Second-Quarter 2018 Financial Results

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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-K for 2017 filed with the Securities and Exchange Commission, these slides and the remarks in the conference call and webcast, the second quarter 2018 financial results 8-K and news release, and our Form 10-Q to be filed for second-quarter 2018 for risks and uncertainties which could cause actual results to differ materially from current expectations.

GAAP and Non-GAAP financial measures

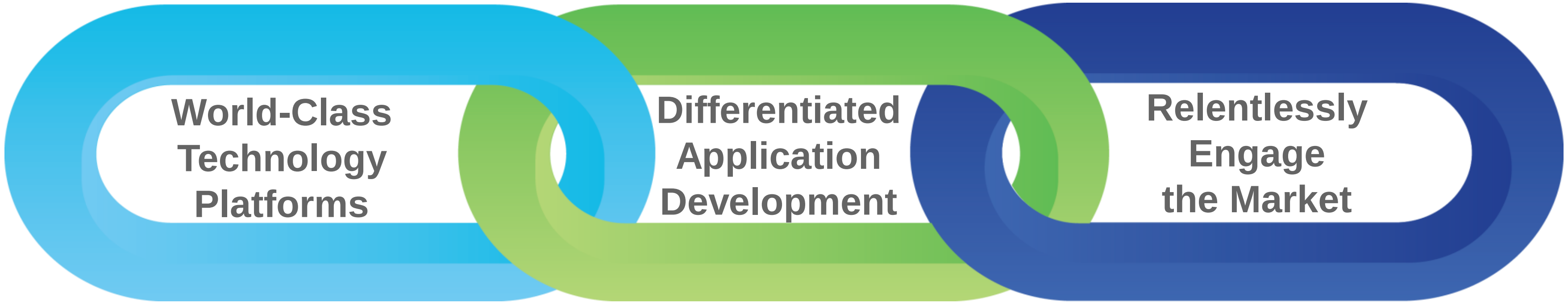
Earnings referenced in this presentation exclude certain non-core and unusual items. In addition, second quarter and first six months 2018 and second quarter and first six months 2017 earnings per share are calculated with an adjusted tax rate that is the forecasted full-year tax rate as of the end of the interim period and 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 net capital expenditures (typically cash used for additions to properties and equipment, and in first six months 2018, excluding insurance proceeds for coal gasification property damage). 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 2018 financial results news release available 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 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 first six months 2018 will be the actual tax rate for the projected periods.

EBIT is the GAAP financial measure “earnings before interest and taxes.”

Strategic Highlights

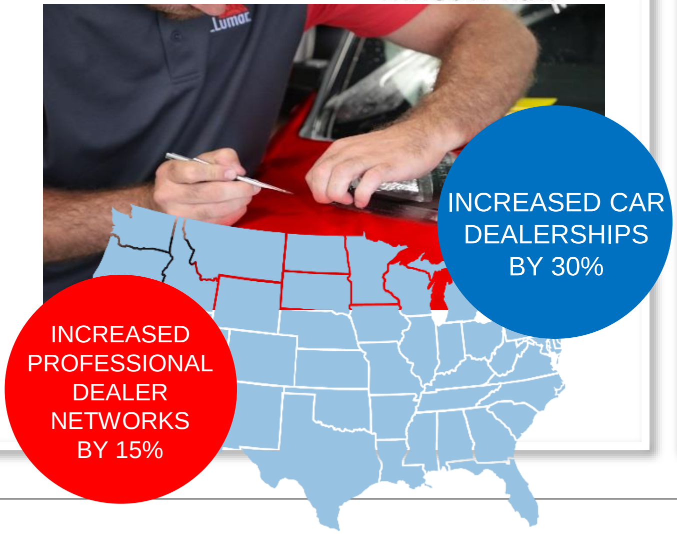
- 2Q18 strong operating results
- Strong volume growth in specialty products delivered by our innovation-driven growth model
- Progress stabilizing results in Fibers, strong growth in textiles innovation platform
- Continued disciplined cost management to fund growth
- On track for $1.1 billion of free cash flow in 2018
- 1H18 returned $410 million to stockholders

On track to deliver >$350 million of new business revenue in 2018



LLUMAR®
window and paint protection film

SUNTEK®
window film



GROWTH REGULATORS
in crop protection

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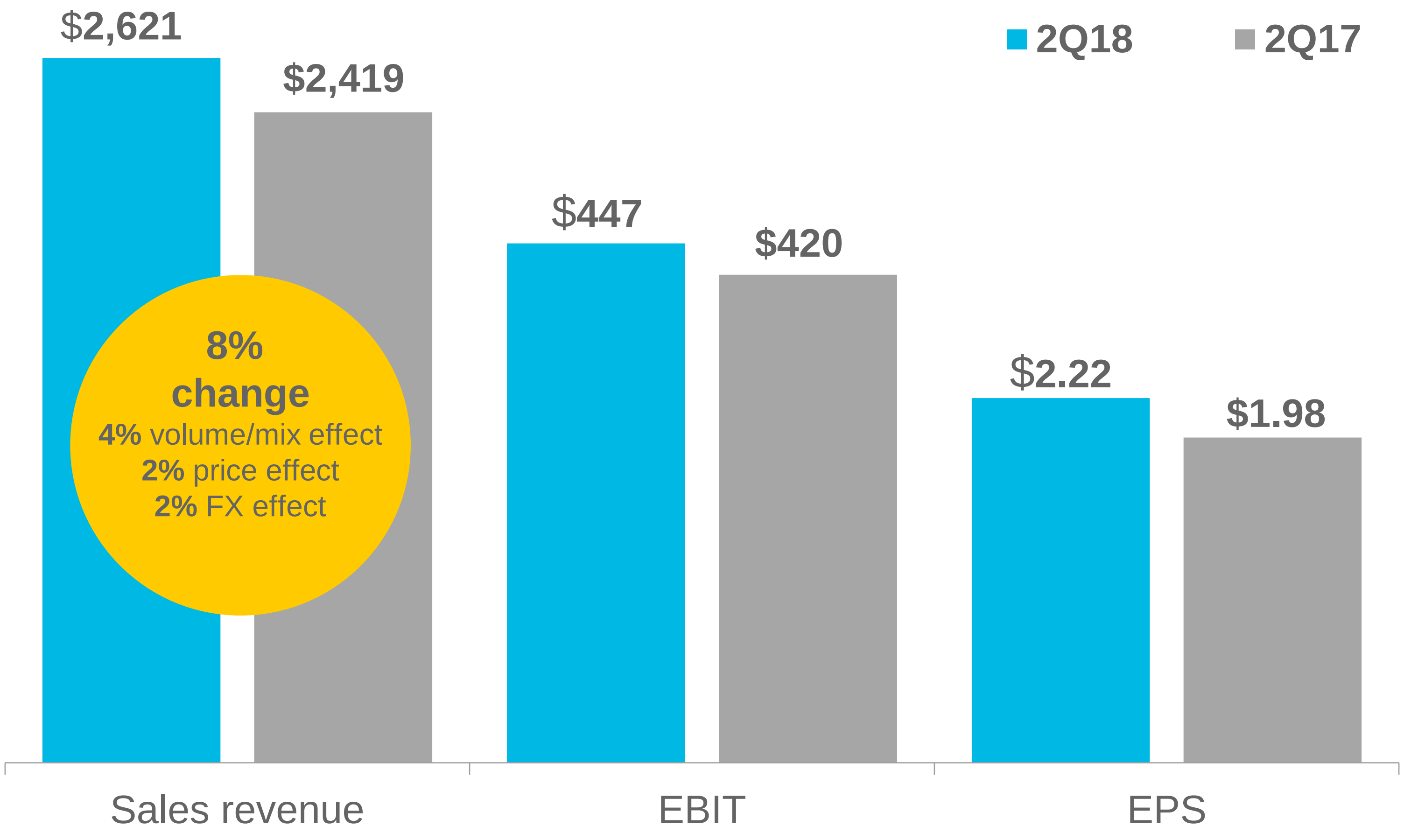
2Q 2018 financial results *Corporate*

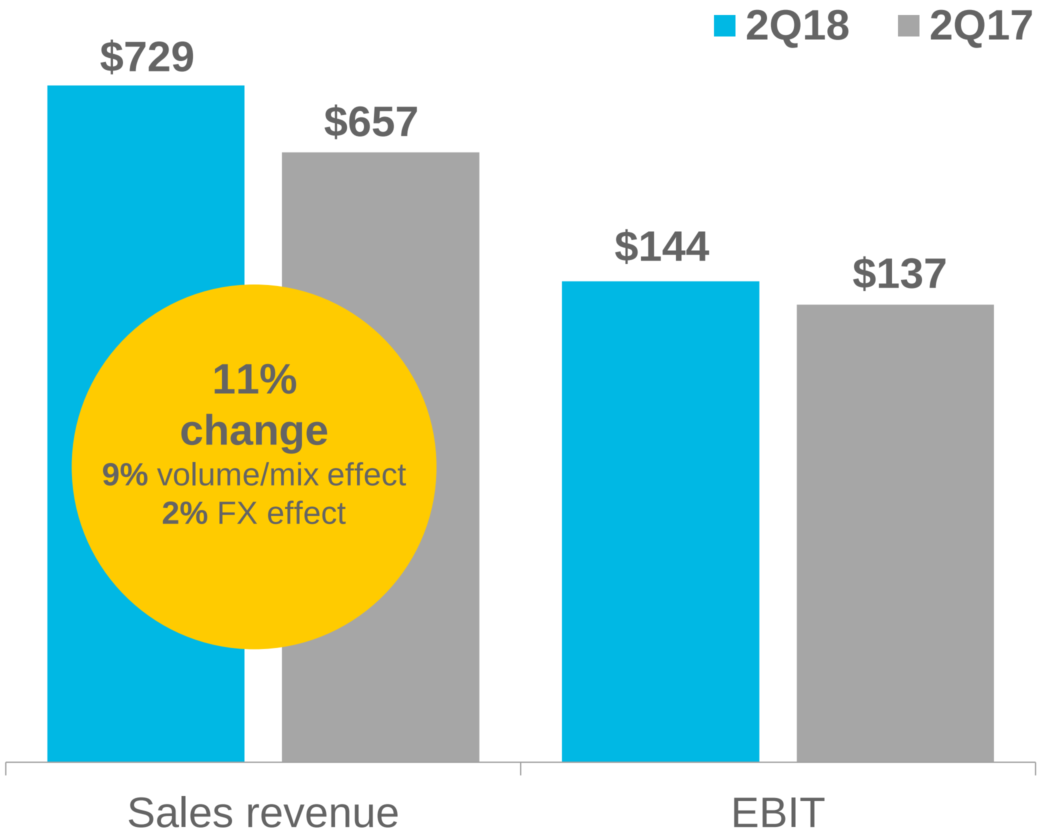
($ in millions, except EPS)



- Revenue grew across all four segments, with strong sales volume growth in Advanced Materials and Additives & Functional Products
- EBIT grew as increases in Additives & Functional Products, Advanced Materials, and Fibers more than offset a decline in Chemical Intermediates

2Q 2018 financial results *Advanced Materials*

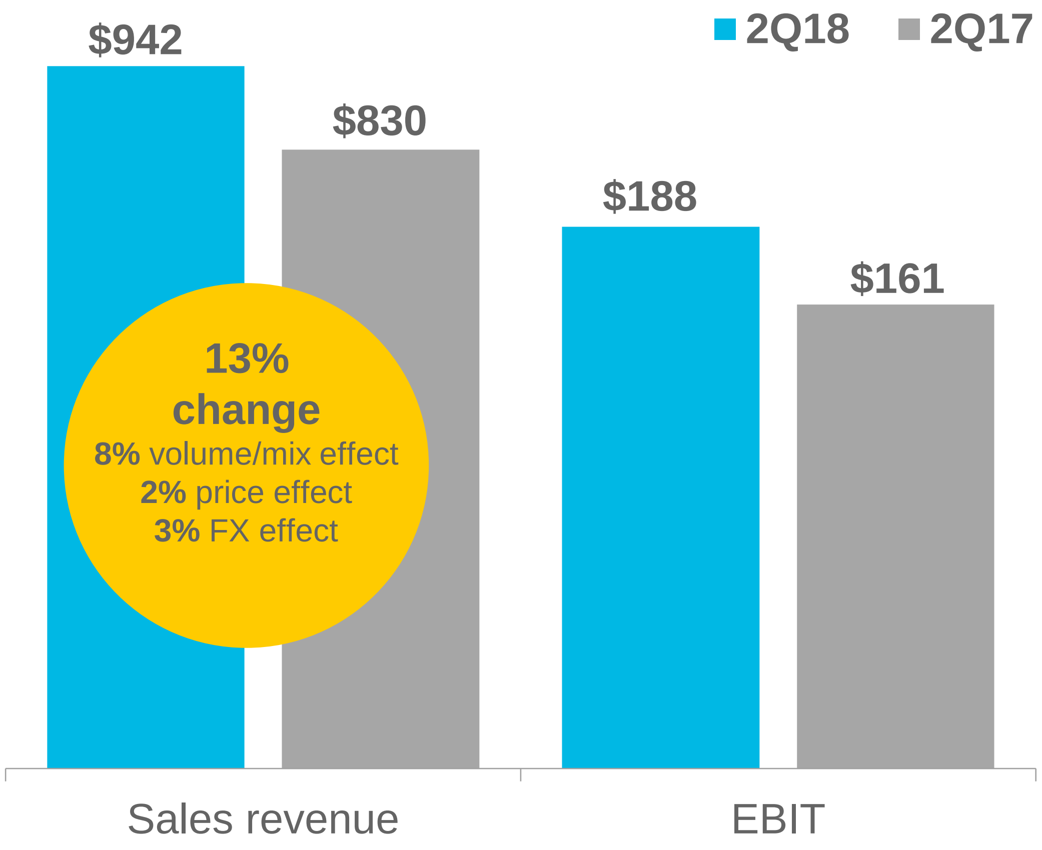
($ in millions)



- Sales revenue increased due to higher sales volume across the segment, including for premium products such as Eastman Tritan™ copolyester, Saflex® head-up displays ("HUD"), and performance films, as well as a favorable shift in foreign currency exchange rates
- EBIT increased primarily due to higher sales volume, improved product mix, and a favorable shift in foreign currency exchange rates, partially offset by higher raw material costs and increased investment in growth

2Q 2018 financial results *Additives & Functional Products*

($ in millions)



- Sales revenue increased due to higher sales volume across the segment, a favorable shift in foreign currency exchange rates, and higher selling prices
- EBIT increased primarily due to higher sales volume and a favorable shift in foreign currency exchange rates, partially offset by increased investment in growth

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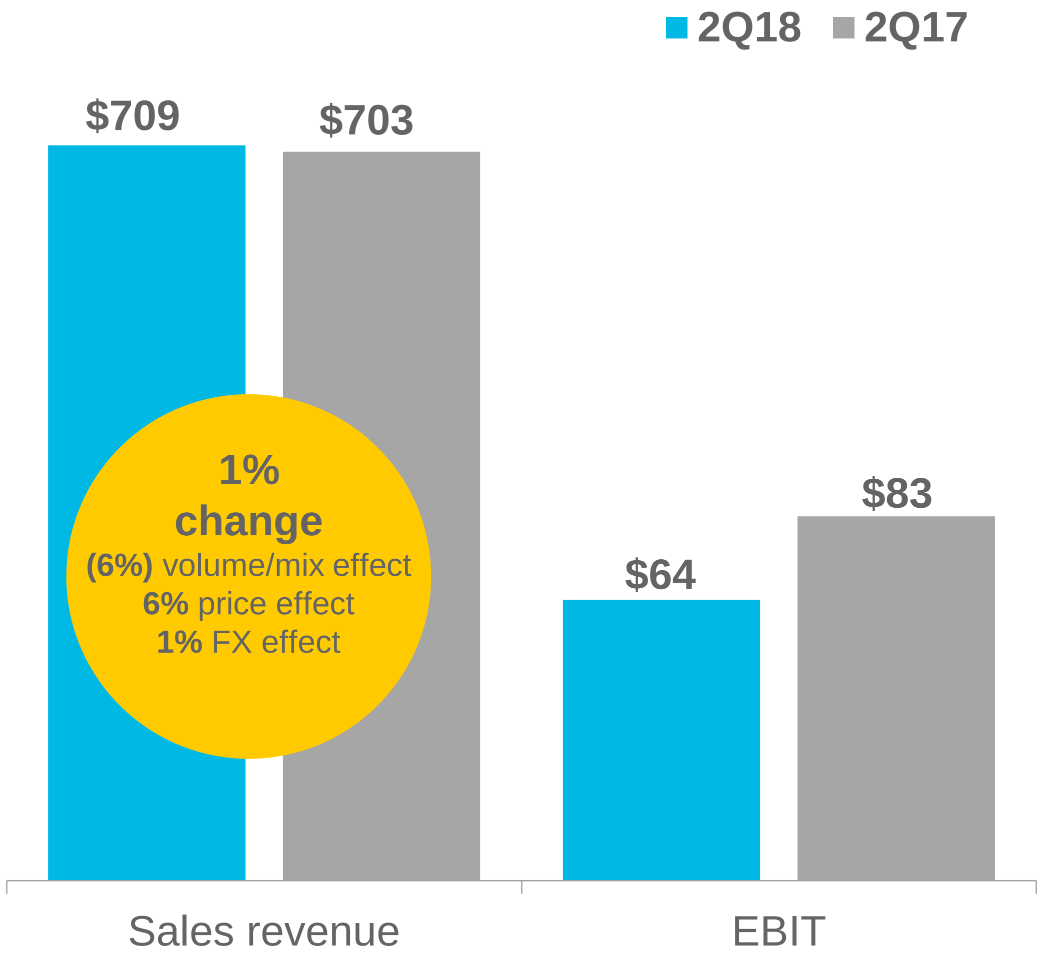
2Q 2018 financial results *Chemical Intermediates*

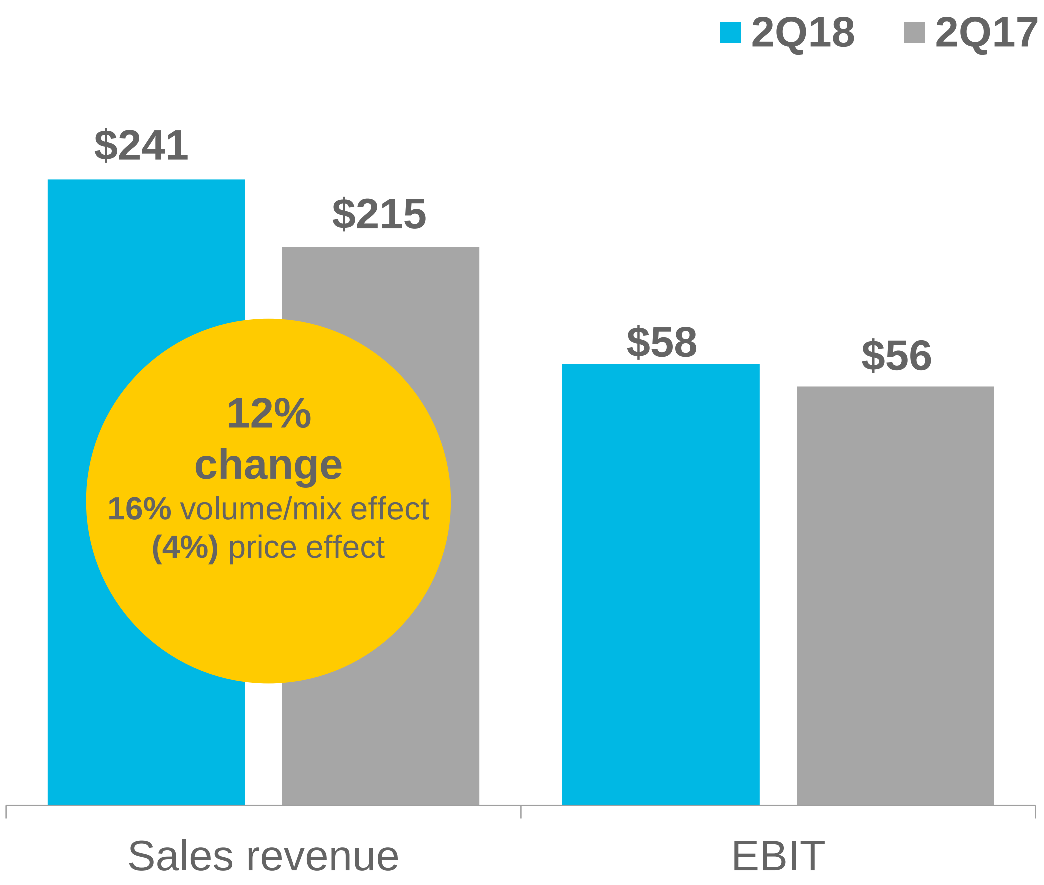
($ in millions)



- Sales revenue increased due to higher selling prices attributed to favorable market conditions and higher raw material and energy prices
- EBIT decreased primarily due to the impact of supplier operational disruptions and higher planned maintenance shutdown costs; the decrease was partially offset by higher selling prices

2Q 2018 financial results *Fibers*

($ in millions)



- Sales revenue increased due to sales of nonwoven products previously reported in “Other,” higher sales volume for acetate tow, primarily due to customer buying patterns, and continued growth in the textiles innovation platform partially offset by lower selling prices for acetate tow
- EBIT increased slightly primarily due to higher sales volume and earnings from nonwovens innovation platform products, mostly offset by lower selling prices and increased investment in growth

1H 2018 cash flow and other financial highlights

$408 million
cash from operations

Returned
$410 million
to stockholders:
$160 million
dividend,
$250 million
share repurchases

Remain committed to reduce debt by
~**$300 million**
in 2018

FY18 tax rate expectation of
~18%

Full-year 2018 outlook

Growth drivers

- Robust portfolio of specialty businesses creating their own top-line growth in attractive niche end markets
- Strong growth in high margin, innovative products expected to accelerate earnings growth
- Productivity to offset inflation
- Lower tax rate
- Increased share repurchases

Near-term headwinds

- Costs of strategic growth investments
- Higher scheduled maintenance costs and supplier reliability
- Volatile raw materials, particularly ethylene
- Trade uncertainty

Expectation for adjusted 2018 EPS growth remains 10–14% compared with 2017

Expect 2018 free cash flow to be $1.1 billion

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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