

Altice USA Q3 2023 Results

November 1, 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, gain (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, 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 Q3 2023 earnings release for Altice USA posted on the Altice USA website.

Altice USA Q3 Highlights

Second quarter of improved broadband net adds year-over-year



Acceleration in mobile line net adds – third quarter of mobile line net add growth



Best fiber customer growth quarter



CX improvements yielding better customer satisfaction scores



Financial performance improvement and continued discipline



Strong executive and regional leadership teams driving performance and employee experience



Driving Operational Improvement

Digital-first metrics Q3-23 YoY



+22pts

increase in tNPS⁽¹⁾



+71%

increase in self-installs⁽²⁾



+19%

increase in text message communications sent



+51%

increase in chatbot support volume



+16%

increase in customer portal usage

Customer Care Call Volume



~1.3m

fewer inbound calls⁽³⁾ LTM

Truck Roll Volume



~300k

fewer truck rolls⁽⁴⁾ LTM

(1) Transactional NPS (tNPS) represents the average monthly metric for the quarter that blends Care, Field, Retail and Sales across Fixed, Mobile, and Advanced Support.
(2) Self-install % increase is the change in percentage of residential installs at eligible addresses choosing self-install, excluding fiber installs.
(3) Last twelve months (“LTM”) inbound calls refers to technical, care and support call, compared to immediately prior twelve-month period (October 1, 2021 – September 30, 2022).
(4) LTM truck rolls exclude employee initiated special request orders, compared to immediately prior twelve-month period (October 1, 2021 – September 30, 2022).

Optimum Strategy

INSPIRE THE BEST PEOPLE

- + Leadership team
- + Sales Channel Performance
- + Continued focus on employee experience

GROW THE BEST CUSTOMER RELATIONSHIPS

- + Launching new base management programs
- + Pricing, packaging, and speed tiers
- + B2B product expansion
- + Mobile enhancements

CONNECT THE BEST NETWORK

- + Network quality and reliability
- + Growth in fiber customers
- + Optimum Stream

DELIGHT THE BEST CUSTOMER EXPERIENCE

- + Digital and self-serve
- + First time right
- + Onboarding experience

Continued focus on operating with financial discipline

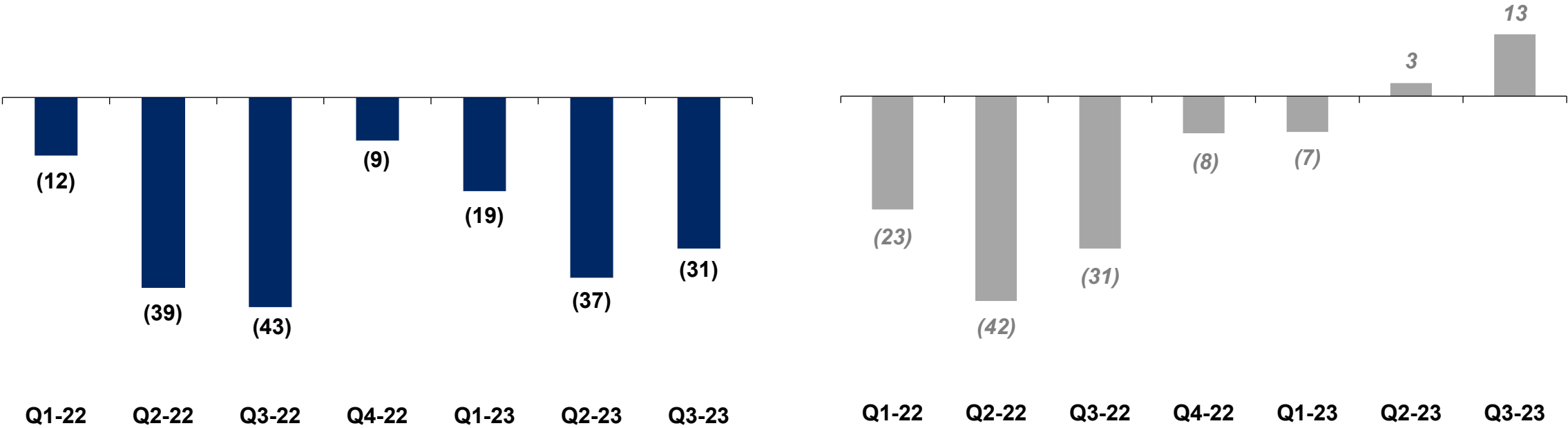
Quarterly Performance Review



Continued Improvement in Broadband Trends

Total broadband net additions ('000)

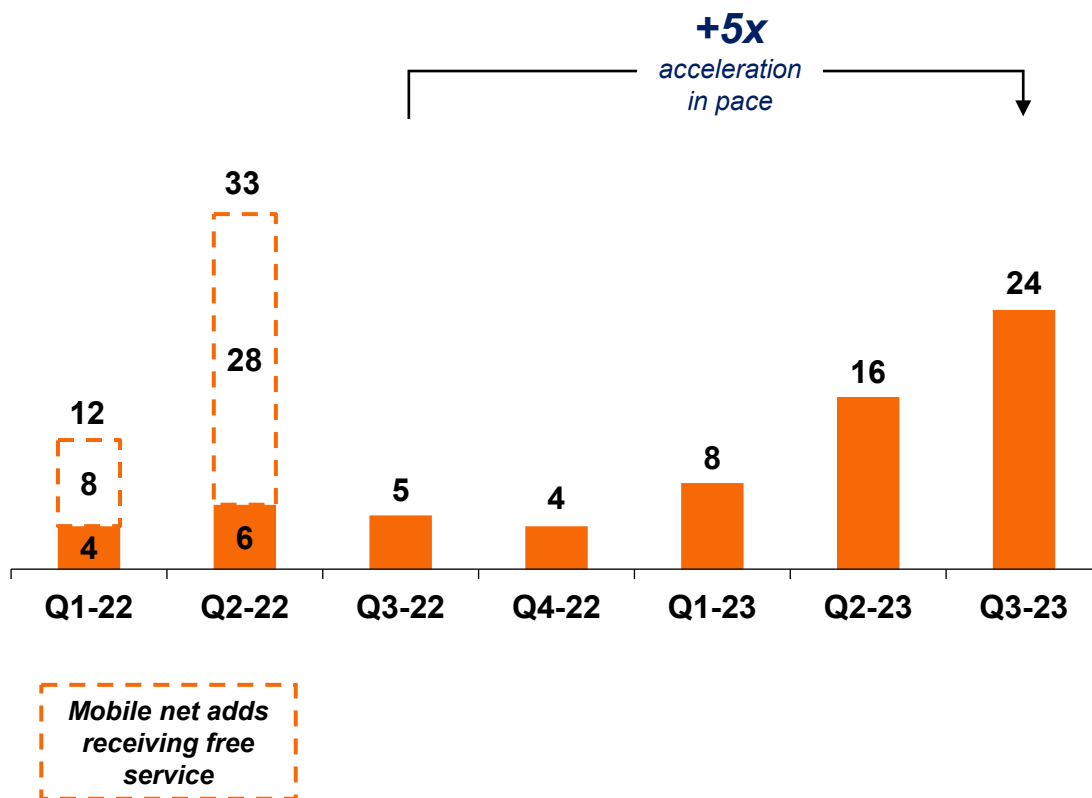
Variance in total broadband net additions YoY ('000)



Optimum Mobile Gaining Momentum

Reported mobile line net additions ('000)

Optimum mobile update



+ Mobile ending lines of 288k (+24k in Q3-23)

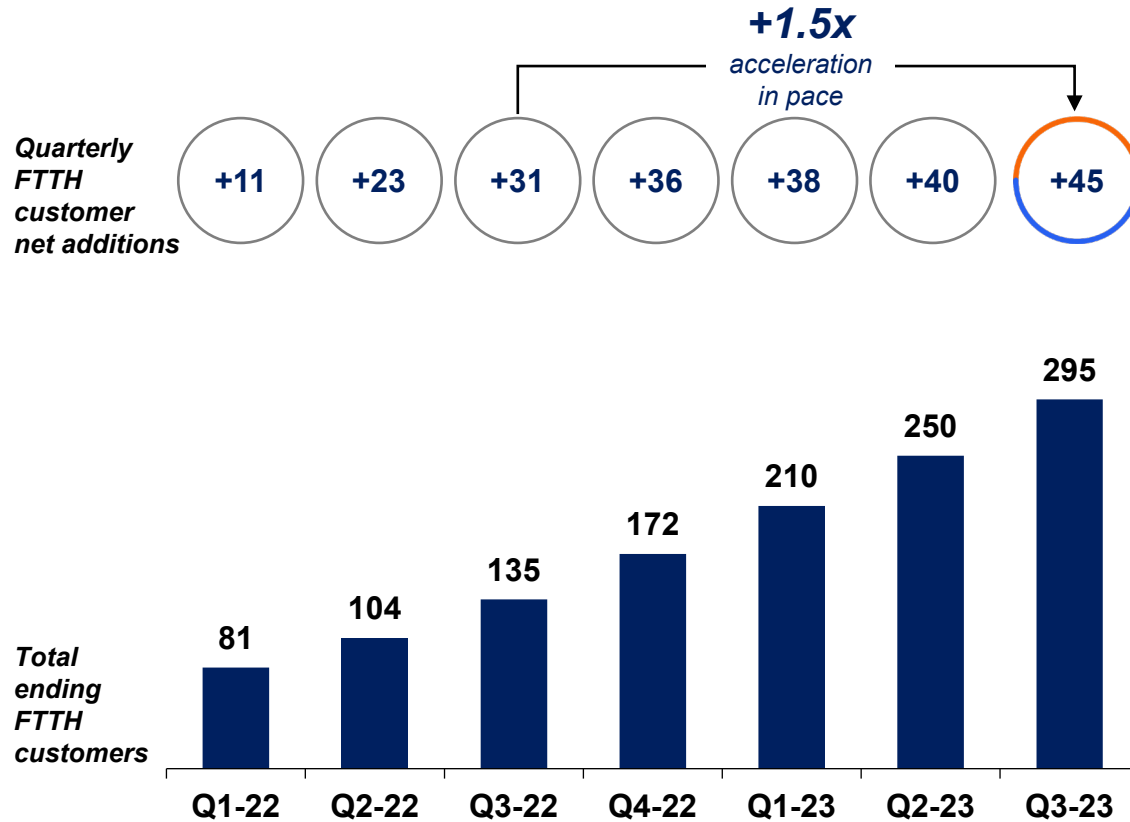
- + Optimum Complete and free iPhone 15 promotion driving mobile growth

+ Mobile Operational Focus

- + Sales channel expansion
- + Optimizing customer lifetime value
- + Launch of B2B Mobile product

Optimum Network Evolution

Total FTTH customers and net additions ('000)

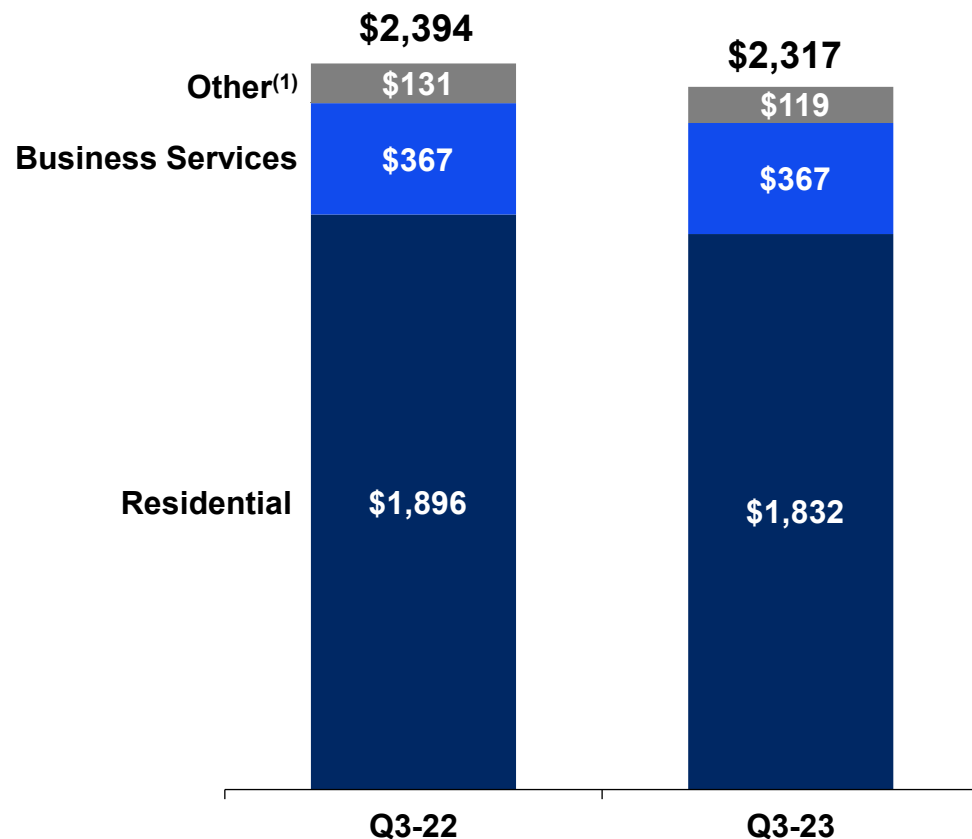


Optimum network strategy

- + Fiber passings of 2.7m (+61k in Q3-23)
 - + 8 Gig Symmetrical Speeds available in entire East Fiber Footprint
 - + Fiber performance vs. HFC
 - + Improved early churn
 - + Higher gross add ARPU
 - + Improved broadband NPS scores
- + Continued new build passing expansion
- + Speed upgrades and DOCSIS 3.1 upgrades

Revenue Trends

Q3-22 vs. Q3-23 Revenue⁽²⁾ (millions)



Revenue year-over-year

	<u>Q1-23</u>	<u>Q2-23</u>	<u>Q3-23</u>
Total Revenue	-5.3%	-5.6%	-3.2%
Residential Revenue	-5.5%	-5.7%	-3.4%
Business Services Revenue	-1.1%	-1.9%	+0.1%
News & Advertising Revenue	-13.9%	-14.8%	-10.8%
<i>excluding political revenue</i>	<i>-11.0%</i>	<i>-8.4%</i>	<i>+4.9%</i>

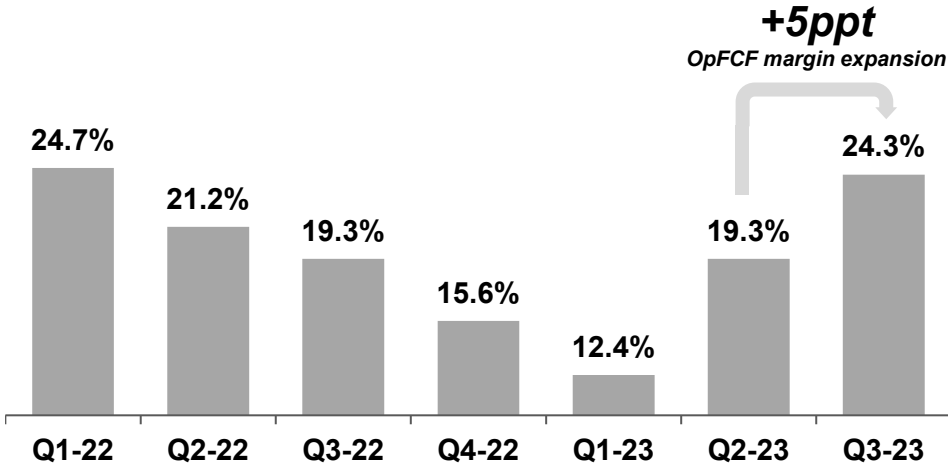
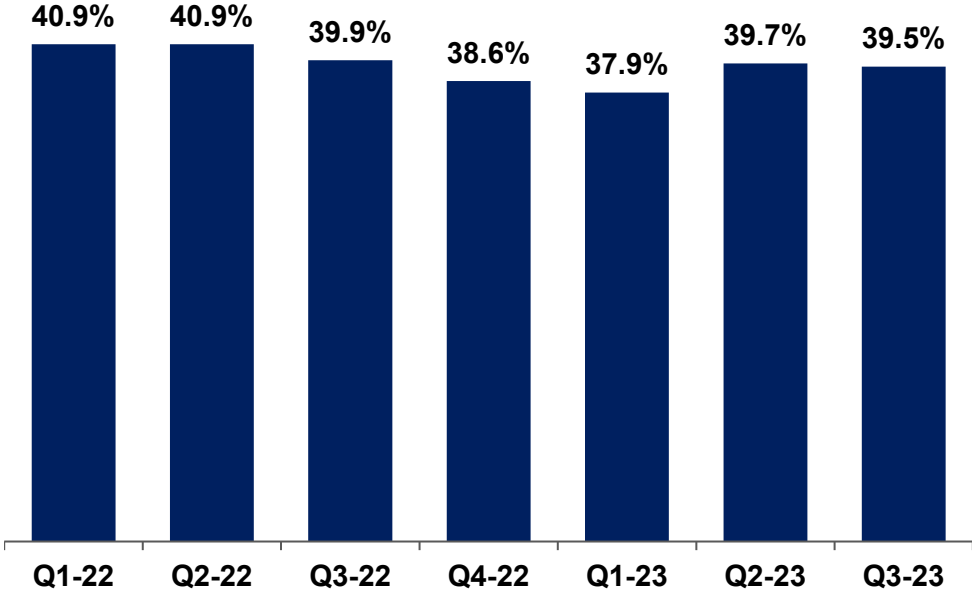
(1) Includes News & Advertising revenue and other revenue, including mobile equipment revenue.

(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.

Margin Trends

Adjusted EBITDA margin Q1-22 to Q3-23⁽¹⁾

Operating free cash flow (OpFCF) margin Q1-22 to Q3-23⁽¹⁾



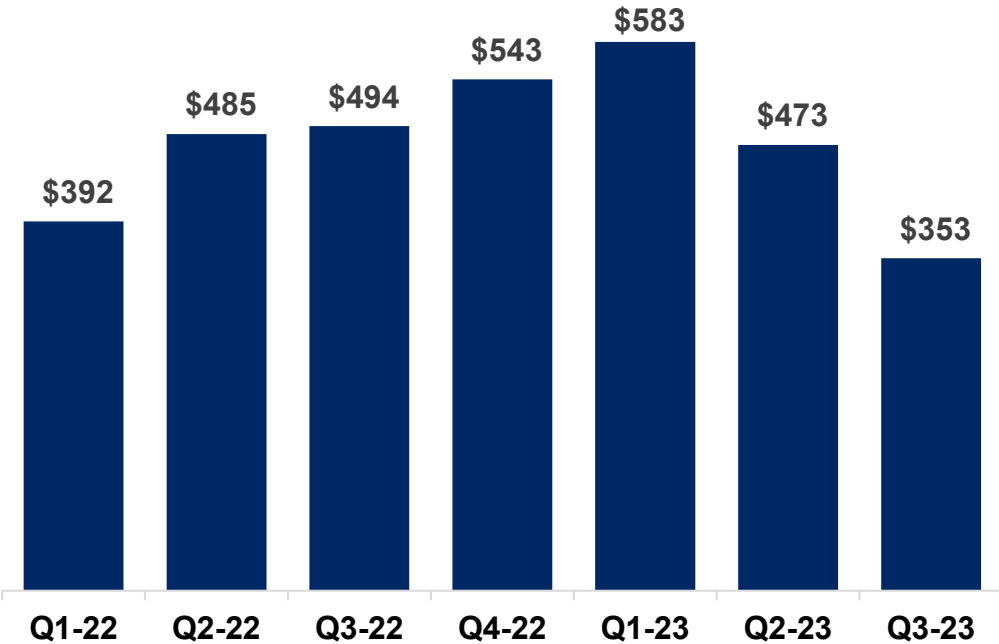
(1) Adjusted EBITDA and Operating Free Cash Flow (“OpFCF”) are non-GAAP measures. For a reconciliation of these non-GAAP measures to net income, please see the Q3 2023 Altice USA earnings release posted to the Altice USA website.

Capex to Support Network Evolution

Cash capital expenditures (millions)

Capital expenditures review

Capital intensity⁽¹⁾

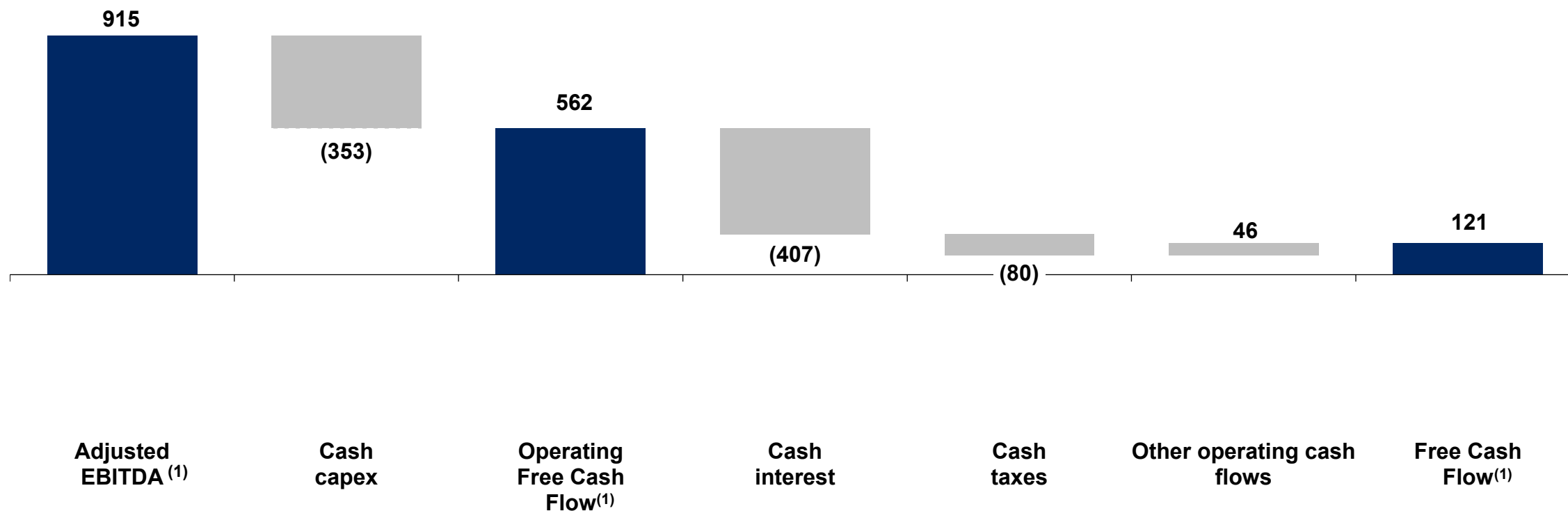


- + Q3-23 capital intensity⁽¹⁾ of **15.2%** (8.8% ex-FTTH / New Builds)
 - + Fiber passings +61k (+561k YTD)
 - + New build passings +30k (+145k YTD)
 - + DOCSIS 3.1 upgrades +61k (+185k YTD) (91% of Optimum West)

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

Free Cash Flow

Q3-23 Free cash flow (millions)



(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 Q3 2023 Altice USA earnings release posted to the Altice USA website.

Q&A



Appendix

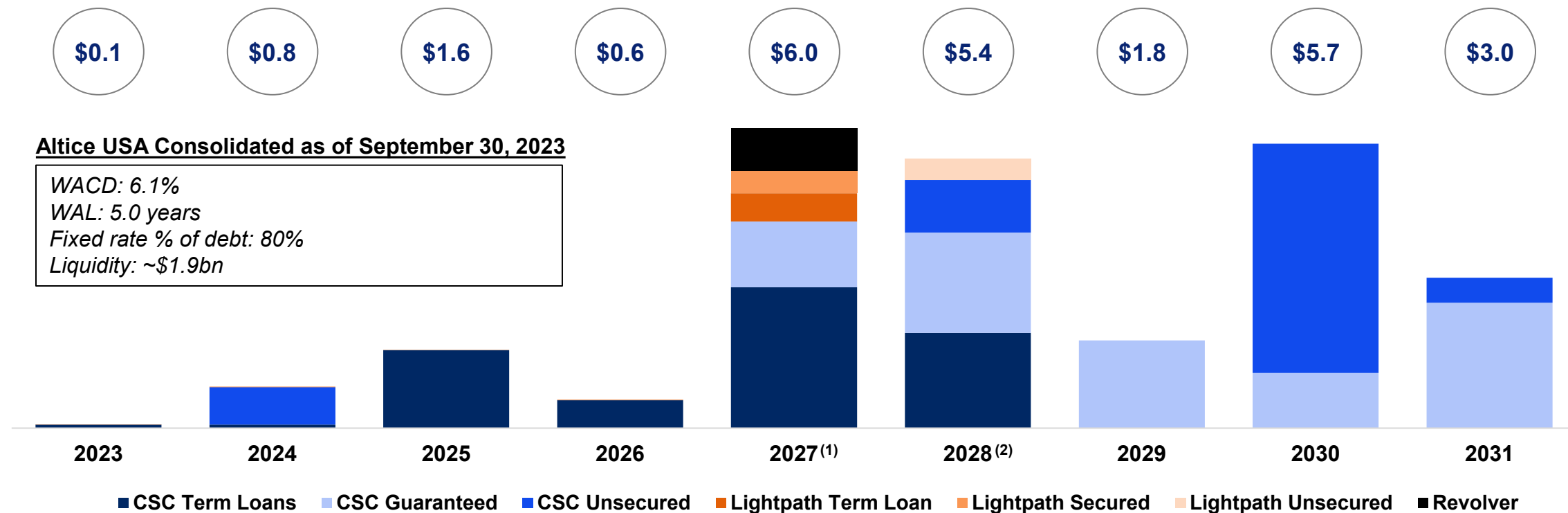
Summary Financial Information

(\$m)	Q3-22	Q3-23	Growth YoY
Total Revenue	\$2,393.6	\$2,317.2	(3.2%)
Adjusted EBITDA⁽¹⁾	\$954.4	\$915.5	(4.1%)
<i>Margin (%)</i>	<i>39.9%</i>	<i>39.5%</i>	
Cash capital expenditures	\$493.6	\$353.2	(28.4%)
<i>Capex % of revenue</i>	<i>20.6%</i>	<i>15.2%</i>	
OpFCF⁽¹⁾	\$460.8	\$562.3	+22.0%
<i>Margin (%)</i>	<i>19.3%</i>	<i>24.3%</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 please see the Q3 2023 Altice USA earnings release posted to the Altice USA website.

Altice USA Consolidated Debt Maturity Profile

Altice USA maturity profile (billions)



(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.