

Altice International Q3 2022 results

November 10, 2022



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 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.

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

Q3 2022 Summary

Subscriber base growth across all geographies and segments in Q3 2022

Revenue growth in all geographies supporting total revenue, EBITDA and OpFCF growth in Q3 2022:

- Total revenue grew by +19.1% YoY on a reported basis (+12.3% constant currency)
- Total EBITDA grew by +11.0% YoY on a reported basis (+5.1% constant currency)
- Total OpFCF grew by +2.3% YoY on a reported basis (-1.8% constant currency)

Net leverage of 4.5x on an L2QA basis at the end of Q3 2022

€0.7 billion liquidity, no debt maturity before 2025 and 86% of debt at fixed interest rate

FY 2022 guidance narrowed:

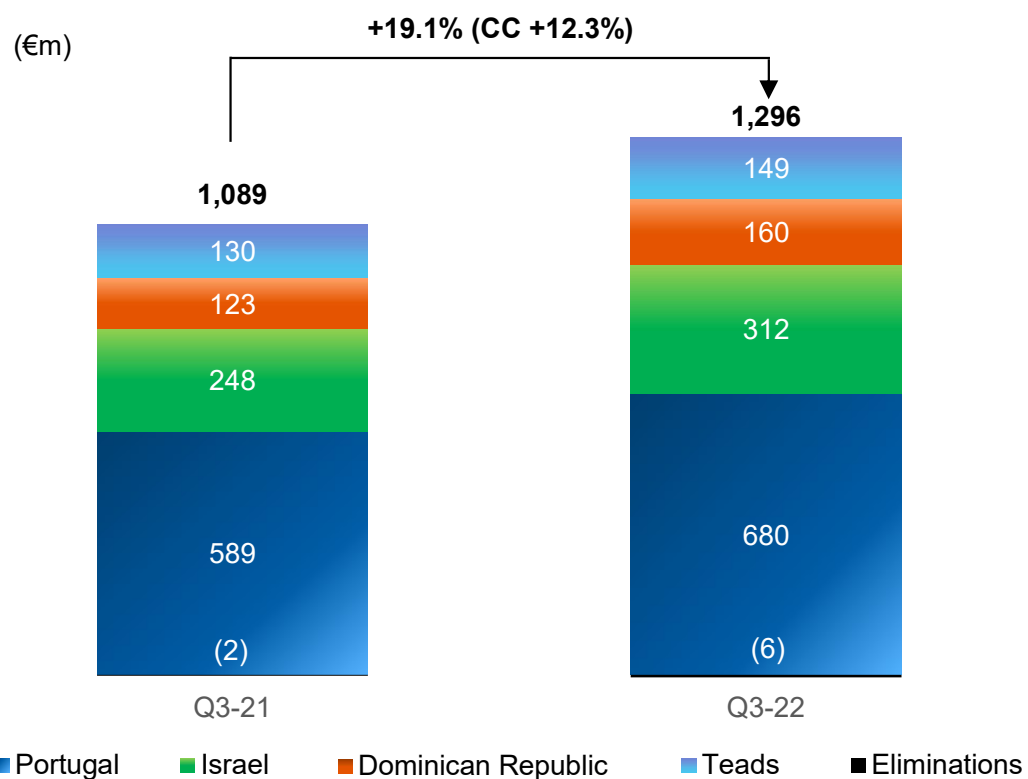
- Full year growth broadly in line with year-to-date performance (YTD revenues +16% YoY, YTD EBITDA +10% YoY, YTD OpFCF +8% YoY)

Mid-term guidance reiterated:

- Mid-term: absolute OpFCF in excess of €1 billion
- Target leverage of 4.0x to 4.5x net debt to EBITDA

For footnotes see slide 15

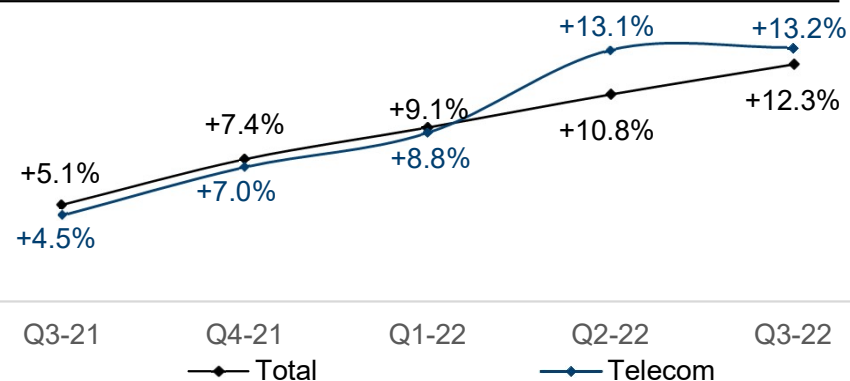
Altice International Revenue Trends



Q3 2022 revenue trends YoY

- Total: +19.1% (CC +12.3%)
 - Portugal: +15.4%
 - Israel: +25.8% (CC +13.1%)
 - Dominican Republic: +29.9% (CC +5.7%)
 - Teads: +14.9% (CC +6.0%)

Revenue growth evolution YoY (CC)



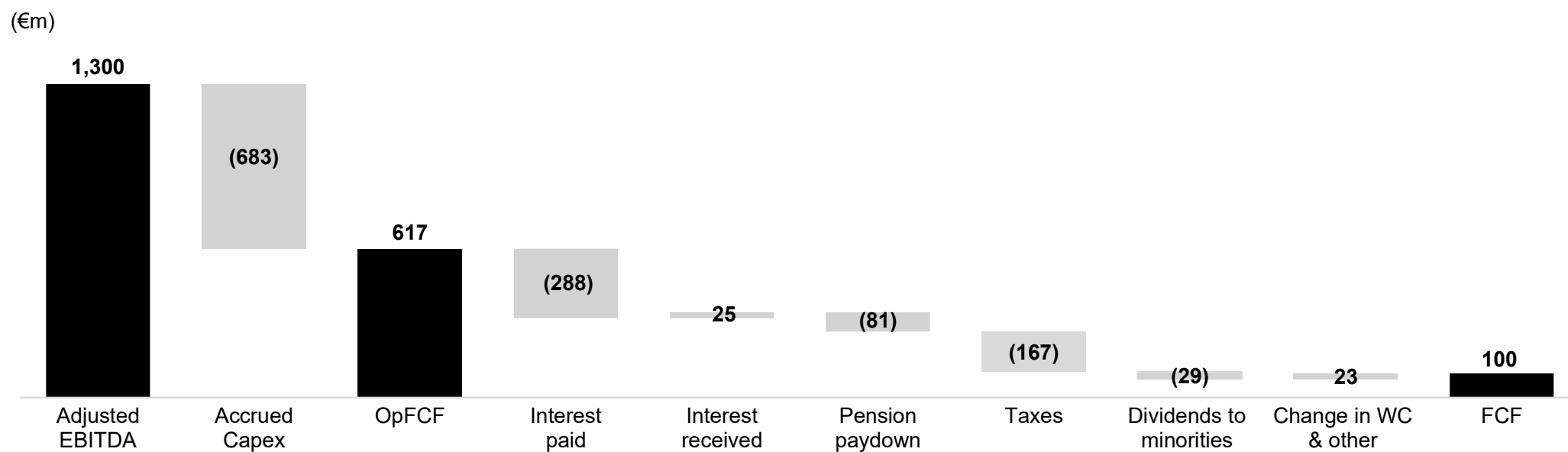
For footnotes see slide 15

Altice International Financials

€m	Q3-21	Q3-22	Growth YoY Reported	Growth YoY Constant FX
Portugal	589	680	+15.4%	+15.4%
Israel	248	312	+25.8%	+13.1%
Dominican Republic	123	160	+29.9%	+5.7%
Teads	130	149	+14.9%	+6.0%
Eliminations & other	-2	-6	-	-
Revenue	1,089	1,296	+19.1%	+12.3%
Portugal	222	234	+5.4%	+5.4%
Israel	88	108	+22.8%	+10.4%
Dominican Republic	64	82	+28.8%	+4.7%
Teads	41	37	-10.9%	-6.1%
Eliminations & other	-2	-2	-	-
Adjusted EBITDA	413	458	+11.0%	+5.1%
Portugal	110	114	+4.3%	+4.3%
Israel	60	83	+37.8%	+23.8%
Dominican Republic	21	37	+74.4%	+41.8%
Teads	2	1	n.m.	n.m.
Eliminations & other	-	-2	-	-
Accrued Capex	193	233	+20.8%	+12.9%
Portugal	112	119	+6.4%	+6.4%
Israel	28	26	-9.3%	-18.3%
Dominican Republic	42	45	+5.8%	-14.0%
Teads	39	35	n.m.	n.m.
Eliminations & other	-2	-	-	-
Total OpFCF	220	225	+2.3%	-1.8%

For footnotes see slide 15

9M 2022 Free Cash Flow



For footnotes see slide 15

Capital Structure and Debt Maturity

Restricted Group

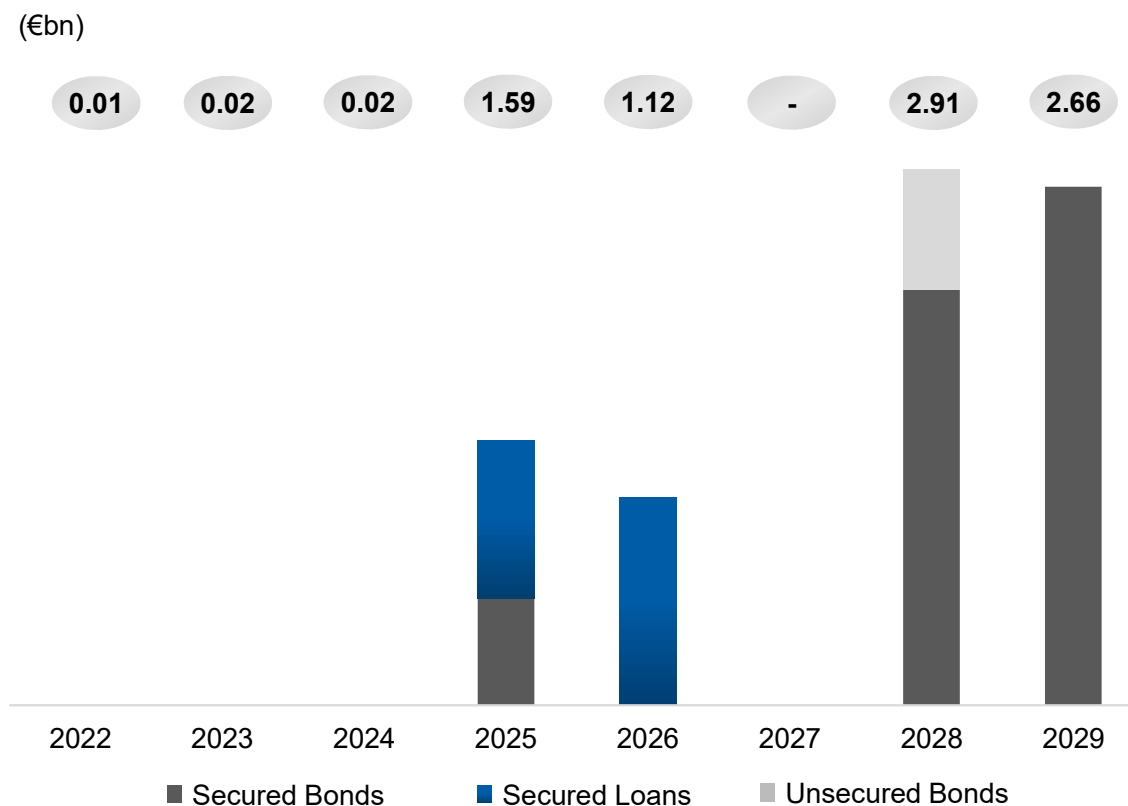
Net debt	€8,021m
WAL	5.0 years
WACD	4.1%
Fixed interest	86%
Net leverage	4.5x
Net leverage adjusted for Altice UK investment	4.2x
Liquidity	€0.7bn

Unsecured

Net debt	€675m
WAL	5.3 years
WACD	4.8%

Secured

Net debt	€7,346m
WAL	5.0 years
WACD	4.0%



Altice International continues to evaluate alternatives and monitor the bond and loan markets to opportunistically refinance its outstanding indebtedness
For footnotes see slide 15

Guidance Reiterated

2022 Growth YoY (reported)	Q1-22	Q2-22	Q3-22	YTD-22
Revenue	+13%	+15%	+19%	+16%
EBITDA	+9%	+9%	+11%	+10%
OpFCF	+20%	+3%	+2%	+8%

Mid-term Guidance

OpFCF	Absolute OpFCF in excess of €1 billion <i>Underpinned by EBITDA growth, supporting significant Free Cash Flow expansion</i>
Target Leverage	Target leverage of 4.0 to 4.5x net debt to EBITDA

For footnotes see slide 15

Q&A

Appendix

Reconciliation to Swap Adjusted Debt as of September 30, 2022

€m	Actual
Total Debenture and Loans from Financial Institutions	8,651
Value of debenture and loans from financial Institutions in foreign currency converted at closing FX rate	-7,146
Value of debenture and loans from financial institutions in foreign currency converted at hedged rate	6,797
Transaction costs	31
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	8,333
Finance lease liabilities and other debt	4
Gross Debt Consolidated	8,338
Cash	-317
Net Debt Consolidated	8,021

For footnotes see slide 15

Leverage Reconciliation

€m	Actual
Gross Debt Consolidated	8,338
Cash	-317
Net Debt Consolidated	8,021
LTM EBITDA Consolidated	1,760
Gross Leverage	4.7x
Net Leverage	4.6x
Net Leverage adjusted for Altice UK investment	4.2x
L2QA EBITDA Consolidated	1,791
Gross Leverage	4.7x
Net Leverage	4.5x
Net leverage adjusted for Altice UK investment	4.2x

For footnotes see slide 15

Non-GAAP Reconciliation to Unaudited GAAP Measures

€m	Q1-22	Q2-22	Q3-22
Revenue - Financial Statements	1,148	1,221	1,296
Purchasing and subcontracting costs	-298	-314	-351
Other operating expenses	-243	-258	-266
Staff costs and employee benefits	-163	-170	-179
Total	444	479	500
Rental expense operating lease	-40	-42	-42
Adjusted EBITDA - Financial Statements & Investor Presentation	405	437	458
Depreciation, amortisation and impairment	-305	-301	-299
Other expenses and income	20	-80	12
Rental expense operating lease	40	42	42
Operating profit/(loss)	160	98	213
Capital expenditure (accrued) - Financial Statements	262	252	253
IRU (Israel)	-50	-14	-17
Acquisition of customer base (Israel)	-	-	-2
Capital expenditure (accrued) - Investor Presentation	212	238	233
Operating free cash flow (OpFCF) - Investor Presentation	193	199	225

Q3 2022 Free Cash Flow and Change in Net Debt



For footnotes see slide 15

Footnotes

€0.7 billion liquidity includes €0.4 billion of undrawn revolvers and €0.3 billion of cash. Total cash of €317 million includes restricted cash for an amount of €43 million. Undrawn revolver of €0.4 billion includes €25 million of new commitment with a relationship bank signed on October 7, 2022	Pages 3, 7
FCF excludes spectrum and significant litigation paid and received	Page 6
Teads revenue is presented after discounts (consistent with the revenue as recognized in the Altice International consolidated financial statements)	Pages 3, 4, 5
Accrued Capex in Q3 and 9M 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 €17 million and accruals for Capex related to the acquisition of a customer base for €2 million	Pages 3, 5, 6, 8, 14
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)	Pages 7, 12
Net debt excludes operating lease liabilities recognized under IFRS 16	Pages 3, 7, 8, 11, 12