

# Altice International

## Q1 2021 Results

May 25, 2021



# 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. All references to EBITDA in this presentation 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 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 Altice International. 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.

# Q1 2021 Summary

## Total revenue and total EBITDA growth in Q1 2021:

- Total revenue grew by +5.9% YoY on a constant currency basis (+2.5% reported)
- Total EBITDA grew by +2.2% YoY on a constant currency basis (-1.2% reported)

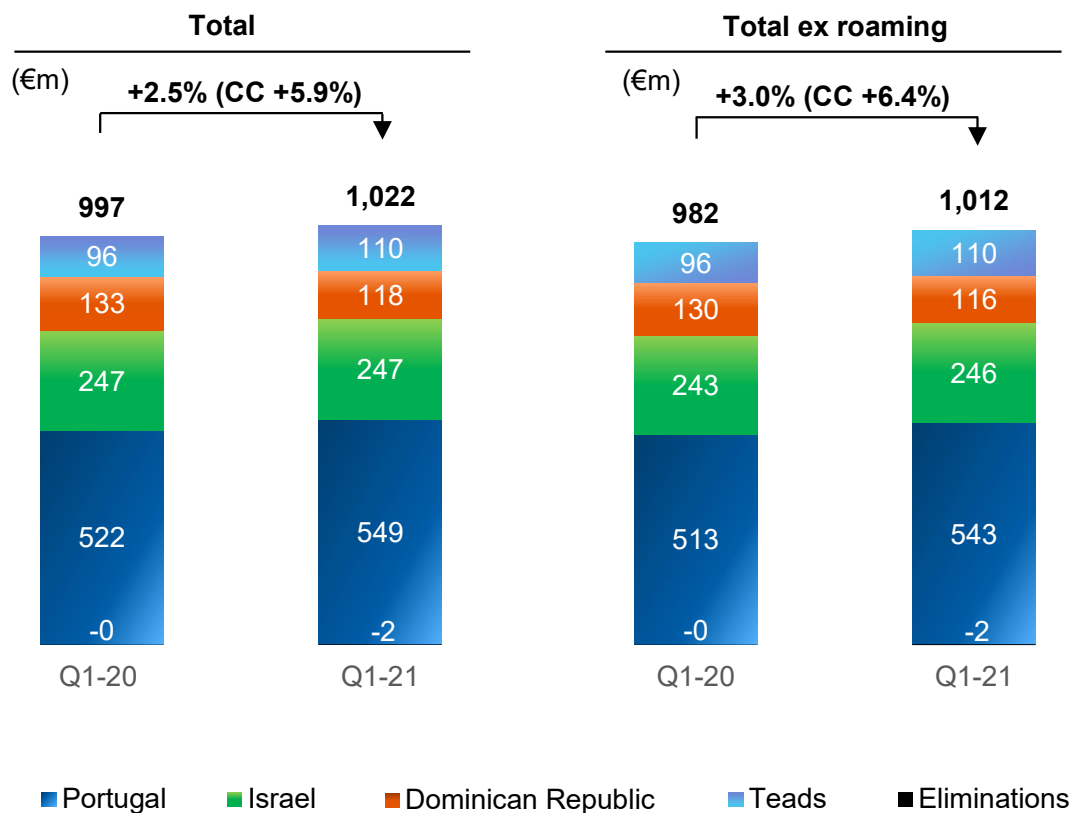
## Net leverage of 4.2x at the end of Q1 2021

€1.2 billion liquidity, no debt maturity before 2025, opportunities to further decrease interest costs and further improve the maturity profile

## Guidance reiterated:

- FY 2021: revenue, EBITDA and OpFCF growth YoY
- Mid-term: full-year organic FCF target of >€250 million (underpinned by EBITDA and OpFCF growth, further reduction in cash interest costs)
- Target leverage of 4.0x to 4.5x net debt to EBITDA

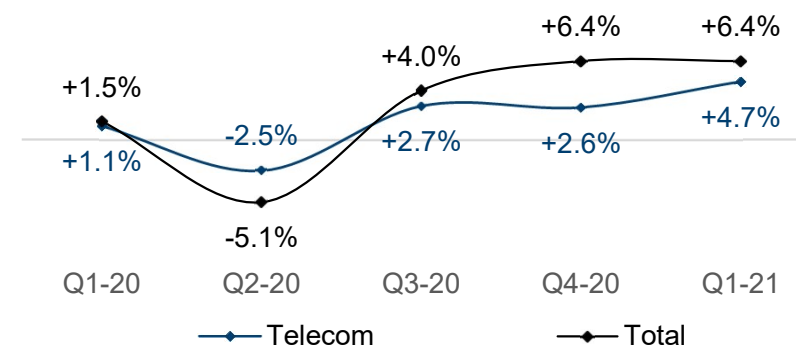
# Altice International Revenue Trends



## Components of Q1 2021 revenue trends YoY

- Total ex roaming: +3.0% (CC +6.4%)
  - Portugal: +5.7%
  - Israel: +0.9% (CC +3.1%)
  - Dominican Republic: -11.0% (CC +5.1%)
  - Teads: +14.5% (CC +21.6%)

## Revenue ex roaming growth evolution YoY (CC)



For footnotes see slide 15

# Teads Offers a Powerful Combination of Growth & Profitability

## Massive, growing total addressable market

- ✓ Massive market opportunity with open-ended growth runway fuelled by focus on the curated internet

## Premium position in ecosystem

- ✓ Unique premium position, connecting global publishers and advertisers through exclusive contracts or joint business partnerships

## Differentiated platform

- ✓ End-to-end, integrated platform powered by proprietary dataset and unparalleled prediction engine

## High retention rates

- ✓ Outstanding top publisher and advertiser retention underpinned by high switching costs

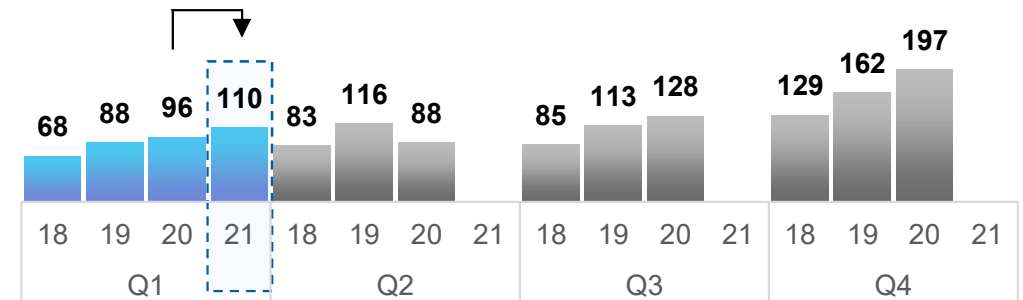
## Strong financials with impressive start to 2021

- ✓ Best-in-class financial profile:  
scale + growth + profitability + low capital intensity

## Revenue

YoY in CC

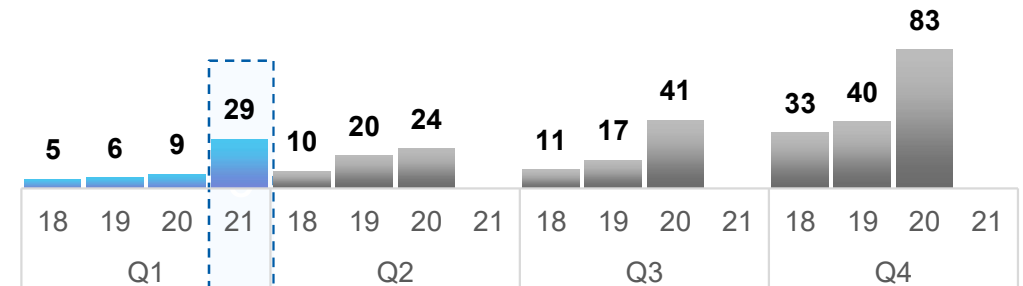
+22%



## EBITDA

margin

27%

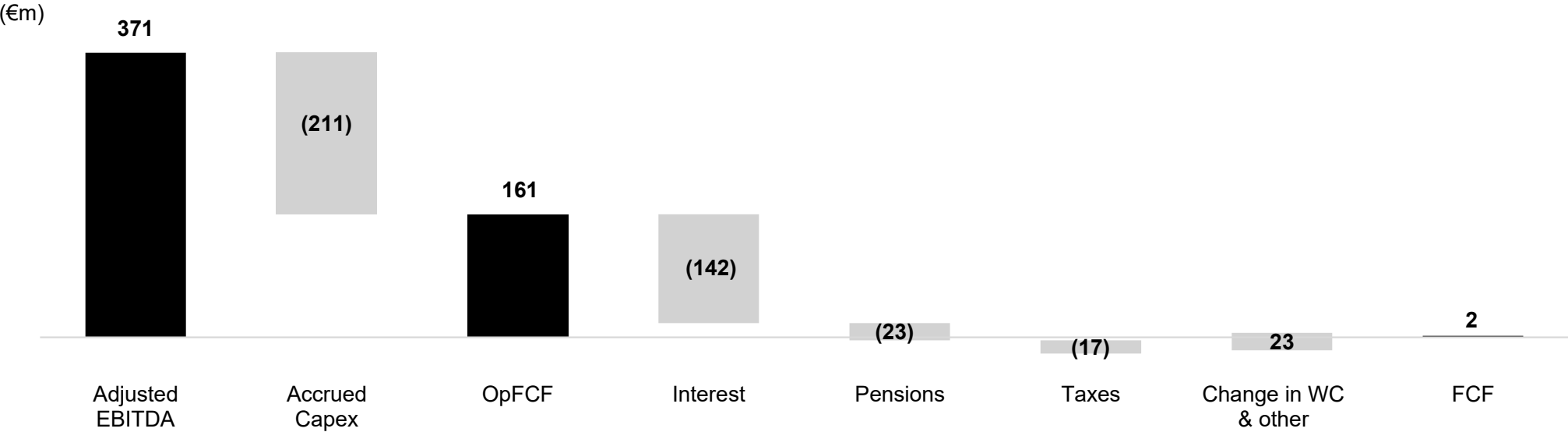


# Altice International Financials

€m	Q1-20	Q1-21	Growth YoY Reported	Growth YoY Constant FX
Portugal	522	549	+5.1%	+5.1%
Israel	247	247	+0.3%	+2.5%
Dominican Republic	133	118	-11.1%	+5.0%
Teads	96	110	+14.5%	+21.6%
Eliminations & other	-0	-2	-	-
<b>Revenue</b>	<b>997</b>	<b>1,022</b>	<b>+2.5%</b>	<b>+5.9%</b>
Portugal	210	204	-2.8%	-2.8%
Israel	91	79	-12.7%	-10.7%
Dominican Republic	67	59	-10.7%	+5.5%
Teads	9	29	+240%	+242%
Eliminations & other	-1	-1	-	-
<b>Adjusted EBITDA</b>	<b>375</b>	<b>371</b>	<b>-1.2%</b>	<b>+2.2%</b>
Portugal	104	111	+6.8%	+6.8%
Israel	63	69	+9.7%	+12.1%
Dominican Republic	35	29	-17.8%	-2.8%
Teads	2	2	-	-
Eliminations & other	-	-1	-	-
<b>Accrued Capex</b>	<b>205</b>	<b>211</b>	<b>+2.8%</b>	<b>+6.2%</b>
Portugal	106	93	-12.2%	-12.2%
Israel	28	10	-63.8%	-63.0%
Dominican Republic	31	30	-2.8%	+14.8%
Teads	6	28	+337%	+337%
Eliminations & other	-1	-1	-	-
<b>Total OpFCF</b>	<b>171</b>	<b>161</b>	<b>-6.0%</b>	<b>-2.6%</b>

For footnotes see slide 15

# Q1 2021 Free Cash Flow



For footnotes see slide 15

# Capital Structure and Debt Maturity

## Altice International Restricted Group

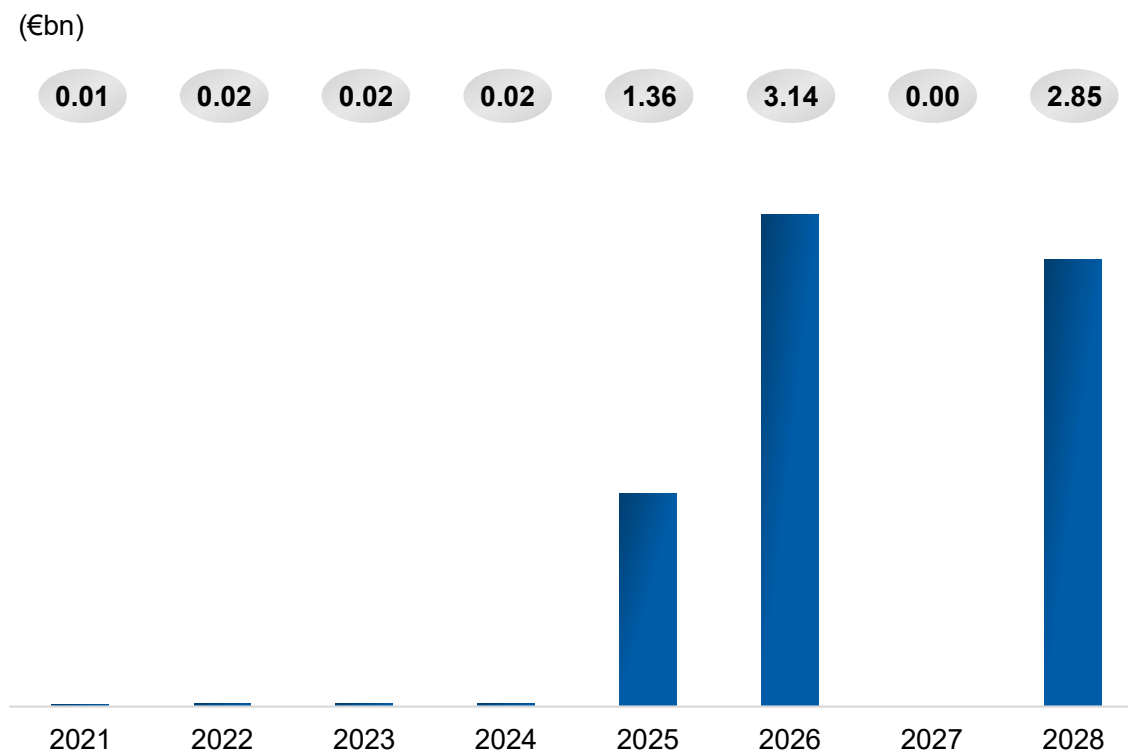
Net debt	€6,775m
WAL	5.5 years
WACD	4.1%
Fixed interest	86%
Net leverage	4.2x
Liquidity	€1.2bn

## Altice International Unsecured

Gross debt	€675m
WAL	6.8 years
WACD	4.8%
Fixed interest	100%

## Altice International Secured

Gross debt	€6,777m
WAL	5.4 years
WACD	4.0%
Fixed interest	84%



For footnotes see slide 15



# Guidance Reiterated

**FY 2021**

**Revenue, EBITDA and OpFCF growth YoY**

**Mid-term**

**Mid-term: full-year organic FCF target of >€250 million**

*Underpinned by EBITDA and OpFCF growth, as well as further reduction in cash interest costs*

**Target leverage of 4.0 to 4.5x net debt to EBITDA**

For footnotes see slide 15

# Q&A

# Appendix

# Reconciliation to Swap Adjusted Debt

€m As of March 31, 2021	Altice International	
	Actual	Pro Forma
<b>Total Debenture and Loans from Financial Institutions</b>	<b>7,241</b>	<b>7,241</b>
Value of debenture and loans from financial Institutions in foreign currency converted at closing FX rate	-8,167	-8,167
Value of debenture and loans from financial institutions in foreign currency converted at hedged rate	8,319	8,319
Transaction costs	35	35
<b>Total Swap Adjusted Value of Debenture and Loans from Financial Institutions</b>	<b>7,428</b>	<b>7,428</b>
Other debt and leases	24	24
<b>Gross Debt Consolidated</b>	<b>7,452</b>	<b>7,452</b>
Cash	-302	-677
<b>Net Debt Consolidated</b>	<b>7,150</b>	<b>6,775</b>

For footnotes see slide 15

# Pro Forma Net Leverage Reconciliation

€m As of March 31, 2021	Altice International
<b>Gross Debt Consolidated</b>	<b>7,452</b>
Cash	-677
<b>Net Debt Consolidated</b>	<b>6,775</b>
LTM Standalone	1,578
Eliminations	-3
<b>LTM EBITDA Consolidated</b>	<b>1,575</b>
<b>LTM EBITDA Consolidated</b>	<b>1,575</b>
Gross Leverage (LTM EBITDA)	4.7x
Net Leverage (LTM EBITDA)	4.3x
<b>L2QA EBITDA Consolidated</b>	<b>1,603</b>
Gross Leverage (L2QA EBITDA)	4.6x
Net Leverage (L2QA EBITDA)	4.2x

For footnotes see slide 15

# Non-GAAP Reconciliation to Unaudited GAAP Measures

€m For the three ended March 31, 2021	Altice International
<b>Revenue</b>	<b>1,015</b>
Purchasing and subcontracting costs	-282
Other operating expenses	-197
Staff costs and employee benefits	-133
<b>Total</b>	<b>402</b>
Share-based expense	1
Rental expense operating lease	-32
<b>Adjusted EBITDA</b>	<b>371</b>
Depreciation, amortisation and impairment	-302
Share-based expense	-1
Other expenses and income	-245
Rental expense operating lease	32
<b>Operating profit/(loss)</b>	<b>144</b>
<b>Capital expenditure (accrued)</b>	<b>211</b>
Capital expenditure - working capital items	-5
<b>Payments to acquire tangible and intangible assets</b>	<b>206</b>
<b>Operating free cash flow (OpFCF)</b>	<b>161</b>

# Footnotes

€1.2 billion liquidity includes €0.5 billion of undrawn revolvers and €0.7 billion of cash. €0.7 billion of cash includes the €375 million earn-out to be received in December 2021 (not including the €375 million earn-out to be received in December 2026) related to the FastFiber partnership	Pages 3, 8
Leverage is shown on an L2QA basis Net Debt is presented pro forma for the €375 million earn-out to be received in December 2021 (not including the €375 million earn-out to be received in December 2026) related to the FastFiber partnership	Pages 3, 8, 9, 12, 13
Full-year organic FCF target excludes spectrum and significant litigation paid and received	Pages 3, 9
Teads gross revenue is presented before discounts (net revenue after discounts is recognised in the consolidated financial statements)	Pages 4, 5, 6
Teads financials shown on a reported basis, revenue growth shown on a constant currency basis	Page 5
Maturity profile as shown is excluding other debt and leases, overdraft (c.€25 million)	Page 8
Net debt excludes operating lease liabilities recognized under IFRS 16	Page 8, 12, 13