

Altice USA

Q4 and Full Year 2019 Results

February 12, 2020



Disclaimer

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including the information under the heading "Full Year 2020 Outlook". 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 "anticipate", "believe", "could", "estimate", "expect", "forecast", "intend", "may", "plan", "project", "should" 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 result or 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 our most recently filed Annual Report on Form 10-K and in our most recently filed Quarterly Report on Form 10-Q. You are cautioned to not place undue reliance on Altice USA's forward-looking statements. Any forward-looking statement speaks only as of the date on which it was made. Altice USA specifically disclaims any obligation to publicly update or revise any forward-looking statement, as of any future date.

NON-GAAP FINANCIAL MEASURES

We define Adjusted EBITDA, which is a non-GAAP financial measure, as net income (loss) excluding income taxes, income (loss) from discontinued operations, other non-operating income or expenses, loss on extinguishment of debt and write-off of deferred financing costs, gain (loss) on interest rate swap contracts, gain (loss) on derivative contracts, gain (loss) on investments and sale of affiliate interests, net interest expense (including cash interest expense), interest income, depreciation and amortization (including impairments), share-based compensation expense or benefit, restructuring expense or credits and transaction expenses.

We believe Adjusted EBITDA is an appropriate measure for evaluating the operating performance of the Company. Adjusted EBITDA and similar measures with similar titles are common performance measures used by investors, analysts and peers to compare performance in our industry. Internally, we use revenue and Adjusted EBITDA measures as important indicators of our business performance, and evaluate management's effectiveness with specific reference to these indicators. We believe Adjusted EBITDA provides management and investors a useful measure for period-to-period comparisons of our core business and operating results by excluding items that are not comparable across reporting periods or that do not otherwise relate to the Company's ongoing operating results. Adjusted EBITDA should be viewed as a supplement to and not a substitute for operating income (loss), net income (loss), and other measures of performance presented in accordance with GAAP. Since Adjusted EBITDA is not a measure of performance calculated in accordance with GAAP, this measure may not be comparable to similar measures with similar titles used by other companies.

We also use Adjusted EBITDA less cash Capital Expenditures, or Operating Free Cash Flow ("OpFCF"), and Free Cash Flow (defined as net cash flows from operating activities, less cash capital expenditures) as an indicator of the Company's financial performance. We believe these measures are two of several benchmarks used by investors, analysts and peers for comparison of performance in the Company's industry, although they may not be directly comparable to similar measures reported by other companies.

For an explanation of why Altice USA uses these measures and a reconciliation of these non-GAAP measures, please see the Fourth Quarter and Full Year 2019 earnings release for Altice USA posted on the Altice USA website.

Altice USA Q4 and Full Year 2019 Summary Review

FY 2019 revenue growth of +2.0%; net income \$139m; Adjusted EBITDA growth of +2.5% (+3.4% ex-mobile)

2019 broadband and video customer trends in line with prior years despite temporary uptick in churn in early Q4

Significant rebound in customer and broadband net additions in December (residential broadband +7k in Q4)

News & Advertising growth driven by a4 and Cheddar with offset from political cycle expected to reverse in 2020

Mobile ramping up post-launch, expanding device line-up and omni-channel presence

Faster fiber and DOCSIS 3.1 deployments driving differentiated connectivity experience

2020 outlook: Acceleration in revenue growth and free cash flow growth; leverage target remains 4.5-5.0x

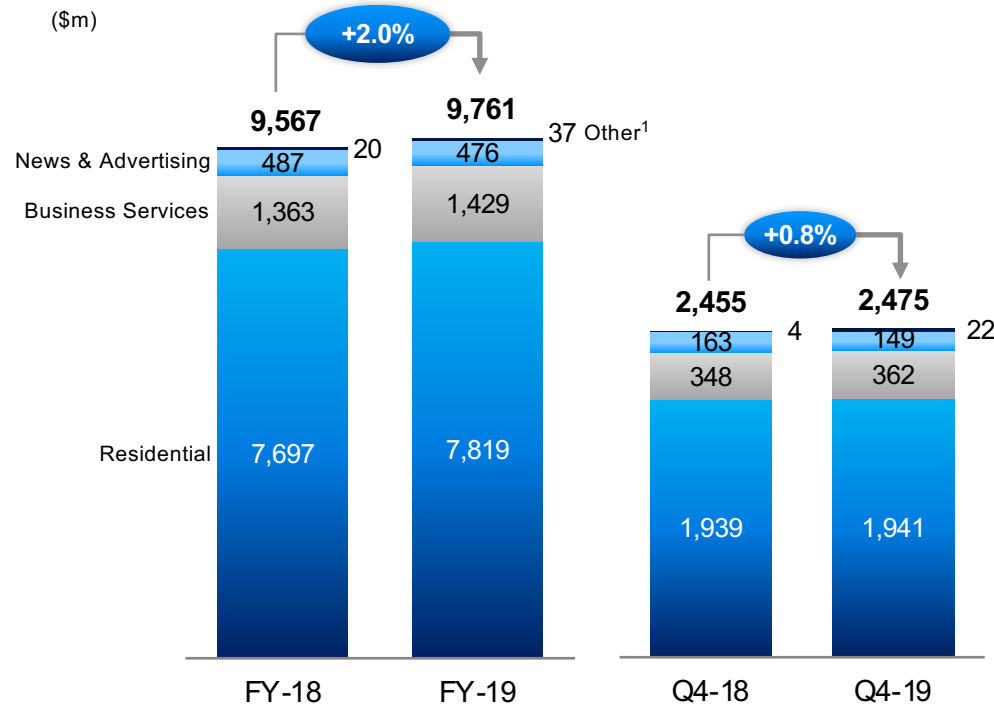
- (1) Adjusted EBITDA and Free Cash Flow are non-GAAP measures. For a reconciliation of these non-GAAP measures to net income (loss) and net cash flows from operating activities, respectively, please see the Fourth Quarter and Full Year 2019 Altice USA earnings release posted to the Altice USA website.
- (2) Adjusted EBITDA includes \$39.4m of losses related to Altice USA's mobile business in the FY 2019 (including \$20.4m in Q4-19).

Revenue Growth

Strength in broadband revenue growth continues to drive top line growth

FY-19 vs. FY-18 and Q4-19 vs. Q4-18

(\$m)



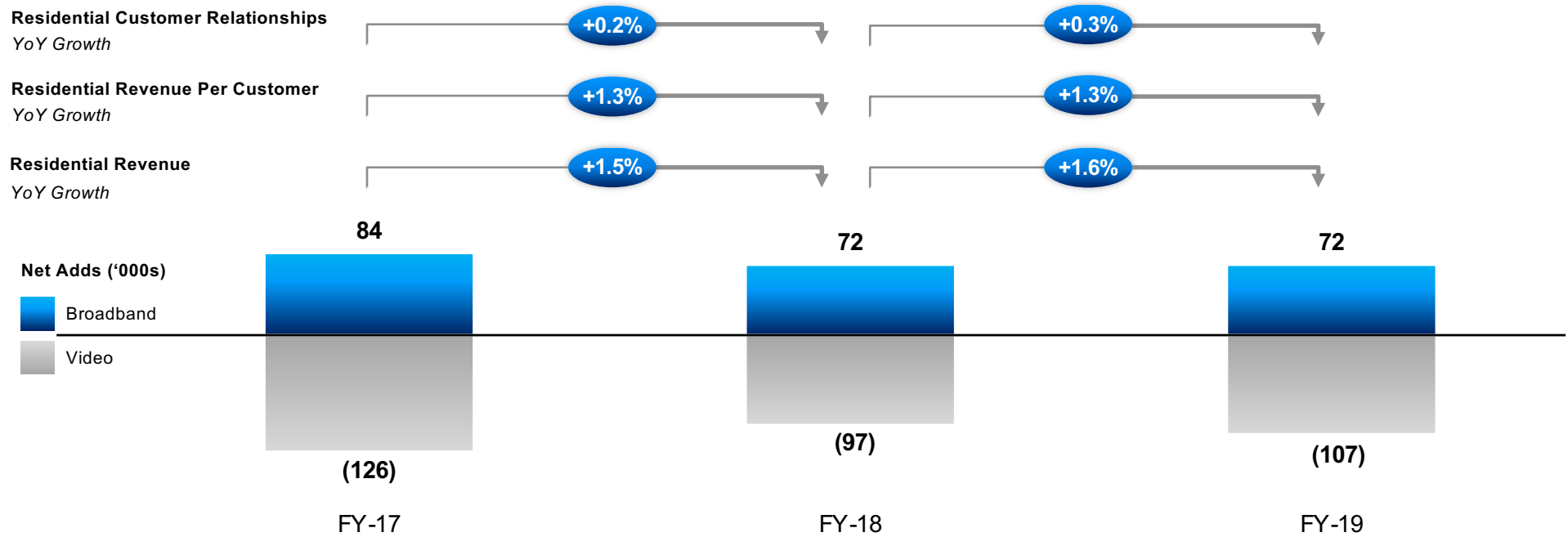
Components of FY-19 / Q4-19 revenue growth YoY

	FY-19	Q4-19
Total Revenue	+2.0%	+0.8%
Residential	+1.6%	+0.1%
<i>Broadband</i>	+11.6%	+11.1%
Business Services	+4.8%	+4.1%
News & Advertising (N&A)	-2.3%	-9.0%
<i>N&A ex-political</i>	+9.9%	+10.3%

⁽¹⁾ Other includes mobile revenues of \$21.3m in FY-19 and \$18.1m in Q4-19.

Residential Trends

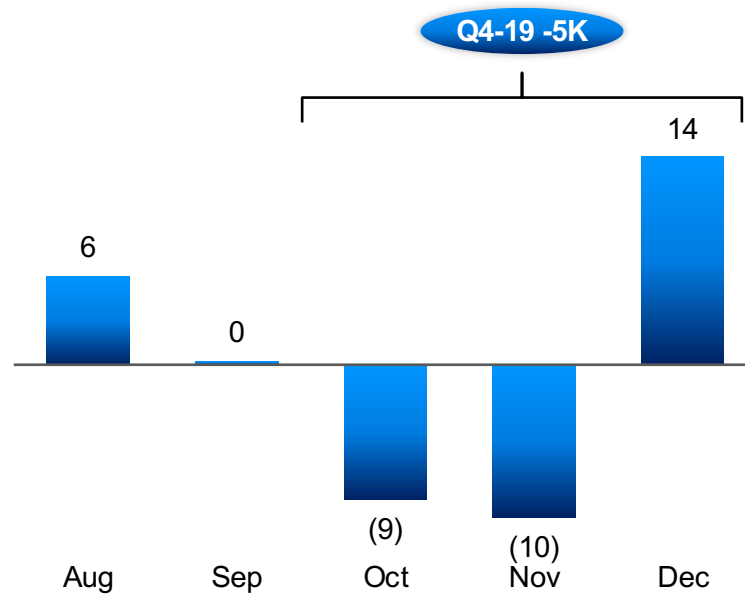
Broadband and video customer trends in line with prior years despite temporary uptick in churn in Q4



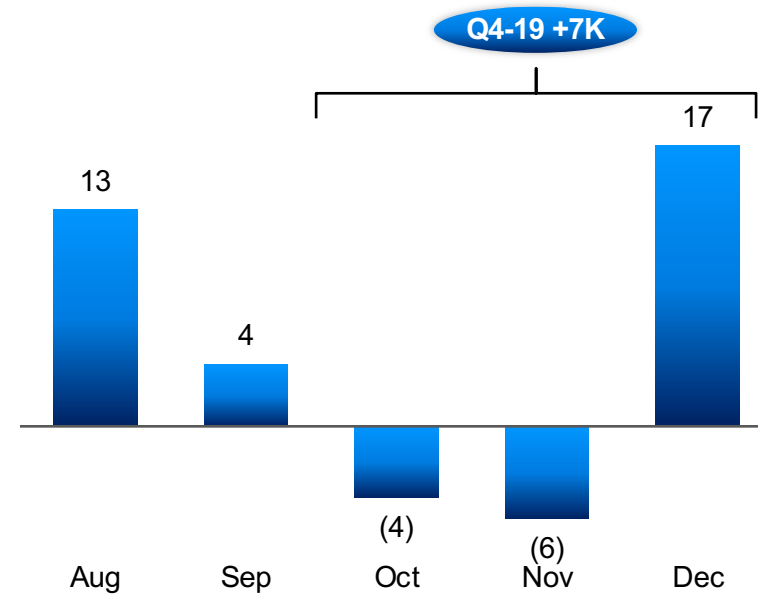
Monthly Customer Trends

Significant rebound in customer and broadband net additions in December

Residential customer relationships net adds



Residential broadband net adds

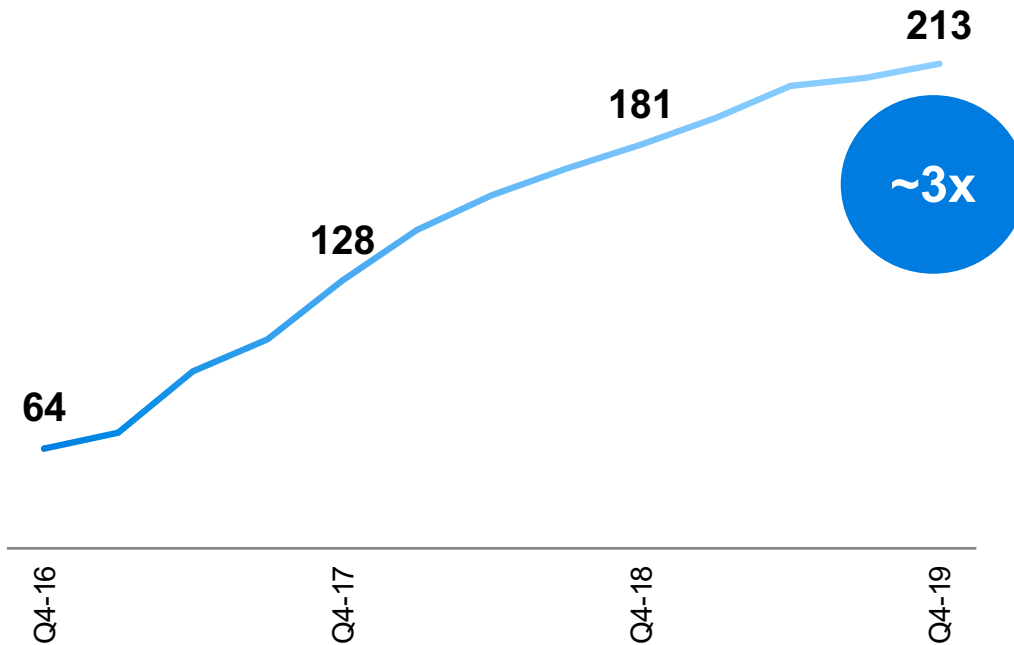


Temporary elevated promotional roll-offs and disruption from BSS / OSS integration, mitigated in December

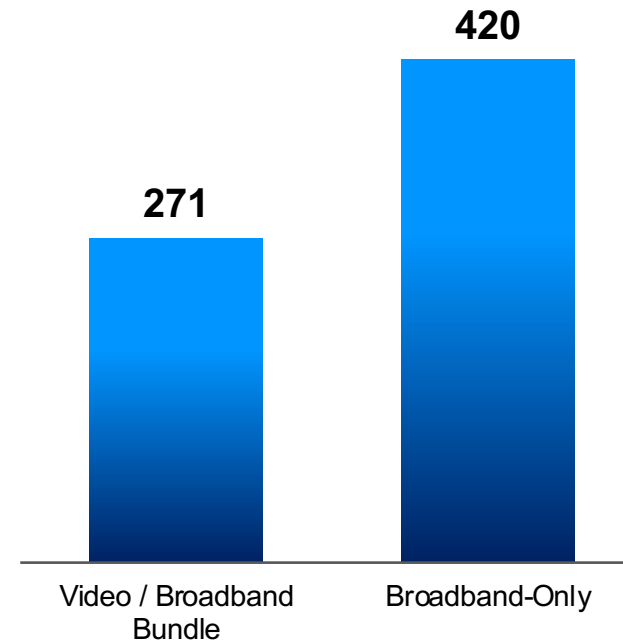
Broadband Speeds and Data Usage Trends

Increasing utility of broadband service through higher speeds and increased usage

Average download speeds taken by customers (Mbps) ¹



Broadband-only versus video bundle data usage (GB per month) ²



(1) Average speed taken as of the end of each quarter.

(2) Average usage for Q4-19.

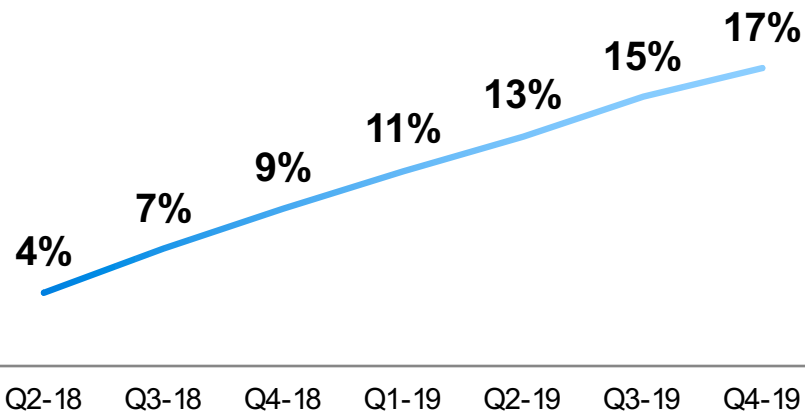
Ongoing Altice One and Fiber Rollouts

Differentiated video and broadband WiFi service driving improved customer experience

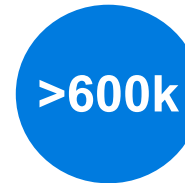
Altice One penetration of Altice USA video customer base

FTTH rollout accelerating

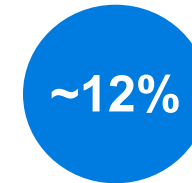
altice one



altice fiber



Fiber Homes Ready For Service



Fiber Coverage as % of Optimum Homes Passed

1 Gig Fiber and DOCSIS 3.1 services to complement Altice One rollout, including new Smart WiFi offering

Altice Mobile and News & Advertising Updates

Differentiated strategies expected to drive additional growth in 2020

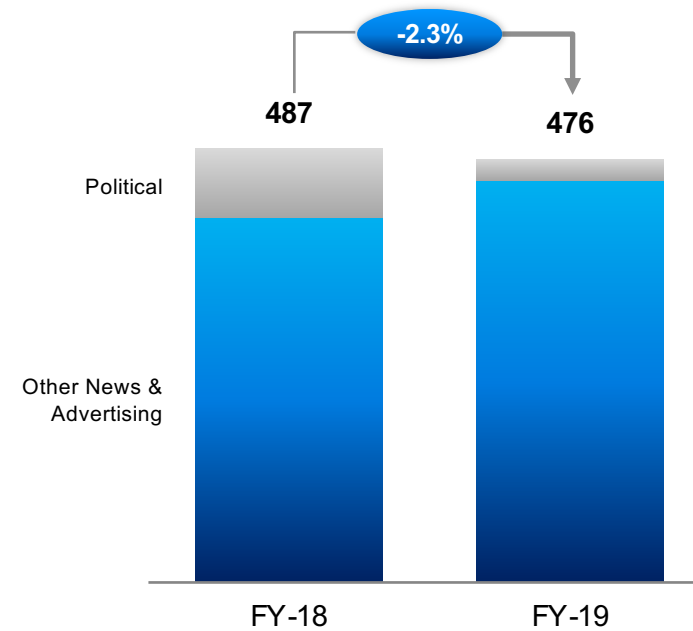
Altice Mobile launch updates



- One simple plan with unlimited everything
- 69k mobile lines year-end; mobile revenue of \$18.1m in Q4-19
- Introductory offer from launch ends February 19, 2020
- Expanding handset line-up online and in retail stores
- Ramping omni-channel presence

News & Advertising growth from Cheddar offset by political cycle

News & Advertising revenue growth +9.9% ex-political in FY-19

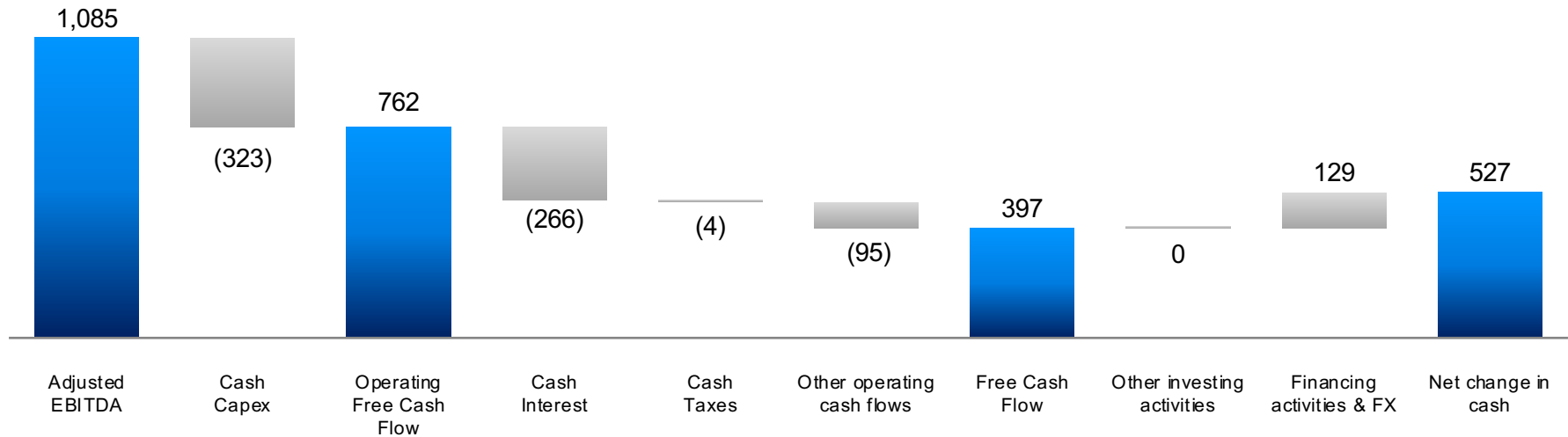


Free Cash Flow Generation

Revenue and Adjusted EBITDA growth, and cash interest savings, to drive free cash flow growth in 2020

Q4-19 Free Cash Flow (FCF) and net change in cash bridge ¹

(\$m)



\$397m FCF in Q4-19; \$1.2bn FCF in FY-19

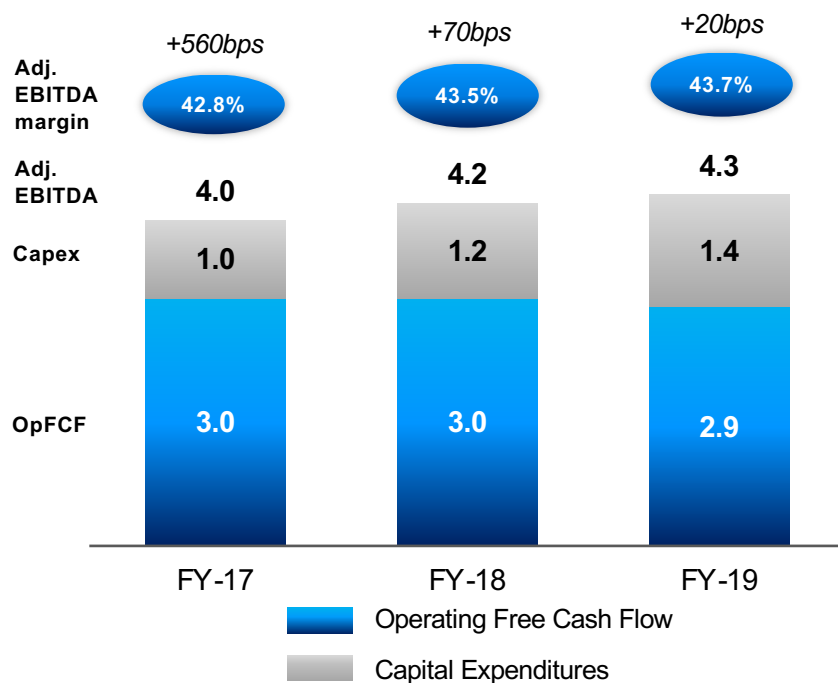
⁽¹⁾ Adjusted EBITDA, Adjusted EBITDA less cash capex (Operating free cash flow) and Free Cash Flow excluding working capital are non-GAAP measures. For a reconciliation of these non-GAAP measures to net income (loss), please see the Fourth Quarter and Full Year Altice USA earnings release posted to the Altice USA website.

Margin Expansion and Free Cash Flow

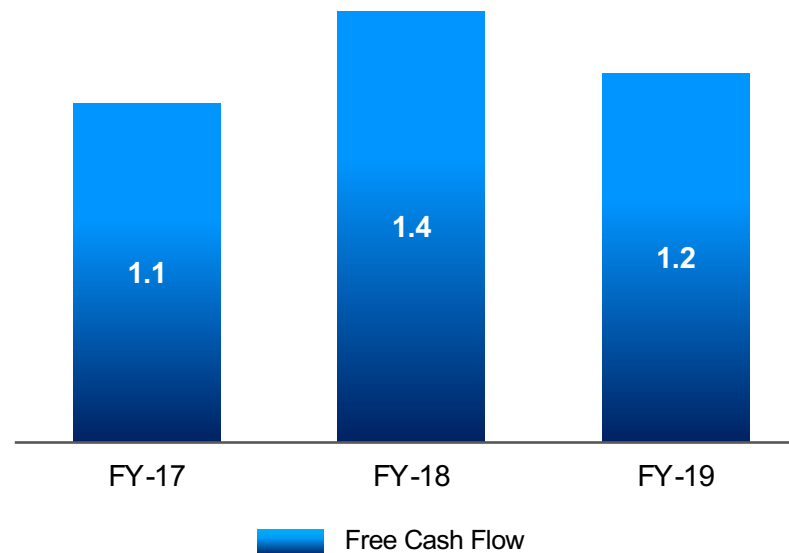
Steady Free Cash Flow generation supports total return to shareholders

Adjusted EBITDA and Operating Free Cash Flow ¹

(\$bn)



Free Cash Flow



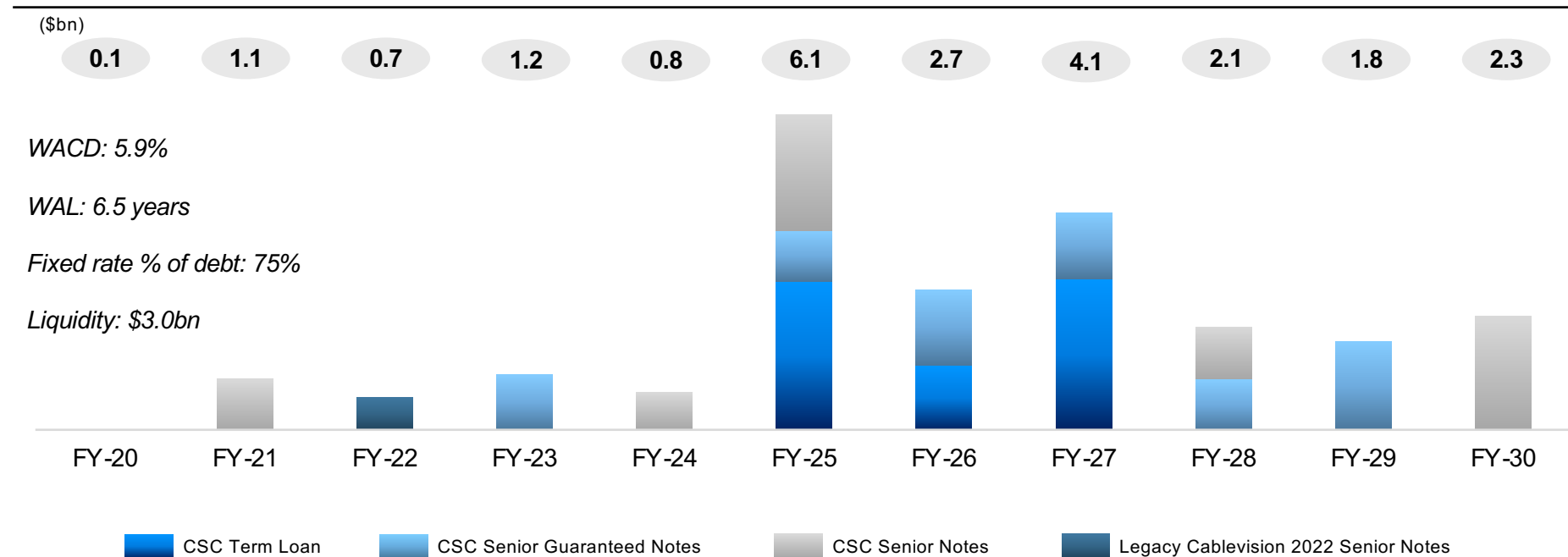
⁽¹⁾ Adjusted EBITDA and Adjusted EBITDA less cash capex (Operating Free Cash Flow) are non-GAAP measures. For a reconciliation of these non-GAAP measures to net income (loss), please see the Fourth Quarter and Full Year 2019 Altice USA earnings release posted to the Altice USA website.

⁽²⁾ Adjusted EBITDA margin in FY-19 of 44.2% excluding \$39.4m of losses related to Altice USA's mobile business (43.7% including these losses).

Debt Maturity Profile

Long-dated maturities following proactive refinancing activity

Altice USA maturity profile ¹



⁽¹⁾ Excludes \$1.7m of 2025 Legacy Cequel Stub Notes and \$4.1m of 2028 Legacy Cequel Stub Notes.

Full Year 2020 Outlook

	FY-20 Guidance	FY-19 Actual
Revenue Growth YoY (ex-mobile)	2.0% to 2.5%	+1.8%
Adjusted EBITDA margin (ex-mobile)	Expansion	+0.7ppts
Cash Capex	\$1.3 to \$1.4 billion	\$1.36 billion
Year-End Leverage (L2QA)	4.5x – 5.0x	5.1x
Share Repurchases (ex-M&A)	\$1.7 billion	\$1.7 billion

Q&A

Appendix

Altice USA, Inc. Financials

(\$m)	Q4-18	Q4-19	Growth YoY	FY-18	FY-19	Growth YoY
Total Revenue	\$2,455	\$2,475	<i>0.8%</i>	\$9,567	\$9,761	<i>2.0%</i>
Adjusted EBITDA ¹	\$1,106	\$1,085	<i>(1.9%)</i>	\$4,163	\$4,265	<i>2.5%</i>
<i>Margin (%)</i>	<i>45.1%</i>	<i>43.8%</i>		<i>43.5%</i>	<i>43.7%</i>	
Cash capital expenditures	\$321	\$323	<i>0.6%</i>	\$1,154	\$1,355	<i>17.5%</i>
<i>Capex % of revenue</i>	<i>13.1%</i>	<i>13.0%</i>		<i>12.1%</i>	<i>13.9%</i>	
OpFCF ¹	\$785	\$762	<i>(2.9%)</i>	\$3,009	\$2,910	<i>(3.3%)</i>
<i>Margin (%)</i>	<i>32.0%</i>	<i>30.8%</i>		<i>31.5%</i>	<i>29.8%</i>	

⁽¹⁾ Adjusted EBITDA and Adjusted EBITDA less cash capex ("OpFCF") are non-GAAP measures. For a reconciliation of Adjusted EBITDA and OpFCF to net income (loss), please see the Fourth Quarter and Full Year 2019 Altice USA earnings release posted to the Altice USA website.