

# 2018 SECOND QUARTER EARNINGS CONFERENCE CALL



*Reconciliation of Non-GAAP Financial Measure  
August 9, 2018*

# Use of Non-GAAP Financial Measure

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Cable One, Inc. (the “Company”) uses certain measures that are not defined by generally accepted accounting principles in the United States (“GAAP”) to evaluate various aspects of its business. Adjusted EBITDA is a non-GAAP financial measure and should be considered in addition to, not as superior to, or as a substitute for, net income reported in accordance with GAAP. Adjusted EBITDA is reconciled to net income below.

“Adjusted EBITDA” is defined as net income plus interest expense, income tax provision (benefit), depreciation and amortization, (gain) loss on disposal of assets, system conversion costs and other unusual operating expenses, as provided below. As such, it eliminates the significant non-cash depreciation and amortization expense that results from the capital-intensive nature of the Company’s business as well as other non-cash or special items and is unaffected by the Company’s capital structure or investment activities. This measure is limited in that it does not reflect the periodic costs of certain capitalized tangible and intangible assets used in generating revenues and the Company’s cash cost of debt financing. These costs are evaluated through other financial measures.

The Company uses Adjusted EBITDA to assess its performance. In addition, Adjusted EBITDA generally correlates to the measure used in the leverage ratio calculations under the Company’s credit facilities and senior unsecured notes to determine compliance with the covenants contained in the credit facilities and ability to take certain actions under the indenture governing the notes. Adjusted EBITDA is also a significant performance measure used by the Company in its annual incentive compensation program. Adjusted EBITDA does not take into account cash used for mandatory debt service requirements or other non-discretionary expenditures, and thus does not represent residual funds available for discretionary uses.

The Company believes Adjusted EBITDA is useful to investors in evaluating the operating performance of the Company.

Adjusted EBITDA and similar measures with similar titles are common measures used by investors, analysts and peers to compare performance in the Company’s industry, although the Company’s measure of Adjusted EBITDA may not be directly comparable to similarly titled measures reported by other companies.

# NewWave Reconciliation of Net Income to Adjusted EBITDA

<i>(dollars in millions)</i>	<b>NewWave Q2 2018</b>	<b>NewWave Q4 2016</b>	<b>\$ Change</b>	<b>% Change</b>
Net income	\$ 3.3	\$ (3.2)	\$ 6.5	(203.1)%
Plus: Interest expense	-	5.3	(5.3)	(100.0)%
Income tax provision (benefit)	1.1	-	1.1	N/A
Depreciation and amortization	12.4	12.1	0.3	2.5%
(Gain) loss on disposal of assets, net	0.8	1.8	(1.0)	(55.6)%
System conversion costs	1.2	-	1.2	N/A
Adjusted EBITDA	\$ 18.8	\$ 16.0	\$ 2.8	17.2%

NA = Not applicable.

CABLE **ONE**®

The logo for Cable One features the word "CABLE" in a blue, sans-serif font. Below it is a stylized graphic element consisting of a red shape on top and a blue shape on the bottom, both tapering to the right. To the right of this graphic is the word "ONE" in a bold, italicized, red sans-serif font, followed by a registered trademark symbol (®).