

**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, 2023**

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. 001-36567

Westlake Chemical Partners LP

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

32-0436529
(I.R.S. Employer
Identification No.)

2801 Post Oak Boulevard, Suite 600
Houston, Texas 77056
(Address of principal executive offices, including zip code)

(713) 585-2900
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common units representing limited partnership interests	WLKP	The New York Stock Exchange

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 every Interactive Data File required to be submitted 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 such files). **Yes** **No**

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

The registrant had 35,221,868 common units outstanding as of July 27, 2023.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2023	December 31, 2022
(in thousands of dollars, except unit amounts)		
ASSETS		
Current assets		
Cash and cash equivalents	\$ 59,434	\$ 64,782
Receivable under the Investment Management Agreement—Westlake Corporation ("Westlake")	94,230	64,996
Accounts receivable, net—Westlake	45,467	90,965
Accounts receivable, net—third parties	17,443	20,030
Inventories	3,260	4,715
Prepaid expenses and other current assets	718	305
Total current assets	220,552	245,793
Property, plant and equipment, net	963,490	990,213
Goodwill	5,814	5,814
Deferred charges and other assets, net	145,731	130,159
Total assets	\$ 1,335,587	\$ 1,371,979
LIABILITIES		
Current liabilities		
Accounts payable—Westlake	\$ 10,606	\$ 34,087
Accounts payable—third parties	28,759	15,317
Accrued and other liabilities	26,952	17,537
Total current liabilities	66,317	66,941
Long-term debt payable to Westlake	399,674	399,674
Deferred income taxes	1,638	1,656
Total liabilities	467,629	468,271
Commitments and contingencies (Note 12)		
EQUITY		
Common unitholders—publicly and privately held (21,099,638 and 21,099,638 units issued and outstanding at June 30, 2023 and December 31, 2022, respectively)	476,791	480,643
Common unitholder—Westlake (14,122,230 and 14,122,230 units issued and outstanding at June 30, 2023 and December 31, 2022, respectively)	51,282	53,859
General partner—Westlake	(242,572)	(242,572)
Total Westlake Chemical Partners LP partners' capital	285,501	291,930
Noncontrolling interest in Westlake Chemical OpCo LP ("OpCo")	582,457	611,778
Total equity	867,958	903,708
Total liabilities and equity	\$ 1,335,587	\$ 1,371,979

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

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
(in thousands of dollars, except unit amounts and per unit data)				
Revenue				
Net sales—Westlake	\$ 224,575	\$ 365,112	\$ 482,046	\$ 655,769
Net co-products, ethylene and other sales—third parties	39,602	83,673	89,808	155,416
Total net sales	264,177	448,785	571,854	811,185
Cost of sales	176,455	351,483	378,059	622,444
Gross profit	87,722	97,302	193,795	188,741
Selling, general and administrative expenses	7,229	9,919	15,143	18,146
Income from operations	80,493	87,383	178,652	170,595
Other income (expense)				
Interest expense—Westlake	(6,117)	(2,859)	(13,432)	(5,058)
Other income, net	1,061	90	1,881	65
Income before income taxes	75,437	84,614	167,101	165,602
Provision for income taxes	173	175	385	338
Net income	75,264	84,439	166,716	165,264
Less: Net income attributable to noncontrolling interest in OpCo	63,378	68,001	139,938	132,632
Net income attributable to Westlake Chemical Partners LP and limited partners' interest in net income	\$ 11,886	\$ 16,438	\$ 26,778	\$ 32,632
Net income per limited partner unit attributable to Westlake Chemical Partners LP (basic and diluted)				
Common units	\$ 0.34	\$ 0.47	\$ 0.76	\$ 0.93
Weighted average limited partner units outstanding (basic and diluted)				
Common units—publicly and privately held	21,099,638	21,086,988	21,099,638	21,089,573
Common units—Westlake	14,122,230	14,122,230	14,122,230	14,122,230

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

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	<i>Partnership</i>				Total
	Common Unitholders— Publicly and Privately Held	Common Unitholder— Westlake	General Partner— Westlake	Noncontrolling Interest in OpCo	
	(in thousands of dollars)				
Balances at December 31, 2022	\$ 480,643	\$ 53,859	\$ (242,572)	\$ 611,778	\$ 903,708
Net income	8,921	5,971	—	76,560	91,452
Quarterly distribution to unitholders	(9,947)	(6,657)	—	—	(16,604)
Quarterly distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	(88,678)	(88,678)
Balances at March 31, 2023	<u>\$ 479,617</u>	<u>\$ 53,173</u>	<u>\$ (242,572)</u>	<u>\$ 599,660</u>	<u>\$ 889,878</u>
Net income	7,120	4,766	—	63,378	75,264
Quarterly distribution to unitholders	(9,946)	(6,657)	—	—	(16,603)
Quarterly distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	(80,581)	(80,581)
Balances at June 30, 2023	<u>\$ 476,791</u>	<u>\$ 51,282</u>	<u>\$ (242,572)</u>	<u>\$ 582,457</u>	<u>\$ 867,958</u>

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

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

	<i>Partnership</i>				Total
	Common Unitholders— Publicly and Privately Held	Common Unitholder— Westlake	General Partner— Westlake	Noncontrolling Interest in OpCo	
	(in thousands of dollars)				
Balances at December 31, 2021	\$ 481,796	\$ 54,754	\$ (242,572)	\$ 678,720	\$ 972,698
Net income	9,700	6,494	—	64,631	80,825
Quarterly distribution to unitholders	(9,946)	(6,657)	—	—	(16,603)
Quarterly distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	(60,688)	(60,688)
Balances at March 31, 2022	\$ 481,550	\$ 54,591	\$ (242,572)	\$ 682,663	\$ 976,232
Net income	9,846	6,592	—	68,001	84,439
Quarterly distribution to unitholders	(9,943)	(6,657)	—	—	(16,600)
Quarterly distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	(75,130)	(75,130)
Balances at June 30, 2022	<u>\$ 481,453</u>	<u>\$ 54,526</u>	<u>\$ (242,572)</u>	<u>\$ 675,534</u>	<u>\$ 968,941</u>

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

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2023	2022
(in thousands of dollars)		
Cash flows from operating activities		
Net income	\$ 166,716	\$ 165,264
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	53,676	62,291
Loss from disposition of property, plant and equipment	422	3,430
Other losses, net	303	3,371
Changes in operating assets and liabilities		
Accounts receivable—third parties	2,266	(39,027)
Net accounts receivable—Westlake	21,481	82,798
Inventories	1,455	1,450
Prepaid expenses and other current assets	(413)	329
Accounts payable—third parties	15,372	(12,485)
Accrued and other liabilities	9,489	(39,159)
Other, net	(27,364)	(2,595)
Net cash provided by operating activities	<u>243,403</u>	<u>225,667</u>
Cash flows from investing activities		
Additions to property, plant and equipment	(17,169)	(32,334)
Investments with Westlake under the Investment Management Agreement	(164,116)	(170,000)
Maturities of investments with Westlake under the Investment Management Agreement	135,000	147,000
Net cash used for investing activities	<u>(46,285)</u>	<u>(55,334)</u>
Cash flows from financing activities		
Proceeds from debt payable to Westlake	98,500	—
Repayment of debt payable to Westlake	(98,500)	—
Quarterly distributions to noncontrolling interest retained in OpCo by Westlake	(169,259)	(135,818)
Quarterly distributions to unitholders	(33,207)	(33,203)
Net cash used for financing activities	<u>(202,466)</u>	<u>(169,021)</u>
Net increase (decrease) in cash and cash equivalents	(5,348)	1,312
Cash and cash equivalents at beginning of period	64,782	17,057
Cash and cash equivalents at end of period	<u>\$ 59,434</u>	<u>\$ 18,369</u>

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

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

1. Description of Business and Basis of Presentation

Description of Business

Westlake Chemical Partners LP (the "Partnership") is a Delaware limited partnership formed in March 2014 to operate, acquire and develop ethylene production facilities and related assets. On August 4, 2014, the Partnership completed its initial public offering (the "IPO") of 12,937,500 common units representing limited partner interests.

In connection with the IPO, the Partnership acquired a 10.6% limited partner interest in Westlake Chemical OpCo LP ("OpCo") and a 100% interest in Westlake Chemical OpCo GP LLC ("OpCo GP"), which is the general partner of OpCo. OpCo owns three ethylene production facilities and one common carrier ethylene pipeline (collectively, the "Contributed Assets"). Since the IPO, the Partnership has periodically purchased additional limited partner interest in OpCo. Most recently, on March 29, 2019, the Partnership purchased an additional 4.5% newly-issued limited partner interest in OpCo for approximately \$201,445, resulting in an aggregate 22.8% limited partner interest in OpCo, effective January 1, 2019. The remaining 77.2% limited partner interest in OpCo is owned by Westlake Corporation.

Basis of Presentation

The accompanying unaudited consolidated interim financial statements were prepared in accordance with the rules and regulations of the Securities and Exchange Commission (the "SEC") for interim periods. Accordingly, certain information and footnotes required for complete financial statements under generally accepted accounting principles in the United States ("U.S. GAAP") have not been included. These interim consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto of the Partnership included in the annual report on Form 10-K for the fiscal year ended December 31, 2022 (the "2022 Form 10-K"), filed with the SEC on March 1, 2023. These financial statements have been prepared in conformity with the accounting principles and practices as disclosed in the notes to the consolidated financial statements of the Partnership for the fiscal year ended December 31, 2022.

References to "Westlake" refer collectively to Westlake Corporation and its subsidiaries, other than the Partnership, OpCo and OpCo GP.

The Partnership holds a 22.8% limited partner interest and the entire non-economic general partner interest in OpCo. The remaining 77.2% limited partner interest in OpCo is owned directly by Westlake, which has no rights to direct the activities that most significantly impact the economic performance of OpCo. As a result of the fact that substantially all of OpCo's activities are conducted on behalf of Westlake, and the fact that OpCo exhibits disproportionality of voting rights to economic interest, OpCo was deemed to be a variable interest entity. The Partnership, through its ownership of OpCo's general partner, has the power to direct the activities that most significantly impact the economic performance of OpCo, and it also has the obligation or right to absorb losses or receive benefits from OpCo that could potentially be significant to OpCo. As such, the Partnership was determined to be OpCo's primary beneficiary and therefore consolidates OpCo's results of operations and financial position. Westlake's retained interest of 77.2% is recorded as noncontrolling interest in the Partnership's consolidated financial statements.

In the opinion of the Partnership's management, the accompanying unaudited consolidated interim financial statements reflect all adjustments (consisting only of normal recurring adjustments) that are necessary for a fair statement of the Partnership's financial position as of June 30, 2023, its results of operations for the three and six months ended June 30, 2023 and 2022 and the changes in its cash position for the six months ended June 30, 2023 and 2022.

Results of operations and changes in cash position for the interim periods presented are not necessarily indicative of the results that will be realized for the fiscal year ending December 31, 2023 or any other interim period. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. Actual results could differ materially from those estimates.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

2. Accounts Receivable—Third Parties

Accounts receivable—third parties consist of the following:

	June 30, 2023	December 31, 2022
Trade customers	\$ 15,232	\$ 18,813
Allowance for credit losses	(601)	(280)
Other receivables	2,812	1,497
Accounts receivable, net—third parties	<u>\$ 17,443</u>	<u>\$ 20,030</u>

3. Inventories

Inventories consist of the following:

	June 30, 2023	December 31, 2022
Finished products	\$ 2,616	\$ 4,093
Feedstock, additives and chemicals	644	622
Inventories	<u>\$ 3,260</u>	<u>\$ 4,715</u>

4. Property, Plant and Equipment

Depreciation expense on property, plant and equipment of \$20,928 and \$23,888 is included in cost of sales in the consolidated statements of operations for the three months ended June 30, 2023 and 2022, respectively. Depreciation expense on property, plant and equipment of \$41,885 and \$47,884 is included in cost of sales in the consolidated statements of operations for the six months ended June 30, 2023 and 2022, respectively.

5. Deferred Charges and Other Assets

Amortization expense on deferred charges and other assets of \$6,112 and \$7,121 is included in cost of sales in the consolidated statements of operations for the three months ended June 30, 2023 and 2022, respectively. Amortization expense on deferred charges and other assets of \$11,791 and \$14,407 is included in cost of sales in the consolidated statements of operations for the six months ended June 30, 2023 and 2022, respectively.

6. Distributions and Net Income Per Limited Partner Unit

On August 1, 2023, the board of directors of Westlake Chemical Partners GP LLC ("Westlake GP"), the Partnership's general partner, declared a quarterly cash distribution for the three months ended June 30, 2023 of \$0.4714 per unit. This distribution is payable on August 25, 2023 to unitholders of record as of August 11, 2023.

Distributions are declared subsequent to quarter end; therefore, the table below represents total cash distributions declared from earnings of the related periods pertaining to such distributions.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income attributable to the Partnership	\$ 11,886	\$ 16,438	\$ 26,778	\$ 32,632
Less:				
Limited partners' distribution declared on common units	16,604	16,595	33,207	33,195
Distribution in excess of net income	<u>\$ (4,718)</u>	<u>\$ (157)</u>	<u>\$ (6,429)</u>	<u>\$ (563)</u>

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

Net income per unit applicable to common limited partner units is computed by dividing the respective limited partners' interest in net income by the weighted-average number of common units outstanding for the period. Because the Partnership has more than one class of participating securities, it uses the two-class method when calculating the net income per unit applicable to limited partners. The classes of participating securities include common units and incentive distribution rights. Net income attributable to the Partnership is allocated to the unitholders in accordance with their respective ownership percentages in preparation of the consolidated statements of changes in equity. However, when distributions related to the incentive distribution rights are made, net income equal to the amount of those distributions is first allocated to the general partner before the remaining net income is allocated to the unitholders based on their respective ownership percentages. Basic and diluted net income per unit is the same because the Partnership does not have any potentially dilutive units outstanding for the periods presented.

	Three Months Ended June 30, 2023		
	Limited Partners' Common Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:			
Distribution	\$ 16,604	\$ —	\$ 16,604
Distribution in excess of net income	(4,718)	—	(4,718)
Net income	<u>\$ 11,886</u>	<u>\$ —</u>	<u>\$ 11,886</u>
Weighted average units outstanding:			
Basic and diluted	<u>35,221,868</u>		<u>35,221,868</u>
Net income per limited partner unit:			
Basic and diluted	<u>\$ 0.34</u>		

	Three Months Ended June 30, 2022		
	Limited Partners' Common Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:			
Distribution	\$ 16,595	\$ —	\$ 16,595
Distribution in excess of net income	(157)	—	(157)
Net income	<u>\$ 16,438</u>	<u>\$ —</u>	<u>\$ 16,438</u>
Weighted average units outstanding:			
Basic and diluted	<u>35,209,218</u>		<u>35,209,218</u>
Net income per limited partner unit:			
Basic and diluted	<u>\$ 0.47</u>		

	Six Months Ended June 30, 2023		
	Limited Partners' Common Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:			
Distribution	\$ 33,207	\$ —	\$ 33,207
Distribution in excess of net income	(6,429)	—	(6,429)
Net income	<u>\$ 26,778</u>	<u>\$ —</u>	<u>\$ 26,778</u>
Weighted average units outstanding:			
Basic and diluted	<u>35,221,868</u>		<u>35,221,868</u>
Net income per limited partner unit:			
Basic and diluted	<u>\$ 0.76</u>		

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

	Six Months Ended June 30, 2022		
	Limited Partners' Common Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:			
Distribution	\$ 33,195	\$ —	\$ 33,195
Distribution in excess of net income	(563)	—	(563)
Net income	\$ 32,632	\$ —	\$ 32,632
Weighted average units outstanding:			
Basic and diluted	35,211,803		35,211,803
Net income per limited partner unit:			
Basic and diluted	\$ 0.93		

The amended Partnership Agreement provides that the Partnership will distribute cash that is deemed to be operating surplus each quarter to all the unitholders, pro rata, until each unit has received a distribution of \$1.2938. If cash distributions to the Partnership's unitholders exceed \$1.2938 per common unit in any quarter, the Partnership's unitholders and Westlake, as the holder of the Partnership's incentive distribution rights, will receive distributions according to the following percentage allocations:

Total Quarterly Distribution Per Unit	Marginal Percentage Interest in Distributions	
	Unitholders	IDR Holders
Above \$1.2938 up to \$1.4063	85.0 %	15.0 %
Above \$1.4063 up to \$1.6875	75.0 %	25.0 %
Above \$1.6875	50.0 %	50.0 %

The Partnership's distribution for the three months ended June 30, 2023 did not exceed the \$1.2938 per unit threshold, and, as a result, no distribution was made with respect to the Partnership's incentive distribution rights to Westlake, as the holder of the Partnership's incentive distribution rights.

Distributions Per Common Unit

Distributions per common unit for the three and six months ended June 30, 2023 and 2022 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Distributions per common unit	\$ 0.4714	\$ 0.4714	\$ 0.9428	\$ 0.9428

7. Partners' Equity

On October 4, 2018, the Partnership and Westlake Chemical Partners GP LLC, the general partner of the Partnership, entered into an Equity Distribution Agreement with UBS Securities LLC, Barclays Capital Inc., Citigroup Global Markets Inc., Deutsche Bank Securities Inc., RBC Capital Markets, LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Wells Fargo Securities, LLC to offer and sell the Partnership's common units, from time to time, up to an aggregate offering amount of \$50,000. The Equity Distribution Agreement was amended on February 28, 2020 to reference a new shelf registration and subsequent renewals thereof for utilization under this agreement. No common units were issued under this program as of June 30, 2023.

On March 29, 2019, the Partnership completed the issuance and sale of 2,940,818 common units at a price of \$21.40 per unit through a private placement. TTWF LP, Westlake's principal stockholder and a related party, acquired 1,401,869 common units out of 2,940,818 common units issued in the private placement.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

8. Related Party Transactions

The Partnership and OpCo regularly enter into related party transactions with Westlake. See below for a description of transactions with related parties.

Sales to Related Parties

OpCo sells ethylene to Westlake under the Ethylene Sales Agreement. Additionally, the Partnership and OpCo from time to time provide other services or products for which it charges Westlake a fee.

Sales to related parties were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net sales—Westlake	\$ 224,575	\$ 365,112	\$ 482,046	\$ 655,769

Cost of Sales from Related Parties

Charges for goods and services purchased by the Partnership and OpCo from Westlake and included in cost of sales relate primarily to feedstock purchased under the Feedstock Supply Agreement and services provided under the Services and Secondment Agreement.

Charges from related parties in cost of sales were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Feedstock purchased from Westlake and included in cost of sales	\$ 80,727	\$ 239,920	\$ 183,769	\$ 402,199
Other charges from Westlake and included in cost of sales	29,729	46,963	60,635	86,430
Total	\$ 110,456	\$ 286,883	\$ 244,404	\$ 488,629

Services from Related Parties Included in Selling, General and Administrative Expenses

Charges for services purchased by the Partnership from Westlake and included in selling, general and administrative expenses primarily relate to services Westlake performs on behalf of the Partnership under the Omnibus Agreement, including the Partnership's finance, legal, information technology, human resources, communication, ethics and compliance and other administrative functions.

Charges from related parties included within selling, general and administrative expenses were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Services received from Westlake and included in selling, general and administrative expenses	\$ 6,625	\$ 6,864	\$ 13,296	\$ 13,430

Goods and Services from Related Parties Capitalized as Assets

Charges for goods and services purchased by the Partnership and OpCo from Westlake which were capitalized as assets relate primarily to the services of Westlake employees under the Services and Secondment Agreement.

Charges from related parties for goods and services capitalized as assets were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Goods and services purchased from Westlake and capitalized as assets	\$ 1,173	\$ 623	\$ 1,872	\$ 1,373

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

Receivable under the Investment Management Agreement

On August 1, 2017, the Partnership, OpCo and Westlake executed an investment management agreement (the "Investment Management Agreement") that authorized Westlake to invest the Partnership's and OpCo's excess cash with Westlake for durations of up to a maximum of nine months. Per the terms of the Investment Management Agreement, the Partnership earns a market return plus five basis points and Westlake provides daily availability of the invested cash to meet any liquidity needs of the Partnership or OpCo. Accrued interest of \$1,058 and \$940 was included in the receivable under the Investment Management Agreement balance at June 30, 2023 and December 31, 2022, respectively. Total interest earned related to the Investment Management Agreement was \$1,058 and \$191 for the three months ended June 30, 2023 and 2022, respectively, and \$1,965 and \$243 for the six months ended June 30, 2023 and 2022, respectively.

The Partnership's receivable under the Investment Management Agreement was as follows:

	June 30, 2023	December 31, 2022
Receivable under the Investment Management Agreement	\$ 94,230	\$ 64,996

Accounts Receivable from Related Parties

The Partnership's accounts receivable from Westlake result primarily from ethylene sales to Westlake and the buyer deficiency fee and shortfall fee recognized under the Ethylene Sales Agreement.

Based on OpCo's 2022 production, the Partnership recognized buyer deficiency fees of \$23,835 during 2022. The buyer deficiency fee was received by the Partnership in January 2023. Additionally, as a result of force majeure events in 2021, the Partnership recognized a shortfall fee of \$58,906 during 2021, of which \$7,193 remained to be collected by the Partnership as of December 31, 2022. Of this amount, \$5,890 was received in the six months ended June 30, 2023 and the remaining amount will be collected during the remainder of 2023 pursuant to the terms of the Ethylene Sales Agreement.

The Partnership's accounts receivable from Westlake were as follows:

	June 30, 2023	December 31, 2022
Accounts receivable—Westlake	\$ 45,467	\$ 90,965

Accounts Payable to Related Parties

The Partnership's accounts payable to Westlake result primarily from feedstock purchases under the Feedstock Supply Agreement and services provided under the Services and Secondment Agreement and the Omnibus Agreement.

The Partnership's accounts payable to Westlake were as follows:

	June 30, 2023	December 31, 2022
Accounts payable—Westlake	\$ 10,606	\$ 34,087

Related Party Leases

OpCo is obligated to Westlake under various long-term and short-term noncancelable operating leases, primarily related to rail cars and land. Operating lease rentals paid to Westlake for such leases were \$310 and \$574 for the three months ended June 30, 2023 and 2022, respectively, and \$1,047 and \$1,260 for the six months ended June 30, 2023 and 2022, respectively, and are reflected in other charges from Westlake that are included in cost of sales.

OpCo has two site lease agreements with Westlake, each of which has a term of 50 years. Pursuant to the site lease agreements, OpCo pays Westlake one dollar per site per year.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

Debt Payable to Related Parties

See Note 9 for a description of related party debt payable balances.

Interest on related party debt payable balances, net of capitalized interest, for the three months ended June 30, 2023 and 2022 was \$6,117 and \$2,859, respectively. Interest on related party debt payable balances, net of capitalized interest, for the six months ended June 30, 2023 and 2022 was \$13,432 and \$5,058, respectively. Interest on related party debt payable is presented as interest expense—Westlake in the consolidated statements of operations. At June 30, 2023 and December 31, 2022, accrued interest on related party debt was \$6,156 and \$4,733, respectively, and is reflected as a component of accrued and other liabilities in the consolidated balance sheets.

Debt payable to related parties was as follows:

	June 30, 2023	December 31, 2022
Long-term debt payable to Westlake	\$ 399,674	\$ 399,674

Major Customer and Concentration of Credit Risk

During the three months ended June 30, 2023 and 2022, Westlake accounted for approximately 85.0% and 81.4%, respectively, of the Partnership's net sales. During the six months ended June 30, 2023 and 2022, Westlake accounted for approximately 84.3% and 80.8%, respectively, of the Partnership's net sales.

9. Long-Term Debt Payable to Westlake

Long-term debt payable to Westlake consists of the following:

	June 30, 2023	December 31, 2022
OpCo Revolver	\$ 22,619	\$ 22,619
MLP Revolver	377,055	377,055
Long-term debt payable to Westlake	\$ 399,674	\$ 399,674

As of June 30, 2023, outstanding borrowings under the OpCo Revolver and the MLP Revolver bore interest at the Secured Overnight Financing Rate, as administered by the Federal Reserve Bank of New York ("SOFR") plus the Applicable Margin plus a 0.10% credit spread adjustment. The Applicable Margin under the OpCo Revolver is 1.75%. The Applicable Margin under the MLP Revolver varies between 1.75% and 2.75%, depending on the Partnership's Consolidated Leverage Ratio. The OpCo Revolver and the MLP Revolver are scheduled to mature on July 12, 2027.

The weighted average interest rate on all long-term debt was 6.7% and 4.8% at June 30, 2023 and December 31, 2022, respectively.

As of June 30, 2023, the Partnership was in compliance with all of the covenants under the OpCo Revolver and the MLP Revolver.

10. Fair Value Measurements

The Partnership reports certain assets and liabilities at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). Under the accounting guidance for fair value measurements, inputs used to measure fair value are classified in one of three levels:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
(Unaudited)
(in thousands of dollars, except unit amounts and per unit data)

The Partnership has financial assets and liabilities subject to fair value measures. These financial assets and liabilities include cash and cash equivalents, accounts receivable, net, accounts payable and long-term debt payable to Westlake, all of which are recorded at carrying value. The amounts reported in the consolidated balance sheets for accounts receivable, net and accounts payable approximate their fair value due to the short maturities of these instruments. The carrying and fair values of the Partnership's long-term debt at June 30, 2023 and December 31, 2022 are summarized in the table below. The fair value of long-term debt is determined based on the present value of expected future cash flows using a discounted cash flow methodology. Because the Partnership's valuation methodology used for long-term debt requires the use of significant unobservable inputs, the inputs used to measure the fair value of the Partnership's long-term debt are classified as Level 3 within the fair value hierarchy. Inputs used to estimate the fair values of the Partnership's long-term debt include the selection of an appropriate discount rate.

	June 30, 2023		December 31, 2022	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt payable to Westlake	\$ 399,674	\$ 406,687	\$ 399,674	\$ 405,879

11. Supplemental Information

Accrued and Other Liabilities

Accrued and other liabilities were \$26,952 and \$17,537 at June 30, 2023 and December 31, 2022, respectively. Accrued maintenance expense, accrued turnaround costs, accrued interest on related party debt and accrued taxes, which are components of accrued and other liabilities, were \$3,780, \$6,748, \$6,156 and \$4,423, respectively, at June 30, 2023 and \$3,752, \$674, \$4,733 and \$2,652, respectively, at December 31, 2022. No other component of accrued and other liabilities was more than five percent of total current liabilities.

Cash Flow Information

Non-cash Investing Activity

Capital expenditure related liabilities, included in accounts payable—third parties and accrued and other liabilities, were \$4,368 and \$6,557 at June 30, 2023 and 2022, respectively.

Interest Paid

Interest paid by the Partnership, net of interest capitalized, was \$11,987 and \$4,237 for the six months ended June 30, 2023 and 2022, respectively.

12. Commitments and Contingencies

The Partnership is subject to environmental laws and regulations that can impose civil and criminal sanctions and that may require the Partnership to mitigate the effects of contamination caused by the release or disposal of hazardous substances into the environment. These laws include the federal Clean Air Act, the federal Water Pollution Control Act, the Resource Conservation and Recovery Act, the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), the Toxic Substances Control Act and various other federal, state and local laws and regulations. Under CERCLA, an owner or operator of property may be held strictly liable for remediating contamination without regard to whether that person caused the contamination, and without regard to whether the practices that resulted in the contamination were legal at the time they occurred. Because the Partnership's production sites have a history of industrial use, it is impossible to predict precisely what effect these legal requirements will have on the Partnership. Pursuant to the Omnibus Agreement, certain subsidiaries of Westlake will indemnify the Partnership for liabilities that occurred or existed prior to August 4, 2014.

On September 27, 2021, shortly after the turnaround on Petro 2 commenced, there was a flash fire at the quench tower of the Petro 2 facility. Several contractors working on the quench tower were injured. There are lawsuits pending in connection with the flash fire. The Partnership expects insurance to cover most of the costs associated with these lawsuits.

The Partnership is also involved in other legal proceedings incidental to the conduct of its business. The Partnership does not believe that any of these legal proceedings will have a material adverse effect on its financial condition, results of operations or cash flows.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

This Management's Discussion and Analysis of Financial Condition and Results of Operations section should be read in conjunction with the accompanying consolidated financial statements and the notes thereto and the consolidated financial statements and notes thereto included in Westlake Chemical Partners LP's annual report on Form 10-K for the fiscal year ended December 31, 2022 (the "2022 Form 10-K"), as filed with the SEC on March 1, 2023. Unless otherwise indicated, references in this report to "we," "our," "us" or like terms, refer to Westlake Chemical Partners LP (the "Partnership"), Westlake Chemical OpCo LP ("OpCo") and Westlake Chemical OpCo GP LLC ("OpCo GP"). References to "Westlake" refer to Westlake Corporation and its consolidated subsidiaries other than the Partnership, OpCo GP and OpCo. The following discussion contains forward-looking statements. Please read "Forward-Looking Statements" for a discussion of limitations inherent in such statements.

Partnership Overview

We are a Delaware limited partnership formed by Westlake to operate, acquire and develop ethylene production facilities and related assets. On August 4, 2014, we closed our initial public offering (the "IPO") of 12,937,500 common units. In connection with the IPO, we acquired a 10.6% interest in OpCo and a 100% interest in OpCo GP, which is the general partner of OpCo. On April 29, 2015, we purchased an additional 2.7% newly-issued limited partner interest in OpCo, resulting in an aggregate 13.3% limited partner interest in OpCo effective April 1, 2015. The 12,686,115 subordinated units of the Partnership, all of which were previously owned by Westlake, were converted into common units of the Partnership on August 30, 2017. On September 29, 2017, we completed a secondary public offering of 5,175,000 common units and purchased an additional 5.0% newly-issued limited partner interest in OpCo, resulting in an aggregate 18.3% limited partner interest in OpCo effective July 1, 2017. On March 29, 2019, we completed a private placement of 2,940,818 common units and used the net proceeds to purchase an additional 4.5% interest in OpCo, effective January 1, 2019, resulting in us owning an aggregate 22.8% limited partner interest in OpCo.

Currently, our sole revenue generating asset is our 22.8% limited partner interest in OpCo, a limited partnership formed by Westlake and us in anticipation of the IPO to own and operate an ethylene production business. We control OpCo through our ownership of its general partner. Westlake retains the remaining 77.2% limited partner interest in OpCo as well as a significant interest in us through its ownership of our general partner, 40.1% of our limited partner units (consisting of 14,122,230 common units) and our incentive distribution rights. OpCo's assets include (1) two ethylene production facilities ("Petro 1" and "Petro 2" and, collectively, "Lake Charles Olefins") at Westlake's Lake Charles, Louisiana site; (2) one ethylene production facility ("Calvert City Olefins") at Westlake's Calvert City, Kentucky site; and (3) a 200-mile common carrier ethylene pipeline (the "Longview Pipeline") that runs from Mont Belvieu, Texas to Westlake's Longview, Texas facility.

How We Generate Revenue

We generate revenue primarily by selling ethylene and the resulting co-products we produce. OpCo and Westlake have entered into an ethylene sales agreement (the "Ethylene Sales Agreement") pursuant to which we generate a substantial majority of our revenue. The Ethylene Sales Agreement is a long-term, fee-based agreement with a minimum purchase commitment and includes variable pricing based on OpCo's actual feedstock and natural gas costs and estimated other costs of producing ethylene (including OpCo's estimated operating costs and a five-year average of OpCo's expected future maintenance capital expenditures and other turnaround expenditures based on OpCo's planned ethylene production capacity for the year), plus a fixed margin per pound of \$0.10 less revenue from co-products sales. Pursuant to the Ethylene Sales Agreement, Westlake's obligation to pay for the annual minimum commitment (95% of OpCo's budgeted ethylene production), which is measured on an annual basis, is not reduced for a force majeure event lasting fewer than 45 consecutive days. In the event of a force majeure event, we recognize buyer deficiency fees representing fixed margin and unavoided operating and maintenance capital expenditures and maintenance expenses per pound of volume committed by Westlake during the force majeure period. In the event Westlake purchases less than its annual commitment, we recognize buyer deficiency fees representing fixed margin and all expenses and expenditures incurred per pound of volume committed but not taken by Westlake. Payment for the buyer deficiency fee is scheduled to be received by the Partnership after the conclusion of the year.

Westlake has an option to take 95% of volumes in excess of the minimum commitment on an annual basis under the Ethylene Sales Agreement if we produce more than our planned production. Under the Ethylene Sales Agreement, the price for the sale of such excess ethylene to Westlake is based on a formula similar to that used for the minimum purchase commitment, with the exception of certain fixed costs. In addition, under the Ethylene Sales Agreement, if production costs billed to Westlake on an annual basis are less than 95% of the actual production costs incurred by OpCo during the contract year, OpCo is entitled to recover the shortfall in such production costs (proportionate to the volume sold to Westlake) in the subsequent year ("Shortfall"). The Shortfall is generally recognized during the period in which the related operating, maintenance or turnaround activities occur.

Operating Expenses, Maintenance Capital Expenditures and Turnaround Costs

Our management seeks to maximize the profitability of our operations by effectively managing operating expenses, maintenance capital expenditures and turnaround costs. Our operating expenses are comprised primarily of feedstock costs and natural gas, labor expenses (including contractor services), utility costs (other than natural gas) and turnaround and maintenance expenses. With the exception of feedstock (including natural gas) and utilities-related expenses, operating expenses generally remain relatively stable across broad ranges of production volumes but can fluctuate from period to period depending on the circumstances, particularly maintenance and turnaround activities. Our maintenance capital expenditures and turnaround costs are comprised primarily of maintenance of our ethylene production facilities and the amortization of capitalized turnaround costs. These capital expenditures relate to the maintenance and integrity of our facilities. We capitalize the costs of major maintenance activities, or turnarounds, and amortize the costs over the period until the next planned turnaround of the affected facility.

Operating expenses, maintenance capital expenditures and turnaround costs are built into the price per pound of ethylene charged to Westlake under the Ethylene Sales Agreement. Because the expenses other than feedstock costs and natural gas are based on forecasted amounts and remain a fixed component of the price per pound of ethylene sold under the Ethylene Sales Agreement for any given 12-month period, our ability to manage operating expenses, maintenance expenditures and turnaround costs may directly affect our profitability and cash flows. The impact on profitability is partially mitigated by the fact that we generally recognize any Shortfall as revenue in the period such costs and expenses are incurred. We seek to manage our operating and maintenance expenses on our ethylene production facilities by scheduling maintenance and turnarounds over time to avoid significant variability in our operating margins and minimize the impact on our cash flows, without compromising our commitment to safety and environmental stewardship. In addition, we reserve cash on an annual basis from what we would otherwise distribute to minimize the impact of turnaround costs in the year of incurrence. The purchase price under the Ethylene Sales Agreement is not designed to cover capital expenditures for expansions.

MLP Distributable Cash Flow and EBITDA

The body of accounting principles generally accepted in the United States is commonly referred to as "GAAP." For this purpose, a non-GAAP financial measure is generally defined by the Securities and Exchange Commission ("SEC") as a numerical measure of a registrant's historical or future financial performance, financial position or cash flows that (1) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of income, balance sheet or statement of cash flows (or equivalent statements) of the registrant; or (2) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented. We use the non-GAAP measures of MLP distributable cash flow and EBITDA to analyze our performance. We define distributable cash flow as net income plus depreciation, amortization and disposition of property, plant and equipment, less contributions for turnaround reserves, maintenance capital expenditures and mark-to-market adjustment on derivative contracts. We define MLP distributable cash flow as distributable cash flow less distributable cash flow attributable to Westlake's noncontrolling interest in OpCo and distributions attributable to the incentive distribution rights holder. MLP distributable cash flow does not reflect changes in working capital balances. We define EBITDA as net income before interest expense, income taxes, depreciation and amortization. We use each of MLP distributable cash flow and EBITDA to analyze our performance. Fees for a buyer deficiency and Shortfall are included in net income in the periods in which they are recognized. MLP distributable cash flow and EBITDA are non-GAAP supplemental financial measures that management and external users of our consolidated financial statements, such as industry analysts, investors, lenders and rating agencies, may use to assess our operating performance as compared to other publicly-traded partnerships; our ability to incur and service debt and fund capital expenditures; and the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.

MLP distributable cash flow is not a substitute for the GAAP measures of net income or net cash provided by operating activities. MLP distributable cash flow has important limitations as an analytical tool because it excludes some but not all items that affect net income and net cash provided by operating activities. EBITDA is not a substitute for the GAAP measures of net income, income from operations or net cash provided by operating activities. In addition, it should be noted that companies calculate EBITDA differently and, therefore, EBITDA as presented for us may not be comparable to EBITDA reported by other companies. EBITDA has material limitations as a performance measure because it excludes interest expense, depreciation and amortization, and income taxes. Reconciliations for each of MLP distributable cash flow and EBITDA are included in the "Results of Operations" section below.

Recent Development

Calvert City Olefins Turnaround

During May 2023, we performed our planned major maintenance activities, or turnaround, of OpCo's Calvert City Olefins production facility located at Westlake's Calvert City, Kentucky site.

Results of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(dollars in thousands)			
Revenue				
Net sales—Westlake	\$ 224,575	\$ 365,112	\$ 482,046	\$ 655,769
Net co-products, ethylene and other sales—third parties	39,602	83,673	89,808	155,416
Total net sales	264,177	448,785	571,854	811,185
Cost of sales	176,455	351,483	378,059	622,444
Gross profit	87,722	97,302	193,795	188,741
Selling, general and administrative expenses	7,229	9,919	15,143	18,146
Income from operations	80,493	87,383	178,652	170,595
Other income (expense)				
Interest expense—Westlake	(6,117)	(2,859)	(13,432)	(5,058)
Other income, net	1,061	90	1,881	65
Income before income taxes	75,437	84,614	167,101	165,602
Provision for income taxes	173	175	385	338
Net income	75,264	84,439	166,716	165,264
Less: Net income attributable to noncontrolling interest in OpCo	63,378	68,001	139,938	132,632
Net income attributable to Westlake Chemical Partners LP	\$ 11,886	\$ 16,438	\$ 26,778	\$ 32,632
MLP distributable cash flow ⁽¹⁾	\$ 14,985	\$ 19,584	\$ 32,536	\$ 38,875
EBITDA ⁽²⁾	\$ 108,594	\$ 118,482	\$ 234,209	\$ 232,951

(1) See "Reconciliation of MLP Distributable Cash Flow to Net Income and Net Cash Provided by Operating Activities" below.

(2) See "Reconciliation of EBITDA to Net Income, Income from Operations and Net Cash Provided by Operating Activities" below.

	Three Months Ended June 30, 2023		Six Months Ended June 30, 2023	
	Average Sales Price	Volume	Average Sales Price	Volume
Net sales percentage change from prior-year period due to average sales price and volume	-33.0 %	-8.1 %	-26.8 %	-2.7 %
Domestic US prices percentage change from prior-year period for fuel cost and feedstock				
Fuel cost (Natural Gas)			-71.3 %	-55.0 %
Feedstock (Ethane)			-64.0 %	-53.3 %

Reconciliation of MLP Distributable Cash Flow to Net Income and Net Cash Provided by Operating Activities

The following table presents reconciliations of MLP distributable cash flow to net income and net cash provided by operating activities, the most directly comparable GAAP financial measures, for each of the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(dollars in thousands)			
Net cash provided by operating activities	\$ 98,543	\$ 120,857	\$ 243,403	\$ 225,667
Loss from disposition of property, plant and equipment	(55)	(460)	(422)	(3,430)
Changes in operating assets and liabilities and other	(23,224)	(35,958)	(76,265)	(56,973)
Net income	75,264	84,439	166,716	165,264
Add:				
Depreciation, amortization and disposition of property, plant and equipment	27,095	31,469	54,098	65,722
Less:				
Contribution to turnaround reserves	(6,967)	(7,284)	(14,273)	(14,488)
Maintenance capital expenditures	(6,521)	(10,372)	(14,545)	(23,825)
Distributable cash flow attributable to noncontrolling interest in OpCo	(73,886)	(78,668)	(159,460)	(153,798)
MLP distributable cash flow	\$ 14,985	\$ 19,584	\$ 32,536	\$ 38,875

Reconciliation of EBITDA to Net Income, Income from Operations and Net Cash Provided by Operating Activities

The following table presents reconciliations of EBITDA to net income, income from operations and net cash provided by operating activities, the most directly comparable GAAP financial measures, for each of the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(dollars in thousands)			
Net cash provided by operating activities	\$ 98,543	\$ 120,857	\$ 243,403	\$ 225,667
Loss from disposition of property, plant and equipment	(55)	(460)	(422)	(3,430)
Changes in operating assets and liabilities and other	(23,224)	(35,958)	(76,265)	(56,973)
Net income	75,264	84,439	166,716	165,264
Less:				
Other income, net	1,061	90	1,881	65
Interest expense—Westlake	(6,117)	(2,859)	(13,432)	(5,058)
Provision for income taxes	(173)	(175)	(385)	(338)
Income from operations	80,493	87,383	178,652	170,595
Add:				
Depreciation and amortization	27,040	31,009	53,676	62,291
Other income, net	1,061	90	1,881	65
EBITDA	\$ 108,594	\$ 118,482	\$ 234,209	\$ 232,951

Summary

For the quarter ended June 30, 2023, net income was \$75.3 million on net sales of \$264.2 million. This represents a decrease in net income of \$9.1 million as compared to net income of \$84.4 million on net sales of \$448.8 million for the quarter ended June 30, 2022. Net income attributable to the Partnership for the second quarter of 2023 was \$11.9 million as compared to \$16.4 million for the second quarter of 2022, a decrease of \$4.5 million. Income from operations was \$80.5 million for the second quarter of 2023 as compared to \$87.4 million for the second quarter of 2022. Income from operations, net income and net income attributable to the Partnership for the second quarter of 2023 as compared to the second quarter of 2022 were lower primarily due to lower ethylene and co-products sales prices and lower volumes due to the planned Calvert City Olefins turnaround in the second quarter of 2023 compared to the second quarter of 2022, partially offset by lower ethane feedstock costs and natural gas prices. Net income attributable to the Partnership was also impacted by higher interest expense attributable to the Partnership for the second quarter of 2023 as compared to the second quarter of 2022, primarily due to a higher average interest rate on debt owed to Westlake. Net sales for the second quarter of 2023 decreased by \$184.6 million as compared to net sales for the second quarter of 2022, mainly due to lower ethylene and co-products sales prices and lower volumes due to the turnaround during the second quarter of 2023 as compared to the second quarter of 2022.

For the six months ended June 30, 2023, net income was \$166.7 million on net sales of \$571.9 million. This represents an increase in net income of \$1.4 million as compared to net income of \$165.3 million on net sales of \$811.2 million for the six months ended June 30, 2022. Net income attributable to the Partnership for the six months ended June 30, 2023 was \$26.8 million as compared to \$32.6 million for the six months ended June 30, 2022, a decrease of \$5.8 million. Income from operations was \$178.7 million for the six months ended June 30, 2023 as compared to \$170.6 million for the six months ended June 30, 2022. Income from operations and net income for the six months ended June 30, 2023 as compared to the six months ended June 30, 2022 were higher primarily due to lower ethane feedstock costs and natural gas prices in the six months ended June 30, 2023 compared to the six months ended June 30, 2022, partially offset by lower ethylene and co-products sales prices and lower volumes due to the turnaround. Net income attributable to the Partnership for the six months ended June 30, 2023 decreased as compared to the six months ended June 30, 2022 primarily due to higher interest expense attributable to the Partnership, partially offset by the higher income from operations as discussed above. Net sales for the six months ended June 30, 2023 decreased by \$239.3 million as compared to net sales for the six months ended June 30, 2022, mainly due to lower ethylene and co-products sales prices and lower volumes due to the turnaround during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022.

RESULTS OF OPERATIONS

Second Quarter 2023 Compared with Second Quarter 2022

Net Sales. Total net sales decreased by \$184.6 million, or 41.1%, to \$264.2 million in the second quarter of 2023 from \$448.8 million in the second quarter of 2022. The decrease in net sales in the second quarter of 2023 was primarily due to lower ethylene and co-products sales prices and volumes during the second quarter of 2023 as compared to the second quarter of 2022. The lower average sales prices in the second quarter of 2023 contributed to a 33.0% decrease in net sales compared to the second quarter of 2022. The lower sales volumes in the second quarter of 2023 contributed to an 8.1% decrease in net sales compared to the second quarter of 2022. The lower sales volumes were primarily due to the turnaround in the second quarter of 2023.

Gross Profit. Gross profit decreased to \$87.7 million in the second quarter of 2023 from \$97.3 million in the second quarter of 2022. The gross profit margin in the second quarter of 2023 was 33.2%, as compared to 21.7% for the second quarter of 2022. The increase in gross profit margin was primarily due to lower ethane feedstock costs and natural gas prices in the second quarter of 2023 as compared to the second quarter of 2022.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased by \$2.7 million, or 27.3%, to \$7.2 million in the second quarter of 2023 as compared to \$9.9 million in the second quarter of 2022. The decrease in the second quarter of 2023 was mainly attributable to the provision for credit losses recognized in the second quarter of 2022.

Interest Expense—Westlake. Interest expense of \$6.1 million in the second quarter of 2023 increased from \$2.9 million in the second quarter of 2022 due to a higher average interest rate on debt owed to Westlake.

Other Income, net. Other income, net of \$1.1 million in the second quarter of 2023 primarily represents interest earned on the balance with Westlake under the Investment Management Agreement.

MLP Distributable Cash Flow. MLP distributable cash flow decreased by \$4.6 million to \$15.0 million in the second quarter of 2023 from \$19.6 million in the second quarter of 2022. The decrease in the second quarter of 2023, as compared to the prior-year period, was primarily attributable to higher interest expense and decreased earnings at OpCo, partially offset by decreased maintenance capital expenditures.

EBITDA. EBITDA decreased by \$9.9 million to \$108.6 million in the second quarter of 2023 from \$118.5 million in the second quarter of 2022. The decrease was primarily due to lower ethylene and co-products sales prices and volumes during the second quarter of 2023 as compared to the second quarter of 2022, partially offset by lower ethane feedstock costs and natural gas prices.

Six Months Ended June 30, 2023 Compared with Six Months Ended June 30, 2022

Net Sales. Total net sales decreased by \$239.3 million, or 29.5%, to \$571.9 million in the six months ended June 30, 2023 from \$811.2 million in the six months ended June 30, 2022. The decrease in net sales in the six months ended June 30, 2023 was primarily due to lower ethylene and co-products sales prices and volumes during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022. The lower average sales prices in the six months ended June 30, 2023 contributed to a 26.8% decrease in net sales compared to the six months ended June 30, 2022. The lower sales volumes in the six months ended June 30, 2023 contributed to a 2.7% decrease in net sales as compared to the six months ended June 30, 2022. The lower sales volumes were primarily due to the turnaround in the six months ended June 30, 2023.

Gross Profit. Gross profit increased to \$193.8 million in the six months ended June 30, 2023 from \$188.7 million in the six months ended June 30, 2022. The gross profit margin in the six months ended June 30, 2023 was 33.9%, as compared to 23.3% for the six months ended June 30, 2022. The increase in gross profit margin was primarily due to lower ethane feedstock costs and natural gas prices in the six months ended June 30, 2023 compared to the six months ended June 30, 2022.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased by \$3.0 million, or 16.6%, to \$15.1 million in the six months ended June 30, 2023 as compared to \$18.1 million in the six months ended June 30, 2022. The decrease in the six months ended June 30, 2023 was mainly attributable to the provision for credit losses recognized in the six months ended June 30, 2022.

Interest Expense—Westlake. Interest expense of \$13.4 million in the six months ended June 30, 2023 increased from \$5.1 million in the six months ended June 30, 2022 due to a higher average interest rate on debt owed to Westlake.

Other Income, net. Other income, net of \$1.9 million in the six months ended June 30, 2023 primarily represents interest earned on the balance with Westlake under the Investment Management Agreement.

MLP Distributable Cash Flow. MLP distributable cash flow decreased by \$6.4 million to \$32.5 million in the six months ended June 30, 2023 from \$38.9 million in the six months ended June 30, 2022. The decrease in the six months ended June 30, 2023, as compared to the prior-year period, was primarily attributable to higher interest expense, partially offset by increased earnings at OpCo and decreased maintenance capital expenditures.

EBITDA. EBITDA increased by \$1.2 million to \$234.2 million in the six months ended June 30, 2023 from \$233.0 million in the six months ended June 30, 2022. The increase was primarily due to lower ethane feedstock costs and natural gas prices during the six months ended June 30, 2023 as compared to the six months ended June 30, 2022, partially offset by lower ethylene and co-products sales prices and volumes.

CASH FLOW DISCUSSION FOR THE SIX MONTHS ENDED JUNE 30, 2023 AND 2022

Operating Activities

Operating activities provided cash of \$243.4 million in the first six months of 2023 compared to cash provided by operating activities of \$225.7 million in the first six months of 2022. The \$17.7 million increase in cash flows from operating activities was mainly due to an increase in cash provided by working capital during the six months ended June 30, 2023 as compared to the prior-year period, which was partially offset by the cash used for the Calvert City Olefins turnaround activity. Changes in components of working capital, which we define for the purposes of this cash flow discussion as accounts receivable, net—Westlake, accounts receivable, net—third parties, inventories, prepaid expenses and other current assets less accounts payable—Westlake, accounts payable—third parties and accrued and other liabilities, provided cash of \$49.7 million in the first six months of 2023 as compared to \$6.1 million of cash used in the first six months of 2022, resulting in an overall favorable change of \$55.8 million. The favorable change in working capital was mainly attributable to a favorable change in accounts receivable—third parties, accounts payable—third parties and accrued and other liabilities primarily due to the timing of payment of accruals and the impact on accounts receivable of the Petro 2 turnaround activities in 2021, which impacted the changes in working capital in the first six months of 2022. These favorable changes were partially offset by an unfavorable change in net accounts receivable—Westlake primarily due to an unfavorable change in accounts payable—Westlake due to fluctuating ethane feedstock costs and a smaller buyer deficiency fee and Shortfall collected in the first six months of 2023 as compared to the first six months of 2022.

Investing Activities

Net cash used for investing activities in the first six months of 2023 was \$46.3 million as compared to net cash used for investing activities of \$55.3 million in the first six months of 2022. The \$9.0 million decrease in net cash used for investing activities was mainly due to the decrease in capital expenditures in the first six months of 2023 as compared to the prior-year period, partially offset by an increase in net cash invested under the Investment Management Agreement. Capital expenditures in the first six months of 2023 and 2022 were primarily related to projects to improve production capacity or reduce costs, maintenance and safety and environmental projects at our facilities.

Financing Activities

Net cash used for financing activities in the first six months of 2023 was \$202.5 million as compared to net cash used for financing activities of \$169.0 million in the first six months of 2022. The outflows in the first six months of 2023 were related to distributions of \$169.3 million to the noncontrolling interest retained in OpCo by Westlake and of \$33.2 million to unitholders by the Partnership. The cash outflows in the first six months of 2022 were related to distributions of \$135.8 million to the noncontrolling interest retained in OpCo by Westlake and of \$33.2 million to unitholders by the Partnership.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity and Financing Arrangements

Pursuant to the terms of the Equity Distribution Agreement, entered in October 2018 and amended in February 2020, among the Partnership and various investment banks, the Partnership may offer and sell the Partnership's common units from time to time to or through the investment banks, as the Partnership's sales agents or as principals, having an aggregate offering amount of up to \$50.0 million (the "ATM Program"). The Partnership intends to use the net proceeds of sales of the common units, if any, for general partnership purposes, which may include the funding of potential drop-downs and other acquisitions. No common units had been issued under the ATM Program as of June 30, 2023.

Based on the terms of our cash distribution policy, we expect that we will distribute to our partners most of the excess cash generated by our operations. To the extent we do not generate sufficient cash flow to fund capital expenditures, we expect to fund them primarily from external sources, including borrowing directly from Westlake, as well as future issuances of equity interests or debt.

The Partnership maintains separate bank accounts, but Westlake continues to provide treasury services on our behalf under the Services and Secondment Agreement. Our sources of liquidity include cash generated from operations, the OpCo Revolver, the MLP Revolver and, if necessary and possible under then current market conditions, the issuance of additional equity interests or debt. We believe that cash generated from these sources will be sufficient to meet our short-term working capital requirements and long-term capital expenditure requirements and to make quarterly cash distributions. Westlake may also provide other direct and indirect financing to us from time to time, although it is not obligated to do so.

In order to fund non-annual turnaround expenditures, we cause OpCo to reserve an amount for turnaround costs during each twelve-month period designed to cover future turnaround activities. Each of OpCo's ethylene production facilities requires turnaround maintenance approximately every five years. By reserving additional cash annually, we intend to reduce the variability in OpCo's cash flow. Westlake's purchase price for ethylene purchased under the Ethylene Sales Agreement includes a component (adjusted annually) designed to cover, over the long term, substantially all of OpCo's turnaround expenditures.

Westlake's credit facility and various indentures do not prevent OpCo from making distributions to us.

On August 1, 2023, the board of directors of Westlake Chemical Partners GP LLC, our general partner, approved a quarterly distribution of \$0.4714 per unit payable on August 25, 2023 to unitholders of record as of August 11, 2023, which equates to a total amount of approximately \$16.6 million per quarter, or approximately \$66.4 million per year in aggregate, based on the number of common units outstanding on June 30, 2023. We do not have a legal or contractual obligation to pay distributions on a quarterly basis or any other basis at our minimum quarterly distribution rate or any other rate.

Capital Expenditures

Westlake has historically funded expansion capital expenditures related to Lake Charles Olefins and Calvert City Olefins. No such funding was required by OpCo during the six months ended June 30, 2023 and 2022. Total capital expenditures for the six months ended June 30, 2023 and 2022 were \$17.2 million and \$32.3 million, respectively. We expect that Westlake will loan additional cash to OpCo to fund its expansion capital expenditures in the future, but Westlake is under no obligation to do so.

Cash and Cash Equivalents

As of June 30, 2023, our cash and cash equivalents totaled \$59.4 million. In addition, we have cash invested under the Investment Management Agreement (as described below) and a revolving credit facility with Westlake available to supplement cash if needed, as described under "Indebtedness" below.

In August 2017, the Partnership, OpCo and Westlake executed the Investment Management Agreement that authorizes Westlake to invest the Partnership's and OpCo's excess cash with Westlake for durations of up to a maximum of nine months. Per the terms of the Investment Management Agreement, the Partnership earns a market return plus five basis points and Westlake provides daily availability of the invested cash to meet any liquidity needs of the Partnership or OpCo. The Partnership had \$94.2 million of cash invested under the Investment Management Agreement at June 30, 2023.

Indebtedness

OpCo Revolver

In connection with the IPO, OpCo entered into a \$600.0 million revolving credit facility with an affiliate of Westlake, as amended in June 2017, September 2018 and July 2022 (the "OpCo Revolver") that may be used to fund growth projects and working capital needs. The OpCo Revolver is scheduled to mature on July 12, 2027. On July 12, 2022, OpCo entered into the Second Amendment (the "OpCo Revolver Amendment") to the OpCo Revolver. The OpCo Revolver Amendment, among other things, extended the maturity date to July 12, 2027 and provided for the replacement of the London Interbank Offered Rate ("LIBOR") with the Secured Overnight Financing Rate, as administered by the Federal Reserve Bank of New York ("SOFR"). Borrowings under the OpCo Revolver bear interest at a variable rate of either (a) SOFR plus the Applicable Margin plus a 0.10% credit spread adjustment or, if SOFR is no longer available, (b) the Alternate Base Rate plus the Applicable Margin minus 1.0%. The Applicable Margin under the OpCo Revolver is 1.75%. As of June 30, 2023, outstanding borrowings under the OpCo Revolver totaled \$22.6 million and bore interest at SOFR plus the Applicable Margin and credit spread adjustment, which is accrued in arrears quarterly.

MLP Revolver

In 2015, we entered into a senior, unsecured revolving credit agreement with an affiliate of Westlake, as amended in August and November 2017, March 2020 and July 2022 (the "MLP Revolver"). The MLP Revolver has a borrowing capacity of \$600.0 million and is scheduled to mature on July 12, 2027. On July 12, 2022, the Partnership entered into the Fourth Amendment (the "MLP Revolver Amendment") to the MLP Revolver. The MLP Revolver Amendment, among other things, extended the maturity date to July 12, 2027 and provided for the replacement of LIBOR with the SOFR as the reference rate. Borrowings under the MLP Revolver bear interest at a variable rate of either (a) SOFR plus the Applicable Margin plus a 0.10% credit spread adjustment or, if SOFR is no longer available, (b) the Alternate Base Rate plus the Applicable Margin minus 1.0%. The Applicable Margin under the MLP Revolver varies between 1.75% and 2.75%, depending on the Partnership's Consolidated Leverage Ratio. The MLP Revolver provides that we may pay all or a portion of the interest on any borrowings in kind, in which case any such amounts would be added to the principal amount of the loan. The MLP Revolver requires that we maintain a consolidated leverage ratio of either (1) during any one-year period following certain types of acquisitions (including acquisitions of additional interests in OpCo), 5.50:1.00 or less, or (2) during any other period, 4.50:1.00 or less. The MLP Revolver also contains certain other customary covenants. The repayment of borrowings under the MLP Revolver is subject to acceleration upon the occurrence of an event of default. As of June 30, 2023, outstanding borrowings under the MLP Revolver totaled \$377.1 million and bore interest at SOFR plus the Applicable Margin and credit spread adjustment, which is accrued in arrears quarterly. We intend to use the MLP Revolver to purchase additional limited partnership interests in OpCo in the future, in the event OpCo desires to sell such additional interests to us, for other acquisitions and for general corporate purposes.

Off-Balance Sheet Arrangements

None.

FORWARD-LOOKING STATEMENTS

Certain of the statements contained in this report are forward-looking statements. All statements, other than statements of historical facts, included in this report that address activities, events or developments that we expect, project, believe or anticipate will or may occur in the future are forward-looking statements. Forward-looking statements can be identified by the use of words such as "believes," "intends," "may," "should," "could," "anticipates," "expects," "will" or comparable terminology, or by discussions of strategies or trends. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we cannot give any assurances that these expectations will prove to be correct. Forward-looking statements relate to matters such as:

- the amount of ethane that we are able to process, which could be adversely affected by, among other things, operating difficulties;
- the volume of ethylene that we are able to sell;
- the price at which we are able to sell ethylene;
- industry market outlook, including prices and margins in third-party ethylene and co-products sales;
- widespread outbreak of an illness or any other communicable disease, or any other public health crisis, including the coronavirus ("COVID-19") pandemic and efforts to contain its transmission;
- our plans and Westlake's plans to respond to the challenges presented by the COVID-19 pandemic;
- the impact of ongoing supply chain constraints and workforce availability caused by the COVID-19 pandemic and the conflict between Russia and Ukraine;
- the parties to whom we will sell ethylene and on what basis;
- volumes of ethylene that Westlake may purchase, in addition to the minimum commitment under the Ethylene Sales Agreement;
- timing, funding and results of capital expenditures;
- our intended quarterly distributions and the manner of making such distributions;
- our ability to meet our liquidity needs;
- timing of and amount of capital expenditures;
- our At-the-Market program and the use of any net proceeds from any sales under that program;
- our and OpCo's ability to extend our credit agreements with Westlake;
- potential loans from Westlake to OpCo to fund OpCo's expansion capital expenditures in the future;
- expected mitigation of exposure to commodity price fluctuations;
- turnaround activities and the variability of OpCo's cash flow;
- receipt of any buyer deficiency fee and Shortfall under the Ethylene Sales Agreement;
- compliance with present and future environmental regulations and costs associated with environmentally related penalties, capital expenditures, remedial actions and proceedings, including any new laws, regulations or treaties that may come into force to limit or control carbon dioxide and other greenhouse gas emissions or to address other issues of climate change;
- our ability to receive indemnification from Westlake for environmental and other losses; and
- effects of pending legal proceedings.

We have based these statements on assumptions and analysis in light of our experience and perception of historical trends, current conditions, expected future developments and other factors we believe were appropriate in the circumstances when the statements were made. Forward-looking statements by their nature involve substantial risks and uncertainties that could significantly impact expected results, and actual future results could differ materially from those described in such statements. These statements are subject to a number of assumptions, risks and uncertainties, including those described under "Risk Factors" in the 2022 Form 10-K and the following:

- general economic and business conditions, including inflation, interest rates and possible recession;
- the cyclical nature of the chemical industry;
- the availability, cost and volatility of raw materials and energy;
- lower crude oil prices reducing the cost advantage of ethane-based ethylene producers;
- uncertainties associated with the United States and worldwide economies, including those due to political tensions and unrest in the Middle East and elsewhere, including the conflict between Russia and Ukraine;
- uncertainties associated with pandemic infectious diseases, particularly COVID-19;
- uncertainties associated with climate change;
- the potential impact on demand for ethylene due to initiatives such as recycling and customers seeking alternatives to polymers;
- current and potential governmental regulatory actions in the United States and regulatory actions and political unrest in other countries, including environmental regulations;
- 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;
- information systems failures and cyberattacks;
- our ability to integrate acquired businesses;
- foreign currency exchange risks;
- our ability to implement our business strategies; and
- creditworthiness of our customers.

Many of these factors are beyond our ability to control or predict. Any of the 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 or projecting any future results based on such statements or present or prior earnings levels. 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.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Commodity Price Risk

A substantial portion of the Partnership's products and raw materials are commodities whose prices fluctuate as market supply and demand fundamentals change. However, our direct exposure to commodity price risk is limited to approximately 5.0% of our total ethylene production, which is the portion sold to third parties. We believe we have substantially mitigated our indirect exposure to commodity price fluctuation during the term of the Ethylene Sales Agreement through the minimum purchase commitment and the cost-plus based pricing. Additionally, we may use derivative instruments to reduce price volatility risk on feedstocks and ethylene associated with the production and sales to third parties. We did not have any open derivative position at June 30, 2023.

Interest Rate Risk

We are exposed to interest rate risk with respect to our outstanding debt, all of which is variable rate debt. At June 30, 2023, we had variable rate debt of \$399.7 million outstanding, all of which was owed to wholly-owned subsidiaries of Westlake. On July 12, 2022, OpCo entered into the OpCo Revolver Amendment. The OpCo Revolver Amendment, among other things, provided for the replacement of LIBOR with SOFR as the reference rate. Borrowings under the OpCo Revolver bear interest at a variable rate of either (a) SOFR plus the Applicable Margin plus a 0.10% credit spread adjustment or, if SOFR is no longer available, (b) the Alternate Base Rate plus the Applicable Margin minus 1.0%. The Applicable Margin under the OpCo Revolver is 1.75%. On July 12, 2022, the Partnership entered into the MLP Revolver Amendment. The MLP Revolver Amendment, among other things, provided for the replacement of LIBOR with SOFR as the reference rate. Borrowings under the MLP Revolver bear interest at a variable rate of either (a) SOFR plus the Applicable Margin plus a 0.10% credit spread adjustment or, if SOFR is no longer available, (b) the Alternate Base Rate plus the Applicable Margin minus 1.0%. The Applicable Margin under the MLP Revolver varies between 1.75% and 2.75%, depending on the Partnership's Consolidated Leverage Ratio. The weighted average variable interest rate of our debt as of June 30, 2023 was 6.7%. We will continue to be subject to interest rate risk with respect to our variable rate debt as well as the risk of higher interest cost if and when this debt is refinanced. A hypothetical increase in our average interest rate on variable rate debt by 100 basis points would increase our annual interest expense by approximately \$4.0 million, of which \$3.8 million would relate to the MLP Revolver and \$0.2 million would relate to the OpCo Revolver based on the June 30, 2023 debt balance.

Item 4. Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our President and Chief Executive Officer and our Executive Vice President and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15 or 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this report. Based upon that evaluation, our President and Chief Executive Officer and our Executive Vice President and Chief Financial Officer concluded that our disclosure controls and procedures are effective with respect to (i) the accumulation and communication to our management, including our Chief Executive Officer and our Chief Financial Officer, of information required to be disclosed by us in the reports that we submit under the Exchange Act, and (ii) the recording, processing, summarizing and reporting of such information within the time periods specified in the SEC's rules and forms.

There were no changes in our internal control over financial reporting that occurred during the three months ended June 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The 2022 Form 10-K, filed on March 1, 2023, contained a description of various legal proceedings in which we are involved, including environmental proceedings. See Note 12 to the unaudited consolidated financial statements within this Quarterly Report on Form 10-Q for an updated discussion on legal proceedings, which information is incorporated by reference herein.

Under the Omnibus Agreement, certain subsidiaries of Westlake Corporation ("Westlake") have agreed to indemnify the Partnership for certain environmental and other liabilities relating to OpCo's processing facilities and related assets that occurred or existed prior to August 4, 2014.

In addition to the matters described above, the Partnership is also involved in other legal proceedings incidental to the conduct of its business. The Partnership does not believe that any of these legal proceedings will have a material adverse effect on its financial condition, results of operations or cash flows.

Item 1A. Risk Factors

For a discussion of risk factors, please read Item 1A, "Risk Factors" in the 2022 Form 10-K. There have been no material changes from those risk factors.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements. During the three months ended June 30, 2023, no director or officer of the Partnership's general partner adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>
3.1	Certificate of Limited Partnership of Westlake Chemical Partners LP (incorporated by reference to Exhibit 3.1 to Westlake Chemical Partners LP's Registration Statement on Form S-1 (File No. 333-195551), filed on April 29, 2014).
3.2	First Amended and Restated Agreement of Limited Partnership of Westlake Chemical Partners LP (incorporated by reference to Exhibit 3.1 to Westlake Chemical Partners LP's Current Report on Form 8-K (File No. 001-36567) filed on August 8, 2014).
3.3	Amendment No. 1 to the First Amended and Restated Agreement of Limited Partnership of Westlake Chemical Partners LP dated as of November 16, 2017 (incorporated by Reference to Exhibit 3.1 to Westlake Chemical Partners LP's Current Report on Form 8-K, filed on November 16, 2017, File No. 01-36567).
3.4	Amendment No. 2 to the First Amended and Restated Agreement of Limited Partnership of Westlake Chemical Partners LP (incorporated by reference to Exhibit 3.1 to Westlake Chemical Partners LP's Current Report on Form 8-K filed on July 30, 2018 (File No. 01-36567)).
3.5	Amended and Restated Agreement of Limited Partnership of Westlake Chemical OpCo LP (incorporated by reference to Exhibit 10.7 to Westlake Chemical Partners LP's Current Report on Form 8-K (File No. 001-36567) filed on August 8, 2014).
3.6	Amendment No. 1 to the Amended and Restated Agreement of Limited Partnership of Westlake Chemical OpCo LP dated as of December 1, 2017 (File No. 01-36567) (incorporated by reference to Exhibit 3.4 to Westlake Chemical Partners LP's Annual Report on Form 10-K for the year ended December 31, 2017 (File No. 01-36567) filed on March 1, 2018).
31.1†	Rule 13a – 14(a) / 15d – 14(a) Certification (Principal Executive Officer)
31.2†	Rule 13a – 14(a) / 15d – 14(a) Certification (Principal Financial Officer)
32.1#	Section 1350 Certification (Principal Executive Officer and Principal Financial Officer)
101.INS†	XBRL Instance Document–The instance document does not appear in the interactive data file because its XBRL tags are embedded within the Inline XBRL document.
101.SCH†	XBRL Taxonomy Extension Schema Document
101.CAL†	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File - The cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

† Filed herewith.

Furnished herewith.

CERTIFICATIONS

I, Albert Chao, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Westlake Chemical Partners LP (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2023

/s/ ALBERT CHAO

Albert Chao

President, Chief Executive Officer and Director of
Westlake Chemical Partners GP LLC
(Principal Executive Officer)

CERTIFICATIONS

I, M. Steven Bender, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Westlake Chemical Partners LP (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 3, 2023

/s/ M. STEVEN BENDER

M. Steven Bender

Executive Vice President, Chief Financial Officer and Director of
Westlake Chemical Partners GP LLC
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Westlake Chemical Partners LP (the "Partnership") on Form 10-Q for the fiscal quarter ended June 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Albert Chao, President, Chief Executive Officer and Director of the Partnership, and I, M. Steven Bender, Executive Vice President, Chief Financial Officer and Director of the Partnership, certify, to the best of our knowledge, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material aspects, the financial condition and results of operations of the Partnership.

Date: August 3, 2023

/s/ ALBERT CHAO

Albert Chao
President, Chief Executive Officer and Director of
Westlake Chemical Partners GP LLC
(Principal Executive Officer)

Date: August 3, 2023

/s/ M. STEVEN BENDER

M. Steven Bender
Executive Vice President, Chief Financial Officer and
Director of Westlake Chemical Partners GP LLC
(Principal Financial Officer)