February 24, 2022

SFR Q4 & FY 2021 RESULTS

SFR (Altice France Holding Restricted Group)[1] today announces financial and operating results[2] for the quarter ended December 31, 2021.

Q4 & FY 2021 Key Highlights

- Total residential service revenue grew by +2.2% year over year in Q4 2021 and +3.3% for FY 2021.
- Total revenue declined by -0.3% year over year in Q4 2021 and grew by +1.5% for FY 2021.
- Total EBITDA declined by -4.5% year over year in Q4 2021 and grew by +0.5% for FY 2021.
- Total Accrued Capex was €675[3] million in Q4 2021. Consequently, operating free cash flow of €381 million grew by +19% in Q4 2021 and +1.5% for FY 2021.

FY 2021 guidance achieved

- FY 2021: revenue, EBITDA and operating free cash flow growth year over year.

Mid-term financial objectives

- Mid-term: organic operating free cash flow growth of €1 billion, underpinned by revenue, EBITDA growth and Capex reduction (excluding impacts related to XpFibre[4]).
- Unchanged leverage target of 4.5x net debt to EBITDA.

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[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 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. 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.

[2] Financials are shown pro forma for the Hivory transaction (following disposal on October 28, 2021). Financials exclude the newspaper Libération (following disposal on September 3, 2020).

[3] Accrued Capex in Q4 2021 mainly excludes accruals related to the acquisition of a new IRU for an amount of €29 million.

[4] 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).

Capital Structure Key Highlights – including subsequent events

- Total net debt was €22.6 billion at the end of Q4 2021 (€23.0 billion pro forma[1]).
- On February 3, 2021, SFR announced it had entered into an exclusivity agreement to sell its 50.01% stake in Hivory to Cellnex. The transaction included an amendment to the Hivory master services agreement, notably including a fixed annual increase of the hosting fees to be paid by SFR and a revised built-to-suit program for the roll-out of new sites. On October 28, 2021, the transaction closed following regulatory approvals. Prior to consummation of the transaction, Altice France and Altice France Holding designated Hivory as an unrestricted subsidiary under the documents governing their respective indebtedness. The proceeds thereof were used to repay certain indebtedness at Altice Finco France in connection with the Altice Europe take-private transaction.
- On October 9, 2021, SFR entered into an agreement to sell its mobile towers in the French Overseas Territories for an implied enterprise value of €75 million. The transaction is expected to close in the second quarter of 2022.
- On September 24, 2021, SFR issued $3 billion (equivalent) of new 8-year euro and dollar Senior Secured Notes maturing in October 2029, with a weighted average cost on a fully euro swapped basis of 4.1%. The proceeds from this transaction were used by SFR for the redemption of the remaining amount of the SFR 2026 7.375% notes, for related transaction fees and expenses, and to finance the acquisitions of Coriolis S.A. (“Coriolis”), Afone S.A. (“Afone”) and Prixtel S.A. (“Prixtel”). The acquisition of Coriolis is subject to the antitrust clearance by the French competition authority. This refinancing transaction improved the weighted average maturity of SFR while realising additional interest savings. The transaction closed on October 6, 2021.

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[1] Net debt is presented pro forma for the acquisition of Coriolis (upfront purchase price of €298 million upon expected completion in the first half of 2022 and deferred consideration of €117 million expected to be paid in several instalments by 2024). The acquisition of Coriolis is subject to the antitrust clearance by the French competition authority.

SFR Q4 & FY 2021 Results Call for Debt Investors

A call for existing and prospective debt investors of SFR will be held today, Thursday, February 24, 2021 at 2:00pm CET (1:00pm GMT, 08:00am EST), to discuss its Q4 and Full Year 2021 results.

Dial-in Details:

UK: +44 2030595869

USA: +1 7602941674

France: +33 170918701

Conference ID: 20220093

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

https://event.on24.com/wcc/r/3637152/0C9CDA4C60C9CC31F1FC7388CE02D196

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About SFR – alticefrance.com

SFR is the second largest telecom provider in France, serving more than 25 million customers. The company has a fibre optic network (FTTH/ FTTB) and over 26 million homes passed across France. SFR covers 99.7% of the population with 4G access and approximately 4,400 municipalities with 5G. SFR is also a leading media group, with iconic brands BFM and RMC.

Financial Presentation

SFR refers to the Altice France 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 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. 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.

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. Therefore, financials for the quarters ended December 31, 2021 and December 31, 2020 are shown pro forma for the Hivory transaction (following disposal on October 28, 2021). Financials for years ended December 31, 2021 and December 31, 2020 exclude the newspaper Libération (following disposal on September 3, 2020).

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 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 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 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, 2021, unless otherwise stated, and any year over year comparisons are for the quarter ended December 31, 2020.

Summary Financial Information

Quarter ended December 31, 2021 and year ended December 31, 2021

In € million	**Q4-20**	**Q4-21**	***Q4-21 Growth YoY***	**FY-20**	**FY-21**	***FY-21 Growth YoY***
Fixed	*690*	*689*	*-0.1%*	*2,615*	*2,733*	*+4.5%*
Mobile	*888*	*924*	*+4.0%*	*3,543*	*3,629*	*+2.4%*
Residential service	1,578	1,613	*+2.2%*	6,159	6,362	*+3.3%*
Equipment	260	234	*-10.0%*	700	722	*+3.2%*
Total residential	1,838	1,847	*+0.5%*	6,859	7,084	*+3.3%*
Business services	1,015	990	*-2.4%*	3,728	3,654	*-2.0%*
Telecom	2,852	2,837	*-0.5%*	10,586	10,738	*+1.4%*
Media	97	103	*+6.0%*	315	333	*+5.4%*
Total revenue	**2,949**	**2,940**	***-0.3%***	**10,902**	**11,070**	***+1.5%***
Telecom	1,070	1,014	*-5.2%*	4,043	4,023	*-0.5%*
Media	36	42	*+16.1%*	64	104	*+62.0%*
Total EBITDA	**1,106**	**1,056**	***-4.5%***	**4,107**	**4,127**	***+0.5%***
Margin (%)	*37.5%*	*35.9%*		37.7%	*37.3%*	
Telecom	776	665	*-14.3%*	2,314	2,306	*-0.3%*
Media	9	10	*+14.4%*	36	37	*+2.8%*
Total Accrued Capex	**785**	**675**	***-14.0%***	**2,349**	**2,343**	***-0.3%***
Telecom	294	349	*+18.9%*	1,729	1,717	*-0.7%*
Media	28	32	*+16.6%*	29	67	*n.m.*
EBITDA - Accrued Capex	**321**	**381**	***+18.7%***	**1,757**	**1,784**	***+1.5%***

Key Performance Indicators

Quarter ended December 31, 2021

000's unless stated otherwise	**Q4-21**
Fibre homes passed	**26,079**
Total fibre customers	**3,951**
Total fixed customers	**6,706**
Total mobile subscribers	**19,553**

Notes to Summary Financial Information table

(1) Financials for SFR are shown pro forma for the Hivory transaction (following disposal on October 28, 2021). Financials exclude the newspaper Libération (following disposal on September 3, 2020).

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 and excludes M2M.

(3) Total mobile subscribers of 19,553k includes the Afone mobile subscriber base starting in Q4 2021 (834k subscribers at the end of Q4 2021, of which 317k postpaid subscribers and 517k prepaid subscribers).

Financial and Operational Review

For the quarter ended December 31, 2021 compared to the quarter ended December 31, 2020

At the end of Q4 2021, SFR had 26 addressable million homes passed (FTTH/FTTB), an increase of 1.6 million homes passed compared to Q3 2021. SFR had 14,345 fibre municipalities at the end of Q4 2021 (vs. 12,042 in Q3 2021, 10,442 in Q2 2021, 6,481 in Q3 2020). SFR continues to invest in its 4G network, with 56,786 4G systems activated (1,937 new units in Q3 2021).

The current 4G coverage of the SFR mobile network reaches more than 99.7% of the national population. SFR continues to deploy 4G and new radio sites in white areas, and 4G+ is offered in the top 32 French cities, and 4,200 municipalities.

SFR was the first operator in France to commercially launch 5G in November 2020 and continues to deploy 5G on the 3.5GHz band and also on the 2,100MHz band for additional coverage. In Q4 2021, nearly 3,700 municipalities are covered in 5G (about 4,900 radio sites) in all of France and the 5G coverage reaches 50% of the population. As of January 1, 2022, SFR is the operator with the largest number of 5G technically operational sites in the 3.5 GHz band (according to AFNR observatory).

- SFR total revenue declined by -0.3% year over year in Q4 2021 to €2,940 million. Total residential revenue grew by +0.5% year over year in Q4 2021 as a result of residential service revenue growth of +2.2% year over year and a decline in residential equipment revenue of -10% year over year. Residential service revenue growth in Q4 2021 and throughout FY 2021 was supported by a sustained focus on operations and an ongoing investment in proprietary infrastructure.
- Business services revenue declined by -2.4% year over year in Q4 2021, mainly as a consequence of lower construction revenue year over year. In Q4 2021, 236k FTTH homes were constructed by XpFibre (vs. 159k in Q3 2021, 184k in Q2 2021, 213k in Q1 2021, 352k in Q4 2020). The majority of homes constructed in Q4 2021 were built in more rural areas compared to Q4 2020. As a result, the average revenue per home built increased year over year.
- Media revenue increased by +6.0% year over year in Q4 2021. SFR consolidated its position as the third largest private broadcasting group in France with respect to its commercial audience. The BFMTV DTT channel in 2021 equaled the historical record of 2020, with 2.9% of national audience share when the RMC Story DTT Channel hit a record of 1.6%.
- Total EBITDA declined by -4.5% year over year in Q4 2021, mainly driven by the impact of the EIT MVNO contract loss year over year in addition to a lower contribution from construction.
- Total Accrued Capex was €675[1] million in Q4 2021. Consequently, operating free cash flow amounted to €381 million in Q4 2021.

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[1] Accrued Capex in Q4 2021 mainly excludes accruals related to the acquisition of a new IRU for an amount of €29 million.

Consolidated Net Debt as of December 31, 2021

- SFR has a robust, diversified and long-term capital structure:
  - Weighted average debt maturity of 5.5 years;
  - Reduced WACD to 4.4%[1] (vs. 4.7% at year-end 2020);
  - 92% fixed interest rate;
  - No major maturities until 2025;
  - Available liquidity of €1.3 billion[2].
- Total net debt was €22.6 billion at the end of Q4 2021 (€23.0 billion pro forma[3]).

	Amount in millions (local currency)	Actual	Pro Forma	Coupon / Margin	Maturity
Senior Secured Notes	EUR 500	500	500	2.125%	2025
Senior Secured Notes	EUR 550	550	550	2.500%	2025
Senior Secured Notes	USD 1,750	1,537	1,537	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	966	966	5.500%	2028
Senior Secured Notes	EUR 500	500	500	4.125%	2029
Senior Secured Notes	USD 475	417	417	5.125%	2029
Senior Secured Notes	USD 2,500	2,196	2,196	5.125%	2029
Senior Secured Notes	EUR 400	400	400	4.000%	2029
Senior Secured Notes	USD 2,000	1,757	1,757	5.500%	2029
Senior Secured Notes	EUR 800	800	800	4.250%	2029
Term Loan	EUR 1,093	1,093	1,093	E+3.00%	2025
Term Loan	USD 1,356	1,191	1,191	L+2.75%	2025
Term Loan	USD 2,064	1,813	1,813	L+3.6875%	2026
Term Loan	EUR 960	960	960	E+3.00%	2026
Term Loan	USD 2,425	2,130	2,130	L+4.00%	2026
Drawn RCF	-	0	0	E+3.25%	2026
Commercial Paper	-	181	181	0.73%	2022
Other debt & leases	-	68	68	-	-
Swap adjustment	-	-286	-286	-	-
Secured debt		**18,772**	**18,772**		
Exchange Altice Lux Senior Notes	EUR 1,317	1,317	1,317	8.000%	2027
Exchange Altice Lux Senior Notes	USD 1,562	1,372	1,372	10.500%	2027
Senior Notes	EUR 500	500	500	4.000%	2028
Senior Notes	USD 1,225	1,076	1,076	6.000%	2028
Drawn RCF	EUR 0	0	0	E+4.250	2026
Swap adjustment	-	28	28	-	-
Gross debt		**23,065**	**23,065**		
Total cash		-467	-52		
Net debt		**22,598**	**23,013**		
Undrawn RCF			**1,206**		
WACD			**4.4%**		

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

[2] €1.3 billion liquidity includes €1.2 billion of undrawn revolvers and €0.1 billion of cash. The €0.1 billion of cash is pro forma for the acquisition of Coriolis (upfront purchase price of €298 million upon expected completion in the first half of 2022 and deferred consideration of €117 million expected to be paid in several instalments by 2024). The acquisition of Coriolis is subject to the antitrust clearance by the French competition authority.

[3] Net debt is presented pro forma for the acquisition of Coriolis (upfront purchase price of €298 million upon expected completion in the first half of 2022 and deferred consideration of €117 million expected to be paid in several instalments by 2024). The acquisition of Coriolis is subject to the antitrust clearance by the French competition authority.

Reconciliation to Swap Adjusted Debt

As of December 31, 2021, in € million

	Actual	Pro Forma[1]
Total debenture and loans from financial institutions	**22,888**	**22,888**
Value of debenture and loans from financial institutions in foreign currency converted at closing FX Rate	-30,529	-30,529
Value of debenture and loans from financial institutions in foreign currency converted at hedged Rate	30,271	30,271
Transaction costs	186	186
Total swap adjusted value of debenture and loans from financial institutions	**22,816**	**22,816**
Commercial paper	181	181
Overdraft	17	17
Other debt and leases	51	51
Gross debt consolidated	**23,065**	**23,065**
Cash	-467	-52
Net debt consolidated	**22,598**	**23,013**

Leverage Reconciliation as of December 31, 2021

As of December 31, 2021, in € million

	Actual	Pro Forma
Gross debt consolidated	**23,065**	**23,065**
Cash	-467	-52
Net debt consolidated	**22,598**	**23,013**
LTM EBITDA consolidated	**4,285**	**4,195**
Gross leverage		5.5x
Net leverage		5.5x
L2QA EBITDA consolidated	**4,357**	**4,281**
Gross leverage		5.4x
Net leverage		5.4x

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[1] Net debt is presented pro forma for the acquisition of Coriolis (upfront purchase price of €298 million upon expected completion in the first half of 2022 and deferred consideration of €117 million expected to be paid in several instalments by 2024). The acquisition of Coriolis is subject to the antitrust clearance by the French competition authority.

Non-GAAP Reconciliation to Unaudited Consolidated Interim Financial Statements GAAP Measures [1] [2]

Three months ended, in € million	**March 31, 2021**	**June 30, 2021**	**September 31, 2021**	**December 31, 2021**
Revenue	**2,704**	**2,725**	**2,726**	**2,946**
Purchasing and subcontracting costs	-721	-677	-732	-1,017
Other operating expenses	-527	-453	-432	-329
Staff costs and employee benefits	-271	-259	-249	-287
Total	**1,184**	**1,337**	**1,314**	**1,313**
Share-based expense	3	-	-	1
Rental expense operating lease	-208	-209	-209	-240
Adjusted EBITDA - Financial Statements	**979**	**1,128**	**1,104**	**1,074**
Depreciation, amortisation and impairment	-829	-823	-820	-875
Share-based expense	-3	-	-	-1
Other expenses and income	339	-329	-29	-955
Rental expense operating lease	208	209	209	240
Operating profit	**694**	**184**	**464**	**-517**

Adjusted EBITDA - Financial Statements	**979**	**1,128**	**1,104**	**1,074**
Pro forma adjustment for Hivory	-40	-46	-55	-18
Adjusted EBITDA - Investor Press Release	**939**	**1,082**	**1,050**	**1,056**

Capital expenditure (accrued) - Financial Statements	**999**	**573**	**636**	**703**
New IRU	-183	-38	-6	-29
Renewal of 2G licences	-212	4	-56	-1
5G spectrum frequency reorganization	-7	-	-	-
Pro forma adjustment for Hivory	-17	-15	-10	2
Capital expenditure (accrued) - Investor Press Release	**581**	**523**	**564**	**675**

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[1] The difference in consolidated revenue as reported for SFR in the Non-GAAP Reconciliation to GAAP measures as of December 31, 2021 year to date and the Pro Forma Financial Information as disclosed in this press release is due to the fact that financials are shown pro forma for the Hivory transaction (following disposal on October 28, 2021).).

[2] Accrued Capex in Q4 2021 excludes accruals related to the acquisition of a new IRU for an amount of €29 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 Holdings S.A. or Altice France S.A., as the case may be, annual and quarterly financial statements.