

WESTLAKE CHEMICAL CORP  
Form 10-Q  
November 07, 2013

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

Form 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2013

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the Transition Period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-32260

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

Delaware  
(State or other jurisdiction of incorporation or organization)  
2801 Post Oak Boulevard, Suite 600  
Houston, Texas 77056  
(Address of principal executive offices, including zip code)  
(713) 960-9111  
(Registrant's telephone number, including area code)

76-0346924  
(I.R.S. Employer Identification Number)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer  Accelerated filer   
Non-accelerated filer  (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes  No

The number of shares outstanding of the registrant's sole class of common stock as of November 1, 2013 was 66,770,803.

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## WESTLAKE CHEMICAL CORPORATION

## CONSOLIDATED BALANCE SHEETS

(Unaudited)

	September 30, 2013	December 31, 2012
	(in thousands of dollars, except par values and share amounts)	
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$591,556	\$790,078
Marketable securities	125,597	124,873
Accounts receivable, net	433,025	400,159
Inventories	451,571	399,298
Prepaid expenses and other current assets	18,809	14,700
Deferred income taxes	22,293	22,305
Total current assets	1,642,851	1,751,413
Property, plant and equipment, net	1,952,918	1,510,048
Equity investments	65,488	43,736
Other assets, net		
Intangible assets, net	159,376	48,292
Deferred charges and other assets, net	102,816	58,707
Total other assets, net	262,192	106,999
Total assets	\$3,923,449	\$3,412,196
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable	\$258,067	\$217,050
Accrued liabilities	174,619	181,460
Total current liabilities	432,686	398,510
Long-term debt	763,849	763,761
Deferred income taxes	410,166	326,290
Other liabilities	51,691	51,379
Total liabilities	1,658,392	1,539,940
Commitments and contingencies (Notes 7 and 16)		
Stockholders' equity		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, \$0.01 par value, 150,000,000 shares authorized; 67,276,761 and 67,187,224 shares issued at September 30, 2013 and December 31, 2012, respectively	673	672
Common stock, held in treasury, at cost; 506,525 and 284,493 shares at September 30, 2013 and December 31, 2012, respectively	(32,711	) (13,302
Additional paid-in capital	509,295	496,254
Retained earnings	1,798,721	1,399,472
Accumulated other comprehensive loss	(10,921	) (10,840
Total stockholders' equity	2,265,057	1,872,256
Total liabilities and stockholders' equity	\$3,923,449	\$3,412,196

The accompanying notes are an integral part of these consolidated financial statements.

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WESTLAKE CHEMICAL CORPORATION  
 CONSOLIDATED STATEMENTS OF OPERATIONS  
 (Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
	(in thousands of dollars, except per share data and share amounts)			
Net sales	\$1,004,165	\$821,175	\$2,807,859	\$2,770,000
Cost of sales	699,694	648,996	2,002,092	2,223,288
Gross profit	304,471	172,179	805,767	546,712
Selling, general and administrative expenses	37,869	29,662	109,883	87,592
Income from operations	266,602	142,517	695,884	459,120
Other income (expense)				
Interest expense	(3,297	) (11,934	) (14,921	) (35,682
Debt retirement costs	—	(7,082	) —	(7,082
Gain from sales of equity securities	—	477	—	16,429
Other (expense) income, net	(287	) 1,222	3,137	3,676
Income before income taxes	263,018			