Fourth-Quarter and Full-Year 2017 Financial Results

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February 2, 2018

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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 our Form 10-Q for third quarter 2017 filed with the Securities and Exchange Commission, these slides and the remarks in the conference call and webcast, the fourth quarter and full year 2017 financial results 8-K and release, and our Form 10-K to be filed for 2017 for risks and uncertainties which could cause actual results to differ materially from current expectations.

Non-GAAP financial measures

Earnings referenced in this presentation exclude certain non-core and unusual items. “Free Cash Flow” is cash provided by operating activities minus cash used for additions to properties and equipment. “Adjusted EBITDA” is net earnings before interest, taxes, depreciation, and amortization, adjusted to exclude the same non-core and unusual items as are excluded from other non-GAAP earnings measures; “Adjusted EBITDA Margin” is Adjusted EBITDA divided by the GAAP measure sales revenue. 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 fourth quarter and full year 2017 financial results release available in the “Investors” section of our website, in the appendix to this presentation, 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.

Strategic Highlights

- Strong 4Q17 and FY17 operating results
- Strong volume growth in specialty products through innovation and market development
- Completed construction of 2 of our new specialty manufacturing facilities
- Continued aggressive cost management to fund growth
- $1 billion free cash flow
- Increased dividend for 8th consecutive year
- Returned ~$650 million to stockholders

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Rapid recovery from coal gasification incident demonstrates power of integration and scale

- Extraordinary professionalism and safety-first focus of employees and contractors resulted in safe and rapid repair of the facility
- Coal gasification repairs were completed by end of 2017 and a flawless restart was accomplished mid-January
- No disruption in supply of specialty derivatives products to customers during outage
- Rapid repair and restart timeline reflect significant advantages of Kingsport site
- Expect net reduction of operating earnings between $25 and $50 million, with $112 million of net costs in fourth quarter partially offset by additional insurance recovery expected in first half 2018

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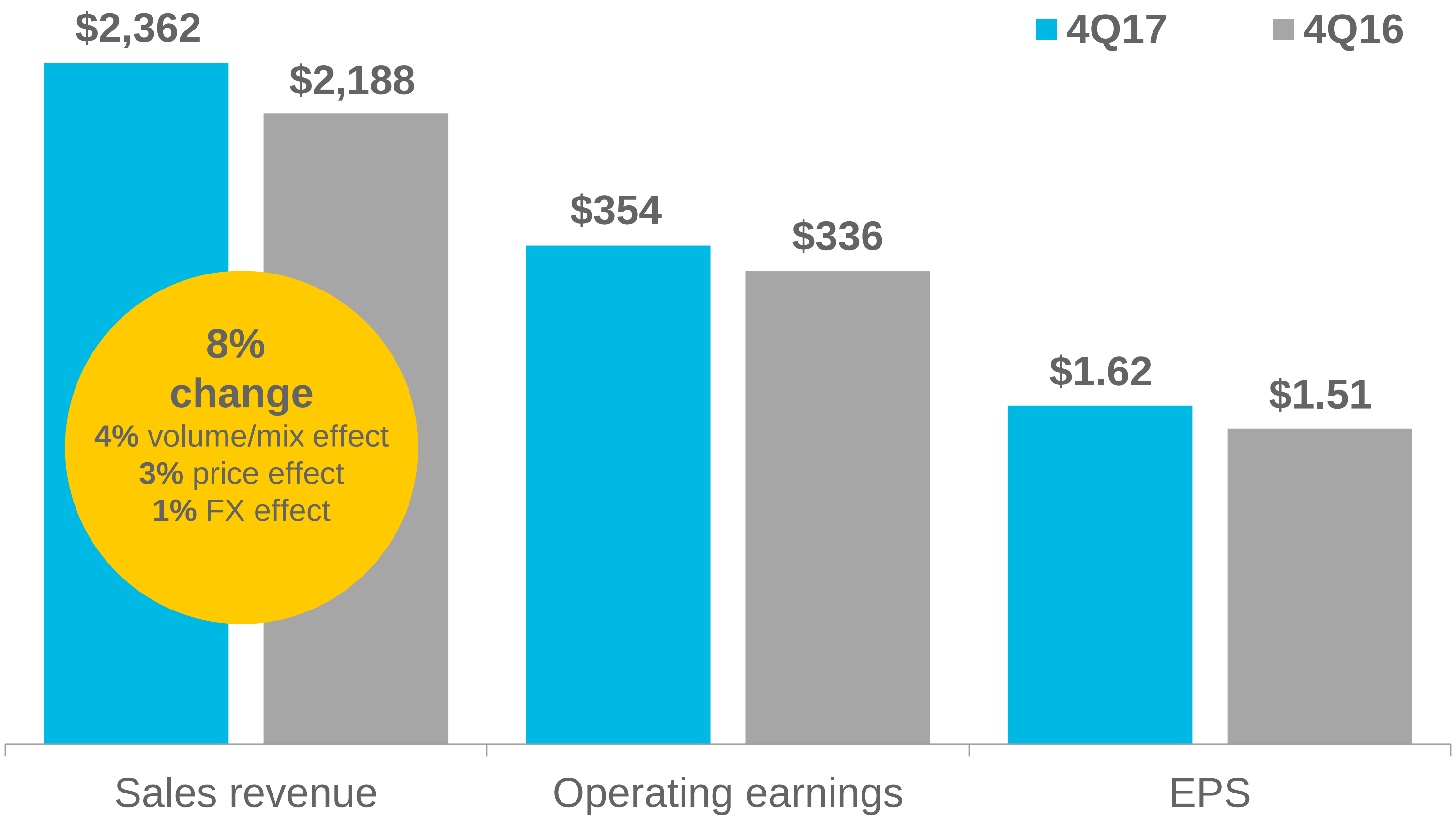
4Q 2017 financial results *Corporate*

($ in millions, except EPS)



- Sales revenue increased as increases in Additives & Functional Products, Advanced Materials, and Chemical Intermediates more than offset a decline in Fibers and the negative impact of lost sales revenue attributed to the coal gasification disruption.
- Operating earnings increased as increases in Additives & Functional Products, Advanced Materials, and Chemical Intermediates more than offset a decline in Fibers.

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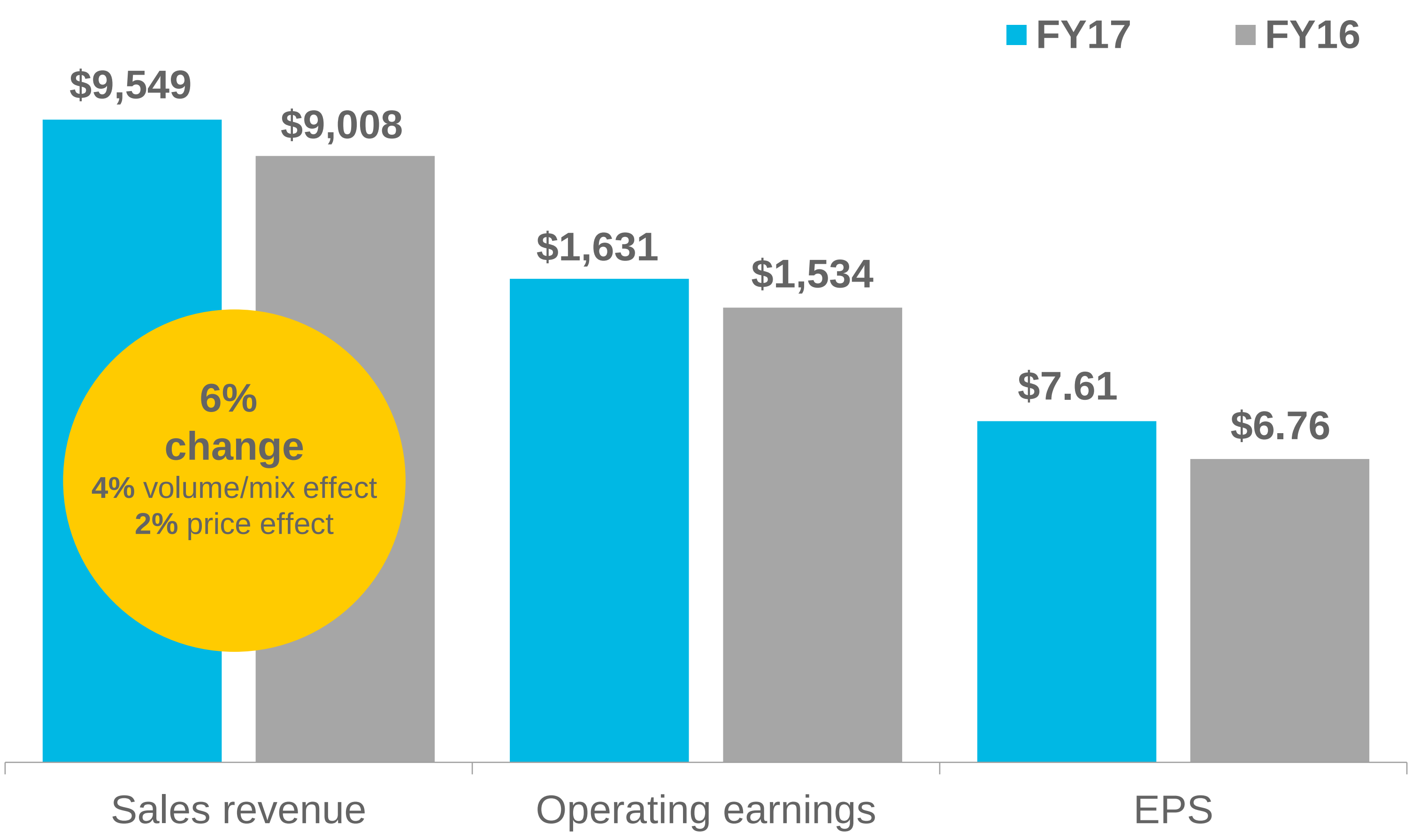
FY 2017 financial results *Corporate*

($ in millions, except EPS)



- Sales revenue increased as increases in Additives & Functional Products, Advanced Materials, and Chemical Intermediates more than offset a decline in Fibers.
- Operating earnings increased as increases in Additives & Functional Products, Advanced Materials, and Chemical Intermediates more than offset a decline in Fibers.

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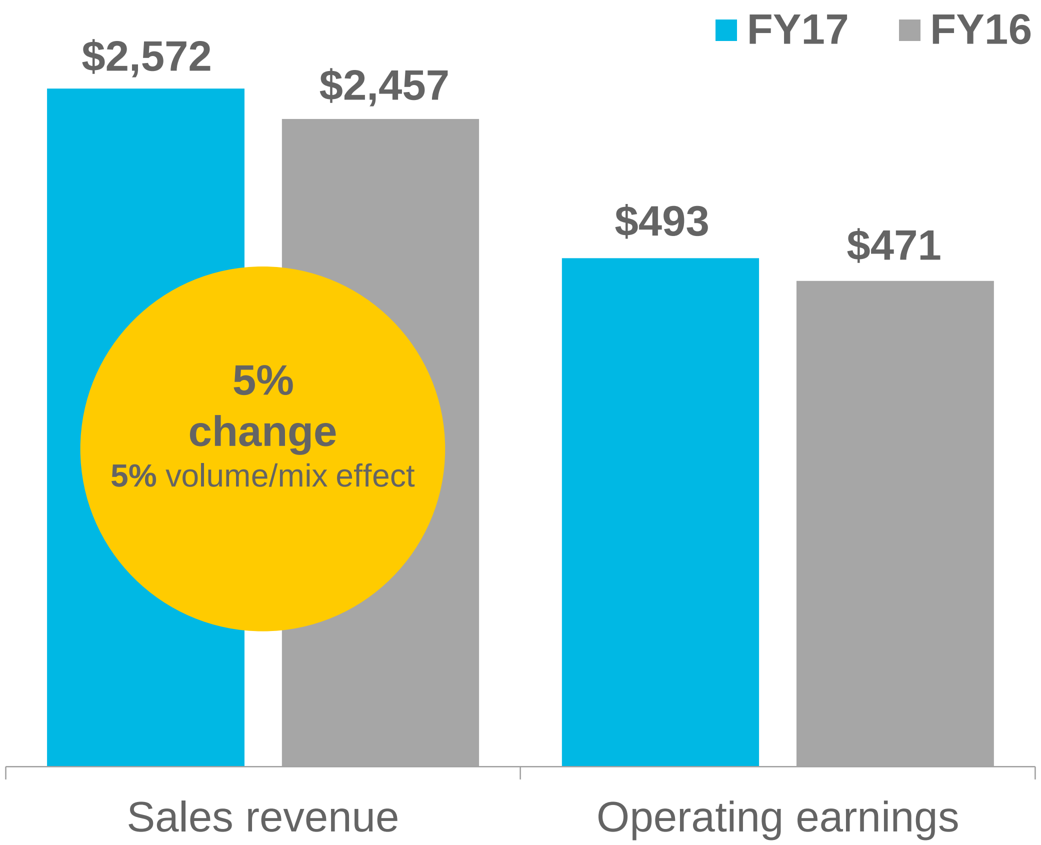
FY 2017 financial results *Advanced Materials*

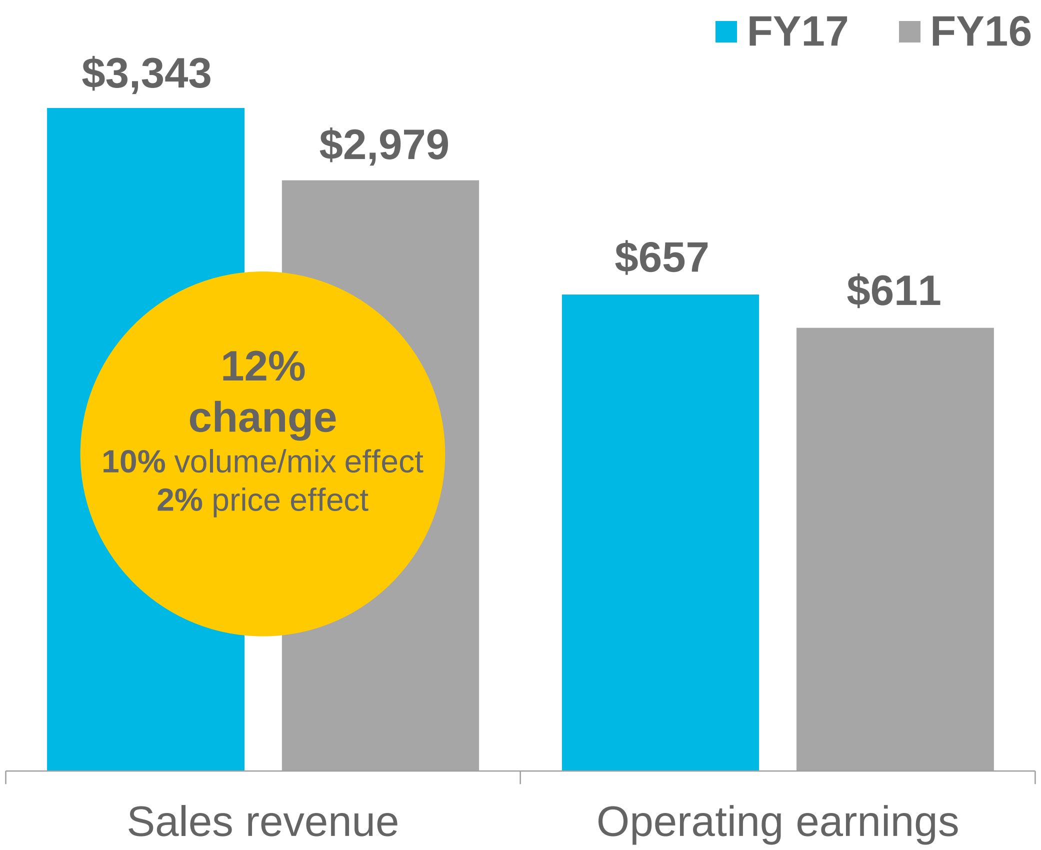
($ in millions)



- Sales revenue increased due to stronger sales volume and improved product mix of premium products.
- Operating earnings increased primarily due to higher sales volume, improved product mix of premium products, and lower unit costs due to higher capacity utilization, partially offset by increased costs of growth initiatives.

FY 2017 financial results *Additives & Functional Products*

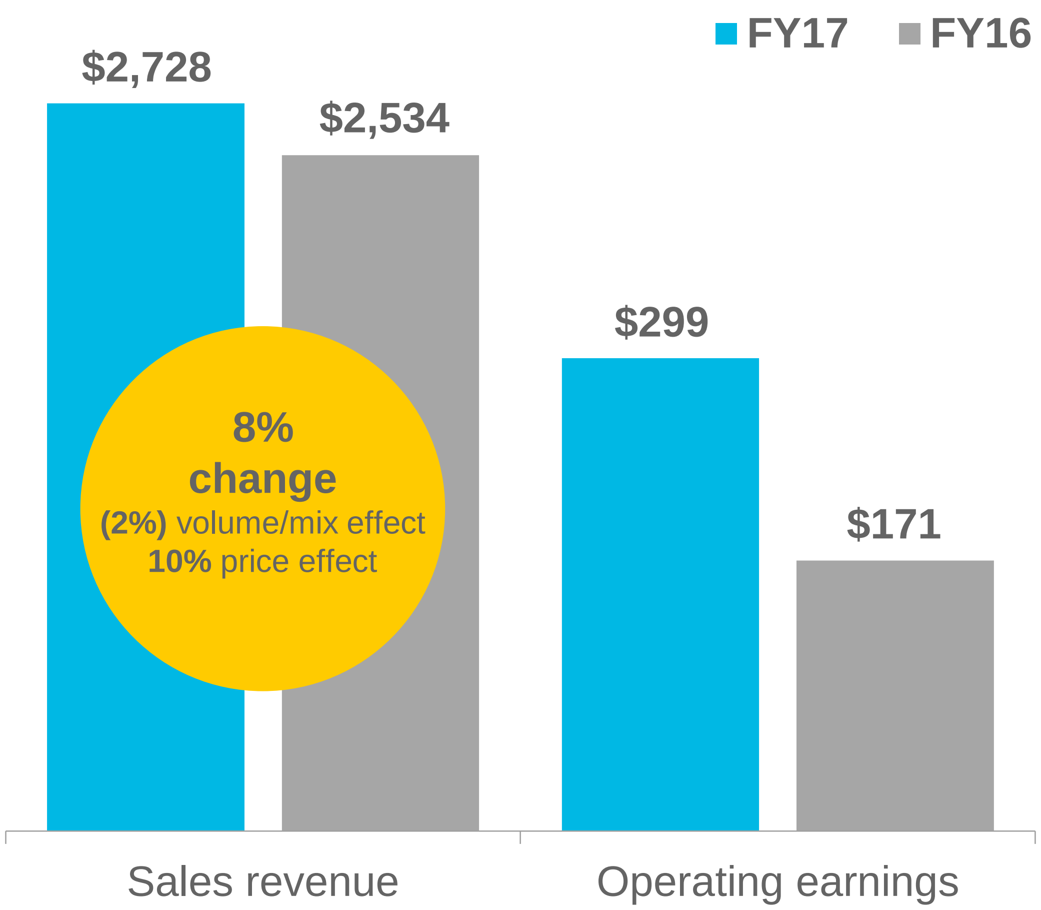
($ in millions)



- Sales revenue increased primarily due to stronger sales volume across the segment and higher selling prices.
- Operating earnings increased primarily due to higher sales volume, higher selling prices, fixed cost leverage, and lower commodity hedge costs.

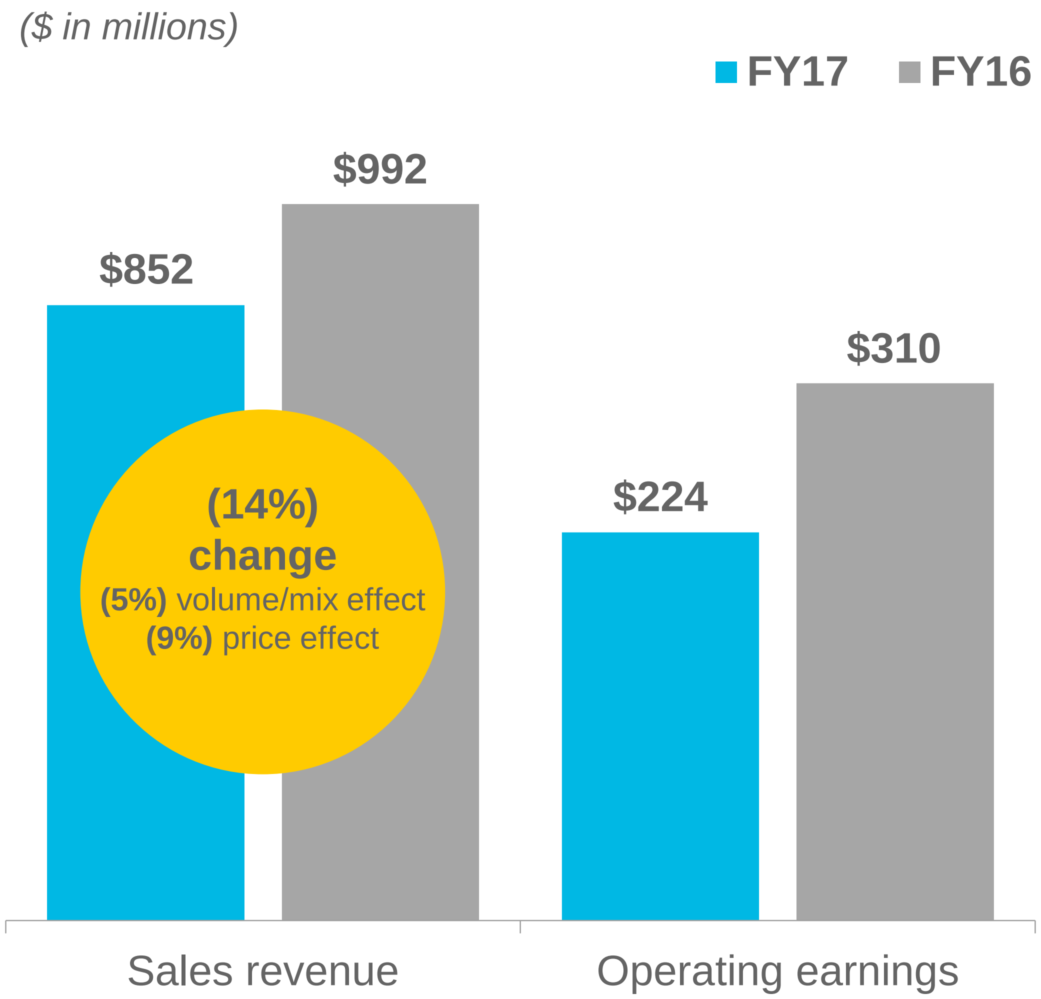
FY 2017 financial results *Chemical Intermediates*

($ in millions)



- Sales revenue increased due to higher selling prices attributed to higher raw material prices and improved market conditions. The increase was partially offset by lower sales volume, particularly of acetyl derivative products, due to the coal gasification incident.
- Operating earnings increased primarily due to higher selling prices, lower commodity hedge costs, lower scheduled maintenance costs, and lower operating costs, partially offset by higher raw material and energy costs.

FY 2017 financial results *Fibers*



- Sales revenue decreased primarily due to lower selling prices and lower sales volume, particularly for acetate tow. Lower acetate tow selling prices were primarily attributed to lower industry capacity utilization. Lower acetate tow sales volume was primarily attributed to reduced sales in China.
- Operating earnings declined due to lower selling prices and lower sales volume, partially offset by lower operating costs resulting from recent actions.

2017 cash flow and other financial highlights

$1.657 billion cash from operations	Returned **$646 million** to stockholders: **$296 million** dividends, **$350 million** share repurchases	Repaid **$350 million** of debt in 2017(1)	FY17 tax rate of **~20%**

(1) Excludes the currency translation impact on the carrying value of euro-denominated borrowings

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Full-year 2018 outlook

Growth drivers

- Robust portfolio of specialty businesses creating their own top line growth in attractive niche end-markets
- Strong growth in high margin, innovative products expected to accelerate earnings growth
- Productivity to offset inflation
- Modestly lower tax rate
- Increased share repurchases

Near-term headwinds

- Costs of strategic growth investments
- Higher scheduled maintenance costs
- Volatile raw material and energy prices, particularly for olefins

Expect adjusted 2018 EPS growth to be 8 - 12 percent compared with 2017

Expect 2018 free cash flow to be >$1.1 billion

Eastman Innovation Day 2018

Join senior management for a discussion of:

- How innovation and market development drive growth
- Value created from integration and scale across the enterprise
- Allocation of strong cash flow to drive growth

Details:

- February 6, 2018
- 8:15AM – 12:45PM
- New York City

Appendix

Reconciliation of Adjusted EBITDA to Net Earnings

(Dollars in millions, unaudited)	2017
Net Earnings from Continuing Operations Attributable to Eastman	**$ 1,474**
Plus:	
Depreciation	420
Amortization	167
Net interest expense	241
Provision (benefit) for income taxes	(177)
EBITDA	**$ 2,125**
Add back:	
Mark-to-market pension and other postretirement benefits (gains) losses, net	(34)
Asset impairments and restructuring charges (gains), net	8
Cost of disposition of claims against discontinued Solutia operations	9
Gains from sale of businesses	(3)
Net costs resulting from coal gasification incident	112
Adjusted EBITDA	**$ 2,217**
Sales	$ 9,549
Adjusted EBITDA Margin	**23.2%**

Note: See Form 8-K filed February 1, 2018 for 2017.