



For Immediate Release

Mediacom Communications Reports Combined Results for Second Quarter 2020

Mediacom Park, NY – August 6, 2020 – MEDIACOM COMMUNICATIONS CORPORATION today released combined unaudited financial and operating highlights for the three months ended June 30, 2020.

Mediacom Combined Results for Second Quarter 2020*

- Revenues were \$525.8 million, reflecting a 3.3% increase from the prior year period
- Adjusted OIBDA was \$218.1 million, reflecting an 8.0% increase from the prior year period
- Free cash flow was \$135.2 million, reflecting a 35.0% increase from the prior year period
- Ending high-speed data (“HSD”) customers of 1,396,000, a 7.1% increase from June 30, 2019
- Net leverage ratio of 2.28x, compared to 2.95x at June 30, 2019
- Interest coverage ratio of 24.90x, compared to 8.32x at June 30, 2019
- Average borrowing costs of 1.7%, compared to 4.0% for the prior year period
- Available cash and unused revolving credit lines exceeded \$750 million at June 30, 2020

“Never in my 42-year career with the cable industry, let alone my lifetime, have I witnessed a more disastrous economic environment due to the coronavirus pandemic, where countless large and small companies filed for bankruptcy or were saved from failure by massive government assistance,” stated Rocco B. Commisso, Mediacom’s founder, Chairman and CEO. “Even global media/telecom leaders like AT&T/WarnerMedia/DirecTV, Comcast/NBCUniversal/SkyTV, and Disney/ESPN went backwards on revenues and net income or generated significant losses in their latest reporting periods. Amid this backdrop, and in stark contrast, Mediacom not only increased free cash flow by 35%, but registered its 94th consecutive quarter of year-over-year revenue growth, truly a unique and impressive accomplishment in the annals of American business.

“The immense challenges caused by this pandemic underscored the critical nature of a fast and reliable Internet connection, particularly for remote working, distance learning, telemedicine and entertainment. In retrospect, our strategic decision to invest \$3 billion over the last decade to ‘future-proof’ our fiber-rich network was visionary, giving us the ability to handle the recent 35% surge in customers’ bandwidth consumption, and allowing us to attract a record 47,000 new Internet customers during the quarter.

“I could not be prouder of our employees spread over 22 states for rising above the potential health risks to service our 1.4 million Internet customers. I take even more pride in knowing that despite millions of workers in the U.S. unfortunately losing their jobs, Mediacom continued its long-standing policy of no layoffs, putting the welfare and security of our employees and their families at the very top of our priorities.

“Our financial position has never been stronger. Mediacom’s long-term bank and institutional lenders are supported by an investment-grade balance sheet and our commitment to maintain a net leverage ratio of less than 3.0x. Since year-end 2018, despite the substantial borrowings and distributions made to finance the acquisition and operations of ACF Fiorentina, we repaid over \$300 million in debt, made possible by the ever-increasing cash generation capacity of Mediacom. For the full year 2020, we expect to reach free cash flow in excess of \$500 million, an all-time record for our company,” concluded Mr. Commisso.

* See Table 7 for information about our use of non-GAAP measures and definitions of OIBDA and free cash flow and Table 8 for footnotes.

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

	Three Months Ended June 30,		YoY% Change
	2020	2019	
High-speed data (“HSD”)	\$ 232,012	\$ 208,983	11.0%
Video	181,938	188,141	(3.3%)
Phone	29,546	29,917	(1.2%)
Business services	74,010	71,304	3.8%
Advertising	8,301	10,546	(21.3%)
Total revenues	\$ 525,807	\$ 508,891	3.3%
Service costs	(218,333)	(216,808)	0.7%
SG&A expenses	(78,131)	(80,553)	(3.0%)
Management fees	(12,000)	(10,000)	20.0%
OIBDA ^(a)	\$ 217,343	\$ 201,530	7.8%
Non-cash, share based compensation	707	385	83.6%
Adjusted OIBDA ^(a)	\$ 218,050	\$ 201,915	8.0%
Cash interest expense ^(a)	(8,757)	(24,265)	(63.9%)
Capital expenditures	(74,114)	(77,533)	(4.4%)
Free cash flow ^(a)	\$ 135,179	\$ 100,117	35.0%
Adjusted OIBDA margin ^(b)	41.5%	39.7%	

	June 30, 2020	June 30, 2019	YoY% Change
HSD customers	1,396,000	1,303,000	7.1%
Video customers	676,000	747,000	(9.5%)
Phone customers	602,000	616,000	(2.3%)
Primary service units (“PSUs”)	2,674,000	2,666,000	0.3%
HSD customer increases	47,000	15,000	
Video customer declines	(17,000)	(17,000)	
Phone customer declines	(6,000)	(1,000)	
Quarterly PSU increases (declines)	24,000	(3,000)	
Customer relationships ^(c)	1,404,000	1,368,000	2.6%
Average total monthly revenue per:			
PSU ^(d)	\$ 65.84	\$ 63.59	3.5%
Customer relationship ^(e)	\$ 126.05	\$ 124.04	1.6%

	June 30, 2020	June 30, 2019
Bank credit facility	\$ 2,025,000	\$ 2,360,000
5½% senior notes due 2021	—	50,000
Total debt ^(f)	\$ 2,025,000	\$ 2,410,000
Cash	(34,971)	(27,228)
Net debt	\$ 1,990,029	\$ 2,382,772
Net leverage ratio ^(g)	2.28x	2.95x
Interest coverage ratio ^(h)	24.90x	8.32x

* 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 June 30, 2020			
	Mediacom Broadband	Mediacom LLC	Eliminations	Mediacom Combined
High-speed data (“HSD”)	\$ 124,964	\$ 107,048	—	\$ 232,012
Video	98,382	83,556	—	181,938
Phone	15,887	13,659	—	29,546
Business services	44,675	29,335	—	74,010
Advertising	7,149	1,152	—	8,301
Total revenues	\$ 291,057	\$ 234,750	—	\$ 525,807
Service costs	(117,934)	(100,399)	—	(218,333)
SG&A expenses	(47,808)	(30,323)	—	(78,131)
Management fees	(7,200)	(4,800)	—	(12,000)
OIBDA ^(a)	\$ 118,115	\$ 99,228	—	\$ 217,343
Investment income from affiliate	—	4,500	(4,500)	—
Non-cash share-based compensation	375	332	—	707
Adjusted OIBDA ^(a)	\$ 118,490	\$ 104,060	(4,500)	\$ 218,050
Cash interest expense ^(a)	(4,163)	(4,594)	—	(8,757)
Capital expenditures	(37,855)	(36,259)	—	(74,114)
Dividend to preferred members	(4,500)	—	4,500	—
Free cash flow ^(a)	\$ 71,972	\$ 63,207	—	\$ 135,179

	Mediacom Broadband	Mediacom LLC	Mediacom Combined
HSD customers	767,000	629,000	1,396,000
Video customers	370,000	306,000	676,000
Phone customers	331,000	271,000	602,000
Primary service units (“PSUs”)	1,468,000	1,206,000	2,674,000
HSD customer increases	24,000	23,000	47,000
Video customer declines	(10,000)	(7,000)	(17,000)
Phone customer declines	(4,000)	(2,000)	(6,000)
Quarterly PSU increases	10,000	14,000	24,000
Customer relationships ^(c)	774,000	630,000	1,404,000
Average total monthly revenue per:			
PSU ^(d)	\$ 66.32	\$ 65.26	\$ 65.84
Customer relationship ^(e)	\$ 126.33	\$ 125.70	\$ 126.05

	Mediacom Broadband	Mediacom LLC	Mediacom Combined
Bank credit facility	\$ 931,438	\$ 1,093,563	\$ 2,025,000
5½% senior notes due 2021	—	—	—
Total debt ^(f)	\$ 931,438	\$ 1,093,563	\$ 2,025,000
Cash	(16,020)	(18,951)	(34,971)
Net debt	\$ 915,418	\$ 1,074,612	\$ 1,990,029
Net leverage ratio ^(g)	1.93x	2.58x	2.28x
Interest coverage ratio ^(h)	28.46x	22.65x	24.90x

* 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. Due to rounding of Mediacom Broadband and Mediacom LLC results, slight differences may exist with actual Mediacom Combined results.

TABLE 3*
Mediacom Communications Corporation
Selected Combined Financial and Operating Data
(Dollars in thousands, except per unit data)
(Unaudited)

	Three Months Ended			
	June 30, 2019			
	Mediacom Broadband	Mediacom LLC	Eliminations	Mediacom Combined
High-speed data (“HSD”)	\$ 113,331	\$ 95,652	—	\$ 208,983
Video	102,629	85,512	—	188,141
Phone	16,172	13,745	—	29,917
Business services	43,491	27,813	—	71,304
Advertising	8,780	1,766	—	10,546
Total revenues	\$ 284,403	\$ 224,488	—	\$ 508,891
Service costs	(117,413)	(99,395)	—	(216,808)
SG&A expenses	(48,720)	(31,833)	—	(80,553)
Management fees	(6,000)	(4,000)	—	(10,000)
OIBDA ^(a)	\$ 112,270	\$ 89,260	—	\$ 201,530
Investment income from affiliate	—	4,500	(4,500)	—
Non-cash share-based compensation	204	181	—	385
Adjusted OIBDA ^(a)	\$ 112,474	\$ 93,941	(4,500)	\$ 201,915
Cash interest expense ^(a)	(12,653)	(11,612)	—	(24,265)
Capital expenditures	(42,548)	(34,985)	—	(77,533)
Dividend to preferred members	(4,500)	—	4,500	—
Free cash flow ^(a)	\$ 52,773	\$ 47,344	—	\$ 100,117

	Mediacom Broadband	Mediacom LLC	Mediacom Combined
HSD customers	721,000	582,000	1,303,000
Video customers	412,000	335,000	747,000
Phone customers	341,000	275,000	616,000
Primary service units (“PSUs”)	1,474,000	1,192,000	2,666,000
HSD customer increases	8,000	7,000	15,000
Video customer declines	(10,000)	(7,000)	(17,000)
Phone customer increases	(1,000)	—	(1,000)
Quarterly PSU declines	(3,000)	—	(3,000)
Customer relationships ^(c)	760,000	608,000	1,368,000
Average total monthly revenue per:			
PSU ^(d)	\$ 64.25	\$ 62.78	\$ 63.59
Customer relationship ^(e)	\$ 124.82	\$ 123.07	\$ 124.04

	Mediacom Broadband	Mediacom LLC	Mediacom Combined
Bank credit facility	\$ 1,236,875	\$ 1,123,125	\$ 2,360,000
5½% senior notes due 2021	50,000	—	50,000
Total debt ^(f)	\$ 1,286,875	\$ 1,123,125	\$ 2,410,000
Cash	(12,724)	(14,504)	(27,228)
Net debt	\$ 1,274,151	\$ 1,108,621	\$ 2,382,772
Net leverage ratio ^(g)	2.83x	2.95x	2.95x
Interest coverage ratio ^(h)	8.89x	8.09x	8.32x

* 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. Due to rounding of Mediacom Broadband and Mediacom LLC results, slight differences may exist with actual Mediacom Combined results.

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 and excluding non-cash share-based 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.

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 Adjusted 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.

Reference to “Mediacom Combined” reflects the combined results of Mediacom Broadband LLC and Mediacom LLC, eliminating intercompany amounts.

TABLE 5
Footnotes

- (a) See Table 4 for information regarding 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 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) Represents net debt at period end divided by annualized Adjusted OIBDA for the period.
- (h) Represents Adjusted OIBDA divided by cash interest expense for the period.

About Mediacom

Mediacom Communications Corporation is the 5th largest cable operator in the U.S. serving over 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.

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