



November 21, 2023

Altice France announces the creation of UltraEdge – the first nationwide independent distributed datacenter operator in France – in partnership with Morgan Stanley Infrastructure Partners

Altice France S.A (“Altice France”) announces today it has entered into an exclusivity agreement to partner with Morgan Stanley Infrastructure Partners (“MSIP”) to establish the first nationwide independent distributed colocation provider in France through the sale of a 70%-majority 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.

UltraEdge will be the first nationwide independent distributed datacenter operator in France with more than 45MW of installed capacity and c.33,000sqm of owned office space distributed across the country including in key metropolitan areas. UltraEdge enables essential data storage and connectivity services from these sites which are all connected on SFR’s nationwide fiber infrastructure. The passive infrastructure and equipment of the datacenters will be transferred to UltraEdge with servers and active equipment retained at SFR.

The distributed nationwide footprint of datacenters uniquely positions UltraEdge as the first scaled mover in the edge datacenter market in France benefiting from the increasing demand for ultra low-latency services where data storage and compute is needed closer to the end user. Moreover, UltraEdge will benefit from the continued development of very high-speed telecom networks (5G and Fibre networks) driving requirements for new sites and capacity.

The transaction reflects Altice France’s strategy around balance sheet management, which notably includes executing inorganic deleveraging through pro-active management of our 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.



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