

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 2, 2019**

MEDIACOM BROADBAND LLC
(Exact name of Registrant as specified in its charter)

Delaware
(State of incorporation)

333-72440
(Commission File No.)

06-1615412
(IRS Employer Identification No.)

1 Mediacom Way
Mediacom Park, NY 10918
(Address of principal executive offices)

Registrant's telephone number: **(845) 443-2600**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the Registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter). Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---------------------|-------------------|---|
| None | — | — |

Item 2.02. Results of Operations and Financial Condition.

On May 2, 2019, Mediacom Broadband LLC issued a press release announcing its financial results for the three months ended March 31, 2019. A copy of the press release is being furnished as Exhibit 99.1 to this report and is incorporated herein by reference.

The press release contains disclosure of operating income before depreciation and amortization (“OIBDA”), Adjusted OIBDA, free cash flow, and cash interest expense, which are not financial measures calculated in accordance with generally accepted accounting principles (“GAAP”) in the United States. Reconciliations of OIBDA, Adjusted OIBDA, free cash flow and cash interest expense to the most directly comparable financial measures calculated and presented in accordance with GAAP are presented on Table 2 of the press release. Disclosure regarding management’s reasons for presenting these non-GAAP measures is set forth on Table 4 of the press release.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits:

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|---|
| 99.1 | Press release issued by Mediacom Broadband LLC on May 2, 2019 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 2, 2019

Mediacom Broadband LLC

By: /s/ Mark E. Stephan
Mark E. Stephan
Executive Vice President and
Chief Financial Officer



Mediacom Broadband LLC Reports Results for First Quarter 2019

Mediacom Park, NY – May 2, 2019 – MEDIACOM BROADBAND LLC, a wholly-owned subsidiary of Mediacom Communications Corporation, today reported unaudited financial and operating highlights for the three months ended March 31, 2019.

Mediacom Broadband LLC Results for First Quarter 2019*

- Revenues were \$279.3 million, reflecting a 3.5% increase from the prior year period
- Operating income was \$73.5 million, reflecting a 12.3% increase from the prior year period
- Adjusted operating income before depreciation and amortization (“Adjusted OIBDA”) was \$109.9 million, reflecting an 6.8% increase from the prior year period
- Net cash flows provided by operating activities were \$89.9 million, compared to \$82.2 million in the prior year period
- Free cash flow of \$55.8 million, compared to \$37.6 million in the prior year period

About Mediacom

Mediacom Communications Corporation is the 5th largest cable operator in the United States and the leading gigabit broadband provider to smaller markets primarily in the Midwest and Southeast. Through its fiber-rich network, Mediacom provides high-speed data, video and phone services to nearly 1.4 million households and businesses across 22 states. The company delivers scalable broadband solutions to commercial and public sector customers of all sizes through Mediacom Business, and sells advertising and production services under the OnMedia brand. More information about Mediacom is available at www.mediacomcable.com.

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* Adjusted OIBDA and free cash flow are defined under “Use of Non-GAAP Financial Measures” in Table 4 and are reconciled to operating income and net cash flows provided by operating activities, respectively, in Table 2.

TABLE 1*
Mediacom Broadband LLC
Selected Financial and Operating Data
(Dollars in thousands, except per unit data)
(Unaudited)

| | Three Months Ended March 31, | | YoY% Change |
|-------------------------------|---------------------------------|-------------------|--------------|
| | 2019 | 2018 | |
| High-speed data (“HSD”) | \$ 109,436 | \$ 97,501 | 12.2% |
| Video | 103,195 | 107,672 | (4.2%) |
| Phone | 15,918 | 15,149 | 5.1% |
| Business services | 42,350 | 40,153 | 5.5% |
| Advertising | 8,355 | 9,206 | (9.2%) |
| Total revenues | \$ 279,254 | \$ 269,681 | 3.5% |
| Service costs | (115,399) | (113,042) | 2.1% |
| SG&A expenses | (47,512) | (47,708) | (0.4%) |
| Management fees | (6,600) | (6,000) | 10.0% |
| OIBDA (a) | \$ 109,743 | \$ 102,931 | 6.6% |
| Deferred compensation | 204 | — | — |
| Adjusted OIBDA (a) | \$ 109,947 | \$ 102,931 | 6.8% |
| Cash interest expense (a) | (13,087) | (15,966) | (18.0%) |
| Capital expenditures | (36,554) | (44,889) | (18.6%) |
| Dividend to preferred members | (4,500) | (4,500) | — |
| Free cash flow (a) | \$ 55,806 | \$ 37,576 | 48.5% |
| Adjusted OIBDA margin (b) | 39.4% | 38.2% | |

| | March 31, 2019 | March 31, 2018 | YoY% Change |
|---------------------------------------|------------------|------------------|-------------|
| HSD customers | 713,000 | 679,000 | 5.0% |
| Video customers | 422,000 | 453,000 | (6.8%) |
| Phone customers | 342,000 | 323,000 | 5.9% |
| Primary service units (“PSUs”) | 1,477,000 | 1,455,000 | 1.5% |
| HSD customer increases | 14,000 | 11,000 | |
| Video customer declines | (6,000) | (2,000) | |
| Phone customer increases | 3,000 | 11,000 | |
| Quarterly PSU increases | 11,000 | 20,000 | |
| Customer relationships (c) | 759,000 | 756,000 | 0.4% |

| Average total monthly revenue per: | | | |
|------------------------------------|----------------|----------------|-------------|
| | March 31, 2019 | March 31, 2018 | YoY% Change |
| PSU (d) | \$ 63.26 | \$ 62.21 | 1.7% |
| Customer relationship (e) | \$ 123.13 | \$ 118.99 | 3.5% |

| | March 31, 2019 | March 31, 2018 |
|-----------------------------|---------------------|---------------------|
| Bank credit facility | \$ 1,019,250 | \$ 1,039,750 |
| 5½% senior notes due 2021 | 200,000 | 200,000 |
| 6¾% senior notes due 2023 | — | 300,000 |
| Total debt (f) | \$ 1,219,250 | \$ 1,539,750 |
| Cash | (133,886) | (170,970) |
| Net debt (f) | \$ 1,085,364 | \$ 1,368,780 |
| Net leverage ratio (g) | 2.47x | 3.32x |
| Interest coverage ratio (h) | 8.40x | 6.45x |

* See Table 2 for reconciliations of Adjusted OIBDA to operating income, cash interest expense to interest expense, net, and free cash flow to net cash flows from operating activities, and Table 4 for information regarding our use of non-GAAP measures. See Table 3 for details of capital expenditures. See footnotes on Page 5, which contain important disclosures regarding the definitions used for selected unaudited financial and operating data.

TABLE 2
Mediacom Broadband LLC
Reconciliation of Non-GAAP Measures
(Dollars in thousands)
(Unaudited)

| | Three Months Ended | |
|--|---------------------------|-------------------|
| | March 31, | |
| | 2019 | 2018 |
| Net cash flows provided by operating activities | \$ 89,862 | \$ 82,184 |
| Capital expenditures | (36,554) | (44,889) |
| Dividend to preferred members | (4,500) | (4,500) |
| Other expense, net | 304 | 321 |
| Changes in assets and liabilities, net | 6,694 | 4,460 |
| Free cash flow | \$ 55,806 | \$ 37,576 |
| Operating income | \$ 73,538 | \$ 65,495 |
| Depreciation and amortization | 36,205 | 37,436 |
| OIBDA (a) | \$ 109,743 | \$ 102,931 |
| Deferred compensation | 204 | — |
| Adjusted OIBDA (a) | \$ 109,947 | \$ 102,931 |
| Interest expense, net | \$ 14,117 | \$ 17,133 |
| Amortization of deferred financing costs | (1,030) | (1,167) |
| Cash interest expense | \$ 13,087 | \$ 15,966 |

TABLE 3
Mediacom Broadband LLC
Capital Expenditures
(Dollars in thousands)
(Unaudited)

| | Three Months Ended | |
|-----------------------------------|---------------------------|------------------|
| | March 31, | |
| | 2019 | 2018 |
| Customer premise equipment | \$ 17,956 | \$ 20,925 |
| Enterprise networks | 1,808 | 1,700 |
| Scalable infrastructure | 5,196 | 13,315 |
| Line extensions | 2,787 | 2,035 |
| Upgrade / rebuild | 5,985 | 4,356 |
| Support capital | 2,822 | 2,558 |
| Total capital expenditures | \$ 36,554 | \$ 44,889 |

* See footnotes on Page 5, which contain important disclosures regarding the definitions used for selected unaudited financial and operating data.

TABLE 4
Use of Non-GAAP Financial Measures

“OIBDA,” “Adjusted OIBDA,” “cash interest expense,” “free cash flow” and “net debt” 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 excluding deferred compensation. We define cash interest expense as interest expense, net, less amortization of deferred financing costs. We define free cash flow as Adjusted OIBDA less capital expenditures, cash interest expense and dividends to preferred members. We define net debt as total debt less cash and cash equivalents.

OIBDA and Adjusted OIBDA are some of the primary measures used by management to evaluate our performance and to forecast future results. We believe OIBDA and Adjusted OIBDA are useful for investors because it enables them to assess our performance in a manner similar to the methods used by management, and provide measures that can be used to analyze our value and evaluate our performance compared to other companies in the cable industry. A limitation of OIBDA and Adjusted OIBDA, however, is that it excludes depreciation and amortization, which represents the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in our business. Management utilizes a separate process to budget, measure and evaluate capital expenditures. In addition, Adjusted OIBDA also has the limitation of not reflecting the effect of our deferred compensation. 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.

Free cash flow is used by management to evaluate our ability to repay debt and facilitate the growth of our business with internally generated funds. A limitation of free cash flow, however, is that it may be affected by the timing of our capital spending. We believe free cash flow is useful for investors as it provides an additional measure that can be used to analyze our value and evaluate our performance compared to other companies in the cable industry. Free cash flow may not be comparable to similarly titled measures reported by other companies.

OIBDA, Adjusted OIBDA and free cash flow should not be regarded as alternatives to operating income or net income as indicators of operating performance, or to the statement of cash flows as measures of liquidity, nor should they be considered in isolation or as substitutes for financial measures prepared in accordance with GAAP. We believe that operating income is the most directly comparable GAAP financial measure to OIBDA and Adjusted OIBDA and that net cash flows provided by operating activities is the most directly comparable GAAP financial measure to free cash flow.

Cash interest expense excludes the amortization of financing costs which were paid upon the financing of the relevant debt. We believe cash interest expense is useful for investors because it enables them to assess our cost of debt for the current period without including the amortization of financing costs that were previously paid. We believe interest expense, net, is the most directly comparable GAAP financial measure to cash interest expense.

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 15, 2019, we completed the redemption of \$150.0 million principal amount outstanding of our 5½% senior notes due 2021 (the “5½% Notes”) at an aggregate redemption price of \$150.0 million, which was funded in part by \$117.9 million of excess cash. On April 2, 2018, we completed the redemption of all of our outstanding 6¾% senior notes due 2023 at an aggregate redemption price of \$309.6 million, which was funded in part by \$158.0 million of excess cash. Due to timing of the transactions, we temporarily had greater than usual levels of cash as of both March 31, 2019 and 2018, and therefore we believe net debt to be a more appropriate comparative measure for periods where excess cash is held for the purpose of retiring debt.

For reconciliations of OIBDA, cash interest expense and free cash flow to their most directly comparable GAAP financial measures, see Table 2.

FOOTNOTES:

- (a) See Table 2 for information about our use of Non-GAAP financial measures.
- (b) Represents Adjusted OIBDA as a percentage of total revenues.
- (c) Represents the total number of customers that receive at least one service, without regard to which service(s) customers purchase.
- (d) Represents average total monthly revenues for the quarter divided by average PSUs for such quarter.
- (e) Represents average total monthly revenues for the quarter divided by average customer relationships for such quarter.
- (f) Total debt excludes the effect of deferred financing costs, net.
- (g) Represents total debt minus cash at quarter end divided by annualized Adjusted OIBDA for the quarter.
- (h) Represents Adjusted OIBDA divided by cash interest expense for the quarter.