

DOW

Howard Ungerleider, President and Chief Financial Officer

J.P. Morgan Virtual Industrials Conference
March 10, 2020

DELIVERING ON OUR PRIORITIES



Consistent progress on the priorities laid out at our Investor Day in 2018

Substantial Progress Delivered Amidst a Challenging Macro

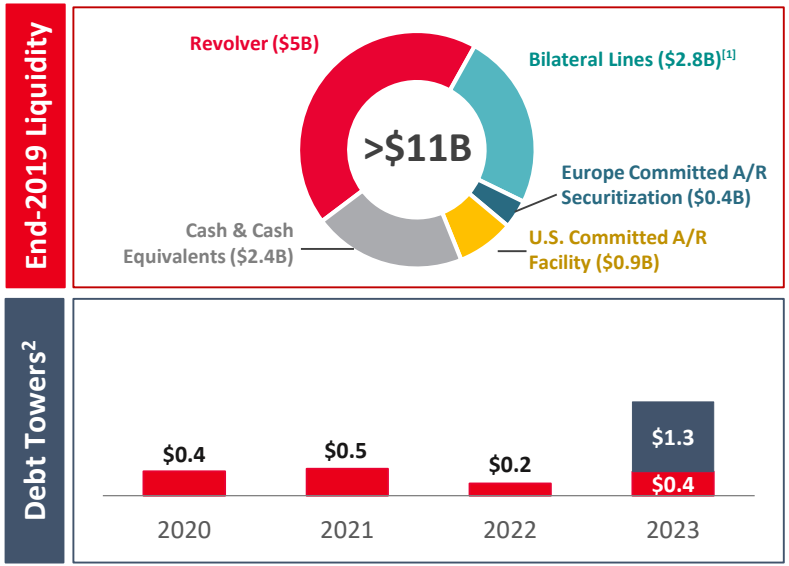
Financial Goals Outlined at Investor Day 2018	*Our Progress to Date*
Profitable Growth, Enhance Customer-Centricity	
✓ Wave 1 growth projects to contribute $200-$350MM of EBITDA	~$250MM of EBITDA in 2019
✓ Prioritize lower-risk, incremental growth projects	Silicones de-bottlenecks, Ind. Solutions expansions, USGC, W. Canada
✓ Enhance 'Digital Dow'	~$3B of revenue through new e-commerce portal
Disciplined Capital Allocation, Strong Credit Profile, Focus on Cash	
✓ Strong investment-grade credit profile across the cycle	Gross debt reduced by >$3B in 2019; next major maturity 2H23[1]
✓ Maintain CapEx at or below D&A	$2B CapEx in 2019; estimated $1.5–$1.75B in 2020
✓ Higher free cash flow generation	$5.7B CFFO in 2019 cont. ops., +$2.6B YoY
✓ ~90% EBITDA-to-CFFO conversion	>90% in 3Q19 & 4Q19; increased conversion[2] to 78% in 2019
✓ ~65% of Op. Net Income returned to shareholders across the cycle	$2.6B returned to shareholders in 2019[3]
Low-Cost Operating Model	
✓ Complete cost synergy realization	$1.365B program completed
✓ Deliver ~$300MM of stranded cost savings by end of 2020	>$160MM savings 2019; $140MM on track for 2020
Best Owner Mindset, Benchmarking, Enhanced Disclosures	
✓ Shifted profit metric from Op. EBITDA to Op. EBIT	Completed at spin
✓ Enhanced disclosures and transparency	Disclosed key product capacities; market-based ethylene transfer pricing
✓ Incremental portfolio management	Several cleanup transactions in 2019; more underway in 2020
✓ Culture of benchmarking	Providing external benchmarking update today

(1) Contingent upon planned redemption of the 2022 Notes balance, which is expected to occur at the end of 1Q20.
(2) Cash flow conversion is defined as "Cash flows from operating activities - continuing operations, excluding the impact of ASU 2016-15" divided by Pro Forma Operating EBITDA.

(3) Dow paid dividends of $535 million to DowDuPont in the first quarter of 2019, as well as a cumulative $1.55 billion to Dow Inc. shareholders in the remaining three quarters of the year. Dow fulfilled share repurchase target of $500 million in 2019.

Prudent Deleveraging & Liability Management Actions Taken Since Spin

Liquidity & Debt Overview



Recent Deleveraging & Liability Mgmt Actions

- Paid down >$3B of gross debt in 2019
  - ✓ Interest expense in FY19 was >$100MM lower YoY
- Extended maturity of term loan to 3Q23
- Extended maturity of $5B revolver to October 2024
- Successfully executed €2.25B Eurobond issuance in February 2020 at weighted average coupon of ~1%; used proceeds for debt-neutral liability management
  - ✓ Announced full redemption of $1.25B 3.0% Notes due 2022
  - ✓ Paid down $750MM of term loan
  - ✓ Remaining proceeds used to repay other indebtedness
- Expect annual interest expense savings of ~$90MM

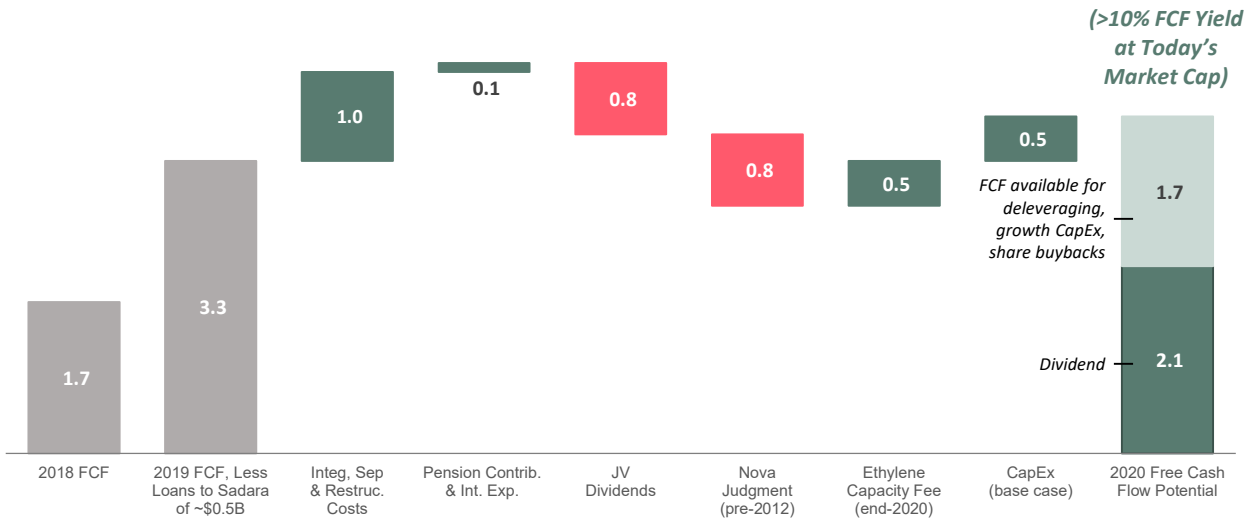
Reduced refinancing risk and interest expense while preserving financial strength and flexibility

(1) $2.0B of committed bilateral and $0.8B of uncommitted.
(2) Reflects year-end 2019 and the application of the proceeds of the February 2020 Eurobond issuance.

SIGNIFICANT FCF POTENTIAL, SEVERAL NEAR-TERM ACTIONS IN FOCUS

Base Case Highlights ~$4B of FCF Potential in 2020

Base Case Cash Upsides/Downsides vs. 2019



~$1B of FCF Upside Potentials

- Recover tax paid on pre-2012 Nova judgment
- Reach settlement or obtain judgment on post-2012 Nova litigation
- Other cash conversion improvements in focus:
  - Working capital efficiencies
  - Tax structure improvements

Disciplined prioritization of FCF; upside potentials could drive further near-term optionality

Culture of Benchmarking: Summary of Observations

Segment	FY19 Benchmarking: Strengths & Gaps
P&SP	✓ FY19 YoY Adj. Op. EBITDA decline significantly less than peers ✓ Adj. Op. EBITDA per pound polyolefin capacity ahead of peers; advantage widened ✓ Adj. Op. EBITDA margin was among highest in the peer group ✓ Free Cash Conversion improved and scored among highest in the peer group ✓ SG&A + R&D as % of sales remained among lowest in the peer group
II&I	✓ FY19 YoY Adj. Op. EBITDA decline less than median, driven by lower merchant isocyanates exposure and continued PU Systems growth × Adj. Op. EBITDA margin below peer median, but gap narrowed due to cost synergies and stranded cost removal ✓ Free Cash Conversion remained among highest in the peer group ✓ SG&A + R&D as % of sales remained among lowest in the peer group
PM&C	× FY19 YoY Adj. Op. EBITDA growth lagged peers, driven by greater exposure to merchant siloxanes ✓ Adj. Op. EBITDA margin remained better than peer median; gap to best-in-class ✓ Free Cash Conversion among highest in the peer group ✓ SG&A + R&D as % of sales best-in-class; expanded advantage vs. next closest peer

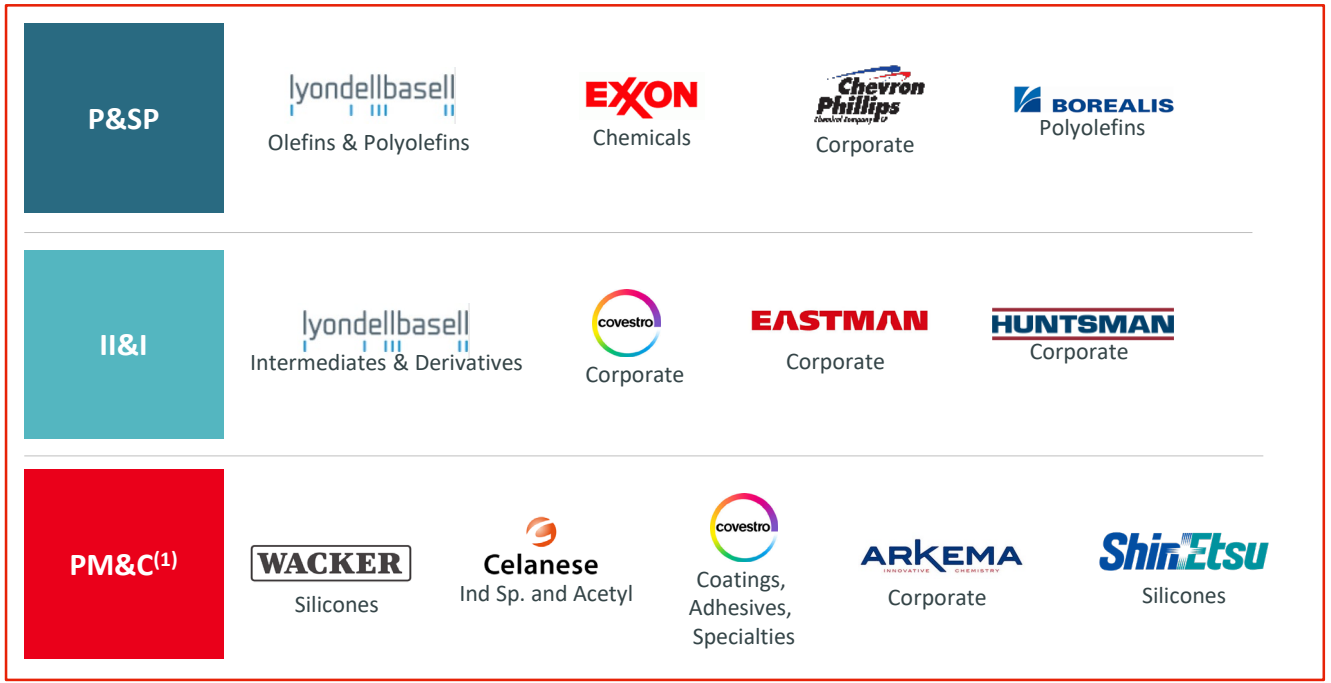
Source: Dow on a pro forma basis, CapitalIQ.
Adjusted Operating EBITDA is defined as Operating EBITDA, excluding equity earnings. Dow data for Pro Forma Adj. Op. EBITDA Growth and Pro Forma Adj. Op. EBITDA Margin are based on Dow operating segment financial results.

Pro Forma Free Cash Conversion for Dow is defined as Pro Forma Adj. Op. EBITDA, less Capex, divided by Pro Forma Adj. Op. EBITDA. Reconciliation contained at the end of this presentation.
SG&A and R&D metrics based on Pro Forma financials.



FY19 BENCHMARKING UPDATE

BENCHMARKING PEERS – CONSISTENT WITH INVESTOR DAY 2018



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

(1) Momentive was acquired by KCC and no longer provides publicly available data; therefore, it has been excluded from the peer set for the PM&C segment.

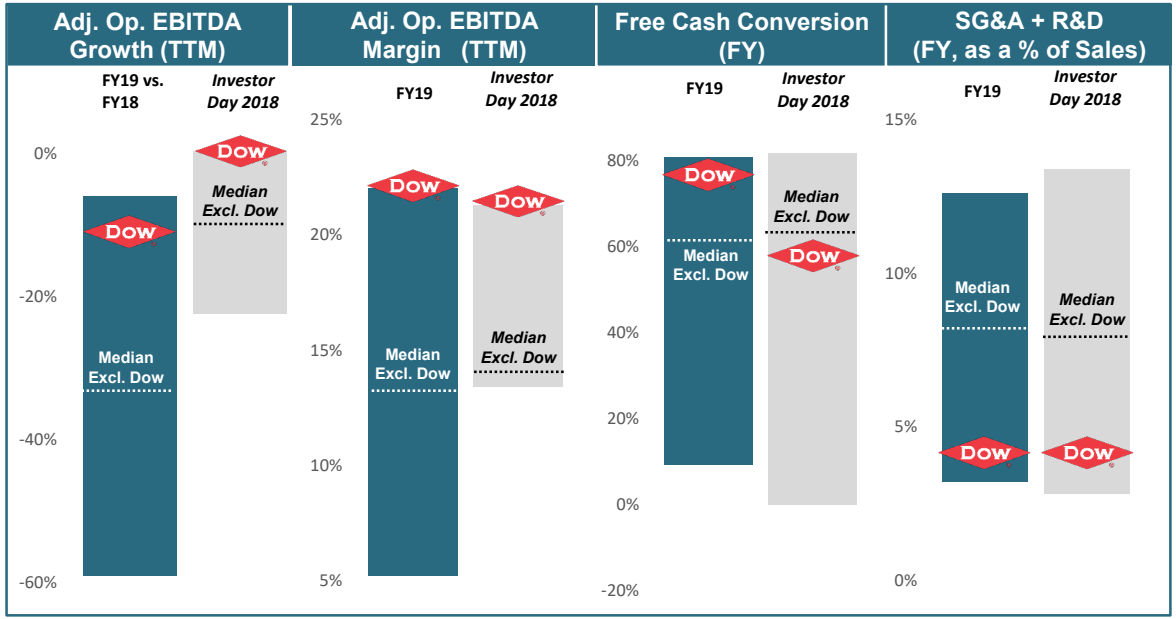
PACKAGING & SPECIALTY PLASTICS

BENCHMARKING SNAPSHOT on a Pro Forma Basis (1,2,3,4,5,6)

FY19 UPDATE & INVESTOR DAY 2018

CORE STRENGTHS

- World-class packaging franchise
- Most flexible feedstock capability in the industry
- Flexible polyolefins assets
- Proprietary catalyst and process technology
- Differentiated co-monomer capability
- Global, low-cost footprint



Source: Dow on a pro forma basis, CapitalIQ.

FOCUS AREAS

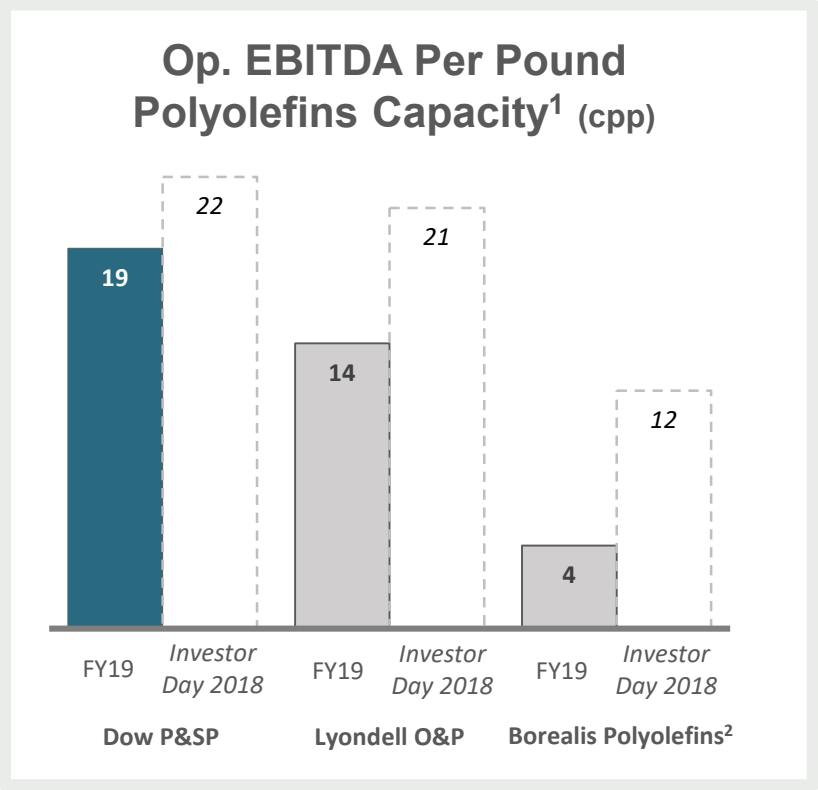
- Complete stranded cost removal, capture further productivity gains
- Maintain and enhance cash conversion
- Pursue incremental, forward-integration investments
- Re-allocate resources to ensure highest return to ethylene
- Energy intensity, CO_2 footprint, improved yield

(1) Adjusted Operating EBITDA is defined as Operating EBITDA, excluding equity earnings. Dow data for Pro Forma Adj. Op. EBITDA Growth and Pro Forma Adj. Op. EBITDA Margin are based on Dow operating segment financial results.
(2) Benchmarking peer set range includes: LyondellBasell Olefins & Polyolefins, Chevron Phillip Chemical, Borealis Polyolefins, ExxonMobil Chemicals (entire segment).
(3) Pro Forma Free Cash Conversion for Dow is defined as Pro Forma Adj. Op. EBITDA, less Capex, divided by Pro Forma Adj. Op. EBITDA.
(4) SG&A and R&D metrics based on Pro Forma financials.
(5) Median excludes Dow.
(6) Borealis results are as of 2Q19 TTM per company filed interim financial report.

Investor Day 2018 Reflects: 2Q18 TTM vs. 2Q17 TTM for Op. EBITDA Growth; 2Q18 TTM Op. EBITDA Margin, and FY17 for Free Cash Conversion and SG&A + R&D (FY, as a % of Sales).

For further unaudited pro forma financial information, refer to the Company's Current Report on Form 8-K dated June 3, 2019 and 4Q19 Earnings materials included in the Current Report on Form 8-K dated January 29, 2020.

RETURN ON POLYOLEFIN CAPACITY



(1) Segment EBITDA based on FY19 reported figures including equity income from affiliates/JVs (Borealis based on 2Q19 TTM with FY18 D&A). Capacity based on latest company reported nameplate for PE and PP (2019 for Dow, 2019 Data book source for Lyondell) including share of JVs, or ICIS reported capacity for 2019 including share of JVs if not available (Borealis).
(2) Borealis Polyolefins EBITDA adjusted for equity earnings from JVs.

Dow's P&SP Returns Remain Ahead of Peers

- Full feedstock-to-polymer integration delivers enhanced value
- Differentiated portfolio delivers margin resiliency
  - Functional Polymers portfolio dampens trends
  - Leading market & application participation
- Additional benefits from:
  - Uniquely advantaged feedstock cost positions
  - Superior upstream cracker flexibility

Source: Dow on a pro forma basis, Peer company reported capacities, ICIS.
Investor Day 2018 Reflects 2Q18 TTM.

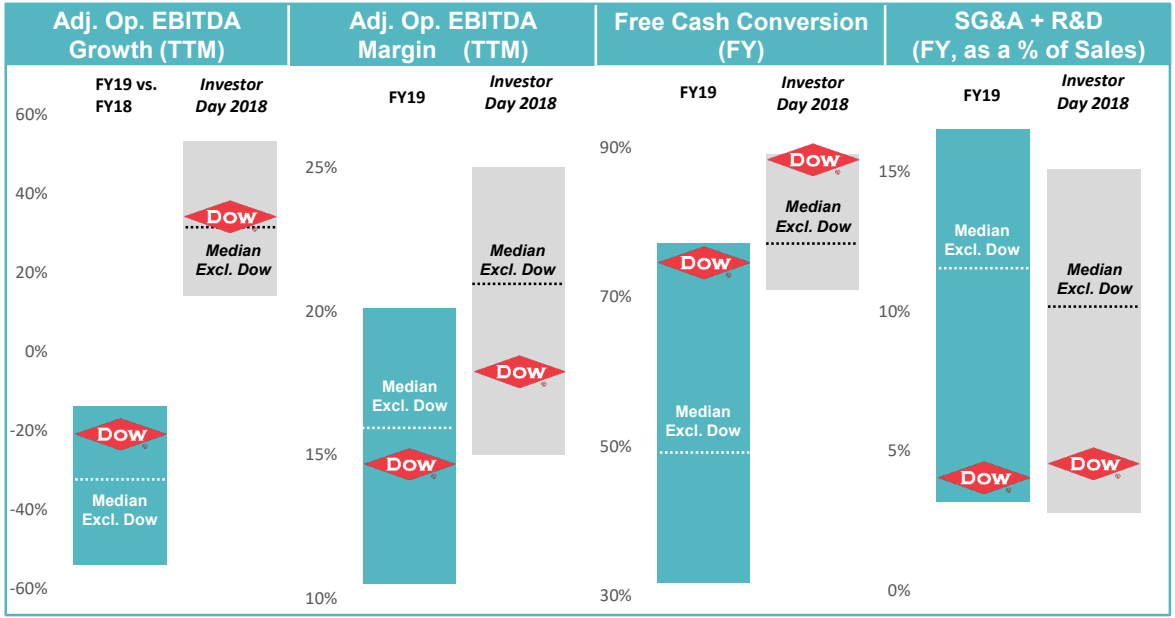
INDUSTRIAL INTERMEDIATES & INFRASTRUCTURE

BENCHMARKING SNAPSHOT on a Pro Forma Basis (1,2,3,4,5)

FY19 UPDATE & INVESTOR DAY 2018

CORE STRENGTHS

- Top global producer of key raw materials (EO, PO)
- Flexible manufacturing model
- Incremental asset expansions
- Top 3 PU Systems House business
- Industrial Solutions contains products with some of the highest returns to ethylene



Source: Dow on a pro forma basis, CapitalIQ.

FOCUS AREAS

- Complete stranded cost removal, capture further productivity gains
- Shift PU mix to Perf. Polyols & Systems
- Tilt Industrial Solutions mix toward highest returns to ethylene
- Implement incremental expansions (glycol ethers, alkoxylates)

(1) Adjusted Operating EBITDA is defined as Operating EBITDA, excluding equity earnings. Dow data for Pro Forma Adj. Op. EBITDA Growth and Pro Forma Adj. Op. EBITDA Margin are based on Dow operating segment financial results.
(2) Benchmarking peer set range includes: Eastman, Huntsman, Covestro, LyondellBasell Intermediates & Derivatives segment.
(3) Pro Forma Free Cash Conversion for Dow is defined as Pro Forma Adj. Op. EBITDA, less Capex, divided by Pro Forma Adj. Op. EBITDA.
(4) SG&A and R&D metrics based on Pro Forma financials.
(5) Median excludes Dow.

Investor Day 2018 Reflects: 2Q18 TTM vs. 2Q17 TTM for Op. EBITDA Growth; 2Q18 TTM Op. EBITDA Margin, and FY17 for Free Cash Conversion and SG&A + R&D (FY, as a % of Sales).

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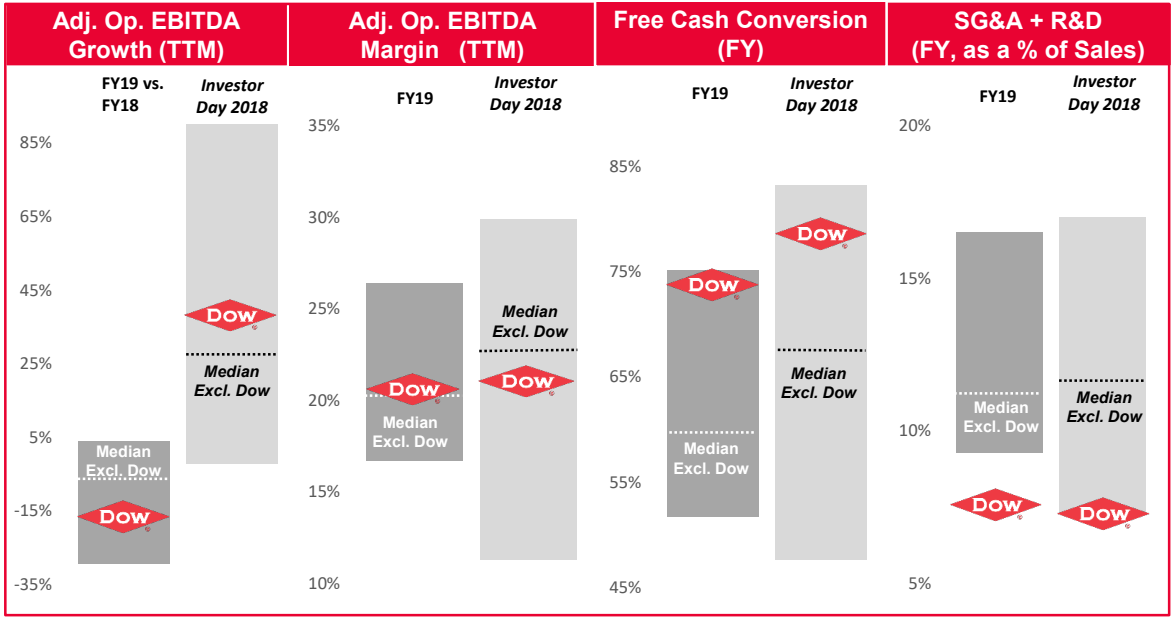
PERFORMANCE MATERIALS & COATINGS

BENCHMARKING SNAPSHOT on a Pro Forma Basis (1,2,3,4,5,6)

FY19 UPDATE & INVESTOR DAY 2018

CORE STRENGTHS

- World-class silicones franchise
- Lowest cost siloxanes producer
- Leading coatings solutions provider
- World-scale acrylic monomer assets
- One of the largest B2B digital platforms
- Unique hybrid chemistry opportunities
- Leading SG&A and R&D efficiency



Source: Dow on a pro forma basis, CapitalIQ.

FOCUS AREAS

- Complete stranded cost removal and further productivity gains
- Pursue incremental silicones expansions
- Deliver hybrid chemistry solutions
- Improve acrylics margins, drive more captive use
- Implement B2B digital model for coatings
- Increase industrial coatings portfolio

(1) Adjusted Operating EBITDA is defined as Operating EBITDA, excluding equity earnings. Dow data for Pro Forma Adj. Op. EBITDA Growth and Pro Forma Adj. Op. EBITDA Margin are based on Dow operating segment financial results.
(2) Benchmarking peer set range includes: Celanese Acetyl Chain, Wacker Silicones segment, Shin-Etsu Silicones segment, Arkema, Covestro Coatings segment.
(3) Pro Forma Free Cash Conversion for Dow is defined as Pro Forma Adj. Op. EBITDA, less Capex, divided by Pro Forma Adj. Op. EBITDA.
(4) SG&A and R&D metrics based on Pro Forma financials.
(5) Median excludes Dow.
(6) Wacker and Arkema results for SG&A + R&D are as of 3Q19 TTM; All other results are as of FY19.

Investor Day 2018 Reflects: 2Q18 TTM vs. 2Q17 TTM for Op. EBITDA Growth; 2Q18 TTM Op. EBITDA Margin, and FY17 for Free Cash Conversion and SG&A + R&D (FY, as a % of Sales)

For further unaudited pro forma financial information, refer to the Company's Current Report on Form 8-K dated June 3, 2019 and 4Q19 Earnings materials included in the Current Report on Form 8-K dated January 29, 2020.



THANK YOU

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 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"), 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 information in this report reflects the results of Dow and its consolidated subsidiaries, after giving effect to the distribution to DowDuPont of TDCC's agricultural sciences business ("AgCo") and specialty products business ("SpecCo") and the receipt of E. I. du Pont de Nemours and Company and its consolidated subsidiaries' ("Historical DuPont") ethylene and ethylene copolymers business (other than its ethylene acrylic elastomers business) ("ECP"). 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 the twelve months ended December 31, 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 year ended December 31, 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 Reports on Form 8-K dated June 3, 2019; 4Q19 Earnings materials dated January 29, 2020; and Annual Report Form 10-K dated February 7, 2020.

General Comments

Unless otherwise specified, all historical profit/loss financial measures presented are on a pro forma basis, and 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 27Aof 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 our separation from DowDuPont Inc. include, but are not limited to, a number of conditions including risks outside the control of Dow including risks related to (i) Dow’s inability to achieve some or all of the benefits that it expects to receive from the separation from DowDuPont, (ii) certain tax risks associated with the separation, (iii) Dow’s inability to make necessary changes to operate as a stand-alone company, (iv) the failure of Dow’s pro forma financial information to be a reliable indicator of Dow’s future results, (v) Dow’s inability to enjoy the same benefits of diversity, leverage and market reputation that it enjoyed as a combined company, (vi) Dow’s inability to receive third-party consents required under the separation agreement, (vii) Dow’s customers, suppliers and others' perception of Dow’s financial stability on a stand-alone basis, (viii) non-compete restrictions under the separation agreement, (ix) receipt of less favorable terms in the commercial agreements we entered into with E. I. du Pont de Nemours and Company n/k/a/ DuPont de Nemours, Inc.(“DuPont”) and Corteva, Inc. (“Corteva”), including restrictions under intellectual property cross-license agreements, than Dow would have received from an unaffiliated third party; and (x) 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” contained in Part I, Item 1A of Dow Inc.’s and TDCC’s combined Annual Report on Form 10-K for the fiscal year ended December 31, 2019. Dow 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

Trademarks

The Dow Diamond, logo and all products, unless otherwise noted, denoted with ™, ℠ 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 ™, ℠ 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.

Non-GAAP Financial Measures

This presentation includes information that does not conform to U.S. GAAP and are considered non-GAAP measures. These measures include the Company's pro forma consolidated results and pro forma earnings per share on an adjusted basis. 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 U.S. GAAP disclosures and should not be viewed as alternatives 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. Non-GAAP measures included in this release are defined below. Reconciliations for these non-GAAP measures to U.S. GAAP are provided in the Selected Financial Information and Non-GAAP Measures section starting on page 13. Dow does not provide forward-looking U.S. GAAP financial measures or a reconciliation of forward-looking non-GAAP financial measures to the most comparable U.S. 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 U.S. GAAP results for the guidance period.

For reconciliation to the most directly comparable U.S. GAAP measure, see supplemental information located at investors.dow.com under Financial Reporting.

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 Net Income is defined as "Net Income (Loss) Available for Dow Inc. Common Stockholders" excluding the after-tax impact of significant items.

Cash Flow from Operating Activities – Continuing Operations (CFFO), excluding the impact of ASU 2016-15 is defined 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 Payment" and related interpretive guidance.

Free cash flow (FCF) is defined as "Cash flows from Operating Activities - Continuing Operations", excluding the impact of ASU 2016-15, 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.

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.

Pro Forma Adjusted Operating EBITDA is defined as Pro Forma Operating EBITDA, excluding equity earnings.

Pro Forma Free Cash Conversion is defined as Pro Forma Adj. Op. EBITDA, less Capex, divided by Pro Forma Adj. Op. EBITDA.

FREE CASH CONVERSION RECONCILIATION

Free Cash Conversion for the Twelve Months Ended Dec 31, 2019			
In millions, except per share amounts (Unaudited)	*Pack. & Spec. Plastics*	*Ind. Interm. & Infrast.*	*Perf. Materials & Coatings*
Pro forma Operating EBIT	$ 2,904	$ 845	$ 918
+ Depreciation and amortization	$ 1,435	$ 594	$ 877
Pro forma Operating EBITDA	$ 4,339	$ 1,439	$ 1,795
- Equity in earnings (losses) of nonconsolidated afffiliates	$ 162	$ (241)	$ 5
Adjusted Operating EBITDA	$ 4,177	$ 1,680	$ 1,790
- Capital expenditures	$ 1,039	$ 452	$ 470
Adjusted Free Cash Flow	$ 3,138	$ 1,228	$ 1,320
Free Cash Conversion by Segment	75%	73%	74%

Free Cash Conversion for the Twelve Months Ended Dec 31, 2017			
In millions, except per share amounts (Unaudited)	*Pack. & Spec. Plastics*	*Ind. Interm. & Infrast.*	*Perf. Materials & Coatings*
Pro forma Operating EBIT	$ 3,712	$ 1,470	$ 817
+ Depreciation and amortization	$ 1,055	$ 572	$ 885
Pro forma Operating EBITDA	$ 4,767	$ 2,042	$ 1,702
- Equity in earnings (losses) of nonconsolidated afffiliates	$ 190	$ 172	$ 40
Adjusted Operating EBITDA	$ 4,577	$ 1,870	$ 1,662
- Capital expenditures	$ 2,034	$ 310	$ 463
Adjusted Free Cash Flow	$ 2,543	$ 1,560	$ 1,199
Free Cash Conversion by Segment	56%	83%	72%

Free Cash Conversion is defined as Pro Forma Operating EBITDA excluding Equity Earnings, less capital expenditures divided by Pro Forma Operating EBITDA excluding Equity Earnings