



3Q 2024 RESULTS

October 24, 2024

AGENDA

- QUARTERLY RESULTS
- OPERATING SEGMENT PERFORMANCE
- OPTIMIZING OUR GLOBAL FOOTPRINT
- OUTLOOK
- ADVANCING OUR LONG-TERM STRATEGY

3Q 2024 PERFORMANCE OVERVIEW

Delivered 4th Consecutive Quarter of YoY Volume Growth

- Net sales of \$10.9B, up 1% YoY and flat QoQ
- Volume up 1% YoY and QoQ; excluding H&E, volume up 3% YTD
- Operating EBITDA was \$1.4B, up 8% YoY

Maximizing Cash Generation

- Cash flow from continuing operations of \$800MM; translating to a 68% cash flow conversion on a TTM basis
- Total CapEx was \$736MM, achieving free cash flow of \$64MM

Advancing Our Long-Term Growth Strategy

- Signed long-term agreement with Linde for the supply of clean hydrogen at Path2Zero project in Fort Saskatchewan
- Completed acquisition of Circulus, a U.S.-based polyethylene recycler, adding capacity of 50 KTA of recycled materials to Dow's portfolio

\$10.9B

NET SALES

\$641MM

OPERATING EBIT

\$800MM

OPERATING CASH FLOW

\$584MM

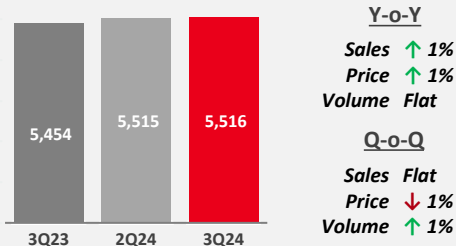
SHAREHOLDER
REMUNERATION



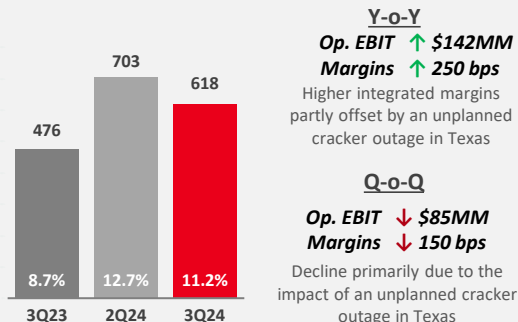
3Q 2024 OPERATING SEGMENT PERFORMANCE

Packaging & Specialty Plastics

REVENUE (\$MM)

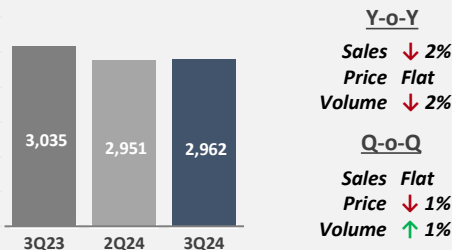


OP. EBIT (\$MM) & OP. EBIT MARGIN %

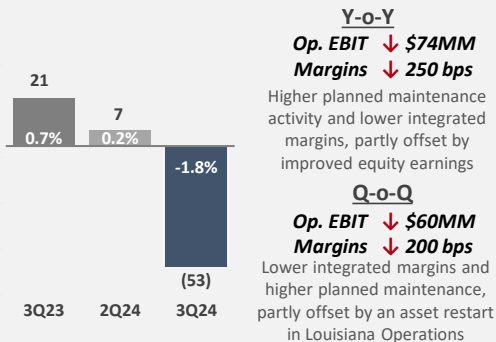


Ind. Intermediates & Infrastructure

REVENUE (\$MM)

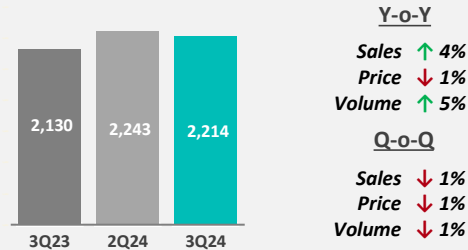


OP. EBIT (\$MM) & OP. EBIT MARGIN %

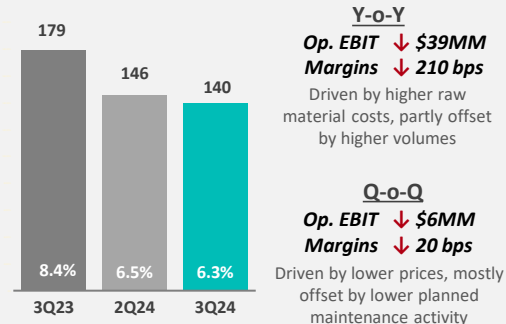


Perf. Materials & Coatings

REVENUE (\$MM)



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

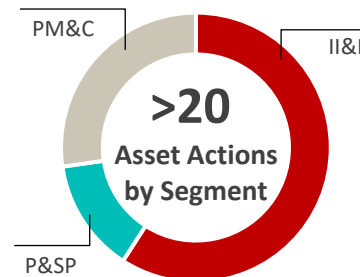
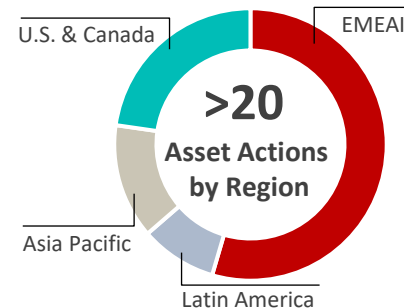


STRATEGICALLY OPTIMIZING OUR GLOBAL FOOTPRINT

Multiple Asset Actions Taken Since Early 2023

- Targeted rationalization of our polyols capacity globally, including assets in Europe, Asia Pacific, and the Americas
- Proactively reducing lower-value merchant PO exposure by shutting down our Freeport unit in 2025 (~20% of North America industry capacity)
- Strengthened our coatings footprint with select asset closures, primarily in Europe
- In 4Q24, expect to close the sale of our Laminating Adhesives business for a transaction value of ~\$150MM
- Optimization actions have focused on higher-cost, lower-return assets, while we implement our strategic early cycle growth investments

Asset Actions To Date are Primarily in EMEAI and II&I

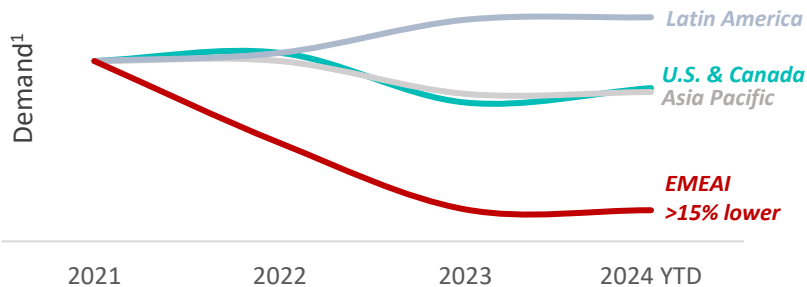


Continually Evaluating Our Footprint Against Long-Term Demand Trends and Regional Policy



PURSuing VALUE-MAXIMIZING OPTIONS FOR SELECT EUROPEAN ASSETS

Current Industry Dynamics Impacting Europe







- Demand recovery in the region has not materialized as expected
- The need for clear and consistent long-term regulatory policies for our industry is critical and urgent
- Policies needed to make industry more competitive globally

Assessing All Value-Creating Opportunities

- Committed to a best-owner mindset as we evaluate opportunities
- Review is focused on select European assets, primarily in Polyurethanes (CAV, Isocyanates, PO & Derivatives)
- We continue to engage with governments directly and through trade organizations to address key European competitiveness issues
- We are investing for growth in high-value segments of our portfolio, aligned to attractive end-markets and in advantaged sites/regions

Decisions Will be Focused on Driving Long-Term Shareholder Value

DEMAND REMAINS MUTED WITH SOFTNESS IN EUROPE AND CHINA

Market Vertical (% of Revenue ¹)	U.S. & Canada	Latin America	Europe	China	Rest of World	Select Macroeconomic Indicators by Market Vertical
 Packaging ~30%						+ U.S. & Canada industry PE inventories increased for two consecutive months; exports are robust at 11% growth YoY, despite slowing to the lowest level since May 2023 - Eurozone Manufacturing PMI declined MoM and reached the lowest level YTD at 45 + China Manufacturing PMI returned to contractionary territory in September
 Infrastructure² ~40%						+ U.S. housing starts decelerated in September to -0.7% YoY - Eurozone Construction PMI remains soft at 42.9 in September - China new home prices declined 5.7% YoY in September; 15 th consecutive month of declines
 Consumer ~20%						+ U.S. consumer confidence weakened in September to 98.7 (The Conference Board) - Eurozone consumer confidence remains negative at 12.9 in September - China consumer confidence declined to 85.8 in August; 5 th consecutive month of declines
 Mobility ~10%						+ U.S. auto sales were up 0.4% YoY in September, after decreasing 0.9% YoY in August - New car registrations in the EU declined 6% YoY in September, after reaching the lowest level since September 2021 in August. - China auto production down 1.9% YoY in September; fourth consecutive month of declines

Source: Based on internal and third-party markers

Strong
Moderate/Mixed
Weak
↑ ↓ Changes vs. Prior Update



1. Average 2021 – 2023 % of Total Dow Revenue excluding Corporate and Hydrocarbons & Energy

2. Includes housing and residential construction trends

4Q 2024 MODELING GUIDANCE

Expect Year-Over-Year Earnings Improvement

Net Sales	~\$10.7B
Quarterly Operational Tax Rate	~22 – 26%
Net Income Attrib. to Non-Controlling Int.	~\$25MM

Depreciation & Amortization	~\$750MM
Net Interest Expense (Net of Int. Income)	~\$175MM
Average Share Count	~705MM

	Top-Line Ranges (4Q24 vs. 3Q24)		Base Case Op. EBITDA Drivers (4Q24 vs. 3Q24)
	<u>Sales % Δ QoQ</u>		
	<u>Low</u>	<u>High</u>	
Packaging & Specialty Plastics	-1%	+1%	<ul style="list-style-type: none"> Lower global integrated margins driven by higher feedstock costs, including lower licensing earnings (~\$150MM headwind) Unplanned cracker outage add-back (~\$100MM tailwind) Lower planned maintenance activity along the USGC and Europe (~\$50MM tailwind)
Industrial Intermediates & Infrastructure	-2%	FLAT	<ul style="list-style-type: none"> Seasonally lower building & construction end-market demand offset by deicing fluid demand and continued Glycol-2 ramp Lower planned maintenance activity in the USGC (~\$50MM tailwind)
Performance Materials & Coatings	-9%	-7%	<ul style="list-style-type: none"> Continued growth in downstream silicones, offset by sustained weakness in the China property sector Lower seasonal demand, primarily in building & construction end-markets (~\$125MM headwind)
Corporate	Sales of ~\$125MM		Op. EBIT of \$(75)MM and Op. EBITDA of \$(65)MM



ON TRACK TO DELIVER >\$3B/YEAR IN EBITDA GROWTH BY 2030

Financial Flexibility to Support Long-Term Strategy

Solid Financial Position

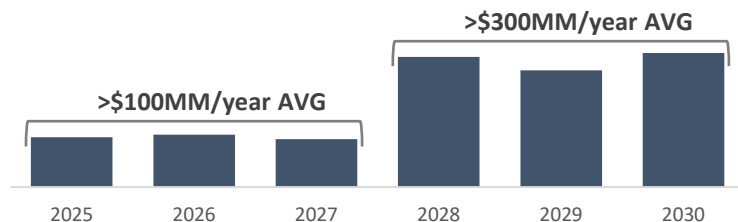
- ~\$13B in liquidity, including ~\$3B of cash and cash equivalents
- Strong stable investment-grade profile (Baa1, BBB+, BBB)¹
- No substantial debt maturities until 2027

Unique-to-Dow Cash Flow Levers

- Infrastructure asset sale (>\$1B) progressing well; update by YE24
- Nova judgement (~\$0.5B): evidentiary hearing completed; awaiting final ruling; same precedent as prior case with Dow awarded ~\$1.1B

Path2Zero Growth Incentives

- >\$1.5B in cash and tax incentives for Fort Saskatchewan project
- >80% of incentives expected to be received by 2030



Earnings Growth Levers Update

Fort Saskatchewan Path2Zero (~\$1B of EBITDA/year by 2030)

- ✓ Signed long-term agreement with Linde to supply clean hydrogen
- ✓ Major foundations for furnaces started in August
- ✓ ~40% of cracker pilings complete as of end of September
- Commercialization of low-emissions products to drive further upside

Near-Term Investments (~\$2B of EBITDA/year by mid-decade)

- ✓ Added >20 KTA of high-value silicones capacity in 2024 to meet growing demand in attractive end-markets (~\$70MM of EBITDA/year)
- **In-flight:** additional alkoxyates capacity in the USGC, downstream silicones projects, PE/functional polymers incremental growth by 1H25

Transform the Waste (>\$0.5B of EBITDA/year by 2030)

- ✓ Closed acquisition of Circulus in August – 50 KTA of recycling capacity
- ✓ Expanded REVOLoop™ Recycled Plastic Resins for cable jacketing
- ✓ Introduced first bio-circular ENGAGE™ REN Polyolefin Elastomers for carpet tile backing

A COMPELLING LONG-TERM VALUE INVESTMENT



Strategically Optimizing our Global Footprint

- Completed >20 asset actions since early 2023, primarily in the EMEA region and II&I operating segment
- Undertaking an in-depth strategic review of our European footprint, primarily in our Polyurethanes business



Near-Term Demand Remains Muted

- Packaging demand remains resilient, primarily in North America
- Mobility end-market has softened, while residential construction is expected to benefit in 2025 from recent interest rate cuts



Financial Flexibility Supports Our Long-Term Strategy

- ~\$13B in liquidity, including ~\$3B of cash and cash equivalents
- Expect to announce further progress on unique-to-Dow cash levers by YE24
- >\$1.5B in incentives for Fort Saskatchewan Path2Zero



Advancing Our Growth Strategy

- Signed long-term supply agreement for clean hydrogen with Linde
- Closed acquisition of Circulus – 50 KTA of recycling capacity
- On track to deliver >\$3B/year of earnings growth levers by 2030





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PRINCIPAL JOINT VENTURE DETAIL

Dow's Proportional Share of Principal JV Financial Results

	3Q 2024			2Q 2024			3Q 2023		
	Sadara	Kuwait JVs	Thai JVs	Sadara	Kuwait JVs	Thai JVs	Sadara	Kuwait JVs	Thai JVs
<i>\$ millions (unaudited)</i>									
EBITDA	\$36	\$147	\$(5)	\$18	\$153	\$2	\$47	\$106	\$36
EBIT	\$(43)	\$104	\$(10)	\$(54)	\$111	\$(2)	\$(29)	\$63	\$30
Net Income <i>Equity Earnings to Dow</i>	\$(85)	\$85	\$(14)	\$(92)	\$88	\$(8)	\$(74)	\$39	\$24
EBITDA in Excess of Eq. Earnings	\$121	\$62	\$9	\$110	\$65	\$10	\$121	\$67	\$12
Net Debt	\$4,331	\$1,613	\$342	\$4,320	\$1,535	\$287	\$4,159	\$1,729	\$270

Drivers of Changes in Equity Earnings

- **Sadara: YoY** primarily from higher feedstock costs; **QoQ** higher integrated margins, partly offset by lower volumes
- **Kuwait JVs: YoY** improved MEG margins; **QoQ** lower volumes, mostly offset by improved margins
- **Thai JVs:** lower prices due to softer demand for elastomers applications



SHARE ISSUANCE AND REPURCHASE ACTIVITY

Share Issuances & Repurchases					
<i>Shares in millions</i>	3Q24	2Q24	3Q23	3Q24 YTD	3Q23 YTD
Stock Incentive Plans (LTI)	0.1	0.2	0.2	3.5	4.0
Contributions to U.S. Defined Contribution Plans (401(k))	0.9	1.0	0.4	3.2	1.9
Employee Stock Purchase Plan (ESPP) ¹	-	-	-	-	-
Total Shares Issued	1.0	1.2	0.6	6.7	5.9
Total Shares Repurchased	1.8	3.5	2.3	8.9	9.3

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





APPENDIX

OPERATING EARNINGS PER SHARE (EPS) RECONCILIATION

Significant Items Impacting Results for the Three Months Ended Sep 30, 2024			
In millions, except per share amounts (Unaudited)	<i>Pretax</i> ¹	<i>Net Income</i> ²	<i>EPS</i> ³
Reported results	\$ 324	\$ 214	\$ 0.30
Less: Significant items			
Restructuring, implementation and efficiency costs, and asset related charges - net	(79)	(62)	(0.09)
Indemnification and other transaction related costs	(75)	(58)	(0.08)
Total significant items	\$ (154)	\$ (120)	\$ (0.17)
Operating results (non-GAAP)	\$ 478	\$ 334	\$ 0.47

Significant Items Impacting Results for the Three Months Ended Sep 30, 2023			
In millions, except per share amounts (Unaudited)	<i>Pretax</i> ¹	<i>Net Income</i> ²	<i>EPS</i> 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.



OPERATING EPS RECONCILIATION (CONTINUED)

Significant Items Impacting Results for the Nine Months Ended Sep 30, 2024			
In millions, except per share amounts (Unaudited)	<i>Pretax</i> ¹	<i>Net Income</i> ²	<i>EPS</i> ³
Reported results	\$ 1,381	\$ 1,169	\$ 1.65
Less: Significant items			
Restructuring, implementation and efficiency costs, and asset related charges - net	(226)	(177)	(0.25)
Indemnification and other transaction related costs	(75)	(58)	(0.08)
Income tax related items	-	194	0.27
Total significant items	\$ (301)	\$ (41)	\$ (0.06)
Operating results (non-GAAP)	\$ 1,682	\$ 1,210	\$ 1.71

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

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 Jun 30, 2024			
In millions, except per share amounts (Unaudited)	<i>Pretax</i> ¹	<i>Net Income</i> ²	<i>EPS</i> ³
Reported results	\$ 608	\$ 439	\$ 0.62
Less: Significant items			
Restructuring, implementation and efficiency costs, and asset related charges - net	(56)	(43)	(0.06)
Total significant items	\$ (56)	\$ (43)	\$ (0.06)
Operating results (non-GAAP)	\$ 664	\$ 482	\$ 0.68

1. "Income before income taxes."

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

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



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

Reconciliation of "Net income (loss)" to "Operating EBIT" and "Operating EBITDA"	Three Months Ended					Nine Months Ended	
	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024
In millions (Unaudited)							
Net income (loss)	\$ 327	\$ (95)	\$ 538	\$ 458	\$ 240	\$ 755	\$ 1,236
+ Provision (credit) for income taxes	90	(257)	(89)	150	84	253	145
Income (loss) before income taxes	\$ 417	\$ (352)	\$ 449	\$ 608	\$ 324	\$ 1,008	\$ 1,381
- Interest income	44	43	65	42	36	186	143
+ Interest expense and amortization of debt discount	192	197	199	197	199	549	595
- Significant items	(61)	(757)	(91)	(56)	(154)	(848)	(301)
Operating EBIT ¹	\$ 626	\$ 559	\$ 674	\$ 819	\$ 641	\$ 2,219	\$ 2,134
+ Depreciation and amortization	657	657	720	682	741	1,954	2,143
Operating EBITDA ²	\$ 1,283	\$ 1,216	\$ 1,394	\$ 1,501	\$ 1,382	\$ 4,173	\$ 4,277
Operating EBITDA - trailing twelve months ("TTM") basis	\$ 5,428	\$ 5,389	\$ 5,427	\$ 5,394	\$ 5,493		

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.

SEGMENT INFORMATION

Net Sales by Segment	Three Months Ended			Nine Months Ended	
	Sep 30, 2023	Jun 30, 2024	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024
In millions (Unaudited)					
Packaging & Specialty Plastics	\$ 5,454	\$ 5,515	\$ 5,516	\$ 17,508	\$ 16,461
Industrial Intermediates & Infrastructure	3,035	2,951	2,962	9,590	8,921
Performance Materials & Coatings	2,130	2,243	2,214	6,603	6,609
Corporate	111	206	187	300	568
Total	\$ 10,730	\$ 10,915	\$ 10,879	\$ 34,001	\$ 32,559

Operating EBIT by Segment	Three Months Ended			Nine Months Ended	
	Sep 30, 2023	Jun 30, 2024	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024
In millions (Unaudited)					
Packaging & Specialty Plastics	\$ 476	\$ 703	\$ 618	\$ 2,036	\$ 1,926
Industrial Intermediates & Infrastructure	21	7	(53)	109	41
Performance Materials & Coatings	179	146	140	280	327
Corporate	(50)	(37)	(64)	(206)	(160)
Total	\$ 626	\$ 819	\$ 641	\$ 2,219	\$ 2,134

Equity in Earnings (Losses) of Nonconsolidated Affiliates by Segment	Three Months Ended			Nine Months Ended	
	Sep 30, 2023	Jun 30, 2024	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024
In millions (Unaudited)					
Packaging & Specialty Plastics	\$ 50	\$ 55	\$ 16	\$ 90	\$ 96
Industrial Intermediates & Infrastructure	(63)	(31)	(17)	(219)	(63)
Performance Materials & Coatings	5	2	1	14	9
Corporate	1	-	2	3	3
Total	\$ (7)	\$ 26	\$ 2	\$ (112)	\$ 45



SEGMENT INFORMATION (CONTINUED)

Adjusted Operating EBIT by Segment	Three Months Ended			Nine Months Ended	
	Sep 30, 2023	Jun 30, 2024	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024
In millions (Unaudited)					
Packaging & Specialty Plastics	\$ 426	\$ 648	\$ 602	\$ 1,946	\$ 1,830
Industrial Intermediates & Infrastructure	84	38	(36)	328	104
Performance Materials & Coatings	174	144	139	266	318
Corporate	(51)	(37)	(66)	(209)	(163)
Total	\$ 633	\$ 793	\$ 639	\$ 2,331	\$ 2,089

Operating EBIT Margin by Segment	Three Months Ended			Nine Months Ended	
	Sep 30, 2023	Jun 30, 2024	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024
In millions (Unaudited)					
Packaging & Specialty Plastics	8.7 %	12.7 %	11.2 %	11.6 %	11.7 %
Industrial Intermediates & Infrastructure	0.7 %	0.2 %	(1.8)%	1.1 %	0.5 %
Performance Materials & Coatings	8.4 %	6.5 %	6.3 %	4.2 %	4.9 %
Total	5.8 %	7.5 %	5.9 %	6.5 %	6.6 %

Adjusted Operating EBIT Margin by Segment	Three Months Ended			Nine Months Ended	
	Sep 30, 2023	Jun 30, 2024	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024
In millions (Unaudited)					
Packaging & Specialty Plastics	7.8 %	11.7 %	10.9 %	11.1 %	11.1 %
Industrial Intermediates & Infrastructure	2.8 %	1.3 %	(1.2)%	3.4 %	1.2 %
Performance Materials & Coatings	8.2 %	6.4 %	6.3 %	4.0 %	4.8 %
Total	5.9 %	7.3 %	5.9 %	6.9 %	6.4 %



CASH CONVERSION AND FREE CASH FLOW RECONCILIATION

Reconciliation of Cash Flow Conversion	Three Months Ended				
	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024
In millions (Unaudited)					
Cash provided by operating activities - continuing operations (GAAP)	\$ 1,658	\$ 1,628	\$ 460	\$ 832	\$ 800
Net income (loss) (GAAP)	\$ 327	\$ (95)	\$ 538	\$ 458	\$ 240
Cash flow from operations to net income (GAAP) ¹	507.0 %	N/A	85.5 %	181.7 %	333.3 %
Cash flow from operations to net income - trailing twelve months basis (GAAP)	400.4 %	782.4 %	400.7 %	372.8 %	326.0 %
Operating EBITDA (non-GAAP)	\$ 1,283	\$ 1,216	\$ 1,394	\$ 1,501	\$ 1,382
Cash Flow Conversion (non-GAAP) ²	129.2 %	133.9 %	33.0 %	55.4 %	57.9 %
Cash Flow Conversion - trailing twelve months basis (non-GAAP)	103.4 %	95.8 %	93.8 %	84.9 %	67.7 %

1. Cash flow from operations to net income is not applicable for the fourth quarter 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					Nine Months Ended	
	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024	Sep 30, 2024	Sep 30, 2023	Sep 30, 2024
In millions (Unaudited)							
Cash provided by operating activities - continuing operations (GAAP)	\$ 1,658	\$ 1,628	\$ 460	\$ 832	\$ 800	\$ 3,536	\$ 2,092
Capital expenditures	(597)	(758)	(714)	(723)	(736)	(1,598)	(2,173)
Free Cash Flow (non-GAAP) ¹	\$ 1,061	\$ 870	\$ (254)	\$ 109	\$ 64	\$ 1,938	\$ (81)
Free Cash Flow - trailing twelve months ("TTM") basis (non-GAAP)	\$ 3,417	\$ 2,808	\$ 2,463	\$ 1,786	\$ 789		
End of period market capitalization ²	\$ 36,164	\$ 38,514	\$ 40,737	\$ 37,184	\$ 38,246		
Free Cash Flow Yield - TTM basis (non-GAAP) ³	9.4%	7.3%	6.0%	4.8%	2.1%		

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.



RECONCILIATION OF OPERATING RETURN ON CAPITAL (ROC)

Reconciliation of Operating Return on Capital (ROC)	Three Months Ended	
	Sep 30, 2023	Sep 30, 2024
In millions (Unaudited)		
Net income available for Dow Inc. common stockholders (GAAP)	\$ 302	\$ 214
- Significant items, after tax	(43)	(120)
Operating Net Income Available for Dow Inc. Common Stockholders (non-GAAP)	\$ 345	\$ 334
Net income attributable to noncontrolling interests	\$ 25	\$ 26
Gross interest expense	214	234
Imputed interest expense - operating leases	16	16
Tax on gross interest expense	(62)	(59)
Operating Net Operating Profit After Tax (non-GAAP)	\$ 538	\$ 551
Operating Net Operating Profit After Tax - trailing twelve months ("TTM") basis (non-GAAP)	\$ 2,359	\$ 2,340
Average Total Capital (non-GAAP)	\$ 36,730	\$ 36,320
Operating Return on Capital - TTM basis (non-GAAP) ¹	6.4 %	6.4 %

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)	<i>Dec 31, 2023</i>	<i>Sep 30, 2024</i>
Notes payable	\$ 62	\$ 111
Long-term debt due within one year	117	296
Long-term debt	14,907	16,164
Gross debt (GAAP)	\$ 15,086	\$ 16,571
- Cash and cash equivalents	2,987	2,883
- Marketable securities	1,300	361
Net Debt (non-GAAP)	\$ 10,799	\$ 13,327
+ Noncontrolling interest	\$ 501	\$ 530
+ Dow Inc. stockholders' equity	18,607	18,311
Net Capital (non-GAAP) ¹	\$ 29,907	\$ 32,168
Net Debt to Capital Ratio (non-GAAP) ²	36.1%	41.4%

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

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



GENERAL COMMENTS

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, 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; 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, 2023, 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.

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).

