlor Alkali expected to provide healthy forward fundamentals.
- Westlake is a globally low cost producer of PVC and Chlor Alkali.

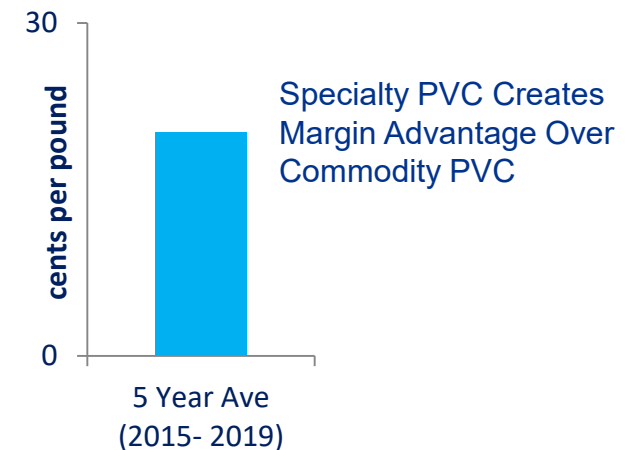
Westlake is the Global Leader in Specialty PVC

Westlake / Vinnolit is the leading producer of specialty PVC



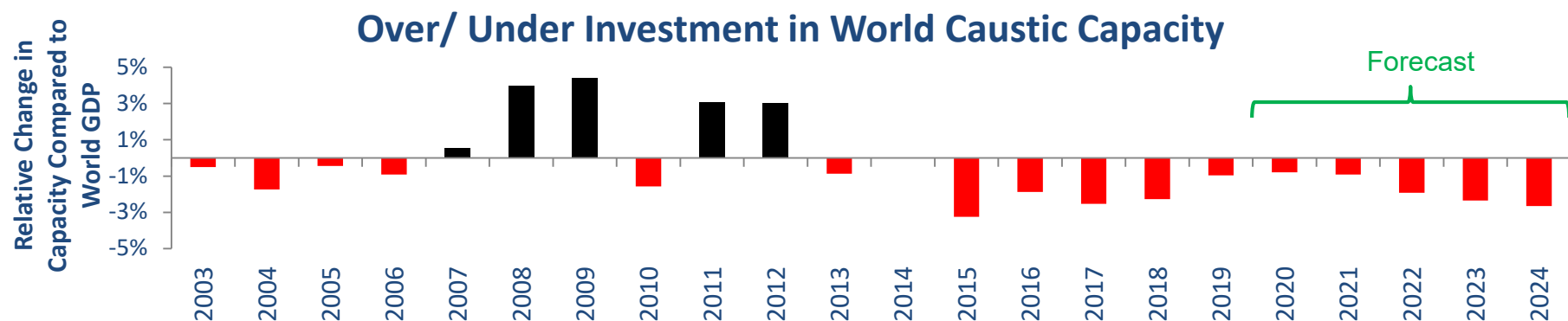
Westlake's Vinnolit operations provide specialty PVC which:

- Delivers higher margins and diversifies end market demand vs. commodity PVC.
- Broadens Westlake's market channels.



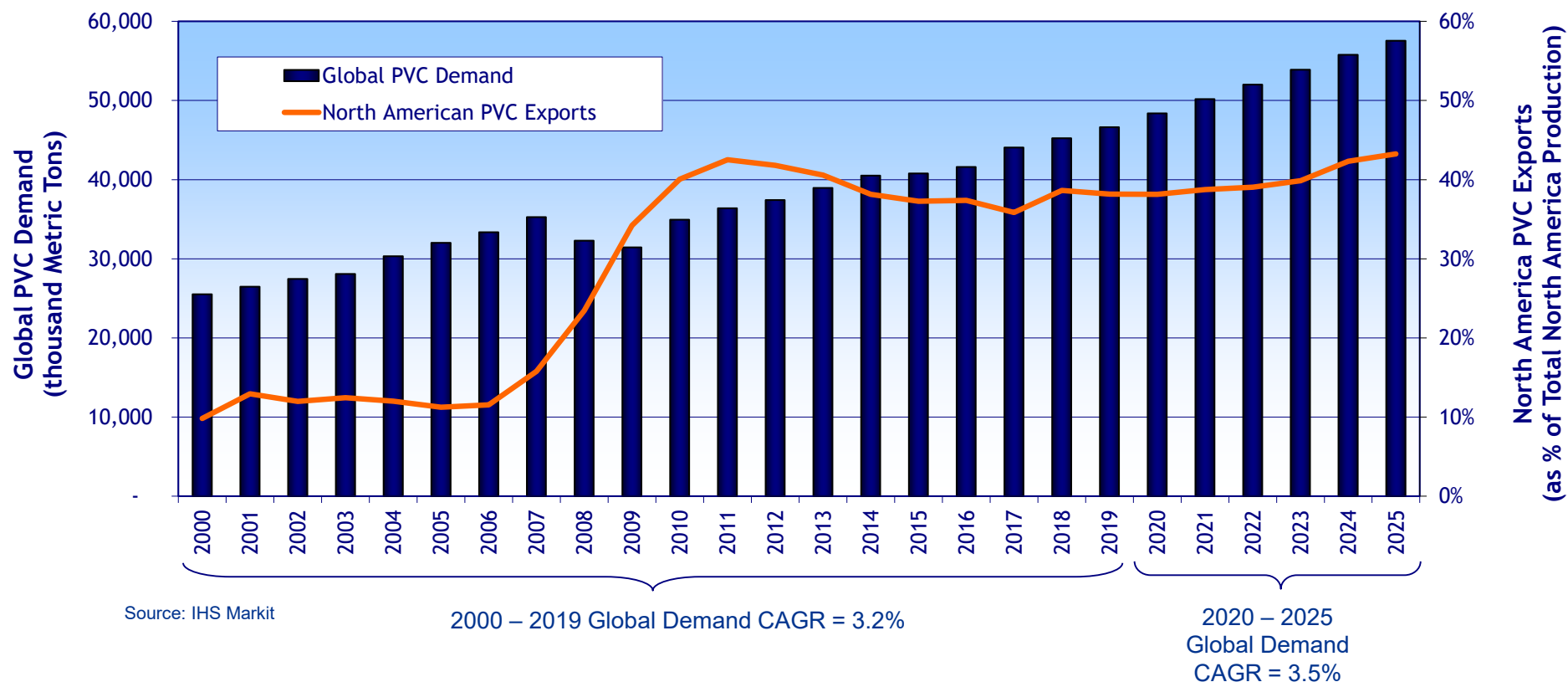
Fundamentals in Chlor Alkali Constructive

Significant under investment positions the industry to benefit as demand grows



- Integrated facilities in North America benefit from low cost feedstocks and natural gas.
- Outlook for demand growth outpaces industry capacity additions.

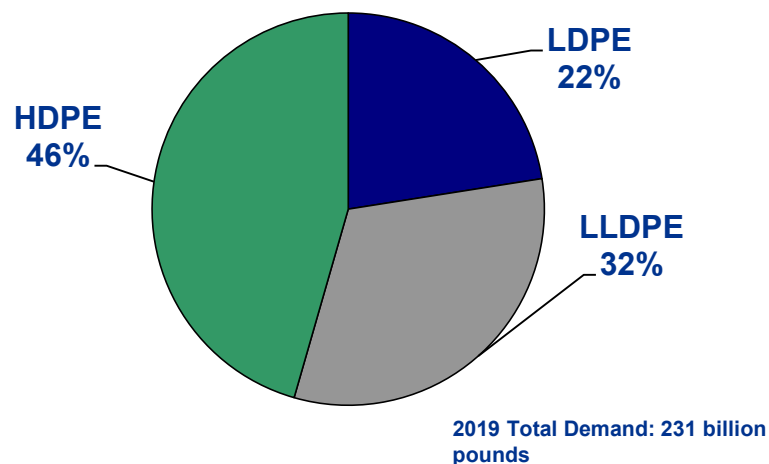
Growing Global PVC Demand Supports North American Exports



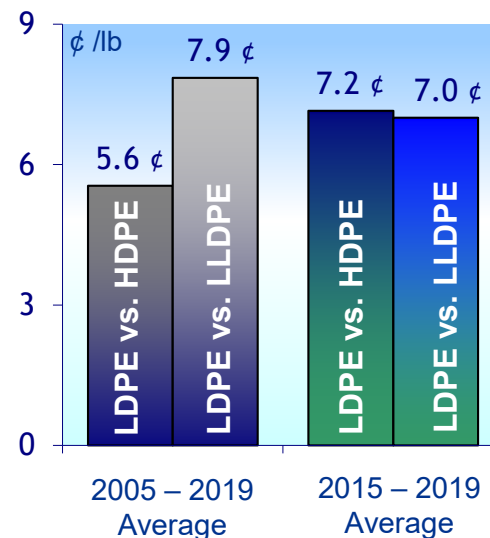
- Global growth in PVC demand is forecasted to continue growing well into the future.
- Producers with a high level of integration benefit with higher margins over the cycle.
- Global growth in PVC demand and advantaged feedstocks in PVC production supports North American production.

Advantaged Polyethylene Product Mix

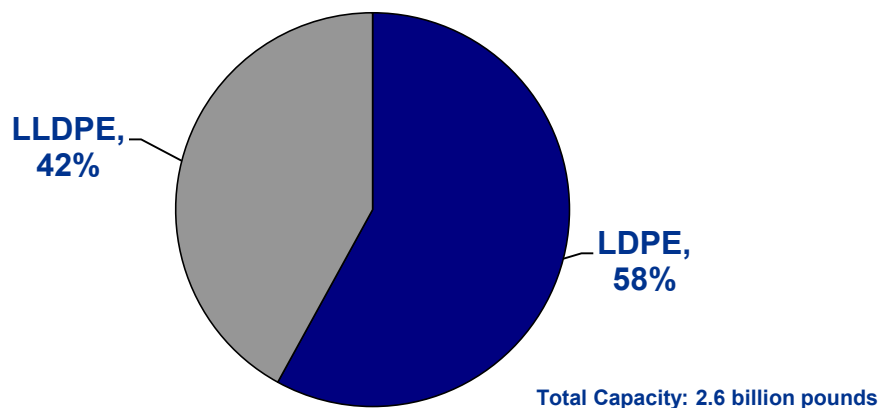
2019 Global Industry Demand
(% share)



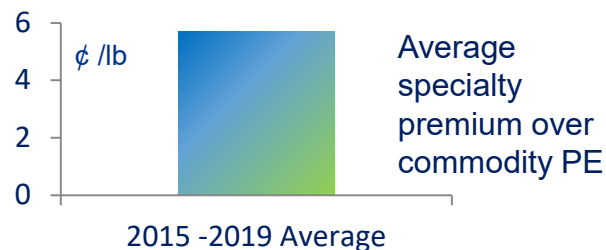
LDPE is More Profitable than LLDPE and HDPE
Average Margin Advantage of LDPE vs. Other PE Grades



Westlake Capacity (% share)



Specialty PE⁽¹⁾ Is Even More Profitable

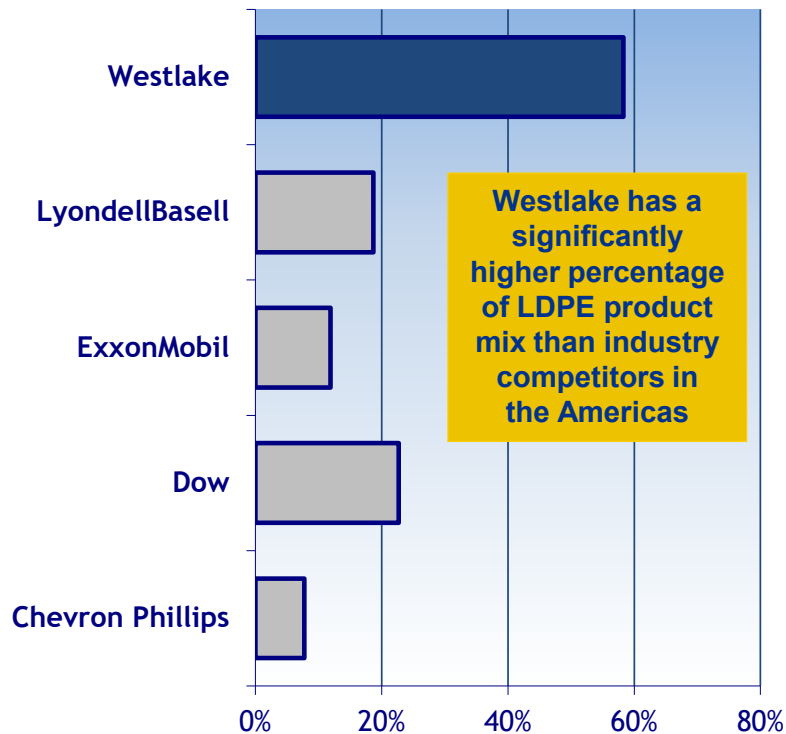


Note (1): Chart above reflects a mix of both specialized and differentiated products for LDPE and LLDPE.

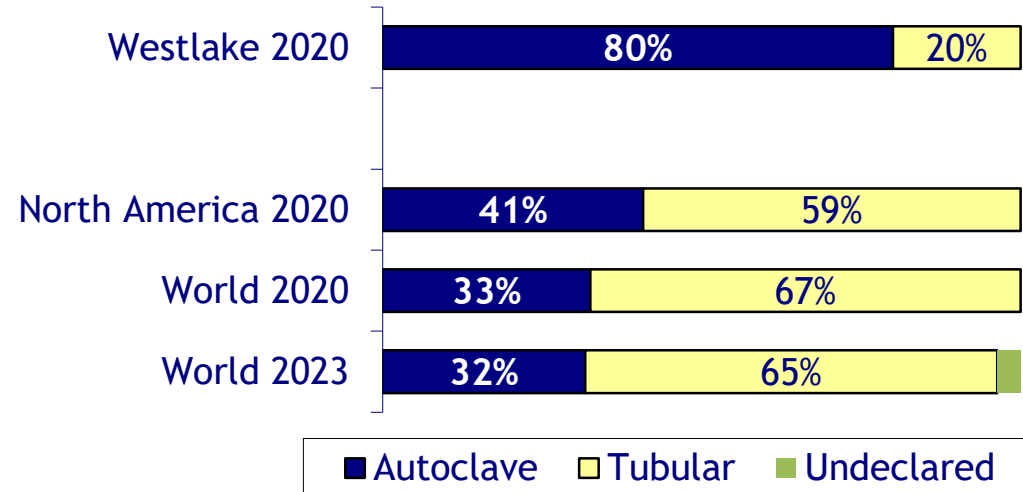
Advantaged Product Mix

Westlake's Unique LDPE Focus

LDPE Capacity as a Percentage of Total Company PE Capacity



The Specialty Advantage

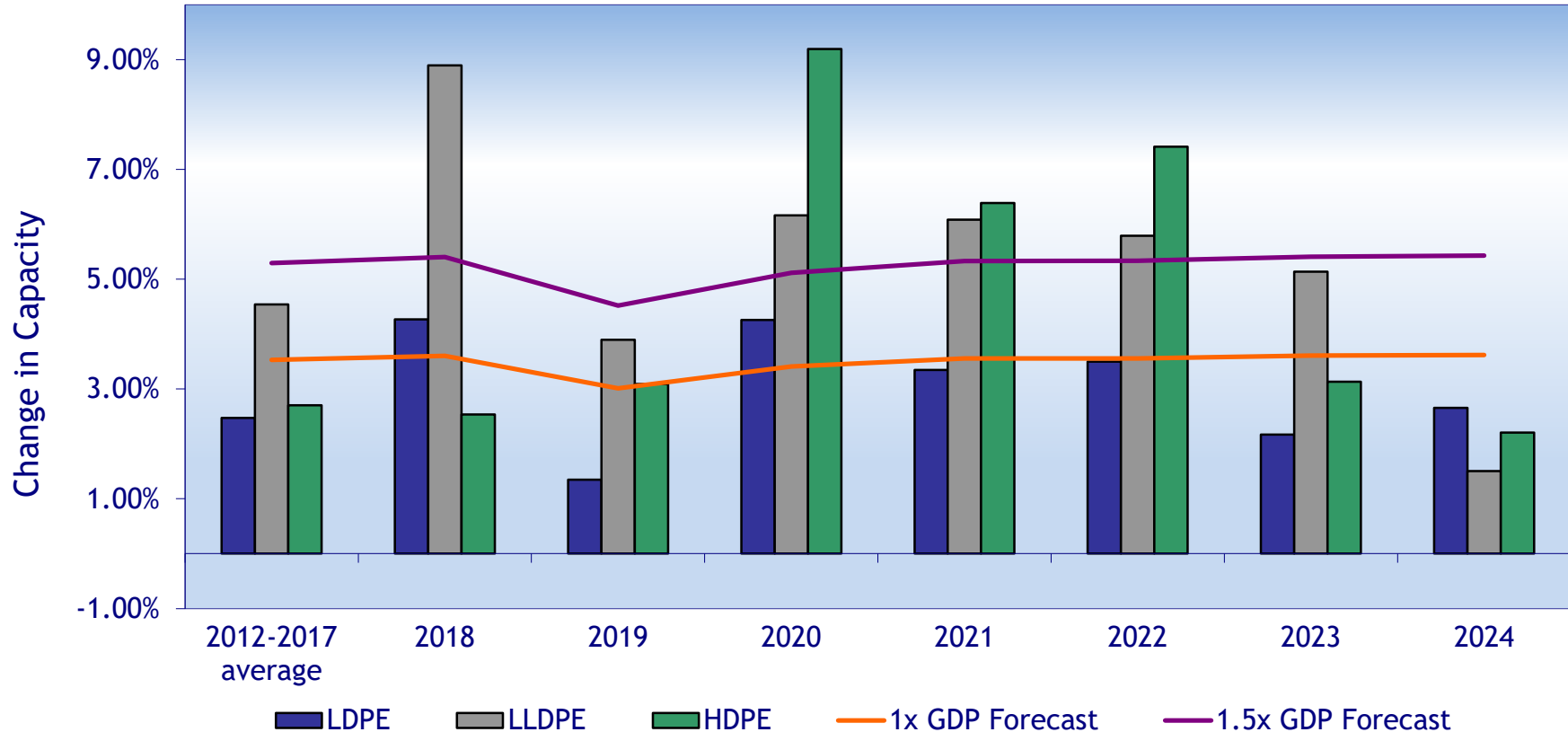


Autoclave vs Tubular LDPE:

- Autoclave LDPE is a more specialty product with broader applications and better margins.
- Supply/demand balance for autoclave grows tighter.

Global Polyethylene Capacity Additions are Focused on LLDPE and HDPE, not on LDPE

World Polyethylene Capacity Growth by Product



Westlake is focused on LDPE:

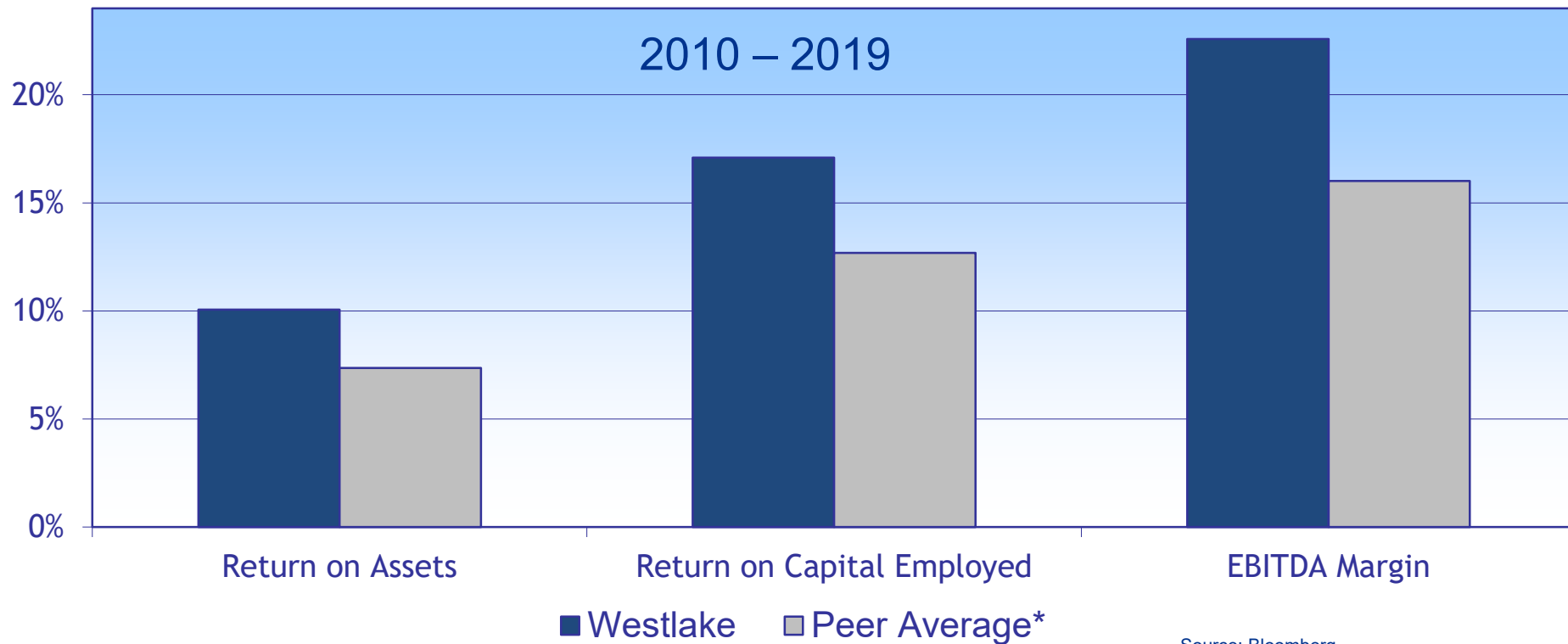
- New additions intended to primarily serve Asian & European markets.
- Global polyethylene demand grows between 1.0x to 1.5x GDP.
- LDPE capacity additions are limited and almost all commodity grade.

Financially Disciplined

- A leading materials company founded and operated on value creation.
- A global, diversified products producer fueled by low cost feedstock.
- High level of product integration drives higher operating rates with higher margin specialty production in Polyethylene and PVC.
- Disciplined investment culture and a strong balance sheet provide for strategic growth over time.



Higher Cycle Average Margins Focus on “Bottom Line”



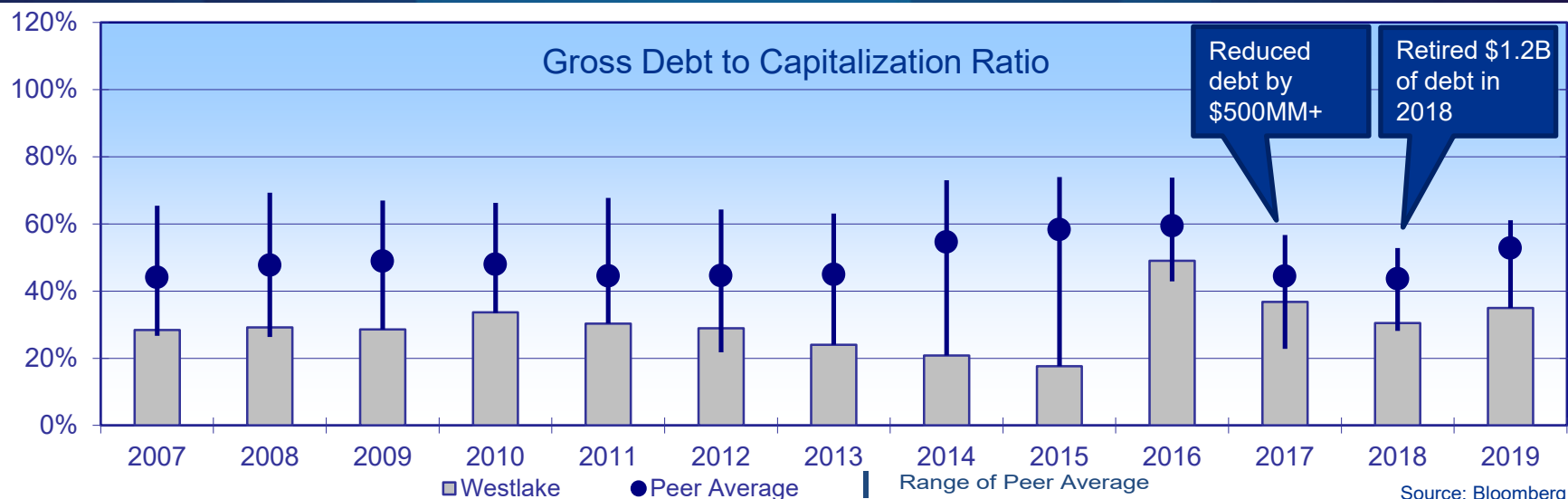
Source: Bloomberg

*Peer averages as of latest available data
includes: EMN, HUN, OLN, LYB, DOW

Higher margins and returns attributable to:

- Focused Growth
- Asset Quality
- Operating Rate Advantage
- Chain Integration
- Product Mix
- Feedstock

Conservative Financial Profile



Source: Bloomberg

Peer group includes: OLN, DOW, EMN, HUN, LYB

- Westlake is committed to maintaining solid investment grade credit metrics, ratings agencies affirm strong investment grade ratings.
- Leverage remained below peers even after acquiring Axiall and quickly delevered in the following year.
- Has shown a significant growth in business while maintaining a conservative balance sheet.

Agency	Rating
S&P	BBB
Fitch	BBB
Moody's	Baa2

Strategic Investment Drives EBITDA Growth

Vinyls

Olefins

Westlake Chemical continues its proven record of strategically deploying capital to fund future bottom line growth

Strategic Growth Delivers Strong Results

Proven Results

Added Ethylene Capacity

Added PVC Capacity

Added Chlor Alkali Capacity

Acquired Vinnolit and Specialty PVC Products



Added Ethylene Capacity

Acquired Axiall

Acquired NAKAN

Acquired DaVinci



Added Ethylene Capacity

Adding PVC Capacity



Future EBITDA

- Timely investments to integrate the full value chain drive EBITDA.
- Conservative balance sheet enables future opportunistic growth.

Reconciliation of Westlake EBITDA to Net Income and to Cash Flow from Operating Activities (in \$ millions)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Adjusted EBITDA	\$ 237	\$ 512	\$ 584	\$ 780	\$ 1,118	\$ 1,330	\$ 1,244	\$ 1,016	\$ 1,841	\$ 2,101	\$ 1,407
Debt Retirement Cost	-	-	-	(7)	-	-	-	-	-	-	-
EBITDA	237	512	584	773	1,118	1,330	1,244	1,016	1,841	2,101	1,407
Less:											
Income Tax (Provision) Benefit	(26)	(122)	(142)	(200)	(332)	(399)	(298)	(139)	258	(300)	(108)
Interest Expense	(35)	(40)	(51)	(43)	(18)	(38)	(35)	(79)	(159)	(126)	(124)
Depreciation & Amortization	(123)	(129)	(132)	(144)	(158)	(208)	(246)	(378)	(601)	(641)	(713)
Non Controlling Interest	-	-	-	-	-	(6)	(19)	(21)	(35)	(38)	(41)
Net Income	53	221	259	386	610	679	646	399	1,304	996	421
Non Controlling Interest	-	-	-	-	-	6	19	21	35	38	41
Changes in operating assets & liabilities	152	48	86	233	49	288	374	313	733	313	785
Deferred income taxes	31	14	14	6	94	59	40	101	(534)	62	54
Cash flow from operating activities	\$ 236	\$ 283	\$ 359	\$ 624	\$ 753	\$ 1,032	\$ 1,079	\$ 834	\$ 1,538	\$ 1,409	\$ 1,301
Vinyls EBITDA	(17)	(20)	48	131	207	247	398	415	1,096	1,439	1,032
Olefins EBITDA	260	547	549	655	944	1,126	863	699	805	715	407
Corporate EBITDA	(6)	(15)	(13)	(13)	(33)	(43)	(17)	(98)	(60)	(53)	(32)
Westlake Adjusted EBITDA	\$ 237	\$ 512	\$ 584	\$ 773	\$ 1,118	\$ 1,330	\$ 1,244	\$ 1,016	\$ 1,841	\$ 2,101	\$ 1,407

Note 1 from page 2: 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 with respect to future growth, the ultimate outcome (such as cost savings, synergies, and joint venture development) and results of integrating the operations of Westlake and Axiall, and the timing and results of planned expansions, cost advantages of ethylene, distributable cash flow growth of WLKP and the potential of the Lotte ethylene JV as an additional lever of growth for WLKP. 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, Ukraine 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; the results of potential negotiations between Westlake Chemical Corporation and Westlake Chemical Partners 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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