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OVERVIEW:

Company Summary

CORPORATE PARTICIPANTS

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

CONFERENCE CALL PARTICIPANTS

Jeff Zekauskas *JPMorgan Chase & Co - Analyst*

PRESENTATION

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Good morning. I'm Jeff Zekauskas. I analyze chemicals for JPMorgan. It's my pleasure this morning to introduce the management of Eastman Chemical. Representing Eastman is Willie McLain, who is the Chief Financial Officer. He's been CFO of Eastman since 2020. In his early days, he graduated from the University of Chicago Business School. So he's a pretty sharp CFO. And in the audience is Greg Riddle, who is the Head of Investor Relations at Eastman Chemical.

The format of our session is a fireside chat.

QUESTIONS AND ANSWERS

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

So maybe the place to begin, Willie, is it seems to me every year, Eastman puts out a press release before it comes to our conference. And what you guys do is you say we've exceeded earnings or we've missed earnings or this is good or this is bad. But this year, there is nothing. And so I was wondering why the change in pattern?

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

Well, Jeff, I think I heard in the front row, there have been enough drama today. So first of all, thank you. It's great to be here at the industrial conference again. Thank each of you in the room for being here and your interest in Eastman. I think as we laid out our expectations about 6 weeks ago, the macro background that we gave was in the discretionary end markets, which is about half of our portfolio that we expected basically flat to declining consumption.

So think about building and construction, durables and automotive. But also, we have half of our portfolio that's in stable end markets that we expect it to grow, and we're seeing fundamentally those growing here in the first quarter. I would also highlight that innovation is a key part of our growth, allowing us to grow above the end markets.

As I see Q1, we're ultimately on track for the guidance that we gave back at the end of January to be slightly ahead of Q4 here in Q1 from an earnings perspective. Obviously, I would say there's been lots of discussions on tariffs, recessions and all of those scenarios.

As you would expect at Eastman, and I think we've demonstrated over time, one, we allocate capital and we do it efficiently. Two, we control our cost structure and do that well, which I'm charged with overseeing. And we adapt and adapt quickly to the environment to maximize the outcomes for our stakeholders. And that's what we're focused on because I think while there may be more scenarios that we're planning for today, at least here in Q1, solid results and in line with expectations.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Some materials companies in the first quarter tend to have a March that's bigger than February or January. Is that true of Eastman? Is March a particularly important month in the quarter? Or how is it weighted?

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

No. What I would say is that transition month is March as you think about just general seasonality, right? You got three more shipping days than you do in February. So with the additional shipping days, and it's always critical to starting Q2 strong. So I would say, in the near term, order outlook is a little tougher as you think about the order books and people are managing choices.

But as we see it today, ultimately, the update that we're in line with guidance takes that into consideration. Typically, Q2 and Q3 are the strongest quarters of the year in our space with our end market exposure, but March is definitely critical to finishing it strong but setting the tone for Q2.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

And from your point of view, your order patterns that you can see through March are within your sort of general guidance parameters, at least at this juncture?

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

At this juncture, what I would highlight is, as you think about headwinds and tailwinds, as we outlined those for the year, what we're seeing here in Q1 is the I'll call it, the markets in the stable are holding up well. So Additives & Functional Products is doing a bit better.

As you think about Chemical Intermediates, Advanced Materials, there's a little more exposure to natural gas. There are some headwinds on that front. I think some of the banks have an improved outlook on currency and the euro. So that could be ultimately modestly favorable as we see here in Q1 and more favorable for the full year if that plays out.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

So where we stand today? I think Eastman said maybe there's a $50 million headwind from natural gas and maybe currencies are negative $30 million for the year. And my guess is natural gas is a little bit worse in that -- or it's -- what I mean by that is natural gas has inflated.

Now maybe you've hedged or you can see into your gas costs. And it may be that the -- maybe the economies have softened or demand has softened a little bit. Do you find the first quarter more uphill? Or do you think that the risks have increased? Or are they more or less the same?

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

Well, I think sitting here with, call it, two weeks left in the quarter, the risk has, I'll call it, heightened, I think, but it's more of a full year heightened.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Full year.

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

Versus Q1. When you're sitting here with a couple of weeks, yeah, we need to fulfill the orders. We need to operate our plants well to get the cost structure through that we need. But I would say net, the stable markets and strength in Additives & Functional Products is offsetting any, I'll call it, short-term headwinds as our cost pass-through contracts and our pricing actions in Advanced Materials, Fibers and Chemical Intermediates would ultimately follow through in Q2.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Are tariffs something that Eastman really has to contend with or not so much?

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

The direct impacts, tariffs are enacted and have been increased in with China, also as we think about outside of the automotive space between Canada and Mexico and the US. Ultimately, our revenue base is about 10% in China, of which 5% or about half of that we keep in country. It's low single digits for Mexico and Canada. Everything that's been enacted to date, there's been minimal direct impact on Eastman.

As you would expect, we would use our global supply chains and asset footprints in addition to our partners and suppliers around the world. Where I see -- and this is true in late '18, early '19 in the playbooks that we set up, it's really about the health of the global economy.

Uncertainty for -- capital uncertainty for making contractual decisions, that's not healthy for the overall consumer and our customers. So I think that's -- as you think about the back half of what '25 could be, there's more uncertainty today because there's not clarity. And you have to be prepared to deliver on your cash commitments, to deliver on your cost commitments and maximize where you're innovative and differentiated in the marketplace with customers.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Some people think that there's room for China to accelerate in its growth. Some people become a little bit more optimistic about Europe, maybe they become a little bit more pessimistic about the United States. Is it really too soon to tell? Or when you look across Eastman's businesses, have you seen any inflections even if subtle in any of those geographies?

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

Yeah. So I would highlight the fact that we're diversified globally. As you think about roughly 45% of our revenues in North America and the rest is outside the US, North America. So the way I think about that, it positions us well ultimately should that growth occur. I would say there's been more talk than there has been actions and then how do those actions start to flow through the economy.

So yes, I would say, last night over dinner and today, lots of questions on Germany and the health of Europe and can that be positive? The question is, is that '26 or longer, because it takes time to get that into the economy. I think long term, China needs to create that confidence in its consumer base; that will create growth opportunities for Eastman. And as you think about a healthy economy more broadly where 75% to 100% of your end markets are growing, I think we've done resilient and performed well relative to peers. And with our investments and the growth that continue to differentiate us, that creates upside when those economies do become helpful. Until then, we'll be disciplined. I think that's a characteristic of Eastman and our team members are committed to delivering on the plan and the strategy long term.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

So Eastman believes that it can grow its earnings, I think, to a range of $8 to $8.75 and maybe last year, you earned $7.89, something like that.

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

Yeah.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Is the key to earnings growth this year the methanolysis initiatives that you have?

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

Great question, and thank you. Absolutely, we're focused on growing from innovation. As we think about the growth year-over-year, roughly $75 million to $100 million of EBIT and EBITDA growth come from methanolysis and our advanced materials as we basically -- it's interesting that we have aluminum here on the table for water today.

As we think about carbon efficiency, polyester is key to that, and we can take that polyester as a feedstock, which is basically purified carbon already and turn that back into a circular material. So it's basically on a molecular level back into the intermediate, which is DMT in this case and ethylene glycol. And then we turn that into specialty products that could go into personal care, cosmetics, medical devices, hydration, kitchenware.

Those are all of the places that we're winning with today that not only want clarity, chemical resistance and durability. But today, we're adding circularity to that. And that growth, we had over 100-plus customers and wins last year. We're continuing to grow that product line and funnel. And again, based on the operations this year, we're on track to double our production from 20,000 metric tons to 50,000 metric tons in '25.

So production, I'll call it, the benefits of utilization and not having the start-up cost, create a growth picture that can impact the bottom line of Eastman. About $50 million to $75 million of that we expect in Advanced Materials and the start-up improvement will be here in first quarter in our other segment. So confident in the growth. We're off to a good start. And again, look to check off the milestones as we go through the year to prove the investment case and that 15%-plus ROIC on this project.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Is -- so I think that your primary product is called Tritan Renew. Is it a premium product? And in selling a premium product in the current market, is that easier or more difficult? Or how have you contended with the price premium if there is one?

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

As you think about Tritan, it was a premium product before we added this new capability. As you think about co-polyesters and competing on the pyramid that polyesters compete on, and I highlighted those factors, we're adding this new dimension, and you're exactly right. It is a premium with that new dimension to what our customers and brands can claim on the shelves with each of us as consumers.

So across those end markets and the segment and the offerings that we give, in some cases, they may want 25% recycled content. In others, it could be 50% and others even more, and there is an offering across those segments and applications that we're pricing in premiums above the standard price of Tritan.

I think as we highlighted at the Deep Dive and in some of our calls, given the near-term macro, we've actually seen more success in winning in these new market applications with the new functionality and brand claims. If a customer is already in Tritan in this environment, making that switch or timing of when to make that switch is being evaluated. But we're also -- the key I would highlight is, we're not losing any business. As we're winning with new brands, we're continuing to grow off of those wins in those bases.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

So in moving from 20,000 tons of production to 50,000 tons, really the polymer sale could be more than that because you're not selling 100% methanolysis product. What you're doing is you're blending it in and then depending on the customer requirements they'll take certain percentages, and you'll price accordingly. Is that the basic idea?

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

That's the basic idea and a good summary. What I would say is we're looking at capacity, and we think that over the next two or three years that we would basically consume 110,000 metric tons of waste plastic. It's about a 90% yield, so about 100,000 metric tons of intermediates that we can then monetize into 150 or greater polymers.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Have you been able to manage the flow of waste plastic adequately in order to keep your production ramping at the right speed? Or has it been difficult working with the waste plastic?

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

What I would say is, as we think about some of the learnings, as we had last year, we went through the mechanical phases that we now have fully vetted. The opportunity isn't the flow of the waste plastic. I would say it was our learning curve as we think about the technical, the engineering and the operations aspects. And I would say we're quickly accelerating up that learning or S-curve. And today, we operationally know how to handle the different mixes of feedstocks that we're bringing in.

It's always been hard to recycle materials, but you can think about the different form factors and materials that you're bringing in, the operating states, and we're coming up that learning curve. And we actually think that creates a more sustainable first-mover advantage. It also creates higher barriers to entry.

You have to remember, ultimately, we've been in polyesters for 70-plus years. We've been operating methanolysis in some form for Kodak and Eastman for 30 years. And then now we've introduced a broad array of complex feedstocks. This is not your clear plastic bottles.

And as you saw when you visited Kingsport in November, it is a complex slate, and we're improving on that every day and coming up that curve. And what we're seeing here in Q1 gives me confidence that we can produce that 2.5 times greater year-over-year.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

So just in rough terms, if your incremental revenues are, I don't know, $75 million to $100 million and your incremental EBIT exclusive of the start-up costs you had last year is maybe $50 million, so the incremental margins of this thing are 50%, roughly, something like that.

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

To your point, as we've highlighted, ultimately, of the $75 million to $100 million of incremental EBITDA year-over-year, about half of it is related to cost and operating efficiency. The other half is related to that $75 million to $100 million. So I think at the high end of the range, you're right. And then at the low end of the range, it's a little less.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

So the eventual -- the capability at the Kingsport site, I think, is around 100,000 tons. So all things being equal, that facility will be about half loaded this year. And so when we project out what the EBIT can be or the EBITDA can be, there's another, I don't know, $50 million in EBIT for 2026 or '27 or however long it takes you to get to that full utilization rate. Would that be fair?

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

I would highlight to you that we expect to exit at $100 million EBITDA run rate in Advanced Materials. So as we think about that, part of the 50,000 metric tons of production will be at inventory to supply at that higher run rate at year-end. So while directionally, I think you're correct, I would consider the exit run rate, and we think that, that number can approach $200 million of EBITDA when we're at full run rate, and we're also at the, I'll call it, optimized mix, is a true -- of our Advanced Materials and Specialty Plastics segment is -- we're always looking for that premium mix and upgrade over the long term with these assets.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Do the incrementals keep rising as you get to very high utilization rates? Is that the way you get to these?

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

What I would say is you can always, over time, raise those rates. And then ultimately, on the other assets, and we'll talk about Longview separately, but then as you bring on the next set of capacity, you can serve the broader market as well.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Is it inexpensive to bring in waste plastic. When you think about that versus buying paraxylene or ethylene glycol, does this work to Eastman's advantage? Or does it work against it?

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

Yeah. I think we've given past references around the $70 crude mark that there's definitely value being created relative to the paraxylene markets and what you're discussing. Also, as you think about trade and trade flows over the long term, we believe that for a true circular economy that these need to be regional markets because shipping waste and ultimately not knowing where your waste came from in a recycled product, there are issues with that. And I think that's being recognized.

The question is, how long does it take to get effective regulation in place to ensure that these markets, one, create the circularity; and two, with food contact and things like that, where there needs to be higher standards of safety that, that is preserved as well. So I think there's two angles: one, regional markets from a barrier; and then two, as you think about the trade-offs with crude or PX.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Where do you stand with your Longview plant? That is the second facility that you have in mind?

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

So again, we've made great progress with the offtake as we think about baseload contracts with PepsiCo. Two, we're making good progress with the engineering and on the engineering front as we're progressing towards breaking ground here around midyear. I would also say that we continue to make progress with the DOE and the DOE funding, which is additional scope within the project, but we have an award of up to $375 million.

We received cash on that award in Q4. We've continued to receive some cash here in Q1 as well and have good engagement along those milestones. So the next set of milestones will be the permitting and moving forward after you have that with the construction side as well.

As we think about the broader footprint, we also will have the capability to also, in addition to the baseload contract, as we sell out Kingsport about the time this plant would be coming online to produce some more of those specialty products also with the intermediates from this facility.

But again, the baseload contract is there. That's going to be more than half of the project. And again, stable margins over the long term. That's what the model is. We've got a specialty model, and then we have the circular solutions model. And to me, the circular solution is the bigger market opportunity from a total volume, but it needs to have the key principles that we've outlined from the very beginning, which is, we're going to be disciplined. It's got to have baseload contracts that are long term, that have consistent margins across the economic environments.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Have you given any more thought to licensing the technology over time in that -- these are relatively tiny amounts of polyester tonnage and the PET market is a very, very large market or do you think it's best more for Eastman to go alone?

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

What I would say is we're focused on creating the most shareholder value for Eastman shareholders. What I would say is a licensing model or a different business model that enables these to be capital efficient. In some cases, you may need 10 or 10-plus of these types of facilities, polyesters in Europe and in the US.

So as we think about there is long-term value that's going to be there. Part of it is what's the speed to market? And with that speed, how does that enable Eastman either through growing it, partnerships, licensing, all of those we would consider.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

What's it like to negotiate with the DOE these days? Is it continuous from your experience last year, a little discontinuous? It certainly seems as though the administration has different priorities than the previous administration, and the nature of the grant, I think, that you were going to receive has different sort of components that may or may not be necessary to the project.

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

So the thing that I would highlight is across both parties, there are things that are key, which is, one, jobs, and we're bringing that to ultimately East Texas. Two, as you think about bringing jobs, also, it's onshoring, right? This is ultimately feedstock that we have here that we can make circular and it's onshoring assets and jobs. The other aspects, as we think about ultimately improving technology and investing in technology over time with the batteries as an example is also a positive. So we're --

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Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

These are solar batteries. Is that right?

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

I would say these are batteries that can store energy. So to me, yeah, there are components of the project, which are less favorable in today's administration. But having battery technology and being able to store energy is powerful for the US and for differentiating, I think, US and our capabilities.

So all in all, for East Texas, for circularity and for solving long-term differentiated for us versus the rest of the world, we don't want to be ultimately bringing products from around the world and putting that into our landfills or incinerating it.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Okay. I think the other larger component of Eastman's EBIT growth this year is its cost reduction program. Maybe it's $50 million. How do you see that? Is that something that's more SG&A focused or more cost of goods sold focused? Is it more people? Is it more process? And how do you monitor the progress of that initiative?

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

Great question. As I like to think about Eastman, our focus is on offsetting inflation every year. That number could be $75 million in normal years. It could be $100 million, I'll call it, in some of the peak periods that we saw in the not-too-distant past.

So as you think about, first, we're committed to that. This year, as we think about what's required in this type of environment to grow, we're doing an additional $50 million.

I would say, a large proponent of that is focused on gross margin and gross margin efforts, but we're doing it across the enterprise. As you can imagine, at our large manufacturing sites in Kingsport, in Texas, we've had a lot of activity going on at those sites, and we've diverted resources to make sure that we have successful start-ups of our investments.

We're putting those resources back in focus now of how do we gain energy efficiency, how do we, I'll call it, make sure that we have the best contract partners at our key sites and that those partners are driving the milestones and the efficiency with us.

This is something that I think Eastman is good at, and we've got towers across the key components, which is yields, energy efficiency and then fixed cost structure and then third-party contractors is the way I like to think about driving those outcomes so that we hit that to the bottom line, and it enables us to ultimately perform well and resiliently should the environment be more difficult in the back half of the year.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

So when we think about risks to Eastman this year, you have a very profitable Fibers business. And that's been a business that's really grown very nicely over the last several years, very, very sharp upward pricing. But maybe there's been some change in different inventory levels? Or how do you see that business going forward over the next couple of quarters if you have visibility?

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

What I would say is, as we've guided this year, we expected the full year to be $400 million to $425 million. Part of that was --

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Get down from maybe $450 million?

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

That's correct. Ultimately, the key factors in that are destocking. And I would say destocking is occurring in these end markets a little later than the broader markets that we were talking about the last couple of years. So why is that?

Fundamentally, what has occurred over the last several years is the decline in traditional uses of filter tow has ultimately declined at a lower rate. Two, the applications that consumers are buying is a different denier. And with that different denier is ultimately reducing capacity of the industry because you have to run that slower. And then on top of that, we've had growth in end markets that are considered reduced risk like heat-not-burn and others. And in many cases, it uses the same or higher amounts of the cellulose acetate tow.

So that's on, I'll call it, the demand side. So the demand is playing out better. That's good for us. It's good for our customers. Also, as you think about capacity realization, Eastman has been focused on growing products like Naia and the textiles and the circularity of that product and we've converted products over to textiles.

Additionally, we're innovating and using part of the intermediate. So think about cellulose flake into the production of a product that we talked about at our Deep Dive called Aventa and bringing solutions for polystyrene to market today that's on the shelves being tested. So we're also seeing growing demand in other applications and markets. That is what led to a multiyear, I'll call it, change in the economics because they weren't, I'll call it, at maintaining the level of service that our customers were demanding.

So we raised that to meet our expectations to also be on par with other products that we were testing. As you would expect, it's a low part of the cost in serving the traditional markets that acetate goes into in these new reduced risk. They didn't want to be short as they were launching new products.

They built inventory. And now that we believe that the market is more stable, they're adjusting those inventories. I would say what we've seen in Q1 is pretty much in line with what we expected. There's no certainty, but obviously, we're in close contact with our customers and serving them in the Q2 and Q3. So it could go a little longer into Q2. But overall, I would say, to date, it's been in line with expectations here in Q1.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

So you've changed your pricing in fibers to be more multiyear. Does that cushion the change in EBIT or EBITDA? Can you see your margins a couple of years forward?

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

So you've heard us talk about being fully contracted this year, being at that 70%, 80% plus in '26. And to your point, we're -- we have contracts in '27, '28 even at this point. So the answer is, as we've converted, I'll call it, the business model and the return level, we were looking for longer term for visibility and then also on top of that, cost pass-through as we think about certainty of margins across a multi-quarter period so that we can maintain those margins within a year while we may get behind for a quarter.

So the new model of commercial has transitioned from annual contracts that were not a high percentage of cost pass-through to multiyear contracts that are staggered that also have cost pass-through in them.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

So maybe as a last question, is Eastman a coiled spring? If you had a lower interest rate environment, if interest rates went down 100 basis points, 150 basis points, would that activate your business model? Or can you calculate what the benefits to that might be in terms of volume?

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

Well, the way I think about it, Jeff, is -- the answer is, we're well positioned. We've been disciplined. We've taken the portfolio actions that we needed to, and we produce a lot of cash. We've got half our portfolio today that has been depressed. We talked about automotive, building and construction, durables. There's about -- that used to be 60% of our portfolio.

So if you can take 10% of our portfolio that's at higher margins than the corporate average and then add growth on top of that, whether it's industrial production or low GDP with the innovation, there is tremendous upside in that scenario, and we believe that it's our job to be ready to activate that when it happens, and also, we're disciplined on the cash flow and the generation of that cash flow.

We're going to deliver $1.3 billion of cash flow this year. It will be tougher in Q1 as we have higher cash taxes and I'll call it, building some inventory for the Q2 turnarounds, but we're delivering $1.3 billion now. My goal is to take us back to the $1.6 billion and above in that type of environment.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

The cash taxes this year are $50 million higher than last year?

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

I would say cash taxes are higher. We're not going to say the number, but I would actually say it's a little higher than what you just said.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Okay. All right. On that note, thank you very much for attending.

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

Appreciate it. Thank you.

Jeff Zekauskas - *JPMorgan Chase & Co - Analyst*

Appreciate it.
