

Charter's Share Repurchases Accelerated Sharply

By [Jonathan Chaplin](#) | September 12, 2019

Advance/Newhouse filed its most recent Charter ownership disclosure today, and with it we estimate that Charter's share repurchases accelerated to \$1.5BN in August, up from \$0.7BN in July (and \$0.3BN for each month in 2Q19). This is consistent with our view that share repurchases were likely to accelerate in the back half of 2019, as we estimated Charter had capacity to repurchase \$7BN of stock in all of 2019, but had only repurchased \$2BN through the first half of the year. Our estimate of \$2.5BN in repurchases for Q3 may now look a touch conservative (QTD repurchases are already \$2.2BN); however, for Charter to remain below leverage of 4.5x, we don't see much room for repurchasing more than the \$5BN we have estimated in repurchases in the second half of the year (additional repurchases in Q3 will therefore come out of our estimated repurchases in Q4).

We view the strong buybacks this quarter as a signal of management's confidence in the business, particularly following a quarter where results disappointed investor expectations. Mgmt. expressed further confidence in the business at an investor conference today, where they see a long runway for broadband penetration growth, margin expansion, and declining capital intensity. Charter remains our top pick in US Cable.

Full 12-month historical recommendation changes are available on request

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