



First-Quarter 2019 Financial Results

Mark Costa, Board Chair & CEO
Curt Espeland, EVP & CFO

April 26, 2019

EASTMAN

Forward-looking statements

During this presentation, we make certain forward-looking statements concerning plans and expectations for Eastman Chemical Company. We caution you that actual events or results may differ materially from our plans and expectations. See these slides and the remarks in the conference call and webcast, the first quarter 2019 financial results 8-K and news release, and our Form 10-K filed for 2018 and Form 10-Q to be filed for first quarter 2019 for risks and uncertainties which could cause actual results to differ materially from current expectations.

GAAP and Non-GAAP financial measures

Earnings referenced in this presentation exclude certain non-core and unusual items. In addition, first quarter 2019 and 2018 earnings use an adjusted effective tax rate using the Company's forecasted tax rate for the full year as of the end of the interim period, and first quarter 2019, fourth quarter 2018, and first quarter 2018 earnings per share are calculated with an adjusted tax rate that excludes the provision for income taxes for non-core and unusual items. "Free Cash Flow" is cash provided by operating activities minus net capital expenditures (typically cash used for additions to properties and equipment). Reconciliations to the most directly comparable GAAP financial measures and other associated disclosures, including a description of the excluded and adjusted items, are available in our first quarter 2019 financial results news release available in the "Investors" section of our website and in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Forms 10-K and 10-Q filed with the SEC for the periods for which non-GAAP financial measures are presented. Projections of future earnings exclude any non-core, unusual, or non-recurring items.

First-quarter 2019 strategic highlights



Strong sequential increase in earnings after a challenging fourth quarter



Continued progress on new business revenue from innovation



Energy Star Partner of the Year award recipient for eighth consecutive year



Announced multiple investments in “circular economy” recycling technologies



Continued disciplined cost management and productivity improvement to fund growth



Completed bolt-on acquisition of Marlotherm heat-transfer fluid assets from Sasol



Named one of 2019’s “World's Most Ethical Companies” by Ethisphere for consecutive sixth time



Returned \$212 million to stockholders, 18 percent increase over 1Q18



Innovative products delivering growth despite slowing auto market

World-Class
Technology
Platforms

Differentiated
Application
Development

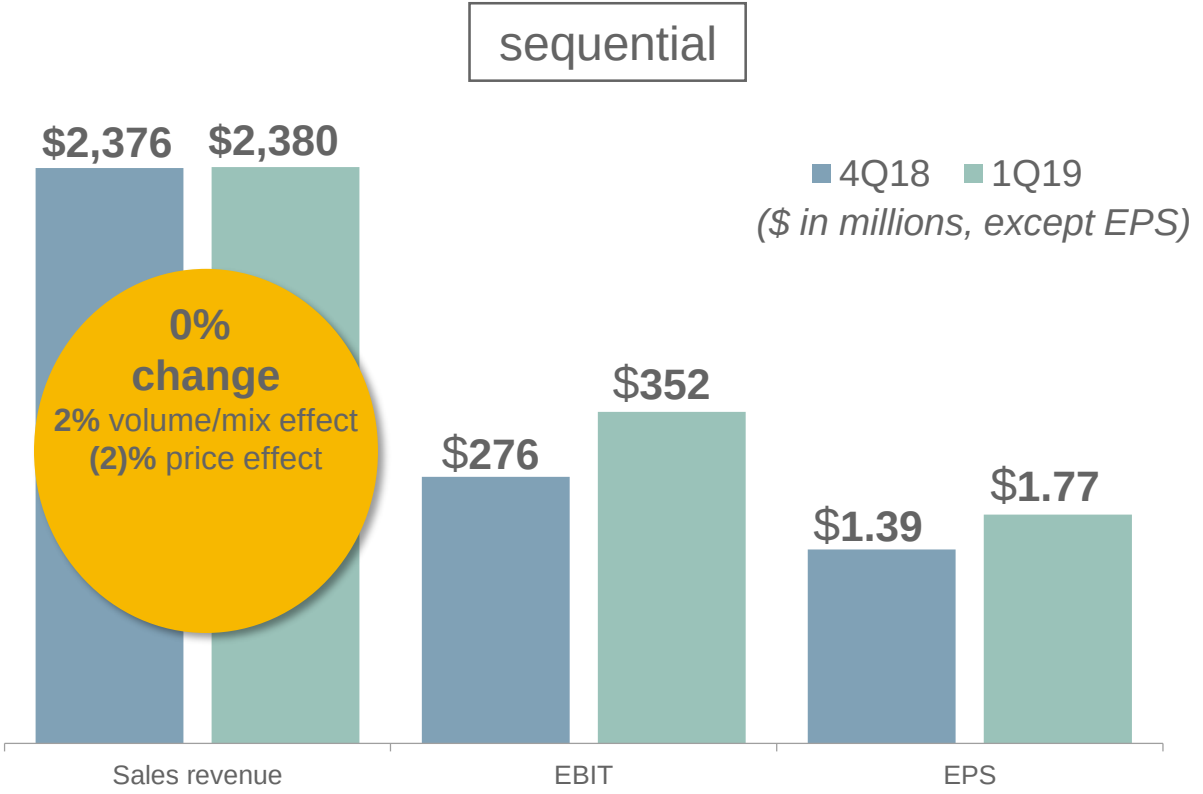
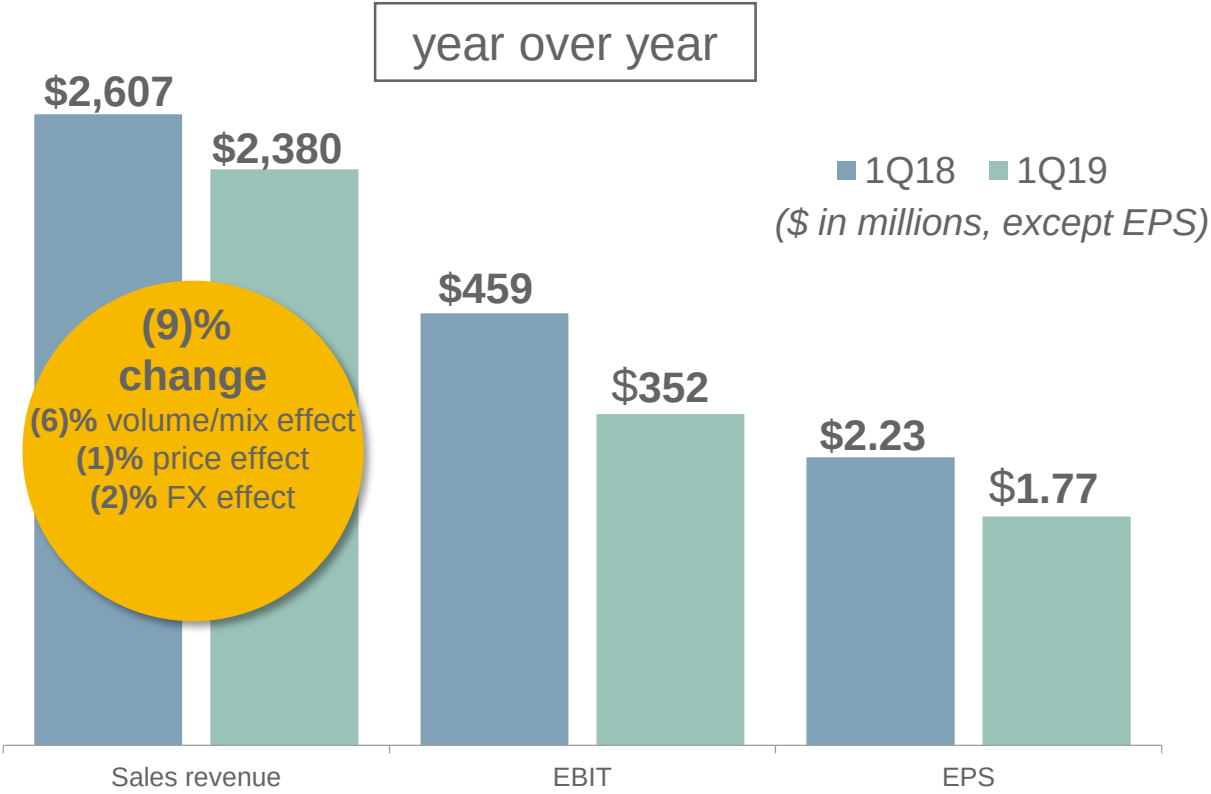
Relentlessly
Engage
the Market



tire
TECHNOLOGY
INTERNATIONAL 2019
AWARDS
FOR INNOVATION AND EXCELLENCE

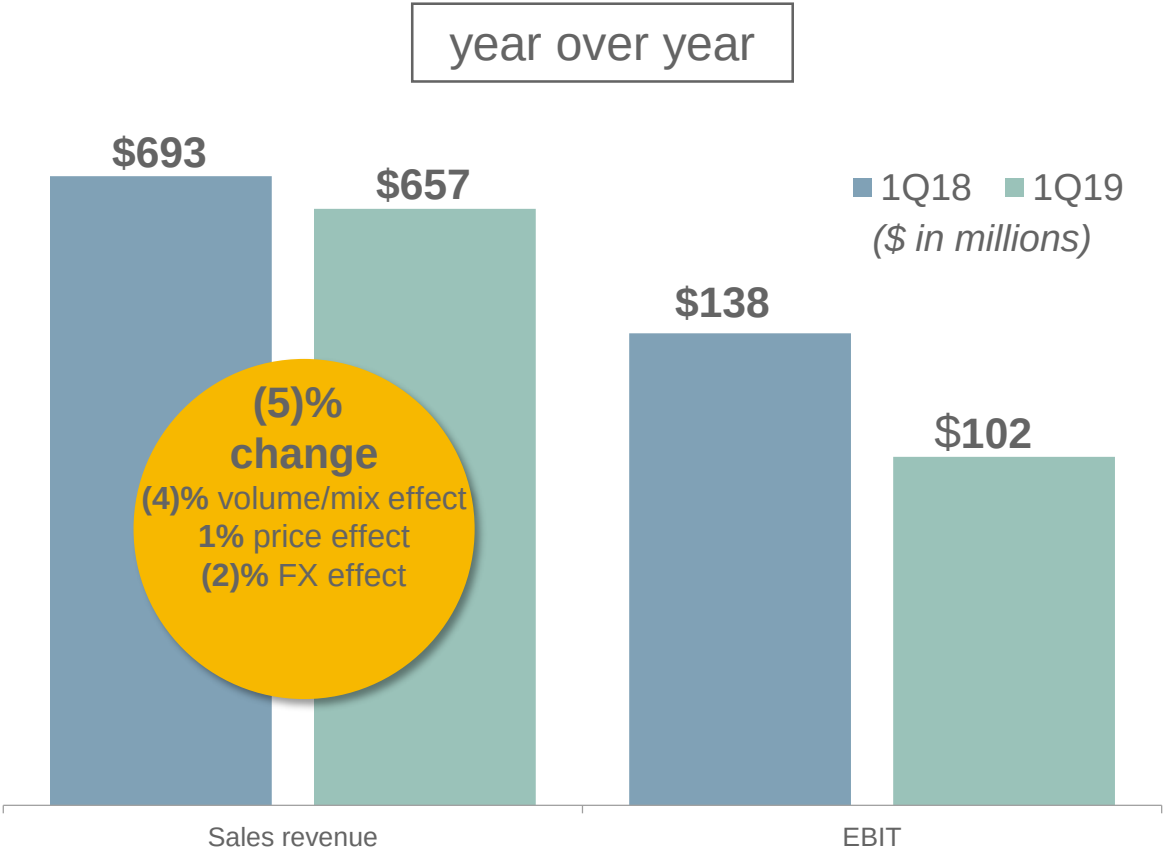
Eastman **CRYSTEX™**
insoluble sulfur

1Q 2019 financial results *Corporate*

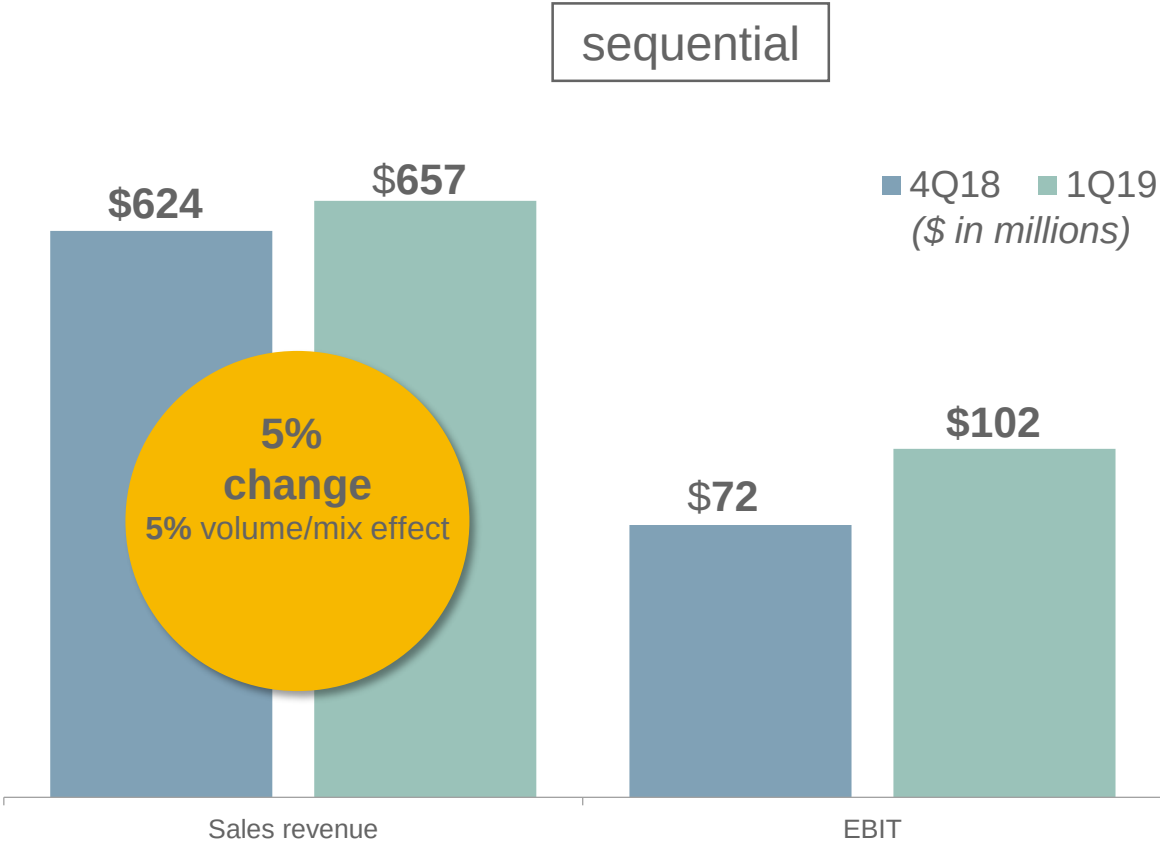


1Q 2019 financial results *Advanced Materials*

year over year

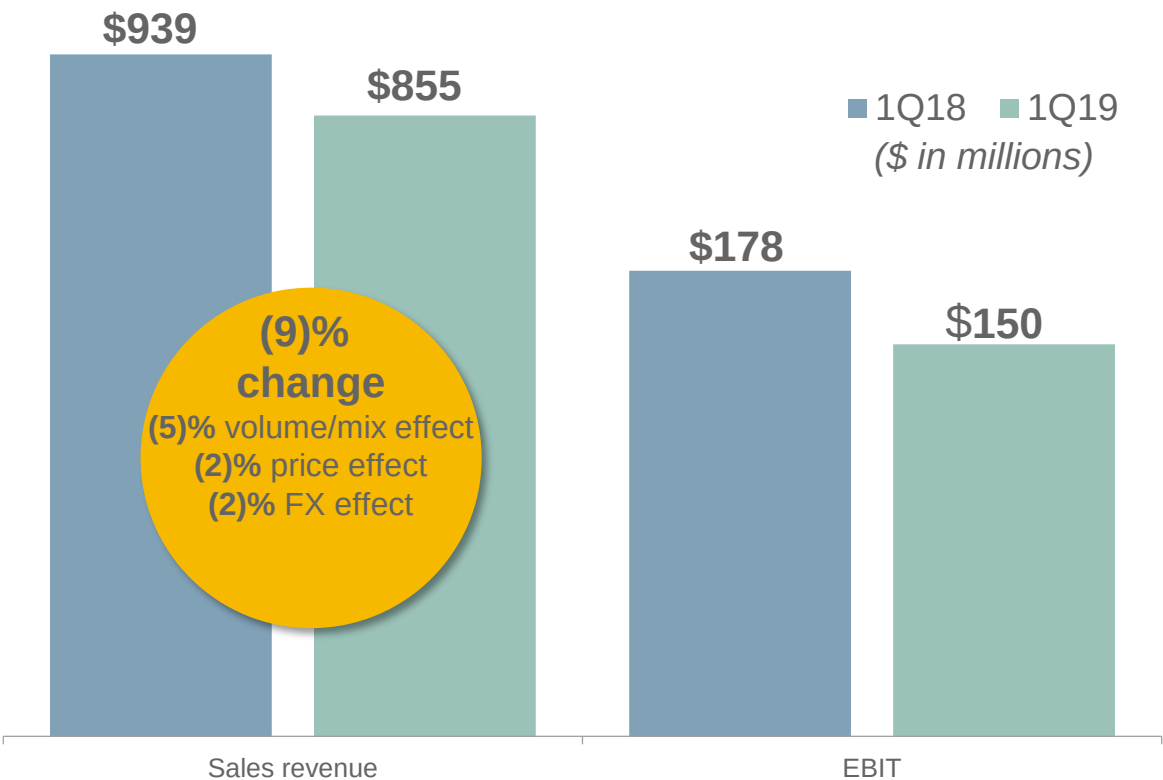


sequential

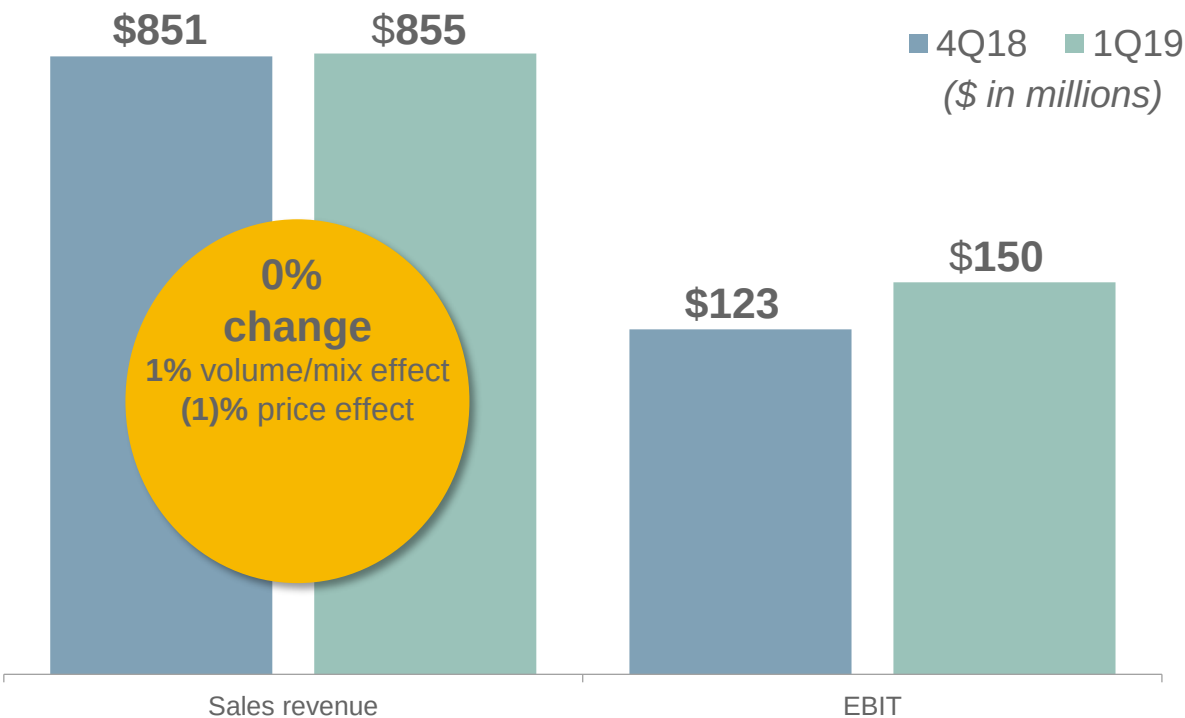


1Q 2019 financial results *Additives & Functional Products*

year over year

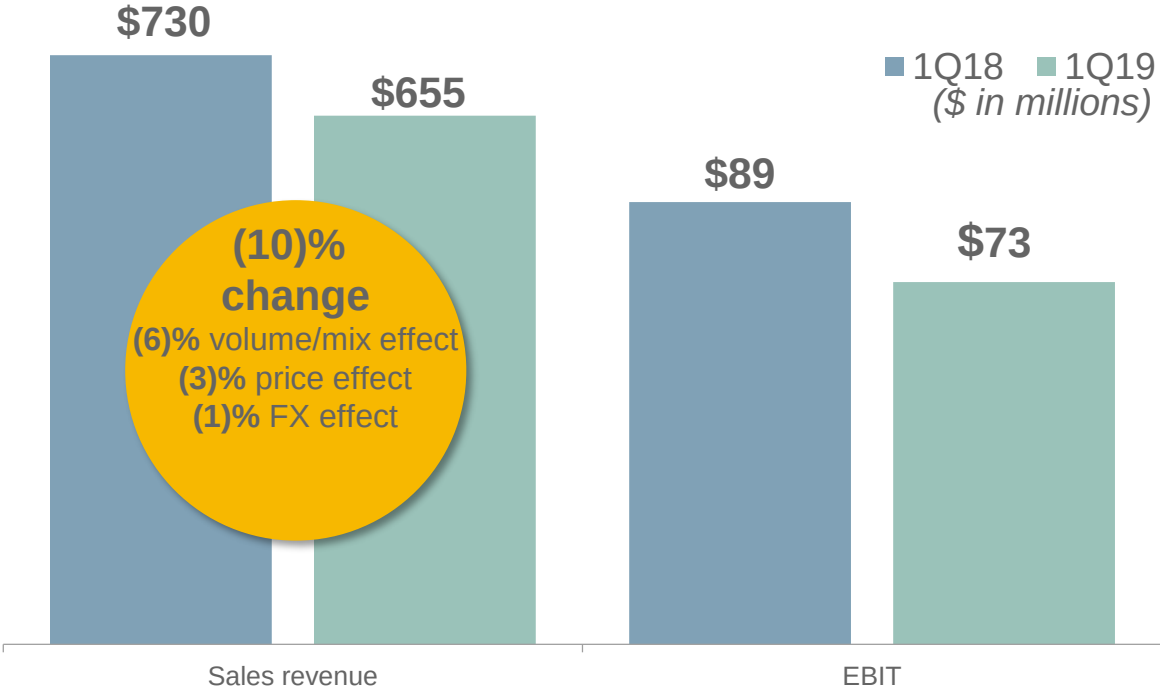


sequential

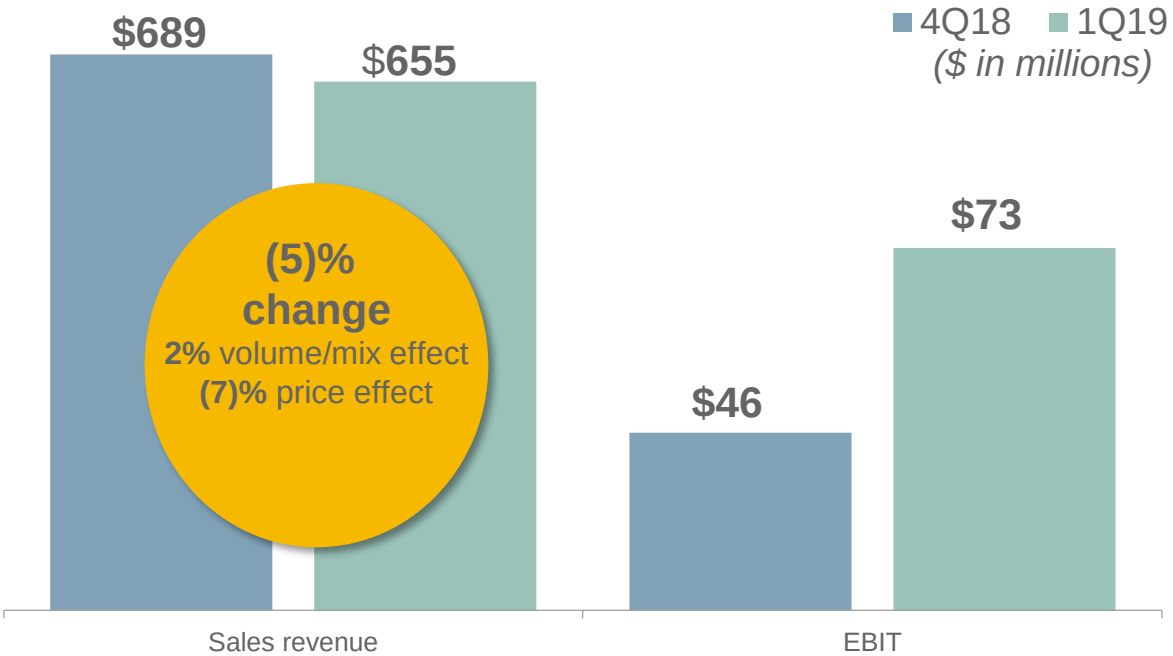


1Q 2019 financial results *Chemical Intermediates*

year over year

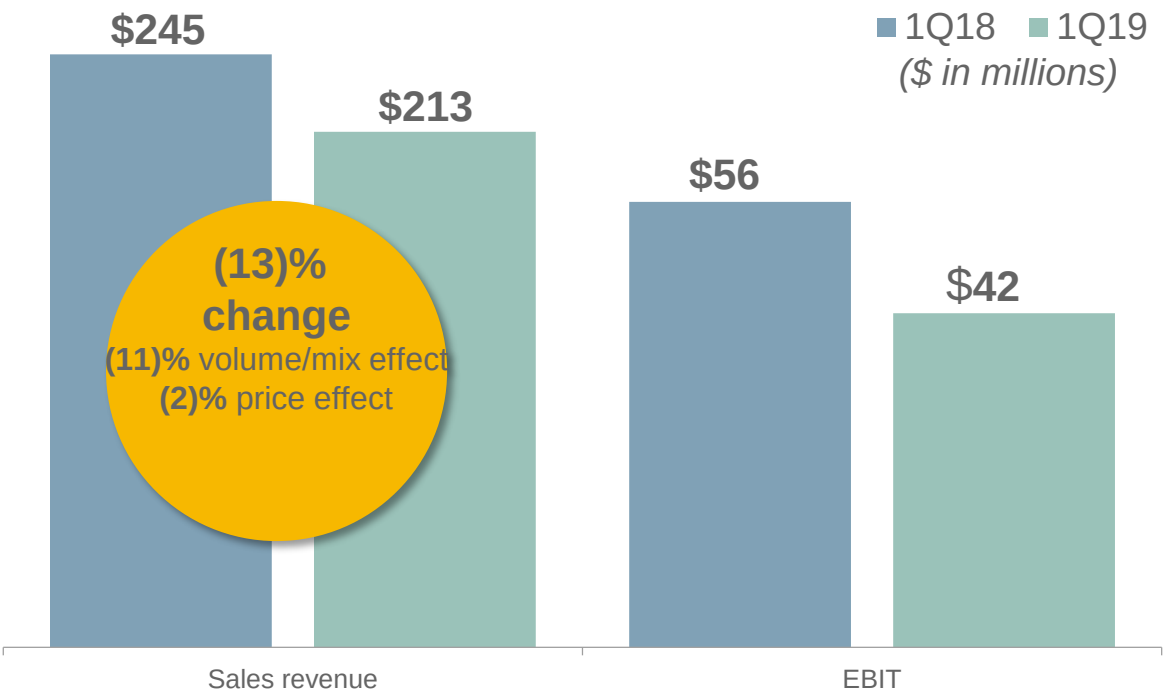


sequential

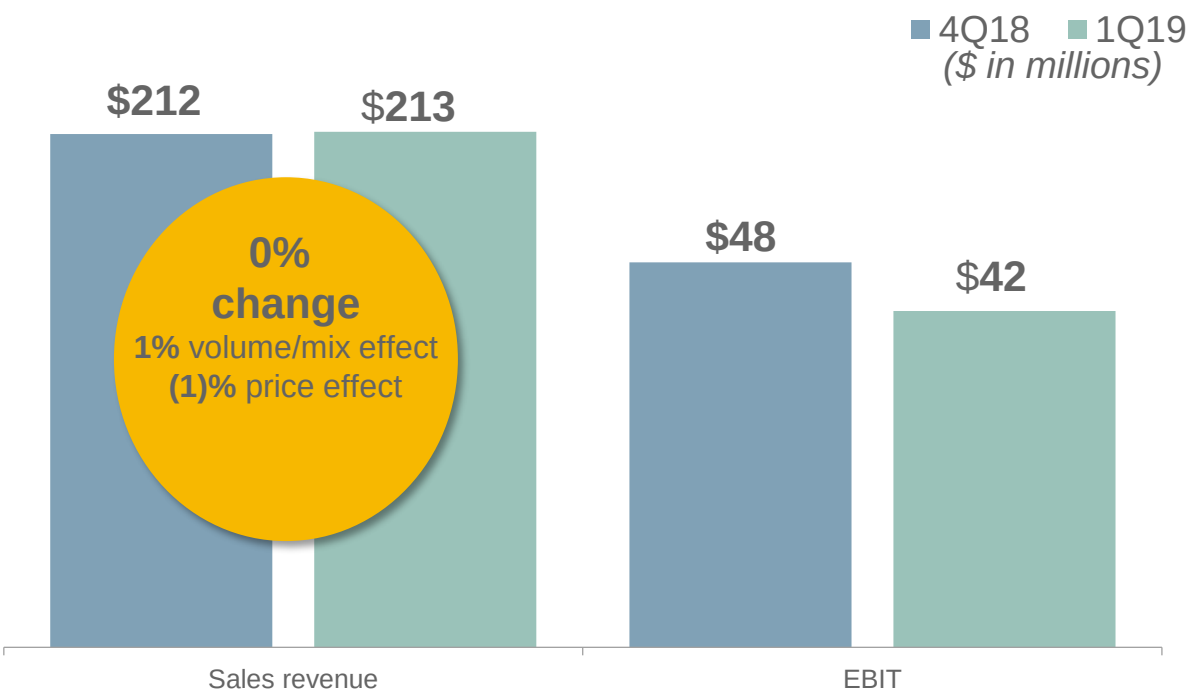


1Q 2019 financial results *Fibers*

year over year



sequential



1Q 2019 cash flow and other financial highlights

**On track for
>\$1.1 billion
of free cash
flow in 2019**

Returned
**\$212
million**
to stockholders

**\$125
million**
share
repurchases

\$87 million
dividend

**Remain
committed
to
investment
grade
credit
rating**

Forecasted FY19
effective tax rate of
16% to 17%

Full-year 2019 outlook

First half 2019 headwinds

- Slow global economic growth
- Delayed settlement of U.S. – China trade dispute
- Slow flow through of lower-cost raw materials
- Stronger U.S. dollar
- Higher pension costs

Second half 2019 tailwinds

- U.S. – China trade dispute settlement
- Improving global economic growth
- Flow through of lower raw material costs
- ~\$40 million of additional cost actions beyond keeping costs flat
- Limited impact from stronger U.S. dollar

Full-year 2019 adjusted EPS growth of 6 – 10%

2019 free cash flow greater than \$1.1 billion