

ExxonMobil



ARKEMA



Plastics and Bulk Polymers Industry



AsahiKASEI

Earnings season 2025 Q4



Synthesis

2025 Q4 earnings season Plastics and Bulk Polymers



Portfolio restructuring and divestitures

Many companies are actively restructuring portfolios to focus on higher-value specialty segments and reduce exposure to cyclical commodities. Mitsubishi Chemical divested Mitsubishi Tanabe Pharma and withdrew from coke and carbon materials, while Syensqo completed the sale of its Oil & Gas business to sharpen its specialty chemicals strategy. LyondellBasell is divesting European assets and reducing workforce costs as part of a major cash improvement program. These moves reflect a sector-wide shift toward higher-margin specialty materials and disciplined capital allocation.



Petrochemical cycle remains weak due to oversupply and soft industrial demand

Across the sector, companies consistently report weak demand and price pressure caused by excess capacity and sluggish industrial activity. Firms such as Dow, Arkema and LG Chem describe oversupply in petrochemicals, weaker construction demand and slower consumer electronics markets, while Tosoh and Mitsubishi Chemical highlight sluggish demand in China and price competition in key materials. These conditions have pushed margins lower across commodity chemicals and polymers.



Cost reduction and operational efficiency - primary profit drivers

With revenue growth limited, companies increasingly rely on cost discipline to maintain earnings. Dow accelerated ~ €340 million in cost savings, LyondellBasell implemented workforce reductions generating ~ €690 million savings, and Arkema achieved €90 million in operational efficiencies. Similar programs appear across the sector, including asset closures, productivity improvements and digitalization initiatives.



Shift toward specialty polymers and high-value materials

Many companies are reallocating investment toward specialty polymers and advanced materials to reduce exposure to commodity cycles. Syensqo reported growth in composite materials for aerospace, while Arkema highlighted expansion in high-performance polymers and battery-related materials. Mitsubishi Chemical strengthened its industrial gases and specialty materials portfolio through acquisitions, while Celanese continues to focus on high-margin engineered materials applications.

What's the sentiment?

Plastics and Bulk Polymers - 2025 Q4

REVENUE GROWTH

Revenue trends across the sector show broad contraction, reflecting weak demand and pricing pressure in most chemical and materials markets. Dow reported net sales down 9.1% YoY and Covestro's sales were 13.7% down reflecting the impact of continued pressure from oversupply and trade conflicts. Several peers reported similar declines, including Arkema and Syensqo. The common pattern is demand softness in construction, chemicals and electronics, price declines and results lower than expected.

PROFITABILITY

Profitability across the industry deteriorated as margin compression and weak demand outweighed isolated improvements. Dow's negative operating income decreased even further, reflecting lower margins and reduced operating rates. Despite cost reductions, Teijin's and Syensqo's operating loss widened as impairment charges and lower volumes outweighed. Although some firms improved earnings through restructuring, Sumitomo Chemical's core operating income rose after divestiture gains, but still improvements were largely non-operational.

MARKET DYNAMICS

Industry conditions remain challenging, dominated by weak demand, oversupply and macroeconomic uncertainty. Management commentary repeatedly highlights difficult markets: Dow described an "unprecedented industry downturn" driven by lower demand in construction, while LG Chem pointed to petrochemical oversupply from China and weaker EV demand in North America. Similar pressures appear across companies as Arkema cited a "particularly demanding" macro environment with weak demand in Europe and North America.

GROWTH OUTLOOK

Forward guidance remains cautious but not uniformly negative, with many companies expecting stabilization rather than strong expansion. ExxonMobil targets approximately €21 billion earnings growth and €30 billion cash flow growth by 2030, supported by advantaged assets and disciplined capital allocation. Meanwhile LG Chem anticipates modest growth in advanced materials and energy storage, although macroeconomic uncertainty persists. Other firms, such as Arkema and Syensqo, guide only slight or low single-digit growth, reflecting limited visibility.

PROFITABILITY OUTLOOK

Profit expectations remain pressured despite cost-saving initiatives and restructuring programs. Dow emphasized ongoing cost reductions and asset shutdowns to mitigate continued margin pressure, while LG Chem warned that oversupply and weak EV demand could limit margin recovery. Similarly, Alpek expects 2026 comparable EBITDA of €380–430 million, below the €423 million achieved in 2025, highlighting continued margin compression.

What's the sentiment?

Plastics and Bulk Polymers - 2025 Q4



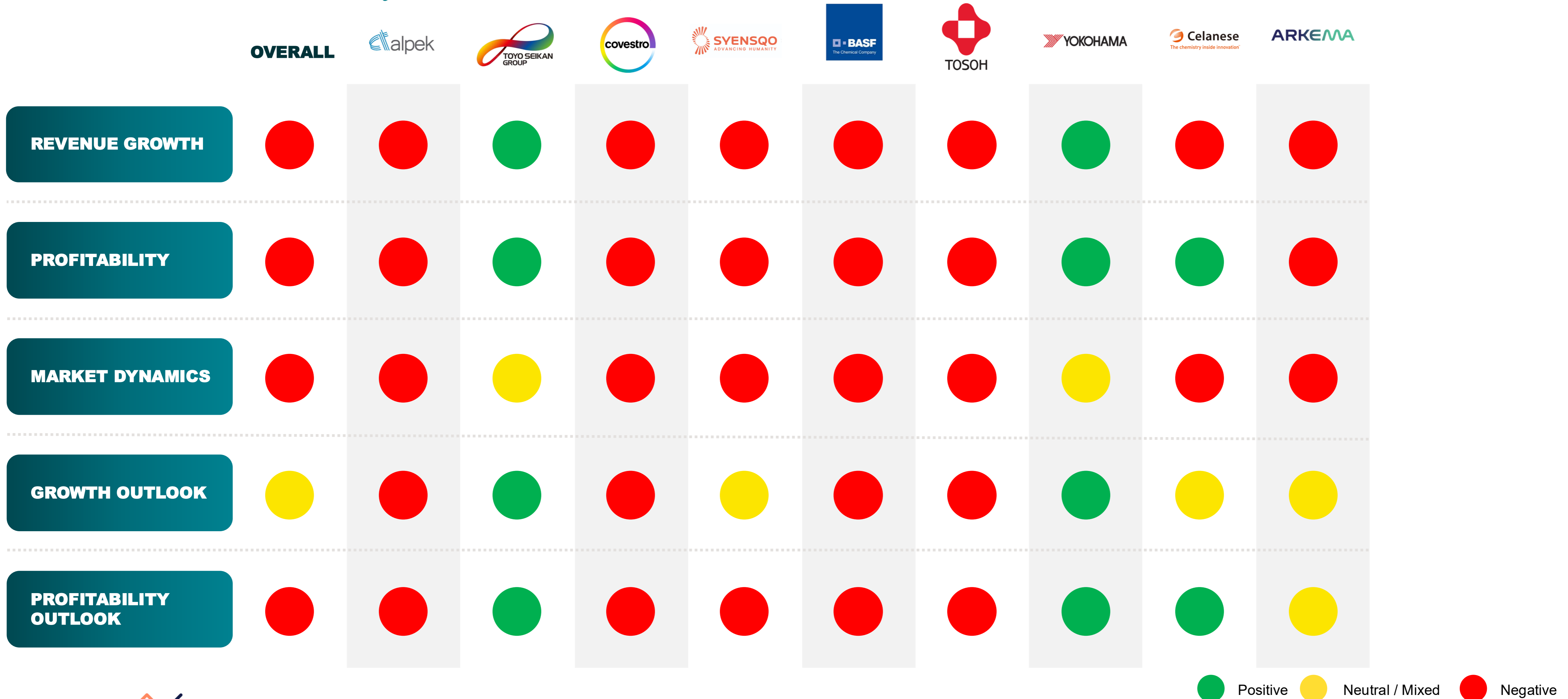
● Positive
 ● Neutral / Mixed
 ● Negative

*All results shown are for Q2 or H1, except for Fonterra, which reports on a full-year basis. Please keep this difference in mind when making comparisons

Note: A grey bubble = not mentioned in the earnings update. Hence no sentiment can be derived from its reporting on these developments.

What's the sentiment?





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Overview of results (1/5)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
 Dow	2025 - Q4 3 months	€ 8,385M (-9.1%)	-11.0% (-13.6%)	<ul style="list-style-type: none"> -9% price effect -2% volume effect 	<ul style="list-style-type: none"> Net sales declined due to lower prices and volumes across major segments, with Packaging & Specialty Plastics affected by weaker polymer pricing and demand, partly offset by wire and cable gains. Operating income fell on margin compression and lower operating rates despite cost savings. Asset shutdowns in Europe and the Transform to Outperform initiative support structural earnings improvement and sustainable growth through Path2Zero.
 LG Chem	2025 - Q4 3 months	€ 6,974M (-8.8%)	-3.7% (-10.8%)	<ul style="list-style-type: none"> -11.5% sales Petrochemicals due to weak market conditions -13.5 sales Advanced Materials 	<ul style="list-style-type: none"> Sales declined amid challenges in Battery Materials and North American EV demand. Market conditions continued to deteriorate due to sluggish global demand and oversupply from China. Portfolio streamlining and divestitures sharpen focus on high-value applications, with margin recovery supported by efficiency and mix optimization.
 ExxonMobil	2025 - Q4 3 months	€ 72,958M (-1.3%)	17.7% (-2.4%)	<ul style="list-style-type: none"> decreased performance due to weaker crude prices and chemical margins 	<ul style="list-style-type: none"> Earnings in Chemicals decreased YoY. Lower margins, impairment-related identified items, and higher seasonal spend were partially offset by net favorable tax impacts. The company expanded higher-value capacity throughout the year, bringing online additional performance chemicals at the wholly-owned, world-scale China Chemical Complex. Strategic milestones included early start-up of Yellowtail in Guyana and completion of Golden Pass LNG Train 1, reinforcing a lower-cost, technology-led portfolio.
 LyondellBasell	2025 - Q4 3 months	€ 6,286M (-9.2%)	4.9% (+10.0%)	<ul style="list-style-type: none"> polyethylene volumes declined due to maintenance and lower seasonal demand volumes decreased in a continued weak polymers end-use environment 	<ul style="list-style-type: none"> Revenue declined as trade disruptions and oversupply pressured demand and pricing. Despite EBIT recovery in Q4, FY result declined impacted by higher feedstock costs and weaker margins. Olefins & Polyolefins Americas faced reliability constraints and soft domestic demand, reducing polyethylene volumes. Portfolio optimization continues with planned divestment of European assets, positioning the company to benefit from future market recovery.





Overview of results (2/5)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
 Borouge	2025 - Q4 3 months	€ 1,486M (+3.4%)	30.4% (-1.0%)	<ul style="list-style-type: none"> +12% volume effect -9% price/mix effect 	<ul style="list-style-type: none"> Delivered strong performance supported by record sales volumes and high utilization rates in polyethylene and polypropylene. Maintained industry leading margin due to efficiency gains, including AI and digital initiatives, offset by cost pressures. However, margin slightly decreased. Commissioning of Borouge 4 progressed, expanding polyethylene output and doubling XLPE capacity, reinforcing production growth and profitability leadership.
 Sumitomo Chemicals	2026 - Q3 YTD 9 months	€ 10,114M (-10.4%)	10.6% (+2.9%)	<ul style="list-style-type: none"> -2.9% price effect -7.1% volume effect -1.6% FX effect 	<ul style="list-style-type: none"> Sales declined due to weaker ICT & Mobility Solutions and Essential & Green Materials, impacted by price competition and divestitures. Core operating income improved, driven by gains from business transfers and improved trade terms. Semiconductor material shipments improved, while divestitures including Petro Rabigh streamlined operations and enhanced profitability.
 Asahi Kasei	2026 - Q3 YTD 9 months	€ 13,404M (+0.1%)	7.7% (+0.4%)	<ul style="list-style-type: none"> +6.2% Healthcare sales -5.6% Material sales declined Performance Chemical sales 	<ul style="list-style-type: none"> Results were supported by strong performance in priority growth businesses, particularly pharmaceuticals and electronics, which offset weaker conditions in materials and overseas housing. Profitability benefited from cost reductions and high-value products in domestic housing, while materials profits declined due to petrochemical maintenance and special inventory factors. Performance Chemicals were affected because the volume of engineering plastics for Japanese automobile manufacturers is quite weak.
 Mitsubishi Chemical	2026 - Q3 YTD 9 months	€ 16,226M (-8.2%)	4.1% (-0.7%)	<ul style="list-style-type: none"> -14.3% Materials & Polymers sales demand remained sluggish mainly in Japan, Europe and the US 	<ul style="list-style-type: none"> Revenue declined due to weaker demand and divestitures, while core operating income fell slightly amid inflationary pressures. Despite slight YoY margin decrease, cost controls, price management, and rationalization efforts supported margins, with Specialty Materials benefiting from semiconductor-related demand and Industrial Gases improving through pricing actions. The Coregas acquisition strengthened regional industrial gas capabilities.




Overview of results (3/5)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)		OPER. PROFIT (%PT. DEV.)		GROWTH DRIVERS	INSIGHTS & OUTLOOK
 Teijin	2026 - Q3 YTD 9 months	€ 3,912M	(-12.7%)	-8.1%	(-2.4%)	<ul style="list-style-type: none"> -24.2% revenue Materials -2.8% revenue Fibers & Products Converting 	<ul style="list-style-type: none"> Revenue declined due to weaker demand, intensified competition, and currency impacts, particularly in the Materials segment. Operating loss widened as impairment charges and lower volumes outweighed cost reductions, keeping margins under pressure. Portfolio optimization progressed with divestitures of aramid paper joint venture stakes, supporting business transformation efforts.
 Toray	2026 - Q3 YTD 9 months	€ 11,378M	(-0.2%)	3.7%	(-1.7%)	<ul style="list-style-type: none"> +3.9% revenue Fibers & Textiles -6.1% Performance Chemicals +11% Environment & Engineering 	<ul style="list-style-type: none"> Revenue was broadly stable, though core operating income declined amid competitive pressures and weak automotive and electronics demand. Fibers & Textiles supported growth through strong apparel demand despite European stagnation. Cost reduction initiatives and new electronic material products underpin "Project AP-G 2025" execution for sustainable growth.
 Alpek	2025 - Q4 YTD 12 months	€ 5,837M	(-12.5%)	Adj. EBITDA* 7.4%	(-1.9%)	<ul style="list-style-type: none"> -10% Polyester volume -7% Plastics & Chemicals volume 	<ul style="list-style-type: none"> Revenue declined due to pressured pricing and lower demand, with Adjusted EBITDA impacted by weak margins, reduced volumes, and low freight costs. Polyester faced maintenance shutdowns and soft global demand, while Plastics & Chemicals showed resilient margins. Cost optimization and disciplined capital allocation strengthened free cash flow, alongside structural simplification through the Controladora Alpek merger.
 Toyo Seikan Group	2026 - Q3 YTD 9 months	€ 4,277M	(+3.3%)	5.7%	(+1.3%)	<ul style="list-style-type: none"> +15.5% revenue Engineering, filling and logistics due to recovery in North America and favorable performance in Asia 	<ul style="list-style-type: none"> Toyo Seikan Group's results were driven by strong demand in packaging solutions, supported by innovation and sustainability initiatives. Profitability improved through disciplined cost controls, a better product mix, and favorable input pricing, while finalized business consolidation strengthened scale and efficiency. Management said its focus on innovation and sustainability continues to support growth.

Overview of results (4/5)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)		OPER. PROFIT (%PT. DEV.)		GROWTH DRIVERS	INSIGHTS & OUTLOOK
 Covestro	2025 - Q4 3 months	€ 2,915M	(-13.7%)	-11.1%	(-7.2%)	<ul style="list-style-type: none"> -1.3% volume effect -7.8% price effect -4.6% FX effect 	<ul style="list-style-type: none"> Covestro faced continued pressure from oversupply and trade conflicts, which drove price declines in the global polymer market. The challenging pricing environment and weak market conditions weighed on profitability, with EBIT remaining negative despite cost discipline and efficiency measures. Acquisitions in specialized films and aliphatic isocyanates strengthened the portfolio in coatings and adhesives, alongside management's focus on sustainability and innovation..
 Syensqo	2025 - Q4 3 months	€ 1,329M	(-11.7%)	-7.0%	(-6.5%)	<ul style="list-style-type: none"> -5% volume effect -6% FX effect -17.8% sales Specialty Polymers +3.2% sales Composite Materials 	<ul style="list-style-type: none"> Syensqo's performance was weighed down by lower volumes and foreign exchange effects, with weaker demand in Specialty Polymers, especially in electronics and automotive. Composite Materials stood out with growth supported by aerospace demand and disciplined portfolio management. Margins came under pressure from lower volumes and currency movements, partly offset by cost savings, while the divestment of the Oil & Gas business further advanced the specialty strategy.
 BASF	2025 - Q4 3 months	€ 14,032M	(-11.5%)	EBITDA before special items* 7.4%	(-2.5%)	<ul style="list-style-type: none"> +1.8% volume effect -1.6% price effect -5% FX effect 	<ul style="list-style-type: none"> BASF's performance was weaker than anticipated, contributing to the year-on-year decline. BASF faced geopolitical headwinds after a strong start to 2025. The Materials segment experienced declining prices and currency effects, while Performance Materials delivered higher volumes with stable margins supported by strategic positioning. Portfolio actions, including the coatings sale and Agricultural Solutions IPO preparations, support long-term strategic alignment.
 Tosoh	2026 - Q3 YTD 9 months	€ 4,482M	(-5.0%)	9.2%	(-0.1%)	<ul style="list-style-type: none"> -16.4% sales Petrochemical -11.1% price impact -5.3% volume impact 	<ul style="list-style-type: none"> Net sales declined due to lower demand and reduced selling prices, particularly in Petrochemical and Chlor-alkali amid weaker global conditions. Operating income fell as unfavorable inventory fluctuations and higher fixed costs outweighed benefits from improved raw material terms of trade. The Engineering segment provided partial offset through growth in large-scale water treatment projects across Taiwan, the U.S., and Japan.

Overview of results (5/5)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	OPER. PROFIT (%PT. DEV.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK
 The Yokohama Rubber	2025 - Q4 YTD 12 months	€ 7,320M (+12.8%)	12.4% (+1.5%)	<ul style="list-style-type: none"> +1.1% FX impact +8.8% revenue Tires +27.4% revenue new out off highway tires category 	<ul style="list-style-type: none"> Yokohama Rubber's growth was driven more by its existing tire business than acquired OHT (out off highway) assets, as its "Best Alternative" strategy broadened the lineup. Profitability improved through stronger sales of high-value-added products, better mix, cost reductions, and structural reforms. The company is expanding global production capacity, accelerating strategic investments, and raising shareholder returns alongside stronger governance.
 Celanese	2025 - Q4 3 months	€ 1,954M (-6.5%)	4.2% (+64.4%)	<ul style="list-style-type: none"> -7% volume effect -2% price effect 	<ul style="list-style-type: none"> The company operated in a challenging environment with declining sales, driven by softer demand across key markets. Margin expansion was supported by inventory reductions and optimized asset footprints, enhancing operating leverage. Engineered Materials focused on high-margin programs with value-based pricing, while Acetyl Chain improved earnings through productivity measures and targeted price increase.
 Arkema	2025 - Q4 3 months	€ 2,105M (-7.4%)	-1.2% (-3.4%)	<ul style="list-style-type: none"> -2.3% volume effect -1.5% price effect -2.3% volume effect +1.4% from acquisition of Dow laminating adhesives 	<ul style="list-style-type: none"> Arkema's 2025 performance was affected by weak demand in Europe and North America, tight inventory management, and unfavorable pricing in acrylics and refrigerants. Despite strict cost control, cost savings, and contributions from major projects, EBIT remained negative. Specialty Materials remained resilient while the group advanced portfolio refocusing through battery technology partnerships and divestments.

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