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Altice USA to Acquire Morris Broadband

NEW YORK--(BUSINESS WIRE)-- Altice USA (NYSE: ATUS) today announced it has entered into a definitive agreement to acquire the assets of Morris Broadband, LLC ("Morris Broadband"). The transaction will expand Altice USA's footprint in North Carolina, where it already has a presence with its Suddenlink business, and implies an enterprise value of \$310 million total for the Morris Broadband business on a debt-free and cash-free basis. Following this acquisition, North Carolina will represent the sixth largest state for Altice USA out of its 21 states of operations in terms of number of residential customers, demonstrating the Company's commitment to invest heavily in the region with additional resources and network investments.

Morris Broadband is a rapidly growing broadband communications services company providing high-speed data, video and voice services to approximately 36,500 residential and business customers in western North Carolina. As of December 31, 2020, Morris Broadband passed approximately 89,000 homes throughout growing communities including Hendersonville, Franklin, Sylva, Nebo and West Jefferson with broadband penetration of approximately 35%.

Dexter Goei, Chief Executive Officer of Altice USA said: "We are very excited to extend Altice USA's footprint into neighboring communities in North Carolina by acquiring the very fast-growing Morris Broadband. Morris is a perfect fit for Altice as we are accelerating our network expansion with increased investment in edge outs, upgrades of underdeveloped systems and FTTH deployment to drive customer, revenue and cash flow growth. We look forward to providing our high-quality broadband, video, mobile, and news offerings to thousands of additional homes and businesses, with a great opportunity to further penetrate Morris' existing homes passed and by expanding more into adjacent areas."

William S. "Billy" Morris III, Chairman of Morris Communications Company, LLC said: "It has been a pleasure for the Morris Family to serve the residents of western North Carolina for the last 12 years. We are confident that Altice will continue to provide superior services to the region."

As part of Altice USA, Morris Broadband will benefit from enhanced scale, operating efficiencies and further investment support that are at the core of the Altice business model and strategy, including accelerated new homes build. Altice USA's commitment to innovation, best-in-class services, long-term network investments and customer service creates significant benefits and long-term value for customers, employees and shareholders.

Morris Broadband generated approximately \$13 million in Adjusted EBITDA on an annualized basis for the quarter ended December 31, 2020 ("Q4 LQA"). The purchase price represents a multiple of Morris Broadband's Q4 LQA Adjusted EBITDA of approximately 24.1x before taking into account estimated run-rate synergies. Including the estimated run-

rate synergies that Altice USA expects to realize in full within two years of closing the transaction and adjusting for the present value of anticipated tax benefits, the purchase price represents a multiple of projected 2022 Adjusted EBITDA of 7.4x.

Altice USA intends to finance the transaction with available liquidity. The transaction is subject to certain regulatory approvals and other customary closing conditions and is expected to be completed in the second quarter of 2021.

Moorgate Securities acted as financial advisor to Morris Broadband in connection with this transaction.

About Altice USA

Altice USA is one of the largest broadband communications and video services providers in the United States, delivering broadband, video, mobile, proprietary content and advertising services to more than 5 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 USA also offers hyper-local, national, international and business news through its News 12, Cheddar and i24NEWS networks.

Financial Results of Morris Broadband

This press release contains illustrative multiples of Morris Broadband Adjusted EBITDA to provide context for the purchase price of the acquisition. For this purpose we define Adjusted EBITDA, which is a non-GAAP financial measure, as net income (loss) excluding income taxes, non-operating income or expenses, interest expense, interest income, depreciation and amortization, share-based compensation expense or benefit, and transaction expenses. We believe Adjusted EBITDA is an appropriate measure for evaluating the operating performance of businesses in our industry and that the Adjusted EBITDA multiples before and after giving effect to estimated synergies presented in this press release are useful metrics for evaluating the purchase price. Adjusted EBITDA is not a measure of performance calculated in accordance with GAAP, and this measure may not be comparable to similar measures with similar titles used by other companies.

The Adjusted EBITDA for Morris Broadband referenced in this press release has been derived from unaudited financial information prepared by Morris Broadband, without adjustment to conform to the accounting policies and methodologies used by Altice USA. The accounting policies and methodologies used by Morris Broadband differ in certain respects from those used by Altice USA, but Altice USA does not believe these differences are material.

FORWARD-LOOKING STATEMENTS

Certain statements in this press release 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 release, including, without limitation, those regarding our intentions, beliefs or current expectations concerning, among other things: the ability of the parties to

complete the proposed transaction and the expected timing of completion of the proposed transaction; statements about the potential benefits of the proposed transaction; our future financial conditions and performance, results of operations and liquidity; strategy, plans, objectives, prospects, growth, goals and targets; our ability to achieve operational performance improvements and potential synergies and tax benefits related to the transaction. 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 release 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 Annual Report on Form 10-K. 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.

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