Press Release

2022 Results

VANTIVA EXCEEDS ITS GUIDANCE
ADJUSTED EBITDA OF €161 MILLION (+ €20 MILLION vs 2021)
SOLID POSITIVE FCF[1] AT €88 MILLION (+ €200 MILLION vs 2021)
GUIDANCE 2023 MAINTAINED

Paris (France), March 9th, 2023 – Vantiva (Euronext Paris: VANTI; OTCQX: TCLRY) is today announcing its results for the full year 2022. These results have been approved by the board of directors today.

The audit procedures on the consolidated financial statements have been carried out and the audit report on the consolidated financial statements will be issued after the verification of the information presented in Group's management report and due diligence relating to the ESEF electronic format of the 2022 financial statements.

2021 amounts restated considering Trademark Licensing operations and Technicolor Creatives Studios accounted for as discontinued operations.

Vantiva FY 2022 results have exceeded targets in a challenging environment.

- Revenues increased by 23.4% to €2,776 million (+11.4% at constant exchange rate).
- Adjusted EBITDA at €161 million (+14.3%), representing 5.8% of revenues (vs 6.3% in 2021).
- Adjusted EBITA increased by 39.7% to €55 million (vs €39 million in 2021).
- Net result of continuing operations was negative at -€529 million after a net loss from associates of -€311m resulting from the write down of TCS shares' to market value.
- Group net result was positive at €151 million after taking into account a profit of €680 million from the discontinued operations, stemming mostly from the TCS' spin off.
- Capex increased by 15.4% to €80 million
- Free Cash Flow, before financial and tax, was positive at €88 million and improved by €200 million over last year.
- At the end of the year, Vantiva held a cash position of €167 million and its $125m credit line was fully undrawn.
- Total net debt (w/o capital lease) amounted to €216 million in nominal terms.

[1] Before interest and tax

Luis Martinez-Amago, Chief Executive Officer of Vantiva, said:

"Our results show that Vantiva has exceeded its commitment to the market, with a strong financial performance in a challenging environment. This is the result of the business transformations carried out in the recent past. The strong partnership with our customers and suppliers is also fundamental for our business performance.
The excellent 2022 result is one more milestone in our ambitious strategy that we will continue to deploy. We remain focused on our core business, but will keep investing in other growth opportunities. We keep recruiting new key talents who will contribute to the execution of our medium and long term plans.
Looking to 2023, while we are experiencing an improvement in the global supply chain and in the component shortages, we also see signs of broader macro-related inflationary uncertainties that are affecting consumer confidence. This is creating demand uncertainty for the year. We will keep working closely with our customers and suppliers to react quickly to any market events, and to keep delivering on our commitments to them and to our other stakeholders. Considering all this, we are confident of delivering on our guidance for 2023".

I- 2022 Key Highlights & 2023 Outlook

In € million, continuing operations	**2022**	**2021**	*Change at current rate*	*Change at Constant Rate*
Revenues	2,776	2,250	*23.4%*	*11.4%*
Adjusted EBITDA	161	141	*14.3%*	*3.7%*
As a % of revenues	*5.8%*	*6.3%*	*(46bps)*	*(43 bps)*
Adjusted EBITA	55	39	*39.7%*	*28.2%*
Free Cash Flow before Financial & Tax	88	(112)	*200*	*187*

2022 Key Highlights

The group's growth has been fueled by higher broadband volumes thanks to the success of our Fiber and Wi Fi 6 offer, price increases to partially recover cost inflation, and improved product-mix at the Connected Home division. Supply Chain Solutions' performance has been negatively impacted by lower demand in optical discs against a strong base of comparison.

Vantiva revenues totaled €2,776 million, up 23.4% (+11.4% at constant exchange rate).
Connected Home revenues amounted to €2,120 million for the fiscal year, an increase of 37.3% (+23.3% at constant exchange rate). Supply Chain Solutions revenues were €655 million, down 6.6% (-14.3% at constant exchange rate).
Adjusted EBITDA improvement stems from the product mix-effect for Connected Home, better pass through of additional costs versus last year, and strict cost control in both divisions.

The group's adjusted EBITDA reached €161 million in the year, a €20 million improvement over last year. The margin dilution, from 6.3% to 5.8%, resulted from the higher contribution of the Connected Home division to the group's adjusted EBITDA (+10pts) and a lower gross margin in percentage terms.
Connected Home contributed €135 million (versus €103 million last year) to adjusted EBITDA while Supply Chain Solutions contributed €56 million (versus €67 million last year).

FCF, before financial and tax, in the year was positive at €88 million, showing a €200 million improvement over last year, largely explained by the change in working capital.

Outlook

Visibility on the level of demand for Connected Home products is limited as Network Services Providers (NSP) are carefully managing their inventories, especially in the US, in a context of economic uncertainty. In 2023, Vantiva forecasts continuing growth for broadband products but anticipates a decline for video devices. Therefore revenues of Connected Home division are expected to be down, but on a challenging base of comparison due to the strong performance achieved last year.

For SCS, activity should remain on the same trend as last year with a natural decline in demand for optical discs, but increased revenues for "growth activities". The increase in vinyl production capacity should be the main growth driver in the latter area. Globally, the group expects a slight decrease in the division's revenues.

Management also anticipates a persistent inflationary environment. However, thanks to operational efficiency and despite this context, the group is confident of meeting the following targets in 2023:

- EBITDA > €140m
- EBITA > € 45m
- FCF[1] > €50m

(1) Before interests and tax

II- Segment Review – Full Year 2022 Results Highlights

Connected Home

Revenues breakdown by product

In € million	2022	2021	*Change at current rate*	Change at constant rate
Revenues	**2,120**	**1,544**	**37.3%**	**23.3%**
o/w by product				
Broadband	**1,598**	**996**	*60.5%*	*43.4%*
Video	**522**	**548**	*-4.9%*	*-13.3%*
EBITDA adj	**135**	**103**	*30.6%*	*19.5%*
As a % of revenues	*6.3%*	*6.7%*		

Connected Home revenues contributed 76% of group revenues (69% in 2021) and totaled €2,120 million in 2022, up 37.3%. At constant exchange rate, the growth would have been +23.3% compared with 2021. This revenue development has been driven by the combined positive effect of pricing and product-mix outweighing the volume decrease. Broadband business has been the main growth driver in the year representing 75% of revenues versus 64% the prior year, while demand for video devices suffered in some geographies, and especially in India.

Globally, delivered units were down 4.4% mostly due to a drop in demand in Asia Pacific, notably in India and for entry level video products.

Adjusted EBITDA of the division accounted for 84% of the group's adjusted EBITDA compared with 73% in 2021. It amounted to €135 million in 2022 (vs €103 million in 2021), or 6.3% of revenue (vs 6.7% in 2021). Despite the improvement in euro terms, the EBITDA margin fell 32 basis points over last year. This is mostly due to the dilutive impact of the measures implemented for countering inflation which brought additional revenues with no margin contribution.

Supply Chain Solutions

In € million	**2022**	**2021**	*Change at current rate*	Change at constant rate
Revenues	655	701	-6.6%	-14.3%
EBITDA	**56**	**67**	*-15.5%*	*-21.7%*
As a % of revenues	*8.6%*	*9.5%*		

Supply Chain Solutions revenues totaled €655 million in 2022, down 6.6% from 2021. At constant exchange rate the decline would have been 14.3%. Beyond the structural decline of the optical disc activity, the performance of the year has been severely impacted by the decline in demand from one major customer and a high base of comparison. Distribution and freight businesses were also down in the year. While growing, the other activities, have not been able to offset entirely this decline. The group has successfully launched vinyl production delivering its first 2 million albums in the year. Performance was however penalized by a slower intake of new vinyl presses than planned due to delivery delays, which prevented us from meeting the strong demand.

Adjusted EBITDA of the division amounted to €56 million (vs €67m in 2021), or 8.6% of revenues (9.5% in 2021), Margin decline mainly resulted from the lower volumes in optical discs, distribution and freight activities, despite the positive development in the "growth activities". The decline in EBITDA has been mitigated by the continued benefits of the cost reduction plan started in 2020 and the first contribution of the vinyl activity. In addition, the group has swiftly implemented additional footprint adjustment measures to mitigate the negative impact of the lower revenues.

Corporate & Other

In € million	**2022**	**2021**	*Change at current rate*	Change at constant rate
Revenues	**1**	**5**	**-75.5%**	**-75.5%**
EBITDA	**(30)**	**(29)**	*-3.8%*	*nm*
As a % of revenues	*ns*	*ns*		

Corporate & Other recorded revenues of €1 million versus €5 million last year as the group disposed of its licensing activities in May 2022.
Adjusted EBITDA amounted to -€30 million in line with last year which stood at -€29 million. The corporate running costs explain this result.

III- Results analysis

P&L analysis

In € million	**2022**	**2021**	*Change at current rate*	Change at constant rate
Revenues from continuing operations	**2,776**	**2,250**	*23.4%*	*11.4%*
Adjusted EBITDA from continuing operations	**161**	**141**	*14.3%*	*3.7%*
As a % of revenues	*5.8%*	*6.3%*	*46 bps*	*43 bps*
D&A & Reserves[1], w/o PPA amortization	(106)	(101)	*4.6%*	*-5.6%*
Adjusted EBITA from continuing operations	**55**	**39**	*39.7%*	*28.2%*
As a % of revenues	*2.0%*	*1.7%*	*na*	*na*
PPA amortization	(31)	(30)	*3.5%*	*-7.5%*
Non-recurring items	(35)	(23)	*52.3%*	*39.2%*
EBIT from continuing operations	**(11)**	**(13)**	*na*	*na*
As a % of revenues	*-0.4%*	*-0.6%*	*na*	*na*
Net financial income (loss)	(177)	(117)	*51.8%*	*48.4%*
Income tax	(30)	(14)	*nm*	*nm*
Gain (loss) from associates	(311)	0	*nm*	*nm*
Profit (loss) from continuing operations	**(529)**	**(143)**	*nm*	*nm*
Net gain (loss) from discontinued operations	680	4	*nm*	*nm*
Net income (loss)	**151**	**(140)**	*nm*	*nm*

[1]Risk, litigation and warranty reserves

2022 Revenues stood at €2,776 million, representing a 23.4% increase (+11.4% at constant exchange rate). The United Sates remained the first market of the group with 58% of revenues compared to 52% the previous year. The strong improvement of Connected Home (+37.3%) was driven by, North America, broadband products and forex, more than offsetting the decline of Supply Chain Solutions (-6.6%), which was hit by lower optical disc demand.

2022 Adjusted EBITDA amounted to €161 million, up 14.3% year-on-year and 3.7% at constant rate. The EBITDA margin dropped by 46 basis points to stand at 5.8% of revenues. This decline reflects a slightly lower margin for both divisions and the higher weight of Connected Home division in the group's total as this division generates a lower margin than SCS in percentage terms

2022 Adjusted EBITA of €55 million represented a €16 million year-on-year improvement. This resulted from the higher EBITDA and a moderate depreciation increase. EBITA margin improved by 23 basis points to 2.0% of revenues.

PPA amortization was almost stable at -€31 million.

Non-recurring items are coming from:

- restructuring costs accounting for -€17 million versus -€31 million in 2021 as the cost-cutting program "Panorama" launched by the division a few years ago is nearly completed,
- other income and expenses that showed an expense of -€13 million related to litigations reserves and depreciation compared to income of €10 million in 2021 explained by a capital gain booked that year on disposals,
- net impairment on non-current operating asset for -€5m vs -€2m in the previous year.

EBIT from continuing operations was a -€11 million loss compared to -€13 million losses in 2021.

The financial result totaled -€177 million in 2022, compared to -€117 million in 2021. About half of this amount stems from the costs related to the anticipated reimbursement as part of the spin off. Interest expenses, excluding operating leases, amounted to €84 million and included for 9 months the debt allocated to TCS during the spin off.

Income tax amounted to -€30 million versus -€14 million in 2021.

Result from associated is a loss of -€311 million, mostly explained by the depreciation of the value of our 35% stake in TCS.

Net loss from continued operations amounted to -€529 million compared to -€143 million in 2021.

Result of discontinued operations showed a profit of €680 million, explained by the gain booked on TCS' valuation at the time of the spin off.

Group net result therefore is a profit of €151 million in 2022, compared to a loss of -€140 million in 2021.

FCF and debt analysis

In € million	**2022**	**2021**	*Change at current rate*	*Change at constant rate*
Adjusted EBITDA from continuing operations	**161**	**141**	*14.3%*	*3.7%*
Capex	(80)	(69)	*(11)*	
Non-recurring items (cash impact)	(50)	(85)	*35*	
Change in working capital and other assets and liabilities	57	(98)	*155*	
Free Cash Flow from continuing operations before Tax & Financial	**88**	**(112)**	*na*	*na*

	31/12/2022	31/12/2021[1]
Nominal gross debt (including Lease debt)	449	1,306
Cash and cash equivalent	(167)	(196)
Net financial debt at nominal value (non IFRS)	**282**	**1,110**
IFRS adjustment	(19)	(71)
Net financial debt (IFRS)	**263**	**1,039**

(1) Debt Technicolor

Free Cash Flow went from €-112 million to €88 million. This significant improvement reflects the stronger EBITDA (+€20 million), lower cash out for restructuring (+€39 million) and the change in working capital (+€155 million) while capex increased by €11 million.

The change in working capital derived mainly from the negative impact related to changes in payment terms in 2021 with some Connected Home partners and new factoring facilities in 2022.

Pension liabilities were down by -€66 million mainly due to a positive effect from discount rates of €49 million, and payments of €27 million.

Cash outflow for restructuring totaled -€22 million in 2022 versus -€61 million in 2021. This sharp decrease is explained by the near completion of the cost optimization program launched in 2020.

Capital expenditures amounted to -€80 million (up by €11 million). The majority is capitalized R&D for Connected Home. This increase reflects the attention paid by the group to innovation in order to supply state of the art technology.

The cash position at the end of December 2022 was €167 million compared to €196 million at the end of December 2021.

Net financial debt at nominal value amounted to €282 million at the end of December 2022 following the refinancing implemented at the time of the spin off.

IFRS net debt amounted to €263 million as of December 31, 2022.

Post closing event

Technicolor Creative Studios announced March 8th 2023, before market opening, that it had reached with its main shareholders and lenders an agreement on principle for its refinancing. Vantiva is supporting this agreement. For further information, please refer to the **TCS** press release available on its website.

Appendix

Debt details

€ million

Line	Characteristics	Nominal	IFRS amount	Nominal Rate	IFRS Rate
Barclays	Cash: Euribor 3M + 2.50% & PIK	250	240	7.5%	11.8%
Angelo Gordon	Cash: Euribor 3M + 4.00% & PIK	125	117	11.0%	16.1%
Wells Fargo	9.5%	0	0	9.5%	9.5%
Operating Lease		66	66	12.2%	12.2%
Capital Lease		1	1	2.5%	2.5%
Other		7	7	0.0%	0.0%
Total Debt		**448**	**430**	**9.1%**	**12.8%**
Cash & Cash Equivalents		**167**	**167**		
Net Debt		**282**	**263**		

IFRS 16 impact

	Actual FY 22 (incl IFRS 16)	Actual FY 22 (excl. IFRS16)	IFRS16 impact
	Actual	**Actual**	**Actual**
(€ million)	Current rate	Current rate	Current rate
SALES	**2,776**	**2,776**	**+0**
EBITDA ADJ	**161**	**132**	**+29**
EBITA	**55**	**50**	**+5**
Operating Cash Flow	**59**	**31**	**+28**
FCF before Financial & Tax	**88**	**59**	**+29**
FCF after Financial & Tax	**6**	**(16)**	**+21**

Appendix 3 – Reconciliation of adjusted operating indicators

In addition to published results, and with the aim of providing a more comparable view of the evolution of its operating performance in 2022 compared to 2021, Vantiva is presenting a set of adjusted indicators which exclude the following items as per the statement of operations of the Group's consolidated financial statements:

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

	Full Year		
In € million	**2022**	**2021**	*Change[1]*
EBIT from continuing operations	**(11)**	**(13)**	***2***
Restructuring charges, net	(17)	(31)	*13*
Net impairment gain (losses) on non-current operating assets	(5)	(2)	*(3)*
Other income (expense)	(13)	10	*(23)*
PPA amortization	(31)	(30)	*(1)*
Adjusted EBITA from continuing operations	**55**	**39**	**16**
Depreciation and amortization ("D&A") ²	(106)	(101)	*(5)*
Adjusted EBITDA from continuing operations	**161**	**141**	**20**

[1] *Variation at current rates*

The caption "Adjusted EBITDA" corresponds to the profit (loss) from continuing operations before tax and net financial income (expense), net of other income (expense), depreciation and amortization (including impact of provision for risks, litigation and warranties).

The caption "Adjusted EBITA" corresponds to the profit (loss) from continuing operations before tax and net financial income (expense), net of other income (expense) and amortization of purchase accounting items.

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

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About Vantiva

Pushing the Edge

Vantiva shares are admitted to trading on the regulated market of Euronext Paris (VANTI) and are tradable in the form of American Depositary Receipts (ADR) in the United States on the OTC Pink market (TCLRY).

Vantiva, formerly known as Technicolor, is headquartered in Paris, France. It is an independent company which is a global technology leader in designing, developing and supplying innovative products and solutions that connect consumers around the world to the content and services they love – whether at home, at work or in other smart spaces. Vantiva has also earned a solid reputation for optimizing supply chain performance by leveraging its decades-long expertise in high-precision manufacturing, logistics, fulfillment and distribution. With operations throughout the Americas, Asia Pacific and EMEA, Vantiva has been recognized as a strategic partner by leading firms across various vertical industries, including network service providers, software companies and video game creators for over 25 years. Vantiva is committed to the highest standards of corporate social responsibility and sustainability across all aspects of its operations. For more information, please visit www.vantiva.com and follow us on LinkedIn and Twitter.

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