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 (Loss)

In millions	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Net Income (Loss) Available for Dow Inc. Common Stockholders (GAAP)	**$ 991**	**$ 1,901**	**$ 1,683**	**$ 1,736**	**$ 6,311**	**$ 1,569**	**$ 1,661**	**$ 739**	**$ 613**	**$ 4,582**	**$ (93)**	**$ 485**	**$ 302**	**$ (105)**	**$ 589**
Adjustments for significant items, after tax															
Litigation related charges, awards and adjustments	—	—	42	—	42	—	—	—	288	288	(138)	—	—	87	(51)
Restructuring, implementation and efficiency costs, and asset-related charges - net	(8)	(34)	(13)	—	(55)	(8)	(8)	(9)	(7)	(32)	(436)	(42)	(64)	(41)	(583)
Argentine peso devaluation	—	—	—	—	—	—	—	—	—	—	—	—	—	(67)	(67)
Pension settlement charges	—	—	—	—	—	—	—	—	—	—	—	—	—	(493)	(493)
Russia / Ukraine conflict charges	—	—	—	—	—	(142)		—	56	(86)	—	—	—	—	—
Net gain on divestitures and asset sale	—	—	—	16	16	—	—	—	—	—	—	—	—	—	—
Loss on early extinguishment of debt	—	(84)	(387)	—	(471)	—	(6)	—	—	(6)	—	—	—	—	—
Digitalization program costs	(25)	(37)	(32)	(38)	(132)	(32)	(40)	(47)	(64)	(183)	—	—	—	—	—
Indemnification and other transaction related costs	—	(5)	—	35	30	12	(8)	(7)	7	4	9	(10)	21	9	29
Income tax items	—	—	—	111	111	—	25	—	—	25	57	—	—	94	151
Operating net income available for Dow Inc. common stockholders (non-GAAP) [1]	**$ 1,024**	**$ 2,061**	**$ 2,073**	**$ 1,612**	**$ 6,770**	**$ 1,739**	**$ 1,698**	**$ 802**	**$ 333**	**$ 4,572**	**$ 415**	**$ 537**	**$ 345**	**$ 306**	**$ 1,603**

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

Dow
Non-GAAP Adjustments to Earnings (Loss) Per Share

Amounts in dollars per share	1Q21	2Q21	3Q21	4Q21	2021 [1]	1Q22	2Q22	3Q22	4Q22	2022 [1]	1Q23	2Q23	3Q23	4Q23	2023 [1]
Earnings (loss) per common share - diluted (GAAP)	**$ 1.32**	**$ 2.51**	**$ 2.23**	**$ 2.32**	**$ 8.38**	**$ 2.11**	**$ 2.26**	**$ 1.02**	**$ 0.85**	**$ 6.28**	**$ (0.13)**	**$ 0.68**	**$ 0.42**	**$ (0.15)**	**$ 0.82**
Adjustments for significant items															
Litigation related charges, awards and adjustments	—	—	0.06	—	0.06	—	—	—	0.40	0.40	(0.19)	—	—	0.12	(0.07)
Restructuring, implementation and efficiency costs, and asset-related charges - net	(0.01)	(0.04)	(0.02)	—	(0.07)	(0.01)	(0.01)	(0.01)	(0.01)	(0.04)	(0.61)	(0.06)	(0.09)	(0.05)	(0.81)
Argentine peso devaluation	—	—	—	—	—	—	—	—	—	—	—	—	—	(0.09)	(0.09)
Pension settlement charges	—	—	—	—	—	—	—	—	—	—	—	—	—	(0.70)	(0.70)
Russia / Ukraine conflict charges	—	—	—	—	—	(0.19)	—	—	0.08	(0.11)	—	—	—	—	—
Net gain on divestitures and asset sale	—	—	—	0.02	0.02	—	—	—	—	—	—	—	—	—	—
Loss on early extinguishment of debt	—	(0.11)	(0.52)	—	(0.63)	—	(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	—	(0.01)	—	0.05	0.04	0.01	(0.01)	(0.01)	0.01	0.01	0.01	(0.01)	0.03	0.01	0.04
Income tax items	—	—	—	0.15	0.15	—	0.03	—	—	0.03	0.08	—	—	0.13	0.21
Operating earnings per common share - diluted (non-GAAP) [2]	**$ 1.36**	**$ 2.72**	**$ 2.75**	**$ 2.15**	**$ 8.98**	**$ 2.34**	**$ 2.31**	**$ 1.11**	**$ 0.46**	**$ 6.25**	**$ 0.58**	**$ 0.75**	**$ 0.48**	**$ 0.43**	**$ 2.24**

1. Due to different share counts in each period, the sum of the quarters may not equal year-to-date.
2. Operating Earnings 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	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Net Income (Loss) Attributable to Dow Inc. (GAAP)	$ 991	$ 1,901	$ 1,683	$ 1,736	$ 6,311	$ 1,569	$ 1,661	$ 739	$ 613	$ 4,582	$ (93)	$ 485	$ 302	$ (105)	$ 589
Net income (loss) attributable to noncontrolling interests	15	31	23	25	94	(17)	20	21	34	58	20	16	25	10	71
Provision (credit) for income taxes	317	524	542	357	1,740	503	488	241	218	1,450	(47)	210	90	(257)	(4)
Income (Loss) Before Income Taxes	$ 1,323	$ 2,456	$ 2,248	$ 2,118	$ 8,145	$ 2,055	$ 2,169	$ 1,001	$ 865	$ 6,090	$ (120)	$ 711	$ 417	$ (352)	$ 656
- Interest income	8	13	14	20	55	28	36	41	68	173	76	66	44	43	229
+ Interest expense and amortization of debt discount	196	187	178	170	731	167	165	155	175	662	185	172	192	197	746
Earnings (loss) before interest and income taxes (EBIT)	$ 1,511	$ 2,630	$ 2,412	$ 2,268	$ 8,821	$ 2,194	$ 2,298	$ 1,115	$ 972	$ 6,579	$ (11)	$ 817	$ 565	$ (198)	$ 1,173
Adjustments for significant items, before tax															
Litigation related charges, awards and adjustments	—	—	54	—	54	—	—	—	381	381	(177)	—	—	106	(71)
Restructuring, implementation and efficiency costs, and asset-related charges - net	(10)	(43)	(16)	—	(69)	(10)	(10)	(11)	(9)	(40)	(551)	(55)	(82)	(53)	(741)
Argentine peso devaluation	—	—	—	—	—	—	—	—	—	—	—	—	—	(177)	(177)
Pension settlement charges	—	—	—	—	—	—	—	—	—	—	—	—	—	(642)	(642)
Russia / Ukraine conflict charges	—	—	—	—	—	(186)	—	—	68	(118)	—	—	—	—	—
Net gain on divestitures and asset sale	—	—	—	16	16	—	—	—	—	—	—	—	—	—	—
Digitalization program costs	(33)	(48)	(40)	(48)	(169)	(41)	(51)	(62)	(76)	(230)	—	—	—	—	—
Indemnification and other transaction related costs	—	(5)	—	35	30	12	(8)	(7)	7	4	9	(13)	21	9	26
Loss on early extinguishment of debt	—	(102)	(472)	—	(574)	—	(8)	—	—	(8)	—	—	—	—	—
Operating EBIT (non-GAAP) [1]	$ 1,554	$ 2,828	$ 2,886	$ 2,265	$ 9,533	$ 2,419	$ 2,375	$ 1,195	$ 601	$ 6,590	$ 708	$ 885	$ 626	$ 559	$ 2,778
+ Depreciation and amortization	717	745	725	655	2,842	752	684	668	654	2,758	648	649	657	657	2,611
Operating EBITDA (non-GAAP) [2]	$ 2,271	$ 3,573	$ 3,611	$ 2,920	$ 12,375	$ 3,171	$ 3,059	$ 1,863	$ 1,255	$ 9,348	$ 1,356	$ 1,534	$ 1,283	$ 1,216	$ 5,389
Operating EBITDA (non-GAAP) - trailing twelve months	$ 6,293	$ 9,109	$ 11,235	$ 12,375		$ 13,275	$ 12,761	$ 11,013	$ 9,348		$ 7,533	$ 6,008	$ 5,428	$ 5,389	
Net sales	$ 11,882	$ 13,885	$ 14,837	$ 14,364	$ 54,968	$ 15,264	$ 15,664	$ 14,115	$ 11,859	$ 56,902	$ 11,851	$ 11,420	$ 10,730	$ 10,621	$ 44,622
Operating EBIT Margin (non-GAAP) [3]	13.1%	20.4%	19.5%	15.8%	17.3%	15.9%	15.2%	8.5%	5.1%	11.6%	6.0%	7.7%	5.8%	5.3%	6.2%

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	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Earnings before interest and income taxes (EBIT)	$ 1,228	$ 2,006	$ 1,954	$ 1,458	$ 6,646	$ 1,203	$ 1,436	$ 785	$ 999	$ 4,423	$ 641	$ 918	$ 476	$ 718	$ 2,753
Adjustments for significant items, before tax															
Litigation related charges, awards and adjustments	—	—	—	—	—	—	—	—	321	321	—	—	—	106	106
Net gain on divestitures and asset sale	—	—	—	16	16	—	—	—	—	—	—	—	—	—	—
Restructuring, implementation and efficiency costs, and asset-related charges - net	—	(8)	—	—	(8)	—	—	—	—	—	(1)	—	—	—	(1)
Argentine peso devaluation	—	—	—	—	—	—	—	—	—	—	—	—	—	(52)	(52)
Russia / Ukraine conflict charges	—	—	—	—	—	(31)	—	—	23	(8)	—	—	—	—	—
Operating EBIT (non-GAAP) [1]	**$ 1,228**	**$ 2,014**	**$ 1,954**	**$ 1,442**	**$ 6,638**	**$ 1,234**	**$ 1,436**	**$ 785**	**$ 655**	**$ 4,110**	**$ 642**	**$ 918**	**$ 476**	**$ 664**	**$ 2,700**
Equity in earnings of nonconsolidated affiliates	106	130	124	130	490	110	138	55	56	359	21	19	50	40	130
Operating EBIT excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [2]	**$ 1,122**	**$ 1,884**	**$ 1,830**	**$ 1,312**	**$ 6,148**	**$ 1,124**	**$ 1,298**	**$ 730**	**$ 599**	**$ 3,751**	**$ 621**	**$ 899**	**$ 426**	**$ 624**	**$ 2,570**
Net sales	$ 6,082	$ 7,121	$ 7,736	$ 7,189	$ 28,128	$ 7,627	$ 8,233	$ 7,327	$ 6,073	$ 29,260	$ 6,114	$ 5,940	$ 5,454	$ 5,641	$ 23,149
Operating EBIT Margin (non-GAAP) [3]	**20.2%**	**28.3%**	**25.3%**	**20.1%**	**23.6%**	**16.2%**	**17.4 %**	**10.7%**	**10.8%**	**14.0%**	**10.5%**	**15.5%**	**8.7%**	**11.8%**	**11.7%**
Operating EBIT Margin excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [4]	**18.4%**	**26.5%**	**23.7%**	**18.3%**	**21.9%**	**14.7%**	**15.8 %**	**10.0%**	**9.9%**	**12.8%**	**10.2%**	**15.1%**	**7.8%**	**11.1%**	**11.1%**
Operating EBIT (non-GAAP) [1]	**$ 1,228**	**$ 2,014**	**$ 1,954**	**$ 1,442**	**$ 6,638**	**$ 1,234**	**$ 1,436**	**$ 785**	**$ 655**	**$ 4,110**	**$ 642**	**$ 918**	**$ 476**	**$ 664**	**$ 2,700**
Depreciation and amortization	336	352	354	316	1,358	395	344	337	320	1,396	320	320	321	324	1,285
Operating EBITDA (non-GAAP) [5]	**$ 1,564**	**$ 2,366**	**$ 2,308**	**$ 1,758**	**$ 7,996**	**$ 1,629**	**$ 1,780**	**$ 1,122**	**$ 975**	**$ 5,506**	**$ 962**	**$ 1,238**	**$ 797**	**$ 988**	**$ 3,985**
Operating EBITDA Margin (non-GAAP) [6]	**25.7%**	**33.2%**	**29.8%**	**24.5%**	**28.4%**	**21.4%**	**21.6 %**	**15.3%**	**16.1%**	**18.8%**	**15.7%**	**20.8%**	**14.6%**	**17.5%**	**17.2%**

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	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Earnings before interest and income taxes (EBIT)	$ 326	$ 647	$ 767	$ 595	$ 2,281	$ 552	$ 426	$ 167	$ 200	$ 1,345	$ (94)	$ (43)	$ 21	$ (3)	$ (119)
Adjustments for significant items, before tax															
Litigation related charges, awards and adjustments	—	—	54	—	54	—	—	—	—	—	(177)	—	—	—	(177)
Restructuring, implementation and efficiency costs, and asset-related charges - net	—	(1)	—	—	(1)	—	—	—	—	—	(40)	(8)	—	(2)	(50)
Argentine peso devaluation	—	—	—	—	—	—	—	—	—	—	—	—	—	(16)	(16)
Russia / Ukraine conflict charges	—	—	—	—	—	(109)	—	—	36	(73)	—	—	—	—	—
Operating EBIT (non-GAAP) [1]	**$ 326**	**$ 648**	**$ 713**	**$ 595**	**$ 2,282**	**$ 661**	**$ 426**	**$ 167**	**$ 164**	**$ 1,418**	**$ 123**	**$ (35)**	**$ 21**	**$ 15**	**$ 124**
Equity in earnings (losses) of nonconsolidated affiliates	115	144	122	90	471	62	57	(114)	(96)	(91)	(73)	(83)	(63)	(57)	(276)
Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [2]	**$ 211**	**$ 504**	**$ 591**	**$ 505**	**$ 1,811**	**$ 599**	**$ 369**	**$ 281**	**$ 260**	**$ 1,509**	**$ 196**	**$ 48**	**$ 84**	**$ 72**	**$ 400**
Net sales	$ 3,607	$ 4,215	$ 4,481	$ 4,548	$ 16,851	$ 4,524	$ 4,370	$ 4,059	$ 3,653	$ 16,606	$ 3,378	$ 3,177	$ 3,035	$ 2,948	$ 12,538
Operating EBIT Margin (non-GAAP) [3]	**9.0%**	**15.4%**	**15.9%**	**13.1%**	**13.5%**	**14.6%**	**9.7%**	**4.1%**	**4.5%**	**8.5%**	**3.6%**	**-1.1%**	**0.7%**	**0.5%**	**1.0%**
Operating EBIT Margin excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [4]	**5.8%**	**12.0%**	**13.2%**	**11.1%**	**10.7%**	**13.2%**	**8.4%**	**6.9%**	**7.1%**	**9.1%**	**5.8%**	**1.5%**	**2.8%**	**2.4%**	**3.2%**
Operating EBIT (non-GAAP) [1]	**$ 326**	**$ 648**	**$ 713**	**$ 595**	**$ 2,282**	**$ 661**	**$ 426**	**$ 167**	**$ 164**	**$ 1,418**	**$ 123**	**$ (35)**	**$ 21**	**$ 15**	**$ 124**
Depreciation and amortization	156	168	157	131	612	150	136	132	132	550	128	129	134	133	524
Operating EBITDA (non-GAAP) [5]	**$ 482**	**$ 816**	**$ 870**	**$ 726**	**$ 2,894**	**$ 811**	**$ 562**	**$ 299**	**$ 296**	**$ 1,968**	**$ 251**	**$ 94**	**$ 155**	**$ 148**	**$ 648**
Operating EBITDA Margin (non-GAAP) [6]	**13.4%**	**19.4%**	**19.4%**	**16.0%**	**17.2%**	**17.9%**	**12.9%**	**7.4%**	**8.1%**	**11.9%**	**7.4%**	**3.0%**	**5.1%**	**5.0%**	**5.2%**

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	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Earnings before interest and income taxes (EBIT)	$ 62	$ 215	$ 284	$ 295	$ 856	$ 579	$ 561	$ 302	$ (120)	$ 1,322	$ (32)	$ 66	$ 179	$ (61)	$ 152
Adjustments for significant items, before tax															
Restructuring, implementation and efficiency costs, and asset-related charges - net	—	(10)	—	—	(10)	—	—	—	—	—	(67)	—	—	—	(67)
Russia / Ukraine conflict charges	—	—	—	—	—	(16)	—	—	10	(6)	—	—	—	—	—
Operating EBIT (non-GAAP) [1]	**$ 62**	**$ 225**	**$ 284**	**$ 295**	**$ 866**	**$ 595**	**$ 561**	**$ 302**	**$ (130)**	**$ 1,328**	**$ 35**	**$ 66**	**$ 179**	**$ (61)**	**$ 219**
Equity in earnings of nonconsolidated affiliates	2	—	3	2	7	3	2	1	4	10	3	6	5	6	20
Operating EBIT excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [2]	**$ 60**	**$ 225**	**$ 281**	**$ 293**	**$ 859**	**$ 592**	**$ 559**	**$ 301**	**$ (134)**	**$ 1,318**	**$ 32**	**$ 60**	**$ 174**	**$ (67)**	**$ 199**
Net sales	$ 2,123	$ 2,465	$ 2,526	$ 2,558	$ 9,672	$ 3,049	$ 3,003	$ 2,654	$ 2,058	$ 10,764	$ 2,276	$ 2,197	$ 2,130	$ 1,894	$ 8,497
Operating EBIT Margin (non-GAAP) [3]	**2.9%**	**9.1%**	**11.2%**	**11.5%**	**9.0%**	**19.5%**	**18.7%**	**11.4%**	**-6.3%**	**12.3%**	**1.5%**	**3.0%**	**8.4%**	**-3.2%**	**2.6%**
Operating EBIT Margin excluding equity in earnings of nonconsolidated affiliates (non-GAAP) [4]	**2.8%**	**9.1%**	**11.1%**	**11.5%**	**8.9%**	**19.4%**	**18.6%**	**11.3%**	**-6.5%**	**12.2%**	**1.4%**	**2.7%**	**8.2%**	**-3.5%**	**2.3%**
Operating EBIT (non-GAAP) [1]	**$ 62**	**$ 225**	**$ 284**	**$ 295**	**$ 866**	**$ 595**	**$ 561**	**$ 302**	**$ (130)**	**$ 1,328**	**$ 35**	**$ 66**	**$ 179**	**$ (61)**	**$ 219**
Depreciation and amortization	218	217	207	200	842	200	197	195	197	789	196	194	193	195	778
Operating EBITDA (non-GAAP) [5]	**$ 280**	**$ 442**	**$ 491**	**$ 495**	**$ 1,708**	**$ 795**	**$ 758**	**$ 497**	**$ 67**	**$ 2,117**	**$ 231**	**$ 260**	**$ 372**	**$ 134**	**$ 997**
Operating EBITDA Margin (non-GAAP) [6]	**13.2%**	**17.9%**	**19.4%**	**19.4%**	**17.7%**	**26.1%**	**25.2%**	**18.7%**	**3.3%**	**19.7%**	**10.1%**	**11.8%**	**17.5%**	**7.1%**	**11.7%**

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	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Earnings before interest and income taxes (EBIT)	$ (105)	$ (238)	$ (593)	$ (80)	$ (1,016)	$ (140)	$ (125)	$ (139)	$ (107)	$ (511)	$ (526)	$ (124)	$ (111)	$ (852)	$ (1,613)
Adjustments for significant items, before tax															
Restructuring, implementation and efficiency costs, and asset-related charges - net	(10)	(24)	(16)	—	(50)	(10)	(10)	(11)	(9)	(40)	(443)	(47)	(82)	(51)	(623)
Russia / Ukraine conflict charges	—	—	—	—	—	(30)	—	—	(1)	(31)	—	—	—	—	—
Digitalization program costs	(33)	(48)	(40)	(48)	(169)	(41)	(51)	(62)	(76)	(230)	—	—	—	—	—
Litigation related charges, awards and adjustments	—	—	—	—	—	—	—	—	60	60	—	—	—	—	—
Argentine peso devaluation	—	—	—	—	—	—	—	—	—	—	—	—	—	(109)	(109)
Pension settlement charges	—	—	—	—	—	—	—	—	—	—	—	—	—	(642)	(642)
Indemnification and other transaction related costs	—	(5)	—	35	30	12	(8)	(7)	7	4	9	(13)	21	9	26
Loss on early extinguishment of debt	—	(102)	(472)	—	(574)	—	(8)	—	—	(8)	—	—	—	—	—
Operating EBIT (non-GAAP) [1]	**$ (62)**	**$ (59)**	**$ (65)**	**$ (67)**	**$ (253)**	**$ (71)**	**$ (48)**	**$ (59)**	**$ (88)**	**$ (266)**	**$ (92)**	**$ (64)**	**$ (50)**	**$ (59)**	**$ (265)**
Equity in earnings (losses) of nonconsolidated affiliates	1	4	—	2	7	(1)	(2)	—	(7)	(10)	1	1	1	4	7
Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) [2]	**$ (63)**	**$ (63)**	**$ (65)**	**$ (69)**	**$ (260)**	**$ (70)**	**$ (46)**	**$ (59)**	**$ (81)**	**$ (256)**	**$ (93)**	**$ (65)**	**$ (51)**	**$ (63)**	**$ (272)**
Operating EBIT (non-GAAP) [1]	**$ (62)**	**$ (59)**	**$ (65)**	**$ (67)**	**$ (253)**	**$ (71)**	**$ (48)**	**$ (59)**	**$ (88)**	**$ (266)**	**$ (92)**	**$ (64)**	**$ (50)**	**$ (59)**	**$ (265)**
Depreciation and amortization	7	8	7	8	30	7	7	4	5	23	4	6	9	5	24
Operating EBITDA (non-GAAP) [3]	**$ (55)**	**$ (51)**	**$ (58)**	**$ (59)**	**$ (223)**	**$ (64)**	**$ (41)**	**$ (55)**	**$ (83)**	**$ (243)**	**$ (88)**	**$ (58)**	**$ (41)**	**$ (54)**	**$ (241)**

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	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023
Cash provided by (used for) operating activities - continuing operations (GAAP)	$ (228)	$ 2,021	$ 2,719	$ 2,557	$ 7,069	$ 1,612	$ 1,856	$ 1,940	$ 2,078	$ 7,486	$ 531	$ 1,347	$ 1,658	$ 1,628	$ 5,164
Capital Expenditures	(289)	(333)	(413)	(466)	(1,501)	(315)	(457)	(452)	(599)	(1,823)	(440)	(561)	(597)	(758)	(2,356)
Free Cash Flow (non-GAAP) [1, 2]	**$ (517)**	**$ 1,688**	**$ 2,306**	**$ 2,091**	**$ 5,568**	**$ 1,297**	**$ 1,399**	**$ 1,488**	**$ 1,479**	**$ 5,663**	**$ 91**	**$ 786**	**$ 1,061**	**$ 870**	**$ 2,808**
Free Cash Flow (non-GAAP) - trailing twelve months	**$ 3,642**	**$ 4,004**	**$ 4,836**	**$ 5,568**		**$ 7,382**	**$ 7,093**	**$ 6,275**	**$ 5,663**		**$ 4,457**	**$ 3,844**	**$ 3,417**	**$ 2,808**	
End of period market capitalization [3]	$ 47,763	$ 47,192	$ 42,572	$ 41,701		$ 46,395	$ 37,065	$ 30,916	$ 35,519		$ 38,775	$ 37,446	$ 36,164	$ 38,514	
Free Cash Flow Yield (non-GAAP) [4, 5] - trailing twelve months	**7.6 %**	**8.5 %**	**11.4 %**	**13.4 %**		**15.9 %**	**19.1 %**	**20.3 %**	**15.9 %**		**11.5 %**	**10.3 %**	**9.4 %**	**7.3 %**	
Cash provided by (used for) operating activities - continuing operations (GAAP)	**$ (228)**	**$ 2,021**	**$ 2,719**	**$ 2,557**	**$ 7,069**	**$ 1,612**	**$ 1,856**	**$ 1,940**	**$ 2,078**	**$ 7,486**	**$ 531**	**$ 1,347**	**$ 1,658**	**$ 1,628**	**$ 5,164**
Net income (loss) (GAAP)	$ 1,006	$ 1,932	$ 1,706	$ 1,761	$ 6,405	$ 1,552	$ 1,681	$ 760	$ 647	$ 4,640	$ (73)	$ 501	$ 327	$ (95)	$ 660
Cash flow from operations to net income (GAAP) [6]	**-22.7 %**	**104.6 %**	**159.4 %**	**145.2 %**	**110.4%**	**103.9 %**	**110.4 %**	**255.3 %**	**321.2 %**	**161.3%**	**N/A**	**268.9 %**	**507.0 %**	**N/A**	**782.4%**
Cash flow from operations to net income - trailing twelve months (GAAP)	**234.5 %**	**124.3 %**	**104.6 %**	**110.4 %**		**128.2 %**	**130.5 %**	**138.4 %**	**161.3 %**		**212.4 %**	**321.3 %**	**400.4 %**	**782.4 %**	
Operating EBITDA (non-GAAP) [7]	$ 2,271	$ 3,573	$ 3,611	$ 2,920	$ 12,375	$ 3,171	$ 3,059	$ 1,863	$ 1,255	$ 9,348	$ 1,356	$ 1,534	$ 1,283	$ 1,216	$ 5,389
Cash Flow Conversion (non-GAAP) [8, 9]	**-10.0 %**	**56.6 %**	**75.3 %**	**87.6 %**	**57.1%**	**50.8 %**	**60.7 %**	**104.1 %**	**165.6 %**	**80.1%**	**39.2 %**	**87.8 %**	**129.2 %**	**133.9 %**	**95.8%**
Cash Flow Conversion - trailing twelve months (non-GAAP)	**76.1 %**	**57.2 %**	**54.9 %**	**57.1 %**		**67.1 %**	**68.5 %**	**72.3 %**	**80.1 %**		**85.0 %**	**98.1 %**	**103.4 %**	**95.8 %**	

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. Cash flow from operations to net income is not applicable for the first and fourth quarters of 2023 due to a net loss for the period.

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

8. 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.

9. Cash Flow Conversion for the first quarter of 2021 reflects a $1 billion elective pension contribution.

Dividend Payout Ratio

	1Q21	2Q21	3Q21	4Q21		1Q22	2Q22	3Q22	4Q22		1Q23	2Q23	3Q23	4Q23
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 Per Share (non-GAAP) [1]	$ 1.36	$ 2.72	$ 2.75	$ 2.15		$ 2.34	$ 2.31	$ 1.11	$ 0.46		$ 0.58	$ 0.75	$ 0.48	$ 0.43
Dividend Payout Ratio	51.5 %	25.7 %	25.5 %	32.6 %		29.9 %	30.3 %	63.1 %	152.2 %		120.7 %	93.3 %	145.8 %	162.8 %

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

Dow
Calculation of Net Debt to Capital

Dollar amounts in millions	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Notes payable	$ 152	$ 203	$ 270	$ 161	$ 92	$ 295	$ 185	$ 362	$ 278	$ 102	$ 223	$ 62
Long-term debt due within one year	492	445	291	231	355	361	364	362	247	107	110	117
Long-Term Debt	16,200	15,093	14,027	14,280	14,108	13,065	12,921	14,698	14,739	14,735	14,592	14,907
Total Debt	$ 16,844	$ 15,741	$ 14,588	$ 14,672	$ 14,555	$ 13,721	$ 13,470	$ 15,422	$ 15,264	$ 14,944	$ 14,925	$ 15,086
Total debt	$ 16,844	$ 15,741	$ 14,588	$ 14,672	$ 14,555	$ 13,721	$ 13,470	$ 15,422	$ 15,264	$ 14,944	$ 14,925	$ 15,086
Less: Cash and cash equivalents	4,133	3,491	2,911	2,988	3,143	2,367	2,216	3,886	3,319	2,924	3,080	2,987
Less: Marketable securities	72	105	141	245	242	169	148	939	619	716	914	1,300
Net Debt	$ 12,639	$ 12,145	$ 11,536	$ 11,439	$ 11,170	$ 11,185	$ 11,106	$ 10,597	$ 11,326	$ 11,304	$ 10,931	$ 10,799
Total debt	$ 16,844	$ 15,741	$ 14,588	$ 14,672	$ 14,555	$ 13,721	$ 13,470	$ 15,422	$ 15,264	$ 14,944	$ 14,925	$ 15,086
Noncontrolling interests	560	580	589	574	545	534	512	529	534	512	513	501
Dow Inc.'s stockholders' equity	14,003	15,573	16,439	18,165	18,880	18,973	18,117	20,718	20,181	19,997	19,567	18,607
Total Capital	$ 31,407	$ 31,894	$ 31,616	$ 33,411	$ 33,980	$ 33,228	$ 32,099	$ 36,669	$ 35,979	$ 35,453	$ 35,005	$ 34,194
Net debt	$ 12,639	$ 12,145	$ 11,536	$ 11,439	$ 11,170	$ 11,185	$ 11,106	$ 10,597	$ 11,326	$ 11,304	$ 10,931	$ 10,799
Noncontrolling interests	560	580	589	574	545	534	512	529	534	512	513	501
Dow Inc.'s stockholders' equity	14,003	15,573	16,439	18,165	18,880	18,973	18,117	20,718	20,181	19,997	19,567	18,607
Net Capital	$ 27,202	$ 28,298	$ 28,564	$ 30,178	$ 30,595	$ 30,692	$ 29,735	$ 31,844	$ 32,041	$ 31,813	$ 31,011	$ 29,907
Debt to Capital Ratio [1]	53.6%	49.4%	46.1%	43.9%	42.8%	41.3%	42.0%	42.1%	42.4%	42.2%	42.6%	44.1%
Net Debt to Capital Ratio [2]	46.5%	42.9%	40.4%	37.9%	36.5%	36.4%	37.3%	33.3%	35.3%	35.5%	35.2%	36.1%

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	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23
Operating net income available for Dow Inc. common stockholders (non-GAAP)	$ 1,024	$ 2,061	$ 2,073	$ 1,612	$ 1,780	$ 1,698	$ 802	$ 324	$ 418	$ 537	$ 345	$ 306
Net income (loss) attributable to noncontrolling interests	15	31	23	25	(17)	20	21	34	20	16	25	10
Gross interest expense	211	202	194	183	183	181	173	188	206	189	214	225
Imputed interest expense - operating leases	18	17	17	15	14	14	14	14	15	15	16	16
Tax on gross interest expense	(66)	(52)	(48)	(45)	(44)	(45)	(43)	(48)	(54)	(54)	(62)	(62)
Operating net operating profit after tax (non-GAAP)	$ 1,202	$ 2,259	$ 2,259	$ 1,790	$ 1,916	$ 1,868	$ 967	$ 512	$ 605	$ 703	$ 538	$ 495
Total debt	$ 16,844	$ 15,742	$ 14,588	$ 14,672	$ 14,555	$ 13,721	$ 13,470	$ 15,422	$ 15,264	$ 14,944	$ 14,925	$ 15,086
Operating lease liabilities	1,882	1,821	1,841	1,463	1,398	1,333	1,289	1,284	1,311	1,353	1,345	1,361
Noncontrolling interests	560	580	589	574	545	534	512	529	534	512	513	501
Dow Inc. stockholders' equity (non-GAAP)	14,003	15,573	16,439	18,165	18,880	18,973	18,117	20,718	20,181	19,997	19,567	18,607
Total capital from continuing operations (non-GAAP)	$ 33,289	$ 33,716	$ 33,457	$ 34,874	$ 35,378	$ 34,561	$ 33,388	$ 37,953	$ 37,290	$ 36,806	$ 36,350	$ 35,555
Average total capital from continuing operations (non-GAAP)	$ 32,590	$ 32,679	$ 32,971	$ 33,481	$ 34,095	$ 34,462	$ 34,559	$ 34,935	$ 35,559	$ 36,079	$ 36,730	$ 36,800
Trailing Twelve Months Operating Return on Capital (non-GAAP) [1]	7.8%	14.7%	19.7%	22.4%	24.1%	22.7%	18.9%	15.1%	11.1%	7.7%	6.4%	6.4%

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