

Charter Communications, Inc.

Customer Metrics

(in thousands except ARPU and penetration, unaudited)

	2018					2019					2020	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	
Footprint (a)												
Estimated Passings	50,526	50,725	50,977	51,185	51,185	51,384	51,619	51,940	52,154	52,154	52,418	
Penetration Statistics (b)												
Total Customer Relationship Penetration of Estimated Passings	54.3 %	54.5 %	54.6 %	54.9 %	54.9 %	55.4 %	55.5 %	55.8 %	56.1 %	56.1 %	56.7 %	
Customer Relationships (c)												
Residential	25,730	25,871	26,063	26,270	26,270	26,591	26,755	27,037	27,277	27,277	27,745	
Small and Medium Business	1,695	1,750	1,792	1,833	1,833	1,863	1,902	1,930	1,958	1,958	1,976	
Total Customer Relationships	27,425	27,621	27,855	28,103	28,103	28,454	28,657	28,967	29,235	29,235	29,721	
Net Additions (Losses)												
Residential	231	141	192	207	771	321	164	282	240	1,007	468	
Small and Medium Business	33	55	42	41	171	30	39	28	28	125	18	
Total Customer Relationships	264	196	234	248	942	351	203	310	268	1,132	486	
Residential												
Primary Service Units ("PSU")												
Internet	22,852	23,070	23,336	23,625	23,625	24,023	24,244	24,595	24,908	24,908	25,471	
Video	16,279	16,206	16,140	16,104	16,104	15,952	15,802	15,725	15,620	15,620	15,550	
Voice	10,370	10,325	10,218	10,135	10,135	10,015	9,808	9,595	9,443	9,443	9,360	
Net Additions (Losses)												
Internet	334	218	266	289	1,107	398	221	351	313	1,283	563	
Video	(121)	(73)	(66)	(36)	(296)	(152)	(150)	(77)	(105)	(484)	(70)	
Voice	(54)	(45)	(107)	(83)	(289)	(120)	(207)	(213)	(152)	(692)	(83)	
Single Play (g)	10,577	10,694	10,858	10,928	10,928	11,189	11,354	11,557	11,741	11,741	12,099	
Double Play (g)	6,537	6,633	6,789	7,097	7,097	7,412	7,709	8,088	8,377	8,377	8,655	
Triple Play (g)	8,616	8,544	8,416	8,245	8,245	7,990	7,692	7,392	7,159	7,159	6,991	
Single Play Penetration (h)	41.1 %	41.3 %	41.7 %	41.6 %	41.6 %	42.1 %	42.4 %	42.7 %	43.0 %	43.0 %	43.6 %	
Double Play Penetration (h)	25.4 %	25.6 %	26.1 %	27.0 %	27.0 %	27.9 %	28.8 %	29.9 %	30.7 %	30.7 %	31.2 %	
Triple Play Penetration (h)	33.5 %	33.0 %	32.3 %	31.4 %	31.4 %	30.0 %	28.8 %	27.3 %	26.2 %	26.2 %	25.2 %	
% Residential Non-Video Customer Relationships	36.7 %	37.4 %	38.1 %	38.7 %	38.7 %	40.0 %	40.9 %	41.8 %	42.7 %	42.7 %	44.0 %	
Monthly Residential Revenue per Residential Customer (d)	\$111.41	\$111.88	\$111.13	\$111.78	\$111.56	\$112.47	\$112.20	\$112.00	\$113.79	\$112.63	\$112.73	
Small and Medium Business												
PSUs												
Internet	1,503	1,552	1,594	1,634	1,634	1,664	1,701	1,730	1,756	1,756	1,775	
Video	460	476	488	502	502	509	518	520	524	524	524	
Voice	957	994	1,024	1,051	1,051	1,072	1,097	1,120	1,144	1,144	1,162	
Net Additions (Losses)												
Internet	33	49	42	40	164	30	37	29	26	122	19	
Video	10	16	12	14	52	7	9	2	4	22	—	
Voice	27	37	30	27	121	21	25	23	24	93	18	
Monthly Small and Medium Business Revenue per Customer (e)	\$178.84	\$176.96	\$173.52	\$170.62	\$174.88	\$170.64	\$170.42	\$169.44	\$169.06	\$169.90	\$168.83	
Mobile Lines												
Residential and Small and Medium Business Mobile Lines	—	—	21	134	134	310	518	794	1,082	1,082	1,372	
Net Additions	—	—	21	113	134	176	208	276	288	948	290	
Enterprise PSUs (f)												
Enterprise PSUs	228	235	243	248	248	253	258	264	267	267	269	
Net Additions	8	7	8	5	28	5	5	6	3	19	2	

All percentages are calculated using whole numbers. Minor differences may exist due to rounding. See footnotes on page 6.

Charter Communications, Inc.
Ending Customers and Net Additions on COVID-19 Offers
As of and For the Quarter Ended March 31, 2020
(in thousands, unaudited)

	<u>Remote Education Offer (a)</u>	<u>Keep Americans Connected (b)</u>	<u>Small and Medium Business Seasonal Plan (c)</u>	<u>Total</u>
Residential				
Ending Customers				
Customer Relationships	119	1	n/a	120
Internet PSUs	119	1	n/a	120
Video PSUs	46 (d)	1	n/a	47
Voice PSUs	34 (d)	—	n/a	34
Mobile Lines	3 (d)	—	n/a	3
Quarterly Net Additions				
Customer Relationships	113	1	n/a	114
Internet PSUs	119	1	n/a	120
Video PSUs	41 (d)	1	n/a	42
Voice PSUs	33 (d)	—	n/a	33
Mobile Lines	3 (d)	—	n/a	3
Small and Medium Business				
Ending Customers				
Customer Relationships	n/a	—	5	5
Internet PSUs	n/a	—	4	4
Video PSUs	n/a	—	2	2
Voice PSUs	n/a	—	3	3
Mobile Lines	n/a	—	—	—
Quarterly Net Additions				
Customer Relationships	n/a	—	5	5
Internet PSUs	n/a	—	4	4
Video PSUs	n/a	—	2	2
Voice PSUs	n/a	—	3	3
Mobile Lines	n/a	—	—	—
Residential and Small and Medium Business				
Ending Customers				
Customer Relationships	119	1	5	125
Internet PSUs	119	1	4	124
Video PSUs	46 (d)	1	2	49
Voice PSUs	34 (d)	—	3	37
Mobile Lines	3 (d)	—	—	3
Quarterly Net Additions				
Customer Relationships	113	1	5	119
Internet PSUs	119	1	4	124
Video PSUs	41 (d)	1	2	44
Voice PSUs	33 (d)	—	3	36
Mobile Lines	3 (d)	—	—	3

- (a) The Remote Education Offer ("REO") represents residential customers participating in Charter's free 60-day Internet offer available to households with K-12 and/or college students or educators who are not currently Spectrum Internet customers. These residential customers are generally eligible to purchase additional products and services (i.e., video, voice and mobile) at current promotional rates.
- (b) As part of our pledge to the FCC, Keep Americans Connected customers represents customers who would have been disconnected by quarter end as a result of non-payment under our normal policies, but were not disconnected and collection efforts paused due to COVID-19 related payment challenges. As of quarter end, approximately 140,000 residential customers had requested protection from disconnection under the pledge of which 1,000 would have been disconnected for non-payment under our normal policies. At the end of April, 36,000 of those 140,000 customers' outstanding balance is now fully current, and in total nearly 50% have made partial or full payments since entering disconnection protection. However, at the end of April, 67,000 of those 140,000 customers now have past due balances beyond the point of normal disconnection.
- (c) Small and Medium Business Seasonal Plan represents small and medium business customers who have requested a reduced level of service and now pay a reduced price for their service due to temporary business closure or because these customers have reduced their service offering to their own customers.
- (d) Customers that connected as part of the REO who have subscribed to products in addition to Spectrum Internet (i.e., video, voice, mobile) during the 60-day Free Internet Offer. Billings are not deferred for these additional services. Approximately 5,000 and 1,000 of the REO customers were current video and voice customers, respectively.

Charter Communications, Inc.
Revenue, Expenses and Adjusted EBITDA ⁽ⁱ⁾

(\$ in millions; unaudited)

	2018					2019					2020
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q
Revenue											
Internet	\$ 3,707	\$ 3,770	\$ 3,809	\$ 3,895	\$15,181	\$ 4,024	\$ 4,103	\$ 4,195	\$ 4,345	\$16,667	\$4,407
Video	4,292	4,363	4,332	4,361	17,348	4,384	4,391	4,359	4,473	17,607	4,422
Voice	556	531	512	515	2,114	504	489	477	450	1,920	457
Residential Revenue	8,555	8,664	8,653	8,771	34,643	8,912	8,983	9,031	9,268	36,194	9,286
Small and Medium Business	900	915	922	928	3,665	945	963	974	986	3,868	996
Enterprise	622	627	632	647	2,528	643	652	644	617	2,556	622
Commercial Revenue	1,522	1,542	1,554	1,575	6,193	1,588	1,615	1,618	1,603	6,424	1,618
Advertising Sales	356	427	440	562	1,785	345	395	394	434	1,568	365
Mobile	—	—	17	89	106	140	158	192	236	726	258
Other	224	221	228	234	907	221	196	215	220	852	211
Total Revenue	\$10,657	\$10,854	\$10,892	\$11,231	\$43,634	\$11,206	\$11,347	\$11,450	\$11,761	\$45,764	\$11,738
<i>Y/Y Growth</i>	<i>4.9 %</i>	<i>4.8 %</i>	<i>4.2 %</i>	<i>5.9 %</i>	<i>4.9 %</i>	<i>5.1 %</i>	<i>4.5 %</i>	<i>5.1 %</i>	<i>4.7 %</i>	<i>4.9 %</i>	<i>4.8 %</i>
Costs and Expenses											
Programming	\$ 2,752	\$ 2,803	\$ 2,778	\$ 2,791	\$11,124	\$ 2,865	\$ 2,827	\$ 2,790	\$ 2,808	\$11,290	\$2,892
Regulatory, Connectivity and Produced Content	533	560	546	571	2,210	561	597	612	596	2,366	551
Costs to Service Customers	1,854	1,784	1,854	1,835	7,327	1,822	1,767	1,894	1,794	7,277	1,848
Marketing	751	769	790	732	3,042	735	768	793	748	3,044	766
Mobile	8	33	94	211	346	260	277	337	372	1,246	374
Other Expense	866	854	879	927	3,526	908	926	938	914	3,686	911
Total Operating Costs and Expenses	\$ 6,764	\$ 6,803	\$ 6,941	\$ 7,067	\$27,575	\$ 7,151	\$ 7,162	\$ 7,364	\$ 7,232	\$28,909	\$7,342
Adjusted EBITDA ⁽ⁱ⁾											
Adjusted EBITDA ⁽ⁱ⁾	\$ 3,893	\$ 4,051	\$ 3,951	\$ 4,164	\$16,059	\$ 4,055	\$ 4,185	\$ 4,086	\$ 4,529	\$16,855	\$4,396
<i>Y/Y Growth</i>	<i>6.5 %</i>	<i>5.3 %</i>	<i>3.5 %</i>	<i>4.6 %</i>	<i>5.0 %</i>	<i>4.2 %</i>	<i>3.3 %</i>	<i>3.4 %</i>	<i>8.8 %</i>	<i>5.0 %</i>	<i>8.4 %</i>
Adjusted EBITDA Margin	<i>36.5 %</i>	<i>37.3 %</i>	<i>36.3 %</i>	<i>37.1 %</i>	<i>36.8 %</i>	<i>36.2 %</i>	<i>36.9 %</i>	<i>35.7 %</i>	<i>38.5 %</i>	<i>36.8 %</i>	<i>37.4 %</i>
Cable Adjusted EBITDA ⁽ⁱ⁾	\$ 3,901	\$ 4,084	\$ 4,028	\$ 4,286	\$16,299	\$ 4,175	\$ 4,304	\$ 4,231	\$ 4,665	\$17,375	\$4,512
<i>Cable Y/Y Growth</i>	<i>6.8 %</i>	<i>6.2 %</i>	<i>5.5 %</i>	<i>7.6 %</i>	<i>6.5 %</i>	<i>7.0 %</i>	<i>5.4 %</i>	<i>5.0 %</i>	<i>8.9 %</i>	<i>6.6 %</i>	<i>8.1 %</i>
Cable Adjusted EBITDA Margin	<i>36.6 %</i>	<i>37.6 %</i>	<i>37.0 %</i>	<i>38.5 %</i>	<i>37.4 %</i>	<i>37.7 %</i>	<i>38.5 %</i>	<i>37.6 %</i>	<i>40.5 %</i>	<i>38.6 %</i>	<i>39.3 %</i>

Adjusted EBITDA ⁽ⁱ⁾ and cable Adjusted EBITDA ⁽ⁱ⁾ are non-GAAP terms. See page 4 for the reconciliation of Adjusted EBITDA ⁽ⁱ⁾ and cable Adjusted EBITDA ⁽ⁱ⁾ to net income attributable to Charter shareholders as defined by GAAP.

All percentages are calculated using whole numbers. Minor differences may exist due to rounding. See footnotes on page 6.

Charter Communications, Inc.
Capital Expenditures

(\$ in millions; unaudited)

	2018					2019					2020
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q
Capital Expenditures											
Customer premise equipment (j)	\$ 934	\$ 828	\$ 675	\$ 687	\$ 3,124	\$ 565	\$ 492	\$ 470	\$ 543	\$ 2,070	\$ 463
Scalable infrastructure (k)	486	587	505	649	2,227	297	223	320	599	1,439	170
Line extensions (l)	291	353	348	381	1,373	321	363	370	390	1,444	343
Success Based	1,711	1,768	1,528	1,717	6,724	1,183	1,078	1,160	1,532	4,953	976
Upgrade/Rebuild (m)	142	190	190	182	704	131	155	165	183	634	129
Support capital (n)	330	433	400	534	1,697	351	364	326	567	1,608	356
Total capital expenditures	2,183	2,391	2,118	2,433	9,125	1,665	1,597	1,651	2,282	7,195	1,461
Less: Mobile capital expenditures	(17)	(53)	(66)	(106)	(242)	(88)	(93)	(100)	(151)	(432)	(87)
Cable capital expenditures	\$ 2,166	\$ 2,338	\$ 2,052	\$ 2,327	\$ 8,883	\$ 1,577	\$ 1,504	\$ 1,551	\$ 2,131	\$ 6,763	\$ 1,374
Capital expenditures included in total related to:											
Commercial services	\$ 283	\$ 309	\$ 342	\$ 379	\$ 1,313	\$ 305	\$ 324	\$ 327	\$ 358	\$ 1,314	\$ 261
All-digital transition	\$ 186	\$ 88	\$ 42	\$ 28	\$ 344	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

See footnotes on page 6.

Charter Communications, Inc.
Reconciliation of Non-GAAP Measures to GAAP Measures

(\$ in millions; unaudited)

	2018					2019					2020
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q
Reconciliation											
Net income attributable to Charter shareholders	\$ 168	\$ 273	\$ 493	\$ 296	\$ 1,230	\$ 253	\$ 314	\$ 387	\$ 714	\$ 1,668	\$ 396
Plus:											
Net income attributable to noncontrolling interest	55	66	91	64	276	64	72	80	108	324	71
Interest expense, net	851	878	901	910	3,540	925	945	963	964	3,797	980
Income tax expense	28	41	109	2	180	119	84	126	110	439	29
Depreciation and amortization	2,710	2,592	2,482	2,534	10,318	2,550	2,500	2,415	2,461	9,926	2,497
Stock compensation expense	72	70	71	72	285	85	82	71	77	315	90
Loss on extinguishment of debt	—	—	—	—	—	—	—	—	25	25	27
(Gain) loss on financial instruments, net	(63)	75	(12)	110	110	(37)	119	34	(62)	54	318
Other pension (benefits) costs, net	(20)	(20)	(207)	55	(192)	(9)	(9)	(9)	96	69	(10)
Other, net	92	76	23	121	312	105	78	19	36	238	(2)
Adjusted EBITDA ⁽ⁱ⁾	3,893	4,051	3,951	4,164	16,059	4,055	4,185	4,086	4,529	16,855	4,396
Less: Mobile revenue	—	—	(17)	(89)	(106)	(140)	(158)	(192)	(236)	(726)	(258)
Plus: Mobile costs and expenses	8	33	94	211	346	260	277	337	372	1,246	374
Cable Adjusted EBITDA ⁽ⁱ⁾	\$ 3,901	\$ 4,084	\$ 4,028	\$ 4,286	\$16,299	\$ 4,175	\$ 4,304	\$ 4,231	\$ 4,665	\$17,375	\$ 4,512
Net cash flows from operating activities	\$ 2,699	\$ 3,096	\$ 2,804	\$ 3,168	\$11,767	\$ 2,686	\$ 2,761	\$ 2,943	\$ 3,358	\$11,748	\$ 3,220
Less:											
Purchases of property, plant and equipment	(2,183)	(2,391)	(2,118)	(2,433)	(9,125)	(1,665)	(1,597)	(1,651)	(2,282)	(7,195)	(1,461)
Change in accrued expenses related to capital expenditures	(565)	99	(154)	150	(470)	(376)	(52)	(21)	504	55	(388)
Free cash flow ⁽ⁱ⁾	(49)	804	532	885	2,172	645	1,112	1,271	1,580	4,608	1,371
Plus:											
Mobile net cash outflows from operating activities	8	63	83	198	352	203	204	156	166	729	173
Purchases of mobile property, plant and equipment	17	53	66	106	242	88	93	100	151	432	87
Cable free cash flow ⁽ⁱ⁾	\$ (24)	\$ 920	\$ 681	\$ 1,189	\$ 2,766	\$ 936	\$ 1,409	\$ 1,527	\$ 1,897	\$ 5,769	\$ 1,631

See page 3 for detail of the components included within Adjusted EBITDA ⁽ⁱ⁾ and cable Adjusted EBITDA ⁽ⁱ⁾.

The above schedule is presented in order to reconcile Adjusted EBITDA ⁽ⁱ⁾, cable Adjusted EBITDA ⁽ⁱ⁾, free cash flow and cable free cash flow, non-GAAP measures, to the most directly comparable GAAP measures in accordance with Section 401(b) of the Sarbanes-Oxley Act. See footnotes on page 6.

Charter Communications, Inc.

Notes

- (a) Passings represent our estimate of the number of units, such as single family homes, apartment and condominium units and small and medium business and enterprise sites passed by our cable distribution network in the areas where we offer service. These estimates are based upon the information available at this time and are updated for all periods presented when new information becomes available. Passings in prior periods have been updated to reflect standardization of definitions and presentation among legacy companies.
- (b) Penetration represents residential and small and medium business customers as a percentage of estimated passings. Penetration excludes mobile-only customers.
- (c) Customer relationships include the number of customers that receive one or more levels of service, encompassing Internet, video and voice services, without regard to which service(s) such customers receive. Customers who reside in residential multiple dwelling units ("MDUs") and that are billed under bulk contracts are counted based on the number of billed units within each bulk MDU. Total customer relationships exclude enterprise and mobile-only customer relationships.
- (d) Monthly residential revenue per residential customer is calculated as total residential Internet, video and voice quarterly revenue divided by three divided by average residential customer relationships during the respective quarter. Monthly residential revenue per residential customer excludes mobile revenue and customers.
- (e) Monthly small and medium business revenue per small and medium business customer is calculated as total small and medium business quarterly revenue divided by three divided by average small and medium business customer relationships during the respective quarter. Monthly small and medium business revenue per small and medium customer excludes mobile revenue and customers.
- (f) Enterprise PSUs represents the aggregate number of fiber service offerings counting each separate service offering at each customer location as an individual PSU.
- (g) Single play, double play and triple play customers represent customers that subscribe to one, two or three of our cable service offerings, respectively, excluding mobile.
- (h) Single play, double play and triple play penetration represents the number of residential single play, double play and triple play cable customers, respectively, as a percentage of residential customer relationships, excluding mobile.
- (i) Adjusted EBITDA is defined as net income attributable to Charter shareholders plus net income attributable to noncontrolling interest, net interest expense, income taxes, depreciation and amortization, stock compensation expense, loss on extinguishment of debt, (gain) loss on financial instruments, net, other pension (benefits) costs, other (income) expense, net and other operating (income) expenses, such as special charges and (gain) loss on sale or retirement of assets. As such, it eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of our businesses as well as other non-cash or special items, and is unaffected by our capital structure or investment activities.

Free cash flow is defined as net cash flows from operating activities, less capital expenditures and changes in accrued expenses related to capital expenditures.

Cable Adjusted EBITDA is defined as Adjusted EBITDA less mobile revenues plus mobile operating costs and expenses. Cable free cash flow is defined as free cash flow plus net cash outflows from operating activities and capital expenditures related to mobile.

- (j) Customer premise equipment includes costs incurred at the customer residence to secure new customers and revenue generating units, including customer installation costs and customer premise equipment (e.g., set-top boxes and cable modems, etc.).
- (k) Scalable infrastructure includes costs, not related to customer premise equipment or our network, to secure growth of new customers and revenue generating units, or provide service enhancements (e.g., headend equipment).
- (l) Line extensions include network costs associated with entering new service areas (e.g., fiber/coaxial cable, amplifiers, electronic equipment, make-ready and design engineering).
- (m) Upgrade/rebuild includes costs to modify or replace existing fiber/coaxial cable networks, including betterments.
- (n) Support capital includes costs associated with the replacement or enhancement of non-network assets due to technological and physical obsolescence (e.g., non-network equipment, land, buildings and vehicles).