



# Vantiva Announces Offer to Acquire CommScope's Home Networks

3rd October 2023





**Luis Martinez-Amago**  
*Chief Executive Officer*

- 37-year experience in the Telecommunication industry
- Former CEO of Alcatel-Lucent Shanghai Bell
- Joined the company in Oct-2015



**Lars Ihlen**  
*Chief Financial Officer*

- 25-year experience in the Telecommunication industry
- Former CFO of Technicolor Connected Home Division
- Joined the company in Mar-2011

# A Transformational Transaction To Create A New Vantiva



**The proposed acquisition of CommScope's Home Networks ('HN') is a transformational opportunity for Vantiva, resulting in broader customer access, greater scale driving innovation and efficiencies, translating into a stronger financial potential**



## Scale Vantiva's Presence in Core Activities

- Significantly scale up Vantiva's Connected Home capabilities, increasing its footprint in key geographies



## Broader Customer Base and Access to New Market Segments

- Minimal customer overlap between the two firms in a historically 'sticky' market from a customer base perspective
- HN' segments outside CORE CPE offering higher margin potential businesses where Vantiva does not have a market presence yet



## Greater Ability to Innovate

- Enhance capability to drive innovation and support Vantiva's existing diversification strategy as a result of the combination of best practices deriving from both businesses



## Considerable Synergy Potential to Improve Vantiva's Cash Generation

- Transaction expected to generate more than €100m in pre-tax cash net synergies on a run-rate basis from FY26, primarily driven by cost optimization initiatives and operational efficiencies



## Resulting Into A Stronger Vantiva's Financial Potential

- Significant upsizing of Vantiva: Home Networks and Vantiva's Connected Home generated, in the last 12 months ending Jun-2023, \$1.5bn and €2.0bn in sales, respectively. Stronger free cash flow generation potential resulting from the integration

# CommScope Home Networks At A Glance



- CommScope Home Networks division is a global technology leader in the manufacturing, installation and support for connectivity hardware infrastructure and software, offering a wide range of innovative products including modems, gateways, set-top boxes, smart media devices, satellite and IPTV content delivery
- The division employs ~1,400 individuals and operates around the world, serving residential consumers, internet service providers (ISPs), and telecommunications companies

## Two Main Market Segments

### Broadband Devices (53% FY22 Sales)



DOCSIS Gateways & Modems



Fixed Wireless Access Gateways



Fiber Gateways



Wifi-Extenders & Mesh Systems

### Video Devices (38% FY22 Sales)



Set-Tops



Smart Media Devices



Streamers



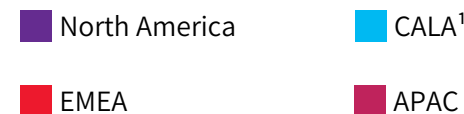
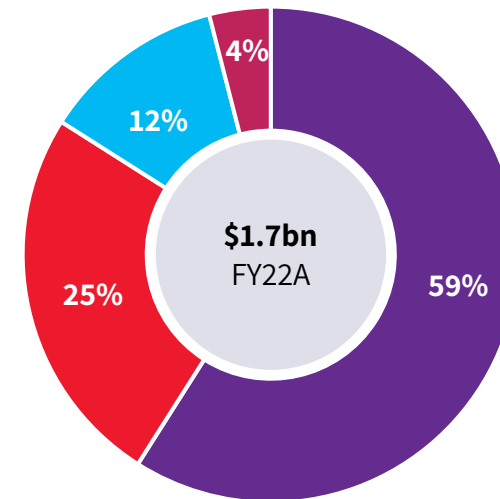
Remote Controls

**Retail (4% FY22 Sales)**

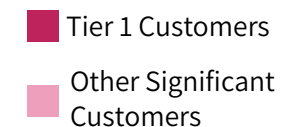
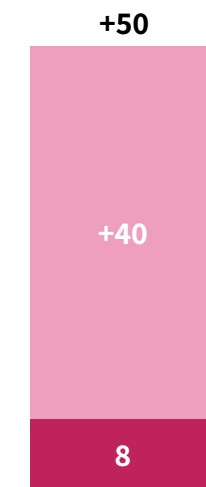
**Software & Services (4% FY22 Sales)**

## Serving Leading Customers Globally

### Sales Breakdown By Geography



### New Customers for Vantiva by Tier<sup>2</sup>



Note: 1. Stands for Central America and Latin America; 2. Tier 1 customers defined as customers representing over \$50m of Nest's Sales

# Cost-Driven Synergies To Drive Material Cash Generation



Run-rate synergies in excess of €100m expected from 2 years post-closing

Synergies Type	Drivers	Expected % Of Total
<b>COGS</b>	<ul style="list-style-type: none"><li>● Economies of scale</li><li>● Simplify engineering design &amp; consolidate products/parts</li><li>● Share best practices within the combined entity</li></ul>	
<b>SG&amp;A</b>	<ul style="list-style-type: none"><li>● Streamline sales and support functions</li><li>● High scalability nature of roles in the back office</li><li>● Rationalisation of Real Estate footprint</li><li>● IT</li></ul>	
<b>R&amp;D</b>	<ul style="list-style-type: none"><li>● Vantiva and Home Networks to combine forces in R&amp;D (common platform and technology development), making use of best practices to drive innovation</li></ul>	

# Experienced Management Team With Strong Execution Track Record



## Precedent Examples of Successful Merger Integration and Efficiency Plans by Current Management Team



*Recent experience of 4 successful company integrations*



*Extensive and battle-tested playbook to be applied to Home Networks*



*Longstanding and rooted presence in the U.S. market*

### Precedent Successful Integrations



July 2015

Acquired Cisco's CPE business for €550m



November 2015

Acquired Cinram's optical disc manufacturing and distribution assets for ~€40m



January 2017

Acquired Pioneer Cable TV related equipment business



March 2017

Acquired LG's set top business FOR ~\$50m



### Case Study - Project Dolphin (2018-2020)

- **Project Dolphin was an internal transformation project with significant operational efficiency objective. It focused on portfolio and customer selectivity, as well as customer proximity to achieve profitable growth and higher levels of free cash flow**
  - The project had specific focus on growing share in Broadband and Android TV markets
  - Concentrated on the 50 most innovative and value-oriented worldwide customers while pivoting away from non-scalable or low profit customers
  - Moved to continuous management with live tools rather than depending on monthly reporting
- **Management team doubled productivity by taking a platform approach, focusing on partnerships with key suppliers and implementing process automation**
  - 45% Opex reduction in the period for similar activity volume
  - Reduced worldwide footprint by regrouping activities in less sites

## Transaction Terms

- **Under the terms of the transaction, CommScope would receive:**

- A 25% stake in Vantiva on a fully diluted basis;
- A cash earnout of \$100m contingent upon achieving an EBITDA equal or exceeding €400m in a given fiscal year over the 5 years following the first full year after closing paid in several instalments not exceeding \$50m in a year
- No upfront cash payment to CommScope

- **CommScope would become a key shareholder in Vantiva**

- CommScope would also have one representative join Vantiva's Board of Directors, highlighting its commitment to and support for Vantiva's strategy and the value creation potential associated with the transaction
- CommScope would commit to a lock-up of 18 month with regards to the Vantiva shares received as part of the transaction

## Transaction Structure

- **The offer is structured in the form of a “call option” agreement**

- Under the terms of the agreement, the offer is subject to Vantiva's exercise of the call option following information and consultation processes with relevant employee representative bodies

**The transaction has been approved by the board, in which main shareholders (BPI, Angelo Gordon, and Bain Capital) are represented, and supported by Briarwood the largest shareholder not part of the Board**

# Expected Timeline To Closing



**October 2023, 3rd**

*Announcement*



**December 2023**

*Shareholders Meeting*



**Late Q4 2023**

*Expected Closing*

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- **Official issuance of the call option**

by CommScope to Vantiva to acquire Home Networks triggering the Consultation of Vantiva's Social and Economic Committee and the prospectus process (including the fairness opinion) with the AMF

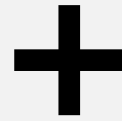
- **Vantiva shareholders to vote the transaction at the shareholders meeting**

expected to be held in Q4 2023

(week of 18 December 2023)

- Subject to the receipt of **regulatory approvals** and **other customary closing conditions**





- **A Key Milestone in Vantiva’s Strategic Roadmap**
- **Firmly Supported By Its Key Stakeholders**
- **Building a Stronger Company**

# *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 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.



THANK YOU!