

Charter Communications, Inc.

Customer Metrics

(in thousands except ARPU and penetration, unaudited)

	2017					2018					2019		
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q
Footprint (a)													
Estimated Video Passings	49,286	49,500	49,738	49,973	49,973	50,165	50,364	50,616	50,824	50,824	51,023	51,258	51,579
Estimated Internet Passings	49,008	49,228	49,479	49,727	49,727	49,947	50,149	50,421	50,652	50,652	50,857	51,093	51,416
Estimated Voice Passings	48,215	48,472	48,716	48,995	48,995	49,265	49,532	49,833	50,086	50,086	50,292	50,538	50,867
Penetration Statistics (b)													
Video Penetration of Estimated Video Passings	34.5%	34.2%	33.8%	33.7%	33.7%	33.4%	33.1%	32.9%	32.7%	32.7%	32.3%	31.8%	31.5%
Internet Penetration of Estimated Internet Passings	47.2%	47.5%	47.9%	48.2%	48.2%	48.8%	49.1%	49.4%	49.9%	49.9%	50.5%	50.8%	51.2%
Voice Penetration of Estimated Voice Passings	23.2%	23.2%	23.2%	23.2%	23.2%	23.0%	22.9%	22.6%	22.3%	22.3%	22.0%	21.6%	21.1%
Customer Relationships (c)													
Residential	24,991	25,157	25,329	25,499	25,499	25,730	25,871	26,063	26,270	26,270	26,591	26,755	27,037
Small and Medium Business	1,533	1,580	1,623	1,662	1,662	1,695	1,750	1,792	1,833	1,833	1,863	1,902	1,930
Total Customer Relationships	26,524	26,737	26,952	27,161	27,161	27,425	27,621	27,855	28,103	28,103	28,454	28,657	28,967
Net Additions/(Losses)													
Residential	321	166	172	170	829	231	141	192	207	771	321	164	282
Small and Medium Business	37	47	43	39	166	33	55	42	41	171	30	39	28
Total Customer Relationships	358	213	215	209	995	264	196	234	248	942	351	203	310
Residential													
Primary Service Units ("PSU")													
Video	16,593	16,502	16,398	16,400	16,400	16,279	16,206	16,140	16,104	16,104	15,952	15,802	15,725
Internet	21,775	22,005	22,255	22,518	22,518	22,852	23,070	23,336	23,625	23,625	24,023	24,244	24,595
Voice	10,361	10,375	10,401	10,424	10,424	10,370	10,325	10,218	10,135	10,135	10,015	9,808	9,595
Net Additions/(Losses)													
Video	(108)	(91)	(104)	2	(301)	(121)	(73)	(66)	(36)	(296)	(152)	(150)	(77)
Internet	416	230	250	263	1,159	334	218	266	289	1,107	398	221	351
Voice	30	14	26	23	93	(54)	(45)	(107)	(83)	(289)	(120)	(207)	(213)
Single Play (g)	9,860	10,062	10,258	10,341	10,341	10,577	10,694	10,858	10,928	10,928	11,189	11,354	11,557
Double Play (g)	6,523	6,467	6,418	6,473	6,473	6,537	6,633	6,789	7,097	7,097	7,412	7,709	8,088
Triple Play (g)	8,608	8,628	8,653	8,685	8,685	8,616	8,544	8,416	8,245	8,245	7,990	7,692	7,392
Single Play Penetration (h)	39.5%	40.0%	40.5%	40.6%	40.6%	41.1%	41.3%	41.7%	41.6%	41.6%	42.1%	42.4%	42.7%
Double Play Penetration (h)	26.1%	25.7%	25.3%	25.4%	25.4%	25.4%	25.6%	26.1%	27.0%	27.0%	27.9%	28.8%	29.9%
Triple Play Penetration (h)	34.4%	34.3%	34.2%	34.1%	34.1%	33.5%	33.0%	32.3%	31.4%	31.4%	30.0%	28.8%	27.3%
% Residential Non-Video Customer Relationships	33.6%	34.4%	35.3%	35.7%	35.7%	36.7%	37.4%	38.1%	38.7%	38.7%	40.0%	40.9%	41.8%
Monthly Residential Revenue per Residential Customer (d)	\$ 109.64	\$ 109.99	\$ 110.66	\$ 110.74	\$ 110.28	\$ 111.41	\$ 111.88	\$ 111.13	\$ 111.78	\$ 111.56	\$ 112.47	\$ 112.20	\$ 112.00
Small and Medium Business													
PSUs													
Video	408	423	438	450	450	460	476	488	502	502	509	518	520
Internet	1,351	1,390	1,429	1,470	1,470	1,503	1,552	1,594	1,634	1,634	1,664	1,701	1,730
Voice	824	863	898	930	930	957	994	1,024	1,051	1,051	1,072	1,097	1,120
Net Additions/(Losses)													
Video	11	15	15	12	53	10	16	12	14	52	7	9	2
Internet	31	39	39	41	150	33	49	42	40	164	30	37	29
Voice	31	39	35	32	137	27	37	30	27	121	21	25	23
Monthly Small and Medium Business Revenue per Customer (e)	\$ 190.80	\$ 190.37	\$ 186.66	\$ 181.57	187.24	\$ 178.84	\$ 176.96	\$ 173.52	\$ 170.62	174.88	\$ 170.64	\$ 170.42	\$ 169.44
Enterprise PSUs (f)													
Enterprise PSUs	196	202	210	220	220	228	235	243	248	248	253	258	264

Customer metrics do not include mobile. All percentages are calculated using whole numbers. Minor differences may exist due to rounding.
See footnotes on page 5.

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

(\$ in millions; unaudited)

	2017					2018					2019		
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q
Revenue													
Video	\$ 4,074	\$ 4,119	\$ 4,208	\$ 4,220	\$16,621	\$ 4,292	\$ 4,363	\$ 4,332	\$ 4,361	\$17,348	\$ 4,384	\$ 4,391	\$ 4,359
Internet	3,397	3,512	3,555	3,637	14,101	3,707	3,770	3,809	3,895	15,181	4,024	4,103	4,195
Voice	694	650	611	587	2,542	556	531	512	515	2,114	504	489	477
Residential Revenue	8,165	8,281	8,374	8,444	33,264	8,555	8,664	8,653	8,771	34,643	8,912	8,983	9,031
Small and Medium Business	866	890	896	895	3,547	900	915	922	928	3,665	945	963	974
Enterprise	579	588	594	612	2,373	622	627	632	647	2,528	643	652	644
Commercial Revenue	1,445	1,478	1,490	1,507	5,920	1,522	1,542	1,554	1,575	6,193	1,588	1,615	1,618
Advertising Sales	337	381	373	419	1,510	356	427	440	562	1,785	345	395	394
Mobile	—	—	—	—	—	—	—	17	89	106	140	158	192
Other	217	217	221	232	887	224	221	228	234	907	221	196	215
Total Revenue	\$10,164	\$10,357	\$10,458	\$10,602	\$41,581	\$10,657	\$10,854	\$10,892	\$11,231	\$43,634	\$11,206	\$11,347	\$11,450
Y/Y Growth	4.3%	3.9%	4.2%	3.2%	3.9%	4.9%	4.8%	4.2%	5.9%	4.9%	5.1%	4.5%	5.1%
Costs and Expenses													
Programming	\$ 2,604	\$ 2,649	\$ 2,699	\$ 2,644	\$10,596	\$ 2,752	\$ 2,803	\$ 2,778	\$ 2,791	\$11,124	\$ 2,865	\$ 2,827	\$ 2,790
Regulatory, Connectivity and Produced Content	498	532	523	511	2,064	533	560	546	571	2,210	561	597	612
Costs to Service Customers	1,800	1,762	1,823	1,850	7,235	1,854	1,784	1,854	1,835	7,327	1,822	1,767	1,894
Marketing	765	760	761	750	3,036	751	769	790	732	3,042	735	768	793
Mobile	—	—	—	—	—	8	33	94	211	346	260	277	337
Other Expense	843	807	833	866	3,349	866	854	879	927	3,526	908	926	938
Total Operating Costs and Expenses	\$ 6,510	\$ 6,510	\$ 6,639	\$ 6,621	\$26,280	\$ 6,764	\$ 6,803	\$ 6,941	\$ 7,067	\$27,575	\$ 7,151	\$ 7,162	\$ 7,364
Adjusted EBITDA ⁽ⁱ⁾													
Adjusted EBITDA ⁽ⁱ⁾	\$ 3,654	\$ 3,847	\$ 3,819	\$ 3,981	\$15,301	\$ 3,893	\$ 4,051	\$ 3,951	\$ 4,164	\$16,059	\$ 4,055	\$ 4,185	\$ 4,086
Y/Y Growth	6.4%	8.6%	5.0%	3.3%	5.8%	6.5%	5.3%	3.5%	4.6%	5.0%	4.2%	3.3%	3.4%
Adjusted EBITDA Margin	35.9%	37.1%	36.5%	37.5%	36.8%	36.5%	37.3%	36.3%	37.1%	36.8%	36.2%	36.9%	35.7%
Cable Adjusted EBITDA ⁽ⁱ⁾						\$ 3,901	\$ 4,084	\$ 4,028	\$ 4,286	\$16,299	\$ 4,175	\$ 4,304	\$ 4,231
Cable Y/Y Growth						6.8%	6.2%	5.5%	7.6%	6.5%	7.0%	5.4%	5.0%
Cable Adjusted EBITDA Margin						36.6%	37.6%	37.0%	38.5%	37.4%	37.7%	38.5%	37.6%

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.

Year over year revenue and Adjusted EBITDA growth for Q1 2017, Q2 2017 and full year 2017 are on a pro forma basis assuming the acquisition of cable systems in 2016 occurred as of January 1, 2015. Actual year over year revenue and Adjusted EBITDA growth for Q1 2017, Q2 2017 and full year 2017 is not meaningful.

All percentages are calculated using whole numbers. Minor differences may exist due to rounding. See footnotes on page 5.

Charter Communications, Inc.
Capital Expenditures

(\$ in millions; unaudited)

	2017					2018					2019		
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q
Capital Expenditures													
Customer premise equipment (j)	\$ 707	\$ 1,017	\$ 855	\$ 806	\$ 3,385	\$ 934	\$ 828	\$ 675	\$ 687	\$ 3,124	\$ 565	\$ 492	\$ 470
Scalable infrastructure (k)	268	382	632	725	2,007	486	587	505	649	2,227	297	223	320
Line extensions (l)	248	297	319	312	1,176	291	353	348	381	1,373	321	363	370
Success Based	1,223	1,696	1,806	1,843	6,568	1,711	1,768	1,528	1,717	6,724	1,183	1,078	1,160
Upgrade/Rebuild (m)	107	145	163	157	572	142	190	190	182	704	131	155	165
Support capital (n)	225	307	424	585	1,541	330	433	400	534	1,697	351	364	326
Total capital expenditures	1,555	2,148	2,393	2,585	8,681	2,183	2,391	2,118	2,433	9,125	1,665	1,597	1,651
Less: Mobile capital expenditures	—	—	—	—	—	(17)	(53)	(66)	(106)	(242)	(88)	(93)	(100)
Cable capital expenditures	\$ 1,555	\$ 2,148	\$ 2,393	\$ 2,585	\$ 8,681	\$ 2,166	\$ 2,338	\$ 2,052	\$ 2,327	\$ 8,883	\$ 1,577	\$ 1,504	\$ 1,551
Capital expenditures included in total related to:													
Commercial services	\$ 268	\$ 335	\$ 342	\$ 360	\$ 1,305	\$ 283	\$ 309	\$ 342	\$ 379	\$ 1,313	\$ 305	\$ 324	\$ 327
All-digital transition	\$ 1	\$ 5	\$ 47	\$ 69	\$ 122	\$ 186	\$ 88	\$ 42	\$ 28	\$ 344	\$ —	\$ —	\$ —
Plant Stats:													
750+ Megahertz					98%					99%			
Two-way activated					99%					100%			
All-digital					74%					100%			
DOCSIS 3.1					17%					99%			

See footnotes on page 5.

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

(\$ in millions; unaudited)

	2017					2018					2019		
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q
Reconciliation													
Net income attributable to Charter shareholders	\$ 155	\$ 139	\$ 48	\$ 9,553	\$ 9,895	\$ 168	\$ 273	\$ 493	\$ 296	\$ 1,230	\$ 253	\$ 314	\$ 387
Plus:													
Net income attributable to noncontrolling interest	56	56	44	64	220	55	66	91	64	276	64	72	80
Interest expense, net	713	749	788	840	3,090	851	878	901	910	3,540	925	945	963
Income tax (benefit) expense	25	48	26	(9,186)	(9,087)	28	41	109	2	180	119	84	126
Depreciation and amortization	2,550	2,595	2,701	2,742	10,588	2,710	2,592	2,482	2,534	10,318	2,550	2,500	2,415
Stock compensation expense	69	65	64	63	261	72	70	71	72	285	85	82	71
Loss on extinguishment of debt	34	1	—	5	40	—	—	—	—	—	—	—	—
(Gain) loss on financial instruments, net	(38)	70	(17)	(84)	(69)	(63)	75	(12)	110	110	(37)	119	34
Other pension (benefits) costs	(13)	(13)	17	8	(1)	(20)	(20)	(207)	55	(192)	(9)	(9)	(9)
Other, net	103	137	148	(24)	364	92	76	23	121	312	105	78	19
Adjusted EBITDA ⁽ⁱ⁾	3,654	3,847	3,819	3,981	15,301	3,893	4,051	3,951	4,164	16,059	4,055	4,185	4,086
Less: Mobile revenue	—	—	—	—	—	—	—	(17)	(89)	(106)	(140)	(158)	(192)
Plus: Mobile costs and Expenses	—	—	—	—	—	8	33	94	211	346	260	277	337
Cable Adjusted EBITDA ⁽ⁱ⁾	\$ 3,654	\$ 3,847	\$ 3,819	\$ 3,981	\$ 15,301	\$ 3,901	\$ 4,084	\$ 4,028	\$ 4,286	\$ 16,299	\$ 4,175	\$ 4,304	\$ 4,231
Net cash flows from operating activities	\$ 2,843	\$ 2,945	\$ 2,908	\$ 3,258	\$ 11,954	\$ 2,699	\$ 3,096	\$ 2,804	\$ 3,168	\$ 11,767	\$ 2,686	\$ 2,761	\$ 2,943
Less:													
Purchases of property, plant and equipment	(1,555)	(2,148)	(2,393)	(2,585)	(8,681)	(2,183)	(2,391)	(2,118)	(2,433)	(9,125)	(1,665)	(1,597)	(1,651)
Change in accrued expenses related to capital expenditures	(150)	347	79	544	820	(565)	99	(154)	150	(470)	(376)	(52)	(21)
Free cash flow ⁽ⁱ⁾	1,138	1,144	594	1,217	4,093	(49)	804	532	885	2,172	645	1,112	1,271
Plus:													
Mobile net cash outflows from operating activities	—	—	—	—	—	8	63	83	198	352	203	204	156
Purchases of mobile property, plant and equipment	—	—	—	—	—	17	53	66	106	242	88	93	100
Cable free cash flow ⁽ⁱ⁾	\$ 1,138	\$ 1,144	\$ 594	\$ 1,217	\$ 4,093	\$ (24)	\$ 920	\$ 681	\$ 1,189	\$ 2,766	\$ 936	\$ 1,409	\$ 1,527

See page 2 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 5.

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 the service indicated. These estimates are based upon the information available at this time and are updated for all periods presented when new information becomes available.
- (b) Penetration represents residential and small and medium business customers as a percentage of estimated passings for the service indicated.
- (c) Customer relationships include the number of customers that receive one or more levels of service, encompassing video, Internet 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 customer relationships.
- (d) Monthly residential revenue per residential customer is calculated as total residential video, Internet and voice quarterly revenue divided by three divided by average residential customer relationships during the respective quarter.
- (e) Monthly small and medium business revenue per 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.
- (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 Charter service offerings, respectively.
- (h) Single play, double play and triple play penetration represents the number of residential single play, double play and triple play customers, respectively, as a percentage of residential customer relationships.
- (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).