

# Altice USA, Inc. Presents Offer to Acquire Cogeco in Order to Own Atlantic Broadband

***Upon completion of transaction, Altice USA will own U.S. assets of Cogeco (Atlantic Broadband); Altice USA to sell Canadian assets to Rogers Communications***

NEW YORK--(BUSINESS WIRE)-- Altice USA, Inc. ("Altice USA") (NYSE: ATUS) announces that it has presented an offer to Cogeco Inc. ("CGO") and Cogeco Communications Inc. ("CCA", together with CGO, "Cogeco") to acquire 100% of the issued and outstanding shares of Cogeco. Altice USA has also entered into an arrangement to sell all the Canadian assets of Cogeco to the largest long-term shareholder of Cogeco, Rogers Communications Inc. ("Rogers") (TSX:RCI.A and RCI.B, NYSE: RCI), if its transaction with Cogeco is completed. Upon completion of the overall transaction, Altice USA would own all the U.S. assets of Cogeco, namely Atlantic Broadband.

## ***Compelling and Value-Maximizing All-Cash Offer with Significant Premium***

The aggregate all-cash consideration offered for all of the outstanding shares of CGO and CCA, including those owned by Rogers, is approximately C\$10.3 billion (US\$7.8 billion). This includes approximately C\$4.8 billion (US\$3.6 billion) to be paid by Altice USA for the U.S. assets<sup>1</sup>:

- All the multiple voting shares of CGO are held in a company controlled by Mr. Louis Audet, the Executive Chairman of Cogeco, and members of the Audet family. Given the position of the controlling shareholder, its support is necessary to complete a transaction, and as such the Altice USA offer includes a sizeable premium on those shares. Specifically, the offer includes C\$800 million (US\$612 million) to the Audet family for their ownership interests, which include 100% of the multiple voting shares of CGO ("CGO MVS") and approximately 0.9% of total outstanding CGO subordinate voting shares ("CGO SVS").
- The offer also includes C\$106.53 per share for the remaining CGO SVS and C\$134.22 per share for each CCA subordinate voting share ("CCA SVS"). These offer prices represent a significant premium of 30% to each stock's 1-month (August 2020) volume weighted average price (VWAP) on the Toronto Stock Exchange (the offer prices also represent a 36% premium for CGO SVS and 37% premium for CCA SVS to the August 31, 2020 closing prices).

**Dexter Goei, Chief Executive Officer of Altice USA** said: "We greatly respect and appreciate the legacy the Audet family has created with Cogeco, building an iconic company across Canada and the U.S. that is driven by superior customer service and continuous investments in technology. We are pleased to present this very attractive offer for Cogeco, and are confident that Mr. Audet and the Cogeco boards will act in the best interest of all

shareholders and fairly evaluate this offer. We look forward to the opportunity to extend Altice USA's high-quality broadband, video, mobile, and news offerings to more than 1.1 million additional homes and businesses."

### ***Other Considerations***

Atlantic Broadband is currently the 9th largest cable operator in the U.S, providing residential and business customers with broadband, video and telephony services in Connecticut, Delaware, Florida, Maine, Maryland, New Hampshire, New York, Pennsylvania, South Carolina, Virginia and West Virginia.

As part of Altice USA, Atlantic Broadband would benefit from enhanced scale, operating efficiencies and further investment support that are at the core of the Altice business model and strategy. 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.

The all-cash offer by both Altice USA and Rogers is subject to a short period to complete confirmatory due diligence, entrance into definitive transaction agreements with Cogeco and the receipt of customary shareholder, corporate and regulatory approvals. Rogers and Altice USA are confident that if the offer is accepted, the transaction will receive all required regulatory approvals on a timely basis. Altice USA anticipates closing the transactions within six to nine months after signing definitive agreements, following receipt of necessary approvals.

This offer is in line with Altice USA's previously stated objective to opportunistically grow through value-accretive acquisitions. The acquisition of Atlantic Broadband, if consummated, would allow Altice USA to build on its success with prior cable acquisitions in the United States and expand its operations across 11 states on the east coast of the United States, adjacent to its existing Optimum and Suddenlink footprints. It would also represent the fourth acquisition by Altice in the cable sector in the U.S. market following the successful acquisitions and integrations of Cequel Corporation ("Suddenlink") on December 21, 2015, Cablevision Systems Corporation ("Optimum") on June 21, 2016, and most recently, Service Electric Cable T.V. of New Jersey, Inc. on July 14, 2020.

Altice USA's share repurchase and net leverage targets for 2020 remain unchanged from this transaction.

### ***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. Investors are cautioned that the submission of a non-binding proposal to Cogeco should not be viewed as an indication that any specific transaction will be pursued or consummated. There can be no assurance that the offer will result in any specific action or transaction or agreement or, if a transaction is undertaken, as to the nature, terms or timing of such transaction. Altice USA does not intend to disclose developments with respect to any discussions regarding the offer unless and until the Board of Directors of Altice USA, has approved a specific transaction or they otherwise determine that disclosure is necessary or appropriate.

These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this release. 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" 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 most recently filed Annual Report on Form 10-K and in our most recently filed Quarterly Report 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.

#### **About Altice USA:**

Altice USA (NYSE: ATUS) 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 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 USA also offers hyper-local, national, international and business news through its News 12, Cheddar and i24NEWS networks.

<sup>1</sup> Including an offer for CDPQ's 21% stake in Cogeco's Atlantic Broadband subsidiary. Assumes exchange rate of 1.307 USD/CDN.

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Source: Altice USA, Inc.