Rocco B. Commisso
Chairman and Chief Executive Officer

February 23, 2022

Dear Friends and Colleagues,

In 1995, I founded Mediacom on the belief that there was a window of opportunity to acquire, upgrade and interconnect underperforming cable systems in smaller cities and towns across America that were being divested by larger cable companies in favor of urban markets. At the same time, with the rapid pace of technological change, it was clear to me that rural markets would be at a disadvantage in competing with major cities for economic development and would fail to keep pace in the critical areas of education, healthcare, public safety, and entertainment, unless these communities received the attention and resources of a company like Mediacom.

It was a period before the explosion of the internet when the major regional Bell operating companies, with investment grade balance sheets, were poised to enter the video business, and direct broadcast satellite providers were rapidly growing customers. With stiffer competition looming and small cable properties seen as inferior investments by larger operators, many viewed Mediacom's rural-focused business strategy with a great deal of skepticism. We stuck with our conviction and made the long-term contrarian bet, proving in retrospect to have been a wise decision. During Mediacom's first six years, we completed 22 separate acquisitions of smaller market cable systems at very attractive valuations, setting the foundation for steady organic growth over the next two decades.

From the beginning and long before government policymakers came to fully understand the extent of the digital divide that still plagues millions of rural Americans to this day, Mediacom made significant infrastructure investments to ensure the residents and businesses in the 1,500 communities we serve have access to world-class services, giving them the tools and technology needed to keep pace with the major metropolitan markets. To date, we have invested nearly $13 billion to fund acquisitions and make the capital expenditures necessary to upgrade and interconnect a national network spanning 600,000 fiber miles serving 1.5 million customers across 22 states. These investments were virtually all financed with funds sourced in the capital markets or from Mediacom's operations, rather than through government subsidies relied upon by many of our competitors.

Building a fiber-rich network allowed us to achieve many incredible milestones, including more recently being the first major cable company to deploy 1-Gig speeds across its national footprint in 2017 and conduct a field trial in 2020 demonstrating the symmetrical capabilities of the industry's new 10G platform. Knowing that we cannot rest on our laurels, Mediacom will continue with an aggressive investment program of installing fiber optics deeper into our national network to increase broadband speeds and capacity, enhance quality and reliability, and extend our reach to unserved areas of rural America.

Our consistent financial performance over the past 27 years has been a shining example of American entrepreneurship. Mediacom's most recent achievement is particularly compelling – the final period of 2021 marked our 100th consecutive quarter of year-over-year revenue growth, a remarkable accomplishment achieved possibly by only a handful of companies in the modern history of American business. Moreover, since our last major acquisition in 2001, we have organically grown annual revenues from $855 million to over $2.22 billion and annual Adjusted OIBDA from $335 million to more than $1 billion.

Over the long term, these stellar financial results, combined with a keen focus on debt reduction, has culminated in the fortress-like balance sheet that Mediacom enjoys today. The company's net debt leverage ratio now stands at 1.2x, among the lowest in the entire media and telecommunications sector. I am pleased to report that in recognition of the absolute strength of our financial position, Standard & Poor's recently raised Mediacom's investment grade credit rating to BBB+, a rating higher than AT&T – the world's largest telecom company – and a feat rarely achieved by privately held firms of similar size to us.

During this long journey, we took many bold risks like going public in 2000 at $19 per share just weeks before the dot-com bust. While the decision to go public meant sharing ownership of Mediacom with public investors, we structured the offering so that I maintained voting control of our company, a critical factor that allowed us the time and latitude to build a solid enterprise. Given the primary focus of the investment community to realize quick returns by flipping companies rather than advancing through steady, long-term growth, keeping control was essential to ensure a long runway to execute our strategic vision.

The IPO and a secondary equity issuance gave us the firepower in 2001 to purchase cable systems from AT&T serving 800,000 video customers, which more than doubled Mediacom's size. However, this deal was itself a huge gamble as our net debt leverage ratio increased to 8.3x, and we needed to borrow even more to upgrade these acquired systems without any assurance that this "all in" bet would ever pay off.

Our boldest move, though, was the decision to take Mediacom private in 2011. For many years leading up to this point, we believed Wall Street had been greatly undervaluing our company. We proactively bought back 24 million shares of Mediacom stock on the open market over a 7-year period starting in 2002, representing 20% of total shares issued and outstanding at the IPO. Moreover, amid the Great Recession, we acquired an additional 28 million shares in early 2009 from our largest shareholder. Ultimately, all these moves allowed for the completion of the Go-Private Transaction in March 2011 for $8.75 a share. This deal gave me complete control over our company, but it also meant, as owner of 100% of Mediacom, I was taking individual responsibility for $3.7 billion of debt. An undertaking that, as I often joked, made me the most indebted man in America.

This was a pivotal moment for Mediacom. Since the Go-Private Transaction was financed by incurring debt under the company's revolving credit facilities, our net debt leverage ratio jumped to 6.7x, leaving us with little margin for error. However, our lending partners continued to support us because of the trust I had established going all the way back to my days as CFO of Cablevision Industries in the mid-1980's, with a proven track record of perfect performance in meeting the terms and conditions of $25 billion in debt financings. In the decade since the Go-Private Transaction, we have demonstrated that this trust was well-earned, as Mediacom's strong growth in free cash flow funded $2.4 billion of debt repayment, reducing our net debt leverage ratio to 1.2x.

Beyond the realm of acquisitions, financings, and operations, beginning in 2002, we fearlessly challenged the establishment within the video and entertainment industry, and continuously sounded the alarm to Congress and the FCC that the exorbitant annual price increases being demanded by sports networks and local broadcasters were destroying the pay TV marketplace. Unfortunately, policymakers failed to muster the nerve to put the best interests of consumers ahead of those of the media giants. Today, after years of relentless price increases which raised the average programming costs per video customer to us from less than $14 per month in 2001 to over $76 currently, the number of American households subscribing to the traditional TV bundle from cable, satellite and phone companies has tumbled more than 30% from its peak, as consumers have cut the cord in favor of over-the-top (OTT) video services.

Luckily, we prepared ourselves for the seismic change in the video marketplace. Our early and substantial investments in broadband technology gave us the opportunity to shift our primary business from providing television services to delivering high-speed internet access. Mediacom's robust, fiber-rich network allowed our broadband service to easily accommodate customers as they cut the cord of traditional video and embraced OTT viewing. This has only increased consumer demand for faster internet speeds and more than offset the effects of video unit losses. Today, more than 200,000 of our nearly 1.5 million broadband customers are subscribing to our market-leading 1-Gig speeds, and more than 40% take speeds greater or equal to 300Mbps.

While a successful business strategy, excellent management, bold moves, and good decisions have driven Mediacom's achievements, I owe a great deal to the loyalty, commitment and efforts of the thousands of individuals who have worked for Mediacom over the years. They have consistently given us their best, whether under ordinary circumstances or in coping with extraordinary challenges like the difficult tests of our nimbleness and resolve which Mother Nature throws at us year after year. Whether faced with historic floods, ravaging wildfires, destructive windstorms, devastating hurricanes, or the ongoing COVID pandemic, the resilient Mediacom team has always valiantly risen to the occasion.

I am pleased to say that the decision I made in 1995 to bet my life savings and my family's future on serving neglected small communities in rural America has paid off, not only for me, but also for the thousands of employees and their families whose livelihoods depend on Mediacom's continued success. Since 2001, Mediacom has added more than 500 new positions to our highly skilled workforce, spent over $5 billion on employee payroll and made more than $500 million in 401(k) and medical benefit contributions.

We also make significant direct economic contributions within our markets. For example, since 2001 Mediacom has paid over $225 million in property taxes and collected more than $700 million of franchise fees for the communities we serve. Our local expenditures for rent, supplies and equipment, the services of contractors and other items we need to run our business add up to many millions more.

Mediacom's role as a good corporate citizen did not end with simply connecting our communities with innovative communications services. We have provided educational scholarships to more than 2,750 students nationwide since 2001 and raised millions of dollars to support a wide variety of charitable causes. In addition, each year we provide courtesy video and internet services to thousands of schools, libraries, and government facilities within our service territory as well as hundreds of thousands of free public service announcements across our video platform to numerous non-profit organizations.

I am sure it will come as no surprise to who knows me well that I am not about to stop pushing forward. There is more to be done. Among other things, we are in the process of rolling out our fixed-wireless service in some of the least densely populated parts of our franchise areas, gearing up to launch 10G services across our footprint and actively evaluating whether a compelling business case can be made for offering a Mediacom-branded mobile-phone service.

We also expect new opportunities and challenges to emerge because the COVID pandemic has taught us that access to high-speed internet has become a necessity for all Americans. Over the next decade, federal, state, and local government agencies are poised to spend upwards of $100 billion on infrastructure programs designed to increase broadband availability and adoption in unserved and underserved communities across the country. As a company that has spent its entire existence focused on serving smaller markets and has already constructed an extensive fiber network to the edge of many areas targeted by this funding, we are perfectly positioned to partner with the government to help eliminate the digital divide once and for all.

As I reflect on an era that saw so many long-established brands and pioneering start-ups exit our economy in one wave of consolidation after another, I realize how fortunate I have been to serve as Mediacom's Chairman and CEO continuously since I founded the company in 1995. The fact that the members of our senior leadership team have spent an average of 20 years with Mediacom is a testament to the family-oriented culture we have been able to instill within our organization. Even in challenging times like the economic downturn of 2008 and the ongoing COVID pandemic, we stayed true to our values and commitment to our employees, avoiding furloughs and layoffs.

As we begin writing the next chapter for our company, I would be remiss if I did not thank the many advisors, industry colleagues, investors, lenders, and vendors that helped us grow and sustain our business for the past 27 years. Most of all, I would like to thank the current and retired members of the Mediacom Family. Their dedication to the customers and communities we serve has been the key ingredient to our success.

Sincerely,

Rocco B. Commisso