

**FINANCIAL INFORMATION****January 30, 2025**

For Eastman Chemical Company Fourth Quarter and Full Year 2024 Financial Results Release

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# EASTMAN

**Table 1 – Statements of Earnings**

	Fourth Quarter		Twelve Months	
	2024	2023	2024	2023
(Dollars in millions, except per share amounts; unaudited)				
Sales	\$ 2,245	\$ 2,207	\$ 9,382	\$ 9,210
Cost of sales <sup>(1)(2)(3)</sup>	1,691	1,743	7,092	7,149
Gross profit	554	464	2,290	2,061
Selling, general and administrative expenses	182	191	736	727
Research and development expenses	66	57	250	239
Asset impairments, restructuring, and other charges, net	10	15	51	37
Other components of post-employment (benefit) cost, net	(58)	49	(72)	41
Other (income) charges, net	5	(2)	47	38
Net gain on divested business <sup>(4)</sup>	—	(323)	—	(323)
Earnings before interest and taxes	349	477	1,278	1,302
Net interest expense	52	52	200	215
Earnings before income taxes	297	425	1,078	1,087
(Benefit from) Provision for income taxes	(34)	114	170	191
Net earnings	331	311	908	896
Less: Net earnings attributable to noncontrolling interest	1	1	3	2
Net earnings attributable to Eastman	<u>\$ 330</u>	<u>\$ 310</u>	<u>\$ 905</u>	<u>\$ 894</u>
Basic earnings per share attributable to Eastman	<u>\$ 2.85</u>	<u>\$ 2.63</u>	<u>\$ 7.75</u>	<u>\$ 7.54</u>
Diluted earnings per share attributable to Eastman	<u>\$ 2.82</u>	<u>\$ 2.61</u>	<u>\$ 7.67</u>	<u>\$ 7.49</u>
Shares (in millions) outstanding at end of period	115.2	117.3	115.2	117.3
Shares (in millions) used for earnings per share calculation				
Basic	115.6	118.0	116.7	118.6
Diluted	116.9	118.7	117.9	119.4

<sup>(1)</sup> Twelve months 2024 includes inventory adjustment charges of \$7 million related to the planned closure of a solvent-based resins production line at an advanced interlayers facility in North America.

<sup>(2)</sup> Twelve months 2023 includes \$8 million insurance proceeds, net of costs, from the previously reported operational incident at the Kingsport site as a result of a steam line failure (the "steam line incident").

<sup>(3)</sup> Twelve months 2023 includes \$23 million accelerated depreciation related to the closure of an acetate yarn manufacturing facility in Europe.

<sup>(4)</sup> Fourth quarter and twelve months 2023 related to the sale of the Company's operations in Texas City, Texas, excluding the plasticizers operations ("Texas City Operations").

**Table 2A – Segment Sales Information**

	Fourth Quarter		Twelve Months	
	2024	2023	2024	2023
(Dollars in millions, unaudited)				
Sales by Segment				
Advanced Materials	\$ 720	\$ 705	\$ 3,050	\$ 2,932
Additives & Functional Products	696	640	2,862	2,834
Chemical Intermediates	503	513	2,134	2,143
Fibers	321	346	1,318	1,295
Total Sales by Segment	2,240	2,204	9,364	9,204
Other	5	3	18	6
Total Eastman Chemical Company	\$ 2,245	\$ 2,207	\$ 9,382	\$ 9,210

	Third Quarter 2024
(Dollars in millions, unaudited)	
Sales by Segment	
Advanced Materials	\$ 787
Additives & Functional Products	744
Chemical Intermediates	593
Fibers	336
Total Sales by Segment	2,460
Other	4
Total Eastman Chemical Company	\$ 2,464

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**Table 2B – Sales Revenue Change**

<b>Fourth Quarter 2024 Compared to Fourth Quarter 2023</b>				
(Unaudited)	<b>Change in Sales Revenue Due To</b>			
	<b>Revenue % Change</b>	<b>Volume / Product Mix Effect</b>		<b>Exchange Rate Effect</b>
		<b>Price Effect</b>		
Advanced Materials	2 %	5 %	(3) %	— %
Additives & Functional Products	9 %	7 %	2 %	— %
Chemical Intermediates	(2) %	(4) %	2 %	— %
Fibers	(7) %	(9) %	2 %	— %
<b>Total Eastman Chemical Company</b>	<b>2 %</b>	<b>1 %</b>	<b>1 %</b>	<b>— %</b>

<b>Twelve Months 2024 Compared to Twelve Months 2023</b>				
(Unaudited)	<b>Change in Sales Revenue Due To</b>			
	<b>Revenue % Change</b>	<b>Volume / Product Mix Effect</b>		<b>Exchange Rate Effect</b>
		<b>Price Effect</b>		
Advanced Materials	4 %	8 %	(4) %	— %
Additives & Functional Products	1 %	4 %	(3) %	— %
Chemical Intermediates	— %	3 %	(3) %	— %
Fibers	2 %	— %	2 %	— %
<b>Total Eastman Chemical Company</b>	<b>2 %</b>	<b>4 %</b>	<b>(2) %</b>	<b>— %</b>

<b>Fourth Quarter 2024 Compared to Third Quarter 2024</b>				
(Unaudited)	<b>Change in Sales Revenue Due To</b>			
	<b>Revenue % Change</b>	<b>Volume / Product Mix Effect</b>		<b>Exchange Rate Effect</b>
		<b>Price Effect</b>		
Advanced Materials	(9) %	(8) %	(1) %	— %
Additives & Functional Products	(6) %	(7) %	1 %	— %
Chemical Intermediates	(15) %	(13) %	(2) %	— %
Fibers	(4) %	(4) %	— %	— %
<b>Total Eastman Chemical Company</b>	<b>(9) %</b>	<b>(8) %</b>	<b>(1) %</b>	<b>— %</b>

**Table 2C – Sales by Customer Location**

(Dollars in millions, unaudited)	<b>Fourth Quarter</b>		<b>Twelve Months</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Sales by Customer Location</b>				
United States and Canada	\$ 942	\$ 907	\$ 3,937	\$ 3,938
Europe, Middle East, and Africa	622	612	2,571	2,558
Asia Pacific	556	573	2,363	2,227
Latin America	125	115	511	487
<b>Total Eastman Chemical Company</b>	<b>\$ 2,245</b>	<b>\$ 2,207</b>	<b>\$ 9,382</b>	<b>\$ 9,210</b>

**Table 3A - Segment, Other, and Company  
Non-GAAP Earnings (Loss) Before Interest and Taxes Reconciliations <sup>(1)</sup>**

(Dollars in millions, unaudited)	Fourth Quarter		Twelve Months	
	2024	2023	2024	2023
<b>Advanced Materials</b>				
Earnings before interest and taxes	\$ 107	\$ 65	\$ 442	\$ 343
Cost of sales impact from restructuring activities <sup>(2)</sup>	—	—	4	—
Asset impairments, restructuring, and other charges, net <sup>(2)</sup>	—	—	18	—
Excluding non-core item	107	65	464	343
<b>Additives &amp; Functional Products</b>				
Earnings before interest and taxes	128	67	487	436
Cost of sales impact from restructuring activities <sup>(2)</sup>	—	—	3	—
Excluding non-core item	128	67	490	436
<b>Chemical Intermediates</b>				
Earnings before interest and taxes	20	347	101	434
Net gain on divested business	—	(323)	—	(323)
Excluding non-core items	20	24	101	111
<b>Fibers</b>				
Earnings before interest and taxes	103	113	454	393
Cost of sales impact from restructuring activities	—	—	—	23
Asset impairments, restructuring, and other charges, net	—	—	—	6
Excluding non-core items	103	113	454	422
<b>Other</b>				
Loss before interest and taxes	(9)	(115)	(206)	(304)
Steam line incident (insurance proceeds) costs, net	—	—	—	(8)
Asset impairments, restructuring, and other charges net <sup>(3)</sup>	10	15	33	31
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(54)	53	(54)	53
Environmental and other costs <sup>(4)</sup>	—	—	16	13
Excluding non-core and unusual items	(53)	(47)	(211)	(215)
<b>Total Eastman Chemical Company</b>				
Earnings before interest and taxes	349	477	1,278	1,302
Cost of sales impact from restructuring activities	—	—	7	23
Steam line incident (insurance proceeds) costs, net	—	—	—	(8)
Asset impairments, restructuring, and other charges, net	10	15	51	37
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(54)	53	(54)	53
Environmental and other costs	—	—	16	13
Net gain on divested business	—	(323)	—	(323)
Total earnings before interest and taxes excluding non-core and unusual items	\$ 305	\$ 222	\$ 1,298	\$ 1,097

<sup>(1)</sup> See "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the [Annual Report on Form 10-K](#) for 2023 for description of 2023 non-core and unusual items.

<sup>(2)</sup> Twelve months 2024 includes asset impairment charges of \$5 million, severance charges of \$4 million, and site closure costs of \$9 million related to the planned closure of a solvent-based resins production line at an advanced interlayers facility in North America. In addition, twelve months 2024 also includes inventory adjustment charges of \$4 million and \$3 million in the Advanced Materials ("AM") and the Additives and Functional Products ("AFP") segments, respectively, related to this planned closure.

<sup>(3)</sup> Fourth quarter and twelve months 2024 includes growth and profitability improvement initiatives of \$6 million and \$12 million, respectively. Additionally, fourth quarter and twelve months 2024 includes severance charges of \$4 million and \$21 million, respectively, as part of corporate cost reduction initiatives reported in "Other".

<sup>(4)</sup> Twelve months 2024 includes environmental and other costs from previously divested or non-operational sites and product lines.

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

	Fourth Quarter		Twelve Months	
	2024	2023	2024	2023
(Dollars in millions, unaudited)				
Company Non-GAAP Earnings Before Interest and Taxes				
Reconciliations by Line Items				
Earnings before interest and taxes	349	477	1,278	1,302
Cost of sales	—	—	7	15
Asset impairments, restructuring, and other charges, net	10	15	51	37
Other components of post-employment (benefit) cost, net	(54)	53	(54)	53
Other (income) charges, net	—	—	16	13
Net gain on divested business	—	(323)	—	(323)
Total earnings before interest and taxes excluding non-core and unusual items	\$ 305	\$ 222	\$ 1,298	\$ 1,097

**Table 3A - Segment, Other, and Company  
Non-GAAP Earnings (Loss) Before Interest and Taxes Reconciliations (continued) <sup>(1)</sup>**

(Dollars in millions, unaudited)	<b>Third Quarter 2024</b>
<b>Advanced Materials</b>	
Earnings before interest and taxes	\$ 100
Cost of sales impact from restructuring activities	4
Asset impairments, restructuring, and other charges, net	18
Excluding non-core item	<u>122</u>
<b>Additives &amp; Functional Products</b>	
Earnings before interest and taxes	127
Cost of sales impact from restructuring activities	3
Excluding non-core item	<u>130</u>
<b>Chemical Intermediates</b>	
Earnings before interest and taxes	<u>43</u>
<b>Fibers</b>	
Earnings before interest and taxes	<u>112</u>
<b>Other</b>	
Loss before interest and taxes	(53)
Asset impairments, restructuring, and other charges, net	12
Excluding non-core and unusual items	<u>(41)</u>
<b>Total Eastman Chemical Company</b>	
Earnings before interest and taxes	329
Cost of sales impact from restructuring activities	7
Asset impairments, restructuring, and other charges, net	30
Total earnings before interest and taxes excluding non-core and unusual items	<u>\$ 366</u>
<b>Company Non-GAAP Earnings Before Interest and Taxes Reconciliations by Line Items</b>	
Earnings before interest and taxes	329
Cost of sales	7
Asset impairments, restructuring, and other charges, net	30
Total earnings before interest and taxes excluding non-core and unusual items	<u>\$ 366</u>

<sup>(1)</sup> See "Management's Discussion and Analysis of Financial Condition and Results of Operations" of the [Quarterly Report on Form 10-Q](#) for third quarter 2024 for description of third quarter 2024 non-core and unusual items.

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**Table 3B - Segment Non-GAAP Earnings (Loss) Before Interest and Taxes Margins<sup>(1)(2)</sup>**

	Fourth Quarter				Twelve Months			
	2024		2023		2024		2023	
	Adjusted EBIT	Adjusted EBIT Margin	Adjusted EBIT	Adjusted EBIT Margin	Adjusted EBIT	Adjusted EBIT Margin	Adjusted EBIT	Adjusted EBIT Margin
Advanced Materials	\$ 107	14.9 %	\$ 65	9.2 %	\$ 464	15.2 %	\$ 343	11.7 %
Additives & Functional Products	128	18.4 %	67	10.5 %	490	17.1 %	436	15.4 %
Chemical Intermediates	20	4.0 %	24	4.7 %	101	4.7 %	111	5.2 %
Fibers	103	32.1 %	113	32.7 %	454	34.4 %	422	32.6 %
Total segment EBIT excluding non-core and unusual items	358	16.0 %	269	12.2 %	1,509	16.1 %	1,312	14.3 %
Other	(53)		(47)		(211)		(215)	
Total EBIT excluding non-core and unusual items	<u>\$ 305</u>	<u>13.6 %</u>	<u>\$ 222</u>	<u>10.1 %</u>	<u>\$ 1,298</u>	<u>13.8 %</u>	<u>\$ 1,097</u>	<u>11.9 %</u>

	Third Quarter	
	2024	
	Adjusted EBIT	Adjusted EBIT Margin
Advanced Materials	\$ 122	15.5 %
Additives & Functional Products	130	17.5 %
Chemical Intermediates	43	7.3 %
Fibers	112	33.3 %
Total segment EBIT excluding non-core and unusual items	407	16.5 %
Other	(41)	
Total EBIT excluding non-core and unusual items	<u>\$ 366</u>	<u>14.9 %</u>

<sup>(1)</sup> For identification of excluded non-core and unusual items and reconciliations to GAAP EBIT, see [Table 3A](#).

<sup>(2)</sup> Adjusted EBIT margin is non-GAAP EBIT divided by GAAP sales. See [Table 2A](#) for sales.



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**Table 4 – Non-GAAP Earnings Before Interest and Taxes, Net Earnings,  
and Earnings Per Share Reconciliations**

Fourth Quarter 2024						
(Dollars in millions, except per share amounts, unaudited)	Earnings Before Interest and Taxes	Earnings Before Income Taxes	(Benefit from) Provision for Income Taxes	Effective Income Tax Rate	Net Earnings Attributable to Eastman	
					After Tax	Per Diluted Share
<b>As reported (GAAP)</b>	\$ 349	\$ 297	\$ (34)	(11)%	\$ 330	\$ 2.82
<b>Non-Core and Unusual Items:</b> <sup>(1)</sup>						
Asset impairments, restructuring, and other charges, net	10	10	(1)		11	0.09
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(54)	(54)	(14)		(40)	(0.34)
Tax expense associated with previously divested business	—	—	(7)		7	0.06
Interim adjustment to tax provision <sup>(2)</sup>	—	—	89		(89)	(0.76)
<b>Non-GAAP (Excluding non-core and unusual items and with adjusted provision for income taxes)</b>	<b>\$ 305</b>	<b>\$ 253</b>	<b>\$ 33</b>	<b>14 %</b>	<b>\$ 219</b>	<b>\$ 1.87</b>
Fourth Quarter 2023						
(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	Net Earnings Attributable to Eastman	
					After Tax	Per Diluted Share
<b>As reported (GAAP)</b>	\$ 477	\$ 425	\$ 114	27 %	\$ 310	\$ 2.61
<b>Non-Core and Unusual Items:</b> <sup>(1)</sup>						
Asset impairments, restructuring, and other charges, net	15	15	1		14	0.12
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	53	53	14		39	0.33
Net gain on divested business	(323)	(323)	(98)		(225)	(1.89)
Interim adjustment to tax provision <sup>(2)</sup>	—	—	(17)		17	0.14
<b>Non-GAAP (Excluding non-core and unusual items and with adjusted provision for income taxes)</b>	<b>\$ 222</b>	<b>\$ 170</b>	<b>\$ 14</b>	<b>8 %</b>	<b>\$ 155</b>	<b>\$ 1.31</b>

<sup>(1)</sup> See [Table 3A](#) for description of fourth quarter 2024 and 2023 non-core and unusual items excluded from non-GAAP EBIT. 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.

<sup>(2)</sup> Fourth quarter 2024 and 2023 is a reconciliation of the adjustments made in interim quarters to reflect the previously forecasted full year effective tax rate.

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

Twelve Months 2024						
(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	Net Earnings Attributable to Eastman	
					After Tax	Per Diluted Share
<b>As reported (GAAP)</b>	\$ 1,278	\$ 1,078	\$ 170	16 %	\$ 905	\$ 7.67
<b>Non-Core or Unusual Items:</b> <sup>(1)</sup>						
Cost of sales impact from restructuring activities	7	7	2		5	0.04
Asset impairments, restructuring, and other charges, net	51	51	10		41	0.36
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(54)	(54)	(14)		(40)	(0.34)
Environmental and other costs	16	16	3		13	0.10
Tax expense associated with previously divested business	—	—	(7)		7	0.06
Non-GAAP (Excluding non-core and unusual items)	<u>\$ 1,298</u>	<u>\$ 1,098</u>	<u>\$ 164</u>	15 %	<u>\$ 931</u>	<u>\$ 7.89</u>
Twelve Months 2023						
(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	Net Earnings Attributable to Eastman	
					After Tax	Per Diluted Share
<b>As reported (GAAP)</b>	\$ 1,302	\$ 1,087	\$ 191	18 %	\$ 894	\$ 7.49
<b>Non-Core or Unusual Items:</b> <sup>(1)</sup>						
Cost of sales impact from restructuring activities	23	23	3		20	0.17
Steam line incident costs (insurance proceeds), net	(8)	(8)	(2)		(6)	(0.05)
Asset impairments, restructuring, and other charges, net	37	37	5		32	0.26
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	53	53	14		39	0.33
Environmental and other costs	13	13	4		9	0.08
Net gain on divested business	(323)	(323)	(98)		(225)	(1.88)
Non-GAAP (Excluding non-core and unusual items)	<u>\$ 1,097</u>	<u>\$ 882</u>	<u>\$ 117</u>	13 %	<u>\$ 763</u>	<u>\$ 6.40</u>

<sup>(1)</sup> See [Table 3A](#) for description of 2024 and 2023 non-core and unusual items excluded from non-GAAP EBIT. 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.

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

Third Quarter 2024						
(Dollars in millions, except per share amounts, unaudited)	<b>Earnings Before Interest and Taxes</b>	<b>Earnings Before Income Taxes</b>	<b>Provision for Income Taxes</b>	<b>Effective Income Tax Rate</b>	<b>Net Earnings Attributable to Eastman</b>	
					<b>After Tax</b>	<b>Per Diluted Share</b>
<b>As reported (GAAP)</b>	\$ 329	\$ 280	\$ 99	35 %	\$ 180	\$ 1.53
<b>Non-Core and Unusual Items:</b> <sup>(1)</sup>						
Cost of sales impact from restructuring activities	7	7	2		5	0.04
Asset impairments, restructuring, and other charges, net	30	30	8		22	0.19
Interim adjustment to tax provision <sup>(2)</sup>	—	—	(59)		59	0.50
Non-GAAP (Excluding non-core and unusual items and with adjusted provision for income taxes)	<u>\$ 366</u>	<u>\$ 317</u>	<u>\$ 50</u>	16 %	<u>\$ 266</u>	<u>\$ 2.26</u>

<sup>(1)</sup> See [Table 3A](#) for description of third quarter 2024 non-core and unusual items excluded from non-GAAP EBIT. 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.

<sup>(2)</sup> The adjusted provision for income taxes for third quarter 2024 was calculated applying the then forecasted full year effective tax rate.

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**Table 5 – Statements of Cash Flows**

(Dollars in millions, unaudited)	Fourth Quarter		Twelve Months	
	2024	2023	2024	2023
<b>Operating activities</b>				
Net earnings	\$ 331	\$ 311	\$ 908	\$ 896
Adjustments to reconcile net earnings to net cash provided by operating activities:				
Depreciation and amortization	129	118	509	498
Mark-to-market pension and other postretirement benefit plans (gain) loss, net	(54)	53	(54)	53
Asset impairment charges	—	—	5	—
Gain on sale of assets	—	(15)	—	(15)
Gain on divested business	—	(323)	—	(323)
Provision for (benefit from) deferred income taxes	24	54	(52)	(102)
Changes in operating assets and liabilities, net of effect of acquisitions and divestitures:				
(Increase) decrease in trade receivables	182	58	28	126
(Increase) decrease in inventories	(122)	54	(344)	201
Increase (decrease) in trade payables	152	173	188	(190)
Pension and other postretirement contributions (in excess of) less than expenses	(12)	(27)	(51)	(66)
Variable compensation payments (in excess of) less than expenses	55	69	99	142
Other items, net	(145)	(73)	51	154
<b>Net cash provided by operating activities</b>	<b>540</b>	<b>452</b>	<b>1,287</b>	<b>1,374</b>
<b>Investing activities</b>				
Additions to properties and equipment	(179)	(179)	(599)	(828)
Government incentives	9	—	9	—
Proceeds from sale of businesses	38	418	38	456
Acquisition, net of cash acquired	—	(3)	—	(77)
Other items, net	—	12	18	17
<b>Net cash used in investing activities</b>	<b>(132)</b>	<b>248</b>	<b>(534)</b>	<b>(432)</b>
<b>Financing activities</b>				
Net decrease in commercial paper and other borrowings	—	(399)	—	(326)
Proceeds from borrowings	—	—	1,237	796
Repayment of borrowings	—	—	(1,039)	(808)
Dividends paid to stockholders	(94)	(94)	(379)	(376)
Treasury stock purchases	(100)	(100)	(300)	(150)
Other items, net	13	—	27	(24)
<b>Net cash used in financing activities</b>	<b>(181)</b>	<b>(593)</b>	<b>(454)</b>	<b>(888)</b>
Effect of exchange rate changes on cash and cash equivalents	(12)	2	(10)	1
<b>Net change in cash and cash equivalents</b>	<b>215</b>	<b>109</b>	<b>289</b>	<b>55</b>
Cash and cash equivalents at beginning of period	622	439	548	493
Cash and cash equivalents at end of period	<b>\$ 837</b>	<b>\$ 548</b>	<b>\$ 837</b>	<b>\$ 548</b>

**Table 6 – Total Borrowings to Net Debt Reconciliations**

	<b>December 31,</b>	<b>December 31,</b>
	<b>2024</b>	<b>2023</b>
(Dollars in millions, unaudited)		
Total borrowings	\$ 5,017	\$ 4,846
Less: Cash and cash equivalents	837	548
Net debt <sup>(1)</sup>	<u>\$ 4,180</u>	<u>\$ 4,298</u>

<sup>(1)</sup> Includes non-cash decrease of \$32 million in 2024 and non-cash increase of \$20 million in 2023 resulting from foreign currency exchange rates.