

**Eastman 1Q 2023 Financial Results Prepared Remarks  
April 27, 2023****Slides 1 and 2:**

This document is the CEO's and CFO's prepared remarks for Eastman Chemical Company's first-quarter 2023 financial results. This is to be read with the first-quarter 2023 financial results news release and the slides detailing our first-quarter 2023 financial results, both of which were publicly issued and posted on our website ([investors.eastman.com](https://investors.eastman.com)) after the close of NYSE trading on April 27, 2023. On April 28, 2023, at 8:00 a.m. ET, Mark Costa, Board Chair and CEO, and Willie McLain, Senior Vice President and CFO, will host a public question-and-answer session with industry analysts that is accessible on our website or by telephone as detailed in our financial results news release. This document, the accompanying slides, and the call/webcast that follows include certain forward-looking statements concerning our plans and expectations. Certain risks and uncertainties that may cause actual results to be different than our plans and expectations are or will be detailed in the company's first-quarter 2023 financial results news release, in the remarks in this document and in the accompanying slides, and during the call, and in our filings with the Securities and Exchange Commission, including the Form 10-K filed for full-year 2022 and the Form 10-Q to be filed for first-quarter 2023. All earnings referenced in this presentation, the accompanying slides, and the call/webcast exclude certain non-core and unusual 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 the first-quarter 2023 financial results news release.

**Slide 3 – 1Q 2023 highlights**

2023 is off to a solid start, with first-quarter financial results coming in ahead of our expectations back in January. The Eastman team has been working incredibly hard to deliver on our many commitments against a deteriorating macroeconomic backdrop. Before we move into several important details about our circular initiatives, financial results, and future expectations, there are a few key highlights from the first quarter worth mentioning.

First, Eastman teams across the globe demonstrated commercial excellence by holding prices stable to fourth-quarter levels. This discipline came as we confronted weakening demand and continued customer inventory destocking across many markets. This pricing excellence is a proof point of our strong value proposition with our customers, and we expect it will contribute to a meaningful price/cost tailwind this year in our specialties.

We also are incredibly proud to be the first chemical company to issue an investment-grade USD-denominated senior unsecured green bond offering in the U.S. Sustainability is at the heart of our corporate strategy, and this green bond issuance is a testament of our commitment to creating solutions that address the environmental and social challenges faced today. We intend to allocate an amount equivalent to the net proceeds of the \$500 million offering to finance or refinance, in whole or in part, one or more new or existing eligible projects in the categories outlined in our Green Financing Framework.

Moving to the circular economy, we are proud to announce that we have made more progress across our three projects. We'll share more on this topic on the following slide.

We also continue to make good progress driving adoption of Eastman Renew materials ahead of the startup of our Kingsport methanolysis facility, including FGX International, an EssilorLuxottica company. FGX and Eastman signed a letter of intent (LOI) for FGX to reserve significant volume of Eastman Tritan™ Renew copolyester from our Kingsport methanolysis facility. The LOI builds on FGX's introduction in January 2022 of eyewear frames made from Eastman Tritan™ Renew, our high-performance copolyester made with recycled content. This is just one of many examples of how we're building momentum ahead of our startup.

And finally, in keeping with our disciplined capital allocation approach, we completed an approximately \$75 million acquisition of a performance films company in China. This acquisition demonstrates Eastman's commitment to driving growth in performance films and the paint protection and window film end markets. The investment further strengthens the company's ability to deliver consistent, superior value as a specialty materials company and expands the service level in China and the Asia Pacific region. This site will align with Eastman performance films operations and its high standard of quality supply into the market.

**Slide 4 – Expect to achieve critical circular economy milestones in 2023 – 1Q23 update**

Moving next to an update on the 2023 milestones for our circular economy platform. Beginning with our Kingsport methanolysis facility, we are on track for producing commercial quantities this fall and generating revenue before year end. Our commissioning and start-up activities will still commence this summer, but we expect to complete construction a couple of months behind our target of early summer. The challenge is isolated to certain craft labor contractors having significant productivity issues, which we have taken a number of actions to substantially improve. While we are disappointed by the construction delay, we remain confident in the technology given our decades of experience and the rigorous testing we have conducted under a variety of conditions at pilot scale. Once construction is completed, we expect the facility will run well after a reasonable ramp-up period.

Next, on the France project, we continue to make great progress securing feedstock. Earlier this week, CITEO, which is the leading Producer Responsible Organization (PRO) in France, announced that Eastman in partnership with Paprec, which is France's leading integrated waste management company, has been selected to receive a significant amount of feedstock for our methanolysis facility in Normandy. This award, along with other recent agreements to secure French household waste, has provided us with a strong feedstock position. We began the year with roughly half of our feedstock needs secured, and with these agreements, we move to 70 percent being secured, leaving us another 10 percent to achieve our 80 percent target. This strong progress is a testament to the complementary nature of Eastman's molecular recycling technology to the current mechanical technologies in the market and to the growing need to enable circularity for more waste streams going back to high-quality, contact-sensitive output. In addition to feedstock, we are also making progress with customers as we work to transition LOIs into definitive agreements, and we expect to have additional updates through the year. We also continue to make good progress on engineering and permitting work.

For our second U.S. methanolysis project, we've made great progress on choosing a site and expect to issue an announcement before the end of the second quarter. This includes continued progress on both incentives for the project and on permitting. Demand for our

products with recycled content remains strong, and we are making good progress toward reaching additional definitive agreements for this facility in 2023.

**Slide 5 – Project MSD % topline growth and strong incremental margins in modestly improving global auto market in 2023**

Before getting into the financial results, we'd like to highlight Eastman's strong position in the auto market. Although our end markets are highly diversified, transportation is Eastman's largest market. With expectations for a modestly improving underlying market this year, Eastman is well positioned to outperform market growth on the topline and deliver strong incremental margins to the bottom line as we leverage mix improvement and margin recovery.

In performance films, the first quarter showed incredible growth relative to the fourth quarter. Despite a weak underlying market, our great brand presence and premium products, such as paint protection films, delivered strong performance. Our recent acquisition in China will accelerate growth where we serve this market.

Advanced interlayers also delivered sequential growth due to a strong position in the premium end of the market that has been a key success factor over the last several years. About 70 percent of Eastman's automotive interlayers are sold into premium vehicle applications, which comprises about 20 percent of the overall market. Our position in the high end of the market also comes with more attractive growth rates, with premium car sales expected to grow high-single-digits this year. One step beyond premium cars, our interlayers are further leveraged to electric vehicle (EV) growth, with approximately 3.5X the opportunity per vehicle in a premium EV compared with a premium internal combustion engine vehicle.

In AFP, we are a global leader in specialty additives for both OEM and refinish coatings. In the first quarter, our broad portfolio of automotive products was up a double-digit percentage on a volume/mix basis compared to the fourth quarter. Our automotive coatings business is well positioned to benefit from improving global OEM and refinish demand.

Altogether, Eastman's broad and attractive set of automotive products is leveraged to a recovering auto market and expected to deliver strong growth in 2023.

**Slide 6 – Corporate**

First-quarter results came in ahead of expectations with adjusted EPS of \$1.63, compared to our initial expectation of first-quarter EPS between \$1.05 and \$1.25.

Compared to the fourth quarter, sales revenue increased 2 percent due to a 2 percent increase in volume/mix. Selling prices were down 1 percent. Foreign currency exchange rates increased sales revenue by 1 percent. At a high level, destocking, which occurred across nearly all markets in the fourth quarter, subsided in many stable end markets by the end of the quarter. In other end markets, such as building and construction and consumer durables, destocking continued. Selling prices were stable at a corporate level.

Adjusted EBIT increased as lower costs continued to flow through inventory, particularly energy costs. These lower costs were partially offset by an increase in Corporate Other, primarily due to pension expense. Adjusted EBIT margins increased 450 basis points. Compared to our expectations in January, price/cost trended more favorably than expected across all segments, partially offset by volumes, which trended worse than expected.

On a year-over-year basis, sales revenue decreased 11 percent due to 9 percent lower sales volume/mix, a 6 percent unfavorable impact from a divested business, and 2 percent unfavorable impact from foreign currency, partially offset by 6 percent higher selling prices. Sales volume/mix was lower across most product lines due to the continuation of weak primary demand and continued destocking. This weakness was partially offset by growth in the automotive end market particularly for advanced interlayers and performance films. Higher selling prices, primarily in Fibers and Advanced Materials, reflect the solid price gains made in 2022 to recover significantly higher raw material, energy, and distribution costs.

Adjusted EBIT decreased due to lower sales volume/mix, increased pension expense, an approximately \$25 million unfavorable impact from foreign currency, and continued investment in growth. These factors were partially offset by increased selling prices more than offsetting higher variable costs and lower manufacturing costs.

**Slide 7 – Advanced Materials**

Compared to the fourth quarter, sales revenue increased 1 percent due to 1 percent higher selling prices, partially offset by 1 percent lower sales volume/mix. Foreign currency exchange rates increased revenue by 1 percent. Sales volume/mix was lower in specialty plastics due to very weak demand and continued aggressive inventory destocking in consumer durables and consumables end markets. In consumer durables, destocking activity increased compared to fourth-quarter levels. The lower sales volume/mix in specialty plastics was partially offset by strong product mix growth in performance films as the business continues to outperform the underlying automotive market, with premium offerings including paint protection films. Selling prices were up 1 percent, reflecting the value proposition of AM's products. EBIT doubled due to resilient pricing and lower raw material and energy costs. On a year-over-year basis, sales revenue was relatively unchanged as 10 percent higher selling prices were mostly offset by 6 percent lower sales volume/mix and a 3 percent unfavorable impact from foreign currency. Higher selling prices, particularly for advanced interlayers and specialty plastics, were a result of significant levels of inflation in 2022. Lower sales volume/mix in specialty plastics was due to very weak demand and continued aggressive customer inventory destocking. The lower sales volume/mix in specialty plastics was partially offset by improved automotive demand and product mix in films driven by increased sales of premium products, including paint protection film and premium interlayers for electric vehicles.

Adjusted EBIT increased due to higher selling prices more than offsetting higher variable costs and lower manufacturing costs. These factors were partially offset by an unfavorable impact from foreign currency of approximately \$15 million and lower sales volume/mix.

In the second quarter, we are seeing signs that the pace of destocking is slowing in specialty plastics end markets, with May orders trending more favorably than April. We also expect to continue to benefit from our strong leverage to premium and EV vehicle growth in our performance films and advanced interlayers. In building and construction, demand for our interlayers in Europe is stable, but at a low absolute level. We expect to hold our prices roughly flat as lower-cost raw materials and energy continue to flow through inventory. Advanced

Materials will also benefit from corporate cost actions, which we expect will be somewhat offset by a planned reduction of inventories as a result of weak demand. All in, we expect to deliver second-quarter adjusted EBIT meaningfully above first quarter.

Moving to the back half of the year, many of the factors influencing the second quarter are expected to continue. We expect to have a substantial price/cost tailwind this year, which has increased compared to our expectations in January, and we expect to benefit from our corporate cost actions. Other tailwinds include strong growth in the premium and EV auto market and our expectation to outperform that market. Headwinds include lower expectations for demand recovery and the associated impact of lower asset utilization to achieve our cash flow targets. When considering all these factors together, we expect full-year 2023 adjusted EBIT for Advanced Materials to be between \$500 and \$550 million.

#### **Slide 8 – Additives & Functional Products**

Please note that AFP's financial results are being reported on a recast basis and include the results of the functional amines business, net of some olefin and organic acid products moved to CI. We provide an explanation of this change on the next slide. For your reference, a detailed recast history of AFP and CI revenue and adjusted EBIT by quarter is included in a Form 8-K filed on April 27, 2023, as an exhibit to our first-quarter financial results news release.

Compared to the fourth quarter, revenue increased 3 percent due to 4 percent higher sales volume/mix, partially offset by 3 percent lower selling prices. Foreign currency exchange rates reduced sales revenue by 2 percent. Sales volume/mix increased due to a moderation of inventory destocking across several stable end markets, including agriculture, and strong performance in our automotive coatings business. Selling prices decreased, driven mostly by cost-past-through contracts, which are used in both care additives and functional amines. EBIT increased due to higher volume/mix and more favorable price/cost trends.

On a year-over-year basis, sales revenue decreased 13 percent due to 15 percent lower sales volume/mix, partially offset by 4 percent higher selling prices. Foreign currency exchange rates reduced sales revenue by 2 percent. Sales volume/mix was lower across the segment due to weak demand and customer inventory destocking in the building and construction, water treatment, and personal care end markets. As conditions remained soft in the first quarter in

Europe and China, AFP business teams held value and price and did not chase volume with lower price. Higher selling prices were led by functional amines and care additives cost-pass-through contracts and were due to significant levels of inflation in 2022.

EBIT decreased due to lower sales volume/mix and modestly lower manufacturing costs.

In the second quarter, we expect to see a modest increase in sales volumes due to some gradual improvement in China for coatings applications. We are also seeing signs that industrial water treatment and personal care markets are improving after some destocking in the first quarter. In addition, lower raw material and energy costs are expected to flow through inventory and provide a modest benefit. Cost savings initiatives will also be a tailwind but will be partially offset by headwinds from inventory reduction and related lower asset utilization. All in, we expect AFP second-quarter adjusted EBIT to improve modestly compared to the first quarter.

For the full year, weakness in building and construction and modestly lower primary demand for personal care and industrial water treatment end markets are expected to be partially offset by an improvement in the automotive end market. Price/cost is expected to be a modest tailwind, as cost-pass-through contracts did a good job keeping pace with inflation in 2022. Cost savings actions are expected to partially offset cost headwinds resulting from inventory reductions. All in, we project AFP full-year 2023 adjusted EBIT to be between \$500 and \$525 million, which compares to last year's recast EBIT of \$546 million.

### **Slide 9 – Integration of functional amines business increases AFP's exposure to stable end markets**

In the first quarter, we integrated the functional amines business into AFP. As part of this change, some olefin-based and organic acid products are now being reported within CI.

Functional amines, which has a demonstrated multi-year track record of high-margin, sustainable growth, is a natural fit in AFP. In addition, this change will focus our attractive amines stream products within the same segment, resulting in increased operational and asset

efficiencies. Under this new structure, AFP had almost \$3.5 billion of revenue in 2022, an even more stable set of end markets than before, and a greater-than 17 percent average adjusted EBIT margin over the last several years. In fact, with the portfolio actions we've taken in 2021 and 2022 combined with this product shift, AFP has greater than 60 percent of revenue in stable markets including agriculture, personal care, water treatment, and pharma. This attractive, diversified set of end markets is enhanced by functional amines, with approximately 70 percent of products sold used in agriculture, pharma, and water treatment applications. These moves increase the efficiency of our assets and commercial teams and provide increased portfolio transparency for our owners.

When moving functional amines to AFP, we also moved a limited number of products from AFP into CI. These products are better suited to be managed by the Chemical Intermediates business team. The operating model of Chemical Intermediates, which relies on agile pricing and production flexibility to capitalize on real-time market opportunities, will help maximize the value for these products. Our innovation-driven growth model, which is underpinned by our world-class integration, scale, and cash flow, continues to benefit from our upstream assets. CI remains an important part of our portfolio by providing advantaged cost and secure supply positions to support growth in our specialty businesses. Over the last several years, CI has taken significant steps to reduce volatility and raise the floor of earnings and will continue to raise the quality of earnings. As a result, we expect CI to continue to benefit from several factors: first, our stable growth in acetic anhydride and specialty plasticizers, with end markets like food, pharma, and agriculture; second, our refinery-grade propylene project continues to create substantial value; third, steps we've taken to improve our asset footprint. And lastly, we will further improve our olefin stability with our ethylene to propylene investment as we discussed at our last Innovation Day.

**Slide 10 – Fibers**

Compared to the fourth quarter, sales revenue decreased 4 percent due to 18 percent lower sales volume/mix, partially offset by 14 percent higher selling prices. Sales volume/mix was elevated in the fourth quarter due to the fulfillment of annual contractual commitments in

2022. Adjusted EBIT increased as lower sales volume/mix was more than offset by strong price increases.

On a year-over-year basis, sales revenue increased 42 percent primarily due to increased selling prices. Substantially higher selling prices for acetate tow were due to an increase in customer focus on security of supply as industry capacity utilization has tightened and raw material, energy, and distribution prices increased throughout 2022. Adjusted EBIT increased due to recovery of margins as higher selling prices returned adjusted EBIT margins to acceptable performance levels to continue to invest in this business for our customers.

In the second quarter, demand and selling prices for acetate tow are expected to remain stable. We also expect continued flow through of lower raw material and energy costs. All in, we expect second-quarter adjusted EBIT to be similar to first-quarter adjusted EBIT.

For the full year, we are expecting approximately \$350 million of adjusted EBIT. Our outlook has improved substantially from January as we see additional benefits from lower costs, improved operational performance, and strong growth in textiles. In textiles, strong demand for our sustainable products is enabling growth well above the market, especially in China's recovery. As this strong performance continues, we have high confidence in the stabilization of earnings at these new levels due to our industry low-cost position and our track record of high-quality products and reliable supply.

### **Slide 11 – Chemical Intermediates**

The functional amines business has been integrated into AFP. In addition, some olefin-based products previously in coating additives and some organic acid products previously in animal nutrition are now being reported within CI.

Compared to the fourth quarter, revenue increased 4 percent due to a 12 percent increase in sales volume/mix, partially offset by a 9 percent decrease in selling prices. After broad-based destocking in the fourth quarter, the pace and scale of destocking eased in the first quarter. In some markets, including building and construction and consumer durables, destocking persisted throughout the first quarter. Selling prices declined sequentially due to

lower raw material and energy costs and weak underlying demand. EBIT increased due to higher sales volume/mix. Spreads were flat as lower selling prices were offset by lower raw material, energy, and distribution costs.

On a year-over-year basis, sales revenue decreased 18 percent primarily due to 12 percent lower sales volume/mix and 5 percent lower selling prices. Sales volume/mix was lower in plasticizers and olefins due to continued weak end-market demand, including for building and construction, consumer durables, and industrial. Sales volume/mix was also lower as we chose not to compete in certain low-value markets where margins were being compressed due to competitive activity, particularly from China. Selling prices were lower due to lower raw material, energy, and distribution prices. Acetyls benefited from exposure to stable end markets including food, pharma, and agriculture, and posted higher sales volume/mix compared to last year. Adjusted EBIT decreased due to lower sales volume/mix and lower spreads, which were above mid-cycle levels in the year-ago period.

As we move through the second quarter, we expect further moderation of raw material and energy costs. These lower costs are expected to be matched with lower prices, which would result in spreads that are similar to the first quarter. On volume, we continue to expect stability in our acetyl products and specialty plasticizers. On a net basis, we expect volume to be similar in the second quarter compared to the first quarter. While destocking has mostly completed in CI end markets, we do not expect much step up in underlying demand. We will also maintain discipline and will not chase volume in low-value applications, particularly outside of the U.S. All in, we expect second-quarter adjusted EBIT to be similar to first-quarter EBIT.

In the new reporting structure of CI, about half of the business is comprised of olefin products, where there is exposure to both margin and volume volatility, although at reduced levels relative to a few years ago. Another 20 percent of the business is plasticizers, which are more stable on spreads but do have significant exposure to building and construction, where volumes are currently weak. And finally, the remaining 30 percent of the business is made up of

Eastman acetyl products, which are stable from an end-market perspective and have relatively stable margin volatility.

For the second half of the year, we expect the current quarterly run rate to continue at a similar level through the end of the year as we benefit from the stability of our acetyl products. While recognizing there is much uncertainty about macroeconomic conditions, we expect full-year 2023 adjusted EBIT to be in the range of \$150 to \$200 million.

### **Slide 12 – Cash flow and other financial highlights**

Eastman's top financial priority in 2023 is the generation of strong cash flow. We continue to expect approximately \$1.4 billion of operating cash flow, with our normal 2H-weighting. Given the weaker-than-anticipated demand backdrop, we are taking actions now to reduce our inventories, which is resulting in lower capacity utilization beginning in the second quarter.

We remain well positioned for economic uncertainty with sufficient liquidity, and we remain committed to our solid, investment-grade balance sheet. As we generate strong cash flow, we also expect to put that cash to good use, including to our growing dividend, which currently has an attractive yield. We also expect to be at the high-end of our 2023 capital expenditure range, with total CapEx spending now expected to be \$800 million for the year. With this CapEx, as well as the approximately \$75 million bolt-on acquisition completed in first quarter, we expect to allocate our remaining cash flow to repurchase shares to offset dilution.

### **Slide 13 – End markets**

Moving forward, the slide provided gives an update on where we stand today with our second-quarter and second-half market expectations. In transportation, we expect modest sequential improvement in global light vehicle builds, with premium vehicle growth rates in the high single digits. In the back half of the year, we project solid growth driven by a modest improvement in China and stability in the rest of the world.

In consumer durables, primary demand remains weak. After significant destocking through April, we have signs that the order book is improving for May. We project that

destocking will be complete as we enter the second half of the year, but primary demand will remain weak for the year. We do not anticipate any restocking activity.

In building and construction, demand is weak on a global basis. Outside of North America, destocking appears to be mostly complete. Within the U.S., increased risks around the U.S. housing market have continued to weigh on sentiment, with destocking and weak demand expected to continue in the second quarter. In the second half of the year, there is substantial uncertainty about the timing and strength of any recovery. At this time, we are not projecting an improvement in second-half demand, and we are watching the North American market where risks in the residential market are increasing.

Across our stable end markets, low-single-digit declines at the consumer level are modestly impacting demand. This lower demand has also brought about some modest destocking in personal care and industrial water treatment end markets, which we think was predominantly complete in the first quarter. In the second half of the year, we expect primary demand to be similar to first-half levels.

#### **Slide 14 – Guidance**

Back in January, we provided several reasons to expect that earnings would improve from first-quarter levels. First, the lack of destocking across most end markets by the end of the first quarter. Second, the continued flow through of lower raw material and energy costs. And third, the benefit of the full-run-rate of our cost savings actions. At a high level, these factors are still expected, but to varying degrees. There are also some new factors to consider.

Starting with demand and destocking, the economic backdrop has deteriorated. Associated with this reduced outlook on volume, we now project a higher asset utilization headwind as we take actions to achieve our cash flow targets. Outside of auto, we do not expect underlying demand to improve in the second quarter. On costs, we realized stronger-than-expected benefits from lower raw material and energy costs in our first-quarter results, and we expect continued benefits for the rest of the year. Fibers and Advanced Materials are the primary beneficiaries of this significant recovery in price/cost after last year's inflation. We also expect the benefit from our cost savings actions. Putting these factors together, we expect second-quarter adjusted EPS to be between \$1.90 and \$2.10.

At the midpoint, our first-half adjusted EPS is expected to be approximately \$3.60. We expect to deliver higher EPS in the second half for several reasons. First, price/cost is expected to be more favorable in the back half of the year as we remain disciplined on price and lower raw material and energy cost flow through into our results. Second, we do not expect the destocking that has taken place in the first half of the year to continue into the second half, which would result in modestly higher volume/mix, especially in Advanced Materials. In addition, the benefit of our cost reduction actions is more weighted toward the second half of the year. And finally, the auto market is expected to improve in the second half, including for our premium products, which are expected to outperform the underlying market.

On a full-year basis, we do not expect demand recovery for consumer durables and building and construction markets. Other new headwinds include approximately \$50 million of higher costs from lower asset utilization related to inventory reduction.. When putting these factors together, we reiterate our full-year adjusted EPS guidance of 5 to 15 percent growth, excluding a \$0.75 headwind from pension expense. We are also reiterating our operating cash flow guidance of approximately \$1.4 billion in full-year 2023.

### **Slide 15 – Well positioned to navigate an uncertain global economy**

As we consider the uncertain economic times ahead of us, we remain committed more than ever to the five key themes that we outlined at Innovation Day in December of 2021. These investment themes are critical focus areas for our teams as we work to navigate challenging operational environments to deliver outperformance. When underlying demand begins to weaken, innovation is even more critical. That is why we are so proud of our innovation-driven growth model. This model is at the heart of who we are and how we win in the marketplace every day. We are demonstrating our portfolio can grow above our underlying markets with products that have higher margins and drive strong mix upgrade. As we look ahead, we are well positioned to leverage our model to drive not only meaningful growth, but also meaningful change. With a focus on providing product solutions leveraged to disruptive, sustainability-focused macrotrends, we are confident that as Eastman delivers compelling growth, we are also making a positive impact.

We also remain committed to investing in our top growth program: our circular economy technologies. This new vector of growth provides us the opportunity to deliver attractive growth by addressing the plastic waste crisis and reducing our impact on climate at the same time. It starts with the global brands that are making significant commitments to reduce plastic waste and their carbon footprint. And they are working with Eastman as a leader to help them meet their commitments for improving the environment without compromising on the quality of their products. We are well positioned with two circular technology platforms based on our world-class polyester and our cellulosic biopolymers technology platforms. We are making great progress advancing commercial agreements for each of the three polyester methanolysis projects we are working on. And we continue to see strong engagement on our biodegradable cellulosic polymers.

At the same time, we continue to make investments in strengthening our execution capability to drive the top line and translate it to the bottom line. We continue to improve our commercial and product excellence. Our new integrated business planning system will enable us to better support growth while keeping inventory levels optimized. And our operational transformation will improve our reliability and cost competitiveness. Of course, the credit for all of this exciting transformation is due to our employees across the world. They've gone above and beyond, working long hours many times in difficult conditions and, most importantly, have been diligent to keep themselves and their fellow employees safe.

ESG is also integrated into how we do business at Eastman. We are committed to reducing our greenhouse gas emissions by one-third by 2030, and then to achieving carbon neutrality by 2050. And we are not sitting around. We are acting on these goals today. We also remain focused on attracting, developing, and retaining the best talent. We are committed to achieving a more inclusive and diverse workforce, which is critical to having the best team with the most diverse perspectives and set of experiences so we can make the best decisions.

Finally, our strong cash generation and solid balance sheet underpin the flexibility and speed with which we operate our company. We feel confident in navigating the coming years, and we look forward to delivering outstanding results for our owners and other stakeholders.

**Forward-looking statements**

*This information and other statements by the company may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to, among other items: projections and estimates of earnings, revenues, volumes, pricing, margins, cost reductions, expenses, taxes, liquidity, capital expenditures, cash flow, dividends, share repurchases or other financial items, statements of management's plans, strategies and objectives for future operations, and statements regarding future economic, industry or market conditions or performance. Such projections and estimates are based upon certain preliminary information, internal estimates, and management assumptions, expectations, and plans. Forward-looking statements are subject to a number of risks and uncertainties, and actual performance or results could differ materially from that anticipated by any forward-looking statements. Forward-looking statements speak only as of the date they are made, and the company undertakes no obligation to update or revise any forward-looking statement. Other important assumptions and factors that could cause actual results to differ materially from those in the forward-looking statements are detailed in the company's filings with the Securities and Exchange Commission (the "SEC"), which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and the company's website at [www.eastman.com](http://www.eastman.com).*