



DOW

DOWFRIENDS

Newsletter



Meeting consumer demand: How Dow drives sustainable packaging innovation

Meeting our customers' needs and consumer trends in packaging are priorities, but our commitment does not end there. We are working to address market demands, current challenges and pave the way for a sustainable future through our approach to materials science.

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Introducing BlackRock Lifepath Paycheck™ Funds

LifePath Paycheck is an all-in-one investment solution designed to help you obtain your retirement growth potential during your working years and provide you the option to use a portion of those savings to purchase a lifetime income stream for retirement.

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Dow reports second quarter 2025 results

2Q25 FINANCIAL HIGHLIGHTS

- Net sales were \$10.1 billion, down 7% year-over-year, reflecting declines in all operating segments. Sequentially, net sales were down 3%, as seasonally higher demand in Performance Materials & Coatings was more than offset by declines across the other operating segments.
- Volume decreased 1% year-over-year, as gains in the U.S. and Canada were more than offset by declines in Europe, the Middle East, Africa and India (EMEAI). Sequentially, volume decreased 2%, as seasonally driven gains in Performance Materials & Coatings, including downstream silicones growth, were more than offset by declines in Packaging & Specialty Plastics. These declines reflect lower merchant ethylene sales arising from the recent startup of the Company's Poly-7 polyethylene asset in the U.S. Gulf Coast, unlocking the full value of integration going forward.
- Local price was down 7% versus the year-ago period, reflecting declines in all regions and operating segments. Sequentially, local price was down 3%.
- GAAP net loss was \$801 million. Op. EBIT1 was a loss of \$21 million, down \$840 million year-over-year, primarily driven by lower prices and equity earnings. Sequentially, Op. EBIT was down \$251 million, as tailwinds from currency and the Company's cost reduction program were more than offset by declines in Packaging & Specialty Plastics from lower integrated margins.
- GAAP loss per share was \$1.18; operating earnings per share (EPS)1 was a loss of \$0.42, compared to earnings of \$0.68 in the year-ago period and earnings of \$0.02 in the prior quarter. Op. EPS excludes significant items totaling \$0.76 per share, primarily driven by restructuring program severance and related benefit costs and asset related charges, including recently announced European portfolio actions.
- Cash provided by operating activities – continuing operations was negative \$470 million, down \$1.3 billion year-over-year and down \$574 million sequentially, led by lower earnings from margin compression.
- Returns to shareholders totaled \$496 million of dividends in the quarter.

CEO QUOTE

"This quarter the Dow team advanced several aggressive actions in response to the lower-for-longer earnings environment that our industry is facing, amplified by recent trade and tariff uncertainties. We are delivering nearterm cash support and earnings growth levers, which we anticipate will total more than \$6 billion by 2026. We are also focused on improving margins and optimizing our global portfolio

in the face of continued weak macroeconomic conditions, as evidenced by our recent European portfolio actions,” said Jim Fitterling, Dow chair and CEO. “We are also adjusting our dividend to ensure we maintain a balanced capital allocation framework. We remain committed to targeting a competitive dividend across the economic cycle. The actions we are taking provide additional financial flexibility to help guarantee we maximize shareholder value, both in the current environment and as the industry recovers.”

SUMMARY FINANCIAL RESULTS

	Three Months Ended Jun 30			Three Months Ended Mar 31	
<i>In millions, except per share amounts</i>	<u>2Q25</u>	<u>2Q24</u>	<u>vs. SPLY</u> <u>[B / (W)]</u>	<u>1Q25</u>	<u>vs. PQ</u> <u>[B / (W)]</u>
Net Sales	\$10,104	\$10,915	\$(811)	\$10,431	\$(327)
GAAP Income (Loss) Net of Tax	\$(801)	\$458	\$(1,259)	\$(290)	\$(511)
Operating EBIT ¹	\$(21)	\$819	\$(840)	\$230	\$(251)
Operating EBITDA ¹	\$703	\$1,501	\$(798)	\$944	\$(241)
GAAP Earnings (Loss) Per Share	\$(1.18)	\$0.62	\$(1.80)	\$(0.44)	\$(0.74)
Operating Earnings Per Share ¹	\$(0.42)	\$0.68	\$(1.10)	\$0.02	\$(0.44)
Cash Provided by (Used for) Operating Activities – Cont. Ops	\$(470)	\$832	\$(1,302)	\$104	\$(574)

SEGMENT HIGHLIGHTS

Packaging & Specialty Plastics

	Three Months Ended Jun 30			Three Months Ended Mar 31	
<i>In millions</i>	<u>2Q25</u>	<u>2Q24</u>	<u>vs. SPLY</u> <u>[B / (W)]</u>	<u>1Q25</u>	<u>vs. PQ</u> <u>[B / (W)]</u>
Net Sales	\$5,025	\$5,515	\$(490)	\$5,310	\$(285)
Operating EBIT	\$71	\$703	\$(632)	\$342	\$(271)
Equity Earnings (Losses)	\$7	\$55	\$(48)	\$39	\$(32)

Packaging & Specialty Plastics segment net sales in the quarter were \$5 billion, down 9% versus the year-ago period¹. Local price decreased 10% year-over-year, primarily driven by lower downstream polymer prices. Currency increased net sales by 1%. Volume increased 1% year-over-year, driven by higher energy sales and polyethylene volumes, partly offset by lower volumes in functional polymers. On a sequential basis, net sales declined, primarily driven by lower merchant ethylene sales. This was the result of the start-up of Poly-7, which will lead to a balanced ethylene position in the U.S. Gulf Coast, driving margin uplift through full downstream integration.

Equity earnings were \$7 million, a decrease of \$48 million compared to the prior year, due to lower integrated margins at our principal joint ventures. Sequentially, equity earnings decreased by \$32 million, primarily driven by higher losses at Sadara and the Thai joint ventures.

Op. EBIT was \$71 million, a decrease of \$632 million compared to the year-ago period, primarily driven by lower integrated margins. Sequentially, Op. EBIT decreased by \$271 million, notably due to lower integrated margins and operating rates on top of higher planned maintenance.

Packaging and Specialty Plastics business reported a net sales decrease versus the year-ago period, driven by lower downstream polymer prices, the impact of the laminating adhesives business

divestiture, and lower demand for infrastructure applications. Sequentially, net sales decreased, as higher demand for flexible and rigid packaging was more than offset by lower licensing revenue and polyethylene prices, weighed down by tariff uncertainties.

Hydrocarbons & Energy business reported a net sales decrease compared to the year-ago period, driven by lower aromatics prices, partly offset by higher energy sales. Sequentially, net sales decreased, driven by lower merchant ethylene sales, primarily from the start-up of Poly-7.

Industrial Intermediates & Infrastructure

	Three Months Ended Jun 30			Three Months Ended Mar 31	
<i>In millions</i>	<u>2Q25</u>	<u>2Q24</u>	<u>vs. SQLY</u> <u>[B / (W)]</u>	<u>1Q25</u>	<u>vs. PQ</u> <u>[B / (W)]</u>
Net Sales	\$2,786	\$2,951	\$(165)	\$2,855	\$(69)
Operating EBIT	\$(185)	\$7	\$(192)	\$(128)	\$(57)
Equity Earnings (Losses)	\$(39)	\$(31)	\$(8)	\$(58)	\$19

Industrial Intermediates & Infrastructure segment net sales were \$2.8 billion, down 6% versus the year-ago period. Local price declined 5% year-over-year, reflecting declines in both businesses. Currency increased net sales by 1%. Volume decreased 2% year-over-year, driven by lower volumes in Polyurethanes & Construction Chemicals, partly offset by higher volumes in Industrial Solutions. On a sequential basis, net sales decreased 2% as the seasonally lower deicing fluids volume was partially offset by currency tailwinds and a lower-than-typical seasonal improvement in demand for building & construction applications.

Equity losses for the segment were \$39 million, compared to equity losses of \$31 million in the year-ago period, primarily driven by lower MEG margins at the Kuwait joint ventures. Equity losses in the prior quarter were \$58 million. Sequentially, equity losses improved by \$19 million, driven by higher operating rates at Sadara.

Op. EBIT decreased \$192 million versus the year-ago period, driven by lower prices in both businesses and higher planned maintenance activity. On a sequential basis, Op. EBIT decreased by \$57 million, driven by lower volume, higher planned maintenance activity, and activities related to the startup of our Alkoxylation unit in Seadrift, TX, which has now reached mechanical completion.

Polyurethanes & Construction Chemicals business reported a decrease in net sales compared to the year-ago period, driven by lower volume and price in EMEA. Sequentially, net sales were flat as currency tailwinds and modest seasonal improvements in demand for building & construction applications were offset by lower demand in mobility applications.

Industrial Solutions business reported a decrease in net sales compared to the year-ago period, primarily driven by lower local prices, which were partially offset by higher demand for energy applications. Sequentially, net sales declined, driven by typical declines in demand for deicing fluids following the winter months.

Performance Materials & Coatings

	Three Months Ended Jun 30			Three Months Ended Mar 31	
<i>In millions</i>	<u>2Q25</u>	<u>2Q24</u>	<u>vs. SQLY</u> <u>[B / (W)]</u>	<u>1Q25</u>	<u>vs. PQ</u> <u>[B / (W)]</u>
Net Sales	\$2,129	\$2,243	\$(114)	\$2,071	\$58
Operating EBIT	\$152	\$146	\$6	\$49	\$103
Equity Earnings (Losses)	\$1	\$2	\$(1)	\$0	\$1

Performance Materials & Coatings segment net sales in the quarter were \$2.1 billion, down 5% versus the year-ago period. Local price decreased 3% year-over-year, driven by declines in both businesses. Currency increased net sales by 1%. Volume was down 3% year-over-year, as volume gains in downstream silicones were more than offset by lower volumes for coatings applications and in upstream siloxanes. On a sequential basis, net sales were up 3% with gains in both businesses, driven by seasonally higher demand for architectural coatings and higher downstream silicones volumes.

Op. EBIT increased \$6 million versus the year-ago period, driven by margin expansion from lower input costs, which were partly offset by lower volumes. Sequentially, Op. EBIT increased \$103 million, driven by lower input costs and volume gains in both businesses, from both seasonal improvements and continued downstream silicones growth, as well as lower fixed costs.

Consumer Solutions business reported a decrease in net sales versus the year-ago period, as downstream silicones volume gains were more than offset by both lower prices and lower upstream siloxanes volumes. Sequentially, net sales increased, driven by higher demand for downstream silicones, led by mobility, personal care and industrial applications.

Coatings & Performance Monomers business reported a decrease in net sales compared to the year-ago period, driven by lower demand for coatings applications, as the housing market continues to be challenged. Sequentially, net sales increased, driven by seasonally higher demand for architectural coatings, partly offset by lower acrylic monomers volumes.

OUTLOOK

“Dow’s strategic actions enable us to mitigate the dynamic factors that our industry is facing. However, signs of oversupply from newer market entrants who are exporting to various regions at anti-competitive economics require broader industry engagement and additional regulatory action to restore competitive dynamics,” said Fitterling. “The commissioning of our near-term growth projects, which are all operational in the third quarter, paired with our longer-term strategic investments, will increase Dow’s position in higher-value applications and attractive end markets that are not exposed to this same level of anti-competitive activity. This will enable more resilient earnings and leading shareholder returns. Additionally, Team Dow is focused on structurally improving our cost base, optimizing our global asset footprint, and maintaining our track record of operational excellence to further strengthen our competitive advantages.”

[Link to online article](#)

Dow declares quarterly dividend of 35 cents per share

- ♦ *Adjusting dividend by 50% in response to prolonged industry downturn*
- ♦ *Aligning payout size to ensure capital allocation flexibility and a balanced framework that enables higher returns for shareholders*
- ♦ *The Company continues to target a competitive dividend across the economic cycle*



Dow announced that its Board of Directors has declared a dividend of 35 cents per share. The adjustment in payout size reflects Dow's balanced capital allocation approach and enhances financial flexibility amidst a persistently challenging macroeconomic environment.

"Today's announcement aims to ensure we maximize long-term shareholder value as we navigate a prolonged industry downturn and the resulting lower-for-longer earnings environment. With this adjustment, we are aligning the payout size to provide additional financial flexibility. Doing so ensures Dow's ability to prioritize the highest return-generating opportunities, while maintaining a competitive dividend," said **Jim Fitterling**, Dow chair and CEO. "Our capital allocation approach remains unchanged, and we are committed to delivering leading shareholder returns over the cycle. As the industry recovers, Dow is positioned to deliver profitable growth by unlocking the full benefit of our growth investments, improving margins, implementing our cost reduction initiatives, and further strengthening our competitive advantages."

The dividend is payable on September 12, 2025, to shareholders of record on August 29, 2025. This marks the 456th consecutive dividend paid by the Company or its affiliates since 1912.

[Link to online article](#)

Dow inspires next-generation innovation at K 2025

Diverse portfolio of packaging, consumer, infrastructure and mobility solutions to take center stage in a bespoke building dedicated to collaboration.

Dow will showcase the breadth of its materials science solutions to demonstrate how plastics can power positive change and a more sustainable, customer-centric future under the theme "Generation Transformation" at K 2025 in Dusseldorf, Germany.

"Inspired by this year's K Show theme 'The Power of Plastics', we asked ourselves: who, or what, generates that power? It's the innovation and collaboration among individuals and organizations, responding to the pressing challenges we face in industry and society. Jointly we are all part of Generation Transformation," said Stephanie Kalil, commercial vice president EMEA, Packaging & Specialty Plastics, Dow.

“We are inviting the entire value chain to join us in exploring how joint innovation can contribute to enhancing performance and sustainability in packaging and consumer solutions, driving the next generation of mobility, and building places that last.”

Dow’s purpose-built building 04.1, just outside Hall 4 at the very heart of the K Show campus, will contain spacious exhibition areas that bring different facets of Generation Transformation to life. Visitors can explore the latest solutions across Packaging, Consumer, Infrastructure and Mobility segments.

Matching materials with performance

New packaging innovations developed in collaboration with brand owners and converters will be on display alongside Dow’s full range of solutions including mono-polyethylene (mono-PE), bio-circular, circular and post-consumer recycled (PCR) materials that provide enhanced product shelf life, tamper resistance and tear resistance, as well as helping customers prepare for the Packaging and Packaging Waste Regulation (PPWR). This includes the new D-PAK cartons, produced in collaboration with Elopak and Orkla Home and Personal Care (OHPC), which offer a unique mix of circular (recycled) polyethylene and bio-circular (renewable) polymers.



In the consumer sector, Dow will be showcasing its latest collaboration with Guerlain, one of the prestigious maisons of LVMH, the world’s leading luxury brand. Guerlain is utilizing SURLYN™ REN Ionomers for La Petite Robe Noir perfume caps, which offer the design freedom and transparency required by luxury brands. Also on show will be footwear and accessories from some of the world’s most recognizable brands, demonstrating Dow’s high-performance materials solutions that don’t compromise on style or comfort.

Driving next-generation mobility

Anticipating the upcoming end-of-life vehicle directive, Dow’s MobilityScience™ will showcase solutions that support Original Equipment Manufacturers (OEMs) in meeting regulatory targets, including the latest developments for automotive seating with EVOAIR™ Polyolefin Elastomers (POE) based leather, a lightweight alternative leather solution offering a luxurious feel, and INFINAIR™ Polymers for 3D Loop Technology enabling end-of-life mechanical recycling for seat cushion circularity. A range of products addressing the automotive industry’s focus on lightweighting, circularity and electrification will also be featured.

Building places that last

The breadth of Dow’s cross-segment infrastructure offering will also be showcased at K, with a view to helping reduce greenhouse gas emissions, increase efficiency, and support the industry’s transformation towards a more sustainable, resilient future. With the energy transition at the forefront, Dow will be showcasing solutions spanning from wire and cables to piping and building materials. REVOLoop™ Recycled Plastics Resins for cable jackets, incorporating post-consumer recycled (PCR) material, will also be featured at K.

“We have a once-in-a-generation opportunity to redefine plastics as a powerful enabler of sustainable transformation and modern life,” said Abby Turner, sustainability and growth marketing director EMEA, Packaging and Specialty Plastics, Dow. “We are inviting partners from every sector to join us at K to help shape the industry for generations to come.”

Discover how you can be part of **Generation Transformation** and visit Dow in building 04.1, outside Hall 4 in Düsseldorf from 8-15 October.

[Link to online article](#)

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