

ALTICE FRANCE FULL YEAR & Q4 2020 RESULTS

Q4 2020 total residential revenue +4.5%, full year 2020 +1.6%
Q4 2020 Telecom EBITDA +3.5%, full year 2020 +3.0%
€2.1 billion of available liquidity¹

Altice France S.A. (“Altice France”) today announces financial and operating results² for the quarter ended December 31, 2020 and twelve months ended December 31, 2020.

Q4 2020 and FY 2020 Key Financial and Operational Highlights

- Residential service revenue, excluding roaming, grew by +3.3% YoY in Q4 2020 and +2.8% for full year 2020. Total residential revenue grew by +4.5% YoY in Q4 2020 and +1.6% YoY for full year 2020.
- Telecom revenue decreased by -0.5% YoY in Q4 2020 and increased by +2.4% for full year 2020 on a reported basis. Telecom revenue increased by +2.1% YoY in Q4 2020 and +3.2% for full year 2020, adjusting for the RAN sharing accounting benefit in Q4 2019³.
- Total revenue decreased by -1.4% YoY in Q4 2020 and increased by +1.5% for full year 2020. Total revenue increased by +1.1% YoY in Q4 2020 and +2.2% for full year 2020, adjusting for the RAN sharing accounting benefit in Q4 2019.
- Telecom EBITDA grew by +3.5% YoY in Q4 2020 and +3.0% for full year 2020, and total EBITDA grew by +2.9% YoY in Q4 2020 and +1.6% for full year 2020.
- Total accrued capital expenditure was €813 million in Q4 2020 and €2,399 million for full year 2020 respectively. Consequently, operating free cash flow amounted to €342 million in Q4 2020 and €1,884 million for the full year 2020.
- The residential fixed base grew by +76k net additions in Q4 2020, with +152k fibre net additions in Q4 2020. Of the total fixed subscriber base, 51% is already on fibre.
- The residential mobile postpaid base grew by +70k net additions in Q4 2020.
- 80MHz of spectrum secured as part of the 5G spectrum auction.
- FY 2020 achievements:
 - Residential service revenue growth ex roaming of +2.8% YoY supporting total telecom revenue growth of +2.4% YoY;
 - Total telecom EBITDA growth of +3.0% YoY and telecom OpFCF growth of +2.0% YoY.

¹ €2.1 billion liquidity includes €1.6 billion of undrawn revolvers and €0.5 billion of cash.

² Financials exclude press magazine Groupe L'Express (following disposal on July 30, 2019) and daily newspaper Libération (following disposal on September 3, 2020) from 1/1/19.

³ In Q4 2019, as part of an accounting adjustment requested by auditors, Altice France reclassified as revenue the income related to a RAN sharing agreement which was previously recognized as a reduction of operating expense. As the reclassification was done in one single quarter for the full year 2019, it resulted in an exceptional revenue benefit in the business services segment in Q4 2019 of c.€70 million.



Capital Structure Key Highlights – including subsequent events

- Total Altice France net debt was €21.9 billion at the end of Q4 2020.
- On February 3, 2021, Altice France announced it has entered into an exclusivity agreement to sell its 50.01% stake in Hivory to Cellnex for an implied enterprise value at 100% of €5.2 billion, with net cash proceeds of €2.65 billion for Altice France. The proceeds are expected to be used to repay debt financing at the shareholder level. Prior to consummation of the transaction, Altice France and Altice France Holding S.A. intend to designate Hivory as an unrestricted subsidiary under the documents governing their respective indebtedness. The transaction is expected to close in the second half of 2021 following customary regulatory approvals.
- On December 9, 2020, Altice Europe N.V.⁴ announced the closing of the acquisition of 100% of Covage by SFR FTTH, alongside its consortium of financial investors (led by OMERS and including Allianz Capital Partners on behalf of Allianz insurance companies and AXA Investment Managers - Real Assets, acting on behalf of its clients). The combination of SFR FTTH and Covage further expands one of the largest FTTH wholesalers in Europe, the only nationwide infrastructure challenger to the incumbent.

Guidance

- FY 2021: revenue, EBITDA and operating free cash flow growth YoY.
- Mid-term: full-year organic free cash flow⁵ target of >€750 million, underpinned by EBITDA and operating free cash flow growth, as well as further reduction in cash interest costs (at least €150 million further savings).
- Target leverage of 4.5x net debt to EBITDA.
- Management continues to assess the potential impacts of the COVID-19 pandemic carefully, especially the impacts on roaming and advertising.

⁴ On December 9, 2020, the announcement was made by Altice Europe N.V. At that time, Altice Europe N.V. was the entity holding 100% of Altice France.

⁵ Excludes spectrum and significant litigation paid and received.



Altice France Full Year and Q4 2020 Results Call for Debt Investors

Altice France is hosting a call today for existing and prospective debt investors, Monday, March 1, 2021 at 6:00pm CET (5:00pm GMT, 12:00pm EST), to discuss its full year and Q4 2020 results.

Dial-in Details:

France: +33 170 918-701

UK: +44 203 059-8128

US: +1 (631) 302-6547

Conference ID: 20210131

A live webcast of the presentation will be available on the following website:

<https://event.on24.com/wcc/r/3035875/E3A44792D3522C179F13178F38B0D5B2>

Contact

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About Altice France – [alticefrance.com](https://www.alticefrance.com)

Altice France is the second largest telecom provider in France, serving more than 25 million customers. The company has a fiber optic network (FTTH/ FTTB) with over 20 million homes passed across France. SFR covers 99.5% of the population with 4G access and more than 200 municipalities with 5G. Altice France is also a leading media group, with iconic brands BFM and RMC.

Financial Presentation

Altice France and its subsidiaries have operated for several years and have from time to time made significant equity investments in a number of cable and telecommunication businesses. Therefore, in order to facilitate an understanding of Altice France's results of operations, we have presented and discussed the pro-forma consolidated financial information of Altice France. Therefore, financials for Altice France for the quarters and twelve months ended December 31, 2019 and December 31, 2020 exclude the press magazine Groupe L'Express (following disposal on July 30, 2019) and the newspaper Libération (following disposal on September 3, 2020).

This press release 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 (straight-line recognition of the rent expense over the lease term as performed under IAS 17 *Leases* for operating leases). 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. All references to EBITDA in this press release are to Adjusted EBITDA, as defined in this paragraph.

Capital expenditure (Capex), while measured in accordance with IFRS principles is not a term that is defined in IFRS. However, Altice France's management believe it is an important indicator 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 Adjusted EBITDA" for purposes of any of the indebtedness of Altice France. The financial information presented in this press release, including but not limited to the quarterly financial information, pro forma financial information as well as Adjusted EBITDA and OpFCF, is unaudited.

Financial and Statistical Information and Comparisons

Financial and statistical information is for the quarter ended December 31, 2020, unless otherwise stated, and any year over year comparisons are for the quarter ended December 31, 2019.



Altice France Summary Financial Information

Quarter ended December 31, 2020 and Year ended December 31, 2020						
In EUR million	Q4-19	Q4-20	FY-19	FY-20	Q4-20 Growth YoY	FY-20 Growth YoY
Fixed	660	690	2,529	2,615	+4.5%	+3.4%
Mobile	878	888	3,515	3,543	+1.1%	+0.8%
Residential service	1,538	1,578	6,044	6,159	+2.6%	+1.9%
Equipment	220	260	704	700	+18.3%	-0.6%
Total residential	1,758	1,838	6,748	6,859	+4.5%	+1.6%
Business services	1,097	1,002	3,597	3,739	-8.6%	+3.9%
Telecom	2,855	2,840	10,345	10,597	-0.5%	+2.4%
Media	123	97	402	315	-21.1%	-21.6%
Total revenue	2,978	2,937	10,748	10,913	-1.4%	+1.5%
Telecom	1,081	1,118	4,096	4,218	+3.5%	+3.0%
Media	41	36	119	64	-11.1%	-46.2%
Total EBITDA	1,122	1,155	4,215	4,283	+2.9%	+1.6%
Margin (%)	37.7%	39.3%	39.2%	39.2%		
Telecom	655	804	2,277	2,363	+22.7%	+3.8%
Media	23	9	77	36	-63.5%	-54.0%
Total accrued Capex	679	813	2,355	2,399	+19.7%	+1.9%
Telecom	425	314	1,819	1,855	-26.1%	+2.0%
Media	18	28	42	29	+59.0%	-31.8%
EBITDA - accrued Capex	443	342	1,860	1,884	-22.7%	+1.3%

Key Performance Indicators

Quarter ended December 31, 2020		
000's unless stated otherwise	Q4 -19	Q4-20
Fibre homes passed	15,364	20,625
<u>FIXED B2C</u>		
Fibre unique customers	2,899	3,335
Net adds	98	152
Total fixed B2C unique customers	6,356	6,498
Net adds	44	76
<u>MOBILE B2C</u>		
Postpaid subscribers	14,400	14,673
Net adds	196	70
Prepaid subscribers	1,451	1,289
Total mobile B2C subscribers	15,852	15,962



Notes to Summary Financial Information table

- (1) Financials for Altice France exclude the press magazine Groupe L'Express (following disposal on July 30, 2019) and newspaper Libération (following disposal on September 3, 2020) from 1/1/19.

Notes to Key Performance Indicators table

- (1) Fibre unique customers represents the number of individual end users who have subscribed for one or more of our fibre / cable-based services (including pay television, broadband or telephony), without regard to how many services to which the end user subscribed. It is calculated on a unique premise basis. Fibre customer base for France includes FTTH, FTTB and 4G Box customers and excludes white-label wholesale customers.
- (2) Mobile subscribers are equal to the net number of lines or SIM cards that have been activated on the mobile network and excludes M2M.



Financial and Operational Review

For the quarter ended December 31, 2020 compared to the quarter ended December 31, 2019

At the end of Q4 2020, Altice France had 20.6 million homes passed (FTTH/FTTB), an increase of more than 1.8 million homes passed compared to Q3 2020. SFR had 8,280 fibre municipalities at the end of Q4 2020 (vs. 6,481 in Q3 2020, 5,515 in Q2 2020 and 4,918 in Q1 2020).

Altice France continues to invest in its 4G network, with 50,053 4G systems activated (2,231 new units in Q4 2020). The current 4G coverage of the SFR Mobile network reaches more than 99.5% of the national population (32,532 municipalities). Altice France continues to deploy 4G and new radio sites in white areas. 4G+ is offered in the top 32 French cities, and 3,100 municipalities.

On October 1, 2020, SFR announced it had obtained 80MHz as part of the allocation of 5G frequencies. The price due by SFR for these 80MHz frequencies totals €728 million (€350 million to be paid over a 15-year period in equal amounts, and €378 million paid over 4 years also in equal amounts). The first payment of c. €118 million took place in January 2021.

SFR was the first operator in France to commercially launch 5G in November 2020 and continues to deploy 5G on the 3.5GHz band and also on the 2100MHz band for additional coverage. In Q4 2020, nearly 200 municipalities were covered with 5G (about 800 radio sites).

- Total revenue decreased by -1.4% YoY in Q4 2020 to €2,937 million. Total revenue increased by +1.1% YoY in Q4 2020, adjusting for the RAN sharing accounting benefit in Q4 2019.
- Altice France reported residential service revenue growth again in Q4 2020, supported by a sustained focus on operations and significant and ongoing investment in proprietary infrastructure. Total residential revenue grew by +4.5% YoY in Q4 2020 and residential service revenue, excluding roaming, grew by +3.3% YoY. This segment was still affected by the COVID-19 pandemic related impacts as roaming revenue remained depressed year over year.
- The residential fixed base grew by +76k net additions in Q4 2020 (vs. +21k in Q3 2020 and +44k in Q4 2019). Fibre net additions accelerated to reach +152k in Q4 2020 (vs. +113k in Q3 2020 and +98k in Q4 2019), supported by ongoing significant customer appetite for fibre.
- The mobile residential postpaid customer base increased by +70k net additions in Q4 2020 (vs. +25k in Q3 2020 and +196k in Q4 2019).
- Business services revenue declined by -8.6% YoY in Q4 2020, impacted by a tough comparison due to the RAN sharing accounting benefit in Q4 2019. Excluding the RAN sharing accounting benefit, business services declined by -1.1% YoY in Q4 2020. In Q4 2020, 359k FTTH homes were constructed by SFR FTTH (vs. 270k in Q3 2020, 268k in Q2 2020, 192k in Q1 2020 and 273k in Q4 2019).
- Media revenue declined by -21.1% YoY in Q4 2020, mainly driven by the slowdown of the global advertising market as a result of the pandemic.
- Telecom EBITDA grew by +3.5% YoY in Q4 2020 and total EBITDA of €1,155 million grew by +2.9% YoY.
- Total accrued capital expenditure was €813 million in Q4 2020 and consequently, operating free cash flow amounted to €342 million in Q4 2020.

Consolidated Net Debt as of December 31, 2020

- The Altice France Restricted Group⁶ has a robust, diversified and long-term capital structure:
 - Weighted average debt maturity of 5.7 years;
 - Reduced WACD from 5.2%⁷ at year-end 2019 to 4.7% at year-end 2020;
 - 91% fixed interest rate;
 - No major maturities until 2025;
 - Available liquidity of €2.1 billion⁸.
- Total consolidated Altice France restricted group net debt was €21.9 billion at the end of Q4 2020.

	Amount in millions (local currency)	Actual	Coupon / Margin	Maturity
Senior Secured Notes	EUR 500	500	2.125%	2025
Senior Secured Notes	EUR 550	550	2.500%	2025
Senior Secured Notes	USD 5,190	4,245	7.375%	2026
Senior Secured Notes	USD 1,750	1,431	8.125%	2027
Senior Secured Notes	EUR 1,000	1,000	5.875%	2027
Senior Secured Notes	EUR 1,000	1,000	3.375%	2028
Senior Secured Notes	USD 1,100	900	5.500%	2028
Senior Secured Notes	EUR 500	500	4.125%	2029
Senior Secured Notes	USD 475	389	5.125%	2029
Term Loan	EUR 1,108	1,105	E+3.00%	2025
Term Loan	USD 1,370	1,121	L+2.75%	2025
Term Loan	USD 2,086	1,706	L+3.6875%	2026
Term Loan	EUR 973	970	E+3.00%	2026
Term Loan	USD 2,450	2,004	L+4.00%	2026
Drawn RCF	-	-	E+3.25%	2023
Drawn RCF – Hivory	-	-	E+1.5%	2024
Commercial Paper	-	87	0.57%	2021
Other debt & leases	-	81	-	-
Swap Adjustment	-	516	-	-
Secured Debt		18,105		
Exchange Altice Lux Senior Notes	EUR 1,317	1,317	8.000%	2027
Exchange Altice Lux Senior Notes	USD 1,562	1,278	10.500%	2027
Senior Notes	EUR 500	500	4.000%	2028
Senior Notes	USD 1,225	1,002	6.000%	2028
Swap adjustment	-	191	-	-
Gross Debt		22,393		
Total cash		-542		
Net Debt		21,852		
Undrawn RCF		1,601		
WACD		4.7%		

⁶ All references to the Altice France Restricted Group consist of Altice France and Altice France Holding.

⁷ WACD as at year end 2019 is calculated as a blended WACD between Altice France and Altice Luxembourg. WACD as at year end 2020 is calculated as a blended WACD between Altice France and Altice France Holding.

⁸ €2.1 billion liquidity includes €1.6 billion of undrawn revolvers and €0.5 billion of cash.



Pro Forma Net Leverage Reconciliation as of December 31, 2020

In EUR million

Altice France Restricted Group Reconciliation to Swap Adjusted Debt	Actual
Total Debenture and Loans from Financial Institutions	21,319
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at closing FX Rate	-31,131
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at hedged Rate	31,838
Transaction Costs	199
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	22,225
Commercial Paper	87
Overdraft	3
Other debt and leases	78
Gross Debt Consolidated	22,393
Cash	-542
Net Debt Consolidated	21,852

Net Debt Reconciliation as of December 31, 2020

In EUR million

Altice France Restricted Group (Actual)	
Gross Debt Consolidated	22,393
Cash	-542
Net Debt Consolidated	21,852
LTM standalone	4,277
Eliminations	-
LTM EBITDA Consolidated	4,277
Pro Forma L'Express / Libération	6
LTM EBITDA Consolidated Pro Forma	4,283
Gross Leverage (LTM EBITDA)	5.2x
Net Leverage (LTM EBITDA)	5.1x
L2QA EBITDA Consolidated	4,478
Gross Leverage (L2QA EBITDA)	5.0x
Net Leverage (L2QA EBITDA)	4.9x

Non-GAAP Reconciliation to unaudited GAAP measures as of December 31, 2020 year to date⁹

<i>In EUR million</i>	December 31, 2020 (unaudited)
Revenue	10,926
Purchasing and subcontracting costs	-3,126
Other operating expenses	-1,700
Staff costs and employee benefits	-1,023
Total	5,078
Share-based expense	9
Rental expense operating lease	-810
Adjusted EBITDA	4,277
Depreciation, amortisation and impairment	-3,438
Share-based expense	-9
Other expenses and income	-11
Rental expense operating lease	810
Operating profit	1,489
Capital expenditure (accrued)	3,127
Capital expenditure - working capital items (includes €728 million for 5G spectrum acquisition)	-814
Payments to acquire tangible and intangible assets	2,313
Operating free cash flow (OpFCF)	1,150

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 press release, 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 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 our annual and quarterly reports.

⁹ The difference in consolidated revenue as reported for Altice France in the Non-GAAP Reconciliation to GAAP measures as of December 31, 2020 year to date and the Pro Forma Financial Information for Altice France as disclosed in this press release is mainly due to the press magazine Groupe L'Express (following disposal on July 30, 2019) and daily newspaper Libération (following disposal on September 3, 2020) from 1/1/19.