

Westlake Chemical Corporation

Deutsche Bank 6th Annual Global Industrials and Basic Materials Conference

June 2015



Westlake Chemical Corporation

A Leading Integrated Plastics Materials Company



(LTM Q1 2015)



Net Sales	\$4,491 Million
EBITDA (1)	\$1,330 Million
Net Income (2)	\$667 Million

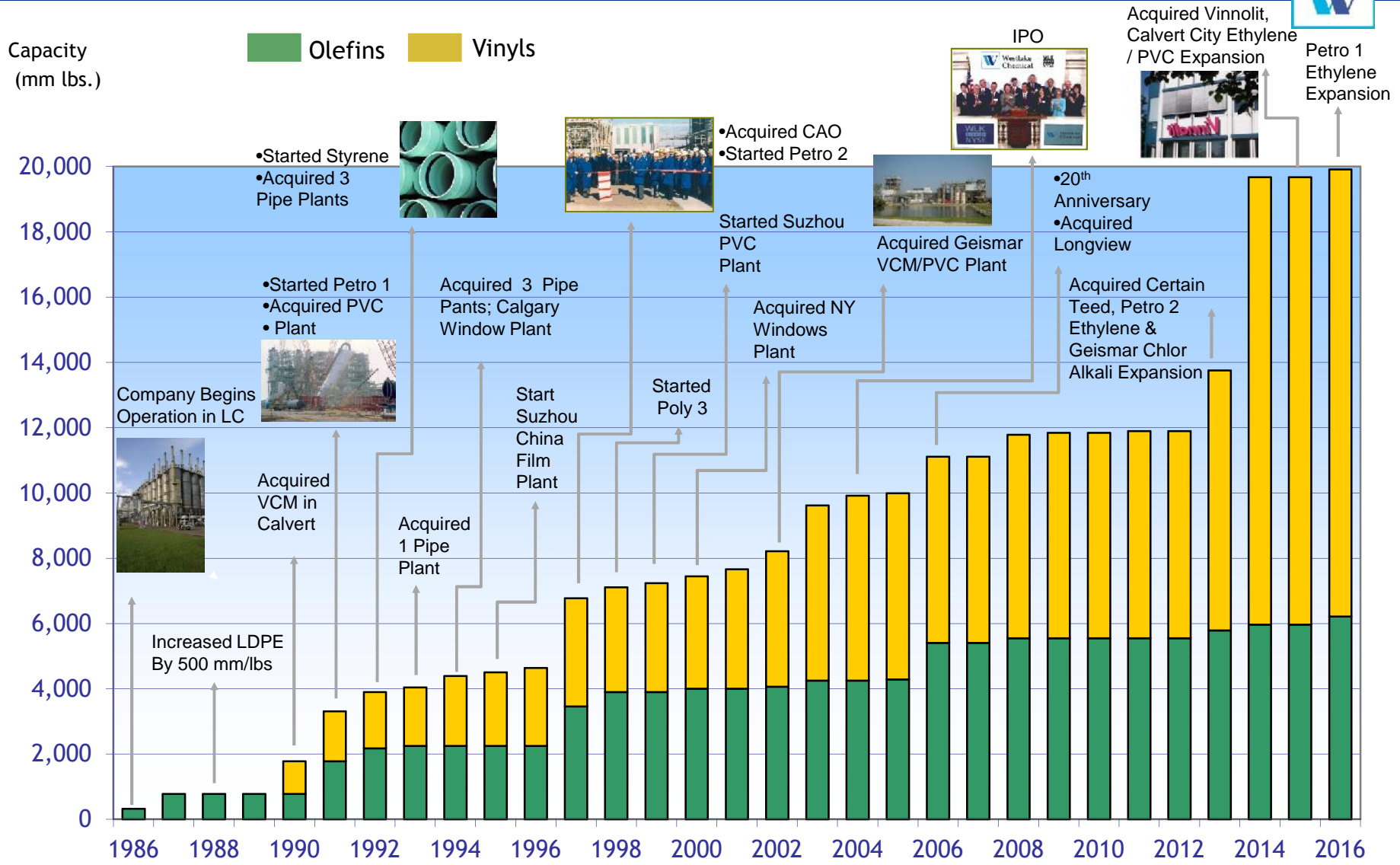


Olefins		Vinyls
\$2,584 million	Net Sales	\$1,907 million
58%	% of Total	42%

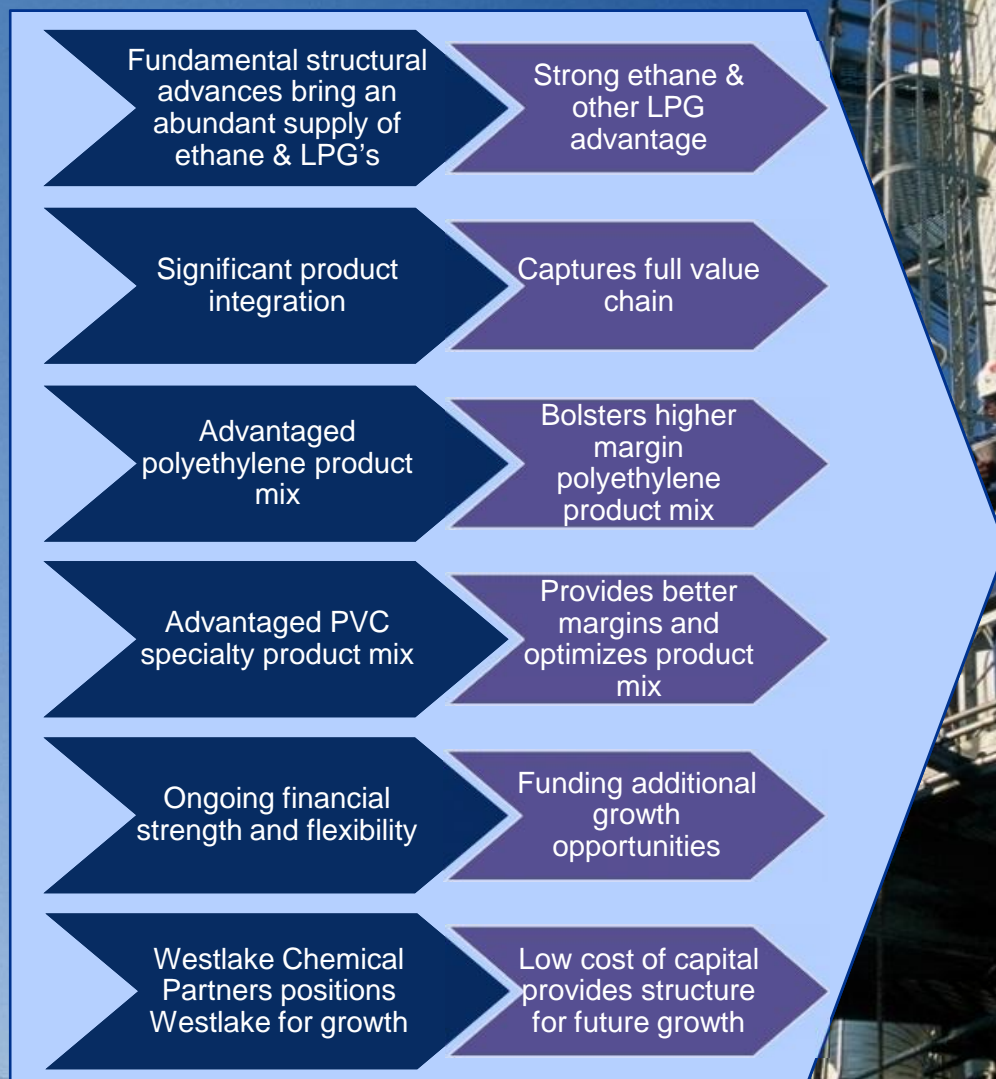
OUR MISSION

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

Strong Value Creation and Profitable Growth



Key Drivers for Future Earnings Growth



Strong ethane & other LPG advantage

Captures full value chain

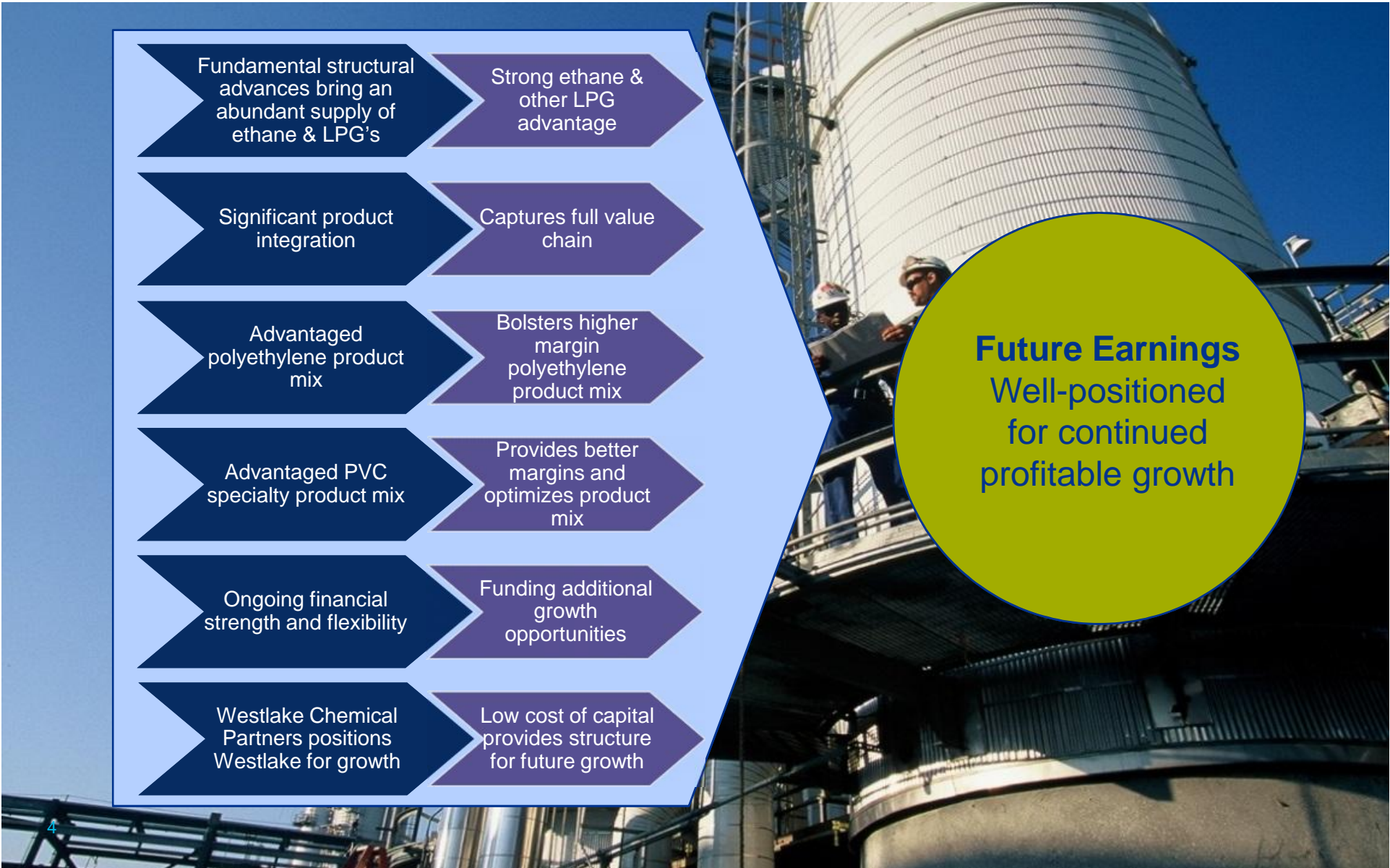
Bolsters higher margin polyethylene product mix

Provides better margins and optimizes product mix

Funding additional growth opportunities

Low cost of capital provides structure for future growth

Future Earnings
Well-positioned
for continued
profitable growth

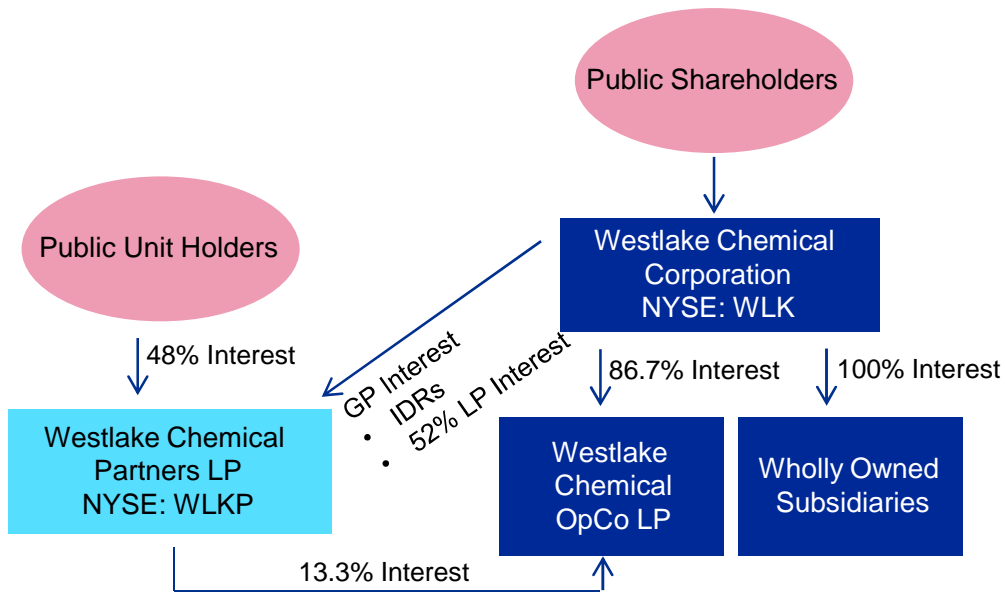


Westlake Partners Is Growing Distributions

Drop Down Fuels Low Double Digit Growth



Traditional MLP



Map of WLKP Operations



WLKP Assets

- Lake Charles Petro 1 & 2
- Calvert City Olefins
- Longview Pipeline

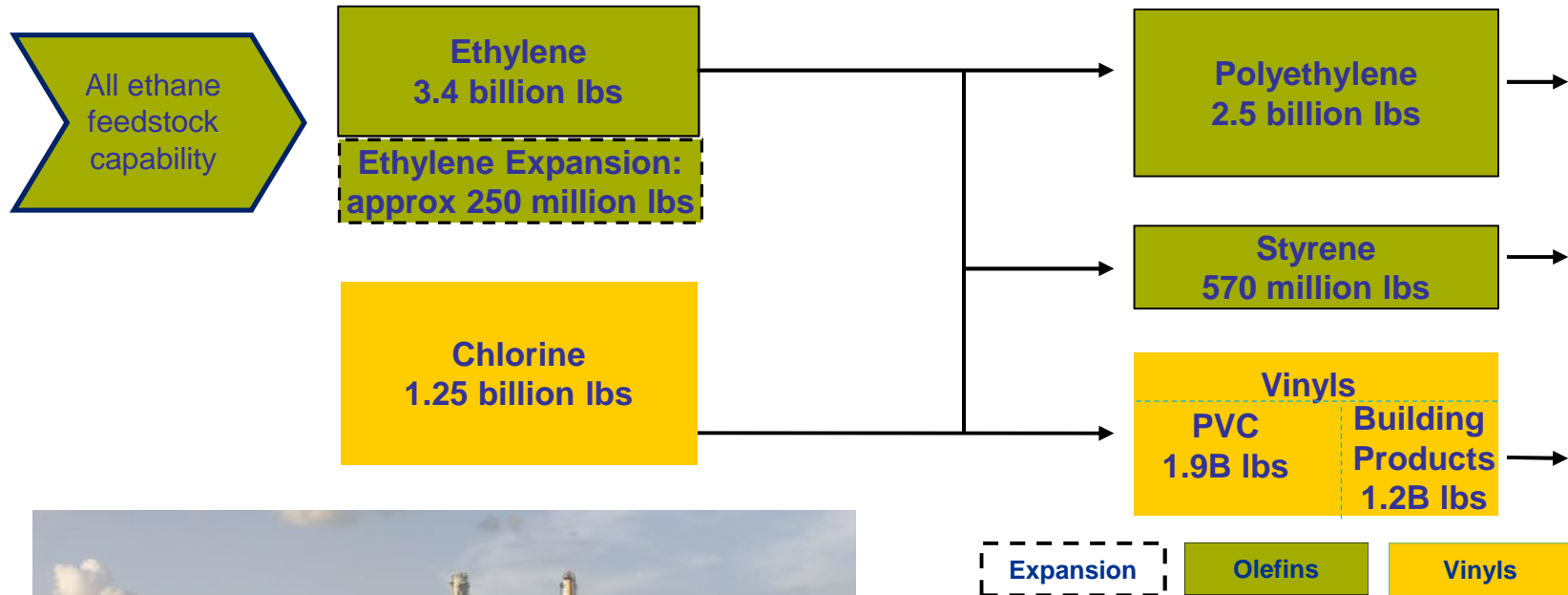
WLK Assets

- Lake Charles Complex (PE, Styrene)
- Calvert City Complex (Chlor-Alkali, PVC)
- Longview Complex (PE)
- Geismar Facility (Chlor-Alkali, PVC)
- Building Products Plants (PVC)
- Vinnolit Holdings (Chlor-Alkali, PVC)

Four levers of distributable cash flow growth for WLKP

- Periodic drop downs
- Organic growth opportunities
- Acquisition opportunities, either as WLKP or jointly with WLK
- Extend ethylene contract and negotiate higher ethylene margins

Highly Integrated Chain in the U.S. Enhances Margin Stability



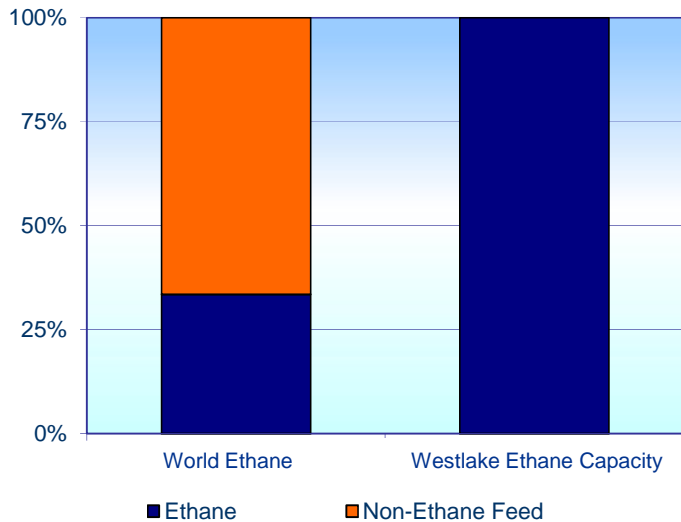
- Debottleneck of ethylene cracking units in the first half of 2016 balances our requirements for ethylene



Ethane & NGL Feedstock Flexibility



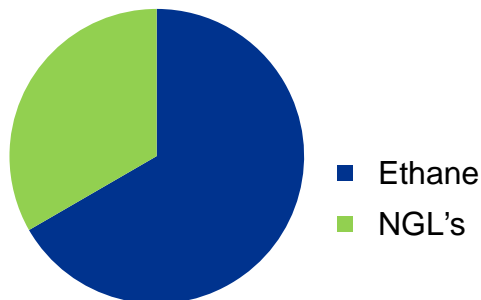
Westlake's Feedstock Advantage



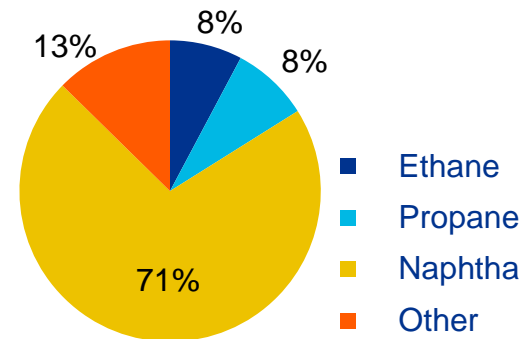
Well positioned to take advantage of ethane and other NGL's:

- Westlake ethylene plants are fully capable to use ethane and have some NGL flexibility
- Lake Charles ethylene plants are able to access ethane from basins and shale plays with Eagle Ford, Permian, Rockies, Marcellus and Utica
- Calvert City ethylene plant is now receiving ethane from the Marcellus and Utica basins
- Westlake's European business (Vinnolit) purchases ethylene which is naphtha based and provides further feedstock diversification

Westlake's North American Feedslate Capability



Western Europe Ethylene Industry Feedslate



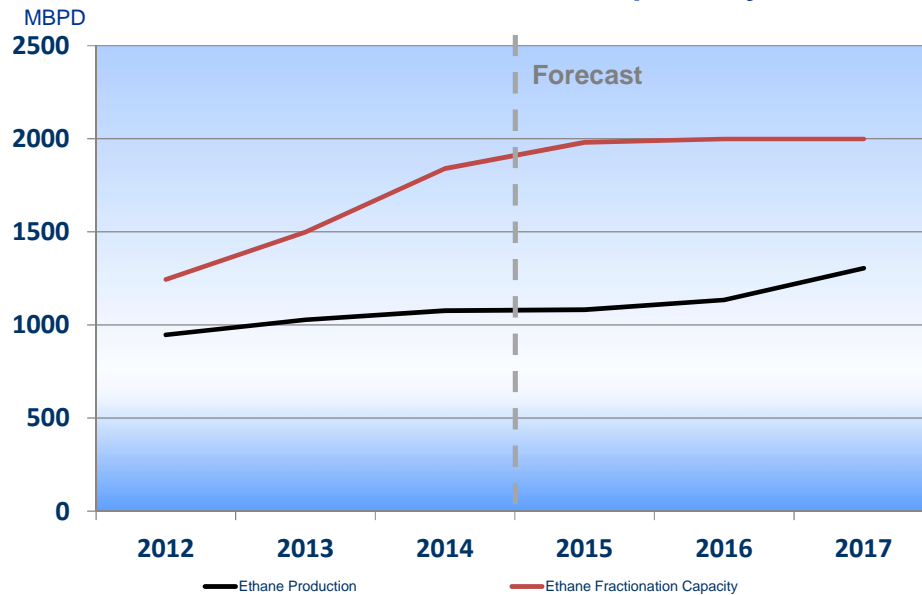
Source: IHS

Assets Well Positioned

“Ethane & NGL Advantage”



U.S. Ethane Production and Fractionation Capacity



Source: BENTEK

Infrastructure Delivers Abundant NGL's

2014 to 2016 New Pipelines/ Expansions



Source: BENTEK, 2014

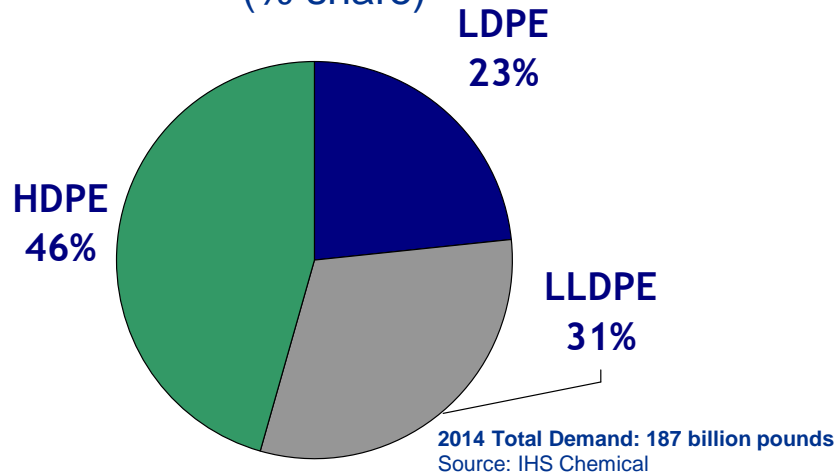
- Supply of natural gas and NGLs have risen dramatically from shale and tight rock formations in the US driving down natural gas and ethane prices domestically
- NGL production has increased in almost all the basins and shale plays with Bakken, Eagle Ford, Permian, Rockies and Marcellus being a few of the most prolific NGL producing regions
- US ethane fractionation capacity has risen in response to increasing NGL production creating a domestic supply surplus

Advantaged Polyethylene Product Mix

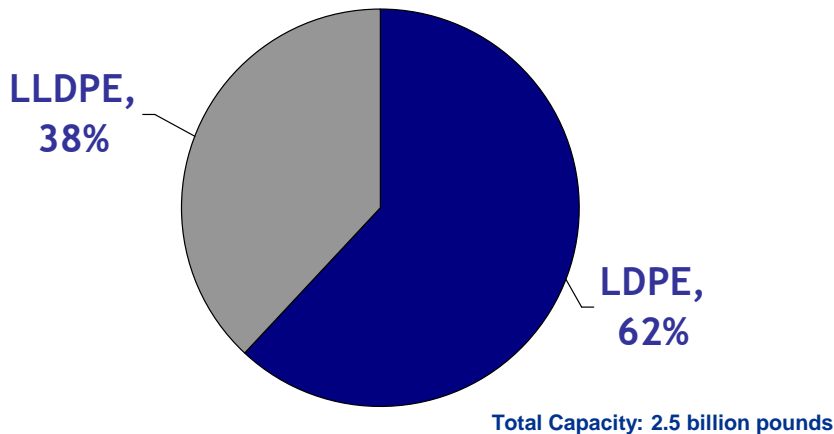


2014 Global Industry Demand

(% share)

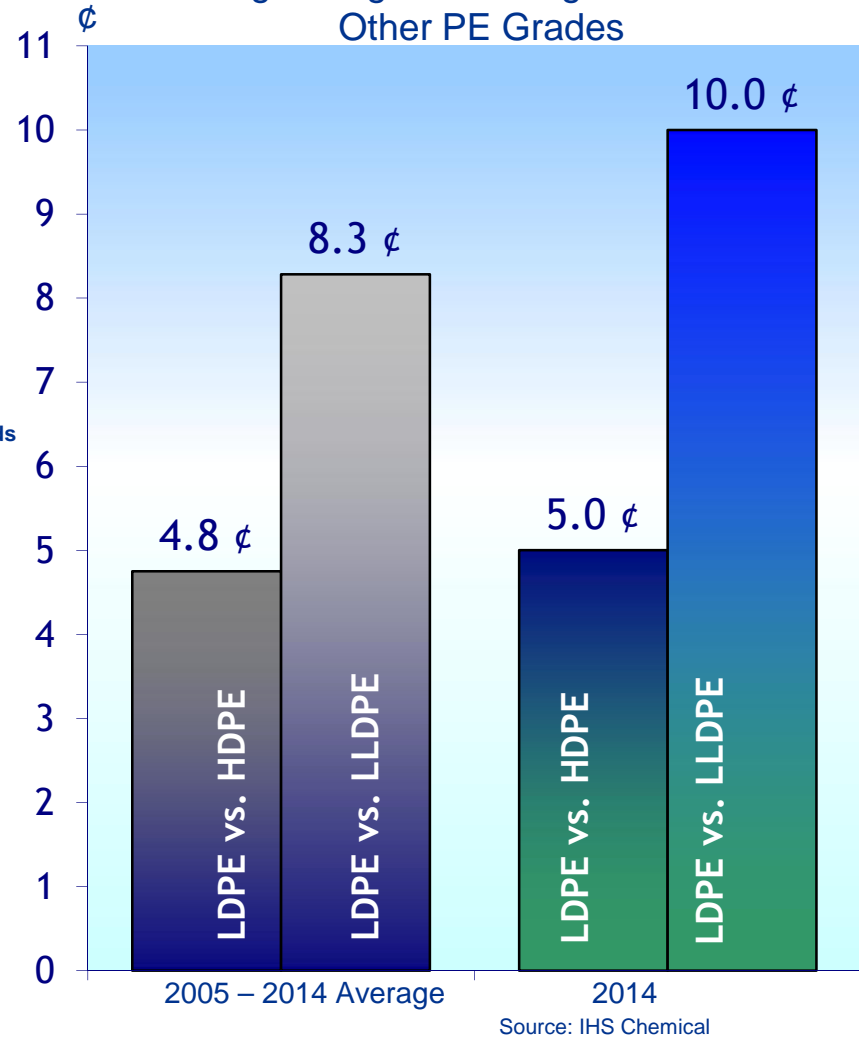


Westlake Capacity (% share)



LDPE Is More Profitable

Average Margin Advantage of LDPE vs. Other PE Grades

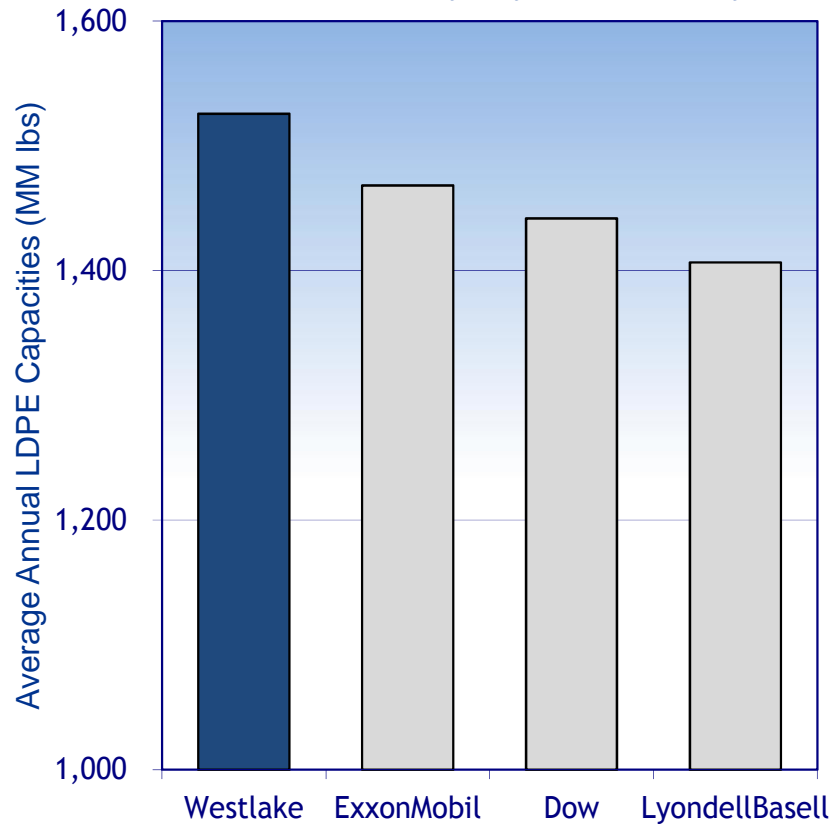


Advantaged Product Mix

Westlake's Unique LDPE Focus

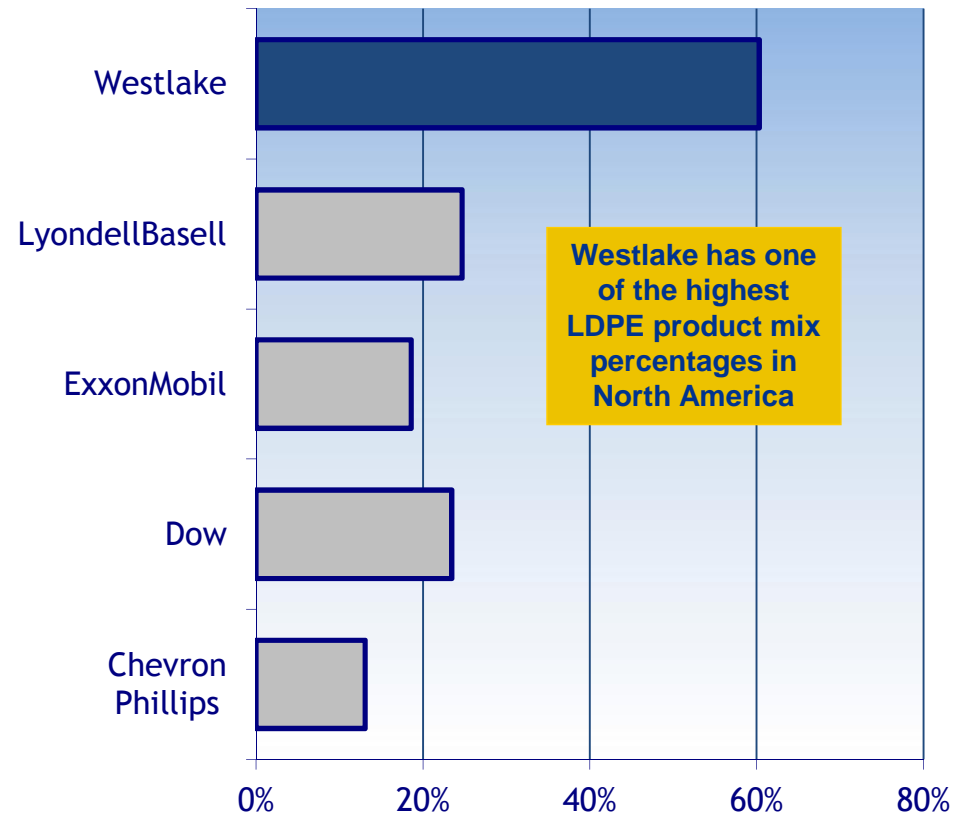


Total Annual North American LDPE Capacity by Company



Source: IHS Chemical

LDPE Capacity as a Percentage of Total Company PE Capacity



Source: IHS Chemical

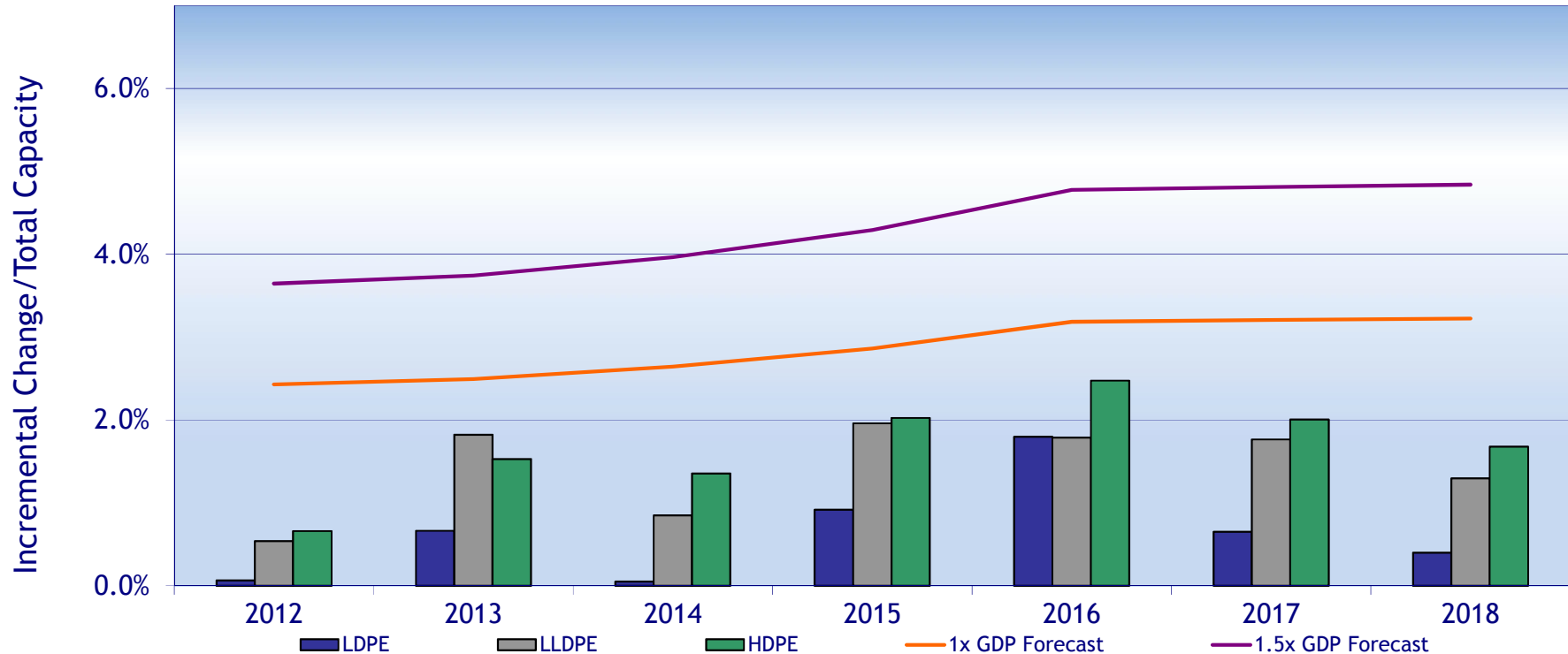
Westlake has one of the highest LDPE product mix percentages in North America

Westlake is the largest producer of LDPE in the Americas.

Industry Global Polyethylene Growth Focused on LLDPE and HDPE, not on LDPE



World Polyethylene Capacity Growth by Product



Sources: IHS Chemical,
International Monetary Fund April 2015

Westlake is focused on LDPE, a product which:

- New additions intended to primarily serve Asian & European markets
- Global polyethylene demand grows at 1.0x to 1.5x GDP
- LDPE capacity additions are almost all tubular

Focus on Desirable LDPE Products



Autoclave LDPE

Tubular LDPE

Market Focus:

More Specialty

More Commodity

Product Mix:

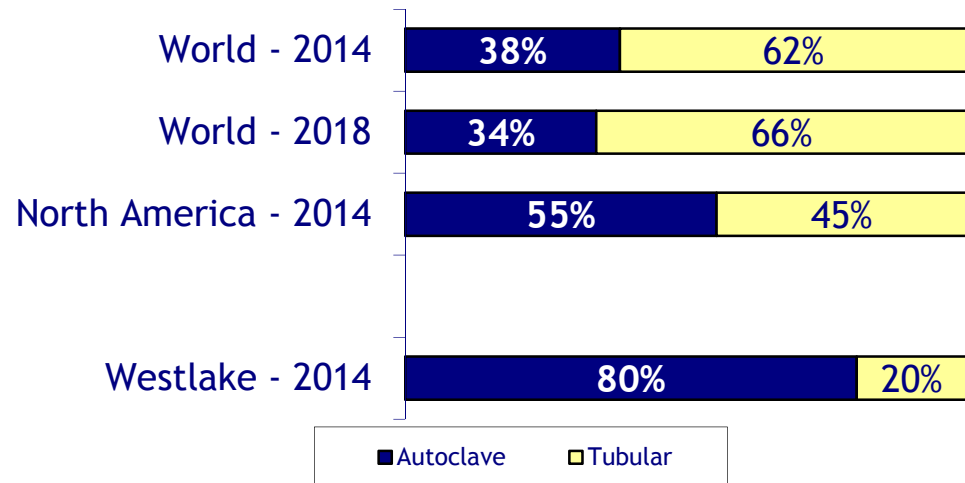
Broad (desirable)

Narrow

Autoclave reactors are among the largest & newest in North America

Our Autoclave Advantage:

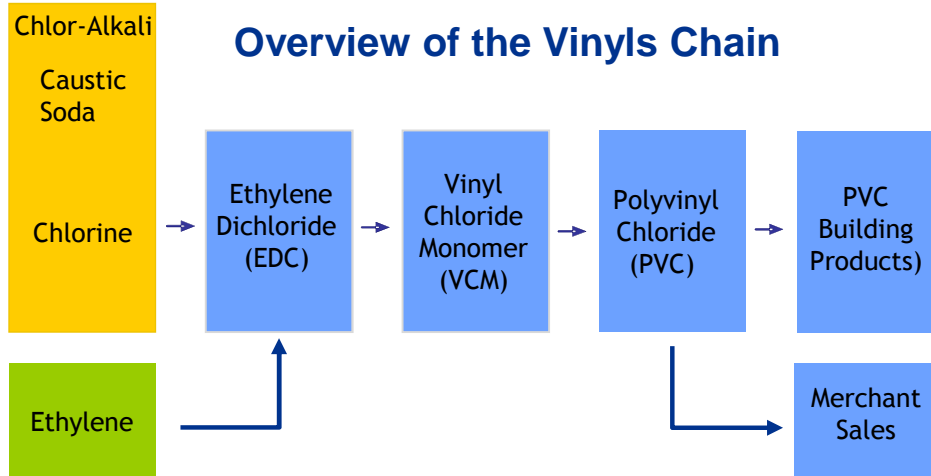
- Supply/demand balance for autoclave grows tighter
- Margin advantage of autoclave over tubular



Source: IHS Chemical

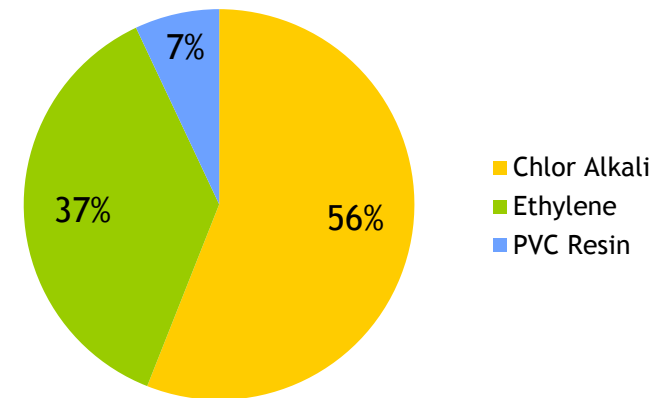
Low Cost Producer of PVC Due to High Integration

Positive Industry Fundamentals



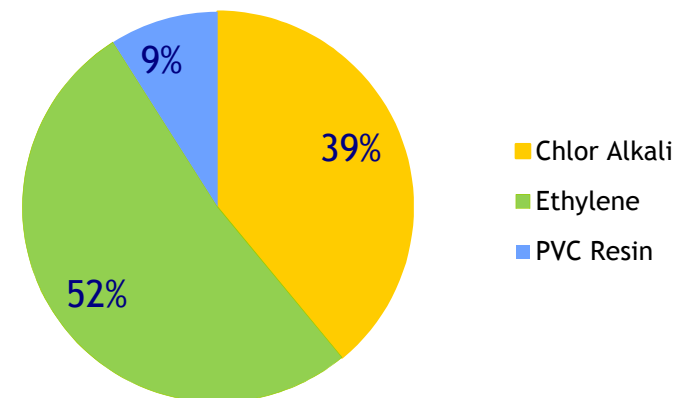
- Majority of Chloro-vinyls margin captured in chlor-alkali and ethylene
 - Resin production generates small portion of total integrated margin
- Most producers are integrated into chlor-alkali, not ethylene
 - In North America, only Westlake in the USA and Formosa are integrated into both and as a result enjoy strong margins
 - Integration has historically allowed Westlake to operate its chloro-vinyls plants at higher operating rates than US industry average
- Through backward integration into chlor-alkali (shale gas based power) and ethylene (shale gas based ethane), Westlake is one of the lowest cost producers globally
 - Able to export cost competitive PVC, minimizing exposure to domestic housing cycle

Typical Vinyls Industry Margin Distribution Over the Last Cycle



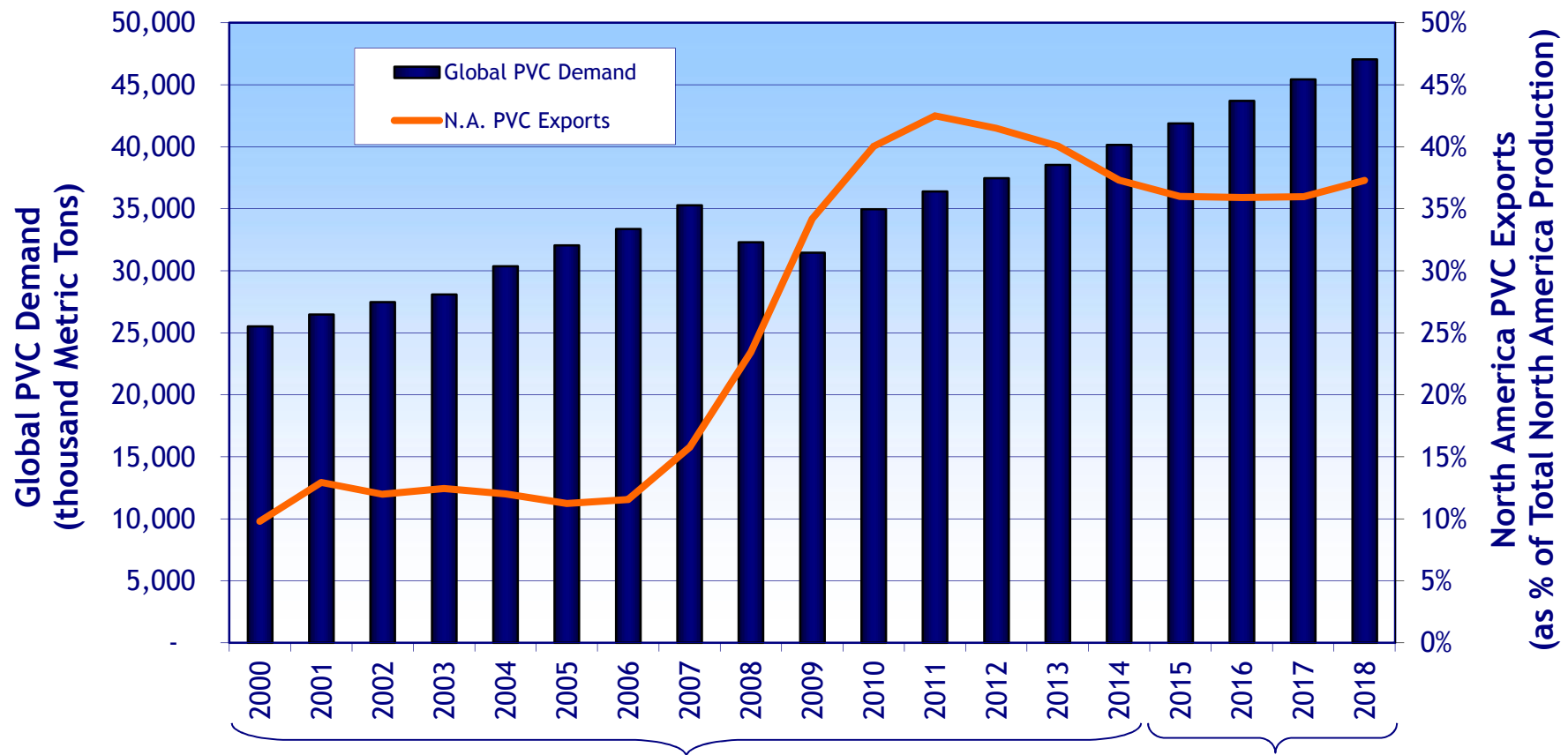
Source: IHS Chemical

Vinyls Industry Margin Distribution: 2012 - 2014



Source: IHS Chemical

Growing Global PVC Demand Supports Exports



Source: IHS Chemical

2000 – 2013 Global Demand CAGR = 3.8%

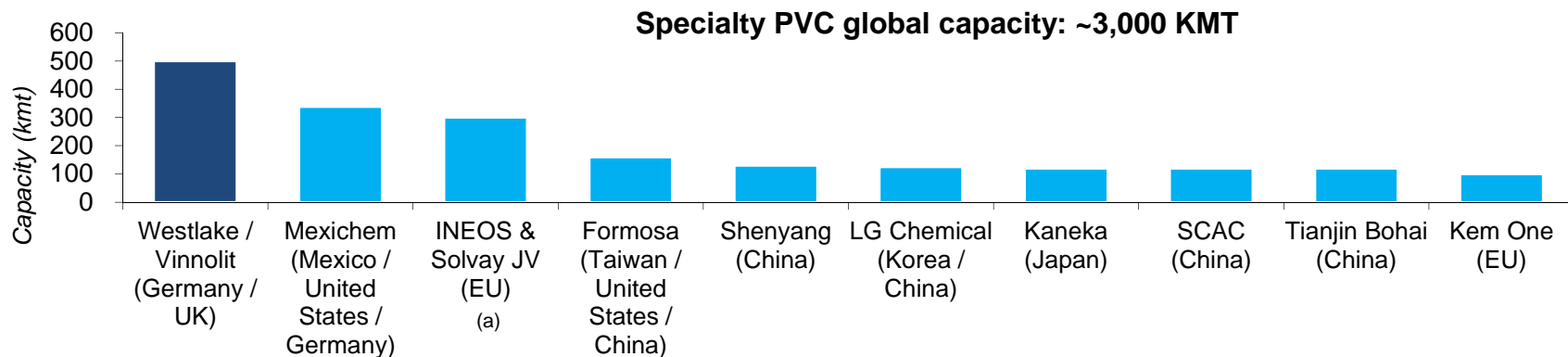
2015 – 2018 Global Demand CAGR = 4.1%

- Global growth in PVC demand has reverted to pre-recession levels
- Global growth in PVC demand and advantaged feedstocks in PVC production supports North American production
- Producers with a high level of integration benefit with EBITDA margins over the cycle

Westlake is the Global Leader in Specialty PVC



Westlake / Vinnolit is a leading specialty PVC producer



Westlake's acquisition of Vinnolit provides:

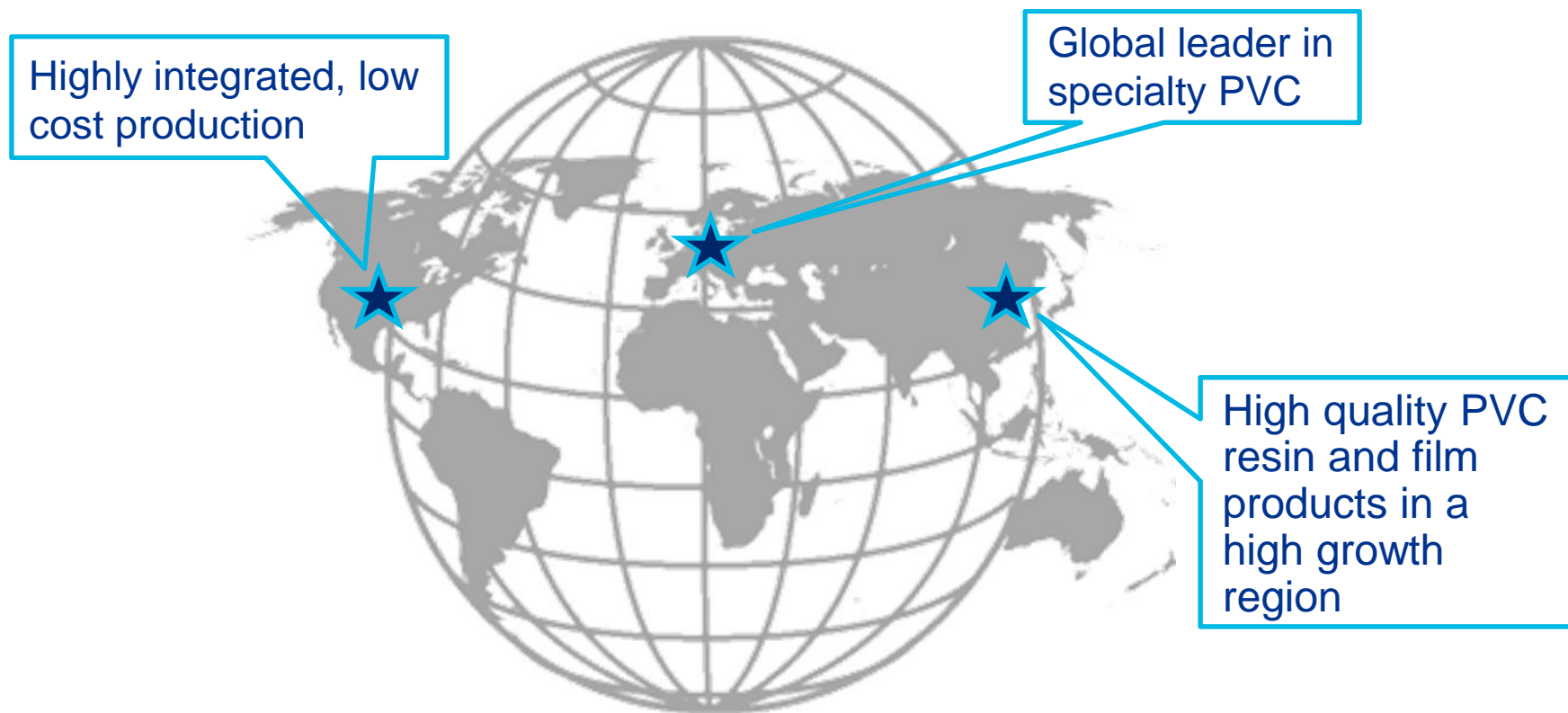
- Specialty PVC which enhances Westlake's product suite
- Better margins and reduced volatility
- Improved distributions, especially to emerging markets



Westlake's Global Geographic Footprint



The Vinnolit acquisition gives Westlake a global PVC presence with facilities North America, Europe, and Asia.



Financially Disciplined



- Disciplined Investment Culture
- Strong Balance Sheet
- Higher Margins
- C-Corp (WLK) and traditional MLP (WLKP) provide opportunity for maximizing value



Strategic & Efficient Investment of Capital



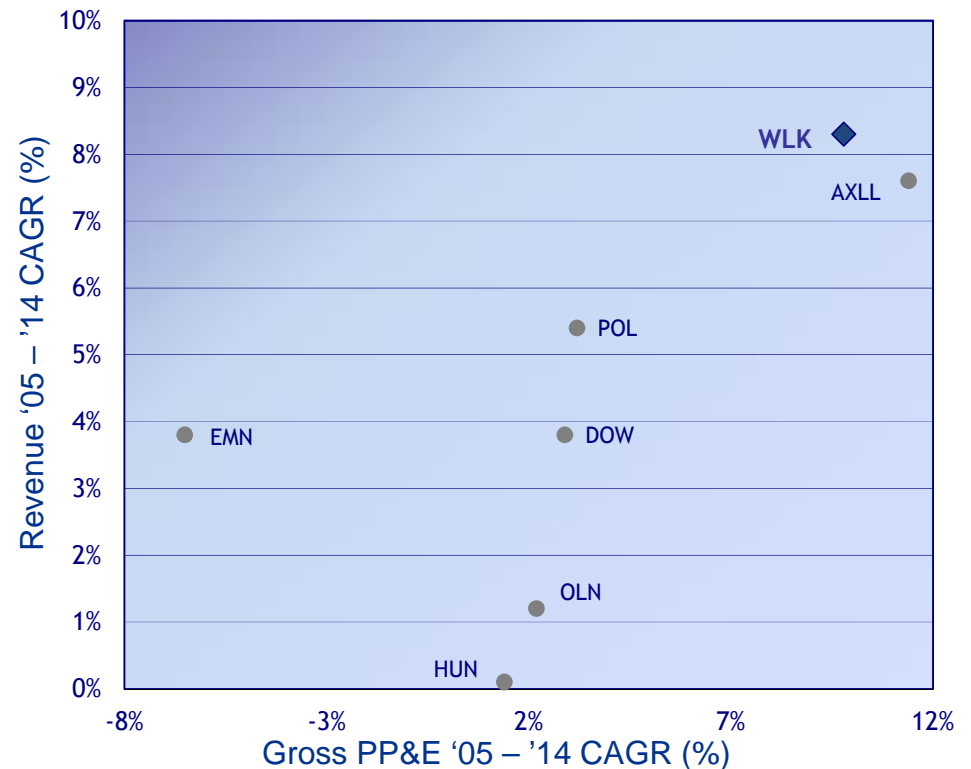
- Ethylene Growth Initiatives
- Highly Integrated Chain Enhances Margin Stability

Strategic Investment Drives Integration and Specialty Focus



High Growth in Revenue Through Efficient Use of Capital

Revenue vs. Gross PP&E CAGR

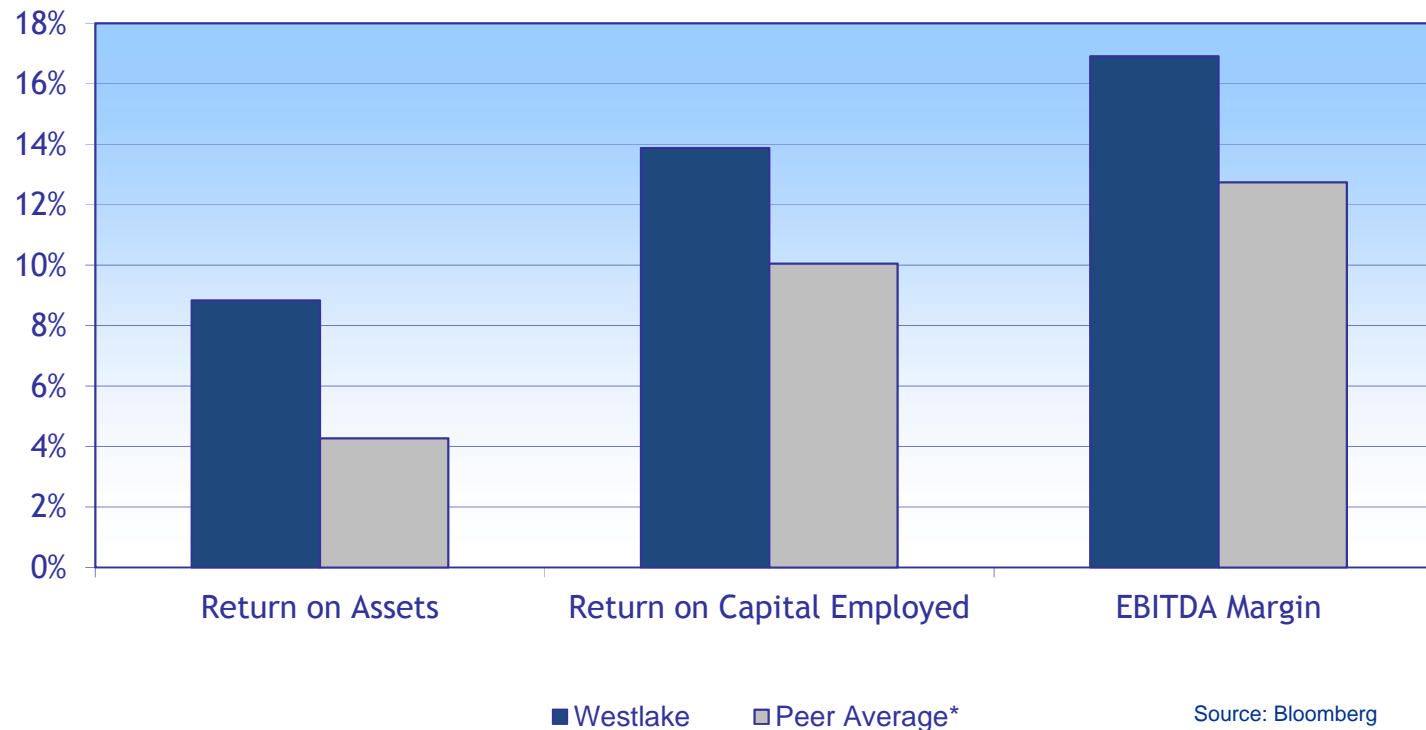


Source: Bloomberg

Higher Cycle Average Margins Focus on “Bottom Line”



2005 – 2014



Source: Bloomberg

*Peer average includes: EMN, AXLL, HUN, OLN, LYB, DOW

Higher margins and returns attributable to:

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

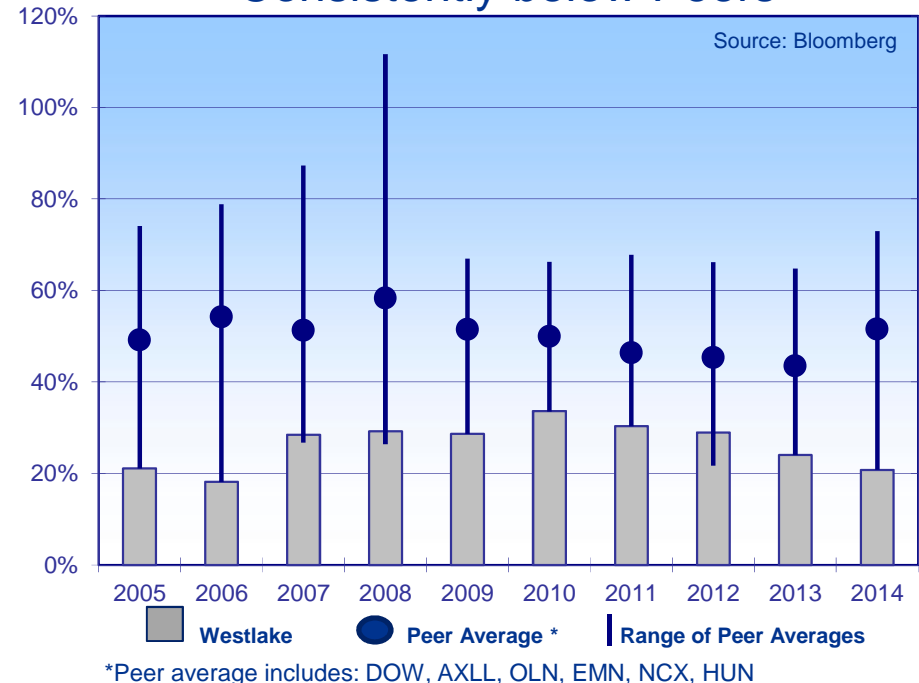
Superior Balance Sheet & Liquidity



Capitalization (\$MM) as of March 31, 2015

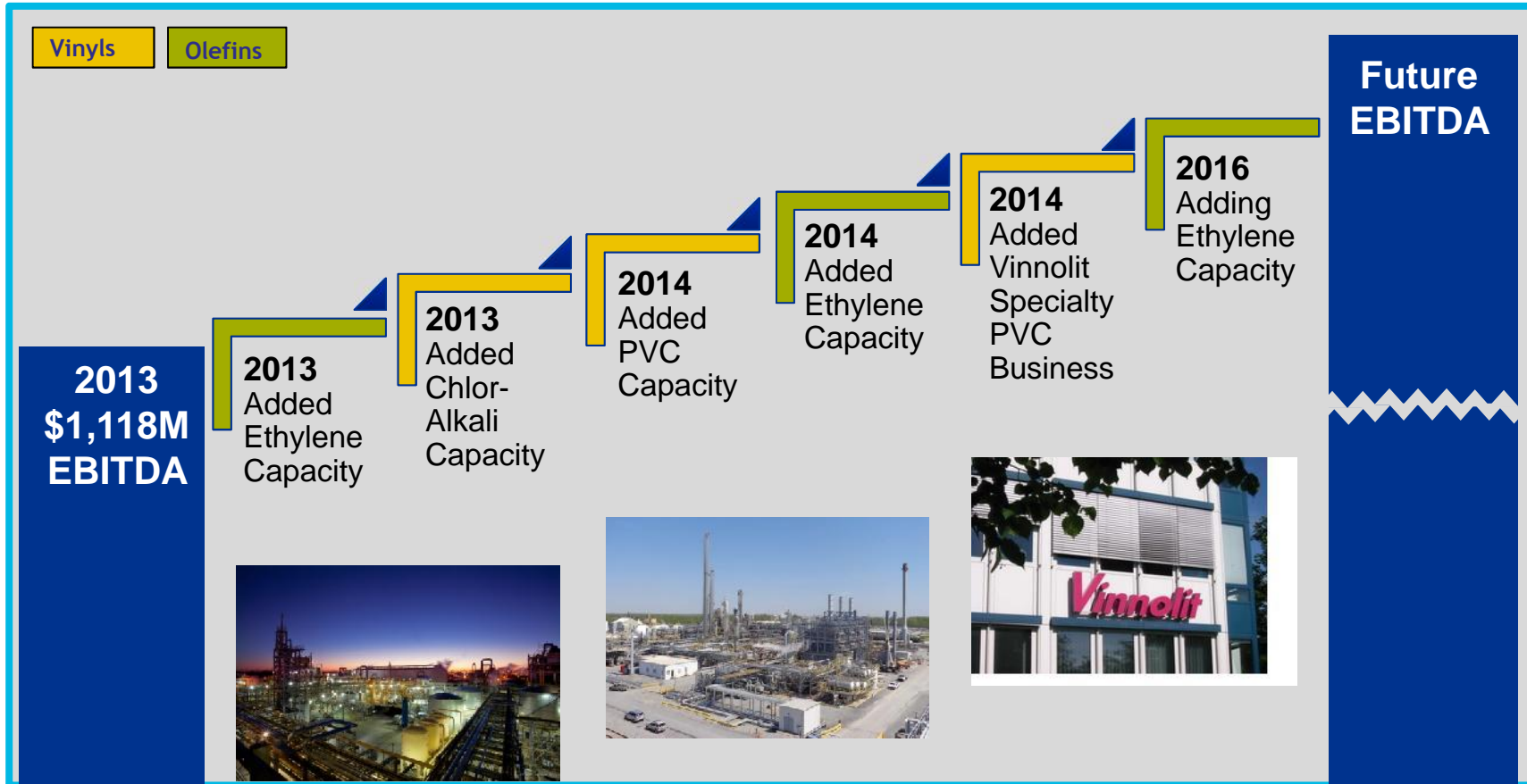
Long-term debt, incl. current portion	
Total Debt	\$ 764
Less:	
Cash & cash equivalents	946
Total Net Debt	(182)
Total Equity	3,271
Total Net Capitalization	\$ 3,089
Net Debt to Net Capitalization	(5.9%)

Gross Debt to Capitalization Ratio: Consistently below Peers



- Ample capacity to fund future growth
- Demonstrated patience to invest when the right opportunities arise
- Rated Investment Grade by all three major ratings agencies

Strategic Investment Drives EBITDA Growth



- Timely investments to integrate the full value chain drive EBITDA
- Vinnolit's specialty PVC production provides profitable growth

Appendix



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



	2006	2007	2008	2009	2010	2011	2012	2013	2014	LTM 1Q 2015
Adjusted EBITDA	\$ 411,183	\$ 280,893	\$ 87,861	\$ 236,909	\$ 511,567	\$ 583,821	\$ 779,841	\$ 1,118,062	\$ 1,329,756	\$ 1,330,236
Debt Retirement Cost	(25,853)	-	-	-	-	-	(7,082)	-	-	-
EBITDA	385,330	280,893	87,861	236,909	511,567	583,821	772,759	1,118,062	1,329,756	1,330,236
Less:										
Income Tax (Provision) Benefit	(87,990)	(44,228)	28,479	(25,758)	(121,567)	(142,466)	(199,614)	(331,747)	(398,902)	(393,904)
Interest Expense	(16,519)	(18,422)	(33,957)	(34,957)	(39,875)	(50,992)	(43,049)	(18,082)	(37,352)	(37,786)
Depreciation & Amortization	(86,262)	(103,514)	(111,926)	(123,199)	(128,732)	(131,397)	(144,542)	(157,808)	(208,486)	(221,155)
Noncontrolling Interests	-	-	-	-	-	-	-	-	(6,493)	(10,558)
Net Income (Loss) attributable to WLK	194,559	114,729	(29,543)	52,995	221,393	258,966	385,555	610,425	678,524	666,833
Noncontrolling Interests	-	-	-	-	-	-	-	-	6,493	10,558
Changes in operating assets & liabilities	28,773	(57,849)	229,511	151,320	47,412	85,855	232,707	48,572	288,392	277,013
Deferred income taxes	13,852	5,286	(13,879)	31,207	14,153	14,114	5,793	93,732	58,967	56,023
Cash flow from operating activities	237,184	62,166	186,089	235,522	282,958	358,935	624,054	752,729	1,032,376	1,010,427
Olefins EBITDA	212,605	220,666	38,090	260,493	546,553	548,994	654,568	943,597	1,126,172	1,046,333
Vinyls EBITDA	192,526	65,644	51,540	(17,124)	(19,968)	48,083	130,977	207,197	247,086	333,239
Corporate EBITDA	(19,801)	(5,417)	(1,769)	(6,460)	(15,018)	(13,256)	(12,786)	(32,732)	(43,502)	(49,336)
Westlake Adjusted EBITDA	385,330	280,893	87,861	236,909	511,567	583,821	772,759	1,118,062	1,329,756	1,330,236

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. 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 and worldwide economies, including those due to political tensions in the Middle East and elsewhere; current and potential governmental regulatory actions in the United States 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; 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 the 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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