Altice France (SFR) Q4 & FY 2023 Results

March 20, 2024

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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. 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 and annual financial information, pro forma financial information as well as Adjusted EBITDA and OpFCF is unaudited.

Q4 & FY 2023 Summary

Financials trends in Q4 2023:

- **Total revenue stable YoY**
- **Total EBITDA declined by -1.0% YoY**
- **Total OpFCF declined by -2.1% 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)

Exclusivity agreement with CMA CGM Group and Merit France to sell 100% of Altice Media (enterprise value of €1.55 billion)

€350 million 11.500% Senior Secured Notes issued maturing in February 2027

Partial redemption of 2.500% Senior Secured Notes (January 2025) and 2.125% Senior Secured Notes (February 2025) through exchange offer and tender offer

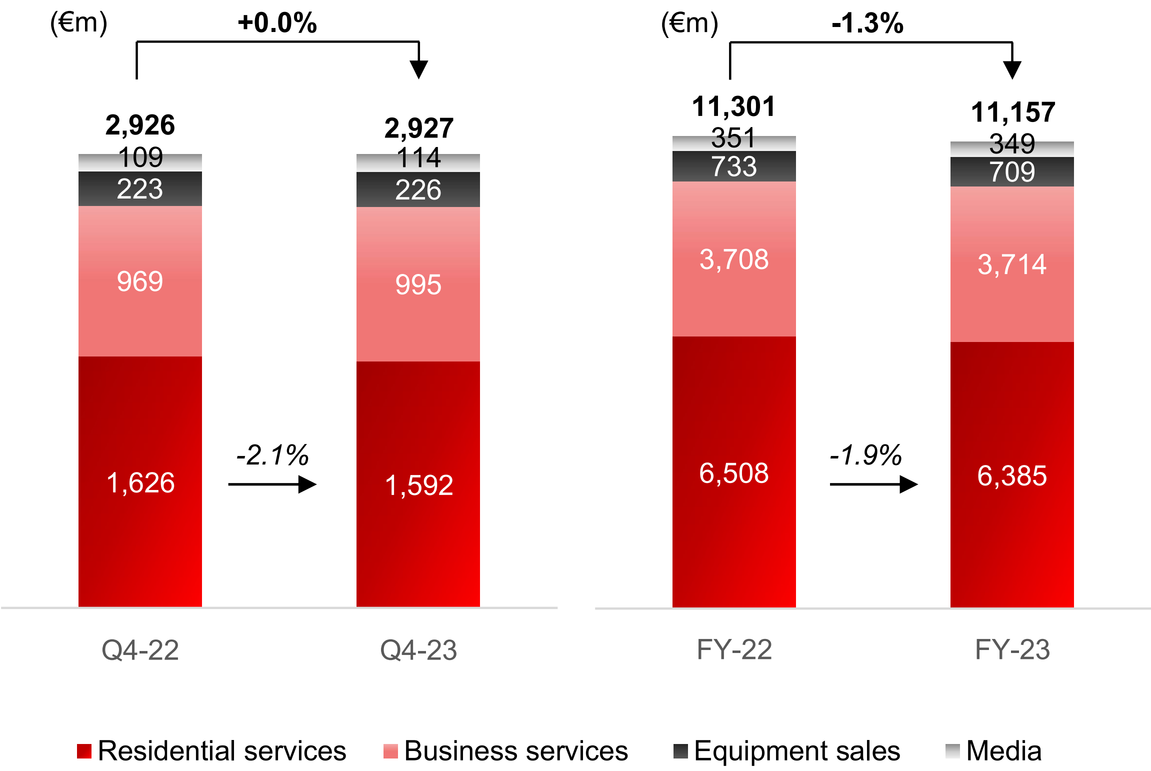
Pro forma net leverage of 6.2x on an L2QA basis and 6.4x on an LTM basis at the end of Q4 2023

€0.9 billion liquidity and no material debt maturity before 2025

For footnotes see slide 17

Revenue Trends

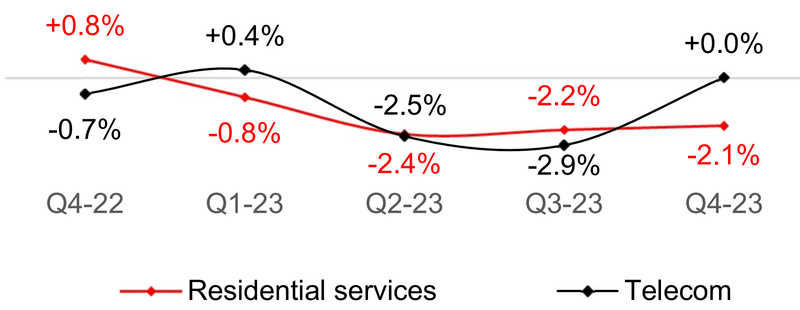
Q4 2023 | **FY 2023**



Q4 2023 revenue trends YoY

- **Telecom: -0.2%**
  - Residential services: -2.1%
  - Residential equipment: +1.3%
  - Business services: +2.7%
- **Media: +4.8%**

Revenue growth evolution YoY



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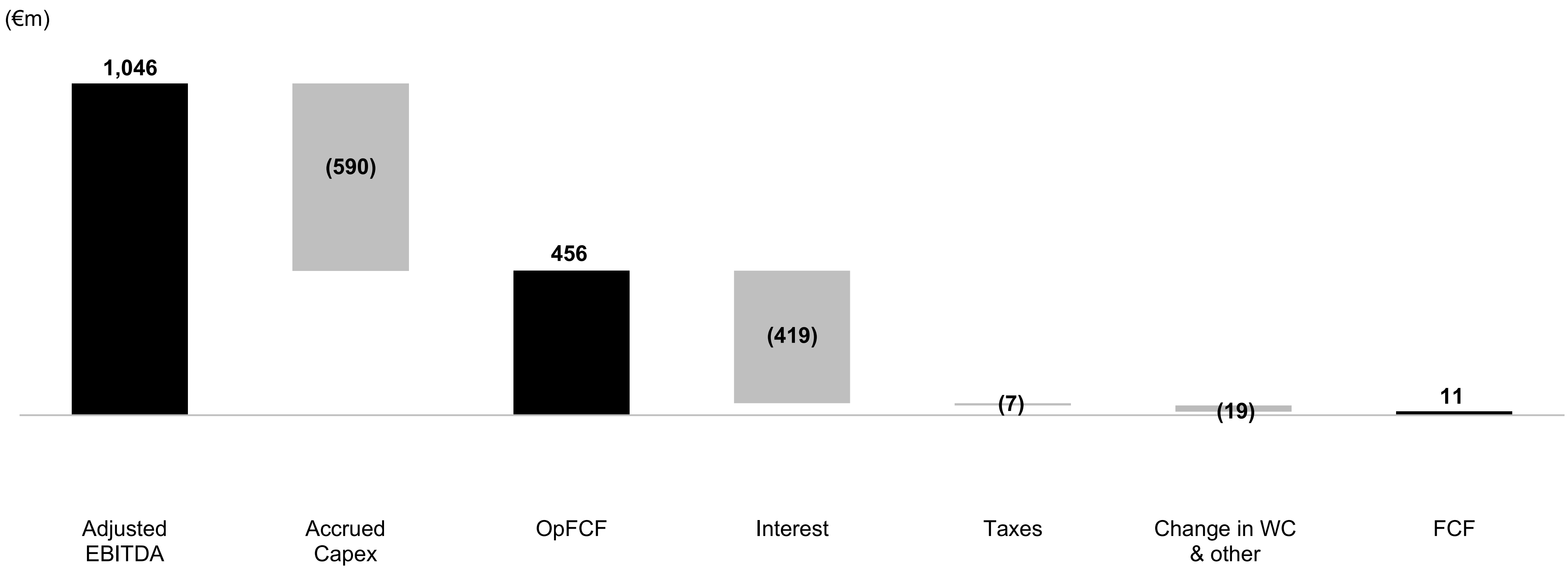
Summary Financials

€m	Q4-22	Q4-23	*Growth YoY*	FY-22	FY-23	*Growth YoY*
Residential services	*1,626*	*1,592*	*-2.1%*	*6,508*	*6,385*	*-1.9%*
Residential equipment	*223*	*226*	*+1.3%*	*733*	*709*	*-3.4%*
Business services	*969*	*995*	*+2.7%*	*3,708*	*3,714*	*+0.1%*
Telecom	2,818	2,813	*-0.2%*	10,950	10,808	*-1.3%*
Media	109	114	*+4.8%*	351	349	*-0.6%*
Revenue	**2,926**	**2,927**	***+0.0%***	**11,301**	**11,157**	***-1.3%***
Telecom	1,006	988	*-1.8%*	3,993	3,812	*-4.5%*
Media	51	58	*+13.7%*	109	112	*+2.5%*
EBITDA	**1,057**	**1,046**	***-1.0%***	**4,101**	**3,923**	***-4.3%***
Telecom	583	583	*-0.0%*	2,322	2,248	*-3.2%*
Media	9	8	*-11.3%*	42	42	*-0.4%*
Accrued Capex	**592**	**590**	***-0.2%***	**2,364**	**2,290**	***-3.1%***
Telecom	424	406	*-4.2%*	1,670	1,564	*-6.4%*
Media	42	50	*+18.9%*	67	70	*+4.3%*
Total OpFCF	**466**	**456**	***-2.1%***	**1,737**	**1,633**	***-6.0%***

For footnotes see slide 17

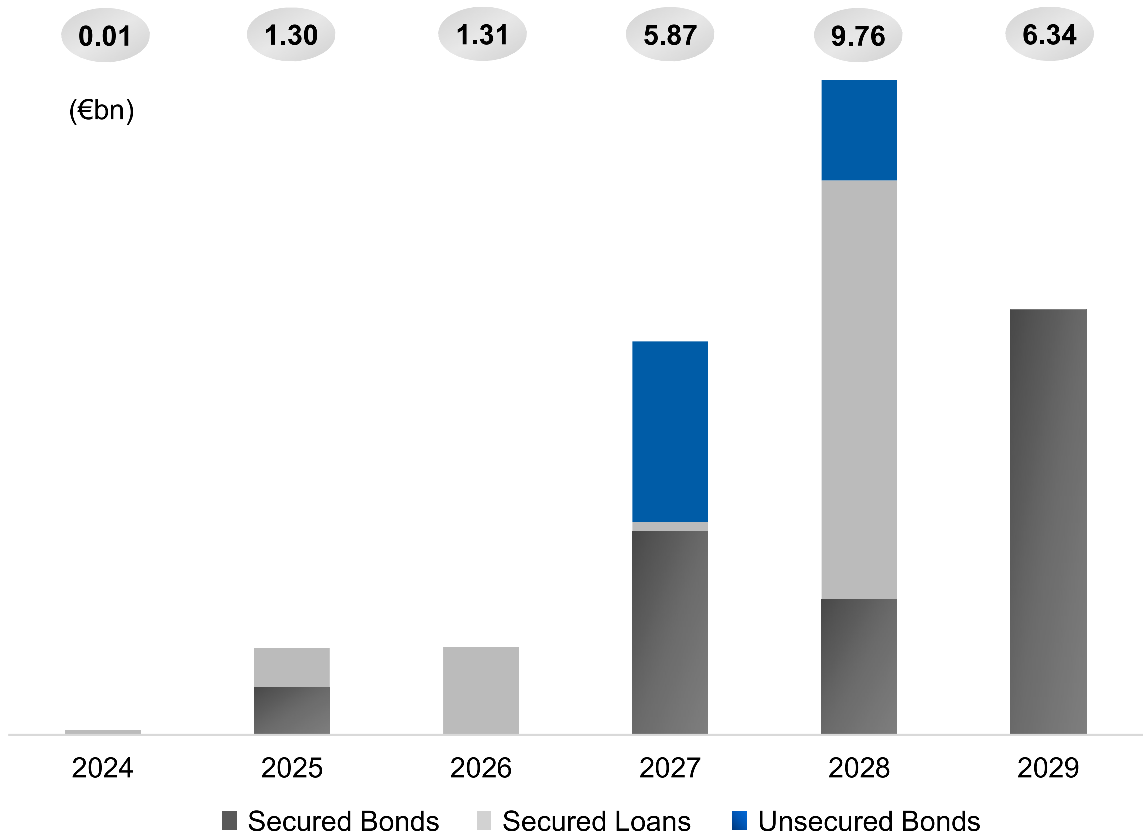
Q4 2023 Free Cash Flow



FCF excluding spectrum, IRUs and significant litigation paid and received

Pro Forma SFR Capital Structure and Debt Maturity

Altice France	
Net debt	€24,315m
WAL	4.1 years
WACD	5.9%
Fixed interest	85%
Net leverage (LTM)	6.4x
Net leverage (L2QA)	6.2x
Liquidity	€0.9bn
Unsecured	
Net debt	€4,191m
WAL	3.6 years
WACD	6.3%
Net leverage (L2QA)	1.1x
Secured	
Net debt	€20,124m
WAL	4.2 years
WACD	5.8%
Net leverage (L2QA)	5.1x



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2024 Guidance

Revenue	• **Total revenue decline YoY notably due to the continued slowdown of construction activity** • **Residential market in France remains competitive**
EBITDA	• **Mid to high single digit decline YoY due to slowdown of construction contribution, additional FTTH line rental cost and no mechanical ability to push inflationary cost impacts to consumers**
Cash Flow & Leverage	• **Capex reduction YoY not sufficient to offset higher interest costs YoY** • **Strong focus on deleveraging the balance sheet**

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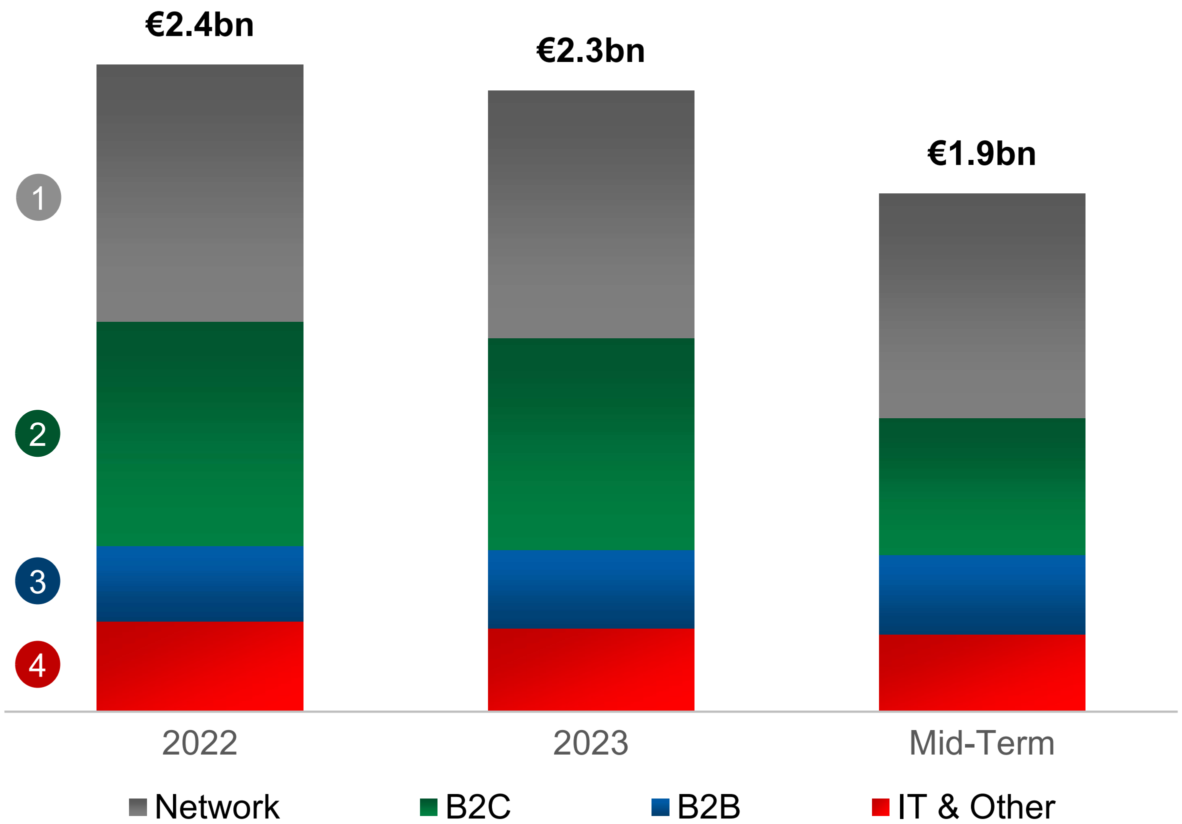
Q&A

Appendix

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 17

ESG Key Highlights

2023 Achievements

- 88 social projects supported by the SFR Foundation in 2023
- In- depth analysis undertaken through a risk map using climate projection scenarios based on the scientific work of the Intergovernmental Panel on Climate Change ("IPCC")
- Over 93% of SFR's energy consumption certified ISO 50001
- Over €1 million SFR foundation investments through financial sponsorship

Commitments

- Reduce the environmental impact of the company's activities and work towards a digital environment that serves the ecological transition.
- Make diversity a vector of performance, motivation and development for the company and its employees
- Act in favour of digital inclusion and equal opportunities and make employee engagement an accelerator for solidarity initiatives
- Provide the keys to understanding information so that everyone can be informed and sharpen their critical thinking

Ambitions

- Achieve net zero carbon by 2050
- Promote the employment of young people and support them in building their professional future
- Promote gender equality, work-life balance and fight against gender stereotypes
- Develop digital inclusion in the regions by equipping, connecting or training 100,000 people by 2025
- Increase exchanges between information professionals and different audiences through tailor-made workshops

SFR altice

Reconciliation to Swap Adjusted Debt as of December 31, 2023

€m	Actual	Pro Forma
Total debenture and loans from financial institutions	**23,882**	**23,882**
Value of debenture and loans from financial Institutions in foreign currency converted at closing FX rate	-19,070	-19,070
Value of debenture and loans from financial institutions in foreign currency converted at hedged rate	19,618	19,618
Transaction costs	211	211
Total swap adjusted value of debenture and loans from financial institutions	**24,641**	**24,641**
Overdraft	8	8
Other debt and leases	40	40
Issuance of €350 million 11.500% 2027 Senior Secured Notes	-	350
Partial repayment of €500 million 2.125% 2025 Senior Secured Notes	-	-169
Partial repayment of €550 million 2.500% 2025 Senior Secured Notes	-	-171
Gross debt consolidated	**24,689**	**24,698**
Cash	-446	-383
Net debt consolidated	**24,244**	**24,315**

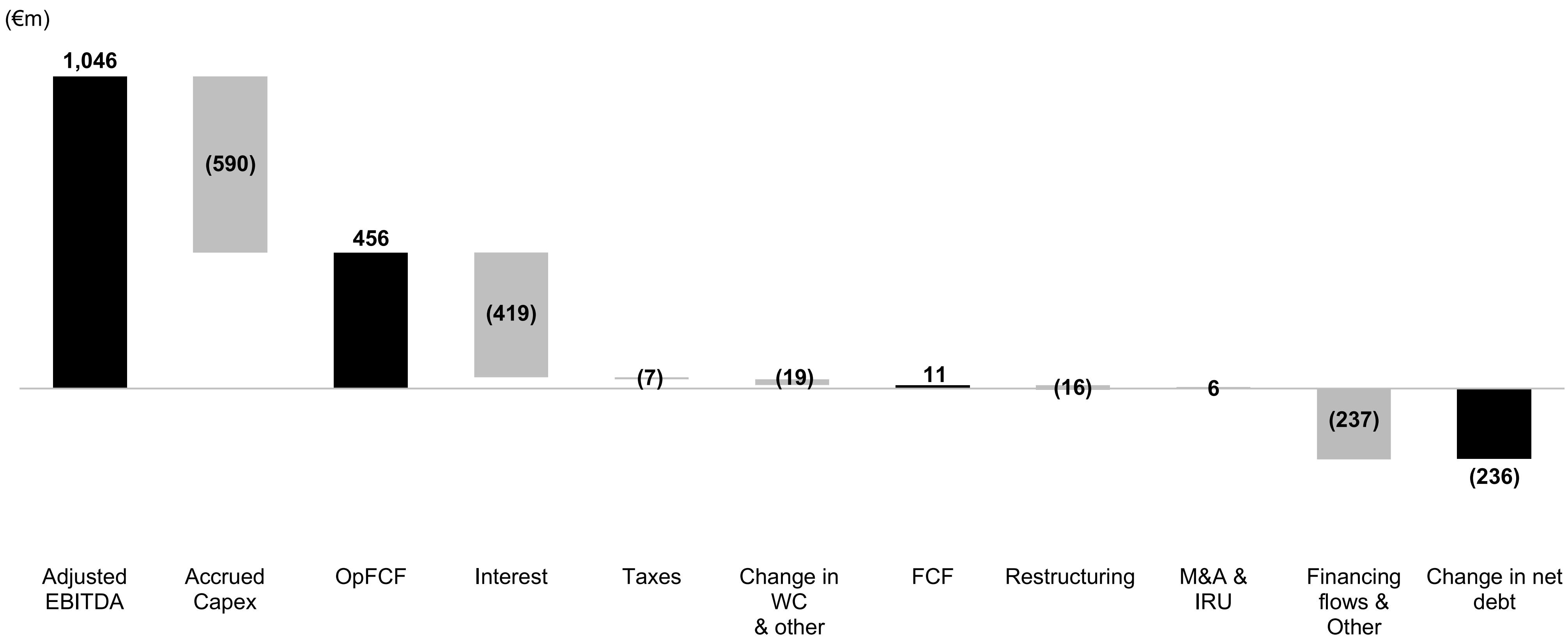
For footnotes see slide 17

Pro Forma Leverage Reconciliation as of December 31, 2023

€m	Actual	Pro Forma
Gross debt consolidated	**24,689**	**24,698**
Cash	-446	-383
Net debt consolidated	**24,244**	**24,315**
LTM EBITDA consolidated pro forma	**3,923**	**3,785**
Net leverage		6.4x
L2QA EBITDA consolidated pro forma	**4,087**	**3,917**
Net leverage		6.2x

For footnotes see slide 17

Q4 2023 Free Cash Flow and Change in Net Debt



FCF excluding spectrum, IRUs and significant litigation paid and received

Non-GAAP Reconciliation to Audited Consolidated Financial Statements GAAP Measures

€m	Q1-23	Q2-23	Q3-23	Q4-23	FY-23
Revenue	**2,740**	**2,769**	**2,720**	**2,927**	**11,156**
Purchasing and subcontracting costs	-732	-755	-719	-886	-3,092
Other operating expenses	-588	-437	-415	-398	-1,838
Staff costs and employee benefits	-287	-274	-304	-301	-1,166
Total	**1,133**	**1,303**	**1,282**	**1,341**	**5,059**
Rental expense operating lease	-276	-280	-284	-296	-1,136
Adjusted EBITDA	**857**	**1,022**	**997**	**1,046**	**3,923**
Depreciation, amortisation and impairment	-788	-858	-848	-802	-3,296
Other expenses and income	-9	-20	-40	-59	-128
Rental expense operating lease	276	280	284	296	1,136
Operating profit/(loss)	**336**	**425**	**394**	**479**	**1,634**
Capital expenditure (accrued) - Financial Statements	**593**	**562**	**565**	**599**	**2,319**
New IRU	-4	-10	-7	-7	-28
5G license renewal	-	-	-	-2	-2
Capital expenditure (accrued) - Investor Presentation	**589**	**552**	**558**	**590**	**2,290**

For footnotes see slide 17

Footnotes

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Accrued Capex in Q4 2023 excludes accruals related to the acquisition of a new IRU for an amount of €7 million and 5G spectrum frequency reorganization for an amount of €2 million	Slides 3, 5, 6, 11, 15, 16
€0.9 billion liquidity includes €0.5 billion of undrawn revolvers and €0.4 billion of cash. Total cash is presented pro forma for the issuance of €350 million 11.500% 2027 Senior Secured Notes, for the €60 million exchange offer and €108 million repurchase in cash of the €500 million 2.125% 2025 Senior Secured Notes, for the €62 million exchange offer and €108 million repurchase in cash of the €550 million 2.500% 2025 Senior Secured Notes, for the exclusivity agreement with Morgan Stanley through the sale of a 70% stake in UltraEdge, and for the deferred consideration of €65 million, expected to be paid in 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 issuance of €350 million 11.500% 2027 Senior Secured Notes, for the €60 million exchange offer and €110 million repurchase in cash of the €500 million 2.125% 2025 Senior Secured Notes, for the €62 million exchange offer and €109 million repurchase in cash of the €550 million 2.500% 2025 Senior Secured Notes and for the deferred consideration of €65 million, expected to be paid in 2024, related to the acquisition of Coriolis. Adjusted EBITDA is presented pro forma for the exclusivity agreement with Morgan Stanley for the sale of a 70% stake in UltraEdge, a datacenter company to be formed (€26 million on an LTM basis and an L2QA basis) and pro forma for the exclusivity agreement with the CMA CGM Group and Merit France, family holding, for the sale of 100% of Altice Media (€112 million on an LTM basis and €144 million on an L2QA basis)	Slides 3, 7, 15, 16
Interest as shown includes Altice France Holding interest	Slides 6, 15
Maturity profile as shown excludes other debt, leases and overdraft (c.€48 million) and is shown net of swaps	Slide 7