

April 30, 2019



# Altice USA to Acquire Cheddar

*Leading Digital-First News Company to Join the Altice USA News Group Comprising News 12 Networks and i24NEWS*

*Combines Linear and Digital-First News Expertise; Enhances Altice News Content, Distribution and Audience Reach*

NEW YORK--(BUSINESS WIRE)-- Altice USA (NYSE: ATUS), one of the largest broadband communications and video services providers in the United States, today announces that it has reached an agreement to acquire Cheddar, the digital-first news company, for \$200 million. With this acquisition, Altice broadens its portfolio of high-quality news businesses by adding Cheddar's innovative, digital-first, live business, general news and college network focused on young professional and millennial audiences. The transaction is expected to close in the next two months upon receipt of regulatory approval.

This press release features multimedia. View the full release here:  
<https://www.businesswire.com/news/home/20190430005885/en/>



Cheddar Founder and CEO Jon Steinberg and Altice USA CEO Dexter Goei  
(Photo: Business Wire)

The Cheddar networks are available in approximately 40 million pay tv homes through MVPDs, all virtual MVPDs (YouTube TV, Sling, Hulu Live, DIRECTV NOW, etc.), leading free tv systems (Pluto, Roku Channel, etc.), and a campus network of 1,600 owned and operated screens on 600 campuses. Cheddar recently expanded distribution to millions of homes through various cable

systems, reaching carriage agreements with Comcast, Charter and Altice USA. Cheddar is available on nearly all over-the-top subscription pay tv services in the U.S., and has large social distribution across Facebook, Instagram, YouTube, Twitter, LinkedIn, Snapchat and

other platforms generating over 400 million video views a month.

## **Strategic Highlights**

Cheddar joins Altice USA News, complementing Altice's hyperlocal and global news offerings that include the most watched news channel in the Optimum footprint News 12 Networks, and international and current affairs news network i24NEWS. The combination of News 12 and i24NEWS' expertise in linear content and distribution plus Cheddar's expertise in digital-first content and distribution provides several benefits:

- With the acquisition of Cheddar, Altice's full suite of news offerings now covers hyperlocal, national, business and international content, reaching broader and more diverse audiences on both digital and linear formats.
- Cheddar brings a strong news team with an engaged young professional and millennial audience, providing a significant opportunity to advance Altice USA News from a content, distribution and audience reach perspective, as well as creating more value for advertisers.
- Altice USA News currently partners with Cheddar on relevant programming: News 12 airs on its seven stations in the NY tri-state area the daily Cheddar Tech Report, and i24NEWS runs top stories from Cheddar as part of its global news coverage. This combination will provide more opportunities for collaborative and complementary programming.
- Cheddar will continue to expand its fast-growing live advertising products that currently serve large national brands and bring additional scale and local targeting to these offerings via dynamic ad insertion into News 12 and i24NEWS inventory.
- Cheddar anticipates developing and deploying additional advertising products across the Altice footprint, namely on its advanced Altice One and a4 advertising platform.

Cheddar Founder and CEO Jon Steinberg will join Altice USA to lead Altice News, including Cheddar, News 12 and i24NEWS.

"Cheddar has demonstrated an innovative approach to live news while building an engaged audience, solid followership and a strong brand," said Altice USA CEO Dexter Goei. "As one of Cheddar's early investors, we have enjoyed our partnership with Jon and admire the entrepreneurial spirit, energy and smart disruptive mentality that he brings to the news business. The Cheddar culture and mindset are the perfect fit for Altice USA, and we're excited to welcome Jon and the Cheddar team to the Altice family. We look forward to seeing our growing news team continue to deliver the best content for our viewers and more opportunities for our advertisers."

"Our goal is to make Altice News a leader in local, business, national, and international news everywhere as we look to build a live news offering for customers in the traditional pay TV ecosystem, as well as those looking to a la carte alternative SVOD services, vMVPDs, and free systems for their non-news entertainment," said Steinberg. "The Altice team and Altice Way are as entrepreneurial as it gets with amazing markets, world-class local and international news, an amazing broadband network, and a soon to launch mobile offering. I can't wait for Cheddar to begin working with Altice's team."

## **Background on Cheddar**

Cheddar currently broadcasts 19 hours a day of live news through two networks: Cheddar Business, a business news network covering the most innovative executives, founders, products, and technologies transforming our lives and economy; and Cheddar News, a fast-paced, young, non-partisan general news and headline news network.

The company owns the CheddarU network of 1,600 screens in the public spaces (gyms, cafeterias, student unions) of 600 college campuses. Cheddar also owns and operated the site RateMyProfessors.com, where over 5 million students go to rate and review their professors each month.

Cheddar's OTT viewership is most concentrated in ages 25 to 34, and its campus network has the largest out of home reach of any 18 to 24-year-old network<sup>1</sup>.

This transaction does not materially impact Altice USA's leverage ratio and has no impact on its planned share repurchases for 2019. Altice USA began its partnership with Cheddar in 2017 as an investor in the company.

LionTree Advisors served as exclusive financial advisor to Cheddar, and Cooley served as legal counsel to Cheddar.

## **About Altice USA**

Altice USA (NYSE: ATUS) is one of the largest broadband communications and video services providers in the United States, delivering broadband, pay television, telephony services, Wi-Fi hotspot access, proprietary content and advertising services to approximately 4.9 million residential and business customers across 21 states through its Optimum and Suddenlink brands. The company operates *a4*, an advanced advertising and data business, which provides audience-based, multiscreen advertising solutions to local, regional and national businesses and advertising clients. Altice also operates hyperlocal news network News 12 Networks and international news and current affairs network i24NEWS.

## **About Cheddar**

Cheddar is the leading post-cable networks company. Its programming is available on Sling TV, DirecTV NOW, Hulu, YouTube TV, Comcast X1, Charter Spectrum, Sony PlayStation Vue, Snapchat, fuboTV, Philo, Amazon, Twitch, Twitter, 60% of smart TVs in the U.S., and Facebook. Cheddar currently broadcasts two live video news networks: Cheddar Business, which covers the most innovative executives, founders, products, and technologies transforming our lives and economy, and Cheddar News, a fast-paced, young, non-partisan general and headline news network. The company broadcasts from the trading floor of the New York Stock Exchange, its street-level studio in the glass corner of the Sprint Store in the Flatiron Building, WeWork in Los Angeles, and the White House. Cheddar was founded by Jon Steinberg, President and Chief Operating Officer of BuzzFeed from 2010 to 2014. Its investors include Lightspeed Venture Partners, Raine Ventures, Altice USA, Comcast Ventures, AT&T, Ribbit Capital, The New York Stock Exchange, Goldman Sachs, Liberty Global, Amazon, Homebrew, WGI Group, 7 Global Capital, Antenna Group, and Dentsu Ventures.

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<sup>1</sup> Source: Cogent Reports March 2019 and Nielsen Place Based Survey June 2018

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