


Charter Communications, Inc. ("Charter")



6.50

BB+

1 year PD
0.15% to 0.38%

Headquarters	Stamford, CT	U.S.
Type	Public	
Employees	95,000	
Year Founded	1993	
Website	https://corporate.charter.com/	
Business	Broadband, TV, mobile, and voice services.	
Revenues	\$55,085.0M	

Company Overview

- Company Overview:** Charter, HQ'd in Stamford, CT, is a leading broadband connectivity and cable company, operating under the Spectrum brand.
- Product:** Offers a suite of services including high-speed internet, cable TV, mobile, and voice services to residential and business customers.
- Customers:** The company serves >30mn customers across 41 states, making it one of the largest cable operators in the US.
- Ownership:** Liberty Broadband Corp is the largest individual shareholder, owning approximately 44.85% of Charter Communications.
- Debt Structure:** The entity carries a substantial amount of debt (\$118bn), of which \$92bn are LT. No visible maturity wall. \$18.8bn are deferred tax liabilities. An R/C-line over \$1.25bn, has \$1.2bn in UPB.
- Basis for Assessment:** SEC-filed FY-22, 23, and 24 as well as their Q1-25 financials. The rating is mainly based on their FY-24 financials.
- Other (pros/cons):** Strong profitability and recurring revenues support near-term stability despite cash flow pressure. High leverage and weak liquidity constrain flexibility amid rising CAPEX and regulatory risks. 65% of Total Assets equates to Goodwill and Intangibles. Single Event Risks include Refi/Rating/Interest rate risk given \$118bn Total Debt, loss of a major content or distribution agreement, and technological obsolescence.
- Issuer Ratings:** Moodys, S&P, and Fitch currently rate the entity at Ba2/BB+, yet generally with a positive outlook following the merger with COX (per 5/25, 'BBB+'-rated), and in anticipation of consolidated financials - which is (as-is, and under consideration of the acquisitions price) expected to lower the leverage vs Charter (today). The entity announced anticipated annual cost synergies of about \$500mn (post mgr.)

Financial Snapshot

	Dec-22	Dec-23	Dec-24	Chg
\$ '000s	T12	T12	T12	%
Total Revenue	54,022,000	54,607,000	55,085,000	0.9%
Gross Profit	54,022,000	54,607,000	55,085,000	0.9%
Adjusted EBITDA	21,616,000	21,894,000	22,569,000	3.1%
Gross Profit Margin	100.0%	100.0%	100.0%	0.0 ppt
EBITDA Margin	40.0%	40.1%	41.0%	0.9 ppt
Net Income	5,849,000	5,261,000	5,853,000	11.3%
Depreciation & Amorti	8,903,000	8,696,000	8,673,000	-0.3%

Financial Ratio Benchmarking

# of Benchmarks:	19	Industry Median	Company Metric	Percentile Rank	# of Industry Benchmarks	19
	Revenue	\$3,484M	\$55,085M		Company Financials Date	Dec-24
Liquidity	Current Ratio	0.86	0.29	<div><div></div></div>	7%	Industry Benchmarks - Primary: Cable and Satellite
	Quick Ratio	0.76	0.29	<div><div></div></div>	12%	
Leverage	Net Debt / EBITDA	3.80	5.24	<div><div></div></div>	29%	
	Debt to Assets	64.2%	79.1%	<div><div></div></div>	41%	
Profitability	EBITDA Margin	32.4%	41.0%	<div><div></div></div>	85%	
	ROCE %	9.4%	9.7%	<div><div></div></div>	51%	

Business Risk

Industry Group Risk Profile		Telecommunications And Cable		20%	3.5	to	5.0
Industry Risk Assessment	KPI Rating	Contribution	Industry Group Description				
Cyclicality	Low risk	<div></div>					
Competitive Risk	Intermediate risk	<div></div>					
Global Industry	Intermediate risk	<div></div>					
Market Segment Outlook	Declining	<div></div>					
Competitive Position Profile		Business And Consumer Services		50%	6.0	to	7.5
Competitive Position KPIs	KPI Rating	Contribution	Rating Guideline				
Cycle-Tested	< 2000	<div></div>	Navigated multiple economic down-cycles.				
Market Position	Strong	<div></div>	Favorable market position with barriers to entry, ability to integrate services into customer's operations.				
Scale and Scope	Strong	<div></div>	Operates in various attractive markets with superior scale.				
Brand Equity and Reputation	Strong	<div></div>	Strong brand with a clear price premium and high customer loyalty.				
Business Strategy	Satisfactory	<div></div>	Inconsistent in some key areas.				
Customer & End-Market Diversity	Above Average	<div></div>	Good customer diversity; limited reliance on specific customers.				
Service Diversity	Strong	<div></div>	Offers a wide range of services that cater to diverse customer needs.				
Expense Structure	Satisfactory	<div></div>	Limited ability to flex staff or inventory. Higher direct labor expense.				
Management, Governance, Sponsorship				30%	5.0	to	7.0

Anchor Modifiers

Modifiers			
Revenue Segment	Normalization	<div></div>	>\$10B
Trend Analysis	Adjustment	<div></div>	Strong Positive
Financial Flexibility	Adjustment	<div></div>	Limited

Rating Range (Rounded)

6.0	to	7.0
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