

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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 12, 2022

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 June 30, 2022. 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 June 30, 2022
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: August 12, 2022

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, restructuring charges, 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 EBITDAR, Kinetic revenues and Kinetic contribution margin as if the transition from Connect America Fund ("CAF") - Phase II to Rural Digital Opportunity Fund ("RDOF") funding occurred beginning in the first quarter of 2021 as further discussed below.

Our business operations are organized into three segments: Kinetic, Enterprise and Wholesale. The Kinetic business unit primarily serves customers in markets in which we are the incumbent local exchange carrier ("ILEC") and provides services over network facilities operated by us. Kinetic service revenues include state Universal Service Fund ("USF") revenues and, beginning in 2022, also include amounts received from the RDOF. Kinetic service revenues in 2021 included amounts received from the CAF - Phase II, which funding ended as of December 31, 2021. 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.

During the second quarter of 2021, the Company created a new engineering and fiber construction organization to manage its broadband network expansion, adding nearly 1,000 employees and acquiring construction equipment to support our internal construction operations. As a result, the Company has incurred incremental start-up costs and capital expenditures associated with this initiative.

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

WINDSTREAM HOLDINGS II, LLC
 UNAUDITED ADJUSTED RESULTS OF OPERATIONS (NON-GAAP)
 QUARTERLY SUPPLEMENTAL INFORMATION
 for the quarterly periods in the years 2022 and 2021
 (In millions)

	2022			2021				
	Total	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
ADJUSTED RESULTS OF OPERATIONS:								
Revenues and sales:								
Service revenues	\$ 2,093.6	\$ 1,034.1	\$ 1,059.5	\$ 4,355.8	\$ 1,072.7	\$ 1,078.4	\$ 1,101.5	\$ 1,103.2
Product and fiber sales	22.2	10.8	11.4	63.1	16.3	12.5	19.7	14.6
Total revenues and sales	<u>2,115.8</u>	<u>1,044.9</u>	<u>1,070.9</u>	<u>4,418.9</u>	<u>1,089.0</u>	<u>1,090.9</u>	<u>1,121.2</u>	<u>1,117.8</u>
Costs and expenses:								
Cost of services	1,024.5	498.1	526.4	2,116.0	517.1	533.4	531.1	534.4
Cost of sales	27.8	13.5	14.3	64.1	18.3	12.8	15.8	17.2
Selling, general and administrative	337.6	169.4	168.2	617.6	161.6	155.8	150.8	149.4
Costs and expenses	<u>1,389.9</u>	<u>681.0</u>	<u>708.9</u>	<u>2,797.7</u>	<u>697.0</u>	<u>702.0</u>	<u>697.7</u>	<u>701.0</u>
Adjusted EBITDAR (A)	725.9	363.9	362.0	1,621.2	392.0	388.9	423.5	416.8
Cash payment under master leases with Uniti	(333.9)	(167.2)	(166.7)	(665.6)	(166.7)	(166.7)	(166.4)	(165.8)
Cash received from Uniti per settlement agreement (D)	-	-	-	190.9	117.4	24.5	24.5	24.5
Adjusted EBITDA (B)	<u>\$ 392.0</u>	<u>\$ 196.7</u>	<u>\$ 195.3</u>	<u>\$ 1,146.5</u>	<u>\$ 342.7</u>	<u>\$ 246.7</u>	<u>\$ 281.6</u>	<u>\$ 275.5</u>
Pro forma Adjusted EBITDAR (C)	<u>\$ 725.9</u>	<u>\$ 363.9</u>	<u>\$ 362.0</u>	<u>\$ 1,495.5</u>	<u>\$ 360.6</u>	<u>\$ 357.5</u>	<u>\$ 392.1</u>	<u>\$ 385.3</u>
Margins (E):								
Adjusted EBITDAR margin	34.3%	34.8%	33.8%	36.7%	36.0%	35.6%	37.8%	37.3%
Adjusted EBITDA margin	18.5%	18.8%	18.2%	25.9%	31.5%	22.6%	25.1%	24.6%
Pro forma Adjusted EBITDAR margin	34.3%	34.8%	33.8%	33.8%	33.1%	32.8%	35.0%	34.5%
Adjusted Capital Expenditures	\$ 496.8	\$ 286.6	\$ 210.2	\$ 953.7	\$ 223.2	\$ 221.1	\$ 251.4	\$ 258.0
Adjusted Free Cash Flow (F)	\$ (109.9)	\$ (72.2)	\$ (37.7)	\$ 245.2	\$ 170.5	\$ 14.8	\$ 58.7	\$ 1.2

	As of 6/30/2022
Debt Leverage Ratio:	
Long-term debt, including current maturities (G)	\$ 2,147.8
Add: Capital lease obligations	43.1
Less: Cash and cash equivalents	(71.3)
Net debt	<u>\$ 2,119.6</u>

	Twelve Months Ended 6/30/2022
Adjusted EBITDA	\$ 981.4
Net leverage ratio (H) - computed as (1)/(2)	<u>2.16x</u>
Available liquidity as of June 30, 2022:	
Cash and cash equivalents	\$ 71.3
Available capacity under credit facility (I)	395.7
Available liquidity	<u>\$ 467.0</u>

- (A) Adjusted EBITDAR is earnings before interest expense, income taxes and depreciation and amortization and is calculated as operating income (loss) excluding depreciation and amortization, straight-line expense under the master leases with Uniti, equity-based compensation expense, restructuring charges, and certain other costs.
- (B) Adjusted EBITDA is Adjusted EBITDAR after the cash payment due under the master leases with Uniti excluding additional rent paid for growth capital expenditures funded by Uniti and increased for cash received from Uniti per the settlement agreement.
- (C) Pro forma Adjusted EBITDAR is Adjusted EBITDAR as if the transition from CAF Phase II to RDOF funding occurred beginning in the first quarter of 2021.
- (D) Amounts received in the fourth quarter of 2021 included Uniti's prepayment of all of the quarterly amounts payable to Windstream in 2022.
- (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 refunded (paid) for income taxes, net.
- (G) Long-term debt, including current maturities excluding unamortized debt discount.
- (H) The net leverage ratio is computed by dividing net debt by Adjusted EBITDA.
- (I) Available capacity under credit facility excludes outstanding letters of credit of \$79.3 million of which \$59.3 million was issued to Universal Service Administrative Company as a condition for Windstream receiving RDOF funding.

See page 7 for computations of Adjusted EBITDAR, Adjusted EBITDA, Pro Forma Adjusted EBITDAR, Adjusted Free Cash Flow and Adjusted Capital Expenditures.

WINDSTREAM HOLDINGS II, LLC
 QUARTERLY SUPPLEMENTAL INFORMATION - REVENUE SUPPLEMENT
 for the quarterly periods in the years 2022 and 2021
 (In millions)

	2022			2021				
	Total	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Service revenues:								
Kinetic:								
High-speed Internet bundles	\$ 578.8	\$ 289.0	\$ 289.8	\$ 1,117.8	\$ 285.7	\$ 279.9	\$ 279.0	\$ 273.2
Voice and other	39.7	18.5	21.2	92.0	22.0	22.8	23.1	24.1
Consumer	618.5	307.5	311.0	1,209.8	307.7	302.7	302.1	297.3
Small business	150.1	74.4	75.7	305.4	75.8	76.1	77.0	76.5
Large business	62.4	30.3	32.1	136.7	32.6	33.6	34.7	35.8
Wholesale	139.5	72.7	66.8	254.2	64.9	66.4	62.2	60.7
Switched access	10.1	4.8	5.3	20.5	4.7	5.2	5.3	5.3
RDOF/CAF Phase II funding	25.7	13.3	12.4	175.3	43.8	43.8	43.8	43.9
State USF	16.3	7.7	8.6	38.9	9.5	9.9	10.2	9.3
End user surcharges	31.8	15.3	16.5	84.9	19.4	21.2	23.0	21.3
Kinetic	1,054.4	526.0	528.4	2,225.7	558.4	558.9	558.3	550.1
Enterprise:								
Strategic (A)	208.8	105.4	103.4	378.9	99.0	96.3	93.8	89.8
Advanced IP (B)	280.9	136.2	144.7	606.6	145.4	144.9	155.1	161.2
Total	489.7	241.6	248.1	985.5	244.4	241.2	248.9	251.0
TDM/Other (C)	334.1	156.5	177.6	726.3	167.8	175.7	188.2	194.6
Switched access	6.7	3.8	2.9	15.4	3.5	4.0	4.0	3.9
End user surcharges	39.9	18.0	21.9	94.2	19.4	21.1	25.7	28.0
Enterprise	870.4	419.9	450.5	1,821.4	435.1	442.0	466.8	477.5
Wholesale:								
Core wholesale (D)	168.8	88.2	80.6	308.7	79.2	77.5	76.4	75.6
Wholesale	168.8	88.2	80.6	308.7	79.2	77.5	76.4	75.6
Total service revenues	2,093.6	1,034.1	1,059.5	4,355.8	1,072.7	1,078.4	1,101.5	1,103.2
Product and fiber sales:								
Kinetic product sales	18.9	8.6	10.3	45.3	14.4	8.8	10.4	11.7
Enterprise product sales	3.3	2.2	1.1	7.8	1.5	2.1	1.3	2.9
Wholesale fiber sales	-	-	-	10.0	0.4	1.6	8.0	-
Total product and fiber sales	22.2	10.8	11.4	63.1	16.3	12.5	19.7	14.6
Total revenues and sales	\$ 2,115.8	\$ 1,044.9	\$ 1,070.9	\$ 4,418.9	\$ 1,089.0	\$ 1,090.9	\$ 1,121.2	\$ 1,117.8

- (A) Strategic revenues consist of recurring Software Defined Wide Area Network ("SD-WAN"), Unified Communications as a Service ("UCaaS"), OfficeSuite, and associated network access products and services.
- (B) 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.
- (C) 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.
- (D) Core wholesale revenues primarily include revenues from providing fiber connections, data transport and wireless backhaul services.

WINDSTREAM HOLDINGS II, LLC
 QUARTERLY SUPPLEMENTAL INFORMATION - BUSINESS SEGMENTS
 for the quarterly periods in the years 2022 and 2021
 (In millions)

	2022			2021				
	Total	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Kinetic								
Revenues and sales:								
Service revenues	\$ 618.5	\$ 307.5	\$ 311.0	\$ 1,209.8	\$ 307.7	\$ 302.7	\$ 302.1	\$ 297.3
Product sales	18.9	8.6	10.3	45.3	14.4	8.8	10.4	11.7
Total Consumer	637.4	316.1	321.3	1,255.1	322.1	311.5	312.5	309.0
Small business	150.1	74.4	75.7	305.4	75.8	76.1	77.0	76.5
Large business	62.4	30.3	32.1	136.7	32.6	33.6	34.7	35.8
Wholesale	139.5	72.7	66.8	254.2	64.9	66.4	62.2	60.7
Switched access	10.1	4.8	5.3	20.5	4.7	5.2	5.3	5.3
RDOF/CAF Phase II funding	25.7	13.3	12.4	175.3	43.8	43.8	43.8	43.9
State USF	16.3	7.7	8.6	38.9	9.5	9.9	10.2	9.3
End user surcharges	31.8	15.3	16.5	84.9	19.4	21.2	23.0	21.3
Total revenues and sales	1,073.3	534.6	538.7	2,271.0	572.8	567.7	568.7	561.8
Costs and expenses	547.3	271.5	275.8	1,057.4	277.6	274.0	256.9	248.9
Kinetic contribution margin	\$ 526.0	\$ 263.1	\$ 262.9	\$ 1,213.6	\$ 295.2	\$ 293.7	\$ 311.8	\$ 312.9
Kinetic contribution margin %	49.0%	49.2%	48.8%	53.4%	51.5%	51.7%	54.8%	55.7%
Pro forma Kinetic revenue (A)	\$ 1,073.3	\$ 534.6	\$ 538.7	\$ 2,145.3	\$ 541.4	\$ 536.3	\$ 537.3	\$ 530.3
Pro forma Kinetic contribution margin (A)	\$ 526.0	\$ 263.1	\$ 262.9	\$ 1,087.9	\$ 263.8	\$ 262.3	\$ 280.4	\$ 281.4
Pro forma Kinetic contribution margin % (A)	49.0%	49.2%	48.8%	50.7%	48.7%	48.9%	52.2%	53.1%
Enterprise								
Revenues and sales:								
Service revenues	\$ 870.4	\$ 419.9	\$ 450.5	\$ 1,821.4	\$ 435.1	\$ 442.0	\$ 466.8	\$ 477.5
Product sales	3.3	2.2	1.1	7.8	1.5	2.1	1.3	2.9
Total revenues and sales	873.7	422.1	451.6	1,829.2	436.6	444.1	468.1	480.4
Costs and expenses	689.3	333.2	356.1	1,442.2	346.3	353.0	366.1	376.8
Enterprise contribution margin	\$ 184.4	\$ 88.9	\$ 95.5	\$ 387.0	\$ 90.3	\$ 91.1	\$ 102.0	\$ 103.6
Enterprise contribution margin %	21.1%	21.1%	21.1%	21.2%	20.7%	20.5%	21.8%	21.6%
Wholesale								
Revenues and sales:								
Service revenues	\$ 168.8	\$ 88.2	\$ 80.6	\$ 308.7	\$ 79.2	\$ 77.5	\$ 76.4	\$ 75.6
Fiber sales	-	-	-	10.0	0.4	1.6	8.0	-
Total revenues and sales	168.8	88.2	80.6	318.7	79.6	79.1	84.4	75.6
Costs and expenses	107.2	52.4	54.8	208.3	51.7	51.7	52.6	52.3
Wholesale contribution margin	\$ 61.6	\$ 35.8	\$ 25.8	\$ 110.4	\$ 27.9	\$ 27.4	\$ 31.8	\$ 23.3
Wholesale contribution margin %	36.5%	40.6%	32.0%	34.6%	35.1%	34.6%	37.7%	30.8%

(A) Pro forma Kinetic revenue and contribution margin amounts are presented as if the transition from CAF Phase II to RDOF funding occurred beginning in the first quarter of 2021. See page 2 for the amount of the adjustments by quarter for 2021.

WINDSTREAM HOLDINGS II, LLC
 QUARTERLY SUPPLEMENTAL INFORMATION - BUSINESS SEGMENTS
 for the quarterly periods in the years 2022 and 2021
 (In millions)

	2022			2021				
	Total	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Total Enterprise and Wholesale								
Revenues and sales:								
Service revenues	\$ 1,039.2	\$ 508.1	\$ 531.1	\$ 2,130.1	\$ 514.3	\$ 519.5	\$ 543.2	\$ 553.1
Product sales	3.3	2.2	1.1	7.8	1.5	2.1	1.3	2.9
Fiber sales	-	-	-	10.0	0.4	1.6	8.0	-
Total revenues and sales	1,042.5	510.3	532.2	2,147.9	516.2	523.2	552.5	556.0
Costs and expenses	796.5	385.6	410.9	1,650.5	398.0	404.7	418.7	429.1
Total Enterprise and Wholesale contribution margin	\$ 246.0	\$ 124.7	\$ 121.3	\$ 497.4	\$ 118.2	\$ 118.5	\$ 133.8	\$ 126.9
Total Enterprise and Wholesale contribution margin %	23.6%	24.4%	22.8%	23.2%	22.9%	22.6%	24.2%	22.8%
Total segment revenues and expenses								
Revenues and sales:								
Service revenues	\$ 2,093.6	\$ 1,034.1	\$ 1,059.5	\$ 4,355.8	\$ 1,072.7	\$ 1,078.4	\$ 1,101.5	\$ 1,103.2
Product and fiber sales	22.2	10.8	11.4	63.1	16.3	12.5	19.7	14.6
Total segment revenues and sales	2,115.8	1,044.9	1,070.9	4,418.9	1,089.0	1,090.9	1,121.2	1,117.8
Total segment costs and expenses	1,343.8	657.1	686.7	2,707.9	675.6	678.7	675.6	678.0
Segment contribution margin	\$ 772.0	\$ 387.8	\$ 384.2	\$ 1,711.0	\$ 413.4	\$ 412.2	\$ 445.6	\$ 439.8
Segment contribution margin %	36.5%	37.1%	35.9%	38.7%	38.0%	37.8%	39.7%	39.3%
Consolidated revenues and sales								
Service revenues	\$ 2,093.6	\$ 1,034.1	\$ 1,059.5	\$ 4,355.8	\$ 1,072.7	\$ 1,078.4	\$ 1,101.5	\$ 1,103.2
Product and fiber sales	22.2	10.8	11.4	63.1	16.3	12.5	19.7	14.6
Consolidated revenues and sales	\$ 2,115.8	\$ 1,044.9	\$ 1,070.9	\$ 4,418.9	\$ 1,089.0	\$ 1,090.9	\$ 1,121.2	\$ 1,117.8
Consolidated costs and expenses								
Segment costs and expenses	\$ 1,343.8	\$ 657.1	\$ 686.7	\$ 2,707.9	\$ 675.6	\$ 678.7	\$ 675.6	\$ 678.0
Shared expenses (B)	46.1	23.9	22.2	89.8	21.4	23.3	22.1	23.0
Consolidated costs and expenses	\$ 1,389.9	\$ 681.0	\$ 708.9	\$ 2,797.7	\$ 697.0	\$ 702.0	\$ 697.7	\$ 701.0
Consolidated								
Adjusted EBITDAR	\$ 725.9	\$ 363.9	\$ 362.0	\$ 1,621.2	\$ 392.0	\$ 388.9	\$ 423.5	\$ 416.8
Adjusted EBITDAR margin	34.3%	34.8%	33.8%	36.7%	36.0%	35.6%	37.8%	37.3%

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

WINDSTREAM HOLDINGS II, LLC
 QUARTERLY SUPPLEMENTAL INFORMATION - OPERATING STATISTICS
 for the quarterly periods in the years 2022 and 2021
 (Units in thousands, Dollars in millions, except per unit amounts)

	2022			2021				
	Total	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Kinetic Operating Metrics:								
Households served	1,295.1	1,295.1	1,297.8	1,292.9	1,292.9	1,284.5	1,276.1	1,272.7
Net household additions	2.2	(2.7)	4.9	24.9	8.4	8.4	3.4	4.7
YOY change in households served	1.5%	1.5%	2.0%	2.0%	2.0%	1.2%	1.1%	2.0%
Average revenue per household served per month	\$ 79.73	\$ 79.06	\$ 80.03	\$ 78.74	\$ 79.59	\$ 78.81	\$ 79.02	\$ 78.01
Next Gen high-speed Internet customers	231.8	231.8	195.6	164.2	164.2	144.9	124.3	104.6
Net customer additions	67.6	36.2	31.4	72.1	19.3	20.6	19.7	12.5
YOY change in Next Gen high-speed Internet	86.5%	86.5%	87.0%	78.3%	78.3%	213.6%	228.0%	208.6%
DSL high-speed Internet customers	946.4	946.4	980.1	1,000.2	1,000.2	1,002.2	1,007.6	1,017.8
Net customer (losses) additions	(53.8)	(33.7)	(20.1)	(17.0)	(2.0)	(5.4)	(10.2)	0.6
YOY change in DSL high-speed Internet	-6.1%	-6.1%	-3.7%	-1.7%	-1.7%	-5.1%	-4.2%	-1.5%
Total high-speed Internet customers	1,178.2	1,178.2	1,175.7	1,164.4	1,164.4	1,147.1	1,131.9	1,122.4
Net customer additions	13.8	2.5	11.3	55.1	17.3	15.2	9.5	13.1
YOY change in high-speed Internet	4.1%	4.1%	4.7%	5.0%	5.0%	4.1%	3.9%	5.2%
Average revenue per high-speed Internet customer per month	\$ 82.36	\$ 81.85	\$ 82.56	\$ 81.94	\$ 82.40	\$ 81.88	\$ 82.51	\$ 81.61
Service Revenues Used in Average Revenue Per Month								
Computations Above (per page 3):								
Kinetic consumer service revenues	\$ 618.5	\$ 307.5	\$ 311.0	\$ 1,209.8	\$ 307.7	\$ 302.7	\$ 302.1	\$ 297.3
High-speed Internet bundle revenues	\$ 578.8	\$ 289.0	\$ 289.8	\$ 1,117.8	\$ 285.7	\$ 279.9	\$ 279.0	\$ 273.2
Enterprise:								
Strategic sales as a percentage of total Enterprise sales (A)	65.3%	66.1%	64.4%	69.1%	70.6%	59.4%	64.0%	80.7%
Total Capital Expenditures:								
Incremental construction equipment capital expenditures (B)	(8.7)	(4.0)	(4.7)	(9.1)	(5.2)	(3.5)	(0.4)	-
Adjusted Capital Expenditures	\$ 496.8	\$ 286.6	\$ 210.2	\$ 953.7	\$ 223.2	\$ 221.1	\$ 251.4	\$ 258.0
Adjusted Capital Expenditures by Segment:								
Kinetic	\$ 349.1	\$ 205.0	\$ 144.1	\$ 635.9	\$ 147.0	\$ 146.4	\$ 166.8	\$ 175.7
Enterprise	89.7	48.7	41.0	201.1	50.7	48.4	50.8	51.2
Wholesale	58.0	32.9	25.1	116.7	25.5	26.3	33.8	31.1
Total Enterprise and Wholesale	147.7	81.6	66.1	317.8	76.2	74.7	84.6	82.3
Adjusted Capital Expenditures	\$ 496.8	\$ 286.6	\$ 210.2	\$ 953.7	\$ 223.2	\$ 221.1	\$ 251.4	\$ 258.0

(A) Enterprise strategic sales consist of SD-WAN, UCaaS, OfficeSuite 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.

WINDSTREAM HOLDINGS II, LLC
 QUARTERLY SUPPLEMENTAL INFORMATION - NON-GAAP RECONCILIATIONS
 for the quarterly periods in the years 2022 and 2021
 (In millions)

	2022			2021				
	Total	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
ADJUSTED FREE CASH FLOW:								
Operating (loss) income	\$ (47.2)	\$ (38.7)	\$ (8.5)	\$ 156.6	\$ (18.4)	\$ 26.3	\$ 75.0	\$ 73.7
Depreciation and amortization	400.6	202.7	197.9	751.5	197.1	195.8	181.5	177.1
EBITDA	353.4	164.0	189.4	908.1	178.7	222.1	256.5	250.8
Adjustments:								
Straight-line expense under master leases with Uniti	326.7	163.7	163.0	640.7	162.9	160.3	158.8	158.7
Cash payment under master leases with Uniti	(333.9)	(167.2)	(166.7)	(665.6)	(166.7)	(166.7)	(166.4)	(165.8)
Cash received from Uniti per settlement agreement (A)	-	-	-	190.9	117.4	24.5	24.5	24.5
Net loss on asset retirements and dispositions	27.6	25.4	2.2	35.6	35.6	-	-	-
Restructuring charges	-	-	-	7.2	1.7	1.1	2.4	2.0
Other costs (B)	15.1	9.3	5.8	23.1	11.5	3.8	4.1	3.7
Equity-based compensation	3.1	1.5	1.6	6.5	1.6	1.6	1.7	1.6
Adjusted EBITDA	392.0	196.7	195.3	1,146.5	342.7	246.7	281.6	275.5
Adjusted Capital Expenditures	(496.8)	(286.6)	(210.2)	(953.7)	(223.2)	(221.1)	(251.4)	(258.0)
Additional rent paid for growth capital expenditures funded by Uniti	(4.8)	(2.9)	(1.9)	(1.2)	(1.2)	-	-	-
Cash paid for interest on long-term debt obligations	(84.1)	(15.2)	(68.9)	(168.3)	(15.6)	(68.5)	(15.9)	(68.3)
Uniti funding of growth capital expenditures	91.6	43.4	48.2	221.5	69.3	60.1	49.4	42.7
Cash (paid) refunded for income taxes, net	(7.8)	(7.6)	(0.2)	0.4	(1.5)	(2.4)	(5.0)	9.3
Adjusted Free Cash Flow	\$ (109.9)	\$ (72.2)	\$ (37.7)	\$ 245.2	\$ 170.5	\$ 14.8	\$ 58.7	\$ 1.2
COMPUTATION OF ADJUSTED EBITDA:								
Operating (loss) income	\$ (47.2)	\$ (38.7)	\$ (8.5)	\$ 156.6	\$ (18.4)	\$ 26.3	\$ 75.0	\$ 73.7
Depreciation and amortization expense	400.6	202.7	197.9	751.5	197.1	195.8	181.5	177.1
Straight-line expense under master leases with Uniti	326.7	163.7	163.0	640.7	162.9	160.3	158.8	158.7
Net loss on asset retirements and dispositions	27.6	25.4	2.2	35.6	35.6	-	-	-
Restructuring charges	-	-	-	7.2	1.7	1.1	2.4	2.0
Other costs (B)	15.1	9.3	5.8	23.1	11.5	3.8	4.1	3.7
Equity-based compensation	3.1	1.5	1.6	6.5	1.6	1.6	1.7	1.6
Adjusted EBITDAR	725.9	363.9	362.0	1,621.2	392.0	388.9	423.5	416.8
Cash payment under master leases with Uniti	(333.9)	(167.2)	(166.7)	(665.6)	(166.7)	(166.7)	(166.4)	(165.8)
Cash received from Uniti per settlement agreement (A)	-	-	-	190.9	117.4	24.5	24.5	24.5
Adjusted EBITDA	\$ 392.0	\$ 196.7	\$ 195.3	\$ 1,146.5	\$ 342.7	\$ 246.7	\$ 281.6	\$ 275.5
COMPUTATION OF PRO FORMA ADJUSTED EBITDAR:								
Adjusted EBITDAR (per above)	\$ 725.9	\$ 363.9	\$ 362.0	\$ 1,621.2	\$ 392.0	\$ 388.9	\$ 423.5	\$ 416.8
Less CAF Phase II funding	-	-	-	(175.3)	(43.8)	(43.8)	(43.8)	(43.9)
Add RDOF funding	-	-	-	49.6	12.4	12.4	12.4	12.4
Pro forma Adjusted EBITDAR (C)	\$ 725.9	\$ 363.9	\$ 362.0	\$ 1,495.5	\$ 360.6	\$ 357.5	\$ 392.1	\$ 385.3

(A) Amounts received in the fourth quarter of 2021 included Uniti's prepayment of all of the quarterly amounts payable to Windstream in 2022.

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

	2022			2021				
	Total	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Cost initiatives (1)	\$ 7.1	\$ 5.1	\$ 2.0	\$ 13.6	\$ 2.3	\$ 2.4	\$ 4.6	\$ 4.3
Start-up costs (2)	8.0	4.2	3.8	9.5	7.2	2.3	-	-
COVID-19 incremental expenses (3)	-	-	-	-	2.0	(0.9)	(0.5)	(0.6)
Other costs	\$ 15.1	\$ 9.3	\$ 5.8	\$ 23.1	\$ 11.5	\$ 3.8	\$ 4.1	\$ 3.7

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

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

(3) COVID-19 related costs in the fourth quarter of 2021 primarily consist of incremental healthcare claims. Amounts in the first three quarters of 2021 primarily reflect the amortization of a one-time 2020 carryover accrued vacation pay.

(C) Pro forma Adjusted EBITDAR is Adjusted EBITDAR as if the transition from CAF Phase II to RDOF funding occurred beginning in the first quarter of 2021.