



H1-23

results

July, 2023



Forward looking statements

This presentation

contains certain statements that constitute "forward-looking statements", including but not limited to statements that are predictions of or indicate future events, trends, plans or objectives, based on certain assumptions or which do not directly relate to historical or current facts.

[Such forward-looking statements](#) are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the future results expressed, forecasted or implied by such forward-looking statements.

[For a more complete list](#) and description of such risks and uncertainties, refer to Vantiva's filings with the French Autorité des marchés financiers. 2022 Universal Registration Document (Document d'enregistrement universel) has been filed with the French Autorité des marchés financiers (AMF) on April 26, 2023.

KEY Highlights



H1-2023 highlights

- H1 in line, but impacted by weaker demand than last year
- Demand for Connected Home has been impacted by a lower demand and a cautious attitude of our main clients
- The structural decline in demand for DVDs amplified by inventory adjustments, hit SCS' profitability, and triggered a review of the long-term business plan for SCS.
- Strict cost control and operational efficiency measures have allowed to limit the EBITDA impact.
- New generation of solutions are in development, and the diversification plans are being executed as planned. We have encouraging response from customers

H2
stronger

2023 guidance

The plan was prepared considering the weaker market situation and with the efficiency measures launched, we confirm the FY guidance:

Adjusted
EBITDA
>€140m

Adjusted
EBITA
>€45m

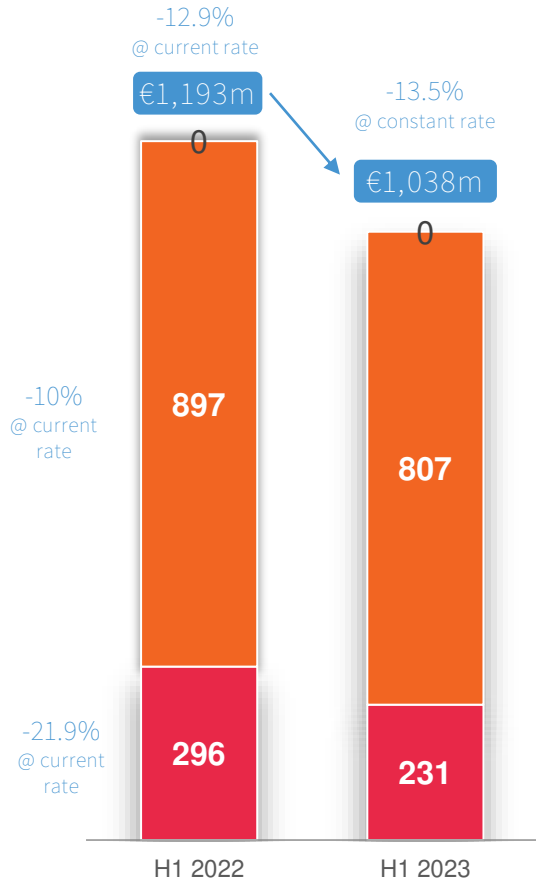
Free Cash
Flow*
>€50m



Outlook Maintained

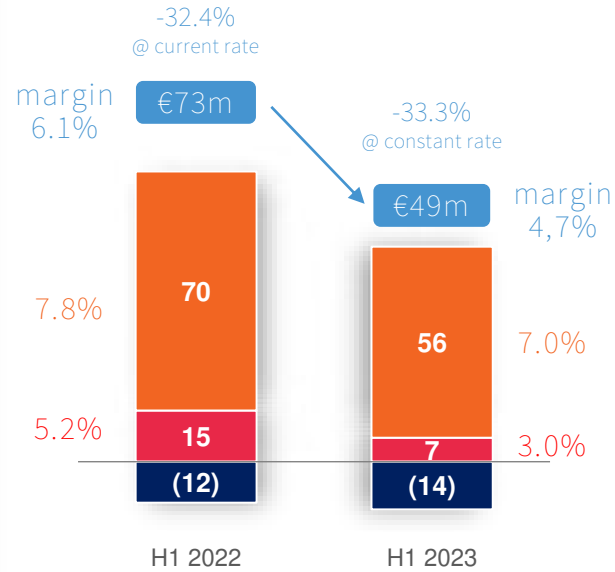
H1 2023 highlights

REVENUES (in € million)



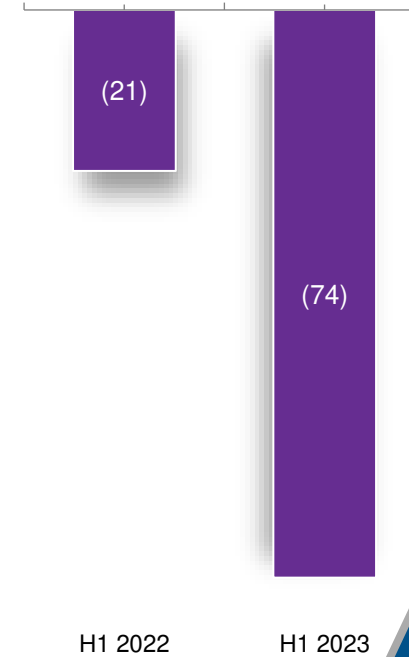
- SCS
- Connected Home
- Corporate & Other

Adjusted EBITDA (in € million)



- SCS
- Connected Home
- Corporate & Other

FCF (before financial and tax, in € million)



First half in line with our expectations

BUSINESS Update



Connected Home in H1 2023:

Weak activity due to market conditions and high basis of comparison

↘ Weaker demand in AMERICAS due mostly to cable and high customer's inventory. Video devices in decline, primarily in Latam satellite market.

✓ Fiber remains the growing driving force, mainly in EMEA, and new positive development for 5G FWA

☆☆☆ First wins in DOCSIS 4.0 and Wifi 7 technologies in the US, confirming the importance of innovation

✓ Chipsets supply conditions have improved significantly, although lead times and price levels remain high



CONTINUED INNOVATION

- Expansion of 5G FWA portfolio and first wins
- New STB OTT family
- Launch of XGSPON and Ethernet GW on Wi-Fi 7 technology
- DOCSIS 4.0

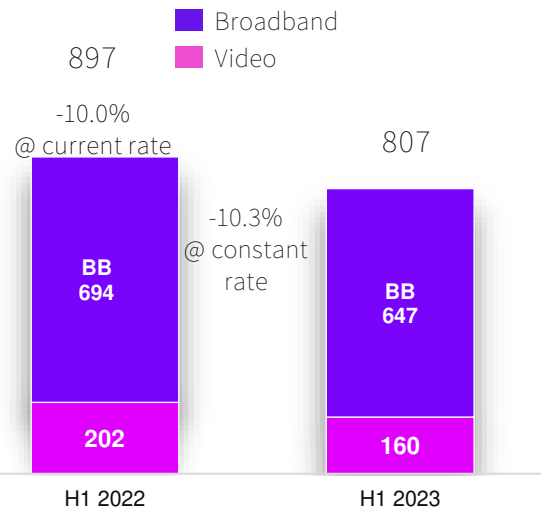
ECO/SUSTAINABILITY

- Ecovadis Platinum rating got second year, improving rating
- Strong commitment to SBTi targets
- Climate change on track: CO2 emission reduced by 20%
- All new products incorporating eco/sustainable design rules for European market

Connected Home: Financial Performance

H1 23: VOLUME DECLINE

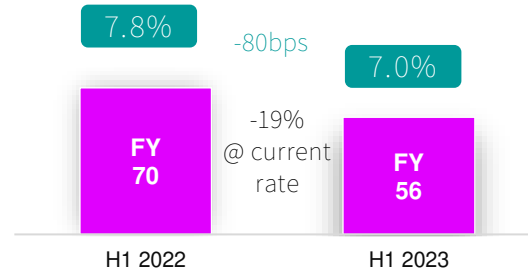
REVENUES (in € million)



REVENUE DOWN 10%:

- Better resistance of BB products down only 6.8%, due to strong growth in Fiber segment
- BB represents 80% of the division's revenue vs 77% last year
- Video devices demand down 21%, mainly in Latam satellite

ADJUSTED EBITDA (in € million)
EBITDA MARGIN (in %)



EBITDA DOWN 19% :

- Margin down 80 bps because of lower volume and revenues
- Strict cost control in place for preserving the profitability



2023 OUTLOOK

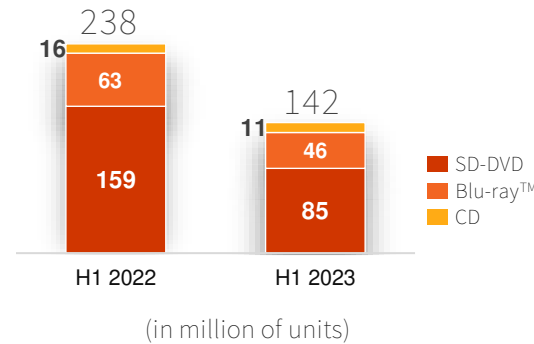
- Telcos are reducing their demand due to high inventories from chip crisis and weaker customer demand
- Broadband market supported by new products and technologies, portfolio expansion
- Some improvement expected for H2 compared to first half
- Chipsets supply back to normal although price remain high
- IoT for Verticals initiative under development with focus on specific use cases and NAM market

Supply Chain Solutions H1 2023:

DISC BUSINESS: NO.1 IN THE WORLD with 65% world market share and 90% US market share.
As planned, going back to normalized pre-covid sales conditions.

DISC VOLUMES BREAKDOWN (in millions of units)

- Manufacturing volumes down 40% vs. H1 2022 as retail customers are managing excess inventory built up during Covid and prior supply-chain disruption periods.
- Working through excess inventory accounts for 40-50% of the year-on-year volume decline



DIVERSIFIED / GROWTH BUSINESSES:



VINYL Installing additional pressing capacity in H2 2023 in Europe and H1 2024 in Australia to fuel growth. 22 presses already in production.



DISTRIBUTION & LOGISTICS experiencing ~40% year-on-year increase in fulfillment activity with robust pipeline for future business growth



PRECISION BIODEVICES shifting sales strategy to a digital, customer centric solutions approach while expanding target markets to include precision molding opportunities

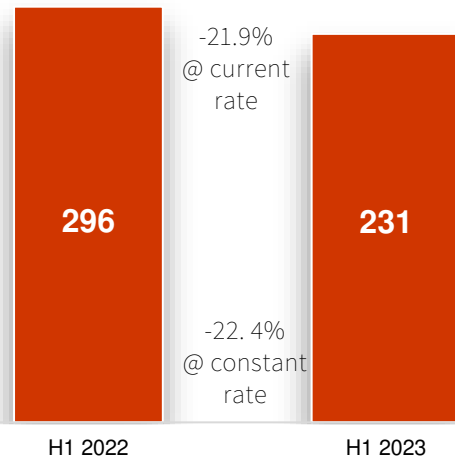
STRICTER GROWTH ASSUMPTIONS CALLS FOR €133M IMPAIRMENT OF GOODWILL

COMPLETED MULTI-YEAR RESTRUCTURING PLAN IN 2022

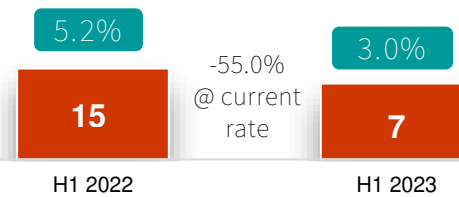
ACCELERATING THE DIVERSIFICATION PROGRAM EXPANDING IN NON-DISC ACTIVITIES

Supply Chain Solutions Outlook:

H1 2023
REVENUES (in € million)



ADJUSTED EBITDA (in € million)
EBITDA MARGIN (in %)



REVENUES DOWN 22% YOY AT CONSTANT RATE

- Impacted by the lower disc volumes
- Mitigated by pricing increases and ongoing business diversification

EBITDA MARGIN TEMPORARILY IMPACTED BY DISC VOLUME AND BUSINESS SEASONALITY

- Cost reductions and other mitigating actions will deliver benefits in H2
- In combination with increased contribution in growth businesses

FORECASTED MARGIN IMPROVEMENT

- in manufacturing and distribution operations in conjunction with related customer contract agreements



2023 Outlook

- Continued optimization of disc business for cash flow generation
- Significant expansion of vinyl manufacturing capabilities
- Ongoing growth in distribution and logistics businesses
- Development of Precision Molding and Biodevices commercial activities

Key financial figures



Key figures H1 – GROUP

	H1 23	H1 22	Variation
in € million			
Revenues	1,038	1,193	(155)
Adjusted EBITDA	49	73	(24)
in % of Revenues	4,7%	6,1%	(137)bps
D&A ⁽¹⁾ & Reserves ⁽²⁾ w/o PPA amortization	(40)	(51)	11
Adjusted EBITA	9	22	(13)
PPA amortization	(13)	(16)	3
Non-recurring items	(146)	(17)	(129)
EBIT	(150)	(11)	(139)
Net Result Continuing	(227)	(75)	(152)
Net Result Discontinued	(2)	62	(63)
Net Result Group (Group share)	(229)	(14)	(215)
Adjusted EBITDA	49	73	(24)
Capex	(44)	(32)	(12)
Non-recurring items (cash impact)	(26)	(29)	3
WC-OAL variation ⁽¹⁾	(54)	(34)	(20)
FCF before Financial & Tax	(74)	(21)	(53)
FCF after Financial & Tax	(104)	(62)	(42)
Net Debt (IFRS)	(439)		

From Adjusted Ebitda TO EBIT IN SUMMARY

in € million	H123	H1 22	variation
Adjusted EBITDA	49	73	(24)
D&A & Reserves ⁽¹⁾ w/o PPA amortization	(40)	(51)	11
Adjusted EBITA	9	22	(13)
PPA amortization	(13)	(16)	3
Impairments & write-off	(135)	(2)	(133)
Restructuring	(8)	(6)	(2)
Other Non-Current	(4)	(9)	5
EBIT Continuing	(150)	(11)	(139)

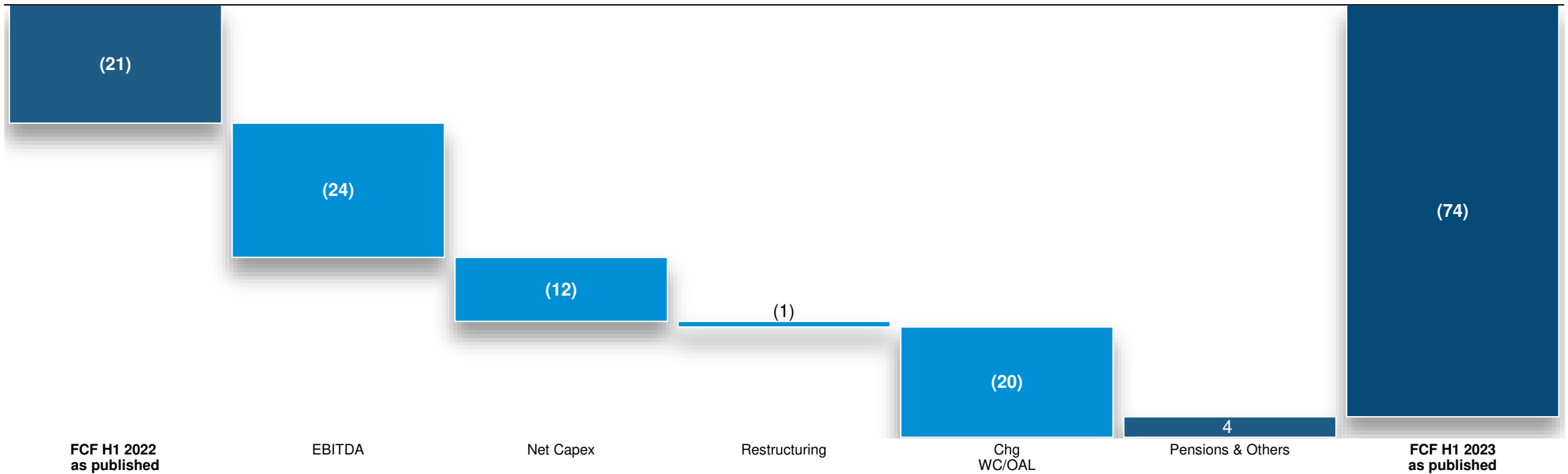
From EBIT to Net Result Group

in € million	H123	H122	Variation
EBIT Continuing	(150)	(11)	(139)
Net Interest Expense	(29)	(64)	34
Other Financial	(25)	3	(29)
Net financial result	(55)	(61)	5
Profit before Tax	(205)	(72)	(133)
Tax	3	(4)	7
Share of gain (profit) from associates	(25)	0	(25)
Net Result Continuing	(227)	(75)	(152)
Net Result Discontinued	(2)	62	(63)
Net Result Group (Group share)	(229)	(14)	(215)

Free Cash Flow ⁽¹⁾ from continuing operations



FREE CASH FLOW FROM CONTINUING OPERATIONS: H1 2023 VS. H1 2022



In € million
(1) Before interest and tax

Liquidity and DEBT

Liquidity at June 30, 2023(€m)	Amount of credit line	Available credit line ⁽¹⁾	Drawn amount	Available amount
Cash on hand				39
<i>Committed credit facilities:</i>				
Wells Fargo credit line (\$125m)	115	56	29	27
Liquidity				66

€m	Nominal Amount
Total Gross Debt ⁽²⁾	487
Cash and Cash Equivalents	(39)
Total Net debt	448

Liquidity
amounted to
€66m
at June 30, 2023

(1) Based on available receivables
(2) Including operating lease (IFRS16)



Thank you

Glossary of Terms

Abbreviation	Definition
\$	American Dollar
€	Euro
B2B	Business-to-Business
BB	Broadband
BD	Blu-ray Disc
CAGR	Compound Annual Growth Rate
CD	Compact Disc
CPE	Customer-Premises Equipment
CTO	Chief Technology Officer
D&A	Distribution and Amortization
Docsis	Data Over Cable Service Interface Specifications
DSO	Days Sales Outstanding
DPO	Days Payables Outstanding
DSI	Days Sales Of Inventory
DVD	Digital Video Broadcasting
EBIT	Earnings before Interest and Tax
EBITA	Earnings before Interest, Tax and Amortization

Abbreviation	Definition
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EU	European Union
FCF	Free-Cash-Flow
GPON	Gigabit Ethernet Passive Optical Network
IoT	Internet of Things
NSP	Network Services Provider
OPEX	Operating Expenses
OTT	Other-The-Top
PPA	Power Purchase Agreement
STB	Set-Top-Boxes
SVP	Senior Vice President
SW	Software
US	United States
WC	Working Capital

Glossary of Terms (Cont'd)

- Adjusted EBITDA: 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)
- Adjusted EBITA: profit (loss) from continuing operations before tax and net financial income (expense), net of other income (expense) and amortization of purchase accounting items.
- At constant exchange rate: consolidated financial statements prepared and presented by the parent company at a constant exchange rate compared to the last period. It allows to show what would have been the evolution of the company within the same foreign exchange environment than the previous period
- Blu-ray™: digital disk format ranging from 7,5 gigabytes of capacity (single layer) to 128 gigabytes (quad layer)
- Compact Disc (CD): is an optical disk used to store digital data. Capacity ranging from 0.21 to 0.91 gigabyte, mostly 0.74 gigabyte
- Customer-Premises Equipment (CPE): terminal equipment on the client side used to connect to the network of an Internet service provider
- DOCSIS 3.1: standard that defines interface, communication and configuration rules and protocols, for data transport system and Internet access using old television network by coaxial cable. This leads to add a high-speed data transfers to the existing cable television system
- Earnings before Interest, Tax, Depreciation and Amortization (EBITDA): defines the earning of a company before the deduction of interests, taxes, depreciation expenses and provisions on fixed assets (but after provisions on inventories and accounts receivables)
- Free Cash-flow: $\text{Adj. EBITDA} - (\text{net capex} + \text{restructuring cash expenses} + \text{change in pension reserves} + \text{change in working capital and other assets \& liabilities} + \text{cash impact of other non-current result})$
- High-speed gateway: physical device/electronic box enabling the Internet access, also called router or modem
- International Financial Reporting Standards (IFRS): accounting standards that shall be applied by listed companies when establishing their accounts in order to harmonize the presentation of their financial statement
- Internet of Things: the extension of the Internet to things and places in the physical world
- Working capital requirements: current asset minus current liability (including current provisions, excluding cash-flow, short-term debt and financial instruments).
- xDSL: refers to DSL (“digital subscriber line”) and to all the techniques set up for a digital transport of information over a wireline telephone connection or a dedicated line