

SFR Q4 & FY 2023 RESULTS

SFR (Altice France Holding Restricted Group)¹ today announces financial and operating results for the quarter and year ended December 31, 2023.

Q4 & FY 2023 Key Highlights

- Total revenue was stable year over year in Q4 2023 and declined by -1.3% for FY 2023.
- Total residential service revenue declined by -2.1% year over year in Q4 2023 and -1.9% for FY 2023.
- Total EBITDA declined by -1.0% year over year in Q4 2023 and declined by -4.3% for FY 2023.
- Total accrued Capex was €590² million in Q4 2023, resulting in total operating free cash flow of €456 million in Q4 2023 and €1,633 million in FY 2023.

Guidance FY 2024

- Total revenue decline year over year notably due to the continued slowdown of construction activity and the residential market in France remaining competitive.
- Mid to high single digit EBITDA decline year over year due to slowdown of construction contribution, additional FTTH line rental cost and no mechanical ability to push inflationary cost impacts to consumers.
- Capex reduction year over year not sufficient to offset higher interest costs year over year.
- Strong focus on deleveraging the balance sheet.

¹ SFR refers to the Altice France Holding Restricted Group throughout this press release. The perimeter of consolidation for this press release, the Altice France Holding Restricted Group, consists of Altice France Holding S.A., Altice France S.A. and its consolidated entities, excluding the legal entity that has been declared as an 'unrestricted subsidiary', SportsCoTV S.A.S, the company that houses the Altice TV activity.

² Accrued Capex in Q4 2023 excludes accruals related to the acquisition of a new IRU for an amount of €7 million and 5G spectrum frequency reorganization for an amount of €2 million.



Capital Structure Key Highlights – including subsequent events

- Total pro forma¹ net debt was €24.3 billion at the end of Q4 2023 (actual net debt was €24.2 billion).
- On March 15, 2024, Altice France announced that it has entered into an exclusivity agreement with the CMA CGM Group and Merit France, family holding, to sell 100% of Altice Media for a total cash consideration of €1.55 billion. The transaction, which will be subject to customary conditions precedent and regulatory approvals, is expected to be completed during the Summer of 2024. Prior to this announcement, Altice France designated Altice Media as an unrestricted subsidiary under its financing documentation.
- On March 3, 2024, Altice France announced that it has commenced offers to purchase for cash its outstanding (i) EUR January 2025 Notes and/or (ii) EUR February 2025 Notes. Altice France proposed to accept Notes for purchase up to a maximum aggregate principal amount of €215,000,000. On March 12, 2024, Altice France announced that at the expiration deadline, a total of €306,577,000 aggregate principal amount of EUR January 2025 Notes were properly tendered and a total of €234,614,000 aggregate principal amount of EUR February 2025 Notes were properly tendered. Altice France announced that it intends to accept for purchase an aggregate amount of the Notes equal to the amended maximum offer amount of €218,830,000, comprising €109,137,000 of the EUR January 2025 Notes and €109,693,000 of the EUR February 2025 Notes. The transaction closed on March 14, 2024.
- On December 20, 2023, Altice France announced that it has entered into a purchase agreement with certain investors pursuant to which it will issue €350 million aggregate principal amount of senior secured notes due 2027 in a private placement transaction. The new Senior Secured Notes, maturing in February 2027, priced at 11.500% with an OID of 97. The proceeds from this transaction have been used to repurchase certain of the existing 2025 Senior Secured Notes.
- On November 21, 2023, Altice France announced that it has entered into an exclusivity agreement to partner with Morgan Stanley Infrastructure Partners to establish the first nationwide independent distributed colocation provider in France through the sale of a 70% stake in UltraEdge, a datacenter company to be formed and comprising 257 data centers plus office space currently operated by SFR across France.
 - The envisaged transaction values UltraEdge at an enterprise value of €764 million representing an attractive multiple of c.29x 2023 pro forma EBITDA of €26 million. In addition, SFR will enter into a build-to-suit agreement with UltraEdge by which SFR is expected to generate approximately €175 million of additional proceeds to SFR within the next 7 years.
 - The transaction reflects Altice France's strategy around balance sheet management, which notably includes executing inorganic deleveraging through pro-active management of Altice France's non-core asset portfolio. Furthermore, the transaction will strengthen Altice France on its objectives to provide best in class telecommunication services to its clients as the datacenter infrastructure continues to be upgraded, expanded and densified.
 - The transaction will be subject to customary conditions precedent for this type of transactions in France. Closing of the transaction, which will be subject to regulatory approvals, is expected to occur in the first half of 2024.

¹ SFR (Altice France Holding Restricted Group) net debt is presented pro forma for the issuance of €350 million 11.500% 2027 Senior Secured Notes, for the €60 million exchange offer and €110 million repurchase in cash of the €500 million 2.125% 2025 Senior Secured Notes, for the €62 million exchange offer and €109 million repurchase in cash of the €550 million 2.500% 2025 Senior Secured Notes and for the deferred consideration of €65 million, expected to be paid in 2024, related to the acquisition of Coriolis. Altice France net debt excludes operating lease liabilities recognized under IFRS 16 and Altice France gross debt as shown is net of swaps.



SFR Q4 & FY 2023 Results Call for Debt Investors

A call for existing and prospective debt investors of SFR will be held on 20 March 2024 at 14:00 CET (13:00 GMT, 09:00 EDT), to discuss its Q4 & FY 2023 results.

Dial-in Details:

UK: + +44 2034814247

USA: + 1 6463071963

France: + 33 173023136

Conference ID: 9000472

A live webcast of the presentation will be available on the following website:

<https://events.q4inc.com/attendee/757007369>

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About SFR – [alticefrance.com](https://www.alticefrance.com)

SFR is the second largest telecom provider in France, serving more than 27 million customers. The company has a fibre optic network (FTTH/ FTTB) and almost 37 million homes passed across France. SFR covers 99.9% of the population with 4G and almost 75% of the population with 5G. SFR is also a leading media group, with iconic brands BFM and RMC.

Financial Presentation

SFR refers to the Altice France Holding Restricted Group. The perimeter of consolidation for this press release, the Altice France Holding Restricted Group, consists of Altice France Holding S.A., Altice France S.A. and its consolidated entities, excluding the legal entity that has been declared as an 'unrestricted subsidiary', SportsCoTV S.A.S, the company that houses the Altice TV activity.

Altice France Holding S.A. and its subsidiaries have operated for several years and have from time to time made significant equity investments in a number of cable and telecommunication businesses and certain disposals. Therefore, in order to facilitate an understanding of Altice France Holding S.A.'s results of operations, we have presented and discussed the pro-forma consolidated financial information of the Altice France Holding Restricted Group.

This press release contains measures and ratios (the "Non-GAAP Measures"), including Adjusted EBITDA, Capital Expenditure ("Capex") and Operating Free Cash Flow, that are not required by, or presented in accordance with, IFRS or any other generally accepted accounting standards. We present Non-GAAP Measures because we believe that they are of interest to the investors and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Non-GAAP Measures may not be comparable to similarly titled measures of other companies or have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our, or any of our subsidiaries', operating results as reported under IFRS or other generally accepted accounting standards. Non-GAAP measures such as Adjusted EBITDA are not measurements of our, or any of our subsidiaries', performance or liquidity under IFRS or any other generally accepted accounting principles, including U.S. GAAP. In particular, you should not consider Adjusted EBITDA as an alternative to (a) operating profit or profit for the period (as determined in accordance with IFRS) as a measure of our, or any of our operating entities', operating performance, (b) cash flows from operating, investing and financing activities as a measure of our, or any of our subsidiaries', ability to meet its cash needs or (c) any other measures of performance under IFRS or other generally accepted accounting standards. In addition, these measures may also be defined and calculated differently than the corresponding or similar terms under the terms governing our existing debt.

Adjusted EBITDA is defined as operating profit before depreciation, amortization and impairment, other expenses and income (capital gains, non-recurring litigation, restructuring costs), share-based expenses and after operating lease expenses (i.e., straight-line recognition of the rent expense over the lease term as performed under IAS 17 *Leases* for operating leases). This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment excluded from this measure do ultimately affect the operating results, which is also presented within the Altice France Holding S.A. or Altice France S.A., as the case may be, annual and quarterly financial statements in accordance with IAS 1 - *Presentation of Financial Statements*. All references to EBITDA in this press release are to Adjusted EBITDA, as defined in this paragraph.



Capital expenditure (Capex), while measured in accordance with IFRS principles is not a term that is defined in IFRS. However, management believes it is an important indicator as the profile varies greatly between activities:

- The fixed business has fixed Capex requirements that are mainly discretionary (network, platforms, general), and variable Capex requirements related to the connection of new customers and the purchase of Customer Premise Equipment (TV decoder, modem, etc.).
- Mobile Capex is mainly driven by investment in new mobile sites, upgrade to new mobile technology and licenses to operate; once engaged and operational, there are limited further Capex requirements.
- Other Capex: mainly related to costs incurred in acquiring content rights.

Operating free cash flow (OpFCF) is defined as Adjusted EBITDA less Capex. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating cash flow as presented in the consolidated statement of cash flows in accordance with IAS 1 - *Presentation of Financial Statements*. It is simply a calculation of the two above mentioned non-GAAP measures.

Adjusted EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing Adjusted EBITDA as reported by us to Adjusted EBITDA of other companies. Adjusted EBITDA as presented herein differs from the definition of “Consolidated Adjusted EBITDA” for purposes of any of the indebtedness of the Altice France Holding Restricted Group. The financial information presented in this press release, including but not limited to the quarterly and annual financial information, pro forma financial information as well as Adjusted EBITDA and OpFCF, is unaudited.

Financial and Statistical Information and Comparisons

Financial and statistical information is for the quarter ended December 31, 2023, unless otherwise stated, and any year over year comparisons are for the quarter ended December 31, 2022.

Summary Financial Information

Quarter ended December 31, 2023 and full year ended December 31, 2023						
<i>In € million</i>	Q4-22	Q4-23	Q4-23 Growth YoY	FY-22	FY-23	FY-23 Growth YoY
<i>Fixed</i>	665	660	-0.7%	2,695	2,620	-2.8%
<i>Mobile</i>	961	932	-3.0%	3,814	3,766	-1.3%
Residential service	1,626	1,592	-2.1%	6,508	6,385	-1.9%
Equipment	223	226	+1.3%	733	709	-3.4%
Total residential	1,848	1,818	-1.6%	7,242	7,094	-2.0%
Business services	969	995	+2.7%	3,708	3,714	+0.1%
Telecom	2,818	2,813	-0.2%	10,950	10,807	-1.3%
Media	109	114	+4.8%	351	349	-0.6%
Total revenue	2,926	2,927	+0.0%	11,301	11,157	-1.3%
Telecom	1,006	988	-1.8%	3,993	3,812	-4.5%
Media	51	58	+13.7%	109	112	+2.5%
Total EBITDA	1,057	1,046	-1.0%	4,101	3,923	-4.3%
<i>Margin (%)</i>	36.1%	35.7%		36.3%	35.2%	
Telecom	583	583	-0.0%	2,322	2,248	-3.2%
Media	9	8	-11.3%	42	42	-0.4%
Total Accrued Capex	592	590	-0.2%	2,364	2,290	-3.1%
Telecom	424	406	-4.2%	1,670	1,564	-6.4%
Media	42	50	+18.9%	67	70	+4.3%
EBITDA - Accrued Capex	466	456	-2.1%	1,737	1,633	-6.0%

Key Performance Indicators

Quarter ended December 31, 2023	
<i>000's unless stated otherwise</i>	Q4-23
Fibre homes passed	36,717
Total fibre customers	4,826
Total fixed customers	6,391
Total mobile subscribers	20,454

Notes to Key Performance Indicators table

- (1) Fibre unique customers represents the number of end users who subscribed for one or more of our fibre / cable-based services (including pay television, broadband or telephony), without regard to how many services to which the end user subscribed. Fibre customer base for France includes FTTH, FTTB and 4G Box customers and excludes white-label wholesale customers.
- (2) Total mobile subscribers are equal to the net number of lines or SIM cards activated on the mobile network, includes 4G dongle subscribers and excludes M2M.

Financial and Operational Review

For the quarter ended December 31, 2023 compared to the quarter ended December 31, 2022

At the end of Q4 2023, SFR had 36.7 million addressable homes passed (FTTH/FTTB), an increase of 1.6 million homes passed compared to Q3 2023.

SFR continues to invest in its 4G network, with 79,913 4G systems activated (2,865 new units in Q4 2023). The current 4G coverage of the SFR mobile network reaches 99.9% of the national population.

SFR continues to deploy 5G on the 3.5GHz band and also on the 2,100MHz band for additional coverage. All the top 32 French cities are covered in 5G on the 3.5GHz band. In Q4 2023, more than 8,900 municipalities were covered with 5G in all of France and at the end of the fourth quarter, 5G coverage reached 74% of the population.

On October 26, 2023, Arcep published the results¹ of its annual audit evaluating the quality of the services provided by mobile operators in Metropolitan France. According to Arcep, SFR provides a high quality of mobile internet service in densely populated areas. For video streaming in 2G/3G/4G/5G in densely populated areas, SFR scored a rate of 97% of videos streamed with perfect quality. In rural areas, SFR scored second of the rankings with a rate of 85%. Regarding call quality on the roads, SFR scored 92%, coming in second place.

During Q4 2023, Altice Media brands achieved strong audience results in TV, radio and digital. In TV, driven by important French and international events, BFM TV maintained its status as news leader with 2.9% audience share in the PDA 25-49 (commercial target audience). The RMC aggregate (RMC Découverte and RMC Story) recorded a robust quarter at 4.2% PDA 25-49. Altice Media's online replay continues to progress with a record quarter with an average of more than 34 million videos viewed in replay and 13.9 million viewers each month (+6% year over year in Q4 2023). On the audio side, RMC ranks as the first private radio in France with 75 million live listening in Q4 2023, the best historical fourth quarter, driven in particular by the Rugby World Cup and the creation of a 100% digital radio.

- Total revenue was stable year over year in Q4 2023 to €2,927 million. Total residential service revenue declined by -2.1% year over year in Q4 2023 and residential equipment revenue grew by +1.3% year over year.
- Business services revenue grew by +2.7% year over year in Q4 2023. In Q4 2023, 179k FTTH homes were constructed by XpFibre.
- Media revenue grew by +4.8% year over year in Q4 2023.
- Telecom EBITDA declined by -1.8% year over year in Q4 2023 to €988 million and total EBITDA declined by -1.0% year over year in Q4 2023 to €1,046 million. In addition to the impact of the service revenue trends in the fourth quarter, network operating costs increased year over year.
- Total accrued Capex was €590² million in Q4 2023. Consequently, operating free cash flow amounted to €456 million in Q4 2023.

¹ <https://en.arcep.fr/news/press-releases/view/n/mobile-quality-of-service-in-metropolitan-france-261023.html>

² Accrued Capex in Q4 2023 excludes accruals related to the acquisition of a new IRU for an amount of €7 million and 5G spectrum frequency reorganization for an amount of €2 million.

Pro Forma Consolidated Net Debt as of December 31, 2023

- SFR has a robust, diversified and long-term capital structure:
 - Weighted average debt maturity of 4.1 years;
 - WACD of 5.9%¹;
 - 87% fixed interest rate;
 - No material maturities before 2025;
 - Available pro forma liquidity of €0.9 billion².
 - Total pro forma³ net debt was €23.9 billion at the end of Q4 2023 (actual net debt was €24.2 billion).

	Amount in millions (local currency)	Actual (€m)	Pro forma (€m)	Coupon / Margin	Maturity
Senior Secured Notes	EUR 500	500	381	2.125%	2025
Senior Secured Notes	EUR 550	550	329	2.500%	2025
Senior Secured Notes	EUR 350	-	350	11.500%	2027
Senior Secured Notes	USD 1,750	1,582	1,582	8.125%	2027
Senior Secured Notes	EUR 1,000	1,000	1,000	5.875%	2027
Senior Secured Notes	EUR 1,000	1,000	1,000	3.375%	2028
Senior Secured Notes	USD 1,100	994	994	5.500%	2028
Senior Secured Notes	EUR 500	500	500	4.125%	2029
Senior Secured Notes	USD 475	429	429	5.125%	2029
Senior Secured Notes	USD 2,500	2,260	2,260	5.125%	2029
Senior Secured Notes	EUR 400	400	400	4.000%	2029
Senior Secured Notes	USD 2,000	1,808	1,808	5.500%	2029
Senior Secured Notes	EUR 800	800	800	4.250%	2029
Term Loan	EUR 205	205	205	E+3.00%	2025
Term Loan	USD 353	319	319	L+2.75%	2025
Term Loan	USD 546	494	494	L+3.6875%	2026
Term Loan	EUR 247	246	246	E+3.00%	2026
Term Loan	USD 580	524	524	L+4.00%	2026
Term Loan	EUR 1,713	1,713	1,713	E+5.50%	2028
Term Loan	USD 4,258	3,848	3,848	S+5.50%	2028
Drawn RCF	EUR 698	698	698	E+3.25%	2028
Other debt & leases	-	48	48	-	-
Swap adjustment	-	579	579	-	-
Secured debt		20,498	20,507		
Exchange Altice Lux Senior Notes	EUR 1,317	1,317	1,317	8.000%	2027
Exchange Altice Lux Senior Notes	USD 1,562	1,412	1,412	10.500%	2027
Senior Notes	EUR 500	500	500	4.000%	2028
Senior Notes	USD 1,100	994	994	6.000%	2028
Drawn RCF	-	-	-	E+4.250%	2026
Swap adjustment	-	-32	-32	-	-
Gross debt		24,689	24,698		
Total cash		-446	-383		
Net debt		24,244	24,315		
Undrawn RCF			503		
WACD			5.9%		

¹ WACD is calculated as a blended WACD between secured debt and unsecured debt.

² €0.9 billion liquidity includes €0.5 billion of undrawn revolvers and €0.4 billion of cash. Total cash is presented pro forma for the issuance of €350 million 11.500% 2027 Senior Secured Notes, for the €60 million exchange offer and €110 million repurchase in cash of the €500 million 2.125% 2025 Senior Secured Notes, for the €62 million exchange offer and €109 million repurchase in cash of the €550 million 2.500% 2025 Senior Secured Notes and for the deferred consideration of €65 million, expected to be paid in 2024, related to the acquisition of Coriolis.

³ SFR (Altice France Holding Restricted Group) net debt is presented pro forma for the issuance of €350 million 11.500% 2027 Senior Secured Notes, for the €60 million exchange offer and €110 million repurchase in cash of the €500 million 2.125% 2025 Senior Secured Notes, for the €62 million exchange offer and €109 million repurchase in cash of the €550 million 2.500% 2025 Senior Secured Notes and for the deferred consideration of €65 million, expected to be paid in 2024, related to the acquisition of Coriolis. Altice France net debt excludes operating lease liabilities recognized under IFRS 16 and Altice France gross debt as shown is net of swaps.

Reconciliation to Swap Adjusted Debt as of December 31, 2023

In € million

	Actual	Pro Forma ¹
Total debenture and loans from financial institutions	23,882	23,882
Value of debenture and loans from financial institutions in foreign currency converted at closing FX Rate	-19,070	-19,070
Value of debenture and loans from financial institutions in foreign currency converted at hedged Rate	19,618	19,618
Transaction costs	211	211
Total swap adjusted value of debenture and loans from financial institutions	24,641	24,641
Overdraft	8	8
Other debt and leases	40	40
Issuance of €350 million 11.500% 2027 Senior Secured Notes	-	350
Partial repayment of €500 million 2.125% 2025 Senior Secured Notes	-	-169
Partial repayment of €550 million 2.500% 2025 Senior Secured Notes	-	-171
Gross debt consolidated	24,689	24,698
Cash	-446	-383
Net debt consolidated	24,244	24,315

Leverage Reconciliation as of December 31, 2023

In € million

	Actual	Pro Forma ¹
Gross debt consolidated	24,689	24,698
Cash	-446	-383
Net debt consolidated	24,244	24,315
LTM EBITDA consolidated	3,923	3,785
Net leverage		6.4x
L2QA EBITDA consolidated	4,087	3,917
Net leverage		6.2x

¹ SFR (Altice France Holding Restricted Group) net debt is presented pro forma for the issuance of €350 million 11.500% 2027 Senior Secured Notes, for the €60 million exchange offer and €110 million repurchase in cash of the €500 million 2.125% 2025 Senior Secured Notes, for the €62 million exchange offer and €109 million repurchase in cash of the €550 million 2.500% 2025 Senior Secured Notes and for the deferred consideration of €65 million, expected to be paid in 2024, related to the acquisition of Coriolis. Altice France net debt excludes operating lease liabilities recognized under IFRS 16 and Altice France gross debt as shown is net of swaps. Adjusted EBITDA is presented pro forma for the exclusivity agreement with Morgan Stanley for the sale of a 70% stake in UltraEdge, a datacenter company to be formed (€26 million on an LTM basis and an L2QA basis) and pro forma for the exclusivity agreement with the CMA CGM Group and Merit France, family holding, for the sale of 100% of Altice Media (€112 million on an LTM basis and €144 million on an L2QA basis).

Non-GAAP Reconciliation to Unaudited Consolidated Interim Financial Statements GAAP Measures¹

Three months ended, in € million	Q1-23	Q2-23	Q3-23	Q4-23
Revenue	2,740	2,769	2,720	2,927
Purchasing and subcontracting costs	-732	-755	-719	-886
Other operating expenses	-588	-437	-415	-398
Staff costs and employee benefits	-287	-274	-304	-302
Total	1,133	1,303	1,282	1,341
Rental expense operating lease	-276	-280	-284	-295
Adjusted EBITDA	857	1,022	997	1,046
Depreciation, amortisation and impairment	-788	-858	-848	-803
Other expenses and income	-9	-20	-40	-22
Rental expense operating lease	276	280	284	295
Operating profit	336	425	394	517
Capital expenditure (accrued) - Financial Statements	593	562	565	599
New IRU	-4	-10	-7	-7
5G licenses renewal	-	-	-	-2
Capital expenditure (accrued) - Investor Press Release	589	552	558	590

¹ Accrued Capex in Q4 2023 excludes accruals related to the acquisition of a new IRU for an amount of €7 million and 5G spectrum frequency reorganization for an amount of €2 million.



FORWARD-LOOKING STATEMENTS

Certain statements in this press release constitute forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this press release, 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, plans, objectives, prospects, growth, goals and targets; 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 “believe”, “could”, “estimate”, “expect”, “forecast”, “intend”, “may”, “plan”, “project” 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 be achieved or accomplished. To the extent that statements in this press 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 the Altice France Holding S.A. or Altice France S.A., as the case may be, annual and quarterly financial statements.