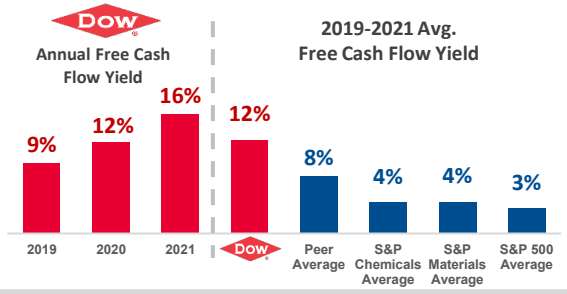


DOW FY21 BENCHMARKING UPDATE

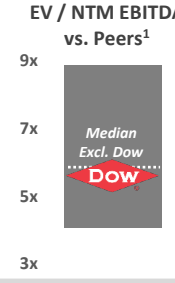
April 21, 2022

Dow Remains a Compelling Investment Opportunity

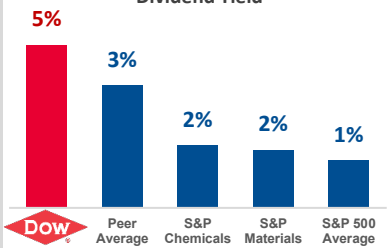
Leading Cash Flow Generation Across the Economic Cycle



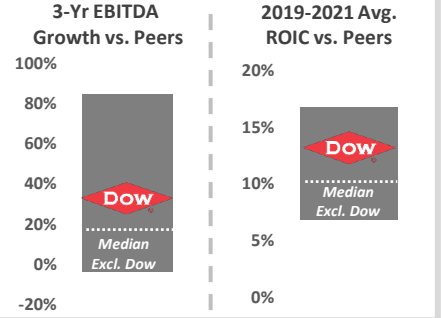
Current Valuation



Delivering Attractive Dividend Yield



Driving for Leadership on Earnings Growth and Returns



Source: Dow data, CapitalIQ, FactSet Company disclosures

Industry-leader and well-positioned to unlock additional value by capturing fast-growing demand for sustainable solutions

- Differentiated portfolio delivering in attractive end-markets growing faster than GDP
- Industry-leader on low-carbon and circularity with clear path to zero-carbon emissions while growing earnings
- Global scale in key value chains, with low-cost positions and advantaged derivative and feedstock flexibility

Robust dividend yield and free cash flow generation compared to peers, sector and overall market

- Committed to delivering industry-leading cash flow generation
- Attractive shareholder remuneration targets of ~65% of net income over the economic cycle

Dow in-flight actions raising underlying mid-cycle EBITDA above pre-pandemic levels while maintaining disciplined and balanced capital allocation

- Earnings upside from high-return, low-risk investments with capex at or below D&A
- Targeting >13% ROIC across the economic cycle

Industry-leading Portfolio With Upside Opportunity from Sustainability to Create Significant Shareholder Value

(1) As of March 31st 2022
(2) Unless otherwise noted, all Dow Financial information for 2019 is on a pro forma basis
(3) Free Cash Flow Yield for 2021 excludes the impact of the $1B elective pension contribution
(4) Peers include Arkema, BASF, Covestro, Eastman, Huntsman, Lyondell and Wacker
(5) See appendix for definition on Non-GAAP Metrics

BENCHMARKING PEERS



(1) Segments updated to reflect peer external reporting structure changes in 2021; historic data updated to align with new segments

TOTAL DOW BENCHMARKING: SUMMARY OF OBSERVATIONS

Benchmarking: Strengths & Gaps

Total Dow

- ✓ FY21 YoY Adj. Op. EBITDA growth exceeded the peer median as Dow capitalized on the economic recovery, achieving record sales and earnings performance with gains in all operating segments
- ✓ FY21 Adj. Op. EBITDA margin among the best in the peer group with margin expansion in all operating segments
- × Cash Flow Conversion trailed the peer median due to higher non-cash equity earnings impacting cash conversion in 2021
- ✓ Free cash flow yield was best-in-class on 3-year average performance
- ✓ SG&A + R&D as % of sales remained among best in peer group from continued cost discipline
- ✓ Operating Return on Capital performance 3- year average was top-quartile and in-line with Dow's over the economic cycle target
- ✓ Shareholder remuneration yield remains top-quartile with continued focus on attractive shareholder returns
- ✓ Debt reduction was top-quartile as a result of disciplined and balanced capital allocation

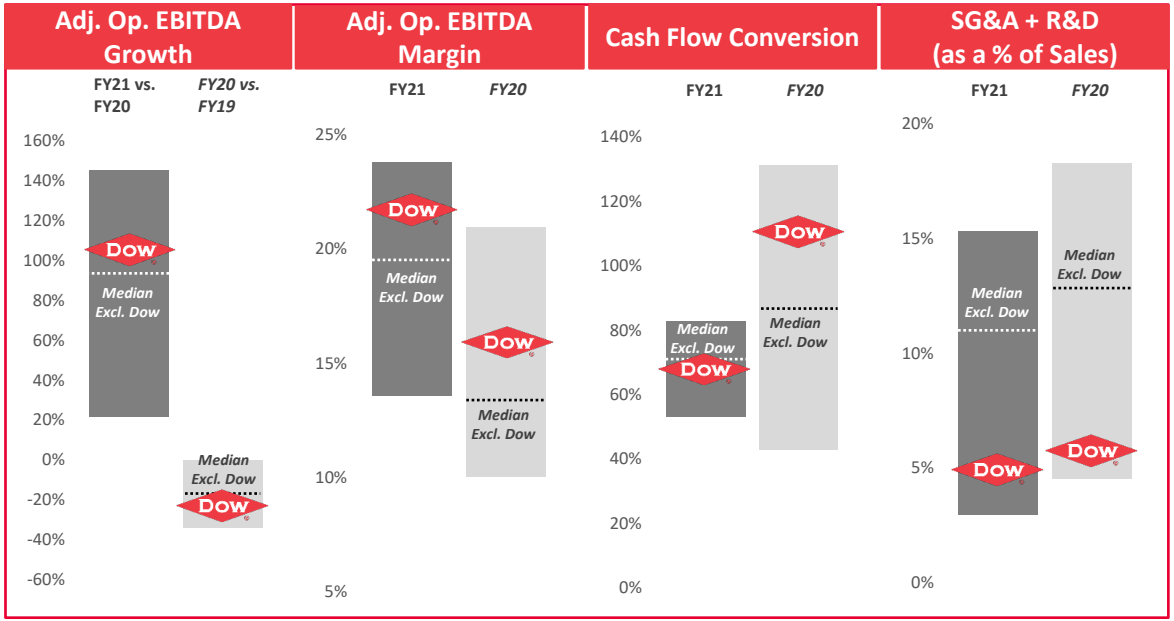
Source: Dow data, CapitalIQ, Company disclosures

(1) Unless otherwise noted, all Dow Financial information for 2019 is on a pro forma basis
(2) Dow Cash Conversion and Free Cash Flow Yield for 2021 excludes the impact of the $1B elective pension contribution
(3) Peers as defined at beginning of presentation
(4) See appendix for definition of Non-GAAP Metrics

TOTAL DOW

BENCHMARKING SNAPSHOT (1,2,3,4)

FY21 UPDATE & FY20



Source: Dow data, CapitalIQ, Company disclosures

CORE STRENGTHS

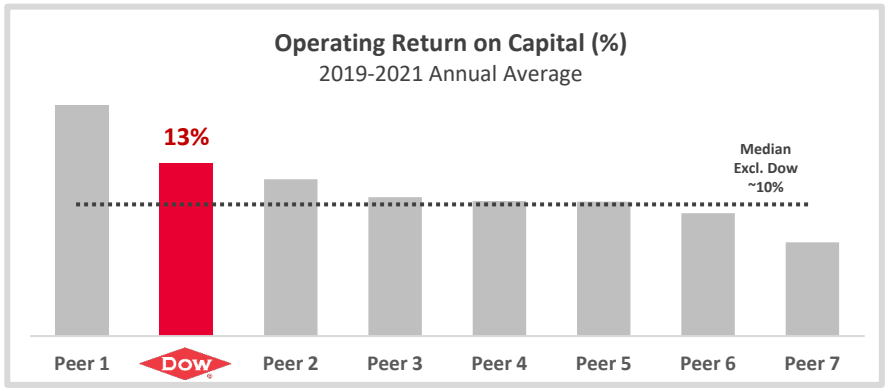
- Hallmark safety performance and operational excellence
- Global footprint with integrated value chains providing a low-cost to serve model with in-region presence
- Differentiated portfolio delivers a broad suite of offerings to attractive end-markets growing faster than GDP
- Innovative product and technology pipeline to provide sustainable solutions to address world challenges

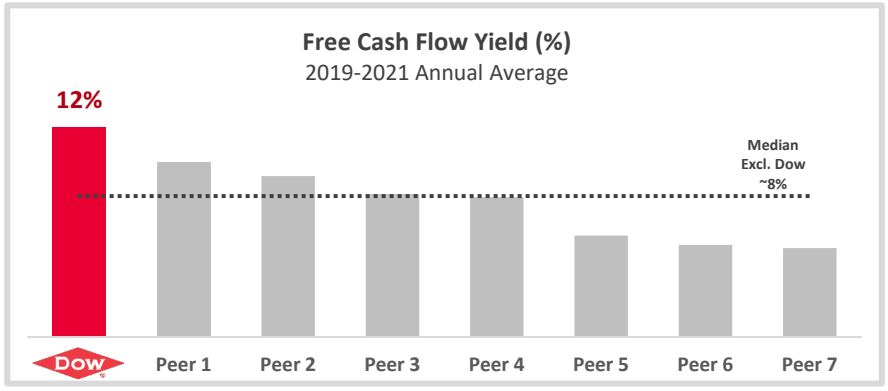
FOCUS AREAS

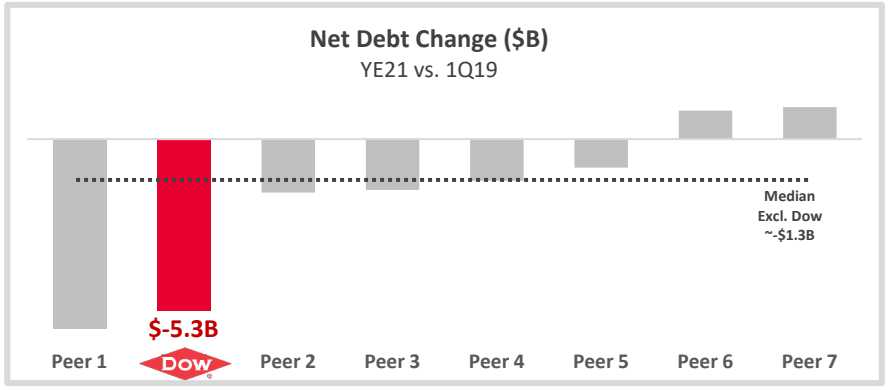
- Execute on 'Decarbonize and Grow' Strategy to deliver >$3B of underlying earnings growth
- Maintain and grow leadership positions in key markets with a top-quartile cost structure
- Capitalize on growth from high-margin, sustainability-driven applications
- Prioritize lower-risk, faster-payback projects with capex ≤ D&A over cycle
- Industry-leading cash flow generation and disciplined capital allocation

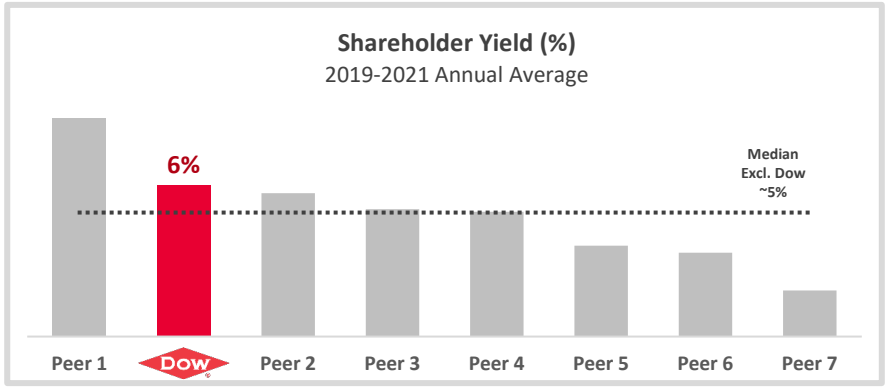
(1) Unless otherwise noted, all Dow Financial information for 2019 is on a pro forma basis
(2) Dow Cash Conversion and Free Cash Flow Yield for 2021 excludes the impact of the $1B elective pension contribution
(3) Peers as defined at beginning of presentation
(4) See appendix for definition of Non-GAAP Metrics

TOP QUARTILE PERFORMANCE









Source: Dow data, CapitalIQ, Company disclosures

(1) Unless otherwise noted, all Dow Financial information for 2019 is on a pro forma basis
(2) Dow Cash Conversion and Free Cash Flow Yield for 2021 excludes the impact of the $1B elective pension contribution
(3) Peers as defined at beginning of presentation
(4) See appendix for definition of Non-GAAP Metrics

CULTURE OF BENCHMARKING: SUMMARY OF OBSERVATIONS

Segment	Benchmarking: Strengths & Gaps
P&SP	× YoY Adj. Op. EBITDA growth trailed the peer median due to lost volumes from higher than normal planned and unplanned outages; peers more heavily impacted by pandemic experienced higher earnings recovery in 2021 ✓ Adj. Op. EBITDA margin remains resilient and near the top of the peer group ✓ Op. EBITDA per pound polyolefin capacity ahead of peers; advantage continues to expand ✓ Free Cash Conversion continued to improve and is in line with the peer median ✓ SG&A + R&D as % of sales remained among lowest in the peer group
II&I	✓ YoY Adj. Op. EBITDA growth was best-in-class driven primarily by earnings strength in Polyurethanes and recovery from impacts of the pandemic in prior year ✓ Adj. Op. EBITDA margin was above the peer median ✓ Free Cash Conversion is best-in-class among the peer group ✓ SG&A + R&D as % of sales remained among lowest in the peer group
PM&C	✓ YoY Adj. Op. EBITDA growth exceeded the peer median due to strong consumer demand recovery for silicones applications along with resilient architectural coatings demand strength × Adj. Op. EBITDA margin trailed the peer median due to higher relative exposure to China dual-control measures in siloxanes and to the impacts of USGC weather events and third-party raw materials and logistics constraints ✓ Free Cash Conversion improved year over year and remained above the peer median ✓ SG&A + R&D as % of sales remained best-in-class

(1) Unless otherwise noted, all Dow Financial information for 2019 is on a pro forma basis
(2) Peers as defined at beginning of presentation
(3) See appendix for definition of Non-GAAP Metrics
(4) SG&A + R&D reflects corporate level for peers where segment level data is unavailable
(5) Free Cash Conversion is defined as Adjusted Operating EBITDA less capital expenditures divided by Adjusted Operating EBITDA

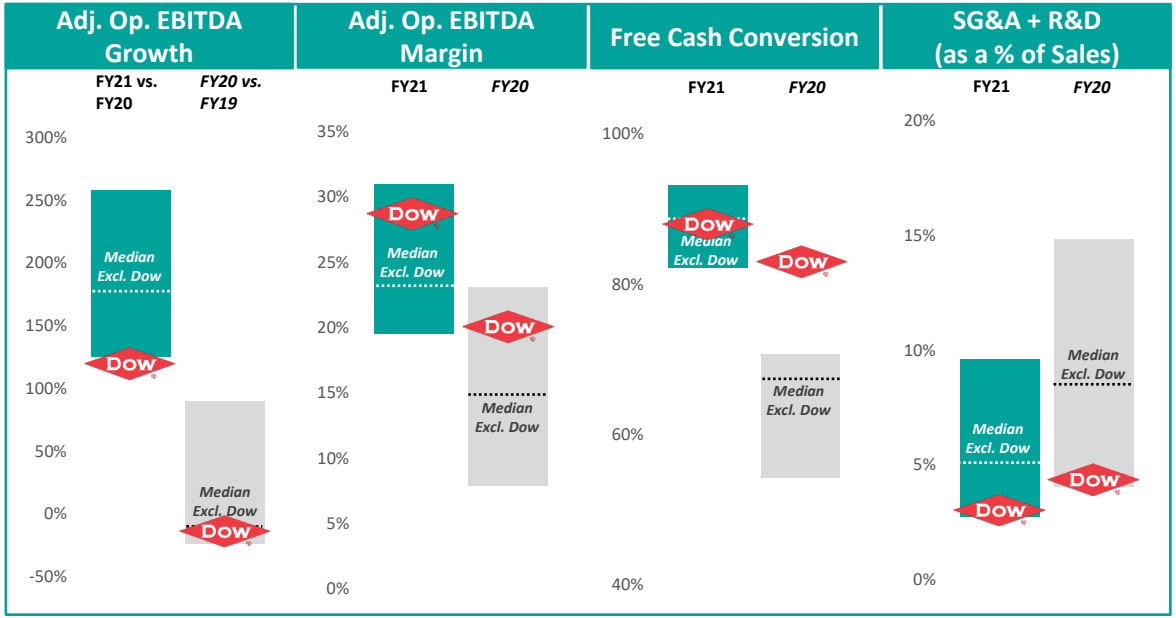
PACKAGING & SPECIALTY PLASTICS

CORE STRENGTHS

- World-class packaging franchise with leading market positions in Ethylene & PE, Ethylene Copolymers, Elastomers & Plastomers and Polyethylene Licensing
- Most flexible feedstock capability in the industry
- Proprietary catalyst and process technology
- Flexible derivative assets with differentiated co-monomer capability
- Advantaged global footprint with low-cost positions

BENCHMARKING SNAPSHOT (1,2,3,4,5)

FY21 UPDATE & FY20



Source: Dow data, CapitalIQ, Company disclosures

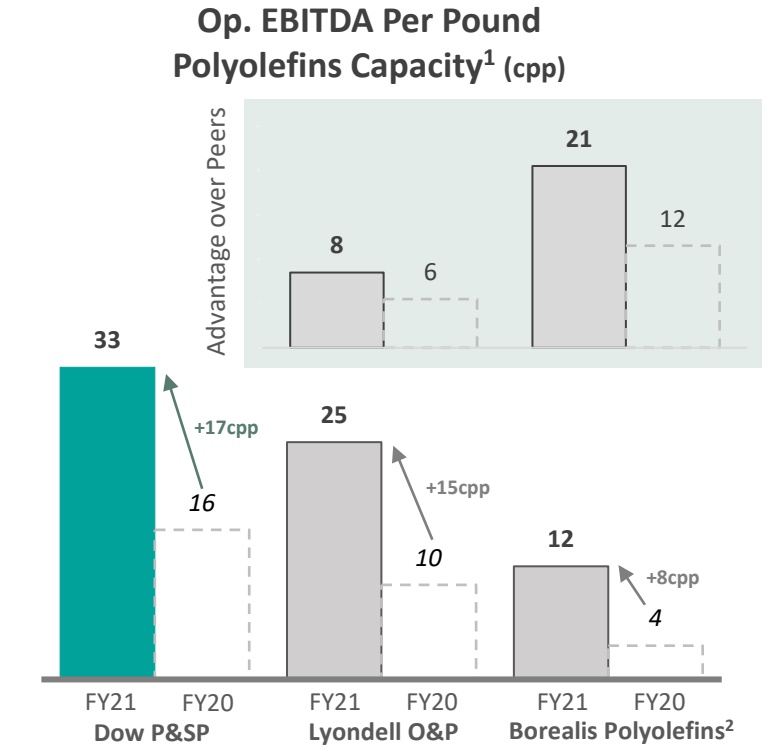
FOCUS AREAS

- Execute on 'Decarbonize and Grow' Strategy to deliver $1.6-2.3B of growth investments in P&SP
- Advance low-carbon footprint, circular and renewable offerings to capture growing demand and differentiated pricing
- Further enhance operational performance including feedstock and derivative flexibility
- Develop low-carbon technologies and capitalize on licensing opportunities

(1) Unless otherwise noted, all Dow Financial information for 2019 is on a pro forma basis
(2) Peers as defined at beginning of presentation
(3) See appendix for definition of Non-GAAP Metrics
(4) SG&A + R&D reflects corporate level for peers where segment level data is unavailable
(5) Free Cash Conversion is defined as Adjusted Operating EBITDA less capital expenditures divided by Adjusted Operating EBITDA

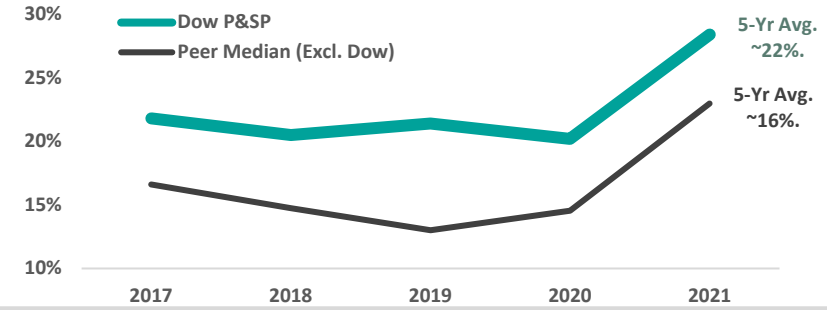
DIFFERENTIATED P&SP PORTFOLIO DELIVERING RESULTS

Dow's P&SP Returns Continue to Expand vs. Peers



Source: Peer company reported capacities, IHS

Generating Higher and More Resilient Margins vs. Peers



Feedstock-to-polymer integration continues delivering enhanced value

- Improved EBITDA per pound by +17cpp vs. prior year
- Expanded EBITDA per pound of polyolefins capacity by +2cpp vs. next closest peer

Utilizing advantages of a world-class packaging franchise:

- Leading market & application participation
- Best-in-class feedstock flexibility and leading cost positions
- Global footprint with Pack Studios in every region
- Flexible downstream assets with superior capability to optimize mix with functional polymers, elastomers and wire & cable

Dow P&SP has consistently delivered >20% Operating EBITDA margins while maintaining resiliency and outperforming the peer median

(1) Segment Op. EBITDA based on FY21 reported figures including equity income from affiliates/JVs. Capacity based on latest company reported nameplate for PE and PP (2021 Investor Day for Dow, 2021 10-K for Lyondell) including share of JVs, or IHS reported capacity for 2021 including share of JVs if not available (Borealis).
(2) Borealis Polyolefins EBITDA adjusted for equity earnings from JVs

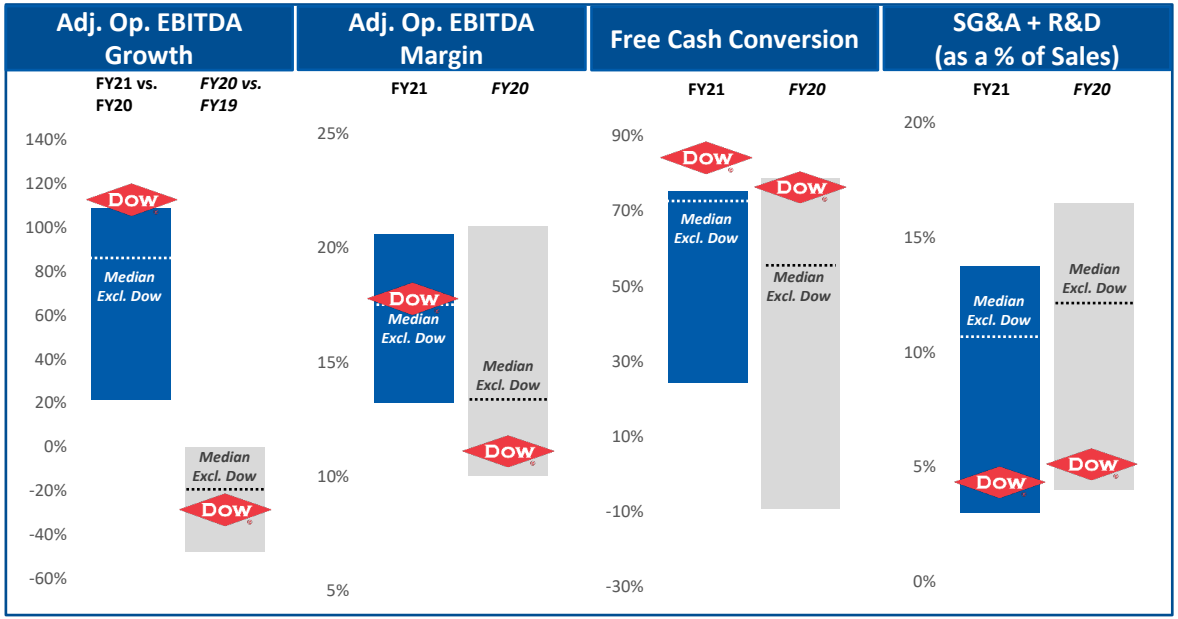
INDUSTRIAL INTERMEDIATES & INFRASTRUCTURE

CORE STRENGTHS

- #1 global producer by capacity of Purified Ethylene Oxide, Ethylene Amines, Ethanol Amines, Propylene Oxide, Propylene Glycol and Polyols
- Leading franchise positions in building and structural science, gas treating, insulation and energy efficiency, cleaning and CO2 capture
- Innovation pipeline driven through customer collaboration and in-region global presence
- Industrial Solutions contains products with some of the highest returns to ethylene

BENCHMARKING SNAPSHOT (1,2,3,4,5)

FY21 UPDATE & FY20



Source: Dow data, CapitalIQ, Company disclosures

FOCUS AREAS

- Execute on 'Decarbonize and Grow' Strategy to deliver $0.3-0.4B of growth investments in II&I
- Investing in attractive EO and downstream specialty solvents and alcohols
- Investments to enable leading polyurethane systems growth for specialty applications
- Innovation for sustainable next-generation infrastructure

(1) Unless otherwise noted, all Dow Financial information for 2019 is on a pro forma basis
(2) Peers as defined at beginning of presentation
(3) See appendix for definition of Non-GAAP Metrics
(4) SG&A + R&D reflects corporate level for peers where segment level data is unavailable
(5) Free Cash Conversion is defined as Adjusted Operating EBITDA less capital expenditures divided by Adjusted Operating EBITDA

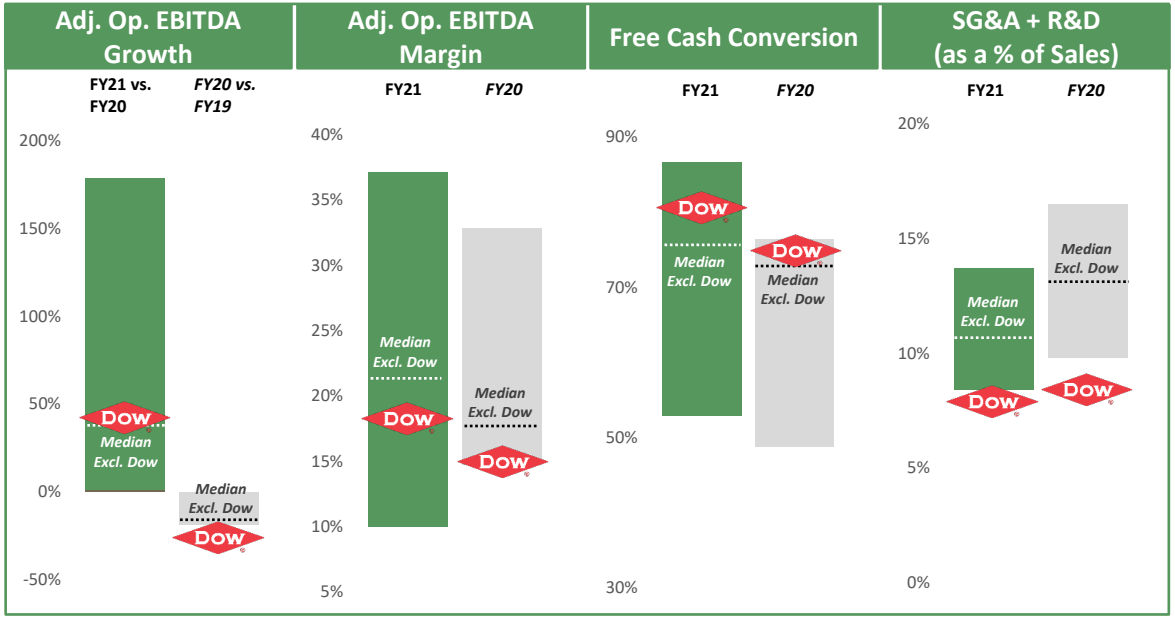
PERFORMANCE MATERIALS & COATINGS

BENCHMARKING SNAPSHOT (1,2,3,4,5)

FY21 UPDATE & FY20

CORE STRENGTHS

- #1 global producer by capacity of Siloxanes & Silicones and Acrylic Binders
- Low cost global siloxanes producer with backward integration capabilities
- World-scale acrylic monomers and leading coatings solution provider
- Industry leadership delivered through in-depth application expertise and innovative digital platforms
- Unique hybrid chemistry opportunities



Source: Dow data, CapitalIQ, Company disclosures

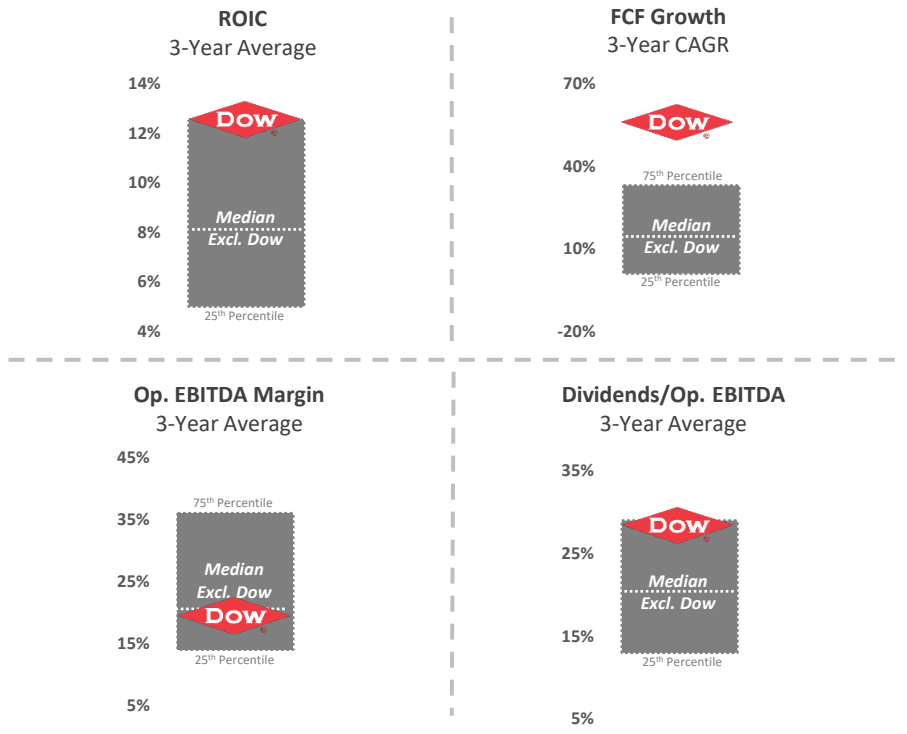
FOCUS AREAS

- Execute on 'Decarbonize and Grow' Strategy to deliver $0.5-0.6B of growth investments in PM&C
- Accelerate downstream growth in value chains through mix shift and innovation tailored to high-growth end-markets
- Unlock downstream capacity in silicones and optimize coatings footprint
- Advance sustainable solutions to capture demand and differentiated pricing opportunities

(1) Unless otherwise noted, all Dow Financial information for 2019 is on a pro forma basis
(2) Peers as defined at beginning of presentation
(3) See appendix for definition of Non-GAAP Metrics
(4) SG&A + R&D reflects corporate level for peers where segment level data is unavailable
(5) Free Cash Conversion is defined as Adjusted Operating EBITDA less capital expenditures divided by Adjusted Operating EBITDA

Dow Also Delivering Strong Performance vs. Select S&P 500 Companies Trading at ~8-10x Multiples

Dow vs. ~8-10x EV/EBITDA Multiple Companies in S&P 500[1]



Source: Dow Data, CapitalIQ, Company disclosures

Dow is delivering strong financial performance when compared to a broad set of S&P 500 companies trading in the ~8-10x EV/EBITDA multiple range

- Top-quartile return on capital through disciplined capital allocation
- Attractive dividend returning earnings to shareholders
- Delivering robust FCF growth with Op. EBTIDA margins in-line with group median

Outperforming a broad set of materials and chemicals companies with strong contribution from EBITDA growth and Free Cash Flow generation offsetting impacts from change in multiple

Percentage Contribution to Average Annual TSR[2]

	DOW	Broad Set of Materials and Chemicals Companies
EBITDA Growth Contribution	18	12
Free Cash Flow Contribution	9	6

Source: Dow Data, CapitalIQ, Company disclosures, Estimates based on multi-regression analysis

(1) See appendix (General Comments) for list of S&P 500 Companies trading in the ~8-10x EV/NTM EBITDA range as of 12/31/2021
(2) Includes: Arkema, BASF, Celanese, Covestro, Eastman, Huntsman, Lyondell, Wacker, Shin-Etsu, Westlake, Lenzig, Minerals Technologies and Olin; Avg. Annual TSR from April 2019 until December 2021
(3) Free Cash Flow Growth for 2021 excludes the impact of the $1B elective pension contribution
(4) See appendix for definition of Non-GAAP Metrics

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.

Benchmarking Groups
Segment level financial benchmarking group as per November 2018 Investor Day and adjusted for a) Changes in ownership/reporting precluding sufficient data to continue utilizing peer or b) Changes in peer external reporting structure

Total Dow financial benchmarking group as per 2020 Annual Benchmarking enhancement to provide additional transparency on relative financial performance of entire enterprise

S&P 500 Companies trading at ~8-10x multiple as of 12/31/2021: Altria Group, Inc., AmerisourceBergen Corporation, Amgen Inc., Cigna Corporation, Comcast Corporation, Corning Incorporated, Cummins Inc., DTE Energy Company, Eastman Chemical Company, eBay Inc., Edison International, Exelon Corporation, FedEx Corporation, Gilead Sciences, Inc., Halliburton Company, International Business Machines Corporation, International Paper Company, Kinder Morgan, Inc., Lockheed Martin Corporation, McKesson Corporation, Merck & Co., Inc., Molson Coors Beverage Company, Newell Brands Inc., Newmont Corporation, NRG Energy, Inc., Omnicom Group Inc., Paramount Global, Pfizer Inc., PPL Corporation, Ralph Lauren Corporation, Schlumberger Limited, Snap-on Incorporated, Southwest Airlines Co., Tapestry, Inc., The Gap, Inc., The Interpublic Group of Companies, Inc., The Kroger Co., The Williams Companies, Inc., Tyson Foods, Inc., Verizon Communications Inc.

S&P 500 Chemicals; S&P 500 Materials; S&P 500 aggregates as defined per FactSet

SAFE HARBOR

Cautionary Statement about Forward-Looking Statements

Certain statements in this report 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; the continuing global and regional economic impacts of the coronavirus disease 2019 (“COVID-19”) pandemic and other public health-related risks and events on Dow’s business; any sanction, 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; and 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, 2021. 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 and TDCC assume no obligation to update or revise publicly any forward-looking statements whether because of new information, future events, or otherwise, except as required by securities and other applicable laws.

NON-GAAP & DEFINITIONS

Non-GAAP Financial Measures

This presentation includes information that does not conform to U.S. 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 U.S. GAAP disclosures and should not be viewed as alternatives to U.S. GAAP measures of performance. Furthermore, such non-GAAP measures may not be consistent with similar measures provided or used by other companies. Dow does not provide forward-looking U.S. GAAP financial measures or a reconciliation of forward-looking non-GAAP financial measures to the most comparable U.S. GAAP financial measures on a forward-looking basis because the Company is unable to predict with reasonable certainty the ultimate outcome of pending litigation, unusual gains and losses, foreign currency exchange gains or losses and potential future asset impairments, as well as discrete taxable events, without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on U.S. GAAP results for the guidance period.

Trademarks

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

Definitions

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

Adjusted Operating EBITDA is defined as Operating EBITDA less equity earnings.

Adjusted Operating EBITDA Margin is defined as Adjusted Operating EBITDA divided by net sales, excluding certain transactions with nonconsolidated affiliates.

Free Cash Flow (FCF) is defined as "Cash provided by (used for) 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.

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.

Total Shareholder Return (TSR) is defined as change in value of common stock including the reinvestment of Dividends

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.

Cash Flow Conversion is defined as "Cash provided by (used for) operating activities – continuing operations" divided by Operating EBITDA or Pro Forma 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 for the operating segments is defined as Adjusted Operating EBITDA less capital expenditures divided by Adjusted Operating EBITDA.

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."



THANK YOU