



DOW

2Q 2019 RESULTS

July 25, 2019

AGENDA

Quarterly Highlights

Financial Overview

Segment Results

Outlook



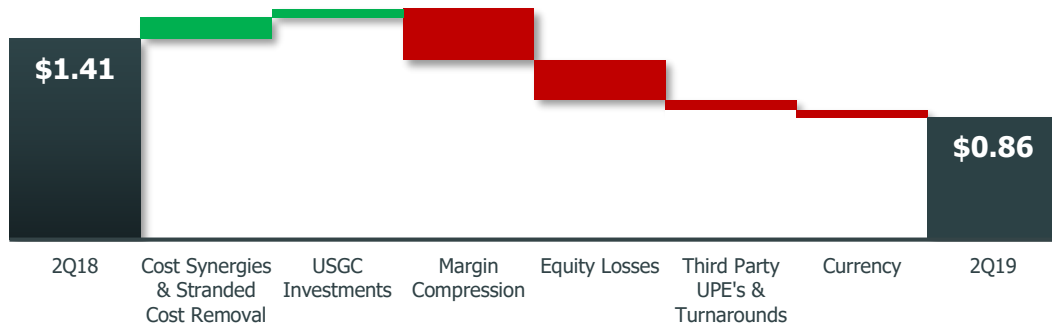
2Q 2019 HIGHLIGHTS

- Net Sales of \$11.0B – in line with guidance
- Sequentially, grew core earnings (ex-planned turnarounds)
- YoY volume declines in part due to feedstock selection in the U.S. & EMEA, leading to lower co-product sales
 - Demand gains achieved in packaging applications, PU systems and isocyanates
- Delivered >\$175MM of savings from cost synergies and stranded cost removal
- Generated \$200MM higher cash flow from operating activities – continuing operations
- Returned \$0.8B to shareholders: \$0.5B in dividends, \$0.3B in buybacks



2Q 2019 FINANCIAL HIGHLIGHTS

YoY Operating EPS Reconciliation



Key Drivers in the Quarter

- >\$175MM of YoY cost synergy savings & stranded cost removal
- Contributions from USGC investments enabling core packaging applications growth
- Margin compression in polyethylene, siloxanes and isocyanates
- >\$200MM lower JV equity earnings, driven primarily by MEG and isocyanates pricing

Financial Summary	2Q19 As Reported	2Q18 Pro Forma	B/(W)
Net Sales (\$MM)	\$11,014	\$12,851	\$(1,837)
Equity Earnings (Losses) (\$MM)	\$(15)	\$193	\$(208)
Income from continuing operations, net of tax (\$MM)	\$90	\$849	\$(759)
Operating EBIT (\$MM)	\$1,059	\$1,639	\$(580)
Operating EBIT Margin (%)	9.6%	12.8%	(320) bps
Operating EBIT Margin ex. Equity Earnings (%)	9.8%	11.3%	(150) bps
EPS - diluted	\$0.10	\$1.08	\$(1.18)
Operating EPS - diluted	\$0.86	\$1.41	\$(0.55)
Cash Provided by Operating Activities – Cont. Ops (\$MM)	\$960	\$760	\$200



PRINCIPAL JOINT VENTURE DETAILS

Dow's Proportionate Share of Principal JV Financial Results

\$ millions (unaudited)	2Q 2019			2Q 2018		
	Sadara	Kuwait JVs	Thai JVs	Sadara	Kuwait JVs	Thai JVs
EBITDA	\$25	\$120	\$25	\$84	\$276	\$66
EBIT	\$(48)	\$80	\$16	\$(5)	\$240	\$56
Net Income <i>(i.e., Equity Earnings (Losses) to Dow)</i>	\$(107)	\$75	\$16	\$(65)	\$214	\$45
EBITDA in Excess of Eq. Earnings	\$132	\$45	\$9	\$149	\$62	\$21
Net Debt	\$4,939	\$1,873	\$323	\$5,002	\$1,451	\$399

Key Drivers of YoY Changes

- **Kuwait JVs:** Decline in Asian MEG spreads and PE margins
- **Sadara:** Margin compression in isocyanates (MDI and TDI) in both APAC and EMEA
- **Thai JVs:** Reduced cracker and PE margins



3Q 2019 MODELING GUIDANCE

Core EBIT improvement offset by impacts from 3rd party outages

Revenue	\$10.5B – \$11B	Depreciation & Amortization	~\$740MM
Operational Tax Rate	22 – 23%	Net Interest Expense (net of Int. Income)	~\$225MM
Net Income Attrib. to Non-Controlling Int.	\$20MM – \$30MM	Share Count	~747MM

	Sales Drivers (3Q19 vs. 2Q19)	Op. EBIT Drivers (3Q19 vs. 2Q19)
Performance Materials & Coatings	- Sales down 1% - 3% - Siloxane prices remain flat with end-2Q levels; average pricing lower sequentially	- Continued siloxane margin pressure (~\$50MM headwind) - Planned turnaround at U.S. “pillar” facility (~\$25MM headwind)
Industrial Intermediates & Infrastructure	- Sales up 1% - 3% - pMDI pricing remains flat with end-2Q levels; on average, lower sequentially - MEG pricing, on average, flat sequentially - Improved product availability in Industrial Solutions on lower turnaround activity	- Lower equity earnings at Sadara (~\$20MM headwind) due to a production issue with 3rd party industrial gas supplier that supports polyurethanes chain - Lower equity earnings at Greater Equate (~\$25MM headwind) due to further softening of MEG margins
Packaging & Specialty Plastics	- Sales down 3% - 5% - Light cracker feedslates in U.S. and Europe; lower co-product production	- Argentina ethylene cracker downtime and repairs as a result of countrywide power outage (~\$100MM headwind) - Planned turnaround at ethylene facility in The Netherlands (~\$50MM headwind)
Corporate	Sales of \$60MM-\$70MM	Op. EBITDA of \$(60)-\$(80)MM and Op. EBIT of \$(70)-\$(90)MM

Includes >\$90MM of sequential tailwinds from cost synergy savings, stranded cost removal and lower planned maintenance

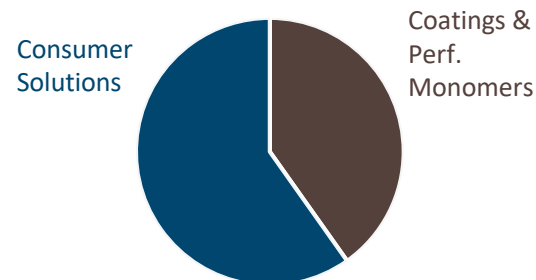


PERFORMANCE MATERIALS & COATINGS

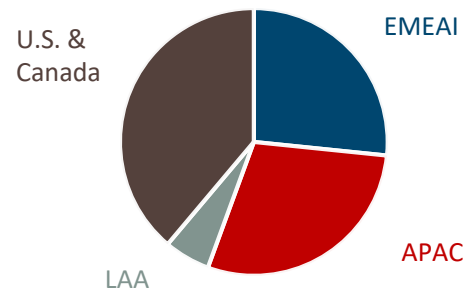
Financial Performance Snapshot	2Q19 <i>As Reported</i>	2Q18 <i>Pro Forma</i>	<i>B/(W)</i>	
Net Sales (\$MM)	\$2,356	\$2,673	\$(317)	(12)%
Op. EBIT (\$MM)	\$214	\$292	\$(78)	(27)%
Op. EBIT Margin (%)	9.1%	10.9%	(180) bps	

	Variances vs. SPLY Pro Forma				
	Sales	Local Price	FX	Volume	Op. EBIT
Performance Materials & Coatings	-12%	-5%	-2%	-5%	↓
Consumer Solutions	↓	↓	↓	↓	↓
Coatings & Perf. Monomers	↓	↓	↓	↓	↓

Net Sales by Business



Net Sales by Geographic Region



Consumer Solutions price & volume gains in U.S. & Canada; Coatings demand impacted by wet weather

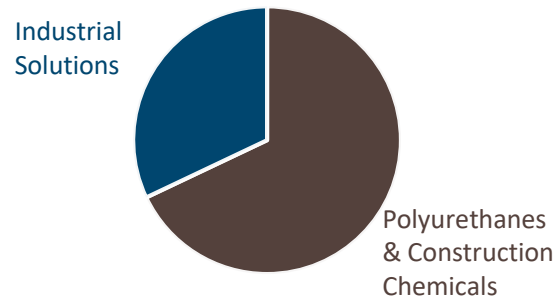


INDUSTRIAL INTERMEDIATES & INFRASTRUCTURE

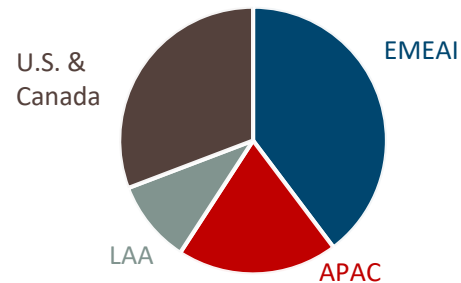
Financial Performance Snapshot	2Q19 <i>As Reported</i>	2Q18 <i>Pro Forma</i>	<i>B/(W)</i>	
Net Sales (\$MM)	\$3,342	\$3,972	\$(630)	(16)%
Op. EBIT (\$MM)	\$154	\$502	\$(348)	(69)%
Op. EBIT Margin (%)	4.6%	12.6%	(800) bps	
Op. EBIT ex. Eq. Earn. (\$MM)	\$232	\$406	\$(174)	(43)%
Op. EBIT Margin ex. Eq. Earn. (%)	6.9%	10.2%	(330) bps	

	Variances vs. SQLY Pro Forma				
	Sales	Local Price	FX	Volume	Op. EBIT
Ind. Intermediates & Infrastructure	-16%	-12%	-3%	-1%	↓
Industrial Solutions	↓	↓	↓	↓	↓
Polyurethanes & Construction Chem.	↓	↓	↓	—	↓

Net Sales by Business



Net Sales by Geographic Region



Demand growth in PU systems and isocyanates more than offset by margin compression in intermediates

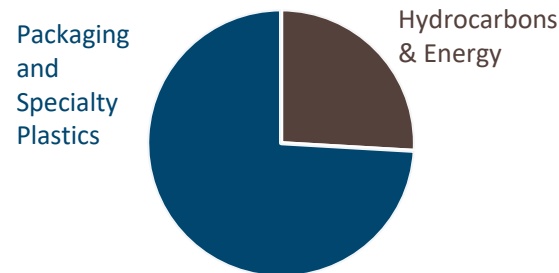


PACKAGING & SPECIALTY PLASTICS

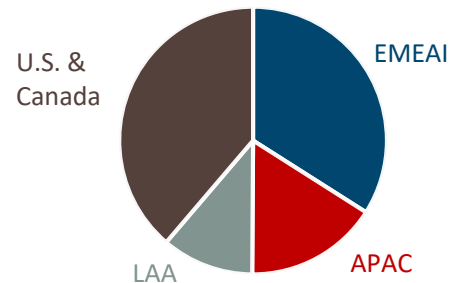
Financial Performance Snapshot	2Q19 <i>As Reported</i>	2Q18 <i>Pro Forma</i>	<i>B/(W)</i>	
Net Sales (\$MM)	\$5,205	\$6,134	\$(929)	(15)%
Op. EBIT (\$MM)	\$768	\$926	\$(158)	(17)%
Op. EBIT Margin (%)	14.8%	15.1%	(30) bps	
Op. EBIT ex. Eq. Earn. (\$MM)	\$694	\$818	\$(124)	(15)%
Op. EBIT Margin ex. Eq. Earn. (%)	13.3%	13.3%	(0) bps	

	Variances vs. SPLY Pro Forma				
	Sales	Local Price	FX	Volume	Op. EBIT
Packaging & Specialty Plastics	-15%	-9%	-2%	-4%	↓
Packaging and Specialty Plastics	↓	↓	↓	↑	↓
Hydrocarbons & Energy	↓	↓	↓	↓	↑

Net Sales by Business



Net Sales by Geographic Region



Demand growth in packaging and contributions from growth projects more than offset by PE margin compression

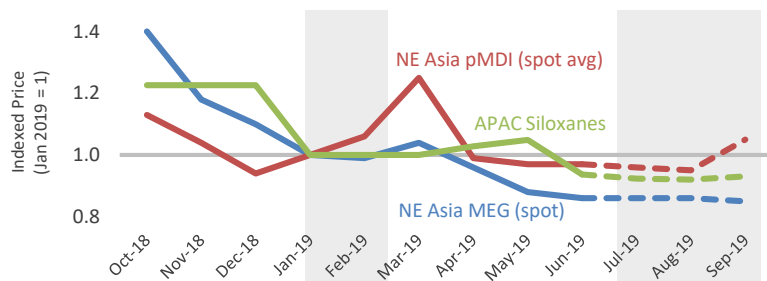


VALUE CHAIN FUNDAMENTALS ARE MIXED

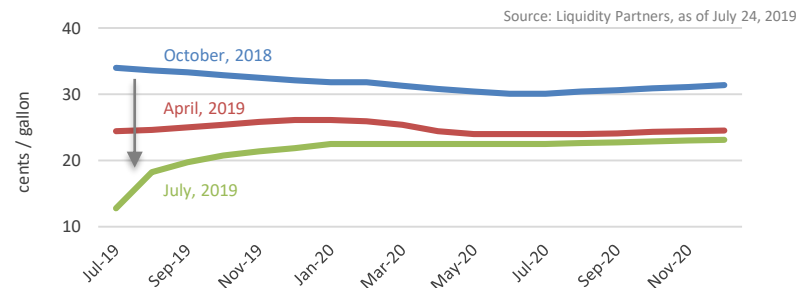
Current Business Sentiment Mixed

Market	U.S.	Europe	China	Brazil
Consumer	Favorable	Steady	Steady	Weak
Infrastructure	Steady	Steady	Steady	Steady
Packaging	Favorable	Steady	Steady	Weak
Industrial	Steady	Weak	Steady	Weak
	Favorable	Steady	Weak	

Intermediates Pricing Has Returned to 1Q19 Levels

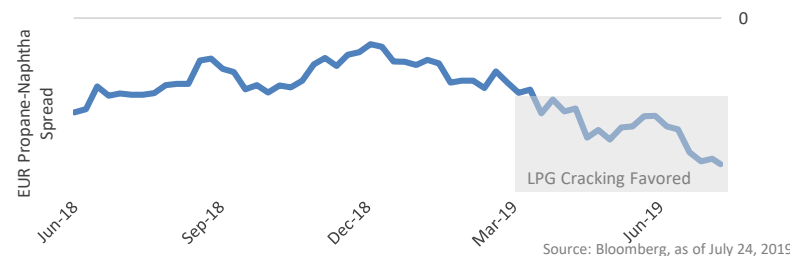


Evolving Feedstock Trends Play to Dow's Strengths



U.S. Ethane Futures Remain Subdued

Evolving Feedstock Trends Play to Dow's Strengths



LPG Cracking Favored in Europe in 2Q19

(1) Copyright 2019, IHS Markit. Used with written permission from IHS Markit. All rights reserved.



ACTION PLAN IN LIGHT OF CURRENT MARKET CONDITIONS

- Leveraging our strengths and operational levers
 - Taking full advantage of our feedstock flexibility in both the U.S. and Europe
 - Focused on margin management, especially pricing recovery
 - Instituting select expense controls
- Driving greater internal consumption of intermediates
- Capturing FY 2019 cost synergy and stranded cost savings of ~\$600MM
- Reducing FY 2019 CapEx spending from \$2.5B to \$2B
 - Slowing investment spending where more market certainty is required
 - Still prioritizing quick-win, incremental expansions

Taking prudent near-term actions, while preserving our long-term competitive advantage





Seek

Together™

APPENDIX

GENERAL COMMENTS

Separation from DowDuPont

On April 1, 2019, DowDuPont Inc. ("DowDuPont" and effective June 3, 2019, n/k/a DuPont de Nemours, Inc. or "DuPont") completed the previously announced separation of its materials science business and Dow Inc. became the direct parent company of The Dow Chemical Company and its consolidated subsidiaries ("TDCC" and together with Dow Inc., "Dow" or the "Company"). As of the effective date and time of the distribution, DowDuPont does not beneficially own any equity interest in Dow and no longer consolidates Dow and its consolidated subsidiaries into its financial results. Beginning in the second quarter of 2019, Dow's consolidated financial results reflect the results of Dow and its consolidated subsidiaries - that is, TDCC after giving effect to the distribution of its agricultural sciences business ("AgCo") and specialty products business ("SpecCo") and the receipt of E. I. du Pont de Nemours and Company's ("Historical DuPont") ethylene and ethylene copolymers businesses (other than its ethylene acrylic elastomers business) ("ECP"). The consolidated financial results of Dow for periods prior to April 1, 2019, reflect the distribution of AgCo and SpecCo as discontinued operations for each period presented as well as reflect the receipt of ECP as a common control transaction from the closing of the Merger on August 31, 2017.

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 these slides. 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 six months ended June 30, 2019 and the three and six months ended June 30, 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, (2) the removal of the amortization of ECP's inventory step-up recognized in connection with the Merger, and (3) 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 results for the three months ended June 30, 2019, are presented under accounting principles generally accepted in the United States of America ("U.S. GAAP").

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.



SAFE HARBOR

Cautionary Statement about Forward-Looking Statements

This presentation contains “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. In this context, forward-looking statements often address expected future business and financial performance, financial condition, and other matters, and often contain words 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. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements.

Forward-looking statements include, but are not limited to, expectations as to future sales of Dow’s products; the ability to protect Dow’s intellectual property in the United States and abroad; estimates regarding Dow’s capital requirements and need for and availability of financing; estimates of Dow’s expenses, future revenues and profitability; estimates of the size of the markets for Dow’s products and services and Dow’s ability to compete in such markets; expectations related to the rate and degree of market acceptance of Dow’s products; the outcome of certain Dow contingencies, such as litigation and environmental matters; estimates of the success of competing technologies that may become available and expectations regarding the benefits and costs associated with each of the foregoing.

Forward-looking statements by their nature address matters that are, to different degrees, uncertain. Forward-looking statements are based on certain assumptions and expectations of future events which may not be realized and speak only as of the date the statements were made. In addition, forward-looking statements also involve risks, uncertainties and other factors that are beyond Dow’s control that could cause Dow’s actual results to differ materially from those projected, anticipated or implied in the forward-looking statements. These factors include, but are not limited to: fluctuations in energy and raw material prices; failure to develop and market new products and optimally manage product life cycles; significant litigation and environmental matters; failure to appropriately manage process safety and product stewardship issues; changes in laws and regulations or political conditions; 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; weather events and natural disasters; ability to protect, defend and enforce Dow’s intellectual property rights; increased competition; changes in relationships with Dow’s significant customers and suppliers; unanticipated expenses such as litigation or legal settlement expenses; unanticipated business disruptions; Dow’s ability to predict, identify and interpret changes in consumer preferences and demand; Dow’s ability to complete proposed divestitures or acquisitions; Dow’s ability to realize the expected benefits of acquisitions if they are completed; the availability of financing to Dow in the future and the terms and conditions of such financing; and disruptions in Dow’s information technology networks and systems. Additionally, 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.

Risks related to achieving the anticipated benefits of Dow’s separation from DowDuPont Inc. (n/k/a DuPont de Nemours, Inc. “DuPont”) include, but are not limited to, a number of conditions outside the control of Dow, including risks related to Dow’s inability to achieve some or all of the benefits that it expects to receive from the separation from DuPont; certain tax risks associated with the separation; Dow’s inability to make necessary changes to operate as a stand-alone company; the failure of Dow’s pro forma financial information to be a reliable indicator of Dow’s future results; Dow’s inability to enjoy the same benefits of diversity, leverage and market reputation that it enjoyed as a combined company; Dow’s inability to receive third-party consents required under the separation agreement; Dow’s customers, suppliers and others’ perception of Dow’s financial stability on a stand-alone basis; non-compete restrictions under the separation agreement; receipt of less favorable terms in the commercial agreements Dow entered into with DuPont and Corteva, Inc. (“Corteva”), including restrictions under intellectual property cross-license agreements, than Dow would have received from an unaffiliated third party; and Dow’s obligation to indemnify DuPont and/or Corteva 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. For a more detailed discussion of Dow’s risks and uncertainties, see the section titled “Risk Factors” in: Dow’s quarterly report on Form 10-Q for the period ended June 30, 2019, in Dow’s registration statement on Form 10, as amended filed March 8, 2019 and in Part I, Item 1A of TDCC’s Annual Report on Form 10-K for the year ended December 31, 2018, filed with the SEC on February 11, 2019. Dow undertakes 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 U.S. GAAP and are considered non-GAAP measures. Dow's management believes that these non-GAAP measures best reflect the ongoing performance of Dow during the periods presented and provide more relevant and meaningful information to investors as they provide insight with respect to ongoing operating results of Dow and a more useful comparison of year-over-year results. These non-GAAP measures supplement Dow's U.S. GAAP disclosures and should not be viewed as an alternative to U.S. GAAP measures of performance. Furthermore, such non-GAAP measures may not be consistent with similar measures provided or used by other companies. This data should be read in conjunction with Dow's quarterly report on Form 10-Q for the period ended June 30, 2019. For the definitions and reconciliations of non-GAAP measures presented herein, see slides in the Appendix.

Trademarks

The Dow Diamond, logo and all products, unless otherwise noted, denoted with [™], SM or [®] are trademarks, service marks or registered trademarks of The Dow Chemical Company or its respective subsidiaries or affiliates. Solely for convenience, the trademarks, service marks and trade names referred to in this communication may appear without the [™], SM or [®] symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks, service marks and trade names. This presentation may also contain trademarks, service marks and trade names of certain third parties, which are the property of their respective owners. Our use or display of third parties' trademarks, service marks, trade names or products in this communication is not intended to, and should not be read to, imply a relationship with or endorsement or sponsorship of us.

Definitions

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

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

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

Operating EBIT Margin is defined as Operating EBIT, divided by Net Sales.

Op. EBIT ex. equity earnings is defined as Operating EBIT less Equity Earnings.

Op. EBIT Margin ex. equity earnings is defined as Operating EBIT less Equity Earnings divided by Net Sales.

Cash Flow from Operating Activities – Continuing Operations, excluding the impact of ASU 2016-15 is defined cash flows from operating activities – continuing operations excluding the impact of Accounting Standards Updated 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payment" and related interpretive guidance.

Cash Conversion is defined as Cash Flow from Operating Activities – Continuing Operations divided by Operating EBITDA. For periods prior to the fourth quarter of 2018, Cash Conversion is defined as "Cash Flow from Operating Activities – Continuing Operations, excluding the impact of ASU 2016-15, divided by Operating EBITDA.

Net Debt (JVs) is defined as Long-Term Debt plus Current Portion of Long-Term Debt less Cash and Cash Equivalents.

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).



OPERATING EPS RECONCILIATION

Significant Items Impacting Results for the Three Months Ended Jun 30, 2019			
In millions, except per share amounts (Unaudited)	<i>Pretax</i> ¹	<i>Net Income</i> ²	<i>EPS</i> ³
Reported results	\$ 215	\$ 75	\$ 0.10
Less: Significant items			
Integration and separation costs	(348)	(277)	\$ (0.37)
Restructuring and asset related charges - net	(65)	(53)	\$ (0.07)
Loss on divestiture	(44)	(47)	\$ (0.06)
Loss on early extinguishment of debt	(44)	(34)	\$ (0.04)
Indemnification and other transaction related costs	(127)	(163)	\$ (0.22)
Total significant items	(628)	(574)	\$ (0.76)
Operating results (non-GAAP)	\$ 843	\$ 649	\$ 0.86

Significant Items Impacting Results for the Three Months Ended Jun 30, 2018			
In millions, except per share amounts (Unaudited)	<i>Pretax</i> ¹	<i>Net Income</i> ²	<i>EPS</i> ³
Pro forma results	\$ 1,110	\$ 812	\$ 1.08
Less: Significant items			
Impact of Dow Silicones ownership restructure	(20)	(18)	(0.02)
Integration and separation costs	(234)	(201)	(0.27)
Restructuring and asset related charges - net	(32)	(28)	(0.04)
Total significant items	(286)	(247)	(0.33)
Operating pro forma results (non-GAAP)	\$ 1,396	\$ 1,059	\$ 1.41

1. "Income from continuing operations before income taxes" or pro forma "Income from continuing operations before income taxes."

2. "Net income available for Dow Inc. common stockholders" or pro forma "Net income 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 per common share from continuing operations - diluted" or pro forma "Earnings per common share from continuing operations - diluted."



OPERATING EPS RECONCILIATION (CONTINUED)

Significant Items Impacting Results for the Six Months Ended Jun 30, 2019			
In millions, except per share amounts (Unaudited)	<i>Pretax</i> ¹	<i>Net Income</i> ²	<i>EPS</i> ³
Pro forma results	\$ 579	\$ 251	\$ 0.33
Less: Significant items			
Integration and separation costs	(750)	(603)	(0.81)
Restructuring and asset related charges - net	(221)	(203)	(0.27)
Loss on divestiture	(44)	(47)	(0.06)
Loss on early extinguishment of debt	(44)	(34)	(0.04)
Indemnification and other transaction related costs	(127)	(240)	(0.32)
Total significant items	(1,186)	(1,127)	(1.50)
Operating pro forma results (non-GAAP)	\$ 1,765	\$ 1,378	\$ 1.83

Significant Items Impacting Results for the Six Months Ended Jun 30, 2018			
In millions, except per share amounts (Unaudited)	<i>Pretax</i> ¹	<i>Net Income</i> ²	<i>EPS</i> ³
Pro forma results	\$ 2,307	\$ 1,752	\$ 2.34
Less: Significant items			
Impact of Dow Silicones ownership restructure	(20)	(18)	\$ (0.02)
Integration and separation costs	(441)	(362)	\$ (0.49)
Restructuring and asset related charges - net	(104)	(88)	\$ (0.12)
Gain on divestiture	20	15	\$ 0.02
Income tax related items	-	(7)	\$ (0.01)
Total significant items	(545)	(460)	\$ (0.62)
Operating pro forma results (non-GAAP)	\$ 2,852	\$ 2,212	\$ 2.96

1. "Income from continuing operations before income taxes" or pro forma "Income from continuing operations before income taxes."

2. "Net income available for Dow Inc. common stockholders" or pro forma "Net income 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 per common share from continuing operations - diluted" or pro forma "Earnings per common share from continuing operations - diluted."



OPERATING EBIT & EBITDA RECONCILIATION

Reconciliation of "Income from continuing operations, net of tax" to Operating EBIT and Operating EBITDA	Three Months Ended		Six Months Ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
<i>In millions (Unaudited)</i>	<i>As Reported</i>	<i>Pro Forma</i>	<i>Pro Forma</i>	<i>Pro Forma</i>
Income from continuing operations, net of tax	\$ 90	\$ 849	\$ 298	\$ 1,810
+ Provision for income taxes on continuing operations	125	261	281	497
Income from continuing operations before income taxes	\$ 215	\$ 1,110	\$ 579	\$ 2,307
- Interest income	21	19	40	39
+ Interest expense and amortization of debt discount	237	262	477	523
- Significant items	(628)	(286)	(1,186)	(545)
Operating EBIT ¹	\$ 1,059	\$ 1,639	\$ 2,202	\$ 3,336
+ Depreciation and amortization	743	723	1,486	1,451
Operating EBITDA ²	\$ 1,802	\$ 2,362	\$ 3,688	\$ 4,787

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

SEGMENT INFORMATION

Net Sales by Segment	Three Months Ended		Six Months Ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
<i>In millions (Unaudited)</i>	<i>As Reported</i>	<i>Pro Forma</i>	<i>Pro Forma</i>	<i>Pro Forma</i>
Performance Materials & Coatings	\$ 2,356	\$ 2,673	\$ 4,676	\$ 5,044
Industrial Intermediates & Infrastructure	3,342	3,972	6,831	7,775
Packaging & Specialty Plastics	5,205	6,134	10,343	12,182
Corporate	111	72	180	146
Total net sales by segment	\$ 11,014	\$ 12,851	\$ 22,030	\$ 25,147

Operating EBIT by Segment	Three Months Ended		Six Months Ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
<i>In millions (Unaudited)</i>	<i>As Reported</i>	<i>Pro Forma</i>	<i>Pro Forma</i>	<i>Pro Forma</i>
Performance Materials & Coatings	\$ 214	\$ 292	\$ 485	\$ 647
Industrial Intermediates & Infrastructure	154	502	431	962
Packaging & Specialty Plastics	768	926	1,458	1,897
Corporate	(77)	(81)	(172)	(170)
Total Operating EBIT by segment	\$ 1,059	\$ 1,639	\$ 2,202	\$ 3,336

Equity in Earnings (Losses) of Nonconsolidated Affiliates	Three Months Ended		Six Months Ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
<i>In millions (Unaudited)</i>	<i>As Reported</i>	<i>Pro Forma</i>	<i>Pro Forma</i>	<i>Pro Forma</i>
Performance Materials & Coatings	\$ 1	\$ 1	\$ 1	\$ 1
Industrial Intermediates & Infrastructure	(78)	96	(126)	245
Packaging & Specialty Plastics	74	108	112	167
Corporate	(12)	(12)	(16)	(19)
Total equity in earnings (losses) of nonconsolidated affiliates by segment	\$ (15)	\$ 193	\$ (29)	\$ 394



SEGMENT INFORMATION (CONTINUED)

Operating EBIT excluding Equity in Earnings (Losses) of Nonconsolidated Affiliates	Three Months Ended		Six Months Ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
	As Reported	Pro Forma	Pro Forma	Pro Forma
<i>In millions (Unaudited)</i>				
Performance Materials & Coatings	\$ 213	\$ 291	\$ 484	\$ 646
Industrial Intermediates & Infrastructure	232	406	557	717
Packaging & Specialty Plastics	694	818	1,346	1,730
Corporate	(65)	(69)	(156)	(151)
Total Operating EBIT excluding equity in earnings (losses) of nonconsolidated affiliates by segment	\$ 1,074	\$ 1,446	\$ 2,231	\$ 2,942

Operating EBIT Margin excluding Equity in Earnings (Losses) of Nonconsolidated Affiliates	Three Months Ended		Six Months Ended	
	Jun 30, 2019	Jun 30, 2018	Jun 30, 2019	Jun 30, 2018
	As Reported	Pro Forma	Pro Forma	Pro Forma
<i>Percent change (Unaudited)</i>				
Performance Materials & Coatings	9.0%	10.9%	10.4%	12.8%
Industrial Intermediates & Infrastructure	6.9%	10.2%	8.2%	9.2%
Packaging & Specialty Plastics	13.3%	13.3%	13.0%	14.2%
Total Operating EBIT margin excluding equity in earnings (losses) of nonconsolidated affiliates by segment	9.8%	11.3%	10.1%	11.7%



CASH CONVERSION RECONCILIATION

Cash Flow Conversion	<i>Three Months Ended</i>		<i>Six Months Ended</i>	
	<i>Jun 30, 2019</i>	<i>Jun 30, 2018</i>	<i>Jun 30, 2019</i>	<i>Jun 30, 2018</i>
<i>In millions</i>				
Cash provided by operating activities - continuing operations (GAAP)	\$ 960	\$ 760	\$ 2,003	\$ 1,504
Impact of ASU 2016-15 and additional interpretive guidance	-	211	-	656
Cash flows from operating activities - continuing operations, excluding impact of ASU 2016-15 (non-GAAP) ¹	\$ 960	\$ 971	\$ 2,003	\$ 2,160
Operating EBITDA	\$ 1,802	\$ 2,362	\$ 3,688	\$ 4,787
Cash flow conversion (non-GAAP) ³	53.3%	41.1%	54.3%	45.1%

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. Operating EBITDA for the three months ended June 30, 2018 and the six months ended June 30, 2019 and 2018 is presented on a pro forma basis.