



# Third Quarter 2021 Earnings Call

November 9, 2021

# 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, 2020 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 Reports on Form 10-Q for the quarters ended March 31, 2021, June 30, 2021 and September 30, 2021, 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 B Preferred Stock and Series C Preferred Stock; 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; the impact of the global economic environment or medical epidemics such as the COVID-19 pandemic, including the restrictions and other actions implemented to fight the COVID-19 pandemic, and Kodak’s ability to effectively counteract or recoup associated increased costs of materials, labor, shipping and operations; the impact of the investigations, litigations and claims arising out of the circumstances surrounding the announcement by the U.S. International Development Finance Corporation in July 2020 of a potential loan to a subsidiary of Kodak to support the launch of a pharmaceutical initiative; changes in foreign currency exchange rates, commodity prices, interest rates and tariff 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 asset based credit facility and letter of 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 potential impact of cyber-attacks and other data security incidents that disrupt Kodak’s operations; and Kodak’s ability to effect strategic transactions such as acquisitions, strategic alliances, divestitures and similar transactions, or to achieve the benefits sought to be achieved from such strategic transactions.

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, except as required by law.



# Agenda

- Introduction

**Paul Dils, Chief Tax Officer and Director of Investor Relations**

- CEO Perspective

**Jim Continenza, Executive Chairman**

- Third Quarter 2021 Financial Results and Review

**David Bullwinkle, Chief Financial Officer**



# CEO Perspective

- Strong third quarter performance reflecting continued improvement despite rapid inflationary pressures; including rising costs of raw materials, shipping and supply chain, in addition to challenges surrounding work force.
- Continue to focus as “One Kodak” and on our customer to execute long-term plan and taken action to mitigate the impacts created by the pandemic.
- Revenues increased \$111 million compared to the prior year-to-date period, \$90 million excluding foreign exchange.
- Committed to continue innovation in digital print.
- New Product Launches in October 2021:
  - KODAK ASCEND Digital Press.
  - KODAK PRINERGY On Demand Access.
- Recognizing strong growth in our businesses, including KODAK SONORA Process-Free Plates and KODAK PROSPER annuities this quarter and overall growth in other businesses.
- Received the 2021 Pinnacle InterTech Award for KODAK SONORA XTRA Process-Free Plates.
- Long-term strategy continues to focus on core competencies in print, advanced materials and chemicals, provide environmentally sustainable solutions turning the business to focus on innovation, growth and profitability.



# Third Quarter 2021 Results

(\$ millions)	Q3 2021	Q3 2020	Improvement / (Decline)- \$
<b>Consolidated Revenue</b>	\$287	\$252	\$35
Less: Favorable Impact of Foreign Exchange <sup>2</sup>	(\$2)		
<b>Adjusted Consolidated Revenue</b>	\$285	\$252	\$33
<b>Net Income (Loss)</b>	\$8	(\$445)	\$453
Changes in Fair Value of Embedded Derivative Liability Features	(\$3)	\$431	
Non-Cash Changes in Workers Compensation Reserves	(\$1)	\$9	
Loss on Early Extinguishment of Debt		\$2	
Decrease in Accounts Receivable Reserves		(\$1)	
Net Loss on Sales of Assets	\$1		
<b>Adjusted Net Income (Loss)</b>	\$5	(\$4)	\$9
<b>Operational EBITDA <sup>1</sup></b>	\$6	(\$1)	\$7
Less: Decrease in Accounts Receivable Reserves		(\$1)	
Add: Unfavorable Impact of Foreign Exchange <sup>2</sup>	\$1		
Less: Changes in Workers Compensation Reserves	(\$1)	\$9	
<b>Adjusted Operational EBITDA</b>	\$6	\$7	(\$1)

- Operational EBITDA was favorably impacted by growth in key product areas and improved manufacturing costs from favorable cost absorption from increases in volume partially offset by savings from temporary furloughs and pay cuts in the prior year period that largely ended in January 2021, ongoing global cost increases and changes in workers compensation reserves.
- Q3 2021 sales and volume for growth engines:
  - Volume for KODAK SONORA Process-Free Plates improved by 35 percent
  - Annuities revenue for KODAK PROSPER improved by 17 percent
- Continued investment in ULTRASTREAM 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 September 30, 2021 (the "Q3 2021 Form 10-Q").

<sup>(1)</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 19, Segment Information to the financial statements included in the Q3 2021 Form 10-Q.

<sup>(2)</sup> Refer to page 8 of this presentation for the explanation on the calculation of constant currency.



# Year-To-Date 2021 Results

(\$ millions)	YTD 2021	YTD 2020	Improvement - \$
<b>Consolidated Revenue</b>	<b>\$843</b>	<b>\$732</b>	<b>\$111</b>
Less: Favorable Impact of Foreign Exchange <sup>2</sup>	(\$21)		
<b>Adjusted Consolidated Revenue</b>	<b>\$822</b>	<b>\$732</b>	<b>\$90</b>
<b>Net Income (Loss)</b>	<b>\$30</b>	<b>(\$561)</b>	<b>\$591</b>
Changes in Fair Value of Embedded Derivative Liability Features	(\$3)	\$382	
Trade Name Impairment		\$3	
Increase in Accounts Receivable Reserves		\$3	
Legal Settlements	(\$7)		
Non-Cash Changes in Workers Compensation Reserves	(\$4)	\$9	
Loss on Early Extinguishment of Debt		\$2	
Net Loss (Gain) on Sales of Assets	\$1	(\$9)	
Increase in Deferred Tax Valuation Allowances		\$167	
<b>Adjusted Net Income (Loss)</b>	<b>\$17</b>	<b>(\$4)</b>	<b>\$21</b>
<b>Operational EBITDA <sup>1</sup></b>	<b>\$19</b>	<b>(\$16)</b>	<b>\$35</b>
Add: Increase in Accounts Receivable Reserves		\$3	
Less: Changes in Workers Compensation Reserves	(\$3)	\$9	
<b>Adjusted Operational EBITDA</b>	<b>\$16</b>	<b>(\$4)</b>	<b>\$20</b>

- Operational EBITDA was favorably impacted by growth in key product areas and improved manufacturing costs from favorable cost absorption from increases in volume partially offset by savings from temporary furloughs and pay cuts in the prior year period that largely ended in January 2021, ongoing global cost increases and changes in workers compensation reserves.
- YTD 2021 sales and volume for growth engines:
  - Volume for KODAK SONORA Process-Free Plates improved by 37 percent
  - Annuities revenue for KODAK PROSPER improved by 24 percent
- Continued investment in ULTRASTREAM and advanced materials

This document should be read in conjunction with the Q3 2021 Form 10-Q.

<sup>(1)</sup> Operational EBITDA is equivalent to “Segment Operational EBITDA” as presented in Note 19, Segment Information to the financial statements included in the Q3 2021 Form 10-Q.

<sup>(2)</sup> Refer to page 8 of this presentation for the explanation on the calculation of constant currency.



# Year-To-Date 2021 Cash Flow

(\$ Millions)	Nine Months Ended September 30,		
	2021	2020	\$ Change
Primary Drivers of Cash:			
Cash from Operations:			
Net income (loss)	\$ 30	\$ (561)	\$ 591
Depreciation and amortization	23	29	(6)
Pension income	(63)	(65)	2
Change in fair value of embedded conversion features derivatives	(3)	382	(385)
Loss on early extinguishment of debt	-	2	(2)
Net loss (gain) on sales of assets	1	(9)	10
Asset impairments	-	3	(3)
Stock based compensation	6	18	(12)
Non-cash changes in workers' compensation reserves	(4)	9	(13)
(Benefit) Provision for deferred income taxes	(1)	160	(161)
Change in working capital	1	1	-
Decrease in liabilities excluding borrowings and trade payables	(26)	(24)	(2)
Other items, net	3	7	(4)
<b>Net cash used in operating activities</b>	<b>(33)</b>	<b>(48)</b>	<b>15</b>
<b>Net cash used in investing activities</b>	<b>(9)</b>	<b>(9)</b>	<b>-</b>
<b>Net cash provided by financing activities</b>	<b>240</b>	<b>10</b>	<b>230</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(3)	(2)	(1)
Net increase (decrease) in cash, cash equivalents and restricted cash	\$ 195	\$ (49)	\$ 244
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>\$ 195</b>	<b>\$ (49)</b>	<b>\$ 244</b>
<b>Net (increase) decrease in restricted cash</b>	<b>(11)</b>	<b>9</b>	<b>(20)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>\$ 184</b>	<b>\$ (40)</b>	<b>\$ 224</b>

\$11M Use of Cash from Net Earnings

\$22M Use of Cash from Balance Sheet Changes

\$21M Year-Over-Year increase in Cash Flow from Net Earnings

\$6M Year-Over-Year decrease in Cash Flow from Balance Sheet Changes

This document should be read in conjunction with Q3 2021 Form 10-Q.



# Non-GAAP Measures

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

- Revenues and Operational EBITDA on a constant currency basis;
- Net Income (Loss) excluding changes in fair value of embedded derivative liability features, trade name impairment, increase (decrease) in accounts receivable reserves, legal settlements, non-cash changes in workers compensation reserves, loss on early extinguishment of debt, net loss (gain) on sale of assets and increase in deferred tax valuation allowances (“Adjusted Net Income (Loss)”);
- Operational EBITDA; and
- Operational EBITDA on a constant currency basis excluding the increase (decrease) in accounts receivable reserves and changes in workers compensation reserves (“Adjusted Operational EBITDA”).

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”). 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; loss on early extinguishment of debt; other operating (income) expense, net; interest expense; and other (income) charges, net.

The change in consolidated revenues and Operational EBITDA on a constant currency basis, as presented in this earnings presentation, is calculated by using average foreign exchange rates for the three or nine months ended September 30, 2020, rather than the actual average exchange rates in effect for the three or nine months ended September 30, 2021.



# Non-GAAP Measures

The following tables reconcile the most directly comparable GAAP measure of Net Income (Loss) to Adjusted Net Income (Loss) for the three and nine months ended September 30, 2021 and 2020, respectively:

(in millions)

	<u>Q3 2021</u>	<u>Q3 2020</u>	<u>\$ Change</u>
<b>Net Income (Loss)</b>	<b>\$ 8</b>	<b>\$ (445)</b>	<b>\$ 453</b>
Changes in fair value of embedded derivative liability features	(3)	431	(434)
Non-cash changes in workers compensation reserves	(1)	9	(10)
Loss on Early Extinguishment of Debt	-	2	(2)
Decrease in Accounts Receivable Reserves	-	(1)	1
Net Loss on Sales of Assets	1	-	1
<b>Adjusted Net Income (Loss)</b>	<b>\$ 5</b>	<b>\$ (4)</b>	<b>\$ 9</b>

	<u>YTD 2021</u>	<u>YTD 2020</u>	<u>\$ Change</u>
<b>Net Income (Loss)</b>	<b>\$ 30</b>	<b>\$ (561)</b>	<b>\$ 591</b>
Changes in Fair Value of Embedded Derivative Liability Features	(3)	382	(385)
Trade Name Impairment	-	3	(3)
Increase in Accounts Receivable Reserves	-	3	(3)
Legal Settlements	(7)	-	(7)
Non-Cash Changes in Workers Compensation Reserves	(4)	9	(13)
Loss on Early Extinguishment of Debt	-	2	(2)
Net Loss (Gain) on Sales of Assets	1	(9)	10
Increase in Deferred Tax Valuation Allowances	-	167	(167)
<b>Adjusted Net Income (Loss)</b>	<b>\$ 17</b>	<b>\$ (4)</b>	<b>\$ 21</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 September 30, 2021 and 2020, respectively:

(in millions)

	Q3 2021	Q3 2020	\$ Change
<b>Net Income (Loss)</b>	<b>\$ 8</b>	<b>\$ (445)</b>	<b>\$ 453</b>
Depreciation and amortization	7	9	(2)
Restructuring costs and other <sup>(1)</sup>	-	1	(1)
Stock based compensation	2	17	(15)
Consulting and other costs <sup>(2)</sup>	4	4	-
Idle costs <sup>(3)</sup>	1	1	-
Other operating expense, net, excluding income from transition services agreement <sup>(4)</sup>	1	-	1
Interest expense <sup>(1)</sup>	9	3	6
Pension income excluding service cost component <sup>(1)</sup>	(25)	(26)	1
Loss on early extinguishment of debt <sup>(1)</sup>	-	2	(2)
Other (income) charges, net <sup>(1)</sup>	(2)	432	(434)
Provision for income taxes <sup>(1)</sup>	1	1	-
<b>Operational EBITDA</b>	<b>\$ 6</b>	<b>\$ (1)</b>	<b>\$ 7</b>
Impact of foreign exchange <sup>(5)</sup>	1	-	1
<b>Operational EBITDA on a constant currency basis</b>	<b>\$ 7</b>	<b>\$ (1)</b>	<b>\$ 8</b>
Decrease in accounts receivable reserves	-	(1)	1
Changes in workers compensation reserves	(1)	9	(10)
<b>Operational EBITDA on a constant currency basis excluding decrease in accounts receivable reserves and changes in workers compensation reserves ("Adjusted Operational EBITDA")</b>	<b>\$ 6</b>	<b>\$ 7</b>	<b>\$ (1)</b>

Refer to Page 12 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net Income (Loss) to Operational EBITDA and Adjusted Operational EBITDA for the nine months ended September 30, 2021 and 2020, respectively:

(in millions)

	YTD 2021	YTD 2020	\$ Change
<b>Net Income (Loss)</b>	<b>\$ 30</b>	<b>\$ (561)</b>	<b>\$ 591</b>
All other	(1)	-	(1)
Depreciation and amortization	23	29	(6)
Restructuring costs and other <sup>(1)</sup>	1	9	(8)
Stock based compensation	6	18	(12)
Consulting and other costs <sup>(2)</sup>	13	5	8
Idle costs <sup>(3)</sup>	2	2	-
Other operating income, net, excluding income from transition services agreement <sup>(4)</sup>	(6)	(6)	-
Interest expense <sup>(1)</sup>	23	11	12
Pension income excluding service cost component <sup>(1)</sup>	(76)	(79)	3
Loss on early extinguishment of debt <sup>(1)</sup>	-	2	(2)
Other (income) charges, net <sup>(1)</sup>	(1)	387	(388)
Provision for income taxes <sup>(1)</sup>	5	167	(162)
<b>Operational EBITDA</b>	<b>\$ 19</b>	<b>\$ (16)</b>	<b>\$ 35</b>
Increase in accounts receivable reserves	-	3	(3)
Change in workers compensation reserves	(3)	9	(12)
<b>Operational EBITDA excluding increase in accounts receivable reserves and changes in workers compensation reserves ("Adjusted Operational EBITDA")</b>	<b>\$ 16</b>	<b>\$ (4)</b>	<b>\$ 20</b>

Refer to Page 12 of this presentation for footnote explanations.



# Non-GAAP Measures

## Footnote Explanations:

- (1) As reported in the Consolidated Statement of Operations.
- (2) Consulting and other costs are primarily professional services and internal costs associated with certain corporate strategic initiatives, investigations and litigation.
- (3) Consists of 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.
- (4) \$1 million and \$5 million of income from the transition services agreement related to the sale of the Flexographic Packaging Business was recognized in the three and nine months ended September 30, 2020, respectively. No income has been recognized in 2021. The income was reported in Other operating expense (income), net in the Consolidated Statement of Operations. Other operating expense (income), net is typically excluded from the segment measure. However, the income from the transition services agreement was included in the segment measure.
- (5) The impact of foreign exchange is calculated by using average foreign exchange rates for the three or nine months ended September 30, 2020, rather than the actual average exchange rates in effect for the three or nine months ended September 30, 2021.





# APPENDIX

# Third Quarter 2021 Financial Summary by Reportable Segment

(\$ millions)

Q3 2021 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 166	\$ 58	\$ 55	\$ 4	\$ 283
Operational EBITDA <sup>(1)</sup>	\$ 5	\$ (2)	\$ -	\$ 3	\$ 6

  

Q3 2020 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 146	\$ 56	\$ 44	\$ 3	\$ 249
Operational EBITDA <sup>(1)</sup>	\$ 5	\$ (3)	\$ (6)	\$ 3	\$ (1)

  

Q3 2021 vs. Q3 2020 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 20	\$ 2	\$ 11	\$ 1	\$ 34
Operational EBITDA	\$ -	\$ 1	\$ 6	\$ -	\$ 7

  

Q3 2021 Actuals on constant currency <sup>(2)</sup> vs. Q3 2020 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 19	\$ 1	\$ 11	\$ 1	\$ 32
Operational EBITDA	\$ 1	\$ 1	\$ 6	\$ -	\$ 8

<sup>(1)</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 19, Segment Information to the financial statements included in the Q3 2021 Form 10-Q.

<sup>(2)</sup> Refer to page 8 of this presentation for the explanation on the calculation of constant currency.

Eastman Business Park segment is not a reportable segment and is excluded from the table above.



# Year-To-Date 2021 Financial Summary by Reportable Segment

(\$ millions)

YTD 2021 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 483	\$ 184	\$ 155	\$ 10	\$ 832
Operational EBITDA <sup>(1)</sup>	\$ 16	\$ (2)	\$ (3)	\$ 8	\$ 19

  

YTD 2020 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 419	\$ 173	\$ 124	\$ 8	\$ 724
Operational EBITDA <sup>(1)</sup>	\$ 7	\$ (8)	\$ (22)	\$ 7	\$ (16)

  

YTD 2021 vs. YTD 2020 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 64	\$ 11	\$ 31	\$ 2	\$ 108
Operational EBITDA	\$ 9	\$ 6	\$ 19	\$ 1	\$ 35

  

YTD 2021 Actuals on constant currency <sup>(2)</sup> vs. YTD 2020 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 49	\$ 6	\$ 30	\$ 2	\$ 87
Operational EBITDA	\$ 12	\$ 4	\$ 18	\$ 1	\$ 35

<sup>(1)</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 19, Segment Information to the financial statements included in the Q3 2021 Form 10-Q.

<sup>(2)</sup> Refer to page 8 of this presentation for the explanation on the calculation of constant currency.

Eastman Business Park segment is not a reportable segment and is excluded from the table above.





Thank You

