

**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, 2024**

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 **Accelerated filer**
Non-accelerated filer **Smaller reporting company**
Emerging growth company

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 35,230,576 common units outstanding as of August 2, 2024.

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PART I. FINANCIAL INFORMATION
Item 1. Financial Statements

WESTLAKE CHEMICAL PARTNERS LP
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	June 30, 2024	December 31, 2023
(in thousands of dollars, except unit amounts)		
ASSETS		
Current assets		
Cash and cash equivalents	\$ 65,999	\$ 58,619
Receivable under the Investment Management Agreement—Westlake Corporation ("Westlake")	94,478	94,444
Accounts receivable, net—Westlake	39,090	49,565
Accounts receivable, net—third parties	27,128	18,701
Inventories	4,487	4,432
Prepaid expenses and other current assets	944	442
Total current assets	232,126	226,203
Property, plant and equipment, net	912,752	943,843
Goodwill	5,814	5,814
Deferred charges and other assets, net	137,670	140,982
Total assets	\$ 1,288,362	\$ 1,316,842
LIABILITIES		
Current liabilities		
Accounts payable—Westlake	\$ 10,581	\$ 15,166
Accounts payable—third parties	17,186	16,189
Accrued and other liabilities	21,840	24,980
Total current liabilities	49,607	56,335
Long-term debt payable to Westlake	399,674	399,674
Deferred income taxes	1,680	1,632
Other liabilities	2,554	2,951
Total liabilities	453,515	460,592
Commitments and contingencies (Note 12)		
EQUITY		
Common unitholders—publicly and privately held (21,108,346 and 21,105,904 units issued and outstanding at June 30, 2024 and December 31, 2023, respectively)	471,199	473,513
Common unitholder—Westlake (14,122,230 and 14,122,230 units issued and outstanding at June 30, 2024 and December 31, 2023, respectively)	47,408	48,993
General partner—Westlake	(242,572)	(242,572)
Total Westlake Chemical Partners LP partners' capital	276,035	279,934
Noncontrolling interest in Westlake Chemical OpCo LP ("OpCo")	558,812	576,316
Total equity	834,847	856,250
Total liabilities and equity	\$ 1,288,362	\$ 1,316,842

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,	
	2024	2023	2024	2023
(in thousands of dollars, except unit amounts and per unit data)				
Revenue				
Net sales—Westlake	\$ 239,527	\$ 224,575	\$ 474,736	\$ 482,046
Net co-products, ethylene and other sales—third parties	44,641	39,602	94,105	89,808
Total net sales	284,168	264,177	568,841	571,854
Cost of sales	182,936	176,455	365,429	378,059
Gross profit	101,232	87,722	203,412	193,795
Selling, general and administrative expenses	7,605	7,229	14,682	15,143
Income from operations	93,627	80,493	188,730	178,652
Other income (expense)				
Interest expense—Westlake	(6,651)	(6,117)	(13,232)	(13,432)
Other income, net	1,257	1,061	2,591	1,881
Income before income taxes	88,233	75,437	178,089	167,101
Provision for income taxes	207	173	417	385
Net income	88,026	75,264	177,672	166,716
Less: Net income attributable to noncontrolling interest in OpCo	73,599	63,378	148,412	139,938
Net income attributable to Westlake Chemical Partners LP and limited partners' interest in net income	\$ 14,427	\$ 11,886	\$ 29,260	\$ 26,778
Net income per limited partner unit attributable to Westlake Chemical Partners LP (basic and diluted)				
Common units	\$ 0.41	\$ 0.34	\$ 0.83	\$ 0.76
Weighted average limited partner units outstanding (basic and diluted)				
Common units—publicly and privately held	21,107,299	21,099,638	21,106,602	21,099,638
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, 2023	\$ 473,513	\$ 48,993	\$ (242,572)	\$ 576,316	\$ 856,250
Net income	8,887	5,946	—	74,813	89,646
Distribution to unitholders	(9,950)	(6,657)	—	—	(16,607)
Distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	(81,044)	(81,044)
Balances at March 31, 2024	\$ 472,450	\$ 48,282	\$ (242,572)	\$ 570,085	\$ 848,245
Net income	8,644	5,783	—	73,599	88,026
Units issued for vested phantom units	55	—	—	—	55
Distribution to unitholders	(9,950)	(6,657)	—	—	(16,607)
Distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	(84,872)	(84,872)
Balances at June 30, 2024	<u>\$ 471,199</u>	<u>\$ 47,408</u>	<u>\$ (242,572)</u>	<u>\$ 558,812</u>	<u>\$ 834,847</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, 2022	\$ 480,643	\$ 53,859	\$ (242,572)	\$ 611,778	\$ 903,708
Net income	8,921	5,971	—	76,560	91,452
Distribution to unitholders	(9,947)	(6,657)	—	—	(16,604)
Distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	(88,678)	(88,678)
Balances at March 31, 2023	\$ 479,617	\$ 53,173	\$ (242,572)	\$ 599,660	\$ 889,878
Net income	7,120	4,766	—	63,378	75,264
Distribution to unitholders	(9,946)	(6,657)	—	—	(16,603)
Distribution to noncontrolling interest retained in OpCo by Westlake	—	—	—	(80,581)	(80,581)
Balances at June 30, 2023	\$ 476,791	\$ 51,282	\$ (242,572)	\$ 582,457	\$ 867,958

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,	
	2024	2023
(in thousands of dollars)		
Cash flows from operating activities		
Net income	\$ 177,672	\$ 166,716
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	56,309	53,676
Loss from disposition of property, plant and equipment	1,825	422
Other losses, net	45	303
Changes in operating assets and liabilities		
Accounts receivable—third parties	(8,424)	2,266
Net accounts receivable—Westlake	8,537	21,481
Inventories	(55)	1,455
Prepaid expenses and other current assets	(502)	(413)
Accounts payable—third parties	1,622	15,372
Accrued and other liabilities	(844)	9,489
Other, net	(9,724)	(27,364)
Net cash provided by operating activities	<u>226,461</u>	<u>243,403</u>
Cash flows from investing activities		
Additions to property, plant and equipment	(19,951)	(17,169)
Investments with Westlake under the Investment Management Agreement	—	(164,116)
Maturities of investments with Westlake under the Investment Management Agreement	—	135,000
Net cash used for investing activities	<u>(19,951)</u>	<u>(46,285)</u>
Cash flows from financing activities		
Proceeds from debt payable to Westlake	108,000	98,500
Repayment of debt payable to Westlake	(108,000)	(98,500)
Distributions to noncontrolling interest retained in OpCo by Westlake	(165,916)	(169,259)
Distributions to unitholders	(33,214)	(33,207)
Net cash used for financing activities	<u>(199,130)</u>	<u>(202,466)</u>
Net increase (decrease) in cash and cash equivalents	7,380	(5,348)
Cash and cash equivalents at beginning of period	58,619	64,782
Cash and cash equivalents at end of period	<u>\$ 65,999</u>	<u>\$ 59,434</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, 2023 (the "2023 Form 10-K"), filed with the SEC on February 28, 2024. 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, 2023.

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. The Partnership's operations consist exclusively of the variable interest entity's operations and, as such, no additional variable interest entity disclosures are considered necessary. 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, 2024, its results of operations for the three and six months ended June 30, 2024 and 2023 and the changes in its cash position for the six months ended June 30, 2024 and 2023.

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, 2024 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)

Recently Issued Accounting Pronouncement*Income Taxes (ASU No. 2023-09)*

In December 2023, the Financial Accounting Standards Board ("FASB") issued an accounting standards update requiring additional tax disclosures under Topic 740 primarily related to the rate reconciliation and income taxes paid disclosures. The amendments in this update will be effective for fiscal years beginning after December 15, 2024 and are to be applied on a prospective basis. Retrospective application is also permitted. The update is not expected to have a material impact on the Partnership's disclosures.

Recently Adopted Accounting Standard*Segment Reporting (ASU No. 2023-07)*

In November 2023, the FASB issued an accounting standards update requiring public entities to disclose, on an annual and interim basis, significant segment expenses that are regularly provided to the chief operating decision maker ("CODM"), the title and position of the CODM and an explanation of how the CODM uses the reported measure(s) of segment profit or loss in assessing segment performance and deciding how to allocate resources. The update also requires that a public entity that has a single reportable segment provide all disclosures required by the update as well as all existing segment disclosures in Topic 280. The amendments in this update will be effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024 and are to be applied retrospectively to all prior periods presented in the financial statements. Early adoption is permitted. The Partnership adopted this accounting standard effective January 1, 2024, and the adoption will result in additional segment disclosures in the Partnership's annual financial statements for the year ending December 31, 2024 and the interim periods thereafter.

2. Accounts Receivable—Third Parties

Accounts receivable—third parties consist of the following:

	June 30, 2024	December 31, 2023
Trade customers	\$ 24,268	\$ 15,622
Allowance for credit losses	(275)	(278)
Other receivables	3,135	3,357
Accounts receivable, net—third parties	<u>\$ 27,128</u>	<u>\$ 18,701</u>

3. Inventories

Inventories consist of the following:

	June 30, 2024	December 31, 2023
Finished products	\$ 3,951	\$ 4,147
Feedstock, additives and chemicals	536	285
Inventories	<u>\$ 4,487</u>	<u>\$ 4,432</u>

4. Property, Plant and Equipment

Depreciation expense on property, plant and equipment of \$21,830 and \$20,928 is included in cost of sales in the consolidated statements of operations for the three months ended June 30, 2024 and 2023, respectively. Depreciation expense on property, plant and equipment of \$43,367 and \$41,885 is included in cost of sales in the consolidated statements of operations for the six months ended June 30, 2024 and 2023, respectively.

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

5. Deferred Charges and Other Assets

Amortization expense on deferred charges and other assets of \$6,485 and \$6,112 is included in cost of sales in the consolidated statements of operations for the three months ended June 30, 2024 and 2023, respectively. Amortization expense on deferred charges and other assets of \$12,942 and \$11,791 is included in cost of sales in the consolidated statements of operations for the six months ended June 30, 2024 and 2023, respectively.

6. Distributions and Net Income Per Limited Partner Unit

On July 30, 2024, 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, 2024 of \$0.4714 per unit. This distribution is payable on August 27, 2024 to unitholders of record as of August 12, 2024.

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,	
	2024	2023	2024	2023
Net income attributable to the Partnership	\$ 14,427	\$ 11,886	\$ 29,260	\$ 26,778
Less:				
Limited partners' distribution declared on common units	16,608	16,604	33,215	33,207
Distribution in excess of net income	\$ (2,181)	\$ (4,718)	\$ (3,955)	\$ (6,429)

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, 2024		
	Limited Partners' Common Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:			
Distribution	\$ 16,608	\$ —	\$ 16,608
Distribution in excess of net income	(2,181)	—	(2,181)
Net income	\$ 14,427	\$ —	\$ 14,427
Weighted average units outstanding:			
Basic and diluted	35,229,529		35,229,529
Net income per limited partner unit:			
Basic and diluted	\$ 0.41		

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

	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	\$ 11,886	\$ —	\$ 11,886
Weighted average units outstanding:			
Basic and diluted	35,221,868		35,221,868
Net income per limited partner unit:			
Basic and diluted	\$ 0.34		

	Six Months Ended June 30, 2024		
	Limited Partners' Common Units	Incentive Distribution Rights	Total
Net income attributable to the Partnership:			
Distribution	\$ 33,215	\$ —	\$ 33,215
Distribution in excess of net income	(3,955)	—	(3,955)
Net income	\$ 29,260	\$ —	\$ 29,260
Weighted average units outstanding:			
Basic and diluted	35,228,832		35,228,832
Net income per limited partner unit:			
Basic and diluted	\$ 0.83		

	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	\$ 26,778	\$ —	\$ 26,778
Weighted average units outstanding:			
Basic and diluted	35,221,868		35,221,868
Net income per limited partner unit:			
Basic and diluted	\$ 0.76		

The amended Partnership Agreement provides that the Partnership will distribute cash that is deemed to be an appropriate portion of the Partnership's total operating surplus. 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 %

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

The Partnership's distribution for the three months ended June 30, 2024 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, 2024 and 2023 were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
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, 2024.

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.

8. Related Party Transactions

Related party transactions between the Partnership, OpCo and Westlake are primarily based on agreements such as the Ethylene Sales Agreement, the Feedstock Supply Agreement, the Services and Secondment Agreement, Site Lease Agreements, the Omnibus Agreement, the Investment Management Agreement, the Exchange Agreement, the OpCo Partnership Agreement, the OpCo Revolver and the MLP Revolver. These agreements, discussed in detail in the Partnership's 2023 consolidated financial statements included in the 2023 Form 10-K filed on February 28, 2024, reflect the pervasive effect of the relationship with Westlake on the Partnership's operations and its consolidated financial statements. Pursuant to these agreements, the Partnership and OpCo regularly enter into transactions with Westlake. See below for descriptions and details of significant related party transactions.

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.

OpCo sells a significant portion of its ethylene production to Westlake. Sales to related parties were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales—Westlake	\$ 239,527	\$ 224,575	\$ 474,736	\$ 482,046

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

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.

A significant portion of the Partnership's inputs included in cost of sales are supplied by Westlake. Charges from related parties for significant inputs included in cost of sales were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Feedstock purchased from Westlake and included in cost of sales	\$ 77,007	\$ 80,727	\$ 155,544	\$ 183,769
Other charges from Westlake and included in cost of sales	29,598	29,729	61,666	60,635

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,	
	2024	2023	2024	2023
Services received from Westlake and included in selling, general and administrative expenses	\$ 7,076	\$ 6,625	\$ 13,175	\$ 13,296

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,	
	2024	2023	2024	2023
Goods and services purchased from Westlake and capitalized as assets	\$ 437	\$ 1,173	\$ 849	\$ 1,872

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 \$1,306 and \$1,272 was included in the receivable under the Investment Management Agreement balance at June 30, 2024 and December 31, 2023, respectively. Total interest earned related to the Investment Management Agreement was \$1,306 and \$1,058 for the three months ended June 30, 2024 and 2023, respectively, and \$2,611 and \$1,965 for the six months ended June 30, 2024 and 2023, respectively.

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

	June 30, 2024	December 31, 2023
Receivable under the Investment Management Agreement	\$ 94,478	\$ 94,444

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

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.

As a result of force majeure events in 2021, the Partnership recognized a shortfall fee of \$58,906 during 2021, of which \$189 remained to be collected by the Partnership as of December 31, 2023 and was received in the six months ended June 30, 2024.

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

	June 30, 2024	December 31, 2023
Accounts receivable—Westlake	\$ 39,090	\$ 49,565

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, 2024	December 31, 2023
Accounts payable—Westlake	\$ 10,581	\$ 15,166

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 \$430 and \$310 for the three months ended June 30, 2024 and 2023, respectively, and \$855 and \$1,047 for the six months ended June 30, 2024 and 2023, 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.

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, 2024 and 2023 was \$6,651 and \$6,117, respectively. Interest on related party debt payable balances, net of capitalized interest, for the six months ended June 30, 2024 and 2023 was \$13,232 and \$13,432, respectively. Interest on related party debt payable is presented as interest expense—Westlake in the consolidated statements of operations. At June 30, 2024 and December 31, 2023, accrued interest on related party debt was \$6,679 and \$6,675, 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, 2024	December 31, 2023
Long-term debt payable to Westlake	\$ 399,674	\$ 399,674

Major Customer and Concentration of Credit Risk

During the three months ended June 30, 2024 and 2023, Westlake accounted for approximately 84.3% and 85.0%, respectively, of the Partnership's net sales. During the six months ended June 30, 2024 and 2023, Westlake accounted for approximately 83.5% and 84.3%, respectively, of the Partnership's net sales.

WESTLAKE CHEMICAL PARTNERS LP
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—Continued
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9. Long-Term Debt Payable to Westlake

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

	June 30, 2024	December 31, 2023
OpCo Revolver	\$ 22,619	\$ 22,619
MLP Revolver	377,055	377,055
Long-term debt payable to Westlake	<u>\$ 399,674</u>	<u>\$ 399,674</u>

As of June 30, 2024, 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 7.2% and 7.2% at June 30, 2024 and December 31, 2023, respectively.

As of June 30, 2024, 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.

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, 2024 and December 31, 2023 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, 2024		December 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt payable to Westlake	\$ 399,674	\$ 412,110	\$ 399,674	\$ 408,110

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

11. Supplemental Information

Accrued and Other Liabilities

Accrued and other liabilities were \$21,840 and \$24,980 at June 30, 2024 and December 31, 2023, respectively. Accrued maintenance expense, accrued interest on related party debt and accrued taxes, which are components of accrued and other liabilities, were \$4,096, \$6,679 and \$4,807, respectively, at June 30, 2024 and \$5,170, \$6,675 and \$3,033, respectively, at December 31, 2023. 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 \$4,640 and \$4,368 at June 30, 2024 and 2023, respectively.

Interest Paid

Interest paid by the Partnership, net of interest capitalized, was \$13,228 and \$11,987 for the six months ended June 30, 2024 and 2023, respectively.

Operating Leases

Right-of-use assets obtained in exchange for operating lease obligations were \$616 and \$0 for the six months ended June 30, 2024 and 2023, 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.

In September 2021, shortly after the turnaround on OpCo's Petro 2 facility commenced, there was a flash fire at the quench tower of the Petro 2 facility. Contractors and employees working on and near the quench tower were injured and multiple lawsuits were filed against Westlake and OpCo. Final settlements were reached with all of the plaintiffs to fully resolve the lawsuits by Westlake, and payment by Westlake and the insurance carriers is complete. Westlake and its subsidiaries are responsible for indemnifying the Partnership in connection with any losses incurred by OpCo as a result of the fire.

The Partnership is also involved in other legal proceedings incidental to the conduct of its business. After considering all relevant facts and circumstances, including applicable insurance and indemnification by Westlake, 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, 2023 (the "2023 Form 10-K"), as filed with the SEC on February 28, 2024. 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. We plan to commence the next planned maintenance turnaround at Petro 1 in the first quarter of 2025.

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 and 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 and 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.

Results of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands of dollars)			
Revenue				
Net sales—Westlake	\$ 239,527	\$ 224,575	\$ 474,736	\$ 482,046
Net co-products, ethylene and other sales—third parties	44,641	39,602	94,105	89,808
Total net sales	284,168	264,177	568,841	571,854
Cost of sales	182,936	176,455	365,429	378,059
Gross profit	101,232	87,722	203,412	193,795
Selling, general and administrative expenses	7,605	7,229	14,682	15,143
Income from operations	93,627	80,493	188,730	178,652
Other income (expense)				
Interest expense—Westlake	(6,651)	(6,117)	(13,232)	(13,432)
Other income, net	1,257	1,061	2,591	1,881
Income before income taxes	88,233	75,437	178,089	167,101
Provision for income taxes	207	173	417	385
Net income	88,026	75,264	177,672	166,716
Less: Net income attributable to noncontrolling interest in OpCo	73,599	63,378	148,412	139,938
Net income attributable to Westlake Chemical Partners LP	\$ 14,427	\$ 11,886	\$ 29,260	\$ 26,778
MLP distributable cash flow ⁽¹⁾	\$ 17,135	\$ 14,985	\$ 34,027	\$ 32,536
EBITDA ⁽²⁾	\$ 123,199	\$ 108,594	\$ 247,630	\$ 234,209

(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, 2024		Six Months Ended June 30, 2024	
	Average Sales Price	Volume	Average Sales Price	Volume
Net sales percentage change from prior-year period due to average sales price and volume	-1.2 %	+8.8 %	-3.9 %	+3.3 %
			Three Months Ended June 30, 2024	Six Months Ended June 30, 2024
Domestic US prices percentage change from prior-year period for fuel cost and feedstock				
Fuel cost (Natural Gas)			-11.3 %	-24.4 %
Feedstock (Ethane)			-8.9 %	-16.6 %

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,	
	2024	2023	2024	2023
	(in thousands of dollars)			
Net cash provided by operating activities	\$ 121,896	\$ 98,543	\$ 226,461	\$ 243,403
Loss from disposition of property, plant and equipment	(1,554)	(55)	(1,825)	(422)
Changes in operating assets and liabilities and other	(32,316)	(23,224)	(46,964)	(76,265)
Net income	88,026	75,264	177,672	166,716
Add:				
Depreciation, amortization and disposition of property, plant and equipment	29,869	27,095	58,134	54,098
Less:				
Contribution to turnaround reserves	(8,672)	(6,967)	(20,148)	(14,273)
Maintenance capital expenditures	(9,306)	(6,521)	(17,055)	(14,545)
Distributable cash flow attributable to noncontrolling interest in OpCo	(82,782)	(73,886)	(164,576)	(159,460)
MLP distributable cash flow	\$ 17,135	\$ 14,985	\$ 34,027	\$ 32,536

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,	
	2024	2023	2024	2023
	(in thousands of dollars)			
Net cash provided by operating activities	\$ 121,896	\$ 98,543	\$ 226,461	\$ 243,403
Loss from disposition of property, plant and equipment	(1,554)	(55)	(1,825)	(422)
Changes in operating assets and liabilities and other	(32,316)	(23,224)	(46,964)	(76,265)
Net income	88,026	75,264	177,672	166,716
Less:				
Other income, net	1,257	1,061	2,591	1,881
Interest expense—Westlake	(6,651)	(6,117)	(13,232)	(13,432)
Provision for income taxes	(207)	(173)	(417)	(385)
Income from operations	93,627	80,493	188,730	178,652
Add:				
Depreciation and amortization	28,315	27,040	56,309	53,676
Other income, net	1,257	1,061	2,591	1,881
EBITDA	\$ 123,199	\$ 108,594	\$ 247,630	\$ 234,209

Summary

For the quarter ended June 30, 2024, net income was \$88.0 million on net sales of \$284.2 million. This represents an increase in net income of \$12.7 million as compared to net income of \$75.3 million on net sales of \$264.2 million for the quarter ended June 30, 2023. Net income attributable to the Partnership for the second quarter of 2024 was \$14.4 million as compared to \$11.9 million for the second quarter of 2023, an increase of \$2.5 million. Income from operations was \$93.6 million for the second quarter of 2024 as compared to \$80.5 million for the second quarter of 2023. Income from operations, net income and net income attributable to the Partnership for the second quarter of 2024 as compared to the second quarter of 2023 were higher primarily due to higher ethylene sales volumes to Westlake and lower ethane feedstock costs in the second quarter of 2024 compared to the second quarter of 2023, partially offset by lower ethylene sales prices to Westlake. Net sales for the second quarter of 2024 increased by \$20.0 million as compared to net sales for the second quarter of 2023, mainly due to higher ethylene sales volumes to Westlake and higher ethylene and co-products sales prices to third parties in the second quarter of 2024 compared to the second quarter of 2023, partially offset by lower ethylene sales prices to Westlake.

For the six months ended June 30, 2024, net income was \$177.7 million on net sales of \$568.8 million. This represents an increase in net income of \$11.0 million as compared to net income of \$166.7 million on net sales of \$571.9 million for the six months ended June 30, 2023. Net income attributable to the Partnership for the six months ended June 30, 2024 was \$29.3 million as compared to \$26.8 million for the six months ended June 30, 2023, an increase of \$2.5 million. Income from operations was \$188.7 million for the six months ended June 30, 2024 as compared to \$178.7 million for the six months ended June 30, 2023. Income from operations, net income and net income attributable to the Partnership for the six months ended June 30, 2024 as compared to the six months ended June 30, 2023 were higher primarily due to higher ethylene sales volumes to Westlake and lower ethane feedstock costs and natural gas prices in the six months ended June 30, 2024 compared to the six months ended June 30, 2023, partially offset by lower ethylene sales prices to Westlake. Net sales for the six months ended June 30, 2024 decreased by \$3.1 million as compared to net sales for the six months ended June 30, 2023, mainly due to lower ethylene sales prices, partially offset by higher sales volumes during the six months ended June 30, 2024 as compared to the six months ended June 30, 2023.

RESULTS OF OPERATIONS

Second Quarter 2024 Compared with Second Quarter 2023

Net Sales. Total net sales increased by \$20.0 million, or 7.6%, to \$284.2 million in the second quarter of 2024 from \$264.2 million in the second quarter of 2023. The increase in net sales in the second quarter of 2024 was primarily due to higher ethylene sales volumes to Westlake and higher ethylene and co-products sales prices to third parties in the second quarter of 2024 compared to the second quarter of 2023, partially offset by lower ethylene sales prices to Westlake. Lower average sales prices in the second quarter of 2024 contributed to a 1.2% decrease in net sales compared to the second quarter of 2023. Higher sales volumes in the second quarter of 2024 contributed to an 8.8% increase in net sales compared to the second quarter of 2023.

Gross Profit. Gross profit increased to \$101.2 million in the second quarter of 2024 from \$87.7 million in the second quarter of 2023. Gross profit margin percentage in the second quarter of 2024 was 35.6%, as compared to 33.2% for the second quarter of 2023. The higher gross profit was primarily due to higher ethylene sales volumes to Westlake, higher ethylene and co-products sales prices to third parties and lower ethane feedstock costs in the second quarter of 2024 compared to the second quarter of 2023, partially offset by lower ethylene sales prices to Westlake. The higher gross profit margin was primarily due to lower ethane feedstock costs in the second quarter of 2024 compared to the second quarter of 2023.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased by \$0.4 million, or 5.6%, to \$7.6 million in the second quarter of 2024 as compared to \$7.2 million in the second quarter of 2023. The increase was mainly attributable to higher service costs in the second quarter of 2024 as compared to the second quarter of 2023.

Interest Expense—Westlake. Interest expense of \$6.7 million in the second quarter of 2024 increased from \$6.1 million in the second quarter of 2023 mainly due to higher interest rates on the debt balance outstanding in the second quarter of 2024 as compared to the second quarter of 2023.

Other Income, net. Other income, net increased by \$0.2 million to \$1.3 million in the second quarter of 2024 from \$1.1 million in the second quarter of 2023, primarily due to higher interest earned on the balance with Westlake under the Investment Management Agreement due to higher market interest rates.

MLP Distributable Cash Flow. MLP distributable cash flow increased by \$2.1 million to \$17.1 million in the second quarter of 2024 from \$15.0 million in the second quarter of 2023. The increase in the second quarter of 2024, as compared to the prior-year period, was primarily attributable to increased earnings at OpCo, partially offset by higher reserves for turnarounds and maintenance capital expenditures.

EBITDA. EBITDA increased by \$14.6 million to \$123.2 million in the second quarter of 2024 from \$108.6 million in the second quarter of 2023. The increase was primarily due to higher ethylene sales volumes to Westlake and lower ethane feedstock costs in the second quarter of 2024 compared to the second quarter of 2023, partially offset by lower ethylene sales prices to Westlake.

Six Months Ended June 30, 2024 Compared with Six Months Ended June 30, 2023

Net Sales. Total net sales decreased by \$3.1 million, or 0.5%, to \$568.8 million in the six months ended June 30, 2024 from \$571.9 million in the six months ended June 30, 2023. The decrease in net sales in the six months ended June 30, 2024 was primarily due to lower ethylene sales prices, partially offset by higher sales volumes during the six months ended June 30, 2024 as compared to the six months ended June 30, 2023. The lower average sales prices in the six months ended June 30, 2024 contributed to a 3.9% decrease in net sales compared to the six months ended June 30, 2023. The higher sales volumes in the six months ended June 30, 2024 contributed to a 3.3% increase in net sales as compared to the six months ended June 30, 2023.

Gross Profit. Gross profit increased to \$203.4 million in the six months ended June 30, 2024 from \$193.8 million in the six months ended June 30, 2023. Gross profit margin in the six months ended June 30, 2024 was 35.8%, as compared to 33.9% for the six months ended June 30, 2023. 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, 2024 compared to the six months ended June 30, 2023.

Selling, General and Administrative Expenses. Selling, general and administrative expenses decreased by \$0.4 million, or 2.6%, to \$14.7 million in the six months ended June 30, 2024 as compared to \$15.1 million in the six months ended June 30, 2023. The decrease was mainly attributable to the provision for credit losses recognized in the six months ended June 30, 2023.

Interest Expense—Westlake. Interest expense of \$13.2 million in the six months ended June 30, 2024 was comparable to interest expense of \$13.4 million in the six months ended June 30, 2023.

Other Income, net. Other income, net increased by \$0.7 million to \$2.6 million in the six months ended June 30, 2024 from \$1.9 million in the six months ended June 30, 2023, primarily due to higher interest earned on the balance with Westlake under the Investment Management Agreement due to higher market interest rates as well as a higher average amount of cash invested in the six months ended June 30, 2024 as compared to the six months ended June 30, 2023.

MLP Distributable Cash Flow. MLP distributable cash flow increased by \$1.5 million to \$34.0 million in the six months ended June 30, 2024 from \$32.5 million in the six months ended June 30, 2023. The increase in the six months ended June 30, 2024, as compared to the prior-year period, was primarily attributable to increased earnings at OpCo, partially offset by higher reserves for turnarounds and maintenance capital expenditures.

EBITDA. EBITDA increased by \$13.4 million to \$247.6 million in the six months ended June 30, 2024 from \$234.2 million in the six months ended June 30, 2023. The increase was primarily due to higher ethylene sales volumes to Westlake and lower ethane feedstock costs and natural gas prices during the six months ended June 30, 2024 as compared to the six months ended June 30, 2023, partially offset by lower ethylene sales prices to Westlake.

CASH FLOW DISCUSSION FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023

Operating Activities

Operating activities provided cash of \$226.5 million in the first six months of 2024 compared to cash provided by operating activities of \$243.4 million in the first six months of 2023. The \$16.9 million decrease in cash flows from operating activities was mainly due to a decrease of \$49.4 million in cash provided by working capital during the six months ended June 30, 2024 as compared to the prior-year period. 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 \$0.3 million in the first six months of 2024 as compared to \$49.7 million of cash provided in the first six months of 2023, resulting in an overall unfavorable change of \$49.4 million. The unfavorable change in working capital was mainly attributable to unfavorable changes in net accounts receivable—Westlake, accounts receivable—third parties, accounts payable—third parties and accrued and other liabilities. The unfavorable change in accounts receivable, net—Westlake was primarily due to a smaller buyer deficiency fee and Shortfall collected in the first six months of 2024 as compared to the first six months of 2023 partially offset by lower ethane feedstock costs. Unfavorable changes in accounts receivables—third parties, accounts payable—third parties and accrued and other liabilities were due to higher third party sales and lower maintenance costs in the first six months of 2024 as compared to the first six months of 2023.

Investing Activities

Net cash used for investing activities in the first six months of 2024 was \$20.0 million as compared to net cash used for investing activities of \$46.3 million in the first six months of 2023, resulting in an overall favorable change of \$26.3 million in investing cash flows. During the first six months of 2023, there were net investments with Westlake of \$29.1 million under the Investment Management Agreement, whereas, in the first six months of 2024 there were no investing activities under the Investment Management Agreement. Capital expenditures during the first six months of 2024 were slightly higher than the first six months of 2023. For both the comparative periods, these capital expenditures were primarily related to projects to increase production capacity or reduce costs, maintenance costs and safety and environmental projects at our facilities.

Financing Activities

Net cash used for financing activities in the first six months of 2024 was \$199.1 million as compared to net cash used for financing activities of \$202.5 million in the first six months of 2023. The cash outflows in the first six months of 2024 were related to distributions of \$165.9 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 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.

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, 2024.

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 Omnibus 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. We expect to commence the next planned maintenance turnaround at Petro 1 in the first quarter of 2025. 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.

Our cash is generated from cash distributions from OpCo. OpCo is a restricted subsidiary under certain indentures governing Westlake's senior notes, and these restrictions limit OpCo's ability to, among other things, incur additional debt. Westlake's credit facility and various indentures do not prevent OpCo from making distributions to us.

We, OpCo and Westlake are parties to an 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, cash invested with Westlake 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.

On July 30, 2024, 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 27, 2024 to unitholders of record as of August 12, 2024, 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, 2024. 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, 2024 and 2023. Total capital expenditures for the six months ended June 30, 2024 and 2023 were \$20.0 million and \$17.2 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, 2024, our cash and cash equivalents totaled \$66.0 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 \$94.5 million of cash invested under the Investment Management Agreement at June 30, 2024.

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, 2024, 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 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, 2024, 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 partnership 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;
- the impact of ongoing supply chain constraints caused by the conflicts in the Middle East and 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 (such as our plan to commence Petro 1 turnaround in the first quarter of 2025) 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 2023 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;
- actions taken by Westlake;
- uncertainties associated with the United States and worldwide economies, including those due to political tensions and conflict in the Middle East and elsewhere, including the conflict between Russia and Ukraine;
- uncertainties associated with pandemic infectious diseases;
- 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 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, 2024.

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, 2024, 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, 2024 was 7.2%. 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, 2024 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, 2024 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 2023 Form 10-K, filed on February 28, 2024, 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 2023 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, 2024, 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†	Inline 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†	Inline XBRL Taxonomy Extension Schema Document
101.CAL†	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF†	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB†	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE†	Inline 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, Jean-Marc Gilson, 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 9, 2024

/s/ JEAN-MARC GILSON

Jean-Marc Gilson

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 9, 2024

/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, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jean-Marc Gilson, 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 9, 2024

/s/ JEAN-MARC GILSON

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

Date: August 9, 2024

/s/ M. STEVEN BENDER

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