



## Mediacom Communications Reports Combined Results for First Quarter 2018

May 7, 2018

MEDIACOM PARK, N.Y.--(BUSINESS WIRE)--MEDIACOM COMMUNICATIONS CORPORATION today released combined unaudited financial and operating highlights for the three months ended March 31, 2018.

### Mediacom Combined Results for First Quarter 2018\*

- Revenues were \$478.4 million, reflecting a 3.4% increase from the prior year period
- OIBDA was \$179.6 million, reflecting a 2.5% increase from the prior year period
- Capital expenditures were \$79.8 million, compared to \$79.9 million in the prior year period
- Free cash flow was \$74.7 million, compared to \$68.2 million in the prior year period
- Ending primary service units ("PSUs") of 2,627,000, a 4.8% increase from March 31, 2017
- Ending customer relationships of 1,363,000, a 0.4% decrease from March 31, 2017
- Net leverage ratio of 3.49x, compared to 3.91x at March 31, 2017
- Interest coverage ratio of 7.16x, compared to 6.46x at March 31, 2017
- Ending net debt of \$2,508.4 million, a \$233.8 million reduction from March 31, 2017

Reference to "Mediacom Combined" reflects the combined results of Mediacom Broadband LLC and Mediacom LLC, eliminating intercompany amounts. Mediacom LLC information is being voluntarily provided, as Mediacom LLC's contractual obligation to file reports with the Securities and Exchange Commission ("SEC") terminated in February 2017. Mediacom Combined information is being provided for convenience and informational purposes, and does not modify or supplement the previously released separate financial results of Mediacom Broadband LLC. Holders of Mediacom Broadband LLC debt should refer to its separate financial and operating results, which were previously released and furnished with the SEC on Form 8-K on May 7, 2018.

### About Mediacom

Mediacom Communications Corporation is the 5th largest cable operator in the U.S. serving almost 1.4 million customers in smaller markets primarily in the Midwest and Southeast. Mediacom offers a wide array of information, communications and entertainment services to households and businesses, including video, high-speed data, phone, and home security and automation. Through Mediacom Business, the company provides innovative broadband solutions to commercial and public sector customers of all sizes, and sells advertising and production services under the OnMedia brand. More information about Mediacom is available at [www.mediacomcable.com](http://www.mediacomcable.com).

\* See Table 4 for information about our use of non-GAAP measures and definitions of OIBDA and free cash flow, Table 5 regarding the effect of recent changes to certain accounting standards on our revenue recognition and Table 6 for footnotes.

TABLE 1\*

**Mediacom Communications Corporation**  
**Selected Combined Financial and Operating Data**  
**(Dollars in thousands, except per unit data)**  
**(Unaudited)**

	Three Months Ended		YoY % Change	
	2018	2017		
Video	\$ 195,248	\$ 199,927	(2.3	%)
High-speed data	178,341	163,754	8.9	%
Phone	28,069	26,893	4.4	%
Business services	65,277	59,954	8.9	%
Advertising	11,468	12,193	(5.9	%)
<b>Total revenues</b>	<b>\$ 478,403</b>	<b>\$ 462,721</b>	<b>3.4</b>	<b>%</b>
Service costs	(209,485 )	(199,729 )	4.9	%
SG&A expenses	(79,298 )	(78,187 )	1.4	%
Management fees	(10,000 )	(9,500 )	5.3	%
<b>OIBDA (a)</b>	<b>\$ 179,620</b>	<b>\$ 175,305</b>	<b>2.5</b>	<b>%</b>

Cash interest expense <sup>(a)</sup>	(25,087 )	(27,139 )	(7.6 %)
Capital expenditures	(79,820 )	(79,940 )	(0.2 %)
<b>Free cash flow <sup>(a)</sup></b>	<b>\$ 74,713</b>	<b>\$ 68,226</b>	<b>9.5 %</b>

OIBDA margin <sup>(b)</sup>	37.5 %	37.9 %
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	March 31, 2018	March 31, 2017	YoY % Change
Video customers	817,000	832,000	(1.8 %)
High-speed data ("HSD") customers	1,228,000	1,179,000	4.2 %
Phone customers	582,000	495,000	17.6 %
<b>Primary service units ("PSUs")</b>	<b>2,627,000</b>	<b>2,506,000</b>	<b>4.8 %</b>

Video customer declines	(4,000 )	(3,000 )
HSD customer increases	19,000	17,000
Phone customer increases	18,000	15,000
<b>Quarterly PSU increases <sup>(c)</sup></b>	<b>33,000</b>	<b>29,000</b>

Customer relationships <sup>(d)</sup>	1,363,000	1,368,000	(0.4 %)
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**Average total monthly revenue per:**

PSU <sup>(c)(e)</sup>	\$ 61.09	\$ 61.91	(1.3 %)
Customer relationship <sup>(c)(f)</sup>	\$ 117.00	\$ 113.04	3.5 %

	March 31, 2018	March 31, 2017
Bank credit facility	\$ 2,189,750	\$ 2,260,000
5½% senior notes due 2021	200,000	200,000
6%% senior notes due 2023	300,000	300,000
<b>Total debt <sup>(g)</sup></b>	<b>\$ 2,689,750</b>	<b>\$ 2,760,000</b>
Cash	(181,382 )	(17,799 )
<b>Net debt <sup>(a)</sup></b>	<b>\$ 2,508,368</b>	<b>\$ 2,742,201</b>

Net leverage ratio <sup>(h)</sup>	3.49x	3.91x
Interest coverage ratio <sup>(i)</sup>	7.16x	6.46x

\* See Table 4 for information about our use of non-GAAP measures and definitions of OIBDA and free cash flow, Table 5 regarding the effect of recent changes to certain accounting standards on our revenue recognition and Table 6 for footnotes.

**TABLE 2\***  
**Mediacom Communications Corporation**  
**Selected Combined Financial and Operating Data**  
**(Dollars in thousands, except per unit data)**  
**(Unaudited)**

	Three Months Ended March 31, 2018			
	Mediacom Broadband	Mediacom LLC	Eliminations	Mediacom Combined
Video	\$ 107,672	\$ 87,576	—	\$ 195,248
High-speed data	97,501	80,840	—	178,341
Phone	15,149	12,920	—	28,069
Business services	40,153	25,124	—	65,277

Advertising	9,206	2,262	—	11,468
<b>Total revenues</b>	<b>\$ 269,681</b>	<b>\$ 208,722</b>	—	<b>\$ 478,403</b>
Service costs	(113,042 )	(96,443 )	—	(209,485 )
SG&A expenses	(47,708 )	(31,590 )	—	(79,298 )
Management fees	(6,000 )	(4,000 )	—	(10,000 )
<b>OIBDA (a)</b>	<b>\$ 102,931</b>	<b>\$ 76,689</b>	—	<b>\$ 179,620</b>
Investment income from affiliate	—	4,500	(4,500 )	—
<b>Adjusted OIBDA (a)</b>	<b>\$ 102,931</b>	<b>\$ 81,189</b>	(4,500 )	<b>\$ 179,620</b>
Cash interest expense (a)	(15,966 )	(9,121 )	—	(25,087 )
Capital expenditures	(44,889 )	(34,931 )	—	(79,820 )
Dividend to preferred members	(4,500 )	—	4,500	—
<b>Free cash flow (a)</b>	<b>\$ 37,576</b>	<b>\$ 37,137</b>	—	<b>\$ 74,713</b>

	<b>Mediacom Broadband</b>	<b>Mediacom LLC</b>	<b>Mediacom Combined</b>
Video customers	453,000	364,000	817,000
HSD customers	679,000	549,000	1,228,000
Phone customers	323,000	259,000	582,000
<b>Primary service units (“PSUs”)</b>	<b>1,455,000</b>	<b>1,172,000</b>	<b>2,627,000</b>
Video customer declines	(2,000 )	(2,000 )	(4,000 )
HSD customer increases	11,000	8,000	19,000
Phone customer increases	11,000	7,000	18,000
<b>Quarterly PSU increases</b>	<b>20,000</b>	<b>13,000</b>	<b>33,000</b>
Customer relationships (d)	756,000	607,000	1,363,000
<b>Average total monthly revenue per:</b>			
PSU (e)	\$ 62.21	\$ 59.69	\$ 61.09
Customer relationship (f)	\$ 118.99	\$ 114.53	\$ 117.00

	<b>Mediacom Broadband</b>	<b>Mediacom LLC</b>	<b>Mediacom Combined</b>
Bank credit facility	\$ 1,039,750	\$ 1,150,000	\$ 2,189,750
5½% senior notes due 2021	200,000	—	200,000
6¾% senior notes due 2023	300,000	—	300,000
<b>Total debt (g)</b>	<b>\$ 1,539,750</b>	<b>\$ 1,150,000</b>	<b>\$ 2,689,750</b>
Cash	(170,970 )	(10,412 )	(181,382 )
<b>Net debt (a)</b>	<b>\$ 1,368,780</b>	<b>\$ 1,139,588</b>	<b>\$ 2,508,368</b>
Net leverage ratio (h)	3.32x	3.51x	3.49x
Interest coverage ratio (i)	6.45x	8.90x	7.16x

\* See Table 4 for information about our use of non-GAAP measures and definitions of OIBDA and free cash flow, Table 5 regarding the effect of recent changes to certain accounting standards on our revenue recognition and Table 6 for footnotes.

TABLE 3\*

**Mediacom Communications Corporation**  
**Selected Combined Financial and Operating Data**  
(Dollars in thousands, except per unit data)  
(Unaudited)

	Three Months Ended March 31, 2017			
	Mediacom Broadband	Mediacom LLC	Eliminations	Mediacom Combined
Video	\$ 111,304	\$ 88,623	—	\$ 199,927
High-speed data	89,532	74,222	—	163,754
Phone	14,265	12,628	—	26,893
Business services	36,670	23,284	—	59,954
Advertising	9,737	2,456	—	12,193
<b>Total revenues</b>	<b>\$ 261,508</b>	<b>\$ 201,213</b>	<b>—</b>	<b>\$ 462,721</b>
Service costs	(109,062 )	(90,667 )	—	(199,729 )
SG&A expenses	(47,517 )	(30,670 )	—	(78,187 )
Management fees	(5,650 )	(3,850 )	—	(9,500 )
<b>OIBDA (a)</b>	<b>\$ 99,279</b>	<b>\$ 76,026</b>	<b>—</b>	<b>\$ 175,305</b>
Investment income from affiliate	—	4,500	(4,500 )	—
<b>Adjusted OIBDA (a)</b>	<b>\$ 99,279</b>	<b>\$ 80,526</b>	<b>(4,500 )</b>	<b>\$ 175,305</b>
Cash interest expense (a)	(16,737 )	(10,402 )	—	(27,139 )
Capital expenditures	(46,037 )	(33,903 )	—	(79,940 )
Dividend to preferred members	(4,500 )	—	4,500	—
<b>Free cash flow (a)</b>	<b>\$ 32,005</b>	<b>\$ 36,221</b>	<b>—</b>	<b>\$ 68,226</b>
	<b>Mediacom Broadband</b>	<b>Mediacom LLC</b>		<b>Mediacom Combined</b>
Video customers	461,000	371,000		832,000
HSD customers	652,000	527,000		1,179,000
Phone customers	273,000	222,000		495,000
<b>Primary service units ("PSUs")</b>	<b>1,386,000</b>	<b>1,120,000</b>		<b>2,506,000</b>
Video customer declines	(2,000 )	(1,000 )		(3,000 )
HSD customer increases	9,000	8,000		17,000
Phone customer increases	9,000	6,000		15,000
<b>Quarterly PSU increases (c)</b>	<b>16,000</b>	<b>13,000</b>		<b>29,000</b>
Customer relationships (d)	757,000	611,000		1,368,000
<b>Average total monthly revenue per:</b>				
PSU (c)(e)	\$ 63.26	\$ 60.23		\$ 61.91
Customer relationship (c)(f)	\$ 115.38	\$ 110.13		\$ 113.04
	<b>Mediacom Broadband</b>	<b>Mediacom LLC</b>		<b>Mediacom Combined</b>

Bank credit facility	\$ 1,091,000	\$ 1,169,000	\$ 2,260,000
5½% senior notes due 2021	200,000	—	200,000
6% senior notes due 2023	300,000	—	300,000
<b>Total debt (g)</b>	<b>\$ 1,591,000</b>	<b>\$ 1,169,000</b>	<b>\$ 2,760,000</b>
Cash	(9,502 )	(8,297 )	(17,799 )
<b>Net debt (a)</b>	<b>\$ 1,581,498</b>	<b>\$ 1,160,703</b>	<b>\$ 2,742,201</b>
Net leverage ratio (h)	3.98x	3.60x	3.91x
Interest coverage ratio (i)	5.93x	7.74x	6.46x

\* See Table 4 for information about our use of non-GAAP measures and definitions of OIBDA and free cash flow, Table 5 regarding the effect of recent changes to certain accounting standards on our revenue recognition and Table 6 for footnotes.

**TABLE 4**  
**Use of Non-GAAP Financial Measures**

“OIBDA,” “Adjusted OIBDA,” “cash interest expense” and “free cash flow” are not financial measures calculated in accordance with generally accepted accounting principles (“GAAP”) in the United States. We define OIBDA as operating income before depreciation and amortization and Adjusted OIBDA as OIBDA plus investment income from affiliate. OIBDA and Adjusted OIBDA may not be comparable to similarly titled measures used by other companies, which may have different depreciation and amortization policies, and are key components in our covenant calculations.

Net debt is used as an alternative to total debt for comparison purposes under certain circumstances in which we have greater than usual levels of cash. On April 2, 2018, Mediacom Broadband LLC and Mediacom Broadband Corporation (together, “Mediacom Broadband”) announced the redemption of their existing 6% Senior Notes due 2023 at an aggregate redemption price of \$309.6 million, which was funded in part by \$158.0 million of such excess cash. Due to the timing of such transaction, Mediacom Broadband temporarily had greater than usual levels of cash as of March 31, 2018, and therefore we believe net debt to be the most appropriate comparative measure.

We define cash interest expense as interest expense, net, less amortization of deferred financing costs. Cash interest expense excludes the amortization of financing costs which were paid upon the financing of the relevant debt.

For Mediacom Broadband LLC, we define free cash flow as OIBDA less capital expenditures, cash interest expense and dividends to preferred members. For Mediacom LLC, we define free cash flow as Adjusted OIBDA less capital expenditures and cash interest expense. Free cash flow may not be comparable to similarly titled measures reported by other companies.

**TABLE 5**  
**Changes in Accounting Standards – Revenue Recognition**

As of January 1, 2018, we adopted Accounting Standards Update No. 2014-09 – Revenues from Contracts with Customers and related guidance (collectively, “revenue recognition”), which was issued by the Financial Accounting Standards Board. Adoption of this accounting standard affected both the timing of revenue recognition (the “timing change”) and the allocation of revenues among video, HSD and phone within our multi-product offerings, in which we offer product bundles at a discount (the “allocation change”). We adopted this accounting standard using a modified retrospective transition, and accordingly, the impact of such adoption was reflected in our financial results only for the three months ended March 31, 2018 and previously reported results were not restated. The adoption of the new standard did not have a material impact on our results of operations for this period. Excluding the impact of the timing change, the combined total revenues and OIBDA for Mediacom would have increased 3.2% and 2.1%, respectively, for the three months ended March 31, 2018. Because of the allocation change, we recorded a decrease in our video revenues and corresponding increases in our HSD and phone revenues. Excluding the overall impact of the timing change and the allocation change, on a combined basis, video revenues would have decreased 0.8%, HSD revenues would have increased 6.6% and phone revenues would have increased 4.0% for the three months ended March 31, 2018.

**TABLE 6**  
**Footnotes**

(a) See Table 4 for information regarding our use of non-GAAP financial measures.

(b) Represents OIBDA as a percentage of total revenues.

Quarterly customer changes and average total monthly revenue metrics for the three months ended March 31, 2017 have been adjusted to reflect (c) Mediacom LLC’s January 2017 acquisition of 7,000 video customers, 6,000 HSD customers and 1,000 phone customers, aggregating 14,000 PSUs and 9,000 customer relationships, as if it had occurred on December 31, 2016.

- (d) Represents the total number of customers that take at least one service, without regard to which service(s) customers purchase.
- (e) Represents average total monthly revenues for the period divided by average PSUs for such period.
- (f) Represents average total monthly revenues for the period divided by average customer relationships for such period.
- (g) Total debt excludes the effect of deferred financing costs, net.
- (h) For Mediacom Combined and Mediacom Broadband LLC, represents net debt at period end divided by annualized OIBDA for the period. For Mediacom LLC, represents net debt at period end divided by annualized Adjusted OIBDA for the period.
- (i) For Mediacom Combined and Mediacom Broadband LLC, represents OIBDA divided by cash interest expense for the period. For Mediacom LLC, represents Adjusted OIBDA divided by cash interest expense for the period.

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