2Q 2025 financial results

July 31, 2025

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Prepared remarks

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

Forward-looking statements

The information in this release 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 sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and as updated 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 and the company's website at www.eastman.com.

Non-GAAP financial measures

Earnings referenced in this presentation and the accompanying prepared remarks exclude certain non-core items. "Adjusted EBIT" is Earnings Before Interest and Taxes ("EBIT") adjusted for non-core items. "Adjusted EBIT Margin" is Adjusted EBIT divided by GAAP sales. "Adjusted EBITDA" is Earnings Before Interest, Taxes, Depreciation, and Amortization adjusted for non-core items. Adjusted EPS is defined as the GAAP measure earnings per diluted share adjusted for non-core, unusual, or non-recurring items. "Net Debt" is total borrowings less cash and cash equivalents. "Net Debt to Adjusted 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 2025 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 filed for 2024 and 10-Q to be filed for second quarter 2025 with the SEC for the periods for which non-GAAP financial measures are presented.

2Q 2025 highlights

- Continued commercial excellence by our teams keeping price-cost in specialties stable and defending market share
- Strong results in Additives & Functional Products driven by mix improvement and leverage to stable end markets and solid results in Advanced Materials despite significant challenges in key end markets
- Circular platform continues making progress, with methanolysis plant setting new production records, strong customer engagement with new business pipeline building, and we are developing capital-efficient options for a second facility
- Adjusting global supply chain as we continue to navigate the economic impact of increased tariff levels and related uncertainty
- Increasing focus on cost reduction and cash generation in a persistently challenging global macroenvironment

Corporate

$M (except EPS)	2Q25	2Q24	1Q25
Revenue	2,287	2,363	2,290
Adjusted EBIT	275	353	311
Adjusted EBIT margin	12.0%	14.9%	13.6%
Adjusted EPS	1.60	2.15	1.91

Revenue change %	Total	Vol / Mix	Price	FX
2Q25 vs 2Q24	-3	-3	0	0
2Q25 vs 1Q25	0	-1	0	1

2Q25 vs. 2Q24 EBIT highlights

- Volume/mix growth in the specialties more than offset by Fibers decline
- Benefit from strong operational performance at the Kingsport methanolysis facility
- Unfavorable spreads in CI in competitive export markets
- ~$20 million headwind from unplanned outage in CI

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Circular Economy platform remains a key differentiator for Eastman despite near-term tariff and macro challenges

- **Strong first-half operational performance at Kingsport methanolysis facility**
  - Recorded best-ever uptime and production quantities, on track to achieve >2.5x 2024 levels and great progress on cost-reduction targets
  - Line of sight to ~30% capacity expansion over nameplate with modest capital in the couple of years
- **While customers are still highly engaged, tariffs and economic uncertainty are delaying customers' timelines for new product launches**
  - Over 100 specialty customers with strong engagement and new business pipeline building
  - Packaging customers increasing volume commitments next year due to performance limitations of mechanical recycling
- **Developing new options for second plant that would enable more continuous earnings growth and delaying ramp up of capital by ~2 years**
  - Maximizing production from Kingsport facility
  - Currently evaluating capital-efficient options for the next methanolysis plant
  - Positioned to quickly resume investment when economic recovery occurs

Continue to expect around $75 million EBITDA in FY25 vs FY24 from Kingsport methanolysis facility

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Advanced Materials

$M	2Q25	2Q24	1Q25
Revenue	777	795	719
EBIT	121	131	116
EBIT margin	15.6%	16.5%	16.1%

Revenue change %	Total	Vol / Mix	Price	FX
2Q25 vs 2Q24	-2	-2	0	0
2Q25 vs 1Q25	8	7	0	1

2Q25 vs. 2Q24 EBIT highlights

- Lower volume/mix in building and construction and automotive
- Stable price-cost
- Higher planned maintenance

3Q 2025 sequential outlook

Tailwinds:

- Kingsport methanolysis revenue and continued strong operational performance
- Continued commercial excellence in pricing and defending share
- Cost-reduction initiatives

Headwinds:

- Expect $50M–$60M negative impact from:
  - Aggressive inventory actions to drive cash generation (~$30M)
  - Mid-single digit volume decline due to impact of tariffs, continued customer caution, and pull-forward in 2Q

Expect Q3 2025 EBIT significantly lower than Q2 2025 EBIT

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Additives & Functional Products

$M	2Q25	2Q24	1Q25
Revenue	769	718	733
Adjusted EBIT	153	123	141
Adjusted EBIT margin	19.9%	17.1%	19.2%

Revenue change %	Total	Vol / Mix	Price	FX
2Q25 vs 2Q24	7	2	4	1
2Q25 vs 1Q25	5	3	1	1

2Q25 vs. 2Q24 EBIT highlights

- Higher sales volume/mix in care chemicals and specialty fluids
- Favorable price-cost, with pricing mostly driven by cost-pass-through contracts

3Q 2025 sequential outlook

Tailwinds:

- Continued commercial excellence in defending price and share
- Cost-reduction initiatives

Headwinds:

- Normal seasonal decline in agriculture and timing of heat transfer fluid project fulfillments
- Softening automotive end market
- Higher planned maintenance expense
- Inventory actions to drive cash generation resulting in lower asset utilization

Expect Q3 2025 EBIT lower than Q2 2025 EBIT

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Fibers

$M	2Q25	2Q24	1Q25
Revenue	274	330	288
EBIT	81	122	88
EBIT margin	29.6%	37.0%	30.6%

Revenue change %	Total	Vol / Mix	Price	FX
2Q25 vs 2Q24	-17	-16	-1	0
2Q25 vs 1Q25	-5	-4	-1	0

2Q25 vs. 2Q24 EBIT highlights

- Lower sales volume/mix due to:
  - Acetate tow customer inventory destocking and industry capacity share adjustments
  - Lower textiles sales resulting from negative impact of tariffs

3Q 2025 sequential outlook

Tailwinds:

- Cost-reduction initiatives
- Supporting textiles customers as they diversify their value chain outside of China

Headwinds:

- Customer inventory destocking in acetate tow continues
- Modest tariff-related pull-forward for tow in 2Q
- Inventory actions to drive cash generation resulting in lower asset utilization

Expect Q3 2025 EBIT lower than Q2 2025 EBIT

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Chemical Intermediates

$M	2Q25	2Q24	1Q25
Revenue	463	515	545
EBIT	-30	22	19
EBIT margin	-6.5%	4.3%	3.5%

Revenue change %	Total	Vol / Mix	Price	FX
2Q25 vs 2Q24	-10	-5	-5	0
2Q25 vs 1Q25	-15	-14	-2	1

2Q25 vs. 2Q24 EBIT highlights

- Spread compression from weak market conditions
- Unplanned outage resulted in lost sales volume and higher maintenance expense

3Q 2025 sequential outlook

Tailwinds:

- Cost and volume tailwinds from lack of an unplanned outage
- Spread improvement from lower raw material and energy costs
- Cost-reduction initiatives

Headwinds:

- Continued weak commodity market fundamentals

Expect Q3 2025 EBIT modestly above breakeven levels

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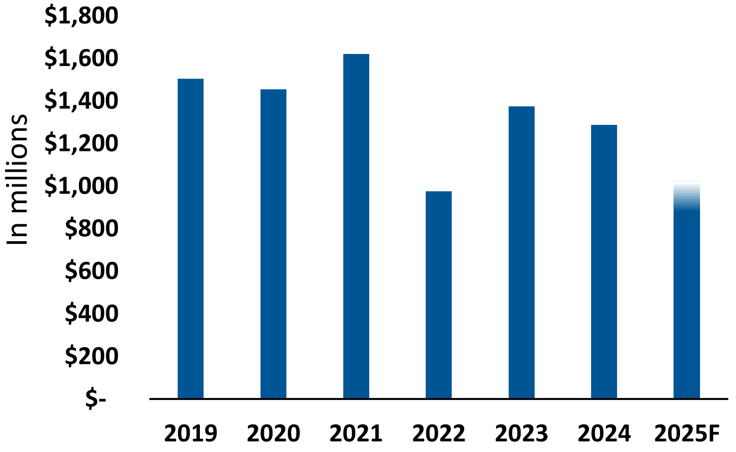
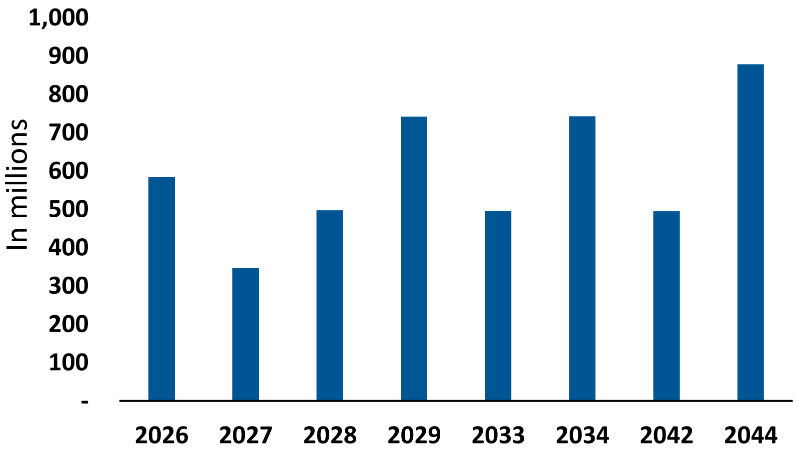
Eastman is in a strong financial position to effectively navigate an uncertain environment

Track record of strong operating cash flow in any environment



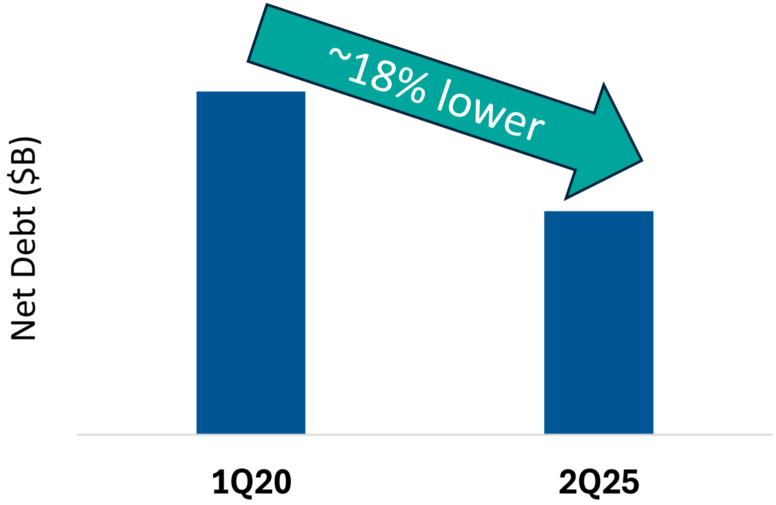
- Expect to deliver ~$1 billion of operating cash flow in FY 2025
- FY 2025 capital expenditures ~$550 million

Manageable public debt maturities*



- Manageable maturity schedule enables us flexibility to refinance maturing debt
- Access to significant sources of liquidity, including a $1.5 billion revolving credit facility

Significantly improved financial position since COVID



- Reduced net debt by ~$1 billion since the start of COVID
- Solid investment grade credit rating

** 2026 debt maturity is denominated in Euros*

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With heightened uncertainty, we are focused on what we can control

Sequential headwinds

- Mid-single digit volume decline 3Q vs 2Q in specialties driven by trade dispute
  - Customer and retailer caution negatively impacting volume in key end markets
  - Modest tariff-related pull-forward in second quarter
- Normal seasonal declines
- $75M–$100M headwind in 2H25 from lower asset utilization to reduce inventories, with ~$50M in 3Q25

Focused on controllables

- Emphasizing cash generation in uncertain environment with every lever in the company
- Reducing inventory levels by >$200 million from current levels
- Reduced capital expenditures to ~$550 million from $700M–$800M at the beginning of 2025
- On track to achieve ~$75 million cost reduction, net of inflation
- Taking actions to mitigate tariff impacts
- Around $75 million of incremental EBITDA from Kingsport methanolysis, with around $50 million in Advanced Materials
- Stable price-cost in specialties with commercial excellence in defending pricing and share
- CI volume recovering with improved operations

Expect FY25 operating cash flow ~$1 billion

Expect 3Q25 EPS around $1.25

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With macroeconomic weakness and uncertainty persisting, we are increasing our focus on improving results

Significant reduction of our cost structure to strengthen competitiveness

- Total cost savings $150M–$175M net of inflation in 2025–2026
  - On track to achieve cost savings target of ~$75 million in 2025
  - Expanding program to achieve cost savings of additional $75M–$100M in 2026 building on actions taken in 2025

Multi-year focus on improving cash flow and disciplined capital allocation

- Right-sizing working capital for current market conditions with targeted actions in 2H25 and 2026
- Lowering cap-ex in 2026 versus 2025 to navigate a challenging environment
  - Evaluating capital efficient options for additional methanolysis capacity as we maximize production from the Kingsport facility
- Confident in our dividend and significantly increasing share repurchases in 2026

Commitment to address underperforming parts of our portfolio

- Optimizing and rationalizing underperforming assets
- Highest and best owner mindset for underperforming non-core assets
- Ethylene to propylene investment to improve earnings by $50M–$100M over the cycle and enhance operating flexibility at Longview, Texas, facility with short payback period

Appendix

FY2025 underlying assumptions and modeling items

Updated from prior guidance

- Foreign currency exchange rates, net of hedging: USD/EUR $1.15 (previously $1.10); CNY/USD 7.20; JPY/USD 150
- Corporate ‘Other’ adjusted Loss Before Interest and Taxes: ~$190 million; previously ~$180 million
- Interest expense: ~$205 million; previously ~$200 million
- Share repurchases: $100 million; previously $100 million–$200 million

Unchanged from prior guidance

- Brent crude oil: ~$70/barrel
- Natural gas prices consistent with recent FY25 Henry Hub average forward curves: ~$3.60/MMBtu
- Capital expenditures: ~$550 million
- Full-year adjusted effective tax rate: 15%–16%
- FY25 Depreciation & Amortization expense: $510 million

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