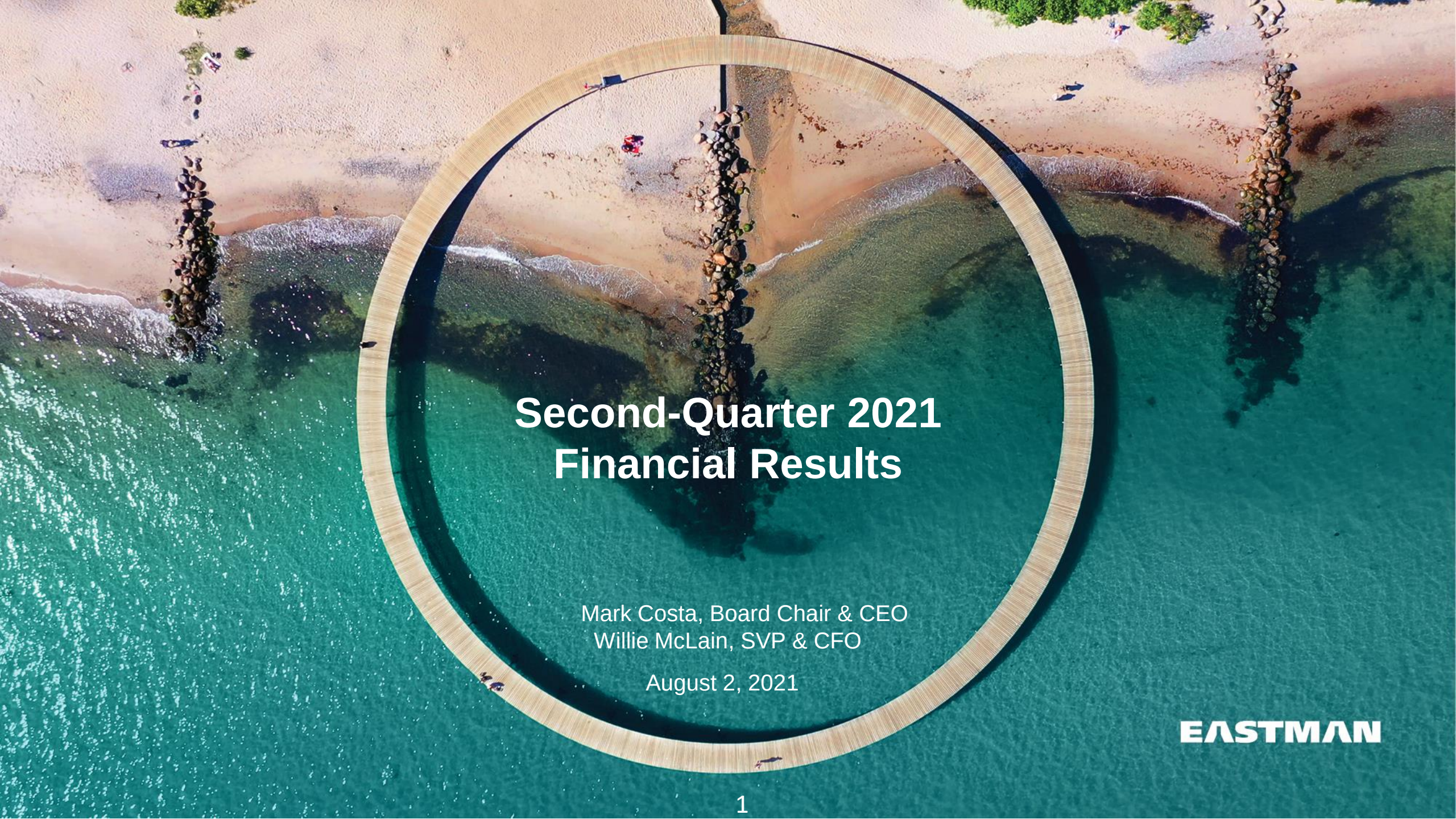




Second-Quarter 2021 Financial Results

Mark Costa, Board Chair & CEO
Willie McLain, SVP & CFO

August 2, 2021

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Prepared Remarks

These slides should be reviewed with the accompanying prepared remarks posted on our website.

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, the accompanying prepared remarks posted on our website, the remarks during the conference call and webcast, the second quarter 2021 financial results 8-K and news release, and our Form 10-Q filed for first quarter 2021 and Form 10-Q to be filed for second quarter 2021 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 and the accompanying prepared remarks exclude certain non-core items. “Free Cash Flow” is cash provided by operating activities minus net capital expenditures (typically cash used for additions to properties and equipment). “EBIT Margin” is Earnings Before Interest and Taxes (“EBIT”) adjusted for non-core items divided by GAAP sales revenue. “EBITDA” is Earnings Before Interest, Taxes, Depreciation, and Amortization adjusted for non-core items. “Net Debt” is total borrowings less cash and cash equivalents. “Net Debt to EBITDA” is Net Debt divided by EBITDA adjusted for non-core items. 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 second quarter 2021 financial results news release which is posted 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.

Recent highlights

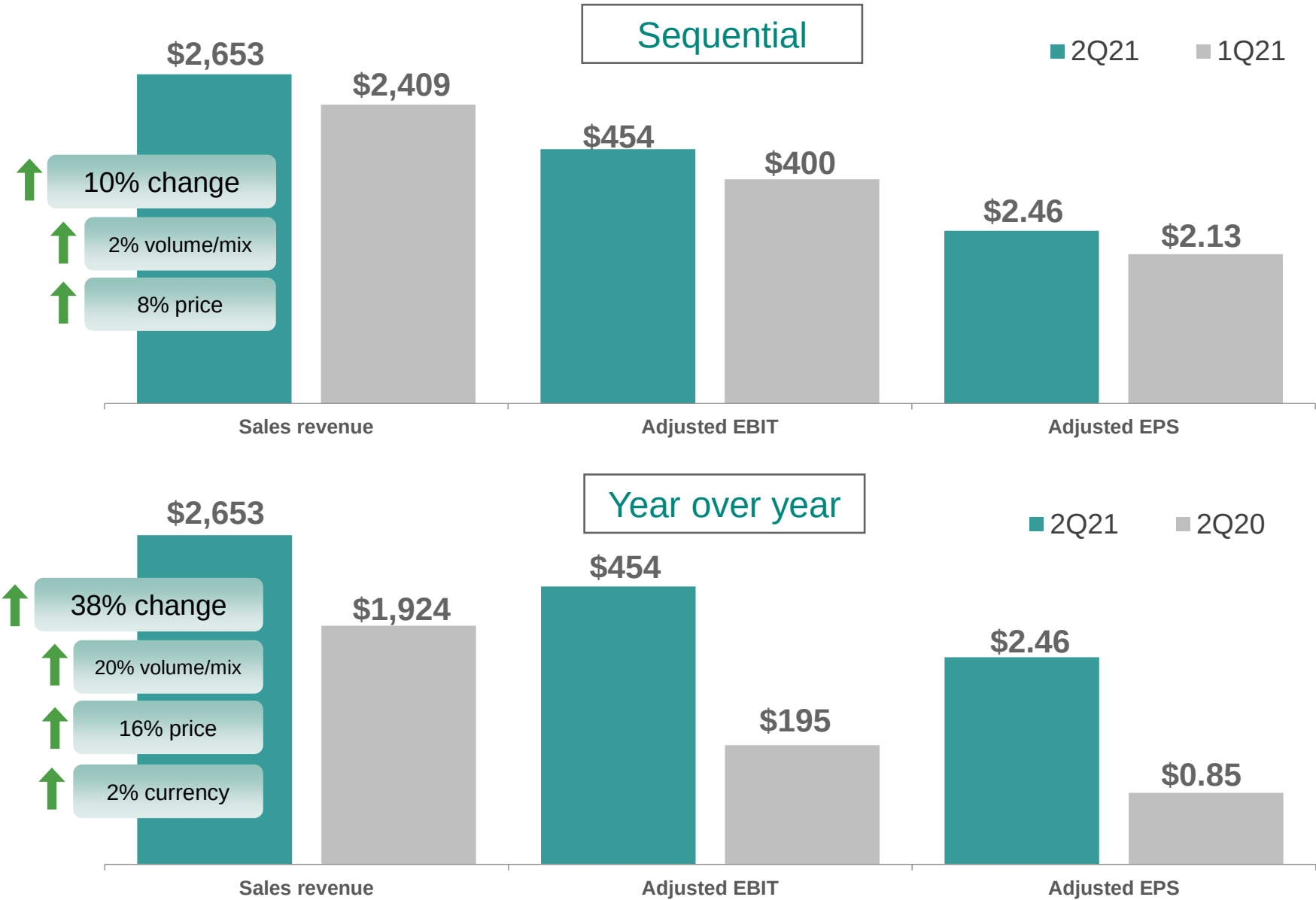
-  Outstanding execution across the portfolio, delivering record revenue and adjusted EPS; strong first-half 2021 free cash flow despite increase in working capital
-  New Business Revenue from innovation ahead of expectations, on track for approximately \$600 million in 2021
-  Progress on strategic alternatives for “one-third” of Additives & Functional Products segment with agreement to divest certain tire additives product lines
-  Continued progress accelerating the circular economy with new customer agreements and collaborations
-  Collaborating with SAP GreenToken to utilize blockchain technology for tracing certified recycled content across the value chain
-  Well-positioned for continued earnings and cash flow growth beyond '21

2Q 2021 financial results – Corporate

Highlights

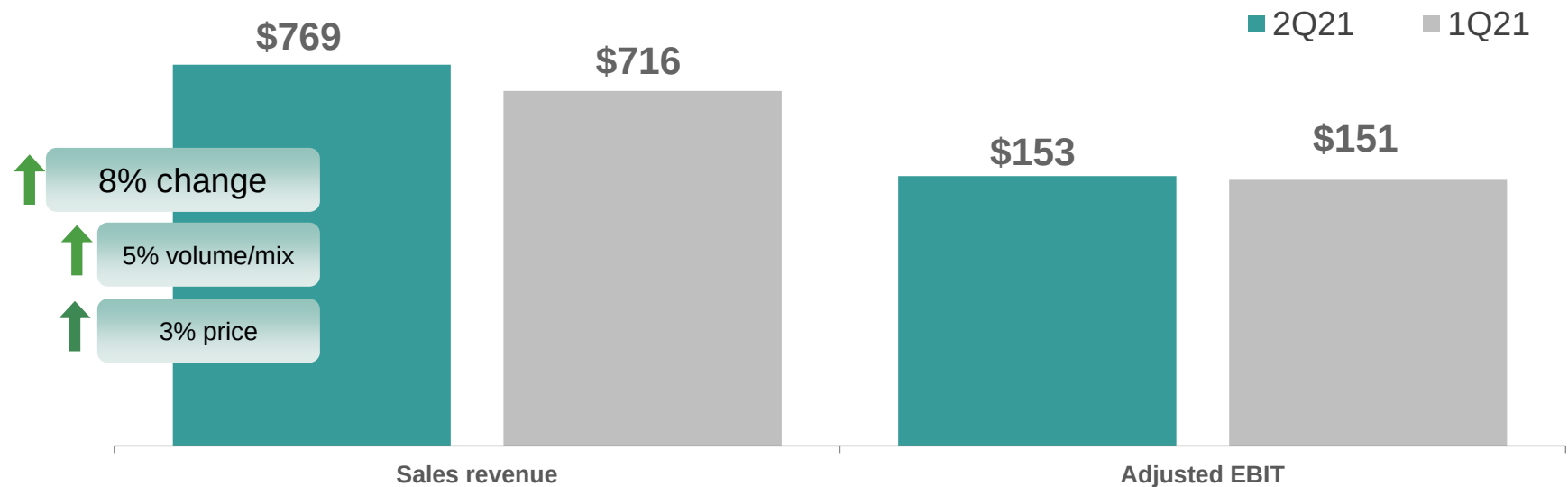
- Strong sequential growth in revenue and earnings driven by continued improvement in the global economy and our innovation-driven growth model
- Robust demand in building & construction and consumer durables end markets
- Revenue and earnings significantly higher year-over-year due to economic recovery from weak 2Q20 business conditions resulting from COVID-19

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2Q 2021 financial results – Advanced Materials

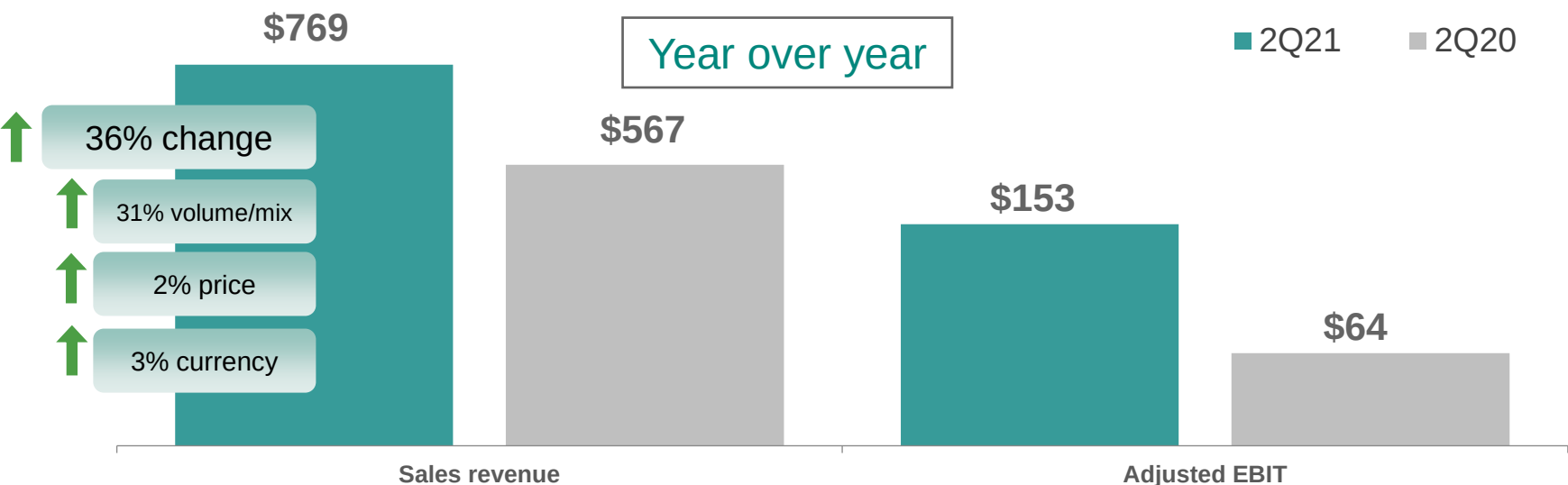
Sequential



Highlights

- Specialty plastics continues to outperform underlying end markets
- Higher logistics costs and supply chain constraints negatively impacted 2Q21
- Significant year-over-year improvement in results due to recovery from ongoing impact of COVID-19

Year over year



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Ahead of schedule with customer volume commitments for methanolysis molecular recycling facility



- Supply agreement to accelerate circular transformation
- P&G will use Eastman Renew materials in products and packaging
- Collaborate on initiatives addressing infrastructure needs required to increase plastic recycling rates

New in Q2

Dior

LVMH

ZAGG
B R A N D S



Salvatore Ferragamo

USAMP
UNITED STATES AUTOMOTIVE MATERIALS PARTNERSHIP LLC

FUSIONPKG
an Aptar beauty + home company

IncipioGroup

杰美特 | 股票代码
JAME TECHNOLOGY 300868

CAMELBAK



ESTÉE
LAUDER
COMPANIES

THÉLIOS

TupperwareBrands

AXILONE

CLIO
PROFESSIONAL

QUALIFORM

nalgene

INDAC

1849 Mazzucchelli

WILLIAMS SONOMA
CALIFORNIA



H&M

MARCHON
EYEWEAR | A VSP GLOBAL COMPANY

HydraPak

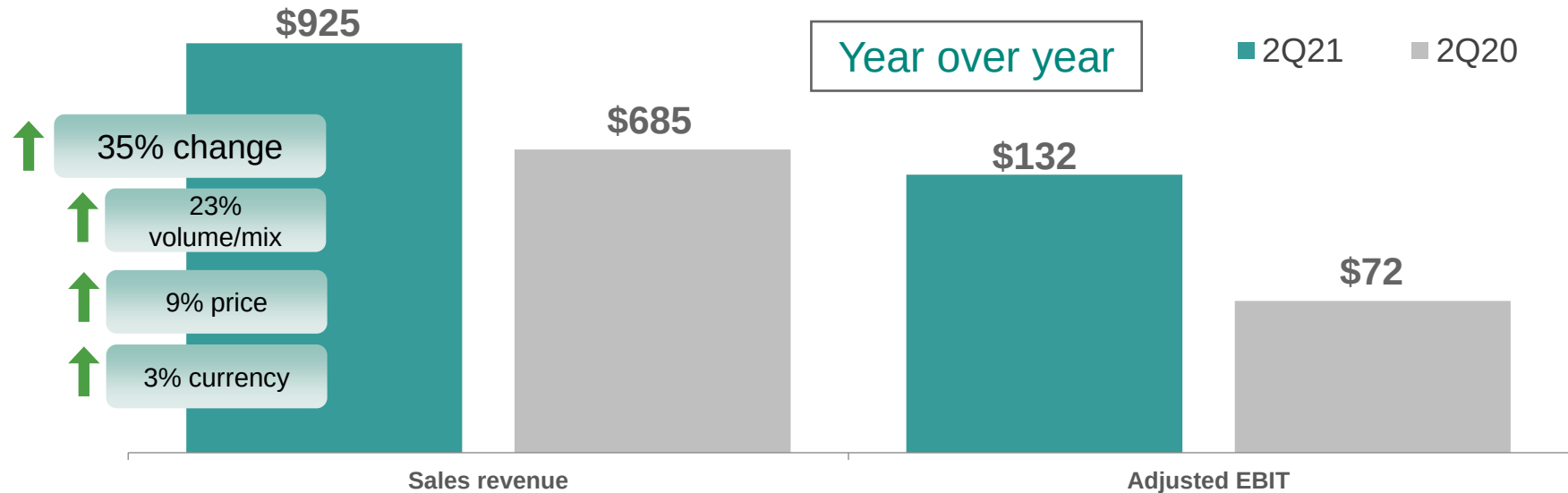
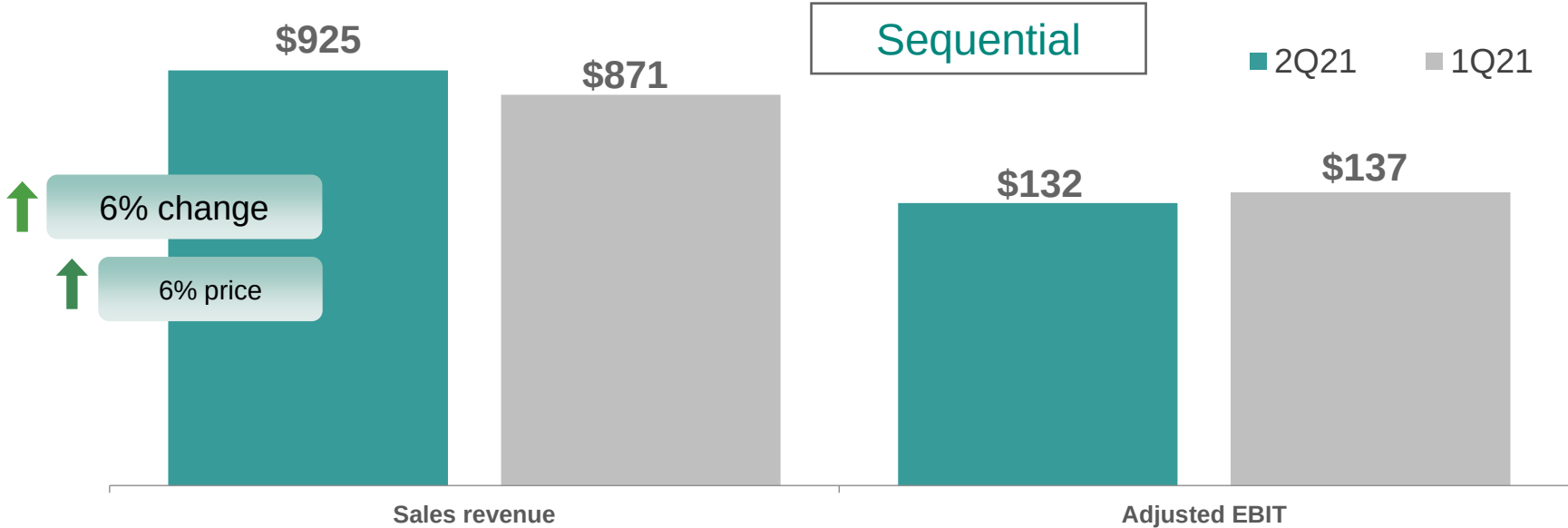
INBLCOM

ello

Safilo GROUP
Polaroid
Polarized Sunglasses

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2Q 2021 financial results – Additives & Functional Products

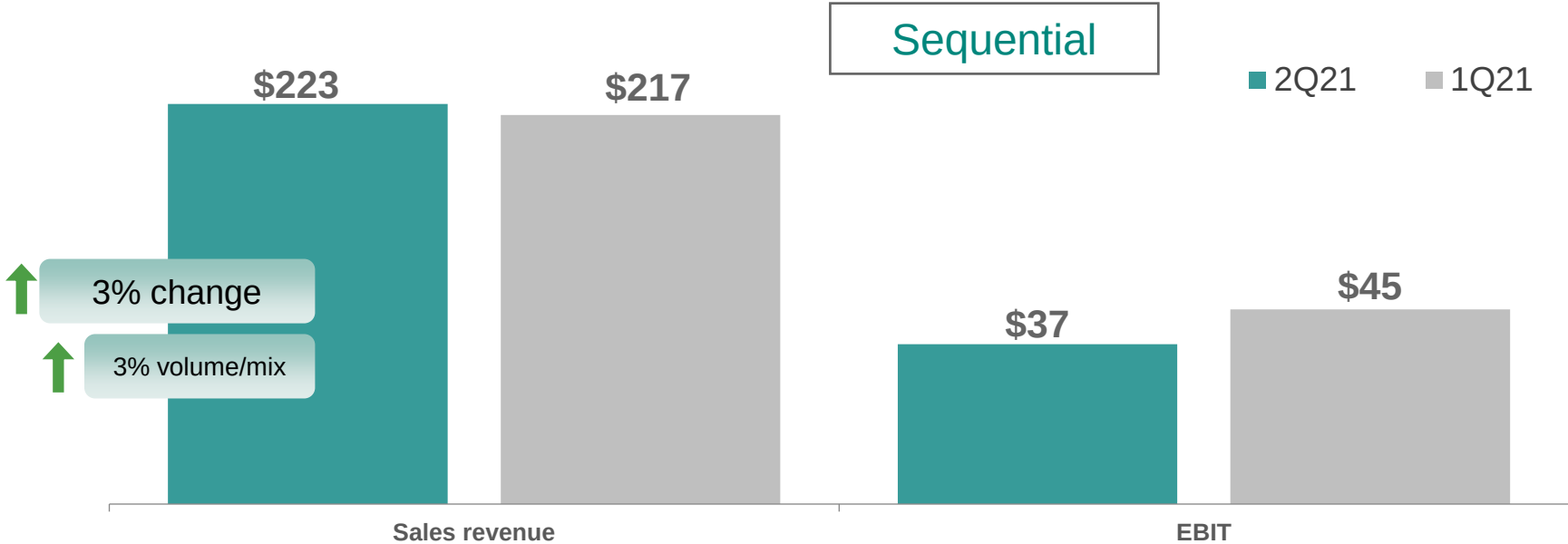


Highlights

- Strong underlying demand led by building & construction end markets
- Higher sequential costs due to planned manufacturing maintenance activity
- Spreads increased sequentially
- Significant year-over-year improvement in results due to recovery from ongoing impact of COVID-19

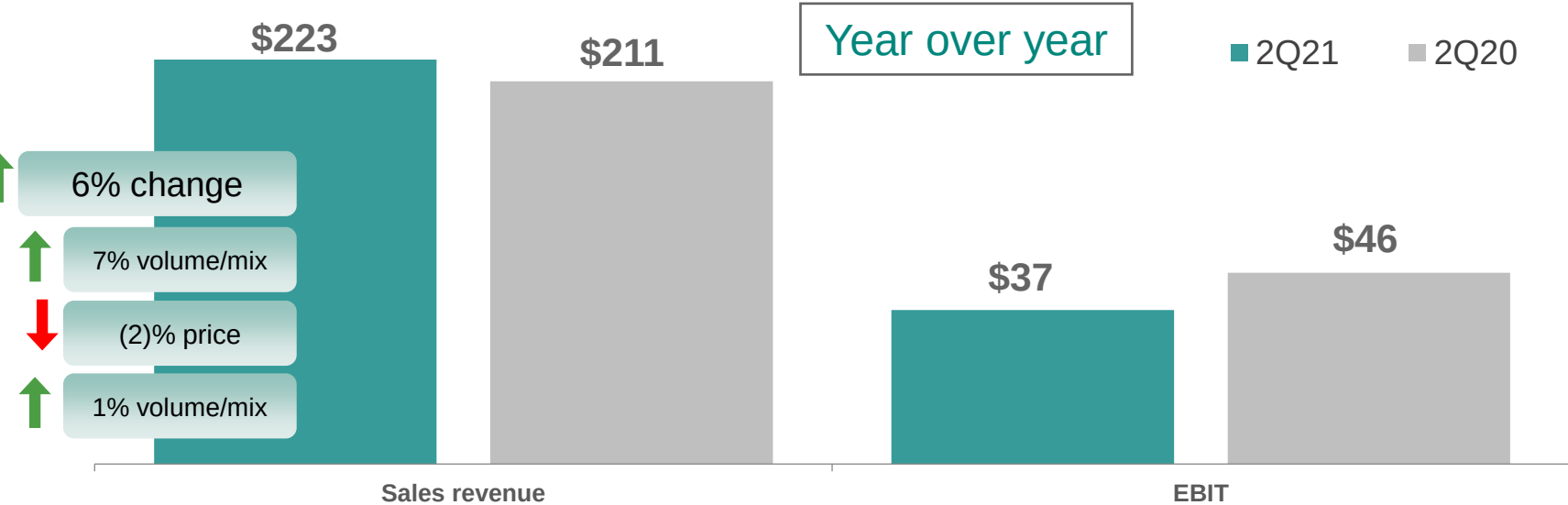
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2Q 2021 financial results – *Fibers*



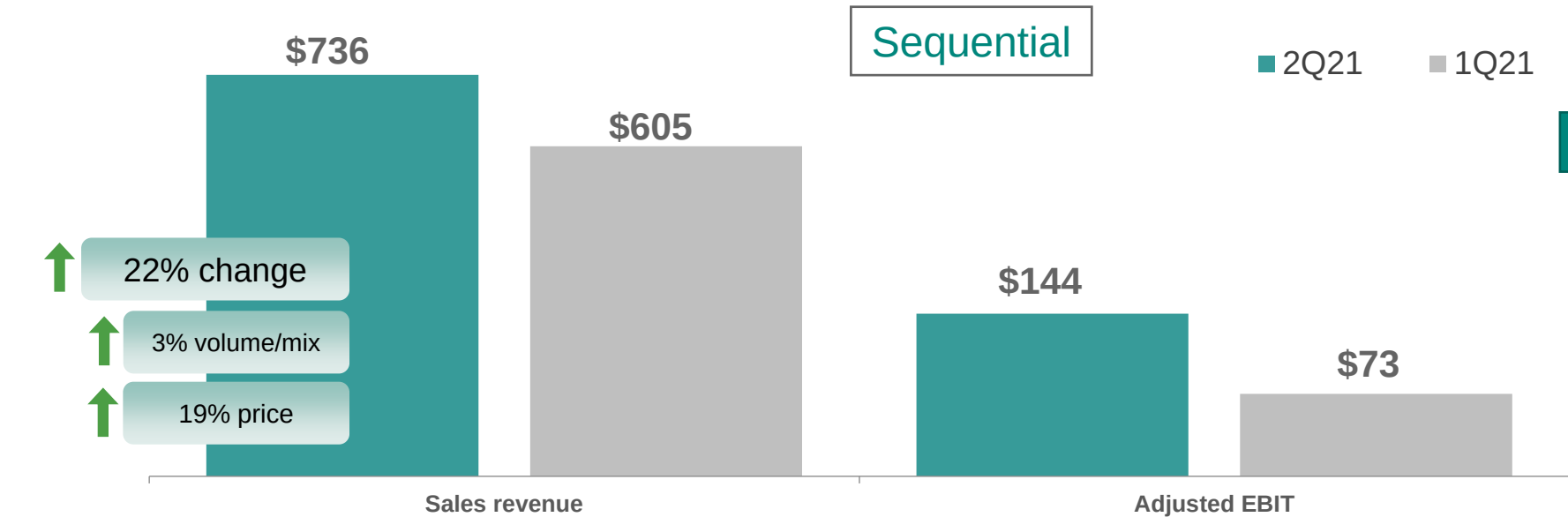
Highlights

- Sequentially, higher manufacturing maintenance shutdown costs offset increased volume / mix
- Higher year-over-year volume in textiles products as end markets continue to recover from the economic impact of COVID-19



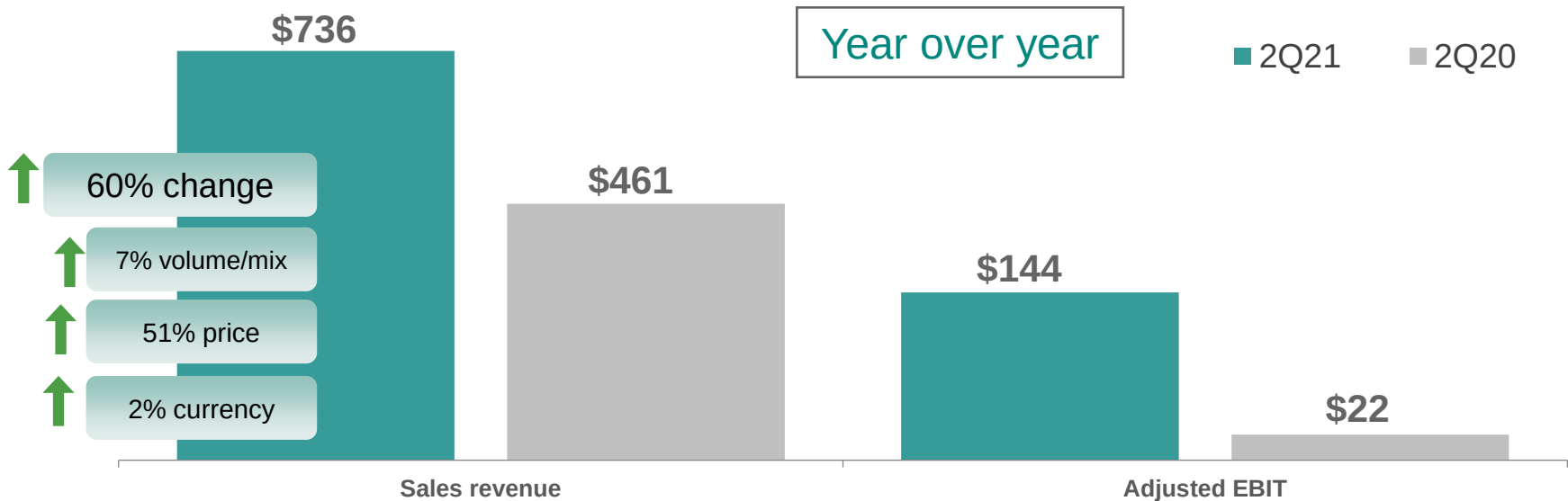
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2Q 2021 financial results – Chemical Intermediates



Highlights

- Excellent execution to deliver **record earnings** in historically tight market conditions
- Spreads increased significantly both sequentially and year over year



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1H 2021 cash flow and other financial highlights

On track for free cash flow greater than
\$1.1 billion in 2021

First half free cash flow
\$444 million, up 8% vs 1H20

\$328 million
returned to stockholders in 1H21

Expect to
repurchase ~\$250 million
of shares in 2H21

Cash and strong balance sheet providing
significant strategic flexibility

Net debt to adjusted EBITDA expected to be
<2.5x
by year end

Forecasted FY21 adjusted effective tax rate
15% to 16%

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2021 outlook

Growth drivers

- Sales revenue growth driven by:
 - Benefit of innovation-driven growth model enabling growth above end markets
 - Expect continued recovery in key high-value end markets
 - Continued strong product mix improvement
- Significant asset utilization tailwind
- Cost structure ~flat vs 2020
- Disciplined capital allocation

Near-term uncertainties and headwinds

- Supply chain disruptions, logistics constraints
- Automotive OEM demand related to component shortages
- Uncertain pace of normalization of Chemical Intermediates spreads

Project full-year 2021 adjusted EPS between \$8.80 and \$9.20

Project 2021 free cash flow greater than \$1.1 billion

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Well-positioned for strong EPS and FCF growth in 2022

Growth drivers

- End markets expected to continue recovering
 - Especially transportation, building & construction, and aviation
- New Business Revenue growth driven by innovation and market development initiatives
 - Resulting in specialty business growth ~2x underlying end markets
- Continued progress on net cost structure (~\$100 million benefit expected)
- Lower shutdown costs and projected distribution expenses (~\$50 million benefit expected)
- Deployment of strong free cash flow

Headwinds

- Chemical Intermediates spreads expected to normalize
- Increased growth spending

**Assumes no further significant negative business impact from COVID-19
(Delta or other variants)**

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Eastman people at the heart of our innovation-driven growth model

World-Class
Technology
Platforms

Differentiated
Application
Development

Relentlessly
Engage
the Market

Significant integration and scale enable innovation, reliability and cost advantage

Advantaged growth and execution capability and culture

Aggressive and disciplined portfolio management