

Altice Europe Q1 2020 Results

May 20, 2020



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, other expenses and income (capital gains, non-recurring litigation, restructuring costs) and share-based expenses and after operating lease 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. 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 financial information presented in this presentation including but not limited to the quarterly financial information, pro forma financial information as well as Adjusted EBITDA and OpFCF 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.

Altice Europe Q1 2020 Summary

Subscriber net gains in all geographies and all segments

Revenue growth +3.6% with residential service revenue accelerating to +2.5%

EBITDA and OpFCF growth: +1.0% and +12%

€4.9 billion¹ debt refinanced in Q1 2020, capital structure simplified

Fastfiber and tower transactions in Portugal both closed, €1.8 billion cash received, €750 million earn-out

€4.2 billion liquidity and no material maturity before 2025, Altice Corporate Financing facility maturity extended

Maintaining FY 2020 guidance despite uncertainty driven by COVID-19. Mid-term organic FCF > €1 billion

1. €2.8 billion at Altice International (January 9, 2020) and €2.1 billion at Altice France (January 24, 2020)
For additional footnotes see slide 24

COVID-19 Update

Resilient business. Maintaining 2020 guidance

Our focus

Protect our people

Maintain quality of connectivity

Provide real time 24/7 news

Support community and vulnerable people

Business impacts

All shops closed in March

- Strong decrease in churn, still net adds positive
- Lower equipment sales

Decrease in retail roaming

Delay in network deployments

Pressure on SMBs which are closed

Drop in advertising revenues

Outlook

Defensive telecom performance

- Flat rate contracts, long-term customers
- Increasing demand for faster connectivity
- High quality and future proof infrastructure

2020 guidance unchanged

- Grow revenue and EBITDA
- Further delever

Increasing focus on digitalization

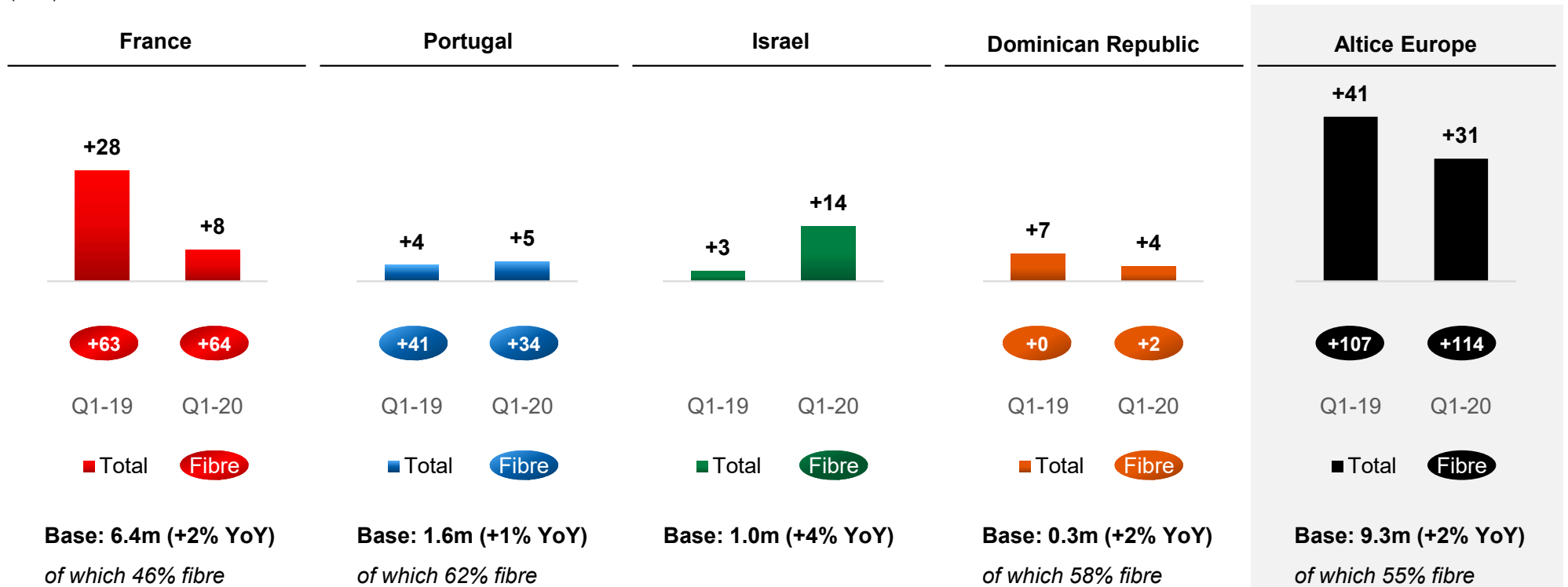
- Stronger online channels
- eCare adoption
- Home office solutions

Telecom Commercial Performance – Residential Fixed

Positive subscriber trends despite majority of shops closed since mid-March

Residential fixed net adds

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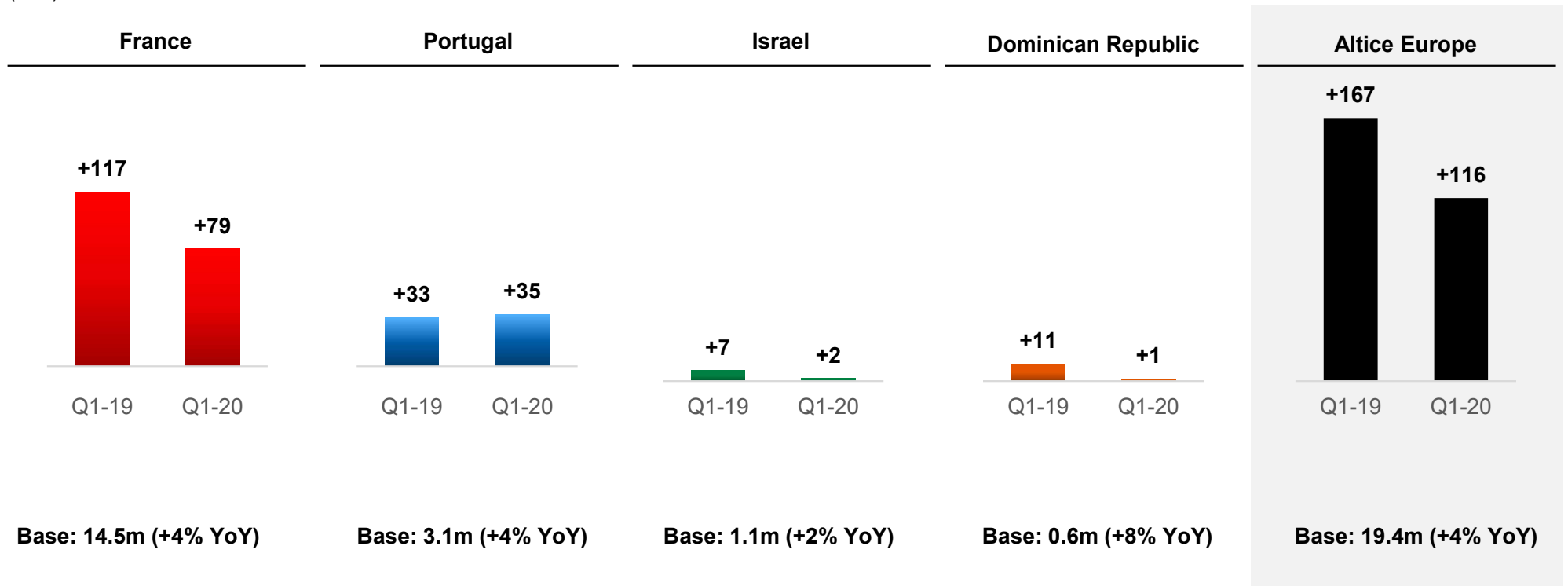


Telecom Commercial Performance – Residential Mobile

Positive subscriber trends despite majority of shops closed since mid-March

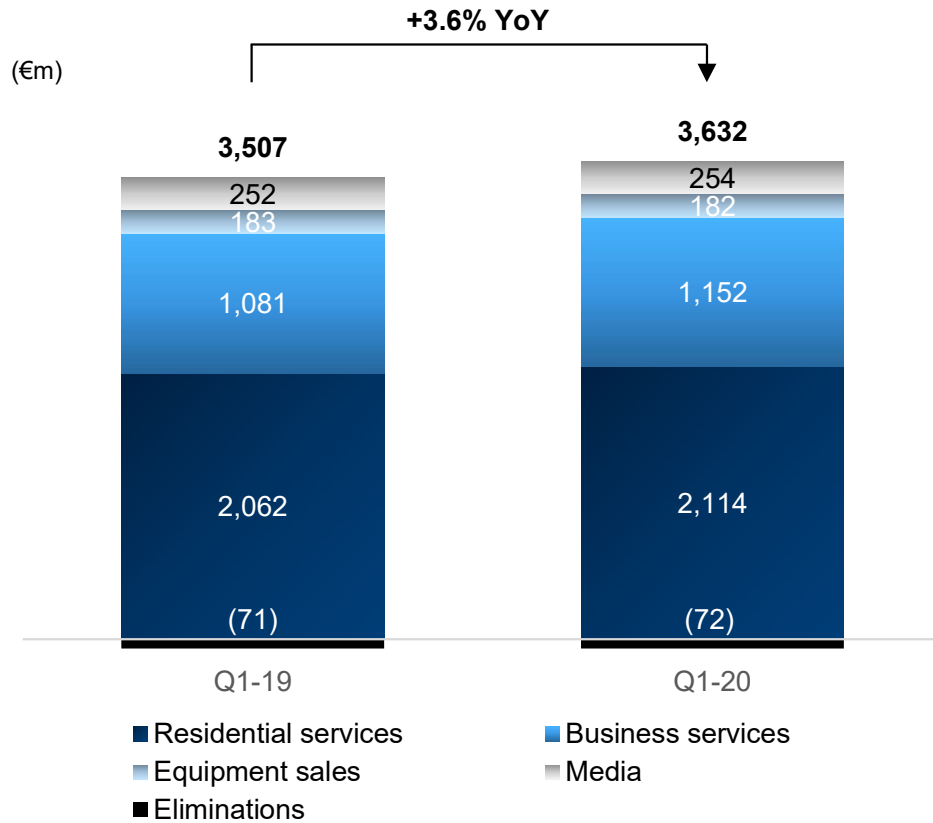
Residential postpaid mobile net adds

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Altice Europe Revenue Trends

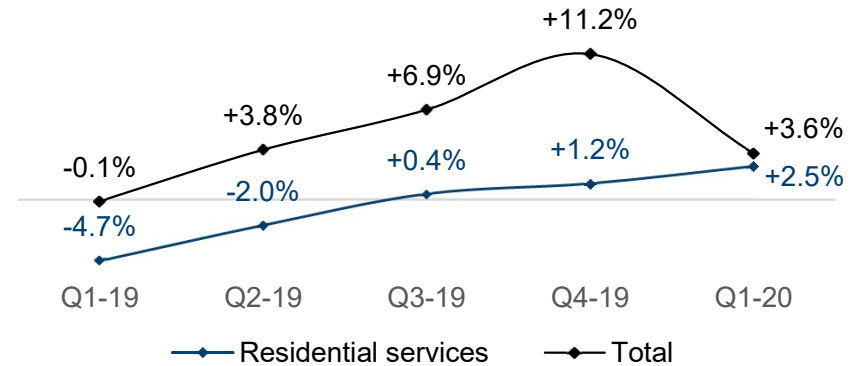
Residential service revenue strength continues to accelerate



Components of Q1 2020 revenue trends YoY

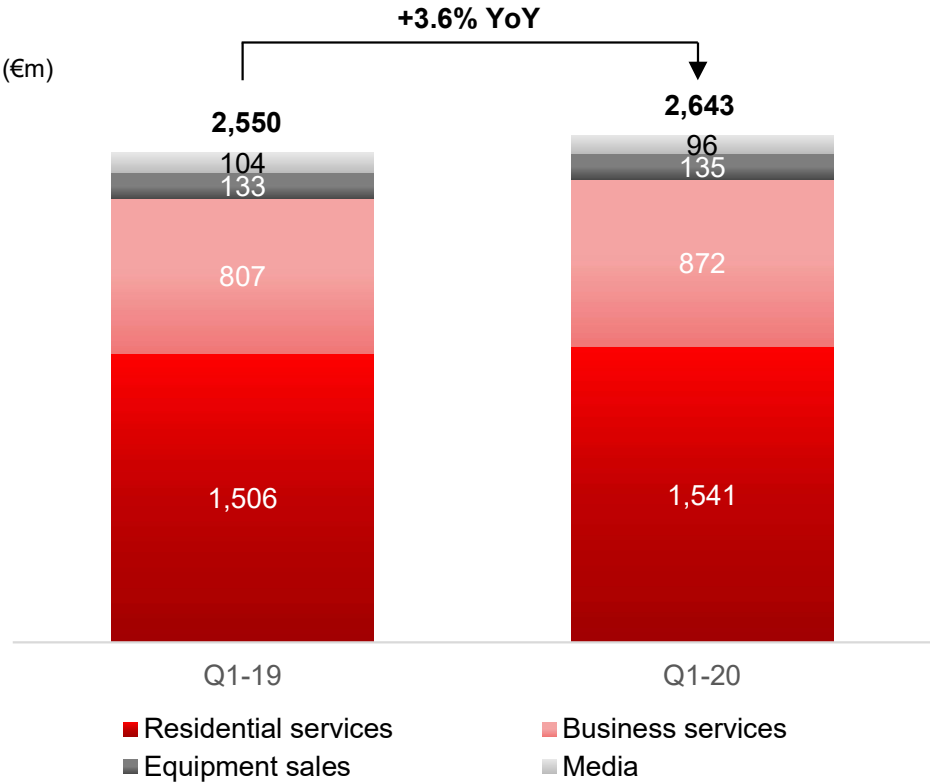
- Total Altice Europe: +3.6% YoY
 - Residential services: +2.5%
 - Business services: +6.6%
 - Equipment sales: -0.1%
 - Media: +1.2%

Revenue growth evolution YoY



For footnotes see slide 24

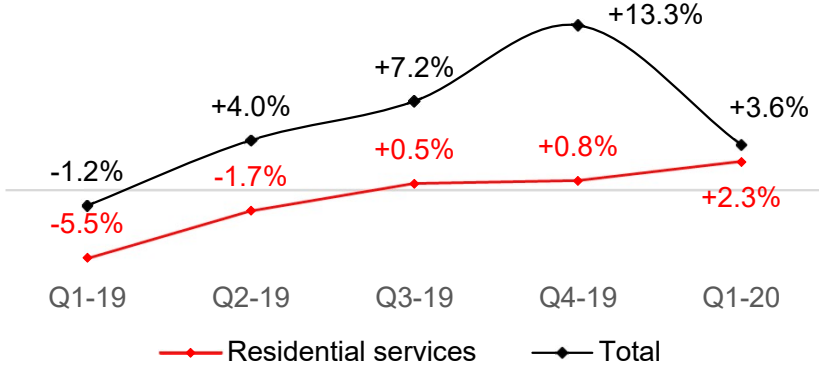
Altice France Revenue Trends



Components of Q1 2020 revenue trends YoY

- Total Altice France: +3.6% YoY
 - Residential services: +2.3%
 - Business services: +8.0%
 - Equipment sales: +1.3%
 - Media: -7.7%

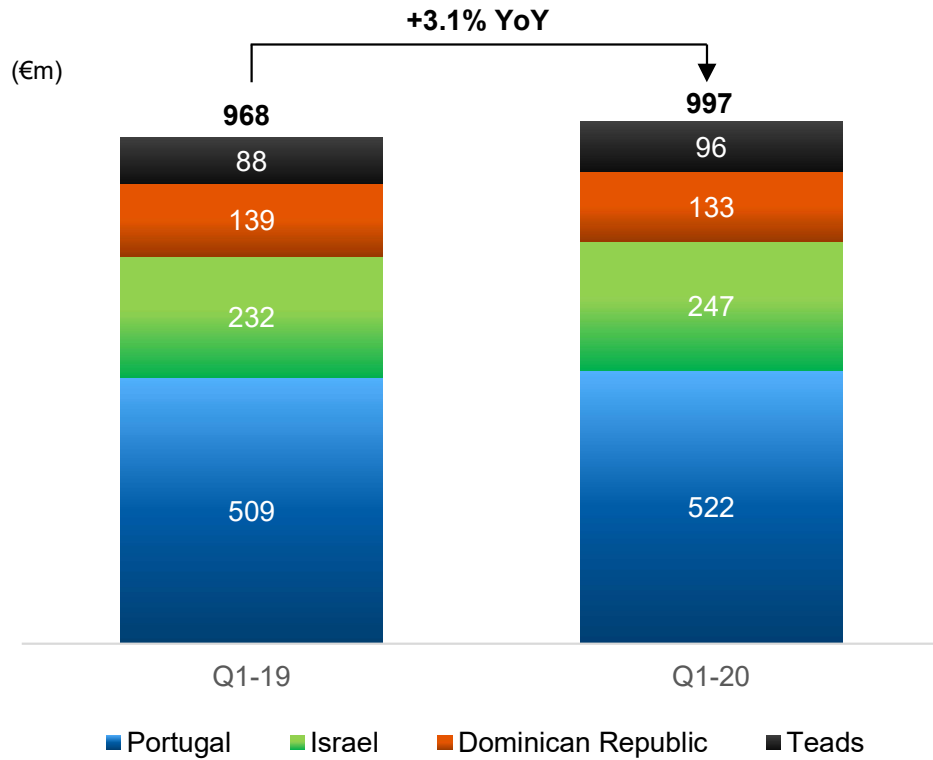
Revenue growth evolution YoY



For footnotes see slide 24



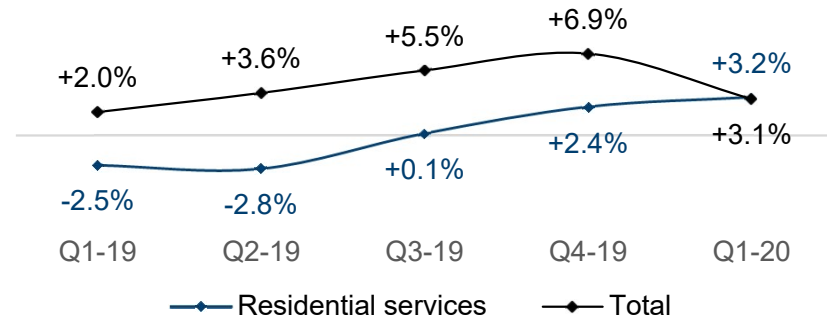
Altice International Revenue Trends



Components of Q1 2020 revenue trends YoY

- Total Altice International: +3.1% YoY
 - Portugal: +2.6%
 - Israel: +6.4% (-0.9% at CC)
 - Dominican Republic: -4.5% (-1.6% at CC)
 - Teads: +9.0% (+6.0% at CC)

Revenue growth evolution YoY



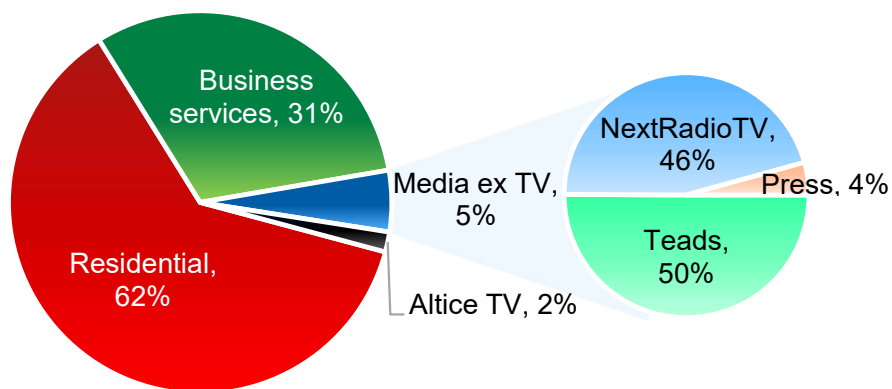
For footnotes see slide 24

Media Activity

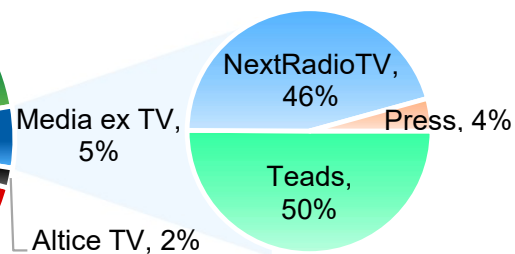
Drop in advertising revenue since March 2020 due to COVID-19

Media revenue detail

Altice Europe revenue split¹



Media ex Altice TV revenue by category



Significant financial impacts while strong operating metrics

- BFMTV news channel in France with audience multiplied by 2x vs. 2019
- Teads very positive dynamic disrupted by global downturn in economic activity
- Drop in advertising revenue and cancellation of campaigns

Measures implemented to reduce the impact of the decrease in revenue

- Implementation of furloughing as of mid-March
- Reduction in programming spend
- Cut in marketing expenses
- Freeze of employees travel and expenses
- Cancellations of events
- Restructuring program initiated

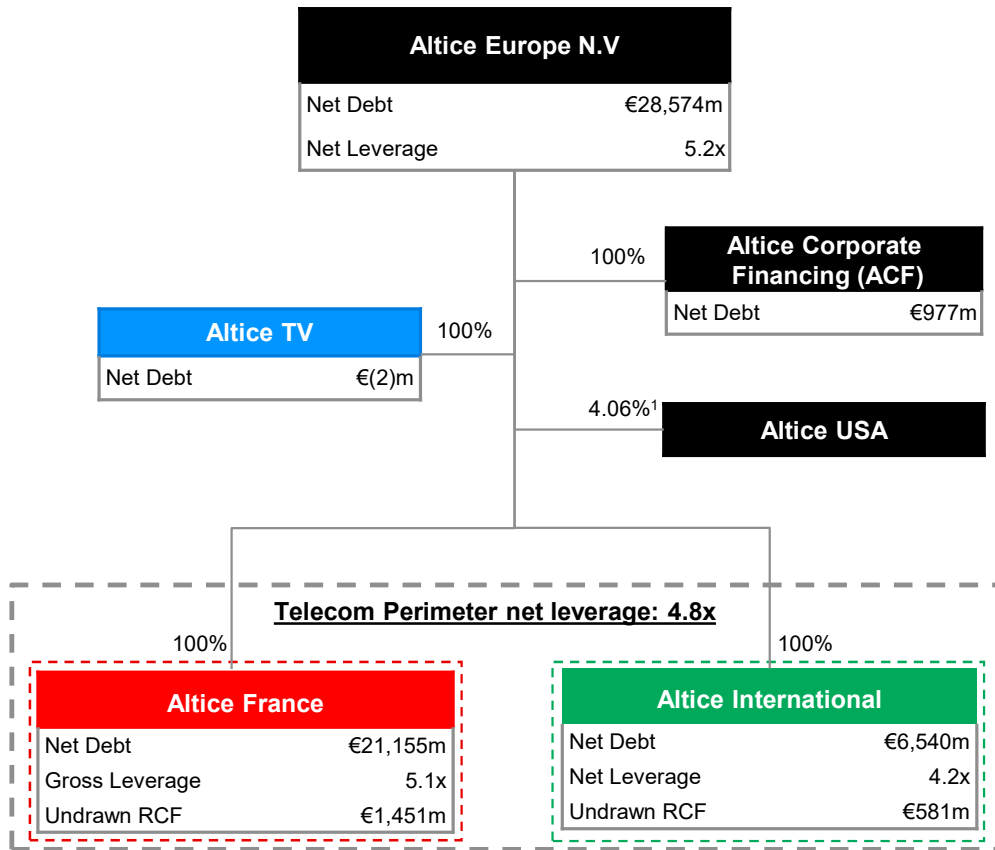
1. Q1 2020 revenue split excluding intragroup eliminations

Altice Europe Financials

€m	Q1-19	Q1-20	Growth YoY Reported	Growth YoY Constant FX
France	2,550	2,643	+3.6%	+3.6%
Altice International	968	998	+3.1%	+1.5%
Altice TV	60	63	-	-
Corporate and Other, Eliminations	-71	-72	-	-
Total Revenue	3,507	3,632	+3.6%	+3.1%
France	960	975	+1.6%	+1.6%
Altice International	368	376	+2.1%	+0.9%
Altice TV	-22	-29	-	-
Corporate and Other, Eliminations	-5	-7	-	-
Total EBITDA	1,301	1,314	+1.0%	+0.7%
France	378	456	+20.5%	+20.5%
Altice International	181	171	-5.5%	-5.2%
Altice TV	-25	-29	-	-
Corporate and Other, Eliminations	-4	-6	-	-
Total OpFCF	531	592	+11.6%	+11.7%

For footnotes see slide 24

Altice Europe Capital Structure



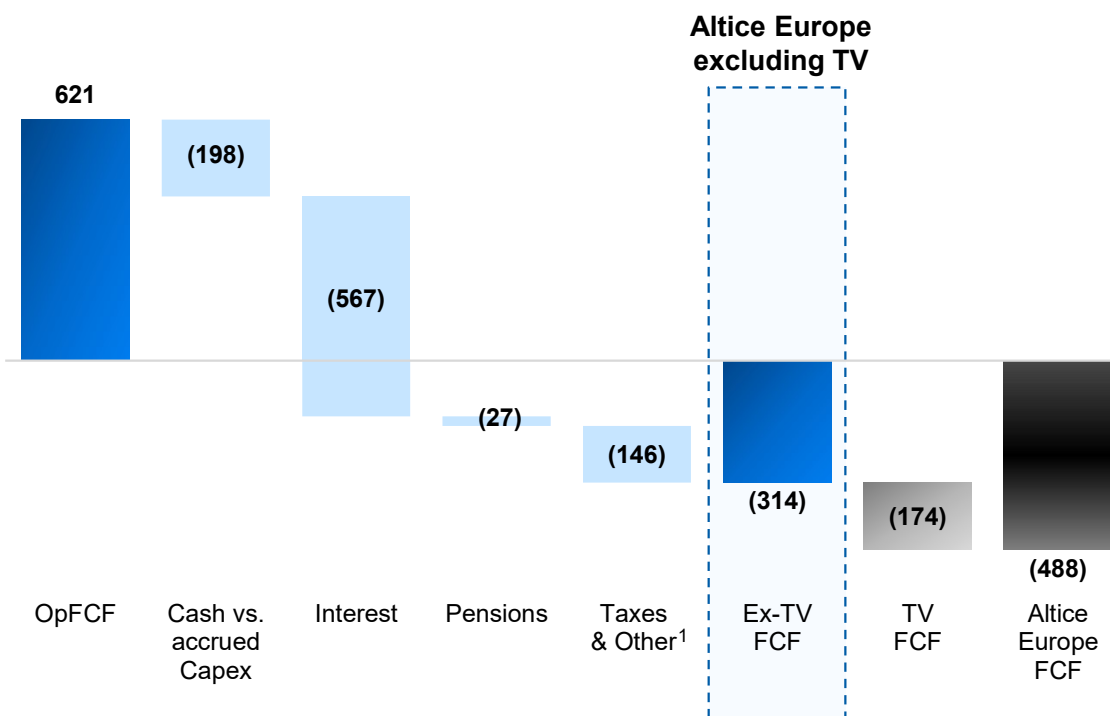
- ✓ No significant debt maturities until 2025, WAL of 6.3 years
- ✓ Significant liquidity of €4.2 billion
- ✓ Reduced WACD from 5.0% to 4.8% since year-end 2019
- ✓ 89% of debt at fixed interest rate
- ✓ Capital structure simplified in Q1 2020
- ✓ Additional opportunities to further decrease interest cost

1. Shares owned by Altice Europe N.V. via Altice CVC Lux S.à r.l. as at March 31, 2020
For additional footnotes see slide 24

Free Cash Flow

Q1 2020 Free Cash Flow (FCF)

(€m)



Altice Europe excluding TV Free Cash Flow

Q1 2020 reported FCF €(314)m

Capex phasing
Delta driven by accrued vs. cash Capex +€198m

Interest
€1.4bn run-rate secured +€217m

Tower tax (IFER)
€80m full year tax recognized in Q1 Opex +€60m

Q1 2020 run-rate FCF Q1 >€150m
Q1 annualized >€600m

Altice Europe mid-term full-year organic FCF target²
> €1 billion

1. Excluding €75 million advance payment from Altice France to Altice TV (captured within TV FCF)
2. Excluding spectrum and significant litigations paid and received

FY 2020 Outlook Update

Maintaining 2020 guidance

Solid Q1 2020 results supported by residential segment accelerated growth and strong liquidity

Good start of the year with no current need to change or suspend our 2020 guidance

Revenue	Accelerate residential service revenue growth in our key geographies Grow Group revenue	Main negative financial impacts include: <ul style="list-style-type: none">• Delay in FTTH construction• Sale of equipment while shops are closed• Roaming• Advertising Key assumptions: <ul style="list-style-type: none">• Lock-downs lifted during Q2 2020• Gradual economic recovery thereafter
EBITDA	Grow Group EBITDA	
Leverage	Further delever Target leverage of 4.0x to 4.5x net debt to EBITDA¹	

1. Target leverage for the Telecom Perimeter

Q&A

Appendix

Detailed Financials

€m	Q1-19	Q1-20	Growth YoY Reported	Growth YoY Constant FX
France	2,550	2,643	+3.6%	+3.6%
Portugal	509	522	+2.6%	+2.6%
Israel	232	247	+6.4%	-0.9%
Dominican Republic	139	133	-4.5%	-1.6%
Teads	88	96	+9.0%	+6.0%
Altice TV	60	63	-	-
Corporate and Other, Eliminations	-71	-72	-	-
Total Revenue	3,507	3,632	+3.6%	+3.1%
France	960	975	+1.6%	+1.6%
Portugal	206	210	+1.8%	+1.8%
Israel	85	91	+7.1%	-0.2%
Dominican Republic	71	67	-6.0%	-3.3%
Teads	6	9	+32.8%	+31.1%
Altice TV	-22	-29	-	-
Corporate and Other, Eliminations	-5	-7	-	-
Total EBITDA	1,301	1,314	+1.0%	+0.7%
France	378	456	+20.5%	+20.5%
Portugal	106	106	-0.1%	-0.1%
Israel	27	28	+2.7%	-4.3%
Dominican Republic	43	31	-26.4%	+24.3%
Teads	6	6	+7.5%	+5.7%
Altice TV	-25	-29	-	-
Corporate and Other, Eliminations	-4	-6	-	-
Total OpFCF	531	592	+11.6%	+11.7%

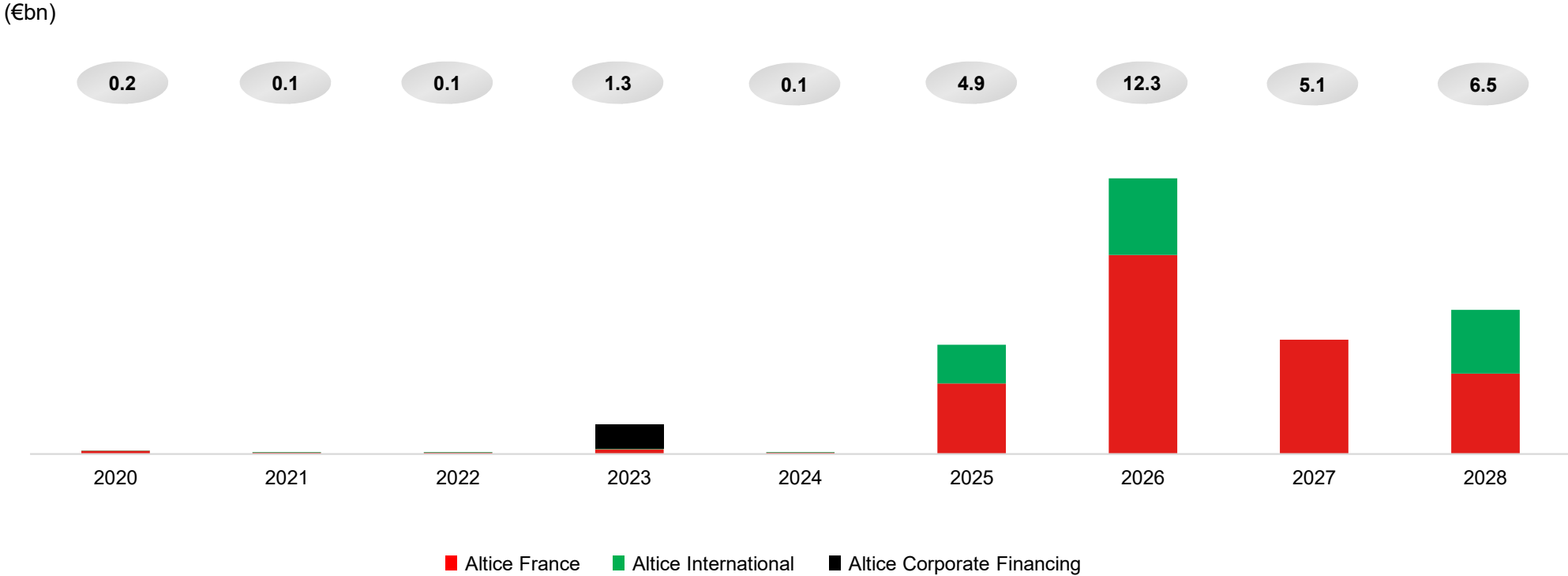
For footnotes see slide 24

Non-GAAP Reconciliation to Unaudited GAAP Measures¹

€m	For the three months ended March 31, 2020 (unaudited)
Revenue	3,625.4
Purchasing and subcontracting costs	-971.4
Other operating expenses	-736.9
Staff costs and employee benefits	-387.2
Total	1,529.9
Share-based expense	10.0
Rental expense operating lease	-225.5
Adjusted EBITDA	1,314.4
Depreciation, amortisation and impairment	-1,273.8
Share-based expense	-10.0
Other expenses and income	79.7
Rental expense operating lease	225.5
Operating profit/(loss)	335.8
Capital expenditure (accrued)	722.3
Capital expenditure - working capital items	376.4
Payments to acquire tangible and intangible assets	1,098.7
Operating free cash flow (OpFCF)	592.1

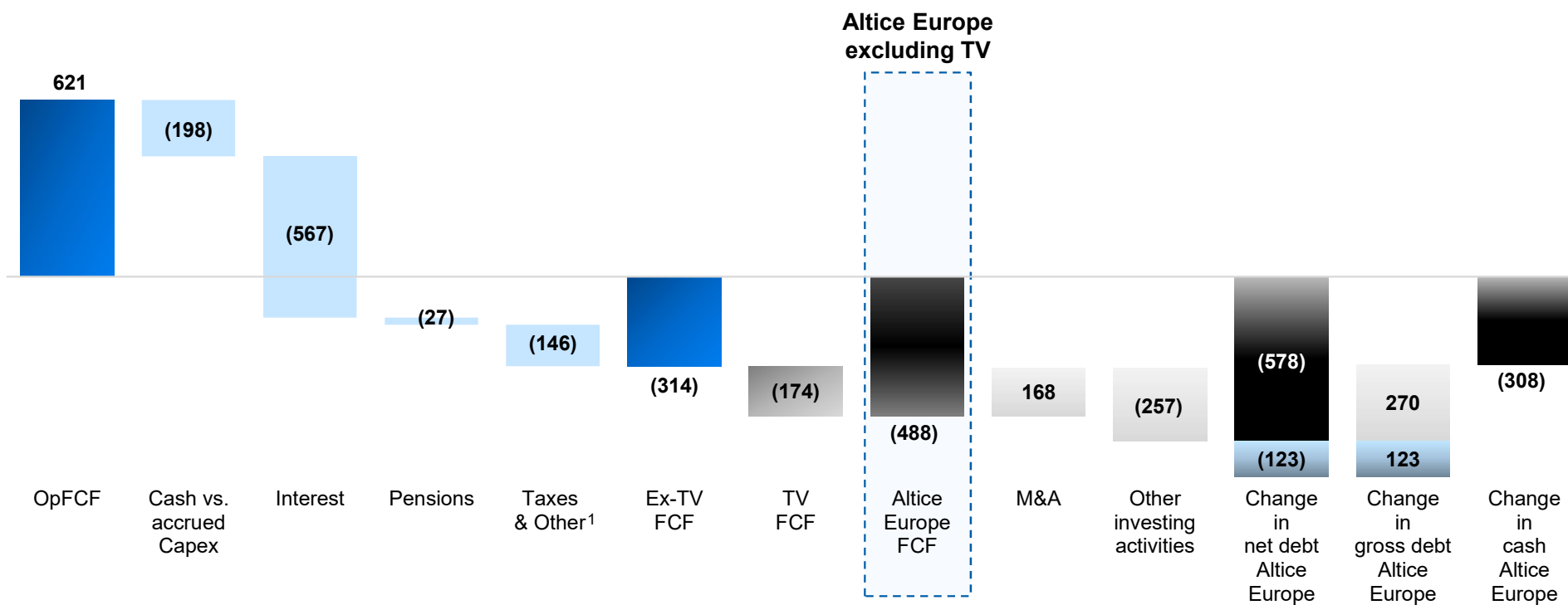
1. The difference in consolidated revenue as reported for Altice Europe in the Non-GAAP Reconciliation to GAAP measures as of March 31, 2020 year to date and the Pro Forma Financial Information for Altice Europe as disclosed in this presentation is mainly due to Teads gross revenue which are presented before discounts in this presentation (net revenue after discounts are recognised in the financial statements)

Altice Europe Debt Maturity Profile¹



1. Maturity profile excluding leases/other debt (c.€145 million)

Q1 2020 Free Cash Flow



The increase in gross and net debt as shown includes €123 million of non-cash movements related to swaps and foreign exchange currency translation
 1. Excluding €75 million advance payment from Altice France to Altice TV (captured within TV FCF)

Altice TV Content Cost Schedule

(€m)	<u>Rest of 2020¹</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Content expense (incl. EPL, NBC/Discovery etc.)	183	197	65	-
UEFA (incl. Champions League)	176	176	-	-
Other sports	18	17	-	-
Payment to acquire intangible assets	194	193	-	-
Total committed cash content costs	377	389	65	-

Total 2020 to 2023: c.€0.8bn, prior to ongoing negotiation notably regarding sports as no events available since mid-March

1. From April 1, 2020 onwards

Pro Forma Net Debt Reconciliation as of March 31, 2020

€m	Actual	Pro Forma
Altice Europe N.V. Reconciliation to Swap Adjusted Debt		
Total Debenture and Loans from Financial Institutions	32,648	32,648
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at closing FX Rate	-43,174	-43,174
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at hedged Rate	41,991	41,991
Transaction Costs	285	285
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	31,750	31,750
Commercial Paper	92	92
Overdraft	9	9
Other debt and leases	137	137
Pro Forma Debt repayment	0	-1,243
Gross Debt Consolidated	31,987	30,743

Altice Europe N.V. (Actual)	Altice Telecom Perimeter	Altice Corporate Financing	Altice TV	Altice Europe N.V.	Altice Europe N.V. Consolidated
Gross Debt Consolidated	30,259	1,728	-	-	31,987
Cash	-616	-82	-2	-96	-796
Net Debt Consolidated	29,643	1,646	-2	-96	31,191

Altice Europe N.V. (Pro Forma)	Altice Telecom Perimeter	Altice Corporate Financing	Altice TV	Altice Europe N.V.	Altice Europe N.V. Consolidated
Gross Debt Consolidated	29,684	1,060	-	-	30,743
Cash	-1,989	-82	-2	-96	-2,169
Net Debt Consolidated	27,695	977	-2	-96	28,574

For footnotes see slide 24

Pro Forma Net Leverage Reconciliation as of March 31, 2020

€m Altice Europe N.V (Pro Forma)	Altice Telecom Perimeter			Altice TV	ACF	Others	Intra-Group Eliminations	Altice Europe N.V Consolidated
	Altice France	Altice International	Altice Telecom Perimeter					
Gross Debt Consolidated	21,539	8,145	29,684	-	1,060	-		30,743
Cash	-383	-1,605	-1,989	-2	-82	-96	-	-2,169
Net Debt Consolidated	21,155	6,540	27,695	-2	977	-96		28,574
LTM Standalone	4,219	1,560	5,778	-138	-	-31	-	5,610
Eliminations	-	-0	-	-	-	-	-9	-9
Corporate Costs	-	-2	-2	-	-	2		-0
LTM EBITDA Consolidated	4,219	1,557	5,776	-138	-	-28	-9	5,601
PF L'Express	3	-	3	-	-	-	-	3
	-	-	-	-	-	-	-	-
LTM EBITDA Consolidated PF	4,222	1,557	5,779	-138	-	-28	-9	5,604
Gross Leverage (LTM EBITDA)	5.1x	5.2x	5.1x	0.0x	0.0x	0.0x	-	5.5x
Net Leverage (LTM EBITDA)	5.0x	4.2x	4.8x	0.0x	0.0x	0.0x	-	5.1x
L2QA EBITDA Consolidated PF	4,189	1,539	5,728	-167	-	-29	-7	5,526
Gross Leverage (L2QA EBITDA)	5.1x	5.3x	5.2x	0.0x	0.0x	0.0x	0.0x	5.6x
Net Leverage (L2QA EBITDA)	5.1x	4.2x	4.8x	0.0x	0.0x	0.0x	0.0x	5.2x

For footnotes see slide 24

Additional Footnotes

<p>€1.8 billion of disposal cash proceeds include the proceeds already received from the sale of 49.99% of Fastfiber (payment terms: €1,573 million received on April 17, 2020, not including €375 million in December 2021, nor €375 million in December 2026) and the proceeds from the sale of OMTEL (€201 million)</p>	Page 3
<p>€4.2 billion liquidity includes €2.0 billion of undrawn revolvers and €2.2 billion of cash. The €2.2 billion of cash includes proceeds from the sale of 49.99% of Fastfiber (payment terms: €1,573 million received on April 17, 2020, €375 million in December 2021, not including €375 million in December 2026) and reflects the repayment of the Altice Finco S.A. bridge facility (€500 million on April 17, 2020) and the Altice Financing S.A. RCF loan of €75 million repaid on April 21, 2020. Cash also includes €82 million of restricted cash for debt financing obligations at Altice Corporate Financing. Excludes €668 million repayment of Altice Corporate Financing as well as the proceeds of a potential monetization of the stake in Altice USA. Excludes funding of Covage acquisition expected in H1 2020 and any associated construction-related EBITDA</p>	Pages 3, 12
<p>Financials are shown on a pro forma standalone reporting basis and Group figures are shown on a pro forma consolidated basis and are shown under IFRS 15 accounting standard</p> <p>Financials exclude press magazine Groupe L'Express (following disposal on July 30, 2019) from 1/1/19</p>	Pages 7, 8, 9, 11, 17
<p>Equipment sales refers to residential equipment sales only</p>	Pages 7, 8
<p>Teads gross revenue is presented before discounts (net revenue after discounts is recognised in the Consolidated financial statements)</p>	Pages 9, 17
<p>Leverage is shown on an L2QA basis</p> <p>Group net debt is pro forma for the repayment of the €500 million Altice Finco S.A. bridge facility (April 17, 2020), the repayment of the Altice Financing S.A. RCF of €75 million and the cash proceeds from the sale of 49.99% of Fastfiber (payment terms: €1,573 million received on April 17, 2020, €375 million in December 2021, not including €375 million in December 2026). Group net debt excludes €668 million repayment of Altice Corporate Financing as well as the proceeds of a potential monetization of the stake in Altice USA. Group net debt includes €96 million of cash at Altice Europe N.V. and other subsidiaries outside debt silos</p> <p>Altice France net debt excludes operating lease liabilities recognized under IFRS 16 and includes €4.3 billion equivalent of Senior Notes issued at Altice France Holding S.A. Altice France Ivory OpCo RCF is undrawn, Altice France S.A. is drawn for €150 million, Altice International RCFs are undrawn (on a PF basis)</p>	Pages 12, 23
<p>The €2.2 billion of cash includes proceeds from the sale of 49.99% of Fastfiber (payment terms: €1,573 million received on April 17, 2020, €375 million in December 2021, not including €375 million in December 2026) and reflects the repayment of the Altice Finco S.A. bridge facility (€500 million on April 17, 2020) and the Altice Financing S.A. RCF loan of €75 million repaid on April 21, 2020. Cash also includes €82 million of restricted cash for debt financing obligations at Altice Corporate Financing. Excludes €668 million repayment of Altice Corporate Financing as well as the proceeds of a potential monetization of the stake in Altice USA. Excludes funding of Covage acquisition expected in H1 2020 and any associated construction-related EBITDA</p>	Pages 22, 23