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EMN.N - Eastman Chemical Co at JPMorgan Industrials Conference

EVENT DATE/TIME: MARCH 18, 2026 / 2:45PM GMT

OVERVIEW:

Company Summary

CORPORATE PARTICIPANTS

William McIn *Eastman Chemical Co - Chief Financial Officer, Executive Vice President*

CONFERENCE CALL PARTICIPANTS

Jeffrey Zekauskas *JPMorgan Chase & Co - Analyst*

PRESENTATION

Jeffrey Zekauskas - *JPMorgan Chase & Co - Analyst*

Hi. Good morning. I'm Jeff Zekauskas. I analyze chemicals here at JPMorgan. It's my pleasure this morning to introduce the management of Eastman Chemical.

Representing Eastman is Willie McLain, who's been Eastman's Chief Financial Officer since 2020. Willie, in the old days, took his MBA from the University of Chicago, and he's done a wonderful job of managing Eastman's cash flows over time and their tax position and assisting Eastman and its different attempts at transformation.

In the audience is Greg Riddle, who is the Head of Eastman's Investor Relations department and is always a helpful individual. The form of our presentation today will be a fireside chat. Welcome, Willie, to our conference.

QUESTIONS AND ANSWERS

Jeffrey Zekauskas - *JPMorgan Chase & Co - Analyst*

There is a conflict in Iran. How has this touched Eastman? Or when the conflict broke out, were there certain steps that Eastman took in order to preserve its competitive position or limits vulnerabilities?

William McIn - *Eastman Chemical Co - Chief Financial Officer, Executive Vice President*

Well, Jeff, thanks again for hosting us this year at the industrial conference, and given your question, it's also appropriate that we're here in Washington, DC this year versus New York. As you would expect with Eastman, I told Jeff, as we started the discussion up here today, the year is off to a normal start. We've had winter storms. We've had Supreme Court rulings on trade, and we've got a war in Iran with the Middle East.

And Jeff, as you asked that question, Eastman is well positioned. We've had events in the past where oil has been above \$100. I'd remind our business teams then every day. We've got playbooks for this. I would start by where we are, which is, one, we're financially sound, right?

We've been in the debt markets as soon as we file our 10K early this year. We've taken our refinancing risk off the table. We've extended and amended our revolver, and that's well positioned with the covenants that we need to ensure these different scenarios play out.

But our business teams right now are focused on what are the appropriate price increases for the cost to serve. Also, as we think about over 75% of our asset base, basically being here domestically and be an advantage from a cost curve, not only in our Intermediates, but how that flows through to our Specialty businesses in Additives and Functional Products and Advanced Materials. You're seeing that immediately occur in the responses because, obviously, the crude and feedstock prices are immediate here in the quarter.

Many of our Specialty price increases and Additives and Functional Products will be through cost pass-through contracts. In our Advanced Materials segment, we have cost increases that we're looking at here in April -- for April 1. And we're assessing the market. Greg's favorite word is dynamic and dynamic has become normal.

But the Eastman team is on this. And as I think through, Eastman is focused on delivering cash, right? And I would say in this dynamic environment, the cash flows that we're seeing here in Q1. But maybe I could pivot it also back to what we were seeing sequentially, right, as we go from Q4 into Q1.

As we guided on our year-end call, we were expecting normal seasonal momentum. We weren't expecting any substantial movements in the discretionary markets for us, transportation, building and construction durables. And I would say that's pretty much playing out as we had expected. I think here recently, we're seeing similar to the consultants on the auto, where that may be just a little bit weaker. We'll see how that continues to play out through the year.

I would say, as we had guided also for Q1 specifically, we said that it was excluding the impact of the winter storm effect. Obviously, that was significant with our sites in Texas as well as Tennessee in February, specifically. And I would say now, also with the emergence of the Supreme Court ruling and the International Trade Court, we would expect the benefit of recognizing the IEPA from 2025 to offset that winter impact.

So as we see that playing out, that's positive. I would say as I had described on the demand front, substantially playing out as expected. It's -- as we think about Chemical Intermediates, some of the costs and our ability to recover that we expect there to be additional pressure on the margin. And the additional pressure on the margin in CI and maybe a little bit weaker demand within autos, we expect Q1 to probably be more around the lower end of the range.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

This is \$1.00. Is that right? \$1.00 to \$1.20 is where you were?

William Mclain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

That's exactly right, Jeff. But as we look into Q2, we see both demand; our cracker turnarounds occurred during 2025. We've turned around two of our three crackers, and that's giving us additional demand. And as you would expect, we'll be running those harder in this environment as, I would say, customers both in North America but around the world as they're looking to serve the market, be reliable.

We see increased demand and also, as we're putting those price actions in place, we actually see, I'll call it, spread improvements in Chemical Intermediates. And we're taking the appropriate actions to manage price cost in our Specialties.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

Right. So maybe to take one step back. If you look at the durable goods PMIs for January and February, they were both over 50%, whereas in late in 2000 -- in November and December, they were sharply negative in December.

Do you notice a change in durable goods demand? Or is there a more positive change in some of those parts of your business? Or is it really undetectable, that is when you put together some negatives and some positives, it all flattens out?

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

Jeff, I think one, yes, we are noticing. What I would also say is, if you think of the trajectory of Q4 and the level of destocking that happened from October to November to December as many supply chains, especially, I call it, manufactured goods, to me, we expected seasonal uptick.

The question is, does the seasonal uptick in January and February actually become increased demand in March and April? And that's what we're watching closely. Right now, it's hard to distinguish between the seasonal of what happened to more severe Q4 and what we're seeing here in Q1. We are seeing that sequential improvement.

Also, the question we'll be here in March is how much of this demand is people trying to get ahead of price increases as we think about broader metrics versus what is true real demand. So the war in Iran, we're three weeks into it. We're going to have a lot more information between now and when we do our conference call at, I guess, released earnings at the end of April.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

So it sounds like your level of business for the very end of March is important in determining exactly how the quarter will come out?

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

And I would say the order books have improved from January to February to what we see here in March. And again, we'll give an update on where things stand in April on the conference call. But watching it closely. We're seeing the appropriate momentum.

The question is, again, how much of that continues because March will be critical. It's always critical to Q1. This is probably more important from how does this set of metrics and beyond in momentum actually and for the middle of the year in the back half.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

I know that you plan to generate about \$1 billion in cash flow this year. Do you think that that's becoming harder or easier? Because I would imagine there might be inventory pressures that you could feel, but at the same time, maybe some of your commodity business will do a little bit better.

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

Well, I think you're laying out the scenarios. So first, I would say, in Q1, we're on track to be similar to last year, right? And as I look through that, then there's a couple of scenarios, right? One, price cost in our intermediates, the more of that that drops through to the bottom line here in the first half and into the second half, that will be upside to the cash flow.

I think your point is valid, which is, okay, we're raising prices, input costs, so both inventory and receivables could be higher at year-end than we had planned on the first part. And I think it's how does that acceleration and, I'll call it, growth of earnings, counterbalance that? It's too early, I'll call it, to be definitive on that.

Our focus at Eastman is always on turning the results into cash and doing that through in the environment. And these events in the Middle East are no different. We're going to manage to deliver on the cash and the cash commitments.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

In the fourth-quarter conference call, Eastman tried to point out both its strengths and some of its vulnerabilities for 2026. And when it pointed out its vulnerabilities, it talked about different patches of price pressure.

And some of the price pressure, I think, was in Intermediates -- in the Chemical Intermediates business. There was some in Advanced Materials. Is that price pressure all dissipating because of the changes in energy values now?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

I think the global dynamics, right, of US assets and the ability to serve in a -- our crude assumption was \$60 to \$70 this year, right? So at \$80, \$90, \$100, those are prices that we've experienced in the past, and Eastman has performed extremely well in the past when those prices have risen and stabilized at those higher levels.

I think with the events and how does, ultimately, the war and the Middle East conflict put a premium for a longer period of time, whether this is the war is resolved near term or continues. I think there's a level of premium and Eastman can perform well in that higher crude and energy environment. And we've got the playbooks and we're implementing those playbooks today, and expect to see that benefit in Q2 in our Intermediates business as our cost position has improved on the global stage.

And also, Eastman is I'll call it, a reliable producer. Our Specialties depend on our Intermediates. So as you think about something that we bring to the market is being reliable on an ongoing basis. So that's also an advantage of our customers partnering with Eastman, and we've demonstrated it over the long term.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

Are there parts of Eastman's business that are in Mid-East that make a difference to the company that are now hard to access or to supply at the levels that you wish to supply on?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

What I would say is we have limited incremental revenue overall. And honestly, from a segment perspective, it would be incremental in our Fibers business. So -- in the filter tow is where there's limited impact, and we would expect to see some of that limited impact in Q1 as well, which was in my update.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

So my memory is Eastman, maybe it makes 1.1 billion pounds of ethylene, something like that? And maybe the ethylene price in the United States has gone from \$0.18 to \$0.26, and I get it, propane is up a little bit. But that should be a benefit for you in the second quarter, yes?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

I think you're using ethylene as a factor. I view Eastman as a propylene derivative. We have --

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

We can do propylene. Propylene is up \$0.08 right? Propane though has moved up. So you've got a propane upward movement and you've got a propylene upward movement. And that should be positive for you?

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

Exactly. So as we think about our Chemical Intermediates business, it will be the first to benefit. And there is immediate benefits that we would expect sequentially from Q1 to Q2, that are improved compared to what we expected at the beginning of the year. As we think about the magnitude of those movements, we'll provide a more quantitative update to that Q1 call.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

So you make 500 million pounds of propylene and you buy 500 at cost, right? That's the lever that you've got.

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

That's correct.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

But why did you poo-poo the 1.1 billion ethylene? Shouldn't you also get a benefit from that as well?

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

We will get a benefit from ethylene and ethylene derivatives as well.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

Okay. And then on the negative side of the ledger, you buy paraxylene. Is that right?

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

That's correct.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

And why do you buy paraxylene? What do you use that for?

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

Paraxylene supports our Specialty Plastics business. So -- and I would say we're well diversified from a supply chain standpoint and don't expect any disruptions to that supply from both Asia as well as North America and the Middle East. And we move those around to ensure the security of supply.

I would also say our some of our competition that's based in Korea, Japan also will be impacted by higher input cost as we think about on a relative competitive position standpoint. I think there, again, as we thought we would see some of that pressure. That was because we expected lower raw material and energy costs this year.

That has changed. Our Advanced Materials business has price increases on tap for April 1 and we will continue to reevaluate those as market conditions continue to develop and unfold. So on that front, the business case has changed we feel that the value that we will be providing to our customers and that reliability of supply will continue to be key, and we're taking the appropriate actions from a margin standpoint.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

So you buy 325,000 tonnes of paraxylene, it's up \$300 a ton in Asia, something like that?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

So if you've watched the spot markets go from \$900 to roughly \$1,200 just as we have. And we're taking, again, the pricing actions to offset that.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

So what you've got is you've got your ethylene going in the right direction. You've got your propylene going in the right direction. You've got your paraxylene going in the wrong direction or offsetting part of that benefit?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

So Jeff, the way I would summarize it is in environments where crude is higher, you've seen CI be closer to mid-cycle numbers. And then it depends on supply/demand. You've also seen our Specialty Plastics manage price cost extremely well from '21 to '22 to '23. You can expect that to continue here in 2026.

We will manage the price cost position. We will I'll call it, get the returns that we should, in our Chemical Intermediates at these cost curve positions. And we're doing that here in March to set the tone as we move forward into Q2 and the back half of the year.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

Will the paraxylene penalty hit you before the benefit of the ethylene and propylene widening out?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

I would expect --

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

What would be more concurrent?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

Well, I would expect it to be more concurrent. I would expect the speed at which our Intermediates team is moving, you'll see benefits in Q2 immediately. I think there could be incremental headwinds as we start Q2, but I think by the end of Q2, we've taken into account everything that's already been seen in the market in our Specialties.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

So order of magnitude, if no price has changed from where they are today, maybe you'd earn \$50 million more in 2026 than you thought you would before?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

Yeah. Well, we didn't guide 2026, Jeff. I'm not going to guide that day.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

Well, your unguided -- if you add your unguided number, you would add \$50 million?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

I think there's upside, and I think supply/demand will determine the amount of upside.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

Okay. Can you take a step back, and help us think through the methanolysis initiative at Eastman in that, at a point in time, there was a tremendous amount of capital that was being directed to this effort and a tremendous amount of future capital that was going to be directed toward it.

And now, I think Eastman's capital expenditures this year will be below depreciation and much below what they were a few -- a couple of hundred million below where they were last year. Can you take us through how Eastman thought about this opportunity, say, three years ago? And how you think about it now?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

So the way I think about it is Eastman has a unique set of technologies, know-how, and capability to take waste and turn that waste into a valuable feedstock that is unique to the globe. We've taken that capability and have a world-scale facility that is fully operational, meeting its technical performance expectations as well as we're finding ways to grow and expand that.

Obviously, Eastman is responsive to the organic and the macro demand environments; geopolitical trade, which is ultimately pace the affordability and the transition. But sitting here today, I would say there's still, across aisles, as you think about the political side of this, people do not want plastic in the waste stream, right? That conviction is still not there.

The great thing that we're seeing actually is in CPG, we're seeing an acceleration and pull forward of contracts that we have to supply those because mechanical recycling wasn't meeting the needs. So as we see the circular solution for the packaging model, we see that case still being there. But me as CFO, I'm sitting here saying, well, we have to have a cash velocity that matches the demand environment, the trade environment and I'll say the regulatory environment.

I think we're making progress on smart regulation. That's taken a little bit longer. So as we think about building out, we talked about our Specialty Plastics or an Advanced Materials business growing 4% to 5% in revenue this year, driven by that investment in our first facility. If you take that, that's somewhere between \$100 million and \$150 million of revenue growth, and we expect that to accelerate through the year, and that will be both durables to a lesser extent, but also the packaging solution.

So to me, we're taking this time in this environment to set the plan for the future with an asset-light model as we look at, I'll call it, mixed plastic processing plants in the mechanical space that we can look at deleveraging as well as existing polymer capacity so that we can actually have a second facility that is at lower capital than what we had planned for our Longview, Texas facility with the DOE.

So I think that platform and option is there. It can be more capital efficient because we're looking at expanding from 100 kt to something that can be 130 or 150 kt. So it's still real viable and we're actually being able to invest in it with better information from both market as well as capital that it's not the plan that we had envisioned, but nor has the world played out as everyone had envisioned over the last three-plus years.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

What happened to the French plant?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

The French plant, we're still in discussions.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

So it's still alive?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

Yes. Well, it's still breathing.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

There's a pulse?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

Ultimately, there is still a project, but it needs to move at the speed at which trade and imports into Europe as well as, I'll call it, the feedstocks and the waste stream that they're managing as well as regulation. What has happened is there's more imports of Asian plastic. That's having an impact on, I'll call it, domestic recycling. And at this point, the fronts are supporting path forward.

We are there, and we can serve that market and that demand. But ultimately, we also said we were going to be disciplined and we can't move forward without regulation and the structure to be supportive and conducive to recycling and sustainable investments that drive strong economic returns.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

In your Advanced Materials business, you're now pulling forward volume from Pepsi. Is that a significant part of the growth that you expect from Specialty Plastics in 2026?

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

Well, again, we very much appreciate the partnership with Pepsi, but it's not just Pepsi. There's a broader set of CPG companies that are contributing to the growth this year. And ultimately, we're pleased because it's also demonstrating the quality of our product relative to what they can acquire mechanically in the US and around the globe.

So to me, it's another confirmation of Eastman and the platform to invest in methanolysis and a circular economy is differentiated. And we have a unique capability that I think many thought that the CPG companies could provide and support, but we're seeing the flaws in that both ultimately and the impact that it can have on the band on the shelf, but also just functionally, how it functions with consumers.

And that's resulting in the acceleration not just with one of our key partners but across a class that are looking for that circular solution. So we're testing that now with the capability and capacity we have in Kingsport, Tennessee with our first facility, and that enables us to continue to learn as we look forward to projects for the second plan and beyond.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

So as Chief Financial Officer, you were looking at Eastman two or three years ago as having, I don't know, \$700 million in capital expenditures per year, and now you're at \$400 million. So -- and I don't think that as a base case, there's a large step-up for 2027. So you're going to have the ability to change your balance sheet, to change your investment priorities.

Is Eastman more in a pay down debt steady-state approach? Or is it leaning more towards share repurchase? Or how do you -- how does the company change now that its capital demands are so much smaller?

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

So to your point, we made a commitment that we did not see significant capital expenditures between now and '27. So it would be '28 and beyond for larger capital expenditures for the circular platform more broadly. As I see it right now, Jeff, ultimately, the economic environment has been more challenged and difficult. We've appropriately adapted.

Our target is roughly 2.5 times net debt to EBITDA. As we see things right now, we're comfortable with the debt levels that we have even in a more stressed environment. We're comfortable at the 3 times and a slower or more challenged environment. We've always said we will put cash to use.

The question does the crude and energy environment create an opportunity for US assets and US operations to grow? We've invested in the ability for discretionary markets to improve. And we don't have to invest a lot to achieve economic growth over the next two to three years.

So to me, it's, okay, balancing returning cash to shareholders versus the debt environment and, ultimately, we'll see how this year plays out to set a time for that. But we have flexibility, and we will adapt to maximize shareholder returns.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

One of the areas -- so Eastman innovates in many different areas. And one of it -- one of the areas is you have a fiber-based material. I think it's Aventa. That's in your Other segment. And I think your Other segment's revenues were \$17 million. Is that the Aventa revenues?

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

So to your point, Aventa's part of the cellulosic stream and there's benefit across that stream. The answer is yes, Aventa is still within our Other segment.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

Yes. And it's the only revenue-generating item in the Other segment, yes? Or there's a little bit of something else?

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

To your point, there's incubation, but it's primarily on Aventa.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

Okay. Can you talk about your Fibers business in that the Fibers business is very, very profitable. And often, what you do is you set prices for the coming year, for the next year out. Where is price setting for Fibers these days?

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

What I would say is the commitment level this year is similar to what we had us volume last year in the acetate tow business specifically. Also, as we think about pricing, we had expected some modest headwinds in pricing, and we'll ultimately see where price cost plays out overall. Also, in 2025, we had significant impacts in our textiles business related to related to the trade environment and also as, ultimately, the textiles business was relocating across Asia, even to places like Turkey as well.

So also, we expect growth in the textiles as we start to recover, both the applications as well as the market has continued to adapt to trade and tariffs and to the pricing overall. So as we see that, ultimately, we see that can be textiles is going to be the positive, pricing ultimately will be slightly lower year-over-year with volume and acetate tow being similar.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

So your outlook for that segment is flattish for 2026?

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

Well, again --

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

You don't do outlooks. But -- there a little bit of volume, a little bit of negative price.

William McIn - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

What we expect, we said in Q1, obviously, is to be similar to Q4, just to be specific. And ultimately, with some of the modest impacts on our customers, ultimately, that -- it will be around that number, a little lower.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

In Advanced Materials, there were some challenges that came up in the interlayers business in 2025 and in your performance films business. In the -- a few years ago, those had been more growth engines. And now it seems that the growth has abated there. Was that a function of 2025? Or what's the outlook for those businesses?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

So I would say in the interlayers business, obviously, a weak architecture market and the European economy was a key piece of that. We talked about on our year-end call about going back and ultimately winning back share and that application within the European market.

On the performance film side, I think, one, we're optimizing our global asset base with the investments that we've made and the small acquisition that we made in China to run locally and take a lot of cost out. The other thing is affordability in the auto aftermarket and how much of that -- and we're introducing new products and continuing to streamline that cost structure as well to get that business back on the growth track here in '26.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

So maybe in conclusion, if you look at Eastman's prospects at the beginning of 2026 and you look at its prospects for the year now, are they somewhat stronger or somewhat weaker or the same?

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

Well, Jeff, we're sitting here in the middle of, I'll call it, an escalating impacts in the Middle East and just three weeks into it. I think that presents opportunities in our Intermediates business that's potentially materially different than what we had thought at the beginning of the year.

I think the open question that no one knows right now or can know is what what does all of this ultimately do to consumer demand? And so for me to sit here and paint a scenario as we wrap up, we'll have more context that we'll share on Q1. But I actually think from an asset position, from a cost curve position, and from an innovation position this year, Eastman is in a better position overall.

Jeffrey Zekauskas - JPMorgan Chase & Co - Analyst

Thank you very much, Willie. It's always nice to have you come.

William McLain - Eastman Chemical Co - Chief Financial Officer, Executive Vice President

Thank you, Jeff.

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