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PRESS RELEASE

TECHNICOLOR: FIRST HALF 2020 RESULTS

Paris (France), 30 July 2020 – Technicolor (Euronext Paris: TCH; OTCQX: TCLRY) announces today its results for the first half of 2020.

Richard Moat, Chief Executive Officer of Technicolor, stated:

"This first half of 2020 has been a period of intense activity for Technicolor. On the one hand, our teams have been working hard to face the Covid-19 crisis, and to adapt quickly in order to ensure the continuity of our operations and the ongoing delivery of our high value added services to our customers. On the other hand we have successfully structured a comprehensive financial restructuring plan, which will provide a much stronger framework for the long-term sustainability of the Company. The implementation of the restructuring plan is going according to schedule, with the first €240 million tranche of the New Money already received, the second €180 million tranche on its way following the approval of the Commercial Court of Paris on July 28th, and the two capital increases to be launched in the coming weeks. I am proud of the work done and I would like to warmly thank all of our teams, both internal and external, for their commitment and our shareholders for their support.
In the first half, the Group's activities have demonstrated resilience to the Covid-19 pandemic. Our business units are well positioned to take advantage of the increased demand for original content, the strong increase in digital media consumption, and the significant growth in residential broadband access. We continue to have valuable assets and global leadership positions in each of our business units. We intend to become a stronger company for our employees and a stronger partner for our suppliers and customers. I am confident that there is a bright future ahead for Technicolor"

First half 2020 results:

After a strong first quarter, the Group's activities have demonstrated resilience to the Covid-19 crisis in the second quarter:

- **Production Services activities were most affected due to the halting of live action shooting, impacting Film and Episodic Visual Effects and Post Production. Increased demand in Animation and resilience in Advertising helped mitigate the impact of Covid-19;**
- **DVD Services were hit by the lack of new film releases following cinema closures, partly compensated by strong back catalog demand;**
- **After facing supply shortages, Connected Home's Asian activities are now back to normal. Consumer demand for better broadband and wifi helped drive strong demand in the United States.**

Consolidated revenues for the Group were down 19% at current rates to €1,433 million, as the impact of Covid-19 on Production Services and DVD Services was partially compensated by an outperformance in Broadband, particularly in North America (+15% compared to the first half of 2019).

The Group maintained a strong focus on the delivery of previously announced cost savings through the Strategic Plan, and is well on track to achieve total savings in excess of €160 million this year and €300 million by 2022. To date, €67 million of cost savings related to the Strategic Plan announced in 2020 have been achieved, whilst detailed plans are in place to achieve the remainder.

The financial restructuring plan approved by the Group's creditors, shareholders and the Commercial Court, provides a framework for Technicolor`s long-term sustainability. The first

tranche (c. €240 million) of the “New Money” facility under the financial restructuring plan has been received, and the second tranche (c. €180 million) of the "New Money" facility should be received at the end of August by the Group.

The updated outlook is broadly in line with the base case presented in the press release issued on June 22nd .

First Half Year 2020 Key indicators from continuing operations:

	First Half (IFRS)			
In € million	**2019**	**2020**	At current rate	At constant rate
Revenues from continuing operations	1,764	**1,433**	(18.8)%	(19.3)%
Adjusted EBITDA from continuing operations	104	**53**	(49.6)%	(49.2)%
As a % of revenues	5.9%	**3.7%**		
Adjusted EBITA from continuing operations	(44)	**(67)**	(53.5)%	(50.4)%
EBIT from continuing operations	(88)	**(194)**	n.a.	n.a.
Free Cash Flow from continuing operations before net interest expenses	(230)	**(252)**	(9.4)%	(6.5)%
Net interest expenses	*(32)*	***(35)***	*(8.7)%*	*(8.3)%*
Free Cash Flow from continuing operations after net interest expenses	(262)	**(286)**	(9.3)%	(6.7)%

Figures at current rate, including IFRS 16

H1 2020 Group update

- Sales of €1,433 million were impacted by Covid-19. Decline in demand in Connected Home linked to a slowdown in Eurasia, volume decline in DVD Services and lower activity in Film & Episodic Visual Effects were partially mitigated by a strong performance in Broadband, driven by higher demand in North America, as well as by Animation, which reported double digit revenue growth.
- Adjusted EBITDA of €53 million, down 49% at constant rates, was impacted by lower business volumes in Film & Episodic Visual Effects and in DVD Services related to Covid-19 activities interruption, partly compensated by operational and financial improvements across all divisions, particularly visible in Connected Home where Adjusted EBITDA grew 126% to €54 million at current rate.
- Adjusted EBITA of €(67) million was lower by €(23) million at current rates, mitigated by lower D&A and reserves.
- A €68 million impairment charge was booked, mainly related to DVD Services due to Covid-19 revised assumptions.
- Restructuring costs accounted for €(41) million at current rate, including €(17) million in Production Services on cost streamlining actions, €(15) million in DVD Services, mainly resulting from

distribution sites optimization, €(5) million in Connected Home, pursuant to the three-year transformation plan, and €(4) million for Corporate and Other.

- Free cash flow[1] of €(286) million was lower by €(24) million at current rate.
- Net debt at nominal value amounts to €1,607 million, and will be reduced significantly by the debt restructuring planned under the terms of the Accelerated Financial Safeguard (SFA) plan (see below).
- The Group is targeting €300 million in additional run-rate cost savings by 2022. At the end of June 2020 the group had already realized €67 million of these cost savings.

Outlook

- The trading environment remains highly uncertain – Covid-19 induced businesses disruptions are still affecting Production Services activities, in particular in North America and India. The outlook provided below relies solely on currently available market forecasts, and remains subject to changes in case of further evolution of the pandemic.
- Also, the financial restructuring undergone by Technicolor, and the very significant strengthening of its financial capabilities as a consequence, remain to be fully took into account by its stakeholders. This should improve, following the successful conclusion of the SFA process, which closed on July 28**th**. The outlook below does not not take into account any improvements coming from the restructuring. Conversely it does include some of the negative impacts associated with the entry into an accelerated financial safeguard procedure.
- After a strong first quarter and a second quarter demonstrating a better than expected resilience, Technicolor expects:
    - Adjusted continuing EBITDA of €169 million and Adjusted EBITA of €(64) million in 2020;
    - Adjusted continuing EBITDA of €425 million and Adjusted EBITA of €202 million in 2022;
        - It should be noted that more than €15 million of Covid-19 related cost will be included in the Group's EBITDA in 2020.
    - Continuing free cashflow (before financial results and tax) is anticipated to be in a range between €(115) to €(150) million in 2020 and will improve to €259 million in 2022. Following the entry into the SFA procedure, a faster than expected shortening of payment terms was requested by suppliers, which will lead to early payments in 2020 vs. the following year. This should impact 2020 and 2021, but mitigating factors will help 2021 to remain in line with strategic plan. The positive side of these changes is that the Group's ambition to very significantly reduce payment terms by 2022 will be achieved as early as beginning of 2021. As these are timing adjustments, the Group's liquidity needs remain unchanged overall.

[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)*

Continuing Operations – post IFRS 16

€m, FYE Dec post IFRS-16	**2019a**	**2020e**	**2022e**
Adjusted EBITDA from continuing operations	324	**169**	**425**
Adjusted EBITA from continuing operations	42	**(64)**	**202**
Continuing FCF before financial results and tax	(8)	**(115)-(150)**	**259**

Update on the announced financial restructuring plan

- Over the last few weeks, the Group has successfully accomplished the required steps to implement the announced financial restructuring plan:
  - 22 June: opening of the SFA;
  - 5 July: approval of the draft safeguard plan by the creditor's committee;
  - 20 July: approval of the financial restructuring plan by a large majority of shareholders;
  - 28 July: approval of the SFA plan by the Commercial Court;
  - As a consequence, the Group is preparing the partial debt equitization (up to €660 million) which, as announced, will include:
    - a rights issue of the Company, with shareholders' preferential subscription rights, for a total amount of €330 million, at a subscription price of €2.98 per share, fully backstopped by the Term Loan B and RCF lenders by way of set-off of their claims at par under the existing credit facilities; Bpifrance Participations will subscribe to the rights issue in cash pro rata its current shareholding (c. 7.56%) on a non-reductible basis (souscription à titre irréductible) for an aggregate amount of circa €25 million; any cash proceeds of the rights issue will be used in full to repay the Term Loan B and RCF lenders, at par value;
    - a reserved capital increase of the Company, for a total amount of €330 million, at a subscription price of €3.58 per share, reserved for the Term Loan B and RCF lenders and which will be fully subscribed by way of set-off against their claims at par under the existing credit facilities;
    - free warrants granted to New Money lenders (« New Money Warrants »), exercisable during 3 months, with an exercise price of €0.01 with a strike price equal to the nominal value of the shares and representing 7.5% of the share capital of the Company (after the capital increases and New Money Warrants exercise, but before dilution from the shareholders' free warrants).
    - shareholders' free warrants,to be allocated to all shareholders providing proof of a book entry of their shares on the date retained

for the detachment of the shareholders' preferential subscription rights under the right issue, with a 4-year term, at the same price as the reserved capital increase (3.58 euros per share) and representing 5% of the share capital of the Group after all capital issuances (i.e. after capital increases, New Money Warrants exercise and shareholders' free call options). Each existing share will be granted with 1 free warrant, and 5 free warrants will give right to subscribe to 4 new shares.

These issuances have been approved today by the Board of Directors of the Company and will be subscribed according to the conditions detailed in the prospectus dated July, 10, 2020 approved by the French market authority (l"**AMF**") under number 20-343 related to equity issuances as part of the Group Accelerated Safeguard Plan (the "**Prospectus**"). The Prospectus is composed of the Company's 2019 Universal Registration Document filed with the AMF on April 20, 2020 under number D.20-0317 ("**The Universal Registration Document**"), of the Amendment to the 2019 Universal Registration Document filed with the AMF on July 10, 2020 under number D.20-0317-A01 ("**The Amendment to the Universal Registration Document**") and a securities note ("**the Securities Note**") (including the summary of the Prospectus).

Due to, *inter alia*, the publication of the half-year financial report, the Prospectus will be updated and completed by a supplement, to be approved and published on August 4, 2020, according to current schedule ("**the Supplement**").

Copies of the Prospectus and the Supplement are and will be available free of charge at Technicolor's registered office, -10 rue du Renard - 75004 Paris, on the Company's website (https://www.technicolor.com) as well as on the AMF website (www.amf-france.org).

Segment Review – First half 2020 Result Highlights

Production Services In € million	First Half 2019	First Half 2020	Change HoH Reported	Change HoH At constant rate
Revenues	**428**	**279**	*(34.8)%*	*(35.3)%*
Adj. EBITDA*	**81**	**2**	*n.a.*	*n.a.*
As a % of revenues	+18.8%	+0.8%		
Adj. EBITA*	**19**	**(51)**	*n.a.*	*n.a.*
As a % of revenues	+4.3%	(18.4)%		

(*) Figures at current rate, including IFRS 16

- **Production Services revenues** totaled €279 million, down 35.3% year-on-year at constant rate and down 34.8% at current rate, driven by the previously anticipated (pre-Covid-19) delays in awards coming from one key client, and mostly by the subsequent pandemic-related impacts on production around the world:

  - Film & Episodic Visual Effects: revenues were significantly lower year-on-year, mainly due to the anticipated reduction in studio tentpole volume in MPC Film referred to above, which was further amplified by the pandemic. VFX teams worked on approximately 20 theatrical films from the major studios, including projects like *Cruella* (Disney), *Ghostbusters: Afterlife* (Sony), *Godzilla vs. Kong* (Warner Bros./Legendary), *Top Gun: Maverick* (Paramount), *and West Side Story* (Fox/Amblin); and over 30 Episodic and/or Non-Theatrical (i.e., Streaming/OTT) projects, including *The Alienist season 2* (TNT/Paramount), *American Gods season 3* (Starz/Fremantle), *Cursed* (Netflix), *Eurovision Song Contest*: *The Story of Fire Saga* (Netflix), *The Old Guard* (Netflix). During the second quarter, Mr. X and Mill Film were merged under the Mr. X banner in order to consolidate resources and sales efforts.

  - Advertising: lower revenue compared to the prior year due to the impact of Covid-19 on client spend and live-action production shoots, despite a strong first quarter driven by high Super Bowl demand (Technicolor contributed to over 40 commercials, including the two-minute opening film for the NFL). Technicolor's Advertising businesses received numerous industry accolades during the latest quarter, including MPC winning VFX Company of the Year at the Ad Age Creativity Awards. In Televisual's Commercials 30 annual survey voted on by Ad Producers in the UK, four of the Best Colourists Top 10 come from MPC or The Mill, including the top two colourists; while The Mill ranked #1 in the 'Rated Highest' and 'Used Most' categories in the Best Post Houses Top 10. Highlight projects delivered during the second quarter include EA Sports '*Feel Next Level*', Heineken '*Solar Power*', McDonald's '*Lights On*', Mercedes-Benz GLA '*Surfer*', and PlayStation '*The Last of Us Part II*'.

  - Animation & Games: double-digit revenue growth compared to prior year, due to higher volume in feature work-for-hire animation services, more than offsetting the Q2 temporary closure of the studio in Bangalore due to the lockdown in India. In the second quarter Mikros Animation delivered Paramount's *The SpongeBob Movie: Sponge on the Run* and continues in production on *Spin Master's PAW Patrol: The Movie*, while beginning production on two other animated features. In episodic animation, Technicolor completed delivery of Disney/*Wild Canary's Mira*, *Royal Detective* and the latest orders from DreamWorks Animation on *The Boss Baby: Back in Business* and *Fast & Furious Spy Racers*; and maintains a strong pipeline from key clients;

- Post Production: lower revenues compared to the prior year, driven primarily by declines in the North American facilities. Compared with the other service lines, Post Production was immediately impacted during the semester by Covid-19 from the sudden shutdown of productions globally, due to its reliance on receiving live-action footage (e.g., over 50 sets of dailies stopped overnight in March). During the second quarter, Post Production worked on projects like *NOS4A2* (AMC), *Private Eyes* (Entertainment One), *The SpongeBob Movie: Sponge on the Run* (Paramount), *Tiny Pretty Things* (Netflix), and *The Twilight Zone* (CBS All Access).

Covid-19 situation update:

- Starting from March 2020, Production Services Film and Episodic VFX took a major hit as all live-action film shoots were suspended and movie theaters closed. As a result, new projects were put on hold with a negative impact on the order book;
- Advertising activity weakened during the second quarter due to the global macro-economic situation, causing major advertisers to delay campaigns and reduce marketing budgets;
- Animation and Games activity, with the ability to efficiently continue production from home and without the dependency of live-action film shooting, had a strong topline performance in the first half versus the year-ago period despite the temporary shutdown of the Bangalore studio;
- Post Production was also significantly impacted by the live-action production stoppages, but is expected to ramp-up to normal operations more quickly than Film and Episodic VFX once key clients re-start production;
- Production Services organized itself to be able to deliver on existing contracts and take new ones with as much as possible of its workforce working remotely. Main impediments came from the strict lockdown in India and progressive ramp-up of work from home capacity. This resulted in idle labour costs and related fixed costs, as many Technicolor artists were either not able to work or had no work. On the other hand, the Group benefitted from government support for furloughed employees in Australia, France, Canada, US and the UK;
- As key industry participants anticipate productions to restart filming in the third quarter (some smaller productions have already restarted; while major studio pictures are relaunching productions in locations that have been successful in their Covid-19 responses— e.g., the Avatar films in New Zealand) and theaters to reopen progressively over the second half of 2020, Technicolor has adapted its workforce to the reduction of the market and therefore increased its efforts in restructuring its cost base.

Adjusted EBITDA amounted to €2 million, or 0.8% of revenue, down €79 million year-on-year. The Adjusted EBITDA reduction was mainly driven by Film & Episodic VFX. This negative evolution has fully impacted Adjusted EBITA compared to prior year.

DVD Services In € million	**First Half** 2019	 2020	**Change HoH** Reported	 At constant rate
Revenues	**374**	**302**	*(19.3)%*	*(20.3)%*
Adj. EBITDA*	**9**	**1**	*n.a.*	*n.a.*
As a % of revenues	+2.5%	+0.5%		
Adj. EBITA*	**(31)**	**(29)**	*+7.2%*	*+8.4%*
As a % of revenues	(8.4)%	(9.7)%		

(*) Figures at current rate, including IFRS 16

- **DVD Services** revenues totaled €302 million at current rate in the first half 2020, down 20.3% at constant rate and 19.3% at current rate compared to 2019, primarily due to lower volumes across all formats driven by year on year secular decline and the impact of Covid-19, which impacted the second quarter 2020. Total combined replication volumes reached 326 million discs, down 27% year-on-year. Nevertheless, back catalog volumes were considerably higher than antipated during the Covid-19 crisis, which partially mitigated the loss of the new release volumes.
  - Standard Definition DVD volumes were down 26% in the first half year-on-year driven by overall expected demand reductions for the format, compounded by a comparatively weaker release slate for selected major studio customers as compared to first half of 2019;
  - Blu-ray™ volumes were down 25% year-on-year on similar drivers as DVD;
  - Ultra HD Blu-ray™ volumes were down 24% year-on-year;
  - CD volumes were down 39% year-on-year.

As a result of ongoing industry-wide pressures, DVD Services continued its structural division-wide initiatives to adapt distribution and replication operations, and related customer contract agreements in response to continued volume reductions. Multiple successful contract renegotiations were announced in 2019, and similar efforts with other customers are ongoing.

Volume data for DVD Services

In million units		**2019**	**First Half** **2020**	*% Change*
Total Combined Volumes		445.9	**326.2**	*(26.8)%*
By Format	SD-DVD	299.2	**220.1**	*(26.4)%*
	Blu-ray™	117.6	**88.4**	*(24.8)%*
	CD	29.1	**17.6**	*(39.4)%*
By Segment	Studio/Video	402.4	**297.4**	*(26.1)%*
	Games	9.2	**6.3**	*(31.3)%*
	Music & Software	34.2	**22.5**	*(34.3)%*

Covid-19 situation update:

- The impact of the stay-at-home orders varied by region (i.e. by country, state, and city) and in timing/duration. The level of retailer shutdowns varied by country / region, but where retailers were open, catalog sales were relatively robust. Online sales were strong after a brief slowdown in demand as e-tailers temporarily adjusted their supply chain for increased activity for essentials;
- Some production facilities were impacted by short term closures and temporary staffing shortages, but the overall impact was low;
- The level of ongoing impact throughout 2020 and beyond will be dependent on the extent and duration of ongoing restrictions (driven by rate of new Covid-19 case growth). The specific timing and extent of the reopening of movie theaters will impact the level of new release activity on disc. DVD services has accelerated certain aspects of its future restructuring plans in an effort to adapt to these impacts.

Adjusted EBITDA amounted to €1 million at current rate, or 0.5% of revenue, broadly in line with expectations given the anticipated volume reduction and normal seasonal weakness in the first half. Margin was bolstered by ongoing cost savings and a positive impact from contracts renegotiated in 2019.

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Connected Home In € million	**First Half** 2019	2020	**Change HoH** Reported	At constant rate
Revenues	**953**	**839**	*(12.0)%*	*(12.3)%*
Adj. EBITDA*	**24**	**54**	*n.a.*	*n.a.*
As a % of revenues	+2.5%	+6.4%		
Adj. EBITA*	**(17)**	**20**	*n.a.*	*n.a.*
As a % of revenues	(1.7)%	+2.4%		

(*) Figures at current rate, including IFRS 16

- **Connected Home** revenues totaled €839 million in the first half of 2020, down 12.3% year-on-year at constant rate and 12.0% at current rate, but in line with expectations. The division is maintaining its market leadership in the Broadband segment and in the video Android based segment; both segments are expected to keep gaining importance over the foreseeable future.

Business highlights:

North America: revenues remained strong, driven by a very strong Broadband business with the top 6 cable operators in the region, and higher video sales to these customers fueled by the new solutions they are launching. Revenues were up compared to the first half 2019.

Latin America: The difficult macroeconomic situation in the region continued driving demand down. Despite an increase in Mexican video sales, the region was down overall due to a significant reduction in Brazil resulting largely from weakness in exchange rates. Broadband revenues were down across the region mainly driven by delayed investments linked to Covid-19.

Europe, Middle East & Africa and Asia-Pacific:

- Lower revenue compared to the prior year primarily explained by headwinds in video demand in Europe;
- The video satellite business experienced weakness especially in Central Europe and India due to lower demand from some large customers. In addition, lower demand for 4K content in Japan and Android TV devices in Korea has also impacted revenues in the Eurasia region;
- For Broadband, APAC is relatively stable with slightly lower demand in Australia. Europe is down significantly with Covid-19 negatively impacting sales in Southern Europe, partially compensated with sales from new customer wins to a pan European account.

The division continues to focus on selective investments in key customers and specific parts of the portfolio that will lead to improved margins over the year.

Revenue Breakdown for Connected Home

			First Half	
In € million		**2019**	**2020**	*% Change**
Total revenues		953	**839**	*(12.3)%*
By region	North America	398	**463**	*+14.6%*
	Europe, Middle East and Africa	260	**154**	*(42.0)%*
	Latin America	162	**112**	*(26.0)%*
	Asia-Pacific	133	**110**	*(17.8)%*
By product	Video	376	**318**	*(14.7)%*
	Broadband	577	**521**	*(10.7)%*

(*) Variation at constant rates

Covid-19 situation update:

- The Covid-19 main impacts on the Connected Home activity are related to the disruption of manufacturing, provoking shortages of components and disruption in logistics in China and then in South-East Asia at the beginning of the year. Despite Connected Home's efforts to mitigate these disruptions, the Group will have some backlog unserved at the end of the first half, which will be partially recovered during the second half;
- The lockdown measures have exposed consumers to the need for a high quality broadband and wifi service in the home for remote working and digital entertainment. As a result, demand for broadband gateways was very resilient during this period. The US market is showing an increase of demand and very low churn, and due to our market position we are experiencing a significant increase in demand;
- In addition to the consequences of Covid-19, Latin American countries are suffering a significant currency crisis due to the drastic oil price decline. This is affecting the plans of all companies in the region, including the service providers, who are adjusting their demand accordingly;

- The lockdown impact on operations besides supply chain and R&D activities was minimal as teams organized work in accordance with safety rules and guidelines with continued access to key labs.

Adjusted EBITDA amounted to €54 million, or 6.4% of revenue. Adjusted EBITA of €20 million improved by €37 million compared to prior year at current rate. This good evolution in profitability is the result of the transformation plan launched 2 years ago, increasing the division's performance and drastically improving productivity.

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Corporate & Other In € million	**First Half** 2019	2020	**Change HoH** Reported	At constant rate
Revenues	**9**	**13**	*+40.2%*	*+40.2%*
Adj. EBITDA*	**(10)**	**(5)**	*+48.9%*	*+49.4%*
As a % of revenues	*n.a.*	*n.a.*		
Adj. EBITA*	**(15)**	**(7)**	*+51.9%*	*+52.3%*
As a % of revenues	*n.a.*	*n.a.*		

(*) Figures at current rate, including IFRS 16

- **Corporate & Other** includes the Trademark Licensing business.

  Corporate & Other recorded revenues of €13 million in the first half of 2020, increasing compared to last year. Adjusted EBITDA amounted to €(5) million and Adjusted EBITA €(7) million.

Summary of consolidated results for the first half of 2020

		First Half (IFRS)	
In € million	2019	2020	Change
Revenues from continuing operations	**1,764**	**1,433**	**(18.8)%**
Change at constant currency (%)			(19.3)%
o/w *Production Services*	428	279	(34.8)%
DVD Services	374	302	(19.3)%
Connected Home	953	839	(12.0)%
Corporate & Other	9	13	+40.2%
Adjusted EBITDA from continuing operations	**104**	**53**	**(49.6)%**
Change at constant currency (%)			(49.2)%
As a % of revenues	+5.9%	+3.7%	(220)bps
o/w *Production Services*	81	2	n.a.
DVD Services	9	1	n.a.
Connected Home	24	54	n.a.
Corporate & Other	(10)	(5)	+48.9%
Adjusted EBITA from continuing operations	**(44)**	**(67)**	**(53.5)%**
Change at constant currency (%)			(50.4)%
As a % of revenues	(2.5)%	(4.7)%	(220)bps
Adjusted EBIT from continuing operations	**(71)**	**(89)**	**(24.6)%**
Change at constant currency (%)			(22.1)%
As a % of revenues	(4.0)%	(6.2)%	(220)bps
EBIT from continuing operations	**(88)**	**(194)**	**n.a.**
Change at constant currency (%)			n.a.
As a % of revenues	(5.0)%	(13.6)%	(860)bps
Financial result	(48)	(67)	-
Income tax	(7)	(3)	-
Share of profit/(loss) from associates	(1)	0	-
Profit/(loss) from continuing operations	**(143)**	**(264)**	**-**
Profit/(loss) from discontinued operations	4	(1)	-
Net income	**(139)**	**(265)**	**-**

Restructuring costs accounted for €(41) million at current rate and related to savings initiatives across all divisions.

A €72 million impairment charge has been booked, mainly at the DVD Services division level due to Covid-19 revised assumptions.

The EBIT from continuing operations amounts to a loss of €(194) million in 2020.

The financial result totaled €(67) million in the first half 2020 compared to €(48) million in the first half 2019, reflecting:

- Net interest costs of €(40) million, slightly up from last year (at €(32) million) primarily due to the bridge interest rates.
- Other financial charges amounted to €(28) million in the first half 2020 compared to €(16) million in the first half 2019 explained by the expenses related to the debt restructuring process.

Income tax amounted to €(3) million, compared to €(7) million in the first half 2019.

Group net income therefore amounted to €(265) million at current rate in the first half 2020 compared to the €(139) million loss in the first half 2019.

Reconciliation of adjusted indicators (unaudited)

Technicolor is presenting, in addition to published results and with the aim to provide a more comparable view of the evolution of its operating performance in the first half 2020 compared to the first half 2019, a set of adjusted indicators which exclude the following items as per the statement of operations of the Group's consolidated financial statements:

- Restructuring costs, net;
- Net impairment charges;
- Other income and expenses (other non-current items).

These adjustments, the reconciliation of which is detailed in the following table, amounted to an impact on EBIT from continuing operations of €(106) million in the first half 2020 compared to €(17) million in the first half of 2019 (including IFRS 16).

	First Half (IFRS)		
In € million	**2019**	**2020**	Change*
EBIT from continuing operations	**(88)**	**(194)**	(106)
Restructuring charges, net	(12)	(41)	(30)
Net impairment losses on non-current operating assets	(1)	(72)	(71)
Other income/(expense)	(4)	8	12
Adjusted EBIT from continuing operations	**(71)**	**(89)**	**(18)**
As a % of revenues	(4.0)%	(6.2)%	(220)bps
Depreciation and amortization ("D&A") *	159	139	(21)
IT capacity use for rendering in Production S.	16	2	(14)
Adjusted EBITDA from continuing operations	**104**	**53**	**(52)**
As a % of revenues	+5.9%	+3.7%	(220)bps

(*) Variation at current rates

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Free Cash Flow Reconciliation and Summarized financial structure (unaudited)

Technicolor defines "Free Cash Flow" as net cash from operating activities (continuing and discontinued) plus proceeds from sales of property, plant and equipment ("PPE") and intangible assets, minus purchases of PPE and purchases of intangible assets including capitalization of development costs.

	Full Year (IFRS)	
In € million	**June 30, 2019**	**June 30, 2020**
Adjusted EBITDA from continuing operations	**104**	**53**
Changes in working capital and other assets and liabilities	(175)	(197)
IT capacity use for rendering in Production Services	(16)	(2)
Pension cash usage of the period	(12)	(12)
Restructuring provisions – cash usage of the period	(15)	(23)
Interest paid	(33)	(35)
Interest received	1	-
Income tax paid	(10)	(1)
Other items	(16)	(13)
Net operating cash generated from continuing activities	**(172)**	**(230)**
Purchases of property, plant and equipment (PPE)	(43)	(17)
Proceeds from sale of PPE and intangible assets	1	-
Purchases of intangible assets including capitalization of development costs	(47)	(39)
Net operating cash used in discontinued activities	(6)	(8)
Free cash-flow	**(269)**	**(294)**
Nominal gross debt	**1,403**	**1,670**
Cash position	**65**	**63**
Net financial debt at nominal value (non IFRS)	**1,338**	**1,607**
IFRS adjustment	**(5)**	**(6)**
Net financial debt (IFRS)	**1,333**	**1,601**

- The change in working capital & other assets and liabilities was negative by €197 million in the first half 2020 mostly driven by unfavorable changes in supplier payment terms at Connected Home and DVD Services, and reduced milestone payments at Film & Episodic Visual Effects due to Covid-19.
- Cash outflow for restructuring totaled €23 million in the first half of 2020, up by €8 million year-on-year, mainly resulting from accelerated implementation cost savings related to the Strategic Plan;
- Capital expenditures amounted to €56 million, down by €34 million year-on-year, reflecting a strict control of investment expenses.
- Cash position at €63 million end of first half 2020, compared to €65 million end of December 2019.

The Board of Directors approved today these consolidated financial statements, which have been reviewed by our statutory auditors, who are in the process of issuing an unqualified opinion.

Financial calendar

Q3 2020 results	28 October 2020
FY 2020 results	3 March 2021

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Prospectus

The Prospectus is composed of (i) the Company's 2019 Universal Registration Document filed with the AMF on 20 April 2020 under number D.20-0317, (ii) the Amendment to the 2019 Universal Registration Document filed with the AMF on 10 July 2020 under number D.20-0317-A01 and a securities note (including the summary of the Prospectus). Copies of the Prospectus are available free of charge at Technicolor's registered office, -10 rue du Renard - 75004 Paris, on the Company's website (www.technicolor.com) as well as on the AMF website (www.amf-france.org).

Warning: Forward Looking Statements

This press release contains certain statements that constitute "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions or which do not directly relate to historical or current facts. Such forward-looking statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the future results expressed, forecasted or implied by such forward-looking statements. For a more complete list and description of such risks and uncertainties, refer to Technicolor's filings with the French Autorité des marchés financiers.

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This press release does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No communication and no information in respect of this transaction may be distributed to the public in any jurisdiction where a registration or approval is required. The issue, the subscription for or the purchase of Technicolor's shares may be subject to specific legal or regulatory restrictions in certain jurisdictions. Technicolor assumes no responsibility for any violation of any such restrictions by any person.

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*This announcement is not an advertisement and not a prospectus within the meaning of Regulation (EU) No 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing the Prospectus Directive 2003/71/EC (the "**Prospectus Regulation**").*

With respect to the Member States of the European Economic Area other than France, no action has been undertaken or will be undertaken to make an offer to the public of the securities referred to herein requiring a publication of a prospectus in any relevant Member State. Accordingly, any offer of Technicolor's securities may *only be made in any Member State (i) to qualified investors as defined in the Prospectus Regulation, or (ii) in any other case exempting Technicolor from having to issue a prospectus in accordance with Article 1(4) of the Prospectus Regulation.*

*This document does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. With respect to the United States, Technicolor's securities have not been, and will not be, registered under the Securities Act of the United States of America, as amended (U.S. Securities Act of 1933, as amended, hereinafter referred to as the "**U.S. Securities Act**") and Technicolor does not intend to make a public offer of its securities in the United States. The securities of Technicolor may not be offered, sold, exercised or delivered within the territory of the United States of America, as defined by Regulation S of the U.S. Securities Act, except pursuant to an exemption from the registration or in a transaction not subject to the registration requirements thereof and any applicable states securities laws.*

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About Technicolor:

www.technicolor.com

Technicolor shares are on the Euronext Paris exchange (TCH) and traded in the USA in the form of American Depositary Receipts on the OTCQX marketplace (OTCQX: TCLRY).

Investor Relations

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CONSOLIDATED STATEMENT OF OPERATIONS

(€ in million)	June 30, 2020	June 30, 2019
CONTINUING OPERATIONS		
Revenues	1,433	1,764
Cost of sales	(1,323)	(1,613)
Gross Margin	**110**	**151**
Selling and administrative expenses	(149)	(163)
Research and development expenses	(49)	(60)
Restructuring costs	(41)	(12)
Net impairment gains (losses) on non-current operating assets	(72)	(1)
Other income (expense)	8	(4)
Earnings before Interest & Tax from continuing operations	**(194)**	**(88)**
Interest income	-	1
Interest expense	(40)	(33)
Other financial income (expense)	(28)	(16)
Net financial income (expense)	**(67)**	**(48)**
Share of gain (loss) from associates	-	(1)
Income tax	(3)	(7)
Profit (loss) from continuing operations	**(264)**	**(143)**
DISCONTINUING OPERATIONS		
Net profit (loss) from discontinuing operations	(1)	4
Net income (loss)	**(265)**	**(139)**
Attributable to:		
- Equity holders of the parent	(265)	(139)
- Non-controlling interest	0	0

EARNINGS PER SHARE *(in euro, except number of shares)*	June 30, 2020	June 30, 2019
Weighted average number of shares outstanding (basic net of treasury shares held)	15,356,992	15,310,599
Earnings (losses) per share from continuing operations		
- basic	(17.22)	(9.35)
- diluted	(17.22)	(9.35)
Earnings (losses) per share from discontinuing operations		
- basic	(0.04)	0.26
- diluted	(0.04)	0.26
Total earnings (losses) per share		
- basic	(17.26)	(9.09)
- diluted	(17.26)	(9.09)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ in million)	June 30, 2020	December 31, 2019
ASSETS		
Goodwill	777	851
Intangible assets	607	632
Property, plant & equipment	168	191
Right-of-use assets	248	285
Other operating non-current assets	30	32
TOTAL OPERATING NON-CURRENT ASSETS	**1,830**	**1,991**
Investments and available-for-sale financial assets	16	17
Other non-current financial assets	43	22
TOTAL FINANCIAL NON-CURRENT ASSETS	**58**	**39**
Investments in associates and joint-ventures	1	1
Deferred tax assets	45	52
TOTAL NON-CURRENT ASSETS	**1,935**	**2,082**
Inventories	197	243
Trade accounts and notes receivable	486	507
Contract Assets	78	79
Other operating current assets	230	184
TOTAL OPERATING CURRENT ASSETS	**991**	**1,013**
Income tax receivable	34	36
Other financial current assets	16	13
Cash and cash equivalents	63	65
Assets classified as held for sale	1	-
TOTAL CURRENT ASSETS	**1,105**	**1,127**
TOTAL ASSETS	**3,040**	**3,210**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ in million)	June 30, 2020	December 31, 2019
EQUITY & LIABILITIES		
Common stock *(15,407,114 shares at June 30, 2020 with nominal value of 0.01 euro per share)*	-	414
Subordinated Perpetual Notes	500	500
Additional paid-in capital & reserves	(409)	(540)
Cumulative translation adjustment	(366)	(339)
Shareholders' equity attributable to owners of the parent	**(275)**	**36**
Non-controlling interest	0	0
TOTAL EQUITY	**(275)**	**36**
Retirement benefits obligations	345	342
Provisions	37	30
Contract Liabilities	3	3
Other operating non-current liabilities	26	25
TOTAL OPERATING NON-CURRENT LIABILITIES	**410**	**400**
Borrowings	1	979
Lease liabilities	201	224
Other non-current liabilities	1	1
Deferred tax liabilities	22	27
TOTAL NON-CURRENT LIABILITIES	**635**	**1,631**
Retirement benefits obligations	33	33
Provisions	59	70
Trade accounts and notes payable	678	825
Accrued employee expenses	139	134
Contract Liabilities	29	40
Other current operating liabilities	236	302
TOTAL OPERATING CURRENT LIABILITIES	**1,174**	**1,404**
Borrowings	1,382	8
Lease liabilities	80	87
Income tax payable	44	41
Other current financial liabilities	-	2
TOTAL CURRENT LIABILITIES	**2,679**	**1,542**
TOTAL LIABILITIES	**3,314**	**3,173**
TOTAL EQUITY & LIABILITIES	**3,040**	**3,210**

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ in million)	June 30, 2020	June 30, 2019
Net income (loss)	**(265)**	**(139)**
Income (loss) from discontinuing activities	(1)	4
Profit (loss) from continuing activities	**(264)**	**(143)**
Summary adjustments to reconcile profit from continuing activities to cash generated from continuing operations		
Depreciation and amortization	144	158
Impairment of assets	75	(1)
Net changes in provisions	4	(14)
Gain (loss) on asset disposals	(4)	8
Interest (income) and expense	40	32
Other non-cash items (including tax)	7	6
Changes in working capital and other assets and liabilities	(197)	(175)
Cash generated from continuing activities	**(195)**	**(131)**
Interest paid on lease debt	(10)	(12)
Interest paid	(25)	(21)
Interest received	-	1
Income tax paid	(1)	(10)
NET OPERATING CASH GENERATED FROM CONTINUING ACTIVITIES (I)	**(230)**	**(173)**
Acquisition of subsidiaries associates and investments, net of cash acquired	(2)	(1)
Proceeds from sale of investments, net of cash	(1)	(1)
Purchases of property, plant and equipment (PPE)	(17)	(43)
Proceeds from sale of PPE and intangible assets	-	1
Purchases of intangible assets including capitalization of development costs	(39)	(47)
Cash collateral and security deposits granted to third parties	(26)	(4)
Cash collateral and security deposits reimbursed by third parties	-	3
NET INVESTING CASH USED IN CONTINUING ACTIVITIES (II)	**(84)**	**(92)**
Proceeds from borrowings	394	101
Repayments of lease debt	(42)	(35)
Repayments of borrowings	(2)	(17)
Fees paid linked to the debt	(21)	(1)
Other	4	-
NET FINANCING CASH USED IN CONTINUING ACTIVITIES (III)	**333**	**49**
NET CASH FROM DISCONTINUED ACTIVITIES (IV)	**(8)**	**(10)**
CASH AND CASH EQUIVALENTS AT THE BEGINING OF THE YEAR	**65**	**291**
Net decrease in cash and cash equivalents (I+II+III+IV)	**10**	**(225)**
Exchange gains/(losses) on cash and cash equivalents	(11)	(1)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**63**	**65**