

20
24

EASTMAN

Circular Economy Deep Dive

November 21, 2024



Strategy overview

Mark Costa

Board Chair and CEO



Public webcast

These slides should be reviewed with the public webcast presentations to which they relate, a replay of which is posted on our website at "investors.eastman.com."

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

All earnings and cash flow measures referenced in these presentations are non-GAAP and exclude certain items. Reconciliations to the most directly comparable GAAP financial measures and other associated disclosures, including a description of the non-GAAP measures and the excluded and adjusted non-core, unusual, and other items, are available in the Appendix 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 and 10-Q filed with the SEC for the periods for which non-GAAP financial measures are presented available on our website at https://www.eastman.com/Company/investors/Financial_Information/Pages/SEC_Information.aspx. The projected Earnings Before Interest, Taxes, Depreciation, and Amortization ("EBITDA") exclude any non-core, unusual, or nonrecurring items. Our financial results forecasts do not include non-core items (such as mark-to-market pension and other postretirement benefit gain or loss, and asset impairments and restructuring charges) or any unusual or non-recurring items because we are unable to predict with reasonable certainty the financial impact of such items. These items are uncertain and depend on various factors, and we are unable to reconcile projected EBITDA excluding non-core and any unusual or non-recurring items to reported GAAP net earnings without unreasonable efforts.

Glossary of terms and acronyms

Refer to the Appendix at the end of this presentation for a glossary of terms and acronyms used in this presentation. Unless otherwise indicated, except for earnings per share, all dollar amounts are millions "\$M" or billions "\$B"

Today's agenda and presenters

Presentations

10:20 a.m.	Strategy overview	Mark Costa		
10:40 a.m.	Polyester platform update	Brad Lich	Scott Ballard	Dr. Chris Killian
11:35 a.m.	Cellulosic biopolymer platform update	Travis Smith	Erwin Dijkman	
11:55 a.m.	Financial update	Willie McLain		
12:05 p.m.	Q&A	All speakers		

Lunch

Solid progress executing our strategy since 2021



Innovation-driven growth model is succeeding

Significant mix upgrade driven by innovation during recent weak macroeconomic environment



Circular economy is our vector of significant growth

Solidified leadership position in circular economy with construction of world's largest material-to-material molecular recycling facility



Strengthening execution to convert growth to value

Continued investment in our capabilities and culture to deliver growth



Sustainability and ESG are integrated into how we win

Made strong progress reducing our carbon footprint and remain on track for our 2030 goals



Power of cash flow and the balance sheet

Delivered resilient earnings and cash flow and demonstrated disciplined portfolio management with the exit of underperforming and non-core product lines

Our innovation-driven growth strategy is working

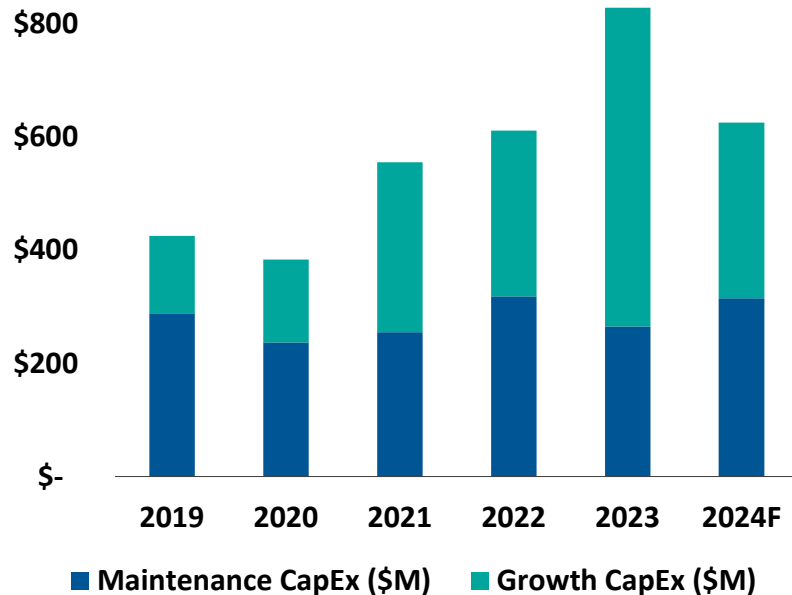


- Significant integration and scale enable innovation, reliability and cost advantage
- Advantaged growth and execution capability culture
- Aggressive and disciplined portfolio management

We have remained committed to our strategy throughout this period of weak demand

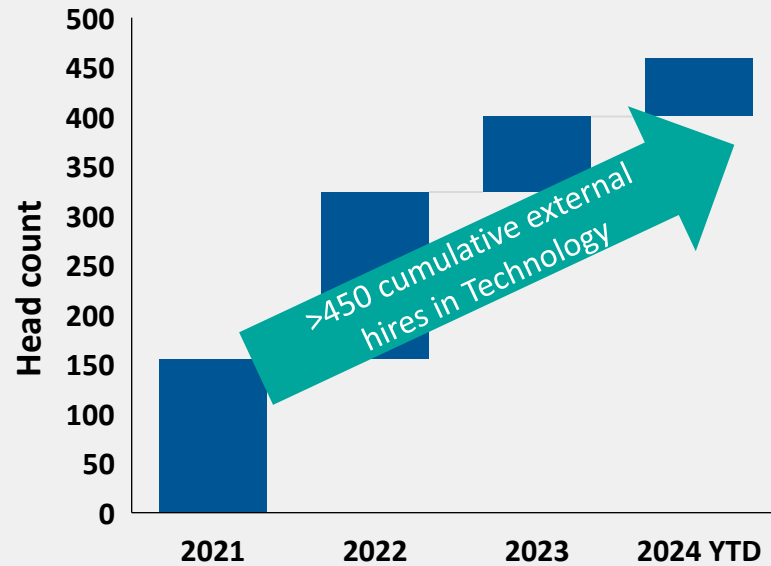
Capital deployment

Investing in organic growth during weak parts of the economic cycle



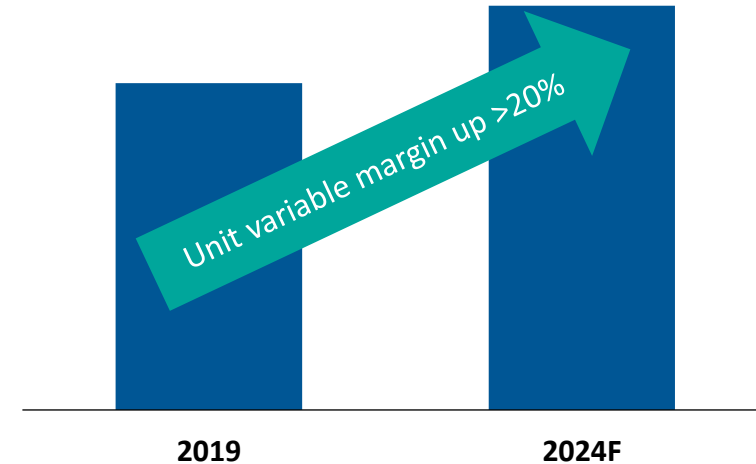
Capabilities

Maintaining our world-class technology organization with aggressive external hiring



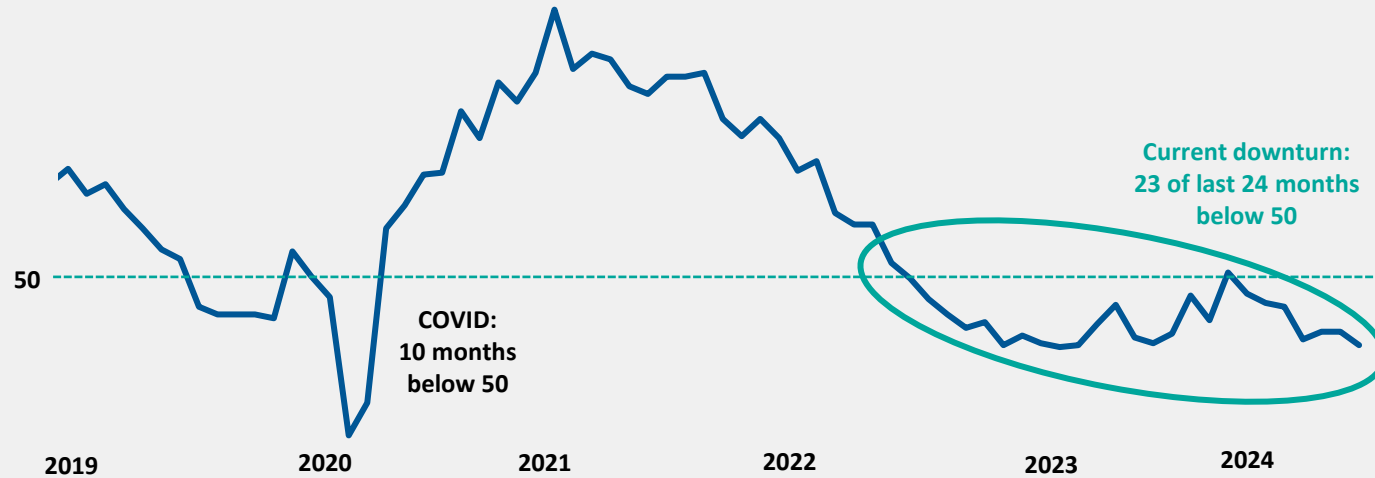
Results

Creating value in the core through structural mix improvement



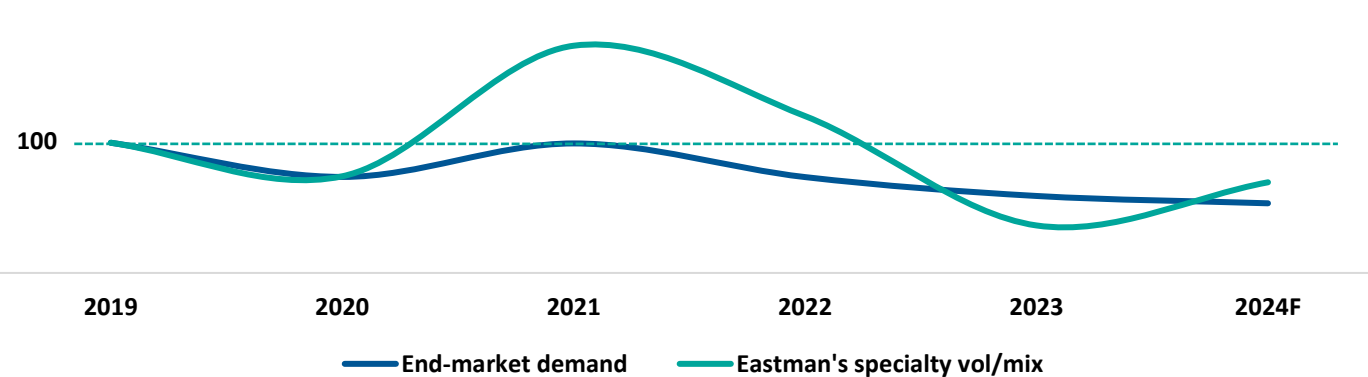
Eastman is leveraged to an economic recovery, especially in discretionary markets

ISM manufacturing PMI has been contracting for the longest time since the 1980s



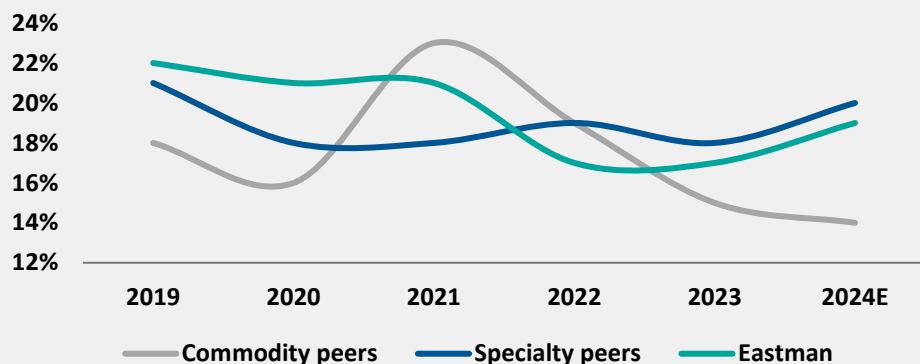
- Significant stimulus followed by excessive inflation and high interest rates led to a manufacturing recession since the summer of 2022
- Declining interest rates expected to stimulate demand as we go into 2025
- High level of potential demand
 - *U.S. housing down ~30% from 2019*
 - *Consumer durables down from 2019*
 - *U.S. and European car parc is ~12 years old*

Eastman's discretionary markets¹ are still below 2019 levels²

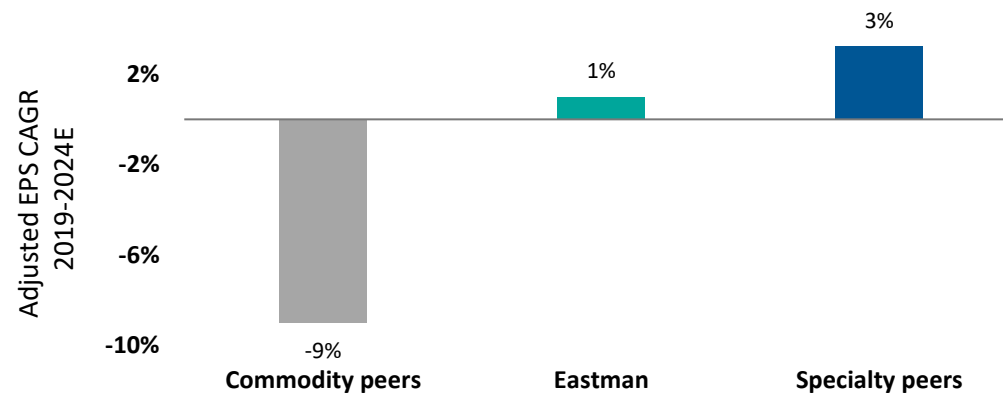


Eastman's diverse portfolio and mix improvement through innovation have enabled strong performance relative to peers

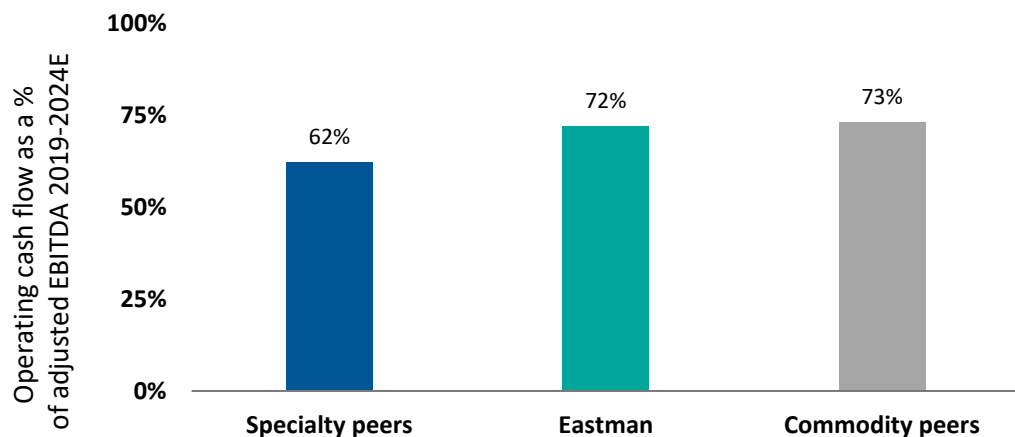
Resilient adjusted EBITDA margins during a period of substantial inflation¹



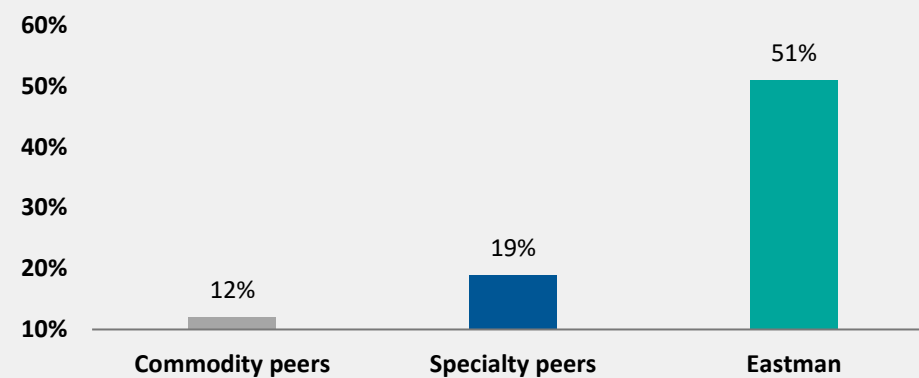
Consistent EPS performance in volatile environment



Strong conversion of EBITDA to cash flow to fund growth

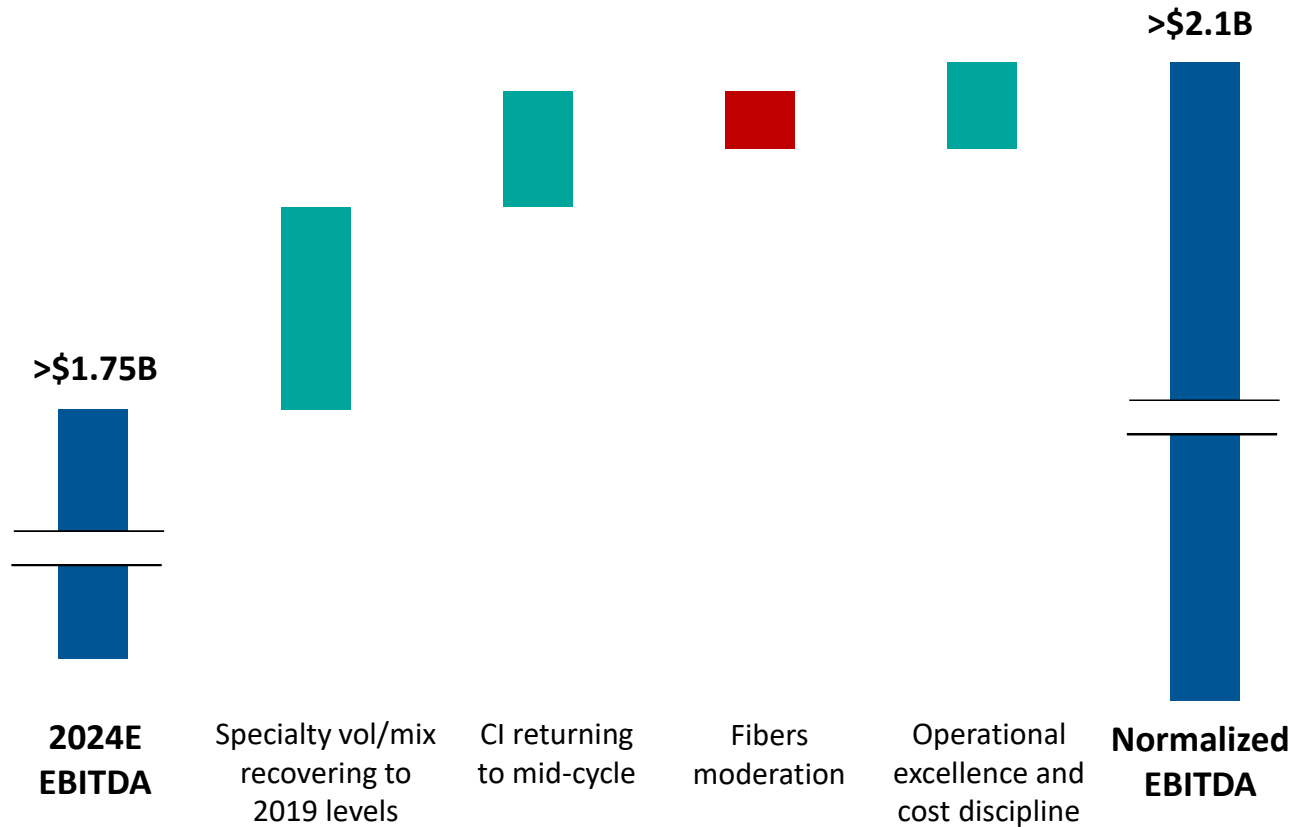


Delivering superior Total Shareholder Returns over a 5-year² period



1. All 2024E figures on this slide are NASDAQ sell-side equity analyst mean estimates as of market close November 15, 2024
 2. 5-year Total Shareholder Return ended November 15, 2024

Before circular investments, base business expected to recover to >\$2.1B of EBITDA in a normalized environment



- Leveraged to end-market recovery – specialty volumes still below 2019
- Relentless focus on product mix upgrade leveraging innovation to create our own growth
- Invested through the trough to position for recovery and drive organic growth
- CI returning to mid-cycle spreads and volume
- Fibers is expected to remain at a higher foundational level
- Improvement in operating costs to compete in global markets

We are in a global crisis

Plastic waste



Growing population: 10 billion people



Climate



Broad portfolio of growth platforms addressing the world's most pressing sustainability challenges

Business	Growth platforms	Mainstreaming circularity	Caring for society	Mitigating climate change
Advanced Materials	Specialty plastics circular economy (Eastman Renew)	✓	✓	✓
	Next-generation copolyester innovation	✓	✓	
	Saflex™ Evoca™ for electric vehicles		✓	✓
	Window and paint protection films			✓
Additives & Functional Products	Tetrashield™ protective resin systems		✓	
	Esmeri™ personal care micropowder ingredient	✓		✓
Fibers	Naia™ filament growth	✓		✓
Corporate	Aventa™ compostable materials	✓	✓	✓

Today's focus is the circular economy, a significant vector of growth



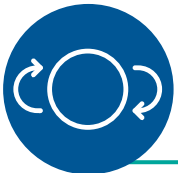
Strong macro drivers for solutions to plastic waste across consumers, brands and policymakers



Leading in molecular recycling technologies addressing plastic waste and climate



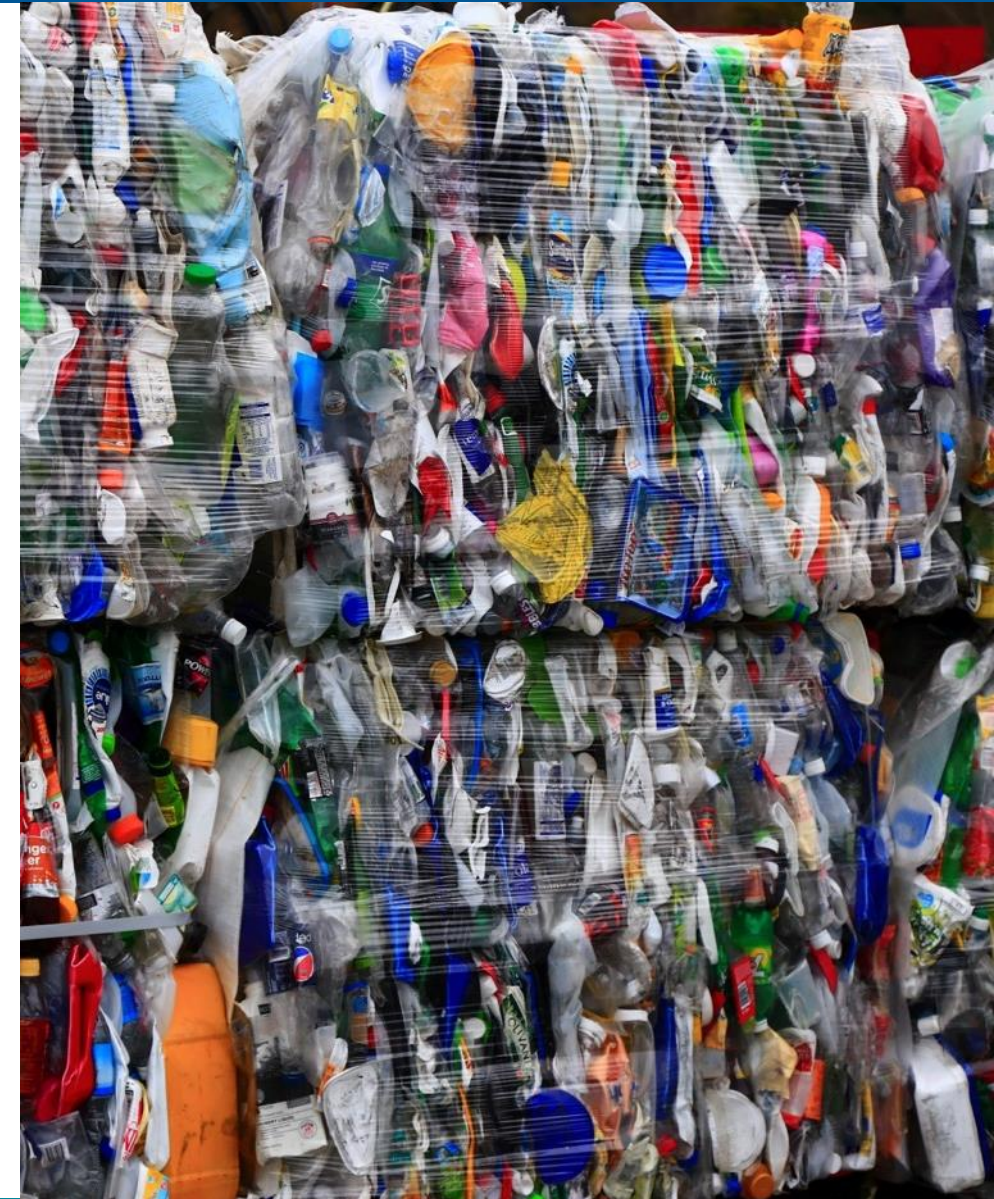
Creating new growth opportunities for our biodegradable cellulosic biopolymers



Unique competitive advantage to deliver circular solutions



Investments result in attractive returns



We have made tremendous strides advancing our polyester renewal technology platform, and we have more work to do

**Kingsport
methanolysis
facility**

Strong first-mover
advantage

**Validated
strong value
proposition**

Renew
products

**Sales funnel
is gaining
momentum**

Moderate economic
growth will improve pace
of product launches

**Circular
packaging
model**

Disciplined execution
to maximize value and
stability

**Greater than
\$350M of
EBITDA from
first two plants**

Expected
attractive ROIC



Cellulosic biodegradable platform adds a sustainable end of life to several attractive markets

Innovation built on history



Unique cellulosic chemistry and asset base

Driven by macro trends



Focused on beginning and end-of-life concerns

Solid progress on Naia™ and Aventa™



Creating growth above the market

Significant recovery of Fibers



New foundation of cellulosic earnings from which to grow

\$150M–\$200M EBITDA



Driven by several innovation opportunities on top of Fibers foundation



Eastman is a compelling growth opportunity, driving EBITDA to >\$2.5B over the next several years



Innovation-driven growth model is succeeding



Circular economy is our vector of significant growth



Strengthening execution to convert growth to value



Sustainability and ESG are integrated into how we win



Power of cash flow and the balance sheet

>\$1.75B



2024E
EBITDA

>\$2.1B



Normalized
EBITDA
excluding
circular



Innovation
and end-
market
growth



Driving to add >\$500M of
EBITDA from circular
platforms by 2029

Polyester platform update

Brad Lich

Executive Vice President and Chief Commercial Officer

Scott Ballard

Division President, Plastics

Dr. Chris Killian

Senior Vice President and Chief Technology Officer



Advanced Materials – significant progress and momentum



Continued to value up business through innovation driving mix upgrade and >20% increase in unit variable margin



On track to deliver record earnings in advanced interlayers in 2024 despite very weak auto and building and construction end markets



Established Eastman as a leader in circularity and a partner of choice



Built leading services platform for films dealers with broad global adoption of our Core digital pattern services



Continued investment in our people, plants, systems and culture to accelerate innovation-driven growth

Advanced Materials – proven formula remains unchanged

END-MARKET GROWTH



PRODUCT MIX UPGRADE



FIXED COST LEVERAGE

2012–2019

VM¹ CAGR: **+5%**

EBIT¹ CAGR: **+14%**

- Low to mid-single digit growth across top markets

- Premium products grew ~3x underlying markets
- Average price of premium products 2x core

- 15% decrease in fixed cost per unit

2019–2024F

VM CAGR: **+2%**

EBIT CAGR: **-3%**

- Global auto production in 2024 recovering to 2019 levels
- U.S. existing home sales 30% below 2019 levels
- Consumer durables below 2019 levels

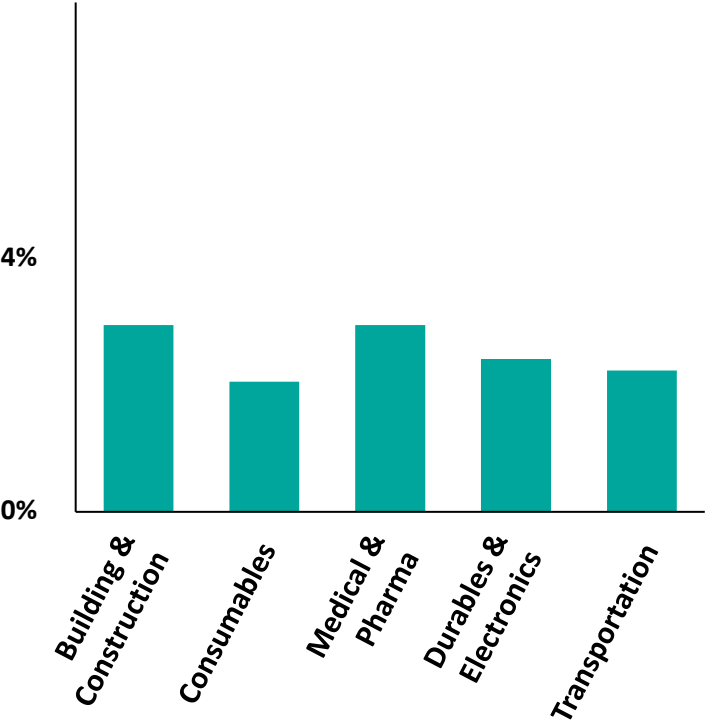
- Premium products grew ~2x underlying markets
- Average price of premium products ~2x core

- ~\$100M increase in operating costs (including depreciation) associated with investments in methanolysis and performance films facilities

Well-positioned to return to industry-leading earnings growth

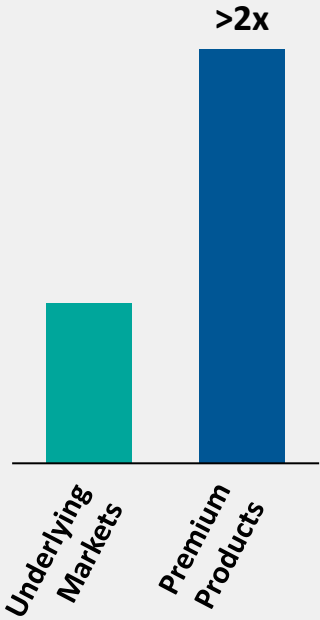
LEVERAGED TO END-MARKET GROWTH

2024-2029¹
Market CAGR

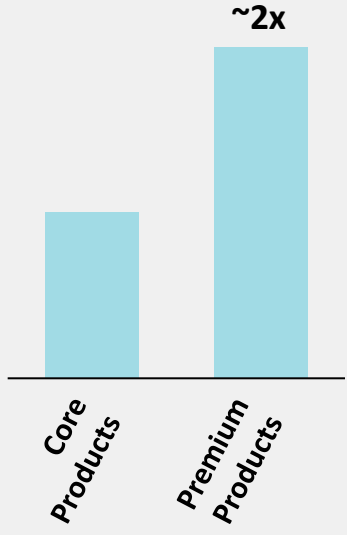


PRODUCT MIX UPGRADE

Forecasted Volume Growth Rate 2024-2029

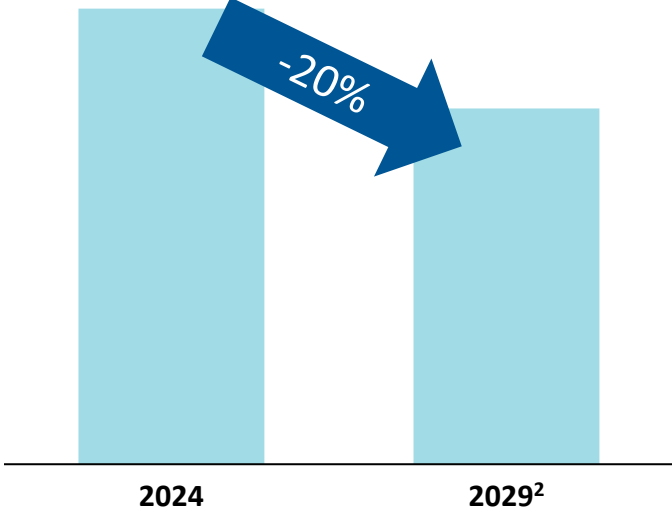


Average Price



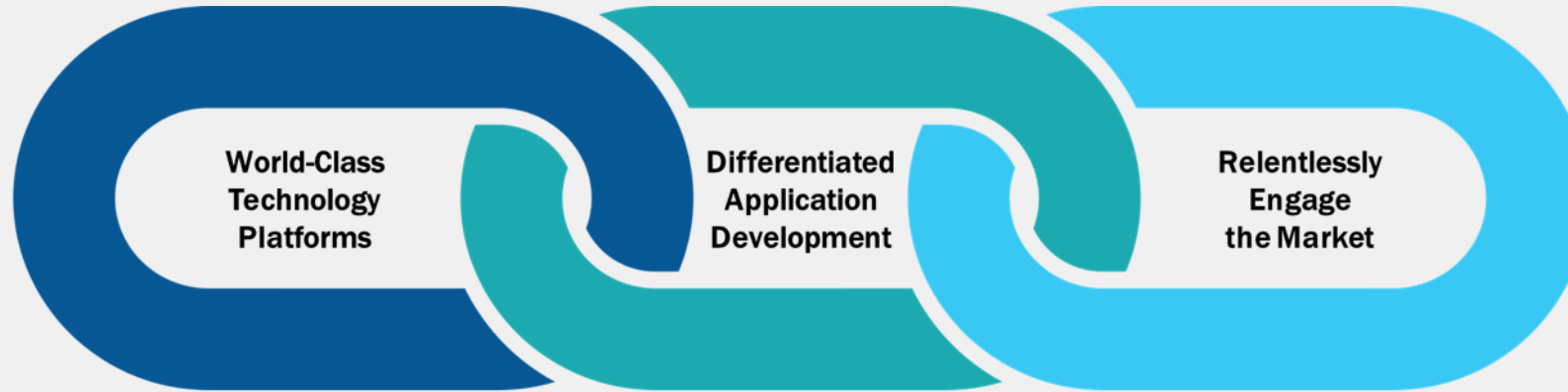
FIXED COST LEVERAGE

Forecasted Unit Fixed Cost



1. S&P Global projections
2. Excludes Texas project

Innovation-driven growth model fuels mix upgrade

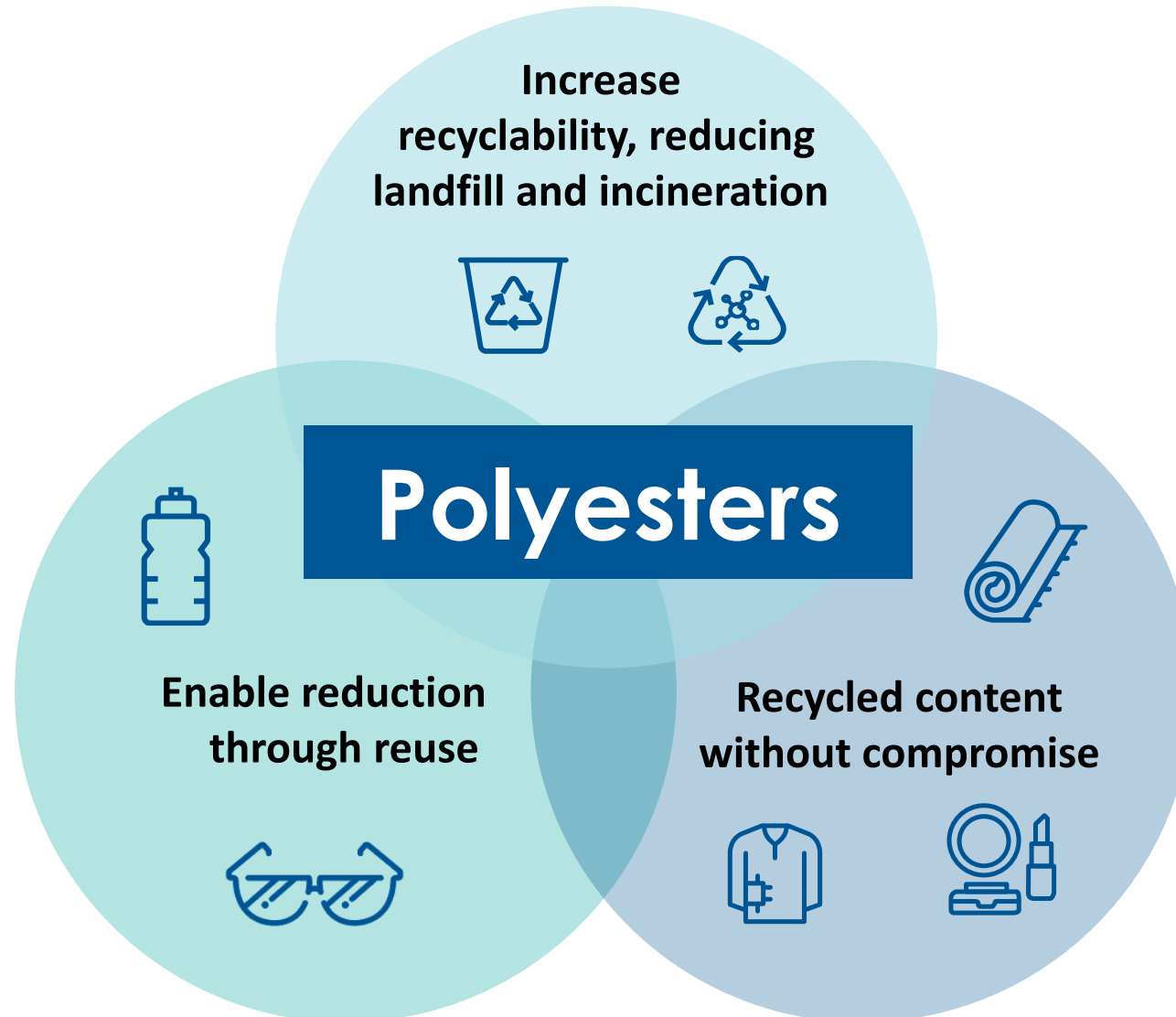


- Leader in specialty polyesters
- Leader in PVB films
- Leader in cellulosic biopolymers
- Leader in premium auto window and paint protection films
- Leader in circular economy

- Prototyping and fitness-for-use testing
- Demonstrating value-in-use underpins 2x premium on innovative offerings
- Expanding capability to digital services

- >50% of market engagement downstream with OEMs and brands
- Collaborating with innovative brand owners to activate markets
- Targeting the right applications and customers delivers 2x growth of premium offerings

Adding circularity to our plastics strategy accelerates growth by aligning with strong macro trends



Plastic waste remains a major problem and a major opportunity

460M metric tons of plastic are **produced** globally¹

360M metric tons of plastic are **disposed of**

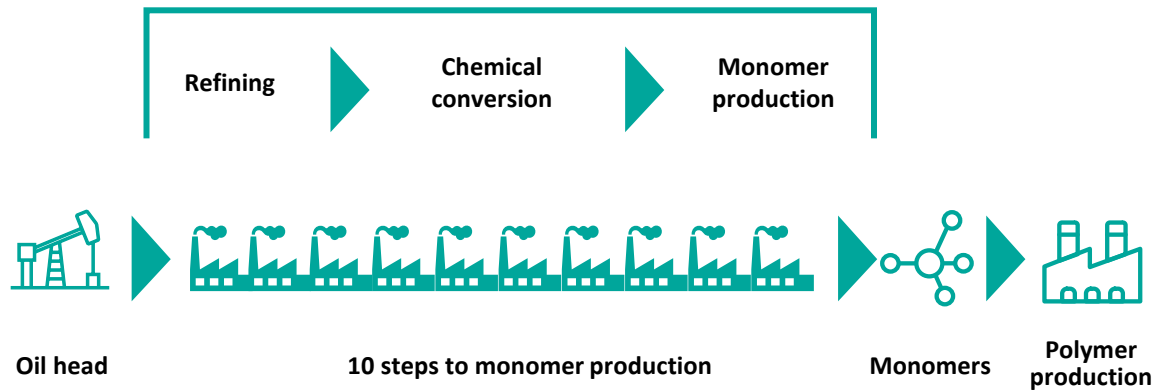


- Mechanical recycling is insufficient to drive a circular economy
 - Limited to very clean sources of feedstock
 - Low yield back to food grade
 - Quality degrades with each cycle
- Molecular recycling is required to close the loop without performance trade-offs
 - No compromise on safety or performance
 - Upcycles additional waste streams
 - Enables infinite ability to recycle polymer

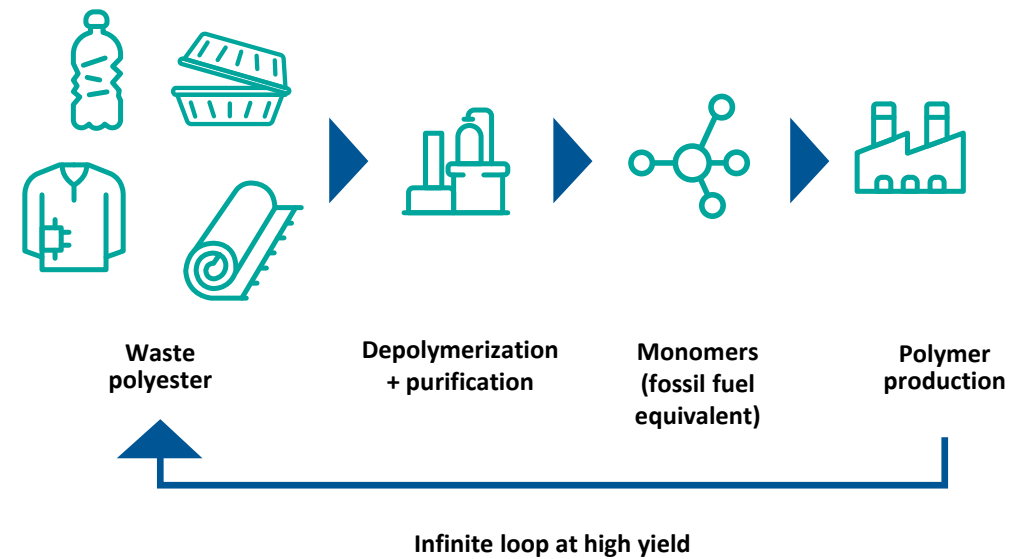
Closing the loop is essential as plastics are critical to safely hydrating, feeding and caring for a growing population

Eastman's polyester renewal technology is uniquely positioned to close the loop

Conventional polyester polymers



Eastman's polyester renewal technology



Reduces 10 upstream production steps to two steps with a >90% yield

Leading brands remain committed to closing the loop

DURABLES



Brands committed to reducing environmental footprint and adding recycled content to their core products to better position with consumers

PACKAGING



Brands committed to reducing packaging environmental footprint with 25%-50% recycled content and 100% recyclable materials by 2030

Kingsport methanolysis investment is accelerating growth of Tritan™ across a broad range of durable products

Consumer Housewares

~400 KMT addressable market

Enhancing brands' position with sustainability-minded consumers and retailers to gain share or margin



Commercial Housewares

~300 KMT addressable market

Enabling restaurants, airlines and cafeterias to reduce environmental impact with a premium experience



Appliances and Devices

~200 KMT addressable market

Enhancing brand positioning and corporate sustainability metrics at a low-cost impact to end product



Engineered Solutions

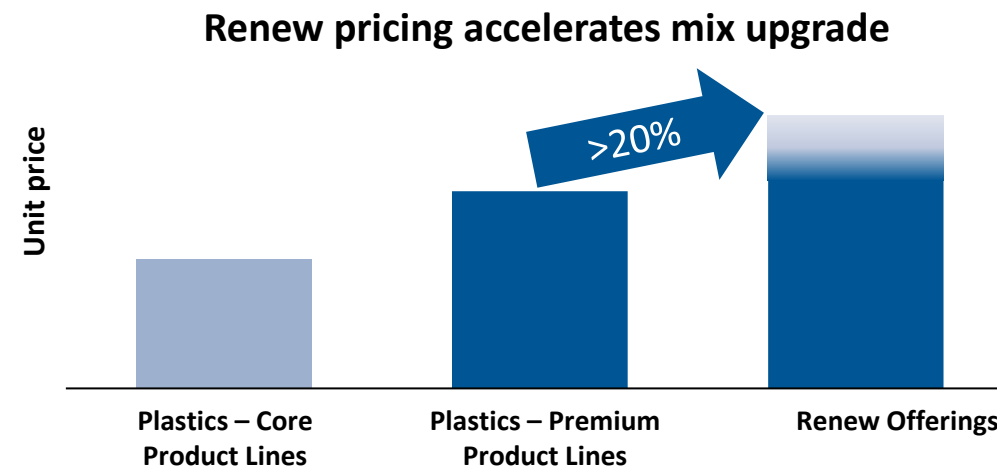
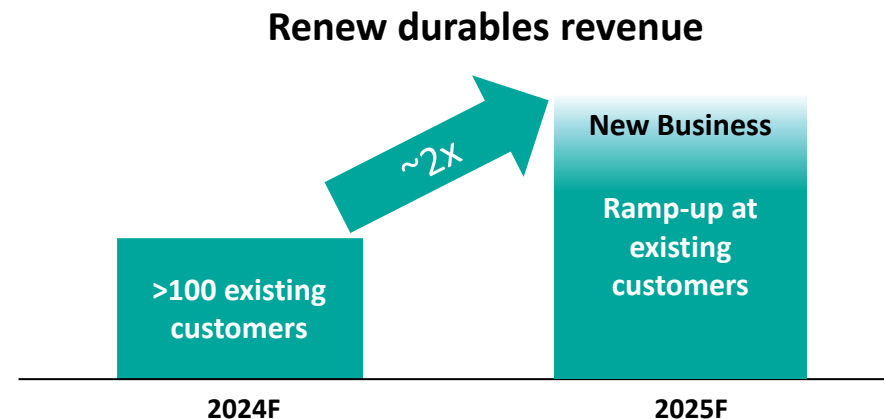
>1,000 KMT addressable market

The sustainability value proposition opens doors for our entry into new electronics and automotive markets



Positioned for strong sales ramp in durables in 2025 with sustained growth above underlying markets

- Renew is enabling growth in new applications and accelerating growth for legacy customers
- Brands are very positive on their new product launches with Renew
- Pace of product launches has slowed due to economic weakness
- Ramp-up of ~200 opportunity wins, with ~500 open opportunities in the funnel
- Attractive price premiums established to support investment
- Kingsport methanolysis adds needed monomer capacity with Renew content for 150–200 KMT of polymer



Accelerating growth by extending our packaging footprint into a very large addressable market

Legacy markets for Eastman

Cosmetics, personal care
~600 KMT addressable market

Iconic brands presenting high-end aesthetics while meeting regulations and sustainability commitments



Shrink labels
~150 KMT addressable market

Fully recyclable premium labels made with recycled content



New markets for Eastman

Food grade applications

>6,000 KMT addressable market (U.S. and Europe)

Large segments in the PET market where mechanical rPET is not fit for use operationally or aesthetically



Health and Wellness

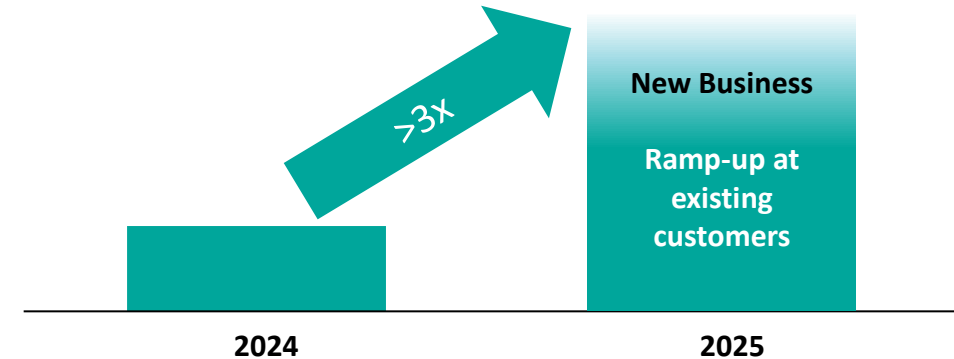
Meet brand commitments for regulated/over-the-counter products without the safety risks of mechanical rPET



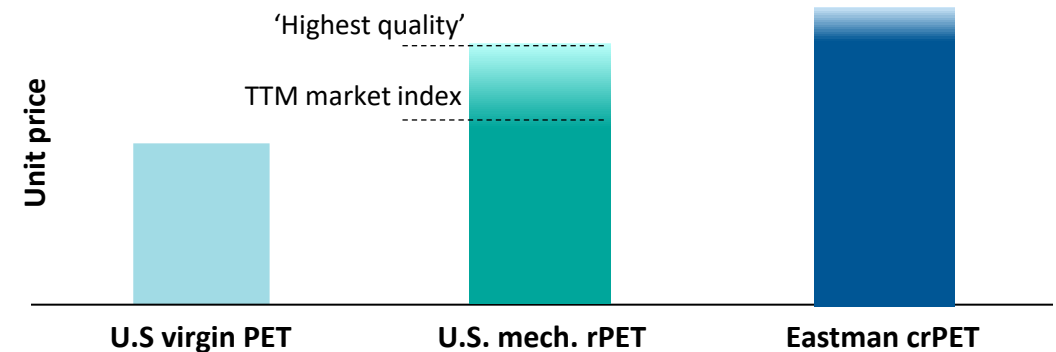
Packaging markets provide opportunity to accelerate growth in 2025/2026 and rapidly fill out Texas facility

- Ramping up existing customers as we add capacity through conversion of existing line
- Closing new business from a robust funnel of opportunities in need of high-quality rPET
- Very large opportunity as ~2,500 KMT of additional recycled content needed to achieve 30% recycled content in 2030¹
 - *Approximately one half of growth will require chemical recycling to meet quality requirements*
- Price premiums available to support investment

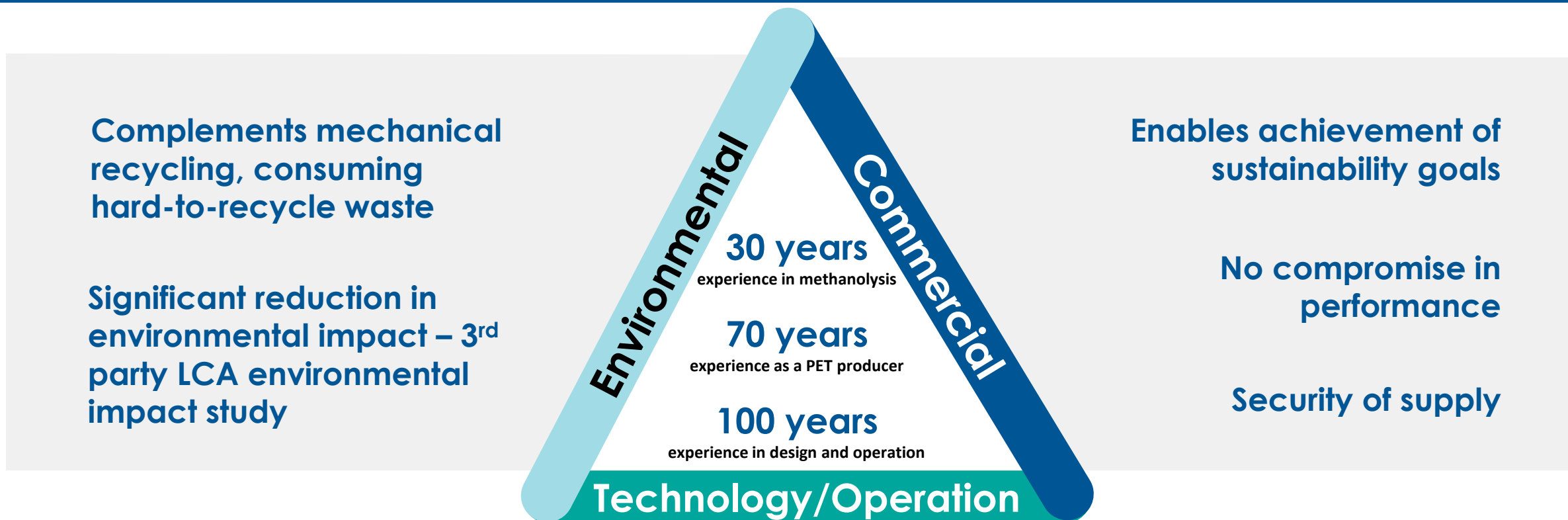
Renew packaging revenue



Market is paying price premiums for high-quality recycled content²



Eastman uniquely positioned to enable circular recycling solutions



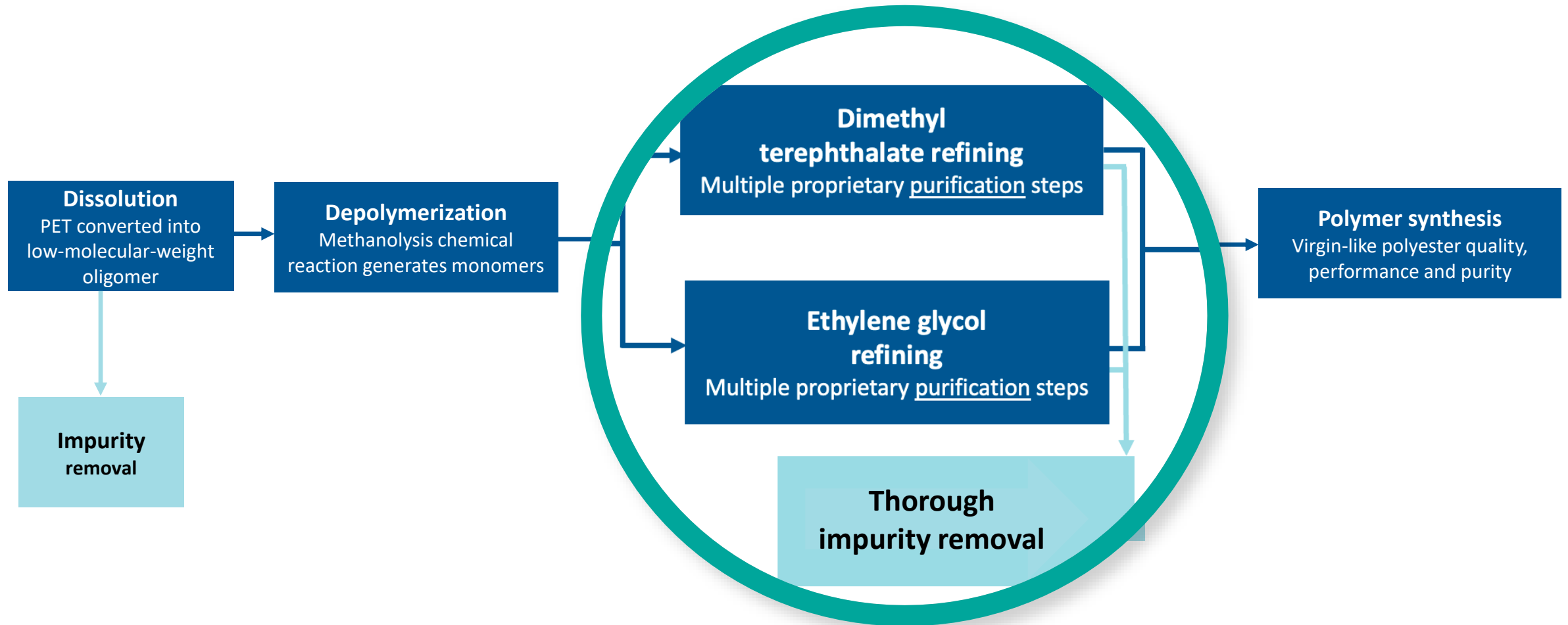
Successful commercialization of new technology at industrial scale

Significant experience with vertically integrated polyester manufacturing

Leveraging scale of chemistry and engineering excellence

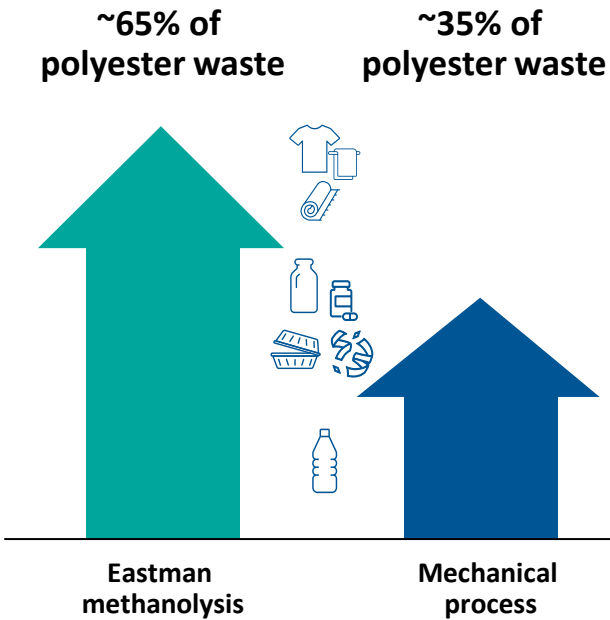
Differentiated intellectual property position underpinned by decades of polyester innovation

State-of-the-art purification technologies enable virgin quality without compromise

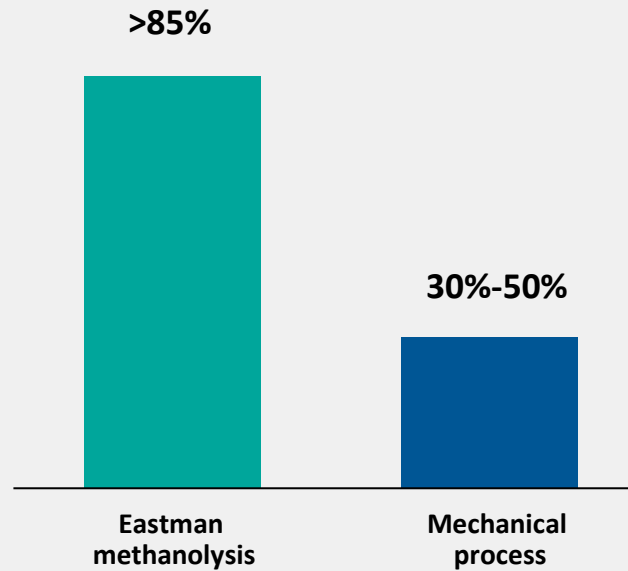


Winning recycling technology with the right components

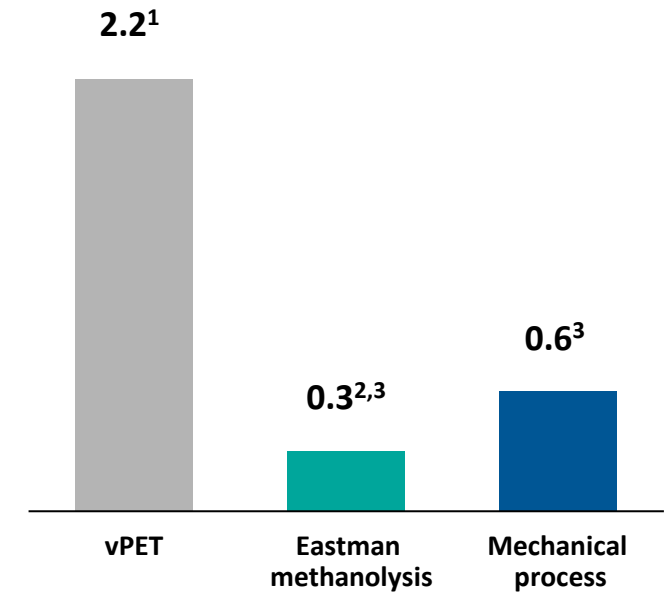
Broadest feedstock aperture enabled by chemical separation and purification operations



Highest yield to food grade material



Lowest global warming potential (kg CO₂e / kg PET)

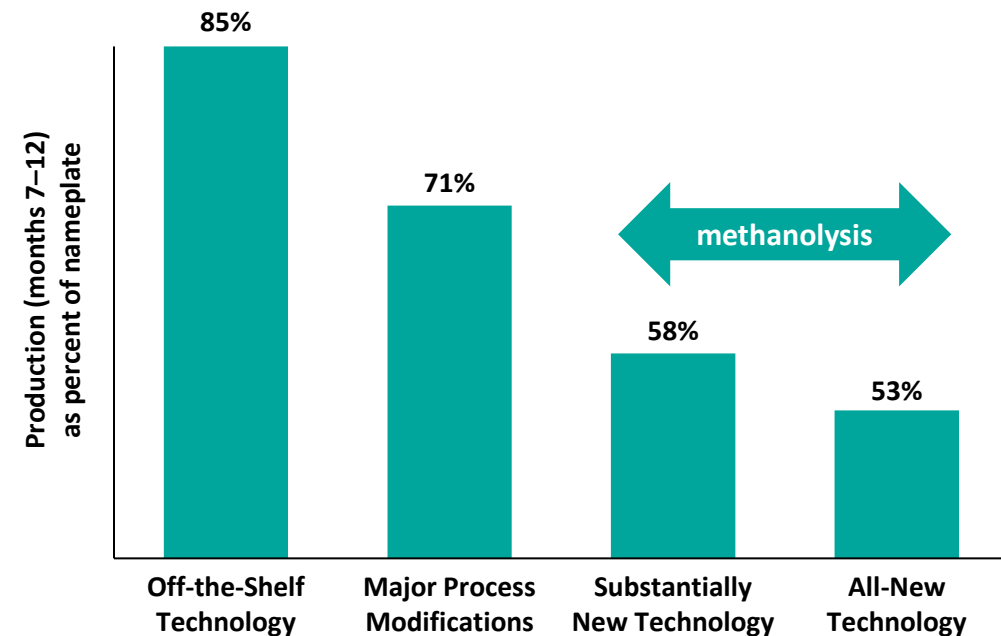


Kingsport methanolysis positioned to deliver a step change in production and reduced costs in 2025

- Breakthrough innovation – Eastman is operating the first world-scale methanolysis facility with hard-to-recycle feedstocks
- Mechanical challenges during commissioning (January–May)
 - *Construction quality/piping*
 - *Quality issues with rotating equipment and end-of-life failure of fabricated valves*
- Feedstock preparation issues (May–August)
 - *Learning curve tied to feedstock preparation*
- Stable operations (September–present)
 - *Lessons learned resulting in significant intellectual property and enhanced competitive advantage*
 - *Improvements have enabled more reliable operation as production rates increased*

Industry data on production after start-up¹

The newer the technology, the more difficult the start-up



Building momentum in operating improvements that will drive significant operating cost leverage in 2025

Feedstocks and plastics processing

>400 hard-to-recycle feedstock sources

enable supply of >2x Kingsport requirements

Using hard-to-recycle feedstock

(e.g., chunk waste, colored and opaque bottles, carpet)

Resolved known feedstock preparation issues

Depolymerization

Approaching 85% DMT yield

demonstrated robust process chemistry with further improvement likely

90% uptime since coming back up in November

73% uptime in September

Running at 80%–85% of full design rate

on current state of operations

Product quality

~99% rDMT produced in specification

equivalent to virgin DMT

Qualified our largest Tritan™ line with 100% rDMT

and validated virgin equivalence

Qualified multiple products

(e.g., Tritan™, PET, Embrace™, CHDM) containing direct content recycled monomers with no change in final product specification



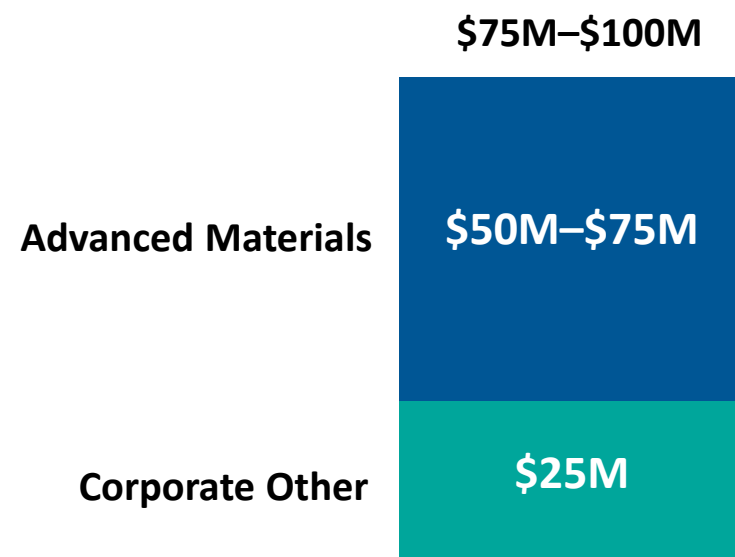
Extending our advantaged position by translating learnings into intellectual property

Committed to delivering significant year-over-year growth in 2025

Achieving targeted EBITDA levels in 2025 requires:

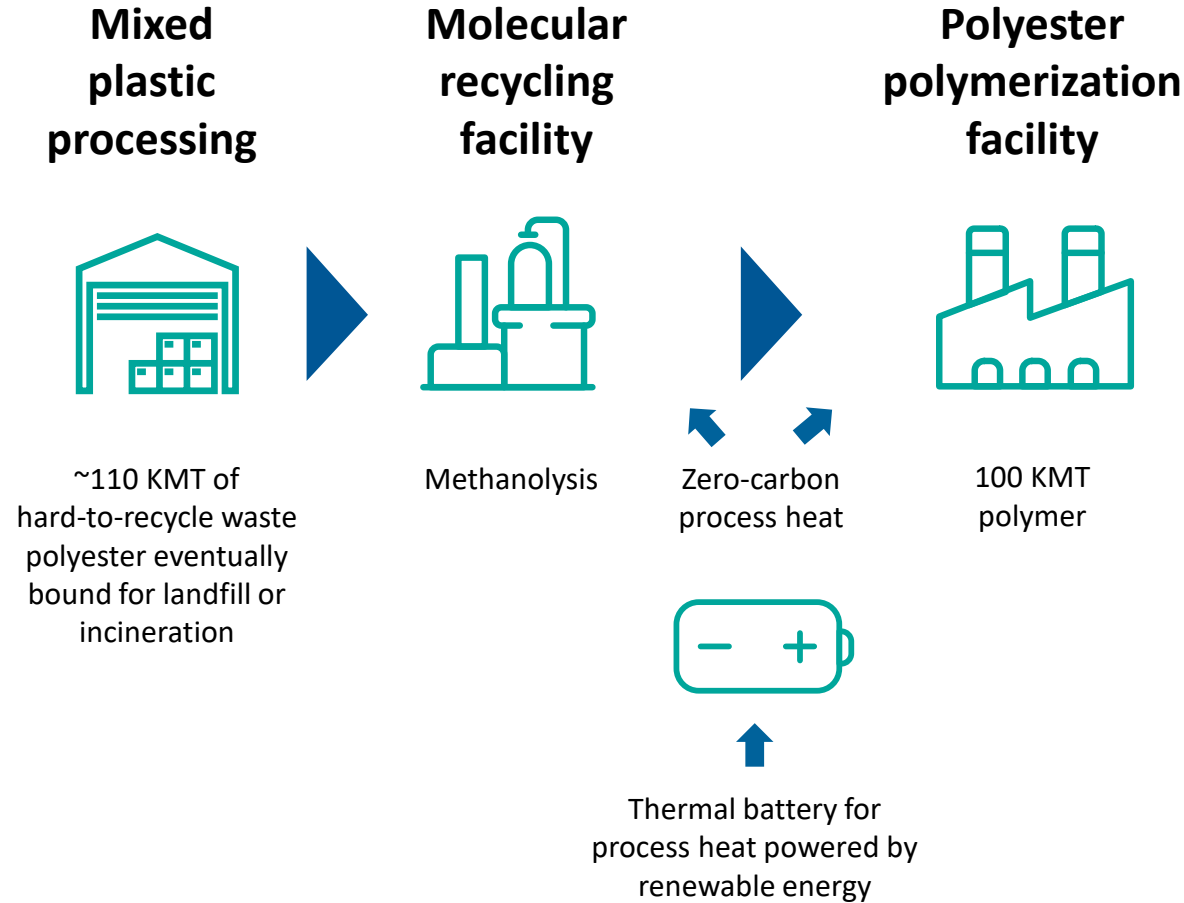
- \$75M–\$100M of Renew revenue growth driven by ramp-up of existing customers plus new business wins
- Significant operating cost leverage with ~2.5x production quantities versus 2024
- Lower operating spend with start-up behind us

Kingsport methanolysis Renew EBITDA – 2025 vs 2024



Expect 2025 EBITDA exit rate to be around \$100M

Texas project to deliver products approaching net zero without a compromise in quality



Targeted Capital and ROIC

Baseline Capital <i>(Mixed plastics processing, methanolysis, polymer lines, site infrastructure)</i>	~\$1,275M
DOE Grant	(\$375M)
Target Net Capital	~\$900M
Target ROIC	≥12%

- Near-zero carbon feedstocks
- Improved yield and efficiency
- Near-zero carbon process heat

Significant progress in further derisking Texas project and solidifying path to attractive returns and EBITDA

Pepsi contract

- Multiyear off-take agreement executed with Pepsi for significant volume with value proposition further strengthened by reduction in carbon footprint

Specialty capabilities

- Incorporation of specialty copolyester capabilities provides optionality and opportunities for continuous mix upgrade

Bridge volume for France

- Well-positioned to export to Europe and create 'bridge volume' for future France plant

DOE grant

- Under contract with DOE as a part of Industrial Demonstrations Program – Decarbonization Projects

Kingsport learnings

- Application of Kingsport learnings will reduce capital, optimize start-up and enable aggressive scale-up

Brownfield site

- Ability to leverage brownfield site reduces capital execution risk and enables attractive expansion options



France project will be executed upon achievement of long-term customer contracts

Accomplishments

- Solidified commitment on incentive package for both polymer/monomer facility and supporting energy complex
- Feedstock commitments for >70% of volume remain in place
- Environmental permit issued in October 2024
- Core front-end engineering work completed

Key challenges

- Change in key regulatory framework (PPWR) has opened market to imports
 - *“Equivalency” principles for imports still being defined*
 - *EPR schemes by member states to drive local recycling and reduce incineration under development*



Building momentum on pathway to >\$350M in EBITDA from Kingsport and Texas projects

Leading the industry on circularity

- Strong progress in ramp-up of Kingsport methanolysis with significant growth and operating leverage from Tritan™ expansion
- Well-positioned for accelerated fill-out of the Texas facility
- Significant strategic flexibility to optimize mix and leverage advantaged cost position to serve global markets

**Attractive ROIC underpinned by
Advanced Materials' proven formula**

2029 Renew EBITDA



EASTMAN

Cellulosic biopolymer platform update

Travis Smith

Senior Vice President, Additives & Functional Products

Erwin Dijkman

Division President, Fibers and Chemical Intermediates



Solving tomorrow's problems with >100 years of cellulosic biopolymer technology expertise

Eastman's cellulosic biopolymer platform produces high-performance ingredients that adhere to strict biodegradation standards



Solid commercial progress made since 2021 across a broad set of cellulosic products

Significant innovation opportunities being driven by macrotrends focused on beginning and end-of-life concerns

Beginning of life

Sourcing bio-content from sustainably sourced materials

Leveraging our carbon renewal technology to use hard-to-recycle waste materials

Reducing fossil-based dependency



End of life

Delivering certified compostable and biodegradable offerings

Creating non-persistent materials that naturally break down without environmental harm

Reducing waste in our landfills and oceans

Regulatory changes are focused on improving our environment and human health

Our proprietary cellulosic biopolymers are certified eco-friendly solutions covering all biodegradation ranges for multiple applications

Eastman's cellulosic biopolymers can tackle all biodegradation ranges

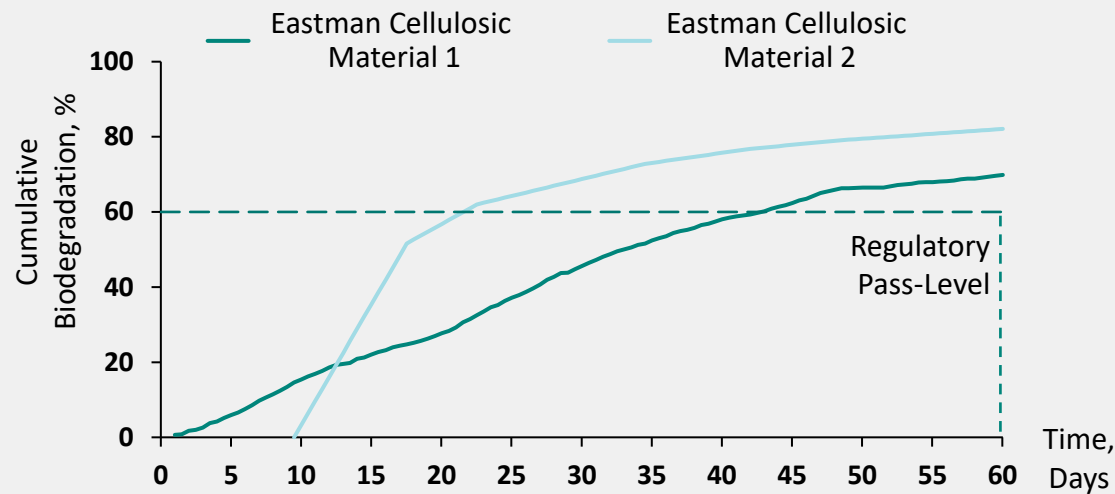


Secured critical third-party certifications for our broad portfolio offering



Eastman's non-persistent¹ cellulosic biopolymers align with stricter regulations

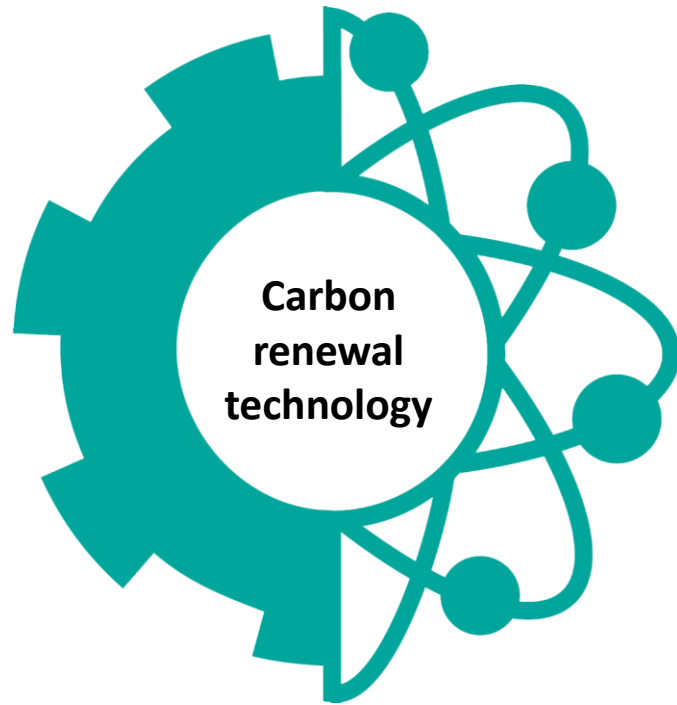
Prioritizing the protection of ecosystems and human health



Cellulosic biopolymers are seen as food by microorganisms. They fully biodegrade and do not persist in the environment.

1. In compliance with (EU) 2023/2055 "Synthetic Polymer Microparticles"
 2. European Bioplastics Association

Next-generation plasma gasification technology enhances the recycling capabilities of our carbon renewal technology



85% reduction of greenhouse gas emissions vs virgin production

~90% material-to-material yield

Next-generation plasma gasification

- Enables true circular take-back programs by accommodating an extensive and complex array of feedstocks
- Enables production of full circular cellulosic biopolymer solutions (~60% bio-content, ~40% from recycled plastic waste)
- Offers cost-effective and scalable solutions, driving market adoption and accelerating the shift to circular products
- Multiple markets showing willingness to pay for circular and biodegradable products with recycled content

Our unique and proprietary cellulosic biopolymer offerings drive growth across multiple applications without compromising performance

Textiles: >\$1B¹

Naia™ Renew

made from renewable wood pulp and certified recycled waste with full traceability

Packaging: ~\$1B

Aventa™

provides sustainable and eco-friendly packaging options

Food services: ~\$150M

Solus™

replaces polyethylene-coated containers with a compostable, recyclable solution

Personal care: ~\$300M

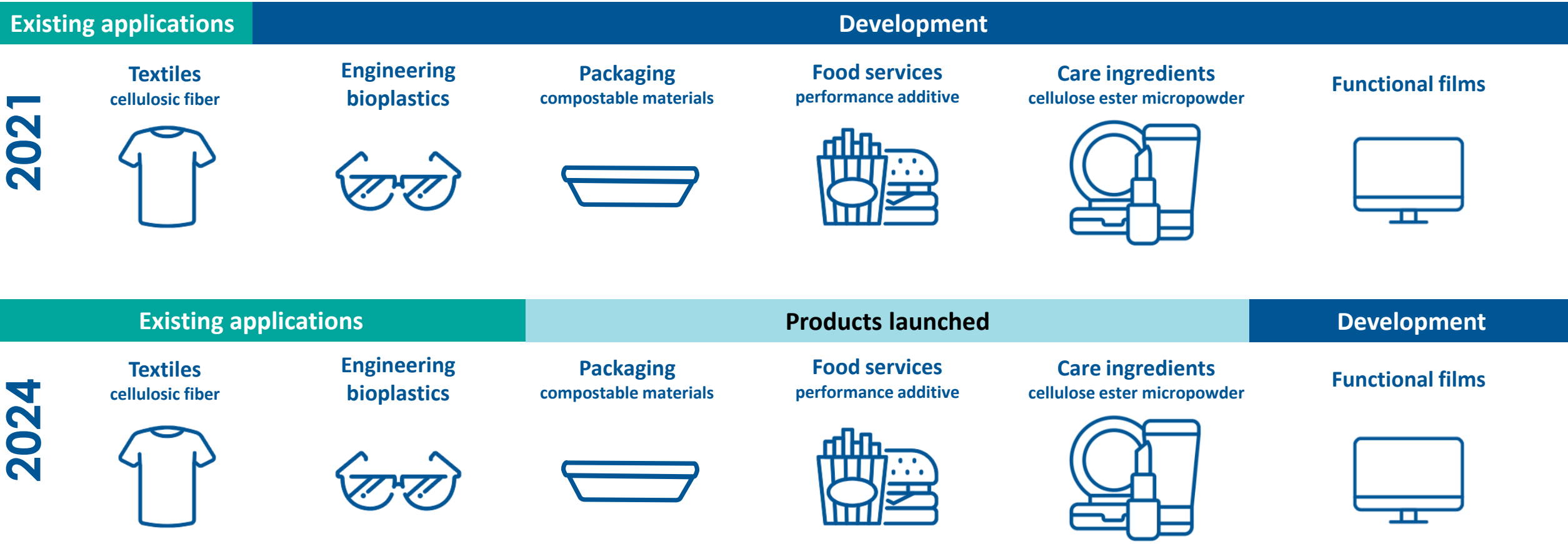
Esmeri™

high-performing personal care solutions to address the microplastics ban

Global brands pledged to biodegradable, compostable or recyclable solutions by 2025–2030



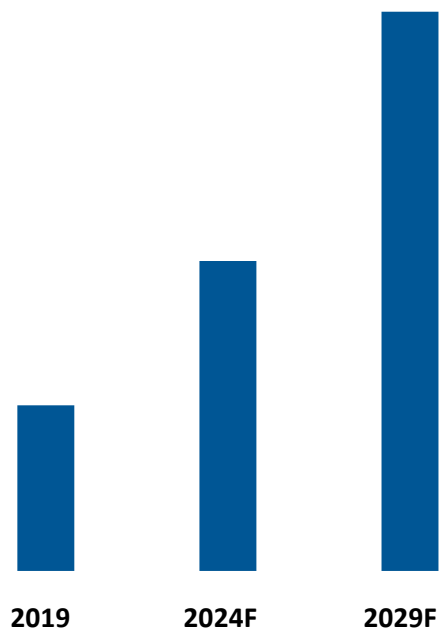
Solid progress advancing commercialization of several cellulosic products despite significant macroeconomic weakness since 2021



Diverse set of cellulosic applications with potential for \$150M–\$200M of EBITDA by 2029

Naia™ is achieving substantial growth, with over 100 global brands adopting our certified biodegradable fiber

Textiles product line revenue



- Naia™ consistently delivering superior margins and growth despite market volatility
- Strategic collaborations with brands and industry leaders position Naia™ as a premier sustainable fiber choice
- Strengthening value proposition highlights versatility of Naia™ and unlocks further growth opportunities



Denim



Casualwear



Ready-to-wear



Sweaters



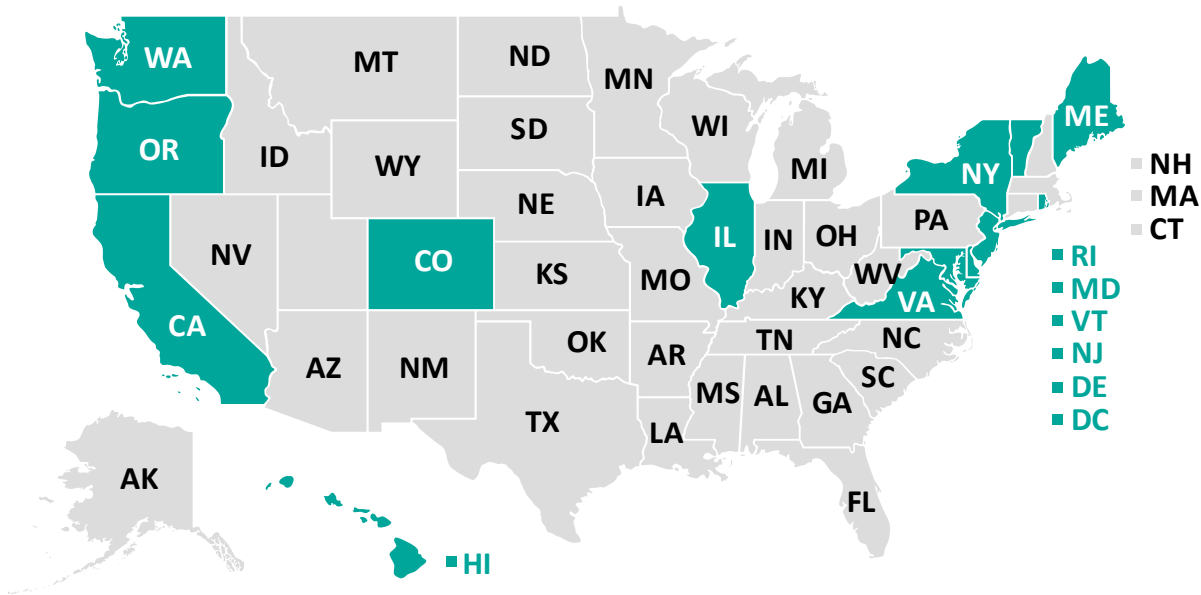
Loungewear



Home textiles

Food packaging is a major opportunity for biodegradable materials due to end-of-life concerns with existing solutions

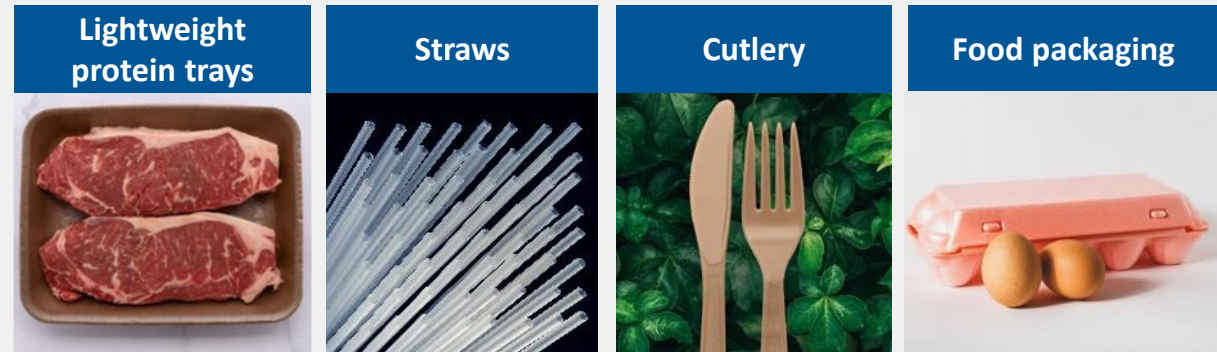
States banning polystyrene by 2025



*“Most curbside recycling programs don't accept EPS [expanded polystyrene] materials, or don't have the capability to recycle them. Because of these challenges, approximately **2.3 million tons of EPS end up in landfills** every year worldwide.”*

**BUSINESS
INSIDER**










Aventa™ is a biodegradable alternative to polystyrene applications with large addressable markets



- Drop-in replacement for polystyrene, which allows for easy customer conversion
- Biodegradable and non-persistent in the environment
- Uses up to ~40% recycled plastics and responsibly sourced wood pulp, reducing waste and lowering its carbon footprint

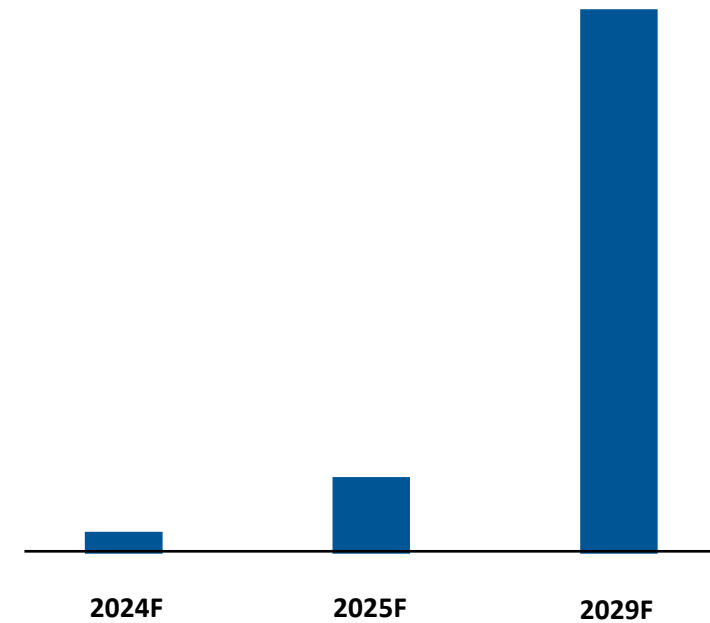
Aventa™ Renew meets customer performance requirements and is already generating revenue with strategic national brands

Protein tray value proposition by material

	Foamed Polystyrene	APET	Foamed Aventa™ Renew
Product Performance			
End-of-Life Sustainability			 Compostable
Affordability			

Aventa™ is rapidly gaining momentum in an ~\$1B addressable market in North America

Aventa™ revenue potential at maturity



Esmeri™ is a non-persistent personal care ingredient delivering consumer expectations with enhanced performance and eco-friendly benefits

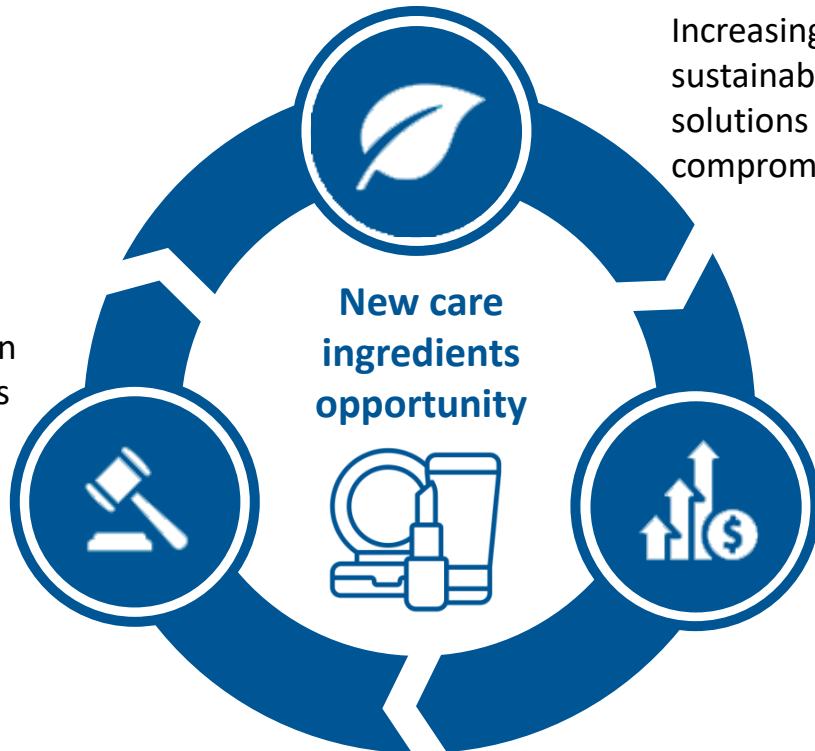
Color cosmetics, skin care and sun care



Sustainability

Increasing demand for sustainable, non-persistent solutions that do not compromise performance

Regulations
European Union ban on microplastics by 2030



Opportunity
~\$300M addressable market

Ingredient value proposition by material

	Nylon-12	Silica	Esmeri™
Product Performance			
End-of-Life Sustainability			 Biodegradable
Affordability			

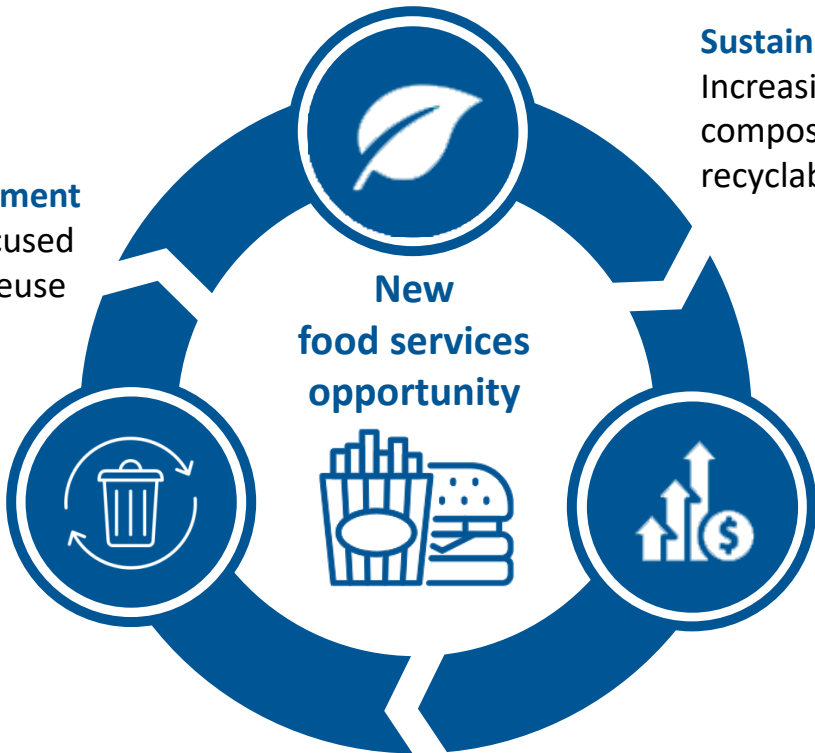
Collaborating with leading personal care brands to validate performance enhancements

Solus™ is a biodegradable paper coating additive that enhances the end of life of packaging used in food service

Beverage cups, paperboard containers and thin paper wraps



Waste management
Regulations focused on reduction, reuse and recycling



Sustainability
Increasing demand for compostable and recyclable options

Opportunity
~\$150M addressable market

Paper coating value proposition by material class

	Polyethylene	Other biopolymers	Solus™
Product Performance			
End-of-Life Sustainability			 Paper recyclable and compostable
Affordability			

Successful trials are leading to brand testing for 2025 adoption

Fibers outlook provides a strong and stable foundation for cellulosic biopolymer platform growth and innovation

Demand is resilient

- Combustible demand declining gradually
- Customers gaining traction with reduced-risk products that use tow
- Net decline of 1%–2% annually



Capacity utilization remains high

- Western world capacity has been reduced
- Modest new capacity additions in Asia not serving our core regions



Customers committed to multiyear contracts

- Focus on long-term security of supply
- Tow cost is ~2% of the price of end product but is a critical item
- Eastman is a reliable partner focused on decarbonization and recycling capability

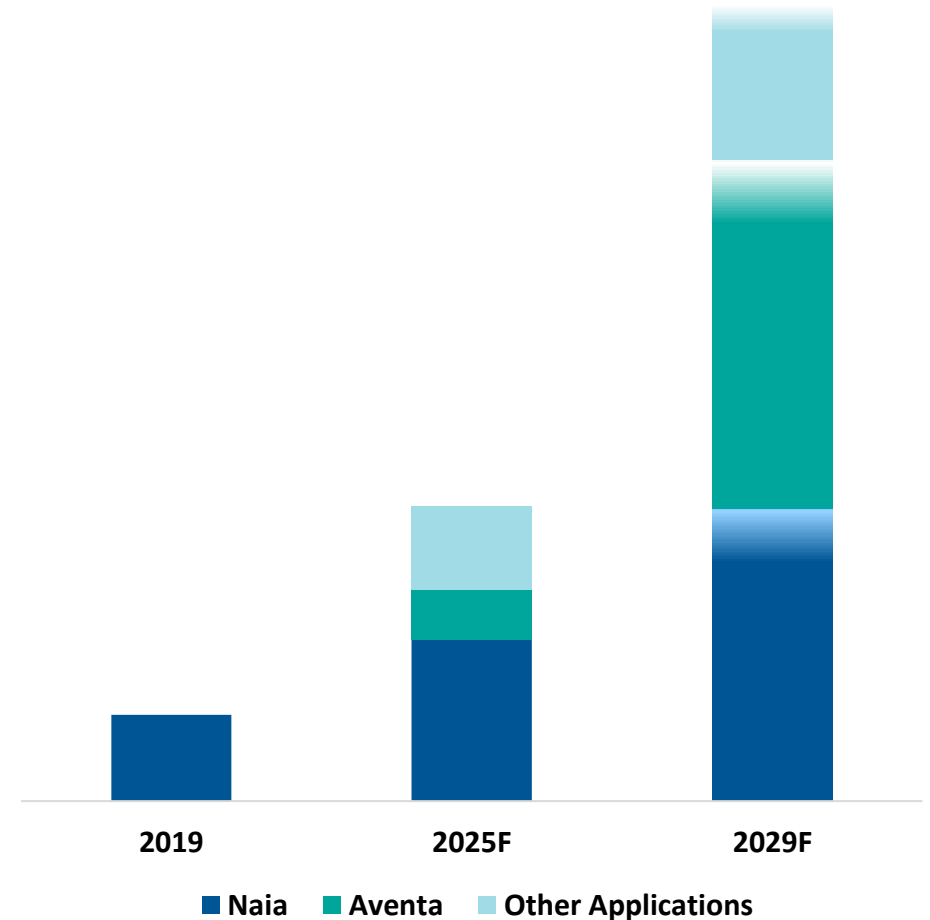
Significant recovery of Fibers provides a strong foundation of cellulosic earnings from which to grow

Eastman's cellulosic biopolymer platform offers a diverse path to generating \$150M–\$200M of EBITDA by 2029

- Investing strategically and innovating despite economic challenges
- Our launched products are actively driving growth and revenue today
- Leveraging expertise and insights to expand into specialized markets
- Expect to spend \$200M–\$300M of CapEx on the platform from 2025–2029



\$750M–\$1B revenue potential by 2029



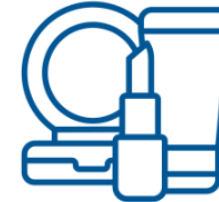
Financial update

Willie McLain

Executive Vice President and Chief Financial Officer



Our circular economy platform is expected to be a meaningful part of Eastman's growth story



Kingsport methanolysis facility

EBITDA
>\$200M
at full ramp-up

Leveraging the
specialty plastics
business model
ROIC
>15%

Online and
operating today

Longview, Texas, molecular recycling project

EBITDA
>\$150M
at full ramp-up

Circular packaging
model combined with
specialty optionality
ROIC
≥12%

Targeted to be
mechanically
complete
2028

Normandy, France, molecular recycling project

Pausing further investment until
progress on commercial agreements and
regulatory environment become more clear

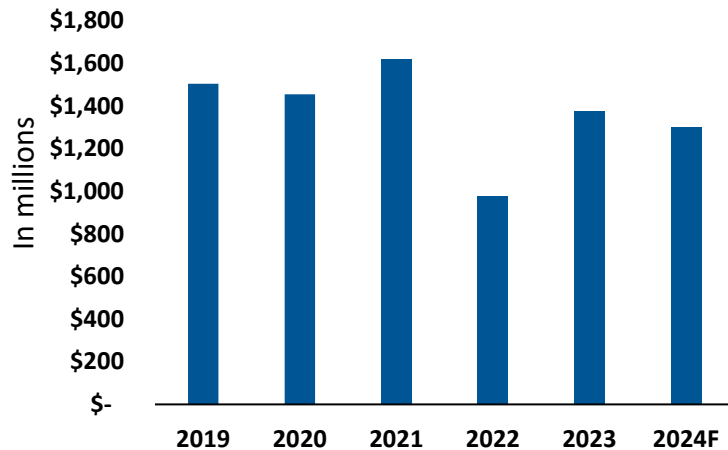
Cellulosic biopolymer platform

Addressing beginning and
end-of-life concerns with
attractive cellulosic products

Potential to generate
\$150M–\$200M
EBITDA at maturity

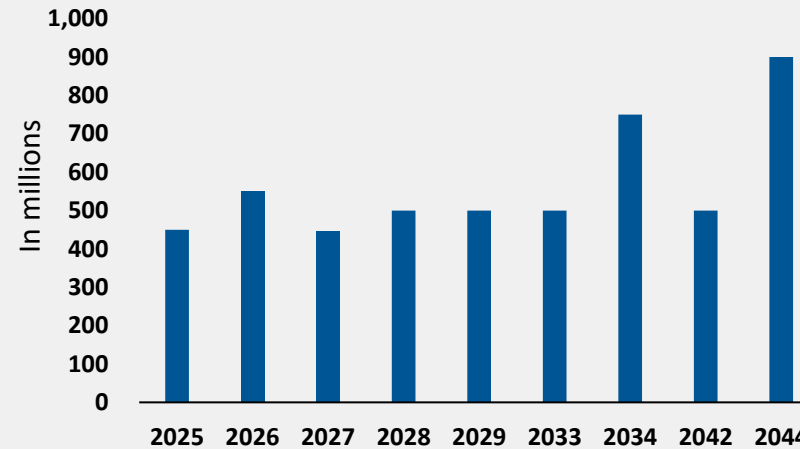
Strong cash flow and top-tier balance sheet enable consistent investment in our strategy

Operating cash flow



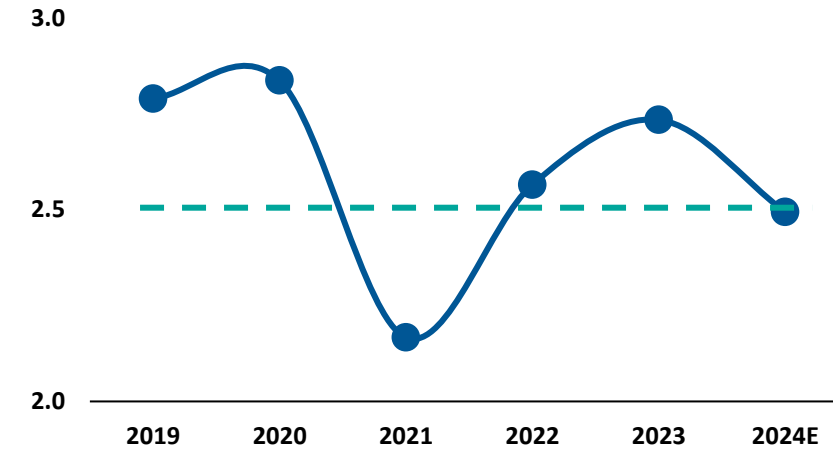
- Stable operating cash flow during a volatile environment
- Sustained working capital discipline in line with growth

Manageable public debt maturities¹



- Manageable maturity schedule enables us to refinance maturing debt
- Strong investor demand during 2024 debt issuances

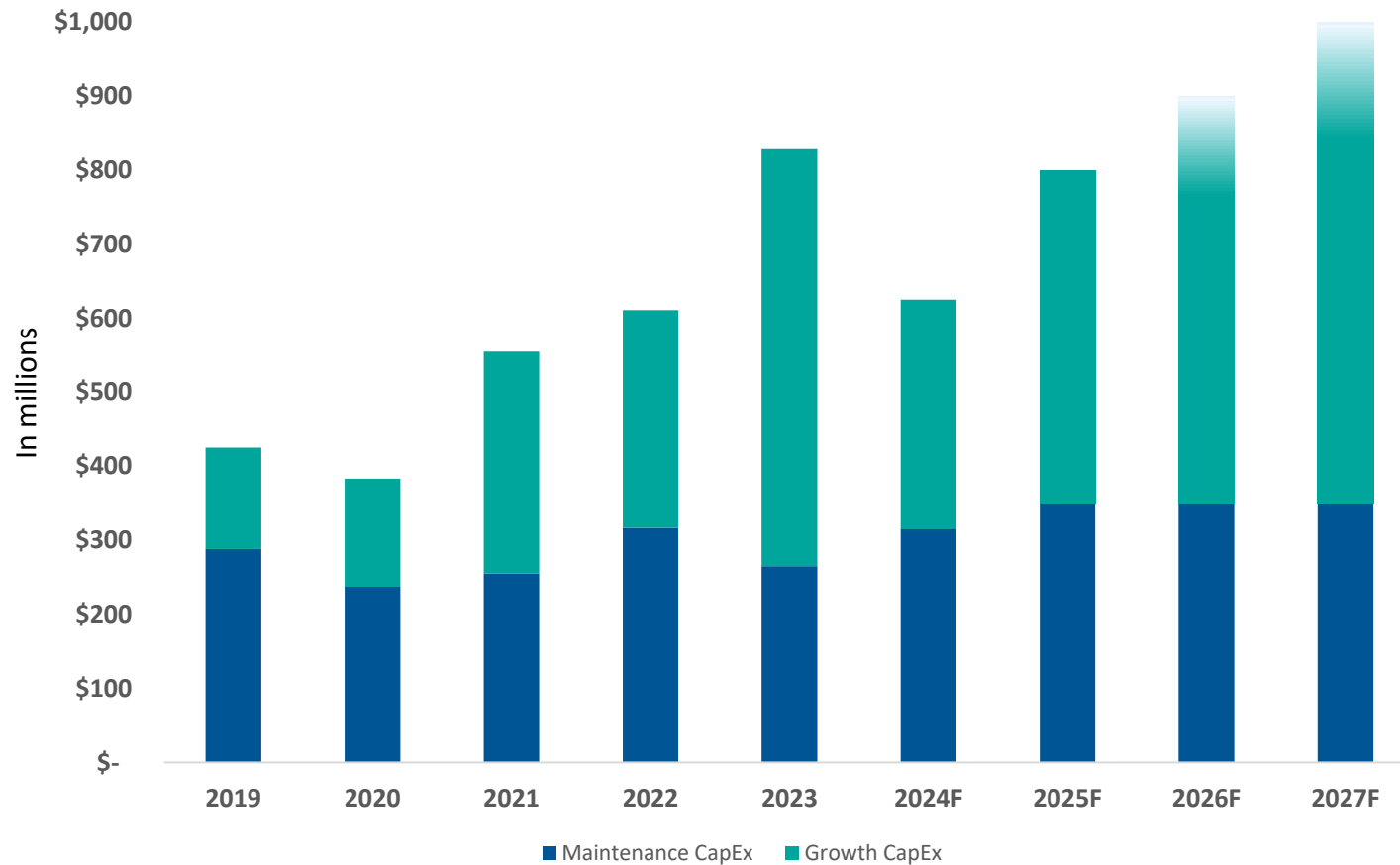
Net debt / adjusted EBITDA²



- Leverage returning to target levels in 2024
- Committed to solid investment grade credit rating

Expect to continue to invest in organic growth for the next several years

Capital expenditures¹



- Annual CapEx expected to be \$800M–\$1B through 2027
- CapEx forecast does not include expenditures for France molecular recycling project
- Maintenance capital projected ~\$350M annually
- Well-positioned for end-market recovery

Focused on upgrading our product mix, delivering on growth investments and continuing cost discipline



Leveraged to end-market recoveries

- Normalized EBITDA >\$2.1B
- Product mix upgrade accelerates return to mid-cycle
- Fibers growth offsetting divested businesses
- Operating cash flow ~\$1.6B at normalized EBITDA levels



Delivering on growth investments

- >\$350M EBITDA from polyester platform
- \$150M–\$200M EBITDA from cellulosic biopolymer platform
- Innovation driving growth across films and AFP



Accelerating our competitive advantage

- Continued investment in growth and execution capabilities
- Building empowered, agile business teams
- More than offsetting inflation through cost management
- Rationalizing underperforming assets

Eastman is a compelling growth opportunity, driving EBITDA to >\$2.5B over the next several years



Innovation-driven growth model is succeeding



Circular economy is our vector of significant growth



Strengthening execution to convert growth to value



Sustainability and ESG are integrated into how we win



Power of cash flow and the balance sheet

>\$1.75B



2024E
EBITDA

>\$2.1B



Normalized
EBITDA
excluding
circular



Innovation and
end-market
growth



Driving to add
>\$500M of EBITDA
from circular
platforms by 2029

Appendix

Glossary of terms and acronyms

All amounts are in billions (“B”) or millions (“M”) unless otherwise indicated

Commodity/Diversified peers include: BASF, Celanese, Chemours, Dow, Huntsman, LyondellBasell, Westlake

Specialty peers include: 3M, Albemarle, Arkema, Ashland, Avient, DuPont, FMC, PPG, Syensqo

“AFP” is the “Additives & Functional Products business segment

“AM” is the Advanced Materials business segment

“APET” is amorphous polyethylene terephthalate

“CAGR” is compounded annual growth rate

“CapEx” is capital expenditures

“CHDM” is the polymer intermediate cyclohexanedimethanol

“CI” is the Chemical Intermediates business segment

“Circular Economy” is an economic system in which resource input and waste generation, emissions, and energy usage are reduced by slowing, closing, and narrowing energy and material loops through long-lasting design, maintenance, repair, reuse, remanufacturing, refurbishing, recycling, and upcycling

“CO₂e” is carbon dioxide equivalent

“crPET” is chemically recycled polyethylene terephthalate

“CRT” is Eastman’s molecular recycling process known as carbon renewal technology

“DMT” is di-methyl terephthalate

“DOE” is the United States Department of Energy

“E” means NASDAQ first-call sell-side equity analyst consensus estimates

“EBIT Margin” is adjusted EBIT divided by sales revenue”

“EBIT” is the GAAP financial measure “earnings before interest and taxes,” which is the primary GAAP financial measure of operating results for all periods presented

“EBITDA Margin” is adjusted EBITDA divided by sales revenue

“EBITDA” is net earnings before interest and taxes, depreciation and amortization adjusted to include the same non-core, unusual, and non-recurring items as are excluded from the company’s other non-GAAP earnings measures for the same periods.

“EMEA” is the geographic region Europe, Middle East, and Africa

“EPR” is extended producer responsibility

“EPS” is adjusted earnings per share or expanded polystyrene foam

“ESG” is Environmental, Social, and Governance

“EU” is the European Union

“F” means Forecast

“FID” is financial investment decision

“Free cash flow conversion” is Adjusted Free Cash Flow divided by Adjusted EBITDA

“Free Cash Flow” (“FCF”) is cash from operations (“OCF”) less net capital expenditure (“CAPEX”) (typically the GAAP measure of additions to properties and equipment)

EASTMAN

Glossary of terms and acronyms

"FY" means full year

"GHG" is greenhouse gas

"HTR" is hard-to-recycle [material]

"KG" is kilogram

"KMT" is kilo metric ton

"LCA" is life cycle assessment

"MeOS" is methanolysis

"MPP" is mixed plastics processing

"mrPET" or "Mech rPET" is mechanically recycled polyethylene terephthalate

"Net Debt to EBITDA" Ratio is defined as Total Debt less cash and cash equivalents divided by Adjusted EBITDA.

"Net Debt" is total borrowings less cash and cash equivalents

"New Business Revenue" or "NBR" is projected revenue in the first full calendar year after close of the business from sales of new products into new and existing applications and sales of existing products into new applications

"OECD" is The Organisation for Economic Co-operation and Development

"OEM" means Original Equipment Manufacturer

"PE" is polyethylene

"PET" is the plastic polyethylene terephthalate

"PPWR" is Packaging and Packaging Waste Regulation for the European Union

"PRT" is Eastman's molecular recycling process known as polyester renewal technology

"PVB" is polyvinyl butyral film

"R&D" is research and development

"R" or "r" in front of a word like "rPET" stands for recycled

"ROIC" is return on invested capital, calculated as adjusted net earnings plus interest expense after tax divided by average total borrowings plus average stockholders' equity for the periods presented

"Spread" is product selling price less raw material, energy, and variable distribution cost

"TTM" is trailing twelve months

"Variable Margin" ("VM") is revenue minus total cost of raw materials, purchased energy, freight, duty and warehousing

"vPET" is virgin polyethylene terephthalate

"YOY" means Year-over-Year

External market data is sourced from IHS Connect

"B" is billions

"M" is millions

"K" is thousands

EASTMAN

Reconciliation of Adjusted EBITDA to net earnings

Adjusted EBITDA to Net Earnings reconciliation

(Dollars in millions)

	2023	2022	2021	2020	2019
Net earnings	\$ 896	\$ 796	\$ 867	\$ 489	\$ 762
Plus:					
Depreciation	382	384	426	445	450
Accelerated Depreciation	23	-			
Amortization	93	93	112	129	161
Net interest expense	215	182	198	210	218
Provision (benefit) for income taxes	191	181	215	41	140
EBITDA	\$ 1,800	\$ 1,636	\$ 1,818	\$ 1,314	\$ 1,731
Add back:					
Mark-to-market pension and other postretirement benefits (gains) losses, net	53	19	(267)	240	143
Asset impairments and restructuring charges (gains), net	37	52	47	227	126
(Gain) loss on business held for sale and related transaction costs	(323)	61	570	-	-
Early debt extinguishment and other related costs	-	-	1	1	-
Environmental and other costs	13	15	-	-	-
Net costs resulting from the steam line incident	(8)	39	-	-	-
Adjustments to contingent considerations	-	(6)			
Adjusted EBITDA	\$ 1,572	\$ 1,816	\$ 2,169	\$ 1,782	\$ 2,000

EASTMAN