

Altice Europe

Q2 2019 Results

July 31, 2019



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 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 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 Q2 2019 Summary Review

Revenue growth accelerating: +3.8% YoY in Q2 2019

- *France: +4.0%, with residential growing*
- *International: +3.6%*

EBITDA and OpFCF growth accelerating

- *Adjusted EBITDA: +10%, highest EBITDA ever at SFR*
- *OpFCF¹: +18% YoY*

Continued operational improvement in all geographies

FY 2019 guidance increased

1. Excluding Altice TV

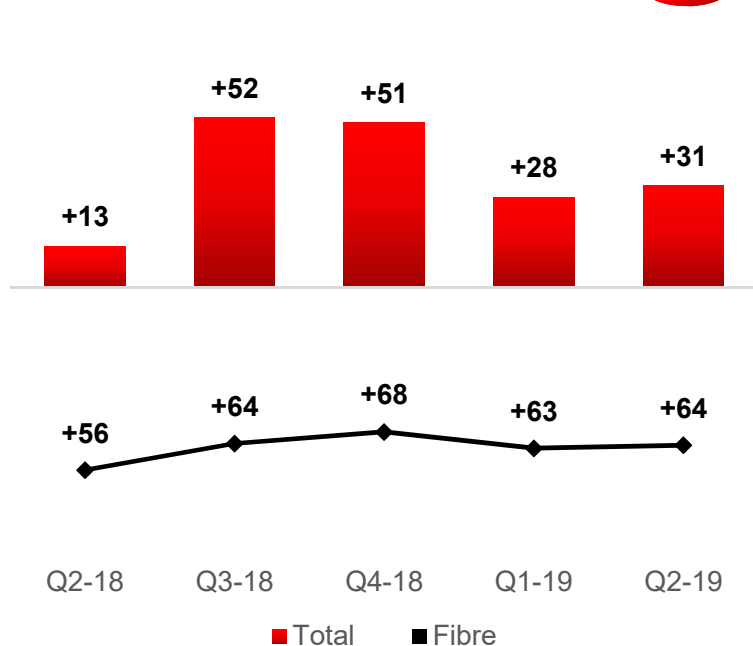
SFR Commercial Performance

Consistent commercial performance driven by further operational improvements



B2C fixed net adds¹

('000) B2C fixed base **6.3m** +3% YoY
of which fibre **43%**



Churn

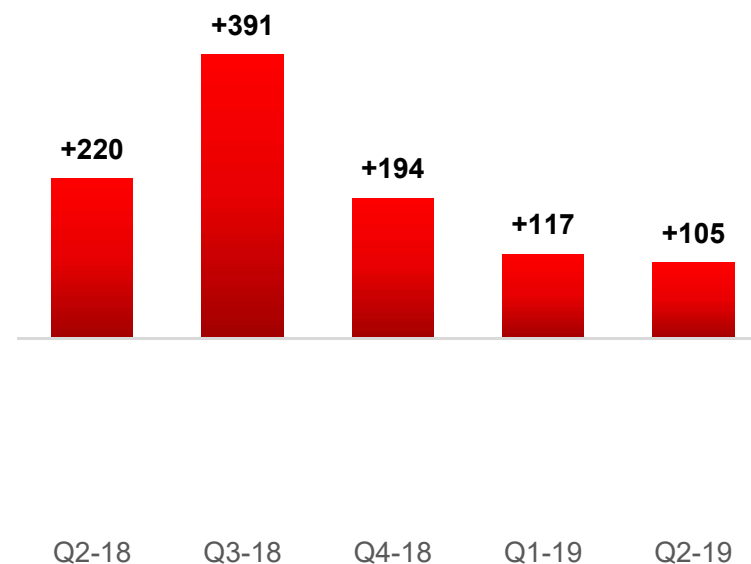
-20%
YoY in Q2-19

Call volumes

-15%
YoY in Q2-19

B2C mobile postpaid net adds²

('000) B2C mobile postpaid base **14.0m** +6% YoY



1. Including FOT, excluding OTT throughout
2. Including FOT

Introducing The SFR Box 8

New set-top box designed and produced by Altice Labs to be launched in France in August



The SFR Box 8 is landing!

Key Features



✓ Ultra-innovative

4K HDR with Dolby Vision® and Dolby Atmos®: the SFR Box 8 offers cinema-like sound and image

✓ Ultra-smart home

With the integrated SFR voice assistant, the SFR Box 8 will become the heart of the connected home

✓ An unrivalled Internet experience

The first Box with WiFi 6 on the French market: the SFR Box 8 uses the latest generation WiFi technology

✓ A customisable offering

Box experience tailored by customers, with a no-obligation option available to the whole range

The SFR Box 8 offers customers a new market standard and will improve ARPU, churn and installation capex

MEO Commercial Performance

Subscriber base growth for both fixed and mobile segments with best-in-class churn



B2C fixed net adds

('000)

B2C fixed base **1.6m** +1.4% YoY

of which Fibre **55%**

Fibre churn

8%

In Q2-19

Postpaid churn

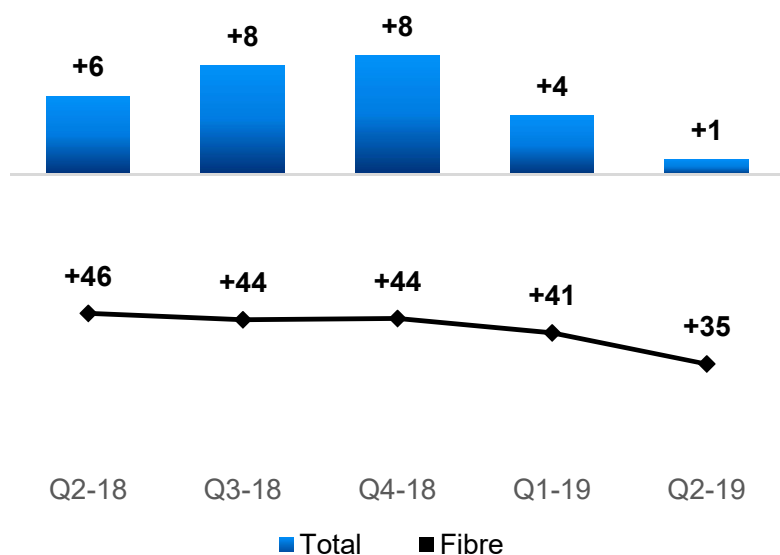
9%

In Q2-19

Call volumes

-20%

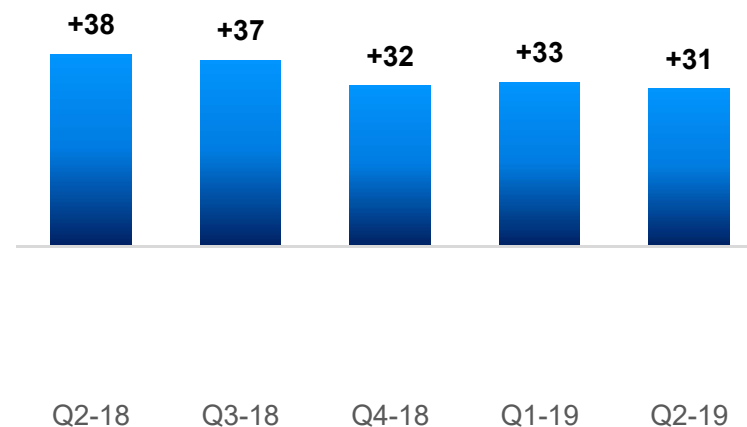
YoY in Q2-19



B2C mobile postpaid net adds

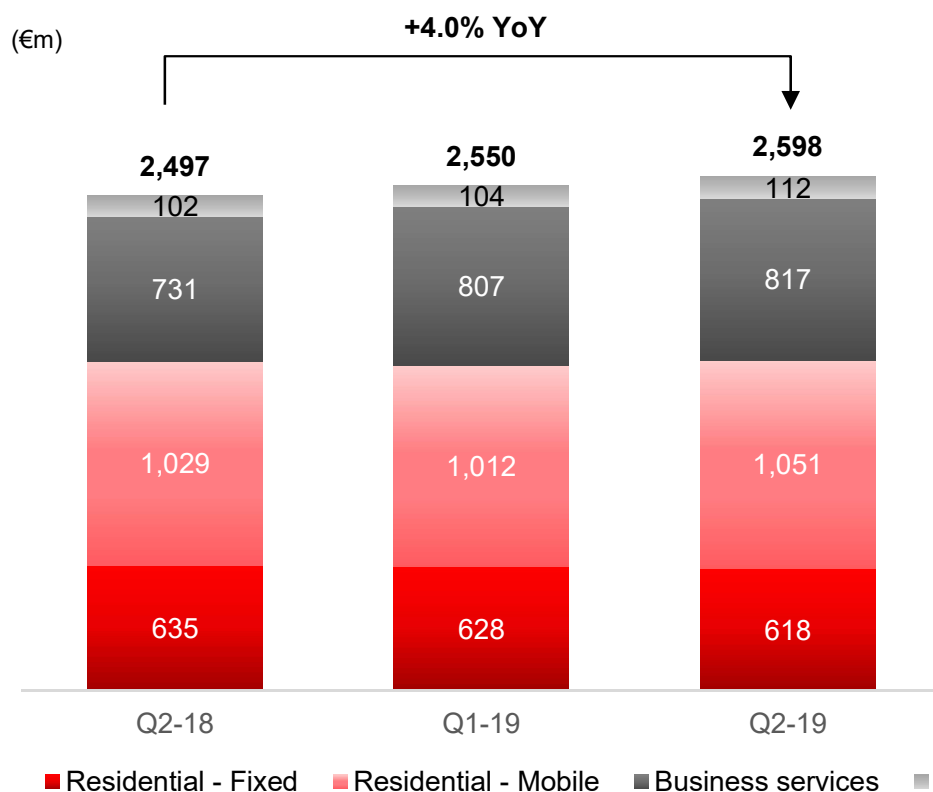
('000)

B2C mobile postpaid base **3.0m** +4.6% YoY



Altice France Revenue Trends

Residential back to growth, Business & Media growth accelerating



Components of Q2 2019 revenue trends¹

- Total Altice France: +4.0% YoY in Q2 2019
- Residential²: +0.3%
 - Fixed: -2.7%
 - Mobile: +2.1%
- Business services³: +11.8%
- Media: +9.7%

1. All financials in this presentation are shown under IFRS 15 accounting standard and pro forma for press magazines disposed (following closing of Point de Vue on July 2, 2018 and Groupe L'Express on July 30, 2019)

2. Including SFR Telecom B2C and FOT B2C

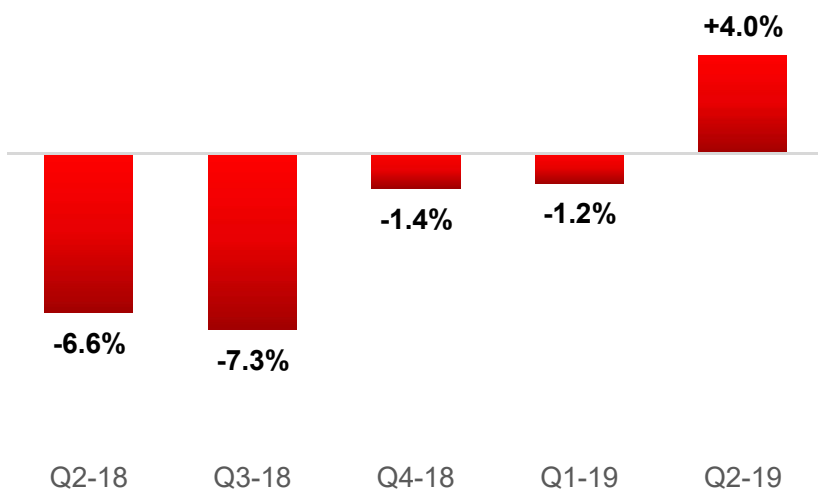
3. Including SFR Telecom B2B and wholesale, FOT B2B and wholesale, Altice Customer Service and Altice Technical Services

Altice France Revenue Growth Accelerating

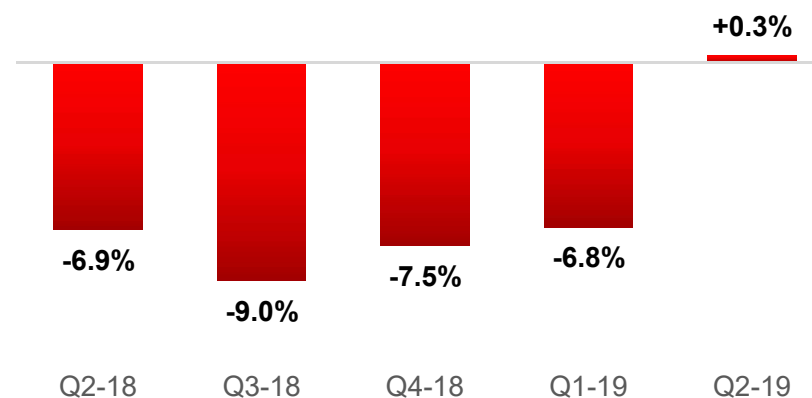
Growth supported by residential business and accelerated construction revenues from SFR FTTH



Altice France revenue trend YoY¹



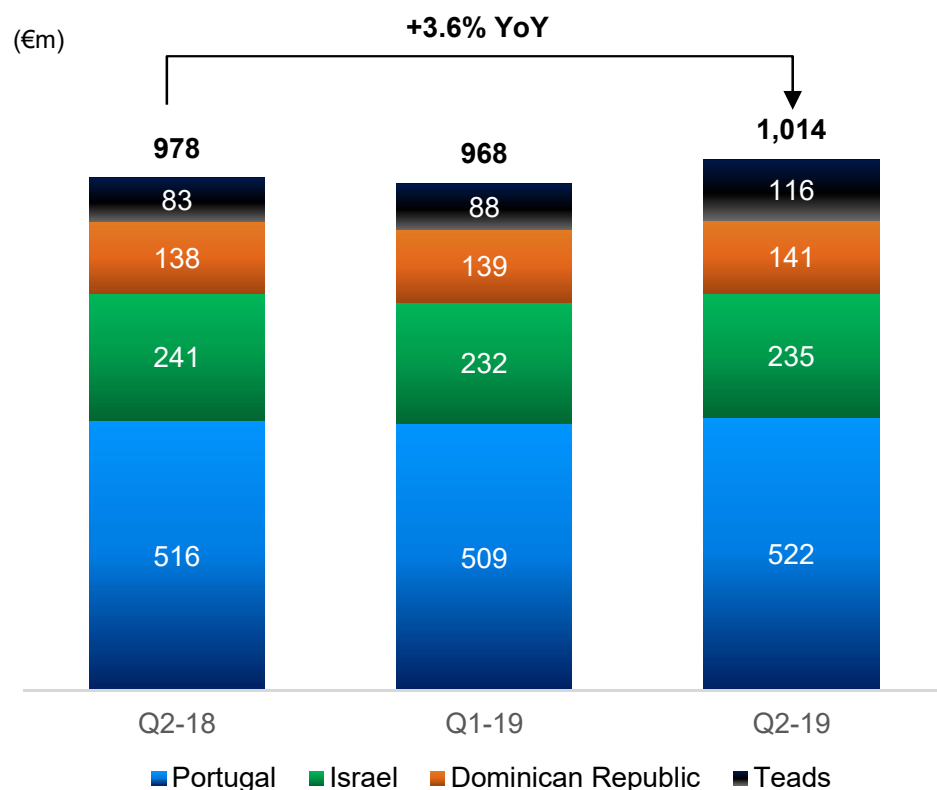
Total residential revenue trend YoY^{1,2}



1. All financials in this presentation are shown under IFRS 15 accounting standard and pro forma for press magazines disposed (following closing of Point de Vue on July 2, 2018 and Groupe L'Express on July 30, 2019)
2. Including SFR Telecom B2C and FOT B2C

Altice International Revenue Trends

Accelerated revenue growth in Q2 2019



Components of Q2 2019 revenue trends YoY¹

- Total Altice International: +3.6% YoY in Q2 2019
- Portugal: +1.1%
- Israel: -2.6% (-7.7% with CC)
- Dominican Republic: +1.9% (-1.6% with CC)
- Teads: +39.8% (+34.0% with CC)

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

Altice Europe Pro Forma Financials

IFRS 15 Financials¹

€m	Q2-18	Q2-19	Growth YoY Reported	Growth YoY Constant FX
France	2,497	2,598	+4.0%	+4.0%
Altice International	978	1,014	+3.6%	+1.8%
Altice TV	20	57	-	-
Corporate and Other, Eliminations	-36	-76	-	-
Total Revenue	3,460	3,592	+3.8%	+3.3%
France	977	1,076	+10.1%	+10.1%
Altice International	403	393	-2.4%	-4.2%
Altice TV	-62	-23	-	-
Corporate and Other, Eliminations	-11	-12	-	-
Total Adjusted EBITDA	1,306	1,434	+9.8%	+9.3%
France	401	510	+27.3%	+27.3%
Altice International	207	204	-1.0%	-2.4%
Altice TV	-63	-28	-	-
Corporate and Other, Eliminations	-11	-9	-	-
Total OpFCF	532	678	+27.4%	+26.9%
Total OpFCF ex Altice TV	596	706	+18.4%	+18.0%

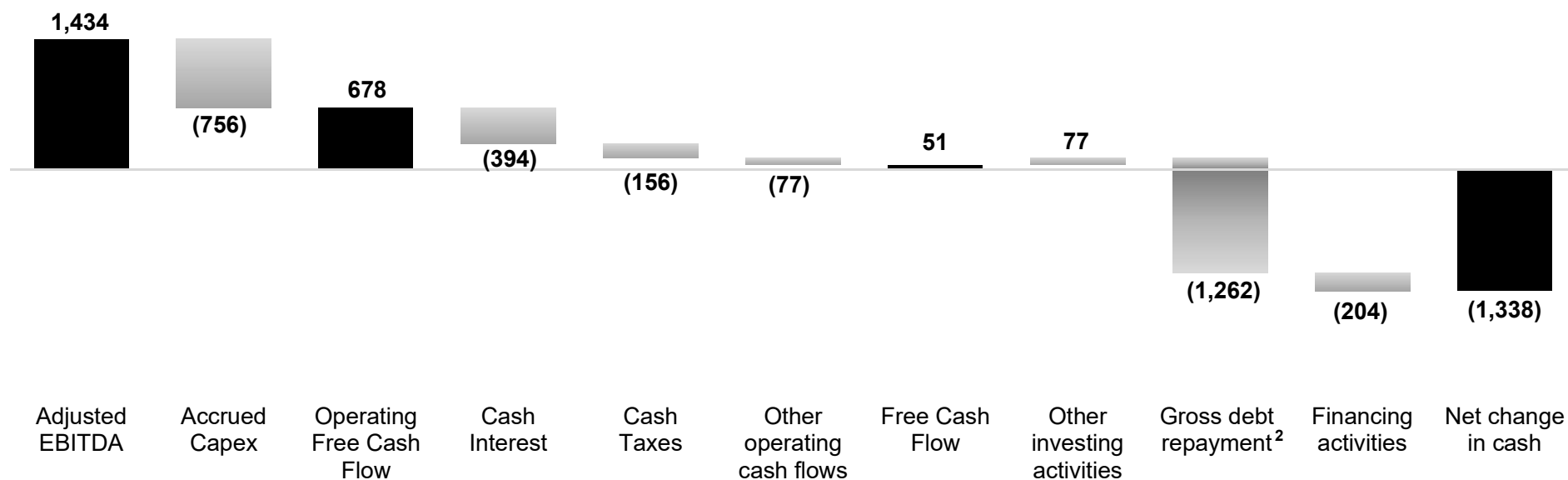
1. Financials shown in these tables are pro forma defined as results of the Altice Europe new perimeter ("Altice Europe") as if the spin-off of Altice USA had occurred on 1/1/18. Segments are shown on a pro forma standalone reporting basis and Group figures are shown on a pro forma consolidated basis. In addition, financials for Altice Europe exclude the international wholesale voice business (following closing announced on September 13, 2018) and press magazines disposed (following closing of Point de Vue on July 2, 2018 and Groupe L'Express on July 30, 2019) from 1/1/18. Financials shown are pro forma for the tower transaction in Portugal (following closing announced on September 4, 2018) and the tower transaction in the Dominican Republic (following closing announced on October 3, 2018) from 1/1/18



Free Cash Flow Generation



Q2 2019 Free Cash Flow and net change in cash bridge¹

(€m)



1. Pro forma for €56m of cash released from the SFR FTTH escrow account in July 2019
 2. Gross debt repayment shown net of swap proceeds

FY 2019 Guidance Increased and Mid-Term Outlook Reiterated

		FY 2019 Guidance		Reported results		
		Prior		New	Q1-19	Q2-19
	Altice France Revenue Growth YoY	3-5%	↗	5-6%	-1.6%	+4.0%
	Altice France Adjusted EBITDA	€4.0-4.1bn	↗	€4.1-4.2bn	€0.96bn	€1.08bn
	Altice Europe (ex Altice TV) OpFCF Growth YoY	In the 10% area	↗	In the 15% area	+1.1%	+18.4%
	Altice Luxembourg (Telecom) Net debt to Adjusted EBITDA	4.25x within 20 months ¹			5.3x ²	5.2x ³

1. Announced on March 28, 2019

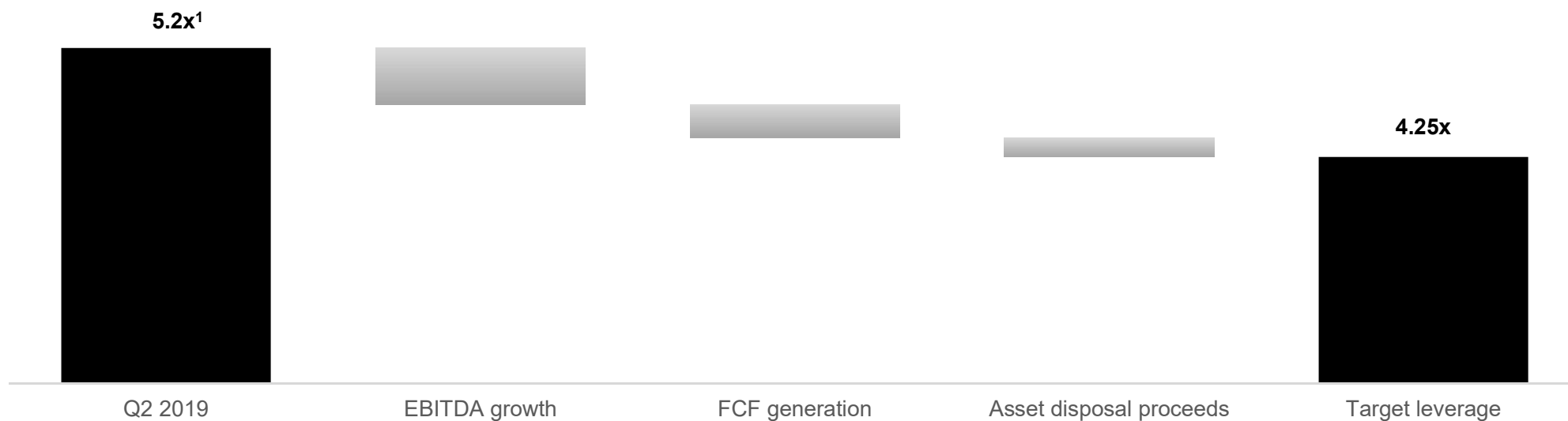
2. Pro forma for Altice Luxembourg refinancing closed on May 3, 2019. Altice Luxembourg repaid €3.6bn of 2022's notes, issued new €2.8bn 2027's notes, with a partial repayment of €1.0bn of the 2024's notes at Altice France. Excludes operating lease liabilities recognized under IFRS 16

3. Pro forma for €56m of cash released from the SFR FTTH escrow account in July 2019. Excludes operating lease liabilities recognized under IFRS 16

Focus on Altice Luxembourg Target Leverage

altice Multiple de-leveraging levers

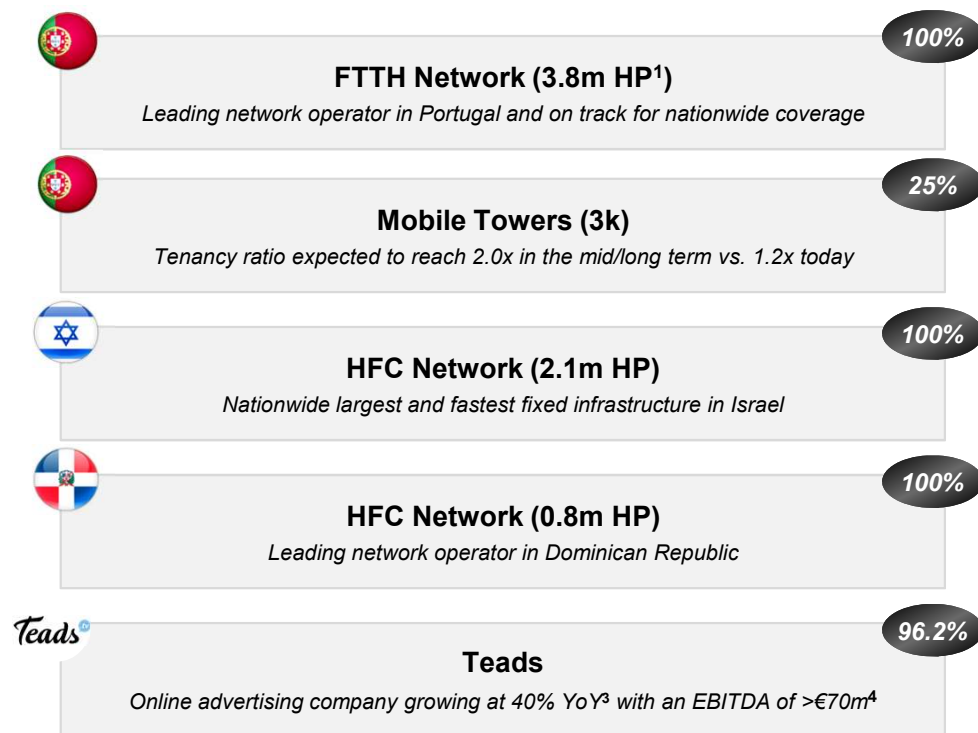
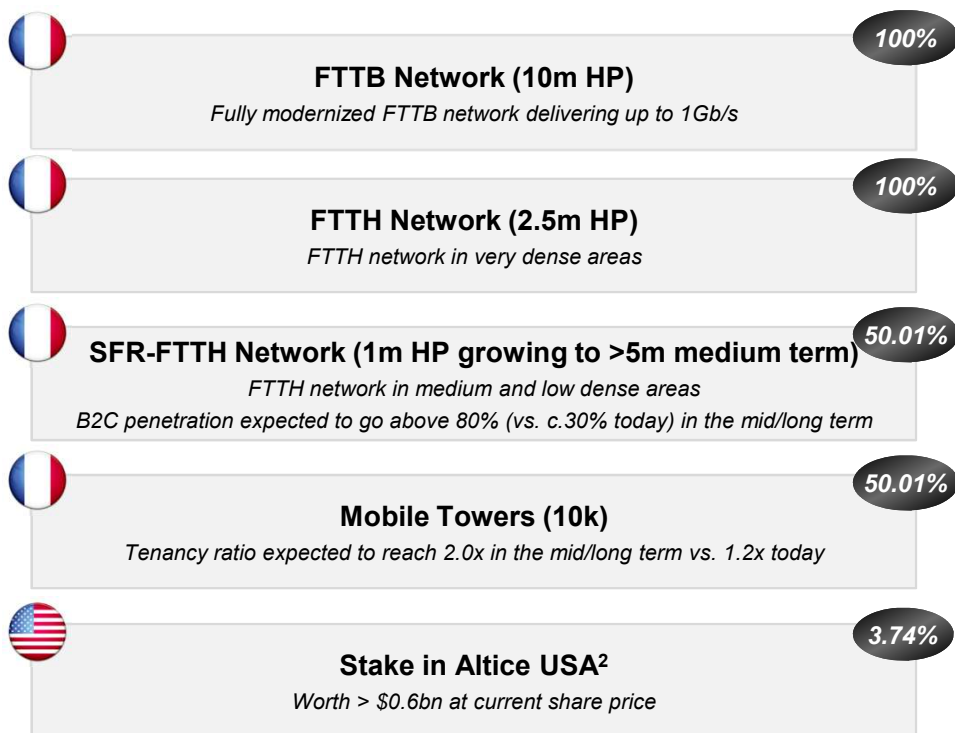
LTM Net Debt to Adjusted EBITDA



1. Pro forma for €56m of cash released from the SFR FTTH escrow account in July 2019. Excludes operating lease liabilities recognized under IFRS 16

Altice Europe Hidden Value

A full set of strategic fixed and mobile infrastructure assets in all geographies and high value stakes



1. Portugal total homes passed of 5.2m includes DSL homes enabled for IPTV outside of MEO's fibre footprint and Portugal fibre homes passed figure of 3.8m shown above excludes those homes where MEO has access through wholesale fibre operators (c.0.9m in Q2 2019)

2. Shares owned directly (c.1.79%) and through Neptune Holding US LP with c.1.30% of underlying Altice USA shares attributable to Altice USA management and 1.95% attributable to Altice Europe N.V. (assuming reference share price of \$24.35 as of 30-06-2019 for Altice USA)

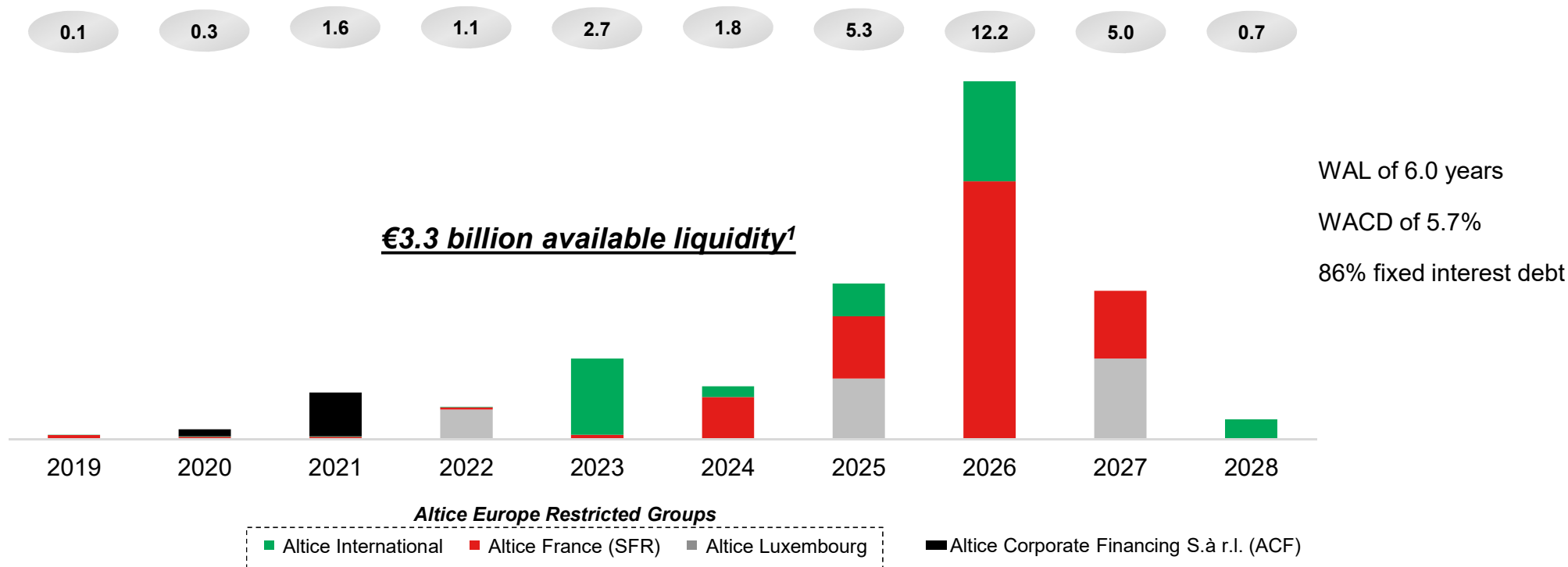
3. Q2 2019 vs. Q2 2018 YoY

4. Last 12 months EBITDA

Altice Europe Debt Maturity Profile¹

Long-dated maturities

Altice maturity profile (€bn)



Maturity profile excluding leases/other debt (c.€310m)

1. €2.2bn of undrawn revolvers and €1.1bn of cash. Cash includes €103m of restricted cash for debt financing obligations at Altice Corporate Financing

Q&A

Appendix

Altice Europe Detailed Pro Forma Financials

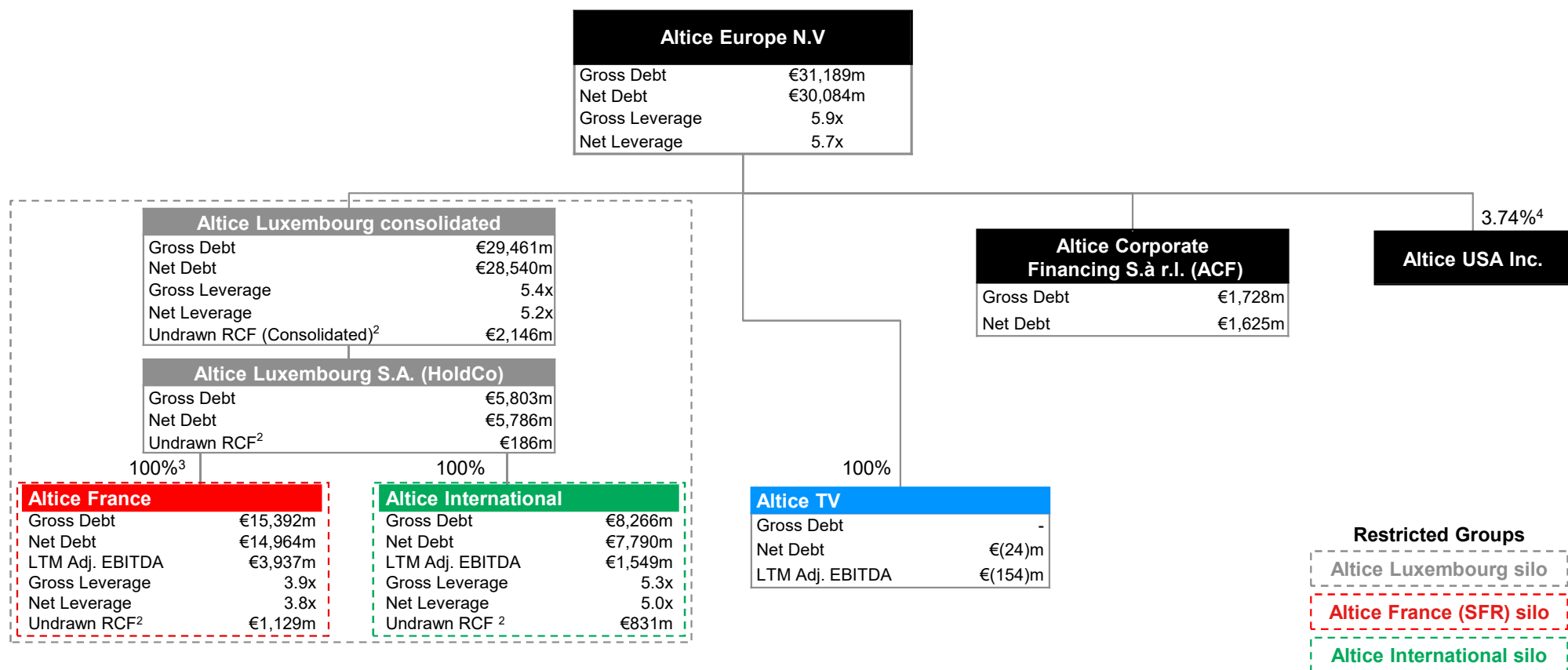
IFRS 15 Financials¹

€m	Q2-18	Q2-19	Growth YoY Reported	Growth YoY Constant FX
France	2,497	2,598	+4.0%	+4.0%
Portugal	516	522	+1.1%	+1.1%
Israel	241	235	-2.6%	-7.7%
Dominican Republic	138	141	+1.9%	-1.6%
Teads ²	83	116	+39.8%	+34.0%
Altice TV	20	57	-	-
Corporate and Other, Eliminations	-36	-76	-	-
Total Revenue	3,460	3,592	+3.8%	+3.3%
France	977	1,076	+10.1%	+10.1%
Portugal	212	213	+0.4%	+0.4%
Israel	105	90	-14.3%	-18.7%
Dominican Republic	75	70	-6.5%	-9.8%
Teads	10	19	+89.3%	+76.6%
Altice TV	-62	-23	-	-
Corporate and Other, Eliminations	-11	-12	-	-
Total Adjusted EBITDA	1,306	1,434	+9.8%	+9.3%
France	401	510	+27.3%	+27.3%
Portugal	106	117	+10.6%	+10.6%
Israel	44	30	-32.4%	-35.9%
Dominican Republic	46	39	-15.3%	-18.2%
Teads	10	18	+75.2%	+62.9%
Altice TV	-63	-28	-	-
Corporate and Other, Eliminations	-11	-9	-	-
Total OpFCF	532	678	+27.4%	+26.9%
Total OpFCF ex Altice TV	596	706	+18.4%	+18.0%

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Altice Europe Pro Forma Debt Capital Structure¹



1. Pro forma for €56m of cash released from the SFR FTTH escrow account in July 2019; Group net debt includes €57m of cash at Altice Europe N.V. and other subsidiaries outside debt silos. Excludes operating lease liabilities recognized under IFRS 16

2. Altice France Ivory opco RCF is drawn for €10m; Altice France SA RCF is drawn for €75m, Altice International and Altice Luxembourg RCF's undrawn

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

4. Shares owned directly (c.1.79%) and through Neptune Holding US LP with c.1.30% of underlying Altice USA shares attributable to Altice USA management and 1.95% attributable to Altice Europe N.V. (assuming reference share price of \$24.35 as of 30-06-2019 for Altice USA)

Altice Europe N.V.

Reconciliation of non-GAAP performance measures to operating profit¹

	For the three months ended
€m	June 30, 2019
Revenue	7,104.3
Purchasing and subcontracting costs	-1,878.0
Other operating expenses	-1,320.5
Staff costs and employee benefits	-754.8
Total	3,150.9
Share-based expense	24.5
Rental expense operating lease	-447.7
Adjusted EBITDA	2,727.7
Depreciation, amortisation and impairment	-2,627.5
Share-based expense	-24.5
Other expenses and income	2,887.4
	447.7
Operating profit/(loss)	3,410.9
Capital expenditure (accrued)	1,526.5
Capital expenditure - working capital items	150.2
Payments to acquire tangible and intangible assets	1,676.7
Operating free cash flow (OpFCF)	1,201.2

1. The financial numbers disclosed in the reconciliation above are subject to review procedures of Altice Europe's external auditors. The difference in consolidated revenue as reported for Altice Europe in the Non-GAAP Reconciliation to GAAP measures as of June 30, 2019 year to date and the Pro Forma Financial Information for Altice Europe as disclosed in this presentation is mainly due to Teads gross revenues which are presented before discounts in this presentation (net revenues after discounts are recognised in the financial statements)

Altice Europe N.V.

Pro forma net leverage reconciliation as of June 30, 2019

€m		
Altice Europe N.V Reconciliation to Swap Adjusted Debt		
	Actual	Pro Forma
Total Debenture and Loans from Financial Institutions	31,515	31,515
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at closing FX Rate	-31,320	-31,320
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at hedged Rate	30,244	30,244
Transaction Costs	330	330
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	30,769	30,769
Commercial Paper	100	100
Overdraft	133	133
Other debt and leases	178	178
RCF drawn at Hivory Opco	10	10
Gross Debt Consolidated	31,189	31,189

Altice Europe N.V (Actual)	Altice Luxembourg Consolidated	Altice Corporate Financing	Altice TV	Altice Europe N.V.	Altice Europe N.V. Consolidated
Gross Debt Consolidated	29,461	1,728	-	-	31,189
Cash	-864	-103	-24	-57	-1,049
Net Debt Consolidated	28,596	1,625	-24	-57	30,140

Altice Europe N.V (Pro Forma)	Altice Luxembourg Consolidated	Altice Corporate Financing	Altice TV	Altice Europe N.V.	Altice Europe N.V. Consolidated
Gross Debt Consolidated	29,461	1,728	-	-	31,189
Cash	-921	-103	-24	-57	-1,105
Net Debt Consolidated	28,540	1,625	-24	-57	30,084

Altice Europe N.V.

Pro forma net leverage reconciliation as of June 30, 2019

€m	Altice Luxembourg Consolidated					Altice TV	ACF	Altice Europe N.V	Altice Europe N.V Consolidated
Altice Europe N.V (Pro Forma)	Altice France	Altice International	Altice Luxembourg	Eliminations	Altice Lux Conso				
Gross Debt Consolidated	15,392	8,266	5,803	-	29,461	-	1,728	-	31,189
Cash	-428	-475	-17	0	-921	-24	-103	-57	-1,105
Net Debt Consolidated	14,964	7,790	5,786	-	28,540	-24	1,625	-57	30,084
LTM Standalone	3,925	1,564	-	-	5,489	-154	-	-48	5,287
Eliminations	-	1	-	-2	-2	-	-	2	0
Corporate Costs	-	-7	-3	-	-10	-	-	10	-
Pro Forma International Voice Disposal & I24 Europe	-	-0	-	-	-0	-	-	-	-0
LTM EBITDA Consolidated	3,925	1,558	-3	-2	5,477	-154	-	-36	5,287
Pro Forma Press magazines	12	-	-	-	12	-	-	-	12
Pro Forma Tower sale and lease back	-	-9	-	-	-9	-	-	-	-9
LTM EBITDA Consolidated After Adjustments	3,937	1,549	-3	-2	5,480	-154	-	-36	5,290
Gross Leverage	3.9x	5.3x	-	-	5.4x	-	-	-	5.9x
Net Leverage	3.8x	5.0x	-	-	5.2x	-	-	-	5.7x

Altice Europe N.V.

IFRS 16: Impact on KPIs

	KPI	IFRS 16 impact	Comments
Income Statement	Adjusted EBITDA (after operating leases and before financial leases)	No impact	<ul style="list-style-type: none"> • Unchanged Adjusted EBITDA definition
Cash Flow Statement	Adjusted EBITDA - Capex	No impact	<ul style="list-style-type: none"> • Unchanged Capex definition • Unchanged Adjusted EBITDA – Capex definition
Balance Sheet	Net Debt	No impact	<ul style="list-style-type: none"> • Unchanged Net Debt definition (already including financial leases)

Implementation as of Q1 2019