CAPITAL MARKETS DAY
19th February 2020
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TODAY'S AGENDA

Agenda	Presenter	Time
Welcome Breakfast		8:30am
Introduction & Key Highlights	Richard	9:00am
Deep-dive by Segment	Tim, Christian, Luis and Quentin	9:30am
2020-2022 Strategic Plan	Richard	11:00am
Q&A and Lunch Break		11:30pm
2019 Results and Financial Guidance	Laurent	1:00pm
Capital Markets Transaction	Laurent	1:30pm
Concluding Remarks and Q&A		2:00pm

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TODAY'S SPEAKERS

Richard Moat

Chief Executive Officer

(joined in 2019)

Laurent Carozzi

Chief Financial Officer

(joined in 2018)

Tim Sarnoff

President Production Services

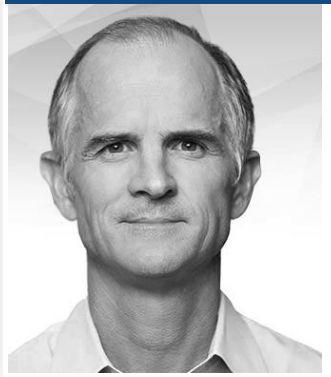
(joined in 2009)

Christian Roberton

Head of VFX

(joined in 2003)

Quentin Lilly



President of DVD Services

(joined in 1994)

Luis Martinez-Amago

President of Connected Home

(joined in 2015)

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INTRODUCTION &
KEY HIGHLIGHTS
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INTRODUCTION

Richard Moat

Chief Executive Officer

Background

- **Joined in November 2019**
- **Previous experience**
  - CEO Eir Limited *(2014-2018)*
  - CFO Eir Limited *(2012-2014)*
  - Deputy CEO and CFO EE Limited
  - 17 years with Orange
- **Education**
  - St Katharine's College, Cambridge
  - London Business School

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NEW BOARD IN PLACE TO EXECUTE

Anne Bouverot

Chairperson of Technicolor's Board of Directors

Senior Advisor for TowerBrook Capital Partners

Richard Moat

Chief Executive Officer

Former CEO at Eircom

Thierry Sommelet

Representing Bpifrance Participations

Managing Director Mid & Large Cap. Bpifrance

Xavier Cauchois

Former Head of PwC Europe and France in the Technology, Telecom and Media sector

President of Remuneration Committee

Dominique D'Hinnin

Chairman of Eutelsat Communication SA

Former CFO Lagardere

Yann Debois

Employee Director

Corporate Sourcing

Cécile Frot-Coutaz

Head EMEA at YouTube

Ana Garcia Fau

Former CFO of TPI-Paginas Amarillas (Group Telefonica), CEO of Yell for the Spanish and Latin-American business

Christine Laurens

Chief Financial Officer and Partner at A.T. Kearney

Melinda J. Mount

Formerly President of Jawbone and Corporate Vice President and CFO for the Online Services division at Microsoft

Brian Sullivan

Former President and Chief Operating Officer of Fox Network Group and CEO Sky Deutschland

Maarten Wildschut

Co-Head of RWC European Focus Fund

Director newly appointed by the Board on November 2019

Director newly appointed by the Shareholders' meeting held in June 2019

Appointed as Board Observer. Board of Directors intends to propose her election at the next shareholder meeting

Independent Board members: *67% of Board*

Nominations & Governance committee

Strategy committee

Audit committee

Remunerations committee

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EXCITING OPPORTUNITIES AS A GLOBAL LEADER

- 1 — Worldwide leadership in VFX for Films
- 70% — Top box office films
- 150k — Visual effects shots for film & episodic per year

GROWTH

- 1 — Worldwide in DVD, Blu-ray, UHD, and CD
- 65% — Global market share
- Market leading supply chain services

CASH GENERATION

- 1 — In Broadband and Android TV
- 19% — Market share in Broadband
- 65% — Market share in Android TV

LEADERSHIP

NEW CEO IS STRONGLY CONVINCED BY THESE OPPORTUNITIES AND WILL PERSONALLY INVEST IN THE UPCOMING RIGHTS ISSUE

Source: Company information; Management estimates

WHAT WE WILL DO

PRODUCTION SERVICES	▶ Exploit burgeoning demand for VFX content: secure volume agreement with key players ▶ Optimise headcount allocation to individual projects ▶ Advertising: improve margins/continue agency disintermediation ▶ Post Production: change model ▶ Maximise use of Indian resources
DVD SERVICES	▶ Renegotiate remaining studio contracts on improved terms ▶ Explore potential of adjacent businesses ▶ Maximising “cash cow” potential of the business
CONNECTED HOME	▶ Continue to pivot from Video to Broadband ▶ Exploit growth in Android TV ▶ Focus growth on scale customers using platform model
TRANSVERSAL FUNCTIONS	▶ Streamline the business model in each function ▶ Reduce organisational complexity ▶ Centralise functions where appropriate
FINANCIAL PERFORMANCE	▶ Combined impact of new capital structure and strict focus on profitable growth and financial discipline will provide a sustainable future for Technicolor

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COMPREHENSIVE STRENGTHENING OF CAPITAL STRUCTURE

THREE STEP TRANSACTION

c. €300m rights issue

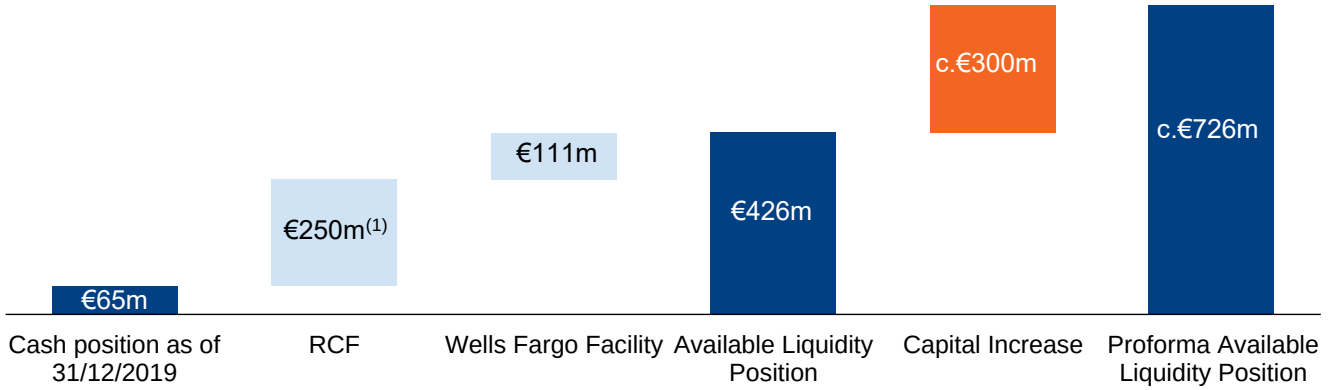
- Restore cash buffer to cope with natural seasonality of business

Extension of RCF and Wells Fargo maturities(1)

- 18 month extension to June 2023 in line with strategic plan timeline
- Full flexibility to implement new initiatives

New $110m bridge facility

REINFORCING LIQUIDITY POSITION…



… AND IMPROVING LEVERAGE

Source: Company information
Note: Including IFRS 16 impacts
1. €250m available until December 31st 2020, €225m until December 21st 2021 and €202.5m until June 30th 2023

A UNIQUE VALUE PROPOSITION

GLOBAL LEADER IN EACH BUSINESS UNIT

- #1 with significant market share
- Award-winning, market-leading products and services
- Unmatched creative talent, technology and scale

NEW MANAGEMENT WITH TURNAROUND EXPERIENCE

- New CEO with clear mandate
- Granular Strategic Plan to drive profitable growth
- New board focused on accountability

CAPITAL STRUCTURE STRENGTHENING

- Position the company to execute on growth plan
- Restore cash buffer to manage natural working capital movements
- Match debt horizon with time horizon of Strategic Plan

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DEEP-DIVE BY SEGMENT

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PRODUCTION SERVICES

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A WORLDWIDE LEADER IN THE CREATION OF EXTRAORDINARY ENTERTAINMENT EXPERIENCES

	FILM & EPISODIC	ADVERTISING	ANIMATION & GAMES	POST PRODUCTION
Market positions	► # 1 position	► # 1 position	► # 2 position in Animation	► # 2 position
Description	► Industry-leading artists, cutting-edge technology, tools and workflow ► Capabilities include pre-visualization / virtual production, asset building, texturing, animation, rigging, rotoscoping, lighting, match move and compositing	► From ideation to creative execution ► Campaigns from traditional TV ads to branded experiences ► Immersive Experiences ► VFX, animation, design, experiential and interactive, color and finishing	► High-quality, end-to-end computer-generated imagery (CGI) animation services from concept art to final deliverables for theatrical, streaming and TV clients ► Leading provider of VFX services to video game producers	► Partnership with clients from camera capture on-set to VFX, colour and sound post production ► Innovative workflow and flexibility ► Dailies, digital intermediates, video post, sound post, localization, marketing services
Brands	MPC Film MR X MIKROS technicolor	MPC Advertising MIKROS MPC ADVERTISING	technicolor MIKROS Animation	technicolor
Select projects				

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A LONG STORY OF GROWTH AND EXPANSION

2008

- MPC Advertising opens in LA
- 760+ headcount by the end of 2009

2012

- MPC Film pre-vis team launches in Los Angeles
- MPC Advertising opens in Bangalore
- MPC Creative launches
- 1,250+ headcount

2014

- Technicolor acquires Mr. X
- 3,000+ headcount

2015

- Technicolor acquires The Mill
- MPC Advertising opens in Paris and Shanghai
- 3,900+ headcount

2019

- The Mill opens in Berlin
- 8,300+ headcount

2020

- MPC Episodic launched to capture high-end Episodic market in the UK
- MPC Film wins Oscar for 1917

2018

- Mill Film launches in Montreal and Adelaide
- 7,700+ headcount

2004

- Technicolor acquires MPC
- Film & Advertising VFX services in single London facility
- 400+ headcount

2010

- MPC Film opens in Bangalore
- MPC Advertising opens in NYC
- 880+ headcount

2013

- MPC Film opens in Montreal and wins Oscar for LIFE OF PI
- MPC Advertising opens in Amsterdam
- 1,780+ headcount

2017

- MPC Film wins Oscar for THE JUNGLE BOOK
- 5,000+ headcount

*Headcount reflect FTE (full time equivalent)

2018 – 2019 AWARDS

A CELEBRATION OF ARTISTRY

CONGRATULATIONS TO OUR CREATIVE TALENT ON THEIR WINS

ANNIE AWARDS

1 WIN

ASSOC. OF INDEPENDENT COMMERCIAL PRODUCERS

6 WINS

BRITISH ACADEMY TELEVISION CRAFT AWARDS

1 WIN

CLIO AWARDS

7 WINS

CINEMA AUDIO SOCIETY AWARDS

1 WIN

EMMY AWARDS

1 WIN

LONDON INTERNATIONAL ADVERTISING AWARDS

3 WINS

HOLLYWOOD PROFESSIONAL ASSOCIATION AWARDS

2 WINS

VISUAL EFFECTS SOCIETY

2 WINS

CONGRATULATIONS TO OUR CLIENTS ON THEIR ACHIEVEMENTS

ACADEMY AWARDS

7 PROJECTS

BRITISH ACADEMY OF FILM AND TV ARTS AWARDS

5 PROJECTS

BRITISH ARROWS CRAFT AWARDS

10 PROJECTS

CANADIAN SCREEN AWARDS

13 PROJECTS

CÉSAR AWARDS

1 PROJECT

CINEMA AUDIO SOCIETY AWARDS

2 PROJECTS

CLIO AWARDS

10 NOMINATIONS

EMMY AWARDS

4 PROJECTS

HOLLYWOOD PROFESSIONAL ASSOCIATION AWARDS

5 PROJECTS

LUMIERE AWARDS

3 PROJECTS

MOTION PICTURE SOUND EDITORS

7 PROJECTS

VISUAL EFFECTS SOCIETY

4 PROJECTS

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MPC

MRX

MIKROS

2020 AWARDS

A CELEBRATION OF ARTISTRY

M P C FILM

2020 Academy Award for Visual Effects

2020 BAFTA Award for Special Visual Effects

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VIDEO: 1917

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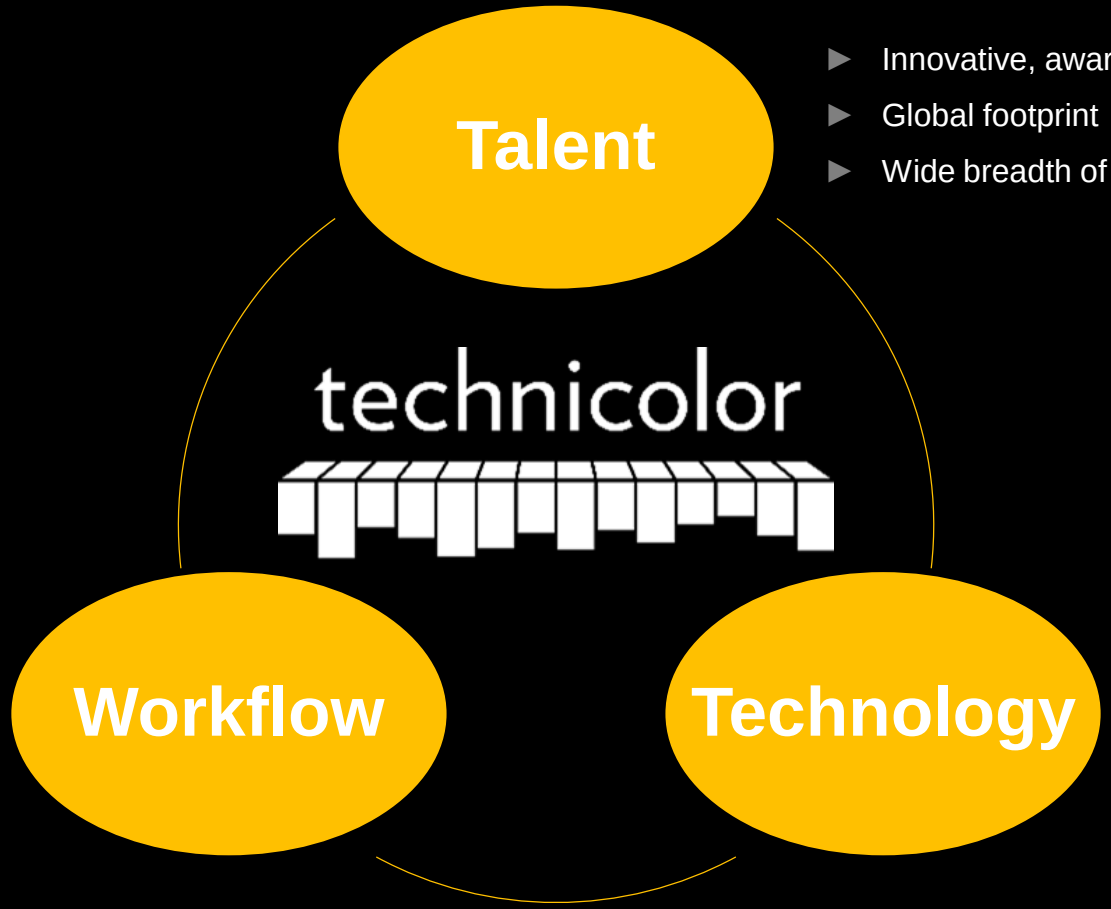
WHY CLIENTS ARE ATTRACTED TO PRODUCTION SERVICES



- Innovative, award-winning talent
- Global footprint
- Wide breadth of services

- Efficient use of all leading location-based production incentives
- Highly talented artist pool in low-cost India
- Effective workflow allows business to scale and address various types of projects

- Cutting-edge proprietary technologies
- Efficient integration of leading third-party tools
- Robust investment in software development that differentiates our services

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PRODUCTION SERVICES IMPERATIVES

- **Position ourselves to scale Streaming/Episodic VFX and Animation businesses**
- **Extend upstream in advertising value chain**
- **Further diversify revenue mix to balance major studio clients and emerging streaming platforms**
- **Sell locally, act globally**

Film and Episodic

- Scale Streaming and Episodic VFX businesses to capture highest growth segment of the market
- Service high-end local content productions
- Continue investment in technology to improve efficiency and optimize workflow, driving top and bottom-line growth

Advertising

- Expand number of direct-to-brand relationships
- Grow business in experiential marketing using creative technology expertise (e.g., immersive experiences, virtual avatars)
- Increase utilization of India talent base to expand margins

Animation and Games

- Capture long-term growth in Feature Animation segment by broadening customer base
- Expand offering and capacity in Games to enlarge addressable market and move up the value chain into higher margin services

Post-Production

- Continue to innovate and implement cloud-based workflows to improve utilization and efficiencies
- Scale business in higher margin just-in-time, digital make-up and related VFX services delivered as part of the Post-Production workflow

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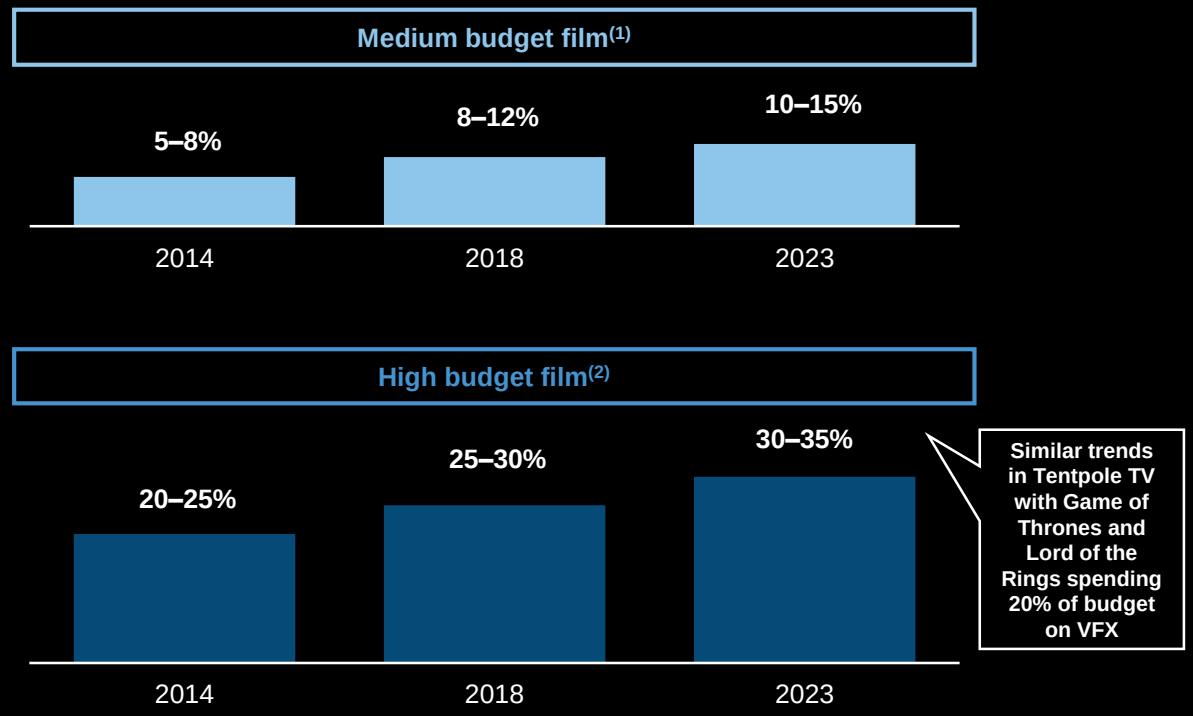
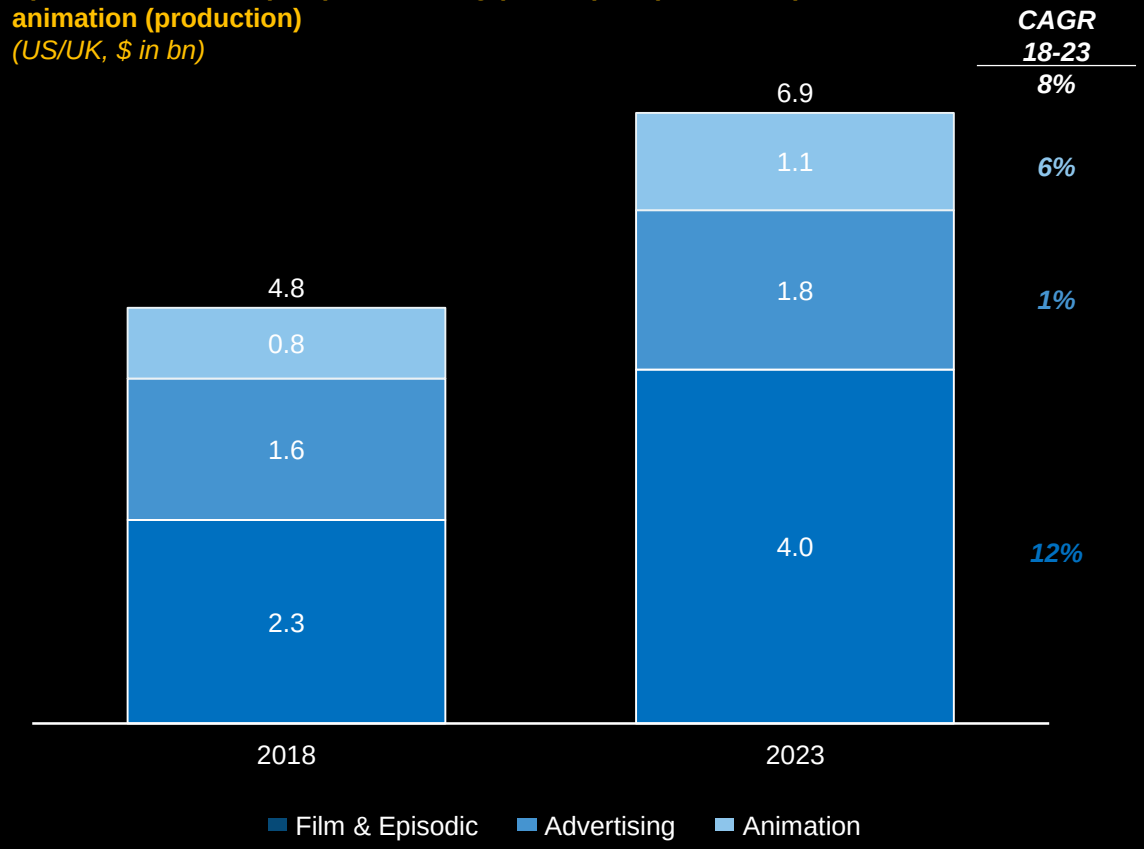
GROWING PORTION OF BUDGETS BEING SPENT ON VFX

Films are spending more on VFX
(% budget spend on VFX)



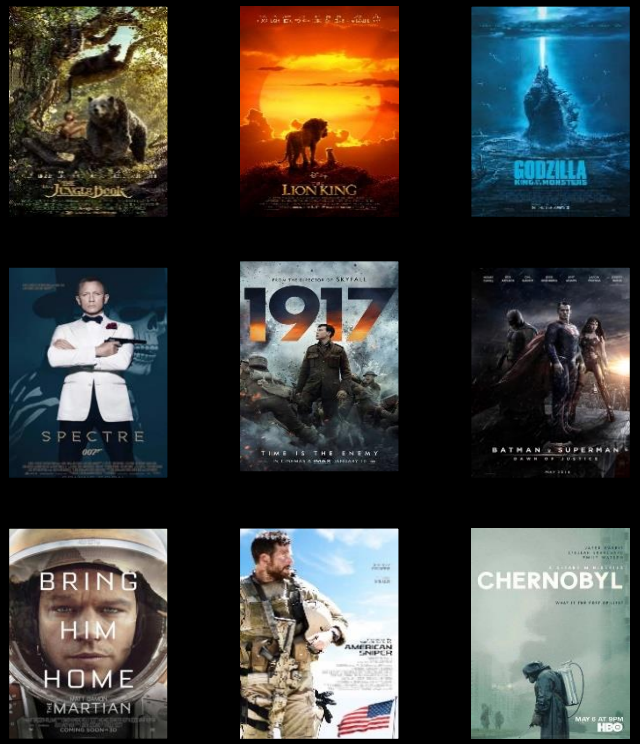
Spend on film & TV (VFX), advertising (VFX & post production) and animation (production)
(US/UK, $ in bn)



Sources: Third Party Consultant
Notes: (1) Budget of $30-100m;. (2) Budget of >$100m

BRAND SEGMENT ALLOWS US TO CAPTURE FULL FILM AND EPISODIC VFX MARKET POTENTIAL

FILM & EPISODIC EXAMPLES



THEATRICAL

MPC FILM

- Theatrical studio tentpole films

- Mid-sized VFX budgets

- Smaller-sized VFX budgets

STREAMING / TV

- Tier A High- to Mid-end Streaming / TV

- Tier A Mid- to Low-end Streaming / TV

LOCAL CONTENT: THEATRICAL / STREAMING / TV

MIKROS

- Local French / EU content

MPC EPISODIC

- High-end Episodic market in the UK

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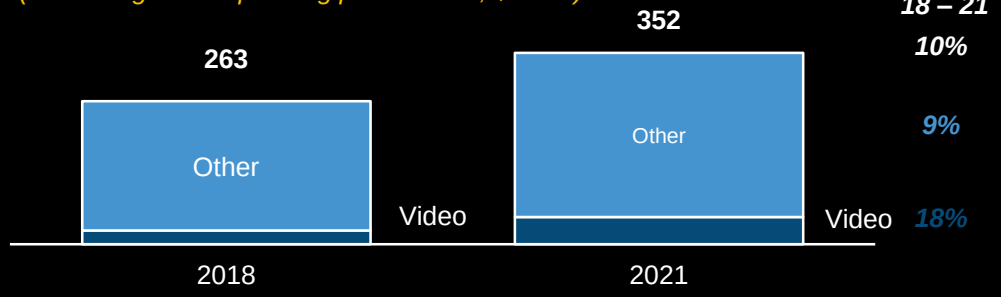
ADVERTISING: ELEVATING AUDIENCE ENGAGEMENT ON HIGH-PROFILE CAMPAIGNS

MARKET TRENDS

Digital video is the fastest growing digital ad medium by spend
(Global digital ad spending per medium, $ in bn)[1]



- Generational shift in content consumption norms is disrupting content creation and distribution value chains
- DTC business models are dramatically restructuring the retail landscape, driving brands to invest in emerging technologies and experiential marketing

Opportunities

- Increase proximity with brands
- Deepen relationship with agencies
- Fully utilize India workforce to meet needs of customers
- Explore expansion in outdoor advertising

Strengths

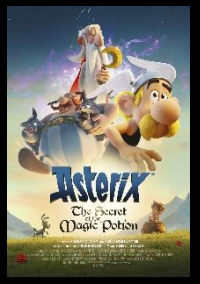
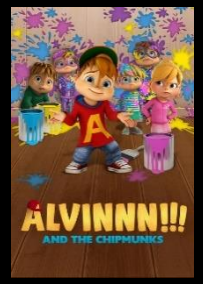
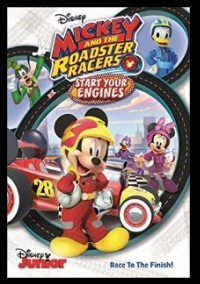
- Global capabilities
- Ability to address most complex and time sensitive projects through global talent pool
- Broad portfolio of leading brands

BLUE-CHIP CUSTOMER BASE

PUBLICIS GROUPE · facebook · drogo · adam&eveDDB · SAMSUNG · Leo Burnett · magic leap

Note: (1) Zenith data, “Advertising Expenditure in US$ million at current price”.

ANIMATION & GAMES: CREATING ASSETS AND PROVIDING ANIMATION SERVICES IN FILM, EPISODIC AND GAMES

	STRENGTHS	CUSTOMERS	SELECT ACHIEVEMENTS
Feature WFH(1)	► Unique setup combining higher value, creative front-end services with high quality animation ► Leading production services facilities ► Recognized for security and stability	NETFLIX, Paramount A Viacom Company, SPIN MASTER, Illumination, ANIMATION STUDIOS	
Episodic WFH(1)		Disney, DreamWorks Animation SKG, nickelodeon	 
Games	► High-end, creative solutions augmented with in-engine services ► Possibility to scale and activate large talent pool	Rockstar, 2K Sports, EA, Ubisoft, Epic Games, Sony Interactive Entertainment, SQUARE ENIX, Activision, Crystal Dynamics, BioWare	

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Note: (1) Work For Hire (WFH)

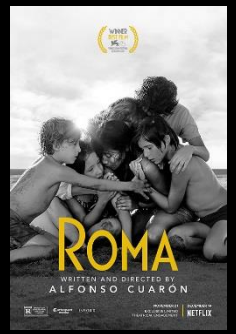
POST PRODUCTION: EMPOWERING STORYTELLING

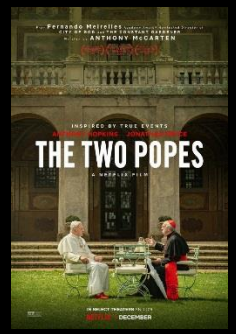
POST-PRODUCTION SERVICES

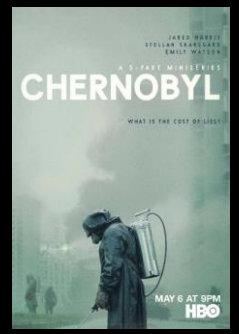
- On-location services
- Color finishing
- Episodic sound finishing
- Cloud-based content management
- Marketing services
- Restoration and remastering
- Subtitling and international versioning

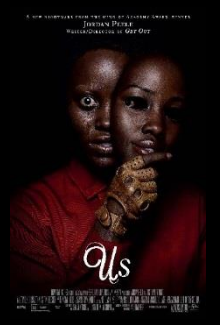
CUSTOMER OVERVIEW

Disney · NETFLIX · LIONSGATE · MARVEL · SONY PICTURES · MARVEL · amazonstudios · 20th CENTURY FOX · SHAFTESBURY · WB · Paramount A VIACOM COMPANY · NBCUniversal · entertainment One









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VFX PIPELINE & LOCATION-BASED WORKFLOW

1. PRODUCER PUBLISH

- Once a project is secured, it is officially handed over from Business Development to a Producer[1]
- Following an assessment of workforce required to deliver the project, the Producer makes a request for the project needs through DASH[2]
- Requests made in DASH are always based on a by department, by site estimate of need to complete

2. DEPARTMENT PUBLISH

- Once a Producer publishes the request, the Department Managers validates the requests from all the Producers and assign work accordingly in DASH

4. PROJECT P&L

- Concurrently, based on the workforce booked in the 'Producer Publish', DASH calculates the cost of the efforts required to complete the project and generates a Project P&L
- At the end of each week artist time sheets are actualized to the project and task they worked on which overwrites the schedule in DASH for actuals thereby trueing up the cost on a weekly basis

3. WORKFORCE MANAGEMENT

- WFP[3] oversees all Producer and Department Publishers to ensure an effective and efficient use of workforce within the physical sites with the help of tools and analytics provided in DASH
- In case more artists are required than available, positions can be added to the hiring list in DASH once approved by WFP, Finance and HR

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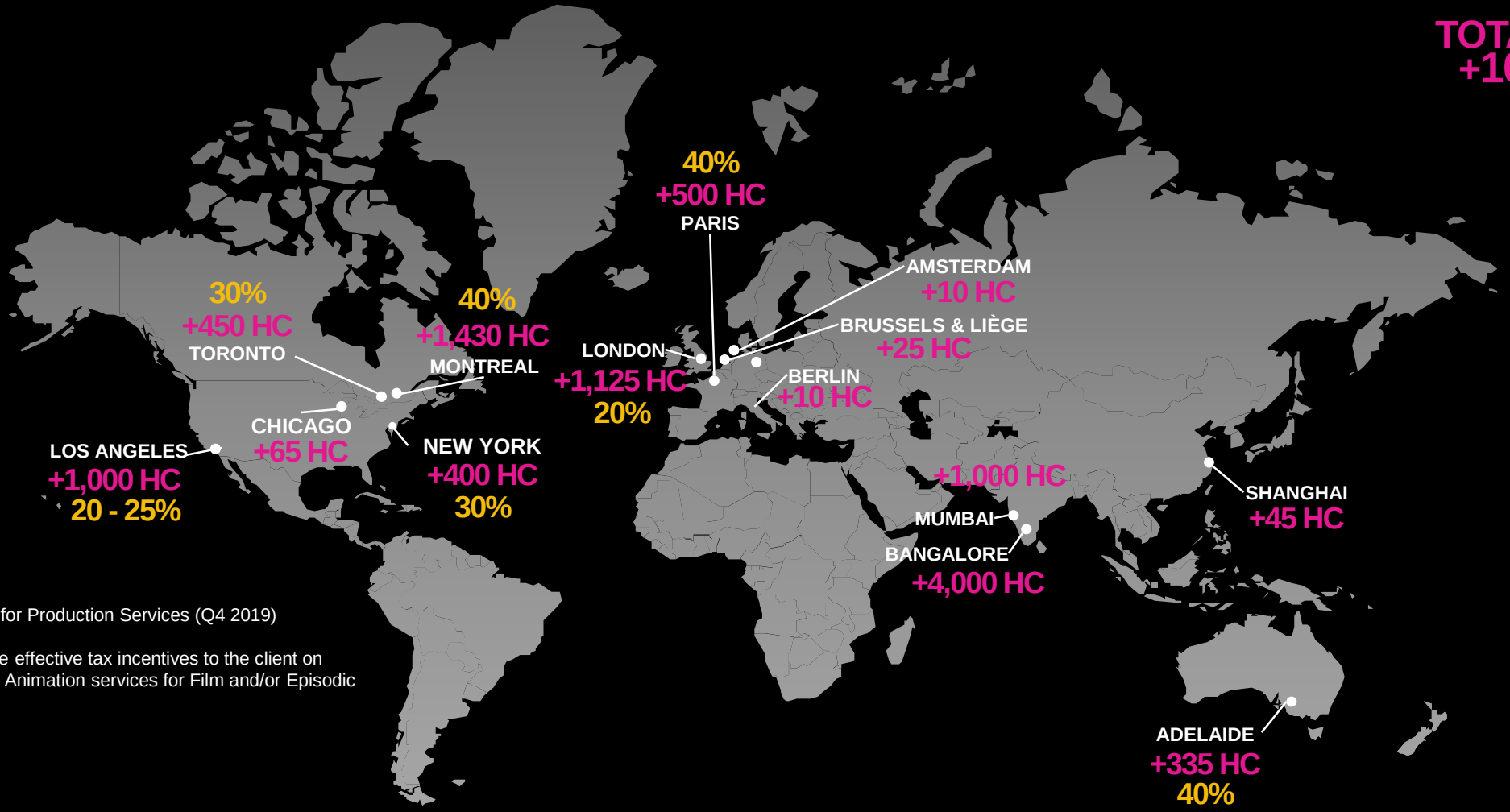
Note: DASH is integrated with the payroll system to feed in the latest salary details and has a module to input the latest sales per project
[1] Producer = Project Manager / Lead; [2] DASH = Inhouse Workforce / Project / Finance Management Application; [3] WFP = Workforce Planning

ATTRACTIVE GLOBAL PRESENCE

CLOSE PROXIMITY TO CUSTOMERS AND ACCESS TO LARGE PRODUCTION TAX INCENTIVES

TOTAL HC: +10,400



+XX HC Headcount for Production Services (Q4 2019)

XX% Approximate effective tax incentives to the client on VFX and/or Animation services for Film and/or Episodic work

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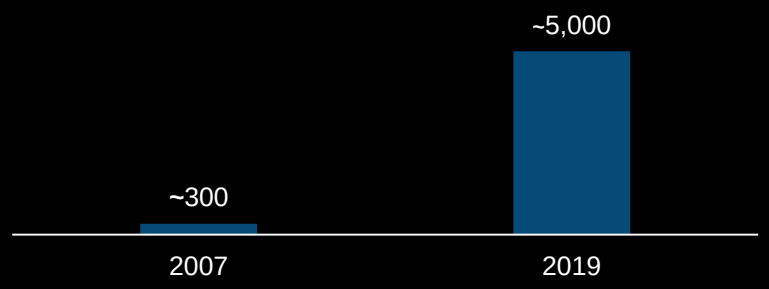
A UNIQUE COMPETITIVE ADVANTAGE: INDIAN PLATFORM

A DECADE IN THE MAKING

Headcount in India



1

- Established in **2007** with offices in **Bangalore and Mumbai**
- Currently the **largest VFX workforce located in India**
- **Develop and train** our artists to take on **more and more** complex productions taste

2

- Technicolor India offers:
  - ✓ **High speed, secure connectivity** with other Production Services facilities
  - ✓ **Ability to scale** economically
  - ✓ Access to **highly talented** and **passionate** artists

3

- Allows Technicolor to:
  - ✓ **Improve competitiveness of bid**
  - ✓ **Free up capacity** in key, high-incentive cities to take on additional projects

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CONTINUED STRENGTHENING OF OUR TALENT BASE

LEARNING AND DEVELOPMENT

- **Technicolor Academy,** launched in 2018, encompasses both new hire training and current employee development in order to supplement general recruiting efforts required to sustain our growing artist population worldwide
- Technicolor Academy has trained over 360 graduates worldwide, with over 320 new employees hired
- Currently available in London, Adelaide, Bangalore and Montreal

TheFocus.com RECRUITMENT

- **The Focus** is a centralized recruitment team and platform for Production Services
- Since launching in 2018, The Focus has been responsible for recruiting over 3,000 employees
- Currently servicing recruitment needs for:
  - And will be rolled out to the other Production Services businesses over time

VIRTUAL PRODUCTION

Virtual Production is changing how movies are made – integrating creative further into the VFX pipeline, shortening schedules, freeing up budget and giving filmmakers more control in bringing their visions to the screen

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The Virtual Production Platform: Technicolor Genesis

Technicolor Genesis provides tools that give directors, production designers, lighting designers, directors of photography, VFX and post-production supervisors – among others – the ability to simultaneously integrate and manipulate live action and computer-generated assets

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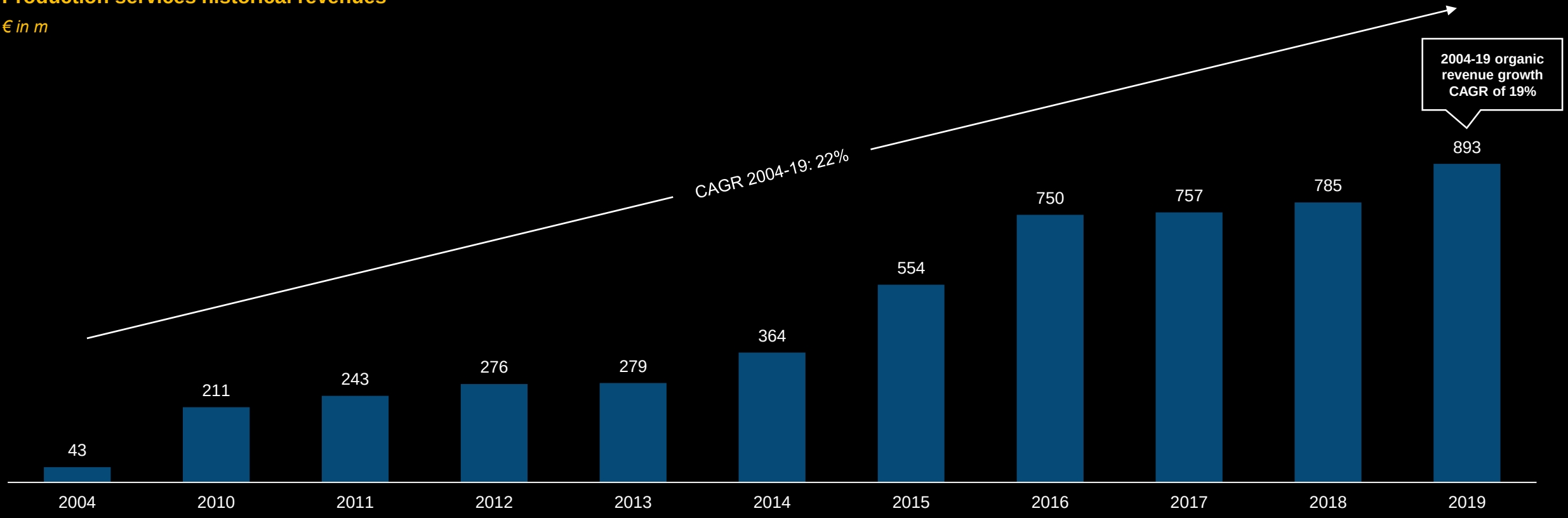
A UNIQUE GROWTH TRACK RECORD

Production services historical revenues

€ in m



Source: Company information
Note: Includes acquisitions

WHY ARE WE EXCITED ABOUT PRODUCTION SERVICES

1. Combination of explosive growth in demand and new use cases
2. Only company which has the capabilities, scale and customer trust to meet this demand
3. Larger number of smaller projects in episodic will provide greater resilience and visibility of growth
4. Continue to successfully leverage Indian presence to drive profitability and top-line
5. Growing operating leverage and significant cash generation ahead

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LARGEST WORLDWIDE PROVIDER OF SUPPLY CHAIN SOLUTIONS TO LEADING CONTENT CREATORS

Global presence with industry leading market share(1)

Highly scalable and flexible operations with low cost manufacturing platform

Full service, multi-channel supply chain capabilities

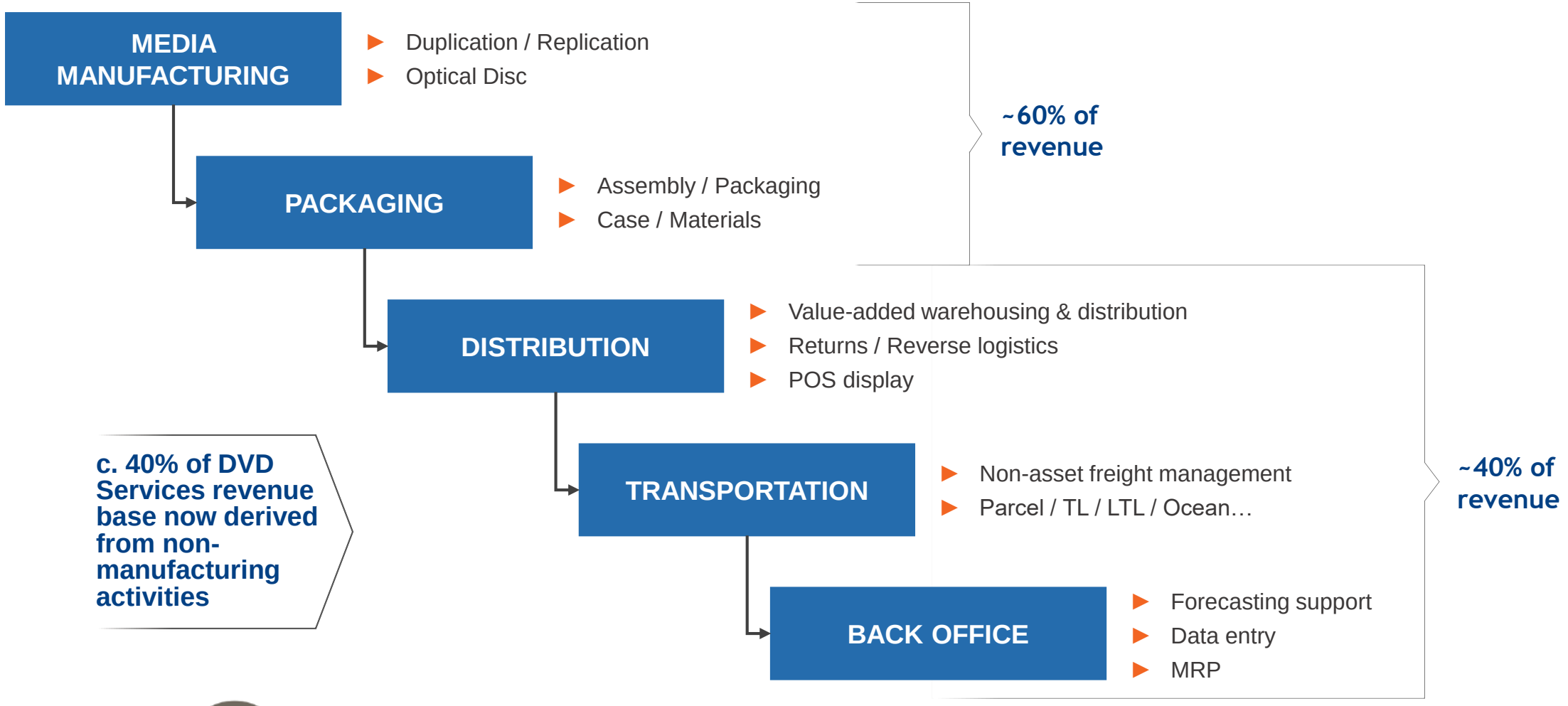
Best-in-class technical strength and content security capabilities

Long-term, deeply integrated customer relationships

Source: Future source

Notes: 1. Addressable market share defined as: North America, Europe and Australia. Excluding Sony

STRATEGIC EVOLUTION OF SERVICE OFFERINGS



DVD SERVICES IS A FULL-SERVICE SUPPLY CHAIN SOLUTIONS PROVIDER WITH GROWING PRESENCE IN NON-PACKAGED MEDIA

Source: Company information

DIVERSIFIED CUSTOMER BASE

Client type	Selected examples	Additional information
STUDIOS 85% of volumes	Warner Bros. Pictures, Paramount, Disney, Sony Pictures, Universal, Village Roadshow Limited, 20th Century Fox Home Entertainment, Lionsgate	► **Typically multi-year contacts (2 to 4 years)** ► **Exclusive relationships common** ► **Ongoing consolidation** (ex Disney / Fox and Warner / Universal JV)
INDEPENDENTS 6% of volumes	Mill Creek Entertainment, The Great Courses, magnolia pictures	► **Indies increasingly consolidating with major studios for distribution** (with volume flowing to DVD services via studio contracts)
MUSIC / AUDIO 5% of volumes	Universal Music Group, hachette AUDIO, PEARL RECORDS	► **Increasing CD volume share with exit / consolidation of other replicators**
GAMES / SOFTWARE 4% of volumes	Electronic Arts, Activision, Microsoft	► **85% worldwide share in Microsoft Xbox disc replication** ► **Exclusive consultant to Microsoft for worldwide Xbox testing and technical services**

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DEPTH OF RELATIONSHIP & BREADTH OF SERVICES: DISNEY

The Walt Disney Company

Capacity to support clients on a global level

- DVD & Blu-Ray manufacturing
- Distribution & freight management

- DVD & Blu-Ray manufacturing
- Distribution & freight management

- DVD & Blu-Ray manufacturing

Offering full range of services from planning to returns

Planning	Replication	Packaging	Distribution	Returns
► Pre-release planning	► **New releases & catalog production**	► Order coordination	► **10-15k distribution orders per day**	► Receipt, validation, rework and credit issuance
► Materials procurement	► DVD & Blu-Ray	► **50 to 200+ SKUs per major title release**	► **25-30k retail / ship to locations**	► **300k units processed per day**
► **Global & facility production planning**	► Global capacity guarantees	► **2.0m+ units per day**	► Freight management	► **3.9m units per week** total US processing capacity
► Dedicated account team	► **2.0m+ units per day**			

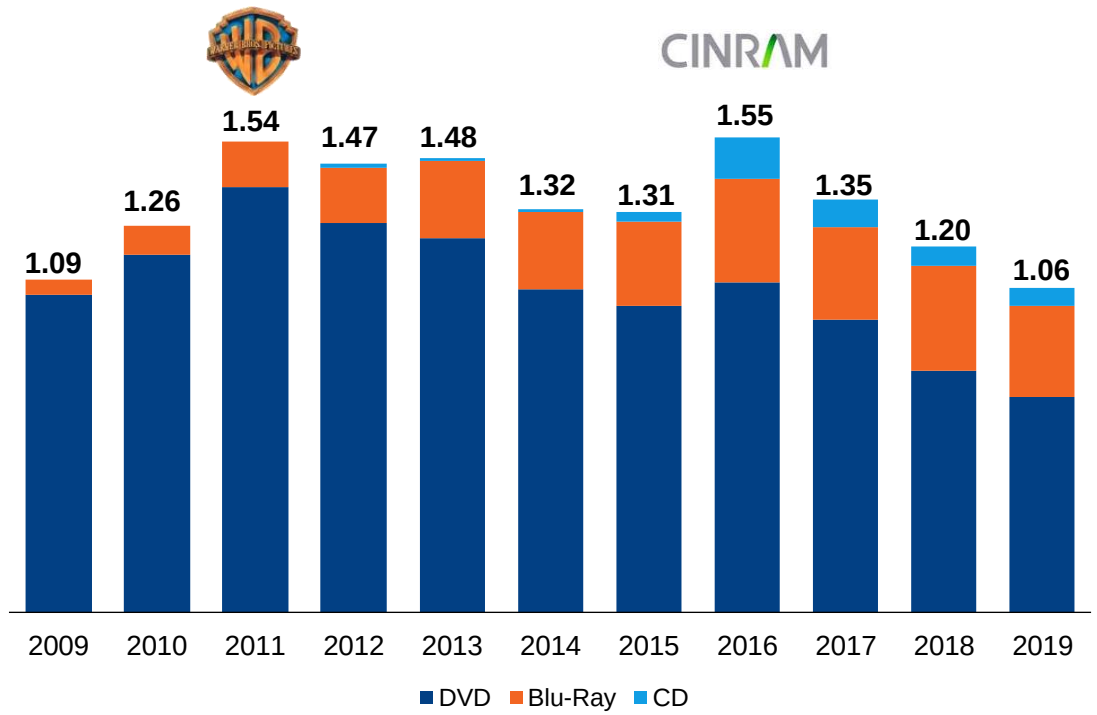
TECHNICOLOR IS A CRUCIAL PARTNER TO MAJOR STUDIOS PROVIDING A FULL RANGE OF SUPPLY CHAIN SERVICES. ANNUAL REVENUE GENERALLY SURPASSES €100M PER MAJOR STUDIO

Source: Company information

VOLUMES HAVE DECLINED BUT LESS THAN ANTICIPATED

EVOLUTION OF DVD SERVICES VOLUMES SINCE 2009

DVD SERVICES VOLUMES (millions of units)



VOLUMES DECLINING BUT WITH A LONG TAIL

- Since 2015, Technicolor's volumes have declined at a ~5% CAGR

DVD REPRESENTS MAJORITY OF OVERALL PRODUCTION

- Remains preferred format for catalog issues and is regularly pushed by retailers
- Technicolor's volumes have decreased at a ~7.5% CAGR since 2015 but format remains more resilient than expected, particularly in North America

BLU-RAY ACCOUNTS FOR ~30% OF VOLUMES

- Materially better pricing and margins
- Format largely targeted at new releases
- Technicolor's volumes have increased at a ~19% CAGR since 2009

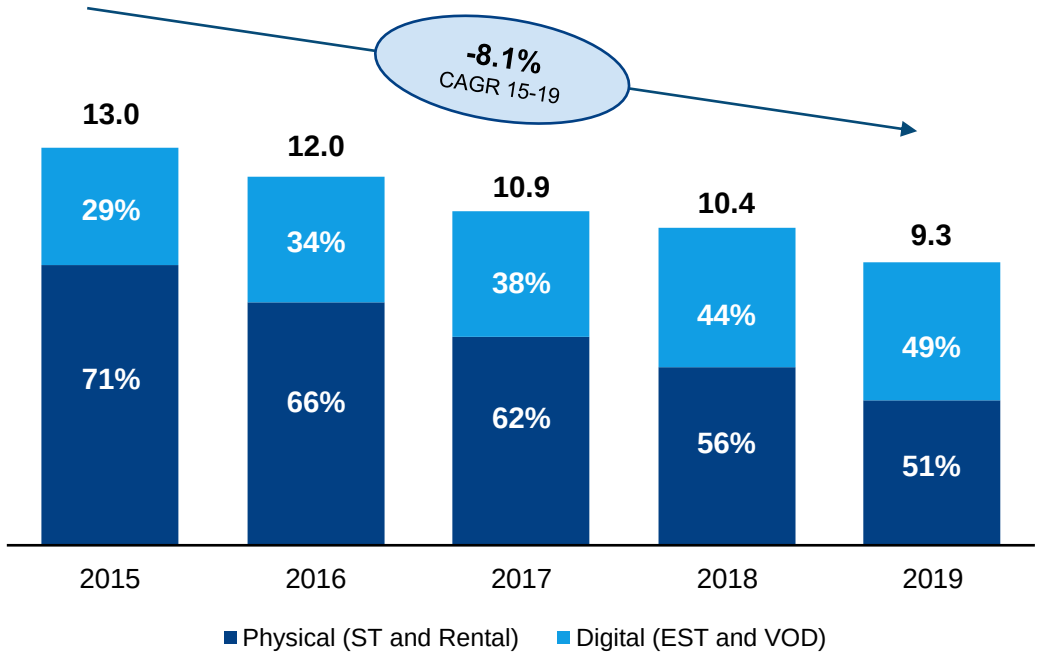
DEMONSTRATED ABILITY TO GAIN MARKET SHARE AND EXTEND ADDRESSABLE PERIMETER VIA ORGANIC AND EXTERNAL INITIATIVES

Source: Company information

PHYSICAL MEDIA REMAINS A LARGE MARKET WITH LONG TAIL

ALMOST $5BN SPENT / YR ON PHYSICAL MEDIA IN SPITE OF THE GROWING IMPACT OF STREAMING

US HOME ENTERTAINMENT TRANSACTIONAL SPENDING (IN $BN)



- Subscription **streaming has been active and growing for 10 years.** This is not a new dynamic facing the physical media market

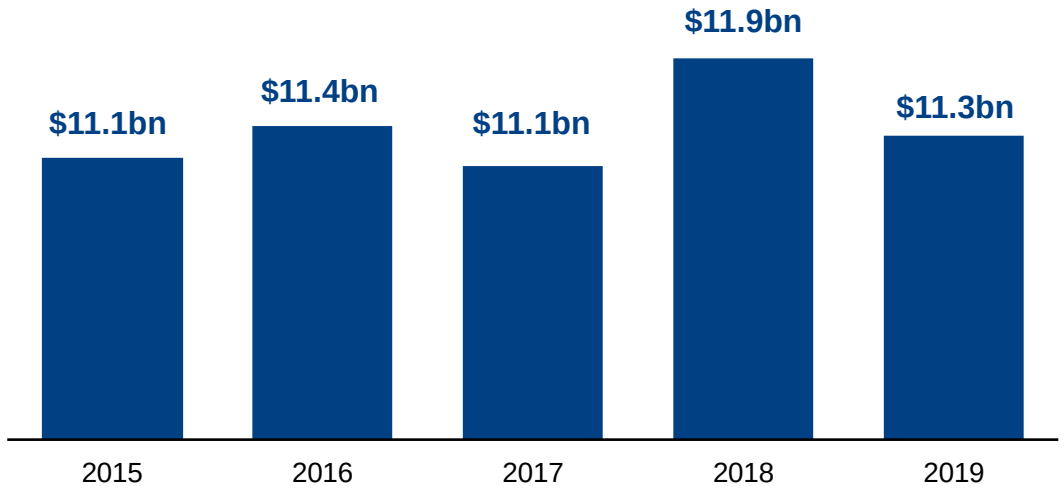
IMPACT ON DVD / BLU-RAY HAS BEEN LIMITED DUE TO:

- **Content:** Focus on TV & deep catalogue (and more recently on internally produced content)
- **Windowing:** Studios have maintained DVD window in advance of SVoD window to maximise monetisation of their content

Source: Digital Entertainment Group

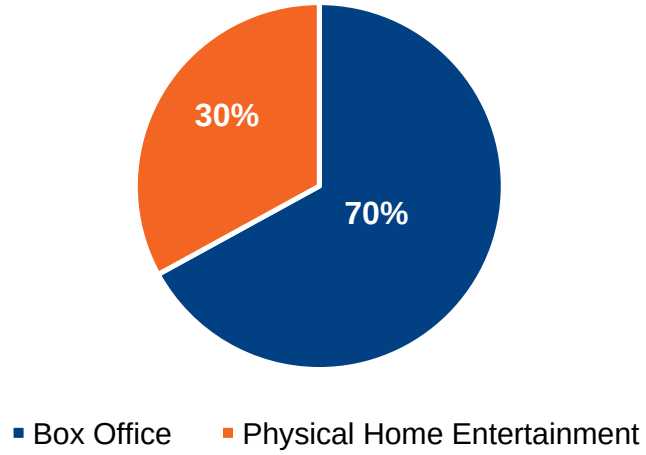
INTEGRAL PART OF THE ENTERTAINMENT ECOSYSTEM

ANNUAL US BOX OFFICE



- Box office is **key leading indicator for disc volume**
- **New records set in 2015, 2016 and 2018** with another strong year in 2019
- Consumer interest in theatrical remains very strong

EST. SPLIT OF SELECTED STUDIOS REVENUES



- Physical media **represented ~30% of studio theatrical revenues in 2019**
- Considerable source of profitability which **studios have no intention of abandoning**
- Remains **very important category for big box retail** (Walmart, Target…) as major driver of store traffic

MAJOR STUDIOS REMAIN FULLY COMMITTED TO PHYSICAL FORMAT AS THEY STILL CONTRIBUTE SIGNIFICANTLY TO REVENUE AND PROFIT

Source: Box Office Mojo, Management estimates

STRATEGIC INFLECTION POINT REACHED

1

LEGACY DYNAMICS

- Intense competition for studio supply contracts
- Downward trajectory of disc pricing
- Loss making contracts

2

EVOLVING LANDSCAPE

- Maturing market with strong volume pressure
- Studio and supplier consolidation in pursuit of efficiency gains
- Long-tail market opportunity

3

CURRENT STRATEGIC POSITIONING

- Technicolor has positioned itself as the “last man standing”
- Significant market share gains, currently at 65%
- Strong focus on maintaining low cost operating platform

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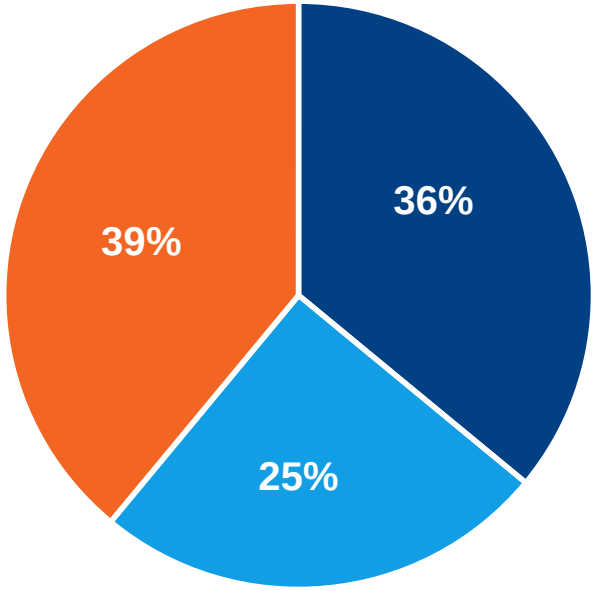
SHIFT TO VOLUME AND ACTIVITY BASED PRICING MITIGATES VOLUME DECLINE AND DRIVES MARGINS

DVD SERVICES VOLUMES PER CONTRACT STATUS



KEY TAKEAWAYS

Strengthened leadership position bolsters commercial leverage with customers

Implementation of volume & activity based pricing mechanisms

Volumes ↓
Complexity ↑

Automatic contractual unit price increase

Contracts representing 60% of volumes successfully renegotiated by mid-2020

Source: Company information

SUCCESSFUL REDUCTION OF COSTS PROTECTS THE BUSINESS

CONSTANT FOCUS ON COST…

VARIABLE COSTS REPRESENT 65-70% OF TOTAL COST BASE

- Raw materials, direct labour, temporary labour, disc royalties

FIXED COSTS HAVE REDUCED AT A FASTER RATE THAN THE OVERALL BUSINESS DECLINE

- Facility footprint consolidation and real estate elimination
- Permanent headcount reductions

IMPROVED PURCHASING FOR ALL MATERIALS

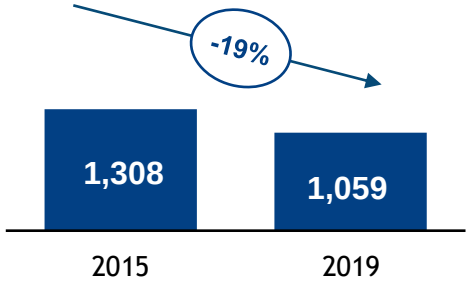
- Aggressive ongoing negotiation with suppliers to reduce price / improve terms
- Demonstrated track record of realized y-o-y unit price reductions across broad array of inputs

REDUCED COSTS VIA ENHANCED PROCESSES

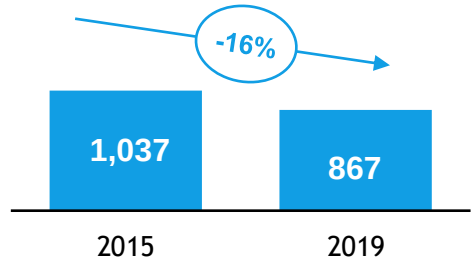
- Selected investments in automation to reduce labor requirements
- Continuous Improvement (e.g. increase machine yields / up-time / cycle time)

… DELIVERING STRONG REDUCTIONS

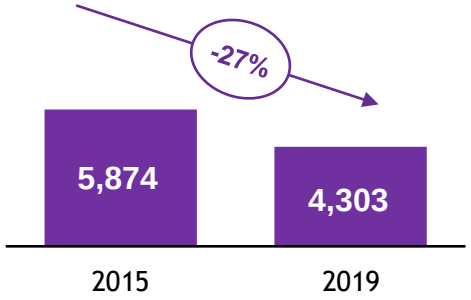
Worldwide Total Disc Volume (mm)



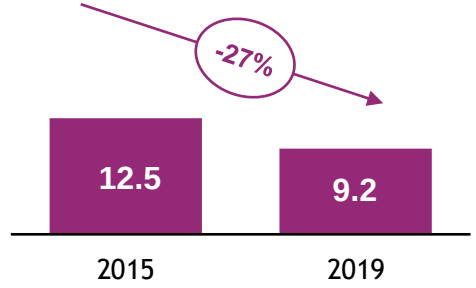
DVD services Revenue (€m)



Worldwide Permanent Headcount



DVD services Fixed Facility Space (sqft m)



€26M OF COST SAVINGS DELIVERED IN 2019 WITH SIMILAR AMOUNT EXPECTED FOR 2020

Source: Company information

GOING FORWARD: MAXIMISING THE LONG TAIL

KEY LEVERS FOR FUTURE GROWTH AND MARGIN IMPROVEMENT

Volumes / Market Share

- **Continued market share gains** whenever possible / sensible. Currently pursuing opportunities in European market
- Increase mix of **higher margin Blu-Ray / UHD in total volume base**

Customers / Pricing

- Continue to **aggressively complete key customer price renegotiations / increases**
- Improve distribution economics and **implementation of volumetric downside protection mechanisms**

Cost Optimisation

- **Continue downsizing platform at a faster pace than volume / revenue decline**
- **Reduce CAPEX and contract related cash outflows**
- Capitalise on ongoing consolidation of studio operations for efficiency gains

Diversification

- **Explore further expansion of supply chain services** outside of packaged media

PRICING STRATEGY TO MITIGATE DECLINES AND DRIVE MARGIN EXPANSION AND CASH FLOW

Source: Company information

WHY WE ARE EXCITED ABOUT DVD SERVICES

1. Demand from clients remains robust and will continue in the future, while the number of providers is declining
2. Technicolor's capabilities, global reach and operating excellence make it the preferred supplier in the market
3. Successful commercial renegotiations (past and ongoing) with positive pricing impact meaningfully offset volume declines
4. Low capex profile with further initiatives being implemented to improve competitiveness and cost structure
5. Sizable EBITDA business with the potential to grow going forward

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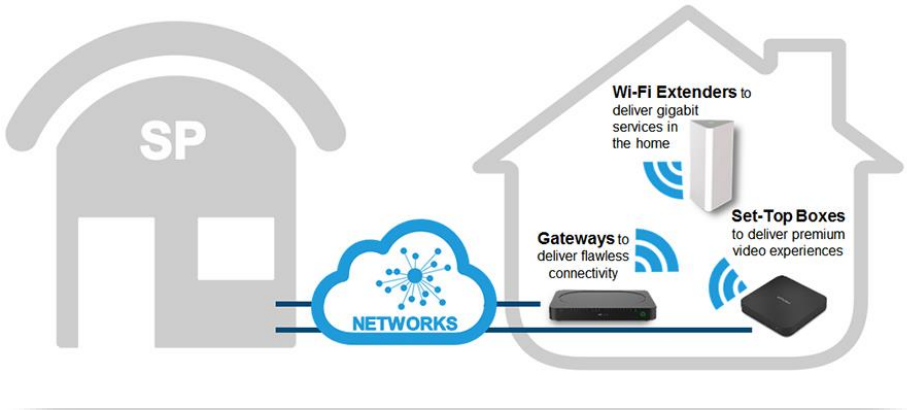
CPE: A SIZABLE MARKET WITH STRATEGIC VALUE FOR SERVICE PROVIDERS

The service providers need a **DEVICE** to deliver the service to their customers/consumers



MOBILE
➔ Mobile Device

IN THE HOME (CPE)

- Broadband to the home ➔ Broadband Gateway
- TV Service ➔ Set-Top-Box
- Control of other connected devices ➔ IoT Device

Gateway

Set-Top box

Note: CPE: Customer Premises Equipment; IoT: Internet of Things

TECHNICOLOR MEETS ALL THE REQUIREMENTS OF SERVICE PROVIDERS

LATEST TECHNOLOGY

- Incorporate latest technology to differentiate vs competitors
- User experience functionality key to win / retain customers

HIGHEST QUALITY DEVICES

- Maximize customer experience and loyalty
- Minimize annual failure rate(1)

LOWEST COST

- Large volume of devices needed, represents meaningful capex category
- Design to cost competence and procurement scale in the component industry

GUARANTEE OF SUPPLY

- High volume
- Need to manage fluctuations

TECHNICOLOR HAS PROVEN FIRST-TO-MARKET POSITIONS ON DISRUPTIVE TECHNOLOGIES AND IS ABLE TO ENSURE QUICK TIME TO MARKET FOR ITS CUSTOMERS

Note: (1) Technicolor customer premises equipment is 1-2% vs over 10% for direct-to-consumer consumer electronics (up to 20% for laptops – source: SquareTrade)

STRUCTURAL MARKET SHIFT

	VIDEO	BROADBAND
From Service Providers point of view	▶ US: OTT offers and cord-cutters are impacting the high ARPU Video business of SP ▶ Rest of the world: Service Providers as video integrators with very price competitive offers. More difficult to disrupt	▶ Broadband experience in the home is becoming a key priority since there are more connected devices, and Wi-Fi is becoming the broadband delivery media ▶ From a pure connectivity service to a new variety of other services: security, IoT, …
From Technological point of view	▶ Evolution to IP video delivery devices makes the technology more competitive ▶ Evolution to more off-the shelf solutions: Android TV, where we play a wider role than in traditional middleware, with quicker time-to-market	▶ Network broadband technologies keep evolving (5G, Docsis 3.1, Fiber,…) and the CPE gateways must be periodically renewed to deliver this bandwidth in the home ▶ Wi-Fi 6 will become the broadband in the home, with other supporting technologies (Zigbee)

Note: OTT: Over-The-Top; ARPU: Average Revenue Per User; SP: Service Providers

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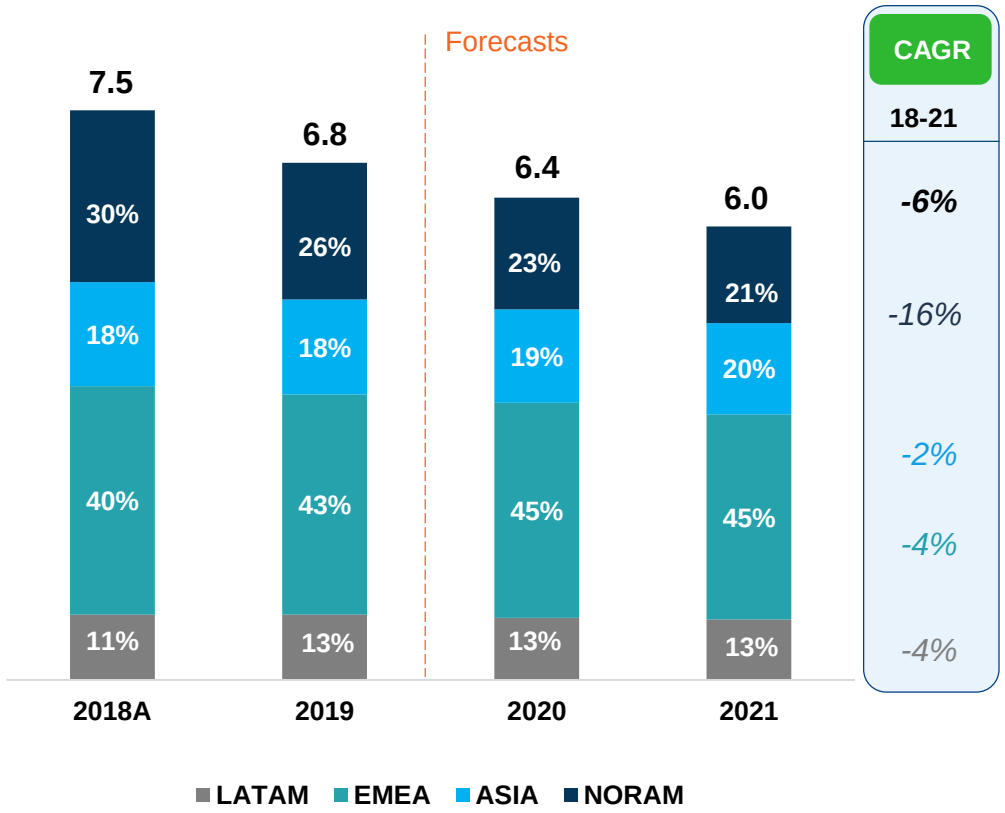
TECHNICOLOR HAS REPOSITIONED THE BUSINESS TOWARDS THE MORE ATTRACTIVE BROADBAND MARKET

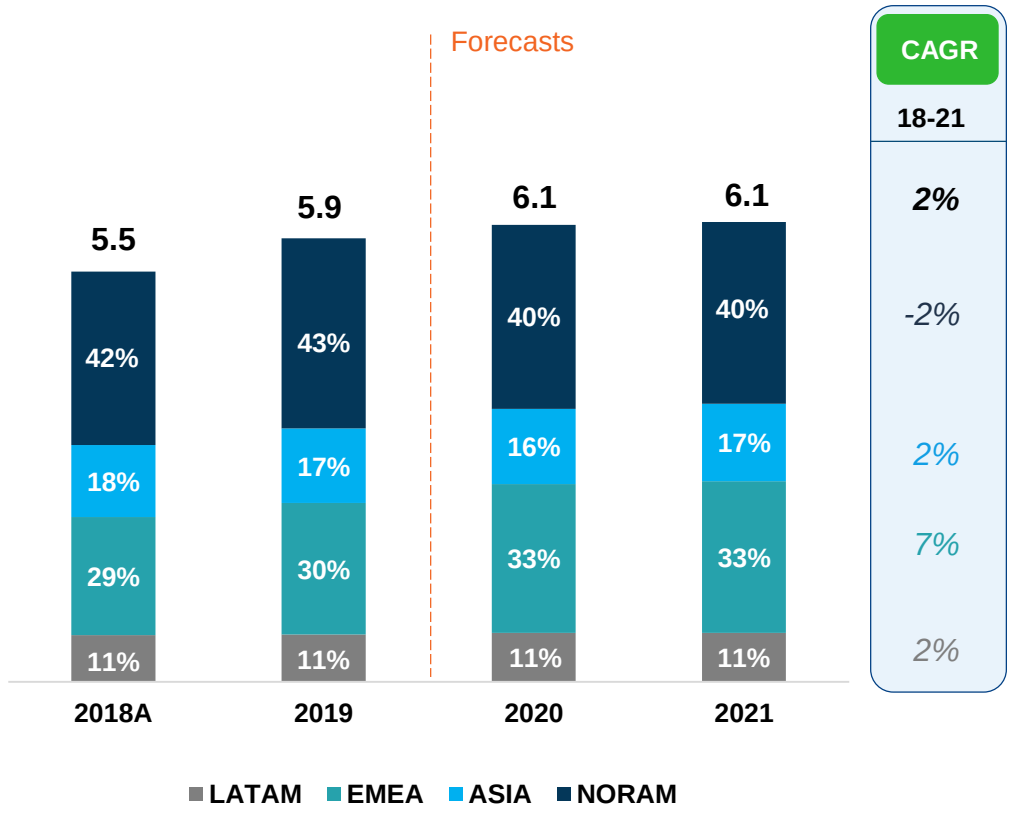
VIDEO – MARKET VALUE BY GEOGRAPHY

(2018-21, €bn)



BROADBAND – MARKET VALUE BY GEOGRAPHY

(2018-21, €bn)



Sources: Company estimates with inputs from Dell'Oro, IHSMarkit, ABI Research, TSR Research

BUSINESS TRANSFORMATION TO DRIVE IMPROVED PROFITABILITY

	FROM	TO
1 **Customers** *(Selecting Relevance and Scale)*	▶ All possible customers ▶ Reactive: Any RFQs 250+ customers	▶ Customers with Scale (Selectivity) ▶ Proactive Go to Market: Account Planning ▶ Clear segment priorities 50+ customers
2 **Portfolio strategy** *(From Project to Platforms in technologies with scale)*	▶ Project Oriented based on customer requests ▶ Any segment/technology	▶ Platform Based ▶ Lead new Video: Android TV ▶ Lead Broadband: Docsis 3.1, Fiber, Wi-Fi 6 ▶ Final products adapted to type of customers
3 **Competitive differentiation** *(From Good to Great)*	▶ Present in all markets (NAM, LATAM, Europe, APAC) ▶ Present in all Segments (Video, Broadband and IoT)	▶ Productivity: Doubling the productivity (50% OPEX reduction in 4 years, 70% achieved) ▶ Supply Chain: Performance and Resilience ▶ Engineering: Best Product quality, Product Cost and Time-to-market ▶ Proximity
4 **Suppliers** *(Partnership and Scale)*	▶ Multiple ODM partners ▶ Mostly Transactional 1,300 suppliers	▶ Value oriented engagement ▶ Original Development Center /System-in-Chip partnerships c.300 suppliers

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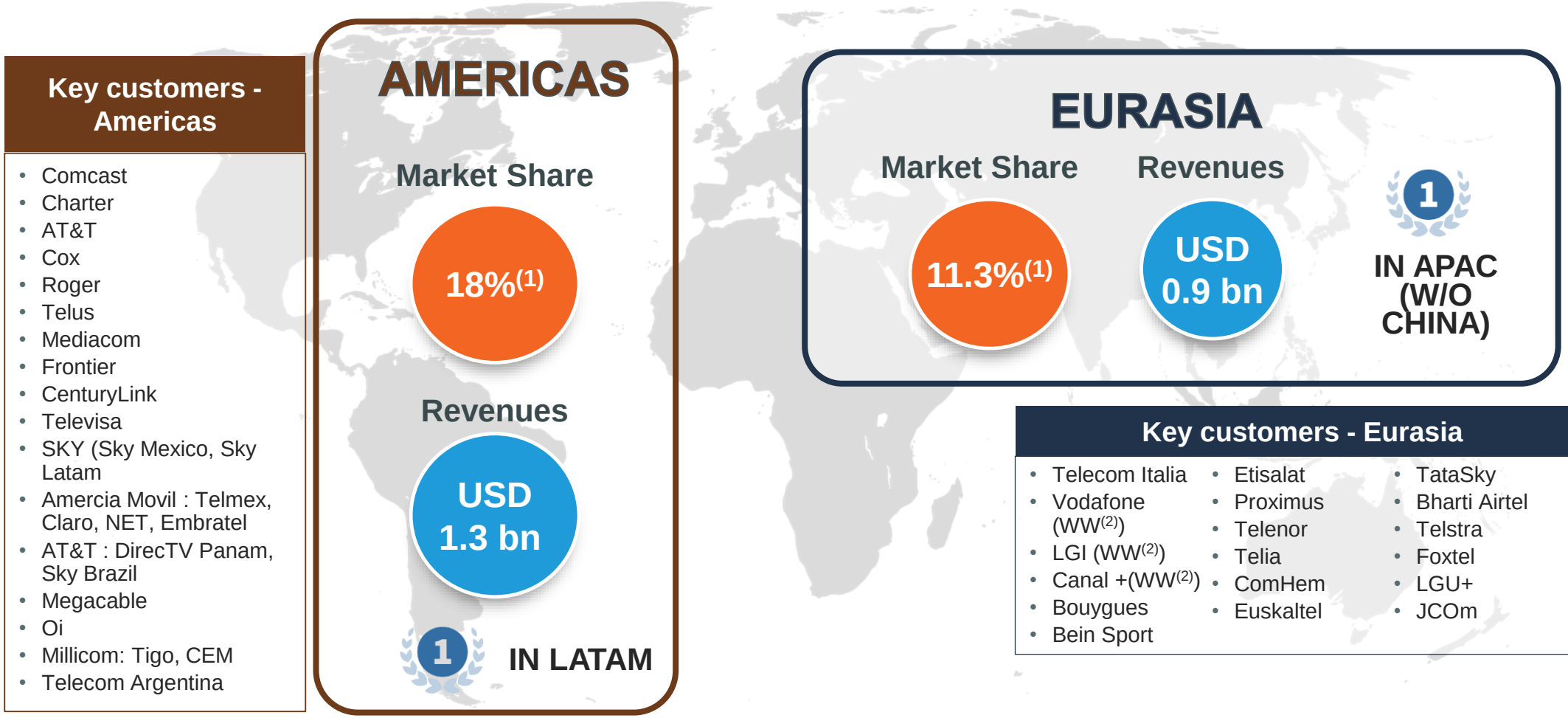
1 A GLOBAL FOOTPRINT WITH LEADING PRESENCE IN ALL KEY MARKETS



Key customers - Americas

- Comcast
- Charter
- AT&T
- Cox
- Roger
- Telus
- Mediacom
- Frontier
- CenturyLink
- Televisa
- SKY (Sky Mexico, Sky Latam
- Amercia Movil : Telmex, Claro, NET, Embratel
- AT&T : DirecTV Panam, Sky Brazil
- Megacable
- Oi
- Millicom: Tigo, CEM
- Telecom Argentina

AMERICAS

Market Share

18%(1)

Revenues

USD 1.3 bn

1 IN LATAM

EURASIA

Market Share

11.3%(1)

Revenues

USD 0.9 bn

1 IN APAC (W/O CHINA)

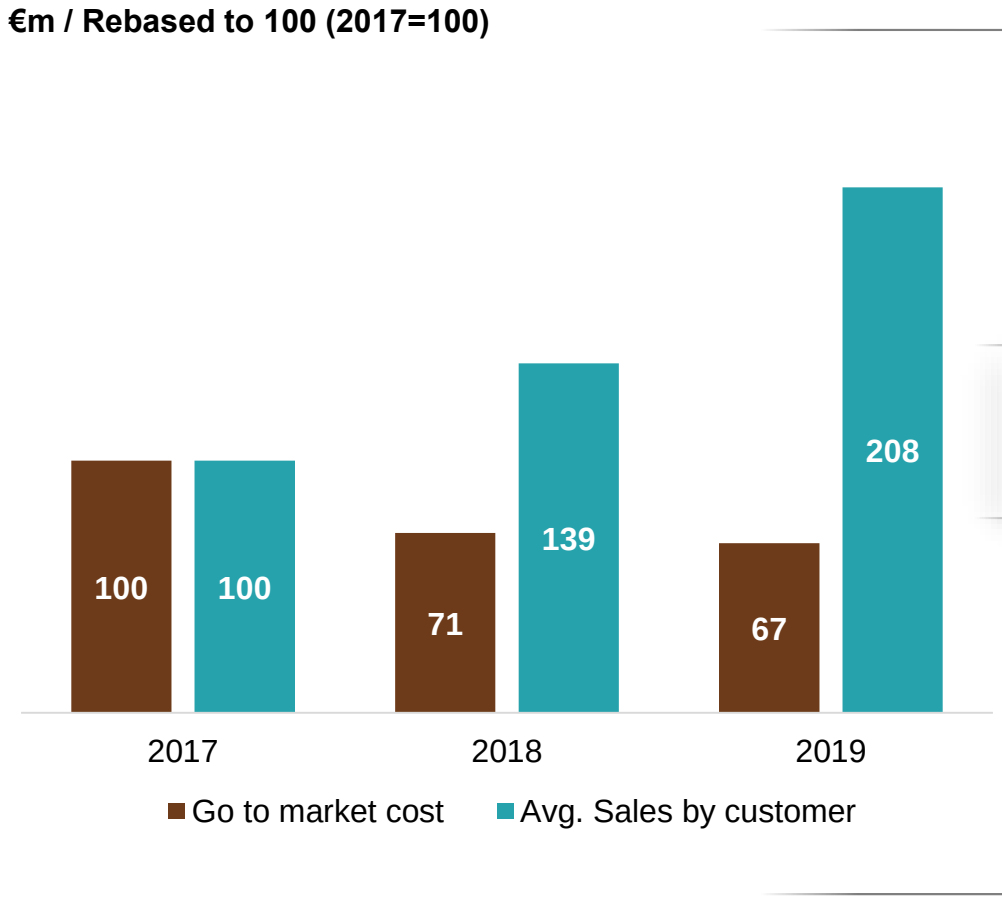
Key customers - Eurasia

- Telecom Italia
- Vodafone (WW(2))
- LGI (WW(2))
- Canal +(WW(2))
- Bouygues
- Bein Sport
- Etisalat
- Proximus
- Telenor
- Telia
- ComHem
- Euskaltel
- TataSky
- Bharti Airtel
- Telstra
- Foxtel
- LGU+
- JCOm

Source: HIS & Dell'Oro 3Q19
Notes: 1. Regional Market Share Broadband & Video Products; 2. Worldwide

1 CUSTOMER SELECTIVITY DRIVING PROFITABILITY

COST OF CUSTOMER ORGANIZATION & AVERAGE SALES BY CUSTOMER



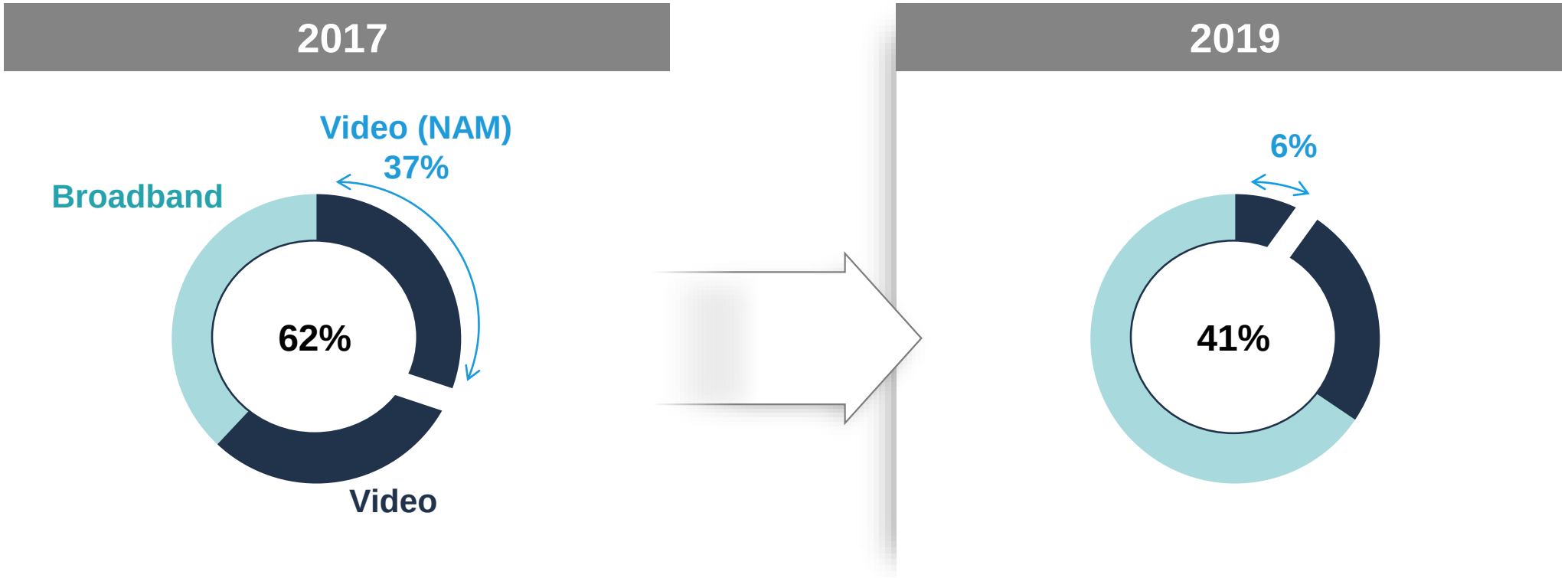
- Greater selectivity and discipline on client and project selection
- Bespoke service for large customers
- Platform approach for smaller customers
- Exit from certain unprofitable countries and markets (China, South-East Asia)

Note: Go to market cost defined as the overall cost for the organization of a customer (technical support, etc.)

2 PRODUCT PORTFOLIO HAS BEEN REPOSITIONED TO FOCUS ON ATTRACTIVE MARKETS

DECREASING WEIGHT OF VIDEO ACTIVITIES

In % of Connected Home revenues

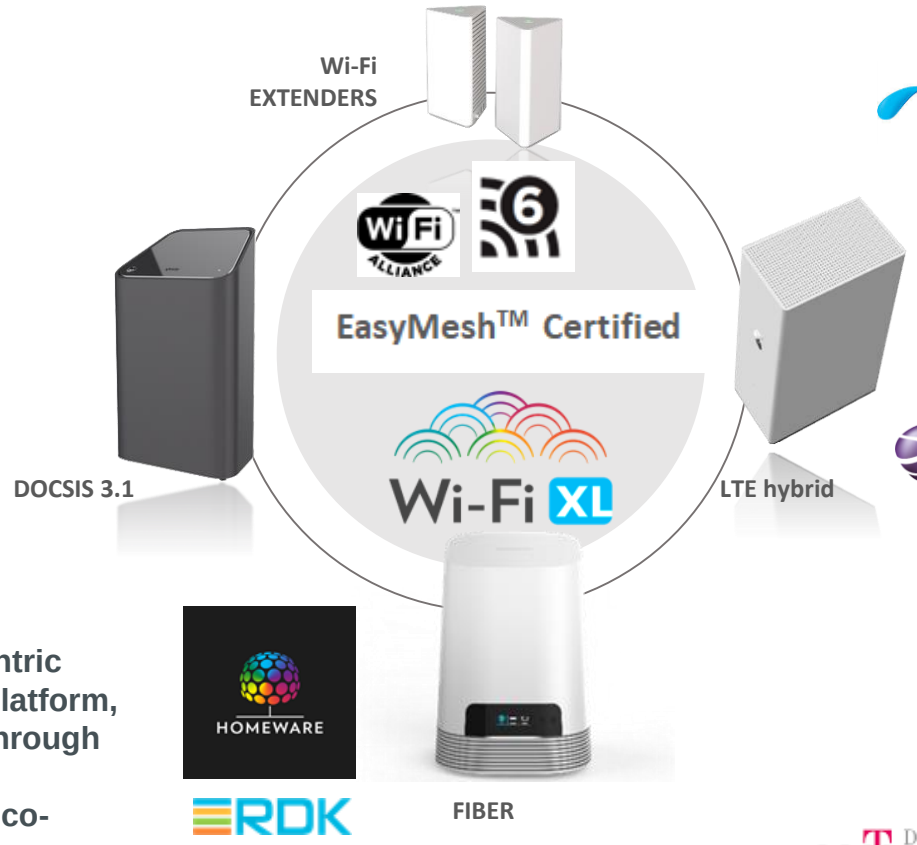


GRADUAL REPOSITIONING ON GROWING ACTIVITIES ON WHICH TECNICOLOR IS THE WORLDWIDE MARKET LEADER

2 WORLDWIDE LEADERSHIP IN ULTRA BROADBAND

Worldwide Leader in HOME GATEWAYS

2019 worldwide market share



telenor · TIM · FASTWEB · vodafone · iinet connect better · netlynk · SBB · voo · Sfofa: · Telia · MEGACABLE · Televisa · TELECOM · ROGERS · Charter Spectrum · VIDEOTRON · oi · comcast · CenturyLink · Deutsche Telekom · ATLANTIC broadband · Mediacom · COX

SW SERVICES PLATFORM

HERO program

Move to user-centric Open Services Platform, made possible through the rise of Open Standards and Eco-systems

FOR MORE THAN 20 YEARS, TECHNICOLOR HAS DEMONSTRATED A PROVEN FIRST-TO-MARKET POSITION ON DISRUPTIVE BROADBAND TECHNOLOGIES

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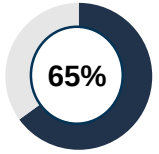
2 UNDISPUTABLE LEADER ON ANDROID TV

1

Worldwide Leader
in
ANDROID TV



2019 worldwide
market share

androidtv

KEY APPS

NETFLIX
Google
amazon primevideo

34+ SPs wins

cogeco
bouygues
TIM
COM HEM
oi
euskaltel
etisalat
proximus
dish
Canal Digital
lattelecom
WIND
WOW!
Channel Master
lmt
Partner
yes.
tv
airtel
foxtel
Linknet
vodafone

Certified Sept 2015 with Android L	Certified May 2016 with Android L	Certified Nov 2016 with Android M	Certified July 2017 with Android N	Certified June 2018 with Android O	Certified July 2019 with Android P	Available Q4 2019 with Android Q

OVER 6 YEARS' EXPERIENCE INTEGRATING ANDROID TV INTO OUR DEVICES AS GOOGLE'S PREMIER PARTNER

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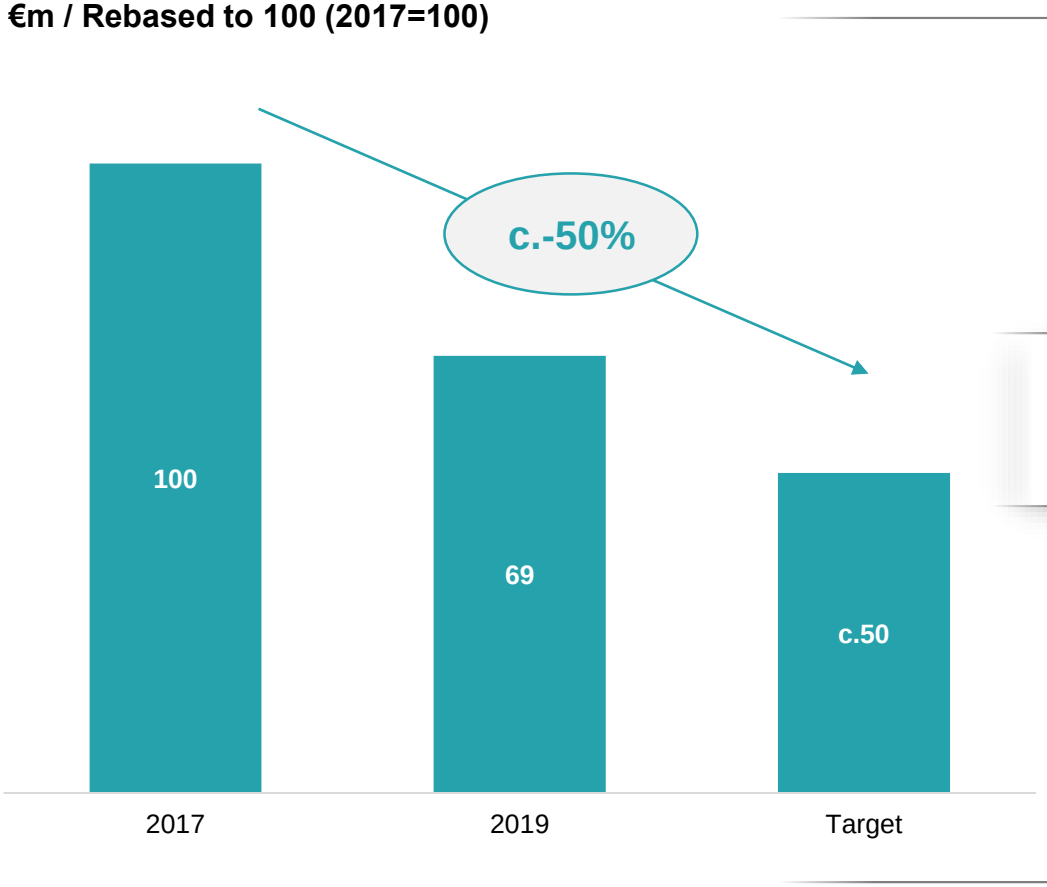
3 FURTHER OPPORTUNITY TO INCREASE OPEX PRODUCTIVITY

EVOLUTION OF FIXED COSTS

€m / Rebased to 100 (2017=100)



INCREASING PRODUCTIVITY

- **Costs decreased by 30% between 2017 and 2019**

WHILE

- **Shortening time to market and improving performance in all areas thanks to:**
  - **Selectivity**
  - **Platform Approach**
  - **Partnerships**
  - **Aggressive Automation**
  - **Top Skills in the industry in critical Areas**

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3 LEADING SUPPLY CHAIN: PERFORMANCE AND RESILIENCE

VALUE PROPOSITION

COMPONENTS

- Quality Selection
- Strategic partnership for SoC
- Direct management & negotiation of key components
- “Should cost methodology”
- Crisis management

PLANNING

- Industry leading planning processes & tools
- Real time adapting to customers demand changes & supply chain events/crisis
- Capability to manage long lead times & low flexibility suppliers
- Strict control of inventory levels

PRODUCTION

- Design & Manufacturing controlled end to end
- Partnerships optimization in Asia
- Footprint rationalization
- Lean management

LOGISTICS

- Optimized logistic network to efficiently cope with geographical constraints
- Strategic Partnership with right mix of cost & service level
- End to end tracking & monitoring - automated

SUPPORT

- Robust Quality Management System
- Worldwide post-sales service organization
- Data-Driven problem solving approach

END TO END HIGHLY RESILIENT SERVICE

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3 PROXIMITY TO OUR CUSTOMERS IS KEY

CONNECTED HOME FOOTPRINT(1)

- R&D
- 3rd Party Manufacturing
- Technicolor Manufacturing

Note: (1) Main offices

WHY WE ARE EXCITED ABOUT CONNECTED HOME

1. **The CPE industry is a sizeable market with a strategic value for the service providers. Connected Home, are the overall #2 of the industry with leading position in the growing segments: Broadband and Android TV**

2. **Following headwinds faced (memory prices crisis, decline of the video market in North America), Connected Home launched an aggressive business transformation in order to protect margins**

3. **The objective of the Transformation Plan was:**
   - To remain a sizeable player in the industry (2b Euro) by specific sales and product actions
   - Maximizing margins by an aggressive OPEX cost reduction of €162m (representing 50% reduction) of which €100m already achieved

4. **Key business and operating initiatives have been implemented:**
   - Customer selectivity
   - Prioritization of investment in the growing segments: Broadband Gateways and Android TV
   - Use of platform approach for engineering efficiency, TTM and simplification
   - Reduction of number of suppliers and moving from transactional to strategic relationships to improve sourcing efficiency

5. **In addition we launched a number of initiatives to expand competitive advantages in these areas:**
   - Time to market
   - Functionality differentiation
   - Product cost
   - Perfect execution (engineering and supply chain)

6. **Margins are now poised to increase significantly going forward thanks to all these actions**

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LICENSING

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TRADEMARK LICENSING – RCA AND THOMSON PROVIDE STABLE CASH FLOW GENERATION

A Global Footprint of Leading Brands

Europe

South East Asia

North America

Latin America

Contractual Framework Overview

Long term contracts

- Average contract length of c.4 years
- Significant c. €90m backlog with c. 5 years of revenue guaranteed

Predictable volumes

- Contracts signed with minimum volume guarantees
- Yearly volumes can be anticipated with high level of confidence as far as 12 months out

High Cash Conversion

- Extremely lean organisation: 10 employees
- Cash conversion rate in excess of 75% on average over the past (10) years
- FY19 Sales: €23m & FY19 EBITDA: €17m

LONG-STANDING EXPERIENCE IN DEVELOPING INNOVATING BRANDS IN THE CONSUMER ELECTRONICS SECTOR

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2020-2022
STRATEGIC PLAN
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SIGNIFICANT MEDIUM TO LONG TERM OPPORTUNITIES

MID-TERM OPPORTUNITIES

- Long tail of demand for home entertainment
- DVD services needs to be transformed to further increase business model resiliency and cash flow generation

- Business at an inflection point, set to benefit from two years of repositioning, and margins are poised to increase significantly

WILL FUND FUTURE GROTH

KEY MID-TO-LONG TERM GROWTH OPPORTUNITIES

- Capture future explosive growth in demand for premium content: film, episodic and animation

- Focus on broadband gateway and Android TV: Significant white space in Europe to target largest cable and broadband providers

WILL FUEL FUTURE GROWTH

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CLEAR STRATEGY TO REALISE VALUE

CHALLENGES…	… ADDRESSED THROUGH THE NEW STRATEGIC PLAN
1 Convoluted organisation	Focus resources on identified profitable growth opportunities
2 Scope for efficiency gains in each division	Continued discipline around business selection
3 Transversal functions not optimised	Streamline operations
4 Transparency	Implement new cost saving plan to improve margins
	Increase transparency and provide tangible financial targets

THANKS TO THE NEW STRATEGIC INITIATIVES, TECHNICOLOR WILL TURN CHALLENGES INTO OPPORTUNITIES TO FUEL MID-TERM GROWTH

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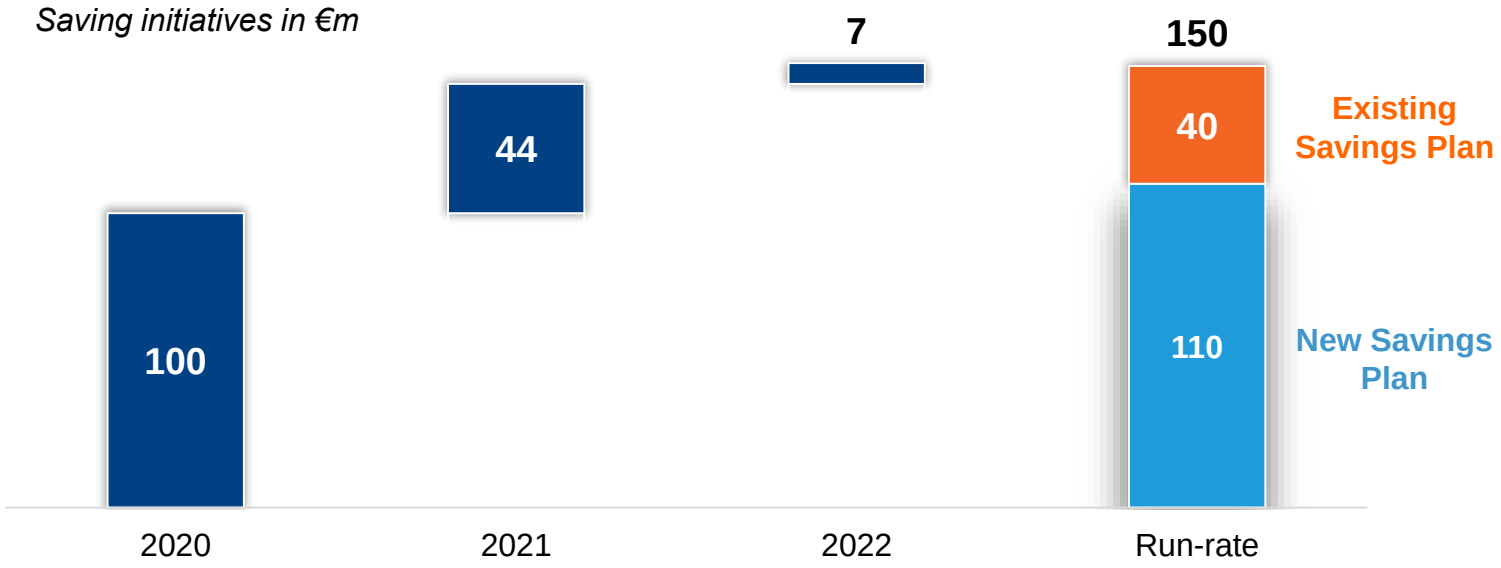
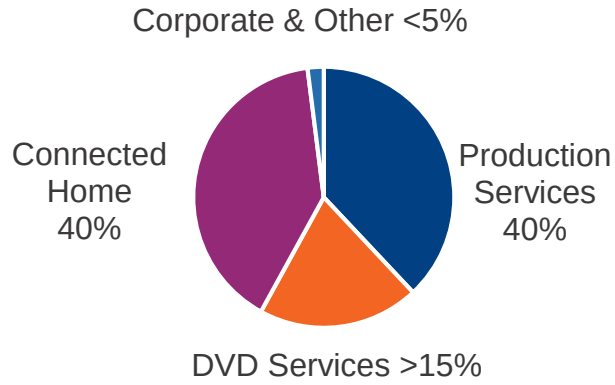
€150M OF TOTAL SAVINGS, €100M TO BE REALIZED IN 2020

BUILD-UP TO RUN-RATE COST SAVINGS





- **EXPECTED RESTRUCTURING COSTS OF C. €90M OVER THE NEXT THREE YEARS**
- **C. 85% IMPACT OF 2020 SAVINGS INCLUDED IN EBITDA AND 100% IN EBITA**

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DETAILED ACTION PLAN

IMMEDIATE ACTION TO REDUCE INDIRECT COSTS AND IMPROVE WORKING CAPITAL

- Headcount freeze
- CEO purchase order approval process
- Significant reduction in travel and subsistence spending across all business units
- Spans and layers review: BearingPoint input
- Tighter control over working capital with new controls introduced

SECURE OPEX REDUCTION TARGET FOR 2020

- Execution plan in place for each detailed element of the €100m 2020 opex reduction action (493 people have already left the business)
- Further P&L review with BUs with focus on maximising profitability and cash generation in 2020 and beyond
- Commissioned benchmark study with focus on Transversal Functions to achieve further significant savings across HR/IT/Finance/Legal
- Strategic real estate review underway to further rationalise the global portfolio
- Consolidate procurement organization with target to reduce 10% of indirect cost spending

2019 RESULTS AND FINANCIAL GUIDANCE

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2019 KEY FIGURES FROM CONTINUING OPERATIONS

- **REVENUES** of €3.8bn reflecting double digit growth in Production Services, offset by decline in North American video segment in Connected Home and anticipated replication volume decline in DVD services
- **ADJUSTED EBITDA** of €246m reflecting strong performance in Production Services while ongoing transformation plans in Connected Home and DVDs start to deliver results
- **ADJUSTED EBITA** of €36m due to high rendering costs in Production Services
- **FCF**[1] at €(161)m affected by downgrades from the rating

	Full Year (pre-IFRS 16)				Full Year (post-IFRS 16)	
In € million	FY '18	FY '19	*Change YoY at current rate*	*Change YoY at constant rate*	FY '19	*IFRS 16 Impact*
Revenues	3,988	3,800	*(4.7)%*	*(7.3)%*	3,800	
Adjusted EBITDA	266	246	*(7.5)%*	*(9.7)%*	324	*+ 78*
Adjusted EBITA	98	36	*(63.6)%*	*(63.5)%*	42	*+ 7*
Operating Cash Flow[2]	61	39	*(36.4)%*	*(39.1)%*	121	*+ 82*
Free Cash Flow[1] **before net interests**	(3)	(117)	*n.a.*	*n.a.*	(34)	*+ 83*
Free Cash Flow[1]	(43)	(161)	*n.a.*	*n.a.*	(98)	*+ 63*

Notes:
1. 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 + net financial interests + exchange result + other financial results and income tax)
2. Operating cash flow defined as: Adj. EBITDA – net capex – restructuring cash expenses

PRODUCTION SERVICES
STRONG GROWTH DRIVEN BY FILM AND EPISODIC

In € million	FY '19	FY '18	FY '19 vs FY '18	
			Current rate	*Constant rate*
Production Services				
Revenues	**893**	**785**	***+13.8%***	***+10.4%***
Adjusted EBITDA	**132**	**110**	***+20.3%***	***+16.7%***
Margin (%)	*14.8%*	*14.0%*		
D&A*	(108)	(59)		
Adjusted EBITA	**24**	**51**	***(53.1%)***	***(56.2%)***
Margin (%)	*2.7%*	*6.5%*		

REVENUE UP 10% AT A CONSTANT RATE, DRIVEN BY VFX

- Continued double digit growth driven by a record number of tent pole films including Lion King, Maleficent 2 and Oscar-winning 1917
- Significant traction in animation and episodic after dedicated brand launches in H2 18
- Animation & Games up high single digit

EBITDA MARGINS UP TO 14.8%, GIVEN HIGHER FOCUS ON VFX

- Favourable business mix, driven by higher contribution of high-margin activities (Film & Episodic VFX)
- Improving margins at Animation & Games
- Declining margins in Advertising due to lower utilization rates of artists. New operational tools & processes implemented in 2019 to restore profitability
- Post-Production margins decreasing due to delay in shift towards VFX activities

EBITA DOWN MAINLY DUE TO ONE-OFF HIGHER RENDERING COSTS

- Higher rendering costs main factor impacting EBITA; processes now in place to permanently address this issue
- Opening of Mill Film Adelaide and Montreal, Animation & Games new office in Paris and higher production costs amortised on IP production

Notes:
All figures are presented excluding IFRS 16 in 2019 for comparability
(*) Depreciation & Amortization of assets and variation of operating reserves (risk, litigation and warranty)

DVD SERVICES
DECLINING VOLUMES BUT CONTRACT RENEGOTIATIONS UNDER WAY

In € million	FY '19	FY '18	FY '19 vs FY '18	
			Current rate	*Constant rate*
DVD Services				
Revenues	**882**	**942**	***(6.3%)***	***(9.7%)***
Adjusted EBITDA	**46**	**68**	***(31.6%)***	***(34.0%)***
Margin (%)	*5.3%*	*7.2%*		
D&A*	(55)	(54)		
Adjusted EBITA	**(9)**	**14**	***n.m.***	***n.m.***
Margin (%)	*(1.0%)*	*1.5%*		

SALES DOWN 10% ON DECREASING VOLUMES

- Replication volumes down 11% compared to 2018
  - Standard definition DVD down 11% (vs. a decline of 17% in 2018), supported by better than anticipated catalogue activity in North America
  - Blu-ray™ down 13% given high 2018 comparable base which included Star Wars: The Force Awakens and Red Dead Redemption 2. Ultra HD Blu-ray™ growth continued in 2019
- Successful large contract renegotiations with improved terms for Technicolor completed in 2019 provided a positive impact in the second half of the year

EBITDA AND EBITA DOWN ON VOLUME REDUCTION AND PRODUCT MIX

- EBITDA down 34% at constant rate as impact of reducing volumes and weaker product mix only partially compensated by ongoing cost savings initiatives
- EBITA affected in similar fashion

Notes:
All figures are presented excluding IFRS 16 in 2019 for comparability
(*) Depreciation & Amortization of assets and variation of operating reserves (risk, litigation and warranty)

CONNECTED HOME
FOCUS ON PROTECTING PROFITABILITY

In € million	FY '19	FY '18	FY '19 vs FY '18	
			Current rate	*Constant rate*
Connected Home				
Revenues	**1,983**	**2,218**	***(10.6%)***	***(12.6%)***
Broadband	1,152	1,140	*+1.1%*	*(2.0%)*
Video	830	1,078	*(23.0%)*	*(23.9%)*
Adjusted EBITDA	**69**	**87**	***(20.5%)***	***(21.2%)***
Margin (%)	*3.5%*	*3.9%*		
D&A*	(46)	(54)		
Adjusted EBITA	**23**	**33**	***(30.2%)***	***(28.8%)***
Margin (%)	*1.2%*	*1.5%*		

SALES DOWN 13% ON LOWER VIDEO ACTIVITY

- Broadband down 2% YoY with 14% growth in North America driven by increase in market share in the cable operator segment, offset by decrease in Eurasia due to end of product cycle, pending new product introduction
- Video down 24% YoY entirely attributable to North America following Technicolor's decision to discontinue relationship with one key client

PROTECTING EBITDA AND EBITA MARGINS

- EBITDA margin at 3.5%
  - Volume impact from Video decrease in North America, nonetheless partially offset by:
    - "Per unit margin" improvement due to better component price and high margin revenues in 2018
    - Indirect cost savings
  - 2018 EBITDA positively affected by a one-off high margin revenue event, providing a high comparable base
- EBITA further helped by lower D&A and a reversal of a provision

Notes:
All figures are presented excluding IFRS 16 in 2019 for comparability
(*) Depreciation & Amortization of assets and variation of operating reserves (risk, litigation and warranty)

CORPORATE AND OTHER

In € million	FY '19	FY '18	FY '19 vs FY '18	
			Current rate	*Constant rate*
Corp. & Other				
Revenues	**43**	**44**	***(3.6%)***	***(3.6%)***
Trademark Licensing	23	24	*(6.5%)*	*(6.5%)*
Patent Licensing	20	20	*+0.2%*	*+0.2%*
Adjusted EBITDA	**(1)**	**1**	***n.m.***	***n.m.***
Margin (%)	*n.m.*	*n.m.*		
D&A*	(1)	(1)		
Adjusted EBITA	**(2)**	**0**	***n.m.***	***n.m.***
Margin (%)	*n.m.*	*n.m.*		

STABLE REVENUES OF TRADEMARK AND PATENT BUSINESSES

- Trademark revenues include royalties from Thomson and RCA brands. Royalty contracts are multi-year with a minimum revenue to Technicolor guaranteed
- Patent and Licensing remaining contracts includes in 2018 and 2019 MPEGLA royalty revenues (patents kept by Technicolor)

ADJUSTED EBITDA INCLUDES CORPORATE COSTS

- Trademark and Patent Licensing retained contracts generate high EBITDA margin (> 80%)
- EBITDA generated by Trademark and Patent Licensing is offset by Technicolor Group corporate activity (function costs not allocated to the three Technicolor Divisions)

Notes:
All figures are presented excluding IFRS 16 in 2019 for comparability
(*) Depreciation & Amortization of assets and variation of operating reserves (risk, litigation and warranty)

ADJUSTED EBITDA TO EBIT

In € million	FY '19	FY '18	FY '19 vs FY '18	
	Current rate	*LY rate*	*Current rate*	*Constant rate*
Adjusted EBITDA	**246**	**266**	***(7.5%)***	***(9.7%)***
D&A (*)	(210)	(168)		
Adjusted EBITA	**36**	**98**	***(63.6%)***	***(63.5%)***
PPA amortization	(54)	(50)		
Impairments & write-off	(61)	(81)		
Restructuring	(31)	(62)		
Other non current	(17)	(24)		
EBIT continuing	**(127)**	**(119)**		

AMORTIZATION UP BY 20%

- Higher rendering costs
- Increase in amortization of tangible assets linked to the development of Mill Film brand in Montreal, Adelaide and Bangalore

PPA AMORTIZATION STABLE

- PPA mainly relates to amortization of intangibles identified during 2015 acquisitions in each divisions

LOWER IMPACT OF NON-RECURRING

- €59m goodwill impairment charges recognized on DVD Services
- Restructuring costs decrease mainly relates to the CH transformation plan initiated late 2017
- Other non-current is mainly related to negative non-cash liquidation costs of certain Technicolor dormant entities

Notes:
All figures are presented excluding IFRS 16 in 2019 for comparability
(*) Depreciation & Amortization of assets and variation of operating reserves (risk, litigation and warranty)

FROM EBIT TO NET INCOME

In € million	FY '19 Current rate	FY '18 LY rate
EBIT continuing	**(127)**	**(119)**
Net interest expense	(49)	(40)
Others financial	(15)	(10)
Profit before tax	**(191)**	**(170)**
Tax	(4)	(54)
Net result continuing	**(195)**	**(224)**
Net result discontinued	(21)	157
Net income	**(217)**	**(67)**

€14M INCREASE OF FINANCIAL EXPENSES

- €9m increase in interests related to credit line drawings and capital leases
- Less favourable foreign exchange impact mainly related to BRL

LOWER INCOME TAX IMPACT

- 2018 impact was related to depreciation of US tax losses previously recognized (-€55m)

NEGATIVE IMPACT OF DISCONTINUED ACTIVITIES

- 2018 result of discontinued activities was positively impacted by disposal result of the Patent Licensing business for €210m
- 2019 result of discontinued activities is mainly related to the remaining impact of the Research & Innovation activity disposed in May 2019 and the settlement of a Cathode Ray Tubes case in Europe

Notes:
All figures are presented excluding IFRS 16 in 2019 for comparability

EBITA TO FREE CASH FLOW
CASH GENERATION IMPACTED BY WORKING CAPITAL DYNAMICS

In € million	Continuing Operations					
	PS	DVD	CH	Corporate & Other	Total FY '19	Total FY '18
Adjusted EBITA	**24**	**(9)**	**23**	**(2)**	**36**	**98**
D&A (*)	108	55	46	1	210	168
Adjusted EBITDA	**132**	**46**	**69**	**(1)**	**246**	**266**
Intangible net capex	(24)	(21)	(53)	(2)	(99)	(94)
Tangible net capex	(38)	(16)	(15)	(1)	(70)	(69)
Restructuring cash expense	(9)	(7)	(21)	(2)	(38)	(43)
Operating cash flow	**61**	**4**	**(20)**	**(6)**	**39**	**61**
Variation in WC / OAL					(96)	3
Pensions & Non-recurring expenses					(35)	(51)
Sub-total					**(92)**	**14**
Financial excl. net interest expenses					(13)	(3)
Tax paid					(12)	(14)
FCF before net interests expenses					**(117)**	**(3)**
Net interest expenses					(44)	(40)
FCF after net interest expenses					**(161)**	**(43)**

NEGATIVE FCF OF €161M MOSTLY AFFECTED BY LOWER EBITDA, HIGHER RENDERING COSTS AND WORKING CAPITAL DYNAMICS:

- Adjusted EBITDA of €246m
- Higher rendering costs at PS included in D&A
- Capex €169m: mostly CH €68m (R&D capitalization and New Products Introduction), PS €62m (capacity expansion and IP Production costs capitalization) and DVD €36m
- Restructuring costs of €38m of which CH €21m, PS €9m and DVD €7m
- WC/OAL variation €96m includes c.€100m negative impact from payment terms change following credit rating downgrades
- Non-current & Pension €35m, mainly related to exited activities commitments

Notes:
All figures are presented excluding IFRS 16 in 2019 for comparability
(*) Depreciation & Amortization of assets and variation of operating reserves (risk, litigation and warranty)

NET DEBT EVOLUTION

In € million	FY '19 Pre-IFRS 16	FY '19 Post-IFRS 16	FY '18 Pre-IFRS 16
Opening cash position	291	291	319
Opening gross debt	(1,024)	(1,328)	(1,097)
Opening net debt	**(733)**	**(1,037)**	**(778)**
Continuing Free Cash Flow	(161)	(98)	(43)
Discontinuing Free Cash Flow	(13)	(13)	(4)
New capital leases	(23)	(23)	(31)
New operating leases	-	(29)	-
Other	(31)	(34)	123
Closing cash position	65	65	291
Closing gross debt	(1,026)	(1,298)	(1,024)
Closing net Debt	**(961)**	**(1,233)**	**(733)**
Gross debt (excl. Operating lease)	(1,026)	(1,026)	(1,024)
EBITDA Adj	n.m.	324	266
Financial Covenant	**n.m.**	**3.16x**	**3.84x**
Net debt	(961)	(1,233)	(733)
EBITDA Adj	246	324	266
Net debt / EBITDA Adj	**3.90x**	**3.80x**	**2.75x**

CASH AT YEAR END €65M:

- Cash position reduced from FY18 due to negative continuing FCF of €(161)m
- Others €(31)m: mainly cash out related to disposal €(25)m (Patent Licensing & Research & Innovation)

INCREASE IN NET DEBT (IFRS) DRIVEN BY LOWER CASH POSITION

- Gross debt broadly stable

GROSS DEBT FINANCIAL COVENANT AT 3.16x; NET DEBT / ADJ. EBITDA (POST IFRS 16) RATIO AT 3.80x

- Net Debt / Adj. EBITDA ratio 2022 target: below 2.75x[1]

Notes:
1. Pro forma of the proposed c. €300m Rights Issue

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LIQUIDITY AVAILABLE AT DECEMBER 31ST 2019 AND KEY TERMS FOLLOWING CREDIT LINES EXTENSION

Liquidity at Dec. 31st 2019	Available amount at Dec. 31st 2019 (in € m)
Cash on hand at December 31st 2019	65
Committed credit facilities:	
Technicolor SA Revolving Credit Facility (€250m)	250
Wells Fargo credit line ($125m)	111
LIQUIDITY	**€426m**

LIQUIDITY AT DECEMBER 31ST 2019

- WORKING CAPITAL AND OPERATING NEEDS MET BY CASH AND CREDIT LINES
- CASH AT HAND OF €65M
- CREDIT LINES FULLY UNDRAWN
- TOTAL LIQUIDITY AVAILABLE OF €426M

CREDIT LINES MATURITY EXTENDED SUBJECT TO RIGHTS ISSUE COMPLETION

	Amount and maturity extension	Financial Covenants	Covenant Testing Frequency
Committed credit facilities:			
Technicolor SA Revolving Credit Facility (€250m)	• €250m until December 31st 2020; • €225m from January 1st 2021 until December 21st 2021; • €202.5m from December 22nd 2021 until June 30th 2023	Group IFRS Debt / Group EBITDA: • 4.00x for 2020; • 3.75x for 2021; • 3.50x for 2022 and thereafter • Other covenants and reporting requirements exists	June 30th and December 31st
Wells Fargo credit line ($125m)	• $125m until March 31st 2023		June 30th and December 31st

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2020 GUIDANCE

FINANCIAL METRICS		COMMENTARY
Adjusted EBITDA	**In line with 2019** *(pre and post IFRS 16)*	▶ **Meaningful improvement in Connected Home, reflecting full year benefit of past cost saving initiatives** ▶ **Offset by temporary softness in Production Services, notably for MPC Film as a result of delayed green lighting post studio M&A. Expect 2H'20 to recover vs 1H'20** ▶ **Slight decline in DVD Services**
Adjusted EBITA	**c. €70m** *(c. €65m pre IFRS 16)*	▶ **Similar trends as in Adjusted EBITDA for Connected Home** ▶ **Savings on rendering costs (reflected in Adjusted EBITA) to offset Adjusted EBITDA impact in Production Services**

Notes:
Figures presented with IFRS 16 impacts and based on constant exchange rate assumption

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2022 OBJECTIVES

FINANCIAL METRICS		COMMENTARY
Cumulative[1] Adjusted EBITDA	**Over €1.0bn** *(over €800m pre IFRS 16)*	▶ Gains expected across all three divisions ▶ Production Services to benefit from topline expansion (notably in Film and Episodic and Animation & Games), prioritization of resources on most profitable activities in Advertising, increased utilization of Indian platform across all sub-divisions and cost saving plans ▶ Benefits of contract renegotiations and cost saving plans to provide profitability uplift at DVD Services despite declining topline ▶ Benefits of increased selectivity of customers, roll-out of platform model and cost saving plans to drive Adjusted EBITDA expansion in Connected Home
Cumulative[1] Adjusted EBITA	**Over €340m** *(over €320m pre IFRS 16)*	▶ Similar trends than in Adjusted EBITDA for DVD Services and Connected Home ▶ Increased monitoring of rendering costs in Production Services
Net Debt / Adjusted EBITDA	**Below 2.75x[2]** *(below 2.5x[2] pre IFRS 16)*	▶ Gradual decrease in leverage post rights issue reflecting Adjusted EBITDA gains

Notes:
All figures presented with IFRS 16 impacts and based on constant exchange rate assumption
1. Cumulative from 2020 to 2022 (both included)
2. Pro forma of the proposed c. €300m Rights Issue

GUIDANCE AND STRATEGIC PLAN BASIS OF PREPARATION

INCLUDED IN STRATEGIC PLAN

- *€150m run rate cost savings by 2022, €100m already in 2020*
- *1.10 $/€ exchange rate*

	Division
Film recovering from low 1H 2020 due to Disney/Fox merger	PS (FEV)
Growth in streamer / OTT market share	PS
Increased usage of Indian resources	PS
Growth in Animation	PS
Growth of Gateway	CH
Recovery in margin of CPE Eurasia	CH
Growth of hybrid STB / video	CH
Flat DRAM costs	CH
Payment days changes impacting working capital	CH
Moderate volume growth of UHD	DVD

EXCLUDED FROM STRATEGIC PLAN

	Division
Impact of the Rights Issue	All
Additional actions aimed at addressing our cost base	All
New tentpole movies	PS
Gain in Connected Home market share	CH
Full impact of volume-based pricing contract structure	DVD
MPEG LA Royalty	Other
Growth in trademark revenues	Other

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EBITDA VS EBITA
WHY IS EBITA IMPORTANT TO TECHNICOLOR

In € million	FY '19 Pre-IFRS 16	FY '19 Post IFRS 16
EBITDA	246	324
Intangible assets amortisation (w/o PPA)	(91)	(91)
Tangible assets depreciation	(96)	(167)
Amortization of contracts (incl. rendering)	(40)	(40)
Other incl. change in operating reserves	16	16
EBITA	36	42

- Amortisation charges related to intangible assets consist mainly of R&D capitalized development projects (mostly related to payroll) and right to use third parties' IP (mostly patents and software)
- Depreciation charges related to tangible assets consist mainly of equipment and leasehold improvements. Under IFRS 16, operating lease, mostly related to real estate (paid rents) are also included in this line
- Mostly related to rendering costs in Production Services
- Mostly related to warranties and operating reserves

- **EBITA IS A CLOSER PROXY TO UNDERLYING OPERATING CASH GENERATION COMPARED TO EBITDA GIVEN THE "CASH NATURE" OF TECHNICOLOR DEPRECIATION**
- **EBITA ENABLES TECHNICOLOR TO MONITOR THE OPERATING PERFORMANCE EXCLUDING THE IMPACT OF ACQUISITIONS COMPARED TO EBIT**

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COMPREHENSIVE CAPITAL STRUCTURE SOLUTION TO ENHANCE STRATEGIC FLEXIBILITY

IMMEDIATE ACTIONS

1. **Rights issue of c. €300m, subject to EGM approval**

2. **Extension of RCF and Wells Fargo facility from 2021 to 2023, subject to rights issue(1)**

3. **New $110m short term facility providing additional liquidity until proceeds of the rights issue are received**

Notes: *1. The following facilities will remain available to Technicolor:*

- *Revolving Credit Facility:*
  - *€250m until December 31st, 2020;*
  - *€225m from January 1st, 2021 until December 21st, 2021;*
  - *€202.5m from December 22nd, 2021 until June 30th, 2023;*
- *$125m bilateral facility with Wells Fargo until March 31st, 2023.*

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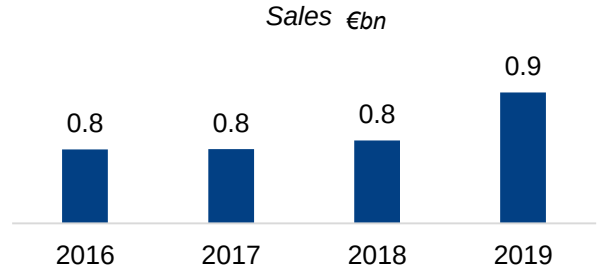
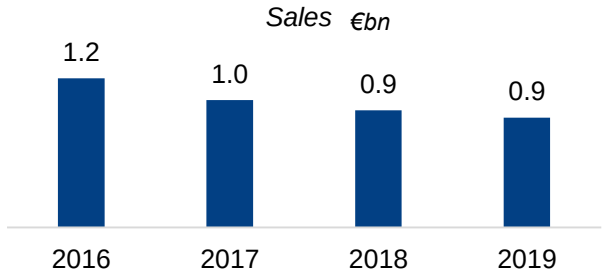
WE FACED STRUCTURAL ISSUES IN THE PAST FEW YEARS

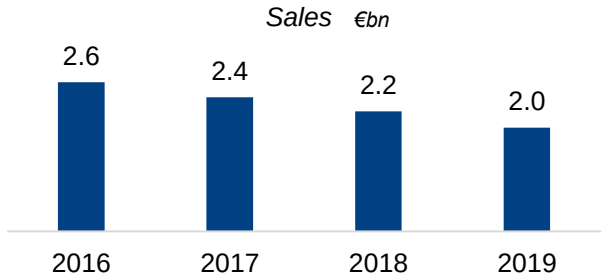
- "Perception issue" due to difficulties of other players in the industry (e.g. Deluxe)
- Need to focus on profitable business selection and active cost management



- Declining market
- Decrease in volumes leading to lower revenues



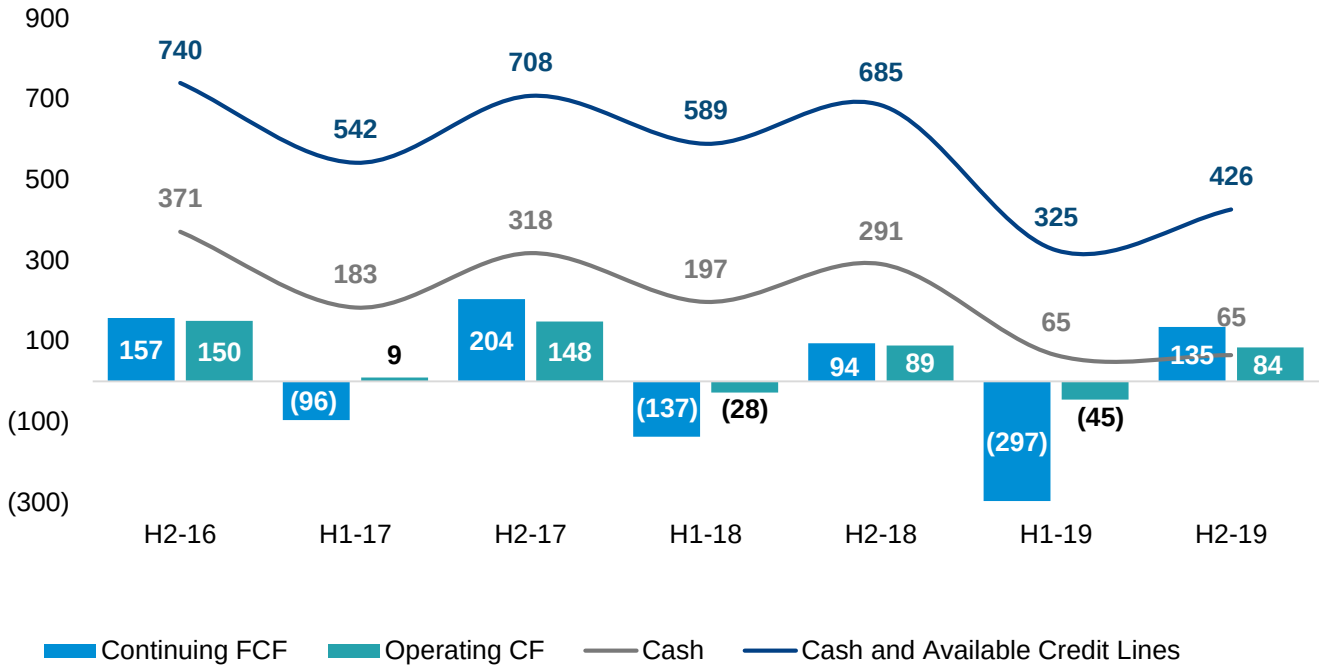
- Structural decline of Video market in North America
- Contracting margins from increase in component pricing
- Deterioration of payment terms, impacting negatively working capital dynamics



Source: Company information

RIGHTS ISSUE NEEDED TO ADDRESS CASH FLOW VOLATILITY

HISTORICAL CASH FLOW AND LIQUIDITY PROFILE EVOLUTION…



…LINKED TO NATURE OF ITS BUSINESS

- Technicolor faces **volatile swings in cash requirements and working capital levels** intrinsically linked to nature of its business
- As a result, Technicolor needs a minimum liquidity buffer to deal with those cash swings and operate at full speed

RIGHTS ISSUE PROCEEDS WILL ALLOW TECHNICOLOR TO MANAGE EXPECTED CASH FLOW SWINGS

Notes:
1. *Continuing 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 + net financial interests + exchange result + other financial results and income tax)*
2. *Operating cash flow defined as: Adj. EBITDA – net capex – restructuring cash expenses*

RIGHTS ISSUE QUANTUM SIZED TO ENABLE TECHNICOLOR TO FUND AND EXECUTE THE 2020-2022 STRATEGIC PLAN

OUR CASH BUFFER WAS DEPLETED DUE TO ENDOGENOUS AND EXOGENEOUS FACTORS

c.€90m	► Cash impact of the transformation plan already initiated in Connected Home
c.€110m	► Margin reduction following sudden surge in DRAM price
c.€100m	► Recalibration of payment terms following 2019 credit rating downgrades

€300m

CASH ABSORBED IN THE PAST

€300M RIGHTS ISSUE WILL REBUILD OUR CASH BUFFER

1 **Strengthen liquidity buffer allowing Technicolor to:**

- ► Improve the liquidity profile
- ► Manage working capital seasonality

2 **Execute the 2020-2022 Strategic Plan which will generate significant cash for the business:**

- ► Fund the transformation projects
- ► Potentially capture growth opportunities particularly in Production Services

NEW MONEY WILL ALLOW THE EXECUTION OF THE BUSINESS PLAN

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EXTENSION OF RCF AND WELLS FARGO FACILITY AND ADDITIONAL SHORT TERM $110M FACILITY

KEY FEATURES	
RCF	► **18-month extension of RCF from December 2021 to June 2023, now available as follows:** • **€250m until December 31st, 2020;** • **€225m from January 1st, 2021 until December 21st, 2021;** • **€202.5m from December 22nd, 2021 until June 30th, 2023** ► **Consolidated leverage ratio covenant:** • **4.00x for 2020;** • **3.75x for 2021;** • **3.50x for 2022 and thereafter**
WELLS FARGO FACILITY	► **18-month extension of Wells Fargo facility from September 2021 to March 2023, now available as follows:** • **$125m until March 31st, 2023**
$110M SHORT-TERM FACILITY	► **Repayable at rights issue completion, or if negative vote on the rights issue at the EGM**

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KEY NEXT STEPS

23 March 2020

- **Extraordinary General Assembly**
  - **Resolutions to be voted on include:**
    - Reverse split: Existing shares to be converted into “New Nominal Value Shares” at a pre-determined ratio
    - Share capital reduction for reasons other than losses by reduction of the par value of the shares
    - Capital increase with a preferential subscription right to be detached from the “New Nominal Value shares”

29 April 2020

- **Q1 trading update**

Q2 2020

- **Rights Issue Launch**

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APPENDIX

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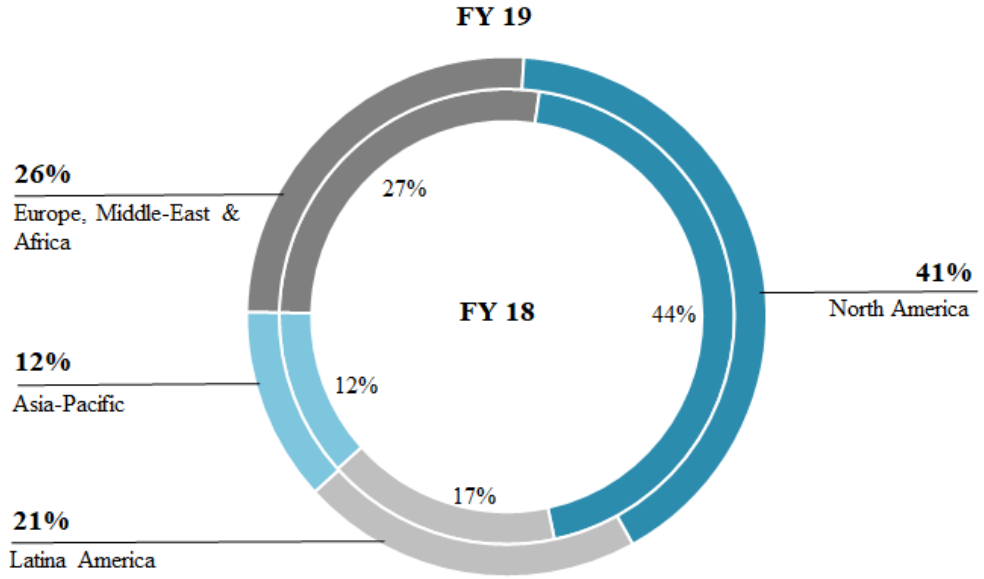
KEY FIGURES – GROUP

In € million	FY '19	FY '18	FY '19 vs FY '18	
			Current rate	*Constant rate*
Revenues	**3,800**	**3,988**	***(4.7%)***	***(7.3%)***
Adjusted EBITDA	**246**	**266**	***(7.5%)***	***(9.7%)***
Margin (%)	*6.5%*	*6.7%*		
D&A (*)	(210)	(168)		
Adjusted EBITA	**36**	**98**	***(63.6%)***	***(63.5%)***
Margin (%)	*0.9%*	*2.5%*		
PPA amortization	(54)	(50)		
Non-recurring items	(109)	(167)		
EBIT	**(127)**	**(119)**	***n.m.***	***n.m.***
Margin (%)	*(3.3%)*	*(3.0%)*		
Financial & tax	(68)	(105)		
Net result continuing	**(195)**	**(224)**	***n.m.***	***n.m.***
Net result discontinued	(21)	157		
Group Net result	**(217)**	**(67)**	***n.m.***	***n.m.***
Operating cash flow	**39**	**61**	***(36.4%)***	***(39.1%)***
Free cash flow before net interests expense	**(117)**	**(3)**	***n.m.***	***n.m.***
Free cash flow after net interests expense	**(161)**	**(43)**	***n.m.***	***n.m.***
Net debt (IFRS)	**(961)**	**(733)**	***n.m.***	***n.m.***

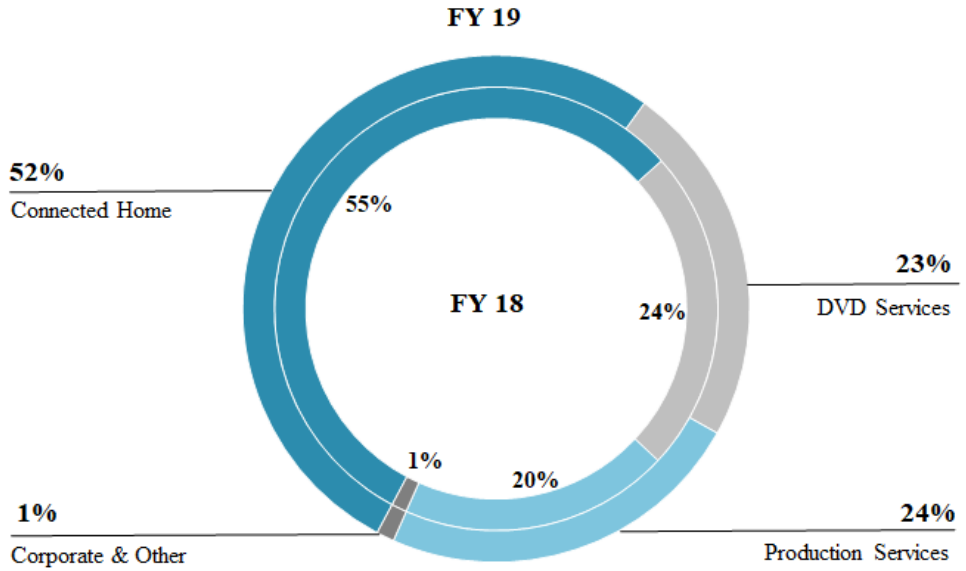
Notes:
All figures are presented excluding IFRS 16 in 2019 for comparability
(*) Depreciation & Amortization of assets and variation of operating reserves (risk, litigation and warranty)

GROUP PROFILE – REVENUE

FY 2019 REVENUES BY REGION



FY 2019 REVENUES BY SEGMENT



BALANCE SHEET SNAPSHOT (EXCLUDING IFRS 16)

In € million

Assets	FY '19	FY '18
Goodwill	851	886
Intangible assets, excluding R&D capitalisation	551	610
R&D capitalisation	81	95
Property, plant & equipement	231	233
Goodwill and fixed assets	**1,714**	**1,823**
Deferred taxes	4	210
Other non-current assets	81	67
Total non-current assets	**1,799**	**2,100**
Inventories	243	268
Trade accounts and notes receivable	507	677
Other current assets	311	424
Cash and cash equivalents	65	291
Total current assets	**1,126**	**1,659**
Total Assets	**2,925**	**3,759**

Liabilities	FY '19	FY '18
Equity incl. Minorities = Net Equity	**46**	**272**
Provisions	31	19
Retirement benefits obligations	342	320
Other operating non-current liabilities	27	42
Total operating non-current liabilities	**400**	**382**
Borrowings	995	1,004
Deferred tax liabilities	0	193
Total non-current liabilities	**1,396**	**1,579**
Provisions	108	139
Borrowings	32	20
Accounts payables	825	1,135
Income tax liabilities	41	34
Other current liabilities	478	579
Total current liabilities	**1,483**	**1,908**
Total Liabilities and Equity	**2,925**	**3,759**

Notes:
All figures are presented excluding IFRS 16 in 2019 for comparability

BALANCE SHEET REVIEW – FOCUS ON FIXED ASSETS

In € million	CH	DVD	PS	Corporate & Other	Total FY '19
Intangible assets, excl. R&D capitalisation	**147**	**191**	**169**	**44**	**551**
of which Trademark & customer relationship	*58*	*168*	*148*	*41*	*415*
of which Other	*88*	*23*	*21*	*3*	*136*
R&D capitalisation	**77**	**0**	**4**	**0**	**81**
Property, plant & equipment	**29**	**81**	**119**	**2**	**231**
Right-of-Use assets	**18**	**54**	**159**	**14**	**246**

- **KEY HIGHLIGHTS:**
  - Intangibles : For CH : Patents, For DVD: IP Warner, For PS: Software and Animation episodes
  - Tangibles : For DVD: Factories (buildings, machines), For PS : Leasehold improvement and IT equipment
  - Leases: For DVD, packaging and distribution centres, For PS : mainly offices, For Corp: IT & offices

Notes:
All figures are presented excluding IFRS 16 in 2019 for comparability

DETAILS OF DEBT AT DECEMBER 31, 2019

Without IFRs 16

In € million

Type	Curr.	Rate Formula	Maturity	Nominal Rate	IFRS Rate	December 31, 2019 Nominal	December 31, 2019 IFRS	December 31, 2018 Nominal	December 31, 2018 IFRS
Term Loan	USD	Libor w/ floor of 0% + 2.75%	Dec-23	4.66%	4.76%	259	258	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	448	450	447
Lease liabilities and accrued interest				5.26%	5.26%	46	46	46	46
					Total Debt:	**€1,030m**	**€1,026m**	**€1,029m**	**€1,024m**
					Cash:	65	65	291	291
					Net Debt:	**€965m**	**€961m**	**€738m**	**€733m**
					Avg. int. rate:	**3.74%**	**3.84%**	**3.93%**	**4.05%**

With IFRs 16

In € million

Type	Curr.	Rate Formula	Maturity	Nominal Rate	IFRS Rate	December 31, 2019 Nominal	December 31, 2019 IFRS	December 31, 2018 Nominal	December 31, 2018 IFRS
Term Loan	USD	Libor w/ floor of 0% + 2.75%	Dec-23	4.66%	4.76%	259	258	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	448	450	447
Lease liabilities*				6.53%	6.53%	312	312	41	41
Other debt & accrued interest				0.03%	0.03%	6	6	5	5
					Total Debt:	**€1,302m**	**€1,298m**	**€1,029m**	**€1,024m**
					Cash:	65	65	291	291
					Net Debt:	**€1,237m**	**€1,233m**	**€738m**	**€733m**
					Avg. int. rate:	**4.34%**	**4.42%**	**3.93%**	**4.05%**

Notes:

(*) €272m of operating lease debt and €40m of capital leases

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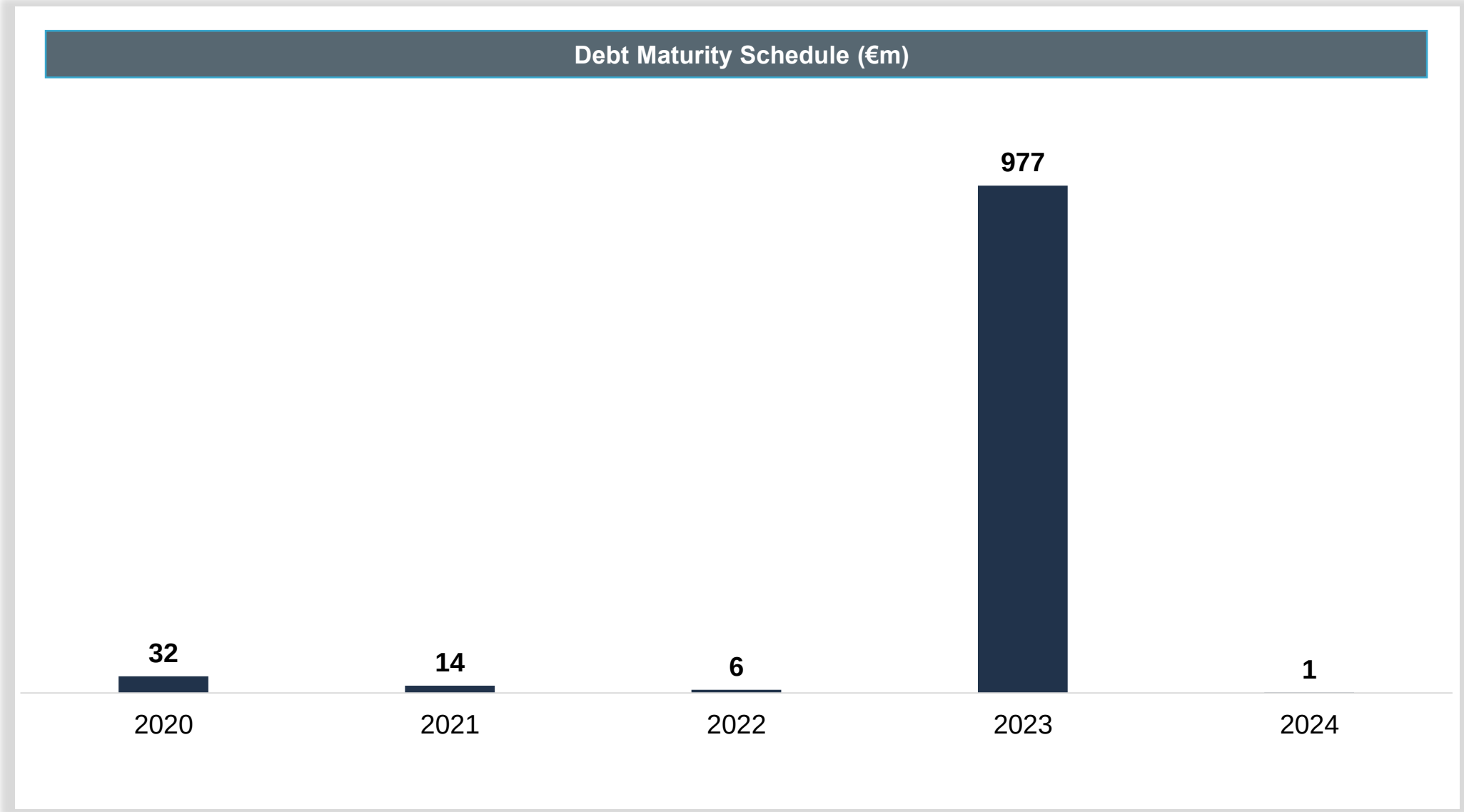
DEBT* MATURITY SCHEDULE AT DECEMBER 31, 2019



Notes:
(*) Nominal debt, excluding operating lease debt

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

Impacts by business division

FY 19 at CR (m€)	EBITDA	EBITA	P&L	Net Debt
Connected Home	9	1	-1	20
Production Services	32	4	-9	171
Home Entertainment Services	34	2	-2	57
Corporate & Other	3	-	-1	24
Total Group	**78**	**7**	**-13**	**272**

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

Former finance leases are fully kept on the BS

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DVD SERVICES INTEGRAL PART OF THE ENTERTAINMENT ECOSYSTEM

"We are continuously working to deliver the best entertainment range and value to our fans. **The physical business is still an important and active category for the industry.** This proposed joint venture with Universal gives us the best opportunity to foster innovation in this business, optimize the physical offering and extend the lifespan of the format for our fans and consumers"

Ron Sanders - Warner Bros
President, Worldwide Theatrical Distribution & Home Entertainment

"The **transactional home entertainment space remains a very dynamic and robust business for our many types of content**. Overall, multiple steaming platforms and transactional, physical and digital will all continue to coexist as the marketplace continues to evolve"

Ron Schwartz - Lionsgate
President of worldwide home entertainment

"With this year's acquisition of 20th Century Fox, we remain committed to both digital and physical ownership. […] **We're looking forward to another exciting year across both physical and digital platforms with a wide-range slate of home entertainment releases**"

David Kite - Disney
Media Distribution
SVP of marketing

"As consumer viewing habits evolve, the **disc remains a prominent part of the home entertainment market, particularly given the steady growth for 4K Ultra HD. We will continue to put out most of our new releases and select catalog in UHD**, while working with retailers to expand placement and experimenting with features that make the product most attractive to consumers."

Jason Spivak – Sony Pictures
Home Entertainment
EVP of distribution

"We will **continue to release the majority of our new release titles in the highest possible definition and also mine our vast catalog library** for worthy and deserving films to be remastered, as we did this year with The Wizard of Oz. The desire for classic titles in the ultimate high-definition format is definitely a factor in the continued momentum of 4K UHD."

Eddie Cunningham - Universal Pictures Home Entertainment
President

"Physical ownership remains a robust line of business for us, especially among the collectible consumer. **There continues to be a healthy appetite for the physical format, particularly with premium, and we already have substantial plans in place for 2020**."

David Kite - Disney
Media Distribution
SVP of marketing

KEY STEPS OF UPCOMING RIGHTS ISSUE

	STEP 1 REVERSE SPLIT	STEP 2 REDUCTION OF NOMINAL VALUE OF SHARES	STEP 3 RIGHTS ISSUE
DESCRIPTION	▶ Existing shares to be consolidated and converted into new slides at a 27 to 1 ratio (i.e. 27 existing shares to be aggregated into 1 share)	▶ Share capital reduction for reasons other than losses by reduction of the par value of the shares to €0.01	▶ Capital increase with preferential subscription rights for shareholders for a total gross amount of c. €300m
PURPOSE	▶ The reverse split will reduce volatility of the share price by preventing new shares issued in the capital increase to be offered at a price of few cents	▶ Shares are currently trading below their nominal value; it is therefore necessary from a legal perspective to reduce the nominal value to issue new shares	▶ Raise c. €300m of cash by offering existing shareholders the possibility to exercise their pre-emptive rights and receive new shares
CONSEQUENCE	▶ Share price will mechanically adapt to reflect aggregation of any 27 existing shares into 1 share ▶ No impact on Technicolor market capitalisation, nor value of stakes owned by investors	▶ The nominal value of shares will reduce from €27.00 to €0.01 ▶ No impact on Technicolor market capitalisation, nor value of investors owned stakes	▶ Total gross amount of c. €300m of new capital will be raised by Technicolor ▶ Technicolor share price to adjust to TERP ▶ Existing shareholders not exercising their rights will be diluted

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