

WESTLAKE CHEMICAL CORP
Form 10-Q
July 31, 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 June 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
76-0346924
(I.R.S. Employer Identification Number)

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)

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 July 24, 2013 was 66,812,858.

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

WESTLAKE CHEMICAL CORPORATION

CONSOLIDATED BALANCE SHEETS

(Unaudited)

	June 30, 2013	December 31, 2012
	(in thousands of dollars, except par values and share amounts)	
ASSETS		
Current assets		
Cash and cash equivalents	\$625,501	\$790,078
Marketable securities	29,969	124,873
Accounts receivable, net	475,638	400,159
Inventories	427,139	399,298
Prepaid expenses and other current assets	20,773	14,700
Deferred income taxes	22,103	22,305
Total current assets	1,601,123	1,751,413
Property, plant and equipment, net	1,785,574	1,510,048
Equity investments	48,480	43,736
Other assets, net		
Intangible assets, net	161,324	48,292
Deferred charges and other assets, net	111,834	58,707
Total other assets, net	273,158	106,999
Total assets	\$3,708,335	\$3,412,196
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$247,007	\$217,050
Accrued liabilities	147,449	181,460
Total current liabilities	394,456	398,510
Long-term debt	763,820	763,761
Deferred income taxes	386,789	326,290
Other liabilities	50,784	51,379
Total liabilities	1,595,849	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; 67,258,512 and 67,187,224 shares issued at June 30, 2013 and December 31, 2012, respectively	673	672
Common stock, held in treasury, at cost; 446,825 and 284,493 shares at June 30, 2013 and December 31, 2012, respectively	(26,585) (13,302
Additional paid-in capital	506,609	496,254
Retained earnings	1,643,515	1,399,472
Accumulated other comprehensive loss	(11,726) (10,840
Total stockholders' equity	2,112,486	1,872,256
Total liabilities and stockholders' equity	\$3,708,335	\$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 June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(in thousands of dollars, except per share data and share amounts)			
Net sales	\$939,047	\$913,958	\$1,803,694	\$1,948,825
Cost of sales	665,560	712,062	1,302,398	1,574,292
Gross profit	273,487	201,896	501,296	374,533
Selling, general and administrative expenses	38,260	30,918	72,014	57,930
Income from operations	235,227	170,978	429,282	316,603
Other income (expense)				
Interest expense	(5,343) (11,571) (11,624) (23,748
Gain from sales of equity securities	—	15,952	—	15,952
Other (expense) income, net	(95) 1,107	3,424	2,454
Income before income taxes	229,789	176,466	421,082	311,261
Provision for income taxes	83,973	60,965		