

SFR Q1 2023 Results

May 23, 2023



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. 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.

Q1 2023 Summary

Telecom revenue growth in Q1 2023:

- Telecom revenue grew by +0.4% YoY and total revenue grew by +0.2% YoY in Q1 2023
- Telecom EBITDA declined by -4.9% YoY and total EBITDA declined by -5.3% YoY in Q1 2023
- Total OpFCF declined by -5.3% YoY in Q1 2023

€5.9 billion (equivalent) of 2025 and 2026 Term Loan maturities extended to August 2028

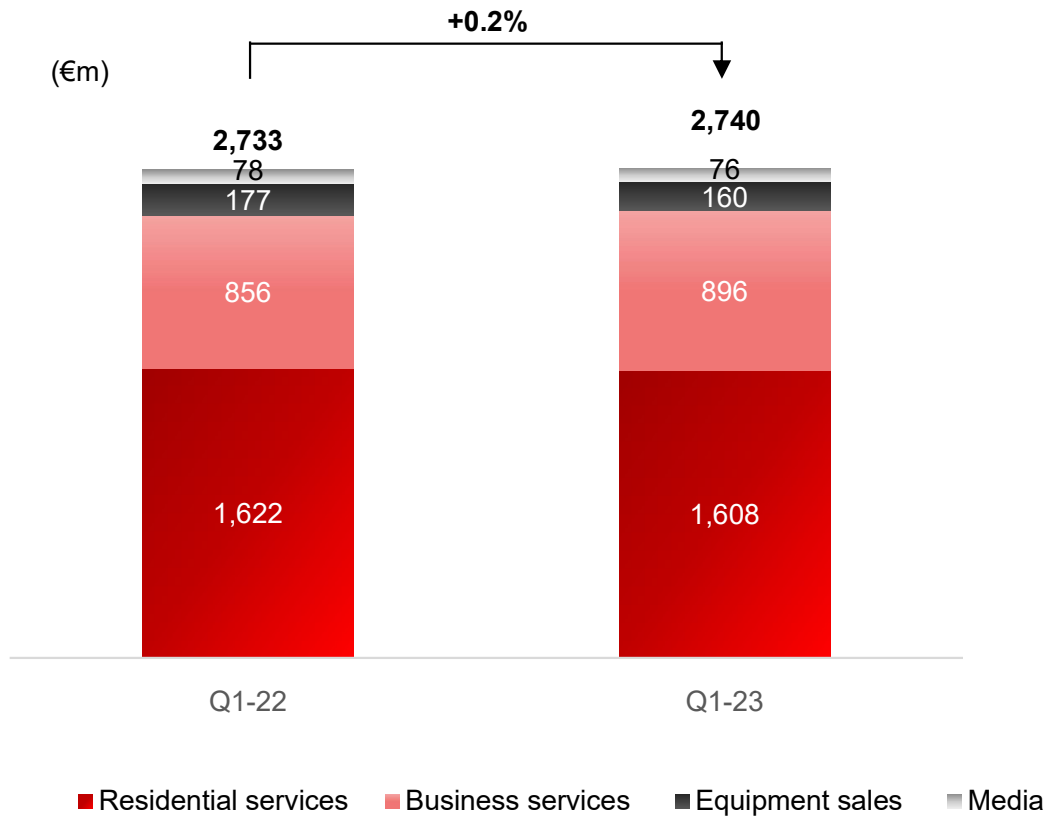
€1.7 billion liquidity and no material debt maturity before 2025

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 17

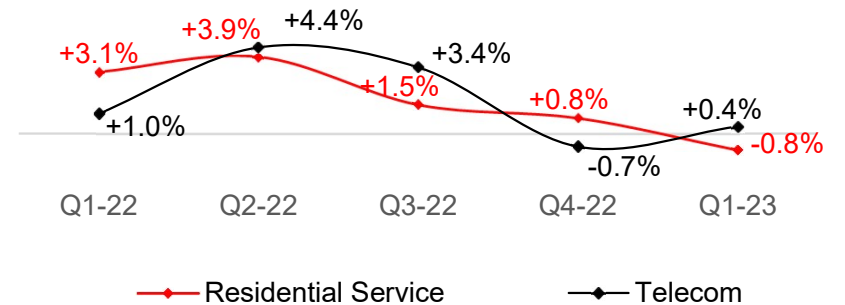
Revenue Trends



Q1 2023 revenue trends YoY

- **Telecom: +0.4%**
 - Residential services: -0.8%
 - Residential equipment: -9.4%
 - Business services: +4.6%
- **Media: -3.4%**

Revenue growth evolution YoY



For footnotes see slide 17



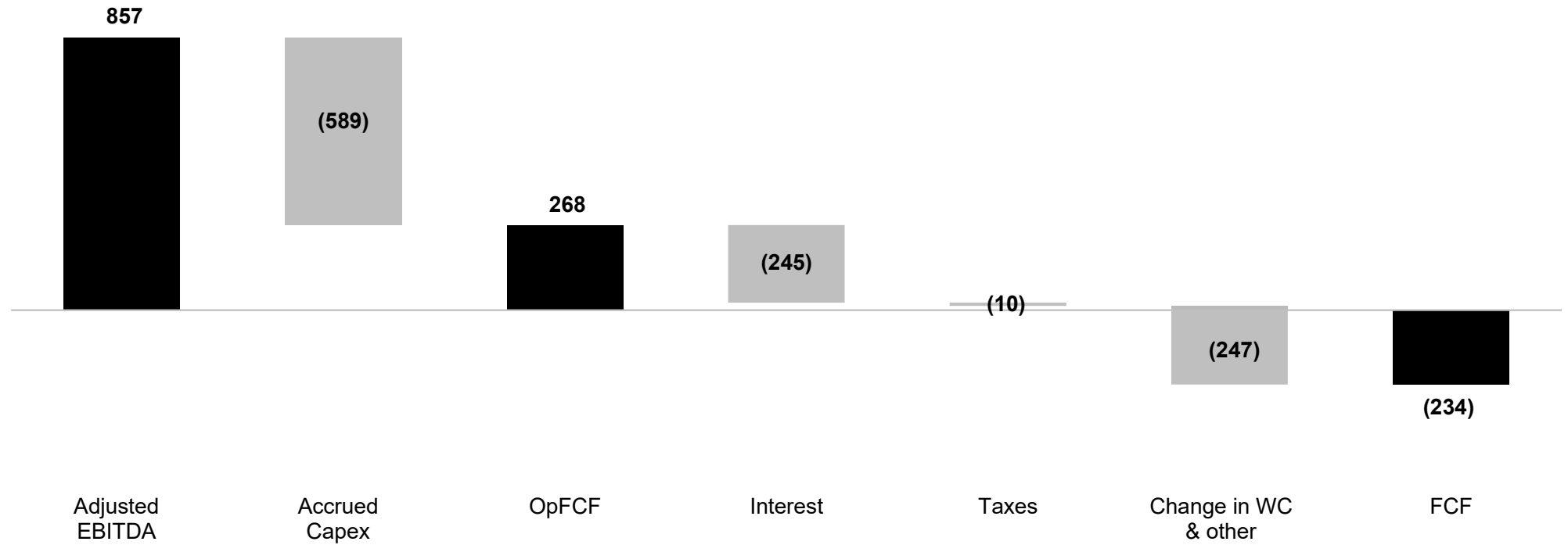
Summary Financials

€m	Q1-22	Q1-23	Growth YoY
<i>Residential services</i>	1,622	1,608	-0.8%
<i>Residential equipment</i>	177	160	-9.4%
<i>Business services</i>	856	896	+4.6%
Telecom	2,655	2,664	+0.4%
Media	78	76	-3.4%
Revenue	2,733	2,740	+0.2%
Telecom	887	844	-4.9%
Media	18	13	<i>n.m.</i>
EBITDA	906	857	-5.3%
Telecom	608	575	-5.4%
Media	15	14	<i>n.m.</i>
Accrued Capex	623	589	-5.3%
Telecom	280	269	-3.8%
Media	4	-1	<i>n.m.</i>
Total OpFCF	283	268	-5.3%

For footnotes see slide 17

Q1 2023 Free Cash Flow

(€m)



FCF excluding spectrum, IRUs and significant litigation paid and received



SFR Pro Forma Capital Structure and Debt Maturity

Restricted Group

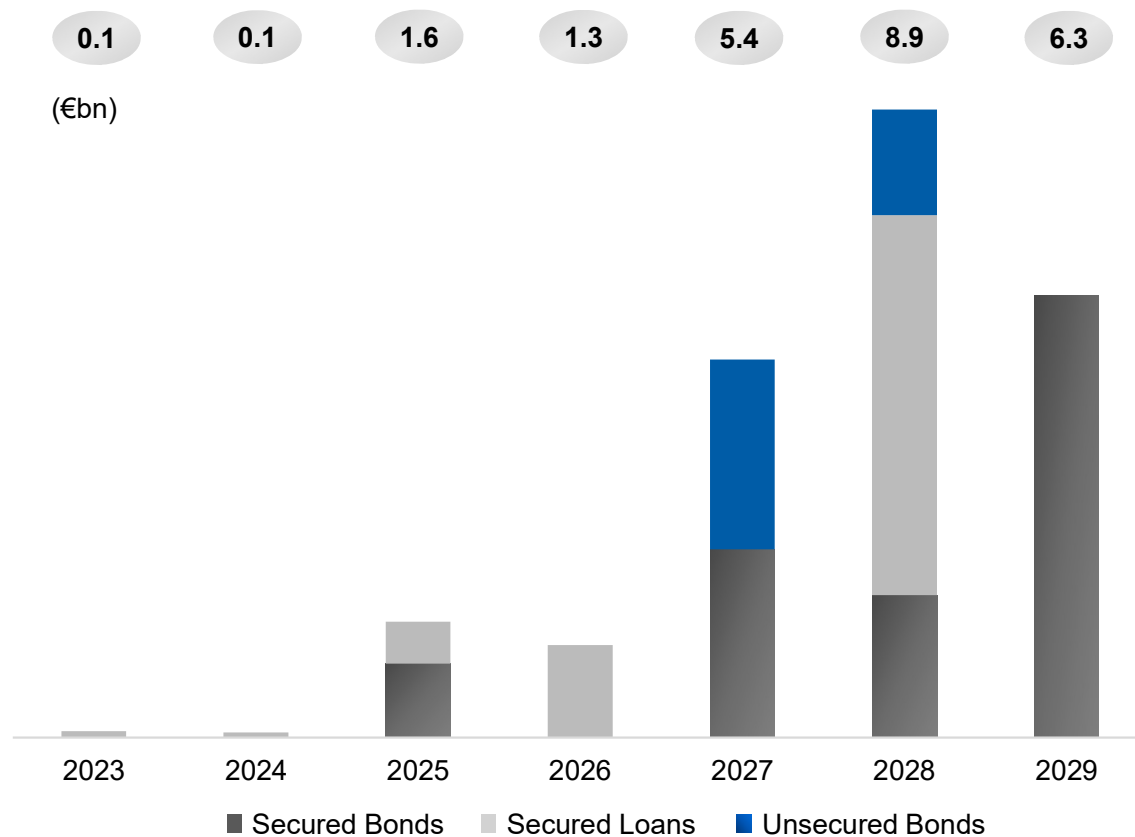
Net debt	€23,641m
WAL	4.8 years
WACD	5.5%
Fixed interest	85%
Net leverage (L2QA)	6.2x
Net leverage (L2QA) adjusted for IFER tax	6.1x
Liquidity	€1.7bn

Unsecured

Net debt	€4,191m
WAL	4.4 years
WACD	6.3%
Net leverage (L2QA)	1.1x

Secured

Net debt	€19,450m
WAL	4.9 years
WACD	5.4%
Net leverage (L2QA)	5.1x



c.€110 million full year network tax (IFER) recognized in Q1 2023 operating costs, and consequently reflected in adjusted EBITDA as shown
For other footnotes see slide 17

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

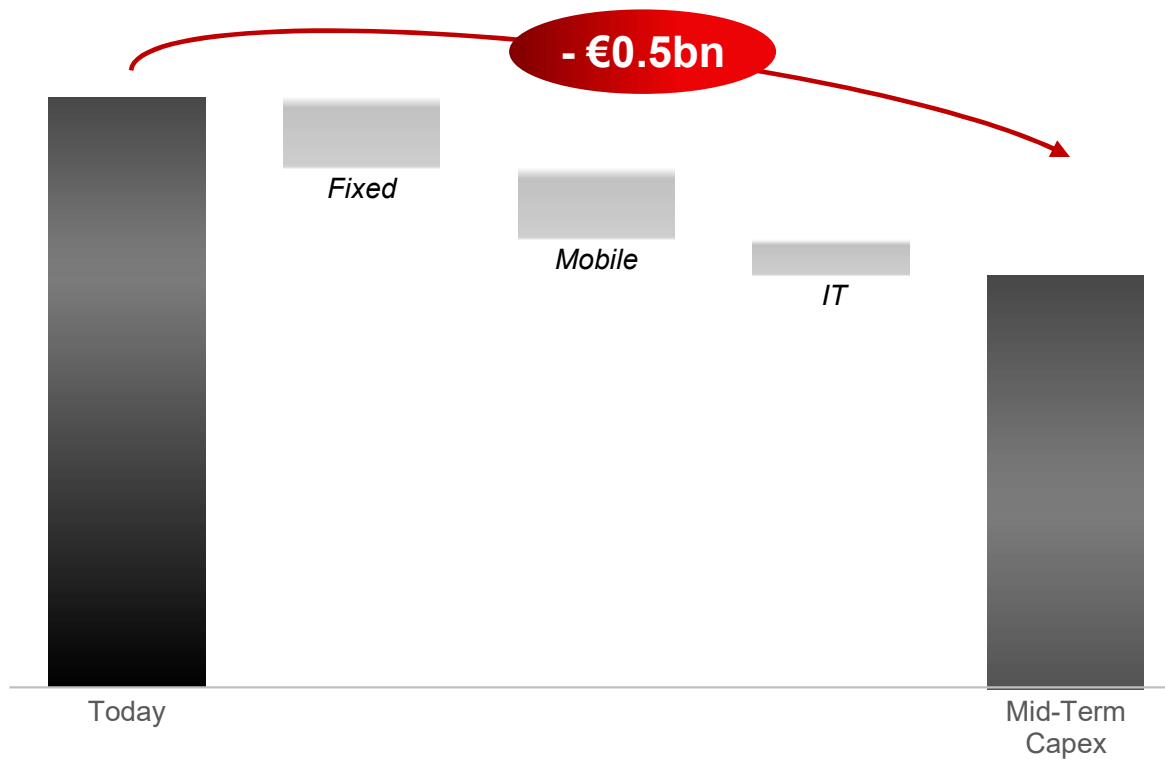
Cost savings

- 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 17

Mid-term Capex Reduction



- ✓ **Fixed** – migration to fibre largely completed leading to lower churn and lower customer Capex (installations, CPE), Box / App evolution
- ✓ **Mobile** – vendor upgrade and 5G investment cycle completed
- ✓ **IT** – simplification and increased digitalization

Mid-term Financial Objectives



For footnotes see slide 17

Reconciliation to Swap Adjusted Debt as of March 31, 2023

€m	Actual	Pro Forma
Total debenture and loans from financial institutions	23,456	23,456
Value of debenture and loans from financial Institutions in foreign currency converted at closing FX rate	-19,373	-19,373
Value of debenture and loans from financial institutions in foreign currency converted at hedged rate	19,639	19,639
Transaction costs	244	244
Total swap adjusted value of debenture and loans from financial institutions	23,965	23,965
Commercial paper	35	35
Overdraft	4	4
Other debt and leases	117	117
Gross debt consolidated	24,121	24,121
Cash	-530	-480
Net debt consolidated	23,591	23,641

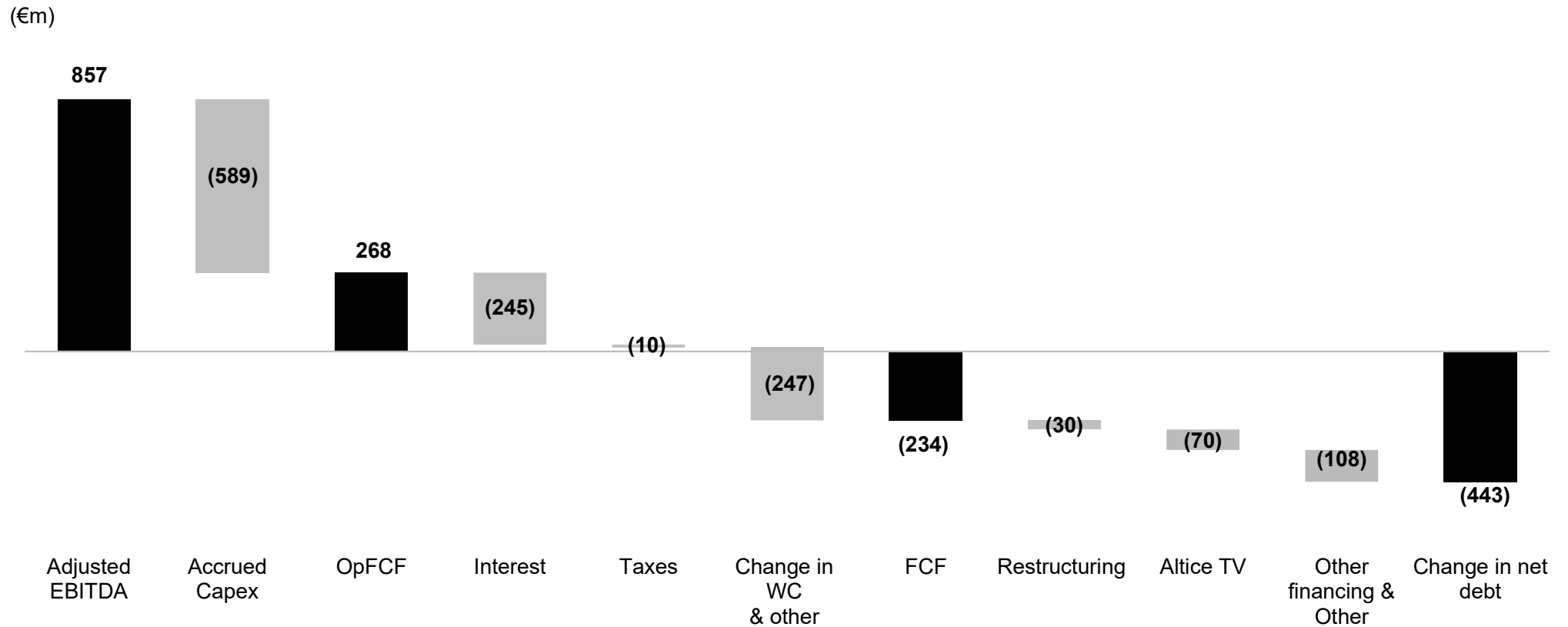
For footnotes see slide 17

Pro Forma Leverage Reconciliation as of March 31, 2023

€m	Actual	Pro Forma
Gross debt consolidated	24,121	24,121
Cash	-530	-480
Net debt consolidated	23,591	23,641
LTM EBITDA consolidated pro forma	4,053	4,059
Net leverage		5.8x
L2QA EBITDA consolidated pro forma	3,829	3,829
Net leverage		6.2x
Net leverage adjusted for IFER tax		6.1x

For footnotes see slide 17

Q1 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
Revenue	2,740
Purchasing and subcontracting costs	-732
Other operating expenses	-588
Staff costs and employee benefits	-287
Total	1,133
Share-based expense	-
Rental expense operating lease	-276
Adjusted EBITDA	857
Depreciation, amortisation and impairment	-788
Share-based expense	-
Other expenses and income	-9
Rental expense operating lease	276
Operating profit/(loss)	336
Capital expenditure (accrued) - Financial Statements	593
New IRU	-4
Capital expenditure (accrued) - Investor Presentation	589

For footnotes see slide 17

Footnotes

<p>The perimeter of consolidation for this presentation, unless stated otherwise, 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. All references made to Altice France in this presentation refer to "the Altice France Holding Restricted Group". Financials are shown pro forma for the Hivory transaction which closed on October 28, 2021</p>	<p>All pages</p>
<p>Accrued Capex in Q1 2023 excludes accruals related to the acquisition of a new IRU for an amount of €4 million</p>	<p>Slides 3, 5, 6</p>
<p>€1.7 billion liquidity includes €1.2 billion of undrawn revolvers and €0.5 billion of cash. The cash position 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 in pro forma net debt)</p>	<p>Slides 3, 7</p>
<p>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 and L2QA EBITDA is presented pro forma for the acquisition of Coriolis (€5.7 million on an LTM basis, including certain estimated synergies)</p> <p>SFR (Altice France Holding 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 in pro forma net debt)</p> <p>Altice France net debt excludes operating lease liabilities recognized under IFRS 16 and Altice France gross debt is net of swaps</p>	<p>Slides 3, 7, 11, 12</p>
<p>Interest as shown includes Altice France Holding interest</p>	<p>Slides 6, 15</p>
<p>Maturity profile as shown excludes other debt, leases and overdraft (c.€121 million) and is shown unswapped</p>	<p>Slide 7</p>
<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>	<p>Slides 10, 12</p>