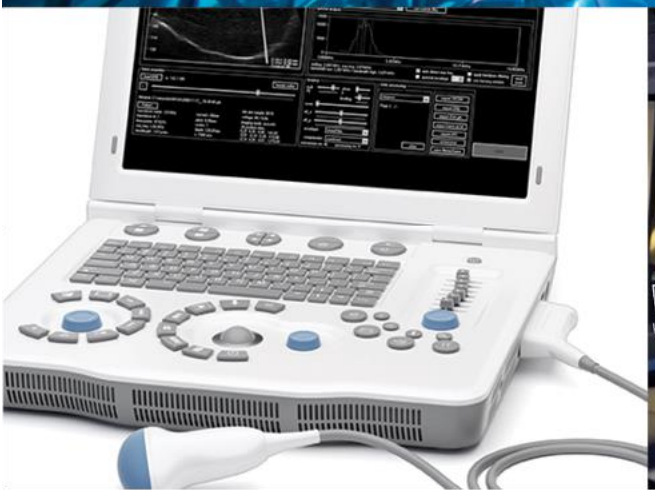
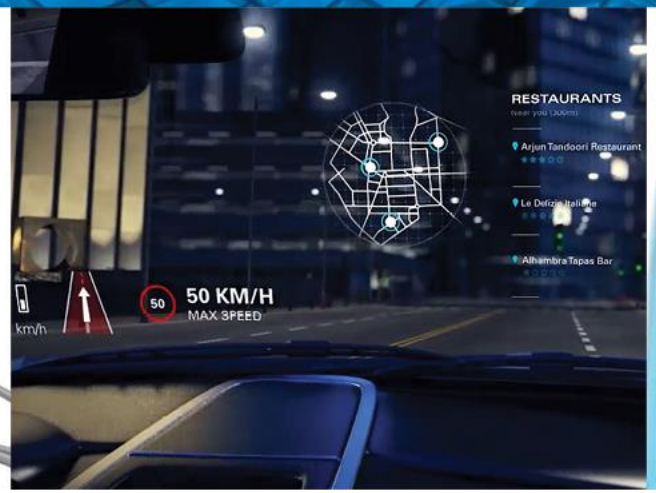
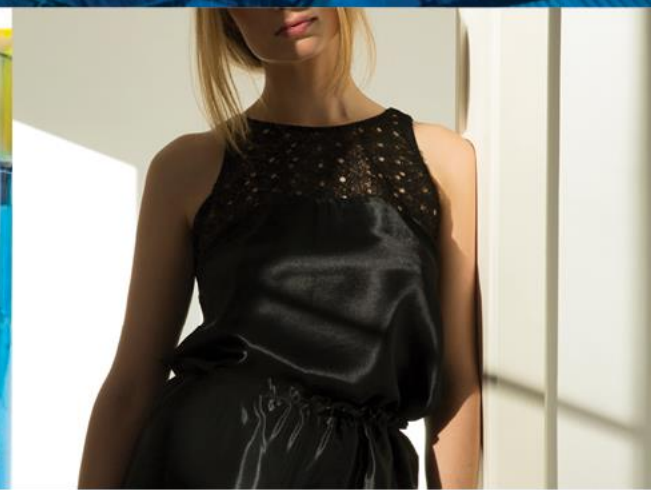
Goldman Sachs Basic Materials Conference

Brad Lich, EVP and Chief Commercial Officer

May 15, 2018







EASTMAN

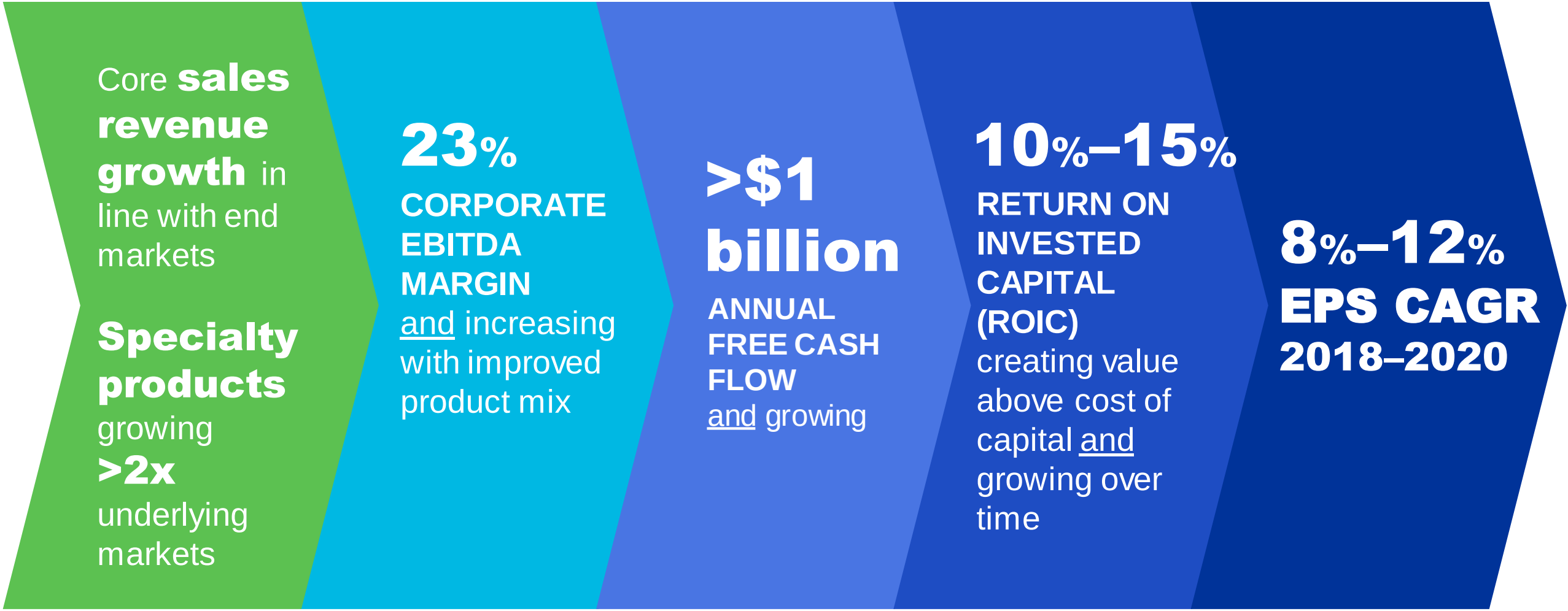
Forward-looking statements

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 our Form 10-Q for first quarter 2018 filed with the Securities and Exchange Commission for risks and uncertainties which could cause actual results to differ materially from current expectations.

Non-GAAP financial measures

Earnings referenced in this presentation exclude certain non-core and unusual items. In addition, earnings per share are calculated with an adjusted tax rate that is the forecasted full year tax rate that excludes the provision for income taxes for non-core and unusual items. “EBITDA” is net earnings or net earnings per share before interest, taxes, depreciation and amortization adjusted to exclude the same non-core and any unusual or non-recurring items as are excluded from the Company's other non-GAAP earnings measures for the same periods. “EBITDA Margin” is EBITDA divided by the GAAP measure sales revenue in the Company’s income statement for the period presented. “Free Cash Flow” is cash provided by operating activities minus capital expenditures (typically cash used for additions to properties and equipment and in first quarter 2018, net of proceeds from property insurance). 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 “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 and assume that the adjusted tax rate for the most recent completed period will be the actual tax rate for the projected periods.

Strong value creation expected going forward



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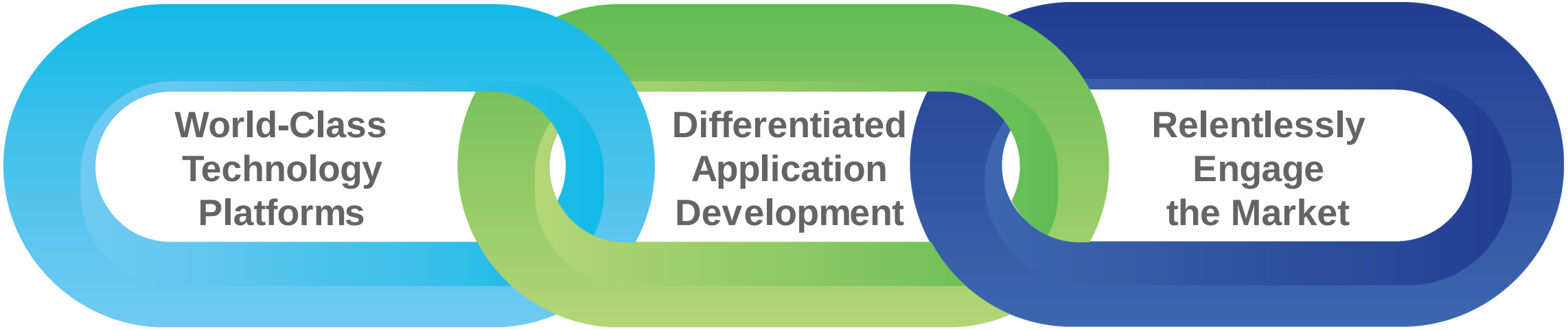
Unique innovation-driven growth model delivers consistent, sustainable value



Significant integration and scale enable innovation, reliability and cost advantage

Advantaged growth and execution capability and culture

Aggressive and disciplined portfolio management

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Advanced Materials: A material solutions business with a diverse footprint

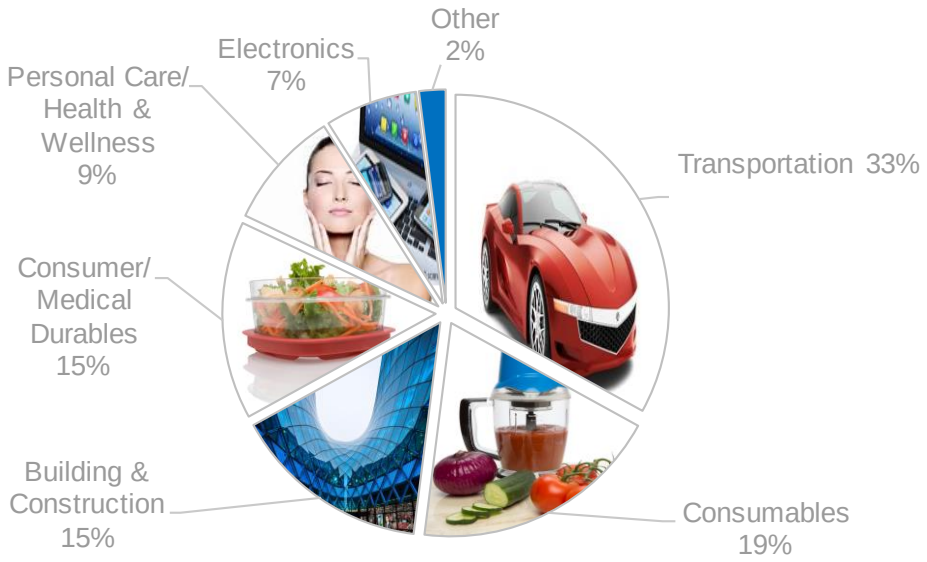
$2.6B REVENUE

$494M EARNINGS BEFORE INTEREST & TAX

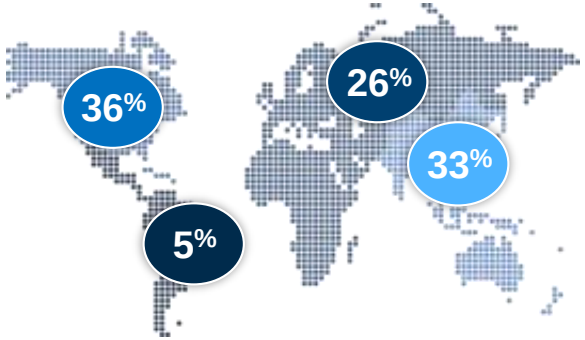
19% EBIT MARGIN

- Portfolio of engineering polymers and specialty films
- Products sold in final form or processed through single conversion step
- End-use functionality primarily derived from the material we sell
- Focused on niche applications with opportunities for continuous innovation

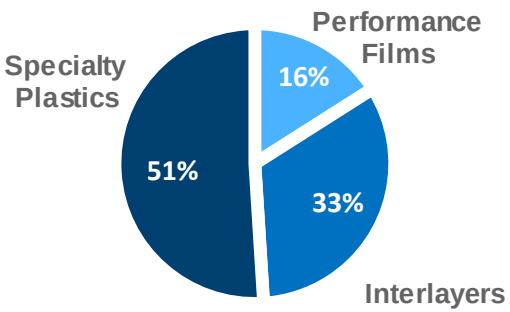
2017 REVENUE BY END-USE MARKET



2017 REVENUE BY REGION



2017 REVENUE BY PRODUCT LINE



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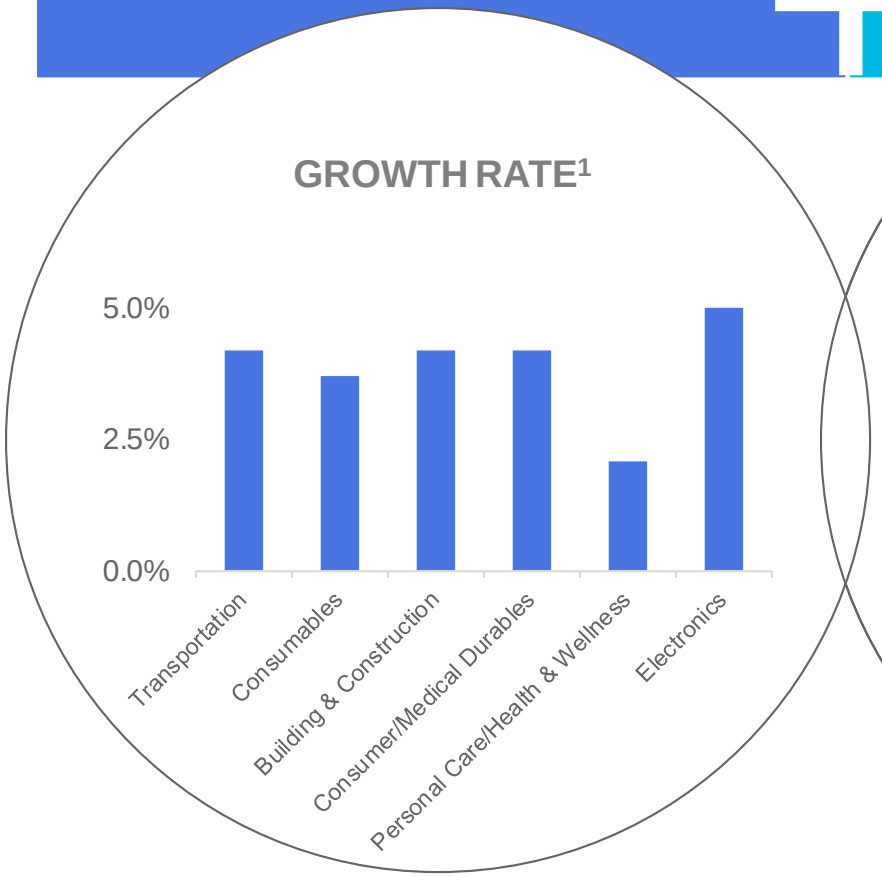
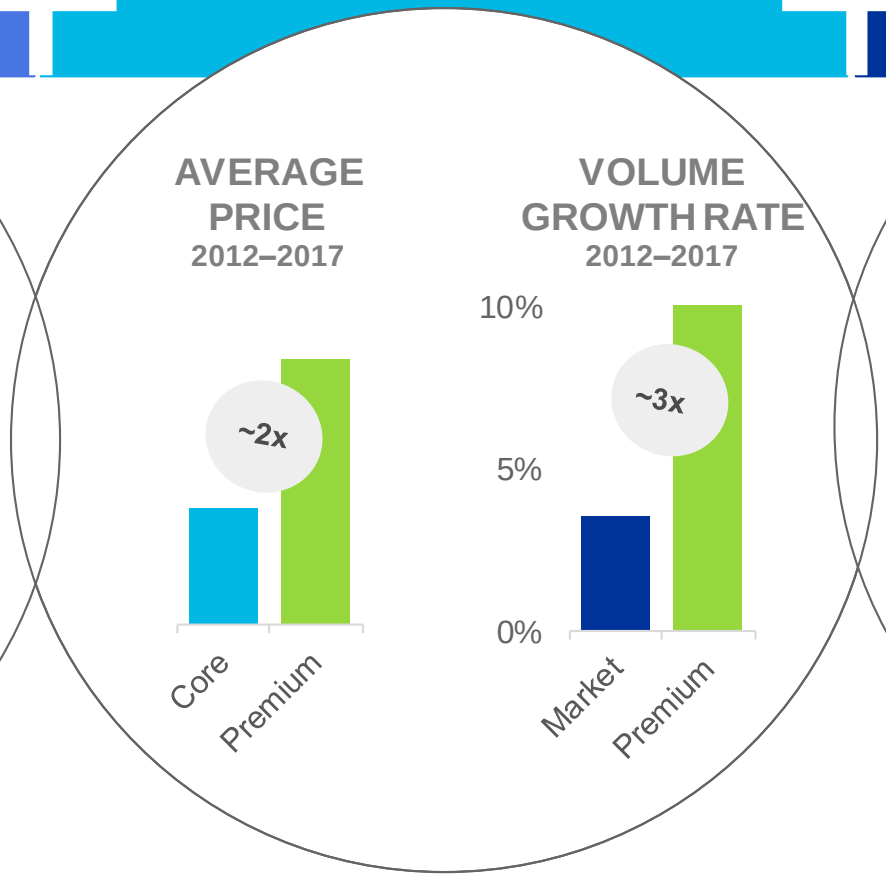
Advanced Materials: A great specialty business

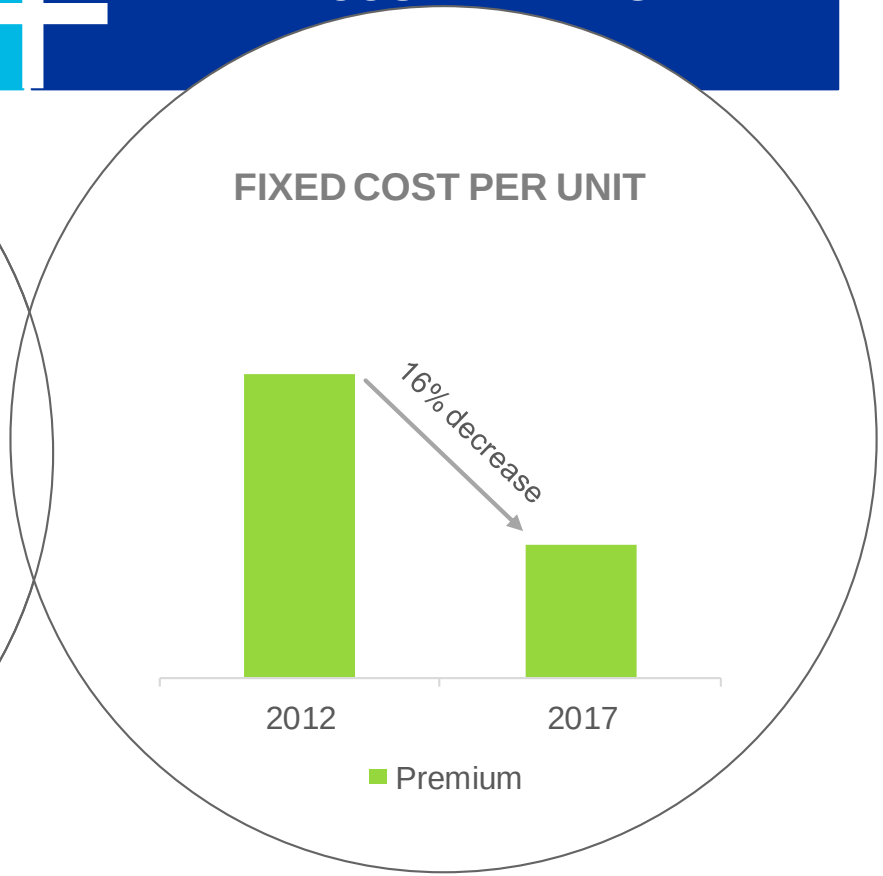
CORE VOLUME GROWTH



MIX UPGRADE



FIXED COST LEVERAGE



(1) Eastman internal estimates

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Fibers: Expanding from a tow supplier to a textiles innovation partner

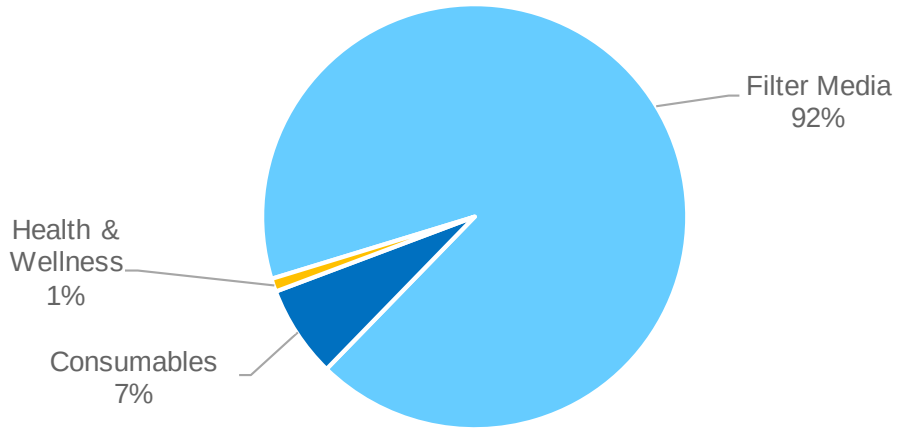
$852M REVENUE

$231M EARNINGS BEFORE INTEREST & TAX

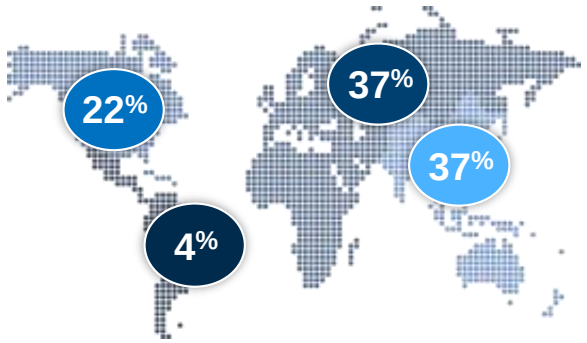
27% EBIT MARGIN

- Leading cost position based on scale and integration
- Strong customer relationships in filter media underpinned by specification-driven applications
- Unique fiber spinning and process capabilities
- Focused on growing in niche applications
- Relentlessly pursuing productivity

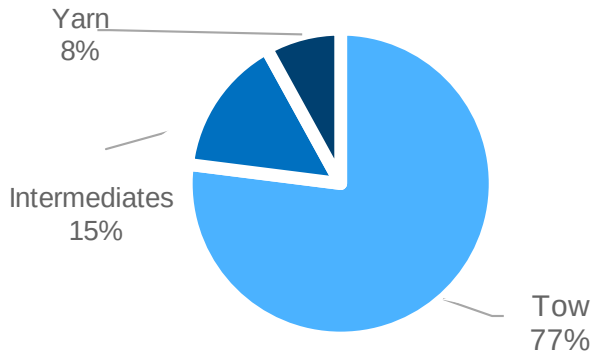
2017 REVENUE BY END-USE MARKET



2017 REVENUE BY REGION



2017 REVENUE BY PRODUCT LINE



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A sustainable cellulosic fiber growing up to 5X the market rate

FabricLink NETWORK TOP 10 Textile Innovations Award Winner

World-Class Technology Platforms

Differentiated Application Development

Relentlessly Engage the Market

Sustainability

Comfort

Ease of Care

Prototyping

Pilot Scale Knitting Machine

Laboratory Tenter Oven

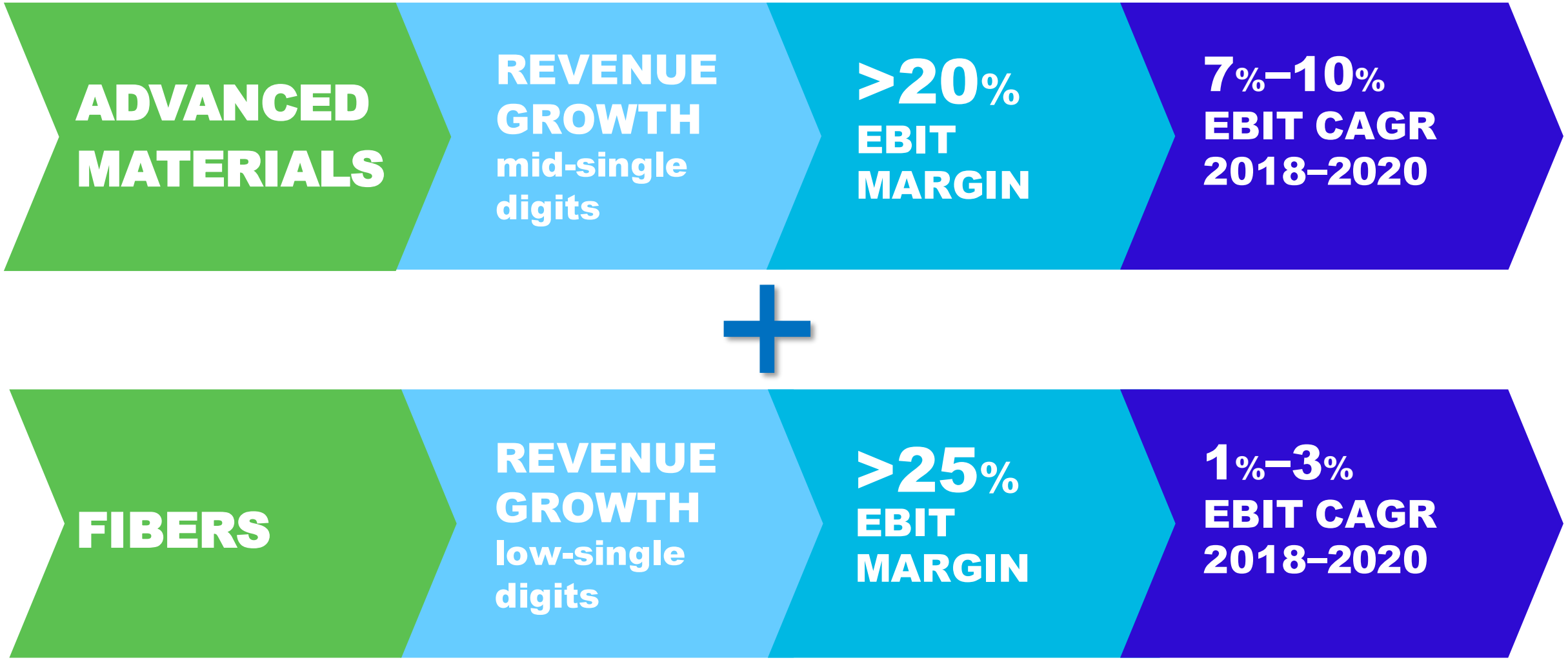
End-use testing

Fast Fashion

Women's Wear

Intimate Apparel

Two great businesses driving value creation



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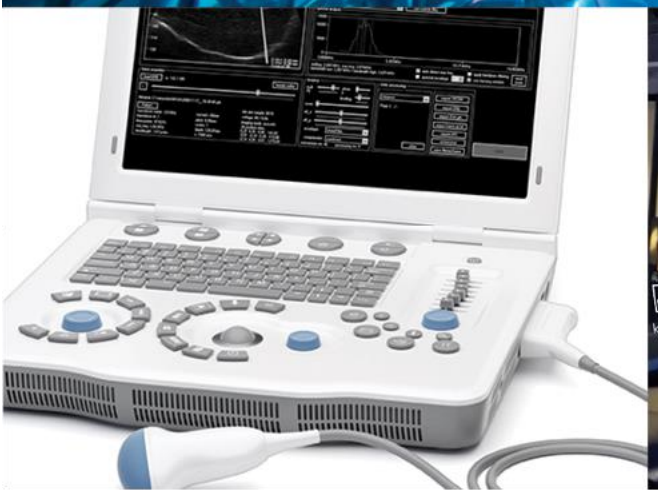
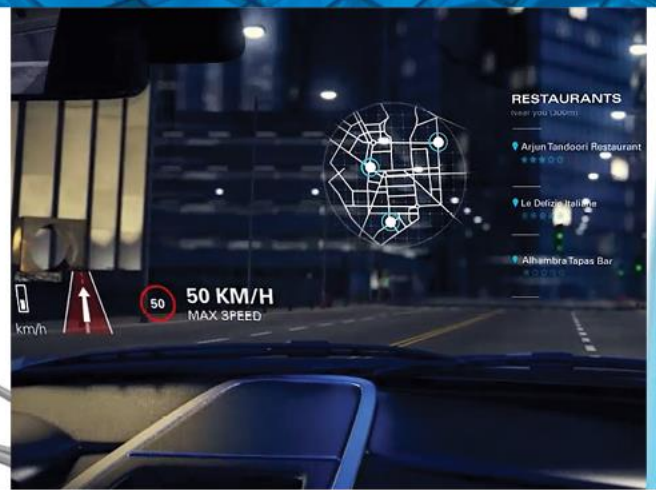
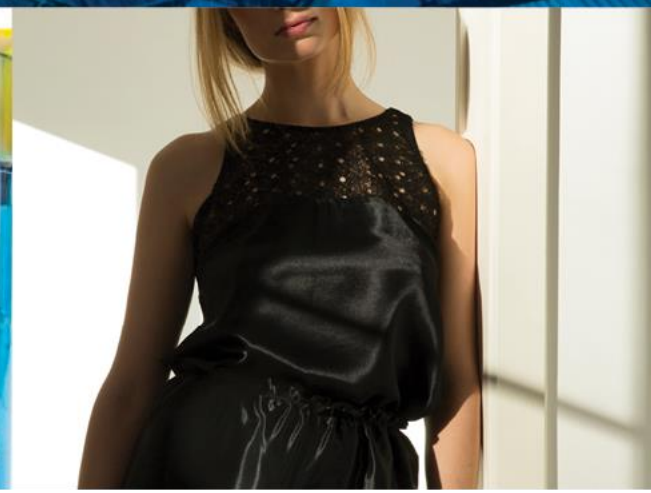
Questions?







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