Press Release

Vantiva Q3 announcement

GUIDANCE IS CONFIRMED
ADJUSTED EBITDA[1] OF €50 MILLION IN Q3, UP 40% yoy
SOLID REVENUE GROWTH

Paris (France), December 1st, 2022 Vantiva (Euronext Paris: VANTI; OTCQX: TCLRY)

Following the spin-off of Technicolor Creative Studios (TCS), Vantiva now comprises two separate business segments, each with solid fundamentals and leading positions in their respective markets: Connected Home and Supply Chain Solutions.

Vantiva achieved 45% growth in revenue in the quarter, achieving €765 million (+27.1% at constant exchange rate) and driven largely by performance of the Connected Home division, which continues to enjoy strong demand coupled with improved components availability.

Adjusted EBITDA amounted to €50 million (+40%), representing 6.5% of revenues (6.8% in Q3 2021). Despite challenging market conditions, including an inflationary environment, Vantiva has increased its adjusted EBITDA by €14 million. The margin dilution in the quarter came mostly from a higher share of Connected Home division in the group's adjusted EBITDA.

Adjusted EBITA more than doubled to €21 million (versus €9 million in Q3 2021) thanks to improved growth and performance.

Free cash flow before financial and tax was positive at €10 million and showed a total €21 million improvement in the quarter. This is largely due to a higher adjusted EBITDA and lower restructuring, pensions and other costs.

At the end of Q3, Vantiva held a cash position of €83 million, and did not have any drawings on its available $125m credit line. Total net debt amounted to €369 million in nominal terms.

The group confirms its full year 2022 guidance, and management remains confident to meet 2023 forecasts.

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[1] Adjusted EBITDA is calculated after taking into account IFRS 16.

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

"Our Q3 results confirm the soundness of our strategy and the positive outcome of the transformation plan executed over recent years. We are leading the industry in many areas, but most importantly, our speed, proximity to our customers and partners, and operational agility in front of supply challenges, are allowing us to keep serving our customers with the best products and leading technologies.

Connected Home division showed strong business in the quarter, reaching €1.6bn in revenues for the first 9 months. This is a strong quarter from a business point of view, with several highly relevant new product launches with key customers such as Vodafone, DTAG and others, and our technological leadership demonstrated by the very first fiber Wifi7 product in the market. All this demonstrates that we are staying on the right track to keep developing our market leadership.

We will continue to apply a strict execution discipline while looking to new business opportunities, and I am confident that our team is fully equipped for taking up the challenges ahead of us. Based on the current results achieved under challenging market conditions, I am confident in our future plans."

Vantiva performance in Q3

The group's growth has been fueled by higher volumes, adjusted prices to recover cost evolution, and improved product mix at Connected Home division. Supply Chain Solutions' performance has been impacted by lower demand in its DVD activity, but with a strong Q3 2021 base of comparison.

Adjusted EBITDA improvement stems from volume effects, better pass through of additional costs versus last year, and the strict cost control in place.

- Vantiva Q3 revenues totaled €765 million, up 45% (+27.1% at constant exchange rate).
- Connected Home revenues amounted to €584 million in the quarter, an increase of 77% (+54.3% at constant exchange rate).
- Supply Chain Solutions revenues were €181m, down 8.6% (-18.2% at constant exchange rate).
- The group's adjusted EBITDA reached €50 million in the quarter, a €14 million improvement over last year. The margin dilution, from 6.8% to 6.5%, came from the higher contribution of Connected Home division in the group's adjusted EBITDA.

- Connected Home contributed €33 million (versus €16 million last year) to adjusted EBITDA and Supply Chain €25 million (versus €29 million last year).
- FCF before financial and tax in the quarter was €10 million, showing a €21 million Increase.

Q3 and 9M results

In € million, continuing operations	Q3				9M			
	2022	2021	*Actual Change*	*Change at Constant Rate*	**2022**	2021	*Actual Change*	*Change at Constant Rate*
Revenues	765	528	*45.0%*	*27.1%*	1,958	1,585	*23.5%*	*11.0%*
o/w CH	*584*	*330*	*77.0%*	*54.3%*	*1,481*	*1,100*	*34.6%*	*20.3%*
o/w SCS	*181*	*198*	*-8.6%*	*-18.2%*	*476*	*481*	*-0.9%*	*-9.4%*
Adjusted EBITDA	50	36	*39.9%*	*25.5%*	123	86	*42.1%*	*27.8%*
As a % of revenues	*6.5%*	*6.8%*			*6.3%*	*5.4%*		
o/w CH	*33*	*16*	*nm*	*83.2%*	*103*	*72*	*42.7%*	*29.9%*
As a % of revenues	*5.7%*	*4.9%*			*6.9%*	*6.5%*		
o/w SCS	*25*	*29*	*-14.0%*	*-21.5%*	*40*	*39*	*2.7%*	*-6.5%*
As a % of revenues	*13.7%*	*14.6%*			*8.4%*	*8.1%*		
Adjusted EBITA	21	9	*nm*	*na*	43	11	*nm*	*na*
Free Cash Flow before financial & tax	10	-11			-26	-261		

includes IFRS 16 see appendix

Connected Home

Connected Home represented 76% of Vantiva revenues in Q3 (versus 63% in Q3 21), out of which 71% was Broadband and 29% was Video (respectively 58% and 42% in Q3 21). This change in the business mix is in line with our business priorities.

The broadband equipment business was strong in the quarter, but demand from some customers for Video equipment has slowed down.

The division had some significant new product launches with key customers: the Ultra Hub solution for Vodafone UK, first DOCSIS RDK for Deutsche Telekom AG, Android TV for TalkTalk UK, and a New Generation gateway for Bouygues Telecom, demonstrating the continuing progress in the market of advanced CPE technology.

Innovation and technological leadership remain at the core of the strategy. The division has shown the very first Wi-Fi7 product in the industry at the Amsterdam Broadband World Forum, preparing the next evolution of gateways for the next three years.

Demand in North America and LATAM remains strong, while we see some slowdown in Asia and Europe.

Revenue growth has been supported by better supply and pricing support from our customers to mitigate the impact of increased costs.

Components availability has improved, and logistic bottlenecks have eased, but some key components are still scarce, and this has continued to limit the group's ability to fully satisfy the demand.

The division continues to invest in promising projects, and it operates with a very efficient cost base.

Adjusted EBITDA reached €33 million in the quarter versus €16 million last year, showing a margin improvement of 72 basis points at 5.7%. This increase reflects the group's efficiency plans, higher volume, improved mix of products and pass through actions to mitigate the additional cost impact.

It is worth noticing that the division has increased its margin (in %) despite the mechanical negative impact of the pass through actions which inflated revenues without contributing to the margin.

Supply Chain Solutions

SCS represented 24% of Vantiva revenues in Q3 (versus 37% in Q3 21).

Demand for DVDs was down in the quarter, considering that Q3 21 was abnormally strong in the context of Covid and due to an unexpected manufacturing orders reduction from one of our clients.

The division continues to adapt its manufacturing and distribution footprint to the changing environment.

Vinyl demand has been strong and is still growing.

Vantiva already has active contracts with 2 of the 3 global musical groups and may start business in 2023 with a 3rd.

One challenge is to put in place the manufacturing capacity which should progressively improve as of 2023.

The Fulfillment business division continues to add new contracts contributing to our diversification objective.

In this context of lower volume, the adjusted EBITDA margin has shown resilience at 13.7%, down only 87 basis points.

The contribution to adjusted EBITDA has decreased from €29 million to €25 million for Q3 2022.

Group FCF before financial and tax

Group FCF, before financial and tax, was positive at €10 million in the quarter, showing a €21 million improvement coming notably from adjusted EBITDA and lower pension costs and others.
Capex was up €2 million while restructuring costs were down €8 million, working capital deteriorated by €6 million and pensions costs & others were down €11 million.

Cash position

At the end of September, the company held a cash position of €83 million before taking into account the undrawn $125m credit line .

Outlook

Business in Q4 should remain on the same trend as for the first 9 months, with good demand for Connected Home products, especially for Broadband, and declining demand for DVDs and lack of production capacity for vinyl.
Against this background, the group confirms its guidance for full year 2022, and also for 2023.

€ (€ vs $:1.15)	**2022e**	**2023e**
Adjusted EBITDA	>140m	>140m
Adjusted EBITA	38-48m	29-39m
FCF before financial and tax	62-72m	43-63m

Indicative Timetable

Vantiva FY 2022 results	March 9th, 2023

Appendix

Debt details

€ million

Line	Characteristics	Nominal	IFRS amount	Nominal Rate	IFRS Rate
Barclays	Cash: Euribor 3M + 2.50% & PIK	250	243	6.5%	10.9%
Angelo Gordon	Cash: Euribor 3M + 4.00% & PIK	125	118	10.0%	15.7%
Wells Fargo	8.75%	0	0	8.8%	8.8%
Operating Lease		76	76	10.4%	10.4%
Capital Lease		1	1	2.8%	2.8%
Other		1	1	0.0%	0.0%
Total Debt		**452**	**437**	**8.1%**	**12.1%**
Cash & Cash Equivalents		**83**	**83**		
Net Debt		**369**	**355**		

IFRS 16 impact

	Actual Q3 22 (incl IFRS 16)	Actual Q3 22 (excl. IFRS16)	IFRS16 impact
	Actual	Actual	Actual
(€ million)	Current rate	Current rate	Current rate
SALES	765	765	+0
EBITDA ADJ	50	43	+7
EBITA	21	20	+1
Operating Cash Flow	23	15	+7
FCF before Financial & Tax	10	3	+8
FCF after Financial & Tax	(46)	(51)	+5

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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 OTCQX 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.

Corporate press:
Catherine Kuttner
catherine.kuttner@vantiva.net

Vantiva.press@image7.fr

Investor Relations Contact:
Investor.relations@vantiva.net