

Altice USA

Q4 and Full Year 2020 Results

February 10, 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 "Financial 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; our ability to achieve operational performance improvements; 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", "target", 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 Annual Report on Form 10-K. 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, 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, 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 2020 earnings release for Altice USA posted on the Altice USA website.

Altice USA Q4 and FY 2020 Summary Review

FY revenue growth of +1.4% YoY or +2.6% ex RSN / storm credits⁽¹⁾; Q4 +2.5% or +3.6% ex RSN / storm credits⁽¹⁾

FY 2020 Net Income of \$436m; FY Adjusted EBITDA⁽²⁾ growth of +3.5% YoY and Adjusted EBITDA Margin⁽²⁾ of 44.6%; Q4 Adjusted EBITDA growth of +6.1% YoY and Adjusted EBITDA margin of 45.4%

Record full-year customer and broadband net adds

Broadband speed upgrades up 70% in Q4 YoY, 1 Gig sell-in at 41%

Highest-ever annual Free Cash Flow⁽²⁾ of \$1.9bn; \$4.8 billion in share repurchases in 2020 (\$3.0 billion in Q4)

Successful completion of Lightpath and Service Electric of New Jersey transactions

Significant refinancings in 2020 (\$4.4 billion); average cost of debt reduced to 4.7% with WAL of 6.5 years

FY 2021 financial outlook: revenue and Adjusted EBITDA growth, capex \$1.3 to \$1.4 billion, < 5.3x leverage

- (1) Adjusted revenue excludes \$18.5m (\$17.6m in Residential Video and \$0.9m in Business Services) in Q4 2020 and \$97.2m (\$94.3m in Residential Video and \$2.9m in Business Services) in FY 2020 of service credits and associated franchise fees that the Company expects to return to customers as a result of regional sports networks ("RSN") affiliate fee credits the Company expects to receive for a minimum number of events not delivered in 2020. Storm credits totaled \$10.4m in Q4 2020 (\$8.7m in Residential and \$1.6m in Business Services) and \$26.5m in FY 2020 (\$22.8m in Residential and \$3.7m in Business Services).
- (2) Adjusted EBITDA and Free Cash Flow (FCF) 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 2020 Altice USA earnings release posted to the Altice USA website.

Corporate Commitments

2020 highlights and ongoing priorities



Customers

- Pandemic relief initiatives included free *Altice Advantage Internet* to households with students; FCC Keep America Connected Pledge and NJ Executive Order; free outdoor WiFi hotspots; connected first responders, hospitals, schools, and governments
- Ongoing priority to provide low-cost broadband offerings for low-income households



Community

- \$10m community relief program including support for small business, minority-owned businesses and remote learning
- Partnership with DonorsChoose, funding classroom projects across Altice USA service area
- Partnership with national and local affiliates of Boys and Girls Clubs of America and Feeding America



Employees

- Pandemic-driven focus on safety protocols including remote work for employees to reduce transmission risk and ensure business continuity, and proactive redeployment of select teams to high-demand functions
- Ongoing commitment to creating a diverse culture with emphasis on externally-recognized Diversity and Inclusion program



Environment

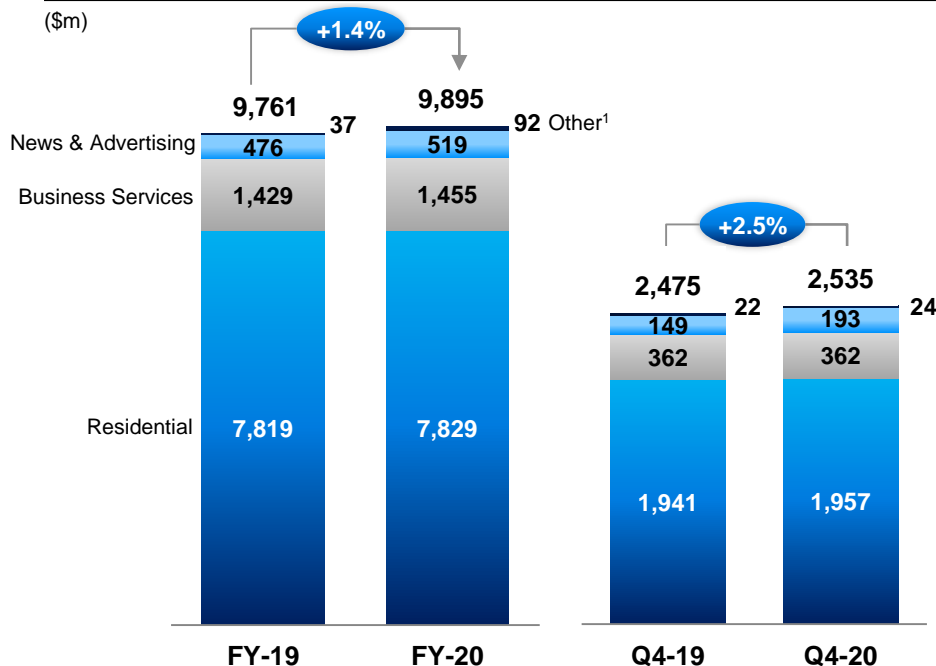
- Focus on developing responsible and sustainable business practices
- Installed fuel cells to reduce CO₂ emissions, with more in the pipeline
- Participation in community renewable energy projects including upcoming solar project in 2021

Revenue Growth

Strength in core Residential business and Advertising with resilience in Business Services

FY-20 vs. FY-19 and Q4-20 vs. Q4-19

Revenue growth YoY



YoY Growth	FY-20	Q4-20
Total Revenue	+1.4%	+2.5%
<i>Adj. for RSN credits⁽²⁾</i>	+2.4%	+3.2%
<i>Adj. for RSN and storm credits⁽³⁾</i>	+2.6%	+3.6%
Residential	+0.1%	+0.8%
<i>Adj. for RSN credits⁽²⁾</i>	+1.3%	+1.7%
<i>Adj. for RSN and storm credits⁽³⁾</i>	+1.6%	+2.2%
Business Services	+1.8%	-0.1%
<i>Adj. for RSN credits⁽²⁾</i>	+2.0%	+0.2%
<i>Adj. for RSN and storm credits⁽³⁾</i>	+2.3%	+0.6%
News & Advertising (N&A)	+9.1%	+29.7%

(1) Other includes mobile revenues of \$20.2 million in Q4 2020 and \$18.1 million in Q4 2019; \$78.1 million in FY-20 and \$21.3 million in FY-19.

(2) Adjusted revenue excludes \$18.5m (\$17.6m in Residential Video and \$0.9m in Business Services) in Q4 2020 and \$97.2m (\$94.3m in Residential Video and \$2.9m in Business Services) in FY 2020 of service credits and associated franchise fees that the Company expects to return to customers as a result of regional sports networks ("RSN") affiliate fee credits the Company expects to receive for a minimum number of events not delivered in 2020.

(3) Storm credits totaled \$10.4m in Q4 2020 (\$8.7m in Residential and \$1.6m in Business Services) and \$26.5m in FY 2020 (\$22.8m in Residential and \$3.7m in Business Services).

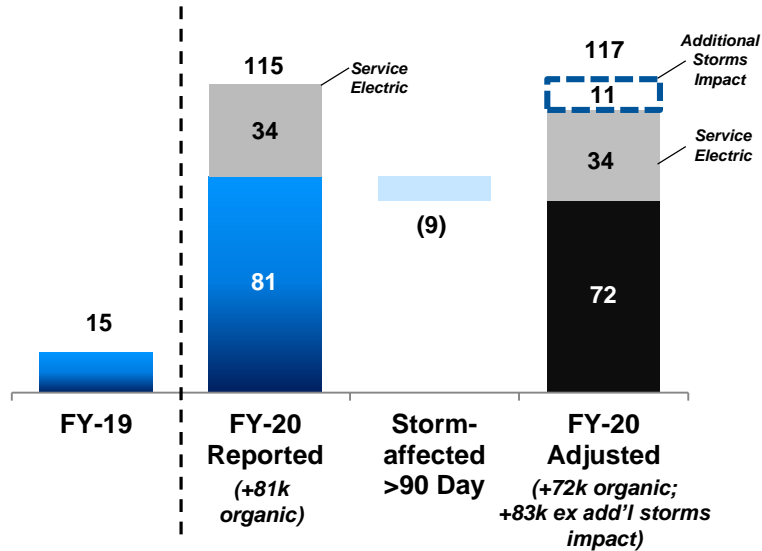
Full Year Residential Trends

Best-ever full-year customer and broadband results

FY-20 vs. FY-19

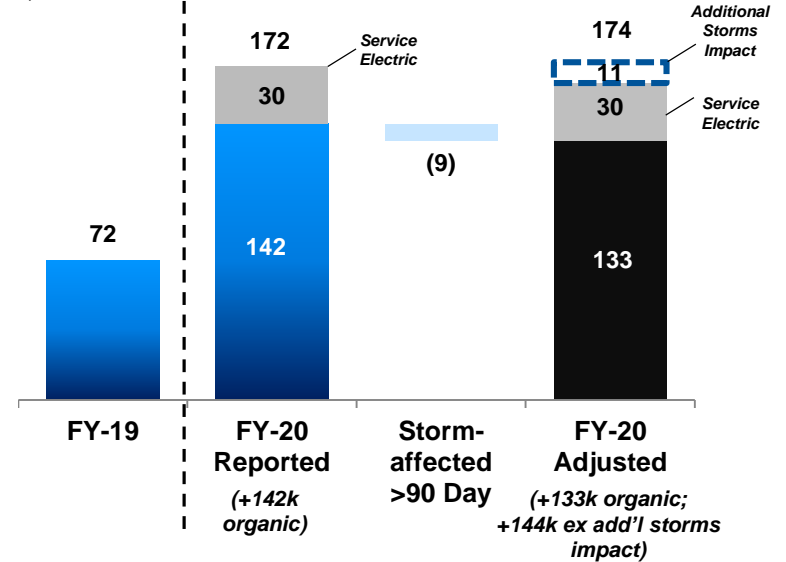
Residential customer relationship net adds⁽¹⁾

('000)



Residential broadband net adds⁽¹⁾

('000)



(1) In Q3-20 and Q4-20 the Gulf Coast was affected by Hurricanes Laura and Delta, which created a new pool of subscribers in Q4-20 who have balances outstanding that are more than 90 days past due, which is when such customers would have been disconnected under the Company's ordinary disconnect policies for non-paying customers. These "Storm-affected >90 Day" customers remain in the reported customer count in Q4-20. Hurricanes Laura, Delta and also Hurricane Isaias additionally resulted in a net loss of approximately 11k residential customer relationships and 11k residential broadband customers in FY-20 ("Additional Storms Impact" as labeled in the chart). The Service Electric Cable T.V. of New Jersey ("Service Electric") acquisition closed in July 2020 adding 34k residential customers and 30k broadband customers as of the end of Q3 2020.

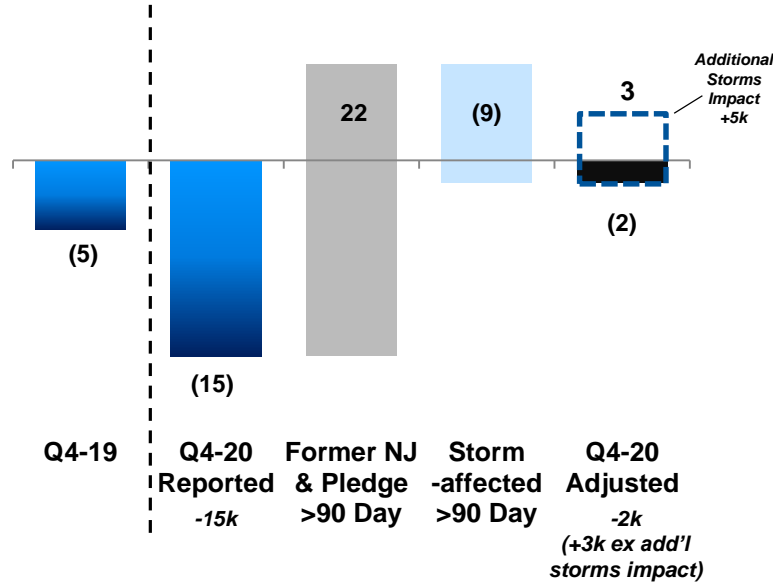
Q4 Residential Trends

Broadband trends consistent with expectations

Q4-20 vs. Q4-19

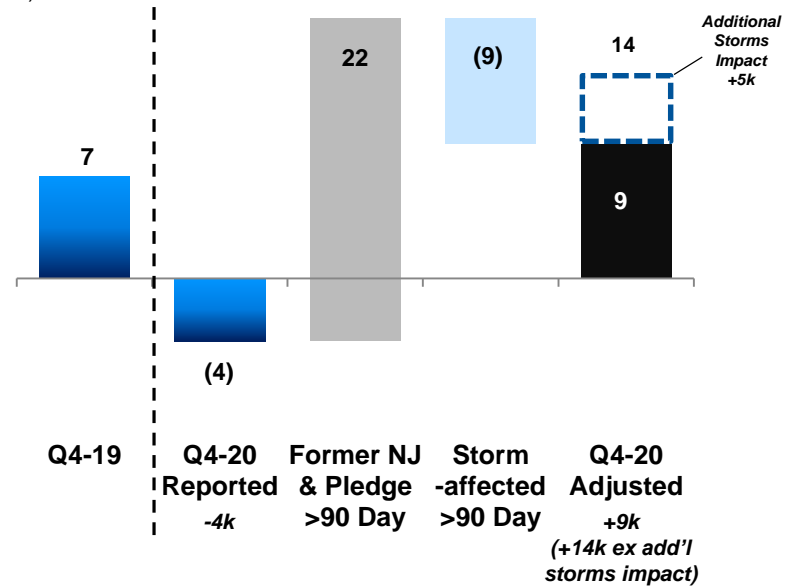
Residential customer relationship net adds^(1,2)

('000)



Residential broadband net adds^(1,2)

('000)

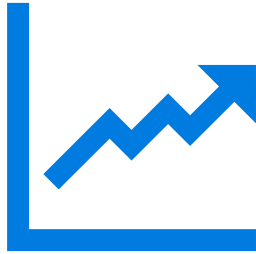


- (1) "Q4-20 Adjusted" figures shown include the retention of an additional 22k residential customer relationships (22k residential broadband customers) formerly covered by the FCC Pledge and the New Jersey Executive Order who had balances outstanding that were more than 90 days past due at the end of Q3 2020, who have since been brought current due to a combination of balance forgiveness, cash payments, and payment plans. These customers were previously included in the reported customer numbers in prior quarters but excluded from adjusted customer tallies given their non-current status.
- (2) In Q3-20 and Q4-20 the Gulf Coast was affected by Hurricanes Laura and Delta, which created a new pool of subscribers in Q4-20 who have balances outstanding that are more than 90 days past due, which is when such customers would have been disconnected under the Company's ordinary disconnect policies for non-paying customers. These "Storm-affected >90 Day" customers remain in the reported customer count in Q4-20. These hurricanes additionally resulted in a net loss of approximately 5k residential customer relationships and 5k residential broadband customers in Q4-20 ("Additional Storms Impact" as labeled in the chart).

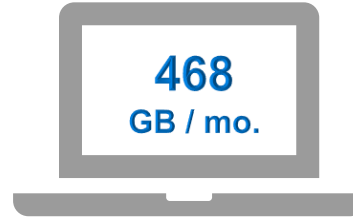
Network Usage and Higher Speed Consumption

Our network is performing well during a time of increased demand for higher broadband speeds

Network consumption trends in Q4⁽¹⁾



+70%
Broadband speed
upgrade volume



+47%
Increase in **average**
data usage per
customer



41%
1 Gig sell-in



58%
Fiber sell-in

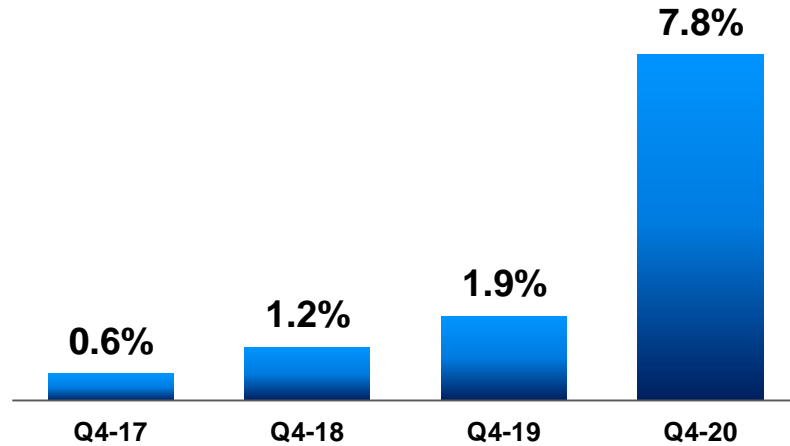
(1) Growth rates in broadband speed upgrade volume and increase in average data usage per customer comparing Q4 2020 to Q4 2019. 1 Gig sell-in refers to Q4 2020 1 Gig Internet gross additions as a percentage of total Internet gross additions in areas where 1 Gig is available. Fiber sell-in refers to Q4 2020 FTTH gross additions as a percentage of total gross additions in areas where FTTH is available.

Broadband Speed Upgrades

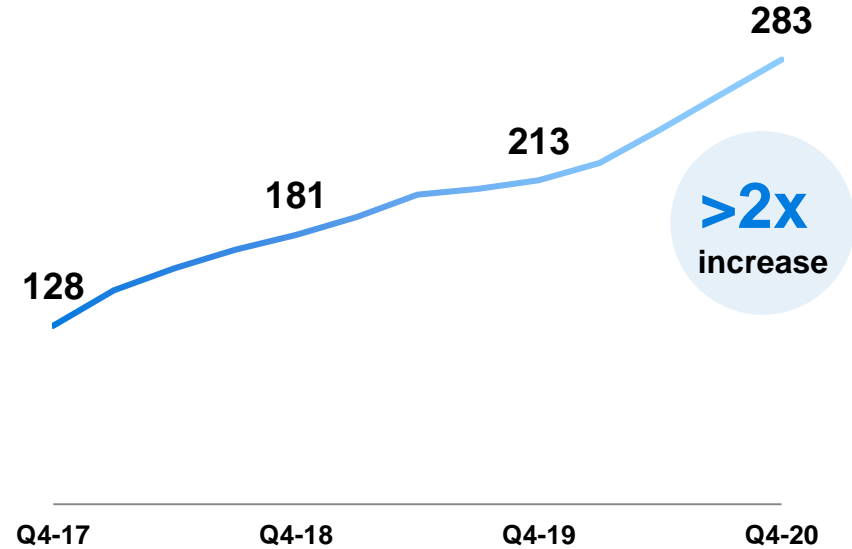
Significant runway for continued broadband speed upgrades

1 Gig penetration of total residential broadband customer base

- 1 Gig deployed in 100% of Optimum footprint, with availability in 92% of consolidated Altice USA footprint



Average download speeds taken by customers (Mbps)



Over 55% of broadband customers take 200 Mbps or less

Three Pillars of Network Strategy: Expansion, Upgrade, FTTH

ROI-focused, multi-faceted long-term approach to upgrade and expand best-in-class network

Network strategy



- **Accelerate new-build deployment**, particularly in Suddenlink with additional opportunity for fill-in's in Optimum
- **Potential Cable M&A** (e.g. Service Electric)

New-Build Penetration

~40%

within 12 months

Annual Growth in Homes Passed

150k+

- **1 Gig** upgrade completed in Optimum
- **Network upgrades** with increase plant RF bandwidth to be 1 Gig capable for ~400k homes in Suddenlink footprint

Optimum 1 Gig Coverage

100%

Suddenlink Upgrade Opportunity

~400k

- **Future-proof FTTH rollout** in Optimum markets to capture meaningful cost saving opportunity with potential for additional monetization

Current FTTH Homes

~1m

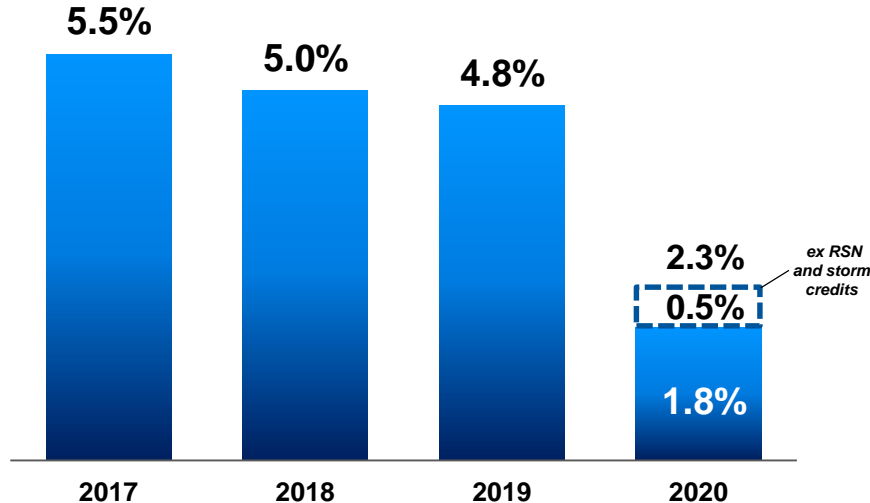
FTTH 1 Gig Sell-In

67%

Business Services

Ongoing resilience in both Enterprise and SMB during a challenging backdrop

Business Services revenue growth, 2017 to 2020



Business update

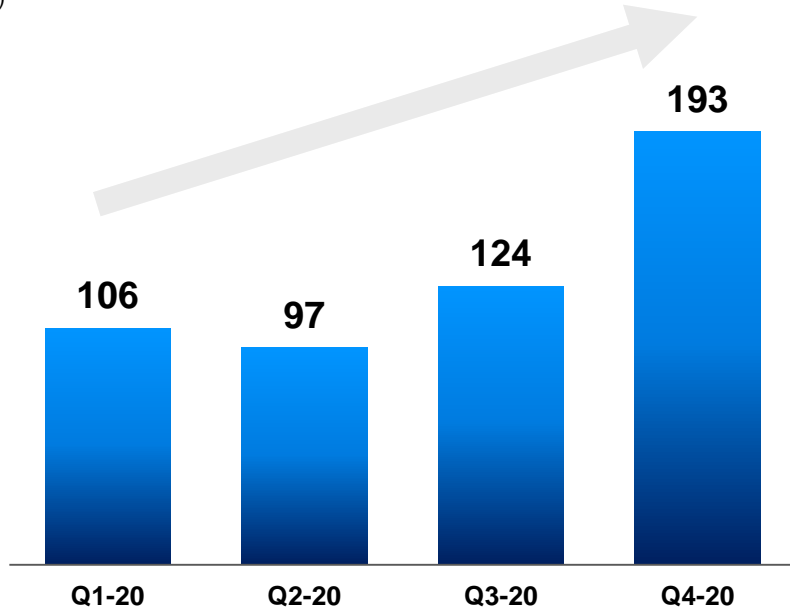
- FY-20 Business Services revenue growth of +2.3% YoY (ex RSN and storm credits) shows resilience in the broader environment
- Q4-20 Business Services revenue growth flat at -0.1% YoY (+0.6% YoY ex RSN and storm credits)
 - **Lightpath** revenue growth of +2.6% YoY
 - **SMB / Other** revenue down -1.0% YoY
- Completion of Lightpath transaction in Q4-20, with dedicated new management team
- Continued demand for higher speed tiers
- Call center and digital sales channels continue to perform well

News & Advertising

Strong Q4 with tailwind from political revenues, with recovery in Advertising

News & Advertising quarterly revenue (\$m)

(\$m)



News & Advertising trends

- News & Advertising FY-20 revenue growth of +9.1% YoY
- Q4-20 revenue of \$193m up +29.7% YoY (ex-political +3.5% YoY)
- Strong Q4-20 political season contributed to revenue outperformance
- Local and regional advertising showed recovery throughout the quarter, with national and branded advertising recovering at a slower rate
- Record viewership at Cheddar and News12



+90%

Increase in **website traffic**⁽¹⁾

+112%

Increase in **users**⁽¹⁾

news12

+6%

Increase in **TV viewership**⁽¹⁾

(1) Growth rate refers to growth comparing Q4 2020 to Q4 2019. Cheddar "website traffic" refers to webpage reviews; Cheddar "users" refer to monthly users; "TV viewership" refers to the Nielsen NY DMA HH Rating.

Altice Mobile

Launch of flexible data plans continues to enhance service and improve profitability

Altice Mobile, 2020 review

Lines

Year-end 2020

~169k

Net adds

2020 full year

+101k

Penetration

as % unique Residential customers

3.6%

Revenue

2020 full year

\$78m

Tiered data

1 GB & 3 GB take rate, December 2020

66%

Business update

- Ongoing momentum with new tiered data plans, with focus on profitability

alticemobile™

1 GB

\$14/mo. per
line

3 GB

\$22/mo. per
line

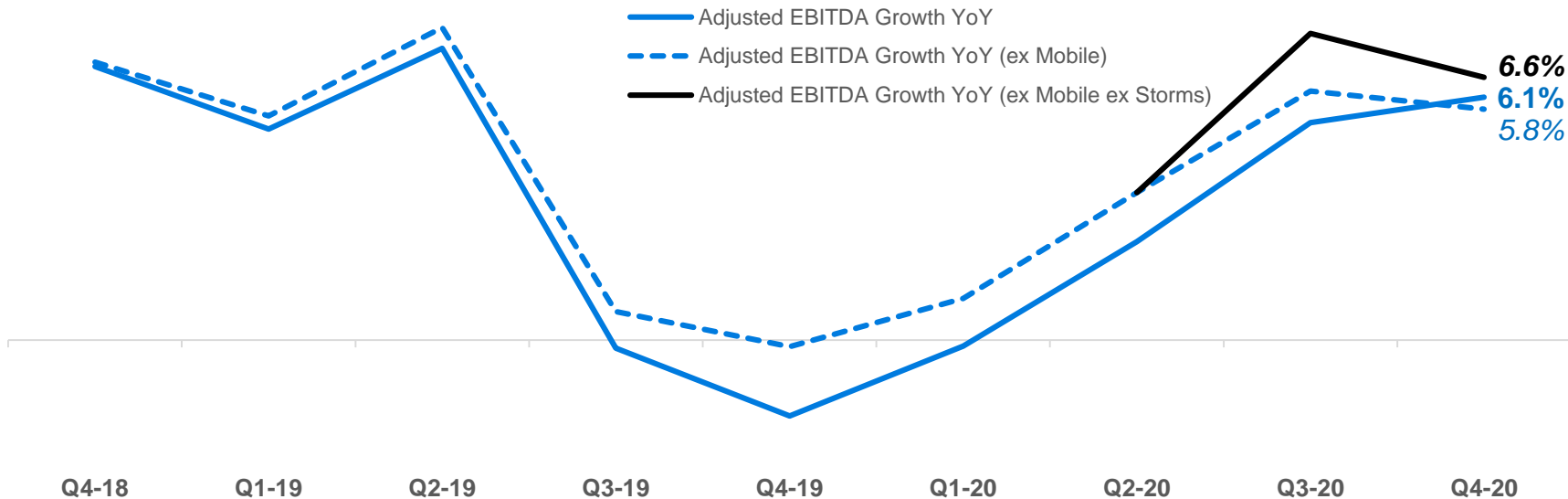
Unlimited

\$45/mo. per
line

Adjusted EBITDA Growth

Improving Adjusted EBITDA growth through core business strength

Adjusted EBITDA YoY growth⁽¹⁾

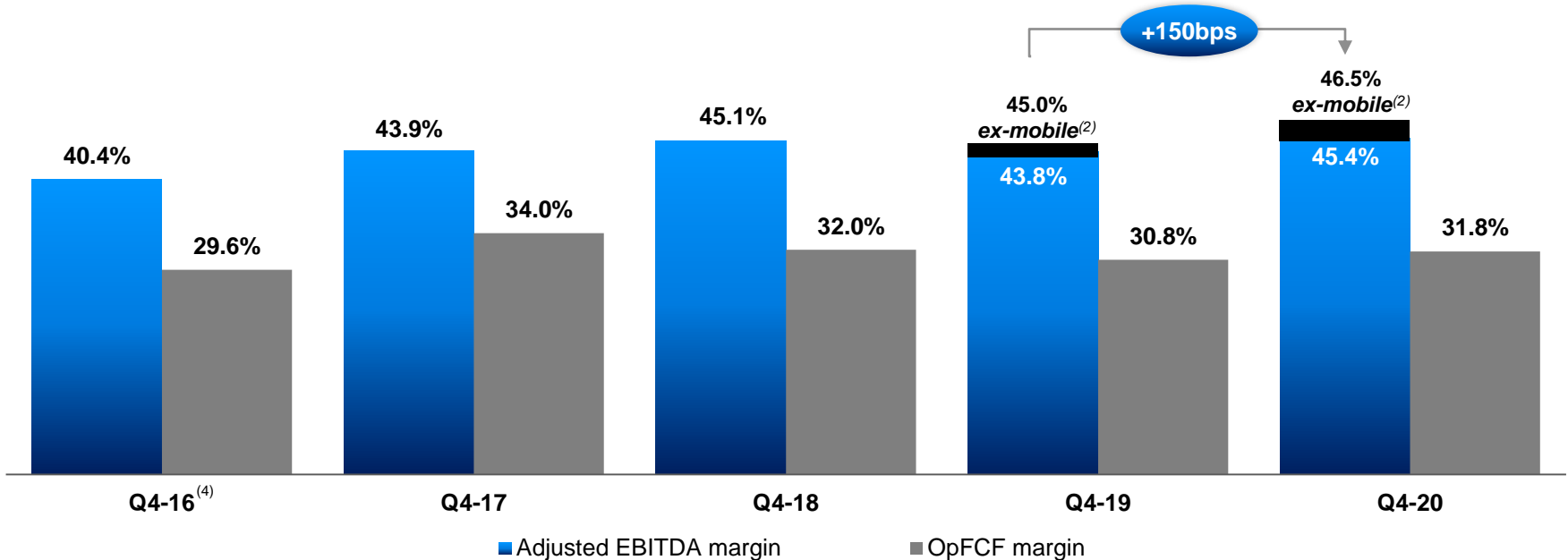


(1) Adjusted EBITDA is a non-GAAP measure. For a reconciliation of this non-GAAP measure to net income (loss), please see the Fourth Quarter and Full Year 2020 Altice USA earnings release posted to the Altice USA website. Adjusted EBITDA growth was 6.1% YoY in Q4 2020, 5.8% in Q4 2020 excluding approximately \$18.9m of losses related to Altice USA's mobile business in the current period and \$20.4m in the year-ago period, and 6.6% ex-mobile ex-storm credits of approximately \$10.4m (\$8.7m Residential, \$1.6m Business Services).

Margin Trends

Revenue mix shift and ongoing cost efficiencies driving margin expansion

Adjusted EBITDA and Operating Free Cash Flow (OpFCF) margins⁽¹⁾



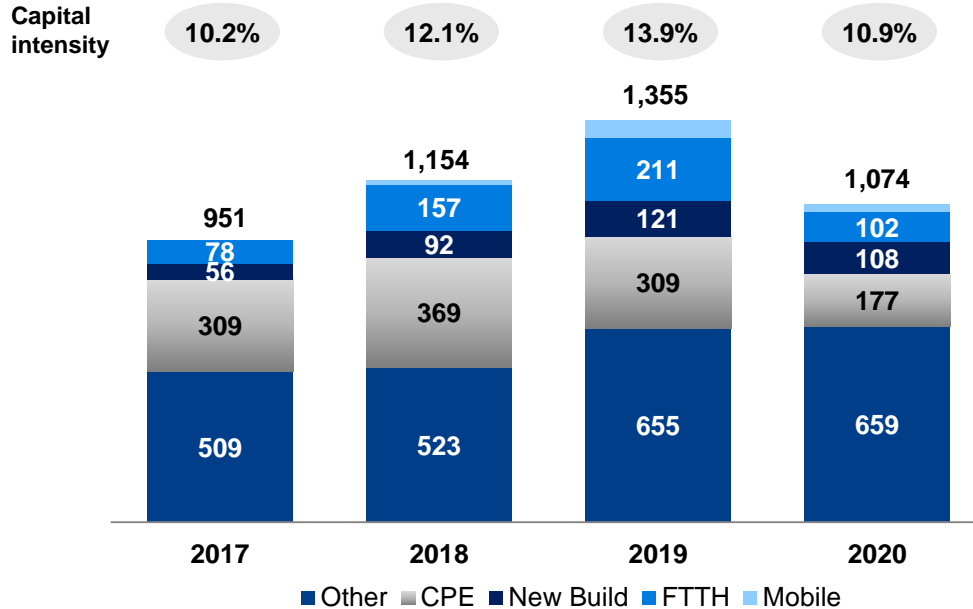
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(2) Adjusted EBITDA includes \$18.9m of losses related to Altice USA's mobile business in Q4 2020 and \$20.4m of losses in Q4 2019.

Capex to Support Network Evolution

Pandemic-related temporary slowdown in capex, with ongoing focus on network upgrades

Cash capital expenditures, 2017 to 2020



Capital expenditures review

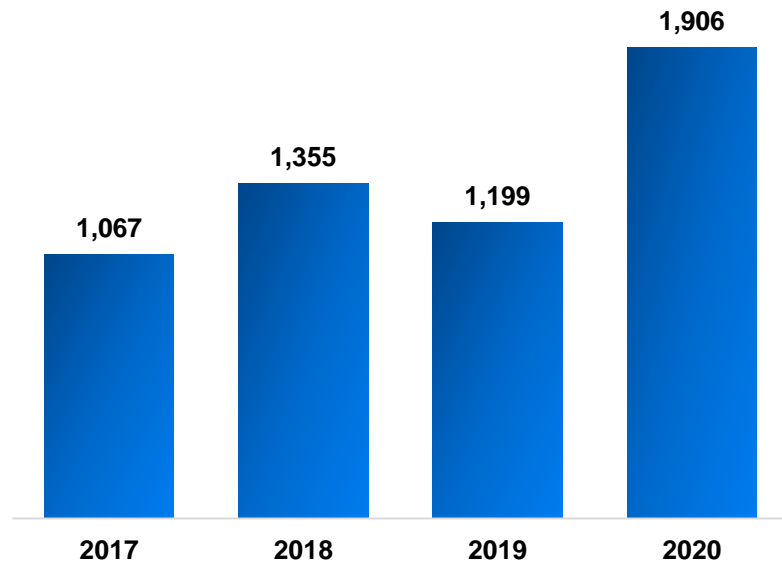
- 10.9% total capital intensity in FY-20 (8.7% ex-FTTH / New Build) and 13.6% total capital intensity in Q4-20 (11.8% ex-FTTH / New Build)
- Lower total capital outlay associated with the pandemic and lower CPE spend
- Ongoing focus on investments in new-build expansion, network upgrades, and FTTH
- Opportunity for sizable reduction in capex to less than \$1.0 billion per year upon the completion of FTTH rollout

Annual Free Cash Flow

Highest-ever annual FCF of \$1.9 billion

Free Cash Flow (FCF)⁽¹⁾

(\$m)



Free Cash Flow review

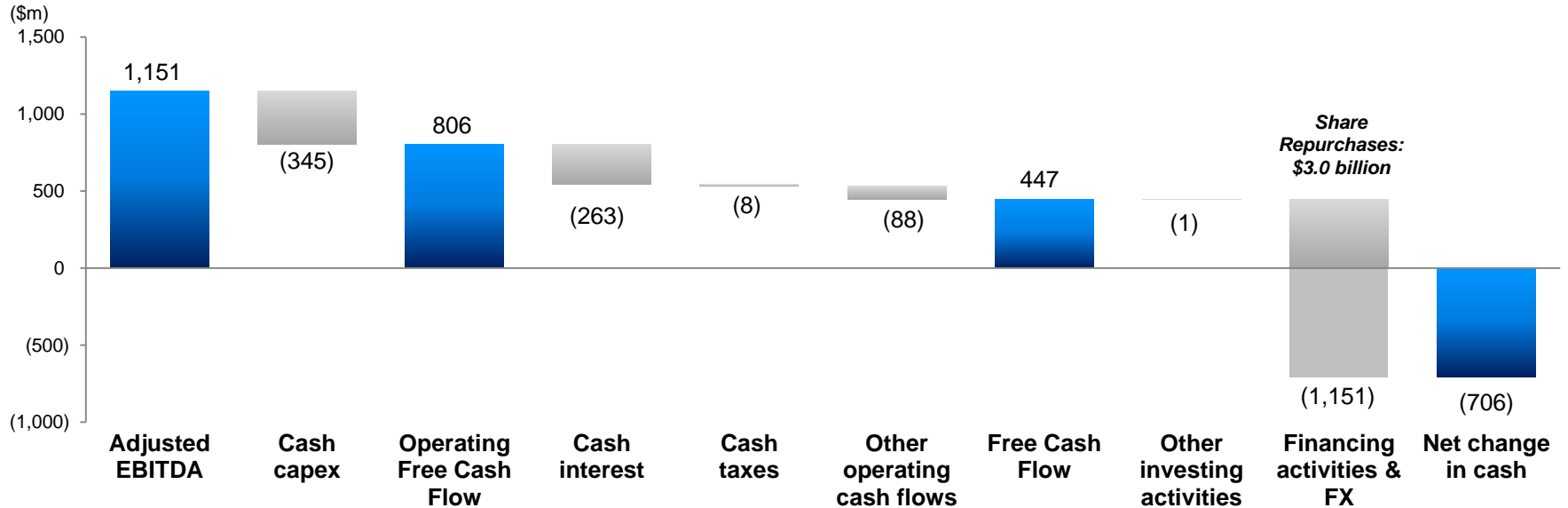
- FY-20 Free Cash Flow growth of +59% YoY
 - Annual Free Cash Flow close to doubling since IPO
- Achieved highest-ever FCF in 2020 through growth in revenue, margin improvement, lighter-than-anticipated capex and utilization of remaining NOLs
- Strong FCF generation facilitating attractive shareholder returns

(1) Free Cash Flow is a non-GAAP measure. For a reconciliation of this non-GAAP measure to net income (loss), please see the Fourth Quarter and Full Year 2020 Quarter Altice USA earnings release posted to the Altice USA website.

Q4 Free Cash Flow Generation

Continued strong Free Cash Flow growth

Q4-20 Free Cash Flow (FCF) and net change in cash bridge⁽¹⁾



\$447m FCF in Q4-20, growth of +12.5% YoY

(1) Adjusted EBITDA, Adjusted EBITDA less cash capex ("OpFCF") and Free Cash Flow are non-GAAP measures. For a reconciliation of Adjusted EBITDA and OpFCF to net income (loss), please see the Fourth Quarter and Full Year 2020 Altice USA earnings release posted to the Altice USA website.

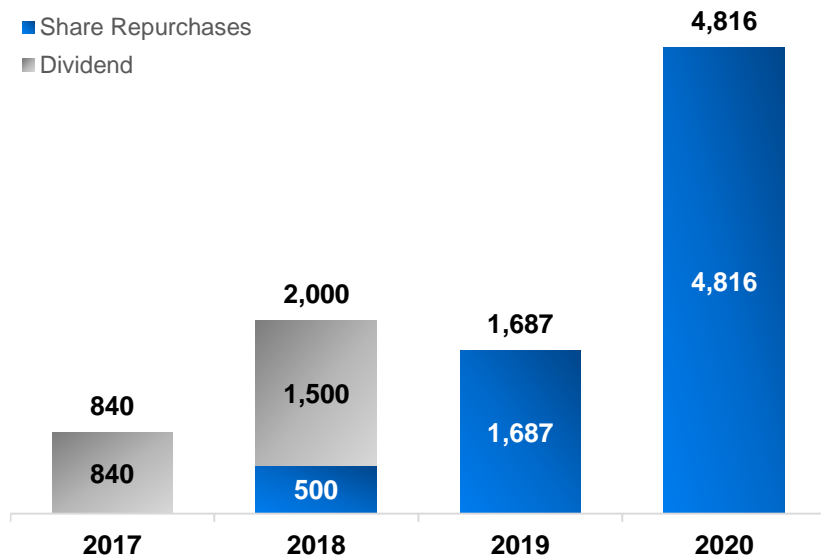
Capital Return to Shareholders

Returned \$4.8 billion in cash to shareholders in 2020 including completion of one-time share tender

Share Repurchases and Dividends Paid, 2017 to 2020

(\$m)

■ Share Repurchases
■ Dividend



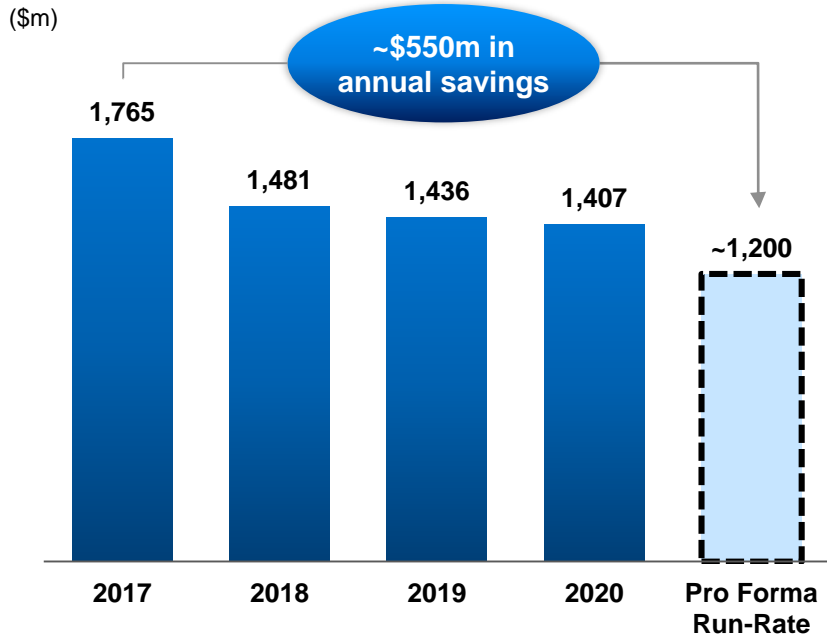
Capital Allocation Review

- Consistent track record of capital returns in the form of share repurchases and dividends since Altice USA inception
 - Cumulative capital returns of \$9.3 billion since 2017
 - Share repurchases of \$4.8 billion in FY-20 (\$3.0 billion in Q4-20)
- In December 2020, repurchased 64.6m shares at \$36.00 per share in tender offer, for a total of \$2.33 billion
- 35% reduction in total shares outstanding since 2017 IPO from 737.1m shares to 476.5m at year-end 2020
- Capital allocation objectives remain investment in growth initiatives, opportunistic share repurchases and/or debt paydown, and value-accretive M&A

Lower Cost of Debt

Lower cash interest to drive higher free cash flow growth

Historical cash interest costs



(1) Net debt to L2QA EBITDA

Debt capital structure highlights

- Lowered weighted average cost of debt resulting in ~\$550m in run-rate annual interest savings since 2017
- Proactive management of debt maturities by maintaining weighted average life of debt at 6.5 years since IPO
- Potential for additional refinancing opportunities to take advantage of low-interest rate environment
- No bond maturities over \$1.0bn until 2025
- Q4 2020 CSC Holdings, LLC leverage of 5.3x; consolidated Altice USA, Inc. leverage of 5.4x⁽¹⁾

	IPO	Q4 2020
WACD	6.4%	4.7%
WAL	6.5 years	6.5 years

Financial Outlook

	2020 Achieved	FY 2021 Outlook
Revenue Growth	+1.4% (+2.6% ex RSN/storms)	Growth
Adjusted EBITDA Growth	+3.5% (+4.1% ex storms)	Growth
Cash Capex	\$1.1 billion	\$1.3 to \$1.4 billion
Year-End Leverage (CSC Holdings, LLC)	5.3x	< 5.3x
Share Repurchases	\$4.8 billion	\$1.5 billion

Target 4.5x – 5.0x
over time

Q&A

Appendix

Altice USA, Inc. Financials

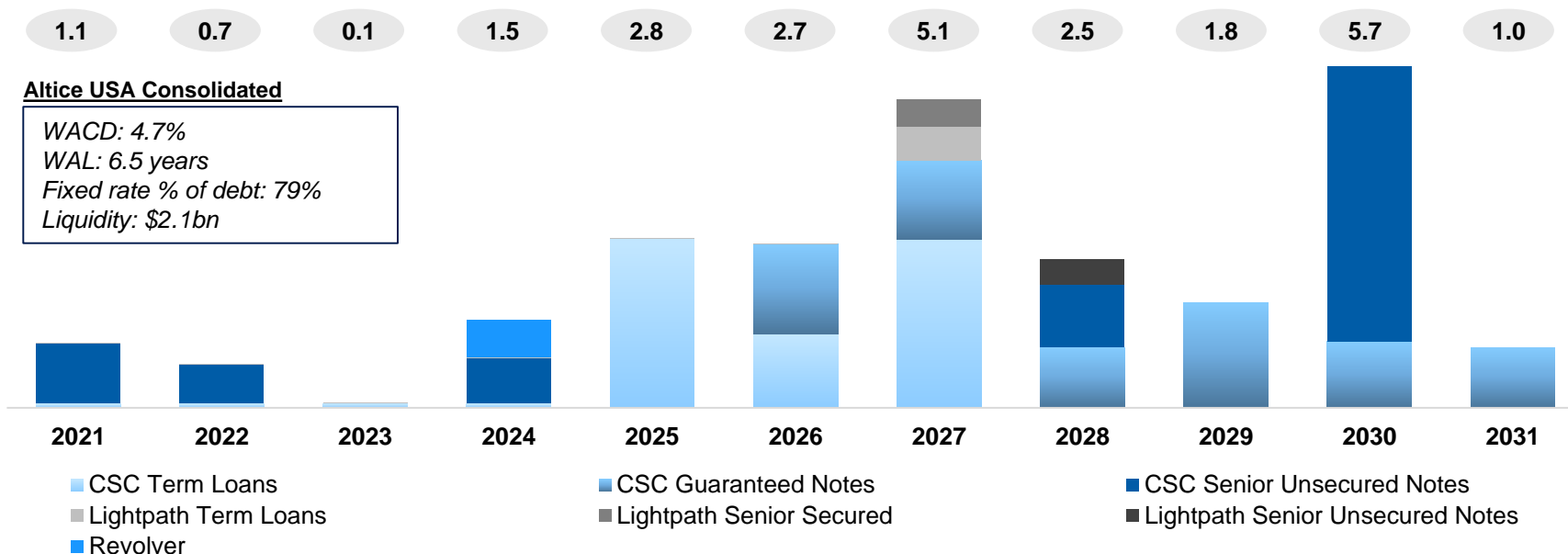
(\$m)	FY-19	FY-20	Growth YoY	Q4-19	Q4-20	Growth YoY
Total Revenue	\$9,760.9	\$9,894.6	+1.4%	\$2,474.5	\$2,535.4	+2.5%
Adjusted EBITDA⁽¹⁾	\$4,265.5	\$4,414.8	+3.5%	\$1,085.0	\$1,151.4	+6.1%
<i>Margin (%)</i>	43.7%	44.6%		43.8%	45.4%	
Cash capital expenditures	\$1,355.4	\$1,074.0	-20.8%	\$322.8	\$344.6	+6.7%
<i>Capex % of revenue</i>	13.9%	10.9%		13.0%	13.6%	
OpFCF⁽¹⁾	\$2,910.1	\$3,340.9	+14.8%	\$762.2	\$806.4	+5.8%
<i>Margin (%)</i>	29.8%	33.8%		30.8%	31.8%	

(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 2020 Altice USA earnings release posted to the Altice USA website.

Altice USA Consolidated Debt Maturity Profile

Long-dated maturities following proactive refinancing activity

Altice USA maturity profile⁽¹⁾ (in millions)



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