

Altice USA Q3 2024 Results.

November 4, 2024



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, our revenue streams, results of operations and liquidity, including Free Cash Flow; our strategy, objectives, prospects, trends, service and operational improvements, capital expenditure plans, broadband, fiber, video and mobile growth, product offerings and passings; our ability to achieve operational performance improvements; our ability to achieve near and longer term revenue, penetration, operational efficiency and capital structure opportunities (including mobile lines, fiber subscribers, fiber penetration, gross margin, operating expenses, EBITDA margins, annual capital expenditures, and annual Free Cash Flow); 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 without limitation the terms “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “intend”, “may”, “opportunity”, “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, 2023 and subsequent Quarterly 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, impairments and other operating items (such as significant legal settlements and contractual payments for terminated employees). We define Adjusted EBITDA margin as Adjusted EBITDA divided by total revenue.

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 our operating performance. 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 our 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 U.S. generally accepted accounting principles (“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 Free Cash Flow (defined as net cash flows from operating activities less cash capital expenditures) as a liquidity measure. We believe this measure is useful to investors in evaluating our ability to service our debt and make continuing investments with internally generated funds, although it may not be directly comparable to similar measures reported by other companies.

For a reconciliation of these non-GAAP measures to net income and net cash flows from operating activities, respectively, please see the Q3 2024 Altice USA earnings release posted to the Altice USA website.

Q3 2024 Results Summary

\$2.2bn

Revenue

-3.9% YoY

482k

Ending Fiber Subscribers

+47k Net Adds

17% Fiber Penetration

\$862m

Adj. EBITDA⁽¹⁾

-5.8% YoY

420k

Ending Mobile Lines

+36k Net Adds

Best performance in 4 years

\$359m

Cash Capex

16.1% Capital Intensity

4.4m

Ending Broadband Subscribers

-50k Net Losses⁽²⁾

FINANCIAL HIGHLIGHTS

- Gross margin +50bps Q3-24 YoY
- Free Cash Flow⁽¹⁾ ~\$100m YTD Q3-24
- Paid down \$100m of revolving credit facility Q3-24
- Expect Full-Year capital expenditures of ~\$1.5bn

GO-TO-MARKET STRATEGY

- Accelerating fiber and mobile net adds
- Stable churn Q3 YoY; voluntary disconnects improving
- Adapting GTM to competitive and macro pressures
- Three new value focused TV packages:
 - **Entertainment TV** launched July-24
 - **Extra TV** and **Everything TV** launched Nov-24

NETWORK & SERVICE ENHANCEMENTS

- Added +52k new fiber passings in Q3-24
- Increased operational capacity for fiber additions
- Service call rate improved 11% Q3-24 YoY⁽³⁾
- Service visit repeat rate improved 28% Q3-24 YoY⁽⁴⁾

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Near-Term Opportunities

1 Revenue Opportunity

- Improve broadband subscriber trends
- Reach **1 million+** mobile lines by Y/E-27
- Launch high margin value-added services
- Expand B2B product portfolio and scalable solutions

2 Fiber Penetration

- Maximize asset value and competitive positioning
- Achieve **1 million+** fiber subscribers by Y/E-26
- Deliver **30%+** fiber penetration Y/E-26

3 Operational Efficiency

- Gross Margin **~70%** by Y/E-26
- Other Operating Expense⁽⁵⁾ improvement of **4-6%** by Y/E-26
- Return normalized Adj. EBITDA⁽¹⁾ margins to **~40%**

4 Sustainable Capital Structure

- Sufficient liquidity to support long-term operational roadmap
- Deliver annual capex **under \$1.3bn** in FY-25
- Maintain **positive** annual Free Cash Flow⁽¹⁾

Free Cash Flow Improvement Opportunities of Over \$400m Over Time

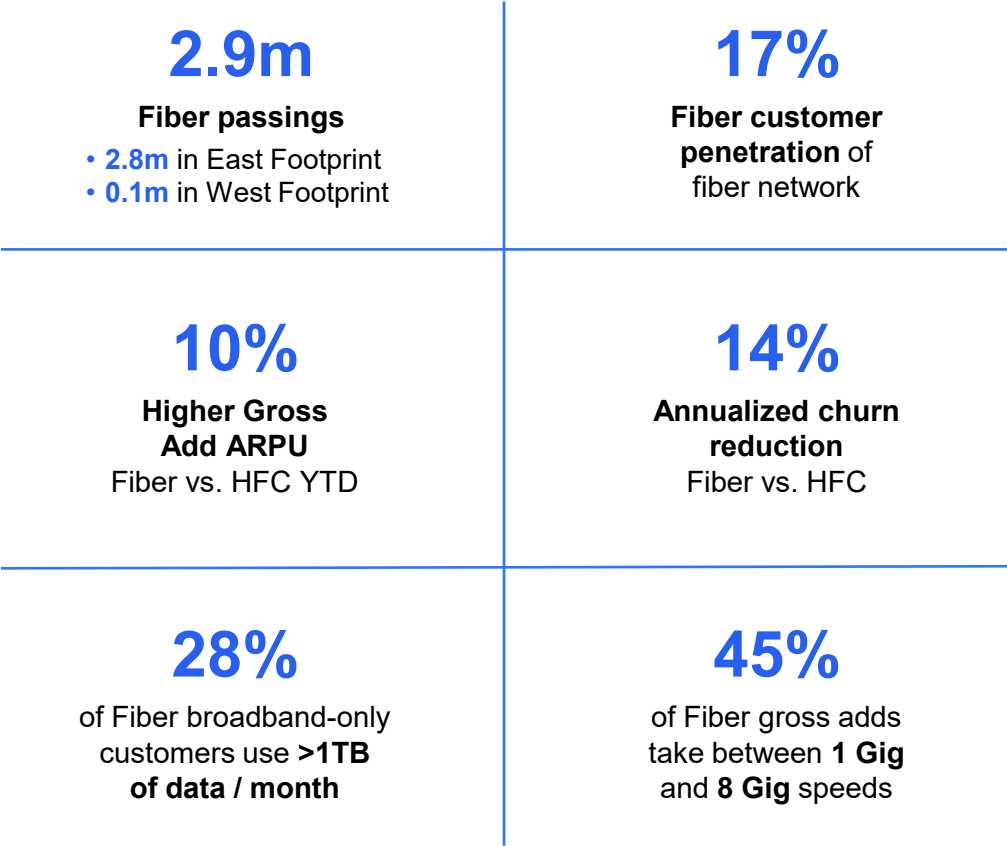
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Quarterly Performance Review.

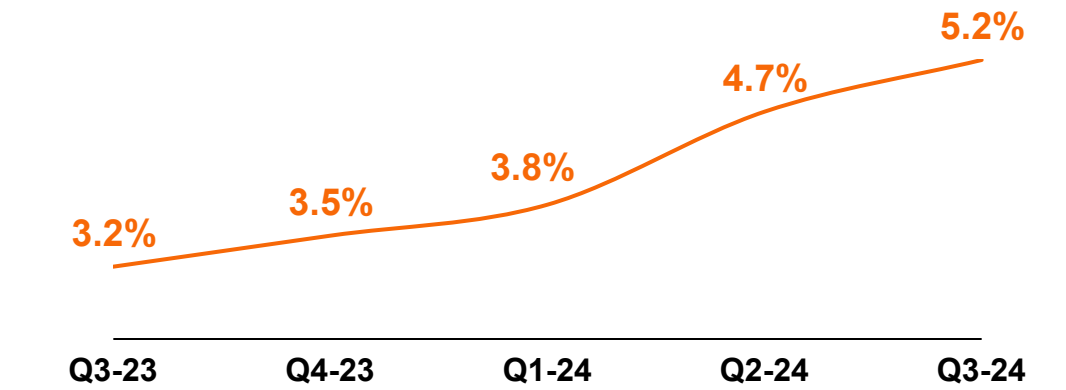


Fiber and Mobile Convergence Driving Improved Trends

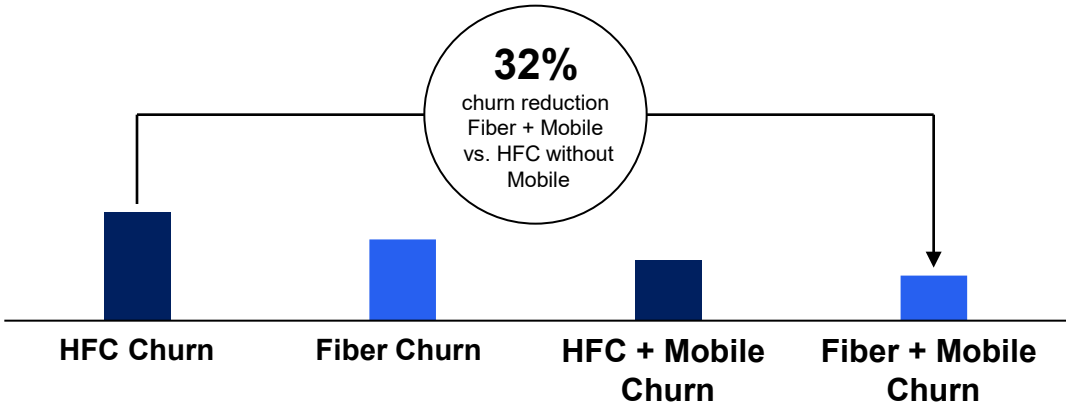
Notable Fiber Metrics Q3-24



Percentage of Broadband Base Converged with Mobile⁽⁶⁾

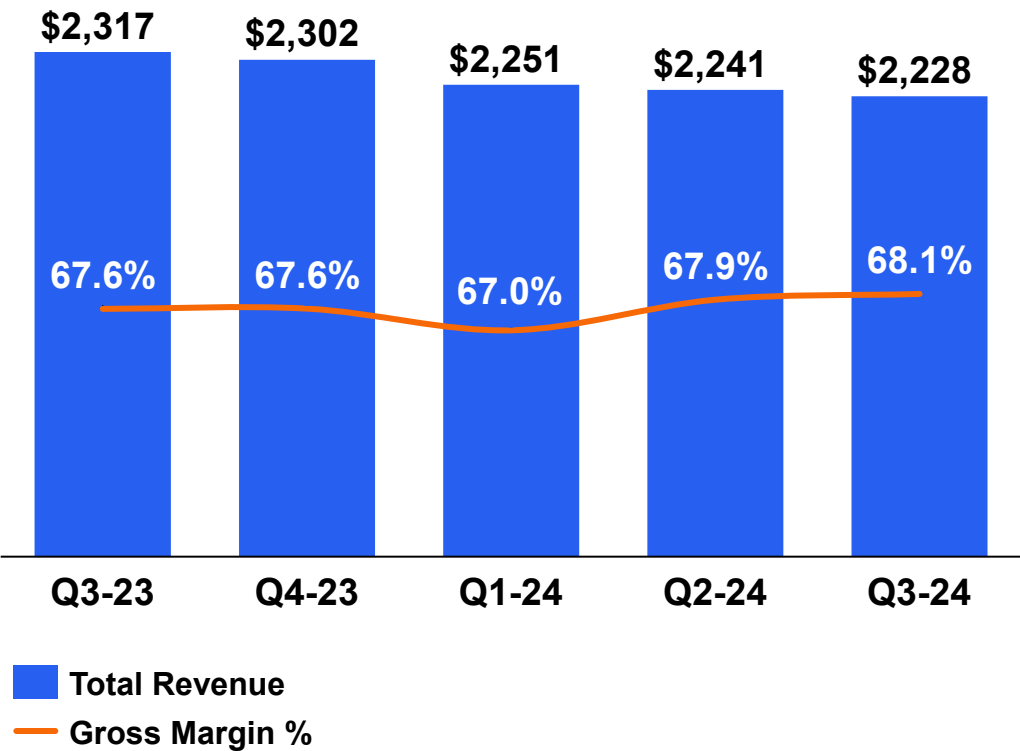


Annualized Churn Benefit of Fiber and Mobile

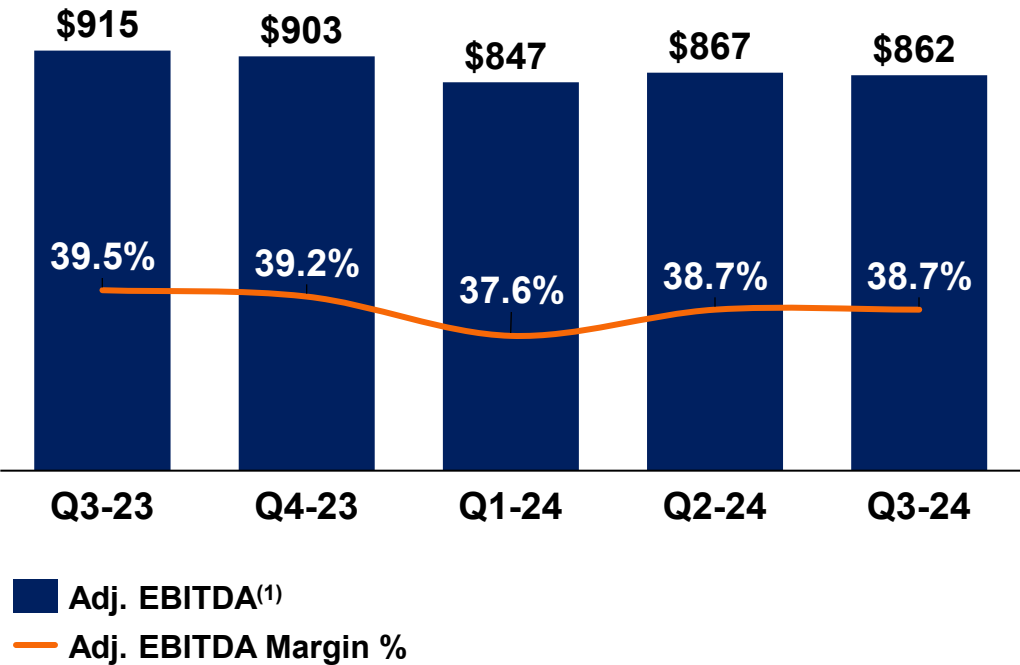


Financial Trends

Revenue and Gross Margin (\$m,%)



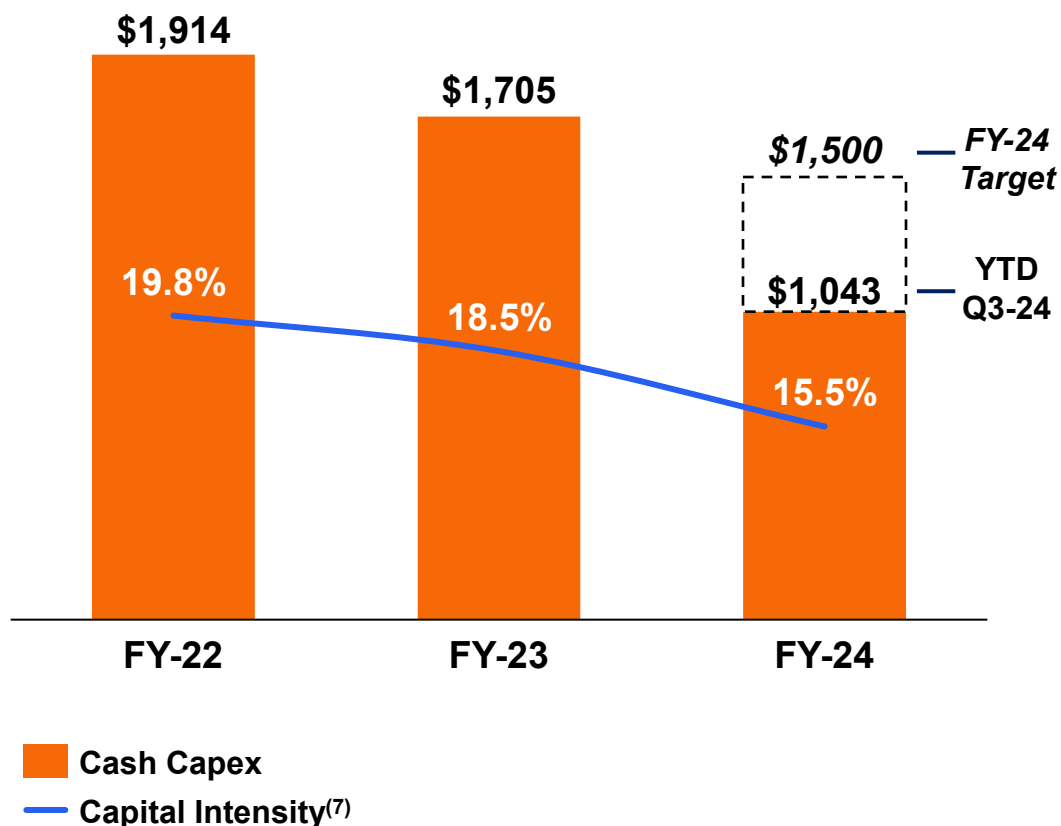
Adjusted EBITDA and Margin⁽¹⁾ (\$m,%)



(1) Adjusted EBITDA is a non-GAAP financial measure. Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Total Revenue. For a reconciliation of Adjusted EBITDA to net income, please see the Q3 2024 Altice USA earnings release posted to the Altice USA website.

Efficient Capital Expenditures and Network Investment

Cash Capex and Capital Intensity⁽⁷⁾ (\$m,%)



Network Investment



Fiber Passings Additions

- +159k additional fiber passings YTD Q3-24
 - Reaching 2.9m passings
- ~3m cumulative fiber passings target Y/E-24



Total Passings Additions

- +156k additional total passings YTD Q3-24
- +175k additional total passings target FY-24

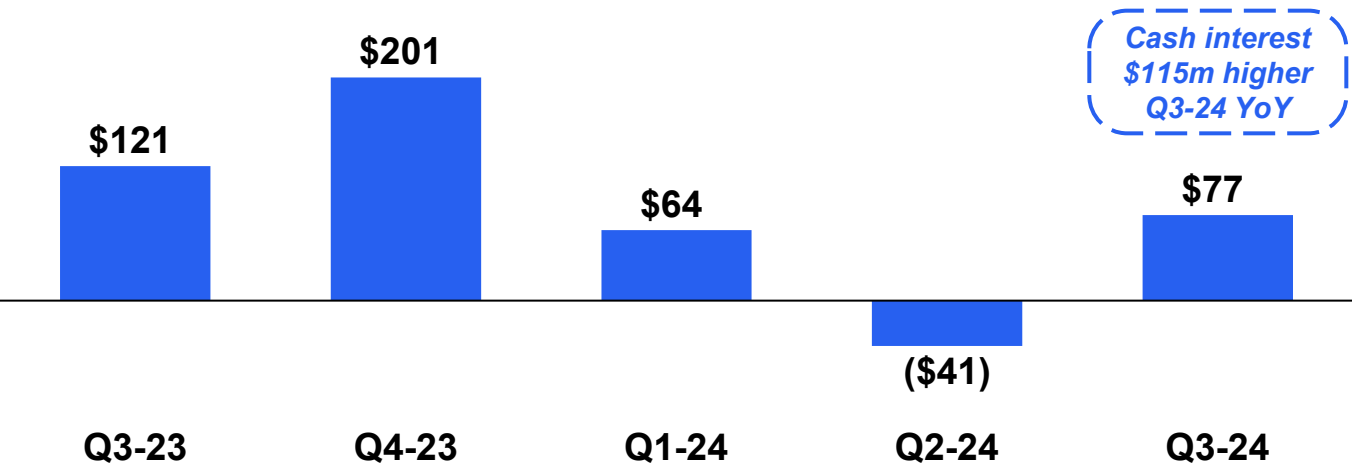


Network Improvements

- Robust node health program; achieved ~99% node health across footprint
- DOCSIS 3.1 capacity enhancements
- Capital efficient network investments

Free Cash Flow

Free Cash Flow⁽¹⁾ (\$m)



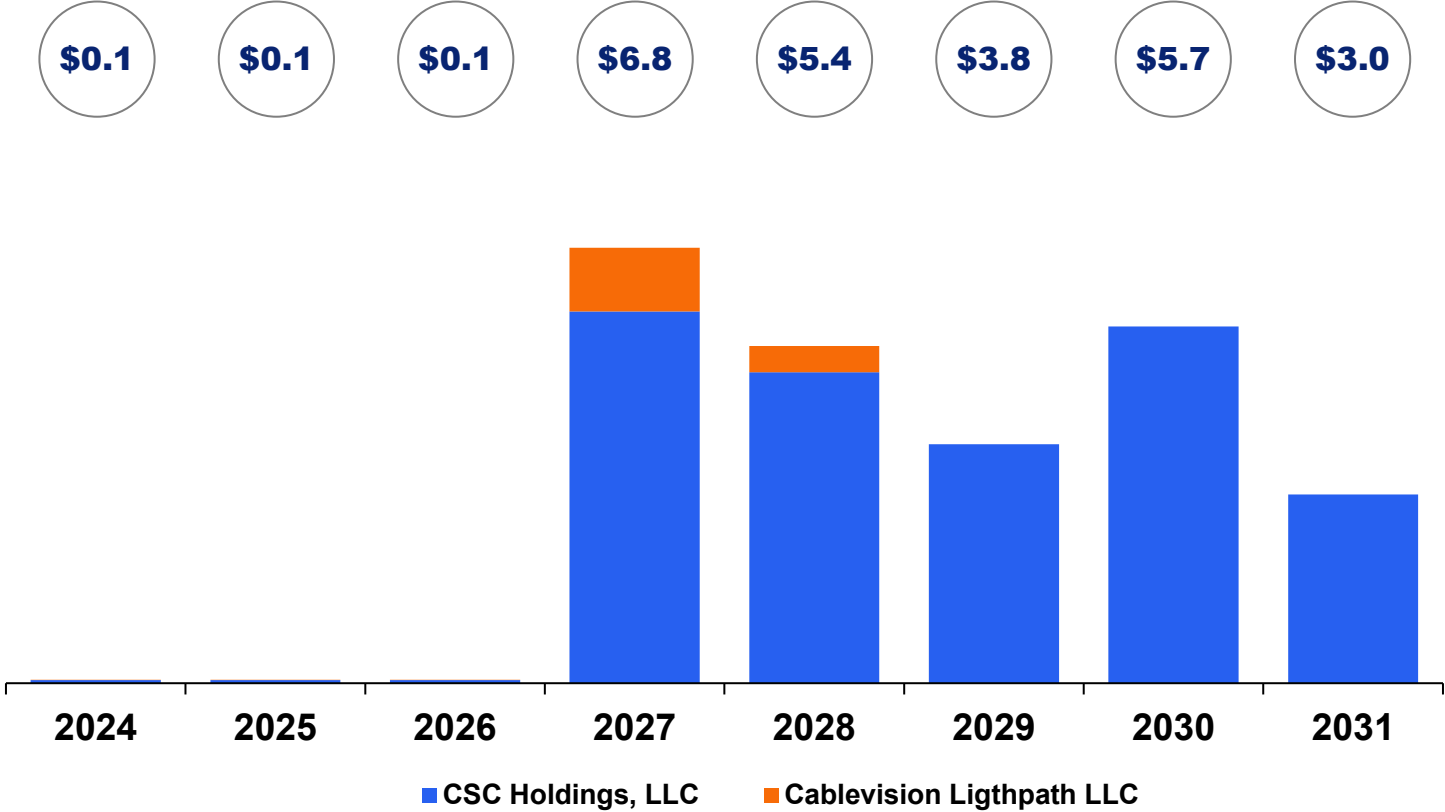
Selected Cash Statistics

\$m	Q3-23	Q4-23	Q1-24	Q2-23	Q3-24
Cash interest	\$407	\$429	\$402	\$378	\$522
Cash capital	353	295	336	348	359
Cash tax	80	0	11	165	35

(1) Free Cash Flow is a non-GAAP financial measures. For a reconciliation to net cash flows from operating activities, please see the Q3 2024 Altice USA earnings release posted to the Altice USA website.

Debt Maturities Addressed Near Term

Altice USA Maturity Profile (\$bn)



Altice USA Consolidated as of 9/30/24

Weighted Average Cost of Debt (WACD) ⁽⁸⁾	6.8%
Weighted Average Life of Debt (WAL)	4.3 years
Fixed Rate % of Debt	71%
Liquidity ⁽⁹⁾	~\$1bn
L2QA Leverage ⁽¹⁰⁾	7.1x

Q&A.

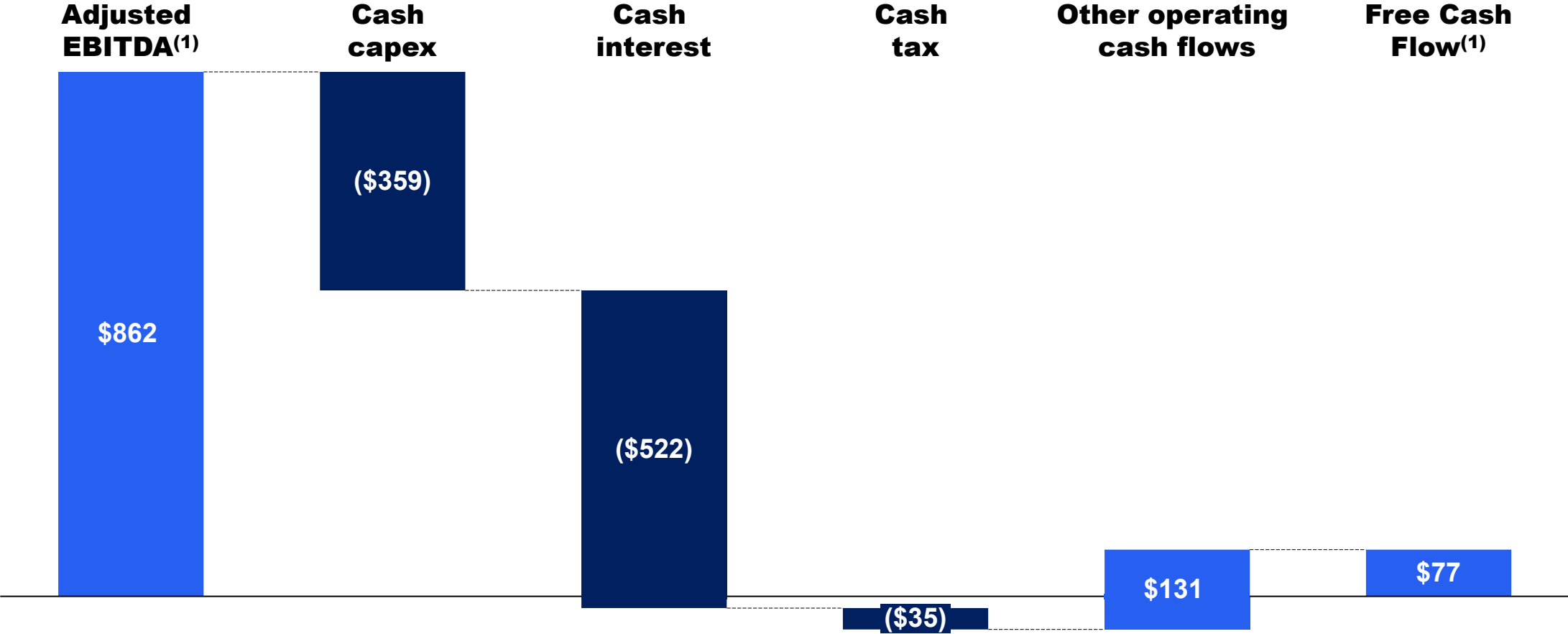
Appendix.

Summary Financial Information

(\$m)	Q3-23	Q3-24	Q3-24 YoY
Residential	\$1,832	\$1,729	-5.6%
Business Services	\$367	\$366	-0.1%
News & Advertising	\$107	\$118	9.5%
Other	\$11	\$15	29.6%
Total Revenue	\$2,317	\$2,228	-3.9%
Adjusted EBITDA⁽¹⁾	\$915	\$862	-5.8%
Margin (%)	39.5%	38.7%	
Cash capital expenditures	\$353	\$359	1.7%
Capex % of revenue	15.2%	16.1%	

(1) Adjusted EBITDA is a non-GAAP financial measure. For a reconciliation to net income, please see the Q3 2024 Altice USA earnings release posted to the Altice USA website.

Q3 2024 Free Cash Flow Bridge



(1) Adjusted EBITDA and Free Cash Flow 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 2024 Altice USA earnings release posted to the Altice USA website.

NOTES

- (1) Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. For a reconciliation of Adjusted EBITDA to net income and Free Cash Flow to net cash flows from operating activities, please see the Q3 2024 Altice USA earnings release posted to the Altice USA website.
- (2) Customer metrics as of September 30, 2024 reflect adjustments to align to the Company's bulk residential subscriber count policy, resulting in an increase of 4.7 thousand residential customer relationships, 3.8 thousand broadband customers and 5.2 thousand video customers. The impact of these adjustments to customer relationships, broadband and video customer net additions was not material for any period presented and as such prior period metrics were not restated. Service call rate represents technical, care and support calls per customer.
- (3) Service call rate represents technical, care and support calls per customer.
- (4) Service visit repeat rate represents the number of repeat visits or truck rolls per customer within 30 days.
- (5) Other Operating Expenses exclude programming and direct costs, depreciation and amortization, share-based compensation, restructuring, impairments and other operating items.
- (6) Broadband base converged with mobile is represented as the percentage of customers subscribing to both broadband and mobile services divided by the total broadband customer base. Excludes mobile only customers.
- (7) Capital intensity refers to total cash capital expenditures as a percentage of total revenue.
- (8) WACD includes floating to fixed interest rate swaps.
- (9) Liquidity is calculated as undrawn capacity on revolving credit facilities plus cash at the end of the period, less certain letters of credit issued on our behalf.
- (10) L2QA leverage is calculated as quarter end net leverage divided by the last two quarters of Adjusted EBITDA annualized.

Certain numerical information is presented on a rounded basis. Minor differences in totals and percentage calculations may exist due to rounding.