EASTMAN

FINANCIAL INFORMATION
July 30, 2026

For Eastman Chemical Company Second Quarter and Full Year 2026 Financial Results Release

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Table 1 – Statements of Earnings

(Dollars in millions, except per share amounts; unaudited)	Second Quarter 2026	Second Quarter 2025	First Six Months 2026	First Six Months 2025
Sales	$ 2,513	$ 2,287	$ 4,690	$ 4,577
Cost of sales [(1)]	1,953	1,781	3,699	3,504
Gross profit	560	506	991	1,073
Selling, general and administrative expenses	185	157	363	339
Research and development expenses	65	67	125	134
Asset impairments, restructuring, and other charges, net	1	13	10	22
Other components of post-employment (benefit) cost, net	(16)	(2)	(33)	(3)
Other (income) charges, net	14	49	27	57
Earnings before interest and taxes	311	222	499	524
Net interest expense	55	53	107	102
Earnings before income taxes	256	169	392	422
Provision for income taxes	72	29	101	99
Net earnings	184	140	291	323
Less: Net earnings attributable to noncontrolling interest	1	—	1	1
Net earnings attributable to Eastman	$ 183	$ 140	$ 290	$ 322
Basic earnings per share attributable to Eastman	$ 1.60	$ 1.22	$ 2.54	$ 2.80
Diluted earnings per share attributable to Eastman	$ 1.59	$ 1.20	$ 2.51	$ 2.77
Shares (in millions) outstanding at end of period	114.4	114.8	114.4	114.8
Shares (in millions) used for earnings per share calculation				
Basic	114.3	115.0	114.2	115.1
Diluted	115.3	116.2	115.2	116.4

(1) First six months 2026 included inventory adjustment charges of $3 million related to the closure of a production line at a German performance films facility in the Advanced Materials ("AM") segment.

Table 2A – Segment Sales Information

(Dollars in millions, unaudited)	Second Quarter 2026	Second Quarter 2025	First Six Months 2026	First Six Months 2025
Sales by Segment				
Advanced Materials	$ 817	$ 777	$ 1,532	$ 1,496
Additives & Functional Products	807	769	1,546	1,502
Chemical Intermediates	643	463	1,138	1,008
Fibers	243	274	468	562
Total Sales by Segment	2,510	2,283	4,684	4,568
Other	3	4	6	9
Total Eastman Chemical Company	$ 2,513	$ 2,287	$ 4,690	$ 4,577

(Dollars in millions, unaudited)	First Quarter 2026
Sales by Segment	
Advanced Materials	$ 715
Additives & Functional Products	739
Chemical Intermediates	495
Fibers	225
Total Sales by Segment	2,174
Other	3
Total Eastman Chemical Company	$ 2,177

Table 2B – Sales Revenue Change

(Unaudited)	Second Quarter 2026 Compared to Second Quarter 2025			
		Change in Sales Revenue Due To		
	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	5 %	4 %	— %	1 %
Additives & Functional Products	5 %	— %	4 %	1 %
Chemical Intermediates	39 %	24 %	14 %	1 %
Fibers	(11) %	(10) %	(2) %	1 %
Total Eastman Chemical Company	10 %	5 %	4 %	1 %

(Unaudited)	First Six Months 2026 Compared to First Six Months 2025			
		Change in Sales Revenue Due To		
	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	2 %	2 %	(2) %	2 %
Additives & Functional Products	3 %	— %	1 %	2 %
Chemical Intermediates	13 %	10 %	2 %	1 %
Fibers	(17) %	(14) %	(3) %	— %
Total Eastman Chemical Company	2 %	— %	— %	2 %

(Unaudited)	Second Quarter 2026 Compared to First Quarter 2026			
		Change in Sales Revenue Due To		
	Revenue % Change	Volume / Product Mix Effect	Price Effect	Exchange Rate Effect
Advanced Materials	14 %	11 %	3 %	— %
Additives & Functional Products	9 %	4 %	5 %	— %
Chemical Intermediates	30 %	11 %	19 %	— %
Fibers	8 %	8 %	— %	— %
Total Eastman Chemical Company	15 %	8 %	7 %	— %

Table 2C – Sales by Customer Location

(Dollars in millions, unaudited)	Second Quarter		First Six Months	
	2026	2025	2026	2025
Sales by Customer Location				
United States and Canada	$ 1,158	$ 963	$ 2,137	$ 1,983
Europe, Middle East, and Africa	628	610	1,202	1,220
Asia Pacific	578	583	1,078	1,122
Latin America	149	131	273	252
Total Eastman Chemical Company	$ 2,513	$ 2,287	$ 4,690	$ 4,577

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

	Second Quarter		First Six Months	
(Dollars in millions, unaudited)	2026	2025	2026	2025
Advanced Materials				
Earnings before interest and taxes	$ 109	$ 121	$ 169	$ 237
Cost of sales impact from restructuring activities [2]	—	—	3	—
Asset impairments, restructuring, and other charges, net [2]	—	—	6	—
Excluding non-core items	109	121	178	237
Additives & Functional Products				
Earnings before interest and taxes	151	153	293	290
Asset impairments, restructuring, and other charges, net	—	—	—	4
Excluding non-core items	151	153	293	294
Chemical Intermediates				
Earnings (loss) before interest and taxes	58	(30)	40	(11)
Fibers				
Earnings before interest and taxes	36	81	81	169
Other				
Loss before interest and taxes	(43)	(103)	(84)	(161)
Asset impairments, restructuring, and other charges net [3]	1	13	4	18
Environmental and other costs [4]	8	40	8	40
Excluding non-core items	(34)	(50)	(72)	(103)
Total Eastman Chemical Company				
Earnings before interest and taxes	311	222	499	524
Cost of sales impact from restructuring activities	—	—	3	—
Asset impairments, restructuring, and other charges, net	1	13	10	22
Environmental and other costs	8	40	8	40
Total earnings before interest and taxes excluding non-core items	$ 320	$ 275	$ 520	$ 586
Company Non-GAAP Earnings Before Interest and Taxes Reconciliations by Line Items				
Earnings before interest and taxes	$ 311	$ 222	$ 499	$ 524
Cost of sales impact from restructuring activities	—	—	3	—
Asset impairments, restructuring, and other charges, net	1	13	10	22
Other (income) charges, net	8	40	8	40
Total earnings before interest and taxes excluding non-core items	$ 320	$ 275	$ 520	$ 586

(1) See "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the Quarterly Report on Form 10-Q for second quarter 2025 for description of second quarter and first six months 2025 non-core items.
(2) First six months 2026 included inventory adjustment charges of $3 million, severance charges of $3 million, and restructuring charges of $3 million related to the closure of a production line at a German performance films facility in the AM segment.
(3) Second quarter and first six months 2026 included severance charges related to corporate cost reduction initiatives reported in "Other."
(4) Second quarter and first six months 2026 included environmental and other costs from previously divested or non-operational sites and product lines, which included associated gains and losses.

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

(Dollars in millions, unaudited)	First Quarter 2026
Advanced Materials	
Earnings before interest and taxes	$ 60
Cost of sales impact from restructuring activities	3
Asset impairments, restructuring, and other charges, net	6
Excluding non-core items	69
Additives & Functional Products	
Earnings before interest and taxes	142
Chemical Intermediates	
Loss before interest and taxes	(18)
Fibers	
Earnings before interest and taxes	45
Other	
Loss before interest and taxes	(41)
Asset impairments, restructuring, and other charges net	3
Excluding non-core items	(38)
Total Eastman Chemical Company	
Earnings before interest and taxes	188
Cost of sales impact from restructuring activities	3
Asset impairments, restructuring, and other charges, net	9
Total earnings before interest and taxes excluding non-core items	$ 200
Company Non-GAAP Earnings Before Interest and Taxes Reconciliations by Line Items	
Earnings before interest and taxes	$ 188
Cost of sales impact from restructuring activities	3
Asset impairments, restructuring, and other charges, net	9
Total earnings before interest and taxes excluding non-core items	$ 200

(1) For the description of first quarter 2026 non-core items, see Table 3A of the Quarterly Report on Form 8-K for first quarter 2026.

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

	Second Quarter				First Six Months			
	2026		2025		2026		2025	
(Dollars in millions, unaudited)	Adjusted EBIT	Adjusted EBIT Margin	Adjusted EBIT	Adjusted EBIT Margin	Adjusted EBIT	Adjusted EBIT Margin	Adjusted EBIT	Adjusted EBIT Margin
Advanced Materials	$ 109	13.3 %	$ 121	15.6 %	$ 178	11.6 %	$ 237	15.8 %
Additives & Functional Products	151	18.7 %	153	19.9 %	293	19.0 %	294	19.6 %
Chemical Intermediates	58	9.0 %	(30)	(6.5)%	40	3.5 %	(11)	(1.1)%
Fibers	36	14.8 %	81	29.6 %	81	17.3 %	169	30.1 %
Total segment EBIT excluding non-core items	354	14.1 %	325	14.2 %	592	12.6 %	689	15.1 %
Other	(34)		(50)		(72)		(103)	
Total EBIT excluding non-core items	$ 320	12.7 %	$ 275	12.0 %	$ 520	11.1 %	$ 586	12.8 %

	First Quarter	
	2026	
(Dollars in millions, unaudited)	Adjusted EBIT	Adjusted EBIT Margin
Advanced Materials	$ 69	9.7 %
Additives & Functional Products	142	19.2 %
Chemical Intermediates	(18)	(3.6)%
Fibers	45	20.0 %
Total segment EBIT excluding non-core items	238	10.9 %
Other	(38)	
Total EBIT excluding non-core items	$ 200	9.2 %

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

	Second Quarter 2026					
					Net Earnings Attributable to Eastman	
(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	After Tax	Per Diluted Share
As reported (GAAP)	$ 311	$ 256	$ 72	28 %	$ 183	$ 1.59
Non-Core or Unusual Items: [1]						
Asset impairments, restructuring, and other charges, net	1	1	—		1	0.01
Environmental and other costs	8	8	(1)		9	0.08
Income tax related item [2]	—	—	(8)		8	0.07
Interim adjustment to tax provision [3]	—	—	(26)		26	0.22
Non-GAAP (Excluding non-core and unusual items and with adjusted provision for income taxes)	$ 320	$ 265	$ 37	15 %	$ 227	$ 1.97

	Second Quarter 2025					
					Net Earnings Attributable to Eastman	
(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	After Tax	Per Diluted Share
As reported (GAAP)	$ 222	$ 169	$ 29	17 %	$ 140	$ 1.20
Non-Core Items: [1]						
Asset impairments, restructuring, and other charges, net	13	13	5		8	0.08
Environmental and other costs	40	40	9		31	0.26
Interim adjustment to tax provision [3]	—	—	(7)		7	0.06
Non-GAAP (Excluding non-core items and with adjusted provision for income taxes)	$ 275	$ 222	$ 36	16 %	$ 186	$ 1.60

(1) See Table 3A for description of second quarter 2026 and 2025 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) Second quarter 2026 included expense related to a prior tax law change.

(3) The adjusted provision for income taxes for second quarter 2026 and 2025 is calculated applying the forecasted full year effective tax rate as shown in Table 4B.

(Dollars in millions, except per share amounts, unaudited)	First Six Months 2026 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)	$ 499	$ 392	$ 101	26 %	$ 290	$ 2.51
Non-Core or Unusual Items: (1)						
Cost of sales impact from restructuring activities	3	3	1		2	0.02
Asset impairments, restructuring, and other charges, net	10	10	3		7	0.06
Environmental and other costs	8	8	(1)		9	0.08
Income tax related item (2)	—	—	(13)		13	0.11
Interim adjustment to tax provision (3)	—	—	(31)		31	0.28
Non-GAAP (Excluding non-core and unusual items and with adjusted provision for income taxes)	$ 520	$ 413	$ 60	15 %	$ 352	$ 3.06

(Dollars in millions, except per share amounts, unaudited)	First Six 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
As reported (GAAP)	$ 524	$ 422	$ 99	23 %	$ 322	$ 2.77
Non-Core Items: (1)						
Asset impairments, restructuring, and other charges, net	22	22	6		16	0.14
Environmental and other costs	40	40	9		31	0.26
Interim adjustment to tax provision (3)	—	—	(39)		39	0.34
Non-GAAP (Excluding non-core items and with adjusted provision for income taxes)	$ 586	$ 484	$ 75	16 %	$ 408	$ 3.51

(1) See Table 3A for description of first six months 2026 and 2025 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) First six months 2026 included expense related to a prior tax law change.

(3) The adjusted provision for income taxes for first six months 2026 and 2025 is calculated applying the forecasted full year effective tax rate as shown in Table 4B.

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

	First Quarter 2026					
					Net Earnings Attributable to Eastman	
(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	After Tax	Per Diluted Share
As reported (GAAP)	$ 188	$ 136	$ 29	21 %	$ 107	$ 0.93
Non-Core or Unusual Items: [1]						
Cost of sales impact from restructuring activities	3	3	1		2	0.02
Asset impairments, restructuring, and other charges, net	9	9	3		6	0.05
Income tax related item [2]	—	—	(5)		5	0.04
Interim adjustment to tax provision [3]	—	—	(5)		5	0.05
Non-GAAP (Excluding non-core and unusual items and with adjusted provision for income taxes)	$ 200	$ 148	$ 23	15 %	$ 125	$ 1.09

(1) See Table 3A for description of first quarter 2026 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) First quarter 2026 included expense related to a prior tax law change.
(3) The adjusted provision for income taxes for first quarter 2026 is calculated applying the forecasted full year effective tax rate as shown in Table 4B.

Table 4B - Adjusted Effective Tax Rate Calculation

	First Six Months [1]	
(Unaudited)	2026	2025
Effective tax rate	26 %	23 %
Discrete tax items [2]	(1)%	(1)%
Tax impact of current year non-core and unusual items [3]	(2)%	4 %
Changes in tax contingencies and valuation allowances	— %	(2)%
Forecasted full year impact of expected tax events [4]	(8)%	(8)%
Forecasted full year adjusted effective tax rate	15 %	16 %

(1) Effective tax rate percentages are rounded to the nearest whole percent. The forecasted full year effective tax rates are 14.5 percent and 15.5 percent in first six months 2026 and 2025.
(2) "Discrete tax items" are items that are excluded from the Company's estimated annual effective tax rate and recognized entirely in the quarter in which the item occurs. Discrete tax items for first six months 2026 and 2025 are related to share based compensation expense and adjustments to certain prior year tax returns.
(3) 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.
(4) Expected future tax events may include finalization of tax returns; federal, state, and foreign examinations or the expiration of statutes of limitation; and corporate restructurings.

Table 5 – Statements of Cash Flows

(Dollars in millions, unaudited)	Second Quarter 2026	Second Quarter 2025	First Six Months 2026	First Six Months 2025
Operating activities				
Net earnings	$ 184	$ 140	$ 291	$ 323
Adjustments to reconcile net earnings to net cash used in operating activities:				
Depreciation and amortization	132	127	263	253
Provision (benefit) from deferred income taxes	15	(45)	10	(48)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:				
(Increase) decrease in trade receivables	(147)	(91)	(369)	(183)
(Increase) decrease in inventories	(27)	(11)	(146)	(131)
Increase (decrease) in trade payables	18	(83)	85	(155)
Pension and other postretirement contributions (in excess of) less than expenses	(22)	(3)	(48)	(17)
Variable compensation payments (in excess of) less than expenses	71	23	22	(86)
Other items, net	—	176	(21)	110
Net cash provided by operating activities	224	233	87	66
Investing activities				
Additions to properties and equipment	(100)	(150)	(203)	(297)
Government incentives	—	3	3	14
Other items, net	1	—	(3)	5
Net cash used in investing activities	(99)	(147)	(203)	(278)
Financing activities				
Net increase in commercial paper and other borrowings	—	59	—	344
Proceeds from borrowings	—	—	594	246
Repayment of borrowings	—	—	(150)	(550)
Dividends paid to stockholders	(96)	(95)	(192)	(191)
Treasury stock purchases	—	(50)	—	(50)
Other items, net	(4)	(4)	(11)	(13)
Net cash (used in) provided by financing activities	(100)	(90)	241	(214)
Effect of exchange rate changes on cash and cash equivalents	1	9	—	12
Net change in cash and cash equivalents	26	5	125	(414)
Cash and cash equivalents at beginning of period	665	418	566	837
Cash and cash equivalents at end of period	$ 691	$ 423	$ 691	$ 423

Table 6 – Total Borrowings to Net Debt Reconciliations

(Dollars in millions, unaudited)	June 30, 2026	December 31, 2025
Total borrowings	$ 5,217	$ 4,787
Less: Cash and cash equivalents	691	566
Net debt [1]	$ 4,526	$ 4,221

(1) Included a non-cash decrease of $17 million in 2026 and a non-cash increase of $68 million in 2025 resulting from foreign currency exchange rates.