



1Q 2023 RESULTS

April 25, 2023

1Q 2023 RESULTS

AGENDA

- Quarterly Results
- Operating Segment Performance
- Outlook
- Strategy Enables Continued Value Creation



1Q 2023 PERFORMANCE OVERVIEW

- Net sales were \$11.9B
 - Volume down 11% YoY, but up 2% QoQ on gains in PM&C and P&SP
 - Price declined 10% YoY and 4% QoQ due to soft global economic conditions
- Net loss was \$73MM and Operating EBIT was \$708MM
 - Sequential operating EBIT improvement of \$107MM
- Generated \$531MM of cash flow from operating activities – continuing operations
- Returned \$621MM to shareholders, including \$496MM in dividends and \$125MM in share repurchases
- Delivered \$100MM in cost savings

\$11.9B
NET SALES

\$1.4B
OPERATING EBITDA

85%
CASH FLOW
CONVERSION TTM

\$621MM
RETURNED TO
SHAREHOLDERS

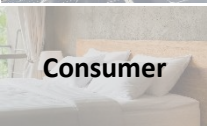
1Q 2023 OPERATING SEGMENT PERFORMANCE

Packaging & Specialty Plastics	REVENUE (\$MM) 	Y-o-Y Sales ↓ 20%; Price ↓ 11%; Volume ↓ 8% Functional polymers resilience more than offset by lower polyethylene and olefin prices; volume down on lower consumer demand in EMEA and lower Sadara exports	Op. EBIT (\$MM) & Op. EBIT Margin % 	Y-o-Y Op. EBIT ↓ 48%; Margins ↓ 570 bps Results driven primarily by lower integrated polyethylene margins
		Q-o-Q Sales ↑ 1%; Price ↓ 3%; Volume ↑ 2% Volume gains in olefins and polyethylene partly offset by lower sales from non-recurring licensing activity		Q-o-Q Op. EBIT ↓ 2%; Margins ↓ 30 bps Improved input costs and operating rates more than offset by lower sales from non-recurring licensing activity and equity earnings
Ind. Intermediates & Infrastructure	REVENUE (\$MM) 	Y-o-Y Sales ↓ 25%; Price ↓ 6%; Volume ↓ 17% Results primarily driven by lower demand for industrial, building & construction, and consumer durables applications	Op. EBIT (\$MM) & Op. EBIT Margin % 	Y-o-Y Op. EBIT ↓ 81%; Margins ↓ 1,100 bps Results primarily driven by lower pricing and demand as well as higher energy costs, particularly in EMEA
		Q-o-Q Sales ↓ 8%; Price ↓ 5%; Volume ↓ 5% Price declines in Polyurethanes & Construction Chemicals; lower volumes in Industrial Solutions		Q-o-Q Op. EBIT ↓ 25%; Margins ↓ 90 bps Lower energy costs versus the prior quarter more than offset by lower pricing and volumes
Perf. Materials & Coatings	REVENUE (\$MM) 	Y-o-Y Sales ↓ 25%; Price ↓ 12%; Volume ↓ 11% Price declines for siloxanes due to supply additions in China; volume declines in both businesses and all regions	Op. EBIT (\$MM) & Op. EBIT Margin % 	Y-o-Y Op. EBIT ↓ 94%; Margins ↓ 1,800 bps Results driven by price declines in siloxanes and lower demand for silicones and coatings applications
		Q-o-Q Sales ↑ 11%; Price ↓ 5%; Volume ↑ 14% Results driven by improved operating rates and seasonally higher volumes for silicones and coatings in building & construction		Q-o-Q Op. EBIT ↑ \$165MM¹; Margins ↑ 780 bps Results driven by improved operating rates, seasonally higher volumes, and reduced value-chain destocking pressure

1. Percentage change not relevant due to negative base in 4Q22.



PROACTIVELY NAVIGATING CHALLENGING MARKET CONDITIONS

	NAA	LAA	EMEAI	APAC (excl. China)	China
 Packaging					
 Infrastructure					
 Consumer					
 Mobility					

Source: Based on internal and third-party markers

Implementing Targeted Actions to Achieve \$1B of Cost Savings in 2023



Maintain Low-Cost-to-Serve Structural Operating Model (~\$500MM)

- Rationalizing select higher-cost, lower-return assets in-line with market fundamentals
- Optimizing footprint with enhanced regional hub model
- Implementing global workforce reduction program of ~2,000 roles, with notifications initiated and 75% of impacted roles to exit by end of 2Q
- Right-sizing of labor and service contracts in progress

Maximize Cash Flow while Reducing OpEx Spend (~\$500MM)

- Reducing planned maintenance turnaround spend by \$300MM year-over-year
- Negotiating improved raw material contracts across portfolio; streamlining logistics networks
- Prioritizing operating rates in cost-advantaged assets to optimize earnings and cash flow generation

2Q23 MODELING GUIDANCE

Sequential Improvement Driven by Proactive Cost Actions and Seasonality

Net Sales	~\$11.75 – \$12.25B	Depreciation & Amortization	~\$675MM
Quarterly Operational Tax Rate	~25 – 29%	Net Interest Expense (Net of Int. Income)	~\$125MM
Net Income Attrib. to Non-Controlling Int.	~\$25MM	Average Share Count	~710MM

	Top-Line Ranges (2Q23 vs. 1Q23)		Base Case Op. EBIT Drivers (2Q23 vs. 1Q23)
	Sales % Δ QoQ		
	Low	High	
Packaging & Specialty Plastics	~FLAT	+2%	- Higher domestic demand and export volumes with improved oil-to-gas spreads (~\$75MM tailwind) - Implementation of cost savings actions (~\$70MM tailwind) - Increased seasonal planned maintenance activity (~\$25MM headwind)
Industrial Intermediates & Infrastructure	~FLAT	+2%	- Continued pressure in consumer durable and building & construction demand; resilient energy and pharma end-markets - Implementation of cost savings actions (~\$20MM tailwind) - Add-Back: Impact from third-party outage and weather-related impacts in Industrial Solutions (~\$25MM tailwind) - Planned maintenance activity at Louisiana Glycols facility (~\$50MM headwind)
Performance Materials & Coatings	~FLAT	+3%	- Seasonal increase in coatings and improvement in mobility; consumer electronics and industrial end-markets softening - Implementation of cost savings actions (~\$50MM tailwind) - Completion of Deer Park acrylic monomers turnaround offset by planned maintenance at Carrollton and Zhangjiagang siloxanes
Corporate	Sales of ~\$75MM		Op. EBIT of \$(75)MM and Op. EBITDA of \$(70)MM

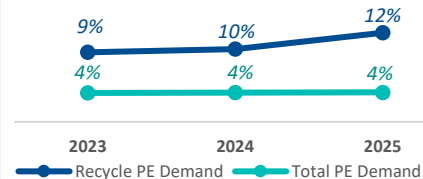


ADVANCING NEAR-TERM GROWTH INVESTMENTS

Underlying Trends Driving Demand Growth in Attractive Market Verticals¹

Packaging ~30%

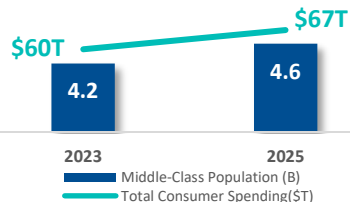
PE Demand Growing ~1.3-1.5x GDP
with Recycled Demand >2x GDP



Source: CMA World Analysis

Consumer ~25%

Spending Growing at ~6% CAGR
Supported by Rising Middle-Class



Sources: Statista; Brookings

Infrastructure ~35%

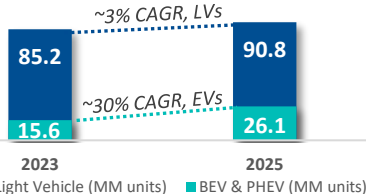
~\$3.5T of Investment Needed Support
Global Infrastructure Plans



Source: Global Infrastructure Hub; 2025 Global Investment Need (\$B)

Mobility ~10%

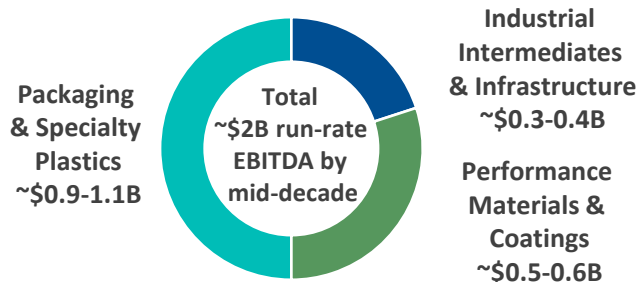
EV Demand Fueling
Light Vehicle Production Growth



Source: S&P Global - Mobility

Near-Term Growth Investments Expected to Generate ~\$2B Underlying EBITDA by Mid-Decade

- **P&SP:** FCDh start-up underway; incremental investments in PE/functional polymers
- **II&I:** Targeted, high-value investments in PU systems and additional alkoxyates capacity
- **PM&C:** Investments to unlock downstream silicones and coatings capacity to increase captive positions
- Enhancing product mix and productivity; delivering higher-performing innovative products

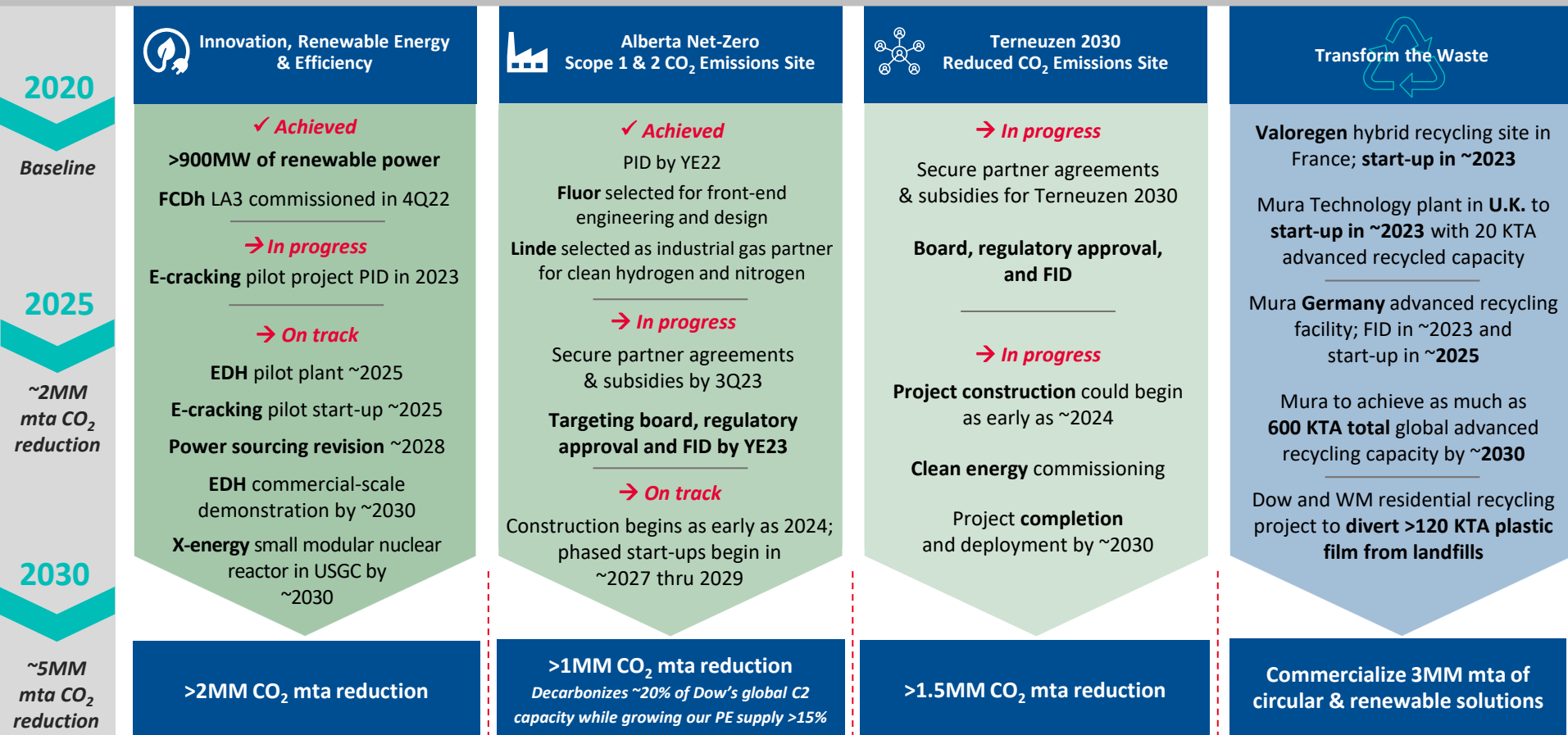


Reinforcing our Advantaged Position to Capture Demand and Raise our Underlying Earnings Profile



SUSTAINABILITY INVESTMENTS UNLOCK LONG-TERM GROWTH OPPORTUNITIES

Decarbonize & Grow: Expect to grow capacity and underlying earnings by >\$3B/year, while reducing CO₂ emissions by ~30%¹ by 2030.

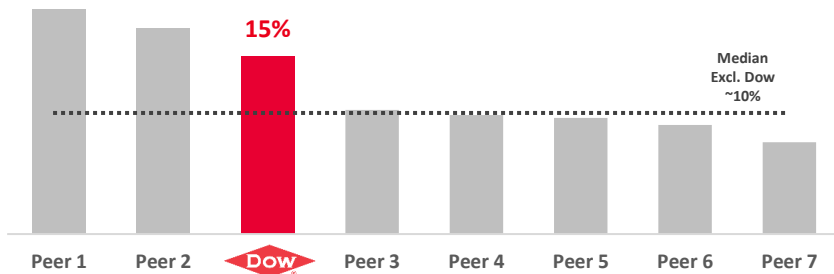


1. Using 2005 as a baseline; applies to scope 1 and 2 carbon emissions
2. The target presented expected to be achieved by projects currently in progress

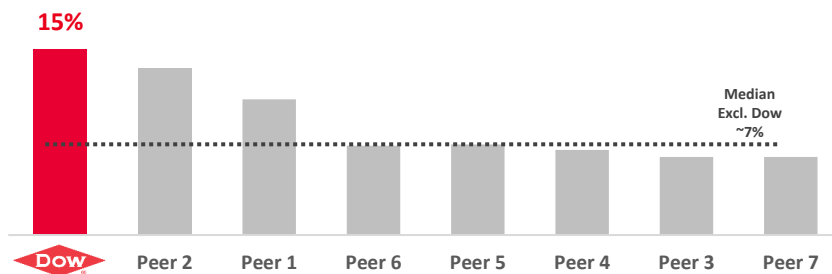
PID: Preliminary Investment Decision
FID: Final Investment Decision

DELIVERING ON DISCIPLINED AND BALANCED CAPITAL ALLOCATION STRATEGY

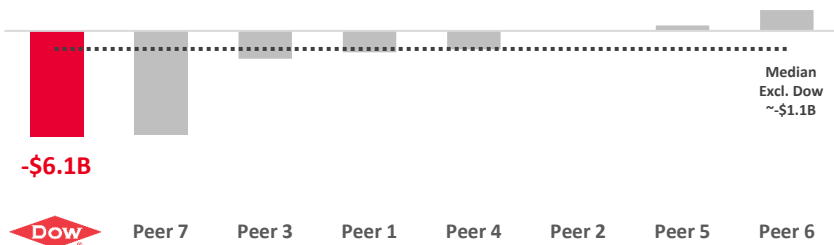
Operating Return on Capital (%)
2020-2022 Annual Average



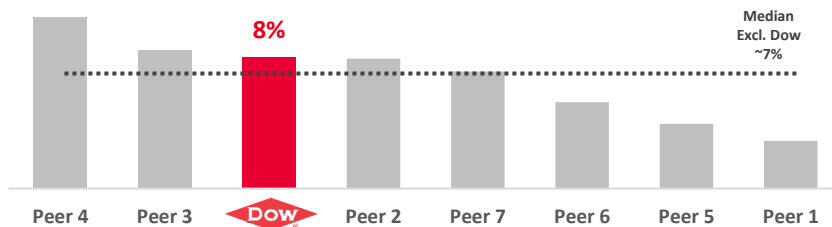
Free Cash Flow Yield¹ (%)
2020-2022 Annual Average



Net Debt Change (\$B)
YE22 vs. 1Q19



Shareholder Yield (%)
2020-2022 Annual Average



Source: Dow data, FactSet, Company disclosures



(1) Dow Free Cash Flow Yield for 2021 excludes the impact of the \$1B elective pension contribution

(2) Peers are Total Dow peers as defined on slide 18, "Benchmarking Peers"

(3) See appendix for definition of Non-GAAP Metrics

DOW REMAINS A COMPELLING INVESTMENT OPPORTUNITY

Growing enterprise value while driving zero-carbon emissions

- Global scale in key value chains, with low-cost positions and advantaged derivative and feedstock flexibility
- Industry-leader in low-carbon and circularity solutions with clear path to zero-carbon emissions while growing earnings
- Investing in higher-return, faster-payback and lower-risk projects; increasing underlying earnings by >\$3B

Leading cash flow generation

- Best-in-class 15% average Free Cash Flow Yield over past 3 years; nearly 2x peer average and 3x sector and market averages

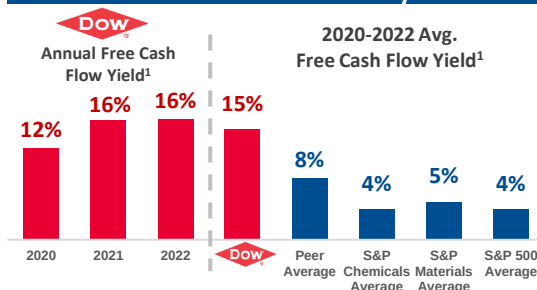
Balanced capital allocation and financial discipline

- Delivered ~15% 3-year average ROIC, ahead of >13% across the economic cycle target; maintained Capex below D&A
- Reduced >\$6B in Net Debt and >\$5B in Underfunded Pension liability vs. spin as of YE22

Attractive shareholder remuneration

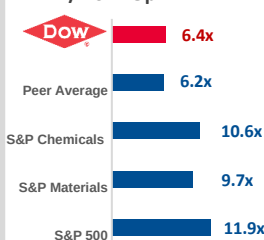
- Attractive dividend yield well covered by free cash flow generation
- Executing \$3B open share repurchase program; ~43MM share count reduction since spin as of YE22

Leading Cash Flow Generation Across the Economic Cycle

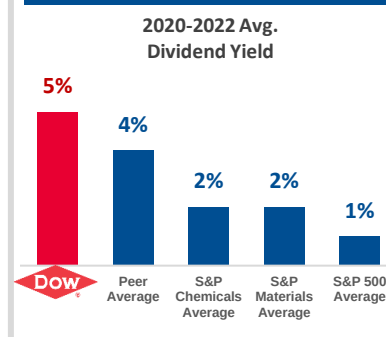


Current Valuation

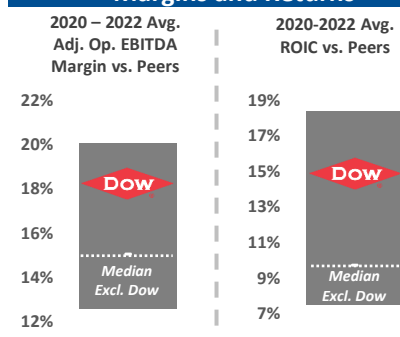
EV / 2024 Op. EBITDA²



Delivering Attractive Dividend Yield



Driving for Leadership on Margins and Returns



Source: Dow data, FactSet, Company disclosures

Industry-Leading Portfolio with Upside Opportunity from Sustainability to Create Significant Shareholder Value

(1) Dow Free Cash Flow Yield for 2021 excludes the impact of the \$1B elective pension contribution

(2) As of March 31st, 2023

(3) Peers are Total Dow peers as defined on slide 18, "Benchmarking Peers"

(4) See appendix for definition of Non-GAAP Metrics



EXECUTING WITH AGILITY AND DISCIPLINE

- ✓ Implementing targeted actions to achieve **\$1B in cost savings** in 2023
- ✓ Focus on cash flow generation – **TTM cash flow conversion of 85%**
- ✓ **Strong financial position** – ample liquidity of >\$13B with no substantive long-term debt maturities due until 2027
- ✓ Advancing Decarbonize and Grow strategy – **~\$2B underlying EBITDA by mid-decade**
- ✓ **Driving leadership in circularity** – Mura and Valoregen plants starting up in 2023

ACROSS THE ECONOMIC CYCLE:

Increase underlying
**EBITDA by
>\$3B by 2030**

Maintain
industry-leading
cash generation

>13% ROIC

Return **65% of
net income** to
shareholders

2.0x – 2.5x
adjusted
debt-to-EBITDA





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FY 2023 MODELING CONSIDERATIONS [*BETTER* / *WORSE* SINCE LAST UPDATE]

Operating EBIT Drivers vs. FY22

Equity Earnings	Down ~\$300-400MM YoY
Pension Impact	~\$100MM better YoY
Corporate	Op. EBIT of ~\$(275)MM and Op. EBITDA of ~\$(250)MM
Turnaround Costs	Down ~\$300MM YoY

Other Income Statement Considerations

Net Interest Expense	~\$450MM
D&A	~\$2.7B
Net Income Attrib. to Non-Controlling Int.	~\$100MM (reduction to reported Net Income)
Year-End Share Count	~710MM (~Flat YoY)
Op. Tax Rate	25% – 29%

Cash Flow Considerations in 2023

Dividends from Equity Companies	~\$300MM
Pension contributions	~\$150MM
CapEx	~\$2.2B
Restructuring and Implementation costs	~\$400MM cash outflow

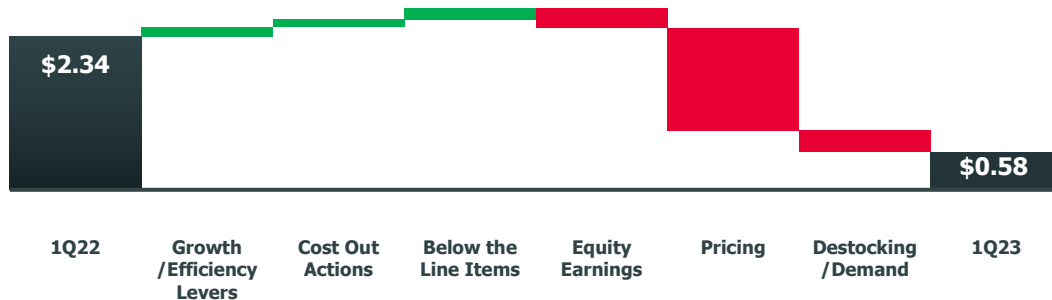
Year-Over-Year Market Drivers

Potential Upside	Higher oil price and oil-gas spreads, China re-opening, softer landing for U.S. economy, more stable energy markets in Europe, easing inflation and supply chain constraints, foreign exchange impacts
What We are Watching	Pressures from higher interest rates on building and construction demand, PMI levels, global energy markets, consumer confidence, geopolitical dynamics



1Q 2023 FINANCIAL HIGHLIGHTS

YoY Operating EPS Reconciliation



Key Drivers in the Quarter YoY

- Growth and efficiency levers improving underlying earnings
- Implementing cost actions to respond to macroeconomic environment
- Lower D&A expense, share count and interest expense
- Equity losses driven by declines at Kuwait joint ventures and Sadara due to planned maintenance activity
- Pricing down due to industry supply additions and continued soft global economic conditions
- Inflation impacting consumer and industrial demand; reduced operating rates in line with market dynamics

Financial Summary (\$ millions, unless otherwise noted)	1Q23	1Q22	YoY B/(W)	4Q22	QoQ B/(W)
Net Sales	\$11,851	\$15,264	\$(3,413)	\$11,859	\$(8)
Equity Earnings (Losses)	\$(48)	\$174	\$(222)	\$(43)	\$(5)
Net Income (Loss) – GAAP	\$(73)	\$1,552	\$(1,625)	\$647	\$(720)
Operating EBIT <i>Op. EBIT Margin (%)</i>	\$708 6.0%	\$2,419 15.9%	\$(1,711) (990) bps	\$601 5.1%	\$107 90 bps
Operating EBITDA	\$1,356	\$3,171	\$(1,815)	\$1,255	\$101
Earnings (Loss) per share – GAAP	\$(0.13)	\$2.11	\$(2.24)	\$0.85	\$(0.98)
Operating earnings per share – diluted	\$0.58	\$2.34	\$(1.76)	\$0.46	\$0.12
Cash Provided by Op. Activities – Cont. Ops.	\$531	\$1,612	\$(1,081)	\$2,078	\$(1,547)

PRINCIPAL JOINT VENTURE DETAIL

Dow's Proportional Share of Principal JV Financial Results

	1Q 2023			1Q 2022			4Q 2022		
	Sadara	Kuwait JVs	Thai JVs	Sadara	Kuwait JVs	Thai JVs	Sadara	Kuwait JVs	Thai JVs
<i>\$ millions (unaudited)</i>									
EBITDA	\$28	\$78	\$26	\$119	\$192	\$35	\$58	\$62	\$40
EBIT	\$(59)	\$36	\$21	\$29	\$150	\$29	\$(45)	\$22	\$35
Net Income <i>Equity Earnings to Dow</i>	\$(100)	\$19	\$15	\$2	\$122	\$23	\$(87)	\$2	\$26
EBITDA in Excess of Eq. Earnings	\$128	\$59	\$11	\$117	\$70	\$12	\$145	\$60	\$14
Net Debt	\$4,050	\$1,795	\$300	\$4,198	\$1,889	\$276	\$4,131	\$1,664	\$325

Drivers of JV Performance

- **Sadara:** Pricing down YoY and up QoQ; Volumes impacted by planned maintenance activity
- **Kuwait JVs:** MEG pricing down YoY and MEG/PE pricing up QoQ; Volumes impacted by planned turnaround activity
- **Thai JVs:** YoY Lower demand and higher raw material costs QoQ; Demand impacted by Chinese Lunar New Year





DOW FY22 BENCHMARKING UPDATE

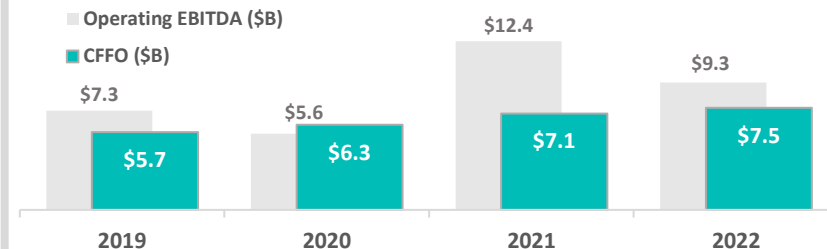
April 25, 2023

CONTINUED FOCUS ON CASH FLOW GENERATION

Enhanced Financial Performance and Capital Structure

EARNINGS/ CASH FLOW	Key Metrics	At Spin	YE22
	Operating EBITDA (3-Year Avg.) ¹	\$8.2B	\$9.1B
	Free Cash Flow (3-Year Cumulative) ¹	\$5.6B	\$16.2B
	Free Cash Flow (TTM)	\$1.5B	\$5.7B
	Free Cash Flow Yield (TTM)	4%	16%
CAPITAL STRUCTURE	Shareholder Yield (TTM)	7% ²	12%
	Available Liquidity	\$10.6B	\$13.7B
	Net Debt	\$16.7B	\$10.6B
	Underfunded Pension	~\$7.8B	~\$2.5B
	Diluted Shares Outstanding	752MM ²	709MM
	RA Adj. Leverage (3-Year Avg.) ³	~3.6x	~2.6x
	Targeted RA Adj. Leverage	2.5 – 3.0x	2.0 – 2.5x
	Credit Ratings (Moody's/Fitch/S&P)	Baa2 (Stable) BBB+ (Stable) BBB (Stable)	Baa1 (Stable) BBB+ (Positive) BBB (Positive)

Stable Cash Flow from Operations (CFFO) Generation



Capital Allocation Priorities Over the Economic Cycle



Safely and reliably run our operations



Organic investments with CapEx ≤ D&A and ROIC >13%



Strong investment-grade credit profile of
2.0x – 2.5x rating agency adj. debt-to-EBITDA



Dividend policy targeting ~45% of operating net income



Share repurchases with dividend to meet ~65% of operating net income; covering dilution

Continued commitment to our disciplined and balanced approach to capital allocation

Source: Dow Inc. 4Q22 Earnings Presentation; non-GAAP measures are defined in the appendix.

1) At Spin: 2017-2019; YE22: 2020-2022

2) As of April 5, 2019

3) Ratings adjusted leverage. Based on latest reported data from Moody's; At Spin: 2017-2019; YE22: 2020, 2021, 3Q22 TTM



BENCHMARKING PEERS

Total
Dow

ARKEMA
INNOVATIVE CHEMISTRY

BASF



EASTMAN

HUNTSMAN

lyondellbasell

WACKER

P&SP

lyondellbasell

Olefins & Polyolefins

EXXON

Chemical Products¹

Chevron
Phillips
Chemical Company LLC

Corporate

BOREALIS

Polyolefins

II&I

lyondellbasell

Intermediates & Derivatives



Corporate

EASTMAN

Corporate

HUNTSMAN

Corporate¹

PM&C

WACKER

Silicones



Celanese

Acetyl Chain¹



Solutions & Specialties

ARKEMA
INNOVATIVE CHEMISTRY

Corporate

ShinEtsu

Functional Materials

Benchmarking conducted against segment level peers if sufficient information disclosed, otherwise corporate level

TOTAL DOW BENCHMARKING: SUMMARY OF OBSERVATIONS

Benchmarking: Strengths & Gaps

Total Dow

- ✓ FY22 Adj. Op. EBITDA margin remained among the top of the peer group with higher resiliency from a differentiated portfolio and leading feedstock flexibility with low-cost-to-serve positions
- ✗ FY22 YoY Adj. Op. EBITDA growth trailed the peer median due to actions taken to maximize cash in light of higher European energy costs after delivering above median performance in FY21
- ✓ Cash Flow Conversion¹ improved YoY to deliver top-quartile performance in FY22 from higher JV dividends and a release of working capital versus FY21
- ✓ Free Cash Flow Yield¹ remains best-in-class on a 3-year average; delivering industry leading cash flow generation
- ✓ SG&A + R&D as % of Sales remained among best in the peer group from continued cost discipline
- ✓ Operating Return on Capital 3-year average above the peer median and Dow's target of >13% over the economic cycle
- ✓ Shareholder Yield remains above the peer median, demonstrating continued focus on attractive shareholder returns
- ✓ Debt reduction was best-in-class as a result of disciplined and balanced approach to capital allocation

Source: Dow data, FactSet, Company disclosures

(1) Dow Cash Flow Conversion and Free Cash Flow Yield for 2021 excludes the impact of the \$1B elective pension contribution

(2) Peers are Total Dow peers as defined on slide 18, "Benchmarking Peers"

(3) See appendix for definition of Non-GAAP Metrics



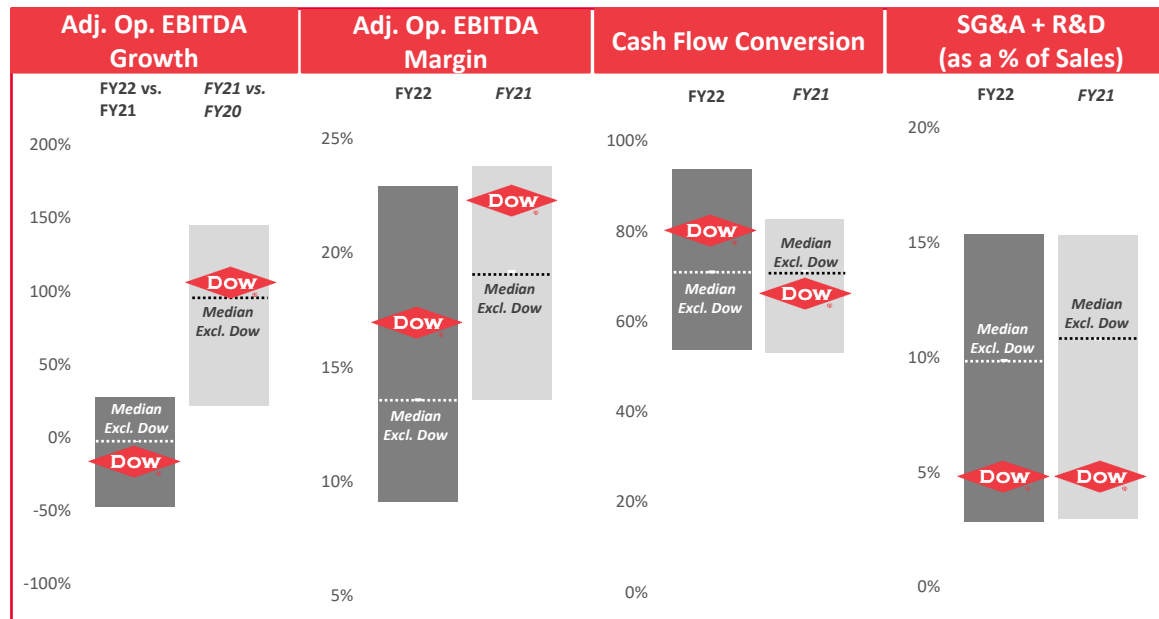
TOTAL DOW

BENCHMARKING SNAPSHOT (1,2,3)

CORE STRENGTHS

- Hallmark safety performance and operational excellence
- Global footprint with integrated value chains providing a low-cost-to-serve model with in-region presence
- Differentiated portfolio delivers a broad suite of offerings to attractive end-markets growing faster than GDP
- Innovative product and technology pipeline to provide sustainable solutions to address world challenges

FY22 UPDATE & FY21



Source: Dow data, FactSet, Company disclosures

FOCUS AREAS

- Execute on Decarbonize and Grow Strategy to deliver >\$3B of underlying earnings growth
- Maintain and grow leadership positions in key markets with a top-quartile cost structure
- Capitalize on growth from high-margin, sustainability-driven applications
- Prioritize lower-risk, faster-payback projects with capex ≤ D&A over the economic cycle
- Industry-leading cash flow generation with disciplined and balanced capital allocation

(1) Dow Cash Flow Conversion for 2021 excludes the impact of the \$1B elective pension contribution
 (2) Peers are Total Dow peers as defined on slide 18, "Benchmarking Peers"
 (3) See appendix for definition of Non-GAAP Metrics



CULTURE OF BENCHMARKING: SUMMARY OF OBSERVATIONS

Segment

Benchmarking: Strengths & Gaps

P&SP

- ✓ YoY Adj. Op. EBITDA performance was most resilient among the peer group
- ✓ Adj. Op. EBITDA margin was best-in-class delivered by an advantaged and differentiated portfolio
- ✓ Op. EBITDA per pound polyolefin capacity ahead of peers; spread to next closest peer continues to expand
- ✓ Free Cash Conversion performance among the best in the peer group
- ✓ SG&A + R&D as % of Sales remained better than the peer median

II&I

- ✓ Adj. Op. EBITDA margin was in-line with the peer median as Industrial Solutions delivered higher margins YoY to offset declines in Polyurethanes
- ✗ YoY Adj. Op. EBITDA growth was below the peer median driven by lower earnings in Polyurethanes due to relatively higher exposure to polyols and European markets
- ✓ Free Cash Conversion remains best-in-class among the peer group
- ✓ SG&A + R&D as % of Sales remained among lowest in the peer group

PM&C

- ✓ YoY Adj. Op. EBITDA growth exceeded the peer median due to higher 1H22 earnings in silicones and coatings
- ✗ Adj. Op. EBITDA margin trailed the peer median driven by margin pressure in 2H22 on higher relative exposure to sales of upstream siloxanes and acrylic monomers
- ✓ Free Cash Conversion improved YoY and remained above the peer median
- ✓ SG&A + R&D as % of Sales remained best-in-class

(1) SG&A + R&D reflects corporate level for peers where segment level data is unavailable

(2) Peers by segment as defined on slide 18, "Benchmarking Peers"

(3) See appendix for definition of Non-GAAP Metrics



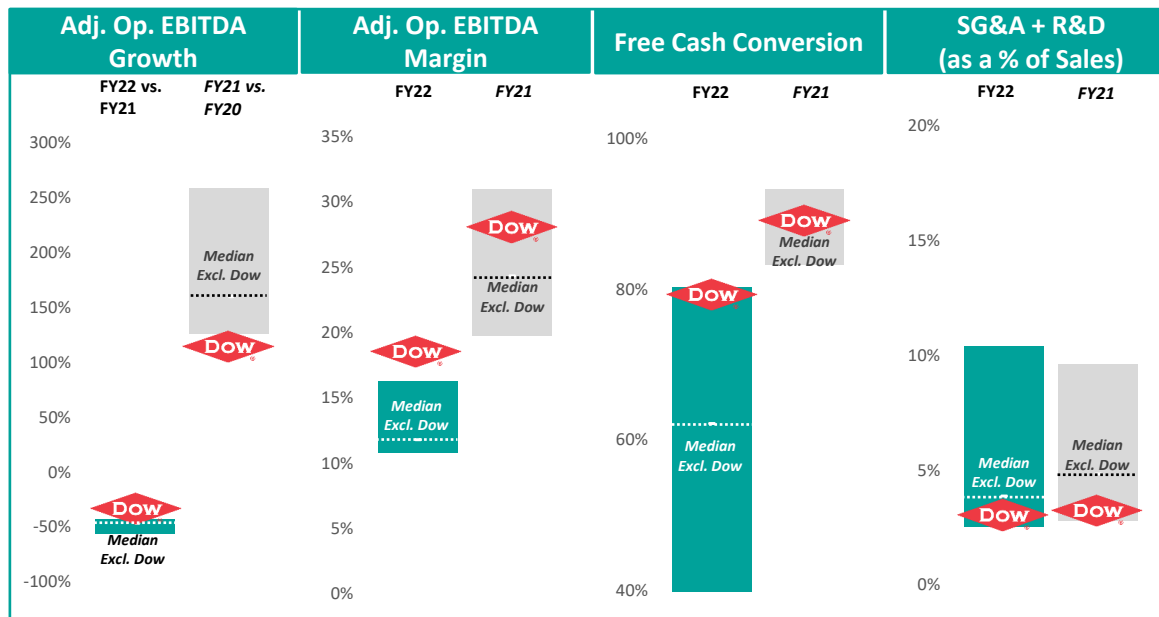
PACKAGING & SPECIALTY PLASTICS

BENCHMARKING SNAPSHOT ^(1,2,3)

FY22 UPDATE & FY21

CORE STRENGTHS

- World-class packaging franchise with leading market positions in Ethylene & PE, Ethylene Copolymers, Elastomers & Plastomers and Polyethylene Licensing
- Most flexible feedstock capability in the industry
- Proprietary catalyst and process technology
- Flexible derivative assets with differentiated co-monomer capability
- Advantaged global footprint with low-cost positions



FOCUS AREAS

- Execute on Decarbonize and Grow Strategy to deliver growth investments
- Implement targeted actions to achieve cost savings by reducing structural cost and spending levels
- Advance low-carbon emission footprint and circular and renewable offerings to capture growing demand and differentiated pricing
- Develop low-carbon technologies and capitalize on licensing opportunities



(1) SG&A + R&D reflects corporate level for peers where segment level data is unavailable

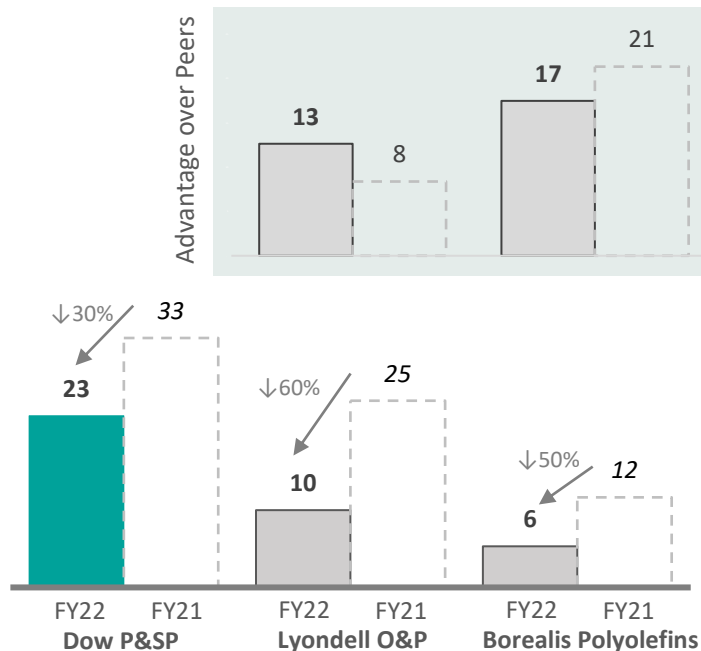
(2) Peers are P&SP peers as defined on slide 18, "Benchmarking Peers"

(3) See appendix for definition of Non-GAAP Metrics

DOW'S DIFFERENTIATED P&SP PORTFOLIO

Dow P&SP Continues to Deliver Superior Returns

Op. EBITDA Per Pound of Polyolefins Capacity¹ (cpp)



Source: Peer company reported capacities, CMA

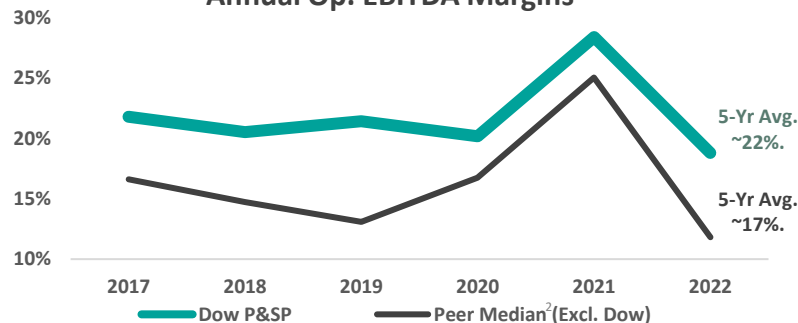
(1) Segment Op. EBITDA based on reported figures including equity income from affiliates/JVs. Dow Capacity based on latest company reported nameplate for PE and Functional Polymers (2021 Investor Day including proportionate share of JVs); Lyondell and Borealis based on CMA reported capacity including proportionate share of JVs.

(2) Peers are P&SP peers as defined on slide 18, "Benchmarking Peers"

(3) See appendix for definition of Non-GAAP Metrics

Demonstrating Resiliency by Generating Higher Margins vs. Peers

Annual Op. EBITDA Margins



Feedstock-to-polymer integration continues delivering enhanced value

- Op. EBITDA per pound of polyolefins capacity is +13cpp vs. next closest peer; expanding +5cpp vs. prior year

Leveraging advantages of a world-class packaging franchise:

- Flexible downstream assets and superior mix vs. peers with a focus on higher-value polyethylene, functional polymers, elastomers and wire & cable
- Leading market & application participation
- Best-in-class feedstock flexibility and leading cost positions
- Global footprint with Pack Studios in every region

Dow P&SP has delivered higher annual Op. EBITDA margins while maintaining resiliency and outperforming the peer median



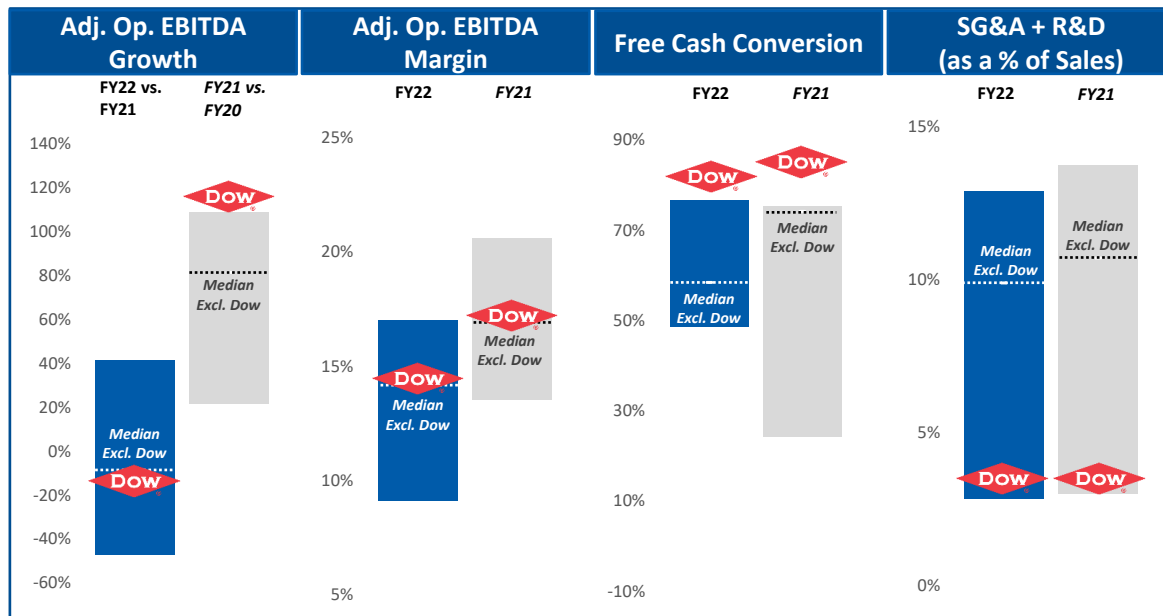
INDUSTRIAL INTERMEDIATES & INFRASTRUCTURE

BENCHMARKING SNAPSHOT ^(1,2,3)

FY22 UPDATE & FY21

CORE STRENGTHS

- Leading producer of Purified Ethylene Oxide, Ethylene Amines, Ethanol Amines, Propylene Oxide, Propylene Glycol and Polyols
- Leading franchise positions in building and structural science, gas treating, insulation and energy efficiency, cleaning and CO2 capture
- Innovation pipeline driven through customer collaboration and in-region global presence
- Industrial Solutions contains products with some of the highest returns to ethylene



FOCUS AREAS

- Execute on Decarbonize and Grow Strategy to deliver growth investments
- Implement targeted actions to achieve cost savings by reducing structural cost and spending levels
- Investing in purified EO and downstream derivatives supporting growth in consumer, industrial and energy applications
- Investments to enable polyurethane systems growth for specialty applications
- Innovation for sustainable next-generation infrastructure

(1) SG&A + R&D reflects corporate level for peers where segment level data is unavailable

(2) Peers are II&I peers as defined on slide 18, "Benchmarking Peers"

(3) See appendix for definition of Non-GAAP Metrics



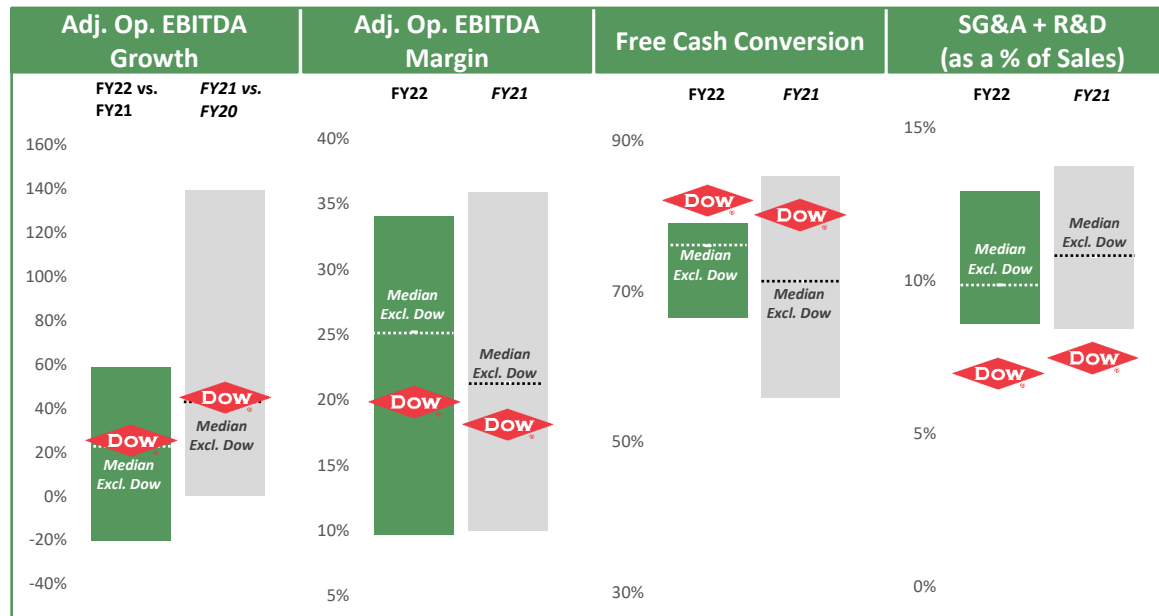
PERFORMANCE MATERIALS & COATINGS

BENCHMARKING SNAPSHOT (1,2,3)

FY22 UPDATE & FY21

CORE STRENGTHS

- Leading producer of Siloxanes & Silicones and Acrylic Binders
- Low-cost global siloxanes producer with backward integration capabilities
- World-scale acrylic monomers and leading coatings solution provider
- Industry leadership enabled by in-depth application expertise and innovative digital platforms
- Unique hybrid chemistry opportunities



Source: Dow data, FactSet, Company disclosures

FOCUS AREAS

- Execute on Decarbonize and Grow Strategy to deliver growth investments
- Implement targeted actions to achieve cost savings by reducing structural cost and spending levels
- Accelerate downstream growth in value chains through mix shift and innovation tailored to high-growth end-markets
- Unlock downstream capacity in silicones and optimize coatings footprint
- Advance sustainable solutions to capture demand and differentiated pricing opportunities

(1) SG&A + R&D reflects corporate level for peers where segment level data is unavailable

(2) Peers are PM&C peers as defined on slide 18, "Benchmarking Peers"

(3) See appendix for definition of Non-GAAP Metrics





APPENDIX

OPERATING EARNINGS PER SHARE (EPS) RECONCILIATION

Significant Items Impacting Results for the Three Months Ended Mar 31, 2023			
In millions, except per share amounts (Unaudited)	<i>Pretax</i> ¹	<i>Net Income</i> ²	<i>EPS</i> ³
Reported results	\$ (120)	\$ (93)	\$ (0.13)
Less: Significant items			
Restructuring, implementation and efficiency costs, and asset related charges - net	(551)	(436)	(0.61)
Litigation related charges, awards and adjustments	(177)	(138)	(0.19)
Indemnification and other transaction related costs	9	9	0.01
Income tax related items	-	57	0.08
Total significant items	\$ (719)	\$ (508)	\$ (0.71)
Operating results (non-GAAP)	\$ 599	\$ 415	\$ 0.58

Significant Items Impacting Results for the Three Months Ended Mar 31, 2022			
In millions, except per share amounts (Unaudited)	<i>Pretax</i> ¹	<i>Net Income</i> ²	<i>EPS</i> ³
Reported results	\$ 2,055	\$ 1,569	\$ 2.11
Less: Significant items			
Digitalization program costs	(41)	(32)	(0.04)
Restructuring, implementation costs and asset related charges - net	(10)	(8)	(0.01)
Russia / Ukraine conflict charges	(186)	(142)	(0.19)
Indemnification and other transaction related costs	12	12	0.01
Total significant items	\$ (225)	\$ (170)	\$ (0.23)
Operating results (non-GAAP)	\$ 2,280	\$ 1,739	\$ 2.34

1. "Income (loss) before income taxes."

2. "Net income (loss) available for Dow Inc. common stockholders." The income tax effect on significant items was calculated based upon the enacted tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment.

3. "Earnings (loss) per common share - diluted," which includes the impact of participating securities in accordance with the two-class method.



RECONCILIATION OF NET INCOME (LOSS) TO OPERATING EBIT & OPERATING EBITDA

Reconciliation of "Net income (loss)" to "Operating EBIT" and "Operating EBITDA"	Three Months Ended						
	Dec 31, 2020	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023
In millions (Unaudited)							
Net income (loss)	\$ 1,254	\$ 1,761	\$ 1,552	\$ 1,681	\$ 760	\$ 647	\$ (73)
+ Provision (credit) for income taxes	562	357	503	488	241	218	(47)
Income (loss) before income taxes	\$ 1,816	\$ 2,118	\$ 2,055	\$ 2,169	\$ 1,001	\$ 865	\$ (120)
- Interest income	11	20	28	36	41	68	76
+ Interest expense and amortization of debt discount	210	170	167	165	155	175	185
- Significant items	961	3	(225)	(77)	(80)	371	(719)
Operating EBIT ¹	\$ 1,054	\$ 2,265	\$ 2,419	\$ 2,375	\$ 1,195	\$ 601	\$ 708
+ Depreciation and amortization	726	655	752	684	668	654	648
Operating EBITDA ²	\$ 1,780	\$ 2,920	\$ 3,171	\$ 3,059	\$ 1,863	\$ 1,255	\$ 1,356
Operating EBITDA - trailing twelve months ("TTM") basis	\$ 5,589	\$ 12,375	\$ 13,275	\$ 12,761	\$ 11,013	\$ 9,348	\$ 7,533

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.

RECONCILIATION OF "INCOME (LOSS) FROM CONTINUING OPERATIONS, NET OF TAX" TO "PRO FORMA OPERATING EBIT" AND "PRO FORMA OPERATING EBITDA"

Reconciliation of "Income (Loss) from Continuing Operations, net of tax" to "Pro Forma Operating EBIT" and "Pro Forma Operating EBITDA"	Twelve Months Ended		
	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019
In millions (Unaudited)			
Income (Loss) from continuing operations, net of tax	\$ (1,287)	\$ 2,940	\$ (1,717)
+ Provision for income taxes on continuing operations	1,524	809	470
Income (Loss) from continuing operations before income taxes	\$ 237	\$ 3,749	\$ (1,247)
- Interest income	66	82	81
+ Interest expense and amortization of debt discount	914	1,063	933
+ Pro forma adjustments	1,120	180	65
- Significant items	(3,372)	(1,326)	(4,682)
Pro forma Operating EBIT ¹	\$ 5,577	\$ 6,236	\$ 4,352
+ Pro forma depreciation and amortization	2,684	2,909	2,938
Pro forma Operating EBITDA ²	\$ 8,261	\$ 9,145	\$ 7,290

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

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

SEGMENT INFORMATION

Net Sales by Segment	Three Months Ended Dec 31, 2022	Three Months Ended	
		Mar 31, 2023	Mar 31, 2022
In millions (Unaudited)			
Packaging & Specialty Plastics	\$ 6,073	\$ 6,114	\$ 7,627
Industrial Intermediates & Infrastructure	3,653	3,378	4,524
Performance Materials & Coatings	2,058	2,276	3,049
Corporate	75	83	64
Total	\$ 11,859	\$ 11,851	\$ 15,264

Operating EBIT by Segment	Three Months Ended Dec 31, 2022	Three Months Ended	
		Mar 31, 2023	Mar 31, 2022
In millions (Unaudited)			
Packaging & Specialty Plastics	\$ 655	\$ 642	\$ 1,234
Industrial Intermediates & Infrastructure	164	123	661
Performance Materials & Coatings	(130)	35	595
Corporate	(88)	(92)	(71)
Total	\$ 601	\$ 708	\$ 2,419

Equity in Earnings (Losses) of Nonconsolidated Affiliates by Segment	Three Months Ended Dec 31, 2022	Three Months Ended	
		Mar 31, 2023	Mar 31, 2022
In millions (Unaudited)			
Packaging & Specialty Plastics	\$ 56	\$ 21	\$ 110
Industrial Intermediates & Infrastructure	(96)	(73)	62
Performance Materials & Coatings	4	3	3
Corporate	(7)	1	(1)
Total	\$ (43)	\$ (48)	\$ 174



SEGMENT INFORMATION (CONTINUED)

Adjusted Operating EBIT by Segment	Three Months Ended Dec 31, 2022	Three Months Ended	
		Mar 31, 2023	Mar 31, 2022
In millions (Unaudited)			
Packaging & Specialty Plastics	\$ 599	\$ 621	\$ 1,124
Industrial Intermediates & Infrastructure	260	196	599
Performance Materials & Coatings	(134)	32	592
Corporate	(81)	(93)	(70)
Total	\$ 644	\$ 756	\$ 2,245

Operating EBIT Margin by Segment	Three Months Ended Dec 31, 2022	Three Months Ended	
		Mar 31, 2023	Mar 31, 2022
In millions (Unaudited)			
Packaging & Specialty Plastics	10.8 %	10.5 %	16.2 %
Industrial Intermediates & Infrastructure	4.5 %	3.6 %	14.6 %
Performance Materials & Coatings	(6.3)%	1.5 %	19.5 %
Total	5.1 %	6.0 %	15.9 %

Adjusted Operating EBIT Margin by Segment	Three Months Ended Dec 31, 2022	Three Months Ended	
		Mar 31, 2023	Mar 31, 2022
In millions (Unaudited)			
Packaging & Specialty Plastics	9.9 %	10.2 %	14.7 %
Industrial Intermediates & Infrastructure	7.1 %	5.8 %	13.2 %
Performance Materials & Coatings	(6.5)%	1.4 %	19.4 %
Total	5.4 %	6.4 %	14.7 %



CASH CONVERSION AND FREE CASH FLOW RECONCILIATION

Reconciliation of Cash Flow Conversion	Three Months Ended				
	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023
In millions (Unaudited)					
Cash provided by operating activities - continuing operations (GAAP)	\$ 1,612	\$ 1,856	\$ 1,940	\$ 2,078	\$ 531
Operating EBITDA (non-GAAP)	\$ 3,171	\$ 3,059	\$ 1,863	\$ 1,255	\$ 1,356
Cash Flow Conversion (non-GAAP) ¹	50.8 %	60.7 %	104.1 %	165.6 %	39.2 %
Cash Flow Conversion - trailing twelve months ("TTM") basis (non-GAAP)	67.1 %	68.5 %	72.3 %	80.1 %	85.0 %

1. Cash Flow Conversion is defined as "Cash provided by operating activities - continuing operations" divided by Operating EBITDA.

Reconciliation of Free Cash Flow	Three Months Ended						
	Dec 31, 2020	Dec 31, 2021	Mar 31, 2022	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023
In millions (Unaudited)							
Cash provided by operating activities - continuing operations (GAAP)	\$ 1,656	\$ 2,557	\$ 1,612	\$ 1,856	\$ 1,940	\$ 2,078	\$ 531
Capital expenditures	(297)	(466)	(315)	(457)	(452)	(599)	(440)
Free Cash Flow (non-GAAP) ¹	\$ 1,359	\$ 2,091	\$ 1,297	\$ 1,399	\$ 1,488	\$ 1,479	\$ 91
Free Cash Flow - trailing twelve months ("TTM") basis (non-GAAP)	\$ 5,000	\$ 5,568	\$ 7,382	\$ 7,093	\$ 6,275	\$ 5,663	\$ 4,457
End of period market capitalization ²	\$ 41,247	\$ 41,701	\$ 46,395	\$ 37,065	\$ 30,916	\$ 35,519	\$ 38,775
Free Cash Flow Yield (non-GAAP) ³	12.12%	13.35%	15.91%	19.14%	20.30%	15.94%	11.49%

1. Free Cash Flow is defined as "Cash provided by operating activities - continuing operations", less capital expenditures. Under this definition, Free Cash Flow represents the cash generated by the Company 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 the Company's financial planning process.

2. Calculated as the period-end share price of Dow Inc. times the period-end shares outstanding of Dow Inc.

3. Free Cash Flow Yield is defined as Free Cash Flow divided by market capitalization.



FREE CASH FLOW RECONCILIATION (CONTINUED)

Reconciliation of Free Cash Flow	Twelve Months Ended		
	Dec 31, 2017	Dec 31, 2018	Dec 31, 2019
In millions (Unaudited)			
Cash provided by (used for) operating activities - continuing operations (GAAP)	\$ (6,443)	\$ 3,096	\$ 5,713
Impact of ASU 2016-15 and additional interpretive guidance	9,462	657	-
Cash flows from operating activities - continuing operations - excluding impact of ASU 2016-15 (non-GAAP) ¹	\$ 3,019	\$ 3,753	\$ 5,713
Capital expenditures	(2,807)	(2,091)	(1,961)
Free Cash Flow (non-GAAP) ²	\$ 212	\$ 1,662	\$ 3,752

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. Free Cash Flow is defined 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.



RECONCILIATION OF OPERATING RETURN ON CAPITAL (ROC)

Reconciliation of Operating Return on Capital (ROC)	Three Months Ended	
	Mar 31, 2023	Mar 31, 2022
In millions (Unaudited)		
Net income (loss) available for Dow Inc. common stockholders (GAAP)	\$ (93)	\$ 1,569
- Significant items, after tax	(511)	(211)
Operating Net Income Available for Dow Inc. Common Stockholders (non-GAAP)	\$ 418	\$ 1,780
Net income (loss) attributable to noncontrolling interests	\$ 20	\$ (17)
Gross interest expense	206	183
Imputed interest expense - operating leases	15	14
Tax on gross interest expense	(54)	(44)
Operating Net Operating Profit After Tax (non-GAAP)	\$ 605	\$ 1,916
Operating Net Operating Profit After Tax - trailing twelve months ("TTM") basis (non-GAAP)	\$ 3,953	\$ 8,224
Average Total Capital (non-GAAP)	\$ 35,559	\$ 34,095
Operating Return on Capital - trailing twelve months ("TTM") basis (non-GAAP) ¹	11.1 %	24.1 %

1. Operating ROC is defined as net operating profit after tax (excluding significant items) divided by total average capital, also referred to as ROIC. Operating ROC measures how effectively a company has utilized the money invested in its operations.



RECONCILIATION OF ROC (CONTINUED)

Reconciliation of Operating Return on Capital (ROC)	Three Months Ended		
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
In millions (Unaudited)			
Net income available for Dow Inc. common stockholders (GAAP)	\$ 613	\$ 1,736	\$ 1,236
- Significant items, after tax	289	124	629
Operating Net Income Available for Dow Inc. Common Stockholders (non-GAAP)	\$ 324	\$ 1,612	\$ 607
Net income attributable to noncontrolling interests	\$ 34	\$ 25	\$ 18
Gross interest expense	188	183	220
Imputed interest expense - operating leases	14	15	16
Tax on gross interest expense	(48)	(45)	(76)
Operating Net Operating Profit After Tax (non-GAAP)	\$ 512	\$ 1,790	\$ 785
Operating Net Operating Profit After Tax - trailing twelve months ("TTM") basis (non-GAAP)	\$ 5,264	\$ 7,510	\$ 1,977
Average Total Capital (non-GAAP)	\$ 34,935	\$ 33,481	\$ 32,785
Operating Return on Capital - trailing twelve months ("TTM") basis (non-GAAP) ¹	15.1 %	22.4 %	6.0 %
Operating Return on Capital - trailing twelve months ("TTM") basis (non-GAAP) ¹ Three-Year Average			14.6%

1. Operating ROC is defined as net operating profit after tax (excluding significant items) divided by total average capital, also referred to as ROIC. Operating ROC measures how effectively a company has utilized the money invested in its operations.



RECONCILIATION OF NET DEBT

Reconciliation of Net Debt			
In millions (Unaudited)	<i>Mar 31, 2023</i>	<i>Dec 31, 2022</i>	<i>Mar 31, 2019</i>
Notes payable	\$ 278	\$ 362	\$ 295
Long-term debt due within one year	247	362	2,367
Long-term debt	14,739	14,698	17,158
Gross debt (GAAP)	\$ 15,264	\$ 15,422	\$ 19,820
- Cash and cash equivalents	3,319	3,886	3,001
- Marketable securities	619	939	101
Net Debt (non-GAAP)	\$ 11,326	\$ 10,597	\$ 16,718



GENERAL COMMENTS

Background

On April 1, 2019, DowDuPont completed the separation of its materials science business and Dow Inc. became the direct parent company of TDCC, owning all of the outstanding common shares of TDCC. For filings related to the period commencing April 1, 2019 and thereafter, TDCC was deemed the predecessor to Dow Inc., and the historical results of TDCC are deemed the historical results of Dow Inc. for periods prior to and including March 31, 2019.

The separation was contemplated by the merger of equals transaction effective August 31, 2017, under the Agreement and Plan of Merger, dated as of December 11, 2015, as amended on March 31, 2017. TDCC and Historical DuPont each merged with subsidiaries of DowDuPont and, as a result, TDCC and Historical DuPont became subsidiaries of DowDuPont (the "Merger"). Subsequent to the Merger, TDCC and Historical DuPont engaged in a series of internal reorganization and realignment steps to realign their businesses into three subgroups: agriculture, materials science and specialty products. Dow Inc. was formed as a wholly owned subsidiary of DowDuPont to serve as the holding company for the materials science business.

Unaudited Pro Forma Financial Information

In order to provide the most meaningful comparison of results of operations and results by segment, supplemental unaudited pro forma financial information has been included in the following financial schedules. The unaudited pro forma financial information is based on the consolidated financial statements of TDCC, adjusted to give effect to the separation from DowDuPont as if it had been consummated on January 1, 2017. For the twelve months ended December 31, 2019 and 2018, pro forma adjustments have been made for (1) the margin impact of various manufacturing, supply and service related agreements entered into with DuPont and Corteva in connection with the separation which provide for different pricing than the historical intercompany and intracompany pricing practices of TDCC and Historical DuPont, and (2) the elimination of the impact of events directly attributable to the Merger, internal reorganization and business realignment, separation, distribution and other related transactions (e.g., one-time transaction costs).

The unaudited pro forma financial information has been presented for informational purposes only and is not necessarily indicative of what Dow's results of operations actually would have been had the separation from DowDuPont been completed as of January 1, 2017, nor is it indicative of the future operating results of Dow. The unaudited pro forma information does not reflect restructuring or integration activities or other costs following the separation from DowDuPont that may be incurred to achieve cost or growth synergies of Dow. For further information on the unaudited pro forma financial information, please refer to the Company's Current Report on Form 8-K dated June 3, 2019.

General Comments

Unless otherwise specified, all financial measures in this presentation, where applicable, exclude significant items.

Benchmarking Groups

Segment level financial benchmarking group as per November 2018 Investor Day and adjusted for a) Changes in ownership/reporting precluding sufficient data to continue utilizing peer or b) Changes in peer external reporting structure

Total Dow financial benchmarking group as per 2020 Annual Benchmarking enhancement to provide additional transparency on relative financial performance of entire enterprise

S&P 500 Chemicals; S&P 500 Materials; S&P 500 aggregates as defined per FactSet



SAFE HARBOR

Cautionary Statement about Forward-Looking Statements

Certain statements in this presentation are “forward-looking statements” within the meaning of the federal securities laws, including Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such statements often address expected future business and financial performance, financial condition, and other matters, and often contain words or phrases such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “opportunity,” “outlook,” “plan,” “project,” “seek,” “should,” “strategy,” “target,” “will,” “will be,” “will continue,” “will likely result,” “would” and similar expressions, and variations or negatives of these words or phrases.

Forward-looking statements are based on current assumptions and expectations of future events that are subject to risks, uncertainties and other factors that are beyond Dow’s control, which may cause actual results to differ materially from those projected, anticipated or implied in the forward-looking statements and speak only as of the date the statements were made. These factors include, but are not limited to: sales of Dow’s products; Dow’s expenses, future revenues and profitability; the continuing global and regional economic impacts of the coronavirus disease 2019 (“COVID-19”) pandemic and other public health-related risks and events on Dow’s business; any sanctions, export restrictions, supply chain disruptions or increased economic uncertainty related to the ongoing conflict between Russia and Ukraine; capital requirements and need for and availability of financing; unexpected barriers in the development of technology, including with respect to Dow’s contemplated capital and operating projects; Dow’s ability to realize its commitment to carbon neutrality on the contemplated timeframe; size of the markets for Dow’s products and services and ability to compete in such markets; failure to develop and market new products and optimally manage product life cycles; the rate and degree of market acceptance of Dow’s products; significant litigation and environmental matters and related contingencies and unexpected expenses; the success of competing technologies that are or may become available; the ability to protect Dow’s intellectual property in the United States and abroad; developments related to contemplated restructuring activities and proposed divestitures or acquisitions such as workforce reduction, manufacturing facility and/or asset closure and related exit and disposal activities, and the benefits and costs associated with each of the foregoing; fluctuations in energy and raw material prices; management of process safety and product stewardship; changes in relationships with Dow’s significant customers and suppliers; changes in consumer preferences and demand; changes in laws and regulations, political conditions or industry development; global economic and capital markets conditions, such as inflation, market uncertainty, interest and currency exchange rates, and equity and commodity prices; business or supply disruptions; security threats, such as acts of sabotage, terrorism or war, including the ongoing conflict between Russia and Ukraine; weather events and natural disasters; disruptions in Dow’s information technology networks and systems; and risks related to Dow’s separation from DowDuPont Inc. such as Dow’s obligation to indemnify DuPont de Nemours, Inc. and/or Corteva, Inc. for certain liabilities.

Where, in any forward-looking statement, an expectation or belief as to future results or events is expressed, such expectation or belief is based on the current plans and expectations of management and expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished. A detailed discussion of principal risks and uncertainties which may cause actual results and events to differ materially from such forward-looking statements is included in the section titled “Risk Factors” contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022 and the Company’s subsequent Quarterly Reports on Form 10-Q. These are not the only risks and uncertainties that Dow faces. There may be other risks and uncertainties that Dow is unable to identify at this time or that Dow does not currently expect to have a material impact on its business. If any of those risks or uncertainties develops into an actual event, it could have a material adverse effect on Dow’s business. Dow Inc. and TDCC assume no obligation to update or revise publicly any forward-looking statements whether because of new information, future events, or otherwise, except as required by securities and other applicable laws.



Non-GAAP & DEFINITIONS

Non-GAAP Financial Measures

This presentation includes information that does not conform to GAAP and are considered non-GAAP measures. Management uses these measures internally for planning, forecasting and evaluating the performance of the Company's segments, including allocating resources. Dow's management believes that these non-GAAP measures best reflect the ongoing performance of the Company during the periods presented and provide more relevant and meaningful information to investors as they provide insight with respect to ongoing operating results of the Company and a more useful comparison of year-over-year results. These non-GAAP measures supplement the Company's GAAP disclosures and should not be viewed as alternatives to GAAP measures of performance. Furthermore, such non-GAAP measures may not be consistent with similar measures provided or used by other companies. Dow does not provide forward-looking GAAP financial measures or a reconciliation of forward-looking non-GAAP financial measures to the most comparable GAAP financial measures on a forward-looking basis because the Company is unable to predict with reasonable certainty the ultimate outcome of pending litigation, unusual gains and losses, foreign currency exchange gains or losses and potential future asset impairments, as well as discrete taxable events, without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on GAAP results for the guidance period.

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Definitions

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

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

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

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

Operating EBIT Margin is defined as Operating EBIT as a percentage of net sales.

Adjusted Operating EBIT is defined as Operating EBIT less equity earnings (losses).

Adjusted Operating EBIT Margin is defined as Operating EBIT less equity earnings (losses), divided by net sales.

Adjusted Operating EBITDA is defined as Operating EBITDA less equity earnings (losses).

Adjusted Operating EBITDA Margin is defined as Adjusted Operating EBITDA divided by net sales, excluding certain transactions with nonconsolidated affiliates.

Operating Earnings Per Share is defined as "Earnings (loss) per common share - diluted", excluding the after-tax impact of significant items.

Operational Tax Rate is defined as the effective tax rate (i.e., GAAP "Provision (credit) for income taxes" divided by "Income (loss) before income taxes"), excluding the impact of significant items.

Cash flows from operating activities - continuing operations, excluding the impact of Accounting Standards Update 2016 15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" ("ASU 2016-15"), is defined as cash provided by (used in) operating activities - continuing operations, excluding the impact of ASU 2016-15 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.

Free Cash Flow is defined 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.

Free Cash Flow Yield is defined as Free Cash Flow divided by market capitalization.

Shareholder Remuneration is defined as dividends paid to stockholders plus purchases of treasury stock.

Shareholder Yield is defined as Shareholder Remuneration divided by market capitalization.

Cash Flow Conversion is 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 to cash flow.

Free Cash Conversion at an operating segment level is defined as Adjusted Operating EBITDA less capital expenditures divided by Adjusted Operating EBITDA.

Operating Net Income is defined as net income (loss), excluding the after-tax impact of significant items.

Operating Return on Capital (ROC) is defined as net operating profit after tax, excluding the impact of significant items, divided by total average capital, also referred to as ROIC. Net operating profit after tax (excluding significant items) is a net income measure the Company uses in presentations to investors that excludes net income attributable to noncontrolling interests, and interest expense, exclusive of the significant items.

Net Debt is defined as "Notes payable" plus "Long-term debt due within one year" plus "Long-term debt" less "Cash and cash equivalents" and "Marketable securities."

Kuwait Joint Ventures (JVs) refers to EQUATE Petrochemical Company K.S.C.C., The Kuwait Olefins Company K.S.C.C., and The Kuwait Styrene Company K.S.C.C.

Thai Joint Ventures (JVs) refers to Map Ta Phut Olefins Company Limited and The SCG-Dow Group (Siam Polyethylene Company Limited, Siam Polystyrene Company Limited, Siam Styrene Monomer Co., Ltd., Siam Synthetic Latex Company Limited).

