

SFR Q2 2022 Results

July 28, 2022



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 Holding S.A. or Altice France S.A., as the case may be, annual and quarterly financial statements.

FINANCIAL MEASURES

SFR refers to the Altice France Holding Restricted Group. 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 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.

Q2 2022 Summary

Residential service revenue, total revenue and EBITDA growth for Q2 2022:

- Total residential service revenue grew by +3.9% YoY
- Total revenue grew by +4.5% YoY
- Total EBITDA grew by +0.2% YoY

Completion of Coriolis and Syma acquisitions in May 2022. SFR mobile base now c.21 million subscribers

\$125 million of debt bought back in the unsecured structure, translating into €33 million net debt reduction

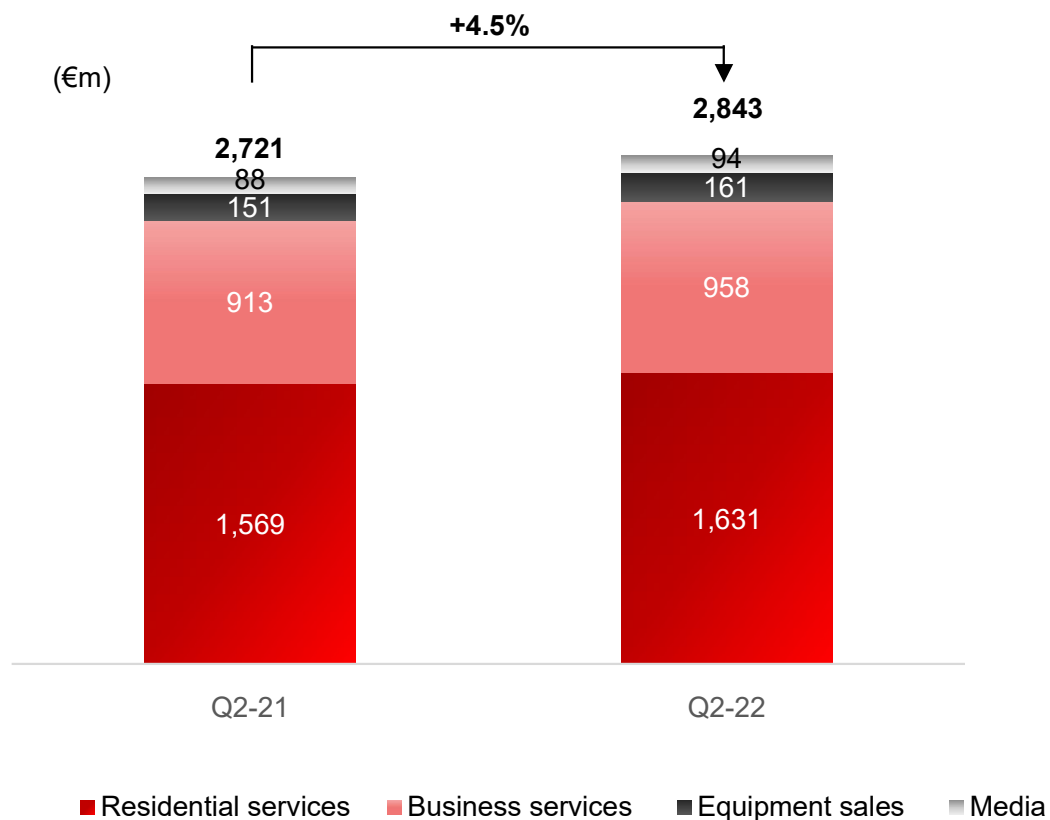
€1.0 billion liquidity, no debt maturity before 2025

Guidance:

- 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 14

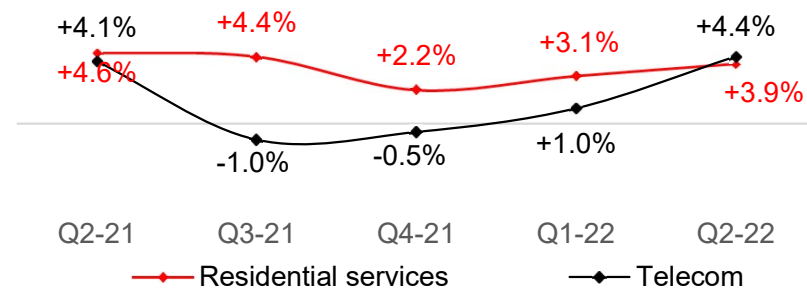
Pro Forma Revenue Trends



Q2 2022 revenue trends YoY

- **Telecom: +4.4%**
 - Residential services: +3.9%
 - Residential equipment: +6.5%
 - Business services: +4.9%
- **Media: +6.7%**

Revenue growth evolution YoY



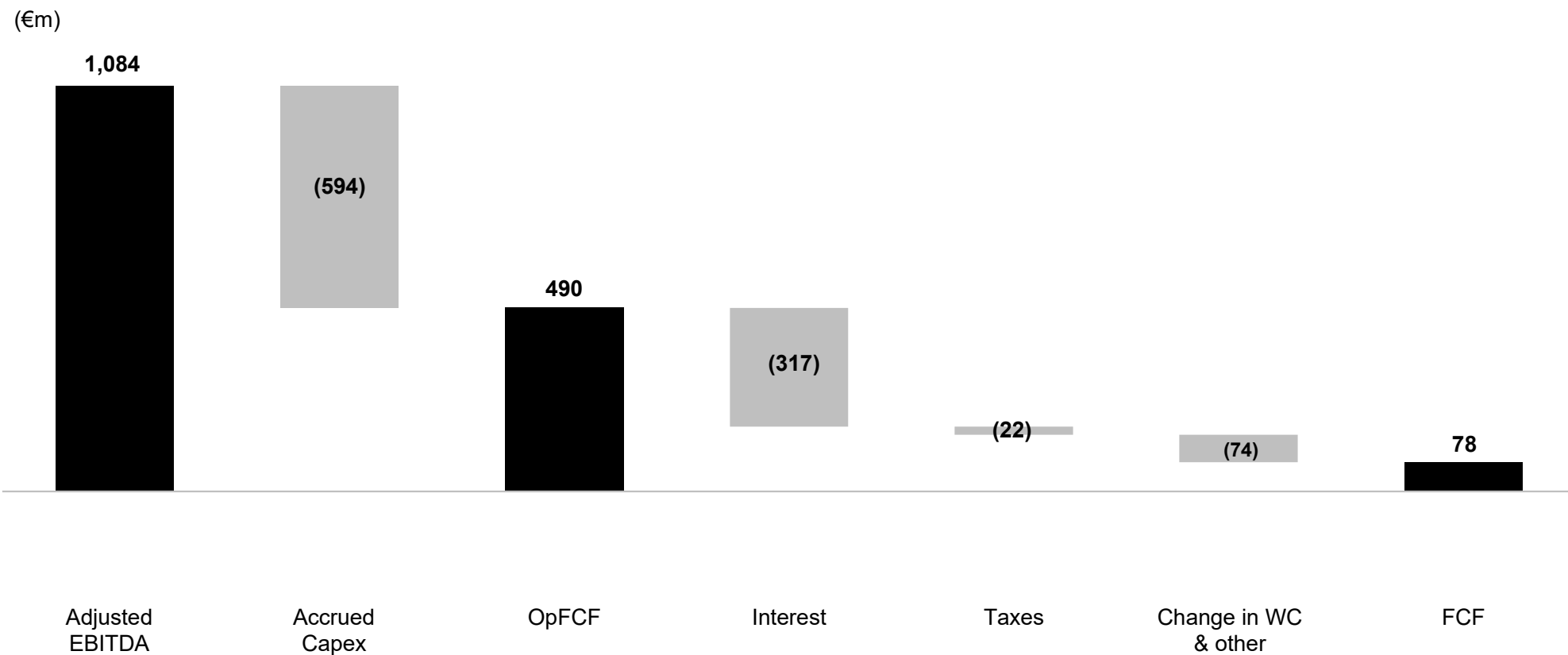
For footnotes see slide 14

Summary Financials

€m	Q2-21	Q2-22	Growth YoY
<i>Residential services</i>	1,569	1,631	+3.9%
<i>Residential equipment</i>	151	161	+6.5%
<i>Business services</i>	913	958	+4.9%
Telecom	2,633	2,749	+4.4%
Media	88	94	+6.7%
Revenue	2,721	2,843	+4.5%
Telecom	1,053	1,052	-0.1%
Media	29	32	+10.8%
EBITDA	1,082	1,084	+0.2%
Telecom	513	582	+13.4%
Media	10	12	+22.3%
Accrued Capex	523	594	+13.6%
Telecom	539	470	-12.9%
Media	19	20	+4.9%
Total OpFCF	559	490	-12.3%

For footnotes see slide 14

Q2 2022 Free Cash Flow



FCF excluding spectrum, IRUs and significant litigation paid and received



SFR Capital Structure and Debt Maturity

Restricted Group

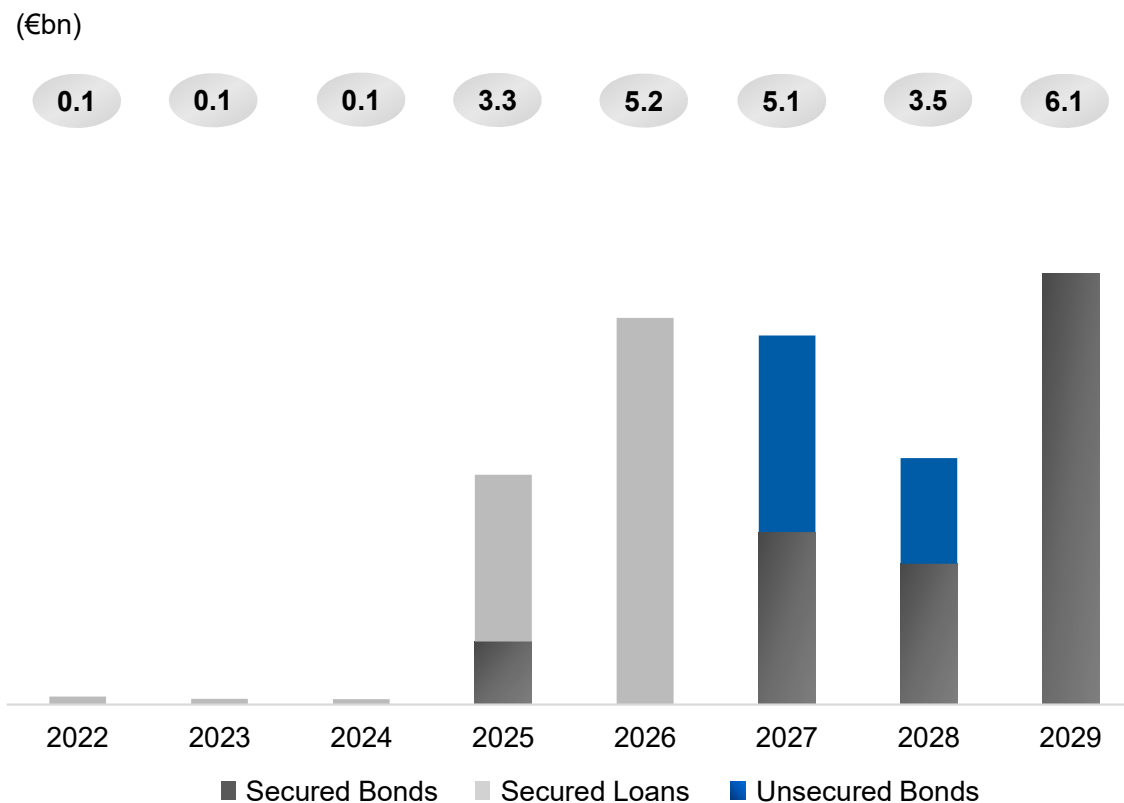
Net debt	€23,333m
WAL	5.0 years
WACD	4.4%
Fixed interest	94%
Net leverage (L2QA)	5.8x
Liquidity	€0.9bn

Unsecured

Net debt	€4,199m
WAL	5.2 years
WACD	6.6%
Net leverage (L2QA)	1.0x

Secured

Net debt	€19,135m
WAL	4.9 years
WACD	3.9%
Net leverage (L2QA)	4.8x



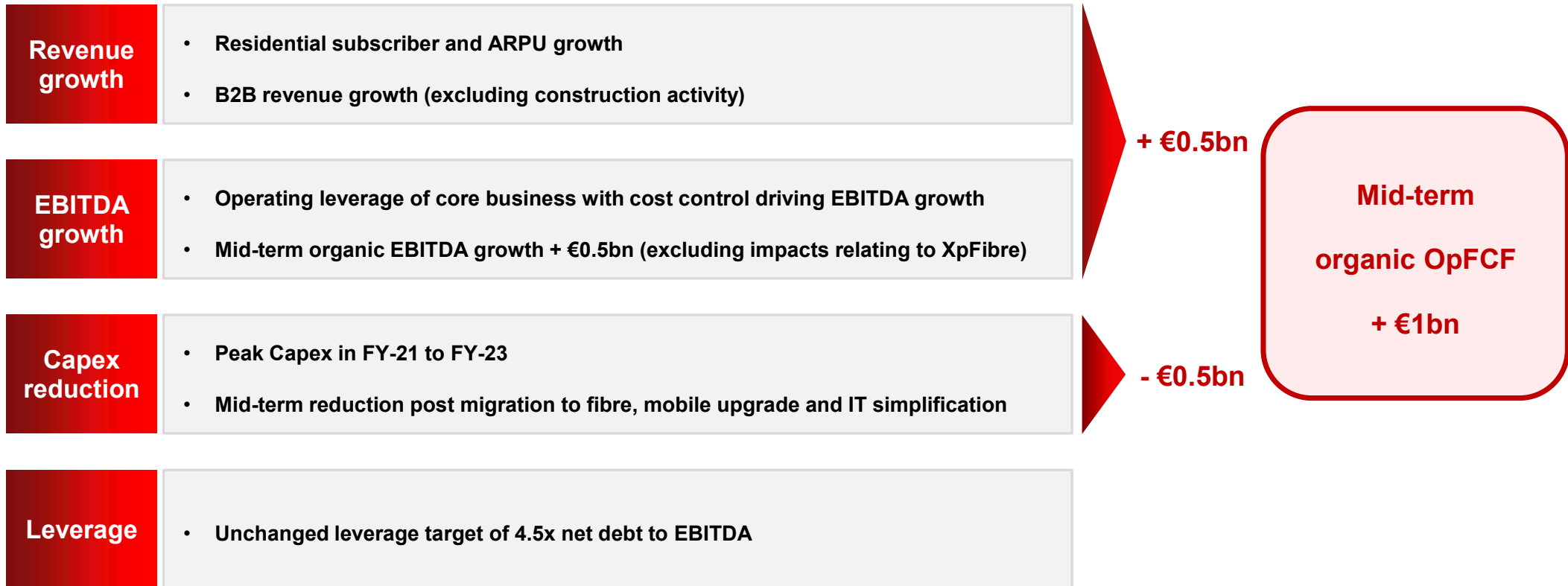
Altice France continues to evaluate alternatives and monitor the bond and loan markets to opportunistically refinance its outstanding indebtedness
For other footnotes see slide 14



Q&A

Appendix

Mid-term Financial Objectives



For footnotes see slide 14

Reconciliation to Swap Adjusted Debt as of June 30, 2022

€m	Actual	Pro Forma
Total debenture and loans from financial institutions	24,489	24,489
Value of debenture and loans from financial Institutions in foreign currency converted at closing FX rate	-25,481	-25,481
Value of debenture and loans from financial institutions in foreign currency converted at hedged rate	24,231	24,231
Transaction costs	191	191
Total swap adjusted value of debenture and loans from financial institutions	23,430	23,430
Commercial paper	78	78
Overdraft	10	10
Other debt and leases	119	119
Repurchase and cancellation of 6.000% 2028 Senior Notes	-	-55
Gross debt consolidated	23,637	23,582
Cash	-338	-249
Net debt consolidated	23,299	23,333

For footnotes see slide 14

Pro Forma Leverage Reconciliation as of June 30, 2022

€m	Actual	Pro Forma
Gross debt consolidated	23,637	23,582
Cash	-338	-249
Net debt consolidated	23,299	23,333
LTM EBITDA consolidated pro forma	4,169	4,153
Gross leverage		5.7x
Net leverage		5.6x
L2QA EBITDA consolidated pro forma	3,980	4,026
Gross leverage		5.9x
Net leverage		5.8x

For footnotes see slide 14

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

€m	Q1-22	Q2-22
Revenue	2,733	2,843
Purchasing and subcontracting costs	-781	-768
Other operating expenses	-525	-459
Staff costs and employee benefits	-265	-268
Total	1,162	1,348
Share-based expense	0	0
Rental expense operating lease	-257	-264
Adjusted EBITDA	906	1,084
Depreciation, amortisation and impairment	-809	-844
Share-based expense	0	0
Other expenses and income	-4	-37
Rental expense operating lease	257	264
Operating profit/(loss)	349	468
Adjusted EBITDA - Financial Statements & Investor Presentation	906	1,084
Capital expenditure (accrued) - Financial Statements	626	600
New IRU	-3	-5
Capital expenditure (accrued) - Investor Presentation	623	594

For footnotes see slide 14

Footnotes

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<p>Accrued Capex in Q2 2022 excludes accruals related to the acquisition of a new IRU for an amount of €5 million</p>	Pages 3, 5, 6
<p>€1.0 billion liquidity includes €0.7 billion of undrawn revolvers and €0.3 billion of cash. The cash position as shown is pro forma for the deferred consideration, expected to be paid in several instalments by 2024, related to the acquisition of Coriolis (€115 million deferred consideration in total, of which €65 million is reflected in actual net debt and €50 million pro forma net debt) and is presented pro forma for the \$41 million (€39 million equivalent) consideration for the 6.000% 2028 Senior Notes repurchased after June 30, 2022</p>	Pages 3, 7
<p>SFR capital structure and debt maturity refers to the Altice France Restricted Group, comprised of Altice France Holding (Unsecured) and Altice France (Secured) Leverage is shown on an L2QA basis and reflects the impacts for the Hivory and Coriolis transactions SFR (Altice France Restricted Group) net debt is presented pro forma for the deferred consideration, expected to be paid in several instalments by 2024, related to the acquisition of Coriolis (€115 million deferred consideration in total, of which €65 million is reflected in actual net debt and €50 million pro forma net debt) Altice France Holding repurchased \$125 million (€120 million equivalent) of the 6.000% 2028 Senior Notes from June 21, 2022 up until July 21, 2022, for a corresponding \$91 million (€86 million equivalent) consideration. Gross debt is presented pro forma for the \$57 million (€55 million equivalent) repurchased after June 30, 2022 and cash is presented pro forma for the corresponding \$41 million (€39 million equivalent) consideration Altice France net debt excludes operating lease liabilities recognized under IFRS 16 and Altice France gross debt as shown is net of swaps</p>	Pages 3, 7, 11, 12
<p>Interest as shown includes Altice France Holding interest</p>	Page 6
<p>Maturity profile and gross debt as shown exclude other debt, leases and overdraft (c.€129 million)</p>	Page 7
<p>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)</p>	Page 10