



First Quarter 2019 Earnings Call

May 9, 2019

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, 2018 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, 2019, 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 repay, refinance or extend the maturity of its outstanding first lien term loans prior to their maturity date of September 3, 2019 or prior to June 5, 2019, the date on which Kodak’s revolving credit facility will terminate unless such repayment, refinancing or extension has occurred or the revolving credit facility has been amended; Kodak’s ability to discontinue, sell or spin-off certain businesses or operations or otherwise monetize assets, including the completion of the deferred sale of the China assets of Kodak’s Flexographic Packaging segment that was sold, and the ability of the Flexographic Packaging segment that was sold to perform during 2019 and 2020 at levels that will entitle Kodak to earn-out payments; Kodak’s ability to fund continued investments, capital needs and restructuring payments and service its debt and Series A Preferred Stock; 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, except as required by law.



Agenda

- **Introduction** **Bill Love, Treasurer and Investor Relations**
- **Opening Comments** **Jim Continenza, Executive Chairman**
- **2019 First Quarter Results and Financial Review** **David Bullwinkle, Chief Financial Officer**
- **Concluding Remarks** **Jim Continenza and David Bullwinkle**



2019 First Quarter Results

(\$ millions)

Loss from continuing operations before income taxes
Provision for income taxes
Loss from continuing operations
Loss from discontinued operations, net of income taxes
Net Loss

Three Months Ended March 31,	
2019	2018
\$ (9)	\$ (21)
3	4
(12)	(25)
(6)	-
\$ (18)	\$ (25)

The 2019 and 2018 first quarter results include expense of \$1 million and \$14 million, respectively, related to changes in value for the derivative embedded in the Series A Preferred Stock.

This document should be read in conjunction with Eastman Kodak Company's Quarterly Report on Form 10-Q for the period ended March 31, 2019 (the "2019 Form 10-Q").



2019 First Quarter Results

(\$ millions)	Q1 2019	Q1 2018	(Decline) / Improvement - %
Revenue	\$291	\$318	-8%
Add Back: Unfavorable Impact of Foreign Exchange ²	\$11		
Revenue on a Constant Currency Basis	\$302	\$318	-5%
Operational EBITDA ¹	(\$6)	(\$9)	
Less: Year-Over-Year Favorable Impact of Aluminum Costs	(\$1)		
Adjusted Operational EBITDA	(\$7)	(\$9)	22%

- Strong performance in key growth engines:
 - Volume for KODAK SONORA Process-Free Plates grew by 22 percent
 - Annuities revenue for KODAK PROSPER grew by 12 percent
- Continued investment in ULTRASTREAM and advanced materials

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⁽¹⁾ Operational EBITDA is equivalent to "Segment Operational EBITDA" as presented in Note 21. Segment Information to the financial statements included in the 2019 Form 10-Q.

⁽²⁾ Refer to page 11, footnote 4 of this presentation for the explanation on the calculation of constant currency. There is no impact of foreign exchange on Operational EBITDA for the three months ended March 31, 2019.



First Quarter 2019 Cash Flow

(\$ Millions)

Primary Drivers of Cash:	
Cash from Operations:	
Net Loss	
Depreciation and amortization	
Pension income	
Change in fair value of embedded conversion features derivative liability	
Net gains on sales of businesses/assets	\$21M Use of Cash from Net Earnings
Stock based compensation	
Provision for deferred income taxes	
Change in working capital	\$9M Generation of Cash from Balance Sheet Changes
Decrease in liabilities excluding borrowings and trade payables	
Other items, net	
Net cash used in operating activities	
Net cash used in investing activities	
Net cash provided by (used in) financing activities	
Effect of exchange rate changes on cash and restricted cash	
Net decrease in cash, cash equivalents and restricted cash	

Three Months Ended March 31,

2019	2018	Change
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2019	2018	Change
\$ (18)	\$ (25)	\$ 7
15	19	(4)
(23)	(28)	5
1	14	(13)
-	(1)	1
3	2	1
1	2	(1)
28	(3)	31
(27)	(9)	(18)
8	2	6
(12)	(27)	15
(3)	(10)	7
3	(4)	7
2	5	(3)
\$ (10)	\$ (36)	\$ 26

\$4M Year-Over-Year Decrease in Cash Flow from Net Earnings

\$19M Year-Over-Year Improvement in Cash Flow from Balance Sheet Changes

Net decrease in cash, cash equivalents and restricted cash

\$ (10) \$ (36) \$ 26

Net decrease in restricted cash and cash included in assets held for sale

4 4 -

Net decrease in cash and cash equivalents

\$ (6) \$ (32) \$ 26

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CONCLUDING REMARKS

Non-GAAP Measures

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

- Operational EBITDA;
- Revenues and Operational EBITDA on a constant currency basis;
- Operational EBITDA excluding impact of aluminum costs; and
- Net Loss excluding changes in value for the derivative embedded in the Series A Preferred Stock (“Adjusted Net Loss / Income”).

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”).



Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net Loss to Operational EBITDA and Operational EBITDA excluding the impact of aluminum costs for the three months ended March 31, 2019 and 2018, respectively:

(in millions)

	Q1 2019	Q1 2018	\$ Change	% Change
Net Loss	\$ (18)	\$ (25)	\$ 7	-28%
Depreciation and amortization	15	18	(3)	-17%
Restructuring costs and other ⁽¹⁾	2	2	-	0%
Stock based compensation	3	2	1	50%
Consulting and other costs ⁽²⁾	3	3	-	0%
Idle costs ⁽³⁾	1	1	-	0%
Former CEO separation agreement compensation	2	-	2	n/a
Interest expense ⁽¹⁾	3	2	1	50%
Pension income excluding service cost component ⁽¹⁾	(27)	(32)	5	-16%
Other charges, net ⁽¹⁾	1	16	(15)	-94%
Loss from discontinued operations, net of income tax ⁽¹⁾	6	-	6	n/a
Provision for income taxes ⁽¹⁾	3	4	(1)	-25%
Operational EBITDA	\$ (6)	\$ (9)	\$ 3	33%
Year over year impact of aluminum costs	(1)		(1)	
Operational EBITDA excluding impact of aluminum costs	\$ (7)	\$ (9)	\$ 2	22%

Refer to Page 11 of this presentation for footnote explanations.



Non-GAAP Measures

The following table reconcile the most directly comparable GAAP measure of Net Loss to Net Loss excluding changes in value for the derivative embedded in the Series A Preferred Stock for the three months ended March 31, 2019 and 2018, respectively:

(\$ millions)

Net Loss

Changes in Value for Derivative Embedded in the Series A

Preferred Stock

Adjusted Net Loss

Three Months Ended March 31,			
2019		2018	
\$	(18)	\$	(25)
	1		14
\$	(17)	\$	(11)



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 third-party costs such as security, maintenance and utilities required to maintain land and buildings in certain locations not used in any Kodak operations and the costs, net of any rental income received, of underutilized portions of certain properties.
- (4) The impact of foreign exchange represents the foreign exchange impact using average foreign exchange rates for the three months ended March 31, 2018, rather than the actual exchange rates in effect for the three months ended March 31, 2019.





APPENDIX

2019 First Quarter Financial Summary by Division

(\$ millions)

Q1 2019 Actuals	PSD	EISD	KSD	BFID	AM3D	EBPD	Total EK
Revenue	\$ 192	\$ 32	\$ 14	\$ 49	\$ 2	\$ 2	\$ 291
Operational EBITDA ⁽¹⁾	\$ 5	\$ -	\$ (1)	\$ (7)	\$ (2)	\$ (1)	\$ (6)
Q1 2018 Actuals	PSD	EISD	KSD	BFID	AM3D	EBPD	Total EK
Revenue	\$ 216	\$ 31	\$ 16	\$ 52	\$ 1	\$ 2	\$ 318
Operational EBITDA ⁽¹⁾	\$ 3	\$ -	\$ 1	\$ (7)	\$ (4)	\$ (2)	\$ (9)
Q1 2019 vs. Q1 2018 Actuals B/(W)	PSD	EISD	KSD	BFID	AM3D	EBPD	Total EK
Revenue	\$ (24)	\$ 1	\$ (2)	\$ (3)	\$ 1	\$ -	\$ (27)
Operational EBITDA	\$ 2	\$ -	\$ (2)	\$ -	\$ 2	\$ 1	\$ 3
Q1 2019 Actuals on constant currency ⁽²⁾ vs. Q1 2018 Actuals B/(W)	PSD	EISD	KSD	BFID	AM3D	EBPD	Total EK
Revenue	\$ (15)	\$ 2	\$ (2)	\$ (2)	\$ 1	\$ -	\$ (16)
Operational EBITDA	\$ 1	\$ -	\$ (2)	\$ 1	\$ 2	\$ 1	\$ 3

PSD: Print Systems Division

EISD: Enterprise Inkjet Solutions Division

KSD: Kodak Software Division

BFID: Brand, Film and Imaging Division

AM3D: Advanced Materials and 3D Printing Technology Division

EBPD: Eastman Business Park Division

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Thank You

