



Mediacom Communications Reports Combined Results for Third Quarter 2018

November 1, 2018

MEDIACOM PARK, N.Y.--(BUSINESS WIRE)--MEDIACOM COMMUNICATIONS CORPORATION today released combined unaudited financial and operating highlights for the three months ended September 30, 2018.

Mediacom Combined Results for Third Quarter 2018*

- Revenues were \$493.2 million, reflecting a 4.6% increase from the prior year period
- OIBDA was \$184.0 million, reflecting a 6.4% increase from the prior year period
- Capital expenditures were \$80.7 million, compared to \$90.0 million in the prior year period
- Free cash flow was \$81.5 million, compared to \$56.5 million in the prior year period
- Ending primary service units ("PSUs") of 2,662,000, a 4.0% increase from September 30, 2017
- Ending customer relationships of 1,365,000, a 0.2% increase from September 30, 2017
- Total leverage ratio of 3.26x, compared to 3.81x at September 30, 2017
- Interest coverage ratio of 8.45x, compared to 6.51x at September 30, 2017
- Ending total debt of \$2,400.0 million, a \$240.0 million reduction from September 30, 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 November 1, 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.

TABLE 1*

Mediacom Communications Corporation

Selected Combined Financial and Operating Data

(Dollars in thousands, except per unit data)

(Unaudited)

| | Three Months Ended September 30, | | YoY % Change | |
|-----------------------|-------------------------------------|-------------------|--------------|----------|
| | 2018 | 2017 | | |
| Video | \$ 191,622 | \$ 199,077 | (3.7 | %) |
| High-speed data | 189,848 | 169,000 | 12.3 | % |
| Phone | 28,789 | 28,275 | 1.8 | % |
| Business services | 68,515 | 63,073 | 8.6 | % |
| Advertising | 14,408 | 12,160 | 18.5 | % |
| Total revenues | \$ 493,182 | \$ 471,585 | 4.6 | % |
| Service costs | (213,050) | (204,698) | 4.1 | % |
| SG&A expenses | (85,584) | (84,348) | 1.5 | % |
| Management fees | (10,500) | (9,500) | 10.5 | % |
| OIBDA (a) | \$ 184,048 | \$ 173,039 | 6.4 | % |

| | | | |
|---------------------------|------------------|------------------|---------------|
| Cash interest expense (a) | (21,782) | (26,600) | (18.1 %) |
| Capital expenditures | (80,726) | (89,985) | (10.3 %) |
| Free cash flow (a) | \$ 81,540 | \$ 56,454 | 44.4 % |

| | | |
|------------------|--------|--------|
| OIBDA margin (b) | 37.3 % | 36.7 % |
|------------------|--------|--------|

| | September 30, 2018 | September 30, 2017 | YoY % Change |
|---------------------------------------|--------------------|--------------------|--------------|
| Video customers | 793,000 | 823,000 | (3.6 %) |
| High-speed data ("HSD") customers | 1,260,000 | 1,194,000 | 5.5 % |
| Phone customers | 609,000 | 542,000 | 12.4 % |
| Primary service units ("PSUs") | 2,662,000 | 2,559,000 | 4.0 % |

| | | |
|--------------------------------|--------------|---------------|
| Video customer declines | (15,000) | (6,000) |
| HSD customer increases | 9,000 | 9,000 |
| Phone customer increases | 10,000 | 22,000 |
| Quarterly PSU increases | 4,000 | 25,000 |

| | | | |
|----------------------------|-----------|-----------|-------|
| Customer relationships (c) | 1,365,000 | 1,362,000 | 0.2 % |
|----------------------------|-----------|-----------|-------|

Average total monthly revenue per:

| | | | |
|---------------------------|-----------|-----------|-------|
| PSU (d) | \$ 61.80 | \$ 61.73 | 0.1 % |
| Customer relationship (e) | \$ 120.30 | \$ 115.33 | 4.3 % |

| | September 30, 2018 | September 30, 2017 |
|---------------------------|---------------------|---------------------|
| Bank credit facility | \$ 2,200,000 | \$ 2,140,000 |
| 5½% senior notes due 2021 | 200,000 | 200,000 |
| 6¾% senior notes due 2023 | — | 300,000 |
| Total debt (f) | \$ 2,400,000 | \$ 2,640,000 |

| | | |
|-----------------------------|-------|-------|
| Total leverage ratio (g) | 3.26x | 3.81x |
| Interest coverage ratio (h) | 8.45x | 6.51x |

* 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
September 30, 2018**

| | | | |
|-------------------------------|-------------------------|---------------------|------------------------------|
| Mediacom Broadband | Mediacom LLC | Eliminations | Mediacom Combined |
|-------------------------------|-------------------------|---------------------|------------------------------|

| | | | | | |
|----------------------------------|-------------------|-------------------|-----------|-----------------|-------------------|
| Video | \$ 104,679 | \$ 86,943 | \$ | — | \$ 191,622 |
| High-speed data | 102,834 | 87,014 | — | | 189,848 |
| Phone | 15,540 | 13,249 | — | | 28,789 |
| Business services | 41,951 | 26,564 | — | | 68,515 |
| Advertising | 11,390 | 3,018 | — | | 14,408 |
| Total revenues | \$ 276,394 | \$ 216,788 | \$ | — | \$ 493,182 |
| Service costs | (115,781) | (97,269) | — | | (213,050) |
| SG&A expenses | (51,768) | (33,816) | — | | (85,584) |
| Management fees | (6,325) | (4,175) | — | | (10,500) |
| OIBDA (a) | \$ 102,520 | \$ 81,528 | \$ | — | \$ 184,048 |
| Investment income from affiliate | — | 4,500 | (4,500) | | — |
| Adjusted OIBDA (a) | \$ 102,520 | \$ 86,028 | \$ | (4,500) | \$ 184,048 |
| Cash interest expense (a) | (12,009) | (9,773) | — | | (21,782) |
| Capital expenditures | (43,242) | (37,484) | — | | (80,726) |
| Dividend to preferred members | (4,500) | — | 4,500 | | — |
| Free cash flow (a) | \$ 42,769 | \$ 38,771 | \$ | — | \$ 81,540 |

| | Mediacom Broadband | Mediacom LLC | Mediacom Combined |
|---|-------------------------------|-------------------------|------------------------------|
| Video customers | 437,000 | 356,000 | 793,000 |
| HSD customers | 694,000 | 566,000 | 1,260,000 |
| Phone customers | 336,000 | 273,000 | 609,000 |
| Primary service units (“PSUs”) | 1,467,000 | 1,195,000 | 2,662,000 |
| Video customer declines | (10,000) | (5,000) | (15,000) |
| HSD customer increases | 4,000 | 5,000 | 9,000 |
| Phone customer increases | 4,000 | 6,000 | 10,000 |
| Quarterly PSU (declines) increases | (2,000) | 6,000 | 4,000 |
| Customer relationships (c) | 756,000 | 609,000 | 1,365,000 |
| Average total monthly revenue per: | | | |
| PSU (d) | \$ 62.76 | \$ 60.62 | \$ 61.80 |
| Customer relationship (e) | \$ 121.79 | \$ 118.46 | \$ 120.30 |

| | Mediacom Broadband | Mediacom LLC | Mediacom Combined |
|---------------------------|-------------------------------|-------------------------|------------------------------|
| Bank credit facility | \$ 1,060,750 | \$ 1,139,250 | \$ 2,200,000 |
| 5½% senior notes due 2021 | 200,000 | — | 200,000 |
| 6¾% senior notes due 2023 | — | — | — |

| | | | |
|-----------------------------|---------------------|---------------------|---------------------|
| Total debt (f) | \$ 1,260,750 | \$ 1,139,250 | \$ 2,400,000 |
| Total leverage ratio (g) | 3.07x | 3.31x | 3.26x |
| Interest coverage ratio (h) | 8.54x | 8.80x | 8.45x |

* 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 September 30, 2017 | | | |
|---------------------------------------|--|-------------------------|--------------------|------------------------------|
| | Mediacom Broadband | Mediacom LLC | Eliminations | Mediacom Combined |
| Video | \$ 109,793 | \$ 89,284 | \$ — | \$ 199,077 |
| High-speed data | 92,012 | 76,988 | — | 169,000 |
| Phone | 15,050 | 13,225 | — | 28,275 |
| Business services | 38,476 | 24,597 | — | 63,073 |
| Advertising | 9,706 | 2,454 | — | 12,160 |
| Total revenues | \$ 265,037 | \$ 206,548 | \$ — | \$ 471,585 |
| Service costs | (110,885) | (93,813) | — | (204,698) |
| SG&A expenses | (50,256) | (34,092) | — | (84,348) |
| Management fees | (5,650) | (3,850) | — | (9,500) |
| OIBDA (a) | \$ 98,246 | \$ 74,793 | \$ — | \$ 173,039 |
| Investment income from affiliate | — | 4,500 | (4,500) | — |
| Adjusted OIBDA (a) | \$ 98,246 | \$ 79,293 | \$ (4,500) | \$ 173,039 |
| Cash interest expense (a) | (16,271) | (10,329) | — | (26,600) |
| Capital expenditures | (46,491) | (43,494) | — | (89,985) |
| Dividend to preferred members | (4,500) | — | 4,500 | — |
| Free cash flow (a) | \$ 30,984 | \$ 25,470 | \$ — | \$ 56,454 |
| | Mediacom Broadband | Mediacom LLC | | Mediacom Combined |
| Video customers | 455,000 | 368,000 | | 823,000 |
| HSD customers | 659,000 | 535,000 | | 1,194,000 |
| Phone customers | 300,000 | 242,000 | | 542,000 |
| Primary service units ("PSUs") | 1,414,000 | 1,145,000 | | 2,559,000 |

| | | | |
|--------------------------------|---------------|---------------|---------------|
| Video customer declines | (4,000) | (2,000) | (6,000) |
| HSD customer increases | 4,000 | 5,000 | 9,000 |
| Phone customer increases | 12,000 | 10,000 | 22,000 |
| Quarterly PSU increases | 12,000 | 13,000 | 25,000 |

| | | | |
|----------------------------|---------|---------|-----------|
| Customer relationships (c) | 754,000 | 608,000 | 1,362,000 |
|----------------------------|---------|---------|-----------|

Average total monthly revenue per:

| | | | |
|---------------------------|-----------|-----------|-----------|
| PSU (d) | \$ 62.75 | \$ 60.47 | \$ 61.73 |
| Customer relationship (e) | \$ 117.17 | \$ 113.05 | \$ 115.33 |

| | Mediacom Broadband | Mediacom LLC | Mediacom Combined |
|-----------------------------|-------------------------------|-------------------------|------------------------------|
| Bank credit facility | \$ 972,000 | \$ 1,168,000 | \$ 2,140,000 |
| 5½% senior notes due 2021 | 200,000 | — | 200,000 |
| 6¾% senior notes due 2023 | 300,000 | — | 300,000 |
| Total debt (f) | \$ 1,472,000 | \$ 1,168,000 | \$ 2,640,000 |
| Total leverage ratio (g) | 3.75x | 3.68x | 3.81x |
| Interest coverage ratio (h) | 6.04x | 7.68x | 6.51x |

* 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.

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 September 30, 2018 and prior period results were not restated. The adoption of the new standard did not have a material impact on the results of operations of Mediacom Combined for the three months ended September 30, 2018. Excluding the impact of the timing change, on a combined basis, total revenues and OIBDA for the three months ended September 30, 2018, would have increased 4.7% and 6.8%, respectively. 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 0.7%, HSD revenues would have increased 10.1% and phone revenues would have decreased 3.2% for the three months ended September 30, 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.
- (c) Represents the total number of customers that take at least one service, without regard to which service(s) customers purchase.
- (d) Represents average total monthly revenues for the period divided by average PSUs for such period.
- (e) Represents average total monthly revenues for the period divided by average customer relationships for such period.
- (f) Total debt excludes the effect of deferred financing costs, net.
- (g) For Mediacom Combined and Mediacom Broadband LLC, represents total debt at period end divided by annualized OIBDA for the period. For Mediacom LLC, represents total debt at period end divided by annualized Adjusted OIBDA for the period.
- (h) 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.

Contacts

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