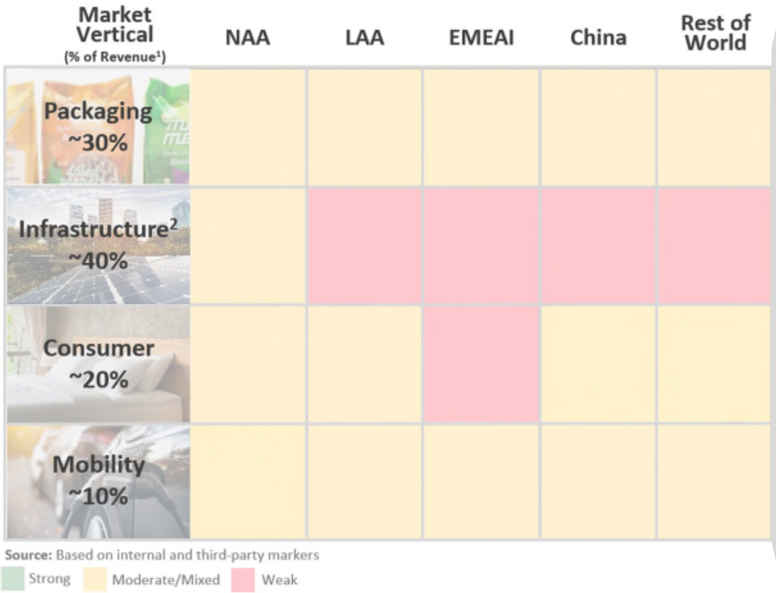
# Dow Presents at
# Morgan Stanley Laguna Conference

Jim Fitterling, Chair and CEO

*September 12, 2024*

# Macroeconomic Environment Remains Muted




### Packaging – Resilient North America Domestic and Export Demand

- + NAA industry domestic demand for PE growing by 5% YTD through July (ACC)
- + PE exports from NAA remain robust, growing 16% YTD through July and represent >45% of industry production YTD (ACC)
- + Eurozone Manufacturing PMI has remained in contractionary territory since July 2022

### Infra – Residential Construction Remains Weak, Awaiting Lower Interest Rates

- + U.S. existing home sales declined 2.5% and new home sales increased 5.6% YoY in July
- – Eurozone Construction PMI remains soft at 41.4 in August
- – China new home prices declined 4.9% YoY in July; 13th consecutive month of declines

### Consumer – Tightening Disposable Income Leading to Trade-Off Decisions

- + U.S. consumer confidence rose slightly in August to 103.3 (The Conference Board)
- + China household appliance sales were down 2.4% YoY in July
- – Eurozone Consumer Confidence decreased 0.5 MoM in August; remains negative at 13.5

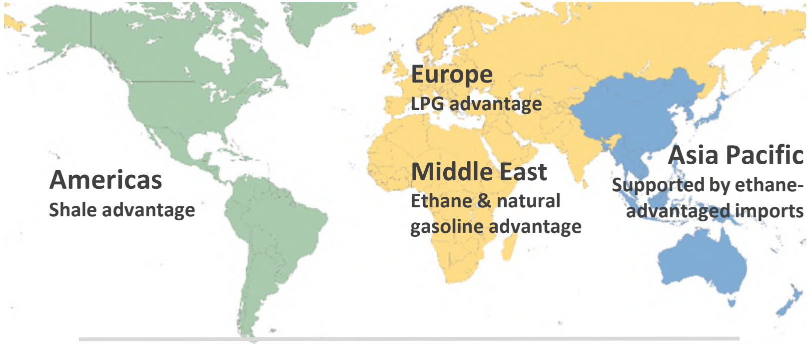
### Mobility – Softening Demand Across 2H24 After Recent Restocking Cycle

- + U.S. auto sales were down 1.3% YoY in August, after decreasing 0.5% YoY in July
- + China auto OEM production down 4.8% YoY in July; second consecutive month of declines
- + EU new car registrations were ~flat YoY in July

1. Average 2021 – 2023 % of Total Dow Revenue excluding Corporate and Hydrocarbons & Energy
2. Includes housing and residential construction trends

# UNIQUELY POSITIONED TO BENEFIT AS INDUSTRY DYNAMICS IMPROVE

## Strategically Optimizing Our Global Asset Footprint




***Investing for growth in regions with access to lower-cost feedstocks, while taking necessary asset actions in structurally disadvantaged regions***

**% of Dow Global Production Capacity**

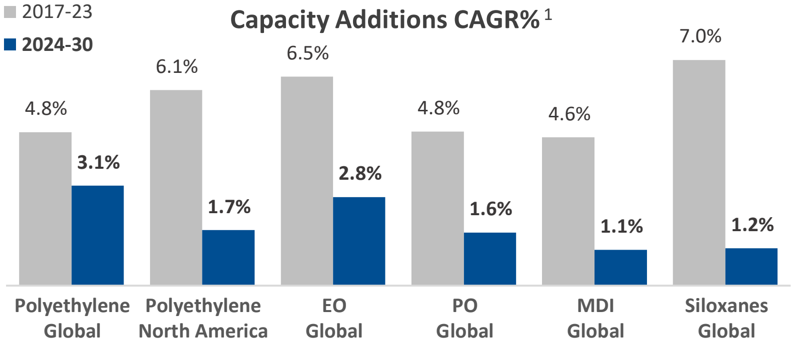
Current

Cost Advantaged Americas **~65%** | EMEAI **~30%** | APAC **~5%**

**By 2030**

Cost Advantaged Americas *Path2Zero and Growth Investments* **~70%** | EMEAI **<30%** | APAC **<5%**

## Industry Supply Additions Slowing Across All Key Products




***Operating rates expected to improve through 2030, supported by limited industry supply additions and higher-cost asset rationalizations***

- Polyethylene demand continues to grow at ~1.2-1.4x GDP, with growth shifting to circular and low-emissions solutions
- Majority of Dow's USGC capacity is aligned to higher-value purified EO derivatives with no significant industry capacity additions expected
- Proactively reducing lower-value merchant PO exposure by shutting down our Freeport unit in 2025 (~20% of North America capacity)
- Industry Siloxane capacity additions slowing due to prolonged negative cash margins impacting non-integrated players

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

1. Sources CMA (PE, MDI, PO), Wood Mackenzie (EO), and Internal Analysis (Siloxanes);
Industry data excludes potential delays, cancellations, and further rationalization of higher-cost assets

# DOW: A COMPELLING LONG-TERM VALUE INVESTMENT

### Near-Term Macroeconomic Environment Remains Muted

- Global industrial demand remains sluggish, hampered by soft building & construction and durable goods end-markets
- Underwhelming demand in Europe; slower-than-expected economic recovery in China
- Beginning of an interest rate cutting cycle in the U.S. and Europe will drive improved demand dynamics as we enter 2025

### Unplanned Asset Outage to Impact 3Q Earnings Expectations

- Capturing resilient packaging demand, while navigating slower mobility and residential construction (DIY) end-markets
- Anticipate a tailwind from favorable P&SP margins in the U.S., more than offset by a significant unplanned event in Texas and higher input costs in Europe
- Currently expect 3Q24 revenue of ~$10.6B and Op. EBITDA[1] of ~$1.3B

### Continuing to Deliver on Our Long-Term Growth Levers

- On track to deliver >$3B/year of earnings growth levers by 2030, by investing in regions with advantaged long-term cost positions
- Completed acquisition of U.S.-based PE recycler Circulus with 50KTA capacity
- Signed a long-term agreement for the supply of clean hydrogen with Linde for Dow's Fort Saskatchewan Path2Zero project

**Leveraging Our Leadership Positions to Execute On Long-Term Growth Levers and Increase Shareholder Value**

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

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