



# First Quarter 2023 Earnings Call

May 9, 2023

# Cautionary Statement Regarding Forward-looking Statements Pursuant to Safe Harbor Provisions of The Private Securities Litigation Reform Act of 1995

## Cautionary Statement Regarding Forward-Looking Statements

This presentation includes “forward-looking statements” as that term is defined under the Private Securities Litigation Reform Act of 1995.

Forward-looking statements include statements concerning Kodak’s plans, objectives, goals, strategies, future events, future revenue or performance, capital expenditures, liquidity, investments, financing needs and business trends and other information that is not historical information. When used in this presentation, the words “estimates,” “expects,” “anticipates,” “projects,” “plans,” “intends,” “believes,” “predicts,” “forecasts,” “strategy,” “continues,” “goals,” “targets” or future or conditional verbs, such as “will,” “should,” “could,” or “may,” and similar words and expressions, as well as statements that do not relate strictly to historical or current facts, are intended to identify forward-looking statements. All forward-looking statements, including management’s examination of historical operating trends and data, are based upon Kodak’s current expectations and assumptions. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or those expressed in or implied by such forward-looking statements.

Important factors that could cause actual events or results to differ materially from the forward-looking statements include, among others, the risks and uncertainties described in more detail in Kodak’s Annual Report on Form 10-K for the year ended December 31, 2022 under the headings “Business,” “Risk Factors,” “Legal Proceedings,” and/or “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources,” in the corresponding sections of Kodak’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, and in other filings Kodak makes with the U.S. Securities and Exchange Commission from time to time, as well as the following: continued sufficient availability of borrowings and letters of credit under Kodak’s asset based credit facility and letter of credit facility, Kodak’s ability to obtain additional or alternate financing if and as needed, Kodak’s continued ability to manage world-wide cash through inter-company loans, distributions and other mechanisms, and Kodak’s ability to provide or facilitate financing for its customers; Kodak’s ability to improve and sustain its operating structure, cash flow, profitability and other financial results; Kodak’s ability to achieve strategic objectives, cash forecasts, financial projections, and projected growth; Kodak’s ability to achieve the financial and operational results contained in its business plans; Kodak’s ability to comply with the covenants in its various credit facilities; Kodak’s ability to fund continued investments, capital needs, collateral requirements and restructuring payments and service its debt and Series B Preferred Stock and Series C Preferred Stock; changes in foreign currency exchange rates, commodity prices, interest rates and tariff rates; the impact of the global economic environment, including inflationary pressures, medical epidemics such as the COVID-19 pandemic,



# Cautionary Statement Regarding Forward-looking Statements Pursuant to Safe Harbor Provisions of The Private Securities Litigation Reform Act of 1995

## Cautionary Statement Regarding Forward-Looking Statements (continued)

geopolitical issues such as the war in Ukraine, and Kodak's ability to effectively mitigate the associated increased costs of aluminum and other raw materials, energy, labor, shipping, delays in shipment and production times, and fluctuations in demand; the performance by third parties of their obligations to supply products, components or services to Kodak and Kodak's ability to address supply chain disruptions and continue to obtain raw materials and components available from single or limited sources of supply, which may be adversely affected by the COVID-19 pandemic and the war in Ukraine; Kodak's ability to effectively anticipate technology and industry trends and develop and market new products, solutions and technologies, including products based on its technology and expertise that relate to industries in which it does not currently conduct material business; Kodak's ability to effectively compete with large, well-financed industry participants; Kodak's ability to effect strategic transactions, such as investments, acquisitions, strategic alliances, divestitures and similar transactions, or to achieve the benefits sought to be achieved from such strategic transactions; Kodak's ability to discontinue, sell or spin-off certain non-core businesses or operations, or otherwise monetize assets; the impact of the investigations, litigation and claims arising out of the circumstances surrounding the announcement on July 28, 2020, by the U.S. International Development Finance Corporation of the signing of a non-binding letter of interest to provide a subsidiary of Kodak with a potential loan to support the launch of an initiative for the manufacture of pharmaceutical ingredients for essential generic drugs; and the potential impact of force majeure events, cyber-attacks or other data security incidents that could disrupt or otherwise harm Kodak's operations.

Future events and other factors may cause Kodak's actual results to differ materially from the forward-looking statements. All forward-looking statements attributable to Kodak or persons acting on its behalf apply only as of the date of this presentation and are expressly qualified in their entirety by the cautionary statements included or referenced in this presentation. Kodak undertakes no obligation to update or revise forward-looking statements to reflect events or circumstances that arise after the date made or to reflect the occurrence of unanticipated events, except as required by law.



# Agenda

- **Introduction**

**Anthony Redding, Chief Compliance  
Office and Director of Internal Audit**

- **CEO Perspective**

**Jim Continenza, Executive Chairman**

- **First Quarter 2023 Financial  
Results and Review**

**David Bullwinkle, Chief Financial Officer**



# CEO Perspective

- Continued to build momentum -- generating smart revenues, cash and improving our gross profit in an extremely challenging business environment.
- Progress made as result of carefully considered actions taken over the last four years to build a foundation for growth and profitability.
- Strengthened our financial position and focused on driving smart revenue in our core businesses by realizing the value of our offerings.
- Continued to invest in previously announced long-term growth initiatives in our Advanced Materials and Chemicals group, including layering and coating substrates for EV batteries and energy storage and controlled introduction of KODALUX light-blocking fabric business. We are starting to see revenue from those businesses, which is just the beginning of the important contributions we expect the AM&C group to make going forward.
- Invested in a significant infrastructure upgrade, including the increased implementation of Salesforce and our SAP ERP system, that has made us materially better in terms of efficiency and reporting.
- Continued to invest in our core print business, especially digital print. We have launched two groundbreaking inkjet presses, the PROSPER ULTRA 520 Press which rivals offset for quality and productivity, and the PROSPER 7000 Turbo Press which is the world's fastest inkjet press, as well as KODACHROME inks, the gold standard for color.
- Continued to execute on our go-to-market strategy, staying focus on our customers and developing solutions that address their challenges and create new opportunities.



# CEO Perspective

- First Quarter 2023 Results:
  - Revenues were \$278 million, a decline of \$12 million or 4 percent compared to the prior year. Adjusting for the unfavorable impact of foreign exchange of \$10 million, revenues decreased by \$2 million, or 1 percent.
  - Gross profit increased \$17 million, or 52 percent compared to the prior year quarter, or \$19 million excluding foreign exchange (+58 percent).
  - Gross profit percentage of 18 percent compared to 11 percent in the prior year quarter.
  - Generated \$8 million of cash in the first quarter 2023, compared with a decrease of \$53 million in the first quarter of 2022.



# First Quarter 2023 Results

(\$ millions)	Q1 2023	Q1 2022	(Decline) Improvement \$	(Decline) Improvement %
<b>Consolidated Revenue</b>	\$278	\$290	(\$12)	-4%
Add: Unfavorable Impact of Foreign Exchange <sup>2</sup>	\$10			
<b>Adjusted Consolidated Revenue</b>	\$288	\$290	(\$2)	-1%
<b>Gross Profit</b>	\$50	\$33	\$17	52%
Add: Unfavorable Impact of Foreign Exchange <sup>2</sup>	\$2			
<b>Adjusted Gross Profit</b>	\$52	\$33	\$19	58%
<b>Net Income (Loss)</b>	\$33	(\$3)	\$36	1200%
Changes in Fair Value of Embedded Derivative Liability Features	\$1	\$3		
Refund from Non-U.S. Governmental Authority	(\$9)			
Non-Cash Changes in Workers Compensation and Employee Benefit Reserves	\$1	(\$4)		
<b>Adjusted Net Income (Loss)</b>	\$26	(\$4)	\$30	750%
<b>Operational EBITDA <sup>1</sup></b>	\$9	(\$7)	\$16	229%
Less: Non-Cash Changes in Workers Compensation and Employee Benefit Reserves	\$1	(\$4)		
Add: Unfavorable Impact of Foreign Exchange <sup>2</sup>	\$1			
<b>Adjusted Operational EBITDA</b>	\$11	(\$11)	\$22	200%

- Operational EBITDA was favorably impacted by improved profitability related to pricing actions and improved operational efficiency partially offset by higher continued ongoing global cost increases.
- Q1 2023 Gross profit percentage of 18 percent compared to 11 percent in the prior year quarter.
- Q1 2023 sales and volume for growth engines:
  - Volume for KODAK SONORA Process-Free Plates declined by 14 percent or 12 percent when including volume pursuant to a licensing agreement under which Kodak receives royalties.
  - Annuities revenue for KODAK PROSPER declined by 6 percent (declined 1 percent on a constant currency basis)

This document should be read in conjunction with Eastman Kodak Company's Quarterly Report on Form 10-Q for the period ended March 31, 2023 (the "Q1 2023 Form 10-Q").

<sup>(1)</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 16, Segment Information to the financial statements included in the Q1 2023 Form 10-Q.

<sup>(2)</sup> Refer to page 9 of this presentation for the explanation on the calculation of constant currency.



# First Quarter 2023 Cash Flow

(\$ Millions)

Primary Drivers of Cash:

Cash Flow from Operations:

Net income (loss)

Depreciation and amortization

Pension income

Change in fair value of embedded conversion features derivatives

Non-cash changes in workers' compensation and other employee benefit reserves

Stock based compensation

Change in working capital

Decrease (increase) in miscellaneous receivables

Decrease in liabilities excluding borrowings and trade payables

Other items, net

**Net cash provided by (used in) operating activities**

**Net cash used in investing activities**

**Net cash used in financing activities**

Effect of exchange rate changes on cash, cash equivalents and restricted cash

Net increase (decrease) in cash, cash equivalents and restricted cash

**Net increase (decrease) in cash, cash equivalents and restricted cash**

Net increase in restricted cash

**Net increase (decrease) in cash and cash equivalents**

Refund from Non-U.S. Governmental Authority

**Adjusted net decrease in cash and cash equivalents**

Three Months Ended March 31,

2023      2022      \$ Change

2023	2022	\$ Change
\$ 33	\$ (3)	\$ 36
8	7	1
(36)	(26)	(10)
1	3	(2)
1	(4)	5
4	2	2
2	(10)	12
7	(1)	8
(13)	(13)	-
7	2	5
<b>14</b>	<b>(43)</b>	<b>57</b>
<b>(5)</b>	<b>(5)</b>	<b>-</b>
<b>(1)</b>	<b>(1)</b>	<b>-</b>
-	-	-
<b>\$ 8</b>	<b>\$ (49)</b>	<b>\$ 57</b>
<b>\$ 8</b>	<b>\$ (49)</b>	<b>\$ 57</b>
-	(4)	4
<b>\$ 8</b>	<b>\$ (53)</b>	<b>\$ 61</b>
(9)	-	(9)
<b>\$ (1)</b>	<b>\$ (53)</b>	<b>\$ 52</b>

\$11M Cash flow from Net Earnings

\$3M Cash flow from Balance Sheet Changes

\$32M Year-Over-Year Increase in Cash Flow from Net Earnings

\$25M Year-Over-Year Increase in Cash Flow from Balance Sheet Changes

This document should be read in conjunction with the Q1 2023 Form 10-Q.



# Non-GAAP Measures

In this earnings presentation, reference is made to the following non-GAAP financial measures:

- Revenues and Operational EBITDA on a constant currency basis;
- Gross profit excluding foreign exchange;
- Net Income (loss) excluding changes in fair value of embedded derivative liability features, refund from Non-U.S. Governmental Authority and non-cash changes in workers compensation and employee benefit reserves (“Adjusted Net Income (Loss)”);
- Operational EBITDA;
- Operational EBITDA on a constant currency basis excluding non-cash changes in workers compensation and employee benefit reserves (“Adjusted Operational EBITDA”);
- The decline in KODAK PROSPER annuities revenue on a constant currency basis; and
- Net increase (decrease) in cash and cash equivalents excluding refund from Non-U.S. Governmental Authority (“Adjusted net decrease in cash and cash equivalents”).

Kodak believes that these non-GAAP measures represent important internal measures of performance as used by management. Accordingly, where they are provided, it is to give investors the same financial data management uses with the belief that this information will assist the investment community in properly assessing the underlying performance of Kodak, its financial condition, results of operations and cash flow. The performance measure related to Adjusted net decrease in cash and cash equivalents is an important measure in evaluating the Company’s liquidity.

Kodak’s segment measure of profit and loss is an adjusted earnings before interest, taxes, depreciation and amortization (“Operational EBITDA”). Operational EBITDA represents the earnings (loss) from continuing operations excluding the provision for income taxes; non-service cost components of pension and OPEB income; depreciation and amortization expense; restructuring costs and other; stock-based compensation expense; consulting and other costs; idle costs; other operating expense, net; interest expense; and other income (charges), net.

The change in revenues, Operational EBITDA, gross profit and annuities revenue for KODAK PROSPER on a constant currency basis, as presented in this earnings presentation, is calculated by using average foreign exchange rates for the three months ended March 31, 2022, rather than the actual average exchange rates in effect for the three months ended March 31, 2023.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net Income (Loss) to Adjusted Net Income (Loss) for the three months ended March 31, 2023 and 2022, respectively:

(in millions)

	<u>Q1 2023</u>	<u>Q1 2022</u>	<u>\$ Change</u>	<u>% Improvement</u>
<b>Net Income (Loss)</b>	<b>\$ 33</b>	<b>\$ (3)</b>	<b>\$ 36</b>	<b>1200%</b>
Changes in Fair Value of Embedded Derivative Liability Features	1	3	(2)	
Refund from Non-U.S. Governmental Authority	(9)	-	(9)	
Non-Cash Changes in Workers Compensation and Employee Benefit Reserves	1	(4)	5	
<b>Adjusted Net Income (Loss)</b>	<b>\$ 26</b>	<b>\$ (4)</b>	<b>\$ 30</b>	<b>750%</b>



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net Income (Loss) to Operational EBITDA, Operational EBITDA on a constant currency basis and Adjusted Operational EBITDA for the three months ended March 31, 2023 and 2022, respectively:

(in millions)

	Q1 2023	Q1 2022	\$ Change	% Improvement
<b>Net Income (Loss)</b>	<b>\$ 33</b>	<b>\$ (3)</b>	<b>\$ 36</b>	<b>1200%</b>
Depreciation and amortization	8	7	1	
Restructuring costs and other <sup>(3)</sup>	1	-	1	
Stock based compensation	4	2	2	
Consulting and other costs <sup>(1)</sup>	(10)	2	(12)	
Idle costs <sup>(2)</sup>	-	1	(1)	
Other operating expense, net	1	-	1	
Interest expense <sup>(3)</sup>	11	9	2	
Pension income excluding service cost component <sup>(3)</sup>	(40)	(30)	(10)	
Other (income) charges, net <sup>(3)</sup>	(7)	3	(10)	
Provision for income taxes <sup>(3)</sup>	8	2	6	
<b>Operational EBITDA</b>	<b>\$ 9</b>	<b>\$ (7)</b>	<b>\$ 16</b>	<b>229%</b>
Impact of foreign exchange <sup>(4)</sup>	1		1	
<b>Operational EBITDA on a constant currency basis</b>	<b>\$ 10</b>	<b>\$ (7)</b>	<b>\$ 17</b>	<b>243%</b>
Non-cash changes in workers compensation and employee benefit reserves	1	(4)	5	
<b>Operational EBITDA on a constant currency basis excluding non-cash changes in workers compensation and employee benefit reserves ("Adjusted Operational EBITDA")</b>	<b>\$ 11</b>	<b>\$ (11)</b>	<b>\$ 22</b>	<b>200%</b>

Refer to Page 13 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net increase (decrease) in cash, cash equivalents and restricted cash to Adjusted net decrease in cash and cash equivalents excluding refund from Non-U.S. Governmental Authority for the three months ended March 31, 2023 and 2022, respectively

(in millions)	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	\$ Change
<b>Net cash provided by (used in) operating activities</b>	\$ 14	\$ (43)	\$ 57
<b>Net cash used in investing activities</b>	(5)	(5)	-
<b>Net cash used in financing activities</b>	(1)	(1)	-
Effect of exchange rate changes on cash, cash equivalents and restricted cash	-	-	-
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>8</b>	<b>(49)</b>	<b>57</b>
Net increase in restricted cash	-	(4)	4
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>8</b>	<b>(53)</b>	<b>61</b>
Refund from Non-U.S. Governmental Authority	(9)	-	(9)
<b>Adjusted net decrease in cash and cash equivalents</b>	<b>\$ (1)</b>	<b>\$ (53)</b>	<b>\$ 52</b>



# Non-GAAP Measures

## Footnote Explanations:

- (1) Consulting and other costs are primarily professional services and internal costs associated with certain corporate strategic initiatives, investigations and litigation. Consulting and other costs include \$10 million of income in the three months ended March 31, 2023 representing insurance reimbursement of legal costs previously paid by the Company associated with investigations and litigation matters.
- (2) Consists of third-party costs such as security, maintenance, and utilities required to maintain land and buildings in certain locations not used in any Kodak operations and the costs, net of any rental income received, of underutilized portions of certain properties.
- (3) As reported in the Consolidated Statement of Operations.
- (4) The impact of foreign exchange is calculated by using average foreign exchange rates for the three months ended March 31, 2022, rather than the actual average exchange rates in effect for the three months ended March 31, 2023.





# APPENDIX

# First Quarter 2023 Financial Summary by Reportable Segment

(\$ millions)

Q1 2023 Actuals	Print	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 209	\$ 61	\$ 4	\$ 274
Operational EBITDA <sup>(1)</sup>	\$ 6	\$ -	\$ 3	\$ 9

  

Q1 2022 Actuals	Print	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 228	\$ 54	\$ 4	\$ 286
Operational EBITDA <sup>(1)</sup>	\$ (7)	\$ (3)	\$ 3	\$ (7)

  

Q1 2023 vs. Q1 2022 Actuals B/(W)	Print	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (19)	\$ 7	\$ -	\$ (12)
Operational EBITDA	\$ 13	\$ 3	\$ -	\$ 16

  

Q1 2023 Actuals on constant currency <sup>(2)</sup> vs. Q1 2022 Actuals B/(W)	Print	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (10)	\$ 8	\$ -	\$ (2)
Operational EBITDA	\$ 13	\$ 4	\$ -	\$ 17

<sup>(1)</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 16, Segment Information to the financial statements included in the Q1 2023 Form 10-Q.

<sup>(2)</sup> Refer to page 9 of this presentation for the explanation on the calculation of constant currency.

Effective February 2023 Kodak changed its organizational structure. The Traditional Printing segment and the Digital Printing segment were combined into one segment, named the Print segment. No changes were made to Kodak's other segments. Eastman Business Park segment is not a reportable segment and is excluded from the table above.





Thank You

