

# **Altice France Holding Restricted Group**

## **Q2 2021 Results**

July 28, 2021



# Disclaimer

## FORWARD-LOOKING STATEMENTS

Certain statements in this presentation 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 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, 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 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 the Altice France Holdings S.A. or Altice France S.A., as the case may be, annual and quarterly financial statements.

## FINANCIAL MEASURES

Altice France Holding S.A. holds 100% less one share of Altice France S.A., and Altice Luxembourg S.A. holds 100% of Altice France Holding S.A. and one share of Altice France S.A. The perimeter of consolidation for this presentation, the Altice France Holding Restricted Group, consists of Altice France Holding S.A., Altice France S.A. and its consolidated entities, excluding legal entities that have been declared as ‘unrestricted subsidiaries’, notably SportsCoTV S.A.S, the company that houses the Altice TV activity, as well as Altice Finco France S.A.S.

This presentation 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 Holdings 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 presentation 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 Combined Adjusted EBITDA” for purposes of any of the indebtedness of the Altice France Holding Restricted Group. The financial information presented in this presentation, including but not limited to, the quarterly financial information, pro forma financial information as well as Adjusted EBITDA and OpFCF is unaudited.

# Q2 2021 Summary

Subscriber growth in all segments, residential and B2B, fixed and mobile

Total revenue and EBITDA growth in Q2 2021:

- Total revenue grew by +5.2% YoY
- Total EBITDA grew by +5.7% YoY

\$3 billion (equivalent) new 8-year Euro and Dollar 2029 Senior Secured Notes issued, maturity profile improved, significant interest savings realised

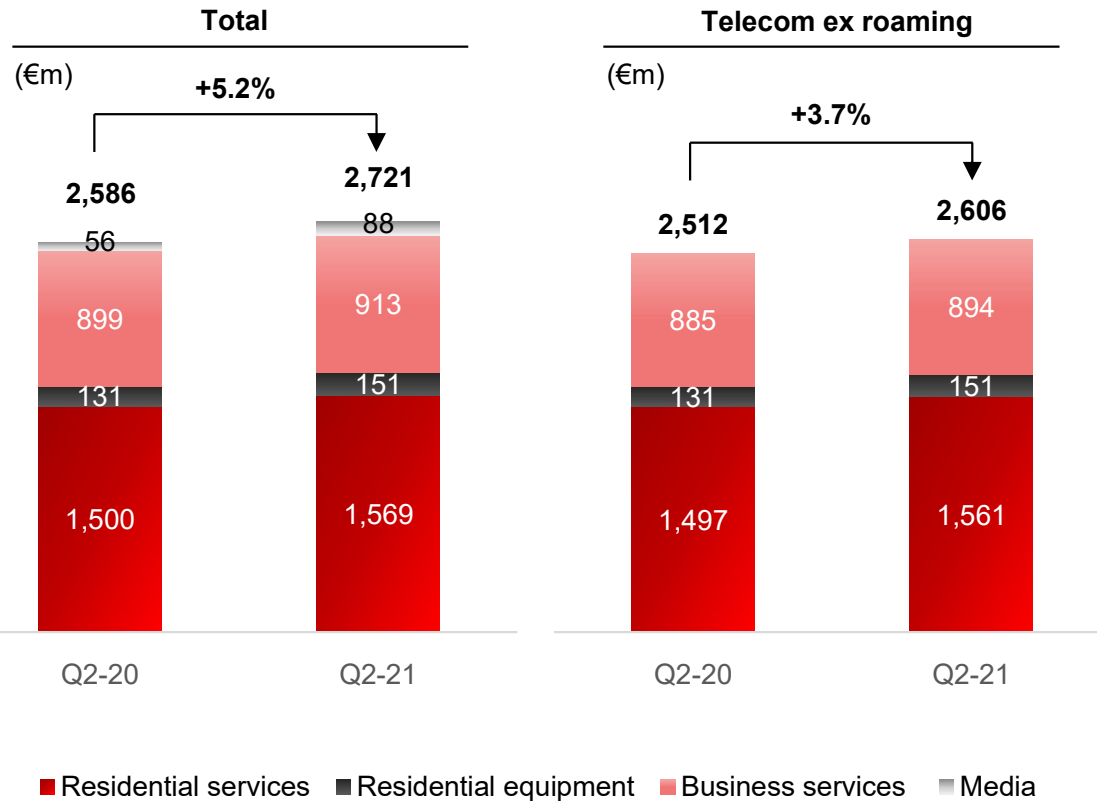
€1.3 billion liquidity, no debt maturity before 2025

Guidance reiterated:

- FY 2021: revenue, EBITDA and OpFCF growth YoY
- Mid-term: full-year organic FCF target of >€750 million (underpinned by EBITDA and OpFCF growth, further reduction in cash interest)
- Target leverage of 4.5x net debt to EBITDA

For footnotes see slide 14

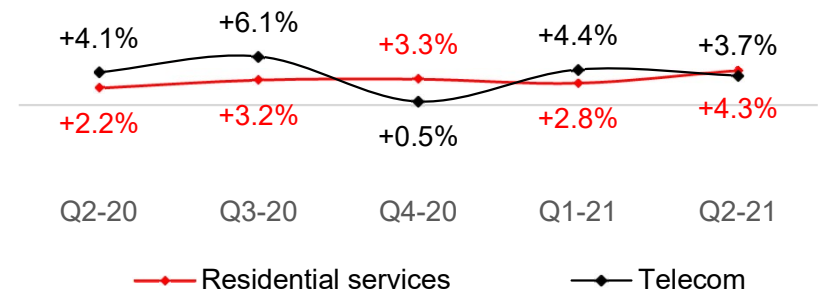
# Pro Forma Revenue Trends



## Q2 2021 revenue trends YoY

- **Telecom ex roaming: +3.7%**
  - Residential services ex roaming: +4.3%
  - Residential equipment: +15.1%
  - Business services ex roaming: +1.0%
- **Media: +56.7%**

## Revenue ex roaming growth evolution YoY



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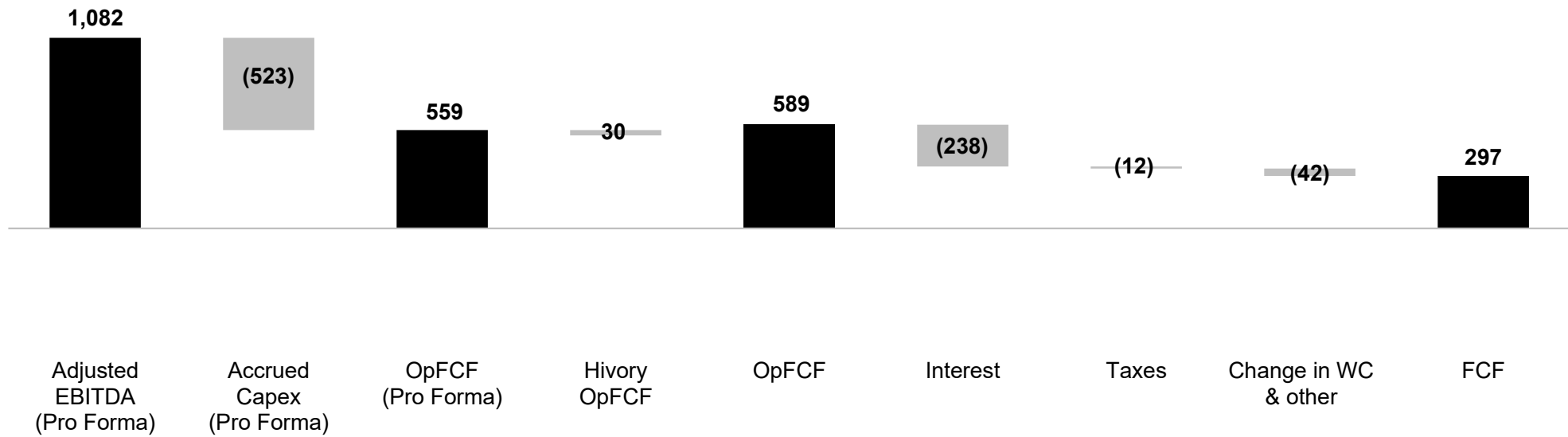
# Pro Forma Summary Financials

€m	Q2-20	Q2-21	Growth YoY
<i>Residential services</i>	1,500	1,569	+4.6%
<i>Residential equipment</i>	131	151	+15.1%
<i>Business services</i>	899	913	+1.6%
Telecom	2,530	2,633	+4.1%
Media	56	88	+56.7%
<b>Revenue</b>	<b>2,586</b>	<b>2,721</b>	<b>+5.2%</b>
Telecom	1,027	1,053	+2.5%
Media	-4	29	++
<b>EBITDA</b>	<b>1,024</b>	<b>1,082</b>	<b>+5.7%</b>
Telecom	447	513	+14.9%
Media	6	10	++
<b>Accrued Capex</b>	<b>453</b>	<b>523</b>	<b>+15.5%</b>
Telecom	581	539	-7.1%
Media	-10	19	++
<b>Total OpFCF</b>	<b>571</b>	<b>559</b>	<b>-2.1%</b>

For footnotes see slide 14

# Q2 2021 Free Cash Flow

(€m)



For footnotes see slide 14

# Pro Forma Capital Structure and Debt Maturity

## Altice France Restricted Group

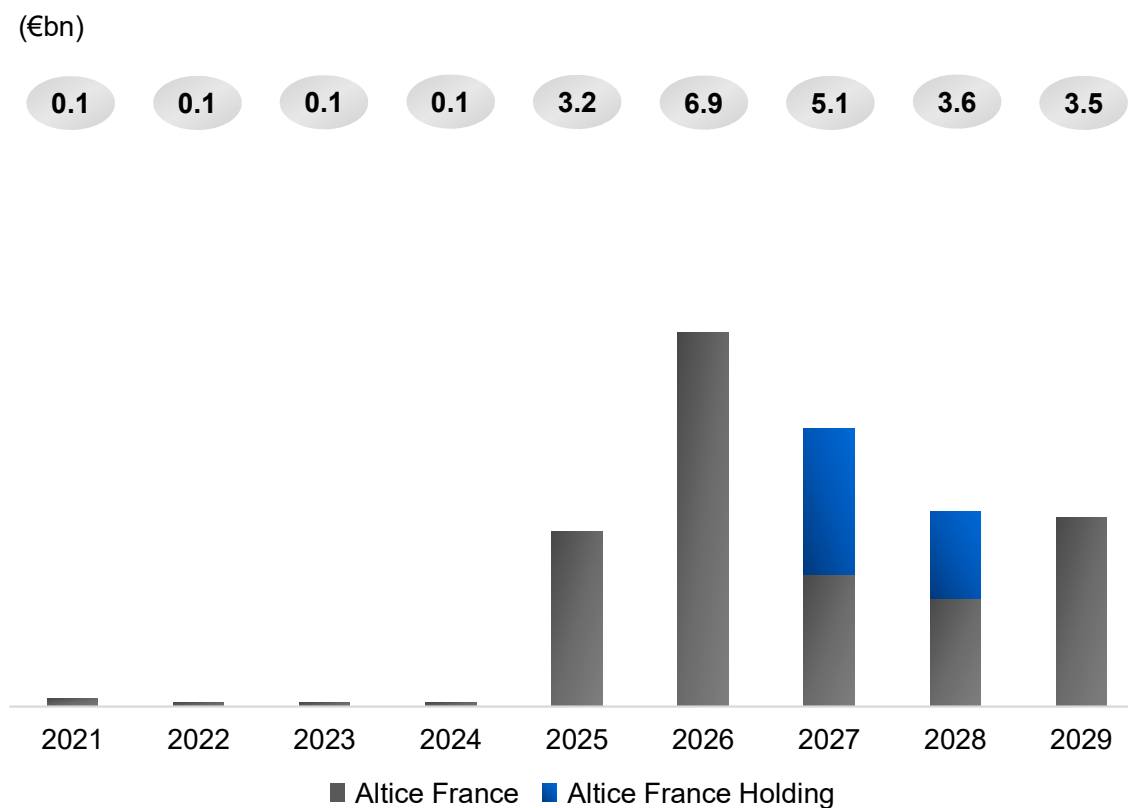
Net debt	€22,411m
WAL	5.6 years
WACD	4.5%
Fixed interest	91%
Net leverage (L2QA)	5.5x
Liquidity	€1.3bn

## Altice France Holding

Net debt	€4,290m
WAL	6.2 years
WACD	6.8%
Fixed interest	100%

## Altice France

Net debt	€18,059m
WAL	5.5 years
WACD	3.9%
Fixed interest	87%



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# Guidance Reiterated

**FY 2021**

**Revenue, EBITDA and OpFCF growth YoY**

**Mid-term**

**Full-year organic FCF target of >€750 million**

*Underpinned by EBITDA and OpFCF growth, as well as further reduction in cash interest costs (at least €150 million further savings)*

**Target leverage of 4.5x net debt to EBITDA**



# Q&A

# Appendix

# Reconciliation to Swap Adjusted Debt

€m	Altice France Restricted Group
<b>Reconciliation to swap adjusted debt</b>	
<b>Total debenture and loans from financial institutions</b>	<b>22,151</b>
Value of debenture and loans from financial Institutions in foreign currency converted at closing FX rate	-30,280
Value of debenture and loans from financial institutions in foreign currency converted at hedged rate	30,543
Transaction costs	192
<b>Total swap adjusted value of debenture and loans from financial institutions</b>	<b>22,606</b>
Commercial paper	108
Overdraft	2
Other debt and leases	60
<b>Gross debt consolidated</b>	<b>22,776</b>
Cash	-365
<b>Net debt consolidated</b>	<b>22,411</b>

For footnotes see slide 14

# Net Leverage Reconciliation

€m	Altice France Restricted Group
<b>Gross debt consolidated</b>	<b>22,776</b>
Cash	-365
<b>Net debt consolidated</b>	<b>22,411</b>
LTM standalone	4,346
Eliminations	-
<b>LTM EBITDA consolidated</b>	<b>4,346</b>
Pro forma Libération	-
Pro forma Hivory	-174
<b>LTM EBITDA consolidated pro forma</b>	<b>4,171</b>
Gross leverage (LTM EBITDA)	5.5x
Net leverage (LTM EBITDA)	5.4x
<b>L2QA EBITDA consolidated pro forma</b>	<b>4,042</b>
Gross leverage (L2QA EBITDA)	5.6x
Net leverage (L2QA EBITDA)	5.5x

For footnotes see slide 14

# Non-GAAP Reconciliation to Unaudited Consolidated Interim Financial Statements GAAP Measures

€m	Three months ended March 31, 2021	Three months ended June 30, 2021
<b>Revenue</b>	<b>2,704</b>	<b>2,725</b>
Purchasing and subcontracting costs	-721	-677
Other operating expenses	-527	-453
Staff costs and employee benefits	-271	-259
<b>Total</b>	<b>1,184</b>	<b>1,337</b>
Share-based expense	3	-0
Rental expense operating lease	-208	-209
<b>Adjusted EBITDA</b>	<b>979</b>	<b>1,128</b>
Depreciation, amortisation and impairment	-829	-823
Share-based expense	-3	0
Other expenses and income	339	-329
Rental expense operating lease	208	209
<b>Operating profit/(loss)</b>	<b>694</b>	<b>184</b>
<b>Adjusted EBITDA - Unaudited Consolidated Interim Financial Statements</b>	<b>979</b>	<b>1,128</b>
Pro forma adjustment for Hivory	-40	-46
<b>Adjusted EBITDA - Investor Presentation</b>	<b>939</b>	<b>1,082</b>
<b>Capital expenditure (accrued) - Unaudited Consolidated Interim Financial Statements</b>	<b>999</b>	<b>573</b>
New IRU	-183	-38
Renewal of 2G licences	-212	4
5G spectrum frequency reorganization	-7	-
Pro forma adjustment for Hivory	-17	-15
<b>Capital expenditure (accrued) - Investor Presentation</b>	<b>581</b>	<b>523</b>

# Footnotes

<p>Altice France Holding S.A. holds 100% less one share of Altice France S.A., and Altice Luxembourg S.A. holds 100% of Altice France Holding S.A. and one share of Altice France S.A. The perimeter of consolidation for this presentation, the Altice France Holding Restricted Group, consists of Altice France Holding S.A., Altice France S.A. and its consolidated entities, excluding legal entities that have been declared as 'unrestricted subsidiaries', notably SportsCoTV S.A.S, the company that houses the Altice TV activity, as well as Altice Finco France S.A.S. Financials are shown pro forma for the Hivory transaction (Altice France announced it had entered into an exclusivity agreement to sell its 50.01% stake in Hivory to Cellnex on February 3, 2021). Financials exclude the newspaper Libération (following disposal on September 3, 2020)</p>	All pages
<p>Accrued capital expenditure in Q2 2021 excludes accruals related to the acquisition of a new IRU for an amount of €38 million and a reversal relating to the renewal of the 2G licenses in March 2021 for an amount of -€4 million. These amounts, in aggregate €34 million, remain unpaid as of June 30, 2021, with no cash capex impact in the three months ended June 30, 2021</p>	Pages 3, 5, 6, 8
<p>€1.3 billion liquidity includes €0.96 billion of undrawn revolvers and €0.37 billion of cash</p>	Pages 3, 7
<p>Full-year organic FCF target excludes spectrum and significant litigation paid and received</p>	Pages 3, 8
<p>Interest as shown includes Altice France Holding interest</p>	Page 6
<p>Leverage is shown on an L2QA basis            Altice France net debt excludes operating lease liabilities recognized under IFRS 16            Altice France gross debt as shown is unswapped            Maturity profile as shown is excluding other debt, leases and overdraft (c.€62 million)</p>	Pages 7, 8