

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,		
	2021	2020	% Change
REVENUES:			
Internet	\$ 5,086	\$ 4,407	15.4 %
Video	4,344	4,422	(1.8)%
Voice	399	457	(12.6)%
Residential revenue	9,829	9,286	5.8 %
Small and medium business	1,012	996	1.6 %
Enterprise	638	622	2.5 %
Commercial revenue	1,650	1,618	2.0 %
Advertising sales	344	365	(5.8)%
Mobile	492	258	90.7 %
Other	207	211	(2.0)%
Total Revenue	<u>12,522</u>	<u>11,738</u>	6.7 %
COSTS AND EXPENSES:			
Programming	2,988	2,892	3.3 %
Regulatory, connectivity and produced content	600	551	8.9 %
Costs to service customers	1,804	1,848	(2.4)%
Marketing	751	766	(2.0)%
Mobile	572	374	52.8 %
Other expense	862	911	(5.5)%
Total operating costs and expenses (exclusive of items shown separately below)	<u>7,577</u>	<u>7,342</u>	3.2 %
Adjusted EBITDA	4,945	4,396	12.5 %
Adjusted EBITDA margin	39.5 %	37.4 %	
Depreciation and amortization	2,441	2,497	
Stock compensation expense	134	90	
Other operating expenses, net	302	7	
Income from operations	<u>2,068</u>	<u>1,802</u>	
OTHER INCOME (EXPENSES):			
Interest expense, net	(983)	(980)	
Other income (expenses), net	52	(326)	
	<u>(931)</u>	<u>(1,306)</u>	
Income before income taxes	1,137	496	
Income tax expense	(216)	(29)	
Consolidated net income	921	467	
Less: Net income attributable to noncontrolling interests	(114)	(71)	
Net income attributable to Charter shareholders	<u>\$ 807</u>	<u>\$ 396</u>	
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CHARTER SHAREHOLDERS:			
Basic	<u>\$ 4.22</u>	<u>\$ 1.91</u>	
Diluted	<u>\$ 4.11</u>	<u>\$ 1.86</u>	
Weighted average common shares outstanding, basic	<u>191,404,527</u>	<u>207,831,305</u>	
Weighted average common shares outstanding, diluted	<u>205,872,536</u>	<u>212,810,613</u>	

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)

	March 31,	December 31,
	2021	2020
	(unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 772	\$ 1,001
Accounts receivable, net	2,395	2,539
Prepaid expenses and other current assets	496	369
Total current assets	3,663	3,909
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	34,184	34,357
Customer relationships, net	5,185	5,615
Franchises	67,322	67,322
Goodwill	29,554	29,554
Total investment in cable properties, net	136,245	136,848
OTHER NONCURRENT ASSETS		
	3,531	3,449
Total assets	\$ 143,439	\$ 144,206
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 8,911	\$ 8,867
Current portion of long-term debt	1,005	1,008
Total current liabilities	9,916	9,875
LONG-TERM DEBT		
	83,882	81,744
DEFERRED INCOME TAXES		
	18,227	18,108
OTHER LONG-TERM LIABILITIES		
	4,233	4,198
SHAREHOLDERS' EQUITY:		
Controlling interest	20,997	23,805
Noncontrolling interests	6,184	6,476
Total shareholders' equity	27,181	30,281
Total liabilities and shareholders' equity	\$ 143,439	\$ 144,206

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

	Three Months Ended March 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Consolidated net income	\$ 921	\$ 467
Adjustments to reconcile consolidated net income to net cash flows from operating activities:		
Depreciation and amortization	2,441	2,497
Stock compensation expense	134	90
Noncash interest income, net	(7)	(12)
Deferred income taxes	156	(14)
Other, net	(5)	315
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:		
Accounts receivable	144	99
Prepaid expenses and other assets	(182)	(67)
Accounts payable, accrued liabilities and other	149	(155)
Net cash flows from operating activities	3,751	3,220
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property, plant and equipment	(1,821)	(1,461)
Change in accrued expenses related to capital expenditures	(75)	(388)
Real estate investments through variable interest entities	(50)	(38)
Other, net	(10)	37
Net cash flows from investing activities	(1,956)	(1,850)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings of long-term debt	5,289	4,339
Repayments of long-term debt	(3,164)	(3,589)
Payments for debt issuance costs	(22)	(41)
Issuance of equity	—	23
Purchase of treasury stock	(3,652)	(2,352)
Proceeds from exercise of stock options	9	93
Purchase of noncontrolling interest	(507)	(393)
Distributions to noncontrolling interest	(39)	(39)
Borrowings for real estate investments through variable interest entities	50	—
Other, net	12	(24)
Net cash flows from financing activities	(2,024)	(1,983)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(229)	(613)
CASH AND CASH EQUIVALENTS, beginning of period	1,001	3,549
CASH AND CASH EQUIVALENTS, end of period	\$ 772	\$ 2,936
CASH PAID FOR INTEREST	\$ 1,017	\$ 1,050
CASH PAID FOR TAXES	\$ 20	\$ 19

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

	Approximate as of		
	March 31, 2021 (a)	March 31, 2020 (a)	March 31, 2019 (a)
Footprint (b)			
Estimated Passings	53,592	52,418	51,384
Customer Relationships (c)			
Residential	29,361	27,745	26,591
SMB	2,071	1,976	1,863
Total Customer Relationships	31,432	29,721	28,454
Residential	282	468	321
SMB	20	18	30
Total Customer Relationships Quarterly Net Additions	302	486	351
Total Customer Relationship Penetration of Estimated Passings (d)	58.7 %	56.7 %	55.4 %
Monthly Residential Revenue per Residential Customer (e)	\$ 112.18	\$ 112.73	\$ 112.47
Monthly SMB Revenue per SMB Customer (f)	\$ 163.79	\$ 168.83	\$ 170.64
Residential Customer Relationships Penetration			
Single Play Penetration (g)	45.2 %	43.6 %	42.1 %
Double Play Penetration (g)	32.6 %	31.2 %	27.9 %
Triple Play Penetration (g)	22.2 %	25.2 %	30.0 %
% Residential Non-Video Customer Relationships	47.3 %	44.0 %	40.0 %
Internet			
Residential	27,357	25,471	24,023
SMB	1,877	1,775	1,664
Total Internet Customers	29,234	27,246	25,687
Residential	334	563	398
SMB	21	19	30
Total Internet Quarterly Net Additions	355	582	428
Video			
Residential	15,483	15,550	15,952
SMB	579	524	509
Total Video Customers	16,062	16,074	16,461
Residential	(156)	(70)	(152)
SMB	18	—	7
Total Video Quarterly Net Additions	(138)	(70)	(145)
Voice			
Residential	9,113	9,360	10,015
SMB	1,238	1,162	1,072
Total Voice Customers	10,351	10,522	11,087
Residential	(102)	(83)	(120)
SMB	14	18	21
Total Voice Quarterly Net Additions	(88)	(65)	(99)
Mobile Lines			
Residential	2,605	1,359	310
SMB	70	13	—
Total Mobile Lines	2,675	1,372	310
Residential	285	281	176
SMB	15	9	—
Total Mobile Lines Quarterly Net Additions	300	290	176
Enterprise (h)			
Enterprise Primary Service Units ("PSUs")	276	269	253
Enterprise Quarterly Net Additions	2	2	5

- (a) We calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, at March 31, 2021, March 31, 2020 and March 31, 2019, customers included approximately 125,100, 140,800 and 171,100 customers, respectively, whose accounts were over 60 days past due, approximately 26,500, 12,500 and 19,500 customers, respectively, whose accounts were over 90 days past due and approximately 20,000, 8,200 and 20,800 customers, respectively, whose accounts were over 120 days past due. Included in the March 31, 2021 aging statistics are approximately 26,900 residential voice customers that would have been disconnected under our normal collection policies, but were not due to certain state mandates in place.
- (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 March 31,	
	2021	2020
Net income attributable to Charter shareholders	\$ 807	\$ 396
Plus: Net income attributable to noncontrolling interest	114	71
Interest expense, net	983	980
Income tax expense	216	29
Depreciation and amortization	2,441	2,497
Stock compensation expense	134	90
Other expenses, net	250	333
Adjusted EBITDA (a)	<u>\$ 4,945</u>	<u>\$ 4,396</u>
Net cash flows from operating activities	\$ 3,751	\$ 3,220
Less: Purchases of property, plant and equipment	(1,821)	(1,461)
Change in accrued expenses related to capital expenditures	(75)	(388)
Free cash flow	<u>\$ 1,855</u>	<u>\$ 1,371</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 March 31,	
	2021	2020
Customer premise equipment (a)	\$ 489	\$ 463
Scalable infrastructure (b)	411	170
Line extensions (c)	399	343
Upgrade/rebuild (d)	145	129
Support capital (e)	377	356
Total capital expenditures	\$ 1,821	\$ 1,461

Capital expenditures included in total related to:

Commercial services	\$ 333	\$ 261
Mobile	\$ 112	\$ 87

- (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).