UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 001-36713

LIBERTY BROADBAND CORPORATION
(Exact name of Registrant as specified in its charter)

State of Delaware (State or other jurisdiction of incorporation or organization)	**47-1211994** (I.R.S. Employer Identification No.)
12300 Liberty Boulevard **Englewood, Colorado** (Address of principal executive offices)	**80112** (Zip Code)

Registrant's telephone number, including area code: **(720) 875-5700**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Series A common stock	LBRDA	The Nasdaq Stock Market LLC
Series C common stock	LBRDK	The Nasdaq Stock Market LLC
Series A Cumulative Redeemable preferred stock	LBRDP	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐ Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company as defined in Rule 12b-2 of the Exchange Act. Yes ☐ No ☒

The number of outstanding shares of Liberty Broadband Corporation’s common stock as of October 31, 2023 was:

	Series A	Series B	Series C
Liberty Broadband Corporation common stock	18,233,629	2,025,232	125,807,260

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LIBERTY BROADBAND CORPORATION

Condensed Consolidated Balance Sheets

(unaudited)

	September 30, 2023	December 31, 2022
	amounts in millions	
Assets		
Current assets:		
Cash and cash equivalents	$ 88	375
Trade and other receivables, net of allowance for credit losses of $5 and $4, respectively	220	201
Prepaid and other current assets	122	84
Total current assets	430	660
Investment in Charter, accounted for using the equity method (note 4)	12,229	11,433
Property and equipment, net	1,036	1,011
Intangible assets not subject to amortization		
Goodwill	755	755
Cable certificates	550	550
Other	40	37
Intangible assets subject to amortization, net (note 5)	477	516
Other assets, net	251	180
Total assets	$ 15,768	15,142

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Balance Sheets (Continued)

(unaudited)

	September 30, 2023	December 31, 2022
	amounts in millions, except share amounts	
Liabilities and Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 104	92
Deferred revenue	28	20
Current portion of debt, including $2 and $1,373 measured at fair value, respectively (note 6)	5	1,376
Indemnification obligation (note 3)	21	50
Other current liabilities	71	137
Total current liabilities	229	1,675
Long-term debt, net, including $1,316 and zero measured at fair value, respectively (note 6)	3,860	2,425
Obligations under tower obligations and finance leases, excluding current portion	83	86
Long-term deferred revenue	66	63
Deferred income tax liabilities	2,184	2,040
Preferred stock (note 7)	202	202
Other liabilities	147	150
Total liabilities	6,771	6,641
Equity		
Series A common stock, $.01 par value. Authorized 500,000,000 shares; issued and outstanding 18,231,629 and 18,528,468 at September 30, 2023 and December 31, 2022, respectively	—	—
Series B common stock, $.01 par value. Authorized 18,750,000 shares; issued and outstanding 2,027,232 and 2,106,636 at September 30, 2023 and December 31, 2022, respectively	—	—
Series C common stock, $.01 par value. Authorized 500,000,000 shares; issued and outstanding 125,954,265 and 125,962,296 at September 30, 2023 and December 31, 2022, respectively	1	1
Additional paid-in capital	3,293	3,318
Accumulated other comprehensive earnings (loss), net of taxes	45	9
Retained earnings	5,638	5,155
Total stockholders' equity	8,977	8,483
Non-controlling interests	20	18
Total equity	8,997	8,501
Commitments and contingencies (note 9)		
Total liabilities and equity	$ 15,768	15,142

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Operations

(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions, except per share amounts			
Revenue	$ 240	248	731	725
Operating costs and expenses:				
Operating expense (exclusive of depreciation and amortization shown separately below)	59	64	180	190
Selling, general and administrative, including stock-based compensation (note 8)	105	111	322	317
Depreciation and amortization	55	66	169	195
Litigation settlement (note 9)	—	19	—	29
	219	260	671	731
Operating income (loss)	21	(12)	60	(6)
Other income (expense):				
Interest expense (including amortization of deferred loan fees)	(54)	(35)	(151)	(91)
Share of earnings (losses) of affiliate (note 4)	326	309	892	998
Gain (loss) on dilution of investment in affiliate (note 4)	(10)	—	(42)	(67)
Realized and unrealized gains (losses) on financial instruments, net (note 3)	(81)	148	(155)	362
Gain (loss) on dispositions, net (note 1)	—	—	—	179
Other, net	6	(34)	22	(73)
Earnings (loss) before income taxes	208	376	626	1,302
Income tax benefit (expense)	(46)	(61)	(143)	(223)
Net earnings (loss)	162	315	483	1,079
Less net earnings (loss) attributable to the non-controlling interests	—	—	—	—
Net earnings (loss) attributable to Liberty Broadband shareholders	$ 162	315	483	1,079
Basic net earnings (loss) attributable to Series A, Series B and Series C Liberty Broadband shareholders per common share (note 2)	$ 1.11	2.07	3.31	6.74
Diluted net earnings (loss) attributable to Series A, Series B and Series C Liberty Broadband shareholders per common share (note 2)	$ 1.10	2.05	3.29	6.70

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Comprehensive Earnings (Loss)

(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
Net earnings (loss)	$ 162	315	483	1,079
Other comprehensive earnings (loss), net of taxes:				
Credit risk on fair value debt instruments gains (loss)	(11)	(12)	36	4
Other comprehensive earnings (loss), net of taxes	(11)	(12)	36	4
Comprehensive earnings (loss)	151	303	519	1,083
Less comprehensive earnings (loss) attributable to the non-controlling interests	—	—	—	—
Comprehensive earnings (loss) attributable to Liberty Broadband shareholders	$ 151	303	519	1,083

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Cash Flows

(unaudited)

	Nine months ended September 30, 2023	2022
	amounts in millions	
Cash flows from operating activities:		
Net earnings (loss)	$ 483	1,079
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:		
Depreciation and amortization	169	195
Stock-based compensation	25	28
Litigation settlement	—	29
Share of (earnings) losses of affiliate, net	(892)	(998)
(Gain) loss on dilution of investment in affiliate	42	67
Realized and unrealized (gains) losses on financial instruments, net	155	(362)
Deferred income tax expense (benefit)	137	16
(Gain) loss on dispositions, net	—	(179)
Other, net	(3)	(3)
Changes in operating assets and liabilities:		
Current and other assets	(60)	131
Payables and other liabilities	(102)	(63)
Net cash provided by (used in) operating activities	(46)	(60)
Cash flows from investing activities:		
Capital expenditures	(149)	(132)
Grant proceeds received for capital expenditures	6	—
Cash received for Charter shares repurchased by Charter	42	2,602
Cash proceeds from dispositions, net	—	163
Cash released from escrow related to dispositions	23	—
Purchases of investments	(53)	—
Other investing activities, net	2	4
Net cash provided by (used in) investing activities	(129)	2,637
Cash flows from financing activities:		
Borrowings of debt	1,501	300
Repayments of debt, tower obligations and finance leases	(1,547)	(203)
Repurchases of Liberty Broadband common stock	(40)	(2,641)
Indemnification payment to Qurate Retail	(26)	—
Other financing activities, net	(3)	(5)
Net cash provided by (used in) financing activities	(115)	(2,549)
Net increase (decrease) in cash, cash equivalents and restricted cash	(290)	28
Cash, cash equivalents and restricted cash, beginning of period	400	206
Cash, cash equivalents and restricted cash, end of period	$ 110	234

The following table reconciles cash and cash equivalents and restricted cash reported in the accompanying condensed consolidated balance sheets to the total amount presented in the accompanying condensed consolidated statement of cash flows:

	September 30, 2023	December 31, 2022
	amounts in millions	
Cash and cash equivalents	$ 88	375
Restricted cash included in other current assets	20	24
Restricted cash included in other long-term assets	2	1
Total cash and cash equivalents and restricted cash at end of period	$ 110	400

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Equity

(unaudited)

	Common stock Series A	Common stock Series B	Common stock Series C	Additional paid-in capital	Accumulated other comprehensive earnings	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
					amounts in millions			
Balance at January 1, 2023	$ —	—	1	3,318	9	5,155	18	8,501
Net earnings (loss)	—	—	—	—	—	483	—	483
Other comprehensive earnings (loss), net of taxes	—	—	—	—	36	—	—	36
Stock-based compensation	—	—	—	25	—	—	—	25
Liberty Broadband stock repurchases	—	—	—	(40)	—	—	—	(40)
Noncontrolling interest activity at Charter and other	—	—	—	(10)	—	—	2	(8)
Balance at September 30, 2023	$ —	—	1	3,293	45	5,638	20	8,997

	Common stock Series A	Common stock Series B	Common stock Series C	Additional paid-in capital	Accumulated other comprehensive earnings	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
					amounts in millions			
Balance at June 30, 2023	$ —	—	1	3,286	56	5,476	20	8,839
Net earnings (loss)	—	—	—	—	—	162	—	162
Other comprehensive earnings (loss), net of taxes	—	—	—	—	(11)	—	—	(11)
Stock-based compensation	—	—	—	9	—	—	—	9
Noncontrolling interest activity at Charter and other	—	—	—	(2)	—	—	—	(2)
Balance at September 30, 2023	$ —	—	1	3,293	45	5,638	20	8,997

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Condensed Consolidated Statements of Equity (continued)

(unaudited)

	Common stock Series A	Common stock Series B	Common stock Series C	Additional paid-in capital	Accumulated other comprehensive earnings	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
	amounts in millions							
Balance at January 1, 2022	$ —	—	1	6,214	14	3,898	12	10,139
Net earnings (loss)	—	—	—	—	—	1,079	—	1,079
Other comprehensive earnings (loss), net of taxes	—	—	—	—	4	—	—	4
Stock-based compensation	—	—	—	28	—	—	—	28
Liberty Broadband stock repurchases	—	—	—	(2,641)	—	—	—	(2,641)
Noncontrolling interest activity at Charter and other	—	—	—	(37)	—	—	4	(33)
Balance at September 30, 2022	$ —	—	1	3,564	18	4,977	16	8,576

	Common stock Series A	Common stock Series B	Common stock Series C	Additional paid-in capital	Accumulated other comprehensive earnings	Retained earnings	Noncontrolling interest in equity of subsidiaries	Total equity
	amounts in millions							
Balance at June 30, 2022	$ —	—	1	4,319	30	4,662	16	9,028
Net earnings (loss)	—	—	—	—	—	315	—	315
Other comprehensive earnings (loss), net of taxes	—	—	—	—	(12)	—	—	(12)
Stock-based compensation	—	—	—	10	—	—	—	10
Liberty Broadband stock repurchases	—	—	—	(751)	—	—	—	(751)
Noncontrolling interest activity at Charter and other	—	—	—	(14)	—	—	—	(14)
Balance at September 30, 2022	$ —	—	1	3,564	18	4,977	16	8,576

See accompanying notes to the condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

(1) Basis of Presentation

The accompanying condensed consolidated financial statements include the accounts of Liberty Broadband Corporation and its controlled subsidiaries (collectively, "Liberty Broadband," the "Company," "us," "we," or "our" unless the context otherwise requires). Liberty Broadband Corporation is primarily comprised of GCI Holdings, LLC ("GCI Holdings" or "GCI"), a wholly owned subsidiary, and an equity method investment in Charter Communications, Inc. ("Charter").

On December 18, 2020, GCI Liberty, Inc. ("GCI Liberty") was merged with Liberty Broadband (the "Combination") and Liberty Broadband acquired GCI Holdings.

The accompanying (a) condensed consolidated balance sheet as of December 31, 2022, which has been derived from audited financial statements, and (b) interim unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the results for such periods have been included. The results of operations for any interim period are not necessarily indicative of results for the full year. Additionally, certain prior period amounts have been reclassified for comparability with current period presentation. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto contained in Liberty Broadband's Annual Report on Form 10-K for the year ended December 31, 2022. All significant intercompany accounts and transactions have been eliminated in the condensed consolidated financial statements.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. The Company considers (i) the application of the equity method of accounting for its affiliate, (ii) non-recurring fair value measurements of non-financial instruments and (iii) accounting for income taxes to be its most significant estimates.

Through a number of prior years' transactions, including the Combination, Liberty Broadband has acquired an interest in Charter. The investment in Charter is accounted for using the equity method. Liberty Broadband does not control the decision making process or business management practices of this affiliate. Accordingly, Liberty Broadband relies on the management of this affiliate to provide it with accurate financial information prepared in accordance with GAAP that the Company uses in the application of the equity method. In addition, Liberty Broadband relies on audit reports that are provided by the affiliate's independent auditor on the financial statements of such affiliate. The Company is not aware, however, of any errors in or possible misstatements of the financial information provided by its equity affiliate that would have a material effect on Liberty Broadband's condensed consolidated financial statements.

Skyhook Holdings, Inc. ("Skyhook") was a wholly owned subsidiary of Liberty Broadband until its sale on May 2, 2022 for aggregate consideration of approximately $194 million, including amounts held in escrow of approximately $23 million that were released to Liberty Broadband on May 3, 2023. Liberty Broadband recognized a gain on the sale of $179 million, net of closing fees, in the second quarter of 2022, which is recorded in Gain (loss) on dispositions, net in the accompanying condensed consolidated statement of operations. Skyhook is included in Corporate and other through April 30, 2022 and is not presented as a discontinued operation as the sale did not represent a strategic shift that had a major effect on Liberty Broadband's operations and financial results. Included in Revenue in the accompanying condensed consolidated statements of operations is zero and $6 million for the three and nine months ended September 30, 2022, respectively, related to Skyhook. Included in Net earnings (loss) in the accompanying condensed consolidated statement of operations was zero and earnings of $4 million for the three and nine months ended September 30, 2022, respectively, related to Skyhook.

As described in note 4, we are participating in Charter's share buyback program in order to maintain our fully diluted ownership percentage of 26%. The primary use of those proceeds has been to repurchase Liberty Broadband Series A and Series C common stock pursuant to our authorized share repurchase programs. In addition, some of the proceeds were used for debt repayments.

During the nine months ended September 30, 2023, we repurchased an aggregate of 459 thousand shares of Liberty Broadband Series A and Series C common stock for a total purchase price of $40 million. During the nine months ended September 30, 2022, we repurchased an aggregate of 21.2 million shares of Liberty Broadband Series A and Series C common stock for a total purchase price of $2,641 million. As of September 30, 2023, the amount remaining under the authorized repurchase program is approximately $1,962 million.

Exchange Agreement with Chairman

On June 13, 2022, Liberty Broadband entered into an Exchange Agreement with its Chairman of the board of directors, John C. Malone, and a revocable trust of which Mr. Malone is the sole trustee and beneficiary (the "JM Trust") (the "Exchange Agreement"). Under the Exchange Agreement, the JM Trust exchanged 215,647 shares of Liberty Broadband Series B common stock for the same number of Liberty Broadband Series C common stock on June 13, 2022, and exchanged 211,255 shares of Liberty Broadband Series B common stock for the same number of Liberty Broadband Series C common stock on July 19, 2022. Additionally, the JM Trust exchanged 54,247 shares of Liberty Broadband Series B common stock for the same number of Liberty Broadband Series C common stock on January 23, 2023.

Spin-Off Arrangements

During May 2014, the board of directors of Liberty Media Corporation and its subsidiaries ("Liberty") authorized management to pursue a plan to spin-off to its stockholders common stock of a wholly owned subsidiary, Liberty Broadband, and to distribute subscription rights to acquire shares of Liberty Broadband's common stock (the "Broadband Spin-Off"). In connection with the Broadband Spin-Off, Liberty (for accounting purposes a related party of the Company) and Liberty Broadband entered into certain agreements in order to govern certain of the ongoing relationships between the two companies and to provide for an orderly transition, including a services agreement and a facilities sharing agreement. Under the facilities sharing agreement, Liberty Broadband shares office space with Liberty and related amenities at Liberty's corporate headquarters. Liberty Broadband reimburses Liberty for direct, out-of-pocket expenses incurred by Liberty in providing these services which are negotiated semi-annually.

Pursuant to the services agreement, Liberty provides Liberty Broadband with general and administrative services including legal, tax, accounting, treasury and investor relations support. Pursuant to the services agreement with Liberty, in connection with Liberty's employment arrangement with Gregory B. Maffei, the Company's President and Chief Executive Officer, components of Mr. Maffei's compensation will either be paid directly to him by each of the Company, Liberty TripAdvisor Holdings, Inc., Atlanta Braves Holdings, Inc. and Qurate Retail, Inc. ("Qurate Retail") (collectively, the "Service Companies") or reimbursed to Liberty, in each case, based on allocations among Liberty and the Service Companies set forth in the amended services agreement, currently set at 23% for the Company but subject to adjustment on an annual basis and upon the occurrence of certain events.

Additionally, in connection with a prior transaction, GCI Liberty and Qurate Retail (for accounting purposes a related party of the Company) entered into a tax sharing agreement, which was assumed by Liberty Broadband as a result of the Combination. The tax sharing agreement provides for the allocation and indemnification of tax liabilities and benefits between Qurate Retail and Liberty Broadband and other agreements related to tax matters.

Under these various agreements, amounts reimbursable to Liberty were approximately $2 million and $3 million for the three months ended September 30, 2023 and 2022, respectively, and $5 million and $8 million for the nine months ended September 30, 2023 and 2022, respectively. Liberty Broadband had a tax sharing receivable with Qurate Retail of $18 million and $7 million as of September 30, 2023 and December 31, 2022, respectively, of which zero and $1 million were in Other current assets as of September 30, 2023 and December 31, 2022, respectively, with the remaining receivable in Other assets, net.

(2) Earnings Attributable to Liberty Broadband Stockholders Per Common Share

Basic earnings (loss) per common share ("EPS") is computed by dividing net earnings (loss) attributable to Liberty Broadband shareholders by the weighted average number of common shares outstanding ("WASO") for the period. Diluted EPS presents the dilutive effect on a per share basis of potential common shares as if they had been converted at the beginning of the periods presented. Excluded from diluted EPS for both the three months ended September 30, 2023 and 2022 are 2 million potential common shares, because their inclusion would have been antidilutive. Excluded from diluted EPS for the nine months ended September 30, 2023 and 2022 are 2 million and 1 million potential common shares, respectively, because their inclusion would have been antidilutive.

	Liberty Broadband Common Stock			
	Three months ended September 30, 2023	Three months ended September 30, 2022	Nine months ended September 30, 2023	Nine months ended September 30, 2022
	(numbers of shares in millions)			
Basic WASO	146	152	146	160
Potentially dilutive shares (1)	1	2	1	1
Diluted WASO	147	154	147	161

(1) Potentially dilutive shares are excluded from the computation of diluted EPS during periods in which losses are reported since the result would be antidilutive.

(3) Assets and Liabilities Measured at Fair Value

For assets and liabilities required to be reported at fair value, GAAP provides a hierarchy that prioritizes inputs to valuation techniques used to measure fair value into three broad levels. Level 1 inputs are quoted market prices in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date. Level 2 inputs are inputs, other than quoted market prices included within Level 1, that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The Company does not have any recurring assets or liabilities measured at fair value that would be considered Level 3.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

The Company's assets and liabilities measured at fair value are as follows:

	September 30, 2023				December 31, 2022		
Description		**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Total**	**Quoted prices in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**
				amounts in millions			
Cash equivalents	$	49	49	—	288	288	—
Indemnification obligation	$	21	—	21	50	—	50
Exchangeable senior debentures	$	1,318	—	1,318	1,373	—	1,373

Pursuant to an indemnification agreement initially entered into by GCI Liberty and assumed by Liberty Broadband in connection with the Combination, Liberty Broadband has agreed to indemnify Liberty Interactive LLC ("LI LLC"), a subsidiary of Qurate Retail, for certain payments made to holders of LI LLC's 1.75% exchangeable debentures due 2046 (the "LI LLC 1.75% Exchangeable Debentures"). The indemnification liability due to LI LLC pertains to the holders' ability to exercise their exchange right according to the terms of the LI LLC 1.75% Exchangeable Debentures on or before October 5, 2023. Such amount will equal the difference between the exchange value and par value of the LI LLC 1.75% Exchangeable Debentures at the time the exchange occurs. The indemnification obligation recorded in the condensed consolidated balance sheets as of September 30, 2023 represents the fair value of the estimated exchange feature included in the LI LLC 1.75% Exchangeable Debentures primarily based on observable market data as significant inputs (Level 2). As of September 30, 2023, a holder of the LI LLC 1.75% Exchangeable Debentures had the ability to exchange their debentures and, accordingly, such indemnification obligation is included as a current liability in the Company's condensed consolidated balance sheets. During the nine months ended September 30, 2023, indemnification payments of $26 million were made by Liberty Broadband to Qurate Retail in connection with exchanges of $253 million of the LI LLC 1.75% Exchangeable Debentures that settled in the period. Subsequent to September 30, 2023, all remaining LI LLC 1.75% Exchangeable Debentures were either retired or exchanged.

The Company's exchangeable senior debentures are debt instruments with quoted market value prices that are not considered to be traded on "active markets", as defined in GAAP, and are reported in the foregoing table as Level 2 fair value.

Other Financial Instruments

Other financial instruments not measured at fair value on a recurring basis include trade receivables, trade payables, accrued and other current liabilities, equity securities, current portion of debt (with the exception of the 1.25% Debentures, and the 2.75% Debentures and 1.75% Debentures prior to their redemption in the first quarter of 2023 (defined in note 6)) and long-term debt (with the exception of the 3.125% Debentures (as defined in note 6)). With the exception of long-term debt and preferred stock, the carrying amount approximates fair value due to the short maturity of these instruments as reported on our condensed consolidated balance sheets. The carrying value of the Margin Loan Facility, the Senior Credit Facility and the Wells Fargo Note Payable (each as defined in note 6) all bear interest at a variable rate and therefore are also considered to approximate fair value.

Realized and Unrealized Gains (Losses) on Financial Instruments

Realized and unrealized gains (losses) on financial instruments are comprised of changes in the fair value of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
Indemnification obligation	$ (12)	138	3	287
Exchangeable senior debentures (1)	(69)	10	(158)	75
	$ (81)	148	(155)	362

(1) The Company has elected to account for its exchangeable senior debentures using the fair value option. Changes in the fair value of the exchangeable senior debentures recognized in the condensed consolidated statements of operations are primarily due to market factors driven by changes in the fair value of the underlying shares into which the debt is exchangeable. The Company isolates the portion of the unrealized gain (loss) attributable to the change in the instrument specific credit risk and recognizes such amount in other comprehensive income. The change in the fair value of the exchangeable senior debentures attributable to changes in the instrument specific credit risk before tax was a loss of $14 million and $15 million for the three months ended September 30, 2023 and 2022, respectively, and a gain of $47 million and $5 million for the nine months ended September 30, 2023 and 2022, respectively. The cumulative change was a gain of $47 million as of September 30, 2023.

(4) Investment in Charter Accounted for Using the Equity Method

Through a number of prior years' transactions and the Combination, Liberty Broadband has acquired an interest in Charter. The investment in Charter is accounted for as an equity method affiliate based on our voting and ownership interest and the board seats held by individuals appointed by Liberty Broadband. As of September 30, 2023, the carrying and market value of Liberty Broadband's ownership in Charter was approximately $12.2 billion and $20.7 billion, respectively. We own an approximate 31.8% economic ownership interest in Charter, based on shares of Charter's Class A common stock issued and outstanding as of September 30, 2023.

Upon the closing of the Time Warner Cable merger, the Second Amended and Restated Stockholders Agreement, dated as of May 23, 2015, by and among Charter, Liberty Broadband and Advance/Newhouse Partnership, as amended (the "Stockholders Agreement"), became fully effective. Pursuant to the Stockholders Agreement, Liberty Broadband's equity ownership in Charter (on a fully diluted basis) is capped at the greater of 26% or the voting cap ("Equity Cap"). As of September 30, 2023, due to Liberty Broadband's voting interest exceeding the current voting cap of 25.01%, our voting control of the aggregate voting power of Charter is 25.01%. Under the Stockholders Agreement, Liberty Broadband has agreed to vote (subject to certain exceptions) all voting securities beneficially owned by it, or over which it has voting discretion or control that are in excess of the voting cap, in the same proportion as all other votes cast by public stockholders of Charter with respect to the applicable matter.

In February 2021, Liberty Broadband was notified that its ownership interest, on a fully diluted basis, had exceeded the Equity Cap set forth in the Stockholders Agreement. On February 23, 2021, Charter and Liberty Broadband entered into a letter agreement in order to implement, facilitate and satisfy the terms of the Stockholders Agreement with respect to the Equity Cap. Pursuant to this letter agreement, following any month during which Charter purchases, redeems or buys back shares of its Class A common stock, and prior to certain meetings of Charter's stockholders, Liberty Broadband will be obligated to sell to Charter, and Charter will be obligated to purchase, such number of shares of Class A common stock as is necessary (if any) to reduce Liberty Broadband's percentage equity interest, on a fully diluted basis, to the Equity Cap (such transaction, a "Charter Repurchase"). The per share sale price for each share of Charter will be equal to the volume weighted average price paid by Charter in its repurchases, redemptions and buybacks of its common stock (subject to certain exceptions) during the month prior to the Charter Repurchase (or, if applicable, during the relevant period prior to the relevant meeting of Charter stockholders). Under the terms of the letter agreement, Liberty Broadband sold 120,149 and 4,952,224 shares of Charter Class A common stock to Charter for $42 million and $2,602 million during the nine months ended September 30, 2023 and 2022, respectively, to maintain our fully diluted ownership percentage at 26%. Subsequent to September 30, 2023, Liberty Broadband sold 110,946 shares of Charter Class A common stock to Charter for $48 million in October 2023.

Investment in Charter

The excess basis in our investment in Charter is allocated within memo accounts used for equity method accounting purposes as follows (amounts in millions):

	September 30, 2023	December 31, 2022
Property and equipment	$ 435	524
Customer relationships	2,125	2,230
Franchise fees	3,843	3,809
Trademarks	29	29
Goodwill	4,088	3,975
Debt	(330)	(450)
Deferred income tax liability	(1,495)	(1,505)
	$ 8,695	8,612

Property and equipment and customer relationships have weighted average remaining useful lives of approximately 4 years and 8 years, respectively, and franchise fees, trademarks and goodwill have indefinite lives. The excess basis of outstanding debt is amortized over the contractual period using the straight-line method. The slight increase in excess basis for the nine months ended September 30, 2023 was primarily a result of Charter's share buyback program. The Company's share of earnings (losses) of affiliate line item in the accompanying condensed consolidated statements of operations includes expenses of $71 million and $57 million, net of related taxes, for the three months ended September 30, 2023 and 2022, respectively, and expenses of $205 million and $191 million, net of related taxes, for the nine months ended September 30, 2023 and 2022, respectively, due to the amortization of the excess basis related to assets with identifiable useful lives and debt.

The Company had dilution losses of $10 million and zero during the three months ended September 30, 2023 and 2022, respectively, and dilution losses of $42 million and $67 million during the nine months ended September 30, 2023 and 2022, respectively. The dilution losses for the periods presented were primarily attributable to the exercise of stock options and restricted stock units by employees and other third parties, slightly offset by a gain on dilution related to Charter's repurchase of Liberty Broadband's Charter shares during both the nine months ended September 30, 2023 and 2022.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

Summarized unaudited financial information for Charter is as follows:

Charter condensed consolidated balance sheets

	September 30, 2023	December 31, 2022
	amounts in millions	
Current assets	$ 4,116	4,017
Property and equipment, net	38,617	36,039
Goodwill	29,672	29,563
Intangible assets, net	69,379	70,135
Other assets	4,898	4,769
Total assets	$ 146,682	144,523
Current liabilities	$ 12,625	12,065
Deferred income taxes	18,996	19,058
Long-term debt	95,800	96,093
Other liabilities	4,517	4,758
Equity	14,744	12,549
Total liabilities and shareholders' equity	$ 146,682	144,523

Charter condensed consolidated statements of operations

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
Revenue	$ 13,584	13,550	40,896	40,348
Cost and expenses:				
Operating costs and expenses (excluding depreciation and amortization)	8,299	8,247	25,115	24,574
Depreciation and amortization	2,130	2,177	6,508	6,711
Other operating (income) expense, net	29	202	(19)	141
	10,458	10,626	31,604	31,426
Operating income	3,126	2,924	9,292	8,922
Interest expense, net	(1,306)	(1,160)	(3,869)	(3,329)
Other income (expense), net	(15)	(37)	(204)	65
Income tax (expense) benefit	(369)	(360)	(1,187)	(1,194)
Net income (loss)	1,436	1,367	4,032	4,464
Less: Net income attributable to noncontrolling interests	(181)	(182)	(533)	(605)
Net income (loss) attributable to Charter shareholders	$ 1,255	1,185	3,499	3,859

(5) Intangible Assets

Intangible Assets Subject to Amortization, net

	September 30, 2023			December 31, 2022		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	amounts in millions					
Customer relationships	$ 515	(121)	394	515	(91)	424
Other amortizable intangible assets	155	(72)	83	147	(55)	92
Total	$ 670	(193)	477	662	(146)	516

Amortization expense for intangible assets with finite useful lives was $16 million and $17 million for the three months ended September 30, 2023 and 2022, respectively, and $48 million and $50 million for the nine months ended September 30, 2023 and 2022, respectively. Amortization expense for amortizable intangible assets for each of the five succeeding fiscal years is estimated to be (amounts in millions):

Remainder of 2023	$ 16
2024	$ 57
2025	$ 52
2026	$ 50
2027	$ 48

(6) Debt

Debt is summarized as follows:

	Outstanding principal September 30, 2023	Carrying value September 30, 2023	Carrying value December 31, 2022
	amounts in millions		
Margin Loan Facility	$ 1,525	1,525	1,400
3.125% Exchangeable Senior Debentures due 2053	1,265	1,316	—
1.25% Exchangeable Senior Debentures due 2050	2	2	798
2.75% Exchangeable Senior Debentures due 2050	—	—	560
1.75% Exchangeable Senior Debentures due 2046	—	—	15
Senior notes	600	624	628
Senior credit facility	395	395	397
Wells Fargo note payable	5	5	5
Deferred financing costs		(2)	(2)
Total debt	$ 3,792	3,865	3,801
Debt classified as current		(5)	(1,376)
Total long-term debt		$ 3,860	2,425

Margin Loan Facility

On May 17, 2023, a bankruptcy remote wholly owned subsidiary of the Company (“SPV”) entered into Amendment No. 7 to Margin Loan Agreement (the “Seventh Amendment”), which amends SPV’s margin loan agreement, dated as of August 31, 2017 (as amended by the Seventh Amendment, the “Margin Loan Agreement”), with a group of lenders. The Margin Loan Agreement provides for (x) a term loan credit facility in an aggregate principal amount of $1.15 billion (the “Term Loan Facility” and proceeds of such facility, the “Term Loans”), (y) a revolving credit facility in an aggregate principal amount of $1.15 billion (the “Revolving Loan Facility” and proceeds of such facility, the “Revolving Loans”; the Revolving Loans, collectively with the Term Loans, the “Loans”) and (z) an uncommitted incremental term loan facility in an aggregate principal amount of up to $200 million (collectively, the “Margin Loan Facility”). No additional borrowings under the Margin Loan Agreement were made in connection with the Seventh Amendment. SPV’s obligations under the Margin Loan Facility are secured by shares of Charter owned by SPV. The Seventh Amendment provided for, among other things, (i) the extension of the scheduled maturity dates to May 12, 2026, (ii) the interest under the Margin Loan Agreement to be determined by reference to SOFR instead of LIBOR, (iii) an increase in the Base Spread (as defined below) applicable to all loans funded under the Margin Loan Agreement and (iv) the removal of certain conditions precedent to the release of pledged shares.

Outstanding borrowings under the Margin Loan Agreement were $1.5 billion and $1.4 billion as of September 30, 2023 and December 31, 2022, respectively. As of September 30, 2023, SPV was permitted to borrow an additional $775 million under the Margin Loan Agreement, subject to certain funding conditions, which may be drawn until five business days prior to the maturity date. The maturity date of the loans under the Margin Loan Agreement is May 12, 2026. Pursuant to the Seventh Amendment, the borrowings under the Margin Loan Agreement will accrue interest at a rate equal to the three-month SOFR rate plus a per annum spread of 1.875% (the “Base Spread”) (unless and until the replacement of such rate as provided for under the Margin Loan Agreement). Borrowings under the Margin Loan Agreement prior to the Seventh Amendment bore interest at the three-month LIBOR rate plus a per annum spread of 1.5% for those prior periods covered in this report.

The Margin Loan Agreement contains various affirmative and negative covenants that restrict the activities of SPV (and, in some cases, the Company and its subsidiaries with respect to shares of Charter owned by the Company and its subsidiaries). The Margin Loan Agreement does not include any financial covenants. The Margin Loan Agreement does contain restrictions related to additional indebtedness and events of default customary for margin loans of this type.

SPV's obligations under the Margin Loan Agreement are secured by first priority liens on a portion of the Company's ownership interest in Charter, sufficient for SPV to meet the loan to value requirements under the Margin Loan Agreement. The Margin Loan Agreement indicates that no lender party shall have any voting rights with respect to the shares pledged as collateral, except to the extent that a lender party buys any shares in a sale or other disposition made pursuant to the terms of the loan agreement. As of September 30, 2023, 37.3 million shares of Charter common stock with a value of $16.4 billion were held in collateral accounts related to the Margin Loan Agreement.

Exchangeable Senior Debentures

On February 28, 2023, the Company closed a private offering of $1,265 million aggregate original principal amount of its 3.125% Exchangeable Senior Debentures due 2053 (the "3.125% Debentures"), including debentures with an aggregate original principal amount of $165 million issued pursuant to the exercise of an option granted to the initial purchasers. Upon an exchange of the 3.125% Debentures, the Company, at its election, may deliver shares of Charter Class A common stock, the value thereof in cash, or any combination of shares of Charter Class A common stock and cash. Initially, 1.8901 shares of Charter Class A common stock are attributable to each $1,000 original principal amount of 3.125% Debentures, representing an initial exchange price of approximately $529.07 for each share of Charter Class A common stock. A total of 2,390,977 shares of Charter Class A common stock are attributable to the 3.125% Debentures. Interest is payable quarterly on March 31, June 30, September 30 and December 31 of each year, commencing June 30, 2023. The 3.125% Debentures may be redeemed by the Company, in whole or in part, on or after April 6, 2026. Holders of the 3.125% Debentures also have the right to require the Company to purchase their 3.125% Debentures on April 6, 2026. The redemption and purchase price will generally equal 100% of the adjusted principal amount of the 3.125% Debentures plus accrued and unpaid interest to the redemption date, plus any final period distribution. As of September 30, 2023, a holder of the 3.125% Debentures does not have the ability to exchange their debentures and, accordingly, the 3.125% Debentures have been classified as long-term debt within the condensed consolidated balance sheet as of September 30, 2023.

The Company used the net proceeds of the offering, together with existing cash on hand, to repurchase all of the outstanding 1.75% Exchangeable Senior Debentures due 2046 (the "1.75% Debentures"), all of the outstanding 2.75% Exchangeable Senior Debentures due 2050 (the "2.75% Debentures") and a significant portion of the outstanding 1.25% Exchangeable Senior Debentures due 2050 (the "1.25% Debentures"). On October 5, 2023, the remaining portion of the 1.25% Debentures were retired at the adjusted principal amount plus accrued interest and, pursuant to a supplemental indenture entered into in February 2023, the Company delivered solely cash to satisfy its obligations.

The Company has elected to account for all of its exchangeable senior debentures at fair value in its condensed consolidated financial statements. Accordingly, changes in the fair value of these instruments are recognized in unrealized gains (losses) in the accompanying condensed consolidated statements of operations. See note 3 for information related to unrealized gains (losses) on debt measured at fair value. As of September 30, 2023, a holder of the 1.25% Debentures had the ability to put their debentures to the Company on October 5, 2023 and, accordingly, the 1.25% Debentures have been classified as current within the condensed consolidated balance sheet as of September 30, 2023. Subsequent to September 30, 2023, the remaining 1.25% Debentures were redeemed on October 5, 2023. The Company reviews the terms of all the debentures on a quarterly basis to determine whether an event has occurred to require current classification on the condensed consolidated balance sheets.

Senior Notes

In connection with the closing of the Combination on December 18, 2020, GCI, LLC became an indirect wholly owned subsidiary of the Company. GCI, LLC is the issuer of $600 million aggregate principal amount of 4.75% senior notes due 2028 (the "Senior Notes"). The Senior Notes were issued by GCI, LLC on October 7, 2020 and are unsecured. Interest on the Senior Notes is payable semi-annually in arrears. The Senior Notes are redeemable at the Company's option, in whole or in part, at a redemption price defined in the indenture, and accrued and unpaid interest (if any) to the date of redemption. The Senior Notes are stated net of an aggregate unamortized premium of $24 million at September 30, 2023. Such premium is being amortized to interest expense in the accompanying condensed consolidated statements of operations.

Senior Credit Facility

In connection with the closing of the Combination on December 18, 2020, GCI, LLC became an indirect wholly owned subsidiary of the Company. GCI, LLC is the borrower under the Senior Credit Facility (as defined below).

On October 15, 2021, GCI, LLC entered into an Eighth Amended and Restated Credit Agreement which includes a $550 million revolving credit facility, with a $25 million sublimit for standby letters of credit, that matures on October 15, 2026 and a $250 million Term Loan A (the "Term Loan A") that matures on October 15, 2027. On June 12, 2023, GCI, LLC entered into Amendment No. 1 to the Eighth Amended and Restated Credit Agreement (as amended, the "Senior Credit Facility") which modified the interest rates to reference SOFR instead of LIBOR.

Following the amendment, the revolving credit facility borrowings under the Senior Credit Facility that are alternate base rate loans bear interest at a per annum rate equal to the alternate base rate plus a margin that varies between 0.50% and 1.75% depending on GCI, LLC's total leverage ratio. The revolving credit facility borrowings under the Senior Credit Facility that are SOFR loans bear interest at a per annum rate equal to the applicable SOFR plus a Credit Spread Adjustment plus a margin that varies between 1.50% and 2.75% depending on GCI, LLC's total leverage ratio. Term Loan A borrowings that are alternate base rate loans bear interest at a per annum rate equal to the alternate base rate plus a margin that varies between 1.00% and 2.25% depending on GCI, LLC's total leverage ratio. Term Loan A borrowings that are SOFR loans bear interest at a per annum rate equal to the applicable SOFR plus a margin that varies between 2.00% and 3.25% depending on GCI, LLC's total leverage ratio. Principal payments are due quarterly on the Term Loan A equal to 0.25% of the original principal amount, which may step up to 1.25% of the original principal amount of the Term Loan A depending on GCI, LLC's secured leverage ratio. Each loan may be prepaid at any time and from time to time without penalty other than customary breakage costs. Any amounts prepaid on the revolving credit facility may be reborrowed. Prior to the amendment, all rates indexed to SOFR were previously indexed to LIBOR.

GCI, LLC's First Lien Leverage Ratio (as defined in the Senior Credit Facility) may not exceed 4.00 to 1.00.

The terms of the Senior Credit Facility include customary representations and warranties, customary affirmative and negative covenants and customary events of default. At any time after the occurrence of an event of default under the Senior Credit Facility, the lenders may, among other options, declare any amounts outstanding under the Senior Credit Facility immediately due and payable and terminate any commitment to make further loans under the Senior Credit Facility. The obligations under the Senior Credit Facility are secured by a security interest on substantially all of the assets of GCI, LLC and the subsidiary guarantors, as defined in the Senior Credit Facility, and on the stock of GCI Holdings.

As of September 30, 2023, there was $245 million outstanding under the Term Loan A, $150 million outstanding under the revolving portion of the Senior Credit Facility and $3 million in letters of credit under the Senior Credit Facility, leaving $397 million available for borrowing.

Wells Fargo Note Payable

In connection with the closing of the Combination on December 18, 2020, the Company assumed GCI Holdings' outstanding $6 million under its Wells Fargo Note Payable (as defined below). Outstanding borrowings on the Wells Fargo Note Payable were $5 million as of both September 30, 2023 and December 31, 2022.

GCI Holdings issued a note to Wells Fargo that matures on July 15, 2029 and is payable in monthly installments of principal and interest (the "Wells Fargo Note Payable"). On May 1, 2023, the Wells Fargo Note Payable was amended to update the interest rate to reference SOFR instead of LIBOR. After this amendment, the interest rate is variable at SOFR plus 1.75%. Prior to the amendment, the interest rate was variable at one month LIBOR plus 2.25%.

The note is subject to similar affirmative and negative covenants as the Senior Credit Facility. The obligations under the note are secured by a security interest and lien on the building purchased with the note.

Debt Covenants

GCI, LLC is subject to covenants and restrictions under its Senior Notes and Senior Credit Facility. The Company and GCI, LLC are in compliance with all debt maintenance covenants as of September 30, 2023.

Fair Value of Debt

The fair value of the Senior Notes was $521 million at September 30, 2023 (Level 2).

Due to the variable rate nature of the Margin Loan, Senior Credit Facility and Wells Fargo Note Payable, the Company believes that the carrying amount approximates fair value at September 30, 2023.

(7) Preferred Stock

Liberty Broadband's preferred stock is issuable, from time to time, with such designations, preferences and relative participating, optional or other rights, qualifications, limitations or restrictions thereof, as shall be stated and expressed in a resolution or resolutions providing for the issue of such preferred stock adopted by Liberty Broadband's board of directors.

Liberty Broadband Series A Cumulative Redeemable Preferred Stock ("Liberty Broadband Preferred Stock") was issued as a result of the Combination on December 18, 2020. Each share of Series A Cumulative Redeemable Preferred Stock of GCI Liberty outstanding immediately prior to the closing of the Combination was converted into one share of newly issued Liberty Broadband Preferred Stock. The Company is required to redeem all outstanding shares of Liberty Broadband Preferred Stock out of funds legally available, at the liquidation price plus all unpaid dividends (whether or not declared) accrued from the most recent dividend payment date through the redemption date, on the first business day following March 8, 2039. There were 7,300,000 shares of Liberty Broadband Preferred Stock authorized and 7,183,812 shares issued and outstanding at September 30, 2023. An additional 42,700,000 shares of preferred stock of the Company are authorized and are undesignated as to series. The Liberty Broadband Preferred Stock is accounted for as a liability on the Company's condensed consolidated balance sheets because it is mandatorily redeemable. As a result, all dividends paid on the Liberty Broadband Preferred Stock are recorded as interest expense in the Company's condensed consolidated statements of operations. Liberty Broadband Preferred Stock has one-third of a vote per share.

The liquidation price is measured per share and shall mean the sum of (i) $25, plus (ii) an amount equal to all unpaid dividends (whether or not declared) accrued with respect to such share have been added to and then remain part of the liquidation price as of such date. The fair value of Liberty Broadband Preferred Stock of $203 million was recorded at the time of the Combination. The fair value of Liberty Broadband Preferred Stock as of September 30, 2023 was $162 million (Level 1).

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

The holders of shares of Liberty Broadband Preferred Stock are entitled to receive, when and as declared by the Liberty Broadband board of directors, out of legally available funds, preferential dividends that accrue and cumulate as provided in the certificate of designations for the Liberty Broadband Preferred Stock.

Dividends on each share of Liberty Broadband Preferred Stock accrue on a daily basis at a rate of 7.00% per annum of the liquidation price.

Accrued dividends are payable quarterly on each dividend payment date, which is January 15, April 15, July 15, and October 15 of each year, commencing January 15, 2021. If Liberty Broadband fails to pay cash dividends on the Liberty Broadband Preferred Stock in full for any four consecutive or non-consecutive dividend periods then the dividend rate shall increase by 2.00% per annum of the liquidation price until cured. On August 16, 2023, the Company announced that its board of directors had declared a quarterly cash dividend of approximately $0.44 per share of Liberty Broadband Preferred Stock which was paid on October 16, 2023 to shareholders of record of the Liberty Broadband Preferred Stock at the close of business on October 2, 2023.

(8) Stock-Based Compensation

Liberty Broadband grants, to certain of its directors, employees and employees of its subsidiaries, restricted stock units and stock options to purchase shares of its common stock (collectively, "Awards"). The Company measures the cost of employee services received in exchange for an equity classified Award (such as stock options and restricted stock) based on the grant-date fair value (“GDFV”) of the Award, and recognizes that cost over the period during which the employee is required to provide service (usually the vesting period of the Award). The Company measures the cost of employee services received in exchange for a liability classified Award based on the current fair value of the Award, and re-measures the fair value of the Award at each reporting date.

Included in Selling, general and administrative expenses in the accompanying condensed consolidated statements of operations are $9 million and $10 million of stock-based compensation during the three months ended September 30, 2023 and 2022, respectively, and $25 million and $28 million of stock-based compensation during the nine months ended September 30, 2023 and 2022, respectively.

Liberty Broadband – Grants

During the nine months ended September 30, 2023, Liberty Broadband granted 129 thousand options to purchase shares of Liberty Broadband Series C common stock to our CEO in connection with his employment agreement. Such options had a GDFV of $27.83 per share and vest on December 29, 2023.

There were no options to purchase shares of Liberty Broadband Series A or Series B common stock granted during the nine months ended September 30, 2023.

The Company has calculated the GDFV for all of its equity classified options and any subsequent re-measurement of its liability classified options using the Black-Scholes Model. The Company estimates the expected term of the options based on historical exercise and forfeiture data. The volatility used in the calculation for options is based on the historical volatility of Liberty Broadband common stock. The Company uses a zero dividend rate and the risk-free rate for Treasury Bonds with a term similar to that of the subject options.

Liberty Broadband – Outstanding Awards

The following table presents the number and weighted average exercise price ("WAEP") of options to purchase Liberty Broadband common stock granted to certain officers, employees and directors of the Company, as well as the weighted average remaining life and aggregate intrinsic value of the options.

	Series C (in thousands)	WAEP	Weighted average remaining contractual life (in years)	Aggregate intrinsic value (in millions)
Outstanding at January 1, 2023	3,602	$ 98.62		
Granted	136	$ 79.97		
Exercised	(41)	$ 67.91		
Forfeited/Cancelled	(31)	$ 96.53		
Outstanding at September 30, 2023	3,666	$ 98.29	2.8	$ 67
Exercisable at September 30, 2023	2,401	$ 78.27	2.2	$ 65

As of September 30, 2023, there were no outstanding options to purchase shares of Liberty Broadband Series A common stock. During the nine months ended September 30, 2023, Liberty Broadband had 69 thousand Liberty Broadband Series B options with a WAEP of $97.21 that were forfeited. As of September 30, 2023, 246 thousand Liberty Broadband Series B options remained outstanding and exercisable at a WAEP of $95.98 and a weighted average remaining contractual life of 1 year.

As of September 30, 2023, the total unrecognized compensation cost related to unvested Awards was approximately $32 million. Such amount will be recognized in the Company's condensed consolidated statements of operations over a weighted average period of approximately 2.0 years.

As of September 30, 2023, Liberty Broadband reserved 3.9 million shares of Liberty Broadband Series B and Series C common stock for issuance under exercise privileges of outstanding stock options.

(9) Commitments and Contingencies

General Litigation

The Company has contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Although it is reasonably possible the Company may incur losses upon conclusion of such matters, an estimate of any loss or range of loss cannot be made. In the opinion of management, it is expected that amounts, if any, which may be required to satisfy such contingencies will not be material in relation to the accompanying condensed consolidated financial statements.

Charter and Liberty Broadband - Delaware Litigation

On January 12, 2023, the parties reached a tentative agreement to settle the lawsuit between Matthew Sciabacucchi, a purported stockholder of Charter, and Liberty Broadband and the board of directors of Charter. This litigation was described in detail in Liberty Broadband's Annual Report on Form 10-K for the year ended December 31, 2022. The court approved the settlement at a fairness hearing on June 22, 2023 and Liberty Broadband paid approximately $38 million to Charter as a result of the settlement, which had been accrued as a current liability in the condensed consolidated balance sheet and recorded as a litigation settlement expense within operating income in the fourth quarter of 2022.

Rural Health Care ("RHC") Program.

As described in detail in Liberty Broadband's Annual Report on Form 10-K for the year ended December 31, 2022, GCI Holdings has had ongoing inquiries from the Federal Communications Commission (the "FCC") and the Department of Justice (the "DOJ") regarding various aspects of GCI Holdings' participation in the RHC Program, which is one of several Universal Service Fund programs. Based on these inquiries and various interactions with the FCC and the DOJ, GCI Holdings had previously recorded estimated settlement liabilities totaling $41 million. On May 10, 2023, GCI Holdings entered into a final settlement agreement with both the FCC and the DOJ, which resulted in a total cash payment of $41 million of which $27 million was paid to the FCC and $14 million was paid to the DOJ during the second quarter of 2023. Additionally, as part of the settlement with the FCC and the DOJ, GCI Holdings withdrew all of its open Applications for Review related to FCC rate reduction matters.

(10) Segment Information

Liberty Broadband identifies its reportable segments as (A) those consolidated companies that represent 10% or more of its consolidated annual revenue, annual Adjusted OIBDA (as defined below) or total assets and (B) those equity method affiliates whose share of earnings or losses represent 10% or more of Liberty Broadband's annual pre-tax earnings (losses).

Liberty Broadband evaluates performance and makes decisions about allocating resources to its operating segments based on financial measures such as revenue and Adjusted OIBDA. In addition, Liberty Broadband reviews nonfinancial measures such as subscriber growth.

For the nine months ended September 30, 2023, Liberty Broadband has identified the following consolidated company and equity method investment as its reportable segments:

- GCI Holdings – a wholly owned subsidiary of the Company that provides a full range of data, wireless, video, voice, and managed services to residential, businesses, governmental entities, and educational and medical institutions primarily in Alaska.

- Charter – an equity method investment that is one of the largest providers of cable services in the United States, offering a variety of entertainment, information and communications solutions to residential and commercial customers.

Liberty Broadband's operating segments are strategic business units that offer different products and services. They are managed separately because each segment requires different technologies, distribution channels and marketing strategies. The accounting policies of the segment that is also a consolidated company are the same as those described in the Company's summary of significant accounting policies in the Company's annual financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022. We have included amounts attributable to Charter in the tables below. Although Liberty Broadband owns less than 100% of the outstanding shares of Charter, 100% of the Charter amounts are included in the tables below and subsequently eliminated in order to reconcile the account totals to the Liberty Broadband condensed consolidated financial statements.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

Performance Measures

Revenue by segment from contracts with customers, classified by customer type and significant service offerings follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
GCI Holdings				
Consumer Revenue				
Data	$ 57	58	175	173
Wireless	34	37	104	105
Other	10	13	32	41
Business Revenue				
Data	104	103	315	288
Wireless	11	12	33	36
Other	5	6	15	18
Lease, grant, and revenue from subsidies	19	19	57	58
Total GCI Holdings	240	248	731	719
Corporate and other	—	—	—	6
Total	$ 240	248	731	725

Charter revenue totaled $13,584 million and $13,550 million for the three months ended September 30, 2023 and 2022, respectively, and $40,896 million and $40,348 million for the nine months ended September 30, 2023 and 2022, respectively.

The Company had receivables of $225 million and $189 million at September 30, 2023 and December 31, 2022, respectively, the long-term portion of which are included in Other assets, net. The Company had deferred revenue of $41 million and $33 million at September 30, 2023 and December 31, 2022, respectively, the long-term portion of which are included in Other liabilities. The receivables and deferred revenue are only from contracts with customers. GCI Holdings' customers generally pay for services in advance of the performance obligation and therefore these prepayments are recorded as deferred revenue. The deferred revenue is recognized as revenue in the accompanying condensed consolidated statements of operations as the services are provided. Changes in the contract liability balance for the Company during the three and nine months ended September 30, 2023 were not materially impacted by other factors.

The Company expects to recognize revenue in the future related to performance obligations that are unsatisfied (or partially unsatisfied) of approximately $100 million in the remainder of 2023, $271 million in 2024, $142 million in 2025, $75 million in 2026 and $50 million in 2027 and thereafter.

For segment reporting purposes, Liberty Broadband defines Adjusted OIBDA as revenue less operating expenses and selling, general and administrative expenses excluding stock-based compensation. Liberty Broadband believes this measure is an important indicator of the operational strength and performance of its businesses by identifying those items that are not directly a reflection of each business' performance or indicative of ongoing business trends. In addition, this measure allows management to view operating results and perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. This measure of performance excludes depreciation and amortization, stock-based compensation, transaction costs, separately reported litigation settlements and restructuring and impairment charges that are included in the measurement of operating income pursuant to GAAP. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net earnings, cash flow provided by operating activities and other measures of financial performance prepared in accordance with GAAP. Liberty Broadband generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current prices.

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

Adjusted OIBDA is summarized as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
GCI Holdings	$ 89	90	271	267
Charter	5,420	5,210	16,340	15,993
Corporate and other	(4)	(7)	(17)	(21)
	5,505	5,293	16,594	16,239
Eliminate equity method affiliate	(5,420)	(5,210)	(16,340)	(15,993)
Consolidated Liberty Broadband	$ 85	83	254	246

Other Information

	September 30, 2023		
	Total assets	Investments in affiliate	Capital expenditures
	amounts in millions		
GCI Holdings	$ 3,359	—	149
Charter	146,682	—	8,259
Corporate and other	12,409	12,229	—
	162,450	12,229	8,408
Eliminate equity method affiliate	(146,682)	—	(8,259)
Consolidated Liberty Broadband	$ 15,768	12,229	149

LIBERTY BROADBAND CORPORATION

Notes to Condensed Consolidated Financial Statements

(unaudited)

The following table provides a reconciliation of Adjusted OIBDA to Operating income (loss) and Earnings (loss) before income taxes:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
Adjusted OIBDA	$ 85	83	254	246
Stock-based compensation	(9)	(10)	(25)	(28)
Depreciation and amortization	(55)	(66)	(169)	(195)
Litigation settlement	—	(19)	—	(29)
Operating income (loss)	21	(12)	60	(6)
Interest expense	(54)	(35)	(151)	(91)
Share of earnings (loss) of affiliate, net	326	309	892	998
Gain (loss) on dilution of investment in affiliate	(10)	—	(42)	(67)
Realized and unrealized gains (losses) on financial instruments, net	(81)	148	(155)	362
Gain (loss) on dispositions, net	—	—	—	179
Other, net	6	(34)	22	(73)
Earnings (loss) before income taxes	$ 208	376	626	1,302

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding business, product and marketing strategies; new service and product offerings; revenue growth; future expenses; anticipated changes to regulations; the recognition of deferred revenue; competition; the performance, results of operations and cash flows of our equity affiliate, Charter Communications, Inc. ("Charter"); the expansion of Charter's network; projected sources and uses of cash; the effects of regulatory developments; the Rural Health Care ("RHC") Program; indebtedness and the anticipated impact of certain contingent liabilities related to legal and tax proceedings and other matters arising in the ordinary course of business. Forward-looking statements inherently involve many risks and uncertainties that could cause actual results to differ materially from those projected in these statements. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but such statements necessarily involve risks and uncertainties and there can be no assurance that the expectation or belief will result or be achieved or accomplished. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated:

- our, GCI Holdings, LLC ("GCI Holdings" or "GCI"), GCI, LLC, and Charter's ability to obtain cash in sufficient amounts to service financial obligations and meet other commitments;
- our ability to use net operating loss carryforwards and disallowed business interest carryforwards;
- our, GCI Holdings, GCI, LLC and Charter's ability to obtain additional financing, or refinance existing indebtedness, on acceptable terms;
- the impact of our, GCI, LLC and Charter's significant indebtedness and the ability to comply with any covenants in our and their respective debt instruments;
- general business conditions, unemployment levels, the level of activity in the housing sector, economic uncertainty or downturn and inflationary pressures on input costs and labor;
- competition faced by GCI Holdings and Charter;
- the ability of GCI Holdings and Charter to acquire and retain subscribers;
- the impact of governmental legislation and regulation including, without limitation, regulations of the Federal Communications Commission (the "FCC"), on GCI Holdings and Charter, their ability to comply with regulations, and adverse outcomes from regulatory proceedings;
- changes in the amount of data used on the networks of GCI Holdings and Charter;
- the ability of third-party providers to supply equipment, services, software or licenses;
- the ability of GCI Holdings and Charter to respond to new technology and meet customer demands for new products and services;
- changes in customer demand for the products and services of GCI Holdings and Charter and their ability to adapt to changes in demand;
- the ability of GCI Holdings and Charter to license or enforce intellectual property rights;
- natural or man-made disasters, terrorist attacks, armed conflicts, pandemics, cyberattacks, network disruptions, service interruptions and system failures and the impact of related uninsured liabilities;
- the ability to hire and retain key personnel;
- the ability to procure necessary services and equipment from GCI Holdings' and Charter's vendors in a timely manner and at reasonable costs including in connection with Charter's network evolution and rural construction initiatives;
- risks related to the Investment Company Act of 1940;
- the outcome of any pending or threatened litigation; and

- changes to general economic conditions, including economic conditions in Alaska, and their impact on potential customers, vendors and third parties.

For additional risk factors, please see Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this Quarterly Report, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

The following discussion and analysis provides information concerning our results of operations and financial condition. This discussion should be read in conjunction with our accompanying condensed consolidated financial statements and the notes thereto and our Annual Report on Form 10-K for the year ended December 31, 2022.

Overview

Liberty Broadband Corporation ("Liberty Broadband," "the Company," "us," "we," or "our") is primarily comprised of GCI Holdings, a wholly owned subsidiary, and an equity method investment in Charter.

On December 18, 2020, GCI Liberty, Inc. ("GCI Liberty") was merged with Liberty Broadband (the "Combination") and Liberty Broadband acquired GCI Holdings. Through a number of prior years' transactions, including the Combination, Liberty Broadband has acquired an interest in Charter. Liberty Broadband controls 25.01% of the aggregate voting power of Charter.

Update on Economic Conditions

GCI Holdings

GCI Holdings offers wireless and wireline telecommunication services, data services, video services, and managed services to customers primarily throughout Alaska. Because of this geographic concentration, growth of GCI Holdings' business and operations depends upon economic conditions in Alaska. Mounting inflationary cost pressures and recessionary fears have negatively impacted the U.S. and global economy. Unfavorable economic conditions, such as a recession or economic slowdown in the U.S., or inflation in the markets in which GCI operates, could negatively affect the affordability of and demand for GCI's products and services and its cost of doing business.

The Alaska economy is dependent upon the oil industry, state and federal spending, investment earnings and tourism. A decline in oil prices would put significant pressure on the Alaska state government budget. The Alaska state government has significant reserves that GCI Holdings believes will help fund the state government for the next couple of years. The Alaska economy is subject to recessionary pressures as a result of the economic impacts of volatility in oil prices, inflation, and other causes that could result in a decrease in economic activity. While it is difficult for GCI Holdings to predict the future impact of a recession on its business, these conditions have had an adverse impact on its business and could adversely affect the affordability of and demand for some of its products and services and cause customers to shift to lower priced products and services or to delay or forgo purchases of its products and services. GCI Holdings' customers may not be able to obtain adequate access to credit, which could affect their ability to make timely payments to GCI Holdings and could lead to an increase in accounts receivable and bad debt expense. If a recession occurs, it could negatively affect GCI Holdings' business including its financial position, results of operations, or liquidity, as well as its ability to service debt, pay other obligations and enhance shareholder returns.

In addition, during 2022 and continuing in 2023, GCI Holdings began to experience the impact of inflation-sensitive items, including upward pressure on the costs of materials, labor, and other items that are critical to GCI Holding's business. GCI Holdings continues to monitor these impacts closely and, if costs continue to rise, GCI Holdings may be unable to recoup losses or offset diminished margins by passing these costs through to its customers or implementing offsetting cost reductions.

RHC Program

GCI Holdings receives support from various Universal Service Fund ("USF") programs including the RHC Program. The USF programs are subject to change by regulatory actions taken by the FCC, interpretations of or compliance with USF program rules, or legislative actions. Changes to any of the USF programs that GCI Holdings participates in could result in a material decrease in revenue and accounts receivable, which could have an adverse effect on GCI Holdings' business and the Company's financial position, results of operations or liquidity. The following paragraphs describe certain separate matters related to the RHC Program that impact or could impact the revenue earned by the Company. As of September 30, 2023, the Company had net accounts receivable from the RHC Program of approximately $112 million, which is included within Trade and other receivables in the condensed consolidated balance sheets.

The Company disclosed, in additional detail, the following items related to GCI Holdings' involvement in the RHC Program in its Annual Report on Form 10-K for the year ended December 31, 2022:

FCC Rate Reduction

- The FCC reduced the rates charged to RHC customers by approximately 26% for the funding year that ended June 30, 2018. An Application for Review is currently with the FCC.
- The FCC approved the cost-based rural rates GCI Holdings historically applied for the funding years that ended on June 30, 2019 and June 30, 2020. GCI Holdings collected $175 million in accounts receivable relating to these two funding years during 2021. GCI Holdings also filed an Application for Review of these determinations. GCI Holdings identified rates for similar services provided by a competitor that would justify higher rates for certain GCI Holdings satellite services in the funding years that ended on June 30, 2018, June 30, 2019, and June 30, 2020. GCI Holdings submitted that information to the FCC's Wireline Competition Bureau on September 7, 2021. The Applications for Review remain pending.
- On May 24, 2021, the FCC approved the cost studies submitted by GCI Holdings for the funding year ended June 30, 2021. Subsequently, on August 16, 2021, GCI Holdings submitted a request for approval of rates for 17 additional sites, 13 of which the FCC approved in full on December 22, 2022.

RHC Program Funding Cap

- The RHC Program has a funding cap for each individual funding year that is annually adjusted for inflation, and which the FCC can increase by carrying forward unused funds from prior funding years. In recent years, including the current funding year, this funding cap has not limited the amount of funding received by participants; however, management continues to monitor the funding cap and its potential impact on funding in future years.

Enforcement Bureau and Related Inquiries

- GCI Holdings received a letter of inquiry and request for information from the FCC's Enforcement Bureau (the "Enforcement Bureau"), in March 2018 relating to the period beginning January 1, 2015 and including all future periods.
- In the fourth quarter of 2019, GCI Holdings became aware of potential RHC Program compliance issues related to certain of its currently active and expired contracts with certain of its RHC customers.
- On December 17, 2020, GCI Holdings received a Subpoena Duces Tecum from the FCC's Office of the Inspector General requiring production of documents from January 1, 2009 to the present related to a single RHC customer and related contracts, information regarding GCI Holdings' determination of rural rates for a single customer, and to provide information regarding persons with knowledge of pricing practices generally.
- In 2021, GCI Holdings was informed that a qui tam action had been filed in the Western District of Washington arising from the subject matter under review by the Enforcement Bureau. The Department of Justice (the "DOJ") is investigating whether GCI Holdings submitted false claims and/or statements in connection with GCI's participation in the RHC Program. Additionally in 2021, the DOJ issued a Civil Investigative Demand with regard to the qui tam action.
- With respect to the ongoing inquiries from the Enforcement Bureau and the FCC's Office of the Inspector General, GCI Holdings recognized a liability of approximately $12 million in 2019 for contracts that were deemed probable

of not complying with the RHC Program rules. During the year ended December 31, 2022, GCI Holdings recorded an additional estimated settlement expense of $15 million relating to a settlement offer made by GCI Holdings resulting in a total estimated liability of $27 million. GCI Holdings also identified certain contracts where additional loss was reasonably possible and such loss could range from zero to $30 million. An accrual was not made for the amount of the reasonably possible loss in accordance with the applicable accounting guidance. GCI Holdings could also be assessed fines and penalties but such amounts could not be reasonably estimated.

- The DOJ and GCI Holdings held discussions regarding the qui tam action whereby the DOJ clarified that its investigation relates to the years from 2010 through 2019 and alleged that GCI Holdings had submitted false claims under the RHC Program during this time period. GCI Holdings continues to work with the DOJ related to this matter and has recorded a $14 million estimated settlement expense during the year ended December 31, 2022 to reflect discussions and settlement offers that GCI Holdings made to the DOJ during 2022. However, the Company is unable to assess the ultimate outcome of this action and is unable to reasonably estimate any range of additional possible loss beyond the $14 million estimated settlement liability, including any type of fine or penalty that may ultimately be assessed as permitted under the applicable law.
- Separately, during the third quarter of 2022, GCI Holdings became aware of possible RHC Program compliance issues relating to potential conflicts of interest identified in the historical competitive bidding process with respect to certain of its contracts with its RHC customers. GCI Holdings notified the Enforcement Bureau of the potential compliance issues; however, the Company is unable to assess the ultimate outcome of the potential compliance issues and is unable to reasonably estimate any range of loss or possible loss.

Revision of Support Calculations

- The FCC released an Order adopting changes to the RHC Program that will revise the manner in which support issued under the RHC Program will be calculated and approved. On January 19, 2021, the Wireline Competition Bureau of the FCC issued an Order that waives the requirement to use the database for health care providers in Alaska for the two funding years ending June 30, 2022 and June 30, 2023. The Order requires GCI Holdings to determine its rural rates based on previously approved rates or under reinstitution of the rules currently in effect through the funding year ended on June 30, 2021. On April 8, 2021, the Wireline Competition Bureau issued an Order further extending the January 19, 2021 waiver to carriers nationwide and eliminating the ability or requirement to use the database to establish the healthcare provider payments for services subsidized by the RHC Telecom Program. On April 12, 2022 and May 25, 2022, the Bureau issued Orders further extending the January 19, 2021 and April 8, 2021 waivers regarding use of the database by health care providers seeking support under the RHC Program through the funding year ending June 30, 2024. On January 26, 2023, the FCC adopted an Order on Reconsideration, Report and Order, and Second Further Notice of Proposed Rulemaking, which grants the petitions challenging the rates database, returns the RHC Telecom Program to the rate determination rules in place prior to the adoption of the rates database, permits providers to determine rural rates based on previously approved rates through the funding years ending June 30, 2025 and June 30, 2026, and seeks comment on future revisions to the rate determination rules.

The Company does not have any significant updates regarding the items noted above except as discussed below.

On May 10, 2023, GCI entered into a final settlement agreement with both the FCC and the DOJ to resolve all Enforcement Bureau and Related Inquiries discussed above except for the matter that was separately identified during the third quarter of 2022, which continues to remain outstanding. The settlement with the FCC and the DOJ resulted in a total cash payment of $41 million of which $27 million was paid to the FCC and $14 million was paid to the DOJ during the second quarter of 2023, which had been previously recorded as liabilities. Additionally, as part of the settlement with the FCC and the DOJ, GCI Holdings withdrew all of its open Applications for Review related to FCC rate reduction matters. On October 6, 2023, GCI received approval of rates for the funding year ended June 30, 2021, for additional sites and has now received approval from the FCC for 16 of the 17 sites submitted for approval.

Charter

Charter is a leading broadband connectivity company and cable operator serving more than 32 million customers in 41 states through its Spectrum brand.

During the third quarter of 2023, Charter added 594,000 mobile lines, 63,000 Internet customers and 8,000 residential and small and medium business customer relationships, which excludes mobile-only customer relationships. Charter spent $512 million and $1.4 billion on its subsidized rural construction initiative during the three and nine months ended September 30, 2023, respectively, and activated approximately 78,000 and 190,000 subsidized rural passings, respectively. Charter's mobile line and Internet customer additions in the third quarter were supported by Charter's Spectrum One offering, which brings together Spectrum Internet, Advanced WiFi and Unlimited Spectrum Mobile to offer consumers fast, reliable and secure online connections on their favorite devices at home and on-the-go in a high-value package and was further supported by growth in its legacy and new subsidized rural markets.

Charter continues to upgrade its network to provide higher Internet speeds and reliability and invest in its products and customer service platforms. Charter also continues to evolve its video product. In September 2023, Charter entered into a new affiliation agreement with Disney which provides a template for a new programming affiliation approach where Charter partners with content providers to provide access to both linear and app-based direct-to-consumer content. By continually improving its product set and offering consumers the opportunity to save money by switching to its services, Charter believes it can continue to penetrate its expanding footprint and sell additional products to its existing customers. Charter is also beginning to see benefits from the targeted investments it is making in employee wages and benefits inside of its operations to build employee skill sets and tenure, as well as the continued investments in digitization of Charter's customer service platforms and proactive maintenance, all with the goal of improving the customer experience, reducing transactions and driving customer growth and retention.

Other

Skyhook Holdings, Inc. ("Skyhook") was a wholly owned subsidiary of Liberty Broadband until its sale on May 2, 2022 for aggregate consideration of approximately $194 million, including amounts held in escrow of approximately $23 million that were released to Liberty Broadband on May 3, 2023. Liberty Broadband recognized a gain on the sale of $179 million, net of closing fees, in the second quarter of 2022. Skyhook is included in Corporate and other through April 30, 2022 and is not presented as a discontinued operation as the sale did not represent a strategic shift that had a major effect on Liberty Broadband's operations and financial results.

Results of Operations — Consolidated —September 30, 2023 and 2022

General. We provide information regarding our consolidated operating results and other income and expenses, as well as information regarding the contribution to those items from our reportable segments in the tables below. The "Corporate and other" category consists of those assets or businesses which do not qualify as a separate reportable segment. See note 10 to the accompanying condensed consolidated financial statements for more discussion regarding our reportable segments. For a more detailed discussion and analysis of GCI Holdings' results, see "Results of Operations-GCI Holdings" below.

Consolidated operating results:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
Revenue				
GCI Holdings	$ 240	248	731	719
Corporate and other	—	—	—	6
Consolidated	$ 240	248	731	725
Operating Income (Loss)				
GCI Holdings	$ 30	1	91	32
Corporate and other	(9)	(13)	(31)	(38)
Consolidated	$ 21	(12)	60	(6)
Adjusted OIBDA				
GCI Holdings	$ 89	90	271	267
Corporate and other	(4)	(7)	(17)	(21)
Consolidated	$ 85	83	254	246

Revenue

Revenue decreased $8 million and increased $6 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods. The changes in revenue were primarily due to fluctuations in revenue from GCI Holdings. See "Results of Operations – GCI Holdings, LLC" below for a more complete discussion of the results of operations of GCI Holdings.

Revenue for Corporate and other decreased $6 million for the nine months ended September 30, 2023, as compared to the corresponding prior year period. With the sale of Skyhook in May 2022, Corporate and other revenue was minimal during the first half of 2022 and will be zero in future periods as all Corporate and other revenue was generated by Skyhook.

Operating Income (Loss)

Consolidated operating income improved $33 million and $66 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods. Operating income increased $29 million and $59 million at GCI Holdings for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods. See "Results of Operations – GCI Holdings, LLC" below for a more complete discussion of the results of operations of GCI Holdings.

Operating loss for Corporate and other improved $4 million and $7 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods, due to decreased professional service fees.

Stock-based compensation

Stock-based compensation expense decreased $1 million and $3 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods. The decreases in stock-based compensation expense were primarily due to a decrease in Liberty Broadband's allocation rate per the services agreement arrangement as described in note 1 to the accompanying condensed consolidated financial statements.

Adjusted OIBDA

To provide investors with additional information regarding our financial results, we also disclose Adjusted OIBDA, which is a non-GAAP financial measure. We define Adjusted OIBDA as operating income (loss) plus depreciation and amortization, stock-based compensation, transaction costs, separately reported litigation settlements, restructuring, and impairment charges. Our chief operating decision maker and management team use this measure of performance in conjunction with other measures to evaluate our businesses and make decisions about allocating resources among our businesses. We believe this is an important indicator of the operational strength and performance of our businesses by identifying those items that are not directly a reflection of each business' performance or indicative of ongoing business trends. In addition, this measure allows us to view operating results, perform analytical comparisons and benchmarking between businesses and identify strategies to improve performance. Accordingly, Adjusted OIBDA should be considered in addition to, but not as a substitute for, operating income, net income, cash flow provided by operating activities and other measures of financial performance prepared in accordance with U.S. generally accepted accounting principles. The following table provides a reconciliation of Operating income (loss) to Adjusted OIBDA.

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
Operating income (loss)	$ 21	(12)	60	(6)
Depreciation and amortization	55	66	169	195
Stock-based compensation	9	10	25	28
Litigation settlement	—	19	—	29
Adjusted OIBDA	$ 85	83	254	246

Adjusted OIBDA improved $2 million and $8 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods, primarily due to changes in Adjusted OIBDA at GCI Holdings and improved Adjusted OIBDA at Corporate and other, which corresponds with the above-described fluctuations in improved operating losses at Corporate and other. See "Results of Operations – GCI Holdings, LLC" below for a more complete discussion of the results of operations of GCI Holdings.

Other Income and Expense

Components of Other income (expense) are presented in the table below.

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
Other income (expense):				
Interest expense	$ (54)	(35)	(151)	(91)
Share of earnings (losses) of affiliate	326	309	892	998
Gain (loss) on dilution of investment in affiliate	(10)	—	(42)	(67)
Realized and unrealized gains (losses) on financial instruments, net	(81)	148	(155)	362
Gain (loss) on dispositions, net	—	—	—	179
Other, net	6	(34)	22	(73)
	$ 187	388	566	1,308

Interest expense

Interest expense increased $19 million and $60 million during the three and nine months ended September 30, 2023, respectively, as compared to the corresponding periods in the prior year. The increases were driven by higher interest rates on our variable rate debt and by higher amounts outstanding on the Margin Loan Facility (as defined in note 6 to the accompanying condensed consolidated financial statements). The interest rates on our fixed rate debt also increased with the closing of the 3.125% Exchangeable Senior Debentures due 2053 (the “3.125% Debentures”) and repurchase of other exchangeables, as further described in note 6 to the accompanying condensed consolidated financial statements.

Share of earnings (losses) of affiliate

Share of earnings of affiliate increased $17 million and decreased $106 million during the three and nine months ended September 30, 2023, respectively, as compared to the corresponding periods in the prior year. The Company’s share of earnings (losses) of affiliate line item in the accompanying condensed consolidated statements of operations includes expenses of $71 million and $57 million, net of related taxes, for the three months ended September 30, 2023 and 2022, respectively, and $205 million and $191 million, net of related taxes, for the nine months ended September 30, 2023 and 2022, respectively, due to the increase in amortization of the excess basis of assets with identifiable useful lives and debt, which was primarily due to Charter’s share buyback program and realignment with Charter’s debt retirements. The change in the share of earnings of affiliate in the three and nine months ended September 30, 2023, as compared to the corresponding periods in the prior year, was the result of the corresponding fluctuations in net income at Charter.

The following is a discussion of Charter’s results of operations. In order to provide a better understanding of Charter’s operations, we have included a summarized presentation of Charter’s results from operations.

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
Revenue	$ 13,584	13,550	40,896	40,348
Operating expenses, excluding stock-based compensation	(8,164)	(8,340)	(24,556)	(24,355)
Adjusted OIBDA	5,420	5,210	16,340	15,993
Depreciation and amortization	(2,130)	(2,177)	(6,508)	(6,711)
Stock-based compensation	(164)	(109)	(540)	(360)
Operating income	3,126	2,924	9,292	8,922
Other expenses, net	(1,321)	(1,197)	(4,073)	(3,264)
Net income (loss) before income taxes	1,805	1,727	5,219	5,658
Income tax (expense) benefit	(369)	(360)	(1,187)	(1,194)
Net income (loss)	1,436	1,367	4,032	4,464
Less: Net income attributable to noncontrolling interests	(181)	(182)	(533)	(605)
Net income (loss) attributable to Charter shareholders	$ 1,255	1,185	3,499	3,859

Charter net income increased $69 million and decreased $432 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding periods in the prior year.

Charter’s revenue increased $34 million and $548 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding periods in the prior year, primarily due to growth in residential Internet customers and residential mobile lines partly offset by lower residential video and advertising sales revenue, as well as $68 million of total customer credits related to the temporary loss of Disney programming during the third quarter of 2023. Additionally, revenue increased due to higher mobile device sales.

During the three and nine months ended September 30, 2023, operating expenses, excluding stock-based compensation, decreased $176 million and increased $201 million, respectively, as compared to the corresponding periods in the prior year. Operating costs during both the three and nine months ended September 30, 2023, as compared to the corresponding periods in the prior year, were impacted by lower programming costs as a result of fewer customers, a higher mix of lower cost video packages within Charter's video customer base and a $61 million benefit related to the temporary loss of Disney programming during the third quarter of 2023, partly offset by contractual rate adjustments, including renewals and increases in amounts paid for retransmission consent. Additionally, operating costs for both the three and nine months ended September 30, 2023, as compared to the corresponding periods in the prior year, were impacted by higher mobile device sales and higher other mobile direct costs due to an increase in mobile lines, as well as increased costs to service customers and higher corporate labor costs. The increased costs to service customers was primarily due to adjustments to job structure, pay and benefits to build a more skilled and longer tenured workforce resulting in lower frontline employee attrition compared to 2022, and additional activity to support the accelerated growth of Spectrum Mobile.

For the three months ended September 30, 2023, as compared to the corresponding period in the prior year, the decrease in programming costs exceeded the increases in operating costs described above. For the nine months ended September 30, 2023, as compared to the corresponding period in the prior year, the increases in operating costs described above exceeded the decrease in programming costs.

Charter's Adjusted OIBDA increased $210 million and $347 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding periods in the prior year, for the reasons described above.

Depreciation and amortization expense decreased $47 million and $203 million during the three and nine months ended September 30, 2023, respectively, as compared to the corresponding periods in the prior year, primarily due to certain assets acquired in acquisitions becoming fully depreciated offset by an increase in depreciation as a result of more recent capital expenditures.

Other expenses, net increased $124 million and $809 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding periods in the prior year. The increase in other expenses, net was primarily due to increased interest expense caused by an increase in weighted average interest rates, as well as an increase in weighted average debt outstanding and a decrease in net periodic pension benefits, partly offset by increased gains on financial instruments, net. For the nine months ended September 30, 2023, the increase in other expenses, net was also due to increased losses on equity investments.

Income tax expense was relatively flat for the three and nine months ended September 30, 2023, as compared to the corresponding periods in the prior year.

Gain (loss) on dilution of investment in affiliate

The loss on dilution of investment in affiliate increased $10 million and decreased $25 million during the three and nine months ended September 30, 2023, respectively, as compared to the corresponding periods in the prior year. For the three month period, the loss on dilution of investment in affiliate increased primarily due to an increase in issuance of Charter common stock from the exercise of stock options and restricted stock units held by employees and other third parties. For the nine month period, the loss on dilution of investment in affiliate decreased primarily due to a decrease in issuance of Charter common stock from the exercise of stock options and restricted stock units held by employees and other third parties, partially offset by a smaller gain on dilution related to Charter's repurchase of Liberty Broadband's Charter shares.

Realized and unrealized gains (losses) on financial instruments, net

Realized and unrealized gains (losses) on financial instruments, net are comprised of changes in the fair value of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
Indemnification obligation	$ (12)	138	3	287
Exchangeable senior debentures	(69)	10	(158)	75
	$ (81)	148	(155)	362

The changes in these accounts are primarily due to market factors and changes in the fair value of the underlying stocks or financial instruments to which these related (see notes 3 and 6 to the accompanying condensed consolidated financial statements for additional discussion). The changes in realized and unrealized gains (losses) for the three and nine months ended September 30, 2023, compared to the corresponding periods in the prior year, were primarily due to decreases in unrealized gains on the indemnification obligation, as well as the change in fair value of the 3.125% Debentures related to changes in market price of underlying Charter stock.

Gain (loss) on dispositions, net

Liberty Broadband recognized a gain on the sale of Skyhook of $179 million, net of closing fees, in the second quarter of 2022, which is recorded in Gain (loss) on dispositions, net in the accompanying condensed consolidated statement of operations.

Other, net

Other, net income increased $40 million and $95 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding periods in the prior year. The increases were primarily due to a tax sharing receivable with Qurate Retail, Inc. ("Qurate Retail") that resulted in increased gains of $40 million and $90 million for the three and nine months ended September 30, 2023, respectively. See more discussion about the tax sharing agreement with Qurate Retail in note 1 to the accompanying condensed consolidated financial statements.

Income taxes

Earnings (losses) before income taxes and income tax (expense) benefit are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions		amounts in millions	
Earnings (loss) before income taxes	$ 208	376	$ 626	1,302
Income tax (expense) benefit	(46)	(61)	(143)	(223)
Effective income tax rate	22%	16%	23%	17%

The difference between the effective income tax rate of 22% and the U.S. Federal income tax rate of 21% for the three months ended September 30, 2023 was primarily due to the effect of state income taxes, certain non-deductible expenses and non-taxable expense from an increase in the fair value of the indemnification payable owed to Qurate Retail. The difference between the effective income tax rate of 23% and the U.S. Federal income tax rate of 21% for the nine months ended September 30, 2023 was primarily due to the effect of state income taxes and certain non-deductible expenses, partially offset by non-taxable income from a decrease in the fair value of the indemnification payable owed to Qurate Retail.

The difference between the effective income tax rate of 16% and the U.S. Federal income tax rate of 21% for the three months ended September 30, 2022 was primarily due to non-taxable income from a decrease in the fair value of the indemnification obligation owed to Qurate Retail. The difference between the effective income tax rate of 17% and the U.S. Federal income tax rate of 21% for the nine months ended September 30, 2022 was primarily due to non-taxable income from a decrease in the fair value of the indemnification obligation owed to Qurate Retail and tax benefits from the sale of stock of a subsidiary.

Net earnings (loss)

The Company had net earnings of $162 million and $315 million for the three months ended September 30, 2023 and 2022, respectively, and net earnings of $483 million and $1,079 million for the nine months ended September 30, 2023 and 2022, respectively. The change in net earnings (loss) was the result of the above-described fluctuations in our revenue, expenses and other income and expenses.

Liquidity and Capital Resources

As of September 30, 2023, substantially all of our cash and cash equivalents are invested in U.S. Treasury securities, other government securities or government guaranteed funds, AAA rated money market funds and other highly rated financial and corporate debt instruments.

The following are potential sources of liquidity: available cash balances, cash generated by the operating activities of our privately-owned subsidiaries (to the extent such cash exceeds the working capital needs of the subsidiaries and is not otherwise restricted), monetization of our investments (including Charter Repurchases (as defined in note 4 to the accompanying condensed consolidated financial statement and discussed below)), outstanding or anticipated debt facilities (as described in note 6 to the accompanying condensed consolidated financial statements), debt and equity issuances, and dividend and interest receipts.

As of September 30, 2023, Liberty Broadband had a cash and cash equivalents balance of $88 million.

	Nine months ended September 30,	
	2023	2022
	amounts in millions	
Cash flow information		
Net cash provided by (used in) operating activities	$ (46)	(60)
Net cash provided by (used in) investing activities	$ (129)	2,637
Net cash provided by (used in) financing activities	$ (115)	(2,549)

The decrease in cash used in operating activities in the nine months ended September 30, 2023, as compared to the corresponding period in the prior year, was primarily driven by increased operating income, partly offset by timing differences in working capital accounts (including litigation payments).

During the nine months ended September 30, 2023 and 2022, net cash flows used in investing activities were primarily related to capital expenditures of $149 million and $132 million, respectively, and purchases of equity securities during 2023. This net outflow of cash was offset by the sale of 120,149 and 4,952,224 shares of Charter Class A common stock to Charter for $42 million and $2,602 million during the nine months ended September 30, 2023 and 2022, respectively, to maintain our fully diluted ownership percentage of Charter at 26%. In February 2021, Liberty Broadband entered into a letter agreement in order to implement, facilitate and satisfy the terms of the Stockholders Agreement with respect to the Equity Cap (see more information in note 4 to the accompanying condensed consolidated financial statements). The Company expects the Charter Repurchases to be a significant source of liquidity in future periods. Additionally, the Company received $163 million of cash proceeds, net of closing fees, from the sale of Skyhook during the nine months ended September 30, 2022.

During the nine months ended September 30, 2023, net cash flows used in financing activities were primarily for the repurchase of approximately $1,415 million in principal amount of outstanding exchangeable senior debentures, partially offset by the issuance of $1,265 million aggregate original principal amount of the 3.125% Debentures (see more information in note 6 to the accompanying condensed consolidated financial statements), as well as net borrowings of debt of approximately $125 million of outstanding Revolving Loans (as defined in note 6 to the accompanying condensed consolidated financial statements) under the Margin Loan Facility. Additionally, net cash flows used in financing activities included repurchases of Liberty Broadband Series A and Series C common stock of $40 million and indemnification payments of $26 million made by Liberty Broadband to Qurate Retail in connection with the LI LLC 1.75% Exchangeable Debentures. During the nine months ended September 30, 2022, net cash flows used in financing activities were primarily repurchases of Liberty Broadband Series A and Series C common stock of $2,641 million, partially offset by net borrowings of debt of approximately $100 million of outstanding Revolving Loans under the Margin Loan Facility.

The projected uses of our cash for the remainder of 2023 are the potential buyback of common stock under the approved share buyback program, net capital expenditures of approximately $35 million, approximately $60 million for interest payments on outstanding debt, approximately $3 million for preferred stock dividends, funding of any operational needs of our subsidiaries, to reimburse Liberty Media Corporation for amounts due under various agreements and to fund potential investment opportunities. We expect corporate cash and other available sources of liquidity to cover corporate expenses for the foreseeable future.

Results of Operations—GCI Holdings, LLC

GCI Holdings provides a full range of data, wireless, video, voice, and managed services to residential, businesses, governmental entities, and educational and medical institutions primarily in Alaska. The following table highlights selected key performance indicators used in evaluating GCI Holdings.

	September 30,	
	2023	2022
Consumer		
Data:		
Cable modem subscribers[1]	159,300	156,100
Wireless:		
Wireless lines in service[2]	200,300	195,100

[1] A cable modem subscriber is defined by the purchase of cable modem service regardless of the level of service purchased. If one entity purchases multiple cable modem service access points, each access point is counted as a subscriber. Data cable modem subscribers as of September 30, 2023 include 1,100 subscribers that were reclassified from GCI Business to GCI Consumer subscribers in the first quarter of 2023 and are not new additions.

[2] A wireless line in service is defined as a wireless device with a monthly fee for services. Wireless lines in service as of September 30, 2023 include 1,400 lines that were reclassified from GCI Business to GCI Consumer lines in the first quarter of 2023 and are not new additions.

GCI Holdings' operating results for the three and nine months ended September 30, 2023 and 2022 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
Revenue	$ 240	248	731	719
Operating expenses (excluding stock-based compensation included below):				
Operating expense	(59)	(64)	(180)	(187)
Selling, general and administrative expenses	(92)	(94)	(280)	(265)
Adjusted OIBDA	89	90	271	267
Stock-based compensation	(4)	(4)	(11)	(11)
Depreciation and amortization	(55)	(66)	(169)	(195)
Litigation settlement	—	(19)	—	(29)
Operating income (loss)	$ 30	1	91	32

Revenue

The components of revenue are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
	amounts in millions			
Consumer				
Data	$ 57	57	175	172
Wireless	47	49	142	142
Other	10	14	32	42
Business				
Data	105	104	317	291
Wireless	12	14	38	41
Other	9	10	27	31
Total revenue	$ 240	248	731	719

Consumer data revenue was flat and increased $3 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods. The increase for the nine month period was primarily driven by an increase in the number of subscribers.

Consumer wireless revenue decreased $2 million and was flat for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods. The decrease for the three month period was primarily driven by a decrease in the number of handset sales and a decrease in prepaid data plans.

Consumer other revenue decreased $4 million and $10 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods. Consumer other revenue consists of consumer video and voice revenue. The decreases were due to a decrease in video revenue primarily driven by decreased video subscribers. This was the result of both the transition from traditional linear video delivery to IP delivery and GCI Holdings' decision to discontinue selling bulk video packages for multi-dwelling units. Historically, GCI Holdings has seen declines in video and voice subscribers and revenue and expects a continued decrease as customers potentially choose alternative services.

Business data revenue increased $1 million and $26 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods, primarily due to increased sales to health care and school customers due to service upgrades as well as new customer growth. These increases were partially offset by decreases in professional services revenue, driven by a reduction in time and material project work.

Business wireless revenue decreased $2 million and $3 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods. The decreases were primarily due to a decrease in roaming revenue and a decrease in data plan fees due to decreased business wireless subscribers.

Business other revenue decreased $1 million and $4 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods. Business other revenue consists of business video and voice revenue. The decreases were primarily due to decreased local and long distance voice revenue. Historically, GCI Holdings has seen declines in video and voice subscribers and revenue and has not focused business efforts on growth in these areas.

Operating expenses decreased $5 million and $7 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods, primarily due to decreases in costs paid to content producers driven by reduced video subscribers, as well as decreases in other distribution costs.

Selling, general and administrative expenses decreased $2 million and increased $15 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods. The decrease for the three month period is primarily due to decreases in labor related costs. The increase for the nine month period is primarily due to increases in labor related costs, software contracts, bad debt and property taxes. The increases in bad debt and property taxes were due to one-time decreases in these costs during the quarter ended March 31, 2022.

Stock-based compensation was flat for both the three and nine months ended September 30, 2023 as compared to the corresponding prior year periods.

Depreciation and amortization decreased $11 million and $26 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods. The decreases were due to lower depreciation expense as certain assets became fully depreciated during 2022.

Litigation settlement decreased $19 million and $29 million for the three and nine months ended September 30, 2023, respectively, as compared to the corresponding prior year periods. The litigation settlements of $10 million and $19 million recorded in the second and third quarters of 2022, respectively, were both increases in the estimated liability relating to compliance with RHC Program rules which reflect settlement offers that GCI Holdings made to the DOJ in June and September 2022. The RHC Program litigation was ultimately settled during the second quarter of 2023, as described in note 9 to the accompanying condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the normal course of business due to our ongoing investing and financial activities. Market risk refers to the risk of loss arising from adverse changes in stock prices and interest rates. The risk of loss can be assessed from the perspective of adverse changes in fair values, cash flows and future earnings. We have established policies, procedures and internal processes governing our management of market risks and the use of financial instruments to manage our exposure to such risks.

We are exposed to changes in interest rates primarily as a result of our borrowing and investment activities, which could include investments in fixed and floating rate debt instruments and borrowings used to maintain liquidity and to fund business operations. The nature and amount of our long-term and short-term debt are expected to vary as a result of future requirements, market conditions and other factors. We manage our exposure to interest rates by maintaining what we believe is an appropriate mix of fixed and variable rate debt. We believe this best protects us from interest rate risk. We could achieve this mix by (i) issuing fixed rate debt that we believe has a low stated interest rate and significant term to maturity, (ii) issuing variable rate debt with appropriate maturities and interest rates and (iii) entering into interest rate swap arrangements when we deem appropriate.

As of September 30, 2023, our debt is comprised of the following amounts:

	Variable rate debt		Fixed rate debt	
	Principal amount	Weighted avg interest rate	Principal amount	Weighted avg interest rate
	dollar amounts in millions			
GCI Holdings	$ 400	7.2 %	$ 600	4.8 %
Corporate and other	$ 1,525	7.3 %	$ 1,267	3.1 %

Our investment in Charter (our equity method affiliate) is publicly traded and not reflected at fair value in our balance sheet. Our investment in Charter is also subject to market risk that is not directly reflected in our financial statements.

Item 4. Controls and Procedures

In accordance with Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), the Company carried out an evaluation, under the supervision and with the participation of management, including its chief executive officer and its principal accounting and financial officer (the "Executives"), and under the oversight of its board of directors, of the effectiveness of the design and operation of its disclosure controls and procedures as of September 30, 2023. Based on that evaluation, the Executives concluded that the Company's disclosure controls and procedures were effective as of September 30, 2023 to provide reasonable assurance that information required to be disclosed in its reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms.

There has been no change in the Company's internal control over financial reporting that occurred during the three months ended September 30, 2023 that has materially affected, or is reasonably likely to materially affect, its internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Our Annual Report on Form 10-K for the year ended December 31, 2022 and our Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 include "Legal Proceedings" under Item 3 of Part I and Item 1 of Part II, respectively. There have been no material changes from the legal proceedings described in these Forms 10-K and 10-Q.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds and Issuer Purchases of Equity Securities

Share Repurchase Programs

There were no repurchases of Liberty Broadband Series A common stock, Liberty Broadband Series B common stock, Liberty Broadband Series C common stock or Liberty Broadband Preferred Stock during the three months ended September 30, 2023. As of September 30, 2023, the amount remaining under the authorized repurchase program is approximately $1,962 million.

No shares of Liberty Broadband Series A common stock, Series B common stock, Series C common stock or Preferred Stock were surrendered by our officers and employees to pay withholding taxes and other deductions in connection with the vesting or exercise of restricted stock, restricted stock units and options during the three months ended September 30, 2023.

Item 5. Other Information

None of the Company's directors or officers adopted or terminated a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement during the Company's fiscal quarter ended September 30, 2023.

Item 6. Exhibits

(a) Exhibits

Listed below are the exhibits which are filed as a part of this Report (according to the number assigned to them in Item 601 of Regulation S-K):

31.1	Rule 13a-14(a)/15d-14(a) Certification*
31.2	Rule 13a-14(a)/15d-14(a) Certification*
32	Section 1350 Certification**
101.INS	XBRL Instance Document* - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Calculation Linkbase Document*
101.LAB	Inline XBRL Taxonomy Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Presentation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Definition Document*
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)*

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* Filed herewith

** Furnished herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LIBERTY BROADBAND CORPORATION

Date: November 3, 2023	By: /s/ GREGORY B. MAFFEI Gregory B. Maffei *President and Chief Executive Officer*
Date: November 3, 2023	By: /s/ BRIAN J. WENDLING Brian J. Wendling *Chief Accounting Officer and Principal Financial Officer*

EXHIBIT 31.1

CERTIFICATION

I, Gregory B. Maffei, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Broadband Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f))for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and

d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

/s/ GREGORY B. MAFFEI

Gregory B. Maffei
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, Brian J. Wendling, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Liberty Broadband Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements and other financial information included in this quarterly report fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and

d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023

/s/ BRIAN J. WENDLING

Chief Accounting Officer and Principal Financial Officer

Exhibit 32

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Liberty Broadband Corporation, a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report on Form 10-Q for the period ended September 30, 2023 (the "Form 10-Q") of the Company fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: November 3, 2023	/s/ GREGORY B. MAFFEI
	Gregory B. Maffei *President and Chief Executive Officer*
Dated: November 3, 2023	/s/ BRIAN J. WENDLING
	Brian J. Wendling *Chief Accounting Officer and Principal Financial Officer*

The foregoing certification is being furnished solely pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code) and is not being filed as part of the Form 10-Q or as a separate disclosure document.