

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

	Three Months Ended June 30,			Six Months Ended June 30,		
	2021	2020	% Change	2021	2020	% Change
REVENUES:						
Internet	\$ 5,221	\$ 4,530	15.2 %	\$ 10,307	\$ 8,937	15.3 %
Video	4,378	4,371	0.2 %	8,722	8,793	(0.8)%
Voice	394	451	(12.7)%	793	908	(12.7)%
Residential revenue	9,993	9,352	6.8 %	19,822	18,638	6.3 %
Small and medium business	1,042	983	6.0 %	2,054	1,979	3.8 %
Enterprise	636	606	5.1 %	1,274	1,228	3.8 %
Commercial revenue	1,678	1,589	5.6 %	3,328	3,207	3.8 %
Advertising sales	411	249	65.1 %	755	614	23.0 %
Mobile	519	310	67.5 %	1,011	568	78.0 %
Other	201	196	2.8 %	408	407	0.3 %
Total Revenue	12,802	11,696	9.5 %	25,324	23,434	8.1 %
COSTS AND EXPENSES:						
Programming	2,978	2,873	3.6 %	5,966	5,765	3.5 %
Regulatory, connectivity and produced content	668	488	36.9 %	1,268	1,039	22.0 %
Costs to service customers	1,827	1,848	(1.2)%	3,631	3,696	(1.8)%
Marketing	741	719	3.1 %	1,492	1,485	0.5 %
Mobile	586	413	42.0 %	1,158	787	47.2 %
Other expense	982	866	13.5 %	1,844	1,777	3.8 %
Total operating costs and expenses (exclusive of items shown separately below)	7,782	7,207	8.0 %	15,359	14,549	5.6 %
Adjusted EBITDA	5,020	4,489	11.8 %	9,965	8,885	12.2 %
Adjusted EBITDA margin	39.2 %	38.4 %		39.4 %	37.9 %	
Depreciation and amortization	2,354	2,428		4,795	4,925	
Stock compensation expense	100	90		234	180	
Other operating (income) expenses, net	(9)	2		293	9	
Income from operations	2,575	1,969		4,643	3,771	
OTHER INCOME (EXPENSES):						
Interest expense, net	(1,004)	(957)		(1,987)	(1,937)	
Other income (expenses), net	(132)	30		(80)	(296)	
	(1,136)	(927)		(2,067)	(2,233)	
Income before income taxes	1,439	1,042		2,576	1,538	
Income tax expense	(281)	(166)		(497)	(195)	
Consolidated net income	1,158	876		2,079	1,343	
Less: Net income attributable to noncontrolling interests	(138)	(110)		(252)	(181)	
Net income attributable to Charter shareholders	\$ 1,020	\$ 766		\$ 1,827	\$ 1,162	
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CHARTER SHAREHOLDERS:						
Basic	\$ 5.48	\$ 3.72		\$ 9.69	\$ 5.62	
Diluted	\$ 5.29	\$ 3.63		\$ 9.37	\$ 5.48	
Weighted average common shares outstanding, basic	185,916,505	205,777,438		188,645,356	206,804,371	
Weighted average common shares outstanding, diluted	199,077,390	210,906,946		202,458,265	212,158,218	

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)

	June 30,	December 31,
	2021	2020
	(unaudited)	
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,711	\$ 1,001
Accounts receivable, net	2,583	2,539
Prepaid expenses and other current assets	388	369
Total current assets	4,682	3,909
INVESTMENT IN CABLE PROPERTIES:		
Property, plant and equipment, net	34,206	34,357
Customer relationships, net	4,787	5,615
Franchises	67,322	67,322
Goodwill	29,554	29,554
Total investment in cable properties, net	135,869	136,848
OTHER NONCURRENT ASSETS		
	3,475	3,449
Total assets	\$ 144,026	\$ 144,206
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 9,036	\$ 8,867
Current portion of long-term debt	1,002	1,008
Total current liabilities	10,038	9,875
LONG-TERM DEBT		
	86,962	81,744
DEFERRED INCOME TAXES		
	18,678	18,108
OTHER LONG-TERM LIABILITIES		
	4,262	4,198
SHAREHOLDERS' EQUITY:		
Controlling interest	19,342	23,805
Noncontrolling interests	4,744	6,476
Total shareholders' equity	24,086	30,281
Total liabilities and shareholders' equity	\$ 144,026	\$ 144,206

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

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Consolidated net income	\$ 1,158	\$ 876	\$ 2,079	\$ 1,343
Adjustments to reconcile consolidated net income to net cash flows from operating activities:				
Depreciation and amortization	2,354	2,428	4,795	4,925
Stock compensation expense	100	90	234	180
Noncash interest income, net	(8)	(9)	(15)	(21)
Deferred income taxes	215	115	371	101
Other, net	129	(36)	124	279
Changes in operating assets and liabilities, net of effects from acquisitions and dispositions:				
Accounts receivable	(188)	71	(44)	170
Prepaid expenses and other assets	69	(34)	(113)	(101)
Accounts payable, accrued liabilities and other	170	28	319	(127)
Net cash flows from operating activities	<u>3,999</u>	<u>3,529</u>	<u>7,750</u>	<u>6,749</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property, plant and equipment	(1,881)	(1,877)	(3,702)	(3,338)
Change in accrued expenses related to capital expenditures	(50)	214	(125)	(174)
Real estate investments through variable interest entities	(73)	(43)	(123)	(81)
Other, net	(12)	(45)	(22)	(8)
Net cash flows from investing activities	<u>(2,016)</u>	<u>(1,751)</u>	<u>(3,972)</u>	<u>(3,601)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:				
Borrowings of long-term debt	5,669	2,983	10,958	7,322
Repayments of long-term debt	(2,595)	(4,303)	(5,759)	(7,892)
Payments for debt issuance costs	(36)	(21)	(58)	(62)
Issuance of equity	—	—	—	23
Purchase of treasury stock	(3,516)	(1,155)	(7,168)	(3,507)
Proceeds from exercise of stock options	17	28	26	121
Purchase of noncontrolling interest	(583)	(125)	(1,090)	(518)
Distributions to noncontrolling interest	(32)	(38)	(71)	(77)
Borrowings for real estate investments through variable interest entities	73	20	123	20
Other, net	(41)	(1)	(29)	(25)
Net cash flows from financing activities	<u>(1,044)</u>	<u>(2,612)</u>	<u>(3,068)</u>	<u>(4,595)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	939	(834)	710	(1,447)
CASH AND CASH EQUIVALENTS, beginning of period	772	2,936	1,001	3,549
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 1,711</u>	<u>\$ 2,102</u>	<u>\$ 1,711</u>	<u>\$ 2,102</u>
CASH PAID FOR INTEREST	<u>\$ 979</u>	<u>\$ 935</u>	<u>\$ 1,996</u>	<u>\$ 1,985</u>
CASH PAID FOR TAXES	<u>\$ 49</u>	<u>\$ 31</u>	<u>\$ 69</u>	<u>\$ 50</u>

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

	Approximate as of		
	June 30, 2021 (a)	June 30, 2020 (a)	June 30, 2019 (a)
Footprint (b)			
Estimated Passings	53,884	52,714	51,619
Customer Relationships (c)			
Residential	29,660	28,496	26,755
SMB	2,104	1,980	1,902
Total Customer Relationships	31,764	30,476	28,657
Residential	299	751	164
SMB	33	4	39
Total Customer Relationships Quarterly Net Additions	332	755	203
Total Customer Relationship Penetration of Estimated Passings (d)	58.9 %	57.8 %	55.5 %
Monthly Residential Revenue per Residential Customer (e)	\$ 112.85	\$ 110.82	\$ 112.20
Monthly SMB Revenue per SMB Customer (f)	\$ 166.28	\$ 166.06	\$ 170.42
Residential Customer Relationships Penetration			
Single Play Penetration (g)	45.7 %	44.0 %	42.4 %
Double Play Penetration (g)	32.7 %	31.7 %	28.8 %
Triple Play Penetration (g)	21.6 %	24.3 %	28.8 %
% Residential Non-Video Customer Relationships	48.0 %	45.1 %	40.9 %
Internet			
Residential	27,722	26,313	24,244
SMB	1,912	1,783	1,701
Total Internet Customers	29,634	28,096	25,945
Residential	365	842	221
SMB	35	8	37
Total Internet Quarterly Net Additions	400	850	258
Video			
Residential	15,420	15,652	15,802
SMB	592	516	518
Total Video Customers	16,012	16,168	16,320
Residential	(63)	102	(150)
SMB	13	(8)	9
Total Video Quarterly Net Additions	(50)	94	(141)
Voice			
Residential	9,014	9,398	9,808
SMB	1,259	1,169	1,097
Total Voice Customers	10,273	10,567	10,905
Residential	(99)	38	(207)
SMB	21	7	25
Total Voice Quarterly Net Additions	(78)	45	(182)
Mobile Lines (h)			
Residential	2,855	1,672	518
SMB	85	25	—
Total Mobile Lines	2,940	1,697	518
Residential	250	313	208
SMB	15	12	—
Total Mobile Lines Quarterly Net Additions	265	325	208
Enterprise (i)			
Enterprise Primary Service Units ("PSUs")	280	270	258
Enterprise Quarterly Net Additions	4	1	5

- (a) We calculate the aging of customer accounts based on the monthly billing cycle for each account. On that basis, at June 30, 2021, June 30, 2020 and June 30, 2019, customers included approximately 201,100, 124,500 and 152,900 customers, respectively, whose accounts were over 60 days past due, approximately 37,700, 18,400 and 13,800 customers, respectively, whose accounts were over 90 days past due and approximately 30,900, 10,400 and 15,800 customers, respectively, whose accounts were over 120 days past due. Included in the June 30, 2021 aging statistics are approximately 73,500 residential 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) Mobile lines include phones and tablets which require one of our standard rate plans (e.g., "Unlimited" or "By the Gig"). Mobile lines exclude wearables and other devices that do not require standard phone rate plans.
- (i) 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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income attributable to Charter shareholders	\$ 1,020	\$ 766	\$ 1,827	\$ 1,162
Plus: Net income attributable to noncontrolling interest	138	110	252	181
Interest expense, net	1,004	957	1,987	1,937
Income tax expense	281	166	497	195
Depreciation and amortization	2,354	2,428	4,795	4,925
Stock compensation expense	100	90	234	180
Other (income) expenses, net	123	(28)	373	305
Adjusted EBITDA (a)	\$ 5,020	\$ 4,489	\$ 9,965	\$ 8,885
Net cash flows from operating activities	\$ 3,999	\$ 3,529	\$ 7,750	\$ 6,749
Less: Purchases of property, plant and equipment	(1,881)	(1,877)	(3,702)	(3,338)
Change in accrued expenses related to capital expenditures	(50)	214	(125)	(174)
Free cash flow	\$ 2,068	\$ 1,866	\$ 3,923	\$ 3,237

(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 June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Customer premise equipment (a)	\$ 494	\$ 518	\$ 983	\$ 981
Scalable infrastructure (b)	437	385	848	555
Line extensions (c)	400	422	799	765
Upgrade/rebuild (d)	161	155	306	284
Support capital (e)	389	397	766	753
Total capital expenditures	\$ 1,881	\$ 1,877	\$ 3,702	\$ 3,338

Capital expenditures included in total related to:

Commercial services	\$ 397	\$ 323	\$ 730	\$ 584
Mobile	\$ 124	\$ 125	\$ 236	\$ 212

- (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).