

**FINANCIAL INFORMATION****April 24, 2025**

For Eastman Chemical Company First Quarter 2025 Financial Results Release

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# EASTMAN

**Table 1 – Statements of Earnings**

	First Quarter	
	2025	2024
(Dollars in millions, except per share amounts; unaudited)		
Sales	\$ 2,290	\$ 2,310
Cost of sales	1,723	1,778
Gross profit	567	532
Selling, general and administrative expenses	182	191
Research and development expenses	67	59
Asset impairments, restructuring, and other charges, net	9	11
Other components of post-employment (benefit) cost, net	(1)	(5)
Other (income) charges, net	8	13
Earnings before interest and taxes	302	263
Net interest expense	49	49
Earnings before income taxes	253	214
Provision for income taxes	70	49
Net earnings	183	165
Less: Net earnings attributable to noncontrolling interest	1	—
Net earnings attributable to Eastman	\$ 182	\$ 165
Basic earnings per share attributable to Eastman	\$ 1.58	\$ 1.40
Diluted earnings per share attributable to Eastman	\$ 1.57	\$ 1.39
Shares (in millions) outstanding at end of period	115.5	117.6
Shares (in millions) used for earnings per share calculation		
Basic	115.2	117.4
Diluted	116.5	118.2

**Table 2A – Segment Sales Information**

	First Quarter	
	2025	2024
(Dollars in millions, unaudited)		
Sales by Segment		
Advanced Materials	\$ 719	\$ 748
Additives & Functional Products	733	704
Chemical Intermediates	545	523
Fibers	288	331
Total Sales by Segment	2,285	2,306
Other	5	4
Total Eastman Chemical Company	<u>\$ 2,290</u>	<u>\$ 2,310</u>

	Fourth Quarter
	2024
(Dollars in millions, unaudited)	
Sales by Segment	
Advanced Materials	\$ 720
Additives & Functional Products	696
Chemical Intermediates	503
Fibers	321
Total Sales by Segment	2,240
Other	5
Total Eastman Chemical Company	<u>\$ 2,245</u>

**Table 2B – Sales Revenue Change**

First Quarter 2025 Compared to First Quarter 2024				
(Unaudited)	Change in Sales Revenue Due To			
	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	(4) %	(1) %	(2) %	(1) %
Additives & Functional Products	4 %	2 %	3 %	(1) %
Chemical Intermediates	4 %	2 %	3 %	(1) %
Fibers	(13) %	(12) %	(1) %	— %
Total Eastman Chemical Company	(1) %	(1) %	1 %	(1) %

First Quarter 2025 Compared to Fourth Quarter 2024				
(Unaudited)	Change in Sales Revenue Due To			
	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	— %	1 %	— %	(1) %
Additives & Functional Products	5 %	4 %	2 %	(1) %
Chemical Intermediates	8 %	9 %	— %	(1) %
Fibers	(10) %	(10) %	— %	— %
Total Eastman Chemical Company	2 %	2 %	1 %	(1) %

**Table 2C – Sales by Customer Location**

(Dollars in millions, unaudited)		First Quarter	
		2025	2024
Sales by Customer Location			
United States and Canada		\$ 1,020	\$ 969
Europe, Middle East, and Africa		610	659
Asia Pacific		539	564
Latin America		121	118
Total Eastman Chemical Company		<u>\$ 2,290</u>	<u>\$ 2,310</u>

**Table 3A - Segment, Other, and Company  
Non-GAAP Earnings (Loss) Before Interest and Taxes Reconciliations <sup>(1)</sup>**

	First Quarter	
	2025	2024
(Dollars in millions, unaudited)		
Advanced Materials		
Earnings before interest and taxes	\$ 116	\$ 104
Additives & Functional Products		
Earnings before interest and taxes	137	109
Asset impairments, restructuring, and other charges, net <sup>(2)</sup>	4	—
Excluding non-core item	141	109
Chemical Intermediates		
Earnings before interest and taxes	19	16
Fibers		
Earnings before interest and taxes	88	117
Other		
Loss before interest and taxes	(58)	(83)
Asset impairments, restructuring, and other charges net <sup>(3)</sup>	5	11
Excluding non-core items	(53)	(72)
Total Eastman Chemical Company		
Earnings before interest and taxes	302	263
Asset impairments, restructuring, and other charges, net	9	11
Total earnings before interest and taxes excluding non-core items	\$ 311	\$ 274
Company Non-GAAP Earnings Before Interest and Taxes Reconciliations by Line Items		
Earnings before interest and taxes	\$ 302	\$ 263
Asset impairments, restructuring, and other charges, net	9	11
Total earnings before interest and taxes excluding non-core items	\$ 311	\$ 274

<sup>(1)</sup> See "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the [Quarterly Report on Form 10-Q](#) for first quarter 2024 for description of first quarter 2024 non-core items.

<sup>(2)</sup> First quarter 2025 includes severance charges of \$1 million and restructuring charges of \$3 million related to the closure of a heat-transfer fluids production line at a North America specialty fluids and energy facility in the Additives & Functional Products segment.

<sup>(3)</sup> First quarter 2025 includes profitability improvement initiatives of \$5 million which are reported in "Other".

**Table 3A - Segment, Other, and Company  
Non-GAAP Earnings (Loss) Before Interest and Taxes Reconciliations (continued) <sup>(1)</sup>**

(Dollars in millions, unaudited)	<b>Fourth Quarter 2024</b>
Advanced Materials	
Earnings before interest and taxes	\$ 107
Additives & Functional Products	
Earnings before interest and taxes	128
Chemical Intermediates	
Earnings before interest and taxes	20
Fibers	
Earnings before interest and taxes	103
Other	
Loss before interest and taxes	(9)
Asset impairments, restructuring, and other charges, net	10
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(54)
Excluding non-core items	(53)
Total Eastman Chemical Company	
Earnings before interest and taxes	349
Asset impairments, restructuring, and other charges, net	10
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(54)
Total earnings before interest and taxes excluding non-core items	<u>\$ 305</u>
Company Non-GAAP Earnings Before Interest and Taxes Reconciliations by Line Items	
Earnings before interest and taxes	\$ 349
Asset impairments, restructuring, and other charges, net	10
Other components of post-employment (benefit) cost, net	(54)
Total earnings before interest and taxes excluding non-core items	<u>\$ 305</u>

<sup>(1)</sup> For the description of fourth quarter 2024 non-core items, see Table 3A of the [Quarterly Report on Form 8-K](#) furnished for fourth quarter 2024.

**Table 3B - Segment Non-GAAP Earnings (Loss) Before Interest and Taxes Margins<sup>(1)(2)</sup>**

	First Quarter			
	2025		2024	
	Adjusted EBIT	Adjusted EBIT Margin	Adjusted EBIT	Adjusted EBIT Margin
Advanced Materials	\$ 116	16.1 %	\$ 104	13.9 %
Additives & Functional Products	141	19.2 %	109	15.5 %
Chemical Intermediates	19	3.5 %	16	3.1 %
Fibers	88	30.6 %	117	35.3 %
Total segment EBIT excluding non-core items	364	15.9 %	346	15.0 %
Other	(53)		(72)	
Total EBIT excluding non-core items	<u>\$ 311</u>	<u>13.6 %</u>	<u>\$ 274</u>	<u>11.9 %</u>

	Fourth Quarter	
	2024	
	Adjusted EBIT	Adjusted EBIT Margin
Advanced Materials	\$ 107	14.9 %
Additives & Functional Products	128	18.4 %
Chemical Intermediates	20	4.0 %
Fibers	103	32.1 %
Total segment EBIT excluding non-core items	358	16.0 %
Other	(53)	
Total EBIT excluding non-core items	<u>\$ 305</u>	<u>13.6 %</u>

<sup>(1)</sup> For identification of excluded non-core items and reconciliations to GAAP EBIT, see [Table 3A](#).

<sup>(2)</sup> Adjusted EBIT margin is non-GAAP EBIT divided by GAAP sales. See [Table 2A](#) for sales.

**Table 4A – Non-GAAP Earnings Before Interest and Taxes, Net Earnings,  
and Earnings Per Share Reconciliations**

	First Quarter 2025					
	Earnings Before Interest and Taxes	Earnings Before Income Taxes	Provision for Income Taxes	Effective Income Tax Rate	Net Earnings Attributable to Eastman	
					After Tax	Per Diluted Share
(Dollars in millions, except per share amounts, unaudited)						
<b>As reported (GAAP)</b>	\$ 302	\$ 253	\$ 70	28 %	\$ 182	\$ 1.57
<b>Non-Core Items:</b> <sup>(1)</sup>						
Asset impairments, restructuring, and other charges, net	9	9	1		8	0.06
Interim adjustment to tax provision <sup>(2)</sup>	—	—	(32)		32	0.28
Non-GAAP (Excluding non-core items and with adjusted provision for income taxes)	<u>\$ 311</u>	<u>\$ 262</u>	<u>\$ 39</u>	16 %	<u>\$ 222</u>	<u>\$ 1.91</u>
	First Quarter 2024					
	Earnings Before Interest and Taxes	Earnings Before Income Taxes	Provision for Income Taxes	Effective Income Tax Rate	Net Earnings Attributable to Eastman	
					After Tax	Per Diluted Share
(Dollars in millions, except per share amounts, unaudited)						
<b>As reported (GAAP)</b>	\$ 263	\$ 214	\$ 49	23 %	\$ 165	\$ 1.39
<b>Non-Core Items:</b> <sup>(1)</sup>						
Asset impairments, restructuring, and other charges, net	11	11	3		8	0.07
Interim adjustment to tax provision <sup>(2)</sup>	—	—	(17)		17	0.15
Non-GAAP (Excluding non-core items and with adjusted provision for income taxes)	<u>\$ 274</u>	<u>\$ 225</u>	<u>\$ 35</u>	16 %	<u>\$ 190</u>	<u>\$ 1.61</u>

<sup>(1)</sup> See [Table 3A](#) for description of first quarter 2025 and 2024 non-core items excluded from non-GAAP EBIT. Provision for income taxes for non-core items is calculated using the tax rate for the jurisdiction where the gains are taxable and the expenses are deductible.

<sup>(2)</sup> The adjusted provision for income taxes for first quarter 2025 and 2024 is calculated applying the forecasted full year effective tax rate as shown in [Table 4B](#).



**Table 4A – Non-GAAP Earnings Before Interest and Taxes, Net Earnings, and Earnings Per Share Reconciliations (continued)**

	Fourth Quarter 2024					
	Earnings Before Interest and Taxes	Earnings Before Income Taxes	Provision for Income Taxes	Effective Income Tax Rate	Net Earnings Attributable to Eastman	
					After Tax	Per Diluted Share
(Dollars in millions, except per share amounts, unaudited)						
<b>As reported (GAAP)</b>	\$ 349	\$ 297	\$ (34)	(11)%	\$ 330	\$ 2.82
<b>Non-Core and Unusual Items:</b> <sup>(1)</sup>						
Asset impairments, restructuring, and other charges, net	10	10	(1)		11	0.09
Mark-to-market pension and other postretirement benefit plans loss, net	(54)	(54)	(14)		(40)	(0.34)
Tax expense associated with previously divested business	—	—	(7)		7	0.06
Interim adjustment to tax provision <sup>(2)</sup>	—	—	89		(89)	(0.76)
<b>Non-GAAP (Excluding non-core and unusual items and with adjusted provision for income taxes)</b>	<u>\$ 305</u>	<u>\$ 253</u>	<u>\$ 33</u>	14 %	<u>\$ 219</u>	<u>\$ 1.87</u>

<sup>(1)</sup> See [Table 3A](#) for description of fourth quarter 2024 non-core and unusual items excluded from non-GAAP EBIT. Provision for income taxes for non-core and unusual items is calculated using the tax rate for the jurisdiction where the gains are taxable and the expenses are deductible.

<sup>(2)</sup> Fourth quarter 2024 is a reconciliation of the adjustments made in interim quarters to reflect the previously forecasted full year effective tax rate.

**Table 4B - Adjusted Effective Tax Rate Calculation**

	First Three Months 2025	
	2025	2024
Effective tax rate	28 %	23 %
Discrete tax items <sup>(2)</sup>	(2)%	(1)%
Tax impact of current year non-core and unusual items <sup>(3)</sup>	1 %	1 %
Changes in tax contingencies and valuation allowances	(2)%	(1)%
Forecasted full year impact of expected tax events <sup>(4)</sup>	(9)%	(6)%
Forecasted full year adjusted effective tax rate	<u>16 %</u>	<u>16 %</u>

<sup>(1)</sup> Effective tax rate percentages are rounded to the nearest whole percent. The forecasted full year effective tax rates are 15.5 percent in both first three months 2025 and 2024, respectively.

<sup>(2)</sup> "Discrete tax items" are items that are excluded from the Company's estimated annual effective tax rate and recognized entirely in the quarter in which the item occurs. Discrete tax items for first three months 2025 are related to share based compensation expense and adjustments to certain prior year tax returns and first three months 2024 are related to share based compensation expense.

<sup>(3)</sup> Provision for income taxes for non-core and unusual items is calculated using the tax rate for the jurisdiction where the gains are taxable and the expenses are deductible.

<sup>(4)</sup> Expected future tax events may include finalization of tax returns; federal, state, and foreign examinations or the expiration of statutes of limitation; and corporate restructurings.

# EASTMAN

**Table 5 – Statements of Cash Flows**

	First Three Months	
	2025	2024
(Dollars in millions, unaudited)		
Operating activities		
Net earnings	\$ 183	\$ 165
Adjustments to reconcile net earnings to net cash used in operating activities:		
Depreciation and amortization	126	127
Provision for (benefit from) deferred income taxes	(3)	(17)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:		
(Increase) decrease in trade receivables	(92)	(105)
(Increase) decrease in inventories	(120)	(100)
Increase (decrease) in trade payables	(72)	49
Pension and other postretirement contributions (in excess of) less than expenses	(14)	(19)
Variable compensation payments (in excess of) less than expenses	(109)	(78)
Other items, net	(66)	(38)
<b>Net cash used in operating activities</b>	<b>(167)</b>	<b>(16)</b>
Investing activities		
Additions to properties and equipment	(147)	(185)
Government incentives	11	—
Other items, net	5	6
<b>Net cash used in investing activities</b>	<b>(131)</b>	<b>(179)</b>
Financing activities		
Net decrease in commercial paper and other borrowings	285	—
Proceeds from borrowings	246	742
Repayment of borrowings	(550)	(498)
Dividends paid to stockholders	(96)	(95)
Other items, net	(9)	(1)
<b>Net cash (used in) provided by financing activities</b>	<b>(124)</b>	<b>148</b>
Effect of exchange rate changes on cash and cash equivalents	3	(2)
Net change in cash and cash equivalents	(419)	(49)
Cash and cash equivalents at beginning of period	837	548
Cash and cash equivalents at end of period	<u>\$ 418</u>	<u>\$ 499</u>

**Table 6 – Total Borrowings to Net Debt Reconciliations**

	March 31,	December 31,
	2025	2024
(Dollars in millions, unaudited)		
Total borrowings	\$ 5,021	\$ 5,017
Less: Cash and cash equivalents	418	837
<b>Net debt <sup>(1)</sup></b>	<b><u>\$ 4,603</u></b>	<b><u>\$ 4,180</u></b>

<sup>(1)</sup> Includes non-cash increase of \$21 million in 2025 and non-cash decrease of \$32 million in 2024 resulting from foreign currency exchange rates.