



# Citibank Basic Materials Conference

December 1, 2015



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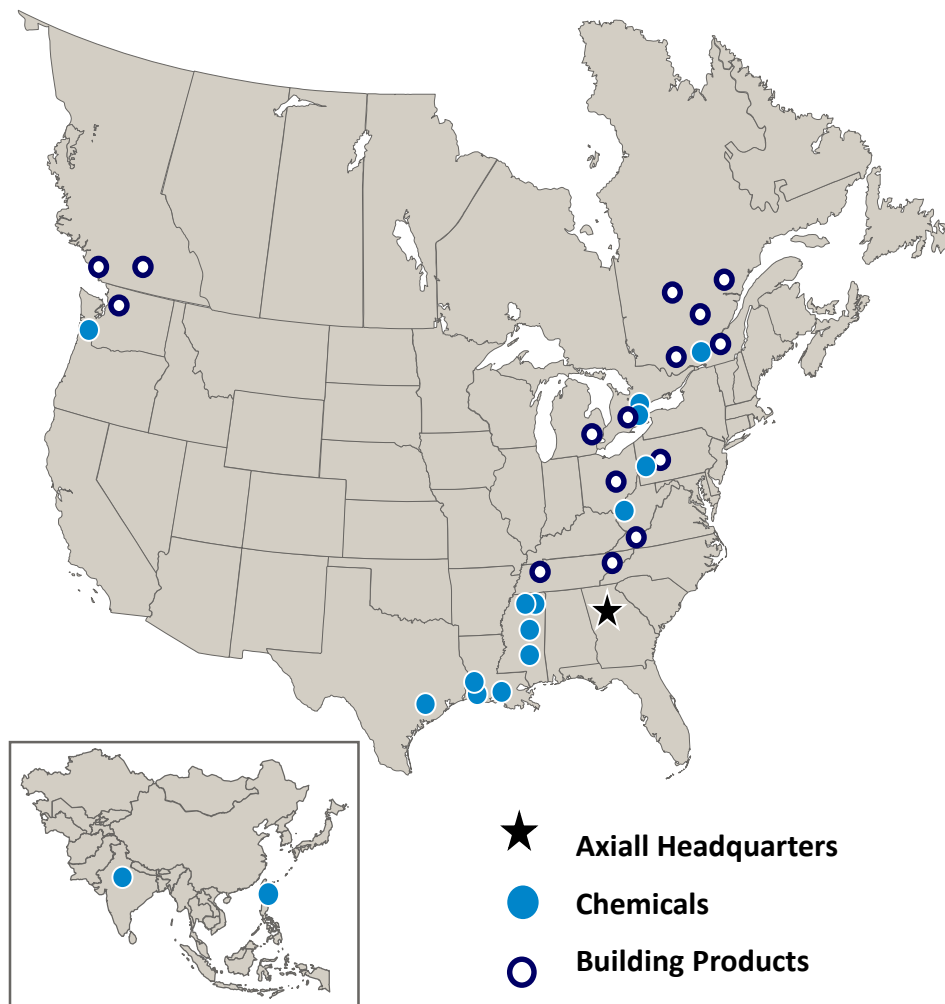
- Overview
- Key Initiatives
- Market conditions
- Q&A

## Lake Charles South Complex



# Axial Overview

- Extensive North American manufacturing base
  - Core Gulf Coast operations
  - Leverage cost-advantaged domestic natural gas
  - Ethylene JV
- Taiwan and India JV
- 6,000+ employees



## Chlor-Alkali & Derivatives Products

Chlorine

Caustic soda

Ethylene dichloride

Vinyl chloride monomer

PVC

Chlorinated solvents

Hydrochloric acid

## Specialty Products

Vinyl compounds

Plasticizers

Additives

Water treatment products





# Building Products

## Royal Building Products

Siding

Windows and Doors

Trim and Moulding

Pipe and Fittings

Sales  
Geography

US

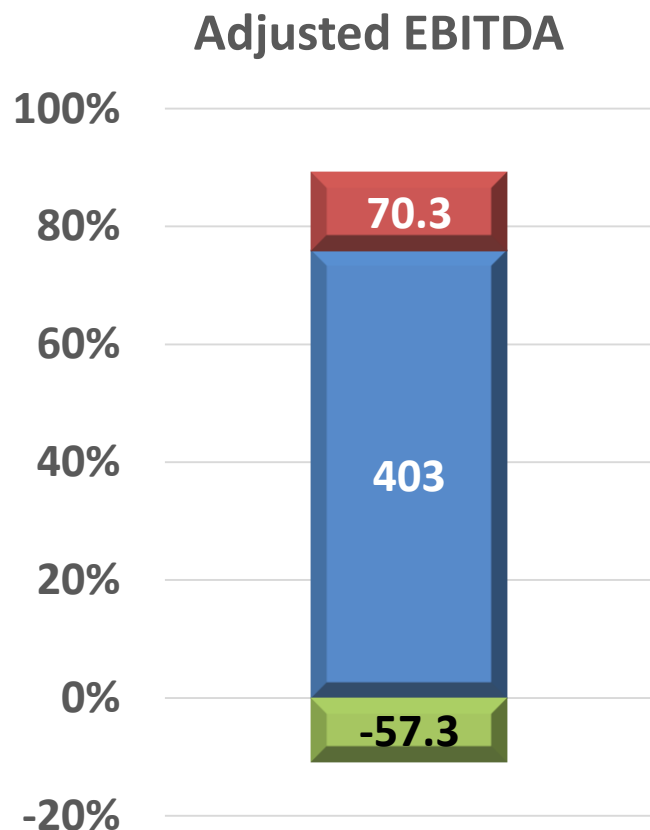
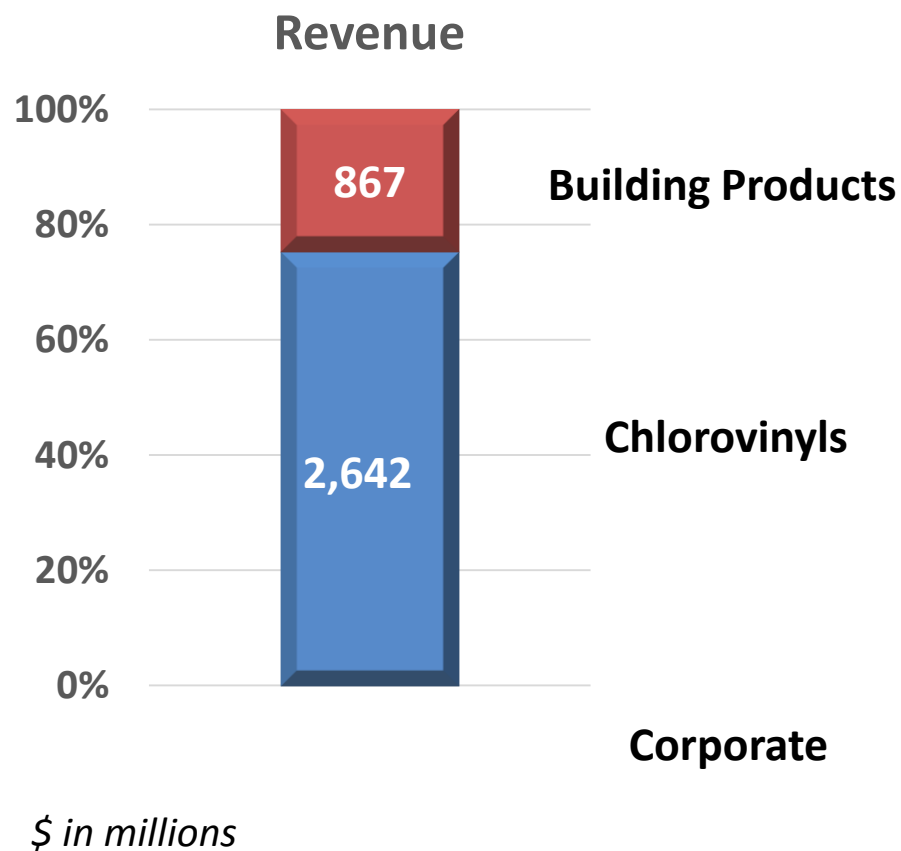
54%

46%

CANADA



# Axial Sales & EBITDA – TTM 3Q 2015



# Balance Sheet Highlights – September 30, 2015

Cash:  
\$240 million

Net Debt:  
\$1,150 million

Leverage Ratio:  
3.2X

No near term  
maturities



**Portfolio  
Actions**

**Cost Reduction;  
Productivity  
Improvement**

**Ethylene Cost  
Competitiveness**

# Portfolio Actions

- Redefined Core:
  - Gulf Coast chlorovinyls, associated downstream
- Launched Building Products strategic review
- Sold specialty phosgene business
- Sold Aromatics division
  - Shut down Plaquemine, La. phenol plant

# Strategic Review of Building Products

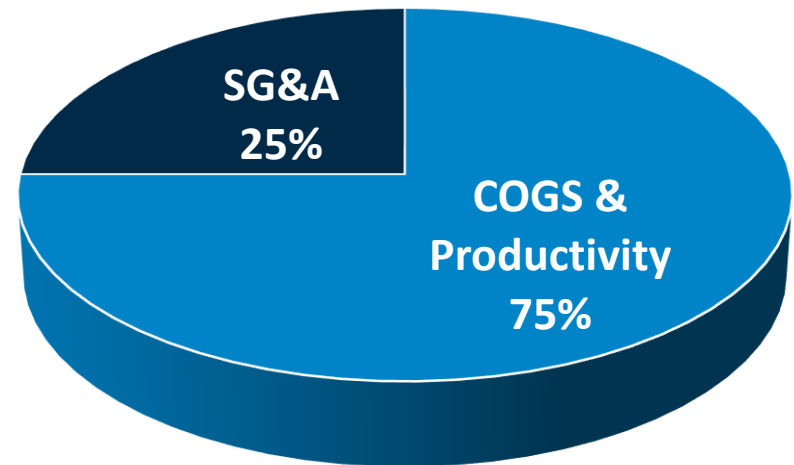
- *First path* – continue the turnaround effort in the primary business
- *Second path* – trim ancillary assets to focus and strengthen primary business
- *Third path* – prepare options for primary business



# Cost Reduction and Productivity Improvement

- \$100 million run-rate improvement by year end 2016
- Investing near term to improve reliability

## \$100 MM Run-rate Benefit





# Use of Cash Priorities

- Fund required capex for core business
- Ethane cracker investment
- Return funds to shareholders
- Some debt reduction may be required

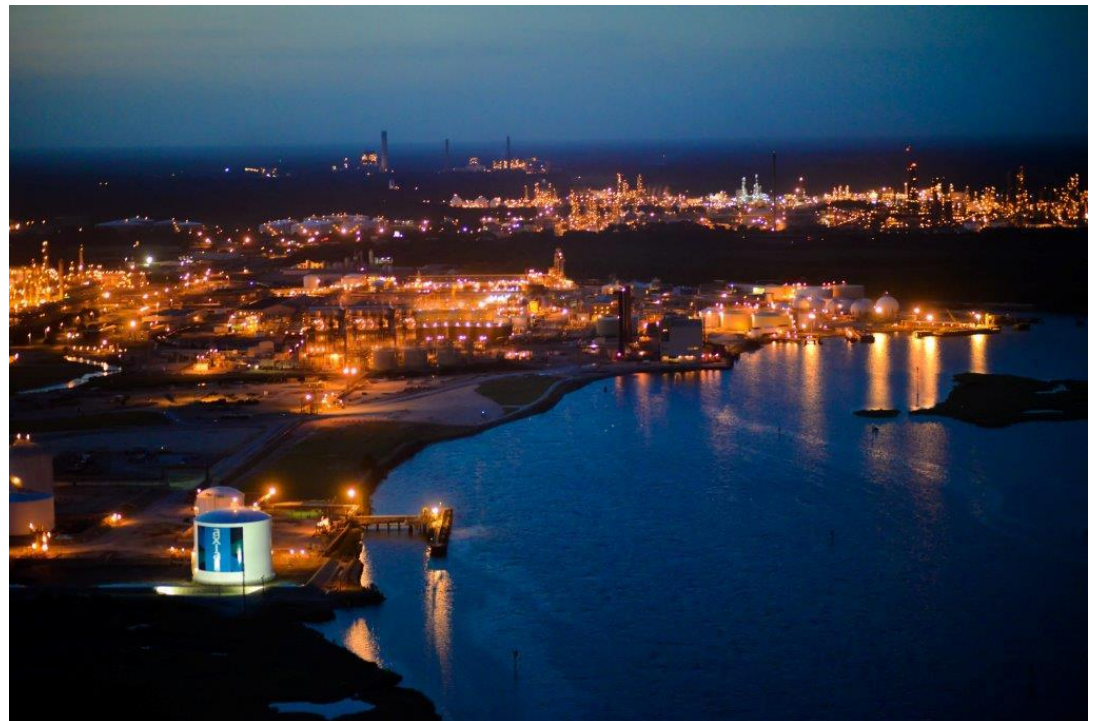
**Plaquemine Plant**



# Obtain Ethylene Cost Competitiveness

- Restructured ethane cracker JV with Lotte Chemical
- Seeking solutions for remainder of portfolio

**Ethane Cracker JV  
Lake Charles, La.**



- Axiall & Lotte Chemical of South Korea
  - Created JV to construct 1 million metric ton ethane cracker adjacent to Axiall's Lake Charles South plant
  - Pending FID by both companies' boards
- Lotte would also construct a wholly owned MEG plant
- Axiall annual and total capital contribution limited
- Initial Axiall ownership ~10%
- Option: Axiall may increase investment to 50% ownership for up to 3 years after plant startup
- Expansion and ethylene ROFR rights

Macro conditions

Chlor-alkali

PVC



# Q&A