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	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	2021
	Pro Forma	**As Reported**	**As Reported**	**As Reported**	**Pro Forma**	**As Reported**	**As Reported**	**As Reported**	**As Reported**	**As Reported**	**As Reported**	**As Reported**	**As Reported**
Net Income (Loss) Available for Dow Inc. Common Stockholders (GAAP)	**$ 556**	**$ 75**	**$ 333**	**$ (2,323)**	**$ (1,359)**	**$ 239**	**$ (225)**	**$ (25)**	**$ 1,236**	**$ 1,225**	**$ 991**	**$ 1,901**	**$ 2,892**
Less: Income from discontinued operations, net of tax [1]	432	—	—	—	432	—	—	—	—	—	—	—	—
Plus: Pro forma adjustments	52	—	—	—	52	—	—	—	—	—	—	—	—
Pro forma net income (loss) from continuing operations available for Dow Inc. common stockholders	**$ 176**	**$ 75**	**$ 333**	**$ (2,323)**	**$ (1,739)**	**$ 239**	**$ (225)**	**$ (25)**	**$ 1,236**	**$ 1,225**	**$ 991**	**$ 1,901**	**$ 2,892**
Adjustments for significant items, after tax													
Litigation related charges, awards and adjustments	—	—	178	—	178	—	6	—	481	487	—	—	—
Integration and separation costs	(326)	(277)	(132)	(89)	(824)	(51)	(36)	(49)	(50)	(186)	—	—	—
Restructuring, implementation costs, goodwill impairment and asset-related charges (credits), net	(150)	(53)	(115)	(2,842)	(3,160)	(79)	(6)	(495)	2	(578)	(8)	(34)	(42)
Net gains (losses) on divestitures and asset sale	—	(47)	4	(4)	(47)	—	—	195	469	664	—	—	—
Loss on early extinguishment of debt	—	(34)	—	(49)	(83)	(70)	—	(52)	—	(122)	—	(84)	(84)
Warranty accrual adjustment of exited business	—	—	30	—	30	—	—	—	8	8	—	—	—
Digitalization program costs	—	—	—	—	—	—	—	—	—	—	(25)	(37)	(62)
Environmental charges	—	—	(311)	—	(311)	—	—	—	—	—	—	—	—
Indemnification and other transaction related costs	(77)	(163)	—	(17)	(257)	—	—	—	(21)	(21)	—	(5)	(5)
Income tax items	—	—	—	101	101	—	—	—	(260)	(260)	—	—	—
Operating net income (loss) from continuing operations available for Dow Inc. common stockholders (non-GAAP)	**$ 729**	**$ 649**	**$ 679**	**$ 577**	**$ 2,634**	**$ 439**	**$ (189)**	**$ 376**	**$ 607**	**$ 1,233**	**$ 1,024**	**$ 2,061**	**$ 3,085**

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	1Q19	2Q19	3Q19	4Q19	2019 [1]	1Q20	2Q20	3Q20	4Q20	2020 [1]	1Q21	2Q21	2021
	Pro Forma	As Reported	As Reported	As Reported	Pro Forma	As Reported	As Reported	As Reported	As Reported	As Reported	As Reported	As Reported	As Reported
Earnings (loss) per common share - diluted (GAAP)	**$ 0.74**	**$ 0.10**	**$ 0.45**	**$ (3.14)**	**$ (1.84)**	**$ 0.32**	**$ (0.31)**	**$ (0.04)**	**$ 1.65**	**$ 1.64**	**$ 1.32**	**$ 2.51**	**$ 3.83**
Less: Earnings from discontinued operations per common share - diluted	0.58	—	—	—	0.58	—	—	—	—	—	—	—	—
Plus: Earnings per share impact of pro forma adjustments	0.08	—	—	—	0.07	—	—	—	—	—	—	—	—
Earnings (loss) from continuing operations per common share - diluted	**$ 0.24**	**$ 0.10**	**$ 0.45**	**$ (3.14)**	**$ (2.35)**	**$ 0.32**	**$ (0.31)**	**$ (0.04)**	**$ 1.65**	**$ 1.64**	**$ 1.32**	**$ 2.51**	**$ 3.83**
Adjustments for significant items													
Litigation related charges, awards and adjustments	—	—	0.24	—	0.24	—	0.01	—	0.65	0.66	—	—	—
Integration and separation costs	(0.44)	(0.37)	(0.18)	(0.12)	(1.11)	(0.07)	(0.05)	(0.06)	(0.07)	(0.25)	—	—	—
Restructuring, implementation costs, goodwill impairment and asset-related charges (credits), net	(0.20)	(0.07)	(0.15)	(3.84)	(4.26)	(0.11)	(0.01)	(0.67)	—	(0.79)	(0.01)	(0.04)	(0.05)
Net gains (losses) on divestitures and asset sale	—	(0.06)	0.01	(0.01)	(0.06)	—	—	0.26	0.63	0.89	—	—	—
Loss on early extinguishment of debt	—	(0.04)	—	(0.07)	(0.11)	(0.09)	—	(0.07)	—	(0.16)	—	(0.11)	(0.11)
Warranty accrual adjustment of exited business	—	—	0.04	—	0.04	—	—	—	0.01	0.01	—	—	—
Digitalization program costs	—	—	—	—	—	—	—	—	—	—	(0.03)	(0.05)	(0.08)
Environmental charges	—	—	(0.42)	—	(0.42)	—	—	—	—	—	—	—	—
Indemnification and other transaction related costs	(0.10)	(0.22)	—	(0.02)	(0.34)	—	—	—	(0.03)	(0.03)	—	(0.01)	(0.01)
Income tax items	—	—	—	0.14	0.14	—	—	—	(0.35)	(0.35)	—	—	—
Operating earnings (loss) from continuing operations per common share - diluted (non-GAAP) [2]	**$ 0.98**	**$ 0.86**	**$ 0.91**	**$ 0.78**	**$ 3.53**	**$ 0.59**	**$ (0.26)**	**$ 0.50**	**$ 0.81**	**$ 1.66**	**$ 1.36**	**$ 2.72**	**$ 4.08**

1. Due to different share counts in each period, the sum of the quarters may 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	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	2021
	Pro Forma	As Reported	As Reported	As Reported	Pro Forma	As Reported	As Reported	As Reported	As Reported	As Reported	As Reported	As Reported	As Reported
Net Income (Loss) Attributable to Dow Inc. (GAAP)	$ 556	$ 75	$ 333	$ (2,323)	$ (1,359)	$ 239	$ (225)	$ (25)	$ 1,236	$ 1,225	$ 991	$ 1,901	$ 2,892
Net income attributable to noncontrolling interests	45	15	14	13	87	19	8	24	18	69	15	31	46
Income from discontinued operations, net of income taxes	445	—	—	—	445	—	—	—	—	—	—	—	—
Provision for income taxes on continuing operations	141	125	90	114	470	138	34	43	562	777	317	524	841
Income (Loss) from Continuing Operations Before Income Taxes	$ 297	$ 215	$ 437	$ (2,196)	$ (1,247)	$ 396	$ (183)	$ 42	$ 1,816	$ 2,071	$ 1,323	$ 2,456	$ 3,779
- Interest income	18	21	19	23	81	15	6	6	11	38	8	13	21
+ Interest expense and amortization of debt discount	241	237	233	222	933	215	200	202	210	827	196	187	383
+ Pro forma adjustments	65	—	—	—	65	—	—	—	—	—	—	—	—
Earnings before interest and income taxes (EBIT)	$ 585	$ 431	$ 651	$ (1,997)	$ (330)	$ 596	$ 11	$ 238	$ 2,015	$ 2,860	$ 1,511	$ 2,630	$ 4,141
Adjustments for significant items, before tax													
Litigation related charges, awards and adjustments	—	—	205	—	205	—	6	—	538	544	—	—	—
Integration and separation costs	(402)	(348)	(164)	(99)	(1,013)	(65)	(46)	(63)	(65)	(239)	—	—	—
Restructuring, implementation costs, goodwill impairment and asset-related charges (credits), net	(156)	(65)	(147)	(2,851)	(3,219)	(96)	(6)	(617)	1	(718)	(10)	(43)	(53)
Net gains (losses) on divestitures and asset sale	—	(44)	—	(5)	(49)	—	—	220	497	717	—	—	—
Warranty accrual adjustment of exited business	—	—	39	—	39	—	—	—	11	11	—	—	—
Environmental charges	—	—	(399)	—	(399)	—	—	—	—	—	—	—	—
Digitalization program costs	—	—	—	—	—	—	—	—	—	—	(33)	(48)	(81)
Indemnification and other transaction related costs	—	(127)	—	(17)	(144)	—	—	—	(21)	(21)	—	(5)	(5)
Loss on early extinguishment of debt	—	(44)	—	(58)	(102)	(86)	—	(63)	—	(149)	—	(102)	(102)
Operating EBIT (non-GAAP) [1]	$ 1,143	$ 1,059	$ 1,117	$ 1,033	$ 4,352	$ 843	$ 57	$ 761	$ 1,054	$ 2,715	$ 1,554	$ 2,828	$ 4,382
+ Depreciation and amortization	743	743	739	713	2,938	724	700	724	726	2,874	717	745	1,462
Operating EBITDA (non-GAAP) [2]	$ 1,886	$ 1,802	$ 1,856	$ 1,746	$ 7,290	$ 1,567	$ 757	$ 1,485	$ 1,780	$ 5,589	$ 2,271	$ 3,573	$ 5,844
Operating EBITDA (non-GAAP) - trailing twelve months			$ 7,559	$ 7,290		$ 6,971	$ 5,926	$ 5,555	$ 5,589		$ 6,293	$ 9,109	
Net sales	$ 11,016	$ 11,014	$ 10,764	$ 10,204	$ 42,998	$ 9,770	$ 8,354	$ 9,712	$ 10,706	$ 38,542	$ 11,882	$ 13,885	$ 25,767
Operating EBIT margin (non-GAAP) [3]	10.4%	9.6%	10.4%	10.1%	10.1%	8.6%	0.7%	7.8%	9.8%	7.0%	13.1%	20.4%	17.0%

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. 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	1Q19 Pro Forma	2Q19 As Reported	3Q19 As Reported	4Q19 As Reported	2019 Pro Forma	1Q20 As Reported	2Q20 As Reported	3Q20 As Reported	4Q20 As Reported	2020 As Reported	1Q21 As Reported	2Q21 As Reported	2021 As Reported
Earnings before interest and income taxes (EBIT)	$ 677	$ 762	$ 932	$ 259	$ 2,630	$ 574	$ 318	$ 664	$ 1,335	$ 2,891	$ 1,228	$ 2,006	$ 3,234
Adjustments for significant items, before tax													
Litigation related charges, awards and adjustments	—	—	170	—	170	—	6	—	538	544	—	—	—
Environmental charges	—	—	(5)	—	(5)	—	—	—	—	—	—	—	—
Net gain on divestitures and asset sale	—	—	—	—	—	—	—	35	17	52	—	—	—
Restructuring, implementation costs, goodwill impairment and asset-related charges, net	(13)	(6)	(31)	(389)	(439)	(6)	(6)	(18)	—	(30)	—	(8)	(8)
Operating EBIT (GAAP) [1]	**$ 690**	**$ 768**	**$ 798**	**$ 648**	**$ 2,904**	**$ 580**	**$ 318**	**$ 647**	**$ 780**	**$ 2,325**	**$ 1,228**	**$ 2,014**	**$ 3,242**
Equity in earnings of nonconsolidated affiliates	38	74	23	27	162	5	20	71	77	173	106	130	236
Operating EBIT excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [2]	**$ 652**	**$ 694**	**$ 775**	**$ 621**	**$ 2,742**	**$ 575**	**$ 298**	**$ 576**	**$ 703**	**$ 2,152**	**$ 1,122**	**$ 1,884**	**$ 3,006**
Net sales	$ 5,138	$ 5,205	$ 5,062	$ 4,840	$ 20,245	$ 4,609	$ 4,001	$ 4,565	$ 5,126	$ 18,301	$ 6,082	$ 7,121	$ 13,203
Operating EBIT Margin (GAAP) [3]	**13.4%**	**14.8%**	**15.8%**	**13.4%**	**14.3%**	**12.6%**	**7.9 %**	**14.2%**	**15.2%**	**12.7%**	**20.2%**	**28.3%**	**24.6%**
Operating EBIT Margin excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [4]	**12.7%**	**13.3%**	**15.3%**	**12.8%**	**13.5%**	**12.5%**	**7.4 %**	**12.6%**	**13.7%**	**11.8%**	**18.4%**	**26.5%**	**22.8%**
Operating EBIT (GAAP) [1]	**$ 690**	**$ 768**	**$ 798**	**$ 648**	**$ 2,904**	**$ 580**	**$ 318**	**$ 647**	**$ 780**	**$ 2,325**	**$ 1,228**	**$ 2,014**	**$ 3,242**
Depreciation and amortization	367	370	366	332	1,435	352	334	344	342	1,372	336	352	688
Operating EBITDA (non-GAAP) [5]	**$ 1,057**	**$ 1,138**	**$ 1,164**	**$ 980**	**$ 4,339**	**$ 932**	**$ 652**	**$ 991**	**$ 1,122**	**$ 3,697**	**$ 1,564**	**$ 2,366**	**$ 3,930**
Operating EBITDA Margin (non-GAAP) [6]	**20.6%**	**21.9%**	**23.0%**	**20.2%**	**21.4%**	**20.2%**	**16.3 %**	**21.7%**	**21.9%**	**20.2%**	**25.7%**	**33.2%**	**29.8%**

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	1Q19 Pro Forma	2Q19 As Reported	3Q19 As Reported	4Q19 As Reported	2019 Pro Forma	1Q20 As Reported	2Q20 As Reported	3Q20 As Reported	4Q20 As Reported	2020 As Reported	1Q21 As Reported	2Q21 As Reported	2021 As Reported
Earnings before interest and income taxes (EBIT)	$ 277	$ 154	$ 180	$ (954)	$ (343)	$ 175	$ (220)	$ 82	$ 357	$ 394	$ 326	$ 647	$ 973
Adjustments for significant items, before tax													
Restructuring, implementation costs, goodwill impairment and asset-related charges, net	—	—	(5)	(1,170)	(1,175)	—	—	(22)	—	(22)	—	(1)	(1)
Environmental charges	—	—	(8)	—	(8)	—	—	—	—	—	—	—	—
Net gains (losses on divestitures and asset sale	—	—	—	(5)	(5)	—	—	—	61	61	—	—	—
Operating EBIT (GAAP) [1]	**$ 277**	**$ 154**	**$ 193**	**$ 221**	**$ 845**	**$ 175**	**$ (220)**	**$ 104**	**$ 296**	**$ 355**	**$ 326**	**$ 648**	**$ 974**
Equity in earnings (losses) of nonconsolidated affiliates	(48)	(78)	(70)	(45)	(241)	(76)	(113)	(13)	36	(166)	115	144	259
Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [2]	**$ 325**	**$ 232**	**$ 263**	**$ 266**	**$ 1,086**	**$ 251**	**$ (107)**	**$ 117**	**$ 260**	**$ 521**	**$ 211**	**$ 504**	**$ 715**
Net sales	$ 3,489	$ 3,342	$ 3,365	$ 3,253	$ 13,449	$ 3,045	$ 2,417	$ 3,058	$ 3,501	$ 12,021	$ 3,607	$ 4,215	$ 7,822
Operating EBIT Margin (GAAP) [3]	**7.9%**	**4.6%**	**5.7%**	**6.8%**	**6.3%**	**5.7%**	**-9.1%**	**3.4%**	**8.5%**	**3.0%**	**9.0%**	**15.4%**	**12.5%**
Operating EBIT Margin excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [4]	**9.3%**	**6.9%**	**7.8%**	**8.2%**	**8.1%**	**8.2%**	**-4.4%**	**3.8%**	**7.4%**	**4.3%**	**5.8%**	**12.0%**	**9.1%**
Operating EBIT (GAAP) [1]	**$ 277**	**$ 154**	**$ 193**	**$ 221**	**$ 845**	**$ 175**	**$ (220)**	**$ 104**	**$ 296**	**$ 355**	**$ 326**	**$ 648**	**$ 974**
Depreciation and amortization	145	147	149	153	594	150	145	155	155	605	156	168	324
Operating EBITDA (non-GAAP) [5]	**$ 422**	**$ 301**	**$ 342**	**$ 374**	**$ 1,439**	**$ 325**	**$ (75)**	**$ 259**	**$ 451**	**$ 960**	**$ 482**	**$ 816**	**$ 1,298**
Operating EBITDA Margin (non-GAAP) [6]	**12.1%**	**9.0%**	**10.2%**	**11.5%**	**10.7%**	**10.7%**	**-3.1%**	**8.5%**	**12.9%**	**8.0%**	**13.4%**	**19.4%**	**16.6%**

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	1Q19 Pro Forma	2Q19 As Reported	3Q19 As Reported	4Q19 As Reported	2019 Pro Forma	1Q20 As Reported	2Q20 As Reported	3Q20 As Reported	4Q20 As Reported	2020 As Reported	1Q21 As Reported	2Q21 As Reported	2021 As Reported
Earnings before interest and income taxes (EBIT)	$ 271	$ 192	$ 140	$ (811)	$ (208)	$ 162	$ 27	$ (114)	$ 47	$ 122	$ 62	$ 215	$ 277
Adjustments for significant items, before tax													
Restructuring, implementation costs, goodwill impairment and asset-related charges, net	—	(22)	(10)	(1,044)	(1,076)	—	—	(189)	(3)	(192)	—	(10)	(10)
Environmental charges	—	—	(50)	—	(50)	—	—	—	—	—	—	—	—
Operating EBIT (GAAP) [1]	**$ 271**	**$ 214**	**$ 200**	**$ 233**	**$ 918**	**$ 162**	**$ 27**	**$ 75**	**$ 50**	**$ 314**	**$ 62**	**$ 225**	**$ 287**
Equity in earnings of nonconsolidated affiliates	—	1	2	2	5	1	2	1	2	6	2	—	2
Operating EBIT excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [2]	**$ 271**	**$ 213**	**$ 198**	**$ 231**	**$ 913**	**$ 161**	**$ 25**	**$ 74**	**$ 48**	**$ 308**	**$ 60**	**$ 225**	**$ 285**
Net sales	$ 2,320	$ 2,356	$ 2,250	$ 2,035	$ 8,961	$ 2,065	$ 1,855	$ 2,002	$ 2,029	$ 7,951	$ 2,123	$ 2,465	$ 4,588
Operating EBIT Margin (GAAP) [3]	**11.7%**	**9.1%**	**8.9%**	**11.4%**	**10.2%**	**7.8%**	**1.5%**	**3.7%**	**2.5%**	**3.9%**	**2.9%**	**9.1%**	**6.3%**
Operating EBIT Margin excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [4]	**11.7%**	**9.0%**	**8.8%**	**11.4%**	**10.2%**	**7.8%**	**1.3%**	**3.7%**	**2.4%**	**3.9%**	**2.8%**	**9.1%**	**6.2%**
Operating EBIT (GAAP) [1]	**$ 271**	**$ 214**	**$ 200**	**$ 233**	**$ 918**	**$ 162**	**$ 27**	**$ 75**	**$ 50**	**$ 314**	**$ 62**	**$ 225**	**$ 287**
Depreciation and amortization	219	219	217	222	877	216	215	217	222	870	218	217	435
Operating EBITDA (non-GAAP) [5]	**$ 490**	**$ 433**	**$ 417**	**$ 455**	**$ 1,795**	**$ 378**	**$ 242**	**$ 292**	**$ 272**	**$ 1,184**	**$ 280**	**$ 442**	**$ 722**
Operating EBITDA Margin (non-GAAP) [6]	**21.1%**	**18.4%**	**18.5%**	**22.4%**	**20.0%**	**18.3%**	**13.0%**	**14.6%**	**13.4%**	**14.9%**	**13.2%**	**17.9%**	**15.7%**

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 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

In millions	1Q19 Pro Forma	2Q19 As Reported	3Q19 As Reported	4Q19 As Reported	2019 Pro Forma	1Q20 As Reported	2Q20 As Reported	3Q20 As Reported	4Q20 As Reported	2020 As Reported	1Q21 As Reported	2Q21 As Reported	2021 As Reported
Earnings before interest and income taxes (EBIT)	$ (640)	$ (677)	$ (601)	$ (491)	$ (2,409)	$ (315)	$ (114)	$ (394)	$ 275	$ (548)	$ (105)	$ (238)	$ (343)
Adjustments for significant items, before tax													
Integration and separation costs	(402)	(348)	(164)	(99)	(1,013)	(65)	(46)	(63)	(65)	(239)	—	—	—
Restructuring, implementation costs, goodwill impairment and asset-related charges (credits), net	(143)	(37)	(101)	(248)	(529)	(90)	—	(388)	3	(475)	(10)	(24)	(34)
Net gains (losses) on divestitures and asset sale	—	(44)	—	—	(44)	—	—	185	419	604	—	—	—
Environmental charges	—	—	(336)	—	(336)	—	—	—	—	—	—	—	—
Warranty accrual adjustment of exited business	—	—	39	—	39	—	—	—	11	11	—	—	—
Digitalization program costs	—	—	—	—	—	—	—	—	—	—	(33)	(48)	(81)
Litigation related charges, awards and adjustments	—	—	35	—	35	—	—	—	—	—	—	—	—
Indemnification and other transaction related costs	—	(127)	—	(17)	(144)	—	—	—	(21)	(21)	—	(5)	(5)
Loss on early extinguishment of debt	—	(44)	—	(58)	(102)	(86)	—	(63)	—	(149)	—	(102)	(102)
Operating EBIT (GAAP) [1]	**$ (95)**	**$ (77)**	**$ (74)**	**$ (69)**	**$ (315)**	**$ (74)**	**$ (68)**	**$ (65)**	**$ (72)**	**$ (279)**	**$ (62)**	**$ (59)**	**$ (121)**
Equity in earnings (losses) of nonconsolidated affiliates	(4)	(12)	1	(5)	(20)	(19)	(4)	1	(9)	(31)	1	4	5
Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [2]	**$ (91)**	**$ (65)**	**$ (75)**	**$ (64)**	**$ (295)**	**$ (55)**	**$ (64)**	**$ (66)**	**$ (63)**	**$ (248)**	**$ (63)**	**$ (63)**	**$ (126)**
Operating EBIT (GAAP) [1]	**$ (95)**	**$ (77)**	**$ (74)**	**$ (69)**	**$ (315)**	**$ (74)**	**$ (68)**	**$ (65)**	**$ (72)**	**$ (279)**	**$ (62)**	**$ (59)**	**$ (121)**
Depreciation and amortization	12	7	7	6	32	6	6	8	7	27	7	8	15
Operating EBITDA (non-GAAP) [3]	**$ (83)**	**$ (70)**	**$ (67)**	**$ (63)**	**$ (283)**	**$ (68)**	**$ (62)**	**$ (57)**	**$ (65)**	**$ (252)**	**$ (55)**	**$ (51)**	**$ (106)**

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	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	2021
Cash provided by (used for) operating activities - continuing operations (GAAP)	$ 1,043	$ 960	$ 1,790	$ 1,920	$ 5,713	$ 1,236	$ 1,599	$ 1,761	$ 1,656	$ 6,252	$ (228)	$ 2,021	$ 1,793
Capital Expenditures	(442)	(470)	(472)	(577)	(1,961)	(395)	(273)	(287)	(297)	(1,252)	(289)	(333)	(622)
Free cash flow (non-GAAP) [1, 2]	**$ 601**	**$ 490**	**$ 1,318**	**$ 1,343**	**$ 3,752**	**$ 841**	**$ 1,326**	**$ 1,474**	**$ 1,359**	**$ 5,000**	**$ (517)**	**$ 1,688**	**$ 1,171**
Free cash flow (non-GAAP) - trailing twelve months	**$ 1,453**	**$ 1,461**	**$ 3,152**	**$ 3,752**		**$ 3,992**	**$ 4,828**	**$ 4,984**	**$ 5,000**		**$ 3,642**	**$ 4,004**	
Cash provided by (used for) operating activities - continuing operations (GAAP)	**$ 1,043**	**$ 960**	**$ 1,790**	**$ 1,920**	**$ 5,713**	**$ 1,236**	**$ 1,599**	**$ 1,761**	**$ 1,656**	**$ 6,252**	**$ (228)**	**$ 2,021**	**$ 1,793**
Operating EBITDA (non-GAAP) [3]	$ 1,886	$ 1,802	$ 1,856	$ 1,746	$ 7,290	$ 1,567	$ 757	$ 1,485	$ 1,780	$ 5,589	$ 2,271	$ 3,573	$ 5,844
Cash flow conversion (non-GAAP) [4, 5]	**55.3%**	**53.3%**	**96.4%**	**110.0%**	**78.4%**	**78.9%**	**211.2%**	**118.6%**	**93.0%**	**111.9%**	**-10.0%**	**56.6%**	**30.7%**
Cash flow conversion - trailing twelve months (non-GAAP)	**14.7%**	**44.7%**	**68.6%**	**78.4%**		**84.7%**	**110.4%**	**117.3%**	**111.9%**		**76.1%**	**57.2%**	

1. Dow defines free cash flow as "Cash provided by (used for) operating activities - continuing operations" 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.

2. Free cash flow for the first quarter of 2021 reflects a $1 billion elective pension contribution.

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 provided by (used for) operating activities - continuing operations" divided by Operating EBITDA. Management believes cash flow conversion is an important financial metric as it helps the Company determine how efficiently it is converting its earnings into cash flow.

5. Cash flow conversion for the first quarter of 2021 reflects a $1 billion elective pension contribution.

Dividend Payout Ratio

	1Q19 [1]	2Q19	3Q19	4Q19		1Q20	2Q20	3Q20	4Q20		1Q21	2Q21
Dividends Declared Per Common Share	N/A	$ 0.70	$ 0.70	$ 0.70		$ 0.70	$ 0.70	$ 0.70	$ 0.70		$ 0.70	$ 0.70
Operating Earnings (Loss) Per Share (non-GAAP) [2]	N/A	$ 0.86	$ 0.91	$ 0.78		$ 0.59	$ (0.26)	$ 0.50	$ 0.81		$ 1.36	$ 2.72
Dividend Payout Ratio	N/A	81.4%	76.9%	89.7%		118.6%	-269.2%	140.0%	86.4%		51.5%	25.7%

1. Prior to April 1, 2019, Dow Inc. was a wholly-owned subsidiary of DowDuPont Inc.

2. 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	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Notes payable	$ 295	$ 544	$ 517	$ 586	$ 1,490	$ 853	$ 329	$ 156	$ 152	$ 203
Long-term debt due within one year	2,367	297	378	435	384	451	347	460	492	445
Long-Term Debt	17,158	17,155	17,213	15,975	16,313	16,288	16,698	16,491	16,200	15,093
Total Debt	$ 19,820	$ 17,996	$ 18,108	$ 16,996	$ 18,187	$ 17,592	$ 17,374	$ 17,107	$ 16,844	$ 15,741
Total debt	$ 19,820	$ 17,996	$ 18,108	$ 16,996	$ 18,187	$ 17,592	$ 17,374	$ 17,107	$ 16,844	$ 15,741
Less: Cash and cash equivalents	3,001	2,446	2,823	2,367	3,633	3,724	4,549	5,104	4,133	3,491
Less: Marketable securities	101	20	11	21	1	2	30	45	72	105
Net Debt	$ 16,718	$ 15,530	$ 15,274	$ 14,608	$ 14,553	$ 13,866	$ 12,795	$ 11,958	$ 12,639	$ 12,145
Total debt	$ 19,820	$ 17,996	$ 18,108	$ 16,996	$ 18,187	$ 17,592	$ 17,374	$ 17,107	$ 16,844	$ 15,741
Noncontrolling interests	1,180	589	587	553	555	560	578	570	560	580
Dow Inc.'s stockholders' equity	32,668	17,911	17,399	13,541	12,906	12,537	12,354	12,435	14,003	15,573
Total Capital	$ 53,668	$ 36,496	$ 36,094	$ 31,090	$ 31,648	$ 30,689	$ 30,306	$ 30,112	$ 31,407	$ 31,894
Net debt	$ 16,718	$ 15,530	$ 15,274	$ 14,608	$ 14,553	$ 13,866	$ 12,795	$ 11,958	$ 12,639	$ 12,145
Noncontrolling interests	1,180	589	587	553	555	560	578	570	560	580
Dow Inc.'s stockholders' equity	32,668	17,911	17,399	13,541	12,906	12,537	12,354	12,435	14,003	15,573
Net Capital	$ 50,566	$ 34,030	$ 33,260	$ 28,702	$ 28,014	$ 26,963	$ 25,727	$ 24,963	$ 27,202	$ 28,298
Debt to Capital Ratio [1]	36.9%	49.3%	50.2%	54.7%	57.5%	57.3%	57.3%	56.8%	53.6%	49.4%
Net Debt to Capital Ratio [2]	33.1%	45.6%	45.9%	50.9%	51.9%	51.4%	49.7%	47.9%	46.5%	42.9%

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	1Q19 Pro Forma	2Q19 As Reported	3Q19 As Reported	4Q19 As Reported	1Q20 As Reported	2Q20 As Reported	3Q20 As Reported	4Q20 As Reported	1Q21 As Reported	2Q21 As Reported
Operating net income (loss) from continuing operations available for Dow Inc. common stockholders (non-GAAP)	$ 729	$ 649	$ 679	$ 577	$ 439	$ (189)	$ 376	$ 607	$ 1,024	$ 2,061
Net income attributable to noncontrolling interests	32	15	14	13	19	8	24	18	15	31
Gross interest expense	265	257	254	237	237	216	219	220	211	202
Imputed interest expense - operating leases	23	23	23	22	21	21	19	16	18	17
Tax on gross interest expense	(62)	(61)	(57)	(59)	(66)	(72)	(80)	(76)	(66)	(52)
Operating net operating profit from continuing operations after tax (non-GAAP)	$ 987	$ 883	$ 913	$ 790	$ 650	$ (16)	$ 558	$ 785	$ 1,202	$ 2,259
Total debt	$ 19,820	$ 17,996	$ 18,108	$ 16,996	$ 18,187	$ 17,592	$ 17,374	$ 17,107	$ 16,844	$ 15,742
Operating lease liabilities	2,223	2,200	2,153	2,160	2,006	1,950	1,893	1,937	1,882	1,821
Noncontrolling interests	1,180	589	587	553	555	560	578	570	560	580
Dow Inc. stockholders' equity (non-GAAP)	34,755	17,911	17,399	13,541	12,906	12,537	12,354	12,435	14,003	15,573
Assets/liabilities of discontinued operations	(15,574)	—	—	—	—	—	—	—	—	—
Total capital from continuing operations (non-GAAP)	$ 42,404	$ 38,696	$ 38,247	$ 33,250	$ 33,654	$ 32,639	$ 32,199	$ 32,049	$ 33,289	$ 33,716
Average total capital from continuing operations (non-GAAP)	$ 40,384	$ 40,736	$ 40,278	$ 39,016	$ 37,056	$ 35,205	$ 33,692	$ 32,785	$ 32,590	$ 32,679
Trailing Twelve Months Operating Return on Capital (non-GAAP) [1]	11.4%	10.2%	9.5%	9.2%	8.7%	6.6%	5.9%	6.0%	7.8%	14.7%

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