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Zacks Report Date: December 14, 2025

Dow Inc (DOW)

$23.97 (Stock Price as of 12/12/2025)

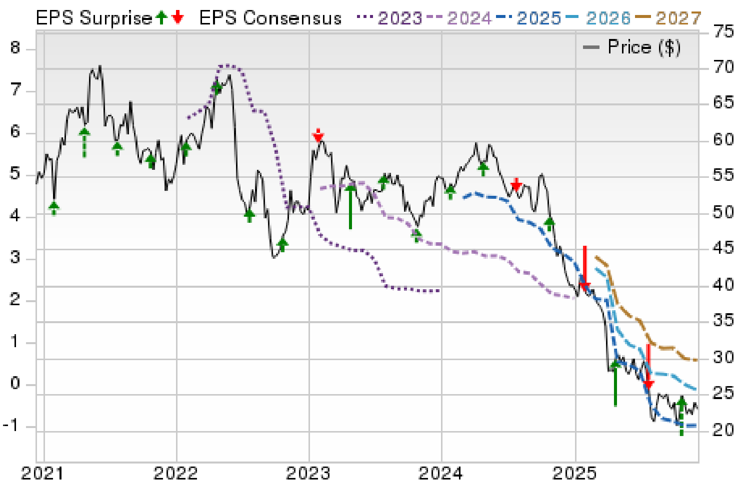
Price Target (6-12 Months): **$25.00**

Long Term: 6-12 Months	**Zacks Recommendation:**	Neutral
	(Since: 10/27/25)	
	Prior Recommendation: Underperform	
Short Term: 1-3 Months	**Zacks Rank:** (1-5)	3-Hold
	Zacks Style Scores:	VGM: C
	Value: B | Growth: D	Momentum: D

Summary

Earnings estimates for Dow for the fourth quarter have been stable over the past month. The company should gain from cost synergy savings and productivity initiatives. It focuses on maintaining cost and operational discipline through restructuring and cost-removal initiatives. Dow's actions to reduce operating costs are expected to lend support to its earnings. Investment in high-return projects should also be accretive to its earnings. It is also taking action to reduce its debt and remains focused on boosting shareholder returns. Dow has adequate liquidity to meet its debt obligations. However, the company faces challenges from soft demand due to weak global economic activities. Lower demand is likely to hurt fourth-quarter volumes and sales. Weaker siloxane prices and turnaround costs may also impact margins.

Price, Consensus & Surprise[1]



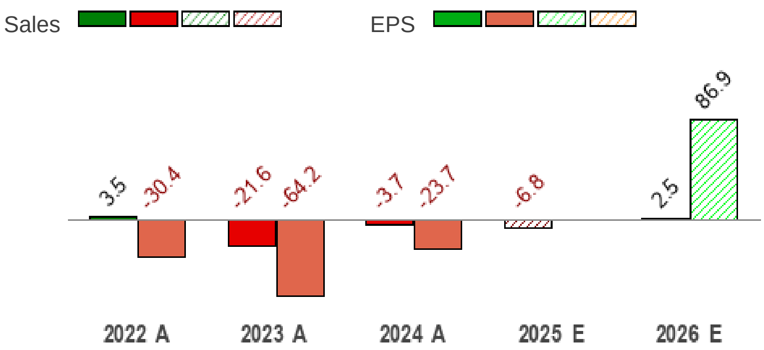
Data Overview

52 Week High-Low	$42.17 - $20.40
20 Day Average Volume (sh)	11,462,356
Market Cap	$17.0 B
YTD Price Change	-40.3%
Beta	0.80
Dividend / Div Yld	$1.40 / 5.8%
Industry	Chemical - Diversified
Zacks Industry Rank	Bottom 12% (211 out of 243)

Last EPS Surprise	38.7%
Last Sales Surprise	-2.0%
EPS F1 Est- 4 week change	0.5%
Expected Report Date	01/29/2026
Earnings ESP	-14.2%

P/E TTM	NA
P/E F1	-24.2
PEG F1	NA
P/S TTM	0.4

Sales and EPS Growth Rates (Y/Y %)[1]



Sales Estimates (millions of $)[1]

	Q1	Q2	Q3	Q4	Annual*
2026	10,249 E	10,442 E	10,335 E	10,022 E	41,053 E
2025	10,431 A	10,104 A	9,973 A	9,526 E	40,034 E
2024	10,765 A	10,915 A	10,879 A	10,405 A	42,964 A

EPS Estimates[1]

	Q1	Q2	Q3	Q4	Annual*
2026	-0.16 E	0.02 E	0.07 E	-0.06 E	-0.13 E
2025	0.02 A	-0.42 A	-0.19 A	-0.45 E	-0.99 E
2024	0.56 A	0.68 A	0.47 A	0.00 A	1.71 A

*Quarterly figures may not add up to annual.

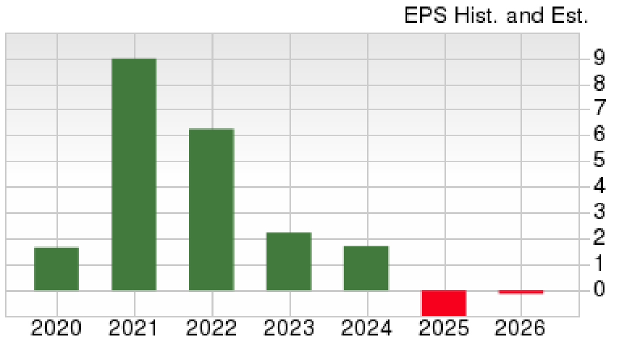
(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/12/2025.
(2) The report's text and the price target are as of 12/03/2025.

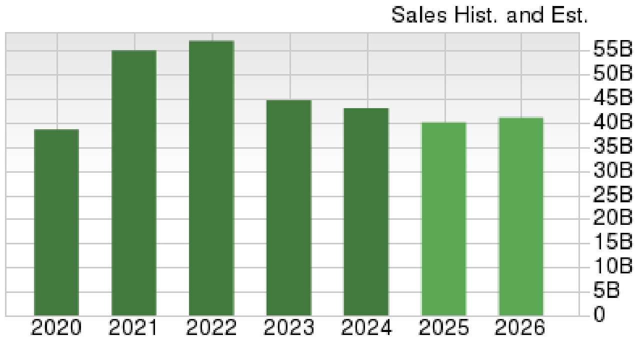
Overview

Dow Inc. is a material science company, providing a world-class portfolio of advanced, sustainable and leading-edge products. It came into being since its separation from DowDuPont Inc. in 2019. Shares of Dow started trading on the NYSE on Apr 2, 2019.

Dow recorded revenues of around $43 billion in 2024. It offers a vast range of differentiated products and solutions across high-growth market segments such as packaging, infrastructure and consumer care. Its ethylene plant in Freeport, TX, having a total capacity of 2,000 kilotons per year, is the largest ethylene cracker on the planet.

Dow's broad portfolio of higher-value functional polymers, significant low-cost global feedstock positions, global footprint and market reach and manufacturing sites in every geographic region places it in an advantageous position against competitors. The company currently operates in three segments:





As of 12/12/2025

Packaging & Specialty Plastics: The segment employs the industry's broadest polyolefin product portfolio. The unit leverages Dow's proprietary catalyst and manufacturing process technologies to deliver higher performing and sustainable plastics to customers across end markets, including food and specialty packaging, industrial and consumer packaging. The segment accounted for 51% of 2024 sales.

Industrial Intermediates & Infrastructure: The segment comprises industrial solutions, and polyurethanes & construction chemicals businesses. These businesses develop key intermediate chemicals for production processes as well as downstream, customized materials and formulations that utilize advanced development technologies. The segment accounted for 28% of 2024 sales.

Performance Materials & Coatings: The unit provides a vast range of solutions to consumer and infrastructure end-markets. It comprises coatings & performance monomers and consumer solutions businesses. These businesses employ materials science capabilities, unique products and technology, and global reach to offer differentiated products to customers. The unit accounted for 20% of 2024 sales.

As of 12/12/2025

Reasons To Buy:

> Dow should benefit from cost synergy savings and productivity initiatives. Investment in high-return projects should also be accretive to its earnings. Dow is also taking actions to reduce its debt.

- Dow remains focused on investing in attractive areas through highly accretive projects. It is investing in several high-return, lower-risk organic growth projects. The company completed its Fort Saskatchewan cracker expansion in 2021, which is expected to support increasing polyethylene demand. It executed several downstream silicones expansion projects in 2022 to lower merchant siloxane intermediate exposure. It also commissioned its fluidized catalytic dehydrogenation pilot plant in Louisiana in fourth-quarter 2022 to manufacture propylene for coatings, electronics and durables markets. Dow is currently executing multiple silicones and coatings debottlenecks and PE/functional polymers growth projects, and making additional alkoxylates capacity investments that are expected to yield $600-$800 million in incremental EBITDA by mid-decade. While Dow has delayed the construction of the $6.5 billion Fort Saskatchewan Path2Zero project amid heightened macroeconomic and geopolitical uncertainties, it remains focused on growth actions in attractive end markets, including pharma, home and personal care and energy, and completing high-return incremental growth projects in cost-advantaged regions. Its new alkoxylation expansion in Seadrift, TX, came into operation during the second quarter. Dow expects the project to contribute to earnings upside and aid growth in industrial solutions.

- The company focuses on maintaining cost and operational discipline through restructuring and cost-removal initiatives. It is realizing a full $300 million EBITDA benefit from restructuring programs being initiated in the third quarter of 2020. The restructuring initiatives were partly aimed at rationalizing certain manufacturing assets. Moreover, the company is advancing its Decarbonize and Grow and Transform the Waste strategies, which are expected to deliver more than $3 billion in underlying earnings annually by 2030. The company is taking proactive actions amid a challenging environment that are expected to deliver more than $6.5 billion in near-term cash support, having already achieved more than half of this target. These include infrastructure asset sales, additional cost savings and reduced capital expenditures. The move is in response to ongoing macroeconomic challenges and to support its long-term growth targets. Dow is taking action to cut costs by $1 billion to drive margins. It expects to achieve the majority of the cost savings through a $500-$700 million reduction in direct costs and reduced labor costs, including through a workforce reduction of around 1,500 roles globally. Dow sees around $400 million of benefits from these actions in 2025, with full benefits expected by 2026. Dow also expects around $1 billion in capital expenditure reduction in 2025, with roughly $600 million reduction through the delay in the Path2Zero project.

- Dow is taking action to reduce its debt. It has reduced its net debt and pension liabilities by more than $10 billion since the spin-off in 2019. It has no substantial long-term debt maturities until 2029. The company ended third-quarter 2025 with cash of roughly $4.6 billion. Dow has adequate liquidity (of more than $14.5 billion) to meet its short-term debt obligations.

- The company is committed to returning value to its shareholders by leveraging healthy cash flows. It generated solid cash flow from operating activities of $2.9 billion in 2024. It returned $2.5 billion to shareholders in 2024, comprised of $2 billion in dividends and $0.5 billion in share buybacks. Dow also returned $1.24 billion to shareholders in the first three quarters of 2025 through dividends. Dow, in April 2022, initiated a new $3 billion share buyback program. It generated operating cash flow from continuing operations of $1.1 billion in the most recent quarter. Strong cash flows are likely to enable Dow to continue to drive shareholders' value in 2025. It expects to return at least 65% of operating net income to shareholders, including roughly 45% in dividends.

Reasons To Sell:

> Softer demand in Europe and China is likely to weigh on Dow's volumes. Weaker siloxane prices and higher feedstock and turnaround costs may also impact its results.

- Dow is exposed to headwinds from weaker demand in Europe and China. The energy and feedstock inflation has resulted in reduced industrial production in Europe. Lower consumer spending due to weak macroeconomic conditions is still affecting demand in Europe. Construction and manufacturing activities remain soft in the region. Demand in Asia has been affected by the weaker demand recovery in China. The property sector remains sluggish in China, with declining new home prices. Demand in infrastructure, including residential construction, remains weak. Inflationary pressures are impacting consumer durables and building and construction demand, affecting the Industrial Intermediates & Infrastructure segment. Dow is also seeing softness in automotive in Europe due to weak demand. Weak conditions across these markets are likely to impact volumes in fourth-quarter 2025. Demand is expected to remain pressured by elevated inflation, low consumer confidence in Europe and geopolitical tensions over the near term, notably in building and construction and durable goods markets. Weak macroeconomic conditions due to disruptions from tariffs are expected to affect business and consumer sentiment over the near term. Dow is shutting down certain European assets, mainly in its polyurethanes business, where demand remains persistently challenged amid weak macroeconomic conditions.

- The company faces headwinds from higher feedstock and energy costs, which are expected to weigh on the margins in the Packaging & Specialty Plastics segment. Supply disruptions due to hurricanes and severe cold weather have contributed to an uptick in feedstock prices. Elevated feedstock costs are likely to continue to impact margins in this segment in the fourth quarter. Dow sees margin compression from higher feedstock costs in the fourth quarter, due to a weather-related spike in prices of natural gas and ethane.

- Dow faces headwinds from turnaround costs and operational issues in the fourth quarter. It sees a $25 million headwind from an unplanned event at a polyethylene unit in Freeport in the quarter due to a fire incident, impacting the Packaging & Specialty Plastics unit. The company expects the Poly-6 unit to remain offline through the balance of 2025. Also, another $10 million headwind is expected in the Performance Materials & Coatings division from higher planned maintenance activity at Dow's methacrylates facility in Deer Park, TX. Costs related to maintenance turnarounds are expected to weigh on Dow's margins.

- The Performance Materials & Coatings unit faces challenges from weaker siloxane prices, partly due to supply additions in Asia. Siloxane prices were lower in 2024 due to competitive pricing pressure resulting from additional supply driven by capacity additions in China. Lower local prices due to sustained siloxane pricing weakness hurt the segment's sales in the second quarter. While the pace of capacity additions has slowed of late, siloxane prices are likely to remain under pressure over the near term due to still-elevated industry supply.

Last Earnings Report

Dow Beats Q3 Earnings Estimates, Misses on Sales on Lower Prices

FY Quarter Ending	12/31/2024
Earnings Reporting Date	Oct 23, 2025
Sales Surprise	-1.99%
EPS Surprise	38.71%
Quarterly EPS	-0.19
Annual EPS (TTM)	-0.59

Dow recorded a profit (on a reported basis) of $62 million or 8 cents per share for third-quarter 2025, down from a profit of $214 million or 30 cents per share a year ago. The bottom line was hurt by lower prices.

On an adjusted basis (barring one-time items), Dow logged a loss of 19 cents for the reported quarter against earnings of 47 cents a year ago. The figure was narrower than the Zacks Consensus Estimate of a loss of 31 cents.

Dow recorded net sales of roughly $9.97 billion for the quarter, down 8% year over year. It missed the Zacks Consensus Estimate of $10.18 billion. Lower sales across all segments adversely impacted the top line.

Volume declined 1% year over year, with growth in the United States and Canada and Asia Pacific outweighed by reductions in Europe, the Middle East, Africa and India (EMEAI). Local prices fell 8% year over year and also declined 3% sequentially.

Dow saw firm demand for its new polyethylene and alkoxylation assets in the U.S. Gulf Coast. It also benefited from cost-control actions in the quarter.

Segment Highlights

Packaging & Specialty Plastics: The division's sales fell 11% year over year to around $4.89 billion in the reported quarter. The figure missed our estimate of $5.13 billion. Volume fell 1% year over year as increased polyethylene volumes were more than offset by decreased licensing revenue and merchant olefins sales. Local prices fell 10% year over year, primarily due to lower downstream polymer pricing.

Industrial Intermediates & Infrastructure: Sales for the unit were down 4% year over year to roughly $2.83 billion. The figure beat our estimate of $2.81 billion. Local prices fell 8% year over year, indicating reductions in both businesses. Volume rose 2% due to gains in the United States and Canada.

Performance Materials & Coatings: Revenues from the division fell 6% year over year to around $2.08 billion. The figure was in line with our estimate. Volume fell 2% year over year due to lower volumes in consumer solutions, especially upstream siloxanes. Local prices fell 5% year over year due to losses in both businesses.

Financials

Cash flow from operating activities for continuing operations was $1.1 billion, representing an increase of $330 million from the same period last year. This increase was primarily due to working capital improvements. Shareholder returns for the quarter amounted to $249 million in dividends.

Outlook

Dow noted that it remains focused on maintaining financial flexibility and driving competitiveness to boost earnings while taking actions to deliver greater long-term shareholder returns when macroeconomic conditions improve. It also remains committed to delivering greater cost savings and maintaining a disciplined approach to its balance sheet and cash flow.

Dow continues to identify and implement additional targeted initiatives to boost earnings and further optimize the cost structure. It remains on course to generate more than $6.5 billion in near-term cash support.

Recent News

Dow Launches Polymer Processing Aid Solution for Safer Packaging

Dow, on **Sept. 23, 2025**, launched DOWSIL 5-1050 Polymer Processing Aid (PPA) as an alternative to fluoropolymer-based PPAs used for manufacturing film packaging. This is to address the packaging industry's shift toward safer and high-quality films. It also offers linear low-density polyethylene grade films with melt fracture mitigation, suppressing die lip buildup.

Dow has decades of experience in compounding, extrusion and the integration of silicone additives into plastics, utilizing the expertise to develop more sustainable innovations. DOWSIL 5-1050 PPA is supplied as a masterbatch containing a silicone additive in a polyethylene carrier, to make it easier for feeding into extrusion processes. It also supports food packaging safety, complying with both European Commission Regulation (EU) 10/2011 and U.S. FDA 21 CFR 174.5 standards. The additive has been proven effective at an industrial scale, reducing downtime and scrap while delivering smoother surfaces and better film optics for visual appeal.

Converters are seeking effective alternatives as fluoro-based PPAs are phasing out. DOWSIL 5-1050 PPA bridges this gap with a solution that is regulatory-compliant without compromising on the quality. Sample and commercial quantities are now available to support the transition of the packaging industry.

Dow and Gruppo Fiori Alliance Advances PU Recycling Technology

Dow, in collaboration with Gruppo Fiori, announced, on **Sept. 3, 2025**, the advancements in delivering the co-developed novel process of recovering polyurethane (PU) foam from end-of-life vehicles without requiring disassembly. Dow's material science expertise, combined with Gruppo Fiori's automotive recycling ecosystem, has enabled the creation of this breakthrough PU foam recycling via depolymerization.

Innovation in polyurethane foam, used widely as a part of automotive interiors, presents an opportunity for sustainability by obtaining an appropriate PU waste stream, keeping valuable PU out of landfills and reintegrating into productive use through industrial-scale recycling. It will be compliant with the upcoming mandatory recycled content requirements. The collaboration is a key step in building a closed-loop supply chain for the automotive industry, advancing circularity.

The collaboration was a result of the 2024 MoU between Dow and Gruppo Fiori to create a new ecosystem for recycling EOL vehicle parts and materials. The companies jointly analyzed dismantling process, material purity, and recyclability while piloting innovative business models through a rapid "test-and-learn" approach.

Valuation

Dow's shares are down 44.3% over the trailing 12-month period. Over the past year, the Zacks Chemical - Diversified industry and the Zacks Basic Materials sector are down 32.6% and up 13.2%, respectively.

The S&P 500 index is up 14.6% in the past year.

The stock is currently trading at 9.88X trailing 12-month enterprise value-to EBITDA (EV/EBITDA) ratio, which compares to 11.17X for the Zacks sub-industry, 14.33X for the Zacks sector and 18.54X for the S&P 500 index.

Over the past five years, the stock has traded as high as 14.11X and as low as 3.67X, with a 5-year median of 8.57X.

Our Neutral recommendation indicates that the stock will perform in line with the market. Our $25 price target reflects 0.93X tangible book value.

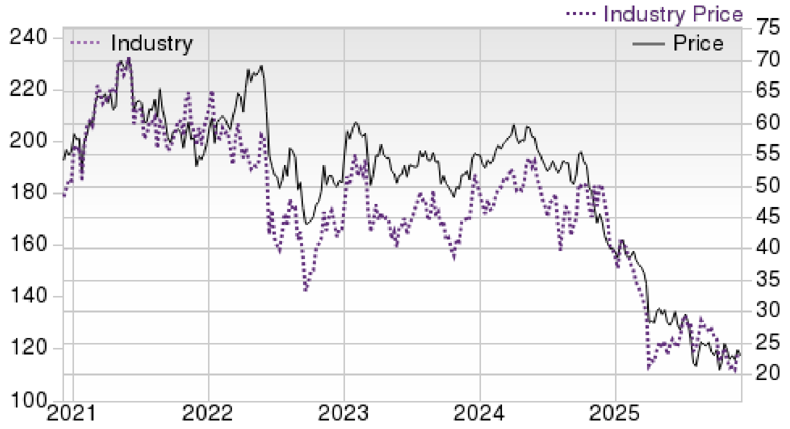
The table below shows a summary of valuation data for DOW:

Valuation Multiples - DOW

		Stock	Sub-Industry	Sector	S&P 500
EV/EBITDA TTM	Current	9.88	11.17	14.33	18.54
	5-Year High	14.11	12.79	14.68	22.41
	5-Year Low	3.67	5.56	5.75	13.87
	5-Year Median	8.57	9.87	10.87	17.96
P/B TTM	Current	0.89	1.38	3.43	8.47
	5-Year High	3.77	3.12	4.25	9.16
	5-Year Low	0.77	1.26	2.18	6.6
	5-Year Median	1.94	2.01	3.03	8.04
P/S TTM	Current	0.42	0.87	3.31	5.96
	5-Year High	1.31	2.04	3.8	6.17
	5-Year Low	0.35	0.79	1.92	4
	5-Year Median	0.79	1.17	2.84	5.36

As of 12/02/2025 *Source: Zacks Investment Research*

Industry Analysis[1] **Zacks Industry Rank:** Bottom 12% (211 out of 243)



Top Peers [1]

Company (Ticker)	Rec	Rank
Air Products and Che...**(APD)**	Neutral	3
BASF SE **(BASFY)**	Neutral	3
Celanese Corporation **(CE)**	Neutral	3
LyondellBasell Indus...**(LYB)**	Neutral	3
The Chemours Company **(CC)**	Underperform	5
DuPont de Nemours, I...**(DD)**	Underperform	5
Eastman Chemical Com...**(EMN)**	Underperform	4
PPG Industries, Inc. **(PPG)**	Underperform	4

Industry Comparison[1] Industry: Chemical - Diversified

Industry Peers

	DOW	X Industry	S&P 500	BASFY	DD	LYB
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	3	-	-	3	5	3
VGM Score	C	-	-	C	C	C
Market Cap	17.04 B	2.68 B	39.36 B	47.02 B	17.15 B	14.29 B
# of Analysts	6	3	22	2	3	4
Dividend Yield	5.84%	1.74%	1.39%	3.37%	1.95%	12.35%
Value Score	B	-	-	A	C	A
Cash/Price	0.28	0.16	0.04	0.05	0.22	0.13
EV/EBITDA	5.68	6.35	14.58	8.07	7.42	6.39
PEG Ratio	NA	2.56	2.22	NA	1.96	NA
Price/Book (P/B)	0.89	1.13	3.34	1.19	0.73	1.35
Price/Cash Flow (P/CF)	4.11	6.30	15.19	5.58	5.89	3.97
P/E (F1)	-24.21	15.65	19.74	16.99	12.37	19.01
Price/Sales (P/S)	0.42	0.60	3.02	0.67	1.37	0.44
Earnings Yield	-4.13%	5.85%	5.01%	5.85%	8.09%	5.25%
Debt/Equity	0.93	0.56	0.57	0.56	0.30	1.00
Cash Flow ($/share)	5.83	3.19	8.99	2.36	6.95	11.19
Growth Score	D	-	-	D	C	F
Hist. EPS Growth (3-5 yrs)	-39.07%	-11.94%	8.13%	-18.10%	2.37%	-21.70%
Proj. EPS Growth (F1/F0)	NA%	-10.30%	8.50%	-17.89%	-18.67%	-63.59%
Curr. Cash Flow Growth	-2.56%	0.55%	6.86%	4.90%	-17.47%	-17.05%
Hist. Cash Flow Growth (3-5 yrs)	-5.70%	-1.87%	7.31%	-0.76%	-16.60%	-5.14%
Current Ratio	1.94	1.96	1.18	1.82	2.00	1.57
Debt/Capital	48.16%	35.74%	38.15%	35.82%	23.19%	50.34%
Net Margin	-2.77%	0.48%	12.78%	0.43%	-6.17%	-3.70%
Return on Equity	-2.25%	5.89%	17.00%	6.86%	7.81%	7.50%
Sales/Assets	0.70	0.74	0.53	0.80	0.34	0.93
Proj. Sales Growth (F1/F0)	-6.80%	0.00%	5.75%	-3.00%	-44.80%	-25.30%
Momentum Score	D	-	-	F	B	F
Daily Price Chg	-2.48%	-0.30%	-1.07%	0.77%	-1.35%	-1.60%
1 Week Price Chg	-3.73%	-0.75%	-0.43%	-2.46%	1.86%	-11.51%
4 Week Price Chg	3.72%	1.65%	1.33%	3.05%	0.81%	-2.48%
12 Week Price Chg	-0.58%	-6.28%	2.95%	4.03%	-47.59%	-15.75%
52 Week Price Chg	-41.93%	-20.00%	12.83%	12.09%	-49.82%	-41.73%
20 Day Average Volume	11,462,356	154,506	2,755,288	123,726	4,738,815	5,465,372
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	-5.60%
(F1) EPS Est 4 week change	0.55%	-0.11%	0.00%	-1.27%	54.19%	-5.60%
(F1) EPS Est 12 week change	-14.01%	-6.38%	0.68%	2.42%	-37.14%	-22.20%
(Q1) EPS Est Mthly Chg	-14.95%	-5.32%	0.00%	0.00%	-7.69%	-21.54%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Value Score	B
Growth Score	D
Momentum Score	D
VGM Score	C

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

Disclosures

ZIR uses the following rating system for the securities it covers. **Outperform-** ZIR expects that the subject company will outperform the broader U.S. equities markets over the next six to twelve months. **Neutral-** ZIR expects that the company will perform in line with the broader U.S. equities markets over the next six to twelve months. **Underperform-** ZIR expects the company will underperform the broader U.S. equities markets over the next six to twelve months.