



May 9, 2018

## **ALTICE USA REPORTS FIRST QUARTER 2018 RESULTS Delivers Another Quarter of Revenue and Cash Flow Growth Suddenlink Residential Trends Strengthening in Q1 Altice One Reaches Over 100K Optimum Customers Remains on Track for Anticipated Spin-Off from Altice N.V.**

***Altice USA (NYSE: ATUS) today reported results for first quarter ended March 31, 2018<sup>1</sup>***

Dexter Goei, Altice USA Chairman and Chief Executive Officer, said: *"In the first quarter of 2018 we continued to see growth of our customer base, revenue, margins and cash flow driven by our significant investments to improve the customer experience. The upgrade and expansion of our network is supporting both the Residential and Business Services segments as we continue to launch new products and services. We successfully introduced Altice One across the Optimum footprint, reaching a milestone of more than 100k customers. We have now begun the rollout of Altice One across the Suddenlink footprint but, even in advance of this launch, Suddenlink saw a significant improvement in customer trends in the quarter. Growth has also been supported by our investment in a4, our newly formed advanced advertising and data business, and we are excited to explore new opportunities with new partners in this space."*

### **Altice USA Key Financial Highlights**

- Revenue growth of +1.2% YoY in Q1 2018 to \$2.33 billion, driven by Residential revenue growth of 0.6%, Business Services revenue growth of 4.3% and advertising revenue growth of 5.1%
- Adjusted EBITDA grew +4.0% YoY in Q1 2018 to \$981 million; Adjusted EBITDA margin increased 1.1 percentage points YoY to 42.1% (41.0% in Q1 2017)
- Operating Free Cash Flow<sup>2</sup> grew +5.4% YoY in Q1 2018 to \$723 million with an OpFCF margin of 31.0% vs. 29.8% in Q1 2017 showing very strong cash flow conversion

(\$k)	Three Months Ended March 31,	
	2018	2017
	Actual	Actual
Revenue	2,329,714	2,302,259
Adjusted EBITDA	980,953	943,611
Net loss	(128,949)	(76,188)
Capital Expenditures (cash)	257,615	257,427

<sup>1</sup> All financials shown under U.S. generally accepted accounting principles ("GAAP") reporting standard.

<sup>2</sup> Operating Free Cash Flow defined here as Adjusted EBITDA less cash capital expenditures.



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### **Altice USA Operational Highlights**

- Residential revenue growth of +0.6% YoY in Q1 2018, which was impacted by a dispute with Starz and multiple storms at Optimum, as well as reflecting the delay of a rate event
- Total unique Residential customer relationships grew with net additions of +8k in Q1 2018 (+20k in Q1 2017) with a strengthening in Suddenlink customer trends as expected, offsetting the Starz and storms impacts at Optimum
  - Pay TV RGU net losses of -30k in Q1 2018 were better than the prior year (-35k in Q1 2017) due to a significant improvement in Suddenlink's performance (-7k losses in Q1 2018 vs. -20k in Q1 2017), driven by more focused marketing and improved content line-up with Viacom addition in Q4 2017
  - Residential broadband RGU net additions of +26k and telephony RGU net losses of -8k in Q1 2018 (vs. +40k and -8k in Q1 2017 respectively), also impacted by the Starz dispute and storms at Optimum because of lower video / data bundle customer additions
- Residential ARPU increased 0.5% YoY to \$139.6 in Q1 2018
- Solid Business Services revenue growth of +4.3% YoY in Q1 2018 boosted by strength in Enterprise & Carrier segment of +4.8% YoY, partly offset by slower SMB growth of +4.0% YoY with delay in rate event in Q1
- Advertising revenue growth of 5.1% YoY in Q1 2018 supported by investment in multiscreen and national targeted audience capabilities
- Continued enhancement of data services with an increased demand for higher speed tiers; over 90% of Residential broadband gross additions taking download speeds of 100Mbps or higher at end of Q1
- Up to 400Mbps broadband speeds were available for 87% of Altice USA Residential/Business customers by the end of Q1 2018, including 97% of the Optimum footprint, with 72% of the Suddenlink footprint now able to receive up to 1 Gigabit speeds

### **Altice USA 2018 and Medium-Term Financial Outlook Reiterated**

For the full year 2018 Altice USA expects:

- Revenue growth c.2.5-3.0% YoY
- To increase investment for the continued rollout of Altice One, fiber (FTTH) deployment, and new MVNO network investment keeping with annual capex ~\$1.3bn

Altice USA also reiterates its plan to expand its Adjusted EBITDA and cash flow margins over the medium- to long-term.

The complete announcement can be found on Altice USA investor relations website: <http://alticeusa.com/>  
Altice N.V. (Euronext: ATC NA and ATCB NA) will release its Q1 2018 results separately on Thursday, May 17, 2018.



# Earnings Release

## Contacts

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## About Altice

Altice is a convergent global leader in telecoms, content, media, entertainment and advertising. Altice delivers innovative, customer-centric products and solutions that connect and unlock the limitless potential of its over 50 million customers over fiber networks and mobile broadband. The company enables millions of people to live out their passions by providing original content, high-quality and compelling TV shows, and international, national and local news channels. Altice delivers live broadcast premium sports events and enables millions of customers to enjoy the most well-known media and entertainment. Altice innovates with technology in its Altice Labs across the world. Altice links leading brands to audiences through premium advertising solutions. Altice is also a global provider of enterprise digital solutions to millions of business customers. Altice is present in 10 territories from New York to Paris, from Tel Aviv to Lisbon, from Santo Domingo to Geneva, from Amsterdam to Dallas. Altice (ATC & ATCB) is listed on Euronext Amsterdam. For more information, visit [www.altice.net](http://www.altice.net).

## About Altice USA

Altice USA (NYSE: ATUS), the U.S. business of Altice N.V. (Euronext: ATC, ATCB), is one of the largest broadband communications and video services providers in the United States, delivering broadband, pay television, telephony services, proprietary content and advertising services to approximately 4.9 million Residential and Business customers across 21 states through its Optimum and Suddenlink brands.

## FORWARD-LOOKING STATEMENTS

Certain statements in this press release 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 Altice USA's intentions, beliefs or current expectations concerning, among other things: Altice USA's future financial conditions and performance, results of operations and liquidity; Altice USA's strategy, plans, objectives, prospects, growth, goals and targets; and future developments in the markets in which Altice USA participates or is 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, Altice USA expresses 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 press release 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 Altice USA's annual and quarterly reports.



# Earnings Release

## **FINANCIAL PRESENTATION**

Altice USA defines Adjusted EBITDA, which is a non-GAAP financial measure, as net income (loss) excluding income taxes, income (loss) from discontinued operations, other non-operating income or expenses, loss on extinguishment of debt and write-off of deferred financing costs, gain (loss) on interest rate swap contracts, gain (loss) on derivative contracts, gain (loss) on investments, interest expense (including cash interest expense), interest income, depreciation and amortization (including impairments), share-based compensation expense or benefit, restructuring expense or credits and transaction expenses.

Altice USA believes Adjusted EBITDA is an appropriate measure for evaluating its operating performance. Adjusted EBITDA and similar measures with similar titles are common performance measures used by investors, analysts and peers to compare performance in its industry. Internally, Altice USA uses revenue and Adjusted EBITDA measures as important indicators of its business performance and evaluate management's effectiveness with specific reference to these indicators. Altice USA believes Adjusted EBITDA provides management and investors a useful measure for period-to-period comparisons of Altice USA's core business and operating results by excluding items that are not comparable across reporting periods or that do not otherwise relate to its ongoing operating results. Adjusted EBITDA should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), and other measures of performance presented in accordance with GAAP. Since Adjusted EBITDA is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies.

Altice USA also uses Adjusted EBITDA less cash Capital Expenditures, or Operating Free Cash Flow, as an indicator of its financial performance. Altice USA believes this measure is one of several benchmarks used by investors, analysts and peers for comparison of performance in Altice USA's industry, although it may not be directly comparable to similar measures reported by other companies.

## **FINANCIAL AND STATISTICAL INFORMATION AND COMPARISONS**

Financial and statistical information is for the quarter ended March 31, 2018, unless otherwise stated, and any year over year comparisons are for the quarter ended March 31, 2017. Where financial or statistical information is given for the quarter ended March 31, 2017, any year over year comparisons are to the quarter ended March 31, 2016, unless otherwise stated.

## **REGULATED INFORMATION**

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation

## **MISCELLANEOUS**

Altice USA has filed a registration statement with the Securities and Exchange Commission (SEC) relating to the distribution of shares of Altice USA by Altice N.V. to its shareholders, which is referred to in this press release. You should read the preliminary prospectus in that registration statement and other documents Altice USA has filed with the SEC for more complete information about Altice USA. You may get these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, you may also request a copy of the current preliminary prospectus, at no cost, by mail to Lisa Anselmo, Altice USA, Inc., 1 Court Square West, Long Island City, NY 11101 USA. To review a filed copy of the current registration statement and preliminary



## Earnings Release

prospectus, click the following link on the SEC website at [www.sec.gov](http://www.sec.gov) as follows (or if such address has changed, by reviewing ATUS filings for the relevant date on the SEC website):

<https://www.sec.gov/Archives/edgar/data/1702780/000104746918000085/a2234168zs-1.htm>

Altice USA will publish an EU prospectus in connection with such distribution. Upon approval by the Netherlands Authority for the Financial Markets (AFM) and, to the extent relevant, notification for passporting in relevant Member States of the European Economic Area in accordance with article 18 of the Directive 2003/71/EC, the EU prospectus will be made available on the website of Altice N.V. and, upon request, a hard copy will be made available free of charge by Altice USA.