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	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	2022
Net Income (Loss) Available for Dow Inc. Common Stockholders (GAAP)	**$ 239**	**$ (225)**	**$ (25)**	**$ 1,236**	**$ 1,225**	**$ 991**	**$ 1,901**	**$ 1,683**	**$ 1,736**	**$ 6,311**	**$ 1,569**	**$ 1,661**	**$ 739**	**$ 3,969**
Adjustments for significant items, after tax														
Litigation related charges, awards and adjustments	—	6	—	481	487	—	—	42	—	42	—	—	—	—
Integration and separation costs	(51)	(36)	(49)	(50)	(186)	—	—	—	—	—	—	—	—	—
Restructuring, implementation costs and asset-related charges (credits), net	(79)	(6)	(495)	2	(578)	(8)	(34)	(13)	—	(55)	(8)	(8)	(9)	(25)
Russia / Ukraine conflict charges	—	—	—	—	—	—	—	—	—	—	(142)		—	(142)
Net gain on divestitures and asset sale	—	—	195	469	664	—	—	—	16	16	—	—	—	—
Loss on early extinguishment of debt	(70)	—	(52)	—	(122)	—	(84)	(387)	—	(471)	—	(6)	—	(6)
Warranty accrual adjustment of exited business	—	—	—	8	8	—	—	—	—	—	—	—	—	—
Digitalization program costs	—	—	—	—	—	(25)	(37)	(32)	(38)	(132)	(32)	(40)	(47)	(119)
Indemnification and other transaction related costs	—	—	—	(21)	(21)	—	(5)	—	35	30	12	(8)	(7)	(3)
Income tax items	—	—	—	(260)	(260)	—	—	—	111	111	—	25	—	25
Operating net income (loss) available for Dow Inc. common stockholders (non-GAAP) [1]	**$ 439**	**$ (189)**	**$ 376**	**$ 607**	**$ 1,233**	**$ 1,024**	**$ 2,061**	**$ 2,073**	**$ 1,612**	**$ 6,770**	**$ 1,739**	**$ 1,698**	**$ 802**	**$ 4,239**

1. Defined as "Net income (loss) available for Dow Inc. common stockholders," excluding the impact of significant items.

Dow
Non-GAAP Adjustments to Earnings Per Share

Amounts in dollars per share	1Q20	2Q20	3Q20	4Q20	2020 [1]	1Q21	2Q21	3Q21	4Q21	2021 [1]	1Q22	2Q22	3Q22	2022 [1]
Earnings (loss) per common share - diluted (GAAP)	**$ 0.32**	**$ (0.31)**	**$ (0.04)**	**$ 1.65**	**$ 1.64**	**$ 1.32**	**$ 2.51**	**$ 2.23**	**$ 2.32**	**$ 8.38**	**$ 2.11**	**$ 2.26**	**$ 1.02**	**$ 5.41**
Adjustments for significant items														
Litigation related charges, awards and adjustments	—	0.01	—	0.65	0.66	—	—	0.06	—	0.06	—	—	—	—
Integration and separation costs	(0.07)	(0.05)	(0.06)	(0.07)	(0.25)	—	—	—	—	—	—	—	—	—
Restructuring, implementation costs and asset-related charges (credits), net	(0.11)	(0.01)	(0.67)	—	(0.79)	(0.01)	(0.04)	(0.02)	—	(0.07)	(0.01)	(0.01)	(0.01)	(0.03)
Russia / Ukraine conflict charges	—	—	—	—	—	—	—	—	—	—	(0.19)	—	—	(0.19)
Net gain on divestitures and asset sale	—	—	0.26	0.63	0.89	—	—	—	0.02	0.02	—	—	—	—
Loss on early extinguishment of debt	(0.09)	—	(0.07)	—	(0.16)	—	(0.11)	(0.52)	—	(0.63)	—	(0.01)	—	(0.01)
Warranty accrual adjustment of exited business	—	—	—	0.01	0.01	—	—	—	—	—	—	—	—	—
Digitalization program costs	—	—	—	—	—	(0.03)	(0.05)	(0.04)	(0.05)	(0.17)	(0.04)	(0.05)	(0.07)	(0.16)
Indemnification and other transaction related costs	—	—	—	(0.03)	(0.03)	—	(0.01)	—	0.05	0.04	0.01	(0.01)	(0.01)	—
Income tax items	—	—	—	(0.35)	(0.35)	—	—	—	0.15	0.15	—	0.03	—	0.03
Operating earnings (loss) per common share - diluted (non-GAAP) [2]	**$ 0.59**	**$ (0.26)**	**$ 0.50**	**$ 0.81**	**$ 1.66**	**$ 1.36**	**$ 2.72**	**$ 2.75**	**$ 2.15**	**$ 8.98**	**$ 2.34**	**$ 2.31**	**$ 1.11**	**$ 5.77**

1. Due to different share counts in each period, the sum of the quarters may not equal year-to-date.
2. Operating Earnings (Loss) Per Share is defined as "Earnings (loss) per common share - diluted", excluding the after-tax impact of significant items.

Dow

Selected Non-GAAP Calculation of Operating EBIT and Operating EBITDA

In millions	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	2022
Net Income (Loss) Attributable to Dow Inc. (GAAP)	$ 239	$ (225)	$ (25)	$ 1,236	$ 1,225	$ 991	$ 1,901	$ 1,683	$ 1,736	$ 6,311	$ 1,569	$ 1,661	$ 739	$ 3,969
Net income attributable to noncontrolling interests	19	8	24	18	69	15	31	23	25	94	(17)	20	21	24
Provision for income taxes	138	34	43	562	777	317	524	542	357	1,740	503	488	241	1,232
Income (Loss) Before Income Taxes	$ 396	$ (183)	$ 42	$ 1,816	$ 2,071	$ 1,323	$ 2,456	$ 2,248	$ 2,118	$ 8,145	$ 2,055	$ 2,169	$ 1,001	$ 5,225
- Interest income	15	6	6	11	38	8	13	14	20	55	28	36	41	105
+ Interest expense and amortization of debt discount	215	200	202	210	827	196	187	178	170	731	167	165	155	487
Earnings before interest and income taxes (EBIT)	$ 596	$ 11	$ 238	$ 2,015	$ 2,860	$ 1,511	$ 2,630	$ 2,412	$ 2,268	$ 8,821	$ 2,194	$ 2,298	$ 1,115	$ 5,607
Adjustments for significant items, before tax														
Litigation related charges, awards and adjustments	—	6	—	538	544	—	—	54	—	54	—	—	—	—
Integration and separation costs	(65)	(46)	(63)	(65)	(239)	—	—	—	—	—	—	—	—	—
Restructuring, implementation costs and asset-related charges (credits), net	(96)	(6)	(617)	1	(718)	(10)	(43)	(16)	—	(69)	(10)	(10)	(11)	(31)
Russia / Ukraine conflict charges	—	—	—	—	—	—	—	—	—	—	(186)	—	—	(186)
Net gain on divestitures and asset sale	—	—	220	497	717	—	—	—	16	16	—	—	—	—
Warranty accrual adjustment of exited business	—	—	—	11	11	—	—	—	—	—	—	—	—	—
Digitalization program costs	—	—	—	—	—	(33)	(48)	(40)	(48)	(169)	(41)	(51)	(62)	(154)
Indemnification and other transaction related costs	—	—	—	(21)	(21)	—	(5)	—	35	30	12	(8)	(7)	(3)
Loss on early extinguishment of debt	(86)	—	(63)	—	(149)	—	(102)	(472)	—	(574)	—	(8)	—	(8)
Operating EBIT (non-GAAP) [1]	$ 843	$ 57	$ 761	$ 1,054	$ 2,715	$ 1,554	$ 2,828	$ 2,886	$ 2,265	$ 9,533	$ 2,419	$ 2,375	$ 1,195	$ 5,989
+ Depreciation and amortization	724	700	724	726	2,874	717	745	725	655	2,842	752	684	668	2,104
Operating EBITDA (non-GAAP) [2]	$ 1,567	$ 757	$ 1,485	$ 1,780	$ 5,589	$ 2,271	$ 3,573	$ 3,611	$ 2,920	$ 12,375	$ 3,171	$ 3,059	$ 1,863	$ 8,093
Operating EBITDA (non-GAAP) - trailing twelve months	$ 6,971	$ 5,926	$ 5,555	$ 5,589		$ 6,293	$ 9,109	$ 11,235	$ 12,375		$ 13,275	$ 12,761	$ 11,013	
Net sales	$ 9,770	$ 8,354	$ 9,712	$ 10,706	$ 38,542	$ 11,882	$ 13,885	$ 14,837	$ 14,364	$ 54,968	$ 15,264	$ 15,664	$ 14,115	$ 45,043
Operating EBIT Margin (non-GAAP) [3]	8.6%	0.7%	7.8%	9.8%	7.0%	13.1%	20.4%	19.5%	15.8%	17.3%	15.9%	15.2%	8.5%	13.3%

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

2. Operating EBITDA is defined as earnings (i.e., "Income (loss) 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	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	2022
Earnings before interest and income taxes (EBIT)	$ 574	$ 318	$ 664	$ 1,335	$ 2,891	$ 1,228	$ 2,006	$ 1,954	$ 1,458	$ 6,646	$ 1,203	$ 1,436	$ 785	$ 3,424
Adjustments for significant items, before tax														
Litigation related charges, awards and adjustments	—	6	—	538	544	—	—	—	—	—	—	—	—	—
Net gain on divestitures and asset sale	—	—	35	17	52	—	—	—	16	16	—	—	—	—
Restructuring, implementation costs and asset-related charges, net	(6)	(6)	(18)	—	(30)	—	(8)	—	—	(8)	—	—	—	—
Russia / Ukraine conflict charges	—	—	—	—	—	—	—	—	—	—	(31)	—	—	(31)
Operating EBIT (non-GAAP) [1]	**$ 580**	**$ 318**	**$ 647**	**$ 780**	**$ 2,325**	**$ 1,228**	**$ 2,014**	**$ 1,954**	**$ 1,442**	**$ 6,638**	**$ 1,234**	**$ 1,436**	**$ 785**	**$ 3,455**
Equity in earnings of nonconsolidated affiliates	5	20	71	77	173	106	130	124	130	490	110	138	55	303
Operating EBIT excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [2]	**$ 575**	**$ 298**	**$ 576**	**$ 703**	**$ 2,152**	**$ 1,122**	**$ 1,884**	**$ 1,830**	**$ 1,312**	**$ 6,148**	**$ 1,124**	**$ 1,298**	**$ 730**	**$ 3,152**
Net sales	$ 4,609	$ 4,001	$ 4,565	$ 5,126	$ 18,301	$ 6,082	$ 7,121	$ 7,736	$ 7,189	$ 28,128	$ 7,627	$ 8,233	$ 7,327	$ 23,187
Operating EBIT Margin (non-GAAP) [3]	**12.6%**	**7.9%**	**14.2%**	**15.2%**	**12.7%**	**20.2%**	**28.3 %**	**25.3%**	**20.1%**	**23.6%**	**16.2%**	**17.4%**	**10.7%**	**14.9%**
Operating EBIT Margin excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [4]	**12.5%**	**7.4%**	**12.6%**	**13.7%**	**11.8%**	**18.4%**	**26.5 %**	**23.7%**	**18.3%**	**21.9%**	**14.7%**	**15.8%**	**10.0%**	**13.6%**
Operating EBIT (non-GAAP) [1]	**$ 580**	**$ 318**	**$ 647**	**$ 780**	**$ 2,325**	**$ 1,228**	**$ 2,014**	**$ 1,954**	**$ 1,442**	**$ 6,638**	**$ 1,234**	**$ 1,436**	**$ 785**	**$ 3,455**
Depreciation and amortization	352	334	344	342	1,372	336	352	354	316	1,358	395	344	337	1,076
Operating EBITDA (non-GAAP) [5]	**$ 932**	**$ 652**	**$ 991**	**$ 1,122**	**$ 3,697**	**$ 1,564**	**$ 2,366**	**$ 2,308**	**$ 1,758**	**$ 7,996**	**$ 1,629**	**$ 1,780**	**$ 1,122**	**$ 4,531**
Operating EBITDA Margin (non-GAAP) [6]	**20.2%**	**16.3%**	**21.7%**	**21.9%**	**20.2%**	**25.7%**	**33.2 %**	**29.8%**	**24.5%**	**28.4%**	**21.4%**	**21.6%**	**15.3%**	**19.5%**

1. Operating EBIT is defined as earnings (i.e., "Income (loss) 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) 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	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	2022
Earnings before interest and income taxes (EBIT)	$ 175	$ (220)	$ 82	$ 357	$ 394	$ 326	$ 647	$ 767	$ 595	$ 2,335	$ 552	$ 426	$ 167	$ 1,145
Adjustments for significant items, before tax														
Litigation related charges, awards and adjustments	—	—	—	—	—	—	—	54	—	54	—	—	—	—
Restructuring, implementation costs and asset-related charges, net	—	—	(22)	—	(22)	—	(1)	—	—	(1)	—	—	—	—
Russia / Ukraine conflict charges	—	—	—	—	—	—	—	—	—	—	(109)	—	—	(109)
Net gain on divestitures and asset sale	—	—	—	61	61	—	—	—	—	—	—	—	—	—
Operating EBIT (non-GAAP) [1]	**$ 175**	**$ (220)**	**$ 104**	**$ 296**	**$ 355**	**$ 326**	**$ 648**	**$ 713**	**$ 595**	**$ 2,282**	**$ 661**	**$ 426**	**$ 167**	**$ 1,254**
Equity in earnings (losses) of nonconsolidated affiliates	(76)	(113)	(13)	36	(166)	115	144	122	90	471	62	57	(114)	5
Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [2]	**$ 251**	**$ (107)**	**$ 117**	**$ 260**	**$ 521**	**$ 211**	**$ 504**	**$ 591**	**$ 505**	**$ 1,811**	**$ 599**	**$ 369**	**$ 281**	**$ 1,249**
Net sales	$ 3,045	$ 2,417	$ 3,058	$ 3,501	$ 12,021	$ 3,607	$ 4,215	$ 4,481	$ 4,548	$ 16,851	$ 4,524	$ 4,370	$ 4,059	$ 12,953
Operating EBIT Margin (non-GAAP) [3]	**5.7%**	**-9.1%**	**3.4%**	**8.5%**	**3.0%**	**9.0%**	**15.4%**	**15.9%**	**13.1%**	**13.5%**	**14.6%**	**9.7%**	**4.1%**	**9.7%**
Operating EBIT Margin excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [4]	**8.2%**	**-4.4%**	**3.8%**	**7.4%**	**4.3%**	**5.8%**	**12.0%**	**13.2%**	**11.1%**	**10.7%**	**13.2%**	**8.4%**	**6.9%**	**9.6%**
Operating EBIT (non-GAAP) [1]	**$ 175**	**$ (220)**	**$ 104**	**$ 296**	**$ 355**	**$ 326**	**$ 648**	**$ 713**	**$ 595**	**$ 2,282**	**$ 661**	**$ 426**	**$ 167**	**$ 1,254**
Depreciation and amortization	150	145	155	155	605	156	168	157	131	612	150	136	132	418
Operating EBITDA (non-GAAP) [5]	**$ 325**	**$ (75)**	**$ 259**	**$ 451**	**$ 960**	**$ 482**	**$ 816**	**$ 870**	**$ 726**	**$ 2,894**	**$ 811**	**$ 562**	**$ 299**	**$ 1,672**
Operating EBITDA Margin (non-GAAP) [6]	**10.7%**	**-3.1%**	**8.5%**	**12.9%**	**8.0%**	**13.4%**	**19.4%**	**19.4%**	**16.0%**	**17.2%**	**17.9%**	**12.9%**	**7.4%**	**12.9%**

1. Operating EBIT is defined as earnings (i.e., "Income (loss) 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) 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	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	2022
Earnings before interest and income taxes (EBIT)	$ 162	$ 27	$ (114)	$ 47	$ 122	$ 62	$ 215	$ 284	$ 295	$ 856	$ 579	$ 561	$ 302	$ 1,442
Adjustments for significant items, before tax														
Restructuring, implementation costs and asset-related charges, net	—	—	(189)	(3)	(192)	—	(10)	—	—	(10)	—	—	—	—
Russia / Ukraine conflict charges	—	—	—	—	—	—	—	—	—	—	(16)	—	—	(16)
Operating EBIT (non-GAAP) [1]	**$ 162**	**$ 27**	**$ 75**	**$ 50**	**$ 314**	**$ 62**	**$ 225**	**$ 284**	**$ 295**	**$ 866**	**$ 595**	**$ 561**	**$ 302**	**$ 1,458**
Equity in earnings of nonconsolidated affiliates	1	2	1	2	6	2	—	3	2	7	3	2	1	6
Operating EBIT excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [2]	**$ 161**	**$ 25**	**$ 74**	**$ 48**	**$ 308**	**$ 60**	**$ 225**	**$ 281**	**$ 293**	**$ 859**	**$ 592**	**$ 559**	**$ 301**	**$ 1,452**
Net sales	$ 2,065	$ 1,855	$ 2,002	$ 2,029	$ 7,951	$ 2,123	$ 2,465	$ 2,526	$ 2,558	$ 9,672	$ 3,049	$ 3,003	$ 2,654	$ 8,706
Operating EBIT Margin (non-GAAP) [3]	**7.8%**	**1.5%**	**3.7%**	**2.5%**	**3.9%**	**2.9%**	**9.1%**	**11.2%**	**11.5%**	**9.0%**	**19.5%**	**18.7%**	**11.4%**	**16.7%**
Operating EBIT Margin excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [4]	**7.8%**	**1.3%**	**3.7%**	**2.4%**	**3.9%**	**2.8%**	**9.1%**	**11.1%**	**11.5%**	**8.9%**	**19.4%**	**18.6%**	**11.3%**	**16.7%**
Operating EBIT (non-GAAP) [1]	**$ 162**	**$ 27**	**$ 75**	**$ 50**	**$ 314**	**$ 62**	**$ 225**	**$ 284**	**$ 295**	**$ 866**	**$ 595**	**$ 561**	**$ 302**	**$ 1,458**
Depreciation and amortization	216	215	217	222	870	218	217	207	200	842	200	197	195	592
Operating EBITDA (non-GAAP) [5]	**$ 378**	**$ 242**	**$ 292**	**$ 272**	**$ 1,184**	**$ 280**	**$ 442**	**$ 491**	**$ 495**	**$ 1,708**	**$ 795**	**$ 758**	**$ 497**	**$ 2,050**
Operating EBITDA Margin (non-GAAP) [6]	**18.3%**	**13.0%**	**14.6%**	**13.4%**	**14.9%**	**13.2%**	**17.9%**	**19.4%**	**19.4%**	**17.7%**	**26.1%**	**25.2%**	**18.7%**	**23.5%**

1. Operating EBIT is defined as earnings (i.e., "Income (loss) 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) 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	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	2022
Earnings before interest and income taxes (EBIT)	$ (315)	$ (114)	$ (394)	$ 275	$ (548)	$ (105)	$ (238)	$ (593)	$ (80)	$ (1,016)	$ (140)	$ (125)	$ (139)	$ (404)
Adjustments for significant items, before tax														
Integration and separation costs	(65)	(46)	(63)	(65)	(239)	—	—	—	—	—	—	—	—	—
Restructuring, implementation costs and asset-related charges (credits), net	(90)	—	(388)	3	(475)	(10)	(24)	(16)	—	(50)	(10)	(10)	(11)	(31)
Russia / Ukraine conflict charges	—	—	—	—	—	—	—	—	—	—	(30)	—	—	(30)
Net gain on divestitures and asset sale	—	—	185	419	604	—	—	—	—	—	—	—	—	—
Warranty accrual adjustment of exited business	—	—	—	11	11	—	—	—	—	—	—	—	—	—
Digitalization program costs	—	—	—	—	—	(33)	(48)	(40)	(48)	(169)	(41)	(51)	(62)	(154)
Litigation related charges, awards and adjustments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Indemnification and other transaction related costs	—	—	—	(21)	(21)	—	(5)	—	35	30	12	(8)	(7)	(3)
Loss on early extinguishment of debt	(86)	—	(63)	—	(149)	—	(102)	(472)	—	(574)	—	(8)	—	(8)
Operating EBIT (non-GAAP) [1]	**$ (74)**	**$ (68)**	**$ (65)**	**$ (72)**	**$ (279)**	**$ (62)**	**$ (59)**	**$ (65)**	**$ (67)**	**$ (253)**	**$ (71)**	**$ (48)**	**$ (59)**	**$ (178)**
Equity in earnings (losses) of nonconsolidated affiliates	(19)	(4)	1	(9)	(31)	1	4	—	2	7	(1)	(2)	—	(3)
Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [2]	**$ (55)**	**$ (64)**	**$ (66)**	**$ (63)**	**$ (248)**	**$ (63)**	**$ (63)**	**$ (65)**	**$ (69)**	**$ (260)**	**$ (70)**	**$ (46)**	**$ (59)**	**$ (175)**
Operating EBIT (non-GAAP) [1]	**$ (74)**	**$ (68)**	**$ (65)**	**$ (72)**	**$ (279)**	**$ (62)**	**$ (59)**	**$ (65)**	**$ (67)**	**$ (253)**	**$ (71)**	**$ (48)**	**$ (59)**	**$ (178)**
Depreciation and amortization	6	6	8	7	27	7	8	7	8	30	7	7	4	18
Operating EBITDA (non-GAAP) [3]	**$ (68)**	**$ (62)**	**$ (57)**	**$ (65)**	**$ (252)**	**$ (55)**	**$ (51)**	**$ (58)**	**$ (59)**	**$ (223)**	**$ (64)**	**$ (41)**	**$ (55)**	**$ (160)**

1. Operating EBIT is defined as earnings (i.e., "Income (loss) 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) before income taxes") before interest, depreciation and amortization, excluding the impact of significant items.

Dow

Non-GAAP Cash Flow Metrics

In millions	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	2022
Cash provided by (used for) operating activities - continuing operations (GAAP)	$ 1,236	$ 1,599	$ 1,761	$ 1,656	$ 6,252	$ (228)	$ 2,021	$ 2,719	$ 2,557	$ 7,069	$ 1,612	$ 1,856	$ 1,940	$ 5,408
Capital Expenditures	(395)	(273)	(287)	(297)	(1,252)	(289)	(333)	(413)	(466)	(1,501)	(315)	(457)	(452)	(1,224)
Free Cash Flow (non-GAAP) [1, 2]	**$ 841**	**$ 1,326**	**$ 1,474**	**$ 1,359**	**$ 5,000**	**$ (517)**	**$ 1,688**	**$ 2,306**	**$ 2,091**	**$ 5,568**	**$ 1,297**	**$ 1,399**	**$ 1,488**	**$ 4,184**
Free Cash Flow (non-GAAP) - trailing twelve months	**$ 3,992**	**$ 4,828**	**$ 4,984**	**$ 5,000**		**$ 3,642**	**$ 4,004**	**$ 4,836**	**$ 5,568**		**$ 7,382**	**$ 7,093**	**$ 6,275**	
End of period market capitalization [3]	$ 21,659	$ 30,208	$ 34,899	$ 41,247		$ 47,763	$ 47,192	$ 42,572	$ 41,701		$ 46,395	$ 37,065	$ 30,916	
Free Cash Flow Yield (non-GAAP) [4, 5] - trailing twelve months	**18.4 %**	**16.0 %**	**14.3 %**	**12.1 %**		**7.6 %**	**8.5 %**	**11.4 %**	**13.4 %**		**15.9 %**	**19.1 %**	**20.3 %**	
Cash provided by (used for) operating activities - continuing operations (GAAP)	**$ 1,236**	**$ 1,599**	**$ 1,761**	**$ 1,656**	**$ 6,252**	**$ (228)**	**$ 2,021**	**$ 2,719**	**$ 2,557**	**$ 7,069**	**$ 1,612**	**$ 1,856**	**$ 1,940**	**$ 5,408**
Operating EBITDA (non-GAAP) [6]	$ 1,567	$ 757	$ 1,485	$ 1,780	$ 5,589	$ 2,271	$ 3,573	$ 3,611	$ 2,920	$ 12,375	$ 3,171	$ 3,059	$ 1,863	$ 8,093
Cash Flow Conversion (non-GAAP) [7, 8]	**78.9 %**	**211.2 %**	**118.6 %**	**93.0 %**	**111.9%**	**-10.0 %**	**56.6 %**	**75.3 %**	**87.6 %**	**57.1%**	**50.8 %**	**60.7 %**	**104.1 %**	**66.8%**
Cash Flow Conversion - trailing twelve months (non-GAAP)	**84.7 %**	**110.4 %**	**117.3 %**	**111.9 %**		**76.1 %**	**57.2 %**	**54.9 %**	**57.1 %**		**67.1 %**	**68.5 %**	**72.3 %**	

1. Defined 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. Calculated as the period-end share price of Dow Inc. times the period-end shares outstanding of Dow Inc.
4. Defined as Free Cash Flow - trailing twelve months divided by end of period market capitalization.
5. Free Cash Flow Yield for 2021 reflects a $1 billion elective pension contribution made in the first quarter of 2021.
6. Operating EBITDA is defined as earnings (i.e., "Income (loss) before income taxes") before interest, depreciation and amortization, excluding the impact of significant items.
7. Defined 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.
8. Cash Flow Conversion for the first quarter of 2021 reflects a $1 billion elective pension contribution.

Dividend Payout Ratio

	1Q20	2Q20 [1]	3Q20	4Q20		1Q21	2Q21	3Q21	4Q21		1Q22	2Q22	3Q22
Dividends Declared Per Common Share	$ 0.70	$ 0.70	$ 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]	$ 0.59	$ (0.26)	$ 0.50	$ 0.81		$ 1.36	$ 2.72	$ 2.75	$ 2.15		$ 2.34	$ 2.31	$ 1.11
Dividend Payout Ratio	118.6 %	N/A	140.0 %	86.4 %		51.5 %	25.7 %	25.5 %	32.6 %		29.9 %	30.3 %	63.1 %

1. Dividend payout ratio not applicable for the second quarter of 2020 due to an operating loss for the period.
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	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Notes payable	$ 1,490	$ 853	$ 329	$ 156	$ 152	$ 203	$ 270	$ 161	$ 92	$ 295	$ 185
Long-term debt due within one year	384	451	347	460	492	445	291	231	355	361	364
Long-Term Debt	16,313	16,288	16,698	16,491	16,200	15,093	14,027	14,280	14,108	13,065	12,921
Total Debt	$ 18,187	$ 17,592	$ 17,374	$ 17,107	$ 16,844	$ 15,741	$ 14,588	$ 14,672	$ 14,555	$ 13,721	$ 13,470
Total debt	$ 18,187	$ 17,592	$ 17,374	$ 17,107	$ 16,844	$ 15,741	$ 14,588	$ 14,672	$ 14,555	$ 13,721	$ 13,470
Less: Cash and cash equivalents	3,633	3,724	4,549	5,104	4,133	3,491	2,911	2,988	3,143	2,367	2,216
Less: Marketable securities	1	2	30	45	72	105	141	245	242	169	148
Net Debt	$ 14,553	$ 13,866	$ 12,795	$ 11,958	$ 12,639	$ 12,145	$ 11,536	$ 11,439	$ 11,170	$ 11,185	$ 11,106
Total debt	$ 18,187	$ 17,592	$ 17,374	$ 17,107	$ 16,844	$ 15,741	$ 14,588	$ 14,672	$ 14,555	$ 13,721	$ 13,470
Noncontrolling interests	555	560	578	570	560	580	589	574	545	534	512
Dow Inc.'s stockholders' equity	12,906	12,537	12,354	12,435	14,003	15,573	16,439	18,165	18,880	18,973	18,117
Total Capital	$ 31,648	$ 30,689	$ 30,306	$ 30,112	$ 31,407	$ 31,894	$ 31,616	$ 33,411	$ 33,980	$ 33,228	$ 32,099
Net debt	$ 14,553	$ 13,866	$ 12,795	$ 11,958	$ 12,639	$ 12,145	$ 11,536	$ 11,439	$ 11,170	$ 11,185	$ 11,106
Noncontrolling interests	555	560	578	570	560	580	589	574	545	534	512
Dow Inc.'s stockholders' equity	12,906	12,537	12,354	12,435	14,003	15,573	16,439	18,165	18,880	18,973	18,117
Net Capital	$ 28,014	$ 26,963	$ 25,727	$ 24,963	$ 27,202	$ 28,298	$ 28,564	$ 30,178	$ 30,595	$ 30,692	$ 29,735
Debt to Capital Ratio [1]	57.5%	57.3%	57.3%	56.8%	53.6%	49.4%	46.1%	43.9%	42.8%	41.3%	42.0%
Net Debt to Capital Ratio [2]	51.9%	51.4%	49.7%	47.9%	46.5%	42.9%	40.4%	37.9%	36.5%	36.4%	37.3%

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	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22
Operating net income (loss) available for Dow Inc. common stockholders (non-GAAP)	$ 439	$ (189)	$ 376	$ 607	$ 1,024	$ 2,061	$ 2,073	$ 1,612	$ 1,780	$ 1,698	$ 802
Net income attributable to noncontrolling interests	19	8	24	18	15	31	23	25	(17)	20	21
Gross interest expense	237	216	219	220	211	202	194	183	183	181	173
Imputed interest expense - operating leases	21	21	19	16	18	17	17	15	14	14	14
Tax on gross interest expense	(66)	(72)	(80)	(76)	(66)	(52)	(48)	(45)	(44)	(45)	(43)
Operating net operating profit after tax (non-GAAP)	$ 650	$ (16)	$ 558	$ 785	$ 1,202	$ 2,259	$ 2,259	$ 1,790	$ 1,916	$ 1,868	$ 967
Total debt	$ 18,187	$ 17,592	$ 17,374	$ 17,107	$ 16,844	$ 15,742	$ 14,588	$ 14,672	$ 14,555	$ 13,721	$ 13,470
Operating lease liabilities	2,006	1,950	1,893	1,937	1,882	1,821	1,841	1,463	1,398	1,333	1,289
Noncontrolling interests	555	560	578	570	560	580	589	574	545	534	512
Dow Inc. stockholders' equity (non-GAAP)	12,906	12,537	12,354	12,435	14,003	15,573	16,439	18,165	18,880	18,973	18,117
Total capital from continuing operations (non-GAAP)	$ 33,654	$ 32,639	$ 32,199	$ 32,049	$ 33,289	$ 33,716	$ 33,457	$ 34,874	$ 35,378	$ 34,561	$ 33,388
Average total capital from continuing operations (non-GAAP)	$ 37,056	$ 35,205	$ 33,692	$ 32,785	$ 32,590	$ 32,679	$ 32,971	$ 33,481	$ 34,095	$ 34,462	$ 34,559
Trailing Twelve Months Operating Return on Capital (non-GAAP) [1]	8.7%	6.6%	5.9%	6.0%	7.8%	14.7%	19.7%	22.4%	24.1%	22.7%	18.9%

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