



# First Quarter 2018 Earnings Call

May 9, 2018

# 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 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 expectations and various assumptions.

Future events or results may differ from those anticipated or expressed in the 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, 2017 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, 2018, and in other filings Kodak makes with the U.S. Securities and Exchange Commission from time to time, as well as the following: Kodak’s ability to improve and sustain its operating structure, cash flow, profitability and other financial results; Kodak’s ability to achieve 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 and restructuring payments and service its debt and Series A Preferred Stock; Kodak’s ability to discontinue, sell or spin-off certain businesses or operations or otherwise monetize assets; changes in foreign currency exchange rates, commodity prices and interest rates; Kodak’s ability to effectively anticipate technology trends and develop and market new products, solutions and technologies; Kodak’s ability to effectively compete with large, well-financed industry participants; continued sufficient availability of borrowings and letters of credit under Kodak’s revolving credit facility, Kodak’s ability to obtain additional financing if and as needed and Kodak’s ability to provide or facilitate financing for its customers; the performance by third parties of their obligations to supply products, components or services to Kodak; and the impact of the global economic environment on Kodak.

There may be other factors that 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.



# Agenda

- **Introduction**  
**Bill Love, Treasurer and Investor Relations**
- **CEO Perspective on First Quarter 2018 Results**  
**Jeff Clarke, Chief Executive Officer**
- **First Quarter 2018 Results and Financial Review**  
**David Bullwinkle, Chief Financial Officer**
- **Concluding Remarks and Q&A**  
**Jeff Clarke and David Bullwinkle**



- **Welcome**
- **Quarter Performance**
- **Division Overview**



## **CEO PERSPECTIVE**

# 2018 First Quarter Results

(\$ millions)	Q1 2018 Actual	Q1 2017 Actual	(Decline) / Improvement - %
<b>Revenue</b>	\$357	\$357	
Less Favorable Impact of Foreign Exchange <sup>2</sup>	\$20		
<b>Revenue on a Constant Currency Basis</b>	\$337	\$357	-6%
<b>Operational EBITDA <sup>1</sup></b>	\$1	\$6	
Less Favorable Impact of Foreign Exchange <sup>2</sup>	\$1		
Add Back Year-Over-Year Unfavorable Impact of Aluminum Costs	\$8		
<b>Operational EBITDA on a Constant Currency Basis Excluding Impact of Aluminum Costs</b>	\$8	\$6	33%
Less Consumer Inkjet Operational EBITDA <sup>3</sup>	\$1	\$4	
<b>Adjusted Operational EBITDA</b>	\$7	\$2	

- Strong performance in key growth engines:
  - Volume for KODAK SONORA Process Free Plates grew by 21 percent
  - Volume for KODAK FLEXCEL NX Plates grew by 15 percent
  - Annuities revenue for KODAK PROSPER grew by 8 percent
  
- Continued investment in ULTRASTREAM, FLEXCEL NX packaging and Advanced Materials

This document should be read in conjunction with Eastman Kodak Company's Quarterly Report on Form 10-Q for the period ended March 31, 2018 (the "2018 Form 10-Q").

<sup>(1)</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 20. Segment Information to the financial statements included in the 2018 Form 10-Q.

<sup>(2)</sup> Refer to page 27, footnote 5 of this presentation for the explanation on the calculation of constant currency.

<sup>(3)</sup> Expected decline in Consumer Inkjet driven by lower sales of ink into the smaller installed base of printers



# First Quarter 2018 Financial Summary by Division

(\$ millions)

Q1 2018 Actuals	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ 216	\$ 31	\$ 37	\$ 20	\$ 48	\$ 1	\$ 4	\$ 357
Operational EBITDA <sup>(1)</sup>	\$ 4	\$ -	\$ 7	\$ -	\$ (6)	\$ (4)	\$ -	\$ 1

Q1 2017 Actuals	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ 213	\$ 37	\$ 33	\$ 21	\$ 49	\$ -	\$ 4	\$ 357
Operational EBITDA <sup>(1)</sup>	\$ 12	\$ -	\$ 6	\$ -	\$ (4)	\$ (8)	\$ -	\$ 6

Q1 2018 vs. Q1 2017 Actuals B/(W)	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ 3	\$ (6)	\$ 4	\$ (1)	\$ (1)	\$ 1	\$ -	\$ -
Operational EBITDA	\$ (8)	\$ -	\$ 1	\$ -	\$ (2)	\$ 4	\$ -	\$ (5)

Q1 2018 Actuals on constant currency <sup>(2)</sup> vs. Q1 2017 Actuals B/(W)	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ (11)	\$ (8)	\$ 2	\$ (2)	\$ (2)	\$ 1	\$ -	\$ (20)
Operational EBITDA	\$ (6)	\$ (1)	\$ -	\$ -	\$ (3)	\$ 4	\$ -	\$ (6)

PSD: Print Systems Division  
SSD: Software and Solutions Division  
EBPD: Eastman Business Park Division

EISD: Enterprise Inkjet Solutions Division  
CFD: Consumer and Film Division

FPD: Flexographic Packaging Division  
AM3D: Advanced Materials and 3D Printing Technology Division

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<sup>(1)</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 20. Segment Information to the financial statements included in the 2018 Form 10-Q.

<sup>(2)</sup> Refer to page 27, footnote 5 of this presentation for the explanation on the calculation of constant currency.



# Q1 2018 Year-Over-Year Divisional Performance

- **PSD**
  - Operational EBITDA improved by \$2 million excluding the impacts of aluminum costs and foreign exchange
  - \$8 million YOY impact of aluminum costs
  - Volume for environmentally-advantaged KODAK SONORA Process Free Plates grew by 21 percent
  - Successful introduction of SONORA X and NEXFINITY in the first quarter
- **EISD**
  - PROSPER annuities grew by 8 percent
  - Expected decline in VERSAMARK revenues (\$7 million) and EBITDA (\$3 million)
  - Investment in ULTRASTREAM of \$3 million for the quarter
- **FPD**
  - Volume growth for FLEXCEL NX of 15 percent
  - Continued investment in new product development and infrastructure
  - Weatherford factory expansion (Q1 2018 Capex of \$3 million) is on track to be on line in early 2019
- **SSD**
  - Focused investment in packaging / digital software and cloud / analytics services
- **CFD**
  - Expected decline in Consumer Inkjet Revenue (\$4 million) and EBITDA (\$3 million)
  - Strong performance in Motion Picture Film (18% year-over-year revenue growth)
  - Brand licensing revenue of \$2.5 million for the quarter – annualized run rate of approximately \$10 million
- **AM3D**
  - Adjusted cost structure and reprioritized investments contributed to improved profitability
  - Focus in light blocking materials, printed electronics and advanced materials
- **EBPD**
  - Revenue flat. EBPD rental revenue helps absorb the fixed costs of other business units



# John O'Grady - President, Print Systems Division



- Joined the Company in 1997.
- Managing Director, U.S. & Canada Region from December 2010 to December 2014
- Managing Director of the Europe, United States and Canada, Australia and New Zealand (EUCAN) Region from January 2015 to December 2015
- General Manager, Worldwide Sales, Print Systems Division from January 2016 to December 2017
- President, Consumer and Film Division from December 1, 2017 – April 24, 2018



# First Quarter 2018 Portfolio Summary

(\$ millions)

	Q1 2017 Revenues	Q1 2017 Revenues % of Total	Q1 2018 Revenues	Q1 2018 Revenues % of Total	At Actual FX		At Constant Currency <sup>1</sup>	
					B/(W) \$	B/(W) %	B/(W) \$\$	B/(W) %
Growth Engines	\$93	26%	\$106	30%	\$13	14%	\$8	9%
Strategic Other Businesses	\$226	63%	\$222	62%	(\$4)	-2%	(\$18)	-8%
Planned Declining Businesses	\$38	11%	\$29	8%	(\$9)	-24%	(\$10)	-26%
<b>Total Revenues</b>	<b>\$357</b>	<b>100%</b>	<b>\$357</b>	<b>100%</b>	<b>\$0</b>	<b>0%</b>	<b>(\$20)</b>	<b>-6%</b>

**Growth Engines** include SONORA, PROSPER, FLEXCEL NX, Software and Solutions and Brand Licensing and advanced technologies.

**Strategic Other Businesses** include plates, CTP and Service in PSD, Nexpress and related Toner Business in PSD, other packaging products in FPD, Entertainment & Commercial Film in CFD, Eastman Business Park and IP Licensing.

**Planned Declining Businesses** are product lines where the decision has been made to stop new product development and to manage an orderly expected decline in the installed product and annuity base. These product families include Consumer Inkjet in CFD, Versamark in EISD and Digimaster in PSD.

<sup>(1)</sup> Refer to page 27, footnote 5 of this presentation for the explanation on the calculation of constant currency.





# FINANCIAL OVERVIEW

- **Net Earnings**
- **2018 First Quarter Results**
- **Operational EBITDA Bridge and Productivity Update**
- **Year Over Year Cash Bridge (GAAP)**
- **2018 Updated Cash Outlook**

# First Quarter 2018 Net Earnings

(\$ millions)

(Loss) earnings from continuing operations before income taxes  
Provision for income taxes  
Net Earnings

		Three Months Ended March 31,	
		2018	2017
\$	(18)	\$	10
	7		3
<b>\$</b>	<b>(25)</b>	<b>\$</b>	<b>7</b>

The first quarter 2018 results include \$14 million of expense related to changes in value for the derivative embedded in the Series A Preferred Stock. The prior year quarter includes \$12 million of depreciation and amortization expense related to PROSPER asset remeasurement and \$22 million of income related to changes in value for the derivative embedded in the Series A Preferred Stock.



# Operational EBITDA Guidance Bridge

	Q1	Remainder of Year	FY
<b>2017 Operational EBITDA</b> <sup>1</sup>	\$ 6	\$ 43	\$ 49
Year-over-Year Unfavorable Impact of Aluminum Costs	(8)	(14)	(22)
Impact of Favorable (Unfavorable) Foreign Exchange	1	(2)	(1)
<b>Sub-total</b>	\$ (1)	\$ 27	\$ 26
Expected Declines in Consumer Inkjet and Versamark	(6)	(12)	(18)
Price / Mix and Volume Impacts	(6)	17	11
Cost Reductions and Manufacturing Improvements	16	37	53
Other	(2)	(5)	(7)
<b>2018 Operational EBITDA</b> <sup>1</sup>	\$ 1	\$60 - \$70	\$60 - \$70

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<sup>(1)</sup> First Quarter Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 20. Segment Information to the financial statements included in the 2018 Form 10-Q. Refer to Appendix for FY 2017 Operational EBITDA restated for the impact of the pension accounting change.



# Productivity Update

- \$53 million of year-over-year cost improvements expected in 2018 comprised of:
  - \$41 million savings from position eliminations
  - \$12 million savings from manufacturing improvements
- Additional opportunities being identified for cost actions related to simplification and automation activities
- As of April 30, 2018, headcount approximated 5,625, down from 6,028 (excluding pending leavers) for a year over year reduction of 403.



# Q1 2018 Cash Flow

(\$ Millions)

Primary Drivers of Cash:	
Cash from Operations:	
Net (loss) earnings	
Depreciation and amortization	
Pension income	
Change in fair value of embedded conversion features derivative liability	
Prosper asset remeasurement	\$17M Use of Cash from Net Earnings
Non-cash restructuring costs and asset impairments	
Net gains on sales of businesses/assets	
Stock based compensation	
Provision for deferred income taxes	
Decrease in trade receivables	
Increase in inventories	
Decrease in trade accounts payable	\$10M Use of Cash from Balance Sheet Changes
Decrease in liabilities excluding borrowings	
Other items, net	
<b>Net cash used in operating activities</b>	
<b>Net cash used in investing activities</b>	
<b>Net cash used in financing activities</b>	
Effect of exchange rate changes on cash	
Net decrease in cash, cash equivalents and restricted cash	

Three Months Ended March 31,

	2018	2017	Change	
\$	(25)	\$ 7	\$ (32)	} \$10M Year-Over-Year Decrease in Cash Flow from Net Earnings
	19	19	-	
	(28)	(32)	4	
	14	(22)	36	
	-	12	(12)	
	-	8	(8)	
	(1)	(2)	1	
	2	2	-	
	2	1	1	
	30	33	(3)	
	(27)	(40)	13	
	(6)	(24)	18	
	(9)	(20)	11	
	2	5	(3)	
	<b>(27)</b>	<b>(53)</b>	<b>26</b>	
	<b>(10)</b>	<b>(4)</b>	<b>(6)</b>	
	<b>(4)</b>	<b>(3)</b>	<b>(1)</b>	
	5	4	1	
\$	(36)	\$ (56)	\$ 20	
\$	(36)	\$ (56)	\$ 20	
	5	-	5	
\$	(31)	\$ (56)	\$ 25	

Net decrease in cash, cash equivalents and restricted cash  
 Net decrease in restricted cash  
 Net decrease in cash and cash equivalents



# 2018 Updated Cash Outlook

(\$ millions)	<b>Cash (Use) / Generation</b>
<b>Operational EBITDA</b>	<b>\$60 - \$70</b>
Legacy Payments	(47)
Related Items of Expense Reflected in Operational EBITDA	<u>29</u>
Net Legacy Payments	(18)
Capital Expenditures	(34)
Cash Paid for Taxes, Net	(13)
Restructuring Payments	(15)
Proceeds from Asset Sales	20
Working Capital	5
ABL Cash Collateral Requirement Reduction	5
Other	10
<b>Unlevered Cash Flow</b>	<b>\$20 - \$30</b>
Interest and Preferred Dividend Payments	(37)
<b>Levered Cash Flow (Use)</b>	<b>(\$20) - \$0</b>

- Projected cash balance at year end 2018 prior to debt repayments of \$320 million to \$340 million
- Legacy Payments include foreign pension (\$22 million), workers compensation (\$10 million), payment of contingent consideration related to the sale of a business (\$10 million) and long-term disability (\$5 million)
- Working Capital is defined as changes in trade accounts receivable, net inventories and trade accounts payable

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**Q&A**





# **CONCLUDING REMARKS**

# Non-GAAP Measures

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

- Operational EBITDA;
- Operational EBITDA and Revenues on a constant currency basis;
- Operational EBITDA on a constant currency basis excluding impact of aluminum costs;
- Operational EBITDA on a constant currency basis excluding impact of aluminum costs and decline in Consumer Inkjet Operational EBITDA;
- Consumer Inkjet Operational EBITDA;
- VERSAMARK Operational EBITDA
- 2017 Operational EBITDA excluding the amortization of prior service credit component of pension income;
- PSD Improvement in Operational EBITDA excluding the impacts of aluminum costs and foreign exchange; and
- Net decrease in cash and cash equivalents excluding debt repayments.

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.

Kodak's segment measure of profit and loss is an adjusted earnings before interest, taxes, depreciation and amortization ("Operational EBITDA").

This presentation contains a forward-looking estimate of full-year 2018 Operational EBITDA and full-year 2018 Cash Outlook. Kodak is unable to provide a reconciliation of full-year 2018 Operational EBITDA to a forward-looking estimate of GAAP net income / loss and a reconciliation of full-year 2018 Cash Use to changes in cash and cash equivalents because projected GAAP net income / loss for the full year and changes in cash and cash equivalents would require inclusion of the projected impact of future excluded items, including items that are not currently determinable or dependent on future events which may be uncertain or outside of Kodak's control, such as asset sales, asset impairments, foreign exchange gains / losses, changes in the fair value of the conversion option derivative liability, unanticipated items not reflective of ongoing operations, or other items. Due to the uncertainty of the likelihood, amount and timing of any such items, Kodak does not have information available to provide quantitative reconciliations of full-year 2018 projected net income / loss and changes in cash and cash equivalents.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net (Loss) Earnings to Operational EBITDA, Operational EBITDA on a constant currency basis, Operational EBITDA on a constant currency basis excluding the impact of aluminum costs, Operational EBITDA on a constant currency basis excluding the impact of aluminum costs and decline in Consumer Inkjet Operational EBITDA for the three months ended March 31, 2018 and 2017, respectively:

(in millions)

	Q1 2018	Q1 2017	\$ Change	% Change
<b>Net (loss) earnings</b>	\$ (25)	\$ 7	\$ (32)	-457%
Depreciation and amortization	19	19	-	0%
Restructuring costs and other (1)	2	13	(11)	-85%
Stock based compensation	2	2	-	0%
Consulting and other costs (2)	3	1	2	200%
Idle costs (3)	1	1	-	0%
Other operating expense, net (4)	-	10	(10)	-100%
Interest expense (4)	8	8	-	0%
Pension income excluding service cost component (4)	(32)	(38)	6	-16%
Other charges (income), net (4)	16	(20)	36	-180%
Provision for income taxes (4)	7	3	4	133%
<b>Operational EBITDA</b>	<b>\$ 1</b>	<b>\$ 6</b>	<b>\$ (5)</b>	<b>-83%</b>
Impact of foreign exchange (5)	(1)		(1)	
<b>Operational EBITDA on a constant currency basis</b>	<b>\$ -</b>	<b>\$ 6</b>	<b>\$ (6)</b>	<b>-100%</b>
Year over year impact of aluminum costs	8		8	
<b>Operational EBITDA on a constant currency basis excluding impact of aluminum costs</b>	<b>\$ 8</b>	<b>\$ 6</b>	<b>\$ 2</b>	<b>33%</b>
Consumer Inkjet Operational EBITDA	1	4	(3)	-75%
<b>Operational EBITDA on a constant currency basis excluding impact of aluminum costs and Consumer Inkjet Operational EBITDA</b>	<b>\$ 7</b>	<b>\$ 2</b>	<b>\$ 5</b>	<b>250%</b>

Refer to Page 27 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Consumer and Film Division Operational EBITDA (Segment Measure) to Consumer Inkjet Operational EBITDA for the three months ended March 31, 2018 and 2017, respectively:

(in millions)

	Q1 2018	Q1 2017	Change \$
<b>Consumer and Film Division Operational EBITDA (Segment Measure)</b>	\$ (6)	\$ (4)	\$ (2)
Motion Picture, Industrial Chemicals and Films and Consumer Products Operational EBITDA	7	8	(1)
<b>Consumer Inkjet Operational EBITDA</b>	<b>\$ 1</b>	<b>\$ 4</b>	<b>\$ (3)</b>

Refer to Page 27 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Enterprise Inkjet Systems Division Operational EBITDA (Segment Measure) to VERSAMARK Operational EBITDA for the three months ended March 31, 2018 and 2017, respectively:

(in millions)

**Enterprise Inkjet Systems Division Operational EBITDA (Segment Measure)**

PROSPER Operational EBITDA

**VERSAMARK Operational EBITDA**

	<u>Q1 2018</u>	<u>Q1 2017</u>	<u>Change \$</u>
	\$ -	\$ -	\$ -
	(4)	(7)	3
	<u>\$ 4</u>	<u>\$ 7</u>	<u>\$ (3)</u>

Refer to Page 27 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Print Systems Division Operational EBITDA (Segment Measure) to the improvement in Print Systems Division Operational EBITDA excluding the impacts of aluminum costs and foreign exchange for the three months ended March 31, 2018:

(in millions)

	<u>Q1 2018</u>	<u>Q1 2017</u>	<u>(Decline) / Improvement - \$</u>
<b>Print Systems Division Operational EBITDA (Segment Measure)</b>	\$ 4	\$ 12	\$ (8)
Year over year impact of aluminum costs	8		8
Impact of foreign exchange (5)	2		2
<b>Print Systems Division Operational EBITDA excluding impacts of aluminum costs and foreign exchange</b>	<u>\$ 14</u>	<u>\$ 12</u>	<u>\$ 2</u>

Refer to Page 27 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net Earnings to Q2 2017 Operational EBITDA excluding the amortization of prior service credit component of pension income for the three months ended June 30, 2017:

(in millions)

	<b>Q2 2017 As Reported</b>	<b>Pension Reclass (6)</b>	<b>Q2 2017 As Adjusted (Unaudited)</b>
<b>Net Earnings</b>	<b>\$ 4</b>	<b>\$ -</b>	<b>\$ 4</b>
Corporate components of pension and OPEB income (6)	(35)	35	-
Depreciation and amortization	22	-	22
Restructuring costs and other (4)	11	-	11
Stock based compensation	3	-	3
Idle costs (3)	1	-	1
Other operating expense, net (4)	2	-	2
Interest expense (4)	8	-	8
Pension income excluding service cost component (6)	-	(37)	(37)
Other (income) charges, net (4)	(9)	-	(9)
Provision for income taxes (4)	4	-	4
Loss from discontinued operations, net of income taxes (4)	3	-	3
<b>Operational EBITDA</b>	<b>\$ 14</b>	<b>\$ (2)</b>	<b>\$ 12</b>

Refer to Page 27 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net Loss to Q3 2017 Operational EBITDA excluding the amortization of prior service credit component of pension income for the twelve months ended September 30, 2017:

(in millions)

	<b>Q3 2017 As Reported</b>	<b>Pension Reclass (6)</b>	<b>Q3 2017 As Adjusted (Unaudited)</b>
<b>Net Loss</b>	<b>\$ (46)</b>	<b>\$ -</b>	<b>\$ (46)</b>
Corporate components of pension and OPEB income (6)	(37)	37	-
Depreciation and amortization	21	-	21
Restructuring costs and other (1)	5	-	5
Stock based compensation	2	-	2
Consulting and other costs (2)	2	-	2
Other operating expense, net (4)	20	-	20
Goodwill impairment loss (4)	56	-	56
Interest expense (4)	8	-	8
Pension income excluding service cost component (6)	-	(39)	(39)
Other (income) charges, net (4)	(4)	-	(4)
Benefit for income taxes (4)	(13)	-	(13)
Equity in loss of equity method investment, net of income taxes (4)	1	-	1
<b>Operational EBITDA</b>	<b>\$ 15</b>	<b>\$ (2)</b>	<b>\$ 13</b>

Refer to Page 27 of this presentation for footnote explanations.





# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net Earnings to Q4 2017 Operational EBITDA excluding the amortization of prior service credit component of pension income for the three months ended December 31, 2017:

(in millions)

	<b>Q4 2017 As Reported</b>	<b>Pension Reclass (6)</b>	<b>Q4 2017 As Adjusted (Unaudited)</b>
<b>Net Earnings</b>	<b>\$ 129</b>	<b>\$ -</b>	<b>\$ 129</b>
Corporate components of pension and OPEB income (6)	(36)	36	-
Depreciation and amortization	18	-	18
Restructuring costs and other (4)	9	-	9
Stock based compensation	2	-	2
Consulting and other costs (2)	2	-	2
Idle costs (3)	1	-	1
Other operating expense, net (4)	(4)	-	(4)
Interest expense (4)	8	-	8
Pension income excluding service cost component (6)	-	(38)	(38)
Other (income) charges, net (4)	(4)	-	(4)
Benefit for income taxes (4)	(104)	-	(104)
Loss from discontinued operations, net of income taxes (4)	(1)	-	(1)
<b>Operational EBITDA</b>	<b>\$ 20</b>	<b>\$ (2)</b>	<b>\$ 18</b>

Refer to Page 27 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net Earnings to 2017 Operational EBITDA excluding the amortization of prior service credit component of pension income for the twelve months ended December 31, 2017:

(in millions)

	<b>FY 2017 As Reported</b>	<b>Pension Reclass (6)</b>	<b>FY 2017 As Adjusted (Unaudited)</b>
<b>Net Earnings</b>	<b>\$ 94</b>	<b>\$ -</b>	<b>\$ 94</b>
Corporate components of pension and OPEB income (6)	(144)	144	-
Depreciation and amortization	80	-	80
Restructuring costs and other (1)	38	-	38
Stock based compensation	9	-	9
Consulting and other costs (2)	5	-	5
Idle costs (3)	3	-	3
Other operating expense, net (4)	28	-	28
Goodwill impairment loss (4)	56	-	56
Interest expense (4)	32	-	32
Pension income excluding service cost component (6)	-	(152)	(152)
Other (income) charges, net (4)	(37)	-	(37)
(Benefit) provision for income taxes (4)	(110)	-	(110)
Equity in loss of equity method investment, net of income taxes (4)	1	-	1
Loss from discontinued operations, net of income taxes (4)	2	-	2
<b>Operational EBITDA</b>	<b>\$ 57</b>	<b>\$ (8)</b>	<b>\$ 49</b>

Refer to Page 27 of this presentation for footnote explanations.



# Non-GAAP Measures

## Footnote Explanations:

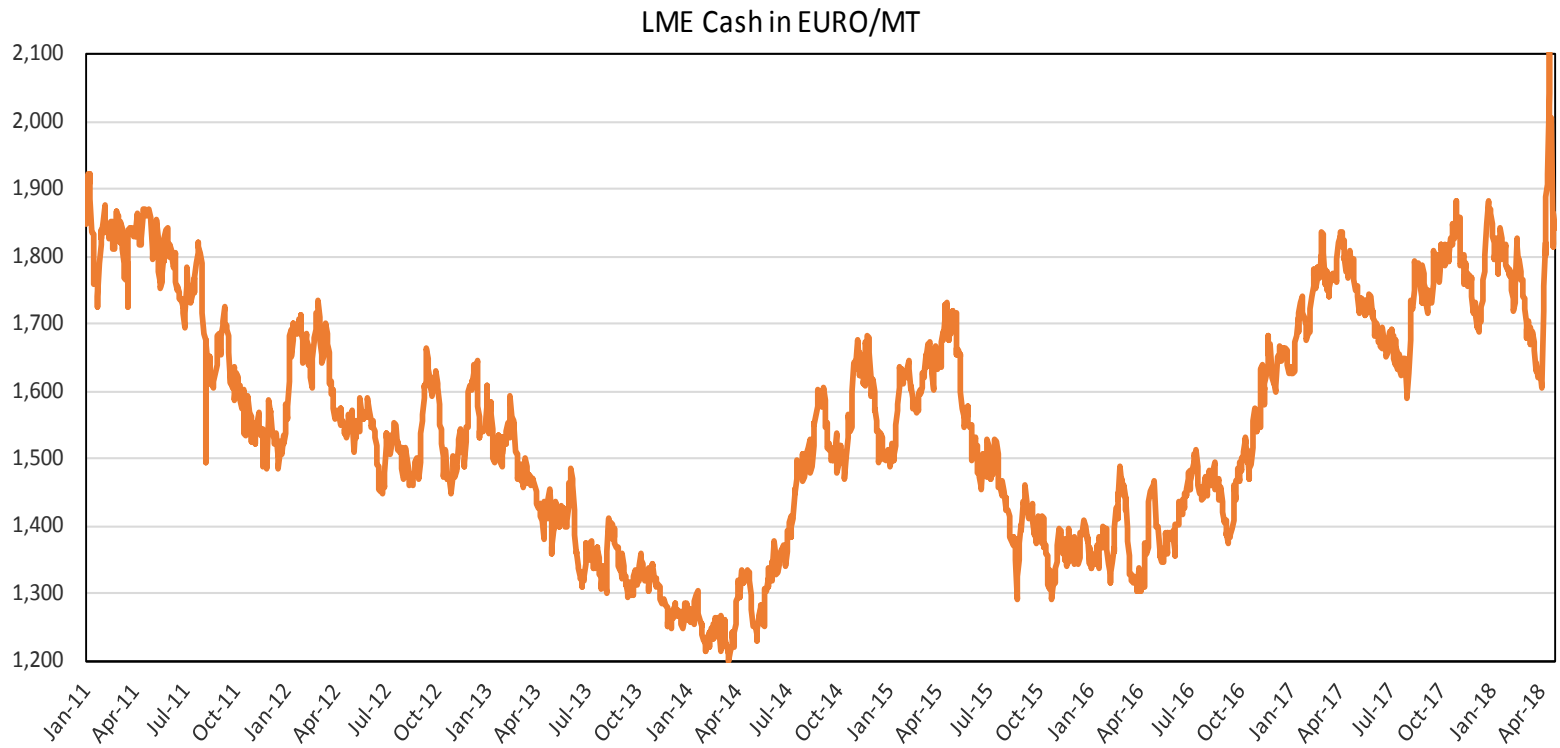
- (1) Restructuring costs and other as reported in the Consolidated Statement of Operations plus \$6 million, \$1 million and \$7 million of inventory write-downs included in cost of revenues for the three months ended March 31, 2017, three months ended September 30, 2017 and twelve months ended December 31, 2017.
- (2) Consulting and other costs are professional services and internal costs associated with certain corporate strategic initiatives.
- (3) 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.
- (4) As reported in the Consolidated Statement of Operations.
- (5) The impact of foreign exchange represents the foreign exchange impact using average foreign exchange rates for the three months ended March 31, 2017, rather than the actual exchange rates in effect for the three months ended March 31, 2018.
- (6) Kodak adopted Accounting Standards Update (“ASU”) 2017-07, Compensation – Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost as of January 1, 2018. Among other provisions, ASU 2017-07 requires entities to report the service cost component of net benefit costs in the same line item(s) as other compensation costs arising from services rendered during the period and to report all other components of net benefit costs outside a subtotal of income from operations. As of January 1, 2018, Kodak’s segment earnings measure of Operational EBITDA exclude all components of net benefit costs except for service costs. Prior to January 1, 2018 Operational EBITDA excluded all components of net benefit costs except for service cost and amortization of prior service costs.





# APPENDIX

# ALUMINUM PRICE (LME): 1/1/11 – 04/30/18



# 2017 Financial Summary by Division

(\$ millions)

Q1 2017 Actuals	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ 213	\$ 37	\$ 33	\$ 21	\$ 49	\$ -	\$ 4	\$ 357
Operational EBITDA	\$ 12	\$ -	\$ 6	\$ -	\$ (4)	\$ (8)	\$ -	\$ 6
Q2 2017 Actuals	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ 236	\$ 35	\$ 37	\$ 22	\$ 47	\$ -	\$ 4	\$ 381
Operational EBITDA	\$ 15	\$ 1	\$ 8	\$ (1)	\$ (5)	\$ (7)	\$ 1	\$ 12
Q3 2017 Actuals	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ 232	\$ 33	\$ 34	\$ 21	\$ 55	\$ -	\$ 4	\$ 379
Operational EBITDA	\$ 12	\$ -	\$ 7	\$ 1	\$ (2)	\$ (6)	\$ 1	\$ 13
Q4 2017 Actuals	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ 261	\$ 39	\$ 41	\$ 21	\$ 47	\$ 1	\$ 4	\$ 414
Operational EBITDA	\$ 15	\$ 2	\$ 10	\$ 1	\$ (6)	\$ (5)	\$ 1	\$ 18
FY 2017 Actuals	PSD	EISD	FPD	SSD	CFD	AM3D	EBPD	Total EK
Revenue	\$ 942	\$ 144	\$ 145	\$ 85	\$ 198	\$ 1	\$ 16	\$ 1,531
Operational EBITDA	\$ 54	\$ 3	\$ 31	\$ 1	\$ (17)	\$ (26)	\$ 3	\$ 49





Thank You

