

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

Current Report

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 18, 2025



Charter Communications, Inc. CCO Holdings, LLC CCO Holdings Capital Corp.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

001-33664
001-37789
333-112593-01

(Commission File Number)

84-1496755
86-1067239
20-0257904

(I.R.S. Employer Identification Number)

400 Washington Blvd.

Stamford, Connecticut 06902

(Address of principal executive offices including zip code)

(203) 905-7801

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$.001 Par Value	CHTR	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

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.

ITEM 8.01. OTHER EVENTS.

As previously disclosed, on May 16, 2025, Charter Communications, Inc., a Delaware corporation (“Charter”), entered into a Transaction Agreement (the “Transaction Agreement”) by and among Charter, Charter Communications Holdings, LLC, a Delaware limited liability company and subsidiary of Charter (“Charter Holdings”), and Cox Enterprises, Inc., a Delaware corporation (“Cox Enterprises”), pursuant to which (i) Cox Enterprises will sell and transfer to Charter 100% of the equity interests of certain subsidiaries of Cox Communications, Inc., a wholly owned subsidiary of Cox Enterprises (“Cox Communications”), that conduct Cox Communications’ commercial fiber and managed IT and cloud services businesses, (ii) Cox Enterprises will contribute the equity interests of Cox Communications (after its conversion into a limited liability company pursuant to a preclosing restructuring) and certain other assets (other than certain excluded assets) primarily related to Cox Communications’ residential cable business to Charter Holdings and (iii) Cox Enterprises will pay \$1.00 to Charter (the transactions described in clauses (i)-(iii), collectively, the “Transactions”).

Charter is filing this Current Report on Form 8-K to provide the (i) unaudited interim condensed consolidated financial statements of Cox Communications as of and for the six months ended June 30, 2025, and (ii) certain pro forma financial information regarding the Transactions as of and for the six months ended June 30, 2025 and for the year ended December 31, 2024. The unaudited pro forma condensed combined financial statements as of and for the six months ended June 30, 2025 and for the year ended December 31, 2024 are intended to reflect the impact of the Transactions on the consolidated financial statements of Charter as if the Transactions had occurred as of June 30, 2025 for the unaudited pro forma condensed combined balance sheet and as of January 1, 2024 for the unaudited pro forma condensed combined statements of operations.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(d) Exhibits

Exhibit

Number Description

23.1	Consent of Deloitte & Touche LLP.
99.1	Unaudited interim condensed consolidated financial statements of Cox Communications, Inc. as of and for the six months ended June 30, 2025.
99.2	Unaudited pro forma condensed combined financial statements of Charter Communications, Inc. as of and for the six months ended June 30, 2025 and for the year ended December 31, 2024, and the accompanying notes thereto.
104	The cover page from this Current Report on Form 8-K, formatted in Inline XBRL

Cautionary Note Regarding Forward-Looking Statements

This communication includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), regarding, among other things, the proposed transaction between Charter and Cox Enterprises. Although we believe that our plans, intentions and expectations as reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions including, without limitation: (i) the effect of the announcement of the proposed transaction on the ability of Charter and Cox Enterprises to operate their respective businesses and retain and hire key personnel and to maintain favorable business relationships; (ii) the timing of the proposed transaction; (iii) the ability to satisfy closing conditions to the completion of the proposed transaction (including stockholder and regulatory approvals); (iv) the possibility that the transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; (v) the ultimate outcome and results of integrating operations and application of Charter’s operating strategies to the acquired assets and the ultimate ability to realize synergies at the levels currently expected as well as potential dis-synergies; (vi) the impact of the proposed transaction on our stock price and future operating results, including due to transaction and integration costs, increased interest expense, business disruption, and diversion of management time and attention; (vii) the reduction in our current stockholders’ percentage ownership and voting interest as a result of the proposed transaction; (viii) the increase in our indebtedness as a result of the proposed transaction, which will increase interest expenses and may decrease our operating flexibility; (ix) litigation relating to the proposed transaction; (x) other risks related to the completion of the proposed transaction and actions related thereto; and (xi) the factors described under “Risk Factors” from time to time in Charter’s filings with the SEC. Many of the forward-looking statements contained in this communication may be identified by the use of forward-looking words such as “believe,” “expect,” “anticipate,” “should,” “planned,” “will,” “may,” “intend,” “estimated,” “aim,” “on track,” “target,” “opportunity,” “tentative,” “positioning,” “designed,” “create,” “predict,” “project,” “initiatives,” “seek,” “would,” “could,” “continue,” “ongoing,” “upside,” “increases,” “grow,” “focused on” and “potential,” among others.

All forward-looking statements speak only as of the date they are made and are based on information available at that time. Charter assumes no obligation to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements were made or to reflect the occurrence of unanticipated events except as required by federal securities laws. As forward-looking statements involve significant risks and uncertainties, caution should be exercised against placing undue reliance on such statements.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, each of Charter Communications, Inc., CCO Holdings, LLC and CCO Holdings Capital Corp. has duly caused this Current Report to be signed on its behalf by the undersigned hereunto duly authorized.

CHARTER COMMUNICATIONS, INC.,
Registrant

By: _____
Name: Kevin D. Howard
Title: Executive Vice President, Chief Accounting Officer and Controller

Date: August 18, 2025

CCO HOLDINGS, LLC,
Registrant

By: _____
Name: Kevin D. Howard
Title: Executive Vice President, Chief Accounting Officer and Controller

Date: August 18, 2025

CCO HOLDINGS CAPITAL CORP.
Registrant

By: _____
Name: Kevin D. Howard
Title: Executive Vice President, Chief Accounting Officer and Controller

Date: August 18, 2025

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-275214 on Form S-3 of Charter Communications, Inc. of our report dated February 28, 2025 (June 18, 2025 as to the effects of the adjustments described in Note 1), relating to the financial statements of Cox Communications, Inc. appearing in the definitive proxy statement filed by Charter Communications Inc. on July 2, 2025.

/s/ Deloitte & Touche LLP
Atlanta, GA
August 18, 2025

COX COMMUNICATIONS, INC.
(A Wholly-Owned Subsidiary of Cox Enterprises, Inc.)
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COX COMMUNICATIONS, INC.
(A Wholly-Owned Subsidiary of Cox Enterprises, Inc.)
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions)	June 30, 2025	December 31, 2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 83	\$ 97
Accounts receivable — net of allowance of \$32 and \$32, respectively	601	603
Amounts due from Cox Enterprises, Inc.	3,907	4,273
Prepaid expenses and other current assets	346	310
Total current assets	4,937	5,283
Property and equipment — net	12,440	12,216
Goodwill — net	1,260	1,260
Intangible assets — net	16,992	17,009
Other noncurrent assets	386	513
TOTAL ASSETS	\$ 36,015	\$ 36,281
LIABILITIES AND EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 533	\$ 565
Accrued labor and benefits	361	668
Accrued programming costs	201	203
Accrued expenses and other current liabilities	762	792
Current portion of long-term debt	37	877
Total current liabilities	1,894	3,105
Long-term debt	12,484	12,323
Deferred income taxes	5,440	5,465
Other noncurrent liabilities	835	902
Total liabilities	20,653	21,795
EQUITY:		
Common stock, \$1.00 par value; 1,000 shares authorized and 100 shares issued and outstanding	—	—
Additional paid-in capital	4,429	4,429
Retained earnings	10,933	10,057
Total equity	15,362	14,486
TOTAL LIABILITIES AND EQUITY	\$ 36,015	\$ 36,281

See notes to Condensed Consolidated Financial Statements.

COX COMMUNICATIONS, INC.
(A Wholly-Owned Subsidiary of Cox Enterprises, Inc.)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
REVENUES	\$ 3,140	\$ 3,266	\$ 6,323	\$ 6,573
OPERATING EXPENSES:				
Operating costs and expenses ^(a)	1,880	1,982	3,802	4,028
Depreciation and amortization	551	537	1,095	1,082
Other — net	71	7	56	3
Total operating expenses	<u>2,502</u>	<u>2,526</u>	<u>4,953</u>	<u>5,113</u>
OPERATING INCOME	638	740	1,370	1,460
NON-OPERATING EXPENSES:				
Interest expense — net	(111)	(94)	(219)	(194)
Investments (expense) income — net	(14)	—	(55)	1
Miscellaneous income — net	7	9	14	22
Total non-operating expenses	<u>(118)</u>	<u>(85)</u>	<u>(260)</u>	<u>(171)</u>
INCOME BEFORE INCOME TAXES	520	655	1,110	1,289
INCOME TAX EXPENSE	(105)	(140)	(234)	(279)
NET INCOME	<u>\$ 415</u>	<u>\$ 515</u>	<u>\$ 876</u>	<u>\$ 1,010</u>

^(a) See Note 8 — Transactions with Affiliated Companies and Related Parties for impacts associated with related parties.

See notes to Condensed Consolidated Financial Statements.

COX COMMUNICATIONS, INC.
(A Wholly-Owned Subsidiary of Cox Enterprises, Inc.)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(in millions)	Six Months Ended June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 876	\$ 1,010
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,095	1,082
Investments expense (income) — net	55	(1)
Provision for doubtful accounts	40	47
Restructuring	(169)	—
Changes in certain assets and liabilities:		
Increase in accounts receivable	(38)	(42)
Increase in prepaid expenses and other assets	—	(5)
Decrease in accounts payable	(32)	(67)
Decrease in accrued expenses and other liabilities	(177)	(170)
Other — net	(46)	3
Net cash provided by operating activities	1,604	1,857
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(1,136)	(1,171)
Decrease (increase) in amounts due from Cox Enterprises, Inc.	366	(2,171)
Other — net	30	10
Net cash provided used in investing activities	(740)	(3,332)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issuance of debt	—	1,501
Repayment of debt	(867)	(14)
Other — net	(11)	(15)
Net cash (used in) provided by financing activities	(878)	1,472
NET CHANGE IN CASH AND CASH EQUIVALENTS	(14)	(3)
CASH AND CASH EQUIVALENTS — Beginning of period	97	120
CASH AND CASH EQUIVALENTS — End of period	\$ 83	\$ 117

See notes to Condensed Consolidated Financial Statements.

COX COMMUNICATIONS, INC.
(A Wholly-Owned Subsidiary of Cox Enterprises, Inc.)
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)

(in millions)	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
BALANCE — January 1, 2025	\$ —	\$ 4,429	\$ 10,057	\$ 14,486
Net income	—	—	461	461
BALANCE — March 31, 2025	—	4,429	10,518	14,947
Net income	—	—	415	415
BALANCE — June 30, 2025	\$ —	\$ 4,429	\$ 10,933	\$ 15,362

(in millions)	Common Stock	Additional Paid-In Capital	Retained Earnings	Total
BALANCE — January 1, 2024	\$ —	\$ 4,429	\$ 9,332	\$ 13,761
Net income	—	—	495	495
BALANCE — March 31, 2024	—	4,429	9,827	14,256
Net income	—	—	515	515
BALANCE — June 30, 2024	\$ —	\$ 4,429	\$ 10,342	\$ 14,771

See notes to Condensed Consolidated Financial Statements.

COX COMMUNICATIONS, INC.
(A Wholly-Owned Subsidiary of Cox Enterprises, Inc.)
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. DESCRIPTION OF BUSINESS, BASIS OF PRESENTATION AND OTHER ITEMS

Cox Communications, Inc. (together with its consolidated subsidiaries, "Cox" or "the Company"), a wholly-owned subsidiary of Cox Enterprises, Inc. ("CEI"), is committed to creating meaningful moments of human connection through technology. As the largest private broadband company in the United States, Cox operates fiber-powered networks in more than 30 states, providing connections and advanced managed IT and cloud services for homes and businesses. Cox Mobile, Cox's mobile phone service, is available across markets nationwide. The commercial division of Cox, Cox Business, provides a broad commercial solutions portfolio, including advanced managed IT and cloud services and fiber-based network solutions that support connected environments, unique hospitality experiences and diverse applications.

Basis of Presentation

The accompanying unaudited interim Condensed Consolidated Financial Statements of Cox have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information. Accordingly, they do not include all of the information and footnote disclosures required by GAAP for complete consolidated financial statements. In the opinion of management, the unaudited interim Condensed Consolidated Financial Statements include all adjustments, of a normal recurring nature, necessary for a fair presentation of the condensed consolidated results of operations, financial position and cash flows for the interim periods presented. All intercompany transactions and account balances have been eliminated in consolidation. Cox has included the results of operations of acquired companies from the date of acquisition. These unaudited interim Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and notes therein as of and for the year ended December 31, 2024. Results of operations for interim periods are not necessarily indicative of results that might be expected for future interim periods or for the full year ending December 31, 2025.

Use of Estimates

The preparation of condensed consolidated 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 assets and liabilities at the date of the Condensed Consolidated Financial Statements and the reported amounts of revenues and expenses during the reporting periods. Estimates are evaluated based on available information and experience, as well as other assumptions Cox believes reasonable under the circumstances. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Revenue Recognition

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Residential				
Data	\$ 1,438	\$ 1,505	\$ 2,916	\$ 3,032
Video	610	644	1,230	1,307
Telephony	50	59	103	123
Other ^(a)	137	134	275	274
Total residential	2,235	2,342	4,524	4,736
Commercial				
Advertising	852	855	1,695	1,706
Total revenues	\$ 3,140	\$ 3,266	\$ 6,323	\$ 6,573

(a) Other residential revenues includes franchise, regulatory, and customer late fees, service protection fees, Cox Mobile and other miscellaneous revenues.

Operating Costs and Expenses

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Programming costs	\$ 472	\$ 504	\$ 975	\$ 1,051
Other costs of revenue	282	282	566	561
Field and technology operations	250	228	506	458
Customer operations	53	42	105	83
Sales and marketing	278	307	545	620
General and administrative	545	619	1,105	1,255
Total operating costs and expenses	\$ 1,880	\$ 1,982	\$ 3,802	\$ 4,028

Subsequent Events

Cox has evaluated events that occurred subsequent to June 30, 2025 for potential recognition and disclosure. Any applicable subsequent events have been evaluated through August 1, 2025, the date of issuance of the unaudited Condensed Consolidated Financial Statements.

2. DISPOSITION

Pending Disposition of Cox — In May 2025, Charter Communications, Inc. (“Charter”) and Charter Communications Holdings, LLC (“Charter Holdings”) entered into a transaction agreement with CEI. Pursuant to the transaction agreement, at the closing of the transactions, (i) CEI will sell and transfer to Charter 100% of the equity interests of certain subsidiaries of Cox that conduct Cox’s commercial fiber and managed IT and cloud services businesses, (ii) CEI will contribute the equity interests of Cox and certain other assets (other than certain excluded assets) primarily relating to Cox’s residential cable business to Charter Holdings, and (iii) CEI will pay \$1.00 to Charter. The combined entity will also assume Cox’s approximately \$12.6 billion in outstanding net debt and finance leases.

On July 31, 2025, Charter’s shareholders approved the transaction agreement.

3. SUPPLEMENTAL CASH FLOW INFORMATION

(in millions)	Six Months Ended June 30,	
	2025	2024
Significant noncash transactions:		
Property and equipment acquired under finance leases and other financing arrangements	\$ 153	\$ 1
Supplemental cash flow information:		
Cash paid for interest — net	\$ 318	\$ 265
Cash paid for income taxes	262	260

4. RESTRUCTURING

In 2024, Cox announced a new organizational structure, which allocated needed resources to growth areas of the business. As a result, certain restructuring initiatives were implemented, which include severance costs. Restructuring related charges are recorded to other — net on the Condensed Consolidated Statement of Operations.

The following represents the changes in the balances of the restructuring-related liabilities, which are reflected within accrued labor and benefits in the Condensed Consolidated Balance Sheets as of June 30, 2025 and December 31, 2024.

(in millions)	June 30, 2025	December 31, 2024
Balance at beginning of period	\$ 180	\$ —
Expense	—	180
Payments	(169)	—
Balance at end of period	<u>\$ 11</u>	<u>\$ 180</u>

5. DEBT

(in millions)	Annual Interest Rate	June 30, 2025		December 31, 2024	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Notes and debentures with maturities ^(a) :					
Five years or less	3.35% to 6.95%	\$ 3,139	\$ 3,139	\$ 3,989	\$ 3,959
Between five and 10 years	1.80% to 5.70%	3,750	3,497	3,100	2,819
Greater than 10 years	2.95% to 8.38%	4,960	4,112	5,610	4,717
Total notes and debentures		<u>11,849</u>	<u>\$ 10,748</u>	<u>12,699</u>	<u>\$ 11,495</u>
Finance lease obligations ^{(b)(c)}	1.33% to 8.24%	750		584	
Less unamortized discounts, premiums and issuance costs		(78)		(83)	
Total debt		<u>12,521</u>		<u>13,200</u>	
Less current maturities ^(b)		37		877	
Total long-term debt		<u>\$ 12,484</u>		<u>\$ 12,323</u>	

(a) Require semi-annual cash interest payments based on their issuance dates.

(b) Current portion of finance lease obligations totaled \$37 million and \$27 million as of June 30, 2025 and December 31, 2024, respectively.

(c) Cox leases certain office facilities, cable transmission and distribution facilities and automobiles under finance leases.

Guarantee Agreements

Cox is a party to an amended and restated credit agreement among Cox and CEI, as borrowers, and JP Morgan Chase Bank, N.A., as administrative agent, and certain other lenders and agents (the "Credit Facility"). CEI designated Cox as a restricted subsidiary under the Credit Facility. At the same time, Cox provided an unconditional guarantee of CEI's obligations under the Credit Facility and CEI also provided an unconditional guarantee of Cox's obligations under the Credit Facility, which will be automatically released upon the release of Cox's guarantee of CEI's obligations under the Credit Facility. Cox will also guarantee CEI's obligations under CEI's commercial paper program. As of June 30, 2025 and December 31, 2024, CEI had no outstanding obligations under the Credit Facility and had no outstanding commercial paper subject to Cox's guarantee.

In addition, Cox and CEI provide unconditional cross-guarantees of the other's obligations under each company's respective outstanding notes (except for Cox's 6.53% debentures due 2028, of which no material amounts are outstanding). CEI and Cox may release their obligations under the cross-guarantee simultaneously with the other party's release or in other customary circumstances. As of June 30, 2025 and December 31, 2024, CEI had \$175 million of outstanding notes subject to Cox's guarantee.

Debt Repayments

In June and February 2025, Cox repaid \$150 million of 7.625% notes and \$700 million of 3.85% notes, respectively, upon their maturity dates.

6. COMMITMENTS AND CONTINGENCIES

At the time of divesting an ownership interest in an entity, Cox sometimes agrees to indemnify the buyer for certain liability risks. Cox believes that any liability to the Company that may arise as a result of such indemnification agreements will not have a material adverse effect on the company taken as a whole.

Legal Proceedings

Sony Music et al. — In July 2018, Sony Music Entertainment Inc., Warner Bros. Records Inc., Universal Music Corp. and several other music publishers and recording companies filed a copyright infringement lawsuit against Cox. The plaintiffs allege that Cox's practices of handling Digital Millennium Copyright Act notices resulted in willful copyright infringement with respect to thousands of songs. Plaintiffs are seeking monetary damages.

In December 2019, a jury returned a verdict of \$1.0 billion against Cox, and a finding of contributory infringement, vicarious infringement and willfulness. Following various post-trial motions, Cox appealed to the United States Court of Appeals for the Fourth Circuit. In addition to the merits appeal, Cox filed two Rule 60 motions in the trial court seeking relief from the verdict; those Rule 60 motions were heard and denied by the trial court in March 2022. Cox appealed the Rule 60 rulings to the Fourth Circuit, which held the Rule 60 appeal in abeyance until after the merits appeal. In February 2024, the Fourth Circuit affirmed the jury's finding of willful contributory infringement but reversed the jury's finding of vicarious liability and vacated the \$1.0 billion judgment against Cox. Both parties' petitions for a rehearing en banc were denied by the Fourth Circuit. Cox also filed motions in the Fourth Circuit seeking partial appellate costs and an update regarding the Rule 60 appeal. Briefing concluded in the Rule 60 appeal in September 2024. Cox filed an unopposed motion to release the appeal bond, which was granted in May 2024. Cox's motion for costs on the judgement bond was denied in August 2024. The trial proceeding has been stayed by the Fourth Circuit until the resolution of the Rule 60 appeal. The Fourth Circuit has not yet requested or scheduled oral argument on the Rule 60 appeal. In November 2024, in response to writs of certiorari filed by both parties, the United States Supreme Court called for the view of the United States Solicitor General. In May 2025, the United States Solicitor General submitted its brief amicus curiae recommending that Cox's writ of certiorari be granted and Sony's writ of certiorari be denied. In June 2025, the United States Supreme Court granted Cox's writ of certiorari and denied Sony's writ of certiorari. The outcome of this matter cannot be predicted at this time.

TQ Delta — In July 2015, TQ Delta filed an action against Cox alleging patent infringement of eight patents related to the Multimedia over Coax Alliance standard, parts of which are alleged to be implemented in Whole Home DVR. The plaintiff voluntarily dropped two patents in response to the court's requirement that the number of claims be reduced. Inter Partes Reviews ("IPRs") were filed against the remaining six patents. The Patent Trial and Appeal Board invalidated four of the patents during the IPR proceeding, but two patents survived on appeal to the United States Court of Appeal for the Federal Circuit. The parties have engaged in expert discovery and are awaiting rulings on claim construction and summary judgment. The outcome of this matter cannot be predicted at this time.

Other Patent Matters — Cox is a defendant or co-defendant in several lawsuits involving alleged infringement of various patents relating to various aspects of its businesses. In the event that a court ultimately determines that Cox infringes on any intellectual property rights, Cox may be subject to substantial damages and/or an injunction that could require Cox or its vendors to modify certain products and services Cox offers to its subscribers, as well as negotiate royalty or license agreements with respect to the patents at issue. While Cox intends to vigorously defend the actions, no assurance can be given that any adverse outcome would not be material to Cox's Condensed Consolidated Financial Statements. Cox cannot predict the outcome of any of these matters nor can it reasonably estimate a range of possible loss at this time.

Other Legal Proceedings — Cox and its subsidiaries are parties to various other legal proceedings that are ordinary and incidental to their businesses.

7. FAIR VALUE MEASUREMENTS

Cox measures certain financial assets and liabilities at fair value on a recurring basis and also measures certain nonfinancial assets at fair value on a nonrecurring basis. Fair value is defined as an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or liability as defined in the below fair value hierarchy:

Level 1 — Observable inputs such as quoted prices in active markets;

Level 2 — Inputs, other than quoted prices in active markets, that are observable either directly or indirectly; and

Level 3 — Unobservable inputs in which there is little or no market data, which require an entity to develop its own assumptions.

Recurring Fair Value Measurements

Cash Equivalents — Cox's cash equivalents are measured at fair value on a recurring basis and generally consist of money market funds, time deposits and commercial paper. The fair values of Cox's cash equivalents fall within Level 1 of the fair value hierarchy and are based on a market approach using quoted prices and other relevant information generated by market transactions involving identical or comparable assets.

Debt — Cox's notes and debentures as of June 30, 2025 and December 31, 2024 are based on inputs other than quoted prices in active markets, that are observable either directly or indirectly and are classified within Level 2.

Other Financial Instruments — The carrying amounts of the Cox's accounts receivable, accounts payable and other current assets and liabilities approximate fair value due to their short-term maturities and/or nature of these instruments.

Non-Recurring Fair Value Measurements

Cox's nonfinancial assets (such as property and equipment, goodwill and intangible assets), equity method investments and nonmarketable equity securities are not measured at fair value on a recurring basis; however, they are subject to fair value adjustments in certain circumstances, such as when there is evidence that an impairment may exist. Inputs used in these fair value measurements are often unobservable and may require judgment, which could affect the ascribed fair values.

During the six months ended June 30, 2025, Cox estimated the fair value of a debt security as a result of impairment indicators and recorded a \$43 million impairment to investments (expense) income. The fair value of the debt security falls within Level 3 of the fair value hierarchy.

8. TRANSACTIONS WITH AFFILIATED COMPANIES

For all periods presented in the Condensed Consolidated Financial Statements, related party transactions and activities between Cox, CEI and other CEI subsidiaries may not have been consummated on terms equivalent to those that would prevail in an arm's-length transaction where conditions of competitive, free-market dealing may exist.

Allocated Expenses from CEI

Allocated expenses as shown in the table below are directly calculated or based on CEI's estimate of services provided to Cox in relation to those provided to other CEI subsidiaries. Cox believes that these allocations were made on a reasonable basis. However, the allocations are not necessarily indicative of the level of expenses that might have been incurred had Cox contracted directly with third parties.

(in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<i>Employee Benefit Plans</i>				
Healthcare and other employee benefits	\$ 63	\$ 63	\$ 127	\$ 130
Qualified and nonqualified pension ^(a)	19	26	37	51
401(k) Plan	20	20	39	45
Postemployment and postretirement benefits ^(a)	6	5	11	11
Long-term incentive compensation	32	38	66	77
<i>Other Allocated Expenses ^(b)</i>				
Management services	69	69	138	139
Occupancy-related services	6	6	13	13

(a) The service cost component related to Cox's qualified and nonqualified pension plans and postretirement benefits is recorded to operating costs and expenses on the Condensed Consolidated Statements of Operations. The non-service cost component, which includes interest cost, expected return on plan assets, prior service cost amortization and actuarial loss amortization, is recorded to miscellaneous income — net on the Condensed Consolidated Statements of Operations.

(b) Cox receives certain management (e.g., legal, corporate secretarial, tax, cash management, treasury, internal audit, risk management, employee benefit administration and other support services) and occupancy-related (e.g., repairs and maintenance, utilities, insurance and property taxes) services from CEI.

Amounts due from CEI

Cox receives day-to-day cash management services from CEI, with settlements of outstanding balances between Cox and CEI occurring periodically. The amounts due from CEI are due on demand and represent the net balance of the intercompany transactions. Amounts due from CEI totaled \$3.9 billion and \$4.3 billion as of June 30, 2025 and December 31, 2024, respectively. The interest rate is based on CEI's internal borrowing rate, generally determined from CEI's rates under the Credit Facility, which ranged from 4.42% to 4.43% during the six months ended June 30, 2025, and 5.42% to 5.45% during the six months ended June 30, 2024. The associated interest income was \$45 million and \$47 million for three months ended June 30, 2025 and 2024, respectively, and was \$90 million and \$87 million for the six months ended June 30, 2025 and 2024, respectively.

Other Related Party Transactions

There are various other related party activities between Cox and related parties that individually and in the aggregate, are not material to Cox's Condensed Consolidated Financial Statements.

In April 2025, CCI contributed \$75 million to the James M. Cox Foundation for the benefit of biodiversity initiatives aimed at protecting critical species and their habitats.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The accompanying unaudited pro forma condensed combined financial statements as of and for the six months ended June 30, 2025 and for the year ended December 31, 2024 are intended to reflect the impact of the Cox Transactions on the consolidated financial statements of Charter Communications, Inc. (“Charter”), as if the Cox Transactions had occurred as of June 30, 2025 for the unaudited pro forma condensed combined balance sheet and as of January 1, 2024 for the unaudited pro forma condensed combined statements of operations. The accompanying unaudited pro forma financial statements present the pro forma financial position and results of operations of Charter based on the historical financial statements and accounting records of Charter and Cox Communications, Inc (“Cox Communications”) and the related pro forma transaction accounting adjustments as described in the accompanying notes. The transaction accounting adjustments are intended to reflect U.S. generally accepted accounting principles (“GAAP”) to illustrate the effects of the transactions on Charter’s historical financial statements.

The Transactions

On May 16, 2025, Charter, Charter Communications Holdings, LLC (“Charter Holdings”), and Cox Enterprises, Inc. (“Cox Enterprises”) entered into a Transaction Agreement (the “Transaction Agreement”) pursuant to which (i) Cox Enterprises will sell and transfer to Charter 100% of the equity interests of certain subsidiaries of Cox Communications that conduct Cox Communications’ commercial fiber and managed IT and cloud services businesses (the “Equity Sale”), (ii) Cox Enterprises will contribute the equity interests of Cox Communications and certain other assets (other than certain excluded assets) primarily related to Cox Communications’ residential cable business to Charter Holdings (the “Contribution”), and (iii) Cox Enterprises will pay \$1.00 to Charter (collectively, the “Cox Transactions”). Under the Transaction Agreement, Charter and Cox Enterprises may designate one or more wholly owned subsidiaries to take actions with respect to Charter and Cox Enterprises, respectively.

Pursuant to the Transaction Agreement, at the closing of the Cox Transactions:

- in consideration of the Equity Sale, Charter will pay \$3.5 billion in cash to Cox Enterprises;
- in consideration of the Contribution, Charter Holdings will (i) pay to Cox Enterprises \$500 million in cash and (ii) issue to Cox Enterprises Charter Holdings convertible preferred units with an aggregate liquidation preference of \$6.0 billion, which will pay a 6.875% dividend per annum, and approximately 33.6 million Charter Holdings common units. The Charter Holdings convertible preferred units will be convertible into Charter Holdings common units, with an initial conversion price of \$477.41, subject to certain adjustments. The Charter Holdings common units will be exchangeable by the holder, in certain circumstances, for cash or, at the election of Charter, Charter Class A common stock on a one-for-one basis, subject to certain adjustments; and
- in consideration of the \$1.00 payment from Cox Enterprises to Charter, Charter will issue to Cox Enterprises one share of the newly created Charter Class C common stock. The Charter Class C common stock will be equivalent, economically, to the outstanding Charter Class A common stock and the Charter Class B common stock but will have a number of votes per share that reflect the voting power of the Charter Holdings common units and the Charter Holdings convertible preferred units held by Cox Enterprises on an as-converted, as-exchanged basis.

The combined entity will assume Cox Communications’ approximately \$12.4 billion in outstanding net debt and finance leases.

Basis of Presentation

The unaudited pro forma financial statements are based on (i) the unaudited consolidated financial statements of Charter as of and for the three and six months ended June 30, 2025 contained in Charter’s Quarterly Report on Form 10-Q filed with the SEC on July 25, 2025, (ii) the unaudited consolidated financial statements of Cox Communications as of and for the three and six months ended June 30, 2025 contained in this Current Report on Form 8-K, (iii) the audited consolidated financial statements of Charter as of and for the year ended December 31, 2024 contained in Charter’s Annual Report on Form 10-K filed with the SEC on January 31, 2025, and (iv) the audited consolidated financial statements of Cox Communications as of and for the year ended December 31, 2024 contained in Charter’s definitive proxy statement with respect to the Cox Transactions, filed by Charter on July 2, 2025.

The Cox Transactions will be accounted for using the acquisition method of accounting with Charter as the accounting acquirer. As of the date of this current report, Charter has not completed the detailed valuation studies necessary to arrive at final estimates of the fair market value of the assets to be acquired and the liabilities to be assumed and the related allocations of purchase price, nor has it identified all adjustments necessary to conform Cox Communications to Charter's accounting policies. As indicated in Note 1 to the unaudited pro forma financial statements, based on information currently available, Charter has made certain adjustments to the historical book values of the assets and liabilities of Cox Communications to reflect preliminary estimates of fair values necessary to prepare the unaudited pro forma financial statements. Actual results may differ from these unaudited pro forma financial statements once the Cox Transactions are completed which includes determining the final purchase price for Cox Communications, completing the valuation studies necessary to finalize the required purchase price allocations, and identifying any additional conforming accounting policy changes for Cox Communications. There can be no assurance that such finalization will not result in material changes.

The unaudited pro forma financial statements are provided for illustrative purposes only and are based on available information and assumptions that Charter believes are reasonable and do not purport to represent what the actual consolidated results of operations or the consolidated financial position of Charter would have been had the Cox Transactions occurred on the dates indicated, nor are they necessarily indicative of future consolidated results of operations or consolidated financial position. The actual financial position and results of operations will differ, perhaps significantly, from the pro forma amounts reflected herein due to a variety of factors, including access to additional information, changes in value not currently identified and changes in operating results following the date of the pro forma financial statements. The assumptions underlying the pro forma adjustments are described in greater detail in the accompanying notes to the unaudited pro forma condensed combined financial statements.

Items Not Adjusted in the Unaudited Pro Forma Financial Information

The unaudited pro forma financial statements do not reflect all reclassifications or adjustments to conform the Cox Communications financial statement presentation or accounting policies to those adopted by Charter. At this time, Charter is not aware of any intercompany transactions that would have a material impact on the unaudited pro forma financial statements that are not reflected in the pro forma adjustments. Further review may identify additional intercompany transactions, reclassifications or differences between the accounting policies of the companies that, when conformed, could have a material impact on the unaudited pro forma financial statements of the combined company.

The unaudited pro forma financial statements do not include any adjustment for liabilities or related costs that may result from integration activities, since management has not completed the process of making these assessments. Significant liabilities and related costs may ultimately be recorded for employee severance or relocation, costs of vacating some facilities and costs associated with other exit and integration activities. The unaudited pro forma statements of operations also do not include any revenue or expense synergies or dis-synergies resulting from the Cox Transactions.

In connection with the Cox Transactions, at the closing, Charter, Cox Enterprises and Advance/Newhouse Partnership ("A/N") will enter into the amended tax receivables agreement, which will set forth the terms pursuant to which Charter will pay Cox Enterprises and A/N, as applicable, for tax benefits arising from Cox Enterprises' or A/N's potential future exchanges of their respective Charter Holdings common units and Charter Holdings convertible preferred units, as applicable, into cash or Charter Class A common stock pursuant to the amended exchange agreement. The amended tax receivables agreement will provide for a payment by Charter of 50% of the tax benefits when realized by Charter from the step-up in tax basis resulting from any such future exchanges. A/N is currently party to the existing tax receivables agreement with Charter, and such agreement will be amended and restated by the amended tax receivables agreement at the closing. Charter has not recorded a pro forma adjustment for the tax receivables agreement with Cox Enterprises as a contingent consideration obligation in the preliminary purchase price allocation as it is impractical to estimate its fair value since the tax benefit is dependent on uncertain future events that are outside Charter's control. A future exchange is not based on a fixed and determinable date and the exchange is not certain to occur.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF JUNE 30, 2025
(dollars in millions)

	Charter (Historical)	Cox Communications (Historical)	Pro Forma Adjustments	Pro Forma Combined
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 606	\$ 83	\$ (224) 1a	\$ 465
Accounts receivable, net	3,549	601	—	4,150
Amounts due from Cox Enterprises, Inc.	—	3,907	(3,907) 1b	—
Prepaid expenses and other current assets	657	346	—	1,003
Total current assets	<u>4,812</u>	<u>4,937</u>	<u>(4,131)</u>	<u>5,618</u>
INVESTMENT IN CABLE PROPERTIES:				
Property, plant and equipment, net	44,187	12,440	1,560 1c	58,187
Customer relationships, net	672	502	2,998 1c	4,172
Franchises	67,468	15,879	— 1c	83,347
Goodwill	29,674	1,260	(1,260) 1c	29,674
Total investment in cable properties, net	<u>142,001</u>	<u>30,081</u>	<u>3,298</u>	<u>175,380</u>
OTHER NONCURRENT ASSETS				
	<u>4,776</u>	<u>997</u>	<u>(351) 1d</u>	<u>5,422</u>
Total assets	<u>\$ 151,589</u>	<u>\$ 36,015</u>	<u>\$ (1,184)</u>	<u>\$ 186,420</u>
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Accounts payable, accrued and other current liabilities	\$ 12,007	\$ 1,857	\$ —	\$ 13,864
Current portion of long-term debt	2,549	37	—	2,586
Total current liabilities	<u>14,556</u>	<u>1,894</u>	<u>—</u>	<u>16,450</u>
LONG-TERM DEBT	<u>91,863</u>	<u>12,484</u>	<u>2,793 1e</u>	<u>107,140</u>
EQUIPMENT INSTALLMENT PLAN FINANCING FACILITY	<u>1,306</u>	<u>—</u>	<u>—</u>	<u>1,306</u>
DEFERRED INCOME TAXES	<u>18,757</u>	<u>5,440</u>	<u>(4,606) 1f</u>	<u>19,591</u>
OTHER LONG-TERM LIABILITIES	<u>4,739</u>	<u>835</u>	<u>(387) 1g</u>	<u>5,187</u>
SHAREHOLDERS' EQUITY:				
Controlling interests	16,209	15,362	(15,410) 1h	16,161
Noncontrolling interests	4,159	—	16,426 1h	20,585
Total shareholders' equity	<u>20,368</u>	<u>15,362</u>	<u>1,016</u>	<u>36,746</u>
Total liabilities and shareholders' equity	<u>\$ 151,589</u>	<u>\$ 36,015</u>	<u>\$ (1,184)</u>	<u>\$ 186,420</u>

See accompanying "Notes to Unaudited Pro Forma Condensed Combined Financial Statements"

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
SIX MONTHS ENDED JUNE 30, 2025
(dollars and weighted average shares outstanding in millions, except per share amounts)

	Charter (Historical)	Cox Communications (Historical)	Pro Forma Adjustments	Pro Forma Combined
REVENUES	\$ 27,501	\$ 6,323	\$ —	\$ 33,824
COSTS AND EXPENSES:				
Operating costs and expenses (exclusive of items shown separately below)	16,424	3,802	(130) 2a	20,096
Depreciation and amortization	4,357	1,095	45 2b	5,497
Other operating expenses, net	204	56	—	260
	<u>20,985</u>	<u>4,953</u>	<u>(85)</u>	<u>25,853</u>
Income from operations	<u>6,516</u>	<u>1,370</u>	<u>85</u>	<u>7,971</u>
OTHER INCOME (EXPENSES):				
Interest expense, net	(2,504)	(219)	(251) 2d	(2,974)
Other expenses, net	(249)	(41)	8 2e	(282)
	<u>(2,753)</u>	<u>(260)</u>	<u>(243)</u>	<u>(3,256)</u>
Income before income taxes	3,763	1,110	(158)	4,715
Income tax expense	(859)	(234)	251 2f	(842)
Consolidated net income	<u>2,904</u>	<u>876</u>	<u>93</u>	<u>3,873</u>
Less: Net income attributable to noncontrolling interests	(386)	—	(1,019) 2g	(1,405)
Net income attributable to Charter shareholders	<u>\$ 2,518</u>	<u>\$ 876</u>	<u>\$ (926)</u>	<u>\$ 2,468</u>
EARNINGS PER COMMON SHARE:				
Basic	\$ 18.00		2h	\$ 17.63
Diluted	<u>\$ 17.59</u>		2h	<u>\$ 17.24</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	<u>140</u>		2h	<u>140</u>
Diluted	<u>143</u>		2h	<u>143</u>

See accompanying “Notes to Unaudited Pro Forma Condensed Combined Financial Statements”

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
YEAR ENDED DECEMBER 31, 2024
(dollars and weighted average shares outstanding in millions, except per share amounts)

	Charter (Historical)	Cox Communications (Historical)	Pro Forma Adjustments	Pro Forma Combined
REVENUES	\$ 55,085	\$ 13,073	\$ —	\$ 68,158
COSTS AND EXPENSES:				
Operating costs and expenses (exclusive of items shown separately below)	33,167	8,134	(279) 2a	41,022
Depreciation and amortization	8,673	2,183	150 2b	11,006
Other operating expenses, net	127	206	214 2c	547
	<u>41,967</u>	<u>10,523</u>	<u>85</u>	<u>52,575</u>
Income from operations	<u>13,118</u>	<u>2,550</u>	<u>(85)</u>	<u>15,583</u>
OTHER INCOME (EXPENSES):				
Interest expense, net	(5,229)	(373)	(529) 2d	(6,131)
Other expenses, net	(387)	(2)	26 2e	(363)
	<u>(5,616)</u>	<u>(375)</u>	<u>(503)</u>	<u>(6,494)</u>
Income before income taxes	7,502	2,175	(588)	9,089
Income tax expense	(1,649)	(450)	540 2f	(1,559)
Consolidated net income	5,853	1,725	(48)	7,530
Less: Net income attributable to noncontrolling interests	(770)	—	(1,948) 2g	(2,718)
Net income attributable to Charter shareholders	<u>\$ 5,083</u>	<u>\$ 1,725</u>	<u>\$ (1,996)</u>	<u>\$ 4,812</u>
EARNINGS PER COMMON SHARE:				
Basic	\$ 35.53		2h	\$ 33.64
Diluted	<u>\$ 34.97</u>		2h	<u>\$ 33.10</u>
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING:				
Basic	143		2h	143
Diluted	<u>145</u>		2h	<u>145</u>

See accompanying "Notes to Unaudited Pro Forma Condensed Combined Financial Statements"

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1. Cox Transactions Pro Forma Balance Sheet Adjustments

For purposes of the unaudited pro forma financial statements, the preliminary purchase price is assumed to be approximately \$20.6 billion based on preliminary fair value estimates for each component of consideration transferred to Cox Enterprises. The Charter Holdings common units which are exchangeable into Charter Class A common stock are fair valued based on a \$269.36 closing price of Charter Class A common stock on July 31, 2025, representing the last business day of the most recently completed month. The Charter Holdings convertible preferred units fair value estimate is based on an initial preferred instrument multiple above the \$6.0 billion aggregate liquidation preference contemplating a 6.875% preferred cash dividend and estimated fair value of Charter Class A common stock upon conversion. The final purchase price will be different from the preliminary purchase price presented as the fair value of the equity portion of the Cox Transactions consideration will be based on the fair value of Charter Class A common stock at closing.

(in millions, except price per share data)

Charter Holdings common units issued to Cox Enterprises	33.6
Closing price as of July 31, 2025	\$ 269.36
Estimated fair value of Charter Holdings common units issued to Cox Enterprises	\$ 9,047
Estimated fair value of Charter Holdings convertible preferred units issued to Cox Enterprises	7,600
Cash paid to Cox Enterprises	4,000
Total preliminary purchase price	<u>\$ 20,647</u>

The table below presents the allocation of the preliminary purchase price to the identifiable assets acquired and liabilities assumed at their respective estimated fair values as if the Cox Transactions had closed on June 30, 2025.

(in millions)

Current assets	\$ 1,047
Property, plant and equipment	14,000
Customer relationships	3,500
Franchises	15,879
Other noncurrent assets	646
Current liabilities	(1,894)
Long-term debt	(11,304)
Deferred income taxes	(779)
Other long-term liabilities	(448)
	<u>\$ 20,647</u>

The preliminary estimates are based upon currently available information. As such, additional assets and liabilities may be identified and reflected in the final purchase price allocation.

Upon finalization of the fair value assessment, Charter anticipates the finalized fair values of the net assets acquired will differ from the preliminary assessment outlined above. Generally, changes to the initial estimates of the fair value of the assets acquired and liabilities assumed will be recorded as adjustments to those assets and liabilities and residual amounts will be allocated to goodwill. If upon completion of the valuations, the fair values are greater or less than the amounts included in the preliminary purchase price allocation above, such a change would not likely have a material impact on the financial position or results of operations of Charter.

The following summarizes the pro forma balance sheet adjustments relating to the Cox Transactions:

- (a) Pro forma adjustment of \$224 million to cash and cash equivalents represents \$17 million source of cash from Cox Enterprises to reflect minimum operating cash of \$100 million to be assumed at closing per the Transaction Agreement, offset by the use of cash to pay approximately \$214 million of remaining transaction costs not already reflected in the historical financial statements including advisor fees and other expenses directly related to the Cox Transactions, as well as \$27 million use of cash to pay debt issuance costs. Refer to (e) below for sources and uses of cash.
- (b) Represents the elimination of the intercompany note receivable from Cox Enterprises not assumed in the Cox Transactions.
- (c) For pro forma purposes, preliminary estimates are used for the purchase price allocations to Cox Communications' property, plant and equipment; customer relationships and franchises. As of the date of this proxy statement, Charter has not completed the detailed valuation studies necessary to arrive at the required estimates of the fair value of Cox Communications' assets to be acquired and liabilities to be assumed and the related allocations of purchase price. Therefore, the allocation of the purchase price to acquired intangible assets is based on preliminary fair value estimates and is subject to final management analysis, with the assistance of third-party valuation advisors, following the completion of the Cox Transactions. The estimated intangible asset values and their remaining useful lives could be affected by a variety of factors that may become known to Charter only upon access to additional information and/or changes in these factors that may occur prior to closing.
- (d) Represents the write-down of the Cox Communications trade name intangible under the market participant assumption that it will not continue as a market-based intangible. The Spectrum trade name will be used to market or promote the products and services of the combined company across the Cox footprint whereas the Cox Communications trade name will become the name of the combined company within one year of closing the Cox Transactions.
- (e) Cox Communications' debt assumed was adjusted to the most recent available estimated fair value using quoted market values as of July 31, 2025. This adjustment resulted in a decrease in long-term debt of approximately \$1.2 billion. The fair value adjustment to long-term debt is a result of quoted market values of Cox Communications' debt being lower than the face amount of the related debt. The quoted market value of a debt instrument is lower than the face amount of the debt when the market interest rates are higher than the stated interest rate of the debt. In acquisition accounting, this results in the recognition of a debt discount that is amortized as an increase to interest expense over the remaining life of the debt. In addition, long-term debt was also adjusted to reflect \$4.0 billion new debt raised to fund the preliminary purchase price of the Cox Transactions.

The following table presents pro forma cash sources and uses as a result of the Cox Transactions.

(in millions)

Sources:	
Proceeds from issuance of long-term debt	\$ 4,000
Cox Communications cash and cash equivalents assumed	83
Cox Enterprises cash contributed to reflect minimum operating cash	17
Charter cash and cash equivalents on-hand	141
	<u>\$ 4,241</u>
Uses:	
Cash portion of purchase price paid to Cox Enterprises	\$ 4,000
Remaining transaction costs including advisor fees and other expenses	214
Debt issuance costs	27
	<u>\$ 4,241</u>

- (f) For pro forma purposes, deferred taxes are presented dependent on the anticipated tax treatment for the Contribution and the Equity Sale components of the Cox Transactions. The Contribution is treated as a non-taxable partnership contribution and no Charter deferred taxes are assumed to be recorded in purchase accounting as the excess book basis of net assets contributed is associated with the noncontrolling interest partner, Cox Enterprises, and not the controlling interest partner, Charter. The Equity Sale is treated as a taxable stock acquisition and the tax attributes of the Cox Communications subsidiaries acquired are assumed to carry over to Charter and net deferred tax liabilities of \$779 million are estimated to be recorded in purchase accounting reflecting historical temporary difference of these subsidiaries contemplating additional book step-up and applying an estimated tax rate of 25%. Lastly, on the relative ownership adjustment of Charter Holdings, \$55 million in deferred tax liabilities are estimated for the carrying value adjustment to Charter's common units held in Charter Holdings applying an estimated tax rate of 25%. Refer to (h) below on relative ownership adjustment to shareholders' equity.
- (g) Represents the elimination of an executive supplemental deferred compensation plan liability not assumed in the Cox Transactions.
- (h) Pro forma adjustments to controlling interests and noncontrolling interests in shareholders' equity are reflected as follows.

(in millions)

Controlling Interests:	
Elimination of Cox Communications' historical equity	\$ (15,362)
Payment of remaining transaction costs including advisor fees	(214)
Relative ownership adjustment of Charter Holdings' common unit equity balances, net of tax	166
	<u>\$ (15,410)</u>
Noncontrolling Interests:	
Fair value of the Charter Holdings common units issued to Cox Enterprises	\$ 9,047
Fair value of the Charter Holdings convertible preferred units issued to Cox Enterprises	7,600
Relative ownership adjustment of Charter Holdings' common unit equity balances	(221)
	<u>\$ 16,426</u>

The Charter Holdings common units issued to Cox Enterprises as a portion of the consideration for the Contribution initially are measured at their fair value of \$9.0 billion in accordance with acquisition accounting. However, upon new partner entry to Charter Holdings, the carrying amounts of the common units of the controlling interest (Charter) and noncontrolling interests (Cox Enterprises and A/N) are adjusted to reflect their relative effective common ownership interest in Charter Holdings. Relative ownership adjustment results in a decrease to noncontrolling interests of approximately \$221 million and a corresponding increase to additional paid-in capital of \$221 million, net of \$55 million of deferred income taxes, for Charter's increase in book basis in Charter Holdings.

Note 2. Cox Transactions Pro Forma Statement of Operations Adjustments

The following summarizes the pro forma statement of operations adjustments relating to the Cox Transactions.

- (a) Pro forma adjustments to operating costs and expenses of \$130 million and \$279 million for the six months ended June 30, 2025 and year ended December 31, 2024, respectively, represents costs related to excluded parent company obligations and intercompany cost allocations from Cox Enterprises that are to be terminated by Cox Communications at the closing in connection with the Transaction Agreement. Following the closing, these costs will not be incurred by Charter.
- (b) Depreciation and amortization increased by \$45 million and \$150 million for the six months ended June 30, 2025 and year ended December 31, 2024, respectively, as follows.

<i>(in millions)</i>	Six Months Ended June 30, 2025			Year Ended December 31, 2024		
	Depreciation	Amortization	Total	Depreciation	Amortization	Total
Cox Communications pro forma expense based on fair value	\$ 875	\$ 265	\$ 1,140	\$ 1,750	\$ 583	\$ 2,333
Cox Communications historical expense			(1,095)			(2,183)
			<u>\$ 45</u>			<u>\$ 150</u>

The increase was estimated using a preliminary average remaining useful life of 8 years for property, plant and equipment and 11 years for customer relationships. Property, plant and equipment are depreciated using a straight-line depreciation method. Customer relationships are amortized using an accelerated method (sum of the years' digits) to reflect the period over which the relationships are expected to generate cash flows. Following the acquisition, Cox Communications' pro forma customer relationships of \$3.5 billion would result in amortization expense under the accelerated method of \$583 million for year 1, \$530 million for year 2, \$477 million for year 3, \$424 million for year 4, \$371 million for year 5 and \$1.1 billion thereafter. The effect of a one-year decrease in the weighted average useful lives of property, plant and equipment and customer relationships would be an increase to depreciation and amortization expense of approximately \$146 million and \$303 million for the six months ended June 30, 2025 and year ended December 31, 2024, respectively, while the effect of a one-year increase would result in a decrease of approximately \$116 million and \$239 million for the six months ended June 30, 2025 and year ended December 31, 2024, respectively. The pro forma adjustments are based on current estimates and may not reflect actual depreciation and amortization once the purchase price allocation is finalized and final determination of remaining useful lives are made.

- (c) Pro forma adjustment to increase other operating expenses, net by \$214 million for the year ended December 31, 2024 represents the payment of remaining transaction costs not already reflected in the historical financial statements including advisor fees and other expenses directly related to the Cox Transactions. Transaction costs of \$42 million are included in the historical income statement of Charter within other operating expenses, net for the six months ended June 30, 2025.
- (d) Interest expense, net increased by \$251 million and \$529 million for the six months ended June 30, 2025 and year ended December 31, 2024, respectively, as follows.

<i>(in millions)</i>	Six Months Ended June 30, 2025	Year Ended December 31, 2024
Additional interest expense on new debt issued	\$ (120)	\$ (239)
Elimination of intercompany note interest income	(90)	(209)
Amortization of discount as a result of adjusting assumed Cox Communications' long-term debt to fair value	(45)	(91)
Amortization of new debt issuance costs	(1)	(2)
Elimination of amortization related to Cox Communications' debt discounts and debt issuance costs	5	12
	<u>\$ (251)</u>	<u>\$ (529)</u>

- (e) Pro forma adjustment to reduce other expenses, net by \$8 million and \$26 million for the six months ended June 30, 2025 and year ended December 31, 2024, respectively, primarily represents the elimination of the Cox Enterprises allocated non-service cost component of pension expense. Following the closing, these pension costs will not be incurred by Charter.
- (f) The pro forma adjustment to income tax expense of \$251 million and \$540 million for the six months ended June 30, 2025 and year ended December 31, 2024, respectively, was determined by removing Cox Communications' income tax expense and applying an estimated Charter tax rate of 25% to pro forma income before taxes allocated to Charter after the allocation of profits to the noncontrolling interest holders.
- (g) Net income attributable to noncontrolling interest increased by \$1.0 billion and \$1.9 billion for the six months ended June 30, 2025 and year ended December 31, 2024, respectively, as shown in the following table. All ownership amounts are calculated using whole numbers; minor differences may exist due to rounding.

<i>(in millions)</i>	Six Months Ended June 30, 2025	Year Ended December 31, 2024
Charter Holdings pro forma income before income taxes	\$ 4,715	\$ 9,089
Charter Holdings 6.875% cash dividend to Cox Enterprises preferred unit holders	(207)	(413)
Charter Holdings pro forma income before income taxes available for allocation to common unit holders	\$ 4,508	\$ 8,676
Noncontrolling interest in Charter Holdings excluding preferred units based on pro forma common unit ownership of Charter Holdings (18.1% Cox Enterprises and 8.5% A/N)	26.6%	26.6%
Noncontrolling interest expense - Charter Holdings common units	\$ 1,198	\$ 2,305
Noncontrolling interest expense - Charter Holdings convertible preferred units	207	413
Eliminate historical noncontrolling interest expense recorded based on historical A/N common unit ownership of Charter Holdings	(386)	(770)
	<u>\$ 1,019</u>	<u>\$ 1,948</u>

(h) The following table sets forth the computation of pro forma basic and diluted earnings per share for the six months ended June 30, 2025 and year ended December 31, 2024. Not included in the computation of pro forma diluted earnings per share because the effect would be anti-dilutive are the 33.6 million Charter Holdings common units and the 12.6 billion equivalent common units for the Charter Holdings convertible preferred units (\$6.0 billion par value divided by \$477.41 initial conversion price) issued to Cox Enterprises on an if-converted, if-exchanged basis.

<i>(in millions, except per share data)</i>	Six Months Ended June 30, 2025	Year Ended December 31, 2024
Numerator:		
Pro forma net income attributable to common stock	\$ 2,468	\$ 4,812
Denominator:		
Pro forma Charter weighted average shares outstanding (basic)	140	143
Effect of dilutive securities:		
Assumed exercise or issuance of shares relating to stock plans	3	2
Pro forma weighted average common shares outstanding, diluted	<u>143</u>	<u>145</u>
Pro forma net income per share attributable to common stock:		
Basic	\$ 17.63	\$ 33.64
Diluted	\$ 17.24	\$ 33.10