

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 June 30, 2024

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

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, par value \$0.01 per share	ATUS	NYSE

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 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.

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 Exchange Act). Yes ☐ No ☒

Number of shares of common stock outstanding as of July 26, 2024	460,583,380
--	-------------

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 - June 30, 2024 (Unaudited) and December 31, 2023	<u>2</u>
Consolidated Statements of Operations - Three and six months ended June 30, 2024 and 2023 (Unaudited)	<u>3</u>
Consolidated Statements of Comprehensive Income - Three and six months ended June 30, 2024 and 2023 (Unaudited)	<u>4</u>
Consolidated Statements of Stockholders' Deficiency - Three and six months ended June 30, 2024 and 2023 (Unaudited)	<u>5</u>
Consolidated Statements of Cash Flows - Six months ended June 30, 2024 and 2023 (Unaudited)	<u>7</u>
Combined Notes to Consolidated Financial Statements (Unaudited)	<u>13</u>
Supplemental Financial Statements Furnished:	
CSC HOLDINGS, LLC AND SUBSIDIARIES	
Consolidated Financial Statements	
Consolidated Balance Sheets - June 30, 2024 (Unaudited) and December 31, 2023	<u>8</u>
Consolidated Statements of Operations - Three and six months ended June 30, 2024 and 2023 (Unaudited)	<u>9</u>
Consolidated Statements of Comprehensive Income - Three and six months ended June 30, 2024 and 2023 (Unaudited)	<u>10</u>
Consolidated Statements of Member's Deficiency - Three and six months ended June 30, 2024 and 2023 (Unaudited)	<u>11</u>
Consolidated Statements of Cash Flows - Six months ended June 30, 2024 and 2023 (Unaudited)	<u>12</u>
Combined Notes to Consolidated Financial Statements (Unaudited)	<u>13</u>
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	<u>29</u>
Item 3. Quantitative and Qualitative Disclosures About Market Risk	<u>47</u>
Item 4. Controls and Procedures	<u>47</u>
PART II. OTHER INFORMATION	<u>48</u>
Item 1. Legal Proceedings	<u>48</u>
Item 5. Other Information	<u>48</u>
Item 6. Exhibits	<u>48</u>
SIGNATURES	<u>49</u>

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements

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

	June 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 362,107	\$ 302,058
Restricted cash	287	280
Accounts receivable, trade (less allowance for credit losses of \$ 25,010 and \$ 21,915 , respectively)	319,895	357,597
Prepaid expenses and other current assets (\$ 407 and \$ 407 due from affiliates, respectively)	289,143	174,859
Derivative contracts	36,886	—
Total current assets	1,008,318	834,794
Property, plant and equipment, net of accumulated depreciation of \$ 8,486,391 and \$ 8,162,442 , respectively	8,257,106	8,117,757
Right-of-use operating lease assets	233,621	255,545
Other assets	159,591	195,114
Amortizable intangibles, net of accumulated amortization of \$ 6,041,420 and \$ 5,874,612 , respectively	1,096,632	1,259,335
Indefinite-lived cable television franchises	13,216,355	13,216,355
Goodwill	8,044,716	8,044,716
Total assets	\$ 32,016,339	\$ 31,923,616
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current Liabilities:		
Accounts payable	\$ 966,675	\$ 936,950
Interest payable	367,617	274,507
Accrued employee related costs	142,174	182,146
Deferred revenue	76,932	85,018
Debt	316,838	359,407
Other current liabilities (\$ 21,781 and \$ 71,523 due to affiliates, respectively)	319,246	470,096
Total current liabilities	2,189,482	2,308,124
Other liabilities	242,824	221,249
Deferred tax liability	4,841,192	4,848,460
Right-of-use operating lease liability	245,709	264,647
Long-term debt, net of current maturities	24,893,826	24,715,554
Total liabilities	32,413,033	32,358,034
Commitments and contingencies (Note 15)		
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, 277,326,959 shares issued and 276,359,330 outstanding as of June 30, 2024 and 271,772,978 shares issued and outstanding as of December 31, 2023	2,773	2,718
Class B common stock: \$ 0.01 par value, 1,000,000,000 shares authorized, 490,086,674 issued, 184,224,050 shares outstanding as of June 30, 2024 and 184,224,428 shares outstanding as of December 31, 2023	1,842	1,842
Class C common stock: \$ 0.01 par value, 4,000,000,000 shares authorized, no shares issued and outstanding	—	—
Paid-in capital	209,992	187,186
Accumulated deficit	(606,907)	(601,075)
	(392,300)	(409,329)
Treasury stock, at cost (967,629 shares of Class A common stock at June 30, 2024)	(10)	—
Accumulated other comprehensive loss	(6,784)	(12,851)
Total Altice USA stockholders' deficiency	(399,094)	(422,180)
Noncontrolling interests	2,400	(12,238)
Total stockholders' deficiency	(396,694)	(434,418)
Total liabilities and stockholders' deficiency	\$ 32,016,339	\$ 31,923,616

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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue (including revenue from affiliates of \$ 102 , \$ 604 , \$312 and \$682, respectively) (See Note 14)	\$ 2,240,755	\$ 2,324,274	\$ 4,491,690	\$ 4,618,252
Operating expenses:				
Programming and other direct costs (including charges from affiliates of \$ 3,147 , \$ 3,080 , \$6,502 and \$5,722, respectively) (See Note 14)	719,460	762,280	1,463,347	1,533,999
Other operating expenses (including charges from affiliates of \$ 8,470 , \$ 5,119 , \$20,759 and \$9,795, respectively) (See Note 14)	670,542	656,128	1,344,792	1,307,373
Restructuring, impairments and other operating items (See Note 7)	(46,599)	5,178	4,654	34,850
Depreciation and amortization (including impairments)	395,770	418,705	784,161	834,917
	1,739,173	1,842,291	3,596,954	3,711,139
Operating income	501,582	481,983	894,736	907,113
Other income (expense):				
Interest expense, net	(442,955)	(406,709)	(880,096)	(795,987)
Gain on investments and sale of affiliate interests, net	—	—	292	192,010
Loss on derivative contracts, net	—	—	—	(166,489)
Gain on interest rate swap contracts, net	13,574	61,165	55,877	46,736
Gain (loss) on extinguishment of debt and write-off of deferred financing costs	—	—	(7,035)	4,393
Other income (loss), net	(1,486)	(1,570)	(3,031)	8,635
	(430,867)	(347,114)	(833,993)	(710,702)
Income before income taxes	70,715	134,869	60,743	196,411
Income tax expense	(49,013)	(48,725)	(51,937)	(79,097)
Net income	21,702	86,144	8,806	117,314
Net income attributable to noncontrolling interests	(6,341)	(7,844)	(14,638)	(13,149)
Net income (loss) attributable to Altice USA, Inc. stockholders	\$ 15,361	\$ 78,300	\$ (5,832)	\$ 104,165
Income (loss) per share:				
Basic income (loss) per share	\$ 0.03	\$ 0.17	\$ (0.01)	\$ 0.23
Basic weighted average common shares (in thousands)	459,995	454,688	458,682	454,687
Diluted income (loss) per share	\$ 0.03	\$ 0.17	\$ (0.01)	\$ 0.23
Diluted weighted average common shares (in thousands)	459,995	454,688	458,682	455,139
Cash dividends declared per common share	\$ —	\$ —	\$ —	\$ —

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 21,702	\$ 86,144	\$ 8,806	\$ 117,314
Other comprehensive income:				
Defined benefit pension plans	3,609	5,954	9,434	7,408
Applicable income taxes	(980)	(1,611)	(2,550)	(2,004)
Defined benefit pension plans, net of income taxes	2,629	4,343	6,884	5,404
Foreign currency translation adjustment	(205)	740	(817)	552
Other comprehensive income	2,424	5,083	6,067	5,956
Comprehensive income	24,126	91,227	14,873	123,270
Comprehensive income attributable to noncontrolling interests	(6,341)	(7,844)	(14,638)	(13,149)
Comprehensive income attributable to Altice USA, Inc. stockholders	\$ 17,785	\$ 83,383	\$ 235	\$ 110,121

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 Loss	Total Altice USA Stockholders' Deficiency	Non- controlling Interests	Total Deficiency
Balance at January 1, 2024	\$ 2,718	\$ 1,842	\$ 187,186	\$ (601,075)	\$ —	\$ (12,851)	\$ (422,180)	\$ (12,238)	\$ (434,418)
Net loss attributable to Altice USA stockholders	—	—	—	(21,193)	—	—	(21,193)	—	(21,193)
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	8,297	8,297
Pension liability adjustments, net of income taxes	—	—	—	—	—	4,255	4,255	—	4,255
Foreign currency translation adjustment	—	—	—	—	—	(612)	(612)	—	(612)
Share-based compensation expense (equity classified)	—	—	6,484	—	—	—	6,484	—	6,484
Other, net	49	—	2,043	—	(10)	—	2,082	—	2,082
Balance at March 31, 2024	2,767	1,842	195,713	(622,268)	(10)	(9,208)	(431,164)	(3,941)	(435,105)
Net income attributable to Altice USA stockholders	—	—	—	15,361	—	—	15,361	—	15,361
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	6,341	6,341
Pension liability adjustments, net of income taxes	—	—	—	—	—	2,629	2,629	—	2,629
Foreign currency translation adjustment	—	—	—	—	—	(205)	(205)	—	(205)
Share-based compensation expense (equity classified)	—	—	15,147	—	—	—	15,147	—	15,147
Other, net	6	—	(868)	—	—	—	(862)	—	(862)
Balance at June 30, 2024	\$ 2,773	\$ 1,842	\$ 209,992	\$ (606,907)	\$ (10)	\$ (6,784)	\$ (399,094)	\$ 2,400	\$ (396,694)

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

	Class A Common Stock	Class B Common Stock	Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Loss	Total Altice USA Stockholders' Deficiency	Non- controlling Interests	Total Deficiency
Balance at January 1, 2023	\$ 2,719	\$ 1,843	\$ 182,701	\$ (654,273)	\$ —	\$ (8,201)	\$ (475,211)	\$ (28,701)	\$ (503,912)
Net income attributable to Altice USA to stockholders	—	—	—	25,865	—	—	25,865	—	25,865
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	5,305	5,305
Pension liability adjustments, net of income taxes	—	—	—	—	—	1,061	1,061	—	1,061
Foreign currency translation adjustment	—	—	—	—	—	(188)	(188)	(2)	(190)
Share-based compensation benefit (equity classified)	—	—	(8,718)	—	—	—	(8,718)	—	(8,718)
Change in noncontrolling interest	—	—	(14,166)	—	—	—	(14,166)	(8,027)	(22,193)
Other, net	(15)	—	(67)	—	—	—	(82)	—	(82)
Balance at March 31, 2023	2,704	1,843	159,750	(628,408)	—	(7,328)	(471,439)	(31,425)	(502,864)
Net income attributable to stockholders	—	—	—	78,300	—	—	78,300	—	78,300
Net income attributable to noncontrolling interests	—	—	—	—	—	—	—	7,844	7,844
Pension liability adjustments, net of income taxes	—	—	—	—	—	4,343	4,343	—	4,343
Foreign currency translation adjustment	—	—	—	—	—	740	740	(2)	738
Share-based compensation expense (equity classified)	—	—	9,091	—	—	—	9,091	—	9,091
Change to noncontrolling interest	—	—	175	—	—	—	175	400	575
Distributions to noncontrolling interests	—	—	—	—	—	—	—	(1,077)	(1,077)
Other, net	—	—	(83)	—	—	—	(83)	—	(83)
Balance at June 30, 2023	<u>\$ 2,704</u>	<u>\$ 1,843</u>	<u>\$ 168,933</u>	<u>\$ (550,108)</u>	<u>\$ —</u>	<u>\$ (2,245)</u>	<u>\$ (378,873)</u>	<u>\$ (24,260)</u>	<u>\$ (403,133)</u>

See accompanying notes to consolidated financial statements.

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

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 8,806	\$ 117,314
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including impairments)	784,161	834,917
Gain on investments and sale of affiliate interests, net	(292)	(192,010)
Loss on derivative contracts, net	—	166,489
Loss (gain) on extinguishment of debt and write-off of deferred financing costs	7,035	(4,393)
Amortization of deferred financing costs and discounts (premiums) on indebtedness	11,123	18,359
Share-based compensation	30,181	13,253
Deferred income taxes	(9,818)	(113,402)
Decrease in right-of-use assets	22,701	22,925
Allowance for credit losses	45,932	43,946
Other	3,674	9,188
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Accounts receivable, trade	(8,230)	(10,611)
Prepaid expenses and other assets	(119,050)	(58,842)
Amounts due from and due to affiliates	(49,742)	31,213
Accounts payable and accrued liabilities	(20,954)	(22,816)
Deferred revenue	(835)	6,649
Interest rate swap contracts	1,763	(6,492)
Net cash provided by operating activities	706,455	855,687
Cash flows from investing activities:		
Capital expenditures	(683,816)	(1,056,342)
Payments for acquisitions, net of cash acquired	(2,025)	—
Other, net	(52)	(1,578)
Net cash used in investing activities	(685,893)	(1,057,920)
Cash flows from financing activities:		
Proceeds from long-term debt	3,775,000	1,900,000
Repayment of debt	(3,635,449)	(1,739,493)
Proceeds from derivative contracts in connection with the settlement of collateralized debt	—	38,902
Principal payments on finance lease obligations	(68,788)	(76,100)
Payment related to acquisition of a noncontrolling interest	(7,261)	—
Additions to deferred financing costs	(17,553)	—
Other, net	(5,638)	(7,974)
Net cash provided by financing activities	40,311	115,335
Net increase (decrease) in cash and cash equivalents	60,873	(86,898)
Effect of exchange rate changes on cash and cash equivalents	(817)	548
Net increase (decrease) in cash, cash equivalents and restricted cash	60,056	(86,350)
Cash, cash equivalents and restricted cash at beginning of year	302,338	305,751
Cash, cash equivalents and restricted cash at end of period	\$ 362,394	\$ 219,401

See accompanying notes to consolidated financial statements.

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

	June 30, 2024 (Unaudited)	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 362,101	\$ 302,051
Restricted cash	287	280
Accounts receivable, trade (less allowance for credit losses of \$ 25,010 and \$ 21,915 , respectively)	319,895	357,597
Prepaid expenses and other current assets (\$ 407 and \$ 407 due from affiliates, respectively)	289,143	174,859
Derivative contracts	36,886	—
Total current assets	1,008,312	834,787
Property, plant and equipment, net of accumulated depreciation of \$ 8,486,391 and \$ 8,162,442 , respectively	8,257,106	8,117,757
Right-of-use operating lease assets	233,621	255,545
Other assets	159,591	195,114
Amortizable intangibles, net of accumulated amortization of \$ 6,041,420 and \$ 5,874,612 , respectively	1,096,632	1,259,335
Indefinite-lived cable television franchises	13,216,355	13,216,355
Goodwill	8,044,716	8,044,716
Total assets	<u>\$ 32,016,333</u>	<u>\$ 31,923,609</u>
LIABILITIES AND MEMBER'S DEFICIENCY		
Current Liabilities:		
Accounts payable	\$ 966,675	\$ 936,950
Interest payable	367,617	274,507
Accrued employee related costs	142,174	182,146
Deferred revenue	76,932	85,018
Debt	316,838	359,407
Other current liabilities (\$ 21,781 and \$ 71,523 due to affiliates, respectively)	319,248	470,097
Total current liabilities	2,189,484	2,308,125
Other liabilities	242,824	221,249
Deferred tax liability	4,844,691	4,851,959
Right-of-use operating lease liability	245,709	264,647
Long-term debt, net of current maturities	24,893,826	24,715,554
Total liabilities	32,416,534	32,361,534
Commitments and contingencies (Note 15)		
Member's deficiency (100 membership units issued and outstanding)	(395,817)	(412,836)
Accumulated other comprehensive loss	(6,784)	(12,851)
Total member's deficiency	(402,601)	(425,687)
Noncontrolling interests	2,400	(12,238)
Total deficiency	(400,201)	(437,925)
Total liabilities and member's deficiency	<u>\$ 32,016,333</u>	<u>\$ 31,923,609</u>

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue (including revenue from affiliates of \$ 102 , \$ 604 , \$312 and \$682, respectively) (See Note 14)	\$ 2,240,755	\$ 2,324,274	\$ 4,491,690	\$ 4,618,252
Operating expenses:				
Programming and other direct costs (including charges from affiliates of \$ 3,147 , \$ 3,080 , \$6,502 and \$5,722, respectively) (See Note 14)	719,460	762,280	1,463,347	1,533,999
Other operating expenses (including charges from affiliates of \$ 8,470 , \$ 5,119 , \$20,759 and \$9,795, respectively) (See Note 14)	670,542	656,128	1,344,792	1,307,373
Restructuring, impairments and other operating items (See Note 7)	(46,599)	5,178	4,654	34,850
Depreciation and amortization (including impairments)	395,770	418,705	784,161	834,917
	1,739,173	1,842,291	3,596,954	3,711,139
Operating income	501,582	481,983	894,736	907,113
Other income (expense):				
Interest expense, net	(442,955)	(406,709)	(880,096)	(795,987)
Gain on investments and sale of affiliate interests, net	—	—	292	192,010
Loss on derivative contracts, net	—	—	—	(166,489)
Gain on interest rate swap contracts, net	13,574	61,165	55,877	46,736
Gain (loss) on extinguishment of debt and write-off of deferred financing costs	—	—	(7,035)	4,393
Other income (loss), net	(1,486)	(1,570)	(3,031)	8,635
	(430,867)	(347,114)	(833,993)	(710,702)
Income before income taxes	70,715	134,869	60,743	196,411
Income tax expense	(49,013)	(48,725)	(51,937)	(79,097)
Net income	21,702	86,144	8,806	117,314
Net income attributable to noncontrolling interests	(6,341)	(7,844)	(14,638)	(13,149)
Net income (loss) attributable to CSC Holdings, LLC sole member	\$ 15,361	\$ 78,300	\$ (5,832)	\$ 104,165

See accompanying notes to consolidated financial statements.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 21,702	\$ 86,144	\$ 8,806	\$ 117,314
Other comprehensive income:				
Defined benefit pension plans	3,609	5,954	9,434	7,408
Applicable income taxes	(980)	(1,611)	(2,550)	(2,004)
Defined benefit pension plans, net of income taxes	2,629	4,343	6,884	5,404
Foreign currency translation adjustment	(205)	740	(817)	552
Other comprehensive income	2,424	5,083	6,067	5,956
Comprehensive income	24,126	91,227	14,873	123,270
Comprehensive income attributable to noncontrolling interests	(6,341)	(7,844)	(14,638)	(13,149)
Comprehensive income attributable to CSC Holdings, LLC sole member	\$ 17,785	\$ 83,383	\$ 235	\$ 110,121

See accompanying notes to consolidated financial statements.

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

	Member's Deficiency	Accumulated Other Comprehensive Loss	Total Member's Deficiency	Noncontrolling Interests	Total Deficiency
Balance at January 1, 2024	\$ (412,836)	\$ (12,851)	\$ (425,687)	\$ (12,238)	\$ (437,925)
Net loss attributable to CSC Holdings, LLC sole member	(21,193)	—	(21,193)	—	(21,193)
Net loss attributable to noncontrolling interests	—	—	—	8,297	8,297
Pension liability adjustments, net of income taxes	—	4,255	4,255	—	4,255
Foreign currency translation adjustment	—	(612)	(612)	—	(612)
Share-based compensation expense (equity classified)	6,484	—	6,484	—	6,484
Cash distributions to parent	(3,775)	—	(3,775)	—	(3,775)
Non-cash contributions from parent	5,858	—	5,858	—	5,858
Balance at March 31, 2024	(425,462)	(9,208)	(434,670)	(3,941)	(438,611)
Net income attributable to CSC Holdings, LLC sole member	15,361	—	15,361	—	15,361
Net income attributable to noncontrolling interests	—	—	—	6,341	6,341
Pension liability adjustments, net of income taxes	—	2,629	2,629	—	2,629
Foreign currency translation adjustment	—	(205)	(205)	—	(205)
Share-based compensation expense (equity classified)	15,147	—	15,147	—	15,147
Cash distributions to parent	(863)	—	(863)	—	(863)
Balance at June 30, 2024	<u>\$ (395,817)</u>	<u>\$ (6,784)</u>	<u>\$ (402,601)</u>	<u>\$ 2,400</u>	<u>\$ (400,201)</u>
Balance at January 1, 2023	\$ (475,650)	\$ (8,201)	\$ (483,851)	\$ (28,701)	\$ (512,552)
Net income attributable to CSC Holdings, LLC sole member	25,865	—	25,865	—	25,865
Net income attributable to noncontrolling interests	—	—	—	5,305	5,305
Pension liability adjustments, net of income taxes	—	1,061	1,061	—	1,061
Foreign currency translation adjustment, net of income taxes	—	(188)	(188)	(2)	(190)
Share-based compensation benefit (equity classified)	(8,718)	—	(8,718)	—	(8,718)
Change in noncontrolling interest	(14,166)	—	(14,166)	(8,027)	(22,193)
Other, net	(82)	—	(82)	—	(82)
Balance at March 31, 2023	(472,751)	(7,328)	(480,079)	(31,425)	(511,504)
Net income attributable to CSC Holdings, LLC sole member	78,300	—	78,300	—	78,300
Net income attributable to noncontrolling interests	—	—	—	7,844	7,844
Pension liability adjustments, net of income taxes	—	4,343	4,343	—	4,343
Foreign currency translation adjustment	—	740	740	(2)	738
Share-based compensation expense (equity classified)	9,091	—	9,091	—	9,091
Distributions to noncontrolling interests	—	—	—	(1,077)	(1,077)
Change in noncontrolling interest	175	—	175	400	575
Other, net	(83)	—	(83)	—	(83)
Balance at June 30, 2023	<u>(385,268)</u>	<u>(2,245)</u>	<u>(387,513)</u>	<u>(24,260)</u>	<u>(411,773)</u>

See accompanying notes to consolidated financial statements.

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

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 8,806	\$ 117,314
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization (including impairments)	784,161	834,917
Gain on investments and sale of affiliate interests, net	(292)	(192,010)
Loss on derivative contracts, net	—	166,489
Loss (gain) on extinguishment of debt and write-off of deferred financing costs	7,035	(4,393)
Amortization of deferred financing costs and discounts (premiums) on indebtedness	11,123	18,359
Share-based compensation	30,181	13,253
Deferred income taxes	(9,818)	(113,402)
Decrease in right-of-use assets	22,701	22,925
Allowance for credit losses	45,932	43,946
Other	3,674	9,188
Change in operating assets and liabilities, net of effects of acquisitions and dispositions:		
Accounts receivable, trade	(8,230)	(10,611)
Prepaid expenses and other assets	(119,050)	(58,842)
Amounts due from and due to affiliates	(49,742)	31,213
Accounts payable and accrued liabilities	(20,953)	(22,816)
Deferred revenue	(835)	6,649
Interest rate swap contracts	1,763	(6,492)
Net cash provided by operating activities	706,456	855,687
Cash flows from investing activities:		
Capital expenditures	(683,816)	(1,056,342)
Payments for acquisitions, net of cash acquired	(2,025)	—
Other, net	(52)	(1,578)
Net cash used in investing activities	(685,893)	(1,057,920)
Cash flows from financing activities:		
Proceeds from long-term debt	3,775,000	1,900,000
Repayment of debt	(3,635,449)	(1,739,493)
Proceeds from derivative contracts in connection with the settlement of collateralized debt	—	38,902
Principal payments on finance lease obligations	(68,788)	(76,100)
Payment related to acquisition of a noncontrolling interest	(7,261)	—
Additions to deferred financing costs	(17,553)	—
Other, net	(5,638)	(7,974)
Net cash provided by financing activities	40,311	115,335
Net increase (decrease) in cash and cash equivalents	60,874	(86,898)
Effect of exchange rate changes on cash and cash equivalents	(817)	548
Net increase (decrease) in cash, cash equivalents and restricted cash	60,057	(86,350)
Cash, cash equivalents and restricted cash at beginning of year	302,331	305,744
Cash, cash equivalents and restricted cash at end of period	\$ 362,388	\$ 219,394

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.à r.l. ("Next Alt"). Patrick Drahi also controls Altice Group Lux S.à r.l. ("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", "we", "us" and "our"), principally delivers broadband, video, and telephony services to residential and business customers, as well as proprietary content and advertising services in the United States. We market our residential services under the Optimum brand and provide enterprise services under the Lightpath and Optimum Business brands. In addition, we offer a full service mobile offering to consumers across our footprint. As these businesses are managed on a consolidated basis, we classify our 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. 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 on its consolidated balance sheets and CSC Holdings has a higher deferred tax liability on its consolidated balance sheets.

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 and 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 a Securities and Exchange Commission 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, 2023.

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, 2024.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates. See Note 11 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

Recently Issued But Not Yet Adopted Accounting Pronouncements

ASU No. 2023-07 Segment Reporting—Improvements to Reportable Segment Disclosures

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting—Improvements to Reportable Segment Disclosures*, to improve financial reporting by requiring disclosure of incremental segment information on an annual and interim basis for all public entities. ASU No. 2023-07 is meant to enhance interim disclosure requirements, clarify circumstances in which an entity can disclose multiple segment measures of profit or loss, and provide new segment disclosure requirements for entities with a single reportable segment. ASU 2023-07 is effective for annual periods beginning after December 15, 2023 (year ending December 31, 2024 for us). Early adoption is permitted. We are currently evaluating the impact of adopting ASU 2023-07.

ASU No. 2023-09 Income Taxes—Improvements to Income Tax Disclosures

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes—Improvements to Income Tax Disclosures*, which require greater disaggregation of income tax disclosures related to the income tax rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 (year ending December 31, 2025 for us). Early adoption is permitted. We are currently evaluating the impact of adopting ASU No. 2023-09.

NOTE 4. REVENUE

The following table presents the composition of revenue:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Residential:				
Broadband	\$ 914,989	\$ 965,865	\$ 1,831,983	\$ 1,922,910
Video	739,445	775,138	1,495,039	1,545,739
Telephony	71,703	76,069	142,668	153,750
Mobile	27,479	18,147	52,372	33,673
Residential revenue	1,753,616	1,835,219	3,522,062	3,656,072
Business services and wholesale	369,290	364,704	734,151	728,345
News and advertising	105,280	113,465	211,005	212,202
Other	12,569	10,886	24,472	21,633
Total revenue	\$ 2,240,755	\$ 2,324,274	\$ 4,491,690	\$ 4,618,252

We are assessed non-income related taxes by governmental authorities, including franchising authorities (generally under multi-year agreements), and collect such taxes from our customers. In instances where the tax is being assessed directly on us, 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 six months ended June 30, 2024, the amount of franchise fees and certain other taxes and fees included as a component of revenue aggregated \$ 53,460 and \$ 108,154 , respectively. For the three and six months ended June 30, 2023, the amount of franchise fees and certain other taxes and fees included as a component of revenue aggregated \$ 55,247 and \$ 111,702 , respectively.

Customer Contract Costs

Deferred enterprise sales commission costs are included in other current and noncurrent assets in the consolidated balance sheets and totaled \$ 18,827 and \$ 18,109 as of June 30, 2024 and December 31, 2023, 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.

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

Concentration of Credit Risk

We did not have a single customer that represented 10 % or more of our consolidated revenues for the three and six months ended June 30, 2024 and 2023 or 10 % or more of our consolidated net trade receivables at June 30, 2024 and December 31, 2023, respectively.

NOTE 5. NET INCOME (LOSS) 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 stock outstanding during the period. Diluted income per common share attributable to Altice USA stockholders reflects the dilutive effects of stock options, restricted stock, restricted stock units, and deferred cash-denominated awards. For awards that are performance based, the dilutive effect is reflected upon the achievement of the performance criteria. Diluted net loss per common share attributable to Altice USA stockholders excludes the effects of common stock equivalents as they are anti-dilutive.

The following table presents a reconciliation of weighted average shares used in the calculations of the basic and diluted net income (loss) per share attributable to Altice USA stockholders:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands)			
Basic weighted average shares outstanding	459,995	454,688	458,682	454,687
Effect of dilution:				
Restricted stock	—	—	—	122
Deferred cash-denominated awards	—	—	—	330
Diluted weighted average shares outstanding	<u>459,995</u>	<u>454,688</u>	<u>458,682</u>	<u>455,139</u>
Weighted average shares excluded from diluted weighted average shares outstanding:				
Anti-dilutive shares	<u>55,201</u>	<u>43,740</u>	<u>38,953</u>	<u>47,121</u>
Share-based compensation awards whose performance metrics have not been achieved	<u>17,555</u>	<u>24,795</u>	<u>19,725</u>	<u>15,907</u>

Net income (loss) 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.

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

NOTE 6. SUPPLEMENTAL CASH FLOW INFORMATION

Our non-cash investing and financing activities and other supplemental data were as follows:

	Six Months Ended June 30,	
	2024	2023
<u>Non-Cash Investing and Financing Activities:</u>		
<i>Altice USA and CSC Holdings:</i>		
Capital expenditures accrued but unpaid	\$ 325,623	\$ 343,903
Notes payable for the purchase of equipment and other assets	50,642	97,235
Right-of-use assets acquired in exchange for finance lease obligations	15,077	83,652
Other	1,384	516
<u>Supplemental Data:</u>		
<i>Altice USA and CSC Holdings:</i>		
Cash interest paid, net of capitalized interest	779,726	746,856
Income taxes paid, net	176,149	120,189

NOTE 7. RESTRUCTURING, IMPAIRMENTS AND OTHER OPERATING ITEMS

Our restructuring, impairments and other operating items are comprised of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Litigation settlements, net of reimbursements (a)	\$ (59,750)	\$ —	\$ (59,750)	\$ —
Contract termination costs (b)	4,788	—	41,924	—
Contractual payments for terminated employees	5,869	1,213	11,862	29,232
Facility realignment costs	(1,757)	1,329	3,547	1,711
Impairment of right-of-use operating lease assets	1,935	9,118	2,962	9,123
Other	2,316	(6,482)	4,109	(5,216)
	<u>\$ (46,599)</u>	<u>\$ 5,178</u>	<u>\$ 4,654</u>	<u>\$ 34,850</u>

(a) Includes a credit resulting from the waiver of a payment obligation in June 2024 related to a patent infringement settlement agreement reached in the fourth quarter of 2022 and a credit resulting from the indemnification from a supplier related to this matter. Offsetting these credits was an expense, net of insurance recoveries, in connection with the settlement of other significant litigation.

(b) Represents costs to early terminate contracts with vendors.

NOTE 8. GOODWILL AND INTANGIBLE ASSETS

Our amortizable intangible assets primarily consist of customer relationships acquired pursuant to business combinations and represent the value of the business relationship with those customers.

The following table summarizes information relating to our acquired amortizable intangible assets:

	As of June 30, 2024			As of December 31, 2023			Estimated Useful Lives
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	
Customer relationships	\$ 6,076,599	\$ (4,989,854)	\$ 1,086,745	\$ 6,073,152	\$ (4,824,140)	\$ 1,249,012	1 to 18 years
Trade names	1,010,000	(1,010,000)	—	1,010,300	(1,010,300)	—	4 to 7 years
Other amortizable intangibles	51,453	(41,566)	9,887	50,495	(40,172)	10,323	1 to 15 years
	<u>\$ 7,138,052</u>	<u>\$ (6,041,420)</u>	<u>\$ 1,096,632</u>	<u>\$ 7,133,947</u>	<u>\$ (5,874,612)</u>	<u>\$ 1,259,335</u>	

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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Amortization expense related to amortizable intangible assets	\$ 83,084	\$ 103,175	\$ 167,108	\$ 208,870

Goodwill and the value of indefinite-lived cable franchises acquired in business combinations are not amortized. Rather, such assets are tested for impairment annually, as of October 1, or whenever events or changes in circumstances indicate that it is more likely than not that the assets may be impaired. The carrying amount of indefinite-lived cable franchise rights was \$ 13,216,355 and goodwill was \$ 8,044,716 as of June 30, 2024 and December 31, 2023.

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

NOTE 9. DEBT

The following table provides details of our outstanding debt:

Date Issued	Maturity Date	Interest Rate at June 30, 2024	June 30, 2024		December 31, 2023	
			Principal Amount	Carrying Amount (a)	Principal Amount	Carrying Amount (a)
CSC Holdings Senior Notes:						
May 23, 2014 (g)			\$ —	\$ —	\$ 750,000	\$ 742,746
October 18, 2018	April 1, 2028	7.500 %	4,118	4,115	4,118	4,114
November 27, 2018	April 1, 2028	7.500 %	1,045,882	1,045,029	1,045,882	1,044,933
July 10 and October 7, 2019	January 15, 2030	5.750 %	2,250,000	2,274,067	2,250,000	2,275,915
June 16 and August 17, 2020	December 1, 2030	4.625 %	2,325,000	2,357,005	2,325,000	2,359,078
May 13, 2021	November 15, 2031	5.000 %	500,000	498,602	500,000	498,525
			6,125,000	6,178,818	6,875,000	6,925,311
CSC Holdings Senior Guaranteed Notes:						
September 23, 2016	April 15, 2027	5.500 %	1,310,000	1,308,030	1,310,000	1,307,709
January 29, 2018	February 1, 2028	5.375 %	1,000,000	996,388	1,000,000	995,940
January 24, 2019	February 1, 2029	6.500 %	1,750,000	1,748,257	1,750,000	1,748,098
June 16, 2020	December 1, 2030	4.125 %	1,100,000	1,096,716	1,100,000	1,096,499
August 17, 2020	February 15, 2031	3.375 %	1,000,000	997,708	1,000,000	997,556
May 13, 2021	November 15, 2031	4.500 %	1,500,000	1,495,833	1,500,000	1,495,598
April 25, 2023	May 15, 2028	11.250 %	1,000,000	994,604	1,000,000	994,072
January 25, 2024	January 31, 2029	11.750 %	2,050,000	2,032,279	—	—
			10,710,000	10,669,815	8,660,000	8,635,472
CSC Holdings Restricted Group Credit Facility:						
Revolving Credit Facility (b)	July 13, 2027	7.679 %	1,800,000	1,797,091	825,000	821,632
Term Loan B (f)			—	—	1,520,483	1,518,530
Incremental Term Loan B-3 (f)			—	—	521,744	520,988
Incremental Term Loan B-5 (c)	April 15, 2027	7.943 %	2,872,500	2,862,773	2,887,500	2,876,131
Incremental Term Loan B-6 (d)	January 15, 2028	9.829 %	1,976,918	1,942,579	1,986,928	1,948,503
			6,649,418	6,602,443	7,741,655	7,685,784
Lightpath Senior Notes:						
September 29, 2020	September 15, 2028	5.625 %	415,000	409,681	415,000	409,136
Lightpath Senior Secured Notes:						
September 29, 2020	September 15, 2027	3.875 %	450,000	445,111	450,000	444,410
Lightpath Term Loan (e)	November 30, 2027	8.693 %	579,000	570,127	582,000	571,898
Lightpath Revolving Credit Facility			—	—	—	—
			1,444,000	1,424,919	1,447,000	1,425,444
Finance lease obligations			174,645	174,645	228,356	228,356
Notes payable and supply chain financing			160,024	160,024	174,594	174,594
			25,263,087	25,210,664	25,126,605	25,074,961
Less: current portion of credit facility debt			(56,019)	(56,019)	(61,177)	(61,177)
Less: current portion of finance lease obligations			(100,795)	(100,795)	(123,636)	(123,636)
Less: current portion of notes payable and supply chain financing			(160,024)	(160,024)	(174,594)	(174,594)
			(316,838)	(316,838)	(359,407)	(359,407)
Long-term debt			\$ 24,946,249	\$ 24,893,826	\$ 24,767,198	\$ 24,715,554

(a) The carrying amount is net of the unamortized deferred financing costs and/or discounts/premiums.

(b) At June 30, 2024, \$ 133,708 of the revolving credit facility was restricted for certain letters of credit issued on our behalf and \$ 541,292 of the \$ 2,475,000 facility was undrawn and available, subject to covenant limitations. The revolving credit facility bears interest at a rate of Secured Overnight Financing Rate ("SOFR") (plus a credit adjustment spread of 0.10%) plus 2.25 % per annum.

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

- (c) Incremental Term Loan B-5 requires quarterly installments of \$ 7,500 and bears interest at a rate equal to Synthetic USD London Interbank Offered Rate ("LIBOR") plus 2.50 % per annum.
- (d) Incremental Term Loan B-6 requires quarterly installments of \$ 5,005 and bears interest at a rate equal to SOFR plus 4.50 % per annum.
- (e) Pursuant to the loan agreement, interest will be calculated for any (i) SOFR loan, at a rate per annum equal to the Term SOFR (plus spread adjustments of 0.11448 %, 0.26161 % and 0.42826 % for interest periods of one, three and six months, respectively) or (ii) the alternate base rate loan, at the alternative base rate as applicable, plus the applicable margin in each case, where the applicable margin is 2.25 % per annum with respect to any alternate base rate loan and 3.25 % per annum with respect to any SOFR loan.
- (f) The Term Loan B and Incremental Term Loan B-3 were repaid with proceeds from the issuance of senior guaranteed notes in January 2024. See discussion below.
- (g) The 5.250 % senior notes were redeemed in February 2024 with proceeds from drawings under the CSC Holdings Revolving Credit Facility. See discussion below.

For financing purposes, we have two debt silos: CSC Holdings and Lightpath. The CSC Holdings silo is structured as a restricted group (the "CSC Holdings Restricted Group") and an unrestricted group, which includes certain designated subsidiaries and investments. The CSC Holdings Restricted Group is comprised of CSC Holdings and substantially all of its wholly-owned operating subsidiaries excluding Cablevision Lightpath which became an unrestricted subsidiary in September 2020. These CSC Holdings 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.

CSC Holdings Revolving Credit Facility

During the six months ended June 30, 2024, CSC Holdings borrowed \$ 1,725,000 under its revolving credit facility and repaid \$ 750,000 of amounts outstanding under the revolving credit facility.

CSC Holdings Senior Guaranteed Notes and Senior Notes

In January 2024, CSC Holdings issued \$ 2,050,000 in aggregate principal amount of senior guaranteed notes due 2029. These notes bear interest at a rate of 11.750 % and will mature on January 31, 2029. The proceeds from the sale of these notes were used to (i) repay the outstanding principal balance of the Term Loan B, (ii) repay the outstanding principal balance of the Incremental Term Loan B-3, and (iii) pay the fees, costs and expenses associated with these transactions. In connection with these transactions, we recorded a write-off of the outstanding deferred financing costs on these loans of \$ 2,598 .

In February 2024, we redeemed the CSC Holdings 5.250 % Senior Notes and 5.250 % Series B Senior Notes due June 2024 with proceeds under the CSC Revolving Credit Facility. In connection with these transactions, we recorded a write-off of the outstanding deferred financing costs on these notes of \$ 4,437 .

Lightpath Credit Facility

In February 2024, Lightpath entered into an extension amendment (the "Extension Amendment") to its amended credit agreement (the "Amended Credit Agreement") that provides for, among other things, (a) an extension of the scheduled maturity date with respect to the 2027 Revolving Credit Commitments (as defined in the Extension Amendment) under the credit agreement to the date (the "New Maturity Date") that is the later of (x) November 30, 2025 and (y) the earlier of (i) June 15, 2027 and (ii) the date that is five business days after any Extension Breach Date (as defined in the Amended Credit Agreement) and (b) incremental revolving credit commitments in an aggregate principal amount of \$ 15,000 which shall be of the same class and type as the 2027 Revolving Credit Commitments and will, for the avoidance of doubt, mature on the New Maturity Date. After giving effect to the Extension Amendment, the aggregate principal amount of revolving loan commitments available under the Amended Credit Agreement equaled \$ 115,000 .

Under the Extension Amendment, the aggregate principal amount of 2027 Revolving Credit Commitments equaled \$ 95,000 and the aggregate principal amount of 2025 Revolving Credit Commitments (as defined in the Extension Amendment) equaled \$ 20,000 . Interest will be calculated at a rate per annum equal to the adjusted Term SOFR 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 Term SOFR loan, 3.25 % per annum.

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

Debt Compliance

As of June 30, 2024, CSC Holdings and 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.

Supply Chain Financing Arrangement

We have a supply chain financing arrangement with a financial institution with credit availability of \$ 175,000 that is used to finance certain of our property and equipment purchases. This arrangement extends our repayment terms beyond a vendor's original invoice due dates (for up to one year) and as such are classified as debt on our consolidated balance sheets.

The following is a rollforward of the outstanding balances relating to our supply chain financing arrangement:

Balance as of December 31, 2023	\$ 174,454
Purchases financed	50,642
Repayments	(65,072)
Balance as of June 30, 2024	<u>\$ 160,024</u>

Summary of Debt Maturities

The future principal payments under our various debt obligations outstanding as of June 30, 2024, including notes payable and supply chain financing, but excluding finance lease obligations, are as follows:

2024	\$ 137,392
2025	106,662
2026	56,019
2027	6,941,519
2028 (a)	5,371,850
Thereafter	12,475,000

- (a) Includes \$ 1,906,850 principal amount related to the CSC Holdings' Incremental Term Loan B-6 that is due on the earlier of (i) January 15, 2028 and (ii) April 15, 2027 if, as of such date, any Incremental Term Loan B-5 borrowings are still outstanding, unless the Incremental Term Loan B-5 maturity date has been extended to a date falling after January 15, 2028.

NOTE 10. DERIVATIVE CONTRACTS AND COLLATERALIZED INDEBTEDNESS

Prepaid Forward Contracts

Historically, we had entered into various transactions to limit the exposure against equity price risk on shares of Comcast Corporation ("Comcast") common stock we previously owned. We monetized all of our stock holdings in Comcast through the execution of prepaid forward contracts, collateralized by an equivalent amount of the respective underlying stock.

In January 2023, we settled our outstanding collateralized indebtedness by delivering the Comcast shares we held and the related equity derivative contracts which resulted in us receiving net cash of approximately \$ 50,500 (including dividends of \$ 11,598) and recorded a gain on the extinguishment of debt of \$ 4,393 .

As of June 30, 2024, we did not hold and have not issued equity derivative instruments for trading or speculative purposes.

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 us 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

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

only enter into interest rate swap contracts with financial institutions that are rated investment grade. All such contracts are not designated as hedges for accounting purposes and are carried at their fair market values on our consolidated balance sheets, with changes in fair value reflected in the consolidated statements of operations.

The following represents the location of the assets associated with our derivative instruments within the consolidated balance sheets:

Derivatives Not Designated as Hedging Instruments	Balance Sheet Location	Fair Value at	
		June 30, 2024	December 31, 2023
Asset Derivatives:			
Interest rate swap contracts	Derivative contracts	\$ 36,886	\$ —
Interest rate swap contracts	Other assets, long-term	74,265	112,914
		\$ 111,151	\$ 112,914

The following table presents certain consolidated statement of operations data related to our derivative contracts and the underlying Comcast common stock:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Loss on derivative contracts related to change in the value of equity derivative contracts related to Comcast common stock	\$ —	\$ —	\$ —	\$ (166,489)
Change in the fair value of Comcast common stock included in gain on investments	—	—	—	192,010
Gain on interest rate swap contracts, net	13,574	61,165	55,877	46,736

Interest Rate Swap Contract

The following is a summary of the terms of our interest rate swap contracts:

Maturity Date	Notional Amount	Company Pays	Company Receives
CSC Holdings:			
January 2025	\$ 500,000	Fixed rate of 1.3281 %	One-month SOFR
January 2025	500,000	Fixed rate of 1.4223 %	One-month SOFR
January 2025	500,000	Fixed rate of 1.2567 %	One-month SOFR
December 2026	750,000	Fixed rate of 2.7129 %	One-month SOFR
December 2026	750,000	Fixed rate of 2.6999 %	One-month SOFR
Lightpath:			
December 2026	300,000	Fixed rate of 2.11 %	One-month SOFR
December 2026	180,000	Fixed rate of 3.523 %	One-month SOFR

NOTE 11. 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 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.

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

The following table presents our 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	June 30, 2024	December 31, 2023
Assets:			
Money market funds	Level I	\$ 204,033	\$ 49,541
Interest rate swap contracts	Level II	111,151	112,914
Liabilities:			
Contingent consideration related to acquisitions	Level III	2,208	2,037

Our money market funds which are classified as cash equivalents are classified within Level I of the fair value hierarchy because they are valued using quoted market prices.

The interest rate swap contracts on our 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, we have concluded that these instruments should be classified within Level II of the fair value hierarchy.

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, Senior Notes, Senior Guaranteed Notes, Senior Secured Notes, Notes Payable, and Supply Chain Financing

The fair values of each of our debt instruments are based on quoted market prices of these instruments. 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 our financial instruments, excluding those that are carried at fair value in the accompanying consolidated balance sheets, are summarized below:

	Fair Value Hierarchy	June 30, 2024		December 31, 2023	
		Carrying Amount (a)	Estimated Fair Value	Carrying Amount (a)	Estimated Fair Value
Credit facility debt	Level II	\$ 7,172,570	\$ 7,228,418	\$ 8,257,682	\$ 8,323,654
Senior guaranteed notes and senior secured notes	Level II	11,114,926	8,357,275	9,079,882	7,784,288
Senior notes	Level II	6,588,499	2,735,575	7,334,447	4,932,931
Notes payable and supply chain financing	Level II	160,024	160,024	174,594	174,594
		<u>\$ 25,036,019</u>	<u>\$ 18,481,292</u>	<u>\$ 24,846,605</u>	<u>\$ 21,215,467</u>

(a) Amounts are net of unamortized deferred financing costs and discounts/premiums.

The fair value estimates related to our 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 12. INCOME TAXES

We use an estimated annual effective tax rate ("AETR") to measure the income tax expense or benefit recognized on

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

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 six months ended June 30, 2024, we recorded a tax expense of \$ 49,013 and \$ 51,937 on pre-tax income of \$ 70,715 and \$ 60,743 , 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 increased state tax expense, primarily from a discrete adjustment during the three months ended June 30, 2024 of \$ 19,472 from the enacted corporate tax rate increase in New Jersey. In addition, the higher rate is due to the impact of certain non-deductible expenses and tax deficiencies on share-based compensation.

For the three and six months ended June 30, 2023, we recorded a tax expense of \$ 48,725 and \$ 79,097 on pre-tax income of \$ 134,869 and \$ 196,411 , 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, state tax expense, and tax deficiencies on share-based compensation.

NOTE 13. SHARE-BASED COMPENSATION

The following table presents share-based compensation expense (benefit) and unrecognized compensation cost:

	Share-Based Compensation				Unrecognized Compensation Cost as of June 30, 2024
	Three Months Ended June 30,		Six Months Ended June 30,		
	2024	2023	2024	2023	
Awards issued pursuant to LTIP:					
Stock option awards (a)	\$ 907	\$ (1,082)	\$ (781)	\$ (6,667)	\$ 3,928
Performance stock units (a)	(489)	(608)	(2,219)	(7,806)	4,249
Restricted share units	13,755	9,521	23,507	12,917	69,108
Cash denominated performance awards	1,636	1,977	6,928	2,303	27,624
Other	615	6,068	2,746	12,506	2,825
	\$ 16,424	\$ 15,876	\$ 30,181	\$ 13,253	\$ 107,734

(a) The benefit for the six months ended June 30, 2023 includes credits due to the modification of awards to certain former executive officers and other forfeitures.

Restricted Share Units

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

	Number of Units
Balance at December 31, 2023	22,493,888
Granted	18,436,007
Vested	(4,299,223)
Forfeited	(2,931,557)
Balance at June 30, 2024	<u>33,699,115</u>

Cash Denominated Performance Awards

The following table summarizes activity related to cash denominated performance award granted to our employees:

	Number of Units
Balance at December 31, 2023	48,492,500
Forfeited	(5,320,000)
Balance at June 30, 2024	<u>43,172,500</u>

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

The deferred cash denominated performance awards cliff vest in three years. The payout of these awards can range from 0% to 200 % of the target value based on the Company's achievement of certain revenue and Adjusted EBITDA targets during a three year performance period. These awards will be settled in shares of the Company's Class A common stock, or cash, at the Company's option.

Lightpath Plan Awards

As of June 30, 2024, 505,834 Class A-1 management incentive units and 286,635 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 Holdings LLC agreement. The grant date fair value of the Award Units outstanding aggregated \$ 30,018 and will be expensed in the period in which a partial exit or a liquidity event is consummated.

NOTE 14. 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 June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	\$ 102	\$ 604	\$ 312	\$ 682
Operating expenses:				
Programming and other direct costs	(3,147)	(3,080)	(6,502)	(5,722)
Other operating expenses, net	(8,470)	(5,119)	(20,759)	(9,795)
Operating expenses, net	(11,617)	(8,199)	(27,261)	(15,517)
Net charges	\$ (11,515)	\$ (7,595)	\$ (26,949)	\$ (14,835)
Capital expenditures	\$ 9,213	\$ 34,758	\$ 59,306	\$ 62,892

Revenue

We recognize revenue primarily from the sale of advertising to a subsidiary of Altice Europe.

Programming and Other Direct Costs

Programming and other direct costs include costs incurred for advertising services provided by a subsidiary of Altice Europe.

Other Operating Expenses, Net

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

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:

	June 30, 2024	December 31, 2023
Due from:		
Altice Europe	\$ 137	\$ 137
Other affiliates and related parties	270	270
	<u>\$ 407</u>	<u>\$ 407</u>
Due to:		
Altice Europe	\$ 21,781	\$ 71,523
	<u>\$ 21,781</u>	<u>\$ 71,523</u>

Amounts due from affiliates presented in the table above represent amounts due 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, customer care services, and advertising services, as well as reimbursement for payments made on our behalf.

CSC Holdings

During the three and six months ended June 30, 2024, CSC Holdings made cash equity distribution payments to its parent of \$ 863 and \$ 4,638 , respectively, and received non-cash equity contributions from its parent of \$ 5,858 for the six months ended June 30, 2024. During the three and six months ended June 30, 2023, CSC Holdings made cash equity distribution payments to its parent of \$ 83 and \$ 166 , respectively.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Legal Matters

On December 7, 2023, Warner Records Inc., Sony Music Publishing (US) LLC and a number of other purported copyright holders (collectively, the "Warner Plaintiffs") filed a complaint in the U.S. District Court for the Eastern District of Texas (the "Warner Matter"), alleging that certain of our Internet subscribers directly infringed over 10,700 of the Warner Plaintiffs' copyrighted works. The Warner Plaintiffs seek to hold us liable for claims of contributory infringement of copyright and vicarious copyright infringement. The Warner Plaintiffs also claim that our alleged secondary infringement was willful and seek substantial statutory damages.

The Warner Matter followed a similar complaint filed in December 2022 by BMG Rights Management (US) LLC, UMG Recordings, Inc., Capitol Records, LLC, Concord Music Group, Inc., and Concord Bicycle Assets, LLC (collectively, the "BMG Plaintiffs") in the U.S. District Court for the Eastern District of Texas (the "BMG Matter") alleging that certain of our Internet subscribers directly infringed over 8,000 of the BMG Plaintiffs' copyrighted works. The BMG Plaintiffs sought to hold us liable for claims of contributory infringement of copyright and vicarious copyright infringement. The BMG Plaintiffs claimed that our alleged secondary infringement was willful and sought substantial statutory damages. On July 1, 2024, we and the BMG Plaintiffs settled this lawsuit and as part of the settlement we expect a stipulation of dismissal with prejudice to be filed by the parties on or before August 20, 2024. The settlement amount was accrued for as of June 30, 2024.

We intend to and are vigorously defending against the claims in the Warner Matter. In addition to contesting the claims of liability, we have an affirmative defense under the Digital Millennium Copyright Act that, if successful, would preclude or limit monetary damages against us in connection with some or all of the Warner Plaintiffs' asserted claims. There can be no assurance as to the outcome of this litigation. We may incur significant costs in defending this action, and if we need to take measures to reduce our exposure to these risks or are required to pay damages in relation to such claims or choose to settle such claims, our business, reputation, financial condition and results of operations could be materially adversely affected.

We also receive notices from third parties, and in some cases we are named as a defendant in lawsuits, claiming infringement of various patents or copyrights relating to various aspects of our businesses. In certain of these cases other industry participants are also defendants, and in certain of these cases we expect that some or all potential liability would be the responsibility of our vendors pursuant to applicable contractual indemnification provisions. In the event that we are found to infringe on any patent or other intellectual property rights, we may be subject to substantial damages or an injunction that could require us or our vendors to modify certain products and services we

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

offer to our subscribers, as well as enter into royalty or license agreements with respect to the patents at issue. We are also party to various other lawsuits, disputes and investigations arising in the ordinary course of our 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 our 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 our operations or financial position or our ability to meet our financial obligations as they become due, but they could be material to our consolidated results of operations or cash flows for any one period.

NOTE 16. SUPPLEMENTAL INFORMATION

For financing purposes, CSC Holdings 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. These Restricted Group subsidiaries are subject to the covenants and restrictions of the CSC Holdings' credit facility and indentures governing the notes issued by CSC Holdings.

Presented below is financial information that reflects the financial condition and results of operations of CSC Holdings and its Restricted Subsidiaries separate from the financial condition and results of operations of CSC Holdings' Unrestricted Subsidiaries as of June 30, 2024, and for the three and six months ended June 30, 2024 and 2023. The financial information may not necessarily be indicative of the financial condition and results of operations had the Unrestricted Subsidiaries operated as independent entities.

	As of June 30, 2024			
	Restricted Group	Unrestricted Group	Eliminations	CSC Holdings
ASSETS				
Current assets	\$ 960,777	\$ 126,687	\$ (79,152)	\$ 1,008,312
Long term assets	29,519,726	1,501,714	(13,419)	31,008,021
Total assets	<u>\$ 30,480,503</u>	<u>\$ 1,628,401</u>	<u>\$ (92,571)</u>	<u>\$ 32,016,333</u>
LIABILITIES AND MEMBER'S DEFICIENCY				
Current liabilities	\$ 2,082,390	\$ 189,298	\$ (82,204)	\$ 2,189,484
Long-term debt, net of current maturities	23,474,905	1,418,921	—	24,893,826
Long-term liabilities	5,200,730	142,511	(10,017)	5,333,224
Total liabilities	30,758,025	1,750,730	(92,221)	32,416,534
Total member's deficiency	(277,522)	(124,979)	(100)	(402,601)
Noncontrolling interests	—	2,650	(250)	2,400
Total deficiency	(277,522)	(122,329)	(350)	(400,201)
Total liabilities and member's deficiency	<u>\$ 30,480,503</u>	<u>\$ 1,628,401</u>	<u>\$ (92,571)</u>	<u>\$ 32,016,333</u>

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 June 30, 2024

	Restricted Group	Unrestricted Group	Eliminations	CSC Holdings
Revenue	\$ 2,125,225	\$ 117,470	\$ (1,940)	\$ 2,240,755
Operating expenses	1,656,798	84,327	(1,952)	1,739,173
Operating income	468,427	33,143	12	501,582
Other expense, net	(409,566)	(20,584)	(717)	(430,867)
Income (loss) before income taxes	58,861	12,559	(705)	70,715
Income tax expense	(47,490)	(1,523)	—	(49,013)
Net income (loss)	11,371	11,036	(705)	21,702
Net loss (income) attributable to noncontrolling interests	—	(6,969)	628	(6,341)
Net income (loss) attributable to CSC Holdings, LLC sole member	\$ 11,371	\$ 4,067	\$ (77)	\$ 15,361

Six Months Ended June 30, 2024

	Restricted Group	Unrestricted Group	Eliminations	CSC Holdings
Revenue	\$ 4,266,308	\$ 229,364	\$ (3,982)	\$ 4,491,690
Operating expenses	3,436,561	164,398	(4,005)	3,596,954
Operating income	829,747	64,966	23	894,736
Other expense, net	(796,674)	(35,687)	(1,632)	(833,993)
Income (loss) before income taxes	33,073	29,279	(1,609)	60,743
Income tax expense	(48,301)	(3,636)	—	(51,937)
Net income (loss)	(15,228)	25,643	(1,609)	8,806
Net loss (income) attributable to noncontrolling interests	—	(16,089)	1,451	(14,638)
Net income (loss) attributable to CSC Holdings, LLC sole member	\$ (15,228)	\$ 9,554	\$ (158)	\$ (5,832)

Three Months Ended June 30, 2023

	Restricted Group	Unrestricted Group	Eliminations	CSC Holdings
Revenue	\$ 2,217,999	\$ 108,902	\$ (2,627)	\$ 2,324,274
Operating expenses	1,776,796	68,133	(2,638)	1,842,291
Operating income	441,203	40,769	11	481,983
Other expense, net	(324,732)	(14,549)	(7,833)	(347,114)
Income (loss) before income taxes	116,471	26,220	(7,822)	134,869
Income tax expense	(41,971)	(6,754)	—	(48,725)
Net income (loss)	74,500	19,466	(7,822)	86,144
Net loss (income) attributable to noncontrolling interests	(679)	(8,489)	1,324	(7,844)
Net income (loss) attributable to CSC Holdings, LLC sole member	\$ 73,821	\$ 10,977	\$ (6,498)	\$ 78,300

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

	Six Months Ended June 30, 2023			
	Restricted Group	Unrestricted Group	Eliminations	CSC Holdings
Revenue	\$ 4,405,452	\$ 217,150	\$ (4,350)	\$ 4,618,252
Operating expenses	3,570,223	145,288	(4,372)	3,711,139
Operating income	835,229	71,862	22	907,113
Other expense, net	(689,263)	(3,088)	(18,351)	(710,702)
Income (loss) before income taxes	145,966	68,774	(18,329)	196,411
Income tax expense	(67,248)	(11,849)	—	(79,097)
Net income (loss)	78,718	56,925	(18,329)	117,314
Net loss (income) attributable to noncontrolling interests	(1,214)	(13,757)	1,822	(13,149)
Net income (loss) attributable to CSC Holdings, LLC sole member	\$ 77,504	\$ 43,168	\$ (16,507)	\$ 104,165

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

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 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;
- 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;
- 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, 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 captions "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 14, 2024 (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.

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

Overview

Our Business

We principally provide broadband communications and video services in the United States and market our services primarily under the Optimum brand. We deliver broadband, video, telephony, and mobile services to approximately 4.7 million residential and business customers across our footprint. Our footprint extends across 21 states (primarily in the New York metropolitan area and various markets in the south-central United States) through a fiber-rich hybrid-fiber coaxial ("HFC") broadband network and a fiber-to-the-home ("FTTH") network with approximately 9.7 million total passings as of June 30, 2024. Additionally, we offer news programming and advertising services.

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 and the cautionary statement regarding forward-looking statements included in this Quarterly Report.

We derive revenue principally through monthly charges to residential customers of our broadband, video, telephony and mobile services. We also derive revenue from digital video recorder, video-on-demand ("VOD"), pay-per-view, installation and home shopping commissions. Our residential broadband, video, telephony and mobile services accounted for approximately 41%, 33%, 3%, and 1%, respectively, of our consolidated revenue for the six months ended June 30, 2024. We also derive revenue from the sale of a wide and growing variety of products and services to both large enterprise and small and medium-sized business ("SMB") customers, including broadband, telephony, networking, video, and mobile services. For the six months ended June 30, 2024, 16% of our consolidated revenue

was derived from these business services. In addition, we derive revenue from the sale of advertising inventory available on the programming carried on our cable television systems, as well as other systems (linear revenue), digital advertising, data analytics and affiliation fees for news programming, which accounted for approximately 5% of our consolidated revenue for the six months ended June 30, 2024. Our other revenue for the six months ended June 30, 2024, which includes mobile equipment revenue, accounted for less than 1% of our consolidated revenue.

Revenue is impacted by rate increases, changes in 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, acquisitions/dispositions, and construction of cable systems that result in the addition of new 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.

We operate in a highly competitive consumer-driven industry and we compete against a variety of broadband, video, mobile, fixed wireless broadband and fixed-line 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., DirecTV, DISH Network Corporation, Frontier Communications Parent, Inc., 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.

Our programming costs, which are the most significant component of our operating expenses, are impacted by increases in contractual rates, changes in the number of customers receiving certain programming services, and new channel launches. We expect contractual rates to increase in the future. 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 has enabled us to deliver multi-gig broadband speeds to FTTH customers in order to meet the growing data needs of residential and business customers. In addition, we 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.

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, gain (loss) on extinguishment of debt and write-off of deferred financing costs, gain (loss) on interest rate swap contracts, gain (loss) on derivative contracts, gain (loss) on investments and sale of affiliate interests, interest expense, net, depreciation and amortization, share-based compensation, restructuring, impairments and other operating items (such as significant legal settlements and contractual payments for terminated employees). See reconciliation of net income (loss) to Adjusted EBITDA below.

Adjusted EBITDA eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of our business and from intangible assets recognized from acquisitions, as well as certain non-cash and other operating items that affect the period-to-period comparability of our operating performance. In addition, Adjusted EBITDA is unaffected by our capital and tax structures and by our investment activities.

We believe Adjusted EBITDA is an appropriate measure for evaluating our operating performance. 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 our 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 U.S. generally accepted accounting principles ("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 Free Cash Flow (defined as net cash flows from operating activities less cash capital expenditures) as a liquidity measure. We believe this measure is useful to investors in evaluating our ability to service our debt and make continuing investments with internally generated funds, although it may not be directly comparable to similar measures reported by other companies.

Results of Operations (unaudited)

	Three Months Ended June 30,		Favorable (Unfavorable)	Six Months Ended June 30,		Favorable (Unfavorable)
	2024	2023		2024	2023	
Revenue:						
Broadband	\$ 914,989	\$ 965,865	\$ (50,876)	\$ 1,831,983	\$ 1,922,910	\$ (90,927)
Video	739,445	775,138	(35,693)	1,495,039	1,545,739	(50,700)
Telephony	71,703	76,069	(4,366)	142,668	153,750	(11,082)
Mobile	27,479	18,147	9,332	52,372	33,673	18,699
Residential revenue	1,753,616	1,835,219	(81,603)	3,522,062	3,656,072	(134,010)
Business services and wholesale	369,290	364,704	4,586	734,151	728,345	5,806
News and advertising	105,280	113,465	(8,185)	211,005	212,202	(1,197)
Other	12,569	10,886	1,683	24,472	21,633	2,839
Total revenue	2,240,755	2,324,274	(83,519)	4,491,690	4,618,252	(126,562)
Operating expenses:						
Programming and other direct costs	719,460	762,280	42,820	1,463,347	1,533,999	70,652
Other operating expenses	670,542	656,128	(14,414)	1,344,792	1,307,373	(37,419)
Restructuring, impairments and other operating items	(46,599)	5,178	51,777	4,654	34,850	30,196
Depreciation and amortization (including impairments)	395,770	418,705	22,935	784,161	834,917	50,756
Operating income	501,582	481,983	19,599	894,736	907,113	(12,377)
Other income (expense):						
Interest expense, net	(442,955)	(406,709)	(36,246)	(880,096)	(795,987)	(84,109)
Gain on investments and sale of affiliate interests, net	—	—	—	292	192,010	(191,718)
Loss on derivative contracts, net	—	—	—	—	(166,489)	166,489
Gain on interest rate swap contracts, net	13,574	61,165	(47,591)	55,877	46,736	9,141
Gain (loss) on extinguishment of debt and write-off of deferred financing costs	—	—	—	(7,035)	4,393	(11,428)
Other income (loss), net	(1,486)	(1,570)	84	(3,031)	8,635	(11,666)
Income before income taxes	70,715	134,869	(64,154)	60,743	196,411	(135,668)
Income tax expense	(49,013)	(48,725)	(288)	(51,937)	(79,097)	27,160
Net income	21,702	86,144	(64,442)	8,806	117,314	(108,508)
Net income attributable to noncontrolling interests	(6,341)	(7,844)	1,503	(14,638)	(13,149)	(1,489)
Net income (loss) attributable to Altice USA, Inc. stockholders	\$ 15,361	\$ 78,300	\$ (62,939)	\$ (5,832)	\$ 104,165	\$ (109,997)

The following is a reconciliation of net income to Adjusted EBITDA (unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 21,702	\$ 86,144	\$ 8,806	\$ 117,314
Income tax expense	49,013	48,725	51,937	79,097
Other loss (income), net	1,486	1,570	3,031	(8,635)
Gain on interest rate swap contracts, net	(13,574)	(61,165)	(55,877)	(46,736)
Loss on derivative contracts, net	—	—	—	166,489
Gain on investments and sale of affiliates interests, net	—	—	(292)	(192,010)
Loss (gain) on extinguishment of debt and write-off of deferred financing costs	—	—	7,035	(4,393)
Interest expense, net	442,955	406,709	880,096	795,987
Depreciation and amortization	395,770	418,705	784,161	834,917
Restructuring, impairments and other operating items	(46,599)	5,178	4,654	34,850
Share-based compensation	16,424	15,876	30,181	13,253
Adjusted EBITDA	\$ 867,177	\$ 921,742	\$ 1,713,732	\$ 1,790,133

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net cash flows from operating activities	\$ 306,794	\$ 438,841	\$ 706,455	\$ 855,687
Less: Capital expenditures (cash)	347,721	473,445	683,816	1,056,342
Free Cash Flow (Deficit)	\$ (40,927)	\$ (34,604)	\$ 22,639	\$ (200,655)

The following table sets forth certain customer metrics (unaudited):

	June 30, 2024	March 31, 2024	June 30, 2023
	(in thousands)		
Total passings (a)	9,746.4	9,679.3	9,578.6
Total customer relationships (b)	4,652.0	4,706.5	4,810.5
Residential	4,272.3	4,326.8	4,429.5
SMB	379.7	379.7	381.0
Residential customers:			
Broadband	4,088.7	4,139.7	4,227.0
Video	2,021.9	2,094.7	2,312.2
Telephony	1,391.1	1,452.1	1,640.8
Penetration of total passings (c)	47.7 %	48.6 %	50.2 %
Average revenue per user ("ARPU") (d)	\$ 135.95	\$ 135.67	\$ 137.44
Total mobile lines	384.5	351.6	264.2
FTTH total passings (e)	2,842.0	2,780.0	2,659.5
FTTH customer relationships (f)	434.1	394.6	249.7
FTTH Residential	422.7	385.2	245.9
FTTH SMB	11.4	9.4	3.9
Penetration of FTTH total passings (g)	15.3 %	14.2 %	9.4 %

- (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 passings and telephony services were not available to approximately 500 thousand passings.
- (b) Represents number of households/businesses that receive at least one of our fixed-line services. 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 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 rooms at that hotel. Total customer relationships exclude mobile-only customer relationships.
- (c) Represents the number of total customer relationships divided by total passings.
- (d) Calculated by dividing the average monthly revenue for the respective quarter (fourth quarter for annual periods) derived from the sale of broadband, video, telephony and mobile services to residential customers by the average number of total residential customers for the same period (excluding mobile-only customer relationships).
- (e) 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.
- (f) Represents number of households/businesses that receive at least one of our fixed-line services on our FTTH network. 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 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 rooms at that hotel.
- (g) Represents the number of total FTTH customer relationships divided by FTTH total passings.

Comparison of Results for the Three and Six Months Ended June 30, 2024 compared to the Three and Six Months Ended June 30, 2023

Broadband Revenue

Broadband revenue for the three and six months ended June 30, 2024 was \$914,989 and \$1,831,983, respectively, and \$965,865 and \$1,922,910, for the three and six months ended June 30, 2023, respectively. Broadband revenue is derived principally through monthly charges to residential subscribers of our broadband services.

Broadband revenue decreased \$50,876 (5%) and \$90,927 (5%) for the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023. The decreases were due primarily to decreases in broadband customers and lower average recurring broadband revenue per broadband customer, despite sequential quarterly broadband ARPU growth in 2024.

Video Revenue

Video revenue for the three and six months ended June 30, 2024 was \$739,445 and \$1,495,039, respectively, and \$775,138 and \$1,545,739, for the three and six months ended June 30, 2023, respectively. Video revenue is derived principally through monthly charges to residential customers of our video services.

Video revenue decreased \$35,693 (5%) and \$50,700 (3%) for the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023. The decreases were due primarily to declines 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 six months ended June 30, 2024 was \$71,703 and \$142,668, respectively, and \$76,069 and \$153,750 for the three and six months ended June 30, 2023, respectively. Telephony revenue is derived principally through monthly charges to residential customers of our telephony services.

Telephony revenue decreased \$4,366 (6%) and \$11,082 (7%) for the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023. The decreases were due to declines in telephony customers, partially offset by higher average recurring revenue per telephony customer.

Mobile Service Revenue

Mobile service revenue for the three and six months ended June 30, 2024 was \$27,479 and \$52,372, respectively, and \$18,147 and \$33,673 for the three and six months ended June 30, 2023, respectively.

The increases of \$9,332 (51%) and \$18,699 (56%) for the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023 were due primarily to increases in mobile customers, as well as declines in customers receiving free service as compared to the prior year.

Business Services and Wholesale Revenue

Business services and wholesale revenue for the three and six months ended June 30, 2024 was \$369,290 and \$734,151, respectively, and \$364,704 and \$728,345 for the three and six months ended June 30, 2023, 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, telephony, and mobile services to SMB customers.

Business services and wholesale revenue increased \$4,586 (1%) and \$5,806 (1%) for the three and six months ended June 30, 2024 compared to the three and six months ended June 30, 2023. The increases were due to higher revenue from our Lightpath business primarily due to increases in Ethernet and indefeasible right of use contract fee revenue. These increases were partially offset by decreases in wholesale revenue.

News and Advertising Revenue

News and advertising revenue for the three and six months ended June 30, 2024 was \$105,280 and \$211,005, respectively, and \$113,465 and \$212,202 for the three and six months ended June 30, 2023, 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, as well as other systems (linear revenue), (ii) digital advertising, (iii) data analytics, and (iv) affiliation fees for news programming.

News and advertising revenue decreased \$8,185 (7%) and \$1,197 (1%) for the three and six months ended June 30, 2024, compared to the three and six months ended June 30, 2023. The decreases were primarily due to decreases in linear advertising.

Other Revenue

Other revenue for the three and six months ended June 30, 2024 was \$12,569 and \$24,472, respectively, and \$10,886 and \$21,633 for the three and six months ended June 30, 2023, respectively. Other revenue includes revenue from sales of mobile equipment and other miscellaneous revenue streams.

Programming and Other Direct Costs

Programming and other direct costs for the three and six months ended June 30, 2024 amounted to \$719,460 and \$1,463,347, respectively, and \$762,280 and \$1,533,999 for the three and six months ended June 30, 2023, 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, changes in the number of customers receiving certain programming services, and new channel launches. 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 cost of media for advertising spots sold, the cost of mobile devices sold to our customers and direct costs of providing mobile services.

The decreases in programming and other direct costs of \$42,820 (6%) and \$70,652 (5%) for the three and six months ended June 30, 2024 as compared to the three and six months ended June 30, 2023 were primarily attributable to the following:

	Three Months	Six Months
Decrease in programming costs primarily due to lower video customers, partially offset by net contractual rate increases	\$ (47,611)	\$ (92,276)
Increase (decrease) in costs of media advertising spots for resale, primarily for linear and digital spots	(5,904)	423
Increase in cost of goods sold primarily in our mobile business	6,573	10,533
Increase in taxes and surcharges due primarily to refunds recognized in the 2023 periods	5,045	6,724
Other net increases (decreases)	(923)	3,944
	<u>\$ (42,820)</u>	<u>\$ (70,652)</u>

Programming costs

Programming costs aggregated \$575,125 and \$1,170,827, respectively, for the three and six months ended June 30, 2024 and \$622,736 and \$1,263,103 for the three and six months ended June 30, 2023, respectively. Our programming costs in 2024 will continue to be impacted by changes in the number of video customers, and by changes in programming rates, which we expect will increase.

Other Operating Expenses

Other operating expenses for the three and six months ended June 30, 2024 amounted to \$670,542 and \$1,344,792, respectively, and \$656,128 and \$1,307,373 for the three and six months ended June 30, 2023, 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 capitalizable activities, maintenance activities and the utilization of contractors as compared to employees. Costs associated with the initial deployment of new customer premise equipment necessary to provide services are capitalized. The costs of redeployment of customer premise equipment are 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 \$14,414 (2%) and \$37,419 (3%) for the three and six months ended June 30, 2024 as compared to the three and six months ended June 30, 2023 were attributable to the following:

	Three Months	Six Months
Increase in share-based compensation costs	\$ 548	\$ 16,928
Increase in consulting costs	6,944	16,194
Increase in repairs and maintenance costs	2,470	9,381
Increase in legal fees	6,381	7,740
Increase in marketing expenses	9,754	5,652
Net decrease in labor costs and benefits primarily from an increase in capitalizable activity	(13,571)	(25,411)
Other net increases	1,888	6,935
	<u>\$ 14,414</u>	<u>\$ 37,419</u>

Restructuring, Impairments and Other Operating Items

Restructuring, impairments and other operating items for the three and six months ended June 30, 2024 amounted to \$(46,599) and \$4,654, respectively, as compared to \$5,178 and \$34,850 for the three and six months ended June 30, 2023, respectively, and comprised the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Litigation settlements, net of reimbursements (a)	\$ (59,750)	\$ —	\$ (59,750)	\$ —
Contract termination costs (b)	4,788	—	41,924	—
Contractual payments for terminated employees	5,869	1,213	11,862	29,232
Facility realignment costs	(1,757)	1,329	3,547	1,711
Impairment of right-of-use operating lease assets	1,935	9,118	2,962	9,123
Other	2,316	(6,482)	4,109	(5,216)
	<u>\$ (46,599)</u>	<u>\$ 5,178</u>	<u>\$ 4,654</u>	<u>\$ 34,850</u>

(a) Includes a credit resulting from the waiver of a payment obligation in June 2024 related to a patent infringement settlement agreement reached in the fourth quarter of 2022 and a credit resulting from the indemnification from a supplier related to this matter. Offsetting these credits was an expense, net of insurance recoveries, in connection with the settlement of other significant litigation.

(b) Represents costs to early terminate contracts with vendors.

Depreciation and Amortization

Depreciation and amortization for the three and six months ended June 30, 2024 amounted to \$395,770 and \$784,161, respectively, as compared to \$418,705 and \$834,917 for the three and six months ended June 30, 2023, respectively.

The decreases in depreciation and amortization of \$22,935 (5%) and \$50,756 (6%) for the three and six months ended June 30, 2024 as compared to the three and six months ended June 30, 2023, respectively, were due to lower expense resulting from certain assets becoming fully amortized, partially offset by higher depreciation expense resulting from asset additions.

Adjusted EBITDA

Adjusted EBITDA amounted to \$867,177 and \$1,713,732 for the three and six months ended June 30, 2024, respectively, as compared to \$921,742 and \$1,790,133 for the three and six months ended June 30, 2023, respectively.

Adjusted EBITDA is a non-GAAP measure that is defined as net income (loss) excluding income taxes, non-operating income or expenses, gain (loss) on extinguishment of debt and write-off of deferred financing costs, gain (loss) on interest rate swap contracts, gain (loss) on derivative contracts, gain (loss) on investments and sale of affiliate interests, interest expense, net, depreciation and amortization, share-based compensation, restructuring, impairments and other operating items (such as significant legal settlements and contractual payments for terminated employees). See reconciliation of net income (loss) to Adjusted EBITDA above.

The decreases in Adjusted EBITDA of \$54,565 (6%) and \$76,401 (4%) for the three and six months ended June 30, 2024 as compared to the three and six months ended June 30, 2023 were due to decreases in revenue, partially offset by decreases in operating expenses during 2024 (excluding depreciation and amortization, restructuring, impairments and other operating items and share-based compensation), as discussed above.

Free Cash Flow (Deficit)

Free Cash Flow (Deficit) was \$(40,927) and \$22,639 for the three and six months ended June 30, 2024 as compared to \$(34,604) and \$(200,655) for the three and six months ended June 30, 2023. The increase (decrease) in Free Cash Flow of \$(6,323) and \$223,294 for the three and six month periods were due to decreases in capital expenditures and decreases in net cash provided by operating activities.

Interest Expense, net

Interest expense, net was \$442,955 and \$880,096 for the three and six months ended June 30, 2024, respectively, as compared to \$406,709 and \$795,987 for the same periods in the prior year. The increases of \$36,246 (9%) and \$84,109 (11%) for the three and six months ended June 30, 2024 as compared to the three and six months ended June 30, 2023 were attributable to the following:

	Three Months	Six Months
Increase primarily due to an increase in interest rates	\$ 36,334	\$ 84,329
Lower capitalized interest related to FTTH network construction	3,540	7,145
Decrease related to interest income	(215)	(127)
Other net decreases, primarily amortization of deferred financing costs and original issue discounts	(3,413)	(7,238)
	<u>\$ 36,246</u>	<u>\$ 84,109</u>

Gain on Investments and sale of affiliate interests, net

Gain on investments and sale of affiliate interests, net was \$292 for the six months ended June 30, 2024 compared to \$192,010 for the six months ended June 30, 2023. The gain in the 2023 period consisted primarily of the increase in the fair value of the Comcast common stock we owned through January 24, 2023. The effects of this gain were partially offset by the loss on the related equity derivative contracts, net described below.

Loss on Derivative Contracts, net

Loss on derivative contracts, net amounted to \$166,489 for the six months ended June 30, 2023. The loss included realized and unrealized gains or losses due to the change in fair value of equity derivative contracts relating to the Comcast common stock we owned through January 24, 2023. The effects of this loss were partially offset by the gain on investment securities pledged as collateral, which is included in gain on investments and sale of affiliate interests, net, discussed above.

Gain on Interest Rate Swap Contracts, net

Gain on interest rate swap contracts, net was \$13,574 and \$55,877 for the three and six months ended June 30, 2024, respectively, compared to \$61,165 and \$46,736 for the three and six months ended June 30, 2023, respectively. These amounts represent the change in the fair value of our interest rate swap contracts. These swap contracts are not designated as hedges for accounting purposes.

Gain (Loss) on Extinguishment of Debt and Write-off of Deferred Financing Costs

Gain (loss) on extinguishment of debt and write-off of deferred financing costs amounted to \$(7,035) and \$4,393 for the six months ended June 30, 2024 and 2023, respectively.

The following table provides a summary of the gain (loss) on extinguishment of debt and the write-off of deferred financing costs:

	Six months ended June 30,	
	2024	2023
Settlement of collateralized debt	\$ —	\$ 4,393
Repayment of CSC Holdings Term Loan B and Incremental Term Loan B-3	(2,598)	—
Redemption of 5.250% Senior Notes and 5.250% Series B Senior Notes due June 2024	(4,437)	\$ —
	<u>\$ (7,035)</u>	<u>\$ 4,393</u>

Other Income (Loss), net

Other income (loss), net amounted to \$(1,486) and \$(3,031) for the three and six months ended June 30, 2024 compared to \$(1,570) and \$8,635 for the three and six months ended June 30, 2023. These amounts include the non-service benefit or cost components of our pension plans and for the six months ended June 30, 2023 the amount includes dividends received on Comcast common stock we owned through January 24, 2023.

Income Tax Expense

For the three and six months ended June 30, 2024, Altice USA recorded a tax expense of \$49,013 and \$51,937 on pre-tax income of \$70,715 and \$60,743, 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 increased state tax expense, primarily from a discrete adjustment during the three months ended June 30, 2024 of \$19,472 from the enacted corporate tax rate increase in New Jersey. In addition, the higher rate is due to the impact of certain non-deductible expenses and tax deficiencies on share-based compensation.

For the three and six months ended June 30, 2023, Altice USA recorded a tax expense of \$48,725 and \$79,097 on pre-tax income of \$134,869 and \$196,411, 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, state tax expense, and tax deficiencies on share-based compensation.

CSC HOLDINGS, LLC

The following is a reconciliation of CSC Holdings' net income to Adjusted EBITDA (unaudited):

	CSC Holdings			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 21,702	\$ 86,144	\$ 8,806	\$ 117,314
Income tax expense	49,013	48,725	51,937	79,097
Other loss (income), net	1,486	1,570	3,031	(8,635)
Gain on interest rate swap contracts, net	(13,574)	(61,165)	(55,877)	(46,736)
Loss on derivative contracts, net	—	—	—	166,489
Gain on investments and sale of affiliate interests, net	—	—	(292)	(192,010)
Loss (gain) on extinguishment of debt and write-off of deferred financing costs	—	—	7,035	(4,393)
Interest expense, net	442,955	406,709	880,096	795,987
Depreciation and amortization	395,770	418,705	784,161	834,917
Restructuring, impairments and other operating items	(46,599)	5,178	4,654	34,850
Share-based compensation	16,424	15,876	30,181	13,253
Adjusted EBITDA	\$ 867,177	\$ 921,742	\$ 1,713,732	\$ 1,790,133

Refer to Item 2. "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 (Deficit) (unaudited):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net cash flows from operating activities	\$ 306,794	\$ 438,841	\$ 706,456	\$ 855,687
Less: Capital expenditures (cash)	347,721	473,445	683,816	1,056,342
Free Cash Flow (Deficit)	\$ (40,927)	\$ (34,604)	\$ 22,640	\$ (200,655)

CSC HOLDINGS RESTRICTED GROUP

For financing purposes, CSC Holdings 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. These Restricted Group subsidiaries are subject to the covenants and restrictions of the CSC Holdings' credit facility and indentures governing the notes issued by CSC Holdings.

Presented below is financial information that reflects a reconciliation of net income (loss) to Adjusted EBITDA for the three and six months ended June 30, 2024 and 2023.

	Three Months Ended June 30, 2024			
	Restricted Group	Unrestricted Group	Eliminations	CSC Holdings
Net income (loss)	\$ 11,371	\$ 11,036	\$ (705)	\$ 21,702
Income tax expense	47,490	1,523	—	49,013
Other expense, net	409,566	20,584	717	430,867
Depreciation and amortization	369,711	26,071	(12)	395,770
Restructuring, impairments and other operating items	(48,938)	2,339	—	(46,599)
Share-based compensation	16,324	100	—	16,424
Adjusted EBITDA	\$ 805,524	\$ 61,653	\$ —	\$ 867,177

	Six Months Ended June 30, 2024			
	Restricted Group	Unrestricted Group	Eliminations	CSC Holdings
Net income (loss)	\$ (15,228)	\$ 25,643	\$ (1,609)	\$ 8,806
Income tax expense	48,301	3,636	—	51,937
Other expense, net	796,674	35,687	1,632	833,993
Depreciation and amortization	732,220	51,964	(23)	784,161
Restructuring, impairments and other operating items	2,020	2,634	—	4,654
Share-based compensation	30,081	100	—	30,181
Adjusted EBITDA	\$ 1,594,068	\$ 119,664	\$ —	\$ 1,713,732

	Three Months Ended June 30, 2023			
	Restricted Group	Unrestricted Group	Eliminations	CSC Holdings
Net income (loss)	\$ 74,500	\$ 19,466	\$ (7,822)	\$ 86,144
Income tax expense	41,971	6,754	—	48,725
Other expense, net	324,732	14,549	7,833	347,114
Depreciation and amortization	394,329	24,387	(11)	418,705
Restructuring, impairments and other operating items	5,165	13	—	5,178
Share-based compensation	15,876	—	—	15,876
Adjusted EBITDA	\$ 856,573	\$ 65,169	\$ —	\$ 921,742

Six Months Ended June 30, 2023

	Restricted Group	Unrestricted Group	Eliminations	CSC Holdings
Net income (loss)	\$ 78,718	\$ 56,925	\$ (18,329)	\$ 117,314
Income tax expense	67,248	11,849	—	79,097
Other expense, net	689,263	3,088	18,351	710,702
Depreciation and amortization	785,915	49,024	(22)	834,917
Restructuring, impairments and other operating items	34,837	13	—	34,850
Share-based compensation	13,251	2	—	13,253
Adjusted EBITDA	\$ 1,669,232	\$ 120,901	\$ —	\$ 1,790,133

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 calculate net leverage ratios for our CSC Holdings Restricted Group and Lightpath debt silos 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 Restricted Group and Lightpath revolving credit facilities, 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 through open market purchases, privately negotiated purchases, tender offers, exchange offers or redemptions, or engage in similar transactions.

We believe existing cash balances, operating cash flows and availability under the CSC Holdings Restricted Group and Lightpath revolving credit facilities 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 Restricted Group and Lightpath revolving credit facilities 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 facilities 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 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 of June 30, 2024, as well as interest expense for the six months ended June 30, 2024:

	CSC Holdings Restricted Group	Lightpath	Altice USA/CSC Holdings
Debt outstanding:			
Credit facility debt	\$ 6,602,443	\$ 570,127	\$ 7,172,570
Senior guaranteed notes	10,669,815	—	10,669,815
Senior secured notes	—	445,111	445,111
Senior notes	6,178,818	409,681	6,588,499
Subtotal	23,451,076	1,424,919	24,875,995
Finance lease obligations	174,645	—	174,645
Notes payable and supply chain financing	160,024	—	160,024
Total debt	<u>\$ 23,785,745</u>	<u>\$ 1,424,919</u>	<u>\$ 25,210,664</u>
Interest expense:			
Credit facility debt, senior notes, finance leases, notes payable and supply chain financing	<u>\$ 835,377</u>	<u>\$ 49,081</u>	<u>\$ 884,458</u>

Payment Obligations Related to Debt

As of June 30, 2024, total amounts payable by us in connection with our outstanding obligations, including related interest, as well as notes payable and supply chain financing, but excluding finance lease obligations are as follows:

	CSC Holdings Restricted Group	Lightpath	Altice USA/ CSC Holdings
2024	\$ 967,157	\$ 48,944	\$ 1,016,101
2025	1,749,323	97,352	1,846,675
2026	1,690,352	92,567	1,782,919
2027	7,368,177	1,110,509	8,478,686
2028 (a)	5,889,831	438,344	6,328,175
Thereafter	13,514,063	—	13,514,063
Total	<u>\$ 31,178,903</u>	<u>\$ 1,787,716</u>	<u>\$ 32,966,619</u>

- (a) Includes \$1,906,850 principal amount related to the CSC Holdings' Incremental Term Loan B-6 that is due on the earlier of (i) January 15, 2028 and (ii) April 15, 2027 if, as of such date, any Incremental Term Loan B-5 borrowings are still outstanding, unless the Incremental Term Loan B-5 maturity date has been extended to a date falling after January 15, 2028.

For financing purposes, we have two debt silos: CSC Holdings and Lightpath. The CSC Holdings silo is structured as a restricted group (the "CSC Holdings Restricted Group") and an unrestricted group, which includes certain designated subsidiaries and investments. 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 CSC Holdings 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.

CSC Holdings Restricted Group

Sources of cash for the CSC Holdings Restricted Group include primarily cash flow from the operations of the businesses in the CSC Holdings 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 CSC Holdings 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; 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 provides U.S. dollar term loans (the "CSC Term Loan B"), and U.S. dollar revolving loan commitments in an aggregate principal amount of \$2,475,000 (\$1,800,000 outstanding at June 30, 2024) (the "CSC Revolving Credit Facility" and, together with the CSC Term Loan B, 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 from time to time, the "CSC Credit Facilities Agreement"). The CSC Term Loan B was repaid during the three months ended March 31, 2024 with proceeds from the issuance of senior guaranteed notes in January 2024.

In October 2018, CSC Holdings entered into a \$1,275,000 incremental term loan facility (the "Incremental Term Loan B-3") which was repaid during the three months ended March 31, 2024 with proceeds from the issuance of senior guaranteed notes in January 2024. In October 2019, CSC Holdings entered into a \$3,000,000 (\$2,872,500 outstanding at June 30, 2024) incremental term loan facility ("Incremental Term Loan B-5") and in December 2022, CSC Holdings entered into a \$2,001,942 (\$1,976,918 outstanding at June 30, 2024) incremental term loan facility (the "Incremental Term Loan B-6") under its CSC Credit Facilities Agreement.

During the six months ended June 30, 2024, CSC Holdings borrowed \$1,725,000 under the CSC Revolving Credit Facility and repaid \$750,000 of amounts outstanding under the CSC Revolving Credit Facility.

At June 30, 2024, \$133,708 of the CSC Revolving Credit Facility was restricted for certain letters of credit issued on our behalf and \$541,292 was undrawn and available, subject to covenant limitations.

As of June 30, 2024, CSC Holdings was in compliance with applicable financial covenants under its credit facility.

See [Note 9](#) to our consolidated financial statements for further information regarding the CSC Credit Facilities Agreement.

CSC Holdings Senior Guaranteed Notes and Senior Notes

In January 2024, CSC Holdings issued \$2,050,000 in aggregate principal amount of senior guaranteed notes due 2029. These notes bear interest at a rate of 11.750% and will mature on January 31, 2029. The proceeds from the sale of these notes were used to (i) repay the outstanding principal balance of the Term Loan B, (ii) repay the outstanding principal balance of the Incremental Term Loan B-3, and (iii) pay the fees, costs and expenses associated with these transactions.

In February 2024, we redeemed the CSC Holdings 5.250% Senior Notes and 5.250% Series B Senior Notes due June 2024 with proceeds under the CSC Revolving Credit Facility.

As of June 30, 2024, CSC Holdings was in compliance with applicable financial covenants under each respective indenture by which the senior guaranteed notes and senior notes were issued.

Lightpath

Sources of cash for Lightpath include existing cash balances, operating cash flows from its operating subsidiaries and availability under the revolving credit facility.

Lightpath Credit Facility

Lightpath is party to a credit agreement which provides a term loan in an aggregate principal amount of \$600,000 (\$579,000 outstanding at June 30, 2024) and revolving loan commitments in an aggregate principal amount of \$115,000. As of June 30, 2024, there were no borrowings outstanding under the Lightpath revolving credit facility.

In February 2024, Lightpath entered into an extension amendment (the "Extension Amendment") to its amended credit agreement (the "Amended Credit Agreement") that provides for, among other things, (a) an extension of the scheduled maturity date with respect to the 2027 Revolving Credit Commitments (as defined in the Extension Amendment) under the credit agreement to the date (the "New Maturity Date") that is the later of (x) November 30, 2025 and (y) the earlier of (i) June 15, 2027 and (ii) the date that is five business days after any Extension Breach Date (as defined in the Amended Credit Agreement) and (b) incremental revolving credit commitments in an

aggregate principal amount of \$15,000 which shall be of the same class and type as the 2027 Revolving Credit Commitments and will, for the avoidance of doubt, mature on the New Maturity Date. After giving effect to the Extension Amendment, the aggregate principal amount of revolving loan commitments available under the Amended Credit Agreement equaled \$115,000.

Under the Extension Amendment, the aggregate principal amount of 2027 Revolving Credit Commitments equaled \$95,000 and the aggregate principal amount of 2025 Revolving Credit Commitments (as defined in the Extension Amendment) equaled \$20,000. Interest will be calculated at a rate per annum equal to the adjusted Term SOFR 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 Term SOFR loan, 3.25% per annum.

As of June 30, 2024, Lightpath was in compliance with applicable financial covenants under its credit agreement and with applicable financial covenants under each respective indenture by which its senior secured notes and senior notes were issued.

See [Note 9](#) to our consolidated financial statements for further information on the above debt obligations.

Fair Value of Debt

At June 30, 2024, the fair value of our fixed rate debt, comprised of our senior guaranteed and senior secured notes, senior notes, and supply chain financing, of \$11,252,874 was lower than its carrying value of \$17,863,449 by \$6,610,575. The fair value of these financial instruments is estimated based on reference to quoted market prices for these securities. Our floating rate borrowings, comprised of our term loans and revolving credit facilities bear interest in reference to current 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 June 30, 2024 would increase the estimated fair value of our fixed rate debt by \$421,729 to \$11,674,603. 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 us 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. See [Note 10](#) to our consolidated financial statements for a summary of interest rate swap contracts outstanding at June 30, 2024. Our 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 statements of operations. For the three and six months ended June 30, 2024, we recorded a gain on interest rate swap contracts of \$13,574 and \$55,877, and had a fair value at June 30, 2024 of \$36,886 recorded as derivative contracts, short term and \$74,265 recorded as other assets, long-term on the consolidated balance sheet.

As of June 30, 2024, we did not hold and have not issued derivative instruments for trading or speculative purposes.

Capital Expenditures

The following table presents our capital expenditures:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Customer premise equipment	\$ 75,952	\$ 60,849	\$ 179,264	\$ 146,910
Network infrastructure	115,058	239,457	228,476	586,313
Support and other	101,949	92,133	162,249	169,106
Business Services	54,762	81,006	113,827	154,013
Capital expenditures (cash basis)	347,721	473,445	683,816	1,056,342
Right-of-use assets acquired in exchange for finance lease obligations	6,787	48,477	15,077	83,652
Notes payable issued to vendor for the purchase of equipment and other assets	14,364	26,795	50,642	97,235
Change in accrued and unpaid purchases and other	6,813	(61,310)	10,202	(149,616)
Capital expenditures (accrual basis)	\$ 375,685	\$ 487,407	\$ 759,737	\$ 1,087,613

Customer premise equipment includes expenditures for drop cable, fiber gateways, modems, routers, and other equipment installed at customer locations. Network infrastructure includes (i) scalable infrastructure, such as headend and related equipment, (ii) line extensions, such as fiber and coaxial cable, amplifiers, electronic equipment, and design and engineering costs to expand the network, and (iii) upgrade and rebuild, including costs to modify or replace existing segments of the network. Support and other capital expenditures include 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, support and other costs related to our fiber-based telecommunications business serving enterprise customers.

Cash Flow Discussion

Altice USA

Operating Activities

Net cash provided by operating activities amounted to \$706,455 for the six months ended June 30, 2024 compared to \$855,687 for the six months ended June 30, 2023.

The decrease in net cash provided by operating activities of \$149,232 in 2024 as compared to 2023 resulted from a decrease of \$136,149 due to changes in working capital (including an increase in interest payments of \$32,870 and an increase in tax payments of \$55,960), as well as the timing of payments of liabilities, and collections of accounts receivable, among other items, along with a decrease in net income before depreciation and amortization and other non-cash items of \$13,083.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2024 was \$685,893 compared to \$1,057,920 for the six months ended June 30, 2023. Our 2024 investing activities consisted primarily of capital expenditures of \$683,816. Our 2023 investing activities consisted primarily of capital expenditures of \$1,056,342.

Financing Activities

Net cash provided by financing activities amounted to \$40,311 for the six months ended June 30, 2024, compared to \$115,335 for the six months ended June 30, 2023.

In 2024, our financing activities consisted primarily of proceeds from long-term debt of \$3,775,000, partially offset by the repayment of debt of \$3,635,449, principal payments on finance lease obligations of \$68,788 and other cash payments of \$30,452.

In 2023, our financing activities consisted primarily of proceeds from long-term debt of \$1,900,000 and net proceeds from derivative contracts in connection with the settlement of collateralized debt of \$38,902, partially offset by repayment of debt of \$1,739,493, principal payments on finance lease obligations of \$76,100 and other cash payments of \$7,974.

CSC Holdings

Operating Activities

Net cash provided by operating activities amounted to \$706,456 for the six months ended June 30, 2024 compared to \$855,687 for the six months ended June 30, 2023.

The decrease in cash provided by operating activities of \$149,231 in 2024 as compared to 2023 resulted from a decrease of \$136,148 due to changes in working capital (including an increase in interest payments of \$32,870 and an increase in tax payments of \$55,960, as well as the timing of payments of liabilities and collections of accounts receivable, among other items), along with a decrease in net income before depreciation and amortization and other non-cash items of \$13,083.

Investing Activities

Net cash used in investing activities for the six months ended June 30, 2024 was \$685,893 compared to \$1,057,920 for the six months ended June 30, 2023. The 2024 investing activities consisted primarily of capital expenditures of \$683,816. The 2023 investing activities consisted primarily of capital expenditures of \$1,056,342.

Financing Activities

Net cash provided by financing activities amounted to \$40,311 for the six months ended June 30, 2024, compared to \$115,335 for the six months ended June 30, 2023.

In 2024, the Company's financing activities consisted primarily of proceeds from long-term debt of \$3,775,000, partially offset by repayment of debt of \$3,635,449, principal payments on finance lease obligations of \$68,788, and other cash payments of \$30,452.

In 2023, the Company's financing activities consisted primarily of proceeds from long-term debt of \$1,900,000 and net proceeds from derivative contracts in connection with the settlement of collateralized debt of \$38,902, partially offset by repayment of debt of \$1,739,493, principal payments on finance lease obligations of \$76,100 and other cash payments of \$7,974.

Commitments and Contingencies

As of June 30, 2024, the Company's commitments and contingencies not reflected in the Company's balance sheet decreased to approximately \$4,700,000 as compared to approximately \$6,000,000 as of December 31, 2023. This decrease relates primarily to payments made in 2024 pursuant to programming commitments and a reduction in programming commitments due to a decrease in the number of video customers as of June 30, 2024 as compared to December 31, 2023.

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.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Information relating to market risk is included in Item 2, Management's Discussion and Analysis of Financial Condition and Results of Operations under the captions "Fair Value of Debt" and "Interest Rate Risk."

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 June 30, 2024.

Changes in Internal Control

During the six months ended June 30, 2024, 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 15](#) to our consolidated financial statements included in this Quarterly Report on Form 10-Q for a discussion of our legal proceedings.

Item 5. Other Information

(a)

On July 31, 2024, the Board of Directors (the "Board") of the Company approved and adopted a form of indemnification agreement (the "Indemnification Agreement"), and authorized the Company to enter into the Indemnification Agreement with each of its directors and executive officers. The Indemnification Agreement, among other things, requires the Company to:

- hold harmless and indemnify an indemnitee thereunder to the fullest extent permitted by applicable law against all expenses, judgments, penalties, fines, and amounts paid in settlement actually and reasonably incurred in connection with being a party to, or otherwise participating in, any legal proceeding by virtue of having served as a director, officer, employee, agent or fiduciary of the Company or subsidiary thereof, if the indemnitee acted in good faith and in a manner the indemnitee reasonably believed to be in or not opposed to the best interests of the Company; and
- advance expenses incurred by an indemnitee in defending against such proceedings.

The foregoing description of the Indemnification Agreement does not purport to be complete and is subject to, and is qualified in its entirety by, the full text of the Indemnification Agreement, which is filed with this Quarterly Report on Form 10-Q as Exhibit 10.1 and is incorporated herein by reference.

(b)

None.

(c)

None.

Item 6. Exhibits

EXHIBIT NO.	DESCRIPTION
10.1	Form of Indemnification Agreement.
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 June 30, 2024 filed with the Securities and Exchange Commission on August 1, 2024 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.

ALTICE USA, INC.

Date: August 1, 2024

/s/ Marc Sirota
By: Marc Sirota
Chief Financial Officer

FORM OF INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the “**Agreement**”) is made and entered into as of [●], 2024, between Altice USA, Inc., a Delaware corporation (the “**Company**”), and [●] (“**Indemnatee**”).

WITNESSETH THAT:

WHEREAS, highly competent persons have become more reluctant to serve corporations as directors, officers or in other managerial capacities unless they are provided with adequate protection through insurance and indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, The certificate of incorporation of the Company, as amended (the “**Certificate of Incorporation**”) requires indemnification of the officers and directors of the Company, and the Company may elect to indemnify additional persons in other managerial capacities. Indemnatee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (“**DGCL**”). The Certificate of Incorporation and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive, and thereby contemplate that contracts may be entered into between the Company and members of the board of the Company, officers and other persons with respect to indemnification;

WHEREAS, the uncertainties relating to such insurance and to indemnification have increased the difficulty of attracting and retaining such persons;

WHEREAS, the Board has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Company and the Company’s stockholders and that the Company should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, it is reasonable, prudent and necessary for the Company to obligate itself contractually to indemnify, and to advance expenses on behalf of, such persons to the fullest extent permitted by applicable law so that they will serve or continue to serve the Company free from undue concern that they will not be so indemnified;

WHEREAS, this Agreement is a supplement to and in furtherance of the Certificate of Incorporation of the Company and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnatee thereunder;

WHEREAS, Indemnatee does not regard the protection available under the Company’s Certificate of Incorporation and insurance as adequate in the present circumstances, and may not be willing to serve as an officer, director or in other managerial capacities without adequate protection, and the Company desires Indemnatee to serve in such capacity. Indemnatee is willing

to serve, continue to serve and to take on additional service for or on behalf of the Company on the condition that the Indemnatee be so indemnified; and

NOW, THEREFORE, in consideration of Indemnatee's agreement to serve as an officer, director or in other managerial capacities from and after the date hereof, the parties hereto agree as follows:

1. INDEMNITY OF INDEMNITEE. The Company hereby agrees to hold harmless and indemnify Indemnatee to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

(a) Proceedings Other Than Proceedings by or in the Right of the Company. Indemnatee shall be entitled to the rights of indemnification provided in this Section 1(a) if, by reason of Indemnatee's Corporate Status (as hereinafter defined), the Indemnatee is, or is threatened to be made, a party to or participant in any Proceeding (as hereinafter defined) other than a Proceeding by or in the right of the Company. Pursuant to this Section 1(a), Indemnatee shall be indemnified against all Expenses (as hereinafter defined), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Indemnatee, or on Indemnatee's behalf, in connection with such Proceeding or any claim, issue or matter therein, if the Indemnatee acted in good faith and in a manner the Indemnatee reasonably believed to be in or not opposed to the best interests of the Company, and with respect to any criminal Proceeding, had no reasonable cause to believe the Indemnatee's conduct was unlawful.

(b) Proceedings by or in the Right of the Company. Indemnatee shall be entitled to the rights of indemnification provided in this Section 1(b) if, by reason of Indemnatee's Corporate Status, the Indemnatee is, or is threatened to be made, a party to or participant in any Proceeding brought by or in the right of the Company. Pursuant to this Section 1(b), Indemnatee shall be indemnified against all Expenses actually and reasonably incurred by the Indemnatee, or on the Indemnatee's behalf, in connection with such Proceeding or any claim, issue or matter therein if the Indemnatee acted in good faith and in a manner the Indemnatee reasonably believed to be in or not opposed to the best interests of the Company; *provided, however*, if applicable law so provides, no indemnification against such Expenses shall be made in respect of any claim, issue or matter in such Proceeding as to which Indemnatee shall have been adjudged to be liable to the Company unless and to the extent that the Court of Chancery of the State of Delaware shall determine that such indemnification may be made.

(c) Indemnification for Expenses of a Party Who is Wholly or Partly Successful Notwithstanding any other provision of this Agreement, to the extent that Indemnatee is, by reason of Indemnatee's Corporate Status, a party to and is successful, on the merits or otherwise, in any Proceeding, the Indemnatee shall be indemnified to the maximum extent permitted by law, as such may be amended from time to time, against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Indemnatee or on Indemnatee's behalf in connection therewith. If Indemnatee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify

Indemnatee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Indemnatee or on Indemnatee's behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

2. ADDITIONAL INDEMNITY. In addition to, and without regard to any limitations on, the indemnification provided for in Section 1 of this Agreement, the Company shall and hereby does indemnify and hold harmless Indemnatee against all Expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by Indemnatee or on behalf of, by reason of Indemnatee's Corporate Status, the Indemnatee is, or is threatened to be made, a party to or participant in any Proceeding (including a Proceeding by or in the right of the Company), including, without limitation, all liability arising out of the negligence or active or passive wrongdoing of Indemnatee. The only limitation that shall exist upon the Company's obligations pursuant to this Agreement shall be that the Company shall not be obligated to make any payment to Indemnatee that is finally determined (under the procedures, and subject to the presumptions, set forth in Sections 6 and 7 hereof) to be unlawful.

3. CONTRIBUTION.

(a) Whether or not the indemnification provided in Sections 1 and 2 hereof is available, in respect of any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding), the Company shall pay, in the first instance, the entire amount of any judgment or settlement of such action, suit or proceeding without requiring Indemnatee to contribute to such payment and the Company hereby waives and relinquishes any right of contribution it may have against Indemnatee. The Company shall not enter into any settlement of any action, suit or proceeding in which the Company is jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding) unless such settlement provides for a full and final release of all claims asserted against Indemnatee.

(b) Without diminishing or impairing the obligations of the Company set forth in the preceding subparagraph, if, for any reason, Indemnatee shall elect or be required to pay all or any portion of any judgment or settlement in any threatened, pending or completed action, suit or proceeding in which the Company is jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding), the Company shall contribute to the amount of Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Indemnatee in proportion to the relative benefits received by the Company and all officers, directors or employees of the Company, other than Indemnatee, who are jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnatee, on the other hand, from the transaction or events from which such action, suit or proceeding arose; *provided, however*, that the proportion determined on the basis of relative benefit may, to the extent necessary to conform to law, be further adjusted by reference to the relative fault of the Company and all officers, directors or employees of the Company other than Indemnatee who are jointly liable with Indemnatee (or would be if joined in such action, suit or

proceeding), on the one hand, and Indemnatee, on the other hand, in connection with the transaction or events that resulted in such expenses, judgments, fines or settlement amounts, as well as any other equitable considerations which applicable law may require to be considered. The relative fault of the Company and all officers, directors or employees of the Company, other than Indemnatee, who are jointly liable with Indemnatee (or would be if joined in such action, suit or proceeding), on the one hand, and Indemnatee, on the other hand, shall be determined by reference to, among other things, the degree to which their actions were motivated by intent to gain personal profit or advantage, the degree to which their liability is primary or secondary and the degree to which their conduct is active or passive.

(c) The Company hereby agrees to fully indemnify and hold Indemnatee harmless from any claims of contribution which may be brought by officers, directors, or employees of the Company, other than Indemnatee, who may be jointly liable with Indemnatee.

(d) To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnatee for any reason whatsoever, the Company, in lieu of indemnifying Indemnatee, shall contribute to the amount incurred by Indemnatee, whether for judgments, fines, penalties, excise taxes, amounts paid or to be paid in settlement and/or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnatee as a result of the event(s) and/or transaction(s) giving cause to such Proceeding and/or (ii) the relative fault of the Company (and its directors, officers, employees and agents) and Indemnatee in connection with such event(s) and/or transaction(s).

4. INDEMNIFICATION FOR EXPENSES OF A WITNESS. Notwithstanding any other provision of this Agreement, to the extent that Indemnatee is, by reason of Indemnatee's Corporate Status, a witness, or is made (or asked) to respond to discovery requests, in any Proceeding to which Indemnatee is not a party, the Indemnatee shall be indemnified against all Expenses actually and reasonably incurred by Indemnatee or on Indemnatee's behalf in connection therewith.

5. ADVANCEMENT OF EXPENSES. Notwithstanding any other provision of this Agreement, the Company shall advance all Expenses incurred by or on behalf of Indemnatee in connection with any Proceeding by reason of Indemnatee's Corporate Status within twenty (20) days after the receipt by the Company of a statement or statements from Indemnatee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by Indemnatee. Advances shall be made without regard to Indemnatee's ability to repay the Expenses and without regard to Indemnatee's ultimate entitlement to be indemnified, held harmless or exonerated under the other provisions of this Agreement. Advances shall include any and all reasonable Expenses incurred pursuing a Proceeding to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Company to support the advances claimed. The Indemnatee shall qualify for advances, to the fullest extent permitted by applicable law, upon the execution and delivery to the Company of this Agreement, which shall

constitute an undertaking providing that the Indemnitee undertakes to repay the amounts advanced (without interest) to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. No other form of undertaking shall be required other than the execution of this Agreement. Any advances and undertakings to repay pursuant to this Section 5 shall be unsecured and interest free. This Section 5 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 9.

6. PROCEDURES AND PRESUMPTIONS FOR DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION.

It is the intent of this Agreement to secure for Indemnitee rights of indemnity that are as favorable as may be permitted under the DGCL and public policy of the State of Delaware. Accordingly, the parties agree that the following procedures and presumptions shall apply in the event of any question as to whether Indemnitee is entitled to indemnification under this Agreement:

(a) To obtain indemnification under this Agreement, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification. The Secretary of the Company shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification. Notwithstanding the foregoing, any failure of Indemnitee to provide such a request to the Company, or to provide such a request in a timely fashion, shall not relieve the Company of any liability that it may have to Indemnitee unless, and to the extent that, such failure actually and materially prejudices the interests of the Company. The Company will be entitled to participate in the Proceeding at its own Expense.

(b) Upon written request by Indemnitee for indemnification pursuant to the first sentence of Section 6(a) hereof, a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case by one of the following four methods, which shall be at the election of the Board (1) by a majority vote of the Disinterested Directors (as hereinafter defined), even though less than a quorum, (2) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum, (3) if there are no Disinterested Directors or if the Disinterested Directors so direct, by Independent Counsel (as hereinafter defined) in a written opinion to the Board, a copy of which shall be delivered to the Indemnitee, or (4) if so directed by the Board, by the stockholders of the Company. The only basis upon which a finding that an Indemnitee is not entitled to indemnification is that such indemnification is prohibited by law.

(c) If the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 6(b) hereof, the Independent Counsel shall be selected as provided in this Section 6(c). The Independent Counsel shall be selected by the Board. Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Company a written objection to such selection; *provided, however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "**Independent Counsel**" as defined in Section 13 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a

proper and timely objection, the person so selected shall act as Independent Counsel. If a written objection is made and substantiated, the Independent Counsel selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within twenty (20) days after submission by Indemnatee of a written request for indemnification pursuant to Section 6(a) hereof, no Independent Counsel shall have been selected and not objected to, either the Company or Indemnatee may petition the Court of Chancery of the State of Delaware or other court of competent jurisdiction for resolution of any objection which shall have been made by the Indemnatee to the Company's selection of Independent Counsel and/or for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 6(b) hereof. The Company shall pay any and all reasonable fees and expenses of Independent Counsel incurred by such Independent Counsel in connection with acting pursuant to Section 6(b) hereof, and the Company shall pay all reasonable fees and expenses incurred by the Company and the Indemnatee incident to the procedures of this Section 6(c), regardless of the manner in which such Independent Counsel was selected or appointed.

(d) In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall presume that Indemnatee is entitled to indemnification under this Agreement. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence. Neither the failure of the Company (including by its directors or Independent Counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnatee has met the applicable standard of conduct, nor an actual determination by the Company (including by its directors or Independent Counsel) that Indemnatee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnatee has not met the applicable standard of conduct.

(e) Indemnatee shall be deemed to have acted in good faith if Indemnatee's action is based on the records or books of account of the Enterprise (as hereinafter defined), including financial statements, or on information supplied to Indemnatee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Enterprise. In addition, the knowledge and/or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnatee for purposes of determining the right to indemnification under this Agreement. Whether or not the foregoing provisions of this Section 6(e) are satisfied, it shall in any event be presumed that Indemnatee has at all times acted in good faith and in a manner the Indemnatee reasonably believed to be in or not opposed to the best interests of the Company. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(f) The Company promptly will advise Indemnatee in writing with respect to any determination that Indemnatee is or is not entitled to indemnification, including, without

limitation, a description of any reason or basis for which indemnification has been denied. If the person, persons or entity empowered or selected under Section 6 to determine whether Indemnatee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Company of the request therefor, the requisite determination of entitlement to indemnification shall be deemed to have been made and Indemnatee shall be entitled to such indemnification absent (i) a misstatement by Indemnatee of a material fact, or an omission of a material fact necessary to make Indemnatee's statement not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law; *provided, however*, that such sixty (60) day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if the person, persons or entity making such determination with respect to entitlement to indemnification in good faith requires such additional time to obtain or evaluate documentation and/or information relating thereto; and *provided further*, that the foregoing provisions of this Section 6(f) shall not apply if the determination of entitlement to indemnification is to be made by the stockholders pursuant to Section 6(b) of this Agreement and if (A) within fifteen (15) days after receipt by the Company of the request for such determination, the Board or the Disinterested Directors, if appropriate, resolve to submit such determination to the stockholders for their consideration at an annual meeting thereof to be held within seventy five (75) days after such receipt and such determination is made thereat, or (B) a special meeting of stockholders is called within fifteen (15) days after such receipt for the purpose of making such determination, such meeting is held for such purpose within sixty (60) days after having been so called and such determination is made thereat.

(g) Indemnatee shall cooperate with the person, persons or entity making such determination with respect to Indemnatee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnatee and reasonably necessary to such determination. Any Independent Counsel, member of the Board or stockholder of the Company shall act reasonably and in good faith in making a determination regarding the Indemnatee's entitlement to indemnification under this Agreement. Any costs or expenses (including attorneys' fees and disbursements) incurred by Indemnatee in so cooperating with the person, persons or entity making such determination shall be borne by the Company (irrespective of the determination as to Indemnatee's entitlement to indemnification) and the Company hereby indemnifies and agrees to hold Indemnatee harmless therefrom.

(h) In the event that any action, claim or proceeding to which Indemnatee is a party is resolved in any manner other than by adverse judgment against Indemnatee (including, without limitation, settlement of such action, claim or proceeding with or without payment of money or other consideration) it shall be presumed that Indemnatee has been successful on the merits or otherwise in such action, suit or proceeding. Anyone seeking to overcome this presumption shall have the burden of proof and the burden of persuasion by clear and convincing evidence.

(i) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself adversely affect the right of Indemnatee to indemnification or create a presumption that Indemnatee did not act in good faith and in a manner which the Indemnatee reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnatee had reasonable cause to believe that Indemnatee's conduct was unlawful.

7. REMEDIES OF INDEMNITEE.

(a) In the event that (i) a determination is made pursuant to Section 6 of this Agreement that Indemnatee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 5 of this Agreement, (iii) no determination of entitlement to indemnification is made pursuant to Section 6(b) of this Agreement within sixty (60) days after receipt by the Company of the request for indemnification, (iv) payment of indemnification is not made pursuant to Section 1(c), Section 4 or the last sentence of Section 6(g) of this Agreement within ten (10) days after receipt by the Company of a written request therefor, or (v) payment of indemnification is not made pursuant to Section 1(a), Section 1(b) and Section 2 of this Agreement within ten (10) days after a determination has been made that Indemnatee is entitled to indemnification or such determination is deemed to have been made pursuant to Section 6 of this Agreement, Indemnatee shall be entitled to an adjudication in an appropriate court of the State of Delaware, or in any other court of competent jurisdiction, of Indemnatee's entitlement to such indemnification. Indemnatee shall commence such proceeding seeking an adjudication within one hundred eighty (180) days following the date on which Indemnatee first has the right to commence such proceeding pursuant to this Section 7(a). The Company shall not oppose Indemnatee's right to seek any such adjudication.

(b) In the event that a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnatee is not entitled to indemnification, any judicial proceeding commenced pursuant to this Section 7 shall be conducted in all respects as a de novo trial on the merits, and Indemnatee shall not be prejudiced by reason of the adverse determination under Section 6(b). In any judicial proceeding commenced pursuant to this Section 7, Indemnatee shall be presumed to be entitled to be indemnified, held harmless and to receive advances of Expenses under this Agreement and the Company shall have the burden of proving Indemnatee is not entitled to be indemnified, held harmless and to receive advances of Expenses, as the case may be, and the Company may not refer to or introduce into evidence any determination pursuant to Section 6 of this Agreement adverse to Indemnatee for any purpose. If Indemnatee commences a judicial proceeding pursuant to this Section 7, Indemnatee shall not be required to reimburse the Company for any advances pursuant to Section 5 until a final determination is made with respect to Indemnatee's entitlement to indemnification (as to which all rights of appeal have been exhausted or lapsed).

(c) If a determination shall have been made pursuant to Section 6(b) of this Agreement that Indemnatee is entitled to indemnification, the Company shall be bound by such

determination in any judicial proceeding commenced pursuant to this Section 7, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's misstatement not materially misleading in connection with the application for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) In the event that Indemnitee, pursuant to this Section 7, seeks a judicial adjudication of Indemnitee's rights under, or to recover damages for breach of, this Agreement, or to recover under any directors', officers' or employees' liability insurance policies maintained by the Company or other Person, the Company shall pay on Indemnitee's behalf, in advance, any and all expenses (of the types described in the definition of Expenses in Section 13 of this Agreement) actually and reasonably incurred by Indemnitee in such judicial adjudication, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of expenses or insurance recovery.

(e) The Company shall be precluded from asserting in any judicial proceeding commenced pursuant to this Section 7 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the Company is bound by all the provisions of this Agreement. It is the intent of the Company that, to the fullest extent permitted by law, the Indemnitee not be required to incur legal fees or other Expenses, including those associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise, because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Indemnitee hereunder. The Company shall indemnify Indemnitee against any and all Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Company of a written request therefore) advance, to the extent not prohibited by law, such expenses (of the types described in the definition of Expenses in Section 13 of this Agreement) to Indemnitee which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advance of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company or other person for the benefit of Indemnitee, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement of Expenses or insurance recovery, as the case may be.

8. NON-EXCLUSIVITY; SURVIVAL OF RIGHTS; INSURANCE; PRIMACY OF INDEMNIFICATION; SUBROGATION.

(a) The rights of indemnification as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the bylaws of the Company (the "Bylaws"), any agreement, a vote of stockholders, a resolution of directors of the Company, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in the DGCL, whether by statute or judicial decision, permits greater indemnification than would be afforded currently under the Certificate of Incorporation, Bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this

Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Company shall maintain directors' and officers' insurance programs providing coverage to Indemnitee for Expenses during the time period Indemnitee serves the Company in a Corporate Status, whether or not the Company would have the power to indemnify such person against such Expense, for a period of no less than six (6) years following the conclusion of such service. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, officers, employees, or agents or fiduciaries of the Company, or its direct or indirect subsidiaries, or other Enterprise, Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any director, officer, employee, agent or fiduciary under such policy or policies. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Company has directors', officers' or employees' liability insurance in effect, the Company shall give prompt notice of the commencement of such proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Company shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of the Indemnitee, all amounts payable as a result of such proceeding in accordance with the terms of such policies.

(c) In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

(d) The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that Indemnitee has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

(e) The Company's obligation to indemnify or advance Expenses hereunder to Indemnitee who is or was serving at the request of the Company as a director, officer, employee or agent of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount Indemnitee has actually received as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. Notwithstanding any other provision of this Agreement to the contrary, (i) Indemnitee shall have no obligation to reduce, offset, allocate, pursue or apportion any indemnification, hold harmless, advancement, contribution or insurance coverage among multiple parties possessing such duties to Indemnitee prior to the Company's satisfaction and performance of all its obligations under this Agreement, and (ii) the Company shall perform fully its obligations under this Agreement without regard to whether Indemnitee

holds, may pursue or has pursued any indemnification, hold harmless, advancement, contribution or insurance coverage rights against any person or entity other than the Company.

9. EXCEPTION TO RIGHT OF INDEMNIFICATION. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any claim made against Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy or other indemnity provision, except with respect to any excess beyond the amount paid under any insurance policy or other indemnity provision; or

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of state statutory law or common law; or

(c) in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation, or (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law.

10. DURATION OF AGREEMENT. All agreements and obligations of the Company contained herein shall continue during the period Indemnitee is an officer, director or employee of the Company or its direct or indirect subsidiaries (or as a director, officer, employee, agent or fiduciary of another corporation, partnership, joint venture, trust or other enterprise) and shall continue thereafter so long as Indemnitee may be subject to any possible Proceeding (including any rights of appeal thereto and including any proceeding commenced under Section 7 hereof) by reason of Indemnitee's Corporate Status, whether or not Indemnitee is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification can be provided under this Agreement.

11. SECURITY. To the extent requested by Indemnitee and approved by the Board, the Company may at any time and from time to time provide security to Indemnitee for the Company's obligations hereunder through an irrevocable bank line of credit, funded trust or other collateral. Any such security, once provided to Indemnitee, may not be revoked or released without the prior written consent of the Indemnitee.

12. ENFORCEMENT.

(a) The Company expressly confirms and agrees that it has entered into this Agreement and assumes the obligations imposed on it hereby in order to induce Indemnitee to serve or continue to serve as an officer, director or employee of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as an officer, director or employee of the Company.

(b) Without limiting any of the rights of Indemnitee under the Certificate of Incorporation or Bylaws of the Company as each of them may be amended from time to time, and as provided in Section 8(a), this Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof.

(c) The Company shall not seek from a court, or agree to, a “bar order” which would have the effect of prohibiting or limiting the Indemnitee’s rights to receive advancement of expenses under this Agreement.

(d) The rights to be indemnified, held harmless and to receive contribution and advancement of Expenses granted Indemnitee pursuant to this Agreement shall apply to Indemnitee’s service as director, officer, manager, fiduciary, employee or agent of the Company or of any other Enterprise prior to the date of this Agreement, as well as service on or after the date of this Agreement.

(e) This Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and their respective successors and assigns (including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company), shall continue as to an Indemnitee who has ceased to be a director, officer, employee, fiduciary or agent of the Company or of any other Enterprise, and shall inure to the benefit of Indemnitee and Indemnitee’s spouse, assigns, estate, heirs, devisees, executors and administrators and other personal and legal representatives.

(f) The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all, substantially all or a substantial part, of the business or assets of the Company, by written agreement in form and substance satisfactory to the Indemnitee, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

(g) The Company and Indemnitee agree herein that a monetary remedy for breach of this Agreement, at some later date, may be inadequate, impracticable and difficult of proof, and further agree that such breach may cause Indemnitee irreparable harm. Accordingly, the parties hereto agree that Indemnitee may enforce this Agreement by seeking, among other things, injunctive relief and/or specific performance hereof, without any necessity of showing actual damage or irreparable harm and that by seeking injunctive relief and/or specific performance, Indemnitee shall not be precluded from seeking or obtaining any other relief to which Indemnitee may be entitled. The Company and Indemnitee further agree that Indemnitee shall be entitled to such specific performance and injunctive relief, including temporary restraining orders, preliminary injunctions and permanent injunctions, without the necessity of posting bonds or other undertaking in connection therewith. The Company acknowledges that in the absence of a waiver, a bond or undertaking may be required of Indemnitee by the Delaware Court, and the Company hereby waives any such requirement of such a bond or undertaking.

13. DEFINITIONS. For purposes of this Agreement:

- (a) **“Corporate Status”** describes the status of a person who is or was a director, officer, manager, employee, agent or fiduciary of the Company or of any direct or indirect subsidiary, or other Enterprise.
- (b) **“Disinterested Director”** means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.
- (c) **“Enterprise”** shall mean the Company and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise that Indemnitee is or was serving at the request of the Company as a director, officer, manager, employee, agent or fiduciary.
- (d) **“Expenses”** shall include any and all costs, fees and expenses of any type or nature, including, without limitation, all attorneys’ fees and costs, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, fees of investigators and professional advisors, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees and all other disbursements or expenses incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, participating, or being or preparing to be a witness in a Proceeding, or responding to, or objecting to, a request to provide discovery in any Proceeding (in each case including settlement or appeal thereof), including, without limitation, reasonable compensation for time spent by the Indemnitee for which the Indemnitee is not otherwise compensated by the Company or a third party. Expenses also shall include Expenses incurred in connection with any appeal resulting from any Proceeding and any federal, state, local or foreign taxes imposed on the Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, including without limitation the principal, premium, security for, and other costs relating to any cost bond, supersedeas bond, or other appeal bond or its equivalent. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.
- (e) **“Independent Counsel”** means a law firm, or a member of a law firm, with significant experience in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term **“Independent Counsel”** shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee’s rights under this Agreement. The Company agrees to pay the reasonable fees of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Expenses, claims, liabilities and damages arising out of or relating to this Agreement or its engagement pursuant hereto.
-

(f) **"Proceeding"** includes any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or any other actual, threatened or completed proceeding, whether brought by or in the right of the Company or otherwise and whether civil, criminal, administrative or investigative, including appeal therefrom, in which Indemnatee was, is, will or may be involved as a party, potential party, non-party witness or otherwise, by reason of Indemnatee's Corporate Status, by reason of any action taken by Indemnatee or of any inaction on Indemnatee's part while acting in Indemnatee's Corporate Status; in each case whether or not the Indemnatee is acting or serving in any such capacity at the time any liability or expense is incurred for which indemnification, reimbursement or advancement of expenses can be provided under this Agreement; including one pending on or before the date of this Agreement, but excluding one initiated by an Indemnatee pursuant to Section 7 of this Agreement to enforce Indemnatee's rights under this Agreement. If Indemnatee believes in good faith that a given situation may lead to or culminate in a Proceeding, the situation shall be considered a Proceeding under this paragraph.

14. SEVERABILITY. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision herein. Without limiting the generality of the foregoing, this Agreement is intended to confer upon Indemnatee indemnification rights to the fullest extent permitted by applicable laws. In the event any provision hereof conflicts with any applicable law, such provision shall be deemed modified, consistent with the aforementioned intent, to the extent necessary to resolve such conflict.

15. MODIFICATION AND WAIVER. No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

16. NOTICE BY INDEMNITEE Indemnatee agrees promptly to notify the Company in writing upon being served with or otherwise receiving any summons, citation, subpoena, complaint, indictment, information or other document relating to any Proceeding or matter which may be subject to indemnification covered hereunder. The failure to so notify the Company shall not relieve the Company of any obligation which it may have to Indemnatee under this Agreement or otherwise unless and only to the extent that such failure or delay materially prejudices the Company.

17. NOTICES. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail or facsimile if sent during normal business hours of the recipient, and if not so confirmed, then on the next business day, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent:

(a) To Indemnatee at the address set forth below Indemnatee signature hereto.

(b) To the Company at:
1 Court Square West
Long Island City, New York 11101

or to such other address as may have been furnished to Indemnatee by the Company or to the Company by Indemnatee, as the case may be.

18. COUNTERPARTS. This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

19. HEADINGS. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

20. GOVERNING LAW AND CONSENT TO JURISDICTION. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. The Company and Indemnatee hereby irrevocably and unconditionally (a) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Chancery Court of the State of Delaware (the "**Delaware Court**"), and not in any other state or federal court in the United States of America or any court in any other country, (b) consent to submit to the exclusive jurisdiction of the Delaware Court for purposes of any action or proceeding arising out of or in connection with this Agreement, (c) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court, and (d) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court has been brought in an improper or inconvenient forum.

21. PERIOD OF LIMITATIONS. No legal action shall be brought and no cause of action shall be asserted by or in the right of the Company against Indemnatee, Indemnatee's spouse, assigns, heirs, estate, devisees, executors or administrators or personal or legal representatives after the expiration of two years from the date of accrual of such cause of action, and any claim or cause of action of the Company shall be extinguished and deemed released unless asserted by the timely filing of a legal action within such two-year period; provided, however, that if any shorter period of limitations is otherwise applicable to any such cause of action such shorter period shall govern.

22. ADDITIONAL ACTS. If for the validation of any of the provisions in this Agreement any act, resolution, approval or other procedure is required, the Company undertakes to cause such act, resolution, approval or other procedure to be affected or adopted in a manner that will enable the Company to fulfill its obligations under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Indemnification Agreement on and as of the day and year first above written.

COMPANY:

ALTICE USA, INC.

By: _____

Name:

Title:

INDEMNITEE:

By: _____

Name:

Address: _____

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: August 1, 2024

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

CERTIFICATION

I, Marc Sirota, 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: August 1, 2024

By: /s/ Marc Sirota
Marc Sirota
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 June 30, 2024 (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: August 1, 2024

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

Date: August 1, 2024

By: /s/ Marc Sirota
Marc Sirota
Chief Financial Officer