

# Altice USA Q2 2023 Results

August 2, 2023



# Disclaimer

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## 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 Q2 2023 earnings release for Altice USA posted on the Altice USA website.

# Altice USA Q2 2023 Review

## Delivering on our Commitments

Accelerating the Optimum Strategy

Driving Operational Improvements









Operating with Financial Discipline

## Altice USA Snapshot

<b>9.6m</b> Total passings	<b>4.6m</b> Broadband customers	<b>264k</b> Mobile lines	<b>\$9.38bn</b> LTM total revenue	<b>\$3.66bn</b> LTM Adj. EBITDA
<b>2.7m</b> Fiber passings	<b>250k</b> Fiber customer relationships	<b>\$137.44</b> Q2-23 Residential ARPU <sup>(1)</sup>	<b>\$2.32bn</b> Q2-23 total revenue	<b>\$922m</b> Q2-23 Adj. EBITDA

(1) Beginning in the second quarter of 2023, Mobile service revenue previously included in 'Mobile' revenue is now separately reported in 'Residential' and 'Business Services' revenue. Mobile equipment revenue previously included in 'Mobile' revenue is now in 'Other' revenue.

# Accelerating the Optimum Strategy

<b>INSPIRE</b> THE BEST PEOPLE	<b>GROW</b> THE BEST CUSTOMER RELATIONSHIPS	<b>CONNECT</b> THE BEST NETWORK	<b>DELIGHT</b> THE BEST CUSTOMER EXPERIENCE
 <p>Expanded Key Leadership</p>  <p>Regional Go-to-Market Approach</p>	 <p><b>optimum.</b>Complete</p>  <p><b>stream.</b></p>	 <p><b>optimum.fiber</b></p>  <p>Network Upgrades</p>	 <p>CX Improvements</p>  <p>My Optimum App</p>

# Driving Operational Improvement

## Net Promoter Score



**+19pts**  
improvement in tNPS  
Q2-23 YoY<sup>(1)</sup>

## Truck Rolls and Service Visits



**~300k**  
fewer truck  
rolls LTM<sup>(3)</sup>

**(10%)**  
lower annualized  
service visit rate  
Q2-23 YoY

## Self-Installations



**+49%**  
increase in self-installs  
Q2-23 YoY<sup>(2)</sup>

## Customer Care Calls



**~900k**  
fewer inbound  
calls LTM

**(7%)**  
lower annualized  
call rate  
Q2-23 YoY

(1) Transactional NPS (tNPS) is blend of Care, Field, Retail and Sales across Fixed, Mobile, and Advanced Support and is the average monthly metric in Q2-23 compared to the prior year period.

(2) Self install % increase is the change in percentage of residential installs at eligible addresses which took a self-install, excludes fiber installs.

(3) Last twelve months ("LTM") truck rolls exclude employee initiated special request orders.

# Quarterly Performance Review



# Operating with Financial Discipline in Q2

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Improved broadband net adds versus prior year



Quarterly sequential ARPU growth



Quarterly sequential decline in operating expenses<sup>(1)</sup>



Quarterly sequential Adj. EBITDA<sup>(2)</sup> margin expansion



Moderated capital spend



Proactively refinanced near-term maturities

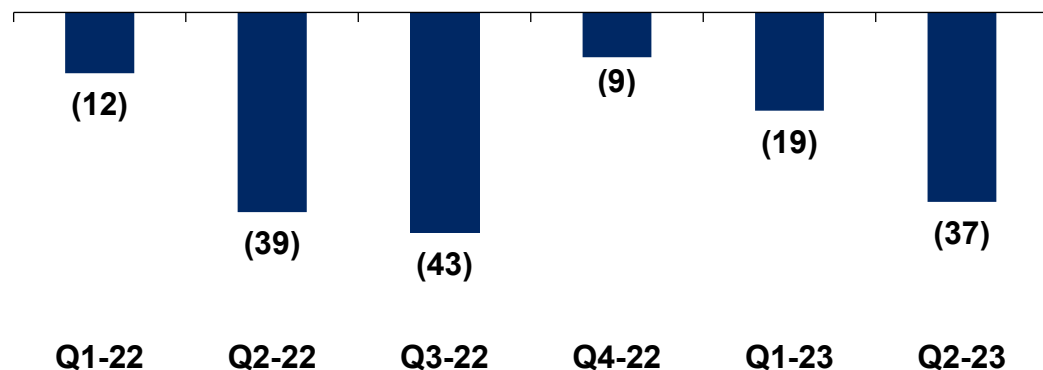


(1) Other operating expense excluding share-based compensation

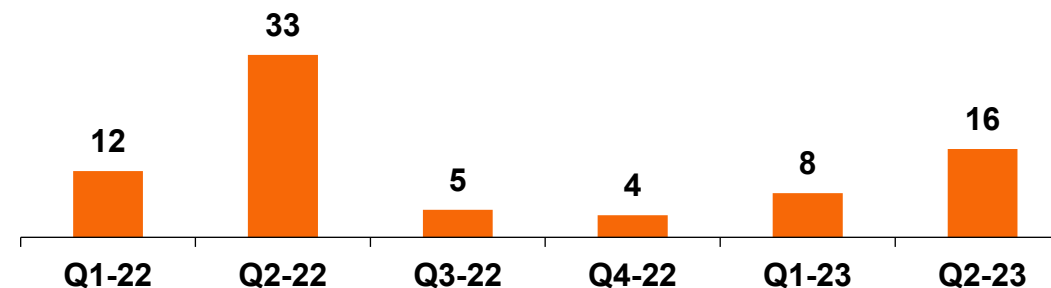
(2) Adjusted EBITDA is a non-GAAP measure. For a reconciliation of non-GAAP measures to net income, please see the Q2 2023 Altice USA earnings release posted to the Altice USA website.

# Quarterly Customer Trends

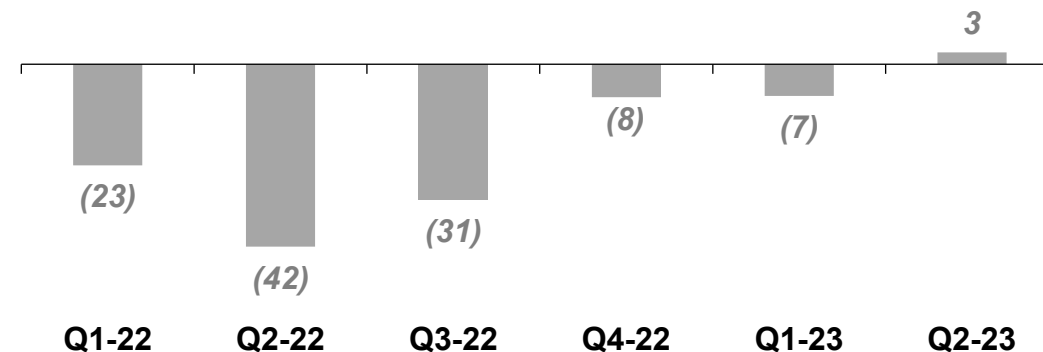
Total broadband net additions ('000)



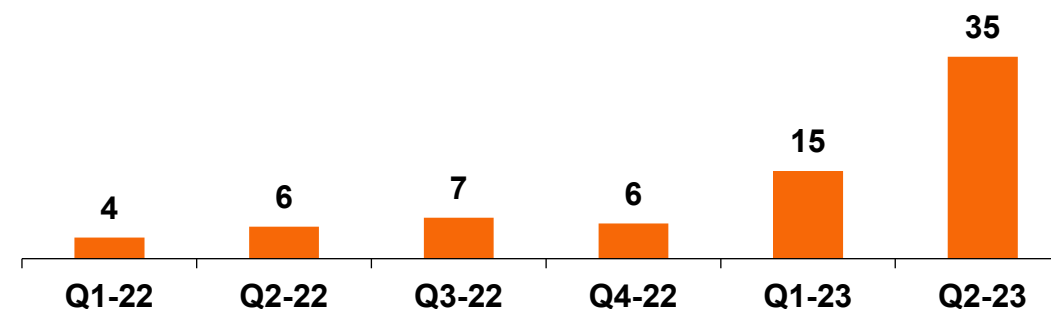
Reported Mobile line net additions ('000)



Variance in total broadband net additions YoY ('000)



Mobile line net additions excluding free service<sup>(1)</sup> ('000)

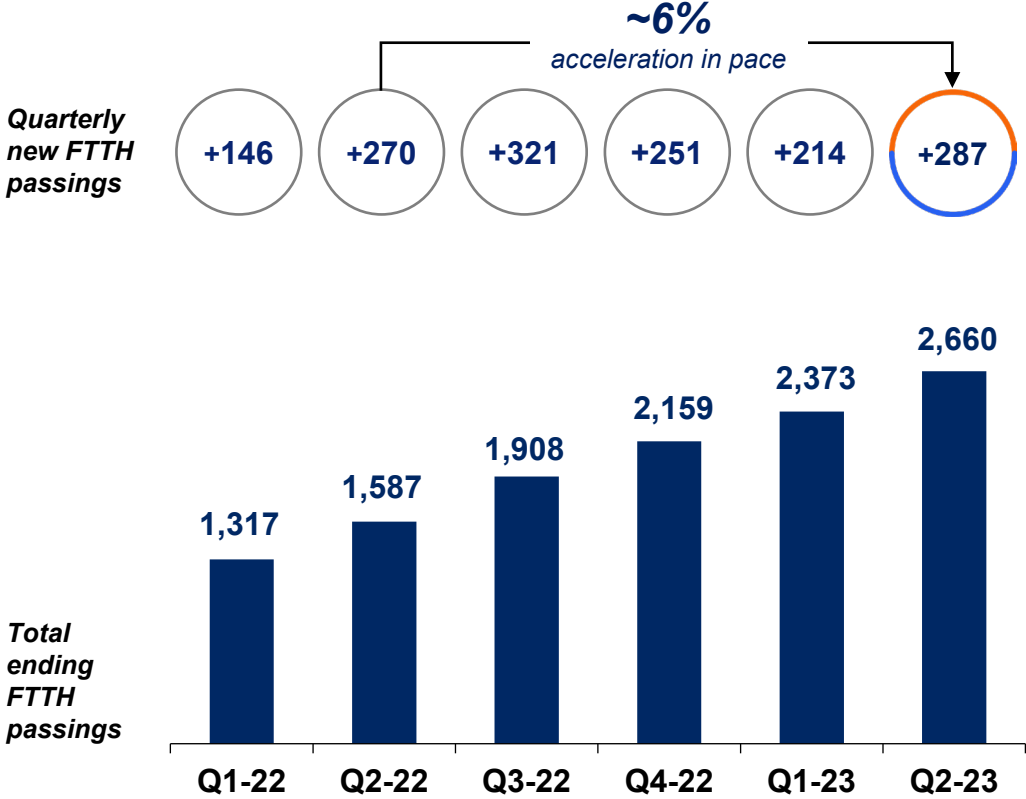


(1) Excludes additions relating to Mobile lines receiving free service from all periods presented, and includes net additions from when customers previously receiving free service start making payments.

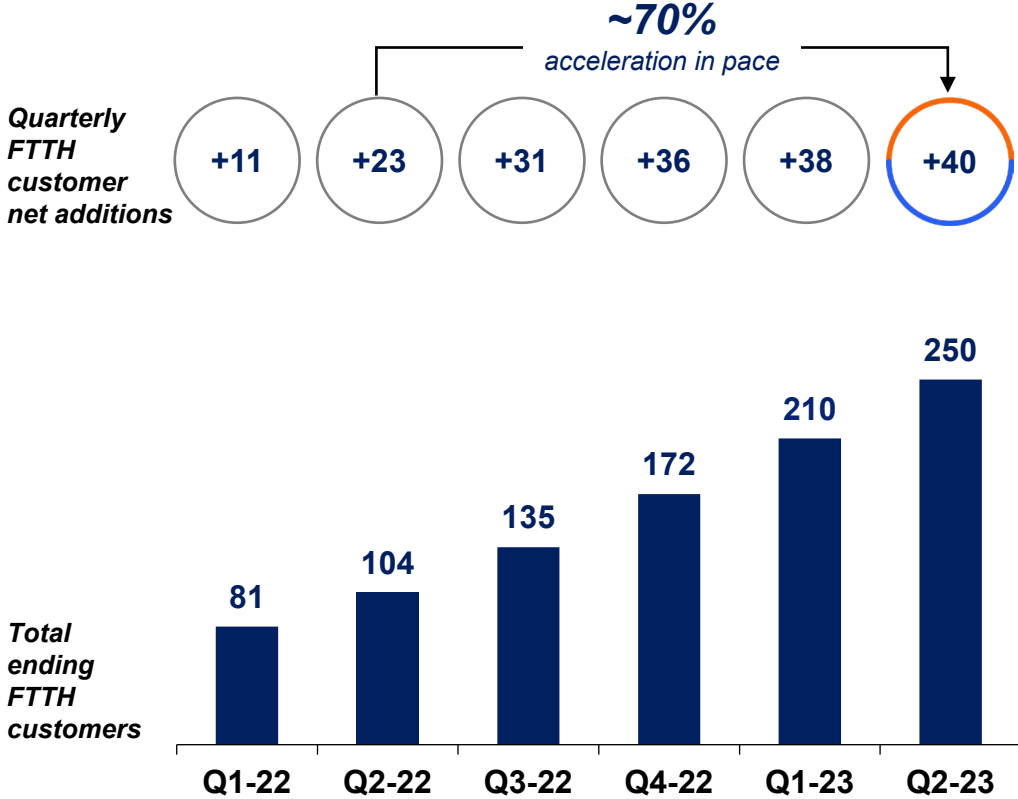


# FTTH Passings and FTTH Customer Growth

Total FTTH passings and new FTTH passings ('000)

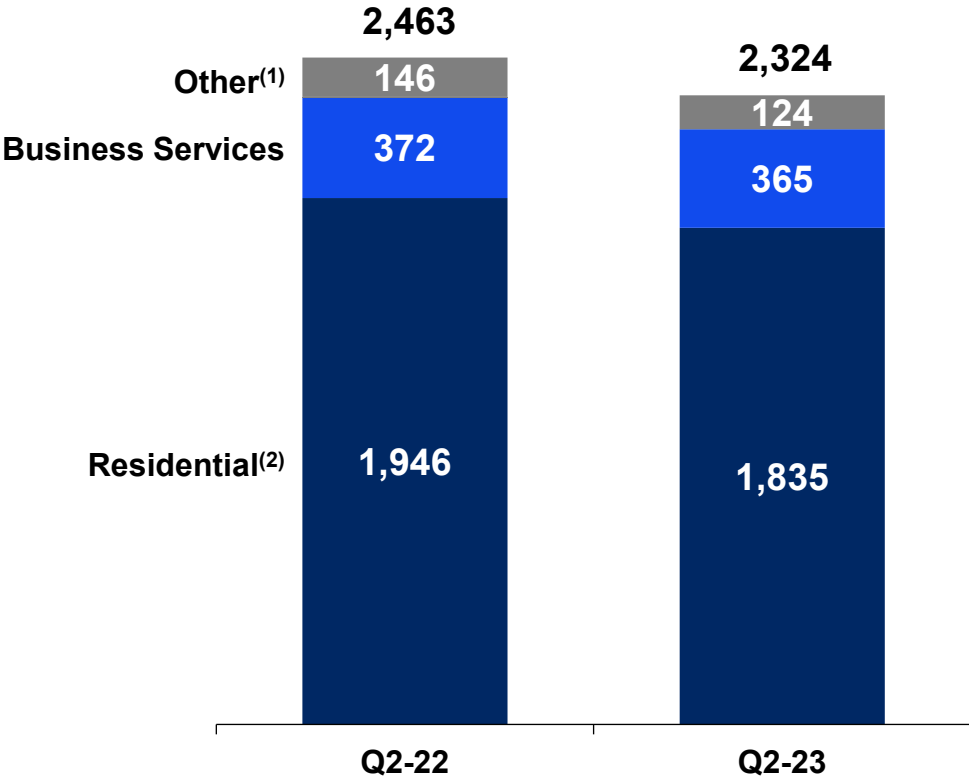


Total FTTH customers and net additions ('000)

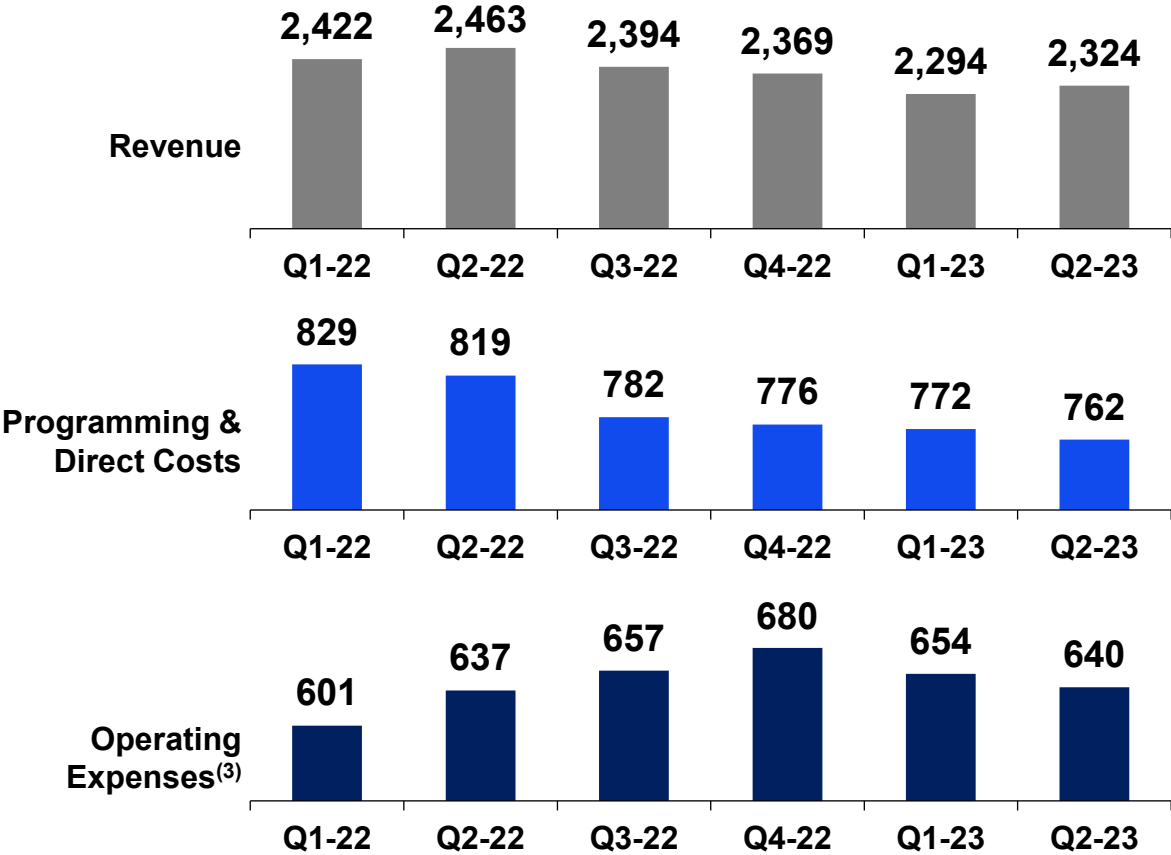


# Revenue and Expense Trends

Revenue Q2-22 vs. Q2-23 (\$m)



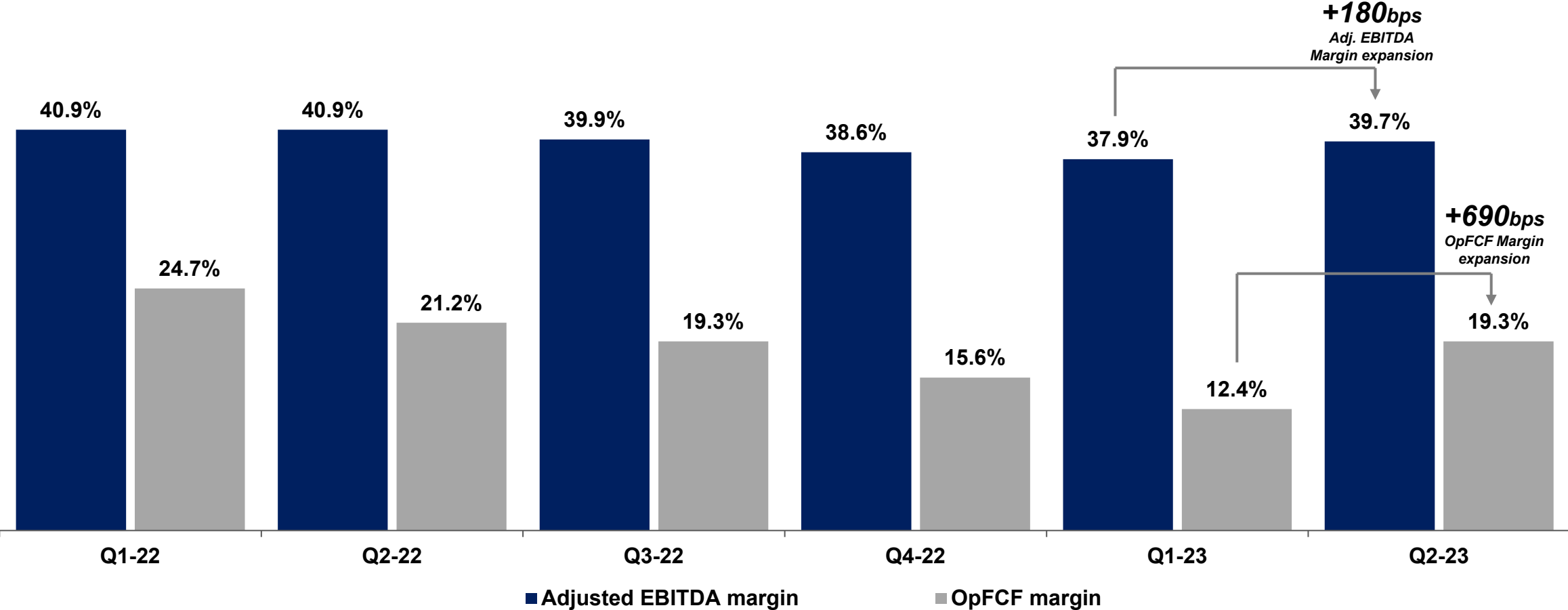
Quarterly financial trend (\$m)



(1) Includes News & Advertising revenue, Mobile equipment revenue, and other revenue.  
 (2) Beginning in the second quarter of 2023, Mobile service revenue previously included in 'Mobile' revenue is now separately reported in 'Residential' and 'Business Services' revenue. Mobile equipment revenue previously included in 'Mobile' revenue is now in 'Other' revenue. Prior period amounts have been revised to conform with this presentation.  
 (3) Excludes share-based compensation.

# Margin Trends

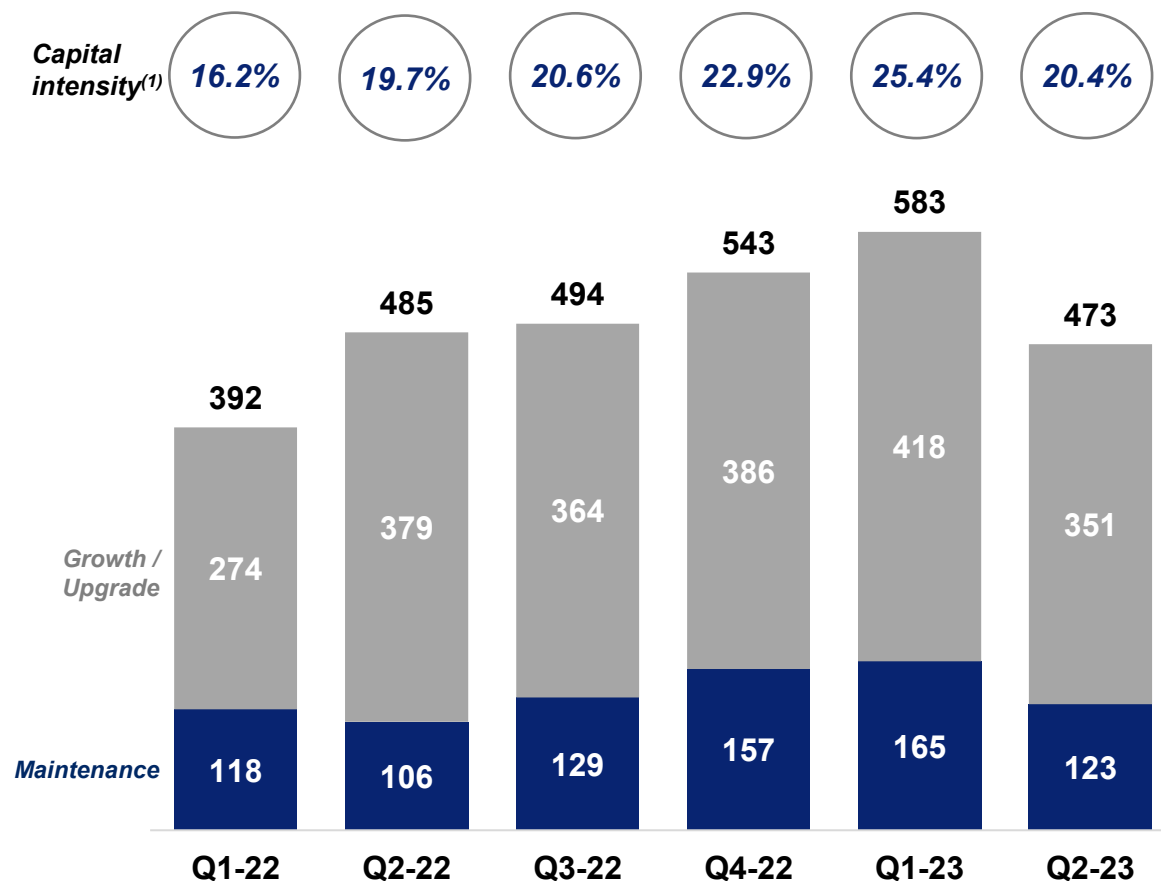
Adjusted EBITDA Margin and OpFCF Margin<sup>(1)</sup>



(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 Q2 2023 Altice USA earnings release posted to the Altice USA website.

# Capex to Support Network Evolution

## Cash capital expenditures (\$m)



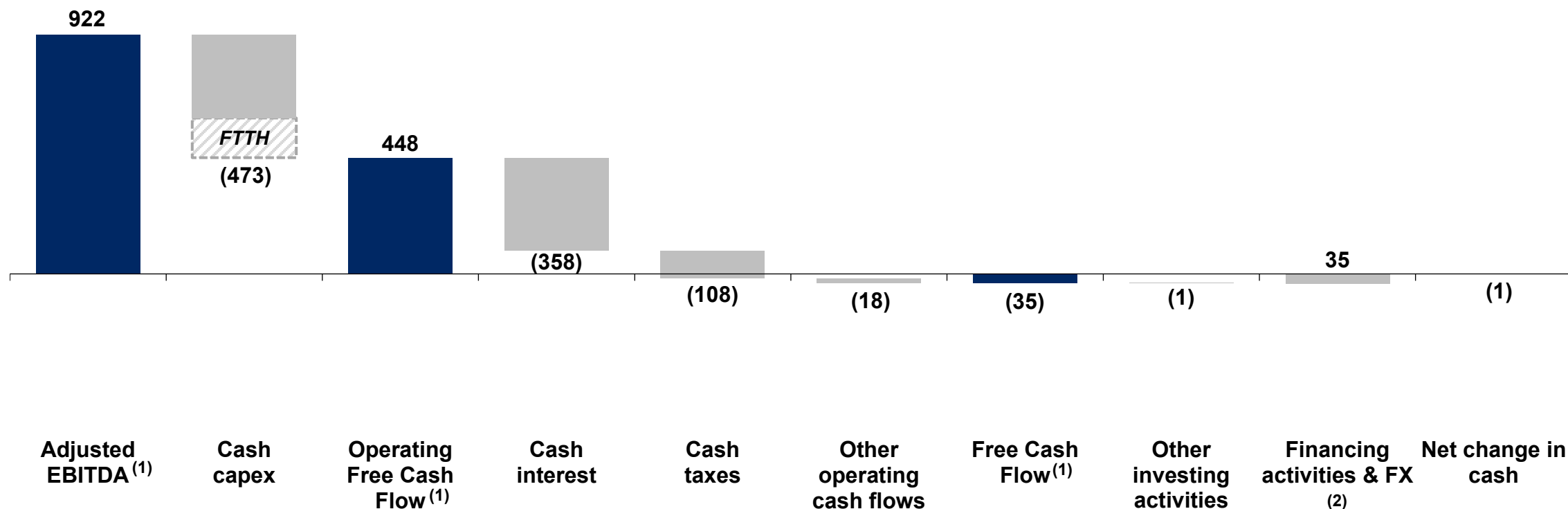
## Capital expenditures review

- + Q2-23 capital intensity of **20.4%** (11.4% ex-FTTH / New Builds)
  - + Fiber passings +287k (+501k H1)
  - + New build passings +66k (+115k H1)
  - + DOCSIS 3.1 upgrades +70k (+124k H1) (88% of Optimum West)

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

# Free Cash Flow

## Q2-23 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 Q2 2023 Altice USA earnings release posted to the Altice USA website.

(2) Financing activities & FX includes \$1,000m new bond issuance, (\$19m) of term loan amortization, (\$875m) of net revolver paydown, (\$72m) of other financing activities, and \$0.7m of effect of exchange rate changes on cash.

# Q&A

# Appendix

# Summary Financial Information

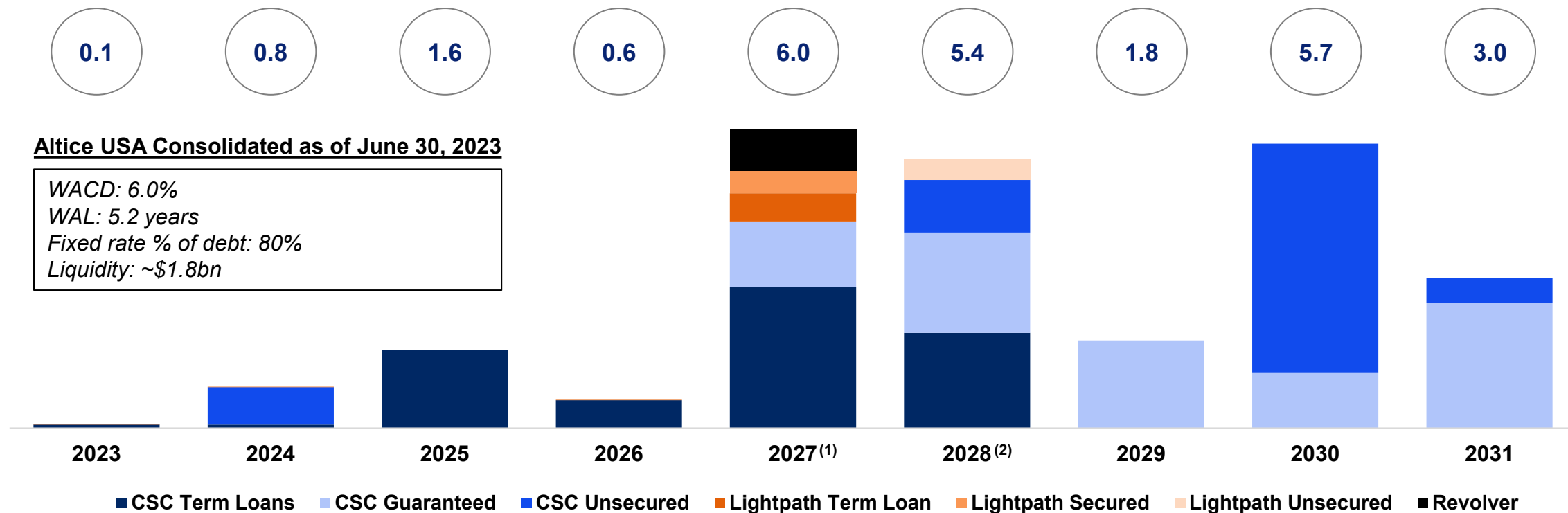
(\$m)	Q2-22	Q2-23	Growth YoY
<b>Total Revenue</b>	<b>\$2,463.0</b>	<b>\$2,324.3</b>	<b>(5.6%)</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$1,007.1</b>	<b>\$921.7</b>	<b>(8.5%)</b>
<i>Margin (%)</i>	<i>40.9%</i>	<i>39.7%</i>	
<b>Cash capital expenditures</b>	<b>\$485.1</b>	<b>\$473.4</b>	<b>(2.4%)</b>
<i>Capex % of revenue</i>	<i>19.7%</i>	<i>20.4%</i>	
<b>OpFCF<sup>(1)</sup></b>	<b>\$521.9</b>	<b>\$448.3</b>	<b>(14.1%)</b>
<i>Margin (%)</i>	<i>21.2%</i>	<i>19.3%</i>	

(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 Q2 2023 Altice USA earnings release posted to the Altice USA website.



# Altice USA 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 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.