

Altice USA Q1 2023 Results

May 3, 2023



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, service availability targets, customer penetration rates, capital expenditure plans, fiber deployment and network expansion and upgrade 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, 2022 and 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 and sale of affiliate interests, interest expense, net, interest income, depreciation and amortization, share-based compensation, restructuring expense and other operating items (such as significant legal settlements, contractual payments for terminated employees, and impairments).

Adjusted EBITDA eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of our business and from intangible assets recognized from acquisitions, as well as certain non-cash and other operating items that affect the period-to-period comparability of our operating performance. In addition, Adjusted EBITDA is unaffected by our capital and tax structures and by our investment activities.

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 2023 earnings release for Altice USA posted on the Altice USA website.

Altice USA Q1 2023 Summary Review

New launch of Optimum Complete: Internet + Mobile bundle offer

Fiber network expansion (+214k passings; total 2.4 million) and new build activity (+48k)

Best fiber customer growth quarter (+38k), ending Q1 at 210k fiber customers

Total customer broadband net loss of -19k, mobile line net adds of +8k (+15k ex-free customers)

Revenue of \$2.29 billion, -5.3% YoY; Net Income of \$25.9 million

Adjusted EBITDA⁽¹⁾ of \$868.4 million, -12.4% YoY, Adjusted EBITDA margin⁽¹⁾ of 37.9%

Net cash flows from operating activities \$416.8 million

Successful pricing of new \$1,000m Senior Guaranteed Notes in April 2023

(1) Adjusted EBITDA is a non-GAAP measure. For a reconciliation of these non-GAAP measures to net income and net cash flows from operating activities, respectively, please see the Q1 2023 Altice USA earnings release posted to the Altice USA website.

Optimum Strategy

To become the connectivity provider of choice across all the communities we serve

DELIGHT
THE BEST
CUSTOMER
EXPERIENCE

GROW
THE BEST
CUSTOMER
RELATIONSHIPS

CONNECT
THE BEST
NETWORK

INSPIRE
THE BEST
PEOPLE

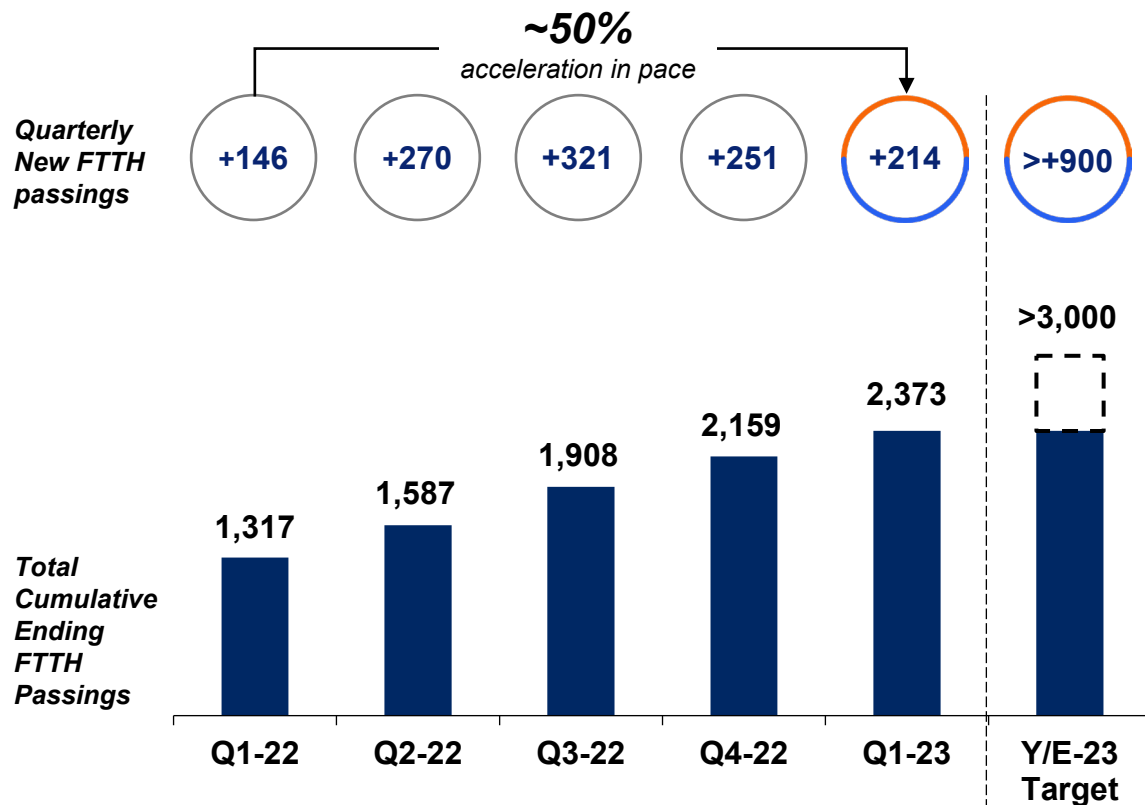


optimum. Complete
Internet
+ Mobile

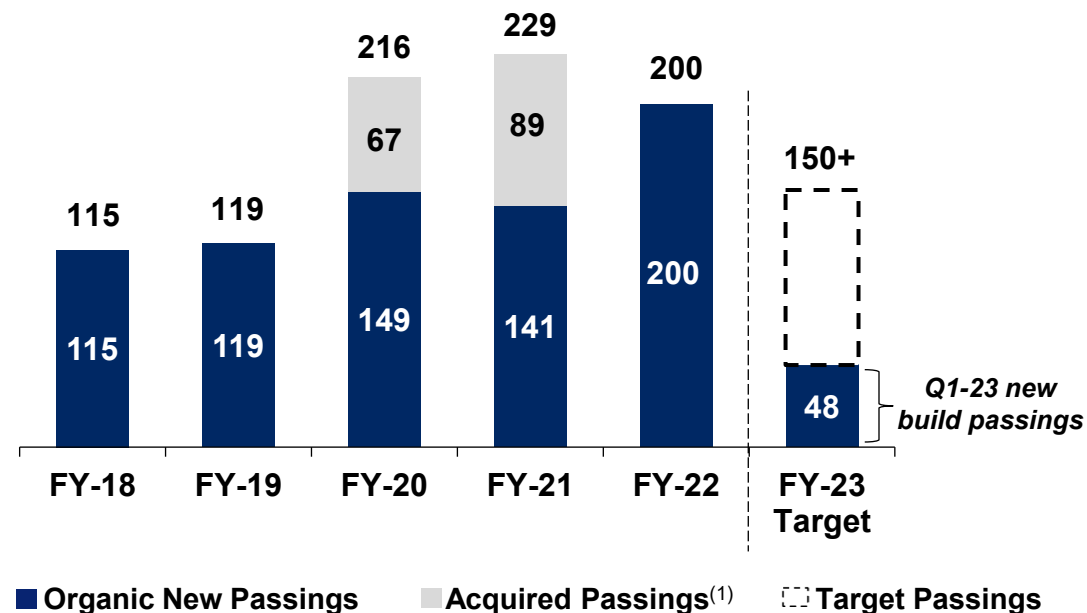
BIG Savings

FTTH Passings and New Build Growth

FTTH passings ('000)



New build additional passings ('000)



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

Growth of the Fastest Fiber Internet⁽¹⁾

Fiber + mobile converged bundle speed tiers

Total fiber customers and net additions ('000)

optimum. Complete



Ultra-fast speed plus Unlimited Mobile Data

1 Gbps Symmetric Fiber + Mobile

\$90 /mo.



Super-charged speed plus Unlimited Mobile Data

2 Gbps Symmetric Fiber + Mobile

\$100 /mo.



The fastest Internet speed plus Unlimited Mobile Data⁽¹⁾

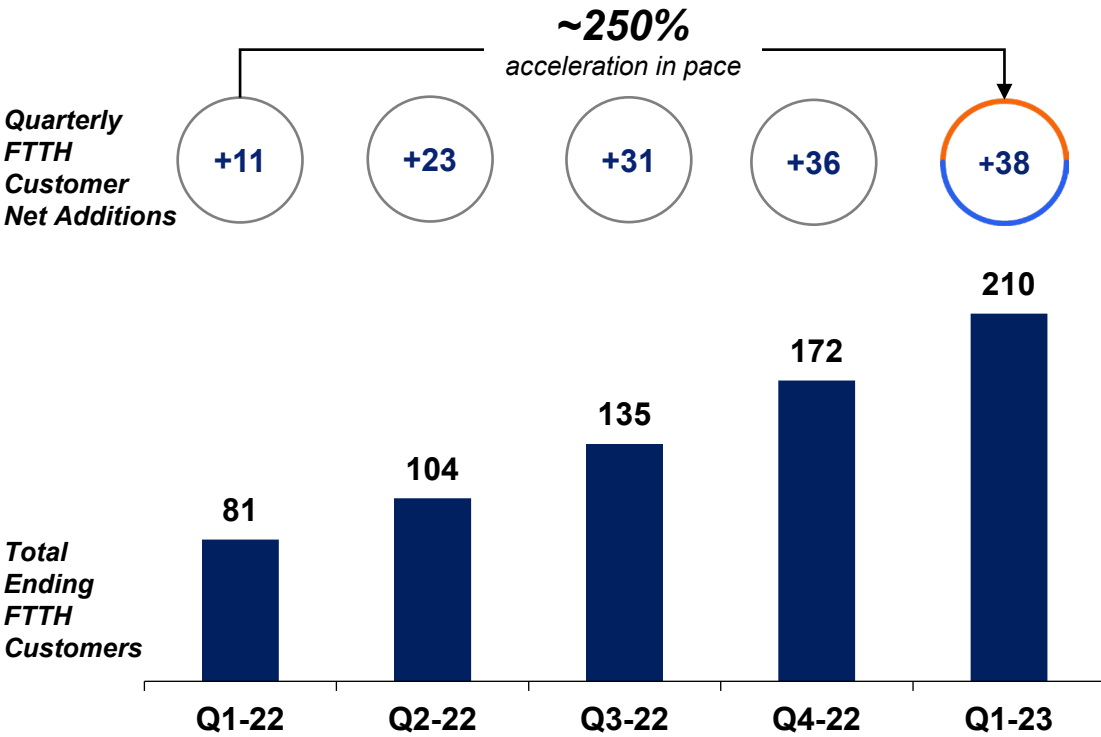
5 Gbps Symmetric Fiber + Mobile

\$125 /mo.



Coming Soon!

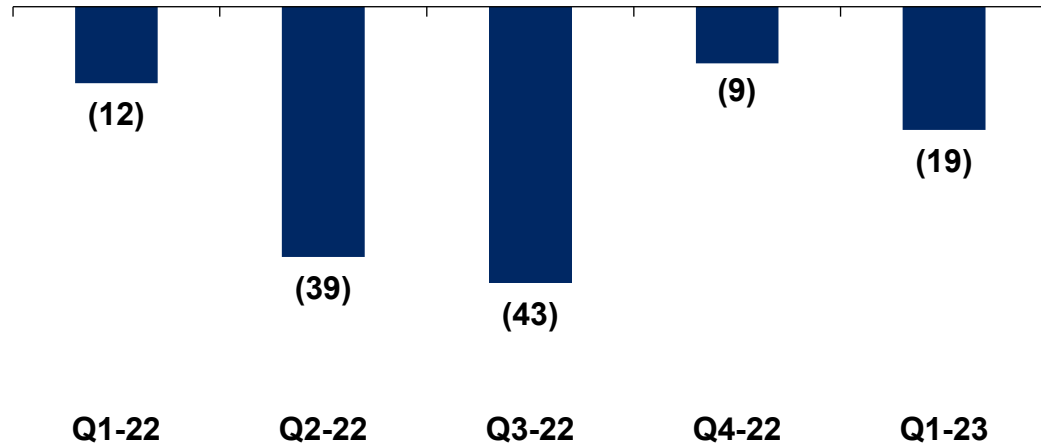
- + 1 Gig symmetric speeds available to 100% of fiber footprint
- + Multi-Gig symmetric speeds available to 65% of East Fiber Footprint (targeting 100% 8x8 Gbps by 2H-23)



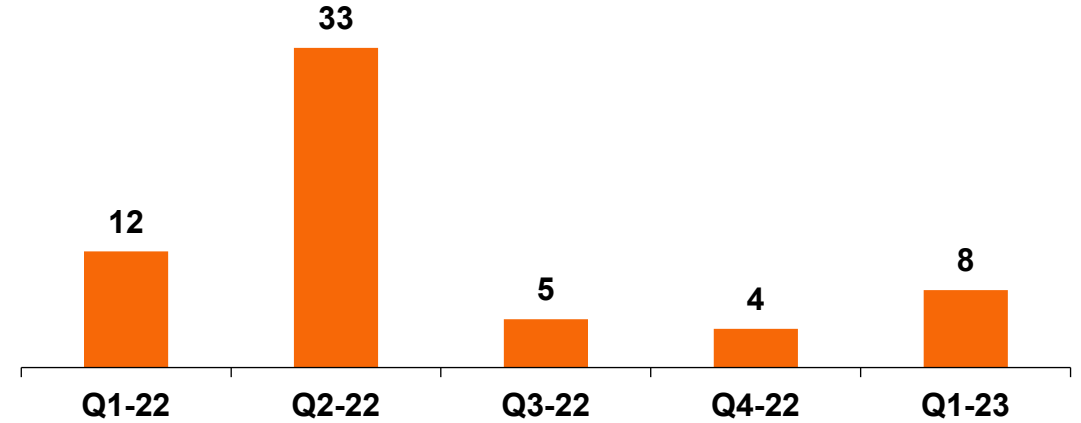
(1) Fastest claim limited to Optimum serviceable footprint and based on comparison with competing ISPs identified as top broadband providers by Leichtman Research Group.

Quarterly Customer Trends

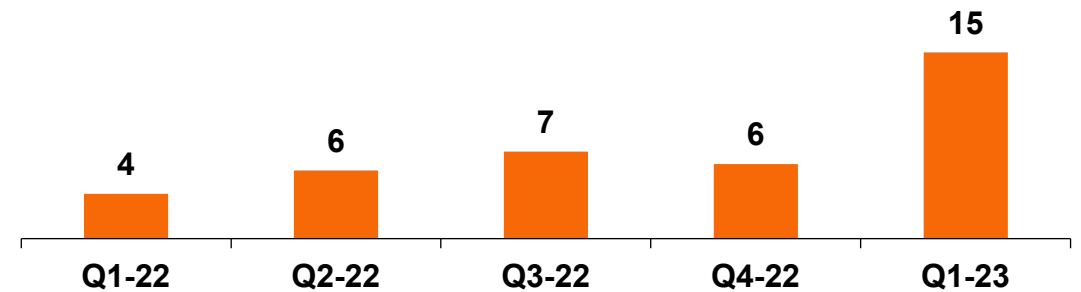
Total broadband net additions ('000)



Reported Mobile line net additions ('000)



Mobile line net additions excluding free service⁽¹⁾ ('000)



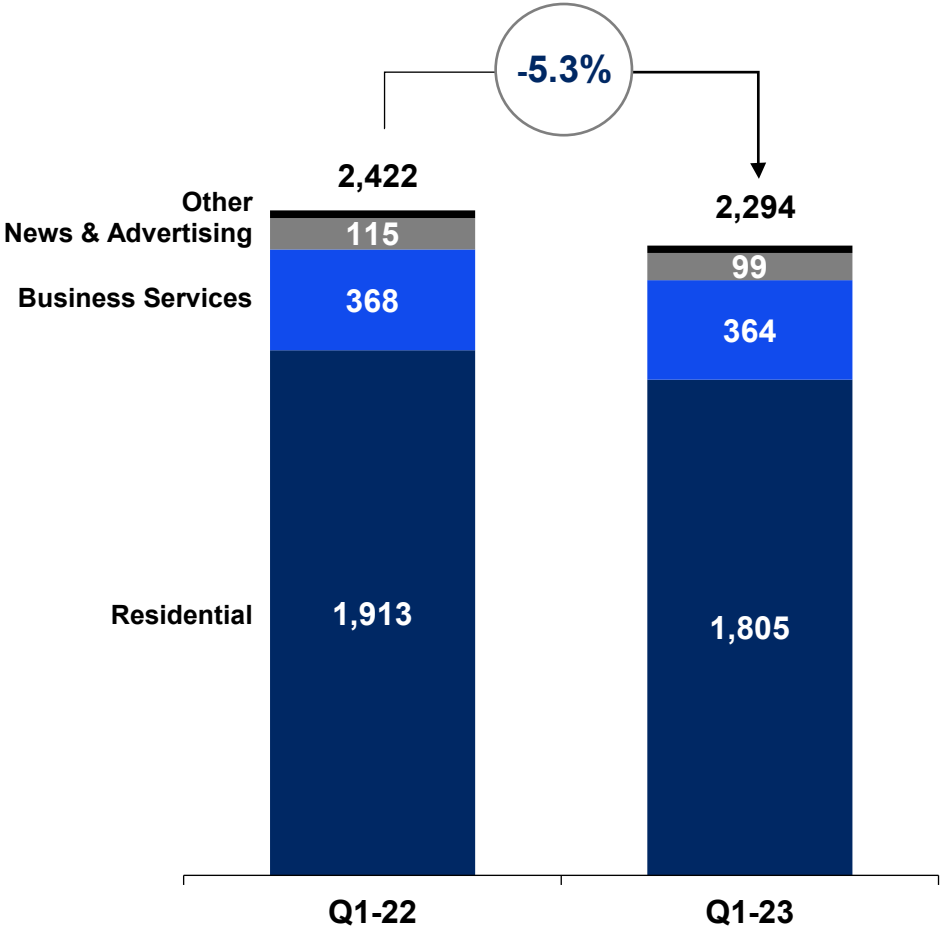
(1) Excludes additions relating to mobile lines receiving free service from all periods presented, includes net additions from when customers previously on free service start making payments.

Financial Review



Revenue Trends

Q1-23 vs. Q1-22 (\$m)



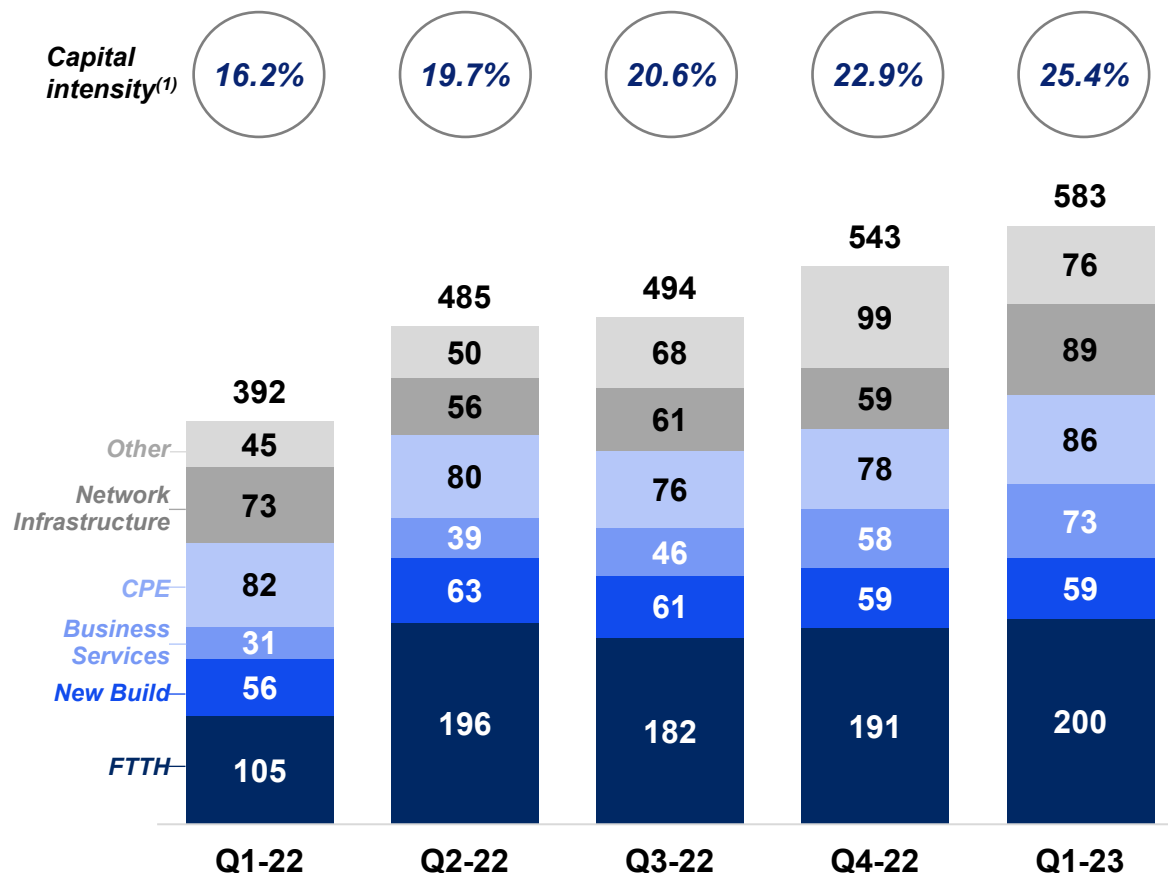
Revenue YoY

	<u>Q1-23</u>
Total Revenue	-5.3%
Residential Revenue	-5.6%
Business Services Revenue <i>excluding Sprint early termination revenue⁽¹⁾</i>	-1.1% -0.2%
News & Advertising Revenue <i>excluding political revenue</i>	-13.9% -11.0%

(1) Excludes Sprint early termination revenue of \$3.2m in Q1-22 and \$0.1m in Q1-23.

Capex to Support Network Evolution

Cash capital expenditures (\$m)



Capital expenditures review

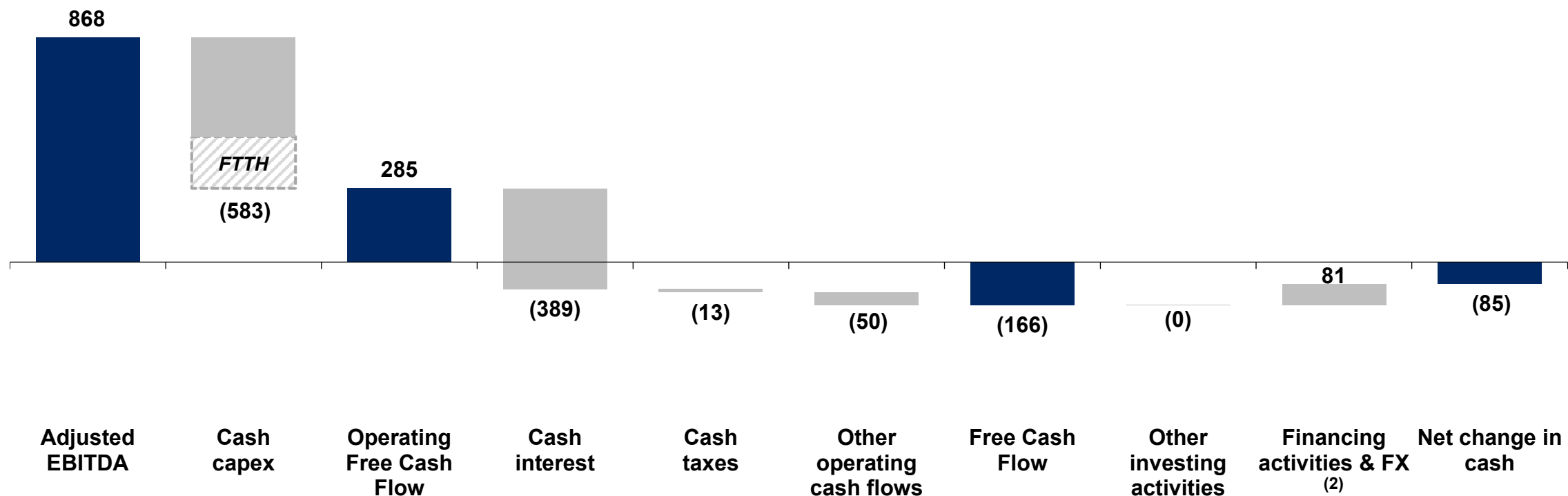
- + Q1-23 growth capex⁽²⁾ represents 72% of capital spend
 - + Ongoing focus on FTTH rollout and footprint expansion (FTTH / New Build capex increase +60% Q1-23 YoY)
- + Q1-23 capital intensity of 25.4% (14.1% ex-FTTH / New Builds)
 - + Higher capex driven by better construction conditions and cash payment of higher accrued capex at end of FY-22
 - + Q1-23 DOCSIS 3.1 upgrade status:
 - + 100% of Optimum East Footprint
 - + 86% of Optimum West footprint (52k upgrades in Q1)
- + FY-23 target cash capex of \$1.7 - \$1.8bn reiterated

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

(2) Growth capex includes FTTH, New Build, Business Services, and CPE categories.

Free Cash Flow

Q1-23 Free Cash Flow and Net Change in Cash Bridge (\$m)

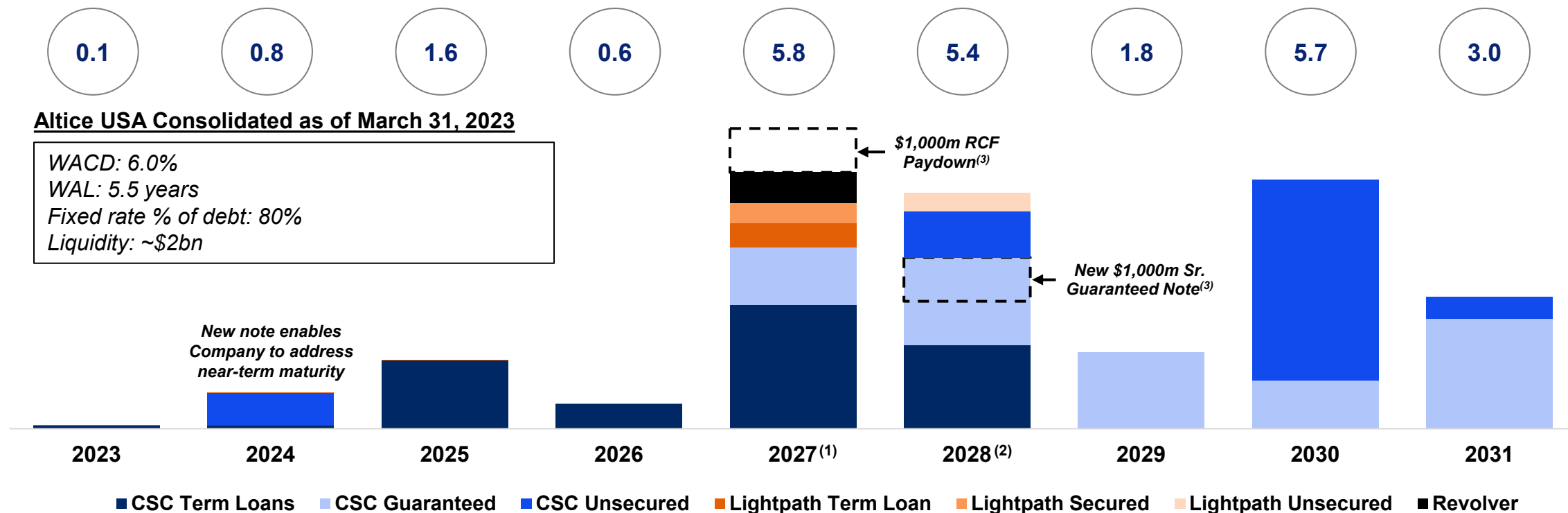


(1) Adjusted EBITDA, Operating Free Cash Flow ("OpFCF"), and Free Cash Flow ("FCF") are non-GAAP measures. For a reconciliation of these non-GAAP measures to net income and net cash flows from operating activities, respectively, please see the Q1 2023 Altice USA earnings release posted to the Altice USA website.

(2) Financing activities & FX includes (\$14.2m) of term loan amortization, \$125.0m of net revolver borrowing, (\$0.2m) of FX, and (\$29.4m) of other financing activities.

Altice USA Pro Forma Consolidated Debt Maturity Profile

Altice USA maturity profile (\$bn)



(1) Includes principal amount related to the CSC Holdings, LLC revolving credit facility (RCF) that is due on the earlier of (i) July 13, 2027 (as shown above) and (ii) April 17, 2025 if, as of such date, any Term Loan B-1 borrowings are still outstanding, unless the Term Loan B-1 maturity date has been extended to a date falling after July 13, 2027.

(2) Includes \$2.001 billion principal amount related to the CSC Holdings, LLC Incremental Term Loan B-6 that is due on the earlier of (i) January 15, 2028 (as shown above) and (ii) April 15, 2027 if, as of such date, any Incremental Term Loan B-5 borrowings are still outstanding, unless the Incremental Term Loan B-5 maturity date has been extended to a date falling after January 15, 2028.

(3) Reflects proceeds used from the April 25, 2023 issuance of \$1.0 billion in aggregate principal amount of 11.250% senior guaranteed notes which mature in May 2028 to temporarily repay borrowings under the RCF.

Q&A

Appendix

Summary Financial Information

(\$m)	Q1-22	Q1-23	Growth YoY
Total Revenue	\$2,421.9	\$2,294.0	(5.3%)
Adjusted EBITDA⁽¹⁾	\$991.7	\$868.4	(12.4%)
<i>Margin (%)</i>	40.9%	37.9%	
Cash capital expenditures	\$392.4	\$582.9	48.6%
<i>Capex % of revenue</i>	16.2%	25.4%	
OpFCF⁽¹⁾	\$599.4	\$285.5	(52.4%)
<i>Margin (%)</i>	24.7%	12.4%	

(1) Adjusted EBITDA and Operating Free Cash Flow ("OpFCF") or Adjusted EBITDA less cash capital expenditures 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 2023 Altice USA earnings release posted to the Altice USA website.