REFINITIV STREETEVENTS

EDITED TRANSCRIPT

EMN.N - Eastman Chemical Co at Deutsche Bank Global Industrials, Materials & Building Products Conference

EVENT DATE/TIME: JUNE 05, 2025 / 4:30PM GMT

OVERVIEW:

Company Summary

©2025 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

CORPORATE PARTICIPANTS

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

CONFERENCE CALL PARTICIPANTS

David Begleiter *Deutsche Bank - Analyst*

PRESENTATION

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

Maybe I'll jump a little bit to the segment level if that's okay and we can hit those at a high level. Our Additives and Functional Products business we said would be moderately down sequentially on the Q1 call. With the pause and the tariffs and also the stable end markets, we actually see our Additives and Functional Products performing well and expect that it will actually be similar, if not a little better, compared to Q1. So, positive momentum on that front. And you can think about water treatment exposure also, and personal care, ag, etc.

Moving on to Advanced Materials, we thought we would have modest sequential improvement. And I would say, we continue to expect that to occur. There was limited impact as we had positioned inventories related to tariffs, but the end markets and the durables and also the auto continue to be challenging, but our business team is navigating that well.

I think the question within the automotive sector is what does the build environment look like in the second half, and momentum here in June will set part of that tone. On our fibers business, there again, with the tariff pause, we expect a little bit favorable outcome, maybe less than what we're seeing in Additives and Functional Products. We had expected that business to be down sequentially.

Most of the trends are playing out as we expected on the destocking. And with the pause on tariffs, we actually expect it to be down, but we expect that decline to be less now. So as we look across our specialties and the fibers, I'll call it positive momentum.

Chemical Intermediates, what I would say is for those that follow the spreads, the propylene and propane mix have been challenging and more challenging than we had expected. We also had planned turnarounds. But, earlier in May, we actually had an unplanned outage at our Longview, Texas, facility that impacted our cracker operations and then the downstream derivatives.

And since that occurred while we're also having a planned outage, the impact is going to be about $15 million to the quarter, both from incremental maintenance but more on the utilization and the lost revenue with the operations and the scale that we were down.

So, as I think about wrapping all this together, I think that we'll be around the low end of the range now, and that's primarily with the impacts for the unplanned outage and the weakness of Chemical Intermediates. The health of our specialties and our fibers business, I think, is continuing to be very resilient. Also, it's been demonstrated in the price/cost -- the price/cost spreads in those businesses is continuing to perform well.

We talked about earlier, this is an uncertain environment. It's dynamic, and at some point, I think, when we get through this period, even today, Trump and Xi, it's positive, I'll call it today.

The other thing is cash. Cash is critical, right? We committed to $1.2 billion of cash flow. And right now, we're working through, I'll call it, the operating scenarios for Q3 to meet that $1.2 billion of cash that could come with some incremental utilization impacts, obviously, which will update you when we have the Q2 call.

©2025 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

QUESTIONS AND ANSWERS

David Begleiter - *Deutsche Bank - Analyst*

Very good. So ex the outage will be close to the midpoint of the range. Is that fair? Or maybe a touch below it.

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

That's fair.

David Begleiter - *Deutsche Bank - Analyst*

Okay. Just on June, how are June order books trending any divergence versus what you talked about or seen?

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

Yeah, just some of the momentum we talked about, April being similar to March. As we've gone through the quarter, I would say, the momentum has been positive in the specialties. I think it's been more challenging in our intermediates space.

The real question is how do we exit this quarter, right? So, I think the timing of tariffs has played itself out. People tried to position in Q4, position again in Q1, now in Q2. And I think there's been a wash of the timing, and there's not pull forward or delay.

So it's really what's the momentum and the confidence, whether that be with the Fed, with tariff and trade agreements. I think that momentum could set the tone for the second half. Right now, the order books, to your point, are consistent with the, I'll call it, stabilizing at a low level type of economy versus there's positive or negative momentum outside of B&C.

David Begleiter - *Deutsche Bank - Analyst*

Right? Anything getting worse or anything getting better?

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

B&C is the one getting worse, I think. The real question is people are looking at what's in the supply chain? I think there's questions around auto production in the second half, but those stable end markets are being resilient. And that's about 50% of our portfolio as we see it now.

So we're navigating, I'll call it those trade and back and forth, on again, off again tariff discussions. And we're trying to navigate that the best we can, which is in this case, you focus on what you can control, cash, cost structure, and time horizon as you think about capital and the capital velocity.

David Begleiter - *Deutsche Bank - Analyst*

And by region, Europe seems fairly stable as well at these demand levels. Is that fair?

©2025 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

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

I would say it's fair in the businesses that are more specialty, right? So if we do export any out of our intermediates, it goes to Europe. And obviously, intermediates broadly is at low margins globally. But as we look at the personal care, the water treatment, even some of the automotive space, it's been, I'll call it, stable at low levels.

David Begleiter - *Deutsche Bank - Analyst*

Just in China, what are you seeing there from the demand perspective ex acetate tow

---

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

What I would say ex acetate tow, ultimately our Advanced Materials business, has been trying to navigate the timing. So as you think about tariffs in excess of 100%, trade stops. As you think about utilizing your inventory, your customers are trying to value that in the supply chain.

We positioned well ahead of that at both inventory in country as well as in bonded warehouses. The great thing with the pause that we've seen is there's been a pull-through, and that economic activity has returned.

They're still, for local demand, I think, a 10%, tariff incrementally or 30% overall, can be handled. If the trade flow then has to come back to the US, and there's another 30%, that's where the dynamics are more complex at this point. But I think It's stabilizing and improving, and we'll just have to watch and see how the tariff and trade agreements unfold.

David Begleiter - *Deutsche Bank - Analyst*

And in the US we know durables remain quite weak. On the consumer itself, any signs of further stress on the consumer that you can see through your businesses?

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

I would say, in the US, it's still relatively healthy as we -- compared to the rest of the world and also just our asset base and the cost positions that we have to serve our specialty customers and end markets. I think overall, consumer confidence is at very low levels. But it's not, I'll call it, materially different than what we saw six or eight weeks ago.

David Begleiter - *Deutsche Bank - Analyst*

Excellent. Just on the cost, you've seen some lower propane ethane prices of late. Would that be helpful to you guys in the back half of the year?

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

I believe it can. Now part of that comes with what's the strength and demand overall in the back half of the year? And does that strengthen the propylene market such that gaining volume/mix that you can gain the spread with it because I think they're closely correlated right now.

David Begleiter - *Deutsche Bank - Analyst*

Very good. Now back in the Q1 release, you increased your '25 cost savings by $25 million to $75 million. How much of that is permanent versus how much is structural?

©2025 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

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

Yeah, I think right now, my objective is to make most of those permanent, right? Because many of these are in the sense of how do we operate efficiently and effective. Now on the operations front, that's where they may not be as permanent.

As you think about right now in the operations, you're minimizing contractors, right? You're taking that fixed cost structure and turning it into the variable and leveraging our resources. It's also how we did our turnaround schedule this year.

So, we've executed the turnarounds well here in Q2, both in our methanolysis as well as we get ready for our planned turnaround in other areas. So we're using Eastman resources to be efficient and effective and produce more cash for shareholders.

David Begleiter - *Deutsche Bank - Analyst*

And if current demand were to continue at these low levels even get worse, what additional cost levers could you pull to mitigate those headwinds?

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

I think it goes back to you're looking at your fixed cost structure and how do you continue to leverage that and make it more variable. How do you ultimately campaign and use those campaign strategies to produce the lowest cost product that you can, especially if you're talking in a recessionary, more extreme environment?

Right now, I think we've done the level of action that we need to serve the demand as we see it today at a level that's stabilized. And, potentially, we view it as improving when you can get to some trade clarity.

David Begleiter - *Deutsche Bank - Analyst*

Very good. And just on guidance, lastly, you pulled your full-year guidance back in Q1 due to uncertainty. We see you resumed after Q2. And on the cash flow guide, you maintain that without having the full-year earnings guide. So what's the confidence in achieving that $1.2 billion free cash flow? And can we see a resumption of full-year guidance as well on the EPS side?

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

To your point, David, I mean, the key question here is what's the operation scenarios. So as we were entering Q2, we were looking at, okay, you can get to your cash flow two ways. One is there's trade clarity. Second half is ultimately stabilizing and improving from that standpoint, and you grow it and achieve it through earnings.

The other side is, okay, we stay at these, maybe, low levels or lower levels, and you have to take additional working capital actions, and you deplete it through working capital. Those achieve the same outcome, but they achieve very different P&L results through the accounting lens because you have to take those fixed cost charges. You can't just put it on the balance sheet.

So to me, ultimately, we don't have trade clarity. That will lead to additional working capital actions beyond our planned shutdowns here as we end Q2 and go into Q3. And that'll have impacts on EPS. So you can expect us to be clear on the Q3 guide and the implications of that on the call. And with that, you also then have to give a view, at least qualitatively, on Q4 because that supports your cash assumptions.

©2025 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

David Begleiter - *Deutsche Bank - Analyst*

Very good. Switching to a circular economy. You had a bit of a hit to your plan last week. The DOE pulled their funding on your clean energy project or your Longview Texas methanolysis facility.

Can you talk about again how much of that DOE funding was for the thermal batteries and the solar portion of the project versus project cost inflation? And why is this project -- so what are you doing to offset that potentially and keep this project moving forward?

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

So to your point, David, a week ago, one, we were surprised and, two, disappointed. As you think about the announcements that the DOE and the secretary there did, we looked at it and said, okay, this doesn't fit our project profile.

So one, I would highlight the fact that our awarding contract was completed actually in Q3 last year. At this point, we also negotiated the Phase 1 contract of which we've met every milestone. And I've also received almost $25 million of cash from the government, and they're still processing the invoices that we sent to them.

Two, as you think about viability, one, we got a world scale facility in Kingsport that the technology is proven. And it continues to work extremely well. We also have a baseload contract with Pepsi, and we're having other discussions with brands that are now seeing the implications of product that's not fit for use with mechanical recycling.

So as you look at that landscape and what we did, so obviously, there's a formal route and a political route to the question of can we be reinstated. And we're taking that.

On the other side to your point, before the DOE was ever thought of, we had a Texas project. That Texas project had returns of greater than 12%. We added in the scope, I'll call it, the thermal battery technology as well as solar energy to support the innovation for the DOE.

So it's a win-win. You can get -- basically take, I'll call it feedstock, that's petrochemical that you're putting back into the landfill or burning and then you can do it with a lower carbon footprint. That's success. Plus you create US jobs and US investment. So to us, we think, that's win-win.

As you think about the $375 million, I'll call it, a key portion of that was definitely for the assets. So we can take that scope out as you think about multiple path forwards. So one, you go through the DOE route. Two, you re-scope it, and you take the Pepsi contract plus other commercial interactions And then you refine also the optionality that you built in the first, and you take that out to ensure the returns can be above 12%.

The one thing I want everyone to know, obviously, from the CFO lens, it's about being disciplined and making sure the cash velocity and the returns are there regardless of the path forward. So we'll be doing that. We're doing that today, and you can expect us to be giving updates and I'll call it, a set of path forwards as we think about Q2 and beyond.

But near term, we had already seen the DOE slowing down as we were negotiating our Phase 2 contract. We reduced our capital on the Q1 call from 750 to 550. A good portion of that was also related to this project.

Another key thing to know is, one, we met our milestones. So at this point, the DOE is not asking for any reimbursement of the $25 million. Two, we're at a phase where we don't have significant commitments related to the Longview project beyond the engineering that we've done, and we haven't broken ground yet.

So we're at a great spot to continue with the surprise to evaluate multiple path forwards and also continue to deliver on the momentum that we have in Kingsport and we're on track both operationally and in our sales funnel, with the Kingsport project as I said here today.

©2025 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

David Begleiter - *Deutsche Bank - Analyst*

Worst case, in Longview if you were to cancel today, what would be the remaining cash outflow you would incur or where would be the write up as well on that facility?

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

Yeah. What I would say, David, on the cash flow, it's a modest impact. It's not going to be anything significant. And at this point, I'm not going to give a number on write-offs because I don't think that's ultimately the path that we'll be on.

David Begleiter - *Deutsche Bank - Analyst*

No. I hope not.

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

But we'll update you accordingly should things change.

David Begleiter - *Deutsche Bank - Analyst*

The world needs what you're doing. Just to be clear on the DOE funding, was it roughly half for the solar and thermal battery portion and half for project cost inflation? Let me give you a little bit more on the carbon decarbonization side or how should we think about that?

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

I think that's a reasonable assumption. Maybe a little bit more than half for the carbon.

David Begleiter - *Deutsche Bank - Analyst*

Very good. And in terms of scope changes, what could we -- how should we think about those to lower the cost or enable you to go forward?

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

Well, I think there's multiple options that we're sorting through today, and ultimately, I'm not ready to speak to your point. It was a week ago, but you can think about all things- of how do we maximize the use of and the volume that comes out of our Kingsport site, as an example. Two, we have optionality, for expansion and things like that that are built in.

Those are all things that we can think through as we think about serving this market, proving out the return on our existing assets, and generating that greater than 12% over the long term because this isn't a political issue. I think everyone agrees that we don't need plastic waste in the environment.

David Begleiter - *Deutsche Bank - Analyst*

I know you're adding an rPET line in Kingsport. How does that size compared to what you're doing in Longview?

©2025 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

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

As I think about the scale of the methanolysis, you can think about the phase for Longview as being basically the similar footprint as what we have in Kingsport. Obviously, in Kingsport, we already had the polymer capacity. So that's the incremental piece here.

So you'll have the, I call it material handling, mixed plastic processing, as you saw on your visit. And then we had methanolysis as well as polymer lines. So that's the scope that we've talked about previously of $1.2 billion or $900 million net of the incentives.

David Begleiter - *Deutsche Bank - Analyst*

With the change in the funding for the DOE, Pepsi is a baseload customer. They need this material. Is a potential for them to come into a project in a different format as a maybe an equity or capital contributor?

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

We don't think that's going to be required, David. I think as we think about the circular solution model, we're talking to other global brands right now and having productive discussions with them around the additional capacity of the Longview project.

As you think about the specialty model that we have in Kingsport, we also have that optionality to use Kingsport as it's ramping up specialties to bridge and serve some of those other customers as they run into issues with mechanical recycling. So that they can actually see that proof of concept today.

And in many cases, we're working with customers and they're ultimately testing our products so that they can adopt that product when they're ready to launch Renew products in the marketplace.

So the confidence that we have in delivering in the back half of the year is based upon those sales funnels and bringing those projects along.

David Begleiter - *Deutsche Bank - Analyst*

Again in the week since the announcement, not a long time, I'm sure you pull all levers, what's been the feedback, the reaction you heard from either your congressional supporters or the DOE because it does seem that just the decarbonization portion of the project, you see why that would be canceled. But the project itself makes complete sense. What's the initial feedback from either your supporters or the DOE about the next path forward here?

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

I think there's a level of equal surprise and Greg not only has Investor Relations, he also has Government Affairs. So there's a lot of synergy there as we think about this.

And as you think, both, our Tennessee and Texas congressmen and women, are very supportive. There's other stakeholders that believe in the value of circularity, jobs in the US, and it's aligned with the key attributes of this administration.

So we actually think at some level, it -- you've got commingled with a set of other projects that it's dissimilar to and it just got pulled into that. So we hope that political process will will prevail because there's definitely disappointment at multiple levels and they're aligned to support it.

©2025 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

David Begleiter - *Deutsche Bank - Analyst*

We shall see. To Kingsport, you had in Q1 your best ever up time and production quantities for that unit. How has the unit operated in Q2?

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

So as I mentioned just briefly earlier, in Q2 early we had our planned turnaround. That, it went extremely well. We're back and operating at levels demonstrated and increasing that demonstration level as well as the DMT yield.

So everything coming out of that turnaround points to being able to achieve the higher production levels that are required in the second half to more than increase our production 2.5 times in '25 compared to '24.

So sitting here with that, then the pressure's on the commercial team, right? And they're making good progress here in the quarter. There's nothing that we see right now that takes us off track from our revised targets even though one could argue in the durables sector and just consumers in general, there's more overall consumer concern and uncertainty just with the on again, off again, challenges with China, with Europe even, of what's the rules of the game that we're playing.

And we're battling through that as you would expect our Eastman team to do and ultimately, making our own success.

David Begleiter - *Deutsche Bank - Analyst*

I know processing hard-to-recycle material is always key for this project to move forward. You've had success in doing that. How's that best continued in Q2 processing the hard to recycle material?

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

It's exciting when you can actually take some of the more complex and you actually -- that starts to become, I'll call it a tailwind because you can actually process that more efficiently, more effectively than even some of the middle grades that are out there.

So we continue to learn and the knowledge curve of our engineers, of our operators, we're getting better at this know-how every day. And ultimately, that's a competitive advantage as we think about first starting up because there's more and more of these that have tried to produce. Those companies are running out of cash and/or are running out of options of how they're moving forward and we're generating cash today.

David Begleiter - *Deutsche Bank - Analyst*

On that point, are you seeing increased competition for the feedstock material? Is it hard to acquire? Is it costing more to acquire?

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

I would say there's been no significant changes in that. And honestly, in this environment, in some cases, you can actually see it could be easier to acquire, but I would say at this point, it's not material to what we've discussed previously.

David Begleiter - *Deutsche Bank - Analyst*

You mentioned on the commercial side that you have seen delayed timelines for customers, even new product launches, given the overall macro.

©2025 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

How's that progressed in the last few months? You're still seeing delays by customers and what does that mean for this year's guidance still on track for Renew and the overall EBITDA of the unit?

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

Yeah. I would say even some of the recent experiences of our commercial team and our technology application teams is it's starting to become more apparent around in applications that mechanical recycling is just not fit for, meaning degradation or you think about color and brand effects. All of those are starting as there's more time that passes with mechanical, where they're turning to us to have discussions about being the solution because we can basically provide a purified recycled content the same at the molecular level.

And there's none of that trade-off, and we can do that. That helps the brand, helps them win in the marketplace. It doesn't give a negative on the shelf space, and meet their overall objectives of using recycled content because that pressure is still there and it's going to be there longer term.

So we're getting new engagement, new wins in those spaces that net-net, I think, winning a new applications, winning where fitness for use is required is offsetting that pressure that we described of existing customers willing to trade up to pay a premium for from trying the Tritan Renew. So right now, I think momentum is in line and excited about where we are.

David Begleiter - *Deutsche Bank - Analyst*

Any early thoughts on Renew platform revenues or EBITDA in '26?

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

I would say we're not ready to talk about that today, David, but, definitely, we'll be at the future engagements.

David Begleiter - *Deutsche Bank - Analyst*

I guess I'll give it a shot. In terms of the next project for methanolysis, if Longview is delayed, could you expand in Kingsport?

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

Well, I think I highlighted that the creative minds are working and ultimately, with the success that we have on the know-how and also on the operations, yeah, we look to maximize the value and the return of our existing asset base.

I'm not ready to talk about and quantify specifically today, but we just need to continue to demonstrate that progress, and that progress will lead to future discussions. Eastman has traditionally done that, whether it's been our Tritan facilities or TMCD facilities, all of those, as we've done it in both polymer cellulosics, have found, I'll call it untapped potential in assets, historically.

David Begleiter - *Deutsche Bank - Analyst*

Just on your French project, I know it's on pause and nothing's been said. Any movement or progress and efforts underway there to advance methanolysis or?

©2025 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

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

So what I would say is there's no significant changes at this point. Obviously, we're looking at how the producer responsibilities that are tied to that. Also, as you think about imports and how the landscape of that reshapes.

And ultimately, and all of this, it comes back to as you think about food contact applications and things like that, you want there to be safety. So we're also advocating for, ultimately, how do you know the source and the quality of the materials, because, we feel that our methanolysis is at a superior level compared to all of these and you -- ultimately, supply chains can have confidence in.

David Begleiter - *Deutsche Bank - Analyst*

Now between a Tritan Renew polymer and a PET molecule, are you agnostic as to where your methanolysis really goes moving forward?

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

So what I would say is there's still two models, at the end of the day. There's how do we grow our specialty plastics and how we grow from durables and other end markets into medical applications and higher value.

That's what we've done - is mix upgrade over time. There's still, how do we provide a larger scale packaging solution as well. Yes, there can be some hybrid, but I still see. There's two very different models as you think about the scale of packaging longer term and a robust growth path for our Tritan brand.

David Begleiter - *Deutsche Bank - Analyst*

Okay. And lastly, you have some efforts underway on a bio-based front. How are those progressing versus your prior target here?

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

Now, what I would say is, ultimately, on our cellulosic front as I think about the original biopolymer. Our teams are out there just like, we've discussed on the polymer side. We're making progress as we think about the asset profile ultimately winning in certain solutions and we're looking for those leverage points of when does it accelerate the growth.

At this point, I would say, it's at a lower scale than polyesters as you would expect, but it's gaining momentum.

David Begleiter - *Deutsche Bank - Analyst*

Is there a capital investment down the road in cellulose in bio-based or cellulosic opportunities?

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

This, it's not at the scale of what we're talking about today. A lot of this is leveraging our existing assets in Kingsport that are integrated in our cellulosics. And as you think about the declining rates in our Acetate Tow business, ultimately, this business can grow and displace that, and ultimately, we want it to be a competition between those and the returns but no, it's a much more modest capital investment required there.

David Begleiter - *Deutsche Bank - Analyst*

With that, we'll end it there. Willie, thank you very much. Thank you all for coming.

©2025 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

REFINITIV

DISCLAIMER

Refinitiv reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2025, Refinitiv. All Rights Reserved.

©2025 Refinitiv. All rights reserved. Republication or redistribution of Refinitiv content, including by framing or similar means, is prohibited without the prior written consent of Refinitiv. 'Refinitiv' and the Refinitiv logo are registered trademarks of Refinitiv and its affiliated companies.

