Altice France (SFR) Q3 2023 Results

November 22, 2023

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FINANCIAL MEASURES

SFR refers to the Altice France Holding Restricted Group. Altice France Holding S.A. is a subsidiary of Altice Luxembourg S.A. Altice France Holding S.A. holds 100% less one share of Altice France S.A. and Altice Luxembourg S.A. holds 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 the legal entity that has been declared as an ‘unrestricted subsidiary’, SportsCoTV S.A.S, the company that houses the Altice TV activity.

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 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 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.

Q3 2023 Summary

Financials trends in Q3 2023:

- **Total revenue declined by -2.8% YoY**
- **Total EBITDA declined by -5.4% YoY**
- **Total OpFCF declined by -11.8% YoY**

Exclusivity agreement with Morgan Stanley Infrastructure Partners to establish the first nationwide independent datacenter operator in France through the sale of a 70%-majority stake in UltraEdge (enterprise value of €764 million represents c.29x 2023 pro forma EBITDA)

€1.1 billion liquidity and no material debt maturity before 2025

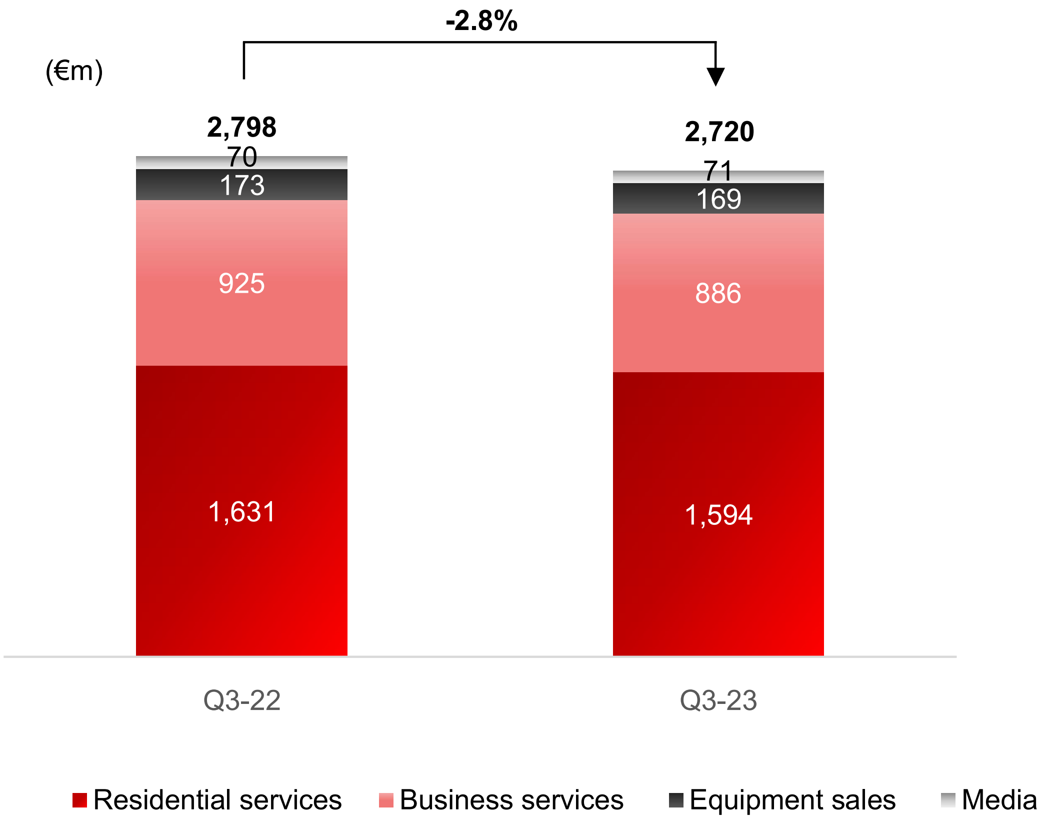
Pro forma net leverage of 6.0x on an L2QA basis and 6.1x on an LTM basis at the end of Q3 2023

Guidance reiterated:

- **Mid-term: organic operating free cash flow growth of €1 billion, underpinned by revenue, EBITDA growth and Capex reduction (excluding impacts related to XpFibre)**
- **Target leverage of 4.5x net debt to EBITDA**

For footnotes see slide 18

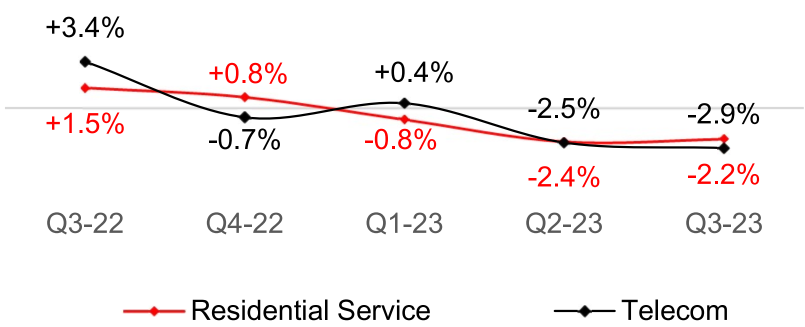
Revenue Trends



Q3 2023 revenue trends YoY

- **Telecom: -2.9%**
  - Residential services: -2.2%
  - Residential equipment: -2.3%
  - Business services: -4.2%
- **Media: +0.8%**

Revenue growth evolution YoY



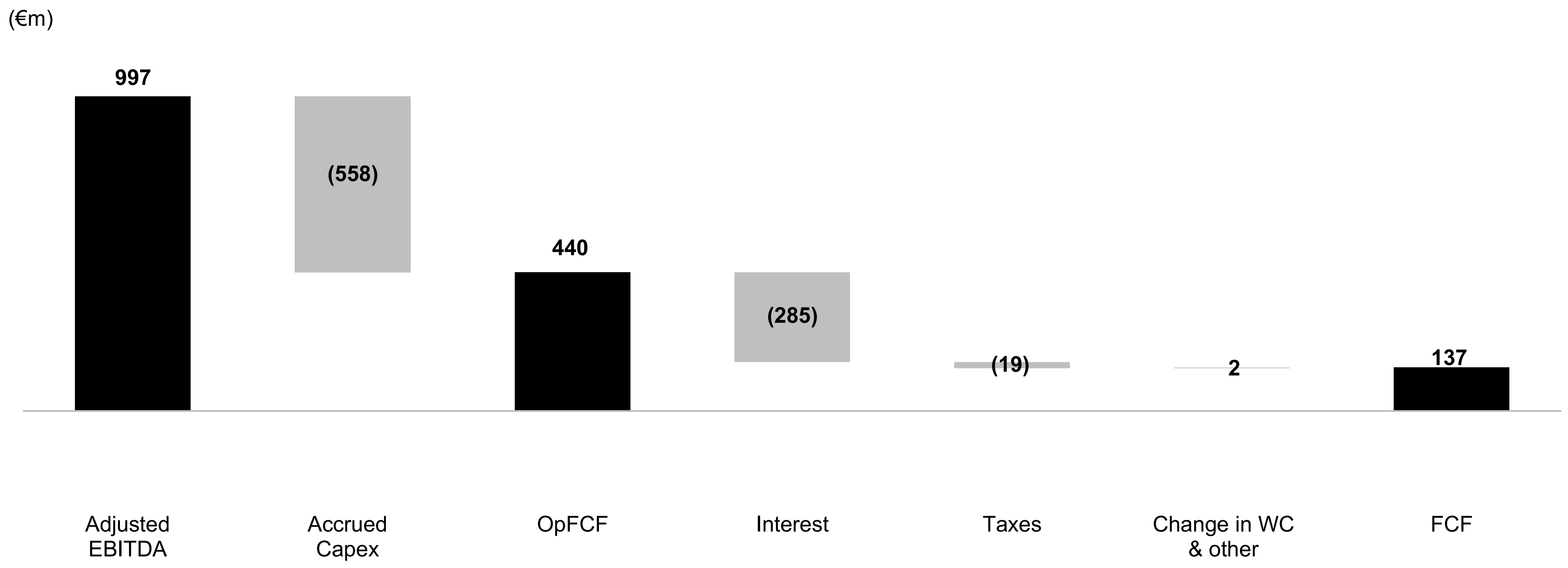
For footnotes see slide 18

Summary Financials

€m	Q3-22	Q3-23	*Growth YoY*
Residential services	*1,631*	*1,594*	*-2.2%*
Residential equipment	*173*	*169*	*-2.3%*
Business services	*925*	886	*-4.2%*
Telecom	2,728	2,649	*-2.9%*
Media	70	71	*+0.8%*
Revenue	**2,798**	**2,720**	***-2.8%***
Telecom	1,047	983	*-6.0%*
Media	8	14	*+81.6%*
EBITDA	**1,054**	**997**	***-5.4%***
Telecom	549	547	*-0.4%*
Media	7	11	*+60.8%*
Accrued Capex	**556**	**558**	***+0.4%***
Telecom	497	436	*-12.3%*
Media	1	3	*n.m.*
Total OpFCF	**499**	**440**	***-11.8%***

For footnotes see slide 18

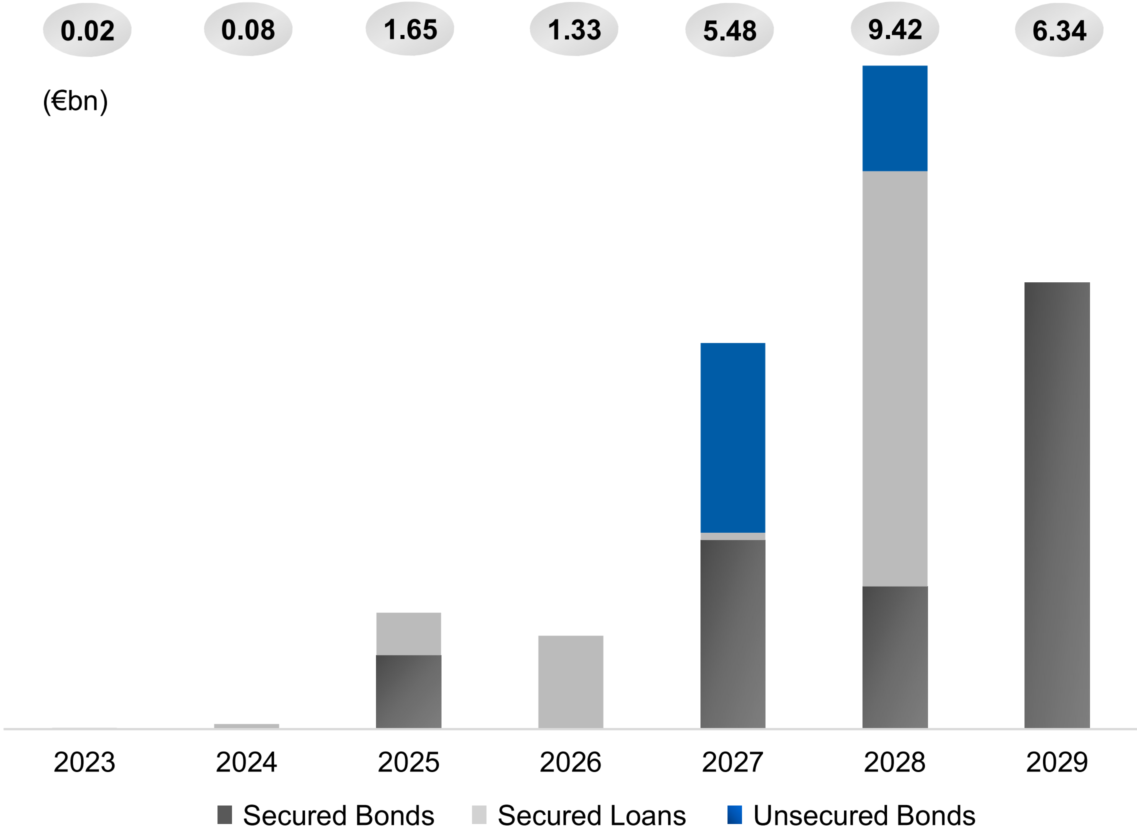
Q3 2023 Free Cash Flow



FCF excluding spectrum, IRUs and significant litigation paid and received

Pro Forma SFR Capital Structure and Debt Maturity

Altice France	
Net debt	€24,072m
WAL	4.4 years
WACD	5.7%
Fixed interest	85%
Net leverage (LTM)	6.1x
Net leverage (L2QA)	6.0x
Liquidity	€1.1bn
Unsecured	
Net debt	€4,192m
WAL	3.9 years
WACD	6.3%
Net leverage (L2QA)	1.0x
Secured	
Net debt	€19,881m
WAL	4.4 years
WACD	5.6%
Net leverage (L2QA)	5.0x



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Deleveraging & Addressing Maturity Profile

Through inorganic actions and refinancing

Priorities

- **2025 & 2026 maturities**
- **Inorganic deleveraging by 1x**
- **Restore cost of debt, including unsecured debt**
- **Continued extension of maturity of capital structure**

Q&A

Appendix

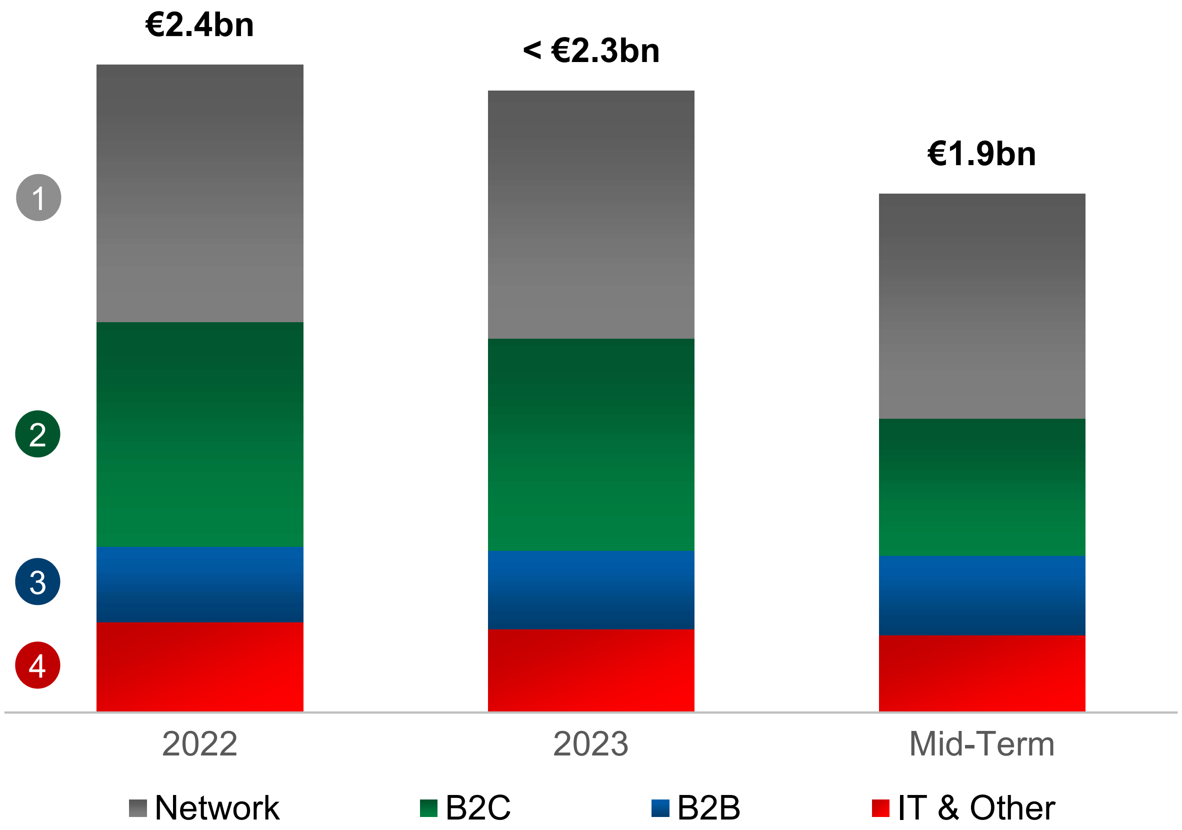
Mid-term EBITDA Growth: + €0.5bn

Revenue growth	• Service revenue growth driven by residential subscriber and ARPU growth • B2B revenue growth (excluding construction activity)
Op. Cost control	• Ongoing fibre migration will result in lower churn and less operating expenses
Cost savings	• IT simplification to drive additional cost savings • Further digitalization to drive better customer experience and improved returns

Organic EBITDA growth from core activities: + €0.5bn (excluding construction activity)

For footnotes see slide 18

Focus on Mid-term Capex Reduction



1 Network capex
- ✓ Pursuit of mobile densification
- ✓ End of FTTH program on third-party infrastructure

2 B2C capex
- ✓ End of DSL / FTTB customer migration to FTTH
- ✓ CPE refurbishing optimized
- ✓ STB-less rollout

3 B2B & wholesale capex
- ✓ B2B market share expansion
- ✓ Customer-linked capex and installation fees

4 IT & other capex
- ✓ Offer rationalization
- ✓ State of the art software package

For footnotes see slide 18

Mid-term Financial Objectives

Revenue growth	• Service revenue growth • B2B revenue growth (excluding construction activity)
EBITDA growth	• Operating leverage of core business with cost control driving EBITDA growth • Organic EBITDA growth from core activities: + €0.5bn (excluding construction activity)
Capex reduction	• Peak Capex in FY-21 to FY-23 • Mid-term reduction post migration to fibre, mobile upgrade and IT simplification
Other Cash Flow items	• Phasing out of non-recurring cash outs (5G spectrum, Altice TV funding, restructuring) • Future cash flows from XpFibre compensate loss of contribution of construction activity
M&A	• No acquisitions needed
Leverage	• Unchanged leverage target of 4.5x net debt to EBITDA

+ €0.5bn

- €0.5bn

Organic OpFCF

+ €1bn

+ €0.4bn

Other CF items

+ €0.4bn

For footnotes see slide 18

Reconciliation to Swap Adjusted Debt as of September 30, 2023

€m	Actual	Pro Forma
Total debenture and loans from financial institutions	**24,218**	**24,218**
Value of debenture and loans from financial Institutions in foreign currency converted at closing FX rate	-19,846	-19,846
Value of debenture and loans from financial institutions in foreign currency converted at hedged rate	19,718	19,718
Transaction costs	228	228
Total swap adjusted value of debenture and loans from financial institutions	**24,318**	**24,318**
Overdraft	5	5
Other debt and leases	41	41
Gross debt consolidated	**24,364**	**24,364**
Cash	-357	-292
Net debt consolidated	**24,007**	**24,072**

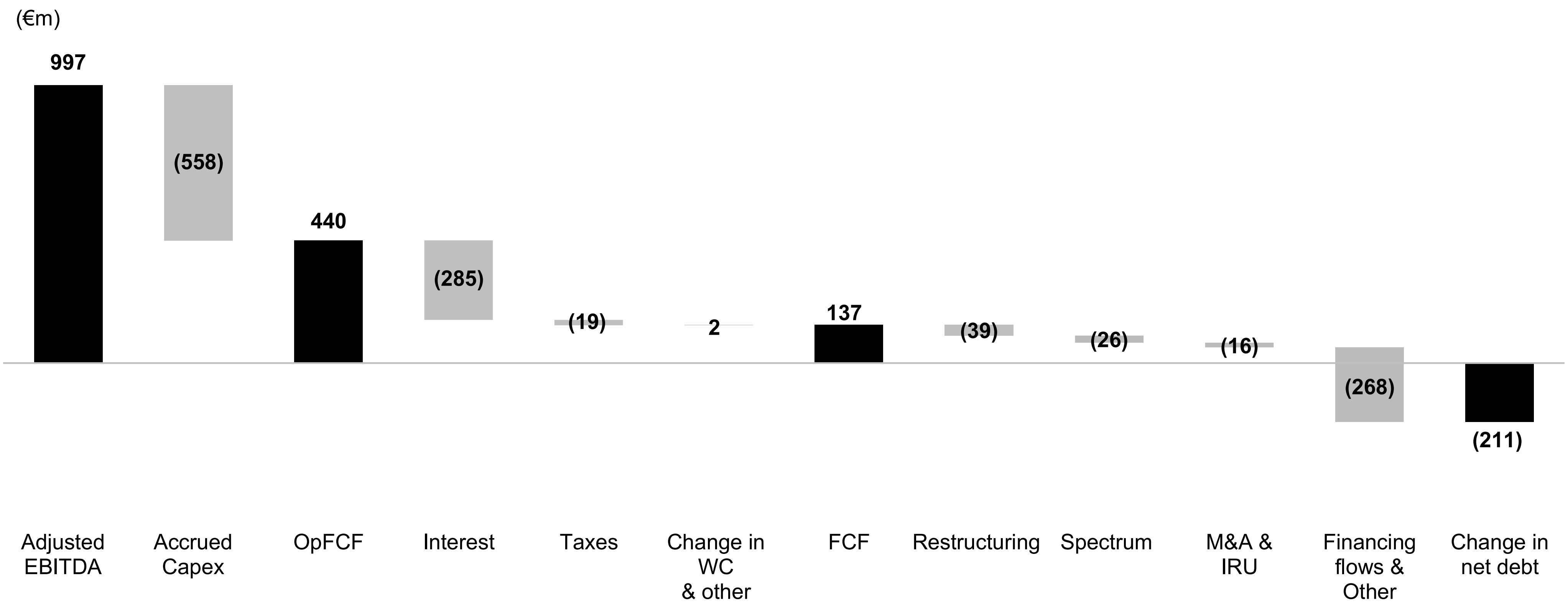
For footnotes see slide 18

Pro Forma Leverage Reconciliation as of September 30, 2023

€m	Actual	Pro Forma
Gross debt consolidated	**24,364**	**24,364**
Cash	-357	-292
Net debt consolidated	**24,007**	**24,072**
LTM EBITDA consolidated pro forma	**3,934**	**3,934**
Net leverage		6.1x
L2QA EBITDA consolidated pro forma	**4,040**	**4,040**
Net leverage		6.0x

For footnotes see slide 18

Q3 2023 Free Cash Flow and Change in Net Debt



FCF excluding spectrum, IRUs and significant litigation paid and received

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

€m	Q1-23	Q2-23	Q3-23
Revenue	**2,740**	**2,769**	**2,720**
Purchasing and subcontracting costs	-732	-755	-719
Other operating expenses	-588	-437	-415
Staff costs and employee benefits	-287	-274	-304
Total	**1,133**	**1,303**	**1,282**
Rental expense operating lease	-276	-280	-284
Adjusted EBITDA	**857**	**1,022**	**997**
Depreciation, amortisation and impairment	-788	-858	-848
Other expenses and income	-9	-20	-40
Rental expense operating lease	276	280	284
Operating profit/(loss)	**336**	**425**	**394**

Capital expenditure (accrued) - Financial Statements	**593**	**562**	**565**
New IRU	-4	-10	-7
Capital expenditure (accrued) - Investor Presentation	**589**	**552**	**558**

For footnotes see slide 18

Footnotes

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Accrued Capex in Q3 2023 excludes accruals related to the acquisition of a new IRU for an amount of €7.0 million	Slides 3, 5, 6, 12, 16, 17
€1.1 billion liquidity includes €0.8 billion of undrawn revolvers and €0.3 billion of cash. The cash position is pro forma for the deferred consideration of €65 million, expected to be paid by 2024, related to the acquisition of Coriolis	Slides 3, 7
SFR capital structure and debt maturity refers to the Altice France Holding Restricted Group, comprised of Altice France Holding (Unsecured) and Altice France (Secured) Leverage is shown on an L2QA basis SFR (Altice France Holding Restricted Group) net debt is presented pro forma for the deferred consideration of €65 million, expected to be paid by 2024, related to the acquisition of Coriolis Altice France net debt excludes operating lease liabilities recognized under IFRS 16 and Altice France gross debt is net of swaps	Slides 3, 7, 14, 15
Interest as shown includes Altice France Holding interest	Slides 6, 16
Maturity profile as shown excludes other debt, leases and overdraft (c.€46 million) and is shown net of swaps	Slide 7
Organic growth excluding the contribution of construction activities, related to the construction of the XpFibre FTTH network. The decline in the construction contribution will be offset by the contribution of SFR's interest in XpFibre (Altice France owns a 50.01% interest in the XpFibre joint venture, which is consolidated using the equity method in the financial statements)	Slides 11, 13