

**FINANCIAL INFORMATION****July 31, 2025**

For Eastman Chemical Company Second Quarter 2025 Financial Results Release

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# EASTMAN

**Table 1 – Statements of Earnings**

	Second Quarter		First Six Months	
	2025	2024	2025	2024
(Dollars in millions, except per share amounts; unaudited)				
Sales	\$ 2,287	\$ 2,363	\$ 4,577	\$ 4,673
Cost of sales	1,781	1,764	3,504	3,542
Gross profit	506	599	1,073	1,131
Selling, general and administrative expenses	157	180	339	371
Research and development expenses	67	60	134	119
Asset impairments, restructuring, and other charges, net	13	—	22	11
Other components of post-employment (benefit) cost, net	(2)	(4)	(3)	(9)
Other (income) charges, net	49	26	57	39
Earnings before interest and taxes	222	337	524	600
Net interest expense	53	50	102	99
Earnings before income taxes	169	287	422	501
Provision for income taxes	29	56	99	105
Net earnings	140	231	323	396
Less: Net earnings attributable to noncontrolling interest	—	1	1	1
Net earnings attributable to Eastman	\$ 140	\$ 230	\$ 322	\$ 395
Basic earnings per share attributable to Eastman	\$ 1.22	\$ 1.96	\$ 2.80	\$ 3.37
Diluted earnings per share attributable to Eastman	\$ 1.20	\$ 1.94	\$ 2.77	\$ 3.33
Shares (in millions) outstanding at end of period	114.8	116.9	114.8	116.9
Shares (in millions) used for earnings per share calculation				
Basic	115.0	117.3	115.1	117.4
Diluted	116.2	118.6	116.4	118.5

**Table 2A – Segment Sales Information**

	Second Quarter		First Six Months	
	2025	2024	2025	2024
(Dollars in millions, unaudited)				
Sales by Segment				
Advanced Materials	\$ 777	\$ 795	\$ 1,496	\$ 1,543
Additives & Functional Products	769	718	1,502	1,422
Chemical Intermediates	463	515	1,008	1,038
Fibers	274	330	562	661
Total Sales by Segment	2,283	2,358	4,568	4,664
Other	4	5	9	9
Total Eastman Chemical Company	<u>\$ 2,287</u>	<u>\$ 2,363</u>	<u>\$ 4,577</u>	<u>\$ 4,673</u>

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

**Table 2B – Sales Revenue Change**

Second Quarter 2025 Compared to Second Quarter 2024				
(Unaudited)	Change in Sales Revenue Due To			
	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	(2) %	(2) %	— %	— %
Additives & Functional Products	7 %	2 %	4 %	1 %
Chemical Intermediates	(10) %	(5) %	(5) %	— %
Fibers	(17) %	(16) %	(1) %	— %
Total Eastman Chemical Company	(3) %	(3) %	— %	— %

First Six Months 2025 Compared to First Six Months 2024				
(Unaudited)	Change in Sales Revenue Due To			
	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	(3) %	— %	(2) %	(1) %
Additives & Functional Products	6 %	2 %	4 %	— %
Chemical Intermediates	(3) %	(2) %	(1) %	— %
Fibers	(15) %	(14) %	(1) %	— %
Total Eastman Chemical Company	(2) %	(2) %	— %	— %

Second Quarter 2025 Compared to First Quarter 2025				
(Unaudited)	Change in Sales Revenue Due To			
	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	8 %	7 %	— %	1 %
Additives & Functional Products	5 %	3 %	1 %	1 %
Chemical Intermediates	(15) %	(14) %	(2) %	1 %
Fibers	(5) %	(4) %	(1) %	— %
Total Eastman Chemical Company	— %	(1) %	— %	1 %

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

(Dollars in millions, unaudited)	Second Quarter		First Six Months	
	2025	2024	2025	2024
Sales by Customer Location				
United States and Canada	\$ 963	\$ 994	\$ 1,983	\$ 1,963
Europe, Middle East, and Africa	610	650	1,220	1,309
Asia Pacific	583	590	1,122	1,154
Latin America	131	129	252	247
Total Eastman Chemical Company	<u>\$ 2,287</u>	<u>\$ 2,363</u>	<u>\$ 4,577</u>	<u>\$ 4,673</u>

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

	Second Quarter		First Six Months	
	2025	2024	2025	2024
(Dollars in millions, unaudited)				
Advanced Materials				
Earnings before interest and taxes	\$ 121	\$ 131	\$ 237	\$ 235
Additives & Functional Products				
Earnings before interest and taxes	153	123	290	232
Asset impairments, restructuring, and other charges, net <sup>(2)</sup>	—	—	4	—
Excluding non-core item	153	123	294	232
Chemical Intermediates				
Earnings before interest and taxes	(30)	22	(11)	38
Fibers				
Earnings before interest and taxes	81	122	169	239
Other				
Loss before interest and taxes	(103)	(61)	(161)	(144)
Asset impairments, restructuring, and other charges net <sup>(3)</sup>	13	—	18	11
Environmental and other costs <sup>(4)</sup>	40	16	40	16
Excluding non-core items	(50)	(45)	(103)	(117)
Total Eastman Chemical Company				
Earnings before interest and taxes	222	337	524	600
Asset impairments, restructuring, and other charges, net	13	—	22	11
Environmental and other costs	40	16	40	16
Total earnings before interest and taxes excluding non-core items	\$ 275	\$ 353	\$ 586	\$ 627
Company Non-GAAP Earnings Before Interest and Taxes Reconciliations by Line Items				
Earnings before interest and taxes	\$ 222	\$ 337	\$ 524	\$ 600
Asset impairments, restructuring, and other charges, net	13	—	22	11
Other (income) charges, net	40	16	40	16
Total earnings before interest and taxes excluding non-core items	\$ 275	\$ 353	\$ 586	\$ 627

<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 second quarter 2024 for description of second quarter and first six months 2024 non-core items.

<sup>(2)</sup> First six months 2025 included 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> Second quarter 2025 and first six months 2025 included severance charges of \$10 million related to corporate cost reduction initiatives reported in "Other". Additionally second quarter 2025 and first six months 2025 included profitability improvement initiatives of \$3 million and \$8 million, respectively.

<sup>(4)</sup> Second quarter 2025 and first six months 2025 included environmental and other costs from previously divested or non-operational sites and product lines primarily related to increased chemical costs for groundwater treatment and new and extended remediation costs reported in "Other" to be paid out over 30 years.

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

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

<sup>(1)</sup> For the description of first quarter 2025 non-core items, see "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the [Quarterly Report on Form 10-Q](#) for first quarter 2025.

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

	Second Quarter				First Six Months			
	2025		2024		2025		2024	
	Adjusted EBIT	Adjusted EBIT Margin	Adjusted EBIT	Adjusted EBIT Margin	Adjusted EBIT	Adjusted EBIT Margin	Adjusted EBIT	Adjusted EBIT Margin
Advanced Materials	\$ 121	15.6 %	\$ 131	16.5 %	\$ 237	15.8 %	\$ 235	15.2 %
Additives & Functional Products	153	19.9 %	123	17.1 %	294	19.6 %	232	16.3 %
Chemical Intermediates	(30)	(6.5)%	22	4.3 %	(11)	(1.1)%	38	3.7 %
Fibers	81	29.6 %	122	37.0 %	169	30.1 %	239	36.2 %
Total segment EBIT excluding non-core items	325	14.2 %	398	16.9 %	689	15.1 %	744	16.0 %
Other	(50)		(45)		(103)		(117)	
Total EBIT excluding non-core items	<u>\$ 275</u>	12.0 %	<u>\$ 353</u>	14.9 %	<u>\$ 586</u>	12.8 %	<u>\$ 627</u>	13.4 %

	First Quarter	
	2025	
	Adjusted EBIT	Adjusted EBIT Margin
Advanced Materials	\$ 116	16.1 %
Additives & Functional Products	141	19.2 %
Chemical Intermediates	19	3.5 %
Fibers	88	30.6 %
Total segment EBIT excluding non-core items	364	15.9 %
Other	(53)	
Total EBIT excluding non-core items	<u>\$ 311</u>	13.6 %

<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**

Second Quarter 2025						
(Dollars in millions, except per share amounts, unaudited)	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
<b>As reported (GAAP)</b>	\$ 222	\$ 169	\$ 29	17 %	\$ 140	\$ 1.20
<b>Non-Core Items:</b> <sup>(1)</sup>						
Asset impairments, restructuring, and other charges, net	13	13	5		8	0.08
Environmental and other costs	40	40	9		31	0.26
Interim adjustment to tax provision <sup>(2)</sup>	—	—	(7)		7	0.06
Non-GAAP (Excluding non-core items and with adjusted provision for income taxes)	<u>\$ 275</u>	<u>\$ 222</u>	<u>\$ 36</u>	16 %	<u>\$ 186</u>	<u>\$ 1.60</u>
Second Quarter 2024						
(Dollars in millions, except per share amounts, unaudited)	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
<b>As reported (GAAP)</b>	\$ 337	\$ 287	\$ 56	20 %	\$ 230	\$ 1.94
<b>Non-Core Items:</b> <sup>(1)</sup>						
Environmental and other costs	16	16	3		13	0.10
Interim adjustment to tax provision <sup>(2)</sup>	—	—	(13)		13	0.11
Non-GAAP (Excluding non-core items and with adjusted provision for income taxes)	<u>\$ 353</u>	<u>\$ 303</u>	<u>\$ 46</u>	16 %	<u>\$ 256</u>	<u>\$ 2.15</u>

<sup>(1)</sup> See [Table 3A](#) for description of second 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 second quarter 2025 and 2024 is calculated applying the forecasted full year effective tax rate as shown in [Table 4B](#).



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

	First Six Months 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>	\$ 524	\$ 422	\$ 99	23 %	\$ 322	\$ 2.77
<b>Non-Core or Unusual Items:</b> <sup>(1)</sup>						
Asset impairments, restructuring, and other charges, net	22	22	6		16	0.14
Environmental and other costs	40	40	9		31	0.26
Interim adjustment to tax provision <sup>(2)</sup>	—	—	(39)		39	0.34
Non-GAAP (Excluding non-core and unusual items)	<u>\$ 586</u>	<u>\$ 484</u>	<u>\$ 75</u>	16 %	<u>\$ 408</u>	<u>\$ 3.51</u>
	First Six Months 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>	\$ 600	\$ 501	\$ 105	21 %	\$ 395	\$ 3.33
<b>Non-Core or Unusual Items:</b> <sup>(1)</sup>						
Asset impairments, restructuring, and other charges, net	11	11	3		8	0.07
Environmental and other costs	16	16	3		13	0.10
Interim adjustment to tax provision <sup>(2)</sup>	—	—	(30)		30	0.26
Non-GAAP (Excluding non-core and unusual items)	<u>\$ 627</u>	<u>\$ 528</u>	<u>\$ 81</u>	16 %	<u>\$ 446</u>	<u>\$ 3.76</u>

<sup>(1)</sup> See [Table 3A](#) for description of first six months 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 six months 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)**

	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>

<sup>(1)</sup> See [Table 3A](#) for description of first 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> The adjusted provision for income taxes for first quarter 2024 was calculated applying the then forecasted full year effective tax rate.

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

	First Six Months 2025	
	2025	2024
Effective tax rate	23 %	21 %
Discrete tax items <sup>(2)</sup>	(1)%	— %
Tax impact of current year non-core and unusual items <sup>(3)</sup>	4 %	1 %
Changes in tax contingencies and valuation allowances	(2)%	(1)%
Forecasted full year impact of expected tax events <sup>(4)</sup>	(8)%	(5)%
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 six 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 six months 2025 are related to share based compensation expense and adjustments to certain prior year tax returns.

<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**

	Second Quarter		First Six Months	
	2025	2024	2025	2024
(Dollars in millions, unaudited)				
Operating activities				
Net earnings	\$ 140	\$ 231	\$ 323	\$ 396
Adjustments to reconcile net earnings to net cash used in operating activities:				
Depreciation and amortization	127	126	253	253
Benefit from deferred income taxes	(45)	(20)	(48)	(37)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:				
(Increase) decrease in trade receivables	(91)	(33)	(183)	(138)
(Increase) decrease in inventories	(11)	(138)	(131)	(238)
Increase (decrease) in trade payables	(83)	40	(155)	89
Pension and other postretirement contributions (in excess of) less than expenses	(3)	(10)	(17)	(29)
Variable compensation payments (in excess of) less than expenses	23	58	(86)	(20)
Other items, net	176	113	110	75
<b>Net cash provided by operating activities</b>	<b>233</b>	<b>367</b>	<b>66</b>	<b>351</b>
Investing activities				
Additions to properties and equipment	(150)	(115)	(297)	(300)
Government incentives	3	—	14	—
Other items, net	—	(6)	5	—
<b>Net cash used in investing activities</b>	<b>(147)</b>	<b>(121)</b>	<b>(278)</b>	<b>(300)</b>
Financing activities				
Net increase in commercial paper and other borrowings	59	—	344	—
Proceeds from borrowings	—	—	246	742
Repayment of borrowings	—	(43)	(550)	(541)
Dividends paid to stockholders	(95)	(95)	(191)	(190)
Treasury stock purchases	(50)	(100)	(50)	(100)
Other items, net	(4)	11	(13)	10
<b>Net cash used in financing activities</b>	<b>(90)</b>	<b>(227)</b>	<b>(214)</b>	<b>(79)</b>
Effect of exchange rate changes on cash and cash equivalents	9	(4)	12	(6)
<b>Net change in cash and cash equivalents</b>	<b>5</b>	<b>15</b>	<b>(414)</b>	<b>(34)</b>
Cash and cash equivalents at beginning of period	418	499	837	548
Cash and cash equivalents at end of period	<u>\$ 423</u>	<u>\$ 514</u>	<u>\$ 423</u>	<u>\$ 514</u>

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

	June 30,	December 31,
	2025	2024
(Dollars in millions, unaudited)		
Total borrowings	\$ 5,126	\$ 5,017
Less: Cash and cash equivalents	423	837
<b>Net debt <sup>(1)</sup></b>	<b>\$ 4,703</b>	<b>\$ 4,180</b>

<sup>(1)</sup> Includes non-cash increase of \$66 million in 2025 and non-cash decrease of \$32 million in 2024 resulting from foreign currency exchange rates.