Dow Inc. and The Dow Chemical Company (together, "Dow")

Reconciliation of non-GAAP financial measures

Some Dow communications or presentations to investors contain certain financial measures that are not defined under accounting principles generally accepted in the United States of America ("GAAP"). Non-GAAP financial measures are clearly identified as such in all presentations in which they are included.

These non-GAAP financial measures exclude the impact of changes in accounting principles, certain gains and losses on the sale of assets, restructuring charges and certain other items. Dow believes that the non-GAAP financial measures presented with these adjustments best reflect the ongoing performance of the Company during the periods presented and are more useful to investors for comparative analyses. These measures should not be viewed as an alternative to GAAP financial measures. Furthermore, these non-GAAP financial measures may not be consistent with similar measures provided or used by other companies.

For a reconciliation between the bases for these non-GAAP financial measures and the most directly comparable GAAP financial measures, please see the following tables.

Dow
Non-GAAP Adjustments to Net Income

In millions	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	2019
	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	As Reported	As Reported	Pro Forma
Net Income (Loss) Available for Dow Inc. Common Stockholders (GAAP)	**$ 888**	**$ 1,322**	**$ 779**	**$ (2,524)**	**$ 465**	**$ 1,404**	**$ 1,333**	**$ 1,013**	**$ 891**	**$ 4,641**	**$ 556**	**$ 75**	**$ 333**	**$ 964**
Less: Gain (loss) from discontinued operations, net of tax [1]	286	540	297	731	1,854	500	548	331	424	1,803	432	-	-	432
Plus: Pro forma adjustments	71	48	(37)	635	717	36	27	41	40	144	52	-	-	52
Pro forma net income (loss) from continuing operations available for Dow Inc. common stockholders	**$ 673**	**$ 830**	**$ 445**	**$ (2,620)**	**$ (672)**	**$ 940**	**$ 812**	**$ 723**	**$ 507**	**$ 2,982**	**$ 176**	**$ 75**	**$ 333**	**$ 584**
Adjustments for significant items, after tax														
Litigation related charges, awards and adjustments	-	90	-	-	90	-	-	-	-	-	-	-	178	178
Integration and separation costs	(82)	(100)	(148)	(165)	(495)	(161)	(201)	(251)	(333)	(946)	(326)	(277)	(132)	(735)
Transaction costs and productivity actions	(16)	(15)	(6)	-	(37)	-	-	-	-	-	-	-	-	-
Restructuring, goodwill impairment and asset-related charges, net	-	8	(83)	(2,491)	(2,566)	(60)	(28)	(37)	(37)	(162)	(150)	(53)	(115)	(318)
Gains (losses) on divestitures	-	5	-	-	5	15	-	-	-	15	-	(47)	4	(43)
Impact of Dow Silicones ownership restructure	-	-	-	-	-	-	(18)	-	-	(18)	-	-	-	-
Loss on early extinguishment of debt	-	-	-	-	-	-	-	(5)	(37)	(42)	-	(34)	-	(34)
Warranty accrual adjustment of exited business	-	-	-	-	-	-	-	-	-	-	-	-	30	30
Environmental charges	-	-	-	-	-	-	-	-	-	-	-	-	(311)	(311)
Indemnification and other transaction related costs	-	-	-	-	-	-	-	-	-	-	(77)	(163)	-	(240)
Income tax items	-	-	(267)	(915)	(1,182)	(7)	-	17	115	125	-	-	-	-
Operating net income from continuing operations available for Dow Inc. common stockholders (non-GAAP)	**$ 771**	**$ 842**	**$ 949**	**$ 951**	**$ 3,513**	**$ 1,153**	**$ 1,059**	**$ 999**	**$ 799**	**$ 4,010**	**$ 729**	**$ 649**	**$ 679**	**$ 2,057**

Dow
Non-GAAP Adjustments to Earnings Per Share

Amounts in dollars per share	1Q17	2Q17	3Q17	4Q17	2017 [1]	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	2019 [1]
	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	As Reported	As Reported	Pro Forma
Earnings per common share - diluted (GAAP)	**$ 1.18**	**$ 1.74**	**$ 1.03**	**$ (3.38)**	**$ 0.60**	**$ 1.88**	**$ 1.78**	**$ 1.36**	**$ 1.19**	**$ 6.21**	**$ 0.74**	**$ 0.10**	**$ 0.45**	**$ 1.29**
Less: Earnings from discontinued operations per common share - diluted	0.38	0.71	0.39	0.98	2.48	0.67	0.73	0.45	0.56	2.41	0.58	-	-	0.58
Plus: Earnings per share impact of pro forma adjustments	0.09	0.06	(0.05)	0.85	0.97	0.05	0.03	0.06	0.05	0.19	0.08	-	-	0.07
Earnings from continuing operations per common share - diluted	**$ 0.89**	**$ 1.09**	**$ 0.59**	**$ (3.51)**	**$ (0.91)**	**$ 1.26**	**$ 1.08**	**$ 0.97**	**$ 0.68**	**$ 3.99**	**$ 0.24**	**$ 0.10**	**$ 0.45**	**$ 0.78**
Adjustments for significant items														
Litigation related charges, awards and adjustments	-	0.12	-	-	0.12	-	-	-	-	-	-	-	0.24	0.24
Integration and separation costs	(0.11)	(0.13)	(0.20)	(0.22)	(0.66)	(0.22)	(0.27)	(0.33)	(0.44)	(1.26)	(0.44)	(0.37)	(0.18)	(0.99)
Transaction costs and productivity actions	(0.02)	(0.02)	(0.01)	-	(0.05)	-	-	-	-	-	-	-	-	-
Restructuring, goodwill impairment and asset-related charges, net	-	0.01	(0.11)	(3.34)	(3.44)	(0.08)	(0.04)	(0.05)	(0.05)	(0.22)	(0.20)	(0.07)	(0.15)	(0.42)
Gains (losses) on divestitures	-	-	-	-	-	0.02	-	-	-	0.02	-	(0.06)	0.01	(0.05)
Impact of Dow Silicones ownership restructure	-	-	-	-	-	-	(0.02)	-	-	(0.02)	-	-	-	-
Loss on early extinguishment of debt	-	-	-	-	-	-	-	(0.01)	(0.05)	(0.06)	-	(0.04)	-	(0.04)
Warranty accrual adjustment of exited business	-	-	-	-	-	-	-	-	-	-	-	-	0.04	0.04
Environmental charges	-	-	-	-	-	-	-	-	-	-	-	-	(0.42)	(0.42)
Indemnification and other transaction related costs	-	-	-	-	-	-	-	-	-	-	(0.10)	(0.22)	-	(0.32)
Income tax items	-	-	(0.35)	(1.22)	(1.57)	(0.01)	-	0.02	0.15	0.16	-	-	-	-
Operating earnings from continuing operations per common share - diluted (non-GAAP) [2]	**$ 1.02**	**$ 1.11**	**$ 1.26**	**$ 1.27**	**$ 4.69**	**$ 1.55**	**$ 1.41**	**$ 1.34**	**$ 1.07**	**$ 5.37**	**$ 0.98**	**$ 0.86**	**$ 0.91**	**$ 2.74**

1. Due to different share counts in each period, the sum of the quarters does not equal year-to-date.

Dow
Selected Non-GAAP Calculation of Operating EBIT and Operating EBITDA

In millions	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	2019
	Pro Forma	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**As Reported**	**As Reported**	**Pro Forma**
Net Income Attributable to Dow Inc. (GAAP)	$ 888	$ 1,322	$ 779	$ (2,524)	$ 465	$ 1,404	$ 1,333	$ 1,013	$ 891	$ 4,641	$ 556	$ 75	$ 333	$ 964
Net income attributable to noncontrolling interests	27	38	22	43	130	35	31	36	32	134	45	15	14	74
Income from discontinued operations, net of income taxes	301	548	296	737	1,882	514	554	335	432	1,835	445	-	-	445
Provision for income taxes on continuing operations	180	248	486	610	1,524	226	249	280	54	809	141	125	90	356
Income from Continuing Operations Before Income Taxes	$ 794	$ 1,060	$ 991	$ (2,608)	$ 237	$ 1,151	$ 1,059	$ 994	$ 545	$ 3,749	$ 297	$ 215	$ 437	$ 949
- Interest income	15	12	18	21	66	20	18	22	22	82	18	21	19	58
+ Interest expense and Amortization of debt discount	213	217	235	249	914	262	261	258	282	1,063	241	237	233	711
+ Pro forma adjustments	109	76	(62)	997	1,120	45	51	38	46	180	65	-	-	65
Earnings before interest and income taxes (EBIT)	$ 1,101	$ 1,341	$ 1,146	$ (1,383)	$ 2,205	$ 1,438	$ 1,353	$ 1,268	$ 851	$ 4,910	$ 585	$ 431	$ 651	$ 1,667
Adjustments for significant items, before tax														
Litigation related charges, awards and adjustments	-	137	-	-	137	-	-	-	-	-	-	-	205	205
Integration and separation costs	(114)	(145)	(212)	(245)	(716)	(207)	(234)	(289)	(344)	(1,074)	(402)	(348)	(164)	(914)
Transaction costs and productivity actions	(26)	(22)	(10)	-	(58)	-	-	-	-	-	-	-	-	-
Restructuring, goodwill impairment and asset-related charges, net	-	12	(118)	(2,636)	(2,742)	(72)	(32)	(48)	(46)	(198)	(156)	(65)	(147)	(368)
Gains (losses) on divestitures	-	7	-	-	7	20	-	-	-	20	-	(44)	-	(44)
Impact of Dow Silicones ownership restructure	-	-	-	-	-	-	(20)	-	-	(20)	-	-	-	-
Warranty accrual adjustment of exited business	-	-	-	-	-	-	-	-	-	-	-	-	39	39
Environmental charges	-	-	-	-	-	-	-	-	-	-	-	-	(399)	(399)
Indemnification and other transaction related costs	-	-	-	-	-	-	-	-	-	-	-	(127)	-	(127)
Loss on early extinguishment of debt	-	-	-	-	-	-	-	(6)	(48)	(54)	-	(44)	-	(44)
Operating EBIT (non-GAAP) [1]	$ 1,241	$ 1,352	$ 1,486	$ 1,498	$ 5,577	$ 1,697	$ 1,639	$ 1,611	$ 1,289	$ 6,236	$ 1,143	$ 1,059	$ 1,117	$ 3,319
+ Depreciation and amortization	661	617	685	721	2,684	728	723	732	726	2,909	743	743	739	2,225
Operating EBITDA (non-GAAP) [2]	$ 1,902	$ 1,969	$ 2,171	$ 2,219	$ 8,261	$ 2,425	$ 2,362	$ 2,343	$ 2,015	$ 9,145	$ 1,886	$ 1,802	$ 1,856	$ 5,544
Operating EBITDA (non-GAAP) - Trailing Twelve Months													$ 7,559	
Net sales	$ 10,521	$ 10,936	$ 11,254	$ 12,061	$ 44,772	$ 12,296	$ 12,851	$ 12,697	$ 12,008	$ 49,852	$ 11,016	$ 11,014	$ 10,764	$ 32,794
Operating EBIT margin (non-GAAP) [3]	11.8%	12.4%	13.2%	12.4%	12.5%	13.8%	12.8%	12.7%	10.7%	12.5%	10.4%	9.6%	10.4%	10.1%

1. Operating EBIT is defined as (i.e., income from continuing operations before income taxes) before interest, excluding the impact of significant items. Pro forma Operating EBIT is defined as (i.e., income from continuing operations before income taxes) before interest, plus pro forma adjustments, excluding the impact of significant items.

2. Operating EBITDA is defined as earnings (i.e., income from continuing operations before income taxes) before interest, depreciation and amortization, excluding the impact of significant items. Pro forma Operating EBITDA is defined as earnings (i.e., income from continuing operations before income taxes) before interest, depreciation and amortization, plus pro forma adjustments, excluding the impact of significant items.

3. Operating EBIT margin is defined as Operating EBIT as a percentage of net sales. Pro forma Operating EBIT margin is defined as pro forma Operating EBIT as a percentage of pro forma net sales.

Dow

Selected Non-GAAP Segment Measures

Packaging & Specialty Plastics Segment

	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	2019
In millions	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**As Reported**	**As Reported**	**Pro Forma**
Earnings before interest (EBIT)	$ 904	$ 1,105	$ 880	$ 244	$ 3,133	$ 965	$ 923	$ 850	$ 809	$ 3,547	$ 677	$ 762	$ 932	$ 2,371
Adjustments for significant items, before tax														
Litigation related charges, awards and adjustments	-	137	-	-	137	-	-	-	-	-	-	-	170	170
Environmental charges	-	-	-	-	-	-	-	-	-	-	-	-	(5)	(5)
Restructuring, goodwill impairment and asset-related charges, net	-	-	-	(716)	(716)	(6)	(3)	(7)	(30)	(46)	(13)	(6)	(31)	(50)
Operating EBIT (GAAP) [1]	**$ 904**	**$ 968**	**$ 880**	**$ 960**	**$ 3,712**	**$ 971**	**$ 926**	**$ 857**	**$ 839**	**$ 3,593**	**$ 690**	**$ 768**	**$ 798**	**$ 2,256**
Equity in earnings of nonconsolidated affiliates	$ 32	$ 37	$ 66	$ 59	$ 194	$ 59	$ 108	$ 83	$ 37	$ 287	$ 38	$ 74	$ 23	$ 135
Operating EBIT excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [2]	**$ 872**	**$ 931**	**$ 814**	**$ 901**	**$ 3,518**	**$ 912**	**$ 818**	**$ 774**	**$ 802**	**$ 3,306**	**$ 652**	**$ 694**	**$ 775**	**$ 2,121**
Net sales	$ 5,424	$ 5,463	$ 5,532	$ 6,127	$ 22,546	$ 6,048	$ 6,134	$ 6,157	$ 5,898	$ 24,237	$ 5,138	$ 5,205	$ 5,062	$ 15,405
Operating EBIT Margin (GAAP) [3]	**16.7%**	**17.7%**	**15.9%**	**15.7%**	**16.5%**	**16.1%**	**15.1%**	**13.9%**	**14.2%**	**14.8%**	**13.4%**	**14.8%**	**15.8%**	**14.6%**
Operating EBIT Margin excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [4]	**16.1%**	**17.0%**	**14.7%**	**14.7%**	**15.6%**	**15.1%**	**13.3%**	**12.6%**	**13.6%**	**13.6%**	**12.7%**	**13.3%**	**15.3%**	**13.8%**
Operating EBIT (GAAP) [1]	**$ 904**	**$ 968**	**$ 880**	**$ 960**	**$ 3,712**	**$ 971**	**$ 926**	**$ 857**	**$ 839**	**$ 3,593**	**$ 690**	**$ 768**	**$ 798**	**$ 2,256**
Depreciation and amortization	280	268	309	335	1,192	352	344	352	337	1,385	367	370	366	1,103
Operating EBITDA (non-GAAP) [5]	**1,184**	**1,236**	**1,189**	**1,295**	**4,904**	**1,323**	**1,270**	**1,209**	**1,176**	**4,978**	**1,057**	**1,138**	**1,164**	**3,359**
Operating EBITDA Margin (non-GAAP) [6]	**21.8%**	**22.6%**	**21.5%**	**21.1%**	**21.8%**	**21.9%**	**20.7%**	**19.6%**	**19.9%**	**20.5%**	**20.6%**	**21.9%**	**23.0%**	**21.8%**

1. Operating EBIT is defined as earnings (i.e., "Income from continuing operations before income taxes") before interest, excluding the impact of significant items.
2. Defined as Operating EBIT, excluding equity in earnings of nonconsolidated affiliates.
3. Operating EBIT margin is Operating EBIT as a percentage of net sales.
4. Defined as Operating EBIT, excluding equity in earnings of nonconsolidated affiliates, as a percentage of net sales.
5. Operating EBITDA is defined as earnings (i.e., "Income from continuing operations before income taxes") before interest, depreciation and amortization, excluding the impact of significant items.
6. Operating EBITDA margin is defined as Operating EBITDA as a percentage of net sales.

Dow
Selected Non-GAAP Segment Measures
Industrial Intermediates & Infrastructure Segment

	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	2019
In millions	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**As Reported**	**As Reported**	**Pro Forma**
Earnings before interest (EBIT)	$ 284	$ 211	$ 496	$ 462	$ 1,453	$ 469	$ 502	$ 466	$ 339	$ 1,776	$ 277	$ 154	$ 180	$ 611
Adjustments for significant items, before tax														
Restructuring, goodwill impairment and asset-related charges, net	-	-	-	(17)	(17)	(11)	-	-	-	(11)	-	-	(5)	(5)
Environmental charges	-	-	-	-	-	-	-	-	-	-	-	-	(8)	(8)
Gains (losses) on divestitures	-	-	-	-	-	20	-	-	-	20	-	-	-	-
Operating EBIT (GAAP) [1]	**$ 284**	**$ 211**	**$ 496**	**$ 479**	**$ 1,470**	**$ 460**	**$ 502**	**$ 466**	**$ 339**	**$ 1,767**	**$ 277**	**$ 154**	**$ 193**	**$ 624**
Equity in earnings (losses) of nonconsolidated affiliates	$ 73	$ (13)	$ 41	$ 71	$ 172	$ 149	$ 96	$ 54	$ (15)	$ 284	$ (48)	$ (78)	$ (70)	$ (196)
Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [2]	**$ 211**	**$ 224**	**$ 455**	**$ 408**	**$ 1,298**	**$ 311**	**$ 406**	**$ 412**	**$ 354**	**$ 1,483**	**$ 325**	**$ 232**	**$ 263**	**$ 820**
Net sales	$ 2,924	$ 3,084	$ 3,309	$ 3,634	$ 12,951	$ 3,803	$ 3,972	$ 3,913	$ 3,777	$ 15,465	$ 3,489	$ 3,342	$ 3,365	$ 10,196
Operating EBIT Margin (GAAP) [3]	**9.7%**	**6.8%**	**15.0%**	**13.2%**	**11.4%**	**12.1%**	**12.6%**	**11.9%**	**9.0%**	**11.4%**	**7.9%**	**4.6%**	**5.7%**	**6.1%**
Operating EBIT Margin excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [4]	**7.2%**	**7.3%**	**13.8%**	**11.2%**	**10.0%**	**8.2%**	**10.2%**	**10.5%**	**9.4%**	**9.6%**	**9.3%**	**6.9%**	**7.8%**	**8.0%**
Operating EBIT (GAAP) [1]	**$ 284**	**$ 211**	**$ 496**	**$ 479**	**$ 1,470**	**$ 460**	**$ 502**	**$ 466**	**$ 339**	**$ 1,767**	**$ 277**	**$ 154**	**$ 193**	**$ 624**
Depreciation and amortization	151	130	142	149	572	147	152	149	159	607	145	147	149	441
Operating EBITDA (non-GAAP) [5]	**435**	**341**	**638**	**628**	**2,042**	**607**	**654**	**615**	**498**	**2,374**	**422**	**301**	**342**	**1,065**
Operating EBITDA Margin (non-GAAP) [6]	**14.9%**	**11.1%**	**19.3%**	**17.3%**	**15.8%**	**16.0%**	**16.5%**	**15.7%**	**13.2%**	**15.4%**	**12.1%**	**9.0%**	**10.2%**	**10.4%**

1. Operating EBIT is defined as earnings (i.e., "Income from continuing operations before income taxes") before interest, excluding the impact of significant items.
2. Defined as Operating EBIT, excluding equity in earnings (losses) of nonconsolidated affiliates.
3. Operating EBIT margin is Operating EBIT as a percentage of net sales.
4. Defined as Operating EBIT, excluding equity in earnings (losses) of nonconsolidated affiliates, as a percentage of net sales.
5. Operating EBITDA is defined as earnings (i.e., "Income from continuing operations before income taxes") before interest, depreciation and amortization, excluding the impact of significant items.
6. Operating EBITDA margin is defined as Operating EBITDA as a percentage of net sales.

Dow
Selected Non-GAAP Segment Measures
Performance Materials & Coatings Segment

	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	2019
In millions	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**As Reported**	**As Reported**	**Pro Forma**
Earnings before interest (EBIT)	$ 154	$ 279	$ 228	$ (1,422)	$ (761)	$ 356	$ 257	$ 398	$ 194	$ 1,205	$ 271	$ 192	$ 140	$ 603
Adjustments for significant items, before tax														
Restructuring, goodwill impairment and asset-related charges, net	-	3	-	(1,581)	(1,578)	1	(15)	-	(7)	(21)	-	(22)	(10)	(32)
Environmental charges	-	-	-	-	-	-	-	-	-	-	-	-	(50)	(50)
Impact of Dow Silicones ownership restructure	-	-	-	-	-	-	(20)	-	-	(20)	-	-	-	-
Operating EBIT (GAAP) [1]	**$ 154**	**$ 276**	**$ 228**	**$ 159**	**$ 817**	**$ 355**	**$ 292**	**$ 398**	**$ 201**	**$ 1,246**	**$ 271**	**$ 214**	**$ 200**	**$ 685**
Equity in earnings of nonconsolidated affiliates	$ 12	$ 10	$ 9	$ 9	$ 40	$ -	$ 1	$ 3	$ -	$ 4	$ -	$ 1	$ 2	$ 3
Operating EBIT excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [2]	**$ 142**	**$ 266**	**$ 219**	**$ 150**	**$ 777**	**$ 355**	**$ 291**	**$ 395**	**$ 201**	**$ 1,242**	**$ 271**	**$ 213**	**$ 198**	**$ 682**
Net sales	$ 2,102	$ 2,294	$ 2,256	$ 2,240	$ 8,892	$ 2,371	$ 2,673	$ 2,552	$ 2,269	$ 9,865	$ 2,320	$ 2,356	$ 2,250	$ 6,926
Operating EBIT Margin (GAAP) [3]	**7.3%**	**12.0%**	**10.1%**	**7.1%**	**9.2%**	**15.0%**	**10.9%**	**15.6%**	**8.9%**	**12.6%**	**11.7%**	**9.1%**	**8.9%**	**9.9%**
Operating EBIT Margin excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [4]	**6.8%**	**11.6%**	**9.7%**	**6.7%**	**8.7%**	**15.0%**	**10.9%**	**15.5%**	**8.9%**	**12.6%**	**11.7%**	**9.0%**	**8.8%**	**9.8%**
Operating EBIT (GAAP) [1]	**$ 154**	**$ 276**	**$ 228**	**$ 159**	**$ 817**	**$ 355**	**$ 292**	**$ 398**	**$ 201**	**$ 1,246**	**$ 271**	**$ 214**	**$ 200**	**$ 685**
Depreciation and amortization	221	211	226	228	886	222	220	222	224	888	219	219	217	655
Operating EBITDA (non-GAAP) [5]	**375**	**487**	**454**	**387**	**1,703**	**577**	**512**	**620**	**425**	**2,134**	**490**	**433**	**417**	**1,340**
Operating EBITDA Margin (non-GAAP) [6]	**17.8%**	**21.2%**	**20.1%**	**17.3%**	**19.2%**	**24.3%**	**19.2%**	**24.3%**	**18.7%**	**21.6%**	**21.1%**	**18.4%**	**18.5%**	**19.3%**

1. Operating EBIT is defined as earnings (i.e., "Income from continuing operations before income taxes") before interest, excluding the impact of significant items.
2. Defined as Operating EBIT, excluding equity in earnings of nonconsolidated affiliates.
3. Operating EBIT margin is Operating EBIT as a percentage of net sales.
4. Defined as Operating EBIT, excluding equity in earnings of nonconsolidated affiliates, as a percentage of net sales.
5. Operating EBITDA is defined as earnings (i.e., "Income from continuing operations before income taxes") before interest, depreciation and amortization, excluding the impact of significant items.
6. Operating EBITDA margin is defined as Operating EBITDA as a percentage of net sales.

Dow
Selected Non-GAAP Segment Measures
Corporate Segment

	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	2019
In millions	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**As Reported**	**As Reported**	**Pro Forma**
Earnings before interest (EBIT)	$ (215)	$ (232)	$ (448)	$ (667)	$ (1,562)	$ (352)	$ (329)	$ (446)	$ (491)	$ (1,618)	$ (640)	$ (677)	$ (601)	$ (1,918)
Adjustments for significant items, before tax														
Integration and separation costs	(114)	(145)	(212)	(245)	(716)	(207)	(234)	(289)	(344)	(1,074)	(402)	(348)	(164)	(914)
Restructuring, goodwill impairment and asset-related charges, net	-	9	(118)	(322)	(431)	(56)	(14)	(41)	(9)	(120)	(143)	(37)	(101)	(281)
Gains (losses) on divestitures	-	7	-	-	7	-	-	-	-	-	-	(44)	-	(44)
Environmental charges	-	-	-	-	-	-	-	-	-	-	-	-	(336)	(336)
Warranty accrual adjustment of exited business	-	-	-	-	-	-	-	-	-	-	-	-	39	39
Litigation related charges, awards and adjustments	-	-	-	-	-	-	-	-	-	-	-	-	35	35
Indemnification and other transaction related costs	-	-	-	-	-	-	-	-	-	-	-	(127)	-	(127)
Loss on early extinguishment of debt	-	-	-	-	-	-	-	(6)	(48)	(54)	-	(44)	-	(44)
Operating EBIT (GAAP) [1]	**$ (101)**	**$ (103)**	**$ (118)**	**$ (100)**	**$ (422)**	**$ (89)**	**$ (81)**	**$ (110)**	**$ (90)**	**$ (370)**	**$ (95)**	**$ (77)**	**$ (74)**	**$ (246)**
Equity in earnings (losses) of nonconsolidated affiliates	$ (7)	$ (12)	$ 12	$ (1)	$ (8)	$ (7)	$ (12)	$ (5)	$ 4	$ (20)	$ (4)	$ (12)	$ 1	$ (15)
Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [2]	**$ (94)**	**$ (91)**	**$ (130)**	**$ (99)**	**$ (414)**	**$ (82)**	**$ (69)**	**$ (105)**	**$ (94)**	**$ (350)**	**$ (91)**	**$ (65)**	**$ (75)**	**$ (231)**
Operating EBIT (GAAP) [1]	**$ (101)**	**$ (103)**	**$ (118)**	**$ (100)**	**$ (422)**	**$ (89)**	**$ (81)**	**$ (110)**	**$ (90)**	**$ (370)**	**$ (95)**	**$ (77)**	**$ (74)**	**$ (246)**
Depreciation and amortization	9	8	8	9	34	7	7	9	6	29	12	7	7	26
Operating EBITDA (non-GAAP) [3]	**(92)**	**(95)**	**(110)**	**(91)**	**(388)**	**(82)**	**(74)**	**(101)**	**(84)**	**(341)**	**(83)**	**(70)**	**(67)**	**(220)**

1. Operating EBIT is defined as earnings (i.e., "Income from continuing operations before income taxes") before interest, excluding the impact of significant items.
2. Defined as Operating EBIT, excluding equity in earnings (losses) of nonconsolidated affiliates.
3. Operating EBITDA is defined as earnings (i.e., "Income from continuing operations before income taxes") before interest, depreciation and amortization, excluding the impact of significant items.

Dow
Non-GAAP Cash Flow Metrics

In millions	1Q17	2Q17	3Q17	4Q17	2017	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	2019
Cash provided by (used for) operating activities - continuing operations (GAAP)	$ (1,204)	$ (2,550)	$ 99	$ (2,788)	$ (6,443)	$ 744	$ 760	$ 203	$ 1,389	$ 3,096	$ 1,043	$ 960	$ 1,790	$ 3,793
Impact of ASU 2016-15 and additional interpretive guidance	1,997	2,835	2,157	2,473	9,462	445	211	1	-	657	-	-	-	-
Cash flows from operating activities - continuing operations - excluding impact of ASU 2016-15 (non-GAAP) [1]	$ 793	$ 285	$ 2,256	$ (315)	$ 3,019	$ 1,189	$ 971	$ 204	$ 1,389	$ 3,753	$ 1,043	$ 960	$ 1,790	$ 3,793
Capital Expenditures	(704)	(724)	(575)	(804)	(2,807)	(379)	(489)	(577)	(646)	(2,091)	(442)	(470)	(472)	(1,384)
Free cash flow (non-GAAP) [2]	**$ 89**	**$ (439)**	**$ 1,681**	**$ (1,119)**	**$ 212**	**$ 810**	**$ 482**	**$ (373)**	**$ 743**	**$ 1,662**	**$ 601**	**$ 490**	**$ 1,318**	**$ 2,409**
Free cash flow (non-GAAP) - Trailing Twelve Months													**$ 3,152**	
Cash flows from operating activities - continuing operations - excluding impact of ASU 2016-15 (non-GAAP)	**$ 793**	**$ 285**	**$ 2,256**	**$ (315)**	**$ 3,019**	**$ 1,189**	**$ 971**	**$ 204**	**$ 1,389**	**$ 3,753**	**$ 1,043**	**$ 960**	**$ 1,790**	**$ 3,793**
Operating EBITDA [3]	1,902	1,969	2,171	2,219	8,261	2,425	2,362	2,343	2,015	9,145	1,886	1,802	1,856	5,544
Cash flow conversion (non-GAAP) [4]	**41.7%**	**14.5%**	**103.9%**	**-14.2%**	**36.5%**	**49.0%**	**41.1%**	**8.7%**	**68.9%**	**41.0%**	**55.3%**	**53.3%**	**96.4%**	**68.4%**

1. Dow calculates cash flows from operating activities - excluding the impact of ASU 2016-15 as cash provided by (used for) operating activities - continuing operations, excluding the impact of Accounting Standards Update ("ASU") 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" and related interpretive guidance. Management believes this non-GAAP financial measure is relevant and meaningful as it presents cash flows from operating activities inclusive of all trade accounts receivable collection activity, which Dow utilizes in support of its operating activities.

2. Dow defines free cash flow as cash flows from operating activities - continuing operations - excluding impact of ASU 2016-15 less capital expenditures. Under this definition, free cash flow represents the cash generated by Dow from operations after investing in its asset base. Free cash flow, combined with cash balances and other sources of liquidity, represent the cash available to fund obligations and provide returns to shareholders. Free cash flow is an integral financial measure used in Dow's financial planning process.

3. Operating EBITDA for the first quarter of 2019 and periods prior is presented on a pro forma basis. Operating EBITDA for the second quarter of 2019 and subsequent periods is presented on an as reported basis.

4. Dow defines cash flow conversion as cash flows from operating activities - continuing operations - excluding the impact of ASU 2016-15 divided by Operating EBITDA.

Dividend Payout Ratio

	2Q19	3Q19
Dividends Declared Per Common Share	$ 0.70	$ 0.70
Operating Earnings Per Share (non-GAAP) [1]	$ 0.86	$ 0.91
Dividend Payout Ratio	81.4%	76.9%

1. This measure of income excludes significant items that Dow does not consider part of ongoing operations.

Dow
Calculation of Net Debt to Capital

Dollar amounts in millions	1Q17 **As Reported**	2Q17 **As Reported**	3Q17 **As Reported**	4Q17 **As Reported**	1Q18 **As Reported**	2Q18 **As Reported**	3Q18 **As Reported**	4Q18 **As Reported**	1Q19 **As Reported**	2Q19 **As Reported**	3Q19 **As Reported**
Notes payable	$ 353	$ 477	$ 560	$ 481	$ 783	$ 849	$ 900	$ 298	$ 295	$ 544	$ 517
Long-term debt due within one year	613	951	573	748	915	2,833	2,601	338	2,367	297	378
Long-Term Debt	20,459	20,061	19,991	19,757	19,590	17,114	17,078	19,253	17,158	17,155	17,213
Total Debt	$ 21,425	$ 21,489	$ 21,124	$ 20,986	$ 21,288	$ 20,796	$ 20,579	$ 19,889	$ 19,820	$ 17,996	$ 18,108
Total debt	$ 21,425	$ 21,489	$ 21,124	$ 20,986	$ 21,288	$ 20,796	$ 20,579	$ 19,889	$ 19,820	$ 17,996	$ 18,108
Less: Cash and cash equivalents	5,848	6,218	8,395	6,189	5,187	4,824	3,411	2,724	3,001	2,446	2,823
Less: Marketable securities and interest bearing deposits	-	-	-	4	11	133	107	100	101	20	11
Net Debt	$ 15,577	$ 15,271	$ 12,729	$ 14,793	$ 16,090	$ 15,839	$ 17,061	$ 17,065	$ 16,718	$ 15,530	$ 15,274
Total debt	$ 21,425	$ 21,489	$ 21,124	$ 20,986	$ 21,288	$ 20,796	$ 20,579	$ 19,889	$ 19,820	$ 17,996	$ 18,108
Noncontrolling interests	1,275	1,167	1,189	1,186	1,191	1,152	1,181	1,138	1,180	589	587
Dow Inc.'s stockholders' equity	27,059	28,421	34,988	31,515	32,418	32,521	32,774	32,483	32,668	17,911	17,399
Total Capital	$ 49,759	$ 51,077	$ 57,301	$ 53,687	$ 54,897	$ 54,469	$ 54,534	$ 53,510	$ 53,668	$ 36,496	$ 36,094
Net debt	$ 15,577	$ 15,271	$ 12,729	$ 14,793	$ 16,090	$ 15,839	$ 17,061	$ 17,065	$ 16,718	$ 15,530	$ 15,274
Noncontrolling interests	1,275	1,167	1,189	1,186	1,191	1,152	1,181	1,138	1,180	589	587
Dow Inc.'s stockholders' equity	27,059	28,421	34,988	31,515	32,418	32,521	32,774	32,483	32,668	17,911	17,399
Net Capital	$ 43,911	$ 44,859	$ 48,906	$ 47,494	$ 49,699	$ 49,512	$ 51,016	$ 50,686	$ 50,566	$ 34,030	$ 33,260
Debt to Capital Ratio	43.1%	42.1%	36.9%	39.1%	38.8%	38.2%	37.7%	37.2%	36.9%	49.3%	50.2%
Net Debt to Net Capital Ratio	35.5%	34.0%	26.0%	31.1%	32.4%	32.0%	33.4%	33.7%	33.1%	45.6%	45.9%

**Trailing four QTR's Operating EBIT*

1. Operating EBIT for the first quarter of 2019 and periods prior is presented on a pro forma basis. Operating EBIT for the second quarter of 2019 and subsequent periods is presented on an as reported basis.

Dow
Non-GAAP Return on Capital Calculation

Dollar amounts in millions	4Q18 Pro Forma	1Q19 Pro Forma	2Q19 As Reported	3Q19 As Reported
Operating net income from continuing operations available for Dow Inc. common stockholders (non-GAAP)	$ 799	$ 729	$ 649	$ 679
Net income attributable to noncontrolling interests	24	32	15	14
Gross interest expense	297	265	257	254
Imputed interest expense - operating leases	-	23	23	23
Tax on gross interest expense	(65)	(62)	(61)	(57)
Operating net operating profit from continuing operations after tax (non-GAAP)	$ 1,055	$ 987	$ 883	$ 913
Total debt	$ 19,889	$ 19,820	$ 17,996	$ 18,108
Operating lease liabilities	$ -	$ 2,223	$ 2,200	$ 2,153
Noncontrolling interests	1,138	1,180	589	587
Dow Inc. stockholders' equity (non-GAAP) [1]	34,570	34,755	17,911	17,399
Assets/liabilities of discontinued operations	$ (15,412)	$ (15,574)	$ -	$ -
Total capital from continuing operations (non-GAAP)	$ 40,185	$ 42,404	$ 38,696	$ 38,247
Average total capital from continuing operations (non-GAAP)	$ 39,855	$ 40,384	$ 40,736	$ 40,278
Trailing Twelve Months Operating Return on Capital (non-GAAP) [2]	12.6%	11.4%	10.2%	9.5%

1. The fourth quarter of 2018 includes pro forma adjustments related to a cash contribution from DowDuPont Inc. and a cash payment from Corteva Inc. as part of the separation from DowDuPont Inc.

2. This measure of return excluded from income significant items which Dow did not consider part of ongoing operations.