



# FY22

results

March, 2023



# *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. **2021 Universal Registration Document** (Document d'enregistrement universel) has been filed with the French Autorité des marchés financiers (AMF) on April 5, 2022, under number D-22-0237, and an amendment to the 2021 URD has been filed with the AMF on April 29, 2022, under number D-22-0237-A01.

# KEY Highlights



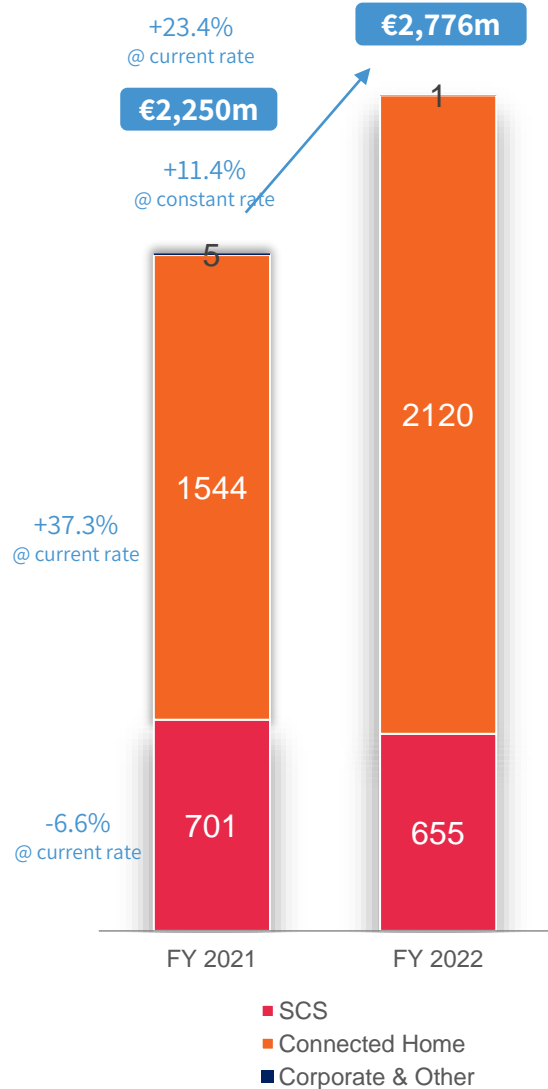
# FY 2022 highlights

- 2022 is the first year of **Vantiva** as an independent business. TCS spin-off **executed**
- All KPIs of the 2022 guidance **exceeded**
- Good **performance** from Connected Home
- SCS **contribution affected** by external factors
- New talents recruited to **strengthen** the management team to execute our plans
- **Deleveraging** plans under redefinition due to TCS's new refinancing

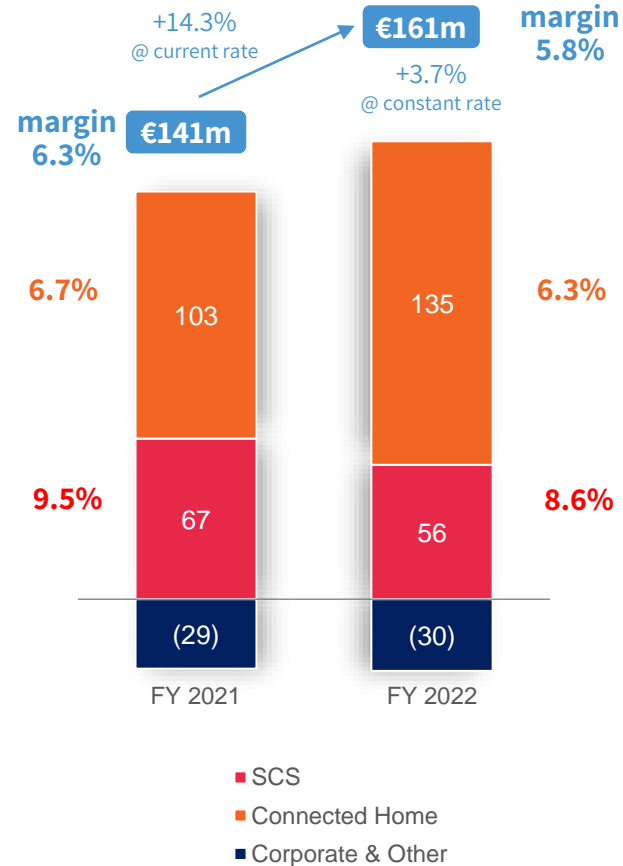
**2022**  
the start  
of a new  
chapter

# FY 2022 highlights

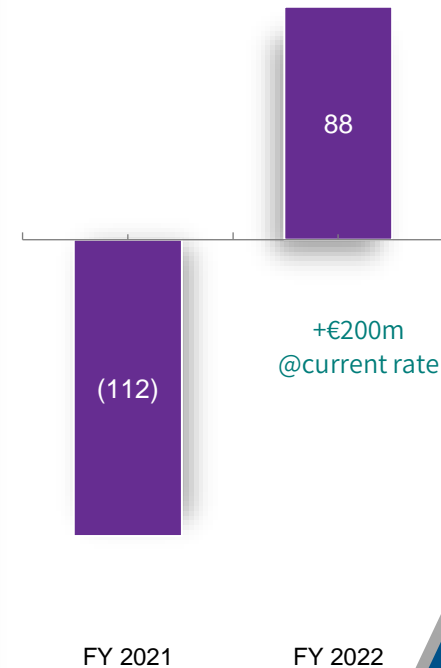
## REVENUES (in € million)



## Adjusted EBITDA (in € million)



## FCF (before financial and tax, in € million)



Strong performance driven by Connected Home

## 2022 guidance exceeded

<i>In € million</i>	Guidance June 2020		
	2022e	2022a	2022 @constant rate
Adj. Continuing EBITDA	>140m	<input checked="" type="checkbox"/> 161	<input checked="" type="checkbox"/> 150
Adj. Continuing EBITA	29-39m	<input checked="" type="checkbox"/> 55	<input checked="" type="checkbox"/> 52
Continuing FCF <sup>(1)</sup>	43-63m	<input checked="" type="checkbox"/> 88	<input checked="" type="checkbox"/> 78

# In 2022

Despite a challenging environment and continuing headwinds, Vantiva delivered better performance than expected.

(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)

## 2023: Change of cycle in the market

### Areas of Strength

- Demand for broadband **boosted** by new technologies
- **Increased product value** for Video and IOT devices
- **Additional capacity** for vinyl
- **Good prospects** for microfluidics and IOT for verticals

### Areas of attention

- **Uncertain demand** due to macro conditions
- **Supply chain constraints** improving, but always ready for any unexpected distortions
- **Over performance in working capital** in 2022 may partially reverse in 2023

2023

# 2023 guidance

Despite uncertainty in demand due to macro-economic conditions, and their impact on revenues, the group targets:

Adjusted  
EBITDA  
**>€140m**

Adjusted  
EBITA  
**>€45m**

Free Cash  
Flow\*  
**>€50m**

Outlook  
Maintained

\* before financial and tax



# **BUSINESS** Update



# Connected Home in 2022: STRONG GROWTH DRIVEN BY BROADBAND CONNECTIVITY



**Strong Growth in EMEA and AMERICAS** driven by Fiber and Docsis 3.1 for broadband solutions, **despite supply constraints during the year**



**Leadership** in key market segments strengthened with New deals with major operators in EMEA and AMERICAS



**Flexible manufacturing and resilient supply model** implemented which proved to be successful in guaranteeing supply in difficult situations operations



## CONTINUED INNOVATION

- Wi-Fi 6/6E: Multiple GWs projects launched in North America and Europe
- First wins on 5GFWA
- Launch of new innovative set-top boxes – soundbox, dongle and OTT STBs
- Go to market launch of XGSPON and Ethernet GW on Wi-Fi 7 technology at Broadband World Forum
- First prototypes for DOCSIS 4.0

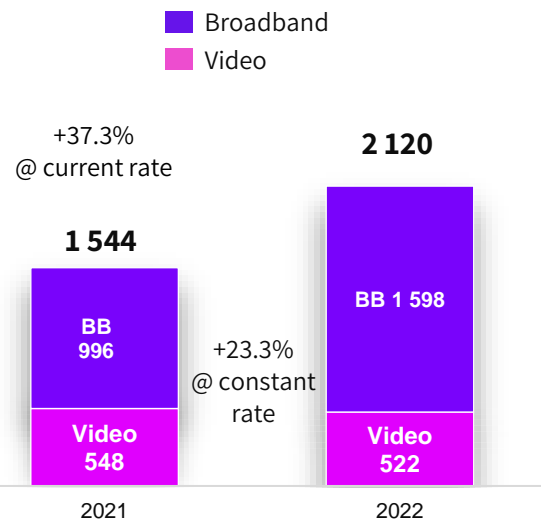
## ECO/SUSTAINABILITY

- Climate change on track: CO2 emission reduced by 20%
- Circular Economy projects increasing for recycled content and for elimination of single-use plastics
- All new products incorporating eco/sustainable design rules for European market

# Connected Home: Financial Performance

## 2022: STRONG GROWTH FOR BROADBAND

REVENUES (in € million)

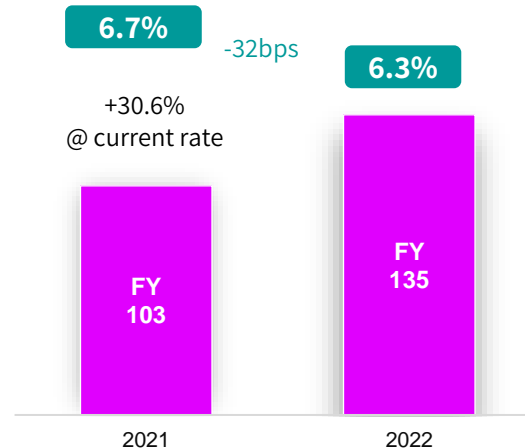


### REVENUE STRONGLY UP:

- Strong demand for BB products especially in the US
- Broadband share of revenue up again: 75% in 2022 vs. 64% in 2021
- Video devices demand lower in Asia Pacific

ADJUSTED EBITDA (in € million)

EBITDA MARGIN (in %)



### EBITDA UP IN ABSOLUTE VALUE BUT MARGIN DOWN 32 BPS:

Adjusted EBITDA in € up 30.6%  
Margin down 32 bps as measures to counter inflation, boost revenues with no margin contribution

## 2023 OUTLOOK

- Very dynamic Broadband market with new opportunities being developed
- Demand is more volatile due to macroeconomic reasons
- Chipsets supply improving
- IoT for Verticals initiative under development with focus on specific use cases and NAM market

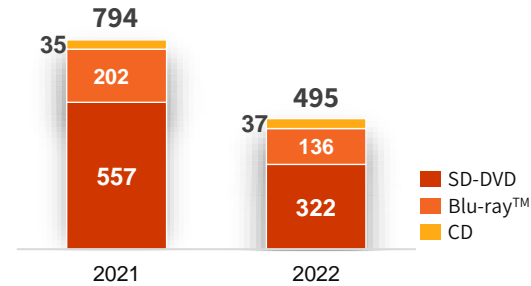


# Supply Chain Solutions in 2022: A year of commercial successes and operational efficiencies

## DISC BUSINESS: NORMALIZING AFTER COVID IMPACTS IN 2020 / 2021

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

→ Manufacturing volumes down 38% vs. 2021 as customers worked through excess inventory built up due to Covid given prior supply-chain disruptions



**DVD BUSINESS FOR ALL THE MAJOR STUDIOS REMAINS NO.1 IN THE WORLD** with 65% global market share and 90% US market share



**COMPLETED  
MULTI-YEAR  
ACCELERATED  
RESTRUCTURING  
PLAN IN 2022**

## NEW GROWTH BUSINESSES: KEY COMMERCIAL SUCCESSES

ACTIVE, MULTIFACETED DIVERSIFICATION AND GROWTH STRATEGY



### PRECISION BIODEVICES

Completed manufacturing capacity addition to Camarillo, CA facility including dedicated production cell and clean room. The increased technical capabilities and expanded sales team led to new commercial relationships with major IVD/pharma customers in H2.



### VINYL

Launched commercial record pressing in May 2022. Capacity expansion will continue in 2023 & 2024, to support major music label contracts.



### DISTRIBUTION & LOGISTICS

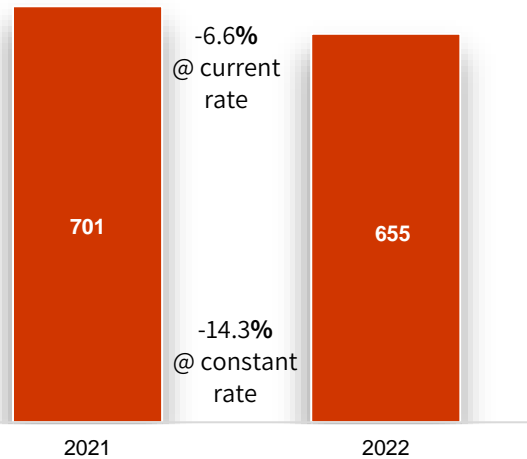
Non-disc related distribution and logistics activity demonstrated continued strong growth in 2022, up over 50% vs. prior year.

**CONTINUING TO  
ACCELERATE THE  
DIVERSIFICATION OF THE  
BUSINESS AND EXPAND  
NON-DISC ACTIVITIES**

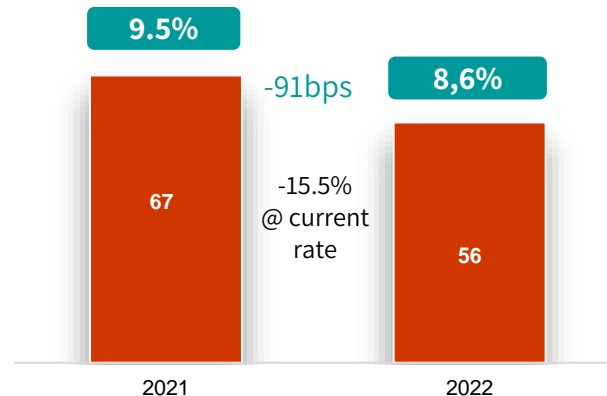
# Supply Chain Solutions in 2022:

## 2022: SHOWING THE RESULTS OF OPERATIONAL RESTRUCTURING

REVENUES (in € million)



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



## 2023 Outlook

### REVENUES DOWN 14% YOY AT CONSTANT RATE:

- Impacted by disc volume reductions
- Mitigated in part by ongoing growth in non-disc related activity and pricing increases

### EBITDA IMPACTED BY GREATER THAN EXPECTED VOLUME DROP:

- Cost reductions and other mitigating actions taken to minimize impact
- As well as increased contribution from non-disc business
- Limited margin decrease thanks to restructuring

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

- Continued optimization of disc business for long-tail cash flow generation
- Significant expansion of vinyl manufacturing capabilities
- Ongoing growth in diversified distribution and logistics businesses
- Development of Biodevices commercial activities

# Key financial figures



## Key figures full year – GROUP

	2022	2021	Variation
<b>in € million</b>			
<b>Revenues</b>			
	<b>2,776</b>	<b>2,250</b>	<b>526</b>
Adjusted EBITDA	161	141	20
in % of Revenues	5.8%	6.3%	47pbs
D&A <sup>(1)</sup> & Reserves <sup>(2)</sup> w/o PPA amortization	(106)	(101)	(5)
Adjusted EBITA	55	39	16
PPA amortization	(31)	(30)	(1)
Non-recurring items	(35)	(23)	(12)
EBIT	(11)	(13)	2
Net Result Continuing	(529)	(143)	(672)
Net Result Discontinued	680	4	676
Net Result Group (Group share)	151	(140)	291
Adjusted EBITDA	161	141	20
Capex	(80)	(69)	(11)
Non-recurring items (cash impact)	(50)	(85)	35
WC-OAL variation <sup>(1)</sup>	57	(98)	155
FCF before Financial & Tax	88	(112)	200
FCF after Financial & Tax	6	(180)	186
Net Debt (IFRS)	(263)	(1,039)	nm

## From Adjusted Ebitda TO EBIT IN SUMMARY

in € million	2022	2021	variation
<b>Adjusted EBITDA</b>	<b>161</b>	<b>141</b>	<b>20</b>
D&A & Reserves <sup>(1)</sup> w/o PPA amortization	(106)	(101)	(5)
<b>Adjusted EBITA</b>	<b>55</b>	<b>39</b>	<b>16</b>
PPA amortization	(31)	(30)	(1)
Impairments & write-off	(5)	(2)	(3)
Restructuring	(17)	(31)	14
Other Non-Current	(13)	10	(23)
<b>EBIT Continuing</b>	<b>(11)</b>	<b>(13)</b>	<b>2</b>



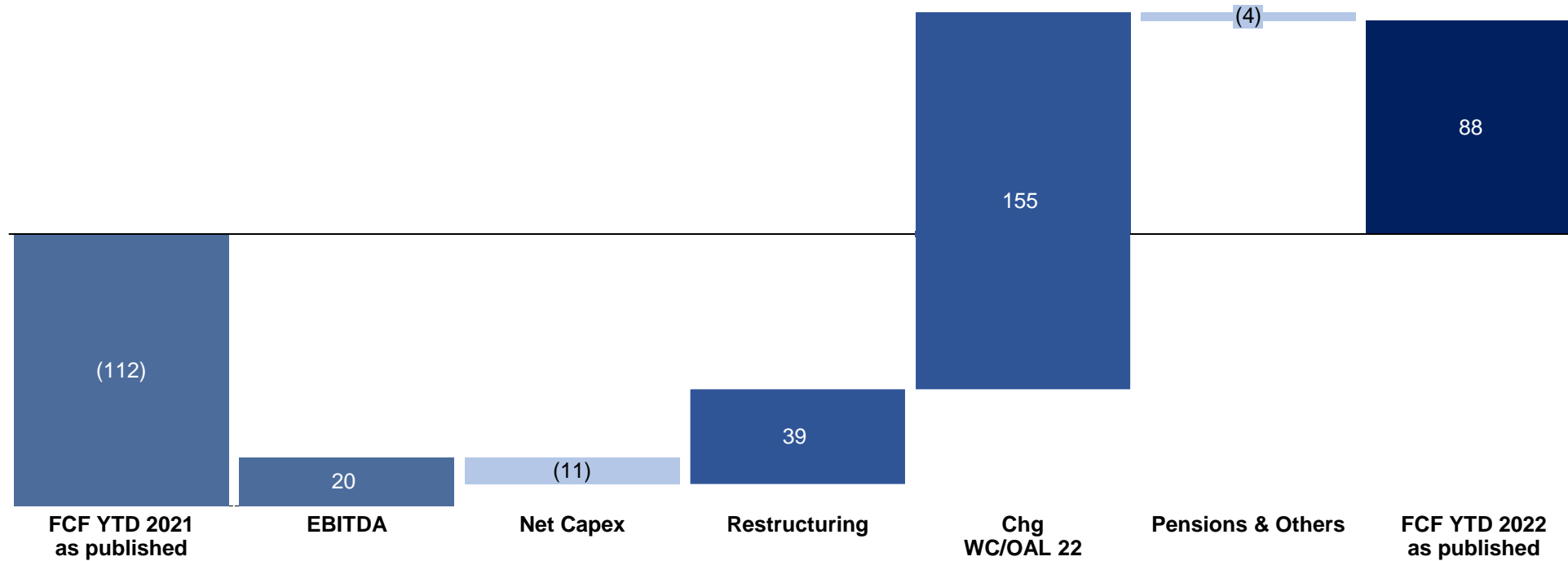
## From EBIT to Net Result Group

in € million	2022	2021	Variation
<b>EBIT Continuing</b>	(11)	(13)	2
Net Interest Expense	(167)	(116)	(51)
Other Financial	(10)	(1)	(9)
Net financial result	(177)	(117)	(60)
<b>Profit before Tax</b>	<b>(188)</b>	<b>(130)</b>	(58)
Tax	(30)	(14)	(16)
Share of gain (profit) from associates	(311)	0	(311)
<b>Net Result Continuing</b>	<b>(529)</b>	<b>(143)</b>	<b>(672)</b>
Net Result Discontinued	680	4	676
<b>Net Result Group (Group share)</b>	<b>151</b>	<b>(140)</b>	<b>291</b>

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

# Free Cash Flow <sup>(1)</sup> from continuing operations

FREE CASH FLOW FROM CONTINUING OPERATIONS: YTD 2022 VS. YTD 2021



*In € million*

*(1) Before interest and tax*

## Liquidity and DEBT

Liquidity at September 30, 2022 (€m)	Amount of credit line	Available credit line <sup>(1)</sup>	Drawn amount	Available amount
Cash on hand				167
<b><i>Committed credit facilities:</i></b>				
Wells Fargo credit line (\$125m)	117	91	0	91
<b>Liquidity</b>				<b>258</b>

Liquidity  
amounted to  
€258m  
at December 31,  
2022

€m	Nominal Amount
Total Gross Debt <sup>(2)</sup>	448
Cash and Cash Equivalents	(167)
<b>Total Net debt</b>	<b>282</b>

(1) Based on available receivables  
(2) Including operating lease (IFRS16)



Thank you

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# Glossary of Terms

Abbreviation	Definition
\$	American Dollar
€	Euro
B2B	Business-to-Business
BB	Broadband
BD	Blu-ray Disc
CAGR	Compound Annual Growth Rate
CD	Compact Disc
CPE	Customer-Premises Equipment
CTO	Chief Technology Officer
D&A	Distribution and Amortization
Docsis	Data Over Cable Service Interface Specifications
DSO	Days Sales Outstanding
DPO	Days Payables Outstanding
DSI	Days Sales Of Inventory
DVD	Digital Video Broadcasting
EBIT	Earnings before Interest and Tax
EBITA	Earnings before Interest, Tax and Amortization

Abbreviation	Definition
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EU	European Union
FCF	Free-Cash-Flow
GPON	Gigabit Ethernet Passive Optical Network
IoT	Internet of Things
NSP	Network Services Provider
OPEX	Operating Expenses
OTT	Other-The-Top
PPA	Power Purchase Agreement
STB	Set-Top-Boxes
SVP	Senior Vice President
SW	Software
US	United States
WC	Working Capital

# Glossary of Terms (Cont'd)

- **Adjusted EBITDA:** profit (loss) from continuing operations before tax and net financial income (expense), net of other income (expense), depreciation and amortization (including impact of provision for risks, litigation and warranties)
- **Adjusted EBITA:** profit (loss) from continuing operations before tax and net financial income (expense), net of other income (expense) and amortization of purchase accounting items.
- **At constant exchange rate:** consolidated financial statements prepared and presented by the parent company at a constant exchange rate compared to the last period. It allows to show what would have been the evolution of the company within the same foreign exchange environment than the previous period
- **Blu-ray™:** digital disk format ranging from 7,5 gigabytes of capacity (single layer) to 128 gigabytes (quad layer)
- **Compact Disc (CD):** is an optical disk used to store digital data. Capacity ranging from 0.21 to 0.91 gigabyte, mostly 0.74 gigabyte
- **Customer-Premises Equipment (CPE):** terminal equipment on the client side used to connect to the network of an Internet service provider
- **DOCSIS 3.1:** standard that defines interface, communication and configuration rules and protocols, for data transport system and Internet access using old television network by coaxial cable. This leads to add a high-speed data transfers to the existing cable television system
- **Earnings before Interest, Tax, Depreciation and Amortization (EBITDA):** defines the earning of a company before the deduction of interests, taxes, depreciation expenses and provisions on fixed assets (but after provisions on inventories and accounts receivables)
- **Free Cash-flow:** 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)
- **High-speed gateway:** physical device/electronic box enabling the Internet access, also called router or modem
- **International Financial Reporting Standards (IFRS):** accounting standards that shall be applied by listed companies when establishing their accounts in order to harmonize the presentation of their financial statement
- **Internet of Things:** the extension of the Internet to things and places in the physical world
- **Working capital requirements:** current asset minus current liability (including current provisions, excluding cash-flow, short-term debt and financial instruments).
- **xDSL:** refers to DSL (“digital subscriber line”) and to all the techniques set up for a digital transport of information over a wireline telephone connection or a dedicated line