altice

May 25, 2021

ALTICE INTERNATIONAL
Q1 2021 RESULTS

Altice International S.à r.l ("Altice International") today announces financial and operating results for the quarter ended March 31, 2021.

<u>Q1 2021 Key Financial and Operational Highlights</u>

- Total revenue grew by +5.9% YoY in Q1 2021 on a CC basis (reported +2.5%).
- Total revenue, excluding roaming, grew by +6.4% YoY in Q1 2021 on a CC basis (reported +3.0%).
- Total EBITDA grew by +2.2% YoY in Q1 2021 on a CC basis (reported -1.2%).
- Total accrued capital expenditure was €211 million in Q1 2021. Consequently, operating free cash flow amounted to €161 million in Q1 2021.

<u>Guidance Reiterated</u>

- FY 2021: revenue, EBITDA and operating free cash flow growth YoY.
- Mid-term: full-year organic free cash flow[1] target of >€250 million, underpinned by EBITDA and operating free cash flow growth, as well as further reduction in cash interest costs.
- Target leverage of 4.0x to 4.5x net debt to EBITDA.

[1] Excludes spectrum and significant litigation paid and received.

Altice International Q1 2021 Results Call for Debt Investors

Altice International is hosting a call for existing and prospective debt investors on Tuesday, May 25, 2021 at 2:00pm CEST (1:00pm BST, 08:00am EDT), to discuss its Q1 2021 results.

Dial-in Details:

UK: +44 2030598128

USA: +1 6313026547

France: +33 170918701

Conference ID: 20213178439

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

https://event.on24.com/wcc/r/3178439/67D76EFE8407BFE92861ED99AA075BAF

Contact Investor Relations
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About Altice International

Altice International S.à r.l. is part of the Altice Group, "Altice", a convergent 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 customers over fibre networks and mobile broadband. Altice is also a provider of enterprise digital solutions to millions of business customers. The Altice Group innovates with technology, research and development and enables 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 its customers to enjoy the most well-known media and entertainment.

Financial Presentation

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, 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 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.

Financial and Statistical Information and Comparisons

Financial and statistical information is for the quarter ended March 31, 2021, unless otherwise stated, and any year over year comparisons are for the quarter ended March 31, 2020.

Altice International Summary Financial Information (1/2)

Quarter ended March 31, 2021 and March 31, 2020				
	Q1-20	**Q1-21**	***Q1-21 YoY***	
In € million			***(Reported)***	***(CC)***
Portugal	522	549	*+5.1%*	*+5.1%*
Israel	247	247	*+0.3%*	*+2.5%*
Dom. Rep.	133	118	*-11.1%*	*+5.0%*
Teads	96	110	*+14.5%*	*+21.6%*
Eliminations & other	-0	-2	-	-
Total revenue	**997**	**1,022**	***+2.5%***	***+5.9%***
Portugal	210	204	*-2.8%*	*-2.8%*
Israel	91	79	*-12.7%*	*-10.7%*
Dom. Rep.	67	59	*-10.7%*	*+5.5%*
Teads	9	29	*+240%*	*+242%*
Eliminations & other	-1	-1	-	-
Total EBITDA	**375**	**371**	***-1.2%***	***+2.2%***
Portugal	104	111	*+6.8%*	*+6.8%*
Israel	63	69	*+9.7%*	*+12.1%*
Dom. Rep.	35	29	*-17.8%*	*-2.8%*
Teads	2	2	-	-
Eliminations & other	-	-1	-	-
Total accrued Capex	**205**	**211**	***+2.8%***	***+6.2%***
Portugal	106	93	*-12.2%*	*-12.2%*
Israel	28	10	*-63.8%*	*-63.0%*
Dom. Rep.	31	30	*-2.8%*	*+14.8%*
Teads	6	28	*+337%*	*+337%*
Eliminations & other	-1	-1	-	-
EBITDA - accrued Capex	**171**	**161**	***-5.9%***	***-2.6%***

Altice International Summary Financial Information (2/2)

Quarter ended March 31, 2021						
€ million	**Portugal**	**Israel**	**Dom. Rep.**	**Teads**	**Eliminations & other**	**Altice International**
Fixed	*164*	*136*	*23*	-	-	*323*
Mobile	*115*	*51*	*65*	-	-	*232*
Residential service	280	188	88	-	-	555
Equipment	26	20	9	-	-	55
Total residential	306	208	97	-	-	610
Business services	243	39	21	-	-2	302
Telecom	549	247	118	-	-2	912
Media	-	-	-	110	-	110
Total revenue	**549**	**247**	**118**	**110**	**-2**	**1,022**
Total EBITDA	**204**	**79**	**59**	**29**	**-1**	**371**
Margin (%)	*37.2%*	*32.0%*	*50.4%*	*26.7%*	-	*36.3%*
Total accrued Capex	**111**	**69**	**29**	**2**	**-1**	**211**
EBITDA - accrued Capex	**93**	**10**	**30**	**28**	**-1**	**161**

Quarter ended March 31, 2020						
€ million	**Portugal**	**Israel**	**Dom. Rep.**	**Teads**	**Eliminations & other**	**Altice International**
Fixed	*155*	*146*	*25*	-	-	*326*
Mobile	*118*	*54*	*75*	-	-	*247*
Residential service	273	200	100	-	-	573
Equipment	23	15	9	-	-	48
Total residential	296	215	110	-	-	621
Business services	226	31	23	-	-0	280
Telecom	522	247	133	-	-0	901
Media	-	-	-	96	-	96
Total revenue	**522**	**247**	**133**	**96**	**-0**	**997**
Total EBITDA	**210**	**91**	**67**	**9**	**-1**	**375**
Margin (%)	*40.2%*	*36.7%*	*50.1%*	*9.0%*	-	*37.7%*
Total accrued Capex	**104**	**63**	**35**	**2**	-	**205**
EBITDA - accrued Capex	**106**	**28**	**31**	**6**	**-1**	**171**

Note to Summary Financial Information table

(1) Teads gross revenue is presented before discounts (net revenue after discounts is recognised in the consolidated financial statements)

Key Performance Indicators

Quarter ended March 31, 2021				
000's unless stated otherwise	**Portugal**	**Israel**	**Dom. Rep.**	**Altice International**
Fibre homes passed	**5,699**	**2,212**	**796**	**8,707**
Fibre unique B2C customers	**1,135**	**1,027**	**204**	**2,366**
Total fixed B2C unique customers	**1,630**	**1,027**	**354**	**3,011**
Postpaid B2C subscribers	**3,203**	**1,179**	**627**	**5,008**
Prepaid B2C subscribers	**2,747**	**199**	**2,205**	**5,151**
Total mobile B2C subscribers	**5,950**	**1,378**	**2,831**	**10,159**

Notes to Key Performance Indicators table

(1) Portugal fibre homes passed figures include homes where MEO has access through wholesale fibre operators (c.0.6 million in Q1 2021).

(2) 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. For Israel, it refers to the total number of unique customer relationships, including both B2C and B2B.

(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 excludes M2M.

Financial and Operational Review

For the quarter ended March 31, 2021 compared to the quarter ended March 31, 2020

Portugal (MEO)

MEO delivered revenue growth in Q1 2021, underpinned by residential service revenue growth. The residential customer subscriber base continued to grow, supported by low levels of churn.

Altice Portugals' residential brands have strong appeal in the Portguese market, MEO continues to gather major brand and sector awards as well as overall recognition, both in national and international Award Ceremonies. The MEO brand was recently recognized with the 'Five Star Awards', MEO's products and services achieved the 'Customer Choice Awards' in areas including quad-play and best mobile operator offers, and in addition MEO was recognized by the 'Media & Advertising Awards', with a Silver Award on both the "Environment & Energy" and the "IT, Media and Telcos" categories.

In Q1 2021, FastFiber increased the coverage of its FTTH network by 73 thousand new homes passed, reaching a total coverage of more than 5.1 million homes passed (including shared network). FastFiber connected almost 10 thousand additional kilometers of dark fibre network in Q1 2021. Altice Portugal had 5.7 million addressable FTTH homes passed in total at the end of Q1 2021 (vs. 5.1 million at the end of Q1 2020).

At the end of Q1 2021, 4G and 4G+ penetration reached of 99.6% and 89.6% respectively, driven by ongoing mobile network investment. The 5G spectrum auction bidding started on December 22, 2020 and the main auction is ongoing.

- Total revenue grew +5.1% YoY in Q1 2021 to €549 million.
    - Total residential service revenue grew by +2.5% YoY in Q1 2021, or +2.8% excluding roaming out. The residential performance was supported by a strong contribution from digital sales channels, including increased online self-care usage.
    - Business services revenue grew +7.6% YoY in Q1 2021, supported by a strong contribution from equipment sales YoY.
- Total EBITDA declined -2.8% YoY to €204 million. The reduction in EBITDA margin YoY was mainly driven by the impact of increased low-margin equipment revenues YoY in both the residential and business segments and the loss of high margin roaming revenue YoY as a result of the pandemic.
- Total Capex amounted to €111 million in Q1 2021, reflecting the ongoing expansion of fibre coverage.

Israel (HOT)

The residential market continues to be very competitive, in both fixed and mobile markets. Impacts related to the pandemic were higher in Q1 2021 compared to Q1 2020, with 2 weeks of lockdown in Q1 2020 compared to almost 2 months in Q1 2021.

On March 10, 2021, HOT signed an agreement with FOX, a leader in the retail Israeli market. HOT and FOX will start to open shops under the brand RED by end of 2021 and will sell equipment's related to fixed and mobile markets.

On February 11, 2021, the IBC transaction was closed following the required regulatory and third-party approvals. HOT's will hold a 23.3% indirect stake in IBC Israel Broadband (IBC). HOT will purchase an indefeasible right, or IRU, to use IBC's fibre-optic network. IBC will purchase certain services from HOT, such as deployment.

- HOT total revenue grew by +2.5% YoY in Q1 2021 on a CC basis, or +0.3% YoY on a reported basis, to €247 million:
    - Residential service revenue declined -4.1% YoY in Q1 2021 on a CC basis.
    - Business services revenue grew +28.2% YoY in Q1 2021 on a CC basis, supported by a strong contribution from equipment sales YoY.
- EBITDA declined by -10.7% YoY in Q1 2021 on a CC basis, or -12.7% YoY on a reported basis, to €79 million. The reduction in EBITDA margin YoY was driven by the impact from the residential service revenue decline, mainly as a result of pricing pressure in the fixed segment, loss of high margin roaming revenue YoY as a result of the pandemic, and the impact from the increase of low-margin equipment revenues YoY.
- Total Capex was €69 million in Q1 2021.

Dominican Republic (Altice Dominicana)

In Q1 2021, Altice Dominicana grew revenue on a local currency basis, supported by residential service revenue growth.

- Overall, total revenue in Dominican Republic grew by +5.0% YoY in Q1 2021 on a CC basis, or declined by -11.1% YoY on a reported basis, to €118 million.
    - Residential service revenue excluding roaming increased +3.3% YoY in Q1 2021 on a CC basis. Roaming remained impacted by the pandemic, though tourism trends have shown signs of recovery compared to 2020 as the progressive de-escalation of pandemic-related measures continued.
    - Business services revenue grew by +8.0% YoY in Q1 2021 on a CC basis, despite the revenue impact of lower levels of roaming.
- Total EBITDA grew by +5.5% YoY in Q1 2021 on a CC basis, or declined -10.7% YoY on a reported basis to €59 million. The EBITDA margin increased YoY to 50.4% on a reported basis.
- Total Capex was €29 million in Q1 2021.

Teads

Teads continues to deliver high organic growth with improved profitability. In Q1 2021, branding and performance advertising solutions continued to grow significantly. Teads renewed and expanded virtually all of its major global advertiser and publisher partnerships.

- Total revenue for Teads grew strongly again, +21.6% YoY in Q1 2021 on a CC basis, to €110 million (+14.5% on a reported basis).
- In addition to strong revenue growth, the business achieved accelerated EBITDA growth supported by cost efficiencies introduced during 2020. Total EBITDA for Teads increased by +242% YoY in Q1 2021 on a CC basis to €29 million (+240% YoY on a reported basis).

Altice International Net Debt as of March 31, 2021

- Altice International has a robust, diversified and long-term capital structure:
  - Weighted average debt maturity of 5.5 years;
  - WACD of 4.1% at year-end 2020;
  - 86% of debt at fixed interest rate;
  - No major maturities until 2025;
  - Available liquidity of €1.2 billion[2].
- Total Altice International net debt was €7.2 billion at the end of Q1 2021 (€6.8 billion pro forma for the €375 million earn-out due in December 2021 related to the FastFiber partnership).

	Amount in millions (local currency)	Actual	Pro Forma	Coupon / Margin	Maturity
Senior Secured Notes	EUR 600	600	600	2.250%	2025
Senior Secured Notes	USD 2,471	2,103	2,103	7.500%	2026
Senior Secured Notes	EUR 1,100	1,100	1,100	3.000%	2028
Senior Secured Notes	USD 1,200	1,021	1,021	5.000%	2028
Term Loan	USD 876	745	745	L+2.75%	2025
Term Loan	USD 871	741	741	L+2.75%	2026
Term Loan	EUR 290	290	290	E+2.75%	2026
Drawn RCF	-	-	-	E+3.00%	2025
Other debt & leases	-	24	24	-	-
Swap Adjustment	-	151	151	-	-
Secured Debt		**6,777**	**6,777**		
Senior Notes	EUR 675	675	675	4.750%	2028
Gross Debt		**7,452**	**7,452**		
Total cash		-302	-677		
Net Debt		**7,150**	**6,775**		
Undrawn RCF			**538**		
WACD			**4.1%**		

[2] €1.2 billion liquidity includes €0.5 billion of undrawn revolvers and €0.7 billion of cash. The €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.

Altice International Pro Forma Reconciliation to Swap Adjusted Debt

In € million, as of March 31, 2021

Total Debenture and Loans from Financial Institutions	**7,241**
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at closing FX Rate	-8,167
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at hedged Rate	8,319
Transaction Costs	35
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	**7,428**
Other debt and leases	24
Gross Debt Consolidated	**7,452**
Cash	-677
Net Debt Consolidated	**6,775**

Altice International Pro Forma Net Debt Reconciliation

In € million, as of March 31, 2021

Gross Debt Consolidated	**7,452**
Cash	-677
Net Debt Consolidated	**6,775**
LTM standalone	**1,578**
Corporate Costs	-
Eliminations	-3
LTM EBITDA Consolidated	**1,575**
Gross Leverage (LTM EBITDA)	4.7x
Net Leverage (LTM EBITDA)	4.3x
L2QA EBITDA Consolidated	**1,603**
Gross Leverage (L2QA EBITDA)	4.6x
Net Leverage (L2QA EBITDA)	4.2x

Altice International Non-GAAP Reconciliation to unaudited GAAP measures

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

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.