



# Westlake Chemical Corporation Deutsche Bank 8th Annual Global Industrials and Materials Summit

June 7, 2017

# Westlake Chemical Corporation

## A Leading Integrated Plastics Materials Company

(LTM 1Q 2017)

<b>Net Sales</b>	<b>\$6,043 Million</b>
<b>EBITDA <sup>(1,2)</sup></b>	<b>\$1,136 Million</b>
<b>Net Income <sup>(3)</sup></b>	<b>\$414 Million</b>

Olefins	EBITDA <sup>(1)</sup>	Vinyls
<b>\$742 million</b>		<b>\$501 million</b>
<b>60%</b>	<b>% of Total</b>	<b>40%</b>

### OUR MISSION

- profitable growth ...
- in businesses we understand...
- globally in areas we can gain an edge...
- in a disciplined and opportunistic manner

(1) See page 22  
 (2) Includes WLK Corporate EBITDA  
 (3) Net Income attributable to WLK



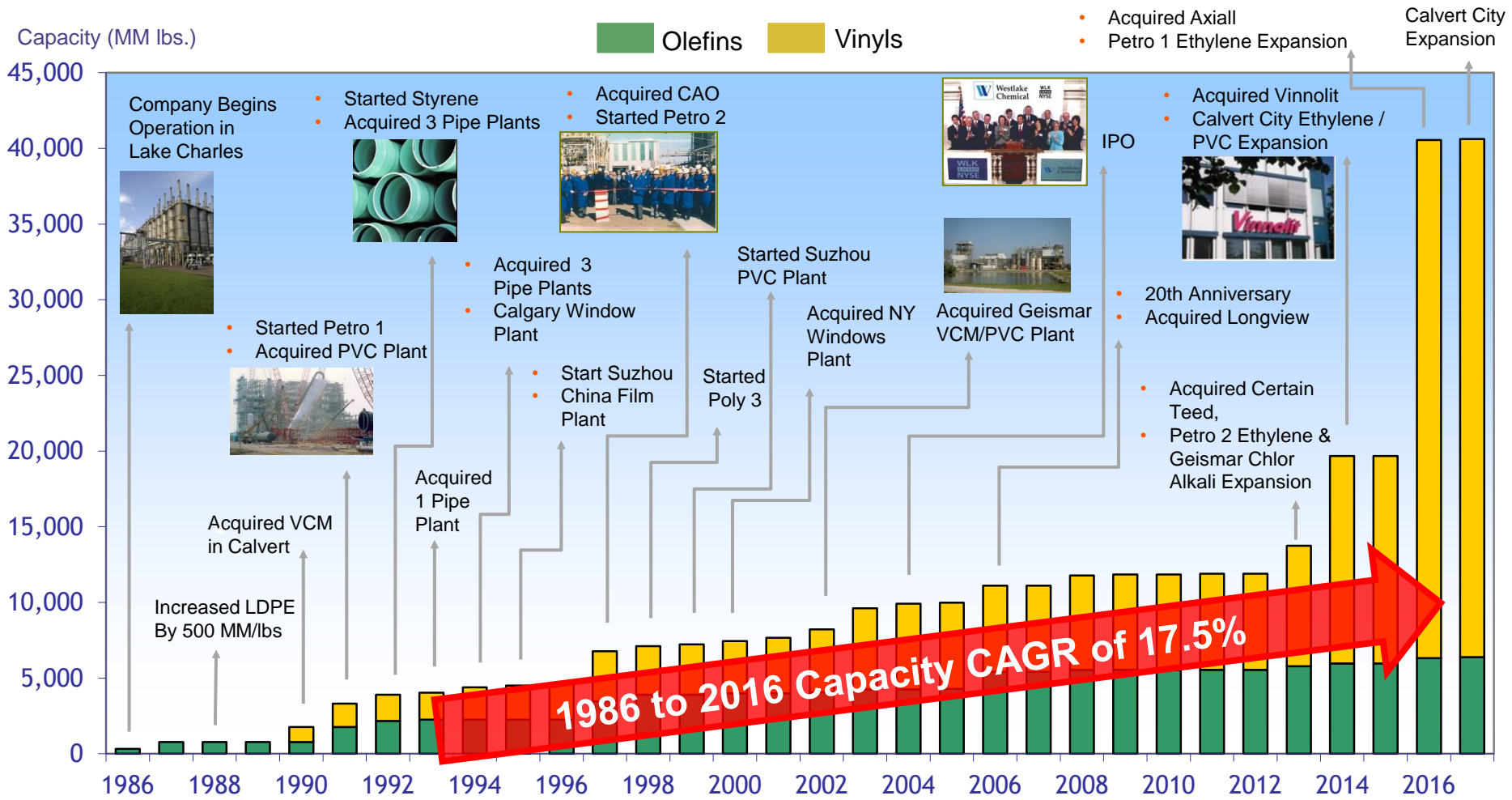
Pictures: Raumedic, Benecke

# The Axiall Acquisition Creates A Diverse, Vertically-Integrated Chemicals Leader

- The acquisition of Axiall created a North American Olefins and Vinyls leader
  - #2 North American PVC capacity; #3 globally
  - #3 North American Chlor-Alkali capacity; #3 globally
  - We remain #1 North American LDPE capacity
- A strategic part of Westlake's vertical integration strategy  
The Axiall acquisition:
  - Combination expected to enhance margin stability
  - Better positioned to capture value throughout the chain and earnings cycle
  - Further integration into PVC building products provides additional operational certainty and growth opportunities
- Diverse geographic and product positions
- Expanded manufacturing presence expected to enhance future opportunities and global growth potential
- Expected annual cost reduction of over \$100 million as announced by Axiall on a stand alone basis
- Expected annual cost synergies of an additional \$100 million from the combination with Axiall

Source: IHS Markit

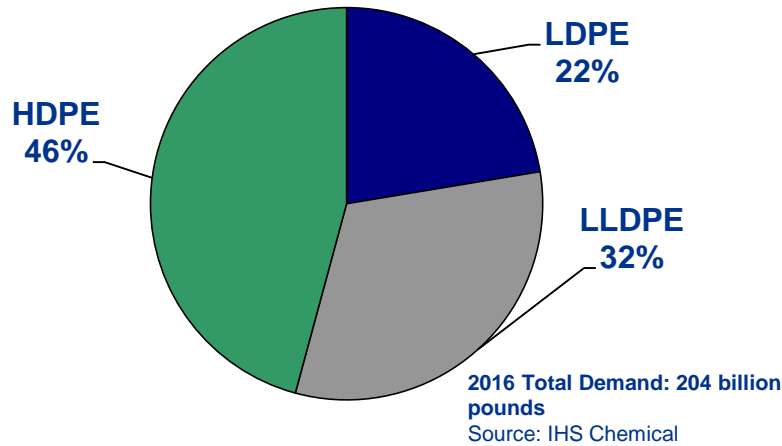
# Strong Value Creation and Profitable Growth



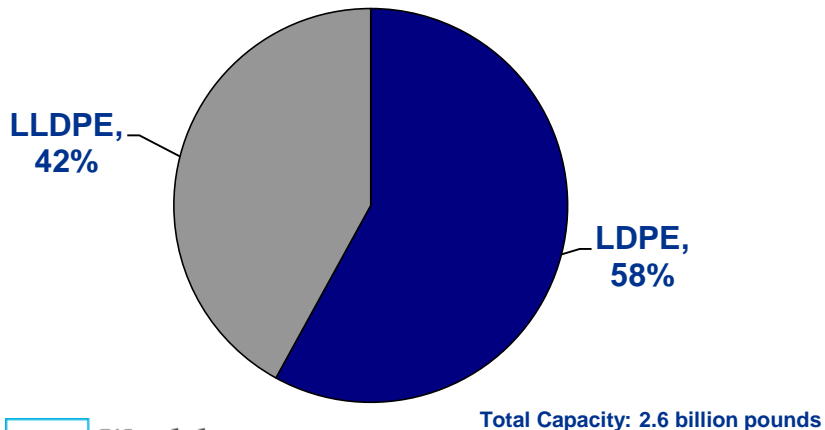
Note: Axiall capacity includes PVC and Chlorine based on IHS Markit North American capacity  
 Source: IHS Markit

# Advantaged Polyethylene Product Mix

## 2016 Global Industry Demand (% share)

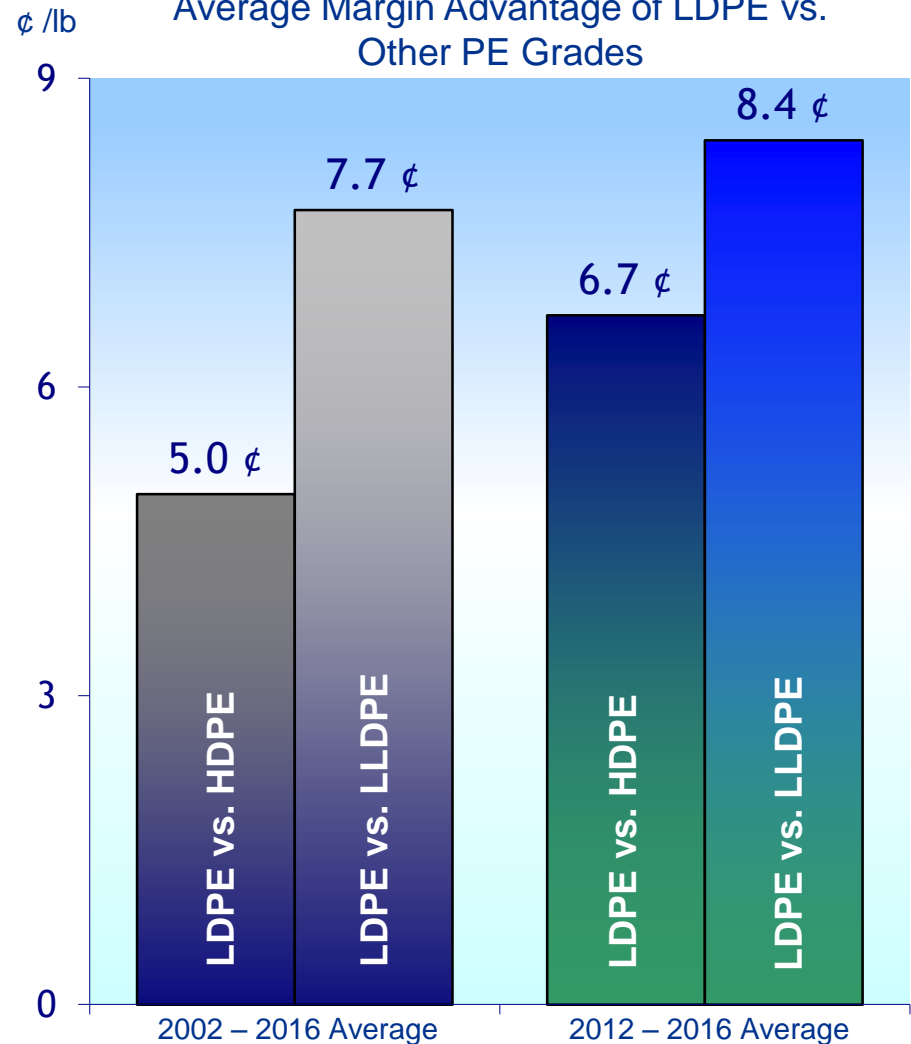


## Westlake Capacity (% share)



## LDPE Is More Profitable

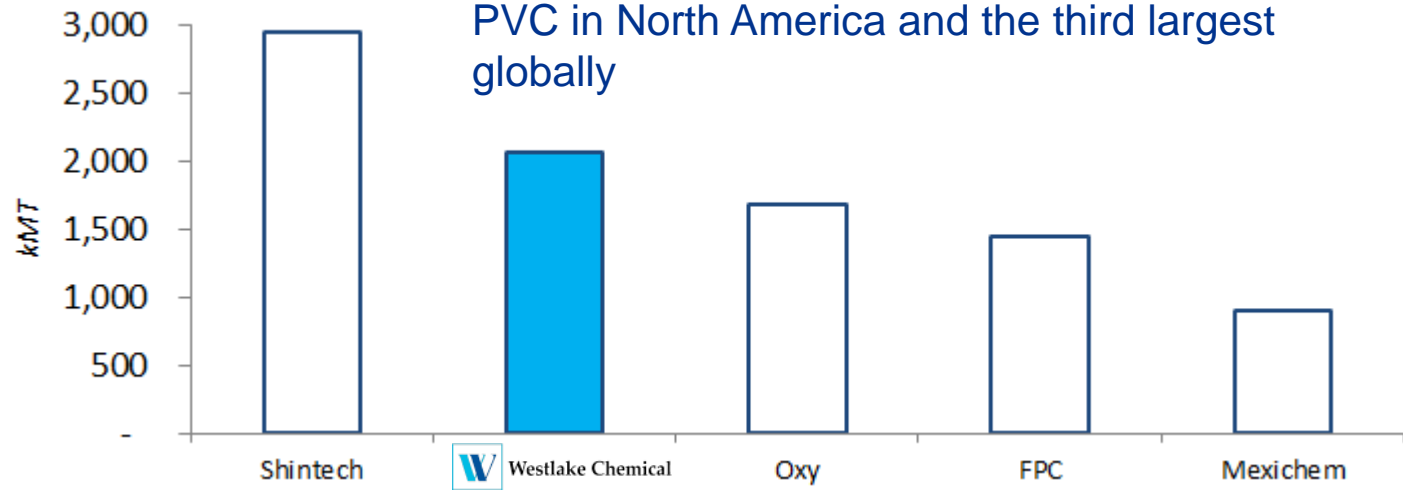
Average Margin Advantage of LDPE vs. Other PE Grades



# North American Chlorovinyls Leader with Enhanced Scale

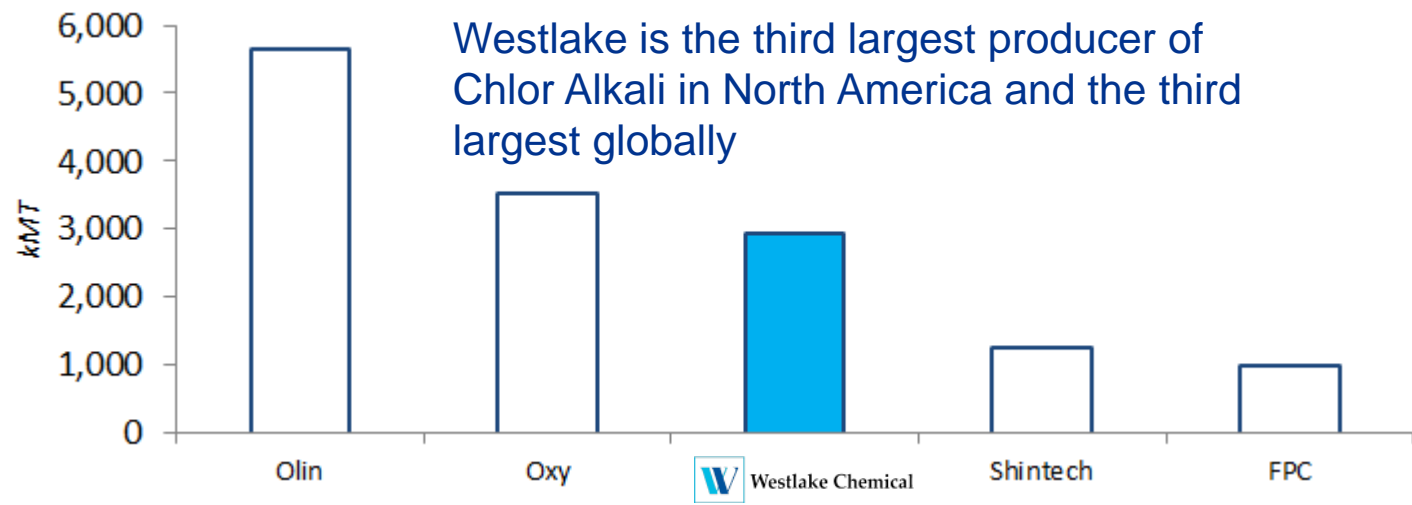
Westlake is the second largest producer of PVC in North America and the third largest globally

North American PVC capacity



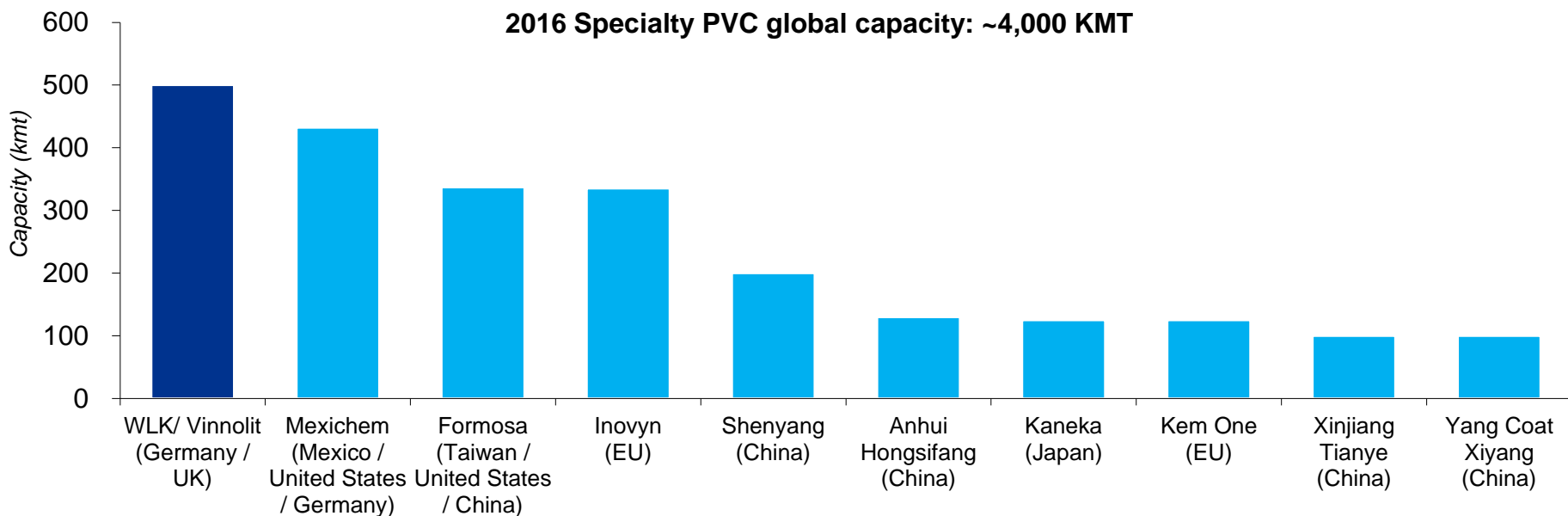
Westlake is the third largest producer of Chlor Alkali in North America and the third largest globally

North American Chlor-Alkali capacity



# Westlake is the Global Leader in Specialty PVC

## Westlake / Vinnolit is a leading specialty PVC producer

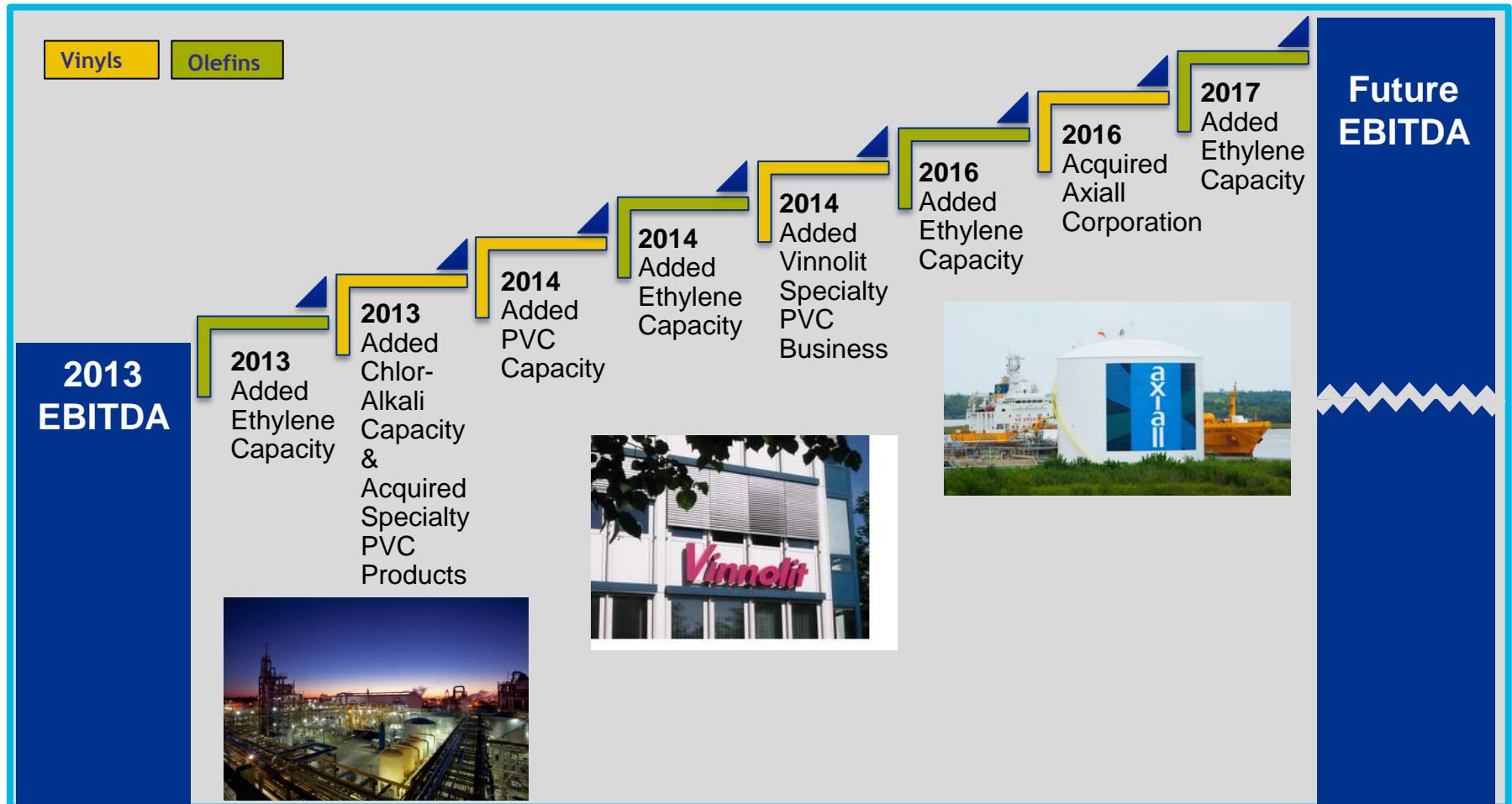


Westlake's Vinnolit operations provide:

- Specialty PVC which enhances Westlake's product suite
- Better margins and reduced volatility
- Improved distributions, especially to emerging markets



# Strategic Investment Drives EBITDA Growth



- Timely investments to integrate the full value chain drive EBITDA
- PVC acquisitions provides profitable growth



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

	2009	2010	2011	2012	2013	2014	2015	2016	LTM 1Q 2017
Adjusted EBITDA	\$ 236,909	\$ 511,567	\$ 583,821	\$ 779,841	\$ 1,118,062	\$ 1,329,756	\$ 1,243,854	\$ 1,015,518	\$ 1,135,521
Debt Retirement Cost	-	-	-	(7,082)	-	-	-	-	-
EBITDA	236,909	511,567	583,821	772,759	1,118,062	1,329,756	1,243,854	1,015,518	1,135,521
Less:									
Income Tax (Provision) Benefit	(25,758)	(121,567)	(142,466)	(199,614)	(331,747)	(398,902)	(298,396)	(138,520)	(125,103)
Interest Expense	(34,957)	(39,875)	(50,992)	(43,049)	(18,082)	(37,352)	(34,656)	(79,473)	(112,564)
Depreciation & Amortization	(123,199)	(128,732)	(131,397)	(144,542)	(157,808)	(208,486)	(245,757)	(377,666)	(462,221)
Non Controlling Interest	-	-	-	-	-	(6,493)	(19,035)	(21,000)	(21,712)
Net Income (Loss)	52,995	221,393	258,966	385,555	610,425	678,524	646,010	398,859	413,921
Non Controlling Interest	-	-	-	-	-	6,493	19,035	21,000	21,712
Changes in operating assets & liabilities	151,320	47,412	85,855	232,707	48,572	288,392	374,007	313,316	390,911
Deferred income taxes	31,207	14,153	14,114	5,793	93,732	58,967	39,784	100,677	35,767
Cash flow from operating activities	235,522	282,958	358,935	624,054	752,729	1,032,376	1,078,836	833,852	862,311
Olefins EBITDA	260,493	546,553	548,994	654,568	943,597	1,126,172	862,777	699,463	742,245
Vinyls EBITDA	(17,124)	(19,968)	48,083	130,977	207,197	247,086	397,537	414,866	500,574
Corporate EBITDA	(6,460)	(15,018)	(13,256)	(12,786)	(32,732)	(43,502)	(16,460)	(98,811)	(107,298)
Westlake Adjusted EBITDA	236,909	511,567	583,821	772,759	1,118,062	1,329,756	1,243,854	1,015,518	1,135,521

**Note 1 from page 10: 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 a scheduled debottleneck of ethylene cracking unit. 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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