

SFR Q4 & FY 2022 RESULTS

SFR (Altice France Holding Restricted Group)¹ today announces financial and operating results² for the quarter ended December 31, 2022.

Q4 & FY 2022 Key Highlights

- Total residential service revenue grew by +0.8% year over year in Q4 2022 and +2.3% for FY 2022.
- Total revenue declined by -0.5% year over year in Q4 2022 and grew by +2.1% for FY 2022.
- Total EBITDA grew by +0.1% year over year in Q4 2022 and declined by -0.6% for FY 2022.
- Total Accrued Capex was €592³ million in Q4 2022, resulting in total operating free cash flow of €466 million in Q4 2022 and €1,737 million in FY 2022.

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 XpFibre⁴).
- Leverage target of 4.5x net debt to EBITDA.

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.

² Financials are shown pro forma for the Hivory transaction which closed on October 28, 2021.

³ Accrued Capex in Q4 2022 excludes accruals related to the acquisition of a new IRU for an amount of €5 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 pro forma¹ net debt was €23.4 billion at the end of Q4 2022 (actual net debt was €23.1 billion).
- On January 31, 2023, Altice France successfully extended 75%, or €5.9 billion (equivalent), of its 2025 and 2026 Term Loan maturities to August 2028. Additionally, Altice France raised €150 million of new Term Loans, following excess demand. Concurrently, Altice France extended its €1 billion Revolving Credit Facilities to January 2028, supported by its relationship banks. This transaction is in line with the Group's proactive liability management efforts to optimise its capital structure. Following this transaction, Altice France has no material maturities before 2025. The average maturity for Altice France Holding's debt capital structure increases to 5.1 years. The new Term Loans, due August 2028, consist of (i) a \$4.3 billion Term Loan priced at 5.50% over SOFR and (ii) a €1.7 billion Term Loan priced at 5.50% over Euribor.

¹ SFR (Altice France Holding Restricted Group) net debt is presented pro forma for the refinancing closed on February 16, 2023 (amend and extend at Altice France of €5.9 billion (equivalent) of its 2025 and 2026 Term Loan maturities to August 2028) and 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). Altice France net debt excludes operating lease liabilities recognized under IFRS 16 and Altice France gross debt as shown is net of swaps.



SFR Q4 & FY 2022 Results Call for Debt Investors

A call for existing and prospective debt investors of SFR will be held on Tuesday, March 14, 2023 at 14:00 CET (13:00 GMT, 09:00 EDT), to discuss its Q4 & FY 2022 results.

Dial-in Details:

UK: +44 2034814247

USA: +1 6463071963

France: +33 173023136

Conference ID: 7235053

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

<https://events.q4inc.com/attendee/921108848>

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About SFR – [alticefrance.com](https://www.alticefrance.com)

SFR is the second largest telecom provider in France, serving more than 27 million customers. The company has a fibre optic network (FTTH/ FTTB) and over 31 million homes passed across France. SFR covers 99.8% of the population with 4G and 61% of the population with 5G. SFR is also a leading media group, with iconic brands BFM and RMC.

Financial Presentation

SFR refers to the Altice France Holding 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.

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, 2022 and December 31, 2021 are shown pro forma for the Ivory transaction which closed on October 28, 2021.

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 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 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, 2022, unless otherwise stated, and any year over year comparisons are for the quarter ended December 31, 2021.

Summary Financial Information

Quarter ended December 31, 2022 and full year ended December 31, 2022						
In € million	Q4-21	Q4-22	Q4-22 Growth YoY	FY-21	FY-22	FY-22 Growth YoY
Fixed	689	665	-3.5%	2,733	2,695	-1.4%
Mobile	924	961	+4.0%	3,629	3,814	+5.1%
Residential service	1,613	1,626	+0.8%	6,362	6,508	+2.3%
Equipment	234	223	-4.8%	722	733	+1.5%
Total residential	1,847	1,848	+0.1%	7,084	7,242	+2.2%
Business services	990	969	-2.1%	3,654	3,708	+1.5%
Telecom	2,837	2,818	-0.7%	10,738	10,950	+2.0%
Media	103	109	+5.6%	333	351	+5.5%
Total revenue	2,940	2,926	-0.5%	11,070	11,301	+2.1%
Telecom	1,014	1,006	-0.8%	4,023	3,993	-0.8%
Media	42	51	+20.1%	104	109	+4.9%
Total EBITDA	1,056	1,057	+0.1%	4,127	4,101	-0.6%
Margin (%)	35.9%	36.1%		37.3%	36.3%	
Telecom	665	583	-12.4%	2,306	2,322	+0.7%
Media	10	9	-10.9%	37	42	+15.2%
Total Accrued Capex	675	592	-12.3%	2,343	2,364	+0.9%
Telecom	349	424	+21.4%	1,717	1,670	-2.7%
Media	32	42	+29.5%	67	67	-0.7%
EBITDA - Accrued Capex	381	466	+22.1%	1,784	1,737	-2.6%

Key Performance Indicators

Quarter ended December 31, 2022	
000's unless stated otherwise	Q4-22
Fibre homes passed	31,392
Total fibre customers	4,423
Total fixed customers	6,549
Total mobile subscribers	20,769

Notes to Summary Financial Information table

(1) Financials for SFR are shown pro forma for the Ivory transaction which closed on October 28, 2021.

Notes to Key Performance Indicators table

- (2) 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.
- (3) Total mobile subscribers are equal to the net number of lines or SIM cards activated on the mobile network and excludes M2M.
- (4) Total mobile base in Q4 2022, as shown above, reflects the base clean-up of 260k inactive SIM cards, with no usage and no financial impact. Total fixed base in Q4 2022, as shown above, reflects the base clean-up of 75k customers, with no usage and no financial impact.



Financial and Operational Review

For the quarter ended December 31, 2022 compared to the quarter ended December 31, 2021

At the end of Q4 2022, SFR had 31.4 million addressable homes passed (FTTH/FTTB), an increase of 1.5 million homes passed compared to Q3 2022. SFR had 21,570 fibre municipalities at the end of Q4 2022 (vs. 19,440 in Q3 2022, 17,640 in Q2 2022, 15,991 in Q1 2022).

SFR continues to invest in its 4G network, with 66,481 4G systems activated (2,350 new units in Q4 2022). The current 4G coverage of the SFR mobile network reaches more than 99.8% 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 nearly 5,700 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 2022, more than 7,000 municipalities were covered with 5G (about 8,400 radio sites) in all of France and the 5G coverage reaches 61% of the population. Based on the nPerf 5G Score Barometer, SFR was the N°1 5G operator, ex aequo, in 2022 (barometer of mobile Internet connections in metropolitan France, published on January 10, 2023).

On November 17, 2022, SFR received an award for “Customer Service of the Year”, in the communication services for consumers category, from the independent organization Viséo Customer Insights. This award recognizes the significant work carried out over recent years by SFR's customer service teams, following a transformation of SFR's customer service system from 2018 onwards. The award itself involved more than 200 tests from May 9, 2022 to July 2, 2022 in a number of different customer service areas and through a number of different means of contact.

In Q4 2022, Altice Media further strengthened its position as the third private audiovisual group thanks to the strong performance of its brands. BFMTV enhanced its position as the leading news channel in France with 2.9% of audience share on PDA 4+ (the whole TV audience) and 3.0% of audience share on PDA 25-49 (the commercial target audience). BFMTV was voted the most trustworthy TV channel and favourite news channel by French population in December 2022 (according to Harris Interactive survey). RMC Découverte achieved new records in Q4 2022, for example prime time production “SOS garage” set an historical record audience share, and RMC Story set records on 4+ and 25-49 target audiences with the new season of “Faites entrer l'accusé”. RMC radio broke many records during the 2022 World Cup in Qatar supported by a strong system put in place locally, including a 100% digital radio dedicated exclusively to the worldwide event.

- SFR total revenue declined by -0.5% year over year in Q4 2022 to €2,926 million. Total residential service revenue grew by +0.8% year over year in Q4 2022 and residential equipment revenue declined by -4.8% year over year.
- Business services revenue declined by -2.1% year over year in Q4 2022. In Q4 2022, 262k FTTH homes were constructed by XpFibre (vs. 168k in Q3 2022, 221k in Q2 2022, 180k in Q1 2022, 236k in Q4 2021), with a slight decline in construction revenue year over year in Q4 2022.
- Media revenue increased by +5.6% year over year in Q4 2022.
- Telecom EBITDA of €1,006 million declined by -0.8% year over year in Q4 2022. Total EBITDA of €1,057 million grew by + 0.1% year over year in Q4 2022.



- Total Accrued Capex was €592¹ million in Q4 2022. Consequently, operating free cash flow amounted to €466 million in Q4 2022.

¹ Accrued Capex in Q4 2022 excludes accruals related to the acquisition of a new IRU for an amount of €5 million.

Pro Forma Consolidated Net Debt as of December 31, 2022

- SFR has a robust, diversified and long-term capital structure:
 - Weighted average debt maturity of 5.1 years
 - WACD of 4.9%¹;
 - 83% fixed interest rate;
 - No material maturities before 2025;
 - Available liquidity of €1.4 billion².
- Total pro forma³ net debt was €23.4 billion at the end of Q4 2022 (actual net debt was €23.1 billion).

	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	1,634	1,634	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	1,027	1,027	5.500%	2028
Senior Secured Notes	EUR 500	500	500	4.125%	2029
Senior Secured Notes	USD 475	443	443	5.125%	2029
Senior Secured Notes	USD 2,500	2,334	2,334	5.125%	2029
Senior Secured Notes	EUR 400	400	400	4.000%	2029
Senior Secured Notes	USD 2,000	1,867	1,867	5.500%	2029
Senior Secured Notes	EUR 800	800	800	4.250%	2029
Term Loan	EUR 1,082	1,082	210	E+3.00%	2025
Term Loan	USD 1,342	1,253	335	L+2.75%	2025
Term Loan	USD 2,043	1,907	519	L+3.6875%	2026
Term Loan	EUR 950	950	250	E+3.00%	2026
Term Loan	USD 2,400	2,241	551	L+4.00%	2026
Term Loan	EUR 1,722	-	1,722	E+5.50%	2028
Term Loan	USD 4,279	-	3,995	S+5.50%	2028
Drawn RCF	EUR 138	138	138	E+3.25%	2026
Commercial Paper	-	44	44	2.78%	2023
Other debt & leases	-	126	126	-	-
Swap adjustment	-	-460	-460	-	-
Secured debt		19,335	19,485		
Exchange Altice Lux Senior Notes	EUR 1,317	1,317	1,317	8.000%	2027
Exchange Altice Lux Senior Notes	USD 1,562	1,458	1,458	10.500%	2027
Senior Notes	EUR 500	500	500	4.000%	2028
Senior Notes	USD 1,100	1,027	1,027	6.000%	2028
Drawn RCF	-	-	-	E+4.250%	2026
Swap adjustment	-	-121	-121	-	-
Gross debt		23,516	23,666		
Total cash		-368	-301		
Net debt		23,148	23,364		
Undrawn RCF			1,068		
WACD			4.9%		

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

² €1.4 billion liquidity includes €1.1 billion of undrawn revolvers and €0.3 billion of cash. The cash position as shown is pro forma for the refinancing closed on February 16, 2023 (amend and extend at Altice France of €5.9 billion (equivalent) of its 2025 and 2026 Term Loan maturities to August 2028) and 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).

³ SFR (Altice France Holding Restricted Group) net debt is presented pro forma for the refinancing closed on February 16, 2023 (amend and extend at Altice France of €5.9 billion (equivalent) of its 2025 and 2026 Term Loan maturities to August 2028) and 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). Altice France net debt excludes operating lease liabilities recognized under IFRS 16 and Altice France gross debt as shown is net of swaps.

Reconciliation to Swap Adjusted Debt as of December 31, 2022

In € million

	Actual	Pro Forma ¹
Total debenture and loans from financial institutions	23,772	23,772
Value of debenture and loans from financial institutions in foreign currency converted at closing FX Rate	-23,631	-23,631
Value of debenture and loans from financial institutions in foreign currency converted at hedged Rate	23,050	23,050
Transaction costs	157	157
Total swap adjusted value of debenture and loans from financial institutions	23,347	23,347
Commercial paper	44	44
Overdraft	7	7
Other debt and leases	119	119
Pro forma Term Loan Amend & Extend transaction January 2023	-	150
Gross debt consolidated	23,516	23,666
Cash	-368	-301
Net debt consolidated	23,148	23,364

Leverage Reconciliation as of December 31, 2022

In € million

	Actual	Pro Forma
Gross debt consolidated	23,516	23,666
Cash	-368	-301
Net debt consolidated	23,148	23,364
LTM EBITDA consolidated	4,101	4,124
Gross leverage		5.7x
Net leverage		5.7x
L2QA EBITDA consolidated	4,223	4,223
Gross leverage		5.6x
Net leverage		5.5x

¹ SFR (Altice France Holding Restricted Group) net debt is presented pro forma for the refinancing closed on February 16, 2023 (amend and extend at Altice France of €5.9 billion (equivalent) of its 2025 and 2026 Term Loan maturities to August 2028) and 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). For leverage purposes, Adjusted EBITDA is presented pro forma for the acquisition of Coriolis (€23 million on an LTM basis, including certain estimated synergies). Altice France net debt excludes operating lease liabilities recognized under IFRS 16 and Altice France gross debt as shown is net of swaps.

Non-GAAP Reconciliation to Unaudited Consolidated Interim Financial Statements GAAP Measures¹

Three months ended, in € million	Q1-22	Q2-22	Q3-22	Q4-22
Revenue	2,733	2,843	2,799	2,926
Purchasing and subcontracting costs	-781	-768	-803	-865
Other operating expenses	-525	-459	-415	-437
Staff costs and employee benefits	-265	-268	-261	-300
Total	1,162	1,348	1,320	1,324
Share-based expense	0	0	0	-1
Rental expense operating lease	-257	-264	-266	-267
Adjusted EBITDA	906	1,084	1,054	1,057
Depreciation, amortisation and impairment	-809	-844	-847	-874
Share-based expense	0	0	0	1
Other expenses and income	-4	-37	-14	-52
Rental expense operating lease	257	264	266	267
Operating profit	349	468	459	398
Capital expenditure (accrued) - Financial Statements	626	600	565	597
New IRU	-3	-5	-6	-5
5G spectrum frequency reorganisation	-	-	-3	-
Capital expenditure (accrued) - Investor Press Release	623	594	556	592

¹ Accrued Capex in Q4 2022 excludes accruals related to the acquisition of a new IRU for an amount of €5 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 Holding S.A. or Altice France S.A., as the case may be, annual and quarterly financial statements.