



Mediacom Communications Reports Combined Results for Second Quarter 2017

August 3, 2017

MEDIACOM PARK, N.Y.--(BUSINESS WIRE)--MEDIACOM COMMUNICATIONS CORPORATION today released combined unaudited financial and operating highlights for the three months ended June 30, 2017.

Mediacom Combined Results for Second Quarter 2017*

- Revenues were \$471.5 million, reflecting a 4.6% increase from the prior year period
- OIBDA was \$179.6 million, reflecting a 4.0% increase from the prior year period
- Capital expenditures were \$89.1 million, compared to \$86.4 million in the prior year period
- Free cash flow was \$64.1 million, compared to \$55.6 million in the prior year period
- Ending primary service units ("PSUs") of 2,534,000, a 4.5% increase from June 30, 2016
 - Includes 14,000 PSUs acquired by Mediacom LLC in January 2017
- Ending customer relationships of 1,364,000, a 2.1% increase from June 30, 2016
 - Includes 9,000 customer relationships acquired by Mediacom LLC in January 2017
- Total leverage ratio of 3.78x, compared to 4.19x at June 30, 2016
- Interest coverage ratio of 6.82x, compared to 5.61x at June 30, 2016
- Ending total debt of \$2,715.0 million, a reduction of \$180.0 million from June 30, 2016

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 August 3, 2017.

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			YoY% Change
	June 30,			
	2017	2016		
Video	\$ 201,311	\$ 203,257	(1.0	%)
High-speed data	167,040	149,357	11.8	%
Phone	28,230	27,581	2.4	%
Business services	62,210	57,367	8.4	%
Advertising	12,671	13,259	(4.4	%)
Total revenues	\$ 471,462	\$ 450,821	4.6	%
Service costs	(202,765)	(190,606)	6.4	%
SG&A expenses	(80,614)	(79,540)	1.4	%
Management fees	(8,500)	(8,000)	6.3	%
OIBDA (a)	\$ 179,583	\$ 172,675	4.0	%
Cash interest expense (a)	(26,335)	(30,760)	(14.4	%)
Capital expenditures	(89,125)	(86,353)	3.2	%

Free cash flow (a)	\$ 64,123	\$ 55,562	15.4	%
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OIBDA margin (b)	38.1	%	38.3	%
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	June 30, 2017	June 30, 2016	YoY%	Change
Video customers	829,000	842,000	(1.5	%)
High-speed data ("HSD") customers	1,185,000	1,128,000	5.1	%
Phone customers	520,000	454,000	14.5	%
Primary service units ("PSUs")	2,534,000	2,424,000	4.5	%

Video customer declines	(3,000)	(11,000)
HSD customer increases	6,000		14,000	
Phone customer increases	25,000		10,000	
Quarterly PSU increases	28,000		13,000	

Customer relationships (c)	1,364,000	1,336,000	2.1	%
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Average total monthly revenue per:

PSU (d)	\$ 62.36	\$ 62.16	0.3	%
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Customer relationship (e)	\$ 115.05	\$ 112.61	2.2	%
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	June 30, 2017	June 30, 2016
Bank credit facility	\$ 2,215,000	\$ 2,145,000
5½% senior notes due 2021	200,000	200,000
7¼% senior notes due 2022	—	250,000
6¾% senior notes due 2023	300,000	300,000
Total debt (f)	\$ 2,715,000	\$ 2,895,000

Total leverage ratio (g)	3.78x	4.19x
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Interest coverage ratio (h)	6.82x	5.61x
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* See Table 4 for information about our use of non-GAAP measures and definitions of OIBDA and free cash flow, and Table 5 for footnotes.

TABLE 2*

Mediacom Communications Corporation

Selected Combined Financial and Operating Data

(Dollars in thousands, except per unit data)

(Unaudited)

	Three Months Ended			Mediacom Combined
	June 30, 2017			
	Mediacom Broadband	Mediacom LLC	Eliminations	
Video	\$ 111,522	\$ 89,789	—	\$ 201,311
High-speed data	91,246	75,794	—	167,040
Phone	15,049	13,181	—	28,230
Business services	37,978	24,232	—	62,210

Advertising	10,110	2,561	—	12,671
Total revenues	\$ 265,905	\$ 205,557	—	\$ 471,462
Service costs	(110,930)	(91,835)	—	(202,765)
SG&A expenses	(48,621)	(31,993)	—	(80,614)
Management fees	(5,015)	(3,485)	—	(8,500)
OIBDA (a)	\$ 101,339	\$ 78,244	—	\$ 179,583
Investment income from affiliate	—	4,500	(4,500)	—
Adjusted OIBDA (a)	\$ 101,339	\$ 82,744	(4,500)	\$ 179,583
Cash interest expense (a)	(17,074)	(9,261)	—	(26,335)
Capital expenditures	(48,726)	(40,399)	—	(89,125)
Dividend to preferred members	(4,500)	—	4,500	—
Free cash flow (a)	\$ 31,039	\$ 33,084	—	\$ 64,123

	Mediacom Broadband	Mediacom LLC	Mediacom Combined
Video customers	459,000	370,000	829,000
HSD customers	655,000	530,000	1,185,000
Phone customers	288,000	232,000	520,000
Primary service units ("PSUs")	1,402,000	1,132,000	2,534,000
Video customer declines	(2,000)	(1,000)	(3,000)
HSD customer increases	3,000	3,000	6,000
Phone customer increases	15,000	10,000	25,000
Quarterly PSU increases	16,000	12,000	28,000
Customer relationships (c)	754,000	610,000	1,364,000
Average total monthly revenue per:			
PSU (d)	\$ 63.58	\$ 60.85	\$ 62.36
Customer relationship (e)	\$ 117.32	\$ 112.23	\$ 115.05

	Mediacom Broadband	Mediacom LLC	Mediacom Combined
Bank credit facility	\$ 1,014,000	\$ 1,201,000	\$ 2,215,000
5½% senior notes due 2021	200,000	—	200,000
6¾% senior notes due 2023	300,000	—	300,000
Total debt (f)	\$ 1,514,000	\$ 1,201,000	\$ 2,715,000
Total leverage ratio (g)	3.73x	3.63x	3.78x
Interest coverage ratio (h)	5.93x	8.93x	6.82x

* See Table 4 for information about our use of non-GAAP measures and definitions of OIBDA and free cash flow, and Table 5 for footnotes.

TABLE 3*

Mediacom Communications Corporation

Selected Combined Financial and Operating Data

(Dollars in thousands, except per unit data)

(Unaudited)

	Three Months Ended June 30, 2016			
	Mediacom Broadband	Mediacom LLC	Eliminations	Mediacom Combined
Video	\$ 114,148	\$ 89,109	—	\$ 203,257
High-speed data	82,307	67,050	—	149,357
Phone	14,655	12,926	—	27,581
Business services	34,950	22,417	—	57,367
Advertising	10,308	2,951	—	13,259
Total revenues	\$ 256,368	\$ 194,453	—	\$ 450,821
Service costs	(105,413)	(85,193)	—	(190,606)
SG&A expenses	(48,133)	(31,407)	—	(79,540)
Management fees	(4,750)	(3,250)	—	(8,000)
OIBDA ^(a)	\$ 98,072	\$ 74,603	—	\$ 172,675
Investment income from affiliate	—	4,500	(4,500)	—
Adjusted OIBDA ^(a)	\$ 98,072	\$ 79,103	(4,500)	\$ 172,675
Cash interest expense ^(a)	(18,461)	(12,299)	—	(30,760)
Capital expenditures	(45,013)	(41,340)	—	(86,353)
Dividend to preferred members	(4,500)	—	4,500	—
Free cash flow ^(a)	\$ 30,098	\$ 25,464	—	\$ 55,562
	Mediacom Broadband	Mediacom LLC		Mediacom Combined
Video customers	472,000	370,000		842,000
HSD customers	628,000	500,000		1,128,000
Phone customers	250,000	204,000		454,000

Primary service units ("PSUs")	1,350,000	1,074,000	2,424,000
Video customer declines	(7,000)	(4,000)	(11,000)
HSD customer increases	7,000	7,000	14,000
Phone customer increases	5,000	5,000	10,000
Quarterly PSU increases	5,000	8,000	13,000

Customer relationships ^(c)	741,000	595,000	1,336,000
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Average total monthly revenue per:

PSU ^(d)	\$ 63.42	\$ 60.58	\$ 62.16
Customer relationship ^(e)	\$ 115.40	\$ 109.12	\$ 112.61

	Mediacom Broadband	Mediacom LLC	Mediacom Combined
Bank credit facility	\$ 1,188,000	\$ 957,000	\$ 2,145,000
5½% senior notes due 2021	200,000	—	200,000
7¼% senior notes due 2022	—	250,000	250,000
6¾% senior notes due 2023	300,000	—	300,000
Total debt ^(f)	\$ 1,688,000	\$ 1,207,000	\$ 2,895,000
Total leverage ratio ^(g)	4.30x	3.81x	4.19x
Interest coverage ratio ^(h)	5.31x	6.43x	5.61x

* See Table 4 for information about our use of non-GAAP measures and definitions of OIBDA and free cash flow, and Table 5 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

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

Mediacom Communications Corporation

Investor Relations

Jack P. Griffin, 845-443-2654

Vice President,
Corporate Finance

or

Media Relations

Thomas J. Larsen, 845-443-2754

Senior Vice President,
Government and Public Relations

