

## Cable TV Industry Updates – January 2025

### Cable TV spinoffs

Comcast, the 2<sup>nd</sup> largest cable TV provider, is spinning off nearly all of its cable assets into a new company. Warner Bros. Discovery is splitting its linear TV (including cable) from its streaming and studios business. Both of these are major moves that illustrate a cable business in decline, with both companies repositioning for merger and acquisitions opportunities. Paramount Global is merging with Skydance and is looking to axe most of its cable holdings. Disney is combining its Hulu + Live TV and the sports app Fubo which marks the first major streaming / cable consolidation of 2025. These moves are expected to be completed in 2025 and will reshape the media landscape.

### Charter Q3 Earnings Recap

Total video customers decreased by 294,000 in the third quarter of 2024, compared to a decline of 327,000 in the third quarter of 2023. As of September 30, 2024, Charter had 13.0 million total video customers. Spectrum TV Select video customers will soon receive up to \$80 per month of programmers' streaming application retail value at no extra cost, including the ad-supported versions of Max, Disney+, Peacock, Paramount+, ESPN+, AMC+, Discovery+, BET+, ViX, and Tennis Channel Plus. This programmer streaming application inclusion is part of Charter's broader video evolution strategy to provide flexible packages with enhanced value, whether through full packages with seamless entertainment, smaller video packages, or a suite of a-la-carte programmer application options for broadband-only customers.

Video revenue totaled \$3.7 billion in the third quarter, a decrease of 6.7% compared to the prior year period, driven by a decline in video customers during the last year and a higher mix of lower priced video packages within Charter's video customer base, partly offset by promotional rate step-ups, video rate adjustments that pass through programmer rate increases and the aforementioned \$63 million of residential customer credits recorded in September 2023.

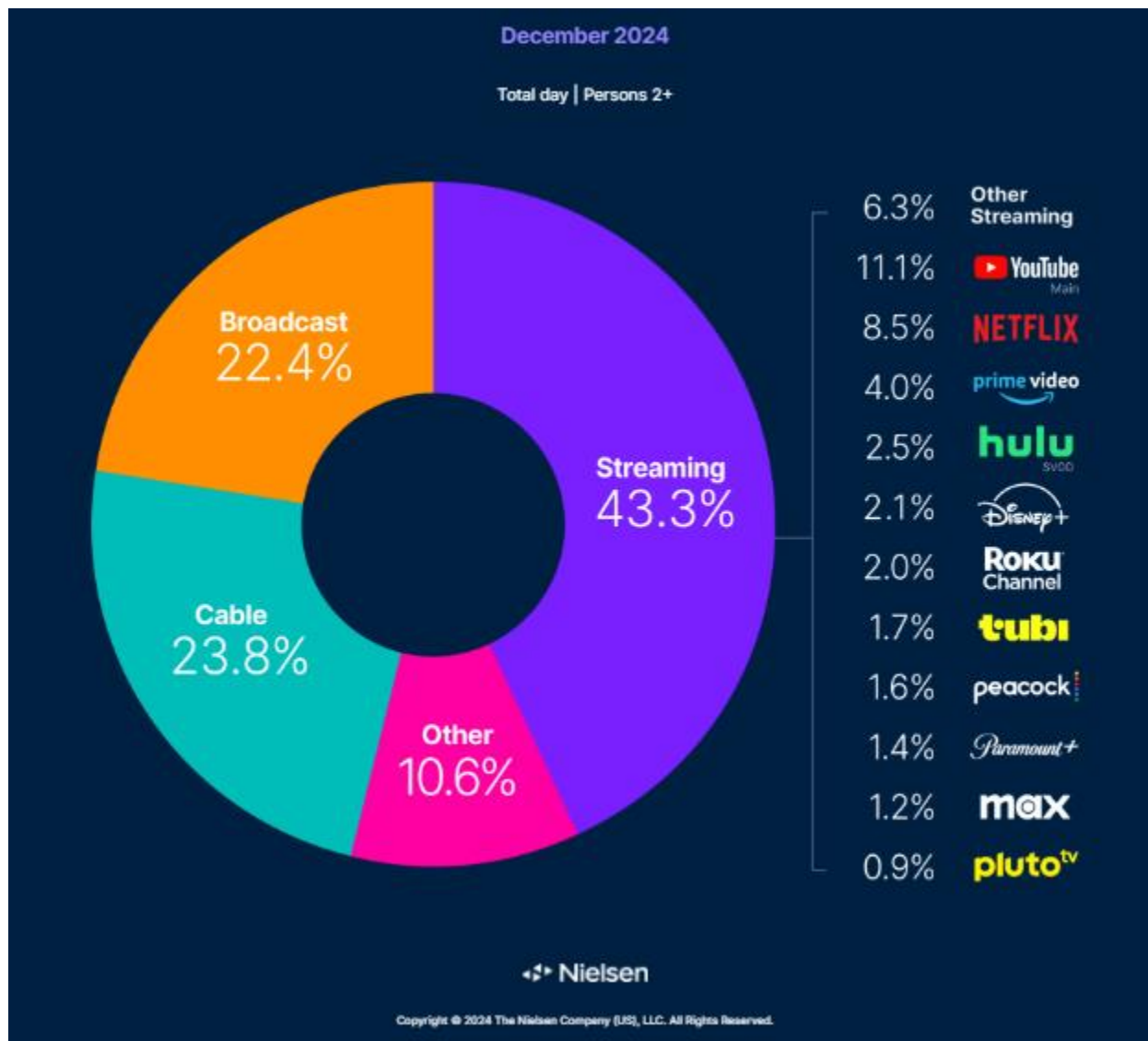
**CHARTER COMMUNICATIONS, INC. AND SUBSIDIARIES**  
**UNAUDITED SUMMARY OF OPERATING STATISTICS**  
(in thousands, except per customer and penetration data)

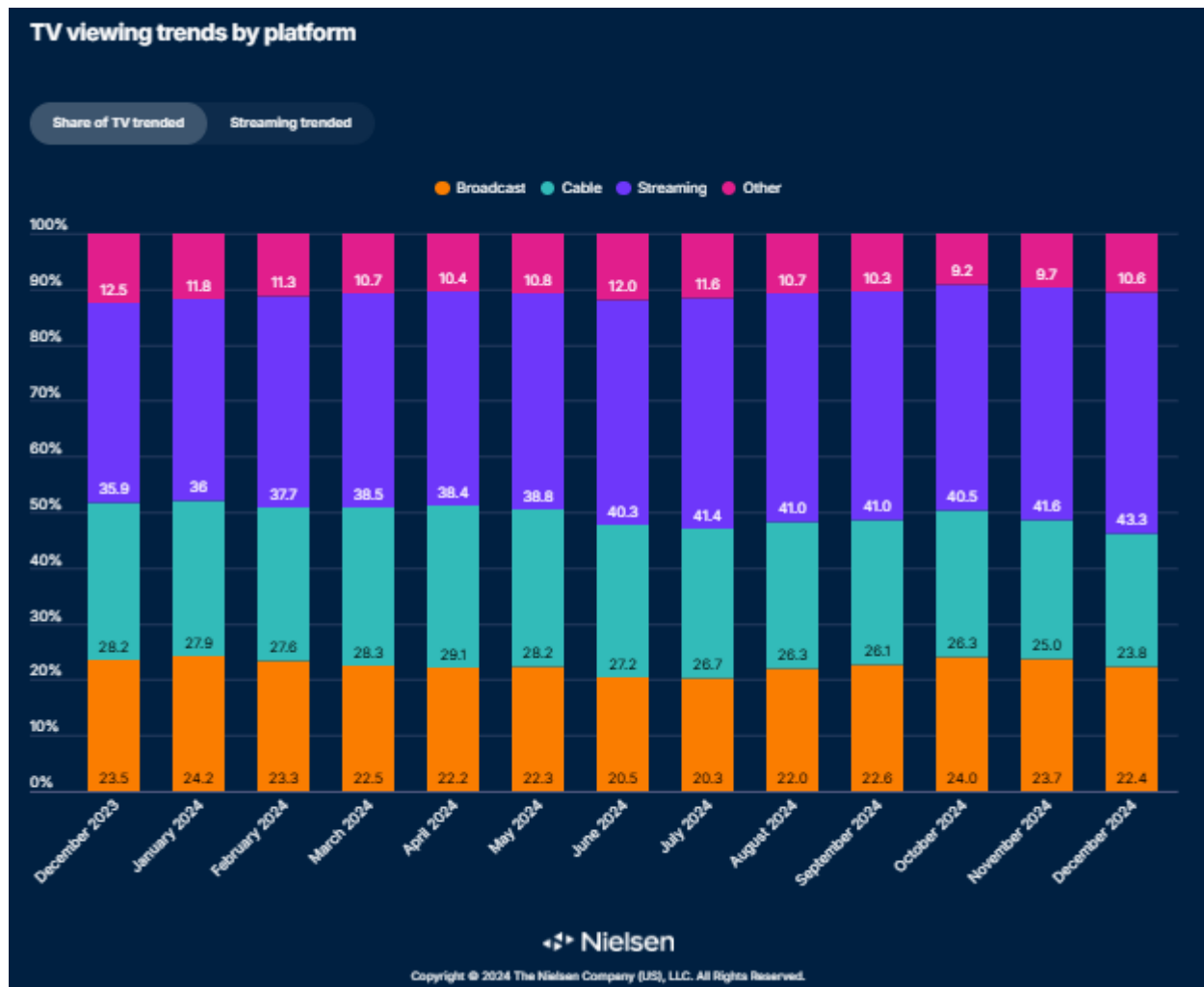
|                                     | Approximate as of                    |                                 |                                     |                                      |
|-------------------------------------|--------------------------------------|---------------------------------|-------------------------------------|--------------------------------------|
|                                     | September 30,<br>2024 <sup>(c)</sup> | June 30,<br>2024 <sup>(c)</sup> | December 31,<br>2023 <sup>(c)</sup> | September 30,<br>2023 <sup>(c)</sup> |
| <b>Video</b>                        |                                      |                                 |                                     |                                      |
| Residential                         | 12,437                               | 12,718                          | 13,503                              | 13,751                               |
| SMB                                 | 578                                  | 591                             | 619                                 | 628                                  |
| Total Video Customers               | 13,015                               | 13,309                          | 14,122                              | 14,379                               |
| Residential                         | (281)                                | (393)                           | (248)                               | (320)                                |
| SMB                                 | (13)                                 | (15)                            | (9)                                 | (7)                                  |
| Total Video Quarterly Net Additions | (294)                                | (408)                           | (257)                               | (327)                                |

### Nielsen Ratings – The Gauge publication

Cable TV is still declining and is predicted to accelerate in 2025. Cord-cutting is eroding our Franchise Fee revenue, and as of November 2024, cable is at 23.8% of all TV watched in the US.

Streaming has taken viewership from broadcast and cable. Broadcast has been relatively stable and may see more stability and even some growth with the upcoming ASTC 3.0 rollout. Cable has lost over 4% of viewers in 2024 and will be facing further decline in 2025.





Month-over-month, Cable has declined by 1.2% of total viewership. Total TV viewing was up 4% in December as compared to November. In 2024, Cable saw a year-over-year loss of 4.4%. Losses were mitigated by high viewership during the Olympics, election coverage, Macy's Thanksgiving Day parade, and football.