**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d)**
**of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): August 1, 2024**

# Uniti Group Inc.

**(Exact name of registrant as specified in its charter)**

| | | |
|---|---|---|
| **Maryland**<br>**(State or other jurisdiction of incorporation)** | **001-36708**<br>**(Commission File Number)** | **46-5230630**<br>**(IRS Employer Identification No.)** |

**2101 Riverfront Drive, Suite A**
**Little Rock, AR, 72202**
**(Address of Principal Executive Offices)**

**Registrant's telephone number, including area code: (501) 850-0820**

**Not Applicable**
**(Former name or former address, if changed since last report.)**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock | UNIT | The NASDAQ Global Select Market |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

**Item 2.02 Results of Operations and Financial Condition**

On August 1, 2024, Uniti Group Inc. (the "Company") issued a press release announcing the Company's results for its fiscal quarter ended June 30, 2024. A copy of the Company's press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure.

**Item 7.01 Regulation FD Disclosure**

The Company is furnishing certain financial and other information of Windstream Holdings II, LLC, successor in interest to Windstream Holdings, Inc., and its consolidated subsidiaries (collectively, "Windstream") regarding the period ended June 30, 2024 as Exhibit 99.2 and Exhibit 99.3. The information furnished herein was provided to the Company by Windstream; the Company did not assist in the preparation or review of this information and makes no representation as to its accuracy.

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The information contained in Items 2.02 and 7.01, including the exhibits attached hereto, are being "furnished" and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of Section 18 of the Exchange Act. The information in Items 2.02 and 7.01, including the exhibits attached hereto, shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended (the "Securities Act"), or into any filing or other document pursuant to the Exchange Act, except as otherwise expressly stated in any such filing.

**No Offer or Solicitation**

This communication and the information contained in it are provided for information purposes only and are not intended to be and shall not constitute a solicitation of any vote or approval, or an offer to sell or solicitation of an offer to buy, or an invitation or recommendation to subscribe for, acquire or buy securities of the Company, Windstream or Windstream Parent, Inc., the proposed combined company following the closing of the Merger (as defined below) ("New Uniti") or any other financial products or securities, in any place or jurisdiction, nor shall there be any offer, solicitation or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made in the United States absent registration under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, such registration requirements.

**Additional Information and Where to Find It**

In connection with the contemplated merger (the "Merger"), New Uniti has filed a registration statement on Form S-4 with the SEC that contains a proxy statement/prospectus and other documents, which has not yet become effective. Once effective, the Company will mail the proxy statement/prospectus contained in the Form S-4 to its stockholders. This communication is not a substitute for any registration statement, proxy statement/prospectus or other documents that may be filed with the SEC in connection with the Merger.

THE PROXY STATEMENT/PROSPECTUS AND OTHER DOCUMENTS FILED WITH THE SEC IN CONNECTION WITH THE MERGER CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY, WINDSTREAM, NEW UNITI, THE MERGER AND RELATED MATTERS. INVESTORS SHOULD READ THE PROXY STATEMENT/PROSPECTUS AND SUCH OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THE PROXY STATEMENT/PROSPECTUS AND SUCH DOCUMENTS, BEFORE THEY MAKE ANY DECISION WITH RESPECT TO THE MERGER. The proxy statement/prospectus, any amendments or supplements thereto and all other documents filed with the SEC in connection with the Merger will be available free of charge on the SEC's website (at www.sec.gov). Copies of documents filed with the SEC by the Company will be made available free of charge on the Company's investor relations website (at https://investor.uniti.com/financial-information/sec-filings).

**Participants in the Solicitation**

The Company, Windstream and their respective directors and certain of their executive officers and other employees may be deemed to be participants in the solicitation of proxies from the Company's stockholders in connection with the Merger. Information about the Company's directors and executive officers is set forth in the sections titled "*Proposal No. 1 Election of Directors*" and "*Security Ownership of Certain Beneficial Owners and Management*" included in the Company's proxy statement for its 2024 annual meeting of stockholders, which was filed with the SEC on April 11, 2024 (and which is available at https://www.sec.gov/Archives/edgar/data/1620280/000110465924046100/0001104659-24-046100-index.htm), the section titled "*Directors, Executive Officers and Corporate Governance*" included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was filed with the SEC on February 29, 2024 (and which is available at https://www.sec.gov/ix?doc=/Archives/edgar/data/1620280/000162828024008054/unit-20231231.htm), and subsequent statements of beneficial ownership on file with the SEC and other filings made from time to time with the SEC. Additional information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of the Company stockholders in connection with the Merger, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in the proxy statement/prospectus and other relevant materials filed by New Uniti with the SEC. These documents can be obtained free of charge from the sources indicated above.

**Forward-Looking Statements**

This communication contains forward-looking statements, including within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can often be identified by terms such as "may," "will," "appears," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these words or other similar terms or expressions that concern expectations, strategy, plans, or intentions. However, the absence of these words or similar terms does not mean that a statement is not forward-looking. All forward-looking statements are based on information and estimates available to the Company and Windstream at the time of this communication and are not guarantees of future performance.

Examples of forward-looking statements in this communication (made at the date of this communication unless otherwise indicated) include, among others, statements regarding the Merger and the future performance of the Company, Windstream and New Uniti (the "Merged Group"), the perceived and potential synergies and other benefits of the Merger, and expectations around the financial impact of the Merger on the Merged Group's financials. In addition, this communication contains statements concerning the intentions, beliefs and expectations, plans, strategies and objectives of the directors and management of the Company and Windstream for the Company and Windstream, respectively, and the Merged Group, the anticipated timing for and outcome and effects of the Merger (including expected benefits to shareholders of the Company), expectations for the ongoing development and growth potential of the Merged Group and the future operation of the Company Windstream and the Merged Group.

These statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statement and may include statements regarding the expected timing and structure of the Merger; the ability of the parties to complete the Merger considering the various closing conditions; the expected benefits of the Merger, such as improved operations, enhanced revenues and cash flow, synergies, growth potential, market profile, business plans, expanded portfolio and financial strength; the competitive ability and position of New Uniti following completion of the Merger; and anticipated growth strategies and anticipated trends in the Company's, Windstream's and, following the expected completion of the Merger, New Uniti's business.

In addition, other factors related to the Merger that contribute to the uncertain nature of the forward-looking statements and that could cause actual results and financial condition to differ materially from those expressed or implied include, but are not limited to: the satisfaction of the conditions precedent to the consummation of the Merger, including, without limitation, the receipt of shareholder and regulatory approvals on the terms desired or anticipated; unanticipated difficulties or expenditures relating to the Merger, including, without limitation, difficulties that result in the failure to realize expected synergies, efficiencies and cost savings from the Merger within the expected time period (if at all); potential difficulties in the Company's and Windstream's ability to retain employees as a result of the announcement and pendency of the Merger; risks relating to the value of New Uniti's securities to be issued in the Merger; disruptions of the Company's and Windstream's current plans, operations and relationships with customers caused by the announcement and pendency of the Merger; legal proceedings that may be instituted against the Company or Windstream following announcement of the Merger; funding requirements; regulatory restrictions (including changes in regulatory restrictions or regulatory policy) and risks associated with general economic conditions.

Additional factors that could cause actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements are detailed in the filings with the SEC, including the Company's annual report on Form 10-K, periodic quarterly reports on Form 10-Q, periodic current reports on Form 8-K and other documents filed with the SEC.

There can be no assurance that the Merger will be implemented or that plans of the respective directors and management of the Company and Windstream for the Merged Group will proceed as currently expected or will ultimately be successful. Investors are strongly cautioned not to place undue reliance on forward-looking statements, including in respect of the financial or operating outlook for Uniti, Windstream or the Merged Group (including the realization of any expected synergies).

Except as required by applicable law, the Company does not assume any obligation to, and expressly disclaims any duty to, provide any additional or updated information or to update any forward-looking statements, whether as a result of new information, future events or results, or otherwise. Nothing in this communication will, under any circumstances (including by reason of this communication remaining available and not being superseded or replaced by any other presentation or publication with respect to the Company, Windstream or the Merged Group, or the subject matter of this communication), create an implication that there has been no change in the affairs of the Company or Windstream since the date of this communication.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

| Exhibit Number | Description |
|---|---|
| 99.1 | Press Release issued August 1, 2024 |
| 99.2 | Windstream presentation regarding the period ended June 30, 2024 |
| 99.3 | Windstream transcript regarding the period ended June 30, 2024 |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

## 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 hereunto duly authorized.

| | |
|---|---|
| Date: August 1, 2024 | UNITI GROUP INC. |
| | By: /s/ Daniel L. Heard |
| | Name: Daniel L. Heard |
| | Title: Executive Vice President – General Counsel and Secretary |

**Exhibit 99.1**

**Press Release**

Release date: August 1, 2024

**Uniti Group Inc. Reports Second Quarter 2024 Results**

***Second Quarter Consolidated Bookings Monthly Recurring Revenue of $1.1 Million Increased Approximately 50% From Prior Year***

***Updates 2024 Outlook***

- **Net Income of $18.3 Million for the Second Quarter**
- **Net Income of $0.07 Per Diluted Common Share for the Second Quarter**
- **AFFO of $0.34 Per Diluted Common Share for the Second Quarter**

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LITTLE ROCK, Ark., August 1, 2024 (GLOBE NEWSWIRE) – Uniti Group Inc. (“Uniti” or the “Company”) (Nasdaq: UNIT) today announced its results for the second quarter 2024.

“Uniti reported another quarter of solid results fueled by strong demand for its mission critical fiber infrastructure. Approximately 40% of our consolidated bookings during the quarter, the highest level since 2022, was driven by Hyperscalers and Generative AI demand, and we expect that growth to continue. Our core recurring strategic fiber business grew 3% in the second quarter of 2024 when compared to the second quarter of 2023, while net success-based capital intensity at Uniti Fiber during the quarter declined to 27% from 44% in the second quarter of 2023,” commented President and Chief Executive Officer, Kenny Gunderman.

Mr. Gunderman continued, “We continue to make significant progress on our recently announced transformational merger with Windstream, and remain on track to close the transaction by the second half of 2025. As a combined company, we will continue our disciplined growth trajectory while expanding our fiber network into Tier II and III markets, and significantly improving our overall financial profile. The demand for both commercial and residential fiber has never been greater and Uniti is well positioned to capture this growth potential going forward.”

**QUARTERLY RESULTS**

Consolidated revenues for the second quarter of 2024 were $294.9 million. Net income and Adjusted EBITDA were $18.3 million and $236.7 million, respectively, for the same period, achieving Adjusted EBITDA margins of approximately 80%. Net income attributable to common shares was $17.6 million for the period. AFFO attributable to common shareholders was $92.3 million, or $0.34 per diluted common share.

Uniti Fiber contributed $76.7 million of revenues and $31.1 million of Adjusted EBITDA for the second quarter of 2024, achieving Adjusted EBITDA margins of approximately 40%. Uniti Fiber's net success-based capital expenditures during the quarter were $20.8 million.

Uniti Leasing contributed revenues of $218.3 million and Adjusted EBITDA of $210.9 million for the second quarter. During the quarter, Uniti Leasing deployed capital expenditures of $69.6 million, including $65.3 million of GCI capex.

**FINANCING TRANSACTIONS**

On May 17, 2024, Uniti closed on the issuance of $300 million of additional senior secured notes due February 2028 (the "Additional 2028 Notes"). The Additional 2028 Notes bear interest of 10.50% and were issued at 103.00% of their principal amount. The proceeds from the offering are expected to be used for general corporate purposes, including funding a portion of the cash consideration payable in connection with the previously announced merger with Windstream.

**LIQUIDITY**

At quarter-end, the Company had approximately $618.8 million of unrestricted cash and cash equivalents, and undrawn borrowing availability under its revolving credit agreement. The Company's leverage ratio at quarter-end was 5.97x based on net debt to second quarter 2024 annualized Adjusted EBITDA, excluding the debt and Adjusted EBITDA impact from the ABS loan facility.

**UPDATED FULL YEAR 2024 OUTLOOK**

The Company is updating its 2024 outlook primarily for business unit level revisions, recent financing transactions, and transaction related and other costs incurred to date. Our outlook excludes any impact from the expected merger with Windstream, future acquisitions, capital market transactions, and future transaction-related and other costs not mentioned herein.

The Company's consolidated outlook for 2024 is as follows (in millions):

| | Full Year 2024 | | |
|---|---|---|---|
| Revenue | $ 1,154 | to | $ 1,174 |
| Net income attributable to common shareholders | 98 | to | 118 |
| Adjusted EBITDA (1) | 930 | to | 950 |
| Interest expense, net (2) | 514 | to | 514 |
| | | | |
| Attributable to common shareholders: | | | |
| FFO (1) | 301 | to | 321 |
| AFFO (1) | 353 | to | 373 |
| | | | |
| Weighted-average common shares outstanding – diluted | 285 | to | 285 |

(1) See "Non-GAAP Financial Measures" below.
(2) See "Components of Interest Expense" below.

**CONFERENCE CALL**

Uniti will hold a conference call today to discuss the announced merger with Windstream and this earnings release at 8:30 AM Eastern Time (7:30 AM Central Time). The conference call will be webcast live on Uniti's Investor Relations website at investor.uniti.com. Those parties interested in participating via telephone may register on the Company's Investor Relations website or by clicking here. A replay of the call will also be made available on the Investor Relations website.

**ABOUT UNITI**

Uniti, an internally managed real estate investment trust, is engaged in the acquisition and construction of mission critical communications infrastructure, and is a leading provider of fiber and other wireless solutions for the communications industry. As of June 30, 2024, Uniti owns approximately 142,000 fiber route miles, 8.6 million fiber strand miles, and other communications real estate throughout the United States. Additional information about Uniti can be found on its website at www.uniti.com.

**NO OFFER OR SOLICITATION**

This communication and the information contained in it are provided for information purposes only and are not intended to be and shall not constitute a solicitation of any vote or approval, or an offer to sell or solicitation of an offer to buy, or an invitation or recommendation to subscribe for, acquire or buy securities of Uniti, Windstream Holdings II (Windstream") or Windstream Parent, Inc., the proposed combined company following the closing of the Merger (as defined below) ("New Uniti") or any other financial products or securities, in any place or jurisdiction, nor shall there be any offer, solicitation or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made in the United States absent registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or pursuant to an exemption from, or in a transaction not subject to, such registration requirements.

**ADDITIONAL INFORMATION AND WHERE TO FIND IT**

In connection with the contemplated merger (the "Merger"), New Uniti has filed a registration statement on Form S-4 with the SEC that contains a proxy statement/prospectus and other documents, which has not yet become effective. Once effective, Uniti will mail the proxy statement/prospectus contained in the Form S-4 to its stockholders. This communication is not a substitute for any registration statement, proxy statement/prospectus or other documents that may be filed with the SEC in connection with the Merger.

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**PARTICIPANTS IN THE SOLICITATION**

Uniti, Windstream and their respective directors and certain of their executive officers and other employees may be deemed to be participants in the solicitation of proxies from Uniti's stockholders in connection with the Merger. Information about Uniti's directors and executive officers is set forth in the sections titled "Proposal No. 1 Election of Directors" and "Security Ownership of Certain Beneficial Owners and Management" included in Uniti's proxy statement for its 2024 annual meeting of stockholders, which was filed with the SEC on April 11, 2024 (and which is available at https://www.sec.gov/Archives/edgar/data/1620280/000110465924046100/0001104659-24-046100-index.htm), the section titled "Directors, Executive Officers and Corporate Governance" included in its Annual Report on Form 10-K for the fiscal year ended December 31, 2023, which was filed with the SEC on February 29, 2024 (and which is available at https://www.sec.gov/ix?doc=/Archives/edgar/data/1620280/000162828024008054/unit-20231231.htm), and subsequent statements of beneficial ownership on file with the SEC and other filings made from time to time with the SEC. Additional information regarding the persons who may, under the rules of the SEC, be deemed participants in the solicitation of Uniti stockholders in connection with the Merger, including a description of their direct or indirect interests, by security holdings or otherwise, is set forth in the proxy statement/prospectus and other relevant materials filed by New Uniti with the SEC. These documents can be obtained free of charge from the sources indicated above.

**FORWARD-LOOKING STATEMENTS**

*This communication contains forward-looking statements, including within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can often be identified by terms such as "may," "will," "appears," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential," or "continue," or the negative of these words or other similar terms or expressions that concern expectations, strategy, plans, or intentions. However, the absence of these words or similar terms does not mean that a statement is not forward-looking. All forward-looking statements are based on information and estimates available to Uniti and Windstream at the time of this communication and are not guarantees of future performance.*

*Examples of forward-looking statements in this communication (made at the date of this communication unless otherwise indicated) include, among others, statements regarding the Merger and the future performance of Uniti, Windstream and New Uniti (the "Merged Group"), the perceived and potential synergies and other benefits of the Merger, and expectations around the financial impact of the Merger on the Merged Group's financials. In addition, this communication contains statements concerning the intentions, beliefs and expectations, plans, strategies and objectives of the directors and management of Uniti and Windstream for Uniti and Windstream, respectively, and the Merged Group, the anticipated timing for and outcome and effects of the Merger (including expected benefits to shareholders of Uniti), expectations for the ongoing development and growth potential of the Merged Group and the future operation of Uniti, Windstream and the Merged Group.*

*These statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statement and may include statements regarding the expected timing and structure of the Merger; the ability of the parties to complete the Merger considering the various closing conditions; the expected benefits of the Merger, such as improved operations, enhanced revenues and cash flow, synergies, growth potential, market profile, business plans, expanded portfolio and financial strength; the competitive ability and position of New Uniti following completion of the Merger; and anticipated growth strategies and anticipated trends in Uniti's, Windstream's and, following the expected completion of the Merger, New Uniti's business.*

*In addition, other factors related to the Merger that contribute to the uncertain nature of the forward-looking statements and that could cause actual results and financial condition to differ materially from those expressed or implied include, but are not limited to: the satisfaction of the conditions precedent to the consummation of the Merger, including, without limitation, the receipt of shareholder and regulatory approvals on the terms desired or anticipated; unanticipated difficulties or expenditures relating to the Merger, including, without limitation, difficulties that result in the failure to realize expected synergies, efficiencies and cost savings from the Merger within the expected time period (if at all); potential difficulties in Uniti's and Windstream's ability to retain employees as a result of the announcement and pendency of the Merger; risks relating to the value of New Uniti's securities to be issued in the Merger; disruptions of Uniti's and Windstream's current plans, operations and relationships with customers caused by the announcement and pendency of the Merger; legal proceedings that may be instituted against Uniti or Windstream following announcement of the Merger; funding requirements; regulatory restrictions (including changes in regulatory restrictions or regulatory policy) and risks associated with general economic conditions.*

*Additional factors that could cause actual results, level of activity, performance or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements are detailed in the filings with the SEC, including Uniti's annual report on Form 10-K, periodic quarterly reports on Form 10-Q, periodic current reports on Form 8-K and other documents filed with the SEC.*

*There can be no assurance that the Merger will be implemented or that plans of the respective directors and management of Uniti and Windstream for the Merged Group will proceed as currently expected or will ultimately be successful. Investors are strongly cautioned not to place undue reliance on forward-looking statements, including in respect of the financial or operating outlook for Uniti, Windstream or the Merged Group (including the realization of any expected synergies).*

*Except as required by applicable law, Uniti does not assume any obligation to, and expressly disclaims any duty to, provide any additional or updated information or to update any forward-looking statements, whether as a result of new information, future events or results, or otherwise. Nothing in this communication will, under any circumstances (including by reason of this communication remaining available and not being superseded or replaced by any other presentation or publication with respect to Uniti, Windstream or the Merged Group, or the subject matter of this communication), create an implication that there has been no change in the affairs of Uniti or Windstream since the date of this communication.*

**NON-GAAP PRESENTATION**

*This release and today's conference call contain certain supplemental measures of performance that are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). Such measures should not be considered as alternatives to GAAP. Further information with respect to and reconciliations of such measures to the nearest GAAP measure can be found herein.*

**Uniti Group Inc.**
**Consolidated Balance Sheets**
**(In thousands, except per share data)**

| | June 30, 2024 | December 31, 2023 |
|---|---|---|
| **Assets:** | | |
| Property, plant and equipment, net | $ 4,092,799 | $ 3,982,069 |
| Cash and cash equivalents | 118,763 | 62,264 |
| Restricted cash and cash equivalents | 12,728 | - |
| Accounts receivable, net | 56,654 | 46,358 |
| Goodwill | 157,380 | 157,380 |
| Intangible assets, net | 290,264 | 305,115 |
| Straight-line revenue receivable | 101,710 | 90,988 |
| Operating lease right-of-use assets, net | 128,837 | 125,105 |
| Other assets | 40,699 | 118,117 |
| Deferred income tax assets, net | 117,780 | 109,128 |
| Assets held for sale | - | 28,605 |
| Derivative asset | 1,616 | - |
| **Total Assets** | $ 5,119,230 | $ 5,025,129 |
| | | |
| **Liabilities and Shareholders' Deficit** | | |
| **Liabilities:** | | |
| Accounts payable, accrued expenses and other liabilities | $ 87,105 | $ 119,340 |
| Settlement payable | 118,232 | 163,583 |
| Intangible liabilities, net | 151,050 | 156,397 |
| Accrued interest payable | 142,227 | 133,683 |
| Deferred revenue | 1,242,165 | 1,273,661 |
| Dividends payable | 1,134 | 36,162 |
| Operating lease liabilities | 79,812 | 84,404 |
| Finance lease obligations | 18,110 | 18,110 |
| Notes and other debt, net | 5,771,809 | 5,523,579 |
| Liabilities held for sale | - | 331 |
| **Total Liabilities** | 7,611,644 | 7,509,250 |
| | | |
| Commitments and contingencies | | |
| | | |
| **Shareholders' Deficit:** | | |
| Preferred stock, $ 0.0001 par value, 50,000 shares authorized, no shares issued and outstanding | - | - |
| Common stock, $ 0.0001 par value, 500,000 shares authorized, issued and outstanding: 237,353 shares at June 30, 2024 and 236,559 shares at December 31, 2023 | 24 | 24 |
| Additional paid-in capital | 1,228,527 | 1,221,824 |
| Accumulated other comprehensive income | 136 | - |
| Distributions in excess of accumulated earnings | (3,722,066) | (3,708,240) |
| Total Uniti shareholders' deficit | (2,493,379) | (2,486,392) |
| Noncontrolling interests – operating partnership units and non-voting convertible preferred stock | 965 | 2,271 |
| Total shareholders' deficit | (2,492,414) | (2,484,121) |
| **Total Liabilities and Shareholders' Deficit** | $ 5,119,230 | $ 5,025,129 |

**Uniti Group Inc.**
**Consolidated Statements of Operations**
**(In thousands, except per share data)**

| | Three Months Ended June 30, 2024 | Three Months Ended June 30, 2023 | Six Months Ended June 30, 2024 | Six Months Ended June 30, 2023 |
|---|---|---|---|---|
| **Revenues:** | | | | |
| Uniti Leasing | $ 218,286 | $ 212,453 | $ 435,907 | $ 423,261 |
| Uniti Fiber | 76,661 | 71,245 | 145,458 | 150,259 |
| Total revenues | 294,947 | 283,698 | 581,365 | 573,520 |
| **Costs and expenses:** | | | | |
| Interest expense, net | 127,475 | 119,689 | 250,686 | 268,552 |
| Depreciation and amortization | 78,052 | 77,267 | 155,537 | 154,042 |
| General and administrative expense | 25,716 | 23,417 | 53,849 | 51,850 |
| Operating expense (exclusive of depreciation and amortization) | 37,036 | 37,418 | 72,234 | 72,486 |
| Transaction related and other costs | 10,977 | 5,576 | 16,664 | 8,364 |
| Gain on sale of real estate | - | - | (18,999) | - |
| Other (income) expense, net | (19) | (291) | (301) | 19,888 |
| Total costs and expenses | 279,237 | 263,076 | 529,670 | 575,182 |
| Income (loss) before income taxes and equity in earnings from unconsolidated entities | 15,710 | 20,622 | 51,695 | (1,662) |
| Income tax benefit | (2,571) | (4,357) | (7,934) | (6,769) |
| Equity in earnings from unconsolidated entities | - | (659) | - | (1,320) |
| **Net income** | 18,281 | 25,638 | 59,629 | 6,427 |
| Net income attributable to noncontrolling interests | 3 | 12 | 22 | 3 |
| **Net income attributable to shareholders** | 18,278 | 25,626 | 59,607 | 6,424 |
| Participating securities' share in earnings | (723) | (322) | (1,159) | (569) |
| Dividends declared on convertible preferred stock | (5) | (5) | (10) | (10) |
| **Net income attributable to common shareholders** | $ 17,550 | $ 25,299 | $ 58,438 | $ 5,845 |
| Net income attributable to common shareholders – Basic | $ 17,550 | $ 25,299 | $ 58,438 | $ 5,845 |
| Impact of if-converted securities | - | - | - | - |
| Net income attributable to common shareholders – Diluted | $ 17,550 | $ 25,299 | $ 58,438 | $ 5,845 |
| **Weighted average number of common shares outstanding:** | | | | |
| Basic | 237,347 | 236,429 | 237,121 | 236,260 |
| Diluted | 237,347 | 236,429 | 237,121 | 236,260 |
| **Earnings per common share:** | | | | |
| Basic | $ 0.07 | $ 0.11 | $ 0.25 | $ 0.02 |
| Diluted | $ 0.07 | $ 0.11 | $ 0.25 | $ 0.02 |

**Uniti Group Inc.**
**Consolidated Statements of Cash Flows**
**(In thousands)**

| | Six Months Ended June 30, 2024 | Six Months Ended June 30, 2023 |
|---|---|---|
| **Cash flow from operating activities:** | | |
| Net income | $ 59,629 | $ 6,427 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation and amortization | 155,537 | 154,042 |
| Amortization of deferred financing costs and debt discount | 10,950 | 9,454 |
| Loss on debt extinguishment, net | - | 31,187 |
| Interest rate cap amortization | 720 | - |
| Deferred income taxes | (8,652) | (8,046) |
| Equity in earnings of unconsolidated entities | - | (1,320) |
| Distributions of cumulative earnings from unconsolidated entities | - | 1,969 |
| Cash paid for interest rate cap | (2,200) | - |
| Straight-line revenues and amortization of below-market lease intangibles | (17,038) | (19,216) |
| Stock-based compensation | 6,745 | 6,260 |
| Loss (gain) on asset disposals | 294 | (172) |
| Gain on sale of real estate | (18,999) | - |
| Accretion of settlement obligation | 3,660 | 5,776 |
| Other | (48) | - |
| Changes in assets and liabilities: | | |
| Accounts receivable | (10,296) | (391) |
| Other assets | 7,264 | 967 |
| Accounts payable, accrued expenses and other liabilities | (13,228) | 12,894 |
| Net cash provided by operating activities | 174,338 | 199,831 |
| | | |
| **Cash flows from investing activities:** | | |
| Capital expenditures | (262,758) | (247,269) |
| Proceeds from sale of other equipment | 435 | 1,169 |
| Proceeds from sale of real estate | 40,039 | - |
| Proceeds from sale of unconsolidated entity | 40,000 | - |
| Net cash used in investing activities | (182,284) | (246,100) |
| | | |
| **Cash flows from financing activities:** | | |
| Repayment of debt | (122,942) | (2,263,662) |
| Proceeds from issuance of notes | 309,000 | 2,600,000 |
| Dividends paid | (108,445) | (71,594) |
| Payments of settlement payable | (49,011) | (49,011) |
| Borrowings under revolving credit facility | 125,000 | 245,000 |
| Payments under revolving credit facility | (333,000) | (347,000) |
| Proceeds from ABS Loan Facility | 275,000 | - |
| Finance lease payments | (1,265) | (799) |
| Payments for financing costs | (15,778) | (26,955) |
| Payment of settlement of common stock warrant | - | (56) |
| Termination of bond hedge option | - | 59 |
| Costs related to the early repayment of debt | - | (44,303) |
| Distributions paid to noncontrolling interests | (37) | (32) |
| Payment for exchange of noncontrolling interest | (92) | - |
| Employee stock purchase program | 326 | 314 |
| Payments related to tax withholding for stock-based compensation | (1,583) | (1,350) |
| Net cash provided by financing activities | 77,173 | 40,611 |
| **Net increase (decrease) in cash and cash equivalents** | 69,227 | (5,658) |
| Cash, restricted cash and cash equivalents at beginning of period | 62,264 | 43,803 |
| Cash, restricted cash and cash equivalents at end of period | $ 131,491 | $ 38,145 |
| | | |
| Non-cash investing and financing activities: | | |
| Property and equipment acquired but not yet paid | $ 7,074 | $ 14,708 |
| Tenant capital improvements | 94,049 | 78,473 |

**Uniti Group Inc.**
**Reconciliation of Net Income to FFO and AFFO**
**(In thousands, except per share data)**

| | Three Months Ended June 30, 2024 | Three Months Ended June 30, 2023 | Six Months Ended June 30, 2024 | Six Months Ended June 30, 2023 |
|---|---|---|---|---|
| **Net income attributable to common shareholders** | $ 17,550 | $ 25,299 | $ 58,438 | $ 5,845 |
| Real estate depreciation and amortization | 55,615 | 55,062 | 111,545 | 109,578 |
| Gain on sale of real estate, assets, net of tax | - | - | (18,951) | - |
| Participating securities share in earnings | 723 | 322 | 1,159 | 569 |
| Participating securities share in FFO | (1,470) | (730) | (2,295) | (977) |
| Real estate depreciation and amortization from unconsolidated entities | - | 435 | - | 870 |
| Adjustments for noncontrolling interests | (9) | (25) | (25) | (50) |
| **FFO attributable to common shareholders** | 72,409 | 80,363 | 149,871 | 115,835 |
| Transaction related and other costs | 10,977 | 5,576 | 16,664 | 8,364 |
| Amortization of deferred financing costs and debt discount | 5,915 | 4,491 | 10,950 | 9,454 |
| Write off of deferred financing costs and debt discount | - | - | - | 10,412 |
| Costs related to the early repayment of debt | - | - | - | 51,997 |
| Stock based compensation | 3,397 | 3,130 | 6,745 | 6,260 |
| Non-real estate depreciation and amortization | 22,437 | 22,205 | 43,992 | 44,464 |
| Straight-line revenues and amortization of below-market lease intangibles | (8,216) | (9,789) | (17,038) | (19,216) |
| Maintenance capital expenditures | (1,909) | (1,916) | (3,998) | (3,744) |
| Other, net | (12,753) | (13,417) | (27,298) | (26,078) |
| Adjustments for equity in earnings from unconsolidated entities | - | 320 | - | 640 |
| Adjustments for noncontrolling interests | (3) | (5) | (8) | (37) |
| **AFFO attributable to common shareholders** | $ 92,254 | $ 90,958 | $ 179,880 | $ 198,351 |
| | | | | |
| **Reconciliation of Diluted FFO and AFFO:** | | | | |
| FFO Attributable to common shareholders – Basic | $ 72,409 | $ 80,363 | $ 149,871 | $ 115,835 |
| Impact of if-converted dilutive securities | 6,878 | 6,991 | 13,900 | 13,258 |
| FFO Attributable to common shareholders – Diluted | $ 79,287 | $ 87,354 | $ 163,771 | $ 129,093 |
| | | | | |
| AFFO Attributable to common shareholders – Basic | $ 92,254 | $ 90,958 | $ 179,880 | $ 198,351 |
| Impact of if-converted dilutive securities | 6,807 | 6,976 | 13,783 | 14,085 |
| AFFO Attributable to common shareholders – Diluted | $ 99,061 | $ 97,934 | $ 193,663 | $ 212,436 |
| | | | | |
| Weighted average common shares used to calculate basic earnings per common share (1) | 237,347 | 236,429 | 237,121 | 236,260 |
| Impact of dilutive non-participating securities | - | - | - | - |
| Impact of if-converted dilutive securities | 52,911 | 53,455 | 54,070 | 54,082 |
| Weighted average common shares used to calculate diluted FFO and AFFO per common share (1) | 290,258 | 289,884 | 291,191 | 290,342 |
| | | | | |
| **Per diluted common share:** | | | | |
| EPS | $ 0.07 | $ 0.11 | $ 0.25 | $ 0.02 |
| FFO | $ 0.27 | $ 0.30 | $ 0.56 | $ 0.44 |
| AFFO | $ 0.34 | $ 0.34 | $ 0.67 | $ 0.73 |

(1) For periods in which FFO to common shareholders is a loss, the weighted average common shares used to calculate diluted FFO per common share is equal to the weighted average common shares used to calculate basic earnings per share.

**Uniti Group Inc.**
**Reconciliation of EBITDA and Adjusted EBITDA**
**(In thousands)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| **Net income** | $ 18,281 | $ 25,638 | $ 59,629 | $ 6,427 |
| Depreciation and amortization | 78,052 | 77,267 | 155,537 | 154,042 |
| Interest expense, net | 127,475 | 119,689 | 250,686 | 268,552 |
| Income tax benefit | (2,571) | (4,357) | (7,934) | (6,769) |
| **EBITDA** | $ 221,237 | $ 218,237 | $ 457,918 | $ 422,252 |
| Stock-based compensation | 3,397 | 3,130 | 6,745 | 6,260 |
| Transaction related and other costs | 10,977 | 5,576 | 16,664 | 8,364 |
| Gain on sale of real estate | - | - | (18,999) | - |
| Other, net | 1,048 | 469 | 2,959 | 20,982 |
| Adjustments for equity in earnings from unconsolidated entities | - | 755 | - | 1,510 |
| **Adjusted EBITDA** | $ 236,659 | $ 228,167 | $ 465,287 | $ 459,368 |
| | | | | |
| **Adjusted EBITDA:** | | | | |
| Uniti Leasing | $ 210,853 | $ 206,552 | $ 421,530 | $ 411,518 |
| Uniti Fiber | 31,091 | 25,181 | 54,929 | 58,855 |
| Corporate | (5,285) | (3,566) | (11,172) | (11,005) |
| | $ 236,659 | $ 228,167 | $ 465,287 | $ 459,368 |
| | | | | |
| **Annualized Adjusted EBITDA** (1) | $ 918,630 | | | |
| | | | | |
| **As of June 30, 2024:** | | | | |
| Total Debt (2) | $ 5,604,610 | | | |
| Unrestricted cash and cash equivalents | 118,763 | | | |
| **Net Debt** | $ 5,485,847 | | | |
| | | | | |
| **Net Debt/Annualized Adjusted EBITDA** | 5.97x | | | |

(1) Calculated as Adjusted EBITDA for the most recently reported three-month period, excluding the Adjusted EBITDA of $7.0 million contributed from the ABS Loan Facility subsidiaries, multiplied by four. Annualized Adjusted EBITDA has not been prepared on a pro forma basis in accordance with Article 11 of Regulation S-X.

(2) Includes $18.1 million of finance leases, but excludes $89.7 million of unamortized discounts and deferred financing costs and excludes the principal balance from the $275.0 million ABS loan facility.

**Uniti Group Inc.**
**Projected Future Results [1]**
**(In millions)**

| | Year Ended December 31, 2024 |
|---|---|
| **Net income attributable to common shareholders – Basic** | $ 98 to $ 118 |
| Participating securities' share in earnings | 2 |
| **Net income** [2] | 100 to 120 |
| Interest expense, net [3] | 514 |
| Depreciation and amortization | 313 |
| Income tax benefit | (11) |
| **EBITDA** [2] | 916 to 936 |
| Stock-based compensation | 13 |
| Gain on sale of real estate | (19) |
| Transaction related and other costs [4] | 20 |
| **Adjusted EBITDA** [2] | $ 930 to $ 950 |

(1) These ranges represent management's best estimates based on the underlying assumptions as of the date of this press release. Future acquisitions, capital market transactions, changes in market conditions, and other factors are excluded from our projections. There can be no assurance that our actual results will not differ materially from the estimates set forth above.

(2) The components of projected future results may not add due to rounding.

(3) See "Components of Projected Interest Expense" below.

(4) Future transaction related costs not mentioned herein are not included in our current outlook.

**Uniti Group Inc.**
**Projected Future Results [1]**
**(Per Diluted Share)**

| | Year Ended December 31, 2024 |
|---|---|
| **Net income attributable to common shareholders – Basic** | $ 0.41 to $ 0.50 |
| Real estate depreciation and amortization | 0.94 |
| Gain on sale of real estate, net of tax | (0.08) |
| **FFO attributable to common shareholders – Basic [2]** | $ 1.27 to $ 1.35 |
| Impact of if-converted securities | (0.14) |
| **FFO attributable to common shareholders – Diluted [2]** | $ 1.14 to $ 1.21 |
| | |
| **FFO attributable to common shareholders – Basic [2]** | $ 1.27 to $ 1.35 |
| Transaction related and other costs [3] | 0.07 |
| Amortization of deferred financing costs and debt discount | 0.10 |
| Accretion of settlement payable [4] | 0.03 |
| Stock-based compensation | 0.06 |
| Non-real estate depreciation and amortization | 0.38 |
| Straight-line revenues | (0.13) |
| Maintenance capital expenditures | (0.03) |
| Other, net | (0.26) |
| **AFFO attributable to common shareholders – Basic [2]** | $ 1.49 to $ 1.57 |
| Impact of if-converted securities | (0.17) |
| **AFFO attributable to common shareholders – Diluted [2]** | $ 1.33 to $ 1.40 |

(1) These ranges represent management's best estimates based on the underlying assumptions as of the date of this press release. Future acquisitions, capital market transactions, changes in market conditions, and other factors are excluded from our projections. There can be no assurance that our actual results will not differ materially from the estimates set forth above.

(2) The components of projected future results may not add to FFO and AFFO attributable to common shareholders due to rounding.

(3) Future transaction related and other costs are not included in our current outlook.

(4) Represents the accretion of the Windstream settlement payable to its stated value. At the effective date of the settlement, we recorded the payable on the balance sheet at its initial fair value, which will be accreted based on an effective interest rate of 4.2% and reduced by the scheduled quarterly payments.

**Uniti Group Inc.**
**Components of Projected Interest Expense [(1)]**
**(In millions)**

| | | Year Ended December 31, 2024 |
|---|---|---|
| Interest expense on debt obligations | $ | 484 |
| Accretion of Windstream settlement payable | | 6 |
| Amortization of deferred financing cost and debt discounts | | 24 |
| **Interest expense, net [(2)]** | $ | 514 |

(1) These ranges represent management's best estimates based on the underlying assumptions as of the date of this press release. Future acquisitions, capital market transactions, changes in market conditions, and other factors are excluded from our projections. There can be no assurance that our actual results will not differ materially from the estimates set forth above.

(2) The components of interest expense may not add to the total due to rounding.

**NON-GAAP FINANCIAL MEASURES**

We refer to EBITDA, Adjusted EBITDA, Funds From Operations ("FFO") (as defined by the National Association of Real Estate Investment Trusts ("NAREIT")) and Adjusted Funds From Operations ("AFFO") in our analysis of our results of operations, which are not required by, or presented in accordance with, accounting principles generally accepted in the United States ("GAAP"). While we believe that net income, as defined by GAAP, is the most appropriate earnings measure, we also believe that EBITDA, Adjusted EBITDA, FFO and AFFO are important non-GAAP supplemental measures of operating performance for a REIT.

We define "EBITDA" as net income, as defined by GAAP, before interest expense, provision for income taxes and depreciation and amortization. We define "Adjusted EBITDA" as EBITDA before stock-based compensation expense and the impact, which may be recurring in nature, of transaction and integration related costs, costs associated with Windstream's bankruptcy, costs associated with litigation claims made against us, and costs associated with the implementation of our enterprise resource planning system, (collectively, "Transaction Related and Other Costs"), costs related to the settlement with Windstream, goodwill impairment charges, severance costs, amortization of non-cash rights-of-use assets, the write off of unamortized deferred financing costs, costs incurred as a result of the early repayment of debt, including early tender and redemption premiums and costs associated with the termination of related hedging activities, gains or losses on dispositions, changes in the fair value of contingent consideration and financial instruments, and other similar or infrequent items (although we may not have had such charges in the periods presented). Adjusted EBITDA includes adjustments to reflect the Company's share of Adjusted EBITDA from unconsolidated entities. We believe EBITDA and Adjusted EBITDA are important supplemental measures to net income because they provide additional information to evaluate our operating performance on an unleveraged basis. In addition, Adjusted EBITDA is calculated similar to defined terms in our material debt agreements used to determine compliance with specific financial covenants. Since EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP, they should not be considered as alternatives to net income determined in accordance with GAAP.

Because the historical cost accounting convention used for real estate assets requires the recognition of depreciation expense except on land, such accounting presentation implies that the value of real estate assets diminishes predictably over time. However, since real estate values have historically risen or fallen with market and other conditions, presentations of operating results for a REIT that uses historical cost accounting for depreciation could be less informative. Thus, NAREIT created FFO as a supplemental measure of operating performance for REITs that excludes historical cost depreciation and amortization, among other items, from net income, as defined by GAAP. FFO is defined by NAREIT as net income attributable to common shareholders computed in accordance with GAAP, excluding gains or losses from real estate dispositions, plus real estate depreciation and amortization and impairment charges, and includes adjustments to reflect the Company's share of FFO from unconsolidated entities. We compute FFO in accordance with NAREIT's definition.

The Company defines AFFO, as FFO excluding (i) Transaction Related and Other Costs; (ii) costs related to the litigation settlement with Windstream, accretion on our settlement obligation, and gains on the prepayment of our settlement obligation as these items are not reflective of ongoing operating performance; (iii) goodwill impairment charges; (iv) certain non-cash revenues and expenses such as stock-based compensation expense, amortization of debt and equity discounts, amortization of deferred financing costs, depreciation and amortization of non-real estate assets, amortization of non-cash rights-of-use assets, straight line revenues, non-cash income taxes, and the amortization of other non-cash revenues to the extent that cash has not been received, such as revenue associated with the amortization of tenant capital improvements; and (v) the impact, which may be recurring in nature, of the write-off of unamortized deferred financing fees, additional costs incurred as a result of the early repayment of debt, including early tender and redemption premiums and costs associated with the termination of related hedging activities, severance costs, taxes associated with tax basis cancellation of debt, gains or losses on dispositions, changes in the fair value of contingent consideration and financial instruments and similar or infrequent items less maintenance capital expenditures. AFFO includes adjustments to reflect the Company's share of AFFO from unconsolidated entities. We believe that the use of FFO and AFFO, and their respective per share amounts, combined with the required GAAP presentations, improves the understanding of operating results of REITs among investors and analysts, and makes comparisons of operating results among such companies more meaningful. We consider FFO and AFFO to be useful measures for reviewing comparative operating performance. In particular, we believe AFFO, by excluding certain revenue and expense items, can help investors compare our operating performance between periods and to other REITs on a consistent basis without having to account for differences caused by unanticipated items and events, such as transaction and integration related costs. The Company uses FFO and AFFO, and their respective per share amounts, only as performance measures, and FFO and AFFO do not purport to be indicative of cash available to fund our future cash requirements. While FFO and AFFO are relevant and widely used measures of operating performance of REITs, they do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating our liquidity or operating performance.

Further, our computations of EBITDA, Adjusted EBITDA, FFO and AFFO may not be comparable to that reported by other REITs or companies that do not define FFO in accordance with the current NAREIT definition or that interpret the current NAREIT definition or define EBITDA, Adjusted EBITDA and AFFO differently than we do.

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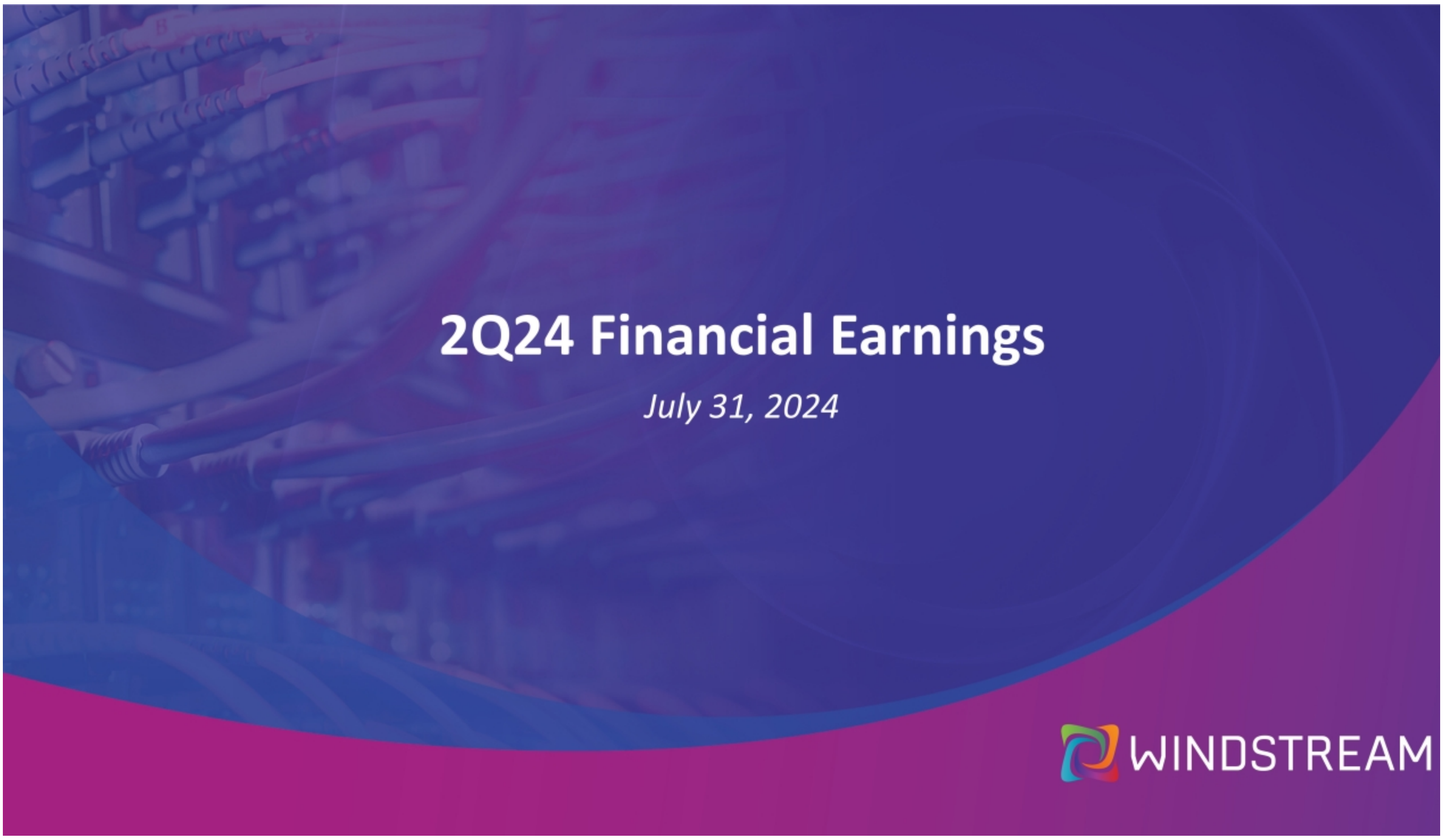
Exhibit 99.2



# Safe Harbor Statement

This presentation includes forward-looking statements that are subject to risks and uncertainties that could cause actual future events and results to differ materially from those expressed in the forward-looking statements. Forward-looking statements are typically identified by words or phrases such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "forecast" and other words and terms of similar meaning.

Forward-looking statements include, but are not limited to, guidance regarding 2024 financial and operational results and our ability to successfully execute our 2024 company strategic goals supporting the guidance, including our quality initiatives designed to improve our customer's experiences; anticipated Kinetic broadband subscribers and market penetration growth, including broadband additions; availability and timing of delivery of fiber broadband to customers, including fiber broadband penetration; number of households or locations that may be served generally and related to funding from various state and federal broadband programs, including future programs, public-private partnerships with government entities, the Rural Digital Opportunity Fund and the Broadband Equity and Access Deployment Program (BEAD); opportunities related to strategic sales, products, and strategic revenue growth across all of our business units; expectations regarding expense management activities, including continuation of reduction in interconnection and access expense, and the timing and benefit of such activities; statements regarding possible benefits of the proposed transaction with Until Group, Inc., that was announced publicly in May 2024; and any other statements regarding plans, objectives, expectations and intentions and other statements that are not historical facts. These statements, along with other forward-looking statements regarding Windstream's overall business outlook, are based on estimates, projections, beliefs, and assumptions that Windstream believes are reasonable but are not guarantees of future events, performance, or results. Actual future events and results may differ materially from those expressed in these forward-looking statements as the result of a number of important factors.

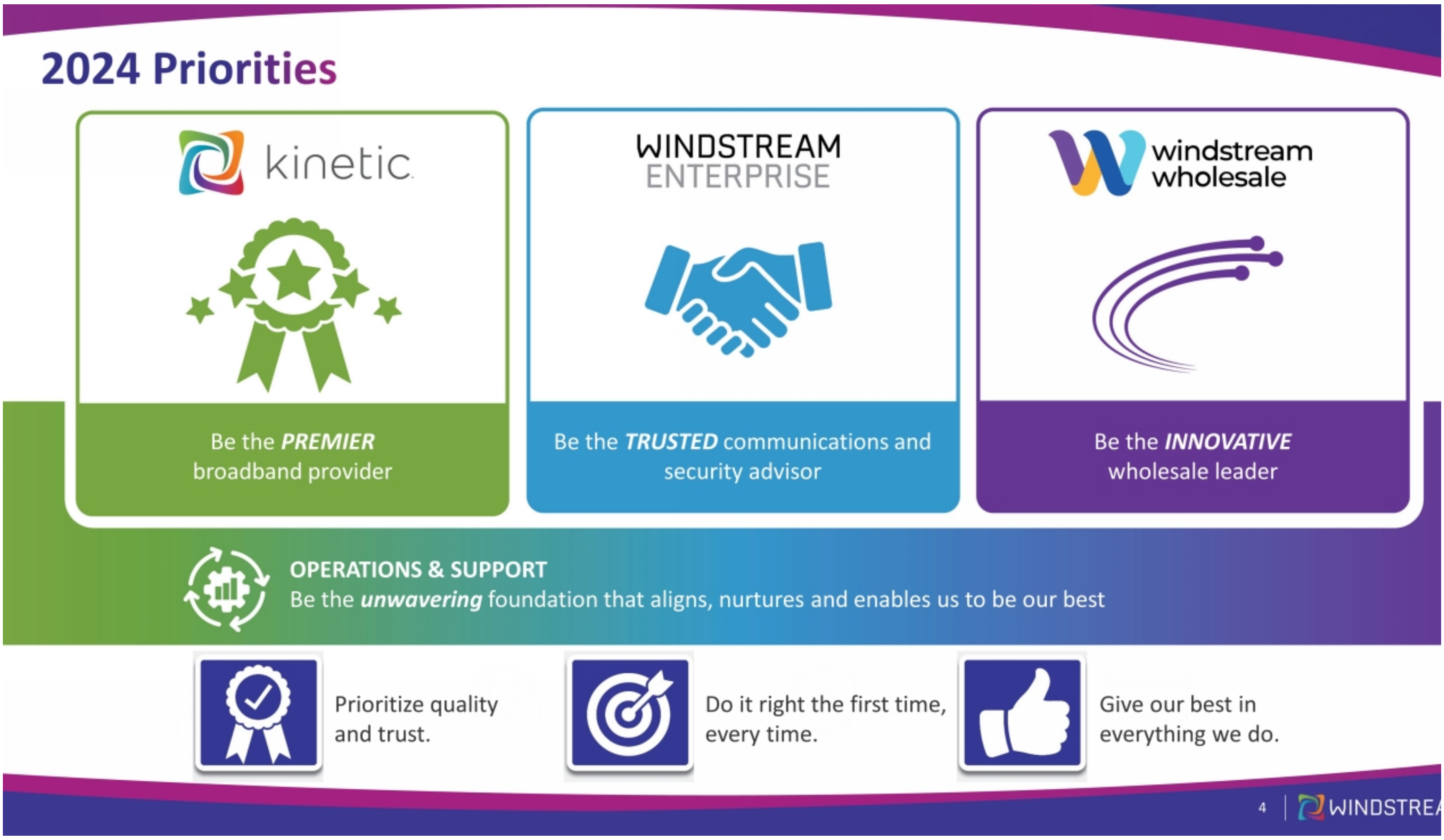
Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include risks and uncertainties relating to increased competitive pressures as state and federal broadband funding programs provide opportunities for new entrants in our markets and possible overbuilding of our network; our ability to, and the extent to which, we participate in BEAD and are able to successfully secure funding via competitive bidding processes over our competitors, especially in light of the various bidding requirements and program parameters proposed by the individual states for the award of BEAD funding; loss of funding from the Affordable Connectivity Program that may lead to customer disconnects or other state or federal subsidy programs that are not yet permanent programs; the effect of any changes in federal or state governmental regulations or statutes, including any new regulations regarding alleged digital discrimination and net neutrality in the marketplace; uncertainty created in the federal Universal Service Fund program based on pending legal actions; oversight or enforcement activities by state or federal agencies; that the proposed transaction with Uniti Group, Inc., could cause distraction by management and an allocation of resources that otherwise would have been attributed to the business; adverse changes in economic conditions, including the impact of foreign wars or political upheaval; risks and uncertainties from cost pressures and inflation on our customers' communications and payment decisions and on the business of our vendors; adverse economic, political or market conditions related to epidemics, pandemics, or disease outbreaks, and the impact of these conditions on our business operations and financial position and on our customers; impact of any supply chain delays or shortages on our business operations and on our customers' ability to operate their business; that the expected benefits of cost reduction and expense management activities are not realized or adversely affect our sales and operations or are otherwise disruptive to our business and personnel; the impact of new, emerging, or competing technologies and our ability to utilize these technologies to provide services to our customers; and general U.S. and worldwide economic conditions and related uncertainties. Windstream does not undertake any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

# Participants

**Paul Sunu**
Chief Executive Officer

**Drew Smith**
Chief Financial Officer
& Treasurer

**Genesis White**
VP, Investor Relations
& Assistant Treasurer


2024 Priorities
kinetic
Be the PREMIER broadband provider
WINDSTREAM ENTERPRISE
Be the TRUSTED communications and security advisor
windstream wholesale
Be the INNOVATIVE wholesale leader
OPERATIONS & SUPPORT
Be the unwavering foundation that aligns, nurtures and enables us to be our best
Prioritize quality and trust.
Do it right the first time, every time.
Give our best in everything we do.
4
WINDSTREA

# Second Quarter Highlights

**Adjusted EBITDAR of $362M, up 4% year to date[1]**

kinetic by windstream

### Consumer Highlights

- Kinetic consumer service revenue down 2% year-over-year largely driven by impact of the ACP step-down[2]
- Strong fiber additions of 17K in quarter
- Consumer Broadband ARPU of $89.13 up 2% y-o-y

### Fiber Build Momentum Continues

- 94K new consumer premises added year to date
- Approximately 1.6 million consumer premises now have access to FTTH services
- 36% coverage of consumer households was achieved by quarter end

WINDSTREAM ENTERPRISE & windstream wholesale

### Strong Strategic Revenue Trends

- Continued focus on Strategic & Advanced IP portfolios, which now represent 89% of total Enterprise Market service revenue[3][4]
- Wholesale had solid performance highlighted by high demand from telecom, cable and content customers

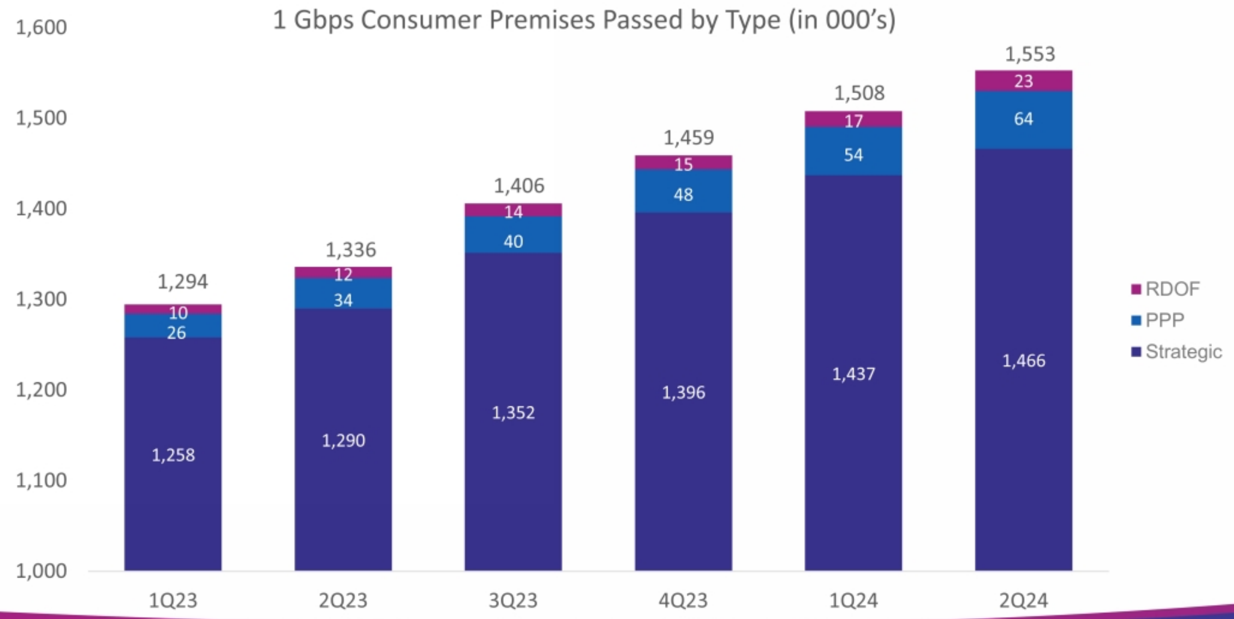
### Interconnection Expense Reduction[4]

- Total interconnection expense fell by 16% y-o-y; legacy-TDM related expenses [5] fell by 26% y-o-y
- Of the $645 million in annualized interconnection expense remaining, $279 million relates to TDM services[5]

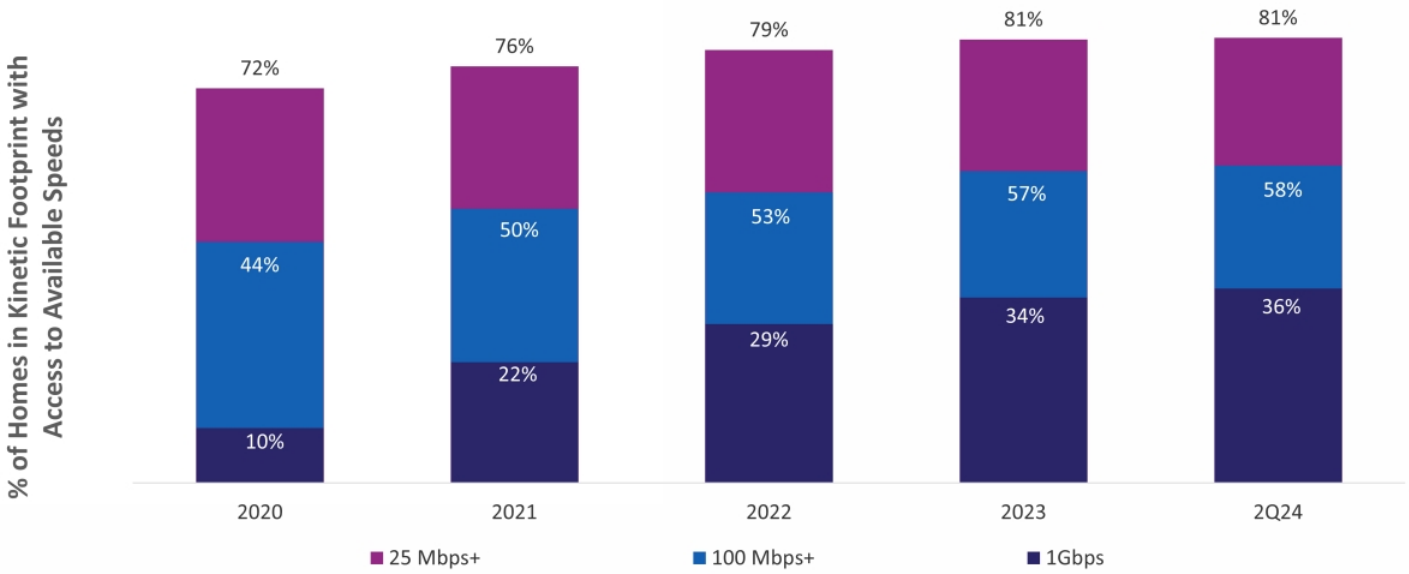
(1) Adjusted EBITDAR excluding gain on sale of IPv4 assets in 1Q24 (2) Step-down of the Affordable Connectivity Program (ACP) began in 2Q24; Windstream's ACP customer base received ~$3M in monthly subsidy under this program (3) Excludes End user surcharges; (4) Based on 2Q24 results on an annualized basis (5) Includes TDM expenses as shown on Slide 11, plus Network Facilities (excluding Fiber Expense)

# Fiber Broadband Expansion Acceleration

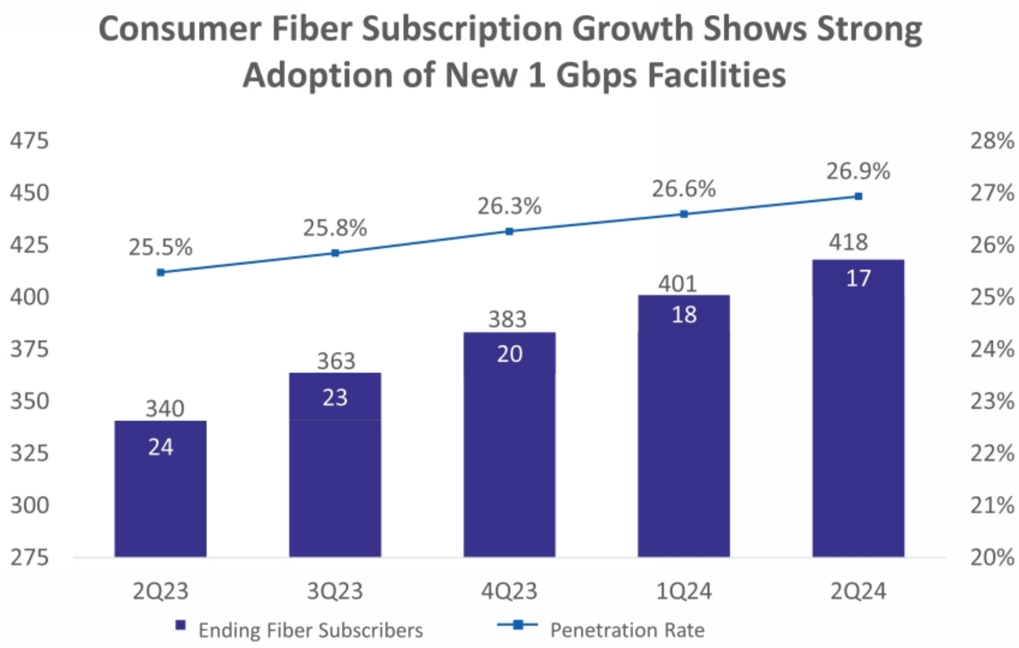
## 94K 1 Gbps Consumer Premises Constructed Year to Date



# Enhanced Speeds Across All Speed Tiers



# Fiber Broadband Adds Continue to Accelerate




Note: Consumer Subscriber counts in 000's

Ended 2Q with

**418K**

Consumers on 1G capable facilities, ***up 17K from 1Q24***

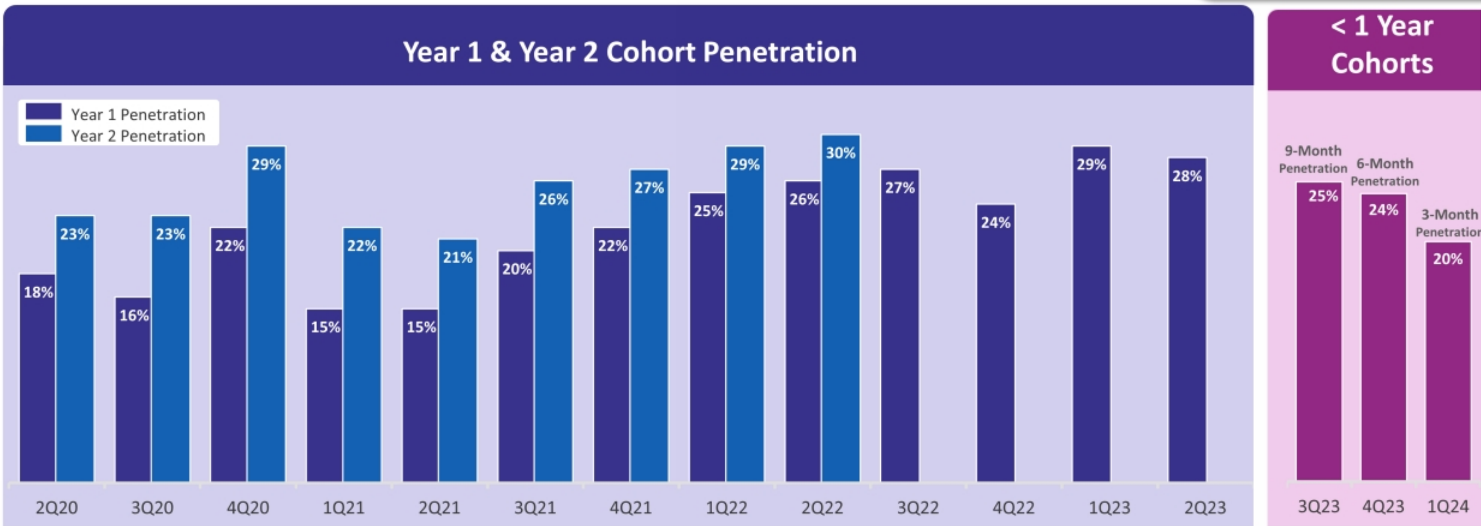
**26.9%**

Penetration

# Fiber Cohort Penetration

## Newest Fiber Cohorts Are Showing Strong Penetration Early

**40%**
Target Penetration
*Over a 4 Year Period*




Note: Cohort penetration reflects consumers on 1G capable facilities, within the respective cohort, at the 12-month (Year 1 Penetration) and 24-month (Year 2 Penetration) anniversary of the cohort being launched. Less than 1 Year cohort penetration is shown as of June 30, 2024, reflecting penetration at the 9-, 6- and 3-month mark for cohorts completed in the third and fourth quarter of 2023, and first quarter of 2024, respectively.

# 2Q24 Financial Results

*Unaudited Adjusted Results of Operations (non-GAAP)*

| Financial Overview (Dollars in Millions) | 2023 Q2 | 2023 Q3 | 2023 Q4 | 2023 YE | 2024 Q1 | 2024 Q2 |
|---|---|---|---|---|---|---|
| **Revenue and Sales** | | | | | | |
| Kinetic Market | $ 537 | $ 530 | $ 540 | $ 2,143 | $ 547 | $ 529 |
| Enterprise Market | 338 | 346 | 314 | 1,369 | 316 | 287 |
| Wholesale Market | 106 | 115 | 103 | 437 | 114 | 100 |
| **Service Revenue** | **$ 980** | **$ 991** | **$ 958** | **$ 3,948** | **$ 977** | **$ 916** |
| Product & Fiber Sales | 11 | 11 | 9 | 39 | 24 | 11 |
| **Total Revenue and Sales** | **$ 991** | **$ 1,002** | **$ 967** | **$ 3,987** | **$ 1,001** | **$ 926** |
| **Expenses** | | | | | | |
| Direct Segment Expenses | $ 358 | $ 363 | $ 337 | $ 1,421 | $ 343 | $ 326 |
| Network Access & Facilities | 129 | 127 | 118 | 505 | 111 | 109 |
| Shared Network & Operations | 75 | 75 | 72 | 302 | 70 | 64 |
| Information Techology/Shared Corporate | 69 | 68 | 60 | 271 | 71 | 65 |
| **Total Expenses** | **$ 631** | **$ 632** | **$ 588** | **$ 2,499** | **$ 595** | **$ 565** |
| **Adjusted EBITDAR** (1) | **$ 360** | **$ 370** | **$ 379** | **$ 1,488** | **$ 406** | **$ 362** |
| **Adjusted EBITDAR Margin %** | **36.3%** | **36.9%** | **39.2%** | **37.3%** | **40.6%** | **39.1%** |

(1) 1Q24 Adjusted EBITDAR excluding gain on sale of IPv4 assets

# Significant Interconnection Cost Reductions

## TDM Retirement Accelerates Cost Reduction and Improves Customer Experience

**Interconnection Expenses (in millions)**

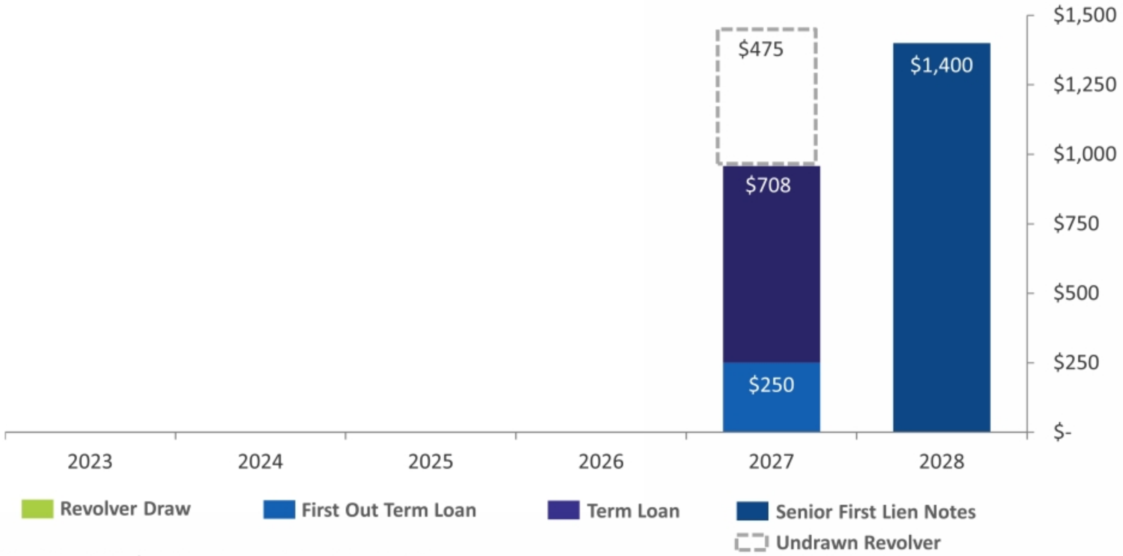
| | 2Q23 Annualized | 2Q24 Annualized | YoY Change % |
|---|---|---|---|
| TDM | $ 79 | $ 38 | (51%) |
| IP/Ethernet | $ 242 | $ 216 | (11%) |
| Last Mile Access | $ 321 | $ 255 | (21%) |
| TDM | $ 46 | $ 12 | (74%) |
| IP/Ethernet | $ 19 | $ 15 | (19%) |
| Network Access | $ 65 | $ 27 | (58%) |
| Network Facilities (excluding Fiber Expense) | $ 61 | $ 40 | (34%) |
| Fiber Expense & Other | $ 22 | $ 19 | (14%) |
| Network Facilities Expense | $ 83 | $ 59 | (29%) |
| **Enterprise Interconnect and Network Facilities Expense** | **$ 469** | **$ 342** | **(27%)** |
| Network Facilities (excluding Fiber Expense) | $ 189 | $ 189 | 0% |
| Fiber Expense & Other [2] | $ 113 | $ 114 | 1% |
| **Kinetic & Wholesale Network Facilities Expense** | **$ 302** | **$ 303** | **1%** |
| **Total Interconnect and Network Facilities Expense** | **$ 771** | **$ 645** | **(16%)** |

(1) Includes TDM expenses as shown, plus Network Facilities (excluding Fiber Expense)
(2) Kinetic Fiber Expense & Other was updated during the current quarter to include Kinetic Pole Attachment expense. Prior periods were restated to reflect this change

- 2Q24 annualized run-rate of $645 million in interconnection and network facilities expenses; annualized decline of 16%
- $279 million of Legacy TDM-related expense[1] including Network Facility expense; annualized decline of 26%
- Continued execution of multi-year program to migrate legacy TDM customers to newer technologies, moving from circuit-level to market-level optimization
- The focus on market-level TDM removal will enable greater reductions in network real estate and colocation expenses

# Strong Balance Sheet with No Near-Term Maturities

## Debt Maturity as of June 30, 2024




**$462M**
Net Liquidity[1]

**2.19x**
Net Debt to Adjusted EBITDA

[1] Net Liquidity calculation includes $500 million revolver capacity through September 2024

Note: Available capacity under credit facility excludes outstanding letters of credit of $134.1 million of which $104.6 million was issued to Universal Service Administrative Company as a condition for Windstream receiving RDOF funding
The amended senior secured revolving credit facility will have $500 million of capacity through September 21, 2024, and $475 million of capacity through January 23, 2027

# WIN Fully Owns and Operates Substantial Assets

| Kinetic Fully Owned and Operated Metrics | | E&W Owned & Operated |
|---|---|---|
| Broadband Consumers(1) | Fiber Broadband Consumers(1) | Fiber Route Miles(1)(4) |
| 215K *(20.7%)* | 117K *(31.3%)* | 80K *(75.0%)* |
| Fiber Households Today(1) | Fiber Households – Build Plan(1) | Windstream Owns 100GB POPs(1) |
| 453K *(29.2%)* | 651K *(35.0%)* | 1,358 *(100.0%)* |
| Total Consumer Revenues(2) | Kinetic Owned Assets(3) | E&W Owned Assets(3) |
| $229M | $2.5B | $1.0B |

(1) Metric represents number and percentage of Windstream total not associated or encumbered by Uniti Master Lease Agreements as of June 30, 2024
(2) Consumer Revenues for FY 2023 that are not within in-footprint ILEC markets governed by Uniti ILEC Master Lease Agreement
(3) Kinetic and E&W Owned Assets represent net PP&E, excluding CWIP, as of December 31, 2023, for Windstream owned assets
(4) Beginning in 2Q24, the calculation of Fiber Route Miles was modified to align with Uniti disclosures

# 2024 Financial and Operational Guidance

| *(all $ in millions)* | 2023 Results | 2024 Guidance |
|---|---|---|
| Adjusted EBITDAR[1] | $1,488M | Approximately flat y-o-y (adjusted for ACP expiration)[2] |
| Capex, net[3] | $798M | Approximately $700M |
| Unlevered Free Cash Flow[4] | $155M | Approximately $140M |
| Fiber Consumer Customer Additions | 96K | Similar to 2023 |
| Fiber Premises Constructed | 232K | Approximately 200K (lowered from previous: "Similar to 2023") |

(1) 2024 Adjusted EBITDAR guidance excludes the impact of non-core operating asset sales during the period
(2) Adjusted for expected wind-down of the Affordable Connectivity Program (ACP) in 2Q 2024. Windstream's ACP customer base currently receives ~$3M in monthly subsidy under this program
(3) Adjusted Capex, less GCI reimbursements
(4) Total change in cash, excluding cash interest, cash taxes and debt amortization payments

# Appendix

Quarterly supplemental schedules (Pro Forma)

# Supplemental Financial Information

Windstream Holdings II, LLC ("Windstream", "we", "us", "our", or "the Company") has presented in this Investor Supplement unaudited adjusted results, which excludes depreciation and amortization, straight-line expense under the master leases with Uniti Group, Inc. ("Uniti"), equity-based compensation expense, and certain other costs. We have also presented certain measures of our operating performance, on an adjusted basis, that reflects the impact of the cash payment due under the master leases with Uniti.

Subsequent to the release of our 1Q 2024 Investor Supplement, management made additional changes to the assigning of costs and expenses that affected previously reported total costs and expenses related to Kinetic, Enterprise and shared services. Prior period costs and expenses and direct margin information presented on pages 17 through 20 have been revised to reflect these changes.

We use Adjusted EBITDA, Adjusted EBITDAR, Adjusted Free Cash Flow and Adjusted Capital Expenditures as key measures of the operational performance of our business. Our management, including the chief operating decision-maker, consistently uses these measures for internal reporting and the evaluation of business objectives, opportunities and performance, and the determination of management compensation. Management believes that Adjusted Free Cash Flow provides investors with useful information about the ability of our core operations to generate cash flow. Because capital spending is necessary to maintain our operational capabilities, we believe that capital expenditures represents a recurring and necessary use of cash. As such, we believe investors should consider our capital spending and payments due under our master leases with Uniti when evaluating the amount of cash provided by our operating activities.

# Supplemental Financial Information

WINDSTREAM HOLDINGS II, LLC
UNAUDITED ADJUSTED RESULTS OF OPERATIONS (NON-GAAP)
QUARTERLY SUPPLEMENTAL INFORMATION
for the quarterly periods in the years 2024 and 2023
(In millions)

| | 2024 | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|
| ADJUSTED RESULTS OF OPERATIONS: | Total | 2nd Qtr. | 1st Qtr. | Total | 4th Qtr. | 3rd Qtr. | 2nd Qtr. | 1st Qtr. |
| Revenues and sales: | | | | | | | | |
| Service revenues | $ 1,892.4 | $ 915.7 | $ 976.7 | $ 3,948.0 | $ 957.8 | $ 990.8 | $ 980.0 | $ 1,019.4 |
| Product and fiber sales | 34.5 | 10.6 | 23.9 | 38.7 | 8.7 | 11.2 | 10.9 | 7.9 |
| Total revenues and sales | 1,926.9 | 926.3 | 1,000.6 | 3,986.7 | 966.5 | 1,002.0 | 990.9 | 1,027.3 |
| Costs and expenses: | | | | | | | | |
| Cost of services | 810.8 | 398.9 | 411.9 | 1,758.7 | 408.4 | 441.9 | 446.0 | 462.4 |
| Cost of sales | 25.1 | 8.7 | 16.4 | 40.3 | 8.3 | 11.1 | 11.1 | 9.8 |
| Selling, general and administrative | 323.1 | 156.9 | 166.2 | 699.8 | 171.0 | 179.4 | 174.1 | 175.3 |
| Costs and expenses | 1,159.0 | 564.5 | 594.5 | 2,498.8 | 587.7 | 632.4 | 631.2 | 647.5 |
| Adjusted EBITDAR, excluding gain on sale of operating assets | 767.9 | 361.8 | 406.1 | 1,487.9 | 378.8 | 369.6 | 359.7 | 379.8 |
| Gain on sale of operating assets (see note below) | 103.2 | - | 103.2 | - | - | - | - | - |
| Adjusted EBITDAR (A) | 871.1 | 361.8 | 509.3 | 1,487.9 | 378.8 | 369.6 | 359.7 | 379.8 |
| Cash payment under master leases with Uniti | (337.2) | (168.9) | (168.3) | (672.2) | (168.3) | (168.4) | (168.0) | (167.5) |
| Cash received from Uniti per settlement agreement | 49.0 | 24.5 | 24.5 | 98.0 | 24.5 | 24.5 | 24.5 | 24.5 |
| Adjusted EBITDA (B) | $ 582.9 | $ 217.4 | $ 365.5 | $ 913.7 | $ 235.0 | $ 225.7 | $ 216.2 | $ 236.8 |
| Margins (C): | | | | | | | | |
| Adjusted EBITDAR margin, excluding gain on sale of operating assets | 39.9% | 39.1% | 40.6% | 37.3% | 39.2% | 36.9% | 36.3% | 37.0% |
| Adjusted EBITDAR margin | 45.2% | 39.1% | 50.9% | 37.3% | 39.2% | 36.9% | 36.3% | 37.0% |
| Adjusted EBITDA margin | 30.3% | 23.5% | 36.5% | 22.9% | 24.3% | 22.5% | 21.8% | 23.1% |
| Adjusted Capital Expenditures | $ 449.9 | $ 204.1 | $ 245.8 | $ 1,048.4 | $ 233.6 | $ 265.8 | $ 245.9 | $ 303.1 |
| Adjusted Free Cash Flow (D) | $ 197.6 | $ 36.6 | $ 161.0 | $ (132.0) | $ (14.9) | $ (51.4) | $ 16.5 | $ (82.2) |

Note: In March 2024, the Company sold certain of its unused IPv4 addresses for $104.3 million and received $103.5 million in cash, net of broker fees. Including other transaction-related expenses, the Company recognized a pretax gain of $103.2 million from the sale.

(A) Adjusted EBITDAR is earnings before interest expense, income taxes and depreciation and amortization and is calculated as operating income (loss) excluding depreciation and amortization, straight-line expense under the master leases with Uniti, equity-based compensation expense, and certain other costs.

(B) Adjusted EBITDA is Adjusted EBITDAR after the cash payment due under the master leases with Uniti excluding additional rent paid for growth capital expenditures funded by Uniti and increased for cash received from Uniti per the settlement agreement.

(C) Margins are calculated by dividing the respective profitability measures by total revenues and sales.

(D) Adjusted Free Cash Flow is Adjusted EBITDA less adjusted capital expenditures, additional rent paid for growth capital expenditures funded by Uniti and cash paid for interest on long-term debt obligations plus funding received from Uniti for growth capital expenditures and adjusted for cash (paid) refunded for income taxes, net.

# Supplemental Financial Information

WINDSTREAM HOLDINGS II, LLC
UNAUDITED ADJUSTED RESULTS OF OPERATIONS (NON-GAAP)
QUARTERLY SUPPLEMENTAL INFORMATION
for the quarterly periods in the years 2024 and 2023
(In millions)

| | As of 6/30/2024 |
|---|---|
| Debt Leverage Ratio: | |
| Long-term debt, including current maturities (E) | $ 2,357.8 |
| Add: Capital lease obligations | 22.3 |
| Less: Cash and cash equivalents | (96.4) |
| Net debt | $ 2,283.7 (1) |
| | **Twelve Months Ended 6/30/2024** |
| Adjusted EBITDA | $ 1,043.6 (2) |
| Net leverage ratio (F) - computed as (1)/(2) | 2.19x |
| Available liquidity as of March 31, 2024: | |
| Cash and cash equivalents | $ 96.4 |
| Available capacity under credit facility (G) | 365.9 |
| Available liquidity | $ 462.3 |

(E) Long-term debt, including current maturities excluding unamortized debt discount.
(F) The net leverage ratio is computed by dividing net debt by Adjusted EBITDA.
(G) Available capacity under credit facility excludes outstanding letters of credit of $134.1 million of which $104.5 million was issued to Universal Service Administrative Company as a condition for Windstream receiving Rural Digital Opportunity Fund ("RDOF") funding.

See page 23 for computations of Adjusted EBITDAR, Adjusted EBITDA, Adjusted Free Cash Flow and Adjusted Capital Expenditures.

# Supplemental Financial Information

WINDSTREAM HOLDINGS II, LLC
QUARTERLY SUPPLEMENTAL INFORMATION - REVENUE AND ADJUSTED EBITDAR SUPPLEMENT
for the quarterly periods in the years 2024 and 2023
(In millions)

| | 2024 | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|
| Revenues and sales: | Total | 2nd Qtr. | 1st Qtr. | Total | 4th Qtr. | 3rd Qtr. | 2nd Qtr. | 1st Qtr. |
| Kinetic Market | $ 1,076.0 | $ 528.9 | $ 547.1 | $ 2,142.8 | $ 540.3 | $ 530.0 | $ 536.6 | $ 535.9 |
| Enterprise Market | 602.7 | 287.0 | 315.7 | 1,368.6 | 314.1 | 345.6 | 337.9 | 371.0 |
| Wholesale Market | 213.7 | 99.8 | 113.9 | 436.6 | 103.4 | 115.2 | 105.5 | 112.5 |
| Total service revenues | 1,892.4 | 915.7 | 976.7 | 3,948.0 | 957.8 | 990.8 | 980.0 | 1,019.4 |
| Product and fiber sales | 34.5 | 10.6 | 23.9 | 38.7 | 8.7 | 11.2 | 10.9 | 7.9 |
| Total revenues and sales | 1,926.9 | 926.3 | 1,000.6 | 3,986.7 | 966.5 | 1,002.0 | 990.9 | 1,027.3 |
| Costs and expenses: | | | | | | | | |
| Direct segment expenses | $ 669.3 | $ 326.2 | $ 343.1 | $ 1,421.5 | $ 337.1 | $ 362.8 | $ 358.1 | $ 363.5 |
| Network access and facilities | 219.8 | 109.0 | 110.8 | 505.1 | 118.0 | 126.8 | 128.8 | 131.5 |
| Shared network and operations | 133.7 | 64.2 | 69.5 | 301.5 | 72.2 | 74.6 | 75.3 | 79.4 |
| Information technology and shared corporate | 136.2 | 65.1 | 71.1 | 270.7 | 60.4 | 68.2 | 69.0 | 73.1 |
| Total costs and expenses | 1,159.0 | 564.5 | 594.5 | 2,498.8 | 587.7 | 632.4 | 631.2 | 647.5 |
| Adjusted EBITDAR, excluding gain on sale of operating assets | 767.9 | 361.8 | 406.1 | 1,487.9 | 378.8 | 369.6 | 359.7 | 379.8 |
| Gain on sale of operating assets | 103.2 | - | 103.2 | - | - | - | - | - |
| Adjusted EBITDAR | $ 871.1 | $ 361.8 | $ 509.3 | $ 1,487.9 | $ 378.8 | $ 369.6 | $ 359.7 | $ 379.8 |
| Adjusted EBITDAR margin, excluding gain on sale of operating assets | 39.9% | 39.1% | 40.6% | 37.3% | 39.2% | 36.9% | 36.3% | 37.0% |
| Adjusted EBITDAR margin | 45.2% | 39.1% | 50.9% | 37.3% | 39.2% | 36.9% | 36.3% | 37.0% |

**Note:** The above supplemental information presents our business unit revenues and sales segmented between markets in which we are the incumbent local exchange carrier ("ILEC") and provide services to customers over network facilities operated by us (Kinetic) and those markets in which we are a competitive local exchange carrier ("CLEC") and provide services over network facilities primarily leased from other carriers (Enterprise and Wholesale). Accordingly, certain ILEC-related revenues included in Enterprise and Wholesale services revenues presented on page 20 have been reclassified and included in Kinetic service revenues presented above. This supplemental information has been presented solely for additional insight into and analysis of our operations and is not reflective of how management assesses operating performance or allocates resources to our business segments.

# Supplemental Financial Information

WINDSTREAM HOLDINGS II, LLC
QUARTERLY SUPPLEMENTAL INFORMATION - BUSINESS SEGMENTS
for the quarterly periods in the years 2024 and 2023
(In millions)

| | 2024 | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | 2nd Qtr. | 1st Qtr. | Total | 4th Qtr. | 3rd Qtr. | 2nd Qtr. | 1st Qtr. |
| **Kinetic** | | | | | | | | |
| Revenues and sales: | | | | | | | | |
| Broadband bundles | $ 604.0 | $ 299.2 | $ 304.8 | $ 1,207.6 | $ 303.3 | $ 300.8 | $ 303.9 | $ 299.6 |
| Voice and other | 30.7 | 14.8 | 15.9 | 70.5 | 16.8 | 17.7 | 17.6 | 18.4 |
| Consumer | 634.7 | 314.0 | 320.7 | 1,278.1 | 320.1 | 318.5 | 321.5 | 318.0 |
| Small business | 85.1 | 41.8 | 43.3 | 168.2 | 42.7 | 42.6 | 41.2 | 41.7 |
| RDOF funding | 26.2 | 13.1 | 13.1 | 52.4 | 13.1 | 13.1 | 13.1 | 13.1 |
| State USF | 29.6 | 14.7 | 14.9 | 62.5 | 15.2 | 15.3 | 16.0 | 16.0 |
| End user surcharges | 27.1 | 13.0 | 14.1 | 58.3 | 15.6 | 12.9 | 13.7 | 16.1 |
| Service revenues | 802.7 | 396.6 | 406.1 | 1,619.5 | 406.7 | 402.4 | 405.5 | 404.9 |
| Product sales | 15.4 | 7.9 | 7.5 | 30.2 | 6.4 | 7.7 | 8.6 | 7.5 |
| Total revenues and sales | 818.1 | 404.5 | 413.6 | 1,649.7 | 413.1 | 410.1 | 414.1 | 412.4 |
| Costs and expenses | 314.5 | 157.0 | 157.5 | 627.6 | 153.5 | 166.1 | 157.6 | 150.4 |
| Kinetic direct margin | $ 503.6 | $ 247.5 | $ 256.1 | $ 1,022.1 | $ 259.6 | $ 244.0 | $ 256.5 | $ 262.0 |
| Kinetic direct margin % | 61.6% | 61.2% | 61.9% | 62.0% | 62.8% | 59.5% | 61.9% | 63.5% |
| **Enterprise** | | | | | | | | |
| Revenues and sales: | | | | | | | | |
| Strategic and Advanced IP (A) | $ 588.8 | $ 287.7 | $ 301.1 | $ 1,198.2 | $ 296.0 | $ 302.5 | $ 297.6 | $ 302.1 |
| TDM/Other (B) | 80.1 | 32.9 | 47.2 | 303.2 | 49.8 | 76.7 | 74.3 | 102.4 |
| End user surcharges | 28.5 | 13.4 | 15.1 | 60.4 | 15.7 | 14.3 | 14.0 | 16.4 |
| Service revenues | 697.4 | 334.0 | 363.4 | 1,561.8 | 361.5 | 393.5 | 385.9 | 420.9 |
| Product sales | 0.8 | 0.4 | 0.4 | 3.4 | 1.4 | 1.3 | 0.3 | 0.4 |
| Total revenues and sales | 698.2 | 334.4 | 363.8 | 1,565.2 | 362.9 | 394.8 | 386.2 | 421.3 |
| Costs and expenses | 303.9 | 147.7 | 156.2 | 710.9 | 164.0 | 175.9 | 179.3 | 191.7 |
| Enterprise direct margin | $ 394.3 | $ 186.7 | $ 207.6 | $ 854.3 | $ 198.9 | $ 218.9 | $ 206.9 | $ 229.6 |
| Enterprise direct margin % | 56.5% | 55.8% | 57.1% | 54.6% | 54.8% | 55.4% | 53.6% | 54.5% |
| **Wholesale** | | | | | | | | |
| Revenues and sales: | | | | | | | | |
| Service revenues | $ 392.3 | $ 185.1 | $ 207.2 | $ 766.7 | $ 189.6 | $ 194.9 | $ 188.6 | $ 193.6 |
| Fiber sales | 18.3 | 2.3 | 16.0 | 5.1 | 0.9 | 2.2 | 2.0 | - |
| Total revenues and sales | 410.6 | 187.4 | 223.2 | 771.8 | 190.5 | 197.1 | 190.6 | 193.6 |
| Costs and expenses | 50.9 | 21.5 | 29.4 | 83.0 | 19.6 | 20.8 | 21.2 | 21.4 |
| Wholesale direct margin | $ 359.7 | $ 165.9 | $ 193.8 | $ 688.8 | $ 170.9 | $ 176.3 | $ 169.4 | $ 172.2 |
| Wholesale direct margin % | 87.6% | 88.5% | 86.8% | 89.2% | 89.7% | 89.4% | 88.9% | 88.9% |

(A) Strategic revenues consist of recurring Secure Access Service Edge ("SASE"), Unified Communications as a Service ("UCaaS"), OfficeSuite UC©, and associated network access products and services. SASE includes both Software Defined Wide Area Network ("SD-WAN") and Security Service Edge ("SSE"). Advanced IP revenues consist of recurring dynamic Internet protocol, dedicated Internet access, multi-protocol label switching services, integrated voice and data, long distance and managed services.

(B) TDM revenues consist of time-division multiplexing ("TDM") voice and data services. Other revenues include usage-based long-distance revenues and resale revenues as well as all non-recurring revenues.

# Supplemental Financial Information

WINDSTREAM HOLDINGS II, LLC
QUARTERLY SUPPLEMENTAL INFORMATION - BUSINESS SEGMENTS
for the quarterly periods in the years 2024 and 2023
(In millions)

| | 2024 | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | 2nd Qtr. | 1st Qtr. | Total | 4th Qtr. | 3rd Qtr. | 2nd Qtr. | 1st Qtr. |
| **Total segment revenues and expenses** | | | | | | | | |
| Revenues and sales: | | | | | | | | |
| Service revenues | $ 1,892.4 | $ 915.7 | $ 976.7 | $ 3,948.0 | $ 957.8 | $ 990.8 | $ 980.0 | $ 1,019.4 |
| Product and fiber sales | 34.5 | 10.6 | 23.9 | 38.7 | 8.7 | 11.2 | 10.9 | 7.9 |
| Total segment revenues and sales | 1,926.9 | 926.3 | 1,000.6 | 3,986.7 | 966.5 | 1,002.0 | 990.9 | 1,027.3 |
| Total segment costs and expenses | 669.3 | 326.2 | 343.1 | 1,421.5 | 337.1 | 362.8 | 358.1 | 363.5 |
| Segment direct margin | $ 1,257.6 | $ 600.1 | $ 657.5 | $ 2,565.2 | $ 629.4 | $ 639.2 | $ 632.8 | $ 663.8 |
| Segment direct margin % | 65.3% | 64.8% | 65.7% | 64.3% | 65.1% | 63.8% | 63.9% | 64.6% |
| **Consolidated revenues and sales** | | | | | | | | |
| Service revenues | $ 1,892.4 | $ 915.7 | $ 976.7 | $ 3,948.0 | $ 957.8 | $ 990.8 | $ 980.0 | $ 1,019.4 |
| Product and fiber sales | 34.5 | 10.6 | 23.9 | 38.7 | 8.7 | 11.2 | 10.9 | 7.9 |
| Consolidated revenues and sales | $ 1,926.9 | $ 926.3 | $ 1,000.6 | $ 3,986.7 | $ 966.5 | $ 1,002.0 | $ 990.9 | $ 1,027.3 |
| **Consolidated costs and expenses** | | | | | | | | |
| Segment costs and expenses | $ 669.3 | $ 326.2 | $ 343.1 | $ 1,421.5 | $ 337.1 | $ 362.8 | $ 358.1 | $ 363.5 |
| Shared expenses: (C) | | | | | | | | |
| Network access and facilities | 219.8 | 109.0 | 110.8 | 505.1 | 118.0 | 126.8 | 128.8 | 131.5 |
| Shared network and operations | 133.7 | 64.2 | 69.5 | 301.5 | 72.2 | 74.6 | 75.3 | 79.4 |
| Information technology and shared corporate | 136.2 | 65.1 | 71.1 | 270.7 | 60.4 | 68.2 | 69.0 | 73.1 |
| Shared expenses | 489.7 | 238.3 | 251.4 | 1,077.3 | 250.6 | 269.6 | 273.1 | 284.0 |
| Consolidated costs and expenses | $ 1,159.0 | $ 564.5 | $ 594.5 | $ 2,498.8 | $ 587.7 | $ 632.4 | $ 631.2 | $ 647.5 |
| **Consolidated** | | | | | | | | |
| Adjusted EBITDAR, excluding gain on sale of operating assets | $ 767.9 | $ 361.8 | $ 406.1 | $ 1,487.9 | $ 378.8 | $ 369.6 | $ 359.7 | $ 379.8 |
| Gain on sale of operating assets | 103.2 | - | 103.2 | - | - | - | - | - |
| Adjusted EBITDAR | $ 871.1 | $ 361.8 | $ 509.3 | $ 1,487.9 | $ 378.8 | $ 369.6 | $ 359.7 | $ 379.8 |
| Adjusted EBITDAR margin, excluding gain on sale of operating assets | 39.9% | 39.1% | 40.6% | 37.3% | 39.2% | 36.9% | 36.3% | 37.0% |
| Adjusted EBITDAR margin | 45.2% | 39.1% | 50.9% | 37.3% | 39.2% | 36.9% | 36.3% | 37.0% |

(C) Shared expenses are not allocated to the segments and primarily consist of service delivery, customer support, engineering, network operations, information technology, accounting and finance, legal, and other corporate management activities that are centrally managed and are not monitored by management at a segment level.

# Supplemental Financial Information

WINDSTREAM HOLDINGS II, LLC
QUARTERLY SUPPLEMENTAL INFORMATION - OPERATING STATISTICS
for the quarterly periods in the years 2024 and 2023
(Units in thousands, Dollars in millions, except per unit amounts)

| | 2024 | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | 2nd Qtr. | 1st Qtr. | Total | 4th Qtr. | 3rd Qtr. | 2nd Qtr. | 1st Qtr. |
| **Kinetic Operating Metrics:** | | | | | | | | |
| Next Gen consumer broadband customers | 418.3 | 418.3 | 401.1 | 383.2 | 383.2 | 363.4 | 340.3 | 315.9 |
| *Net customer additions* | 35.1 | 17.2 | 17.9 | 96.0 | 19.8 | 23.1 | 24.4 | 28.7 |
| DSL consumer broadband customers | 695.7 | 695.7 | 722.9 | 752.4 | 752.4 | 784.0 | 814.7 | 846.8 |
| *Net customer losses* | (56.7) | (27.2) | (29.5) | (126.1) | (31.6) | (30.7) | (32.1) | (31.7) |
| Total consumer broadband customers | 1,114.0 | 1,114.0 | 1,124.0 | 1,135.6 | 1,135.6 | 1,147.4 | 1,155.0 | 1,162.7 |
| *Net customer losses* | (21.6) | (10.0) | (11.6) | (30.1) | (11.8) | (7.6) | (7.7) | (3.0) |
| *Average revenue per consumer broadband customer per month* | $ 89.50 | $ 89.13 | $ 89.93 | $ 87.46 | $ 88.57 | $ 87.10 | $ 87.41 | $ 85.78 |
| Next Gen premises passed - Consumer | 1,553 | 1,553 | 1,508 | 1,459 | 1,459 | 1,406 | 1,336 | 1,294 |
| **Service Revenues Used in Average Revenue Per Month Computations Above** (per page 20): | | | | | | | | |
| Broadband bundle revenues | $ 604.0 | $ 299.2 | $ 304.8 | $ 1,207.6 | $ 303.3 | $ 300.8 | $ 303.9 | $ 299.6 |
| **Adjusted Capital Expenditures:** | | | | | | | | |
| Total capital expenditures | $ 450.0 | $ 204.1 | $ 245.9 | $ 1,058.4 | $ 237.0 | $ 267.3 | $ 248.9 | $ 305.2 |
| Reimbursement for cost to remove equipment (A) | (0.1) | - | (0.1) | (8.6) | (3.4) | (1.5) | (2.4) | (1.3) |
| Start-up construction equipment capital expenditures (B) | - | - | - | (1.4) | - | - | (0.6) | (0.8) |
| Adjusted Capital Expenditures | $ 449.9 | $ 204.1 | $ 245.8 | $ 1,048.4 | $ 233.6 | $ 265.8 | $ 245.9 | $ 303.1 |
| **Adjusted Capital Expenditures by Segment:** | | | | | | | | |
| Kinetic | $ 236.1 | $ 108.9 | $ 127.2 | $ 528.0 | $ 122.1 | $ 137.3 | $ 120.2 | $ 148.4 |
| Enterprise | 28.0 | 11.6 | 16.4 | 74.7 | 14.8 | 17.8 | 18.9 | 23.2 |
| Wholesale | 54.2 | 21.7 | 32.5 | 122.4 | 25.6 | 30.9 | 33.5 | 32.4 |
| Shared network, information technology and operations | 131.6 | 61.9 | 69.7 | 323.3 | 71.1 | 79.8 | 73.3 | 99.1 |
| Adjusted Capital Expenditures | 449.9 | 204.1 | 245.8 | 1,048.4 | 233.6 | 265.8 | 245.9 | 303.1 |
| Less: Uniti funding of growth capital expenditures | (196.6) | (65.3) | (131.3) | (250.0) | (16.5) | (74.8) | (91.2) | (67.5) |
| Adjusted Capital Expenditures, Net | $ 253.3 | $ 138.8 | $ 114.5 | $ 798.4 | $ 217.1 | $ 191.0 | $ 154.7 | $ 235.6 |
| Capital Expenditures Intensity % (C) | 14% | 16% | 12% | 22% | 25% | 21% | 17% | 26% |

(A) Reimbursement from the Federal Communications Commission ("FCC") for the cost to remove from our network certain equipment purchased from a Chinese manufacturer that we were required to remove by FCC order. Windstream completed the removal of this equipment in the first quarter of 2023.

(B) Consists of non-recurring capital expenditures for construction equipment to support the Company's internal engineering and fiber construction organization.

(C) Calculated as Adjusted Capital Expenditures, net, as a percentage of total revenue excluding switched access and end user surcharges, and Enterprise TDM/Other revenue.

# Supplemental Financial Information

WINDSTREAM HOLDINGS II, LLC
QUARTERLY SUPPLEMENTAL INFORMATION - NON-GAAP RECONCILIATION:
for the quarterly periods in the years 2024 and 2023
(In millions)

| | 2024 | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | 2nd Qtr. | 1st Qtr. | Total | 4th Qtr. | 3rd Qtr. | 2nd Qtr. | 1st Qtr. |
| ADJUSTED FREE CASH FLOW: | | | | | | | | |
| Operating income (loss) | $ 111.5 | $ (21.6) | $ 133.1 | $ (47.8) | $ (29.1) | $ (8.5) | $ (12.1) | $ 1.9 |
| Depreciation and amortization expense | 408.5 | 200.8 | 207.7 | 790.8 | 192.9 | 202.7 | 199.5 | 195.7 |
| EBITDA | 520.0 | 179.2 | 340.8 | 743.0 | 163.8 | 194.2 | 187.4 | 197.6 |
| Adjustments: | | | | | | | | |
| Straight-line expense under master leases with Uniti | 346.2 | 173.9 | 172.3 | 677.1 | 171.1 | 170.1 | 168.7 | 167.2 |
| Cash payment under master leases with Uniti | (337.2) | (168.9) | (168.3) | (672.2) | (168.3) | (168.4) | (168.0) | (167.5) |
| Cash received from Uniti per settlement agreement | 49.0 | 24.5 | 24.5 | 98.0 | 24.5 | 24.5 | 24.5 | 24.5 |
| Net (gain) loss on asset retirements and dispositions | (31.4) | (9.7) | (21.7) | (1.8) | 6.7 | (2.9) | (5.2) | (0.4) |
| Other costs (A) | 33.4 | 16.9 | 16.5 | 56.6 | 28.9 | 6.7 | 7.2 | 13.8 |
| Equity-based compensation | 2.9 | 1.5 | 1.4 | 13.0 | 8.3 | 1.5 | 1.6 | 1.6 |
| Adjusted EBITDA | 582.9 | 217.4 | 365.5 | 913.7 | 235.0 | 225.7 | 216.2 | 236.8 |
| Adjusted Capital Expenditures | (449.9) | (204.1) | (245.8) | (1,048.4) | (233.6) | (265.8) | (245.9) | (303.1) |
| Additional rent paid for growth capital expenditures funded by Uniti | (24.3) | (13.0) | (11.3) | (32.0) | (9.9) | (8.4) | (7.3) | (6.4) |
| Cash paid for interest on long-term debt obligations | (103.1) | (23.9) | (79.2) | (203.7) | (22.6) | (76.1) | (28.2) | (76.8) |
| Uniti funding of growth capital expenditures | 196.6 | 65.3 | 131.3 | 250.0 | 16.5 | 74.8 | 91.2 | 67.5 |
| Cash (paid) received for income taxes, net | (4.6) | (5.1) | 0.5 | (11.6) | (0.3) | (1.6) | (9.5) | (0.2) |
| Adjusted Free Cash Flow | $ 197.6 | $ 36.6 | $ 161.0 | $ (132.0) | $ (14.9) | $ (51.4) | $ 16.5 | $ (82.2) |
| COMPUTATION OF ADJUSTED EBITDA: | | | | | | | | |
| Operating income (loss) | $ 111.5 | $ (21.6) | $ 133.1 | $ (47.8) | $ (29.1) | $ (8.5) | $ (12.1) | $ 1.9 |
| Depreciation and amortization expense | 408.5 | 200.8 | 207.7 | 790.8 | 192.9 | 202.7 | 199.5 | 195.7 |
| Straight-line expense under master leases with Uniti | 346.2 | 173.9 | 172.3 | 677.1 | 171.1 | 170.1 | 168.7 | 167.2 |
| Gain on sale of operating assets | (103.2) | - | (103.2) | - | - | - | - | - |
| Net (gain) loss on asset retirements and dispositions | (31.4) | (9.7) | (21.7) | (1.8) | 6.7 | (2.9) | (5.2) | (0.4) |
| Other costs (A) | 33.4 | 16.9 | 16.5 | 56.6 | 28.9 | 6.7 | 7.2 | 13.8 |
| Equity-based compensation | 2.9 | 1.5 | 1.4 | 13.0 | 8.3 | 1.5 | 1.6 | 1.6 |
| Adjusted EBITDAR, excluding gain on sale of operating assets | 767.9 | 361.8 | 406.1 | 1,487.9 | 378.8 | 369.6 | 359.7 | 379.8 |
| Gain on sale of operating assets | 103.2 | - | 103.2 | - | - | - | - | - |
| Adjusted EBITDAR | 871.1 | 361.8 | 509.3 | 1,487.9 | 378.8 | 369.6 | 359.7 | 379.8 |
| Cash payment under master leases with Uniti | (337.2) | (168.9) | (168.3) | (672.2) | (168.3) | (168.4) | (168.0) | (167.5) |
| Cash received from Uniti per settlement agreement | 49.0 | 24.5 | 24.5 | 98.0 | 24.5 | 24.5 | 24.5 | 24.5 |
| Adjusted EBITDA | $ 582.9 | $ 217.4 | $ 365.5 | $ 913.7 | $ 235.0 | $ 225.7 | $ 216.2 | $ 236.8 |

(A) Other costs for the periods presented consist of the following:

| | 2024 | | | 2023 | | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | 2nd Qtr. | 1st Qtr. | Total | 4th Qtr. | 3rd Qtr. | 2nd Qtr. | 1st Qtr. |
| Merger costs (1) | $ 14.8 | $ 10.1 | $ 4.7 | $ - | $ - | $ - | $ - | $ - |
| Cost initiatives (2) | 0.1 | - | 0.1 | 12.9 | 4.3 | 1.3 | 3.4 | 3.9 |
| Severance and benefit costs | 18.5 | 6.8 | 11.7 | 43.7 | 24.6 | 5.4 | 3.8 | 9.9 |
| Other costs | $ 33.4 | $ 16.9 | $ 16.5 | $ 56.6 | $ 28.9 | $ 6.7 | $ 7.2 | $ 13.8 |

(1) Costs related to our pending merger with Uniti consisting of legal, accounting and consulting fees.
(2) Cost initiatives include lease termination costs, professional and consulting fees, and other miscellaneous expenses incurred in completing certain cost optimization projects.

# 2Q24 Earnings Presentation Script
July 31, 2024

**Genesis White**

Good morning everyone and thank you for joining Windstream's second quarter 2024 earnings conference call.

Joining me on the call today are:

- Paul Sunu, our CEO, and
- Drew Smith, our CFO and Treasurer

To accompany today's call, we have posted the presentation slides and supplemental schedule on our various investor websites. If you do not have access to these websites, please reach out to me at Genesis dot White at windstream dot com.

Our financial statements, prepared in accordance with U.S. GAAP, will be available by mid-August to our lenders and investors, in compliance with the terms of the Credit Agreement, Indenture, and Amended and Restated LLC Agreement.

During the second quarter of 2024, we adjusted certain expense assignments between Kinetic, Enterprise and shared services. Prior period segment information, as previously reported in the first quarter 2024 investor supplement, has been revised to reflect these updates.

Today's discussion includes statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties and the disclosure to our forward-looking statements will be contained in our financial statements.  Let me now turn it over to Paul Sunu.

**Paul Sunu**

Good morning and thank you for joining us.

Today, we are pleased to share with you our second quarter results, which showed solid financial and operational performance across our business and demonstrated progress towards our 2024 priorities, as shown on Slide 4.

As you know, our focus for 2024 is Quality. As we continue to execute on our 2024 strategic objectives, we want to underline these efforts by doing our best and doing things right the first time, every time. And we are seeing improvements in our operations and delivering better service, including a 10% year-to-date reduction in our overall consumer broadband disconnects, as well as improving trends on care and repair intervals across the business.

We are focused on providing an outstanding service experience to our customers and the communities we serve. This is exemplified by our recovery and restoration initiatives around the unusually high level of tornados this quarter which tore through a number of servicing areas in Iowa, Nebraska and Oklahoma as well as the extensive wildfire in New Mexico. Whether helping to clear impacted areas, repairing damaged fiber or providing meals, our teams demonstrated the very essence of our commitment to service quality and community.

Let's turn to Slide 5, which provides an overview of our second quarter financial and operational highlights. For the quarter, we delivered adjusted EBITDAR of $362 million, which was up 4% for the full year.

Within Kinetic, our consumer revenues declined approximately 2% year-over-year. These results include the impact of the funding step-down from the ACP, or Affordable Connectivity Program, that began this quarter. We ended the second quarter with over 95,000 customers who were previously enrolled and receiving the ACP benefits. While this is a public policy decision, the abrupt discontinuation of this program does create a heavy burden on those that need it the most. We continue to hope that Congress will address the need to continue this support mechanism. In the meantime, as previously reported, we are continuing for the time being a $30 monthly credit to this cohort. As a reminder, this impact is included in our 2024 guidance that was provided in February.

Turning to slide 6, we extended our fiber coverage by constructing over 94,000 consumer premises so far this year, bringing us to approximately 1.6 million total consumer premises passed. And this represents 36% coverage of our Kinetic footprint as outlined on slide 7. While we are making steady progress on our RDOF and PPP builds, the pace of construction slowed in the second quarter, driven in large part by the shift in resources toward restoration initiatives arising from the higher storm- and fire-related activity mentioned earlier, as well as delays in permitting. We are working through the permitting challenges, which are being shared by many in the industry, and taking our learnings to help improve execution on our remaining builds.

In addition, our internal construction team continues to make productivity gains and sharpens their execution skills through terrains in rural areas that we anticipate will be very similar to BEAD builds. The experience and expertise gained, along with our quality-focused approach, gives us assurance that we can reliably meet our build commitments under these programs as well as those under BEAD. And so, we look forward to the opportunity to continue our pursuit of connecting the unserved and underserved with our fiber.

Now let's look at our fiber broadband subscribers, as seen on Slide 8. We ended the quarter with 418,000 subscribers on our fiber network, representing a 26.9% penetration rate, an improvement of 30 basis points sequentially.

Additionally, you can see the performance from our Fiber Fast Start initiative on Slide 9, as our latest cohorts are showing impressive penetration results. Furthermore, we launched our Fiber Forward initiative during the second quarter, which leverages the tactics and learning from Fiber Fast Start to reinvigorate our older cohorts. With the benefit to customer additions from these two programs, as well as the churn improvements from our quality initiatives, we see opportunities ahead to further propel our fiber penetration.

Strategic revenues within our Enterprise and Wholesale markets had a solid performance. Within Enterprise, we continue our focus on Strategic and Advanced IP portfolios, which now represent 89% of our total Enterprise Market service revenues on an annualized basis, excluding end-user surcharges.

Overall, I am very pleased with the progress we made during the quarter and the operational momentum we are building through our quality initiatives.

And finally, before we get to our financial results, let me address the progress on our planned merger with Uniti. On Monday, the initial Form S-4 Registration Statement, which contains pertinent information on the merger, was filed with the SEC and is publicly available. The Registration Statement has not yet become effective and is subject to SEC review. In addition, we have received five state approvals and have thirteen state approvals in process. We continue to defer to Uniti management on specifics of the transaction and the closing process, but from our perspective, this combination makes a lot of sense as it will bring the leased network assets back with our operations and creates the opportunity to unlock additional value from our Kinetic operations while eliminating certain complexity of the lease arrangement with Uniti. The merger is expected to close in the second half of 2025, subject to customary closing conditions, including receipt of regulatory and Uniti shareholder approvals. In the meantime, we remain focused on executing on our initiatives and running our day-to-day business, while providing support to Uniti where needed to close the transaction.

With that, let me now turn the call over to Drew to hit some of the highlights on the financial results.

**Drew Smith**

Thank you, Paul, and good morning everyone. Turning to Slide 10, we show our second quarter financial results.

During the quarter, Windstream generated:

- Total revenues of $926 million, and
- Adjusted EBITDAR of $362 million, up almost 1% year-over-year, which translates into a consolidated margin of 39.1% during the quarter, an improvement of 280 basis points over last year's levels. Additionally, the current quarter results include funding step-downs from the ACP program, as mentioned earlier. Excluding this, adjusted EBITDAR grew approximately 2% year-over-year.

Moving to our market-level business revenue trends:

Kinetic revenues delivered solid results. For the quarter:

- Service revenue was $529 million, which was down 1.4% year-over-year, with consumer service revenue down 2.3% year-over-year, driven mostly by the ACP funding step-downs. In addition, we saw strong growth in our next-generation subscriber base, however this growth was offset by declines in our legacy-DSL subscribers
- Kinetic consumer broadband ARPU of $89.13 was up 2% year-over-year, but down slightly sequentially due to impacts from the ACP wind-down

- Next-Generation broadband subscribers grew by 17,200 during the quarter. This was offset by a loss of 27,200 DSL customers, resulting in a net decrease in total broadband units of 10,000 for the quarter.

Within Enterprise:

- Service revenue was $287 million, down 15.1%, as legacy-TDM revenues continue to see ongoing declines as expected.
- Notably, approximately 89% of Enterprise Market service revenues, excluding end-user surcharges, came from our Strategic and Advanced IP portfolios. These combined revenues were down 1% for the year.
- TDM and Other revenue declined approximately 56% year-over-year as we continue to execute our TDM exit strategy and transition customers to our strategic and advanced products, which produce a higher margin for the business

Within Wholesale:

- Service revenue was $100 million, down 5% year-over-year, driven by declines in legacy revenues as well as lower non-recurring revenue. Strategic revenues had a solid performance during the quarter highlighted by high demand being seen from telecom, cable and content customers.

Turning to expenses:

- Total cash expenses during the second quarter fell by $67 million, or approximately 11%, year-over-year, as our quality and unification efforts across the company continue to deliver solid results.

On slide 11, I wanted to provide our regular update on our interconnection expense reduction activities. Our total interconnection and network facility expenses fell by 16% on a year-over-year basis during the second quarter. We reduced these total expenses on a recurring annualized basis by over $125 million year-over-year. Notably, we still have $645 million of total interconnection expenses, of which $279 million are legacy TDM-related including network facilities expense. These expenses fell by 26% year-over-year. In particular, the Enterprise access and service delivery teams have fully exited over 350 collocations associated with our TDM migration plans year-to-date.

Transitioning to slide 12, Windstream has a strong balance sheet with no current debt maturities until 2027. As of June 30th, we ended with $462 million in total liquidity and a net debt to adjusted EBITDA ratio of 2.19x.

As seen on slide 13, Windstream fully owns and operates substantial assets. Within our Kinetic markets, approximately 31% of our current fiber broadband consumers are on a network that is entirely owned and operated by Kinetic.

Our financial and operational guidance as seen on slide 14 remains unchanged, with the exception of Fiber Premises Constructed, which we now expect to be around 200,000 for the year to account for the delays we've seen in permitting for our RDOF and PPP builds that Paul mentioned earlier. This results in a shift of the remaining households, originally planned for this year, to early next year.

Now, I will turn the call back over to Paul for some closing comments.

**Paul Sunu**

Thank you, Drew.

In closing, Windstream delivered solid financial and operational results across our business during the second quarter. We continue to extend our fiber footprint within our Kinetic markets, and the strong penetration that we are seeing in our newest fiber cohorts demonstrates that our strategic marketing initiatives are on track. We want to be the premier company for service and quality; the go-to company for the most reliable, resilient, and responsive network; and through our quality initiative, provide our customers with an outstanding service experience.

With that, we can now open the call up for questions.