



Charon Special
Situations Group

WINDSTREAM HOLDINGS

15 MAY 2019



Windstream Holdings

Bankruptcy Case Study

Traditional network communications are a tricky business. With fewer people relying on landlines and the rise of mobile devices, telecom companies have been forced to innovate their cloud, fiber, and broadband offerings and grow inorganically to meet the market demand for faster technology.

Network providers have to play to the tune of a dangerous balancing act – juggling both diminishing cash flows and costly infrastructure expenditures. To that end, they rely heavily on the liquidity of debt markets to finance copper-wire landlines among other assets.

Windstream Holdings is a rural telecom provider with network lines that span 150,000 miles in 18 states; despite its wide range, Windstream has not been an exception to the struggle.

In 2013, the accumulating pressure pushed management to creatively widen its fiduciary mandate: Executives at the company knowingly decided to violate bond covenants in an attempt to reduce its debt load.

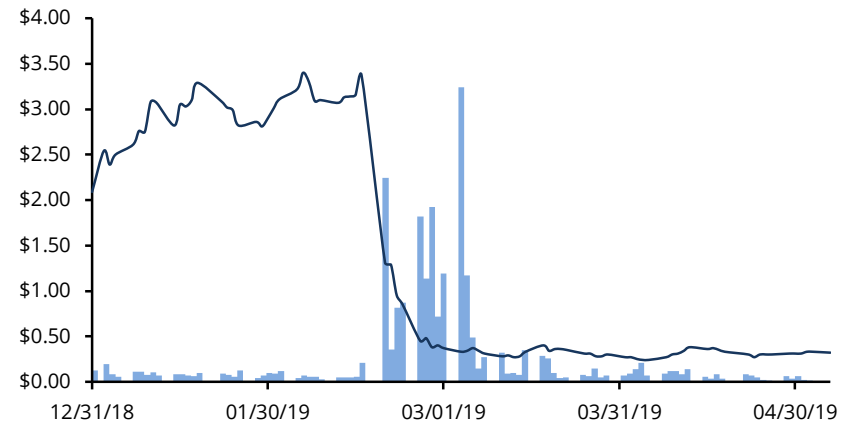
Two years later, this created an opportunity for an activist noteholder, Aurelius Capital Management, to build a position and publicly establish Services' default.

The following case study explains Windstream's progression into distress, an overview of transactions, and restructuring expectations.

Contents:

[Timeline](#), [Debt Overview](#), [Sale-Leaseback](#), [First Debt Exchange](#), [Second Debt Exchange](#), [Relationship Chart](#), [CDS Auction](#), [Capital Structure Overview](#), [POR Expectations](#), [Appendix](#)

Figure 1: Equity Performance & Company Details



Pre-Petition Financial Snapshot

Ticker (in MM, TTM, except per share and ratios)

WIN (US:NASDAQ)

Price (02/25/2019)	\$0.45
52-Week Range:	\$0.41-9.20
Shares Outstanding:	42.5
Market Cap:	\$19.1
Secured Debt:	\$4,700.3
Unsecured Debt:	\$1,131.4
Total Debt:	\$5,739.2
Cash:	\$37.3
Enterprise Value:	\$5,721.0
EV / Revenue:	0.98x
EV / EBITDA:	2.97x
Gross Leverage Ratio:	4.03x
Max. Gross Leverage Ratio Allowed:	4.50x
Interest Coverage Ratio:	3.51x
Min. Interest Coverage Ratio Allowed:	2.75x



Windstream's bankruptcy was preceded by management's decision to pursue a sale-leaseback transaction.

Debt Issue

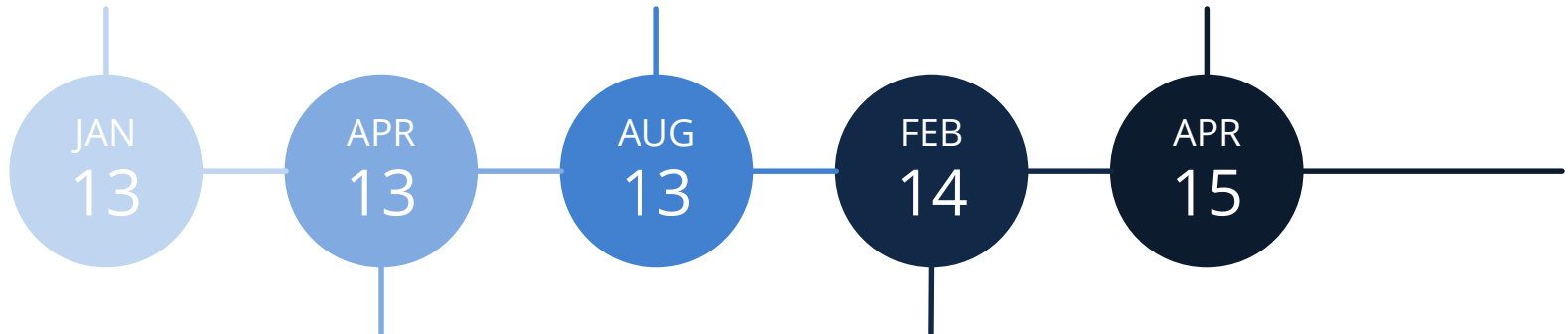
Windstream Services issued \$700MM in notes guaranteed by its subsidiaries. The indenture contains a New York choice of law provision and restrictive covenants against sale-leaseback.

HoldCo Creation

Windstream Services forms Windstream Holdings, a new parent with no operations that could execute the spin-off/leaseback transaction.

Sale-Leaseback

Services' subsidiaries transferred critical equipment to CSL in exchange for stock, debt, and cash. CSL equity was transferred to Holdings' shareholders; CSL debt was traded to pay off Services'.



Transaction Proposal

In March, management proposed to the board the idea of spinning off telecom network assets. In April, management sought board approval for a HoldCo to exist above Services.

REIT Creation

CSL was formed as a corporation and subsidiary of Services to be spun-off as a publicly traded REIT. (In early 2017, CSL changed its name to Uniti Group Inc.)



...then Aurelius decided to step in.

Notice of Default

Aurelius accrued 50%+ of the remaining aggregate principal amount of outstanding notes and issued to Services a notice of default. This triggered a 60-day cure period.

SEPT
17

OCT
17

First Counterclaim

Services sued the trustee for breach of a new indenture supplement which excluded the sale-leaseback and default. Some noteholders signed this to exchange their notes for Aurelius' series.

NOV
17

DEC
17

Notice of Acceleration

The cure period expired, ripening into events of default. Aurelius then issued a notice of acceleration to Services – all principal with all accrued and unpaid interest became immediately due.

DEC
17

Plaintiff Action

U.S. Bank National Association, as the indenture trustee, commenced the action against Services, the defendant, pursuant to a direction from Aurelius.

Answer to Counterclaim

Aurelius challenged the note exchange with its own counterclaim and was dismissed based on the indenture's no-action clause (only trustee can act).



...and finally the bankruptcy.

Conclusion of Law

The court reached a conclusion on the case that Services violated the indenture, breached the obligation of good faith, upheld the defaults, and dismissed all counterclaims.

JULY
18

AUG
18

Case Settlement

The court's task was "not to opine on the financial wisdom of Services' decisions. Instead, its sole task is to enforce the indenture." As such the court awarded Aurelius \$310MM.

FEB
19

CDS Auction

CDS credit event auction allowed noteholders to tender their bonds and CDS buyers to recover value. The initial market midpoint was set at 26.75, and final price was set at 29.5.

FEB
19

APR
19

...

Debt Exchange

In anticipation of an unfavorable settlement, Windstream restructured its debt, allowing the creditor group to exchange unsecured notes to a second lien secured note.

Chapter 11 Bankruptcy

Following the settlement, Windstream Holdings and its affiliates filed for chapter 11 bankruptcy. As of the petition, \$5.7BN in long-term debt and \$310MM were owed by Windstream.



Transaction aside, Windstream appeared to be a levered company struggling to manage its debt.

Figure 2: Quarterly Margins

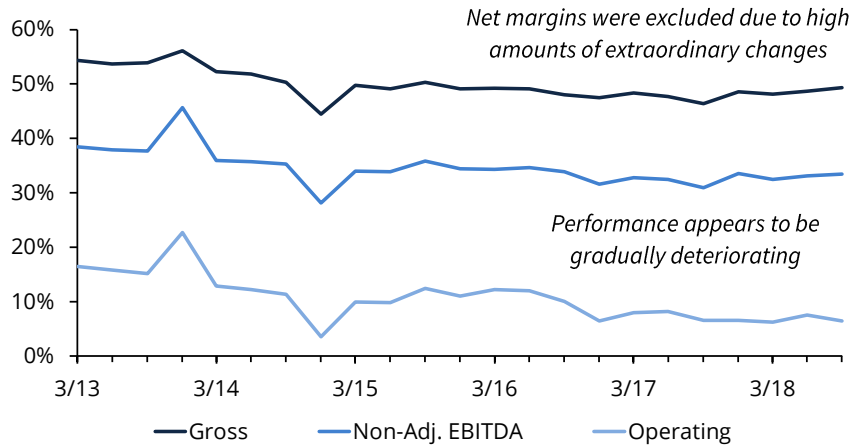


Figure 3: Quarterly Book Value of Debt in Billions

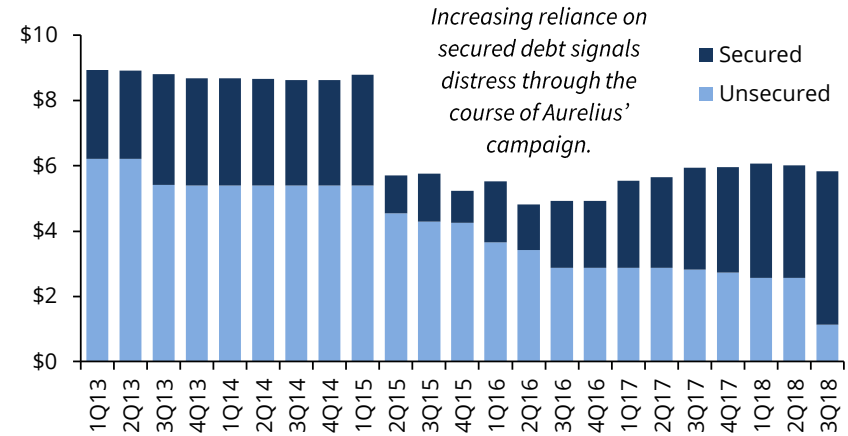


Figure 4: Quarterly Adjusted Leverage Ratio

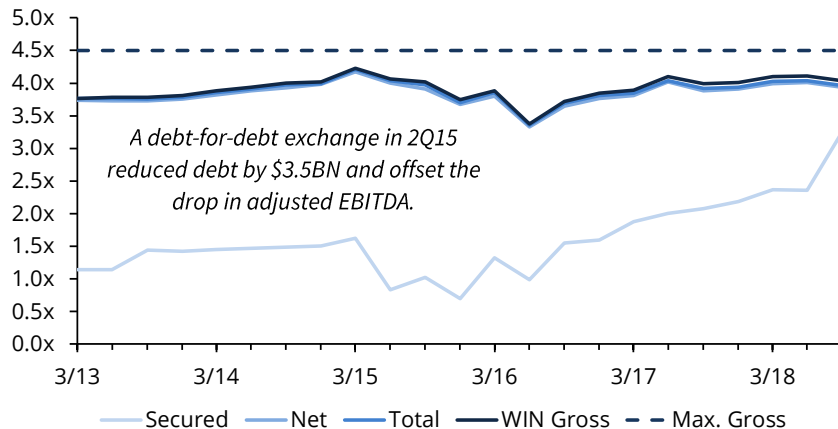
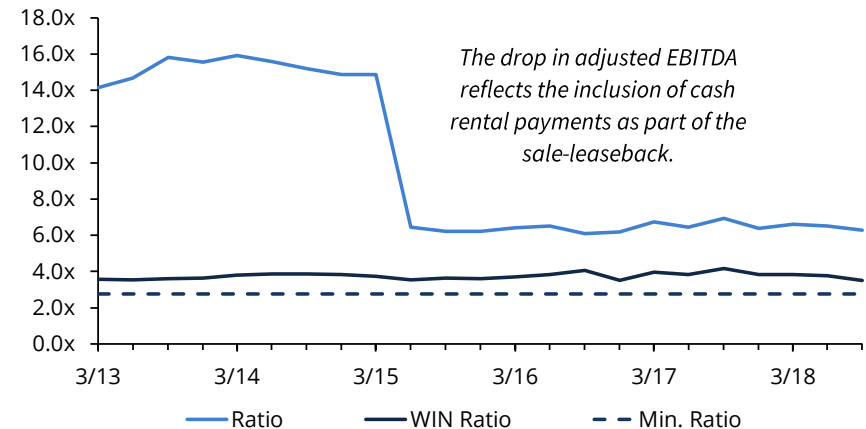


Figure 5: Quarterly Adjusted Interest Coverage Ratio



The sale-leaseback effectively subordinated Services' obligations since leased properties are necessary to generate cash flows.

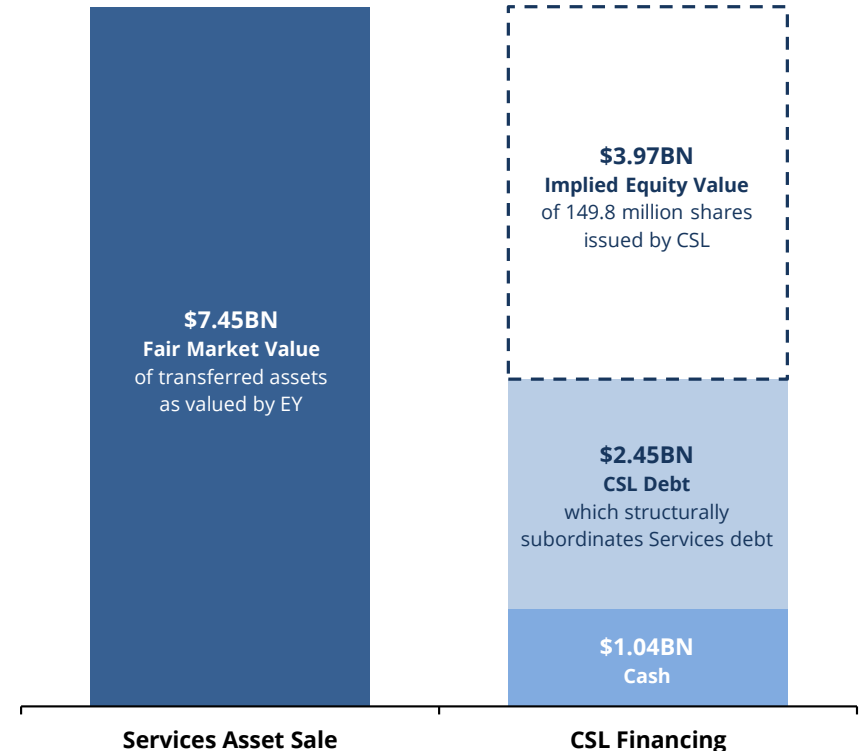
In April 2015, transferor subsidiaries (including Services and entities restricted by the covenants) transferred 87% of Windstream's fiber lines and 82% of its copper lines to CSL. Holdings signed a triple net master lease for debt, equity, and cash – resulting in a structural subordination of Services' debt:

- 1) If Services' subsidiaries failed to pay rent, this would constitute a default on the master lease.
- 2) Following the default, CSL would be entitled to terminate the right for Services to use its assets.
- 3) Without the leased property, Services' subsidiaries would not be able to operate their business nor service their debt.

While a sale-leaseback is allowed by the indenture, all three conditions allowing for such a transaction were violated which caused default:

- The lease obligations added to existing debt put Services far in excess of the indenture's cap on leverage by \$2.6BN (5.76x vs 4.50x).
- \$7.45BN in assets far exceeded the \$1.04BN cash consideration.
- Management used the sale proceeds to pay down notes pari passu with those held by Aurelius instead of paying down the contractually senior debt payments as specified.

This enriched WIN shareholders (who received CSL shares) at the expense of noteholders, giving Aurelius an excuse to seek a settlement two years later.



- 1) Prior to the transaction, CSL had one outstanding share owned by Services.
- 2) On the day of the transaction, Services transferred 80.4% of CSL's common stock to Holdings, and Holdings distributed CSL shares to its shareholders.
- 3) In June 2016, Services sold the remaining 19.6% to pay down \$672MM owed under its revolving credit facility.

The sale-leaseback was management's ill-attempt to reduce its debt obligations by cutting corners.

The CSL non-equity payment consisted of:

Sources	\$MM	Debt Issue
CSL Debt	970.2	Term Loans
	400.0	6.00% Senior Secured Notes due October 15, 2023
	1,077.3	8.25% Senior Unsecured Notes due April 15, 2023
Cash	1,035.0	

CSL's 8.25% senior unsecured notes were exchanged for Services' debt:

Uses	\$MM	Debt Issue
Exchange	1,700.0	Senior Secured Credit Facility, Tranche A3 due December 30, 2016
Exchange		Senior Secured Credit Facility, Tranche A4 due August 8, 2017
Exchange		Senior Secured Credit Facility, Tranche B4 due January 23, 2020
Exchange	752.2	Senior Secured Credit Facility, Revolving Line of Credit due April 24, 2020

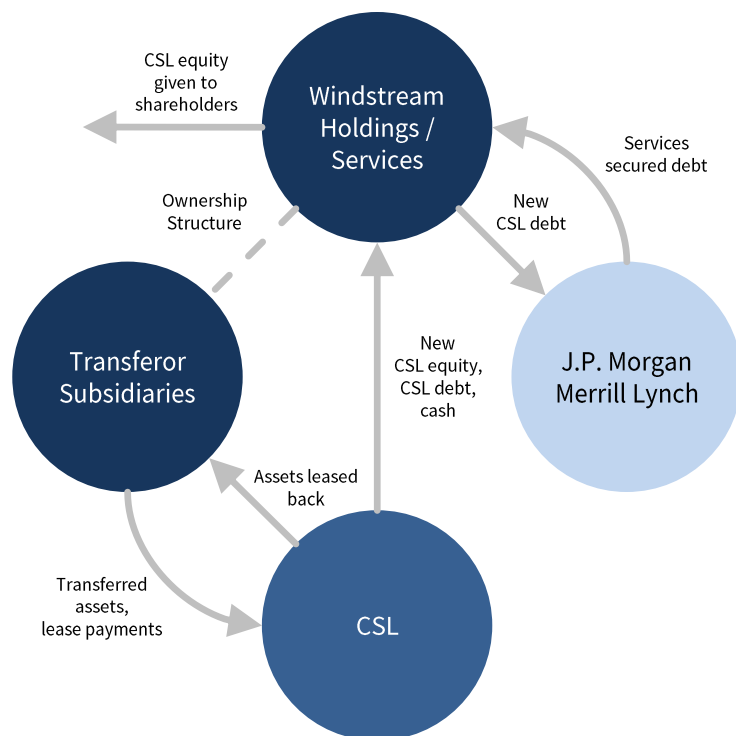
The CSL cash payment was used to retire a \$241.8MM remaining portion of the Tranche B4 as well as the following:

Uses	\$MM	Debt Issue
Retire Debt	241.8	Senior Secured Credit Facility, Tranche B4 due January 23, 2020
Retire Debt	400.0	2018 Notes, 8.125% due September 1, 2018
Retire Debt	450.0	PAETEC Holding, LLC, 2018 Notes, 9.875% due December 1, 2018
Retire Debt	1.9	Cinergy Communications Company, 6.580% due January 1, 2022

* Cinergy bonds were paid using the revolver which was exchanged

Given the debt-for-debt exchange value of \$1.1BN for \$1.7BN, the investment banks were most likely aware of the structural subordination of Services debt since they took a \$0.6BN discount on an unsecured issue.

Including the debt retirements, these changes resulted in a \$3.1BN decrease in outstanding debt.



Two years later, Aurelius took it upon itself to enforce the indenture as an unsecured noteholder and CDS buyer.

Figure 6: Common Equity

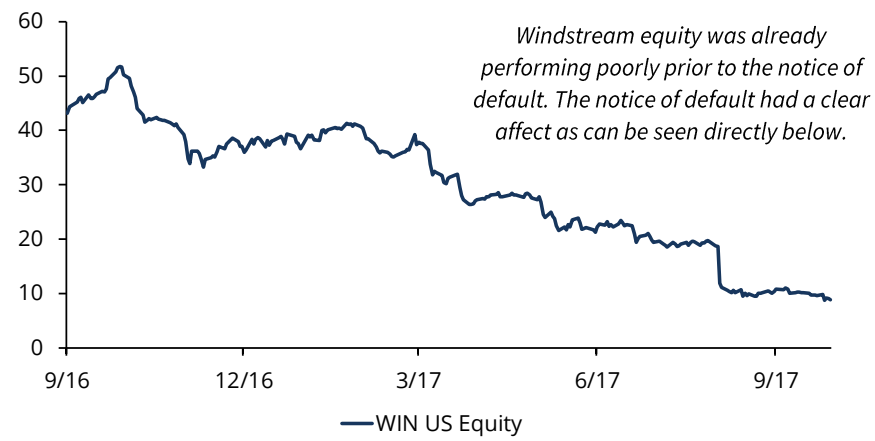


Figure 7: 2023 Notes, 6.375% due August 1, 2023

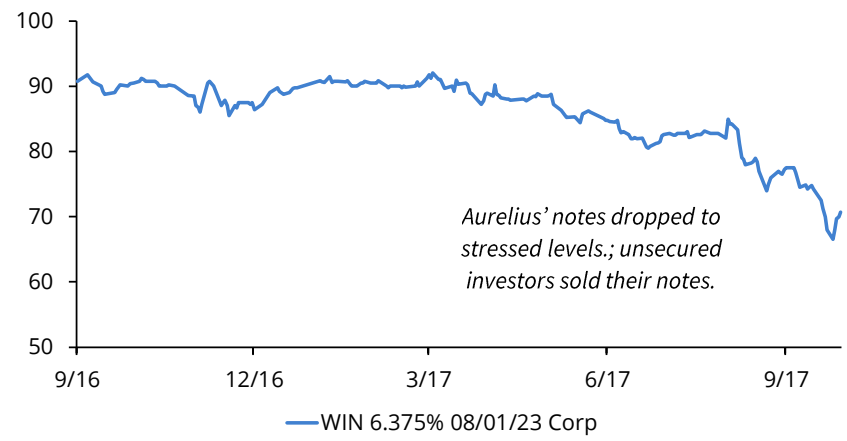


Figure 8: Senior Secured Credit Facility, B7 due February 17, 2024

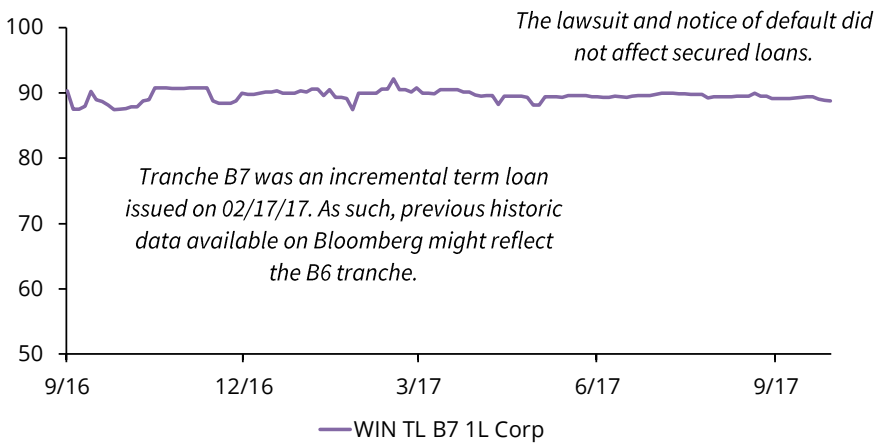
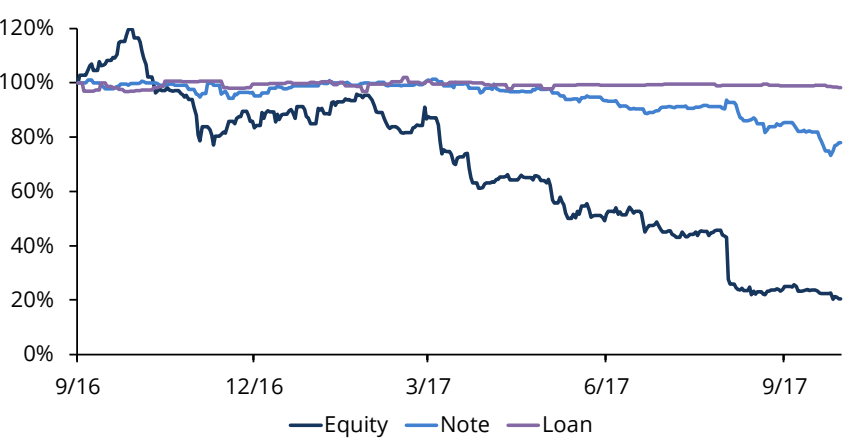
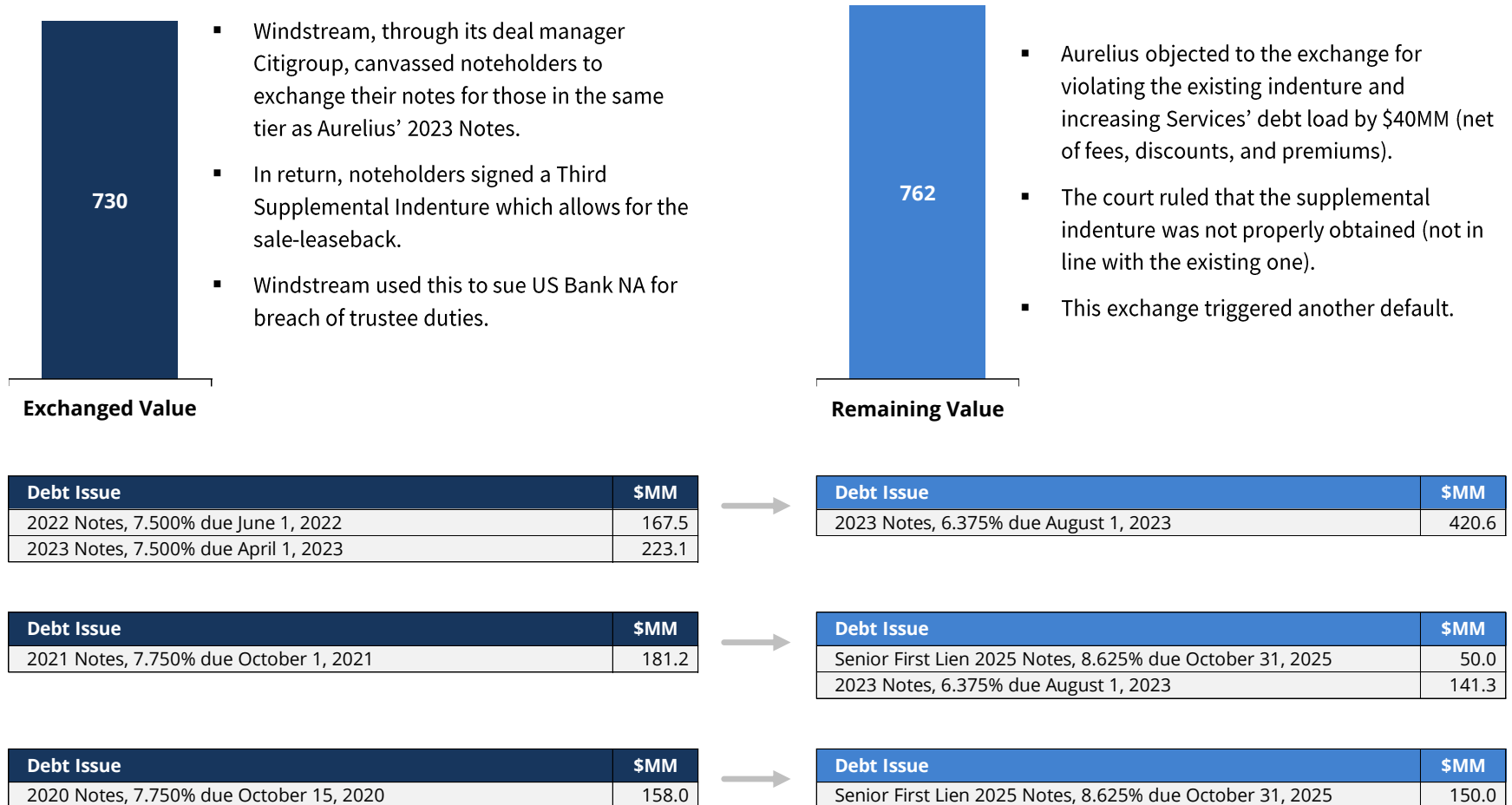


Figure 9: Percent Return by Security



In response, Windstream unsuccessfully coordinated a debt exchange to dilute Aurelius and create a new indenture to countersue the trustee.



Surprisingly, there was not much of a response to the court’s conclusion that Windstream defaulted and all obligations have become due.

Figure 10: Common Equity

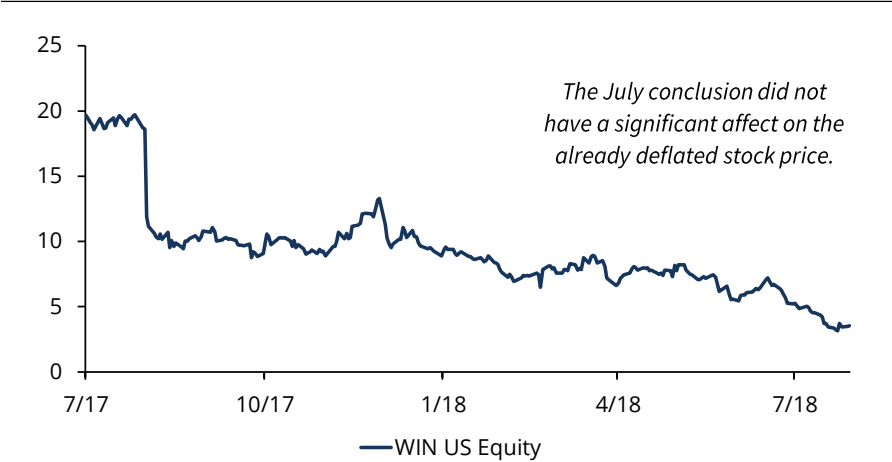


Figure 11: 2023 Notes, 6.375% due August 1, 2023



Figure 12: Senior Secured Credit Facility, B7 due February 17, 2024

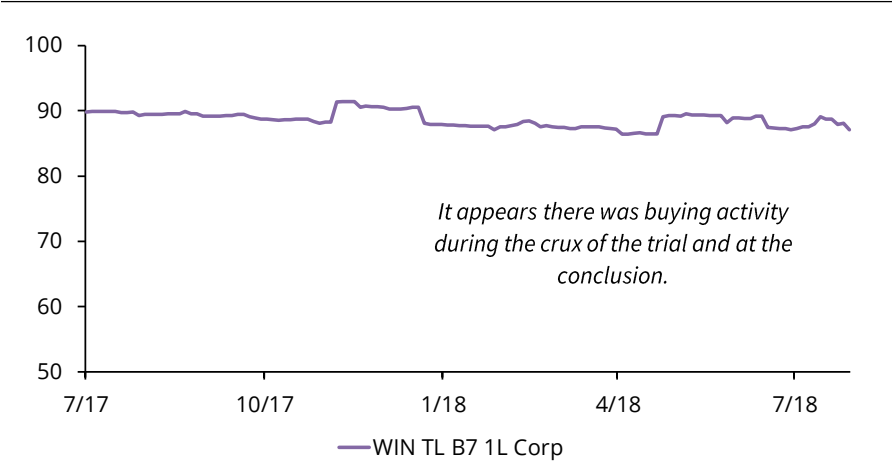
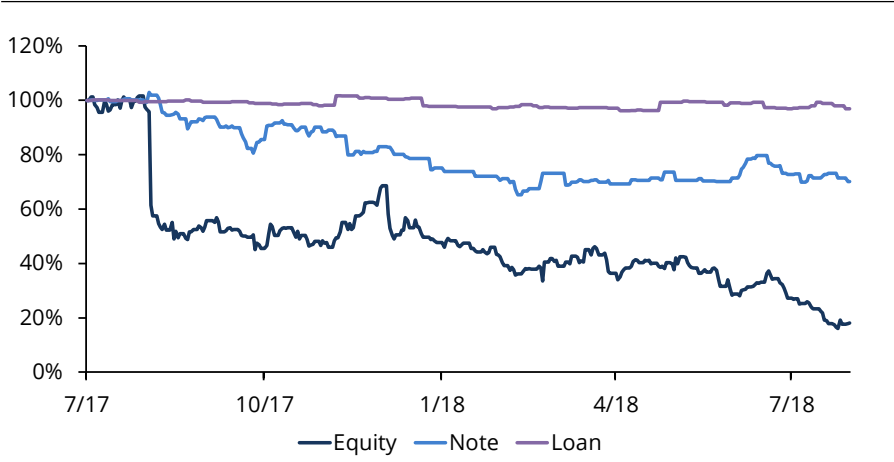
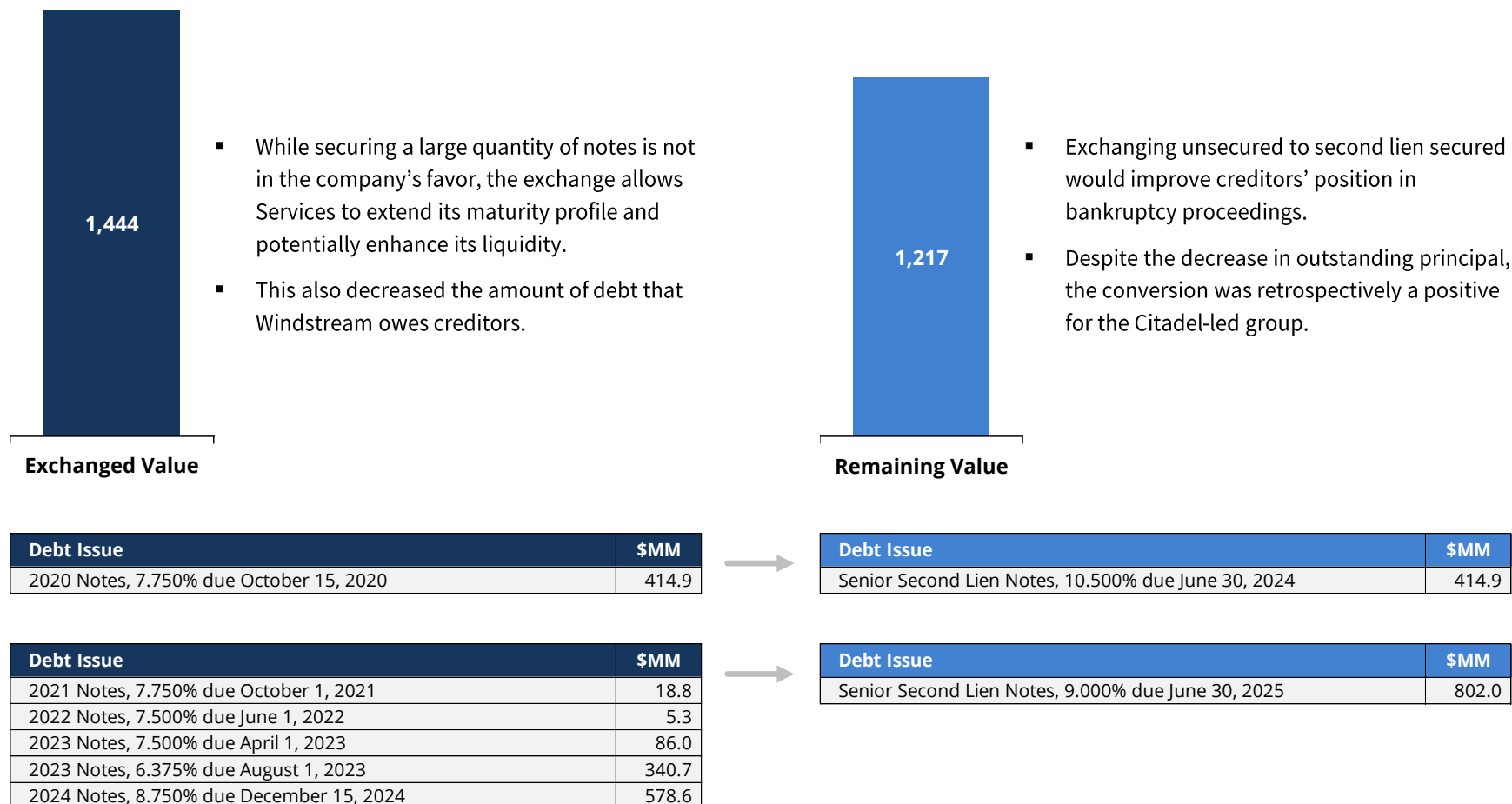


Figure 13: Percent Return by Security



Anticipating an unfavorable settlement would follow the ruling, Windstream preemptively restructured its debt through another exchange.



Holders of ~60% of 2020 Notes:



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Sources: Barron's, Bloomberg, SEC EDGAR

Market Response to the Settlement and Bankruptcy 2/19

In February, the court demanded a \$310MM settlement for Aurelius, and Windstream promptly filed for chapter 11 bankruptcy.

Figure 14: Common Equity

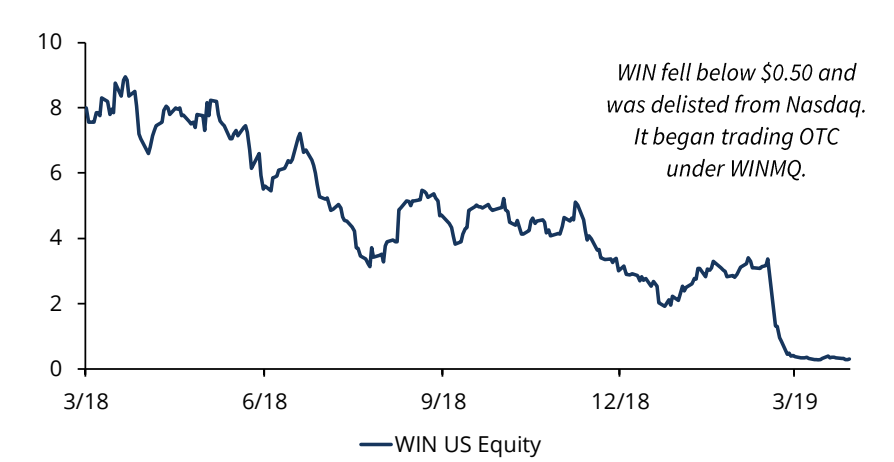


Figure 15: 2023 Notes, 6.375% due August 1, 2023

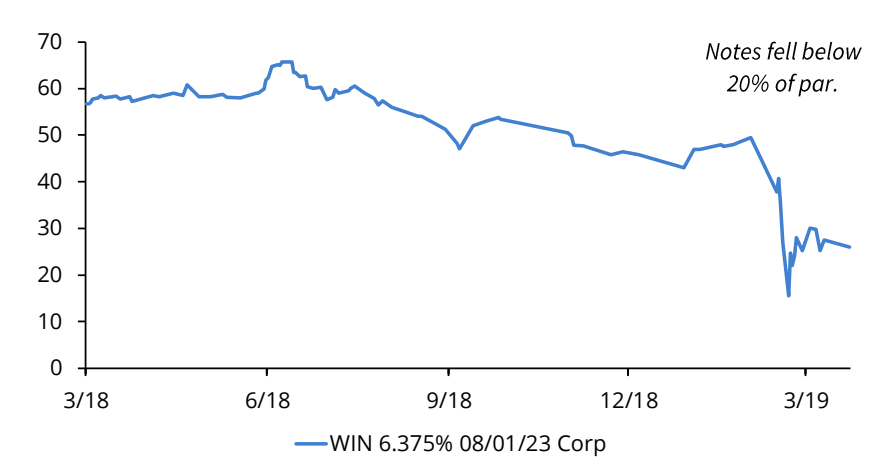


Figure 16: Senior Secured Credit Facility, B7 due February 17, 2024

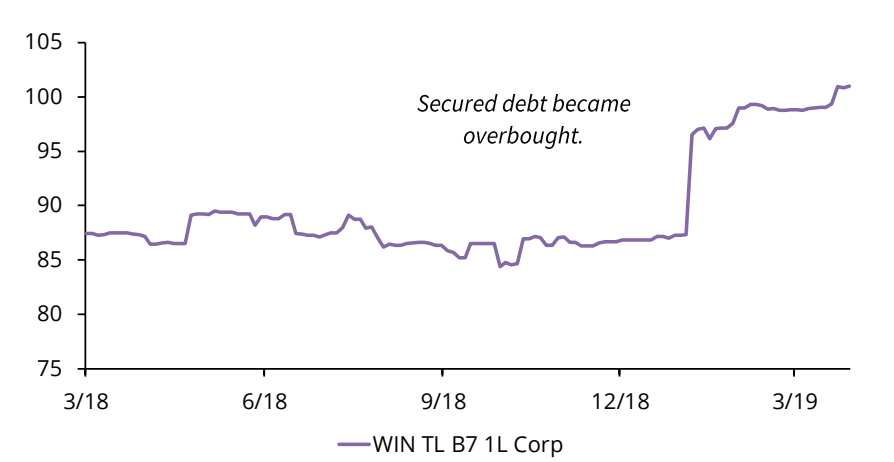
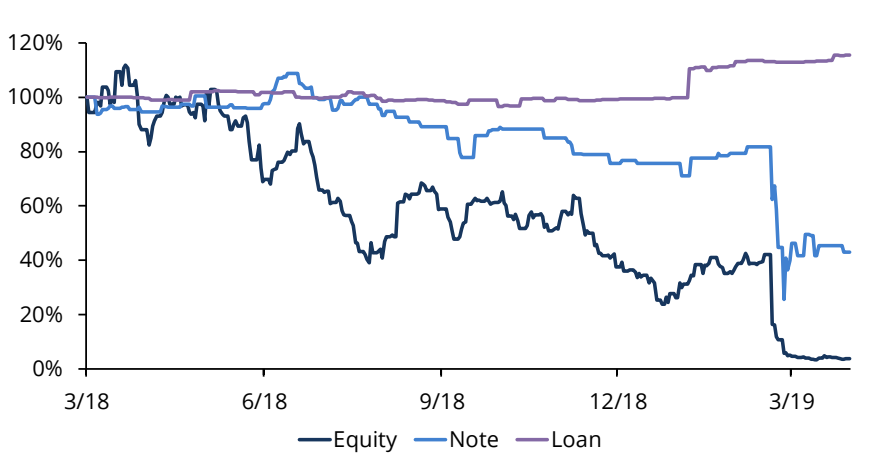
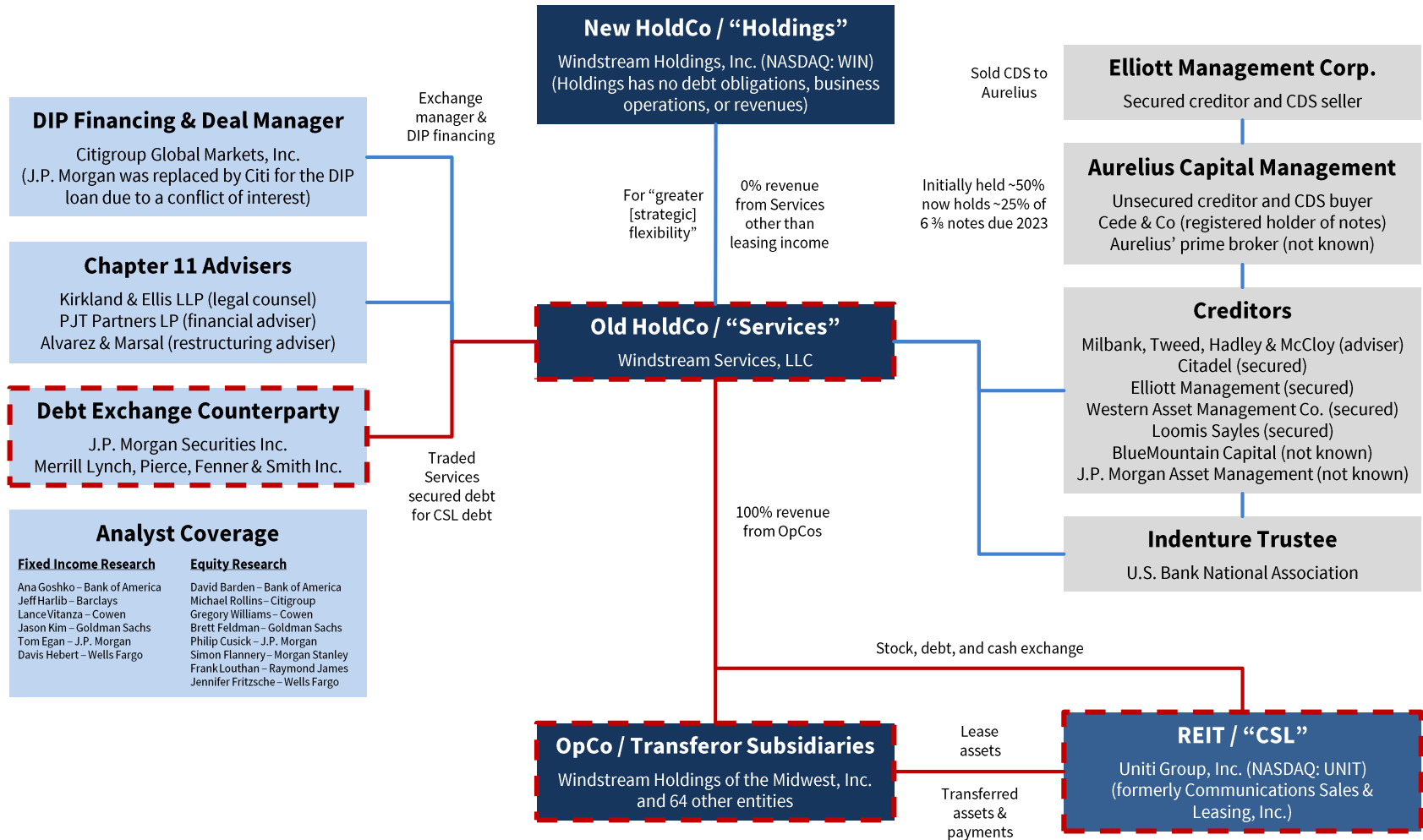


Figure 17: Percent Return by Security



The chart below represents the parties involved in both the sale-leaseback transaction and resulting bankruptcy.



CDS credit event auction allowed noteholders to tender their bonds and CDS buyers to recover value. Net-short debt players were the winners.

Dealer	Bid	Offer	Dealer
Barclays	27.0	30.0	Barclays
BNP Paribas	25.5	27.5	BNP Paribas
Citigroup	24.0	27.0	Citigroup
Credit Suisse	24.5	27.5	Credit Suisse
Deutsche Bank	25.0	28.0	Deutsche Bank
Goldman Sachs & Co	27.0	30.0	Goldman Sachs & Co
J.P. Morgan Securities	25.0	28.0	J.P. Morgan Securities
Merrill Lynch	26.0	29.0	Merrill Lynch
Morgan Stanley & Co	25.0	28.0	Morgan Stanley & Co
Societe Generale	25.0	28.0	Societe Generale

Initial Market Midpoint 26.75

Final Price 29.50

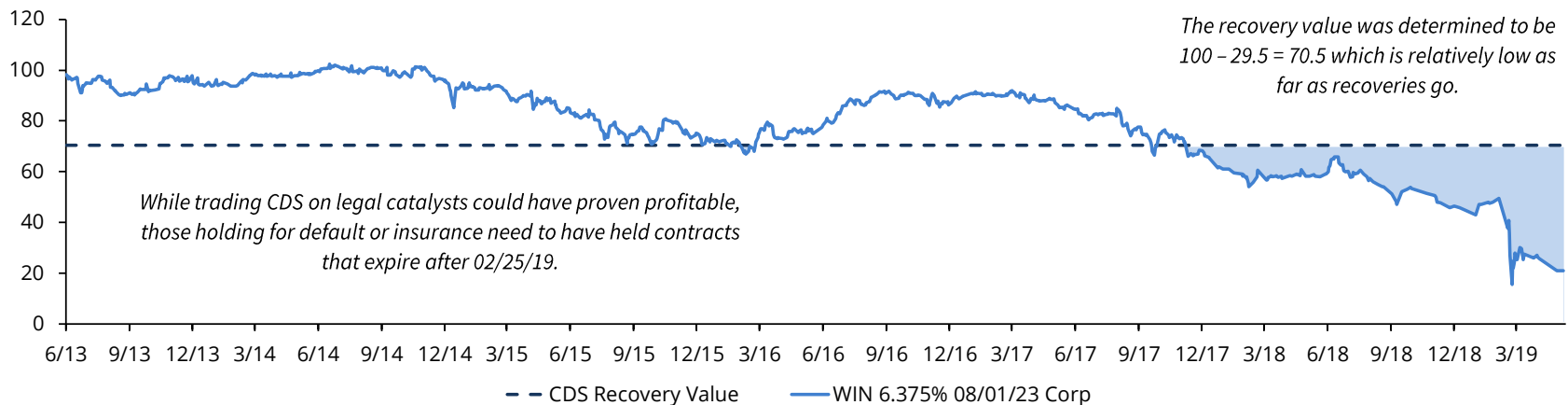
Unlike the real world where a court ruling determines an indenture violation, CDS settlements are decided by the Credit Derivatives Determinations Committee, otherwise known as the DC.

After the DC determined that no Failure to Pay Credit Event had occurred when Windstream failed to pay the accelerated notes (12/15/17) and when the court ruled in favor of Aurelius (02/20/19), the DC finally found that a Credit Event occurred when Windstream filed for bankruptcy on February 25th.

Interestingly, the DC chose to reject a request on the 26th that asked that the December ruling be overturned; this means that the Bankruptcy Credit Event would not result in a payout for those whose protection expired prior to the 25th.

This goes to show that having good market timing and understanding of the cash settlement process are as important as having a correct investment thesis.

Figure 18: CDS Recovery Value against 2023 Notes

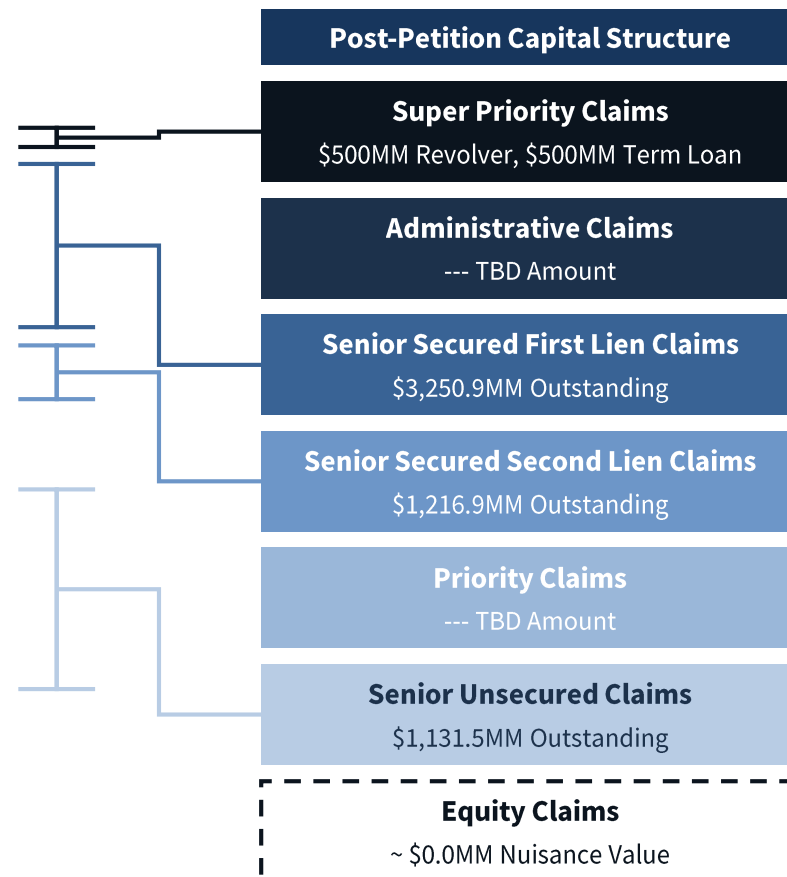


We expect contention between second lien and unsecured creditors. Windstream shareholders should expect no recovery.

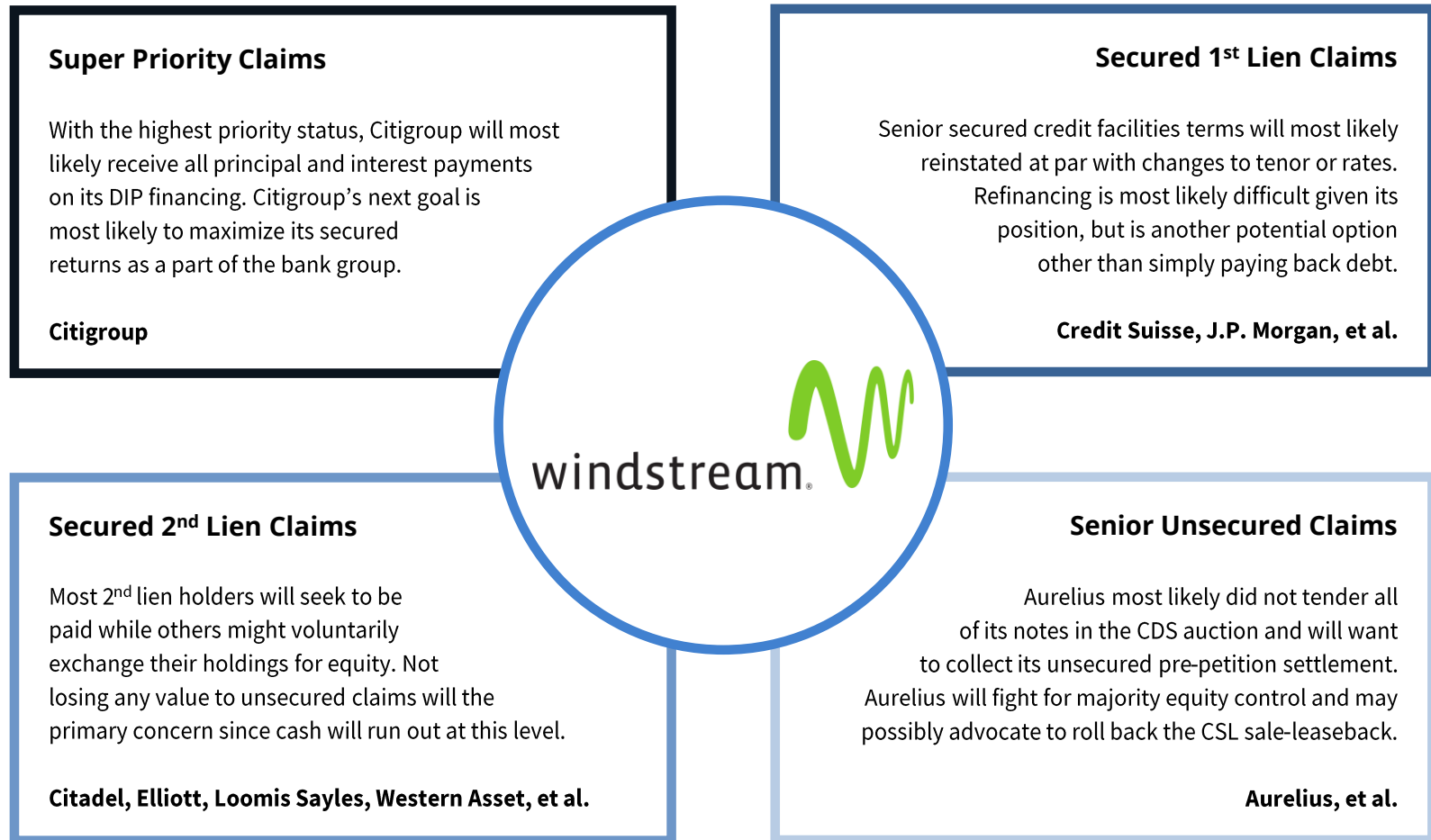
Current Capital Structure 1Q19

(in millions, except share and per share) 3/31/2019

Super Priority DIP Term Loan Facility	300.0
Senior Secured Credit Facility, Tranche B6 due March 29, 2021	1,180.5
Senior Secured Credit Facility, Tranche B7 due February 17, 2024	568.4
Senior Secured Credit Facility, Revolver due April 24, 2020	802.0
Windstream Holdings of the Midwest, Inc., 6.750% due April 1, 2028	100.0
Senior First Lien 2025 Notes, 8.625% due October 31, 2025	600.0
Senior Second Lien Notes, 10.500% due June 30, 2024	414.9
Senior Second Lien Notes, 9.000% due June 30, 2025	802.0
Secured Debt	4,767.8
2020 Notes, 7.750% due October 15, 2020	78.1
2021 Notes, 7.750% due October 1, 2021	70.1
2022 Notes, 7.500% due June 1, 2022	36.2
2023 Notes, 7.500% due April 1, 2023	34.4
2023 Notes, 6.375% due August 1, 2023	806.9
2024 Notes, 8.750% due December 15, 2024	105.8
Unsecured Debt	1,131.5
Net Premium (Discount) on Long-Term Debt	(5.5)
Unamortized Debt Issuance Costs	(30.6)
Long-Term Debt	5,863.2



Each party has its own separate goals, but all are seeking either cash value or control. Aurelius will most likely push for a lower valuation.



Appendix



Windstream Holdings Income Statement 2013 – 2015

WINDSTREAM HOLDINGS

15 MAY 2019

Windstream Holdings, Inc.	Q1	Q2	Q3	Q4	2013	Q1	Q2	Q3	Q4	2014	Q1	Q2	Q3	Q4	2015
(in millions, except share and per share)	3/31/2013	6/30/2013	9/30/2013	12/31/2013	12/31/2013	3/30/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015
Income Statement															
Service Revenues	1,451.3	1,445.4	1,442.8	1,436.0	5,775.5	1,419.7	1,417.7	1,409.6	1,400.6	5,647.6	1,381.8	1,377.2	1,451.2	1,388.4	5,598.6
Product Sales	45.2	56.3	55.7	55.4	212.6	45.2	48.3	45.9	42.5	181.9	36.8	43.9	47.4	38.6	166.7
Total Revenues and Sales	1,496.5	1,501.7	1,498.5	1,491.4	5,988.1	1,464.9	1,466.0	1,455.5	1,443.1	5,829.5	1,418.6	1,421.1	1,498.6	1,427.0	5,765.3
Growth YoY						-2.1%	-2.4%	-2.9%	-3.2%	-2.6%	-3.2%	-3.1%	3.0%	-1.1%	-1.1%
Growth QoQ		0.3%	-0.2%	-0.5%		-1.8%	0.1%	-0.7%	-0.9%		-1.7%	0.2%	5.5%	-4.8%	
Cost of Services	641.2	646.6	644.8	608.6	2,541.2	657.9	666.3	684.4	764.7	2,773.3	680.0	685.2	703.9	692.9	2,762.0
Cost of Products Sold	42.6	49.4	46.2	45.7	183.9	41.1	40.0	39.0	36.5	156.6	31.9	38.4	41.5	33.4	145.2
Cost of Revenues and Sales	683.8	696.0	691.0	654.3	2,725.1	699.0	706.3	723.4	801.2	2,929.9	711.9	723.6	745.4	726.3	2,907.2
% of Revenues and Sales	45.7%	46.3%	46.1%	43.9%	45.5%	47.7%	48.2%	49.7%	55.5%	50.3%	50.2%	50.9%	49.7%	50.9%	50.4%
Gross Profit	812.7	805.7	807.5	837.1	3,263.0	765.9	759.7	732.1	641.9	2,899.6	706.7	697.5	753.2	700.7	2,858.1
Gross Margin	54.3%	53.7%	53.9%	56.1%	54.5%	52.3%	51.8%	50.3%	44.5%	49.7%	49.8%	49.1%	50.3%	49.1%	49.6%
Growth YoY						-5.8%	-5.7%	-9.3%	-23.3%	-11.1%	-7.7%	-8.2%	2.9%	9.2%	-1.4%
Growth QoQ		-0.9%	0.2%	3.7%		-8.5%	-0.8%	-3.6%	-12.3%		10.1%	-1.3%	8.0%	-7.0%	
SG&A Expense	237.5	237.0	243.1	156.7	874.3	238.9	236.6	218.4	235.9	929.8	225.0	215.7	215.8	210.0	866.5
% of Revenues and Sales	15.9%	15.8%	16.2%	10.5%	14.6%	16.3%	16.1%	15.0%	16.3%	15.9%	15.9%	15.2%	14.4%	14.7%	15.0%
EBITDA	575.2	568.7	564.4	680.4	2,388.7	527.0	523.1	513.7	406.0	1,969.8	481.7	481.8	537.4	490.7	1,991.6
EBITDA Margin	38.4%	37.9%	37.7%	45.6%	39.9%	36.0%	35.7%	35.3%	28.1%	33.8%	34.0%	33.9%	35.9%	34.4%	34.5%
Growth YoY						-8.4%	-8.0%	-9.0%	-40.3%	-17.5%	-8.6%	-7.9%	4.6%	20.9%	1.1%
Growth QoQ		-1.1%	-0.8%	20.6%		-22.5%	-0.7%	-1.8%	-21.0%		18.6%	0.0%	11.5%	-8.7%	
Depreciation & Amortization	329.3	332.2	338.2	341.2	1,340.9	338.9	344.0	348.5	355.0	1,386.4	340.7	341.8	350.5	333.5	1,366.5
Operating Income	245.9	236.5	226.2	339.2	1,047.8	188.1	179.1	165.2	51.0	583.4	141.0	140.0	186.9	157.2	625.1
Operating Margin	16.4%	15.7%	15.1%	22.7%	17.5%	12.8%	12.2%	11.4%	3.5%	10.0%	9.9%	9.9%	12.5%	11.0%	10.8%
Growth YoY						-23.5%	-24.3%	-27.0%	-85.0%	-44.3%	-25.0%	-21.8%	13.1%	208.2%	7.1%
Growth QoQ		-3.8%	-4.4%	50.0%		-44.5%	-4.8%	-7.8%	-69.1%		176.5%	-0.7%	33.5%	-15.9%	
Interest Expense	168.9	162.0	148.8	148.0	627.7	141.9	142.5	143.4	144.0	571.8	141.1	217.5	230.2	224.4	813.2
Early Debt Extinguishment (Gain)	13.8	0.0	14.7	0.0	28.5	0.0	0.0	0.0	0.0	0.0	0.0	43.4	(7.6)	0.6	36.4
Other Expense (Income)	(2.3)	1.7	5.6	7.5	12.5	(0.9)	0.7	0.1	0.0	(0.1)	1.2	(9.3)	0.2	(1.4)	(9.3)
Income Before Taxes	65.5	72.8	57.1	183.7	379.1	47.1	35.9	21.7	(93.0)	11.7	(1.3)	(111.6)	(35.9)	(66.4)	(215.2)
Income Taxes (Benefit)	3.5	24.0	19.9	57.9	105.3	10.8	10.0	0.1	(46.0)	(25.1)	(27.7)	(48.1)	(19.5)	111.3	16.0
Income Tax Rate	5.3%	33.0%	34.9%	31.5%	27.8%	22.9%	27.9%	0.5%	49.5%	-214.5%	2130.8%	43.1%	54.3%	-167.6%	-7.4%
Income Before Extraordinary	62.0	48.8	37.2	125.8	273.8	36.3	25.9	21.6	(47.0)	36.8	26.4	(63.5)	(16.4)	(177.7)	(231.2)
Goodwill Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued Operations Loss (Income)	(0.3)	(0.4)	0.0	(5.3)	(6.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Data Center Unit Divestiture Loss (Gain)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(326.1)	(326.1)
CS&L-Related Costs (Income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(13.0)	(17.6)	30.6	0.0
Uniti-Related Costs (Income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(48.2)	(48.2)
Merger, Integration, and Other	5.1	6.9	5.8	12.4	30.2	7.4	8.1	10.0	14.9	40.4	14.1	57.3	3.1	20.5	95.0
Restructuring Charges	4.9	2.6	0.8	0.3	8.6	12.9	3.8	3.6	15.6	35.9	7.0	3.4	5.3	5.0	20.7
Extraordinary Charges	9.7	9.1	6.6	7.4	32.8	20.3	11.9	13.6	30.5	76.3	21.1	47.7	(9.2)	(318.2)	(258.6)
Net Income	52.3	39.7	30.6	118.4	241.0	16.0	14.0	8.0	(77.5)	(39.5)	5.3	(111.2)	(7.2)	140.5	27.4
Net Margin	3.5%	2.6%	2.0%	7.9%	4.0%	1.1%	1.0%	0.5%	-5.4%	-0.7%	0.4%	-7.8%	-0.5%	9.8%	0.5%
Growth YoY						-69.4%	-64.7%	-73.9%	-165.5%	-116.4%	-66.9%	-894.3%	-190.0%	-281.3%	-169.4%
Growth QoQ		-24.1%	-22.9%	286.9%		-86.5%	-12.5%	-42.9%	-1068.7%		-106.8%	-2198.1%	-93.5%	-2051.4%	
Reported Net Income	52.3	39.7	30.6	118.4	241.0	16.0	14.0	8.0	(77.5)	(39.5)	5.3	(111.2)	(7.2)	140.5	27.4
Check	(0.00)	(0.00)	(0.00)	118.40	0.00	(0.00)	(0.00)	0.00	(77.50)	(0.00)	(0.00)	(0.00)	0.00	140.50	0.00
Diluted EPS	0.09	0.07	0.05	0.24	0.24	0.15	0.13	0.07	(0.45)	0.05	(1.13)	(0.08)	0.24	0.24	0.24
Company Reported	0.09	0.06	0.05	0.24	0.24	0.15	0.13	0.07	(0.45)	0.05	(1.13)	(0.08)	0.24	0.24	0.24
Check	(0.00)	(0.01)	0.00	0.00	0.00	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00

Sources: CSSG Estimates, SEC EDGAR



Windstream Holdings Income Statement 2016 – 2018

WINDSTREAM HOLDINGS

15 MAY 2019

Windstream Holdings, Inc.	Q1	Q2	Q3	Q4	2016	Q1	Q2	Q3	Q4	2017	Q1	Q2	Q3	Q4	2018
(in millions, except share and per share)	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	12/31/2018
Income Statement															
Service Revenues	1,340.6	1,331.3	1,318.9	1,289.1	5,279.9	1,344.4	1,465.6	1,472.4	1,477.3	5,759.7	1,435.4	1,424.6	1,400.1	1,377.1	5,637.2
Product Sales	32.8	28.3	26.0	20.0	107.1	21.3	26.0	25.3	20.6	93.2	18.9	19.8	20.5	16.7	75.9
Total Revenues and Sales	1,373.4	1,359.6	1,344.9	1,309.1	5,387.0	1,365.7	1,491.6	1,497.7	1,497.9	5,852.9	1,454.3	1,444.4	1,420.6	1,393.8	5,713.1
Growth YoY	-3.2%	-4.3%	-10.3%	-8.3%	-6.6%	-0.6%	9.7%	11.4%	14.4%	8.6%	6.5%	-3.2%	-5.1%	-6.9%	-2.4%
Growth QoQ	-3.8%	-1.0%	-1.1%	-2.7%		4.3%	9.2%	0.4%	0.0%		-2.9%	-0.7%	-1.6%	-1.9%	
Cost of Services	668.8	667.2	677.5	664.3	2,677.8	683.8	750.7	780.5	749.9	2,964.9	736.9	722.8	700.2	694.9	2,854.8
Cost of Products Sold	28.9	24.2	21.5	23.9	98.5	20.8	29.7	22.3	20.7	93.5	16.8	18.2	19.7	14.4	69.1
Cost of Revenues and Sales	697.7	691.4	699.0	688.2	2,776.3	704.6	780.4	802.8	770.6	3,058.4	753.7	741.0	719.9	709.3	2,923.9
% of Revenues and Sales	50.8%	50.9%	52.0%	52.6%		51.6%	52.3%	53.6%	51.4%	52.3%	51.8%	51.3%	50.7%	50.9%	51.2%
Gross Profit	675.7	668.2	645.9	620.9	2,610.7	661.1	711.2	694.9	727.3	2,794.5	700.6	703.4	700.7	684.5	2,789.2
Gross Margin	49.2%	49.1%	48.0%	47.4%	48.5%	48.4%	47.7%	46.4%	48.6%	47.7%	48.2%	48.7%	49.3%	49.1%	48.8%
Growth YoY	-4.4%	-4.2%	-14.2%	-11.4%	-8.7%	-2.2%	6.4%	7.6%	17.1%	7.0%	6.0%	-1.1%	0.8%	-5.9%	-0.2%
Growth QoQ	-3.6%	-1.1%	-3.3%	-3.9%		6.5%	7.6%	-2.3%	4.7%		-3.7%	0.4%	-0.4%	-2.3%	
SG&A Expense	203.8	196.9	190.1	206.9	797.7	213.8	226.4	231.8	224.8	896.8	228.8	224.5	225.8	209.9	889.0
% of Revenues and Sales	14.8%	14.5%	14.1%	15.8%	14.8%	15.7%	15.2%	15.5%	15.0%	15.3%	15.7%	15.5%	15.9%	15.1%	15.6%
EBITDA	471.9	471.3	455.8	414.0	1,813.0	447.3	484.8	463.1	502.5	1,897.7	471.8	478.9	474.9	474.6	1,900.2
EBITDA Margin	34.4%	34.7%	33.9%	31.6%	33.7%	32.8%	32.5%	30.9%	33.5%	32.4%	32.4%	33.2%	33.4%	34.1%	33.3%
Growth YoY	-2.0%	-2.2%	-15.2%	-15.6%	-9.0%	-5.2%	2.9%	1.6%	21.4%	4.7%	5.5%	-1.2%	2.5%	-5.6%	0.1%
Growth QoQ	-3.8%	-0.1%	-3.3%	-9.2%		8.0%	8.4%	-4.5%	8.5%		-6.1%	1.5%	-0.8%	-0.1%	
Depreciation & Amortization	304.8	308.2	321.0	329.5	1,263.5	338.5	362.4	365.4	403.7	1,470.0	381.8	370.7	383.8	390.4	1,526.7
Operating Income	167.1	163.1	134.8	84.5	549.5	108.8	122.4	97.7	98.8	427.7	90.0	108.2	91.1	84.2	373.5
Operating Margin	12.2%	12.0%	10.0%	6.5%	10.2%	8.0%	8.2%	6.5%	6.6%	7.3%	6.2%	7.5%	6.4%	6.0%	6.5%
Growth YoY	18.5%	16.5%	-27.9%	-46.2%	-12.1%	-34.9%	-25.0%	-27.5%	16.9%	-22.2%	-17.3%	-11.6%	-6.8%	-14.8%	-12.7%
Growth QoQ	6.3%	-2.4%	-17.4%	-37.3%		28.8%	12.5%	-20.2%	1.1%		-8.9%	20.2%	-15.8%	-7.6%	
Interest Expense	219.7	217.4	216.4	207.1	860.6	211.8	214.4	216.4	232.8	875.4	223.1	224.4	230.0	223.8	901.3
Early Debt Extinguishment (Gain)	35.4	(37.5)	20.1	0.0	18.0	3.2	0.0	(5.2)	58.4	56.4	0.0	0.0	(190.3)	0.0	(190.3)
Other Expense (Income)	1.2	1.9	(0.6)	(1.3)	1.2	(2.6)	(4.2)	(1.7)	8.5	0.0	2.3	(12.0)	(3.2)	17.8	4.9
Income Before Taxes	(89.2)	(18.7)	(101.1)	(121.3)	(330.3)	(103.6)	(87.8)	(111.8)	(200.9)	(504.1)	(135.4)	(104.2)	54.6	(157.4)	(342.4)
Income Taxes (Benefit)	(31.0)	(11.4)	(42.4)	(55.2)	(140.0)	(57.0)	(39.6)	(66.8)	(244.7)	(408.1)	(35.0)	(30.4)	(2.2)	516.7	449.1
Income Tax Rate	34.8%	61.0%	41.9%	45.5%	42.4%	55.0%	45.1%	59.7%	121.8%	81.0%	25.8%	29.2%	-4.0%	-328.3%	-131.2%
Income Before Extraordinary	(58.2)	(7.3)	(58.7)	(66.1)	(190.3)	(46.6)	(48.2)	(45.0)	43.8	(96.0)	(100.4)	(73.8)	56.8	(674.1)	(791.5)
Goodwill Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,840.8	1,840.8	0.0	0.0	0.0	0.0	0.0
Discontinued Operations Loss (Income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Data Center Unit Divestiture Loss (Gain)	0.0	0.0	0.0	10.0	10.0	0.0	0.0	0.0	(0.6)	(0.6)	0.0	0.0	0.0	0.0	0.0
CS&L-Related Costs (Income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uniti-Related Costs (Income)	164.3	(17.3)	2.1	0.0	149.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Merger, Integration, and Other	5.0	2.6	2.9	3.3	13.8	57.3	16.4	33.7	30.0	137.4	7.3	14.1	9.0	(143.9)	(113.5)
Restructuring Charges	4.4	5.9	2.5	7.5	20.3	7.4	3.5	22.8	9.3	43.0	13.7	5.8	6.5	19.0	45.0
Extraordinary Charges	173.7	(8.8)	7.5	20.8	193.2	64.7	19.9	56.5	1,879.5	2,020.6	21.0	19.9	15.5	(124.9)	(68.5)
Net Income	(231.9)	1.5	(66.2)	(86.9)	(383.5)	(111.3)	(68.1)	(101.5)	(1,835.7)	(2,116.6)	(121.4)	(93.7)	41.3	(549.2)	(723.0)
Net Margin	-16.9%	0.1%	-4.9%	-6.6%	-7.1%	-8.1%	-4.6%	-6.8%	-122.6%	-36.2%	-8.3%	-6.5%	2.9%	-39.4%	-12.7%
Growth YoY	-4475.5%	-101.3%	819.4%	-161.9%	-1499.6%	-52.0%	-4640.0%	53.3%	2012.4%	451.9%	9.1%	37.6%	-140.7%	-70.1%	-65.8%
Growth QoQ	-265.1%	-100.6%	-4513.3%	31.3%		28.1%	-38.8%	49.0%	1708.6%		-93.4%	-22.8%	-144.1%	-1429.8%	
Reported Net Income	(231.9)	1.5	(66.2)	(86.9)	(383.5)	(111.3)	(68.1)	(101.5)	(2,116.6)	(2,116.6)	(121.4)	(93.7)	41.3	(549.2)	(723.0)
Check	0.00	(0.00)	0.00	(86.90)	0.00	0.00	(0.00)	0.00	(1,835.70)	0.00	0.00	(0.00)	0.00	(549.20)	0.00
Diluted EPS	(2.52)	0.01	(0.72)	(4.11)	(4.11)	(0.89)	(1.83)	(2.76)	(12.52)	(12.52)	(0.65)	(2.30)	0.97	(17.72)	(17.72)
Company Reported	(2.52)	0.01	(0.72)	(4.11)	(4.11)	(0.89)	(1.83)	(2.76)	(12.52)	(12.52)	(0.65)	(2.30)	0.97	(17.72)	(17.72)
Check	0.00	(0.00)	(0.00)	0.00	0.00	(0.00)	0.00	(0.00)	0.00	0.00	(0.00)	0.00	0.00	0.00	0.00

Windstream Holdings Balance Sheet 2013 – 2015

WINDSTREAM HOLDINGS

15 MAY 2019

Windstream Holdings, Inc.	Q1	Q2	Q3	Q4	2013	Q1	Q2	Q3	Q4	2014	Q1	Q2	Q3	Q4	2015
(in millions, except share and per share)	3/31/2013	6/30/2013	9/30/2013	12/31/2013	12/31/2013	3/30/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015
Balance Sheet															
Cash & Equivalents	54.4	78.3	73.4	48.2	48.2	70.0	54.8	103.7	27.8	27.8	74.0	47.0	97.2	31.3	31.3
Restricted Cash	18.9	15.1	13.5	9.7	9.7	10.6	7.9	7.7	6.7	6.7	7.1	2.9	0.0	0.0	0.0
Accounts Receivable	594.1	613.5	634.8	635.3	635.3	632.7	630.9	617.3	635.5	635.5	658.5	665.7	657.3	643.9	643.9
Inventories	71.4	69.9	68.5	67.7	67.7	70.4	64.5	68.1	63.7	63.7	63.0	73.1	81.0	79.5	79.5
Prepaid Expenses & Other	230.8	212.1	198.2	182.4	182.4	192.2	174.2	161.8	164.6	164.6	171.6	159.2	158.7	120.6	120.6
Total Current Assets	969.6	988.9	988.4	943.3	943.3	975.9	932.3	958.6	898.3	898.3	974.2	947.9	994.2	875.3	875.3
Goodwill	4,340.9	4,340.9	4,340.9	4,331.4	4,331.4	4,331.4	4,331.4	4,331.4	4,352.8	4,352.8	4,352.8	4,340.0	4,340.0	4,213.6	4,213.6
Other Intangibles, Net	2,236.9	2,163.0	2,090.5	2,020.1	2,020.1	1,954.5	1,889.4	1,825.7	1,764.0	1,764.0	1,710.5	1,640.9	1,586.2	1,504.7	1,504.7
Net PP&E	5,858.2	5,835.4	5,781.0	5,702.6	5,702.6	5,610.1	5,540.7	5,456.3	5,412.3	5,412.3	5,315.0	5,291.7	5,329.7	5,279.8	5,279.8
Investment in CS&L Common Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	726.4	526.0	549.2	549.2
Deferred Income Taxes	145.0	124.9	96.2	241.5	241.5	167.5	98.7	69.5	0.0	0.0	91.7	166.3	128.8	0.0	0.0
Other Non-Current Assets	172.9	185.8	189.7	205.7	205.7	200.4	193.2	190.1	92.9	92.9	174.9	91.2	99.5	95.5	95.5
Total Assets	13,723.5	13,638.9	13,486.7	13,444.6	13,444.6	13,239.8	12,985.7	12,831.6	12,520.3	12,520.3	12,619.1	13,204.4	13,004.4	12,518.1	12,518.1
Current Maturities of LT Debt	888.0	76.8	86.0	85.0	85.0	88.7	92.5	92.5	717.5	717.5	92.5	5.9	5.9	5.9	5.9
Current Portion of LT Lease Obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	142.8	146.4	152.7	152.7
Current Portion of Interest Rate Swaps	28.6	29.5	29.6	30.0	30.0	30.8	30.1	29.4	0.0	0.0	28.5	16.3	19.2	0.0	0.0
Accounts Payable	301.5	329.9	389.5	385.9	385.9	355.9	361.4	356.5	403.3	403.3	332.0	369.6	366.7	430.1	430.1
Advance Payments and Customer Deposits	223.2	226.0	223.6	223.5	223.5	222.0	220.9	216.7	214.7	214.7	214.5	211.1	207.4	193.9	193.9
Accrued Dividends	149.2	149.6	150.7	151.1	151.1	151.9	152.3	152.7	152.4	152.4	151.7	11.9	15.7	15.1	15.1
Accrued Taxes	96.2	103.3	104.3	104.2	104.2	89.0	95.0	97.6	95.2	95.2	84.3	93.1	93.2	84.1	84.1
Accrued Interest	160.8	129.2	153.1	103.5	103.5	170.1	102.2	169.8	102.5	102.5	170.4	84.5	139.0	78.4	78.4
Other Current Liabilities	257.4	288.1	298.9	362.4	362.4	319.2	350.9	288.7	357.4	357.4	282.4	281.9	304.2	306.9	306.9
Total Current Liabilities	2,104.9	1,332.4	1,435.7	1,445.6	1,445.6	1,427.6	1,405.3	1,403.9	2,043.0	2,043.0	1,356.3	1,217.1	1,297.7	1,267.1	1,267.1
LT Debt	8,108.7	8,867.9	8,760.8	8,622.2	8,622.2	8,617.6	8,593.1	8,568.6	7,846.5	7,846.5	8,728.1	5,637.9	5,693.4	5,164.6	5,164.6
LT Lease Obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	81.0	81.0	0.0	5,045.4	5,007.6	5,000.4	5,000.4
Deferred Income Taxes	1,815.2	1,827.0	1,810.4	2,038.3	2,038.3	1,968.0	1,897.9	1,872.5	1,773.2	1,773.2	1,828.8	382.5	322.8	287.4	287.4
Other Non-Current Liabilities	670.8	665.5	625.0	498.3	498.3	503.9	499.2	527.7	551.8	551.8	610.9	486.5	508.6	492.2	492.2
Total Liabilities	12,699.6	12,692.8	12,631.9	12,604.4	12,604.4	12,517.1	12,395.5	12,372.7	12,295.5	12,295.5	12,524.1	12,769.4	12,830.1	12,211.7	12,211.7
Common Stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
Additional Paid-In Capital	1,023.1	921.5	835.7	811.6	811.6	703.3	574.6	437.7	252.1	252.1	86.9	675.8	638.6	602.9	602.9
Accumulated Other Comprehensive Income (Loss)	0.7	24.5	19.0	28.5	28.5	19.3	15.5	21.1	12.1	12.1	8.0	(95.5)	(311.7)	(284.4)	(284.4)
Accumulated Deficit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(39.5)	(39.5)	0.0	(145.4)	(152.6)	(12.1)	(12.1)
Total Shareholders' (Deficit) Equity	1,023.9	946.1	854.8	840.2	840.2	722.7	590.2	458.9	224.8	224.8	95.0	435.0	174.3	306.4	306.4
Liabilities + Shareholders' Equity	13,723.5	13,638.9	13,486.7	13,444.6	13,444.6	13,239.8	12,985.7	12,831.6	12,520.3	12,520.3	12,619.1	13,204.4	13,004.4	12,518.1	12,518.1
<i>Balance</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>



Charon Special
Situations Group

Sources: CSSG Estimates, SEC EDGAR

Windstream Holdings Balance Sheet 2016 – 2018

WINDSTREAM HOLDINGS

15 MAY 2019

Windstream Holdings, Inc.	Q1	Q2	Q3	Q4	2016	Q1	Q2	Q3	Q4	2017	Q1	Q2	Q3	Q4	2018
(in millions, except share and per share)	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	12/31/2018
Balance Sheet															
Cash & Equivalents	74.6	41.6	61.4	59.1	59.1	51.5	24.7	56.5	43.4	43.4	60.5	45.3	37.3	355.7	355.7
Restricted Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3	5.3
Accounts Receivable	636.1	628.5	649.7	618.6	618.6	654.8	659.7	688.8	643.0	643.0	594.8	623.9	649.0	653.1	653.1
Inventories	79.4	70.7	80.3	77.5	77.5	87.0	90.4	97.4	93.0	93.0	90.3	85.0	87.0	82.4	82.4
Prepaid Expenses & Other	149.9	130.9	129.6	111.7	111.7	169.8	152.1	166.1	154.3	154.3	197.9	181.0	184.3	159.7	159.7
Total Current Assets	940.0	871.7	921.0	866.9	866.9	963.1	926.9	1,008.8	933.7	933.7	943.5	935.2	957.6	1,256.2	1,256.2
Goodwill	4,213.6	4,213.6	4,213.6	4,213.6	4,213.6	4,690.2	4,571.1	4,678.1	2,842.4	2,842.4	2,868.0	2,873.9	2,876.8	2,773.7	2,773.7
Other Intangibles, Net	1,457.2	1,411.4	1,365.3	1,320.5	1,320.5	1,577.7	1,506.8	1,530.1	1,454.4	1,454.4	1,405.9	1,349.4	1,300.3	1,213.1	1,213.1
Net PP&E	5,255.7	5,239.3	5,238.8	5,283.5	5,283.5	5,575.6	5,558.2	5,523.5	5,391.8	5,391.8	5,263.6	5,156.6	5,049.2	4,920.9	4,920.9
Investment in CS&L Common Stock	653.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Income Taxes	0.0	0.0	0.0	0.0	0.0	0.0	53.5	98.9	370.8	370.8	389.8	416.2	418.0	0.0	0.0
Other Non-Current Assets	90.9	85.6	84.9	85.5	85.5	97.6	89.7	89.2	91.2	91.2	110.5	108.5	108.2	94.0	94.0
Total Assets	12,611.2	11,821.6	11,823.6	11,770.0	11,770.0	12,904.2	12,706.2	12,928.6	11,084.3	11,084.3	10,981.3	10,839.8	10,710.1	10,257.9	10,257.9
Current Maturities of LT Debt	11.9	11.9	13.4	14.9	14.9	19.3	19.3	19.3	169.3	169.3	17.9	17.9	17.9	5,728.1	5,728.1
Current Portion of LT Lease Obligations	156.6	160.4	164.5	168.7	168.7	172.9	177.8	183.2	188.6	188.6	194.3	200.1	206.0	4,570.3	4,570.3
Current Portion of Interest Rate Swaps	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts Payable	323.6	342.2	327.8	390.2	390.2	335.8	340.4	387.3	494.0	494.0	444.1	495.2	483.4	503.6	503.6
Advance Payments and Customer Deposits	193.9	193.2	183.9	178.1	178.1	215.1	209.3	214.2	207.3	207.3	199.9	199.7	195.2	180.6	180.6
Accrued Dividends	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued Taxes	71.6	76.3	77.6	78.0	78.0	80.9	85.3	91.8	89.5	89.5	75.7	87.5	93.5	87.4	87.4
Accrued Interest	118.1	66.3	93.1	58.1	58.1	96.0	59.0	94.1	52.6	52.6	87.1	62.2	69.9	43.5	43.5
Other Current Liabilities	273.9	269.7	288.1	366.6	366.6	381.0	336.7	321.4	342.1	342.1	269.0	278.9	308.8	344.2	344.2
Total Current Liabilities	1,149.6	1,120.0	1,148.4	1,254.6	1,254.6	1,301.0	1,227.8	1,311.3	1,543.4	1,543.4	1,288.0	1,341.5	1,374.7	11,457.7	11,457.7
LT Debt	5,433.1	4,731.6	4,852.7	4,848.7	4,848.7	5,459.8	5,559.9	5,857.4	5,674.6	5,674.6	5,929.3	5,867.9	5,721.3	0.0	0.0
LT Lease Obligations	4,959.8	4,918.4	4,875.7	4,831.9	4,831.9	4,787.1	4,740.6	4,692.6	4,643.3	4,643.3	4,592.8	4,540.5	4,486.5	72.8	72.8
Deferred Income Taxes	254.9	241.4	199.7	151.5	151.5	98.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	104.3	104.3
Other Non-Current Liabilities	476.1	481.0	496.8	513.3	513.3	535.7	547.7	546.1	521.9	521.9	508.4	496.4	488.5	542.4	542.4
Total Liabilities	12,273.5	11,492.4	11,573.3	11,600.0	11,600.0	12,181.8	12,076.0	12,407.4	12,383.2	12,383.2	12,318.5	12,246.3	12,071.0	12,177.2	12,177.2
Common Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional Paid-In Capital	587.6	578.7	569.3	559.7	559.7	1,220.5	1,198.0	1,186.4	1,191.9	1,191.9	1,228.9	1,243.2	1,247.1	1,250.4	1,250.4
Accumulated Other Comprehensive Income (Lc)	(5.9)	(7.0)	(10.3)	5.9	5.9	8.8	7.2	11.3	21.4	21.4	33.9	44.0	44.4	35.6	35.6
Accumulated Deficit	(244.0)	(242.5)	(308.7)	(395.6)	(395.6)	(506.9)	(575.0)	(676.5)	(2,512.2)	(2,512.2)	(2,600.0)	(2,693.7)	(2,652.4)	(3,205.3)	(3,205.3)
Total Shareholders' (Deficit) Equity	337.7	329.2	250.3	170.0	170.0	722.4	630.2	521.2	(1,298.9)	(1,298.9)	(1,337.2)	(1,406.5)	(1,360.9)	(1,919.3)	(1,919.3)
Liabilities + Shareholders' Equity	12,611.2	11,821.6	11,823.6	11,770.0	11,770.0	12,904.2	12,706.2	12,928.6	11,084.3	11,084.3	10,981.3	10,839.8	10,710.1	10,257.9	10,257.9
<i>Balance</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>



Charon Special
Situations Group

Sources: CSSG Estimates, SEC EDGAR

Windstream Services Income Statement 2013 – 2015

WINDSTREAM HOLDINGS

15 MAY 2019

Windstream Services, LLC	Q1	Q2	Q3	Q4	2013	Q1	Q2	Q3	Q4	2014	Q1	Q2	Q3	Q4	2015
(in millions, except share and per share)	3/31/2013	6/30/2013	9/30/2013	12/31/2013	12/31/2013	3/30/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015
Income Statement															
Service Revenues	1,451.3	1,445.4	1,442.8	1,436.0	5,775.5	1,419.7	1,417.7	1,409.6	1,400.6	5,647.6	1,381.8	1,377.2	1,451.2	1,388.4	5,598.6
Product Sales	45.2	56.3	55.7	55.4	212.6	45.2	48.3	45.9	42.5	181.9	36.8	43.9	47.4	38.6	166.7
Total Revenues and Sales	1,496.5	1,501.7	1,498.5	1,491.4	5,988.1	1,464.9	1,466.0	1,455.5	1,443.1	5,829.5	1,418.6	1,421.1	1,498.6	1,427.0	5,765.3
Cost of Services	641.2	646.6	644.8	608.6	2,541.2	657.9	666.3	684.4	764.7	2,773.3	680.0	685.2	703.9	692.9	2,762.0
Cost of Products Sold	42.6	49.4	46.2	45.7	183.9	41.1	40.0	39.0	36.5	156.6	31.9	38.4	41.5	33.4	145.2
Cost of Revenues and Sales	683.8	696.0	691.0	654.3	2,725.1	699.0	706.3	723.4	801.2	2,929.9	711.9	723.6	745.4	726.3	2,907.2
Gross Profit	812.7	805.7	807.5	837.1	3,263.0	765.9	759.7	732.1	641.9	2,899.6	706.7	697.5	753.2	700.7	2,858.1
SG&A Expense	237.5	237.0	243.1	156.7	874.3	238.4	235.5	218.0	235.6	927.5	224.4	215.0	215.5	209.6	864.5
EBITDA	575.2	568.7	564.4	680.4	2,388.7	527.5	524.2	514.1	406.3	1,972.1	482.3	482.5	537.7	491.1	1,993.6
Depreciation & Amortization	329.3	332.2	338.2	341.2	1,340.9	338.9	344.0	348.5	355.0	1,386.4	340.7	341.8	350.5	333.5	1,366.5
Operating Income	245.9	236.5	226.2	339.2	1,047.8	188.6	180.2	165.6	51.3	585.7	141.6	140.7	187.2	157.6	627.1
Interest Expense	168.9	162.0	148.8	148.0	627.7	141.9	142.5	143.4	144.0	571.8	141.1	217.5	230.2	224.4	813.2
Early Debt Extinguishment (Gain)	13.8	0.0	14.7	0.0	28.5	0.0	0.0	0.0	0.0	0.0	0.0	43.4	(7.6)	0.6	36.4
Other Expense (Income)	(2.3)	1.7	5.6	7.5	12.5	(0.9)	0.7	0.1	0.0	(0.1)	1.2	(9.3)	0.2	(1.4)	(9.3)
Income Before Taxes	65.5	72.8	57.1	183.7	379.1	47.6	37.0	22.1	(92.7)	14.0	(0.7)	(110.9)	(35.6)	(66.0)	(213.2)
Income Taxes (Benefit)	3.5	24.0	19.9	57.9	105.3	11.0	10.4	0.3	(45.9)	(24.2)	(27.4)	(47.9)	(19.4)	111.5	16.8
Income Before Extraordinary	62.0	48.8	37.2	125.8	273.8	36.6	26.6	21.8	(46.8)	38.2	26.7	(63.0)	(16.2)	(177.5)	(230.0)
Goodwill Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Discontinued Operations Loss (Income)	(0.3)	(0.4)	0.0	(5.3)	(6.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Data Center Unit Divestiture Loss (Gain)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(326.1)	(326.1)
CS&L-Related Costs (Income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(13.0)	(17.6)	30.6	0.0
Uniti-Related Costs (Income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(48.2)	(48.2)
Merger, Integration, and Other	5.1	6.9	5.8	12.4	30.2	7.4	8.1	10.0	14.9	40.4	14.1	57.3	3.1	20.5	95.0
Restructuring Charges	4.9	2.6	0.8	0.3	8.6	12.9	3.8	3.6	15.6	35.9	7.0	3.4	5.3	5.0	20.7
Extraordinary Charges	9.7	9.1	6.6	7.4	32.8	20.3	11.9	13.6	30.5	76.3	21.1	47.7	(9.2)	(318.2)	(258.6)
Net Income	52.3	39.7	30.6	118.4	241.0	16.3	14.7	8.2	(77.3)	(38.1)	5.6	(110.7)	(7.0)	140.7	28.6
Reported Net Income	52.3	39.7	30.6	118.4	241.0	16.3	14.7	8.2	(77.3)	(38.1)	5.6	(110.7)	(7.0)	140.7	28.6
Check	(0.00)	(0.00)	(0.00)	118.40	0.00	(0.00)	(0.00)	0.00	77.30	0.00	(0.00)	0.00	(0.00)	140.70	0.00
Adjusted Figures															
EBITDA				2,388.7	2,388.7	2,341.0	2,296.5	2,246.2	1,972.1	1,972.1	1,926.9	1,885.2	1,908.8	1,993.6	1,993.6
Merger, Integration, and Other				(30.2)	(30.2)	(32.5)	(33.7)	(37.9)	(40.4)	(40.4)	(47.1)	(96.3)	(89.4)	(95.0)	(95.0)
Restructuring Charges				(8.6)	(8.6)	(16.6)	(17.8)	(20.6)	(35.9)	(35.9)	(30.0)	(29.6)	(31.3)	(20.7)	(20.7)
Required Adjustments				(45.5)	(45.5)	(32.6)	(21.4)	(8.8)	248.1	248.1	247.4	(360.5)	(354.9)	(480.4)	(480.4)
Total Adjustments				(84.3)	(84.3)	(81.7)	(72.9)	(67.3)	171.8	171.8	170.3	(486.4)	(475.6)	(596.1)	(596.1)
Adjusted EBITDA	2,392.3	2,378.3	2,355.7	2,304.4	2,304.4	2,259.3	2,223.6	2,178.9	2,143.9	2,143.9	2,097.2	1,398.8	1,433.2	1,397.5	1,397.5
Company Reported	2,392.30	2,378.30	2,355.70	2,304.40	2,304.40	2,259.30	2,223.60	2,178.90	2,143.90	2,143.90	2,097.20	1,398.80	1,433.20	1,397.50	1,397.50
Check	0.00	0.00	0.00	2,304.40	0.00	0.50	(0.50)	(0.50)	2,143.90	2.30	0.00	0.00	0.00	1,397.50	0.00
Capital Leases including Current Maturities	0.0	51.7	67.7	79.2	79.2	71.3	68.0	60.0	52.9	52.9	50.1	42.9	56.0	61.2	61.2
Interest Expense				627.7	627.7	600.7	581.2	575.8	571.8	571.8	571.0	646.0	732.8	813.2	813.2
Required Adjustments				5.7	5.7	(8.5)	(8.3)	(14.0)	(10.0)	(10.0)	(8.7)	(249.1)	(337.6)	(425.8)	(425.8)
Adjusted Interest Expense	669.4	673.4	652.3	633.4	633.4	592.2	572.9	561.8	561.8	561.8	562.3	396.9	395.2	387.4	387.4
Company Reported	669.40	673.40	652.30	633.40	633.40	592.20	572.90	561.80	561.80	561.80	562.30	396.90	395.20	387.40	387.40
Check	0.00	0.00	0.00	633.40	0.00	0.00	0.00	0.00	561.80	0.00	0.00	0.00	0.00	387.40	0.00

Notes: The EBITDA breakdown (above the highlighted) is only available for the time after Holdings was created. Services' financials include those of its subsidiaries such as Windstream Finance Corporation.

Sources: CSSG Estimates, SEC EDGAR

Windstream Services Income Statement 2016 – 2018

WINDSTREAM HOLDINGS

15 MAY 2019

Windstream Services, LLC	Q1	Q2	Q3	Q4	2016	Q1	Q2	Q3	Q4	2018	Q1	Q2	Q3	Q4	2018
(in millions, except share and per share)	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	12/31/2018
Income Statement															
Service Revenues	1,340.6	1,331.3	1,318.9	1,289.1	5,279.9	1,344.4	1,465.6	1,472.4	1,477.3	5,759.7	1,435.4	1,424.6	1,400.1	1,377.1	5,637.2
Product Sales	32.8	28.3	26.0	20.0	107.1	21.3	26.0	25.3	20.6	93.2	18.9	19.8	20.5	16.7	75.9
Total Revenues and Sales	1,373.4	1,359.6	1,344.9	1,309.1	5,387.0	1,365.7	1,491.6	1,497.7	1,497.9	5,852.9	1,454.3	1,444.4	1,420.6	1,393.8	5,713.1
Cost of Services	668.8	667.2	677.5	664.3	2,677.8	683.8	750.7	780.5	749.9	2,964.9	736.9	722.8	700.2	694.9	2,854.8
Cost of Products Sold	28.9	24.2	21.5	23.9	98.5	20.8	29.7	22.3	20.7	93.5	16.8	18.2	19.7	14.4	69.1
Cost of Revenues and Sales	697.7	691.4	699.0	688.2	2,776.3	704.6	780.4	802.8	770.6	3,058.4	753.7	741.0	719.9	709.3	2,923.9
Gross Profit	675.7	668.2	645.9	620.9	2,610.7	661.1	711.2	694.9	727.3	2,794.5	700.6	703.4	700.7	684.5	2,789.2
SG&A Expense	203.3	196.3	189.8	206.6	796.0	213.5	225.6	231.8	223.9	894.8	228.3	223.8	225.5	209.6	887.2
EBITDA	472.4	471.9	456.1	414.3	1,814.7	447.6	485.6	463.1	503.4	1,899.7	472.3	479.6	475.2	474.9	1,902.0
Depreciation & Amortization	304.8	308.2	321.0	329.5	1,263.5	338.5	362.4	365.4	403.7	1,470.0	381.8	370.7	383.8	390.4	1,526.7
Operating Income	167.6	163.7	135.1	84.8	551.2	109.1	123.2	97.7	99.7	429.7	90.5	108.9	91.4	84.5	375.3
Interest Expense	219.7	217.4	216.4	207.1	860.6	211.8	214.4	216.4	232.8	875.4	223.1	224.4	230.0	223.8	901.3
Early Debt Extinguishment (Gain)	35.4	(37.5)	20.1	0.0	18.0	3.2	0.0	(5.2)	58.4	56.4	0.0	0.0	(190.3)	0.0	(190.3)
Other Expense (Income)	1.2	1.9	(0.6)	(1.3)	1.2	(2.6)	(4.2)	(1.7)	8.5	0.0	2.3	(12.0)	(3.2)	17.8	4.9
Income Before Taxes	(88.7)	(18.1)	(100.8)	(121.0)	(328.6)	(103.3)	(87.0)	(111.8)	(200.0)	(502.1)	(134.9)	(103.5)	54.9	(157.1)	(340.6)
Income Taxes (Benefit)	(30.8)	(11.2)	(42.3)	(55.0)	(139.3)	(56.9)	(39.3)	(66.8)	(244.3)	(407.3)	(34.9)	(30.2)	(2.1)	516.7	449.5
Income Before Extraordinary	(57.9)	(6.9)	(58.5)	(66.0)	(189.3)	(46.4)	(47.7)	(45.0)	44.3	(94.8)	(100.0)	(73.3)	57.0	(673.8)	(790.1)
Goodwill Impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,840.8	1,840.8	0.0	0.0	0.0	0.0	0.0
Discontinued Operations Loss (Income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Data Center Unit Divestiture Loss (Gain)	0.0	0.0	0.0	10.0	10.0	0.0	0.0	0.0	(0.6)	(0.6)	0.0	0.0	0.0	0.0	0.0
CS&L-Related Costs (Income)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Uniti-Related Costs (Income)	164.3	(17.3)	2.1	0.0	149.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Merger, Integration, and Other	5.0	2.6	2.9	3.3	13.8	57.3	16.4	33.7	30.0	137.4	7.3	14.1	9.0	(143.9)	(113.5)
Restructuring Charges	4.4	5.9	2.5	7.5	20.3	7.4	3.5	22.8	9.3	43.0	13.7	5.8	6.5	19.0	45.0
Extraordinary Charges	173.7	(8.8)	7.5	20.8	193.2	64.7	19.9	56.5	1,879.5	2,020.6	21.0	19.9	15.5	(124.9)	(68.5)
Net Income	(231.6)	1.9	(66.0)	(86.8)	(382.5)	(111.1)	(67.6)	(101.5)	(1,835.2)	(2,115.4)	(121.0)	(93.2)	41.5	(548.9)	(721.6)
Reported Net Income	(231.6)	1.9	(66.0)	(86.8)	(382.5)	(111.1)	(67.6)	(101.5)	(1,835.2)	(2,115.4)	(121.0)	(93.2)	41.5	(548.9)	(721.6)
Check	0.00	(0.00)	0.00	86.80	0.00	(0.00)	0.00	0.00	1,835.20	0.00	(0.00)	0.00	(0.00)	548.90	0.00
Adjusted Figures															
EBITDA	1,983.7	1,973.1	1,891.5	1,814.7	1,814.7	1,789.9	1,803.6	1,810.6	1,899.7	1,899.7	1,924.4	1,918.4	1,930.5		
Merger, Integration, and Other	(85.9)	(31.2)	(31.0)	(13.8)	(13.8)	(66.1)	(79.9)	(110.7)	(137.4)	(137.4)	(87.4)	(85.1)	(60.4)		
Restructuring Charges	(18.1)	(20.6)	(17.8)	(20.3)	(20.3)	(23.3)	(20.9)	(41.2)	(43.0)	(43.0)	(49.3)	(51.6)	(35.3)		
Required Adjustments	(468.0)	(508.3)	(523.9)	(503.0)	(503.0)	(276.5)	(320.3)	(159.7)	(236.0)	(236.0)	(312.5)	(324.3)	(386.2)		
Total Adjustments	(572.0)	(560.1)	(572.7)	(537.1)	(537.1)	(365.9)	(421.1)	(311.6)	(416.4)	(416.4)	(449.2)	(461.0)	(481.9)		
Adjusted EBITDA	1,411.7	1,413.0	1,318.8	1,277.6	1,277.6	1,424.0	1,382.5	1,499.0	1,483.3	1,483.3	1,475.2	1,457.4	1,448.6		
Company Reported	1,411.70	1,413.00	1,318.80	1,277.60	1,277.60	1,425.90	1,388.70	1,507.50	1,483.30	1,483.30	1,478.10	1,460.30	1,451.00		
Check	0.00	0.00	0.00	0.00	0.00	(1.90)	(6.20)	(8.50)	0.00	0.00	(2.90)	(2.90)	(2.40)		
Capital Leases including Current Maturities	41.4	22.2	35.1	54.3	54.3	65.7	83.2	100.9	106.8	106.8	105.2	108.3	101.6		
Interest Expense	891.8	891.7	877.9	860.6	860.6	852.7	849.7	849.7	875.4	875.4	886.7	896.7	910.3		
Required Adjustments	(509.8)	(521.7)	(552.9)	(495.6)	(495.6)	(492.7)	(489.7)	(489.7)	(489.7)	(489.7)	(500.6)	(510.7)	(497.3)		
Adjusted Interest Expense	382.0	370.0	325.0	365.0	365.0	360.0	360.0	360.0	385.7	385.7	386.1	386.0	413.0		
Company Reported	382.00	370.00	325.00	365.00	365.00	360.00	360.00	360.00	385.70	385.70	386.10	386.00	413.00		
Check	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		

Windstream Services Balance Sheet 2013 – 2015

WINDSTREAM HOLDINGS

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Windstream Services, LLC	Q1	Q2	Q3	Q4	2013	Q1	Q2	Q3	Q4	2014	Q1	Q2	Q3	Q4	2015
(in millions, except share and per share)	3/31/2013	6/30/2013	9/30/2013	12/31/2013	12/31/2013	3/30/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015
Balance Sheet															
Cash & Equivalents	54.4	78.3	73.4	48.2	48.2	70.0	54.8	103.7	27.8	27.8	74.0	47.0	97.2	31.3	31.3
Restricted Cash	18.9	15.1	13.5	9.7	9.7	10.6	7.9	7.7	6.7	6.7	7.1	2.9	0.0	0.0	0.0
Accounts Receivable	594.1	613.5	634.8	635.3	635.3	632.7	630.9	617.3	635.5	635.5	658.5	665.7	657.3	643.9	643.9
Inventories	71.4	69.9	68.5	67.7	67.7	70.4	64.5	68.1	63.7	63.7	63.0	73.1	81.0	79.5	79.5
Prepaid Expenses & Other	230.8	212.1	198.2	182.4	182.4	192.2	174.2	161.8	164.6	164.6	171.6	159.2	158.7	120.6	120.6
Total Current Assets	969.6	988.9	988.4	943.3	943.3	975.9	932.3	958.6	898.3	898.3	974.2	947.9	994.2	875.3	875.3
Goodwill	4,340.9	4,340.9	4,340.9	4,331.4	4,331.4	4,331.4	4,331.4	4,331.4	4,352.8	4,352.8	4,352.8	4,340.0	4,340.0	4,213.6	4,213.6
Other Intangibles, Net	2,236.9	2,163.0	2,090.5	2,020.1	2,020.1	1,954.5	1,889.4	1,825.7	1,764.0	1,764.0	1,710.5	1,640.9	1,586.2	1,504.7	1,504.7
Net PP&E	5,858.2	5,835.4	5,781.0	5,702.6	5,702.6	5,610.1	5,540.7	5,456.3	5,412.3	5,412.3	5,315.0	5,291.7	5,329.7	5,279.8	5,279.8
Investment in CS&L Common Stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	726.4	526.0	549.2	549.2
Deferred Income Taxes	145.0	124.9	96.2	241.5	241.5	167.5	98.7	69.5	0.0	0.0	91.7	166.3	128.8	0.0	0.0
Other Non-Current Assets	172.9	185.8	189.7	205.7	205.7	200.4	193.2	190.1	92.9	92.9	174.9	91.2	99.5	95.5	95.5
Total Assets	13,723.5	13,638.9	13,486.7	13,444.6	13,444.6	13,239.8	12,985.7	12,831.6	12,520.3	12,520.3	12,619.1	13,204.4	13,004.4	12,518.1	12,518.1
Current Maturities of LT Debt	888.0	76.8	86.0	85.0	85.0	88.7	92.5	92.5	717.5	717.5	92.5	5.9	5.9	5.9	5.9
Current Portion of LT Lease Obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	142.8	146.4	152.7	152.7
Current Portion of Interest Rate Swaps	28.6	29.5	29.6	30.0	30.0	30.8	30.1	29.4	0.0	0.0	28.5	16.3	19.2	0.0	0.0
Accounts Payable	301.5	329.9	389.5	385.9	385.9	355.9	361.4	356.5	403.3	403.3	332.0	369.6	366.7	430.1	430.1
Advance Payments and Customer Deposits	223.2	226.0	223.6	223.5	223.5	222.0	220.9	216.7	214.7	214.7	214.5	211.1	207.4	193.9	193.9
Payable to Windstream Holdings, Inc.	149.2	149.6	150.7	151.1	151.1	151.0	152.3	152.7	152.4	152.4	151.7	11.9	15.7	15.1	15.1
Accrued Taxes	96.2	103.3	104.3	104.2	104.2	89.3	95.0	97.6	95.2	95.2	84.3	93.1	93.2	84.1	84.1
Accrued Interest	160.8	129.2	153.1	103.5	103.5	170.1	102.2	169.8	102.5	102.5	170.4	84.5	139.0	78.4	78.4
Other Current Liabilities	257.4	288.1	298.9	362.4	362.4	319.2	350.9	288.7	357.4	357.4	282.4	281.9	304.2	306.9	306.9
Total Current Liabilities	2,104.9	1,332.4	1,435.7	1,445.6	1,445.6	1,427.0	1,405.3	1,403.9	2,043.0	2,043.0	1,356.3	1,217.1	1,297.7	1,267.1	1,267.1
Long-Term Debt	8,108.7	8,867.9	8,760.8	8,622.2	8,622.2	8,617.6	8,593.1	8,568.6	7,846.5	7,846.5	8,728.1	5,637.9	5,693.4	5,164.6	5,164.6
Long-Term Lease Obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	81.0	81.0	0.0	5,045.4	5,007.6	5,000.4	5,000.4
Deferred Income Taxes	1,815.2	1,827.0	1,810.4	2,038.3	2,038.3	1,968.0	1,897.9	1,872.5	1,773.2	1,773.2	1,828.8	382.5	322.8	287.4	287.4
Other Non-Current Liabilities	670.8	665.5	625.0	498.3	498.3	503.9	499.2	527.7	551.8	551.8	610.9	486.5	508.6	492.2	492.2
Total Liabilities	12,699.6	12,692.8	12,631.9	12,604.4	12,604.4	12,516.5	12,395.5	12,372.7	12,295.5	12,295.5	12,524.1	12,769.4	12,830.1	12,211.7	12,211.7
Additional Paid-In Capital	0.1	0.1	835.8	811.7	811.7	704.0	574.7	437.8	250.8	250.8	87.0	673.7	636.2	600.3	600.3
Accumulated Other Comprehensive Income	1,023.1	921.5	19.0	28.5	28.5	19.3	15.5	21.1	12.1	12.1	8.0	(95.5)	(311.7)	(284.4)	(284.4)
Accumulated Deficit	0.7	24.5	0.0	0.0	0.0	0.0	0.0	0.0	(38.1)	(38.1)	0.0	(143.2)	(150.2)	(9.5)	(9.5)
Total Members' (Deficit) Equity	1,023.9	946.1	854.8	840.2	840.2	723.3	590.2	458.9	224.8	224.8	95.0	435.0	174.3	306.4	306.4
Liabilities + Members' Equity	13,723.5	13,638.9	13,486.7	13,444.6	13,444.6	13,239.8	12,985.7	12,831.6	12,520.3	12,520.3	12,619.1	13,204.4	13,004.4	12,518.1	12,518.1
<i>Balance</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

Notes: The highlighted indicates differences between Services and Holdings after Holdings was created. Services' financials include those of its subsidiaries such as Windstream Finance Corporation.

Sources: CSSG Estimates, SEC EDGAR

Windstream Services Balance Sheet 2016 – 2018

WINDSTREAM HOLDINGS

15 MAY 2019

Windstream Services, LLC	Q1	Q2	Q3	Q4	2016	Q1	Q2	Q3	Q4	2018	Q1	Q2	Q3	Q4	2018
(in millions, except share and per share)	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	12/31/2018
Balance Sheet															
Cash & Equivalents	74.6	41.6	61.4	59.1	59.1	51.5	24.7	56.5	43.4	43.4	60.5	45.3	37.3	355.7	355.7
Restricted Cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.3	5.3
Accounts Receivable	636.1	628.5	649.7	618.6	618.6	654.8	659.7	688.8	643.0	643.0	594.8	623.9	649.0	653.1	653.1
Inventories	79.4	70.7	80.3	77.5	77.5	87.0	90.4	97.4	93.0	93.0	90.3	85.0	87.0	82.4	82.4
Prepaid Expenses & Other	149.9	130.9	129.6	111.7	111.7	169.8	152.1	166.1	154.3	154.3	197.9	181.0	184.3	159.7	159.7
Total Current Assets	940.0	871.7	921.0	866.9	866.9	963.1	926.9	1,008.8	933.7	933.7	943.5	935.2	957.6	1,256.2	1,256.2
Goodwill	4,213.6	4,213.6	4,213.6	4,213.6	4,213.6	4,690.2	4,571.1	4,678.1	2,842.4	2,842.4	2,868.0	2,873.9	2,876.8	2,773.7	2,773.7
Other Intangibles, Net	1,457.2	1,411.4	1,365.3	1,320.5	1,320.5	1,577.7	1,506.8	1,530.1	1,454.4	1,454.4	1,405.9	1,349.4	1,300.3	1,213.1	1,213.1
Net PP&E	5,255.7	5,239.3	5,238.8	5,283.5	5,283.5	5,575.6	5,558.2	5,523.5	5,391.8	5,391.8	5,263.6	5,156.6	5,049.2	4,920.9	4,920.9
Investment in CS&L Common Stock	653.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deferred Income Taxes	0.0	0.0	0.0	0.0	0.0	0.0	53.5	98.9	370.8	370.8	389.8	416.2	418.0	0.0	0.0
Other Non-Current Assets	90.9	85.6	84.9	85.5	85.5	97.6	89.7	89.2	91.2	91.2	110.5	108.5	108.2	94.0	94.0
Total Assets	12,611.2	11,821.6	11,823.6	11,770.0	11,770.0	12,904.2	12,706.2	12,928.6	11,084.3	11,084.3	10,981.3	10,839.8	10,710.1	10,257.9	10,257.9
Current Maturities of LT Debt	11.9	11.9	13.4	14.9	14.9	19.3	19.3	19.3	169.3	169.3	17.9	17.9	17.9	5,728.1	5,728.1
Current Portion of LT Lease Obligations	156.6	160.4	164.5	168.7	168.7	172.9	177.8	183.2	188.6	188.6	194.3	200.1	206.0	4,570.3	4,570.3
Current Portion of Interest Rate Swaps	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts Payable	323.6	342.2	327.8	390.2	390.2	335.8	340.4	387.3	494.0	494.0	444.1	495.2	483.4	503.6	503.6
Advance Payments and Customer Deposits	193.9	193.2	183.9	178.1	178.1	215.1	209.3	214.2	207.3	207.3	199.9	199.7	195.2	180.6	180.6
Payable to Windstream Holdings, Inc.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accrued Taxes	71.6	76.3	77.6	78.0	78.0	80.9	85.3	91.8	89.5	89.5	75.7	87.5	93.5	87.4	87.4
Accrued Interest	118.1	66.3	93.1	58.1	58.1	96.0	59.0	94.1	52.6	52.6	87.1	62.2	69.9	43.5	43.5
Other Current Liabilities	273.9	269.7	288.1	366.6	366.6	381.0	336.7	321.4	342.1	342.1	269.0	278.9	308.8	344.2	344.2
Total Current Liabilities	1,149.6	1,120.0	1,148.4	1,254.6	1,254.6	1,301.0	1,227.8	1,311.3	1,543.4	1,543.4	1,288.0	1,341.5	1,374.7	11,457.7	11,457.7
Long-Term Debt	5,433.1	4,731.6	4,852.7	4,848.7	4,848.7	5,459.8	5,559.9	5,857.4	5,674.6	5,674.6	5,929.3	5,867.9	5,721.3	0.0	0.0
Long-Term Lease Obligations	4,959.8	4,918.4	4,875.7	4,831.9	4,831.9	4,787.1	4,740.6	4,692.6	4,643.3	4,643.3	4,592.8	4,540.5	4,486.5	72.8	72.8
Deferred Income Taxes	254.9	241.4	199.7	151.5	151.5	98.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	104.3	104.3
Other Non-Current Liabilities	476.1	481.0	496.8	513.3	513.3	535.7	547.7	546.1	521.9	521.9	508.4	496.4	488.5	542.4	542.4
Total Liabilities	12,273.5	11,492.4	11,573.3	11,600.0	11,600.0	12,181.8	12,076.0	12,407.4	12,383.2	12,383.2	12,318.5	12,246.3	12,071.0	12,177.2	12,177.2
Additional Paid-In Capital	584.7	575.4	565.8	556.1	556.1	1,216.7	1,193.7	1,181.8	1,187.1	1,187.1	1,223.7	1,237.5	1,241.2	1,244.2	1,244.2
Accumulated Other Comprehensive Income	(5.9)	(7.0)	(10.3)	5.9	5.9	8.8	7.2	11.3	21.4	21.4	33.9	44.0	44.4	35.6	35.6
Accumulated Deficit	(241.1)	(239.2)	(305.2)	(392.0)	(392.0)	(503.1)	(570.7)	(671.9)	(2,507.4)	(2,507.4)	(2,594.8)	(2,688.0)	(2,646.5)	(3,199.1)	(3,199.1)
Total Members' (Deficit) Equity	337.7	329.2	250.3	170.0	170.0	722.4	630.2	521.2	(1,298.9)	(1,298.9)	(1,337.2)	(1,406.5)	(1,360.9)	(1,919.3)	(1,919.3)
Liabilities + Members' Equity	12,611.2	11,821.6	11,823.6	11,770.0	11,770.0	12,904.2	12,706.2	12,928.6	11,084.3	11,084.3	10,981.3	10,839.8	10,710.1	10,257.9	10,257.9
<i>Balance</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>	<i>0.00</i>

Notes: The highlighted indicates differences between Services and Holdings after Holdings was created. Services' financials include those of its subsidiaries such as Windstream Finance Corporation.

Sources: CSSG Estimates, SEC EDGAR

Windstream Services Long-Term Debt 2013 – 2015

WINDSTREAM HOLDINGS

15 MAY 2019

Windstream Services, LLC	Q1	Q2	Q3	Q4	2013	Q1	Q2	Q3	Q4	2014	Q1	Q2	Q3	Q4	2015
(in millions, except share and per share)	3/31/2013	6/30/2013	9/30/2013	12/31/2013	12/31/2013	3/30/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015
Long-Term Debt															
Issued by Windstream Services															
Senior Secured Credit Facility, Tranche A3	403.5	398.1	392.7	387.3	387.3	376.6	365.8	355.0	344.3	344.3	333.5				
Senior Secured Credit Facility, Tranche A4	288.7	285.0	281.2	277.5	277.5	273.7	270.0	262.5	255.0	255.0	247.5				
Senior Secured Credit Facility, Tranche B3	595.5	594.0	592.5												
Senior Secured Credit Facility, Tranche B4	1,341.6	1,338.3	1,334.9	1,331.6	1,331.6	1,328.2	1,324.8	1,321.5	1,318.1	1,318.1	1,314.7				
Senior Secured Credit Facility, Tranche B5				590.0	590.0	588.5	587.1	585.6	584.1	584.1	582.6	581.2	579.7	578.2	578.2
Senior Secured Credit Facility, Tranche B6															
Senior Secured Credit Facility, Tranche B7															
Senior Secured Credit Facility, Revolver			700.0	590.0	590.0	610.0	610.0	610.0	625.0	625.0	820.0	480.0	785.0	300.0	300.0
Senior First Lien 2025 Notes, 8.625%															
Senior Second Lien Notes, 10.500%															
Senior Second Lien Notes, 9.000%															
Issued by Subsidiaries of Windstream Services															
Windstream Holdings of Midwest, Inc., 6.750%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Cinergy Communications Company, 6.580%	2.1	2.0	2.1	2.0	2.0	2.0	2.0	1.9	1.9	1.9	1.9				
Secured Debt	2,731.4	2,717.4	3,403.4	3,278.4	3,278.4	3,279.0	3,259.7	3,236.5	3,228.4	3,228.4	3,400.2	1,161.2	1,464.7	978.2	978.2
Issued by Windstream Services															
2013 Notes, 8.125% due August 1, 2013	800.0	800.0													
2017 Notes, 7.875% due November 1, 2017	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	1,100.0	942.3	904.1	904.1
2018 Notes, 8.125% due September 1, 2018	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0	400.0				
2020 Notes, 7.750% due October 15, 2020	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0
2021 Notes, 7.750% due October 1, 2021	950.0	950.0	950.0	950.0	950.0	950.0	950.0	950.0	950.0	950.0	950.0	950.0	920.4	920.4	920.4
2022 Notes, 7.500% due June 1, 2022	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	500.0	493.5	485.9	485.9
2023 Notes, 7.500% due April 1, 2023	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	600.0	540.1	540.1	540.1
2023 Notes, 6.375% due August 1, 2023	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0	700.0
2024 Notes, 8.750% due December 15, 2024															
Issued by Subsidiaries of Windstream Services															
Georgia Communications, LLC, 6.500%	10.0	10.0	10.0												
PAETEC Holding, LLC, 2018 Notes, 9.875%	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0	450.0				
Unsecured Debt	6,210.0	6,210.0	5,410.0	5,400.0	5,400.0	5,400.0	5,400.0	5,400.0	5,400.0	5,400.0	5,400.0	4,550.0	4,296.3	4,250.5	4,250.5
Secured and Unsecured Debt	8,941.4	8,927.4	8,813.4	8,678.4	8,678.4	8,679.0	8,659.7	8,636.5	8,628.4	8,628.4	8,800.2	5,711.2	5,761.0	5,228.7	5,228.7
Capital Lease Obligations	36.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Premium (Discount) on Long-Term Debt	18.6	17.3	33.4	28.8	28.8	27.3	25.9	24.6	23.3	23.3	20.4	3.9	4.4	4.6	4.6
Unamortized Debt Issuance Costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(87.7)	(87.7)	0.0	(71.3)	(66.1)	(62.8)	(62.8)
Total Debt	8,996.7	8,944.7	8,846.8	8,707.2	8,707.2	8,706.3	8,685.6	8,661.1	8,564.0	8,564.0	8,820.6	5,643.8	5,699.3	5,170.5	5,170.5
Less Current Maturities	(888.0)	(76.8)	(86.0)	(85.0)	(85.0)	(88.7)	(92.5)	(92.5)	(717.5)	(717.5)	(92.5)	(5.9)	(5.9)	(5.9)	(5.9)
Long-Term Debt, Net of Current Portion	8,108.7	8,867.9	8,760.8	8,622.2	8,622.2	8,617.6	8,593.1	8,568.6	7,846.5	7,846.5	8,728.1	5,637.9	5,693.4	5,164.6	5,164.6



Charon Special
Situations Group

Notes: Services' financials include those of its subsidiaries such as Windstream Finance Corporation.
Sources: CSSG Estimates, SEC EDGAR

Windstream Services Long-Term Debt 2016 – 2018

Windstream Services, LLC	Q1	Q2	Q3	Q4	2016	Q1	Q2	Q3	Q4	2018	Q1	Q2	Q3	Q4	2018
(in millions, except share and per share)	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	12/31/2018
Long-Term Debt															
Issued by Windstream Services															
Senior Secured Credit Facility, Tranche A3															
Senior Secured Credit Facility, Tranche A4															
Senior Secured Credit Facility, Tranche B3															
Senior Secured Credit Facility, Tranche B4															
Senior Secured Credit Facility, Tranche B5	576.7	575.2	573.8	572.3	572.3										
Senior Secured Credit Facility, Tranche B6	600.0	598.5	747.0	894.8	894.8	1,341.4	1,338.0	1,334.6	1,192.6	1,192.6	1,189.6	1,186.6	1,183.6		
Senior Secured Credit Facility, Tranche B7						578.5	577.1	575.7	574.2	574.2	572.7	571.3	569.8		
Senior Secured Credit Facility, Revolver	588.0	125.0	625.0	475.0	475.0	648.0	750.0	1,098.0	775.0	775.0	1,028.0	975.0	1,030.0		
Senior First Lien 2025 Notes, 8.625%									600.0	600.0	600.0	600.0	600.0		
Senior Second Lien Notes, 10.500%														414.9	
Senior Second Lien Notes, 9.000%														802.0	
Issued by Subsidiaries of Windstream Services															
Windstream Holdings of Midwest, Inc., 6.750%	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
Cinergy Communications Company, 6.580%															
Secured Debt	1,864.7	1,398.7	2,045.8	2,042.1	2,042.1	2,667.9	2,765.1	3,108.3	3,241.8	3,241.8	3,490.3	3,432.9	4,700.3		
Issued by Windstream Services															
2013 Notes, 8.125% due August 1, 2013															
2017 Notes, 7.875% due November 1, 2017	369.5	369.5													
2018 Notes, 8.125% due September 1, 2018															
2020 Notes, 7.750% due October 15, 2020	700.0	700.0	700.0	700.0	700.0	700.0	700.0	650.9	492.9	492.9	492.9	492.9	78.1		
2021 Notes, 7.750% due October 1, 2021	887.3	822.4	809.3	809.3	809.3	809.3	809.3	809.3	88.9	88.9	88.9	88.9	70.1		
2022 Notes, 7.500% due June 1, 2022	468.9	447.2	441.2	441.2	441.2	441.2	441.2	441.2	41.6	41.6	41.6	41.6	36.2		
2023 Notes, 7.500% due April 1, 2023	529.5	420.2	343.5	343.5	343.5	343.5	343.5	343.5	120.4	120.4	120.4	120.4	34.3		
2023 Notes, 6.375% due August 1, 2023	700.0	655.5	585.7	585.7	585.7	585.7	585.7	585.7	1,147.6	1,147.6	1,147.6	1,147.6	806.9		
2024 Notes, 8.750% due December 15, 2024									834.3	834.3	684.3	684.3	105.8		
Issued by Subsidiaries of Windstream Services															
Georgia Communications, LLC, 6.500%															
PAETEC Holding, LLC, 2018 Notes, 9.875%															
Unsecured Debt	3,655.2	3,414.8	2,879.7	2,879.7	2,879.7	2,879.7	2,879.7	2,830.6	2,725.7	2,725.7	2,575.7	2,575.7	1,131.4		
Secured and Unsecured Debt	5,519.9	4,813.5	4,925.5	4,921.8	4,921.8	5,547.6	5,644.8	5,938.9	5,967.5	5,967.5	6,066.0	6,008.6	5,831.7		
Capital Lease Obligations	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		
Net Premium (Discount) on Long-Term Debt	(8.7)	(8.9)	(5.9)	(7.2)	(7.2)	(13.9)	(13.4)	(12.9)	(61.6)	(61.6)	(59.5)	(57.5)	(31.7)		
Unamortized Debt Issuance Costs	(66.2)	(61.1)	(53.5)	(51.0)	(51.0)	(54.6)	(52.2)	(49.3)	(62.0)	(62.0)	(59.3)	(65.3)	(60.8)		
Total Debt	5,445.0	4,743.5	4,866.1	4,863.6	4,863.6	5,479.1	5,579.2	5,876.7	5,843.9	5,843.9	5,947.2	5,885.8	5,739.2		
Less Current Maturities	(11.9)	(11.9)	(13.4)	(14.9)	(14.9)	(19.3)	(19.3)	(19.3)	(169.3)	(169.3)	(17.9)	(17.9)	(17.9)		
Long-Term Debt, Net of Current Portion	5,433.1	4,731.6	4,852.7	4,848.7	4,848.7	5,459.8	5,559.9	5,857.4	5,674.6	5,674.6	5,929.3	5,867.9	5,721.3		



Windstream Services Debt Metrics 2013 – 2015

WINDSTREAM HOLDINGS

15 MAY 2019

Windstream Services, LLC	Q1	Q2	Q3	Q4	2013	Q1	Q2	Q3	Q4	2014	Q1	Q2	Q3	Q4	2015
(in millions, except share and per share)	3/31/2013	6/30/2013	9/30/2013	12/31/2013	12/31/2013	3/30/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015
Debt Metrics															
EBITDA Margin	38.44%	37.87%	37.66%	45.62%	39.89%	36.01%	35.76%	35.32%	28.15%	33.83%	34.00%	33.95%	35.88%	34.41%	34.58%
Leverage															
Secured Debt / EBITDA	4.75x	4.78x	6.03x	4.82x	1.37x	6.22x	6.22x	6.30x	7.95x	1.64x	7.05x	2.41x	2.72x	1.99x	0.49x
Total Debt / EBITDA	15.64x	15.73x	15.67x	12.80x	3.65x	16.50x	16.57x	16.85x	21.08x	4.34x	18.29x	11.70x	10.60x	10.53x	2.59x
Net Debt / EBITDA	15.55x	15.59x	15.54x	12.73x	3.62x	16.37x	16.46x	16.65x	21.01x	4.33x	18.14x	11.60x	10.42x	10.46x	2.58x
Secured Debt / Adjusted EBITDA	1.14x	1.14x	1.44x	1.42x	1.42x	1.45x	1.47x	1.49x	1.51x	1.51x	1.62x	0.83x	1.02x	0.70x	0.70x
Total Debt / Adjusted EBITDA	3.76x	3.76x	3.76x	3.78x	3.78x	3.85x	3.91x	3.97x	3.99x	3.99x	4.21x	4.03x	3.98x	3.70x	3.70x
Net Debt / Adjusted EBITDA	3.74x	3.73x	3.72x	3.76x	3.76x	3.82x	3.88x	3.93x	3.98x	3.98x	4.17x	4.00x	3.91x	3.68x	3.68x
Gross Leverage Ratio	3.76x	3.78x	3.78x	3.81x	3.81x	3.89x	3.94x	4.00x	4.02x	4.02x	4.23x	4.07x	4.02x	3.74x	3.74x
Company Reported	3.76	3.78	3.78		3.81	3.89	3.94	4.00		4.06	4.23	4.07	4.02		3.74
Check	0.00	0.00	0.00	3.81	0.00	(0.00)	(0.00)	0.00	4.02	(0.04)	(0.00)	(0.00)	(0.00)	3.74	0.00
Max. Gross Leverage Ratio Allowed	4.50x	4.50x	4.50x		4.50x	4.50x	4.50x	4.50x		4.50x	4.50x	4.50x	4.50x		4.50x
Coverage															
EBITDA / Interest Expense	3.41x	3.51x	3.79x	4.60x	3.81x	3.72x	3.68x	3.59x	2.82x	3.45x	3.42x	2.22x	2.34x	2.19x	2.45x
Adjusted EBITDA / Interest Expense	14.16x	14.68x	15.83x	15.57x	3.67x	15.92x	15.60x	15.19x	14.89x	3.75x	14.86x	6.43x	6.23x	6.23x	1.72x
Interest Coverage Ratio	3.57x	3.53x	3.61x	3.64x	3.64x	3.82x	3.88x	3.88x	3.82x	3.82x	3.73x	3.52x	3.63x	3.61x	3.61x
Company Reported	3.57	3.53	3.61		3.64	3.81	3.88	3.88		3.81	3.73	3.52	3.63		3.61
Check	0.00	0.00	0.00	3.64	(0.00)	0.01	0.00	(0.00)	3.82	0.01	(0.00)	0.00	(0.00)	3.61	(0.00)
Min. Interest Coverage Ratio Allowed	2.75x	2.75x	2.75x		2.75x	2.75x	2.75x	2.75x		2.75x	2.75x	2.75x	2.75x		2.75x
Ratios															
Total Debt / Capital	0.90x	0.90x	0.91x	0.91x	0.91x	0.92x	0.94x	0.95x	0.97x	0.97x	0.99x	0.93x	0.97x	0.94x	0.94x
Current Ratio	0.46x	0.74x	0.69x	0.65x	0.65x	0.68x	0.66x	0.68x	0.44x	0.44x	0.72x	0.78x	0.77x	0.69x	0.69x
Quick Ratio	0.06x	0.08x	0.07x	0.05x	0.05x	0.07x	0.06x	0.11x	0.03x	0.03x	0.08x	0.05x	0.10x	0.04x	0.04x



Charon Special
Situations Group

Notes: Services' financials include those of its subsidiaries such as Windstream Finance Corporation.
Sources: CSSG Estimates, SEC EDGAR

Windstream Services Debt Metrics 2016 – 2018

WINDSTREAM HOLDINGS

15 MAY 2019

Windstream Services, LLC	Q1	Q2	Q3	Q4	2016	Q1	Q2	Q3	Q4	2018	Q1	Q2	Q3	Q4	2018
(in millions, except share and per share)	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	12/31/2018
Debt Metrics															
EBITDA Margin	34.40%	34.71%	33.91%	31.65%	33.69%	32.77%	32.56%	30.92%	33.61%	32.46%	32.48%	33.20%	33.45%		
Leverage															
Secured Debt / EBITDA	3.95x	2.96x	4.49x	4.93x	1.13x	5.96x	5.69x	6.71x	6.44x	1.71x	7.39x	7.16x	9.89x		
Total Debt / EBITDA	11.53x	10.05x	10.67x	11.74x	2.68x	12.24x	11.49x	12.69x	11.61x	3.08x	12.59x	12.27x	12.08x		
Net Debt / EBITDA	11.37x	9.96x	10.53x	11.60x	2.65x	12.13x	11.44x	12.57x	11.52x	3.05x	12.46x	12.18x	12.00x		
Secured Debt / Adjusted EBITDA	1.32x	0.99x	1.55x	1.60x	1.60x	1.87x	2.00x	2.07x	2.19x	2.19x	2.37x	2.36x	3.24x		
Total Debt / Adjusted EBITDA	3.86x	3.36x	3.69x	3.81x	3.81x	3.85x	4.04x	3.92x	3.94x	3.94x	4.03x	4.04x	3.96x		
Net Debt / Adjusted EBITDA	3.80x	3.33x	3.64x	3.76x	3.76x	3.81x	4.02x	3.88x	3.91x	3.91x	3.99x	4.01x	3.94x		
Gross Leverage Ratio	3.89x	3.37x	3.72x	3.85x	3.85x	3.89x	4.10x	3.99x	4.01x	4.01x	4.10x	4.11x	4.03x		
Company Reported	3.89	3.37	3.72		3.85	3.89	4.08	3.97		4.01	4.09	4.10	4.03		
Check	(0.00)	0.00	(0.00)	3.85	(0.00)	0.00	0.02	0.02	4.01	0.00	0.01	0.01	0.00		
Max. Gross Leverage Ratio Allowed	4.50x	4.50x	4.50x		4.50x	4.50x	4.50x	4.50x		4.50x	4.50x	4.50x	4.50x		
Coverage															
EBITDA / Interest Expense	2.15x	2.17x	2.11x	2.00x	2.11x	2.11x	2.26x	2.14x	2.16x	2.17x	2.12x	2.14x	2.07x		
Adjusted EBITDA / Interest Expense	6.43x	6.50x	6.09x	6.17x	1.48x	6.72x	6.45x	6.93x	6.37x	1.69x	6.61x	6.49x	6.30x		
Interest Coverage Ratio	3.70x	3.82x	4.06x	3.50x	3.50x	3.96x	3.84x	4.16x	3.85x	3.85x	3.82x	3.78x	3.51x		
Company Reported	3.70	3.82	4.06		3.50	3.96	3.86	4.19		3.85	3.83	3.78	3.51		
Check	(0.00)	(0.00)	(0.00)	3.50	0.00	(0.00)	(0.02)	(0.03)	3.85	(0.00)	(0.01)	(0.00)	(0.00)		
Min. Interest Coverage Ratio Allowed	2.75x	2.75x	2.75x		2.75x	2.75x	2.75x	2.75x		2.75x	2.75x	2.75x	2.75x		
Ratios															
Total Debt / Capital	0.94x	0.94x	0.95x	0.97x	0.97x	0.88x	0.90x	0.92x	1.29x	1.29x	1.29x	1.31x	1.31x		
Current Ratio	0.82x	0.78x	0.80x	0.69x	0.69x	0.74x	0.75x	0.77x	0.60x	0.60x	0.73x	0.70x	0.70x		
Quick Ratio	0.08x	0.05x	0.07x	0.07x	0.07x	0.05x	0.03x	0.06x	0.05x	0.05x	0.06x	0.05x	0.04x		



Charon Special
Situations Group

Notes: All long-term debt became immediately due after 3Q18.
Services' financials include those of its subsidiaries such as Windstream Finance Corporation.

Sources: CSSG Estimates, SEC EDGAR

Income Statement Reconciliation 2013 – 2018

WINDSTREAM HOLDINGS

15 MAY 2019

	Q1	Q2	Q3	Q4	2013	Q1	Q2	Q3	Q4	2014	Q1	Q2	Q3	Q4	2015
(in millions, except share and per share)	3/31/2013	6/30/2013	9/30/2013	12/31/2013	12/31/2013	3/30/2014	6/30/2014	9/30/2014	12/31/2014	12/31/2014	3/31/2015	6/30/2015	9/30/2015	12/31/2015	12/31/2015
IS Reconciliation															
Holdings - Services															
Service Revenues	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Product Sales	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Cost of Services	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Cost of Products Sold	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
SG&A Expense	0.0	0.0	0.0		0.0	0.5	1.1	0.4		2.3	0.6	0.7	0.3		2.0
Depreciation & Amortization	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Interest Expense	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Early Debt Extinguishment (Gain)	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
CS&L-Related Costs (Income)	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Uniti-Related Costs (Income)	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Other Expense (Income)	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Income Taxes (Benefit)	0.0	0.0	0.0		0.0	(0.2)	(0.4)	(0.2)		(0.9)	(0.3)	(0.2)	(0.1)		(0.8)
Goodwill Impairment	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Discontinued Operations Loss (Income)	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Data Center Unit Divestiture Loss (Gain)	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Merger, Integration, and Other	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Restructuring Charges	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Total	0.0	0.0	0.0		0.0	0.3	0.7	0.2		1.4	0.3	0.5	0.2		1.2
Reported Net Income	0.0	0.0	0.0		0.0	(0.3)	(0.7)	(0.2)		(1.4)	(0.3)	(0.5)	(0.2)		(1.2)
Check	0.00	0.00	0.00		0.00	0.00	(0.00)	0.00		(0.00)	(0.00)	(0.00)	0.00		(0.00)

	Q1	Q2	Q3	Q4	2016	Q1	Q2	Q3	Q4	2018	Q1	Q2	Q3	Q4	2018
(in millions, except share and per share)	3/31/2016	6/30/2016	9/30/2016	12/31/2016	12/31/2016	3/31/2017	6/30/2017	9/30/2017	12/31/2017	12/31/2017	3/31/2018	6/30/2018	9/30/2018	12/31/2018	12/31/2018
IS Reconciliation															
Holdings - Services															
Service Revenues	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Product Sales	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Cost of Services	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Cost of Products Sold	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
SG&A Expense	0.5	0.6	0.3		1.7	0.3	0.8	0.0		2.0	0.5	0.7	0.3		1.8
Depreciation & Amortization	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Interest Expense	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Early Debt Extinguishment (Gain)	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
CS&L-Related Costs (Income)	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Uniti-Related Costs (Income)	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Other Expense (Income)	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Income Taxes (Benefit)	(0.2)	(0.2)	(0.1)		(0.7)	(0.1)	(0.3)	0.0		(0.8)	(0.1)	(0.2)	(0.1)		(0.4)
Goodwill Impairment	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Discontinued Operations Loss (Income)	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Data Center Unit Divestiture Loss (Gain)	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Merger, Integration, and Other	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Restructuring Charges	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0	0.0		0.0
Total	0.3	0.4	0.2		1.0	0.2	0.5	0.0		1.2	0.4	0.5	0.2		1.4
Reported Net Income	(0.3)	(0.4)	(0.2)		(1.0)	(0.2)	(0.5)	0.0		(1.2)	(0.4)	(0.5)	(0.2)		(1.4)
Check	(0.00)	(0.00)	(0.00)		0.00	0.00	0.00	0.00		0.00	(0.00)	(0.00)	0.00		0.00



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Notes: Differences between Holdings and Services income statement lines are highlighted.
Services' financials include those of its subsidiaries such as Windstream Finance Corporation.
Sources: CSSG Estimates, SEC EDGAR

Date	News	
11/22/2017	WSJ	Aurelius Challenges Legality of Windstream Debt Swap
03/06/2018	Investopedia	Credit Default Swaps: What Happens in a Credit Event?
07/26/2018	Bloomberg	Citadel-Led Creditor Group Agrees to Windstream Debt Swap
08/07/2018	Wachtell Lipton Rosen & Katz	The Rise of the Net-Short Debt Activist
08/31/2018	Barron's	Windstream Dispute Highlights Aurelius' Role as a Hedge-Fund Debt Cop
02/19/2019	Bloomberg	Aurelius Wins Against Windstream
02/20/2019	Bloomberg	Debt Pressures Nudge Rural Phone Companies Closer to the Edge
02/25/2019	Bloomberg	Windstream Prepares Bankruptcy After Losing Default Case
02/25/2019	Bloomberg	Windstream's Downfall Revives Debate Over Manufactured Defaults
02/27/2019	Bloomberg	Aurelius Broke Windstream's Bonds to Save Them
03/12/2019	Jones Day	Windstream: When a Credit Derivatives Determinations Committee and a Court Disagree
03/20/2019	Bloomberg	Hedge Fund Titans Aurelius and Elliott Clash in Distressed Deal
04/03/2019	Creditex	Windstream Services LLC CDS Credit Event Auction
Title	Source	
US Bank NA v. Services	Court Listener	https://www.courtlistener.com/docket/6169562/us-bank-national-association-v-windstream-services-llc/
SEC EDGAR	SEC	https://www.sec.gov/edgar/searchedgar/companysearch.html
Yahoo Finance	Yahoo	https://finance.yahoo.com/
Windstream Investor Relations	Windstream	https://investor.windstream.com/home/default.aspx

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