Altice International Q2 2024 results

August 29, 2024

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Disclaimer

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation constitute forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding our intentions, beliefs or current expectations concerning, among other things: our future financial conditions and performance, results of operations and liquidity; our strategy, plans, objectives, prospects, growth, goals and targets; and future developments in the markets in which we participate or are seeking to participate. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believe”, “could”, “estimate”, “expect”, “forecast”, “intend”, “may”, “plan”, “project” or “will” or, in each case, their negative, or other variations or comparable terminology. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will be achieved or accomplished. To the extent that statements in this presentation are not recitations of historical fact, such statements constitute forward-looking statements, which, by definition, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including risks referred to in our annual and quarterly reports.

FINANCIAL MEASURES

This presentation contains measures and ratios (the “Non-GAAP Measures”), including Adjusted EBITDA, Capital Expenditure (“Capex”) and Operating Free Cash Flow, that are not required by, or presented in accordance with, IFRS or any other generally accepted accounting standards. We present Non-GAAP Measures because we believe that they are of interest to the investors and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Non-GAAP Measures may not be comparable to similarly titled measures of other companies or have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our, or any of our subsidiaries’, operating results as reported under IFRS or other generally accepted accounting standards. Non-GAAP measures such as Adjusted EBITDA are not measurements of our, or any of our subsidiaries’, performance or liquidity under IFRS or any other generally accepted accounting principles, including U.S. GAAP. In particular, you should not consider Adjusted EBITDA as an alternative to (a) operating profit or profit for the period (as determined in accordance with IFRS) as a measure of our, or any of our operating entities’, operating performance, (b) cash flows from operating, investing and financing activities as a measure of our, or any of our subsidiaries’, ability to meet its cash needs or (c) any other measures of performance under IFRS or other generally accepted accounting standards. In addition, these measures may also be defined and calculated differently than the corresponding or similar terms under the terms governing our existing debt.

Adjusted EBITDA is defined as operating 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 presentation are to Adjusted EBITDA, as defined in this paragraph.

Capital expenditure (Capex), while measured in accordance with IFRS principles, is not a term that is defined in IFRS. However, management believes it is an important indicator as the profile varies greatly between activities:

- The fixed business has fixed Capex requirements that are mainly discretionary (network, platforms, general), and variable Capex requirements related to the connection of new customers and the purchase of Customer Premise Equipment (TV decoder, modem, etc.).
- Mobile Capex is mainly driven by investment in new mobile sites, upgrade to new mobile technology and licenses to operate; once engaged and operational, there are limited further Capex requirements.
- Other Capex: mainly related to costs incurred in acquiring content rights.

Operating free cash flow (OpFCF) is defined as Adjusted EBITDA less Capex. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating cash flow as presented in the consolidated statement of cash flows in accordance with IAS 1 - *Presentation of Financial Statements*. It is simply a calculation of the two above mentioned non-GAAP measures.

Adjusted EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing Adjusted EBITDA as reported by us to Adjusted EBITDA of other companies. Adjusted EBITDA as presented herein differs from the definition of “Consolidated Combined Adjusted EBITDA” for purposes of any of the indebtedness of Altice International. The financial information presented in this presentation, including but not limited to, the quarterly and annual financial information, pro forma financial information as well as Adjusted EBITDA and OpFCF, is unaudited.

Net financial debt is a non-GAAP measure which is useful to the readers of this presentation as they provide 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 as presented in this presentation is pro forma for the sale of Teads.

Q2 2024 Summary

Altice International pro forma key financial trends in Q2 2024:

- **Total revenue declined by -2.2% YoY on a constant currency basis (-3.2% reported)**
- **Total EBITDA declined by -1.1% YoY on a constant currency basis (-2.5% reported)**
- **Total OpFCF grew by +9.0% YoY on a constant currency basis (+7.2% reported)**

Outbrain to acquire Teads in a $1 billion transaction consisting of $725 million cash, $25 million deferred cash, $105 million convertible preferred stock and 35 million shares of common stock (representing a value of approximately $170 million based on a share price of $4.78 as of July 31, 2024)

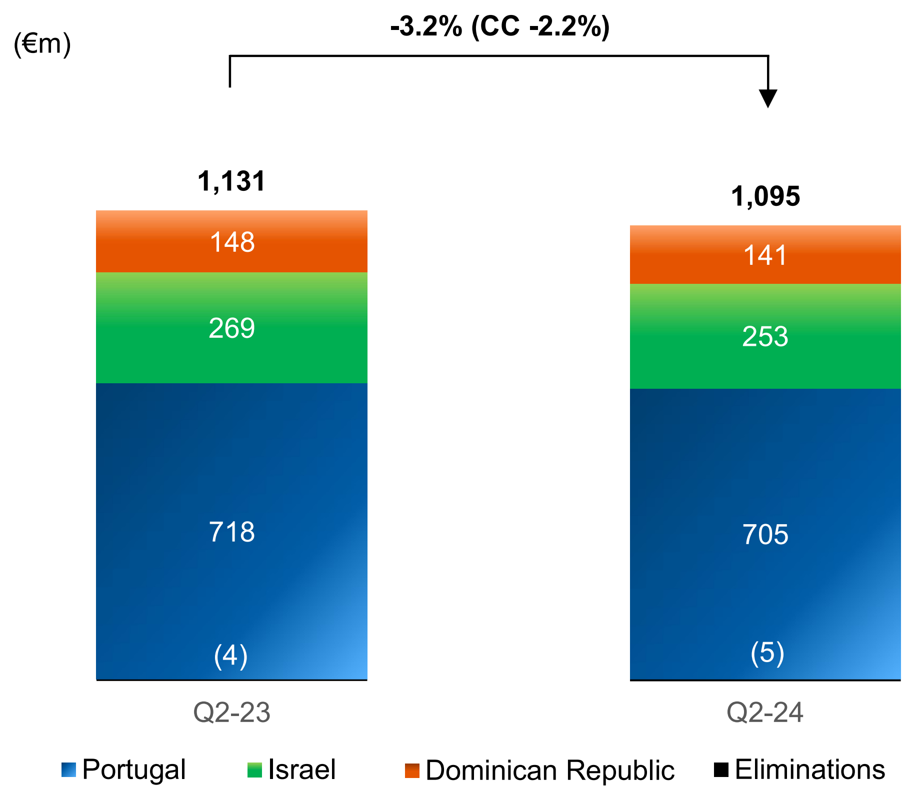
Net leverage of 5.0x on an LTM basis at the end of Q2 2024, €1.2 billion pro forma liquidity and 80% of debt at fixed interest rate

Guidance (pro forma for the disposal of Teads):

- **FY 2024: revenue and EBITDA growth YoY, absolute operating free cash flow in excess of €850 million**
- **Target leverage of 4.0x to 4.5x net debt to EBITDA**

For footnotes see slide 15

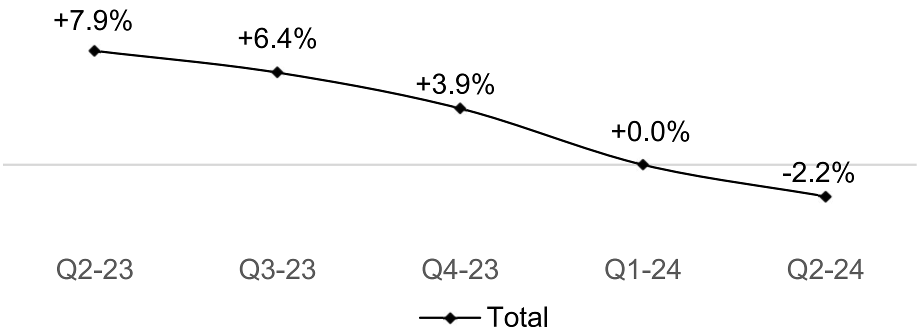
Altice International Pro Forma Revenue Trends



Q2 2024 revenue trends YoY

- Total: -3.2% (CC -2.2%)
  - Portugal: -1.7%
  - Israel: -6.0% (CC -5.3%)
  - Dominican Republic: -4.6% (CC +1.6%)

Revenue growth evolution YoY (CC)



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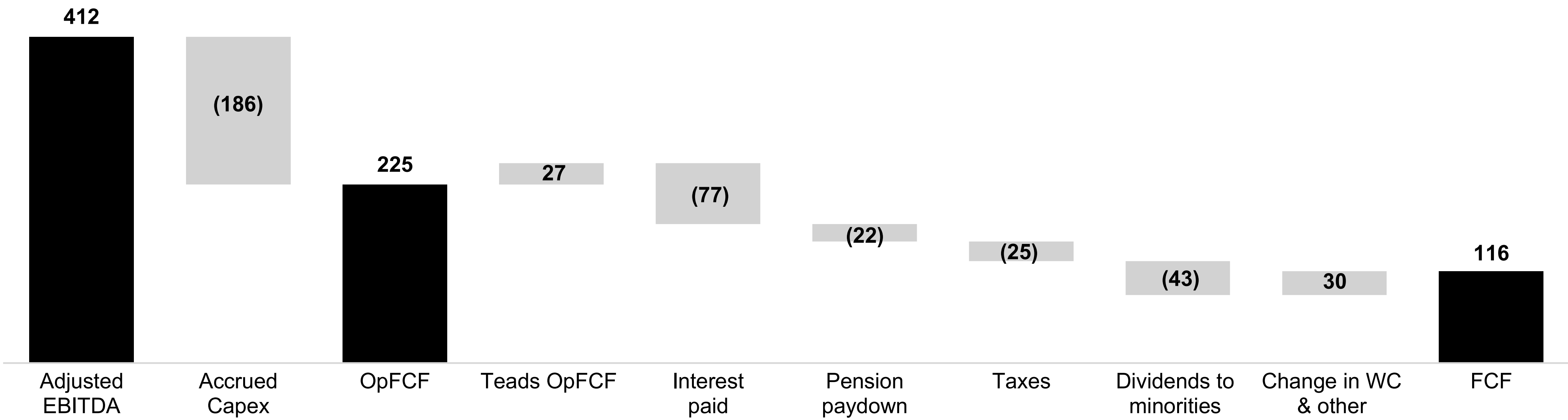
Altice International Pro Forma Financials

€m	Q2-23	Q2-24	*Growth YoY Reported*	*Growth YoY Constant FX*
Portugal	718	705	*-1.7%*	*-1.7%*
Israel	269	253	*-6.0%*	*-5.3%*
Dominican Republic	148	141	*-4.6%*	*+1.6%*
Eliminations & other	-4	-5	-	-
Revenue	**1,131**	**1,095**	***-3.2%***	***-2.2%***
Portugal	254	252	*-0.9%*	*-0.9%*
Israel	90	85	*-5.3%*	*-4.3%*
Dominican Republic	80	77	*-3.0%*	*+3.4%*
Eliminations & other	-2	-3	-	-
Adjusted EBITDA	**422**	**412**	***-2.5%***	***-1.1%***
Portugal	120	95	*-20.6%*	*-20.6%*
Israel	58	59	*+2.5%*	*+2.7%*
Dominican Republic	33	33	*-1.9%*	*+4.5%*
Eliminations & other	1	-1	-	-
Accrued Capex	**212**	**186**	***-12.2%***	***-11.1%***
Portugal	134	157	*+16.7%*	*+16.7%*
Israel	32	26	*-19.4%*	*-16.9%*
Dominican Republic	47	45	*-3.8%*	*+2.5%*
Eliminations & other	-2	-2	-	-
Total OpFCF	**210**	**225**	***+7.2%***	***+9.0%***

For footnotes see slide 15

Q2 2024 Free Cash Flow

(€m)



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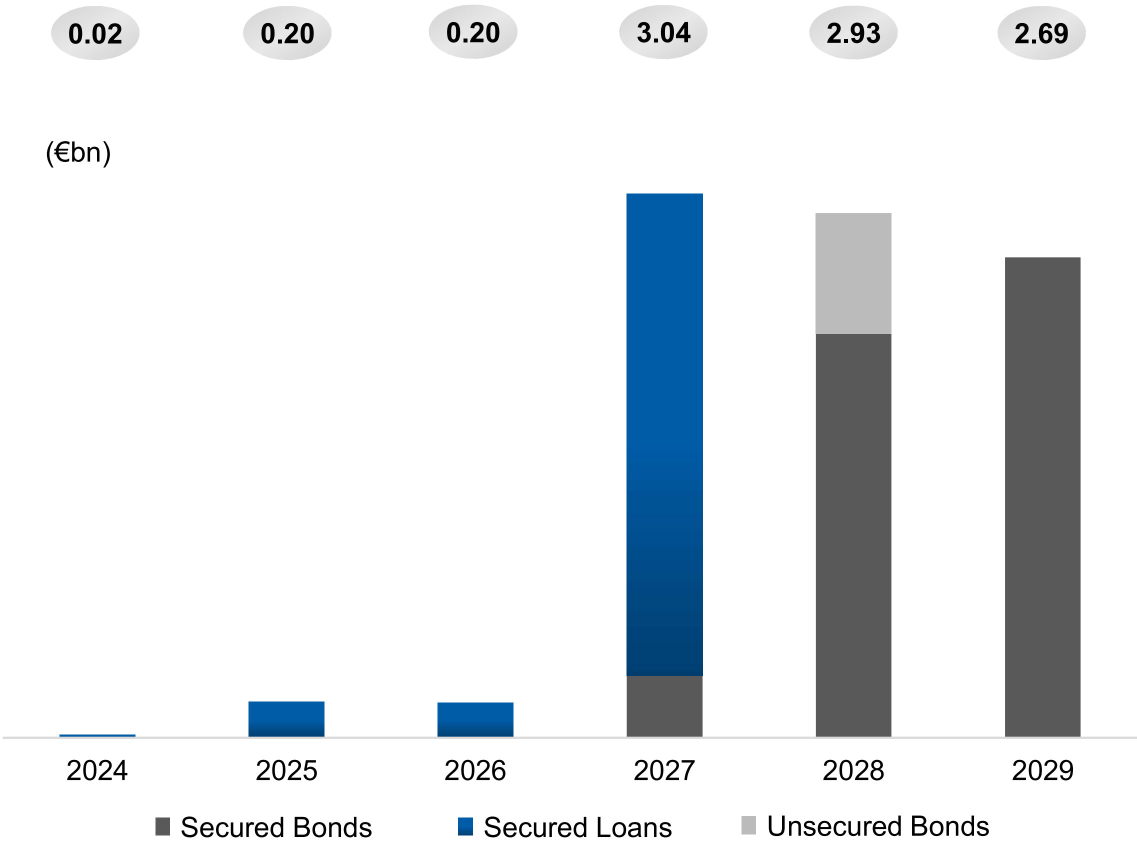
Pro Forma Capital Structure and Debt Maturity

Altice International	
Net debt	€8,463m
WAL	3.8 years
WACD	5.8%
Fixed interest	83%
Net leverage (LTM)	5.0x
Liquidity	€1.2bn

Unsecured	
Net debt	€675m
WAL	3.5 years
WACD	4.8%

Secured	
Net debt	€7,788m
WAL	3.8 years
WACD	5.9%



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Guidance

2024 Guidance	
	• **FY 2024: revenue and EBITDA growth YoY, absolute OpFCF in excess of €850 million (Pro Forma for the Sale of Teads)** • **Target leverage of 4.0x to 4.5x net debt to EBITDA**

For footnotes see slide 15

Q&A

Appendix

Reconciliation to Swap Adjusted Debt as of June 30, 2024

€m	Actual	Pro Forma
Total Debenture and Loans from Financial Institutions	**9,830**	**9,830**
Value of debenture and loans from financial Institutions in foreign currency converted at closing FX rate	-7,004	-7,004
Value of debenture and loans from financial institutions in foreign currency converted at hedged rate	7,058	7,058
Transaction costs	107	107
Pro forma for redemption, defeasance or otherwise discharge of the €600 million 2.25% 2025 SSN	-	-600
Pro forma for the repayment of drawn RCF with proceeds from the sale of Teads	-	-315
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	**9,991**	**9,076**
Finance lease liabilities and other debt	41	41
Gross Debt Consolidated	**10,032**	**9,117**
Cash and cash equivalents	-234	-234
Restricted cash	-34	-34
Cash collateralized for redemption, defeasance or otherwise discharge of the €600 million 2.25% 2025 SSN	-600	-
Pro forma for proceeds from sale of Teads (excludes proceeds used for repayment of drawn RCF as above)	-	-385
Net Debt Consolidated	**9,163**	**8,463**

For footnotes see slide 15

Leverage Reconciliation as of June 30, 2024

€m	Actual	Pro Forma
Gross Debt Consolidated	**10,032**	**9,117**
Cash and cash equivalents	-234	-234
Restricted cash	-34	-34
Cash collateralized for redemption, defeasance or otherwise discharge of the €600 million 2.25% 2025 SSN	-600	-
Pro forma for proceeds from sale of Teads (excludes proceeds used for repayment of drawn RCF as above)	-	-385
Net Debt Consolidated	**9,163**	**8,463**
LTM EBITDA Consolidated	**1,833**	**1,684**
Net Leverage	5.0x	5.0x
L2QA EBITDA Consolidated	**1,729**	**1,644**
Net Leverage	5.3x	5.1x

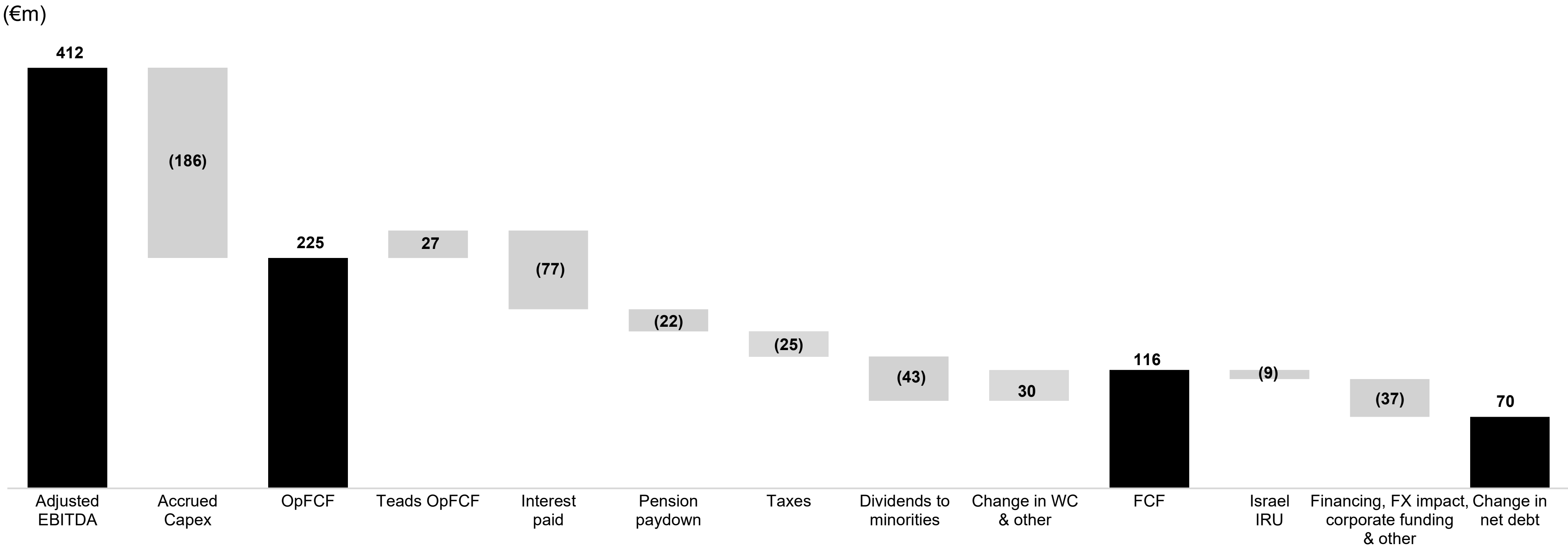
For footnotes see slide 15

Non-GAAP Reconciliation to Unaudited GAAP Measures

€m	Q1-24	Q2-24
Revenue - Financial Statements	**1,213**	**1,237**
Purchasing and subcontracting costs	-307	-303
Other operating expenses	-239	-255
Staff costs and employee benefits	-219	-204
Total	**447**	**475**
Rental expense operating lease	-44	-44
Share based expense	19	10
Adjusted EBITDA - Financial Statements	**423**	**441**
Depreciation, amortisation and impairment	-297	-299
Other expenses and income	-6	-12
Rental expense operating lease	44	44
Share based expense	-19	-10
Operating profit – Financial Statements	**145**	**164**
Pro forma sale of Teads (EBITDA)	-13	-30
Adjusted EBITDA – investor presentation	**410**	**412**
Capital expenditure (accrued) - Financial Statements	**270**	**211**
IRU (Israel)	-61	-22
Pro forma sale of Teads (Capex)	-3	-3
Capital expenditure (accrued) - Investor Presentation	**206**	**186**
Operating free cash flow (OpFCF) - Investor Presentation	**204**	**225**

For footnotes see slide 15

Q2 2024 Free Cash Flow and Change in Net Debt



For footnotes see slide 15

Footnotes

Altice International financial and operating results in this presentation are presented pro forma for the sale of Teads	All slides
€1.2 billion liquidity includes €0.58 billion of undrawn revolvers and €0.65 billion of cash. The cash position as shown is pro forma for the redemption, defeasance or otherwise discharge of the outstanding €600 million 2.25% 2025 Senior Secured Notes and pro forma for the sale of Teads (total estimated consideration is $1 billion, pro forma adjustments include a $725 million cash payment at closing and a $25 million deferred cash payment). Assumed exchange rate EUR:USD of 1.0716	Slides 3, 7
Accrued Capex 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 €21.9 million in Q2 2024	Slides 3, 5, 6, 13, 14
Net debt excludes operating lease liabilities recognized under IFRS 16 Adjusted EBITDA for leverage purposes is presented pro forma for the sale of Teads (€149 million on an LTM basis, €85 million on an L2QA basis)	Slides 3, 7, 11, 12
FCF excludes spectrum and significant litigation paid and received	Slides 6, 14
Maturity profile as shown excludes other debt and leases of €41 million, shown net of swaps and pro forma for €315 million repayment of the revolving credit facility Total Altice International net debt is pro forma for the redemption, defeasance or otherwise discharge of the outstanding €600 million 2.25% 2025 Senior Secured Notes and pro forma for the sale of Teads (total estimated consideration is $1 billion, pro forma adjustments include a $725 million cash payment at closing and a $25 million deferred cash payment). Assumed exchange rate EUR:USD of 1.0716	Slide 7

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