



Second Quarter 2019 Earnings Call

August 8, 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 Reports on Form 10-Q for the quarters ended March 31, 2019 and June 30, 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 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, except as required by law.



Agenda

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



Second Quarter Highlights

- Completed the sale of the Flexographic Packaging Division for \$313 million in net proceeds.
- Closed on the issuance and sale of \$100 million aggregate principal amount of 5.00% Secured Convertible Notes due 2021.
- Net proceeds from the sale of the Flexographic Packaging Division and issuance of the Convertible Notes were used to repay in full \$395 million of the First Lien Term Loans.
- On August 3, 2019, reached an agreement with Lucky HuaGuang Graphics Co. Ltd to establish a strategic relationship in the People's Republic of China:
 - Sale of offset printing plates facility in Xiamen, China
 - Supply agreement
 - Intellectual property license agreement related to plates technology



2019 Second Quarter and Year-To-Date Results

(\$ millions)

Net Income

Gain on sale of Flexographic Packaging Business
 Changes in Fair Value of Embedded Derivative Liability Features
 Adjusted Net Loss

		Three Months Ended June 30,	
		2019	2018
\$	201	\$	4
	(207)	\$	-
	(3)		(7)
\$	(9)	\$	(3)

Net Income (Loss)

Gain on sale of Flexographic Packaging Business
 Changes in Fair Value of Embedded Derivative Liability Features
 Adjusted Net Loss

		Six Months Ended June 30,	
		2019	2018
\$	183	\$	(21)
	(207)	\$	-
	(2)		7
\$	(26)	\$	(14)

This document should be read in conjunction with Eastman Kodak Company's Quarterly Report on Form 10-Q for the period ended June 30, 2019 (the "Q2 2019 Form 10-Q").



2019 Second Quarter and First Half Results

(\$ millions)	Q2 2019	Q2 2018	(Decline) / Improvement - %
Revenue	\$307	\$332	-8%
Add Back: Unfavorable Impact of Foreign Exchange ²	\$9		
Revenue on a Constant Currency Basis	\$316	\$332	-5%
Operational EBITDA ¹	(\$1)	(\$2)	
Less: Year-Over-Year Favorable Impact of Aluminum Costs	(\$2)		
Adjusted Operational EBITDA	(\$3)	(\$2)	-50%

(\$ millions)	YTD 2019	YTD 2018	(Decline) / Improvement - %
Revenue	\$598	\$650	-8%
Add Back: Unfavorable Impact of Foreign Exchange ²	\$20		
Revenue on a Constant Currency Basis	\$618	\$650	-5%
Operational EBITDA ¹	(\$7)	(\$11)	
Less: Year-Over-Year Favorable Impact of Aluminum Costs	(\$3)		
Adjusted Operational EBITDA	(\$10)	(\$11)	9%

- Strong performance in key growth engines (Q2 2019 and First Half 2019) :
 - Volume for KODAK SONORA Process-Free Plates grew by 25 percent and 24 percent
 - Annuities revenue for KODAK PROSPER grew by 9 percent and 10 percent
- Continued investment in ULTRASTREAM and advanced materials

This document should be read in conjunction with the Q2 2019 Form 10-Q.

⁽¹⁾ Operational EBITDA is equivalent to “Segment Operational EBITDA” as presented in Note 21. Segment Information to the financial statements included in the Q2 2019 Form 10-Q.

⁽²⁾ Refer to page 12, footnote 5 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 and six months ended June 30, 2019.



First Half 2019 Cash Flow

(\$ Millions)	Six Months Ended June 30,		
	2019	2018	Change
Primary Drivers of Cash:			
Cash from Operations:			
Net earnings (loss)	\$ 183	\$ (21)	\$ 204
Depreciation and amortization	29	39	(10)
Pension income	(45)	(54)	9
Change in fair value of embedded derivatives in Series A Preferred Stock and Convertible Notes	(2)	7	(9)
Net gains on sales of businesses/assets	(209)	(2)	(207)
Stock based compensation	5	3	2
Provision for deferred income taxes	4	5	(1)
Change in working capital	17	(14)	31
Decrease in liabilities excluding borrowings and trade payables	(5)	(22)	17
Other items, net	10	10	-
Net cash used in operating activities	(13)	(49)	36
Net cash provided by (used in) investing activities	297	(16)	313
Net cash used in financing activities	(294)	(8)	(286)
Effect of exchange rate changes on cash and restricted cash	1	(3)	4
Net decrease in cash, cash equivalents and restricted cash	\$ (9)	\$ (76)	\$ 67
Net decrease in cash, cash equivalents and restricted cash	\$ (9)	\$ (76)	\$ 67
Net (increase) decrease in restricted cash and cash included in assets held for sale	(21)	6	(27)
Net decrease in cash and cash equivalents	\$ (30)	\$ (70)	\$ 40

\$35M Use of Cash from Net Earnings

\$22M Generation of Cash from Balance Sheet Changes

\$12M Year-Over-Year Decrease in Cash Flow from Net Earnings

\$48M Year-Over-Year Improvement in Cash Flow from Balance Sheet Changes

This document should be read in conjunction with Q2 2019 Form 10-Q.





CONCLUDING REMARKS

Non-GAAP Measures

In this second 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 the gain on sale of the Flexographic Packaging Business and changes in fair value of embedded derivative liability features for the Series A Preferred Stock and 2019 Convertible Notes (“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”).

The Non-GAAP reconciliation for Net Loss excluding the gain on sale of the Flexographic Packaging Business and changes in fair value of embedded derivative liability features for the Series A Preferred Stock and 2019 Convertible Notes is presented on page 5 of this presentation.



Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net Income to Operational EBITDA and Operational EBITDA excluding the impact of aluminum costs for the three months ended June 30, 2019 and 2018, respectively:

(in millions)

	Q2 2019	Q2 2018	\$ Change	% Change
Net Income	\$ 201	\$ 4	\$ 197	4925%
Depreciation and amortization	14	19	(5)	-26%
Restructuring costs and other ⁽¹⁾	2	2	-	0%
Stock based compensation	2	1	1	100%
Consulting and other costs ⁽²⁾	2	4	(2)	-50%
Idle costs ⁽³⁾	2	-	2	n/a
Other operating expense (income), net, excluding income from transition services agreement ⁽⁴⁾	2	(2)	4	-200%
Interest expense ⁽¹⁾	5	2	3	150%
Pension income excluding service cost component ⁽¹⁾	(26)	(32)	6	-19%
Other charges, net ⁽¹⁾	-	1	(1)	-100%
Income from discontinued operations, net of income taxes ⁽¹⁾	(207)	(1)	(206)	20600%
Provision for income taxes ⁽¹⁾	2	-	2	n/a
Operational EBITDA	\$ (1)	\$ (2)	\$ 1	50%
Year over year favorable impact of aluminum costs	(2)		(2)	
Operational EBITDA excluding impact of aluminum costs	\$ (3)	\$ (2)	\$ (1)	-50%

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 Operational EBITDA excluding the impact of aluminum costs for the six months ended June 30, 2019 and 2018, respectively:

(in millions)

	YTD 2019	YTD 2018	\$ Change	% Change
Net Income (Loss)	\$ 183	\$ (21)	\$ 204	-971%
Depreciation and amortization	29	37	(8)	-22%
Restructuring costs and other ⁽¹⁾	4	4	-	0%
Stock based compensation	5	3	2	67%
Consulting and other costs ⁽²⁾	5	7	(2)	-29%
Idle costs ⁽³⁾	3	1	2	200%
Former CEO separation agreement consideration	2	-	2	n/a
Other operating expense (income), net, excluding income from transition services agreement ⁽⁴⁾	2	(2)	4	-200%
Interest expense ⁽¹⁾	8	4	4	100%
Pension income excluding service cost component ⁽¹⁾	(53)	(64)	11	-17%
Other charges, net ⁽¹⁾	1	17	(16)	-94%
Income from discontinued operations, net of income taxes ⁽¹⁾	(201)	(1)	(200)	20000%
Provision for income taxes ⁽¹⁾	5	4	1	25%
Operational EBITDA	\$ (7)	\$ (11)	\$ 4	36%
Year over year favorable impact of aluminum costs	(3)		(3)	
Operational EBITDA excluding impact of aluminum costs	\$ (10)	\$ (11)	\$ 1	9%

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.
- (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) \$2 million of income from the transition services agreement related to the sale of the Flexographic Packaging Business was recognized in the quarter and year-to-date period ended June 30, 2019. The income was reported in Other operating income, net in the Consolidated Statement of Operations. Other operating 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 represents the foreign exchange impact using average foreign exchange rates for the three or six months ended June 30, 2018, rather than the actual exchange rates in effect for the three or six months ended June 30, 2019.





APPENDIX

2019 Second Quarter Financial Summary by Division

(\$ millions)

Q2 2019 Actuals	PSD	EISD	KSD	BFID	AM3D	EBPD	Total EK
Revenue	\$ 207	\$ 29	\$ 14	\$ 54	\$ -	\$ 3	\$ 307
Operational EBITDA ⁽¹⁾	\$ 7	\$ (3)	\$ -	\$ (2)	\$ (3)	\$ -	\$ (1)
Q2 2018 Actuals	PSD	EISD	KSD	BFID	AM3D	EBPD	Total EK
Revenue	\$ 227	\$ 33	\$ 16	\$ 53	\$ 1	\$ 2	\$ 332
Operational EBITDA ⁽¹⁾	\$ 6	\$ 1	\$ 1	\$ (5)	\$ (4)	\$ (1)	\$ (2)
Q2 2019 vs. Q2 2018 Actuals B/(W)	PSD	EISD	KSD	BFID	AM3D	EBPD	Total EK
Revenue	\$ (20)	\$ (4)	\$ (2)	\$ 1	\$ (1)	\$ 1	\$ (25)
Operational EBITDA	\$ 1	\$ (4)	\$ (1)	\$ 3	\$ 1	\$ 1	\$ 1
Q2 2019 Actuals on constant currency ⁽²⁾ vs. Q2 2018 Actuals B/(W)	PSD	EISD	KSD	BFID	AM3D	EBPD	Total EK
Revenue	\$ (13)	\$ (3)	\$ (2)	\$ 2	\$ (1)	\$ 1	\$ (16)
Operational EBITDA	\$ -	\$ (3)	\$ (1)	\$ 3	\$ 1	\$ 1	\$ 1

PSD: Print Systems Division

EISD: Enterprise Inkjet Systems 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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2019 Year-to-Date Financial Summary by Division

(\$ millions)

YTD 2019 Actuals	PSD	EISD	KSD	BFID	AM3D	EBPD	Total EK
Revenue	\$ 399	\$ 61	\$ 28	\$ 103	\$ 2	\$ 5	\$ 598
Operational EBITDA ⁽¹⁾	\$ 12	\$ (3)	\$ (1)	\$ (9)	\$ (5)	\$ (1)	\$ (7)
YTD 2018 Actuals	PSD	EISD	KSD	BFID	AM3D	EBPD	Total EK
Revenue	\$ 443	\$ 64	\$ 32	\$ 105	\$ 2	\$ 4	\$ 650
Operational EBITDA ⁽¹⁾	\$ 9	\$ 1	\$ 2	\$ (12)	\$ (8)	\$ (3)	\$ (11)
YTD 2019 vs. YTD 2018 Actuals B/(W)	PSD	EISD	KSD	BFID	AM3D	EBPD	Total EK
Revenue	\$ (44)	\$ (3)	\$ (4)	\$ (2)	\$ -	\$ 1	\$ (52)
Operational EBITDA ⁽¹⁾	\$ 3	\$ (4)	\$ (3)	\$ 3	\$ 3	\$ 2	\$ 4
YTD 2019 Actuals on constant currency ⁽²⁾ vs. YTD 2018 Actuals B/(W)	PSD	EISD	KSD	BFID	AM3D	EBPD	Total EK
Revenue	\$ (28)	\$ (1)	\$ (4)	\$ -	\$ -	\$ 1	\$ (32)
Operational EBITDA	\$ 1	\$ (3)	\$ (3)	\$ 4	\$ 3	\$ 2	\$ 4

PSD: Print Systems Division

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Thank You

