

# FY 2021 RESULTS AND STRATEGIC UPDATE

February 24, 2022



## FORWARD LOOKING STATEMENTS

**This presentation** contains certain statements that constitute "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions or which do not directly relate to historical or current facts.

**Such forward-looking statements** are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the future results expressed, forecasted or implied by such forward-looking statements.



**For a more complete list** and description of such risks and uncertainties, refer to Technicolor's filings with the French Autorité des Marchés Financiers.

# KEY HIGHLIGHTS

# KEY HIGHLIGHTS

## Strong business performance across all divisions

- FY21 guidance achieved in a challenging environment
- FY22 guidance confirmed

## Intention to list and spin off 65% of Technicolor Creative Studios through a distribution-in-kind to Technicolor shareholders

- Creating an independent global leader in VFX, offering a “pure play” equity story
- Technicolor Ex-TCS to retain leadership status in its segments, with a targeted stronger balance sheet and improved liquidity

## Intention to further deleverage while refinancing Technicolor’s existing debt

- New capital structure to reflect proposed spin-off, with debt allocated between TCS and Technicolor Ex-TCS
- Commitment from selected shareholders to subscribe to a €300m Mandatory Convertible Notes, convertible into Technicolor shares prior to the proposed TCS Distribution

## Sale of Trademark Licensing

- Technicolor received a binding offer to sell its Trademark Licensing operations for €100m in cash, subject to closing conditions
- Another step in the direction of further deleveraging and simplification

**After 2 years of transformation,** the Group now has solid foundations, operating 3 profitable businesses, each a leader in its respective market. Technicolor now intends to take a further step to align strategy, value creation and financial objectives for its stakeholders

## 2021 GUIDANCE ACHIEVED

In € million	Guidance made in June 2020		2021a	2021 @constant rate <sup>(2)</sup>
	2020a	2021e		
Adj. Continuing EBITDA	163	<b>270</b>	<b>268</b>	<input checked="" type="checkbox"/> <b>272</b>
Adj. Continuing EBITA	(59)	<b>60</b>	<b>95</b>	<input checked="" type="checkbox"/> <b>96</b>
Continuing FCF <sup>(1)</sup>	(124)	<b>c. 0</b>	<b>(2)</b>	<input checked="" type="checkbox"/> <b>(5)</b>
Net debt to EBITDA leverage ratio should reduce to below 4X level by December 2021				<input checked="" type="checkbox"/> <b>3.87</b>

(1) Before financial results and tax. Free cash flow defined as: Adj. EBITDA – (net capex + restructuring cash expenses + change in pension reserves + change in working capital and other assets & liabilities + cash impact of other non-current result)

(2) Including IFRIC adjustment on SaaS of €(3) million on EBITDA and €(1) million on EBITA

## In 2021

the Group continued to develop and execute its transformation program: improving operational and financial performance, sustained by strong demand in a volatile business environment

# Outlook is strong: 2022 guidance confirmed

## 2022 GUIDANCE CONFIRMED

- Revenues from continuing operations are expected to **grow**
- Adjusted EBITDA from continuing operations of **€375m**
- Adjusted EBITA from continuing operations of **€175m**
- FCF<sup>(1)</sup> from continuing operations of **€230m**
- Run-rate cost savings target of **€325m** by 2022, with €116m and €171m delivered in 2021 and 2020 respectively

*(1) Before financial results and tax. Free cash flow defined as: Adj. EBITDA – (net capex + restructuring cash expenses + change in pension reserves + change in working capital and other assets & liabilities + cash impact of other non-current result)*

*2022 guidance was confirmed on November 3, 2021, assuming a €/€ constant exchange rate of 1.15. 2022 guidance numbers presented have been restated to reflect recent changes in accounting methods (IFRIC interpretation on Saas)*



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# BUSINESS UPDATE



# TCS IN 2021: ANOTHER YEAR OF OUTSTANDING SUCCESS



## M P C

30+ THEATRICAL AND 60+  
STREAMING / EPISODIC  
PROJECTS



ACADEMY  
AWARDS

2

NOMINATIONS



BAFTA

1

NOMINATION



VISUAL  
EFFECTS  
SOCIETY

1

WIN

**mikros**  
ANIMATION

IN PRODUCTION IN 2021: 5+  
FEATURES AND 17+ EPISODIC  
SERIES OR TV SPECIALS



AN INDEPENDENT GLOBAL LEADER IN  
TECH-ENABLED CONTENT CREATION WITH AN  
AWARD-WINNING PORTFOLIO



CONTRIBUTION TO OVER  
3,000 PROJECTS



BRITISH  
ARROWS  
AWARDS

6

WINS



CREATIVE  
CIRCLE  
AWARDS

7

WINS



KINSALE  
SHARK  
AWARDS

4

WINS



CANNES  
LIONS

3

WINS



LIA  
AWARDS

3

WINS



VISUAL  
EFFECTS  
SOCIETY

3

WINS

BURBERRY, XBOX AND VERIZON ADS  
RECEIVED AWARDS FOR BEST VFX

technicolor

**GAMES**

COLLABORATION ON  
**MAJOR GAMES IP**



# TCS IN 2021: A FURTHER STEP TOWARDS A MORE EFFICIENT AND INTEGRATED ORGANIZATION



## technicolor CREATIVE STUDIOS

Creation of Technicolor Creative Studios (previously Production Services), organized into 4 focused business lines led by 4 experienced managers



**Christian Roberton**  
*President of TCS*

Transformation of Production Services into TCS

## M P C



**Tom Williams**  
*President*

VFX brands MPC Film, MPC Episodic and Mr. X integrated in early 2022



**Josh Mandel**  
*President*

The Mill and MPC Advertising integrated in early 2022

## mikros ANIMATION



**Andrea Miloro**  
*President*

Integration of Technicolor Animation Productions, Technicolor Animation and Mikros Animation

## technicolor GAMES



**Jeaneane Falker**  
*President*

Carve-out from prior Animation & Games service line to provide creative tech solutions to the gaming sector

Launch of a series of consolidated, single-site, multi-brand campus locations, hosting world-best VFX, Animation and other TCS production studios

Technicolor Academy programs expanded and adapted to virtual learning under Academy @ TCS Talent ([www.tcstalent.com](http://www.tcstalent.com))

Centralized Global Production Infrastructure and R&D teams to eliminate inefficiencies

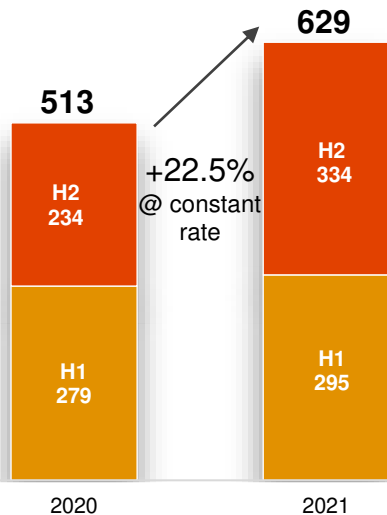
Sale of Post Production in April 2021

# TCS FINANCIAL PERFORMANCE: STRONG POST-LOCKDOWN RECOVERY AND BURGEONING DEMAND FOR CONTENT

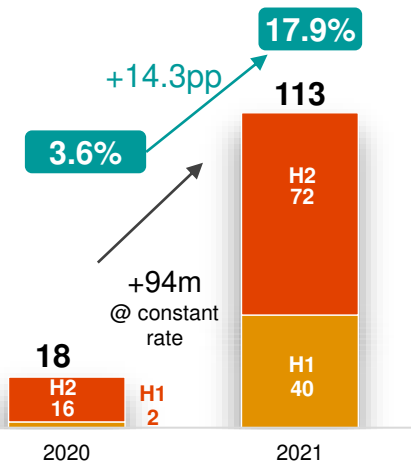


## 2021: IMPROVED FINANCIAL PERFORMANCE

REVENUES (in € million)



ADJUSTED EBITDA (in € million)  
EBITDA MARGIN (in %)



**REVENUE UP 37.2% YOY AT CONSTANT RATE AND PERIMETER:** massive demand for original content across all business lines, and faster than anticipated recovery in ad spending

**IMPROVED EBITDA MARGINS:**

- Higher revenues across all businesses
- Positive impact of multiple operational transformation programs
- Permanent cost reduction measures

**TCS STAFF** increased from c. 7,700 at the end of Dec. 2020 to c. 10,560 at the end of Dec. 2021

## 2022 OUTLOOK

- Demand for TCS VFX and Animation services of the highest quality artistry and cutting-edge technology expected to continue to grow significantly throughout 2022
- Multiple new projects awarded for Film & Episodic Visual Effects and Animation: 2/3<sup>rd</sup>s of 2022 pipeline committed
- Significant investment in artist recruitment, retention and training (including TCS Academy programs)



# CONNECTED HOME IN 2021: BUSINESS SUCCESS DRIVEN BY AGILE RESPONSE TO SEMICONDUCTOR CRISIS



## STRONG ACTIVITY IN NORTH AMERICA WITH MAJOR CABLE OPERATORS FOR BROADBAND SOLUTIONS

- ◆ DOCSIS 3.1: milestone of over 20m RDK broadband gateways deployed

LEADERSHIP IN KEY MARKET SEGMENTS STRENGTHENED WITH NEW DEALS WITH MAJOR OPERATORS IN EMEA AND AMERICAS

SIGNIFICANT MARKET DEMAND DESPITE CONTINUING SUPPLY CONSTRAINTS RESULTING FROM THE PANDEMIC



## CONTINUED INNOVATION

- ◆ Wi-Fi 6/6E: Several projects to design the next-generation of CPE devices in EMEA and Americas
- ◆ Android TV: over 10m set-top boxes shipped worldwide
- ◆ Launch of new innovative set-top boxes



## ECOVADIS CSR

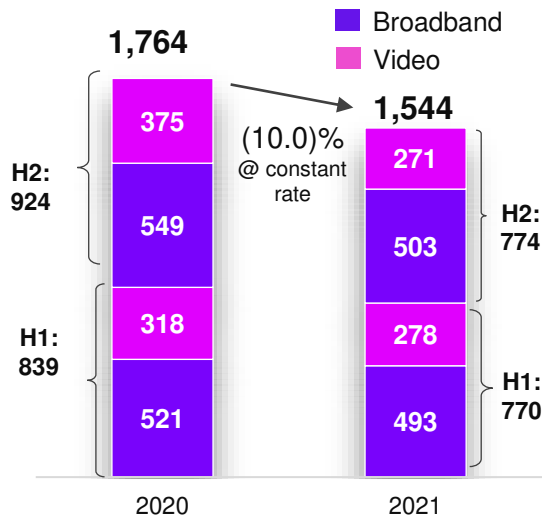
- ◆ EcoVadis ranked Technicolor in the top 1% of its industry with advanced assessments across Environment, Labor and Human Rights, Ethics and Sustainable Procurement

# CONNECTED HOME: FINANCIAL PERFORMANCE

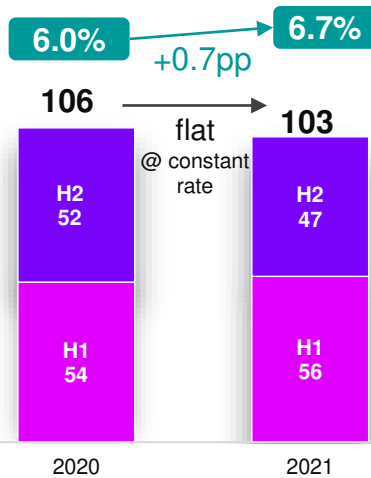


## 2021: A CHALLENGING YEAR EFFICIENTLY MANAGED

REVENUES (in € million)



ADJUSTED EBITDA (in € million)  
EBITDA MARGIN (in %)



### REVENUE DOWN:

- Worldwide component crisis, and supply chain bottlenecks limited our ability to serve the strong demand from customers
- Broadband share of revenue up: 64% in 2021 vs. 61% in 2020
- Underlying demand was higher than 2020 sales

### EBITDA DOWN IN ABSOLUTE VALUE. MARGIN UP 0.7PP:

- Revenue decline along with higher component prices not fully passed on to customers
- Offset by higher efficiencies and cost savings

### THE DIVISION WORKED WITH CLIENTS AND SUPPLIERS to optimize deliveries, and mitigate further profitability and working capital impacts

## 2022 OUTLOOK

- ▶ Demand for Connected Home broadband boxes is expected to remain strong
- ▶ Shortage in components delivery and pricing challenges to continue in 2022, to be compensated by:
  - Efficiency measures
  - Progressive improvements in delivery
  - Constant discussions with suppliers and customers



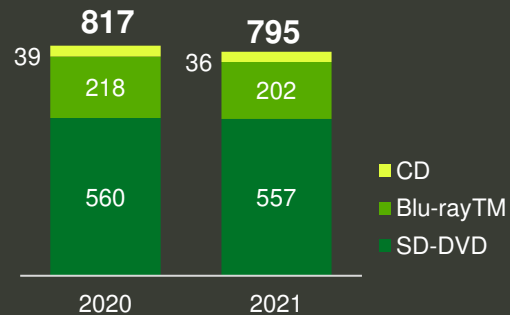
# DVD SERVICES IN 2021: A YEAR OF COMMERCIAL SUCCESSES AND OPERATIONAL EFFICIENCIES



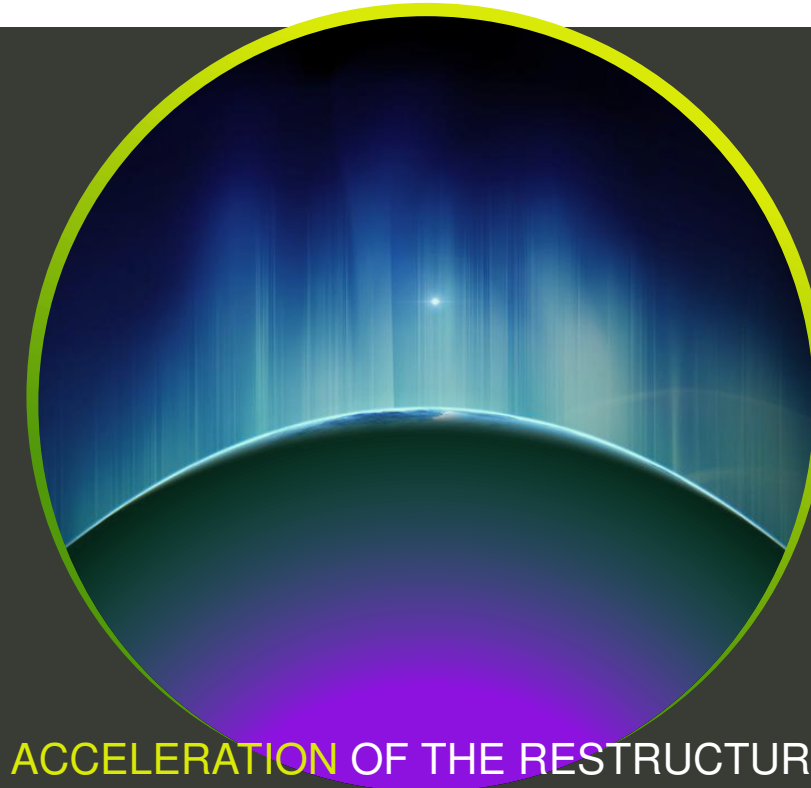
## DISC BUSINESS: CONTINUING RESILIENCE OF BACK CATALOG

### DISC VOLUMES BREAKDOWN (in m of units)

→ Volumes only down 2.7% YoY compared to previous pre-pandemic annual decline of 11%



DVD BUSINESS FOR ALL THE MAJOR STUDIOS REMAINS NO.1 IN THE WORLD with 65%<sup>(1)</sup> global market share and 90%<sup>(1)</sup> US market share



## ACCELERATION OF THE RESTRUCTURING PLAN AND OPERATIONAL EFFICIENCIES

**CLOSURE OF 4 FACILITIES:** Canadian and Huntsville (Alabama) facilities were substantial closures, and their activities were integrated into Memphis hub

## NEW GROWTH BUSINESSES: KEY COMMERCIAL SUCCESSES

### ACTIVE, MULTIFACETED DIVERSIFICATION AND GROWTH STRATEGY

#### MIICROFLUIDICS

→ ISO 13485 (CA) and manufacture of Antibiotic diagnostic cartridges to client EU IVDD standard for Microfluidic cartridge and medical device engineering in Poland (Nov 2021)



#### VINYL

→ Final contract negotiations in process with multiple major music labels

#### SUPPLY CHAIN/FULFILMENT

→ Management of 50,000 consolidated shipments per day for some of the most prominent names in media & consumer products

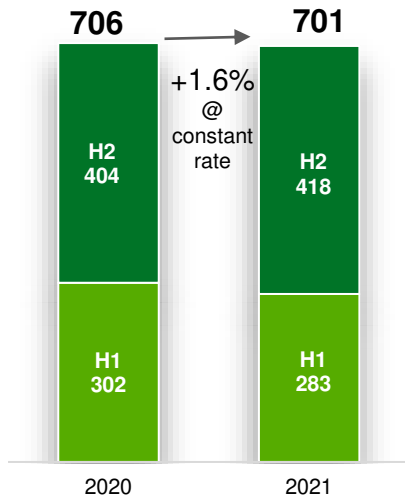


# DVD SERVICES IN 2021

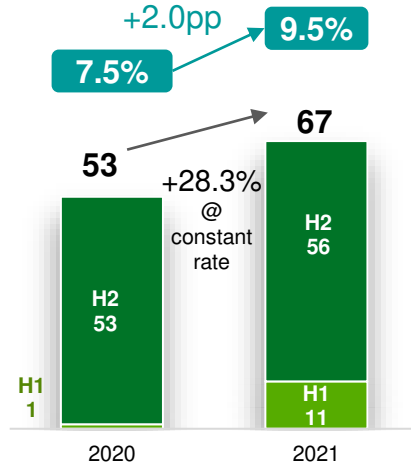


## 2021: SHOWING THE RESULTS OF OUR OPERATIONAL RESTRUCTURING

REVENUES (in € million)



ADJUSTED EBITDA (in € million)  
EBITDA MARGIN (in %)



## 2022: OUTLOOK

- Improving format mix
- Cost efficiencies, to mitigate anticipated modest disc volume decline
- Transformation pursued since 2020 will facilitate efficient execution and further expansion of non-disc businesses

### REVENUES UP 1.6% YOY AT CONSTANT RATE:

- Growth in new distribution and freight businesses in the US

### SIGNIFICANT EBITDA AND EBITDA MARGIN IMPROVEMENT:

- Significant YoY footprint optimization
- Cost savings
- Higher non-disc activity in the US

CONTINUOUS IMPROVEMENT of distribution and manufacturing operations and related customer contract agreements

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**KEY**

# PERFORMANCE FIGURES

## KEY FIGURES FULL YEAR – GROUP

	2021		2020	vs. LY		Forex impact	vs. LY at constant rate	
	(in € million)			(a)	(b)		(c=a+b)	
	Current rate	LY rate	LY rate	Current rate		LY rate	LY rate	
<b>Revenues</b>	<b>2,898</b>	<b>2,957</b>	<b>3,006</b>	<b>(108)</b>	<b>(3.6)%</b>	<b>+58</b>	<b>(50)</b>	<b>(1.7)%</b>
Adjusted EBITDA	268	272	163	+106	+64.9%	+4	+109	+67.2%
in % of Revenues	9.3%	9.2%	5.4%					
D&A <sup>(1)</sup> & Reserves <sup>(2)</sup> w/o PPA amortization	(173)	(176)	(222)	+49	+21.9%	(3)	+45	+20.4%
Adjusted EBITA	95	96	(59)	+154	ns	+1	+155	ns
PPA amortization	(38)	(39)	(40)	+2	+5.9%	(1)	+1	+3.3%
Non-recurring items	(28)	(29)	(168)	+140	+83.6%	(1)	+139	+82.7%
EBIT	30	28	(267)	+297	ns	(2)	+295	ns
Net Result Continuing	(121)	(124)	(196)	+75	+38.2%	(3)	+72	+36.8%
Net Result Discontinued	(19)	(19)	(15)	(4)	(25.5)%	+0	(4)	(24.7)%
Net Result Group (Group share)	(140)	(142)	(211)	+71	+33.7%	(3)	+68	+32.4%
Adjusted EBITDA	268	272	163	+106	+64.9%	+4	+109	+67.2%
Capex	(95)	(97)	(104)	+9	+8.3%	(3)	+6	+5.9%
Non-recurring items (cash impact)	(95)	(95)	(80)	(15)	(18.2)%	(0)	(15)	(18.5)%
WC-OAL variation <sup>(1)</sup>	(81)	(85)	(103)	+22	+21.6%	(4)	+18	+17.9%
FCF before Financial & Tax	(2)	(5)	(124)	+122	+98.2%	(3)	+119	+96.0%
FCF after Financial & Tax	(82)	(86)	(190)	+109	+57.1%	(4)	+105	+55.0%
Net Debt (IFRS)	(1,039)	(1,028)	(812)	(227)	(27.9)%			

<sup>(1)</sup> Including IT capacity use for rendering in Technicolor Creative Studios of 0m€ in 2021 and (2)m€ in 2020

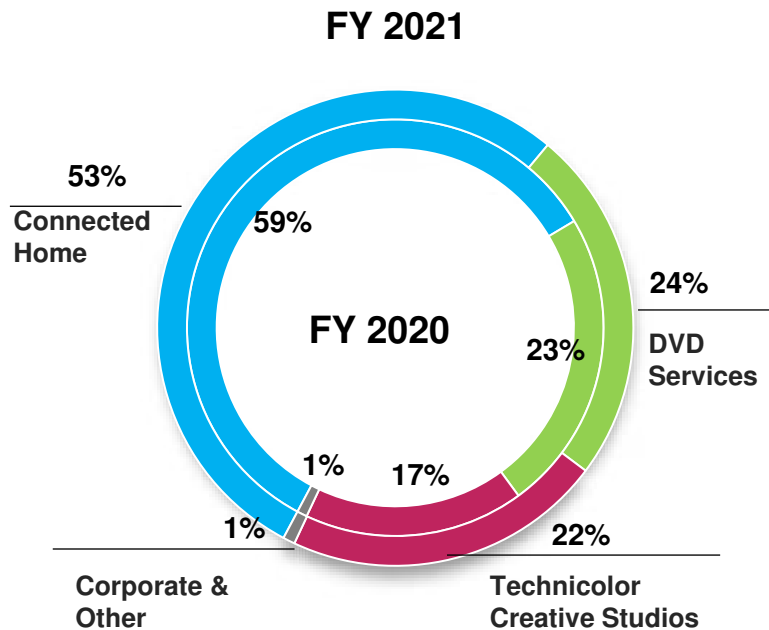
<sup>(2)</sup> Risk, litigation and warranty reserves

# GROUP PROFILE

## REVENUE EVOLUTION

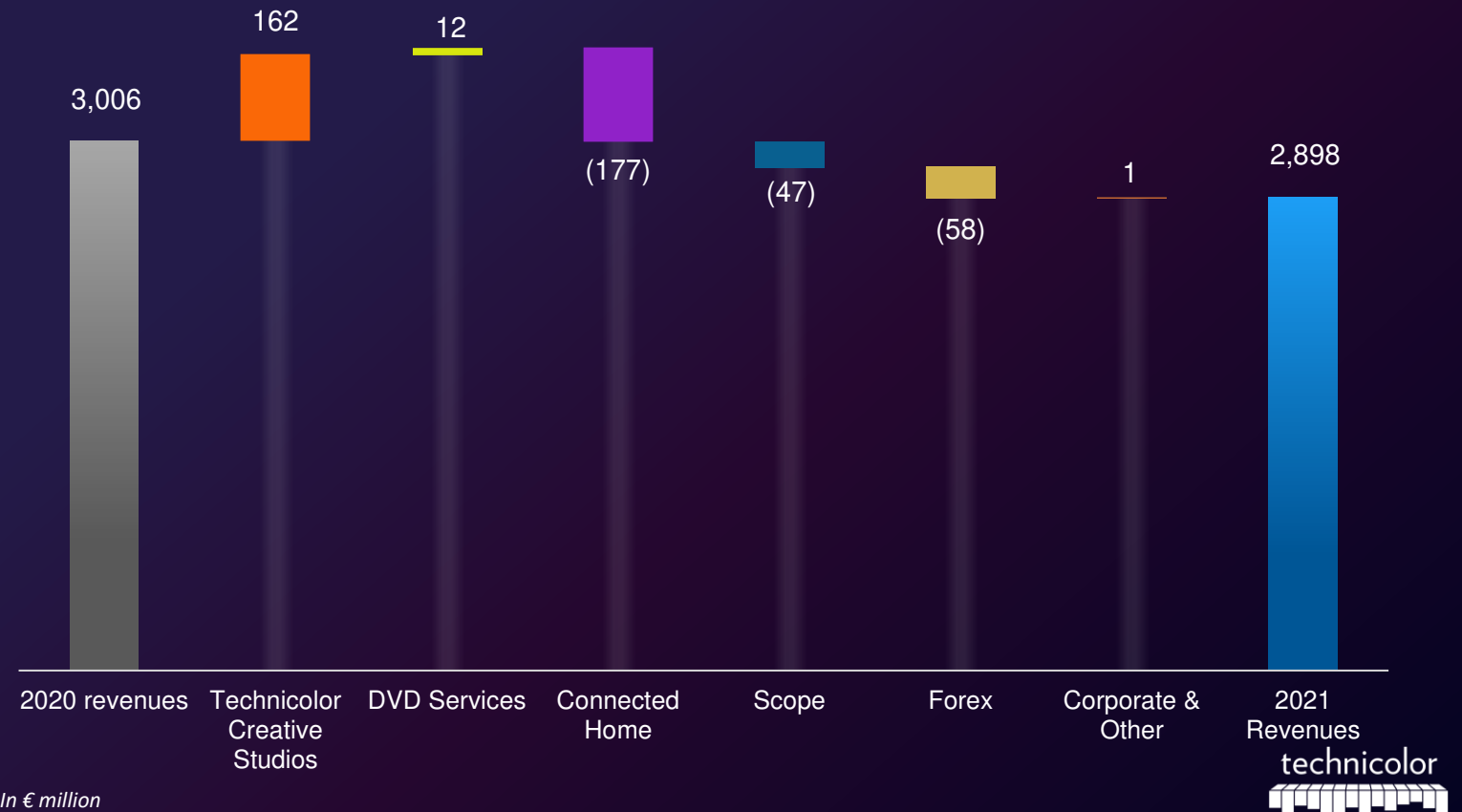
### FY REVENUES BY SEGMENT

FY 2021 REVENUES: €2,898m



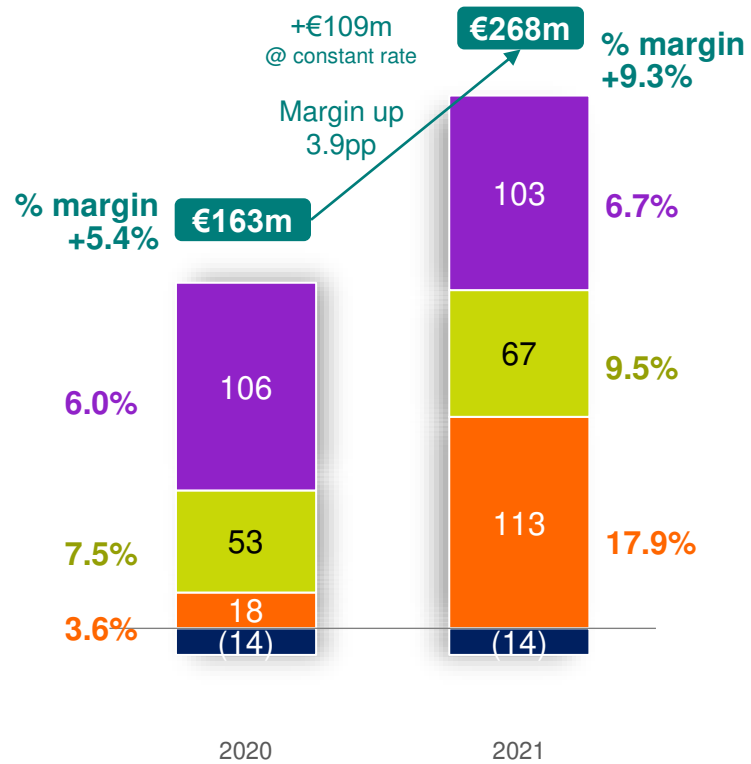
### REVENUE EVOLUTION

REVENUES DOWN 1.7% AT CONSTANT EXCHANGE RATE



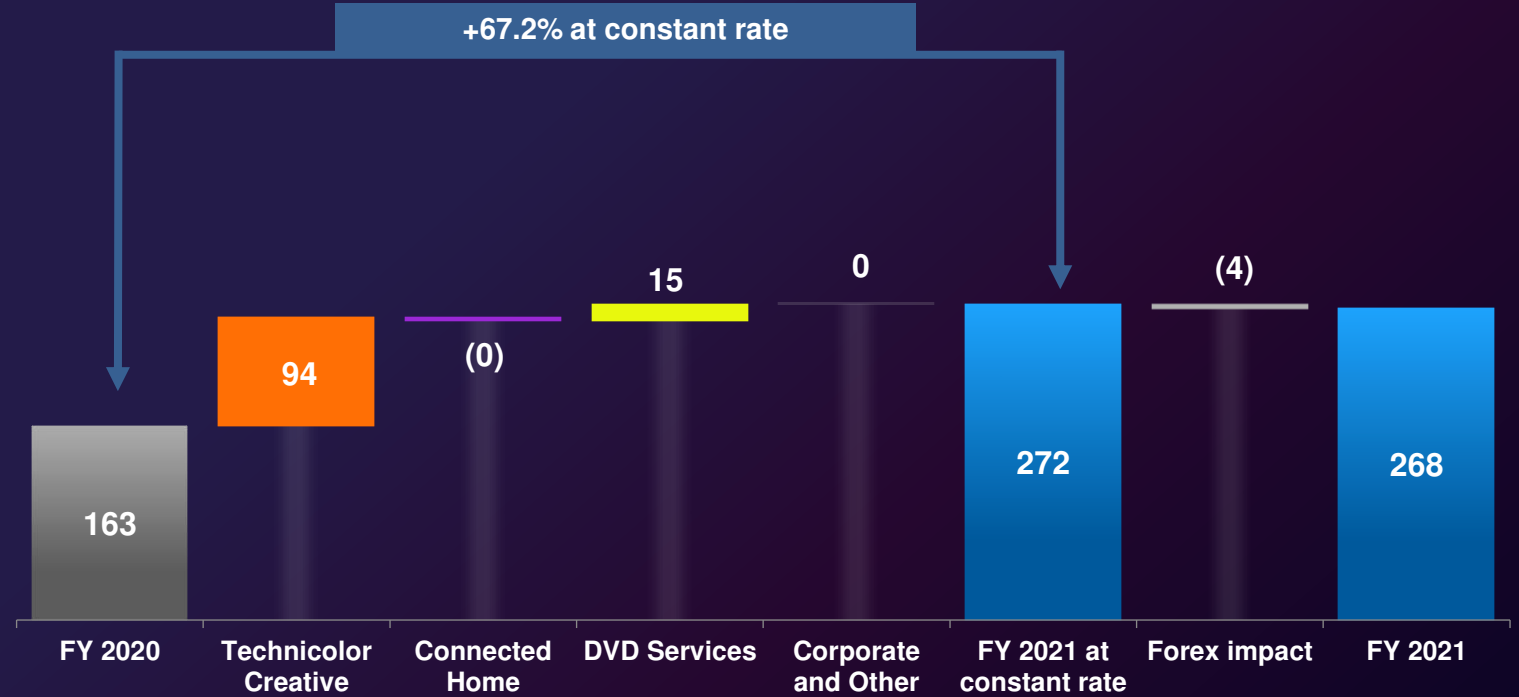
# ADJUSTED EBITDA BRIDGE VS. LY

## EBITDA BY SEGMENT



- Technicolor Creative Studios
- DVD Services
- Connected Home
- Corporate & Other

## EBITDA GROWTH



In € million



## FROM ADJUSTED EBITDA TO EBIT IN SUMMARY

in € million	2021		2020	vs. LY (a)	Forex impact (b)	vs. LY at constant rate (c=a+b)
	Current rate	LY rate	LY rate	Current rate		LY rate
Adjusted EBITDA	268	272	163	+106	+4	+109
D&A <sup>(1)</sup> & Reserves <sup>(2)</sup> w/o PPA amortization	(173)	(176)	(222)	+49	(3)	+45
Adjusted EBITA	95	96	(59)	+154	+1	+155
PPA amortization	(38)	(39)	(40)	+2	(1)	+1
Impairments & write-off	(5)	(5)	(75)	+70	+0	+71
Restructuring	(37)	(37)	(100)	+63	(0)	+63
Other Non-Current	14	13	8	+6	(1)	+5
EBIT Continuing	30	28	(267)	+297	(2)	+295

<sup>(1)</sup> Including IT capacity use for rendering in Technicolor Creative Studios of 0m€ in 2021 and (2)m€ in 2020

<sup>(2)</sup> Risk, litigation and warranty reserves

## FROM EBIT TO NET RESULT GROUP

in € million	2021		2020	vs. LY (a)	Forex impact (b)	vs. LY at constant rate (c=a+b)
	Current rate	LY rate	LY rate	Current rate		LY rate
<b>EBIT Continuing</b>	30	28	(267)	<b>+297</b>	(2)	<b>+295</b>
Net Interest Expense	(126)	(127)	(78)	(48)	(1)	(49)
Other Financial	(0)	0	155	(155)	+0	(155)
<b>Net financial result</b>	<b>(126)</b>	<b>0</b>	<b>77</b>	<b>(203)</b>	<b>(1)</b>	<b>(204)</b>
<b>Profit before Tax</b>	<b>(97)</b>	<b>(100)</b>	<b>(191)</b>	<b>+94</b>	<b>(3)</b>	<b>+91</b>
Tax	(24)	(24)	(5)	(19)	+0	(19)
<b>Net Result Continuing</b>	<b>(121)</b>	<b>(124)</b>	<b>(196)</b>	<b>+75</b>	<b>(3)</b>	<b>+72</b>
Net Result Discontinued	(19)	(19)	(15)	(4)	+0	(4)
<b>Net Result Group (Group share)</b>	<b>(140)</b>	<b>(142)</b>	<b>(211)</b>	<b>+71</b>	<b>(3)</b>	<b>+68</b>

# FREE CASH FLOW FROM CONTINUING OPERATIONS

## FREE CASH FLOW FROM CONTINUING OPERATIONS: FY 2021 VS. FY 2020



In € million

# LIQUIDITY

Liquidity at December 31, 2021 (€m)	Amount of credit line	Available credit line*	Drawn amount	Available amount
Cash on hand				196
<b>Committed credit facilities:</b>				
Wells Fargo credit line (\$125m)	110	97	0	97
<b>Liquidity</b>				<b>€293m</b>

## Wells Fargo line

undrawn at

December 31, 2021 and \$110m (€97m) available

€27m used at December 31, 2021 on CH-France's €40m committed factoring line

\* The availability of this credit line varies depending on the amount of receivables.

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# PROPOSED SPIN-OFF OF TCS AND REFINANCING



# CONTEMPLATED TRANSACTIONS

Spin-off:  
creating two  
independent market  
leaders in their  
respective sectors

- **TCS:** a global leader in VFX, offering an attractive 'pure play' equity story
- **Technicolor Ex-TCS:** market leader in its segments with a stronger balance sheet, retaining upside exposure to TCS

## Technicolor Ex-TCS

Connected Home + DVD Services



- ▶ Listing: Euronext Paris
- ▶ HQ: Paris
- ▶ CEO: Luis Martinez Amago to be appointed

**TCH SHAREHOLDERS**  
(incl. MCN subscribers)

100%

65%

35%

## TCS

Technicolor Creative Studios



- ▶ Proposed Listing: Euronext Paris
- ▶ HQ: Paris
- ▶ CEO: Christian Robertson to be appointed

Refinancing:  
targeting deleveraging and  
a capital structure consistent  
with the proposed separation

- **Equip TCS and Technicolor Ex-TCS** with a more agile balance sheet which will support each entity's strategic priorities, including growth

# SPIN-OFF RATIONALE

Create **two independent companies**, each with a more focused strategy and freedom to pursue their own agenda

Ensure both entities have a capital structure that can support their viability, **long-term ambitions and organic growth**

**Unlock value** to Technicolor shareholders by creating an independent TCS, a unique pure play story in the exponentially-growing VFX industry

Opportunity to further **deleverage** while **refinancing existing debt**: reimbursing existing lenders, reducing cost of debt, and deleveraging

MAXIMIZE VALUE TO ALL TECHNICALOR'S STAKEHOLDERS:  
SHAREHOLDERS, CUSTOMERS, SUPPLIERS, LENDERS, EMPLOYEES

# INTENTION TO FULLY REFINANCE THE GROUP'S DEBT

## ENVISAGED REFINANCING PACKAGE

### Issuance of €300m Mandatory Convertible Notes which would be converted into Technicolor shares:

- Mandatory conversion into Technicolor shares at the discretion of the Issuer, contingent on the approval of the spin-off by the Technicolor EGM (expected end of June) and prior to the execution of the spin-off (i.e. distribution of shares) itself
- Right to convert into Technicolor shares at any time at the discretion of the MCN Holders
- Conversion price: €2.60 per share
- Fully subscribed by a set of existing shareholders
- Issuance of the MCN contingent on the approval of an ad-hoc Technicolor EGM (expected end of April)

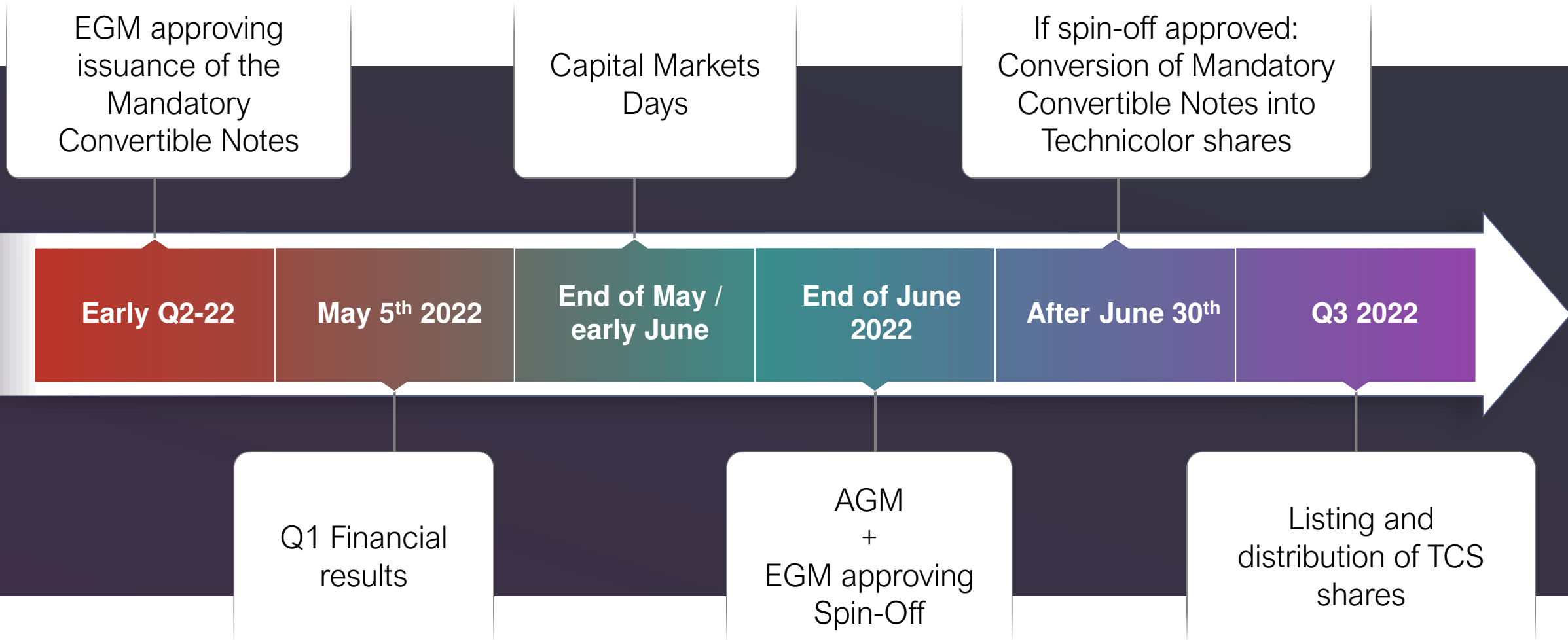
**Launch of negotiations on new debt structure**, consistent with the proposed separation, with a view to putting in place two distinct and optimized financing packages for TCS and Technicolor Ex-TCS respectively

**UNLOCK** the possibility of refinancing existing expensive debt at attractive conditions

**CREATE OPTIONALITY** to refinance the balance sheet of both entities

**REDUCE COST** of debt

# ENVISAGED TRANSACTION TIMELINE



4

**TCS and  
TECHNICOLOR EX-TCS**

**TWO INDEPENDENT  
LEADERS**

in their markets





# TCS: WORLD'S LEADING INDEPENDENT PROVIDER OF CREATIVE VISUAL ARTS SERVICES

technicolor

## CREATIVE STUDIOS

**Award-winning teams of artists and technologists** partnering with the creative community across Feature Film, Episodic, Animation, Brand Experience & Advertising, and Gaming to bring the universal art of visual storytelling to audiences everywhere

Four distinct leading brands

M P C



mikros  
ANIMATION

technicolor  
GAMES

Long-standing and deep relationships with all the major players in Hollywood and with the streaming platforms

Uniquely positioned for the metaverse as the premium content creation engine at scale across all platforms



*Largest concentration of digital artists in the world*



*Interconnected business lines greater than the sum of the parts*



*Significant geographical reach*



The SpongeBob Movie: Sponge on the Run



The Lion King



The Call | Pepsi Super Bowl LVI Halftime Show Trailer



FIFA 22



The Jungle Book



Dream House | Rocket Mortgage Super Bowl LVI





# FOUR COMPLEMENTARY BUSINESS LINES – GREATER THAN THE SUM OF THE PARTS

## M P C

A worldwide leader in Film & Episodic VFX with the highest quality artistry and cutting-edge technology offering strong competitive advantage

Capabilities include pre-visualization / virtual production, asset building, texturing, animation, rigging, rotoscoping, lighting, match move and compositing



Global creative partner for agencies, production companies & brands, working across all media channels & platforms

From ideation to creative execution

Campaigns from traditional TV ads to branded and immersive experiences



High quality, end-to-end animation services, from concept art to final deliverables for theatrical, streaming and TV clients



A leading provider of external development for art & animation to video game developers and publishers

### Key Customers



### Key Customers



### Key Customers



### Key Customers



# AS AN INDEPENDENT ENTITY, TCS WILL BE ABLE TO ACCELERATE THE EXECUTION OF ITS STRATEGIC AGENDA

## TODAY

The world's leading independent provider of creative visual arts services

## OUR AMBITION

- Continue to be the first-choice partner for the world's most creative companies
- Generate significant runway for EBITDA expansion and strong cash flow generation
- Capture the metaverse opportunity as the premium content creation engine at scale across all platforms

## STRATEGIC PRIORITIES



### Expand Capacity To Meet Strong Demand For VFX and High-end CG Animation

- Benefit from strong tailwind for VFX and animation services
- Increase volume and extend market leadership



### Geographic Expansion of The Mill into New Markets

- Scale direct-to-brand business
- Add capacity in faster growing, untapped markets, particularly in APAC and LATAM
- Invest in new or emerging services (e.g., immersive experiences, digital twins, metaverse consulting)



### Expand Capacity and Add New Services To Scale Technicolor Games

- Evaluate geographic expansion
- Expand addressable market with investment into adjacent services



### Develop Our Brand To Be Seen As Employer Of Choice By Talent

- Increase investment in TCS Academy programs to train and develop talent
- Recruit at scale



### Continue to Invest in R&D and Technology

- Focus R&D priorities on producing and delivering quality content at scale and integrating emerging real-time technologies to service the massive volume of digital content the Metaverse will require

technicolor  
CREATIVE STUDIOS

M P C



mikros  
ANIMATION

technicolor  
GAMES

## STRONG FUNDAMENTALS UNDERPINNING TCS GROWTH

- 1 Positioned for Accelerated Structural Growth in a Large and Growing TAM\*
- 2 Leadership Position in Tech-Enabled Content Creation with an Award-Winning Portfolio
- 3 Global Footprint with Highly Skilled and Flexible Talent
- 4 Long-Standing and Deeply Cemented Relationships with Blue-chip Customers
- 5 Cutting Edge and Proprietary Technology Strengthening Competitive Advantage
- 6 Significant Runway for Top-Line Growth, EBITDA Expansion and Strong Cash Flow Generation
- 7 Potential Growth Levers Via Entry into New Scalable Markets
- 8 Experienced Management Team with Proven Track Record and Deep Sector Expertise

\* Total Addressable Market



# TECHNICOLOR EX-TCS

# TECHNICOLOR EX-TCS IS IDEALLY POSITIONED TO LEVERAGE ITS LEADERSHIP IN EXISTING AND NEW MARKETS

## CONNECTED HOME (“CH”)

### GLOBAL LEADER IN CUSTOMER-PREMISES EQUIPMENT

**1**  
In Broadband and Android TV

**60%** of Top 10 Broadband Suppliers Served by CH

**14%** Global Market Share in Home Gateways<sup>(1)</sup>

**50%** of Top 10 Video Suppliers Served by CH

**45%** Global Market Share In Android TV<sup>(1)</sup>

- Worldwide leader in the attractive segments of the CPE Market (cable, fiber, Android TV...), with a comprehensive product offering
- Proven diversification strategy in IoT solutions at the heart of the home
- Critical supplier to NSPs with best-in-class supply chain and innovative products and solutions
- Undertook a major transformation plan

## DVD SERVICES

Specialist manufacturing and supply chain services  
LEADER IN DISC, WITH SPECIALIST MANUFACTURING AND SUPPLY CHAIN SERVICES DRIVING GROWTH

**1**  
Worldwide in DVD, Blu-ray, UHD and CD

**65%** Global Market Share in Discs

**800** Million Discs Sold in 2021

**55k** Consolidated Shipments Per Day

**ISO** ISO 13485 (CA) in Microfluidic Cartridge

- Capitalizing on our experience in disc replication, production and distribution to provide end-to-end solutions to all Major Studios
- Leveraging existing assets, know-how, and customer relationships with its new profitable and high-growth adjacent businesses
  - Specialist Manufacturing: Vinyl and Microfluidics
  - Supply Chain Services: transportation freight brokerage and supply chain services/fulfilment services
- Network of global facilities strategically located to provide clients with highly flexible, scalable solutions to meet demand across the globe

Exposure to TCS upside via the **35%** stake retained, also providing flexibility going forward

<sup>(1)</sup> Figures as of September 2021 – Sources: Dell Oro, Omdia  
CPE: Customer Premise Equipment; NSP: Network Service Provider

# TECHNICOLOR VALUE PROPOSITION

1

As a Market Leader, Technicolor has Developed **Highly Differentiated Capabilities**

2

Technicolor is **Highly Strategic to its Customers**, Creating Strong Stickiness

3

Great Opportunity to **Expand the Total Addressable Market** in Highly Attractive Adjacent Markets

4

**Stronger Balance Sheet** to Support Strategic Priorities

5

**Experienced Management Team** in Both Divisions to Pursue the Repositioning of the Group and Create Value

# CONNECTED HOME: BRINGING CONNECTIVITY AND CONTENT TO THE HEART OF THE HOME

CONNECTED HOME IS OFFERING TO LEADING SERVICE PROVIDERS...

## Selected Broadband Customers



## Selected Video Customers



... THE BEST PRODUCTS WITH LEADING TECHNOLOGIES

Broadband Gateways to deliver flawless connectivity and Wi-Fi Extenders to deliver gigabit services in the home

More than 60m of gateways in operation today



Set-Top Boxes and Soundbar to deliver premium video experiences

More than 50m of STBs in operation today





# CONNECTED HOME: SUCCESSFULLY REPOSITIONED BETWEEN 2018 AND 2020

## TRANSFORMATION PLAN



P R O J E C T D O L P H I N

### 1 BUSINESS REPOSITIONING

- Priority in Broadband
- Focus on Android TV in Video Segment

### 2 SIMPLIFICATION FOR EFFICIENCY

- Platform approach
- Customer selectivity
- Supplier selectivity: from transactional to partnership
- Extensive process simplification and IT-automation

### 3 OPTIMISED OPERATIONS

- Reduced time-to-market
- More efficient engineering
- Lower operational cost

### 4 BUILT-UP SUPPLY CHAIN RESILIENCE

## ACHIEVEMENTS



**#1** IN OUR TARGET SEGMENTS: BROADBAND AND ANDROID TV

**INCREASED PRODUCTIVITY AND PROFITABILITY:**  
45% OPEX REDUCTION IN THE PERIOD FOR SIMILAR ACTIVITY

**SIMPLIFIED ORGANISATION** WITH AUTOMATED PROCESSES FOR AGILITY AND EXECUTION SPEED

**SUCCESSFULLY MANAGED THE BUSINESS** AND DELIVERED COMMITTED RESULTS THROUGH MAJOR MARKET DISRUPTIONS

- **Trade conflict US-China:** moved manufacturing out of China in record time
- **Memory, MLCC and Semiconductors crisis:** Partnered with suppliers to maximize supply and with customers to transfer additional costs
- **Covid disruptions:** managed production and logistics distortions

Operational transformation is behind us: Connected Home is ready for the next phase of growth and diversification

# CONNECTED HOME: READY FOR GROWTH

## GROWTH PLAN



### 1 GROWTH IN CORE BUSINESS

- Growth in Broadband
- Focus on Android TV in Video Segment

### 2 DIVERSIFICATION INTO IoT FOR VERTICALS

- Digital transformation of enterprises through IoT
- Partnership with IoT, cloud platform and independent software companies
- Organic and inorganic growth

### 3 OPTIMISED OPERATIONS

- Faster time-to-market
- Increased engineering throughput
- Lean operations

### 4 BUILT-UP SUPPLY CHAIN RESILIENCE

## OBJECTIVES



**LEADERSHIP IN BROADBAND** GROWING FASTER THAN THE MARKET

**LEADERSHIP IN ANDROID TV** PROVIDING DIFFERENTIATED INNOVATION

**IoT FOR VERTICALS:** NEW LINE OF BUSINESS WITH NEW CUSTOMERS AND NEW COMPETENCIES

**MOST RESILIENT AND PERFORMING COMPANY IN THE INDUSTRY,** ABLE TO MAINTAIN SUPPLY THROUGH MARKET DISRUPTIONS

**LEADERSHIP POSITION AND EFFICIENT OPERATIONS**

Connected Home will grow and diversify its business

## DVD SERVICES TRANSFORMATION

### Leveraging assets and driving new growth

- Successful pivoting from disc market to selected growth-oriented segments utilising its proven expertise, assets and execution capabilities
- Exemplary performance optimising/streamlining the business, removing structural recurrent operating costs and cash generation

### OUR HERITAGE: WORLDWIDE LEADER IN DISC

- #1 Globally, for US Studios in disc manufacturing, packaging, distribution to retail, and supply chain management
- Long-tail business, key to studios
- High barriers to entry

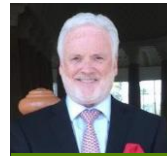


In-depth transformation of the business over the last 24 months: driving efficiencies across the worldwide footprint, streamlining internal processes and centralizing cost management, while accelerating revenue and profitability from non-disc activities

# DVD SERVICES: TRANSITION TOWARDS SPECIALIST MANUFACTURING & SUPPLY-CHAIN SERVICES BUSINESS WITH A CLEAR STRATEGY, FOLLOWING A 24-MONTH TRANSFORMATION

### REPOSITIONING THE BUSINESS FOR DECLINING DISC VOLUMES

- Shift to volume and activity-based pricing to mitigate volume decline and drive margins
- Fixed costs reduced at a faster rate than the volumes decline and will stay that way



DAVID HOLLIDAY

- Significant and successful international turnaround experience
- Appointed as President of DVD Services in Q1 2020, providing a new vision and leading in-depth transformation of the business

2020

### COST OPTIMIZATION

- Optimized the footprint of the company by managing the closure of 13 facilities worldwide and 4m sq.ft of facility space
- Successfully dealt with unavailability of labor and major labor cost increases in the U.S. and Mexico
- Relocated the entire Canadian and Huntsville operations to Memphis/Mexicali, and the subsequent reduction of 2,100 FTE's globally (nearly 50% of staff)

### RECOGNIZED CAPABILITY

- ISO 13485 (CA) and manufacture of Antibiotic diagnostic cartridges to client EU IVDD standard for Microfluidic cartridge and medical device engineering in Poland (Nov 2021)

### ACCELERATED DIVERSIFICATION

- Leveraged talents, facilities and supply chain infrastructure to develop strategically selected growth-oriented businesses
- Growth businesses now up and running, showing exciting potential already with major customers



# DVD SERVICES TODAY: GLOBAL N°1 FOR U.S. STUDIOS, GREAT NEW GROWTH BUSINESSES

## STUDIO/DISC MANUFACTURING AND SUPPLY CHAIN SERVICES

WORLD NO.1 FOR DVD MANUFACTURING, PACKAGING, DISTRIBUTION TO RETAIL, AND SUPPLY CHAIN MANAGEMENT FOR ALL MAJOR US STUDIOS 

- 65% global market share, 90% in North America
- Disc market represents c.30% of studio revenues

### LONG-TERM, DEEPLY INTEGRATED CUSTOMER RELATIONSHIPS

- Deep and loyal customer base
- Major business partner to all global studios and music groups
- Highly strategic to its customers creating strong stickiness



Transition from only 'disc' now in full execution, exploiting expertise, assets and capacities, our track record, and our world-class customer contacts to drive diverse and sustainable growth businesses



## SPECIALIST MANUFACTURING SERVICES

NON-DISC

UNIQUE KNOW-HOW, MANUFACTURING CAPABILITIES AND DISTRIBUTION FACILITIES SERVING NORTH AMERICA, EUROPE AND AUSTRALASIA

- Manufacturing capabilities include vinyl and microfluidics
- Proven success expanding into adjacencies; clear trajectory to generate growth with respected customers that give scale
  - DVD Services entered the vinyl business in 2021, an increasingly popular and profitable market niche for music labels
  - Technicolor Precision BioDevices (TPB) develops and manufactures injection-moulded polymer microfluidic consumables for medical and life science customers



## SUPPLY CHAIN AND FULFILLMENT SERVICES

NON-DISC



### SPECIALISED AND CUSTOMISED AIR-LAND-SEA TRANSPORTATION, BROKERAGE, LOGISTICS, AND FULFILMENT SOLUTIONS

- Network of global facilities strategically located to provide clients with highly flexible, scalable solutions to meet the demands of seasonal, promotional and fast-moving product cycles
- Management of 50,000 consolidated shipments per day for some of the most prominent names in consumer products



# NON-DISC: MANUFACTURING AND SUPPLY CHAIN SERVICES: EXPLOITING UNIQUE ASSETS AND DRIVING GROWTH TRAJECTORY

## DVD SERVICES Strategic Evolution

- DVD Services has leveraged its talents, facilities and supply chain infrastructure (originally developed to service the entertainment industry) to now service (currently) four strategically selected growth-oriented market segments
- Each year we target **2 new business lines** or significant new business from existing customers (e.g. EU Vinyl and AustralAsia Vinyl for 2022) leveraging our assets and expertise

### SELECTED GROWTH-ORIENTED MARKET SEGMENTS



1<sup>st</sup> Antibiotic Reagent Diagnostic Device  
TPB Poland 26/11/21

#### MICROFLUIDICS

- Develop and manufacture injection-molded polymer microfluidic consumables for medical and life science customers
- Leveraging the precision manufacturing skills from optical disc & existing industrial infrastructure to support high-scale production

SPECIALIST MANUFACTURING



Adele US Vinyl shipped from Nashville

#### VINYL

- Vinyl pressing, assembly & fulfillment
- Leveraging core competencies and platform, customer relationships, and key resources



Brokerage 33% YoY growth in 2021

#### TRANSPORTATION FREIGHT BROKERAGE

- Non-asset freight management
- All modes - TL/LTL/Ocean
- Managed Solutions, Brokerage and Project

LOGISTICS, SUPPLY CHAIN AND FULFILLMENT



Nashville facility now full

#### SUPPLY-CHAIN SERVICES AND FULFILLMENT

- Warehousing & Distribution
- B2B & DTC Fulfillment
- Kitting and retail display assembly
- Returns/Reverse Logistics

# APPENDIX



# TECHNICOLOR CREATIVE STUDIOS FULL YEAR PROFITABILITY

## Technicolor Creative Studios in € million

	2021		2020
	Current rate	LY rate	LY rate
Revenues	629	629	513
Adjusted EBITDA	113	112	18
<i>in % of Revenues</i>	<b>17.9%</b>	<b>17.9%</b>	<b>3.6%</b>
D&A <sup>(1)</sup> & Reserves <sup>(2)</sup> w/o PPA amortization	(72)	(72)	(97)
Adjusted EBITA	41	40	(78)
PPA amortization	(8)	(8)	(8)
Non-recurring items	(6)	(6)	(16)
EBIT	27	26	(103)

vs. LY (a)		Forex impact (b)	vs. LY at constant rate (c=a+b)	
Current rate			LY rate	
+116	+22.6%	(0)	+116	+22.5%
+94	<i>ns</i>	(0)	+94	<i>ns</i>
+25	+25.8%	(0)	+25	+25.4%
+119	<i>ns</i>	(1)	+119	<i>ns</i>
+0	+0.4%	(0)	+0	+0.0%
+10	+63.1%	+0	+10	+63.6%
+129	<i>ns</i>	(1)	+129	<i>ns</i>

<sup>(1)</sup> Including IT capacity use for rendering in Technicolor Creative Studios of 0m€ in 2021 and (2)m€ in 2020

<sup>(2)</sup> Risk, litigation and warranty reserves



# CONNECTED HOME FULL YEAR PROFITABILITY



## Connected Home in € million

<b>Revenues</b>
<b>Adjusted EBITDA</b>
<b>in % of Revenues</b>
D&A & Reserves <sup>(1)</sup> w/o PPA amortization
<b>Adjusted EBITA</b>
PPA amortization
Non-recurring items
<b>EBIT</b>

2021		2020	vs. LY (a)		Forex impact (b)	vs. LY at constant rate (c=a+b)	
Current rate	LY rate	LY rate	Current rate	LY rate			
1,544	1,586	1,764	(219)	(12.4)%	+42	(177)	(10.0)%
103	106	106	(3)	(2.7)%	+3	(0)	(0.0)%
6.7%	6.7%	6.0%					
(58)	(60)	(68)	+10	+14.5%	(2)	+8	+11.9%
45	46	38	+7	+18.4%	+1	+8	+21.3%
(21)	(22)	(24)	+2	+10.2%	(1)	+2	+7.1%
(13)	(14)	(39)	+26	+67.3%	(1)	+25	+64.6%
11	10	(25)	+35	ns	(1)	+35	ns

<sup>(1)</sup> Risk, litigation and warranty reserves



## DVD SERVICES FULL YEAR PROFITABILITY

DVD Services  
in € million

Revenues
Adjusted EBITDA
<i>in % of Revenues</i>
D&A & Reserves <sup>(1)</sup> w/o PPA amortization
Adjusted EBITA
PPA amortization
Non-recurring items
EBIT

2021		2020	vs. LY (a)		Forex impact (b)	vs. LY at constant rate (c=a+b)	
Current rate	LY rate	LY rate	Current rate	LY rate			
701	718	706	(5)	(0.7)%	+17	+12	+1.6%
67	68	53	+14	+25.9%	+1	+15	+28.3%
9.5%	9.5%	7.5%					
(39)	(41)	(54)	+14	+26.8%	(1)	+13	+24.6%
27	27	(1)	+28	ns	+0	+28	ns
(9)	(9)	(8)	(0)	(0.9)%	(0)	(0)	(4.1)%
(19)	(19)	(102)	+84	+81.8%	(0)	+83	+81.4%
0	(1)	(112)	+112	ns	(1)	+111	+99.6%

(1) Risk, litigation and warranty reserves

# DEBT STRUCTURE

In million currency	Currency	Nominal Amount	IFRS Amount	Type of rate	Nominal rate (1)	Repayment Type	Final maturity	Moodys/ S&P rating
New Money Notes	EUR	371	380	Floating	12.00% <sup>(2)</sup>	Bullet	Jun. 30, 2024	Caa1/B
New Money Term Loans	USD	112	115	Floating	12.15% <sup>(3)</sup>	Bullet	Jun. 30, 2024	Caa1/B
Reinstated Term Loans	EUR	467	402	Floating	6.00% <sup>(4)</sup>	Bullet	Dec. 31, 2024	Caa3/CCC
Reinstated Term Loans	USD	129	111	Floating	5.90% <sup>(5)</sup>	Bullet	Dec. 31, 2024	Caa3/CCC
<b>Subtotal</b>	<b>EUR</b>	<b>1,079</b>	<b>1,008</b>		<b>8.69%</b>			
Lease Liabilities <sup>(6)</sup>	Various	192	192	Fixed	7.54%			
Accrued PIK Interest	EUR+USD	17	17	NA	0%			
Accrued Interest	Various	17	17	NA	0%			
Other Debt	Various	1	1	NA	0%			
<b>Total Gross Debt</b>		<b>1,306</b>	<b>1,235</b>		<b>8.29%</b>			
Cash & Cash equivalents	Various	(196)	(196)					
<b>Total Net Debt</b>		<b>1,110</b>	<b>1,039</b>					

(1) Rates as of December 31, 2021.

(2) Cash interest of 6-month EURIBOR with a floor of 0% +6.00% and PIK interest of 6.00%.

(3) Cash interest of 6-month USD LIBOR with a floor of 0% +6.00% and PIK interest of 6.00%.

(4) Cash interest of 6-month EURIBOR with a floor of 0% + 3.00% and PIK interest of 3.00%.

(5) Cash interest of 6-month USD LIBOR with a floor of 0% + 2.75% and PIK interest of 3.00%

(6) Of which €24 million are capital leases and €168 million is operating lease debt under IFRS 16

# MANDATORY CONVERTIBLE NOTES | KEY TERMS

Item	Description
Issuer	<ul style="list-style-type: none"><li>• Technicolor S.A.</li></ul>
Issue amount	<ul style="list-style-type: none"><li>• €300m</li></ul>
Conversion Price	<ul style="list-style-type: none"><li>• €2.60 per share, representing 3-month VWAP at signature of the commitment letter minus 5% discount</li></ul>
Maturity Date	<ul style="list-style-type: none"><li>• Earlier of 6 months after the latest maturity date of the new secured debt instrument, and the 7th anniversary of issuance</li></ul>
Coupon	<ul style="list-style-type: none"><li>• 4.5% cash coupon p.a.</li></ul>
Conversion	<ul style="list-style-type: none"><li>• Automatic mandatory conversion into shares of the Issuer at the Conversion Price within the 18 month of issuance upon (i) an EGM approving the Issuer distributing/listing of at least 65% of TCS share capital and board decision to proceed with the distribution, (ii) an admission by Euronext of the listing of TCS shares</li><li>• Right to convert into Technicolor shares at any time at the discretion of the holders</li></ul>

# THANK YOU

