

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

	Three Months Ended December 31,			Year Ended December 31,		
	2020	2019	% Change	2020	2019	% Change
REVENUES:						
Internet	\$ 4,862	\$ 4,345	11.9 %	\$ 18,521	\$ 16,667	11.1 %
Video	4,418	4,473	(1.2)%	17,432	17,607	(1.0)%
Voice	449	450	(0.2)%	1,806	1,920	(5.9)%
Residential revenue	9,729	9,268	5.0 %	37,759	36,194	4.3 %
Small and medium business	997	986	1.1 %	3,964	3,868	2.5 %
Enterprise	623	617	0.9 %	2,468	2,556	(3.5)%
Commercial revenue	1,620	1,603	1.0 %	6,432	6,424	0.1 %
Advertising sales	625	434	43.9 %	1,699	1,568	8.3 %
Mobile	428	236	80.9 %	1,364	726	87.9 %
Other	222	220	1.5 %	843	852	(0.9)%
Total Revenue	12,624	11,761	7.3 %	48,097	45,764	5.1 %
COSTS AND EXPENSES:						
Programming	2,909	2,808	3.6 %	11,401	11,290	1.0 %
Regulatory, connectivity and produced content	532	596	(10.7)%	2,183	2,366	(7.7)%
Costs to service customers	1,874	1,794	4.4 %	7,472	7,277	2.7 %
Marketing	758	748	1.4 %	3,031	3,044	(0.4)%
Mobile	522	372	40.5 %	1,765	1,246	41.7 %
Other expense	1,035	914	13.3 %	3,727	3,686	1.1 %
Total operating costs and expenses (exclusive of items shown separately below)	7,630	7,232	5.5 %	29,579	28,909	2.3 %
Adjusted EBITDA	4,994	4,529	10.2 %	18,518	16,855	9.9 %
Adjusted EBITDA margin	39.6 %	38.5 %		38.5 %	36.8 %	
Depreciation and amortization	2,409	2,461		9,704	9,926	
Stock compensation expense	88	77		351	315	
Other operating expenses, net	35	32		58	103	
Income from operations	2,462	1,959		8,405	6,511	
OTHER INCOME (EXPENSES):						
Interest expense, net	(965)	(964)		(3,848)	(3,797)	
Loss on extinguishment of debt	(22)	(25)		(143)	(25)	
Gain (loss) on financial instruments, net	170	62		(15)	(54)	
Other pension benefits (costs), net	28	(96)		(66)	(69)	
Other expense, net	(18)	(4)		(31)	(135)	
	(807)	(1,027)		(4,103)	(4,080)	
Income before income taxes	1,655	932		4,302	2,431	
Income tax expense	(254)	(110)		(626)	(439)	
Consolidated net income	1,401	822		3,676	1,992	
Less: Net income attributable to noncontrolling interests	(155)	(108)		(454)	(324)	
Net income attributable to Charter shareholders	\$ 1,246	\$ 714		\$ 3,222	\$ 1,668	
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CHARTER SHAREHOLDERS:						
Basic	\$ 6.33	\$ 3.36		\$ 15.85	\$ 7.60	
Diluted	\$ 6.05	\$ 3.28		\$ 15.40	\$ 7.45	
Weighted average common shares outstanding, basic	196,906,511	212,648,072		203,316,483	219,506,735	
Weighted average common shares outstanding, diluted	212,077,917	217,778,099		209,273,247	223,786,380	

Adjusted EBITDA is a non-GAAP term. See page 6 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)

	December 31,	December 31,
	2020	2019
	(unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 998	\$ 3,483
Accounts receivable, net	2,201	2,227
Prepaid expenses and other current assets	707	761
Total current assets	3,906	6,471
RESTRICTED CASH	3	66
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	34,357	34,591
Customer relationships, net	5,615	7,453
Franchises	67,322	67,322
Goodwill	29,554	29,554
Total investment in cable properties, net	136,848	138,920
OTHER NONCURRENT ASSETS	3,449	2,731
Total assets	\$ 144,206	\$ 148,188
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 8,867	\$ 8,885
Current portion of long-term debt	1,008	3,500
Total current liabilities	9,875	12,385
LONG-TERM DEBT	81,744	75,578
DEFERRED INCOME TAXES	18,108	17,711
OTHER LONG-TERM LIABILITIES	4,198	3,703
SHAREHOLDERS' EQUITY:		
Controlling interest	23,805	31,445
Noncontrolling interests	6,476	7,366
Total shareholders' equity	30,281	38,811
Total liabilities and shareholders' equity	\$ 144,206	\$ 148,188

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

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:				
Consolidated net income	\$ 1,401	\$ 822	\$ 3,676	\$ 1,992
Adjustments to reconcile consolidated net income to net cash flows from operating activities:				
Depreciation and amortization	2,409	2,461	9,704	9,926
Stock compensation expense	88	77	351	315
Noncash interest income, net	(10)	(17)	(41)	(106)
Other pension (benefits) costs, net	(28)	96	66	69
Loss on extinguishment of debt	22	25	143	25
(Gain) loss on financial instruments, net	(170)	(62)	15	54
Deferred income taxes	213	87	465	320
Other, net	11	10	(10)	158
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:				
Accounts receivable	(133)	59	26	(505)
Prepaid expenses and other assets	116	(172)	(124)	(397)
Accounts payable, accrued liabilities and other	230	(28)	291	(103)
Net cash flows from operating activities	<u>4,149</u>	<u>3,358</u>	<u>14,562</u>	<u>11,748</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	(2,063)	(2,282)	(7,415)	(7,195)
Change in accrued expenses related to capital expenditures	(7)	504	(77)	55
Purchases of wireless spectrum licenses	(371)	—	(464)	—
Real estate investments through variable interest entities	(61)	(23)	(183)	(148)
Other, net	(68)	(53)	(18)	(43)
Net cash flows from investing activities	<u>(2,570)</u>	<u>(1,854)</u>	<u>(8,157)</u>	<u>(7,331)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings of long-term debt	5,402	6,528	15,754	19,685
Repayments of long-term debt	(2,383)	(2,423)	(12,094)	(13,309)
Payments for debt issuance costs	(34)	(55)	(125)	(103)
Issuance of equity	—	—	23	—
Purchase of treasury stock	(4,349)	(2,305)	(11,217)	(6,873)
Proceeds from exercise of stock options	13	12	184	118
Purchase of noncontrolling interest	(578)	(292)	(1,462)	(885)
Distributions to noncontrolling interest	(40)	(38)	(154)	(154)
Borrowings for real estate investments through variable interest entities, net	59	—	122	—
Other, net	46	21	16	(112)
Net cash flows from financing activities	<u>(1,864)</u>	<u>1,448</u>	<u>(8,953)</u>	<u>(1,633)</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(285)	2,952	(2,548)	2,784
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	1,286	597	3,549	765
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	<u>\$ 1,001</u>	<u>\$ 3,549</u>	<u>\$ 1,001</u>	<u>\$ 3,549</u>
CASH PAID FOR INTEREST	<u>\$ 843</u>	<u>\$ 898</u>	<u>\$ 3,866</u>	<u>\$ 3,963</u>
CASH PAID FOR TAXES	<u>\$ 39</u>	<u>\$ 16</u>	<u>\$ 123</u>	<u>\$ 71</u>

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

	Approximate as of		
	December 31, 2020 (a)	September 30, 2020 (a)	December 31, 2019 (a)
Footprint (b)			
Estimated Passings	53,300	53,022	52,154
Customer Relationships (c)			
Residential	29,079	28,912	27,277
SMB	2,051	2,021	1,958
Total Customer Relationships	31,130	30,933	29,235
Residential	167	416	240
SMB	30	41	28
Total Customer Relationships Quarterly Net Additions	197	457	268
Total Customer Relationship Penetration of Estimated Passings (d)	58.4 %	58.3 %	56.1 %
Monthly Residential Revenue per Residential Customer (e)	\$ 111.85	\$ 109.03	\$ 113.79
Monthly SMB Revenue per SMB Customer (f)	\$ 163.02	\$ 164.77	\$ 169.06
Residential Customer Relationships Penetration			
Single Play Penetration (g)	44.5 %	44.2 %	43.0 %
Double Play Penetration (g)	32.7 %	32.3 %	30.7 %
Triple Play Penetration (g)	22.9 %	23.5 %	26.2 %
% Residential Non-Video Customer Relationships	46.2 %	45.7 %	42.7 %
Internet			
Residential	27,023	26,807	24,908
SMB	1,856	1,826	1,756
Total Internet Customers	28,879	28,633	26,664
Residential	216	494	313
SMB	30	43	26
Total Internet Quarterly Net Additions	246	537	339
Video			
Residential	15,639	15,705	15,620
SMB	561	530	524
Total Video Customers	16,200	16,235	16,144
Residential	(66)	53	(105)
SMB	31	14	4
Total Video Quarterly Net Additions	(35)	67	(101)
Voice			
Residential	9,215	9,335	9,443
SMB	1,224	1,207	1,144
Total Voice Customers	10,439	10,542	10,587
Residential	(120)	(63)	(152)
SMB	17	38	24
Total Voice Quarterly Net Additions	(103)	(25)	(128)
Mobile Lines			
Residential	2,320	2,020	1,078
SMB	55	40	4
Total Mobile Lines	2,375	2,060	1,082
Residential	300	348	285
SMB	15	15	3
Total Mobile Lines Quarterly Net Additions	315	363	288
Enterprise (h)			
Enterprise Primary Service Unites ("PSUs")	274	272	267
Enterprise Quarterly Net Additions	2	2	3

- (a) We calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, at December 31, 2020, September 30, 2020 and December 31, 2019, customers included approximately 168,400, 181,700 and 154,200 customers, respectively, whose accounts were over 60 days past due, approximately 17,800, 52,300 and 13,500 customers, respectively, whose accounts were over 90 days past due and approximately 11,100, 26,000 and 10,000 customers, respectively, whose accounts were over 120 days past due.
- (b) Passings represent our estimate of the number of units, such as single family homes, apartment and condominium units and SMB 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.
- (c) Customer relationships include the number of customers that receive one or more levels of service, encompassing Internet, video and voice services, without regard to which service(s) such customers receive. Customers who reside in residential multiple dwelling units ("MDUs") and that are billed under bulk contracts are counted based on the number of billed units within each bulk MDU. Total customer relationships exclude enterprise and mobile-only customer relationships.
- (d) Penetration represents residential and SMB customers as a percentage of estimated passings. Penetration excludes mobile-only customers.
- (e) Monthly residential revenue per residential customer is calculated as total residential quarterly revenue divided by three divided by average residential customer relationships during the respective quarter and excludes mobile revenue and customers.
- (f) Monthly SMB revenue per SMB customer is calculated as total SMB quarterly revenue divided by three divided by average SMB customer relationships during the respective quarter and excludes mobile revenue and customers.
- (g) 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.
- (h) 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 RECONCILIATION OF NON-GAAP MEASURES TO GAAP MEASURES
(dollars in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Net income attributable to Charter shareholders	\$ 1,246	\$ 714	\$ 3,222	\$ 1,668
Plus: Net income attributable to noncontrolling interest	155	108	454	324
Interest expense, net	965	964	3,848	3,797
Income tax expense	254	110	626	439
Depreciation and amortization	2,409	2,461	9,704	9,926
Stock compensation expense	88	77	351	315
Loss on extinguishment of debt	22	25	143	25
(Gain) loss on financial instruments, net	(170)	(62)	15	54
Other pension (benefits) costs, net	(28)	96	66	69
Other, net	53	36	89	238
Adjusted EBITDA (a)	<u>\$ 4,994</u>	<u>\$ 4,529</u>	<u>\$ 18,518</u>	<u>\$ 16,855</u>
Net cash flows from operating activities	\$ 4,149	\$ 3,358	\$ 14,562	\$ 11,748
Less: Purchases of property, plant and equipment	(2,063)	(2,282)	(7,415)	(7,195)
Change in accrued expenses related to capital expenditures	(7)	504	(77)	55
Free cash flow	<u>\$ 2,079</u>	<u>\$ 1,580</u>	<u>\$ 7,070</u>	<u>\$ 4,608</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 and 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 December 31,		Year Ended December 31,	
	2020	2019	2020	2019
Customer premise equipment (a)	\$ 501	\$ 543	\$ 2,002	\$ 2,070
Scalable infrastructure (b)	499	599	1,478	1,439
Line extensions (c)	437	390	1,641	1,444
Upgrade/rebuild (d)	156	183	615	634
Support capital (e)	470	567	1,679	1,608
Total capital expenditures	<u>\$ 2,063</u>	<u>\$ 2,282</u>	<u>\$ 7,415</u>	<u>\$ 7,195</u>
Capital expenditures included in total related to:				
Commercial services	\$ 383	\$ 358	\$ 1,325	\$ 1,314
Mobile	\$ 157	\$ 151	\$ 508	\$ 432

- (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., digital receivers 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).