H1 2019 RESULTS

July 2019

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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.

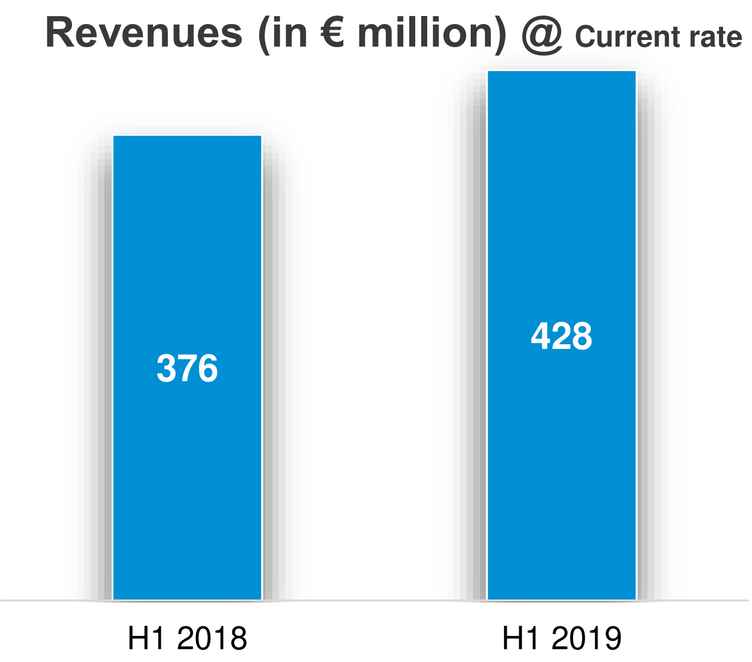
H1 2019 KEY FIGURES FROM CONTINUING OPERATIONS

- First half **REVENUES** are broadly in line with last year
- **ADJUSTED EBITDA** (excl. IFRS 16) is down versus 2018 driven by Connected Home and one-off strong licensing revenues in the first half 2018 while Entertainment Services is flat
- **RECURRING EBITA** decline reflects the lower Adjusted EBITDA, exceptional cloud rendering costs incurred in Production Services and increased operating reserves at Connected Home
- **FCF** at €(297) million resulting mainly from lower Adjusted EBITDA, reduced milestone payments in Production Services and a €83 million timing impact on working capital due to slow inventory deliveries in Connected Home (both of which will be recovered in the second half)

	First Half (IFRS)				First Half (excl. IFRS 16)			
In € million	H1 2018	H1 2019	*Change YoY at current rate*	*Change YoY at constant rate*	H1 2018	H1 2019	*Change YoY at current rate*	*Change YoY at constant rate*
Revenues	1,774	1,764	*(0.5)%*	*(3.8)%*	1,774	1,764	*(0.5)%*	*(3.8)%*
Adjusted EBITDA	73	104	*+43.5%*	*+40.4%*	73	62	*(14.9)%*	*(18.1)%*
Recurring EBITA	(9)	(44)	*na*	*na*	(9)	(48)	*na*	*na*
Free Cash Flow	(137)	(262)	*na*	*na*	(137)	(297)	*na*	*na*

***Under IFRS 16**, most operating leases are now treated as financial leases. As a consequence, operating lease expense is cancelled and replaced by an amortization expense and an interest expense. Under the modified retrospective method, 2018 Profit & Loss account is not adjusted. Figures are therefore presented excluding IFRS 16 in 2019 only for comparability.*

PRODUCTION SERVICES: CONTINUED PROFITABLE GROWTH



REVENUE HIGHLIGHTS:

- REVENUE UP c.10% YOY AT CONSTANT RATE
  - Record-breaking revenue performance with strong double-digit revenue growth in Film and Episodic VFX driven by increased volume from MPC Film and Mr. X as well as a strong contribution from Mill Film
  - Lower revenue in Advertising VFX

THE DIVISION ACHIEVED SIGNIFICANT YOY IMPROVEMENT IN PROFITABILITY IN FILM AND EPISODIC VFX DRIVEN BY A STRONG PIPELINE

GOING FORWARD:

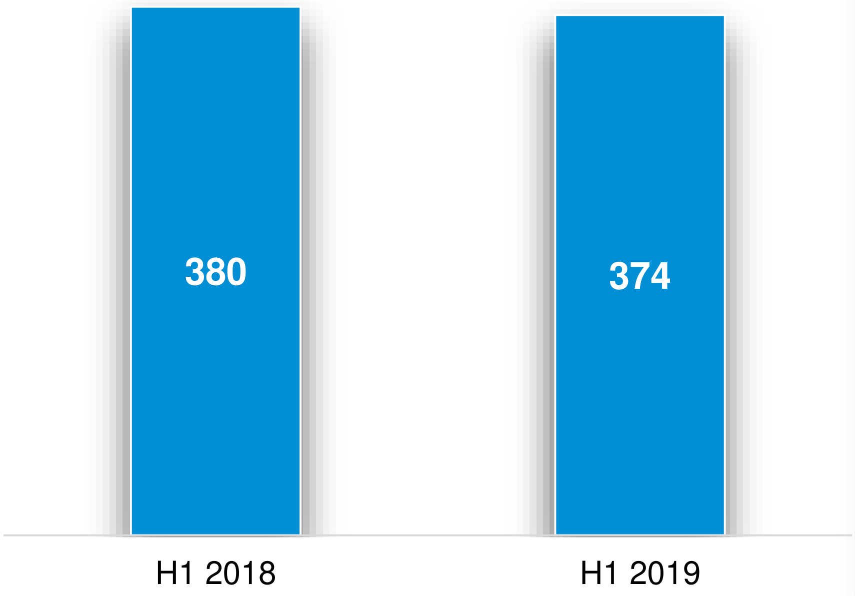
- CAPACITY EXPANSION TO CONTINUE IN KEY CLIENT MARKETS WITH LOCATION-BASED PRODUCTION INCENTIVES

2019 H1 KEY DATA

Film & TV VFX	Advertising	Post Production	Animation & Games
▸ *25+ theatrical Film projects* ▸ *10+ episodic an/or non-theatrical projects*	▸ *2,380+ commercials* ▸ *The Mill and MPC received numerous industry accolades including Cannes Lions and 4 British Arrow Awards*	▸ *163 TV/OTT series, mini-series and/or pilots*	▸ *1,800 minutes of animation for TV and Film*

DVD SERVICES

Revenues (in € million) @ Current rate



(in million units)	H1 2018	H1 2019	*YoY Change*
DVD	338	299	*(11)%*
Blu-ray™	133	118	*(12)%*

REVENUE HIGHLIGHTS:

- H1 REVENUE DECLINE OF c. 6% AT CONSTANT RATE
- VOLUMES DOWN c.11% YOY DRIVEN BY:
  - Greater than expected resiliency for Standard Definition DVD
  - Weaker first quarter 2019 theatrical box office and high comparison basis in 2018
  - Blu-ray volume decline partly offset by continued strong growth of the Ultra UHD Blu-ray volume

ADJ. EBITDA HIGHLIGHTS:

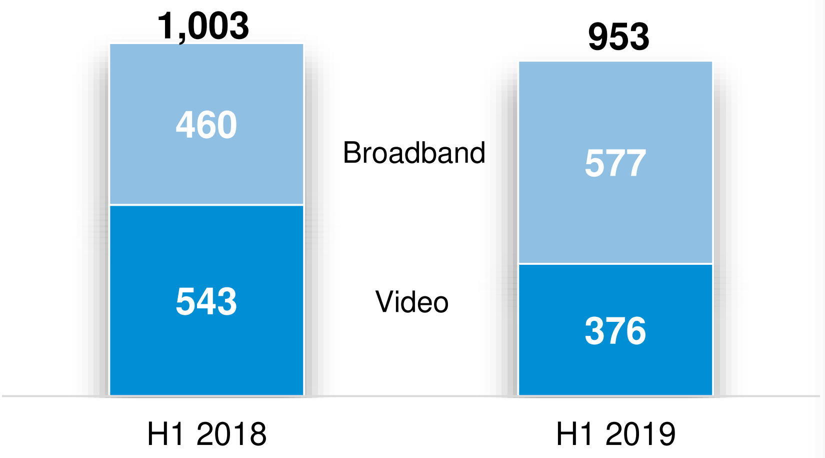
- NEGATIVELY AFFECTED BY:
  - The reduction in volumes
  - Weaker product mix as well as utility cost increases in selected regions

DIVISION-WIDE INITIATIVES:

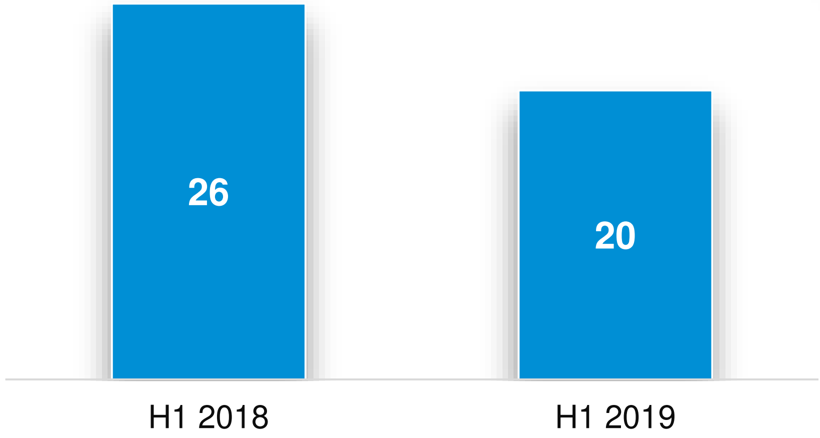
- ADAPT DISTRIBUTION OPERATIONS AND RELATED CUSTOMER CONTRACT AGREEMENTS
- RENEWAL OF CUSTOMER CONTRACTS OVER THE NEXT SEVERAL YEARS BASED ON VOLUME AND ACTIVITY
- CONTINUE SUPPLY-CHAIN SERVICES DIVERSIFICATION

CONNECTED HOME: EXECUTING TRANSFORMATION PLAN

Revenues (in € million) @ Current rate



Adjusted EBITDA (in € million) @ Current rate



REVENUE HIGHLIGHTS:

- DOWN c. 7% YEAR-ON-YEAR

ADJ. EBITDA HIGHLIGHTS:

- YEAR-ON-YEAR DECLINE OF €6 MILLION AT CONSTANT RATE

UNDISPUTED WORLDWIDE LEADER OF THE BROADBAND GATEWAY ACCESS MARKET

TRANSFORMATION PLAN HAS EXCEEDED 70% OF THE COST SAVING TARGET

FOR THE SECOND HALF:

- IMPROVE MARGINS THROUGH MORE FAVORABLE BUSINESS MIX, POSITIVE EVOLUTION OF COMPONENT COSTS AND PRODUCTIVITY IMPROVEMENTS
- STRONG FCF GENERATION

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OUTLOOK

- Investments in organic growth will continue in well-defined areas
- The Group's profitability and cash flow generation in the second half will improve significantly supported by recurring second half seasonality and by a catch-up effect in both Production Services and Connected Home

SPECIFICALLY, THE GROUP WILL:

- Improve margins and cashflow generation in **PRODUCTION SERVICES**
- Take advantage of the first major customer contract extension in **DVD SERVICES**
- Benefit from lower memory prices and reduction of inventories in **CONNECTED HOME**

- The Group will pursue the reduction of its balance sheet leverage

KEY PERFORMANCE FIGURES

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KEY FIGURES – GROUP**

H1

(in € million)	2019 Current rate	2019 LY rate	2018 Current rate	vs. LY (a) Current rate		Forex impact (b)	vs. LY at constant rate (c=a+b) LY rate	
Revenues	**1,764**	**1,707**	**1,774**	***(9)***	***(0.5)%***	***(58)***	***(67)***	***(3.8)%***
Adjusted EBITDA	62	60	73	*(11)*	*(14.9)%*	*(2)*	*(13)*	*(18.1)%*
in % of Revenues	3.5%	3.5%	4.1%					
D&A & Reserves (*) w/o PPA amortization	(110)	(107)	(82)	*(28)*	*(34.4)%*	*+3*	*(25)*	*(30.8)%*
Recurring EBITA	(48)	(48)	(9)	*(39)*	*na*	*+1*	*(38)*	*na*
PPA amortization	(27)	(26)	(22)	*(5)*	*(22.6)%*	*+1*	*(4)*	*(16.7)%*
Non-recurring EBIT	(17)	(17)	(59)	*+42*	*+70.7%*	*+0*	*+42*	*+71.3%*
EBIT	(93)	(91)	(91)	*(2)*	*(2.2)%*	*+2*	*+0*	*+0.2%*
Net Result Continuing	(138)	(134)	(120)	*(17)*	*(14.3)%*	*+3*	*(14)*	*(11.6)%*
Net Result Discontinued	5	5	(32)	*+36*	*na*	*+0*	*+36*	*na*
Net Result Group (Group share)	(133)	(130)	(152)	*+19*	*+12.6%*	*+3*	*+22*	*+14.7%*
FCF Continuing	(297)	(293)	(137)	*(160)*	*na*	*+4*	*(156)*	*na*
Net Debt (IFRS)	(1,060)	(1,061)	(910)	*(150)*	*(16.5)%*			

(*) Risk, litigation and warranty reserves

(**) For comparability figures are presented excluding IFRS 16 impacts and amounts for the six months ended June 30, 2018 are re-presented to reflect the impacts of Discontinued Operations

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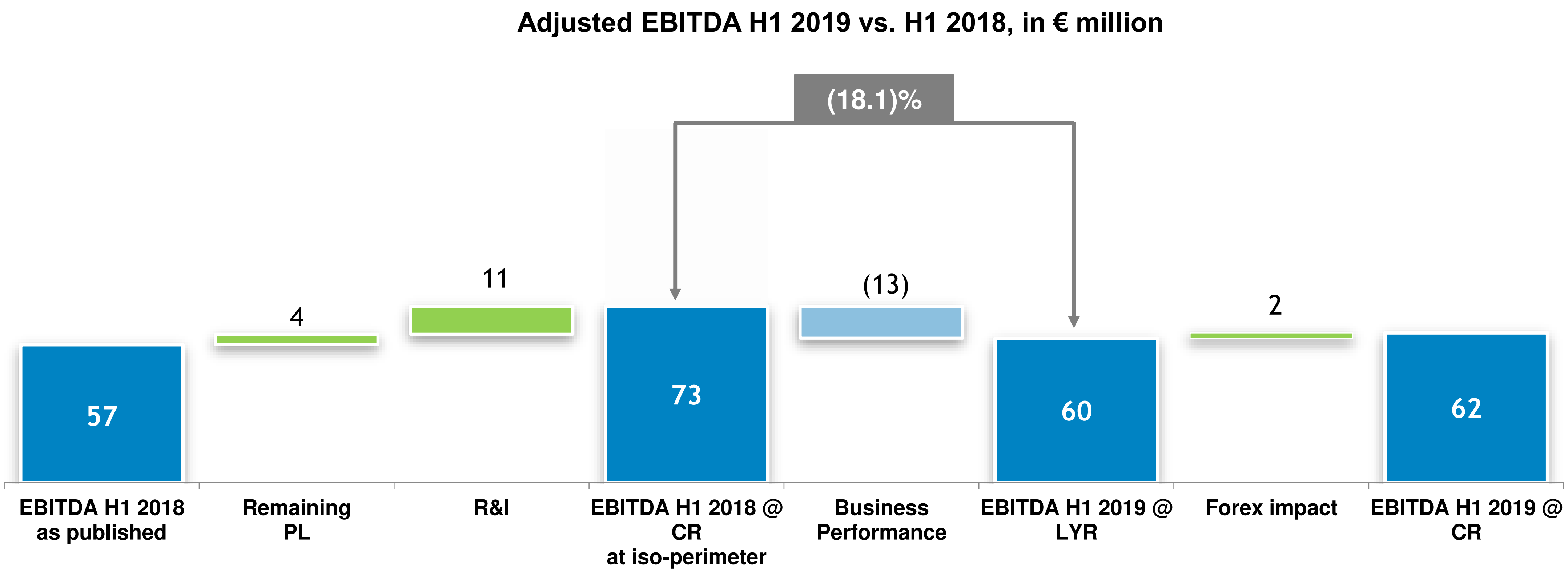
ADJUSTED EBITDA BRIDGE VS. LY



ENTERTAINMENT SERVICES H1 2019 PROFITABILITY**

H1

Entertainment Services in € million	2019		2018	vs. LY (a)		Forex impact (b)	vs. LY at constant rate (c=a+b)	
	Current rate	LY rate	Current rate	Current rate			LY rate	
Revenues	**802**	**770**	**756**	*+46*	*+6.1%*	*(32)*	*+14*	*+1.8%*
Ajusted EBITDA	**56**	**54**	**55**	***+2***	***+3.0%***	**(2)**	**(0)**	***(0.3)%***
in % of Revenues	***7.0%***	***7.1%***	***7.2%***					
D&A & Reserves (*) w/o PPA amortization	(71)	(69)	(54)	*(18)*	*(32.7)%*	*+2*	*(15)*	*(28.7)%*
Recurring EBITA	**(15)**	**(15)**	**1**	***(16)***	***ns***	***+0***	***(16)***	***ns***
PPA amortization	(9)	(9)	(8)	*(1)*	*(11.8)%*	*+0*	*(1)*	*(6.6)%*
Non-recurring EBIT	(14)	(13)	(34)	*+20*	*+59.3%*	*+0*	*+21*	*+60.8%*
EBIT	**(38)**	**(37)**	**(41)**	***+3***	***+7.4%***	***+1***	***+4***	***+10.2%***

(*) Risk, litigation and warranty reserves

(**) For comparability figures are presented excluding IFRS 16 impacts and amounts for the six months ended June 30, 2018 are re-presented to reflect the impacts of Discontinued Operations

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CONNECTED HOME H1 2019 PROFITABILITY **

H1

Connected Home in € million	2019 Current rate	2019 LY rate	2018 Current rate	vs. LY (a) Current rate		Forex impact (b)	vs. LY at constant rate (c=a+b) LY rate	
Revenues	953	928	1,003	*(49)*	*(4.9)%*	*(25)*	*(74)*	*(7.4)%*
Ajusted EBITDA	**20**	**19**	**26**	*(5)*	*(21.4)%*	*(1)*	*(6)*	*(24.7)%*
in % of Revenues	***2.1%***	***2.1%***	***2.5%***					
D&A & Reserves (*) w/o PPA amortization	(37)	(36)	(27)	*(10)*	*(37.0)%*	*+1*	*(9)*	*(34.2)%*
Recurring EBITA	**(17)**	**(17)**	**(1)**	***(15)***	***ns***	***(0)***	***(16)***	***ns***
PPA amortization	(18)	(18)	(14)	*(4)*	*(28.7)%*	*+1*	*(3)*	*(22.4)%*
Non-recurring EBIT	(2)	(2)	(22)	*+20*	*+89.6%*	*(0)*	*+20*	*+89.0%*
EBIT	**(38)**	**(37)**	**(38)**	***+1***	***+1.4%***	***+1***	***+1***	***+3.2%***

(*) Risk, litigation and warranty reserves

(**) For comparability figures are presented excluding IFRS 16 impacts and amounts for the six months ended June 30, 2018 are re-presented to reflect the impacts of Discontinued Operations

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FROM ADJUSTED EBITDA TO EBIT IN SUMMARY**

H1

in € million	2019		2018	vs. LY (a)	Forex impact (b)	vs. LY at constant rate (c=a+b)
	Current rate	LY rate	Current rate	Current rate		LY rate
Adjusted EBITDA	**62**	**60**	**73**	***(11)***	***(2)***	***(13)***
D&A & Reserves (*) w/o PPA amortization	(110)	(107)	(82)	*(28)*	*+3*	*(25)*
Recurring EBITA	**(48)**	**(48)**	**(9)**	***(39)***	***+1***	***(38)***
PPA amortization	(27)	(26)	(22)	*(5)*	*+1*	*(4)*
Impairments & write-off	(1)	(1)	(3)	*+2*	*+0*	*+2*
Restructuring	(12)	(11)	(38)	*+26*	*+0*	*+26*
Other Non Current	(5)	(5)	(19)	*+14*	*+0*	*+14*
EBIT Continuing	**(93)**	**(91)**	**(91)**	***(2)***	***+2***	***+0***

(*) Risk, litigation and warranty reserves

(**) For comparability figures are presented excluding IFRS 16 impacts and amounts for the six months ended June 30, 2018 are re-presented to reflect the impacts of Discontinued Operations

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FROM EBIT TO NET RESULT GROUP*

H1

in € million	2019		2018	vs. LY (a)	Forex impact (b)	vs. LY at constant rate (c=a+b)
	Current rate	LY rate	Current rate	Current rate		LY rate
EBIT Continuing	**(93)**	**(91)**	**(91)**	***(2)***	**+2**	**+0**
Net Interest Expense	(22)	(21)	(18)	*(4)*	*+1*	*(3)*
Others Financial	(16)	(16)	(2)	*(14)*	*+0*	*(14)*
Profit before Tax	**(130)**	**(127)**	**(111)**	***(20)***	**+3**	***(17)***
Tax	(7)	(6)	(10)	*+4*	*+0*	*+4*
Net Result Continuing	**(138)**	**(134)**	**(120)**	***(17)***	**+3**	***(14)***
Net Result Discontinued	5	5	(32)	*+36*	*+0*	*+36*
Net Result Group (Group share)	**(133)**	**(130)**	**(152)**	***+19***	**+3**	***+22***

(*) For comparability figures are presented excluding IFRS 16 impacts and amounts for the six months ended June 30, 2018 are re-presented to reflect the impacts of Discontinued Operations

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IFRS 16, LEASES

IFRS 16 MECHANICS:

All leases are booked as finance leases with the following consequences:

- Lease expenses are replaced by an amortization expense and an interest expense
- Interest expense higher at the beginning of the lease and decreases over time (no impact on total duration of the lease)
- An asset, a Right of Use (leased asset) is recognized at the present value of the future lease payments
- Lease payments are now classified in financing flow

New debt due to operating leases not included in financial covenant calculation

H1 Impacts by business division

H1 19 at CR (m€)	EBITDA	EBITA	P&L	Net Debt
Connected Home	4	0	0	15
Production Services	17	2	-4	169
Home Entertainment Services	17	1	-2	63
Corporate & Other	5	1	0	25
Total Group	42	5	-6	273

Transition method in the financial statements:

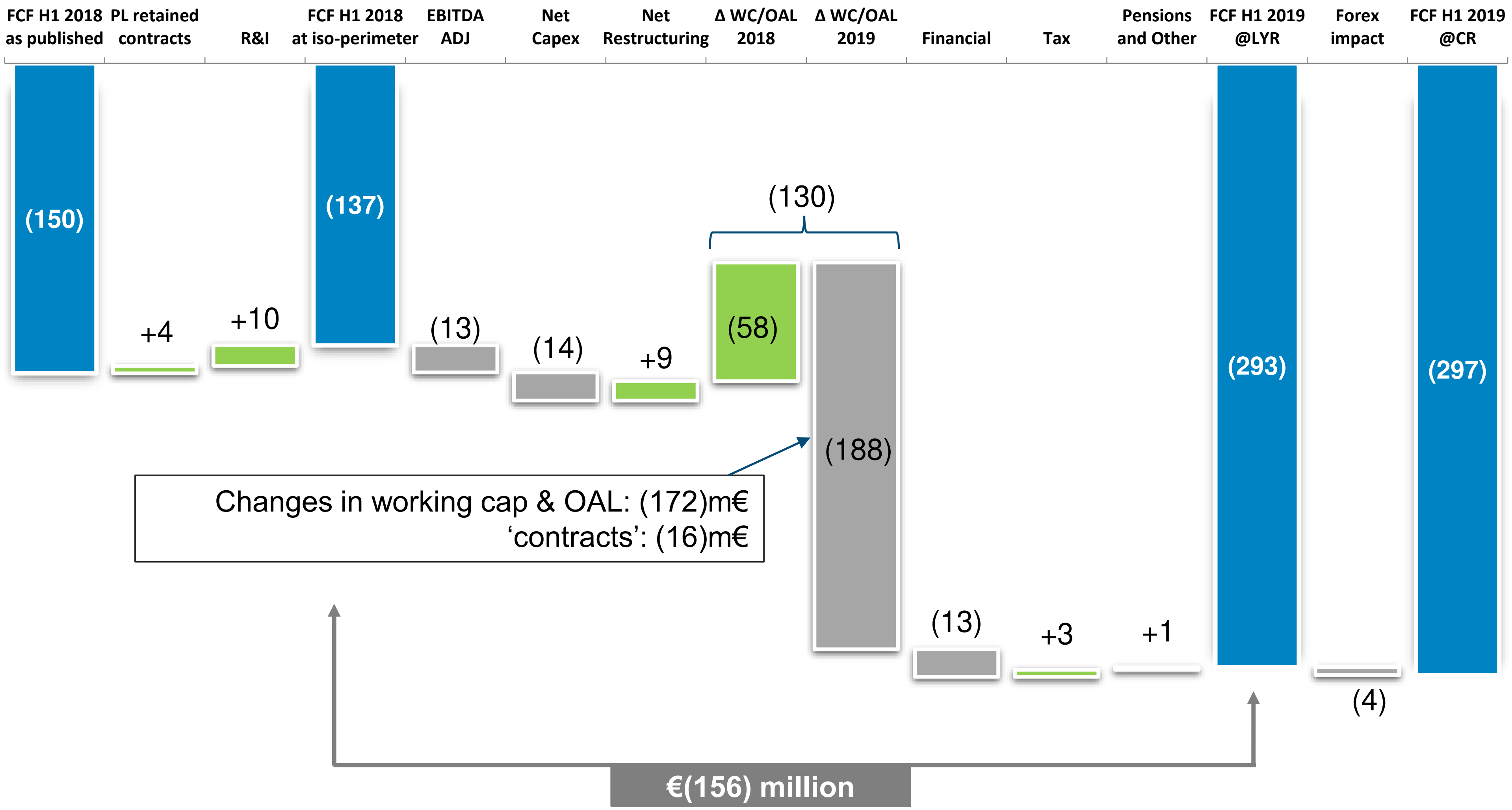
Simplified (w/o retrospective adjustment). All leases are assumed to start as of 01/19. Increased interest expense in Year 1 & 2

Low value & short-term lease exemption:

Rentals lasting less than one year and items such as PCs are scoped out to diminish the burden on finance teams

Former finance leases are fully kept on the BS

FREE CASH FLOW FROM CONTINUING OPERATIONS H1 19 VS. H1 18



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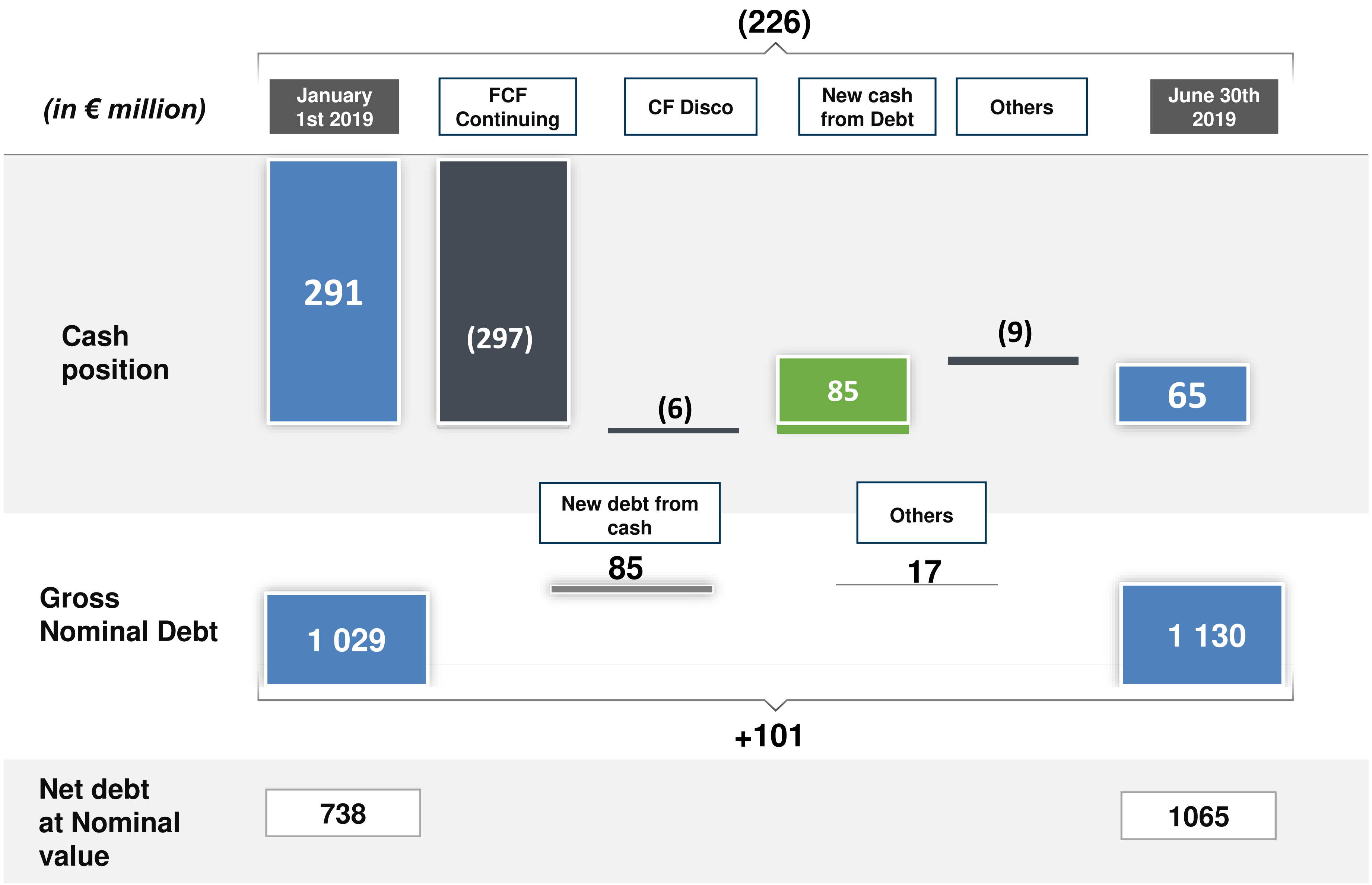
NET DEBT EVOLUTION (NON IFRS)



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LIQUIDITY

Liquidity at June 30, 2019	Available amount (in € million)
Cash on hand at June 30, 2019	65
Committed credit facilities:	
Technicolor SA Revolving Credit Facility (€250m matures Dec 2021)	150
Wells Fargo credit line ($125m matures September 2021)	110
LIQUIDITY	**€325m**

- Working capital and operating needs met by cash and credit lines
- Cash on hand of €65 million
- Committed credit lines of €360 million of which €100 million drawn at June 30, 2019
- In addition uncommitted credit lines (for borrowings) of $60 million none of which drawn at June 30, 2019

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DETAILS OF DEBT AT JUNE 30, 2019 (EXCLUDING IFRS 16)

In € million				Nominal	IFRS	June 30, 2019		December 31, 2018	
Type	Curr.	Rate Formula	Maturity	Rate	Rate	Nominal	IFRS	Nominal	IFRS
Term Loan	USD	Libor w/ floor of 0% + 2.75%	Dec-23	5.27%	5.38%	258	257	258	257
Term Loan	EUR	Euribor w/ floor of 0% + 3.00%	Dec-23	3.00%	3.10%	275	274	275	274
Term Loan	EUR	Euribor w/ floor of 0% + 3.50%	Dec-23	3.50%	3.62%	450	447	450	447
RCF drawing	EUR	Euribor w/ floor of 0% + 3.00%	Dec-21	3.00%	3.00%	100	100	-	-
Mainly capital leases and accrued interest				5.17%	5.17%	47	47	46	46
					Total Debt:	**€1,130**	**€1,125**	**€1,029m**	**€1,024m**
					Cash:	65	65	291	291
					Net Debt:	**€1,065**	**€1,060**	**€738m**	**€733m**
					Avg. int. rate:	3.81%	3.91%	3.93%	4.05%

COMMENTS:

Interest rate hedging operations put in place in May 2018 to protect against rising LIBOR and EURIBOR

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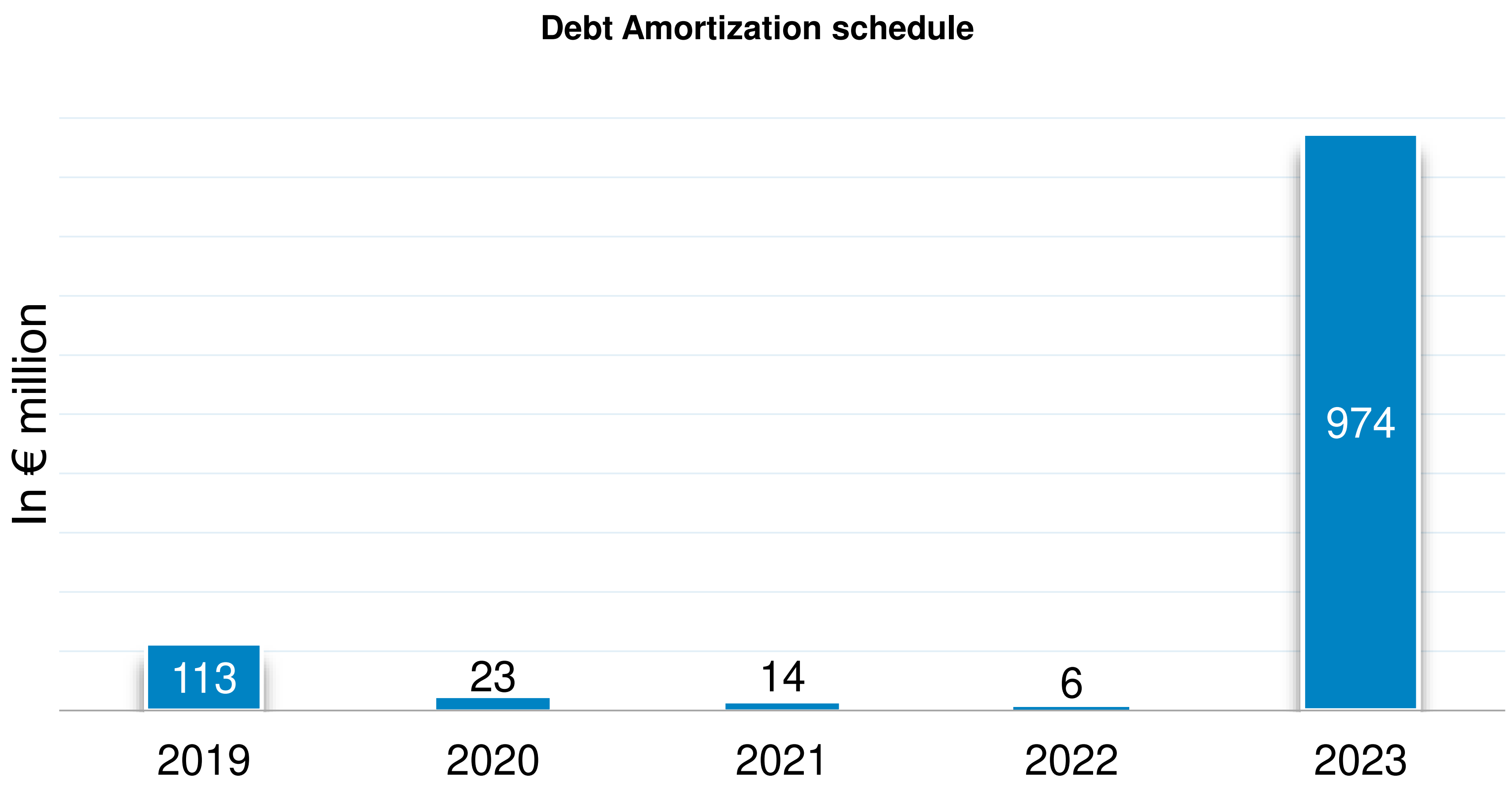
DEBT* MATURITY SCHEDULE AT JUNE 30, 2019



(*) Excluding operating lease debt

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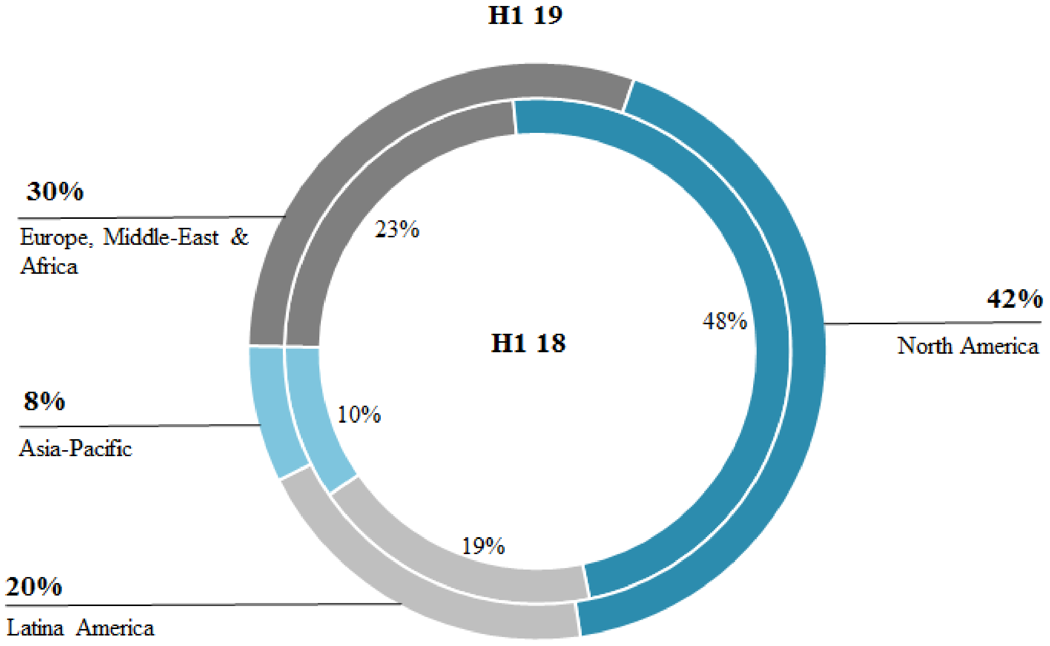
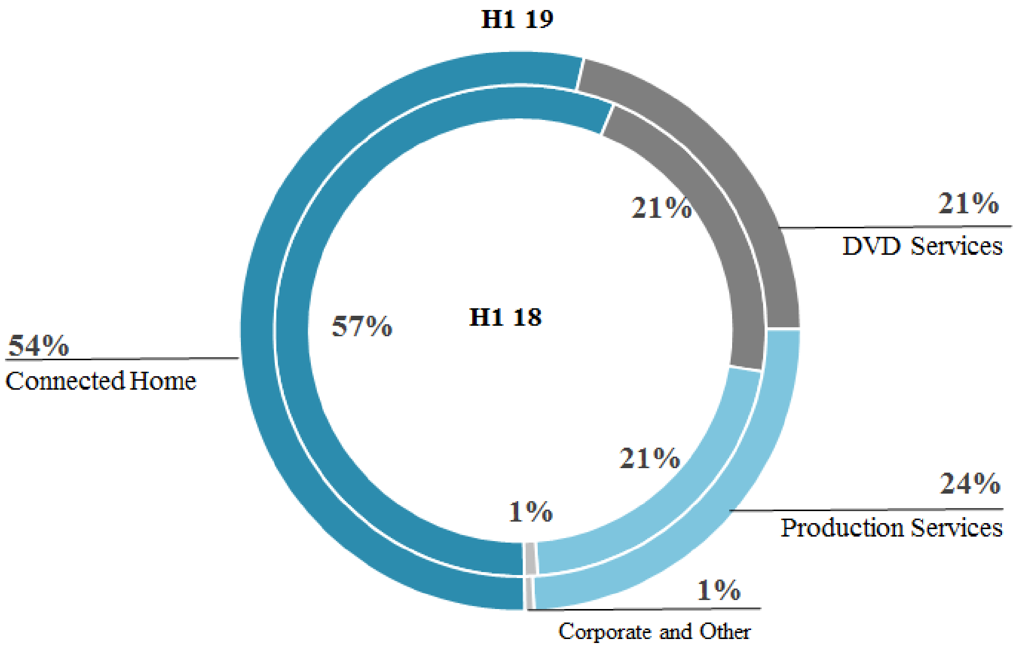
APPENDICES

GROUP PROFILE – REVENUE

H1 2019 REVENUES BY REGION



H1 2019 REVENUES BY SEGMENT



DETAILS OF DEBT AT JUNE 30, 2019 (INCLUDING IFRS 16)

In € million				Nominal	IFRS	June 30, 2019		December 31, 2018	
Type	**Curr.**	**Rate Formula**	**Maturity**	**Rate**	**Rate**	**Nominal**	**IFRS**	**Nominal**	**IFRS**
Term Loan	USD	Libor w/ floor of 0% + 2.75%	Dec-23	5.27%	5.38%	258	257	258	257
Term Loan	EUR	Euribor w/ floor of 0% + 3.00%	Dec-23	3.00%	3.10%	275	274	275	274
Term Loan	EUR	Euribor w/ floor of 0% + 3.50%	Dec-23	3.50%	3.62%	450	447	450	447
RCF drawing	EUR	Euribor w/ floor of 0% + 3.00%	Dec-21	3.00%	3.00%	100	100	-	-
Lease liabilities*				7,48%	7,48%	314	314	41	41
Other debt and accrued interest				0.45%	0,45%	6	6	5	5
					Total Debt:	**€1,403**	**€1,398**	**€1,029m**	**€1,024m**
					Cash:	65	65	291	291
					Net Debt:	**€1,338**	**€1,333**	**€738m**	**€733m**
					Avg. int. rate:	**4.57%**	**4.65%**	**3.93%**	**4.05%**

COMMENTS:

Interest rate hedging operations put in place in May 2018 to protect against rising LIBOR and EURIBOR

(*) €273m of operating lease debt and €41m of capital leases

DEBT MATURITY AND COVENANT CONDITIONS

Debt/Credit line	Financial Covenant	Covenant Testing	Maturity
Term loans	none	n.a.	December 2023 (bullet except for $3 million/ year amortization)
Revolving credit facility	IFRS Debt/EBITDA ≤ 4.00	At June 30 and December 31 only if >€100m drawn	December 2021
Wells Fargo receivables backed credit facility	IFRS Debt/EBITDA ≤ 4.00	At June 30 and December 31 only if <$25m availability on credit line	September 2021

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