

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)

<i>In millions</i>	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	2024
Net Income (Loss) Available for Dow Inc. Common Stockholders (GAAP)	\$ 1,569	\$ 1,661	\$ 739	\$ 613	\$ 4,582	\$ (93)	\$ 485	\$ 302	\$ (105)	\$ 589	\$ 516	\$ 439	\$ 955
Adjustments for significant items, after tax													
Litigation related charges, awards and adjustments	—	—	—	288	288	(138)	—	—	87	(51)	—	—	—
Restructuring, implementation and efficiency costs, and asset-related charges - net	(8)	(8)	(9)	(7)	(32)	(436)	(42)	(64)	(41)	(583)	(72)	(43)	(115)
Argentine peso devaluation	—	—	—	—	—	—	—	—	(67)	(67)	—	—	—
Pension settlement charges	—	—	—	—	—	—	—	—	(493)	(493)	—	—	—
Russia / Ukraine conflict charges	(142)	—	—	56	(86)	—	—	—	—	—	—	—	—
Loss on early extinguishment of debt	—	(6)	—	—	(6)	—	—	—	—	—	—	—	—
Digitalization program costs	(32)	(40)	(47)	(64)	(183)	—	—	—	—	—	—	—	—
Indemnification and other transaction related costs	12	(8)	(7)	7	4	9	(10)	21	9	29	—	—	—
Income tax items	—	25	—	—	25	57	—	—	94	151	194	—	194
Operating net income available for Dow Inc. common stockholders (non-GAAP) ¹	\$ 1,739	\$ 1,698	\$ 802	\$ 333	\$ 4,572	\$ 415	\$ 537	\$ 345	\$ 306	\$ 1,603	\$ 394	\$ 482	\$ 876

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	1Q22	2Q22	3Q22	4Q22	2022 ¹	1Q23	2Q23	3Q23	4Q23	2023 ¹	1Q24	2Q24	2024 ¹
Earnings (loss) per common share - diluted (GAAP)	\$ 2.11	\$ 2.26	\$ 1.02	\$ 0.85	\$ 6.28	\$ (0.13)	\$ 0.68	\$ 0.42	\$ (0.15)	\$ 0.82	\$ 0.73	\$ 0.62	\$ 1.35
Adjustments for significant items													
Litigation related charges, awards and adjustments	—	—	—	0.40	0.40	(0.19)	—	—	0.12	(0.07)	—	—	—
Restructuring, implementation and efficiency costs, and asset-related charges - net	(0.01)	(0.01)	(0.01)	(0.01)	(0.04)	(0.61)	(0.06)	(0.09)	(0.05)	(0.81)	(0.10)	(0.06)	(0.16)
Argentine peso devaluation	—	—	—	—	—	—	—	—	(0.09)	(0.09)	—	—	—
Pension settlement charges	—	—	—	—	—	—	—	—	(0.70)	(0.70)	—	—	—
Russia / Ukraine conflict charges	(0.19)	—	—	0.08	(0.11)	—	—	—	—	—	—	—	—
Loss on early extinguishment of debt	—	(0.01)	—	—	(0.01)	—	—	—	—	—	—	—	—
Digitalization program costs	(0.04)	(0.05)	(0.07)	(0.09)	(0.25)	—	—	—	—	—	—	—	—
Indemnification and other transaction related costs	0.01	(0.01)	(0.01)	0.01	0.01	0.01	(0.01)	0.03	0.01	0.04	—	—	—
Income tax items	—	0.03	—	—	0.03	0.08	—	—	0.13	0.21	0.27	—	0.27
Operating earnings per common share - diluted (non-GAAP) ²	\$ 2.34	\$ 2.31	\$ 1.11	\$ 0.46	\$ 6.25	\$ 0.58	\$ 0.75	\$ 0.48	\$ 0.43	\$ 2.24	\$ 0.56	\$ 0.68	\$ 1.24

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

<i>In millions</i>	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	2024
Net Income (Loss) Attributable to Dow Inc. (GAAP)	\$ 1,569	\$ 1,661	\$ 739	\$ 613	\$ 4,582	\$ (93)	\$ 485	\$ 302	\$ (105)	\$ 589	\$ 516	\$ 439	\$ 955
Net income (loss) attributable to noncontrolling interests	(17)	20	21	34	58	20	16	25	10	71	22	19	41
Provision (credit) for income taxes	503	488	241	218	1,450	(47)	210	90	(257)	(4)	(89)	150	61
Income (Loss) Before Income Taxes	\$ 2,055	\$ 2,169	\$ 1,001	\$ 865	\$ 6,090	\$ (120)	\$ 711	\$ 417	\$ (352)	\$ 656	\$ 449	\$ 608	\$ 1,057
- Interest income	28	36	41	68	173	76	66	44	43	229	65	42	107
+ Interest expense and amortization of debt discount	167	165	155	175	662	185	172	192	197	746	199	197	396
Earnings (loss) before interest and income taxes (EBIT)	\$ 2,194	\$ 2,298	\$ 1,115	\$ 972	\$ 6,579	\$ (11)	\$ 817	\$ 565	\$ (198)	\$ 1,173	\$ 583	\$ 763	\$ 1,346
Adjustments for significant items, before tax													
Litigation related charges, awards and adjustments	—	—	—	381	381	(177)	—	—	106	(71)	—	—	—
Restructuring, implementation and efficiency costs, and asset-related charges - net	(10)	(10)	(11)	(9)	(40)	(551)	(55)	(82)	(53)	(741)	(91)	(56)	(147)
Argentine peso devaluation	—	—	—	—	—	—	—	—	(177)	(177)	—	—	—
Pension settlement charges	—	—	—	—	—	—	—	—	(642)	(642)	—	—	—
Russia / Ukraine conflict charges	(186)	—	—	68	(118)	—	—	—	—	—	—	—	—
Digitalization program costs	(41)	(51)	(62)	(76)	(230)	—	—	—	—	—	—	—	—
Indemnification and other transaction related costs	12	(8)	(7)	7	4	9	(13)	21	9	26	—	—	—
Loss on early extinguishment of debt	—	(8)	—	—	(8)	—	—	—	—	—	—	—	—
Operating EBIT (non-GAAP) ¹	\$ 2,419	\$ 2,375	\$ 1,195	\$ 601	\$ 6,590	\$ 708	\$ 885	\$ 626	\$ 559	\$ 2,778	\$ 674	\$ 819	\$ 1,493
+ Depreciation and amortization	752	684	668	654	2,758	648	649	657	657	2,611	720	682	1,402
Operating EBITDA (non-GAAP) ²	\$ 3,171	\$ 3,059	\$ 1,863	\$ 1,255	\$ 9,348	\$ 1,356	\$ 1,534	\$ 1,283	\$ 1,216	\$ 5,389	\$ 1,394	\$ 1,501	\$ 2,895
Operating EBITDA (non-GAAP) - trailing twelve months	\$ 13,275	\$ 12,761	\$ 11,013	\$ 9,348		\$ 7,533	\$ 6,008	\$ 5,428	\$ 5,389		\$ 5,427	\$ 5,394	
Net sales	\$ 15,264	\$ 15,664	\$ 14,115	\$ 11,859	\$ 56,902	\$ 11,851	\$ 11,420	\$ 10,730	\$ 10,621	\$ 44,622	\$ 10,765	\$ 10,915	\$ 21,680
Operating EBIT Margin (non-GAAP) ³	15.9%	15.2%	8.5%	5.1%	11.6%	6.0%	7.7%	5.8%	5.3%	6.2%	6.3%	7.5%	6.9%

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

<i>In millions</i>	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	2024
Earnings before interest and income taxes (EBIT)	\$ 1,203	\$ 1,436	\$ 785	\$ 999	\$ 4,423	\$ 641	\$ 918	\$ 476	\$ 718	\$ 2,753	\$ 568	\$ 703	\$ 1,271
Adjustments for significant items, before tax													
Litigation related charges, awards and adjustments	—	—	—	321	321	—	—	—	106	106	—	—	—
Restructuring, implementation and efficiency costs, and asset-related charges - net	—	—	—	—	—	(1)	—	—	—	(1)	(37)	—	(37)
Argentine peso devaluation	—	—	—	—	—	—	—	—	(52)	(52)	—	—	—
Russia / Ukraine conflict charges	(31)	—	—	23	(8)	—	—	—	—	—	—	—	—
Operating EBIT (non-GAAP) ¹	\$ 1,234	\$ 1,436	\$ 785	\$ 655	\$ 4,110	\$ 642	\$ 918	\$ 476	\$ 664	\$ 2,700	\$ 605	\$ 703	\$ 1,308
Equity in earnings of nonconsolidated affiliates	110	138	55	56	359	21	19	50	40	130	25	55	80
Operating EBIT excluding equity in earnings of nonconsolidated affiliates (non-GAAP) ²	\$ 1,124	\$ 1,298	\$ 730	\$ 599	\$ 3,751	\$ 621	\$ 899	\$ 426	\$ 624	\$ 2,570	\$ 580	\$ 648	\$ 1,228
Net sales	\$ 7,627	\$ 8,233	\$ 7,327	\$ 6,073	\$ 29,260	\$ 6,114	\$ 5,940	\$ 5,454	\$ 5,641	\$ 23,149	\$ 5,430	\$ 5,515	\$ 10,945
Operating EBIT Margin (non-GAAP) ³	16.2%	17.4%	10.7%	10.8%	14.0%	10.5%	15.5 %	8.7%	11.8%	11.7%	11.1%	12.7%	12.0%
Operating EBIT Margin excluding equity in earnings of nonconsolidated affiliates (non-GAAP) ⁴	14.7%	15.8%	10.0%	9.9%	12.8%	10.2%	15.1 %	7.8%	11.1%	11.1%	10.7%	11.7%	11.2%
Operating EBIT (non-GAAP) ¹	\$ 1,234	\$ 1,436	\$ 785	\$ 655	\$ 4,110	\$ 642	\$ 918	\$ 476	\$ 664	\$ 2,700	\$ 605	\$ 703	\$ 1,308
Depreciation and amortization	395	344	337	320	1,396	320	320	321	324	1,285	371	343	714
Operating EBITDA (non-GAAP) ⁵	\$ 1,629	\$ 1,780	\$ 1,122	\$ 975	\$ 5,506	\$ 962	\$ 1,238	\$ 797	\$ 988	\$ 3,985	\$ 976	\$ 1,046	\$ 2,022
Operating EBITDA Margin (non-GAAP) ⁶	21.4%	21.6%	15.3%	16.1%	18.8%	15.7%	20.8 %	14.6%	17.5%	17.2%	18.0%	19.0%	18.5%

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

2. Defined as Operating EBIT, excluding equity in earnings of nonconsolidated affiliates.

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

4. Defined as Operating EBIT, excluding equity in earnings of nonconsolidated affiliates, as a percentage of net sales.

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

6. Operating EBITDA Margin is defined as Operating EBITDA as a percentage of net sales.

Dow

Selected Non-GAAP Segment Measures

Industrial Intermediates & Infrastructure Segment

<i>In millions</i>	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	2024
Earnings before interest and income taxes (EBIT)	\$ 552	\$ 426	\$ 167	\$ 200	\$ 1,345	\$ (94)	\$ (43)	\$ 21	\$ (3)	\$ (119)	\$ 79	\$ 7	\$ 86
Adjustments for significant items, before tax													
Litigation related charges, awards and adjustments	—	—	—	—	—	(177)	—	—	—	(177)	—	—	—
Restructuring, implementation and efficiency costs, and asset-related charges - net	—	—	—	—	—	(40)	(8)	—	(2)	(50)	(8)	—	(8)
Argentine peso devaluation	—	—	—	—	—	—	—	—	(16)	(16)	—	—	—
Russia / Ukraine conflict charges	(109)	—	—	36	(73)	—	—	—	—	—	—	—	—
Operating EBIT (non-GAAP) ¹	\$ 661	\$ 426	\$ 167	\$ 164	\$ 1,418	\$ 123	\$ (35)	\$ 21	\$ 15	\$ 124	\$ 87	\$ 7	\$ 94
Equity in earnings (losses) of nonconsolidated affiliates	62	57	(114)	(96)	(91)	(73)	(83)	(63)	(57)	(276)	(15)	(31)	(46)
Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) ²	\$ 599	\$ 369	\$ 281	\$ 260	\$ 1,509	\$ 196	\$ 48	\$ 84	\$ 72	\$ 400	\$ 102	\$ 38	\$ 140
Net sales	\$ 4,524	\$ 4,370	\$ 4,059	\$ 3,653	\$ 16,606	\$ 3,378	\$ 3,177	\$ 3,035	\$ 2,948	\$ 12,538	\$ 3,008	\$ 2,951	\$ 5,959
Operating EBIT Margin (non-GAAP) ³	14.6%	9.7%	4.1%	4.5%	8.5%	3.6%	-1.1%	0.7%	0.5%	1.0%	2.9%	0.2%	1.6%
Operating EBIT Margin excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP) ⁴	13.2%	8.4%	6.9%	7.1%	9.1%	5.8%	1.5%	2.8%	2.4%	3.2%	3.4%	1.3%	2.3%
Operating EBIT (non-GAAP) ¹	\$ 661	\$ 426	\$ 167	\$ 164	\$ 1,418	\$ 123	\$ (35)	\$ 21	\$ 15	\$ 124	\$ 87	\$ 7	\$ 94
Depreciation and amortization	150	136	132	132	550	128	129	134	133	524	147	141	288
Operating EBITDA (non-GAAP) ⁵	\$ 811	\$ 562	\$ 299	\$ 296	\$ 1,968	\$ 251	\$ 94	\$ 155	\$ 148	\$ 648	\$ 234	\$ 148	\$ 382
Operating EBITDA Margin (non-GAAP) ⁶	17.9%	12.9%	7.4%	8.1%	11.9%	7.4%	3.0%	5.1%	5.0%	5.2%	7.8%	5.0%	6.4%

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

<i>In millions</i>	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	2024
Earnings before interest and income taxes (EBIT)	\$ 579	\$ 561	\$ 302	\$ (120)	\$ 1,322	\$ (32)	\$ 66	\$ 179	\$ (61)	\$ 152	\$ 41	\$ 146	\$ 187
Adjustments for significant items, before tax													
Restructuring, implementation and efficiency costs, and asset-related charges - net	—	—	—	—	—	(67)	—	—	—	(67)	—	—	—
Russia / Ukraine conflict charges	(16)	—	—	10	(6)	—	—	—	—	—	—	—	—
Operating EBIT (non-GAAP) ¹	\$ 595	\$ 561	\$ 302	\$ (130)	\$ 1,328	\$ 35	\$ 66	\$ 179	\$ (61)	\$ 219	\$ 41	\$ 146	\$ 187
Equity in earnings of nonconsolidated affiliates	3	2	1	4	10	3	6	5	6	20	6	2	8
Operating EBIT excluding equity in earnings of nonconsolidated affiliates (non-GAAP) ²	\$ 592	\$ 559	\$ 301	\$ (134)	\$ 1,318	\$ 32	\$ 60	\$ 174	\$ (67)	\$ 199	\$ 35	\$ 144	\$ 179
Net sales	\$ 3,049	\$ 3,003	\$ 2,654	\$ 2,058	\$ 10,764	\$ 2,276	\$ 2,197	\$ 2,130	\$ 1,894	\$ 8,497	\$ 2,152	\$ 2,243	\$ 4,395
Operating EBIT Margin (non-GAAP) ³	19.5%	18.7%	11.4%	-6.3%	12.3%	1.5%	3.0%	8.4%	-3.2%	2.6%	1.9%	6.5%	4.3%
Operating EBIT Margin excluding equity in earnings of nonconsolidated affiliates (non-GAAP) ⁴	19.4%	18.6%	11.3%	-6.5%	12.2%	1.4%	2.7%	8.2%	-3.5%	2.3%	1.6%	6.4%	4.1%
Operating EBIT (non-GAAP) ¹	\$ 595	\$ 561	\$ 302	\$ (130)	\$ 1,328	\$ 35	\$ 66	\$ 179	\$ (61)	\$ 219	\$ 41	\$ 146	\$ 187
Depreciation and amortization	200	197	195	197	789	196	194	193	195	778	193	191	384
Operating EBITDA (non-GAAP) ⁵	\$ 795	\$ 758	\$ 497	\$ 67	\$ 2,117	\$ 231	\$ 260	\$ 372	\$ 134	\$ 997	\$ 234	\$ 337	\$ 571
Operating EBITDA Margin (non-GAAP) ⁶	26.1%	25.2%	18.7%	3.3%	19.7%	10.1%	11.8%	17.5%	7.1%	11.7%	10.9%	15.0%	13.0%

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

<i>In millions</i>	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	2024
Earnings before interest and income taxes (EBIT)	\$ (140)	\$ (125)	\$ (139)	\$ (107)	\$ (511)	\$ (526)	\$ (124)	\$ (111)	\$ (852)	\$ (1,613)	\$ (105)	\$ (93)	\$ (198)
Adjustments for significant items, before tax													
Restructuring, implementation and efficiency costs, and asset-related charges - net	(10)	(10)	(11)	(9)	(40)	(443)	(47)	(82)	(51)	(623)	(46)	(56)	(102)
Russia / Ukraine conflict charges	(30)	—	—	(1)	(31)	—	—	—	—	—	—	—	—
Digitalization program costs	(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	12	(8)	(7)	7	4	9	(13)	21	9	26	—	—	—
Loss on early extinguishment of debt	—	(8)	—	—	(8)	—	—	—	—	—	—	—	—
Operating EBIT (non-GAAP)¹	\$ (71)	\$ (48)	\$ (59)	\$ (88)	\$ (266)	\$ (92)	\$ (64)	\$ (50)	\$ (59)	\$ (265)	\$ (59)	\$ (37)	\$ (96)
Equity in earnings (losses) of nonconsolidated affiliates	(1)	(2)	—	(7)	(10)	1	1	1	4	7	1	—	1
Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates (non-GAAP)²	\$ (70)	\$ (46)	\$ (59)	\$ (81)	\$ (256)	\$ (93)	\$ (65)	\$ (51)	\$ (63)	\$ (272)	\$ (60)	\$ (37)	\$ (97)
Operating EBIT (non-GAAP)¹	\$ (71)	\$ (48)	\$ (59)	\$ (88)	\$ (266)	\$ (92)	\$ (64)	\$ (50)	\$ (59)	\$ (265)	\$ (59)	\$ (37)	\$ (96)
Depreciation and amortization	7	7	4	5	23	4	6	9	5	24	9	7	16
Operating EBITDA (non-GAAP)³	\$ (64)	\$ (41)	\$ (55)	\$ (83)	\$ (243)	\$ (88)	\$ (58)	\$ (41)	\$ (54)	\$ (241)	\$ (50)	\$ (30)	\$ (80)

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

<i>In millions</i>	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2Q23	3Q23	4Q23	2023	1Q24	2Q24	2024
Cash provided by operating activities - continuing operations (GAAP)	\$ 1,612	\$ 1,856	\$ 1,940	\$ 2,078	\$ 7,486	\$ 531	\$ 1,347	\$ 1,658	\$ 1,628	\$ 5,164	\$ 460	\$ 832	\$ 1,292
Capital Expenditures	(315)	(457)	(452)	(599)	(1,823)	(440)	(561)	(597)	(758)	(2,356)	(714)	(723)	(1,437)
Free Cash Flow (non-GAAP) ¹	\$ 1,297	\$ 1,399	\$ 1,488	\$ 1,479	\$ 5,663	\$ 91	\$ 786	\$ 1,061	\$ 870	\$ 2,808	\$ (254)	\$ 109	\$ (145)
Free Cash Flow (non-GAAP) - trailing twelve months	\$ 7,382	\$ 7,093	\$ 6,275	\$ 5,663		\$ 4,457	\$ 3,844	\$ 3,417	\$ 2,808		\$ 2,463	\$ 1,786	
End of period market capitalization ²	\$ 46,395	\$ 37,065	\$ 30,916	\$ 35,519		\$ 38,775	\$ 37,446	\$ 36,164	\$ 38,514		\$ 40,737	\$ 37,184	
Free Cash Flow Yield (non-GAAP) ³ - trailing twelve months	15.9 %	19.1 %	20.3 %	15.9 %		11.5 %	10.3 %	9.4 %	7.3 %		6.0 %	4.8 %	
Cash provided by operating activities - continuing operations (GAAP)	\$ 1,612	\$ 1,856	\$ 1,940	\$ 2,078	\$ 7,486	\$ 531	\$ 1,347	\$ 1,658	\$ 1,628	\$ 5,164	\$ 460	\$ 832	\$ 1,292
Net income (loss) (GAAP)	\$ 1,552	\$ 1,681	\$ 760	\$ 647	\$ 4,640	\$ (73)	\$ 501	\$ 327	\$ (95)	\$ 660	\$ 538	\$ 458	\$ 996
Cash flow from operations to net income (GAAP) ⁴	103.9 %	110.4 %	255.3 %	321.2 %	161.3%	N/A	268.9 %	507.0 %	N/A	782.4%	85.5 %	181.7 %	129.7%
Cash flow from operations to net income - trailing twelve months (GAAP)	128.2 %	130.5 %	138.4 %	161.3 %		212.4 %	321.3 %	400.4 %	782.4 %		400.7 %	372.8 %	
Operating EBITDA (non-GAAP) ⁵	\$ 3,171	\$ 3,059	\$ 1,863	\$ 1,255	\$ 9,348	\$ 1,356	\$ 1,534	\$ 1,283	\$ 1,216	\$ 5,389	\$ 1,394	\$ 1,501	\$ 2,895
Cash Flow Conversion (non-GAAP) ⁶	50.8 %	60.7 %	104.1 %	165.6 %	80.1%	39.2 %	87.8 %	129.2 %	133.9 %	95.8%	33.0 %	55.4 %	44.6%
Cash Flow Conversion - trailing twelve months (non-GAAP)	67.1 %	68.5 %	72.3 %	80.1 %		85.0 %	98.1 %	103.4 %	95.8 %		93.8 %	84.9 %	

1. Defined as "Cash provided by 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. Calculated as the period-end share price of Dow Inc. times the period-end shares outstanding of Dow Inc.

3. Defined as Free Cash Flow - trailing twelve months divided by end of period market capitalization.

4. 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.

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. Defined as "Cash provided by 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.

Dividend Payout Ratio

	1Q22	2Q22	3Q22	4Q22		1Q23	2Q23	3Q23	4Q23		1Q24	2Q24
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
Operating Earnings Per Share (non-GAAP) ¹	\$ 2.34	\$ 2.31	\$ 1.11	\$ 0.46		\$ 0.58	\$ 0.75	\$ 0.48	\$ 0.43		\$ 0.56	\$ 0.68
Dividend Payout Ratio	29.9 %	30.3 %	63.1 %	152.2 %		120.7 %	93.3 %	145.8 %	162.8 %		125.0 %	102.9 %

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	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Notes payable	\$ 92	\$ 295	\$ 185	\$ 362	\$ 278	\$ 102	\$ 223	\$ 62	\$ 55	\$ 114
Long-term debt due within one year	355	361	364	362	247	107	110	117	118	238
Long-Term Debt	14,108	13,065	12,921	14,698	14,739	14,735	14,592	14,907	16,170	16,016
Total Debt	\$ 14,555	\$ 13,721	\$ 13,470	\$ 15,422	\$ 15,264	\$ 14,944	\$ 14,925	\$ 15,086	\$ 16,343	\$ 16,368
Total debt	\$ 14,555	\$ 13,721	\$ 13,470	\$ 15,422	\$ 15,264	\$ 14,944	\$ 14,925	\$ 15,086	\$ 16,343	\$ 16,368
Less: Cash and cash equivalents	3,143	2,367	2,216	3,886	3,319	2,924	3,080	2,987	3,723	3,341
Less: Marketable securities	242	169	148	939	619	716	914	1,300	771	570
Net Debt	\$ 11,170	\$ 11,185	\$ 11,106	\$ 10,597	\$ 11,326	\$ 11,304	\$ 10,931	\$ 10,799	\$ 11,849	\$ 12,457
Total debt	\$ 14,555	\$ 13,721	\$ 13,470	\$ 15,422	\$ 15,264	\$ 14,944	\$ 14,925	\$ 15,086	\$ 16,343	\$ 16,368
Noncontrolling interests	545	534	512	529	534	512	513	501	492	482
Dow Inc.'s stockholders' equity	18,880	18,973	18,117	20,718	20,181	19,997	19,567	18,607	18,425	18,318
Total Capital	\$ 33,980	\$ 33,228	\$ 32,099	\$ 36,669	\$ 35,979	\$ 35,453	\$ 35,005	\$ 34,194	\$ 35,260	\$ 35,168
Net debt	\$ 11,170	\$ 11,185	\$ 11,106	\$ 10,597	\$ 11,326	\$ 11,304	\$ 10,931	\$ 10,799	\$ 11,849	\$ 12,457
Noncontrolling interests	545	534	512	529	534	512	513	501	492	482
Dow Inc.'s stockholders' equity	18,880	18,973	18,117	20,718	20,181	19,997	19,567	18,607	18,425	18,318
Net Capital	\$ 30,595	\$ 30,692	\$ 29,735	\$ 31,844	\$ 32,041	\$ 31,813	\$ 31,011	\$ 29,907	\$ 30,766	\$ 31,257
Debt to Capital Ratio ¹	42.8%	41.3%	42.0%	42.1%	42.4%	42.2%	42.6%	44.1%	46.3%	46.5%
Net Debt to Capital Ratio ²	36.5%	36.4%	37.3%	33.3%	35.3%	35.5%	35.2%	36.1%	38.5%	39.9%

1. Calculated as Total Debt divided by Total Capital

2. Calculated as Net Debt divided by Net Capital

Dow

Non-GAAP Return on Capital Calculation

<i>Dollar amounts in millions</i>	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Operating net income available for Dow Inc. common stockholders (non-GAAP)	\$ 1,739	\$ 1,698	\$ 802	\$ 333	\$ 418	\$ 537	\$ 345	\$ 306	\$ 394	\$ 482
Net income (loss) attributable to noncontrolling interests ¹	24	20	21	25	20	16	25	10	22	19
Gross interest expense	183	181	173	188	206	189	214	225	227	233
Imputed interest expense - operating leases	14	14	14	14	15	15	16	16	16	17
Tax on gross interest expense	(44)	(45)	(43)	(48)	(54)	(54)	(62)	(62)	(58)	(58)
Operating net operating profit after tax (non-GAAP)	\$ 1,916	\$ 1,868	\$ 967	\$ 512	\$ 605	\$ 703	\$ 538	\$ 495	\$ 601	\$ 693
Total debt	\$ 14,555	\$ 13,721	\$ 13,470	\$ 15,422	\$ 15,264	\$ 14,944	\$ 14,925	\$ 15,086	\$ 16,343	\$ 16,368
Operating lease liabilities	1,398	1,333	1,289	1,284	1,311	1,353	1,345	1,361	1,395	1,353
Noncontrolling interests	545	534	512	529	534	512	513	501	492	482
Dow Inc. stockholders' equity (non-GAAP)	18,880	18,973	18,117	20,718	20,181	19,997	19,567	18,607	18,425	18,318
Total capital (non-GAAP)	\$ 35,378	\$ 34,561	\$ 33,388	\$ 37,953	\$ 37,290	\$ 36,806	\$ 36,350	\$ 35,555	\$ 36,655	\$ 36,521
Average total capital (non-GAAP)	\$ 34,095	\$ 34,462	\$ 34,559	\$ 34,935	\$ 35,559	\$ 36,079	\$ 36,730	\$ 36,800	\$ 36,421	\$ 36,306
Trailing Twelve Months Operating Return on Capital (non-GAAP) ²	24.1%	22.7%	18.9%	15.1%	11.1%	7.7%	6.4%	6.4%	6.4%	6.4%

1. The first and fourth quarters of 2022 include the impact of significant items on noncontrolling interest.

2. 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.