





1Q 2025 Results

April 24, 2025

Agenda

- 1Q25 Highlights
- Further Actions to Navigate the Prolonged Downturn
- Operating Segment Performance
- Asset and Portfolio Advantages
- Outlook
- Near-Term Cash Support to Preserve Financial Flexibility

1Q 2025 Highlights

Delivering Volume Growth Despite Challenging Industry Conditions

- Net sales of $10.4B; 6th consecutive quarter of YoY volume growth
- Operating EBITDA was $944MM, down YoY
- Total CapEx for the quarter was $685MM, below D&A levels – will remain below for FY25
- Executed issuance of $1B of 10-year and 30-year bonds – extending debt maturity and improving our liquidity profile

Proactively Navigating the Prolonged Downturn

- Implementing at least $1B in annualized cost reductions across 2025 & 2026
- Delaying construction of Path2Zero project in Fort Saskatchewan, Alberta, Canada, reducing our total enterprise CapEx spending by ~$1B in 2025
- Expanding scope of our previously announced review of European assets to include 3 additional upstream assets for further action
- Expect ~$4B in unique-to-Dow cash levers in 2025, including up to ~$3B from infrastructure asset sales and >$1B NOVA judgment

$10.4B
Net Sales

$230MM
Operating EBIT

$494MM
Returned to Shareholders

Non-GAAP measures are defined in the appendix

Further Actions to Reduce Spending and Right-Size Capacity

Delaying Path2Zero Growth Project

- The long-term strategic rationale of Path2Zero remains intact, and we are committed to completing the project.
- Our industry continues to experience challenging market conditions that are expected to persist in the near-term, given increased macroeconomic and geopolitical volatility.
- Following a comprehensive review, Dow will delay construction of its Path2Zero growth project in Fort Saskatchewan, Alberta, Canada to match the ethylene market timing and preserve cash.
- As a result, we now expect 2025 CapEx to be $2.5B compared to original plan of $3.5B.
  - Reflects an additional ~$600MM reduction
  - Builds on the ~$400MM CapEx reduction announced in Jan. 2025

Expanding Scope of European Asset Review

- Continuing to advance our previously announced European asset review, primarily in Polyurethanes, to address the persistently challenging demand dynamics and regulatory environment in the region.
- Targeting improved cost competitiveness across the entire Dow portfolio, enabling higher earnings across the cycle.
- Expanded the review scope, identifying three initial assets across our three operating segments that we believe will require further action. Listed below are assets representing higher-cost, energy intensive upstream portions of the Company's portfolio, including potential outcomes:
  - Ethylene cracker in Böhlen, Germany, resulting in idle or shut down
  - Chlor-alkali & vinyl (CAV) assets in Schkopau, Germany, resulting in idle or shut down
  - Upstream siloxanes in Barry, U.K., resulting in shut down
- Dow remains committed to completing our full European asset review by mid-2025.

Strategic actions support cash flow and profitability in response to challenging market conditions

Packaging & Specialty Plastics

REVENUE

YoY			QoQ		
Sales	2%	↓	Sales	*Flat*	
Volume	4%	↑	Volume	1%	↑
Price	4%	↓	Price	1%	↑

OP. EBIT & OP. EBIT MARGIN

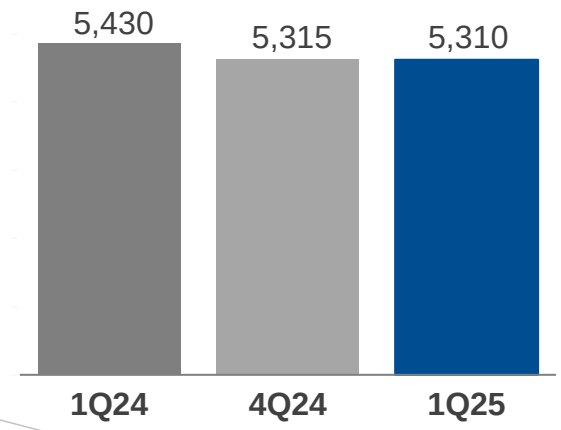
YoY			QoQ		
Op. EBIT	$263MM	↓	Op. EBIT	$105MM	↓
Margins	470 bps	↓	Margins	200 bps	↓

Op. EBIT Drivers

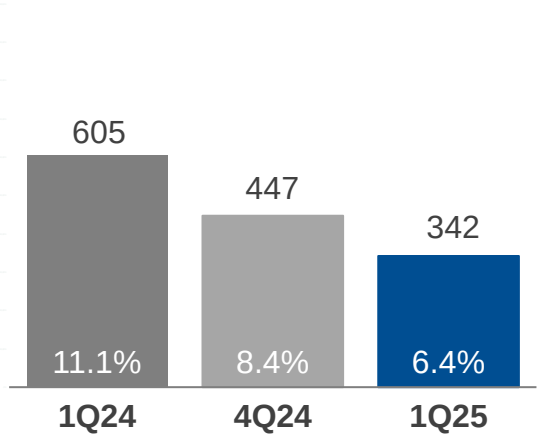
YoY
Lower integrated margins

QoQ
Lower integrated margins from higher input costs; partly offset by higher equity earnings

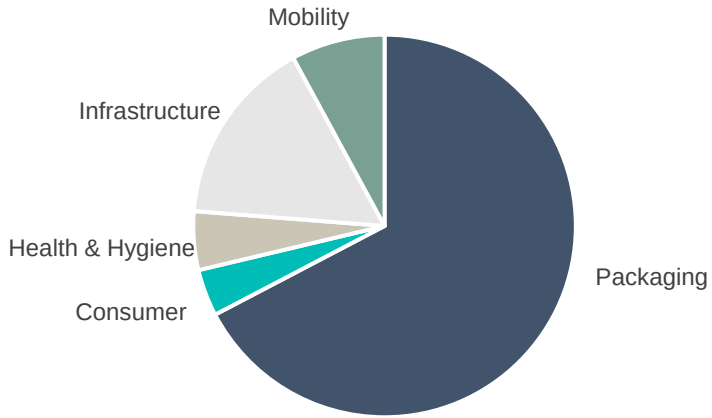
REVENUE ($MM)[1]



OP. EBIT ($MM) & OP. EBIT MARGIN



End Market Participation[2]



Non-GAAP measures are defined in the appendix
1. Net sales for 1Q25 includes a 1% unfavorable impact from the sale of the flexible packaging laminating adhesives business in the fourth quarter of 2024.
2. Average end market representation (% of sales) for 2022-2024

Industrial Intermediates & Infrastructure

REVENUE

	YoY		QoQ	
Sales	5%	↓	Sales	3% ↓
Volume	1%	↑	Volume	1% ↑
Price	4%	↓	Price	2% ↓

OP. EBIT & OP. EBIT MARGIN

	YoY		QoQ	
Op. EBIT	$215MM	↓	Op. EBIT	$212MM ↓
Margins	740 bps	↓	Margins	730 bps ↓

Op. EBIT Drivers

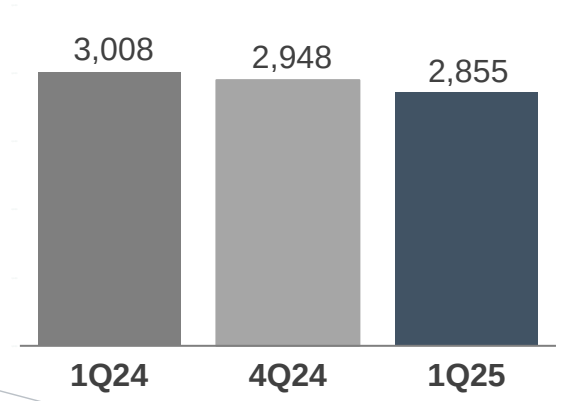
YoY

Lower prices, higher energy costs and lower equity earnings, partly offset by higher volumes in Dow Industrial Solutions

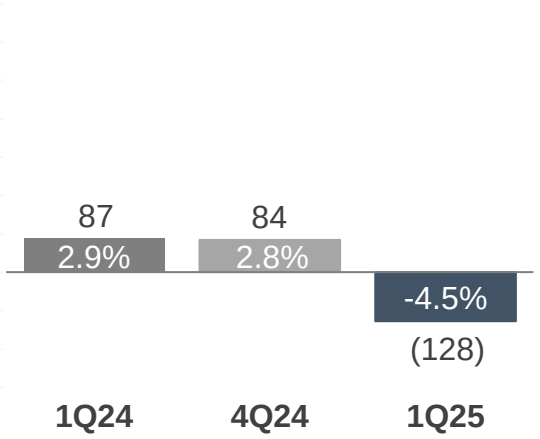
QoQ

Margin compression, higher planned maintenance activity, partly offset by volume gains

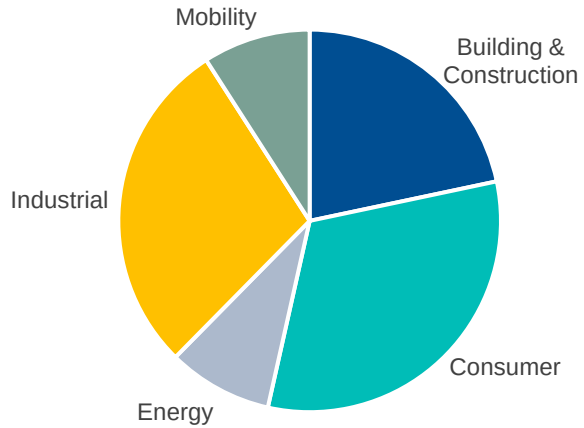
REVENUE ($MM)



OP. EBIT ($MM) & OP. EBIT MARGIN



End Market Participation[1]



Non-GAAP measures are defined in the appendix

1. Average end market representation (% of sales) for 2022-2024

Performance Materials & Coatings

REVENUE

YoY			QoQ		
Sales	4%	↓	Sales	5%	↑
Volume	1%	↓	Volume	8%	↑
Price	2%	↓	Price	1%	↓

OP. EBIT & OP. EBIT MARGIN

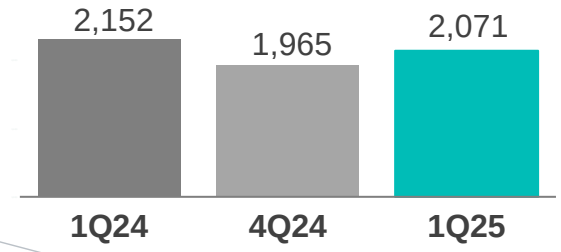
YoY			QoQ		
Op. EBIT	$8MM	↑	Op. EBIT	$58MM	↑
Margins	50 bps	↑	Margins	290 bps	↑

Op. EBIT Drivers

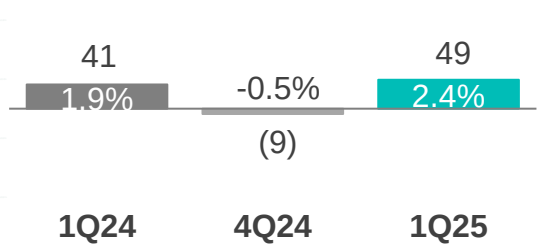
YoY
Lower fixed costs, partly offset by lower prices

QoQ
Seasonally higher demand and operating rates, partly offset by higher planned maintenance activity

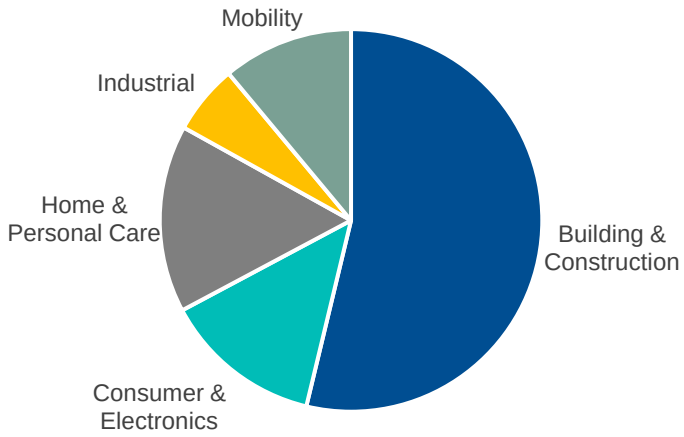
REVENUE ($MM)



OP. EBIT ($MM) & OP. EBIT MARGIN



End Market Participation[1]

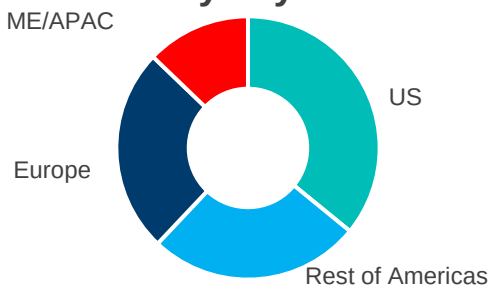


Non-GAAP measures are defined in the appendix
1. Average –end market representation (% of sales) for 2022-2024

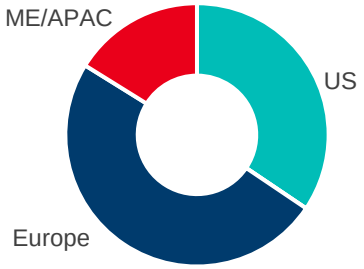
Strategic and Purpose-Built Asset Footprint

Global Portfolio Breadth Provides Competitive Advantage

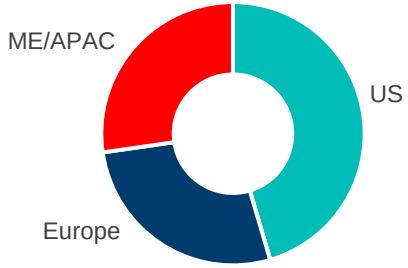
Polyethylene



MDI



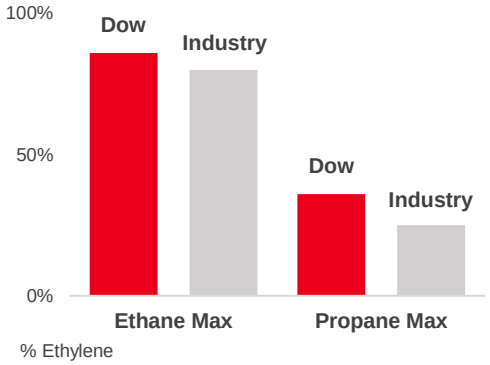
Silicones



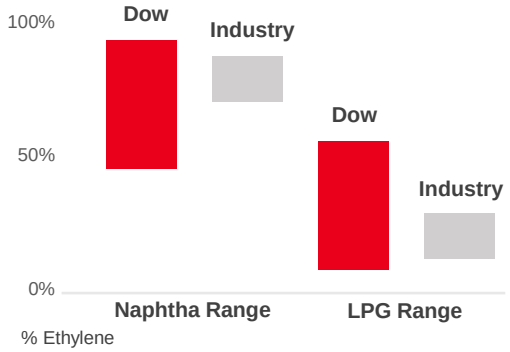
Source: Dow published capacities

Industry-Leading Feedstock Flexibility

USGC Feedstock Optimization



European Feedstock Optionality



Sources: Dow, Hodson, CMA, CEFIC

Dow has Significant Optionality to Mitigate Against Direct Tariff and Volatile Feedstock Environments

- Dow has a leading, low-cost, integrated polyethylene position in every regional vertical
  - With multiple countries in the Americas (U.S., Canada, and Argentina) differentiated versus peers
  - >95% of Dow's U.S./Canada volume benefits from USMCA compliance
- Tariffs could provide additional margin support from local production of products in the U.S. that are facing significant China oversupply, namely MDI and Silicones
- Dow has unmatched cost positions and leading feedstock flexibility to maximize returns
  - Max ethane & propane capabilities in the U.S. Gulf Coast
  - Widest feedstock range vs. the industry in Europe

Portfolio Benefits Provide Industry Leading Performance

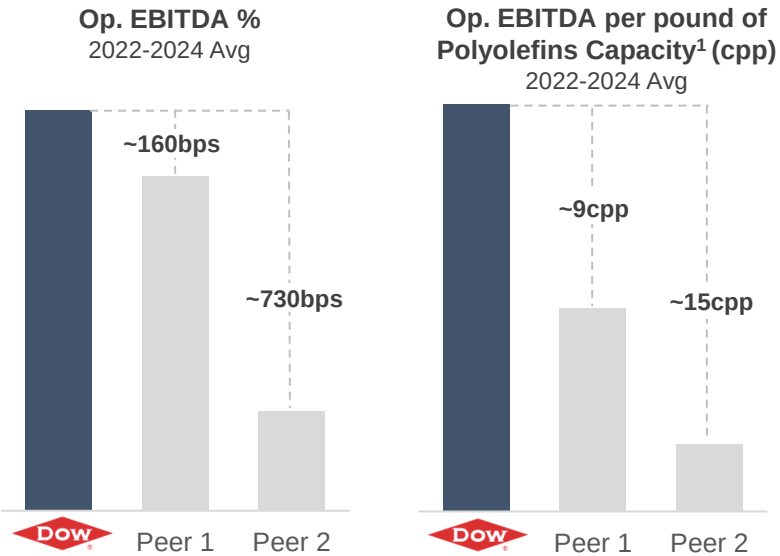
Benchmarking: Strengths & Opportunities

Total Dow

- ✓ FY24 YoY Adj. Op. EBITDA growth in-line with the peer median driven by resilient demand in key end markets such as packaging, energy, electronics and home & personal care
- ✓ FY24 Adj. Op. EBITDA margin above the peer group median leveraging our cost advantaged footprint, leading feedstock flexibility, low cost-to-serve operating model, and efficient innovation engine
- × Cash Flow Conversion trailed the peer median driven by a working capital use of cash (sales volume increased +3% YoY, ex. Hydrocarbons & Energy)
- ✓ Free Cash Flow Yield 3-year average ~+300bps above the peer median
- ✓ SG&A + R&D as a % of Sales remains best in the peer group from continued cost discipline
- ✓ Operating Return on Invested Capital 3-year average ~+100bps above peer median, but below our target across the cycle of >13% driven by a prolonged economic downturn
- ✓ Shareholder yield in-line with the peer median
- ✓ Five-year debt reduction best-in-class as a result of a disciplined and balanced capital allocation approach

Outperforming the Competition

Disciplined Execution Drives Superior Results



1. Segment Op. EBITDA based on reported figures including equity income from affiliates/JVs. Dow Capacity based on latest reported PE and Functional Polymers capacity (2024 Investor Day including proportionate share of JVs); Peers based on CMA reported capacity, including proportionate share of JVs

Dow performed in-line or ahead of industry peers across >80% of KPI's

Non-GAAP measures are defined in the appendix
Source: Dow data, FactSet, Company disclosures
Peers are Total Dow peers as defined earlier in full FY24 Benchmarking presentation on Dow's Investor Relations website

Slower Global Growth with Increasing Macro Uncertainty

Market Vertical (% of Revenue[1])	NAA	LAA	EMEAI	China	Rest of World
Packaging ~30%	Moderate/Mixed	Moderate/Mixed	Moderate/Mixed	Moderate/Mixed	Moderate/Mixed
Infrastructure ~40%	Moderate/Mixed	Weak	Weak	Weak	Weak
Consumer ~20%	Moderate/Mixed	Moderate/Mixed	Weak	Moderate/Mixed	Moderate/Mixed
Mobility ~10%	Moderate/Mixed	Moderate/Mixed	Weak	Weak	Moderate/Mixed

Source: Based on internal and third-party markers

Strong · Moderate/Mixed · Weak · Changes vs. Prior Update

Packaging

- \+ U.S. & Canada industry PE domestic sales increased QoQ, but export volumes moderated following record high November and December
- \+ China manufacturing PMI has remained consistent across February and March
- – Eurozone Manufacturing PMI in contractionary territory for almost 3 years

Infrastructure

- – U.S. building permits declined 0.2% YoY in Mar; 14th consecutive month of declines
- – Eurozone Construction PMI in contractionary territory since April 2022
- – China new home prices declined YoY in March; 21st consecutive month of declines

Consumer

- – U.S. consumer confidence in March lowest since Jan 2021
- – Eurozone consumer confidence weakened in March to a 3-month low
- \+ China retail sales grew 6% YoY in March; CPI declined for the 2nd straight month

Mobility

- \+ U.S. auto sales up YoY in March due to pre-buying ahead of tariff implementation
- – Feb EU new car registrations declined 3.4% YoY; largest decline since Sep 2024
- \+ China auto sales increased YoY in March due to increased government incentives

1. Average 2022 – 2024 % of Total Dow revenue excluding Corporate and Hydrocarbons & Energy

2Q25 Modeling Guidance

Uncertain Macroeconomic Environment Expected to Temper Normal Seasonality

Net Sales	~$10.4B
Full-Year Operational Tax Rate	~25 – 29%
Net Income Attrib. to Non-Controlling Int.	~$45MM

Depreciation & Amortization	~$725MM
Net Interest Expense (Net of Int. Income)	~$175MM
Average Share Count	~710MM

	Top-Line Ranges (2Q25 vs. 1Q25)		Base Case Op. EBITDA Drivers (2Q25 vs. 1Q25)
	Sales % Δ QoQ		
	Low	High	
Packaging & Specialty Plastics	*-4%*	*-2%*	▪ Lower integrated global margins, including fewer merchant sales, partly offset by Enzo add-back (~$25MM headwind) ▪ Higher planned maintenance activity across polyethylene trains in the USGC and Europe (~$50MM headwind) ▪ Cost reduction actions ramping throughout the quarter (~$25MM tailwind)
Industrial Intermediates & Infrastructure	*FLAT*	*2%*	▪ Modest seasonal demand improvement and higher MDI margins, partly offset by lower MEG pricing (~$50MM tailwind) ▪ Higher planned maintenance activity plus one-time startup costs of new Seadrift alkoxylation capacity (~$55MM headwind) ▪ Cost reduction actions ramping throughout the quarter (~$10MM tailwind)
Performance Materials & Coatings	*+2%*	*+4%*	▪ Modest seasonal demand improvement across coatings and continued downstream silicones growth ($75MM tailwind) ▪ Cost reduction actions ramping throughout the quarter (~$10MM tailwind)
Corporate	*Sales of ~$175MM*		▪ Op. EBIT of $(65)MM and Op. EBITDA of $(55)MM

Non-GAAP measures are defined in the appendix

Near-Term Support to Preserve Financial Flexibility

Complete Infrastructure Asset Sale

- Expect to receive initial cash proceeds of ~$2.4B for a 40% equity stake; anticipate closing by May 1, 2025
- Option for Macquarie Asset Management to increase their stake to 49%, resulting in additional cash proceeds of ~$600MM in 2025
- Strategic partnership represents a new business model designed to drive operational efficiencies and growth with new customers

~$3B
cash proceeds

Receive NOVA Damages Award

- The Court of King's Bench in Alberta, Canada, issued a ruling awarding Dow additional compensation related to the jointly owned ethylene asset with NOVA Chemicals
- Dow anticipates the final resolution in 2025, with cash proceeds expected to be >$1B
- Allows Dow to recover costs from a decades-long legal process

>$1B
cash proceeds

Deliver Cost & CapEx Reductions

- Expect 2025 enterprise CapEx to be $2.5B, a reduction of ~$1B vs. initial plan of ~$3.5B
  - Delaying Path2Zero project, representing ~$600MM reduction
  - Builds on previously announced ~$400MM reduction
- Progressing at least $1B in annualized cost reductions
  - Third-party spending and ~1,500 global Dow workforce reduction
  - ~$300MM Op. EBITDA benefit in 2025, including ~$50MM in 2Q

~$2B
cash savings

Driving proactive actions totaling ~$6B in cash support to effectively manage the extended downcycle

Non-GAAP measures are defined in the appendix

2025 Strategic Priorities

Right-size Capacity and Reduce CapEx to Match Demand

- Maintain financial flexibility and ensure a balanced capital allocation approach amidst market challenges and uncertainty
- Delay construction of Fort Saskatchewan Path2Zero project to match market demand conditions
- Continue to advance our previously announced European asset review, including expanded scope identifying three initial upstream assets where we expect to idle or shut down capacity

Capitalize on Dow's Portfolio Advantages

- Focus on price management to restore margins
- Prioritize volume growth in attractive end markets
- Leverage broad asset footprint and leading feedstock flexibility to mitigate tariff impact
- Complete in-flight incremental growth projects in cost-advantaged regions

Deliver ~$6B in Near-term Cash Support

- Close Phase 1 of the sale of a minority stake in select USGC infrastructure assets for ~$2.4B by May 1, 2025; additional ~$600MM within six months if option to increase initial stake is exercised
- Receive expected cash inflow from NOVA judgment of >$1B this year
- Reduce CapEx by ~$1B vs. initial 2025 plan of $3.5B
- Achieve at least $1B in annualized cost reductions, with ~$300MM in 2025 and full benefit by 2026



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FY 2025 Modeling Considerations *[BETTER / WORSE SINCE LAST UPDATE]*

Operating EBIT Drivers	
Equity Earnings	~$25 to ~$50MM lower YoY
Pension and Defined Contribution Impact	~$90MM higher YoY
Corporate	Op. EBIT of ~$(320)MM and Op. EBITDA of ~$(280)MM
Turnaround Expenses	~Flat YoY

Other Income Statement Considerations	
Net Interest Expense	~$600MM
D&A	~$2.9B
Net Income Attrib. to Non-Controlling Int.	~$200MM[1] (reduction to reported Net Income)
Year-End Average Share Count	~715MM
Operational Tax Rate	25% to 29%

Cash Flow Considerations	
Dividends from Equity Companies	~$300 to ~$325MM
Pension contributions	~$175MM
CapEx	~$2.5B
2025 Cost Optimization Program Costs	~$100 to $150MM cash outflow

1. Assumes sale of a 40% minority stake in select USGC infrastructure assets is closed by May 1, 2025

Principal Joint Venture Detail

Dow's Proportional Share of Principal JV Financial Results

	1Q 2025			4Q 2024			1Q 2024		
$ millions (unaudited)	Sadara	Kuwait JVs	Thai JVs	Sadara	Kuwait JVs	Thai JVs	Sadara	Kuwait JVs	Thai JVs
EBITDA	$11	$119	$(3)	$1	$133	$(19)	$47	$142	$25
EBIT	$(68)	$80	$(8)	$(79)	$92	$(24)	$(29)	$99	$21
Net Income *Equity Earnings to Dow*	**$(88)**	**$57**	**$(11)**	**$(113)**	**$76**	**$(27)**	**$(70)**	**$79**	**$16**
EBITDA in Excess of Eq. Earnings	$99	$62	$8	$114	$57	$8	$117	$63	$9
Net Debt	$4,253	$1,624	$320	$4,364	$1,416	$306	$4,239	$1,669	$283

Drivers of JV Performance

- **Sadara: YoY** primarily driven by lower volumes; **QoQ** primarily driven by higher operating rates
- **Kuwait JVs: YoY** driven by higher input costs, partly offset by higher volumes; **QoQ** driven by planned maintenance for a catalyst change
- **Thai JVs: YoY** driven by lower integrated margins, partly offset by higher volumes; **QoQ** driven by higher volumes and improved cracker margins

Share Issuance and Repurchase Activity

Share Issuances & Repurchases

Shares in millions	1Q25	4Q24	1Q24	YTD25	YTD24
Stock Incentive Plans (LTI)	1.4	-	3.2	1.4	3.2
Contributions to U.S. Defined Contribution Plans (401(k))	1.8	1.1	1.3	1.8	1.3
Employee Stock Purchase Plan (ESPP)[1]	-	2.4	-	-	-
Total Shares Issued	**3.2**	**3.5**	**4.5**	**3.2**	**4.5**
Total Shares Repurchased	**-**	**-**	**3.6**	**-**	**3.6**

Cash inflows and outflows related to shares issued and repurchased are presented in the Consolidated Statements of Cash Flows.

Refer to Dow's 10-Q and 10-K for additional details on Stock Incentive, Defined Contribution, and Employee Stock Purchase Plans.

Comments

- **Stock Incentive Plans (LTI):** Includes stock options, restricted stock units, performance stock units, stock appreciation rights and stock units
- **401(k) Contributions:** Beginning in 2024, all eligible U.S. employees receive an automatic non-elective contribution percent with the freezing of legacy defined benefit plans in addition to a company match up to preset contribution levels
- Stock Incentive Plans and Defined Contributions Plans are benchmarked against our proxy compensation peer set and 401(k) contributions are secondarily benchmarked against the chemical industry
- **ESPP:** All eligible employees can participate at a capped and defined level of eligible compensation

1. ESPP is funded by employees across 1Q-3Q with share issuance in 4Q

Dow Capacities

Dow Supplemental Information – Key Capacities (as of 1st Quarter 2024)

Capacities – United States (does not include JV facilities)

In millions of pounds (Unaudited)

Industrial Intermediates & Infrastructure	
Ethylene Oxide	2,438
Propylene Oxide[1]	1,830
pMDI	658
Packaging & Specialty Plastics	
Ethylene (wholly-owned)	15,781
Ethylene (fenceline contracts; producer economics)	1,495
On-Purpose Propylene[2]	1,984
Polyethylene & Functional Polymers[3]	10,937
Performance Materials & Coatings	
Siloxane	551

Capacities – Rest of Americas (does not include JV facilities)

In millions of pounds (Unaudited)

Industrial Intermediates & Infrastructure	
Propylene Oxide	487
Packaging & Specialty Plastics	
Ethylene (wholly-owned)	6,379
Ethylene (fenceline contracts; producer economics)	1,576
Polyethylene & Functional Polymers[3]	5,181

Capacities – Rest of World (does not include JV facilities)

In millions of pounds (Unaudited)

Industrial Intermediates & Infrastructure	
Ethylene Oxide	290
Propylene Oxide	2,644
pMDI	944
Packaging & Specialty Plastics	
Ethylene (wholly-owned)	6,834
Polyethylene & Functional Polymers[3]	5,382
Performance Materials & Coatings	
Siloxane	331

1. Includes ~1,100MM lbs of capacity that will be shutdown by the end of 2025
2. Includes Dow's PDH and FCDh units located on the U.S. Gulf Coast
3. 25% of Global capacity is capable of producing Functional Polymers products (Elastomers, Plastomers, Wire & Cable, High Pressure Copolymers, Adhesives)

Capacities – Principal Joint Ventures

In millions of pounds (Unaudited)

	JV Capacity 100% basis	Dow % Equity Ownership
Sadara Joint Venture		
Ethylene	3,307	35%
Polyethylene	2,425	
Elastomers	485	
Amines	463	
Glycol Ethers	441	
Propylene Glycol	154	
Polyether Polyols	860	
pMDI	882	
TDI	441	
Kuwait Joint Ventures		
Ethylene – Rest of World	3,902	42.5%
Polyethylene – Rest of World	2,205	
Monoethylene Glycol – United States	1,653	
Monoethylene Glycol – Rest of Americas	2,955	
Monoethylene Glycol – Rest of World	2,536	
Thailand Joint Ventures		
Ethylene	4,629	24.5% (avg. across 2 JVs)
Polyethylene	1,433	50.0%
Elastomers	485	50.0%
Other Joint Ventures		
Siloxane	441	75%

Published on May 16, 2024

Appendix

General Comments and Safe Harbor

General Comments

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

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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," "could," "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 sanctions, export restrictions, supply chain disruptions or increased economic uncertainty related to the ongoing conflicts between Russia and Ukraine and in the Middle East; 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, including the completion and success of its integrated ethylene cracker and derivatives facility in Alberta, Canada; size of the markets for Dow's products and services and ability to compete in such markets; Dow's ability 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 public sentiment and political leadership; increased concerns about plastics in the environment and lack of a circular economy for plastics at scale; changes in consumer preferences and demand; changes in laws and regulations, political conditions, tariffs and trade policies, 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, logistics, and supply disruptions; security threats, such as acts of sabotage, terrorism or war, including the ongoing conflicts between Russia and Ukraine and in the Middle East; weather events and natural disasters; disruptions in Dow's information technology networks and systems, including the impact of cyberattacks; 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; and any global and regional economic impacts of a pandemic or other health-related risks and events on Dow's business.

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, 2024, 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 and its consolidated subsidiaries 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 Financial Measures & 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.

See investors.dow.com for a reconciliation of the most directly comparable GAAP financial measure.

Definitions
Operating EBIT is defined as earnings (i.e. “Income (loss) before income taxes”) before interest, 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.
Operating EBIT Margin is defined as Operating EBIT as a percentage of net sales.
Operating EBITDA Margin is defined as Operating EBITDA 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.
Free Cash Flow is defined as "Cash flows from operating activities - continuing operations," 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 SCGC-Dow Group (Siam Polyethylene Company Limited, Siam Polystyrene Company Limited, Siam Styrene Monomer Co., Ltd., Siam Synthetic Latex Company Limited).