

AXIALL CORP/DE/
Form DFAN14A
April 25, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 14A

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under § 240.14a-12

AXIALL CORPORATION

(Name of Registrant as Specified in its Charter)

WESTLAKE CHEMICAL CORPORATION

(Name of Person(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

On April 25, 2016, Westlake Chemical Corporation (Westlake) posted the following investor presentation related to Westlake s proposed acquisition of Axiall Corporation (Axiall) and Westlake s nomination of candidates for election to the board of directors of Axiall on Westlake s website:

Rationale for Proposed Combination with Axiall Corporation
April 2016
Westlake Chemical

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Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements are limited to, statements regarding Westlake Chemical Corporation's (Westlake) proposal to acquire Axiall Corporation (Axiall) (including financing of the proposed transaction and the benefits, results, effects and timing of a transaction), all statements regarding Westlake's (and Westlake's combined)

expected future financial position, results of operations, cash flows, dividends, financing plans, business strategy, budgets, capital requirements, growth opportunities, plans and objectives of management, estimated synergies from the proposed transaction and similar forward-looking words, such as may, will, could, would, should, project, believe, anticipate, expect, intend, forecast, approximate, intend, upside, and the like, or the use of future tense. Statements contained herein concerning economic performance, anticipated profitability, revenues, expenses, dividends or other financial items, and product or service line growth of Westlake (and the combined businesses of Westlake and Axiall), together with other statements that are not historical facts, are forward-looking statements reflecting the best judgment of Westlake based upon currently available information. Statements concerning current conditions that they imply a continuation of current conditions.

Such forward-looking statements are inherently uncertain, and stockholders and other potential investors must recognize that actual results may differ from Westlake's expectations as a result of a variety of factors, including, without limitation, those discussed below. Such forward-looking statements are based upon management's current expectations and include known and unknown risks, uncertainties and other factors, many of which are beyond Westlake's control, that may cause Westlake's actual results, performance or plans with respect to Axiall to differ materially from any future results, performance or plans expressed or implied by such forward-looking statements. These statements involve risks, uncertainties and other factors discussed from time to time in Westlake's filings with the Securities and Exchange Commission (the SEC).

Risks and uncertainties related to the proposed business combination transaction include, but are not limited to: (i) the ultimate consummation of the transaction between Westlake and Axiall, including the possibility that Axiall will not accept a transaction with Westlake, (ii) the ultimate outcome and results of integrating the operations of Westlake and Axiall if a transaction is consummated, (iii) the ability to obtain regulatory approvals and meet other closing conditions to any possible transaction, including any necessary stockholder approvals, (iv) potential adverse reactions or changes to business operations from the announcement, pendency or completion of the proposed transaction, (v) competitive responses to the announcement or consummation of the transaction, costs and difficulties related to the integration of Axiall's businesses and operations with Westlake's businesses and operations, (vi) the inability to obtain, or delays in obtaining, cost savings and synergies from the proposed transaction, (vii) uncertainties as to whether the consummation of the transaction or any transaction will have the accretive effect on Westlake's earnings or cash flows that it expects, (viii) unexpected expenses resulting from the proposed transaction, (ix) litigation relating to the proposed transaction, (x) the inability to retain key personnel, and (xi) changes in general economic and/or industry-specific conditions.

In addition to the factors set forth above, other factors that may affect Westlake's plans, results or stock price are set forth in Westlake's Annual Report on Form 10-K and in its reports on Forms 10-Q and 8-K.

Many of these factors are beyond Westlake's control. Westlake cautions investors that any forward-looking statements made here are based on current expectations of future performance. We do not intend, and undertake no obligation, to publish revised forward-looking statements to reflect events or circumstances after the date of this communication or to reflect the occurrence of unanticipated events.

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Additional Information
This
communication
relates
to
a
proposal
which
Westlake
has
made
for
a
business
combination
transaction
with
Axiall.
In
connection

with
the
solicitation
of
proxies
for
Axiall s
2016
annual
meeting
of
stockholders
(including
any
adjournment
or
postponement
thereof
and
any
meeting
of
Axiall s
stockholders
that
may
be
called
in
lieu
thereof,
the

Annual Meeting), Westlake filed a definitive proxy statement in connection therewith on Schedule 14A with the SEC on April 25, 2016. The proposal and subject to future developments, Westlake (and, if a negotiated transaction is agreed, Axiall) may also file one or more registration statements, tender offer statements, prospectuses or other documents with the SEC. This communication is not a substitute for a registration statement, tender offer statement, prospectus or other document. Westlake and/or Axiall has

filed
or
may
file
with
the
SEC
in
connection
with
the
proposed
transaction.
INVESTORS
AND
SECURITY
HOLDERS
OF
WESTLAKE
AND
AXIALL
ARE
URGED
TO
READ
THE
WESTLAKE
PROXY
STATEMENT
AND
ANY
OTHER
PROXY
STATEMENT(S), REGISTRATION STATEMENT(S), TENDER OFFER STATEMENT(S), PROSPECTUS(ES) AND OTHER DOCUMENTS
THEIR ENTIRETY IF AND WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION RELATIVE TO THIS
TRANSACTION.
Westlake
expects
to
mail
the
Westlake
Proxy
Statement
and
accompanying
GOLD
proxy
card
to

stockholders
of
Axiall
promptly
after
Axiall
sets
the
record
date and
meeting date for the 2016 Annual Meeting. Any other definitive proxy statement(s) or prospectus(es) (if and when available) v
Axiall,
as
applicable.
Investors
and
security
holders
will
be
able
to
obtain
copies
of
these
documents
(if
and
when
available)
as
well
as
other
filings
containing
information
about
Westlake and Axiall, without charge, at the SEC's website, <http://www.sec.gov>. Those documents, when filed, as well as West
without
charge
at
Westlake's
website
at
<http://www.westlake.com>.
Participants in Solicitation
Westlake,
Westlake

NG
IV
Corporation
and
certain
of
their
respective
directors
and
executive
officers
and
the
individuals
nominated
by
Westlake
for
election
to
Axiall s
Board
of
Directors
may
be
deemed
to
be
participants
in
any
solicitation
of
proxies
from
Axiall s
stockholders
in
connection
with
the
Annual
Meeting
and/or
the
proposed
transaction,
as

applicable, under the rules of the SEC. Information about the participants, including a description of their direct and indirect interest in the Westlake Proxy Statement and will be available in any other proxy statement(s) or prospectus(es) (if and when available). Westlake using the contact information above. Investors may obtain additional information regarding the interest of such participants in any other proxy statement/prospectus regarding the proposed transaction if and when they become available.

This document shall not constitute an offer to sell, buy or exchange or the solicitation of an offer to sell, buy or exchange any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful

prior
to
registration
or
qualification
under
the
securities
laws
of
any
such
jurisdiction.
No
offering
of
securities
shall
be
made
except
by
means
of
a
prospectus
meeting
the
requirements
of
Section
10
of
the
U.S.
Securities
Act
of
1933,
as
amended.

Contacts

Media Inquiries:

Sard

Verbinnen

& Co

Jim Barron / Robin Weinberg, (212) 687-8080

jbarron@sardverb.com / rweinberg@sardverb.com

Investor Inquiries:

Westlake Chemical Corp.

Steve Bender, (713) 960-9111

or

MacKenzie

Partners

Dan Burch / Charlie Koons, (212) 929-5708

dburch@mackenziepartners.com / ckoons@mackenziepartners.com

Key Topics to be Addressed

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I.

Summary of Westlake Proposal and Decision To Nominate Directors

II.

Why Westlake: History of Value Creation

III.

Westlake Proposal: Highly Compelling Value Proposition

IV.

Axiall: Failure to Create Shareholder Value

V.

Westlake Director Nominees: Independent and Well Qualified to Create Shareholder Value

Summary of Westlake Proposal and Decision To
Nominate Directors

Highly Compelling Proposal to Axiall
Shareholders

5

Substantial

Premium

143%

premium

to

the

closing

share

price

as

of

January

22,

2016

(a)

Attractive

Valuation

Total value of the revised proposal is

\$3.1 billion, which represents 9.3x Axiall s

LTM

Adjusted

EBITDA

(b)

for

the

whole

Axiall

group,

including

Building

Products

Cash

and Stock

Consideration

Cash

and

stock

proposal

values

Axiall

at

\$23.35

per

share

(c)

Consideration includes \$14.00 cash

provides immediate liquidity and certainty

Stock

consideration

of

0.1967

of

a

Westlake

share,

or

\$9.35

per

share

(c)

Compelling

Strategic Logic

Improved scale, resiliency and product / geographic diversity

Backward integration into ethylene

Improved financial profile with anticipated investment grade rating

Significant

Synergies

Upside potential through stock component in proposal

Expected \$90-100mm annual synergies

Speed to

Closing and

Certainty

No financing contingency

No anticipated regulatory issues

Dedicated resources in

place to ensure an efficient integration

(a)

Revised Proposal of \$23.35 per share reflects \$14 per share in cash and 0.1967 in Westlake common stock based on the closing price of Westlake common stock on January 22, 2016 (the last trading date before the revised proposal was made public). Implied premium is based off the unaffected closing price of Axiall stock on January 22, 2016.

(b)

LTM EBITDA of \$330.3mm for FY2015

(c)

Based on closing price of Westlake stock on April 1, 2016 (the last trading date before Westlake's revised proposal was made public).

Strategically Compelling Proposal

6

Axiall Standalone Strategy

Combined Westlake-Axiall Strategy

Announced initiatives are not game changers

and are likely already priced into the stock

Proposal reflects 143% premium to unaffected stock price

(a)

for the whole Axiall

group, including Building

Products

Maintain opportunity to capture cycle recovery through a stronger company with a clear value creation strategy

Bet on volatile commodity prices

Long-term integration strategy captures value throughout commodity cycle

Stock consideration facilitates
Axiall shareholder
participation in cyclical recovery
Building Products divestment strategy results
in riskier
business profile and cost
disadvantaged operating model
Increased scale
improves cost position
Maintain strategic flexibility through
strong balance
sheet
History of value
destructive acquisitions and
mergers (PPG Commodity Chemicals, Royal
Building Products)
Over-levering business resulted in equity
holders getting nearly wiped out in 2009 debt
for equity exchange
Strong balance sheet support continued investment in
the business (upstream
and downstream)
Experienced management with strong track record of
value creation and history
of delivering on commitments

(a)

Revised Proposal of \$23.35 per share reflects \$14 per share in cash and 0.1967 in Westlake common stock based on the closing revised proposal was made public). Implied premium is based off the unaffected closing price of Axiall stock on January 22, 2014.

Background to the Proposed Combination

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(a)

Initial Proposal of \$20 per share reflects \$11 per share in cash and 0.1967 in Westlake common stock based on the closing price of Westlake common stock on January 22, 2016 (the last trading date before Westlake's initial proposal was made public).

(b)

Revised Proposal of \$23.35 per share reflects \$14 per share in cash and 0.1967 in Westlake common stock based on the closing price of Westlake common stock on January 22, 2016 (the last trading date before Westlake's revised proposal was made public). Implied premium is based off the unaffected closing price of Axiall stock on January 22, 2016.

January 25:

Westlake

meets

with

Axiall

and

indicates
a
desire
to
acquire
the
business
for
\$20
per
share
representing
108%
premium
(Initial
Proposal)
(a)
January 27:
Axiall
rejects the Initial Proposal
February 16:
Westlake
informs
Axiall
of
its
intention
to
nominate
directors
at
Axiall s
next
Annual
Meeting
March 7:
Westlake
issues
public
letter
voicing
concern
about
Axiall
management s
unwillingness
to
negotiate
and
strategy

to
sell the Building Products business in the face of a proposal for the entire company
March 8:
Axiall
informs Westlake of its willingness to engage in discussions
March 18 -
28:
Westlake
attends
Axiall
management
presentation
and
undertakes
limited
due
diligence
Axiall
provided
March 29:
Westlake
privately
increases
its
proposal
to
\$23.35
per
share,
representing
143%
premium
(b)
(Revised
Proposal)
March 31:
Axiall
rejects the Revised Proposal, apparently preferring a standalone strategy including a sale of Building Products
April 1:
Following
a
request
for
feedback
on
the
Revised
Proposal,
Axiall s
advisors

inform
Westlake
they
have
been
instructed not to provide any feedback or guidance
April 4:
Given
Axiall's
unwillingness
to
negotiate,
Westlake
makes
public
its
Revised
Proposal
representing
143%
premium
April 8, 11:
Westlake
informs
Axiall
it
will
not
bid
for
the
Building
Products
business
and
indicates
its
concern
over
the
hastiness
and
potential
value
destruction
associated
with
a
Building
Products

sale

No Alternative Other Than to Go Directly to Shareholders

8

Westlake continues to believe that its proposal is in the best interests of Axiall shareholders

The Revised Proposal represents significantly greater value and certainty than Westlake believes can be achieved by Axiall's standalone strategy

Cash component provides certainty at a premium to unaffected stock price and stock component allows for upside value creation in a larger and more diverse company

However, the Axiall

Board refuses to provide feedback or negotiate with Westlake regarding its Revised Proposal

As a result, Westlake is moving forward with the nomination of nine independent, experienced and highly-qualified directors

Westlake urges all Axiall

shareholders to elect new directors at Axiall's

Annual

Meeting by voting for the GOLD card

Why Westlake: History of Value Creation

Acquired Certain
Teed, Petro 2
Ethylene &
Geismar
Chlor
Alkali Expansion
A History of Strong Integration and Strategic Growth
Capacity
(mm lbs.)
Vinyls
Olefins

Company Begins
Operation in LC
Acquired
VCM in
Calvert
Started Petro 1
Acquired PVC
Plant
Acquired Geismar
VCM/PVC Plant
Acquired
1 Pipe
Plant
Acquired 3 Pipe
Pants; Calgary
Window Plant
Start
Suzhou
China
Film
Plant
Increased LDPE
By 500 mm/lbs
Acquired CAO
Started Petro 2
Started
Poly 3
Started Suzhou
PVC
Plant
Acquired NY
Windows
Plant
Started Styrene
Acquired 3 Pipe Plants
IPO
20th
Anniversary
Acquired
Longview
10
Acquired Vinnolit,
Calvert City Ethylene
/ PVC Expansion
Petro 1
Ethylene
Expansion
0
2,000
4,000

6,000
8,000
10,000
12,000
14,000
16,000
18,000
20,000
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
2006
2008
2010
2012
2014
2016

Westlake's History of Superior Profit Growth Driven by
Efficient Capital Deployment

11

Westlake has a proven history that maximizes
returns and builds shareholder value

High-return strategy prioritizing brownfield /
de-bottlenecking initiatives

Axiall s

strategy has been value destructive

Underinvestment in operations has resulted
in outages and earnings underperformance

Past acquisitions have destroyed
shareholder value (2006 Royal Building

Products

(a)

acquisition and 2013 PPG

Commodity Chemicals merger)

Pursuing current Building Products sale

process while spurning Westlake's superior proposal demonstrates the apparent misalignment between Axiall management's and shareholders' interests

(a)

At the time

known as Royal Group Technologies

Source:

Public filings

Gross PP&E, '05 -

'15 CAGR (%)

Axiall Board and Management Ownership
Comparison
of
Total
Shareholder
Return

Last
10
Years

(a)
Westlake share ownership at board and
management level aligns interests with
those of shareholders
Westlake has delivered superior total
shareholder return relative to competitors

and the S&P 500

Alignment of Interests Between Westlake's Top Management
and Shareholders is Key to Westlake's Value Creation

12

Source: Thomson, 13F filings as of December 31, 2015 and subsequent 13D/G filings, public filings, Bloomberg. Market data

(a)

10 years from January 20, 2006 to January 22, 2016, which is the last trading date before Westlake's initial proposal was made

(b)

Includes Tim Mann (CEO) (Form 4, March 10, 2016), Gregory Thompson (CFO) (Form 4, March 10, 2016), Simon Bates (SVP,
Counsel) (Form 4, March 10, 2016), Bill Doherty (SVP, Chemicals) (Form 4, March 10, 2016), and Dean Adelman (VP, Human Resources)

241.7 %

(98.6)%

11.1 %

86.9 %

Westlake

Axiall

Olin

S&P 500

Conversely, Axiall has limited ownership at
board and management level

Entirety of Axiall Senior Leadership Team

owns

less

than

1%

of

Axiall

shares

(less

than Westlake owns)

Institutional and Retail

94.6%

Axiall

Board

0.2%

Axiall

Management

0.8%

Westlake

4.4%

(b)

Westlake Proposal: Highly Compelling Value
Proposition

Combination Creates a
North American
Vinyls
Leader

14

Note:

PVC and Chlor-alkali represent respective companies capacity levels

Source:

IHS Chemical

North

American

PVC

capacity

North

America

Chlor-alkali

capacity

Top 3 North American PVC / Chlor-alkali producer

0

500

1,000

1,500

2,000

2,500

3,000

Shintech

Combined

Oxy

FPC

Axiall

Mexichem

Westlake

0

1,000

2,000

3,000

4,000

5,000

6,000

Olin

Oxy

Combined

Axiall

Shintech

FPC

Westlake

Highly Integrated Chain in the U.S. Should Enhance
Margin Stability for the Combined Company

15

The combined company is expected to have a lower cost structure due to integration which enhances margin stability

With its operational expertise and strong balance sheet, Westlake should be able to efficiently access significant additional ethylene capacity

v

Polyethylene

Styrene

Chlorine

Ethylene

Vinyls

PVC

Building

Products

Gas-based

feedstock

capability
Ethylene Expansion
Expansion
Olefins
Vinyls

Combination Would Create a Stronger Company With
Demonstrated Track Record of Enhancing Shareholder Value

16

2015 net sales (\$bn)

2015 EBITDA margin (%)

Net debt / 2015 EBITDA

Who would you rather
be a shareholder of?

Axiall?

Westlake + Axiall?

Smaller, one-dimensional
company with exposure to a
single, volatile commodity

Larger, more stable producer
with product and value-chain
diversification to capture
margins throughout

cycle

Leveraged,

small-scale

company and shrinking

Robust balance sheet with

investment grade ratings

History of value-destructive

investments

Track record of earnings

growth through disciplined

investments and acquisitions

3.8x

3.2x

1.9x

1.0x

(0.3x)

Olin

Axiall

Mexichem

WLK + AXLL

Westlake

28%

21%

16%

13%

10%

Westlake

WLK + AXLL

Mexichem

Olin

Axiall

\$7.8

\$6.9

\$5.7

\$4.5

\$3.4

WLK + AXLL

Olin

Mexichem

Westlake

Axiall

Note:

Combined financials illustratively include \$95m of expected synergies, which is the midpoint of Westlake's \$90-100mm synergy consideration. Olin sales and EBITDA figures are 2014 Pro Forma per S-4 filed September 2, 2015 (Olin EBITDA includes \$2

Source:

Public filings

Westlake Believes Axiall's
View of Synergies is Unrealistic and Overly Optimistic
Axiall's
synergy estimates were prepared without any familiarity with Westlake operations or input from Westlake
Excludes dis-synergies
and costs to achieve
Overly reliant on difficult to achieve revenue synergies
Significant Potential Upside from Synergy
Opportunity for Axiall
Shareholders
Westlake Synergy View
Total
expected
run-rate
synergies
of
\$90-100mm
reflected
in

proposal

of

\$23.35

(a)

Synergy estimate prepared following careful review of business overlap including cost to achieve and potential dis-synergies in combination

Westlake's proposal provides Axiall shareholders with the opportunity to participate in any additional synergy creation through the stock component

17

General &

Administrative

Procurement /

Supply Chain

Manufacturing

Sales & Marketing

(a)

Based on closing price of Westlake stock on April 1, 2016 (the last trading date before Westlake's revised proposal was made

\$14.00

\$9.35

\$23.35

\$9.60

\$11.32

Westlake Proposal

Axiall Pre-Proposal Price

(Jan. 22)

Implied Axiall Share Price

Based on Olin Performance

Since Unaffected Date

Westlake Proposal Allows Axiall

Shareholders to Crystallize

Value and Participate in Upside Potential and Synergies

18

(3%)

Source:

FactSet

(11%)

Significant downside

risk for Axiall

shareholders

Westlake's proposal represents
a significant premium to Axiall's
unaffected share price

Cash component crystallizes

\$14 in value

on its own a

premium to Axiall's unaffected
share price, providing certainty
relative to Axiall's standalone
plan

Significant participation in
combined company upside
including synergy value through
stock component

(b)

(a)

Note:

Axiall Pre-Proposal Price is based off the unaffected closing price of Axiall stock on January 22, 2016 (the last trading date before

(a)

Revised Proposal of \$23.35 per share reflects \$14 per share in cash and 0.1967 in Westlake common stock based on the closing price of Westlake common stock as of January 22, 2016 (Westlake's revised proposal was made public).

(b)

Calculated as Axiall unaffected share price on January 22, 2016 of \$9.60 multiplied by (1+18%) (Olin share price return from January 22, 2016 to January 22, 2017)

Axiall: Failure to Create Shareholder Value

Axiall Management Has Repeatedly
Failed to Deliver on Expectations

20

At various points over last 4 years, Axiall announced
that ECU margins have reached a trough or a floor level
Jul 19,

2012

(a)`

we illustrate the dramatic improvement in mid-cycle and
trough EBITDA
that comes from this combination. We expect
combined mid-cycle EBITDA of over \$850 million, including cost
synergies [] Likewise, trough EBITDA for the combined company
will exceed \$550 million

Dec

3,
2013

(b)
2013-2016 Growth 2-3% per year
plus exports will balance market

May 6,
2014

(c)
And I would say, at this level, there's a bit of pain to go much lower than where we were or have been. So, that's another reason for saying that we expected, as a general comment, that we were at the floor of ECUs at this point in time.

Nov 3,
2015

(d)
We also want to be respectful of the balance sheet and the right level of leverage given the tough conditions that we're at right now.

Feb 11,
2016

(e)
Axiall expects to have significant operating leverage as the chlor-alkali industry comes out of the trough
Industry capacity rationalization underway; historically, caustic prices start to recover within approximately 6-12 months

Feb 25,
2016

(f)
We now believe that we have bottomed and that we are at the beginning of what should be a multiyear improvement in ECU margins as the cycle turns

Axiall
Forecasted
Performance
through
Cycle

(a)
Facts

/
Realized
Performance

(g)
Axiall has underperformed investor expectations every year since merger with PPG

Commodity

Chemicals

(h)

Axiall s

Management has been unable to assess trough performance levels for its business

>\$850

>\$550

\$ 672

\$ 436

\$ 330

Mid-Cycle

Trough

FY 2013A

FY 2014A

FY 2015A

\$826

\$740

\$585

\$329

\$672

\$436

\$330

?

FY 2013A

FY 2014A

FY 2015A

FY 2016E

Consensus Broker Estimates

Dec-31 Realized LTM EBITDA

(19)%

(41)%

(44)%

Source:

Axiall

public filings, earnings

release transcripts,

investor presentations

(a)

Paul

Carrico,

PPG

merger

transcript

and

presentation.

Includes

projected

EBITDA

contribution

of
the
divested
Aromatics
business
of
approximately
\$40mm
and
\$15mm
in
the
Mid-Cycle
and
Trough
estimates,
respectively.
Realized
performance
of
the
Aromatics
business
is
included
in
the
FY
2013A
and
FY
2014A
realized
EBITDA
but
not
in
FY
2015A
(as
the
business
was
divested)
/
(b)
Citibank
Basic
Materials
Conference,

quote
from
presentation
/

(c)
Paul
Carrico,
President
&
CEO,
2014

Q1
Earnings
Call
Q&A
/

(d)
Greg
Thompson,
CFO,
2015

Q3
Earnings
Call
Q&A
/

(e)
Axiall
Investor
Update
presentation
released

on
February
11,
2016
/

(f)
Tim
Mann,
CEO,
Q4

2015
Earnings
Call
/

(g)
Synergy
amount
from

Georgia
Gulf
and
PPG
Chemicals
RMT
of
\$140mm
as
per
Greg
Thompson,
CFO,
at
Bank
of
America
Merrill
Lynch
Leveraged
Finance
Conference,
December
3,
2014
/
(h)
For
historical
periods
(FY
2013,
FY
2014,
FY
2015),
consensus
broker
estimates
reflect
IBES
median
estimate
as
of
January
1
of
the
corresponding

period.

For

the

projected

period

(FY

2016E),

the

consensus

broker

estimate reflects the current IBES median estimate as of April 22, 2016

Axiall
Has a Track Record of Value Destruction
21
Source:
Axiall
filings
Strategic Decision
Outcome
Overpaid for Acquisition
of Building Products
(2006, 2011)
Acquired
Royal
Group
Technologies

for
~\$1.6bn;
transaction
entirely
financed
with
debt,
bringing
leverage
to
~6.5x
end
of
FY2007
Acquired Crane Plastics Siding for ~\$72mm
Sold
Window
and
Door
Profiles
and
Solucor
for
a
combined
\$41mm
Investments in Building
Products business of
~\$1.7bn
Total expected proceeds
from sale of Building
Products
of
~\$0.7bn
(a)
Weakened Balance Sheet
Leads to Costly Debt for
Equity Exchange
(2009)
Poorly
positioned in 2009 to deal with financial distress with a significantly weakened balance sheet
Executed
a
debt
for
equity
exchange
which
nearly
wiped-out

all
value
of
shareholders
Overpaid
for Merger with
PPG Commodity
Chemicals
(2013)
Merger with PPG Commodity Chemicals for ~\$2.1bn driven by apparent desire to remain
independent in response to earlier proposal from Westlake
~\$850mm
impairment
charge
taken
in
2015
from
the
PPG
merger
Missed Ethylene Super-
Cycle Due to Misguided
Strategy and Slow
Execution
(2009 -
2019)
Failed
to
backward
integrate
chlorovinyls
operations
into
ethylene,
and
missed
the
Ethylene
Super-
Cycle
Announced
ethylene
JV
not
expected
on-line
until
2019
at

earliest;

Axiall

will

not

realize

benefit

until

almost a decade after the beginning of the Ethylene Super-Cycle

Rejection of Attractive

Westlake Proposal

(2016)

Axiall

rejected

Westlake's

proposal

representing

143%

premium

(b)

(a)

Reflects sale of Window and Door Profiles and Solucor for a combined \$41mm plus midpoint of Axiall's estimated range of \$ press release dated April 7, 2016.

(b)

Revised Proposal of \$23.35 per share reflects \$14 per share in cash and 0.1967 in Westlake common stock based on the closing revised proposal was made public). Implied premium is based off the unaffected closing price of Axiall stock on January 22, 2016.

Axiall s
Major Initiatives Have
Not Unlocked Value for Shareholders
22
Axiall s
So-Called
Major
Initiatives
(a)
Stock Price Impact
on Announcement
Date
Stock
Price
Performance since
Announcement

Date

(b)

?

Summer

2015:

Renegotiation of ethane

cracker

joint

venture

with

Lotte

Chemical

0.7%

(75.6)%

?

July 2015:

Paul Carrico

resigns; Tim Mann

appointed Interim President and CEO;

named President and CEO, November 2015

4.1%

(71.8)%

?

October

2015:

Sale of aromatics business

resulting in up to \$93 million in proceeds

(0.8)%

(38.8)%

?

December 2015:

Final investment decision

reached on ethane cracker joint venture

(3.0)%

(29.9)%

?

February 2016:

Realized 25% of \$100

million

cost

reduction

target

(c)

Likely priced-in given objective was previously

announced and at this stage only partially reached

?

February 2016:

Announces sale of Window

and

Door

Profiles
and
Solucor
Business

(c)

Sale of Building Products business puts value at risk

(a)

According to Axiall Investor Update presentation on February 11, 2016, except for announcement of sale of Window and Door

(b)

Stock price performance represents percent change from announcement to unaffected stock price of \$9.60 on January 22, 2016

(c)

Stock price reaction not shown where event occurred after Westlake proposal was made public

Note:

Assumed announcement dates as follows: ethane cracker JV renegotiated on June 17, 2015, Tim Mann appointed interim CEO
ethane JV on December 17, 2015 and 25% realization of cost reduction on February 11, 2016

Westlake Director Nominees: Independent and
Well Qualified to Create Shareholder Value

Board Nominee
Independent
CEO / CFO
Experience
Chemicals / Energy
Industry Expertise
M&A / Finance
Experience
Public Company
Board
Experience
Steven Blank
Michael Campbell
Charles Crew
(a)

Ruth Dreessen

Angela Minas

David Reeves

(a)

James Swent III

Gary Whitlock

Randy Woelfel

(a)

Experience of Axiall

Board Nominees

24

(a)

Private company Board experience. Charles Crew serves on the board of directors of Dubois Chemicals Company and Restau
Company board of directors from 2012 to 2014. Randy Woelfel served as CEO and a director of NOVA Chemicals from 2009

Nominee

Age

Experience

Steven Blank

61

Former Executive Vice President, CFO and Treasurer of NuStar GP, LLC and NuStar GP Holdings LLC

Currently an Independent Director of TransMontaigne GP, L.L.C. the general partner of TransMontaigne Partners L.P., and Dakota Plains Holdings, Inc.

Michael Campbell

69

Former Chairman, President and CEO of Arch Chemicals, Inc., and Executive Vice President of Olin Corporation

Currently an Independent Director of WestRock Company

Former Director of Milliken & Company and former Chairman of the American Chemistry Council

Charles Crew

64

Former Executive Vice President and President, CEO, SABIC Innovative Plastics, Saudi Basic Industries Corporation (SABIC) and long-time executive of GE Plastics, General Electric Company (GE)

Currently an Independent Director of DuBois Chemicals

Ruth Dreessen

60

Managing Director of Lion Chemical Partners LLC

Former Executive Vice President and CFO of TPC Group Inc. and Senior Vice President and CFO of Westlake Chemical Corporation from 2003-2005

Currently Chairman of Gevo

Former Director of Georgia Gulf Corporation (a predecessor to Axiall) from 2001-2003, Targa Resources Partners LP and Versar, Inc.

Angela Minas

52

Independent Director and Chair of the Audit Committee of CONE Midstream Partners LP and Independent Director of Ciner Resources LP (formerly OCI Resources LP)

Former Vice President and CFO of DCP Midstream Partners

Proposed Axiall Board Nominees

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Nominee

Age

Experience

David Reeves

60

Former President of Strategy, Planning and Technology, and long-time executive of Chevron Corporation

Former Director of ChevronPhillips Chemical Company (CPChem)

James Swent III

65

Former Executive Vice President and CFO of Ensco plc., Co-Founder and Managing Director of Amrita Holdings, LLC, CFO and CEO of Cyrix Corporation and CFO and CEO of American Pad and Paper Company

Gary Whitlock

66

Former Executive Vice President and CFO of CenterPoint Energy, Inc. and Vice President of Finance and CFO of Dow AgroSciences, a subsidiary of The Dow Chemical Company

Former Director of various Dow entities, Texas Genco Holdings, Inc., KiOR, Inc. and Enable Midstream Partners, LLC

Randy Woelfel

61

Former CEO of NOVA Chemicals, Inc., President of Basell International and Basell North America (now part of LyondellBasell) and longtime employee of Royal Dutch Shell plc (Shell)

Currently an Independent Director of Black & Veatch and advisor to several petrochemicals and plastics companies

Proposed Axiall Board Nominees

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Conclusions
Vote GOLD Card for New Director Nominees
27

Why Westlake: History of Value Creation

Westlake Proposal: Highly Compelling Value
Proposition

Axiall: Failure to Create Shareholder Value

Westlake Director Nominees: Independent
and Well Qualified to Create Shareholder
Value
Vote GOLD Card to
Elect New Director
Nominees