

ALTICE INTERNATIONAL

Q2 2023 RESULTS

Altice International S.à r.l. ("Altice International") today announces financial and operating results for the quarter ended June 30, 2023.

Q2 2023 Key Highlights

- Total revenue grew by +4.6% YoY in Q2 2023 on a reported basis (CC +7.5%).
- Total EBITDA grew by +4.3% YoY in Q2 2023 on a reported basis (CC +7.2%).
- Total accrued Capex was €215 million in Q2 2023.
- Operating free cash flow amounted to €241 million in Q2 2023.

FY 2023 guidance range narrowed

- FY 2023: revenue, EBITDA and operating free cash flow growth YoY.
- Following a strong year-to-date performance, FY 2023 EBITDA and operating free cash flow are expected to grow broadly in line with year-to-date performance of +7% growth YoY for EBITDA and +13% YoY for operating free cash flow at constant currency.

Mid-term guidance reiterated

- 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 €8,552 million at the end of Q2 2023.
- As part of an ongoing investigation, the Portuguese authorities are investigating allegations of harmful practices and misconduct, notably private corruption, by certain individuals and entities related to Altice Portugal - a subsidiary of Altice International -, of which Altice Portugal is allegedly a victim.
- Altice International has taken immediate action and is working to protect the interests of the group and all stakeholders:
 - Investigations in Portugal and across other jurisdictions launched under the authority of a global investigation committee to perform a thorough, independent and broad investigation in key jurisdictions (Ropes & Gray and DLA Piper France appointed as global co-ordinating counsel by Next Alt, with local counsel in addition to other advisors in local jurisdictions).
 - A small number of key legal representatives, managers and employees in Portugal and abroad have been placed on leave while this investigation is conducted, internal organisation reconfigured with the appropriate individuals covering the relevant positions.
 - Full review and thorough reinforcement of the approval process on all procurement, payments, purchase orders and related processes. Altice and its subsidiaries have already started transitioning from suppliers potentially implicated by the Portuguese authorities' investigation.
- Altice International will provide any material updates as appropriate and permissible in due course, with transparency throughout the process.
- Patrick Drahi, and management team, including some country CEOs, to host investor meetings in London and New York in September 2023.



Altice International Q2 2023 Results Call for Debt Investors

Altice International is hosting a call for existing and prospective debt investors on Monday, August 7, 2023 at 13:00 CEST (12:00 BST, 07:00 EDT), to discuss its Q2 2023 results.

Dial-in Details:

UK: +44 2034814247

USA: +1 6463071963

France: +33 173023136

Conference ID: 2285896

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

<https://events.q4inc.com/earnings/ALVVF/2023>

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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 June 30, 2023, unless otherwise stated, and any year over year comparisons are for the quarter ended June 30, 2022.

Altice International Summary Financial Information (1/2)

Quarters ended June 30, 2023 and June 30, 2022				
<i>In € million</i>	Q2-22	Q2-23	Q2-23 YoY	
			<i>(Reported)</i>	<i>(CC)</i>
Portugal	642	718	+11.8%	+11.8%
Israel	292	269	-7.7%	+3.1%
Dominican Republic	150	148	-1.1%	+0.3%
Teads	142	146	+2.8%	+4.0%
Eliminations & other	-4	-4	<i>n.m.</i>	<i>n.m.</i>
Total revenue	1,221	1,277	+4.6%	+7.5%
Portugal	232	254	+9.5%	+9.5%
Israel	99	90	-9.0%	+1.6%
Dominican Republic	78	80	+2.8%	+4.2%
Teads	30	34	+11.4%	+14.9%
Eliminations & other	-2	-2	<i>n.m.</i>	<i>n.m.</i>
Total EBITDA	437	456	+4.3%	+7.2%
Portugal	122	120	-1.9%	-1.9%
Israel	77	58	-25.3%	-15.8%
Dominican Republic	39	33	-15.0%	-13.5%
Teads	2	3	<i>n.m.</i>	<i>n.m.</i>
Eliminations & other	-3	1	<i>n.m.</i>	<i>n.m.</i>
Total accrued Capex	238	215	-9.7%	-6.3%
Portugal	110	134	+22.1%	+22.1%
Israel	21	32	+50.4%	+65.0%
Dominican Republic	39	47	+20.8%	+22.1%
Teads	28	31	+9.3%	+13.2%
Eliminations & other	1	-2	<i>n.m.</i>	<i>n.m.</i>
EBITDA - accrued Capex	199	241	+21.0%	+23.3%

Altice International Summary Financial Information (2/2)

Quarter ended June 30, 2023						
<i>In € million</i>	Portugal	Israel	Dominican Republic	Teads	Eliminations & other	Altice International
<i>Fixed</i>	181	128	29	-	-	338
<i>Mobile</i>	125	59	85	-	-	270
Residential service	306	187	114	-	-	607
Equipment	30	19	8	-	-	57
Total residential	336	206	122	-	-	665
Business services	382	63	26	-	-4	466
Telecom	718	269	148	-	-4	1,131
Media	-	-	-	146	-	146
Total revenue	718	269	148	146	-4	1,277
Total EBITDA	254	90	80	34	-2	456
<i>Margin</i>	35.4%	33.3%	53.9%	23.2%	-	35.7%
Total accrued Capex	120	58	33	3	1	215
EBITDA - accrued Capex	134	32	47	31	-2	241

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	292	150	-	-4	1,079
Media	-	-	-	142	-	142
Total revenue	642	292	150	142	-4	1,221
Total EBITDA	232	99	78	30	-2	437
<i>Margin</i>	36.2%	33.8%	51.9%	21.4%	-	35.8%
Total accrued Capex	122	77	39	2	-3	238
EBITDA - accrued Capex	110	21	39	28	1	199

Note to Summary Financial Information table

- (1) Accrued Capex in Q2 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 €15.4 million



Key Performance Indicators

<i>000's unless stated otherwise</i>	Quarter ended June 30, 2023			
	Portugal	Israel	Dominican Republic	Altice International
Fibre homes passed	6,286	2,260	986	9,532
Fibre unique B2C customers	1,400	1,035	224	2,659
Total fixed B2C unique customers	1,672	1,035	363	3,070
Postpaid B2C subscribers	2,948	1,276	676	4,900
Prepaid B2C subscribers	2,740	241	2,477	5,458
Total mobile B2C subscribers	5,688	1,517	3,153	10,358

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 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 June 30, 2023, compared to the quarter ended June 30, 2022

Portugal (MEO)

Altice Portugal delivered revenue growth across all segments in Q2 2023, as well as EBITDA growth and operating free cash flow growth YoY.

Altice Portugal had 6.3 million addressable FTTH homes passed in total at the end of Q2 2023 (vs. 6.1 million at the end of Q2 2022), including 5.7 million homes passed owned by FastFiber (vs. 5.6 million at the end of Q2 2022). The FTTH penetration of the B2C fixed customer base was 84% at the end of Q2 2023.

At the end of Q2 2023, 4G population coverage was 99.9% and 5G population coverage was 95% (vs. 69% in Q2 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.

During Q2 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 April 2023, MEO was awarded the title of "Best Portugal Telecom Store 2023" in the telecommunications sector, by the business magazine "Grande Consumo"¹. In addition, in May 2023, MEO was elected "Recommended Brand" for the third consecutive year in the "Communications, TV and Media" category, a distinction resulting from the consumer satisfaction survey at "Portal da Queixa"², a complaint portal in Portugal.

- Total Altice Portugal revenue grew by +11.8% YoY in Q2 2023 to €718 million.
 - Total residential service revenue growth was +3.9% YoY in Q2 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) YoY in Q2 2023.
 - Business services revenue grew by +18.6% YoY in Q2 2023, which was partly driven by the contribution of Geodesia in Q2 2023 and another positive contribution of Altice Labs in Q2 2023.
- Total EBITDA increased by +9.5% YoY to €254 million. The EBITDA margin dilution YoY was mainly driven by an increase in low-margin equipment sales in Q2 2023.
- Total accrued Capex amounted to €120 million in Q2 2023.

¹ <https://grandeconsumo.com/meo-distinguida-como-a-melhor-loja-de-portugal-2023-no-sector-das-telecomunicacoes/>

² <https://portaldaqueixa.com/>



Israel (HOT)

HOT delivered revenue, EBITDA and operating free cash flow growth in Q2 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 Q2 2023, IBC had homes passed of 1,292k (+104k in Q2 2023, +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 second quarter of 2023. IBC is in the process of upgrading the fibre network to XGS-PON. This technology is based on symmetrical 10G capabilities per port and allows HOT to offer up to 5gbps packages.

HOT continued with the accelerated deployment of 5G sites in Q2 2023, achieving 63% population coverage. The number of subscribers already taking 5G offers continued to grow. Following the tender launched in December 2022 by The Ministry of Communication for 25 100Mhz bands in the 26Gh frequency range (Millimetric waves), HOT Mobile won four 100Mhz bands in July 2023, for which HOT's share in the costs is less than €0.5 million. This allows HOT Mobile to expand public networks and capacity, and to enable the development of new capabilities and services.

- HOT total revenue grew by +3.1% YoY in Q2 2023 on a CC basis, or declined by -7.7% YoY on a reported basis as a result of the depreciation of the Israeli Shekel compared to the Euro, to €269 million:
 - Residential service revenue grew by +1.4% YoY in Q2 2023 on a CC basis, or declined by -9.2% YoY on a reported basis. Mobile service revenue grew by +6.0% on a CC basis, supported by subscriber base and ARPU growth, which was offset by fixed service revenue decline of -0.6% driven by ongoing competition in the fixed market. Equipment revenue declined by -7.0% YoY, resulting in a total residential revenue growth of +0.6% YoY in Q2 2023 on a CC basis, or -10.0% YoY on a reported basis.
 - Business services revenue grew by +12.4 % YoY in Q2 2023 on a CC basis, or by +0.8% YoY on a reported basis.
- EBITDA grew by +1.6% YoY in Q2 2023 on a CC basis, or declined -9.0% YoY on a reported basis, to €90 million.
- Total accrued Capex was €58 million in Q2 2023, excluding the indefeasible right of use ("IRU") in the quarter, related to the IBC fibre network.

Dominican Republic (Altice Dominicana)

In Q2 2023, Altice Dominicana grew revenue, EBITDA and operating free cash flow on a local currency basis.

The company continues to strengthen its presence and customer base. In Q2 2023, Altice Dominicana continued to deploy its 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.

In April 2023, the Dominican Telecommunications Institute (INDOTEL) graded Altice Dominicana with an "A" (best grade it grants) by the publication of Resolution 016-15, related to the quality of telephony and



internet access service in the Dominican Republic. Altice Dominicana led the scores awarded on the internet and telephony categories in the northwest, northeast, south, east and Greater Santo Domingo. The study is published annually, with indicators of this study including mobile speed, 4G and 3G mobile internet, rate of failed 4G data transmissions, failed calls, dropped calls, voice connection quality, call set up time, successful SMS, and text message delivery time.

- Total revenue in the Dominican Republic grew by +0.3% YoY in Q2 2023 on a CC basis, or declined by -1.1% YoY on a reported basis to €148 million.
 - Residential service revenue grew by +2.3% YoY in Q2 2023 on a CC basis, or +0.9% YoY on a reported basis. This growth was supported by a growing total customer base in fibre and mobile post-paid.
 - Business services revenue declined by -2.0% YoY in Q2 2023 on a CC basis, or -3.6% YoY on a reported basis.
- Total EBITDA grew by +4.2% YoY in Q2 2023 on a CC basis, or +2.8% YoY on a reported basis to €80 million. The EBITDA margin in Q2 2023 was 53.9% on a reported basis.
- Total accrued Capex was €33 million in Q2 2023.

Teads

In Q2 2023, Teads continued to invest in the business to drive long term product diversification and growth.

- Ongoing macro uncertainty impacted spending from certain client verticals. Teads revenue grew by +2.8% YoY in Q2 2023 on a reported basis, to €146 million (+4.0% on a CC basis). On a regional basis, North America and APAC contributed the most to growth vs. other regions. Building on the launch of Connected TV in the US, Teads announced the launch of its offering across Latin America and Europe.
- Teads continues to invest in new product initiatives while maintaining discipline on costs. Teads reported EBITDA of €34 million in Q2 2023, which grew by +11% YoY (+15% on a CC basis), representing an EBITDA margin of 23.2%.

Altice International Net Debt as of June 30, 2023

- Altice International has a robust, diversified and long-term capital structure:
 - Weighted average debt maturity of 4.6 years;
 - WACD of 5.1%;
 - 85% of debt at fixed interest rate;
 - No major maturities until 2025;
 - Available liquidity of €0.6 billion¹.
- Total Altice International net debt was €8.6 billion at the end of Q2 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	1,099	5.000%	2028
Senior Secured Notes	EUR 805	805	4.250%	2029
Senior Secured Notes	USD 2,050	1,878	5.750%	2029
Term Loan	USD 188	172	L+2.75%	2025
Term Loan	USD 133	121	L+2.75%	2026
Term Loan	EUR 50	50	E+2.75%	2026
Term Loan	EUR 449	449	E+5.00%	2027
Term Loan	USD 1,596	1,462	S+5.00%	2027
Drawn RCF	-	291	E+3.00%	2027
Finance lease liabilities and other debt	-	34	-	-
Swap Adjustment	-	90	-	-
Secured Debt		8,150		
Senior Notes	EUR 675	675	4.750%	2028
Gross Debt		8,825		
Total cash and restricted cash		-273		
Net Debt		8,552		
Undrawn RCF		288		
WACD		5.1%		

¹ €0.6 billion liquidity includes €0.3 billion of undrawn revolvers and €0.3 billion of cash

² Total cash of €273 million includes restricted cash for an amount of €42 million

Altice International Reconciliation to Swap Adjusted Debt

As of June 30, 2023, in € million

	Actual
Total Debenture and Loans from Financial Institutions	8,628
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at closing FX rate	-6,608
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at hedged rate	6,698
Transaction Costs	73
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	8,791
Finance lease liabilities and other debt	34
Gross Debt Consolidated	8,825
Cash and restricted cash	-273
Net Debt Consolidated	8,552

Altice International Leverage Reconciliation

As of June 30, 2023, in € million

	Actual
Gross Debt Consolidated	8,825
Cash and restricted cash	-273
Net Debt Consolidated	8,552
LTM EBITDA Consolidated	1,835
Net Leverage	4.7x
Net Leverage adjusted for Altice UK investment ¹	4.3x
L2QA EBITDA Consolidated	1,772
Net Leverage	4.8x
Net Leverage adjusted for Altice UK investment ¹	4.5x

¹ 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	Q1-23	Q2-23
Revenue - Financial Statements	1,234	1,277
Purchasing and subcontracting costs	-333	-341
Other operating expenses	-245	-255
Staff costs and employee benefits	-184	-183
Total	472	498
Rental expense operating lease	-41	-42
Adjusted EBITDA	430	456
Depreciation, amortisation and impairment	-282	-287
Other expenses and income	-2	-235
Rental expense operating lease	41	42
Operating profit	188	-23
Capital expenditure (Accrued) - Financial Statements	283	231
IRU (Israel, HOT)	-53	-15
Capital expenditure (Accrued) - Investor Presentation	230	215
Operating free cash flow (OpFCF) - Investor Presentation	200	241



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.