



# Third Quarter 2020 Earnings Call

November 10, 2020

# 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, 2019 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, 2020, June 30, 2020 and September 30, 2020, 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 asset based credit facility; Kodak’s ability to fund continued investments, capital needs and restructuring payments and service its Series A Preferred Stock and debt; the impact of the global economic environment or medical epidemics such as the COVID-19 pandemic; whether the U.S. International Development Finance Corporation approves and makes the potential \$765 million loan to a subsidiary of Kodak to support the launch of Kodak Pharmaceuticals and the impact of the circumstances relating to such potential loan and any related announcements, investigations, litigations and claims; 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 Kodak’s ability to effect strategic transactions, such as divestitures, acquisitions, strategic alliances 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 and Year-To-Date 2020 Financial Results and Review

**David Bullwinkle, Chief Financial Officer**



# CEO Perspective

- COVID-19 update:
  - Third quarter results were impacted by COVID-19 as the pandemic continued to present challenges for companies around the world.
  - Began to see some improvements in several areas of the company throughout the third quarter.
  - Remained focused on maintaining the safety of our employees and customers as a top priority as we continue to manage our businesses, costs and cash until the pandemic is resolved.
- Kodak Pharmaceuticals Announcement:
  - Letter of interest (“LOI”) signed on July 28, 2020 for a potential loan, not a subsidy or a grant.
  - Application process has been placed on hold by the U.S. International Development Finance Corporation (“DFC”).
  - The Company plans to continue to move forward with expanding the existing pharmaceuticals business regardless of the outcome of the government loan.
  - The scale and speed of the expansion will depend on the availability of capital and our assessment of the business opportunity at various production levels.
  - Remained committed to the core business of print, advanced materials and chemicals including unregulated key starting materials (KSMs).



# CEO Perspective

- Kodak recently won a total of eight awards in three prestigious competitions:
  - InterTech™ Technology Awards:
    - Uteco Sapphire EVO M digital web press powered by KODAK Stream Inkjet Technology
    - KODAK PROSPER QD Packaging Inks and Film Optimizer Agent (FOA)
  - Keypoint Intelligence Buyers Lab Outstanding Innovation Awards in Production Print:
    - KODAK PROSPER ULTRA 520 Press
    - KODAK PROSPER Plus Imprinting Systems
    - KODAK PROSPER QD Packaging Inks and Film Optimizer Agent (FOA)
    - Uteco Sapphire EVO M and W Presses powered by KODAK Stream Inkjet Technology
  - Printing United Alliance Product of the Year:
    - KODAK PROSPER QD Packaging Inks and Film Optimizer Agent (FOA) (in the Digital Inks – Industrial and Packaging category)
- The winning products are all related to digital print technology and the winning presses are all powered by our proprietary high-speed continuous inkjet platform.



# Reduction in Net Debt

(in millions)	As of <u>September 30, 2020</u>	As of <u>March 31, 2019</u>	<u>\$ Change</u>
<b>Cash and cash equivalents</b>	\$ 193	\$ 221	\$ (28)
Short-term and long-term debt	(19)	(414)	395
Convertible preferred stock	(189)	(175)	(14)
Deferred consideration on disposed businesses	-	(14)	14
<b>Net debt</b>	<u>\$ (15)</u>	<u>\$ (382)</u>	<u>\$ 367</u>

- Net proceeds from the sale of the Flexographic Packaging Division and issuance of \$100 million aggregate principal amount of 5.00% Secured Convertible Notes in 2019 were used to repay in full \$395 million of the First Lien Term Loans.
- Full conversion of the \$100 million aggregate principal amount of 5.00% Secured Convertible Notes into common stock in the third quarter of 2020.



# Third Quarter Results

(\$ millions)	Q3 2020	Q3 2019	(Decline) / Improvement - \$
<b>Consolidated Revenue</b>	\$252	\$315	(\$63)
Less: Favorable Impact of Foreign Exchange <sup>2</sup>	(\$4)		
Less: License Revenue Received from HuaGuang Graphics Co. Ltd Transaction		(\$13)	
<b>Adjusted Consolidated Revenue</b>	<b>\$248</b>	<b>\$302</b>	<b>(\$54)</b>
<b>Net Loss</b>	<b>(\$445)</b>	<b>(\$5)</b>	<b>(\$440)</b>
Changes in Fair Value of Embedded Derivative Liability Features	\$431	\$4	
Loss on Extinguishment of Debt	\$2		
Increase in Workers Compensation Reserves	\$9	\$2	
Decrease in Accounts Receivable Reserves	(\$1)		
Net Loss on Sale of Assets / Businesses		\$7	
<b>Adjusted Net (Loss) Income</b>	<b>(\$4)</b>	<b>\$8</b>	<b>(\$12)</b>
<b>Operational EBITDA <sup>1</sup></b>	<b>(\$1)</b>	<b>\$14</b>	<b>(\$15)</b>
Less: License Revenue Received from HuaGuang Graphics Co. Ltd Transaction		(\$13)	
Less: Decrease in Accounts Receivable Reserves	(\$1)		
Add: Increase in Workers Compensation Reserves	\$9	\$2	
<b>Adjusted Operational EBITDA</b>	<b>\$7</b>	<b>\$3</b>	<b>\$4</b>

- Operational EBITDA for the third quarter was unfavorably impacted by volume declines due to the continued impact of COVID-19 partially offset by cost savings, including furloughs and pay reductions
- Third quarter sales and volume for growth engines:
  - Volume for KODAK SONORA Process-Free Plates declined by 4 percent
  - Annuities revenue for KODAK PROSPER declined by 2 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, 2020 (the "Q3 2020 Form 10-Q").

<sup>(1)</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 23. Segment Information to the financial statements included in the Q3 2020 Form 10-Q.

<sup>(2)</sup> Refer to page 10 of this presentation for the explanation on the calculation of constant currency.



# Year-To-Date Results

(\$ millions)	YTD 2020	YTD 2019	(Decline) / Improvement - \$
<b>Consolidated Revenue</b>	<b>\$732</b>	<b>\$913</b>	<b>(\$181)</b>
Add: Unfavorable Impact of Foreign Exchange <sup>2</sup>	\$1		
Less: License Revenue Received from HuaGuang Graphics Co. Ltd Transaction		(\$13)	
<b>Adjusted Consolidated Revenue</b>	<b>\$733</b>	<b>\$900</b>	<b>(\$167)</b>
<b>Net (Loss) Income</b>	<b>(\$561)</b>	<b>\$178</b>	<b>(\$739)</b>
Changes in Fair Value of Embedded Derivative Liability Features	\$382	\$3	
Loss on Extinguishment of Debt	\$2		
Increase in Workers Compensation Reserves	\$9	\$2	
Net Gain on Sale of Assets / Businesses	(\$9)	(\$202)	
Trade Name Impairment	\$3		
Increase in Accounts Receivable Reserves	\$3		
Increase in Deferred Tax Valuation Allowances	\$167		
<b>Adjusted Net Loss</b>	<b>(\$4)</b>	<b>(\$19)</b>	<b>\$15</b>
<b>Operational EBITDA <sup>1</sup></b>	<b>(\$16)</b>	<b>\$8</b>	<b>(\$24)</b>
Less: License Revenue Received from HuaGuang Graphics Co. Ltd Transaction		(\$13)	
Add: Increase in Workers Compensation Reserves	\$9	\$2	
Add: Increase in Accounts Receivable Reserves	\$3		
<b>Adjusted Operational EBITDA</b>	<b>(\$4)</b>	<b>(\$3)</b>	<b>(\$1)</b>

- Operational EBITDA for the nine months ended 2020 was unfavorably impacted by higher manufacturing costs driven by unfavorable cost absorption due to volume declines partially offset by cost savings, including furloughs and pay reductions
- Year-to-date sales and volume for growth engines:
  - Volume for KODAK SONORA Process-Free Plates declined by 8 percent
  - Annuities revenue for KODAK PROSPER declined by 10 percent
- Continued investment in ULTRASTREAM and advanced materials

This document should be read in conjunction with Eastman Kodak Company's Q3 2020 Form 10-Q.

<sup>(1)</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 23. Segment Information to the financial statements included in the Q3 2020 Form 10-Q.

<sup>(2)</sup> Refer to page 10 of this presentation for the explanation on the calculation of constant currency.



# Year-To-Date Cash Flow

(\$ Millions)	Nine Months Ended September 30,			
	2020	2019	Change	
Primary Drivers of Cash:				
Cash from Operations:				
Net (loss) income	\$ (561)	\$ 178	\$ (739)	\$4M Year-Over-Year Increase in Cash Flow from Net Earnings
Depreciation and amortization	29	43	(14)	
Pension income	(65)	(72)	7	
Change in fair value of embedded conversion features derivatives	382	3	379	
Loss on extinguishment of debt	2	-	2	
Net gain on sales of assets / businesses	(9)	(202)	193	
Asset impairments	3	-	3	
Stock based compensation	18	6	12	
Non-Cash changes in workers' compensation reserves	9	2	7	
Provision for deferred income taxes	160	6	154	
Change in working capital	1	25	(24)	\$48M Year-Over-Year Decline in Cash Flow from Balance Sheet Changes
Decrease in liabilities excluding borrowings and trade payables	(24)	(5)	(19)	
Other items, net	7	12	(5)	
<b>Net cash used in operating activities</b>	<b>(48)</b>	<b>(4)</b>	<b>(44)</b>	
<b>Net cash (used in) provided by investing activities</b>	<b>(9)</b>	<b>315</b>	<b>(324)</b>	
<b>Net cash provided by (used in) financing activities</b>	<b>10</b>	<b>(295)</b>	<b>305</b>	
Effect of exchange rate changes on cash, cash equivalents, restricted cash and cash in assets held for sale	(2)	(4)	2	
Net (decrease) increase in cash, cash equivalents, restricted cash and cash in assets held for sale	\$ (49)	\$ 12	\$ (61)	
<b>Net (decrease) increase in cash, cash equivalents, restricted cash and cash in assets held for sale</b>	<b>\$ (49)</b>	<b>\$ 12</b>	<b>\$ (61)</b>	
Net decrease (increase) in restricted cash and cash included in assets held for sale	9	(20)	29	
<b>Net decrease in cash and cash equivalents</b>	<b>\$ (40)</b>	<b>\$ (8)</b>	<b>\$ (32)</b>	

This document should be read in conjunction with Q3 2020 Form 10-Q.



# Non-GAAP Measures

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

- Cash and cash equivalents excluding debt, convertible preferred stock and deferred consideration on disposed businesses (“Net Debt”);
- Revenues and Operational EBITDA on a constant currency basis;
- Net (Loss) Income excluding changes in fair value of embedded derivative liability features for the Series A Preferred Stock and 2019 Convertible Notes, loss on extinguishment of debt, increase in workers compensation reserves, net (gain) loss on sale of assets / businesses, trade name impairment, increase (decrease) in accounts receivable reserves and increase in deferred tax valuation allowances (“Adjusted Net Income (Loss)”);
- Operational EBITDA;
- Operational EBITDA excluding the increase in workers compensation reserves, license revenue received from HuaGuang Graphics Co. Ltd transaction and increase (decrease) in accounts receivable reserves (“Adjusted Operational EBITDA”); and
- Cash and cash equivalents excluding stock option proceeds, preferred stock dividend payment in arrears, convertible notes interest payment and increase in restricted cash (“Change in Operational Cash”).

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 measures related to Net Debt and Change in Operational Cash are important measures 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; stock-based compensation expense; consulting and other costs; idle costs; former Chief Executive Officer (“CEO”) separation agreement compensation; loss on early extinguishment of debt, other operating (loss) income, net; interest expense; and other (charges) income, 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, 2019, rather than the actual average exchange rates in effect for the three or nine months ended September 30, 2020.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Cash, Cash Equivalents, Restricted Cash and Cash in Assets Held for Sale, end of period to Cash and cash equivalents excluding debt, convertible preferred stock and deferred consideration on disposed businesses for the nine months ended September 30, 2020 and three months ended March 31, 2019, respectively:

(in millions)	Nine Months Ended September 30, 2020	Three Months Ended March 31, 2019	\$ Change
<b>Net cash used in operating activities</b>	\$ (48)	\$ (12)	\$ (36)
<b>Net cash used in investing activities</b>	(9)	(3)	(6)
<b>Net cash provided by financing activities</b>	10	3	7
Effect of exchange rate changes on cash, cash equivalents, restricted cash and cash in assets held for sale	(2)	2	(4)
Net decrease increase in cash, cash equivalents, restricted cash and cash in assets held for sale	(49)	(10)	(39)
Cash, cash equivalents, restricted cash and cash in assets held for sale, beginning of period	290	267	23
<b>Cash, cash equivalents, restricted cash and cash in assets held for sale, end of period</b>	<b>241</b>	<b>257</b>	<b>(16)</b>
Restricted cash balance and cash in assets held for sale	(48)	(36)	(12)
Cash and cash equivalents, end of period	193	221	(28)
Short-term borrowings and current portion of long-term debt	(2)	(396)	394
Long-term debt, net of current portion	(17)	(18)	1
Convertible preferred stock	(189)	(175)	(14)
Deferred consideration on disposed businesses	-	(14)	14
<b>Cash and cash equivalents excluding debt, convertible preferred stock and deferred consideration on disposed businesses ("Net Debt")</b>	<b>\$ (15)</b>	<b>\$ (382)</b>	<b>\$ 367</b>



# Non-GAAP Measures

The following tables reconcile the most directly comparable GAAP measure of Net (Loss) Income to Adjusted Net (Loss) Income for the three and nine months ended September 30, 2020 and 2019, respectively:

(in millions)

	<u>Q3 2020</u>	<u>Q3 2019</u>	<u>\$ Change</u>
<b>Net Loss</b>	\$ (445)	\$ (5)	\$ (440)
Changes in Fair Value of Embedded Derivative Liability Features	431	4	427
Loss on Early Extinguishment of Debt	2	-	2
Increase in Workers Compensation Reserves	9	2	7
Decrease in Accounts Receivable Reserves	(1)	-	(1)
Net Loss on Sale of Assets / Businesses	-	7	(7)
<b>Adjusted Net (Loss) Income</b>	<u>\$ (4)</u>	<u>\$ 8</u>	<u>\$ (12)</u>

(in millions)

	<u>YTD 2020</u>	<u>YTD 2019</u>	<u>\$ Change</u>
<b>Net (Loss) Income</b>	\$ (561)	\$ 178	\$ (739)
Changes in Fair Value of Embedded Derivative Liability Features	382	3	379
Loss on Early Extinguishment of Debt	2	-	2
Increase in Workers Compensation Reserves	9	2	7
Net Gain on Sale of Assets / Businesses	(9)	(202)	193
Trade Name Impairment	3	-	3
Increase in Accounts Receivable Reserves	3	-	3
Increase in Deferred Tax Valuation Allowances	167	-	167
<b>Adjusted Net Loss</b>	<u>\$ (4)</u>	<u>\$ (19)</u>	<u>\$ 15</u>



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net Loss to Operational EBITDA and Adjusted Operational EBITDA for the three months ended September 30, 2020 and 2019, respectively:

(in millions)

	Q3 2020	Q3 2019	\$ Change
<b>Net Loss</b>	<b>\$ (445)</b>	<b>\$ (5)</b>	<b>\$ (440)</b>
Depreciation and amortization	9	14	(5)
Restructuring costs and other <sup>(1)</sup>	1	3	(2)
Stock based compensation	17	1	16
Consulting and other costs <sup>(2)</sup>	4	2	2
Idle costs <sup>(3)</sup>	1	1	-
Other operating loss, net, excluding income from transition services agreement <sup>(4)</sup>	-	12	(12)
Interest expense <sup>(1)</sup>	3	4	(1)
Pension income excluding service cost component <sup>(1)</sup>	(26)	(26)	-
Loss on early extinguishment of debt <sup>(1)</sup>	2	-	2
Other charges, net <sup>(1)</sup>	432	6	426
Income from discontinued operations, net of income tax <sup>(1)</sup>	-	(5)	5
Provision for income taxes <sup>(1)</sup>	1	7	(6)
<b>Operational EBITDA</b>	<b>\$ (1)</b>	<b>\$ 14</b>	<b>\$ (15)</b>
License revenue received from HuaGuang Graphics Co. Ltd transaction	-	(13)	13
Decrease in accounts receivable reserves	(1)	-	(1)
Increase in workers compensation reserves	9	2	7
<b>Operational EBITDA excluding license revenue received from HuaGuang Graphics Co. Ltd transaction, decrease in accounts receivable reserves and increase in workers compensation reserves ("Adjusted Operational EBITDA")</b>	<b>\$ 7</b>	<b>\$ 3</b>	<b>\$ 4</b>

Refer to Page 16 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net (Loss) Income to Operational EBITDA and Adjusted Operational EBITDA for the nine months ended September 30, 2020 and 2019, respectively:

(in millions)

	YTD 2020	YTD 2019	\$ Change
<b>Net (Loss) Income</b>	<b>\$ (561)</b>	<b>\$ 178</b>	<b>\$ (739)</b>
All Other	-	1	(1)
Depreciation and amortization	29	43	(14)
Restructuring costs and other <sup>(1)</sup>	9	7	2
Stock based compensation	18	6	12
Consulting and other costs <sup>(2)</sup>	5	7	(2)
Idle costs <sup>(3)</sup>	2	4	(2)
Former CEO separation agreement compensation	-	2	(2)
Other operating (income) loss, net, excluding income from transition services agreement <sup>(4)</sup>	(6)	14	(20)
Interest expense <sup>(1)</sup>	11	12	(1)
Pension income excluding service cost component <sup>(1)</sup>	(79)	(79)	-
Loss on early extinguishment of debt <sup>(1)</sup>	2	-	2
Other charges, net <sup>(1)</sup>	387	7	380
Income from discontinued operations, net of income tax <sup>(1)</sup>	-	(206)	206
Provision for income taxes <sup>(1)</sup>	167	12	155
<b>Operational EBITDA</b>	<b>\$ (16)</b>	<b>\$ 8</b>	<b>\$ (24)</b>
License revenue received from HuaGuang Graphics Co. Ltd transaction	-	(13)	13
Increase in workers compensation reserves	9	2	7
Increase in accounts receivable reserves	3	-	3
<b>Operational EBITDA excluding license revenue received from HuaGuang Graphics Co. Ltd transaction, increase in workers compensation reserves and increase in accounts receivable reserves ("Adjusted Operational EBITDA")</b>	<b>\$ (4)</b>	<b>\$ (3)</b>	<b>\$ (1)</b>

Refer to Page 16 of this presentation for footnote explanations.



# Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Cash, Cash Equivalents and Restricted Cash, end of period to Cash and cash equivalents excluding stock options proceeds, preferred stock dividend payment in arrears, convertible notes interest payment and increase in restricted cash for the nine months ended September 30, 2020 and for the six months ended June 30, 2020, respectively:

(in millions)	Nine Months Ended September 30, 2020	Six Months Ended June 30, 2020	\$ Change
<b>Net cash used in operating activities</b>	\$ (48)	\$ (64)	\$ 16
<b>Net cash used in investing activities</b>	(9)	(5)	(4)
<b>Net cash provided by (used in) financing activities</b>	10	(6)	16
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(2)	(3)	1
Net decrease in cash, cash equivalents and restricted cash	(49)	(78)	29
Cash, cash equivalents and restricted cash, beginning of period	290	290	-
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>241</b>	<b>212</b>	<b>29</b>
Restricted cash balance	(48)	(32)	(16)
Cash and cash equivalents, end of period	193	180	13
Stock option proceeds	(29)	-	(29)
Preferred stock dividend payment in arrears	11	-	11
Convertible notes interest payment	6	-	6
Increase in restricted cash for three months ended September 30, 2020	16	-	16
<b>Cash and cash equivalents excluding stock option proceeds, preferred stock dividend payment in arrears, convertible notes interest payment and increase in restricted cash</b>	<b>\$ 197</b>	<b>\$ 180</b>	<b>\$ 17</b>



# 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 and investigations.
- (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 \$2 million of income from the transition services agreement related to the sale of the Flexographic Packaging Business was recognized in the three months ended September 30, 2020 and 2019, respectively. \$5 million and \$4 million of income from the transition services agreement was recognized in the nine months ended September 30, 2020 and 2019, respectively. The income was reported in Other operating (income) expense, net in the Consolidated Statement of Operations. Other operating (income) expense, net is typically excluded from the segment measure. However, the income from the transition services agreement was included in the segment measure.





# APPENDIX

# Third Quarter Financial Summary by Reportable Segment

(\$ millions)

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 2019 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 187	\$ 70	\$ 53	\$ 3	\$ 313
Operational EBITDA <sup>(1)</sup>	\$ 21	\$ (3)	\$ (6)	\$ 2	\$ 14

  

Q3 2020 vs. Q3 2019 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (41)	\$ (14)	\$ (9)	\$ -	\$ (64)
Operational EBITDA	\$ (16)	\$ -	\$ -	\$ 1	\$ (15)

  

Q3 2020 Actuals on constant currency <sup>(2)</sup> vs. Q3 2019 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (44)	\$ (15)	\$ (9)	\$ -	\$ (68)
Operational EBITDA	\$ (16)	\$ -	\$ -	\$ 1	\$ (15)

This document should be read in conjunction with Q3 2020 Form 10-Q.

<sup>(1)</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 23. Segment Information to the financial statements included in the Q3 2020 Form 10-Q.

<sup>(2)</sup> Refer to page 10 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 Financial Summary by Reportable Segment

(\$ millions)

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 2019 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 534	\$ 211	\$ 153	\$ 8	\$ 906
Operational EBITDA <sup>(1)</sup>	\$ 36	\$ (9)	\$ (24)	\$ 5	\$ 8

  

YTD 2020 vs. YTD 2019 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (115)	\$ (38)	\$ (29)	\$ -	\$ (182)
Operational EBITDA	\$ (29)	\$ 1	\$ 2	\$ 2	\$ (24)

  

YTD 2020 Actuals on constant currency <sup>(2)</sup> vs. YTD 2019 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (114)	\$ (38)	\$ (29)	\$ -	\$ (181)
Operational EBITDA	\$ (29)	\$ 1	\$ 2	\$ 2	\$ (24)

This document should be read in conjunction with Q3 2020 Form 10-Q.

<sup>(1)</sup> Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 23. Segment Information to the financial statements included in the Q3 2020 Form 10-Q.

<sup>(2)</sup> Refer to page 10 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

