

4Q 2023 RESULTS

January 25, 2024

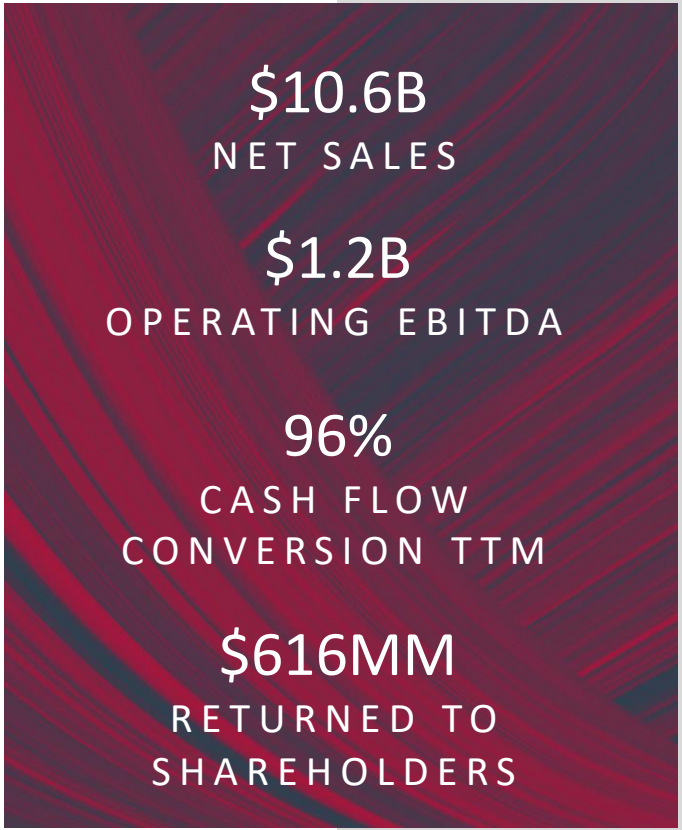
4Q 2023 RESULTS

AGENDA

- Quarterly Results
- Operating Segment Performance
- Outlook
- Growth and Sustainability Roadmap Drives Shareholder Value

4Q 2023 Performance Overview

- Net sales were $10.6B
  - Volume up 2% YoY; down 1% QoQ
  - Price declined 13% YoY; flat QoQ
- Net loss of $95MM
  - Primarily due to a one-time non-cash, non-operating settlement charge of $642MM, enabling risk transfer of $1.7B in pension liabilities
- Operating EBIT was $559MM
- Completed our $1B in targeted cost reductions
- Generated $1.6B of cash flow from operating activities – continuing operations
  - Free cash flow was $870MM
- Returned $616MM to shareholders, including $491MM in dividends and $125MM in share repurchases
- Reached final investment decision on Fort Saskatchewan, Alberta Path2Zero project



Operating EBIT, Operating EBITDA, Adjusted Operating EBIT, Free Cash Flow, Free Cash Flow Yield, Cash Flow Conversion, Operating ROIC, Shareholder Yield, Net Debt, Operating Net Income 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.

2023 Full Year Highlights

Financial Highlights

Achieved net sales of **$44.6B**

Delivered Operating EBIT of **$2.8B**

Generated **$5.2B** in cash flow from operations

Achieved **96%** cash flow conversion of Operating EBITDA

$2.6B returned to shareholders through **$2B** in dividends and **$625MM** in share buybacks, representing **~90%** of cumulative operating net income since Spin

Ambition Highlights

Great Place to Work® and FORTUNE named Dow one of the top 25 **World's Best Workplaces™**

Recognized at annual U.S. Customer Experience Awards with **3 Gold winners**, including top-scoring entry for "Digital Transformation"

Launched **reduced-carbon, bio-based and circular Propylene Glycol DEC, REN, and CIR** with ISCC Plus certification in Europe

Announced collaboration with New Energy Blue to **transform agricultural residue into bio-based ethylene** used to make plastics

~83%

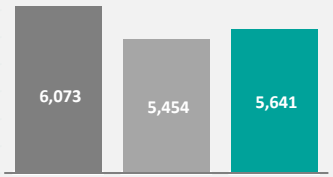
Increased percentage of leadership team members who are **women or U.S. ethnic minorities to ~83%**, outpacing peers

Enhanced disclosures for Board of Director qualifications, enterprise risk management and leadership succession planning

4Q 2023 Operating Segment Performance

Packaging & Specialty Plastics

REVENUE ($MM)



Y-o-Y

Sales ↓ 7%; Price ↓ 11%; Volume ↑ 3%

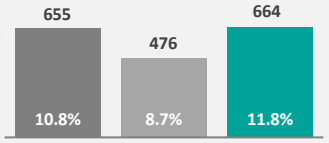
Declines driven by lower prices globally; volume up on higher packaging demand

Q-o-Q

Sales ↑ 3%; Price ↑ 1%; Volume ↑ 2%

Gains led by higher merchant sales of hydrocarbons and higher polyethylene prices in all regions

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



Y-o-Y

Op. EBIT ↑ $9MM; Margins ↑ 100 bps

Results driven primarily due to reduced input costs and higher operating rates

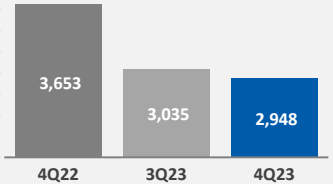
Q-o-Q

Op. EBIT ↑ $188MM; Margins ↑ 310 bps

Driven by higher integrated polyethylene margins, the impact of planned maintenance activity in 3Q23, and higher licensing revenue

Ind. Intermediates & Infrastructure

REVENUE ($MM)



Y-o-Y

Sales ↓ 19%; Price ↓ 17%; Volume ↓ 2%

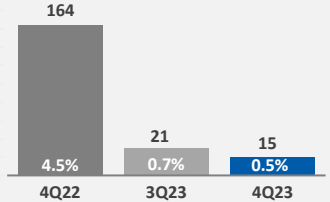
Price decreases in all regions; volume declines driven by reduced supply availability

Q-o-Q

Sales ↓ 3%; Price ↓ 1%; Volume ↓ 1%

Increased deicing fluid and mobility demand more than offset by declines in building & construction and lower prices in EMEAI

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



Y-o-Y

Op. EBIT ↓ $149MM; Margins ↓ 400 bps

Results primarily driven by lower prices in both businesses and reduced supply availability in Industrial Solutions

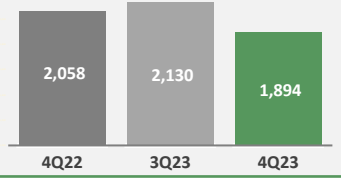
Q-o-Q

Op. EBIT ↓ $6MM; Margins ↓ 20 bps

Lower volumes in building & construction partly offset by higher demand for deicing fluid and mobility applications

Perf. Materials & Coatings

REVENUE ($MM)



Y-o-Y

Sales ↓ 8%; Price ↓ 12%; Volume ↑ 3%

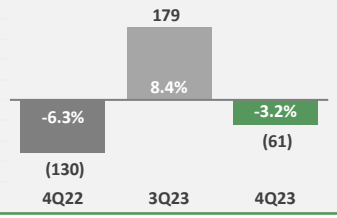
Price declines in both businesses; volume gains driven by higher demand in project-driven building & construction end-markets

Q-o-Q

Sales ↓ 11%; Price ↓ 1%; Volume ↓ 9%

Results primarily driven by seasonally lower volumes in both businesses

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



Y-o-Y

Op. EBIT ↑ $69MM; Margins ↑ 310 bps

Results driven by reduced costs and lower planned maintenance activity

Q-o-Q

Op. EBIT ↓ $240MM; Margins ↓ 1160 bps

Results primarily driven by seasonally lower volumes

Market Conditions Remain Dynamic



Source: Based on internal and third-party markers

U.S. – Consumer spending is resilient but industrial activity remains slow

- ✚ U.S. chemical railcar loadings are up 9.6% in January vs. prior year
- ✚ Retail trade sales continued to grow, up 4.8% YoY in December
- — S&P Manufacturing PMI declined to 47.9 in December vs. 49.4 in November

EU – Weak economic activity continues; Auto a bright spot

- ✚ New car registrations fell 3.3% YoY in December, FY23 increase of 13.9%
- — Retail trade sales decreased 1.1% YoY in November
- — S&P Manufacturing PMI increased to 44.4 in December vs. 44.2 in November

China – Recovery improving at a slow but steady pace

- ✚ Auto sales increased 23.5% YoY in December, supported by year-end incentives
- ✚ Caixin Manufacturing PMI in expansionary territory at 50.8 in December
- ✚ Imports grew 0.2% YoY in December vs. a decrease of 0.6% YoY in November

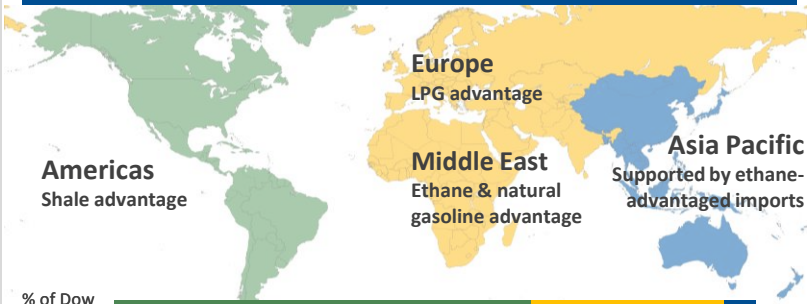
ROW – Industrial activity remains constructive in certain regions

- ✚ India Manufacturing PMI remains in expansionary territory at 54.9 in December
- ✚ Mexico Industrial Production up 2.8% YoY in November, the 25th consecutive month of growth
- — ASEAN PMI slipped into contractionary territory at 49.7 in December vs. 50.0 in November

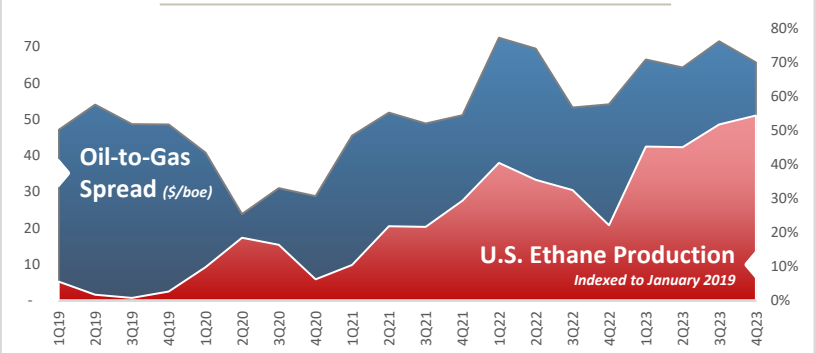
1. Includes housing and residential construction trends

WELL-POSITIONED TO DELIVER GROWTH THROUGH THE CYCLE

Global Reach with Strategically Advantaged Positions





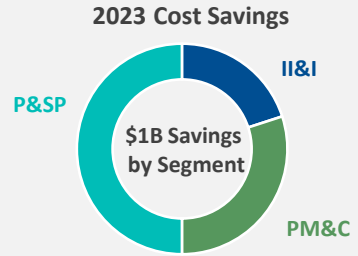


Source: US EIA through Oct 2023

On-Track to Deliver ~$2B/year EBITDA[1] Growth by Mid-Decade

Projects	Start-Up	Est. Mid-Cycle EBITDA[1]	Status
FS1 cracker expansion, FCDh, Alkoxylates investments, Silicones debottlenecks, Digital acceleration	2022	~$400MM	☑
Enhanced feedstock flex, MDI distillation, Silicones & amines growth, Accretive growth initiatives	2023	~$400MM	☑
PE/functional polymers incremental growth	2024 – 2026	~$600 – 800MM	*On-track*
Additional alkoxylates capacity investments			
Multiple silicones & coatings debottlenecks			
Growth from operating investments (asset reliability, process improvements, higher margin product/mix)	2024 – 2026	~$400 – 600MM	*On-going*

Continued Emphasis on Operational Efficiency



- >90% of roles exited by YE2023
- Implemented actions to **rationalize select higher-cost, lower-return assets** in Polyurethanes, Coatings and Industrial Solutions
- Executed **structural improvements** to raw materials, logistics and utility costs

1. EBITDA/year run-rate estimated based on Dow and IHS historical mid-cycle margins and operating rate of 90%.

1Q24 Modeling Guidance

Maintaining Our Operational and Financial Discipline

Net Sales	~FLAT QoQ
Quarterly Operational Tax Rate	~24 – 28%
Net Income Attrib. to Non-Controlling Int.	~$25MM

Depreciation & Amortization	~$700MM
Net Interest Expense (Net of Int. Income)	~$125MM
Average Share Count	~705MM

	Top-Line Ranges (1Q24 vs. 4Q23)		*Base Case Op. EBIT Drivers (1Q24 vs. 4Q23)*
	Sales % Δ QoQ		
	Low	High	
Packaging & Specialty Plastics	*-2%*	*+2%*	▪ Lower earnings from non-recurring licensing activity, partly offset by lower feedstock and energy costs (~$25MM headwind) ▪ Higher planned maintenance activity (~$50MM headwind)
Industrial Intermediates & Infrastructure	*-2%*	*+2%*	▪ Consumer durables demand remains challenged, more than offset by seasonal deicing fluid demand (~$25MM tailwind) ▪ Higher MDI and MEG spreads, as well as lower European energy costs (~$50MM tailwind) ▪ Higher planned maintenance activity, primarily PDH (2/3rd of the cost) (~$50MM headwind)
Performance Materials & Coatings	*+3%*	*+7%*	▪ Higher seasonal demand in building & construction end-markets (~$150MM tailwind) ▪ Planned maintenance turnaround at Deer Park acrylic monomers site and PDH (1/3rd of the cost) (~$50MM headwind)
Corporate	*Sales of ~$75MM*		▪ Op. EBIT of $(70)MM and Op. EBITDA of $(65)MM

Our Growth and Sustainability Roadmap to 2030

Decarbonize & Grow

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

Near-Term Growth and Efficiency Investments

✓ *Achieved*

FS1 cracker expansion

FCDh unit in Louisiana

Alkoxylates capacity investments

Silicones downstream debottlenecking projects

MDI distillation and prepolymers facility

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

→ *In Flight*

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

II&I: Additional alkoxylates capacity

PM&C: Multiple silicones and coatings debottlenecks

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

PATH2ZERO

→ *Fort Saskatchewan Path2Zero*

✓ **Board of Directors approved FID in 4Q23**

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

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

→ *Transformative, Next-Generation Solutions*

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

E-cracking pilot start-up by ~2025

Solar power purchase agreement in Bahía Blanca by ~2025

X-energy advanced nuclear at Seadrift site ~2030

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

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

Transform the Waste

Commercialize 3MM mta of circular & renewable solutions

→ *Strategic Partnerships & Offtake Agreements*

✓ **Valoregen's** 15KTA mechanical recycling line in France achieved mechanical completion in 4Q23

✓ **Mura Technology** commenced commissioning in 4Q23 with 20 KTA of advanced recycling capacity in the UK

New Energy Blue partnership for bio-based renewable plastics by ~2026

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

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

>$0.5B of EBITDA (~2030)

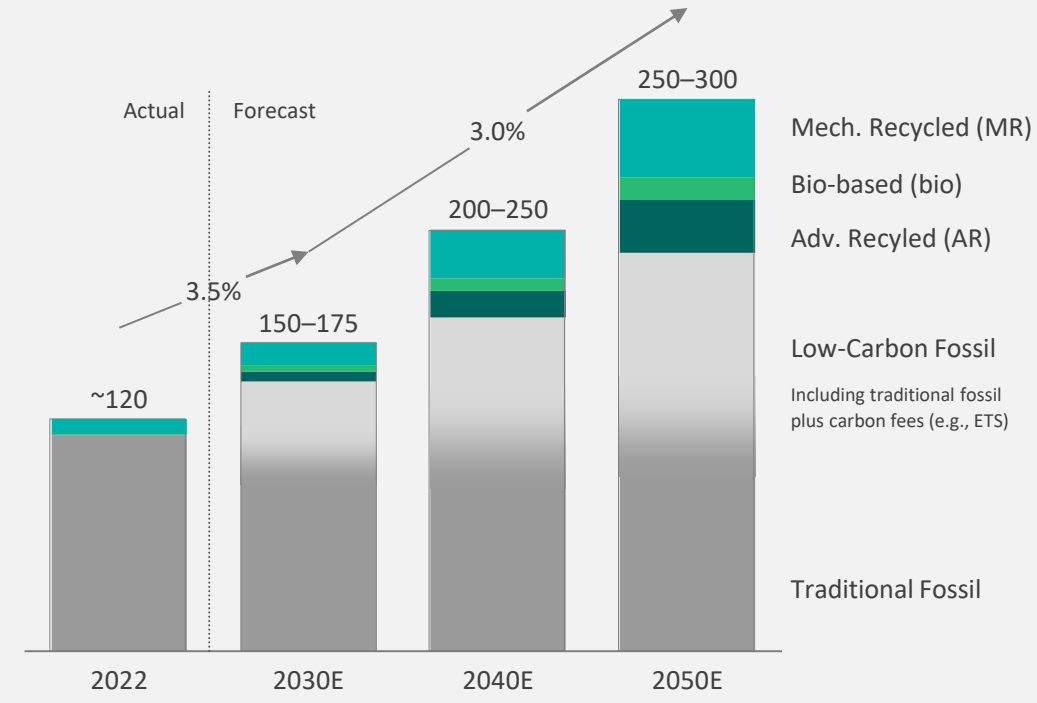
Disciplined organic growth investments

- Higher return, lower-risk, faster payback growth projects
- Investing prudently in downcycle, to lock-in lower cost inputs and be ready to capture up-cycle growth
- Invest in value-add trends that complement Dow's capabilities to de-risk projects
- Keep CapEx spending at or below D&A while targeting >13% ROIC over the cycle
- Established Green Finance Framework to align funding with goals & targets

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

POLYETHYLENE DEMAND REMAINS AT ~1.2 – 1.4X GDP

Global Polyethylene Demand (MM MT)



Source: OECD, Nexant, IHS Markit, IEA, Industry interviews, Dow internal analysis

- **Overall growth ~1.2 – 1.4X GDP**— demand for PE remains robust
- Demand shifting toward **circular, low-carbon** driven by regulations and consumer preferences
- **>85% of 2050 demand** (AR, bio, low-carbon, traditional fossil) will use the same assets and result in identical products & performance
- **Remaining 15% fulfilled by MR** which is circular & low-carbon, with different performance
- Total fossil-based demand continues to **grow at 2-3%** with a bias toward low/zero-carbon

Note: Circular plastic counts molecules of recycled content only, does not count implied volume of products with circular content; low-carbon fossil uses fossil feedstock with decarbonized process (e.g., CCUS); assumes 2.5% GDP growth 2022-2050.

ADVANCING PROGRESS ON FORT SASKATCHEWAN PATH2ZERO

Fort Saskatchewan PATH2ZERO
DOW GROWTH & NET-ZERO TRANSFORMATION

Fort Saskatchewan Net-Zero Scope 1 & 2 Emissions Site

Key Project Milestones

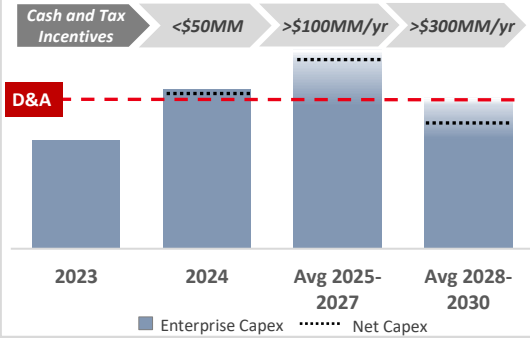
✓ 1Q23	**Fluor** selected as front-end engineering and design partner
✓ 2Q23	**Linde** selected as industrial gas partner for circular hydrogen
✓ 3Q23	**Front-end engineering and design** completed
✓ 4Q23	**Board of Directors approved FID**
2Q24	**Construction** to begin
~2025	Complete **detailed design and equipment procurement**
~2027	**Phase 1** commission and start-up; *Adds ~1,300 KTA of C2/PE capacity*
~2029	**Phase 2** commission and start-up; *Adds ~600 KTA of C2/PE capacity*

~$1B/yr of EBITDA growth and ~1MM mta CO_2e reduction by 2030

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

- **Global ethylene (C2) and PE demand continues to grow at ~1.2 – 1.4X GDP** with no new ethylene capacity coming online in cost-advantaged North America until ~2026-2027
- **Decarbonizes ~20% of Dow's global C2 capacity** while growing our PE supply >15% (~2MM mta)
- **Expected project CapEx** of $6.5B, excluding the benefit of >$1.5B in cash and tax incentives
- **Total Enterprise CapEx** will ramp in 2024 to ~$3B and is expected to exceed D&A in 2025-27
- **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
- **Commercialization of low/zero emissions products** to drive further upside to project economics

Dow CapEx within ~D&A Across the Cycle



Key Value Drivers to Deliver >13% ROIC

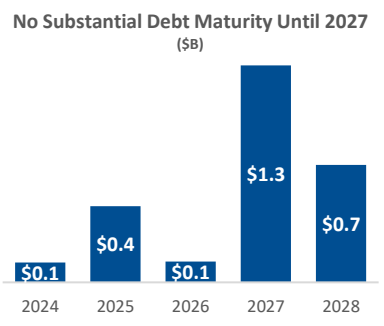
- **Alberta Advantage** – Cost competitive basis for natural gas relative to USGC and ROW, reducing ethane costs
- **Industry-Leading Capital Efficiency** – Expected to have the lowest capital intensity per ton in Dow fleet
- **Higher-Value, Sustainable Product Offering** – Deliver low-emissions solutions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

Financial Flexibility to Advance Long-Term Strategy

Enhanced Financial Performance and Capital Structure

	Key Metrics	At Spin	4Q23
Earnings/ Cash Flow	Operating EBITDA (3-Year Avg.)[1]	$8.2B	$9.0B
	Cash Conversion Rate (TTM)	42%	96%
	Free Cash Flow (3-Year Cumulative)[1]	$5.6B	$14.0B
	Free Cash Flow (TTM)	$1.5B	$2.8B
	Free Cash Flow Yield (TTM)	4%	7%
	Shareholder Yield (TTM)	7%[2]	7%
Capital Structure	Available Liquidity	~$11B	~$13B
	Net Debt	$16.7B	$10.8B
	Net Debt to Total Capital	46%[3]	36%
	Underfunded Pension	~$7.8B	~$3.7B
	Diluted Shares Outstanding	752MM[2]	706MM
	RA Adj. Leverage (3-Year Avg.)[4]	~3.6x	~2.7x
	Targeted RA Adj. Leverage	2.5 – 3.0x	2.0 – 2.5x
	Credit Ratings (Moody's/Fitch/S&P)	**Baa2** (Stable) **BBB+** (Stable) **BBB** (Stable)	**Baa1** (Stable) **BBB+** (Stable) **BBB** (Stable)

Solid Financial Position



- Reduced net debt and pension liabilities by ~$10B since Spin
- Lowered cash commitments by ~$1B since Spin
- ~$13B of available liquidity
- >$1B of unique-to-Dow cash flow levers
- Strong investment-grade credit ratings
- All debt is fixed interest rate

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 at least dilution

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

APPENDIX

FY 2024 Modeling Considerations

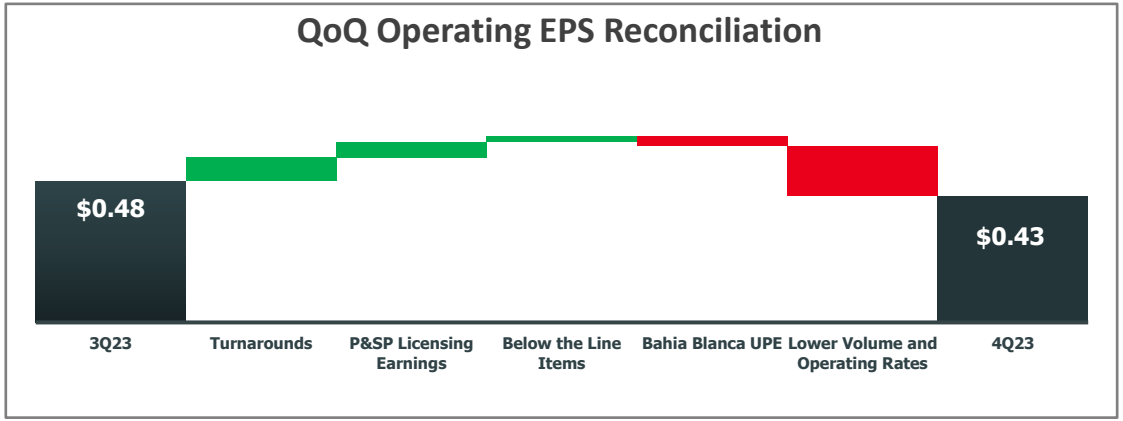
Operating EBIT Drivers vs. FY23	
Equity Earnings	Up ~$50-100MM YoY
Pension and Defined Contribution Impact	~FLAT YoY
Corporate	Op. EBIT of ~$(275)MM and Op. EBITDA of ~$(250)MM
Turnaround Expenses	Up ~$200MM YoY

Other Income Statement Considerations	
Net Interest Expense	~$500MM
D&A	~$2.8B
Net Income Attrib. to Non-Controlling Int.	~$100MM (reduction to reported Net Income)
Year-End Avg. Share Count	~705MM
Op. Tax Rate	24% – 28%

Cash Flow Considerations in 2024	
Dividends from Equity Companies	~$200MM
Pension contributions	~$150MM (~Flat YoY)
CapEx	~$3B
Restructuring and Implementation costs	~$400MM cash outflow

Year-Over-Year Market Drivers	
Potential Upside	Higher oil price and oil-gas spreads, softer landing for US economy, stable energy markets in Europe, easing inflation, Suez Canal
What We are Watching	Geopolitical dynamics and their impact on supply chains, PMI levels, volatility in global energy markets, consumer confidence, impact from changes in interest rates on building & construction demand

4Q 2023 Financial Highlights



Financial Summary ($ millions, unless otherwise noted)	4Q23	4Q22	YoY B/(W)	3Q23	QoQ B/(W)
Net Sales	$10,621	$11,859	$(1,238)	$10,730	$(109)
Equity Losses	$(7)	$(43)	$36	$(7)	$0
Net Income (Loss) – GAAP	$(95)	$647	$(742)	$327	$(422)
Operating EBIT	$559	$601	$(42)	$626	$(67)
Op. EBIT Margin (%)	*5.3%*	*5.1%*	*20 bps*	*5.8%*	*(50) bps*
Operating EBITDA	$1,216	$1,255	$(39)	$1,283	$(67)
Earnings (Loss) per share – GAAP	$(0.15)	$0.85	$(1.00)	$0.42	$(0.57)
Operating earnings per share – diluted	$0.43	$0.46	$(0.03)	$0.48	$(0.05)
Cash Provided by Op. Activities – Cont. Ops.	$1,628	$2,078	$(450)	$1,658	$(30)

Key Drivers QoQ

- Lower turnaround costs
- Higher licensing earnings in Packaging & Specialty Plastics in 4Q23
- Lower Non-Controlling Interests (NCI), partly offset by higher interest expense
- Severe weather-related unplanned event at our Bahía Blanca site in Argentina, equivalent to a Category 1 hurricane
- Lower seasonal volumes and operating rates

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

$ millions (unaudited)	4Q 2023			4Q 2022			3Q 2023		
	Sadara	**Kuwait JVs**	**Thai JVs**	**Sadara**	**Kuwait JVs**	**Thai JVs**	**Sadara**	**Kuwait JVs**	**Thai JVs**
EBITDA	$14	$97	$9	$58	$62	$40	$47	$106	$36
EBIT	$(66)	$55	$4	$(45)	$22	$35	$(29)	$63	$30
Net Income *Equity Earnings to Dow*	**$(108)**	**$70**	**$(3)**	**$(87)**	**$2**	**$26**	**$(74)**	**$39**	**$24**
EBITDA in Excess of Eq. Earnings	$122	$27	$12	$145	$60	$14	$121	$67	$12
Net Debt	$4,211	$1,573	$316	$4,131	$1,664	$325	$4,159	$1,729	$270

Drivers of JV Performance

- **Sadara:** Volume growth more than offset by lower Asian market prices and higher feedstock costs
- **Kuwait JVs:** Improved volumes (**YoY** and **QoQ**) and higher product pricing (**QoQ**)
- **Thai JVs:** Planned maintenance activity and lower Asian market pricing

OPERATING EARNINGS PER SHARE (EPS) RECONCILIATION

Significant Items Impacting Results for the Three Months Ended Dec 31, 2023			
In millions, except per share amounts (Unaudited)	*Pretax* [1]	*Net Income* [2]	*EPS* [3]
Reported results	$ (352)	$ (105)	$ (0.15)
Less: Significant items			
Restructuring, implementation and efficiency costs, and asset related charges - net	(53)	(41)	(0.05)
Litigation related charges, awards and adjustments	106	87	0.12
Argentine peso devaluation	(177)	(67)	(0.09)
Pension settlement charges	(642)	(493)	(0.70)
Indemnification and other transaction related costs	9	9	0.01
Income tax related items	-	94	0.13
Total significant items	$ (757)	$ (411)	$ (0.58)
Operating results (non-GAAP)	$ 405	$ 306	$ 0.43

Significant Items Impacting Results for the Three Months Ended Dec 31, 2022			
In millions, except per share amounts (Unaudited)	*Pretax* [1]	*Net Income* [2]	*EPS* [3]
Reported results	$ 865	$ 613	$ 0.85
Less: Significant items			
Digitalization program costs	(76)	(64)	(0.09)
Restructuring, implementation costs and asset related charges - net	(9)	(7)	(0.01)
Russia / Ukraine conflict charges	68	56	0.08
Litigation related charges, awards and adjustments	381	288	0.40
Indemnification and other transaction related costs	7	7	0.01
Total significant items	$ 371	$ 280	$ 0.39
Operating results (non-GAAP)	$ 494	$ 333	$ 0.46

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

2. "Net income (loss) 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 Twelve Months Ended Dec 31, 2023			
In millions, except per share amounts (Unaudited)	*Pretax* [1]	*Net Income* [2]	*EPS* [3]
Reported results	$ 656	$ 589	$ 0.82
Less: Significant items			
Restructuring, implementation and efficiency costs, and asset related charges - net	(741)	(583)	(0.81)
Litigation related charges, awards and adjustments	(71)	(51)	(0.07)
Argentine peso devaluation	(177)	(67)	(0.09)
Pension settlement charges	(642)	(493)	(0.70)
Indemnification and other transaction related costs	26	29	0.04
Income tax related items	-	151	0.21
Total significant items	$ (1,605)	$ (1,014)	$ (1.42)
Operating results (non-GAAP)	$ 2,261	$ 1,603	$ 2.24

Significant Items Impacting Results for the Twelve Months Ended Dec 31, 2022			
In millions, except per share amounts (Unaudited)	*Pretax* [1]	*Net Income* [2]	*EPS* [3]
Reported results	$ 6,090	$ 4,582	$ 6.28
Less: Significant items			
Digitalization program costs	(230)	(183)	(0.25)
Restructuring, implementation costs and asset related charges - net	(40)	(32)	(0.04)
Russia / Ukraine conflict charges	(118)	(86)	(0.11)
Loss on early extinguishment of debt	(8)	(6)	(0.01)
Litigation related charges, awards and adjustments	381	288	0.40
Indemnification and other transaction related costs	4	4	0.01
Income tax related items	-	25	0.03
Total significant items	$ (11)	$ 10	$ 0.03
Operating results (non-GAAP)	$ 6,101	$ 4,572	$ 6.25

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

1. "Income before income taxes."

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

3. "Earnings per common share - diluted," which includes the impact of participating securities in accordance with the two-class method.

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

Reconciliation of "Net income (loss)" to "Operating EBIT" and "Operating EBITDA"	*Three Months Ended*							*Twelve Months Ended*	
In millions (Unaudited)	*Dec 31, 2020*	*Dec 31, 2021*	*Dec 31, 2022*	*Mar 31, 2023*	*Jun 30, 2023*	*Sep 30, 2023*	*Dec 31, 2023*	*Dec 31, 2023*	*Dec 31, 2022*
Net income (loss)	$ 1,254	$ 1,761	$ 647	$ (73)	$ 501	$ 327	$ (95)	$ 660	$ 4,640
+ Provision (credit) for income taxes	562	357	218	(47)	210	90	(257)	(4)	1,450
Income (loss) before income taxes	$ 1,816	$ 2,118	$ 865	$ (120)	$ 711	$ 417	$ (352)	$ 656	$ 6,090
- Interest income	11	20	68	76	66	44	43	229	173
+ Interest expense and amortization of debt discount	210	170	175	185	172	192	197	746	662
- Significant items	961	3	371	(719)	(68)	(61)	(757)	(1,605)	(11)
Operating EBIT [1]	$ 1,054	$ 2,265	$ 601	$ 708	$ 885	$ 626	$ 559	$ 2,778	$ 6,590
+ Depreciation and amortization	726	655	654	648	649	657	657	2,611	2,758
Operating EBITDA [2]	$ 1,780	$ 2,920	$ 1,255	$ 1,356	$ 1,534	$ 1,283	$ 1,216	$ 5,389	$ 9,348
Operating EBITDA - trailing twelve months ("TTM") basis	$ 5,589	$ 12,375	$ 9,348	$ 7,533	$ 6,008	$ 5,428	$ 5,389		

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" In millions (Unaudited)	*Twelve Months Ended* *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* *Sep 30, 2023*	*Three Months Ended* *Dec 31, 2023*	*Dec 31, 2022*	*Twelve Months Ended* *Dec 31, 2023*	*Dec 31, 2022*
Packaging & Specialty Plastics	$ 5,454	$ 5,641	$ 6,073	$ 23,149	$ 29,260
Industrial Intermediates & Infrastructure	3,035	2,948	3,653	12,538	16,606
Performance Materials & Coatings	2,130	1,894	2,058	8,497	10,764
Corporate	111	138	75	438	272
Total	$ 10,730	$ 10,621	$ 11,859	$ 44,622	$ 56,902

Operating EBIT by Segment In millions (Unaudited)	*Three Months Ended* *Sep 30, 2023*	*Three Months Ended* *Dec 31, 2023*	*Dec 31, 2022*	*Twelve Months Ended* *Dec 31, 2023*	*Dec 31, 2022*
Packaging & Specialty Plastics	$ 476	$ 664	$ 655	$ 2,700	$ 4,110
Industrial Intermediates & Infrastructure	21	15	164	124	1,418
Performance Materials & Coatings	179	(61)	(130)	219	1,328
Corporate	(50)	(59)	(88)	(265)	(266)
Total	$ 626	$ 559	$ 601	$ 2,778	$ 6,590

Equity in Earnings (Losses) of Nonconsolidated Affiliates by Segment In millions (Unaudited)	*Three Months Ended* *Sep 30, 2023*	*Three Months Ended* *Dec 31, 2023*	*Dec 31, 2022*	*Twelve Months Ended* *Dec 31, 2023*	*Dec 31, 2022*
Packaging & Specialty Plastics	$ 50	$ 40	$ 56	$ 130	$ 359
Industrial Intermediates & Infrastructure	(63)	(57)	(96)	(276)	(91)
Performance Materials & Coatings	5	6	4	20	10
Corporate	1	4	(7)	7	(10)
Total	$ (7)	$ (7)	$ (43)	$ (119)	$ 268

SEGMENT INFORMATION (CONTINUED)

Adjusted Operating EBIT by Segment In millions (Unaudited)	*Three Months Ended* *Sep 30, 2023*	*Three Months Ended* *Dec 31, 2023*	*Three Months Ended* *Dec 31, 2022*	*Twelve Months Ended* *Dec 31, 2023*	*Twelve Months Ended* *Dec 31, 2022*
Packaging & Specialty Plastics	$ 426	$ 624	$ 599	$ 2,570	$ 3,751
Industrial Intermediates & Infrastructure	84	72	260	400	1,509
Performance Materials & Coatings	174	(67)	(134)	199	1,318
Corporate	(51)	(63)	(81)	(272)	(256)
Total	$ 633	$ 566	$ 644	$ 2,897	$ 6,322

Operating EBIT Margin by Segment In millions (Unaudited)	*Three Months Ended* *Sep 30, 2023*	*Three Months Ended* *Dec 31, 2023*	*Three Months Ended* *Dec 31, 2022*	*Twelve Months Ended* *Dec 31, 2023*	*Twelve Months Ended* *Dec 31, 2022*
Packaging & Specialty Plastics	8.7 %	11.8 %	10.8 %	11.7 %	14.0 %
Industrial Intermediates & Infrastructure	0.7 %	0.5 %	4.5 %	1.0 %	8.5 %
Performance Materials & Coatings	8.4 %	(3.2)%	(6.3)%	2.6 %	12.3 %
Total	5.8 %	5.3 %	5.1 %	6.2 %	11.6 %

Adjusted Operating EBIT Margin by Segment In millions (Unaudited)	*Three Months Ended* *Sep 30, 2023*	*Three Months Ended* *Dec 31, 2023*	*Three Months Ended* *Dec 31, 2022*	*Twelve Months Ended* *Dec 31, 2023*	*Twelve Months Ended* *Dec 31, 2022*
Packaging & Specialty Plastics	7.8 %	11.1 %	9.9 %	11.1 %	12.8 %
Industrial Intermediates & Infrastructure	2.8 %	2.4 %	7.1 %	3.2 %	9.1 %
Performance Materials & Coatings	8.2 %	(3.5)%	(6.5)%	2.3 %	12.2 %
Total	5.9 %	5.3 %	5.4 %	6.5 %	11.1 %

CASH CONVERSION AND FREE CASH FLOW RECONCILIATION

Reconciliation of Cash Flow Conversion	*Three Months Ended*					
In millions (Unaudited)	*Mar 31, 2019*	*Dec 31, 2022*	*Mar 31, 2023*	*Jun 30, 2023*	*Sep 30, 2023*	*Dec 31, 2023*
Cash provided by operating activities - continuing operations (GAAP)	$ 1,043	$ 2,078	$ 531	$ 1,347	$ 1,658	$ 1,628
Net income (loss) (GAAP)	$ 601	$ 647	$ (73)	$ 501	$ 327	$ (95)
Cash flow from operations to net income (GAAP) [1]	173.5 %	321.2 %	N/A	268.9 %	507.0 %	N/A
Cash flow from operations to net income - trailing twelve months (GAAP)	91.6 %	161.3 %	212.4 %	321.3 %	400.4 %	782.4 %
Operating EBITDA (non-GAAP)	$ 1,886	$ 1,255	$ 1,356	$ 1,534	$ 1,283	$ 1,216
Cash Flow Conversion (non-GAAP) [2]	55.3 %	165.6 %	39.2 %	87.8 %	129.2 %	133.9 %
Cash Flow Conversion - trailing twelve months ("TTM") basis (non-GAAP)	41.9 %	80.1 %	85.0 %	98.1 %	103.4 %	95.8 %

1. Cash flow from operations to net income is not applicable for the first and fourth quarters of 2023 due to a net loss for the period.

2. 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*							*Twelve Months Ended*	
In millions (Unaudited)	*Dec 31, 2020*	*Dec 31, 2021*	*Dec 31, 2022*	*Mar 31, 2023*	*Jun 30, 2023*	*Sep 30, 2023*	*Dec 31, 2023*	*Dec 31, 2023*	*Dec 31, 2022*
Cash provided by operating activities - continuing operations (GAAP)	$ 1,656	$ 2,557	$ 2,078	$ 531	$ 1,347	$ 1,658	$ 1,628	$ 5,164	$ 7,486
Capital expenditures	(297)	(466)	(599)	(440)	(561)	(597)	(758)	(2,356)	(1,823)
Free Cash Flow (non-GAAP) [1]	$ 1,359	$ 2,091	$ 1,479	$ 91	$ 786	$ 1,061	$ 870	$ 2,808	$ 5,663
Free Cash Flow - trailing twelve months ("TTM") basis (non-GAAP)	$ 5,000	$ 5,568	$ 5,663	$ 4,457	$ 3,844	$ 3,417	$ 2,808		
End of period market capitalization [2]	$ 41,247	$ 41,701	$ 35,519	$ 38,775	$ 37,446	$ 36,164	$ 38,514		
Free Cash Flow Yield (non-GAAP) [3]	12.1%	13.4%	15.9%	11.5%	10.3%	9.4%	7.3%		

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* *Dec 31, 2023*	 *Dec 31, 2022*
Net income (loss) available for Dow Inc. common stockholders (GAAP)	$ (105)	$ 613
- Significant items, after tax	(411)	289
Operating Net Income Available for Dow Inc. Common Stockholders (non-GAAP)	$ 306	$ 324
Net income attributable to noncontrolling interests	$ 10	$ 34
Gross interest expense	225	188
Imputed interest expense - operating leases	16	14
Tax on gross interest expense	(62)	(48)
Operating Net Operating Profit After Tax (non-GAAP)	$ 495	$ 512
Operating Net Operating Profit After Tax - trailing twelve months ("TTM") basis (non-GAAP)	$ 2,341	$ 5,264
Average Total Capital (non-GAAP)	$ 36,800	$ 34,935
Operating Return on Capital - trailing twelve months ("TTM") basis (non-GAAP) [1]	6.4 %	15.1 %

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)	*Dec 31, 2023*	*Dec 31, 2022*
Notes payable	$ 62	$ 362
Long-term debt due within one year	117	362
Long-term debt	14,907	14,698
Gross debt (GAAP)	$ 15,086	$ 15,422
- Cash and cash equivalents	2,987	3,886
- Marketable securities	1,300	939
Net Debt (non-GAAP)	$ 10,799	$ 10,597
+ Noncontrolling interest	$ 501	$ 529
+ Dow Inc. stockholders' equity	18,607	20,718
Net Capital (non-GAAP) [1]	$ 29,907	$ 31,844
Net Debt to Capital Ratio (non-GAAP) [2]	36.1%	33.3%

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

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

OPERATING NET INCOME RETURNED TO SHAREHOLDERS

Operating Net Income Returned to Shareholders	*Three Months Ended*			*Twelve Months Ended*			
In millions (Unaudited)	*Jun 30, 2019*	*Sep 30, 2019*	*Dec 31, 2019*	*Dec 31, 2020*	*Dec 31, 2021*	*Dec 31, 2022*	*Dec 31, 2023*
Net income (loss) available for Dow Inc. common stockholders (GAAP)	$ 75	$ 333	$ (2,323)	$ 1,225	$ 6,311	$ 4,582	$ 589
- Significant items, after tax	(574)	(346)	(2,900)	(8)	(459)	(22)	(1,017)
Operating Net Income Available for Dow Inc. Common Stockholders (non-GAAP) [1]	$ 649	$ 679	$ 577	$ 1,233	$ 6,770	$ 4,604	$ 1,606
Dividends paid to stockholders	517	516	$ 517	$ 2,071	$ 2,073	$ 2,006	$ 1,972
Share repurchases	305	101	94	125	1,000	2,325	625
Return to shareholders	822	617	611	2,196	3,073	4,331	2,597
Operating Net Income returned to shareholders (non-GAAP) [2]	126.7%	90.9%	105.9%	178.1%	45.4%	94.1%	161.7%
Cumulative Operating Net Income returned to shareholders since spin (non-GAAP)							88.4%

1. Operating Net Income is defined as net income (loss), excluding the after-tax impact of significant items.

2. Operating Net Income returned to shareholders is defined as "Return to shareholders" (dividends paid to stockholders plus share repurchases) divided by "Operating Net Income."

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.

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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 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; 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 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 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 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; 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 Annual Reports on Form 10-K and 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 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 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 SCGC-Dow Group (Siam Polyethylene Company Limited, Siam Polystyrene Company Limited, Siam Styrene Monomer Co., Ltd., Siam Synthetic Latex Company Limited).