

# Q1 2016 REVENUES

28 APRIL 2016



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# Forward Looking Statements

Q1

▶ **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.



## OPERATING BUSINESSES

revenues up 77% at constant currency, with Connected Home doubling in size, Production Services up 50% and DVD Services up 25%



## STRONG COMMERCIAL ACTIVITY

in Connected Home and Production Services providing strong foundations for next year's business



## INTEGRATION ON TRACK

ahead of schedule in Connected Home and Production Services; launch of cost reduction program in DVD Services in Q1 2016



## LICENSING BUSINESS

solid performance driven by Video Coding and Digital TV activities, offsetting lower MPEG LA revenues



## 2016 OBJECTIVES

2016 objectives confirmed

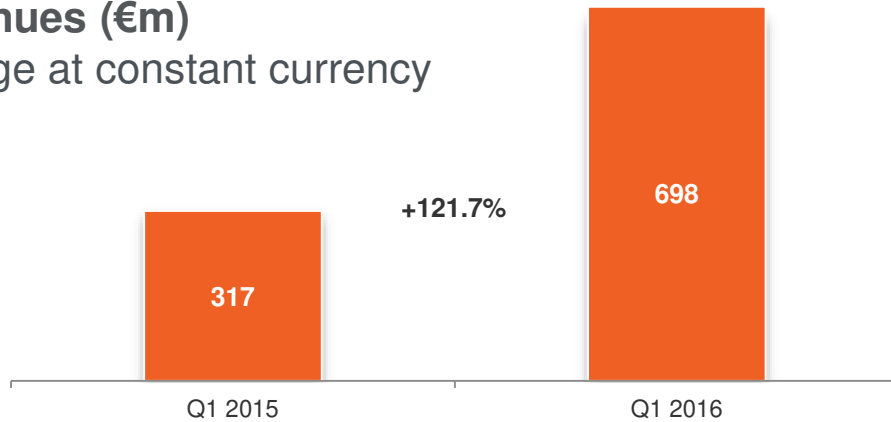
# Q1 2016 Revenues by Segment



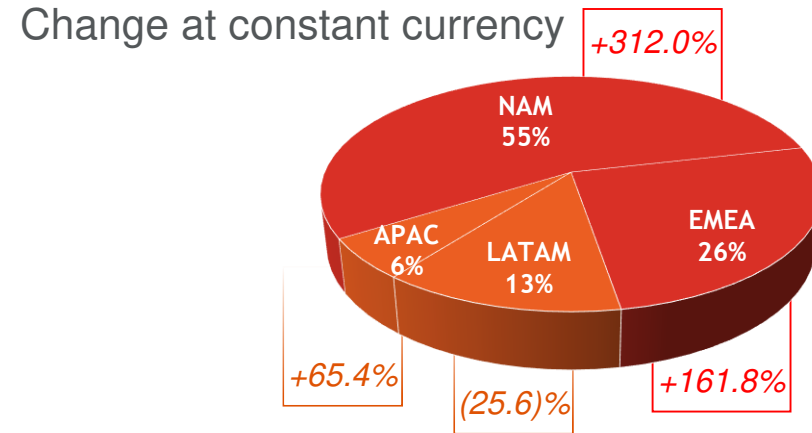
(in € million)	Q1 2015	Q1 2016	Change	Δ % Current Currency	Δ % Constant Currency
Connected Home	317	698	+381	+120.3%	+121.7%
Entertainment Services	338	450	+112	+33.2%	+34.6%
Technology	118	112	(6)	(4.9)%	(2.6)%
<b>Group revenues (excluding exited activities)</b>	<b>772</b>	<b>1,260</b>	<b>+488</b>	<b>+63.1%</b>	<b>+64.7%</b>
Exited activities*	33	2	(31)	(94.3)%	(94.4)%
<b>Group revenues</b>	<b>805</b>	<b>1,262</b>	<b>+457</b>	<b>+56.7%</b>	<b>+58.2%</b>

# Connected Home (CH) – Revenue Highlights

Revenues (€m)  
Change at constant currency



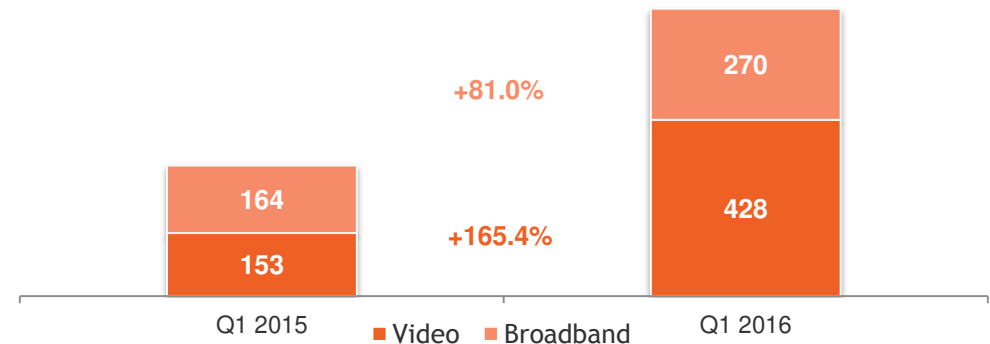
Revenues by region (€m)



## KEY HIGHLIGHTS

- ▶ **Getting scale:** growth driven by the Cisco Connected Devices acquisition and the ramp-up of new products launched in H2 2015 in North America and EMEA
- ▶ **Mix improvement** driven by the ramp-up of new high-end devices
- ▶ Excl. the contribution of CCD\*, **strong revenue growth in all regions, except LATAM** severely affected by Brazil environment
- ▶ **Integration well on track** with first payback in Q1

Revenues by product (€m)



# CH - Strong commercial activity in Q1 2016

Q1



## VIDEO

- ▶ Secured a solid pipeline of new STB contracts in Q1, including OTT boxes

2 US CABLE OPERATORS



CANAL+



com hem



## BROADBAND

- ▶ Fixed BB activity boosted by new technology: DOCSIS 3.1, LTE, Fiber, xDSL/G.fast



Globe



1 US TELECOM OPERATOR



# CH - Integration progressing well

Q1



- ▶ Migration of Cisco supply chain towards Technicolor supply chain started
- ▶ Synergies in G&A and COGS well on track with acceleration expected over the next months
- ▶ Cost synergies start benefiting the P&L as of Q1 2016

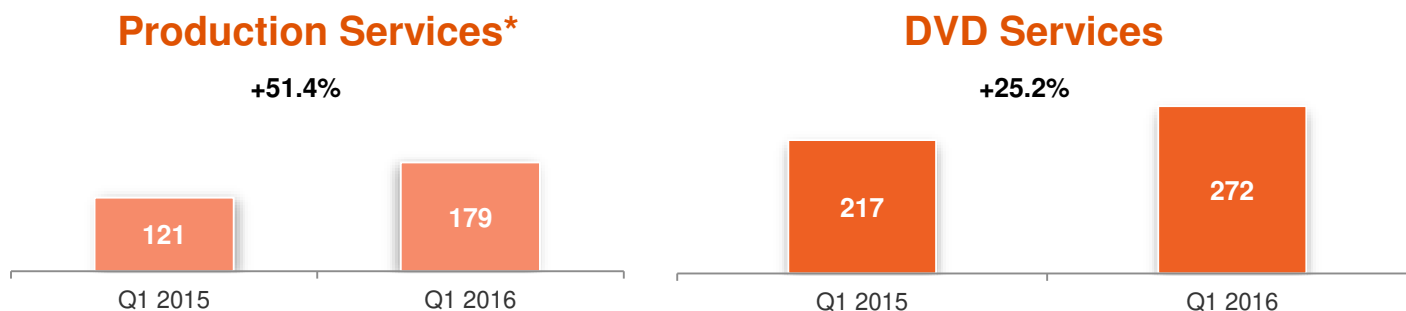


# Entertainment Services – Highlights

Q1

## Revenues (€m)

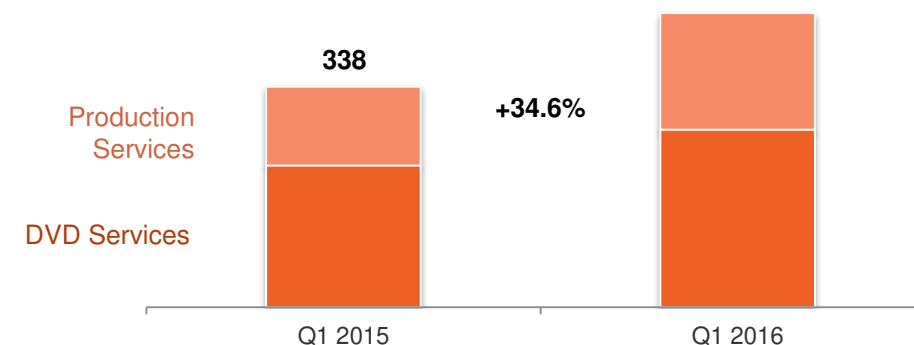
Change at constant currency



## Revenues (€m)

Change at constant currency

### Entertainment Services\*



### PRODUCTION SERVICES HIGHLIGHTS

- ▶ > +50% at constant currency vs. Q1 2015, driven by:
  - Double-digit organic revenue growth
  - Addition of OuiDo, Mikros Image and The Mill

### DVD SERVICES HIGHLIGHTS

- ▶ > +25% at constant currency vs. Q1 2015, driven by:
  - Customer wins and additions of 2015
  - Selected new Theatrical releases

### ENTERTAINMENT SERVICES HIGHLIGHTS

- ▶ Revenues up 35% at constant currency vs. Q1 2015
- ▶ Focus on profitability:
  - Integration ahead of schedule in PS
  - Cost reduction program launched in Q1 2016 in DVD Services



# A quarter of achievements in Production Services

Q1

**ATTAINED** new artistic heights in Theatrical and produced visually epic spots

**STRONG** pipeline of projects with major wins in all market segments during Q1, including 2 long feature Animation projects with US studios

**PIONEERING** the next wave of premium experiences in VR/AR



MPC

MI  
KR  
O'S  
IMAG E/



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MRX



SXSW.  
INTERACTIVE  
2016  
MARCH 11-15  
AUSTIN, TX

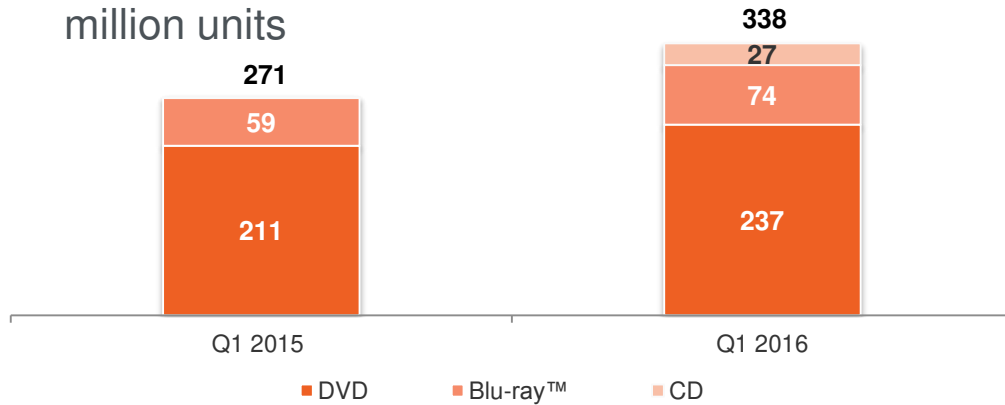


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# DVD Services volume trends in Q1 2016

Q1

## Overall disc volumes million units



## BLU-RAY™ VOLUMES ALSO SUPPORTED BY KEY XBOX ONE RELEASES



## KEY THEATRICAL RELEASES IN Q1 2016



## DEEPEN MARKET COVERAGE



LIONSGATE



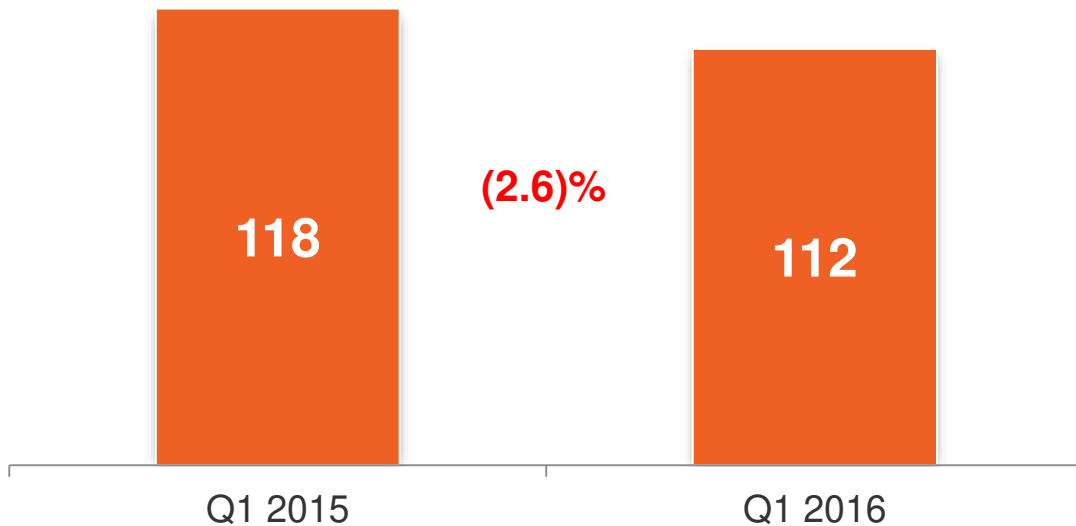
WARNER MUSIC GROUP



UNIVERSAL MUSIC GROUP



Revenues (€m)  
Change at constant currency



## KEY HIGHLIGHTS

### Patent Licensing

- ▶ **€62m decline** in MPEG LA revenues vs. Q1 2015, offset by sustained level of activity in Video Coding and Digital TV
- ▶ **Video Coding:** first material licensing agreement (lump sum) for the use of its HEVC IP portfolio signed with a major technology company in Feb.
- ▶ **Digital TV:** licensing deals with three mid-size Japanese TV brands

### Trademark & Technology Licensing

- ▶ Slight increase in Trademark Licensing revenues
- ▶ Additional progress in the dissemination of High Dynamic Range (“HDR”) technology, in particular with the partnership signed with Vubiquity

# Increasing “non-cash” liquidity

Q1

## Significant liquidity available as of April 2016

in million € or \$

### Undrawn committed credit lines

RCF	€100m	Euribor/Libor + 4.25% - Term: July 2018
RCF	€125m	Euribor/Libor + 3.50% - Term: Jan 2019 + 1
Wells Fargo credit line	\$125m	Libor + 2.25-2.75% - Term: April 2019

### Uncommitted credit lines

Other uncommitted facilities	\$40m	
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- ▶ Technicolor negotiated early 2016 a new RCF of €125m (3 years to January 2019 + possible 1-year extension)
- ▶ These lines allow Technicolor to operate with less cash on its balance sheet



# 2016 objectives confirmed

Q1

**FREE CASH FLOW**  
**> €240m**

**Adj. EBITDA**  
**€600m to €630m**

**Net Debt to Adj. EBITDA**  
**< 1.4x**

## **Adj. EBITDA breakdown**

**Operating Businesses:** > €475m

**Technology:** > €200m

*Based on contribution of licensing agreements already signed and incl. €60m generated by MPEG LA*

**Corporate and Other:** c. €(80)m

# THANK YOU

