



Your email address..

Subscribe

Inside Imaging

TECHNOLOGY, TRENDS & BUSINESS NEWS

August 11, 2021



Epson SureLab Printer

Sales, Support & Connectivity



Lucky Jim!

JULY 31, 2020

Kodak's Jim Continenza has to be a contender for **'Luckiest CEO in the World'**. Under his watch, as we reported exclusively in April, Eastman Kodak was heading rapidly towards no longer being 'a going concern'. It's not a great career move to lead a 132-year-old US icon into bankruptcy.



This is from its own [2019 Annual Report](#): 'Kodak is facing liquidity challenges due to operating losses and low or negative cash flow from operations... The current cash balance outside of China, recent trend of low or negative operating cash flow, maturity and redemption dates in 2021 for the Convertible Notes and Series A Preferred Stock and **lack of certainty regarding a sustainable return to positive cash flow raise substantial doubt about Kodak's ability to continue as a going concern.**'

If the \$1 billion loan from the US Government goes through – final agreement is yet to be signed – it changes everything for Eastman Kodak. Last week it had little or no prospects of paying creditors when its next set of payments came due next year. It was 'a dead man walking', with COVID-19 rendering it even dead. Prior to the announcement on July 28, Eastman Kodak's market capitalisation was just US\$115 million. With a share price of \$33, it is now \$1.4 billion!

'Lucky' Jim Contineza, Eastman Kodak CEO: He not only gets to keep his job but he has made a paper profit of \$200 million on his share holdings in Eastman Kodak.

Almost overnight, those pending repayments and the securing of new creditors change from being impossible to eminently achievable.

But Jim Continenza's luck doesn't stop at getting to keep his job. According to the [news website Slate](#), and the [New York Post](#), he bought about 47,000 shares of Eastman Kodak stock on June 23 for \$2.22, five weeks before news of the loan became public. The 'paper profit' from that transaction alone is currently US\$1.6 million. He also happens to be the largest individual shareholder in Eastman Kodak. On Monday this week his 650,000 Kodak shares were worth just US\$1.3 million. By Wednesday afternoon, they were worth over US\$200 million! Kodak says the purchase was simply part of his regular ongoing investment in the company. Then there are the stock options. He has 2.5 million stock options that vest in 2026 at prices between US\$3.03 and US\$12 a share.

Kodak Alaris an option again?

While this is indeed a welcome second act for Eastman Kodak and Mr Continenza, his equivalent at Kodak Alaris, now-former CEO Marc Jourlait, finished his tenure on July 31. While Kodak Alaris didn't see fit to make an announcement regarding the CEO's departure, Marc Jourlait told *Inside Imaging*: 'I voluntarily stepped down last week in planful and amicable way and passed the baton to my CFO who is now CEO, all in good spirits and on good terms with my Chairman and Board and our shareholder.

'This had been in the works for some time. As an Executive Director of the company and Board member, I did "resign" from that role as I stepped down as CEO.'

(In the original version of this story we stated that Marc Jourlait had been 'terminated', based on a document from Companies House, UK.)

The new Kodak Alaris CEO is Mark Alflatt, who previously played the role of CFO from 2016. (You read it here first, folks!)

We also reported exclusively that Eastman Kodak was [interested in re-acquiring Kodak Alaris](#), which it off-loaded in 2013 along with a US\$2.4 billion debt to the UK Kodak Pensioners Fund. We wrote at the time, 'but if our reading of Eastman Kodak's last financial report is correct, Eastman Kodak is in no position to buy anything.'

Kodak Alaris' Chinese manufacturer/distributor Sino Promise purchased the [paper and chemistry segment](#) of Kodak Alaris – we understand the sale price was a mere \$8 million – but left the rest on the table.

As far as we are aware, the real jewel in the crown of Kodak Alaris, the Kodak Moments business, which now includes Kodak film, is still up for sale. A source close to Kodak Alaris has told *Inside Imaging* that Kodak Alaris itself is now under similar pressure from creditors to that Eastman Kodak was experiencing.

We have been told Kodak Alaris' main credit source, HSBC, is withdrawing its lending facility and that the company has so far been unsuccessful in its search for an alternative lender. A 'cash crunch' is looming next January.

If ever there were two businesses 'joined at the hip' it is Eastman Kodak and Kodak Alaris. Especially now that it has been relieved of its legacy debt burden (which was formerly EKC's) owning Kodak Alaris makes a lot of business sense for a credit-worthy and cashed up Eastman Kodak, and if our information regarding Kodak Alaris' financial position is correct, for that business as well.