

ALTICE INTERNATIONAL

Q2 2021 RESULTS

Altice International S.à r.l. (“Altice International”) today announces financial and operating results for the quarter ended June 30, 2021.

Q2 2021 Key Financial and Operational Highlights

- Total revenue grew by +13.4% year over year in Q2 2021 on a CC basis (reported +11.1%).
- Total EBITDA grew by +7.7% year over year in Q2 2021 on a CC basis (reported +5.8%).
- Total accrued capital expenditure was €207 million in Q2 2021. Consequently, operating free cash flow amounted to €193 million in Q2 2021.

Guidance Reiterated

- FY 2021: revenue, EBITDA and operating free cash flow growth year over year.
- Mid-term: full-year organic free cash flow¹ 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.



Capital Structure Key Highlights – including subsequent events

- Total Altice International net debt was €7.1 billion at the end of Q2 2021 (€6.8 billion pro forma for the €375 million earn-out due in December 2021 related to the FastFiber partnership and pro forma for the August 2021 refinancing).
- On May 26, 2021, PT Portugal entered into an exclusivity agreement with Cellnex Telecom S.A. for the sale of 100% in a business unit to be carved-out, including a set of mobile towers and other passive mobile infrastructure for an implied enterprise value of approximately €209 million. The transaction is expected to close in the second half of 2021, subject to customary regulatory approvals.
- On August 3, 2021, Altice Financing S.A. successfully issued \$2.75 billion (equivalent) of new 8-year euro and dollar Senior Secured Notes maturing in August 2029, with a weighted average cost on a fully euro swapped basis of 4.6%. The proceeds from this transaction were used by Altice Financing S.A. for the redemption of the existing \$2.5 billion 2026 Senior Secured Notes. This refinancing transaction will generate annual interest savings for Altice International, through a reduction of the average cost of debt, as well as further improving the maturity profile.
- On August 6, 2021, Altice International, through its subsidiary Altice Portugal, signed and closed the acquisition of Unisono Solutions Group S.L, which is engaged in the provision of outsourced customer experience management (contact centre and business process services), consulting and digital transformation services in Spain, Colombia, Chile and the United Kingdom. The total purchase price for the sale and purchase of the shares was €133 million.



Altice International Q2 2021 Results Call for Debt Investors

Altice International is hosting a call for existing and prospective debt investors on August 30, 2021 at 2:00pm CEST (1:00pm BST, 08:00am EDT), to discuss its Q2 2021 results.

Dial-in Details:

UK: +44 2030595869

USA: +1 7602941674

France: +33 170918701

Conference ID: 20210543

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

<https://event.on24.com/wcc/r/3359181/569141380A9697B307AF529110F64BB4>

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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. Altice 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 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 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 June 30, 2021, unless otherwise stated, and any year over year comparisons are for the quarter ended June 30, 2020.

Altice International Summary Financial Information (1/2)

Quarters ended June 30, 2021 and June 30, 2020				
<i>In € million</i>	Q2-20	Q2-21	Q2-21 year over year (Reported) (CC)	
Portugal	499	551	+10.3%	+10.3%
Israel	246	241	-1.9%	-0.5%
Dominican Republic	118	120	+2.2%	+11.9%
Teads	88	145	+64.8%	+72.7%
Eliminations & other	-1	-1	-	-
Total revenue	950	1,056	+11.1%	+13.4%
Portugal	201	213	+5.9%	+5.9%
Israel	95	76	-20.6%	-19.4%
Dominican Republic	59	63	+7.5%	+17.8%
Teads	24	49	+106%	+107%
Eliminations & other	-1	-1	-	-
Total EBITDA	378	400	+5.8%	+7.7%
Portugal	114	117	+2.8%	+2.8%
Israel	67	59	-12.8%	-11.6%
Dominican Republic	22	30	+37.2%	+50.4%
Teads	1	2	-	-
Eliminations & other	-	-1	-	-
Total accrued Capex	204	207	+1.2%	+3.1%
Portugal	87	96	+9.8%	+9.8%
Israel	28	17	-39.0%	-38.0%
Dominican Republic	37	33	-10.4%	-1.7%
Teads	22	47	+111%	+112%
Eliminations & other	-1	-	-	-
EBITDA - accrued Capex	174	193	+11.2%	+13.2%

Altice International Summary Financial Information (2/2)

Quarter ended June 30, 2021						
<i>In € million</i>	Portugal	Israel	Dom. Rep.	Teads	Eliminations & other	Altice International
<i>Fixed</i>	164	135	23	-	-	323
<i>Mobile</i>	116	53	68	-	-	236
Residential service	280	188	91	-	-	559
Equipment	24	16	8	-	-	48
Total residential	304	204	99	-	-	607
Business services	247	37	22	-	-1	304
Telecom	551	241	120	-	-1	911
Media	-	-	-	145	-	145
Total revenue	551	241	120	145	-1	1,056
Total EBITDA	213	76	63	49	-1	400
<i>Margin (%)</i>	38.7%	31.5%	52.4%	34.0%	-	37.9%
Total accrued Capex	117	59	30	2	-1	207
EBITDA - accrued Capex	96	17	33	47	-	193

Quarter ended June 30, 2020						
<i>In € million</i>	Portugal	Israel	Dom. Rep.	Teads	Eliminations & other	Altice International
<i>Fixed</i>	149	146	23	-	-	319
<i>Mobile</i>	113	54	66	-	-	233
Residential service	262	200	90	-	-	552
Equipment	21	15	8	-	-	44
Total residential	284	215	98	-	-	596
Business services	216	31	20	-	-1	266
Telecom	499	246	118	-	-1	862
Media	-	-	-	88	-	88
Total revenue	499	246	118	88	-1	950
Total EBITDA	201	95	59	24	-1	378
<i>Margin (%)</i>	40.3%	38.9%	49.9%	27.1%	-	39.8%
Total accrued Capex	114	67	22	1	-	204
EBITDA - accrued Capex	87	28	37	22	-1	174

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

<i>000's unless stated otherwise</i>	Quarter ended June 30, 2021			
	Portugal	Israel	Dom. Rep.	Altice International
Fibre homes passed	5,810	2,221	813	8,843
Fibre unique B2C customers	1,169	1,028	205	2,401
Total fixed B2C unique customers	1,632	1,028	359	3,019
Postpaid B2C subscribers	3,221	1,183	633	5,037
Prepaid B2C subscribers	2,751	195	2,190	5,136
Total mobile B2C subscribers	5,972	1,378	2,823	10,173

Notes to Key Performance Indicators table

- (1) Portugal fibre homes passed figures include homes where MEO has access through wholesale fibre operators (0.6 million in Q2 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 June 30, 2021, compared to the quarter ended June 30, 2020

Portugal (MEO)

AltiCe Portugal delivered an acceleration in revenue growth in Q2 2021 across all segments, including residential service revenue growth.

AltiCe Portugal had 5.8 million addressable FTTH homes passed in total at the end of Q2 2021 (vs. 5.7 million at the end of Q1 2021), including 5.2 million homes passed owned by FastFiber. FastFiber increased its coverage by 85 thousand new homes passed and connected a further 8 thousand additional kilometres of dark fibre network in Q2 2021.

At the end of Q2 2021, 4G and 4G+ penetration reached of 99.6% and 91.7% respectively, driven by sustained mobile network investment.

The 5G spectrum auction bidding started on December 22, 2020 and the main auction is still ongoing.

- Total revenue grew by +10.3% year over year in Q2 2021 to €551 million.
 - Total residential service revenue growth accelerated to +6.7% year over year in Q2 2021. The residential customer subscriber base continued to grow, both in fixed and mobile, supported by low levels of churn. In addition, convergence within the residential customer base continues to grow, driving lower churn. The fixed residential performance was driven by solid gross additions and very low churn, resulting in positive net additions for the fifteenth quarter in a row. The mobile residential performance benefited from a modest recovery in residential roaming out revenues compared to Q2 2020, although the absolute contribution remained below that of Q2 2019. Additionally, in the second quarter of 2020, SportTV Premium Channels were offered for free until the end of May whilst the National Soccer Championship was suspended. As a result, in the second quarter of 2020, AltiCe Portugal did not benefit from the associated revenue, neither did EBITDA capture the associated costs.
 - Business services revenue grew by +14.4% year over year in Q2 2021. The business services revenue trend was supported by a strong contribution from equipment sales year over year again in Q2 2021. The business services performance also benefited from a modest recovery in business roaming out and roaming in revenues compared to Q2 2020, although the absolute contribution remained below that of Q2 2019.
- Total EBITDA increased by +5.9% year over year to €213 million. The reduction in EBITDA margin year over year was partly driven by the impact of increased low-margin equipment sales and other services year over year, in both the residential and business segments. In addition, the EBITDA margin associated with SportTV is below the overall telecom margin for Portugal. As a result, the loss of this revenue positively impacted margins in the second quarter of 2020, with the opposite impact in the second quarter of 2021.
- Total Accrued Capex amounted to €117 million in Q2 2021.

Israel (HOT)

Residential fixed and mobile price competition in Israel has been intense in recent quarters, and the residential market in Israel remained very competitive in Q2 2021. This resulted in pricing-led service revenue pressure in the second quarter. HOT has started to offer FTTH to its subscribers, following its recent investment in IBC. The deployment of the IBC fibre network by HOT started at the end of Q2 2021, following the closing of the IBC transaction in February 2021. In the fixed segment, HOT launched fibre offers to B2C and B2B customers in April. In the mobile segment, a notable number of subscribers have already subscribed to 5G offers. During Q2 2021, HOT received approval from the Ministry of Communications to commercialize 4-play offers and HOT expects to launch packages by end of 2021.

- HOT total revenue declined by -0.5% year over year in Q2 2021 on a CC basis, or -1.9% year over year on a reported basis, to €241 million:
 - Residential service revenue declined by -4.6% year over year in Q2 2021 on a CC basis, mainly driven by the fixed activity.
 - Business services revenue grew by +20.9% year over year in Q2 2021 on a CC basis, supported by a strong contribution from equipment sales.
- EBITDA declined by -19.4% year over year in Q2 2021 on a CC basis, or -20.6% year over year on a reported basis, to €76 million. The reduction in EBITDA margin year over year was partly driven by the impact from the residential service revenue decline, mainly as a result of pricing pressure in the fixed segment, in addition to an increase in low-margin equipment revenue year over year.
- Total Accrued Capex was €59 million in Q2 2021.

Dominican Republic (Altice Dominicana)

In Q2 2021, Altice Dominicana grew revenue and EBITDA on a local currency and reported basis, including strong service revenue growth in the residential segment.

- Overall, total revenue in Dominican Republic grew by +11.9% year over year in Q2 2021 on a CC basis, or +2.2% year over year on a reported basis, to €120 million.
 - Residential service revenue grew by +11.4% year over year in Q2 2021 on a CC basis. Roaming revenue grew strongly year over year, supported by a recovery in tourism levels compared to 2020 as the progressive de-escalation of pandemic-related measures continued.
 - Business services revenue grew by +16.6% year over year in Q2 2021 on a CC basis, benefitting from increased business roaming out and roaming in revenues compared to Q2 2020.
- Total EBITDA grew by +17.8% year over year in Q2 2021 on a CC basis, or +7.5% year over year on a reported basis to €63 million. The EBITDA margin increased year over year to 52.4% on a reported basis.
- Total Accrued Capex was €30 million in Q2 2021.



Teads

Teads continues to deliver impressive organic growth and profitability. In Q2 2021, Teads achieved strong growth across its various products and geographic regions. Teads performance business continues to be a significant driver of growth. Teads continues to attract new advertisers and their agencies and expand upon existing customer relationships, including entering into new joint business partnerships with some of the world's largest brands. Teads achieved several strategic initiatives in 2020 that significantly increased the margin profile of the business and led to Teads' highest Q1 and Q2 EBITDA margin in 2021 within the past four years.

- Teads achieved revenue growth of +72.7% year over year in Q2 2021 on a CC basis, to €145 million (+64.8% on a reported basis).
- Teads continues to achieve record EBITDA margins, 34% in Q2 2021, representing the highest Q2 EBITDA margin of the past four years. Q2 2021 EBITDA was €49 million, an increase of +107% year over year on a CC basis (+106% year over year on a reported basis).

Altice International Net Debt as of June 30, 2021

- Altice International has a robust, diversified and long-term capital structure:
 - Weighted average debt maturity of 6.3 years;
 - WACD of 3.4%;
 - 76% of debt at fixed interest rate;
 - No major maturities until 2025;
 - Available liquidity of €1.25 billion¹.
- Total Altice International net debt was €7.1 billion at the end of Q2 2021 (€6.8 billion pro forma²).

	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	2,085	-	7.500%	2026
Senior Secured Notes	EUR 1,100	1,100	1,100	3.000%	2028
Senior Secured Notes	USD 1,200	1,013	1,013	5.000%	2028
New Senior Secured Notes	EUR 700	-	700	4.250%	2029
New Senior Secured Notes	USD 1,925	-	1,625	5.750%	2029
Term Loan	USD 874	737	737	L+2.75%	2025
Term Loan	USD 869	733	733	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	-	182	143	-	-
Secured Debt		6,763	6,964		
Senior Notes	EUR 675	675	675	4.750%	2028
Gross Debt		7,438	7,639		
Total cash		-311	-835		
Net Debt		7,127	6,803		
Undrawn RCF			418		
WACD			3.4%		

¹ €1.25 billion liquidity includes €0.42 billion of undrawn revolvers and €0.83 billion of cash. The €0.83 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.

² Total Altice International net debt pro forma for the August 2021 refinancing (issuance at Altice Financing S.A. of \$2.75 billion (equivalent) of new 8-year euro and dollar Senior Secured Notes maturing in August 2029, the redemption of the existing \$2.5 billion 2026 Senior Secured Notes and the effect of call premia and transaction fees) and for the €375 million earn-out due in December 2021 related to the FastFiber partnership.

Altice International Reconciliation to Swap Adjusted Debt

In € million, as of June 30, 2021

	Actual	Pro Forma
Total Debenture and Loans from Financial Institutions	7,199	7,199
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at closing FX rate	-6,623	-5,351
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at hedged rate	6,804	5,494
Transaction Costs	33	33
Pro forma for August 2021 refinancing	-	240
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	7,414	7,615
Other debt and leases	24	24
Gross Debt Consolidated	7,438	7,639
Cash	-311	-835
Net Debt Consolidated	7,127	6,803

Altice International Pro Forma Net Debt Reconciliation

In € million, as of June 30, 2021

	Actual	Pro Forma
Gross Debt Consolidated	7,438	7,639
Cash	-311	-835
Net Debt Consolidated	7,127	6,803
LTM standalone	1,600	1,600
Eliminations	-3	-3
LTM EBITDA Consolidated	1,597	1,597
Gross Leverage (LTM EBITDA)	4.7x	4.8x
Net Leverage (LTM EBITDA)	4.5x	4.3x
L2QA EBITDA Consolidated	1,542	1,542
Gross Leverage (L2QA EBITDA)	4.8x	5.0x
Net Leverage (L2QA EBITDA)	4.6x	4.4x

Altice International Non-GAAP Reconciliation to unaudited GAAP measures

In € million	Three months ended March 31, 2021	Three months ended June 30, 2021
Revenue	1,015	1,050
Purchasing and subcontracting costs	-282	-269
Other operating expenses	-197	-218
Staff costs and employee benefits	-133	-131
Total	402	433
Share-based expense	1	0
Rental expense operating lease	-32	-33
Adjusted EBITDA	371	400
Depreciation, amortisation and impairment	-302	-292
Share-based expense	-1	0
Other expenses and income	-245	-120
Rental expense operating lease	32	33
Operating profit	-145	21
Capital expenditure (accrued)	211	207
Capital expenditure - working capital items	-5	-7
Payments to acquire tangible and intangible assets	206	199
Operating free cash flow (OpFCF)	161	193



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.