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Company Conference Presentation

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Presentation

Christopher S. Parkinson
Crédit Suisse AG, Research Division

Our next presenter is the one you've all been waiting for. Jim Fitterling will be the next CEO of Dow Chemical, the Materials Science spin of DowDuPont. With him as always is Neal Sheorey, lead IR, whom I've had the pleasure of dealing with several years. And Neal, thanks, again, for the commitment for taking your team here.

For those of you that don't know the story yet, I've just been notified that originally, it's 140 pages, but now we're up to 290 in the Form 10 so make sure to hit that up tonight. So it's growing at a rapid clip. When we get over 300, I'll be a little scared. But as long as you keep it under that, I'll be good. But from whatever it does far, it's a lot more interesting than the bland sell-side reports that people like myself put out.

I think most of the people in the room know Jim. He's been integral to Dow's progress for some time. He's been intimately involved in extracting deal synergies and I'm sure he's well-known to everyone as somebody that they want in this leadership role. It's one of his first public speaking events. Once again, thank you, Neal, in quite some time, so I want to really dive in as I'm sure we have a lot of talk about. And we'll kick off some questions, but I'm hoping we have an interactive audience for this one.

James R. Fitterling
Chief Operating Officer for the Materials Science Division

Thanks, Chris.

Christopher S. Parkinson
Crédit Suisse AG, Research Division

Thank you very much.

James R. Fitterling
Chief Operating Officer for the Materials Science Division

Thank you. Thanks, Chris, for the great introduction. Thanks, everybody, for being here today, and I'll make a few comments, and then Chris and I will do some Q&A. We'll have plenty of time for questions today. Before I begin, I just want to remind you about the disclosure rules and those will apply to my comments today as well as the Q&A. The new Dow is advancing quickly toward the intended separation, which is going to occur in just over 6 months. Nearly 3 years ago, I was tasked with leading us through this emerging spin phase of the company and to make sure that the Dow team had continued to fulfill the commitments that we made as part of the transaction, while also continuing to deliver our financial and our operating plan. And we've done just that, delivering nearly 6 consecutive years of earnings growth for Dow.

I'm proud of that team, and I know that when we separate again and stand as a publicly-traded company, we're going to do so from a position of strength. Last week, as Chris mentioned, we reached an important milestone toward that end goal with the initial filing of the Form 10 for the new Dow and I also encourage you to read it. It contains detailed information on our strategy, our priorities and our historical pro forma financials. As we continue to update the Form 10 over the coming months, you're going to get even more visibility into the new Dow. Today, I'll give you an overview of the new company, and our mind-sets and our priorities that will guide our actions, leading into and beyond the separation. And let me just start with the portfolio on Slide 2.

We will emerge as an independent company, with a streamlined and a more focused portfolio, with a very deep set of materials platforms, leading capabilities and cost positions and a strong alignment to some very attractive growth markets. We will grow our leadership position, where our unique Materials Science

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expertise, our scale, our global reach, our customer centricity and value chain knowledge give us the source of differentiation.

In addition to our innovations within each of those product technology platforms, our best and our most unique innovation opportunities lie between our core technology platforms. We're placing a heavier emphasis on process and engineering development, and we will continue to create value through application development, high throughput discovery, rapid prototyping and scale up. No moving shots, but you should expect us to focus on differentiation in those core markets and at the intersection of ethylene, propylene and silicones. And when we combine these proven capabilities together, we can bring some new unique solutions to our customers.

We will also be a more streamlined, focused and agile company, and our primary goal will be on creating more value for shareholders through best-in-class performance and profitable growth. Bringing those strengths together will drive us toward our ambition, which you'll see on Slide 3, to become the most innovative, customer-centric, inclusive and sustainable Materials Science company in the world. And underpinning that ambition are our 3 core values, which have not changed: respect for people, our integrity and protecting the planet. As we emerge as an independent company, we'll be executing from a position of strength, supported by a strategic and operating mind-set that will drive our performance going forward.

And let me touch on each of these on Slide 4. We will focus on profitable growth, disciplined capital allocation and driving a low-cost operating model, with the best owner mind-set. Our ability to differentiate will continue to be a defining advantage of the new Dow. Our businesses have been capturing above-market and above-GDP growth for the past several years, and we are well positioned to continue this trend, given our leadership in core markets, Dow's proprietary technology and R&D capabilities and our deep customer relationships. And we'll accomplish this while maintaining research and development spend at 2% of sales or less.

Additionally, advancements in digitalization have and will continue to be another source of growth and differentiation. I'm very proud that even as our Dow team has taken on a massive task of integrating Dow Corning, carving out several remedy divestitures, setting up 3 independent companies from Dow and DuPont, we've also continued to build out the digital Dow that will help make us best-in-class. We're already utilizing numerous digital technologies across our company from advanced analytics to artificial intelligence to provide better market insights into customer trends and to enable Dow to better serve our customers. And the value of digitalization extends well beyond the commercial benefits as Dow applies these capabilities throughout our operations to enhance our reliability, our productivity and even improve our safety as well.

The new Dow will be more financially disciplined. Our near-term investment focus will be on lower risk, faster payback brownfield projects that will drive organic growth, enhance our asset flexibility and reliability and reduce our cost position. And we'll fuel that growth, while holding CapEx at depreciation and amortization levels. This approach will allow us to maximize value for shareholders, while still driving profitable growth, higher returns on invested capital and increasing our free cash flow. Operational excellence and continuous productivity improvements will remain central to our low-cost operating model. And in our manufacturing operations, we see efficiency gains as enabler to unlock additional throughput. For example, asset debottlenecks and process R&D advancements that delivers step-changes in manufacturing performance.

And we'll also continue to drive a best owner mind-set. You've seen our track record on this front, and I've invested a great deal of my own time and energy toward building this discipline and financial acumen with the divestitures of our Styrenics and Chlor-Alkali envelopes and the restructuring of our Dow Corning silicones ownership. Please allow me to take a minute to dive a little bit deeper into each of these pillars, starting with the profitable growth on Slide 5.

The new Dow is going to be more focused with just 6 global businesses aligned to 3 core market verticals. The first market vertical is Consumer Care where we have the most distinctive set of chemistry solutions from silicones to cellulosics to acrylics for skin, hair, personal and home care applications. And we have the global reach to tailor those offerings to regional preferences. The second is infrastructure where we're the

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global leader in the formulation of differentiated polyols in systems, delivering a broad range of foams and sealants, coatings and binders.

Our capabilities here enable us to address growing middle class consumer demands and urbanization through better durables, better construction techniques and better industrial materials. And the third is packaging, where we're the world leader in food and specialty packaging, industrial and consumer packaging, hygiene and medical applications and caps, closures and pipe applications. We have the deepest and most differentiated plastics portfolio, further strengthened by the addition of DuPont's world-leading ethylene copolymers franchise. We're well positioned for growth in each of these market verticals, and each is growing at or above GDP, and we see the total addressable opportunities of more than $300 billion in that space today. And within each vertical, we're further aligned to some of the fastest-growing opportunities. Just one example within the global packaging market, the fastest-growing application today is flexible plastic packaging, the segment where Dow is a leader today.

Moving to resource and capital application on Slide 6. As most of you know, we're close to finishing our first wave of investments on the U.S. Gulf Coast, and we have completed our Sadara joint venture in the Middle East. Going forward, our focus now turns to brownfield projects that are lower risk, lower capital intensity and deliver faster paybacks. We began announcing the next wave of investments last year, with a series of ethylene, plastics and polyurethane investments, comprising facility debottlenecks, forward integration investments, growth of our polyurethane system franchise and the expansion of our new Texas-9 ethylene cracker. When complete, the upgraded Texas-9 cracker will be the world's largest ethylene asset with one of the lowest operating costs. It will also be among the least capital-intensive ethylene investments among all those that are currently announced along the U.S. Gulf Coast.

Then over the summer, we announced some incremental investments in our Industrial Solutions business, including expanding production in our alkoxylates and our glycol ethers lines. And this morning, we unveiled the next round of opportunities, a series of debottleneck and incremental capacity investments in our world-leading silicones franchise. These silicones business is a business with compelling reasons for growth capital. You may recall that prior to the silicones ownership restructure, Dow Corning revenue and earnings had plateaued. Under full Dow ownership, we've broadened the addressable market for silicones, expanded the customer base, reduced the cost base and brought Dow's sell-out, sell-up discipline into the operating discipline. And now just 2 years after taking full ownership of Dow Corning silicones business, we've far exceeded the original cost synergy commitments, captured above-market growth and doubled the EBITDA. With silicone's demand trajectory being robust, our teams have identified several high-return incremental growth opportunities that we will implement over the next few years to increase reliability and efficiency and expand capacity to meet that demand around the world, particularly in emerging regions.

Moving to the next pillar, our low operating cost model on Slide 7. We remain focused to driving a best-in-class cost structure. We're committing to running our assets efficiently, and when coupled with our synergy and productivity efforts, we will drive to the low end of the cost curve in our industry. We see the next wave of productivity to be driven by digitalization and automation, which will improve our operations and reliability, and further lower our cost position and enhance our safety performance. And we'll drive our administrative costs lower and maintain a lean corporate structure.

In order for you to evaluate our performance, we'll also provide greater insight into our operations. Here are 4 key things that you can expect to see from us. More details into our key capacities, shifting to market-based transfer pricing, more details on the financial performance of our most significant joint ventures and we will return to using EBIT as our primary profit metric, while continuing to drive the EVA focus that I helped bring back into Dow a few years ago. And to ensure that we're holding ourselves accountable to best-in-class performance, we'll drive a culture of benchmarking and continuous improvement, not just at the enterprise level, but also in our businesses and functions.

At our upcoming Investor Day in November, we will provide more details on all of these. Before I close, I want to share some near-term priorities on Slide 8, which are aligned with Dow's financial and operating mind-set. First, Dow will deliver profitable growth through maintaining and expanding our market-leading positions, more focused, value-creating innovation and customer collaboration and by extracting the value from our organic growth investments. Second, we'll be disciplined allocators of capital, with a focus on

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lower risk, higher return investments, better close to our core market verticals and deliver increased free cash flow and greater returns to you.

And third, we'll drive toward the low end of the cost curve by delivering on our cost synergy commitments, capturing further productivity, efficiency gains and addressing competitive gaps. And fourth, we'll employ an unbiased, best owner mind-set, drive that culture of benchmarking and provide greater disclosure, so that investors can judge our performance. I hope this has given you some more insight to what you can expect from me and the new Dow. And this, in many ways, is just the beginning of what's to come. In the weeks and months ahead, we will announce our leadership teams, our new Board of Directors, and we will continue to provide greater financial and operating details of the new Dow, both through additional filings of the Form 10 and also at our Investor Day event this fall.

In fact, on November 7 and 8, DowDuPont will host 2 days of investor events to give you a better view into each intended company. And on Slide 9, you can see the high-level details. The Dow event will kick things off on the afternoon of November 7, where we will share more information on our intended capital structure, our leadership, our governance and our approach to benchmarking. And you'll get to hear from our businesses. I encourage you to join us in person, if you can. And if you need more information, please reach out to Neal and our Investor Relations team. These activities culminate with the separation of the new Dow, the world's leading Materials Science company by April 1.
Thank you, again, for the opportunity to join you today. I look forward to building the world-leading Materials Science company together with you, our investors. Thank you.

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Question and Answer

Christopher S. Parkinson
Crédit Suisse AG, Research Division

So just to start -- just to kick it off. I think a lot of people in this room are curious on your leadership style. But you've also been a leader at Dow for quite some time. Just how would you assess your performance over the last 3 to 5 years? And are there any key differentiating factors between yourself and your predecessor in terms of management style that you feel are worth highlighting?

James R. Fitterling
Chief Operating Officer for the Materials Science Division

Yes. So I'm -- make no mistake about it. I'm an operator style manager, so I understand these businesses very well and very deeply, not just in the U.S., but I've had a lot of experience overseas. Performance over the last several years, we just completed the 2 largest investments ever in the history of Dow, ever. We did the Dow Corning integration, we did DowDuPont, we did 3 carve-out divestitures, we stood up 3 companies and we're getting ready to spend them out and we delivered 6 consecutive years, 23 consecutive quarters of year-over-year top and bottom line growth, 17% top line so far this year, 22% bottom line. We did that and still invested in digital capabilities to take us to the next level, and we still have gas in the tank to do more. So I don't know of another company or team or group of individuals in our industry that has that kind of capability to do that. And when we get that focused on 6 businesses and 3 core market verticals, I think there are a lot of good things to come. I worked with Andrew for a lot of years, 20 years. In fact, when I work with Andrew, I first got the opportunity to go to Asia, which I think is a big part of my development. And so he gave me that chance to do that. We're different styles, and I think we work together well because we complemented each other. And so I think you're going to see that with Howard and me. We're different styles and we're going to complement each other. But we're going to be focused, and we're going to be driven on these businesses and making them successful.

Christopher S. Parkinson
Crédit Suisse AG, Research Division

Any questions from the audience? So just diving into the investor perception of your asset base, now that you've come together before you launch on your own in terms of the asset base. There's always a lot of focus [indiscernible] in the U.S. assets, but you're much broader and much more diverse than that. Can you just hit on how you're perceiving your own asset base from a geographic perspective? And are there any investor perceptions, which you'd prefer to change over your tenure as CEO?

James R. Fitterling
Chief Operating Officer for the Materials Science Division

Yes, so the asset base is very important for us. We're a big global company. We sell in 150 countries. We manufacture in close to 40 countries. And so we do -- we make those decisions for a lot of different reasons, sometimes you need to be in market, sometimes you go in because you need access to low-cost feedstocks to be able to supply the global market, many different reasons. It's been an advantage for us. Part of Dow's growth, since I've been with Dow, which is about 35 years, has always been geographic expansion. It's difficult to do it, but if you do it well and you capture first mover advantage and you can build up a franchise in a country for 60, 70, 80 years, it gives you a lot of opportunities for the future. Now it's -- when you're geographically expanding, there are a lot of challenges, and not everything can deliver the same kind of returns. So we have to sometimes pick and choose what we work on. I think as we move forward, we need to demonstrate higher return on invested capital out of these businesses. We've got to demonstrate that we can increase the free cash flow so that we can reward shareholders and still have some money to spend. The biggest knock on Dow was whenever we've got some cash in our pockets, we had to spend it. And so we've got to be more disciplined. We're generating good cash right now, but we have to be disciplined about where the next investments are going to be. And that's why you see most of these announcements are brownfield, incremental, debottlenecks, they're at existing facilities, they're end

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markets where we've sold out and quite frankly, our customers need us to keep pace with them. Those are going to be higher return projects for our shareholders and for our company.

Christopher S. Parkinson
Crédit Suisse AG, Research Division

In terms of the holistic company, every investor has his or her own view at how they look at the multiples. And that business [indiscernible] comps, et cetera, et cetera. Some of your competitors have already presented today. Some of them presents after you. What are the key, in your own eyes, the differentiating factors in terms of product mix, geographic mix, leadership technology, anything that you believe will reward investors over time? What are the key things which you feel the most enthusiastic about your new platform [indiscernible]?

James R. Fitterling
Chief Operating Officer for the Materials Science Division

Yes. So I think people sometimes approach this from a couple of angles, and I look at it this way. We have to make money in this business 2 ways. You have to be low cost to be able to compete. So when we make investments and we look at expansions geographically, we have to look at it from a perspective of will I be able to be low cost long term in that space. But it is a dynamic and changing world out there, so most of our customer -- we have more than 23,000 customers around the globe. A lot of them are big brand owners. They end up making products that end up in the consumer's hands. They have lots of demands on them to change features and functionality. You heard one of my customers on stage here a minute ago. They're always working on better performing materials. You have to innovate. Innovation is not a question. If you don't -- if I don't innovate, I'm not low cost. If I don't innovate, I don't have the market share, I don't have the product mix for the future. If I don't innovate, I'm not developing the next sustainable product that they demand -- that consumer demands from them. So people act like innovation is a choice. It isn't a choice. If you don't innovate in this business, you die. And now you have to do it smartly. If you take our plastics business, which I think everybody would argue in the franchise of the company, we have invested steadily a similar amount of money every year into that business every year. The business would love to have more R&D investment. But keeping those budgets tight forces prioritization to happen within the businesses, and that means the best projects get through and the best developments get to market. And I don't mind a little bit of that dynamic tension in the organization to keep us moving down the right path. That will create more value for shareholders.

Christopher S. Parkinson
Crédit Suisse AG, Research Division

Questions from the audience? All right, I'll keep going. Oh sorry.

Unknown Analyst

Yes, just looking at the S10. And I know you're going to talk about it at capital -- at the Investor Day. But looking at what's in the S10 and maybe what agencies have commented about wanting new leverage to come down and you've got it big on funded pension liability and it sort of look like a company that just made a big acquisition. Do you have a different view on the amount of leverage Dow would have on an ongoing basis than predecessors?

James R. Fitterling
Chief Operating Officer for the Materials Science Division

Well, Dow -- the old Dow was a strong BBB company, and I think that's what we're going to try to create out of the new Dow as we get through it. We're obviously not through all the capital structure and the ratings yet, so you're seeing some very early numbers. We're going through the ratings process right now. And then by October, I expect the DowDuPont board to take a look at all that ratings information. And we'll start to bring the debt into the parent company structure and down to the 3 divisions. So I think I'd be able to answer in probably more precise detail toward the end of the year when we have that all well defined. The other thing that we have to do, obviously, is deliver on our synergy targets. And in addition to our synergies, we also have to get the corporate cost structure right. So in that S10, there are about

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$430 million of stranded costs that we have to eliminate by the time we spin out. And that shows up in the corporate cost center. And that's on top of the $1.2 billion of synergies that we have to deliver as a company.

Christopher S. Parkinson
Crédit Suisse AG, Research Division

2 or 3 years ago, there's a lot of rhetoric and concern about the various cycles in which Dow participates in. It seems as though there were scenarios certainly taken off the table probably 2 years ago and things have gotten progressively tighter just because things have been kind of coming on much more leveled pace. Can you just give us your -- at least, your updated expectations in terms of the cycle or however you want characterize it where you fit in? And then once all the dust has settled, how do you view your own leadership as far as a market participant?

James R. Fitterling
Chief Operating Officer for the Materials Science Division

Yes. Well, I think it might have been 2 or 3 years ago as your predecessors. When the presentation that I gave at the time and everybody was calling for the end of the earth was it's all about demand. And demand, for the last 3 years in our business, has been exceptionally strong. So when you think about -- we've started up world-scale plant in the U.S. Gulf Coast. We started up Sadara, 26 plants and a supply chain to the Middle East and Africa. We've sold it all out. We've increased Dow's EBITDA margins. We've got our trailing 12 months return on invested capital up to 12.5%. I mean, we're in a good economy right now. So I don't -- you always are going to go through, when you get waves of expansion like we have had in the Gulf Coast, you're going to go through some periods where things get out of balance. There's nothing in the 3-year look on ethylene, for example, that shows us going much below a 90% operating rate. Demand for plastics is good. Demand for other ethylene derivatives is good. I don't see that we're in a kind of cycle. I think we're all attuned to geopolitical risk, and so we'd have to keep an eye on that. But in the absence of that, the economies look like they're growing well.

Christopher S. Parkinson
Crédit Suisse AG, Research Division

And I have to ask you, some of the feedstock costs that you addressed fairly substantively on the Q2 call. Recently, there's obviously been a little bit more volatility. Can you just -- and I apologize for asking the CEO this in terms of the feedstock cost. But can you just give just everyone in this room because I think it's probably on their minds. Can you just give your initial assessment how long do believe it's going to last and where you think -- you believe things will settle out, especially after the new capacities fully come online?

James R. Fitterling
Chief Operating Officer for the Materials Science Division

Yes. So I would say, this is my plug for November Investor Day, so as I've been seeing some of the materials that we're working on. You should come to that day, because Jack will give you a very comprehensive review of the outlook for all the energy markets and I think that's important to us. A couple of things, oil is the one that everybody goes to for spend. So I think right now, when you have oil in the $70 to $80 window, that's a healthy window. It's healthy because people can continue to explore and bring product to market. It's healthy because the pricing is not too high that it dampens consumer demand. And it allows people to grow and invest, and we keep moving. So I don't foresee any huge spikes in oil. Everybody is concerned, obviously, about the Saudi's balancing the capacity and the last incremental capacity. But -- and the other thing on the gas markets, is as you head into wintertime, everybody gets concerned about inventory levels going in. The good news is that these prices, you can swing in and you can drill and you can produce more, so I think we're in a good position. The way we always play this is we try to have flexibility around those feedstock costs. Oil typically helps set the selling price for our products. I mean, it's not a direct 1:1 relationship, but there is a correlation between oil moving up and some of our product prices moving up. But most of our feedstock exposures are on gas. And so when you look at the gas inputs, that's -- natural gas is our energy. Ethane and propane are our

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feedstocks for cracking. And most of those dynamics look good, and it looks like we'll continue to have plenty of supply available. So I think 3 years out is still a pretty long way to forecast that out. I don't see any big pinch points in that time.

Christopher S. Parkinson
Crédit Suisse AG, Research Division

Any questions from the audience? I think -- yes, I imagine the vast majority of your meetings, whether it's today or tomorrow, it's going to focus a lot on the plastics side of it. But from a strategic sense or a business mix sense, you have a lot of other products, some of which -- some of your customers have been discussing about today and basically, driving for performance, as you saw [indiscernible] put it. Are there any key verticals, which you'd like to invest in over time and gain more exposure? And if so, what and why?

James R. Fitterling
Chief Operating Officer for the Materials Science Division

We've made huge improvements in our polyurethanes business. I think if you go back 3 or 4 years when we were doing portfolio transformation, we decided to keep polyurethanes in. And we've made a step-change improvement in the results of that business. The systems business in polyurethane is growing double digits, so we've been running in the 11% to 15% per year growth rates. And we can do -- we can continue to grow that organic investments, and that really -- those are really regional on the ground investments that are close to customers to help them formulate and deliver a formulated product. And it could be an automotive seat manufacturer, it could be somebody that's making parts for the automotive industry. There's a lot of growing demand there. In the food value chain, refrigerated trucks, cold storage units, all those kinds of things, more efficient housing is a big driver of polyurethane demand. But we've got to keep up with that. In silicones, the announcements we've made today are going to help us in a couple of areas. One is -- one of the silicones that we're debottlenecking to expand for goes into membrane roofing and membrane coatings for large buildings. So as urbanization happens, you get less single-family homes, and you get more people living in large multi-units, big cities. The demand for that product is going up. And the other area is that, hydroxyl functional siloxane is a product that can be used with polyethylene to go into making things like architectural decking. So plastic -- decking plastic would, which is a growing area, because of the way it holds up to weather and different conditions. So that helps us also at the intersections of polyethylene and silicones to continue to grow. And then Consumer Care. We've grown so rapidly here the last few years that all of our customers on the Consumer Care side, especially the health and beauty side, are looking for more growth. So we've got to debottleneck to expand with them.

Christopher S. Parkinson
Crédit Suisse AG, Research Division

You made an interesting comment earlier in response to one of my questions, and you essentially said just because you make money or have a certain amount of cash, we don't have to spend it. When you look at your preliminary numbers and that's frontrunner yourself on your own Analyst Day. But when you look at your preliminary long-term numbers of where you think you could be on a roughly normalized basis, how -- can you just offer us a little more detail on how you will assess M&A, how you will assess buybacks and just your style and your own thought process as you're approaching those? And I imagine you're going to have more dialogue with your shareholders at this conference and others.

James R. Fitterling
Chief Operating Officer for the Materials Science Division

Yes. No, we will continue to do that. So I won't -- I'll leave it to Howard in November to talk about dividend policy and make sure I don't give into that trap. But let's just say on share buybacks, we have to -- from a value standpoint, we have to always cover dilution, right? So our view is that nobody comes into the stock to be diluted out, so we've got to make sure that we always do that. And then we have to balance based on what our opportunities are. We've got to put a hard screen on those investment projects on the return on invested capital. If you go back to where this company was running before all of the

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transformational changes, we were not returning our cost of capital. And we've marched that up to 12.5% trailing 12 months return on invested capital. Our target has always been 10% our weighted average cost of capital, plus a 3% spread. We can do that. And I think, if we're smart, I think we can move it north of that. That gives us the flexibility to continue to invest in these kind of incremental projects to do the shareholder buybacks and to keep growing the size of the machines, so that we can wheel more cash off of it. And that's the way we're trying to look at it. And obviously, we have debt that we need to pay attention to when we have leverage that we need to pay attention to. But we're going to have an opportunity through this capital structure. We're going to have an opportunity to kind of reset the financial costs of the company going forward. We get that lean corporate center cost down. You should be thinking, our lean corporate center costs should be something in the $200 million to $300 million range when we get those stranded costs out and we get our financial expense down. And I think all of those are moving in that right direction.

Christopher S. Parkinson
Crédit Suisse AG, Research Division

Please tell Howard I was not trying to step on his toes.

James R. Fitterling
Chief Operating Officer for the Materials Science Division

No. He will be okay.

Christopher S. Parkinson
Crédit Suisse AG, Research Division

I'm sure he will be. Just the last question from my end, and I wanted to leave this time for you at the end of your presentation. In terms of [indiscernible] today and but I think it's especially unique for your story. When I look at the writer from the Dow story, I know it was before 2015 -- end of 2015 through 2018 it's been all about essentially what you've been doing, synergies, getting the Form-10s out, leadership, a lot of the things you'll address in November. From your own perspective and your own -- just what's a new Dow, so to speak, how do you believe the rhetoric will evolve in 2019 and 2020? And as I said, where do you want to -- where should investors be leading their own thought processes as they think for the longer term?

James R. Fitterling
Chief Operating Officer for the Materials Science Division

So I talked a little bit in the speech about digitalization. Digitalization and customer centricity are tied together. We have great relationships with customers. But we're not always the easiest to do business with from a transactional standpoint. And a lot of the digital investment allows us to move into a different realm of conducting our business with customers. So today, our businesses have the capability to look at customer experience, Net Promoter Scores, on how we work with our customers and all of our business lines. So I have that dashboard on all 6 of those business units. We measure quarterly. We know where the gaps are, we know what we have to fix. We're digitalizing the company to be able to provide them better service, better visibility of service, anticipate their demand and do a lot of things better. Silicones is a great example. That business has one of the most advanced B2B websites in the industry. They'll sell 50% of their volume this year through that website. It's very much like an Amazon-looking website, go on, pick your product, pick a ship date, get the product, have it delivered, pay by credit card, do all of that. We get an awful lot of great information there to help understand demand trends. We can use it to do pricing algorithms to test supply/demand sensitivities and price elasticity. It's been a real eye-opener for the business. But it also is an enabler to a lot better customer relationships and a lot deeper customer relationships. My people spent less time working on firefighting and more time working on value adds, the next innovation, how do I get into another formulation with the customer. That's a big part of the change at Dow. And we always get high marks on good product, good product quality, good technical service. We close that gap on customer centricity. I think you've got a company here that can really go to a next level in terms of performance.

Christopher S. Parkinson

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Crédit Suisse AG, Research Division

I think that's a good way to end it. Thank you very much.

James R. Fitterling
Chief Operating Officer for the Materials Science Division
Thank you.

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