EASTMAN

FINANCIAL INFORMATION
November 3, 2025

For Eastman Chemical Company Third Quarter 2025 Financial Results Release

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Table 1 – Statements of Earnings

(Dollars in millions, except per share amounts; unaudited)	Third Quarter 2025	Third Quarter 2024	First Nine Months 2025	First Nine Months 2024
Sales	$ 2,202	$ 2,464	$ 6,779	$ 7,137
Cost of sales (1)(2)	1,769	1,859	5,273	5,401
Gross profit	433	605	1,506	1,736
Selling, general and administrative expenses	160	183	499	554
Research and development expenses	63	65	197	184
Asset impairments, restructuring, and other charges, net	20	30	42	41
Other components of post-employment (benefit) cost, net	(1)	(5)	(4)	(14)
Other (income) charges, net	3	3	60	42
Earnings before interest and taxes	188	329	712	929
Net interest expense	54	49	156	148
Earnings before income taxes	134	280	556	781
Provision for income taxes	87	99	186	204
Net earnings	47	181	370	577
Less: Net earnings attributable to noncontrolling interest	—	1	1	2
Net earnings attributable to Eastman	$ 47	$ 180	$ 369	$ 575
Basic earnings per share attributable to Eastman	$ 0.41	$ 1.55	$ 3.21	$ 4.91
Diluted earnings per share attributable to Eastman	$ 0.40	$ 1.53	$ 3.18	$ 4.86
Shares (in millions) outstanding at end of period	114.1	115.9	114.1	115.9
Shares (in millions) used for earnings per share calculation				
Basic	114.4	116.4	114.9	117.0
Diluted	115.4	117.8	116.0	118.3

(1) Third quarter and first nine months 2025 includes inventory adjustment charges of $2 million related to the decommissioning of certain assets at performance films facilities in North America.

(2) Third quarter and first nine months 2024 includes inventory adjustment charges of $7 million related to the planned closure of a solvent-based resins production line at an advanced interlayers facility in North America.

Table 2A – Segment Sales Information

(Dollars in millions, unaudited)	Third Quarter 2025	Third Quarter 2024	First Nine Months 2025	First Nine Months 2024
Sales by Segment				
Advanced Materials	$ 728	$ 787	$ 2,224	$ 2,330
Additives & Functional Products	716	744	2,218	2,166
Chemical Intermediates	499	593	1,507	1,631
Fibers	254	336	816	997
Total Sales by Segment	2,197	2,460	6,765	7,124
Other	5	4	14	13
Total Eastman Chemical Company	$ 2,202	$ 2,464	$ 6,779	$ 7,137

(Dollars in millions, unaudited)	Second Quarter 2025
Sales by Segment	
Advanced Materials	$ 777
Additives & Functional Products	769
Chemical Intermediates	463
Fibers	274
Total Sales by Segment	2,283
Other	4
Total Eastman Chemical Company	$ 2,287

Table 2B – Sales Revenue Change

(Unaudited)	Third Quarter 2025 Compared to Third Quarter 2024			
		Change in Sales Revenue Due To		
	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	(7) %	(7) %	(1) %	1 %
Additives & Functional Products	(4) %	(8) %	3 %	1 %
Chemical Intermediates	(16) %	(8) %	(8) %	— %
Fibers	(24) %	(24) %	— %	— %
Total Eastman Chemical Company	(11) %	(10) %	(1) %	— %

(Unaudited)	First Nine Months 2025 Compared to First Nine Months 2024			
		Change in Sales Revenue Due To		
	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	(5) %	(4) %	(1) %	— %
Additives & Functional Products	2 %	(1) %	3 %	— %
Chemical Intermediates	(8) %	(4) %	(4) %	— %
Fibers	(18) %	(18) %	— %	— %
Total Eastman Chemical Company	(5) %	(5) %	— %	— %

	Third Quarter 2025 Compared to Second Quarter 2025			
		Change in Sales Revenue Due To		
(Unaudited)	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	(6) %	(6) %	(1) %	1 %
Additives & Functional Products	(7) %	(7) %	(1) %	1 %
Chemical Intermediates	8 %	10 %	(2) %	— %
Fibers	(7) %	(8) %	1 %	— %
Total Eastman Chemical Company	(4) %	(3) %	(1) %	— %

Table 2C – Sales by Customer Location

	Third Quarter		First Nine Months	
(Dollars in millions, unaudited)	2025	2024	2025	2024
Sales by Customer Location				
United States and Canada	$ 972	$ 1,032	$ 2,955	$ 2,995
Europe, Middle East, and Africa	563	640	1,783	1,949
Asia Pacific	534	653	1,656	1,807
Latin America	133	139	385	386
Total Eastman Chemical Company	$ 2,202	$ 2,464	$ 6,779	$ 7,137

Table 3A - Segment, Other, and Company
Non-GAAP Earnings (Loss) Before Interest and Taxes Reconciliations [1]

	Third Quarter		First Nine Months	
(Dollars in millions, unaudited)	2025	2024	2025	2024
Advanced Materials				
Earnings before interest and taxes	$ 41	$ 100	$ 278	$ 335
Cost of sales impact from restructuring activities [2]	2	4	2	4
Asset impairments, restructuring, and other charges, net [2][3]	10	18	10	18
Excluding non-core items	53	122	290	357
Additives & Functional Products				
Earnings before interest and taxes	128	127	418	359
Cost of sales impact from restructuring activities	—	3	—	3
Asset impairments, restructuring, and other charges, net[3]	—	—	4	—
Excluding non-core items	128	130	422	362
Chemical Intermediates				
Earnings before interest and taxes	1	43	(10)	81
Fibers				
Earnings before interest and taxes	67	112	236	351
Other				
Loss before interest and taxes	(49)	(53)	(210)	(197)
Asset impairments, restructuring, and other charges net [4]	10	12	28	23
Environmental and other costs [5]	—	—	40	16
Excluding non-core items	(39)	(41)	(142)	(158)
Total Eastman Chemical Company				
Earnings before interest and taxes	188	329	712	929
Cost of sales impact from restructuring activities	2	7	2	7
Asset impairments, restructuring, and other charges, net	20	30	42	41
Environmental and other costs	—	—	40	16
Total earnings before interest and taxes excluding non-core items	$ 210	$ 366	$ 796	$ 993

(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Quarterly Report on Form 10-Q for third quarter 2024 for description of third quarter and first nine months 2024 non-core items.

(2) Third quarter 2025 and first nine months 2025 included inventory adjustment charges of $2 million, severance charges of $4 million, and restructuring charges of $6 million in the Advanced Materials ("AM") segment, related to the decommissioning of certain assets at performance films facilities in North America.

(3) First nine 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.

(4) Third quarter 2025 and first nine months 2025 included severance charges of $10 million and $20 million, respectively, related to corporate cost reduction initiatives reported in "Other". Additionally first nine months 2025 included profitability improvement initiatives of $8 million.

(5) First nine 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

(Dollars in millions, unaudited)	Third Quarter 2025	Third Quarter 2024	First Nine Months 2025	First Nine Months 2024
Company Non-GAAP Earnings Before Interest and Taxes Reconciliations by Line Items				
Earnings before interest and taxes	$ 188	$ 329	$ 712	$ 929
Cost of sales	2	7	2	7
Asset impairments, restructuring, and other charges, net	20	30	42	41
Other (income) charges, net	—	—	40	16
Total earnings before interest and taxes excluding non-core items	$ 210	$ 366	$ 796	$ 993

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Table 3A - Segment, Other, and Company
Non-GAAP Earnings (Loss) Before Interest and Taxes Reconciliations (continued) [1]

(Dollars in millions, unaudited)	Second Quarter 2025
Advanced Materials	
Earnings before interest and taxes	$ 121
Additives & Functional Products	
Earnings before interest and taxes	153
Chemical Intermediates	
Earnings before interest and taxes	(30)
Fibers	
Earnings before interest and taxes	81
Other	
Loss before interest and taxes	(103)
Asset impairments, restructuring, and other charges, net	13
Environmental and other costs	40
Excluding non-core items	(50)
Total Eastman Chemical Company	
Earnings before interest and taxes	222
Asset impairments, restructuring, and other charges, net	13
Environmental and other costs	40
Total earnings before interest and taxes excluding non-core items	$ 275
Company Non-GAAP Earnings Before Interest and Taxes Reconciliations by Line Items	
Earnings before interest and taxes	$ 222
Asset impairments, restructuring, and other charges, net	13
Other (income) charges, net	40
Total earnings before interest and taxes excluding non-core items	$ 275

[1] For the description of second 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 second quarter 2025.

Table 3B - Segment Non-GAAP Earnings (Loss) Before Interest and Taxes Margins[(1)(2)]

(Dollars in millions, unaudited)	Third Quarter 2025 Adjusted EBIT	Third Quarter 2025 Adjusted EBIT Margin	Third Quarter 2024 Adjusted EBIT	Third Quarter 2024 Adjusted EBIT Margin	First Nine Months 2025 Adjusted EBIT	First Nine Months 2025 Adjusted EBIT Margin	First Nine Months 2024 Adjusted EBIT	First Nine Months 2024 Adjusted EBIT Margin
Advanced Materials	$ 53	7.3 %	$ 122	15.5 %	$ 290	13.0 %	$ 357	15.3 %
Additives & Functional Products	128	17.9 %	130	17.5 %	422	19.0 %	362	16.7 %
Chemical Intermediates	1	0.2 %	43	7.3 %	(10)	(0.7)%	81	5.0 %
Fibers	67	26.4 %	112	33.3 %	236	28.9 %	351	35.2 %
Total segment EBIT excluding non-core items	249	11.3 %	407	16.5 %	938	13.9 %	1,151	16.2 %
Other	(39)		(41)		(142)		(158)	
Total EBIT excluding non-core items	$ 210	9.5 %	$ 366	14.9 %	$ 796	11.7 %	$ 993	13.9 %

(Dollars in millions, unaudited)	Second Quarter 2025 Adjusted EBIT	Second Quarter 2025 Adjusted EBIT Margin
Advanced Materials	$ 121	15.6 %
Additives & Functional Products	153	19.9 %
Chemical Intermediates	(30)	(6.5)%
Fibers	81	29.6 %
Total segment EBIT excluding non-core items	325	14.2 %
Other	(50)	
Total EBIT excluding non-core items	$ 275	12.0 %

(1) For identification of excluded non-core items and reconciliations to GAAP EBIT, see Table 3A.
(2) 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

(Dollars in millions, except per share amounts, unaudited)	Third 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	Net Earnings Attributable to Eastman Per Diluted Share
As reported (GAAP)	$ 188	$ 134	$ 87	65 %	$ 47	$ 0.40
Non-Core or Unusual Items: [1]						
Cost of sales impact from restructuring activities	2	2	1		1	0.01
Asset impairments, restructuring, and other charges, net	20	20	5		15	0.13
Adjustment from tax law changes	—	—	(22)		22	0.20
Interim adjustment to tax provision [2]	—	—	(47)		47	0.40
Non-GAAP (Excluding non-core and unusual items and with adjusted provision for income taxes)	$ 210	$ 156	$ 24	16 %	$ 132	$ 1.14

(Dollars in millions, except per share amounts, unaudited)	Third 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	Net Earnings Attributable to Eastman Per Diluted Share
As reported (GAAP)	$ 329	$ 280	$ 99	35 %	$ 180	$ 1.53
Non-Core Items: [1]						
Cost of sales impact from restructuring activities	7	7	2		5	0.04
Asset impairments, restructuring, and other charges, net	30	30	8		22	0.19
Interim adjustment to tax provision [2]	—	—	(59)		59	0.50
Non-GAAP (Excluding non-core items and with adjusted provision for income taxes)	$ 366	$ 317	$ 50	16 %	$ 266	$ 2.26

(1) See Table 3A for description of third 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.

(2) The adjusted provision for income taxes for third 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

	First Nine Months 2025				Net Earnings Attributable to Eastman	
(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	After Tax	Per Diluted Share
As reported (GAAP)	$ 712	$ 556	$ 186	34 %	$ 369	$ 3.18
Non-Core or Unusual Items: (1)						
Cost of sales impact from restructuring activities	2	2	1		1	0.01
Asset impairments, restructuring, and other charges, net	42	42	11		31	0.27
Environmental and other costs	40	40	9		31	0.26
Adjustment from tax law changes	—	—	(22)		22	0.20
Interim adjustment to tax provision (2)	—	—	(86)		86	0.74
Non-GAAP (Excluding non-core and unusual items and with adjusted provision for income taxes)	$ 796	$ 640	$ 99	16 %	$ 540	$ 4.66

	First Nine Months 2024				Net Earnings Attributable to Eastman	
(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	After Tax	Per Diluted Share
As reported (GAAP)	$ 929	$ 781	$ 204	26 %	$ 575	$ 4.86
Non-Core Items: (1)						
Cost of sales impact from restructuring activities	7	7	2		5	0.04
Asset impairments, restructuring, and other charges, net	41	41	11		30	0.27
Environmental and other costs	16	16	3		13	0.10
Interim adjustment to tax provision (2)	—	—	(89)		89	0.75
Non-GAAP (Excluding non-core items and with adjusted provision for income taxes)	$ 993	$ 845	$ 131	16 %	$ 712	$ 6.02

(1) See Table 3A for description of first nine 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.

(2) The adjusted provision for income taxes for first nine 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)

	Second Quarter 2025					
					Net Earnings Attributable to Eastman	
(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	After Tax	Per Diluted Share
As reported (GAAP)	$ 222	$ 169	$ 29	17 %	$ 140	$ 1.20
Non-Core Items: [1]						
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 [2]	—	—	(7)		7	0.06
Non-GAAP (Excluding non-core items and with adjusted provision for income taxes)	$ 275	$ 222	$ 36	16 %	$ 186	$ 1.60

(1) See Table 3A for description of second quarter 2025 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.

(2) The adjusted provision for income taxes for second quarter 2025 was calculated applying the then forecasted full year effective tax rate.

Table 4B - Adjusted Effective Tax Rate Calculation

	First Nine Months [1]	
	2025	2024
Effective tax rate	34 %	26 %
Tax impact of current year non-core and unusual items [2]	(1)%	2 %
Changes in tax contingencies and valuation allowances	(1)%	(1)%
Forecasted full year impact of expected tax events [3]	(16)%	(11)%
Forecasted full year adjusted effective tax rate	16 %	16 %

(1) 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 nine months 2025 and 2024, respectively.

(2) 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.

(3) 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.

Table 5 – Statements of Cash Flows

(Dollars in millions, unaudited)	Third Quarter 2025	Third Quarter 2024	First Nine Months 2025	First Nine Months 2024
Operating activities				
Net earnings	$ 47	$ 181	$ 370	$ 577
Adjustments to reconcile net earnings to net cash used in operating activities:				
Depreciation and amortization	129	127	382	380
Asset impairment charges	—	5	—	5
Provision for (benefit from) deferred income taxes	87	(39)	39	(76)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:				
(Increase) decrease in trade receivables	52	(16)	(131)	(154)
(Increase) decrease in inventories	204	16	73	(222)
Increase (decrease) in trade payables	(120)	(53)	(275)	36
Pension and other postretirement contributions (in excess of) less than expenses	(11)	(10)	(28)	(39)
Variable compensation payments (in excess of) less than expenses	26	64	(60)	44
Other items, net	(12)	121	98	196
Net cash provided by operating activities	402	396	468	747
Investing activities				
Additions to properties and equipment	(137)	(120)	(434)	(420)
Government incentives	—	—	14	—
Other items, net	—	18	5	18
Net cash used in investing activities	(137)	(102)	(415)	(402)
Financing activities				
Net increase (decrease) in commercial paper and other borrowings	(54)	—	290	—
Proceeds from borrowings	—	495	246	1,237
Repayment of borrowings	—	(498)	(550)	(1,039)
Dividends paid to stockholders	(96)	(95)	(287)	(285)
Treasury stock purchases	(50)	(100)	(100)	(200)
Other items, net	(1)	4	(14)	14
Net cash used in financing activities	(201)	(194)	(415)	(273)
Effect of exchange rate changes on cash and cash equivalents	2	8	14	2
Net change in cash and cash equivalents	66	108	(348)	74
Cash and cash equivalents at beginning of period	423	514	837	548
Cash and cash equivalents at end of period	$ 489	$ 622	$ 489	$ 622

Table 6 – Total Borrowings to Net Debt Reconciliations

(Dollars in millions, unaudited)	September 30, 2025	December 31, 2024
Total borrowings	$ 5,075	$ 5,017
Less: Cash and cash equivalents	489	837
Net debt [(1)]	$ 4,586	$ 4,180

(1) Includes non-cash increase of $68 million in 2025 and non-cash decrease of $32 million in 2024 resulting from foreign currency exchange rates.