

Altice USA Q4 and Full Year 2022 Results

February 22, 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, capital expenditure plans, fiber deployment and network expansion and upgrade plans, distribution channel expansion 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 previous 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 Q4 2022 and Full Year earnings release for Altice USA posted on the Altice USA website.

Altice USA Full Year 2022 Summary Review

Revenue of \$9.65 billion, -4.4% YoY (-3.2% YoY ex air strand revenue); Net Income of \$194.6 million

Adjusted EBITDA⁽¹⁾ of \$3.87 billion, -12.7% YoY (-10.3% YoY ex air strand), Adjusted EBITDA margin⁽¹⁾ of 40.1%

Net cash flows from operating activities \$2.37 billion; Free Cash Flow⁽¹⁾ of \$452.6 million

Residential broadband customer net loss of -103k and unique customer net loss of -134k

Accelerated fiber network expansion (+988k passings) and accelerated fiber customer growth (+102k)

Accelerated new build activity (+200k) and expanded sales distribution channels to support customer growth

Successful term loan amend and extend transaction, increasing average life of debt

(1) Adjusted EBITDA 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 Q4 2022 and Full Year Altice USA earnings release posted to the Altice USA website.

Optimum Strategy

Grow our broadband & mobile businesses by delivering best-in-class customer and employee experiences

DELIGHT

THE BEST CUSTOMER EXPERIENCE

Enhance & simplify
customer interactions &
end-to-end user
experience

GROW

THE BEST CUSTOMER RELATIONSHIPS

Broadband-first: evolve
pricing, packaging &
offers, including mobile

Optimize sales
channels & deepen
local presence

B2B product portfolio
expansion

CONNECT

THE BEST NETWORK

Fiber expansion

Ongoing plant &
network upgrades

Footprint edge-out to
create opportunities for
growth

INSPIRE

THE BEST PEOPLE

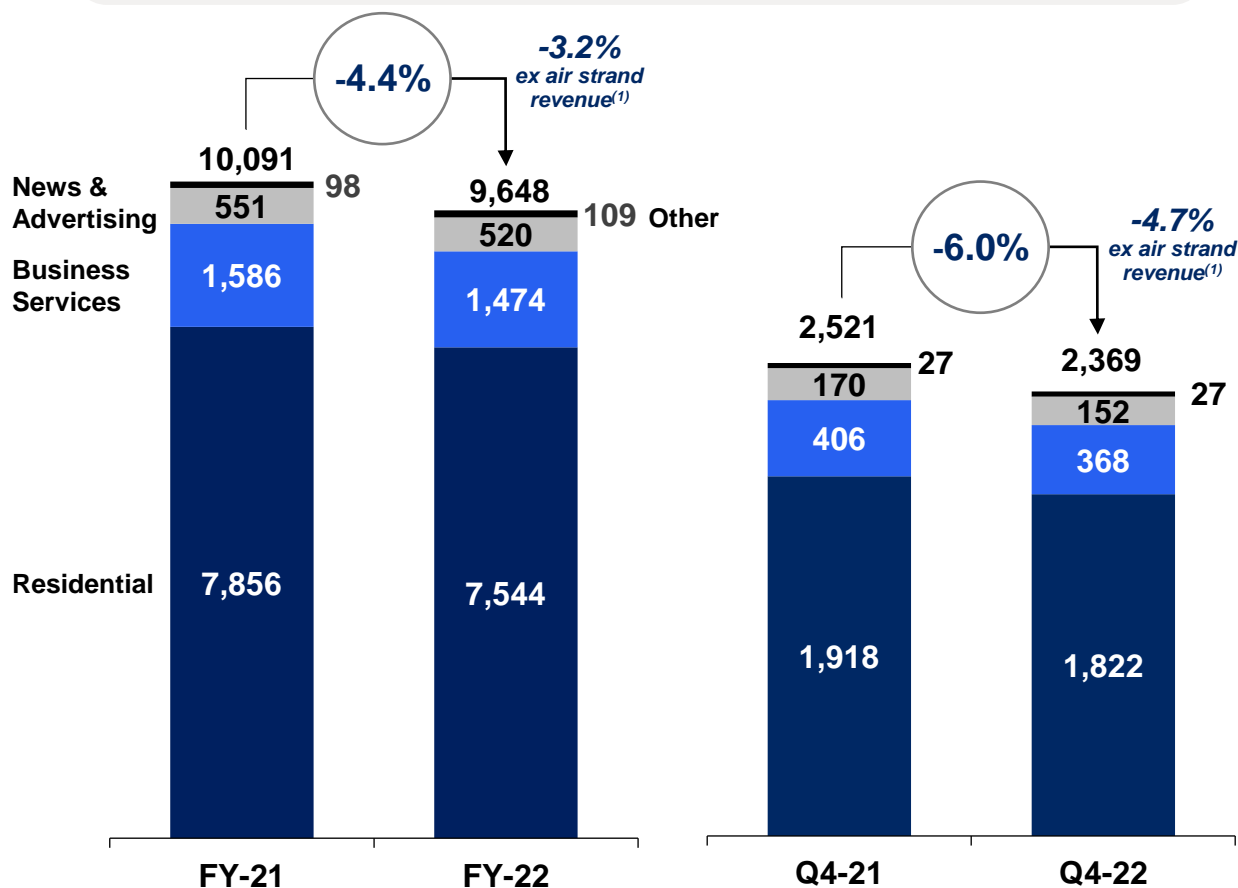
Strong leadership to
drive performance,
remain competitive &
inspire others



Revenue Trends

Revenue pressure driven by Residential and News & Advertising declines, as well as lost air strand revenue

FY-22 vs. FY-21 and Q4-22 vs. Q4-21 (\$m)



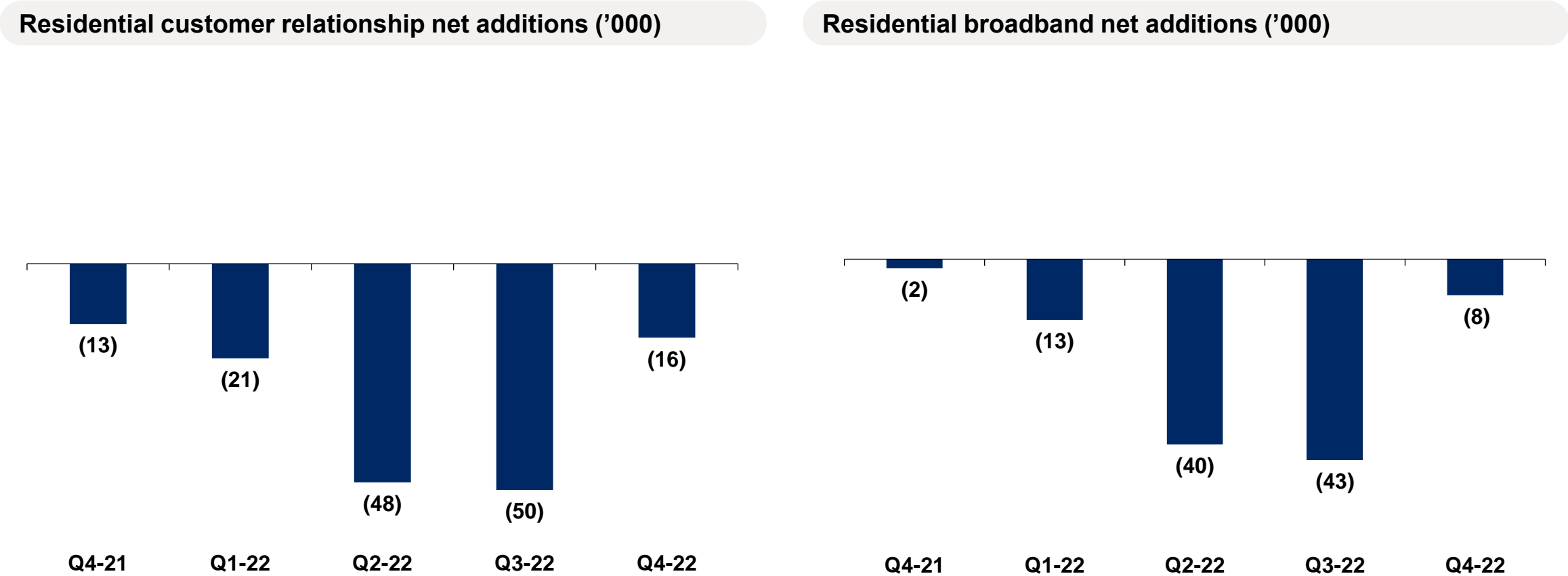
(1) Excludes air strand revenue in Business Services of \$36.4 million in Q4-21 and \$121.6m in FY-21.

Revenue YoY

	Q4-22	FY-22
Total Revenue	-6.0%	-4.4%
<i>excluding air strand revenue⁽¹⁾</i>	<i>-4.7%</i>	<i>-3.2%</i>
Residential Revenue	-5.0%	-4.0%
Business Services Revenue	-9.3%	-7.1%
<i>excluding air strand revenue⁽¹⁾</i>	<i>-0.4%</i>	<i>+0.6%</i>
News & Advertising Revenue	-10.8%	-5.5%
<i>excluding political revenue</i>	<i>-25.0%</i>	<i>-10.5%</i>

Quarterly Residential Customer Trends

Sequential improvement in Q4-22 driven by investment in growth initiatives

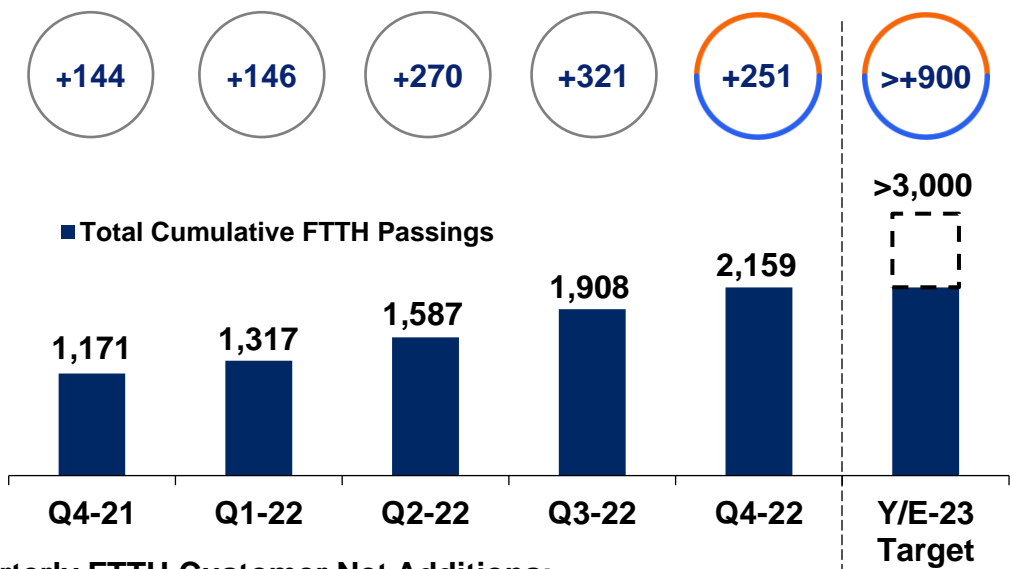


FTTH Passings and New Build Growth

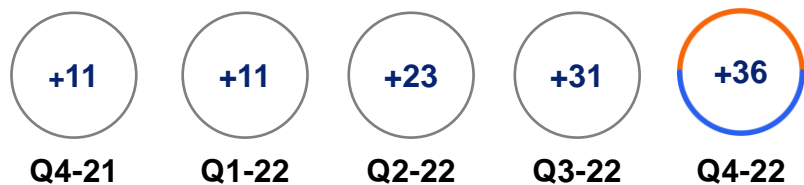
Acceleration of fiber passings and footprint expansion

FTTH passings and customer net additions ('000)

Quarterly New FTTH passings:

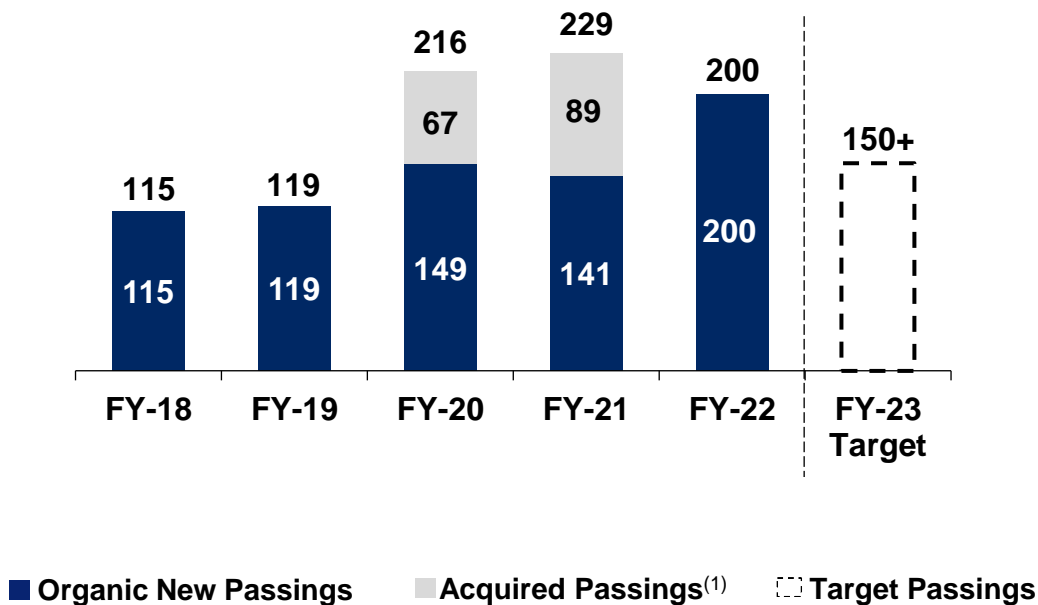


Quarterly FTTH Customer Net Additions:



New build additional passings ('000)

- + Target of **150k+** new build passings in FY-23
- + New build total passings **+200k** in FY-22 (**+49k** in Q4-22)

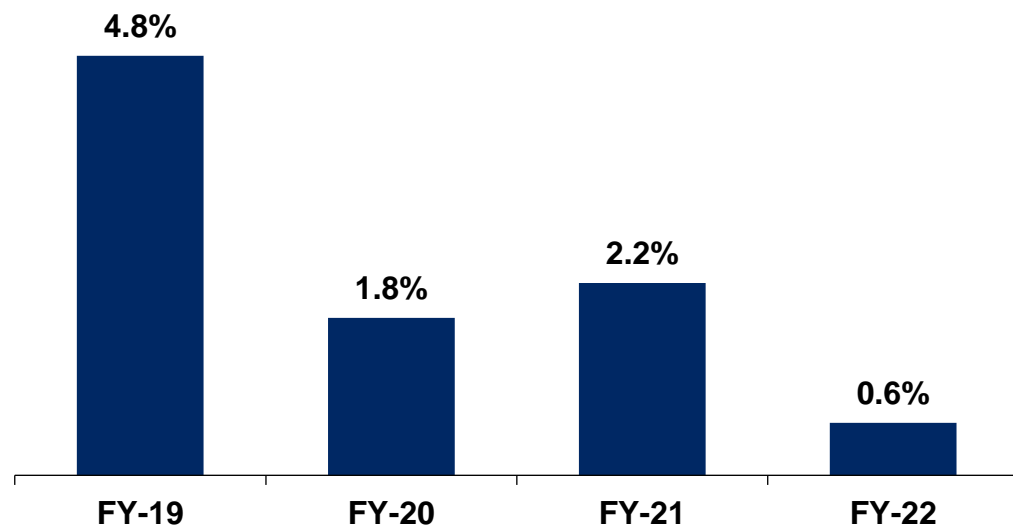


(1) Acquired passings refer to Service Electric and Morris Broadband in FY-20 and FY-21, respectively.

Business Services

Revenue growth slowdown reflecting increased competition and a more uncertain market environment

Business Services revenue (ex air strand) growth YoY⁽¹⁾



(1) Excludes all air strand revenue from Business Services from all prior periods.

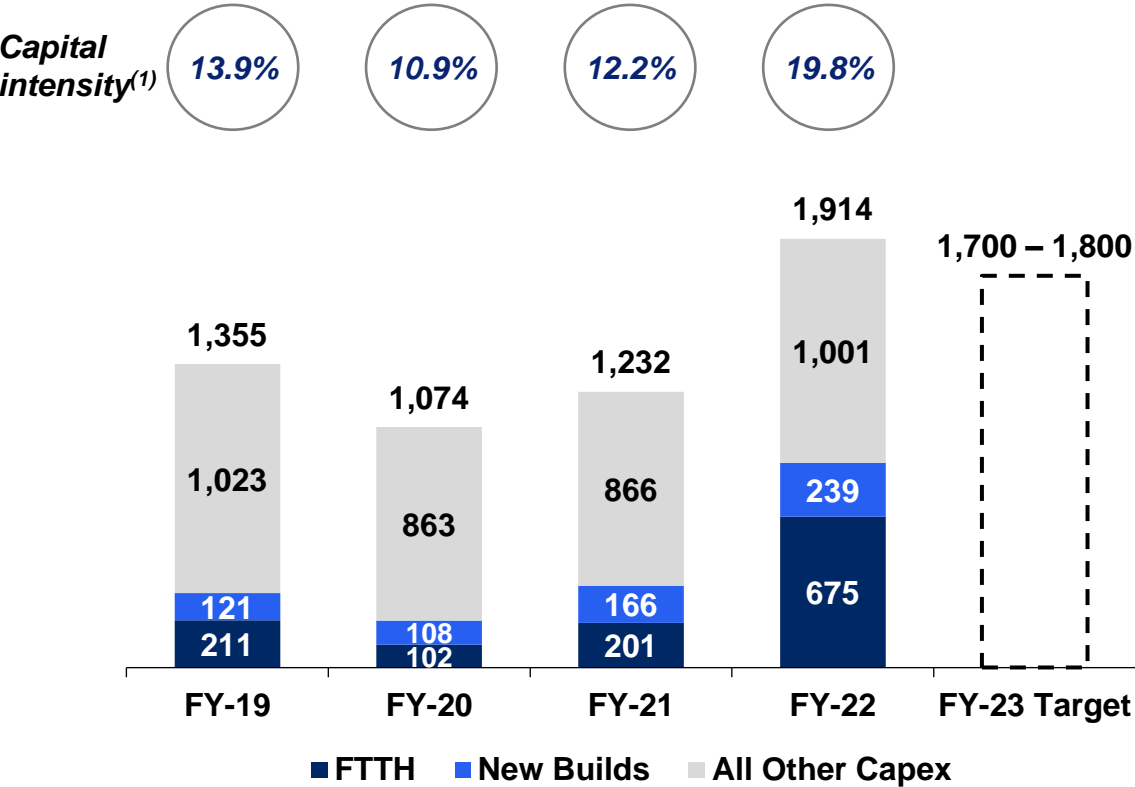
Business Services trends

- + **FY-22** Business Services reported revenue decline -7.1% YoY (+0.6% YoY excluding air strand revenue)
 - + **SMB / Other** revenue -9.3% YoY (+1.0% YoY excluding air strand revenue)
 - + **Lightpath** revenue -0.3% YoY
- + **Q4-22** Business Services reported revenue decline -9.3% YoY (-0.4% YoY excluding air strand revenue)
 - + **SMB / Other** revenue -11.6% YoY (+0.2% YoY excluding air strand revenue)
 - + **Lightpath** revenue -1.9% YoY

Capex to Support Network Evolution

Ongoing focus on accelerated FTTH rollout and footprint expansion

Cash capital expenditures (\$m)



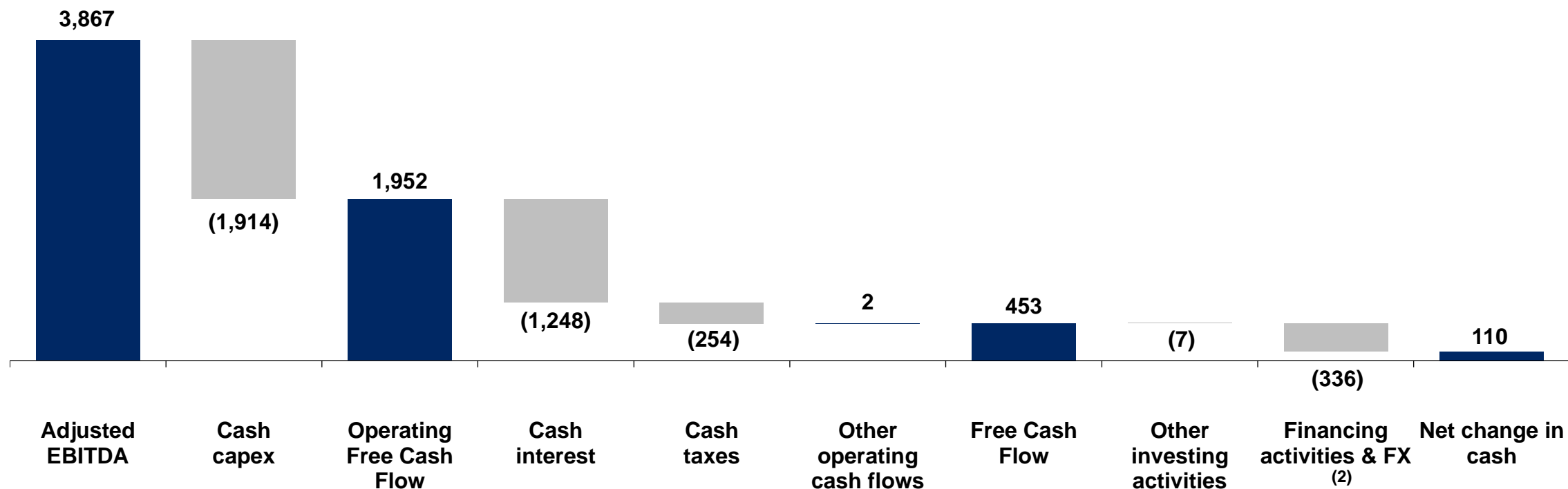
Capital expenditures review

- + **FY-22** capital intensity of 19.8% (10.4% ex-FTTH / New Builds)
- + **Q4-22** capital intensity of 22.9% (12.4% ex-FTTH / New Builds)
- + Higher capex associated with accelerated FTTH roll-out and new build construction

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

Free Cash Flow

FY-22 Free Cash Flow and net change in cash bridge⁽¹⁾ (\$m)



FY-22 Free Cash Flow \$453m; Q4-22 (\$82m)

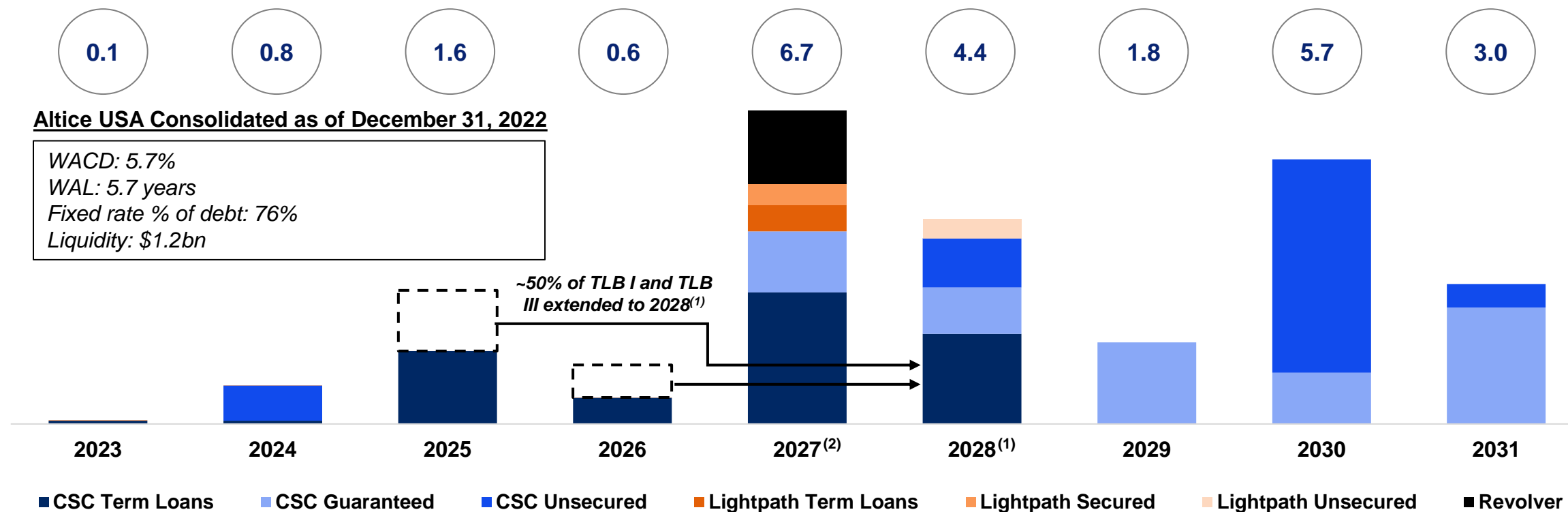
(1) Adjusted EBITDA, Operating Free Cash Flow ("OpFCF"), and Free Cash Flow ("FCF") are non-GAAP measures. For a reconciliation of these non-GAAP measures to net income and net cash flows from operating activities, respectively, please see the Q4 2022 and Full Year Altice USA earnings release posted to the Altice USA website.

(2) Financing activities & FX includes (\$765m) of net debt repayment, \$675m of net revolver borrowing, \$0.3m of FX, and (\$246m) of other financing activities.

Altice USA Consolidated Debt Maturity Profile

Extension of maturities following refinancing activity during 2022

Altice USA maturity profile (\$bn)



(1) On December 19, 2022, CSC Holdings entered into the thirteenth amendment under its existing credit facilities agreement (the "Thirteenth Amendment" or "Incremental Term Loan B-6"). The Incremental Term Loan B-6 provides for, among other things, new refinancing term loan commitments in an aggregate principal amount of \$2,001,942 issued with an original issue discount of 200 basis points, with an extended maturity of earlier of (i) January 15, 2028 and (ii) April 15, 2027 if, as of such date, any Incremental Term Loan B-5 are still outstanding, unless the Incremental Term Loan B-5 maturity date has been extended to a date falling after January 15, 2028.

(2) Includes \$1.575 billion principal amount related to the CSC Holdings' revolving credit facility 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 borrowings are still outstanding, unless the Term Loan B maturity date has been extended to a date falling after July 13, 2027.

Q&A



Appendix

Summary Financial Information

Cash flow trends reflecting accelerated investments to drive growth

(\$m)	Q4-21	Q4-22	Growth YoY	Growth YoY (ex air strand)	FY-21	FY-22	Growth YoY	Growth YoY (ex air strand)
Total Revenue	\$2,521.1	\$2,369.2	(6.0%)	(4.7%)	\$10,090.8	\$9,647.7	(4.4%)	(3.2%)
Adjusted EBITDA⁽¹⁾	\$1,083.0	\$913.3	(15.7%)	(12.8%)	\$4,427.3	\$3,866.5	(12.7%)	(10.3%)
<i>Margin (%)</i>	43.0%	38.6%			43.9%	40.1%		
Cash capital expenditures	\$386.6	\$543.2	+40.5%		\$1,231.7	\$1,914.3	+55.4%	
<i>Capex % of revenue</i>	15.3%	22.9%			12.2%	19.8%		
OpFCF⁽¹⁾	\$696.4	\$370.1	(46.9%)		\$3,195.5	\$1,952.3	(38.9%)	
<i>Margin (%)</i>	27.6%	15.6%			31.7%	20.2%		

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