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	4Q22	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**	**$ 613**	**$ 4,582**
Adjustments for significant items, after tax															
Litigation related charges, awards and adjustments	—	6	—	481	487	—	—	42	—	42	—	—	—	288	288
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)	(7)	(32)
Russia / Ukraine conflict charges	—	—	—	—	—	—	—	—	—	—	(142)		—	56	(86)
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)	(64)	(183)
Indemnification and other transaction related costs	—	—	—	(21)	(21)	—	(5)	—	35	30	12	(8)	(7)	7	4
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**	**$ 333**	**$ 4,572**

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**	**4Q22**	**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**	**$ 0.85**	**$ 6.28**
Adjustments for significant items															
Litigation related charges, awards and adjustments	—	0.01	—	0.65	0.66	—	—	0.06	—	0.06	—	—	—	0.40	0.40
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)	(0.01)	(0.04)
Russia / Ukraine conflict charges	—	—	—	—	—	—	—	—	—	—	(0.19)	—	—	0.08	(0.11)
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)	(0.09)	(0.25)
Indemnification and other transaction related costs	—	—	—	(0.03)	(0.03)	—	(0.01)	—	0.05	0.04	0.01	(0.01)	(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**	**$ 0.46**	**$ 6.25**

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	4Q22	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	$ 613	$ 4,582
Net income attributable to noncontrolling interests	19	8	24	18	69	15	31	23	25	94	(17)	20	21	34	58
Provision for income taxes	138	34	43	562	777	317	524	542	357	1,740	503	488	241	218	1,450
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	$ 865	$ 6,090
- Interest income	15	6	6	11	38	8	13	14	20	55	28	36	41	68	173
+ Interest expense and amortization of debt discount	215	200	202	210	827	196	187	178	170	731	167	165	155	175	662
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	$ 972	$ 6,579
Adjustments for significant items, before tax															
Litigation related charges, awards and adjustments	—	6	—	538	544	—	—	54	—	54	—	—	—	381	381
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)	(9)	(40)
Russia / Ukraine conflict charges	—	—	—	—	—	—	—	—	—	—	(186)	—	—	68	(118)
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)	(76)	(230)
Indemnification and other transaction related costs	—	—	—	(21)	(21)	—	(5)	—	35	30	12	(8)	(7)	7	4
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	$ 601	$ 6,590
+ Depreciation and amortization	724	700	724	726	2,874	717	745	725	655	2,842	752	684	668	654	2,758
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	$ 1,255	$ 9,348
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	$ 9,348	
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	$ 11,859	$ 56,902
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%	5.1%	11.6%

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	4Q22	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	$ 999	$ 4,423
Adjustments for significant items, before tax															
Litigation related charges, awards and adjustments	—	6	—	538	544	—	—	—	—	—	—	—	—	321	321
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)	—	—	23	(8)
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**	**$ 655**	**$ 4,110**
Equity in earnings of nonconsolidated affiliates	5	20	71	77	173	106	130	124	130	490	110	138	55	56	359
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**	**$ 599**	**$ 3,751**
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	$ 6,073	$ 29,260
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%**	**10.8%**	**14.0%**
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%**	**9.9%**	**12.8%**
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**	**$ 655**	**$ 4,110**
Depreciation and amortization	352	334	344	342	1,372	336	352	354	316	1,358	395	344	337	320	1,396
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**	**$ 975**	**$ 5,506**
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%**	**16.1%**	**18.8%**

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	4Q22	2022
Earnings before interest and income taxes (EBIT)	$ 175	$ (220)	$ 82	$ 357	$ 394	$ 326	$ 647	$ 767	$ 595	$ 2,335	$ 552	$ 426	$ 167	$ 200	$ 1,345
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)	—	—	36	(73)
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**	**$ 164**	**$ 1,418**
Equity in earnings (losses) of nonconsolidated affiliates	(76)	(113)	(13)	36	(166)	115	144	122	90	471	62	57	(114)	(96)	(91)
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**	**$ 260**	**$ 1,509**
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	$ 3,653	$ 16,606
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%**	**4.5%**	**8.5%**
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%**	**7.1%**	**9.1%**
Operating EBIT (non-GAAP) [1]	**$ 175**	**$ (220)**	**$ 104**	**$ 296**	**$ 355**	**$ 326**	**$ 648**	**$ 713**	**$ 595**	**$ 2,282**	**$ 661**	**$ 426**	**$ 167**	**$ 164**	**$ 1,418**
Depreciation and amortization	150	145	155	155	605	156	168	157	131	612	150	136	132	132	550
Operating EBITDA (non-GAAP) [5]	**$ 325**	**$ (75)**	**$ 259**	**$ 451**	**$ 960**	**$ 482**	**$ 816**	**$ 870**	**$ 726**	**$ 2,894**	**$ 811**	**$ 562**	**$ 299**	**$ 296**	**$ 1,968**
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%**	**8.1%**	**11.9%**

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	4Q22	2022
Earnings before interest and income taxes (EBIT)	$ 162	$ 27	$ (114)	$ 47	$ 122	$ 62	$ 215	$ 284	$ 295	$ 856	$ 579	$ 561	$ 302	$ (120)	$ 1,322
Adjustments for significant items, before tax															
Restructuring, implementation costs and asset-related charges, net	—	—	(189)	(3)	(192)	—	(10)	—	—	(10)	—	—	—	—	—
Russia / Ukraine conflict charges	—	—	—	—	—	—	—	—	—	—	(16)	—	—	10	(6)
Operating EBIT (non-GAAP) [1]	**$ 162**	**$ 27**	**$ 75**	**$ 50**	**$ 314**	**$ 62**	**$ 225**	**$ 284**	**$ 295**	**$ 866**	**$ 595**	**$ 561**	**$ 302**	**$ (130)**	**$ 1,328**
Equity in earnings of nonconsolidated affiliates	1	2	1	2	6	2	—	3	2	7	3	2	1	4	10
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**	**$ (134)**	**$ 1,318**
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	$ 2,058	$ 10,764
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%**	**-6.3%**	**12.3%**
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%**	**-6.5%**	**12.2%**
Operating EBIT (non-GAAP) [1]	**$ 162**	**$ 27**	**$ 75**	**$ 50**	**$ 314**	**$ 62**	**$ 225**	**$ 284**	**$ 295**	**$ 866**	**$ 595**	**$ 561**	**$ 302**	**$ (130)**	**$ 1,328**
Depreciation and amortization	216	215	217	222	870	218	217	207	200	842	200	197	195	197	789
Operating EBITDA (non-GAAP) [5]	**$ 378**	**$ 242**	**$ 292**	**$ 272**	**$ 1,184**	**$ 280**	**$ 442**	**$ 491**	**$ 495**	**$ 1,708**	**$ 795**	**$ 758**	**$ 497**	**$ 67**	**$ 2,117**
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%**	**3.3%**	**19.7%**

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	4Q22	2022
Earnings before interest and income taxes (EBIT)	$ (315)	$ (114)	$ (394)	$ 275	$ (548)	$ (105)	$ (238)	$ (593)	$ (80)	$ (1,016)	$ (140)	$ (125)	$ (139)	$ (107)	$ (511)
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)	(9)	(40)
Russia / Ukraine conflict charges	—	—	—	—	—	—	—	—	—	—	(30)	—	—	(1)	(31)
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)	(76)	(230)
Litigation related charges, awards and adjustments	—	—	—	—	—	—	—	—	—	—	—	—	—	60	60
Indemnification and other transaction related costs	—	—	—	(21)	(21)	—	(5)	—	35	30	12	(8)	(7)	7	4
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)**	**$ (88)**	**$ (266)**
Equity in earnings (losses) of nonconsolidated affiliates	(19)	(4)	1	(9)	(31)	1	4	—	2	7	(1)	(2)	—	(7)	(10)
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)**	**$ (81)**	**$ (256)**
Operating EBIT (non-GAAP) [1]	**$ (74)**	**$ (68)**	**$ (65)**	**$ (72)**	**$ (279)**	**$ (62)**	**$ (59)**	**$ (65)**	**$ (67)**	**$ (253)**	**$ (71)**	**$ (48)**	**$ (59)**	**$ (88)**	**$ (266)**
Depreciation and amortization	6	6	8	7	27	7	8	7	8	30	7	7	4	5	23
Operating EBITDA (non-GAAP) [3]	**$ (68)**	**$ (62)**	**$ (57)**	**$ (65)**	**$ (252)**	**$ (55)**	**$ (51)**	**$ (58)**	**$ (59)**	**$ (223)**	**$ (64)**	**$ (41)**	**$ (55)**	**$ (83)**	**$ (243)**

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	4Q22	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	$ 2,078	$ 7,486
Capital Expenditures	(395)	(273)	(287)	(297)	(1,252)	(289)	(333)	(413)	(466)	(1,501)	(315)	(457)	(452)	(599)	(1,823)
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**	**$ 1,479**	**$ 5,663**
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**	**$ 5,663**	
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	$ 35,519	
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 %**	**15.9 %**	
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**	**$ 2,078**	**$ 7,486**
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	$ 1,255	$ 9,348
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 %**	**165.6 %**	**80.1%**
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 %**	**80.1 %**	

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	4Q22
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	$ 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	$ 0.46
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 %	152.2 %

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	4Q22
Notes payable	$ 1,490	$ 853	$ 329	$ 156	$ 152	$ 203	$ 270	$ 161	$ 92	$ 295	$ 185	$ 362
Long-term debt due within one year	384	451	347	460	492	445	291	231	355	361	364	362
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	14,698
Total Debt	$ 18,187	$ 17,592	$ 17,374	$ 17,107	$ 16,844	$ 15,741	$ 14,588	$ 14,672	$ 14,555	$ 13,721	$ 13,470	$ 15,422
Total debt	$ 18,187	$ 17,592	$ 17,374	$ 17,107	$ 16,844	$ 15,741	$ 14,588	$ 14,672	$ 14,555	$ 13,721	$ 13,470	$ 15,422
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	3,886
Less: Marketable securities	1	2	30	45	72	105	141	245	242	169	148	939
Net Debt	$ 14,553	$ 13,866	$ 12,795	$ 11,958	$ 12,639	$ 12,145	$ 11,536	$ 11,439	$ 11,170	$ 11,185	$ 11,106	$ 10,597
Total debt	$ 18,187	$ 17,592	$ 17,374	$ 17,107	$ 16,844	$ 15,741	$ 14,588	$ 14,672	$ 14,555	$ 13,721	$ 13,470	$ 15,422
Noncontrolling interests	555	560	578	570	560	580	589	574	545	534	512	529
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	20,718
Total Capital	$ 31,648	$ 30,689	$ 30,306	$ 30,112	$ 31,407	$ 31,894	$ 31,616	$ 33,411	$ 33,980	$ 33,228	$ 32,099	$ 36,669
Net debt	$ 14,553	$ 13,866	$ 12,795	$ 11,958	$ 12,639	$ 12,145	$ 11,536	$ 11,439	$ 11,170	$ 11,185	$ 11,106	$ 10,597
Noncontrolling interests	555	560	578	570	560	580	589	574	545	534	512	529
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	20,718
Net Capital	$ 28,014	$ 26,963	$ 25,727	$ 24,963	$ 27,202	$ 28,298	$ 28,564	$ 30,178	$ 30,595	$ 30,692	$ 29,735	$ 31,844
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%	42.1%
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%	33.3%

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	4Q22
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	$ 324
Net income attributable to noncontrolling interests	19	8	24	18	15	31	23	25	(17)	20	21	34
Gross interest expense	237	216	219	220	211	202	194	183	183	181	173	188
Imputed interest expense - operating leases	21	21	19	16	18	17	17	15	14	14	14	14
Tax on gross interest expense	(66)	(72)	(80)	(76)	(66)	(52)	(48)	(45)	(44)	(45)	(43)	(48)
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	$ 512
Total debt	$ 18,187	$ 17,592	$ 17,374	$ 17,107	$ 16,844	$ 15,742	$ 14,588	$ 14,672	$ 14,555	$ 13,721	$ 13,470	$ 15,422
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	1,284
Noncontrolling interests	555	560	578	570	560	580	589	574	545	534	512	529
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	20,718
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	$ 37,953
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	$ 34,935
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%	15.1%

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