

**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 13, 2023

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.)

2101 Riverfront Drive, Suite A
Little Rock, Arkansas
(Address of principal executive offices)

72202
(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 its consolidated subsidiaries (collectively, “Windstream”) regarding the period ended September 30, 2023. 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

Exhibit Number	Description
99.1	Select Windstream financial information regarding the period ended September 30, 2023
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 13, 2023



3Q23 Financial Earnings
November 9, 2023

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 2023 financial and operational results and our ability to successfully execute our 2023 company priorities supporting the guidance; anticipated Kinetic broadband subscriber and market penetration growth, including fiber broadband additions; availability and timing of delivery of faster speeds to customers, along with speed expansion to more service locations; potential impact on households served and customer experience related to our 8Gig Kinetic fiber offering; greater number of households 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 Enterprise strategic sales, products, and strategic revenue growth; and contribution margin trends in our business units; wholesale network, revenue, products, and customer expansion opportunities in 2023; statements concerning arrangements under the CLEC and ILEC Master Leases with Uniti Group, Inc., including growth capital improvement reimbursements, amount of future rent payments, future value of the leased assets, lease renewal processes, and our ability to utilize our contractual right of offsetting rent payments; expectations regarding expense management activities, including continuation of the reduction in interconnection and access expense, and the timing and benefit of such activities; 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 current or future adverse economic, political or market conditions related to epidemics, pandemics, or disease outbreaks, including COVID-19, and the impact of these conditions on our business operations and financial position and on our customers; further adverse changes in economic conditions, including the impact of foreign wars, and risks and uncertainties from continuing cost pressures and inflation on our customers' communications and payment decisions; impact of supply chain delays or shortages on our business operations and on our customers' ability to operate their business; increased competitive pressures as state and federal broadband funding programs provide opportunities for new entrants in our markets and possible overbuilding of our network; loss of funding provided by the Affordable Connectivity Program or other state or federal subsidy programs that are not yet permanent programs; that the expected benefits of cost reduction and expense management activities are not realized or adversely affect our sales and operational activities 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; general U.S. and worldwide economic conditions and related uncertainties; and the effect of any changes in federal or state governmental regulations or statutes, including any new environmental regulations, environmental oversight activities, or inquiries related to environmental matters. 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

Third Quarter 2023 Highlights

Adjusted EBITDAR of \$370M; up 3% year-over-year and 2% year-to-date



Strong Consumer Metrics

- 2.6% Kinetic consumer service revenue growth year-over-year
- Strong fiber additions of over 23K in 3Q
- Consumer Broadband ARPU of \$87.10; up over 5% y-o-y

Fiber Build Momentum Continues

- 74K new premises added in 3Q
- 1.6 million total premises now have access to FTTH services
- 32% coverage of consumer households was achieved by quarter end

WINDSTREAM
ENTERPRISE

&



Strong Strategic Revenue Trends

- Strategic Services revenue are 37% of total Enterprise services revenue⁽¹⁾; now over \$500 million on an annualized basis; up 15% y-o-y
- Wholesale service revenue up 13% y-o-y

Interconnection Expense Reduction

- Total interconnection expense fell by 20% y-o-y on an annualized basis; legacy-TDM related expenses fell by 28% y-o-y
- Still \$747 million in annualized interconnection expense with \$385 million relating to TDM services

⁽¹⁾ Excludes Switched access and End user surcharges



2023 Company Priorities



– KINETIC –

Grow market share through 1GB speed enablement



– ENTERPRISE –

Grow strategic revenue while exiting TDM



– WHOLESALE –

Expand network and partnerships to grow revenue and contribution margin



Focus on diversity and inclusion



Reduce our carbon footprint



Secure and keep our information private

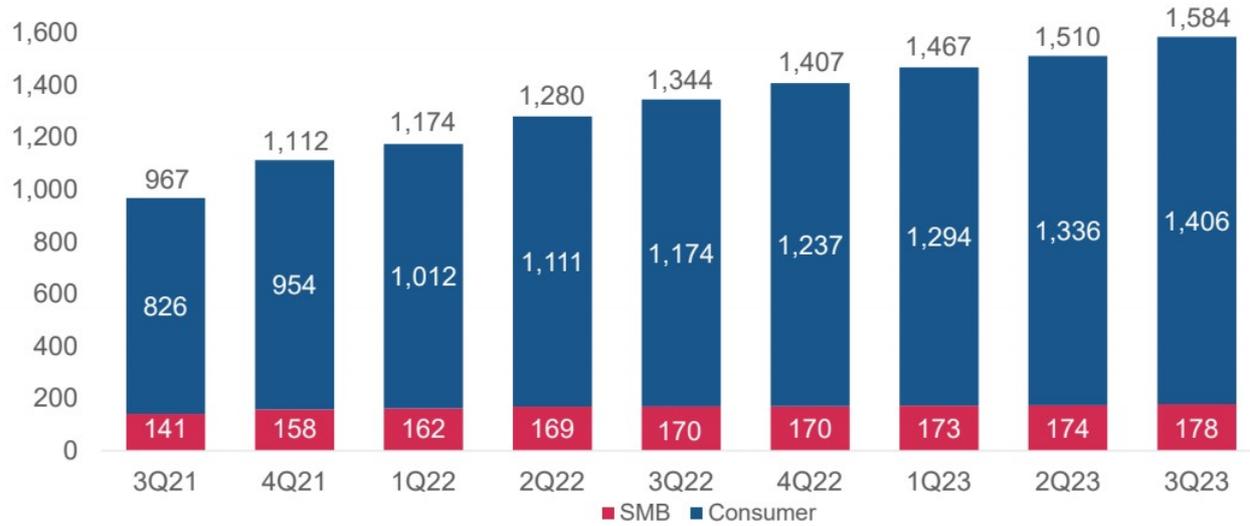


Support the community we serve

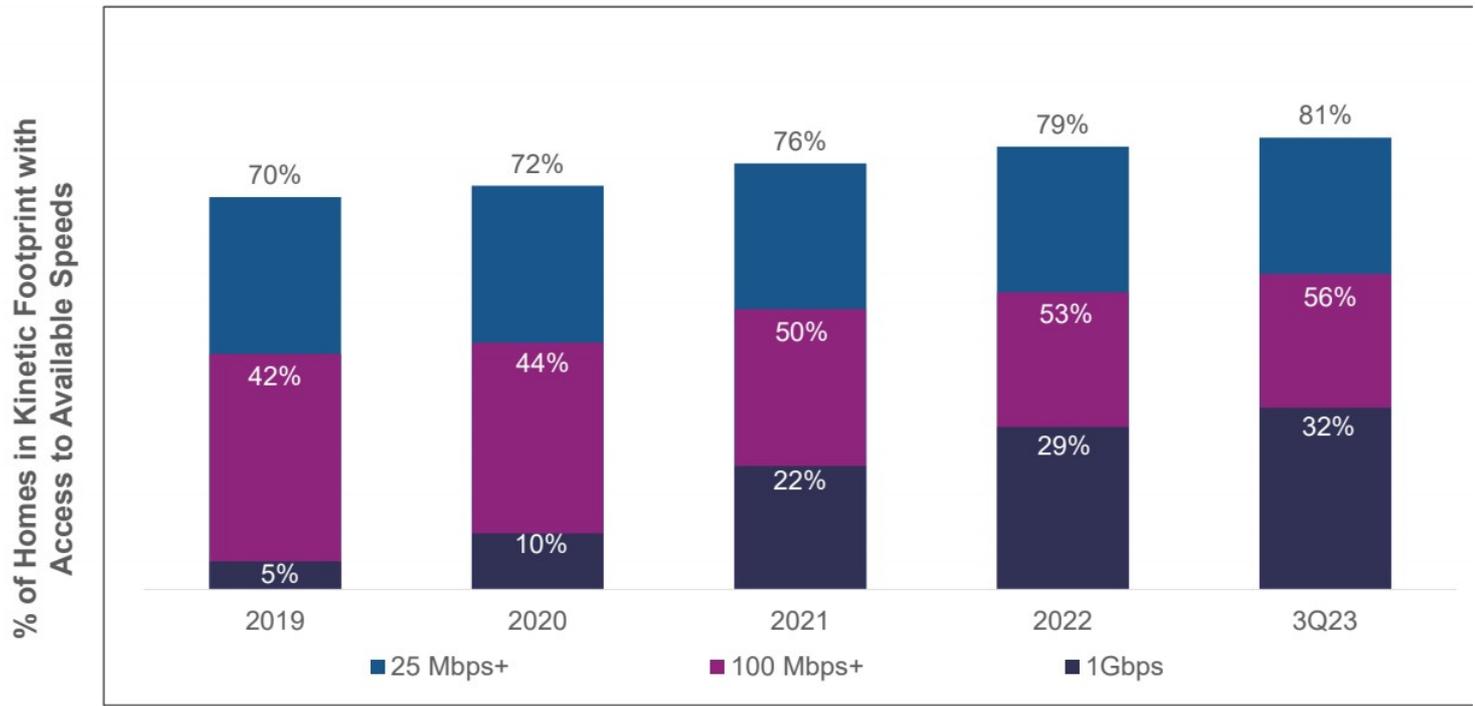
Fiber Broadband Expansion Acceleration

74K 1 Gbps Premises Constructed in 3Q23

1 Gbps Premises Passed (in 000's)

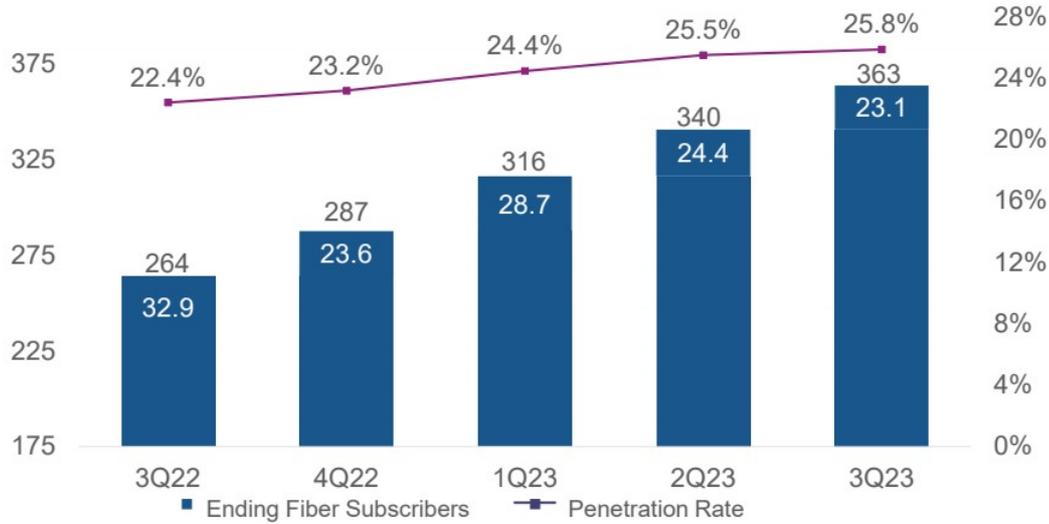


Enhanced Speeds Across All Speed Tiers



Fiber Broadband Adds Continue to Accelerate

Consumer Fiber Subscription Growth Shows Strong Adoption of New 1 Gbps Facilities



Ended 3Q with
363K
Consumers on
1G capable facilities
up 23K from 2Q23

25.8%
Penetration

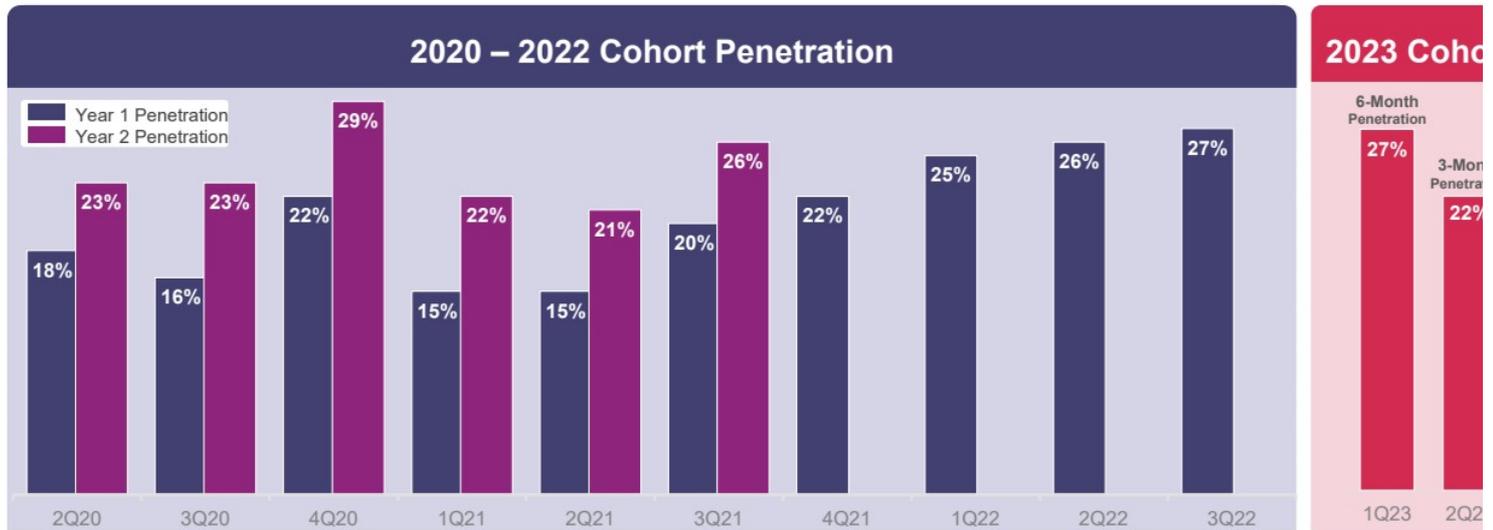
Note: Consumer Subscriber counts in 000's

Fiber Cohort Penetration

Newest Fiber Cohorts Are Showing Strong Penetration Early

40%

Target Penetration
Over a 4 Year Period

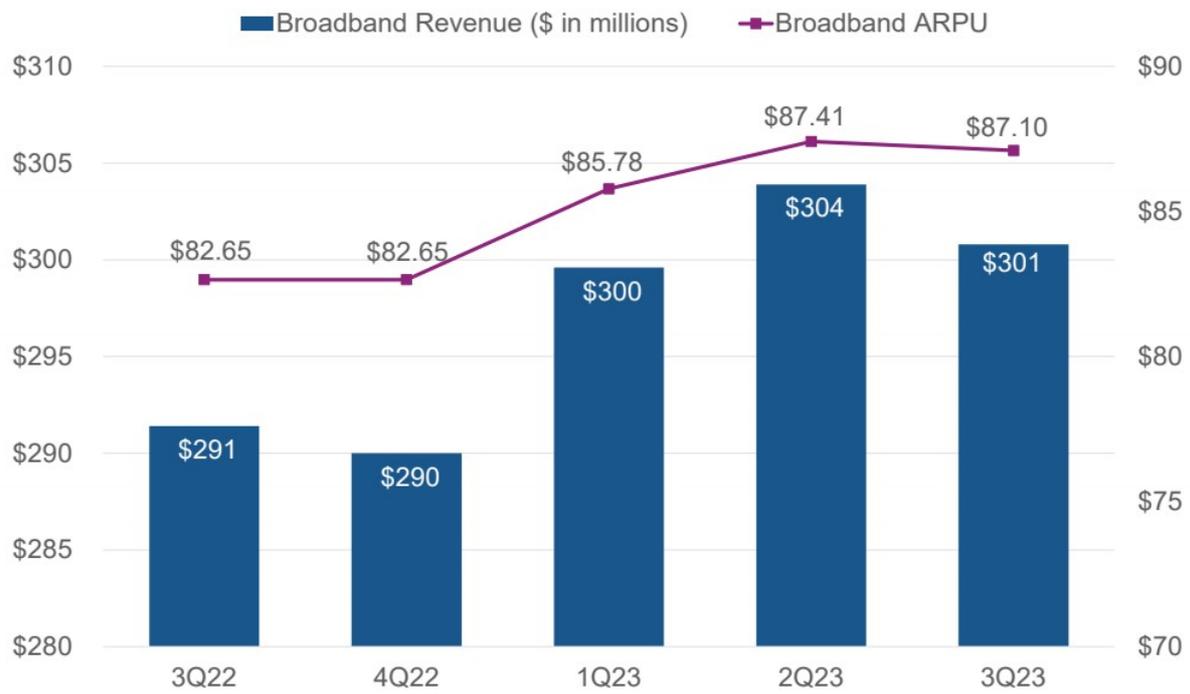


Note: Cohort penetration reflects consumers on 1G capable facilities, within the respective cohort, at the 12-month (Year 1 Penetration) and 24-month (Year 2 Penetration) anniversary of the cohort being launched. 2023 cohort penetration is shown as of September 30, 2023, reflecting penetration at the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



Sensitivity: Internal

Strong ARPU Continues to Drive Revenue Trends



Note: Broadband revenue and ARPU shown is for consumer subscribers

Sensitivity: Internal

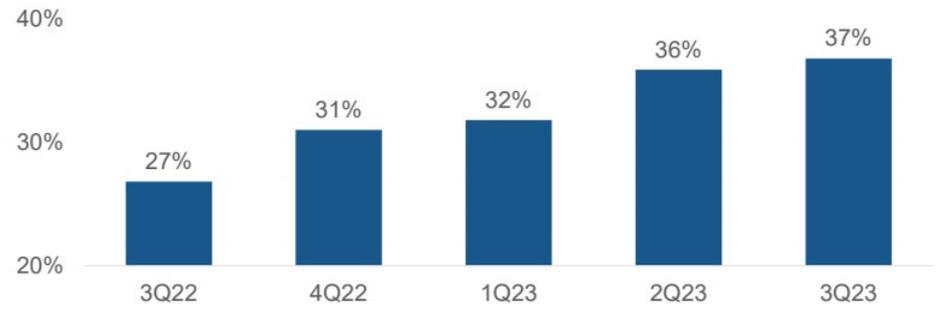


Enterprise Strategic Revenue Growth Continues

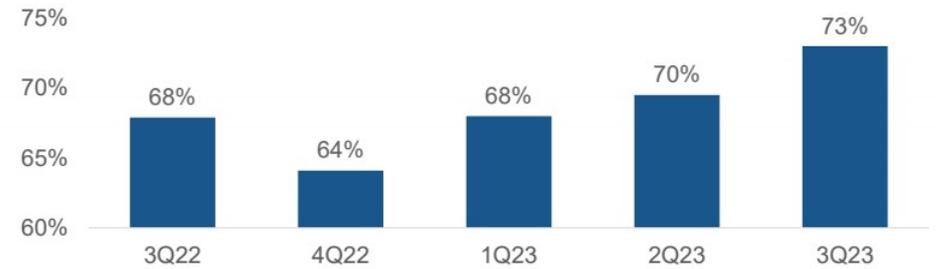
WINDSTREAM ENTERPRISE

- Cloud services, increasing bandwidth demand & software enabled networks fueling Strategic Revenue growth
- 3Q23 Annualized Strategic Product Revenue is over \$500M and growing 15% y-o-y; Total Strategic Revenues are now 37% of Service Revenues ⁽¹⁾
- Strategic sales 73% of total Enterprise sales in quarter

Strategic Revenue % of Total Service Revenue



Strategic Sales as % of Total Sales



(1) Excludes Switched access and End user surcharges

Windstream Enterprise Product Developments

PRESS RELEASE



Windstream Enterprise Launches
SASE Express Lane with Cato
Networks to Give Businesses Quick
Cybersecurity Protection

Windstream Enterprise concierge
managed service gives businesses
fourteen-day installation for
security peace-of-mind

Windstream Wholesale Continues To Deliver Strong Growth

2023 goals to remain focused on technology leadership, network expansion and flexible partnerships

- **13% service revenue growth y-o-y** driven by continued strong demand from other telco and cable providers as well as content providers
- **Contribution Margin growth** of 33% y-o-y



TECHNOLOGY LEADERSHIP

Establish Windstream Wholesale as a leading and trusted network provider by bringing advanced technologies to the market.



NETWORK EXPANSION

Expand our networks and make it easy to connect with Windstream Wholesale to drive more sales across our footprint.



FLEXIBLE PARTNERSHIP

Differentiate Windstream Wholesale from our competitors by being nimble, agile and fast in a commodity-based market.

Windstream Wholesale Continues To Pace Industry



- Windstream Wholesale was named **2023 Best North American Wholesale Carrier** by Capacity Media during their recent Global Carrier Awards event
- This esteemed industry award demonstrates recognition of Windstream Wholesale's market leadership in technology innovation, network expansion and our customer-centric approach



- Windstream Wholesale's premier customer portal, iconnect, provides access to multi-layer network health data and self-service tools
- New map-based network intelligence enhancements are part of an on-going series of portal advancements that provide customers with essential tools that reveal more about their network, enabling them to confidently manage their operations

3Q23 Financial Results

Unaudited Adjusted Pro Forma Results of Operations (non-GAAP)

Financial Overview (Dollars in Millions)	2022		2022		2022	2023		2023
	Q1	Q2	Q3	Q4	YE	Q1	Q2	Q3
Revenue								
Kinetic	\$ 534	\$ 532	\$ 544	\$ 597	\$ 2,206	\$ 552	\$ 550	\$ 544
Enterprise	463	434	429	375	1,701	384	351	356
Wholesale	92	98	103	100	393	111	106	116
OfficeSuite	5	5	5	5	20	6	6	6
Segment Service Revenue	\$ 1,094	\$ 1,068	\$ 1,081	\$ 1,077	\$ 4,320	\$ 1,053	\$ 1,013	\$ 1,023
Intersegment Eliminations	(34)	(34)	(34)	(34)	(136)	(33)	(33)	(32)
Product & Fiber Sales	11	11	13	10	45	8	11	11
Total Revenue and Sales	\$ 1,071	\$ 1,045	\$ 1,060	\$ 1,053	\$ 4,229	\$ 1,027	\$ 991	\$ 1,002
Contribution Margin								
Kinetic	\$ 255	\$ 256	\$ 250	\$ 321	\$ 1,082	\$ 276	\$ 273	\$ 257
Enterprise	94	90	84	56	324	70	57	76
Wholesale	32	39	42	42	155	51	45	56
OfficeSuite	3	4	4	4	15	4	5	5
Segment Contribution Margin	\$ 384	\$ 388	\$ 380	\$ 423	\$ 1,575	\$ 400	\$ 380	\$ 393
Shared Expenses	22	24	21	23	91	20	20	23
Adjusted EBITDAR	\$ 362	\$ 364	\$ 359	\$ 400	\$ 1,484	\$ 380	\$ 360	\$ 370
Adjusted EBITDAR Margin %	33.8%	34.8%	33.8%	38.0%	35.1%	37.0%	36.3%	36.9%
Segment Contribution Margin %								
Kinetic	46.9%	47.3%	44.9%	53.1%	48.2%	49.3%	48.8%	46.5%
Enterprise	20.2%	20.6%	19.6%	14.9%	19.0%	18.1%	16.2%	21.1%
Wholesale	34.1%	40.0%	40.9%	41.5%	39.2%	45.6%	42.0%	47.2%
OfficeSuite	68.8%	73.5%	73.5%	72.6%	72.1%	77.7%	80.7%	78.8%

Significant Interconnection Cost Reductions

TDM Retirement Accelerates Cost Reduction and Improves Customer Experience

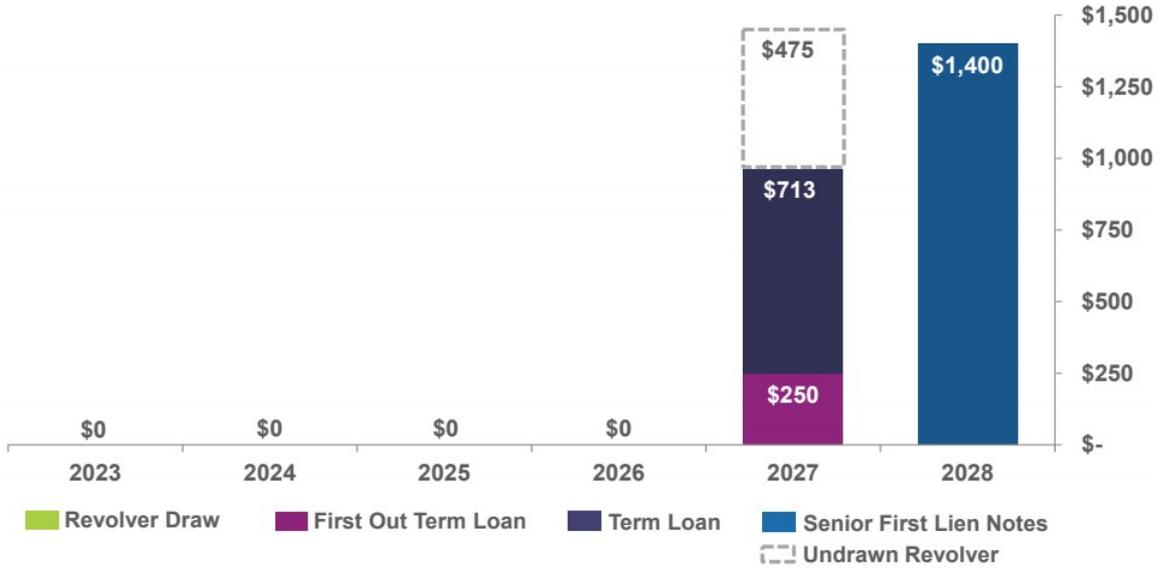
Interconnection Expenses (in millions)

	3Q22 Annualized	3Q23 Annualized	YoY Change %
TDM	\$ 181	\$ 90	(50%)
IP/Ethernet	271	249	(8%)
Last Mile Access	\$ 452	\$ 339	(25%)
TDM	\$ 77	\$ 42	(45%)
IP/Ethernet	32	28	(14%)
Network Access	\$ 109	\$ 70	(35%)
Voice/Other	\$ 17	\$ 13	(24%)
Total Interconnect	\$ 578	\$ 422	(27%)
Network Real Estate	\$ 39	\$ 33	(16%)
Colocation	40	26	(35%)
Enterprise Network Facilities Expense	\$ 79	\$ 59	(26%)
Network Real Estate	\$ 167	\$ 166	(1%)
Colocation	28	28	(1%)
Kinetic & Wholesale Network Facilities Expense	\$ 195	\$ 194	(1%)
Fiber Expense	\$ 77	\$ 73	(5%)
Total Network Facilities & Fiber Expense	\$ 351	\$ 325	(7%)
Total Interconnect, Network Facilities & Fiber Expense	\$ 929	\$ 747	(20%)

- 3Q23 annualized run-rate of \$747M in interconnection, network facility and fiber expenses; annualized decline of 20%
- \$385 million of Legacy TDM-related expense including Network Facility expense; annualized decline of 28%
- 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 September 30, 2023



\$421M
Net Liquidity¹

2.53x
Net Debt to Pro form
Adjusted EBITDA²

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

² Pro forma Adjusted EBITDA is Adjusted EBITDA as if Unit's fourth quarter 2021 prepayment, of all quarterly amounts due in 2022, were made as scheduled

Note: Available capacity under credit facility excludes outstanding letters of credit of \$104.3 million of which \$78.4 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⁾ 228K (20.0%)	Fiber Broadband Consumers⁽¹⁾ 112K (31.5%)	Fiber Route Miles⁽¹⁾ 87K (75.0%)
Fiber Households Today⁽¹⁾ 423K (30.1%)	Fiber Households – Build Plan⁽¹⁾ 653K (33.2%)	Windstream Owns 100GB POPs⁽¹⁾ 1,364 (100.0%)
Total Consumer Revenues⁽²⁾ \$219M	Kinetic Owned Assets⁽³⁾ \$2.5B	E&W Owned Assets⁽³⁾ \$900M

(1) Metric represents number and percentage of Windstream total not associated or encumbered by Unifi Master Lease Agreements as of September 30, 2023.

(2) Consumer Revenues for FY 2022 that are not within in-footprint ILEC markets governed by Unifi ILEC Master Lease Agreement.

(3) Kinetic and E&W Owned Assets represent net PP&E, excluding CWIP, as of December 31, 2022, for Windstream owned assets.

2023 Financial and Operational Guidance

<i>(all \$ in millions)</i>	2022 Results	2023 Guidance
Adjusted EBITDAR	\$1,484M	Flat to +2.5% y-o-y
Adjusted Capex	\$1,067M	Approximately \$1,100M
GCI	\$238M	Approximately \$250M
Cash Interest	\$173M	Approximately \$200M
Cash Taxes	\$12M	Similar to 2022
Fiber Consumer Customer Additions	124K	100K - 125K <i>(lowered from previous: "Similar to 2022")</i>
Kinetic Consumer Revenue	2.2%	Mid-single digit growth y-o-y

OUR MISSION

CONNECT PEOPLE AND EMPOWER BUSINESS
IN A WORLD OF INFINITE POSSIBILITIES

OUR VISION

TO PROVIDE INNOVATIVE SOFTWARE AND NETWORK SOLUTIONS WHILE
CONSISTENTLY DELIVERING AN AMAZING CUSTOMER EXPERIENCE

ONE GOAL: GROWTH!

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. In addition, we have presented on a pro forma adjusted basis Adjusted EBITDA as if Uniti's fourth quarter 2021 prepayment of all quarterly amounts due in 2022 were made as scheduled.

During 2023, we completed a number of activities to maximize our strategic optionality by further separating our business units, which included legal entity changes, financial reporting modifications and alignment of our network infrastructure to our business unit operations. To better reflect the individual business unit financial performance, we established various intercompany billing agreements related to network sharing arrangements between our business units and created a new OfficeSuite business unit. These intercompany transactions have no impact on our consolidated results of operations as the intercompany revenues and expenses are eliminated in consolidation. As a result of the 2023 changes, our business operations are organized into four segments: Kinetic, Enterprise, Wholesale and OfficeSuite. 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. The OfficeSuite business unit charges Kinetic, Enterprise and certain external reseller customers licensing fees for the usage of the OfficeSuite UC® product.

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 2023 and 2022
(In millions)

ADJUSTED RESULTS OF OPERATIONS:	2023				2022				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Revenues and sales:									
Service revenues	\$ 2,990.2	\$ 990.8	\$ 980.0	\$ 1,019.4	\$ 4,183.8	\$ 1,042.9	\$ 1,047.3	\$ 1,034.1	\$ 1,059.5
Product and fiber sales	30.0	11.2	10.9	7.9	45.1	10.3	12.6	10.8	11.4
Total revenues and sales	3,020.2	1,002.0	990.9	1,027.3	4,228.9	1,053.2	1,059.9	1,044.9	1,070.9
Costs and expenses:									
Cost of services	1,379.3	451.4	457.0	470.9	2,017.3	476.2	516.6	498.1	526.4
Cost of sales	38.7	13.5	13.1	12.1	55.0	11.8	15.4	13.5	14.3
Selling, general and administrative	493.1	167.5	161.1	164.5	672.3	165.3	169.4	169.4	168.2
Costs and expenses	1,911.1	632.4	631.2	647.5	2,744.6	653.3	701.4	681.0	708.9
Adjusted EBITDAR (A)	1,109.1	369.6	359.7	379.8	1,484.3	399.9	358.5	363.9	362.0
Cash payment under master leases with Uniti	(503.9)	(168.4)	(168.0)	(167.5)	(668.9)	(167.5)	(167.5)	(167.2)	(166.7)
Cash received from Uniti per settlement agreement (B)	73.5	24.5	24.5	24.5	-	-	-	-	-
Adjusted EBITDA (C)	\$ 678.7	\$ 225.7	\$ 216.2	\$ 236.8	\$ 815.4	\$ 232.4	\$ 191.0	\$ 196.7	\$ 195.3
Pro forma Adjusted EBITDA (D)	\$ 678.7	\$ 225.7	\$ 216.2	\$ 236.8	\$ 908.3	\$ 255.6	\$ 214.2	\$ 219.9	\$ 218.6
Margins (E):									
Adjusted EBITDAR margin	36.7%	36.9%	36.3%	37.0%	35.1%	38.0%	33.8%	34.8%	33.8%
Adjusted EBITDA margin	22.5%	22.5%	21.8%	23.1%	19.3%	22.1%	18.0%	18.8%	18.2%
Pro forma Adjusted EBITDA margin	22.5%	22.5%	21.8%	23.1%	21.5%	24.3%	20.2%	21.0%	20.4%
Adjusted Capital Expenditures	\$ 814.8	\$ 265.8	\$ 245.9	\$ 303.1	\$ 1,067.2	\$ 274.0	\$ 296.4	\$ 286.6	\$ 210.2
Adjusted Free Cash Flow (F)	\$ (117.1)	\$ (51.4)	\$ 16.5	\$ (82.2)	\$ (212.9)	\$ 13.6	\$ (116.6)	\$ (72.2)	\$ (37.7)

- (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) In the fourth quarter of 2021, Uniti prepaid all of the quarterly amounts payable to Windstream in 2022.
- (C) 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.
- (D) Pro forma Adjusted EBITDA is Adjusted EBITDA as if Uniti's fourth quarter 2021 prepayment of all quarterly amounts due in 2022 were made as scheduled.
- (E) Margins are calculated by dividing the respective profitability measures by total revenues and sales.
- (F) 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 2023 and 2022
(In millions)

	As of
	9/30/2023
Debt Leverage Ratio:	
Long-term debt, including current maturities (G)	\$ 2,363.4
Add: Capital lease obligations	29.5
Less: Cash and cash equivalents	<u>(25.2)</u>
Net debt	(1) \$ <u>2,367.7</u>
	Twelve
	Months Ended
	9/30/2023
Pro forma Adjusted EBITDA	(2) \$ 934.3
Net leverage ratio (H) - computed as (1)/(2)	<u>2.53x</u>
Available liquidity as of September 30, 2023:	
Cash and cash equivalents	\$ 25.2
Available capacity under credit facility (I)	395.7
Available liquidity	<u>\$ 420.9</u>

(G) Long-term debt, including current maturities excluding unamortized debt discount.

(H) The net leverage ratio is computed by dividing net debt by Pro forma Adjusted EBITDA.

(I) Available capacity under credit facility excludes outstanding letters of credit of \$104.3 million of which \$78.4 million was issued to Universal Service Administrative Company as a condition for Windstream receiving Rural Digital Opportunity Fund ("RDOF") funding.

See page 29 for computations of Adjusted EBITDAR, Adjusted EBITDA, Pro Forma Adjusted EBITDA, Adjusted Free Cash Flow and Adjusted Capital Expenditures.

Supplemental Financial Information

WINDSTREAM HOLDINGS II, LLC
 QUARTERLY SUPPLEMENTAL INFORMATION - REVENUE SUPPLEMENT
 for the quarterly periods in the years 2023 and 2022
 (In millions)

Service revenues:	2023				2022				
	Total	3rd Qtr	2nd Qtr	1st Qtr	Total	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr
Kinetic:									
Broadband bundles	\$ 904.3	\$ 300.8	\$ 303.9	\$ 299.6	\$ 1,160.2	\$ 290.0	\$ 291.4	\$ 289.0	\$ 289.8
Voice and other	53.7	17.7	17.6	18.4	76.6	18.0	18.9	18.5	21.2
Consumer	958.0	318.5	321.5	318.0	1,236.8	308.0	310.3	307.5	311.0
Small business	218.8	73.9	72.0	72.9	299.1	73.9	75.1	74.4	75.7
Large business	83.2	26.8	26.6	29.9	122.9	30.1	30.9	30.1	31.8
Wholesale	229.0	74.4	78.1	76.5	291.0	75.1	73.6	74.1	68.2
Switched access	10.2	3.5	3.4	3.3	18.3	3.9	4.3	4.8	5.3
RDOF funding	39.2	13.1	13.0	13.1	51.8	13.0	13.1	13.3	12.4
State USE	47.3	15.3	16.0	16.0	100.2	70.5	13.4	7.7	8.6
End user surcharges	49.8	15.4	15.9	18.5	69.2	18.1	19.3	15.3	16.5
Intersegment revenues (A)	10.9	3.5	3.6	3.8	17.1	4.2	4.2	4.3	4.4
Kinetic	1,646.5	544.4	550.1	552.0	2,206.4	596.8	544.2	531.5	533.9
Enterprise:									
Strategic (B)	363.2	125.8	120.5	116.9	429.4	111.2	109.4	105.4	103.4
Advanced IP (C)	379.2	123.7	124.1	131.4	548.6	130.0	137.4	136.2	145.0
Total	742.4	249.5	244.6	248.3	978.0	241.2	246.8	241.6	248.4
TDM/Other (D)	303.9	92.6	92.0	119.3	648.0	119.2	163.1	173.7	192.0
End user surcharges	45.1	14.1	14.3	16.7	73.8	14.9	19.0	18.0	21.9
Intersegment revenues (E)	0.4	0.1	0.2	0.1	0.7	0.1	0.2	0.2	0.2
Enterprise	1,091.8	356.3	351.1	384.4	1,700.5	375.4	429.1	433.5	462.5
Wholesale:									
Fiber and colocation services	262.0	93.2	82.3	86.5	293.6	74.7	78.1	73.4	67.4
Intersegment revenues (F)	71.1	23.1	23.6	24.4	99.3	24.9	24.8	24.7	24.9
Wholesale	333.1	116.3	105.9	110.9	392.9	99.6	102.9	98.1	92.3
OfficeSuite:									
License fees	1.2	0.5	0.3	0.4	1.1	0.3	0.3	0.2	0.3
Intersegment revenues (G)	16.0	5.5	5.4	5.1	19.0	5.0	4.8	4.7	4.5
OfficeSuite	17.2	6.0	5.7	5.5	20.1	5.3	5.1	4.9	4.8
Total service revenues	3,088.6	1,023.0	1,012.8	1,052.8	4,319.9	1,077.1	1,081.3	1,068.0	1,093.5
Product and fiber sales:									
Kinetic product sales	23.8	7.7	8.6	7.5	39.1	8.2	12.0	8.6	10.3
Enterprise product sales	2.0	1.3	0.3	0.4	4.3	0.4	0.6	2.2	1.1
Wholesale fiber sales	4.2	2.2	2.0	-	1.7	1.7	-	-	-
Total product and fiber sales	30.0	11.2	10.9	7.9	45.1	10.3	12.6	10.8	11.4
Total segment revenues and sales	\$ 3,118.6	\$ 1,034.2	\$ 1,023.7	\$ 1,060.7	\$ 4,365.0	\$ 1,087.4	\$ 1,093.9	\$ 1,078.8	\$ 1,104.9

- (A) Consists of charges to Enterprise for network transport services and last mile access to Enterprise locations within the Kinetic footprint.
 (B) Strategic revenues consist of recurring Secure Access Service Edge ("SASE"), Unified Communications as a Service ("UCaaS"), OfficeSuite UCc, and associated network access products and services. SASE includes both Software Defined Wide Area Network ("SD-WAN") and Security Service Edge ("SSE").
 (C) 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.
 (D) 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.
 (E) Consists of charges to Kinetic for the resale of TDM voice and data services provisioned by Enterprise switching equipment.
 (F) Consists of charges to Kinetic and Enterprise for transport services including network and customer specific usage.
 (G) OfficeSuite UCc charges Kinetic and Enterprise licensing fees for the usage of the OfficeSuite UCc product.

Supplemental Financial Information

WINDSTREAM HOLDINGS II, LLC
 QUARTERLY SUPPLEMENTAL INFORMATION - BUSINESS SEGMENTS
 for the quarterly periods in the years 2023 and 2022
 (In millions)

	2023				2022				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Kinetic									
Revenues and sales:									
Service revenues	\$ 1,646.5	\$ 544.4	\$ 550.1	\$ 552.0	\$ 2,206.4	\$ 596.8	\$ 544.2	\$ 531.5	\$ 533.9
Product sales	23.8	7.7	8.6	7.5	39.1	8.2	12.0	8.6	10.3
Total revenues and sales	1,670.3	552.1	558.7	559.5	2,245.5	605.0	556.2	540.1	544.2
Costs and expenses									
Intersegment costs and expenses (A)	818.7	279.9	270.4	268.4	1,102.0	268.2	291.0	269.3	273.5
Total costs and expenses	46.3	15.4	15.4	15.5	61.4	15.5	15.4	15.2	15.3
Kinetic contribution margin	\$ 865.0	\$ 295.3	\$ 285.8	\$ 283.9	\$ 1,163.4	\$ 283.7	\$ 306.4	\$ 284.5	\$ 288.8
Kinetic contribution margin %	48.2%	46.5%	48.8%	49.3%	48.2%	53.1%	44.9%	47.3%	46.9%
Enterprise									
Revenues and sales:									
Service revenues	\$ 1,091.8	\$ 356.3	\$ 351.1	\$ 384.4	\$ 1,700.5	\$ 375.4	\$ 429.1	\$ 433.5	\$ 462.5
Product sales	2.0	1.3	0.3	0.4	4.3	0.4	0.6	2.2	1.1
Total revenues and sales	1,093.8	357.6	351.4	384.8	1,704.8	375.8	429.7	435.7	463.6
Costs and expenses									
Intersegment costs and expenses (A)	795.8	250.7	262.4	282.7	1,249.2	286.8	312.6	313.0	336.8
Total costs and expenses	95.6	31.3	31.9	32.4	131.9	33.0	32.9	33.0	33.0
Enterprise contribution margin	\$ 891.4	\$ 282.0	\$ 294.3	\$ 315.1	\$ 1,381.1	\$ 319.8	\$ 345.5	\$ 346.0	\$ 369.8
Enterprise contribution margin %	18.5%	21.1%	16.2%	18.1%	19.0%	14.9%	19.6%	20.6%	20.2%
Wholesale									
Revenues and sales:									
Service revenues	\$ 333.1	\$ 116.3	\$ 105.9	\$ 110.9	\$ 392.9	\$ 99.6	\$ 102.9	\$ 98.1	\$ 92.3
Fiber sales	4.2	2.2	2.0	-	1.7	1.7	-	-	-
Total revenues and sales	337.3	118.5	107.9	110.9	394.6	101.3	102.9	98.1	92.3
Costs and expenses									
Intersegment costs and expenses (A)	229.8	77.4	77.3	75.1	298.2	73.9	75.4	73.5	75.4
Total costs and expenses	(44.3)	(14.8)	(14.7)	(14.8)	(58.4)	(14.6)	(14.6)	(14.6)	(14.6)
Wholesale contribution margin	\$ 185.5	\$ 62.6	\$ 62.6	\$ 60.3	\$ 239.8	\$ 59.3	\$ 60.8	\$ 58.9	\$ 60.8
Wholesale contribution margin %	45.0%	47.2%	42.0%	45.6%	39.2%	41.5%	40.9%	40.0%	34.1%
OfficeSuite									
Revenues and sales:									
Service revenues	\$ 17.2	\$ 6.0	\$ 5.7	\$ 5.5	\$ 20.1	\$ 5.3	\$ 5.1	\$ 4.9	\$ 4.8
Total revenues and sales	17.2	6.0	5.7	5.5	20.1	5.3	5.1	4.9	4.8
Costs and expenses									
Intersegment costs and expenses (A)	2.8	1.0	0.9	0.9	4.4	1.1	1.1	1.0	1.2
Total costs and expenses	0.8	0.3	0.2	0.3	1.2	0.3	0.3	0.3	0.3
OfficeSuite contribution margin	\$ 13.6	\$ 4.7	\$ 4.6	\$ 4.3	\$ 14.5	\$ 3.9	\$ 3.7	\$ 3.6	\$ 3.3
OfficeSuite contribution margin %	79.1%	78.8%	80.7%	77.7%	72.1%	72.6%	73.5%	73.5%	68.8%

(A) Intercompany costs and expenses include the effects of the intercompany billing agreements. In addition, charges for usage of network and colocation facilities owned or operated by Wholesale are reported as contra-expense on Wholesale with corresponding increases in the other business segments' costs and expenses.

Supplemental Financial Information

WINDSTREAM HOLDINGS II, LLC
 QUARTERLY SUPPLEMENTAL INFORMATION - BUSINESS SEGMENTS
 for the quarterly periods in the years 2023 and 2022
 (In millions)

	2023				2022				
	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	\$ 3,088.6	\$ 1,023.0	\$ 1,012.8	\$ 1,052.8	\$ 4,319.9	\$ 1,077.1	\$ 1,081.3	\$ 1,068.0	\$ 1,093.5
Product and fiber sales	30.0	11.2	10.9	7.9	45.1	10.3	12.6	10.8	11.4
Total segment revenues and sales	3,118.6	1,034.2	1,023.7	1,060.7	4,365.0	1,087.4	1,093.9	1,078.8	1,104.9
Total segment costs and expenses	1,945.5	641.2	643.8	660.5	2,789.9	664.2	714.1	690.7	720.9
Segment contribution margin	1,173.1	393.0	379.9	400.2	1,575.1	423.2	379.8	388.1	384.0
Segment contribution margin %	37.6%	38.0%	37.1%	37.7%	36.1%	38.9%	34.7%	36.0%	34.8%
Intersegment eliminations									
Service revenues	\$ (98.4)	\$ (32.2)	\$ (32.8)	\$ (33.4)	\$ (136.1)	\$ (34.2)	\$ (34.0)	\$ (33.9)	\$ (34.0)
Cost and expenses	(98.4)	(32.2)	(32.8)	(33.4)	(136.1)	(34.2)	(34.0)	(33.9)	(34.0)
Contribution margin	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Consolidated revenues and sales									
Service revenues	\$ 2,990.2	\$ 990.8	\$ 980.0	\$ 1,019.4	\$ 4,183.8	\$ 1,042.9	\$ 1,047.3	\$ 1,034.1	\$ 1,059.5
Product and fiber sales	30.0	11.2	10.9	7.9	45.1	10.3	12.6	10.8	11.4
Consolidated revenues and sales	\$ 3,020.2	\$ 1,002.0	\$ 990.9	\$ 1,027.3	\$ 4,228.9	\$ 1,053.2	\$ 1,059.9	\$ 1,044.9	\$ 1,070.9
Consolidated costs and expenses									
Segment costs and expenses	\$ 1,847.1	\$ 609.0	\$ 611.0	\$ 627.1	\$ 2,653.8	\$ 630.0	\$ 680.1	\$ 656.8	\$ 686.9
Shared expenses (B)	64.0	23.4	20.2	20.4	90.8	23.3	21.3	24.2	22.0
Consolidated costs and expenses	\$ 1,911.1	\$ 632.4	\$ 631.2	\$ 647.5	\$ 2,744.6	\$ 653.3	\$ 701.4	\$ 681.0	\$ 708.9
Consolidated									
Adjusted EBITDAR	\$ 1,109.1	\$ 369.6	\$ 359.7	\$ 379.8	\$ 1,484.3	\$ 399.9	\$ 358.5	\$ 363.9	\$ 362.0
Adjusted EBITDAR margin	36.7%	36.9%	36.3%	37.0%	35.1%	38.0%	33.8%	34.8%	33.8%

(B) Shared expenses are not allocated to the segments and primarily consist of accounting and finance, information technology, legal, and corporate program 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 2023 and 2022
 (Units in thousands, Dollars in millions, except per unit amounts)

	2023				2022				
	Total	3rd Qtr	2nd Qtr	1st Qtr	Total	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr
Kinetic Operating Metrics:									
Next Gen consumer broadband customers	363.4	363.4	340.3	315.9	287.2	287.2	263.6	230.7	194.5
<i>Net customer additions</i>	76.2	23.1	24.4	28.7	124.0	23.6	32.9	36.2	31.3
DSL consumer broadband customers	784.0	784.0	814.7	846.8	878.5	878.5	909.9	946.4	980.1
<i>Net customer losses</i>	(94.5)	(30.7)	(32.1)	(31.7)	(121.7)	(31.4)	(36.5)	(33.7)	(20.1)
Total consumer broadband customers	1,147.4	1,147.4	1,155.0	1,162.7	1,165.7	1,165.7	1,173.5	1,177.1	1,174.6
<i>Net customer (losses) additions</i>	(18.3)	(7.6)	(7.7)	(3.0)	2.3	(7.8)	(3.6)	2.5	11.2
<i>Average revenue per consumer broadband customer per month</i>	\$ 86.88	\$ 87.10	\$ 87.41	\$ 85.78	\$ 82.57	\$ 82.65	\$ 82.65	\$ 81.93	\$ 82.63
Next Gen premises passed - Consumer	1,406	1,406	1,336	1,294	1,237	1,237	1,174	1,111	1,012
Next Gen premises passed - Business	178	178	174	173	170	170	170	169	162
Service Revenues Used in Average Revenue Per Month Computations Above (per page 3):									
Broadband bundle revenues	\$ 904.3	\$ 300.8	\$ 303.9	\$ 299.6	\$ 1,160.2	\$ 290.0	\$ 291.4	\$ 289.0	\$ 289.8
Enterprise:									
Strategic sales as a percentage of total Enterprise sales (A)	64.9%	72.9%	69.5%	68.0%	65.7%	64.1%	67.9%	66.1%	64.4%
Total Capital Expenditures:									
Incremental construction equipment capital expenditures (B)	\$ 821.4	\$ 267.3	\$ 248.9	\$ 305.2	\$ 1,080.8	\$ 275.8	\$ 299.5	\$ 290.6	\$ 214.9
Reimbursement for cost to remove equipment (C)	(1.4)	-	(0.6)	(0.8)	(13.6)	(1.8)	(3.1)	(4.0)	(4.7)
Adjusted Capital Expenditures	\$ 814.8	\$ 265.8	\$ 245.9	\$ 303.1	\$ 1,067.2	\$ 274.0	\$ 296.4	\$ 286.6	\$ 210.2
Adjusted Capital Expenditures by Segment:									
Kinetic	\$ 541.7	\$ 180.4	\$ 159.1	\$ 202.2	\$ 719.8	\$ 175.3	\$ 200.9	\$ 201.8	\$ 141.8
Enterprise	121.4	37.9	36.5	47.0	159.7	38.3	43.8	41.0	36.6
Wholesale	143.8	44.9	47.9	51.0	174.3	56.6	48.4	40.1	29.2
OfficeSuite	7.9	2.6	2.4	2.9	13.4	3.8	3.3	3.7	2.6
Adjusted Capital Expenditures	\$ 814.8	\$ 265.8	\$ 245.9	\$ 303.1	\$ 1,067.2	\$ 274.0	\$ 296.4	\$ 286.6	\$ 210.2

(A) Enterprise strategic sales consist of SASE, UCaaS, OfficeSuite UCe and associated network access products and services.

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

(C) 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 and we expect to receive total reimbursements of approximately \$10 million from the FCC in 2023.

Supplemental Financial Information

WINDSTREAM HOLDINGS II, LLC
 QUARTERLY SUPPLEMENTAL INFORMATION - NON-GAAP RECONCILIATIONS
 for the quarterly periods in the years 2023 and 2022
 (in millions)

	2023				2022				
	Total	3rd Qtr	2nd Qtr	1st Qtr	Total	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr
ADJUSTED FREE CASH FLOW:									
Operating (loss) income	\$ (18.7)	\$ (8.5)	\$ (12.1)	\$ 1.9	\$ (72.4)	\$ 20.8	\$ (46.0)	\$ (38.7)	\$ (8.5)
Depreciation and amortization	597.9	202.7	199.5	195.7	801.4	189.8	211.0	202.7	197.9
EBITDA	579.2	194.2	187.4	197.6	729.0	210.6	165.0	164.0	189.4
Adjustments:									
Straight-line expense under master leases with Uniti	586.0	170.1	168.7	167.2	657.4	166.0	164.7	163.7	163.0
Cash payment under master leases with Uniti	(503.9)	(168.4)	(168.0)	(167.5)	(668.9)	(167.5)	(167.5)	(167.2)	(166.7)
Cash received from Uniti per settlement agreement	73.5	24.5	24.5	24.5	-	-	-	-	-
Net (gain) loss on asset retirements and dispositions	(8.5)	(2.9)	(5.2)	(0.4)	51.1	6.4	17.1	25.4	2.2
Other costs (A)	27.7	6.7	7.2	13.8	38.8	14.1	9.6	9.3	5.8
Equity-based compensation	4.7	1.5	1.6	1.6	8.0	2.8	2.1	1.5	1.6
Adjusted EBITDA	678.7	225.7	216.2	236.8	815.4	232.4	191.0	196.7	195.3
Adjusted Capital Expenditures	(814.8)	(265.8)	(245.9)	(303.1)	(1,067.2)	(274.0)	(296.4)	(286.6)	(210.2)
Additional rent paid for growth capital expenditures funded by Uniti	(22.1)	(8.4)	(7.3)	(6.4)	(13.9)	(5.2)	(3.9)	(2.9)	(1.9)
Cash paid for interest on long-term debt obligations	(181.1)	(76.1)	(28.2)	(76.8)	(173.4)	(17.8)	(71.5)	(15.2)	(68.9)
Uniti funding of growth capital expenditures	253.5	74.8	91.2	67.5	237.9	79.8	66.5	43.4	48.2
Cash paid for income taxes, net	(11.3)	(1.6)	(9.5)	(0.2)	(11.7)	(1.6)	(2.3)	(7.6)	(0.2)
Adjusted Free Cash Flow	\$ (117.1)	\$ (51.4)	\$ 16.5	\$ (82.2)	\$ (212.9)	\$ 13.6	\$ (116.6)	\$ (72.2)	\$ (37.7)
COMPUTATION OF ADJUSTED EBITDA:									
Operating (loss) income	\$ (18.7)	\$ (8.5)	\$ (12.1)	\$ 1.9	\$ (72.4)	\$ 20.8	\$ (46.0)	\$ (38.7)	\$ (8.5)
Depreciation and amortization expense	597.9	202.7	199.5	195.7	801.4	189.8	211.0	202.7	197.9
Straight-line expense under master leases with Uniti	586.0	170.1	168.7	167.2	657.4	166.0	164.7	163.7	163.0
Net (gain) loss on asset retirements and dispositions	(8.5)	(2.9)	(5.2)	(0.4)	51.1	6.4	17.1	25.4	2.2
Other costs (A)	27.7	6.7	7.2	13.8	38.8	14.1	9.6	9.3	5.8
Equity-based compensation	4.7	1.5	1.6	1.6	8.0	2.8	2.1	1.5	1.6
Adjusted EBITDAR	1,109.1	369.6	359.7	379.8	1,484.3	399.9	358.5	363.9	362.0
Cash payment under master leases with Uniti	(503.9)	(168.4)	(168.0)	(167.5)	(668.9)	(167.5)	(167.5)	(167.2)	(166.7)
Cash received from Uniti per settlement agreement	73.5	24.5	24.5	24.5	-	-	-	-	-
Adjusted EBITDA	\$ 678.7	\$ 225.7	\$ 216.2	\$ 236.8	\$ 815.4	\$ 232.4	\$ 191.0	\$ 196.7	\$ 195.3
COMPUTATION OF PRO FORMA ADJUSTED EBITDA:									
Adjusted EBITDA (per above)	\$ 678.7	\$ 225.7	\$ 216.2	\$ 236.8	\$ 815.4	\$ 232.4	\$ 191.0	\$ 196.7	\$ 195.3
Prepayment from Uniti received in fourth quarter of 2021	-	-	-	-	92.9	23.2	23.2	23.2	23.3
Pro forma Adjusted EBITDA (B)	\$ 678.7	\$ 225.7	\$ 216.2	\$ 236.8	\$ 908.3	\$ 255.6	\$ 214.2	\$ 219.9	\$ 218.6

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

	2023				2022				
	Total	3rd Qtr	2nd Qtr	1st Qtr	Total	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr
Cost initiatives (1)	\$ 8.6	\$ 1.3	\$ 3.4	\$ 3.9	\$ 10.6	\$ 4.5	\$ 3.8	\$ 2.2	\$ 0.1
Severance and benefit costs	19.1	5.4	3.8	9.9	17.6	9.6	3.2	2.9	1.9
Start-up costs (2)	-	-	-	-	10.6	-	2.6	4.2	3.8
Other costs	\$ 27.7	\$ 6.7	\$ 7.2	\$ 13.8	\$ 38.8	\$ 14.1	\$ 9.6	\$ 9.3	\$ 5.8

(1) Cost initiatives include lease termination costs, professional and consulting fees, and other miscellaneous expenses incurred in completing certain cost optimization projects.

(2) Start-up costs primarily consisted of incremental wages, recruitment and training costs incurred in expanding the Company's workforce to support its internal engineering and fiber construction organization.

(B) Pro forma Adjusted EBITDA is Adjusted EBITDA as if Uniti's fourth quarter 2021 prepayment of all quarterly amounts due in 2022 were made as scheduled.