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

Financial Metrics and Non-GAAP 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	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20
	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	As Reported	As Reported	As Reported	Pro Forma	As Reported
Net Income (Loss) Available for Dow Inc. Common Stockholders (GAAP)	**$ 1,404**	**$ 1,333**	**$ 1,013**	**$ 891**	**$ 4,641**	**$ 556**	**$ 75**	**$ 333**	**$ (2,323)**	**$ (1,359)**	**$ 239**
Less: Gain (loss) from discontinued operations, net of tax [1]	500	548	331	424	1,803	432	-	-	-	432	-
Plus: Pro forma adjustments	36	27	41	40	144	52	-	-	-	52	-
Pro forma net income (loss) from continuing operations available for Dow Inc. common stockholders	**$ 940**	**$ 812**	**$ 723**	**$ 507**	**$ 2,982**	**$ 176**	**$ 75**	**$ 333**	**$ (2,323)**	**$ (1,739)**	**$ 239**
Adjustments for significant items, after tax											
Litigation related charges, awards and adjustments	-	-	-	-	-	-	-	178	-	178	-
Integration and separation costs	(161)	(201)	(251)	(333)	(946)	(326)	(277)	(132)	(89)	(824)	(51)
Restructuring, goodwill impairment and asset-related charges, net	(60)	(28)	(37)	(37)	(162)	(150)	(53)	(115)	(2,842)	(3,160)	(79)
Gains (losses) on divestitures	15	-	-	-	15	-	(47)	4	(4)	(47)	-
Impact of Dow Silicones ownership restructure	-	(18)	-	-	(18)	-	-	-	-	-	-
Loss on early extinguishment of debt	-	-	(5)	(37)	(42)	-	(34)	-	(49)	(83)	(70)
Warranty accrual adjustment of exited business	-	-	-	-	-	-	-	30	-	30	-
Environmental charges	-	-	-	-	-	-	-	(311)	-	(311)	-
Indemnification and other transaction related costs	-	-	-	-	-	(77)	(163)	-	(17)	(257)	-
Income tax items	(7)	-	17	115	125	-	-	-	101	101	-
Operating net income from continuing operations available for Dow Inc. common stockholders (non-GAAP)	**$ 1,153**	**$ 1,059**	**$ 999**	**$ 799**	**$ 4,010**	**$ 729**	**$ 649**	**$ 679**	**$ 577**	**$ 2,634**	**$ 439**

1. Calculated as "Income from discontinued operations, net of tax" less "Net income attributable to noncontrolling interests" related to discontinued operations.

Dow
Non-GAAP Adjustments to Earnings Per Share

Amounts in dollars per share	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019 [1]	1Q20
	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	As Reported	As Reported	As Reported	Pro Forma	As Reported
Earnings per common share - diluted (GAAP)	**$ 1.88**	**$ 1.78**	**$ 1.36**	**$ 1.19**	**$ 6.21**	**$ 0.74**	**$ 0.10**	**$ 0.45**	**$ (3.14)**	**$ (1.84)**	**$ 0.32**
Less: Earnings from discontinued operations per common share - diluted	0.67	0.73	0.45	0.56	2.41	0.58	-	-	-	0.58	-
Plus: Earnings per share impact of pro forma adjustments	0.05	0.03	0.06	0.05	0.19	0.08	-	-	-	0.07	-
Earnings from continuing operations per common share - diluted	**$ 1.26**	**$ 1.08**	**$ 0.97**	**$ 0.68**	**$ 3.99**	**$ 0.24**	**$ 0.10**	**$ 0.45**	**$ (3.14)**	**$ (2.35)**	**$ 0.32**
Adjustments for significant items											
Litigation related charges, awards and adjustments	-	-	-	-	-	-	-	0.24	-	0.24	-
Integration and separation costs	(0.22)	(0.27)	(0.33)	(0.44)	(1.26)	(0.44)	(0.37)	(0.18)	(0.12)	(1.11)	(0.07)
Restructuring, goodwill impairment and asset-related charges, net	(0.08)	(0.04)	(0.05)	(0.05)	(0.22)	(0.20)	(0.07)	(0.15)	(3.84)	(4.26)	(0.11)
Gains (losses) on divestitures	0.02	-	-	-	0.02	-	(0.06)	0.01	(0.01)	(0.06)	-
Impact of Dow Silicones ownership restructure	-	(0.02)	-	-	(0.02)	-	-	-	-	-	-
Loss on early extinguishment of debt	-	-	(0.01)	(0.05)	(0.06)	-	(0.04)	-	(0.07)	(0.11)	(0.09)
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)	-	(0.02)	(0.34)	-
Income tax items	(0.01)	-	0.02	0.15	0.16	-	-	-	0.14	0.14	-
Operating earnings from continuing operations per common share - diluted (non-GAAP) [2]	**$ 1.55**	**$ 1.41**	**$ 1.34**	**$ 1.07**	**$ 5.37**	**$ 0.98**	**$ 0.86**	**$ 0.91**	**$ 0.78**	**$ 3.53**	**$ 0.59**

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

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

Dow

Selected Non-GAAP Calculation of Operating EBIT and Operating EBITDA

In millions	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20
	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	Pro Forma	As Reported	As Reported	As Reported	Pro Forma	As Reported
Net Income Attributable to Dow Inc. (GAAP)	$ 1,404	$ 1,333	$ 1,013	$ 891	$ 4,641	$ 556	$ 75	$ 333	$ (2,323)	$ (1,359)	$ 239
Net income attributable to noncontrolling interests	35	31	36	32	134	45	15	14	13	87	19
Income from discontinued operations, net of income taxes	514	554	335	432	1,835	445	-	-	-	445	-
Provision for income taxes on continuing operations	226	249	280	54	809	141	125	90	114	470	138
Income from Continuing Operations Before Income Taxes	$ 1,151	$ 1,059	$ 994	$ 545	$ 3,749	$ 297	$ 215	$ 437	$ (2,196)	$ (1,247)	$ 396
- Interest income	20	18	22	22	82	18	21	19	23	81	15
+ Interest expense and Amortization of debt discount	262	261	258	282	1,063	241	237	233	222	933	215
+ Pro forma adjustments	45	51	38	46	180	65	-	-	-	65	-
Earnings before interest and income taxes (EBIT)	$ 1,438	$ 1,353	$ 1,268	$ 851	$ 4,910	$ 585	$ 431	$ 651	$ (1,997)	$ (330)	$ 596
Adjustments for significant items, before tax											
Litigation related charges, awards and adjustments	-	-	-	-	-	-	-	205	-	205	-
Integration and separation costs	(207)	(234)	(289)	(344)	(1,074)	(402)	(348)	(164)	(99)	(1,013)	(65)
Transaction costs and productivity actions	-	-	-	-	-	-	-	-	-	-	-
Restructuring, goodwill impairment and asset-related charges, net	(72)	(32)	(48)	(46)	(198)	(156)	(65)	(147)	(2,851)	(3,219)	(96)
Gains (losses) on divestitures	20	-	-	-	20	-	(44)	-	(5)	(49)	-
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)	-	(17)	(144)	-
Loss on early extinguishment of debt	-	-	(6)	(48)	(54)	-	(44)	-	(58)	(102)	(86)
Operating EBIT (non-GAAP) [1]	$ 1,697	$ 1,639	$ 1,611	$ 1,289	$ 6,236	$ 1,143	$ 1,059	$ 1,117	$ 1,033	$ 4,352	$ 843
+ Depreciation and amortization	728	723	732	726	2,909	743	743	739	713	2,938	724
Operating EBITDA (non-GAAP) [2]	$ 2,425	$ 2,362	$ 2,343	$ 2,015	$ 9,145	$ 1,886	$ 1,802	$ 1,856	$ 1,746	$ 7,290	$ 1,567
Operating EBITDA (non-GAAP) - Trailing Twelve Months								$ 7,559	$ 7,290		$ 6,971
Net sales	$ 12,296	$ 12,851	$ 12,697	$ 12,008	$ 49,852	$ 11,016	$ 11,014	$ 10,764	$ 10,204	$ 42,998	$ 9,770
Operating EBIT margin (non-GAAP) [3]	13.8%	12.8%	12.7%	10.7%	12.5%	10.4%	9.6%	10.4%	10.1%	10.1%	8.6%

1. Operating EBIT is defined as (i.e., "Income (loss) from continuing operations before income taxes") before interest, excluding the impact of significant items.

2. Operating EBITDA is defined as earnings (i.e., "Income (loss) from continuing operations before income taxes") before interest, depreciation and amortization, excluding the impact of significant items.

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

Dow
Selected Non-GAAP Segment Measures
Packaging & Specialty Plastics Segment

In millions	1Q18 Pro Forma	2Q18 Pro Forma	3Q18 Pro Forma	4Q18 Pro Forma	2018 Pro Forma	1Q19 Pro Forma	2Q19 As Reported	3Q19 As Reported	4Q19 As Reported	2019 Pro Forma	1Q20 As Reported
Earnings before interest (EBIT)	$ 965	$ 923	$ 850	$ 809	$ 3,547	$ 677	$ 762	$ 932	$ 259	$ 2,630	$ 574
Adjustments for significant items, before tax											
Litigation related charges, awards and adjustments	-	-	-	-	-	-	-	170	-	170	-
Environmental charges	-	-	-	-	-	-	-	(5)	-	(5)	-
Restructuring, goodwill impairment and asset-related charges, net	(6)	(3)	(7)	(30)	(46)	(13)	(6)	(31)	(389)	(439)	(6)
Operating EBIT (GAAP) [1]	**$ 971**	**$ 926**	**$ 857**	**$ 839**	**$ 3,593**	**$ 690**	**$ 768**	**$ 798**	**$ 648**	**$ 2,904**	**$ 580**
Equity in earnings of nonconsolidated affiliates	$ 59	$ 108	$ 83	$ 37	$ 287	$ 38	$ 74	$ 23	$ 27	$ 162	$ 5
Operating EBIT excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [2]	**$ 912**	**$ 818**	**$ 774**	**$ 802**	**$ 3,306**	**$ 652**	**$ 694**	**$ 775**	**$ 621**	**$ 2,742**	**$ 575**
Net sales	$ 6,048	$ 6,134	$ 6,157	$ 5,898	$ 24,237	$ 5,138	$ 5,205	$ 5,062	$ 4,840	$ 20,245	$ 4,609
Operating EBIT Margin (GAAP) [3]	**16.1%**	**15.1%**	**13.9%**	**14.2%**	**14.8%**	**13.4%**	**14.8%**	**15.8%**	**13.4%**	**14.3%**	**12.6%**
Operating EBIT Margin excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [4]	**15.1%**	**13.3%**	**12.6%**	**13.6%**	**13.6%**	**12.7%**	**13.3%**	**15.3%**	**12.8%**	**13.5%**	**12.5%**
Operating EBIT (GAAP) [1]	**$ 971**	**$ 926**	**$ 857**	**$ 839**	**$ 3,593**	**$ 690**	**$ 768**	**$ 798**	**$ 648**	**$ 2,904**	**$ 580**
Depreciation and amortization	352	344	352	337	1,385	367	370	366	332	1,435	352
Operating EBITDA (non-GAAP) [5]	**1,323**	**1,270**	**1,209**	**1,176**	**4,978**	**1,057**	**1,138**	**1,164**	**980**	**4,339**	**932**
Operating EBITDA Margin (non-GAAP) [6]	**21.9%**	**20.7%**	**19.6%**	**19.9%**	**20.5%**	**20.6%**	**21.9%**	**23.0%**	**20.2%**	**21.4%**	**20.2%**

1. Operating EBIT is defined as earnings (i.e., "Income (loss) 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 defined as 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 (loss) 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

In millions	1Q18 Pro Forma	2Q18 Pro Forma	3Q18 Pro Forma	4Q18 Pro Forma	2018 Pro Forma	1Q19 Pro Forma	2Q19 As Reported	3Q19 As Reported	4Q19 As Reported	2019 Pro Forma	1Q20 As Reported
Earnings before interest (EBIT)	$ 469	$ 502	$ 466	$ 339	$ 1,776	$ 277	$ 154	$ 180	$ (954)	$ (343)	$ 175
Adjustments for significant items, before tax											
Restructuring, goodwill impairment and asset-related charges, net	(11)	-	-	-	(11)	-	-	(5)	(1,170)	(1,175)	-
Environmental charges	-	-	-	-	-	-	-	(8)	-	(8)	-
Gains (losses) on divestitures	20	-	-	-	20	-	-	-	(5)	(5)	-
Operating EBIT (GAAP) [1]	**$ 460**	**$ 502**	**$ 466**	**$ 339**	**$ 1,767**	**$ 277**	**$ 154**	**$ 193**	**$ 221**	**$ 845**	**$ 175**
Equity in earnings (losses) of nonconsolidated affiliates	$ 149	$ 96	$ 54	$ (15)	$ 284	$ (48)	$ (78)	$ (70)	$ (45)	$ (241)	$ (76)
Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [2]	**$ 311**	**$ 406**	**$ 412**	**$ 354**	**$ 1,483**	**$ 325**	**$ 232**	**$ 263**	**$ 266**	**$ 1,086**	**$ 251**
Net sales	$ 3,803	$ 3,972	$ 3,913	$ 3,777	$ 15,465	$ 3,489	$ 3,342	$ 3,365	$ 3,253	$ 13,449	$ 3,045
Operating EBIT Margin (GAAP) [3]	**12.1%**	**12.6%**	**11.9%**	**9.0%**	**11.4%**	**7.9%**	**4.6%**	**5.7%**	**6.8%**	**6.3%**	**5.7%**
Operating EBIT Margin excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [4]	**8.2%**	**10.2%**	**10.5%**	**9.4%**	**9.6%**	**9.3%**	**6.9%**	**7.8%**	**8.2%**	**8.1%**	**8.2%**
Operating EBIT (GAAP) [1]	**$ 460**	**$ 502**	**$ 466**	**$ 339**	**$ 1,767**	**$ 277**	**$ 154**	**$ 193**	**$ 221**	**$ 845**	**$ 175**
Depreciation and amortization	147	152	149	159	607	145	147	149	153	594	150
Operating EBITDA (non-GAAP) [5]	**607**	**654**	**615**	**498**	**2,374**	**422**	**301**	**342**	**374**	**1,439**	**325**
Operating EBITDA Margin (non-GAAP) [6]	**16.0%**	**16.5%**	**15.7%**	**13.2%**	**15.4%**	**12.1%**	**9.0%**	**10.2%**	**11.5%**	**10.7%**	**10.7%**

1. Operating EBIT is defined as earnings (i.e., "Income (loss) 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 defined as 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 (loss) 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

In millions	1Q18 Pro Forma	2Q18 Pro Forma	3Q18 Pro Forma	4Q18 Pro Forma	2018 Pro Forma	1Q19 Pro Forma	2Q19 As Reported	3Q19 As Reported	4Q19 As Reported	2019 Pro Forma	1Q20 As Reported
Earnings before interest (EBIT)	$ 356	$ 257	$ 398	$ 194	$ 1,205	$ 271	$ 192	$ 140	$ (811)	$ (208)	$ 162
Adjustments for significant items, before tax											
Restructuring, goodwill impairment and asset-related charges, net	1	(15)	-	(7)	(21)	-	(22)	(10)	(1,044)	(1,076)	-
Environmental charges	-	-	-	-	-	-	-	(50)	-	(50)	-
Impact of Dow Silicones ownership restructure	-	(20)	-	-	(20)	-	-	-	-	-	-
Operating EBIT (GAAP) [1]	**$ 355**	**$ 292**	**$ 398**	**$ 201**	**$ 1,246**	**$ 271**	**$ 214**	**$ 200**	**$ 233**	**$ 918**	**$ 162**
Equity in earnings of nonconsolidated affiliates	$ -	$ 1	$ 3	$ -	$ 4	$ -	$ 1	$ 2	$ 2	$ 5	$ 1
Operating EBIT excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [2]	**$ 355**	**$ 291**	**$ 395**	**$ 201**	**$ 1,242**	**$ 271**	**$ 213**	**$ 198**	**$ 231**	**$ 913**	**$ 161**
Net sales	$ 2,371	$ 2,673	$ 2,552	$ 2,269	$ 9,865	$ 2,320	$ 2,356	$ 2,250	$ 2,035	$ 8,961	$ 2,065
Operating EBIT Margin (GAAP) [3]	**15.0%**	**10.9%**	**15.6%**	**8.9%**	**12.6%**	**11.7%**	**9.1%**	**8.9%**	**11.4%**	**10.2%**	**7.8%**
Operating EBIT Margin excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [4]	**15.0%**	**10.9%**	**15.5%**	**8.9%**	**12.6%**	**11.7%**	**9.0%**	**8.8%**	**11.4%**	**10.2%**	**7.8%**
Operating EBIT (GAAP) [1]	**$ 355**	**$ 292**	**$ 398**	**$ 201**	**$ 1,246**	**$ 271**	**$ 214**	**$ 200**	**$ 233**	**$ 918**	**$ 162**
Depreciation and amortization	222	220	222	224	888	219	219	217	222	877	216
Operating EBITDA (non-GAAP) [5]	**577**	**512**	**620**	**425**	**2,134**	**490**	**433**	**417**	**455**	**1,795**	**378**
Operating EBITDA Margin (non-GAAP) [6]	**24.3%**	**19.2%**	**24.3%**	**18.7%**	**21.6%**	**21.1%**	**18.4%**	**18.5%**	**22.4%**	**20.0%**	**18.3%**

1. Operating EBIT is defined as earnings (i.e., "Income (loss) 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 defined as 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 (loss) 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

	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20
In millions	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**Pro Forma**	**As Reported**	**As Reported**	**As Reported**	**Pro Forma**	**As Reported**
Earnings before interest (EBIT)	$ (352)	$ (329)	$ (446)	$ (491)	$ (1,618)	$ (640)	$ (677)	$ (601)	$ (491)	$ (2,409)	$ (315)
Adjustments for significant items, before tax											
Integration and separation costs	(207)	(234)	(289)	(344)	(1,074)	(402)	(348)	(164)	(99)	(1,013)	(65)
Restructuring, goodwill impairment and asset-related charges, net	(56)	(14)	(41)	(9)	(120)	(143)	(37)	(101)	(248)	(529)	(90)
Gains (losses) on divestitures	-	-	-	-	-	-	(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)	-	(17)	(144)	-
Loss on early extinguishment of debt	-	-	(6)	(48)	(54)	-	(44)	-	(58)	(102)	(86)
Operating EBIT (GAAP) [1]	**$ (89)**	**$ (81)**	**$ (110)**	**$ (90)**	**$ (370)**	**$ (95)**	**$ (77)**	**$ (74)**	**$ (69)**	**$ (315)**	**$ (74)**
Equity in earnings (losses) of nonconsolidated affiliates	$ (7)	$ (12)	$ (5)	$ 4	$ (20)	$ (4)	$ (12)	$ 1	$ (5)	$ (20)	$ (19)
Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [2]	**$ (82)**	**$ (69)**	**$ (105)**	**$ (94)**	**$ (350)**	**$ (91)**	**$ (65)**	**$ (75)**	**$ (64)**	**$ (295)**	**$ (55)**
Operating EBIT (GAAP) [1]	**$ (89)**	**$ (81)**	**$ (110)**	**$ (90)**	**$ (370)**	**$ (95)**	**$ (77)**	**$ (74)**	**$ (69)**	**$ (315)**	**$ (74)**
Depreciation and amortization	7	7	9	6	29	12	7	7	6	32	6
Operating EBITDA (non-GAAP) [3]	**(82)**	**(74)**	**(101)**	**(84)**	**(341)**	**(83)**	**(70)**	**(67)**	**(63)**	**(283)**	**(68)**

1. Operating EBIT is defined as earnings (i.e., "Income (loss) 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 (loss) 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	1Q18	2Q18	3Q18	4Q18	2018	1Q19	2Q19	3Q19	4Q19	2019	1Q20
Cash provided by (used for) operating activities - continuing operations (GAAP)	$ 744	$ 760	$ 203	$ 1,389	$ 3,096	$ 1,043	$ 960	$ 1,790	$ 1,920	$ 5,713	$ 1,236
Impact of ASU 2016-15 and additional interpretive guidance	445	211	1	-	657	-	-	-	-	-	-
Cash flows from operating activities - continuing operations - excluding impact of ASU 2016-15 (non-GAAP) [1]	$ 1,189	$ 971	$ 204	$ 1,389	$ 3,753	$ 1,043	$ 960	$ 1,790	$ 1,920	$ 5,713	$ 1,236
Capital Expenditures	(379)	(489)	(577)	(646)	(2,091)	(442)	(470)	(472)	(577)	(1,961)	(395)
Free cash flow (non-GAAP) [2]	**$ 810**	**$ 482**	**$ (373)**	**$ 743**	**$ 1,662**	**$ 601**	**$ 490**	**$ 1,318**	**$ 1,343**	**$ 3,752**	**$ 841**
Free cash flow (non-GAAP) - Trailing Twelve Months								**$ 3,152**	**$ 3,752**		**$ 3,992**
Cash flows from operating activities - continuing operations - excluding impact of ASU 2016-15 (non-GAAP)	**$ 1,189**	**$ 971**	**$ 204**	**$ 1,389**	**$ 3,753**	**$ 1,043**	**$ 960**	**$ 1,790**	**$ 1,920**	**$ 5,713**	**$ 1,236**
Operating EBITDA [3]	2,425	2,362	2,343	2,015	9,145	1,886	1,802	1,856	1,746	7,290	1,567
Operating EBITDA to cash flow from operations conversion (non-GAAP) [4]	**49.0%**	**41.1%**	**8.7%**	**68.9%**	**41.0%**	**55.3%**	**53.3%**	**96.4%**	**110.0%**	**78.4%**	**78.9%**

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 Operating EBITDA to cash flow from operations 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	4Q19	1Q20
Dividends Declared Per Common Share	$ 0.70	$ 0.70	$ 0.70	$ 0.70
Operating Earnings Per Share (non-GAAP) [1]	$ 0.86	$ 0.91	$ 0.78	$ 0.59
Dividend Payout Ratio	81.4%	76.9%	89.7%	118.6%

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	1Q18 As Reported	2Q18 As Reported	3Q18 As Reported	4Q18 As Reported	1Q19 As Reported	2Q19 As Reported	3Q19 As Reported	4Q19 As Reported	1Q20 As Reported
Notes payable	$ 783	$ 849	$ 900	$ 298	$ 295	$ 544	$ 517	$ 586	$ 1,490
Long-term debt due within one year	915	2,833	2,601	338	2,367	297	378	435	384
Long-Term Debt	19,590	17,114	17,078	19,253	17,158	17,155	17,213	15,975	16,313
Total Debt	$ 21,288	$ 20,796	$ 20,579	$ 19,889	$ 19,820	$ 17,996	$ 18,108	$ 16,996	$ 18,187
Total debt	$ 21,288	$ 20,796	$ 20,579	$ 19,889	$ 19,820	$ 17,996	$ 18,108	$ 16,996	$ 18,187
Less: Cash and cash equivalents	5,187	4,824	3,411	2,724	3,001	2,446	2,823	2,367	3,633
Less: Marketable securities and interest bearing deposits	11	133	107	100	101	20	11	21	1
Net Debt	$ 16,090	$ 15,839	$ 17,061	$ 17,065	$ 16,718	$ 15,530	$ 15,274	$ 14,608	$ 14,553
Total debt	$ 21,288	$ 20,796	$ 20,579	$ 19,889	$ 19,820	$ 17,996	$ 18,108	$ 16,996	$ 18,187
Noncontrolling interests	1,191	1,152	1,181	1,138	1,180	589	587	553	555
Dow Inc.'s stockholders' equity	32,418	32,521	32,774	32,483	32,668	17,911	17,399	13,541	12,906
Total Capital	$ 54,897	$ 54,469	$ 54,534	$ 53,510	$ 53,668	$ 36,496	$ 36,094	$ 31,090	$ 31,648
Net debt	$ 16,090	$ 15,839	$ 17,061	$ 17,065	$ 16,718	$ 15,530	$ 15,274	$ 14,608	$ 14,553
Noncontrolling interests	1,191	1,152	1,181	1,138	1,180	589	587	553	555
Dow Inc.'s stockholders' equity	32,418	32,521	32,774	32,483	32,668	17,911	17,399	13,541	12,906
Net Capital	$ 49,699	$ 49,512	$ 51,016	$ 50,686	$ 50,566	$ 34,030	$ 33,260	$ 28,702	$ 28,014
Debt to Capital Ratio [1]	38.8%	38.2%	37.7%	37.2%	36.9%	49.3%	50.2%	54.7%	57.5%
Net Debt to Capital Ratio [2]	32.4%	32.0%	33.4%	33.7%	33.1%	45.6%	45.9%	50.9%	51.9%

1. Calculated as Total Debt divided by Total Capital

2. Calculated as Net Debt divided by Net Capital

Dow

Non-GAAP Return on Capital Calculation

Dollar amounts in millions	4Q18 Pro Forma	1Q19 Pro Forma	2Q19 As Reported	3Q19 As Reported	4Q19 As Reported	1Q20 As Reported
Operating net income from continuing operations available for Dow Inc. common stockholders (non-GAAP)	$ 799	$ 729	$ 649	$ 679	$ 577	$ 439
Net income attributable to noncontrolling interests	24	32	15	14	13	19
Gross interest expense	297	265	257	254	237	237
Imputed interest expense - operating leases	-	23	23	23	22	21
Tax on gross interest expense	(65)	(62)	(61)	(57)	(59)	(74)
Operating net operating profit from continuing operations after tax (non-GAAP)	$ 1,055	$ 987	$ 883	$ 913	$ 790	$ 642
Total debt	$ 19,889	$ 19,820	$ 17,996	$ 18,108	$ 16,996	$ 18,187
Operating lease liabilities	-	2,223	2,200	2,153	2,160	2,006
Noncontrolling interests	1,138	1,180	589	587	553	555
Dow Inc. stockholders' equity (non-GAAP) [1]	34,570	34,755	17,911	17,399	13,541	12,906
Assets/liabilities of discontinued operations	(15,412)	(15,574)	-	-	-	-
Total capital from continuing operations (non-GAAP)	$ 40,185	$ 42,404	$ 38,696	$ 38,247	$ 33,250	$ 33,654
Average total capital from continuing operations (non-GAAP)	$ 39,855	$ 40,384	$ 40,736	$ 40,278	$ 39,016	$ 37,056
Trailing Twelve Months Operating Return on Capital (non-GAAP) [2]	12.6%	11.4%	10.2%	9.5%	9.2%	8.7%

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.