



Coatings, Adhesives & Sealants

Earnings season 2025 Q3

INTRODUCING

Earnings intelligence, built different

Transcripts analyzed within 2-3 hours of publishing. Data validated by industry analysts. Competitive shifts mapped, sentiment analyzed, financial benchmarks added for all major players.

What you're looking at is roughly 70% of quarterly earnings analysis already complete. The foundation is built

What's left: your strategic context, your internal lens, the "what this means for us" analysis that leadership is depending on — and only you can provide.



Synthesis

2025 Q3 earnings season



Strategic repositioning

Across firms, management is reshaping portfolios to strengthen resilience. **Syensqo** divests its Oil & Gas business (€135m Enterprise Value), **DuPont** sells Aramids and completes the Qnity spin-off, and **LANXESS** prepares to exit Envalior (€1bn base price). The strategic focus is shifting towards higher-margin specialty and technology applications.



Global demand softness and China-linked overcapacity

Weak industrial production, slow construction markets, and China-driven overcapacity consistently pressure sales. **Solvay** notes “unsustainable price pressure linked to overcapacities in China,” **LANXESS** cites “competitive headwinds from Asia,” while Syensqo highlights electronics and aerospace destocking. This shared pressure generates broad revenue contraction across four out of five peers.



Cost-efficiency and restructuring programs

Despite falling revenues, companies protect profitability through structural cost actions. **AkzoNobel** delivers €175m annualized savings, **Clariant** achieves 230 bps margin expansion through performance programs, and Solvay captures €81m YTD structural savings. These efforts prevent a sector-wide margin collapse.



FX headwinds, tariffs, and geopolitical pressures

FX movements, trade tensions, and regional policy shifts are exerting material pressure across the sector. **Syensqo** and **AkzoNobel** each reported a –5% FX impact on revenue, while **Solvay** cited continued currency headwinds affecting both sales and EBITDA. **Clariant** highlighted that tariffs of up to 30–50% on imports materially affect demand patterns and industrial production.

What's the sentiment?

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REVENUE GROWTH

Revenue performance across the sector is decisively negative, with majority of companies reporting YoY declines ranging from -5% to -16%, driven by weak industrial demand, FX drag, and China-linked pricing pressure. Only **DuPont** shows top-line expansion (+7%) due to structurally stronger electronics and healthcare markets. The overall trend signals broad-based volume stress and an industry still facing cyclical contraction.

PROFITABILITY

Profitability weakened across most of the sector, with four out of five companies reporting EBITDA declines and margin compression. **Solvay, Syensqo, and LANXESS** all cited volume headwinds, China-driven price pressure, and lower utilization as key drivers of reduced profitability. **DuPont** also experienced margin contraction of 140 bps and flat EPS despite EBITDA growth, indicating weakened profitability.

MARKET DYNAMICS

Market dynamics remain firmly negative as most companies reference **weak global industrial production, China-driven overcapacity, and North American demand softness**. Destocking in aerospace and electronics, and tariff-related pressures (Clariant) add to systemic headwinds. The operating environment shows **no signs of a near-term rebound**, reinforcing a sector-wide negative sentiment.

GROWTH OUTLOOK

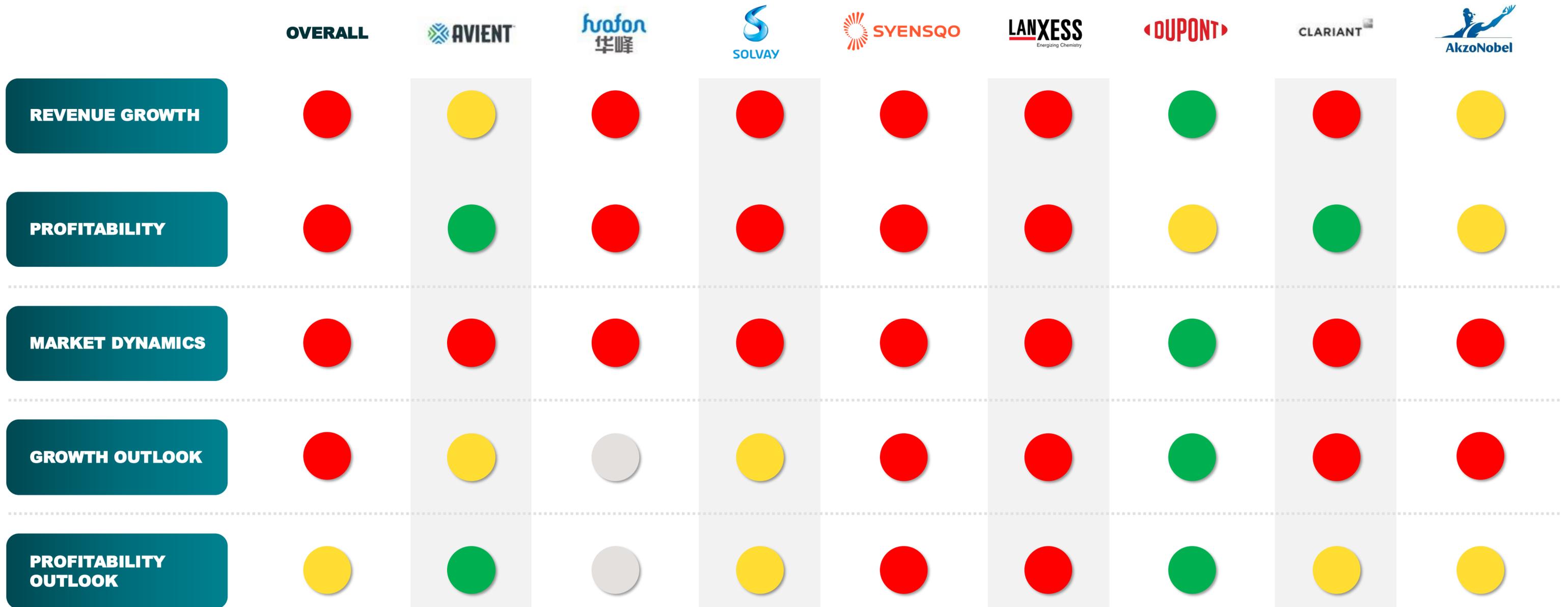
Forward-looking indicators point to **subdued growth**, with **AkzoNobel** signaling weaker volumes, **Syensqo** and **LANXESS** expecting continued macro uncertainty, demand softness in North America and Europe. Players expect continued pressure from China, and soft demand across coatings, polymers, and intermediates. **DuPont's** upgraded outlook is not strong enough to offset the sector's broadly cautious tone.

PROFITABILITY OUTLOOK

Profitability expectations remain **balanced**, supported by sizable cost-saving programs (Solvay's >€200m; AkzoNobel's €175m) and upgraded guidance from **DuPont**. However, **LANXESS** and **Syensqo** highlight deteriorating demand that restricts margin progression. The mix of upgrades, downgrades, and unchanged outlooks results in a mixed unpredictable outlook.

What's the sentiment?

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● Positive
 ● Neutral / Mixed
 ● Negative

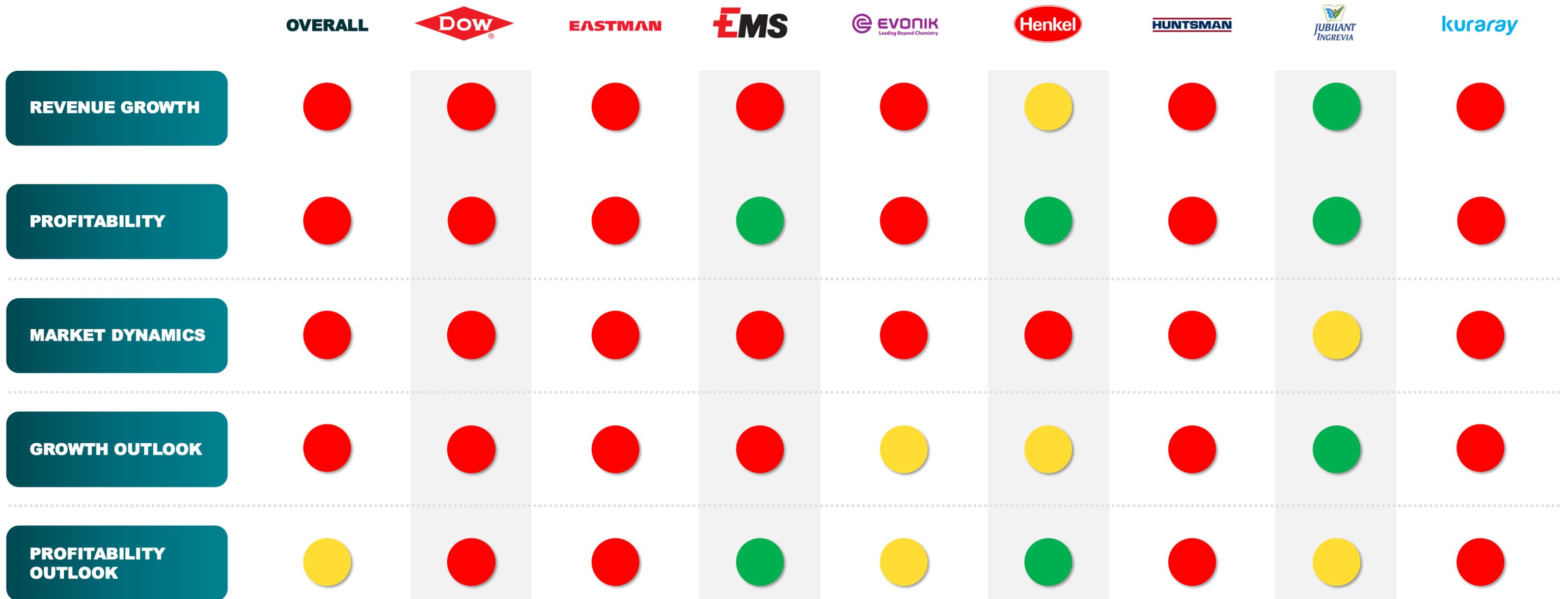
What's the sentiment?

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What's the sentiment?

Coatings, Adhesives & Sealants



● Positive
 ● Neutral / Mixed
 ● Negative

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

Overview of results (1/2)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	% PROFITABILITY (%pt dev.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK ²
 Avient Corporation	2025 – Q3 3 months	745 (-1.1%)	Adj. EBITDA 16.5% (+0.6%)	<ul style="list-style-type: none"> -2.9% organic revenue growth +1.8% FX impact on revenue 	Avient reported 1.1% decline in sales to \$807M in Q3 2025, but managed to increase its adjusted EBITDA slightly (+60 bps to 16.5%). Margin expansion of 60 basis points to 16.5% was driven by productivity initiatives and favorable mix, particularly in healthcare and defense. Management noted subdued consumer and packaging demand globally, with some recovery signs in September. "Our focus on driving profitable mix and increased productivity helped expand adjusted EBITDA margins," said CEO Dr. Ashish Khandpur. - Streamlined operations and plant footprint optimization enhanced efficiency and cost control. - Outlook: guides FY 2025 adjusted EBITDA to \$540-\$550M; maintains adjusted EPS range of \$2.77-\$2.87.
 Huafon	2025 – Q3 3 months	778 (-9.9%)	EBIT 7.3% (+0.5%)	<ul style="list-style-type: none"> Decline in revenue and profit attributed to market demand contraction and increased competition 	Huafon Chemical reported Q3 2025 net sales of ¥5.97 billion, down 9.9% YoY amid weaker demand and reduced domestic advance payments. Despite this, operating cash flow rose 198.7% YoY, primarily from reduced cash outflows. Short-term borrowings decreased, while long-term borrowings increased significantly. - Rising impairments and conservative dividend payout (¥0.5 per 10 shares) suggest a focus on liquidity preservation overgrowth. - Outlook: No formal guidance provided; however, dividend moderation, margin compression, and muted capital investment imply a conservative near-term outlook.
 Solvay	2025 – Q3 3 months	1,044 (-0.2%)	EBITDA 22.2% (-0.2%)	<ul style="list-style-type: none"> -6.8% organic revenue growth -2.9% FX impact on revenue 	Solvay reported underlying net sales of €1,044 million in Q3 2025, down 9.7% YoY, driven by lower volumes and pricing in Southeast Asian soda ash markets and Coatis. Underlying EBITDA reached €232 million, with a margin of 22.2%, reflecting cost savings and portfolio optimization to match the lower revenues. Management stated, "Looking at what we achieved in the first nine months, I'm confident we will deliver our 2025 objectives." - Portfolio optimization included selling CO2 emissions rights and classifying certain assets for sale. - Outlook: guides FY 2025 EBITDA at €880-930 million and free cash flow around €300 million.
 Syensqo	2025 – Q3 3 months	1,517 (-1.4%)	EBITDA 21.5% (-1.4%)	<ul style="list-style-type: none"> -2.5% organic revenue growth -4.6% FX impact on revenue 	Syensqo reported Q3 2025 net sales of €1.5 billion, down 7% YoY due to lower volumes and unfavorable FX impacts. Gross profit fell YoY, driven by declines in Specialty Polymers and Novecare, though margins remained resilient at 21.5%, declining 140 bps sequentially. CEO Ilham Kadri highlighted strong free cash flow generation and ongoing cost-saving measures, stating, "Our focus on controllable factors drove another quarter of sequential EBITDA margin improvement." - Divestment of Oil & Gas business aligns with pure-play specialty strategy, valued at €135 million. - Outlook: guides FY 2025 EBITDA at €1.25 billion and capex below €600 million, targeting €200 million cost savings by FY 2026.

Overview of results (2/2)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	% PROFITABILITY (%pt dev.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK ²
 Lanxess	2025 – Q3 3 months	1,338 (-16.3%)	Adj. EBITDA 16.5% (-1.3%)	<ul style="list-style-type: none"> -2.4% price impact on revenue -6.5% volume impact -3.2% FX impact -4.2% portfolio impact 	LANXESS reported Q3 2025 sales of €1.3 billion, down 16% YoY, driven by weak demand across key markets and competitive pressures from Asia. Reduced raw material costs led to lower selling prices, while unfavorable exchange rates further impacted revenue. EBITDA pre-exceptionals declined, influenced by strategic project expenses. Management noted, "Currency hedges had a positive impact on earnings," but challenges persist in end markets and supplier issues affecting production. <ul style="list-style-type: none"> - Divestment of Urethane Systems BU planned for April 2025, aligning with portfolio optimization efforts. - Outlook: targets €40 million cost savings by FY 2026 through efficiency and digitalization initiatives.
 DuPont	2025 – Q3 3 months	2,837 (+7.3%)	EBITDA 27.3% (-0.3%)	<ul style="list-style-type: none"> +7% volume impact on revenue -1% price impact on revenue +1% FX impact on revenue 	DuPont reported net sales growth of 7% YoY for Q3 2025, driven by robust demand in electronics, healthcare, and water end-markets. Operating EBITDA margin development was almost flat combining organic growth and productivity gains pressure from unfavorable mix and currency impacts. CEO Lori Koch highlighted strong execution and operational improvements, stating, "We exceeded our previously announced third-quarter guidance." <ul style="list-style-type: none"> - Completed Qnity spin-off and announced definitive agreement to divest Aramids business, to streamline portfolio. - Outlook: guides FY 2025 operating EBITDA at ~\$1.6 billion, reflecting 2% YoY growth and continued strength in healthcare and water markets.
 Clariant	2025 – Q3 3 months	928 (-8.6%)	Adj. EBITDA 17.9% (+2.2%)	<ul style="list-style-type: none"> +1% price impact on revenue -4% volume impact on revenue -6% FX impact on revenue 	Clariant reported Q3 2025 sales of CHF 906 million, down 8.6% incl. FX impact (-3% in local currency) due to lower volumes in Care Chemicals and Catalysts, partially offset by pricing gains in Adsorbents & Additives. EBITDA margin before exceptional items rose to 17.9%, a 220-basis point improvement YoY, driven by performance improvement programs and effective price and cost management. CEO Conrad Keijzer highlighted the company's resilience and operational excellence amid a challenging market environment. <ul style="list-style-type: none"> - Investor Day savings program achieved CHF 31 million YTD, with measures including site closures and FTE reductions. - Outlook: guides FY 2025 EBITDA margin at 17-18% and local currency sales growth at the lower end of the 1-3% range.
 AkzoNobel	2025 – Q3 3 months	2,547 (-4.5%)	Adj. EBITDA 15.1% (+0.3%)	<ul style="list-style-type: none"> -1% volume effect +1% price/mix effect -5% FX impact 	AkzoNobel reported a Q3 2025 4.5% YoY sales decline mostly due to negative FX effect. Decorative Paints returned to growth with strong margins, while Coatings faced pressure from soft demand in North America. "We remain focused on the elements we control," stated the CEO. Margin expansion was supported by cost savings and disciplined inventory management. <ul style="list-style-type: none"> - Efficiency initiatives reduced 2,500 positions, exceeding targets, and advanced the disposal of Indian Deco business. - Outlook: India transaction closing in December to fund EUR 400M share buyback starting January 2026. Furthermore, merger with Axelta to create a global coatings leader with combined revenue of \$17B and an enterprise value of \$25B.

Intelligence that meets the moment

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Key Summary

NovaChem reported Q2 2025 revenue growth of 10.8% YoY, driven by higher selling prices across key products in its Sulphur and Water Chemicals (SWC) and Electrochemicals (EC) segments. Adjusted EBITDA rose 19.9% YoY, reflecting pricing strength in caustic soda and HCl, despite higher input costs. CEO Scott Rook highlighted the company's operational discipline and portfolio strength, stating, "Our robust performance provides confidence to raise full-year guidance." Margins improved as pricing gains offset input inflation.

- SWC segment saw increased merchant acid and Regen acid volumes, alongside higher sulphur product prices.
- EC profitability improved due to pricing gains in caustic soda and HCl, despite lower chlorine prices and sodium chlorate volumes.
- Acquisition of Chemcorp, a turnkey water treatment solutions provider, aligns with NovaChem Vision 2030 growth strategy.
- Outlook: Adjusted EBITDA guidance raised to \$475M-\$500M for FY 2025, targeting \$550M-\$600M by 2030 under Vision 2030.

AI-generated, Earnings Report, 15 August 2025

Sentiment

Market conditions	Neutral	Despite global tr materialize. Man as 'volatile,' but
Net sales development	Positive	Revenue increas \$496.7M, driven offsetting lower v prices. CEO state strong execution
Profit outlook	Positive	NovaChem expe second-highest by disciplined ca
Profitability development	Positive	Adjusted EBITDA to \$138M, prima soda and HCl, de 'resilient busines
Revenue outlook	Positive	Guidance for 20 \$475M-\$500M, conditions. CEO lines' supports g

Detailed Summary

Future Outlook	NovaChem raised its 2025 Adjusted EBITDA guidance to \$475-\$500 million, citing strong performance and mid-cycle Adjusted EBITDA growth to \$550-\$600 million by 2030 under its Chemtrade Vision 2030 framew and organic growth initiatives.
Management Commentary	Scott Rook, CEO, stated, 'NovaChem delivered another strong quarter in Q2, with double-digit growth in reve These results reflect the consistent execution of our strategy, underpinned by operational discipline, commer diversified portfolio.' Rohit Bhardwaj, CFO, emphasized, 'Our successful leverage reduction strategy has prov pursue compelling growth opportunities such as the acquisition of Polytec while maintaining a conservative b range.'

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