

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2022

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number	Registrant; State of Incorporation; Address and Telephone Number	IRS Employer Identification No.
001-38126	 altice Altice USA, Inc. Delaware 1 Court Square West Long Island City, New York 11101 (516) 803-2300	38-3980194

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files).

Yes No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company", and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one)

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, par value \$0.01 per share	ATUS	NYSE
Number of shares of common stock outstanding as of October 28, 2022		454,668,428

ALTICE USA, INC. AND SUBSIDIARIES
FORM 10-Q
TABLE OF CONTENTS

	<u>Page</u>
PART I. FINANCIAL INFORMATION	<u>2</u>
Item 1. Financial Statements	
ALTICE USA, INC. AND SUBSIDIARIES	
Consolidated Financial Statements	
Consolidated Balance Sheets - September 30, 2022 (Unaudited) and December 31, 2021	<u>4</u>
Consolidated Statements of Operations - Three and nine months ended September 30, 2022 and 2021 (Unaudited)	<u>5</u>
Consolidated Statements of Comprehensive Income - Three and nine months ended September 30, 2022 and 2021 (Unaudited)	<u>6</u>
Consolidated Statements of Stockholders' Deficiency - Three and nine months ended September 30, 2022 and 2021 (Unaudited)	<u>7</u>
Consolidated Statements of Cash Flows - Nine months ended September 30, 2022 and 2021 (Unaudited)	<u>12</u>
Combined Notes to Consolidated Financial Statements (Unaudited)	<u>19</u>
Supplemental Financial Statements Furnished:	
CSC HOLDINGS, LLC AND SUBSIDIARIES	
Consolidated Financial Statements	
Consolidated Balance Sheets - September 30, 2022 (Unaudited) and December 31, 2021	<u>13</u>
Consolidated Statements of Operations - Three and nine months ended September 30, 2022 and 2021 (Unaudited)	<u>14</u>
Consolidated Statements of Comprehensive Income - Three and nine months ended September 30, 2022 and 2021 (Unaudited)	<u>15</u>
Consolidated Statements of Member's Deficiency - Three and nine months ended September 30, 2022 and 2021 (Unaudited)	<u>16</u>
Consolidated Statements of Cash Flows - Nine months ended September 30, 2022 and 2021 (Unaudited)	<u>18</u>
Combined Notes to Consolidated Financial Statements (Unaudited)	<u>19</u>
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>34</u>
Item 3. Quantitative and Qualitative Disclosures About Market Risk	<u>48</u>
Item 4. Controls and Procedures	<u>50</u>
PART II. OTHER INFORMATION	<u>51</u>
Item 1. Legal Proceedings	<u>51</u>
Item 6. Exhibits	<u>51</u>
SIGNATURES	<u>52</u>

Part I. FINANCIAL INFORMATION

This Form 10-Q contains statements that constitute forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act and Section 21E of the Securities Act of 1934, as amended. In this Form 10-Q there are statements concerning our future operating results and future financial performance. Words such as "expects", "anticipates", "believes", "estimates", "may", "will", "should", "could", "potential", "continue", "intends", "plans" and similar words and terms used in the discussion of future operating results, future financial performance and future events identify forward-looking statements. Investors are cautioned that such forward-looking statements are not guarantees of future performance, results or events and involve risks and uncertainties and that actual results or developments may differ materially from the forward-looking statements as a result of various factors.

We operate in a highly competitive, consumer and technology driven and rapidly changing business that is affected by government regulation and economic, strategic, technological, political and social conditions. Various factors could adversely affect our operations, business or financial results in the future and cause our actual results to differ materially from those contained in the forward-looking statements. In addition, important factors that could cause our actual results to differ materially from those in our forward-looking statements include:

- competition for broadband, video and telephony customers from existing competitors (such as broadband communications companies, direct broadcast satellite ("DBS") providers, wireless data and telephony providers, and Internet-based providers) and new fiber-based competitors entering our footprint;
- changes in consumer preferences, laws and regulations or technology that may cause us to change our operational strategies;
- increased difficulty negotiating programming agreements on favorable terms, if at all, resulting in increased costs to us and/or the loss of popular programming;
- increasing programming costs and delivery expenses related to our products and services;
- our ability to achieve anticipated customer and revenue growth, to successfully introduce new products and services and to implement our growth strategy;
- our ability to complete our capital investment plans on time and on budget, including our plan to build a parallel fiber-to-the-home ("FTTH") network, and deploy Altice One, our entertainment and connectivity platform;
- our ability to develop mobile voice and data services and our ability to attract customers to these services;
- the effects of economic conditions or other factors which may negatively affect our customers' demand for our current and future products and services;
- the effects of industry conditions;
- demand for digital and linear advertising products and services;
- our substantial indebtedness and debt service obligations;
- adverse changes in the credit market;
- changes as a result of any tax reforms that may affect our business;
- financial community and rating agency perceptions of our business, operations, financial condition, and the industries in which we operate;
- the restrictions contained in our financing agreements;
- our ability to generate sufficient cash flow to meet our debt service obligations;
- fluctuations in interest rates which may cause our interest expense to vary from quarter to quarter;
- technical failures, equipment defects, physical or electronic break-ins to our services, computer viruses and similar problems;

- cybersecurity incidents as a result of hacking, phishing, denial of service attacks, dissemination of computer viruses, ransomware and other malicious software, misappropriation of data, and other malicious attempts;
- disruptions to our networks, infrastructure and facilities as a result of natural disasters, power outages, accidents, maintenance failures, telecommunications failures, degradation of plant assets, terrorist attacks and similar events;
- labor shortages and supply chain disruptions;
- the impact from the coronavirus ("COVID-19") pandemic;
- our ability to obtain necessary hardware, software, communications equipment and services and other items from our vendors at reasonable costs;
- our ability to effectively integrate acquisitions and to maximize expected operating efficiencies from our acquisitions or as a result of the transactions, if any;
- significant unanticipated increases in the use of bandwidth-intensive Internet-based services;
- the outcome of litigation, government investigations and other proceedings; and
- other risks and uncertainties inherent in our cable and broadband communications businesses and our other businesses, including those listed under the caption "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on February 16, 2022 (the "Annual Report").

These factors are not necessarily all of the important factors that could cause our actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors could cause our actual results to differ materially from those expressed in any of our forward-looking statements.

Given these uncertainties, you are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements are made only as of the date of this Quarterly Report. Except to the extent required by law, we do not undertake, and specifically decline any obligation, to update any forward-looking statements or to publicly announce the results of any revisions to any of such statements to reflect future events or developments. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless expressed as such, and should only be viewed as historical data.

You should read this Quarterly Report with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect. We qualify all forward-looking statements by these cautionary statements.

Certain numerical figures included in this Quarterly Report have been subject to rounding adjustments. Accordingly, such numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them.

Item 1. Financial Statements

ALTICE USA, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (In thousands)

	September 30, 2022 (Unaudited)	December 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 250,576	\$ 195,711
Restricted cash	265	264
Accounts receivable, trade (less allowance for doubtful accounts of \$37,900 and \$27,931, respectively)	343,355	406,952
Prepaid expenses and other current assets (\$519 and \$3,776 due from affiliates, respectively)	164,412	183,714
Derivative contracts	481,914	2,993
Investment securities pledged as collateral	1,259,877	—
Total current assets	2,500,399	789,634
Property, plant and equipment, net of accumulated depreciation of \$7,649,014 and \$7,142,852, respectively	7,077,966	6,340,467
Right-of-use operating lease assets	234,707	222,124
Investment securities pledged as collateral	—	2,161,937
Other assets	264,974	76,653
Amortizable intangibles, net of accumulated amortization of \$5,421,667 and \$5,051,149, respectively	1,782,300	2,202,001
Indefinite-lived cable television franchises	13,216,355	13,216,355
Goodwill	8,205,863	8,205,863
Total assets	\$ 33,282,564	\$ 33,215,034
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current Liabilities:		
Accounts payable	\$ 1,084,737	\$ 1,023,045
Interest payable	224,278	244,934
Accrued employee related costs	155,384	124,941
Deferred revenue	90,040	94,943
Debt	2,062,295	917,313
Other current liabilities (\$26,821 and \$31,810 due to affiliates, respectively)	352,772	329,943
Total current liabilities	3,969,506	2,735,119
Other liabilities	160,716	159,082
Deferred tax liability	4,956,050	5,048,129
Liabilities under derivative contracts	—	276,933
Right-of-use operating lease liability	245,360	237,226
Long-term debt, net of current maturities	24,290,003	25,629,447
Total liabilities	33,621,635	34,085,936
Commitments and contingencies (Note 14)		
Stockholders' Deficiency:		
Preferred stock, \$0.01 par value, 100,000,000 shares authorized, no shares issued and outstanding	—	—
Class A common stock: \$0.01 par value, 4,000,000,000 shares authorized, 270,358,014 shares issued and 270,338,751 shares outstanding as of September 30, 2022 and 270,341,685 shares issued and 270,320,798 shares outstanding as of December 31, 2021	2,704	2,703
Class B common stock: \$0.01 par value, 1,000,000,000 shares authorized, 490,086,674 issued, 184,329,677 shares outstanding as of September 30, 2022 and 184,333,342 shares outstanding as of December 31, 2021	1,843	1,843
Class C common stock: \$0.01 par value, 4,000,000,000 shares authorized, no shares issued and outstanding	—	—
Paid-in capital	137,660	18,005
Accumulated deficit	(461,160)	(848,836)
Treasury stock, at cost (19,263 and 20,887 Class A common shares, respectively)	—	—
Accumulated other comprehensive income	5,432	6,497
Total Altice USA stockholders' deficiency	(313,521)	(819,788)
Noncontrolling interests	(25,550)	(51,114)
Total stockholders' deficiency	(339,071)	(870,902)
Total liabilities and stockholders' deficiency	\$ 33,282,564	\$ 33,215,034

See accompanying notes to consolidated financial statements.

ALTICE USA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue (including revenue from affiliates of \$649, \$3,277, \$1,765, and \$9,718, respectively) (See Note 13)	\$ 2,393,552	\$ 2,574,882	\$ 7,278,463	\$ 7,569,711
Operating expenses:				
Programming and other direct costs (including charges from affiliates of \$4,086, \$5,294, \$11,419, and \$12,026, respectively) (See Note 13)	782,121	843,909	2,429,925	2,545,645
Other operating expenses (including charges from affiliates of \$3,111, \$3,274, \$9,243 and \$9,149, respectively) (See Note 13)	694,390	590,519	2,009,760	1,760,132
Restructuring and other expense	4,007	1,885	10,058	10,958
Depreciation and amortization (including impairments)	445,769	447,958	1,327,243	1,327,142
	<u>1,926,287</u>	<u>1,884,271</u>	<u>5,776,986</u>	<u>5,643,877</u>
Operating income	467,265	690,611	1,501,477	1,925,834
Other income (expense):				
Interest expense, net	(340,989)	(319,001)	(954,564)	(954,684)
Gain (loss) on investments	(425,686)	(46,821)	(902,060)	151,651
Gain (loss) on derivative contracts, net	323,668	43,385	643,856	(109,020)
Gain on interest rate swap contracts, net	105,945	5,521	268,960	59,600
Loss on extinguishment of debt and write-off of deferred financing costs	—	—	—	(51,712)
Other income, net	3,245	2,280	8,196	7,606
	<u>(333,817)</u>	<u>(314,636)</u>	<u>(935,612)</u>	<u>(896,559)</u>
Income before income taxes	133,448	375,975	565,865	1,029,275
Income tax expense	(35,827)	(105,226)	(152,563)	(279,053)
Net income	97,621	270,749	413,302	750,222
Net income attributable to noncontrolling interests	(12,670)	(3,896)	(25,626)	(11,573)
Net income attributable to Altice USA, Inc. stockholders	<u>\$ 84,951</u>	<u>\$ 266,853</u>	<u>\$ 387,676</u>	<u>\$ 738,649</u>
Income per share:				
Basic income per share	<u>\$ 0.19</u>	<u>\$ 0.59</u>	<u>\$ 0.86</u>	<u>\$ 1.61</u>
Basic weighted average common shares (in thousands)	<u>453,239</u>	<u>454,049</u>	<u>453,233</u>	<u>460,023</u>
Diluted income per share	<u>\$ 0.19</u>	<u>\$ 0.58</u>	<u>\$ 0.86</u>	<u>\$ 1.59</u>
Diluted weighted average common shares (in thousands)	<u>453,390</u>	<u>457,163</u>	<u>453,284</u>	<u>465,349</u>
Cash dividends declared per common share	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

See accompanying notes to consolidated financial statements.

ALTICE USA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	\$ 97,621	\$ 270,749	\$ 413,302	\$ 750,222
Other comprehensive income (loss):				
Defined benefit pension plans	540	(2,084)	(1,515)	8,056
Applicable income taxes	(143)	555	400	(2,142)
Defined benefit pension plans, net of income taxes	397	(1,529)	(1,115)	5,914
Foreign currency translation adjustment	159	(619)	50	(140)
Applicable income taxes	—	—	—	—
Foreign currency translation adjustment, net of income taxes	159	(619)	50	(140)
Other comprehensive income (loss)	556	(2,148)	(1,065)	5,774
Comprehensive income	98,177	268,601	412,237	755,996
Comprehensive income attributable to noncontrolling interests	(12,670)	(3,896)	(25,626)	(11,573)
Comprehensive income attributable to Altice USA, Inc. stockholders	\$ 85,507	\$ 264,705	\$ 386,611	\$ 744,423

See accompanying notes to consolidated financial statements.

ALTICE USA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
(In thousands)
(Unaudited)

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income	Total Altice USA Stockholders' Deficiency	Non- controlling Interests	Total Deficiency
Balance at January 1, 2022	\$ 2,703	\$ 1,843	\$ 18,005	\$ (848,836)	\$ —	\$ 6,497	\$ (819,788)	\$ (51,114)	\$ (870,902)
Net income attributable to stockholders	—	—	—	196,551	—	—	196,551	—	196,551
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	5,590	5,590
Pension liability adjustments, net of income taxes	—	—	—	—	—	1,843	1,843	—	1,843
Foreign currency translation adjustment, net of income taxes	—	—	—	—	—	(170)	(170)	—	(170)
Share-based compensation expense (equity classified)	—	—	40,512	—	—	—	40,512	—	40,512
Issuance of common shares pursuant to employee long term incentive plan	—	—	10	—	—	—	10	—	10
Balance at March 31, 2022	2,703	1,843	58,527	(652,285)	—	8,170	(581,042)	(45,524)	(626,566)
Net income attributable to stockholders	—	—	—	106,174	—	—	106,174	—	106,174
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	7,366	7,366
Pension liability adjustments, net of income taxes	—	—	—	—	—	(3,355)	(3,355)	—	(3,355)
Foreign currency translation adjustment, net of income taxes	—	—	—	—	—	61	61	—	61
Share-based compensation expense (equity classified)	—	—	41,680	—	—	—	41,680	—	41,680
Issuance of common shares pursuant to employee long term incentive plan	—	—	6	—	—	—	6	—	6
Balance at June 30, 2022	\$ 2,703	\$ 1,843	\$ 100,213	\$ (546,111)	\$ —	\$ 4,876	\$ (436,476)	\$ (38,158)	\$ (474,634)

See accompanying notes to consolidated financial statements.

ALTICE USA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
(In thousands)
(Unaudited)

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income	Total Altice USA Stockholders' Deficiency	Non- controlling Interests	Total Deficiency
Balance at June 30, 2022	\$ 2,703	\$ 1,843	\$ 100,213	\$ (546,111)	\$ —	\$ 4,876	\$ (436,476)	\$ (38,158)	\$ (474,634)
Net income attributable to stockholders	—	—	—	84,951	—	—	84,951	—	84,951
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	12,670	12,670
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(62)	(62)
Pension liability adjustments, net of income taxes	—	—	—	—	—	397	397	—	397
Foreign currency translation adjustment, net of income taxes	—	—	—	—	—	159	159	—	159
Share-based compensation expense (equity classified)	—	—	37,527	—	—	—	37,527	—	37,527
Issuance of common shares pursuant to employee long term incentive plan	1	—	(80)	—	—	—	(79)	—	(79)
Balance at September 30, 2022	<u>\$ 2,704</u>	<u>\$ 1,843</u>	<u>\$ 137,660</u>	<u>\$ (461,160)</u>	<u>\$ —</u>	<u>\$ 5,432</u>	<u>\$ (313,521)</u>	<u>\$ (25,550)</u>	<u>\$ (339,071)</u>

ALTICE USA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
(In thousands)
(Unaudited)

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income	Total Altice USA Stockholders' Deficiency	Non- controlling Interests	Total Deficiency
Balance at January 1, 2021	\$ 2,972	\$ 1,859	\$ —	\$ (985,641)	\$ (163,866)	\$ 3,646	\$ (1,141,030)	\$ (62,109)	\$ (1,203,139)
Net income attributable to stockholders	—	—	—	274,136	—	—	274,136	—	274,136
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	4,403	4,403
Pension liability adjustments, net of income taxes	—	—	—	—	—	6,356	6,356	—	6,356
Foreign currency translation adjustment, net of income taxes	—	—	—	—	—	619	619	—	619
Share-based compensation expense (equity classified)	—	—	—	27,964	—	—	27,964	—	27,964
Redeemable equity vested	—	—	—	20,131	—	—	20,131	—	20,131
Change in redeemable equity	—	—	—	2,528	—	—	2,528	—	2,528
Class A shares acquired through share repurchase program and retired	(152)	—	—	(522,521)	—	—	(522,673)	—	(522,673)
Conversion of Class B to Class A shares	1	(1)	—	—	—	—	—	—	—
Issuance of common shares pursuant to employee long term incentive plan	1	—	—	2,037	6	—	2,044	—	2,044
Other	—	—	—	(4,244)	—	—	(4,244)	4,302	58
Balance at March 31, 2021	<u>\$ 2,822</u>	<u>\$ 1,858</u>	<u>\$ —</u>	<u>\$ (1,185,610)</u>	<u>\$ (163,860)</u>	<u>\$ 10,621</u>	<u>\$ (1,334,169)</u>	<u>\$ (53,404)</u>	<u>\$ (1,387,573)</u>

See accompanying notes to consolidated financial statements.

ALTICE USA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
(In thousands)
(Unaudited)

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income	Total Altice USA Stockholders' Deficiency	Non- controlling Interests	Total Deficiency
Balance at March 31, 2021	\$ 2,822	\$ 1,858	\$ —	\$ (1,185,610)	\$ (163,860)	\$ 10,621	\$ (1,334,169)	\$ (53,404)	\$ (1,387,573)
Net income attributable to stockholders	—	—	—	197,660	—	—	197,660	—	197,660
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	3,274	3,274
Pension liability adjustments, net of income taxes	—	—	—	—	—	1,088	1,088	—	1,088
Foreign currency translation adjustment, net of income taxes	—	—	—	—	—	(140)	(140)	—	(140)
Share-based compensation expense (equity classified)	—	—	—	27,385	—	—	27,385	—	27,385
Redeemable equity vested	—	—	—	3,618	—	—	3,618	—	3,618
Change in redeemable equity	—	—	—	(514)	—	—	(514)	—	(514)
Class A shares acquired through share repurchase program and retired	(58)	—	—	(202,787)	—	—	(202,845)	—	(202,845)
Issuance of common shares pursuant to employee long term incentive plan	8	—	—	(488)	9,365	—	8,885	—	8,885
Retirement of treasury stock	(59)	—	—	(154,436)	154,495	—	—	—	—
Other	—	—	—	92	—	—	92	76	168
Balance at June 30, 2021	<u>\$ 2,713</u>	<u>\$ 1,858</u>	<u>\$ —</u>	<u>\$ (1,315,080)</u>	<u>\$ —</u>	<u>\$ 11,569</u>	<u>\$ (1,298,940)</u>	<u>\$ (50,054)</u>	<u>\$ (1,348,994)</u>

See accompanying notes to consolidated financial statements.

ALTICE USA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIENCY
(In thousands)
(Unaudited)

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income	Total Altice USA Stockholders' Deficiency	Non- controlling Interests	Total Deficiency
Balance at June 30, 2021	\$ 2,713	\$ 1,858	\$ —	\$ (1,315,080)	\$ —	\$ 11,569	\$ (1,298,940)	\$ (50,054)	\$ (1,348,994)
Net income attributable to stockholders	—	—	—	266,853	—	—	266,853	—	266,853
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	3,896	3,896
Pension liability adjustments, net of income taxes	—	—	—	—	—	(1,529)	(1,529)	—	(1,529)
Foreign currency translation adjustment, net of income taxes	—	—	—	—	—	(619)	(619)	—	(619)
Share-based compensation expense (equity classified)	—	—	—	24,172	—	—	24,172	—	24,172
Class A shares acquired through share repurchase program and retired	(26)	—	—	(79,384)	—	—	(79,410)	—	(79,410)
Issuance of common shares pursuant to employee long term incentive plan	2	—	—	2,956	—	—	2,958	—	2,958
Other	—	—	—	(14)	—	—	(14)	—	(14)
Balance at September 30, 2021	<u>\$ 2,689</u>	<u>\$ 1,858</u>	<u>\$ —</u>	<u>\$ (1,100,497)</u>	<u>\$ —</u>	<u>\$ 9,421</u>	<u>\$ (1,086,529)</u>	<u>\$ (46,158)</u>	<u>\$ (1,132,687)</u>

ALTICE USA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities:		
Net income	\$ 413,302	\$ 750,222
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including impairments)	1,327,243	1,327,142
Loss (gain) on investments	902,060	(151,651)
Loss (gain) on derivative contracts, net	(643,856)	109,020
Loss on extinguishment of debt and write-off of deferred financing costs	—	51,712
Amortization of deferred financing costs and discounts (premiums) on indebtedness	61,447	69,176
Share-based compensation expense	114,410	80,277
Deferred income taxes	(89,240)	97,046
Decrease in right-of-use assets	33,315	32,694
Provision for doubtful accounts	65,281	46,448
Other	(492)	1,434
Change in assets and liabilities, net of effects of acquisitions and dispositions:		
Accounts receivable, trade	389	(35,077)
Prepaid expenses and other assets	15,730	33,381
Amounts due from and due to affiliates	(1,732)	12,804
Accounts payable and accrued liabilities	17,776	(121,503)
Deferred revenue	(5,508)	(24,829)
Liabilities related to interest rate swap contracts	(304,409)	(100,817)
Net cash provided by operating activities	<u>1,905,716</u>	<u>2,177,479</u>
Cash flows from investing activities:		
Capital expenditures	(1,371,056)	(845,067)
Payments for acquisitions, net of cash acquired	(2,060)	(340,444)
Other, net	(2,985)	(2,285)
Net cash used in investing activities	<u>(1,376,101)</u>	<u>(1,187,796)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	1,565,000	3,310,000
Repayment of debt	(1,942,428)	(3,483,026)
Proceeds from collateralized indebtedness and related derivative contracts, net	—	185,105
Repayment of collateralized indebtedness and related derivative contracts, net	—	(185,105)
Principal payments on finance lease obligations	(97,165)	(60,257)
Purchase of shares of Altice USA Class A common stock, pursuant to a share repurchase program	—	(804,928)
Other	(207)	2,698
Net cash used in financing activities	<u>(474,800)</u>	<u>(1,035,513)</u>
Net increase (decrease) in cash and cash equivalents	54,815	(45,830)
Effect of exchange rate changes on cash and cash equivalents	51	(140)
Net increase (decrease) in cash and cash equivalents	<u>54,866</u>	<u>(45,970)</u>
Cash, cash equivalents and restricted cash at beginning of year	195,975	278,686
Cash, cash equivalents and restricted cash at end of period	<u>\$ 250,841</u>	<u>\$ 232,716</u>

See accompanying notes to consolidated financial statements.

CSC HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(In thousands)

	September 30, 2022 (Unaudited)	December 31, 2021
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 248,019	\$ 193,154
Restricted cash	265	264
Accounts receivable, trade (less allowance for doubtful accounts of \$37,900 and \$27,931, respectively)	343,355	406,952
Prepaid expenses and other current assets (\$519 and \$3,776 due from affiliates, respectively)	164,412	183,714
Derivative contracts	481,914	2,993
Investment securities pledged as collateral	1,259,877	—
Total current assets	2,497,842	787,077
Property, plant and equipment, net of accumulated depreciation of \$7,649,014 and \$7,142,852, respectively	7,077,966	6,340,467
Right-of-use operating lease assets	234,707	222,124
Investment securities pledged as collateral	—	2,161,937
Other assets	264,974	76,653
Amortizable intangibles, net of accumulated amortization of \$5,421,667 and \$5,051,149, respectively	1,782,300	2,202,001
Indefinite-lived cable television franchises	13,216,355	13,216,355
Goodwill	8,205,863	8,205,863
Total assets	<u>\$ 33,280,007</u>	<u>\$ 33,212,477</u>
LIABILITIES AND MEMBER'S DEFICIENCY		
Current Liabilities:		
Accounts payable	\$ 1,084,737	\$ 1,023,045
Interest payable	224,278	244,934
Accrued employee related costs	155,384	124,941
Deferred revenue	90,040	94,943
Debt	2,062,295	917,313
Other current liabilities (\$26,821 and \$31,810 due to affiliates, respectively)	352,773	329,944
Total current liabilities	3,969,507	2,735,120
Other liabilities	160,716	159,082
Deferred tax liability	4,975,363	5,067,442
Liabilities under derivative contracts	—	276,933
Right-of-use operating lease liability	245,360	237,226
Long-term debt, net of current maturities	24,290,003	25,629,447
Total liabilities	33,640,949	34,105,250
Commitments and contingencies (Note 14)		
Member's deficiency (100 membership units issued and outstanding)	(340,824)	(848,156)
Accumulated other comprehensive income	5,432	6,497
Total member's deficiency	(335,392)	(841,659)
Noncontrolling interest	(25,550)	(51,114)
Total deficiency	(360,942)	(892,773)
Total liabilities and member's deficiency	<u>\$ 33,280,007</u>	<u>\$ 33,212,477</u>

See accompanying notes to consolidated financial statements.

CSC HOLDINGS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue (including revenue from affiliates of \$649, \$3,277, \$1,765, and \$9,718, respectively) (See Note 13)	\$ 2,393,552	\$ 2,574,882	\$ 7,278,463	\$ 7,569,711
Operating expenses:				
Programming and other direct costs (including charges from affiliates of \$4,086, \$5,294, \$11,419 and \$12,026, respectively) (See Note 13)	782,121	843,909	2,429,925	2,545,645
Other operating expenses (including charges from affiliates of \$3,111, \$3,274, \$9,243 and \$9,149 respectively) (See Note 13)	694,390	590,519	2,009,760	1,760,132
Restructuring and other expense	4,007	1,885	10,058	10,958
Depreciation and amortization (including impairments)	445,769	447,958	1,327,243	1,327,142
	<u>1,926,287</u>	<u>1,884,271</u>	<u>5,776,986</u>	<u>5,643,877</u>
Operating income	467,265	690,611	1,501,477	1,925,834
Other income (expense):				
Interest expense, net	(340,989)	(319,001)	(954,564)	(954,684)
Gain (loss) on investments	(425,686)	(46,821)	(902,060)	151,651
Gain (loss) on derivative contracts, net	323,668	43,385	643,856	(109,020)
Gain on interest rate swap contracts, net	105,945	5,521	268,960	59,600
Loss on extinguishment of debt and write-off of deferred financing costs	—	—	—	(51,712)
Other income, net	3,245	2,280	8,196	7,606
	<u>(333,817)</u>	<u>(314,636)</u>	<u>(935,612)</u>	<u>(896,559)</u>
Income before income taxes	133,448	375,975	565,865	1,029,275
Income tax expense	(35,827)	(105,226)	(152,563)	(276,756)
Net income	97,621	270,749	413,302	752,519
Net income attributable to noncontrolling interests	(12,670)	(3,896)	(25,626)	(11,573)
Net income attributable to CSC Holdings, LLC sole member	<u>\$ 84,951</u>	<u>\$ 266,853</u>	<u>\$ 387,676</u>	<u>\$ 740,946</u>

See accompanying notes to consolidated financial statements.

CSC HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	\$ 97,621	\$ 270,749	\$ 413,302	\$ 752,519
Other comprehensive income (loss):				
Defined benefit pension plans	540	(2,084)	(1,515)	8,056
Applicable income taxes	(143)	555	400	(2,142)
Defined benefit pension plans, net of income taxes	397	(1,529)	(1,115)	5,914
Foreign currency translation adjustment	159	(619)	50	(140)
Applicable income taxes	—	—	—	—
Foreign currency translation adjustment, net of income taxes	159	(619)	50	(140)
Other comprehensive income (loss)	556	(2,148)	(1,065)	5,774
Comprehensive income	98,177	268,601	412,237	758,293
Comprehensive income attributable to noncontrolling interests	(12,670)	(3,896)	(25,626)	(11,573)
Comprehensive income attributable to CSC Holdings, LLC's sole member	\$ 85,507	\$ 264,705	\$ 386,611	\$ 746,720

See accompanying notes to consolidated financial statements.

CSC HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL MEMBER'S DEFICIENCY
(In thousands)
(Unaudited)

	Member's Deficiency	Accumulated Other Comprehensive Income	Total Member's Deficiency	Noncontrolling Interests	Total Deficiency
Balance at January 1, 2022	\$ (848,156)	\$ 6,497	\$ (841,659)	\$ (51,114)	\$ (892,773)
Net income attributable to CSC Holdings' sole member	196,551	—	196,551	—	196,551
Net income attributable to noncontrolling interests	—	—	—	5,590	5,590
Pension liability adjustments, net of income taxes	—	1,843	1,843	—	1,843
Foreign currency translation adjustment, net of income taxes	—	(170)	(170)	—	(170)
Share-based compensation expense (equity classified)	40,512	—	40,512	—	40,512
Non-cash contribution from parent	11	—	11	—	11
Balance at March 31, 2022	<u>(611,082)</u>	<u>8,170</u>	<u>(602,912)</u>	<u>(45,524)</u>	<u>(648,436)</u>
Net income attributable to CSC Holdings' sole member	106,174	—	106,174	—	106,174
Net income attributable to noncontrolling interests	—	—	—	7,366	7,366
Pension liability adjustments, net of income taxes	—	(3,355)	(3,355)	—	(3,355)
Foreign currency translation adjustment, net of income taxes	—	61	61	—	61
Share-based compensation expense (equity classified)	41,680	—	41,680	—	41,680
Non-cash contribution from parent	5	—	5	—	5
Balance at June 30, 2022	<u>(463,223)</u>	<u>4,876</u>	<u>(458,347)</u>	<u>(38,158)</u>	<u>(496,505)</u>
Net income attributable to CSC Holdings' sole member	84,951	—	84,951	—	84,951
Net income attributable to noncontrolling interests	—	—	—	12,670	12,670
Distributions to noncontrolling interests	—	—	—	(62)	(62)
Pension liability adjustments, net of income taxes	—	397	397	—	397
Foreign currency translation adjustment, net of income taxes	—	159	159	—	159
Share-based compensation expense (equity classified)	37,527	—	37,527	—	37,527
Non-cash distributions to parent, net	(79)	—	(79)	—	(79)
Balance at September 30, 2022	<u>\$ (340,824)</u>	<u>\$ 5,432</u>	<u>\$ (335,392)</u>	<u>\$ (25,550)</u>	<u>\$ (360,942)</u>

See accompanying notes to consolidated financial statements.

CSC HOLDINGS, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN TOTAL MEMBER'S DEFICIENCY
(In thousands)
(Unaudited)

	Member's Deficiency	Accumulated Other Comprehensive Income	Total Member's Deficiency	Noncontrolling Interests	Total Deficiency
Balance at January 1, 2021	\$ (1,172,505)	\$ 3,646	\$ (1,168,859)	\$ (62,109)	\$ (1,230,968)
Net income attributable to CSC Holdings' sole member	274,136	—	274,136	—	274,136
Net income attributable to noncontrolling interests	—	—	—	4,403	4,403
Pension liability adjustments, net of income taxes	—	6,356	6,356	—	6,356
Foreign currency translation adjustment, net of income taxes	—	619	619	—	619
Share-based compensation expense (equity classified)	27,964	—	27,964	—	27,964
Redeemable equity vested	20,131	—	20,131	—	20,131
Change in redeemable equity	2,528	—	2,528	—	2,528
Cash distributions to parent	(501,000)	—	(501,000)	—	(501,000)
Non-cash distributions to parent	(748)	—	(748)	—	(748)
Other	(4,056)	—	(4,056)	4,302	246
Balance at March 31, 2021	<u>(1,353,550)</u>	<u>10,621</u>	<u>(1,342,929)</u>	<u>(53,404)</u>	<u>(1,396,333)</u>
Net income attributable to CSC Holdings' sole member	199,957	—	199,957	—	199,957
Net income attributable to noncontrolling interests	—	—	—	3,274	3,274
Pension liability adjustments, net of income taxes	—	1,088	1,088	—	1,088
Foreign currency translation adjustment, net of income taxes	—	(140)	(140)	—	(140)
Share-based compensation expense (equity classified)	27,385	—	27,385	—	27,385
Redeemable equity vested	3,618	—	3,618	—	3,618
Change in redeemable equity	(514)	—	(514)	—	(514)
Cash distributions to parent	(184,478)	—	(184,478)	—	(184,478)
Non-cash distributions to parent	(19,660)	—	(19,660)	—	(19,660)
Other	257	—	257	76	333
Balance at June 30, 2021	<u>(1,326,985)</u>	<u>11,569</u>	<u>(1,315,416)</u>	<u>(50,054)</u>	<u>(1,365,470)</u>
Net income attributable to CSC Holdings' sole member	266,853	—	266,853	—	266,853
Net income attributable to noncontrolling interests	—	—	—	3,896	3,896
Pension liability adjustments, net of income taxes	—	(1,529)	(1,529)	—	(1,529)
Foreign currency translation adjustment	—	(619)	(619)	—	(619)
Share-based compensation expense	24,172	—	24,172	—	24,172
Cash distributions to parent	(77,957)	—	(77,957)	—	(77,957)
Non-cash distributions to parent	(754)	—	(754)	—	(754)
Other	98	—	98	—	98
Balance at September 30, 2021	<u>\$ (1,114,573)</u>	<u>\$ 9,421</u>	<u>\$ (1,105,152)</u>	<u>\$ (46,158)</u>	<u>\$ (1,151,310)</u>

See accompanying notes to consolidated financial statements.

CSC HOLDINGS LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities:		
Net income	\$ 413,302	\$ 752,519
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including impairments)	1,327,243	1,327,142
Loss (gain) on investments	902,060	(151,651)
Loss (gain) on derivative contracts, net	(643,856)	109,020
Loss on extinguishment of debt and write-off of deferred financing costs	—	51,712
Amortization of deferred financing costs and discounts (premiums) on indebtedness	61,447	69,176
Share-based compensation expense	114,410	80,277
Deferred income taxes	(89,240)	85,298
Decrease in right-of-use assets	33,315	32,694
Provision for doubtful accounts	65,281	46,448
Other	(492)	1,434
Change in assets and liabilities, net of effects of acquisitions and dispositions:		
Accounts receivable, trade	389	(35,077)
Prepaid expenses and other assets	15,730	33,281
Amounts due from and due to affiliates	(1,732)	(8,358)
Accounts payable and accrued liabilities	17,776	(120,934)
Deferred revenue	(5,508)	(24,829)
Liabilities related to interest rate swap contracts	(304,409)	(100,817)
Net cash provided by operating activities	<u>1,905,716</u>	<u>2,147,335</u>
Cash flows from investing activities:		
Capital expenditures	(1,371,056)	(845,067)
Payments for acquisitions, net of cash acquired	(2,060)	(340,444)
Other, net	(2,985)	(2,285)
Net cash used in investing activities	<u>(1,376,101)</u>	<u>(1,187,796)</u>
Cash flows from financing activities:		
Proceeds from long-term debt	1,565,000	3,310,000
Repayment of debt	(1,942,428)	(3,483,026)
Proceeds from collateralized indebtedness and related derivative contracts, net	—	185,105
Repayment of collateralized indebtedness and related derivative contracts, net	—	(185,105)
Distributions to parent	—	(763,435)
Principal payments on finance lease obligations	(97,165)	(60,257)
Other	(207)	(10,724)
Net cash used in financing activities	<u>(474,800)</u>	<u>(1,007,442)</u>
Net increase (decrease) in cash and cash equivalents	54,815	(47,903)
Effect of exchange rate changes on cash and cash equivalents	51	(140)
Net increase (decrease) in cash and cash equivalents	<u>54,866</u>	<u>(48,043)</u>
Cash, cash equivalents and restricted cash at beginning of year	193,418	278,202
Cash, cash equivalents and restricted cash at end of period	<u>\$ 248,284</u>	<u>\$ 230,159</u>

See accompanying notes to consolidated financial statements.

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except share and per share amounts)
(Unaudited)

NOTE 1. DESCRIPTION OF BUSINESS AND RELATED MATTERS

The Company and Related Matters

Altice USA, Inc. ("Altice USA") was incorporated in Delaware on September 14, 2015. Altice USA is majority-owned by Patrick Drahi through Next Alt. S.a.r.l. ("Next Alt"). Patrick Drahi also controls Altice Group Lux S.à.r.l, formerly Altice Europe N.V. ("Altice Europe") and its subsidiaries and other entities.

Altice USA, through CSC Holdings, LLC (a wholly-owned subsidiary of Cablevision Systems Corporation) and its consolidated subsidiaries ("CSC Holdings," and collectively with Altice USA, the "Company"), principally provides broadband communications and video services in the United States. It has marketed its residential services primarily under two brands: Optimum, in the New York metropolitan area, and Suddenlink, principally in markets in the south-central United States. On August 1, 2022, the Company began marketing the Suddenlink services under the Optimum brand. It operates enterprise services under the brands Lightpath, Altice Business, and Optimum Business. It delivers broadband, video, telephony services, proprietary content and advertising services to residential and business customers. In addition, the Company offers a full service mobile offering, to consumers across its footprint. As these brands are managed on a consolidated basis, the Company classifies its operations in one segment.

The accompanying consolidated financial statements ("consolidated financial statements") of Altice USA include the accounts of Altice USA and its majority-owned subsidiaries and the accompanying consolidated financial statements of CSC Holdings include the accounts of CSC Holdings and its majority-owned subsidiaries. Altice USA is a holding company and has no business operations independent of its CSC Holdings subsidiary, whose operating results and financial position are consolidated into Altice USA. The consolidated balance sheets and statements of operations of Altice USA are essentially identical to the consolidated balance sheets and statements of operations of CSC Holdings, with the following exceptions: Altice USA has additional cash and deferred taxes on its consolidated balance sheet.

The combined notes to the consolidated financial statements relate to the Company, which, except as noted, are essentially identical for Altice USA and CSC Holdings. All significant intercompany transactions and balances between Altice USA or CSC Holdings and their respective consolidated subsidiaries are eliminated in both sets of consolidated financial statements. Intercompany transactions between Altice USA and CSC Holdings are not eliminated in the CSC Holdings consolidated financial statements, but are eliminated in the Altice USA consolidated financial statements.

The financial statements of CSC Holdings are included herein as supplemental information as CSC Holdings is not an SEC registrant.

NOTE 2. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and with the instructions to Form 10-Q and Article 10 of Regulation S-X for interim financial information. Accordingly, these financial statements do not include all the information and notes required for complete annual financial statements.

The interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

The financial statements presented in this report are unaudited; however, in the opinion of management, such financial statements include all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the results for the periods presented.

The results of operations for the interim periods are not necessarily indicative of the results that might be expected for future interim periods or for the full year ending December 31, 2022.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. See Note 10 for a discussion of fair value estimates.

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

NOTE 3. ACCOUNTING STANDARDS

Accounting Standards Adopted in 2022

ASU No. 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

In October 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which will require companies to apply the definition of a performance obligation under ASC Topic 606, Revenue from Contracts with Customers, to recognize and measure contract assets and contract liabilities relating to contracts with customers that are acquired in a business combination. Under current GAAP, an acquirer generally recognizes assets acquired and liabilities assumed in a business combination, including contract assets and contract liabilities arising from revenue contracts with customers, at fair value on the acquisition date. ASU No. 2021-08 will result in the acquirer recording acquired contract assets and liabilities on the same basis that would have been recorded before the acquisition under ASC Topic 606. ASU No. 2021-08 is effective for the Company on January 1, 2023, however the Company elected to early adopt this ASU on January 1, 2022. The guidance will be applied to any future business combinations.

ASU No. 2021-10, Government Assistance (Topic 832)

In November 2021, the FASB issued ASU No. 2021-10, *Government Assistance (Topic 832)*, which requires business entities to disclose information about transactions with a government that are accounted for by applying a grant or contribution model by analogy (for example, IFRS guidance in IAS 20 or guidance on contributions for not-for-profit entities in ASC 958-605). For transactions in the scope of the new standard, business entities will need to provide information about the nature of the transaction, including significant terms and conditions, as well as the amounts and specific financial statement line items affected by the transaction. The Company adopted the new guidance on January 1, 2022, and the Company will provide required disclosures for any future material transactions.

Recently Issued But Not Yet Adopted Accounting Pronouncements

ASU No. 2022-04, Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations

In September 2022, the FASB issued ASU 2022-04, *Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*, to enhance transparency about an entity's use of supplier finance programs. ASU 2022-04 would require the buyer in a supplier finance program to disclose (a) information about the key terms of the program, (b) the amount outstanding that remains unpaid by the buyer as of the end of the period, (c) a rollforward of such amounts during each annual period, and (d) a description of where in the financial statements outstanding amounts are being presented. ASU 2022-04 is effective for the Company on January 1, 2023, except for the amendment on rollforward information which will be effective for the Company on January 1, 2024. Early adoption is permitted. The Company will provide any necessary disclosures upon adoption.

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

NOTE 4. REVENUE

The following table presents the composition of revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Broadband	\$ 981,842	\$ 989,410	\$ 2,970,039	\$ 2,952,136
Video	816,001	877,422	2,499,437	2,675,861
Telephony	83,097	99,943	252,952	310,298
Residential	1,880,940	1,966,775	5,722,428	5,938,295
Business services and wholesale	366,554	440,813	1,105,579	1,180,039
News and advertising	120,522	143,625	368,447	380,462
Mobile	22,837	20,456	73,312	60,355
Other	2,699	3,213	8,697	10,560
Total revenue	\$ 2,393,552	\$ 2,574,882	\$ 7,278,463	\$ 7,569,711

The Company is assessed non-income related taxes by governmental authorities, including franchising authorities (generally under multi-year agreements), and collects such taxes from its customers. In instances where the tax is being assessed directly on the Company, amounts paid to the governmental authorities are recorded as programming and other direct costs and amounts received from the customers are recorded as revenue. For the three and nine months ended September 30, 2022, the amount of franchise fees and certain other taxes and fees included as a component of revenue aggregated \$59,371 and \$177,032, respectively. For the three and nine months ended September 30, 2021, the amount of franchise fees and certain other taxes and fees included as a component of revenue aggregated \$63,841 and \$195,735, respectively.

Customer Contract Costs

Deferred enterprise sales commission costs are included in other current and noncurrent assets in the consolidated balance sheets and totaled \$17,754 and \$17,669 as of September 30, 2022 and December 31, 2021, respectively.

A significant portion of our revenue is derived from residential and small and medium-sized business ("SMB") customer contracts which are month-to-month. As such, the amount of revenue related to unsatisfied performance obligations is not necessarily indicative of the future revenue to be recognized from our existing customer base. Contracts with enterprise customers generally range from three years to five years, and services may only be terminated in accordance with the contractual terms.

Concentration of Credit Risk

The Company did not have a single customer that represented 10% or more of its consolidated revenues for the three and nine months ended September 30, 2022 and 2021 or 10% or more of its consolidated net trade receivables at September 30, 2022 and December 31, 2021, respectively.

NOTE 5. NET INCOME PER SHARE

Basic net income per common share attributable to Altice USA stockholders is computed by dividing net income attributable to Altice USA stockholders by the weighted average number of common shares outstanding during the period. Diluted income per common share attributable to Altice USA stockholders reflects the dilutive effects of stock options, restricted stock and restricted stock units. For such awards that are performance based, the diluted effect is reflected upon the achievement of the performance criteria.

The following table presents a reconciliation of weighted average shares used in the calculations of the basic and diluted net income per share attributable to Altice USA stockholders for the three and nine months ended September 30, 2022 and 2021:

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
	(in thousands)			
Basic weighted average shares outstanding	453,239	454,049	453,233	460,023
Effect of dilution:				
Stock options	—	3,114	—	5,311
Restricted stock units	151	—	51	15
Diluted weighted average shares outstanding	<u>453,390</u>	<u>457,163</u>	<u>453,284</u>	<u>465,349</u>
Weighted average shares excluded from diluted weighted average shares outstanding:				
Anti-dilutive shares	<u>57,538</u>	<u>26,453</u>	<u>57,950</u>	<u>9,381</u>
Performance stock units and restricted stock whose performance metrics have not been achieved.	<u>7,298</u>	<u>8,618</u>	<u>7,481</u>	<u>8,704</u>

Net income per membership unit for CSC Holdings is not presented since CSC Holdings is a limited liability company and a wholly-owned subsidiary of Altice USA.

NOTE 6. SUPPLEMENTAL CASH FLOW INFORMATION

The Company's non-cash investing and financing activities and other supplemental data were as follows:

	Nine Months Ended September 30,	
	2022	2021
<u>Non-Cash Investing and Financing Activities:</u>		
<i>Altice USA and CSC Holdings:</i>		
Property and equipment accrued but unpaid and other	\$ 380,898	\$ 238,163
Notes payable issued for the purchase of equipment and other assets	88,181	61,316
Right-of-use assets acquired in exchange for finance lease obligations	130,861	107,708
Other non-cash investing and financing transactions	500	500
<i>CSC Holdings:</i>		
Distributions to parent	—	21,162
<u>Supplemental Data:</u>		
<i>Altice USA and CSC Holdings:</i>		
Cash interest paid, net of capitalized interest	913,963	897,404
Income taxes paid, net	203,714	177,218

NOTE 7. INTANGIBLE ASSETS

The following table summarizes information relating to the Company's acquired amortizable intangible assets:

	As of September 30, 2022			As of December 31, 2021			Estimated Useful Lives
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	
Customer relationships	\$ 6,119,298	\$ (4,373,246)	\$ 1,746,052	\$ 6,113,669	\$ (4,020,282)	\$ 2,093,387	3 to 18 years
Trade names	1,024,300	(1,002,395)	21,905	1,081,083	(988,563)	92,520	4 to 10 years
Other amortizable intangibles	60,369	(46,026)	14,343	58,398	(42,304)	16,094	1 to 15 years
	<u>\$ 7,203,967</u>	<u>\$ (5,421,667)</u>	<u>\$ 1,782,300</u>	<u>\$ 7,253,150</u>	<u>\$ (5,051,149)</u>	<u>\$ 2,202,001</u>	

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

During the third quarter of 2022, the Company reduced the gross carrying amount and accumulated amortization of its fully amortized Suddenlink trademark by approximately \$56,783, as the Company had rebranded its entire footprint under the Optimum trademark.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Amortization expense related to amortizable intangible assets	\$ 134,709	\$ 155,223	\$ 427,301	\$ 482,331

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

NOTE 8. DEBT

The following table provides details of the Company's outstanding debt:

Date Issued	Maturity Date	Interest Rate	September 30, 2022		December 31, 2021	
			Principal Amount	Carrying Amount (a)	Principal Amount	Carrying Amount (a)
CSC Holdings Senior Notes:						
September 27, 2012	September 15, 2022	5.875 %	\$ —	\$ —	\$ 649,024	\$ 635,310
May 23, 2014	June 1, 2024	5.250 %	750,000	722,401	750,000	711,137
October 18, 2018	April 1, 2028	7.500 %	4,118	4,113	4,118	4,113
November 27, 2018	April 1, 2028	7.500 %	1,045,882	1,044,707	1,045,882	1,044,582
July 10 and October 7, 2019	January 15, 2030	5.750 %	2,250,000	2,280,354	2,250,000	2,282,875
June 16 and August 17, 2020	December 1, 2030	4.625 %	2,325,000	2,364,059	2,325,000	2,366,886
May 13, 2021	November 15, 2031	5.000 %	500,000	498,340	500,000	498,234
			<u>6,875,000</u>	<u>6,913,974</u>	<u>7,524,024</u>	<u>7,543,137</u>
CSC Holdings Senior Guaranteed Notes:						
September 23, 2016	April 15, 2027	5.500 %	1,310,000	1,306,941	1,310,000	1,306,508
January 29, 2018	February 1, 2028	5.375 %	1,000,000	994,868	1,000,000	994,262
January 24, 2019	February 1, 2029	6.500 %	1,750,000	1,747,721	1,750,000	1,747,511
June 16, 2020	December 1, 2030	4.125 %	1,100,000	1,095,973	1,100,000	1,095,672
August 17, 2020	February 15, 2031	3.375 %	1,000,000	997,185	1,000,000	996,970
May 13, 2021	November 15, 2031	4.500 %	1,500,000	1,495,033	1,500,000	1,494,710
			<u>7,660,000</u>	<u>7,637,721</u>	<u>7,660,000</u>	<u>7,635,633</u>
CSC Holdings Restricted Group Credit Facility:						
Revolving Credit Facility (b) (c)	July 13, 2027	5.171 %	1,300,000	1,295,506	900,000	893,864
Term Loan B	July 17, 2025	5.068 %	2,842,500	2,835,701	2,865,000	2,856,421
Incremental Term Loan B-3	January 15, 2026	5.068 %	1,230,375	1,227,474	1,239,938	1,236,394
Incremental Term Loan B-5	April 15, 2027	5.318 %	2,925,000	2,909,628	2,947,500	2,929,813
			<u>8,297,875</u>	<u>8,268,309</u>	<u>7,952,438</u>	<u>7,916,492</u>
Lightpath Senior Notes:						
September 29, 2020	September 15, 2028	5.625 %	415,000	407,836	415,000	407,104
Lightpath Senior Secured Notes:						
September 29, 2020	September 15, 2027	3.875 %	450,000	442,712	450,000	441,739
Lightpath Term Loan	November 30, 2027	6.068 %	589,500	576,378	594,000	579,119
Lightpath Revolving Credit Facility	November 30, 2025	(d)	—	—	—	—
			<u>1,454,500</u>	<u>1,426,926</u>	<u>1,459,000</u>	<u>1,427,962</u>
Collateralized indebtedness (see Note 9) (f)			<u>1,759,017</u>	<u>1,736,294</u>	<u>1,759,017</u>	<u>1,706,997</u>
Finance lease obligations			<u>252,430</u>	<u>252,430</u>	<u>218,735</u>	<u>218,735</u>
Notes payable and supply chain financing (e)			<u>116,644</u>	<u>116,644</u>	<u>97,804</u>	<u>97,804</u>
			<u>26,415,466</u>	<u>26,352,298</u>	<u>26,671,018</u>	<u>26,546,760</u>
Less: current portion of credit facility debt			(78,750)	(78,750)	(78,750)	(78,750)
Less: current portion of senior notes			—	—	(649,024)	(635,310)
Less: current portion of collateralized indebtedness (f)			(1,759,017)	(1,736,294)	—	—
Less: current portion of finance lease obligations			(131,020)	(131,020)	(109,204)	(109,204)
Less: current portion of notes payable and supply chain financing			(116,231)	(116,231)	(94,049)	(94,049)
			<u>(2,085,018)</u>	<u>(2,062,295)</u>	<u>(931,027)</u>	<u>(917,313)</u>
Long-term debt			<u>\$ 24,330,448</u>	<u>\$ 24,290,003</u>	<u>\$ 25,739,991</u>	<u>\$ 25,629,447</u>

(a) The carrying amount is net of the unamortized deferred financing costs and/or discounts/premiums and with respect to certain notes, a fair value adjustment resulting from the Cequel and Cablevision acquisitions.

(b) At September 30, 2022, \$131,894 of the revolving credit facility was restricted for certain letters of credit issued on

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

behalf of the Company and \$1,043,106 of the facility was undrawn and available, subject to covenant limitations.

- (c) The revolving credit facility provides for commitments in an aggregate principal amount of \$2,475,000.
- (d) There were no borrowings outstanding under the Lightpath Revolving Credit Facility which provides for commitments in an aggregate principal amount of \$100,000. Borrowings bear interest at a rate per annum equal to the adjusted LIBOR rate or the alternate base rate, as applicable, plus the applicable margin, where the applicable margin is (i) with respect to any alternate base rate loan, 2.25% per annum and (ii) with respect to any eurodollar loan, 3.25% per annum.
- (e) Includes \$112,546 as of September 30, 2022 and \$89,898 as of December 30, 2021 related to supply chain financing agreements that are required to be repaid within one year from the date of the respective agreement.
- (f) This indebtedness is collateralized by shares of Comcast common stock. Our intent is to settle such indebtedness with proceeds from new monetization contracts. To the extent we do not enter into new monetization contracts, we could settle the existing collateralized indebtedness by (i) delivering shares of Comcast common stock or (ii) delivering cash. Because this collateralized debt matures in May 2023, it has been classified as current in the accompanying balance sheet as of September 30, 2022, and because there is no assurance that a financing under new monetization contracts can be completed when this debt matures, the related investments held as collateral have also been classified as current.

For financing purposes, the Company has two debt silos: CSC Holdings and Lightpath. The CSC Holdings silo is structured as a restricted group (the "Restricted Group") and an unrestricted group, which includes certain designated subsidiaries and investments (the "Unrestricted Group"). The Restricted Group is comprised of CSC Holdings and substantially all of its wholly-owned operating subsidiaries and excludes Cablevision Lightpath LLC ("Lightpath"), a 50.01% owned subsidiary of the Company, which became an unrestricted subsidiary in September 2020. These Restricted Group subsidiaries are subject to the covenants and restrictions of the credit facility and indentures governing the notes issued by CSC Holdings. The Lightpath silo includes all of its operating subsidiaries which are subject to the covenants and restrictions of the credit facility and indentures governing the notes issued by Lightpath.

Both CSC Holdings and Lightpath's credit facilities agreements contain certain customary representations and warranties, affirmative covenants and events of default (including, among others, an event of default upon a change of control). If an event of default occurs, the lenders under the credit facilities will be entitled to take various actions, including the acceleration of amounts due under the credit facilities and all actions permitted to be taken by a secured creditor.

As of September 30, 2022, CSC Holdings and Cablevision Lightpath were in compliance with applicable financial covenants under their respective credit facilities and with applicable financial covenants under each respective indenture by which the senior guaranteed notes, senior secured notes and senior notes were issued.

On July 13, 2022, CSC Holdings entered into an amendment (the "Twelfth Amendment") to its senior secured credit facility (the "Credit Agreement"). The Twelfth Amendment provides for, among other things, an extended maturity until the date that is the earlier of (i) July 13, 2027 and (ii) April 17, 2025 if, as of such date, any March 2017 Term Loans, as defined in the Credit Agreement are still outstanding, unless the March 2017 Term Loan Maturity Date (as defined in the Credit Agreement) has been extended to a date falling after July 13, 2027. Interest on borrowings under the Twelfth Amendment are calculated based on the Term Secured Overnight Financing Rate ("SOFR") or alternative base rate borrowings, at a rate per annum equal to the Term SOFR rate (plus a Term SOFR credit adjustment spread of 0.10%) or the alternate base rate, as applicable, plus the applicable margin, where the applicable margin is (i) with respect to any alternate base rate loan, 1.25% per annum and (ii) with respect to any Term SOFR loan, 2.25% per annum.

Summary of Debt Maturities

The future maturities of debt payable by the Company under its various debt obligations outstanding as of September 30, 2022, including notes payable and collateralized indebtedness (see Note 9), but excluding finance lease obligations, are as follows:

2022	\$	52,965
2023		1,920,994
2024		828,889
2025		2,823,750
2026		1,224,938
Thereafter		19,311,500

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

NOTE 9. DERIVATIVE CONTRACTS AND COLLATERALIZED INDEBTEDNESS

Prepaid Forward Contracts

The Company has entered into various transactions to limit the exposure against equity price risk on its shares of Comcast Corporation ("Comcast") common stock. The Company has monetized all of its stock holdings in Comcast through the execution of prepaid forward contracts, collateralized by an equivalent amount of the respective underlying stock. At maturity, the contracts provide for the option to deliver cash or shares of Comcast stock with a value determined by reference to the applicable stock price at maturity. These contracts, at maturity, are expected to offset declines in the fair value of these securities below the hedge price per share while allowing the Company to retain upside appreciation from the hedge price per share to the relevant cap price.

The Company received cash proceeds upon execution of the prepaid forward contracts discussed above which has been reflected as collateralized indebtedness in the accompanying consolidated balance sheets. In addition, the Company separately accounts for the equity derivative component of the prepaid forward contracts. These equity derivatives have not been designated as hedges for accounting purposes. Therefore, the net fair values of the equity derivatives have been reflected in the accompanying consolidated balance sheets as an asset or liability and the net increases or decreases in the fair value of the equity derivative component of the prepaid forward contracts are included in gain (loss) on derivative contracts in the accompanying consolidated statements of operations.

All of the Company's monetization transactions are obligations of its wholly-owned subsidiaries that are not part of the Restricted Group; however, CSC Holdings has provided guarantees of the subsidiaries' ongoing contract payment expense obligations and potential payments that could be due as a result of an early termination event (as defined in the agreements). If any one of these contracts was terminated prior to its scheduled maturity date, the Company would be obligated to repay the fair value of the collateralized indebtedness and the fair value of the remaining interest payments on the debt less the sum of the fair values of the underlying stock and equity collars calculated at the termination date. As of September 30, 2022, the Company had an early termination shortfall of \$449 relating to such contracts.

The Company monitors the financial institutions that are counterparties to its equity derivative contracts. All of the counterparties to such transactions carry investment grade credit ratings as of September 30, 2022.

In January 2021, the Company settled collateralized indebtedness and an equity derivative contract aggregating \$185,105 upon maturity related to 5,337,750 shares of Comcast common stock held by us, with proceeds of \$185,105 received in January 2021 pursuant to the synthetic monetization closeout transaction in November 2019. In connection with this transaction the Company recorded (i) a decrease in notes payable of \$59,451 and (ii) an increase in collateralized debt of \$59,451.

Interest Rate Swap Contracts

To manage interest rate risk, we have from time to time entered into interest rate swap contracts to adjust the proportion of total debt that is subject to variable and fixed interest rates. Such contracts effectively fix the borrowing rates on floating rate debt to provide an economic hedge against the risk of rising rates and/or effectively convert fixed rate borrowings to variable rates to permit the Company to realize lower interest expense in a declining interest rate environment. We monitor the financial institutions that are counterparties to our interest rate swap contracts and we only enter into interest rate swap contracts with financial institutions that are rated investment grade. All such contracts are carried at their fair market values on our consolidated balance sheets, with changes in fair value reflected in the consolidated statements of operations. As of September 30, 2022, the Company did not hold and has not issued derivative instruments for trading or speculative purposes.

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

The following represents the location of the assets and liabilities associated with the Company's derivative instruments within the consolidated balance sheets:

Derivatives Not Designated as Hedging Instruments	Balance Sheet Location	Fair Value at	
		September 30, 2022	December 31, 2021
Asset Derivatives:			
Interest rate swap contracts	Prepaid expenses and other current assets	\$ —	\$ 2,993
Prepaid forward contracts	Derivative contracts	481,914	—
Interest rate swap contracts	Other asset, long-term	188,970	—
		<u>670,884</u>	<u>2,993</u>
Liability Derivatives:			
Interest rate swap contracts	Other current liabilities	—	(3,441)
Prepaid forward contracts	Liabilities under derivative contracts, long-term	—	(161,942)
Interest rate swap contracts	Liabilities under derivative contracts, long-term	—	(114,991)
		<u>\$ —</u>	<u>\$ (280,374)</u>

The following table presents certain consolidated statement of operations data related to our interest rate swaps, our derivative contracts and the underlying common stock relating to the derivative contracts:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Gain (loss) on derivative contracts related to change in the value of equity derivative contracts related to Comcast common stock	\$ 323,668	\$ 43,385	\$ 643,856	\$ (109,020)
Change in the fair value of Comcast common stock included in gain (loss) on investments	(425,686)	(46,821)	(902,060)	151,632
Gain on interest rate swap contracts, net	105,945	5,521	268,960	59,600

The following is a summary of interest rate swap contracts outstanding at September 30, 2022:

Maturity Date	Notional Amount	Company Pays	Company Receives
CSC Holdings:			
January 2025	\$ 500,000	Fixed rate of 1.53%	Three-month LIBOR
January 2025	500,000	Fixed rate of 1.625%	Three-month LIBOR
January 2025	500,000	Fixed rate of 1.458%	Three-month LIBOR
December 2026	750,000	Fixed rate of 2.9155%	Three-month LIBOR
December 2026	750,000	Fixed rate of 2.9025%	Three-month LIBOR
Lightpath:			
December 2026 (a)	300,000	Fixed rate of 2.161%	One-month LIBOR

(a) Interest rate swap contract was effective April 2022. This swap contract is also not designated as a hedge for accounting purposes. Accordingly, this contract is carried at its fair market value on our consolidated balance sheet, with changes in fair value reflected in the consolidated statements of operations.

NOTE 10. FAIR VALUE MEASUREMENT

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable. Observable inputs reflect assumptions market participants would use in pricing an asset or liability based on market data obtained from independent sources while unobservable inputs reflect a reporting

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

entity's pricing based upon their own market assumptions. The fair value hierarchy consists of the following three levels:

- Level I - Quoted prices for identical instruments in active markets.
- Level II - Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.
- Level III - Instruments whose significant value drivers are unobservable.

The following table presents the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis and their classification under the fair value hierarchy:

	Fair Value Hierarchy	September 30, 2022	December 31, 2021
Assets:			
Money market funds	Level I	\$ 128,616	\$ 100,015
Investment securities pledged as collateral	Level I	1,259,877	2,161,937
Prepaid forward contracts	Level II	481,914	—
Interest rate swap contracts	Level II	188,970	2,993
Liabilities:			
Prepaid forward contracts	Level II	—	161,942
Interest rate swap contracts	Level II	—	118,432
Contingent consideration related to acquisition	Level III	6,698	—

The Company's money market funds which are classified as cash equivalents and investment securities pledged as collateral are classified within Level I of the fair value hierarchy because they are valued using quoted market prices.

The Company's derivative contracts and liabilities under derivative contracts on the Company's consolidated balance sheets are valued using market-based inputs to valuation models. These valuation models require a variety of inputs, including contractual terms, market prices, yield curves, and measures of volatility. When appropriate, valuations are adjusted for various factors such as liquidity, bid/offer spreads and credit risk considerations. Such adjustments are generally based on available market evidence. Since model inputs can generally be verified and do not involve significant management judgment, the Company has concluded that these instruments should be classified within Level II of the fair value hierarchy.

The fair value of the contingent consideration as of September 30, 2022, related to an acquisition in the third quarter of 2022, was determined using a probability assessment of the contingent payment.

Fair Value of Financial Instruments

The following methods and assumptions were used to estimate fair value of each class of financial instruments for which it is practicable to estimate:

Credit Facility Debt, Collateralized Indebtedness, Senior Notes, Senior Guaranteed Notes, Senior Secured Notes, Notes Payable, and Supply Chain Financing

The fair values of each of the Company's debt instruments are based on quoted market prices for the same or similar issues or on the current rates offered to the Company for instruments of the same remaining maturities. The fair value of notes payable is based primarily on the present value of the remaining payments discounted at the borrowing cost. The carrying value of outstanding amounts related to supply chain financing agreements approximates the fair value due to their short-term maturity (less than one year).

The carrying values, estimated fair values, and classification under the fair value hierarchy of the Company's financial instruments, excluding those that are carried at fair value in the accompanying consolidated balance sheets, are summarized below:

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

	Fair Value Hierarchy	September 30, 2022		December 31, 2021	
		Carrying Amount (a)	Estimated Fair Value	Carrying Amount (a)	Estimated Fair Value
Credit facility debt	Level II	\$ 8,844,687	\$ 8,887,375	\$ 8,495,611	\$ 8,546,438
Collateralized indebtedness	Level II	1,736,294	1,717,146	1,706,997	1,741,710
Senior guaranteed notes and senior secured notes	Level II	8,080,433	6,568,450	8,077,372	8,180,813
Senior notes	Level II	7,321,810	5,391,150	7,950,241	7,883,071
Notes payable and supply chain financing	Level II	116,644	116,231	97,804	97,588
		<u>\$ 26,099,868</u>	<u>\$ 22,680,352</u>	<u>\$ 26,328,025</u>	<u>\$ 26,449,620</u>

(a) Amounts are net of unamortized deferred financing costs and discounts/premiums and with respect to certain notes, a fair value adjustment resulting from the Cequel and Cablevision acquisitions.

The fair value estimates related to the Company's debt instruments presented above are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgments and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

NOTE 11. INCOME TAXES

In general, the Company is required to use an estimated annual effective tax rate ("AETR") to measure the income tax expense or benefit recognized on a year to date basis in an interim period. In addition, certain items included in income tax expense as well as the tax impact of certain items included in pretax income must be treated as discrete items. The income tax expense or benefit associated with these discrete items is fully recognized in the interim period in which the items occur.

For the three and nine months ended September 30, 2022, the Company recorded a tax expense of \$35,827 and \$152,563 on pre-tax income of \$133,448 and \$565,865, respectively, resulting in an effective tax rate that was higher than the U.S. statutory tax rate. The higher tax rate was primarily due to the impact of certain non-deductible expenses and state tax expense.

For the three and nine months ended September 30, 2021, the Company recorded a tax expense of \$105,226 and \$279,053 on pre-tax income of \$375,975 and \$1,029,275, respectively, resulting in an effective tax rate that was higher than the U.S. statutory tax rate. The higher tax rate was due to the impact of certain non-deductible expenses and state tax expense.

NOTE 12. SHARE-BASED COMPENSATION

The following table presents share-based compensation expense recognized by the Company and unrecognized compensation cost:

	Share-Based Compensation				Unrecognized Compensation Cost As of September 30, 2022
	Three Months Ended September 30,		Nine Months Ended September 30,		
	2022	2021	2022	2021	
Awards issued pursuant to LTIP (a):					
Stock Option Awards	\$ 19,904	\$ 21,886	\$ 62,311	\$ 70,582	\$ 87,564
Performance Stock Units	1,593	2,286	5,220	8,136	32,855
Restricted Share Units	15,852	178	46,879	756	70,616
Other awards	—	—	—	\$ 803	—
	<u>\$ 37,349</u>	<u>\$ 24,350</u>	<u>\$ 114,410</u>	<u>\$ 80,277</u>	<u>\$ 191,035</u>

(a) In June 2022, shareholders of the Company approved an increase to the number of shares authorized for issuance under the 2017 Altice USA Long Term Incentive Plan, as amended, by 35,000,000 shares to 89,879,291 shares.

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

Stock Option Awards

The following table summarizes activity related to stock options granted to Company employees:

	Shares Under Option	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (a)
Balance at December 31, 2021	50,998,816	\$ 22.51	8.29	\$ 6,801
Granted	4,073,692	12.74		
Forfeited	(5,134,398)	23.44		
Balance at September 30, 2022	49,938,110	\$ 21.62	7.80	—
Options exercisable at September 30, 2022	18,868,299	\$ 24.14	6.39	\$ —

(a) The aggregate intrinsic value is calculated as the difference between the exercise price and the closing price of Altice USA's Class A common stock at the respective date.

The total unrecognized compensation cost related to stock options is expected to be recognized over a weighted-average period of approximately 2.19 years.

The weighted-average fair value of stock option awards granted during the nine months ended September 30, 2022 was \$4.41. The following weighted-average assumptions were used to calculate the fair values of stock option awards granted during the nine months ended September 30, 2022:

Risk-free interest rate	2.71%
Expected life (in years)	6.15
Dividend yield	—%
Volatility	39.38%

Performance Stock Unit Awards

The following table summarizes activity related to performance stock units ("PSUs") granted to Company employees:

	Number of PSUs
Balance at December 31, 2021	6,361,894
Forfeited	(635,148)
Balance at September 30, 2022	5,726,746

The PSUs have a weighted average grant date fair value of \$10.65 per unit. The total unrecognized compensation cost related to the outstanding PSUs is expected to be recognized over a weighted-average period of approximately 3.33 years.

Restricted Share Units

The following table summarizes activity related to restricted share units granted to Company employees:

	Number of Units
Balance at December 31, 2021	6,617,837
Granted	1,511,357
Vested	(19,804)
Forfeited	(496,364)
Balance at September 30, 2022	7,613,026

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

Lightpath Plan Awards

As of September 30, 2022, 478,725 Class A-1 management incentive units and 239,050 Class A-2 management incentive units ("Award Units") granted to certain employees of Lightpath were outstanding. Vested units will be redeemed upon a partial exit, a change in control or the completion of an initial public offering, as defined in the Lightpath Holdings LLC agreement. The grant date fair value of the Award Units granted and outstanding aggregated \$31,356 and will be expensed in the period in which a partial exit or a liquidity event is consummated.

NOTE 13. AFFILIATE AND RELATED PARTY TRANSACTIONS

Affiliate and Related Party Transactions

Altice USA is controlled by Patrick Drahi through Next Alt who also controls Altice Europe and other entities.

As the transactions discussed below were conducted between entities under common control by Mr. Drahi, amounts charged for certain services may not have represented amounts that might have been received or incurred if the transactions were based upon arm's length negotiations.

The following table summarizes the revenue and expenses related to services provided to or received from affiliates and related parties:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue	\$ 649	\$ 3,277	\$ 1,765	\$ 9,718
Operating expenses:				
Programming and other direct costs	\$ (4,086)	\$ (5,294)	\$ (11,419)	\$ (12,026)
Other operating expenses, net	(3,111)	(3,274)	(9,243)	(9,149)
Operating expenses, net	(7,197)	(8,568)	(20,662)	(21,175)
Net charges	\$ (6,548)	\$ (5,291)	\$ (18,897)	\$ (11,457)
Capital expenditures	\$ 31,228	\$ 11,320	\$ 71,321	\$ 31,530

Revenue

The Company recognized revenue primarily from the sale of advertising to subsidiaries of Altice Europe, and in 2021 also recognized revenue from a foundation controlled by Mr. Drahi.

Programming and other direct costs

Programming and other direct costs primarily include costs incurred by the Company for advertising services provided by Teads S.A. ("Teads").

Other operating expenses, net

Other operating expenses primarily include charges for services provided by certain subsidiaries of Altice Europe and other related parties.

Capital expenditures

Capital expenditures primarily include costs for equipment purchased and software development services provided by subsidiaries of Altice Europe.

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

Aggregate amounts that were due from and due to affiliates and related parties are summarized below:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
Due from:		
Altice Europe	\$ 476	\$ 241
Other affiliates and related parties	43	3,535
	<u>\$ 519</u>	<u>\$ 3,776</u>
Due to:		
Altice Europe	\$ 26,074	\$ 30,604
Other affiliates and related parties	747	1,206
	<u>\$ 26,821</u>	<u>\$ 31,810</u>

Amounts due from affiliates presented in the table above and included in prepaid expenses and other current assets in the accompanying balance sheets represent amounts paid by the Company on behalf of or for services provided to the respective related party. Amounts due to affiliates presented in the table above and included in other current liabilities in the accompanying balance sheets relate to the purchase of equipment and advertising services, as well as reimbursement for payments made on our behalf.

CSC Holdings

During the three and nine months ended September 30, 2022 and 2021, CSC Holdings made cash equity distribution payments to its parent. Also, CSC Holdings recorded net non-cash equity contributions (distributions) which represent the non-cash settlement of intercompany balances with Altice USA. The balances in 2021 include amounts due to/due from Altice USA pursuant to a tax sharing agreement between the entities. See summary below:

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	2022	2021	2022	2021
Cash distribution payments to Altice USA	\$ —	\$ (77,957)	\$ —	\$ (763,435)
Non-cash equity distributions, net to Altice USA	(79)	(754)	(63)	(21,162)

NOTE 14. COMMITMENTS AND CONTINGENCIES

Legal Matters

On June 23, 2020, a purported stockholder of the Company filed a complaint in the Court of Chancery of the State of Delaware, derivatively on behalf of the Company, against Patrick Drahi, Next Alt S.à.r.l., and those directors of the Company who are members of the Compensation Committee (collectively, the "Director Defendants"). The Company is also named as a nominal defendant in the complaint. The complaint alleges that the Director Defendants breached their fiduciary duties to the Company's stockholders, and wasted corporate assets, by approving certain equity grants for Patrick Drahi. The complaint seeks rescission of the equity awards, monetary damages, and costs and disbursements for the plaintiff. On October 15, 2020, the Director Defendants answered the complaint and the Company filed a general denial of liability. Following negotiations with plaintiff, the parties executed a stipulation and agreement of compromise, settlement, and release on April 27, 2022 to settle the litigation. On November 1, 2022, the settlement was approved by the court.

On November 6, 2018, Sprint Communications Company L.P ("Sprint") filed a complaint in the U.S. District Court for the District of Delaware alleging that the Company infringes Sprint's patents purportedly by providing Voice over Internet Protocol ("VoIP") services. The lawsuit is part of a pattern of litigation that was initiated as far back as 2005 by Sprint against numerous broadband and telecommunications providers, which has resulted in judgments and settlements of significant value for Sprint. Trial is scheduled to commence on December 12, 2022, at which we expect Sprint to seek as much as \$250 million in damages. The Company intends to vigorously defend the lawsuit.

The Company has received from UMG Recordings, Inc., Capitol Records, LLC, and BMG Rights Management (US) LLC letters alleging that the Company has not adequately addressed copyright infringement on its networks and is

ALTICE USA, INC. AND SUBSIDIARIES
COMBINED NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (continued)
(Dollars in thousands, except share and per share amounts)
(Unaudited)

subject to liability and damages for secondary copyright infringement. The Company intends to vigorously defend these claims.

Although the outcome of the above matters cannot be predicted and the impact of a final resolution of these matters on the Company's results of operations or financial position is not known or reasonably estimable at this time, management does not believe that the ultimate resolution of the matters, individually or together, will have a material adverse effect on the operations or financial position of the Company or the ability of the Company to meet its financial obligations as they become due, but they could be material to the Company's consolidated results of operations or cash flows for any one period.

In addition to the matters discussed above, the Company also receives notices from third parties, and in some cases is named as a defendant in lawsuits, claiming infringement of various patents or copyrights relating to various aspects of the Company's businesses. In certain of these cases other industry participants are also defendants, and in certain of these cases the Company expects that some or all potential liability would be the responsibility of the Company's vendors pursuant to applicable contractual indemnification provisions. In the event that the Company is found to infringe on any patent or other intellectual property rights, the Company may be subject to substantial damages and/or an injunction that could require the Company or its vendors to modify certain products and services the Company offers to its subscribers, as well as enter into royalty or license agreements with respect to the patents at issue. The Company is also party to various other lawsuits, disputes and investigations arising in the ordinary course of its business, some of which may involve claims for substantial damages, fines or penalties. Although the outcome of these matters cannot be predicted and the impact of the final resolution of these matters on the Company's results of operations in a particular subsequent reporting period is not known, management does not believe that the resolution of these matters, individually, will have a material adverse effect on the operations or financial position of the Company or the ability of the Company to meet its financial obligations as they become due.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

All dollar amounts, except per customer and per share data, included in the following discussion, are presented in thousands.

The preparation of our consolidated financial statements requires us to make estimates that affect the reported amounts of assets, liabilities, revenue and expenses. For a complete discussion of the accounting judgments and estimates that we have identified as critical in the preparation of our consolidated financial statements, please refer to our Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2021.

Overview

Our Business

We principally provide broadband communications and video services in the United States and have marketed our services primarily under two brands: Optimum, primarily in the New York metropolitan area, and Suddenlink, principally in markets in the south-central United States. On August 1, 2022, the Company began marketing the Suddenlink services under the Optimum brand. We deliver broadband, video, telephony, and mobile services to approximately 4.9 million residential and business customers. Our footprint extends across 21 states through a fiber-rich hybrid-fiber coaxial ("HFC") broadband network and a fiber-to-the-home ("FTTH") network with approximately 9.4 million total passings as of September 30, 2022. Additionally, we offer news programming and content, advertising services, as well as a full service mobile offering to consumers across our footprint.

Key Factors Impacting Operating Results and Financial Condition

Our future performance is dependent, to a large extent, on the impact of direct competition, general economic conditions (including capital and credit market conditions), our ability to manage our businesses effectively, and our relative strength and leverage in the marketplace, both with suppliers and customers. For more information, see "Risk Factors" and "Business-Competition" included in our Annual Report on Form 10-K for the year ended December 31, 2021.

In March 2020, the United States declared a national emergency concerning the outbreak of COVID-19. The COVID-19 pandemic and the various governmental actions taken in response thereto significantly impacted our business, including how our customers use our products and services and how our employees provide services to our customers. Although we cannot predict how our business and future results will be impacted if the pandemic continues or if governmental authorities take action to slow or prevent an increase in the spread of COVID-19, we have and will work to adapt the environment in which we operate and continue to provide our products and services to our customers. See "Risk Factors - Our business, financial condition and results of operations may be adversely affected by the recent COVID-19 pandemic." in our Annual Report on Form 10-K for the year ended December 31, 2021.

We derive revenue principally through monthly charges to residential customers of our broadband, video, and telephony services and other related services. Our residential broadband, video, and telephony services accounted for approximately 41%, 34%, and 3%, respectively, of our consolidated revenue for the nine months ended September 30, 2022. We also derive revenue from the sale of a wide and growing variety of products and services to both large enterprise and SMB customers, including broadband, telephony, networking and video services. For the nine months ended September 30, 2022, 15% of our consolidated revenue was derived from these business services. In addition, we derive revenues from the sale of advertising time available on the programming carried on our cable television systems, digital advertising, branded content, affiliation fees for news programming, and data analytics, which accounted for approximately 5% of our consolidated revenue for the nine months ended September 30, 2022. Our mobile and other revenue for the nine months ended September 30, 2022 accounted for approximately 1% of our consolidated revenue.

Revenue is impacted by rate increases, promotional offerings, changes in the number of customers that subscribe to our services, including additional services sold to our existing customers, programming package changes by our video customers, speed tier changes by our broadband customers, and acquisitions and construction of cable systems that result in the addition of new customers.

Our ability to increase the number of customers to our services is significantly related to our penetration rates.

We operate in a highly competitive consumer-driven industry and we compete against a variety of broadband, video and telephony providers and delivery systems, including broadband communications companies, wireless data and telephony providers, fiber-based service providers, satellite-delivered video signals, Internet-delivered video content, and broadcast television signals available to residential and business customers in our service areas. Our competitors include AT&T, Inc. and its DirecTV subsidiary, DISH Network Corporation, Frontier Communications Corporation, Lumen Technologies, Inc., T-Mobile US, Inc., and Verizon Communications Inc. Consumers' selection of an alternate source of service, whether due to economic constraints, technological advances, or preference, negatively impacts the demand for our services. For more information on our competitive landscape, see "Risk Factors" and "Business-Competition" included in our Annual Report on Form 10-K for the year ended December 31, 2021.

Our programming costs, which are the most significant component of our operating expenses, are impacted by changes in programming rates, which we expect to increase, and by changes in the number of video customers. See "Results of Operations" below for more information regarding the key factors impacting our revenues and operating expenses.

Historically, we have made substantial investments in our network and the development of new and innovative products and other service offerings for our customers as a way of differentiating ourselves from our competitors and we expect to do so in the future. Our ongoing FTTH network build, with planned upgrades, will enable us to deliver Multi-gig broadband speeds to meet the growing data needs of residential and business customers. In addition, we have launched a full service mobile offering to consumers across our footprint. We may incur greater than anticipated capital expenditures in connection with these initiatives, fail to realize anticipated benefits, experience delays and business disruptions or encounter other challenges to executing them as planned. See "Liquidity and Capital Resources- Capital Expenditures" for additional information regarding our capital expenditures.

Certain Transactions

The following transactions had an impact in the periods covered by this Management's Discussion and Analysis of Financial Condition and Results of Operations:

In June 2021, Lightpath completed an acquisition for an aggregate purchase price of approximately \$28,260 and the operating results of the acquired business were consolidated as of the acquisition date.

In April 2021, the Company completed its acquisition of the cable assets of Morris Broadband, LLC in North Carolina for approximately \$312,184 and the operating results of the acquired business were consolidated as of the acquisition 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, interest expense, net, depreciation and amortization (including impairments), share-based compensation expense, restructuring expense, 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 Operating Free Cash Flow (defined as Adjusted EBITDA less cash capital expenditures) and Free Cash Flow (defined as net cash flows from operating activities less cash capital expenditures) as indicators 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.

Results of Operations - Altice USA (unaudited)

	Three Months Ended September 30,		Favorable (Unfavorable)	Nine Months Ended September 30,		Favorable (Unfavorable)
	2022	2021		2022	2021	
Revenue:						
Broadband	\$ 981,842	\$ 989,410	\$ (7,568)	\$ 2,970,039	\$ 2,952,136	\$ 17,903
Video	816,001	877,422	(61,421)	2,499,437	2,675,861	(176,424)
Telephony	83,097	99,943	(16,846)	252,952	310,298	(57,346)
Residential revenue	1,880,940	1,966,775	(85,835)	5,722,428	5,938,295	(215,867)
Business services and wholesale revenue	366,554	440,813	(74,259)	1,105,579	1,180,039	(74,460)
News and advertising	120,522	143,625	(23,103)	368,447	380,462	(12,015)
Mobile	22,837	20,456	2,381	73,312	60,355	12,957
Other	2,699	3,213	(514)	8,697	10,560	(1,863)
Total revenue	2,393,552	2,574,882	(181,330)	7,278,463	7,569,711	(291,248)
Operating expenses:						
Programming and other direct costs	782,121	843,909	61,788	2,429,925	2,545,645	115,720
Other operating expenses	694,390	590,519	(103,871)	2,009,760	1,760,132	(249,628)
Restructuring and other expense	4,007	1,885	(2,122)	10,058	10,958	900
Depreciation and amortization (including impairments)	445,769	447,958	2,189	1,327,243	1,327,142	(101)
Operating income	467,265	690,611	(223,346)	1,501,477	1,925,834	(424,357)
Other income (expense):						
Interest expense, net	(340,989)	(319,001)	(21,988)	(954,564)	(954,684)	120
Gain (loss) on investments	(425,686)	(46,821)	(378,865)	(902,060)	151,651	(1,053,711)
Gain (loss) on derivative contracts, net	323,668	43,385	280,283	643,856	(109,020)	752,876
Gain on interest rate swap contracts, net	105,945	5,521	100,424	268,960	59,600	209,360
Loss on extinguishment of debt and write-off of deferred financing costs	—	—	—	—	(51,712)	51,712
Other income, net	3,245	2,280	965	8,196	7,606	590
Income before income taxes	133,448	375,975	(242,527)	565,865	1,029,275	(463,410)
Income tax expense	(35,827)	(105,226)	69,399	(152,563)	(279,053)	126,490
Net income	97,621	270,749	(173,128)	413,302	750,222	(336,920)
Net income attributable to noncontrolling interests	(12,670)	(3,896)	(8,774)	(25,626)	(11,573)	(14,053)
Net income attributable to Altice USA, Inc. stockholders	\$ 84,951	\$ 266,853	\$ (181,902)	\$ 387,676	\$ 738,649	\$ (350,973)

The following is a reconciliation of net income to Adjusted EBITDA and Operating Free Cash Flow (unaudited):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income	\$ 97,621	\$ 270,749	\$ 413,302	\$ 750,222
Income tax expense	35,827	105,226	152,563	279,053
Other income, net	(3,245)	(2,280)	(8,196)	(7,606)
Gain on interest rate swap contracts, net	(105,945)	(5,521)	(268,960)	(59,600)
Loss (gain) on derivative contracts, net	(323,668)	(43,385)	(643,856)	109,020
Loss (gain) on investments	425,686	46,821	902,060	(151,651)
Loss on extinguishment of debt and write-off of deferred financing costs	—	—	—	51,712
Interest expense, net	340,989	319,001	954,564	954,684
Depreciation and amortization (including impairments)	445,769	447,958	1,327,243	1,327,142
Restructuring and other expense	4,007	1,885	10,058	10,958
Share-based compensation	37,349	24,350	114,410	80,277
Adjusted EBITDA	954,390	1,164,804	2,953,188	3,344,211
Less: Capital expenditures (cash)	493,559	309,172	1,371,056	845,067
Operating Free Cash Flow	\$ 460,831	\$ 855,632	\$ 1,582,132	\$ 2,499,144

The following is a reconciliation of net cash flow from operating activities to Free Cash Flow (unaudited):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net cash flows from operating activities	\$ 629,162	\$ 698,314	\$ 1,905,716	\$ 2,177,479
Less: Capital expenditures (cash)	493,559	309,172	1,371,056	845,067
Free Cash Flow	\$ 135,603	\$ 389,142	\$ 534,660	\$ 1,332,412

The following table sets forth certain customer metrics, excluding our mobile customers, for the Company (unaudited):

	<u>September 30, 2022</u>	<u>June 30, 2022</u>	<u>September 30, 2021</u>
	(in thousands)		
Total passings (a)	9,414.9	9,363.1	9,212.5
Total customer relationships (b)(c)	4,897.2	4,947.3	5,027.6
Residential	4,514.7	4,564.2	4,646.0
SMB	382.5	383.1	381.6
Residential customers:			
Broadband	4,290.6	4,333.6	4,388.1
Video	2,491.8	2,574.2	2,803.0
Telephony	1,818.9	1,886.9	2,057.1
Penetration of total passings (d)	52.0 %	52.8 %	54.6 %
ARPU (e)	\$ 138.12	\$ 140.13	\$ 140.73
FTTH total passings (f)	1,908.2	1,587.1	1,026.6
FTTH customer relationships (g)(h)	135.3	104.4	58.9
FTTH Residential	134.2	103.7	58.7
FTTH SMB	1.2	0.7	0.2
Penetration of FTTH total passings (i)	7.1 %	6.6 %	5.7 %

- (a) Represents the estimated number of single residence homes, apartments and condominium units passed by our HFC and FTTH network in areas serviceable without further extending the transmission lines. In addition, it includes commercial establishments that have connected to our HFC and FTTH network. Broadband services were not available to approximately 30 thousand total passings and telephony services were not available to approximately 500 thousand total passings.
- (b) Represents number of households/businesses that receive at least one of the Company's fixed-line services.
- (c) Customers represent each customer account (set up and segregated by customer name and address), weighted equally and counted as one customer, regardless of size, revenue generated, or number of boxes, units, or outlets on our HFC and FTTH network. Free accounts are included in the customer counts along with all active accounts, but they are limited to a prescribed group. Most of these accounts are also not entirely free, as they typically generate revenue through pay-per-view or other pay services and certain equipment fees. Free status is not granted to regular customers as a promotion. In counting bulk residential customers, such as an apartment building, we count each subscribing family unit within the building as one customer, but do not count the master account for the entire building as a customer. We count a bulk commercial customer, such as a hotel, as one customer, and do not count individual room units at that hotel.
- (d) Represents the number of total customer relationships divided by total passings.
- (e) Calculated by dividing the average monthly revenue for the respective quarter derived from the sale of broadband, video and telephony services to residential customers by the average number of total residential customers for the same period.
- (f) Represents the estimated number of single residence homes, apartments and condominium units passed by the FTTH network in areas serviceable without further extending the transmission lines. In addition, it includes commercial establishments that have connected to our FTTH network.
- (g) Represents number of households/businesses that receive at least one of the Company's fixed-line services on our FTTH network.
- (h) FTTH customers represent each customer account (set up and segregated by customer name and address), weighted equally and counted as one customer, regardless of size, revenue generated, or number of boxes, units, or outlets on our FTTH network. Free accounts are included in the customer counts along with all active accounts, but they are limited to a prescribed group. Most of these accounts are also not entirely free, as they typically generate revenue through pay-per view or other pay services and certain equipment fees. Free status is not granted to regular customers as a promotion. In counting bulk residential customers, such as an apartment building, we count each subscribing family unit within the building as one customer, but do not count the master account for the entire building as a customer. We count a bulk commercial customer, such as a hotel, as one customer, and do not count individual room units at that hotel.
- (i) Represents the number of total FTTH customer relationships divided by FTTH total passings.

Altice USA- Comparison of Results for the Three and Nine Months Ended September 30, 2022 compared to the Three and Nine Months Ended September 30, 2021

Broadband Revenue

Broadband revenue for the three and nine months ended September 30, 2022 was \$981,842 and \$2,970,039, respectively, while broadband revenue for the three and nine months ended September 30, 2021 was \$989,410 and \$2,952,136, respectively. Broadband revenue is derived principally through monthly charges to residential subscribers of our broadband services. Revenue is impacted by rate increases, promotional offerings, changes in the number of customers, and changes in speed tiers. Additionally, the allocation of revenue between the residential offerings is impacted by changes in the standalone selling price of each performance obligation within our promotional bundled offers.

Broadband revenue decreased \$7,568 (1%) and increased \$17,903 (1%) for the three and nine months ended September 30, 2022 compared to the three and nine months ended September 30, 2021, respectively. The decrease for the three months ended September 30, 2022 was due a decrease in broadband customers, partially offset by higher average recurring broadband revenue per broadband customer, primarily driven by certain rate increases and service level changes while the increase for the nine months ended September 30, 2022 was due primarily to higher average recurring broadband revenue per broadband customer, primarily driven by certain rate increases and service level changes, partially offset by a decrease in broadband customers.

Video Revenue

Video revenue for the three and nine months ended September 30, 2022 was \$816,001 and \$2,499,437, respectively, and \$877,422 and \$2,675,861, for the three and nine months ended September 30, 2021, respectively. Video revenue is derived principally through monthly charges to residential customers of our video services. Revenue is impacted by rate increases, promotional offerings, changes in the number of customers, additional services sold to our existing customers, and changes in programming packages. Additionally, the allocation of revenue between the residential offerings is impacted by changes in the standalone selling price of each performance obligation within our promotional bundled offers.

Video revenue decreased \$61,421 (7%) and \$176,424 (7%) for the three and nine months ended September 30, 2022 compared to the three and nine months ended September 30, 2021. The decreases were due primarily to a decline in video customers, partially offset by higher average recurring video revenue per video customer, primarily driven by certain rate increases.

Telephony Revenue

Telephony revenue for the three and nine months ended September 30, 2022 and 2021 was \$83,097 and \$252,952, respectively, and \$99,943 and \$310,298, for the three and nine months ended September 30, 2021, respectively. Telephony revenue is derived principally through monthly charges to residential customers of our telephony services. Revenue is impacted by changes in rates for services, promotional offerings, changes in the number of customers, and additional services sold to our existing customers. Additionally, the allocation of revenue between the residential offerings is impacted by changes in the standalone selling price of each performance obligation within our promotional bundled offers.

Telephony revenue decreased \$16,846 (17%) and \$57,346 (18%) for the three and nine months ended September 30, 2022 compared to the three and nine months ended September 30, 2021. The decreases were due to a decline in telephony customers and lower average recurring revenue per telephony customer.

Business Services and Wholesale Revenue

Business services and wholesale revenue for the three and nine months ended September 30, 2022 was \$366,554 and \$1,105,579, respectively, and \$440,813 and \$1,180,039 for the three and nine months ended September 30, 2021, respectively. Business services and wholesale revenue is derived primarily from the sale of fiber-based telecommunications services to the business market, and the sale of broadband, video and telephony services to SMB customers.

Business services and wholesale revenue decreased \$74,259 (17%) and \$74,460 (6%) for the three and nine months ended September 30, 2022 compared to the three and nine months ended September 30, 2021. Approximately \$74,600 of the decrease for the three and nine months ended September 30, 2022 was due to an early termination of a

backhaul contract for air strands in the third quarter of 2021, which resulted in the recognition of deferred revenue and termination fees over the amended term in the prior year.

News and Advertising Revenue

News and advertising revenue for the three and nine months ended September 30, 2022 was \$120,522 and \$368,447, respectively, and \$143,625 and \$380,462 for the three and nine months ended September 30, 2021, respectively. News and advertising revenue is primarily derived from the sale of (i) advertising inventory available on the programming carried on our cable television systems (linear revenue), (ii) digital advertising, (iii) branded content, and (iv) data analytics. News and advertising revenue also includes affiliation fees for news programming.

News and advertising revenue decreased \$23,103 (16%) and \$12,015 (3%) for the three and nine months ended September 30, 2022, respectively, compared to the three and nine months ended September 30, 2021 primarily due to a decrease in digital advertising.

Mobile Revenue

Mobile revenue for the three and nine months ended September 30, 2022 was \$22,837 and \$73,312, respectively, and \$20,456 and \$60,355 for the three and nine months ended September 30, 2021, respectively. Mobile revenue is derived from the sales of devices and mobile services. Mobile revenue increased \$2,381 (12%) and \$12,957 (21%) for the three and nine months ended September 30, 2022 compared to the three and nine months ended September 30, 2021. The increases were due to higher mobile lines and devices sold. As of September 30, 2022, we had approximately 236,000 mobile lines (including approximately 33,400 receiving free service) compared to approximately 181,000 mobile lines as of September 30, 2021.

Other Revenue

Other revenue for the three and nine months ended September 30, 2022 was \$2,699 and \$8,697, respectively, and for the three and nine months ended September 30, 2021 was \$3,213 and \$10,560, respectively. Other revenue includes revenue from other miscellaneous revenue streams.

Programming and Other Direct Costs

Programming and other direct costs for the three and nine months ended September 30, 2022 amounted to \$782,121 and \$2,429,925, respectively, and \$843,909 and \$2,545,645, for the three and nine months ended September 30, 2021, respectively. Programming and other direct costs include cable programming costs, which are costs paid to programmers (net of amortization of any incentives received from programmers for carriage) for cable content (including costs of VOD and pay-per-view) and are generally paid on a per-customer basis. These costs are impacted by increases in contractual rates, new channel launches, and by changes in the number of customers receiving certain programming services. These costs also include interconnection, call completion, circuit and transport fees paid to other telecommunication companies for the transport and termination of voice and data services, which typically vary based on rate changes and the level of usage by our customers. These costs also include franchise fees which are payable to the state governments and local municipalities where we operate and are primarily based on a percentage of certain categories of revenue derived from the provision of video service over our cable systems, which vary by state and municipality. These costs change in relation to changes in such categories of revenues or rate changes. Additionally, these costs include the costs of mobile devices sold to our customers and direct costs of providing mobile services.

The decreases of \$61,788 (7%) and \$115,720 (5%) for the three and nine months ended September 30, 2022 as compared to the three and nine months ended September 30, 2021 were primarily attributable to the following:

	Three Months	Nine Months
Decrease in programming costs primarily due to lower video customers, partially offset by net contractual rate increases	\$ (31,010)	\$ (69,015)
Decrease in taxes and surcharges	(14,131)	(20,347)
Decrease in digital media and linear advertising spots for resale costs	(9,989)	(13,210)
Decrease in franchise fee costs due to lower video revenue	(3,298)	(10,159)
Other net decreases	(3,360)	(2,989)
	<u>\$ (61,788)</u>	<u>\$ (115,720)</u>

Programming costs

Programming costs aggregated \$650,768 and \$2,007,398 for the three and nine months ended September 30, 2022 and \$681,778 and \$2,076,413 for the three and nine months ended September 30, 2021, respectively. Our programming costs in 2022 will continue to be impacted by changes in programming rates, which we expect to increase, and by changes in the number of video customers.

Other Operating Expenses

Other operating expenses for the three and nine months ended September 30, 2022 amounted to \$694,390 and \$2,009,760, and for the three and nine months ended September 30, 2021 amounted to \$590,519 and \$1,760,132, respectively. Other operating expenses include staff costs and employee benefits including salaries of company employees and related taxes, benefits and other employee related expenses, as well as third-party labor costs. Other operating expenses also include network management and field service costs, which represent costs associated with the maintenance of our broadband network, including costs of certain customer connections and other costs associated with providing and maintaining services to our customers.

Customer installation and network repair and maintenance costs may fluctuate as a result of changes in the level of activities and the utilization of contractors as compared to employees. Also, customer installation costs fluctuate as the portion of our expenses that we are able to capitalize changes. Costs associated with the initial deployment of new customer premise equipment necessary to provide broadband, video and telephony services are capitalized (asset-based). The redeployment of customer premise equipment is expensed as incurred.

Other operating expenses also include costs related to our call center operations that handle customer inquiries and billing and collection activities, and sales and marketing costs, which include advertising production and placement costs associated with acquiring and retaining customers. These costs vary period to period and certain of these costs, such as sales and marketing, may increase with intense competition. Additionally, other operating expenses include various other administrative costs.

The increases in other operating expenses of \$103,871 (18%) and \$249,628 (14%), for the three and nine months ended September 30, 2022 as compared to the three and nine months ended September 30, 2021 were attributable to the following:

	Three Months	Nine Months
Net increase in labor costs and benefits, partially offset by an increase in capitalizable activity	\$ 35,402	\$ 101,249
Increase in repairs and maintenance costs, net of capitalizable activity, including costs to rebrand our Suddenlink services to Optimum	13,640	36,343
Increase in marketing costs, primarily due to costs to rebrand our Suddenlink services to Optimum	11,425	35,043
Increase in share-based compensation costs	12,999	34,133
Increase in bad debt	10,149	18,834
Other net increases, net of capitalizable activity	20,256	24,026
	<u>\$ 103,871</u>	<u>\$ 249,628</u>

Restructuring and Other Expense

Restructuring and other expense for the three and nine months ended September 30, 2022 amounted to \$4,007 and \$10,058 as compared to \$1,885 and \$10,958 for the three and nine months ended September 30, 2021, respectively. These amounts include severance and other employee related costs resulting from headcount reductions and facility realignment costs and impairments of certain right of use assets of \$2,331 and \$6,681 and \$1,881 and \$9,757, respectively. These amounts include transactions costs of \$1,676 and \$3,377 for the three and nine months ended September 30, 2022 and \$4 and \$1,201 for the three and nine months ended September 30, 2021, respectively.

Depreciation and Amortization

Depreciation and amortization for the three and nine months ended September 30, 2022 amounted to \$445,769 and \$1,327,243 as compared to \$447,958 and \$1,327,142 for the three and nine months ended September 30, 2021, respectively.

The decrease in depreciation and amortization of \$2,189 for the three months ended September 30, 2022 as compared to the prior year period was due to higher asset additions in 2022 being depreciated over a longer useful life as compared to the 2021 period and lower amortization expense on intangible assets.

Adjusted EBITDA

Adjusted EBITDA amounted to \$954,390 and \$2,953,188 for the three and nine months ended September 30, 2022 as compared to \$1,164,804 and \$3,344,211 for the three and nine months ended September 30, 2021, respectively.

The decreases in Adjusted EBITDA of \$210,414 and \$391,023 for the three and nine months ended September 30, 2022 as compared to the three and nine months ended September 30, 2021, respectively, were due to decreases in revenue and increases in operating expenses (excluding depreciation and amortization, restructuring and other expense and share-based compensation), as discussed above.

Operating Free Cash Flow

Operating free cash flow was \$460,831 and \$1,582,132 for the three and nine months ended September 30, 2022 as compared to \$855,632 and \$2,499,144 for the three and nine months ended September 30, 2021, respectively. The decreases in operating free cash flow of \$394,801 and \$917,012, respectively, for the three and nine months ended September 30, 2022 as compared to the same periods in 2021 were due to increases in capital expenditures and decreases in Adjusted EBITDA.

Free Cash Flow

Free cash flow was \$135,603 and \$534,660 for the three and nine months ended September 30, 2022 as compared to \$389,142 and \$1,332,412 for the three and nine months ended September 30, 2021, respectively. The decreases in free cash flow of \$253,539 and \$797,752 in the three and nine month period, respectively, were due to increases in capital expenditures and decreases in net cash provided by operating activities.

Interest Expense, net

Interest expense, net was \$340,989 and \$954,564 for the three and nine months ended September 30, 2022, as compared to \$319,001 and \$954,684, respectively. The increase of \$21,988 and decrease of \$120 for the three and nine months ended September 30, 2022 as compared to the three and nine months ended September 30, 2021 were attributable to the following:

	Three Months	Nine Months
Increase primarily due to an increase in interest rates, offset by a decrease in average debt balances	\$ 31,234	\$ 17,868
Capitalized interest related to FTTH network construction	(4,296)	(9,544)
Higher interest income	(964)	(1,312)
Other net decreases, primarily lower amortization of deferred financing costs and original issue discounts	(3,986)	(7,132)
	<u>\$ 21,988</u>	<u>\$ (120)</u>

Gain (Loss) on Investments

Gain (loss) on investments was \$(425,686) and \$(902,060) for the three and nine months ended September 30, 2022 as compared to \$(46,821) and \$151,651 for the three and nine months ended September 30, 2021, respectively and consists of the increase (decrease) in the fair value of Comcast common stock owned by the Company. The effects of these gains (losses) are partially offset by the losses (gains) on the related equity derivative contracts, net described below.

Gain (Loss) on Derivative Contracts, net

Gain (loss) on derivative contracts, net for the three and nine months ended September 30, 2022 amounted to \$323,668 and \$643,856 compared to \$43,385 and \$(109,020) for the three and nine months ended September 30, 2021 and includes realized and unrealized gains or losses due to the change in fair value of equity derivative contracts relating to the Comcast common stock owned by the Company. The effects of these gains (losses) are offset by losses (gains) on investment securities pledged as collateral, which are included in gain (loss) on investments discussed above.

Gain on Interest Rate Swap Contracts, net

Gain on interest rate swap contracts, net was \$105,945 and \$268,960 for the three and nine months ended September 30, 2022 compared to \$5,521 and \$59,600 for the three and nine months ended September 30, 2021,

respectively. These amounts represent the change in the fair value of the interest rate swap contracts. These contracts are not designated as hedges for accounting purposes.

Other Income, net

Other income, net amounted to \$3,245 and \$8,196 for the three and nine months ended September 30, 2022 compared to \$2,280 and \$7,606 for the three and nine months ended September 30, 2021, respectively. These amounts include dividends received on Comcast common stock owned by the Company and the non-service cost/benefit components of the Company's pension plan.

Income Tax Expense

For the three and nine months ended September 30, 2022, Altice USA recorded a tax expense of \$35,827 and \$152,563 on pre-tax income of \$133,448 and \$565,865, respectively, resulting in an effective tax rate that was higher than the U.S. statutory tax rate. The higher tax rate was primarily due to the impact of certain non-deductible expenses and state tax expense.

For the three and nine months ended September 30, 2021, Altice USA recorded a tax expense of \$105,226 and \$279,053 on pre-tax income of \$375,975 and \$1,029,275, respectively, resulting in an effective tax rate that was higher than the U.S. statutory tax rate. The higher tax rate was due to the impact of certain non-deductible expenses and state tax expense.

CSC HOLDINGS, LLC

The consolidated statements of operations, adjusted EBITDA and Operating Free Cash Flow of CSC Holdings are identical to the consolidated statements of operations, adjusted EBITDA and Operating Free Cash Flow of Altice USA. Refer to Altice USA's Management's Discussion and Analysis of Financial Condition and Results of Operations above.

The following is a reconciliation of CSC Holdings' net cash flow from operating activities to Free Cash Flow:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net cash flows from operating activities	\$ 629,162	\$ 697,575	\$ 1,905,716	\$ 2,147,335
Less: Capital expenditures (cash)	493,559	309,172	1,371,056	845,067
Free Cash Flow	\$ 135,603	\$ 388,403	\$ 534,660	\$ 1,302,268

LIQUIDITY AND CAPITAL RESOURCES

Altice USA has no operations independent of its subsidiaries. Funding for our subsidiaries has generally been provided by cash flow from their respective operations, cash on hand and borrowings under the CSC Holdings revolving credit facility and the proceeds from the issuance of securities and borrowings under syndicated term loans in the capital markets. Our decision as to the use of cash generated from operating activities, cash on hand, borrowings under the revolving credit facility or accessing the capital markets has been based upon an ongoing review of the funding needs of the business, the optimal allocation of cash resources, the timing of cash flow generation and the cost of borrowing under the revolving credit facility, debt securities and syndicated term loans. We target a year-end leverage ratio of 4.5x to 5.0x for CSC Holdings over time. We calculate our CSC Holdings net leverage ratio as net debt to L2QA EBITDA (Adjusted EBITDA for the two most recent consecutive fiscal quarters multiplied by 2.0).

We expect to utilize free cash flow and availability under the CSC Holdings revolving credit facility, as well as future refinancing transactions, to further extend the maturities of, or reduce the principal on, our debt obligations. The timing and terms of any refinancing transactions will be subject to, among other factors, market conditions. Additionally, we may, from time to time, depending on market conditions and other factors, use cash on hand and the proceeds from other borrowings to repay the outstanding debt securities through open market purchases, privately negotiated purchases, tender offers, or redemptions. With regard to our collateralized indebtedness that matures in May 2023, our intent is to settle such indebtedness with proceeds from new monetization contracts. To the extent we do not enter into new monetization contracts, we could settle the existing collateralized indebtedness by (i) delivering shares of Comcast common stock or (ii) delivering cash. Because this collateralized debt matures in May 2023, it has been classified as current in the accompanying balance sheet as of September 30, 2022, and because there is no

assurance that a financing under new monetization contracts can be completed when this debt matures, the related investments held as collateral have also been classified as current.

We believe existing cash balances, operating cash flows and availability under the CSC Holdings revolving credit facility will provide adequate funds to support our current operating plan, make planned capital expenditures and fulfill our debt service requirements for the next twelve months. However, our ability to fund our operations, make planned capital expenditures, make scheduled payments on our indebtedness and repay our indebtedness depends on our future operating performance and cash flows and our ability to access the capital markets, which, in turn, are subject to prevailing economic conditions and to financial, business and other factors, some of which are beyond our control. Competition, market disruptions or a deterioration in economic conditions could lead to lower demand for our products, as well as lower levels of advertising, and increased incidence of customers' inability to pay for the services we provide. These events would adversely impact our results of operations, cash flows and financial position. Although we currently believe amounts available under the CSC Holdings revolving credit facility will be available when, and if, needed, we can provide no assurance that access to such funds will not be impacted by adverse conditions in the financial markets or other conditions. The obligations of the financial institutions under the revolving credit facility are several and not joint and, as a result, a funding default by one or more institutions does not need to be made up by the others.

In the longer term, we may not be able to generate sufficient cash from operations to fund anticipated capital expenditures, meet all existing future contractual payment obligations and repay our debt at maturity. As a result, we could be dependent upon our continued access to the capital and credit markets to issue additional debt or equity or refinance existing debt obligations. We intend to raise significant amounts of funding over the next several years to fund capital expenditures, repay existing obligations and meet other obligations, and the failure to do so successfully could adversely affect our business. If we are unable to do so, we will need to take other actions including deferring capital expenditures, selling assets, seeking strategic investments from third parties or reducing or eliminating stock repurchases and discretionary uses of cash.

Debt Outstanding

The following tables summarize the carrying value of our outstanding debt, net of unamortized deferred financing costs, discounts and premiums (excluding accrued interest), as well as interest expense for the nine months ended September 30, 2022:

	CSC Holdings Restricted Group	Lightpath	Other Unrestricted Entities	Altice USA/CSC Holdings
Debt outstanding:				
Credit facility debt	\$ 8,268,309	\$ 576,378	\$ —	\$ 8,844,687
Senior guaranteed notes	7,637,721	—	—	7,637,721
Senior secured notes	—	442,712	—	442,712
Senior notes	6,913,974	407,836	—	7,321,810
Subtotal	22,820,004	1,426,926	—	24,246,930
Finance lease obligations	252,430	—	—	252,430
Notes payable and supply chain financing	116,644	—	—	116,644
Subtotal	23,189,078	1,426,926	—	24,616,004
Collateralized indebtedness relating to stock monetizations (a)	—	—	1,736,294	1,736,294
Total debt	\$ 23,189,078	\$ 1,426,926	\$ 1,736,294	\$ 26,352,298
Interest expense:				
Credit facility debt, senior notes, finance leases, notes payable and supply chain financing	\$ 843,244	\$ 54,371	\$ —	\$ 897,615
Collateralized indebtedness relating to stock monetizations (a)	—	—	58,384	58,384
Total interest expense	\$ 843,244	\$ 54,371	\$ 58,384	\$ 955,999

- (a) This indebtedness is collateralized by shares of Comcast common stock. Our intent is to settle such indebtedness with proceeds from new monetization contracts. To the extent we do not enter into new monetization contracts, we could settle the existing collateralized indebtedness by (i) delivering shares of Comcast common stock or (ii) delivering cash.

Because this collateralized debt matures in May 2023, it has been classified as current in the accompanying balance sheet as of September 30, 2022, and because there is no assurance that a financing under new monetization contracts can be completed when this debt matures, the related investments held as collateral have also been classified as current.

Payment Obligations Related to Debt

As of September 30, 2022, total amounts payable by us in connection with our outstanding obligations, including related interest, as well as notes payable and supply chain financing, and the value deliverable at maturity under monetization contracts, but excluding finance lease obligations are as follows:

	CSC Holdings Restricted Group	Lightpath	Other Unrestricted Entities (a)	Altice USA/ CSC Holdings
2022	\$ 337,790	\$ 10,342	\$ 8,541	\$ 356,673
2023	1,335,747	80,621	1,776,378	3,192,746
2024	1,978,792	80,537	—	2,059,329
2025	3,924,559	80,087	—	4,004,646
2026	2,171,473	76,741	—	2,248,214
Thereafter	20,207,982	1,532,022	—	21,740,004
Total	\$ 29,956,343	\$ 1,860,350	\$ 1,784,919	\$ 33,601,612

(a) Includes \$1,784,919 related to the Company's collateralized indebtedness (including related interest).

CSC Holdings Restricted Group

For financing purposes, the Company is structured as a restricted group (the "Restricted Group") and an unrestricted group, which includes certain designated subsidiaries and investments (the "Unrestricted Group"). The CSC Holdings Restricted Group is comprised of CSC Holdings and substantially all of its wholly-owned operating subsidiaries, excluding Lightpath which became an unrestricted subsidiary in September 2020. These subsidiaries are subject to the covenants and restrictions of the credit facility and indentures governing the notes issued by CSC Holdings.

Sources of cash for the Restricted Group include primarily cash flow from the operations of the businesses in the Restricted Group, borrowings under its credit facility and issuance of securities in the capital markets, contributions from its parent, and, from time to time, distributions or loans from its subsidiaries. The Restricted Group's principal uses of cash include: capital spending, in particular, the capital requirements associated with the upgrade of its digital broadband, video and telephony services, including costs to build our FTTH network; debt service; distributions made to its parent to fund share repurchases; other corporate expenses and changes in working capital; and investments that it may fund from time to time.

CSC Holdings Credit Facility

In October 2015, a wholly-owned subsidiary of Altice USA, which merged with and into CSC Holdings on June 21, 2016, entered into a senior secured credit facility, which currently provides U.S. dollar term loans currently in an aggregate principal amount of \$3,000,000 (\$2,842,500 outstanding at September 30, 2022) (the "CSC Term Loan Facility", and the term loans extended under the CSC Term Loan Facility, the "CSC Term Loans") and U.S. dollar revolving loan commitments in an aggregate principal amount of \$2,475,000 (\$1,300,000 outstanding at September 30, 2022) (the "CSC Revolving Credit Facility" and, together with the CSC Term Loan Facility, the "CSC Credit Facilities"), which are governed by a credit facilities agreement entered into by, inter alios, CSC Holdings certain lenders party thereto and JPMorgan Chase Bank, N.A. as administrative agent and security agent (as amended, restated, supplemented or otherwise modified on June 20, 2016, June 21, 2016, July 21, 2016, September 9, 2016, December 9, 2016, March 15, 2017, January 12, 2018, October 15, 2018, January 24, 2019, February 7, 2019, May 14, 2019, October 3, 2019, and July 13, 2022, respectively, and as further amended, restated, supplemented or otherwise modified from time to time, the "CSC Credit Facilities Agreement").

In October 2018, CSC Holdings entered into a \$1,275,000 (\$1,230,375 outstanding at September 30, 2022) incremental term loan facility (the "Incremental Term Loan B-3") and in October 2019, CSC Holdings entered into a \$3,000,000 (\$2,925,000 outstanding at September 30, 2022) incremental term loan facility ("Incremental Term Loan B-5") under its existing credit facilities agreement.

On July 13, 2022, CSC Holdings entered into an amendment (the "Twelfth Amendment") to its senior secured credit facility (the "Credit Agreement"). The Twelfth Amendment provides for, among other things, an extended maturity

until the date that is the earlier of (i) July 13, 2027 and (ii) April 17, 2025 if, as of such date, any March 2017 Term Loans, as defined in the Credit Agreement are still outstanding, unless the March 2017 Term Loan Maturity Date (as defined in the Credit Agreement) has been extended to a date falling after July 13, 2027. Interest on borrowings under the Twelfth Amendment will be calculated based on the Term Secured Overnight Financing Rate ("SOFR") or alternative base rate borrowings, at a rate per annum equal to the Term SOFR rate (plus a Term SOFR credit adjustment spread of 0.10%) or the alternate base rate, as applicable, plus the applicable margin, where the applicable margin is (i) with respect to any alternate base rate loan, 1.25% per annum and (ii) with respect to any Term SOFR loan, 2.25% per annum.

See Note 8 to our consolidated financial statements for further information regarding the CSC Credit Facilities Agreement.

Lightpath Credit Facility

In November 2020, Lightpath entered into a credit agreement which provides a term loan in an aggregate principal amount of \$600,000 (\$589,500 outstanding at September 30, 2022) and revolving loan commitments in an aggregate principal amount of \$100,000. As of September 30, 2022, there were no borrowings outstanding under the Lightpath revolving credit facility. See Note 8 to our consolidated financial statements for further information regarding the Lightpath credit agreement.

Lightpath Interest Rate Swap Contract

Lightpath entered into an interest rate swap contract, effective April 2022, on a notional amount of \$300,000, whereby Lightpath pays interest of 2.161% through December 2026 and receives interest based on the one-month LIBOR rate. This swap contract is not designated as a hedge for accounting purposes. Accordingly, the changes in the fair value of this interest rate swap contract are recorded through the statement of operations.

Capital Expenditures

The following table presents the Company's capital expenditures:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Customer premise equipment	\$ 75,857	\$ 61,154	\$ 237,707	\$ 153,389
Network infrastructure	301,251	153,528	848,140	430,811
Support and other	70,616	63,701	168,780	171,595
Business Services	45,835	30,789	116,429	89,272
Capital purchases (cash basis)	493,559	309,172	1,371,056	845,067
Right-of-use assets acquired in exchange for finance lease obligations	36,090	29,993	130,861	107,708
Notes payable issued to vendor for the purchase of equipment and other assets	36,680	27,498	88,181	61,316
Change in accrued and unpaid purchases and other	39,585	(6,000)	45,218	31,502
Capital purchases (accrual basis)	\$ 605,914	\$ 360,663	\$ 1,635,316	\$ 1,045,593

Customer premise equipment includes expenditures for set-top boxes, cable modems, routers and other equipment that is placed in a customer's home, as well as installation costs for placing assets into service. Network infrastructure includes: (i) scalable infrastructure, such as headend equipment, (ii) line extensions, such as FTTH and fiber/coaxial cable, amplifiers, electronic equipment, make-ready and design engineering, and (iii) upgrade and rebuild, including costs to modify or replace existing fiber/coaxial cable networks, including enhancements. Support and other capital expenditures includes costs associated with the replacement or enhancement of non-network assets, such as software systems, vehicles, facilities and office equipment. Business services capital expenditures include primarily equipment, installation, support, and other costs related to our fiber based telecommunications business serving primarily enterprise customers.

In February 2022, the Company announced plans to accelerate its fiber network rollout and new build activity, including targeting 6.5 million fiber passings across its footprint by the end of 2025. The Company estimates it will incur approximately \$1,700,000 to \$1,800,000 of cash capital expenditures in fiscal year 2022 to advance its upgrade and expansion plans.

Cash Flow Discussion

Altice USA

Operating Activities

Net cash provided by operating activities amounted to \$1,905,716 for the nine months ended September 30, 2022 compared to \$2,177,479 for the nine months ended September 30, 2021.

The decrease in cash provided by operating activities of \$271,763 in 2022 as compared to 2021 resulted from a decrease of \$41,713 due to changes in working capital (including an increase in interest payments of \$16,559 and an increase in tax payments of \$26,496) as well as the timing of payments of liabilities, and collections of accounts receivable, among other items, and a decrease in net income before depreciation and amortization and other non-cash items of \$230,050.

Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2022 was \$1,376,101 compared to \$1,187,796 for the nine months ended September 30, 2021. The 2022 investing activities consisted primarily of capital expenditures of \$1,371,056. The 2021 investing activities consisted primarily of capital expenditures of \$845,067 and payments for acquisitions of \$340,444.

Financing Activities

Net cash used in financing activities amounted to \$474,800 for the nine months ended September 30, 2022, compared to \$1,035,513 for the nine months ended September 30, 2021.

In 2022, the Company's financing activities consisted of the repayment of long-term debt of \$1,942,428 and principal payments on finance lease obligations of \$97,165, partially offset by proceeds from our revolving credit facility of \$1,565,000.

In 2021, the Company's financing activities consisted of the repayment of long-term debt of \$3,483,026, repurchase of common stock pursuant to a share repurchase program of \$804,928, repayment of collateralized indebtedness and related derivative contracts, net of \$185,105, and principal payments on finance lease obligations of \$60,257, partially offset by proceeds from long-term debt of \$3,310,000, proceeds from collateralized indebtedness and related derivative contracts, net of \$185,105, and other net cash receipts of \$2,698.

CSC Holdings

Operating Activities

Net cash provided by operating activities amounted to \$1,905,716 for the nine months ended September 30, 2022 compared to \$2,147,335 for the nine months ended September 30, 2021.

The decrease in cash provided by operating activities of \$241,619 in 2022 as compared to 2021 resulted from a decrease of \$21,020 due to changes in working capital (including an increase in interest payments of \$16,559 and an increase in tax payments of \$26,496) as well as the timing of payments and collections of accounts receivable, among other items, and a decrease in net income before depreciation and amortization and other non-cash items of \$220,599.

Investing Activities

Net cash used in investing activities for the nine months ended September 30, 2022 was \$1,376,101 compared to \$1,187,796 for the nine months ended September 30, 2021. The 2022 investing activities consisted primarily of capital expenditures of \$1,371,056. The 2021 investing activities consisted primarily of capital expenditures of \$845,067 and payments for acquisitions of \$340,444.

Financing Activities

Net cash used in financing activities amounted to \$474,800 for the nine months ended September 30, 2022, compared to \$1,007,442 for the nine months ended September 30, 2021.

In 2022, the Company's financing activities consisted of the repayment of long-term debt of \$1,942,428 and principal payments on finance lease obligations of \$97,165, partially offset by proceeds from its revolving credit facility of \$1,565,000.

In 2021, the Company's financing activities consisted of distributions to its parent of \$763,435, repayment of long-term debt of \$3,483,026, repayment of collateralized indebtedness and related derivative contracts, net of \$185,105, principal payments on finance lease obligations of \$60,257, and other net cash payments of \$10,724, partially offset by proceeds from long term debt of \$3,310,000 and proceeds from collateralized indebtedness and related derivative contracts, net of \$185,105.

Commitments and Contingencies

As of September 30, 2022, the Company's commitments and contingencies not reflected in the Company's balance sheet decreased to approximately \$8,500,000 as compared to approximately \$10,310,000 as of December 31, 2021. This decrease relates primarily to payments made in 2022 pursuant to programming commitments and a reduction in programming commitments due to a decrease in the number of video customers as of September 30, 2022 as compared to December 31, 2021.

Share Repurchase Program

In June 2018, the Board of Directors of Altice USA authorized a share repurchase program of \$2,000,000, and on July 30, 2019, the Board of Directors authorized a new incremental three-year share repurchase program of \$5,000,000 that took effect following the completion in August 2019 of the \$2,000,000 repurchase program. In November 2020, the Board of Directors authorized an additional incremental \$2,000,000 of share repurchases bringing the total amount of cumulative share repurchases authorized to \$9,000,000. Under these repurchase programs, shares of Altice USA Class A common stock may be purchased from time to time in the open market and may include trading plans entered into with one or more brokerage firms in accordance with Rule 10b5-1 under the Securities Exchange Act of 1934. Size and timing of these purchases will be determined based on market conditions and other factors.

For the nine months ended September 30, 2022, Altice USA did not repurchase any shares. From inception through September 30, 2022, Altice USA repurchased an aggregate of 285,507,773 shares for a total purchase price of approximately \$7,808,698. These acquired shares were retired and the cost of these shares was recorded in stockholders' deficiency in the consolidated balance sheet of Altice USA. As of September 30, 2022, Altice USA had approximately \$1,191,302 of availability remaining under the incremental share repurchase program.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

All dollar amounts, except per share data, included in the following discussion are presented in thousands.

Equity Price Risk

We are exposed to market risks from changes in certain equity security prices. Our exposure to changes in equity security prices stems primarily from the shares of Comcast common stock we hold. We have entered into equity derivative contracts consisting of a collateralized loan and an equity collar to hedge our equity price risk and to monetize the value of these securities. These contracts, at maturity, are expected to offset declines in the fair value of these securities below the hedge price per share while allowing us to retain upside appreciation from the hedge price per share to the relevant cap price. The contracts' actual hedge prices per share vary depending on average stock prices in effect at the time the contracts were executed. The contracts' actual cap prices vary depending on the maturity and terms of each contract, among other factors. If any one of these contracts was terminated prior to its scheduled maturity date, the Company would be obligated to repay the fair value of the collateralized indebtedness and the fair value of the remaining interest payments on the debt less the sum of the fair values of the underlying stock and equity collars calculated at the termination date. As of September 30, 2022, the Company had an early termination shortfall of \$449 relating to such contracts.

The underlying stock and the equity collars are carried at fair value in our consolidated balance sheets and the collateralized indebtedness is carried at its principal value, net of discounts. These discounts are being amortized over the term of the related indebtedness. The carrying value of our collateralized indebtedness amounted to \$1,736,294 at September 30, 2022. At maturity, the contracts provide for the option to deliver cash or shares of Comcast common stock, with a value determined by reference to the applicable stock price at maturity.

As of September 30, 2022, the fair value and the carrying value of our holdings of Comcast common stock aggregated \$1,259,877. Assuming a 10% change in price, the potential change in the fair value of these investments

would be approximately \$125,988. As of September 30, 2022, the net fair value and the carrying value of the equity collar component of the equity derivative contracts entered into to partially hedge the equity price risk of our holdings of Comcast common stock aggregated \$481,914, a net asset position. For the nine months ended September 30, 2022, we recorded a net gain of \$643,856 related to our outstanding equity derivative contracts and recorded an unrealized loss of \$902,060 related to the Comcast common stock that we held.

Fair Value of Equity Derivative Contracts

Fair value as of December 31, 2021, net liability position	\$ (161,942)
Change in fair value, net	643,856
Fair value as of September 30, 2022, net asset position	<u>\$ 481,914</u>

The maturity date, number of shares deliverable at the relevant maturity date, hedge price per share, and the lowest and highest cap prices received for the Comcast common stock monetized via an equity derivative prepaid forward contract are summarized in the following table:

# of Shares Deliverable	Maturity	Hedge Price per Share (a)	Cap Price (b)
42,955,236	2023	\$40.95	\$49.55

(a) Represents the price below which we are provided with downside protection and above which we retain upside appreciation. Also represents the price used in determining the cash proceeds payable to us at inception of the contracts.

(b) Represents the price up to which we receive the benefit of stock price appreciation.

Fair Value of Debt

At September 30, 2022, the fair value of our fixed rate debt, comprised of our collateralized debt, senior guaranteed and senior secured notes, senior notes and notes payable, of \$13,792,977 was lower than its carrying value of \$17,255,181 by \$3,462,204. The fair value of these financial instruments is estimated based on reference to quoted market prices for these or comparable securities. Our floating rate borrowings, comprised of our term loans and revolving credit facilities bear interest in reference to current LIBOR-based or SOFR-based market rates and thus their principal values approximate fair value. The effect of a hypothetical 100 basis point decrease in interest rates prevailing at September 30, 2022 would increase the estimated fair value of our fixed rate debt by \$653,014 to \$14,445,991. This estimate is based on the assumption of an immediate and parallel shift in interest rates across all maturities.

Interest Rate Risk

To manage interest rate risk, we have from time to time entered into interest rate swap contracts to adjust the proportion of total debt that is subject to variable and fixed interest rates. Such contracts effectively fix the borrowing rates on floating rate debt to provide an economic hedge against the risk of rising rates and/or effectively convert fixed rate borrowings to variable rates to permit the Company to realize lower interest expense in a declining interest rate environment. We monitor the financial institutions that are counterparties to our interest rate swap contracts and we only enter into interest rate swap contracts with financial institutions that are rated investment grade. All such contracts are carried at their fair market values in our consolidated balance sheets, with changes in fair value reflected in the consolidated statements of operations. See Note 9 to our Consolidated Financial Statements for a summary of interest rate swap contracts outstanding at September 30, 2022. The Company's outstanding interest rate swap contracts are not designated as hedges for accounting purposes. Accordingly, the changes in the fair value of these interest rate swap contracts are recorded through the statement of operations. For the nine months ended September 30, 2022, the Company recorded a gain on interest rate swap contracts of \$268,960.

The following represents the location of the assets and liabilities associated with the Company's equity derivative contracts and interest rate swap contracts within the consolidated balance sheets:

Derivatives Not Designated as Hedging Instruments	Balance Sheet Location	Fair Value at September 30, 2022
Asset Derivatives:		
Prepaid forward contracts	Derivative contracts	\$ 481,914
Interest rate swap contracts	Other assets, long-term	188,970
		<u>\$ 670,884</u>

As of September 30, 2022, we did not hold and have not issued derivative instruments for trading or speculative purposes.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

An evaluation was carried out under the supervision and with the participation of Altice USA's management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined under SEC rules). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as of September 30, 2022.

Changes in Internal Control

During the nine months ended September 30, 2022, there were no changes in the Company's internal control over financial reporting that materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Refer to Note 14 to our consolidated financial statements included in this Quarterly Report on Form 10-Q for a discussion of our legal proceedings.

Item 6. Exhibits

EXHIBIT NO.	DESCRIPTION
10.1	Executive Employment Agreement, dated September 7, 2022, by and between Altice USA, Inc. and Dennis Mathew.
10.2	Transition Agreement, dated September 6, 2022, between Altice USA, Inc. and Dexter Goei.
31.1	Section 302 Certification of the CEO.
31.2	Section 302 Certification of the CFO.
32	Section 906 Certifications of the CEO and CFO.
101	The following financial statements from Altice USA's Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2022 filed with the Securities and Exchange Commission on November 2, 2022 formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Operations; (iii) the Consolidated Statements of Comprehensive Income; (iv) the Consolidated Statements of Stockholders' Deficiency; (v) the Consolidated Statements of Cash Flows; and (vi) the Combined Notes to Consolidated Financial Statements.
104	The cover page from this quarterly report on Form 10-Q formatted in Inline XBRL.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: November 2, 2022

ALTICE USA, INC.

By: /s/ Michael J. Grau
Michael J. Grau
Chief Financial Officer

EXECUTIVE EMPLOYMENT AGREEMENT

This **EXECUTIVE EMPLOYMENT AGREEMENT** (this "Agreement"), dated as of September 7, 2022, is by and between Altice USA, Inc., a Delaware corporation (the "Company"), and Dennis Mathew ("Executive") (the Company and Executive collectively referred to as the "Parties" or individually referred to as a "Party").

WHEREAS, the Company desires to employ Executive, and Executive desires to be employed by the Company and to provide services to the Company pursuant to the terms and conditions of this Agreement, which shall supersede all prior commitments and agreements between Executive and the Company with respect to Executive's employment with the Company; and

WHEREAS, Executive's execution of the Restrictive Covenant Agreement attached hereto as Appendix A is a material inducement and condition to the Company entering into this Agreement.

NOW, THEREFORE, IT IS HEREBY AGREED AS FOLLOWS:

1. Term; Employment and Duties.

(a) Term. The term of this Agreement commences on October 3, 2022 (the "Start Date") and continues until the date of Executive's termination of employment, unless this Agreement is terminated or amended prior thereto (the "Term").

(b) Position and Duties. Subject to the terms and conditions hereof, Executive shall serve as the Chief Executive Officer of the Company, reporting to the Board of Directors of the Company (the "Board"). Executive shall have such duties and responsibilities commensurate with Executive's role and as may be assigned to Executive from time to time by the Board. Executive's principal place of employment shall be Long Island City, New York, subject to travel in the performance of Executive's duties and the business of the Company.

(c) Exclusive Services. For so long as Executive is employed by the Company, Executive shall devote Executive's full business working time, attention and efforts to Executive's duties to the Company, shall faithfully serve the Company, shall in all respects conform to and comply with the lawful and good faith directions and instructions given to Executive by the Board and shall use Executive's best efforts to promote and serve the interests of the Company. Further, Executive shall not, while employed by the Company, directly or indirectly, render services to any other person or organization without the prior written consent of the Board or otherwise engage in activities that would interfere with the faithful performance of Executive's duties to the Company.

2. Compensation and Other Benefits. Subject to the provisions of this Agreement and the approval of the Board or the Compensation Committee of the Board (the "Compensation Committee"), during the Term, the Company shall pay and provide the following compensation and other benefits to Executive as compensation for services rendered hereunder:

(a) Base Salary. The Company shall pay to Executive a base salary at the annual rate of \$1,000,000 (the “Base Salary”), payable in accordance with the Company’s ordinary payroll practices as established from time to time.

(b) Annual Bonus. For each fiscal year during the Term, Executive shall be eligible for an annual bonus (the “Annual Bonus”) with a target opportunity of \$2,000,000. The Annual Bonus shall further be subject to such terms and performance conditions as determined by the Board or the Compensation Committee and payable on the date annual bonuses are paid to other executive officers of the Company, subject to Executive’s continued employment by the Company through the applicable payment date; provided that (i) with respect to the Annual Bonus for 2022, such Annual Bonus shall be deemed earned at 100% of target and payable pro rata by multiplying such Annual Bonus by a fraction, the numerator of which is the number of days from the Start Date through December 31, 2022 and the denominator of which is 365 and (ii) with respect to the Annual Bonus for 2023, such Annual Bonus shall not be less than \$1,000,000; provided, further, however, that in each case of clauses (i) and (ii), such Annual Bonus shall be payable on the date annual bonuses are paid to other executive officers of the Company, subject to Executive’s continued employment by the Company through the applicable payment date.

(c) Sign-On Bonus. Following the Start Date, the Company shall pay Executive a one-time sign-on bonus of \$850,000 plus an additional amount up to \$175,000, which shall be equal to the amounts Executive repays to Executive’s former employer, if any, in connection with Executive’s termination of employment with such former employer, subject to Executive providing the Company with proof satisfactory to the Company of such repaid amounts (together, the “Sign-On Bonus”). The Sign-On Bonus shall be paid by the Company as soon as reasonably practicable during a payroll cycle following the Start Date and acceptance of documentation of repaid amounts. The Sign-On Bonus shall be subject to full repayment by Executive following Executive’s resignation for any reason other than for Good Reason (as defined below) or termination by the Company for Cause (as defined below) on or prior to the second anniversary of the Start Date.

(d) Initial Equity Award. The Company shall recommend to the Board or the Compensation Committee that at the next monthly grant date following the Start Date, Executive be granted an initial equity grant under the Amended and Restated Altice USA 2017 Long Term Incentive Plan, amended (the “Plan”), with an aggregate grant date value of \$20,000,000, of which 50% shall be granted in the form of stock options and 50% of which shall be granted in the form of restricted stock units, subject in all respects to approval by the Board or the Compensation Committee (the “Initial Equity Awards”). If the Board or the Compensation Committee approves the Initial Equity Awards, the Initial Equity Awards shall each vest 50% on the second anniversary of the grant date and 25% on each of the third and fourth anniversaries of the grant date.

(e) Future Equity Opportunity. Commencing on the next grant date on which annual equity awards are considered for other executive officers of the Company following the second anniversary of the grant date of the Initial Equity Awards and for each fiscal year thereafter, Executive shall be eligible for an annual equity incentive award (the “Equity Award”) with an anticipated target opportunity of \$5,000,000 (the “LTI Target”). The Equity Award shall

be subject in all respects to approval by the Board or the Compensation Committee, including whether to grant the Equity Award in any year. The Board or the Compensation Committee may grant an Equity Award at, above or below the LTI Target, and any Equity Award granted shall further be subject to such terms, including with respect to vesting and payment, and performance conditions as determined by the Board or the Compensation Committee.

(f) Benefit Plans; Expenses. During the Term, Executive shall be entitled to participate in the employee benefit plans and programs maintained by the Company for other executive officers of the Company, in accordance with the terms of the plans, as may be amended from time to time. The Company shall reimburse Executive for reasonable travel and other business-related expenses incurred by Executive in the fulfillment of Executive's duties to the Company upon presentation of written documentation thereof, in accordance with the business expense reimbursement policies and procedures of the Company as in effect from time to time.

(g) Relocation. On or before the second anniversary of the Start Date, Executive shall relocate Executive's primary residence to the New York City metro area. From the Start Date through the earlier of the relocation of Executive's primary residence to the New York City metro area and the second anniversary of the Start Date, the Company shall provide Executive with temporary housing mutually agreed between Executive and the Company in a location reasonably proximate to the Company's principal office in Long Island City, New York (the "Transition Benefit"). In addition, the Company shall reimburse Executive for reasonable and customary expenses actually incurred by Executive relating to such relocation, subject to the terms and conditions of the Company's policies and procedures related to relocation and employee expense reimbursement as in effect from time to time (the "Relocation Benefit"); provided that the Relocation Benefit and all costs to the Company Group (as defined below) for the Transition Benefit shall be capped at \$750,000 in the aggregate, subject to adjustment (but not decrease) at the discretion of the Board or the Compensation Committee.

3. Termination of Employment.

(a) Termination for Any or No Reason. Executive's employment with the Company shall at all times be on an "at-will" basis and nothing in this Agreement shall provide Executive the right to employment for any specified period. The Company and Executive shall each have the right to terminate Executive's employment at any time for any reason or for no reason. Upon termination of Executive's employment for any reason, whether by the Company or Executive, Executive shall receive (i) Executive's accrued Base Salary through and including the date of termination and (ii) any other amounts or benefits required to be paid or provided to Executive by applicable law or accrued and vested for the benefit of Executive under the benefit plans of the Company (collectively, the "Accrued Amounts").

(b) Termination without Cause; Resignation for Good Reason. If Executive's employment with the Company is terminated by the Company without Cause or by Executive for Good Reason, and subject to Executive's timely execution and non-revocation of a general release of claims and compliance with all restrictive covenants applicable to Executive, and in lieu of any other severance benefits otherwise payable under any Company plan or policy, Executive shall be entitled to, in addition to the Accrued Amounts: (i) continued payment of Executive's Base Salary for a period of 12 months immediately following the date of Executive's

termination of employment, payable in accordance with the Company's ordinary payroll practices as established from time to time; (ii) if Executive timely elects coverage under the Consolidated Budget Reconciliation Act of 1985, as amended ("COBRA"), Company-subsidized coverage (equal to the same portion of the monthly premium the Company pays for active employees) for a period of 12 months immediately following the last day of the month of Executive's termination of employment; (iii) any Annual Bonus for the completed fiscal year that ended prior to fiscal year in which Executive's termination of employment occurred but for which payment has not been made, payable at the same time annual bonuses are paid to other executive officers of the Company; (iv) a pro rata portion of the Annual Bonus for the fiscal year in which Executive's termination of employment occurs based on actual results for such year (determined by multiplying the amount of such bonus which would be due for the full fiscal year by a fraction, the numerator of which is the number of full months during the fiscal year of termination that Executive is employed by the Company and the denominator of which is 12), payable as a lump sum cash payment at the same time annual bonuses are paid to other executive officers of the Company; and (v) subject to approval by the Board or the Compensation Committee, pro rata vesting of any then-outstanding unvested time-vesting equity awards (or a portion thereof) granted by the Company to Executive under the Plan determined by multiplying the number shares of the Company's common stock underlying each such award by a fraction, the numerator of which is the number of completed months in the vesting period applicable to such award and the denominator of which is the number of total months in the vesting period.

(c) Termination due to Death or Disability. Executive's employment with the Company will automatically terminate upon Executive's death and may be terminated by the Company upon Executive's Disability (as defined below). If Executive's employment with the Company is terminated by reason of Executive's death or Disability, and subject to Executive's (or Executive's estate's) timely execution and non-revocation of general release of claims and compliance with all restrictive covenants applicable to Executive, and in lieu of any other severance benefits otherwise payable under any Company plan or policy, Executive (or Executive's estate) shall be entitled to, in addition to the Accrued Amounts: (i) the benefits payable to Executive under Sections 3(b)(iii) and 3(b)(iv); (ii) continued payment of Executive's Base Salary for a period of three months immediately following the date of Executive's termination of employment, payable in accordance with the Company's ordinary payroll practices as established from time to time; and (iii) any then-outstanding unvested equity awards (or a portion thereof) granted by the Company to Executive under the Plan shall be treated in accordance with the terms of the Plan and the award agreement applicable to the equity award.

(d) Termination for Cause; Resignation. If Executive's employment with the Company is terminated by the Company for Cause or as a result of Executive's resignation for any reason (other than for Good Reason), Executive shall only be entitled to payment of the Accrued Amounts, payable in accordance with Company policies and practices, and Executive shall have no further right to receive any other compensation or benefits from the Company or any member of the Company Group.

(e) Execution and Delivery of General Release; Compliance with Covenants. The Company shall not be required to make the payments and provide the benefits provided for under Sections 3(b) or 3(c) unless Executive (or Executive's estate in the case of death) timely

executes and delivers to the Company a general waiver and release of claims in a form determined by the Company and the general release has become effective and irrevocable in its entirety. Failure or refusal to sign the general release (or revocation of the general release) shall result in the forfeiture of the payments and benefits (other than the Accrued Amounts). Additionally, the Company's obligation to make any payments or provide benefits pursuant to this Section 3 (other than the Accrued Amounts) shall be subject to Executive's continued compliance with all restrictive covenants to which Executive is subject, including those set forth in Appendix A to this Agreement.

(f) Notice of Termination. Any termination of Executive's employment by the Company or by Executive shall be communicated by a written notice of termination to the other Party given in accordance with Section 14. Such notice shall specify the date of termination, and, in the event of a resignation by Executive, such date shall not be less than 90 days after the giving of such notice to the Company.

(g) Resignation from Positions. The termination of Executive's employment for any reason shall constitute and be deemed as Executive's resignation from (i) all officer or employee positions Executive has with the Company or any of its subsidiaries or affiliates (the "Company Group") and (ii) all fiduciary positions (including as a trustee) Executive may hold with respect to any employee benefit plans or trusts established by the Company Group, without any further actions required by the Parties.

(h) Cause. For purposes of this Agreement, "Cause" shall mean the termination of Executive's employment due to: (i) Executive's substantial failure to perform Executive's duties as an employee of the Company, as determined by the Board or a committee thereof; (ii) performance by Executive of any act or failure to perform any act that is materially injurious or to the detriment of the Company Group; (iii) intentional misconduct by Executive or breach by Executive of a material policy of any member of the Company Group; (iv) commission by Executive of, admission to, conviction of, or entering a plea of *nolo contendere* to or imposition of unadjudicated probation of, any felony or crime involving moral turpitude, or the commission of any other act involving theft, dishonesty, conflict of interest, breach of trust or physical or emotional harm to any person or property; (v) any act or substantial involvement in an act that could reasonably be expected to bring Executive, the Company or the Company Group into public disrepute, scandal, contempt or ridicule that shocks, insults or offends a substantial portion or group of the public; (vi) misappropriation of funds or fraud by Executive with respect to any member of the Company Group or any person with which any member of the Company Group does business; (vii) violation of any fiduciary duty owed to any member of the Company Group; or (viii) a material breach of the Agreement by Executive. Whether or not an event giving rise to "Cause" occurs shall be determined solely by the Board or a committee thereof.

(i) Good Reason. For purposes of this Agreement, "Good Reason" shall mean, without Executive's written consent: (i) a material reduction in the scope of Executive's duties or responsibilities; (ii) a change in Executive's reporting relationship to the Board; (iii) a material reduction in the amount of Executive's then-current Base Salary (unless reductions comparable in amount and duration are concurrently made for other executives of the Company); or (iv) a material breach by the Company of a material term of this Agreement; provided that

Good Reason shall not arise if any change in clauses (i) or (ii), above, is in connection with a Change in Control (as defined in the Plan) or if shares of the Company's common stock are no longer publicly listed. Notwithstanding the preceding sentence, Executive shall not be deemed to have terminated Executive's employment for Good Reason unless Executive provides the Company with written notice of such event within 90 days of the initial occurrence thereof and describes such claim in reasonable detail, the Company fails to cure the situation or event within 30 days of delivery of such notice (or such longer time as may be agreed between the parties) and Executive terminates Executive's employment within 30 days of the expiration of such cure period.

(j) Disability. For purposes of this Agreement, "Disability," shall be defined in the same manner as such term or a similar term is defined in the Plan.

4. Limitations on Severance Benefits and Other Payments or Benefits. In the event that Executive receives any payments or distributions, whether payable or distributed or distributable pursuant to the terms of this Agreement or otherwise ("Payment") that constitute "parachute payments" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "Code"), and, but for this Section 4, would be subject to the excise tax imposed by Section 4999 of the Code ("Excise Tax"), then such Payment shall be delivered as to such lesser extent that would result in no portion of such Payment being subject to the Excise Tax. The determinations to be made with respect to this Section 4 shall be made by a certified public accounting firm designated by the Company. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive. Any reduction in payments or benefits pursuant to this Section 4 shall occur in the following order: (i) reduction of cash payments; (ii) cancellation of accelerated vesting of equity awards other than stock options; (iii) cancellation of accelerated vesting of stock options; and (iv) reduction of other benefits payable to Executive. This Section 4 may be amended by the Company at its discretion to comply with any changes to or successor provisions of Sections 280G or 4999 of the Code.

5. Contingency of Agreement. This Agreement is contingent upon (a) the satisfactory completion of the Company's pre-employment screening requirements, including the Company's safety and drug-free workplace guidelines and COVID-19 compliance policy, (b) Executive's legal authorization to work in the United States, (c) Executive's execution of the Restrictive Covenant Agreement attached hereto as Appendix A, and (d) approval by the Board.

6. Representations and Warranties of Executive. Executive agrees to comply with all Company policies, as adopted or modified by the Company from time to time. Executive represents that Executive is free to enter into this Agreement and that Executive's performance of all of the terms of this Agreement and of all of Executive's duties and responsibilities as an officer and employee of the Company do not and will not breach (a) any agreement to keep in confidence information acquired by Executive in confidence or in trust, (b) any agreement to assign to any third party inventions made by Executive or (c) any agreement not to compete against the business of any third party and that Executive has received a written release from any agreement not to compete that is applicable to Executive. Executive further represents that Executive has not made and will not make any agreements in conflict with this Agreement.

7. Indemnification. During the Term, Executive shall be covered under the Company's directors and officers liability insurance and indemnification policy, as in effect from time to time.

8. Section 409A of the Code. The compensation and benefits provided by this Agreement are intended to be exempt from or comply with the requirements of Section 409A of the Code, and this Agreement shall be interpreted and construed consistent with that intent. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits considered "nonqualified deferred compensation" under Section 409A of the Code upon or following a termination of employment unless such termination is also a "separation from service" within the meaning of Section 409A of the Code and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment" or like terms shall mean "separation from service." Notwithstanding any other provision of this Agreement, to the extent that the right to any payment (including the provision of benefits) hereunder provides for the "deferral of compensation" within the meaning of Section 409A(d)(1) of the Code, the payment shall be paid (or provided) in accordance with this Section 8. If Executive is a "Specified Employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code on the date of Executive's termination, then to the extent required by Section 409A of the Code, no payment of any amounts or benefits considered "nonqualified deferred compensation" under Section 409A of the Code shall be made or commence during the period beginning on the date of Executive's termination and ending on the date that is six months following Executive's termination or, if earlier, on the date of Executive's death. The amount of any payment that would otherwise be paid to Executive during this period shall instead be paid to Executive on the fifteenth day of the first calendar month following the end of the period. Each amount to be paid or benefit to be provided under this Agreement shall be construed as a separate and distinct payment for purposes of Section 409A. Payments with respect to reimbursements of expenses shall be made in accordance with Company policy and in no event later than the last day of the calendar year following the calendar year in which the relevant expense is incurred. The amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year.

9. Compensation Recovery Policy; Offset. Executive acknowledges and agrees that, to the extent the Company adopts any clawback or similar policy, whether in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act, and any rules and regulations promulgated thereunder, or otherwise, Executive shall take all action necessary or appropriate to comply with such policy (including, without limitation, entering into any further agreements, amendments or policies necessary or appropriate to implement or enforce that policy). Notwithstanding the foregoing, and to the extent permitted by law, the Company may deduct any amounts owed by Executive to the Company from any compensation owed to Executive, including wages and bonuses. If the amounts owed to Executive are insufficient to repay the value of the amounts owed by Executive to the Company, Executive hereby agrees to repay the balance of such amounts to the Company.

10. Source of Payments. All payments provided under this Agreement, other than payments made pursuant to a plan that provides otherwise, shall be paid in cash from the general

funds of the Company, and no special or separate fund shall be established, and no other segregation of assets shall be made, to assure payment. To the extent that any person acquires a right to receive payments from the Company hereunder, such right shall be no greater than the right of an unsecured creditor of the Company.

11. Withholding. All payments made or benefits provided to Executive under this Agreement shall be reduced by any applicable withholding taxes and other authorized deductions.

12. Survival of Certain Provisions. The rights and obligations set forth in this Agreement that, by their terms, extend beyond the Term of this Agreement or the termination of Executive's employment with the Company shall survive such Term or termination.

13. Entire Agreement; Supersedes Previous Agreements. This Agreement and Appendix A attached hereto contain the entire agreement and understanding of the Parties with respect to the matters covered herein and supersede all prior or contemporaneous negotiations, commitments, agreements and writings with respect to the subject matter hereof, including all prior employment agreements between the Parties and any extensions or amendments thereof; all other negotiations, commitments, agreements and writings shall have no further force or effect, and the parties to any such other negotiation, commitment, agreement or writing shall have no further rights or obligations thereunder. Unless otherwise provided herein, Sections 14(b) through 14(j) of Appendix A attached hereto shall be incorporated by reference herein with the same force and effect as if fully set forth in this Agreement and all references to the Agreement therein shall be deemed to refer to this Agreement.

14. Notices. All notices hereunder shall be in writing, addressed to:

To the Company at its headquarters, Attn: General Counsel and to legalnotice@alticeusa.com.

With a copy (that shall not constitute notice) to: Shearman & Sterling LLP 599 Lexington Avenue New York, NY 10022

Attn: Gillian Emmett Moldowan

Email: gillian.moldowan@shearman.com

To Executive at the address on file with the Company

All such notices shall be conclusively deemed to be received and shall be effective (i) if sent by hand delivery, upon receipt or (ii) if sent by electronic mail or facsimile, upon receipt by the sender of confirmation of such transmission; provided, however, that any electronic mail or facsimile will be deemed received and effective only if followed, within 48 hours, by a hard copy sent by certified United States mail.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Company has caused this Agreement to be signed by its officer pursuant to the authority of its Board, and Executive has executed this Agreement, as of the day and year first written above.

ALTICE USA, INC.

/s/ Colleen R. Schmidt

By: Colleen R. Schmidt Title: EVP, Human Resources

EXECUTIVE

/s/ Dennis Mathew

Name: Dennis Mathew

RELOCATION AGREEMENT

This Relocation Agreement (“Agreement”) between Altice USA (the “Company”) and Dennis Mathew (“Executive”) is executed in connection with the Executive Employment Agreement between the Company and the Executive, dated September 7, 2022 (the “Employment Agreement”), and is effective therefrom. All capitalized terms used but not defined herein have the meaning given to them in the Employment Agreement.

1. Pursuant to Section 2(g) of the Employment Agreement and the terms thereof, Executive is eligible to receive the Transition Benefit and Relocation Benefit. The Transition Benefit and the Relocation Benefit are intended to include (and such defined terms shall be understood to include) all relocation benefits paid or provided pursuant to the Company’s relocation policy and any other relocation benefits paid or provided to Executive.

2. The Transition Benefit and Relocation Benefit shall be subject to full repayment by Executive to the Company following Executive’s resignation for any reason other than for Good Reason or termination of Executive by the Company for Cause on or prior to the second anniversary of the Start Date.

3. Sections 4, 8, 9 (including with respect to amounts that may be owed pursuant to this Agreement), 11 and 13 of the Employment Agreement shall be incorporated by reference herein with the same force and effect as if fully set forth in this Agreement. This Agreement shall form part of the Employment Agreement as if stated as such in Section 13 of the Employment Agreement.

4. Nothing in this Agreement shall be construed as modifying any term of the Employment Agreement. Executive acknowledges receipt of the Company’s relocation policy, which is incorporated into this Agreement by this reference. To the extent there is any conflict between such policy and the Employment Agreement or this Agreement, the terms of the Employment Agreement together with this Agreement shall control.

Acknowledged and Agreed:

Executive Name: Dennis Mathew

Signature: /s/ Dennis Mathew Date: _____

EVP Human Resources:

Signature: /s/Colleen Schmidt Date: _____

September 6, 2022

VIA HAND DELIVERY

Dexter Goei
c/o Altice USA, Inc.
1 Court Square
Long Island City, NY 11101

Dear Dexter:

Altice USA, Inc. (“**Altice USA**” or the “**Company**”) is pleased to reflect the terms of your new transitional position as Executive Chairman. You shall remain an employee of the Company, subject to the modified employment terms of this Letter Agreement (“**Letter Agreement**”). This Letter Agreement is subject to and ineffective until approved by the Company’s Board of Directors.

Effective as of immediately prior to the start date of a new Chief Executive Officer (“**CEO**”) of the Company (the “**Transition Date**”), you and the Company agree that you will cease to be employed as the Company’s CEO and that you will immediately become employed as Executive Chairman until June 1, 2024 or the date your employment is terminated by the Company or by you (the “**Separation Date**”). By accepting and agreeing to this Letter Agreement, you hereby provide notice of your resignation, effective as of the Transition Date, from your role as CEO of the Company and all other roles you hold with the Company and its subsidiaries and affiliates other than as a member of the Company’s Board of Directors (the “**Board**”), as a Manager of Lightpath Holdings, LLC, and such directorships or manager positions of Company subsidiaries as the Board may designate from time to time. You agree to promptly execute such documents as reasonably necessary to effect such resignations.

From the Transition Date, you will cooperate with the Company to transition the duties from your prior position to the appropriate Company parties and you will advise on and continue to provide strategic advice to the CEO of the Company and to the Board and perform such other duties as the Board may reasonably request from time to time. As Executive Chairman, you will have the authority vested in you by the Board from time to time.

Further, from the Transition Date through the Separation Date, you will be entitled to: (a) a monthly salary of \$37,500, subject to applicable withholding and other authorized deductions and paid biweekly in accordance with the Company’s usual and customary payroll practices; (b) your annual bonus for 2022, based on your target bonus amount of \$3,000,000, as determined by the Board or the Compensation Committee of the Board based on business performance as calculated for the CEO and other senior executives, including any discretionary positive adjustment, but without adjustment for individual performance, payable at the time annual bonuses are paid to other executive officers of the Company; and (c) continued participation in the Company’s benefit plans, subject to the terms thereof, in a manner consistent with your participation while employed by the Company preceding the Transition Date. If, on or following the Separation Date, you timely execute and do not revoke a separation agreement and release of claims in a form satisfactory to the Company, you will be eligible to receive a discretionary

bonus as determined by the Board or the Compensation Committee of the Board, payable in a lump sum as soon as reasonably practicable following the Separation Date.

You and the Company acknowledge and agree that you were previously granted certain awards pursuant to the Amended and Restated Altice USA 2017 Long Term Incentive Plan, as amended and its predecessor plan (together, the “**Plan**”). You and the Company acknowledge and agree that during the Transition Period and, with respect to all Plan Awards, until you cease providing services as a Director or otherwise to the Company, the awards previously provided to you will continue to vest in accordance with their terms and conditions. For the avoidance of doubt, you will not be eligible to receive any additional awards under the Plan.

The Company agrees to provide you with the reasonable opportunity to review its public written disclosures (internal and external) about the transition of your role with the Company, prior to the requisite filing date, or public release.

This Letter Agreement and the Separation Letter contain the entire agreement and understanding of the parties with respect to the matters covered herein and supersede all prior or contemporaneous negotiations, commitments, agreements and writings with respect to the subject matter hereof.

You understand and agree that during the period between your Transition Date to Separation Date, you will remain in compliance with Company policies and procedures, and in compliance with this Letter Agreement and your other written agreements with the Company. Your employment will remain at will, and thus your employment may be modified or terminated with or without cause or notice, subject to the terms of this Letter Agreement.

Sincerely yours,

ALTICE USA, INC.

/s/ Colleen R. Schmidt

Colleen R. Schmidt

EVP, Human Resources

Date: September 6, 2022

[signature page follows]

If you agree and accept the terms of this Letter Agreement, please sign below and return.

ACCEPTED AND AGREED:

/s/ Dexter Goei

Dexter Goei

CERTIFICATION

I, Dennis Mathew, Chief Executive Officer of Altice USA, Inc., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Altice USA, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2022

By: /s/ Dennis Mathew
Dennis Mathew
Chief Executive Officer

CERTIFICATION

I, Michael J. Grau, Chief Financial Officer of Altice USA, Inc., certify that:

1. I have reviewed this report on Form 10-Q of Altice USA, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including their consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 2, 2022

By: /s/ Michael J. Grau
Michael J. Grau
Chief Financial Officer

Certifications

Pursuant to 18 U.S.C. § 1350, each of the undersigned officers of Altice USA, Inc. ("Altice USA") hereby certifies, to such officer's knowledge, that Altice USA's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Altice USA.

Date: November 2, 2022

By: /s/ Dennis Mathew
Dennis Mathew
Chief Executive Officer

Date: November 2, 2022

By: /s/ Michael J. Grau
Michael J. Grau
Chief Financial Officer