In this third quarter 2024 financial results news release, reference is made to the following non-GAAP financial measures:

* Operational EBITDA; and
* Revenues on a constant currency basis.

Kodak believes that these non-GAAP measures represent important internal measures of performance. 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 from operations excluding the provision for income taxes; non-service cost components of pension and other postemployment benefits income; depreciation and amortization expense; restructuring costs and other; stock-based compensation expense; consulting and other costs; interest expense; loss on extinguishment of debt; and other (income) charges, net.

The change in revenues on a constant currency basis, as presented in this financial results news release, is calculated by using average foreign exchange rates for the three months ended September 30, 2023, rather than the actual average exchange rates in effect for the three months ended September 30, 2024.

The following table reconciles the most directly comparable GAAP measure of Net Income to Operational EBITDA for the three months ended September 30, 2024 and 2023, respectively:

 

Footnote Explanations:

1. Restructuring costs and other for the three months ended September 30, 2023 included $1 million which was reported as Restructuring costs and other and $2 million representing inventory write-downs which was reported as Cost of revenues.
2. Consulting and other costs are primarily professional services and internal costs associated with certain corporate strategic initiatives, investigations and litigation. Consulting and other costs included $1 million of income in the three months ended September 30, 2023, representing insurance reimbursement of legal costs previously paid by the Company associated with investigations and litigation matters.
3. As reported in the Consolidated Statement of Operations.