

# Dow – Company Overview

## Industry Overview and Positioning

Dow Inc. operates in the global materials science and chemicals industry, a sector that is deeply cyclical and influenced by macroeconomic trends, energy prices, and industrial demand. The industry is undergoing a transformation driven by sustainability, digitalization, and supply chain resilience.

Dow is a leading player in this space, with a diversified portfolio across plastics, industrial intermediates, coatings, and performance materials. It competes with peers like BASF, SABIC, and LyondellBasell. Dow's strategic focus on cost discipline, asset optimization, and sustainability positions it to weather cyclical downturns and capitalize on long-term trends in packaging, mobility, infrastructure, and consumer care.

## Recent Performance Highlights

- **Q1 2025 Net Sales:** \$10.4 billion, down 3% YoY due to lower prices across all segments.
- **Volume Growth:** +2% YoY, with gains in all regions except Latin America.
- **GAAP Net Loss:** \$(290) million, driven by lower prices and higher energy/feedstock costs.
- **Operating EBIT:** \$230 million, down \$444 million YoY.
- **Operating EPS:** \$0.02, compared to \$0.56 in Q1 2024.
- **Cash from Operations:** \$104 million, down \$356 million YoY.

Despite pricing pressure, Dow maintained volume growth and shareholder returns, distributing \$494 million in dividends in Q1.

## Product Set and Strategic Initiatives

Dow operates through three core segments:

### Packaging & Specialty Plastics:

- **Products:** Polyethylene, elastomers, and packaging resins.
- **End-markets:** Consumer packaging, food preservation, e-commerce.
- **Strategy:** Focus on circular economy and low-carbon plastics.

### Industrial Intermediates & Infrastructure:

- **Products:** Polyurethanes, glycol ethers, solvents.
- **End-markets:** Construction, automotive, energy.
- **Strategy:** Asset optimization and energy efficiency.

### Performance Materials & Coatings:

- **Products:** Acrylics, silicones, coatings additives.
- **End-markets:** Electronics, mobility, personal care.
- **Strategy:** Innovation in high-margin specialty applications.

## Strategic Initiatives:

- **\$6 Billion Cash Support Plan:** Includes delaying the Fort Saskatchewan Path2Zero project and reviewing European assets.

- **Asset Monetization:** Sale of a minority stake in U.S. Gulf Coast infrastructure assets via Diamond Infrastructure Solutions, with \$2.4 billion expected in May 2025.
- **Efficiency Measures:** Restructuring and cost-cutting to align with market conditions.

## Financial Performance and Outlook

Dow is navigating a challenging macro environment with disciplined capital allocation and strategic restructuring. The company is focused on:

- Preserving liquidity and maintaining investment-grade credit ratings.
- Enhancing cash flow through operational efficiency and asset sales.
- Positioning for recovery in end-markets like construction, packaging, and mobility.

### Key Financial Metrics

Metric	Q1 2025	Q1 2024	YoY Change
Net Sales	\$10.4B	\$10.7B	-3%
Operating EBIT	\$230M	\$674M	-66%
Operating EPS	\$0.02	\$0.56	-96%
Cash from Ops	\$104M	\$460M	-77%
Dividends Paid	\$494M	\$500M	-1%

## Conclusion

Dow Inc. is in a transitional phase, responding to cyclical headwinds with proactive cost management, strategic asset reviews, and a focus on long-term sustainability. While near-term financials reflect pricing and cost pressures, Dow's diversified portfolio, global scale, and strategic initiatives provide a solid foundation for recovery and growth.