

ALTICE INTERNATIONAL

Q2 2022 RESULTS

Altice International S.à r.l. ("Altice International") today announces financial and operating results for the quarter ended June 30, 2022.

Q2 2022 Key Highlights

- Total revenue grew by +16.2% year over year (YoY) in Q2 2022 on a reported basis (CC +10.8%).
- Total EBITDA grew by +9.2% YoY in Q2 2022 on a reported basis (CC +4.1%).
- Total Accrued Capex was €238 million in Q2 2022.
- Operating free cash flow amounted to €199 million in Q2 2022.

FY 2022 & Mid-term guidance reiterated

- FY 2022: revenue, EBITDA and operating free cash flow growth year over year.
- Mid-term: absolute operating free cash flow in excess of €1 billion, underpinned mainly by EBITDA growth.
- Target leverage of 4.0 to 4.5x net debt to EBITDA.



Altice International Q2 2022 Results Call for Debt Investors

Altice International is hosting a call for existing and prospective debt investors on Wednesday, July 27, 2022 at 2:00pm CEST (1:00pm BST, 08:00am EDT), to discuss its Q2 2022 results.

Dial-in Details:

UK: +44 2030595869

USA: +1 7602941674

France: +33 170918701

Conference ID: 20220480

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

<https://event.on24.com/wcc/r/3865657/55353EA023EEA307D4665FA452BD2233>

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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.

Teads revenue is presented after discounts (consistent with Teads revenue as recognized in the Altice International condensed consolidated interim financial statements).

Financial and Statistical Information and Comparisons

Financial and statistical information is for the quarter ended June 30, 2022, unless otherwise stated, and any year over year comparisons are for the quarter ended June 30, 2021.

Altice International Summary Financial Information (1/2)

Quarters ended June 30, 2022 and June 30, 2021				
<i>In € million</i>	Q2-21	Q2-22	Q2-22 YoY	
			<i>(Reported)</i>	<i>(CC)</i>
Portugal	551	642	+16.5%	+16.5%
Israel	241	292	+21.0%	+9.6%
Dominican Republic	120	150	+24.1%	+6.2%
Teads	139	142	+1.7%	-4.3%
Eliminations & other	-1	-4	-	-
Total revenue	1,050	1,221	+16.2%	+10.8%
Portugal	213	232	+9.1%	+9.1%
Israel	76	99	+29.9%	+17.7%
Dominican Republic	63	77	+22.3%	+4.7%
Teads	49	30	-38.5%	-38.6%
Eliminations & other	-1	-2	-	-
Total EBITDA	400	437	+9.2%	+4.1%
Portugal	117	122	+4.5%	+4.5%
Israel	59	77	+31.9%	+19.4%
Dominican Republic	30	39	+29.1%	+11.2%
Teads	2	2	-	-
Eliminations & other	-1	-3	-	-
Total Accrued Capex	207	238	+15.1%	+9.0%
Portugal	96	110	+14.7%	+14.7%
Israel	17	21	+23.2%	+11.6%
Dominican Republic	33	38	+16.1%	-1.3%
Teads	47	28	<i>n.m.</i>	<i>n.m.</i>
Eliminations & other	-	1	-	-
EBITDA - Accrued Capex	193	199	+3.0%	-1.1%

Altice International Summary Financial Information (2/2)

Quarter ended June 30, 2022						
<i>In € million</i>	Portugal	Israel	Dominican Republic	Teads	Eliminations & other	Altice International
<i>Fixed</i>	174	144	29	-	-	346
<i>Mobile</i>	120	63	84	-	-	267
Residential service	295	206	113	-	-	614
Equipment	26	23	10	-	-	58
Total residential	320	229	123	-	-	672
Business services	322	62	27	-	-4	407
Telecom	642	291	150	-	-4	1,079
Media	-	-	-	142	-	142
Total revenue	642	291	150	142	-4	1,221
Total EBITDA	232	99	77	30	-2	437
<i>Margin</i>	36.2%	33.8%	51.7%	21.4%	-	35.8%
Total Accrued Capex	122	77	39	2	-3	238
EBITDA - Accrued Capex	110	21	38	28	1	199
Quarter ended June 30, 2021						
<i>In € million</i>	Portugal	Israel	Dominican Republic	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	-	-	-	139	-	139
Total revenue	551	241	120	139	-1	1,050
Total EBITDA	213	76	63	49	-1	400
<i>Margin</i>	38.7%	31.5%	52.4%	35.4%	-	38.1%
Total Accrued Capex	117	59	30	2	-1	207
EBITDA - Accrued Capex	96	17	33	47	-	193

Note to Summary Financial Information table

- (1) Accrued Capex in Q2 2022 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 €13.9 million
- (2) Teads revenue is presented after discounts (consistent with Teads revenue as recognized in the Altice International consolidated interim financial statements)



Key Performance Indicators

<i>000's unless stated otherwise</i>	Quarter ended June 30, 2022			
	Portugal	Israel	Dominican Republic	Altice International
Fibre homes passed	6,133	2,249	876	9,259
Fibre unique B2C customers	1,297	1,041	214	2,552
Total fixed B2C unique customers	1,650	1,041	365	3,056
Postpaid B2C subscribers	3,321	1,214	650	5,185
Prepaid B2C subscribers	3,199	218	2,414	5,831
Total mobile B2C subscribers	6,521	1,432	3,063	11,016

Notes to Key Performance Indicators table

- (1) Portugal fibre homes passed figures include homes where MEO has access through wholesale fibre operators (0.7 million in Q2 2022)
- (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 June 30, 2022, compared to the quarter ended June 30, 2021

Portugal (MEO)

Altice Portugal delivered revenue growth across all segments in Q2 2022, as well as EBITDA growth and operating free cash flow growth YoY.

Altice Portugal had 6.1 million addressable FTTH homes passed in total at the end of Q2 2022 (vs. 5.8 million at the end of Q2 2021), including 5.4 million homes passed owned by FastFiber (vs. 5.2 million at the end of Q2 2021).

At the end of Q2 2022, 4G penetration reached 99.8%, driven by ongoing mobile network investment. Altice Portugal has modernized 457 sites and expanded 4G capacity on additional 276 sites. The successful ongoing roll-out of 5G technology will further support the effectiveness of Altice Portugal's strategy, connecting people with the best available technology, and leading in the Portuguese telecommunication sector.

In Q2 2022, Altice Portugal launched the MEO Smart WiFi 6 Extender, the newest addition to the MEO Smart WiFi integrated ecosystem, which provides improved connectivity to the customers. In addition, Altice Portugal launched "MEO Care Services", consisting of 5 new services focussing on Portuguese families' well-being. These include benefits, discounts and bonuses related to household services, with the convenience of being paid through the MEO invoice.

- Total Altice Portugal revenue grew by +16.5% YoY in Q2 2022 to €642 million, or +8.7% YoY in Q2 2022 excluding the contribution of Unisono in Q2 2022. Unisono started to contribute to Altice Portugal in Q3 2021 within the business services segment.
 - Total residential service revenue growth was +5.3% YoY in Q2 2022, supported by ongoing low levels of churn and growing convergence within the residential customer base.
 - Business services revenue grew by +30.2% YoY in Q2 2022, or +12.7% YoY excluding the contribution of Unisono in Q2 2022. The business services revenue trend was notably supported by an increased contribution from revenue related to Altice Labs and equipment sales YoY in Q2 2022.
- Total EBITDA increased by +9.1% YoY to €232 million. The EBITDA margin dilution YoY was mainly driven by the contribution of Unisono in Q2 2022, a customer care business operating at a lower margin than the telecom business, as well as an increase in low-margin equipment sales YoY within the business services segment.
- Total Accrued Capex amounted to €122 million in Q2 2022.



Israel (HOT)

HOT delivered revenue and EBITDA growth in Q2 2022 on a local currency and reported basis, despite ongoing price competition within the residential market in Israel during Q2 2022.

The deployment of the IBC fibre network by HOT began at the end of Q2 2021. At the end of Q2 2022, IBC had homes passed of 900k (+89k in Q2 2022), with HOT contributing to part of the construction in the quarter. HOT started to offer FTTH to its subscribers in 2021, further growing this subscriber base throughout the second quarter of 2022.

In the mobile segment, a notable number of subscribers have already subscribed to 5G offers. During 2021, HOT announced the collaboration with fashion retail industry leader FOX to launch "RED," a new chain offering mobile and multimedia products. In Q2 2022, the sixth "RED" store was opened since the launch in October 2021.

- HOT total revenue grew by +9.6% YoY in Q2 2022 on a CC basis, or by +21.0% YoY on a reported basis as a result of the appreciation of the Israeli Shekel compared to the Euro, to €292 million:
 - Residential revenue grew by +1.8% YoY in Q2 2022 on a CC basis, or by +12.5% YoY on a reported basis.
 - Business services revenue grew by +52.8% YoY in Q2 2022 on a CC basis, or by +68.7% YoY on a reported basis, mainly supported by a robust contribution from B2B as well as benefiting from construction activity for IBC.
- EBITDA increased by +17.7% YoY in Q2 2022 on a CC basis, or +29.9% YoY on a reported basis, to €99 million.
- Total Accrued Capex was €77 million in Q2 2022, excluding the indefeasible right of use ("IRU") in the quarter, related to the IBC fibre network.

Dominican Republic (Altice Dominicana)

In Q2 2022, Altice Dominicana grew revenue and EBITDA on a local currency and reported basis, across all segments and including strong growth in the residential services segment.

In July 2022, for the third consecutive year, Altice Dominicana featured amongst the top 10 organizations for the "Best Companies to Work" prepared by Mercado Magazine, with a higher ranked position compared to last year. This award recognizes the added value of organizations in favour of their employees.

Altice Dominicana was assigned spectrum within the 3.4-3.5 GHz band in Q4 2021 and has started to offer 5G to its customers in Q1 2022, building further on this performance during Q2 2022.

- Total revenue in the Dominican Republic grew by +6.2% YoY in Q2 2022 on a CC basis, or +24.1% YoY on a reported basis to €150 million.
 - Residential service revenue grew by +5.9% YoY in Q2 2022 on a CC basis, or +23.8% YoY on a reported basis. This growth was supported by a growing total customer base.

- Business services revenue grew by +6.9% YoY in Q2 2022 on a CC basis, or grew by +24.8% YoY on a reported basis, mainly as a consequence of B2B equipment sales.
- Total EBITDA grew by +4.7% YoY in Q2 2022 on a CC basis, or +22.3% YoY on a reported basis to €77 million. The EBITDA margin in Q2 2022 was 51.7% on a reported basis.
- Total Accrued Capex was €39 million in Q2 2022.

Teads

The prevailing macroenvironment continued to impact the wider advertising market in Q2 2022. Teads faced macro headwinds which negatively impacted client budgets in key areas such as Consumer Packaged Goods and Auto.

In spite of the challenging backdrop, Teads has continued to invest in the business to drive long term product diversification and growth. Teads is executing on several exciting product initiatives in Connected TV, Retail Media and Performance Marketing as part of its 2022 omni-channel strategy.

In June 2022, Teads launched an attention measurement program that will equip brands with optimal multi-screen reporting of attention metrics within Teads Ad Manager. This pioneering program will accelerate the understanding of attention for media buyers and media owners allowing them to plan, buy, optimize and report on attention to ultimately drive a better return on media investment for brands.

- Teads grew revenue by +1.7% YoY in Q2 2022 on a reported basis, to €142 million (-4.3% on a CC basis). Teads Performance business continued to be a significant contributor in overall growth in Q2 2022. In addition, Asia-Pacific was a material contributor to growth for Teads in the quarter and represented the second fastest growing region for Teads in Q2 2022.
- Teads reported EBITDA of €30 million in Q2 2022, representing an EBITDA margin of 21%. Labour Opex increased slightly year over year again in the quarter, as Teads has proactively increased its investment in new, high-quality talent in areas such as R&D to drive innovation and product breadth. The strengthening of the U.S. Dollar relative to the Euro also impacted margins in the quarter.

Altice International Net Debt as of June 30, 2022

- Altice International has a robust, diversified and long-term capital structure:
 - Weighted average debt maturity of 5.3 years;
 - WACD of 3.9%;
 - 84% of debt at fixed interest rate;
 - No major maturities until 2025;
 - Available liquidity of €0.7 billion¹.
- Total Altice International net debt was €7.8 billion at the end of Q2 2022.

	Amount in millions (local currency)	Actual ²	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	1,145	5.000%	2028
Senior Secured Notes	EUR 805	805	4.250%	2029
Senior Secured Notes	USD 2,050	1,956	5.750%	2029
Term Loan	USD 865	825	L+2.75%	2025
Term Loan	USD 860	820	L+2.75%	2026
Term Loan	EUR 287	287	E+2.75%	2026
Drawn RCF	-	110	E+3.00%	2025
Finance lease liabilities and other debt	-	3	-	-
Swap Adjustment	-	-198	-	-
Secured Debt		7,451		
Senior Notes	EUR 675	675	4.750%	2028
Gross Debt		8,126		
Total cash and restricted cash		-282		
Net Debt		7,844		
Undrawn RCF		368		
WACD		3.9%		

¹ €0.7 billion liquidity includes €0.4 billion of undrawn revolvers and €0.3 billion of cash

² Total cash of €282 million includes restricted cash for an amount of €42 million

Altice International Reconciliation to Swap Adjusted Debt

As of June 30, 2022, in € million

	Actual
Total Debenture and Loans from Financial Institutions	8,289
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at closing FX rate	-6,802
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at hedged rate	6,604
Transaction Costs	33
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	8,123
Finance lease liabilities and other debt	3
Gross Debt Consolidated	8,126
Cash	-282
Net Debt Consolidated	7,844

Altice International Pro Forma Leverage Reconciliation

As of June 30, 2022, in € million

	Actual	Pro Forma¹
Gross Debt Consolidated	8,126	8,126
Cash	-282	-282
Net Debt Consolidated	7,844	7,844
LTM EBITDA Consolidated	1,714	1,720
Gross Leverage		4.7x
Net Leverage		4.6x
Net Leverage adjusted for Altice UK investment		4.2x
L2QA EBITDA Consolidated	1,683	1,683
Gross Leverage		4.8x
Net Leverage		4.7x
Net Leverage adjusted for Altice UK investment		4.3x

¹ Leverage is presented pro forma for the contribution from the acquisition of Unisono (€6 million on an LTM basis, no impact on an L2QA basis), closed on August 6, 2021. Net Leverage adjusted for the Altice UK investment as presented is calculated by reducing net debt as shown by the amount of the Q4 2021 Altice International investment in Altice UK (through granting a loan of €581 million)



AltiCe International Non-GAAP Reconciliation to unaudited GAAP measures

In € million	Q1-22	Q2-22
Revenue - Financial Statements	1,148	1,221
Purchasing and subcontracting costs	-298	-314
Other operating expenses	-243	-258
Staff costs and employee benefits	-163	-170
Total	444	479
Share-based expense	-	-
Rental expense operating lease	-40	-42
Adjusted EBITDA	405	437
Depreciation, amortisation and impairment	-305	-301
Share-based expense	-	-
Other expenses and income	20	-80
Rental expense operating lease	40	42
Operating profit	160	98
Capital expenditure (Accrued) - Financial Statements	262	252
IRU (Israel, HOT)	-50	-14
Capital expenditure (Accrued) - Investor Presentation	212	238
Operating free cash flow (OpFCF) - Investor Presentation	193	199



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.