

2Q 2024 financial results

July 25, 2024

EASTMAN

Prepared remarks

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

Forward-looking statements

This information 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 second-quarter 2024 financial results news release which is posted in the "Investors" section of our website, at the end of this presentation, 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 second quarter 2024 with the SEC for the periods for which non-GAAP financial measures are presented.

2Q 2024 highlights

- Delivered strong year-over-year sales volume/mix growth driven by Advanced Materials
- Drove a 300-basis-point sequential margin improvement through volume/mix growth and operating leverage
- Demonstrated continued commercial excellence by focusing on specialty product offerings and managing price-cost across the company
- Continued to ramp up sales to our customers from the Kingsport methanolysis facility, while demonstrating higher operating rates and broadening the range of hard-to-recycle feedstocks
- Delivered solid 1H24 operating cash flow and repurchased \$100 million of shares in 2Q24
- Supported the circular economy in the Tri-Cities, Tennessee, region through recycling partnerships announced with local businesses



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Update on ramp-up of Kingsport methanolysis facility

- Fully validated process chemistry of the facility and made on-spec food-grade polymer
- Demonstrated the ability to run the facility at operating rates around 70%
- As we broadened the range of hard-to-recycle material, we are working through some feedstock preparation issues
- Commercial teams are winning new applications, with strong funnel of opportunities supporting continued ramp-up in 2025
- Inflationary pressures on brands have led to a modestly slower ramp-up of Renew products
- Moving forward with expansion of Tritan™ copolyester capacity by ~80 KMT, expected online 2H25



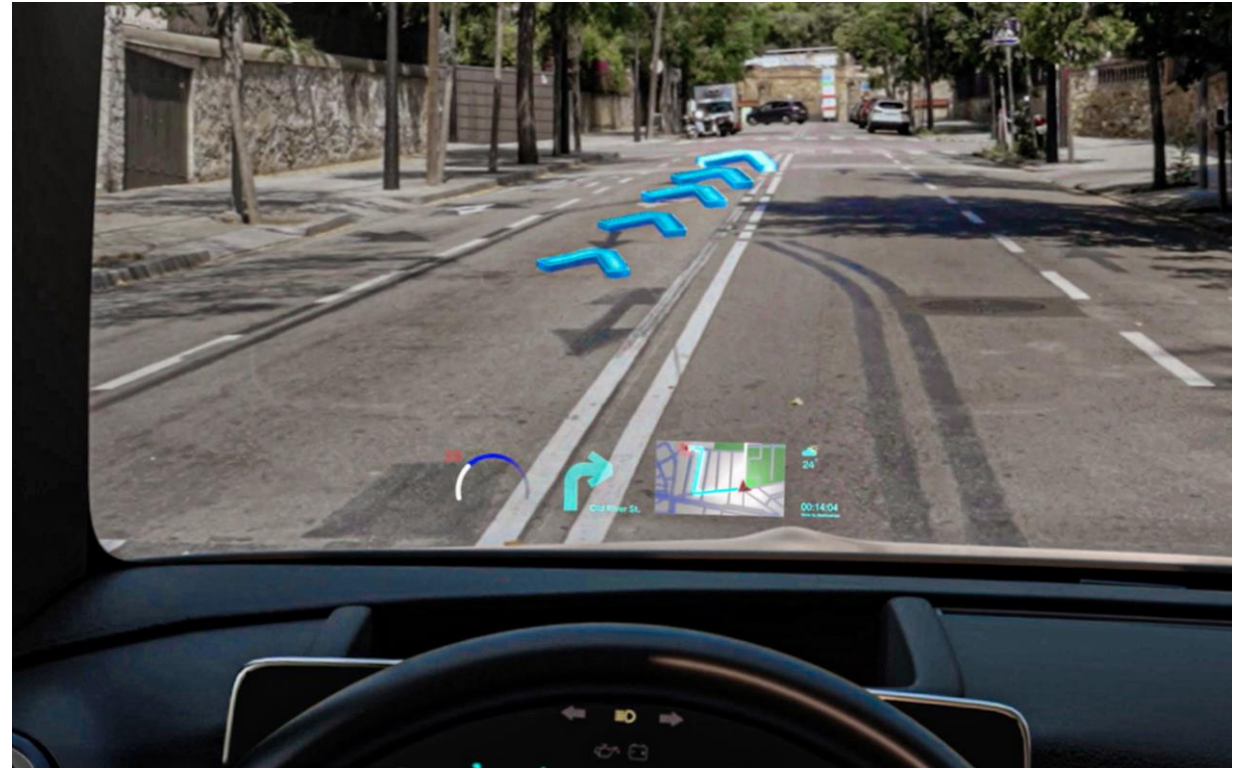
Next generation advanced interlayers products are driving strong growth in a flat automotive market

Leveraged to the fast-growing premium end of the auto market for both ICEs and EVs

Delivered double-digit growth in head-up display and solar control offerings in 2Q24

Seeing increased penetration at existing customers

Aligned with automotive megatrends



Saflex™ Horizon Vision

Designed for enhanced visibility and improved driver assistance systems

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| \$M (except EPS) | 2Q24 | 2Q23 | 1Q24 |
|----------------------|-------|-------|-------|
| Revenue | 2,363 | 2,324 | 2,310 |
| Adjusted EBIT | 353 | 336 | 274 |
| Adjusted EBIT margin | 14.9% | 14.5% | 11.9% |
| Adjusted EPS | 2.15 | 1.99 | 1.61 |

| Revenue change % | Total | Vol / Mix | Price | FX |
|------------------|-------|-----------|-------|----|
| 2Q24 vs 2Q23 | 2 | 6 | -4 | 0 |
| 2Q24 vs 1Q24 | 2 | 2 | 0 | 0 |

2Q24 vs. 2Q23 highlights

- End of customer inventory destocking in 2Q24 across our end markets, resulting in year-over-year volume/mix growth
- Underlying primary demand trends remained weak
- EBIT increased primarily due to higher sales volume/mix in Advanced Materials
- Lower price-cost, particularly in Chemical Intermediates

Advanced Materials

| \$M (except EPS) | 2Q24 | 2Q23 | 1Q24 |
|----------------------|-------|-------|-------|
| Revenue | 795 | 739 | 748 |
| Adjusted EBIT | 131 | 99 | 104 |
| Adjusted EBIT margin | 16.5% | 13.4% | 13.9% |

| Revenue change % | Total | Vol / Mix | Price | FX |
|------------------|-------|-----------|-------|----|
| 2Q24 vs 2Q23 | 8 | 12 | -4 | 0 |
| 2Q24 vs 1Q24 | 6 | 7 | -1 | 0 |

2Q24 vs. 2Q23 highlights

- End of customer inventory destocking in 2Q24 across most end markets
- New application wins in the durables end market including Renew sales
- Growth in automotive driven by premium interlayer products

2024 Outlook

Tailwinds:

- Strong volume/mix due to the end of customer inventory destocking, share gain, and new application wins
- Primary demand similar to 2023 across most key end markets
- Higher capacity utilization
- Stable price-cost

Headwinds:

- Primary demand in building and construction similar to slightly down
- Higher ramp-up costs for Kingsport methanolysis facility
- Continued investment in growth and capabilities

Expect FY 2024 adjusted EBIT to be \$460 – \$480 million

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Additives & Functional Products

| \$M (except EPS) | 2Q24 | 2Q23 | 1Q24 |
|----------------------|-------|-------|-------|
| Revenue | 718 | 747 | 704 |
| Adjusted EBIT | 123 | 140 | 109 |
| Adjusted EBIT margin | 17.1% | 18.7% | 15.5% |

| Revenue change % | Total | Vol / Mix | Price | FX |
|------------------|-------|-----------|-------|----|
| 2Q24 vs 2Q23 | -4 | 0 | -4 | 0 |
| 2Q24 vs 1Q24 | 2 | 2 | 0 | 0 |

2Q24 vs. 2Q23 highlights

- Higher volumes in coatings additives and care additives
- Reduced heat transfer fluid project fulfillments

2024 Outlook

Tailwinds:

- End of customer inventory destocking in building and construction, agriculture, and personal care end markets
- Modest market growth in aviation, personal care, and water treatment
- Higher capacity utilization
- Stable price-cost

Headwinds:

- Timing of heat transfer fluid project fulfillment
- Primary demand in building and construction similar to slightly down

Fibers

| \$M (except EPS) | 2Q24 | 2Q23 | 1Q24 |
|----------------------|-------|-------|-------|
| Revenue | 330 | 323 | 331 |
| Adjusted EBIT | 122 | 106 | 117 |
| Adjusted EBIT margin | 37.0% | 32.8% | 35.3% |

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

2Q24 vs. 2Q23 highlights

- Improved price-cost due to lower variable costs
- Volume/mix growth in the textile product line

2024 Outlook

Tailwinds

- Stable selling prices and volumes in acetate tow
- Continued growth in Naia™ textiles
- Improved cost structure

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

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Chemical Intermediates

| \$M (except EPS) | 2Q24 | 2Q23 | 1Q24 |
|----------------------|------|------|------|
| Revenue | 515 | 514 | 523 |
| Adjusted EBIT | 22 | 39 | 16 |
| Adjusted EBIT margin | 4.3% | 7.6% | 3.1% |

| Revenue change % | Total | Vol / Mix | Price | FX |
|------------------|-------|-----------|-------|----|
| 2Q24 vs 2Q23 | 0 | 6 | -6 | 0 |
| 2Q24 vs 1Q24 | -2 | -5 | 3 | 0 |

2Q24 vs. 2Q23 highlights

- End of customer inventory destocking in 2Q24 resulting in year-over-year volume/mix growth
- Continued weakness in the building and construction end market
- Lower spreads

2024 Outlook

Tailwinds:

- Higher sales volume/mix due to the end of customer inventory destocking
- Higher capacity utilization
- Primary demand similar to 2023 across most key end markets

Headwinds:

- Divested business and a permanent customer plant shutdown
- Higher planned maintenance
- Spread compression across all businesses

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
approximately
\$1.4 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**

FY24 share repurchases
~\$300 million
**\$100 million in
1H24**

Track record of disciplined portfolio management

**Divesting
non-core assets**

**Attractive
bolt-on M&A**

2024 outlook

Tailwinds vs FY2023

- Specialty volume and mix improvement
 - Absence of significant customer inventory destocking in most end markets (~\$150 million)
 - Modest growth in stable end markets
 - New application wins through innovation-driven growth model
- Around \$50 million of incremental EBITDA growth from Kingsport methanolysis facility
- ~\$100 million from improved asset utilization resulting from lack of inventory destocking
- Cost management to offset inflation
- Higher level of share repurchases

Headwinds/Uncertainties vs FY2023

- Lower price/cost negatively impacting margins, primarily in Chemical Intermediates
- Higher costs related to investments in growth and capabilities
- Higher depreciation expense due to continued investment in growth
- Timing of heat transfer fluid project completions in Additives & Functional Products
- Divested business and discontinued product line in Chemical Intermediates

Expect FY24 adjusted EPS \$7.40 to \$7.85

Expect FY24 operating cash flow approximately \$1.4 billion

SAVE THE DATE

Eastman Circular Economy Deep Dive 11/19

Event location: Kingsport, Tennessee






Join us for a tour of our methanolysis facility.

In-person attendance by invitation only, formal invitations to follow.

Webcast of presentations will be open to the public.

Appendix

2024 end-market outlook

| End market | 2H24 sequential | FY24 vs FY23 |
|--|---|---|
| Transportation (~18% of corporate revenue)  | <ul style="list-style-type: none"> Projecting flat to slightly up auto OEM production EMN outperforming the market due to innovation-driven leverage to premium autos and EVs | <ul style="list-style-type: none"> Projecting flat to slightly lower global OEM production EMN outperforming the market due to innovation-driven leverage to premium autos and EVs |
| Agriculture and medical (~13% of corporate revenue)  | <ul style="list-style-type: none"> Sales volumes in agriculture reconnected to primary demand Destocking continuing in medical applications through year-end | <ul style="list-style-type: none"> Market fundamentals remain positive Less destocking compared to FY23 |
| Building and construction (~11% of corporate revenue)  | <ul style="list-style-type: none"> Demand remains soft across most regions, especially China Modest seasonal declines in demand | <ul style="list-style-type: none"> Primary demand flat to slightly down with normal seasonal patterns Benefit from lack of destocking |
| Durables and electronics (~10% of corporate revenue)  | <ul style="list-style-type: none"> Primary demand remains muted as customers remain cautious Destocking is complete | <ul style="list-style-type: none"> Primary demand similar to 2023 levels Benefit from lack of destocking Innovation-driven growth from circular economy and traditional products |
| Other stable end markets (~35% of corporate revenue)  | <ul style="list-style-type: none"> Primary demand similar to 1H Destocking is complete | <ul style="list-style-type: none"> Stable primary end-market demand Benefit from lack of destocking |

Underlying assumptions and modeling items for FY2024

Updated

- Capital expenditures ~\$650 - \$700 million; previously \$700-750 million
- Share repurchases ~\$300 million; previously \$200 to \$300 million

Unchanged

- Interest expense of ~\$205 million
- Natural gas prices consistent with recent FY24 Henry Hub average forward curves: \$2.00 – \$3.30/MMBtu
- Brent crude oil: \$80 - \$90/barrel
- ~\$100 million tailwind FY24 vs FY23 from higher asset utilization
- 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*
- Corporate 'Other' adjusted Loss Before Interest and Taxes of ~(\$200) million for FY24