



Westlake

Earnings Presentation 3Q 2024





Third Quarter 2024 Highlights

3Q 2024 Financial Results⁽¹⁾

Improving underlying trends despite impacts from outages and weather

\$183M

Net Income^(1,2)

42% decrease vs. 2Q

\$3.1B

Net Sales

3% decrease vs. 2Q

\$580M

EBITDA^(1,3)

22% decrease vs. 2Q

\$1.41

Net Income Per Share^(1,2)

\$2.9B

Cash and Equivalents

\$474M

Net Cash Provided by
Operating Activities

- Sales volume increased 3% YoY driven by improving chlorine and caustic soda demand
- Average sales price increased 1% QoQ with improvement in each segment
- Performance and Essential Materials (PEM) EBITDA impacted by ~\$120 million from two extended outages and \$75 million from accrued mothball expenses in our epoxy business
- EBITDA would have been comparable to 2Q 2024 levels if not for the extended maintenance outages in PEM and weather headwinds in Housing and Infrastructure Products (HIP)
- 3Q 2024 cost savings of \$35 million (\$120 million YTD) towards our 2024 target of \$125 – \$150 million
- Investment-grade credit rating with \$2.9 billion of cash and equivalents

(1) Excludes "Identified Item" consisting of \$75 million after-tax accrued mothball expenses

(2) Reconciliation of Net Income and Net Income Per Share excl. Identified Item to Net Income and Net Income Per Share can be found on page 11

(3) Reconciliation of EBITDA excl. Identified Item to Net Income, Income from Operations and Net Cash Provided by Operating Activities can be found on page 12

Westlake Corporation 3Q 2024⁽¹⁾

(\$ in millions)	3Q'24	2Q'24	QoQ%	3Q'23	YoY%
Sales	\$3,117	\$3,207	(3%)	\$3,115	0%
Operating Income⁽¹⁾	\$ 255	\$ 406	(37%)	\$349	(27%)
EBITDA^(1,2)					
<i>Performance and Essential Materials</i>	\$297	\$391	(24%)	\$339	(12%)
<i>Housing and Infrastructure Products</i>	\$262	\$336	(22%)	\$327	(20%)
<i>Corporate</i>	\$21	\$17	-	\$16	-
	\$580	\$744	(22%)	\$682	(15%)

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3Q 2024 vs. 2Q 2024

Average Sales Price
+1.0%

Volume
-3.8%

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3Q 2024 vs. 3Q 2023

Average Sales Price
-2.9%

Volume
+3.0%



Extended maintenance outages reduced PEM EBITDA by ~\$120 million in 3Q 2024



Identified Item consisting of \$75 million accrued mothball expenses negatively impacted PEM segment reported earnings



Sales volume grew 3% YoY driven by chlorine and caustic soda in PEM and global compounds in HIP



Average sales price increased 1% QoQ driven by higher polyethylene, caustic soda and PVC prices

Housing and Infrastructure Products (“HIP”) Segment Performance

(\$ in millions)	3Q'24	2Q'24	QoQ%	3Q'23	YoY%
Housing Products Sales	\$937	\$1,010	(7%)	\$963	(3%)
Infrastructure Products Sales	\$161	\$184	(13%)	\$181	(11%)
Total HIP Sales	\$1,098	\$1,194	(8%)	\$1,144	(4%)
Operating Income	\$202	\$266	(24%)	\$256	(21%)
EBITDA ⁽¹⁾	\$262	\$336	(22%)	\$327	(20%)
<i>EBITDA Margin</i> ⁽²⁾	24%	28%	-	29%	-



Sales volume declined QoQ from the strong 2Q 2024 level in part due to unusually wet weather and disruptions created by Hurricanes Beryl and Helene



Average sales price increased QoQ, driven by PVC compounds and siding & trim



Solid EBITDA margin of 24%⁽²⁾ benefited from our integration and cost-saving actions

HIP Segment

3Q 2024 vs. 2Q 2024

Average Sales Price	Volume
+0.5%	-8.6%

HIP Segment

3Q 2024 vs. 3Q 2023

Average Sales Price	Volume
-2.6%	-1.4%

Housing and Infrastructure Products Update



- 1** Longer-term housing fundamentals remain strong due to decade-plus of under-building, increasingly favorable demographics and popularity of remote work
- 2** New PVCO pipe plant under construction to support the strong growth and market adoption for this innovative product that streamlines the assembly process with a more sustainable environmental footprint
- 3** Disruptions caused by Hurricanes Beryl, Helene and Milton are impacting 2024 sales volume, but Westlake Royal Building Products is positioned well to help communities rebuild in 2025 once disaster relief funding is dispersed and insurance claims are processed
- 4** Repair & remodel activity provides steady growth driven by large number of homes in prime remodel age, healthy home equity levels, homeowners with low-rate mortgages remaining in place, and significant backlog of projects

Performance and Essential Materials ("PEM") Segment Performance⁽¹⁾

(\$ in millions)	3Q'24	2Q'24	QoQ%	3Q'23	YoY%
Performance Materials Sales	\$1,164	\$1,177	(1%)	\$1,127	3%
Essential Materials Sales	\$855	\$836	2%	\$844	1%
Total PEM Sales	\$2,019	\$2,013	0%	\$1,971	2%
Operating Income ⁽¹⁾	66	157	(58%)	\$105	(37%)
EBITDA ^(1,2)	\$ 297	\$391	(24%)	\$339	(12%)
<i>EBITDA Margin</i> ^(1,3)	15%	19%	-	17%	-



Extended maintenance outages reduced PEM EBITDA by ~\$120 million in 3Q 2024



Higher polyethylene, caustic soda and PVC resin prices drive QoQ improvement in average sales price



Preliminary U.S. duties on some Chinese and Indian epoxy imports set at ~100% spurred some improvement in U.S. epoxy pricing



Slow improvement in global macroeconomic conditions, similar to 2Q 2024

PEM Segment

3Q 2024 vs. 2Q 2024

Average Sales Price	Volume
+1.3%	-1.0%

PEM Segment

3Q 2024 vs. 3Q 2023

Average Sales Price	Volume
-3.1%	+5.6%

Performance and Essential Materials Update



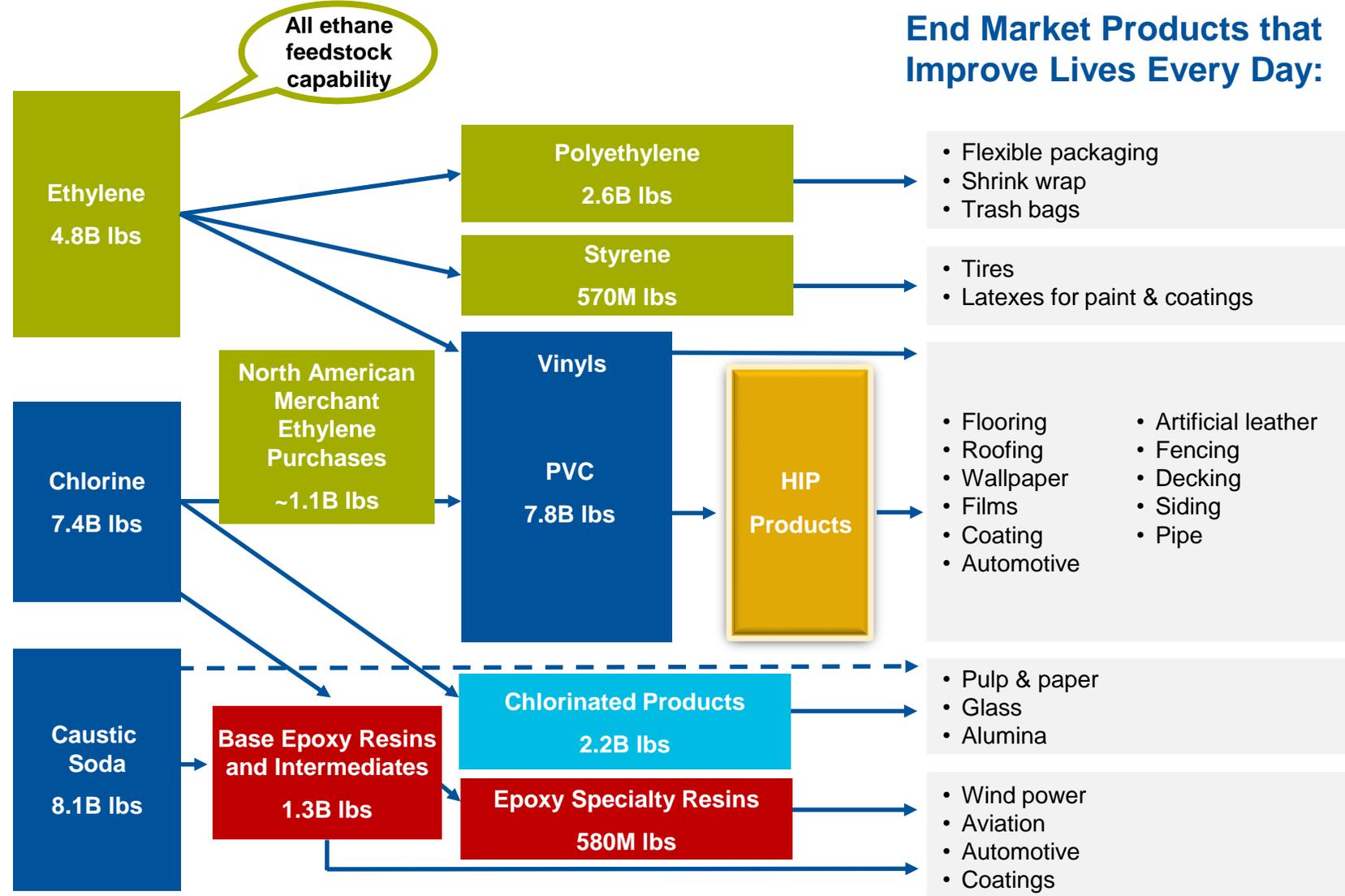
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- 1** Continued energy and feedstock advantage in North America (~85% of our production capacity) with a high degree of vertical integration relative to the global industry, which supports our ability to profitably run our plants at high operating rates
- 2** Relatively stable North American demand as global macroeconomic conditions remain sluggish in Europe and Asia, but Westlake's high degree of product integration and large offtake of PVC resin to the HIP segment provide less exposure to weaker economies outside North America
- 3** Long-term growth fundamentals remain in place, supported by the global need for clean water, housing, transportation, renewable energy, packaging and consumer goods
- 4** Global epoxy markets remain oversupplied due to substantial capacity additions in China resulting in significant exports of subsidized, low-priced product from Asia into our markets in Europe and the U.S.

High Degree of Product Integration

Combined With Globally Advantaged Low-Cost Position

- ✓ North America has a long-term cost advantaged position through abundant supply of Ethane from shale, electricity from natural gas and ample salt compared to global markets
- ✓ Integration from feedstock to final product captures margin across the production chain and throughout the economic cycle enhancing margin stability
- ✓ Westlake products serve key market trends in:
 - Electrification
 - Automotive innovation
 - Medical and healthcare
 - Clean and fresh water
 - Energy efficient and durable housing





Financial Reconciliations

Consolidated Statements of Operations

	Three months ended September 30,		Three months ended	Nine months ended September 30,	
	2024	2023	June 30,	2024	2023
			2024		
	(In millions of dollars, except per share data)				
Performance and Essential Materials Sales	\$ 2,019	\$ 1,971	\$ 2,013	\$ 5,963	\$ 6,456
Housing and Infrastructure Products Sales	1,098	1,144	1,194	3,336	3,266
Net sales	3,117	3,115	3,207	9,299	9,722
Cost of sales	2,618	2,529	2,543	7,670	7,702
Gross profit	499	586	664	1,629	2,020
Selling, general and administrative expenses	215	206	224	648	641
Amortization of intangibles	29	31	30	89	92
Restructuring, transaction and integration-related costs	75	-	4	83	6
Income from operations	180	349	406	809	1,281
Interest expense	(39)	(40)	(41)	(120)	(124)
Other income, net	44	56	59	153	101
Income before income taxes	185	365	424	842	1,258
Provision for income taxes	65	70	101	214	249
Net income	120	295	323	628	1,009
Net income attributable to noncontrolling interests	12	10	10	33	33
Net income attributable to Westlake Corporation	\$ 108	\$ 285	\$ 313	\$ 595	\$ 976
Earnings per common share attributable to Westlake Corporation:					
Basic	\$ 0.84	\$ 2.22	\$ 2.42	\$ 4.61	\$ 7.61
Diluted	\$ 0.83	\$ 2.20	\$ 2.40	\$ 4.58	\$ 7.56

Reconciliation of Net Income Attributable to Westlake Corporation and Earnings Per Diluted Share to Net Income and Diluted Earnings Per Share excl. Identified Item

	Three months ended September 30,		Three months ended	Nine months ended September 30,	
	2024	2023	June 30,	2024	2023
			2024		
	(In millions of dollars, except per share data)				
Net income	\$ 120	\$ 295	\$ 323	\$ 628	\$ 1,009
Less:					
Net income attributable to noncontrolling interests	12	10	10	33	33
Net income attributable to Westlake Corporation	108	285	313	595	976
Add:					
Mothball expense accrual, after-tax	75	-	-	75	-
Net income attributable to Westlake Corporation excl. Identified Item	\$ 183	\$ 285	\$ 313	\$ 670	\$ 976
Diluted earnings per common share attributable to Westlake Corporation	\$ 0.83	\$ 2.20	\$ 2.40	\$ 4.58	\$ 7.56
Add:					
Mothball expense accrual per share	0.58	-	-	0.58	-
Diluted earnings per common share attributable to Westlake Corporation excl. Identified Item	\$ 1.41	\$ 2.20	\$ 2.40	\$ 5.16	\$ 7.56

Reconciliation of PEM EBITDA excl. Identified Item, HIP EBITDA and Corporate EBITDA to Operating Income (Loss)

	Three months ended September 30,		Three months ended	Nine months ended September 30,				
	2024	2023	June 30,	2024	2023			
			2024					
	(In millions of dollars)							
Performance and Essential Materials EBITDA excl. Identified Item	\$	297	\$	391	\$	941	\$	1,389
Less:								
Mothball Expense Accrual		75		-		75		-
Depreciation and Amortization		225		225		669		652
Other income, net		6		9		27		14
Performance and Essential Materials Operating Income (Loss)		(9)		105		170		723
Housing and Infrastructure Products EBITDA		262		327		862		776
Less:								
Depreciation and Amortization		54		51		157		157
Other income, net		6		20		27		30
Housing and Infrastructure Products Operating Income (Loss)		202		256		678		589
Corporate EBITDA		21		16		67		32
Less:								
Depreciation and Amortization		2		1		7		6
Other income, net		32		27		99		57
Corporate Operating Income (Loss)		(13)		(12)		(39)		(31)
Performance and Essential Materials Operating Income (Loss)		(9)		105		170		723
Housing and Infrastructure Products Operating Income		202		256		678		589
Corporate Operating Income (Loss)		(13)		(12)		(39)		(31)
Total Operating Income	\$	180	\$	349	\$	809	\$	1,281

Safe Harbor Language

This presentation contains certain forward-looking statements including statements regarding our cost savings objectives and our ability to maintain synergies, pricing and demand for our products and across the industrial and manufacturing sectors, global macroeconomic conditions, anticipated sales volumes, industry outlook for both of our segments, our cost control and efficiency efforts, the effects of changing demographics in the markets that we serve, anticipated residential construction, repair and remodel activities and infrastructure growth, housing market fundamentals, the proliferation of electrification, expectations regarding mortgage rates and their effects on the affordability of homes, expectations regarding homebuilder confidence, our cost advantages in the North American chemicals market, benefits from construction of our new PVCO plant, and our participation in rebuilding efforts following hurricanes. Actual results may differ materially depending on factors, including, but not limited to, the following: general economic and business conditions; the cyclical nature of the chemical and building products industries; the results of acquisitions and our integration efforts; 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 conflict in the Middle East, Russia, Ukraine and elsewhere; uncertainties associated with pandemic infectious diseases; uncertainties associated with climate change; the potential impact on the demand for ethylene, polyethylene and polyvinyl chloride due to initiatives such as recycling and customers seeking alternatives to polymers; 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; 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; the effect and results of litigation and settlements of litigation; 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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