

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (date of earliest event reported): May 2, 2017

Westlake Chemical Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-32260
(Commission File Number)

76-0346924
(I.R.S. Employer
Identification No.)

2801 Post Oak Boulevard, Suite 600
Houston, Texas
(Address of principal executive offices)

77056
(Zip Code)

Registrant's telephone number, including area code: (713) 960-9111

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On May 2, 2017, Westlake Chemical Corporation (the "Company") issued a press release announcing its 2017 first quarter earnings. A copy of the press release is furnished with this Current Report as Exhibit 99.1.

The information furnished pursuant to this Current Report, including Exhibit 99.1, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and will not be incorporated by reference into any registration statement filed by Westlake Chemical Corporation under the Securities Act of 1933, as amended, unless specifically identified as being incorporated therein.

Item 7.01. Regulation FD Disclosure.

The Company is holding a conference call on May 2, 2017 to discuss its 2017 first quarter results. Information about the call can be found in the press release furnished with this Current Report as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

The following exhibit is furnished herewith:

99.1 Press release issued on May 2, 2017.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 2, 2017

WESTLAKE CHEMICAL CORPORATION
By: /S/ ALBERT CHAO
Albert Chao
President and Chief Executive Officer

EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|--------------------------------------|
| 99.1 | Press release issued on May 2, 2017. |

WESTLAKE CHEMICAL CORPORATION

Contact—(713) 960-9111
 Investors—Steve Bender
 Media—Ben Ederington

Westlake Chemical Corporation Announces First Quarter 2017 Earnings

- Earned quarterly net income of \$138.2 million, or \$1.06 per diluted share
- Record quarterly sales and EBITDA of \$1,942.6 million and \$390.6 million, respectively
- Completed the expansion of the Calvert City, Kentucky ethylene unit which, along with other incremental capacity increases, added 100 million pounds of annual capacity

Westlake Chemical Corporation (NYSE: WLK) today reported net income for the three months ended March 31, 2017 of \$138.2 million, or \$1.06 per diluted share, on net sales of \$1,942.6 million. This represents an increase in net income of \$15.1 million, or \$0.12 per diluted share, compared to the quarter ended March 31, 2016 net income of \$123.1 million, or \$0.94 per diluted share, on net sales of \$975.2 million. Net income for the first quarter of 2017 increased as compared to the prior-year period primarily due to higher sales prices for our major products, resulting in improved margins; earnings contributed from Axiall, which was acquired on August 31, 2016; and a lower first quarter 2017 effective tax rate, primarily due to certain discrete adjustments that had an impact of \$4.0 million, or \$0.03 per diluted share, and a lower estimated annual tax rate for 2017. These increases were partially offset by 1) pre-tax unabsorbed fixed manufacturing costs and other costs associated with the turnaround and expansion of the Calvert City ethylene unit and other planned turnarounds and unplanned outages totaling approximately \$36.3 million, or \$0.19 per diluted share, 2) lost sales associated with such outages, 3) higher interest expense, and 4) pre-tax transaction and integration-related costs of approximately \$8.2 million, or \$0.04 per diluted share, associated with the Axiall acquisition. Net sales for the first quarter of 2017 increased by \$967.4 million compared to net sales for the first quarter of 2016, mainly due to sales contributed by Axiall and higher sales prices for our major products. Income from operations was \$235.3 million for the first quarter of 2017 as compared to \$202.3 million for the first quarter of 2016. The increase in income from operations for the first quarter of 2017 was mainly a result of higher sales prices for most of our major products, resulting in higher integrated product margins, and earnings contributed by Axiall. These increases were partially offset by the costs associated with the Calvert City ethylene unit turnaround and expansion, and other planned turnarounds.

First quarter 2017 net income of \$138.2 million, or \$1.06 per diluted share, increased \$39.3 million from the \$98.9 million, or \$0.76 per diluted share, reported in the fourth quarter of 2016. Net sales for the first quarter of 2017 of \$1,942.6 million were higher than the \$1,735.2 million reported in the fourth quarter of 2016, mainly due to higher sales volumes for all of our major products and higher sales prices for caustic and North American polyvinyl chloride ("PVC") resin. Income from operations for the first quarter of 2017 of \$235.3 million was higher than the \$152.7 million reported in the fourth quarter of 2016. Income from operations in the first quarter of 2017 benefitted from higher sales volumes for all of our major products, improved olefin and vinyls integrated margins, and lower integration costs as compared to the fourth quarter of 2016. The fourth quarter of 2016 was negatively impacted by \$13.8 million resulting from the impact of selling higher cost Axiall inventory at fair value following the acquisition.

"We delivered good results for the first quarter of 2017 as global demand and margins for our major products remain strong," said Albert Chao, President and Chief Executive Officer. "Thanks to the dedication and efforts of our employees, we have made progress on identifying and initiating the investments that are necessary to improve the reliability and operational efficiency of our Axiall assets. We also remain focused on our integration activities and are on track to capture significant synergies in 2017."

Net cash provided by operating activities was \$157.4 million for the first quarter of 2017 and capital expenditures for the first quarter of 2017 were \$134.3 million. As of March 31, 2017, we had cash, cash equivalents and restricted cash of \$381.9 million and long-term debt was \$3,601.6 million.

Earnings before interest expense, income taxes, depreciation and amortization (EBITDA) of \$390.6 million for the first quarter of 2017 increased \$120.0 million compared to EBITDA of \$270.6 million reported in the first quarter of 2016. EBITDA for the first quarter of 2017 increased \$83.1 million compared to EBITDA of \$307.5 million in the fourth quarter of 2016. A reconciliation of EBITDA to reported net income and to net cash provided by operating activities can be found in the financial schedules at the end of this press release.

OLEFINS SEGMENT

The Olefins segment reported income from operations of \$179.8 million in the first quarter of 2017, an increase of \$30.6 million compared to income from operations of \$149.2 million in the first quarter of 2016. This increase was mainly attributable to higher olefins integrated product margins that were due to higher sales prices for our major products, and higher polyethylene and ethylene sales volumes, as compared to the prior-year period, partially offset by higher feedstock and energy prices. Trading activity in the first quarter of 2017 resulted in a loss of \$9.2 million as compared to a gain of \$4.1 million in the first quarter of 2016.

The Olefins segment income from operations of \$179.8 million for the first quarter of 2017 increased \$30.3 million from the \$149.5 million reported in the fourth quarter of 2016. The first quarter of 2017 benefitted from higher average sales prices and higher polyethylene and styrene sales volumes, partially offset by higher feedstock and energy costs. Trading activity in the first quarter of 2017 resulted in a loss of \$9.2 million as compared to a gain of \$11.9 million in the fourth quarter of 2016.

VINYLS SEGMENT

The Vinyls segment reported income from operations of \$71.4 million in the first quarter of 2017, an increase of \$9.3 million compared to income from operations of \$62.1 million in the first quarter of 2016. This increase was mainly attributable to higher caustic and PVC sales prices and earnings contributed by Axiall. These increases were partially offset by 1) unabsorbed fixed manufacturing costs and other costs associated with the planned turnaround and expansion at the Calvert City facility that began at the end of March 2017 and other planned turnarounds totaling approximately \$32.0 million, 2) lost sales associated with such outages, and 3) higher feedstock and energy prices in the quarter, as compared to the prior-year period.

The Vinyls segment income from operations of \$71.4 million for the first quarter of 2017 increased \$33.8 million from the \$37.6 million reported in the fourth quarter of 2016. This increase was primarily due to higher sales volumes for all of our major products and higher caustic and PVC sales prices, partially offset by higher energy costs. The first quarter of 2017 was negatively impacted by the lost sales, lower production rates, unabsorbed fixed manufacturing costs and other costs associated with the planned turnaround and expansion of our Calvert City ethylene unit and other planned turnarounds that occurred in the quarter. The first quarter of 2017 benefitted from lower integration-related expenses compared to the prior quarter.

The statements in this release and the related teleconference relating to matters that are not historical facts, such as statements regarding future benefits of our investments and potential synergies are forward-looking statements. These forward-looking statements are subject to significant risks and uncertainties. Actual results could differ materially, based on factors including, but not limited to: general economic and business conditions; the cyclical nature of the chemical industry; availability, cost and volatility of raw materials and utilities, including natural gas and natural gas liquids from shale production; the price of crude oil; uncertainties associated with the United States and worldwide economies, including those due to global economic and financial conditions; governmental regulatory actions, including environmental regulation; political unrest; industry production capacity and operating rates; the supply/demand balance for Westlake's products; competitive products and pricing pressures; access to capital markets; technological developments; the effect and results of litigation and settlements of litigation; operating interruptions; Westlake's ability to realize anticipated benefits of the Axiall acquisition and to integrate Axiall's business; and other risk factors. For more detailed information about the factors that could cause actual results to differ materially, please refer to Westlake's Annual Report on Form 10-K for the year ended December 31, 2016, which was filed with the SEC in February 2017.

Use of Non-GAAP Financial Measures

This release makes reference to certain "non-GAAP" financial measures, such as EBITDA, as defined in Regulation G of the U.S. Securities Exchange Act of 1934, as amended. We report our financial results in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), but believe that certain non-GAAP financial measures, such as EBITDA, provide useful supplemental information to investors regarding the underlying business trends and performance of the company's ongoing operations and are useful for period-over-period comparisons of such operations. These non-GAAP financial measures should be considered as a supplement to, and not as a substitute for, or superior to, the financial measures prepared in accordance with U.S. GAAP. A reconciliation of EBITDA to reported net income and to net cash provided by operating activities can be found in the financial schedules at the end of this press release.

Westlake Chemical Corporation Conference Call Information:

A conference call to discuss Westlake Chemical Corporation's first quarter 2017 results will be held Tuesday, May 2, 2017 at 11:00 a.m. Eastern Time (10:00 a.m. Central Time). To access the conference call, dial (855) 760-8160, or (704) 288-0624 for international callers, approximately 10 minutes prior to the scheduled start time and reference passcode 6922861.

A replay of the conference call will be available beginning two hours after its conclusion until 11:59 p.m. Eastern Time on Tuesday, May 9, 2017. To hear a replay, dial (855) 859-2056, or (404) 537-3406 for international callers. The replay passcode is 6922861.

The conference call will also be available via webcast at: <http://edge.media-server.com/m/p/b3tysrh9> and the earnings release can be obtained via the company's web page at: <http://www.westlake.com/investor-relations>.

WESTLAKE CHEMICAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

| | Three Months Ended March 31, | |
|--|---|-------------------|
| | 2017 | 2016 |
| | (In thousands of dollars, except per share data) | |
| Net sales | \$ 1,942,616 | \$ 975,187 |
| Cost of sales | 1,575,473 | 719,602 |
| Gross profit | 367,143 | 255,585 |
| Selling, general and administrative expenses | 123,651 | 53,309 |
| Transaction and integration-related costs | 8,194 | — |
| Income from operations | 235,298 | 202,276 |
| Interest expense | (39,776) | (6,685) |
| Other income, net | 5,071 | 2,645 |
| Income before income taxes | 200,593 | 198,236 |
| Provision for income taxes | 55,883 | 69,300 |
| Net income | 144,710 | 128,936 |
| Net income attributable to noncontrolling interests | 6,520 | 5,808 |
| Net income attributable to Westlake Chemical Corporation | \$ 138,190 | \$ 123,128 |
| Earnings per common share attributable to Westlake Chemical Corporation: | | |
| Basic | \$ 1.07 | \$ 0.94 |
| Diluted | \$ 1.06 | \$ 0.94 |

WESTLAKE CHEMICAL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

| | March 31, 2017 | December 31, 2016 |
|--|----------------------|----------------------|
| (In thousands of dollars) | | |
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 372,591 | \$ 459,453 |
| Accounts receivable, net | 1,003,966 | 938,743 |
| Inventories | 821,708 | 801,100 |
| Restricted cash | 9,328 | 160,527 |
| Other current assets | 43,695 | 48,493 |
| Total current assets | 2,251,288 | 2,408,316 |
| Property, plant and equipment, net | 6,392,745 | 6,420,062 |
| Other assets, net | 2,080,797 | 2,061,875 |
| Total assets | \$ 10,724,830 | \$ 10,890,253 |
| LIABILITIES AND EQUITY | | |
| Current liabilities (accounts payable and accrued liabilities) | \$ 943,431 | \$ 1,033,742 |
| Current term loan, net | — | 149,341 |
| Long-term debt, net | 3,601,642 | 3,678,654 |
| Other liabilities | 2,146,925 | 2,136,471 |
| Total liabilities | 6,691,998 | 6,998,208 |
| Total Westlake Chemical Corporation stockholders' equity | 3,659,196 | 3,523,629 |
| Noncontrolling interests | 373,636 | 368,416 |
| Total equity | 4,032,832 | 3,892,045 |
| Total liabilities and equity | \$ 10,724,830 | \$ 10,890,253 |

WESTLAKE CHEMICAL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

| | Three Months Ended March 31, | |
|---|-------------------------------------|-------------------|
| | 2017 | 2016 |
| | (In thousands of dollars) | |
| Cash flows from operating activities | | |
| Net income | \$ 144,710 | \$ 128,936 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 150,269 | 65,714 |
| Deferred income taxes | (6,273) | 58,637 |
| Other balance sheet changes | (131,312) | (124,352) |
| Net cash provided by operating activities | <u>157,394</u> | <u>128,935</u> |
| Cash flows from investing activities | | |
| Additions to property, plant and equipment | (134,285) | (136,328) |
| Additions to cost method investment | (15,000) | — |
| Proceeds from sales and maturities of securities | — | 26,859 |
| Purchase of securities | — | (36,637) |
| Other, net | 1,266 | (1,115) |
| Net cash used for investing activities | <u>(148,019)</u> | <u>(147,221)</u> |
| Cash flows from financing activities | | |
| Dividends paid | (24,656) | (23,700) |
| Distributions to noncontrolling interests | (4,463) | (3,985) |
| Proceeds from drawdown on revolver | 50,000 | — |
| Restricted cash associated with term loan | 154,000 | — |
| Repayment of term loan | (150,000) | — |
| Repayment of notes payable | (2,469) | (7,095) |
| Repayment of revolver | (125,000) | — |
| Other, net | 2,909 | 1,659 |
| Net cash used for financing activities | <u>(99,679)</u> | <u>(33,121)</u> |
| Effect of exchange rate changes on cash and cash equivalents | 3,442 | 3,858 |
| Net decrease in cash and cash equivalents | (86,862) | (47,549) |
| Cash and cash equivalents at beginning of the period | 459,453 | 662,525 |
| Cash and cash equivalents at end of the period | <u>\$ 372,591</u> | <u>\$ 614,976</u> |

WESTLAKE CHEMICAL CORPORATION

SEGMENT INFORMATION
(Unaudited)

| | Three Months Ended March 31, | |
|-------------------------------|------------------------------|-------------------|
| | 2017 | 2016 |
| | (In thousands of dollars) | |
| Net external sales | | |
| Olefins | \$ 542,995 | \$ 431,020 |
| Vinyls | 1,399,621 | 544,167 |
| | <u>\$ 1,942,616</u> | <u>\$ 975,187</u> |
| Income (loss) from operations | | |
| Olefins | \$ 179,817 | \$ 149,235 |
| Vinyls | 71,441 | 62,116 |
| Corporate and other | (15,960) | (9,075) |
| | <u>\$ 235,298</u> | <u>\$ 202,276</u> |
| Depreciation and amortization | | |
| Olefins | \$ 41,040 | \$ 28,697 |
| Vinyls | 107,273 | 36,287 |
| Corporate and other | 1,956 | 730 |
| | <u>\$ 150,269</u> | <u>\$ 65,714</u> |
| Other income (expense), net | | |
| Olefins | \$ 1,370 | \$ 1,513 |
| Vinyls | 3,878 | (1,519) |
| Corporate and other | (177) | 2,651 |
| | <u>\$ 5,071</u> | <u>\$ 2,645</u> |

WESTLAKE CHEMICAL CORPORATION
RECONCILIATION OF EBITDA TO NET INCOME AND
TO NET CASH PROVIDED BY OPERATING ACTIVITIES
(Unaudited)

| | Three Months Ended December 31, | Three Months Ended March 31, | |
|---|--|-------------------------------------|-------------------|
| | 2016 | 2017 | 2016 |
| (In thousands of dollars) | | | |
| Net cash provided by operating activities | \$ 289,692 | \$ 157,394 | \$ 128,935 |
| Changes in operating assets and liabilities and other | (189,636) | (18,957) | 58,638 |
| Deferred income taxes | 5,233 | 6,273 | (58,637) |
| Net income | \$ 105,289 | \$ 144,710 | \$ 128,936 |
| Add: | | | |
| Provision for income taxes | 9,188 | 55,883 | 69,300 |
| Interest expense | 42,507 | 39,776 | 6,685 |
| Depreciation and amortization | 150,473 | 150,269 | 65,714 |
| EBITDA | \$ 307,457 | \$ 390,638 | \$ 270,635 |

WESTLAKE CHEMICAL CORPORATION

SUPPLEMENTAL INFORMATION

Product Sales Price and Volume Variance by Operating Segments

| | First Quarter 2017 vs. First Quarter 2016 | | First Quarter 2017 vs. Fourth Quarter 2016 | |
|---------|---|---------|--|--------|
| | Average Sales Price | Volume | Average Sales Price | Volume |
| Olefins | +20.1% | +5.9% | +7.4% | +8.0% |
| Vinyls | +8.8% | +148.4% | +3.4% | +7.3% |
| Company | +13.8% | +85.4% | +4.5% | +7.5% |

Average Quarterly Industry Prices ⁽¹⁾

| | Quarter Ended | | | | |
|--|----------------|---------------|--------------------|-------------------|----------------|
| | March 31, 2016 | June 30, 2016 | September 30, 2016 | December 31, 2016 | March 31, 2017 |
| Ethane (cents/lb) | 5.3 | 6.8 | 6.3 | 8.0 | 7.8 |
| Propane (cents/lb) | 9.1 | 11.7 | 11.2 | 13.7 | 16.9 |
| Ethylene (cents/lb) ⁽²⁾ | 21.1 | 25.9 | 32.5 | 28.2 | 31.2 |
| Polyethylene (cents/lb) ⁽³⁾ | 60.3 | 67.0 | 68.7 | 65.3 | 67.3 |
| Styrene (cents/lb) ⁽⁴⁾ | 58.0 | 65.2 | 66.8 | 69.3 | 85.6 |
| Caustic soda (\$/short ton) ⁽⁵⁾ | 582.5 | 611.7 | 660.8 | 725.0 | 733.3 |
| Chlorine (\$/short ton) ⁽⁶⁾ | 285.0 | 296.7 | 304.2 | 305.0 | 305.0 |
| PVC (cents/lb) ⁽⁷⁾ | 49.8 | 55.5 | 56.5 | 57.2 | 60.2 |

(1) Industry pricing data was obtained from IHS Chemical. We have not independently verified the data.

(2) Represents average North American spot prices of ethylene over the period as reported by IHS Chemical.

(3) Represents average North American net transaction prices of polyethylene low density GP-Film grade over the period as reported by IHS Chemical.

(4) Represents average North American contract prices of styrene over the period as reported by IHS Chemical.

(5) Represents average North American undiscounted contract prices of caustic soda over the period as reported by IHS Chemical.

(6) Represents average North American contract prices of chlorine (into chemicals) over the period as reported by IHS Chemical.

(7) Represents average North American contract prices of PVC over the period as reported by IHS Chemical. Effective January 1, 2017, IHS Chemical made a non-market downward adjustment of 15 cents per pound to PVC prices. For comparability, we adjusted each prior-year period's PVC price downward by 15 cents per pound consistent with the IHS Chemical non-market adjustment.