

# 4Q and FY 2025 financial results

January 29, 2026

## Prepared remarks

These slides should be reviewed with the accompanying prepared remarks posted on our website.

## Forward-looking statements

The information in this release and other statements by the company may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to, among other items: projections and estimates of earnings, revenues, volumes, pricing, margins, sales, cost reductions, expenses, taxes, liquidity, capital expenditures, cash flow, dividends, share repurchases or other financial items, supply and demand, capacity and utilization, growth opportunities, statements of management's plans, strategies and objectives for future operations, and statements regarding future economic, industry or market conditions or performance. Such projections and estimates are based upon certain preliminary information, internal estimates, and management assumptions, expectations, and plans. Forward-looking statements are subject to a number of risks and uncertainties, and actual performance or results could differ materially from that anticipated by any forward-looking statements. Forward-looking statements speak only as of the date they are made, and the company undertakes no obligation to update or revise any forward-looking statement. Other important assumptions and factors that could cause actual results to differ materially from those in the forward-looking statements are detailed in the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2024, and as updated in the company's filings with the Securities and Exchange Commission (the "SEC"), which are accessible on the SEC's website at [www.sec.gov](http://www.sec.gov) and the company's website at [www.eastman.com](http://www.eastman.com).

## Non-GAAP financial measures

Earnings referenced in this presentation and the accompanying prepared remarks exclude certain non-core items. "Adjusted EBIT" is Earnings Before Interest and Taxes ("EBIT") adjusted for non-core items. "Adjusted EBIT Margin" is Adjusted EBIT divided by GAAP sales. "Adjusted EBITDA" is Earnings Before Interest, Taxes, Depreciation, and Amortization adjusted for non-core items. Adjusted EPS is defined as the GAAP measure earnings per diluted share adjusted for non-core, unusual, or non-recurring items. "Net Debt" is total borrowings less cash and cash equivalents. "Net Debt to Adjusted EBITDA" is Net Debt divided by EBITDA adjusted for non-core items. 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 2025 financial results news release which is posted 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 filed for 2024 and 10-K to be filed for 2025 with the SEC for the periods for which non-GAAP financial measures are presented.

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# 2025 highlights



**Generated cash from operating activities** approaching \$1 billion, demonstrating the strength of our cash flow and resolve to deliver on our commitments in a difficult environment.



**Exhibited commercial excellence** defending the value of our products in a weak economic environment.



**Exceeded cost reduction goals**, with aggressive actions to achieve ~\$100 million in savings versus our target of >\$75 million.



**Achieved Kingsport methanolysis facility operational goals**, producing >2.5X production quantities and delivered ~\$60 million of incremental earnings in 2025 versus 2024.



**Innovation continues to drive growth across the company**, with products including Tritan™, next-gen HUD interlayers, Aventa™, Naia™, and ultra high-purity solvents for semiconductors.



Raised our dividend for the **16<sup>th</sup> consecutive year** and returned **approximately \$500 million** to shareholders through dividends and share repurchases.

\$M (except EPS)	4Q25	4Q24	3Q25	FY25	FY24
Revenue	1,973	2,245	2,202	8,752	9,382
Adjusted EBIT	134	305	210	930	1,298
Adjusted EBIT margin	6.8%	13.6%	9.5%	10.6%	13.8%
Adjusted EPS	0.75	1.87	1.14	5.42	7.89

Revenue change %	Total	Vol / Mix	Price	FX
4Q25 vs 4Q24	-12	-11	-2	1
4Q25 vs 3Q25	-10	-9	-1	0
FY25 vs FY24	-7	-6	-1	0

## 4Q25 vs. 4Q24 EBIT highlights

- Lower sales volume/mix driven by acetate tow customer inventory destocking and industry capacity share adjustments and higher than usual seasonal declines in the consumer discretionary end market
- Unfavorable price-cost
- Substantial benefit from cost reduction initiatives and lower variable compensation expense

# Advanced Materials

\$M	4Q25	4Q24	3Q25	FY25	FY24
Revenue	656	720	728	2,880	3,050
Adjusted EBIT	59	107	53	349	464
Adjusted EBIT margin	9.0%	14.9%	7.3%	12.1%	15.2%

Revenue change %	Total	Vol / Mix	Price	FX
4Q25 vs 4Q24	-9	-9	-1	1
4Q25 vs 3Q25	-10	-10	0	0
FY25 vs FY24	-6	-4	-2	0

## 4Q25 vs. 4Q24 EBIT highlights

- Weakness in high-value consumer discretionary end markets and higher than usual seasonal volume declines due to customer inventory destocking of tariff-related pre-buy
- Higher raw material cost
- Lower planned maintenance expense
- Benefits from cost reduction initiatives

## 2026 outlook

### Tailwinds:

- Strong revenue and EBIT growth from Kingsport Methanolysis
- Modest growth from innovation across the segment
- Substantial cost reduction initiatives
- Significantly improved asset utilization including lower shutdown costs
- 5• Foreign currency exchange rates

### Headwinds:

- Prices to track modestly down with lower raw material prices as we share some of this value with our customers
- Higher energy costs

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# Circular Economy platform remains a key differentiator for Eastman

## We have demonstrated the capability of our technology

- In 2025, methanolysis consistently delivered high yields and the highest production to date
- Achieved our goal of >2.5x 2024 production levels, with high demonstrated operational rates in fourth quarter
- We proved a 94% yield of DMT from low-quality waste to high-clarity food-grade polymers

## We continue to build wins in a difficult market

- Expect strong ramp up of packaging revenue for flagship consumer brands in 2026
- >100 specialty customers paying premiums, but ramp up of volume is slow due to economic stress of our consumer durables customers
- Accelerated degradation of mechanically recycled material for food-grade packaging creating opportunities

## We are advancing options for a second facility leveraging a capital-efficient phased investment approach

- Debottlenecking Kingsport methanolysis facility by ~30% enables time to pursue a capital-efficient approach
- Good progress on options to access more capital-efficient sites
- Not expecting ramp up of capital spend for a second facility in 2026 or 2027

**Expect revenue growth from Kingsport methanolysis to contribute 4%–5% to Advanced Materials and deliver ~\$30M of incremental earnings in 2026**

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# Additives & Functional Products

\$M	4Q25	4Q24	3Q25	FY25	FY24
Revenue	662	696	716	2,880	2,862
Adjusted EBIT	94	128	128	516	490
Adjusted EBIT margin	14.2%	18.4%	17.9%	17.9%	17.1%

Revenue change %	Total	Vol / Mix	Price	FX
4Q25 vs 4Q24	-5	-6	0	1
4Q25 vs 3Q25	-8	-6	-2	0
FY25 vs FY24	1	-3	3	1

## 4Q25 vs. 4Q24 EBIT highlights

- Lower sales volume/mix driven by weakness in the building and construction and auto refinish end markets and stronger volumes in 4Q24 due to port strike order advancements
- Higher raw material cost
- Benefit from a lower cost structure

## 2026 outlook

### Tailwinds:

- Modest growth in stable markets including aviation, pharma, and water treatment
- Innovation growth in semiconductors and pharma
- Cost reduction initiatives
- Foreign currency exchange rates

### Headwinds:

- Weak industrial activity impacting heat transfer fluid project fulfillments and a few discontinued ag products

# Fibers

\$M	4Q25	4Q24	3Q25	FY25	FY24
Revenue	234	321	254	1,050	1,318
Adjusted EBIT	49	103	67	285	454
Adjusted EBIT margin	20.9%	32.1%	26.4%	27.1%	34.4%

Revenue change %	Total	Vol / Mix	Price	FX
4Q25 vs 4Q24	-27	-26	-1	0
4Q25 vs 3Q25	-8	-7	-1	0
FY25 vs FY24	-20	-19	-1	0

## 4Q25 vs. 4Q24 EBIT highlights

- Lower sales volume/mix due to:
  - Acetate tow customer inventory destocking and industry capacity share adjustments
  - Continued weakness in textiles
- Higher raw material and energy costs
- Benefit from cost reduction initiatives

## 2026 outlook

### Tailwinds:

- Tow volumes stable compared to 2025
- Modest recovery in textiles end market
- Innovation driving growth in Naia™ above market
- Substantial cost reduction initiatives

### Headwinds:

- Modest decline in acetate tow selling prices
- Higher energy cost

# Chemical Intermediates

\$M	4Q25	4Q24	3Q25	FY25	FY24
Revenue	418	503	499	1,925	2,134
Adjusted EBIT	-28	20	1	-38	101
Adjusted EBIT margin	-6.7%	4.0%	0.2%	-2.0%	4.7%

Revenue change %	Total	Vol / Mix	Price	FX
4Q25 vs 4Q24	-17	-9	-8	0
4Q25 vs 3Q25	-16	-12	-4	0
FY25 vs FY24	-10	-5	-5	0

## 4Q25 vs. 4Q24 EBIT highlights

- Spread compression and lower volume/mix due to:
  - Weak end-market demand in North America
  - Heightened competitive activity
- Benefit from cost reduction initiatives

## 2026 outlook

### Tailwinds:

- Substantially higher volume to sell due to less shutdowns
- Lower shutdown costs
- Modest growth in North America following end of inventory destocking of customer tariff-related pre-buy
- Substantial cost reduction initiatives

### Headwinds:

- Continued competitive pressure on prices
- Higher energy cost

# 2026 outlook

## Tailwinds vs 2025

- Increasing our cost reduction target to \$125M–\$150M, net of inflation, building on actions taken in 2025
- Reducing capital expenditures to ~\$400M in 2026, ~\$150M below 2025
- Innovation-driven growth model creating growth, with the largest driver being the Kingsport methanolysis facility
  - Accelerated revenue growth from the Renew platform, particularly in sales of rPET
  - Wins from ongoing innovation in the specialties
- \$25M–\$50M utilization benefit from lower shutdowns and volume growth
- FX benefit of \$25M–\$50M

## Headwinds/uncertainties vs 2025

- Consumer discretionary end markets not expected to improve
- Price pressure continues in Chemical Intermediates and a modest decline in Fibers pricing
- Higher energy costs
- Variable compensation expense resetting to a normal factor
- Raw material costs expected to be neutral
- Not assuming an escalation in tariff rates from current levels

**Expect Q126 adjusted EPS \$1.00 to \$1.20**

*(excluding potential impact from ongoing winter storms)*

**Expect 2026 operating cash flow similar to 2025**

# Taking actions to drive growth in a challenging environment

*Global economic environment expected to remain challenged in 2026-2027*



**Increasing 2026 cost savings target to \$125 to \$150 million from ~\$100 million**

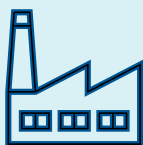
*Increase in target includes a reduction in other post-employment benefits plans*



**Driving innovation-led growth in the specialties**

*Circular revenue growth in Advanced Materials*

*Growth in semiconductors and water treatment in Additives & Functional Products*



**Targeting applications to accelerate asset utilization across our streams**

*Given extended duration of market challenges, we are focused on winning applications in opportunistic markets that are outside of our core specialty markets*



**No new capital projects expected in 2026**

*Maintenance capital ~\$350 million, plus limited growth capital for projects in progress*

# Appendix

# FY2026 underlying assumptions and modeling items

## Updated from prior guidance

- Brent crude oil: ~\$60–\$70/barrel
- Natural gas prices consistent with recent FY26 Henry Hub avg forward curves: ~\$4.25/MMBTU
- Foreign currency exchange rates, net of hedging: USD/EUR \$1.15–\$1.20; CNY/USD 7.00; JPY/USD 155
- Capital expenditures: ~\$400 million
- Share repurchases: ~\$150 million–\$250 million
- Full-year adjusted effective tax rate: 14%–15%
- FY26 Depreciation & Amortization expense: \$525 million
- Corporate 'Other' adjusted Loss Before Interest and Taxes: ~\$140 million
- Interest expense: ~\$215 million

# 2026 quarterly forecasted change in planned manufacturing maintenance shutdown cost by segment, year-over-year and sequential

	1Q26 y/y	2Q26 y/y	3Q26 y/y	4Q26 y/y	FY26 vs FY25	1Q26 vs 4Q25	2Q26 vs 1Q26	3Q26 vs 2Q26	4Q26 vs 3Q26
Advanced Materials	5	0	15	-5	<b>15</b>	5	-5	5	-10
Additives & Functional Products	5	-10	-5	10	<b>0</b>	15	-15	5	10
Chemical Intermediates	5	-	10	-5	<b>10</b>	10	-20	15	-10
Fibers	0	-5	0	0	<b>-5</b>	0	-5	5	0
<b>Total</b>	<b>15</b>	<b>-15</b>	<b>20</b>	<b>-</b>	<b>20</b>	<b>30</b>	<b>-45</b>	<b>30</b>	<b>-10</b>

*favorable/(unfavorable) approximate change in manufacturing maintenance shutdown period costs, in millions (\$)*