



First Quarter 2020 Earnings Call

May 12, 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 Report on Form 10-Q for the quarter ended March 31, 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; 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**
- **First Quarter 2020 Financial Results and Review** **David Bullwinkle, Chief Financial Officer**
- **Questions and Answers** **Jim Continenza and David Bullwinkle**



CEO Perspective

- Started 2020 with a strong balance sheet, including \$233 million of cash and cash equivalents
- New, simplified organization structure for 2020 is better aligned with customers' needs by providing a "One Kodak" customer first experience and better allows us to continue to focus on generating cash through:
 - Growing profitable revenue
 - Reducing operating expenses
 - Eliminating or delaying product development programs
 - Introduction of new products and capabilities
- Remain committed to the print industry:
 - Doubling down on digital
 - Continue to invest approximately \$25 million/year in developing leading-edge technologies
 - Focused on packaging segment, which continues to grow; revolutionary Uteco Sapphire EVO Wide press for flexible packaging powered by Kodak ULTRASTREAM inkjet technology
 - Launching exciting new products in the coming months via virtual press conference, ranging from process-free plates to a groundbreaking innovation in digital print
- COVID-19 update:
 - Many of our businesses and customers have been deemed essential and are operating during the shut down
 - Leveraging the Advanced Materials and Chemical and manufacturing expertise to assist with the pandemic
 - Reducing costs by salary reductions and targeted furlough actions and taking advantage of any governmental programs to provide additional liquidity



First Quarter Results

(\$ millions)	Q1 2020	Q1 2019	(Decline) / Improvement - \$
Consolidated Revenue	\$267	\$291	(\$24)
Add Back: Unfavorable Impact of Foreign Exchange ²	\$3		
Consolidated Revenue on a Constant Currency Basis	\$270	\$291	(\$21)
Net Loss	(\$111)	(\$18)	(\$93)
Changes in Fair Value of Embedded Derivative Liability Features	(\$53)	\$1	
Trade Name Impairment	\$3		
Increase in Accounts Receivable Reserves	\$4		
Increase in Deferred Tax Valuation Allowances	\$167		
Adjusted Net Income (Loss)	\$10	(\$17)	\$27
Operational EBITDA ¹	(\$8)	(\$5)	(\$3)
Add Back: Increase in Accounts Receivable Reserves	\$4		
Operational EBITDA Excluding Increase in Accounts Receivable Reserves	(\$4)	(\$5)	\$1

- Volume for KODAK SONORA Process-Free Plates grew by 18 percent
- Annuities revenue for KODAK PROSPER declined by 4 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 March 31, 2020 (the "Q1 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 Q1 2020 Form 10-Q.

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



First Quarter Cash Flow

(\$ Millions)	Three Months Ended March 31,			
	2020	2019	Change	
Primary Drivers of Cash:				
Cash from Operations:				
Net loss	\$ (111)	\$ (18)	\$ (93)	\$2M Year-Over-Year Increase in Cash Flow from Net Earnings
Depreciation and amortization	10	15	(5)	
Pension income	(22)	(23)	1	
Change in fair value of embedded conversion features derivatives	(53)	1	(54)	
Net gain on sales of businesses/assets	(8)	-	(8)	
Asset impairments	3	-	3	\$19M Use of Cash from Net Earnings
Stock based compensation	1	3	(2)	
Provision for deferred income taxes	161	1	160	
Change in working capital	(6)	28	(34)	
Decrease in liabilities excluding borrowings and trade payables	(27)	(27)	-	
Other items, net	11	8	3	\$22M Use of Cash from Balance Sheet Changes
Net cash used in operating activities	(41)	(12)	(29)	
Net cash used in investing activities	(1)	(3)	2	
Net cash (used in) provided by financing activities	(3)	3	(6)	
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(4)	2	(6)	
Net decrease in cash, cash equivalents, restricted cash and cash in assets held for sale	\$ (49)	\$ (10)	\$ (39)	
Net decrease in cash, cash equivalents, restricted cash and cash in assets held for sale	\$ (49)	\$ (10)	\$ (39)	
Net decrease (increase) in restricted cash and cash included in assets held for sale	25	(2)	27	
Net decrease in cash and cash equivalents	\$ (24)	\$ (12)	\$ (12)	

This document should be read in conjunction with Q1 2020 Form 10-Q.





Questions and Answers

Non-GAAP Measures

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

- Revenues and Operational EBITDA on a constant currency basis;
- Net Loss 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 and the increase in deferred tax valuation allowances (“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”).

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 months ended March 31, 2019, rather than the actual average exchange rates in effect for the three months ended March 31, 2020.



Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net Loss to Adjusted Net Income (Loss) for the three months ended March 31, 2020 and 2019, respectively:

(in millions)

	Three Months Ended March 31,	
	2020	2019
Net Loss	\$ (111)	\$ (18)
Changes in Fair Value of Embedded Derivative Liability Features	(53)	1
Trade Name Impairment	3	-
Increase in Accounts Receivable Reserves	4	-
Increase in Deferred Tax Valuation Allowances	167	-
Adjusted Net Income (Loss)	<u>\$ 10</u>	<u>\$ (17)</u>



Non-GAAP Measures

The following table reconciles the most directly comparable GAAP measure of Net Loss to Operational EBITDA and Operational EBITDA excluding the increase in accounts receivable reserves for the three months ended March 31, 2020 and 2019, respectively:

(in millions)

	Q1 2020	Q1 2019	\$ Change
Net Loss	\$ (111)	\$ (18)	\$ (93)
All Other	1	1	-
Depreciation and amortization	10	15	(5)
Restructuring costs and other ⁽¹⁾	7	2	5
Stock based compensation	1	3	(2)
Consulting and other costs ⁽²⁾	-	3	(3)
Idle costs ⁽³⁾	-	1	(1)
Former CEO separation agreement compensation	-	2	(2)
Other operating income, net, excluding income from transition services agreement ⁽⁴⁾	(6)	-	(6)
Interest expense ⁽¹⁾	4	3	1
Pension income excluding service cost component ⁽¹⁾	(26)	(27)	1
Other (income) charges, net ⁽¹⁾	(53)	1	(54)
Loss from discontinued operations, net of income tax ⁽¹⁾	-	6	(6)
Provision for income taxes ⁽¹⁾	165	3	162
Operational EBITDA	\$ (8)	\$ (5)	\$ (3)
Increase in accounts receivable reserves	4	-	4
Operational EBITDA Excluding Increase in Accounts Receivable Reserves	\$ (4)	\$ (5)	\$ 1

Refer to Page 11 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 quarter ended March 31, 2020. 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.





APPENDIX

First Quarter Financial Summary by Reportable Segment

(\$ millions)

Q1 2020 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 154	\$ 65	\$ 42	\$ 3	\$ 264
Operational EBITDA ⁽¹⁾	\$ 1	\$ (2)	\$ (9)	\$ 2	\$ (8)

Q1 2019 Actuals	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ 166	\$ 72	\$ 48	\$ 3	\$ 289
Operational EBITDA ⁽¹⁾	\$ 6	\$ (1)	\$ (11)	\$ 1	\$ (5)

Q1 2020 vs. Q1 2019 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (12)	\$ (7)	\$ (6)	\$ -	\$ (25)
Operational EBITDA	\$ (5)	\$ (1)	\$ 2	\$ 1	\$ (3)

Q1 2020 Actuals on constant currency ⁽²⁾ vs. Q1 2019 Actuals B/(W)	Traditional Printing	Digital Printing	Advanced Materials & Chemicals	Brand	Total
Revenue	\$ (10)	\$ (6)	\$ (6)	\$ -	\$ (22)
Operational EBITDA	\$ (5)	\$ (1)	\$ 2	\$ 1	\$ (3)

This document should be read in conjunction with Q1 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 Q1 2020 Form 10-Q.

⁽²⁾ 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

