



H1 2021 RESULTS

July 29, 2021

technicolor



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.

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H1 2021 GROUP UPDATE



REVENUES of €1,359 million, **UP 1.2%** at constant rate in line with expectations, mainly reflecting a good performance in Technicolor Creative Studios, a (1)% decrease in Connected Home sales as a result of key component constraints and continuing revenue resilience in DVD Services

ADJUSTED EBITDA of €100 million, **UP 101.6%** at constant rate driven by operational and financial improvements across all activities

ADJUSTED EBITA of €15 million, **HIGHER BY €83 MILLION** at constant rate as a result of EBITDA increase and positive impact of efficiency measures as well as lower D&A

FCF (before financial results and tax) of €(208) million was **HIGHER BY €35 MILLION** at current rate, driven by a significant improvement in Technicolor Creative Studios and DVD Services and the ongoing implementation of our cost transformation program despite unfavorable changes in supplier payment terms in Connected Home



- Technicolor Creative Studios has been awarded numerous new projects, securing approximately 95% of its expected 2021 sales for FEV and Animation & Games
- Continued strong demand in North America and in Eurasia in Connected Home
- Strong catalog demand and continued growth in non-disc related supply chain activity

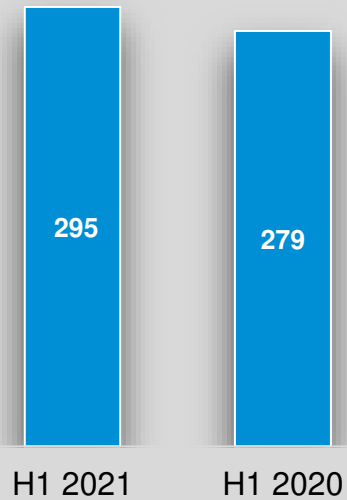


- Main challenges in 2021 are the capacity to deliver given resources constraints in both TCS (hiring) and Connected Home (components shortage)

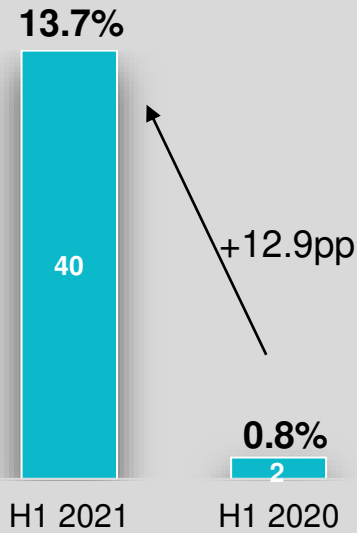
<i>In € million</i>	H1 2021	H1 2020	<i>Change YoY at current rate</i>	<i>Change YoY at constant rate</i>
Revenues	1,359	1,433	(5.2)%	+1.2%
Adjusted EBITDA	100	53	+90.6%	+101.6%
Adjusted EBITA	15	(67)	+123.0%	+124.1%
FCF before Financial & Tax	(208)	(243)	+14.3%	+7.4%

BASED ON BUSINESS ACTIVITY FOR THE FIRST HALF AND THE CONTINUED SUCCESSFUL OPTIMIZATION OF ITS BUSINESSES, THE GROUP REITERATES ITS CONFIDENCE IN ACHIEVING ITS 2021 AND 2022 OUTLOOK

Revenues (in € million)



Adjusted EBITDA (in € million)



REVENUE HIGHLIGHTS:

- ▶ UP 9.9% YOY AT CONSTANT RATE
 - ↳ Recovery in demand for creative technology in Film & Episodic VFX and Animation & Games, combined with a solid performance from Advertising

ADJ. EBITDA HIGHLIGHTS:

- ▶ UP €40 MILLION YOY AT CONSTANT RATE
 - ↳ +12.9 pp margin increase as a result of higher margin volume growth and permanent cost reduction measures

CONTINUED HARMONIZATION of technology infrastructure and the creation of a single delivery pipeline to maximise efficiencies

APPOINTMENT OF ANDREA MIORO

reinforces Technicolor’s commitment to expand the company’s global feature and episodic animation services under the Mikros Animation brand



→ Numerous new projects awarded, securing approximately 95% of the expected 2021 sales pipeline for Film & Episodic Visual Effects and Animation & Games

→ Disposal of Post Production closed at the end of April simplifies TCS’s portfolio of activities



→ As capacity to deliver remains one of the main challenges, TCS continues to recruit on a large scale to keep pace with the volume of work

2021 H1 KEY DATA

Film & TV - VFX

- ▶ 18+ theatrical film projects for the major studios
- ▶ 35+ TV and non-theatrical projects
- ▶ 2 Academy Award (Love and Monsters, The One and Only Ivan) & 1 Emmy Award (Vikings) nominations

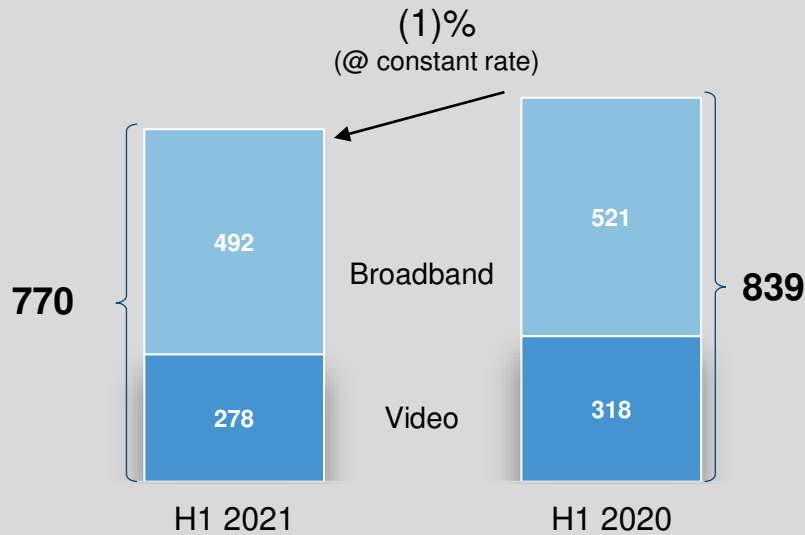
Advertising

- ▶ c. 1,900 commercials
- ▶ 3 Cannes Lions, 3 VES Awards, 2 Adweek Experiential Awards, Ad Age’s VFX Company of the Year (MPC), 6 British Arrows Awards
- ▶ Contributed to ~20 commercials for this year’s Super Bowl LV

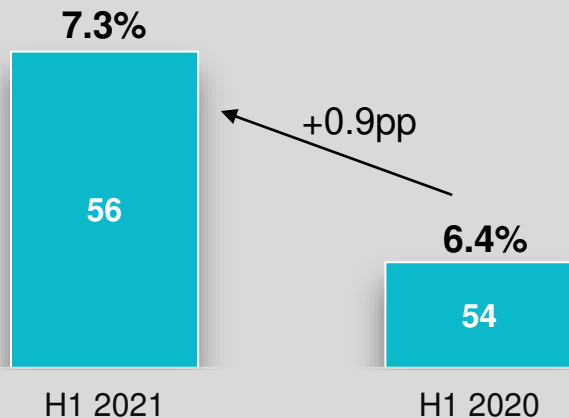
Animation & Games

- ▶ 2,100+ minutes of animation delivered for Film & TV
- ▶ Annie Award nomination for Best FX for TV/Media (Fast & Furious: Spy Racers)

Revenues (in € million)



Adjusted EBITDA (in € million)



REVENUE HIGHLIGHTS:

- ▶ REVENUE DOWN (1)% YOY AT CONSTANT RATE
 - ↳ Despite strong demand in North America and in Eurasia...
 - ↳ ...the division has been impacted by key component shortages and associated price rises, logistics dislocation and a difficult Latin American market

CONNECTED HOME IS MAINTAINING MARKET LEADERSHIP in broadband and Android-based solutions

- ↳ Broadband revenue increased by 2% year-on-year at constant rate
- ↳ Video revenue decreased versus prior year by (5.7)%
- ↳ Android TV: More than 10m set-top boxes delivered worldwide

ADJ. EBITDA HIGHLIGHTS:

- ↳ **UP €6 MILLION** at constant rate despite the sales shortfall
- ↳ +0.9pp margin increase results from continued significant cost efficiencies achieved

RESTORING PROFITABILITY:

- ↳ Focus on selective investments in key customers, platform-based products and partnerships to improve margin

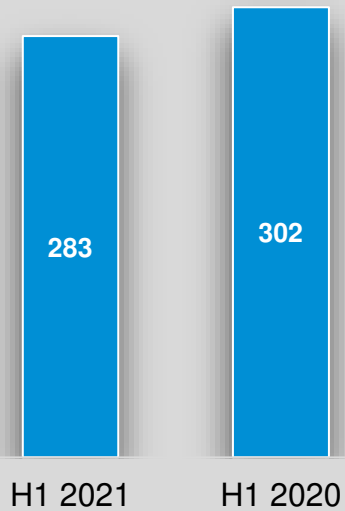
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→ The worldwide supply chain disruptions have multiple consequences for the Connected Home business: continued difficulties in obtaining components, challenges in finding transportation, cost increases across multiple categories of components and logistics

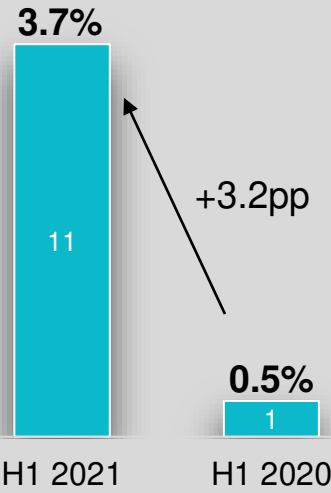
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→ Connected Home will continue to work with its partners and customers to minimize supply disruptions

Revenues (in € million)



Adjusted EBITDA (in € million)



REVENUE HIGHLIGHTS:

- ▶ **VOLUME UP 4%**
 - ↳ Increase in total replicated disc activity (unprecedented in recent years) driven by continued strong demand for back catalog titles
- ▶ **REVENUE BROADLY STABLE YOY AT CONSTANT RATE**
 - ↳ Significant positive impact of new pricing, and ongoing growth in non-disc related supply chain activity

DIVISION-WIDE INITIATIVES:

- ↳ Further structural division-wide initiatives to adapt distribution and replication operations
- ↳ New customer contract agreements in response to continued volume reductions
- ↳ Two significant North American facility closures were effected in the first quarter of 2021 as part of the ongoing transformation plan



→ DVD Services continued to progress by adapting distribution and replication operations, and related customer contract agreements, in response to continued volume reductions

ADJ. EBITDA HIGHLIGHTS:

- ▶ **UP €10 MILLION**
 - ↳ Stronger than anticipated disc volumes, better replication pricing and acceleration of cost saving actions
 - ↳ Partially offset by labor and material cost pressures

(in million units)

	H1 2021	H1 2020	YoY Change
DVD	246	220	+12%
Blu-ray™	77	89	(13)%
CD	16	18	(11)%

In € million, post IFRS 16
Continuing Operations

Outlook³

	2020a ¹	2021e	2022e ⁴
Adj. Continuing EBITDA	167	270	385
Adj. Continuing EBITA	(56)	60	180
Continuing FCF²	(124)	c. 0	230

Net debt to EBITDA leverage ratio should reduce to below 4X level by December 2021

(1) In the June 22nd press release, forecast costs related to Covid-19 were accounted as non-recurring (therefore not part of EBITDA & EBITA), these costs have been reintegrated in the EBITDA and EBITA of the Group in 2020 and in coming years

(2) 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)

(3) Outlook based on constant exchange rates

(4) In 2022, the cumulated impacts of foreign exchange fluctuations and change in Group perimeter as a result of the sale of Post Production are €(40) million on Adjusted EBITDA and €(23) million on Adjusted EBITA

Technicolor will continue to target an improvement of its EBITDA, EBITA and FCF throughout 2021 & 2022

- ▶ All Technicolor activities are benefiting from a strong and growing demand
- ▶ As previously communicated, we adjusted our guidance in Q1 for the change in perimeter (sale of Post Production) and the change in forex assumptions. We are now reaffirming that guidance, as follows:
 - ↳ For 2021, revenues from continuing operations broadly stable vs. 2020, adjusted EBITDA of around €270 million, adjusted EBITA of around €60 million, continuing FCF before financial results and tax² at around breakeven and net debt to EBITDA leverage ratio below 4x level at year end
 - ↳ For 2022, Adjusted EBITDA of €385 million, Adjusted EBITA of €180 million, and Continuing FCF before financial results and tax² at around €230 million
- ▶ The Group is on track to achieve the c. €115 million cost savings planned for calendar year 2021, with €42 million cost savings realized in the first half, en route to delivering a cumulative €325 million by the end of 2022

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KEY PERFORMANCE FIGURES

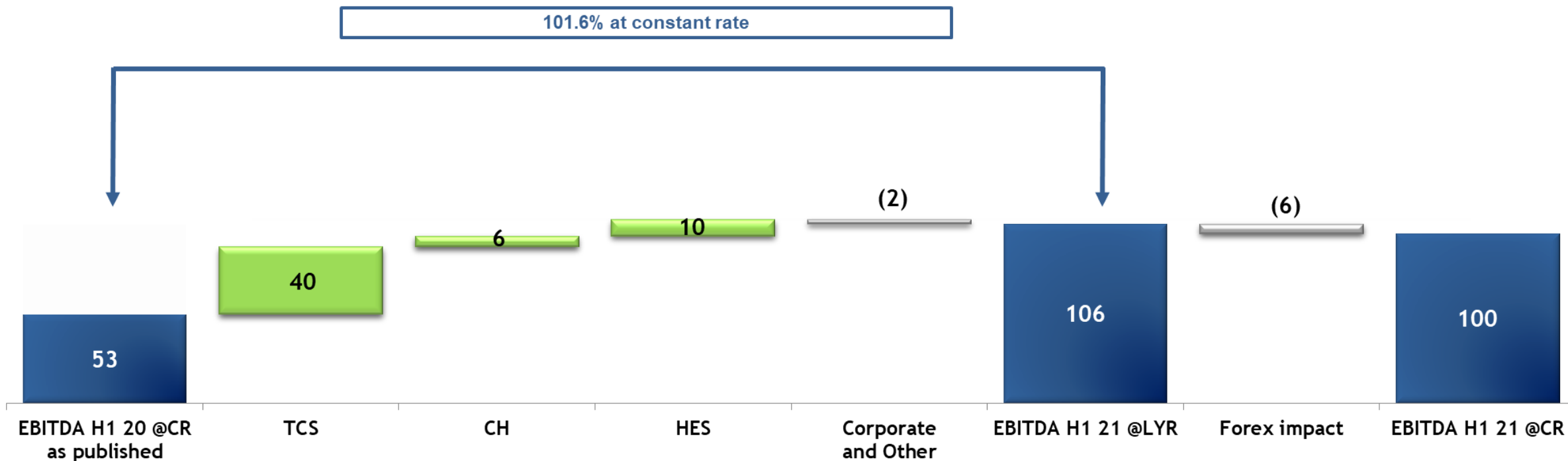


(in € million)	2021		2020		H1					
	Current rate	LY rate	LY rate	vs. LY (a)	Forex impact (b)	vs. LY at constant rate (c=a+b)				
				Current rate		LY rate				
Revenues	1 359	1 450	1 433	(74)	(5.2)%	+91	+17	+1.2%		
Adjusted EBITDA	100	106	53	+48	+90.6%	+6	+53	ns		
in % of Revenues	7.4%	7.3%	3.7%							
D&A ⁽¹⁾ & Reserves ⁽²⁾ w/o PPA amortization	(85)	(90)	(120)	+35	+29.3%	(5)	+30	+25.1%		
Adjusted EBITA	15	16	(67)	+83	+123.0%	+1	+83	ns		
PPA amortization	(19)	(20)	(22)	+3	+13.8%	(1)	+1	+6.9%		
Non-recurring items	(1)	(4)	(106)	+104	+98.7%	(2)	+102	+96.6%		
EBIT	(4)	(7)	(194)	+190	+97.7%	(3)	+187	+96.2%		
Net Result Continuing	(78)	(84)	(264)	+187	+70.6%	(6)	+181	+68.3%		
Net Result Discontinued	(1)	(1)	(1)	(1)	ns	(0)	(1)	ns		
Net Result Group (Group share)	(79)	(85)	(265)	+186	+70.3%	(6)	+180	+67.9%		
Adjusted EBITDA	100	106	53	+48	+90.6%	+6	+53	ns		
Capex	(42)	(45)	(56)	+14	+25.3%	(3)	+11	+19.7%		
Non-recurring items (cash impact)	(57)	(58)	(38)	(19)	(49.5)%	(1)	(20)	(52.2)%		
WC-OAL variation	(210)	(228)	(201)	(8)	(4.1)%	(18)	(27)	(13.3)%		
FCF before Financial & Tax	(208)	(225)	(243)	+35	+14.3%	(17)	+18	+7.4%		
FCF after Financial & Tax	(251)	(270)	(286)	+35	+12.3%	(18)	+17	+5.9%		
Net Debt (IFRS)	(1 096)	(1 104)	(1 601)	+505	+31.5%					

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

⁽²⁾ Risk, litigation and warranty reserves

EBITDA H1 Jun21 vs. H1 Jun20, in m€



H1

Technicolor Creative Studios in € million	2021		2020		H1				
	Current rate	LY rate	LY rate		vs. LY (a)		Forex impact (b)	vs. LY at constant rate (c=a+b)	
					Current rate				LY rate
Revenues	295	307	279		+16	+5.8%	+11	+28	+9.9%
Ajusted EBITDA	40	42	2		+38	ns	+2	+40	ns
<i>in % of Revenues</i>	13.7%	13.7%	0.8%						
D&A ⁽¹⁾ & Reserves ⁽²⁾ w/o PPA amortization	(35)	(36)	(54)		+19	+35.0%	(1)	+17	+32.5%
Adjusted EBITA	6	6	(51)		+57	ns	+0	+57	ns
PPA amortization	(4)	(4)	(4)		+0	+4.3%	(0)	+0	+0.0%
Non-recurring items	3	3	(5)		+8	ns	+0	+8	ns
EBIT	4	4	(61)		+65	ns	+0	+65	ns

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

⁽²⁾ Risk, litigation and warranty reserves

H1

Connected Home 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	LY rate			
Revenues	770	831	839	<i>(69)</i>	<i>(8.2)%</i>	<i>+61</i>	<i>(8)</i>	<i>(1.0)%</i>	
Ajusted EBITDA	56	60	54	<i>+2</i>	<i>+4.5%</i>	<i>+4</i>	<i>+6</i>	<i>+11.8%</i>	
<i>in % of Revenues</i>	<i>7.3%</i>	<i>7.3%</i>	<i>6.4%</i>						
D&A & Reserves (*) w/o PPA amortization	(27)	(29)	(34)	<i>+6</i>	<i>+19.0%</i>	<i>(2)</i>	<i>+4</i>	<i>+12.7%</i>	
Adjusted EBITA	29	31	20	<i>+9</i>	<i>+43.1%</i>	<i>+2</i>	<i>+11</i>	<i>+51.9%</i>	
PPA amortization	(10)	(11)	(13)	<i>+3</i>	<i>+19.4%</i>	<i>(1)</i>	<i>+2</i>	<i>+12.2%</i>	
Non-recurring items	(3)	(4)	(10)	<i>+7</i>	<i>+67.3%</i>	<i>(1)</i>	<i>+6</i>	<i>+56.4%</i>	
EBIT	16	15	(2)	<i>+18</i>	<i>ns</i>	<i>(0)</i>	<i>+18</i>	<i>ns</i>	

(*) Risk, litigation and warranty reserves

DVD Services in € million	2021		2020		H1				
	Current rate	LY rate	LY rate	vs. LY (a)	Forex impact (b)	vs. LY at constant rate (c=a+b)			
				Current rate		LY rate			
Revenues	283	301	302	(19)	(6.4)%	+18	(1)	(0.3)%	
Ajusted EBITDA	11	11	1	+9	ns	+1	+10	ns	
in % of Revenues	3.7%	3.7%	0.5%						
D&A & Reserves (*) w/o PPA amortization	(21)	(22)	(31)	+10	+33.1%	(2)	+9	+28.1%	
Adjusted EBITA	(10)	(11)	(29)	+19	+65.7%	(1)	+18	+62.2%	
PPA amortization	(4)	(4)	(4)	+0	+5.8%	(0)	(0)	(2.4)%	
Non-recurring items	(16)	(17)	(86)	+70	+81.3%	(1)	+69	+80.1%	
EBIT	(30)	(33)	(120)	+89	+74.8%	(2)	+87	+72.8%	

(*) Risk, litigation and warranty reserves

H1

in € million	2021		2020	vs. LY (a)	Forex impact (b)	vs. LY at constant rate (c=a+b)
	Current rate	LY rate	LY rate			LY rate
Adjusted EBITDA	100	106	53	+48	+6	+53
D&A ⁽¹⁾ & Reserves ⁽²⁾ w/o PPA amortization	(85)	(90)	(120)	+35	(5)	+30
Adjusted EBITA	15	16	(67)	+83	+1	+83
PPA amortization	(19)	(20)	(22)	+3	(1)	+1
Impairments & write-off	0	0	(72)	+72	(0)	+72
Restructuring	(26)	(27)	(41)	+16	(1)	+14
Other Non Current	24	23	8	+16	(1)	+16
EBIT Continuing	(4)	(7)	(194)	+190	(3)	+187

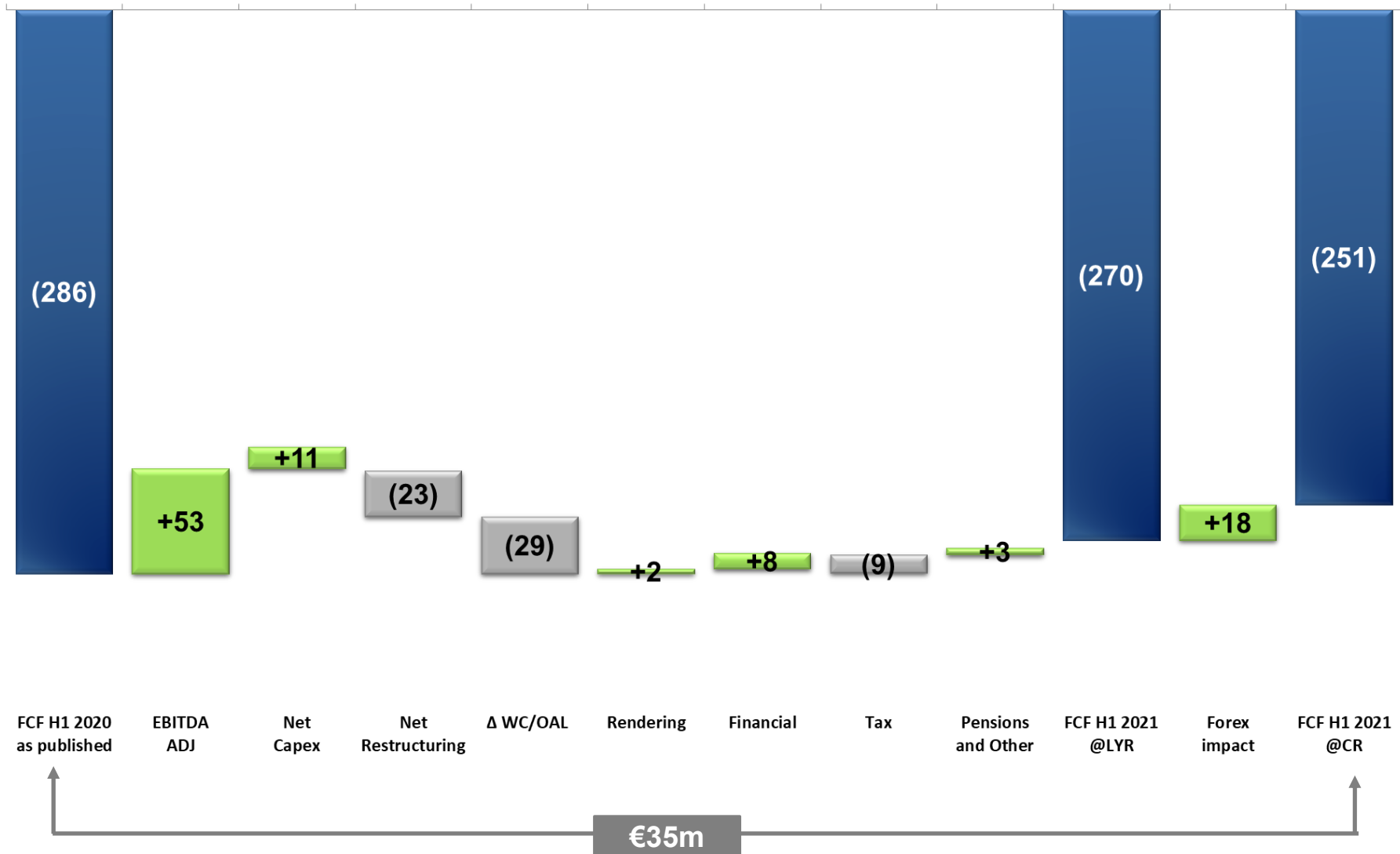
⁽¹⁾ Including IT capacity use for rendering in Technicolor Creative Studios of 0m€ in 2021 and (2)m€ in 2020

⁽²⁾ Risk, litigation and warranty reserves

H1

in € million	2021		2020	vs. LY (a)	Forex impact (b)	vs. LY at constant rate (c=a+b)
	Current rate	LY rate	LY rate			LY rate
EBIT Continuing	(4)	(7)	(194)	+190	(3)	+187
Net Interest Expense	(61)	(62)	(40)	(21)	(2)	(23)
Others Financial	(2)	(3)	(28)	+26	(1)	+25
Profit before Tax	(67)	(73)	(261)	+194	(6)	+189
Tax	(11)	(11)	(3)	(7)	(1)	(8)
Net Result Continuing	(78)	(84)	(264)	+187	(6)	+181
Net Result Discontinued	(1)	(1)	(1)	(1)	(0)	(1)
Net Result Group (Group share)	(79)	(85)	(265)	+186	(6)	+180

Free Cash Flow from continuing operations: H1 2021 vs. H1 2020



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	350	361	Floating	12.00% ⁽²⁾	Bullet	Jun. 30, 2024	Caa1/B
New Money Term Loans	USD	104	107	Floating	12.23% ⁽³⁾	Bullet	Jun. 30, 2024	Caa1/B
Reinstated Term Loans	EUR	453	380	Floating	6.00% ⁽⁴⁾	Bullet	Dec. 31, 2024	Ca/CCC
Reinstated Term Loans	USD	119	100	Floating	5.95% ⁽⁵⁾	Bullet	Dec. 31, 2024	Ca/CCC
Subtotal	EUR	1,026	948		8.67%			
Lease Liabilities ⁽⁶⁾	Various	160	160	Fixed	8.68%			
Accrued PIK Interest	EUR+USD	35	35	NA	0%			
Accrued Interest	Various	16	16	NA	0%			
Wells Fargo Line	USD	35	35	Floating	5.25%	Revolving	Dec.31, 2023	
Other Debt	Various	1	1	NA	0%			
Total Gross Debt		1,273	1,195		8.23%			
Cash & Cash equivalents	Various	99	99					
Total Net Debt		1,174	1,096					

(1) Rates as of June 30, 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 €11 million are capital leases and €149 million is operating lease debt under IFRS 16

Liquidity at June 30, 2021 (€m)	Amount of credit line	Available credit line*	Drawn amount	Available amount
Cash on hand				99
Committed credit facilities:				
Wells Fargo credit line (\$125m)	105	100	35	65
Liquidity				€164m

- ▶ \$42m (€35m) drawn on Wells Fargo line at June 30, 2021 and \$77m (€65m) available
- ▶ A 2-year committed €40m factoring line for CH-France was put in place in Q2 with Crédit Agricole Leasing & Factoring, €20m used at June 30

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

APPENDIX



DETAILS OF DEBT ON JUNE 30, 2021 (INCLUDING OP. LEASE DEBT)

NOMINAL & IFRS DEBT (INCLUDING IFRS 16 OPERATING LEASE DEBT)

in millions of euro

						<i>FX Rate: 1.1884</i>						
						Nominal	IFRS	Int. Rate	June 30, 2021		Dec 31, 2020	
Borrower	Type	Curr.	Rate Formula	Maturity		Rate	Rate	Hedging?	Nominal	IFRS	Nominal	IFRS
Technicolor SA	Term Loan	USD	Libor w/ floor of 0% + 2.75% + 3% PIK	Dec 2024		5.95%	11.30%	No	119	100	115	95
Technicolor SA	Term Loan	EUR	Euribor w/ floor of 0% + 3.00% + 3% PIK	Dec 2024		6.00%	11.34%	Yes	453	380	453	372
Tech 6	Notes	EUR	Euribor w/ floor of 0% + 6.00% + 6% PIK	Jun 2024		12.00%	10.95%	No	350	361	350	363
Technicolor USA Inc.	Term Loan	USD	Libor w/ floor of 0% + 6.00% + 6% PIK	Jun 2024		12.23%	11.20%	No	104	107	98	101
Various entities	Accrued PIK	EUR+USD		Jun & Dec 2024		0%	0%	No	35	35	16	16
Technicolor USA Inc.	Credit line	USD	WF Base rate + 2%			5.25%	5.25%	No	35	35	-	-
Various entities	IFRS 16 Operating lease liabilities					8.66%	8.66%	No	149	149	164	164
Various entities	Capital lease liabilities					8.93%	8.93%	No	11	11	14	14
Various entities	Accrued interest					0.00%	0.00%	No	16	16	16	16
Various entities	Other debt					0.00%	0.00%	No	1	1	1	1
Total Debt:									€1 273	€1 195	€1 227	€1 142
Cash:									99	99	330	330
Net Debt:									€1 174	€1 096	€897	€812
Average interest rate:									8.23%	10.18%	8.38%	10.74%
Average rate (with hedging):									8.27%	10.22%	8.43%	10.80%

DETAILS OF DEBT ON JUNE 30, 2021 (EXCLUDING OP. LEASE DEBT)

NOMINAL & IFRS DEBT (EXCLUDING IFRS 16 OPERATING LEASE DEBT)

<i>in millions of euro</i>						<i>FX Rate: 1.1884</i>						
Borrower	Type	Curr.	Rate Formula	Maturity	Nominal Rate	IFRS Rate	Int. Rate Hedging?	June 30, 2021		Dec 31, 2020		
								Nominal	IFRS	Nominal	IFRS	
Technicolor SA	Term Loan	USD	Libor w/ floor of 0% + 2.75% + 3% PIK	Dec 2024	5.95%	11.30%	No	119	100	115	95	
Technicolor SA	Term Loan	EUR	Euribor w/ floor of 0% + 3.00% + 3% PIK	Dec 2024	6.00%	11.34%	Yes	453	380	453	372	
Tech 6	Notes	EUR	Euribor w/ floor of 0% + 6.00% + 6% PIK	Jun 2024	12.00%	10.95%	No	350	361	350	363	
Technicolor USA Inc.	Term Loan	USD	Libor w/ floor of 0% + 6.00% + 6% PIK	Jun 2024	12.23%	11.20%	No	104	107	98	101	
Various entities	Accrued PIK	EUR+USD		Jun & Dec 2024	0%	0%	No	35	35	16	16	
Technicolor USA Inc.	Credit line	USD	WF Base rate + 2%		5.25%	5.25%	No	35	35	-	-	
Various entities	Capital lease liabilities				8.93%	8.93%	No	11	11	14	14	
Various entities	Accrued interest				0%	0%	No	16	16	16	16	
Various entities	Other debt				0%	0%	No	1	1	1	1	
Total Debt:								€1 124	€1 046	€1 063	€978	
Cash:								99	99	330	330	
Net Debt:								€1 025	€947	€733	€648	
Average interest rate:								8.17%	10.39%	8.38%	10.74%	
Average rate (with hedging):								8.22%	10.44%	8.43%	10.80%	

THANK YOU

