

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS AND OPERATING DATA
(dollars in millions, except per share data)

	Three Months Ended March 31,		
	2020	2019	% Change
REVENUES:			
Internet	\$ 4,407	\$ 4,024	9.5 %
Video	4,422	4,384	0.9 %
Voice	457	504	(9.4)%
Residential revenue	9,286	8,912	4.2 %
Small and medium business	996	945	5.4 %
Enterprise	622	643	(3.2)%
Commercial revenue	1,618	1,588	1.9 %
Advertising sales	365	345	5.7 %
Mobile	258	140	85.0 %
Other	211	221	(4.4)%
Total Revenue	<u>11,738</u>	<u>11,206</u>	4.8 %
COSTS AND EXPENSES:			
Programming	2,892	2,865	0.9 %
Regulatory, connectivity and produced content	551	561	(1.7)%
Costs to service customers	1,848	1,822	1.4 %
Marketing	766	735	4.2 %
Mobile	374	260	44.4 %
Other expense	911	908	0.4 %
Total operating costs and expenses (exclusive of items shown separately below)	<u>7,342</u>	<u>7,151</u>	2.7 %
Adjusted EBITDA	<u>4,396</u>	<u>4,055</u>	8.4 %
Adjusted EBITDA margin	<u>37.4 %</u>	<u>36.2 %</u>	
Depreciation and amortization	2,497	2,550	
Stock compensation expense	90	85	
Other operating (income) expenses, net	7	(5)	
Income from operations	<u>1,802</u>	<u>1,425</u>	
OTHER INCOME (EXPENSES):			
Interest expense, net	(980)	(925)	
Loss on extinguishment of debt	(27)	—	
Gain (loss) on financial instruments, net	(318)	37	
Other pension benefits, net	10	9	
Other income (expense), net	9	(110)	
	<u>(1,306)</u>	<u>(989)</u>	
Income before income taxes	496	436	
Income tax expense	(29)	(119)	
Consolidated net income	467	317	
Less: Net income attributable to noncontrolling interests	(71)	(64)	
Net income attributable to Charter shareholders	<u>\$ 396</u>	<u>\$ 253</u>	
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CHARTER SHAREHOLDERS:			
Basic	<u>\$ 1.91</u>	<u>\$ 1.13</u>	
Diluted	<u>\$ 1.86</u>	<u>\$ 1.11</u>	
Weighted average common shares outstanding, basic	<u>207,831,305</u>	<u>224,630,122</u>	
Weighted average common shares outstanding, diluted	<u>212,810,613</u>	<u>227,595,365</u>	

Adjusted EBITDA is a non-GAAP term. See page 8 of this addendum for the reconciliation of Adjusted EBITDA 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.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(dollars in millions)

	March 31,	December 31,
	2020	2019
	(unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,908	\$ 3,483
Accounts receivable, net	2,091	2,227
Prepaid expenses and other current assets	760	761
Total current assets	5,759	6,471
RESTRICTED CASH	28	66
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	34,096	34,591
Customer relationships, net	6,955	7,453
Franchises	67,322	67,322
Goodwill	29,554	29,554
Total investment in cable properties, net	137,927	138,920
OTHER NONCURRENT ASSETS	2,838	2,731
Total assets	\$ 146,552	\$ 148,188
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 8,310	\$ 8,885
Current portion of long-term debt	4,905	3,500
Total current liabilities	13,215	12,385
LONG-TERM DEBT	74,787	75,578
DEFERRED INCOME TAXES	17,665	17,711
OTHER LONG-TERM LIABILITIES	4,163	3,703
SHAREHOLDERS' EQUITY:		
Controlling interest	29,628	31,445
Noncontrolling interests	7,094	7,366
Total shareholders' equity	36,722	38,811
Total liabilities and shareholders' equity	\$ 146,552	\$ 148,188

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in millions)

	Three Months Ended March 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net income	\$ 467	\$ 317
Adjustments to reconcile consolidated net income to net cash flows from operating activities:		
Depreciation and amortization	2,497	2,550
Stock compensation expense	90	85
Noncash interest income, net	(12)	(55)
Other pension benefits, net	(10)	(9)
Loss on extinguishment of debt	27	—
(Gain) loss on financial instruments, net	318	(37)
Deferred income taxes	(14)	81
Other, net	(20)	98
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:		
Accounts receivable	136	155
Prepaid expenses and other assets	(104)	(300)
Accounts payable, accrued liabilities and other	(155)	(199)
Net cash flows from operating activities	3,220	2,686
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(1,461)	(1,665)
Change in accrued expenses related to capital expenditures	(388)	(376)
Real estate investments through variable interest entities	(38)	(39)
Other, net	37	—
Net cash flows from investing activities	(1,850)	(2,080)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt	4,339	6,884
Repayments of long-term debt	(3,589)	(5,572)
Payments for debt issuance costs	(41)	(25)
Issuance of equity	23	—
Purchase of treasury stock	(2,352)	(940)
Proceeds from exercise of stock options	93	44
Purchase of noncontrolling interest	(393)	(93)
Distributions to noncontrolling interest	(39)	(39)
Other, net	(24)	(4)
Net cash flows from financing activities	(1,983)	255
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(613)	861
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	3,549	765
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	\$ 2,936	\$ 1,626
CASH PAID FOR INTEREST	\$ 1,050	\$ 966
CASH PAID FOR TAXES	\$ 19	\$ 4

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
UNAUDITED SUMMARY OF OPERATING STATISTICS
(in thousands, except per customer and penetration data)

	Approximate as of		
	March 31, 2020 (a)	December 31, 2019 (a)	March 31, 2019 (a)
Footprint (b)			
Estimated Passings	52,418	52,154	51,384
Penetration Statistics (c)			
Total Customer Relationship Penetration of Estimated Passings	56.7 %	56.1 %	55.4 %
Customer Relationships (d)			
Residential	27,745	27,277	26,591
Small and Medium Business	1,976	1,958	1,863
Total Customer Relationships	<u>29,721</u>	<u>29,235</u>	<u>28,454</u>
Quarterly Net Additions (Losses)			
Residential	468	240	321
Small and Medium Business	18	28	30
Total Customer Relationships	<u>486</u>	<u>268</u>	<u>351</u>
Residential			
Primary Service Units ("PSUs")			
Internet	25,471	24,908	24,023
Video	15,550	15,620	15,952
Voice	9,360	9,443	10,015
Quarterly Net Additions (Losses)			
Internet	563	313	398
Video	(70)	(105)	(152)
Voice	(83)	(152)	(120)
Single Play (e)	12,099	11,741	11,189
Double Play (e)	8,655	8,377	7,412
Triple Play (e)	6,991	7,159	7,990
Single Play Penetration (f)	43.6 %	43.0 %	42.1 %
Double Play Penetration (f)	31.2 %	30.7 %	27.9 %
Triple Play Penetration (f)	25.2 %	26.2 %	30.0 %
% Residential Non-Video Customer Relationships	44.0 %	42.7 %	40.0 %
Monthly Residential Revenue per Residential Customer (g)	\$ 112.73	\$ 113.79	\$ 112.47
Small and Medium Business			
PSUs			
Internet	1,775	1,756	1,664
Video	524	524	509
Voice	1,162	1,144	1,072
Quarterly Net Additions (Losses)			
Internet	19	26	30
Video	—	4	7
Voice	18	24	21
Monthly Small and Medium Business Revenue per Customer (h)	\$ 168.83	\$ 169.06	\$ 170.64
Mobile Lines			
Residential and Small and Medium Business Mobile Lines	1,372	1,082	310
Net Additions	290	288	176
Enterprise PSUs (i)			
Enterprise PSUs	269	267	253
Net Additions	2	3	5

- (a) We calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, at March 31, 2020, December 31, 2019 and March 31, 2019, customers included approximately 140,800, 154,200 and 171,100 customers, respectively, whose accounts were over 60 days past due, approximately 12,500, 13,500 and 19,500 customers, respectively, whose accounts were over 90 days past due and approximately 8,200, 10,000 and 20,800 customers, respectively, whose accounts were over 120 days past due. As detailed on page 6, our customer counts include those customers who connected as part of our Remote Education Offer and those customers who we have not disconnected in our normal timelines associated with our Keep Americans Connected pledge.
- (b) 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. Passings in prior periods have been updated to reflect standardization of definitions and presentation among legacy companies.
- (c) Penetration represents residential and small and medium business customers as a percentage of estimated passings. Penetration excludes mobile-only customers.
- (d) 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.
- (e) 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.
- (f) 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.
- (g) 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 customers excludes mobile revenue and customers.
- (h) 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.
- (i) Enterprise PSUs represents the aggregate number of fiber service offerings counting each separate service offering at each customer location as an individual PSU.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
UNAUDITED ENDING CUSTOMERS AND NET ADDITIONS ON COVID-19 OFFERS
AS OF AND FOR THE QUARTER ENDED MARCH 31, 2020
(in thousands)

	Remote Education Offer (a)	Keep Americans Connected (b)	Small and Medium Business Seasonal Plan (c)	Total
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. AND SUBSIDIARIES
UNAUDITED RECONCILIATION OF NON-GAAP MEASURES TO GAAP MEASURES
(dollars in millions)

	Three Months Ended March 31,	
	2020	2019
Net income attributable to Charter shareholders	\$ 396	\$ 253
Plus: Net income attributable to noncontrolling interest	71	64
Interest expense, net	980	925
Income tax expense	29	119
Depreciation and amortization	2,497	2,550
Stock compensation expense	90	85
Loss on extinguishment of debt	27	—
(Gain) loss on financial instruments, net	318	(37)
Other pension benefits, net	(10)	(9)
Other, net	(2)	105
Adjusted EBITDA (a)	<u>4,396</u>	<u>4,055</u>
Less: Mobile revenue	(258)	(140)
Plus: Mobile costs and expenses	374	260
Cable Adjusted EBITDA	<u>\$ 4,512</u>	<u>\$ 4,175</u>
Net cash flows from operating activities	\$ 3,220	\$ 2,686
Less: Purchases of property, plant and equipment	(1,461)	(1,665)
Change in accrued expenses related to capital expenditures	(388)	(376)
Free cash flow	<u>1,371</u>	<u>645</u>
Plus: Mobile net cash outflows from operating activities	173	203
Purchases of mobile property, plant and equipment	87	88
Cable free cash flow	<u>\$ 1,631</u>	<u>\$ 936</u>

(a) See page 1 of this addendum for detail of the components included within Adjusted EBITDA.

The above schedule is presented in order to reconcile Adjusted EBITDA, cable Adjusted EBITDA, 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.

CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES
UNAUDITED CAPITAL EXPENDITURES
(dollars in millions)

	Three Months Ended March 31,	
	2020	2019
Customer premise equipment (a)	\$ 463	\$ 565
Scalable infrastructure (b)	170	297
Line extensions (c)	343	321
Upgrade/rebuild (d)	129	131
Support capital (e)	356	351
Total capital expenditures	1,461	1,665
Less: Mobile capital expenditures	(87)	(88)
Cable capital expenditures	\$ 1,374	\$ 1,577

Capital expenditures included in total related to:

Commercial services	\$ 261	\$ 305
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- (a) 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).
- (b) Scalable infrastructure includes costs, not related to customer premise equipment, to secure growth of new customers and revenue generating units, or provide service enhancements (e.g., headend equipment).
- (c) Line extensions include network costs associated with entering new service areas (e.g., fiber/coaxial cable, amplifiers, electronic equipment, make-ready and design engineering).
- (d) Upgrade/rebuild includes costs to modify or replace existing fiber/coaxial cable networks, including betterments.
- (e) 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).