

Altice USA Q1 2022 Earnings Results

April 28, 2022



Disclaimer

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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, objectives, prospects, capital expenditure plans, fiber deployment and network expansion and upgrade plans, distribution channel expansion plans and leverage targets; our ability to achieve operational performance improvements; 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 “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “intend”, “may”, “plan”, “project”, “should”, “target”, 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 result or 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 SEC filings, including our Annual Report on Form 10-K for the fiscal year ended December 31, 2021 and subsequent reports on Form 10-Q. You are cautioned to not place undue reliance on Altice USA’s forward-looking statements. Any forward-looking statement speaks only as of the date on which it was made. Altice USA specifically disclaims any obligation to publicly update or revise any forward-looking statement, as of any future date.

NON-GAAP FINANCIAL MEASURES

We define Adjusted EBITDA, which is a non-GAAP financial measure, as net income (loss) excluding income taxes, non-operating income or expenses, loss on extinguishment of debt and write-off of deferred financing costs, gain (loss) on interest rate swap contracts, gain (loss) on derivative contracts, gain (loss) on investments, interest expense, net, depreciation and amortization (including impairments), share-based compensation expense, restructuring expense, and transaction expenses.

We believe Adjusted EBITDA is an appropriate measure for evaluating the operating performance of the Company. Adjusted EBITDA and similar measures with similar titles are common performance measures used by investors, analysts and peers to compare performance in our industry. Internally, we use revenue and Adjusted EBITDA measures as important indicators of our business performance and evaluate management’s effectiveness with specific reference to these indicators. We believe Adjusted EBITDA provides management and investors a useful measure for period-to-period comparisons of our core business and operating results by excluding items that are not comparable across reporting periods or that do not otherwise relate to the Company’s ongoing operating results. Adjusted EBITDA should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), and other measures of performance presented in accordance with GAAP. Since Adjusted EBITDA is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies.

We also use Operating Free Cash Flow (defined as Adjusted EBITDA less cash capital expenditures), and Free Cash Flow (defined as net cash flows from operating activities less cash capital expenditures) as indicators of the Company’s financial performance. We believe these measures are two of several benchmarks used by investors, analysts and peers for comparison of performance in the Company’s industry, although they may not be directly comparable to similar measures reported by other companies.

For a reconciliation of these non-GAAP measures, please see the Q1 2022 earnings release for Altice USA posted on the Altice USA website.

CEO Review



Altice USA Q1 2022 Summary Review

Revenue of \$2.42 billion (-2.3% YoY)

Broadband customer net loss of -13k and unique residential customer organic net loss of -21k

Net Income of \$196.6m; Q1-22 Adjusted EBITDA⁽¹⁾ declined -7.7% YoY and Adjusted EBITDA margin⁽¹⁾ of 40.9%

Free Cash Flow⁽¹⁾ of \$208m

Continued focus on accelerated fiber expansion, network upgrades and new builds

Launched new converged offerings and attractive mobile promotions following expanded T-Mobile contract

Expanding sales distribution channels and commenced rebranding to support customer growth

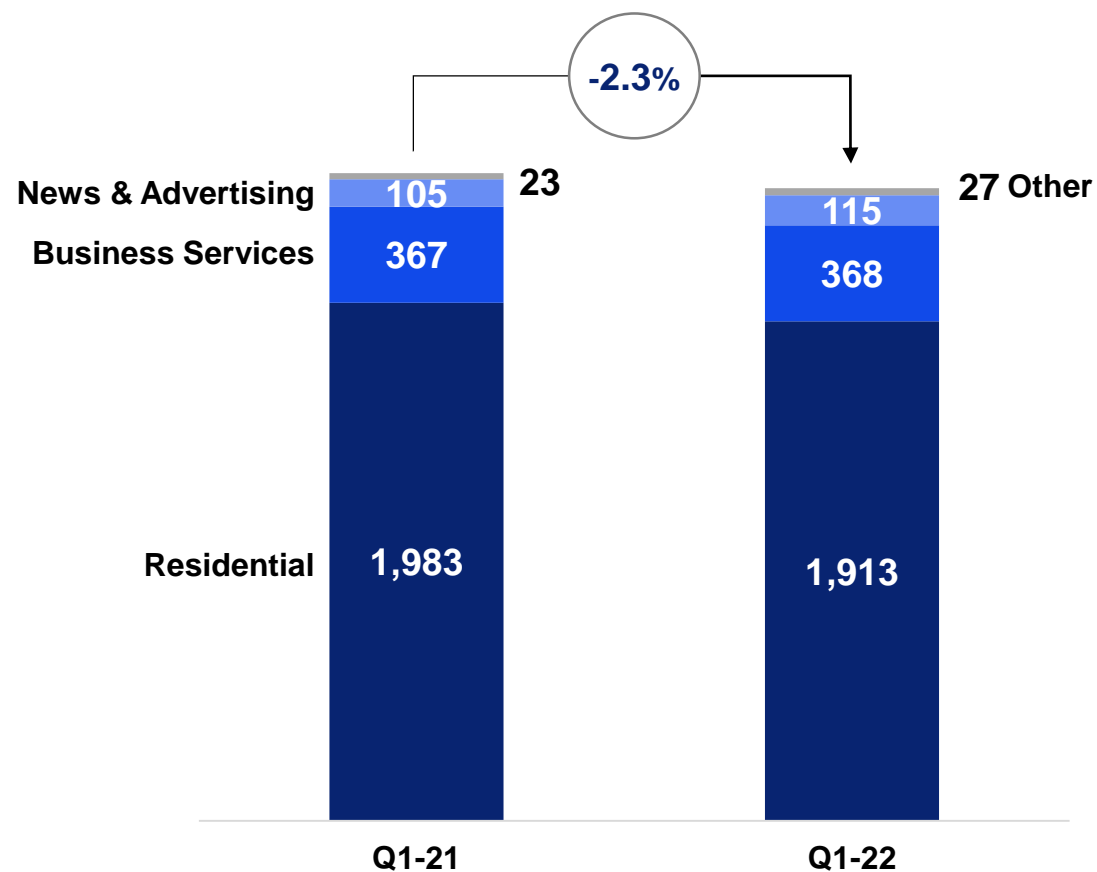
(1) Adjusted EBITDA and Free Cash Flow ("FCF") are non-GAAP measures. For a reconciliation of these non-GAAP measures to net income and net cash flows from operating activities, respectively, please see the Q1 2022 Altice USA earnings release posted to the Altice USA website.

Q1 Revenue Trends

Q1-22 revenue performance driven by Residential decline, partly offset by News & Advertising

Q1-22 vs. Q1-21 (\$m)

Q1-22 Revenue YoY



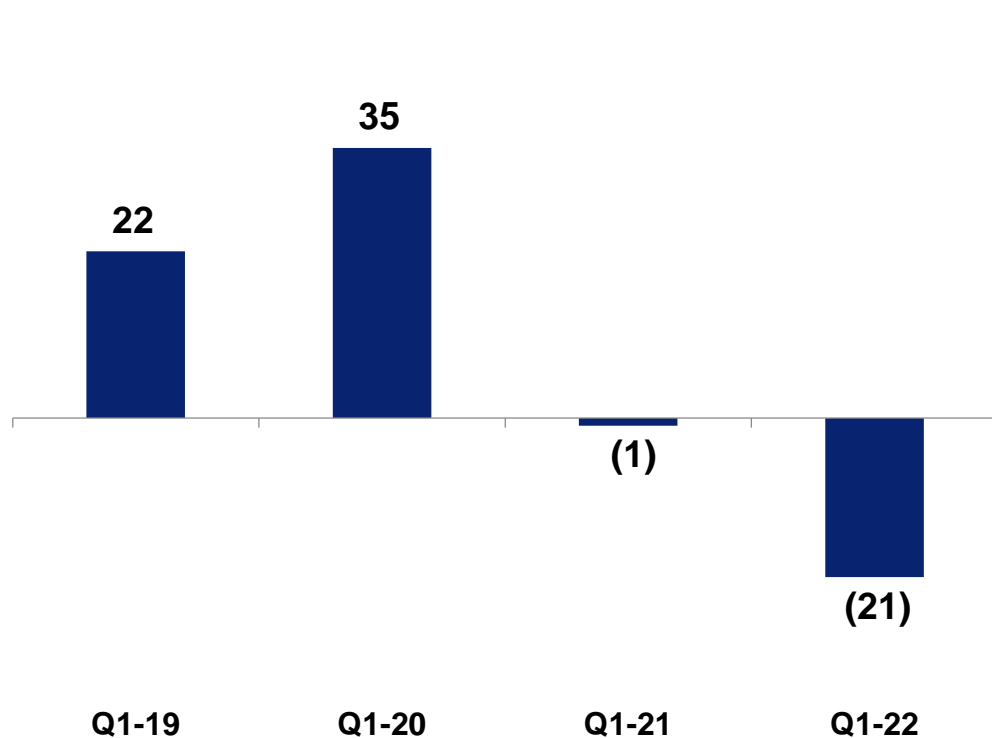
Total Revenue	-2.3%
<i>excluding air strand revenue⁽¹⁾</i>	-2.1%
Residential Revenue	-3.6%
Business Services Revenue	+0.1%
<i>excluding air strand revenue⁽¹⁾</i>	+1.5%
News & Advertising Revenue	+9.1%

(1) Excludes air strand revenue from Business Services for all periods.

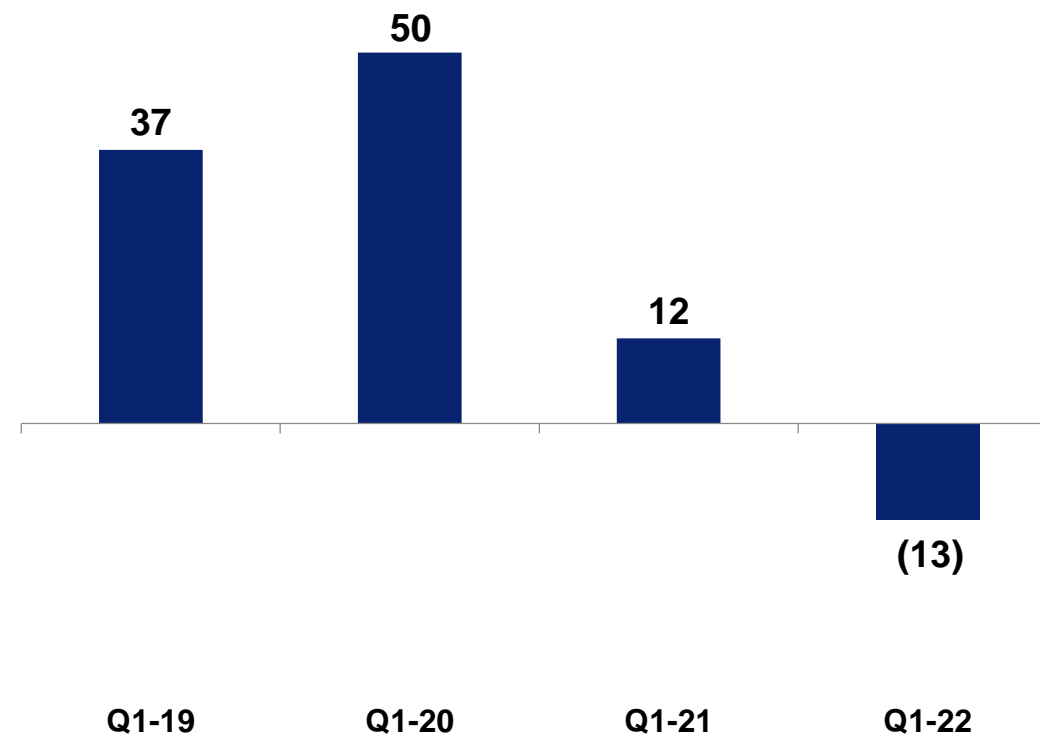
Q1 Residential Trends

Expecting return to customer growth in 2H 2022 with strategy implementation

Residential customer relationship net adds ('000)



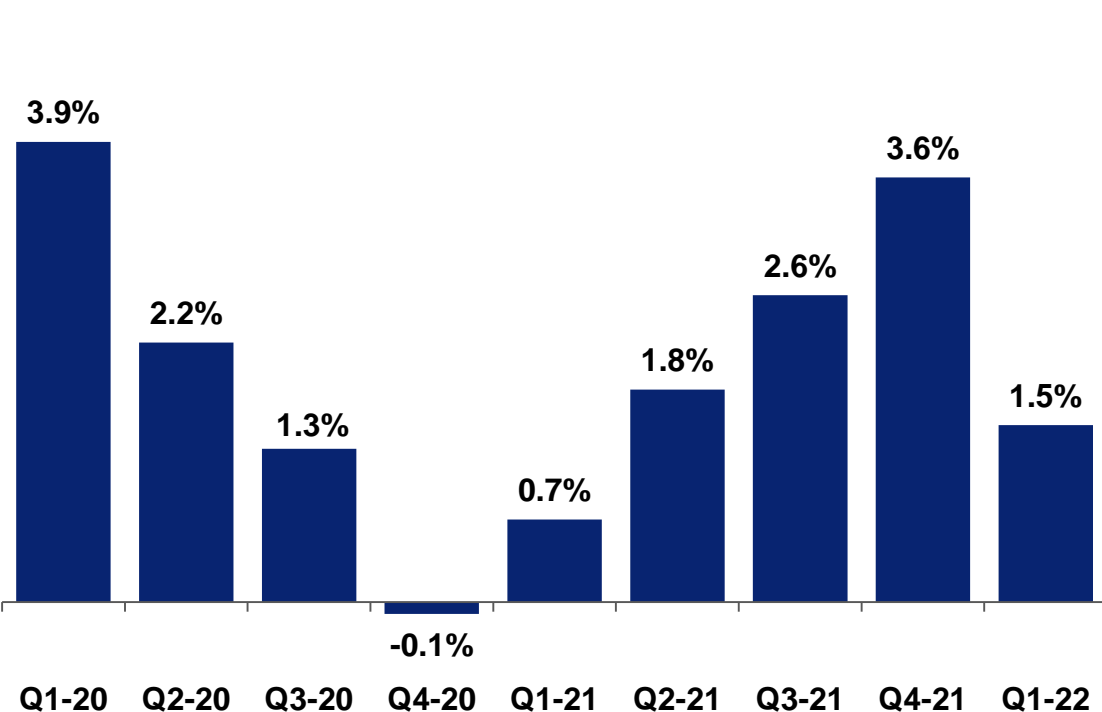
Residential broadband net adds ('000)



Business Services

Customer growth to support continued improvement in revenue trends

Business Services revenue (ex air strand) growth YoY⁽¹⁾



Business Services trends

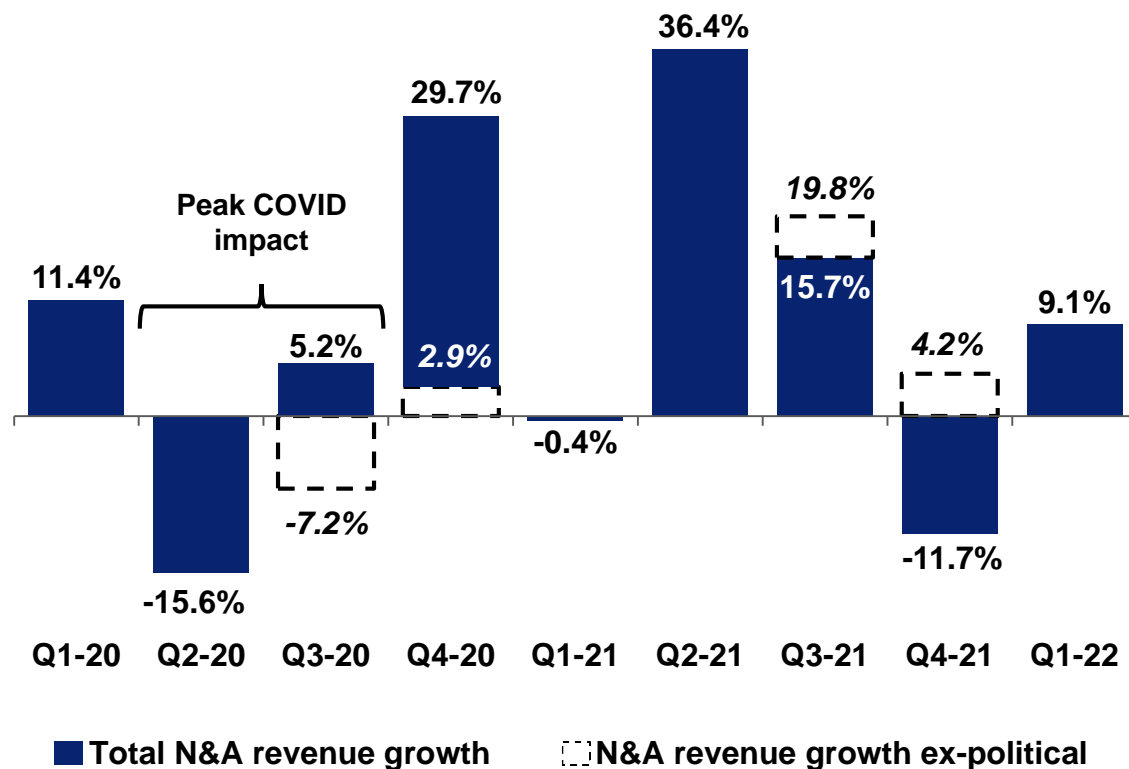
- + **Q1-22** Business Services reported revenue growth of +0.1% YoY (+1.5% YoY excluding air strand revenue)
- + **SMB / Other** revenue -0.1% YoY (+1.9% YoY excluding air strand revenue)
- + **Lightpath** revenue +0.6% YoY
- + Net sales bookings increased ~70% YoY

(1) Revenue excluding air strand excludes all air strand revenue from Business Services from all periods.

News & Advertising

Advertising revenue growth approaching pre-pandemic levels

News & Advertising (N&A) quarterly revenue growth YoY⁽¹⁾



News & Advertising trends

- + Q1-22 News & Advertising reported revenue growth of +9.1% YoY
 - + N&A revenue growth of +14.6% YoY excluding Autos
 - + Strength in Travel, Entertainment and Sports Betting sectors
 - + Expect higher Political revenue in 2H-22

(1) News & Advertising revenue growth rates shown with and without political advertising for the third and fourth quarters of each year to illustrate the underlying advertising revenue trend excluding the impact of political cycles.

Fiber Network and Strategy Update

Altice USA Strategy Summary

Network



- + Accelerate fiber network rollout to enhance product offering, reduce churn and reduce costs
- + Accelerate new build activity, edging out the Suddenlink footprint, to drive customer growth

Product



- + Return to broadband customer growth near-term with new, more competitive offers
- + Accelerate investments in mobile and converged offerings

Experience

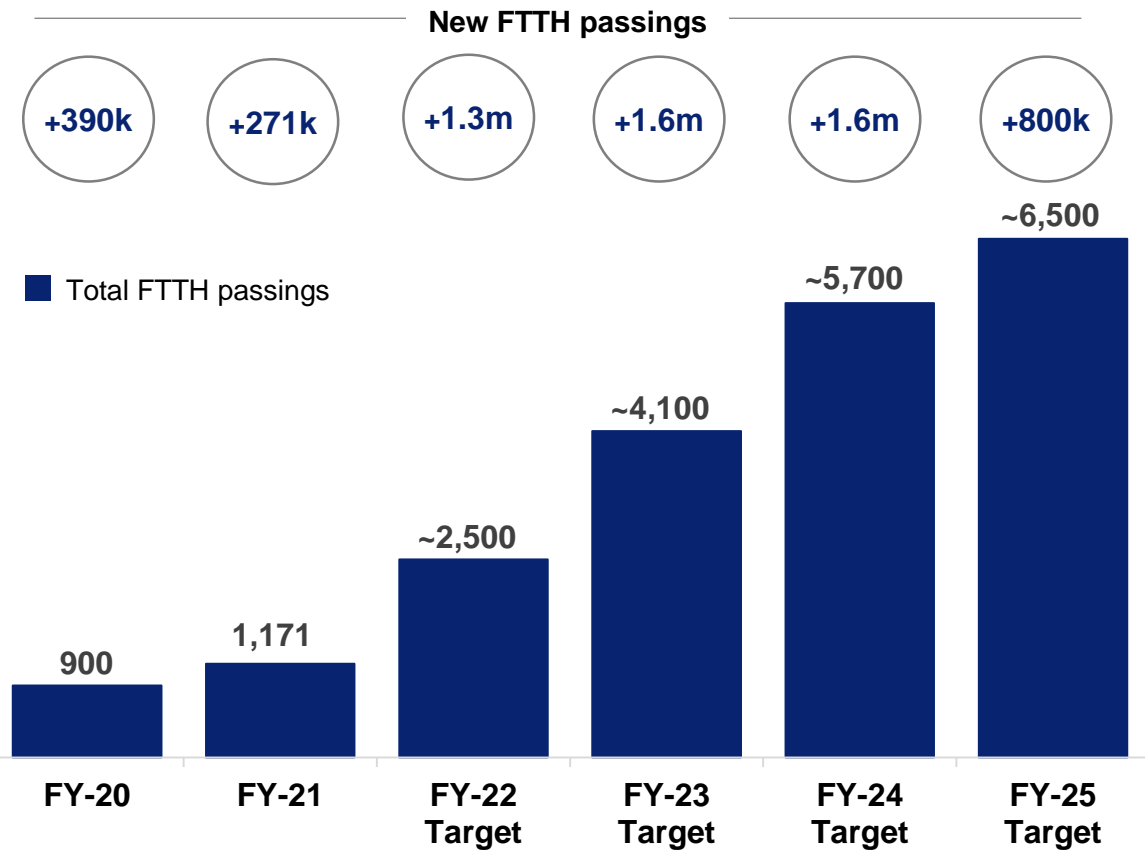


- + Expand sales distribution channels to pre-pandemic levels to support additional customer growth
- + Improve customer experience and rebrand Suddenlink to Optimum

Fiber Roadmap

Targeted fiber (FTTH) expansion to ~6.5 million passings across Optimum and Suddenlink by end of 2025

Cumulative year-end and target FTTH total passings⁽¹⁾ ('000)



FTTH passings targets by footprint



Optimum: ~4.0 million total FTTH passings by end-2024

- + Target ~1.1 million incremental FTTH passings in FY-22
- + ~1.3 million passings at end of Q1-22

Suddenlink: ~2.5 million total FTTH passings by end-2025

- + Target ~200k incremental FTTH passings in FY-22

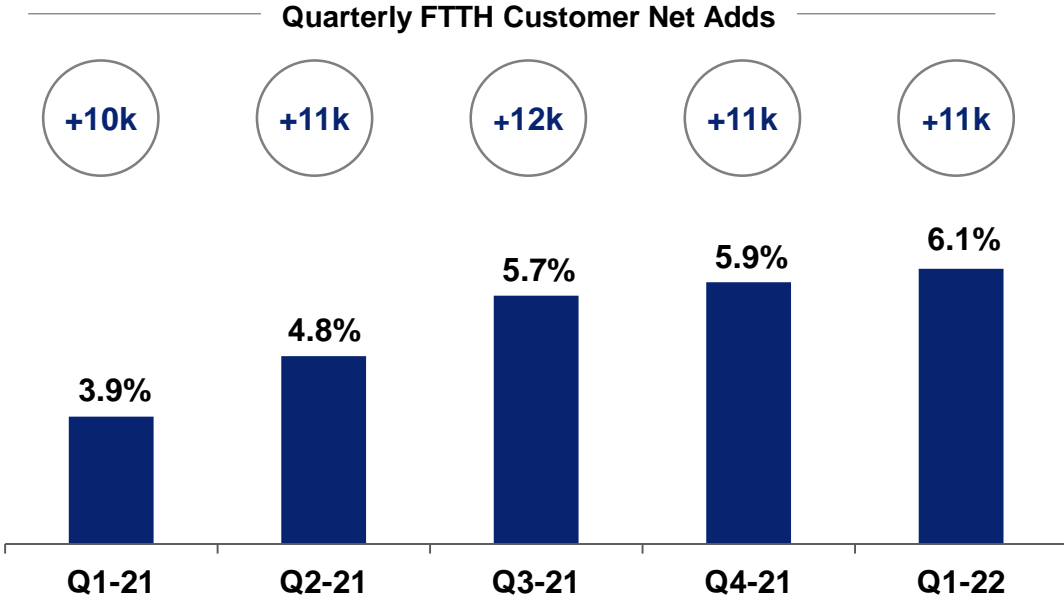
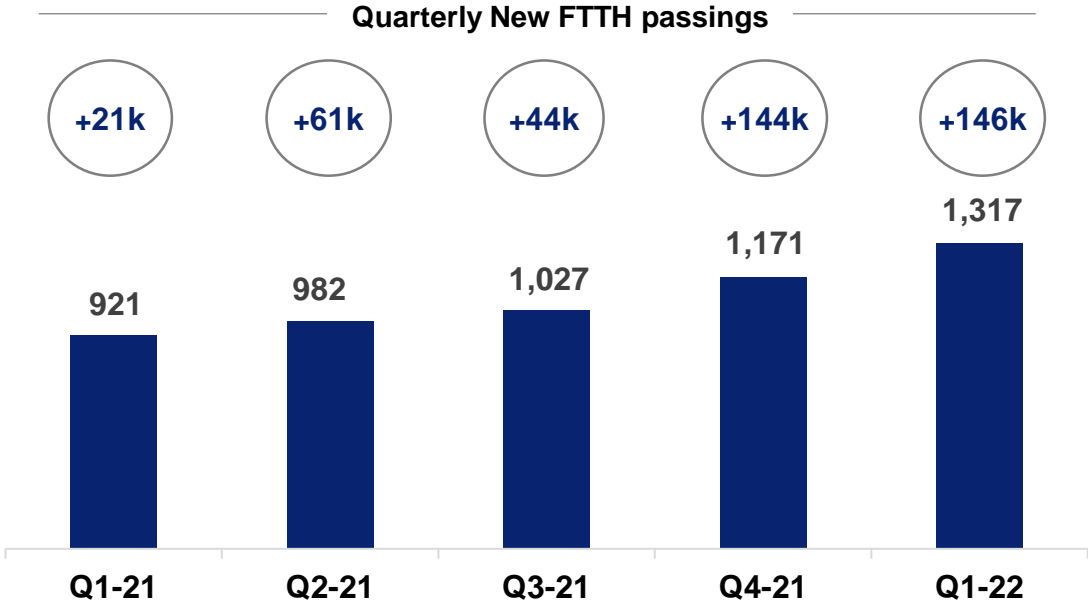
(1) FTTH total passings represent the estimated number of single residence homes, apartments and condominium units passed by Altice USA's Fiber-to-the Home (FTTH) network in areas serviceable without further extending the transmission lines. In addition, it includes commercial establishments that have connected to our FTTH network. The figures shown here represent those FTTH passings available for marketing to customers as reflected in Altice USA's billing system.

Fiber Rollout and Customer Trends

Fiber rollout accelerating and expect customer growth to follow

FTTH new and cumulative total passings ('000)

FTTH customer net adds, penetration⁽¹⁾, total relationships



(1) FTTH penetration measured as total number of FTTH customer relationships as a percentage of total FTTH passings available for billing.

Residential Broadband Speeds and Data Usage Trends

Significant runway for continued broadband speed upgrades and fiber penetration

363 Mbps
average speed taken⁽¹⁾

~46%
200 Mbps and lower customer
take rate

630 GB / month
average data usage per
broadband-only customer⁽¹⁾

17%
1 Gig penetration of total broadband
customer base

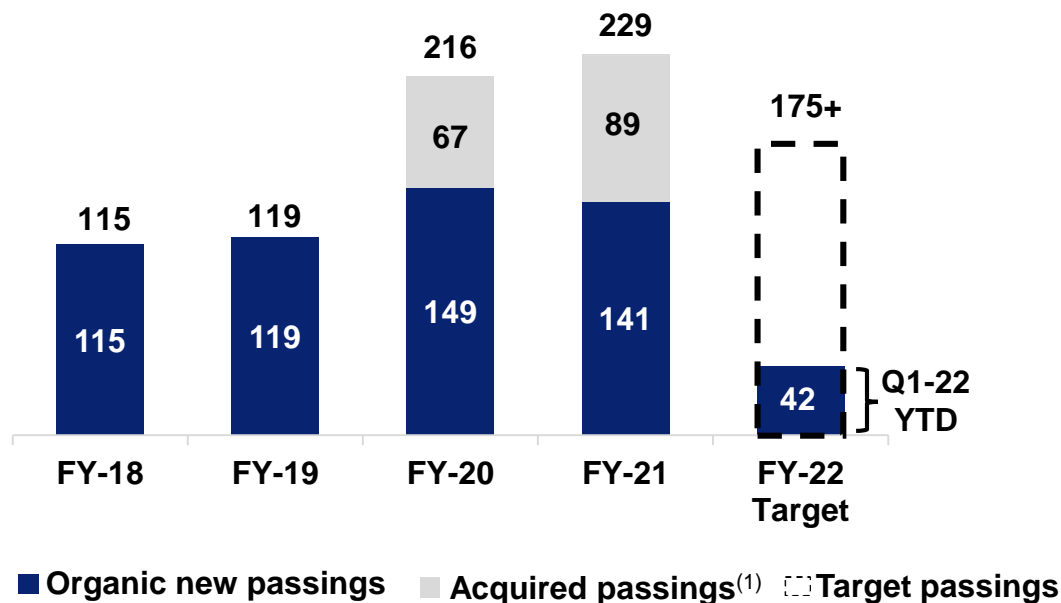
(1) Speeds taken statistics are as of the end of Q1-22. Network usage statistic is the average usage for Q1-22.

New Build Activity, Network Upgrades and Subsidies

Acceleration in pace of footprint edge out to drive customer growth

New Build Activity

- + Target of **175k+** new build passings in FY-22
- + New build total passings **+42k** in Q1-22



(1) Acquired passings refer to Service Electric and Morris Broadband in FY-20 and FY-21, respectively.

HFC Cable Network Upgrades

- + Target over **100k** passings to be upgraded in FY-22 across the Suddenlink footprint
- + Completed network upgrades of approximately **16k** passings in Q1-22

Infrastructure Subsidies

- + Applied for subsidies totaling over **150k** homes (FTTH)
- + Awarded subsidy grant for **8k** homes in Yavapai County (Arizona) in Q1-22

Optimum Mobile

Accelerated investments in mobile and converged offerings

Optimum Mobile performance update

Lines
Q1-22 ending **198k**

Net adds
Q1-22 **+12k**

Penetration
as % unique Residential customers **4.3%**

Revenue
Q1-22 **\$24.0m**

Tiered data
1 GB & 3 GB take rate, Q1-22 **~70%**

Optimum Mobile strategy update

January 2022

- + Launched **Internet + Mobile** converged bundle discount savings up to **\$30 / month**

March 2022

- + Extended strategic MVNO agreement with **T-Mobile**



Reconnecting with customers, rebranding to **optimum**.

Rebrand transition commenced

Launched “Let's Reconnect” campaign in April

- + Improve customer perception across both footprints by communicating recent changes, including:
 - + Expansion of availability of 100% fiber network
 - + Improved customer support
 - + More flexibility and transparency
 - + Commitment to our local communities

let's reconnect.

Announced Suddenlink is becoming Optimum

- + Transition from a two-brand presence (Optimum, Suddenlink) to a single-brand resulting in:
 - + A powerful national brand, brought to life locally
 - + Operational efficiencies

suddenlink[®]
is becoming **optimum**.

Financial Review



Summary Financial Information

Adjusted EBITDA⁽¹⁾ and cash flow trends reflecting accelerated investments to drive growth

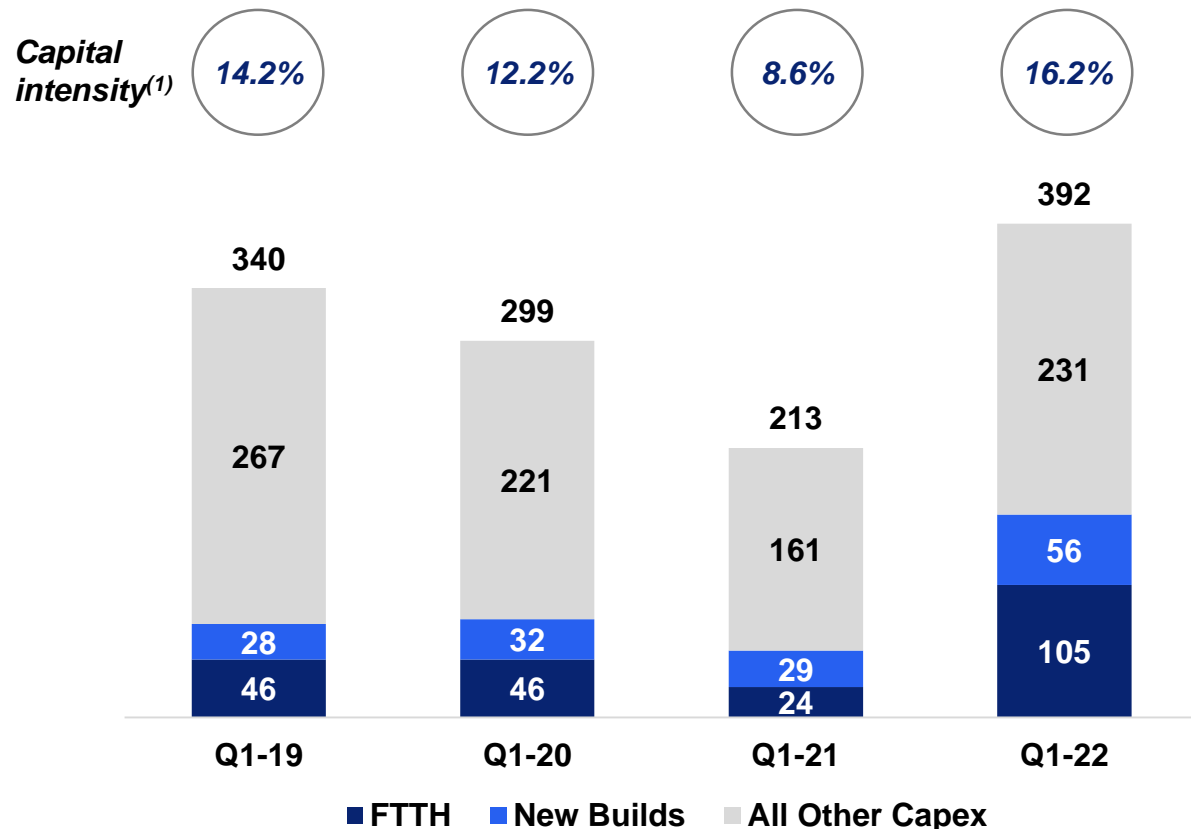
(\$m)	Q1-21	Q1-22	Growth YoY
Total Revenue	\$2,478.8	\$2,421.9	(2.3%)
Adjusted EBITDA⁽¹⁾	\$1,074.8	\$991.7	(7.7%)
<i>Margin (%)</i>	<i>43.4%</i>	<i>40.9%</i>	
Cash capital expenditures	\$212.8	\$392.4	+84.4%
<i>Capex % of revenue</i>	<i>8.6%</i>	<i>16.2%</i>	
OpFCF⁽¹⁾	\$862.0	\$599.4	(30.5%)
<i>Margin (%)</i>	<i>34.8%</i>	<i>24.7%</i>	

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Capex to Support Network Evolution

Ongoing focus on accelerated network upgrades and footprint expansion

Cash capital expenditures (\$m)



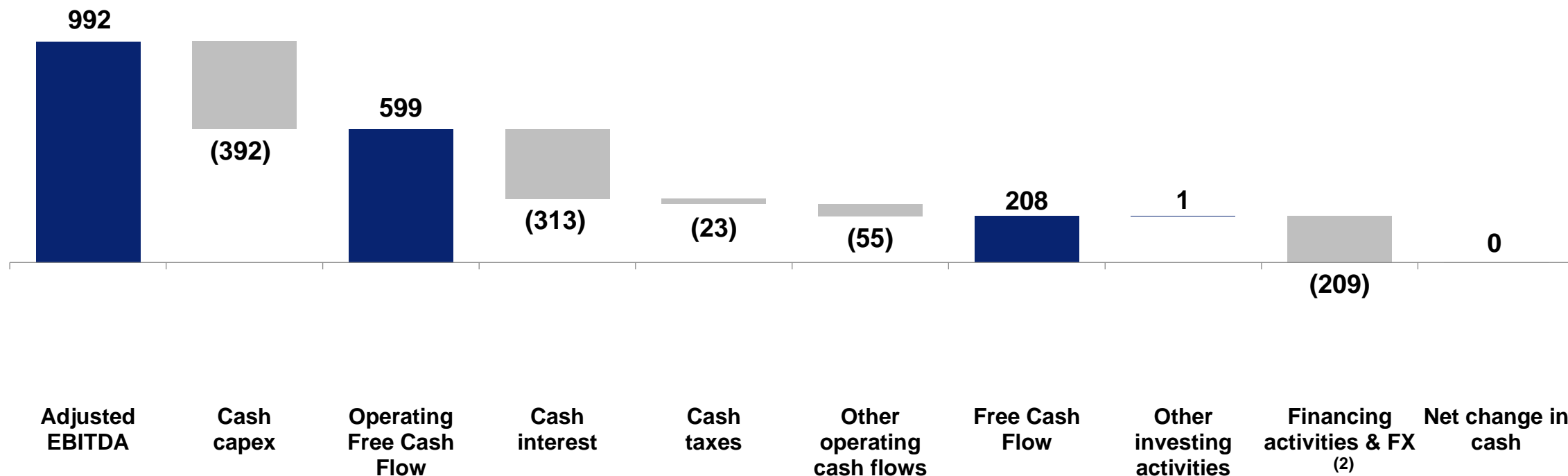
Capital expenditures review

- + Targeting \$1.7bn to \$1.8bn of cash capex in FY 2022 excluding capital expenditures associated with potential subsidized rural broadband construction
 - + Q1-22 capital intensity of 16.2% (9.5% ex-FTTH / New Builds)
- + Higher capex associated with accelerated FTTH and new builds

(1) Capital intensity refers to total cash capital expenditure as a percentage of total revenue.

Free Cash Flow

Q1-22 Free Cash Flow and net change in cash bridge⁽¹⁾ (\$m)



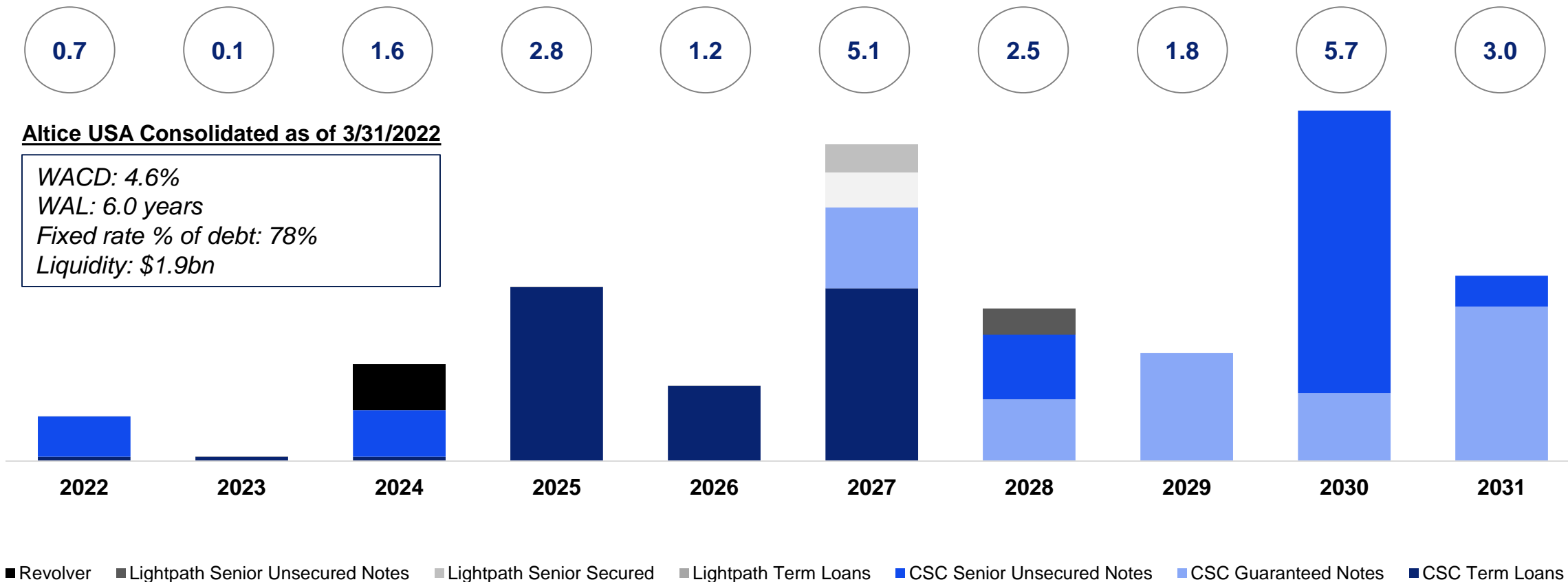
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(2) Financing activities & FX includes (\$160.0m) of net revolver paydown, (\$19.7m) of payment on term loans, (\$0.2m) of FX, and (\$28.9m) of other financing activities.

Altice USA Consolidated Debt Maturity Profile

Long-dated maturities following prior refinancing activity

Altice USA maturity profile (\$bn)





Q&A