

Charter Communications, Inc.

Customer Metrics

(in thousands except ARPU and penetration, unaudited)

	2018					2019					2020	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
Footprint (a)												
Estimated Passings	50,526	50,725	50,977	51,185	51,185	51,384	51,619	51,940	52,154	52,154	52,418	52,714
Penetration Statistics (b)												
Total Customer Relationship Penetration of Estimated Passings	54.3 %	54.5 %	54.6 %	54.9 %	54.9 %	55.4 %	55.5 %	55.8 %	56.1 %	56.1 %	56.7 %	57.8 %
Customer Relationships (c)												
Residential	25,730	25,871	26,063	26,270	26,270	26,591	26,755	27,037	27,277	27,277	27,745	28,496
Small and Medium Business	1,695	1,750	1,792	1,833	1,833	1,863	1,902	1,930	1,958	1,958	1,976	1,980
Total Customer Relationships	27,425	27,621	27,855	28,103	28,103	28,454	28,657	28,967	29,235	29,235	29,721	30,476
Net Additions (Losses)												
Residential	231	141	192	207	771	321	164	282	240	1,007	468	751
Small and Medium Business	33	55	42	41	171	30	39	28	28	125	18	4
Total Customer Relationships	264	196	234	248	942	351	203	310	268	1,132	486	755
Residential												
Primary Service Units ("PSU")												
Internet	22,852	23,070	23,336	23,625	23,625	24,023	24,244	24,595	24,908	24,908	25,471	26,313
Video	16,279	16,206	16,140	16,104	16,104	15,952	15,802	15,725	15,620	15,620	15,550	15,652
Voice	10,370	10,325	10,218	10,135	10,135	10,015	9,808	9,595	9,443	9,443	9,360	9,398
Net Additions (Losses)												
Internet	334	218	266	289	1,107	398	221	351	313	1,283	563	842
Video	(121)	(73)	(66)	(36)	(296)	(152)	(150)	(77)	(105)	(484)	(70)	102
Voice	(54)	(45)	(107)	(83)	(289)	(120)	(207)	(213)	(152)	(692)	(83)	38
Single Play (g)	10,577	10,694	10,858	10,928	10,928	11,189	11,354	11,557	11,741	11,741	12,099	12,552
Double Play (g)	6,537	6,633	6,789	7,097	7,097	7,412	7,709	8,088	8,377	8,377	8,655	9,021
Triple Play (g)	8,616	8,544	8,416	8,245	8,245	7,990	7,692	7,392	7,159	7,159	6,991	6,923
Single Play Penetration (h)	41.1 %	41.3 %	41.7 %	41.6 %	41.6 %	42.1 %	42.4 %	42.7 %	43.0 %	43.0 %	43.6 %	44.0 %
Double Play Penetration (h)	25.4 %	25.6 %	26.1 %	27.0 %	27.0 %	27.9 %	28.8 %	29.9 %	30.7 %	30.7 %	31.2 %	31.7 %
Triple Play Penetration (h)	33.5 %	33.0 %	32.3 %	31.4 %	31.4 %	30.0 %	28.8 %	27.3 %	26.2 %	26.2 %	25.2 %	24.3 %
% Residential Non-Video Customer Relationships	36.7 %	37.4 %	38.1 %	38.7 %	38.7 %	40.0 %	40.9 %	41.8 %	42.7 %	42.7 %	44.0 %	45.1 %
Monthly Residential Revenue per Residential Customer (d)	\$111.41	\$111.88	\$111.13	\$111.78	\$111.56	\$112.47	\$112.20	\$112.00	\$113.79	\$112.63	\$112.73	\$110.82
Small and Medium Business												
PSUs												
Internet	1,503	1,552	1,594	1,634	1,634	1,664	1,701	1,730	1,756	1,756	1,775	1,783
Video	460	476	488	502	502	509	518	520	524	524	524	516
Voice	957	994	1,024	1,051	1,051	1,072	1,097	1,120	1,144	1,144	1,162	1,169
Net Additions (Losses)												
Internet	33	49	42	40	164	30	37	29	26	122	19	8
Video	10	16	12	14	52	7	9	2	4	22	—	(8)
Voice	27	37	30	27	121	21	25	23	24	93	18	7
Monthly Small and Medium Business Revenue per Customer (e)	\$178.84	\$176.96	\$173.52	\$170.62	\$174.88	\$170.64	\$170.42	\$169.44	\$169.06	\$169.90	\$168.83	\$166.06
Mobile Lines												
Residential and Small and Medium Business Mobile Lines	—	—	21	134	134	310	518	794	1,082	1,082	1,372	1,697
Net Additions	—	—	21	113	134	176	208	276	288	948	290	325
Enterprise PSUs (f)												
Enterprise PSUs	228	235	243	248	248	253	258	264	267	267	269	270
Net Additions	8	7	8	5	28	5	5	6	3	19	2	1

All percentages are calculated using whole numbers. Minor differences may exist due to rounding. See footnotes on page 6.

Charter Communications, Inc.
Customers and Net Additions on COVID-19 Offers
For the Quarter Ended June 30, 2020
(in thousands, unaudited)

	Remote Education Offer (a)	Keep Americans Connected (b)	Seasonal Plan (c)	Total
Residential				
Customer Relationships	160	208	n/a	368
Internet PSUs	160	202	n/a	362
Video PSUs	58 (d)	148	n/a	206
Voice PSUs	46 (d)	90	n/a	136
Mobile Lines	10 (d)	8	n/a	18
Quarterly Net Additions				
Customer Relationships	41	207	n/a	248
Internet PSUs	41	201	n/a	242
Video PSUs	12 (d)	147	n/a	159
Voice PSUs	12 (d)	90	n/a	102
Mobile Lines	7 (d)	8	n/a	15
Small and Medium Business				
Customer Relationships	n/a	14	13	27
Internet PSUs	n/a	13	11	24
Video PSUs	n/a	6	13	19
Voice PSUs	n/a	11	8	19
Mobile Lines	n/a	—	—	—
Quarterly Net Additions				
Customer Relationships	n/a	14	8	22
Internet PSUs	n/a	13	7	20
Video PSUs	n/a	6	11	17
Voice PSUs	n/a	11	5	16
Mobile Lines	n/a	—	—	—
Residential and Small and Medium Business				
Customer Relationships	160	222	13	395
Internet PSUs	160	215	11	386
Video PSUs	58 (d)	154	13	225
Voice PSUs	46 (d)	101	8	155
Mobile Lines	10 (d)	8	—	18
Quarterly Net Additions				
Customer Relationships	41	221	8	270
Internet PSUs	41	214	7	262
Video PSUs	12 (d)	153	11	176
Voice PSUs	12 (d)	101	5	118
Mobile Lines	7 (d)	8	—	15
Enterprise PSUs				
Enterprise PSUs	n/a	1	9	10

- (a) The Remote Education Offer ("REO") represents residential customers receiving free Internet service by participating in Charter's free 60-day Internet offer available to households with K-12 and/or college students or educators who were not Spectrum Internet customers. This offer for new customers ended on June 30, 2020. These residential customers are generally eligible to purchase additional products and services (i.e. video, voice and mobile) at current promotional rates. Of the 448,000 Internet customers who were added as part of the REO through June 30, 2020 (of which 119,000 were added in March), 160,000 remained within their 60-day free period with 288,000 having rolled off the promotional period as of June 30, 2020. Nearly 90% of cumulative connects on the REO remained Internet customers as of July 27, 2020.
- (b) As part of our March 2020 pledge to the FCC which we extended through June 30, Keep Americans Connected ("KAC") represents customers who requested to not be disconnected from service due to COVID-19 related payment challenges and would have been disconnected under our normal collection policies during the pledge period. Approximately 600,000 residential customers and 100,000 SMB customers had requested protection from disconnection, of which at the peak of the program, 208,000 and 14,000, respectively, would have been disconnected under our normal collection policies. Approximately 30% of the KAC customer bills were current, and over 60% were making partial or full payments. In an effort to assist these COVID-19 impacted customers with overdue balances, Charter waived \$76 million of residential, \$6 million of SMB and \$3 million of mobile receivables, each of which were recorded as a reduction to revenue in the second quarter. These customers no longer have an overdue balance and will be subject to Charter's standard collection practices going forward.
- (c) Represents small and medium businesses and Enterprise hospitality 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 who are receiving free Internet Service 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.

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

(\$ in millions; unaudited)

	2018					2019					2020	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
Revenue												
Internet	\$ 3,707	\$ 3,770	\$ 3,809	\$ 3,895	\$15,181	\$ 4,024	\$ 4,103	\$ 4,195	\$ 4,345	\$16,667	\$4,407	\$ 4,530
Video	4,292	4,363	4,332	4,361	17,348	4,384	4,391	4,359	4,473	17,607	4,422	4,371
Voice	556	531	512	515	2,114	504	489	477	450	1,920	457	451
Residential Revenue	8,555	8,664	8,653	8,771	34,643	8,912	8,983	9,031	9,268	36,194	9,286	9,352
Small and Medium Business	900	915	922	928	3,665	945	963	974	986	3,868	996	983
Enterprise	622	627	632	647	2,528	643	652	644	617	2,556	622	606
Commercial Revenue	1,522	1,542	1,554	1,575	6,193	1,588	1,615	1,618	1,603	6,424	1,618	1,589
Advertising Sales	356	427	440	562	1,785	345	395	394	434	1,568	365	249
Mobile	—	—	17	89	106	140	158	192	236	726	258	310
Other	224	221	228	234	907	221	196	215	220	852	211	196
Total Revenue	\$10,657	\$10,854	\$10,892	\$11,231	\$43,634	\$11,206	\$11,347	\$11,450	\$11,761	\$45,764	\$11,738	\$11,696
<i>Y/Y Growth</i>	<i>4.9 %</i>	<i>4.8 %</i>	<i>4.2 %</i>	<i>5.9 %</i>	<i>4.9 %</i>	<i>5.1 %</i>	<i>4.5 %</i>	<i>5.1 %</i>	<i>4.7 %</i>	<i>4.9 %</i>	<i>4.8 %</i>	<i>3.1 %</i>
Costs and Expenses												
Programming	\$ 2,752	\$ 2,803	\$ 2,778	\$ 2,791	\$11,124	\$ 2,865	\$ 2,827	\$ 2,790	\$ 2,808	\$11,290	\$2,892	\$ 2,873
Regulatory, Connectivity and Produced Content	533	560	546	571	2,210	561	597	612	596	2,366	551	488
Costs to Service Customers	1,854	1,784	1,854	1,835	7,327	1,822	1,767	1,894	1,794	7,277	1,848	1,848
Marketing	751	769	790	732	3,042	735	768	793	748	3,044	766	719
Mobile	8	33	94	211	346	260	277	337	372	1,246	374	413
Other Expense	866	854	879	927	3,526	908	926	938	914	3,686	911	866
Total Operating Costs and Expenses	\$ 6,764	\$ 6,803	\$ 6,941	\$ 7,067	\$27,575	\$ 7,151	\$ 7,162	\$ 7,364	\$ 7,232	\$28,909	\$7,342	\$7,207
Adjusted EBITDA ⁽ⁱ⁾												
Adjusted EBITDA ⁽ⁱ⁾	\$ 3,893	\$ 4,051	\$ 3,951	\$ 4,164	\$16,059	\$ 4,055	\$ 4,185	\$ 4,086	\$ 4,529	\$16,855	\$4,396	\$4,489
<i>Y/Y Growth</i>	<i>6.5 %</i>	<i>5.3 %</i>	<i>3.5 %</i>	<i>4.6 %</i>	<i>5.0 %</i>	<i>4.2 %</i>	<i>3.3 %</i>	<i>3.4 %</i>	<i>8.8 %</i>	<i>5.0 %</i>	<i>8.4 %</i>	<i>7.3 %</i>
Adjusted EBITDA Margin	<i>36.5 %</i>	<i>37.3 %</i>	<i>36.3 %</i>	<i>37.1 %</i>	<i>36.8 %</i>	<i>36.2 %</i>	<i>36.9 %</i>	<i>35.7 %</i>	<i>38.5 %</i>	<i>36.8 %</i>	<i>37.4 %</i>	<i>38.4 %</i>
Cable Adjusted EBITDA ⁽ⁱ⁾	\$ 3,901	\$ 4,084	\$ 4,028	\$ 4,286	\$16,299	\$ 4,175	\$ 4,304	\$ 4,231	\$ 4,665	\$17,375	\$4,512	\$4,592
<i>Cable Y/Y Growth</i>	<i>6.8 %</i>	<i>6.2 %</i>	<i>5.5 %</i>	<i>7.6 %</i>	<i>6.5 %</i>	<i>7.0 %</i>	<i>5.4 %</i>	<i>5.0 %</i>	<i>8.9 %</i>	<i>6.6 %</i>	<i>8.1 %</i>	<i>6.7 %</i>
Cable Adjusted EBITDA Margin	<i>36.6 %</i>	<i>37.6 %</i>	<i>37.0 %</i>	<i>38.5 %</i>	<i>37.4 %</i>	<i>37.7 %</i>	<i>38.5 %</i>	<i>37.6 %</i>	<i>40.5 %</i>	<i>38.6 %</i>	<i>39.3 %</i>	<i>40.3 %</i>

Adjusted EBITDA ⁽ⁱ⁾ and cable Adjusted EBITDA ⁽ⁱ⁾ are non-GAAP terms. See page 4 for the reconciliation of Adjusted EBITDA ⁽ⁱ⁾ and cable Adjusted EBITDA ⁽ⁱ⁾ to net income attributable to Charter shareholders as defined by GAAP.

All percentages are calculated using whole numbers. Minor differences may exist due to rounding. See footnotes on page 6.

Charter Communications, Inc.
Capital Expenditures

(\$ in millions; unaudited)

	2018					2019					2020	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
Capital Expenditures												
Customer premise equipment (j)	\$ 934	\$ 828	\$ 675	\$ 687	\$ 3,124	\$ 565	\$ 492	\$ 470	\$ 543	\$ 2,070	\$ 463	\$ 518
Scalable infrastructure (k)	486	587	505	649	2,227	297	223	320	599	1,439	170	385
Line extensions (l)	291	353	348	381	1,373	321	363	370	390	1,444	343	422
Success Based	1,711	1,768	1,528	1,717	6,724	1,183	1,078	1,160	1,532	4,953	976	1,325
Upgrade/Rebuild (m)	142	190	190	182	704	131	155	165	183	634	129	155
Support capital (n)	330	433	400	534	1,697	351	364	326	567	1,608	356	397
Total capital expenditures	2,183	2,391	2,118	2,433	9,125	1,665	1,597	1,651	2,282	7,195	1,461	1,877
Less: Mobile capital expenditures	(17)	(53)	(66)	(106)	(242)	(88)	(93)	(100)	(151)	(432)	(87)	(125)
Cable capital expenditures	\$ 2,166	\$ 2,338	\$ 2,052	\$ 2,327	\$ 8,883	\$ 1,577	\$ 1,504	\$ 1,551	\$ 2,131	\$ 6,763	\$ 1,374	\$ 1,752
Capital expenditures included in total related to:												
Commercial services	\$ 283	\$ 309	\$ 342	\$ 379	\$ 1,313	\$ 305	\$ 324	\$ 327	\$ 358	\$ 1,314	\$ 261	\$ 323
All-digital transition	\$ 186	\$ 88	\$ 42	\$ 28	\$ 344	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

See footnotes on page 6.

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

(\$ in millions; unaudited)

	2018					2019					2020	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
Reconciliation												
Net income attributable to Charter shareholders	\$ 168	\$ 273	\$ 493	\$ 296	\$ 1,230	\$ 253	\$ 314	\$ 387	\$ 714	\$ 1,668	\$ 396	\$ 766
Plus:												
Net income attributable to noncontrolling interest	55	66	91	64	276	64	72	80	108	324	71	110
Interest expense, net	851	878	901	910	3,540	925	945	963	964	3,797	980	957
Income tax expense	28	41	109	2	180	119	84	126	110	439	29	166
Depreciation and amortization	2,710	2,592	2,482	2,534	10,318	2,550	2,500	2,415	2,461	9,926	2,497	2,428
Stock compensation expense	72	70	71	72	285	85	82	71	77	315	90	90
Loss on extinguishment of debt	—	—	—	—	—	—	—	—	25	25	27	36
(Gain) loss on financial instruments, net	(63)	75	(12)	110	110	(37)	119	34	(62)	54	318	(64)
Other pension (benefits) costs, net	(20)	(20)	(207)	55	(192)	(9)	(9)	(9)	96	69	(10)	(11)
Other, net	92	76	23	121	312	105	78	19	36	238	(2)	11
Adjusted EBITDA ⁽ⁱ⁾	3,893	4,051	3,951	4,164	16,059	4,055	4,185	4,086	4,529	16,855	4,396	4,489
Less: Mobile revenue	—	—	(17)	(89)	(106)	(140)	(158)	(192)	(236)	(726)	(258)	(310)
Plus: Mobile costs and expenses	8	33	94	211	346	260	277	337	372	1,246	374	413
Cable Adjusted EBITDA ⁽ⁱ⁾	\$ 3,901	\$ 4,084	\$ 4,028	\$ 4,286	\$16,299	\$ 4,175	\$ 4,304	\$ 4,231	\$ 4,665	\$17,375	\$ 4,512	\$ 4,592
Net cash flows from operating activities	\$ 2,699	\$ 3,096	\$ 2,804	\$ 3,168	\$11,767	\$ 2,686	\$ 2,761	\$ 2,943	\$ 3,358	\$11,748	\$ 3,220	\$ 3,529
Less:												
Purchases of property, plant and equipment	(2,183)	(2,391)	(2,118)	(2,433)	(9,125)	(1,665)	(1,597)	(1,651)	(2,282)	(7,195)	(1,461)	(1,877)
Change in accrued expenses related to capital expenditures	(565)	99	(154)	150	(470)	(376)	(52)	(21)	504	55	(388)	214
Free cash flow ⁽ⁱ⁾	(49)	804	532	885	2,172	645	1,112	1,271	1,580	4,608	1,371	1,866
Plus:												
Mobile net cash outflows from operating activities	8	63	83	198	352	203	204	156	166	729	173	108
Purchases of mobile property, plant and equipment	17	53	66	106	242	88	93	100	151	432	87	125
Cable free cash flow ⁽ⁱ⁾	\$ (24)	\$ 920	\$ 681	\$ 1,189	\$ 2,766	\$ 936	\$ 1,409	\$ 1,527	\$ 1,897	\$ 5,769	\$ 1,631	\$ 2,099

See page 3 for detail of the components included within Adjusted EBITDA⁽ⁱ⁾ and cable Adjusted EBITDA⁽ⁱ⁾.

The above schedule is presented in order to reconcile Adjusted EBITDA⁽ⁱ⁾, cable Adjusted EBITDA⁽ⁱ⁾, free cash flow and cable free cash flow, non-GAAP measures, to the most directly comparable GAAP measures in accordance with Section 401(b) of the Sarbanes-Oxley Act. See footnotes on page 6.

Charter Communications, Inc.

Notes

- (a) Passings represent our estimate of the number of units, such as single family homes, apartment and condominium units and small and medium business and enterprise sites passed by our cable distribution network in the areas where we offer service. 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.
- (b) Penetration represents residential and small and medium business customers as a percentage of estimated passings. Penetration excludes mobile-only customers.
- (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) 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 customer excludes mobile revenue and customers.
- (e) 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.
- (f) Enterprise PSUs represents the aggregate number of fiber service offerings counting each separate service offering at each customer location as an individual PSU.
- (g) Single play, double play and triple play customers represent customers that subscribe to one, two or three of our cable service offerings, respectively, excluding mobile.
- (h) 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.
- (i) Adjusted EBITDA is defined as net income attributable to Charter shareholders plus net income attributable to noncontrolling interest, net interest expense, income taxes, depreciation and amortization, stock compensation expense, loss on extinguishment of debt, (gain) loss on financial instruments, net, other pension (benefits) costs, other (income) expense, net and other operating (income) expenses, such as special charges and (gain) loss on sale or retirement of assets. As such, it eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of our businesses as well as other non-cash or special items, and is unaffected by our capital structure or investment activities.
Free cash flow is defined as net cash flows from operating activities, less capital expenditures and changes in accrued expenses related to capital expenditures.
Cable Adjusted EBITDA is defined as Adjusted EBITDA less mobile revenues plus mobile operating costs and expenses. Cable free cash flow is defined as free cash flow plus net cash outflows from operating activities and capital expenditures related to mobile.
- (j) Customer premise equipment includes costs incurred at the customer residence to secure new customers and revenue generating units, including customer installation costs and customer premise equipment (e.g., set-top boxes and cable modems, etc.).
- (k) Scalable infrastructure includes costs, not related to customer premise equipment or our network, to secure growth of new customers and revenue generating units, or provide service enhancements (e.g., headend equipment).
- (l) Line extensions include network costs associated with entering new service areas (e.g., fiber/coaxial cable, amplifiers, electronic equipment, make-ready and design engineering).
- (m) Upgrade/rebuild includes costs to modify or replace existing fiber/coaxial cable networks, including betterments.
- (n) Support capital includes costs associated with the replacement or enhancement of non-network assets due to technological and physical obsolescence (e.g., non-network equipment, land, buildings and vehicles).