

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2020	2019	% Change	2020	2019	% Change
REVENUES:						
Internet	\$ 4,722	\$ 4,195	12.5 %	\$ 13,659	\$ 12,322	10.8 %
Video	4,221	4,359	(3.2)%	13,014	13,134	(0.9)%
Voice	449	477	(5.8)%	1,357	1,470	(7.7)%
Residential revenue	9,392	9,031	4.0 %	28,030	26,926	4.1 %
Small and medium business	988	974	1.5 %	2,967	2,882	2.9 %
Enterprise	617	644	(4.3)%	1,845	1,939	(4.9)%
Commercial revenue	1,605	1,618	(0.8)%	4,812	4,821	(0.2)%
Advertising sales	460	394	16.8 %	1,074	1,134	(5.3)%
Mobile	368	192	91.8 %	936	490	91.3 %
Other	214	215	(0.7)%	621	632	(1.8)%
Total Revenue	12,039	11,450	5.1 %	35,473	34,003	4.3 %
COSTS AND EXPENSES:						
Programming	2,727	2,790	(2.3)%	8,492	8,482	0.1 %
Regulatory, connectivity and produced content	612	612	(0.1)%	1,651	1,770	(6.7)%
Costs to service customers	1,902	1,894	0.4 %	5,598	5,483	2.1 %
Marketing	788	793	(0.7)%	2,273	2,296	(1.0)%
Mobile	456	337	35.2 %	1,243	874	42.2 %
Other expense	915	938	(2.5)%	2,692	2,772	(2.9)%
Total operating costs and expenses (exclusive of items shown separately below)	7,400	7,364	0.5 %	21,949	21,677	1.3 %
Adjusted EBITDA	4,639	4,086	13.6 %	13,524	12,326	9.7 %
Adjusted EBITDA margin	38.5 %	35.7 %		38.1 %	36.2 %	
Depreciation and amortization	2,370	2,415		7,295	7,465	
Stock compensation expense	83	71		263	238	
Other operating expenses, net	14	14		23	71	
Income from operations	2,172	1,586		5,943	4,552	
OTHER INCOME (EXPENSES):						
Interest expense, net	(946)	(963)		(2,883)	(2,833)	
Loss on extinguishment of debt	(58)	—		(121)	—	
Gain (loss) on financial instruments, net	69	(34)		(185)	(116)	
Other pension benefits (costs), net	(115)	9		(94)	27	
Other expense, net	(13)	(5)		(13)	(131)	
	(1,063)	(993)		(3,296)	(3,053)	
Income before income taxes	1,109	593		2,647	1,499	
Income tax expense	(177)	(126)		(372)	(329)	
Consolidated net income	932	467		2,275	1,170	
Less: Net income attributable to noncontrolling interests	(118)	(80)		(299)	(216)	
Net income attributable to Charter shareholders	\$ 814	\$ 387		\$ 1,976	\$ 954	
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CHARTER SHAREHOLDERS:						
Basic	\$ 4.01	\$ 1.77		\$ 9.62	\$ 4.30	
Diluted	\$ 3.90	\$ 1.74		\$ 9.35	\$ 4.23	
Weighted average common shares outstanding, basic	202,826,502	218,499,213		205,468,736	221,818,079	
Weighted average common shares outstanding, diluted	208,722,129	222,355,867		211,399,781	225,337,984	

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)

	September 30,	December 31,
	2020	2019
	(unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,283	\$ 3,483
Accounts receivable, net	2,068	2,227
Prepaid expenses and other current assets	709	761
Total current assets	4,060	6,471
RESTRICTED CASH	3	66
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	34,196	34,591
Customer relationships, net	6,050	7,453
Franchises	67,322	67,322
Goodwill	29,554	29,554
Total investment in cable properties, net	137,122	138,920
OTHER NONCURRENT ASSETS	3,008	2,731
Total assets	\$ 144,193	\$ 148,188
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 8,541	\$ 8,885
Current portion of long-term debt	1,715	3,500
Total current liabilities	10,256	12,385
LONG-TERM DEBT	77,947	75,578
DEFERRED INCOME TAXES	17,929	17,711
OTHER LONG-TERM LIABILITIES	4,349	3,703
SHAREHOLDERS' EQUITY:		
Controlling interest	26,906	31,445
Noncontrolling interests	6,806	7,366
Total shareholders' equity	33,712	38,811
Total liabilities and shareholders' equity	\$ 144,193	\$ 148,188

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES:				
Consolidated net income	\$ 932	\$ 467	\$ 2,275	\$ 1,170
Adjustments to reconcile consolidated net income to net cash flows from operating activities:				
Depreciation and amortization	2,370	2,415	7,295	7,465
Stock compensation expense	83	71	263	238
Noncash interest income, net	(10)	(17)	(31)	(89)
Other pension (benefits) costs, net	115	(9)	94	(27)
Loss on extinguishment of debt	58	—	121	—
(Gain) loss on financial instruments, net	(69)	34	185	116
Deferred income taxes	151	96	252	233
Other, net	(4)	(3)	(21)	148
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:				
Accounts receivable	(74)	(227)	159	(564)
Prepaid expenses and other assets	(76)	(49)	(240)	(225)
Accounts payable, accrued liabilities and other	188	165	61	(75)
Net cash flows from operating activities	<u>3,664</u>	<u>2,943</u>	<u>10,413</u>	<u>8,390</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	(2,014)	(1,651)	(5,352)	(4,913)
Change in accrued expenses related to capital expenditures	104	(21)	(70)	(449)
Real estate investments through variable interest entities	(41)	(61)	(122)	(125)
Other, net	(35)	2	(43)	10
Net cash flows from investing activities	<u>(1,986)</u>	<u>(1,731)</u>	<u>(5,587)</u>	<u>(5,477)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings of long-term debt	3,030	2,443	10,352	13,157
Repayments of long-term debt	(1,819)	(763)	(9,711)	(10,886)
Payments for debt issuance costs	(29)	(16)	(91)	(48)
Issuance of equity	—	—	23	—
Purchase of treasury stock	(3,361)	(2,767)	(6,868)	(4,568)
Proceeds from exercise of stock options	50	25	171	106
Purchase of noncontrolling interest	(366)	(339)	(884)	(593)
Distributions to noncontrolling interest	(37)	(38)	(114)	(116)
Borrowings for real estate investments through variable interest entities, net	39	—	63	—
Other, net	(1)	(6)	(30)	(133)
Net cash flows from financing activities	<u>(2,494)</u>	<u>(1,461)</u>	<u>(7,089)</u>	<u>(3,081)</u>
NET DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH	(816)	(249)	(2,263)	(168)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, beginning of period	2,102	846	3,549	765
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, end of period	<u>\$ 1,286</u>	<u>\$ 597</u>	<u>\$ 1,286</u>	<u>\$ 597</u>
CASH PAID FOR INTEREST	<u>\$ 1,038</u>	<u>\$ 1,048</u>	<u>\$ 3,023</u>	<u>\$ 3,065</u>
CASH PAID FOR TAXES	<u>\$ 34</u>	<u>\$ 12</u>	<u>\$ 84</u>	<u>\$ 55</u>

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

	Approximate as of			
	September 30, 2020 (a)	June 30, 2020 (a)	December 31, 2019 (a)	September 30, 2019 (a)
Footprint (b)				
Estimated Passings	53,022	52,714	52,154	51,940
Customer Relationships (c)				
Residential	28,912	28,496	27,277	27,037
SMB	2,021	1,980	1,958	1,930
Total Customer Relationships	30,933	30,476	29,235	28,967
Residential	416	751	240	282
SMB	41	4	28	28
Total Customer Relationships Net Additions	457	755	268	310
Total Customer Relationship Penetration of Estimated Passings (d)	58.3 %	57.8 %	56.1 %	55.8 %
Monthly Residential Revenue per Residential Customer (e)	\$ 109.03	\$ 110.82	\$ 113.79	\$ 112.00
Monthly SMB Revenue per SMB Customer (f)	\$ 164.77	\$ 166.06	\$ 169.06	\$ 169.44
Residential Customer Relationships Penetration				
Single Play Penetration (g)	44.2 %	44.0 %	43.0 %	42.7 %
Double Play Penetration (g)	32.3 %	31.7 %	30.7 %	29.9 %
Triple Play Penetration (g)	23.5 %	24.3 %	26.2 %	27.3 %
% Residential Non-Video Customer Relationships	45.7 %	45.1 %	42.7 %	41.8 %
Internet				
Residential	26,807	26,313	24,908	24,595
SMB	1,826	1,783	1,756	1,730
Total Internet Customers	28,633	28,096	26,664	26,325
Residential	494	842	313	351
SMB	43	8	26	29
Total Internet Net Additions	537	850	339	380
Video				
Residential	15,705	15,652	15,620	15,725
SMB	530	516	524	520
Total Video Customers	16,235	16,168	16,144	16,245
Residential	53	102	(105)	(77)
SMB	14	(8)	4	2
Total Video Net Additions	67	94	(101)	(75)
Voice				
Residential	9,335	9,398	9,443	9,595
SMB	1,207	1,169	1,144	1,120
Total Voice Customers	10,542	10,567	10,587	10,715
Residential	(63)	38	(152)	(213)
SMB	38	7	24	23
Total Voice Net Additions	(25)	45	(128)	(190)
Mobile Lines				
Residential	2,020	1,672	1,078	793
SMB	40	25	4	1
Total Mobile Lines	2,060	1,697	1,082	794
Residential	348	313	285	275
SMB	15	12	3	1
Total Mobile Lines Net Additions	363	325	288	276
Enterprise (h)				
Enterprise Primary Service Unites ("PSUs")	272	270	267	264
Enterprise Net Additions	2	1	3	6

- (a) We calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, at September 30, 2020, June 30, 2020, December 31, 2019 and September 30, 2019, customers included approximately 181,700, 124,500, 154,200 and 148,000 customers, respectively, whose accounts were over 60 days past due, approximately 52,300, 18,400, 13,500 and 16,400 customers, respectively, whose accounts were over 90 days past due and approximately 26,000, 10,400, 10,000 and 14,100 customers, respectively, whose accounts were over 120 days past due. Included in the September 30, 2020 aging statistics are approximately 60,200 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 September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net income attributable to Charter shareholders	\$ 814	\$ 387	\$ 1,976	\$ 954
Plus: Net income attributable to noncontrolling interest	118	80	299	216
Interest expense, net	946	963	2,883	2,833
Income tax expense	177	126	372	329
Depreciation and amortization	2,370	2,415	7,295	7,465
Stock compensation expense	83	71	263	238
Loss on extinguishment of debt	58	—	121	—
(Gain) loss on financial instruments, net	(69)	34	185	116
Other pension (benefits) costs, net	115	(9)	94	(27)
Other, net	27	19	36	202
Adjusted EBITDA (a)	4,639	4,086	13,524	12,326
Less: Mobile revenue	(368)	(192)	(936)	(490)
Plus: Mobile costs and expenses	456	337	1,243	874
Cable Adjusted EBITDA	<u>\$ 4,727</u>	<u>\$ 4,231</u>	<u>\$ 13,831</u>	<u>\$ 12,710</u>
Net cash flows from operating activities	\$ 3,664	\$ 2,943	\$ 10,413	\$ 8,390
Less: Purchases of property, plant and equipment	(2,014)	(1,651)	(5,352)	(4,913)
Change in accrued expenses related to capital expenditures	104	(21)	(70)	(449)
Free cash flow	1,754	1,271	4,991	3,028
Plus: Mobile net cash outflows from operating activities	126	156	407	563
Purchases of mobile property, plant and equipment	139	100	351	281
Cable free cash flow	<u>\$ 2,019</u>	<u>\$ 1,527</u>	<u>\$ 5,749</u>	<u>\$ 3,872</u>

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

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Customer premise equipment (a)	\$ 520	\$ 470	\$ 1,501	\$ 1,527
Scalable infrastructure (b)	424	320	979	840
Line extensions (c)	439	370	1,204	1,054
Upgrade/rebuild (d)	175	165	459	451
Support capital (e)	456	326	1,209	1,041
Total capital expenditures	2,014	1,651	5,352	4,913
Less: Mobile capital expenditures	(139)	(100)	(351)	(281)
Cable capital expenditures	<u>\$ 1,875</u>	<u>\$ 1,551</u>	<u>\$ 5,001</u>	<u>\$ 4,632</u>

Capital expenditures included in total related to:

Commercial services	\$ 358	\$ 327	\$ 942	\$ 956
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- (a) Customer premise equipment includes costs incurred at the customer residence to secure new customers and revenue generating units, including customer installation costs and customer premise equipment (e.g., set-top boxes and cable modems).
- (b) Scalable infrastructure includes costs, not related to customer premise equipment, to secure growth of new customers and revenue generating units, or provide service enhancements (e.g., headend equipment).
- (c) Line extensions include network costs associated with entering new service areas (e.g., fiber/coaxial cable, amplifiers, electronic equipment, make-ready and design engineering).
- (d) Upgrade/rebuild includes costs to modify or replace existing fiber/coaxial cable networks, including betterments.
- (e) Support capital includes costs associated with the replacement or enhancement of non-network assets due to technological and physical obsolescence (e.g., non-network equipment, land, buildings and vehicles).