

Altice N.V.

Q1 2018 Results

May 17, 2018



Disclaimer

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation constitute forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding our intentions, beliefs or current expectations concerning, among other things: our future financial conditions and performance, results of operations and liquidity; our strategy, plans, objectives, prospects, growth, goals and targets; and future developments in the markets in which we participate or are seeking to participate. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "could", "estimate", "expect", "forecast", "intend", "may", "plan", "project" or "will" or, in each case, their negative, or other variations or comparable terminology. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will be achieved or accomplished. To the extent that statements in this presentation are not recitations of historical fact, such statements constitute forward-looking statements, which, by definition, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements including risks referred to in our annual and quarterly reports.

FINANCIAL MEASURES

This presentation contains measures and ratios (the "Non-GAAP Measures"), including Adjusted EBITDA, Capital Expenditure ("Capex") and Operating Free Cash Flow, that are not required by, or presented in accordance with, IFRS or any other generally accepted accounting standards. We present Non-GAAP measures because we believe that they are of interest to the investors and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Non-GAAP measures may not be comparable to similarly titled measures of other companies or, have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our, or any of our subsidiaries', operating results as reported under IFRS or other generally accepted accounting standards. Non-GAAP measures such as Adjusted EBITDA are not measurements of our, or any of our subsidiaries', performance or liquidity under IFRS or any other generally accepted accounting principles, including U.S. GAAP. In particular, you should not consider Adjusted EBITDA as an alternative to (a) operating profit or profit for the period (as determined in accordance with IFRS) as a measure of our, or any of our operating entities', operating performance, (b) cash flows from operating, investing and financing activities as a measure of our, or any of our subsidiaries', ability to meet its cash needs or (c) any other measures of performance under IFRS or other generally accepted accounting standards. In addition, these measures may also be defined and calculated differently than the corresponding or similar terms under the terms governing our existing debt.

Adjusted EBITDA is defined as operating income before depreciation and amortization, non-recurring items (capital gains, non-recurring litigation, restructuring costs) and equity based compensation expenses. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment, excluded from this measure do ultimately affect the operating results, which is also presented within the annual consolidated financial statements in accordance with IAS 1 - Presentation of Financial Statements.

Capital expenditure (Capex), while measured in accordance with IFRS principles, is not a term that is defined in IFRS nor is it presented separately in the financial statements. However, Altice's management believe it is an important indicator for the Group as the profile varies greatly between activities:

- The fixed business has fixed Capex requirements that are mainly discretionary (network, platforms, general), and variable capex requirements related to the connection of new customers and the purchase of Customer Premise Equipment (TV decoder, modem, etc).
- Mobile Capex is mainly driven by investment in new mobile sites, upgrade to new mobile technology and licenses to operate; once engaged and operational, there are limited further Capex requirements.
- Other Capex: Mainly related to costs incurred in acquiring content rights.

Operating free cash flow (OpFCF) is defined as Adjusted EBITDA less Capex. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating cash flow as presented in the consolidated statement of cash flows in accordance with IAS 1 - Presentation of Financial Statements. It is simply a calculation of the two above mentioned non-GAAP measures.

Adjusted EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing Adjusted EBITDA as reported by us to Adjusted EBITDA of other companies. Adjusted EBITDA as presented herein differs from the definition of "Consolidated Combined Adjusted EBITDA" for purposes of any of the indebtedness of the Altice Group. The information presented as Adjusted EBITDA is unaudited. In addition, the presentation of these measures is not intended to and does not comply with the reporting requirements of the U.S. Securities and Exchange Commission (the "SEC") and will not be subject to review by the SEC; compliance with its requirements would require us to make changes to the presentation of this information.



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Q1 2018 Key Takeaways

Altice Europe reorganization and turnaround well on track

- 1** Differentiated strategy focused on investment in fiber and content paying off
- 2** Operational turnaround underway: best subscriber trends since Altice took control of SFR
- 3** New management team based on Altice founders and dynamic managers
- 4** Execution of the non-core asset disposal program
- 5** Separation of Altice USA from Altice NV (to be renamed Altice Europe) to be effective early June



Infrastructure and content investment strategy

Leading network quality and content assets to deliver growth and enhanced profitability

Altice France (Q1-18)



Fiber homes passed

11.2m

Fiber churn (YoY)

-27%



Differentiated content portfolio

Altice Portugal (Q1-18)



Fiber homes passed

4.2m

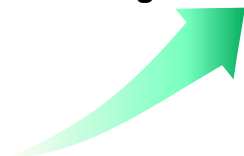
Fiber churn (YoY)

-46%

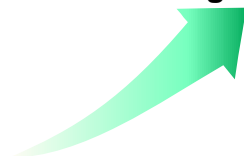


Differentiated content portfolio

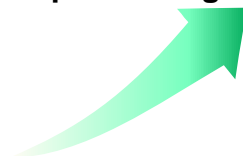
Revenue growth



EBITDA margin



OpFCF margin











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All Markets Growing Subscribers

Better processes improving customer satisfaction, resulting in lower churn

Q1-18 B2C Net Adds

		Q1-18 B2C Net Adds		
		Fiber ¹	Mobile Postpaid	
('000)				
		+96	+239	<ul style="list-style-type: none"> #1 for subscriber recruitment, regaining market share Record total fixed (+71k) and fiber net adds Record postpaid mobile net adds
		+49	+34	<ul style="list-style-type: none"> Record low fixed churn and fiber net adds, regaining market share 2nd consecutive quarter of positive fixed net adds (+4k) Continued growth in postpaid mobile
		+1	+7	<ul style="list-style-type: none"> Fixed base growth despite increasing competition Continued growth in postpaid mobile

1. FTTH/FTTB customers ; for Israel, it includes both B2C and B2B customers.

Update on Disposals of Non-core Assets and Reorganization

All processes are on track

French and Portuguese towers



- Process underway
- Closing targeted in H2 2018
- Largest portfolio to ever come to market in Europe:
 - c.10k French sites
 - c.3k Portuguese sites

Dominican Republic

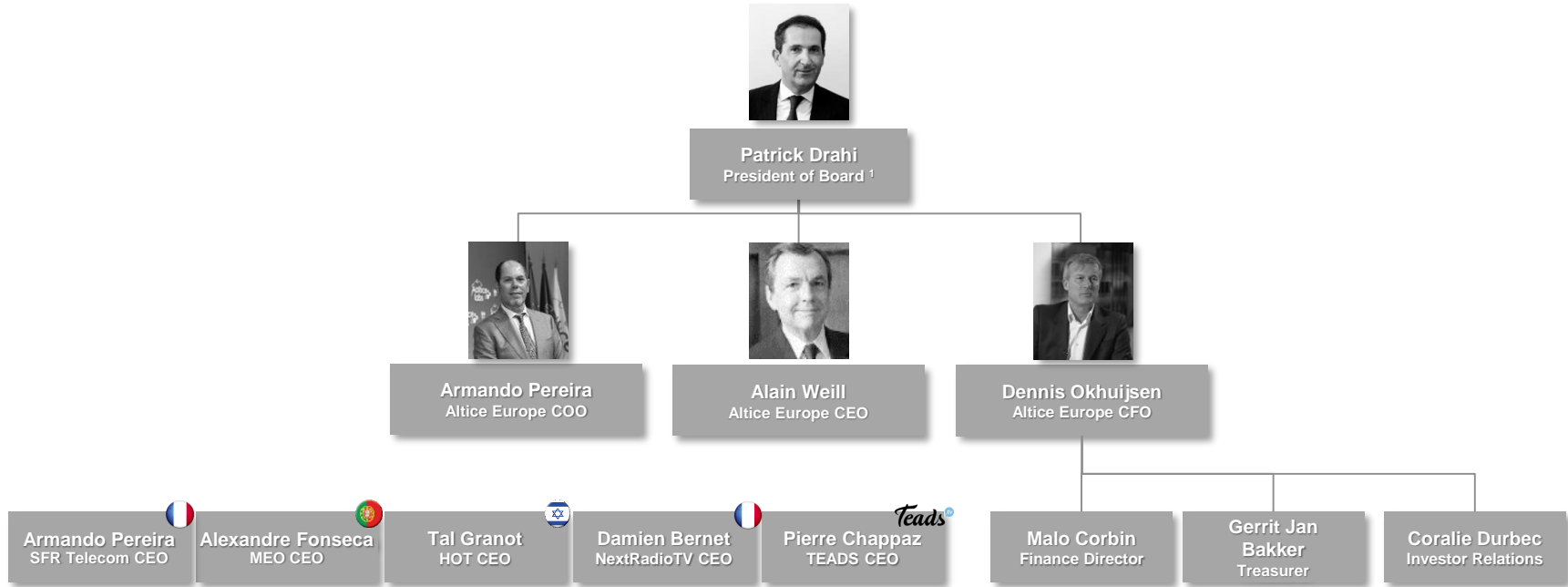


- Process underway
- Closing targeted in H2 2018
- Strong position in an attractive market

Internal reorganization

- ✓ Altice Technical Services US and i24 transferred to Altice USA
- ✓ International wholesale voice: signed, closing by year end
- Altice Content division transfer from Altice International to Altice NV (Altice Europe), creation of Altice TV: Q2 2018
- Altice Technical Services France and Altice Customer Services transfer from Altice International to Altice France: Q2 2018
- FOT transfer from Altice International to Altice France: Q3 2018

 **Altice Europe Dedicated Management Team**
 Altice founders and dynamic managers driving enhanced focus and execution



1. Altice Europe's new management team composition will only take effect after the separation of Altice USA from Altice NV becomes effective and approval of the general meeting has been obtained

Altice Europe Business Review



Altice France Commercial Performance

Best customer trends since Altice took control of SFR

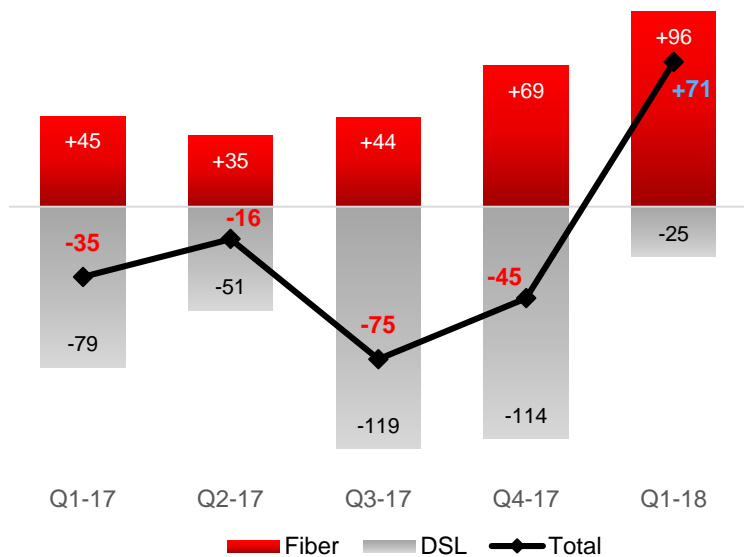


B2C fixed net adds

('000)

Fixed B2C base **6.0m**

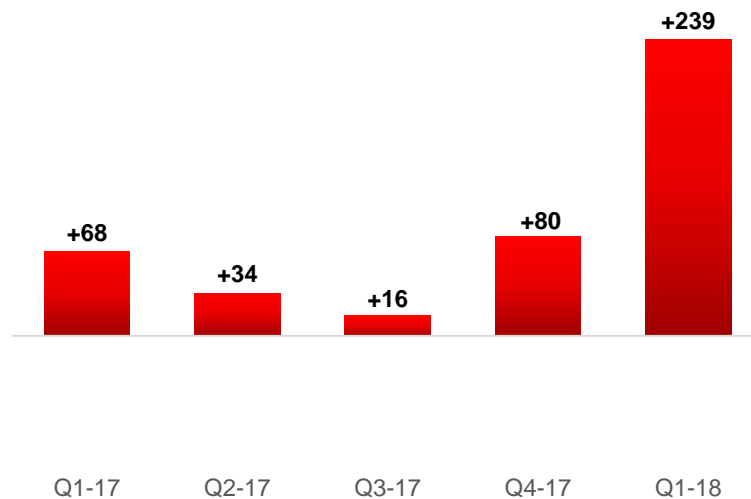
Of which Fiber **39%**



B2C mobile postpaid net adds

('000)

B2C mobile postpaid base **12.8m**





Performance Achieved by Operational Improvements



New management and process improvements already showing results in Q1-18

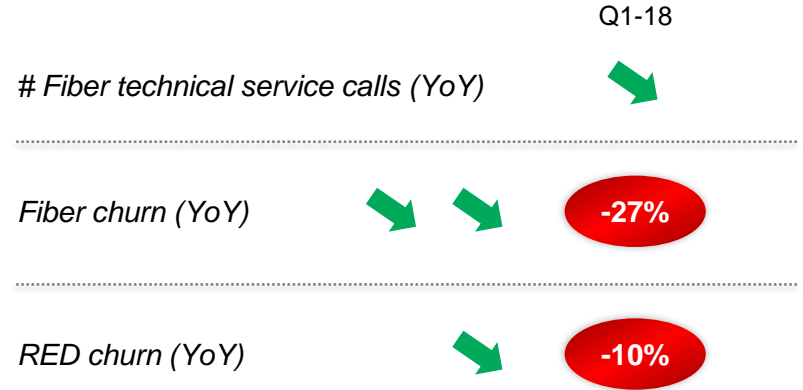
Back to Altice basics

Enhanced focus on improving fiber operational metrics:

- Improvements in technical service operations:
 - ✓ Average days to install a line:
 - ✓ Installation completion rate:
- Improvements in infrastructure (network, IT, CPE) reliability:
 - ✓ Repeat calls rate:
 - ✓ Automatic detection of incidents:
 - Faster resolution of customer issues



Improving customer service and reducing churn





SFR New Commercial Offers

Significant uptake of new content bundles, options strategy working



**Simplified
telecom
bundles
(ex-content)**



Le Plus SPORT



**Exclusive rights
#1 European football**



Le Plus CINE-SERIES




Other options¹

PREMIUM

POWER

STARTER



**August launch under
new brand**

Driving net adds and ARPU

1. Including Netflix, OCS, beIN Sports, etc...



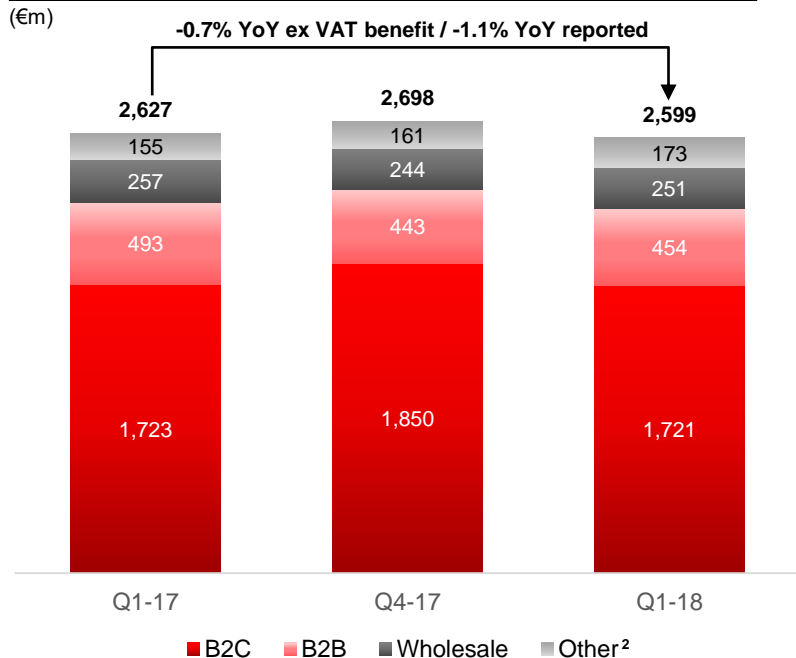


Altice France Revenue Trends



2018 inflection year: operational improvements to improve financial performance

Altice France revenue split¹



Components of Q1 2018 YoY revenue trends

- **B2C:** +0.5% YoY ex VAT benefit
 - B2C service revenue down -0.8% ex VAT benefit
 - B2C equipment revenues up +14.7%
- **B2B:** -7.9% YoY
 - Drag from Q2-17 repricing of the mobile base
 - Order book improving
- **Other:** +12.1% YoY
 - Continued growth from NextRadioTV

1. All financials in this presentation are shown under IFRS 15 accounting standard

2. Other shown here includes Media, FOT, support services and net of eliminations



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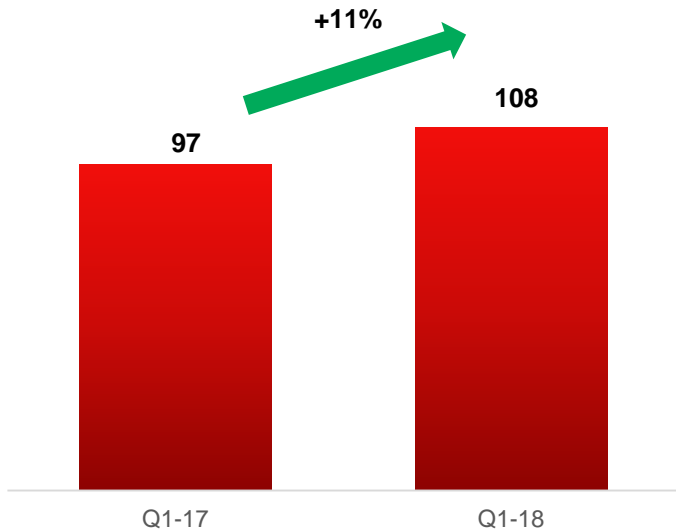
Media and Advertising Revenue Trends

Fastest growing Altice assets



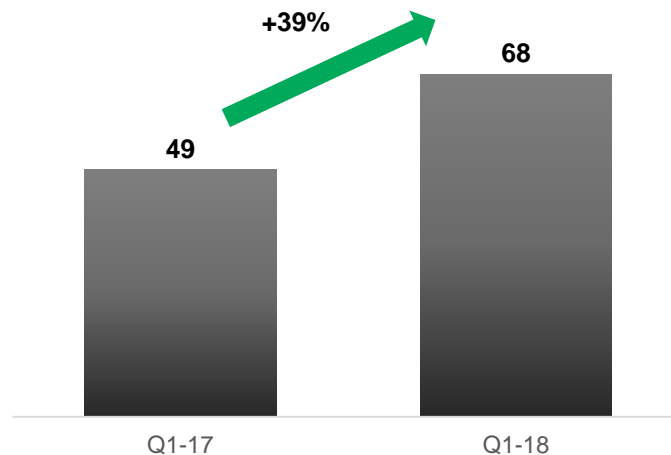
Altice France Media YoY revenue trend

(€m)



Teads YoY revenue trend

(€m)



Altice Portugal Commercial Performance



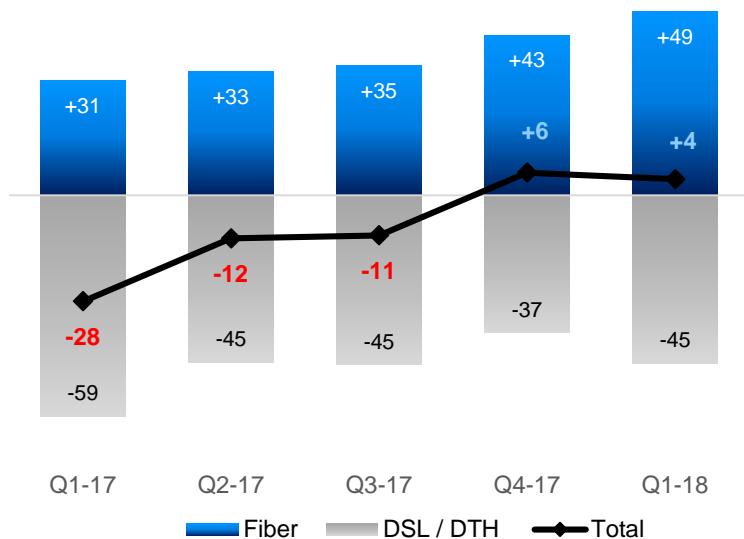
Continued subscriber growth in both fixed and mobile segments

B2C fixed net adds

('000)

Fixed B2C base **1.6m**

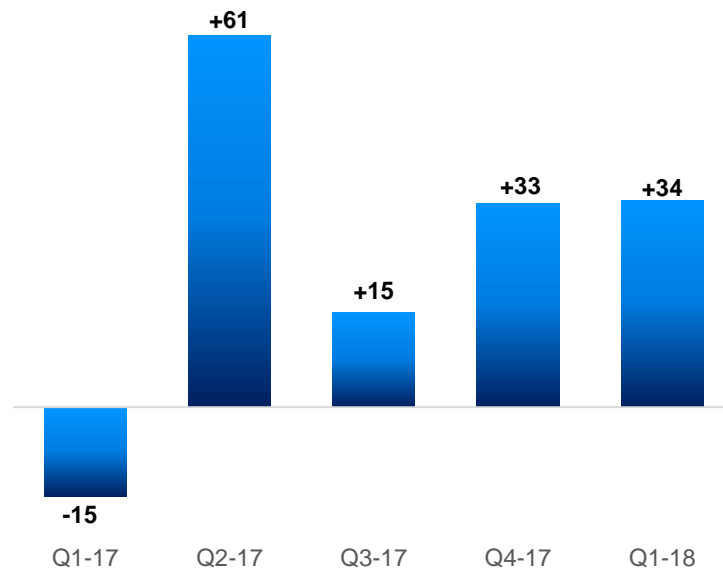
Of which Fiber **43%**



B2C mobile postpaid net adds

('000)

B2C mobile postpaid base **2.9m**



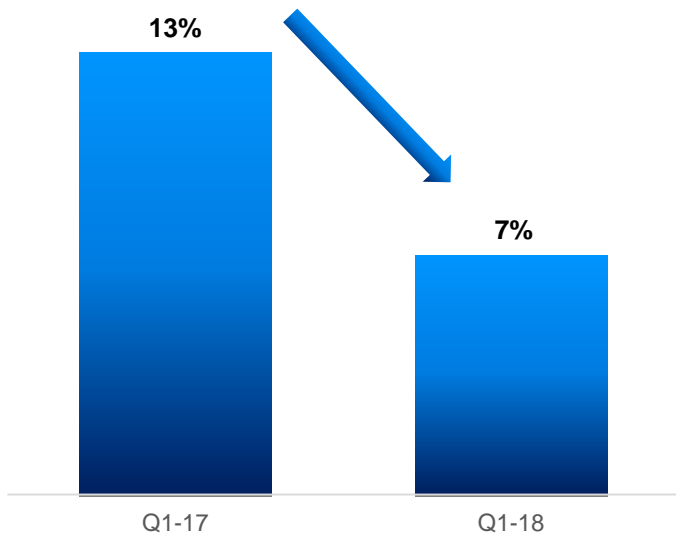
Performance Achieved by Operational Improvements



Leading fiber infrastructure and process improvements showing results

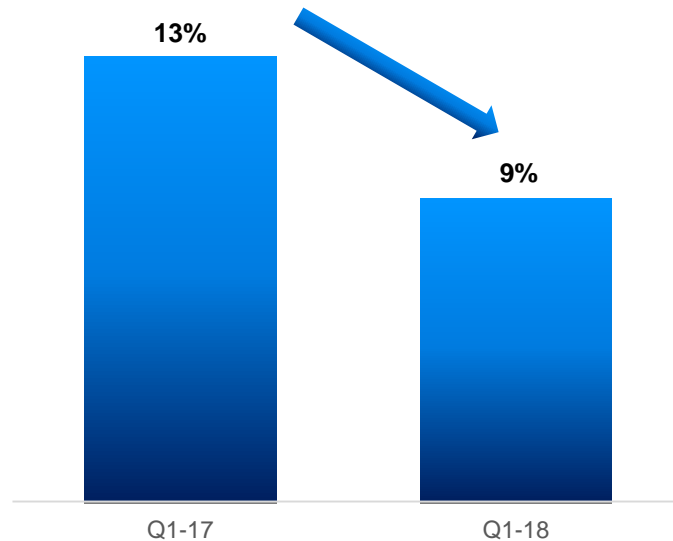
B2C fiber churn

(%)



B2C postpaid mobile churn

(%)



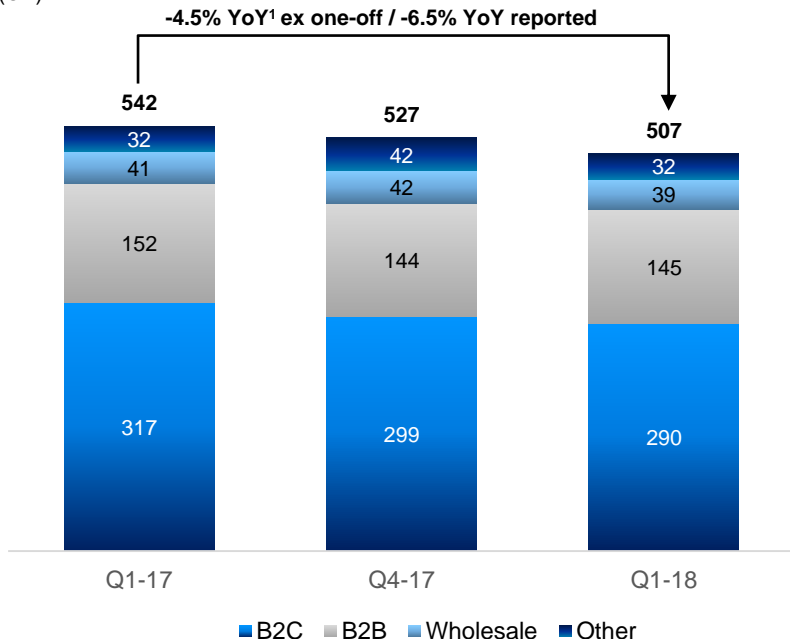
Altice Portugal Revenue Trends



Drag in Q1-18 from lower B2C subscriber base and B2B repricing

Altice Portugal revenue split

(€m)



Components of Q1 2018 YoY revenue trends

- **B2C:** -6.0% YoY ex one-off ¹
 - Loss of customers in 2017
 - No rate increase supporting fixed ARPU
 - B2C mobile ARPU stabilisation vs. Q4
 - Decline in prepaid revenue
- **B2B:** -2.0% YoY ex one-off ¹
 - Legacy fixed voice and data decline

1. Excluding impact from one-off sale of receivables in Q1 2017 for €11.5m (€7.9m in B2C and €3.6m in B2B)



Altice Israel Commercial Performance



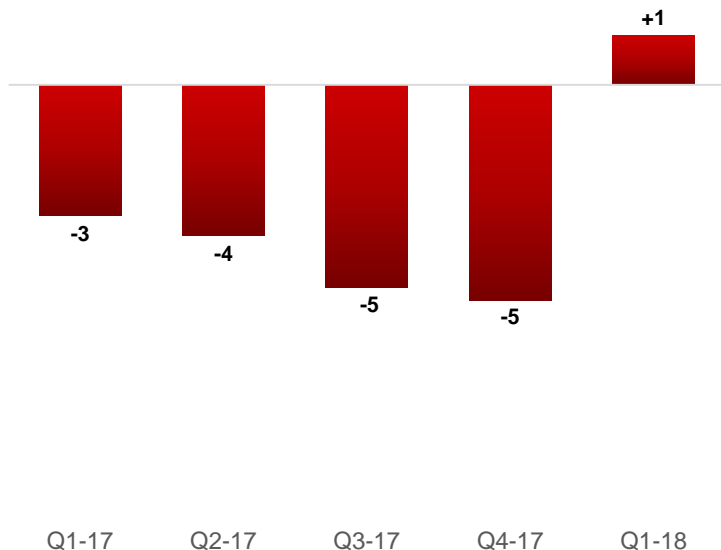
Fixed base stabilized and continued mobile growth

Fixed net adds¹

('000)

Fixed base

1.0m

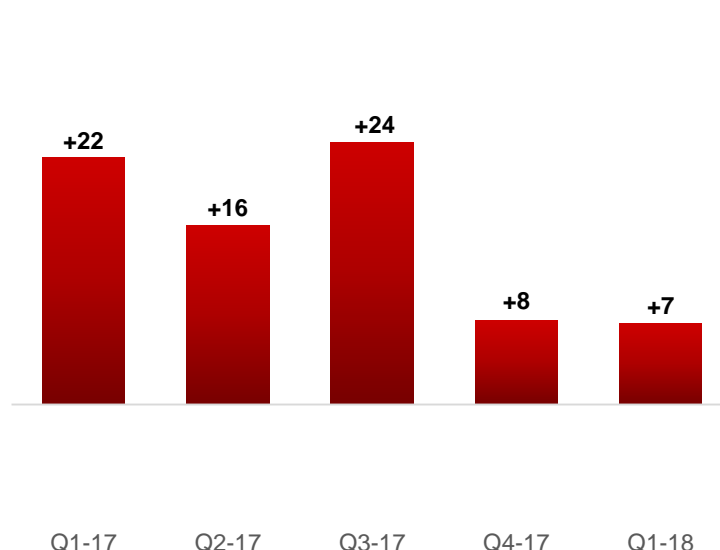


B2C mobile postpaid net adds

('000)

B2C mobile postpaid base

1.2m



1. Includes both B2C and B2B customers.



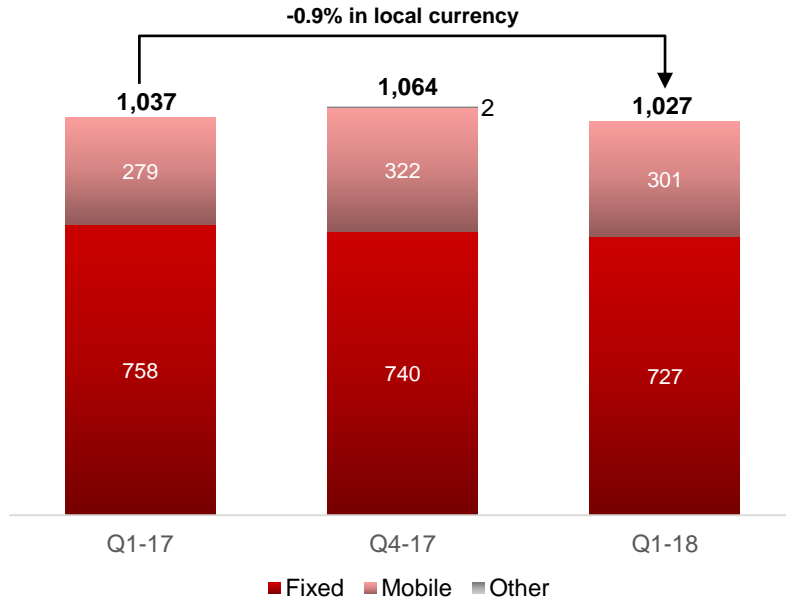
Altice Israel Revenue Trends



Intensified market competition putting pressure on fixed and mobile ARPU

Altice Israel revenue split

(NISm)



Components of Q1 2018 YoY revenue trends

- **Fixed:** -4.1% YoY in local currency
 - New low-end video competition
- **Mobile:** +7.8% YoY in local currency
 - Intensifying competition
 - Focus on high value customers

Financial Review



Altice N.V. (Altice Europe) Pro Forma Financials

altice Pro forma consolidated financials (IFRS 15)¹

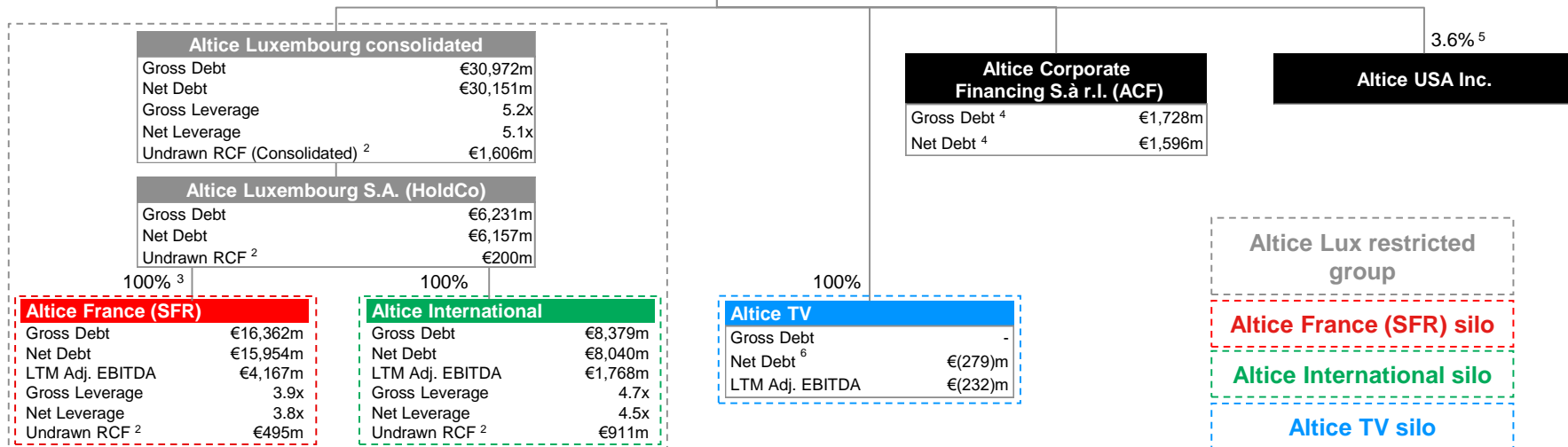
<i>In million Euros</i>	Q1-17	Q1-18	YoY Reported Growth	YoY Constant Currency Growth
Revenue				
France	2,627	2,599	(1.1%)	(1.1%)
Portugal	542	507	(6.5%)	(6.5%)
Israel	261	242	(7.5%)	(0.9%)
Dominican Republic	164	133	(18.9%)	(2.4%)
Teads	-	68	-	-
Altice TV	6	20	-	-
Corporate and Other, Eliminations	(30)	(40)	-	-
Total Altice Europe Consolidated	3,571	3,528	(1.2%)	0.0%
Adjusted EBITDA				
France	908	915	0.7%	0.7%
Portugal	257	219	(14.6%)	(14.6%)
Israel	119	107	(9.8%)	(3.3%)
Dominican Republic	98	76	(22.1%)	(6.2%)
Teads	-	5	-	-
Altice TV	(46)	(56)	-	-
Corporate and Other, Eliminations	(46)	(7)	-	-
Total Altice Europe Consolidated	1,289	1,260	(2.3%)	(0.5%)
OpFCF				
France	422	346	(18.0%)	(18.0%)
Portugal	149	115	(23.2%)	(23.2%)
Israel	56	49	(13.1%)	(6.9%)
Dominican Republic	75	48	(35.0%)	(21.8%)
Teads	-	5	-	-
Altice TV	(49)	(60)	-	-
Corporate and Other, Eliminations	(51)	(4)	-	-
Total Altice Europe Consolidated	602	499	(17.1%)	(14.9%)

1. Financials shown above are pro forma defined as results of the Altice N.V. Group New Perimeter ("Altice Europe") as if the planned spinoff of Altice USA had occurred on 1/1/17 and excluding the press titles within the AMG France business ("France - Media" segment) as if the disposals occurred on 1/1/17. Altice USA considered as third-party and not included in group eliminations from 1/1/18. Segments are shown on a pro forma standalone reporting basis, Group figures are shown on a pro forma consolidated basis. Financials include the contribution from Teads from Q3 2017 onwards. In addition, financials for Altice Europe exclude Altice NV's international wholesale voice business (exclusivity for sale announced on March 12, 2018) and green.ch AG and Green Datacenter AG in Switzerland (following closing announced on February 12, 2018) from 1/1/17

Altice N.V. (Altice Europe) Pro Forma Debt Capital Structure¹

Altice USA cash dividend to partially pay down ACF facility and fund Altice TV division

Altice N.V. Post Split ("Altice Europe") TopCo	
Gross Debt	€32,700m
Net Debt	€31,312m
Gross Leverage	5.8x
Net Leverage	5.5x



1. Pro forma for new organisation including €710m for transfers of FOT, ATS France and Intelcia (support services) from Altice International to Altice France (of which €300m is paid in cash and €410m vendor note which is not reflected in debt); pro forma for \$1.5bn special cash dividend payment from Altice USA; Group net debt includes €156m of cash at Altice N.V.

2. Pro forma for new organization: Altice France drawn for €630m. Altice Luxembourg and Altice International undrawn

3. Owned 91% by Altice Luxembourg and 9% by Altice N.V.

4. Total size of facility shown pro forma for prepayment of c.€625m with proceeds from Altice USA dividend

5. Shares owned through Holding LP, a vehicle controlled by Altice N.V., with c. 2.9% of underlying Altice USA shares attributable to Altice USA management and 3.6% attributable to Altice N.V. (assuming reference share price of \$18.48 as of 29-03-2018 for Altice USA)

6. Pro forma for €275m of proceeds from Altice USA dividend

Altice N.V. (Altice Europe) Pro Forma Debt Maturity Profile¹

altice Long-dated maturities

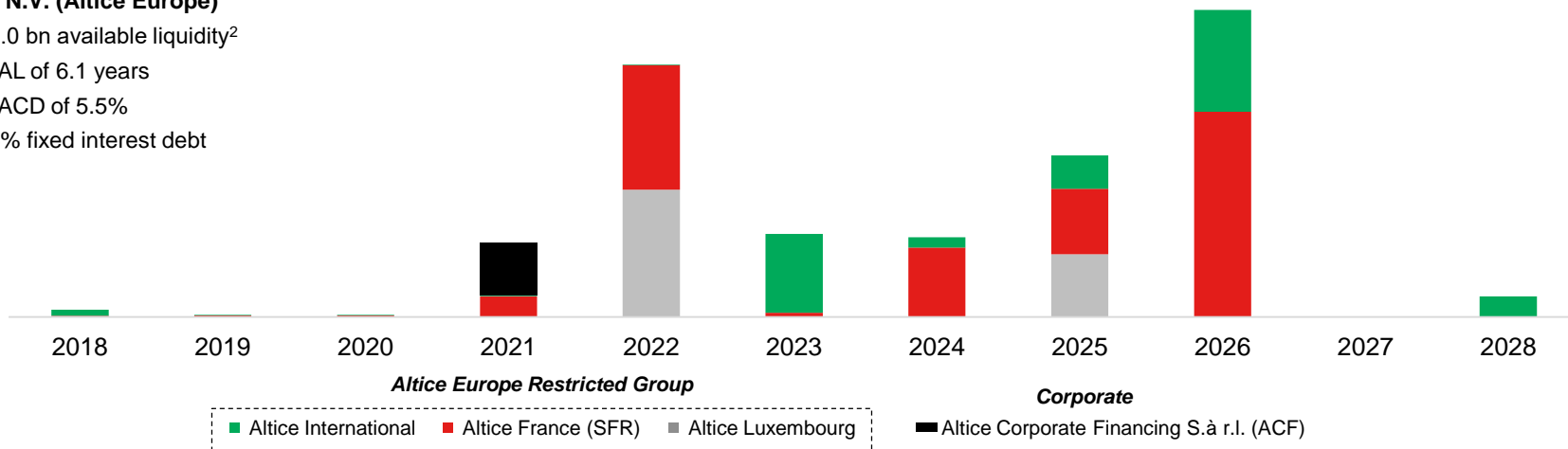
Altice maturity profile (€bn)



Debt maturity summary:

Altice N.V. (Altice Europe)

- €3.0 bn available liquidity²
- WAL of 6.1 years
- WACD of 5.5%
- 84% fixed interest debt



- Maturity profile excluding leases/other debt (c. €216m)

1. Pro-forma for new organization. Includes €625m of prepayment of the ACF facility following €900m dividend from Altice US, and €300m RCF drawn at SFR

2. €1.6bn of revolvers available and €1.4bn of cash (pro-forma for new organization and €900m of dividend from Altice US of which €275m will stay on balance sheet to fund the Altice TV silo and €625m is used to repay the Altice Corporate Financing facility). Cash includes €131m of restricted cash for debt financing obligations at Altice Corporate Financing

Altice Europe 2018 Guidance Updated for IFRS 15

**Altice France
2018 OpFCF**

• c.€1.5 to 1.6bn

**Altice Europe
(ex Altice TV)
2018 OpFCF**

• c.€2.3 to 2.5bn

IFRS 15 accounting impact on Altice France and Altice Europe 2018 OpFCF expected to be -€50m to -€100m (impact of IFRS 15 on Altice Europe EBITDA in FY 2017 c.-€90m), with no change in net cash flow

Altice Europe reiterates plans to expand Adjusted EBITDA and cash flow margins over the medium- to long-term

Q&A

Appendix

Altice USA Separation Overview

altice Altice USA to be structurally separated from Altice NV; both controlled by Patrick Drahi

Transaction structure

- Spin-off of Altice NV's 67.2% interest in Altice USA through a distribution in kind to Altice NV shareholders ¹
- Altice USA \$1.5bn special cash dividend paid prior to separation and authorized share repurchase program of \$2bn effective following completion of the separation (both approved by independent members of Altice USA Board)
- Next ², together with parties in concert with Next, remains controlling shareholder in both Altice NV and Altice USA with commitment to long-term ownership

Perimeters

- Altice USA spin-off from Altice NV, including transfer of Altice Technical Services (ATS) US and i24 ³

Timing

- Expected completion: early June

Approvals

- US regulatory approvals obtained
- Subject to AFM approval and publication of a prospectus in connection with the distribution
- Subject to Altice NV shareholder approval (AGM vote on May 18, 2018)

(1) The distribution will exclude shares indirectly owned by Altice NV through Neptune Holding US LP (3.6% assuming reference share price of \$18.48 as of 29-03-2018 for Altice USA)

(2) Next owned by Patrick Drahi

(3) Altice NV's ownership of ATS US transferred at a nominal consideration

Reconciliation of non-GAAP performance measures to operating profit for the three months period ended March 31, 2018¹

	For the three months ended
<i>In million Euros</i>	March 31, 2018
Revenues	3,599.1
Purchasing and subcontracting costs	-1,116.6
Other operating expenses	-862.9
Staff costs and employee benefits	-367.3
Total	1,252.2
Stock option expense	7.9
Adjusted EBITDA	1,260.1
Depreciation, amortisation and impairment	-1,005.2
Stock option expense	-7.9
Other expenses and income	-106.1
Operating profit/(loss)	141.0
Capital expenditure (accrued)	760.7
Capital expenditure - working capital items	60.9
Payments to acquire tangible and intangible assets	821.6
Operating free cash flow (OpFCF)	499.4

1. The financial numbers disclosed in this reconciliation below are subject to review procedures of Altice N.V.'s external auditors. The difference in consolidated revenue and Adjusted EBITDA as reported for Altice N.V. in the Non-GAAP Reconciliation to GAAP measures as of March 31, 2018 year to date and the Pro Forma Financial Information for Altice Europe as disclosed in this Earnings Release is mainly due to pro forma adjustments to exclude the financial information related to the International Wholesale Voice business and I24.

€m

Altice NV (Post Split) Reconciliation to Swap Adjusted Debt	Actual	PF
Total Debenture and Loans from Financial Institutions	32,781	32,781
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at closing FX Rate	(26,585)	(26,585)
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at hedged Rate	26,582	26,582
Transaction Costs	339	339
Fair Value Adjustments	(4)	(4)
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	33,113	33,113
Commercial Paper	0	0
Overdraft	17	17
Other	174	174
PF New Organization	-	(605)
Gross Debt Consolidated	33,305	32,700

Altice NV (post Split) - Actual	Altice Luxembourg Consolidated	ACF	Altice TV	ANV	Altice NV (Post Split)
Gross Debt Consolidated	30,952	2,353	-	-	33,305
Cash	(805)	(132)	-	(156)	(1,093)
Net Debt Consolidated	30,147	2,221	-	(156)	32,212

Altice Group (Pro Forma)	Altice Luxembourg Consolidated	ACF	Altice TV	ANV	Altice NV (Post-Split)
Gross Debt Consolidated	30,972	1,728	-	-	32,700
Cash	(821)	(132)	(279)	(156)	(1,388)
Net Debt Consolidated	30,151	1,596	(279)	(156)	31,312



Altice N.V. (Altice Europe)

altice Pro forma net leverage reconciliation as of March 31, 2018

€m	Altice Luxembourg Consolidated					Altice TV	ACF	ANV	Altice NV (Post-Split)
Altice Group (Pro Forma)	Altice France	Altice International	Altice Luxembourg	Eliminations	Altice Luxembourg Consolidated				
Gross Debt Consolidated	16,362	8,379	6,231	-	30,972	-	1,728	-	32,700
Cash	(407)	(340)	(74)	-	(821)	(279)	(132)	(156)	(1,388)
Net Debt Consolidated	15,954	8,040	6,157	-	30,151	(279)	1,596	(156)	31,312
LTM Standalone	4,167	1,794	-	-	5,961	(232)	-	(64)	5,665
Eliminations	-	(0)	-	(11)	(11)	-	-	11	-
Corporate Costs	-	(26)	(5)	-	(31)	-	-	31	-
LTM EBITDA Consolidated	4,167	1,768	(5)	(11)	5,919	(232)	-	(22)	5,665
Gross Leverage	3.9x	4.7x	0.0x	0.0x	5.2x	0.0x	0.0x	0.0x	5.8x
Net Leverage	3.8x	4.5x	0.0x	0.0x	5.1x	0.0x	0.0x	0.0x	5.5x