



Second Quarter 2020 Earnings Call

August 11, 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 and June 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 various credit facilities; Kodak’s ability to fund continued investments, capital needs and restructuring payments and service its debt and Series A Preferred Stock; 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 and investigations; 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**
- **Second Quarter and Year-To-Date 2020 Financial Results and Review** **David Bullwinkle, Chief Financial Officer**



CEO Perspective

- COVID-19 update:
 - Continues to present challenges for companies around the world
 - Kodak continues to operate as an essential business putting the health and safety of employees first
 - Leveraging the Advanced Materials and Chemical and manufacturing expertise to assist with the pandemic
- New, simplified organization structure for 2020 is better aligned with customers' needs by providing a "One Kodak" customer first experience
- Started 2020 with a strong balance sheet that provides financial flexibility to navigate the pandemic
 - Recent conversion of \$95 million in convertible notes further strengthens the balance sheet
- Loan announcement:
 - Letter of interest ("LOI") signed on July 28, 2020 for a potential loan with more work necessary to move this forward
 - Ability to produce key starting materials ("KSM") for essential generic drugs in this country on a much larger scale
 - Leverages Kodak's vast infrastructure, deep expertise in chemicals manufacturing, and heritage of innovation
 - Appreciate and support U.S. International Development Finance Corporation ("DFC") decision to await clarification before moving forward with the loan process
 - Proposed expansion of chemical manufacturing operations to supply pharmaceutical needs does not affect existing businesses
 - Kodak remains committed to our core business of print, advanced materials and chemicals including unregulated KSMs and investing in groundbreaking innovations to meet our customers' needs



CEO Perspective

- Announced several new products and enhancements to existing products:
 - Enhancements to industry leading Kodak SONORA Plates
 - Two new Kodak MAGNUS Platesetters which will be the world's fastest Computer To Plate ("CTP") devices
 - Kodak PRINERGY On Demand Workflow Software, a cloud-based platform
 - The UTECO Sapphire EVO W Press, powered by ULTRASTREAM continuous inkjet technology
 - A revolutionary new PROSPER ULTRA 520 Inkjet Press that will redefine what's possible in terms of quality, productivity and cost for digital printing



Second Quarter Results

(\$ millions)	Q2 2020	Q2 2019	(Decline) / Improvement - \$
Consolidated Revenue	\$213	\$307	(\$94)
Add Back: Unfavorable Impact of Foreign Exchange ²	\$2		
Consolidated Revenue on a Constant Currency Basis	\$215	\$307	(\$92)
Net (Loss) Income	(\$5)	\$201	(\$206)
Changes in Fair Value of Embedded Derivative Liability Features	\$4	(\$3)	
Net Gain on Sale of Assets / Businesses	(\$1)	(\$209)	
Adjusted Net Loss	(\$2)	(\$11)	\$9
Operational EBITDA ¹	(\$7)	(\$1)	(\$6)

- Operational EBITDA for the second quarter 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
- Second quarter sales and volume for growth engines were impacted by COVID-19:
 - Volume for KODAK SONORA Process-Free Plates declined by 33 percent
 - Annuities revenue for KODAK PROSPER declined by 25 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 June 30, 2020 (the "Q2 2020 Form 10-Q").

⁽¹⁾ Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 22. Segment Information to the financial statements included in the Q2 2020 Form 10-Q.

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



First Half Results

(\$ millions)	YTD 2020	YTD 2019	(Decline) / Improvement - \$
Consolidated Revenue	\$480	\$598	(\$118)
Add Back: Unfavorable Impact of Foreign Exchange ²	\$5		
Consolidated Revenue on a Constant Currency Basis	\$485	\$598	(\$113)
Net (Loss) Income	(\$116)	\$183	(\$299)
Changes in Fair Value of Embedded Derivative Liability Features	(\$49)	(\$2)	
Trade Name Impairment	\$3		
Increase in Accounts Receivable Reserves	\$4		
Increase in Deferred Tax Valuation Allowances	\$167		
Net Gain on Sale of Assets / Businesses	(\$9)	(\$209)	
Adjusted Net Income (Loss)	\$0	(\$28)	\$28
Operational EBITDA ¹	(\$15)	(\$6)	(\$9)
Add Back: Increase in Accounts Receivable Reserves	\$4		
Operational EBITDA Excluding Increase in Accounts Receivable Reserves	(\$11)	(\$6)	(\$5)

- Operational EBITDA for the first half 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
- First Half sales and volume for growth engines were impacted by the second quarter impacts of COVID-19:
 - Volume for KODAK SONORA Process-Free Plates declined by 9 percent
 - Annuities revenue for KODAK PROSPER declined by 14 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 June 30, 2020 (the "Q2 2020 Form 10-Q").

⁽¹⁾ Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 22. Segment Information to the financial statements included in the Q2 2020 Form 10-Q.

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



First Half Cash Flow

(\$ Millions)	Six Months Ended June 30,			
	2020	2019	Change	
Primary Drivers of Cash:				
Cash from Operations:				
Net (loss) income	\$ (116)	\$ 183	\$ (299)	} \$2M Year-Over-Year Increase in Cash Flow from Net Earnings
Depreciation and amortization	20	29	(9)	
Pension income	(43)	(45)	2	
Change in fair value of embedded conversion features derivatives	(49)	(2)	(47)	
Net gain on sales of assets / businesses	(9)	(209)	200	
Asset impairments	3	-	3	
Stock based compensation	1	5	(4)	
Provision for deferred income taxes	160	4	156	
Change in working capital	(3)	17	(20)	
Decrease in liabilities excluding borrowings and trade payables	(31)	(5)	(26)	
Other items, net	3	10	(7)	} \$53M Year-Over-Year Decline in Cash Flow from Balance Sheet Changes
Net cash used in operating activities	(64)	(13)	(51)	
Net cash (used in) provided by investing activities	(5)	297	(302)	
Net cash used in financing activities	(6)	(294)	288	
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(3)	1	(4)	
Net decrease in cash, cash equivalents, restricted cash and cash in assets held for sale	\$ (78)	\$ (9)	\$ (69)	
Net decrease in cash, cash equivalents, restricted cash and cash in assets held for sale	\$ (78)	\$ (9)	\$ (69)	
Net decrease (increase) in restricted cash and cash included in assets held for sale	25	(26)	51	
Net decrease in cash and cash equivalents	\$ (53)	\$ (35)	\$ (18)	

This document should be read in conjunction with Q2 2020 Form 10-Q.



Non-GAAP Measures

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

- 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, trade name impairment, increase in accounts receivable reserves, increase in deferred tax valuation allowances and net gain on sale of assets / Businesses (“Adjusted Net Income (Loss)”);
- Operational EBITDA; and
- Operational EBITDA excluding the increase in accounts receivable reserves.

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; stock-based compensation expense; consulting and other costs; idle costs; former Chief Executive Officer (“CEO”) separation agreement compensation; 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 six months ended June 30, 2019, rather than the actual average exchange rates in effect for the three or six months ended June 30, 2020.



Non-GAAP Measures

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

(in millions)

	Three Months Ended June 30,	
	2020	2019
Net (Loss) Income	\$ (5)	\$ 201
Changes in Fair Value of Embedded Derivative Liability Features	4	(3)
Net Gain on Sale of Assets / Businesses	(1)	(209)
Adjusted Net Loss	\$ (2)	\$ (11)

(in millions)

	Six Months Ended June 30,	
	2020	2019
Net (Loss) Income	\$ (116)	\$ 183
Changes in Fair Value of Embedded Derivative Liability Features	(49)	(2)
Trade Name Impairment	3	-
Increase in Accounts Receivable Reserves	4	-
Increase in Deferred Tax Valuation Allowances	167	-
Net Gain on Sale of Assets / Businesses	(9)	(209)
Adjusted Net Income (Loss)	\$ -	\$ (28)



Non-GAAP Measures

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

(in millions)

	Q2 2020	Q2 2019	\$ Change
Net (Loss) Income	\$ (5)	\$ 201	\$ (206)
All Other	(1)	-	(1)
Depreciation and amortization	10	14	(4)
Restructuring costs and other ⁽¹⁾	1	2	(1)
Stock based compensation	-	2	(2)
Consulting and other costs ⁽²⁾	1	2	(1)
Idle costs ⁽³⁾	1	2	(1)
Other operating loss, net, excluding income from transition services agreement ⁽⁴⁾	-	2	(2)
Interest expense ⁽¹⁾	4	5	(1)
Pension income excluding service cost component ⁽¹⁾	(27)	(26)	(1)
Other charges, net ⁽¹⁾	8	-	8
Income from discontinued operations, net of income tax ⁽¹⁾	-	(207)	207
Provision for income taxes ⁽¹⁾	1	2	(1)
Operational EBITDA	\$ (7)	\$ (1)	\$ (6)

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 Loss (Income) to Operational EBITDA and Operational EBITDA excluding the increase in accounts receivable reserves for the six months ended June 30, 2020 and 2019, respectively:

(in millions)

	<u>YTD 2020</u>	<u>YTD 2019</u>	<u>\$ Change</u>
Net (Loss) Income	\$ (116)	\$ 183	\$ (299)
All Other	-	1	(1)
Depreciation and amortization	20	29	(9)
Restructuring costs and other ⁽¹⁾	8	4	4
Stock based compensation	1	5	(4)
Consulting and other costs ⁽²⁾	1	5	(4)
Idle costs ⁽³⁾	1	3	(2)
Former CEO separation agreement compensation	-	2	(2)
Other operating (income) loss, net, excluding income from transition services agreement ⁽⁴⁾	(6)	2	(8)
Interest expense ⁽¹⁾	8	8	-
Pension income excluding service cost component ⁽¹⁾	(53)	(53)	-
Other (income) charges, net ⁽¹⁾	(45)	1	(46)
Income from discontinued operations, net of income tax ⁽¹⁾	-	(201)	201
Provision for income taxes ⁽¹⁾	166	5	161
Operational EBITDA	\$ (15)	\$ (6)	\$ (9)
Increase in accounts receivable reserves	4	-	4
Operational EBITDA Excluding Increase in Accounts Receivable Reserves	\$ (11)	\$ (6)	\$ (5)

Refer to Page 13 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.
- (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) \$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 June 30, 2020 and the three and six months ended June 30, 2019. \$4 million of income from the transition services agreement was recognized in the six months ended June 30, 2020. The income was reported in Other operating (income) loss, net in the Consolidated Statement of Operations. Other operating (income) loss, net is typically excluded from the segment measure. However, the income from the transition services agreement was included in the segment measure.





APPENDIX

Second Quarter Financial Summary by Reportable Segment

(\$ millions)

Q2 2020 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 119	\$ 52	\$ 38	\$ 2	\$ 211
Operational EBITDA ⁽¹⁾	\$ 1	\$ (3)	\$ (7)	\$ 2	\$ (7)

Q2 2019 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 181	\$ 69	\$ 52	\$ 2	\$ 304
Operational EBITDA ⁽¹⁾	\$ 9	\$ (4)	\$ (8)	\$ 2	\$ (1)

Q2 2020 vs. Q2 2019 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (62)	\$ (17)	\$ (14)	\$ -	\$ (93)
Operational EBITDA	\$ (8)	\$ 1	\$ 1	\$ -	\$ (6)

Q2 2020 Actuals on constant currency ⁽²⁾ vs. Q2 2019 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (60)	\$ (17)	\$ (14)	\$ -	\$ (91)
Operational EBITDA	\$ (8)	\$ 1	\$ 1	\$ -	\$ (6)

This document should be read in conjunction with Q2 2020 Form 10-Q.

⁽¹⁾ Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 22. Segment Information to the financial statements included in the Q2 2020 Form 10-Q.

⁽²⁾ Refer to page 9 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	\$ 273	\$ 117	\$ 80	\$ 5	\$ 475
Operational EBITDA ⁽¹⁾	\$ 2	\$ (5)	\$ (16)	\$ 4	\$ (15)

YTD 2019 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 347	\$ 141	\$ 100	\$ 5	\$ 593
Operational EBITDA ⁽¹⁾	\$ 15	\$ (6)	\$ (18)	\$ 3	\$ (6)

YTD 2020 vs. YTD 2019 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (74)	\$ (24)	\$ (20)	\$ -	\$ (118)
Operational EBITDA	\$ (13)	\$ 1	\$ 2	\$ 1	\$ (9)

YTD 2020 Actuals on constant currency ⁽²⁾ vs. YTD 2019 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (70)	\$ (23)	\$ (20)	\$ -	\$ (113)
Operational EBITDA	\$ (13)	\$ 1	\$ 2	\$ 1	\$ (9)

This document should be read in conjunction with Q2 2020 Form 10-Q.

⁽¹⁾ Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 22. Segment Information to the financial statements included in the Q2 2020 Form 10-Q.

⁽²⁾ Refer to page 9 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

