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 these slides and the remarks in the conference call and webcast, the first quarter 2019 financial results 8-K and news release, and our Form 10-K filed for 2018 and Form 10-Q to be filed for first quarter 2019 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, first quarter 2019 and 2018 earnings use an adjusted effective tax rate using the Company’s forecasted tax rate for the full year as of the end of the interim period, and first quarter 2019, fourth quarter 2018, and first quarter 2018 earnings per share are calculated with an adjusted tax rate that excludes the provision for income taxes for non-core and unusual items. “Free Cash Flow” is cash provided by operating activities minus net capital expenditures (typically cash used for additions to properties and equipment). 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 first quarter 2019 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.
First-quarter 2019 strategic highlights

- Strong sequential increase in earnings after a challenging fourth quarter
- Continued progress on new business revenue from innovation
- Energy Star Partner of the Year award recipient for eighth consecutive year
- Announced multiple investments in “circular economy” recycling technologies
- Continued disciplined cost management and productivity improvement to fund growth
- Completed bolt-on acquisition of Marlotherm heat-transfer fluid assets from Sasol
- Named one of 2019’s “World's Most Ethical Companies” by Ethisphere for consecutive sixth time
- Returned $212 million to stockholders, 18 percent increase over 1Q18
Innovative products delivering growth despite slowing auto market

World-Class Technology Platforms

Differentiated Application Development

Relentlessly Engage the Market

Saflex

Eastman CRYSTEX™
insoluble sulfur
1Q 2019 financial results *Corporate*

- **Sales revenue**
  - Year over year: $2,607 to $2,380, (9)% change
  - Sequential: $2,376 to $2,380, 0% change

- **EBIT**
  - Year over year: $459 to $352, (6)% volume/mix effect, (1)% price effect, (2)% FX effect
  - Sequential: $276 to $352, 2% volume/mix effect

- **EPS**
  - Year over year: $2.23 to $1.77, (6)% decrease
  - Sequential: $1.39 to $1.77, 2% increase

($ in millions, except EPS)
1Q 2019 financial results Advanced Materials

**year over year**

<table>
<thead>
<tr>
<th></th>
<th>1Q18</th>
<th>1Q19</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>$693</td>
<td>$657</td>
<td>(5)%</td>
</tr>
<tr>
<td>EBIT</td>
<td>$138</td>
<td>$102</td>
<td>$36</td>
</tr>
</tbody>
</table>

($ in millions)

**quarter to quarter**

<table>
<thead>
<tr>
<th></th>
<th>4Q18</th>
<th>1Q19</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales revenue</td>
<td>$624</td>
<td>$657</td>
<td>5%</td>
</tr>
<tr>
<td>EBIT</td>
<td>$102</td>
<td>$72</td>
<td>$20</td>
</tr>
</tbody>
</table>

($ in millions)
1Q 2019 financial results *Additives & Functional Products*

**year over year**

<table>
<thead>
<tr>
<th>Sales revenue</th>
<th>EBIT</th>
<th>1Q18</th>
<th>1Q19</th>
<th>Change</th>
<th>Volume/mix effect</th>
<th>Price effect</th>
<th>FX effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>$939</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(9)%</td>
<td>(5)%</td>
<td>(2)%</td>
</tr>
</tbody>
</table>

**sequential**

<table>
<thead>
<tr>
<th>Sales revenue</th>
<th>EBIT</th>
<th>4Q18</th>
<th>1Q19</th>
<th>Change</th>
<th>Volume/mix effect</th>
<th>Price effect</th>
<th>FX effect</th>
</tr>
</thead>
<tbody>
<tr>
<td>$851</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0%</td>
<td>(1)%</td>
<td>1%</td>
</tr>
<tr>
<td>$855</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

($ in millions)
1Q 2019 financial results *Chemical Intermediates*

### Year over year

- **Sales revenue**: $730 million to $655 million, **(10)% change**
  - (6)% volume/mix effect
  - (3)% price effect
  - (1)% FX effect
- **EBIT**: $89 million to $73 million, **(10)% change**
  - (6)% volume/mix effect
  - (3)% price effect
  - (1)% FX effect

### Sequential

- **Sales revenue**: $689 million to $655 million, **(5)% change**
  - 2% volume/mix effect
  - (7)% price effect
- **EBIT**: $46 million to $73 million
1Q 2019 financial results *Fibers*

**Sales revenue**

- **1Q18:** $245
- **1Q19:** $213

**EBIT**

- **Change:** (13)%
- **Volume/mix effect:** (11)%
- **Price effect:** (2)%

**Sequential**

- **4Q18:** $212
- **1Q19:** $213

**Change:** 0%

**Volume/mix effect:** 1%

**Price effect:** (1)%

($ in millions)
## 1Q 2019 cash flow and other financial highlights

<table>
<thead>
<tr>
<th>On track for &gt;$1.1 billion of free cash flow in 2019</th>
<th>Returned $212 million to stockholders</th>
<th>Remain committed to investment grade credit rating</th>
<th>Forecasted FY19 effective tax rate of 16% to 17%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returned $212 million share repurchases</td>
<td>$125 million dividend</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$87 million dividend</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Full-year 2019 outlook

<table>
<thead>
<tr>
<th>First half 2019 headwinds</th>
<th>Second half 2019 tailwinds</th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ Slow global economic growth</td>
<td>▪ U.S. – China trade dispute settlement</td>
</tr>
<tr>
<td>▪ Delayed settlement of U.S. – China trade dispute</td>
<td>▪ Improving global economic growth</td>
</tr>
<tr>
<td>▪ Slow flow through of lower-cost raw materials</td>
<td>▪ Flow through of lower raw material costs</td>
</tr>
<tr>
<td>▪ Stronger U.S. dollar</td>
<td>▪ ~$40 million of additional cost actions beyond keeping costs flat</td>
</tr>
<tr>
<td>▪ Higher pension costs</td>
<td>▪ Limited impact from stronger U.S. dollar</td>
</tr>
</tbody>
</table>

**Full-year 2019 adjusted EPS growth of 6 – 10%**

**2019 free cash flow greater than $1.1 billion**