



# Earnings season 2025 Q3

Plastics and Bulk Polymers



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



### Structural cost actions to protect margins

Facing prolonged pricing pressure, companies intensified efficiency programs and portfolio adjustments. **Celanese** targeted \$120 million in 2025 cost savings and announced the divestiture of its Micromax business. **Azelis** advanced its €20 million cost-saving program, reporting it was ahead of schedule. **Asahi Kasei** continued its portfolio transformation through divestitures and acquisitions, including the consolidation of Calliditas, underlining a shared emphasis on structural margin support rather than top-line recovery.



### Global demand softness and China-linked overcapacity

Most companies reported broad volume declines and oversupply conditions, with **Alpek's** revenue falling 15% YoY due to global polyester oversupply and weaker pricing. **Azelis** highlighted continued competitive pressure from Chinese oversupply. **Alpek** noted challenges in the chemical industry and overcapacity as the main issue, requiring rationalization.



### Selective segment strength offsets broader market weakness

**Advansix** highlighted **22% revenue growth** in Plant Nutrients, supported by strong ammonium sulfate pricing, even as nylon and intermediates declined. **Asahi Kasei** reported **20.8% operating income growth** in Healthcare, driven by Pharmaceuticals and the consolidation of Calliditas. While headline performance remains pressured, targeted segments with differentiated products, pricing power, or structural demand drivers continue to perform more strongly than the broader portfolio.



### Tariffs, and geopolitical pressures

Geopolitical uncertainty is reshaping pricing dynamics and customer behavior across multiple markets. **Braskem** reported that US–China trade tensions reduced PE reference prices weighing on spreads in Brazil and Mexico. **Azelis** cited tariff-related volatility as a core factor limiting demand visibility, while **Arkema** highlighted regulatory changes affecting refrigerant gases and weakening US construction-related demand.

# What's the sentiment?

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### REVENUE GROWTH

Revenue performance weakened across the industry, with most companies reporting clear year-on-year declines caused by softer demand and broad pricing pressure. **Alpek** and **Braskem** experienced some of the steepest contractions, driven by oversupply and lower petrochemical benchmarks, while **Advansix** also posted a 6% drop linked to weaker downstream demand. This pattern shows that lower selling prices and global volume softness affected companies regardless of product mix.

### PROFITABILITY

Profitability deteriorated broadly as companies absorbed higher input costs while selling prices weakened. **Braskem** and **Arkema** reported significant margin compression, noting reduced spreads and inflation in fixed costs, while **Advansix** cited lower nylon and chemical intermediates pricing as a major driver of its EBITDA decline. The consistent erosion of margins across several segments indicates that cost-price imbalance is the central challenge facing the sector.

### MARKET DYNAMICS

Market conditions remained unfavorable as companies confronted weak demand, oversupply, and geopolitical disruptions. **Azelis** highlighted persistent pressure from Chinese exports affecting Southeast Asia and Latin America, while **Arkema** noted subdued industrial activity in the US and Europe. **Braskem's** report of a 10–12% decline in international PE prices underscores how global trade dynamics are distorting price discovery across the value chain.

### GROWTH OUTLOOK

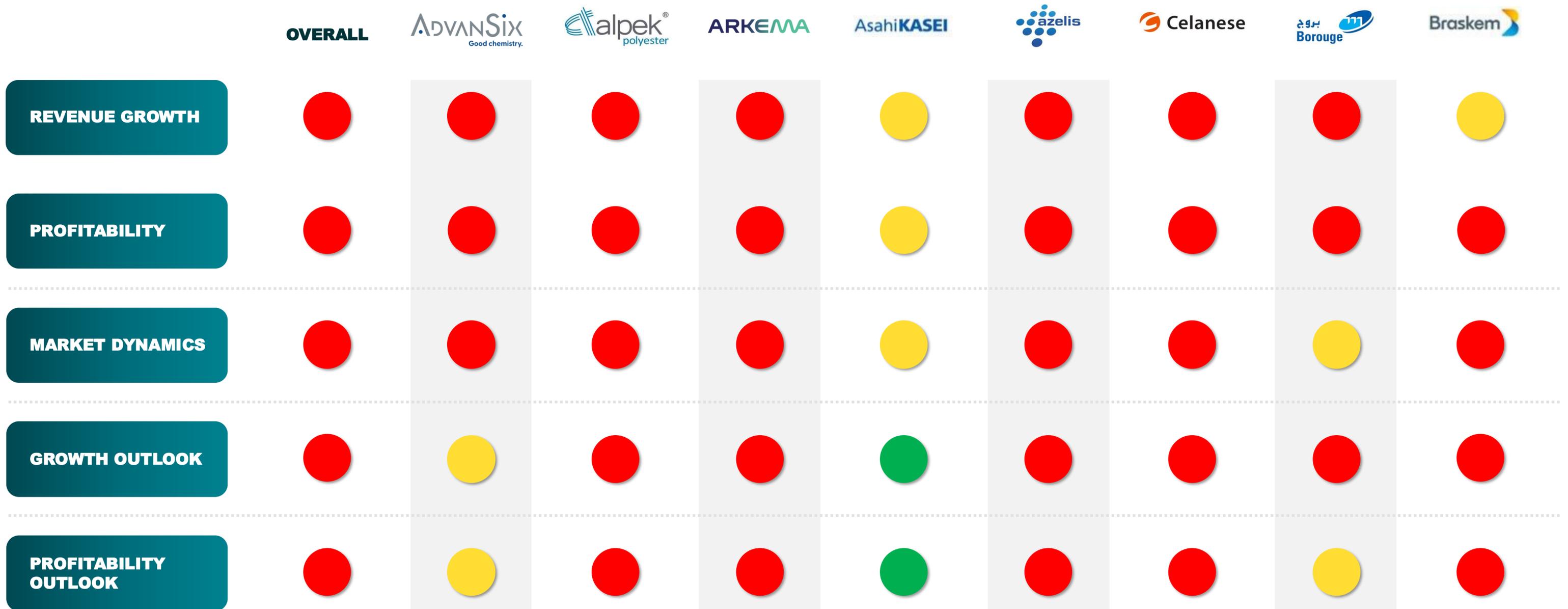
Growth expectations remain cautious, with several companies revising guidance downward or signaling continued pricing weakness. **Alpek** cut full-year expectations due to oversupply and reduced demand, while **Borouge** anticipates ongoing softness in benchmark prices despite strong utilization. **Azelis'** comments on restricted visibility reinforce that no near-term demand rebound is anticipated across major end-markets.

### PROFITABILITY OUTLOOK

Profitability outlooks are broadly negative as companies anticipate sustained margin pressure driven by oversupply, weak demand, and cost imbalances. **Alpek** explicitly flagged a challenging fourth quarter due to industry-wide margin compression, while **Azelis** expects diluted profitability despite planned efficiencies. **Celanese** also highlighted that declining volumes will weigh on upcoming quarterly earnings, indicating limited prospect for margin improvement in the near term.

# What's the sentiment?

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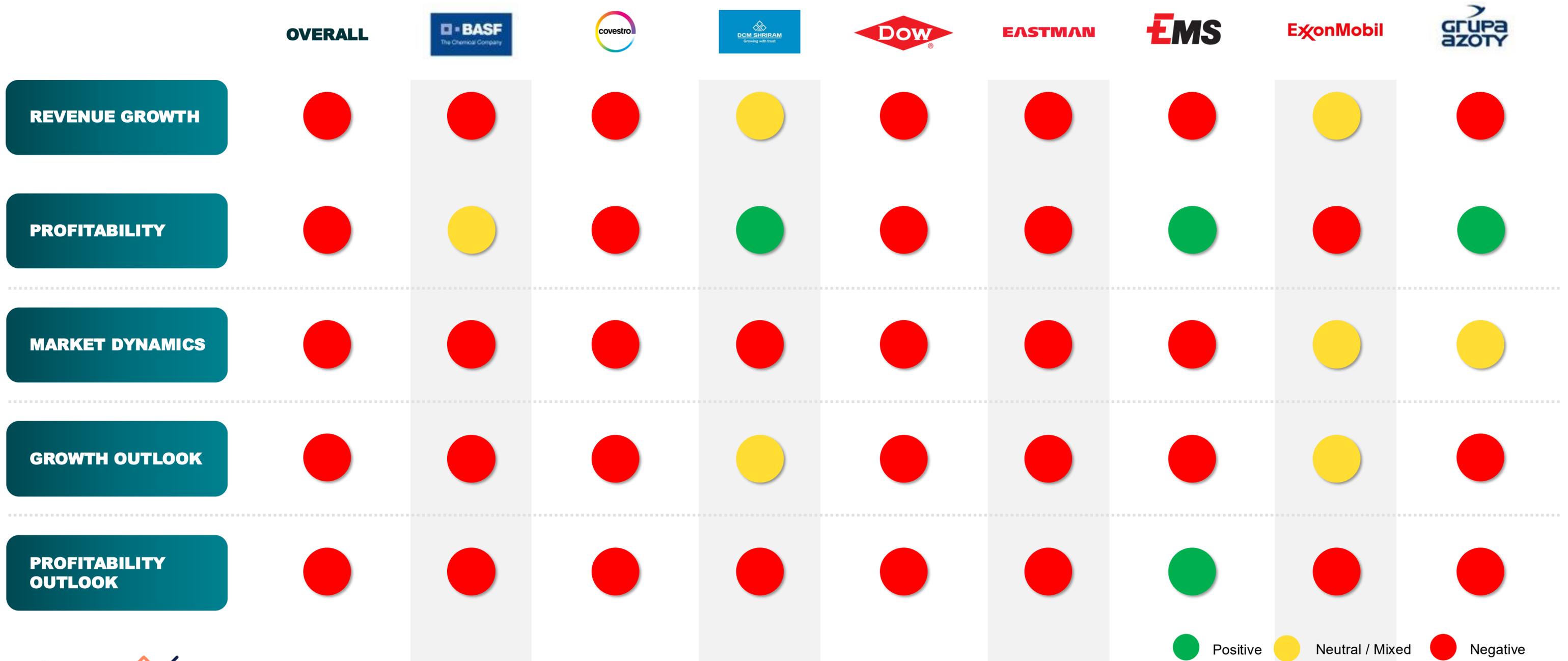


● Positive
 ● Neutral / Mixed
 ● Negative

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

# What's the sentiment?

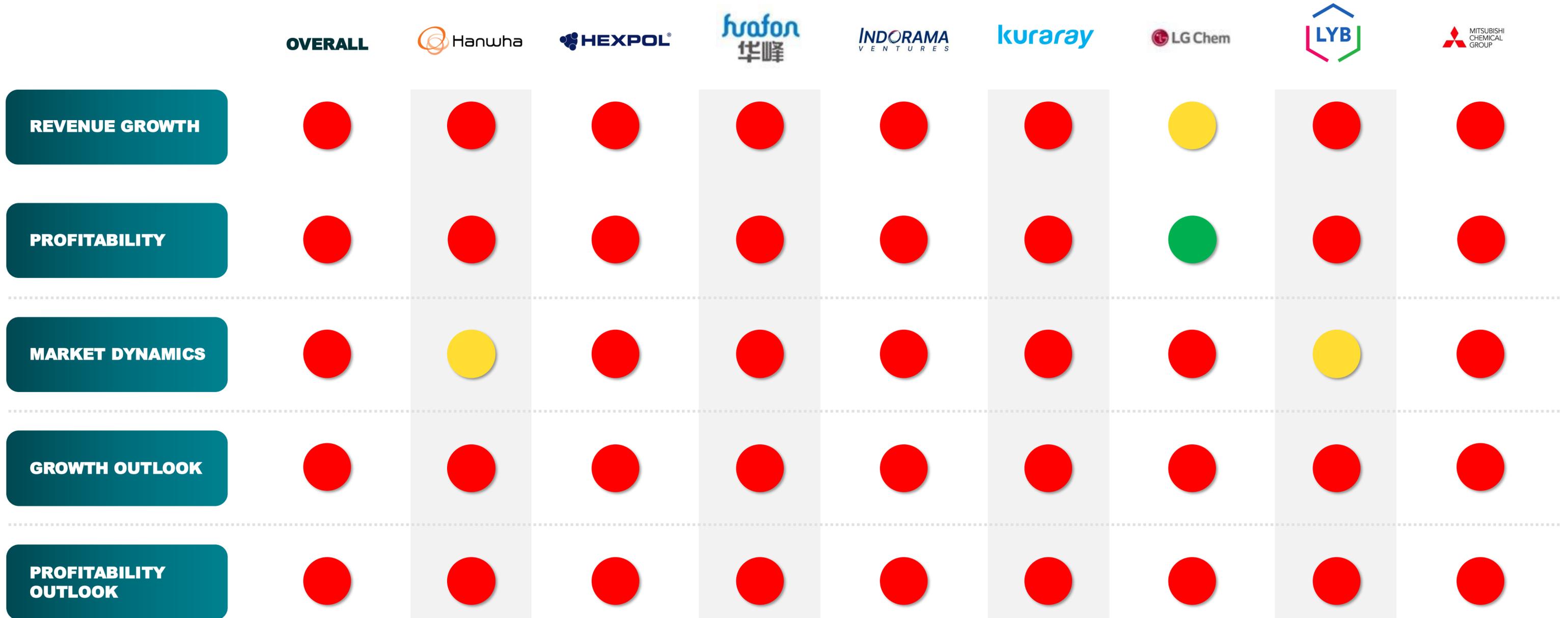
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# What's the sentiment?

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# Overview of results (1/2)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	% PROFITABILITY (%pt dev.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK <sup>1</sup>
 Advansix	2025 – Q3 3 months	346 (-6.0%)	Adj. EBITDA 6.6%  (-6.7%)	<ul style="list-style-type: none"> <li>-3% volume impact on revenue</li> <li>-3% pricing impact on revenue</li> </ul>	AdvanSix reported Q3 2025 sales of \$374M, down 6% YoY, driven by softer demand in nylon and chemical intermediates and lower raw material pass-through pricing. The company emphasized its SUSTAIN growth program and inventory management to optimize free cash flow amid weak market conditions. "Our durable competitive advantage will serve us well through this time," stated CEO Erin Kane. - Strategic focus on production moderation and inventory management to navigate nylon cycle downturn. - <b>Outlook:</b> guides FY 2025 capex at \$120-125M, reflecting \$30M savings; anticipates tailwinds from 45Q carbon capture tax credits in 2026.
 Alpek	2025 – Q3 3 months	1,645 (-16.4%)	Afj. EBITDA 2.8%  (-0.4%)	<ul style="list-style-type: none"> <li>-8% volume to 1,124 ktons</li> </ul>	Alpek reported 16% sales decline YoY, also volume decline due to market oversupply, especially in Polyester. Despite persistent industry oversupply and lower ocean freight rates, the company maintained positive free cash flow and disciplined financial execution. "Our strategic initiatives position us to capitalize on emerging opportunities," said CEO Jorge Young, highlighting efforts to enhance competitiveness and financial stability. - Merger approval with Controladora Alpek marks a milestone, alongside facility closures and asset divestitures. - <b>Outlook:</b> revises 2025 EBITDA guidance to ~\$500M; anticipates lower Q4 demand due to seasonality and maintenance shutdowns.
 Arkema	2025 – Q3 3 months	2,187 (-8.6%)	EBITDA 14.2%  (-2.8%)	<ul style="list-style-type: none"> <li>-2.5% volume impact on revenue</li> <li>-3.7% price impact on revenue</li> <li>-3.9% FX impact on revenue</li> <li>+1.5% M&amp;A impact</li> </ul>	Arkema reported EBITDA down 280 bps mainly due to weak US demand and impact of Coating Solutions segment, which was impacted by weak construction and decorative paints markets. Major projects ramped up with cost-cutting initiatives targeting €100 million in savings by year-end. CEO Thierry Le Hénaff described the growth strategy as follows: "We follow our strategy focused on 5 identified high-growth markets where we continuously look for new opportunities". - Innovation advanced with the launch of a next-generation batteries laboratory and the One Arkema platform for data centers. - <b>Outlook:</b> FY 2025 EBITDA is targeted at €1.25–1.3 billion, with recurring cash flow of around €300 million.
 Asahi Kasei	2025 – H1 6 months	10,568 (-0.3%)	EBIT 7.2%  (-0.1%)	<ul style="list-style-type: none"> <li>-2.5% organic revenue growth</li> <li>-4.6% FX impact on revenue</li> </ul>	Asahi Kasei reported consolidated revenue of ¥1,486.4 billion for H1 FY2025, a slight 0.3% decline YoY, driven by lower sales in Materials due to inventory valuation impacts and maintenance turnaround. Healthcare and Homes segments performed strongly, with Pharmaceuticals leading growth. Operating income remained resilient, supported by cost reductions and strategic investments. "We aim for a new record high operating income for the second consecutive year," noted management. - Strategic actions included divestitures in Essential Chemicals and acquisitions like Calliditas Therapeutics to strengthen core segments. - <b>Outlook:</b> guides FY2025 operating income to ¥221 billion (+4.3% YoY), with continued focus on growth investments and portfolio transformation.

# Overview of results (2/2)

COMPANY	PERIOD	NET SALES (€M AND % DEV.)	% PROFITABILITY (%pt dev.)	GROWTH DRIVERS	INSIGHTS & OUTLOOK <sup>1</sup>
 Azelis	2025 – Q3 3 months	1,015 (-3.8%)	Adj. EBITDA 9.7%  (-1.2%)	<ul style="list-style-type: none"> <li>+3.9% M&amp;A impact on revenue</li> <li>-4.1% organic revenue decline</li> <li>-3.5% FX impact on revenue</li> </ul>	Azelis reported revenue down 3.8% YoY, driven by Industrial Chemicals sales decline. Gross profit declined slightly due to negative mix effects in emerging markets. Additional cost efficiencies expected to materialize in coming months; working capital controls prioritized. Management emphasized their asset-light model and disciplined execution, stating, "Our resilient business model positions us well to navigate challenges and seize future opportunities." - Strategic M&A focused on high-value projects, including acquisitions in Spain, India, Switzerland, and Italy for portfolio enhancement. - <b>Outlook:</b> expects Q4 cost savings ramp-up and aims to reduce leverage below 3x in 2026.
 Celanese	2025 – Q3 3 months	2,234 (-8.6%)	Adj. EBIT 13.5%  (-3.7%)	<ul style="list-style-type: none"> <li>-6% volume impact on revenue</li> <li>-4% price impact on revenue</li> <li>+1 FX impact on revenue</li> </ul>	Celanese reported Q3 2025 net sales of \$2.4 billion, a 8.6% YoY decline due to lower volumes and pricing. Cost reduction initiatives are on track, with \$120 million in expected 2025 savings and further opportunities identified. CEO Scott Richardson emphasized, "Our plan is simple: generate cash, reduce costs, and drive growth." The company achieved \$375 million in free cash flow, reflecting robust cash generation capabilities. - Strategic divestiture of Micromax portfolio aligns with deleveraging goals and is expected to close in Q1 2026. - <b>Outlook:</b> guides Q4 adjusted EPS at \$0.85-\$1.00 and targets \$700-\$800 million FY 2025 free cash flow.
 Borouge	2025 – Q3 3 months	1,336 (-9.5%)	EBIT 31.2%  (-0.4%)	<ul style="list-style-type: none"> <li>-5% YoY total volume decline</li> </ul>	Borouge reported Q3 2025 revenue of \$1.45 billion, down 10% YoY due to softer benchmark pricing, though record production volumes supported operational resilience. Management highlighted high utilization rates and ongoing optimization efforts to enhance margins, stating, "Borouge remains well positioned to manage supply chain and S&D costs." EBIT margin remained strong at 31%, reflecting a focus on high-value segments and cost control. - Record production volumes achieved following B3 turnaround, with high utilization rates. - XLPE production from B4 to commence by year-end, enhancing high-value segment focus. - <b>Outlook:</b> reiterates full-year dividend guidance of 16.2 fils per share and anticipates stable macro conditions across core markets.
 Braskem	2025 – Q3 3 months	2,944 (-18.4%)	EBITDA 4.7%  (-6.5%)	<ul style="list-style-type: none"> <li>Sales volume decline in Mexico (-30%), US/Europe (-1%) and Brazil main chemicals and resins</li> <li>Slight volume increase in Brazil resins exports (+1%)</li> </ul>	Braskem reported 19% sales decline. Lower spreads in key segments and reduced utilization rates in Brazil due to scheduled shutdowns impacted performance. Management emphasized the importance of strategic initiatives, stating, "Our resilience and transformation program is critical to navigating prolonged market challenges." Margins remained pressured by supply-demand dynamics and cost inflation. - Strategic actions included anti-dumping duties on PE imports and approval of the Transforma Rio Project to expand ethylene and polyethylene capacity. - <b>Outlook:</b> targets increased competitiveness through resilience measures and anticipates Senate approval of PRESIC by end-2025.

# Intelligence that meets the moment

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NovaChem



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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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