

3Q 2024 financial results

October 31, 2024

EASTMAN

Prepared remarks

These slides should be reviewed with the accompanying prepared remarks posted on our website.

Forward-looking statements

The information in this presentation and other statements by the company may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to, among other items: projections and estimates of earnings, revenues, volumes, pricing, margins, cost reductions, expenses, taxes, liquidity, capital expenditures, cash flow, dividends, share repurchases or other financial items, statements of management's plans, strategies and objectives for future operations, and statements regarding future economic, industry or market conditions or performance. Such projections and estimates are based upon certain preliminary information, internal estimates, and management assumptions, expectations, and plans. Forward-looking statements are subject to a number of risks and uncertainties, and actual performance or results could differ materially from that anticipated by any forward-looking statements. Forward-looking statements speak only as of the date they are made, and the company undertakes no obligation to update or revise any forward-looking statement. Other important assumptions and factors that could cause actual results to differ materially from those in the forward-looking statements are detailed in the company's filings with the Securities and Exchange Commission (the "SEC"), which are accessible on the SEC's website at www.sec.gov and the company's website at www.eastman.com.

Non-GAAP financial measures

Earnings referenced in this presentation and the accompanying prepared remarks exclude certain non-core and unusual items. "Adjusted EBIT" is Earnings Before Interest and Taxes ("EBIT") adjusted for non-core and unusual items. "Adjusted EBIT Margin" is Adjusted EBIT divided by GAAP sales. "Adjusted EBITDA" is Earnings Before Interest, Taxes, Depreciation, and Amortization adjusted for non-core and unusual items. "Net Debt" is total borrowings less cash and cash equivalents. "Net Debt to Adjusted EBITDA" is Net Debt divided by EBITDA adjusted for non-core and unusual items. Reconciliations to the most directly comparable GAAP financial measures and other associated disclosures, including a description of the excluded and adjusted items, are available in our third-quarter 2024 financial results news release which is posted in the "Investors" section of our website and in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Forms 10-K filed for 2023 and 10-Q to be filed for third quarter 2024 with the SEC for the periods for which non-GAAP financial measures are presented.

3Q 2024 highlights

- Delivered strong year-over-year sales volume/mix growth across all operating segments
- Drove 360-basis-point adjusted EBIT margin improvement through volume/mix growth, operating leverage, and commercial excellence
- Decision made to move forward with investment in the Longview, Texas, methanolysis facility and signed contract for the first round of funding from the Department of Energy
- Made progress on ramp-up of the Kingsport methanolysis facility and the build of our sales funnel for 2025
- Delivered another quarter of solid cash flow and repurchased \$100 million of shares in 3Q24
- Contributed to the broader relief efforts in local Appalachian communities after the flooding from Hurricane Helene



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\$M (except EPS)	3Q24	3Q23	2Q24
Revenue	2,464	2,267	2,363
Adjusted EBIT	366	256	353
Adjusted EBIT margin	14.9%	11.3%	14.9%
Adjusted EPS	2.26	1.47	2.15

Revenue change %	Total	Vol / Mix	Price	FX
3Q24 vs 3Q23	9	8	1	0
3Q24 vs 2Q24	4	4	0	0

3Q24 vs. 3Q23 highlights

- Higher sales volume/mix due to the end of customer inventory destocking across most key end markets
- Underlying primary demand trends remained muted
- EBIT increased primarily due to higher sales volume/mix and higher spreads in Chemical Intermediates
- Improved asset utilization partially offset by higher variable compensation and by operating costs for Kingsport methanolysis

Advanced Materials

\$M	3Q24	3Q23	2Q24
Revenue	787	746	795
Adjusted EBIT	122	93	131
Adjusted EBIT margin	15.5%	12.5%	16.5%

Revenue change %	Total	Vol / Mix	Price	FX
3Q24 vs 3Q23	5	8	-3	0
3Q24 vs 2Q24	-1	-1	0	0

3Q24 vs. 3Q23 highlights

- Higher sales volume/mix from the end of customer inventory destocking across key end markets
- Growth in premium interlayers outpacing the automotive end market
- Substantially improved asset utilization partially offset by costs associated with Kingsport methanolysis

4Q24 vs 3Q24 trends

Tailwinds:

- Continued flow through of lower raw material and energy costs
- Innovation driving growth above underlying markets

Headwinds:

- Normal seasonal volume declines
- Higher planned maintenance costs

Expect FY 2024 adjusted EBIT to be ~\$450 million

Additives & Functional Products

\$M	3Q24	3Q23	2Q24
Revenue	744	670	718
Adjusted EBIT	130	105	123
Adjusted EBIT margin	17.5%	15.7%	17.1%

Revenue change %	Total	Vol / Mix	Price	FX
3Q24 vs 3Q23	11	11	0	0
3Q24 vs 2Q24	4	4	0	0

3Q24 vs. 3Q23 highlights

- Higher sales volume/mix due to the end of customer inventory destocking across key end markets and higher heat transfer fluid project fulfillments

4Q24 vs 3Q24 trends

Tailwinds:

- Lower planned maintenance costs
- Modest seasonal improvement in agriculture end markets

Headwinds:

- Normal seasonal volume declines across several end markets
- Reduced heat transfer fluid project fulfillments

Expect FY 2024 adjusted EBIT to be ~\$460 million

Fibers

\$M	3Q24	3Q23	2Q24
Revenue	336	323	330
Adjusted EBIT	112	109	122
Adjusted EBIT margin	33.3%	33.7%	37.0%

Revenue change %	Total	Vol / Mix	Price	FX
3Q24 vs 3Q23	4	2	2	0
3Q24 vs 2Q24	2	2	0	0

3Q24 vs. 3Q23 highlights

- Volume/mix growth in textiles
- Improved price-cost

4Q24 vs 3Q24 trends

Tailwinds

- Lower planned maintenance costs

Headwinds

- Customer buying patterns, including year-end inventory management

Expect FY 2024 adjusted EBIT ~\$450 million

Chemical Intermediates

\$M	3Q24	3Q23	2Q24
Revenue	593	527	515
Adjusted EBIT	43	6	22
Adjusted EBIT margin	7.3%	1.1%	4.3%

Revenue change %	Total	Vol / Mix	Price	FX
3Q24 vs 3Q23	13	7	6	0
3Q24 vs 2Q24	15	13	2	0

3Q24 vs. 3Q23 highlights

- Higher sales volume/mix due to the end of customer inventory destocking and improved market conditions
- Improved olefin and derivative spreads

4Q24 vs 3Q24 trends

Tailwinds:

- Lower planned maintenance costs

Headwinds:

- Normal seasonal declines across most key end markets
- Compression in olefin and derivative spreads

Expect FY 2024 adjusted EBIT to be around FY 2023 levels

Cash flow and other financial highlights

Resilient cash flow

Forecasted FY24
operating cash flow
approaching
\$1.3 billion

Expect normal cash
seasonality with
typical 2H weighting

Balance sheet and tax rate

Well positioned with
**solid investment-grade
balance sheet**
and sufficient liquidity

FY24 forecasted
adjusted effective
tax rate
15-16%

Balanced stockholder returns

**14 consecutive
years growing
our dividend**

Share repurchases
\$200 million
2024YTD

Track record of disciplined portfolio management

**Divesting
non-core assets**

**Attractive
bolt-on M&A**

Q4 2024 outlook

Tailwinds vs 3Q24

- Commercial excellence in defending the value of our products
- Favorable raw material and energy costs in the specialties
- Continued cost discipline

Headwinds/uncertainties vs 3Q24

- Continued weak primary demand, especially in consumer discretionary
- Expect normal seasonal declines across most end markets
- Modestly higher shutdown costs

Expect FY24 adjusted EPS \$7.50 to \$7.70

Expect FY24 operating cash flow to approach \$1.3 billion

Modest market recovery and circular investments are expected to drive strong growth in 2025

- Modest growth from a low base across end markets
 - Innovation driving growth above underlying end-market trends in our specialties
- Continued ramp-up of earnings from the Kingsport methanolysis facility
- Recovery in Chemical Intermediates
- Modest decline in Fibers
- Aggressive cost management beyond offsetting inflation
- Modest benefit from lower share count
- Modest headwinds from some pricing lag to catch up to higher forecasted energy costs

Appendix

FY2024 underlying assumptions and modeling items

Updated

- Capital expenditures ~\$625 million; previously \$650-700 million
- Interest expense of ~\$200 million; previously ~\$205 million
- Corporate 'Other' adjusted Loss Before Interest and Taxes of ~(\$205) million for FY24; previous ~(\$200 million)
- Natural gas prices consistent with recent FY24 Henry Hub average forward curves: ~\$2.75/MMBtu
- Brent crude oil: \$75/barrel

Unchanged

- ~\$100 million tailwind FY24 vs FY23 from higher asset utilization
- Share repurchases ~\$300 million
- Full-year adjusted effective tax rate 15 - 16%
- Foreign currency exchange rates, net of hedging: USD/EURO \$1.10; CNY/USD 7.20; JPY/USD 150
- FY24 Depreciation & Amortization expense \$30 million higher vs FY23*