

**Eastman Q3 2025 Financial Results Prepared Remarks
November 3, 2025****Slides 1 and 2:**

This document is the CEO's and CFO's prepared remarks for Eastman Chemical Company's third-quarter 2025 financial results. This is to be read with the third-quarter 2025 financial results news release along with the provided slides, which detail our third-quarter 2025 financial results. The aforementioned items were publicly issued and posted on our website (investors.eastman.com) after the close of NYSE trading on November 3, 2025. On November 4, 2025, at 8:00 a.m. ET, Mark Costa, Board Chair and CEO, and Willie McLain, Executive 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 third-quarter 2025 financial results news release, in the remarks in this document and in the accompanying slides, during the call, and in our filings with the Securities and Exchange Commission, including the Form 10-K filed for full-year 2024 and the Form 10-Q to be filed for third quarter 2025. All earnings referenced in this presentation, the accompanying slides, and the call/webcast exclude certain 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 the third-quarter 2025 financial results news release.

Slide 3 – 3Q 2025 – Executing on key priorities

The Eastman team demonstrated significant progress on self-help actions to drive results in the face ongoing macroeconomic headwinds. In keeping with our plan communicated during our July earnings call, cash flow was our top financial priority in the quarter, and we delivered strong operating cash flow of \$402 million consistent with the prior year period. To

generate this cash, we successfully reduced inventory levels by approximately \$200 million from second-quarter levels, which is one of the primary pathways to improving our working capital position for the year. Innovation remains at the heart of our strategy in defending our current market positions and creating growth above our underlying markets. Our teams continued their track record of commercial excellence in keeping price stable and defending market share, by demonstrating the value of our products. Taking action to reduce costs is another key priority for us, and we remain on track to reduce our cost structure by more than \$75 million in 2025, net of inflation. Given the challenges in Fibers and Chemical Intermediates, we are also committed to build on our cost reduction efforts to drive incremental cost savings of approximately \$100 million, net of inflation, in 2026. We continue to build momentum in our circular platform, with the Kingsport methanolysis facility demonstrating strong operational performance as well as significant wins in rPET and specialties for 2026. We will share more about that on subsequent slides. And finally, we reiterated our commitment to our shareholders by returning \$146 million through both dividends and share repurchases and remain confident in the strength of our dividend.

Slide 4 – Corporate

In third-quarter 2025 compared to second-quarter 2025, sales revenue decreased by 4 percent due to 3 percent lower sales volume/mix and 1 percent lower selling prices. Prices and market share were stable in the specialties as the team continued to demonstrate commercial excellence in defending the value of our products. The lower sales volume/mix in the specialties was due to a combination of weakness in consumer discretionary end markets as well as customers unwinding tariff-related inventory prepositioned in the first half of the year. Fibers sales volume/mix was lower as acetate tow destocking continued, both from last year and from pre-buy of inventory in the second quarter to mitigate tariff risks. Textiles also weakened further. Chemical Intermediates sales volume/mix increased sequentially as the segment recovered from last quarter's unplanned outage.

Adjusted EBIT decreased primarily due to lower sales volume/mix across all segments excluding a recovery in Chemical Intermediates. Adjusted EBIT included an approximately \$60

million impact of lower asset utilization primarily related to inventory reduction actions to generate cash, which was approximately \$10 million higher than we expected. These headwinds were partially offset by aggressive cost management actions and lower unplanned maintenance expense.

Slide 5 – Advanced Materials

In third-quarter 2025 compared to second-quarter 2025, sales revenue decreased 6 percent primarily due to lower sales volume/mix. Selling prices decreased 1 percent sequentially as our commercial teams did an excellent job defending the value of our products in a challenging environment. The volume decline was driven by a combination of weak consumer spend and our customers and retailers managing inventory bought ahead of potential tariff escalation in July.

Regarding consumer durables demand, recently available retail data for consumer housewares and small appliance purchases shows a shift from modest year-over-year growth in the first four months of the year to a mid-single digit decline that started in May, after the April tariff announcements and is continuing through the back half of the year.

Underlying trends in automotive sales were relatively stable for our interlayers business, but auto aftermarket sales in our performance films business were lower as consumers are choosing not to buy accessories or are trading down due to affordability issues.

As we discussed on the second-quarter call, our customers down through the retailers prepositioned inventory from us both into China and Europe and into the U.S. with finished goods to delay the need to raise consumer prices and minimize what they might need to absorb. In this weakening end-market context, our customers started to unwind the inventory that they prepositioned due to potential tariff-risk mitigation in the first half of the year, which is taking longer than expected. While building and construction has been down in Europe for interlayers due to demand and ceding some low-value share, it is not a sequential headwind, and we have recently been winning share for next year. We partially offset some of this decline with new application wins that will also position us for growth next year. And, our stable end markets, which is about one third of our revenue, remain about flat in volume. Overall, on a

full-year basis, we project sales volume/mix to be down around 4 percent in Advanced Materials.

EBIT decreased due to lower sales volume/mix, lower asset utilization to generate cash and modestly unfavorable price-cost. As we focused on cash with our aggressive inventory management, we realized an approximately \$35 million asset utilization headwind resulting from our inventory reduction efforts. We also had a slight decline in price and higher tariff related costs. All of this was partially offset by our ongoing cost reduction initiatives.

Looking forward to fourth-quarter 2025 versus third-quarter 2025, we expect normal seasonal volume declines across the segment, which is typically around 6 percent. We also expect customers to continue unwinding tariff-related prepositioned inventory from the first half of the year, especially in consumer durables. While there was prepositioning activity around the globe in the first half, the overall inventory build appears to be relatively modest, and we expect that the prepositioned inventory will be mostly unwound by year end. In auto, underlying builds and sales projections are stable in interlayers, but consumers are maintaining their value-seeking posture and are expected to forego aftermarket films due to budget constraints. Offsetting this weakened demand environment will be benefits from lower planned maintenance expense and cost reduction initiatives. Our improved asset utilization will be a modest tailwind from third-quarter inventory actions as we improve operating rates but remain disciplined on working capital through year-end. We will also benefit from the early ramp-up of packaging revenue from the Kingsport methanolysis facility and will talk more about that on the next slide. Taking all of these factors together, we expect Advanced Materials fourth-quarter 2025 EBIT to be similar to third-quarter 2025 EBIT.

Slide 6 – Circular Economy platform remains a key differentiator

We would like to highlight the progress we are making with our circular economy platform, which remains a meaningful differentiator even as we navigate near-term tariff and macro pressures. In the third quarter, our methanolysis facility in Kingsport delivered consistently high yields and produced our highest volume to date. The continued progress has us on track to be more than 2.5x 2024 production levels, demonstrating our capability to

successfully scale this technology. On the commercial front, momentum continues to build: Tritan™ Renew was recognized in Yeti's sustainability report for diverting roughly 2,300 metric tons of plastic from landfills in 2024, specialty wins more than doubled in the third quarter versus the first half, and we've completed the polymer line conversion to ramp up recycled PET for packaging. Operationally, we finished planned maintenance at Kingsport in October and started to implement some of the process improvements that position us for the expansion of this facility over the next two years.

Regarding revenue, we continue to have over 100 customers committed to Renew and paying premiums. However, given much of this demand is in consumer durables, we are not yet getting the growth we expected due to ongoing market challenges. We are seeing strong interest in rPET for consumer packaging. We are finalizing commitments with several flagship brands for significant quantities for next year that will fill much of the capacity we are switching over to rPET capability. The primary driver of this strong interest is the virgin quality of our product relative to the degradation brands are already seeing from mechanical recycling. We expect fourth-quarter revenue to be at a \$100 million to \$125 million annualized rate.

When considering our strong operational performance and the weak underlying market, we expect to deliver \$60 million to \$65 million of incremental EBITDA in 2025 versus the 2024 startup year for the Kingsport methanolysis facility. This is a strong result in our first full year of operation. As we look to next year, we anticipate this platform will be an important contributor to earnings growth.

We also continue to make good progress in advancing options to scale this platform beyond just the Kingsport facility. We are leveraging our ability to debottleneck our Kingsport facility by approximately 30 percent and are looking at three locations for a second plant to facilitate a significantly more capital-efficient path forward for the platform. In October, we completed planned maintenance at the Kingsport facility and are implementing process improvements that enable a phased investment and scale-up beyond original nameplate capacity. We are in advanced discussions to restructure the existing PepsiCo contract to accelerate the shipment of advanced rPET and give us flexibility to execute new investment options. The first shipment in connection with existing agreement was made in October 2025.

Slide 7 – Additives & Functional Products

In third-quarter 2025 compared to second-quarter 2025, sales revenue decreased 7 percent primarily due to lower sales volume/mix, as expected. Selling prices decreased 1 percent sequentially as our commercial teams did an excellent job defending the value of our products in a challenging environment. As expected, we saw normal seasonal declines in agriculture and the timing impact of higher heat transfer project fulfillments in the second quarter. In addition, results in our automotive businesses were mixed, as better than expected OEM performance was somewhat offset by a weaker refinish environment. And we ceded some low value share in China in an architectural coating additive. EBIT decreased due to lower sales volume/mix.

Looking forward to fourth-quarter 2025 versus third-quarter 2025, we expect a normal seasonal volume decline in demand and customer year-end inventory management, especially in building and construction and consumer durables. We also expect a weaker-than-usual seasonal uplift in the agriculture end market as our customers cautiously approach inventory heading into the 2026 season. Finally, we expect to see a lag in the flow through of our cost-pass-through contracts. These factors are partially offset by the impact of cost reduction initiatives and continued commercial excellence in defending our price and market share. When putting these factors together, we project fourth-quarter 2025 Additives & Functional Products EBIT to be lower than third-quarter 2025 EBIT, resulting in the full-year earnings being slightly better than last year's. This would be outstanding performance in this weak economic environment.

Slide 8 – Fibers

In third-quarter 2025 compared to second-quarter 2025, revenue decreased 7 percent due to 8 percent lower sales volume/mix partially offset by 1 percent higher selling prices. Results in the quarter were as expected with customers continuing to leverage acetate tow and textiles inventory that was prepositioned in Europe and China to mitigate the potential impact of tariffs. There was also a weakening of textile end market demand. EBIT decreased due to

lower volume/mix and approximately \$10 million of lower asset utilization. These headwinds were partially offset by cost reduction initiatives.

Looking forward to fourth-quarter 2025, we expect to see modestly lower sequential volume resulting from ongoing acetate tow destocking and continued weakness in the textiles market. We expect the lower volume to be partially offset by cost reductions. Taking these factors together, we project Fibers fourth-quarter 2025 EBIT will be somewhat below third-quarter 2025 EBIT, implying expected full-year 2025 adjusted EBIT of approximately \$300 million.

Slide 9 – Chemical Intermediates

In third-quarter 2025 compared to second-quarter 2025, sales revenue increased 8 percent due to 10 percent higher sales volume/mix partially offset by 2 percent lower selling prices. As expected, volume improved following last quarter's unplanned outage. Much of this volume recovery was in the lower value export markets due to demand challenges in North America in building and construction and some other markets. Spreads were largely unchanged from second-quarter levels as commodity market fundamentals remain challenged.

Looking forward to the fourth quarter, we expect normal seasonal volume declines in key end markets and continued weak commodity market fundamentals. We expect these headwinds to be offset by reduced planned maintenance and cost reductions. Taking these factors together, we project Chemical Intermediates fourth-quarter 2025 EBIT to be similar to third-quarter.

Slide 10 – Multi-year cost actions have achieved meaningful results – with more to come

We are taking concrete steps to improve our competitiveness and create long-term value for our stakeholders. Across 2025 and 2026, we expect to reduce approximately \$175 million of structural costs, net of inflation. The actions we are taking are targeted at addressing the earnings decline seen from Fibers and Chemical Intermediates in 2025. These actions fall into three major categories.

First, we continue to align our organization to current market conditions with an approximately 7 percent reduction in global headcount by around the end of 2025, with most of these actions occurring in the back half of the year. We are achieving this outcome through targeted reductions in force and natural attrition. At the same time, we are also maintaining investment in our mission critical innovation growth platforms.

Second, we are continuing to drive gross margin improvement across global operations through several key initiatives. This includes significantly reducing our use of contracted services and upgrading to more capable partners; implementing a comprehensive capability upgrade in our maintenance reliability capabilities; and optimizing our manufacturing asset footprint. For example, in performance films, we are moving to more regional production in our assets in China and Europe, and we will right-size our North American manufacturing assets to lower our global cost structure. We also expect our work to reduce product complexity, which combined with continued process improvement resources will substantially improve our yields.

Third, we are leveraging digital solutions like AI to modernize capabilities that improve visibility, decision making and action and accelerate our innovation of new products and applications. Together these actions are on track to deliver approximately \$175 million of cost reductions, net of inflation, across 2025 and 2026. We believe these cost-reduction actions position Eastman to be more efficient and more competitive as we invest for the long term.

Slide 11 – We are taking aggressive actions and are focused on what we can control

Given the complexity of the demand environment, we wanted to provide our view of markets before moving into a discussion of our fourth-quarter outlook and the actions we are taking. Before discussing the second half, we need to discuss historical demand trends. While our stable end markets continue to hold up well, we entered this year with weak consumer demand in discretionary markets that have not yet recovered from the inflation and interest rate impacts going back to the fall of 2022. From 2019 to 2024, home sales are down approximately 20 percent in the U.S. and Europe, and China is significantly worse. Consumer durables, which are connected to home sales, are also down between 5 percent and 15 percent, depending on the products. Auto sales have just recovered to 2019 levels. And, we

have missed out on six years of growth with many of these products getting very old (e.g., the average age of a U.S. car is approaching 15 years). As we entered this year, the first quarter showed stable to modestly increasing demand. And our volumes were modestly above the underlying markets.

Unfortunately, the tariff events of April had a substantial impact on this trend. As we discussed in the Advanced Materials section, end-market demand in consumer durables and the automotive aftermarket switched from modest growth to mid-single-digit declines. Building and construction also weakened as people became more cautious because of the trade dynamics.

In this context, we have three factors impacting the sequential back half demand trends. First, there is always normal seasonality in the specialties, especially in Additives & Functional Products and, to a lesser extent, Advanced Materials. This contributes to about half of the drop in volume. The second factor is the unwinding of inventory prepositioned in the first half due to trade-related impacts compounded by a weakening consumer, which is more than we expected as it continues into the fourth quarter. Particularly in Advanced Materials and Fibers, our customers pulled forward orders into China and Europe to get ahead of potential retaliation in the trade disputes. The same dynamic was happening with consumer durables brands through the retailers who were moving inventory into the U.S. which started at the beginning of the year. For Eastman, the first-half pre-buy is higher given that more than 75 percent of our manufacturing is in the U.S. and about 55 percent of our revenue is outside the U.S. The third factor is market share. On a full-year basis, we have lost a modest amount of market share in low-value architectural applications, both in interlayers and coatings, representing less than 1 percent of revenue with minimal impact to earnings. And we are recovering most of our share in architectural interlayers in Advanced Materials for next year. When you look at this dynamic across the year, the expected decline in volume/mix is approximately 4 percent for Advanced Materials and low-single-digit-percent for Additives & Functional Products.

Moving next to a discussion of our outlook for the fourth quarter. As these macroeconomic headwinds persist, we remain focused on controllable actions with an emphasis on cash generation with every lever of the company. We will remain disciplined on

working capital after taking steps to reduce inventory by approximately \$200 million in the third quarter. We are on track to keep capital expenditures for full-year 2025 at approximately \$550 million, and we expect a substantially lower expenditure in 2026. We are also on track to reduce costs by more than \$75 million net of inflation and approximately \$100 million net of inflation in 2026. We also continued to work to mitigate the impact of tariffs.

Tailwinds in the fourth quarter include a sequential benefit of lower shutdown expenses, our cost reduction initiatives and an expected modest benefit from asset utilization following the execution of our inventory actions in the third quarter. Over the back half of the year, we now expect the asset utilization headwind to be closer to \$100 million relative to the first half. We expect a modest increase in revenue from the Kingsport methanolysis facility. We also expect stable price-cost with commercial excellence in the specialties. When putting these factors together, we project adjusted earnings per share in the fourth quarter to be between \$0.75 and \$1.00 and \$5.40 to \$5.65 for full-year 2025. As previously mentioned, we project full-year operating cash flow to approach \$1 billion.

Slide 12 – With macroeconomic uncertainty persisting, we are focused on improving results

Over the past several years, the Eastman team has done an outstanding job navigating a challenging global economic environment. As we look forward to next year, we are taking actions and building our plans to deliver improved earnings. To do this, we have to build our plan around a macroeconomic scenario. There are a number of external factors to consider. On one hand, we expect tailwinds from lower interest rates and tax benefits for U.S. consumers. On the risk side, the trade war could weaken consumer spending through higher consumer prices and impacts on unemployment. For planning, we are assuming next year's volume will be similar to full-year volume this year, as you cannot use the back half for the reasons discussed above. As a result, we will focus on every action in our control to improve earnings.

Our central focus has not changed, and we are unwavering in our commitment to driving growth through innovation. There are several platforms we are expecting will contribute to growth next year. We expect accelerated revenue growth from our Renew platform, where we are ramping up sales of rPET with flagship brands. We are continuing to build wins for

specialty applications, including small appliances, baby products, food trays, commercial drinkware, and cosmetics. We will continue to drive innovation for our cellulosic biopolymer platform, which includes Aventa™ compostable materials and Naia™ for textiles. Head-up display interlayers are also expected to grow in 2026, as the platform continues to benefit from the shift from ICEs to EVs in Europe and China. Finally, we also are driving innovation in coatings, where our EastaPure™ high purity process solvents are aligned to growth in the semiconductor industry.

We are also focused on improving our competitiveness through disciplined management of our costs. We have made considerable progress to improve our cost structure while investing in the business, and we are committed to building on our cost reduction efforts to continue to adapt to the current environment. Now in 2025, we are on track to achieve more than \$75 million of cost savings, net of inflation. As we build our plan for 2026, we are adding approximately \$100 million of additional cost savings, net of inflation. We have a comprehensive plan to improve operating costs and go beyond our usual focus on productivity improvement. Many of the actions will be implemented during the second half of the year to realize the full benefit in 2026.

Given the current environment, we have been taking aggressive actions necessary to right-size our working capital. During the third quarter, we made significant progress on our inventory reduction actions that we previously stated would result in a negative impact on earnings of approximately \$100 million in the back half of 2025 compared to the first half. As we move into 2026, the utilization headwind to reduce inventories will become a tailwind of approximately \$50 million to \$75 million.

In addition, while we have already reduced our capital expenditures for 2025, you can expect that capex spend in 2026 will be below 2025 levels. While the second plant is on pause, we will also continue to focus on reducing the capital intensity of the next methanolysis plant. On capital allocation, we remain confident in our dividend in the current environment.

We remain committed to optimizing and rationalizing underperforming parts of our portfolio. This includes a no-regrets ethylene-to-propylene investment that enables asset optimization and a repurposing of existing assets at our Texas operations with a modest

amount of capital. We expect this investment will improve earnings by \$50 million to \$100 million through the cycle and reduce volatility with a short payback period resulting in a structural improvement in earnings for Chemical Intermediates. In past years, we have divested non-core businesses in which we were not the highest and best owner, shut down underperforming assets, and invested in assets to improve performance. We will look at all of these options to determine which will have the most meaningful positive impact on our performance going forward.

We are focused on controlling what we can control, acting with urgency, and taking decisive actions to navigate the current environment and position Eastman for success as our markets improve.

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 (Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended). Forward-looking statements are all statements, other than statements of historical fact, that may be made by Eastman Chemical Company from time to time. In some cases, you can identify forward-looking statements by terminology such as "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "forecasts," "will," "would," "could," and similar expressions, or expressions of the negative of these terms. Forward-looking statements may relate to, among other items: projections and estimates of earnings, revenues, volumes, pricing, margins, cost reductions, expenses, taxes, liquidity, capital expenditures, cash flow, supply and demand, volume, price, cost, margin and sales; growth opportunities; 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 and the assumptions underlying them are subject to a number of risks and uncertainties, and actual performance or results could differ materially from expectations expressed in any forward-looking statements if one or more of the underlying assumptions and/or expectations prove to be inaccurate or is unrealized. Forward-looking statements speak only as of the date they are made, and the company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by the federal securities laws.

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.