



Westlake
Chemical Partners



Westlake Chemical Partners LP

2018 MLP & Energy Infrastructure Conference

May 24, 2018

Westlake Chemical Partners LP

Strategic Relationship to Promote Stable Growth of Cash Flows

The partnership has a contract structure designed to provide a predictable and stable level of cash flows. The strategies for growth are fully aligned with the partnership's general partner, Westlake Chemical Corporation.

Stable and Predictable Cash Flows

Ethylene Sales Agreement designed to provide stable 10 cents per pound margin on 95% of processed NGL's, with 5% sold to third parties

Strategic Relationship with Westlake Fosters Operational Alignment

Completed expansions, plus a multi-year drop down inventory of high-quality, well-maintained assets will drive WLKP's growth

Westlake Chemical's joint venture with Lotte Chemical to build a new 2.2 billion pound ethylene cracker the partnership expects will be eligible for drop down in 2019

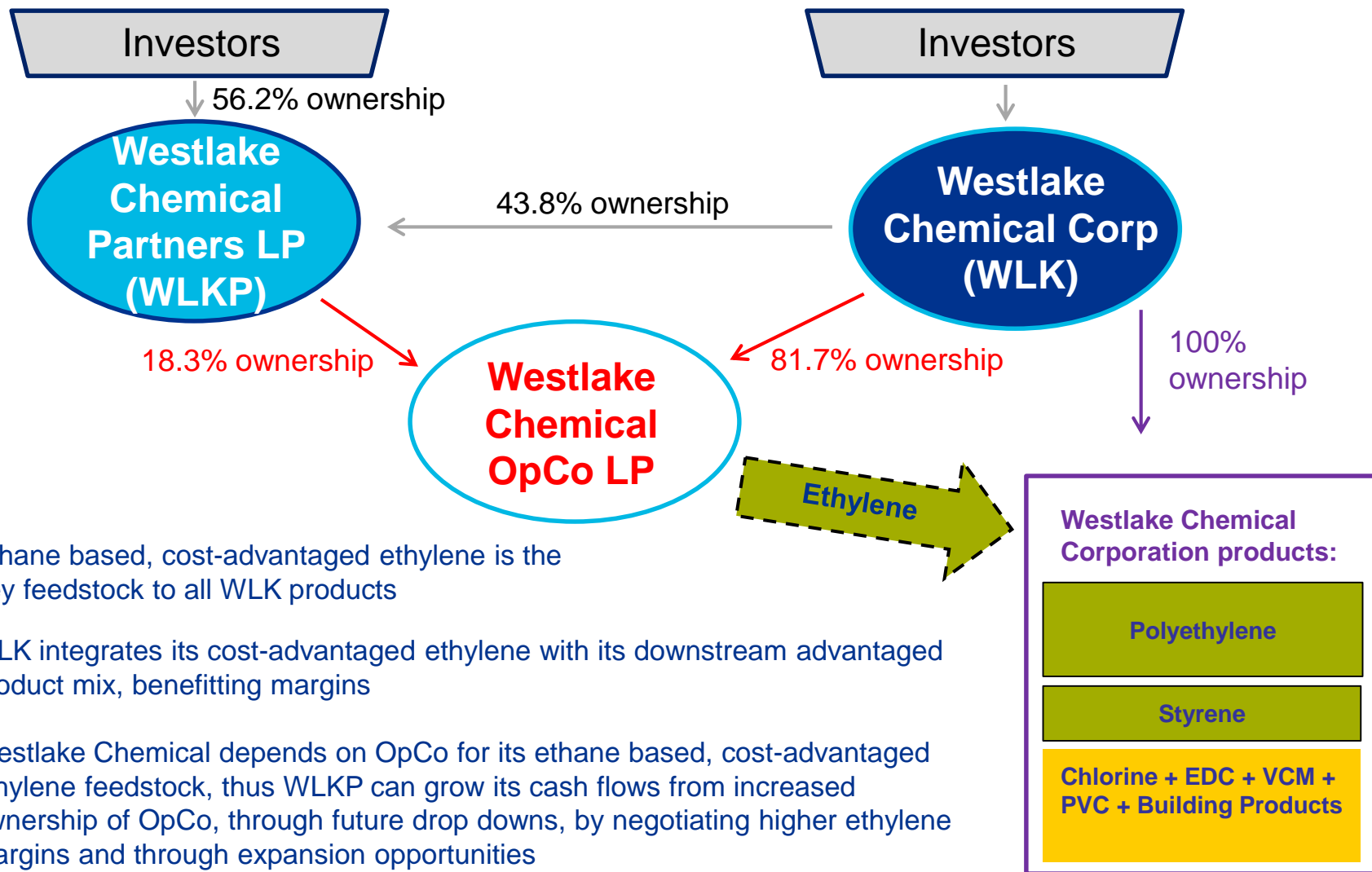
Strategically Located Assets with Long History of Reliable Operations

Reliable, efficient assets located near large feedstock supply with high historical utilization and operating rates exceeding North American industry average

Positive Industry Fundamentals

Shale gas plays are providing low cost ethylene. Industry consultants forecast continued advantaged feedstock to benefit North American ethane-based ethylene crackers

Westlake Chemical Partners LP & Westlake Chemical Corporation Organizationally Aligned for Profitable Growth



- Ethane based, cost-advantaged ethylene is the key feedstock to all WLK products
- WLK integrates its cost-advantaged ethylene with its downstream advantaged product mix, benefitting margins
- Westlake Chemical depends on OpCo for its ethane based, cost-advantaged ethylene feedstock, thus WLKP can grow its cash flows from increased ownership of OpCo, through future drop downs, by negotiating higher ethylene margins and through expansion opportunities

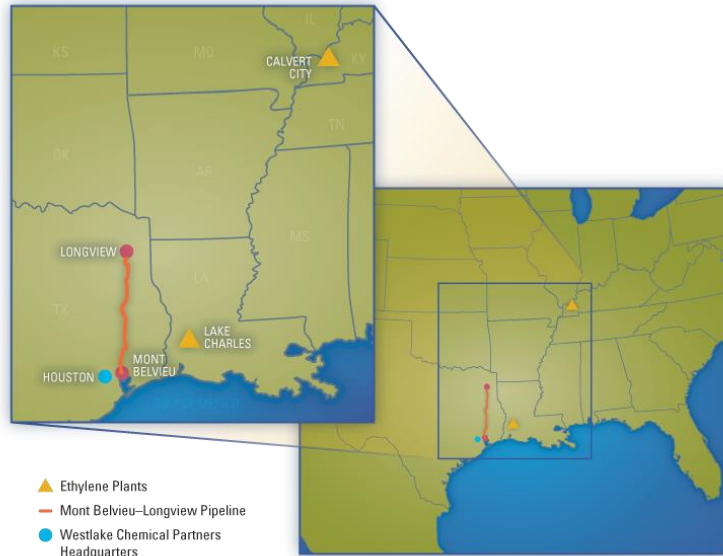
Key: Long term take or pay contract Olefins Vinyls

Westlake Chemical Partners LP

Strategic Relationship to Promote Stable Growth of Cash Flows

Contract structure with Westlake Chemical and capacity expansions have provided Westlake Partners with the means to make consistent growth in distributions since IPO.

Map of WLKP Operations



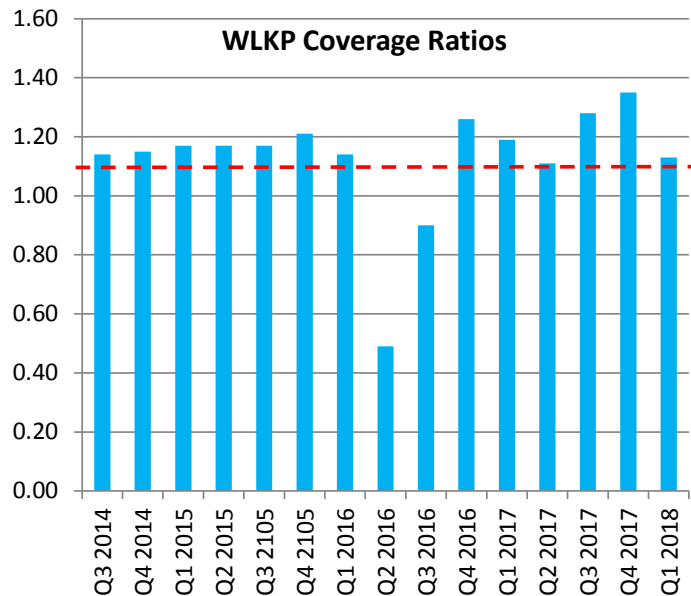
Four potential levers of cash flow growth for WLKP

- Periodic drop downs from OpCo
- Negotiate higher ethylene margin
- Acquisition opportunities, either as WLKP or jointly with WLK
- Expansion opportunities

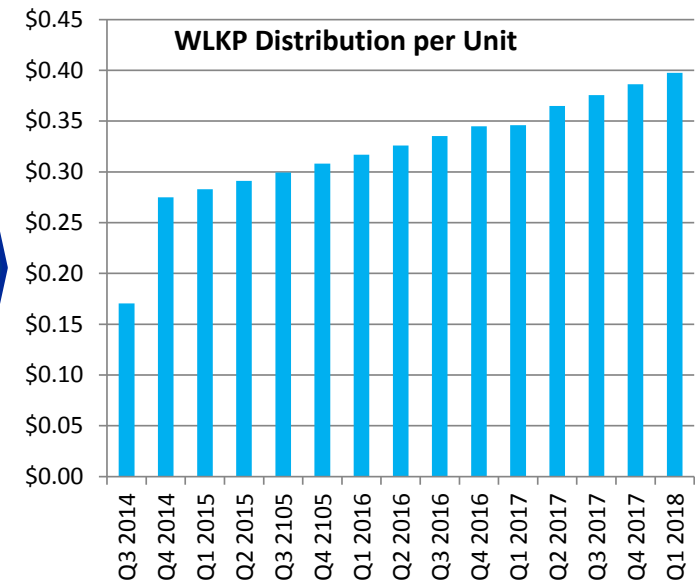
Westlake Chemical Partners Assets

- **Lake Charles Petro 1 & 2-** Two ethane-based NGL processing facilities in Lake Charles, Louisiana that have a combined capacity of 3 billion pounds
- **Calvert City Olefins-** One ethane-based NGL processing facility located in Calvert City, Kentucky, with a processing capacity of 730 million pounds of ethylene per year
- **Longview Pipeline-** A 200-mile common carrier ethylene pipeline that runs from Mont Belvieu, Texas to the Longview, Texas chemical complex, which includes Westlake's Longview PE production facility

Strong Distribution Growth with Substantial Drop Down Capacity

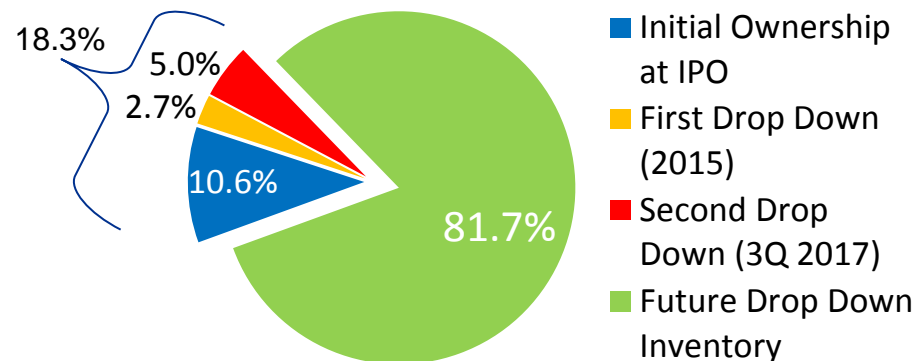


The 2Q 2016 ethylene expansion created additional earnings capability to fuel further growth in cash flows and preserved our large drop down inventory for future growth



Westlake Partners Ownership of OpCo

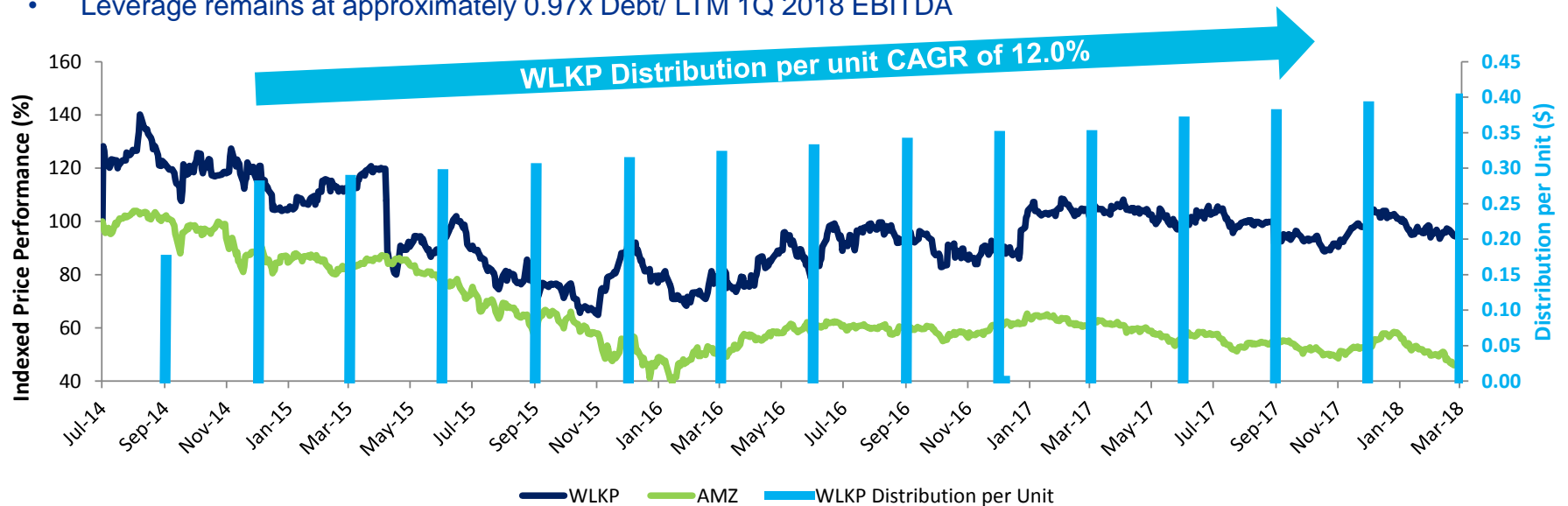
- Westlake Chemical Partners LP acquired an additional 5.0% fully diluted interest in OpCo in September 2017
- Purchase price of \$229 million representing a multiple of approximately 10.5x on a trailing twelve months basis
- Transaction was funded through equity offering as well as drawdown on intercompany revolver



Still have over 81% of drop down inventory

Westlake Chemical Partners Has Performed Strongly Since IPO

- Westlake Chemical Partners LP has executed on its growth strategy since IPO, even with the uncertainty caused by the IRS ruling and amidst the backdrop of challenging MLP markets (12.0% distribution per unit CAGR since IPO)
- With the final IRS regulations published in January 2017, uncertainty around WLKP's activities constituting qualifying income has been lifted
- WLKP has grown earnings and cash flows through expansions and drop downs since IPO and has significant drop down capacity remaining
- Demonstrated stable, fee-based cash flow model has resulted in strong performance despite the backdrop of volatile commodity pricing and price outperformance relative to AMZ from IPO through 3/31/2018
- Leverage remains at approximately 0.97x Debt/ LTM 1Q 2018 EBITDA



Key Investment Drivers

Strategically Located Assets

Lake Charles Olefins

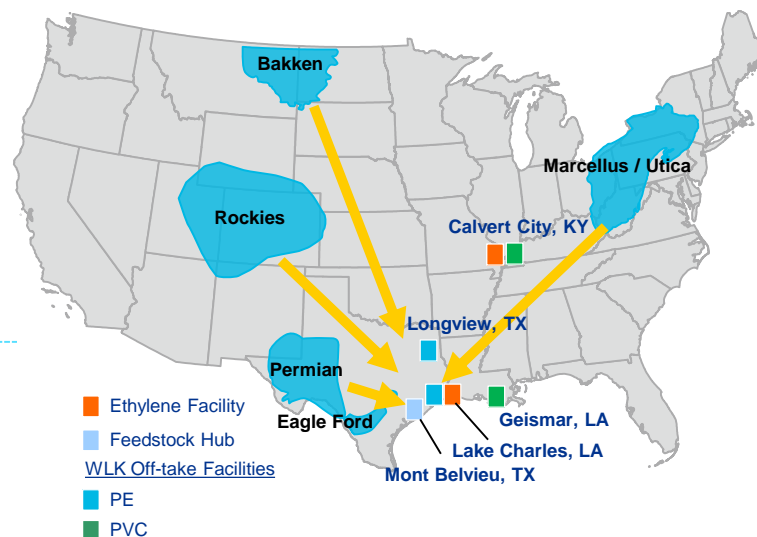
- Two ethane-based processing facilities at Westlake's Lake Charles, Louisiana complex
- Combined capacity of 3 billion pounds of ethylene
 - Primarily consumed by Westlake in the production of chemicals including PE and PVC

Calvert City Olefins

- One ethane-based processing facility located in Calvert City, Kentucky, with a capacity of 730 million pounds of ethylene per year
 - Primarily consumed by Westlake in the production of higher value-added chemicals including PVC

Longview Pipeline

- A 200-mile common carrier ethylene pipeline that runs from Mont Belvieu, Texas to the Longview, Texas chemical complex, which includes Westlake's Longview PE production facility



Plant Location	Annual Capacity (MMlbs)	Feedstock	Primary Use of Ethylene
Lake Charles, LA	1,500	ethane	PE and PVC
Lake Charles, LA (Petro 2)	1,490	ethane, ethane/propane mix, propane, butane or naphtha	PE and PVC
Calvert City, KY	730	ethane or propane	PVC

Westlake Chemical Partners LP

Business Strategies For Stable Growth of Cash Flows

Generate Stable, Fee-Based Cash Flow

Ethylene Sales Agreement is designed to provide stable margin on 95% of processed NGL's, with 5% sold to third parties at current market price

Increase our Ownership of OpCo

Increase our ownership interest in OpCo over time either by purchasing new OpCo interests or by purchasing outstanding interests in OpCo from WLK

- Purchased 2.7% of OpCo for \$135 million in May 2015
- Purchased 5% of additional OpCo interests for \$229MM in Sept 2017, with substantial drop down capacity remaining

Expand Margin

Negotiate higher ethylene margin

Pursue Growth Opportunities Through Acquisitions

Pursue acquisitions of complementary assets from WLK and third parties; Westlake's Lotte Ethylene plant, with expected start up in 2019, would be a target for inclusion in WLKP

Pursue Organic Growth Opportunities

Enhance the profitability of OpCo's existing assets by pursuing growth opportunities including capacity expansion projects

- Expanded Petro1 by approximately 250MM pounds of ethylene in 2016
- Expanded Calvert City by approximately 100MM pounds of ethylene in 2017
- Westlake Chemical is participating in a joint venture with Lotte Chemical to build a new 2.2 billion pound ethylene cracker

Key Investment Drivers: Ethylene Sales Agreement

Pricing Formula Promotes Stable & Predictable Cash Flows

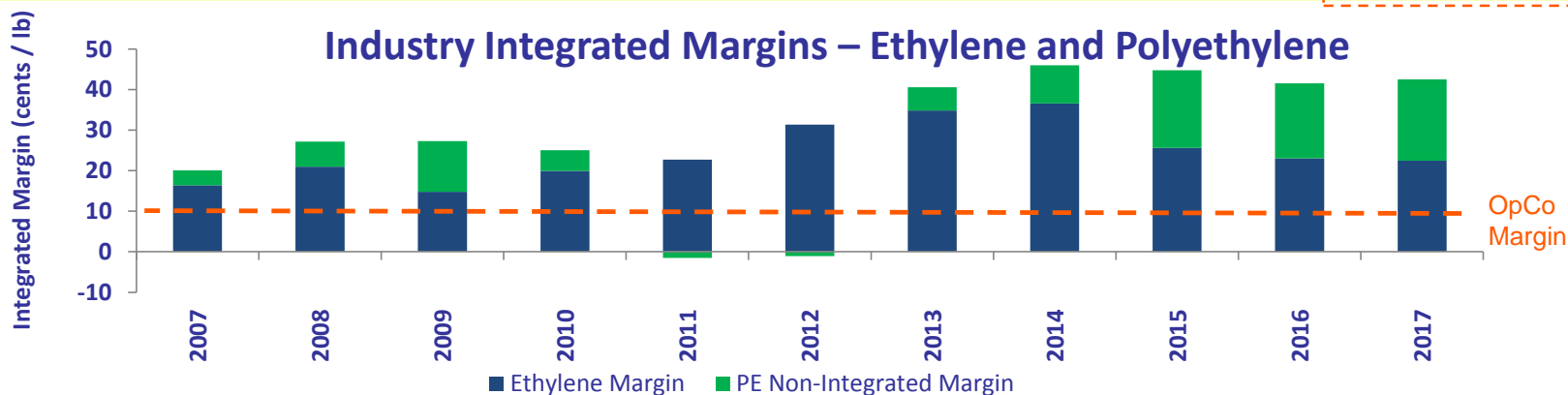
Overview

- Initial term through December 31, 2026 with an automatic annual renewal mechanism thereafter unless terminated by either party
- Requires WLK to purchase 95% of OpCo's planned ethylene volume each year, with a maximum commitment of 3.8 billion pounds per year
 - If OpCo's actual volume is in excess of planned ethylene volume, WLK will have the option to purchase up to 95% of the excess
 - Remaining 5% of ethylene will be sold to third parties at currently higher market prices and margin

Key Pricing Terms

- WLK's purchase price of ethylene under the Ethylene Sales Agreement is calculated on a per pound basis and includes:
 - Actual price paid by OpCo for the feedstock and natural gas to process each pound of NGL into ethylene; *plus*
 - Estimated operating costs ("Opex") (including selling, general and administrative expenses) for the year and a 5-year average of future expected maintenance capital expenditures and other turnaround expenditures; *less*
 - Proceeds received by OpCo from the sale of co-products associated with the processing of NGL's purchased by Westlake; *plus*
 - \$0.10 per pound margin

Price = Feedstock Cost + Opex + Maintenance & Turnaround – Co-Product Credits + **\$0.10 margin**



WLKP Financial Strategy

Provides Stability and Growth

Protect and Grow Distributions

- Maintain financial flexibility to protect and grow distributions
 - Since IPO WLKP has demonstrated a history of double-digit growth in distributions with a commitment to maintaining a strong target DCF coverage ratio
- Expand production capacity of ethylene through cost effective debottlenecks
 - Approximately 250MM pounds completed in Lake Charles in 2016
 - Approximately 100MM pounds added in Calvert City in 2017
- Increase stake in OpCo and pursue acquisition opportunities
 - Acquired additional 2.7% of OpCo for \$135MM in May 2015 to grow distributions
 - Acquired additional 5.0% of OpCo for \$229MM in Sept 2017 to grow distributions, with substantial drop down capacity remaining
 - JV with Lotte to build new ethylene cracker in Lake Charles is expected to add future drop down capacity

Conservative Leverage and Financial Flexibility

- Maintain conservative target leverage ratios at WLKP and OpCo
- Substantial liquidity via a \$600 million credit facility between Westlake and OpCo
- WLKP's line of credit increased to \$600MM in December 2017 to fund additional growth
- Minimal working capital requirements both at OpCo and WLKP
- Established an equity and debt shelf to fund future growth

Comparable Leverage Metrics

Well Capitalized for Financial Stability

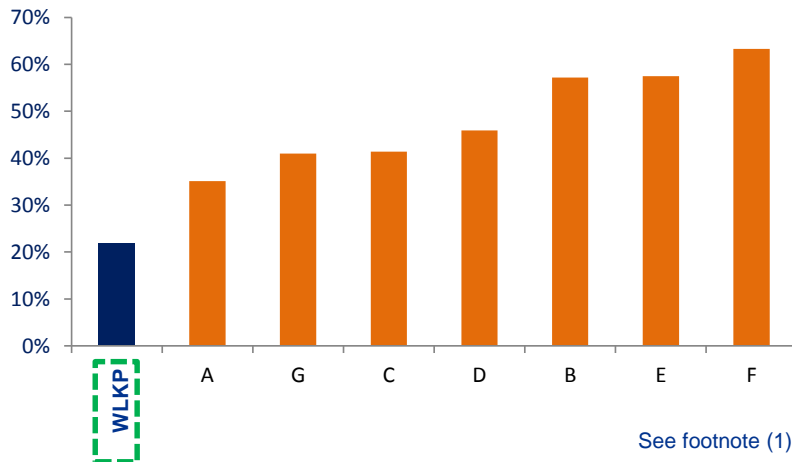
WLKP is well capitalized and has significant financial flexibility to fund future growth with its strong and supportive parent; WLK

Westlake Partners Liquidity

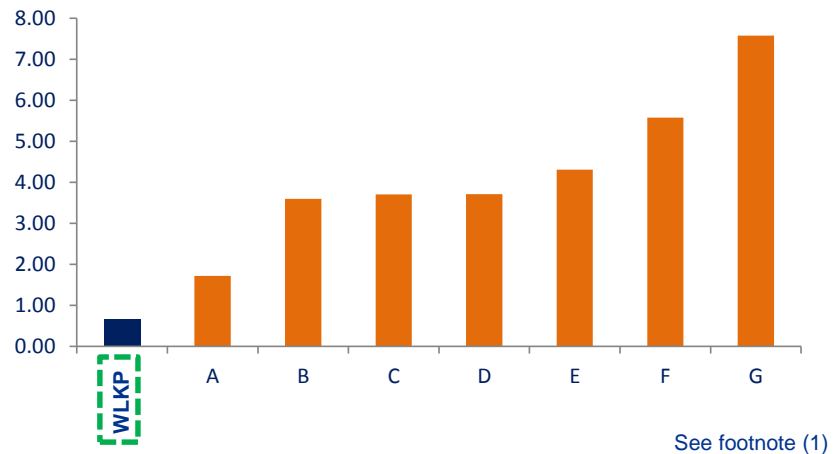
Liquidity (in millions)	March 31, 2018
Cash and Equivalents	\$159.7
Plus: Available Credit Facilities	\$722.4
Total Available Liquidity	\$882.1

A Strong Balance Sheet to Provide Financial Stability

Net Debt / Capitalization (%)



Net Debt / EBITDA ⁽¹⁾ Ratio



(1) Peers: ANDX, DPM, EQM, MPLX, PSXP, SXCP, WES, as of latest date information is available in Bloomberg

Westlake Partners' Strategy is Highly Aligned with its Investment Grade Parent

Westlake Chemical Corporation

(LTM 1Q 2018)

Net Sales	\$8,248 Million
EBITDA ^(1,2)	\$2,029 Million
Net Income ⁽³⁾	\$1,453 Million

Olefins

\$765 million

37%

EBITDA ⁽¹⁾

% of Total

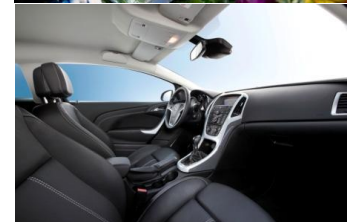
Vinyls

\$1,309 million

63%

OUR MISSION

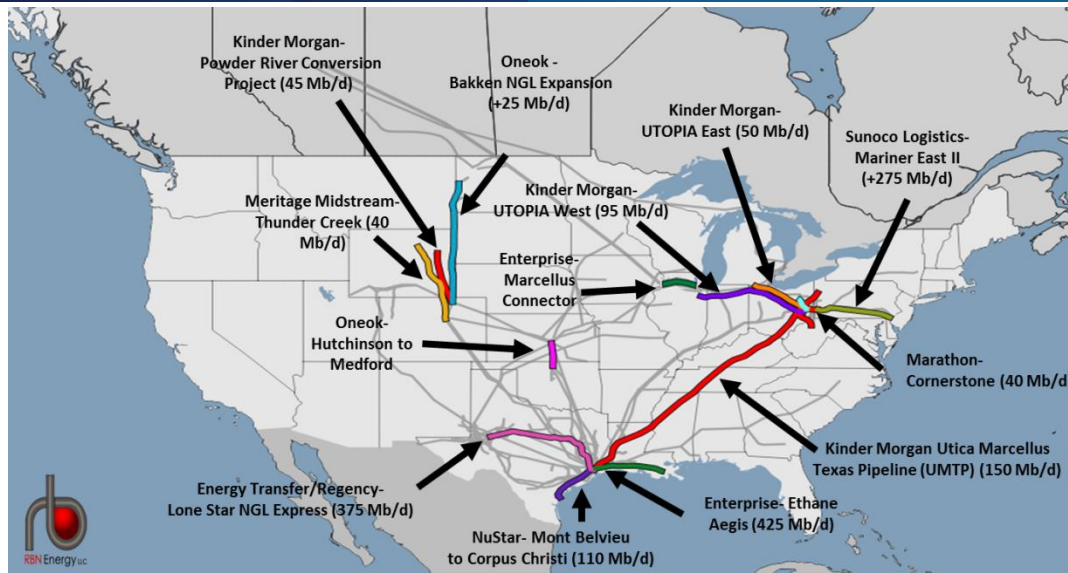
- profitable growth ...
- in businesses we understand...
- globally in areas we can gain an edge...
- in a disciplined and opportunistic manner



Pictures: Benecke



NGL Feedstock Flexibility & Infrastructure

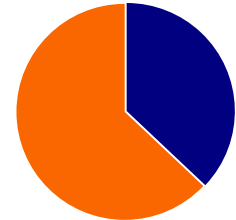


Westlake



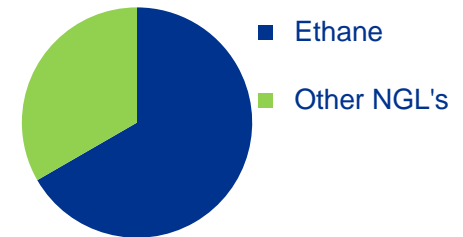
Ethane

World Ethylene



Non-Ethane Feed

Westlake's North American Ethylene Feedstock Capability

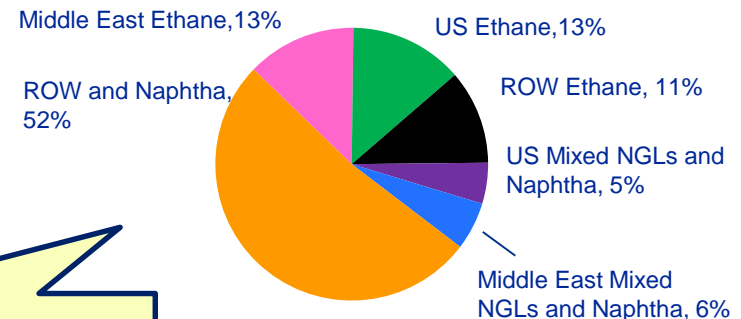


Well positioned to take advantage of ethane and other NGL's:

- The shale oil & gas revolution has triggered an increase in infrastructure build over the last several years
- The continuing NGL's flowing from these basins will drive further pipeline and infrastructure expansion through 2018 and beyond.
- Westlake ethylene plants are fully capable to use ethane and have some NGL flexibility
 - Lake Charles ethylene plants are able to access ethane in basins and shale plays from Eagle Ford, Permian, Rockies, Marcellus and Utica
 - Calvert City ethylene plant is now receiving ethane from the Marcellus and Utica basins

62.4% of the world's ethylene is derived from higher priced naphtha-based feedstocks

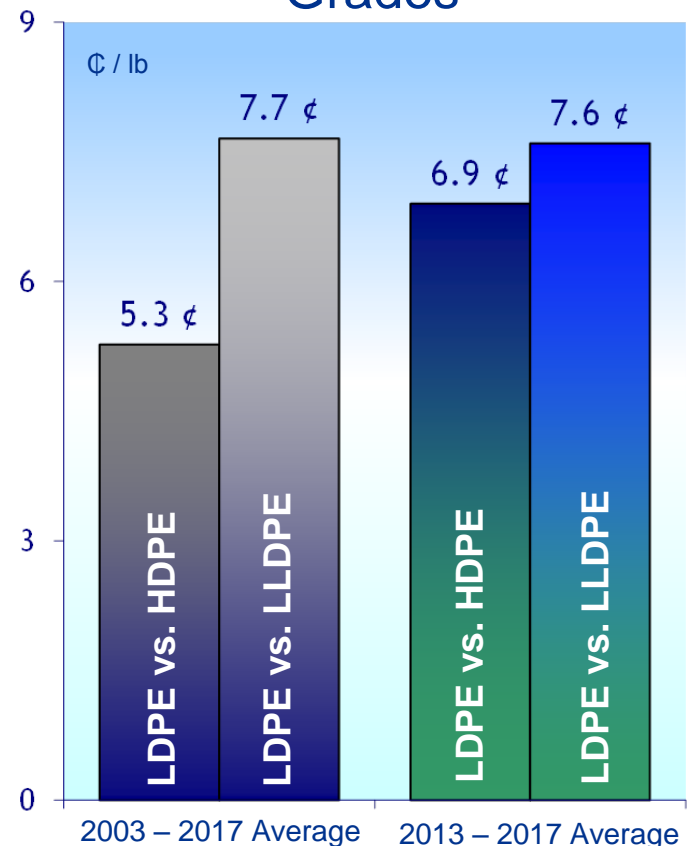
2017 Global Ethylene Volume by Feedstock



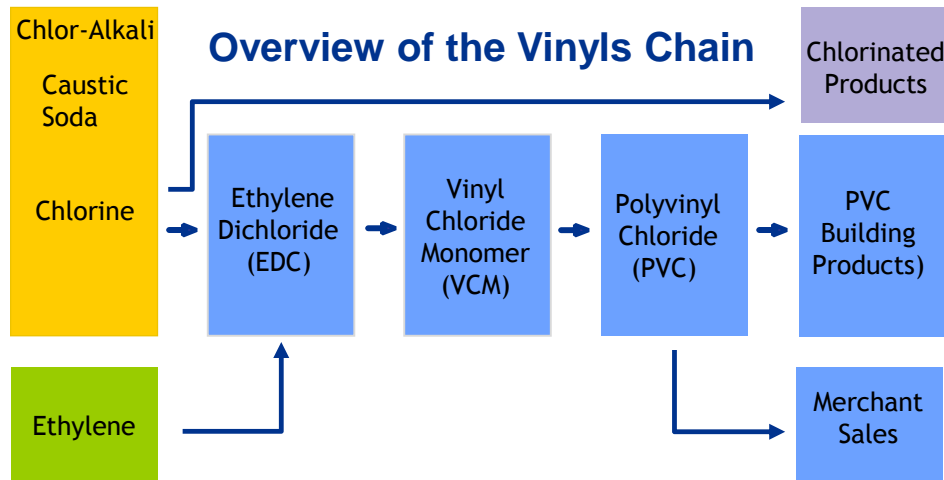
Westlake Partners Provides Low-Cost Feedstock to Westlake Chemical to Produce Cost Advantaged Polyethylene

- Integration is critical as the vast majority of PE profitability is captured in ethylene, not the downstream polymer
- WLK's PE production is focused on LDPE, not HDPE and LLDPE
 - 58% of WLK's PE capacity is LDPE, and the remainder is LLDPE
 - Global capacity increases in PE are more heavily weighted toward more commoditized HDPE and LLDPE
 - LDPE tends to command higher margins in the US

Average Margin Advantage of LDPE vs. Other PE Grades

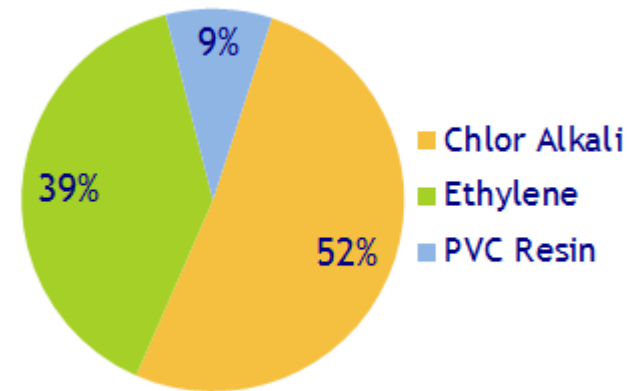


Westlake Partners Provides Low-Cost Feedstock to Westlake Chemical to Produce Cost Advantaged PVC



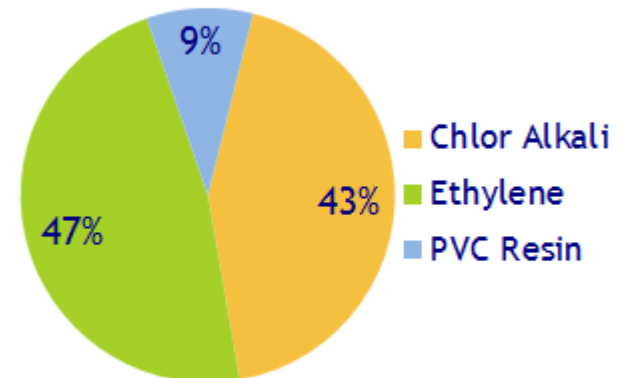
- Majority of margin captured in chlor-alkali and ethylene
- Most producers are integrated into chlor-alkali, not ethylene
 - In North America, only Westlake in the USA and Formosa are integrated into both
 - Integration has historically allowed Westlake to operate its chlorovinyls plants at higher operating rates than US industry average and enjoy strong margins
- 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 Markit

Vinyls Industry Margin Distribution Over Recent Cycle



Source: IHS Markit

Key Investment Drivers

Westlake Chemical's Increasing Demand for Ethylene

Strategic Relationship with Westlake Chemical

Stable and Predictable Cash Flows

Strategically Located Assets

Experienced & Incentivized Management Team

Global Cost Advantage for Ethylene Production

Expanded Capacity & Significant Dropdown Inventory

Ethylene Sales Agreement

Competitive Market Position and Asset Integrity

Access to Operational and Industry Expertise

Future Growth

WLKP is well positioned for continued growth...



Appendix

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	LTM 1Q 2018
Adjusted EBITDA	\$ 237	\$ 512	\$ 584	\$ 780	\$ 1,118	\$ 1,330	\$ 1,244	\$ 1,016	\$ 1,841	\$ 2,029
Debt Retirement Cost	-	-	-	(7)	-	-	-	-	-	-
EBITDA	237	512	584	773	1,118	1,330	1,244	1,016	1,841	2,029
Less:										
Income Tax (Provision) Benefit	(26)	(122)	(142)	(200)	(332)	(399)	(298)	(139)	258	225
Interest Expense	(35)	(40)	(51)	(43)	(18)	(38)	(35)	(79)	(159)	(156)
Depreciation & Amortization	(123)	(129)	(132)	(144)	(158)	(208)	(246)	(378)	(601)	(607)
Non Controlling Interest	-	-	-	-	-	(6)	(19)	(21)	(35)	(38)
Net Income	53	221	259	386	610	679	646	399	1,304	1,453
Non Controlling Interest	-	-	-	-	-	6	19	21	35	38
Changes in operating assets & liabilities	152	48	86	233	49	288	374	313	733	627
Deferred income taxes	31	14	14	6	94	59	40	101	(534)	(512)
Cash flow from operating activities	\$ 236	\$ 283	\$ 359	\$ 624	\$ 753	\$ 1,032	\$ 1,079	\$ 834	\$ 1,538	\$ 1,606
Olefins EBITDA	\$ 260	\$ 547	\$ 549	\$ 655	\$ 944	\$ 1,126	\$ 863	\$ 699	\$ 805	\$ 765
Vinyls EBITDA	(17)	(20)	48	131	207	247	398	415	1,096	1,309
Corporate EBITDA	(6)	(15)	(13)	(13)	(33)	(43)	(17)	(98)	(60)	(45)
Westlake Adjusted EBITDA	\$ 237	\$ 512	\$ 584	\$ 773	\$ 1,118	\$ 1,330	\$ 1,244	\$ 1,016	\$ 1,841	\$ 2,029

Note 1 from page 12: Non-GAAP Financial Measures

This presentation includes the non-GAAP measures EBITDA and debt. A reconciliation to net income and to cash flow from operating activities is included above.

Disclaimer

This presentation contains certain forward-looking statements, including statements with respect to future growth, potential levers for cash flow, growth, remaining drop down capacity and the Lotte JV as a source of future drop down capacity for Westlake Chemical Partners 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.

Investor Relations Contacts

Steve Bender
Executive Vice President &
Chief Financial Officer

Jeff Holy
Vice President &
Treasurer

Westlake Chemical Partners LP
2801 Post Oak Boulevard, Suite 600
Houston, Texas 77056
713-960-9111