3Q 2023 RESULTS

October 24, 2023

3Q 2023 RESULTS

AGENDA

- Quarterly Results
- Operating Segment Performance
- Outlook
- Growth and Sustainability Roadmap Enables Value Creation

3Q 2023 Performance Overview

- Team Dow continued to advance our long-term strategy while reducing costs and maximizing cash generation, despite slow macroeconomic environment
- Net sales were $10.7B reflecting slower global macroeconomic activity
  - Volume down 6% YoY; up 1% QoQ and up 3% excluding merchant Hydrocarbons & Energy sales, with gains in all operating segments
  - Price declined 18% YoY and 7% QoQ due to lower feedstock and energy costs
- Net income was $327MM and Operating EBIT was $626MM
- Generated $1.7B of cash flow from operating activities – continuing operations
- Returned $617MM to shareholders, including $492MM in dividends and $125MM in share repurchases

$10.7B
NET SALES

$1.3B
OPERATING EBITDA

103%
CASH FLOW CONVERSION TTM

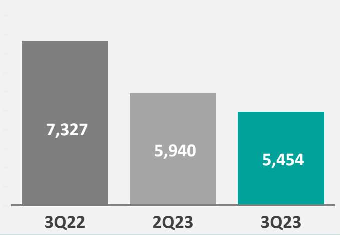
$617MM
RETURNED TO SHAREHOLDERS

Operating EBIT, Operating EBITDA, Adjusted Operating EBIT, Free Cash Flow, Free Cash Flow Yield, Cash Flow Conversion, Operating ROIC, Shareholder Yield, Net Debt and Diluted Shares Outstanding are Non-GAAP measures. See the Appendix for definitions and a reconciliation to the most directly comparable U.S. GAAP measure.

3Q 2023 Operating Segment Performance

Packaging & Specialty Plastics

REVENUE ($MM)



Y-o-Y

Sales ↓ 26%; Price ↓ 20%; Volume ↓ 7%

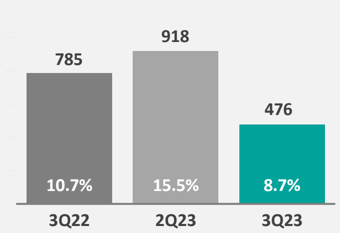
Price declines driven by lower global energy costs; demand in polyethylene more than offset by lower volume in Hydrocarbons & Energy business

Q-o-Q

Sales ↓ 8%; Price ↓ 6%; Volume ↓ 2%

Declines in olefin and aromatic sales and lower polyethylene prices primarily in EMEAI, partly offset by higher packaging demand

Op. EBIT ($MM) **& Op. EBIT Margin %**



Y-o-Y

Op. EBIT ↓ $309MM; Margins ↓ 200 bps

Results driven primarily by lower integrated polyethylene margins

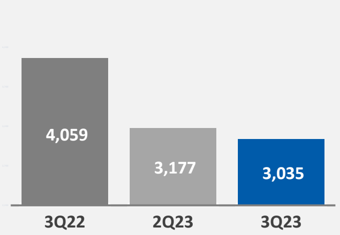
Q-o-Q

Op. EBIT ↓ $442MM; Margins ↓ 680 bps

Driven by lower integrated polyethylene margins, increased planned maintenance activity, and lower licensing revenue

Ind. Intermediates & Infrastructure

REVENUE ($MM)



Y-o-Y

Sales ↓ 25%; Price ↓ 17%; Volume ↓ 7%

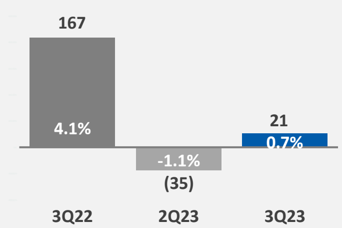
Price and volume declines in both businesses driven by slower global demand

Q-o-Q

Sales ↓ 4%; Price ↓ 7%; Volume ↑ 4%

Volume gains in EMEAI and Asia Pacific were more than offset by local price declines in all regions

Op. EBIT ($MM) **& Op. EBIT Margin %**



Y-o-Y

Op. EBIT ↓ $146MM; Margins ↓ 340 bps

Results primarily driven by lower prices and demand in both businesses

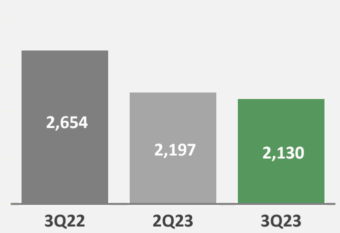
Q-o-Q

Op. EBIT ↑ $56MM; Margins ↑ 180 bps

Improvement driven by volume gains and lower costs, partly offset by an unplanned event in Industrial Solutions

Perf. Materials & Coatings

REVENUE ($MM)



Y-o-Y

Sales ↓ 20%; Price ↓ 17%; Volume ↓ 3%

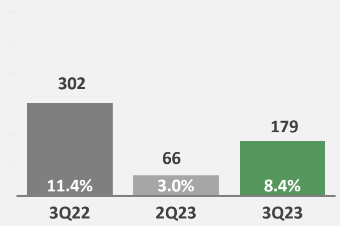
Price declines in both businesses; volume gains in commercial building & construction more than offset by lower demand for personal care and coatings applications in residential construction

Q-o-Q

Sales ↓ 3%; Price ↓ 4%; Volume ↑ 2%

Volume gains in both businesses and all regions more than offset by lower prices

Op. EBIT ($MM) **& Op. EBIT Margin %**



Y-o-Y

Op. EBIT ↓ $123MM; Margins ↓ 300 bps

Results driven by price declines in both businesses

Q-o-Q

Op. EBIT ↑ $113MM; Margins ↑ 540 bps

Results primarily driven by higher operating rates and targeted cost savings actions

Macroeconomic Outlook Remains Challenging

Source: Based on internal and third-party markers

U.S. – Industrial activity remains slow; consumers more cautious

+ Retail sales growth remained positive, up 3% YoY in September
+ S&P Manufacturing PMI improved to 49.8 in September
– Consumer confidence continued to decline MoM, coming in at 103 in September[2]

EU – Weak economic and industrial activity continues

+ EU new car registrations grew 9.2% YoY in September; 14th consecutive month of growth
– S&P Eurozone Manufacturing PMI was at 43.4 in September vs. 43.5 in August
– Consumer confidence declined in September to -18.7, remained below historical average

China – Slower-than-expected economic recovery

+ Auto sales and production increased both MoM and YoY in September
+ Caixin Manufacturing PMI decreased to 50.6 in September vs. 51.0 in August
– Exports down 6.2% YoY in September, the fifth consecutive month of declines

ROW – Industrial activity remains constructive in certain regions

+ India Manufacturing PMI remained expansionary at 57.5 in September
+ Mexico Industrial Production up 5.2% YoY in August, the 22nd consecutive month of growth
– ASEAN PMI entered contractionary territory at 49.6 in September vs. 51.0 in August

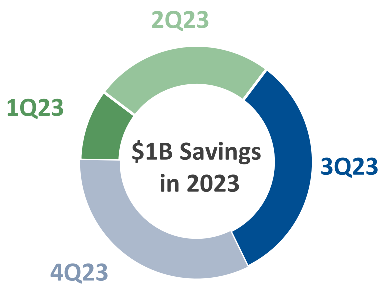
1. Includes housing and residential construction trends
2. The Conference Board: Consumer Confidence

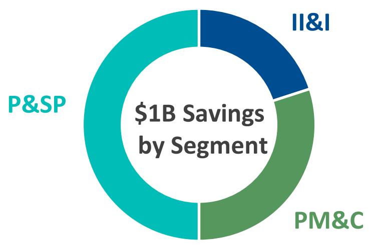
Financial and Operational Discipline Enables Value Capture

Extending our Low-Cost-to-Serve Advantages

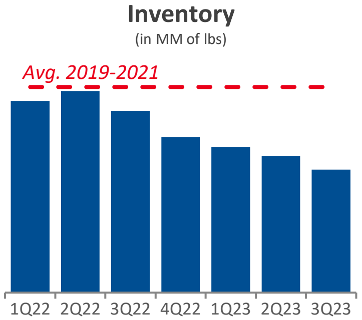
On Track to Deliver $1B of Cost Savings in 2023

- >85% of impacted roles **exited** at end of 3Q; >90% by end of year
- **Reducing** planned maintenance turnaround spend by $300MM year-over-year
- In-flight actions to **rationalize select higher-cost, lower-return assets** in Polyurethanes, Coatings and Industrial Solutions
- Executing **structural improvements** to raw materials, logistics and utility costs



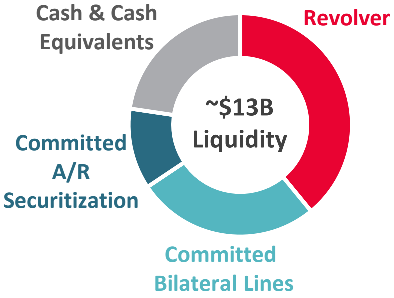


Efficient Working Capital Management



- Matching operating rates and inventory levels with current market dynamics
- Leveraging digital tools to drive further working capital productivity
- Cash conversion cycle has improved by ~8 days from pre-Covid levels through structural working capital actions
- Unlocked ~$600MM of cash from working capital in 3Q

Solid Financial Position



- Reduced net debt by >$5B since Spin
- Reduced pension liabilities by ~$5B since Spin; continue to evaluate opportunities to de-risk our pension plans
- Ample liquidity available (~$13B)
- No substantive debt maturities due until 2027; all debt at a fixed rate
- Strong investment-grade credit ratings

4Q23 Modeling Guidance

Continued Focus on Operational and Financial Discipline

Net Sales	~$10.0 – $10.5B
Quarterly Operational Tax Rate	~22 – 26%
Net Income Attrib. to Non-Controlling Int.	~$25MM

Depreciation & Amortization	~$675MM
Net Interest Expense (Net of Int. Income)	~$175MM
Average Share Count	~710MM

	Top-Line Ranges (4Q23 vs. 3Q23)		*Base Case Op. EBIT Drivers (4Q23 vs. 3Q23)*
	Sales % Δ QoQ		
	Low	High	
Packaging & Specialty Plastics	*FLAT*	*+3%*	▪ Continued U.S. Gulf Coast export strength and declining industry inventory levels ▪ Higher average pricing globally and elevated oil-to-gas spreads (~$100MM tailwind) ▪ Lower planned maintenance activity (~$25MM tailwind) ▪ Reduced equity earnings primarily due to planned turnaround at our Thai joint venture (~$50MM headwind)
Industrial Intermediates & Infrastructure	*-7%*	*-3%*	▪ Seasonal volume declines in building & construction, offset by increase in deicing fluid demand ▪ Ongoing outage at Louisiana Operations ▪ Elevated energy and feedstock costs (~$25MM headwind)
Performance Materials & Coatings	*-9%*	*-5%*	▪ Macroeconomic conditions continue to limit consumer discretionary spending ▪ Continued margin pressure in upstream siloxanes and monomers (~$25MM headwind) ▪ Seasonal decline for building & construction demand (~$50MM headwind)
Corporate	*Sales of ~$75MM*		▪ Op. EBIT of $(75)MM and Op. EBITDA of $(70)MM

Our Growth and Sustainability Roadmap to 2030

Decarbonize and Grow

Grow underlying earnings by ~$3B/year, while reducing GHG emissions by ~5MM mta by 2030[1]

Near-Term Growth Investments

✓ ***Achieved***

FS1 cracker expansion

FCDh unit in Louisiana

Alkoxylates capacity investments

Silicones downstream debottlenecking projects

Start-up of MDI distillation and prepolymers facility

Increased use of clean energy with >1,000 MW of renewable power

→ ***In Flight***

P&SP: Enhancing feedstock flexibility and PE/functional polymers incremental growth projects

II&I: PU systems investments and additional alkoxylates capacity

PM&C: Multiple coatings and silicones debottlenecks

~$2B of EBITDA by mid-decade
>2MM mta CO_2e reduction

PATH2ZERO

→ ***Alberta Path2Zero***

On track to secure FID by YE23, pending subsidies & incentives

Construction to begin in 2024; **Phased start-ups** ~2027 thru 2029

✓ Developed emissions reduction plans for **top 25 manufacturing sites**

→ ***Transformative, Next-Generation Solutions***

EDH pilot plant in ~2025; commercial scale in ~2030

E-cracking pilot start-up by ~2025

Solar power purchase agreement in Bahía Blanca by ~2025

X-energy advanced nuclear at Seadrift site ~2030

At **Terneuzen** site, compressor electrification 2027/2029 and circular hydrogen ~2030+

~$1B of EBITDA by 2030
~3MM mta CO_2e reduction

Transform the Waste

Commercialize 3MM mta of circular & renewable solutions

✓ Successfully leveraged USGC assets for **bio & circular feedstocks processing** in 3Q23

→ ***Strategic Partnerships & Offtake Agreements***

Valoregen hybrid recycling site in France; mechanical recycling start-up in 4Q23

Mura Technology plant in U.K. to start-up in 4Q23 with 20 KTA advanced recycling capacity

New Energy Blue to increase Dow's bio-based renewable plastics production by ~2026

Mura Germany 120 KTA advanced recycling facility start-up in ~2026; reaching as much as 600 KTA total global capacity by ~2030

WM residential recycling project to divert >120 KTA plastic film from landfills

>$0.5B of EBITDA (~2030)

1. Applies to Scope 1 and 2 GHG emissions in CO_2 equivalent (CO_2e) versus 2020 levels

ADVANCING PROGRESS ON ALBERTA PATH2ZERO

Alberta Net-Zero Scope 1 & 2 Emissions Site

✓ *Achieved*

Fluor selected for front-end engineering and design

Linde selected as industrial gas partner for clean hydrogen and nitrogen

→ *On track*

On track to secure FID by YE23, pending subsidies & incentives

Construction to begin in 2024

Phased start-ups begin in ~2027 thru 2029

~$1B of EBITDA by 2030

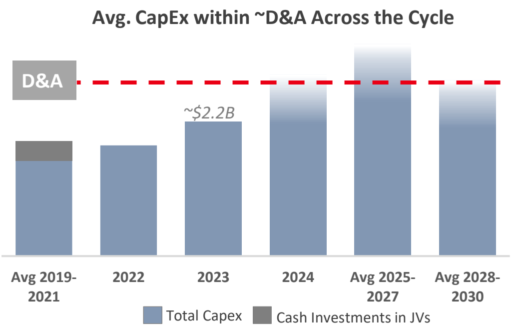
>1MM mta CO_2e reduction

Decarbonizes ~20% of Dow's global C2 capacity while growing our PE supply >15%

World's First Cracker & Derivatives Complex with Net-Zero CO_2 Emissions

- Builds on TX-9 best-in-class capital intensity, conversion cost, and low emissions intensity – which has delivered >15% ROIC since start-up
- Decarbonizes existing assets while growing PE supply by ~2MM mta by 2030
  - **Phase 1** target start-up in ~2027 – Adds ~1,285 KTA of C2/PE capacity
  - **Phase 2** target start-up in ~2029 – Adds ~600 KTA of C2/PE capacity
- Average CapEx spend of ~$1B/year post-FID through project start-up
- Expected EBITDA through the cycle of ~$1B/year at full run rates (~2030) with targeted returns greater than Dow's enterprise ROIC goal of >13% over the economic cycle

Maintaining CapEx Discipline



Key Value Drivers to Deliver >13% ROIC

- **Alberta Advantage** – Cost competitive basis for natural gas relative to USGC and ROW, reducing ethane costs
- **Industry-Leading Capital Efficiency** – Expected to have the lowest capital intensity per ton in Dow fleet
- **Higher-Value, Sustainable Product Offering** – Deliver low-emissions solutions with enhanced performance by decarbonizing ~20% of our ethylene capacity
- **Best-Owner Mindset** – Leveraging 3rd party investments for decarbonization and CO_2 infrastructure assets, reducing capital outlay

ACCELERATING CIRCULARITY BY TRANSFORMING THE WASTE

Transform the Waste

Successfully leveraged USGC assets for
bio & circular feedstock processing in 3Q23

→ Strategic Partnerships & Offtake Agreements

Valoregen hybrid recycling site in France; mechanical **recycling start-up in 4Q23**

Mura Technology plant in U.K. start-up in 4Q23 with 20 KTA advanced recycled capacity

New Energy Blue to increase Dow's bio-based renewable plastics production by ~2026

Mura Germany 120 KTA advanced recycling facility start-up in ~2026; reaching as much as 600 KTA total global capacity by ~2030

WM residential recycling project to divert >120 KTA plastic film from landfills

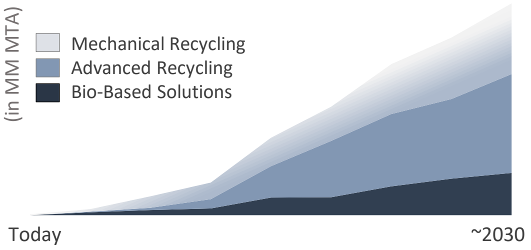
>$0.5B of EBITDA (~2030)

A Holistic and Capital-Efficient Circularity Strategy

- **Breakthrough Value Chain Partnerships** – Enabling waste transformation through value chain partnerships with innovative industry leaders
- **Best-Owner Mindset Minimizes Capital Outlay**– Leveraging 3rd party advanced and mechanical recycling investments via strategic partnerships to become a major off-taker of circular feedstocks
- **Diversified Feedstock Mix –** Enhancing our feedstock flexibility by securing diversified raw materials and leveraging our existing cost-advantaged asset base
- **Differentiated Innovation Engine** – Delivering circular and renewable solutions that meet customer and brand owner needs; targeting >$0.5B uplift to underlying earnings by ~2030

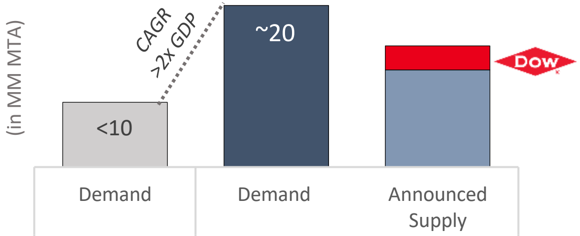
A Clear Path to Profitable Growth

Commercialize ~3MM MTA of circular & renewable solutions



Industry Demand To Outpace Supply in 2030

Industry announced capacity expected to cover only ~75% of projected demand



Source: Based on internal and third-party markers

Transforming the Waste Through Value Chain Partnerships

Commercialize 3MM mta of circular and renewable solutions while generating >$0.5B of EBITDA by ~2030.

Building a Materials Ecosystem

- Founding member of the **Alliance to End Plastic Waste**
- Scaling advanced recycling with **Mura Technology**
- **Valoregen** to build the largest hybrid recycling site in France
- Collaboration with **WM** to improve recycling for plastic films
- **New Energy Blue** to supply bio-based ethylene from renewable agricultural residue
- Developed disruptive PCR PE film solutions with **Circulate Capital**
- **Gunvor** partnership to source circular feedstock
- Established the **Closed Loop Circular Plastics Fund** and invested in **LOIM Plastic Circularity Fund**
- Partnering with **Circusil LLC** to scale silicone recycling plant

Delivering Innovative Solutions

- **REVOLOOP™** Post-Consumer Recycled Resins for flexible or rigid packaging applications
- **AFFINITY™ REN** Bio-Based High-Performance Polyolefin Elastomers
- **ENGAGE™ REN** for low emissions footwear
- **SURLYN™ CIR** & **SURLYN™ REN** made from mixed plastic waste and bio-waste
- **ECOSURF™ EH** Readily Biodegradable Surfactants
- **AMPLIFY™ SI** Silicone Enhanced Polymer System increases use of recycled plastic from 70% to 90%
- **RHOBARR™** Dispersions improve recyclability for coated paper products
- Automotive waste transformed into new car products using **SPECFLEX™ CIR & VORANOL™ CIR** Polyols
- Low carbon and circular propylene glycol solutions under **Renuva™**, **Ecolibrium™** and **Decarbia™** pillar brands

Meeting Increasing Brand-Owner Demand

Enabling recyclability of air capsule e-commerce packaging with **P&G China**

Mercedes-Benz Group Media

SPECFLEX™ CIR support **Mercedes-Benz's E-class** to meet sustainability goals without compromising performance

Dow's sustainable packaging solutions enable **Mengniu** to launch all PE yogurt pouch designed for recyclability

Collaboration with **LVMH Beauty** delivered first SURLYN™ ionomers sales, which enabled the use of sustainable packaging in the cosmetics industry

Dow technology to support **Crocs** in reducing the CO_2 impact in manufacturing process

SiLASTIC™ Self-Sealing Silicone enables **Bridgestone's** B-SEALS, a recyclable, silicone-based tire sealant technology

WELL-POSITIONED TO CONTINUE TO DRIVE SHAREHOLDER VALUE

Enhanced Financial Performance and Capital Structure

	Key Metrics	At Spin	3Q23
EARNINGS/ CASH FLOW	Operating EBITDA (3-Year Avg.)[1]	$8.2B	$9.2B
	Cash Conversion Rate (TTM)	42%	103%
	Free Cash Flow (3-Year Cumulative)[1]	$5.6B	$14.5B
	Free Cash Flow (TTM)	$1.5B	$3.4B
	Free Cash Flow Yield (TTM)	4%	9%
	Shareholder Yield (TTM)	7%[2]	7%
CAPITAL STRUCTURE	Available Liquidity	~$11B	~$13B
	Net Debt	$16.7B	$10.9B
	Net Debt to Total Capital	46%[3]	35%
	Underfunded Pension	~$7.8B	~$2.9B
	Diluted Shares Outstanding	752MM[2]	~710MM
	RA Adj. Leverage (3-Year Avg.)[4]	~3.6x	~2.6x
	Targeted RA Adj. Leverage	2.5 – 3.0x	2.0 – 2.5x
	Credit Ratings (Moody's/Fitch/S&P)	**Baa2** (Stable) **BBB+** (Stable) **BBB** (Stable)	**Baa1** (Stable) **BBB+** (Stable) **BBB** (Stable)

Distinct Competitive Advantages Drive Long-Term Value

- **Global Scale and Leading Positions** in key value chains
- **Diverse End-Market Participation** with flexible operating model to quickly respond to evolving market trends
- **Advantaged Assets** with industry-leading feedstock flexibility
- **Operational and Financial Discipline** with low-cost operating model and disciplined and balanced approach to capital allocation

Capital Allocation Priorities Over the Economic Cycle

- **Safely and reliably** run our operations
- **Organic investments** with CapEx ≤ D&A and ROIC >13%
- **Strong investment-grade credit profile** of 2.0x – 2.5x rating agency adj. debt-to-EBITDA
- **Dividend policy** targeting ~45% of operating net income
- **Share repurchases** with dividend to meet ~65% of operating net income; covering dilution

1. At Spin: 2017-2019 Pro-forma results; 3Q23: 3Q21-3Q23 TTMs
2. As of April 5, 2019
3. At Spin: 2Q19
4. Ratings adjusted leverage. Based on latest reported data from Moody's; At Spin: 2017-2019 Pro-forma results; 3Q23: 2020-2022

APPENDIX

FY 2023 Modeling Considerations *[BETTER / WORSE SINCE LAST UPDATE]*

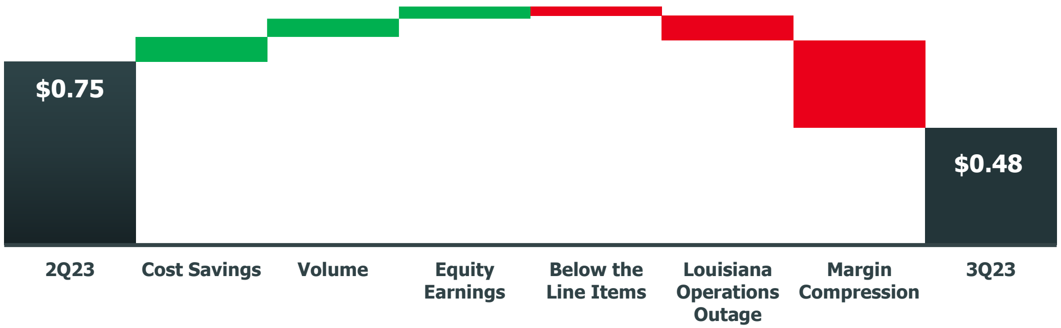
Operating EBIT Drivers vs. FY22	
Equity Earnings	Down ~$300-400MM YoY
Pension Impact	~$100MM better YoY
Corporate	Op. EBIT of ~$(275)MM and Op. EBITDA of ~$(250)MM
Turnaround Costs	Down ~$300MM YoY

Other Income Statement Considerations	
Net Interest Expense	~$525MM
D&A	~$2.65B
Net Income Attrib. to Non-Controlling Int.	~$100MM (reduction to reported Net Income)
Year-End Share Count	~710MM (~Flat YoY)
Op. Tax Rate	24% – 28%

Cash Flow Considerations in 2023	
Dividends from Equity Companies	~$250MM
Pension contributions	~$150MM
CapEx	~$2.2B
Restructuring and Implementation costs	~$400MM cash outflow

Year-Over-Year Market Drivers	
Potential Upside	Higher oil price and oil-gas spreads, softer landing for US economy, stable energy markets in Europe, easing inflation
What We are Watching	Pressures from higher interest rates on building and construction demand, PMI levels, volatility in global energy markets, consumer confidence, geopolitical dynamics

3Q 2023 Financial Highlights



Financial Summary *($ millions, unless otherwise noted)*	3Q23	3Q22	YoY B/(W)	2Q23	QoQ B/(W)
Net Sales	$10,730	$14,115	$(3,385)	$11,420	$(690)
Equity Earnings (Losses)	$(7)	$(58)	$51	$(57)	$50
Net Income – GAAP	$327	$760	$(433)	$501	$174
Operating EBIT	$626	$1,195	$(569)	$885	$(259)
Op. EBIT Margin (%)	*5.8%*	*8.5%*	*(270) bps*	*7.7%*	*(190) bps*
Operating EBITDA	$1,283	$1,863	$(580)	$1,534	$(251)
Earnings per share – GAAP	$0.42	$1.02	$(0.60)	$0.68	$(0.26)
Operating earnings per share – diluted	$0.48	$1.11	$(0.63)	$0.75	$(0.27)
Cash Provided by Op. Activities – Cont. Ops.	$1,658	$1,940	$(282)	$1,347	$311

Key Drivers QoQ

- Continued implementation of cost savings actions
- Improved volumes primarily from gains in Industrial Intermediates & infrastructure and Performance Materials and Coatings
- Improved equity earnings led by Sadara and Thai joint ventures
- Higher net interest expense partly offset by lower tax rate
- Unplanned event at Louisiana Operations
- Lower raw materials costs more than offset by local price declines

Operating EBIT, Operating EBITDA, Free Cash Flow, Free Cash Flow Yield, Cash Flow Conversion, Operating ROIC, Shareholder Yield, Net Debt and Diluted Shares Outstanding are Non-GAAP measures.
See the Appendix for definitions and a reconciliation to the most directly comparable U.S. GAAP measure.

Principal Joint Venture Detail

Dow's Proportional Share of Principal JV Financial Results	3Q 2023			3Q 2022			2Q 2023		
$ millions (unaudited)	Sadara	Kuwait JVs	Thai JVs	Sadara	Kuwait JVs	Thai JVs	Sadara	Kuwait JVs	Thai JVs
EBITDA	$47	$106	$36	$27	$92	$15	$8	$94	$22
EBIT	$(29)	$63	$30	$(68)	$50	$9	$(80)	$52	$16
Net Income *Equity Earnings to Dow*	**$(74)**	**$39**	**$24**	**$(105)**	**$29**	**$2**	**$(125)**	**$30**	**$13**
EBITDA in Excess of Eq. Earnings	$121	$67	$12	$132	$63	$13	$133	$64	$9
Net Debt	$4,159	$1,729	$270	$4,078	$1,772	$256	$4,133	$1,710	$309

Drivers of JV Performance

- **Sadara:** Higher volumes after planned maintenance in 2Q and lower feedstock costs
- **Kuwait JVs:** Lower cost and improved volumes
- **Thai JVs:** Improved demand for mobility applications in China

Operating Earnings Per Share (EPS) Reconciliation

Significant Items Impacting Results for the Three Months Ended Sep 30, 2023			
In millions, except per share amounts (Unaudited)	Pretax [1]	Net Income [2]	EPS [3]
Reported results	$ 417	$ 302	$ 0.42
Less: Significant items			
Restructuring, implementation and efficiency costs, and asset related charges - net	(82)	(64)	(0.09)
Indemnification and other transaction related costs	21	21	0.03
Total significant items	$ (61)	$ (43)	$ (0.06)
Operating results (non-GAAP)	$ 478	$ 345	$ 0.48

Significant Items Impacting Results for the Three Months Ended Sep 30, 2022			
In millions, except per share amounts (Unaudited)	Pretax [1]	Net Income [2]	EPS [3]
Reported results	$ 1,001	$ 739	$ 1.02
Less: Significant items			
Digitalization program costs	(62)	(47)	(0.07)
Restructuring, implementation costs and asset related charges - net	(11)	(9)	(0.01)
Indemnification and other transaction related costs	(7)	(7)	(0.01)
Total significant items	$ (80)	$ (63)	$ (0.09)
Operating results (non-GAAP)	$ 1,081	$ 802	$ 1.11

1. "Income before income taxes."

2. "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 - diluted," which includes the impact of participating securities in accordance with the two-class method.

OPERATING (EPS) RECONCILIATION (CONTINUED)

Significant Items Impacting Results for the Nine Months Ended Sep 30, 2023			
In millions, except per share amounts (Unaudited)	Pretax [1]	Net Income [2]	EPS [3]
Reported results	$ 1,008	$ 694	$ 0.97
Less: Significant items			
Restructuring, implementation and efficiency costs, and asset related charges - net	(688)	(542)	(0.76)
Litigation related charges, awards and adjustments	(177)	(138)	(0.19)
Indemnification and other transaction related costs	17	20	0.03
Income tax related items	-	57	0.08
Total significant items	$ (848)	$ (603)	$ (0.84)
Operating results (non-GAAP)	$ 1,856	$ 1,297	$ 1.81

Significant Items Impacting Results for the Nine Months Ended Sep 30, 2022			
In millions, except per share amounts (Unaudited)	Pretax [1]	Net Income [2]	EPS [3]
Reported results	$ 5,225	$ 3,969	$ 5.41
Less: Significant items			
Digitalization program costs	(154)	(119)	(0.16)
Restructuring, implementation costs and asset related charges - net	(31)	(25)	(0.03)
Russia / Ukraine conflict charges	(186)	(142)	(0.19)
Loss on early extinguishment of debt	(8)	(6)	(0.01)
Indemnification and other transaction related costs	(3)	(3)	-
Income tax related items	-	25	0.03
Total significant items	$ (382)	$ (270)	$ (0.36)
Operating results (non-GAAP)	$ 5,607	$ 4,239	$ 5.77

1. "Income before income taxes."

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

3. "Earnings per common share - diluted," w hich includes the impact of participating securities in accordance w ith the tw o-class method.

OPERATING (EPS) RECONCILIATION (CONTINUED)

Significant Items Impacting Results for the Three Months Ended Jun 30, 2023			
In millions, except per share amounts (Unaudited)	*Pretax* [1]	*Net Income* [2]	*EPS* [3]
Reported results	$ 711	$ 485	$ 0.68
Less: Significant items			
Restructuring, implementation and efficiency costs, and asset related charges - net	(55)	(42)	(0.06)
Indemnification and other transaction related costs	(13)	(10)	(0.01)
Total significant items	$ (68)	$ (52)	$ (0.07)
Operating results (non-GAAP)	$ 779	$ 537	$ 0.75

1. "Income before income taxes."

2. "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 - diluted," which includes the impact of participating securities in accordance with the two-class method.

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

Reconciliation of "Net income (loss)" to "Operating EBIT" and "Operating EBITDA"	*Three Months Ended*								*Nine Months Ended*	
In millions (Unaudited)	*Dec 31, 2020*	*Sep 30, 2021*	*Dec 31, 2021*	*Sep 30, 2022*	*Dec 31, 2022*	*Mar 31, 2023*	*Jun 30, 2023*	*Sep 30, 2023*	*Sep 30, 2023*	*Sep 30, 2022*
Net income (loss)	$ 1,254	$ 1,706	$ 1,761	$ 760	$ 647	$ (73)	$ 501	$ 327	$ 755	$ 3,993
+ Provision (credit) for income taxes	562	542	357	241	218	(47)	210	90	253	1,232
Income (loss) before income taxes	$ 1,816	$ 2,248	$ 2,118	$ 1,001	$ 865	$ (120)	$ 711	$ 417	$ 1,008	$ 5,225
- Interest income	11	14	20	41	68	76	66	44	186	105
+ Interest expense and amortization of debt discount	210	178	170	155	175	185	172	192	549	487
- Significant items	961	(474)	3	(80)	371	(719)	(68)	(61)	(848)	(382)
Operating EBIT [1]	$ 1,054	$ 2,886	$ 2,265	$ 1,195	$ 601	$ 708	$ 885	$ 626	$ 2,219	$ 5,989
+ Depreciation and amortization	726	725	655	668	654	648	649	657	1,954	2,104
Operating EBITDA [2]	$ 1,780	$ 3,611	$ 2,920	$ 1,863	$ 1,255	$ 1,356	$ 1,534	$ 1,283	$ 4,173	$ 8,093
Operating EBITDA - trailing twelve months ("TTM") basis	$ 5,589	$ 11,235	$ 12,375	$ 11,013	$ 9,348	$ 7,533	$ 6,008	$ 5,428		

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

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

Reconciliation of "Income (Loss) from Continuing Operations, net of tax" to "Pro Forma Operating EBIT" and "Pro Forma Operating EBITDA"

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

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

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

Segment Information

Net Sales by Segment In millions (Unaudited)	*Three Months Ended* *Jun 30, 2023*	*Three Months Ended* *Sep 30, 2023*	*Three Months Ended* *Sep 30, 2022*	*Nine Months Ended* *Sep 30, 2023*	*Nine Months Ended* *Sep 30, 2022*
Packaging & Specialty Plastics	$ 5,940	$ 5,454	$ 7,327	$ 17,508	$ 23,187
Industrial Intermediates & Infrastructure	3,177	3,035	4,059	9,590	12,953
Performance Materials & Coatings	2,197	2,130	2,654	6,603	8,706
Corporate	106	111	75	300	197
Total	$ 11,420	$ 10,730	$ 14,115	$ 34,001	$ 45,043

Operating EBIT by Segment In millions (Unaudited)	*Three Months Ended* *Jun 30, 2023*	*Three Months Ended* *Sep 30, 2023*	*Three Months Ended* *Sep 30, 2022*	*Nine Months Ended* *Sep 30, 2023*	*Nine Months Ended* *Sep 30, 2022*
Packaging & Specialty Plastics	$ 918	$ 476	$ 785	$ 2,036	$ 3,455
Industrial Intermediates & Infrastructure	(35)	21	167	109	1,254
Performance Materials & Coatings	66	179	302	280	1,458
Corporate	(64)	(50)	(59)	(206)	(178)
Total	$ 885	$ 626	$ 1,195	$ 2,219	$ 5,989

Equity in Earnings (Losses) of Nonconsolidated Affiliates by Segment In millions (Unaudited)	*Three Months Ended* *Jun 30, 2023*	*Three Months Ended* *Sep 30, 2023*	*Three Months Ended* *Sep 30, 2022*	*Nine Months Ended* *Sep 30, 2023*	*Nine Months Ended* *Sep 30, 2022*
Packaging & Specialty Plastics	$ 19	$ 50	$ 55	$ 90	$ 303
Industrial Intermediates & Infrastructure	(83)	(63)	(114)	(219)	5
Performance Materials & Coatings	6	5	1	14	6
Corporate	1	1	-	3	(3)
Total	$ (57)	$ (7)	$ (58)	$ (112)	$ 311

SEGMENT INFORMATION (CONTINUED)

Adjusted Operating EBIT by Segment In millions (Unaudited)	*Three Months Ended* *Jun 30, 2023*	*Three Months Ended* *Sep 30, 2023*	*Three Months Ended* *Sep 30, 2022*	*Nine Months Ended* *Sep 30, 2023*	*Nine Months Ended* *Sep 30, 2022*
Packaging & Specialty Plastics	$ 899	$ 426	$ 730	$ 1,946	$ 3,152
Industrial Intermediates & Infrastructure	48	84	281	328	1,249
Performance Materials & Coatings	60	174	301	266	1,452
Corporate	(65)	(51)	(59)	(209)	(175)
Total	$ 942	$ 633	$ 1,253	$ 2,331	$ 5,678

Operating EBIT Margin by Segment In millions (Unaudited)	*Three Months Ended* *Jun 30, 2023*	*Three Months Ended* *Sep 30, 2023*	*Three Months Ended* *Sep 30, 2022*	*Nine Months Ended* *Sep 30, 2023*	*Nine Months Ended* *Sep 30, 2022*
Packaging & Specialty Plastics	15.5 %	8.7 %	10.7 %	11.6 %	14.9 %
Industrial Intermediates & Infrastructure	(1.1)%	0.7 %	4.1 %	1.1 %	9.7 %
Performance Materials & Coatings	3.0 %	8.4 %	11.4 %	4.2 %	16.7 %
Total	7.7 %	5.8 %	8.5 %	6.5 %	13.3 %

Adjusted Operating EBIT Margin by Segment In millions (Unaudited)	*Three Months Ended* *Jun 30, 2023*	*Three Months Ended* *Sep 30, 2023*	*Three Months Ended* *Sep 30, 2022*	*Nine Months Ended* *Sep 30, 2023*	*Nine Months Ended* *Sep 30, 2022*
Packaging & Specialty Plastics	15.1 %	7.8 %	10.0 %	11.1 %	13.6 %
Industrial Intermediates & Infrastructure	1.5 %	2.8 %	6.9 %	3.4 %	9.6 %
Performance Materials & Coatings	2.7 %	8.2 %	11.3 %	4.0 %	16.7 %
Total	8.2 %	5.9 %	8.9 %	6.9 %	12.6 %

Cash Conversion and Free Cash Flow Reconciliation

Reconciliation of Cash Flow Conversion	*Three Months Ended*					
In millions (Unaudited)	*Mar 31, 2019*	*Sep 30, 2022*	*Dec 31, 2022*	*Mar 31, 2023*	*Jun 30, 2023*	*Sep 30, 2023*
Cash provided by operating activities - continuing operations (GAAP)	$ 1,043	$ 1,940	$ 2,078	$ 531	$ 1,347	$ 1,658
Operating EBITDA (non-GAAP)	$ 1,886	$ 1,863	$ 1,255	$ 1,356	$ 1,534	$ 1,283
Cash Flow Conversion (non-GAAP) [1]	55.3 %	104.1 %	165.6 %	39.2 %	87.8 %	129.2 %
Cash Flow Conversion - trailing twelve months ("TTM") basis (non-GAAP)	41.9 %	72.3 %	80.1 %	85.0 %	98.1 %	103.4 %

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

Reconciliation of Free Cash Flow	*Three Months Ended*								*Nine Months Ended*	
In millions (Unaudited)	*Dec 31, 2020*	*Sep 30, 2021*	*Dec 31, 2021*	*Sep 30, 2022*	*Dec 31, 2022*	*Mar 31, 2023*	*Jun 30, 2023*	*Sep 30, 2023*	*Sep 30, 2023*	*Sep 30, 2022*
Cash provided by operating activities - continuing operations (GAAP)	$ 1,656	$ 2,719	$ 2,557	$ 1,940	$ 2,078	$ 531	$ 1,347	$ 1,658	$ 3,536	$ 5,408
Capital expenditures	(297)	(413)	(466)	(452)	(599)	(440)	(561)	(597)	(1,598)	(1,224)
Free Cash Flow (non-GAAP) [1]	$ 1,359	$ 2,306	$ 2,091	$ 1,488	$ 1,479	$ 91	$ 786	$ 1,061	$ 1,938	$ 4,184
Free Cash Flow - trailing twelve months ("TTM") basis (non-GAAP)	$ 5,000	$ 4,836	$ 5,568	$ 6,275	$ 5,663	$ 4,457	$ 3,844	$ 3,417		
End of period market capitalization [2]	$ 41,247	$ 42,572	$ 41,701	$ 30,916	$ 35,519	$ 38,775	$ 37,446	$ 36,164		
Free Cash Flow Yield (non-GAAP) [3]	12.1%	11.4%	13.4%	20.3%	15.9%	11.5%	10.3%	9.4%		

1. Free Cash Flow is defined as "Cash provided by operating activities - continuing operations", less capital expenditures. Under this definition, Free Cash Flow represents the cash generated by the Company from operations after investing in its asset base. Free Cash Flow, combined with cash balances and other sources of liquidity, represent the cash available to fund obligations and provide returns to shareholders. Free Cash Flow is an integral financial measure used in the Company's financial planning process.

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

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

FREE CASH FLOW RECONCILIATION (CONTINUED)

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

1. Dow calculates cash flows from operating activities - excluding the impact of ASU 2016-15 as cash provided by (used for) operating activities - continuing operations, excluding the impact of Accounting Standards Update ("ASU") 2016-15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" and related interpretive guidance. Management believes this non-GAAP financial measure is relevant and meaningful as it presents cash flows from operating activities inclusive of all trade accounts receivable collection activity, which Dow utilizes in support of its operating activities.

2. Free Cash Flow is defined as "Cash flows from operating activities - continuing operations - excluding impact of ASU 2016-15" less capital expenditures. Under this definition, free cash flow represents the cash generated by Dow from operations after investing in its asset base. Free cash flow, combined with cash balances and other sources of liquidity, represent the cash available to fund obligations and provide returns to shareholders. Free cash flow is an integral financial measure used in Dow's financial planning process.

RECONCILIATION OF OPERATING RETURN ON CAPITAL (ROC)

Reconciliation of Operating Return on Capital (ROC)	*Three Months Ended*	
In millions (Unaudited)	*Sep 30, 2023*	*Sep 30, 2022*
Net income available for Dow Inc. common stockholders (GAAP)	$ 302	$ 739
- Significant items, after tax	(43)	(63)
Operating Net Income Available for Dow Inc. Common Stockholders (non-GAAP)	$ 345	$ 802
Net income attributable to noncontrolling interests	$ 25	$ 21
Gross interest expense	214	173
Imputed interest expense - operating leases	16	14
Tax on gross interest expense	(62)	(43)
Operating Net Operating Profit After Tax (non-GAAP)	$ 538	$ 967
Operating Net Operating Profit After Tax - trailing twelve months ("TTM") basis (non-GAAP)	$ 2,359	$ 6,541
Average Total Capital (non-GAAP)	$ 36,730	$ 34,559
Operating Return on Capital - trailing twelve months ("TTM") basis (non-GAAP) [1]	6.4 %	18.9 %

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

Reconciliation of Net Debt

Reconciliation of Net Debt In millions (Unaudited)	*Sep 30, 2023*	*Dec 31, 2022*	*Jun 30, 2019*
Notes payable	$ 223	$ 362	$ 544
Long-term debt due within one year	110	362	297
Long-term debt	14,592	14,698	17,155
Gross debt (GAAP)	$ 14,925	$ 15,422	$ 17,996
- Cash and cash equivalents	3,080	3,886	2,446
- Marketable securities	914	939	20
Net Debt (non-GAAP)	$ 10,931	$ 10,597	$ 15,530
+ Noncontrolling interest	513	$ 529	$ 589
+ Dow Inc. stockholders' equity	19,567	$ 20,718	$ 17,911
Net Capital (non-GAAP) [1]	$ 31,011	$ 31,844	$ 34,030
Net Debt to Capital Ratio (non-GAAP) [2]	35.2%	33.3%	45.6%

1. Net capital is defined as "Net Debt" plus "noncontrolling interest" plus "Dow Inc. stockholders equity."

2. Net Debt to Capital Ratio is defined as Net Debt divided by Net Capital.

General Comments

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

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

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

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

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

SAFE HARBOR

Cautionary Statement about Forward-Looking Statements

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

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

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

Trademarks

NON-GAAP & DEFINITIONS

Non-GAAP Financial Measures

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

Definitions

Operating EBIT is defined as earnings (i.e. “Income (loss) before income taxes”) before interest, excluding the impact of significant items.
Pro Forma Operating EBIT is defined as earnings (i.e., “Income (Loss) from continuing operations before income taxes”) before interest, plus pro forma adjustments, excluding the impact of significant items.
Operating EBITDA is defined as earnings (i.e. “Income (loss) before income taxes”) before interest, depreciation and amortization, excluding the impact of significant items.
Pro Forma Operating EBITDA is defined as earnings (i.e., “Income (Loss) from continuing operations before income taxes”) before interest, depreciation and amortization, plus pro forma adjustments, excluding the impact of significant items.
Operating EBIT Margin is defined as Operating EBIT as a percentage of net sales.
Adjusted Operating EBIT is defined as Operating EBIT less equity earnings (losses).
Adjusted Operating EBIT Margin is defined as Operating EBIT less equity earnings (losses), divided by net sales.
Adjusted Operating EBITDA is defined as Operating EBITDA less equity earnings (losses).
Adjusted Operating EBITDA Margin is defined as Adjusted Operating EBITDA divided by net sales., excluding certain transactions with nonconsolidated affiliates.
Operating Earnings Per Share is defined as "Earnings (loss) per common share - diluted“, excluding the after-tax impact of significant items.
Operational Tax Rate is defined as the effective tax rate (i.e., GAAP “Provision (credit) for income taxes” divided by “Income (loss) before income taxes”), excluding the impact of significant items.
Cash flows from operating activities - continuing operations, excluding the impact of Accounting Standards Update 2016 15, "Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments" ("ASU 2016-15"), is defined as cash provided by (used in) operating activities - continuing operations, excluding the impact of ASU 2016-15 and related interpretive guidance. Management believes this non-GAAP financial measure is relevant and meaningful as it presents cash flows from operating activities inclusive of all trade accounts receivable collection activity, which Dow utilizes in support of its operating activities.
Free Cash Flow is defined as "Cash flows from operating activities - continuing operations - excluding impact of ASU 2016-15" less capital expenditures. Under this definition, Free Cash Flow represents the cash generated by Dow from operations after investing in its asset base. Free Cash Flow, combined with cash balances and other sources of liquidity, represent the cash available to fund obligations and provide returns to shareholders. Free Cash Flow is an integral financial measure used in Dow's financial planning process.
Free Cash Flow Yield is defined as Free Cash Flow divided by market capitalization.
Shareholder Remuneration is defined as dividends paid to stockholders plus purchases of treasury stock.
Shareholder Yield is defined as Shareholder Remuneration divided by market capitalization.
Cash Flow Conversion is defined as “Cash provided by (used for) operating activities – continuing operations” divided by Operating EBITDA. Management believes Cash Flow Conversion is an important financial metric as it helps the Company determine how efficiently it is converting its earnings to cash flow.
Free Cash Conversion at an operating segment level is defined as Adjusted Operating EBITDA less capital expenditures divided by Adjusted Operating EBITDA.
Operating Net Income is defined as net income (loss), excluding the after-tax impact of significant items.
Operating Return on Capital (ROC) is defined as net operating profit after tax, excluding the impact of significant items, divided by total average capital, also referred to as ROIC. Net operating profit after tax (excluding significant items) is a net income measure the Company uses in presentations to investors that excludes net income attributable to noncontrolling interests, and interest expense, exclusive of the significant items.
Net Debt is defined as “Notes payable” plus “Long-term debt due within one year” plus “Long-term debt” less “Cash and cash equivalents” and “Marketable securities.”
Kuwait Joint Ventures (JVs) refers to EQUATE Petrochemical Company K.S.C.C., The Kuwait Olefins Company K.S.C.C., and The Kuwait Styrene Company K.S.C.C.
Thai Joint Ventures (JVs) refers to Map Ta Phut Olefins Company Limited and The SCG-Dow Group (Siam Polyethylene Company Limited, Siam Polystyrene Company Limited, Siam Styrene Monomer Co., Ltd., Siam Synthetic Latex Company Limited).