

**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): November 18, 2021

Uniti Group Inc.
(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction
of incorporation)

001-36708
(Commission
File Number)

46-5230630
(IRS Employer
Identification No.)

10802 Executive Center Drive
Benton Building Suite 300
Little Rock, Arkansas
(Address of principal executive offices)

72211
(Zip Code)

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 7.01 Regulation FD Disclosure

Uniti Group Inc. (the “Company”) is furnishing this Current Report on Form 8-K to provide certain financial information of Windstream Holdings II, LLC, successor in interest to Windstream Holdings, Inc., and consolidated subsidiaries (collectively, “Windstream”) regarding the period ended September 30, 2021. The financial information was provided to the Company by Windstream; the Company did not assist in the preparation or review of this financial information and makes no representation as to its accuracy.

The information contained in this Item 7.01, including the exhibit attached hereto, is being “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of Section 18 of the Exchange Act. The information in this Item 7.01 shall not be incorporated by reference into any registration statement or other document pursuant to the Securities Act of 1933, as amended, or into any filing or other document pursuant to the Exchange Act, except as otherwise expressly stated in any such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
99.1	Select Windstream financial information regarding the period ended September 30, 2021
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.

UNITI GROUP INC.

By: /s/ Daniel L. Heard
Name: Daniel L. Heard
Title: Executive Vice President – General Counsel and Secretary

Date: November 18, 2021



Supplemental Financial Information

Windstream Holdings II, LLC ("Windstream", "we", "us", "our") has presented in this Investor Supplement unaudited pro forma adjusted results, which excludes revenues from customer contracts and sales of fiber assets transferred to Uniti Group, Inc. ("Uniti") in conjunction with our emergence from bankruptcy, as further discussed below. Our adjusted pro forma results also exclude depreciation and amortization, straight-line expense under the master leases with Uniti, equity-based compensation expense, restructuring charges, and certain other costs. We have also presented certain measures of our operating performance, on a pro forma adjusted basis, that reflects the impact of the cash payment due under the master leases with Uniti.

Our business operations are organized into three segments: Kinetic, Enterprise and Wholesale. The Kinetic business unit primarily serves customers in markets in which we are the incumbent local exchange carrier ("ILEC") and provides services over network facilities operated by us. The Enterprise and Wholesale business units primarily serve customers in markets in which we are a competitive local exchange carrier ("CLEC") and provide services over network facilities primarily leased from other carriers.

On September 21, 2020, Windstream Holdings, Inc., Windstream Services, LLC together with each of their direct and indirect subsidiaries, collectively the Debtors, emerged from bankruptcy pursuant to a court approved plan of reorganization. In connection with the reorganization, a new legal entity, Windstream Holdings II, LLC was formed and became the successor reporting entity post-emergence. Windstream Holdings II, LLC is a private company with no publicly registered debt or equity securities. Although generally accepted accounting principles in the United States of America ("U.S. GAAP") requires us to present our operating results for periods prior to September 21, 2020 separate and apart from our operating results for periods subsequent to September 21, 2020, we have presented combined quarterly and year-to-date operating results for fiscal year 2020 in this Investor Supplement. Management believes that this combined presentation provides more meaningful comparisons to historical periods for each of our key performance metrics of revenues, contribution margin, Adjusted EBITDA, Adjusted EBITDAR, Adjusted Free Cash Flow and Adjusted Capital Expenditures and is useful in identifying current business trends.

During the second quarter of 2021, the Company announced it was creating a new engineering and fiber construction organization to manage its broadband network expansion. The Company expects to add nearly 1,000 employees and to acquire construction equipment in supporting this new organization. As a result, the Company will incur incremental start-up costs and capital expenditures associated with this initiative.

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 PRO FORMA ADJUSTED RESULTS OF OPERATIONS (NON-GAAP)
 QUARTERLY SUPPLEMENTAL INFORMATION
 for the quarterly periods in the years 2021 and 2020
 (In millions)

ADJUSTED RESULTS OF OPERATIONS:	2021				2020				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Revenues and sales:									
Service revenues	\$ 3,283.1	\$ 1,078.4	\$ 1,101.5	\$ 1,103.2	\$ 4,591.3	\$ 1,118.6	\$ 1,143.6	\$ 1,157.4	\$ 1,171.7
Product and fiber sales	46.8	12.5	19.7	14.6	73.7	15.4	17.5	19.5	21.3
Total revenues and sales	<u>3,329.9</u>	<u>1,090.9</u>	<u>1,121.2</u>	<u>1,117.8</u>	<u>4,665.0</u>	<u>1,134.0</u>	<u>1,161.1</u>	<u>1,176.9</u>	<u>1,193.0</u>
Costs and expenses:									
Cost of services	1,598.9	533.4	531.1	534.4	2,304.9	560.4	585.7	578.2	580.6
Cost of sales	45.8	12.8	15.8	17.2	78.3	15.6	19.5	21.7	21.5
Selling, general and administrative	456.0	155.8	150.8	149.4	660.3	154.1	169.2	161.1	175.9
Costs and expenses	<u>2,100.7</u>	<u>702.0</u>	<u>697.7</u>	<u>701.0</u>	<u>3,043.5</u>	<u>730.1</u>	<u>774.4</u>	<u>761.0</u>	<u>778.0</u>
Adjusted EBITDAR (A)	1,229.2	388.9	423.5	416.8	1,621.5	403.9	386.7	415.9	415.0
Cash payment under master leases with Uniti	(498.9)	(166.7)	(166.4)	(165.8)	(662.3)	(165.9)	(165.8)	(165.6)	(165.0)
Cash received from Uniti per settlement agreement	73.5	24.5	24.5	24.5	24.5	24.5	-	-	-
Adjusted EBITDA (B)	<u>\$ 803.8</u>	<u>\$ 246.7</u>	<u>\$ 281.6</u>	<u>\$ 275.5</u>	<u>\$ 983.7</u>	<u>\$ 262.5</u>	<u>\$ 220.9</u>	<u>\$ 250.3</u>	<u>\$ 250.0</u>
Margins (C):									
Adjusted EBITDAR margin	36.9%	35.6%	37.8%	37.3%	34.8%	35.6%	33.3%	35.3%	34.8%
Adjusted EBITDA margin	24.1%	22.6%	25.1%	24.6%	21.1%	23.1%	19.0%	21.3%	21.0%
Adjusted Capital Expenditures	\$ 730.5	\$ 221.1	\$ 251.4	\$ 258.0	\$ 1,001.1	\$ 274.9	\$ 246.1	\$ 247.7	\$ 232.4
Adjusted Free Cash Flow (D)	\$ 74.7	\$ 14.8	\$ 58.7	\$ 1.2	\$ (157.8)	\$ 29.1	\$ (59.9)	\$ (68.5)	\$ (58.5)

(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, restructuring charges, and certain other costs.

(B) Adjusted EBITDA is Adjusted EBITDAR after the cash payment due under the master leases with Uniti including incremental rent for growth capital improvements funded by Uniti and 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 and cash paid for interest on long-term debt obligations plus funding received from Uniti for growth capital expenditures and adjusted for cash refunded (paid) for income taxes, net.

See page 31 for computations of Adjusted EBITDAR, Adjusted EBITDA, Adjusted Free Cash Flow and Adjusted Capital Expenditures.

Supplemental Financial Information



WINDSTREAM HOLDINGS II, LLC
UNAUDITED PRO FORMA ADJUSTED RESULTS OF OPERATIONS (NON-GAAP)
QUARTERLY SUPPLEMENTAL INFORMATION
for the quarterly periods in the years 2021 and 2020
(In millions)

	As of
Debt Leverage Ratio:	<u>9/30/2021</u>
Long-term debt, including current maturities (E)	\$ 2,128.4
Add: Capital lease obligations	37.0
Less: Cash and cash equivalents	<u>(140.4)</u>
Net debt	<u>\$ 2,025.0</u>
	Twelve
	Months Ended
	<u>9/30/2021</u>
Adjusted EBITDA	\$ 1,066.3
Net leverage ratio (F) - computed as (1)/(2)	<u>1.90x</u>
Available liquidity as of September 30, 2021:	
Cash and cash equivalents	\$ 140.4
Available capacity under credit facility (G)	<u>469.2</u>
Available liquidity	<u>\$ 609.6</u>

(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.

See page 31 for computations of Adjusted EBITDAR, Adjusted EBITDA, Adjusted Free Cash Flow and Adjusted Capital Expenditures.



Supplemental Financial Information

WINDSTREAM HOLDINGS II, L.L.C.
 UNAUDITED PRO FORMA ADJUSTED RESULTS OF OPERATIONS (NON-GAAP)
 QUARTERLY SUPPLEMENTAL INFORMATION - REVENUE SUPPLEMENT
 for the quarterly periods in the years 2021 and 2020
 (In millions)

Service revenues:	2021				2020				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Kinetic:									
High-speed Internet bundles	\$ 832.1	\$ 279.9	\$ 279.0	\$ 273.2	\$ 1,047.2	\$ 269.3	\$ 264.8	\$ 258.1	\$ 255.0
Voice only	58.7	19.1	19.4	20.2	89.6	21.4	22.2	22.7	23.3
Video and miscellaneous	11.3	3.7	3.7	3.9	23.0	3.9	4.6	6.6	7.9
Consumer	902.1	302.7	302.1	297.3	1,159.8	294.6	291.6	287.4	286.2
Small business	203.5	67.6	68.2	67.7	275.5	67.2	68.3	69.0	71.0
Large business	124.1	42.1	40.4	41.6	177.6	41.9	43.4	45.4	46.9
Wholesale	188.4	66.1	61.9	60.4	251.1	62.2	61.9	62.7	64.3
Switched access:	15.8	5.2	5.3	5.3	22.4	5.6	5.6	5.8	5.4
CAF Phase II funding	131.5	43.8	43.8	43.9	175.5	43.9	43.9	43.8	43.9
State USF	29.4	9.9	10.2	9.3	75.1	15.3	20.0	19.9	19.9
End user surcharges	64.3	20.8	22.6	20.9	70.7	18.7	18.7	16.2	17.1
Kinetic:	1,659.1	558.3	554.5	546.4	3,207.7	549.4	553.4	550.3	554.7
Enterprise:									
Advanced IPTDM (A)	870.7	276.3	295.5	298.9	1,346.1	311.2	325.5	348.1	361.3
Strategic (B)	290.7	100.1	97.6	93.0	346.0	91.4	87.7	84.7	82.2
Other (C)	145.5	41.0	47.5	57.0	275.1	61.9	69.3	73.3	70.6
Switched access:	11.9	4.0	4.0	3.9	20.0	4.5	5.1	4.8	5.6
End user surcharges	76.0	21.5	26.1	28.4	101.4	27.3	28.0	21.7	24.4
Enterprise:	1,394.8	442.9	470.7	481.2	3,088.6	496.3	515.6	532.6	544.1
Wholesale:									
Core wholesale (D)	228.9	77.2	76.2	75.5	294.6	72.8	74.5	74.5	72.8
End user surcharges	0.3	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1
Wholesale:	229.2	77.3	76.3	75.6	295.0	72.9	74.6	74.6	72.9
Total service revenues	3,283.1	1,078.4	1,101.5	1,102.2	4,591.3	1,118.6	1,145.6	1,157.4	1,171.7
Product sales:									
Kinetic product sales	30.9	8.8	10.4	11.7	49.8	10.5	11.3	14.3	13.7
Enterprise product sales	6.3	2.1	1.3	2.9	23.9	4.9	6.2	5.2	7.6
Wholesale fiber sales	9.6	1.6	8.0	-	-	-	-	-	-
Total product and fiber sales	46.8	12.5	19.7	14.6	73.7	15.4	17.5	19.5	21.3
Total revenues and sales	\$ 3,329.9	\$ 1,090.9	\$ 1,121.2	\$ 1,117.8	\$ 4,665.0	\$ 1,134.0	\$ 1,163.1	\$ 1,176.9	\$ 1,193.0

- (A) Advanced IPTDM revenues consist of dynamic Internet protocol, dedicated Internet access, multi-protocol label switching services, integrated voice and data, long distance, managed services, and time-division multiplexing ("TDM") voice and data services.
- (B) Strategic revenues consist of Software Defined Wide Area Network ("SD-WAN"), Unified Communications as a Service ("UCaaS"), OfficeSite, and associated network access products and services.
- (C) Other revenues primarily consist of usage-based long-distance revenues and resale revenues.
- (D) Core wholesale revenues primarily include revenues from providing fiber connections, data transport and wireless backhaul services.

Sensitivity: Confidential

Supplemental Financial Information



WINDSTREAM HOLDINGS II, LLC
 UNAUDITED PRO FORMA ADJUSTED RESULTS OF OPERATIONS (NON-GAAP)
 QUARTERLY SUPPLEMENTAL INFORMATION
 for the quarterly periods in the years 2021 and 2020
 (In millions)

	2021				2020				
	Total	3rd Qtr	2nd Qtr	1st Qtr	Total	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr
Kinetic									
Revenues and sales:									
Service revenues	\$ 902.1	\$ 302.7	\$ 302.1	\$ 297.3	\$ 1,159.8	\$ 294.6	\$ 291.6	\$ 287.4	\$ 286.2
Product sales	30.9	8.8	10.4	11.7	49.8	10.5	11.3	14.3	13.7
Total Consumer	933.0	311.5	312.5	309.0	1,209.6	305.1	302.9	301.7	299.9
Small business	205.5	67.6	68.2	67.7	275.5	67.2	68.3	69.0	71.0
Large business	124.1	42.1	40.4	41.6	177.6	41.9	43.4	45.4	46.9
Wholesale	188.4	66.1	61.9	60.4	251.1	62.2	61.9	62.7	64.3
Switched access	15.8	5.2	5.3	5.3	22.4	5.6	5.6	5.8	5.4
CAF Phase II funding	131.5	43.8	43.8	43.9	175.5	43.9	43.9	43.8	43.9
State USF	29.4	9.9	10.2	9.3	75.1	15.3	20.0	19.9	19.9
End user surcharges	64.3	20.8	22.6	20.9	70.7	18.7	18.7	16.2	17.1
Total revenues and sales	1,690.0	567.0	564.9	558.1	2,257.5	559.9	564.7	564.5	568.4
Costs and expenses	766.8	269.9	252.7	244.2	1,009.0	249.1	262.9	250.5	246.5
Kinetic contribution margin	\$ 923.2	\$ 297.1	\$ 312.2	\$ 313.9	\$ 1,248.5	\$ 310.8	\$ 301.8	\$ 314.0	\$ 321.9
Kinetic contribution margin %	54.6%	52.4%	55.3%	56.2%	55.3%	55.3%	53.4%	55.6%	56.6%
Kinetic retail contribution margin (A)	\$ 791.7	\$ 253.3	\$ 268.4	\$ 270.0	\$ 1,073.0	\$ 266.9	\$ 257.9	\$ 270.2	\$ 278.0
Kinetic retail contribution margin %	50.8%	48.4%	51.5%	52.5%	51.5%	51.7%	49.5%	51.9%	53.0%
Enterprise									
Revenues and sales:									
Service revenues	\$ 1,394.8	\$ 442.9	\$ 470.7	\$ 481.2	\$ 2,088.6	\$ 496.3	\$ 515.6	\$ 532.6	\$ 544.1
Product sales	6.3	2.1	1.3	2.9	23.9	4.9	6.2	5.2	7.6
Total revenues and sales	1,401.1	445.0	472.0	484.1	2,112.5	501.2	521.8	537.8	551.7
Costs and expenses	1,143.7	368.5	382.3	392.9	1,751.2	416.9	437.1	437.6	460.1
Enterprise contribution margin	\$ 257.4	\$ 76.5	\$ 89.7	\$ 91.2	\$ 360.8	\$ 84.3	\$ 84.7	\$ 100.2	\$ 91.6
Enterprise contribution margin %	18.4%	17.2%	19.0%	18.8%	17.1%	16.8%	16.2%	18.6%	16.6%
Wholesale									
Revenues and sales:									
Service revenues	\$ 229.2	\$ 77.3	\$ 76.3	\$ 75.6	\$ 295.0	\$ 72.9	\$ 74.6	\$ 74.6	\$ 72.9
Fiber sales	9.6	1.6	8.0	-	-	-	-	-	-
Total revenues and sales	238.8	78.9	84.3	75.6	295.0	72.9	74.6	74.6	72.9
Costs and expenses	115.8	38.3	38.8	38.7	165.2	38.2	43.2	43.6	40.2
Wholesale contribution margin	\$ 123.0	\$ 40.6	\$ 45.5	\$ 36.9	\$ 129.8	\$ 34.7	\$ 31.4	\$ 31.0	\$ 32.7
Wholesale contribution margin %	51.5%	51.5%	54.0%	48.8%	44.0%	47.6%	42.1%	41.6%	44.9%

(A) Excludes CAF Phase II funding.

Sensitivity: Confidential



Supplemental Financial Information

WINDSTREAM HOLDINGS II, LLC
 UNAUDITED PRO FORMA ADJUSTED RESULTS OF OPERATIONS (NON-GAAP)
 QUARTERLY SUPPLEMENTAL INFORMATION
 for the quarterly periods in the years 2021 and 2020
 (In millions)

	2021				2020				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Total segment revenues and expenses									
Revenues and sales:									
Service revenues	\$ 3,283.1	\$ 1,078.4	\$ 1,101.5	\$ 1,103.2	\$ 4,591.3	\$ 1,118.6	\$ 1,143.6	\$ 1,157.4	\$ 1,171.7
Product and fiber sales	46.8	12.5	19.7	14.6	73.7	15.4	17.5	19.5	21.3
Total segment revenues and sales	3,329.9	1,090.9	1,121.2	1,117.8	4,665.0	1,134.0	1,161.1	1,176.9	1,193.0
Total segment costs and expenses	2,026.3	676.7	673.8	675.8	2,925.9	704.2	743.2	731.7	746.8
Segment contribution margin	\$ 1,303.6	\$ 414.2	\$ 447.4	\$ 442.0	\$ 1,739.1	\$ 429.8	\$ 417.9	\$ 445.2	\$ 446.2
Segment contribution margin %	39.1%	38.0%	39.9%	39.5%	37.3%	37.9%	36.0%	37.8%	37.4%
Consolidated revenues and sales									
Service revenues	\$ 3,283.1	\$ 1,078.4	\$ 1,101.5	\$ 1,103.2	\$ 4,591.3	\$ 1,118.6	\$ 1,143.6	\$ 1,157.4	\$ 1,171.7
Product and fiber sales	46.8	12.5	19.7	14.6	73.7	15.4	17.5	19.5	21.3
Consolidated revenues and sales	\$ 3,329.9	\$ 1,090.9	\$ 1,121.2	\$ 1,117.8	\$ 4,665.0	\$ 1,134.0	\$ 1,161.1	\$ 1,176.9	\$ 1,193.0
Consolidated costs and expenses									
Segment costs and expenses	\$ 2,026.3	\$ 676.7	\$ 673.8	\$ 675.8	\$ 2,925.9	\$ 704.2	\$ 743.2	\$ 731.7	\$ 746.8
Shared expenses (B)	74.4	25.3	23.9	25.2	117.6	25.9	31.2	29.3	31.2
Consolidated costs and expenses	\$ 2,100.7	\$ 702.0	\$ 697.7	\$ 701.0	\$ 3,043.5	\$ 730.1	\$ 774.4	\$ 761.0	\$ 778.0
Consolidated									
Adjusted EBITDAR	\$ 1,229.2	\$ 388.9	\$ 423.5	\$ 416.8	\$ 1,621.5	\$ 403.9	\$ 386.7	\$ 415.9	\$ 415.0
Adjusted EBITDAR margin	36.9%	35.6%	37.8%	37.3%	34.8%	35.6%	33.3%	35.3%	34.8%

(B) Shared expenses are not allocated to the segments and primarily consist of accounting and finance, information technology, legal, human resources, investor relations, and outsourcing activities that are centrally managed and are not monitored by management at a segment level.

Sensitivity: Confidential

Supplemental Financial Information



WINDSTREAM HOLDINGS II, LLC
 QUARTERLY SUPPLEMENTAL INFORMATION
 for the quarterly periods in the years 2021 and 2020
 (Units in thousands, Dollars in millions, except per unit amounts)

	2021				2020				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Kinetic Operating Metrics:									
Households served	1,282.7	1,282.7	1,276.1	1,272.7	1,268.0	1,268.0	1,269.3	1,262.7	1,247.2
Net household additions (losses)	14.7	6.6	3.4	4.7	29.1	(1.3)	6.6	15.5	8.3
YOY change in households served	1.1%	1.1%	1.1%	2.0%	2.3%	2.3%	2.5%	1.5%	-0.3%
Average revenue per household served per month	\$ 78.59	\$ 78.87	\$ 79.02	\$ 78.01	\$ 77.11	\$ 77.41	\$ 76.78	\$ 76.34	\$ 76.75
High-speed Internet customers	1,147.1	1,147.1	1,131.9	1,122.4	1,109.3	1,109.3	1,102.3	1,089.4	1,067.3
Net customer additions	37.8	15.2	9.5	13.1	60.0	7.0	12.9	22.1	18.0
YOY change in high-speed Internet	4.1%	4.1%	3.9%	5.2%	5.7%	5.7%	6.0%	5.3%	3.4%
Average revenue per high-speed Internet customer per month	\$ 81.95	\$ 81.88	\$ 82.51	\$ 81.61	\$ 80.85	\$ 81.18	\$ 80.55	\$ 79.78	\$ 80.32
Service Revenues Used in Average Revenue Per Month									
Computations Above (per page 3):									
Kinetic consumer service revenues	\$ 902.1	\$ 302.7	\$ 302.1	\$ 297.3	\$ 1,159.8	\$ 294.6	\$ 291.6	\$ 287.4	\$ 286.2
High-speed Internet bundle revenues	\$ 832.1	\$ 279.9	\$ 279.0	\$ 273.2	\$ 1,047.2	\$ 269.3	\$ 264.8	\$ 258.1	\$ 255.0
Enterprise:									
Strategic sales as a percentage of total Enterprise sales (A)	66.4%	57.3%	61.9%	78.3%	62.7%	62.1%	57.0%	62.7%	68.5%
Total Capital Expenditures:									
Claims settlements at emergence	-	-	-	-	(20.3)	-	(20.3)	-	-
Incremental construction equipment capital expenditures	(3.9)	(3.5)	(0.4)	-	-	-	-	-	-
Adjusted Capital Expenditures	\$ 730.5	\$ 221.1	\$ 251.4	\$ 258.0	\$ 1,001.1	\$ 274.9	\$ 246.1	\$ 247.7	\$ 232.4
Adjusted Capital Expenditures by Segment:									
Kinetic	\$ 484.2	\$ 145.3	\$ 165.2	\$ 173.7	\$ 674.6	\$ 183.4	\$ 160.9	\$ 173.5	\$ 156.8
Enterprise	154.1	49.1	52.0	53.0	201.9	55.7	46.6	49.8	49.8
Wholesale	92.2	26.7	34.2	31.3	124.6	35.8	38.6	24.4	25.8
Adjusted Capital Expenditures	\$ 730.5	\$ 221.1	\$ 251.4	\$ 258.0	\$ 1,001.1	\$ 274.9	\$ 246.1	\$ 247.7	\$ 232.4

(A) Enterprise strategic sales consist of SD-WAN, UCaaS, OfficeSuite and associated network access products and services.

Sensitivity: Confidential

Supplemental Financial Information



WINDSTREAM HOLDINGS II, LLC
UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED RESULTS (NON-GAAP)
QUARTERLY SUPPLEMENTAL INFORMATION
for the quarterly periods in the years 2021 and 2020
(in millions)

	2021				2020				
	Total	3rd Qtr	2nd Qtr	1st Qtr	Total	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr
ADJUSTED FREE CASH FLOW:									
Operating income (loss)	\$ 175.0	\$ 26.3	\$ 75.0	\$ 73.7	\$ 87.4	\$ 71.9	\$ (23.4)	\$ 24.8	\$ 14.1
Depreciation and amortization	554.4	195.8	181.5	177.1	839.4	164.5	212.4	219.9	232.6
EBITDA	729.4	222.1	256.5	250.8	916.8	236.4	189.0	244.7	246.7
Adjustments:									
Straight-line expense under master leases with Uniti	477.8	160.3	158.8	158.7	662.4	158.0	167.3	168.3	168.8
Cash payment under master leases with Uniti	(498.9)	(166.7)	(166.4)	(165.8)	(662.3)	(165.9)	(165.8)	(165.6)	(165.0)
Cash received from Uniti per settlement agreement	73.5	24.5	24.5	24.5	24.5	24.5	-	-	-
Revenues related to customer contracts and fiber assets sold to Uniti	-	-	-	-	(23.9)	-	(7.6)	(8.4)	(7.9)
Restructuring charges	5.5	1.1	2.4	2.0	19.0	2.6	4.4	5.6	6.4
Other costs (A)	11.6	3.8	4.1	3.7	44.1	5.2	33.2	5.3	0.4
Equity-based compensation	4.9	1.6	1.7	1.6	3.1	1.7	0.4	0.4	0.6
Adjusted EBITDA	803.8	246.7	281.6	275.5	983.7	262.5	220.9	250.3	250.0
Adjusted Capital Expenditures	(786.5)	(221.1)	(251.4)	(258.0)	(1,091.1)	(274.9)	(246.1)	(247.7)	(232.4)
Uniti funding of growth capital expenditures	152.2	60.1	49.4	42.7	34.7	55.6	29.1	-	-
Cash paid for interest on long-term debt obligations	(152.7)	(68.5)	(15.9)	(68.3)	(224.1)	(14.1)	(63.7)	(70.3)	(76.0)
Cash refunded (paid) for income taxes, net	1.9	(2.4)	(5.0)	9.3	(1.0)	-	(0.1)	(0.8)	(0.1)
Adjusted Free Cash Flow	\$ 74.7	\$ 14.8	\$ 58.7	\$ 1.2	\$ (157.8)	\$ 29.1	\$ (59.9)	\$ (68.5)	\$ (58.5)
COMPUTATION OF ADJUSTED EBITDA:									
Operating income (loss)	\$ 175.0	\$ 26.3	\$ 75.0	\$ 73.7	\$ 87.4	\$ 71.9	\$ (23.4)	\$ 24.8	\$ 14.1
Depreciation and amortization expense	554.4	195.8	181.5	177.1	839.4	164.5	212.4	219.9	232.6
Straight-line expense under master leases with Uniti	477.8	160.3	158.8	158.7	662.4	158.0	167.3	168.3	168.8
Revenues related to customer contracts and fiber assets sold to Uniti	-	-	-	-	(23.9)	-	(7.6)	(8.4)	(7.9)
Restructuring charges	5.5	1.1	2.4	2.0	19.0	2.6	4.4	5.6	6.4
Other costs (A)	11.6	3.8	4.1	3.7	44.1	5.2	33.2	5.3	0.4
Equity-based compensation	4.9	1.6	1.7	1.6	3.1	1.7	0.4	0.4	0.6
Adjusted EBITDA	1,229.2	388.9	423.5	416.8	1,621.2	403.9	386.7	413.9	415.0
Cash payment under master leases with Uniti	(498.9)	(166.7)	(166.4)	(165.8)	(662.3)	(165.9)	(165.8)	(165.6)	(165.0)
Cash received from Uniti per settlement agreement	73.5	24.5	24.5	24.5	24.5	24.5	-	-	-
Adjusted EBITDA	\$ 803.8	\$ 246.7	\$ 281.6	\$ 275.5	\$ 983.7	\$ 262.5	\$ 220.9	\$ 250.3	\$ 250.0
(A) Other costs for the periods presented consist of the following:									
	2021				2020				
	Total	3rd Qtr	2nd Qtr	1st Qtr	Total	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr
Spend commitment penalties (1)	\$ -	\$ -	\$ -	\$ -	\$ 24.0	\$ -	\$ 22.8	\$ 0.8	\$ 0.4
Professional, legal and consulting fees - post-bankruptcy (2)	11.3	2.4	4.6	4.3	10.1	10.1	-	-	-
Start-up costs (3)	2.3	2.3	-	-	-	-	-	-	-
COVID-19 incremental expenses (4)	(2.0)	(0.9)	(0.5)	(0.6)	10.0	(4.9)	10.4	4.5	-
Other costs	\$ 11.6	\$ 3.8	\$ 4.1	\$ 3.7	\$ 44.1	\$ 5.2	\$ 33.2	\$ 5.3	\$ 0.4

- Reserve for penalties attributable to not meeting certain spend commitments under discount plans with other carriers.
- Post-emergence costs associated with the Chapter 11 Cases, as well as consulting fees incurred on certain cost optimization projects.
- Start-up costs primarily consist of incremental wages incurred in expanding the Company's workforce to support its internal engineering and fiber construction organization.
- COVID-19 related costs primarily consist of non-cash accrued vacation pay (inclusive of fourth quarter 2020 true-up) attributable to a one-time benefit permitting employees to carry over up to 40 hours of unused vacation to 2021 and pay premiums for kinetic field technicians. Amounts in 2021 primarily reflect the amortization of the 2020 carryover accrued vacation pay.