



Third-Quarter 2019 Financial Results

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October 25, 2019

EASTMAN

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 third quarter 2019 financial results 8-K and news release, and our Form 10-K for 2018 and Form 10-Q filed for second quarter 2019 and the Form 10-Q to be filed for third quarter 2019 for risks and uncertainties which could cause actual results to differ materially from current plans and expectations.

GAAP and Non-GAAP financial measures

Earnings referenced in this presentation exclude certain non-core and unusual items. In addition, interim period 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 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 third 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.

Third-quarter 2019 business and strategic highlights



Growing portfolio of specialty products



Continued progress on new business revenue from innovation, particularly in Advanced Materials



Continued progress on aggressive cost management



Returned \$583 million to stockholders in first 9M 2019 and continued focus on delevering



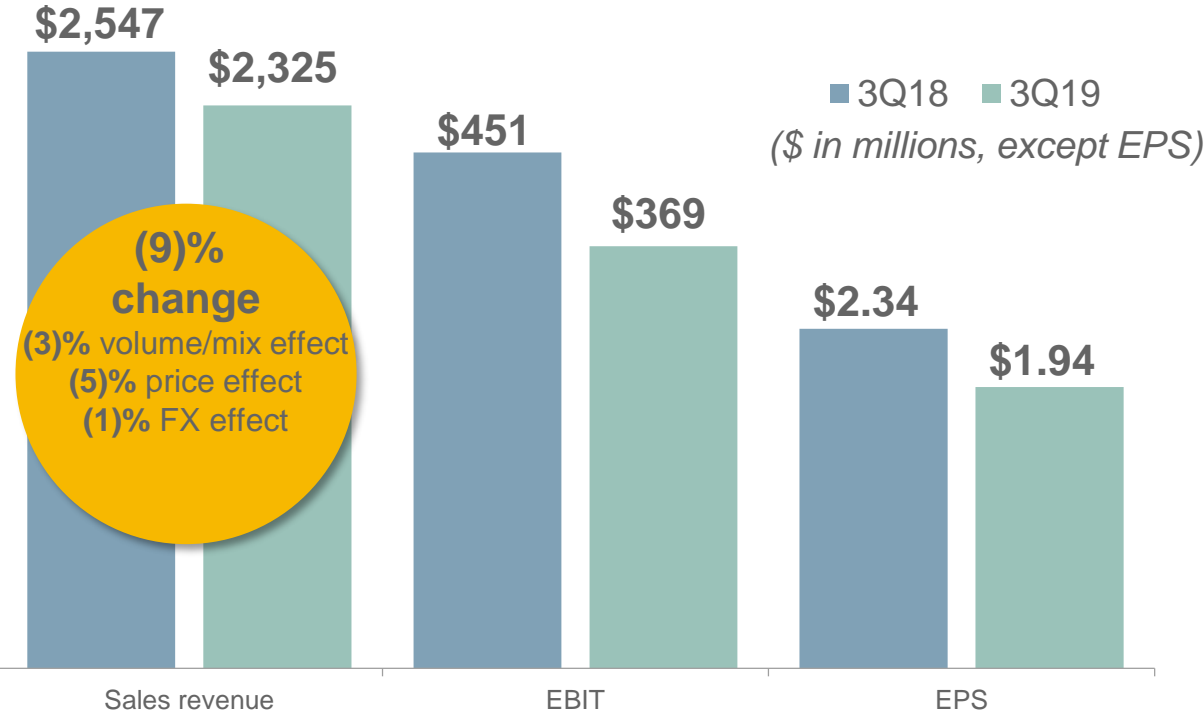
Achieved commercial operation of innovative carbon renewal technology



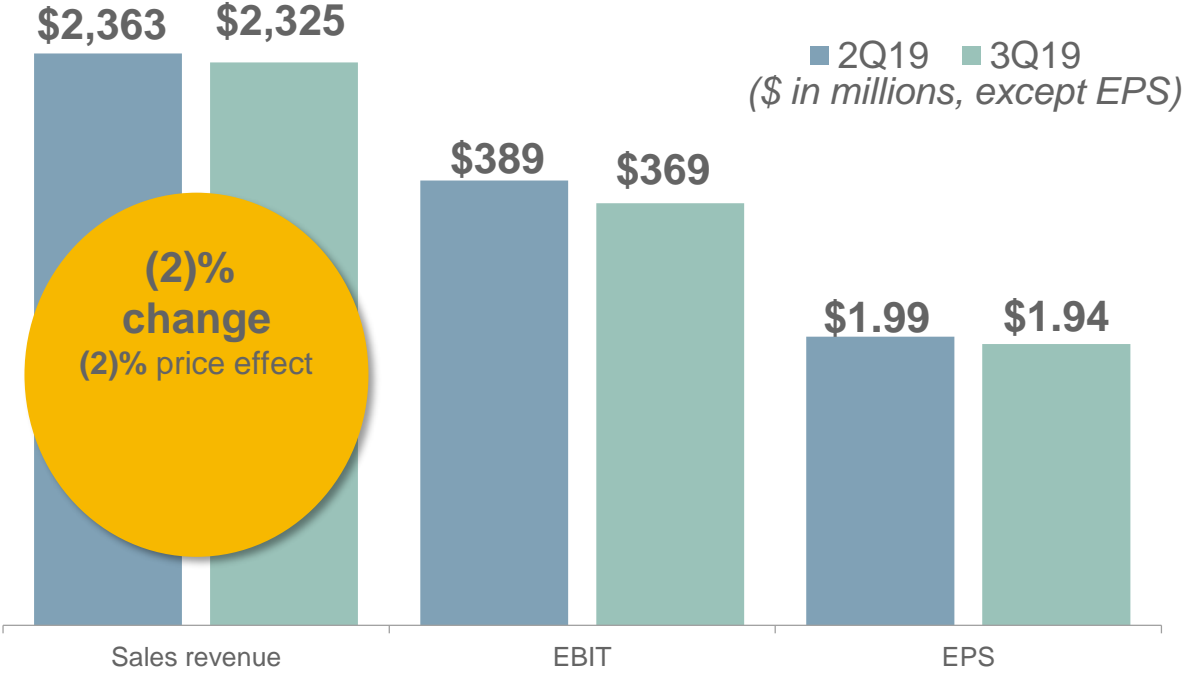
Received “LUXE PACK in green” Award for activating the circular economy

3Q 2019 financial results *Corporate*

year over year

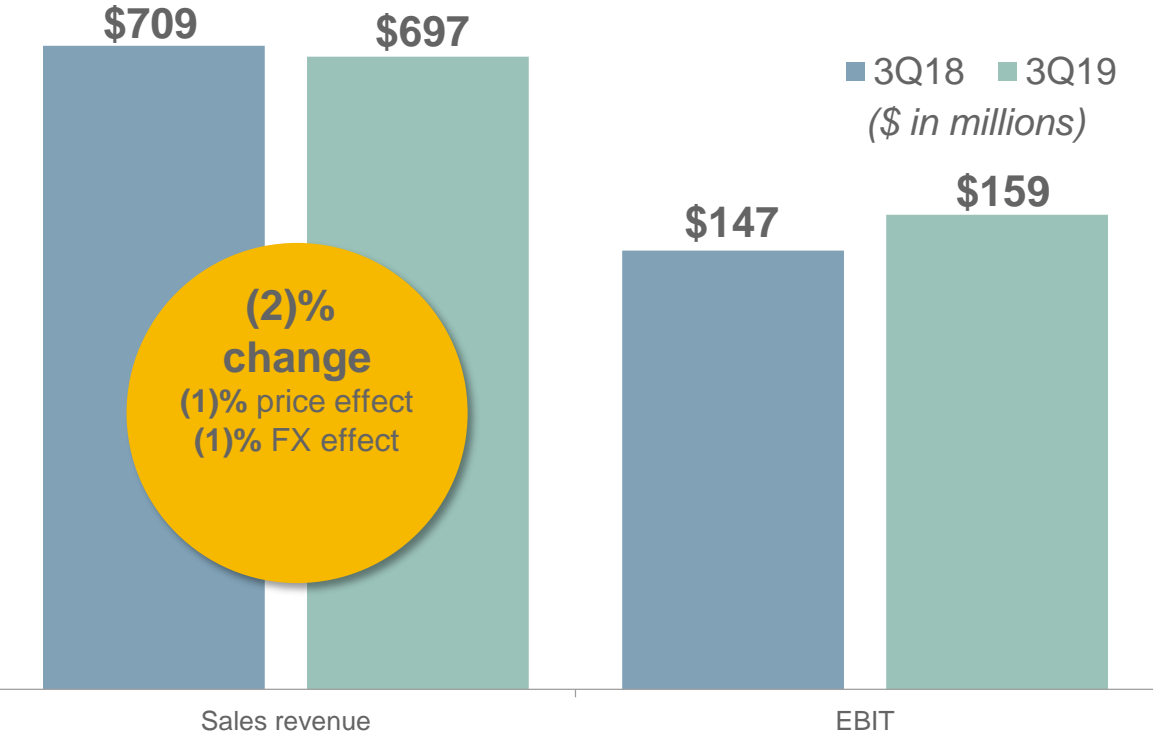


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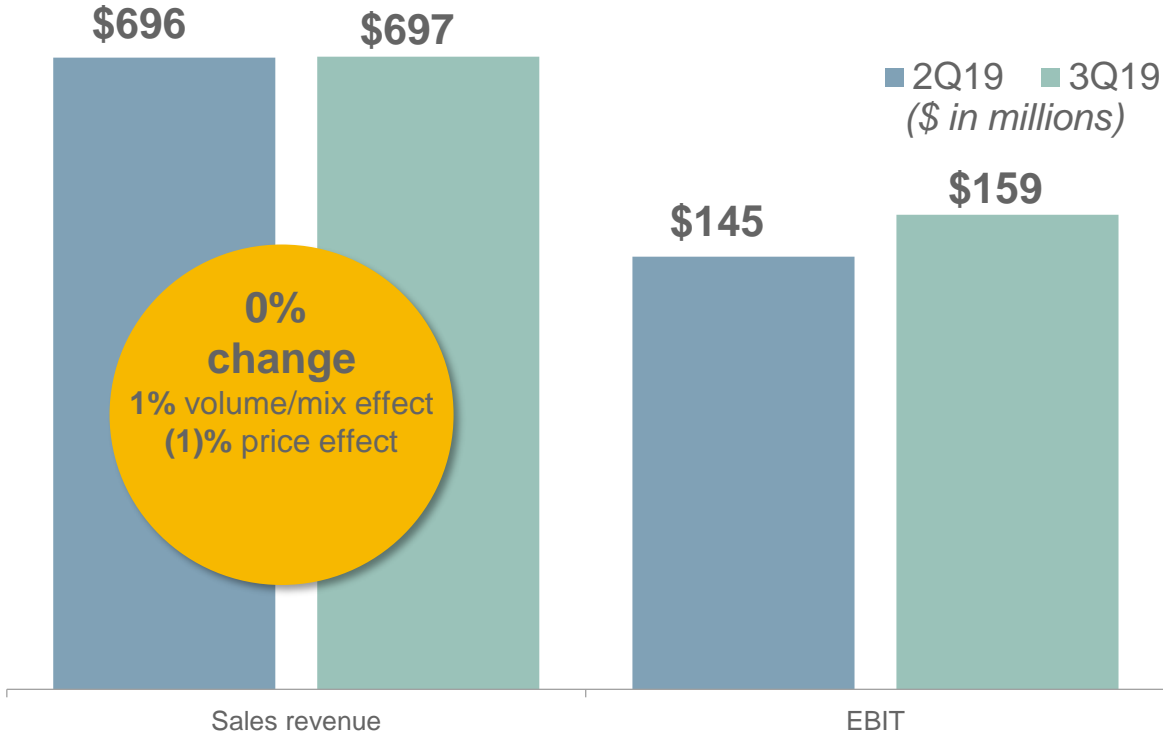


3Q 2019 financial results *Advanced Materials*

year over year

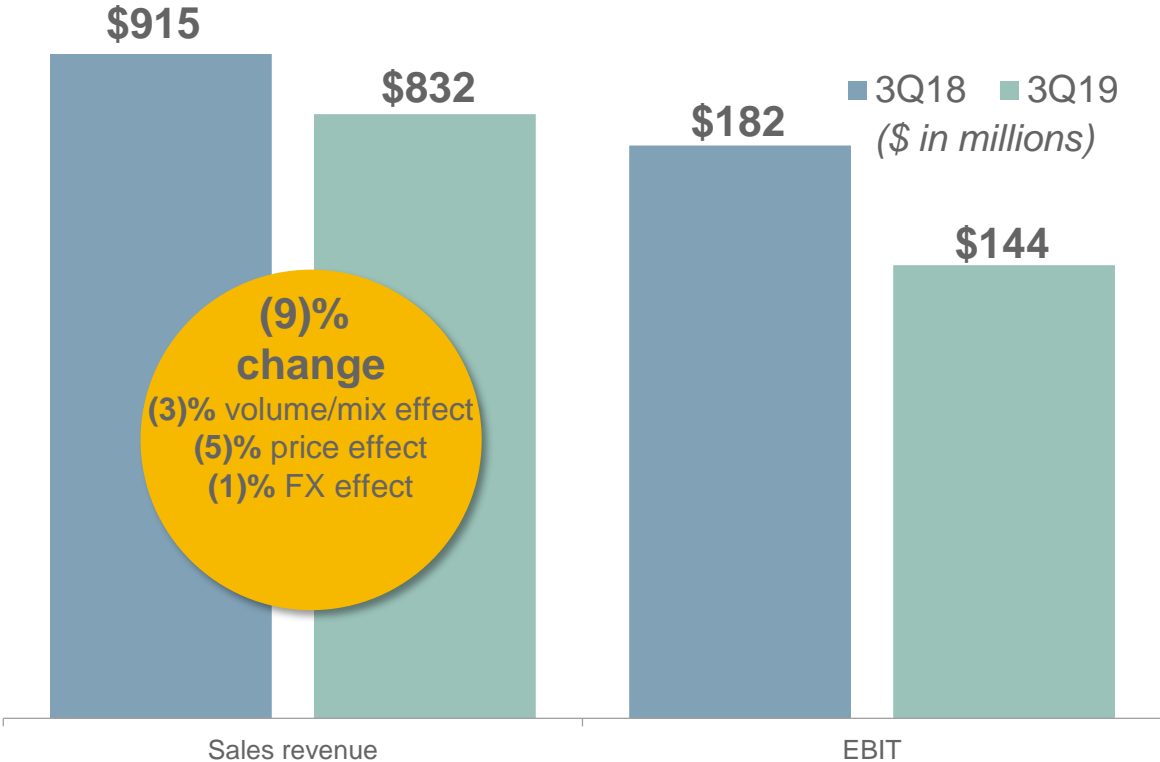


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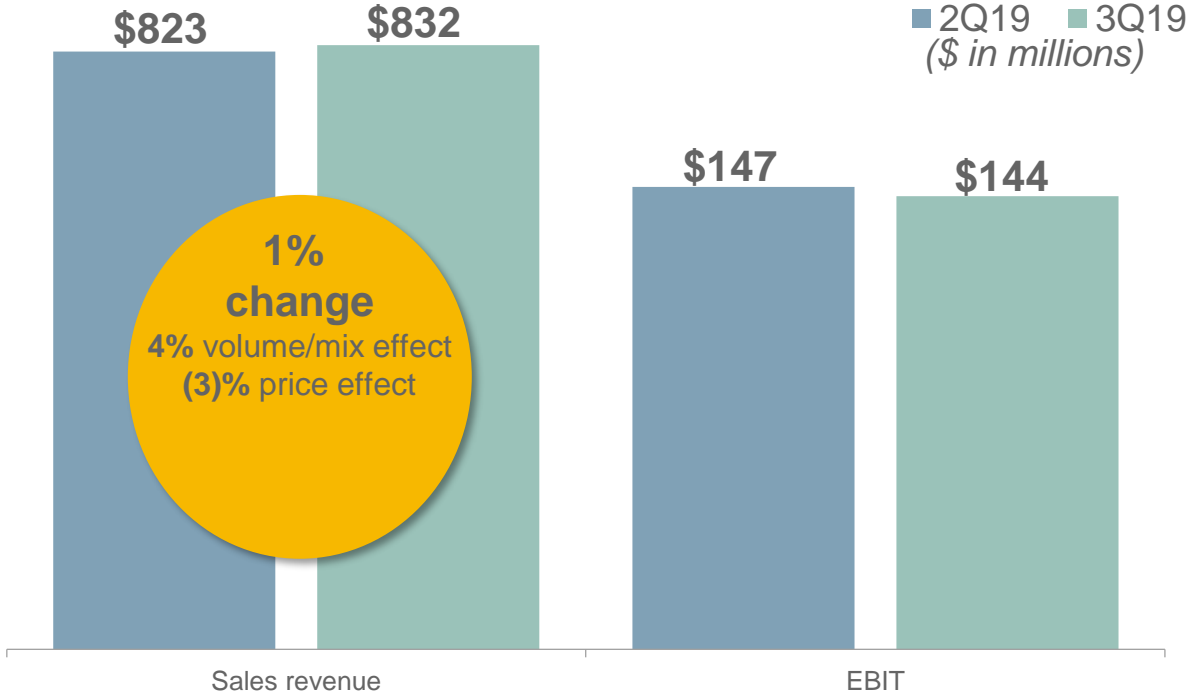


3Q 2019 financial results *Additives & Functional Products*

year over year

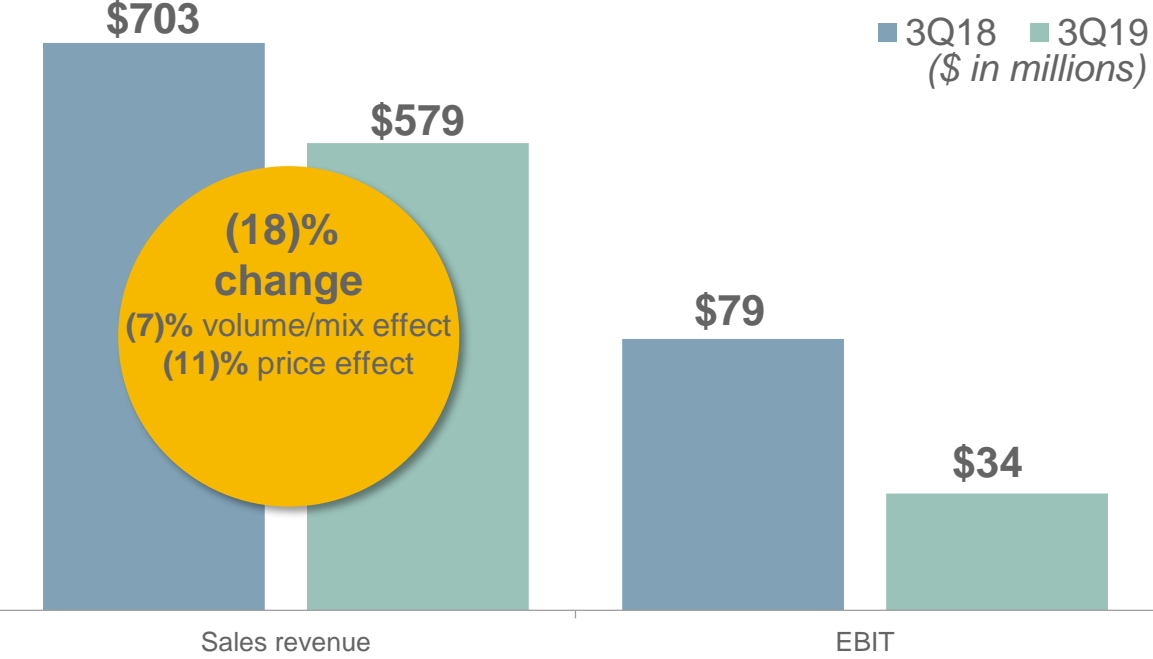


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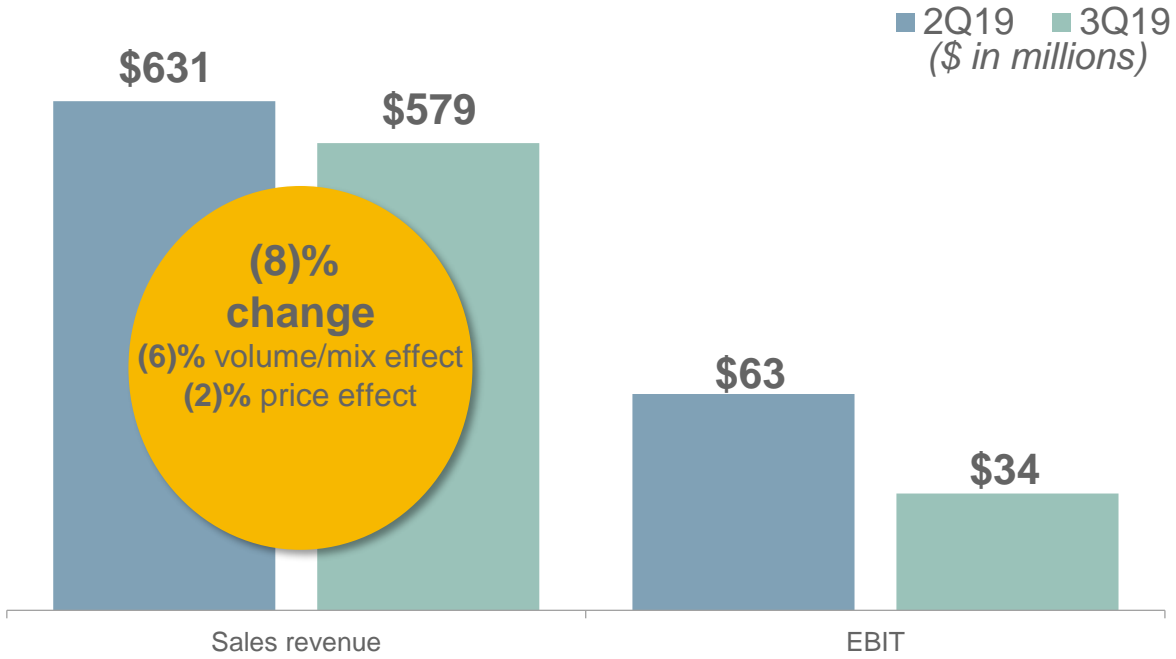


3Q 2019 financial results *Chemical Intermediates*

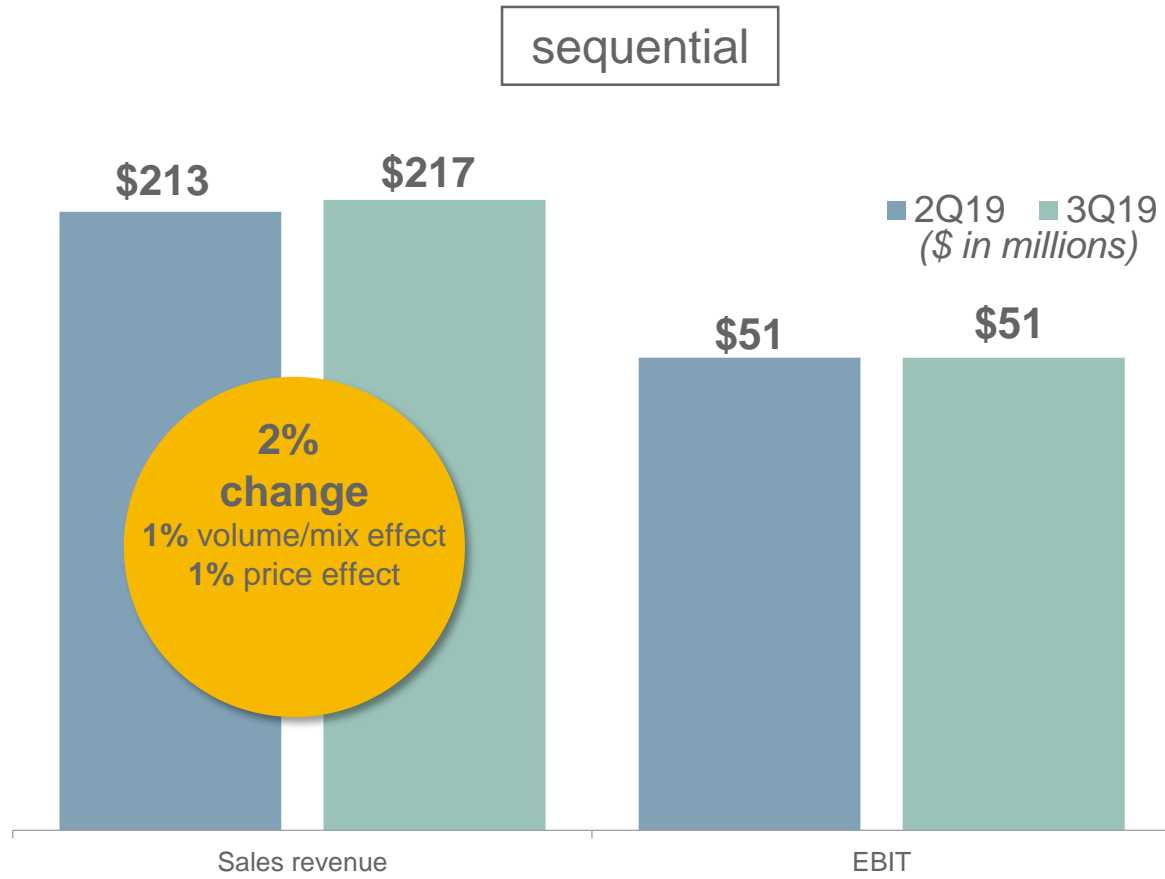
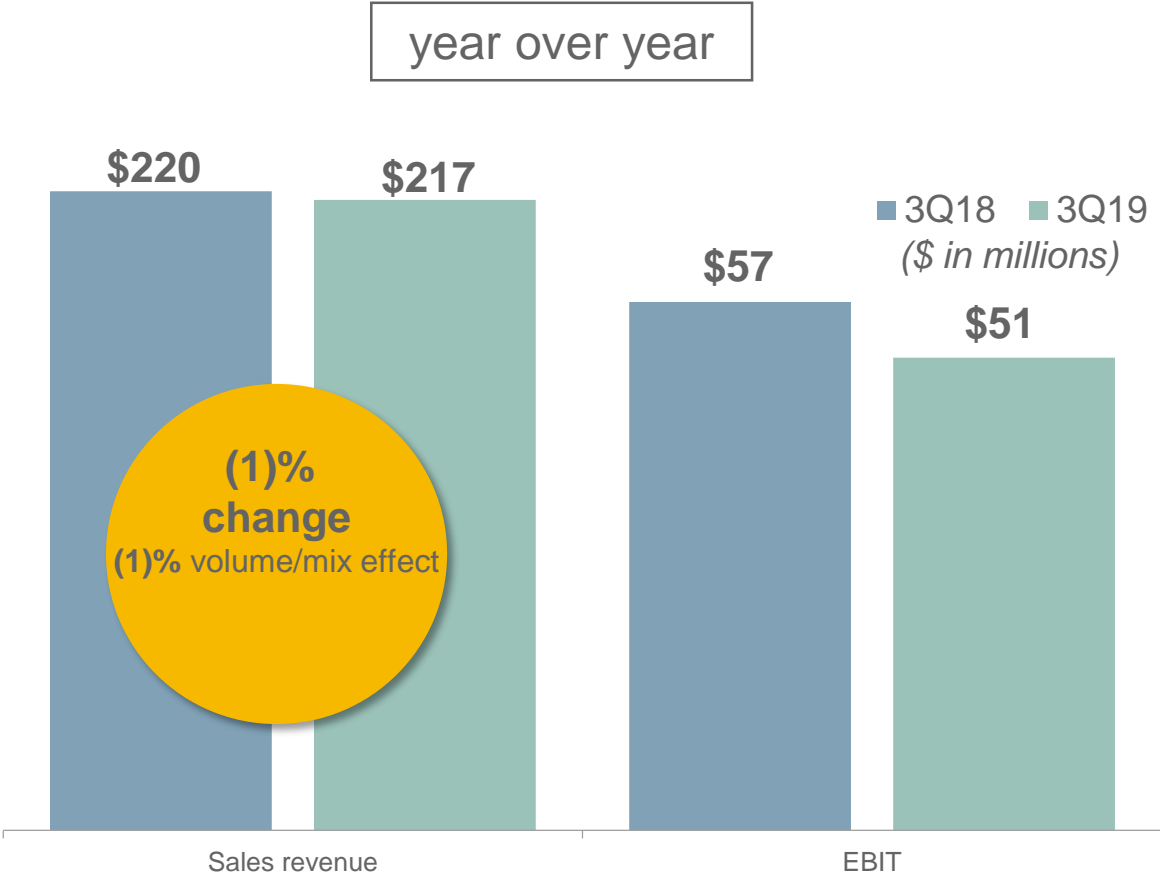
year over year



sequential



3Q 2019 financial results *Fibers*



9M 2019 cash flow and other financial highlights

**Expect FY19
free cash flow
approaching
\$1.1 billion**

Returned
**\$583
million**
to stockholders

**\$325
million**
share
repurchases

**\$258
million**
dividend

**Remain
committed
to
investment
grade
credit
rating**

Forecasted FY19
effective tax rate of
~16%

Full-year 2019 outlook

Previous underlying assumptions		Current underlying assumptions
Innovation driving above-market growth	<i>No change</i>	Innovation driving above-market growth
Flow through of lower-cost raw materials in 2H19	<i>No change</i>	Flow through of lower-cost raw materials in 2H19
Pension headwind ~\$0.20 per share	<i>No change</i>	Pension headwind ~\$0.20 per share
U.S.-China trade dispute escalated; remains unresolved through 2019	<i>Updated</i>	Global trade issues further escalated, particularly U.S.-China trade dispute
Current challenging economic conditions continue; destocking mostly finished	<i>Updated</i>	Meaningful deceleration in global industrial production, in part due to trade uncertainty
\$40 million in cost savings above productivity	<i>Updated</i>	Cost savings achieved, but mostly offset by lower capacity utilization
Full-year impact of stronger U.S. dollar ~\$0.30 per share	<i>No change</i>	Full-year impact of stronger U.S. dollar ~\$0.30 per share

Full-year 2019 adjusted EPS \$7.00 to \$7.20

2019 free cash flow approaching \$1.1 billion

Innovation-driven growth model even more important in an uncertain economy



Significant integration and scale enable innovation, reliability and cost advantage

Advantaged growth and execution capability and culture

Aggressive and disciplined portfolio management