



**Q2 2022**  
**Earnings Presentation**

**Westlake**

# Westlake Delivers Record Quarter

## 2Q 2022 Financial Results

 Net income:	 Net income per share:	 EBITDA:	 Cash and equivalents:
<b>\$858 MM</b>	<b>\$6.60</b>	<b>\$1.5 B</b>	<b>\$1.3 B</b>

### Business Highlights

- Record quarterly results in 2Q 2022:
  - Record quarterly net sales of \$4.5 billion, an increase of 57% vs. second quarter 2021 net sales
  - Record quarterly net income of \$858 million, an increase of 64% vs. second quarter 2021 net income
  - Record quarterly EBITDA of \$1.5 billion, an increase of 56% vs. second quarter 2021 EBITDA
- Performance driven by strong demand for Westlake's differentiated and specialized product offerings bolstered by our global leading market positions, global cost advantage, and recent acquisitions
- Westlake is well positioned with over 75% of its production based in North America benefiting from a significant and durable cost advantage relative to global competitors
- Strong balance sheet with \$250 million of debt retired in Q2 2022 and extension of fully undrawn 5-year revolving credit facility increased to \$1.5 billion from \$1.0 billion; TTM Net Debt to EBITDA of 0.74x

# Westlake Corporation Performance Second Quarter 2022

(\$ in millions)	2Q 2022	1Q 2022	2Q 2022 vs. 1Q 2022	2Q 2021	2Q 2022 vs. 2Q 2021	YTD 2022	YTD 2021	YTD 2022 vs. YTD 2021
<b>Sales</b>	<b>\$4,483</b>	<b>\$4,056</b>	<b>11%</b>	<b>\$2,859</b>	<b>57%</b>	<b>\$8,539</b>	<b>\$5,216</b>	<b>64%</b>
<b>Operating Income</b>	<b>\$1,175</b>	<b>\$1,032</b>	<b>14%</b>	<b>\$720</b>	<b>63%</b>	<b>\$2,207</b>	<b>\$1,066</b>	<b>107%</b>
<i>Performance and Essential Materials EBITDA</i>	\$1,162	\$1,071	8%	\$846	37%	\$2,233	\$1,304	71%
<i>Housing and Infrastructure Products EBITDA</i>	\$310	\$258	20%	\$130	138%	\$568	\$235	142%
<i>Corporate EBITDA</i>	(\$16)	(\$29)	-	(\$44)	-	(\$45)	(\$54)	-
<b>EBITDA<sup>(1)</sup></b>	<b>\$1,456</b>	<b>\$1,300</b>	<b>12%</b>	<b>\$932</b>	<b>56%</b>	<b>\$2,756</b>	<b>\$1,485</b>	<b>86%</b>

## A Record Quarter for Westlake

- + Favorable market pricing offset inflationary cost pressure
- + Westlake's leading market positions, globally advantaged low cost raw materials and vertical integration captures strong margins across the integrated value chain
- Impacts of raw material and supply chain disruptions impacted production volumes

Westlake delivers differentiated, specialty and branded products and solutions



# Sustainability Update

Our disclosure to SASB industry standard and Global Reporting Initiative (GRI) framework fully conforms and is on our website

Westlake is monitoring the SEC guidelines to be in conformance when phased in



Nearly 95% of our products are used for durable, long-lasting goods

We understand the importance of reducing the environmental impacts of our feedstocks, production and usage, and are developing exciting innovations, together with our customers, to meet their objectives while also reducing environmental impacts



# Committed to Operating Excellence

## Allocate Capital



Strong capital stewardship supported by a long history of applying a shareholder oriented economic value added (EVA) approach

## Accelerate Growth



Driving growth through attractive organic and inorganic opportunities across both segments

## Continuous Improvement



Continuously improving our operations through investment in innovation and technology

## Empower Employees



Empowering employees by enabling an ownership mentality and putting safety first

## Sustainability Focus



Created “One Westlake” brand including products that meet customer needs in an environmentally sustainable way

Operating Excellence Drives Bottom Line Results and Leads Peers in Returns on Capital



# Segment Update



# Performance and Essential Materials (“PEM”) Segment Performance

(\$ in millions)	2Q 2022	1Q 2022	2Q 2022 vs. 1Q 2022	2Q 2021	2Q 2022 vs. 2Q 2021	YTD 2022	YTD 2021	YTD 2022 vs. YTD 2021
Performance Materials Sales	\$2,060	\$1,929	7%	\$1,541	34%	\$3,989	\$2,745	45%
Essential Materials Sales	\$1,044	\$903	16%	\$605	73%	\$1,947	\$1,143	70%
Total PEM Sales	\$3,104	\$2,832	10%	\$2,146	45%	\$5,936	\$3,888	53%
Operating Income	\$965	\$879	10%	\$671	44%	\$1,844	\$959	92%
EBITDA <sup>(1)</sup>	\$1,162	\$1,071	8%	\$846	37%	\$2,233	\$1,304	71%
EBITDA Margin	37%	38%	-	39%	-	38%	34%	-

- + Strong market conditions across chlorovinyls supported by leading global market position and globally advantaged cost position
- + Polyethylene benefitted from the continuing strong demand in industrial and consumer packaging markets
- + First full quarter of Epoxy business contributed to our earnings with solid sales prices and volumes
- Higher ethane, natural gas and other raw material costs

PEM Segment 2Q 2022 vs. 1Q 2022	
Average Sales Price	Volume
<b>+7.5%</b>	<b>+2.1%</b>

PEM Segment 2Q 2022 vs. 2Q 2021	
Average Sales Price	Volume
<b>+27.1%</b>	<b>+17.5%</b>

# Performance and Essential Materials Update

1 Over 75% of production capacity concentrated in North America provides significant and durable cost advantage relative to global competitors

2 Increasing mix of specialty, differentiated, and downstream product offerings with leading market positions enhances margin and competitive positioning

3 Expect improved demand growth in Asia as economic activity picks-up from pandemic related lockdowns in the first half of 2022 to improve global supply / demand dynamics

4 Epoxy extends Westlake's end-market exposure to higher growth sustainability-oriented markets such as wind energy as well as automotive and aerospace light weighting

5 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





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

(\$ in millions)	2Q 2022	1Q 2022	2Q 2022 vs. 1Q 2022	2Q 2021	2Q 2022 vs. 2Q 2021	YTD 2022	YTD 2021	YTD 2022 vs. YTD 2021
Housing Products Sales	\$1,116	\$972	15%	\$512	118%	\$2,088	\$955	119%
Infrastructure Products Sales	\$263	\$252	4%	\$201	31%	\$515	\$373	38%
<b>Total HIP Sales</b>	<b>\$1,379</b>	<b>\$1,224</b>	<b>13%</b>	<b>\$713</b>	<b>93%</b>	<b>\$2,603</b>	<b>\$1,328</b>	<b>96%</b>
Operating Income	\$236	\$185	28%	\$96	146%	\$421	\$167	152%
EBITDA <sup>(1)</sup>	\$310	\$258	20%	\$130	138%	\$568	\$235	142%
EBITDA Margin	22%	21%	-	18%	-	22%	18%	-

- + Strong repair and remodeling and new residential construction activity in North America
- + Residential housing has driven demand for our higher-margin offerings in building products, pipe and fittings as well as building wire and cable compound products
- + 2Q 2022 benefited from 2<sup>nd</sup> half 2021 acquisitions and associated integration activities

HIP Segment 2Q 2022 vs. 1Q 2022	
Average Sales Price	Volume
<b>+5.1%</b>	<b>+7.6%</b>

HIP Segment 2Q 2022 vs. 2Q 2021	
Average Sales Price	Volume
<b>+46.1%</b>	<b>+47.3%</b>

# Housing and Infrastructure Products Update

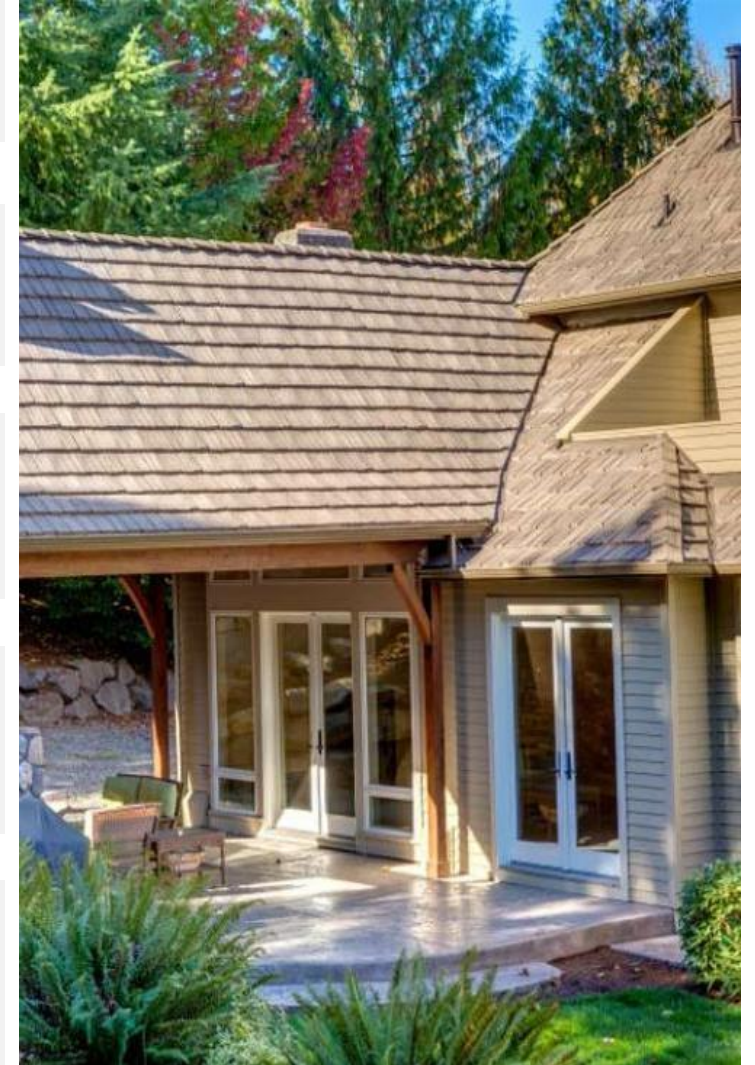
1 Strong 2<sup>nd</sup> quarter demand for building products driven by both new construction and repair and remodel (R&R) markets

2 Longer-term fundamentals for housing strength remain intact related to recent decade plus of under-building, increasingly favorable demographics, and prevalence of remote work

3 Affordability and rising mortgage rates are slowing new construction activity yet the undersupplied housing market continues to support new construction activity at more normalized levels

4 R&R activity expected to remain strong driven by high number of homes in prime remodel age, healthy home equity levels, low inventory of “trade-up” homes, backlog of projects, and lower historical volatility in R&R

5 Infrastructure Investment and Jobs Act beginning to drive demand as states and municipalities develop and start construction of projects to address our nations long neglected infrastructure needs





# Financial Reconciliations



# Consolidated Statements of Operations

	Three months ended March 31,	Three months ended June 30,		Six months ended June 30,	
	2022	2022	2021	2022	2021
(In millions of dollars, except per share data)					
Performance and Essential Materials Sales	\$ 2,832	\$ 3,104	\$ 2,146	\$ 5,936	\$ 3,888
Housing and Infrastructure Products Sales	1,224	1,379	713	2,603	1,328
Net sales	4,056	4,483	2,859	8,539	5,216
Cost of sales	2,771	3,038	1,987	5,809	3,835
Gross profit	1,285	1,445	872	2,730	1,381
Selling, general and administrative expenses	200	220	125	420	261
Amortization of intangibles	42	43	27	85	54
Restructuring, transaction and integration-related costs	11	7	—	18	—
Income from operations	1,032	1,175	720	2,207	1,066
Interest expense	(46)	(44)	(36)	(90)	(69)
Other income, net	11	17	10	28	22
Income before income taxes	997	1,148	694	2,145	1,019
Provision for income taxes	233	275	158	508	230
Net income	764	873	536	1,637	789
Net income attributable to noncontrolling interests	8	15	14	23	25
<b>Net income attributable to Westlake Corporation</b>	<b>\$ 756</b>	<b>\$ 858</b>	<b>\$ 522</b>	<b>\$ 1,614</b>	<b>\$ 764</b>
Earnings per common share attributable to Westlake Corporation:					
Basic	\$ 5.87	\$ 6.65	\$ 4.06	\$ 12.52	\$ 5.94
Diluted	\$ 5.83	\$ 6.60	\$ 4.04	\$ 12.43	\$ 5.91

# 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,	
	2022	2022	2021	2022	2021
	(In millions of dollars)				
<b>Net cash provided by operating activities</b>	\$ 700	\$ 913	\$ 617	\$ 1,613	\$ 882
Changes in operating assets and liabilities and other	106	(1)	(67)	105	(69)
Deferred income taxes	(42)	(39)	(14)	(81)	(24)
<b>Net income</b>	<b>764</b>	<b>873</b>	<b>536</b>	<b>1,637</b>	<b>789</b>
Less:					
Other income, net	11	17	10	28	22
Interest expense	(46)	(44)	(36)	(90)	(69)
Provision for income taxes	(233)	(275)	(158)	(508)	(230)
<b>Income from operations</b>	<b>1032</b>	<b>1,175</b>	<b>720</b>	<b>2,207</b>	<b>1066</b>
Add:					
Depreciation and amortization	257	264	202	521	397
Other income, net	11	17	10	28	22
<b>EBITDA</b>	<b>\$ 1,300</b>	<b>\$ 1,456</b>	<b>\$ 932</b>	<b>\$ 2,756</b>	<b>\$ 1,485</b>

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

	Three months ended	Three months ended June 30,		Six months ended June 30,	
	March 31,	2022	2021	2022	2021
	2022	(In millions of dollars)		2022	2021
<b>Performance and Essential Materials EBITDA</b>	\$ 1,071	\$ 1,162	\$ 846	\$ 2,233	\$ 1,304
Less:					
Depreciation and Amortization	184	192	168	376	329
Other Income (Expenses)	8	5	7	13	16
Performance and Essential Materials Operating Income (Loss)	879	965	671	1,844	959
<b>Housing and Infrastructure Products EBITDA</b>	<b>258</b>	<b>310</b>	<b>130</b>	<b>568</b>	<b>235</b>
Less:					
Depreciation and Amortization	71	70	32	141	64
Other Income (Expenses)	2	4	2	6	4
Housing and Infrastructure Products Operating Income (Loss)	185	236	96	421	167
<b>Corporate EBITDA</b>	<b>(29)</b>	<b>(16)</b>	<b>(44)</b>	<b>(45)</b>	<b>(54)</b>
Less:					
Depreciation and Amortization	2	2	2	4	4
Other Income (Expenses)	1	8	1	9	2
Corporate Operating Income (Loss)	(32)	(26)	(47)	(58)	(60)
Performance and Essential Materials Operating Income (Loss)	879	965	671	1,844	959
Housing and Infrastructure Products Operating Income (Loss)	185	236	96	421	167
Corporate Operating Income (Loss)	(32)	(26)	(47)	(58)	(60)
<b>Total Operating Income (Loss)</b>	<b>\$ 1,032</b>	<b>\$ 1,175</b>	<b>\$ 720</b>	<b>\$ 2,207</b>	<b>\$ 1,066</b>



# Quarterly Industry Data

We are no longer providing average quarterly industry prices and housing starts data

# Safe Harbor Language

This presentation contains certain forward-looking statements including statements regarding creating value for our shareholders, pricing and demand for our products, continued recovery in key end markets, industry outlook for both of our segments, our cost control and efficiency efforts, our ability to deliver end-use building products to consumers, our ability to capture integrated chain margin, our development of additional green products in the future, our sustainability goals and commitments and our reduction in carbon impact. Actual results may differ materially depending on factors, including, but not limited to, the following: the effects of our recently completed acquisitions, including our 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 including the conflict between Russia and Ukraine; 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; information systems failures and cyber attacks; 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.

## Investor Relations Contacts

**Steve Bender**  
Executive Vice President &  
Chief Financial Officer

**Jeff Holy**  
Vice President &  
Treasurer

**Westlake Corporation**  
**2801 Post Oak Boulevard, Suite 600**  
**Houston, Texas 77056**  
**713-960-9111**





**Westlake**