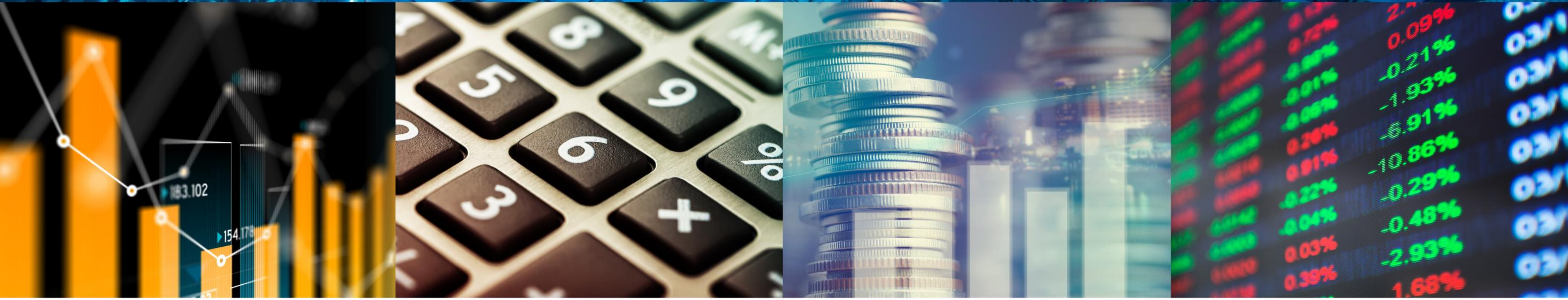
Deutsche Bank Global Industrials & Materials Summit

Curt Espeland, EVP and Chief Financial Officer

June 6, 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

All earnings measures in these presentations are non-GAAP and 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.

- "**Debt to EBITDA**" Ratio is defined as Total Debt divided by Adjusted EBITDA.
- "**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. Projections of future Adjusted EBITDA and EBITDA Margin also exclude any non-core or non-recurring items.
- "**Free cash flow**" is cash provided by operating activities less cash used for additions to properties and equipment (typically cash used for additions to properties and equipment and in first quarter 2018, net of proceeds from property insurance). "**Adjusted Free Cash Flow**" is cash provided by operating activities excluding non-core or unusual items less cash used for additions to properties and equipment.
- "**Return on Invested Capital**" (or "**ROIC**") is adjusted net income plus interest expense after tax divided by average total borrowings plus average stockholders' equity for the period presented, each derived from the GAAP measures in the Company's financial statements for the periods presented.

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.

Unless otherwise indicated, except for earnings per share, all dollar amounts are millions "($M)" or billions "($B)".

Strong value creation expected going forward

Core **sales revenue growth** in line with end markets

Specialty products growing **>2x** underlying markets

23%
CORPORATE EBITDA MARGIN
and increasing with improved product mix

>$1 billion
ANNUAL FREE CASH FLOW
and growing

10%–15%
RETURN ON INVESTED CAPITAL (ROIC)
creating value above cost of capital and growing over time

8%–12%
EPS CAGR
2018–2020

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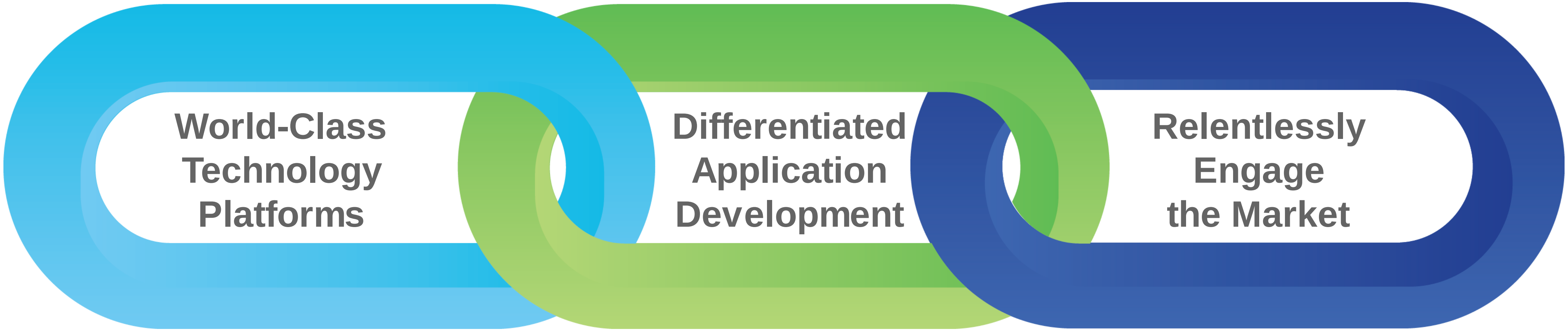
Unique innovation-driven growth model delivers consistent, sustainable value

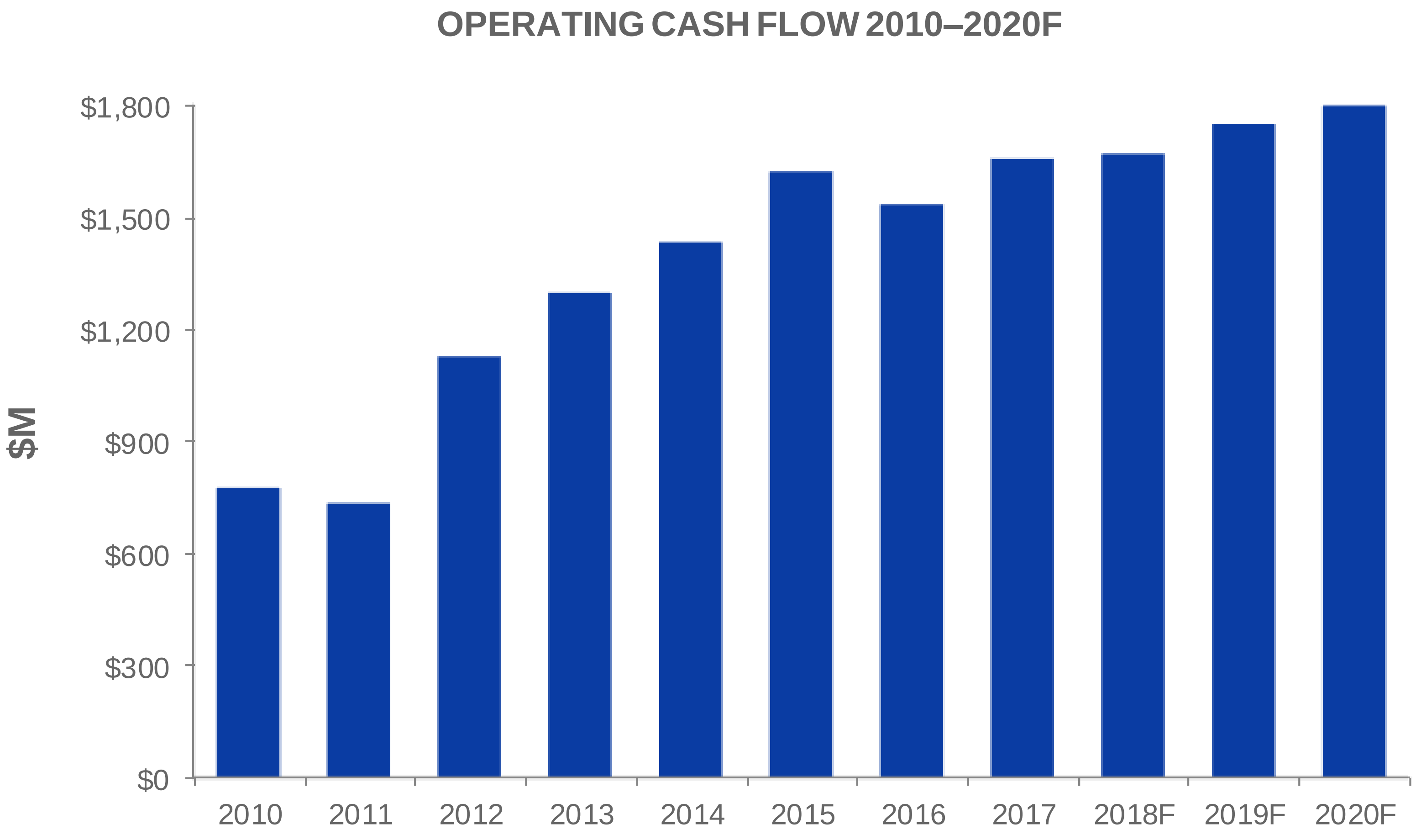


Significant integration and scale enable innovation, reliability and cost advantage

Advantaged growth and execution capability and culture

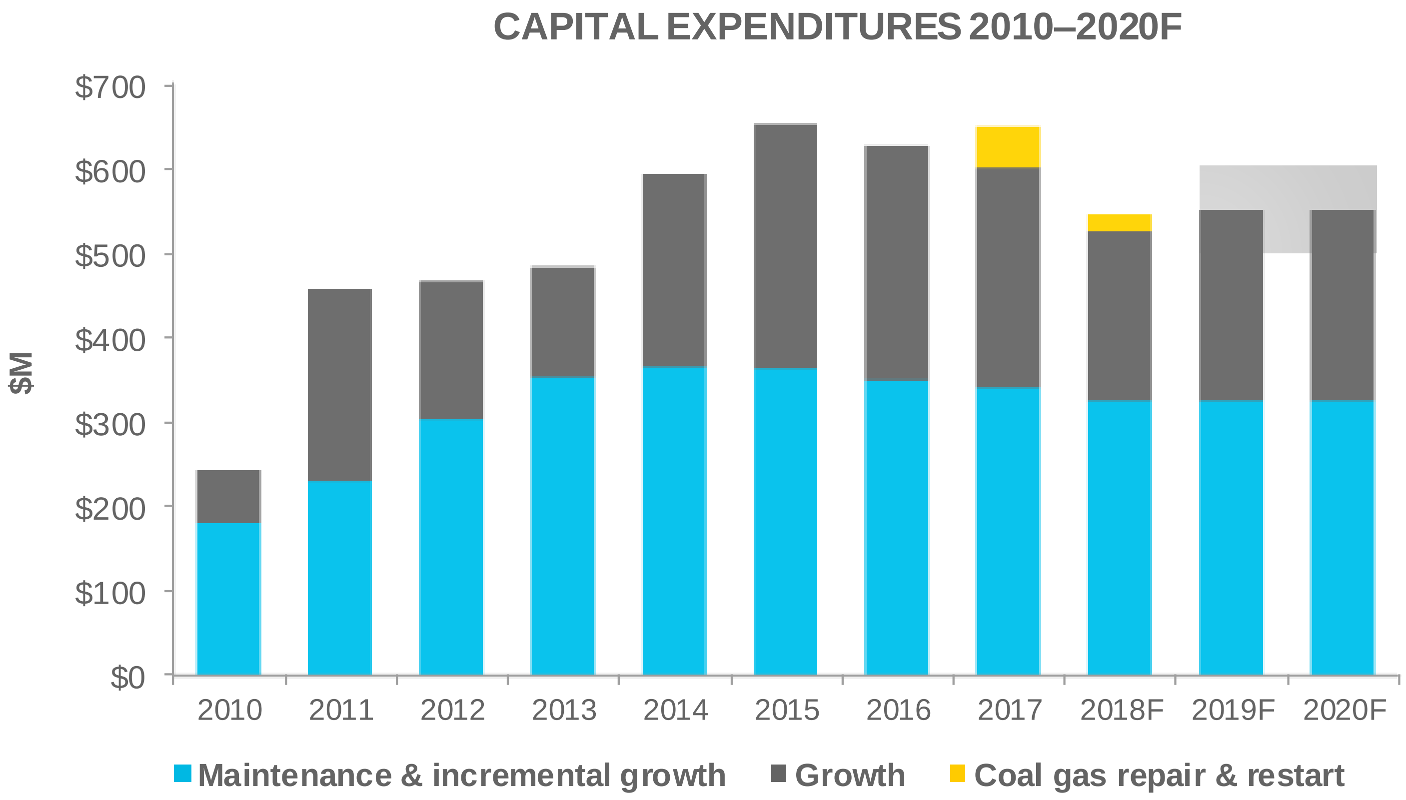
Aggressive and disciplined portfolio management

Strong and growing cash from operations driven by continued growth in corporate earnings



- Operating cash flow growing with our businesses
- Will continue working capital discipline in line with growth
- 2018 operating cash flow negatively impacted by coal gas incident

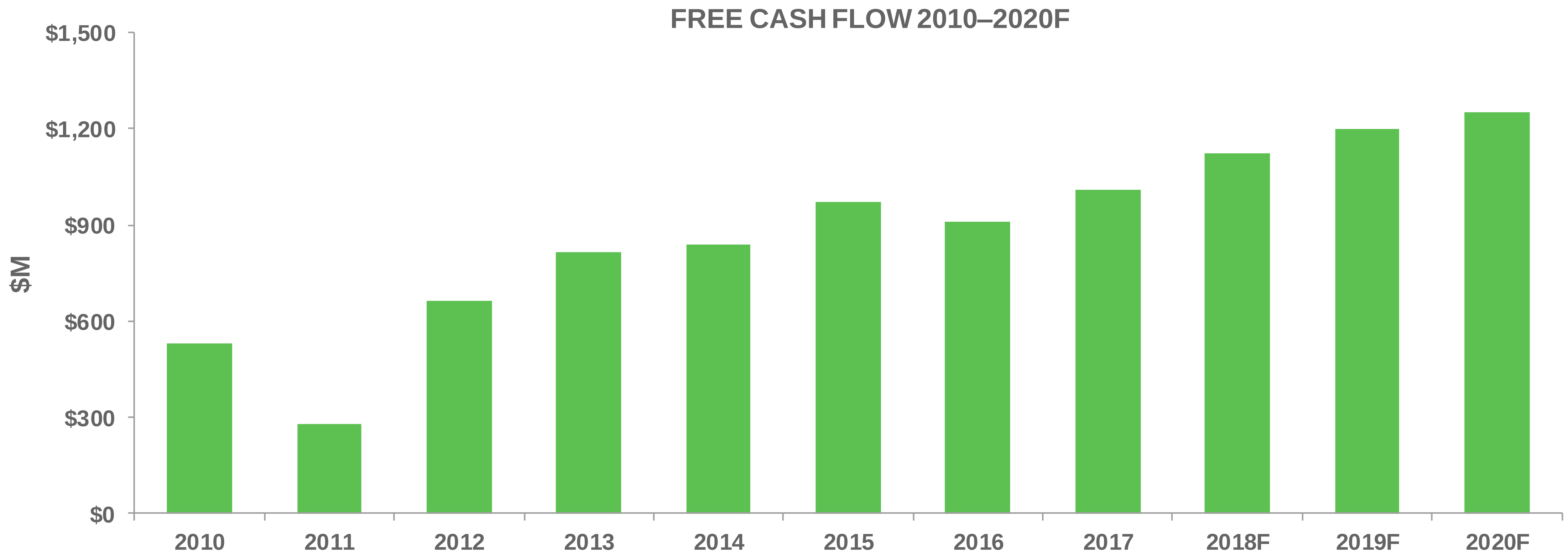
Targeted capital expenditures funding organic growth and maintenance



% of sales	4%	6%	6%	5%	6%	7%	7%	6%	5%	5%	5%

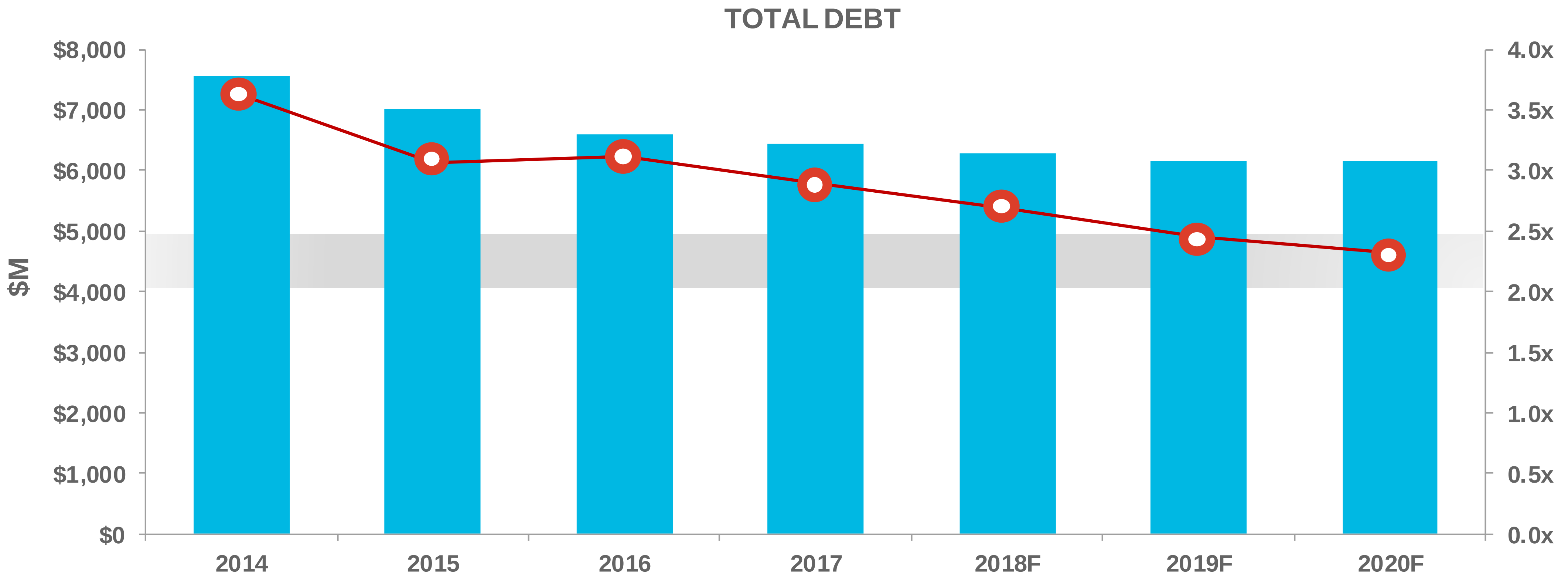
- Annual maintenance capital expected to be $300–$350 million
- Will continue to fund targeted growth initiatives
- Anticipate future projects will be driven by innovation and other growth programs
- Recent examples include Tritan™, Crystex™, PVB resin, and ketones
- Expected return on growth investments of 10%–15%+

Free cash flow over next 3 years expected to be ~$3.5 billion



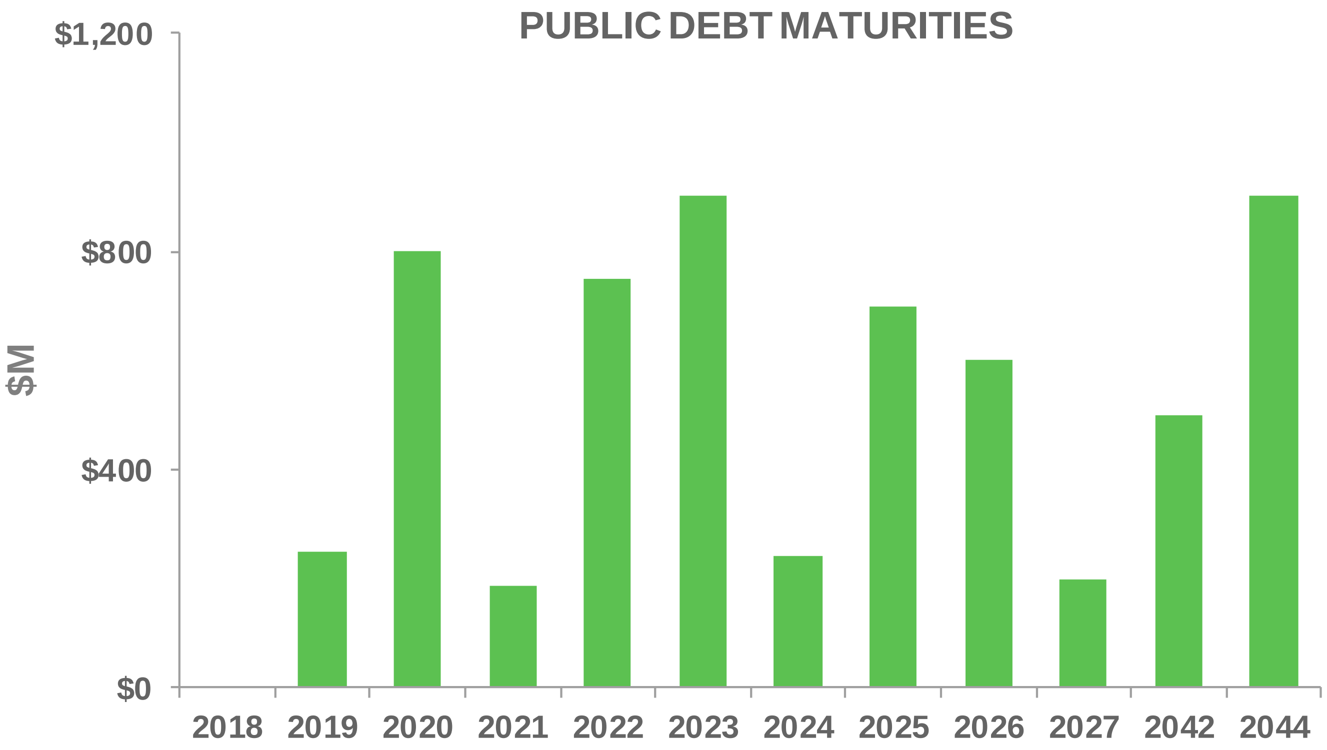
Expect to fully deploy free cash flow

Maintain investment-grade credit rating that provides financial flexibility to invest in growth and reward stockholders



Expect ~2.5x debt to EBITDA ratio in next 12 to 24 months

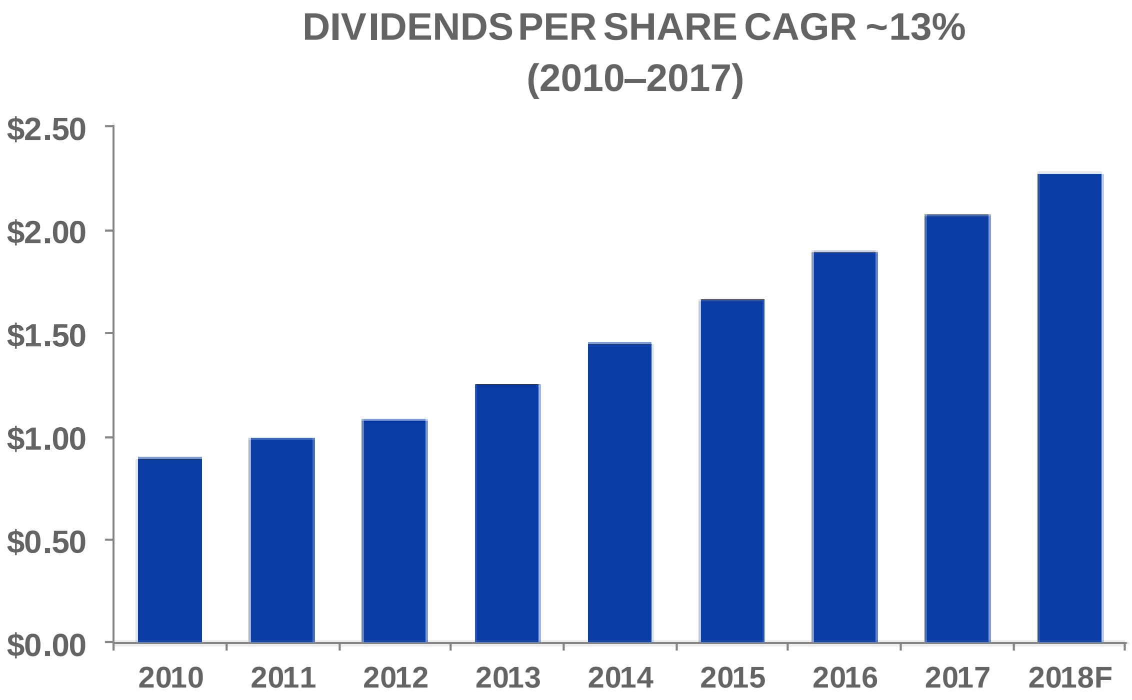
Strong balance sheet and sufficient liquidity

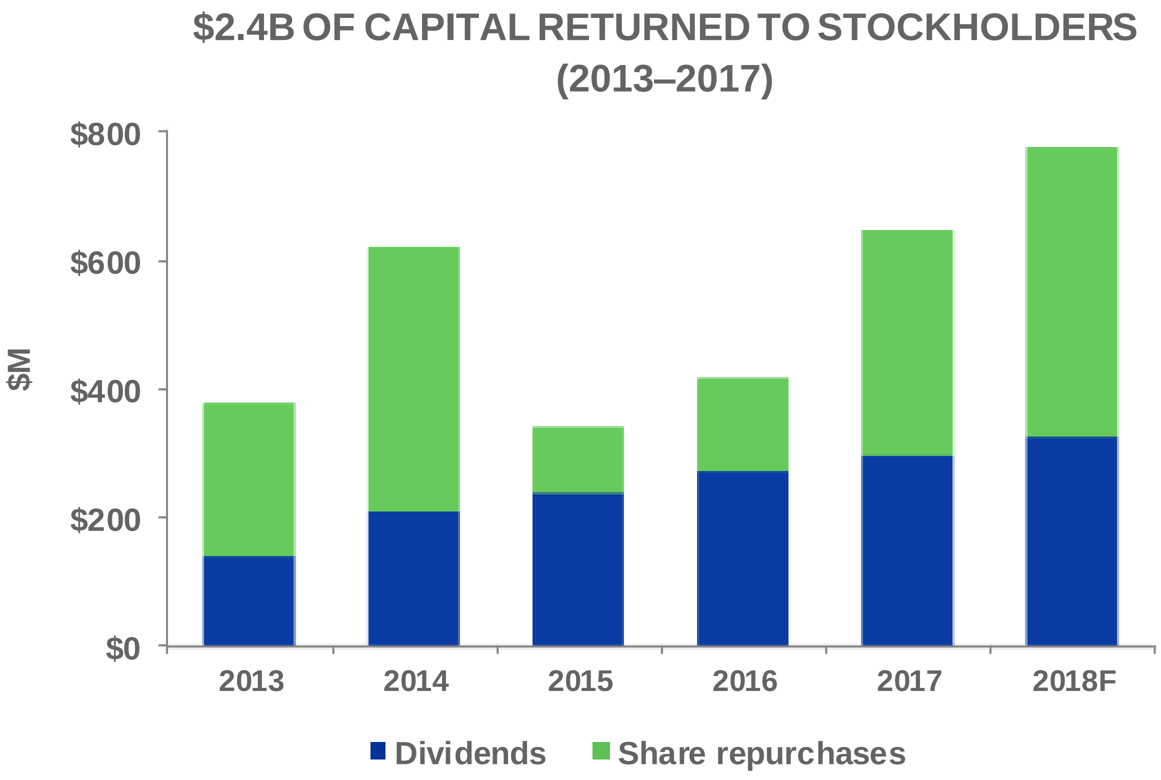


- Remain committed to investment-grade credit rating
- Expect to delever over next 12–24 months
- Manageable debt maturities in 2019 and 2020
- Sources of liquidity:
  - $1.25 billion revolver
  - $300 million accounts receivable securitization program
- Meaningful return of cash to stockholders

Combination of cash flow generation, strong balance sheet, and liquidity provides flexibility to pursue growth

Long history of returning capital to stockholders





$2B share repurchase authorization

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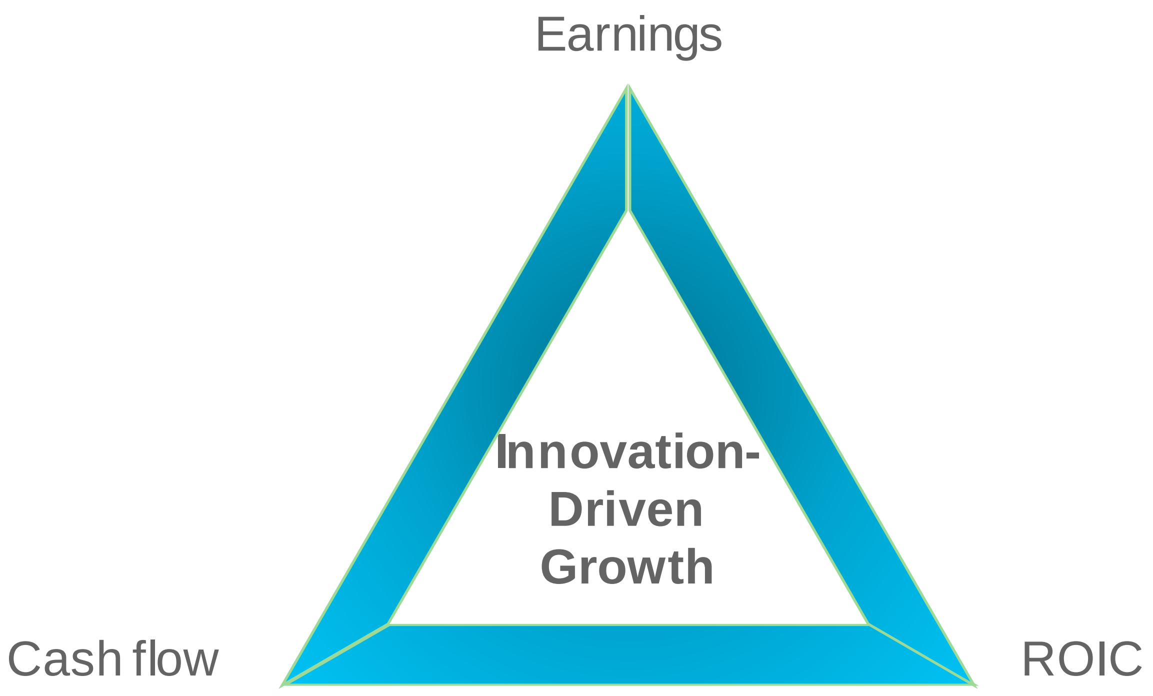
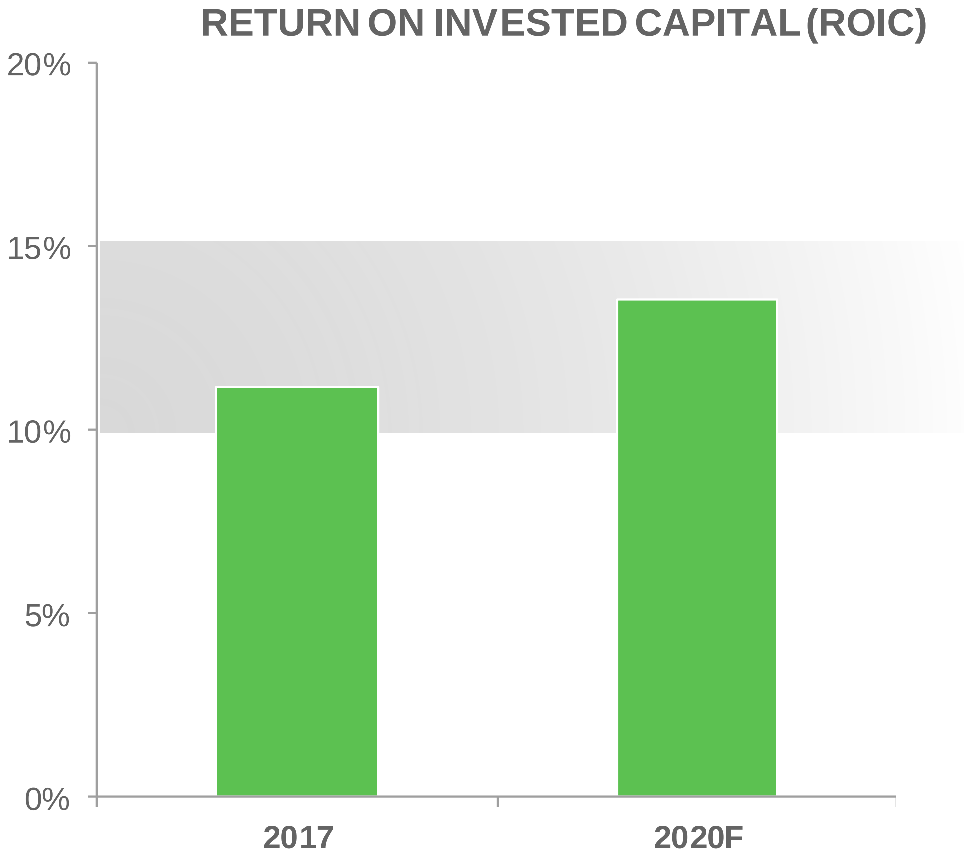
A sustained high level of returns as the company grows





Expect ROIC of 10%–15% as the company grows in a disciplined manner

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Position of strength

- Expect to generate free cash flow approaching ~$3.5 billion 2018–2020
- Maintain capital structure that provides financial flexibility to invest for growth and reward stockholders
- Strong balance sheet and sufficient liquidity foundation for growth
- Continue to improve ROIC with an expectation to return 10%–15%
- Strong execution track record enables sustainable value creation

Appendix

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Reconciliation of Net Cash Provided by Operating Activities to Free Cash Flow

($ in millions)	2004	2010	2011	2012	2013	2014	2015	2016	2017
Net cash provided by operating activities	494	575	625	1,128	1,297	1,433	1,624	1,385	1,657
Add: adjustments to net cash provided by operating activities [1,2,3]		200	110					150	
Adjusted net cash provided by operating activities	**494**	**775**	**735**	**1,128**	**1,297**	**1,433**	**1,624**	**1,535**	**1,657**
Additions to property and equipment	248	243	457	465	483	593	652	626	649
Free cash flow	**246**	**532**	**278**	**663**	**814**	**840**	**972**	**909**	**1,008**

1) 2010 cash from operating activities reflected the adoption of amended accounting guidance for transfers of financial assets which resulted in $200 million of receivables, which were previously accounted for as sold and removed from the balance sheet when transferred under the accounts receivable securitization program being included on the first quarter balance sheet as trade receivables, net. This increase in receivables reduced cash from operations by $200 million in first quarter 2010.
2) 2011 cash from operating activities included the use of $110 million for tax payments for the tax gain on the sale of PET business completed in first quarter 2011.
3) 2015 cash from operating activities included an accelerated pension contribution of $150 million.

Reconciliation of return on invested capital (ROIC)

($ in millions)	2017
Adjusted Net Income	1,112
Plus Interest Expense, net of tax	159
Total	1,270
Average Debt	6,513
Average Equity	4,830
Total Average Investment	11,343
ROIC	**11.2%**

Note: Average adjusted equity is computed by summing current and prior year Total Eastman stockholders' equity plus current year non-core and unusual items net of tax as shown in the reconciliation of adjusted net income, all divided by two.