May 10, 2023

ALTICE INTERNATIONAL
Q1 2023 RESULTS

Altice International S.à r.l. ("Altice International") today announces financial and operating results for the quarter ended March 31, 2023.

<u>Q1 2023 Key Highlights</u>

- Total revenue grew by +7.5% YoY in Q1 2023 on a reported basis (CC +8.0%).
- Total EBITDA grew by +6.4% YoY in Q1 2023 on a reported basis (CC +6.6%).
- Total accrued Capex was €230 million in Q1 2023.
- Operating free cash flow amounted to €200 million in Q1 2023.

<u>FY 2023 & Mid-term guidance reiterated</u>

- FY 2023: revenue, EBITDA and operating free cash flow growth YoY.
- Mid-term: absolute operating free cash flow in excess of €1 billion, underpinned mainly by EBITDA growth.
- Target leverage of 4.0x to 4.5x net debt to EBITDA.

Capital Structure Key Highlights – including subsequent events

- Total Altice International net debt was €8.5 billion at the end of Q1 2023.
- In the first quarter of 2023, Altice International made a distribution to its parent company Altice Luxembourg for an amount of €320 million by way of share premiums redemption and advances for a net amount of €178 million by way of additional loans.

Altice International Q1 2023 Results Call for Debt Investors

Altice International is hosting a call for existing and prospective debt investors on Wednesday, May 10, 2023 at 13:00 CEST (12:00 BST, 07:00 EDT), to discuss its Q1 2023 results.

Dial-in Details:

UK: +44 2034814247

USA: +1 6463071963

France: +33 173023136

Conference ID: 2237204

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

https://events.q4inc.com/attendee/527486207

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About Altice International

Altice International is a convergent leader in telecoms, content, media, entertainment and advertising, and operates in Portugal, Israel and the Dominican Republic. Altice International also has a global presence through its online advertising business Teads.

Financial Presentation

This press release contains measures and ratios (the "Non-GAAP measures"), including Adjusted EBITDA, Capital expenditure ("Capex"), Operating free cash flow, and net debt 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 profit before depreciation, amortization and impairment, other expenses and income (capital gains, non-recurring litigation, restructuring costs), share-based expenses and after operating lease expenses (i.e., 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, management believes 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 accrued 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 International. 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.

Net debt is a non-GAAP measure which is useful to the readers of this press release as it provides meaningful information regarding the financial position of the Group and its ability to pay its financial debt obligations compared to its liquid assets.

Financial and Statistical Information and Comparisons

Financial and statistical information is for the quarter ended March 31, 2023, unless otherwise stated, and any year over year comparisons are for the quarter ended March 31, 2022.

Altice International Summary Financial Information (1/2)

Quarters ended March 31, 2023 and March 31, 2022				
	Q1-22	**Q1-23**	***Q1-23 YoY***	
In € million			***(Reported)***	***(CC)***
Portugal	613	699	*+14.2%*	*+14.2%*
Israel	288	279	*-2.9%*	*+2.6%*
Dominican Republic	135	147	*+8.3%*	*+2.6%*
Teads	118	115	*-2.1%*	*-4.2%*
Eliminations & other	-5	-6	-	-
Total revenue	**1,148**	**1,234**	***+7.5%***	***+8.0%***
Portugal	222	245	*+10.5%*	*+10.5%*
Israel	94	93	*-1.8%*	*+3.8%*
Dominican Republic	71	78	*+10.6%*	*+4.8%*
Teads	19	16	*-15.0%*	*-14.6%*
Eliminations & other	-2	-2	-	-
Total EBITDA	**405**	**430**	***+6.4%***	***+6.6%***
Portugal	103	111	*+7.7%*	*+7.7%*
Israel	81	81	*+0.5%*	*+6.2%*
Dominican Republic	28	37	*+31.2%*	*+24.3%*
Teads	3	3	-	-
Eliminations & other	-2	-2	-	-
Total accrued Capex	**212**	**230**	***+8.6%***	***+9.8%***
Portugal	119	134	*+12.9%*	*+12.9%*
Israel	13	11	*-15.6%*	*-10.8%*
Dominican Republic	43	41	*-2.8%*	*-7.9%*
Teads	17	13	*-21.1%*	*-20.4%*
Eliminations & other	1	-0	-	-
EBITDA - accrued Capex	**193**	**200**	***+3.9%***	***+3.2%***

Altice International Summary Financial Information (2/2)

In € million	Portugal	Israel	Dominican Republic	Teads	Eliminations & other	Altice International
Quarter ended March 31, 2023						
Fixed	*179*	*133*	*28*	-	-	*341*
Mobile	*123*	*62*	*83*	-	-	*268*
Residential service	302	195	112	-	-	608
Equipment	34	23	7	-	-	63
Total residential	335	217	119	-	-	671
Business services	364	62	28	-	-6	448
Telecom	699	279	147	-	-6	1,119
Media	-	-	-	115	-	115
Total revenue	**699**	**279**	**147**	**115**	**-6**	**1,234**
Total EBITDA	**245**	**93**	**78**	**16**	**-2**	**430**
Margin	*35.1%*	*33.1%*	*53.4%*	*14.2%*	-	*34.9%*
Total accrued Capex	**111**	**81**	**37**	**3**	**-2**	**230**
EBITDA - accrued Capex	**134**	**11**	**41**	**13**	**-0**	**200**

In € million	Portugal	Israel	Dominican Republic	Teads	Eliminations & other	Altice International
Quarter ended March 31, 2022						
Fixed	*171*	*146*	*27*	-	-	*343*
Mobile	*118*	*60*	*77*	-	-	*255*
Residential service	289	206	104	-	-	599
Equipment	25	23	8	-	-	57
Total residential	314	230	112	-	-	655
Business services	299	58	24	-	-5	375
Telecom	612	288	135	-	-5	1,030
Media	-	-	-	118	-	118
Total revenue	**612**	**288**	**135**	**118**	**-5**	**1,148**
Total EBITDA	**222**	**94**	**71**	**19**	**-2**	**405**
Margin	*36.2%*	*32.7%*	*52.2%*	*16.4%*	-	*35.2%*
Total accrued Capex	**103**	**81**	**28**	**3**	**-2**	**212**
EBITDA - accrued Capex	**119**	**13**	**43**	**17**	**1**	**193**

Note to Summary Financial Information table

(1) Accrued Capex in Q1 2023 for Israel excludes accruals related to the acquisition of an additional tranche of the indefeasible right of use ("IRU") signed with IBC for an amount of €53 million

Key Performance Indicators

Quarter ended March 31, 2023				
000's unless stated otherwise	Portugal	Israel	Dominican Republic	**Altice International**
Fibre homes passed	6,241	2,257	944	**9,442**
Fibre unique B2C customers	1,382	1,045	222	**2,649**
Total fixed B2C unique customers	1,670	1,045	366	**3,081**
Postpaid B2C subscribers	2,921	1,267	670	**4,858**
Prepaid B2C subscribers	2,749	228	2,437	**5,414**
Total mobile B2C subscribers	5,670	1,495	3,107	**10,272**

Notes to Key Performance Indicators table

(1) Portugal fibre homes passed figures include homes where MEO has access through wholesale fibre operators (0.5 million in Q1 2023)

(2) Fibre unique customers represent 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. For Israel, it refers to the total number of unique customer relationships, including both B2C and B2B. For the Dominican Republic, it includes B2C HFC and FTTH customers

(3) Mobile subscribers are equal to the net number of lines or SIM cards that have been activated on the Group's mobile networks and exclude M2M

Financial and Operational Review

For the quarter ended March 31, 2023, compared to the quarter ended March 31, 2022

Portugal (MEO)

Altice Portugal delivered revenue growth across all segments in Q1 2023, as well as EBITDA growth and operating free cash flow growth YoY.

Altice Portugal had 6.2 million addressable FTTH homes passed in total at the end of Q1 2023 (vs. 6.1 million at the end of Q1 2022), including 5.7 million homes passed owned by FastFiber (vs. 5.4 million at the end of Q1 2022). The penetration rate of the FastFiber network increased YoY, due to the increase in the number of active FTTH subscribers on the network. The FTTH penetration of the B2C fixed customer base was 83% at the end of Q1 2023.

At the end of Q1 2023, 4G population coverage was 99.9% and 5G population coverage was 91.1% (vs. 48.9% in Q1 2022). Increased coverage compared to the prior periods was supported by ongoing mobile network investment, densifying the network coverage. The roll-out of 5G technology will support the Altice Portugal's strategy, connecting people with the best available technology. This has been supported by Altice Labs, an innovation laboratory that exports technology made in Portugal to the world, supported by its continuous investment in Research & Development.

During Q1 2023, Altice Portugal continued actions to promote network simplification, including the work of identification, shutdown, removal, and re-routing of obsolete network equipment. These actions are supporting a reduction in energy consumption.

In January 2023, the MEO brand was recognized by Portuguese consumers as the No. 1 Consumer Choice brand in the categories: "Services for the Home[1]" and "5G[2]".

- Total Altice Portugal revenue grew by +14.2% YoY in Q1 2023 to €699 million.
  - Total residential service revenue growth was +4.4% YoY in Q1 2023, supported by ongoing low levels of churn and sustained net additions within the residential customer base. Digital channel activity continued to grow, with increased MEO website visitors YoY, higher MyMEO mobile app downloads YoY and growth in online sales of equipment (smartphones, smart TVs) in Q1 2023 YoY.
  - Business services revenue grew by +22.0% YoY in Q1 2023, which was partly driven by the contribution of Geodesia in Q1 2023. Altice Labs grew revenue again in Q1 2023 and continues to partner with relevant market players to grow further.
- Total EBITDA increased by +10.5% YoY to €245 million. The EBITDA margin dilution YoY was mainly driven by an increase in low-margin equipment sales in Q1 2023.
- Total accrued Capex amounted to €111 million in Q1 2023.

[1] https://escolhadoconsumidor.com/meo-care-premios-escolha-do-consumidor/#
[2] https://escolhadoconsumidor.com/meo-premios-escolha-do-consumidor-3/

Israel (HOT)

HOT delivered revenue and EBITDA growth in Q1 2023 on a local currency basis.

HOT continues to focus on massive deployment of fibre for IBC, which began at the end of Q2 2021. At the end of Q1 2023, IBC had homes passed of 1,188k (+91k in Q1 2023, +106k in Q4 2022, +91k in Q3 2022, +89k in Q2 2022), with HOT contributing to the majority of the construction in the quarter. HOT continued to grow its FTTH subscriber base throughout the first quarter of 2023.

HOT continued with the accelerated deployment of 5G sites in Q1 2023, achieving 62% population coverage. The number of subscribers already taking 5G offers continued to grow.

- HOT total revenue grew by +2.6% YoY in Q1 2023 on a CC basis, or declined by -2.9% YoY on a reported basis as a result of the depreciation of the Israeli Shekel compared to the Euro, to €279 million:
    - Residential service revenue declined by -0.2% YoY in Q1 2023 on a CC basis, or -5.6% YoY on a reported basis. Equipment revenue grew by +1.5% YoY, resulting in stable total residential revenue YoY in Q1 2023 on a CC basis, or -5.4% YoY on a reported basis.
    - Business services revenue grew by +13.2% YoY in Q1 2023 on a CC basis, or by +7.2% YoY on a reported basis.
- EBITDA grew by +3.8% YoY in Q1 2023 on a CC basis, or declined -1.8% YoY on a reported basis, to €93 million.
- Total accrued Capex was €81 million in Q1 2023, excluding the indefeasible right of use (“IRU”) in the quarter, related to the IBC fibre network.

Dominican Republic (Altice Dominicana)

In Q1 2023, Altice Dominicana grew revenue and EBITDA on a local currency and reported basis. Revenue grew across all segments.

In March 2023, Altice Dominicana launched an FTTH product offering of download speeds up to 1Gbps, a first in the country. This network upgrade commenced in 2022 in the south of the country and now covers the provinces of San Juan de la Maguana, Barahona, Azua, San Cristobal and Bani.

- Total revenue in the Dominican Republic grew by +2.6% YoY in Q1 2023 on a CC basis, or +8.3% YoY on a reported basis to €147 million.
    - Residential service revenue grew by +2.2% YoY in Q1 2023 on a CC basis, or +7.9% YoY on a reported basis. This growth was supported by a growing total customer base in fibre and mobile post-paid.
    - Business services revenue grew by +10.7% YoY in Q1 2023 on a CC basis, or +16.9% YoY on a reported basis, driven by growth in the core B2B segment.

- Total EBITDA grew by +4.8% YoY in Q1 2023 on a CC basis, or +10.6% YoY on a reported basis to €78 million. The EBITDA margin in Q1 2023 was 53.4% on a reported basis.
- Total accrued Capex was €37 million in Q1 2023.

Teads

In Q1 2023, Teads continued to invest in the business to drive long term product diversification and growth, with a number of product initiatives in progress.

- Teads reported revenue declined by -2.1% YoY in Q1 2023 on a reported basis, to €115 million (-4.2% on a CC basis). Teads Performance business continued to grow steadily, well into the double digits again in the quarter, continuing to represent a greater portion of overall revenue.
- Teads reported EBITDA of €16 million in Q1 2023, representing an EBITDA margin of 14.2%, in-line with the usual seasonality of the business.

Altice International Net Debt as of March 31, 2023

- Altice International has a robust, diversified and long-term capital structure:
    - Weighted average debt maturity of 4.9 years;
    - WACD of 5.1%;
    - 79% of debt at fixed interest rate;
    - No major maturities until 2025;
    - Available liquidity of €0.55 billion[1].
- Total Altice International net debt was €8.5 billion at the end of Q1 2023.

	Amount in millions (local currency)	Actual[2] (€m)	Coupon / Margin	Maturity
Senior Secured Notes	EUR 600	600	2.250%	2025
Senior Secured Notes	EUR 1,100	1,100	3.000%	2028
Senior Secured Notes	USD 1,200	1,104	5.000%	2028
Senior Secured Notes	EUR 805	805	4.250%	2029
Senior Secured Notes	USD 2,050	1,886	5.750%	2029
Term Loan	USD 188	173	L+2.75%	2025
Term Loan	USD 133	122	L+2.75%	2026
Term Loan	EUR 50	50	E+2.75%	2026
Term Loan	EUR 400	400	E+5.00%	2027
Term Loan	USD 1,600	1,472	S+5.00%	2027
Drawn RCF	-	361	E+3.00%	2027
Finance lease liabilities and other debt	-	35	-	-
Swap Adjustment	-	74	-	-
Secured Debt		**8,182**		
Senior Notes	EUR 675	675	4.750%	2028
Gross Debt		**8,857**		
Total cash and restricted cash		-334		
Net Debt		**8,523**		
Undrawn RCF		**218**		
WACD				

[1] €0.55 billion liquidity includes €0.22 billion of undrawn revolvers and €0.33 billion of cash
[2] Total cash of €334 million includes restricted cash for an amount of €44 million

Altice International Reconciliation to Swap Adjusted Debt

As of March 31, 2023, in € million

	Actual
Total Debenture and Loans from Financial Institutions	**8,674**
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at closing FX rate	-6,629
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at hedged rate	6,703
Transaction Costs	74
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	**8,822**
Finance lease liabilities and other debt	35
Gross Debt Consolidated	**8,857**
Cash	-334
Net Debt Consolidated	**8,523**

Altice International Leverage Reconciliation

As of March 31, 2023, in € million

	Actual
Gross Debt Consolidated	**8,857**
Cash	-334
Net Debt Consolidated	**8,523**
LTM EBITDA Consolidated	**1,816**
Net Leverage	4.7x
Net Leverage adjusted for Altice UK investment	4.4x
L2QA EBITDA Consolidated	**1,841**
Net Leverage	4.6x
Net Leverage adjusted for Altice UK investment	4.3x

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Altice International Non-GAAP Reconciliation to unaudited GAAP measures

In € million	**Q1-23**
Revenue - Financial Statements	**1,234**
Purchasing and subcontracting costs	-333
Other operating expenses	-245
Staff costs and employee benefits	-184
Total	**472**
Rental expense operating lease	-41
Adjusted EBITDA	**430**
Depreciation, amortisation and impairment	-282
Other expenses and income	-2
Rental expense operating lease	41
Operating profit	**188**
Capital expenditure (Accrued) - Financial Statements	**283**
IRU (Israel, HOT)	-53
Capital expenditure (Accrued) - Investor Presentation	**230**
Operating free cash flow (OpFCF) - Investor Presentation	**200**

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.