2Q 2023 RESULTS

July 25, 2023

2Q 2023 RESULTS

AGENDA

- Quarterly Results
- Operating Segment Performance
- Outlook
- Advancing Long-Term Strategy while Navigating Short-Term Dynamics

2Q 2023 Performance Overview

- Net sales were $11.4B reflecting lower demand and prices due to slower macroeconomic activity
  - Volume down 8% YoY, and up 1% QoQ on gains in APAC and LAA
  - Price declined 18% YoY and 5% QoQ due to lower demand and global energy and feedstock costs
- Net income was $501MM and Operating EBIT was $885MM
  - Sequential operating EBIT improvement of $177MM
- Generated >$1.3B of cash flow from operating activities – continuing operations
- Returned $743MM to shareholders, including $493MM in dividends and $250MM in share repurchases
- 19 years of continued transparency and voluntary reporting with the 2022 INtersections Progress Report

$11.4B
NET SALES

$1.5B
OPERATING EBITDA

98%
CASH FLOW CONVERSION TTM

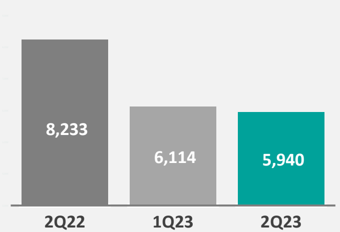
$743MM
RETURNED TO SHAREHOLDERS

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.

2Q 2023 Operating Segment Performance

Packaging & Specialty Plastics

REVENUE ($MM)



Y-o-Y

Sales ↓ 28%; Price ↓ 21%; Volume ↓ 7%

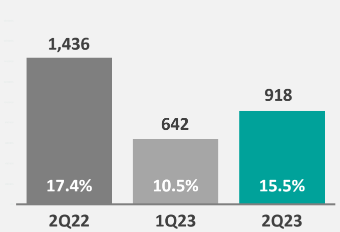
Price declines driven by lower global energy and feedstock costs; volume down primarily in EMEAI driven by olefins and aromatics

Q-o-Q

Sales ↓ 3%; Price ↓ 3%; Volume flat

Volume gains in APAC and LAA more than offset by lower third-party energy sales

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



Y-o-Y

Op. EBIT ↓ 36%; Margins ↓ 190 bps

Results driven primarily by lower integrated polyethylene margins

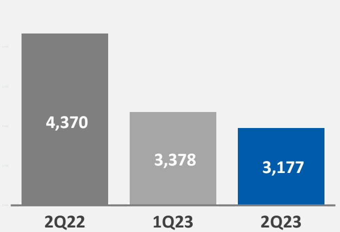
Q-o-Q

Op. EBIT ↑ 43%; Margins ↑ 500 bps

Improvement driven by lower energy and feedstock costs

Ind. Intermediates & Infrastructure

REVENUE ($MM)



Y-o-Y

Sales ↓ 27%; Price ↓ 15%; Volume ↓ 11%

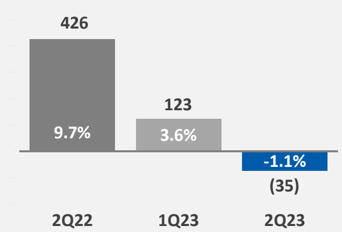
Price declines in both businesses and lower demand for consumer durables, building & construction, and industrial applications

Q-o-Q

Sales ↓ 6%; Price ↓ 7%; Volume ↑ 1%

Volume gains were more than offset by local price declines

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



Y-o-Y

Op. EBIT ↓ $461MM[1]; Margins ↓ 1,080 bps

Results primarily driven by lower local prices and demand in both businesses

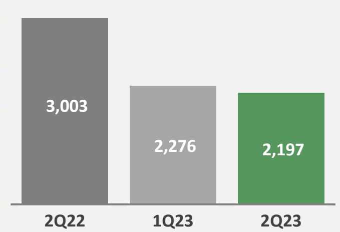
Q-o-Q

Op. EBIT ↓ $158MM[1]; Margins ↓ 470 bps

Results driven by price declines and increased planned maintenance activity

Perf. Materials & Coatings

REVENUE ($MM)



Y-o-Y

Sales ↓ 27%; Price ↓ 16%; Volume ↓ 10%

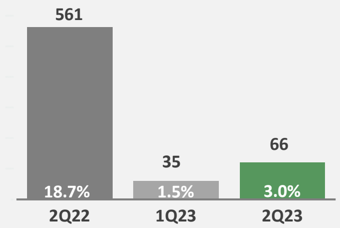
Price declines for siloxanes and acrylic monomers; volume declines in both businesses and all regions

Q-o-Q

Sales ↓ 3%; Price ↓ 4%; Volume ↑ 1%

Modest seasonal demand increase in building & construction end-markets more than offset by lower prices in both businesses

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



Y-o-Y

Op. EBIT ↓ 88%; Margins ↓ 1,570 bps

Results driven by price declines in siloxanes and lower global demand for silicones and coatings applications

Q-o-Q

Op. EBIT ↑ 89%; Margins ↑ 150 bps

Results primarily driven by modest seasonal demand increase in building & construction

1. Percentage change not relevant due to negative result in 2Q23.

Continued Challenging Market Conditions Entering 2H23

	NAA	LAA	EMEAI	China	Rest of World
 Packaging					
 Infrastructure[1]					
 Consumer					
 Mobility					

Source: Based on internal and third-party markers

U.S. – Industrial activity remains weak but consumers still spending

+ Consumer confidence rose to 109.7 in June, the highest level since early 2022[2]
– Core consumer price inflation eased to 4.8% in June, yet remains high
– S&P Manufacturing PMI at 46.3 in June, a six-month low

EU – Recessionary conditions persist despite lower inflation

+ EU YoY CPI % declined to a 17-month low; consumer confidence improving
– S&P Eurozone Manufacturing PMI at 43.4 in June, lowest since May 2020
– Retail sales have remained unchanged MoM in April and May; down 3% YoY

China – Continued recovery but at slower-than-expected pace

+ Auto sales up 10.1% MoM and 4.8% YoY in June
+ China Caixin Manufacturing PMI remains at expansionary levels in June at 50.5
– China exports down 12.4% YoY in June and imports down 6.8% YoY

ROW – Pockets of economic growth and constructive industrial activity

+ Demand outpacing higher input costs, expanding India Manufacturing PMI to 57.8
+ ASEAN Manufacturing PMI remains in expansionary territory in June at 51
– Japan PMI fell into contractionary levels in June at 49.8

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

3Q23 MODELING GUIDANCE

Continued Implementation of Cost Savings in Slower Macroeconomic Environment

Net Sales	~$10.25 – $10.75B
Quarterly Operational Tax Rate	~22 – 26%
Net Income Attrib. to Non-Controlling Int.	~$25MM

Depreciation & Amortization	~$675MM
Net Interest Expense (Net of Int. Income)	~$150MM
Average Share Count	~710MM

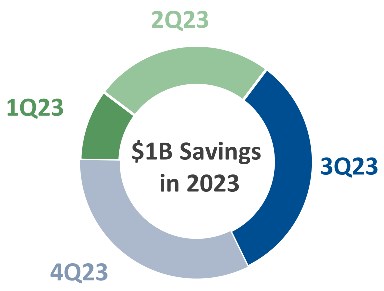
	Top-Line Ranges (3Q23 vs. 2Q23)		*Base Case Op. EBIT Drivers (3Q23 vs. 2Q23)*
	Sales % Δ QoQ		
	Low	High	
Packaging & Specialty Plastics	*-9%*	*-5%*	▪ Higher feedstock costs and lower average pricing globally (~$50MM headwind) ▪ Project driven licensing sales in the prior quarter (~$100MM headwind) ▪ Implementation of cost savings actions (~$50MM tailwind) ▪ Increased planned maintenance activity including turnaround at cracker in St. Charles (~$100MM headwind)
Industrial Intermediates & Infrastructure	*-9%*	*-5%*	▪ Unplanned event at Louisiana Operations (~$100MM headwind) ▪ Implementation of cost savings actions (~$15MM tailwind) ▪ Lower planned maintenance activity (~$25MM tailwind)
Performance Materials & Coatings	*-9%*	*-5%*	▪ Pricing pressure in siloxanes with less than normal seasonal building & construction demand (~$50MM headwind) ▪ Implementation of cost savings actions (~$35MM tailwind) ▪ Lower planned maintenance activity (~$25MM tailwind)
Corporate	*Sales of ~$75MM*		▪ Op. EBIT of $(75)MM and Op. EBITDA of $(70)MM

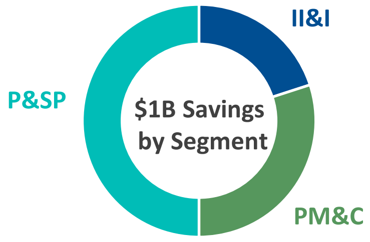
Financial and Operational Discipline Enables Value Capture

Extending our Low-Cost-to-Serve Advantages

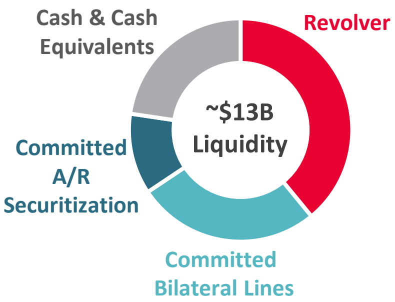
Implementing Targeted Actions to Achieve $1B of Cost Savings in 2023

- 75% of impacted roles exited at end of 2Q; >90% by end of year
- **$300MM** planned maintenance turnaround spending reduction
- 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





Further Enhancing our Financial Position



- Reduced net debt and pension liabilities by >$10B since Spin
- No substantive debt maturities due until 2027
- Nearly all debt at a fixed rate
- FY23 expected annual net interest expense down >40% vs. 2019
- Strong investment-grade credit ratings

Reduced Cash Commitments by ~$1B Since Spin

Cash Interest and Pension Contributions | Reduced Share Count | JV Cash Contributions

>$1B of Unique-to-Dow Cash Flow Levers

NOVA Litigation | Structural Working Capital | Intervention Actions

SUSTAINABILITY INVESTMENTS UNLOCK LONG-TERM GROWTH OPPORTUNITIES

Decarbonize & Grow: Expect to grow capacity and underlying earnings by >$3B/year, while reducing CO_2 emissions by ~30%[1] by 2030.

2020

Baseline

2025

~2MM mta CO_2 reduction

2030

~5MM mta CO_2 reduction

Innovation, Renewable Energy & Efficiency

✓ Achieved

>1,000 MW of renewable power[2]

FCDh operational and ramping rates

→ In progress

E-cracking pilot project PID in 2023

→ On track

EDH pilot plant ~2025

E-cracking pilot start-up ~2025

Power sourcing revision ~2028

EDH commercial-scale demonstration by ~2030

X-energy small modular nuclear reactor in USGC by ~2030

>2MM mta CO_2 reduction

Alberta Net-Zero Scope 1 & 2 CO_2 Emissions Site

✓ Achieved

PID by YE22

Fluor selected for front-end engineering and design

Linde selected as industrial gas partner for clean hydrogen and nitrogen

→ In progress

Secure partner agreements & subsidies by 3Q23

Targeting board, regulatory approval and FID by YE23

→ On track

Construction begins as early as 2024; phased start-ups begin in ~2027 thru 2029

>1MM mta CO_2 reduction

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

Terneuzen 2030 Reduced CO_2 Emissions Site

→ In progress

Secure partner agreements & subsidies for Terneuzen 2030

→ On track

Board, regulatory approval, and FID

Main construction targeted to begin early ~2025

Clean energy commissioning

Project **completion** and deployment by ~2030

>1.5MM mta CO_2 reduction

Transform the Waste

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 recycled capacity

Mura **Germany** advanced recycling facility; FID in ~2023 and start-up in ~**2025**

Mura to achieve as much as **600 KTA total** global advanced recycling capacity by ~**2030**

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

Commercialize 3MM mta of circular & renewable solutions

1. Using 2005 as a baseline; applies to Scope 1 and 2 GHG emissions in CO_2 equivalent
2. Goal to maintain more than 900 MW by 2025

PID: Preliminary Investment Decision
FID: Final Investment Decision

Advancing Progress on Alberta Path2Zero

Alberta Net-Zero Scope 1 & 2 CO_2 Emissions Site

✓ Achieved

PID by YE22

Fluor selected for front-end engineering and design

Linde selected as industrial gas partner for clean hydrogen and nitrogen

→ In progress

Secure partner agreements & subsidies by 3Q23

Targeting board, regulatory approval and FID by YE23

→ On track

Construction begins as early as 2024

Phased start-ups begin in ~2027 thru 2029

>1MM mta CO_2 reduction

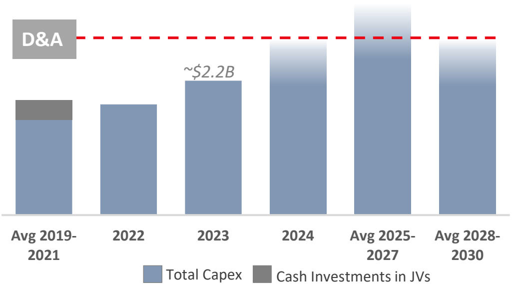
Decarbonizes ~20% of Dow's global C2 capacity while growing our PE supply >15%

World's First Cracker & Derivatives Complex with Net-Zero[1] CO_2 Emissions

- Builds on TX-9 best-in-class capital intensity, conversion cost, and low-CO_2 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

Avg. CapEx within ~D&A Across the Cycle



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-CO_2 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

1. Scopes 1 and 2 CO_2 emissions

Advancing Long-Term Strategy While Navigating Short-Term Dynamics

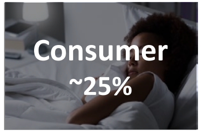
Enhanced Financial Performance and Capital Structure

	Key Metrics	At Spin	2Q23
Earnings/ Cash Flow	Operating EBITDA (3-Year Avg.)[1]	$8.2B	$9.3B
	Free Cash Flow (3-Year Cumulative)[1]	$5.6B	$14.9B
	Free Cash Flow (TTM)	$1.5B	$3.8B
	Free Cash Flow Yield (TTM)	4%	10%
	Shareholder Yield (TTM)	7%[2]	9%
Capital Structure	Available Liquidity	~$11B	~$13B
	Net Debt	$16.7B	$11.3B
	Underfunded Pension	~$7.8B	~$2.9B
	Diluted Shares Outstanding	752MM[2]	706MM
	RA Adj. Leverage (3-Year Avg.)[3]	~3.6x	~2.6x
	Targeted RA Adj. Leverage (over the economic cycle)	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 (Positive)

Underlying Trends in Attractive Market Verticals Driving Addressable Market Growth to >$800B by Mid-Decade

PE Demand Growing ~1.3-1.5x GDP Recycled Packaging Demand >2x GDP

~$3.5T of Investment Needed to Support Global Infrastructure Plans



~6% Spending CAGR Supported by Growing Middle-Class

~30% CAGR EV Demand Fueling Growth in Light Vehicle Production

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

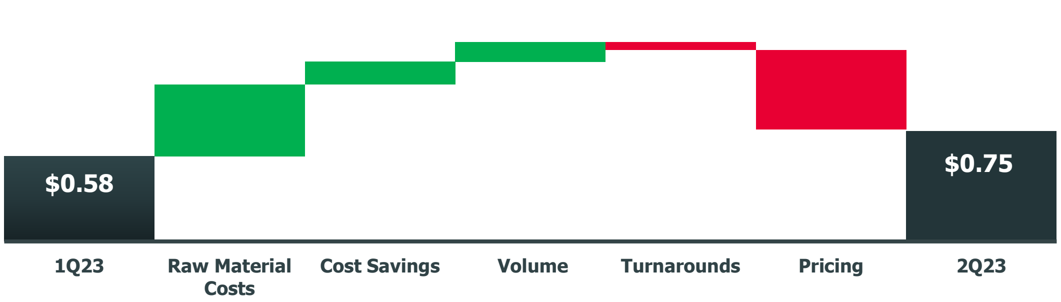
1) At Spin: 2017-2019; 2Q23: 2Q21-2Q23 TTMs
2) As of April 5, 2019
3) Ratings adjusted leverage. Based on latest reported data from Moody's; At Spin: 2017-2019; 2Q23: 2020-2022
4) Average FY21 and FY22 % of Total Dow Revenue excluding Corporate and Hydrocarbons and Energy

Sources: CMA World Analysis; Global Infrastructure Hub; 2025 Global Investment Need ($B); Statista; Brookings; S&P Global - Mobility

APPENDIX

2Q 2023 Financial Highlights

QoQ Operating EPS Reconciliation



Financial Summary *($ millions, unless otherwise noted)*	2Q23	2Q22	YoY B/(W)	1Q23	QoQ B/(W)
Net Sales	$11,420	$15,664	$(4,244)	$11,851	$(431)
Equity Earnings (Losses)	$(57)	$195	$(252)	$(48)	$(9)
Net Income (Loss) – GAAP	$501	$1,681	$(1,180)	$(73)	$574
Operating EBIT	$885	$2,375	$(1,490)	$708	$177
Op. EBIT Margin (%)	*7.7%*	*15.2%*	*(750) bps*	*6.0%*	*170 bps*
Operating EBITDA	$1,534	$3,059	$(1,525)	$1,356	$178
Earnings (Loss) per share – GAAP	$0.68	$2.26	$(1.58)	$(0.13)	$0.81
Operating earnings per share – diluted	$0.75	$2.31	$(1.56)	$0.58	$0.17
Cash Provided by Op. Activities – Cont. Ops.	$1,347	$1,856	$(509)	$531	$816

Key Drivers QoQ

- Lower feedstock and input costs, particularly in the cost-advantaged Americas
- Implementing cost savings actions in response to challenging macroeconomic conditions
- Improved volumes driven by gains in Asia Pacific and Latin America
- Higher seasonal turnaround activity
- Pricing declines in all operating segments and regions due to lower demand and global energy and feedstock costs

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									
	2Q 2023			2Q 2022			1Q 2023		
$ millions (unaudited)	**Sadara**	**Kuwait JVs**	**Thai JVs**	**Sadara**	**Kuwait JVs**	**Thai JVs**	**Sadara**	**Kuwait JVs**	**Thai JVs**
EBITDA	$8	$94	$22	$156	$178	$41	$28	$78	$26
EBIT	$(80)	$52	$16	$64	$136	$36	$(59)	$36	$21
Net Income *Equity Earnings to Dow*	**$(125)**	**$30**	**$13**	**$28**	**$113**	**$29**	**$(100)**	**$19**	**$15**
EBITDA in Excess of Eq. Earnings	$133	$64	$9	$128	$65	$12	$128	$59	$11
Net Debt	$4,133	$1,710	$309	$4,198	$1,876	$271	$4,050	$1,795	$300

Drivers of JV Performance

- **Sadara:** Lower product pricing and impact of planned maintenance activity
- **Kuwait JVs:** MEG/PE pricing down; Improved volumes **QoQ** after completion of planned turnaround activity
- **Thai JVs:** Lower product pricing due to competitive pricing pressures in Asia Pacific

DOW

OPERATING EARNINGS PER SHARE (EPS) RECONCILIATION

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

Significant Items Impacting Results for the Three Months Ended Jun 30, 2022			
In millions, except per share amounts (Unaudited)	*Pretax* [1]	*Net Income* [2]	*EPS* [3]
Reported results	$ 2,169	$ 1,661	$ 2.26
Less: Significant items			
Digitalization program costs	(51)	(40)	(0.05)
Restructuring, implementation costs and asset related charges - net	(10)	(8)	(0.01)
Loss on early extinguishment of debt	(8)	(6)	(0.01)
Indemnification and other transaction related costs	(8)	(8)	(0.01)
Income tax related items	-	25	0.03
Total significant items	$ (77)	$ (37)	$ (0.05)
Operating results (non-GAAP)	$ 2,246	$ 1,698	$ 2.31

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 Six Months Ended Jun 30, 2023						
In millions, except per share amounts (Unaudited)	*Pretax* [1]		*Net Income* [2]		*EPS* [3]	
Reported results	$	591	$	392	$	0.54
Less: Significant items						
Restructuring, implementation and efficiency costs, and asset related charges - net		(606)		(478)		(0.67)
Litigation related charges, awards and adjustments		(177)		(138)		(0.19)
Indemnification and other transaction related costs		(4)		(1)		-
Income tax related items		-		57		0.08
Total significant items	$	(787)	$	(560)	$	(0.78)
Operating results (non-GAAP)	$	1,378	$	952	$	1.32

Significant Items Impacting Results for the Six Months Ended Jun 30, 2022						
In millions, except per share amounts (Unaudited)	*Pretax* [1]		*Net Income* [2]		*EPS* [3]	
Reported results	$	4,224	$	3,230	$	4.37
Less: Significant items						
Digitalization program costs		(92)		(72)		(0.09)
Restructuring, implementation costs and asset related charges - net		(20)		(16)		(0.02)
Russia / Ukraine conflict charges		(186)		(142)		(0.19)
Loss on early extinguishment of debt		(8)		(6)		(0.01)
Indemnification and other transaction related costs		4		4		-
Income tax related items		-		25		0.03
Total significant items	$	(302)	$	(207)	$	(0.28)
Operating results (non-GAAP)	$	4,526	$	3,437	$	4.65

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 Three Months Ended Mar 31, 2023			
In millions, except per share amounts (Unaudited)	*Pretax* [1]	*Net Income* [2]	*EPS* [3]
Reported results	$ (120)	$ (93)	$ (0.13)
Less: Significant items			
Restructuring, implementation and efficiency costs, and asset related charges - net	(551)	(436)	(0.61)
Litigation related charges, awards and adjustments	(177)	(138)	(0.19)
Indemnification and other transaction related costs	9	9	0.01
Income tax related items	-	57	0.08
Total significant items	$ (719)	$ (508)	$ (0.71)
Operating results (non-GAAP)	$ 599	$ 415	$ 0.58

1. "Income (loss) before income taxes."

2. "Net income (loss) 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 (loss) per common share - diluted," w hich includes the impact of participating securities in accordance w ith the tw o-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								Six Months Ended	
In millions (Unaudited)	Dec 31, 2020	Jun 30, 2021	Dec 31, 2021	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023	Jun 30, 2023	Jun 30, 2022
Net income (loss)	$ 1,254	$ 1,932	$ 1,761	$ 1,681	$ 760	$ 647	$ (73)	$ 501	$ 428	$ 3,233
+ Provision (credit) for income taxes	562	524	357	488	241	218	(47)	210	163	991
Income (loss) before income taxes	$ 1,816	$ 2,456	$ 2,118	$ 2,169	$ 1,001	$ 865	$ (120)	$ 711	$ 591	$ 4,224
- Interest income	11	13	20	36	41	68	76	66	142	64
+ Interest expense and amortization of debt discount	210	187	170	165	155	175	185	172	357	332
- Significant items	961	(198)	3	(77)	(80)	371	(719)	(68)	(787)	(302)
Operating EBIT [1]	$ 1,054	$ 2,828	$ 2,265	$ 2,375	$ 1,195	$ 601	$ 708	$ 885	$ 1,593	$ 4,794
+ Depreciation and amortization	726	745	655	684	668	654	648	649	1,297	1,436
Operating EBITDA [2]	$ 1,780	$ 3,573	$ 2,920	$ 3,059	$ 1,863	$ 1,255	$ 1,356	$ 1,534	$ 2,890	$ 6,230
Operating EBITDA - trailing twelve months ("TTM") basis	$ 5,589	$ 9,109	$ 12,375	$ 12,761	$ 11,013	$ 9,348	$ 7,533	$ 6,008		

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* *Mar 31, 2023*	*Three Months Ended* *Jun 30, 2023*	*Three Months Ended* *Jun 30, 2022*	*Six Months Ended* *Jun 30, 2023*	*Six Months Ended* *Jun 30, 2022*
Packaging & Specialty Plastics	$ 6,114	$ 5,940	$ 8,233	$ 12,054	$ 15,860
Industrial Intermediates & Infrastructure	3,378	3,177	4,370	6,555	8,894
Performance Materials & Coatings	2,276	2,197	3,003	4,473	6,052
Corporate	83	106	58	189	122
Total	$ 11,851	$ 11,420	$ 15,664	$ 23,271	$ 30,928

Operating EBIT by Segment In millions (Unaudited)	*Three Months Ended* *Mar 31, 2023*	*Three Months Ended* *Jun 30, 2023*	*Three Months Ended* *Jun 30, 2022*	*Six Months Ended* *Jun 30, 2023*	*Six Months Ended* *Jun 30, 2022*
Packaging & Specialty Plastics	$ 642	$ 918	$ 1,436	$ 1,560	$ 2,670
Industrial Intermediates & Infrastructure	123	(35)	426	88	1,087
Performance Materials & Coatings	35	66	561	101	1,156
Corporate	(92)	(64)	(48)	(156)	(119)
Total	$ 708	$ 885	$ 2,375	$ 1,593	$ 4,794

Equity in Earnings (Losses) of Nonconsolidated Affiliates by Segment In millions (Unaudited)	*Three Months Ended* *Mar 31, 2023*	*Three Months Ended* *Jun 30, 2023*	*Three Months Ended* *Jun 30, 2022*	*Six Months Ended* *Jun 30, 2023*	*Six Months Ended* *Jun 30, 2022*
Packaging & Specialty Plastics	$ 21	$ 19	$ 138	$ 40	$ 248
Industrial Intermediates & Infrastructure	(73)	(83)	57	(156)	119
Performance Materials & Coatings	3	6	2	9	5
Corporate	1	1	(2)	2	(3)
Total	$ (48)	$ (57)	$ 195	$ (105)	$ 369

SEGMENT INFORMATION (CONTINUED)

Adjusted Operating EBIT by Segment In millions (Unaudited)	*Three Months Ended*	*Three Months Ended*		*Six Months Ended*	
	Mar 31, 2023	*Jun 30, 2023*	*Jun 30, 2022*	*Jun 30, 2023*	*Jun 30, 2022*
Packaging & Specialty Plastics	$ 621	$ 899	$ 1,298	$ 1,520	$ 2,422
Industrial Intermediates & Infrastructure	196	48	369	244	968
Performance Materials & Coatings	32	60	559	92	1,151
Corporate	(93)	(65)	(46)	(158)	(116)
Total	$ 756	$ 942	$ 2,180	$ 1,698	$ 4,425

Operating EBIT Margin by Segment In millions (Unaudited)	*Three Months Ended*	*Three Months Ended*		*Six Months Ended*	
	Mar 31, 2023	*Jun 30, 2023*	*Jun 30, 2022*	*Jun 30, 2023*	*Jun 30, 2022*
Packaging & Specialty Plastics	10.5 %	15.5 %	17.4 %	12.9 %	16.8 %
Industrial Intermediates & Infrastructure	3.6 %	(1.1)%	9.7 %	1.3 %	12.2 %
Performance Materials & Coatings	1.5 %	3.0 %	18.7 %	2.3 %	19.1 %
Total	6.0 %	7.7 %	15.2 %	6.8 %	15.5 %

Adjusted Operating EBIT Margin by Segment In millions (Unaudited)	*Three Months Ended*	*Three Months Ended*		*Six Months Ended*	
	Mar 31, 2023	*Jun 30, 2023*	*Jun 30, 2022*	*Jun 30, 2023*	*Jun 30, 2022*
Packaging & Specialty Plastics	10.2 %	15.1 %	15.8 %	12.6 %	15.3 %
Industrial Intermediates & Infrastructure	5.8 %	1.5 %	8.4 %	3.7 %	10.9 %
Performance Materials & Coatings	1.4 %	2.7 %	18.6 %	2.1 %	19.0 %
Total	6.4 %	8.2 %	13.9 %	7.3 %	14.3 %

CASH CONVERSION AND FREE CASH FLOW RECONCILIATION

Reconciliation of Cash Flow Conversion	Three Months Ended				
In millions (Unaudited)	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023
Cash provided by operating activities - continuing operations (GAAP)	$ 1,856	$ 1,940	$ 2,078	$ 531	$ 1,347
Operating EBITDA (non-GAAP)	$ 3,059	$ 1,863	$ 1,255	$ 1,356	$ 1,534
Cash Flow Conversion (non-GAAP) [1]	60.7 %	104.1 %	165.6 %	39.2 %	87.8 %
Cash Flow Conversion - trailing twelve months ("TTM") basis (non-GAAP)	68.5 %	72.3 %	80.1 %	85.0 %	98.1 %

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								Six Months Ended	
In millions (Unaudited)	Dec 31, 2020	Jun 30, 2021	Dec 31, 2021	Jun 30, 2022	Sep 30, 2022	Dec 31. 2022	Mar 31, 2023	Jun 30, 2023	Jun 30, 2023	Jun 30, 2022
Cash provided by operating activities - continuing operations (GAAP)	$ 1,656	$ 2,021	$ 2,557	$ 1,856	$ 1,940	$ 2,078	$ 531	$ 1,347	$ 1,878	$ 3,468
Capital expenditures	(297)	(333)	(466)	(457)	(452)	(599)	(440)	(561)	(1,001)	(772)
Free Cash Flow (non-GAAP) [1]	$ 1,359	$ 1,688	$ 2,091	$ 1,399	$ 1,488	$ 1,479	$ 91	$ 786	$ 877	$ 2,696
Free Cash Flow - trailing twelve months ("TTM") basis (non-GAAP)	$ 5,000	$ 4,004	$ 5,568	$ 7,093	$ 6,275	$ 5,663	$ 4,457	$ 3,844		
End of period market capitalization [2]	$ 41,247	$ 47,192	$ 41,701	$ 37,065	$ 30,916	$ 35,519	$ 38,775	$ 37,446		
Free Cash Flow Yield (non-GAAP) [3]	12.1%	8.5%	13.4%	19.1%	20.3%	15.9%	11.5%	10.3%		

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) In millions (Unaudited)	Three Months Ended Jun 30, 2023	Three Months Ended Jun 30, 2022
Net income available for Dow Inc. common stockholders (GAAP)	$ 485	$ 1,661
- Significant items, after tax	(52)	(37)
Operating Net Income Available for Dow Inc. Common Stockholders (non-GAAP)	$ 537	$ 1,698
Net income attributable to noncontrolling interests	$ 16	$ 20
Gross interest expense	189	181
Imputed interest expense - operating leases	15	14
Tax on gross interest expense	(54)	(45)
Operating Net Operating Profit After Tax (non-GAAP)	$ 703	$ 1,868
Operating Net Operating Profit After Tax - trailing twelve months ("TTM") basis (non-GAAP)	$ 2,788	$ 7,833
Average Total Capital (non-GAAP)	$ 36,079	$ 34,462
Operating Return on Capital - trailing twelve months ("TTM") basis (non-GAAP) [1]	7.7 %	22.7 %

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)	Jun 30, 2023	Dec 31, 2022	Mar 31, 2019
Notes payable	$ 102	$ 362	$ 295
Long-term debt due within one year	107	362	2,367
Long-term debt	14,735	14,698	17,158
Gross debt (GAAP)	$ 14,944	$ 15,422	$ 19,820
- Cash and cash equivalents	2,924	3,886	3,001
- Marketable securities	716	939	101
Net Debt (non-GAAP)	$ 11,304	$ 10,597	$ 16,718

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).