

FINANCIAL INFORMATION**January 29, 2026**

For Eastman Chemical Company Fourth Quarter and Full Year 2025 Financial Results Release

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Table 1 – Statements of Earnings

	Fourth Quarter		Twelve Months	
	2025	2024	2025	2024
(Dollars in millions, except per share amounts; unaudited)				
Sales	\$ 1,973	\$ 2,245	\$ 8,752	\$ 9,382
Cost of sales ⁽¹⁾⁽²⁾	1,635	1,691	6,908	7,092
Gross profit	338	554	1,844	2,290
Selling, general and administrative expenses	159	182	658	736
Research and development expenses	58	66	255	250
Asset impairments, restructuring, and other charges, net	54	10	96	51
Other components of post-employment (benefit) cost, net	(21)	(58)	(25)	(72)
Other (income) charges, net	24	5	84	47
Earnings before interest and taxes	64	349	776	1,278
Net interest expense	52	52	208	200
Earnings before income taxes	12	297	568	1,078
Provision for income taxes	(93)	(34)	93	170
Net earnings	105	331	475	908
Less: Net earnings attributable to noncontrolling interest	—	1	1	3
Net earnings attributable to Eastman	\$ 105	\$ 330	\$ 474	\$ 905
Basic earnings per share attributable to Eastman	\$ 0.93	\$ 2.85	\$ 4.14	\$ 7.75
Diluted earnings per share attributable to Eastman	\$ 0.92	\$ 2.82	\$ 4.10	\$ 7.67
Shares (in millions) outstanding at end of period	114.1	115.2	114.1	115.2
Shares (in millions) used for earnings per share calculation				
Basic	114.0	115.6	114.7	116.7
Diluted	114.9	116.9	115.6	117.9

⁽¹⁾ Twelve months 2025 includes inventory adjustment charges of \$2 million related to the decommissioning of certain assets at performance films facilities in North America.

⁽²⁾ Twelve 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

	Fourth Quarter		Twelve Months	
	2025	2024	2025	2024
(Dollars in millions, unaudited)				
Sales by Segment				
Advanced Materials	\$ 656	\$ 720	\$ 2,880	\$ 3,050
Additives & Functional Products	662	696	2,880	2,862
Chemical Intermediates	418	503	1,925	2,134
Fibers	234	321	1,050	1,318
Total Sales by Segment	1,970	2,240	8,735	9,364
Other	3	5	17	18
Total Eastman Chemical Company	<u>\$ 1,973</u>	<u>\$ 2,245</u>	<u>\$ 8,752</u>	<u>\$ 9,382</u>

	Third Quarter
	2025
(Dollars in millions, unaudited)	
Sales by Segment	
Advanced Materials	\$ 728
Additives & Functional Products	716
Chemical Intermediates	499
Fibers	254
Total Sales by Segment	2,197
Other	5
Total Eastman Chemical Company	<u>\$ 2,202</u>

Table 2B – Sales Revenue Change

Fourth 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	(9) %	(9) %	(1) %	1 %
Additives & Functional Products	(5) %	(6) %	— %	1 %
Chemical Intermediates	(17) %	(9) %	(8) %	— %
Fibers	(27) %	(26) %	(1) %	— %
Total Eastman Chemical Company	(12) %	(11) %	(2) %	1 %

Twelve Months 2025 Compared to Twelve Months 2024				
(Unaudited)	Change in Sales Revenue Due To			
	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	(6) %	(4) %	(2) %	— %
Additives & Functional Products	1 %	(3) %	3 %	1 %
Chemical Intermediates	(10) %	(5) %	(5) %	— %
Fibers	(20) %	(19) %	(1) %	— %
Total Eastman Chemical Company	(7) %	(6) %	(1) %	— %

Fourth Quarter 2025 Compared to Third Quarter 2025				
(Unaudited)	Change in Sales Revenue Due To			
	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	(10) %	(10) %	— %	— %
Additives & Functional Products	(8) %	(6) %	(2) %	— %
Chemical Intermediates	(16) %	(12) %	(4) %	— %
Fibers	(8) %	(7) %	(1) %	— %
Total Eastman Chemical Company	(10) %	(9) %	(1) %	— %

Table 2C – Sales by Customer Location

(Dollars in millions, unaudited)	Fourth Quarter		Twelve Months	
	2025	2024	2025	2024
Sales by Customer Location				
United States and Canada	\$ 863	\$ 942	\$ 3,818	\$ 3,937
Europe, Middle East, and Africa	521	622	2,304	2,571
Asia Pacific	481	556	2,137	2,363
Latin America	108	125	493	511
Total Eastman Chemical Company	<u>\$ 1,973</u>	<u>\$ 2,245</u>	<u>\$ 8,752</u>	<u>\$ 9,382</u>

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

	Fourth Quarter		Twelve Months	
	2025	2024	2025	2024
(Dollars in millions, unaudited)				
Advanced Materials				
Earnings before interest and taxes	\$ 41	\$ 107	\$ 319	\$ 442
Cost of sales impact from restructuring activities ⁽²⁾	—	—	2	4
Asset impairments, restructuring, and other charges, net ⁽²⁾⁽³⁾	18	—	28	18
Excluding non-core items	59	107	349	464
Additives & Functional Products				
Earnings before interest and taxes	94	128	512	487
Cost of sales impact from restructuring activities	—	—	—	3
Asset impairments, restructuring, and other charges, net ⁽⁴⁾	—	—	4	—
Excluding non-core items	94	128	516	490
Chemical Intermediates				
Earnings (loss) before interest and taxes	(50)	20	(60)	101
Asset impairments and restructuring, and other charges, net ⁽³⁾	9	—	9	—
Environmental and other costs ⁽⁵⁾	13	—	13	—
Excluding non-core items	(28)	20	(38)	101
Fibers				
Earnings before interest and taxes	47	103	283	454
Asset impairments, restructuring, and other charges, net ⁽⁶⁾	2	—	2	—
Excluding non-core items	49	103	285	454
Other				
Loss before interest and taxes	(68)	(9)	(278)	(206)
Asset impairments, restructuring, and other charges net ⁽⁷⁾	25	10	53	33
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(6)	(54)	(6)	(54)
Environmental and other costs ⁽⁵⁾	9	—	49	16
Excluding non-core items	(40)	(53)	(182)	(211)
Total Eastman Chemical Company				
Earnings before interest and taxes	64	349	776	1,278
Cost of sales impact from restructuring activities	—	—	2	7
Asset impairments, restructuring, and other charges, net	54	10	96	51
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(6)	(54)	(6)	(54)
Environmental and other costs	22	—	62	16
Total earnings before interest and taxes excluding non-core items	<u>\$ 134</u>	<u>\$ 305</u>	<u>\$ 930</u>	<u>\$ 1,298</u>

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

	Fourth Quarter		Twelve Months	
	2025	2024	2025	2024
(Dollars in millions, unaudited)				
Company Non-GAAP Earnings Before Interest and Taxes				
Reconciliations by Line Items				
Earnings before interest and taxes	\$ 64	\$ 349	\$ 776	\$ 1,278
Cost of sales	—	—	2	7
Asset impairments, restructuring, and other charges, net	54	10	96	51
Other components of post-employment (benefit) cost, net	(6)	(54)	(6)	(54)
Other (income) charges, net	22	—	62	16
Total earnings before interest and taxes excluding non-core items	<u>\$ 134</u>	<u>\$ 305</u>	<u>\$ 930</u>	<u>\$ 1,298</u>

- (1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Annual Report on Form 10-K for 2024 for description of fourth quarter and full year 2024 non-core items.
- (2) Full year 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) Fourth quarter and full year 2025 included asset impairment charges of \$18 million and \$9 million in the AM and Chemical Intermediates ("CI") segments, respectively, related to certain terminated capital projects within the performance films and intermediates product lines.
- (4) Full year 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 ("AFP") segment.
- (5) Fourth quarter and full year 2025 included adjustments for discontinued licensing programs in the Asia Pacific region within the CI segment of \$13 million and non-cash charges for discontinued investment programs reported in "Other" of \$13 million. In addition, full year 2025 included \$40 million of 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.
- (6) Fourth quarter and full year 2025 included a loss on sale related to the 2022 closure of an acetate yarn manufacturing facility in Europe.
- (7) Fourth quarter and full year 2025 included severance charges of \$14 million and \$34 million, respectively, related to corporate cost reduction initiatives reported in "Other". Additionally fourth quarter and full year 2025 included profitability improvement initiatives of \$5 million and \$13 million, respectively, and asset impairment charges of \$6 million in both periods.

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

(Dollars in millions, unaudited)	Third Quarter 2025
Advanced Materials	
Earnings before interest and taxes	\$ 41
Cost of sales impact from restructuring activities	2
Asset impairments, restructuring, and other charges, net	10
Excluding non-core items	53
Additives & Functional Products	
Earnings before interest and taxes	128
Chemical Intermediates	
Earnings before interest and taxes	1
Fibers	
Earnings before interest and taxes	67
Other	
Loss before interest and taxes	(49)
Asset impairments, restructuring, and other charges net	10
Excluding non-core items	(39)
Total Eastman Chemical Company	
Earnings before interest and taxes	188
Cost of sales impact from restructuring activities	2
Asset impairments, restructuring, and other charges, net	20
Total earnings before interest and taxes excluding non-core items	<u>\$ 210</u>

⁽¹⁾ For the description of third 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 third quarter 2025.

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

	Fourth Quarter				Twelve 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	\$ 59	9.0 %	\$ 107	14.9 %	\$ 349	12.1 %	\$ 464	15.2 %
Additives & Functional Products	94	14.2 %	128	18.4 %	516	17.9 %	490	17.1 %
Chemical Intermediates	(28)	(6.7)%	20	4.0 %	(38)	(2.0)%	101	4.7 %
Fibers	49	20.9 %	103	32.1 %	285	27.1 %	454	34.4 %
Total segment EBIT excluding non-core items	174	8.8 %	358	16.0 %	1,112	12.7 %	1,509	16.1 %
Other	(40)		(53)		(182)		(211)	
Total EBIT excluding non-core items	<u>\$ 134</u>	6.8 %	<u>\$ 305</u>	13.6 %	<u>\$ 930</u>	10.6 %	<u>\$ 1,298</u>	13.8 %

	Third Quarter	
	2025	
	Adjusted EBIT	Adjusted EBIT Margin
Advanced Materials	\$ 53	7.3 %
Additives & Functional Products	128	17.9 %
Chemical Intermediates	1	0.2 %
Fibers	67	26.4 %
Total segment EBIT excluding non-core items	249	11.3 %
Other	(39)	
Total EBIT excluding non-core items	<u>\$ 210</u>	9.5 %

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

Fourth 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
As reported (GAAP)	\$ 64	\$ 12	\$ (93)	> (100%)	\$ 105	\$ 0.92
Non-Core or Unusual Items: ⁽¹⁾						
Asset impairments, restructuring, and other charges, net	54	54	10		44	0.38
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(6)	(6)	(3)		(3)	(0.03)
Environmental and other costs	22	22	6		16	0.15
Income tax related items ⁽²⁾	—	—	(11)		11	0.08
Interim adjustment to tax provision ⁽³⁾	—	—	86		(86)	(0.75)
Non-GAAP (Excluding non-core and unusual items and with adjusted provision for income taxes)	<u>\$ 134</u>	<u>\$ 82</u>	<u>\$ (5)</u>	(5)%	<u>\$ 87</u>	<u>\$ 0.75</u>
Fourth 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
As reported (GAAP)	\$ 349	\$ 297	\$ (34)	(11)%	\$ 330	\$ 2.82
Non-Core Items: ⁽¹⁾						
Asset impairments, restructuring, and other charges, net	10	10	(1)		11	0.09
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(54)	(54)	(14)		(40)	(0.34)
Income tax related items ⁽²⁾	—	—	(7)		7	0.06
Interim adjustment to tax provision ⁽³⁾	—	—	89		(89)	(0.76)
Non-GAAP (Excluding non-core items and with adjusted provision for income taxes)	<u>\$ 305</u>	<u>\$ 253</u>	<u>\$ 33</u>	14 %	<u>\$ 219</u>	<u>\$ 1.87</u>

- ⁽¹⁾ See [Table 3A](#) for description of fourth 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⁾ Fourth quarter 2025 includes benefits related to prior tax law changes and a charge related to a valuation allowance driven by tax law changes and macroeconomic conditions impacting certain deferred tax assets in the U.S. Fourth quarter 2024 includes tax expense associated with a previously divested business.
- ⁽³⁾ Fourth quarter 2025 and 2024 is a reconciliation of the adjustments made to interim quarters to reflect the previously forecasted full year effective tax rate.

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

Twelve 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)						
As reported (GAAP)	\$ 776	\$ 568	\$ 93	16 %	\$ 474	\$ 4.10
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	96	96	21		75	0.65
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(6)	(6)	(3)		(3)	(0.03)
Environmental and other costs	62	62	15		47	0.41
Income tax related items ⁽²⁾	—	—	(33)		33	0.28
Non-GAAP (Excluding non-core and unusual items and with adjusted provision for income taxes)	<u>\$ 930</u>	<u>\$ 722</u>	<u>\$ 94</u>	13 %	<u>\$ 627</u>	<u>\$ 5.42</u>
Twelve 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)						
As reported (GAAP)	\$ 1,278	\$ 1,078	\$ 170	16 %	\$ 905	\$ 7.67
Non-Core Items: ⁽¹⁾						
Cost of sales impact from restructuring activities	7	7	2		5	0.04
Asset impairments, restructuring, and other charges, net	51	51	10		41	0.36
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(54)	(54)	(14)		(40)	(0.34)
Environmental and other costs	16	16	3		13	0.10
Income tax related items ⁽²⁾	—	—	(7)		7	0.06
Non-GAAP (Excluding non-core items and with adjusted provision for income taxes)	<u>\$ 1,298</u>	<u>\$ 1,098</u>	<u>\$ 164</u>	15 %	<u>\$ 931</u>	<u>\$ 7.89</u>

⁽¹⁾ See [Table 3A](#) for description of full year 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⁾ Full year 2025 includes benefits related to prior tax law changes and a charge related to a valuation allowance driven by tax law changes and macroeconomic conditions impacting certain deferred tax assets in the U.S. Full year 2024 includes tax expense associated with a previously divested business.

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

	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	Per Diluted Share
(Dollars in millions, except per share amounts, unaudited)						
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
Income tax related items ⁽²⁾	—	—	(22)		22	0.20
Interim adjustment to tax provision ⁽³⁾	—	—	(47)		47	0.40
Non-GAAP (Excluding non-core and unusual items and with adjusted provision for income taxes)	<u>\$ 210</u>	<u>\$ 156</u>	<u>\$ 24</u>	16 %	<u>\$ 132</u>	<u>\$ 1.14</u>

- ⁽¹⁾ See [Table 3A](#) for description of third quarter 2025 non-core 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⁾ Third quarter 2025 includes a charge related to tax law changes.
- ⁽³⁾ The adjusted provision for income taxes for third quarter 2025 was calculated applying the then forecasted full year effective tax rate.

Table 5 – Statements of Cash Flows

	Fourth Quarter		Twelve Months	
	2025	2024	2025	2024
(Dollars in millions, unaudited)				
Operating activities				
Net earnings	\$ 105	\$ 331	\$ 475	\$ 908
Adjustments to reconcile net earnings to net cash used in operating activities:				
Depreciation and amortization	131	129	513	509
Mark-to-market pension and other postretirement benefit plans gain, net	(6)	(54)	(6)	(54)
Asset impairment charges	33	—	33	5
Provision for (benefit from) deferred income taxes	102	24	141	(52)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:				
(Increase) decrease in trade receivables	192	182	61	28
(Increase) decrease in inventories	(49)	(122)	24	(344)
Increase (decrease) in trade payables	199	152	(76)	188
Pension and other postretirement contributions (in excess of) less than expenses	(32)	(12)	(60)	(51)
Variable compensation payments (in excess of) less than expenses	38	55	(22)	99
Other items, net	(211)	(145)	(113)	51
Net cash provided by operating activities	502	540	970	1,287
Investing activities				
Additions to properties and equipment	(112)	(179)	(546)	(599)
Government incentives	7	9	21	9
Proceeds from sale of businesses	38	38	38	38
Other items, net	20	—	25	18
Net cash used in investing activities	(47)	(132)	(462)	(534)
Financing activities				
Net increase (decrease) in commercial paper and other borrowings	(290)	—	—	—
Proceeds from borrowings	—	—	246	1,237
Repayment of borrowings	—	—	(550)	(1,039)
Dividends paid to stockholders	(94)	(94)	(381)	(379)
Treasury stock purchases	—	(100)	(100)	(300)
Other items, net	2	13	(12)	27
Net cash used in financing activities	(382)	(181)	(797)	(454)
Effect of exchange rate changes on cash and cash equivalents	4	(12)	18	(10)
Net change in cash and cash equivalents	77	215	(271)	289
Cash and cash equivalents at beginning of period	489	622	837	548
Cash and cash equivalents at end of period	<u>\$ 566</u>	<u>\$ 837</u>	<u>\$ 566</u>	<u>\$ 837</u>

Table 6 – Total Borrowings to Net Debt Reconciliations

(Dollars in millions, unaudited)	December 31, 2025	December 31, 2024
Total borrowings	\$ 4,787	\$ 5,017
Less: Cash and cash equivalents	566	837
Net debt ⁽¹⁾	\$ 4,221	\$ 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.