

**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): October 30, 2024

**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, AR, 72202**  
(Address of Principal Executive Offices)

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

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

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

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

## Item 2.02 Results of Operations and Financial Condition

On October 31, 2024, Uniti Group Inc. (the “Company”) issued a press release announcing the Company’s results for its fiscal quarter ended September 30, 2024. A copy of the Company’s press release is attached to this Current Report on Form 8-K as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure.

## Item 4.02 Non-Reliance on Previously Issued Financial Statements or a Related Audit Report or Completed Interim Review

During the third quarter of 2023, the Company recorded a goodwill impairment and related income tax benefits, which it reflected in its unaudited condensed consolidated financial statements as of and for the three and nine months ended September 30, 2023 (the “2023 Interim Financial Statements”) included in the Company’s quarterly report on Form 10-Q for the quarter ended September 30, 2023. As previously disclosed in the Company’s Annual Report on Form 10-K (the “2023 10-K”) for the year ended December 31, 2023, during the fourth quarter of 2023, the Company identified certain errors with respect to the income tax benefit it recorded associated with the goodwill impairment. As a result, the goodwill impairment and income tax benefit were understated, netting to a \$38.0 million increase in the net loss for the three and nine months ended September 30, 2023. As discussed in Note 2 to the Company’s consolidated financial statements (the “2023 Audited Financial Statements”) included in the 2023 10-K, the Company concluded that the error was immaterial, and the error was corrected as an immaterial correction to the 2023 Interim Financial Statements. Also, as disclosed in Item 9A of the 2023 10-K, the Company concluded that the error was caused by a material weakness in the Company’s internal control over financial reporting and that the Company’s Disclosure Controls and Procedures and Internal Control over Financial Reporting were not effective as of December 31, 2023.

On October 30, 2024, the audit committee of the board of directors of the Company (the “Audit Committee”), in consultation with senior management of the Company and KPMG LLP, the Company’s independent registered public accounting firm, concluded that the error was material to the 2023 Interim Financial Statements and should have been reflected as a restatement of 2023 Interim Financial Statements and, accordingly, the 2023 Interim Financial Statements included in the Company’s quarterly report on Form 10-Q for the quarter ended September 30, 2023 should no longer be relied upon. The Company will include restated 2023 Interim Financial Statements in its quarterly report on Form 10-Q for the quarter ended September 30, 2024. Because the impairment charge was corrected in the fourth quarter of 2023, the adjustments to the 2023 Interim Financial Statements did not have any impact on the 2023 Audited Financial Statements or the 2023 10-K, which appropriately reflected the full goodwill impairment charge and related tax benefits. Additionally, the impact of the error and correction to the 2023 Interim Financial Statements were previously disclosed in Note 2 to the Company’s consolidated financial statements included in the 2023 10-K. The Company’s press release also reflected the correction in the comparative 2023 Interim Financial Statements.

The Audit Committee and senior management have discussed with KPMG LLP the matters disclosed in this Item 4.02.

## Item 7.01 Regulation FD Disclosure

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

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

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## No Offer or Solicitation

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

## Additional Information and Where to Find It

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

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

## Participants in the Solicitation

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

## Forward-Looking Statements

Certain statements in this Current Report on Form 8-K may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended from time to time. Those forward-looking statements include all statements that are not historical statements of fact, including, without limitation, our 2024 financial outlook, expectations regarding lease-up of our network, strong demand trends, business strategies, growth prospects, and statements regarding our merger with Windstream and potential synergies, cost savings and the future performance of New Uniti (together with Windstream and Uniti, the “Merged Group”). In addition, this communication contains statements concerning the intentions, beliefs and expectations, plans, strategies and objectives of the directors and management of Uniti and Windstream for Uniti and Windstream, respectively, and the Merged Group, the anticipated timing for and outcome and effects of the Merger (including expected benefits to shareholders of Uniti), expectations for the final capital structure, ongoing development and growth potential of the Merged Group and the future operation of Uniti, Windstream and the Merged Group.

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Words such as "anticipate(s)," "expect(s)," "intend(s)," "estimate(s)," "foresee(s)," "plan(s)," "believe(s)," "may," "will," "would," "could," "should," "seek(s)," "appear(s)," "target(s)," "project(s)," "contemplate(s)," "predict(s)," "potential," "continue(s)" and similar expressions, or the negative of these terms, are intended to identify such forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could lead to actual results differing materially from those projected, forecasted or expected. Although we believe that the assumptions underlying the forward-looking statements are reasonable, we can give no assurance that our expectations will be attained. Factors which could materially alter our expectations include, but are not limited to, the future prospects of Windstream, our largest customer; the ability and willingness of our customers to renew their leases with us upon their expiration, and the ability to reposition our properties on the same or better terms in the event of nonrenewal or in the event we replace an existing tenant; the availability of and our ability to identify suitable acquisition opportunities and our ability to acquire and lease the respective properties on favorable terms; the risk that we fail to fully realize the potential benefits of acquisitions or have difficulty integrating acquired companies; our ability to generate sufficient cash flows to service our outstanding indebtedness and fund our capital funding commitments; our ability to access debt and equity capital markets; the impact on our business or the business of our customers as a result of credit rating downgrades and fluctuating interest rates; our ability to retain our key management personnel; changes in the U.S. tax law and other state, federal or local laws, whether or not specific to real estate investment trusts; covenants in our debt agreements that may limit our operational flexibility; the possibility that we may experience equipment failures, natural disasters, cyber-attacks or terrorist attacks for which our insurance may not provide adequate coverage; other risks inherent in the communications industry and in the ownership of communications distribution systems, including potential liability relating to environmental matters and illiquidity of real estate investments; the satisfaction of the conditions precedent to the consummation of the Merger, including, without limitation, the receipt of shareholder and regulatory approvals on the terms desired or anticipated; unanticipated difficulties or expenditures relating to the Merger, including, without limitation, difficulties that result in the failure to realize expected synergies, efficiencies and cost savings from the Merger within the expected time period (if at all); potential difficulties in Uniti's and Windstream's ability to retain employees as a result of the announcement and pendency of the Merger; risks relating to the value of New Uniti's securities to be issued in connection with the Merger; disruptions of Uniti's and Windstream's current plans, operations and relationships with customers caused by the announcement and pendency of the Merger; legal proceedings that may be instituted against Uniti or Windstream following announcement of the Merger; funding requirements; regulatory restrictions (including changes in regulatory restrictions or regulatory policy); and additional factors described in our reports filed with the SEC.

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

All forward-looking statements are based on information and estimates available at the time of this communication and are not guarantees of future performance.

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

## Item 9.01 Financial Statements and Exhibits

### (d) Exhibits

Exhibit Number	Description
<a href="#">99.1</a>	<a href="#">Press Release issued October 31, 2024</a>
<a href="#">99.2</a>	<a href="#">Windstream presentation regarding the period ended September 30, 2024</a>
<a href="#">99.3</a>	<a href="#">Windstream transcript regarding the period ended September 30, 2024</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: October 31, 2024

UNITI GROUP INC.

By: /s/ Daniel L. Heard

Name: Daniel L. Heard

Title: Executive Vice President – General Counsel and Secretary

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Press Release

Release date: October 31, 2024

### Uniti Group Inc. Reports Third Quarter 2024 Results

*Third Quarter Consolidated Bookings Monthly Recurring Revenue of \$0.9 Million Increased Over 20% From Prior Year*

#### *Updates 2024 Outlook*

- **Net Income of \$12.2 Million for the Third Quarter**
- **Net Income of \$0.05 Per Diluted Common Share for the Third Quarter**
- **AFFO of \$0.33 Per Diluted Common Share for the Third Quarter**

LITTLE ROCK, Ark., October 31, 2024 (GLOBE NEWSWIRE) – Uniti Group Inc. (“Uniti” or the “Company”) (Nasdaq: UNIT) today announced its results for the third quarter 2024.

“We continue to see solid demand for our mission critical fiber infrastructure at Uniti with consolidated bookings of nearly \$1 million in monthly recurring revenue during the quarter. Demand from our Hyperscaler customers also remains strong as we recently announced a long-term award in Montgomery, AL that will add fiber in a strategic market for Uniti that will be available for lease-up,” commented President and Chief Executive Officer, Kenny Gunderman.

Mr. Gunderman continued, “Turning to our transformational merger with Windstream that we announced earlier this year, we continue to make significant progress and remain on track to close the merger by the second half of 2025. Through the recent credit agreement amendments and successful refinancing activity at Windstream, we now have a clear path to collapsing the dual debt silos of Uniti and Windstream upon closing of the merger, thus greatly simplifying the capital structure of the combined company. Finally, Windstream now has the capital on-hand to accelerate Kinetic’s fiber-to-the-home buildout, further strengthening its position within the residential fiber market.”

#### QUARTERLY RESULTS

Consolidated revenues for the third quarter of 2024 were \$292.2 million. Net income and Adjusted EBITDA were \$12.2 million and \$235.3 million, respectively, for the same period, achieving Adjusted EBITDA margins of approximately 81%. Net income attributable to common shares was \$11.9 million for the period. AFFO attributable to common shareholders was \$87.1 million, or \$0.33 per diluted common share.

Uniti Fiber contributed \$69.3 million of revenues and \$25.6 million of Adjusted EBITDA for the third quarter of 2024. Uniti Fiber’s net success-based capital expenditures during the quarter were \$26.2 million.

Uniti Leasing contributed revenues of \$222.9 million and Adjusted EBITDA of \$215.2 million for the third quarter. During the quarter, Uniti Leasing deployed capital expenditures of \$35.5 million, including \$34.2 million of GCI capex.

## LIQUIDITY

At quarter-end, the Company had approximately \$529.1 million of unrestricted cash and cash equivalents, and undrawn borrowing availability under its revolving credit agreement. The Company's leverage ratio at quarter-end was 6.05x based on net debt to third quarter 2024 annualized Adjusted EBITDA, excluding the debt and the net contributions from the ABS loan facility.

## UPDATED FULL YEAR 2024 OUTLOOK

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

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

	Full Year 2024			
Revenue	\$	1,157	to	\$ 1,177
Net income attributable to common shareholders		88	to	108
Adjusted EBITDA <sup>(1)</sup>		930	to	950
Interest expense, net <sup>(2)</sup>		514	to	514
Attributable to common shareholders:				
FFO <sup>(1)</sup>		290	to	310
AFFO <sup>(1)</sup>		351	to	371
Weighted-average common shares outstanding – diluted		285	to	285

(1) See "Non-GAAP Financial Measures" below.

(2) See "Components of Interest Expense" below.

## CONFERENCE CALL

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

## ABOUT UNITI

Uniti, an internally managed real estate investment trust, is engaged in the acquisition and construction of mission critical communications infrastructure, and is a leading provider of fiber and other wireless solutions for the communications industry. As of September 30, 2024, Uniti owns approximately 144,000 fiber route miles, 8.7 million fiber strand miles, and other communications real estate throughout the United States. Additional information about Uniti can be found on its website at [www.uniti.com](http://www.uniti.com).

## **NO OFFER OR SOLICITATION**

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

## **ADDITIONAL INFORMATION AND WHERE TO FIND IT**

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

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## **PARTICIPANTS IN THE SOLICITATION**

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



## FORWARD-LOOKING STATEMENTS

*Certain statements in this press release and today's conference call may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended from time to time. Those forward-looking statements include all statements that are not historical statements of fact, including, without limitation, our 2024 financial outlook, expectations regarding lease-up of our network, strong demand trends, business strategies, growth prospects, and statements regarding our merger with Windstream and potential synergies, cost savings and the future performance of New Uniti (together with Windstream and Uniti, the "Merged Group"). In addition, this communication contains statements concerning the intentions, beliefs and expectations, plans, strategies and objectives of the directors and management of Uniti and Windstream for Uniti and Windstream, respectively, and the Merged Group, the anticipated timing for and outcome and effects of the Merger (including expected benefits to shareholders of Uniti), expectations for the final capital structure, ongoing development and growth potential of the Merged Group and the future operation of Uniti, Windstream and the Merged Group.*

*Words such as "anticipate(s)," "expect(s)," "intend(s)," "estimate(s)," "foresee(s)," "plan(s)," "believe(s)," "may," "will," "would," "could," "should," "seek(s)," "appear(s)," "target(s)," "project(s)," "contemplate(s)," "predict(s)," "potential," "continue(s)" and similar expressions, or the negative of these terms, are intended to identify such forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to a number of risks and uncertainties that could lead to actual results differing materially from those projected, forecasted or expected. Although we believe that the assumptions underlying the forward-looking statements are reasonable, we can give no assurance that our expectations will be attained. Factors which could materially alter our expectations include, but are not limited to, the future prospects of Windstream, our largest customer; the ability and willingness of our customers to renew their leases with us upon their expiration, and the ability to reposition our properties on the same or better terms in the event of nonrenewal or in the event we replace an existing tenant; the availability of and our ability to identify suitable acquisition opportunities and our ability to acquire and lease the respective properties on favorable terms; the risk that we fail to fully realize the potential benefits of acquisitions or have difficulty integrating acquired companies; our ability to generate sufficient cash flows to service our outstanding indebtedness and fund our capital funding commitments; our ability to access debt and equity capital markets; the impact on our business or the business of our customers as a result of credit rating downgrades and fluctuating interest rates; our ability to retain our key management personnel; changes in the U.S. tax law and other state, federal or local laws, whether or not specific to real estate investment trusts; covenants in our debt agreements that may limit our operational flexibility; the possibility that we may experience equipment failures, natural disasters, cyber-attacks or terrorist attacks for which our insurance may not provide adequate coverage; other risks inherent in the communications industry and in the ownership of communications distribution systems, including potential liability relating to environmental matters and illiquidity of real estate investments; the satisfaction of the conditions precedent to the consummation of the Merger, including, without limitation, the receipt of shareholder and regulatory approvals on the terms desired or anticipated; unanticipated difficulties or expenditures relating to the Merger, including, without limitation, difficulties that result in the failure to realize expected synergies, efficiencies and cost savings from the Merger within the expected time period (if at all); potential difficulties in Uniti's and Windstream's ability to retain employees as a result of the announcement and pendency of the Merger; risks relating to the value of New Uniti's securities to be issued in connection with the Merger; disruptions of Uniti's and Windstream's current plans, operations and relationships with customers caused by the announcement and pendency of the Merger; legal proceedings that may be instituted against Uniti or Windstream following announcement of the Merger; funding requirements; regulatory restrictions (including changes in regulatory restrictions or regulatory policy); and additional factors described in our reports filed with the SEC.*

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

*All forward-looking statements are based on information and estimates available at the time of this communication and are not guarantees of future performance.*

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

#### **NON-GAAP PRESENTATION**

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

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

	September 30, 2024	December 31, 2023
<b>Assets:</b>		
Property, plant and equipment, net	\$ 4,156,542	\$ 3,982,069
Cash and cash equivalents	34,077	62,264
Restricted cash and cash equivalents	19,311	—
Accounts receivable, net	51,604	46,358
Goodwill	157,380	157,380
Intangible assets, net	282,839	305,115
Straight-line revenue receivable	105,823	90,988
Operating lease right-of-use assets, net	126,791	125,105
Other assets	39,996	118,117
Deferred income tax assets, net	124,077	109,128
Assets held for sale	—	28,605
Derivative asset	231	—
<b>Total Assets</b>	<b>\$ 5,098,671</b>	<b>\$ 5,025,129</b>
<b>Liabilities and Shareholders' Deficit:</b>		
<b>Liabilities:</b>		
Accounts payable, accrued expenses and other liabilities	\$ 95,844	\$ 119,340
Settlement payable	95,147	163,583
Intangible liabilities, net	148,377	156,397
Accrued interest payable	56,562	133,683
Deferred revenue	1,299,759	1,273,661
Dividends payable	2	36,162
Operating lease liabilities	78,785	84,404
Finance lease obligations	17,869	18,110
Notes and other debt, net	5,782,633	5,523,579
Liabilities held for sale	—	331
Total liabilities	\$ 7,574,978	\$ 7,509,250
Commitments and contingencies		
<b>Shareholders' Deficit:</b>		
Preferred stock, \$ 0.0001 par value, 50,000 shares authorized, no shares issued and outstanding	—	—
Common stock, \$ 0.0001 par value, 500,000 shares authorized, issued and outstanding: 237,488 shares at September 30, 2024 and 236,559 shares at December 31, 2023	24	24
Additional paid-in capital	1,232,228	1,221,824
Accumulated other comprehensive loss	(820)	—
Distributions in excess of accumulated earnings	(3,708,705)	(3,708,240)
Total Uniti shareholders' deficit	(2,477,273)	(2,486,392)
Noncontrolling interests – operating partnership units and non-voting convertible preferred stock	966	2,271
Total shareholders' deficit	(2,476,307)	(2,484,121)
<b>Total Liabilities and Shareholders' Deficit</b>	<b>\$ 5,098,671</b>	<b>\$ 5,025,129</b>

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Revenues:</b>				
Uniti Leasing	\$ 222,922	\$ 214,588	\$ 658,829	\$ 637,849
Uniti Fiber	69,325	76,067	214,783	226,326
Total revenues	<u>292,247</u>	<u>290,655</u>	<u>873,612</u>	<u>864,175</u>
<b>Costs and Expenses:</b>				
Interest expense, net	131,007	120,691	381,693	389,243
Depreciation and amortization	79,325	77,337	234,862	231,379
General and administrative expense	26,697	25,481	80,546	77,331
Operating expense (exclusive of depreciation and amortization)	34,519	37,392	106,753	109,878
Transaction related and other costs	14,404	1,441	31,068	9,805
Gain on sale of real estate	—	(1,424)	(18,999)	(1,424)
Goodwill impairment	—	203,998	—	203,998
Other expense (income), net	—	1,435	(301)	21,323
Total costs and expenses	<u>285,952</u>	<u>466,351</u>	<u>815,622</u>	<u>1,041,533</u>
Income (loss) before income taxes and equity in earnings from unconsolidated entities	6,295	(175,696)	57,990	(177,358)
Income tax benefit	(5,935)	(56,130)	(13,869)	(62,899)
Equity in earnings from unconsolidated entities	—	(670)	—	(1,990)
<b>Net income (loss)</b>	<u>12,230</u>	<u>(118,896)</u>	<u>71,859</u>	<u>(112,469)</u>
Net income (loss) attributable to noncontrolling interests	1	(53)	23	(50)
<b>Net income (loss) attributable to shareholders</b>	<u>12,229</u>	<u>(118,843)</u>	<u>71,836</u>	<u>(112,419)</u>
Participating securities' share in earnings	(334)	(321)	(1,493)	(890)
Dividends declared on convertible preferred stock	(5)	(5)	(15)	(15)
<b>Net income (loss) attributable to common shareholders</b>	<u>\$ 11,890</u>	<u>\$ (119,169)</u>	<u>\$ 70,328</u>	<u>\$ (113,324)</u>
Net income (loss) attributable to common shareholders – Basic	11,890	(119,169)	70,328	(113,324)
Impact of if-converted dilutive securities	—	—	—	—
Net income (loss) attributable to common shareholders – Diluted	<u>\$ 11,890</u>	<u>\$ (119,169)</u>	<u>\$ 70,328</u>	<u>\$ (113,324)</u>
<b>Weighted average number of common shares outstanding:</b>				
Basic	237,480	236,533	237,242	236,352
Diluted	<u>237,480</u>	<u>236,533</u>	<u>237,242</u>	<u>236,352</u>
<b>Earnings per common share:</b>				
Basic	\$ 0.05	\$ (0.50)	\$ 0.30	\$ (0.48)
Diluted	<u>\$ 0.05</u>	<u>\$ (0.50)</u>	<u>\$ 0.30</u>	<u>\$ (0.48)</u>

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

	<b>Nine Months Ended September 30,</b>	
	<b>2024</b>	<b>2023</b>
<b>Cash flow from operating activities:</b>		
Net income (loss)	\$ 71,859	\$ (112,469)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	234,862	231,379
Amortization of deferred financing costs and debt discount	16,774	13,975
Loss on extinguishment of debt, net	—	31,187
Interest rate cap amortization	1,149	—
Deferred income taxes	(14,949)	(63,196)
Equity in earnings of unconsolidated entities	—	(1,990)
Distributions of cumulative earnings from unconsolidated entities	—	2,959
Cash paid for interest rate cap	(2,200)	—
Straight-line revenues and amortization of below-market lease intangibles	(24,358)	(28,795)
Stock-based compensation	10,120	9,408
Goodwill impairment	—	203,998
Loss (gain) on asset disposals	292	(242)
Gain on sale of real estate	(18,999)	(1,424)
Accretion of settlement obligation	5,081	8,273
Other	68	2
Changes in assets and liabilities:		
Accounts receivable	(5,247)	(4,194)
Other assets	12,103	10,530
Accounts payable, accrued expenses and other liabilities	(105,475)	(108,826)
Net cash provided by operating activities	<u>181,080</u>	<u>190,575</u>
<b>Cash flow from investing activities:</b>		
Capital expenditures	(327,762)	(368,264)
Proceeds from sale of other equipment	528	1,581
Proceeds from sale of real estate	40,039	1,530
Proceeds from sale of unconsolidated entity	40,000	—
Net cash used in investing activities	<u>(247,195)</u>	<u>(365,153)</u>
<b>Cash flow from financing activities:</b>		
Repayment of debt	(122,942)	(2,263,662)
Proceeds from issuance of notes	309,000	2,600,000
Dividends paid	(108,445)	(107,395)
Payments of settlement payable	(73,516)	(73,516)
Borrowings under revolving credit facility	130,000	450,000
Payments under revolving credit facility	(333,000)	(367,000)
Proceeds from ABS Loan Facility	275,000	—
Finance lease payments	(2,020)	(1,601)
Payments for financing costs	(15,778)	(26,955)
Payment for settlement of common stock warrant	—	(56)
Termination of bond hedge option	—	59
Costs related to the early repayment of debt	—	(44,303)
Distributions paid to noncontrolling interests	(37)	(48)
Payment for exchange of noncontrolling interest	(92)	—
Employee stock purchase program	656	730
Payments related to tax withholding for stock-based compensation	(1,587)	(1,359)
Net cash provided by financing activities	<u>57,239</u>	<u>164,894</u>
<b>Net decrease in cash, restricted cash and cash equivalents</b>		
	(8,876)	(9,684)
Cash, restricted cash and cash equivalents at beginning of period	62,264	43,803
Cash, restricted cash and cash equivalents at end of period	<u>\$ 53,388</u>	<u>\$ 34,119</u>
Non-cash investing and financing activities:		
Property and equipment acquired but not yet paid	\$ 7,371	\$ 12,134
Tenant capital improvements	163,592	94,322

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Net income (loss) attributable to common shareholders</b>	\$ 11,890	\$ (119,169)	\$ 70,328	\$ (113,324)
Real estate depreciation and amortization	56,370	55,405	167,915	164,983
Gain on sale of real estate, net of tax	—	(1,424)	(18,951)	(1,424)
Participating securities share in earnings	334	321	1,493	890
Participating securities share in FFO	(1,871)	(321)	(4,166)	(1,298)
Real estate depreciation and amortization from unconsolidated entities	—	435	—	1,305
Adjustments for noncontrolling interests	(9)	(24)	(34)	(74)
<b>FFO attributable to common shareholders</b>	<u>66,714</u>	<u>(64,777)</u>	<u>216,585</u>	<u>51,058</u>
Transaction related and other costs	14,404	1,441	31,068	9,805
Amortization of deferred financing costs and debt discount	5,824	4,521	16,774	13,975
Write off of deferred financing costs and debt discount	—	—	—	10,412
Costs related to the early repayment of debt	—	—	—	51,997
Stock based compensation	3,375	3,148	10,120	9,408
Non-real estate depreciation and amortization	22,955	21,932	66,947	66,396
Goodwill impairment	—	203,998	—	203,998
Straight-line revenues and amortization of below-market lease intangibles	(7,320)	(9,579)	(24,358)	(28,795)
Maintenance capital expenditures	(1,891)	(1,594)	(5,889)	(5,338)
Other, net	(16,999)	(63,998)	(44,297)	(90,076)
Adjustments for equity in earnings from unconsolidated entities	—	320	—	960
Adjustments for noncontrolling interests	(3)	(72)	(11)	(109)
<b>AFFO attributable to common shareholders</b>	<u>\$ 87,059</u>	<u>\$ 95,340</u>	<u>\$ 266,939</u>	<u>\$ 293,691</u>
<b>Reconciliation of Diluted FFO and AFFO:</b>				
FFO Attributable to common shareholders – Basic	\$ 66,714	\$ (64,777)	\$ 216,585	\$ 51,058
Impact of if-converted dilutive securities	5,958	—	19,858	—
FFO Attributable to common shareholders – Diluted	<u>\$ 72,672</u>	<u>\$ (64,777)</u>	<u>\$ 236,443</u>	<u>\$ 51,058</u>
AFFO Attributable to common shareholders – Basic	\$ 87,059	\$ 95,340	\$ 266,939	\$ 293,691
Impact of if-converted dilutive securities	5,747	6,977	19,530	21,062
AFFO Attributable to common shareholders – Diluted	<u>\$ 92,806</u>	<u>\$ 102,317</u>	<u>\$ 286,469</u>	<u>\$ 314,753</u>
Weighted average common shares used to calculate basic earnings per common share <sup>(1)</sup>	237,480	236,533	237,242	236,352
Impact of dilutive non-participating securities	—	—	—	—
Impact of if-converted dilutive securities	42,044	53,428	50,032	53,837
Weighted average common shares used to calculate diluted FFO and AFFO per common share <sup>(1)</sup>	<u>279,524</u>	<u>289,961</u>	<u>287,274</u>	<u>290,189</u>
<b>Per diluted common share:</b>				
EPS	\$ 0.05	\$ (0.50)	\$ 0.30	\$ (0.48)
FFO	\$ 0.26	\$ (0.27)	\$ 0.82	\$ 0.22
AFFO	\$ 0.33	\$ 0.35	\$ 1.00	\$ 1.08

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

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
<b>Net income (loss)</b>	\$ 12,230	\$ (118,896)	\$ 71,859	\$ (112,469)
Depreciation and amortization	79,325	77,337	234,862	231,379
Interest expense, net	131,007	120,691	381,693	389,243
Income tax benefit	(5,935)	(56,130)	(13,869)	(62,899)
<b>EBITDA</b>	<b>\$ 216,627</b>	<b>\$ 23,002</b>	<b>\$ 674,545</b>	<b>\$ 445,254</b>
Stock-based compensation	3,375	3,148	10,120	9,408
Transaction related and other costs	14,404	1,441	31,068	9,805
Gain on sale of real estate	—	(1,424)	(18,999)	(1,424)
Goodwill impairment	—	203,998	—	203,998
Other, net	918	2,091	3,877	23,073
Adjustments for equity in earnings from unconsolidated entities	—	754	—	2,264
<b>Adjusted EBITDA</b>	<b>\$ 235,324</b>	<b>\$ 233,010</b>	<b>\$ 700,611</b>	<b>\$ 692,378</b>
<b>Adjusted EBITDA:</b>				
Uniti Leasing	\$ 215,188	\$ 208,561	\$ 636,718	\$ 620,079
Uniti Fiber	25,557	29,857	80,486	88,712
Corporate	(5,421)	(5,408)	(16,593)	(16,413)
	<u>\$ 235,324</u>	<u>\$ 233,010</u>	<u>\$ 700,611</u>	<u>\$ 692,378</u>
<b>Annualized Adjusted EBITDA <sup>(1)</sup></b>	<b>\$ 922,288</b>			

**As of September 30, 2024:**

Total Debt <sup>(2)</sup>	\$ 5,609,369
Unrestricted cash and cash equivalents	34,077
<b>Net Debt</b>	<b>\$ 5,575,292</b>

**Net Debt/Annualized Adjusted EBITDA** 6.05x

(1) Calculated as Adjusted EBITDA for the most recently reported three-month period, excluding net contributions of \$4.8 million from the ABS Loan Facility subsidiaries, multiplied by four. Annualized Adjusted EBITDA has not been prepared on a pro forma basis in accordance with Article 11 of Regulation S-X.

(2) Includes \$17.9 million of finance leases, but excludes \$83.9 million of unamortized discounts and deferred financing costs and excludes the principal balance from the \$275.0 million ABS loan facility.

**Uniti Group Inc.**  
**Projected Future Results <sup>(1)</sup>**  
**(In millions)**

	<b>Year Ended December 31, 2024</b>
<b>Net income attributable to common shareholders – Basic</b>	<b>\$88 to \$108</b>
Participating securities' share in earnings	2
<b>Net income <sup>(2)</sup></b>	<b>90 to 110</b>
Interest expense, net <sup>(3)</sup>	514
Depreciation and amortization	313
Income tax benefit	(15)
<b>EBITDA <sup>(2)</sup></b>	<b>902 to 922</b>
Stock-based compensation	13
Gain on sale of real estate	(19)
Transaction related and other costs <sup>(4)</sup>	34
<b>Adjusted EBITDA <sup>(2)</sup></b>	<b>\$930 to \$950</b>

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

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

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

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



**Uniti Group Inc.**  
**Projected Future Results <sup>(1)</sup>**  
**(Per Diluted Share)**

	<b>Year Ended December 31, 2024</b>
<b>Net income attributable to common shareholders – Basic</b>	\$0.37 to \$0.46
Real estate depreciation and amortization	0.94
Gain on sale of real estate, net of tax	(0.08)
Participating securities' share in earnings and FFO, net	(0.01)
<b>FFO attributable to common shareholders – Basic <sup>(2)</sup></b>	<b>\$1.22 to \$1.31</b>
Impact of if-converted securities	(0.14)
<b>FFO attributable to common shareholders – Diluted <sup>(2)</sup></b>	<b>\$1.08 to \$1.17</b>
<b>FFO attributable to common shareholders – Basic <sup>(2)</sup></b>	<b>\$1.22 to \$1.31</b>
Transaction related and other costs <sup>(3)</sup>	0.13
Amortization of deferred financing costs and debt discount	0.10
Accretion of settlement payable <sup>(4)</sup>	0.03
Stock-based compensation	0.06
Non-real estate depreciation and amortization	0.37
Straight-line revenues	(0.13)
Maintenance capital expenditures	(0.03)
Other, net	(0.27)
<b>AFFO attributable to common shareholders – Basic <sup>(2)</sup></b>	<b>\$1.48 to \$1.56</b>
Impact of if-converted securities	(0.17)
<b>AFFO attributable to common shareholders – Diluted <sup>(2)</sup></b>	<b>\$1.32 to \$1.39</b>

- (1) These ranges represent management's best estimates based on the underlying assumptions as of the date of this press release. Future acquisitions, capital market transactions, changes in market conditions, and other factors are excluded from our projections. There can be no assurance that our actual results will not differ materially from the estimates set forth above.
- (2) The components of projected future results may not add to FFO and AFFO attributable to common shareholders due to rounding.
- (3) Future transaction related and other costs are not included in our current outlook.
- (4) Represents the accretion of the Windstream settlement payable to its stated value. At the effective date of the settlement, we recorded the payable on the balance sheet at its initial fair value, which will be accreted based on an effective interest rate of 4.2% and reduced by the scheduled quarterly payments.

**Uniti Group Inc.**  
**Components of Projected Interest Expense <sup>(1)</sup>**  
**(In millions)**

		<b>Year Ended</b>
		<b>December 31, 2024</b>
Interest expense on debt obligations	\$	484
Accretion of Windstream settlement payable		6
Amortization of deferred financing cost and debt discounts		24
<b>Interest expense, net <sup>(2)</sup></b>	<b>\$</b>	<b>514</b>

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

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

**NON-GAAP FINANCIAL MEASURES**

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

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

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

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

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

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# 3Q24 Financial Earnings

*October 30, 2024*



# Safe Harbor Statement

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

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

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

## Participants



**Paul Sunu**  
Chief Executive Officer



**Drew Smith**  
Chief Financial Officer  
& Treasurer



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

# 2024 Priorities



Be the **PREMIER** broadband provider

WINDSTREAM  
ENTERPRISE



Be the **TRUSTED** communications and security advisor



Be the **INNOVATIVE** wholesale leader



## OPERATIONS & SUPPORT

Be the **unwavering** foundation that aligns, nurtures and enables us to be our best



Prioritize quality and trust.



Do it right the first time, every time.



Give our best in everything we do.

# Third Quarter Highlights

Adjusted EBITDAR of \$361M, up 2% year to date<sup>(1)</sup>



## Consumer Highlights

- Strong fiber additions of 17K in quarter
- Consumer Broadband ARPU of \$87.26 up slightly y-o-y
- Kinetic consumer service revenue down 2% YTD largely driven by impact of the ACP step-down<sup>(2)</sup>

## Fiber Build Momentum Continues

- 136K new consumer premises added year to date
- Approximately 1.6 million consumer premises now have access to FTTH services
- 36% coverage of consumer households was achieved by quarter end

WINDSTREAM  
ENTERPRISE

&



## Strong Strategic Revenue Trends

- Continued focus on Strategic & Advanced IP portfolios, which now represent 88% of total Enterprise Market service revenue<sup>(3)(4)</sup>
- Wholesale had solid performance highlighted by high demand from telecom, cable and content customers

## Interconnection Expense Reduction<sup>(4)</sup>

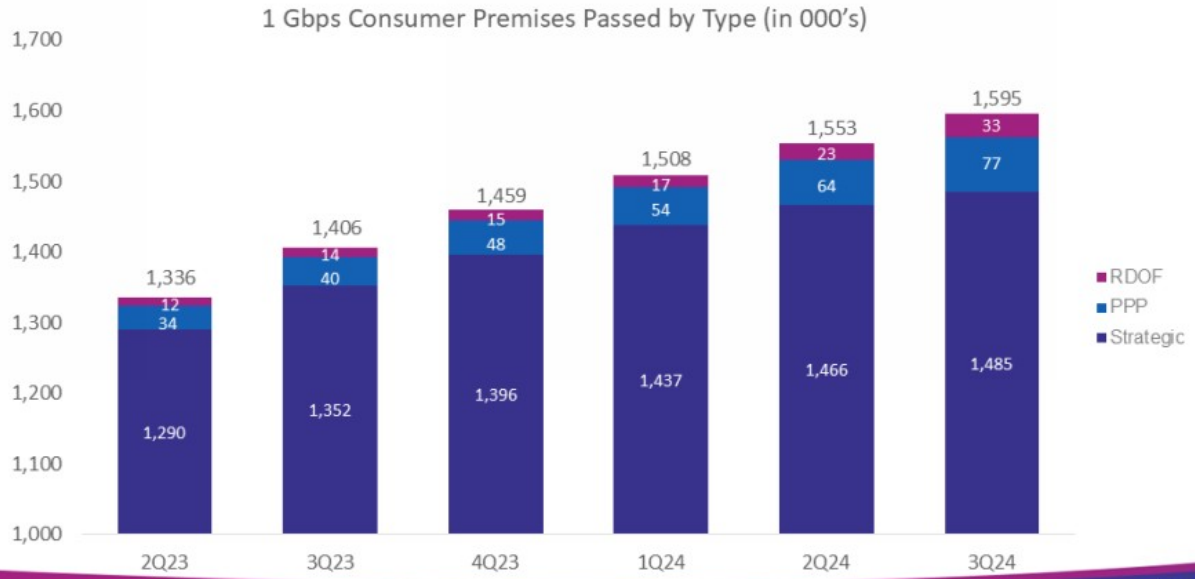
- Total interconnection expense fell by 16% y-o-y; legacy-TDM related expenses<sup>(5)</sup> fell by 24% y-o-y
- Of the \$628 million in annualized interconnection expense remaining, \$274 million relates to TDM services<sup>(5)</sup>

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

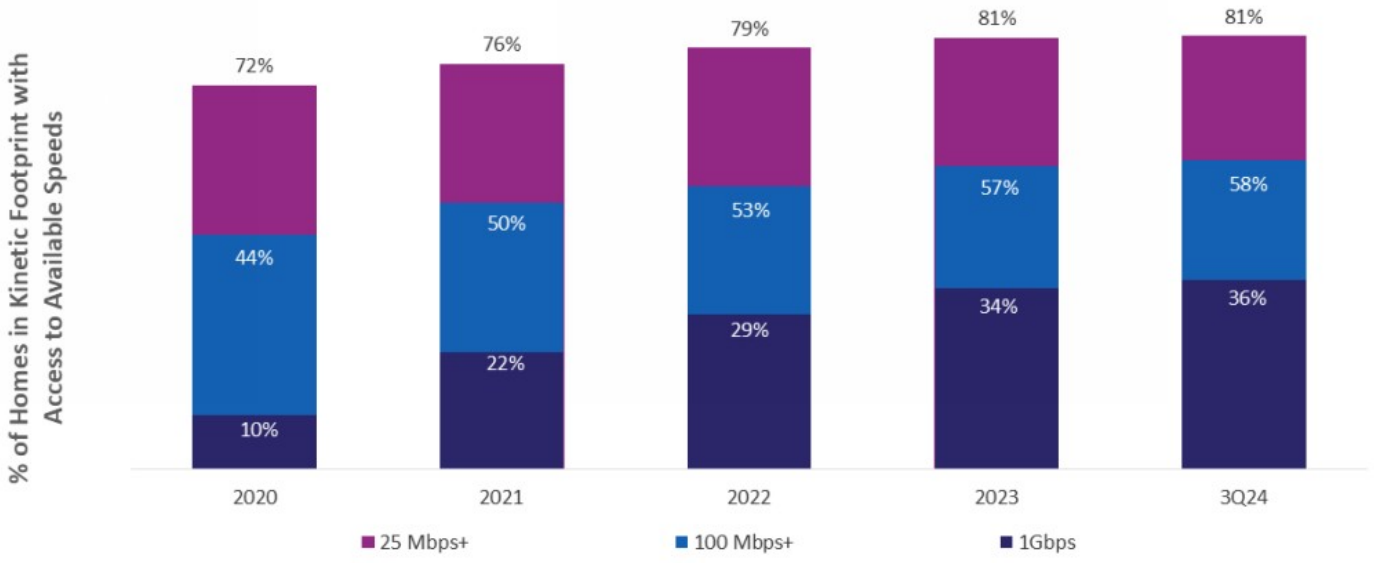


# Fiber Broadband Expansion Acceleration

136K 1 Gbps Consumer Premises Constructed Year to Date

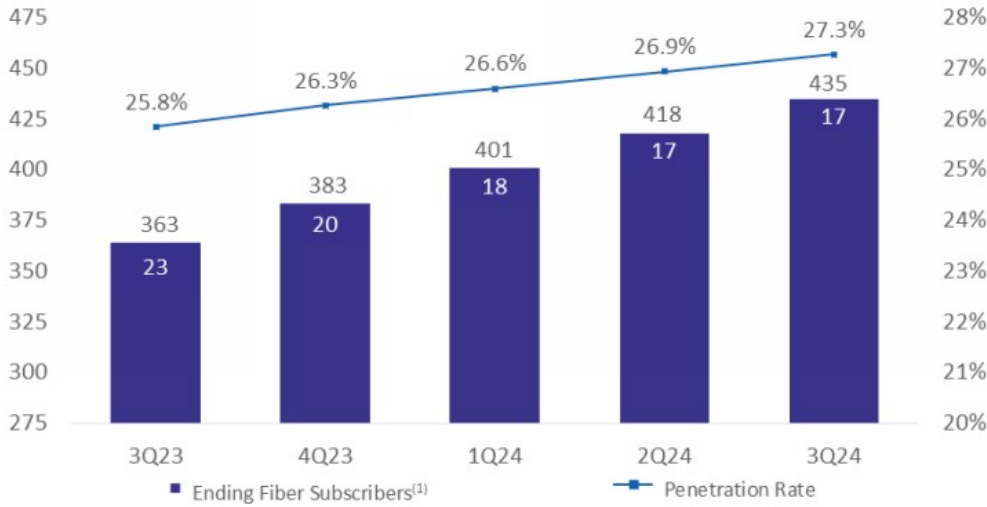


# Enhanced Speeds Across All Speed Tiers



# Fiber Broadband Adds Continue to Accelerate

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



Note: Consumer Subscriber counts in 000's

(1) Subscriber counts reflected in the inset represent net additions for the respective period

Ended 3Q with

# 435K

Consumers on  
1G capable facilities,  
*up 17K from 2Q24*

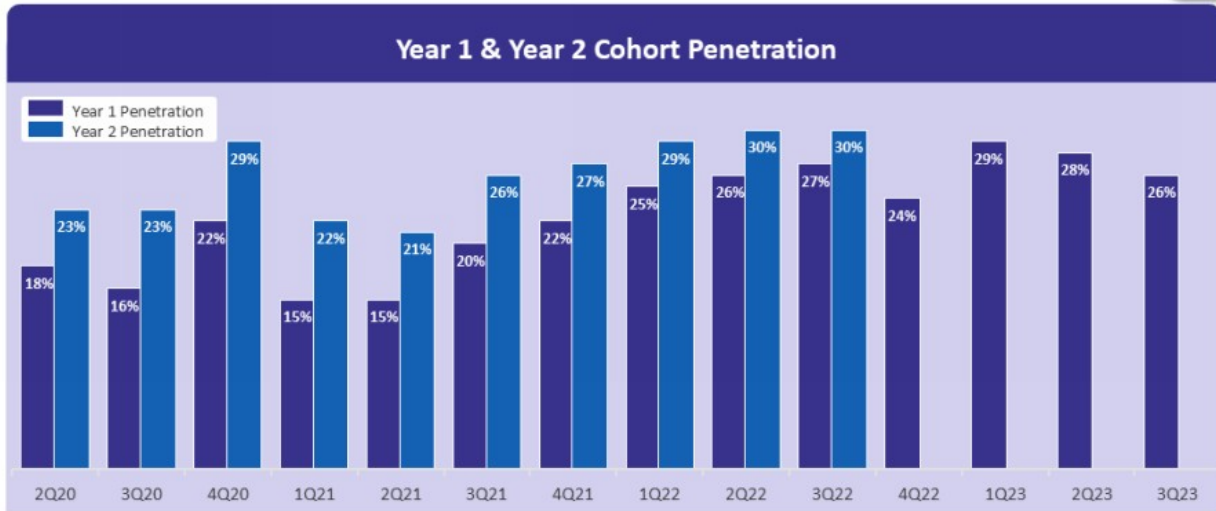
# 27.3%

Penetration

# Fiber Cohort Penetration

Newest Fiber Cohorts Are Showing Strong Penetration Early

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



**< 1 Year Cohorts**



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

# 3Q24 Financial Results

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

Financial Overview <i>(Dollars in Millions)</i>	2023	2023	2023	2024	2024	2024
	Q3	Q4	YE	Q1	Q2	Q3
<b>Revenue and Sales</b>						
Kinetic Market	\$ 530	\$ 540	\$ 2,143	\$ 547	\$ 529	\$ 512
Enterprise Market	346	314	1,369	316	287	279
Wholesale Market	115	103	437	114	100	112
<b>Service Revenue</b>	<b>\$ 991</b>	<b>\$ 958</b>	<b>\$ 3,948</b>	<b>\$ 977</b>	<b>\$ 916</b>	<b>\$ 903</b>
Product & Fiber Sales	11	9	39	24	11	13
<b>Total Revenue and Sales</b>	<b>\$ 1,002</b>	<b>\$ 967</b>	<b>\$ 3,987</b>	<b>\$ 1,001</b>	<b>\$ 926</b>	<b>\$ 916</b>
<b>Expenses</b>						
Direct Segment Expenses	\$ 363	\$ 337	\$ 1,421	\$ 343	\$ 326	\$ 321
Network Access & Facilities	127	118	505	111	109	105
Shared Network & Operations	75	72	302	70	64	66
Information Technology/Shared Corporate	68	60	271	71	65	64
<b>Total Expenses</b>	<b>\$ 632</b>	<b>\$ 588</b>	<b>\$ 2,499</b>	<b>\$ 595</b>	<b>\$ 565</b>	<b>\$ 556</b>
<b>Adjusted EBITDAR<sup>(1)</sup></b>	<b>\$ 370</b>	<b>\$ 379</b>	<b>\$ 1,488</b>	<b>\$ 406</b>	<b>\$ 362</b>	<b>\$ 361</b>
<b>Adjusted EBITDAR Margin %</b>	<b>36.9%</b>	<b>39.2%</b>	<b>37.3%</b>	<b>40.6%</b>	<b>39.1%</b>	<b>39.4%</b>

<sup>(1)</sup> 1Q24 Adjusted EBITDAR excluding gain on sale of IPv4 assets

# Significant Interconnection Cost Reductions

## TDM Retirement Accelerates Cost Reduction and Improves Customer Experience

### Interconnection Expenses (in millions)

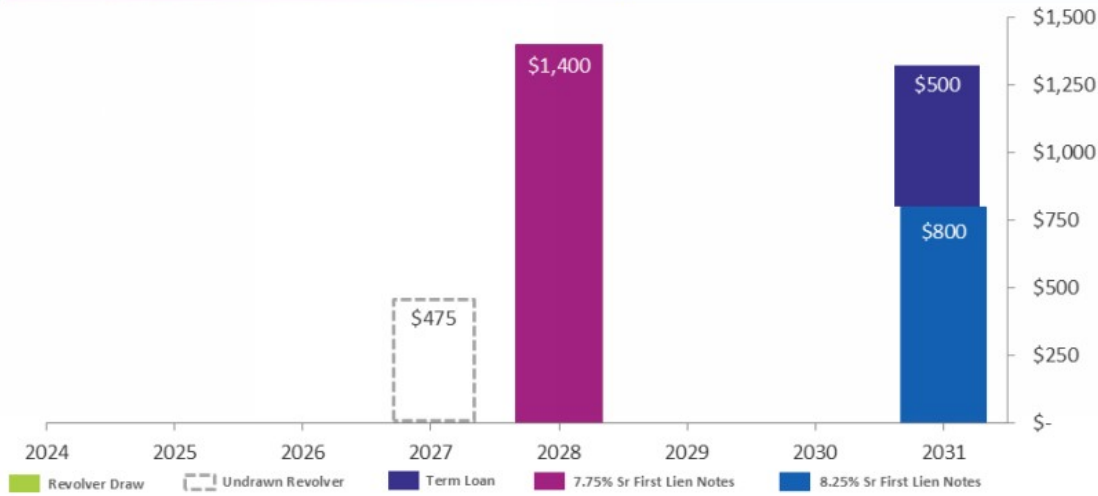
	3Q23 Annualized	3Q24 Annualized	YoY Change %
TDM	\$ 64	\$ 32	(51%)
IP/Ethernet	\$ 235	\$ 210	(10%)
Last Mile Access	\$ 299	\$ 242	(19%)
TDM	\$ 38	\$ 9	(77%)
IP/Ethernet	\$ 18	\$ 14	(22%)
Network Access	\$ 56	\$ 23	(59%)
Network Facilities (excluding Fiber Expense)	\$ 59	\$ 38	(35%)
Fiber Expense & Other	\$ 21	\$ 18	(15%)
Network Facilities Expense	\$ 80	\$ 56	(29%)
<b>Enterprise Interconnect and Network Facilities Expense</b>	<b>\$ 435</b>	<b>\$ 321</b>	<b>(26%)</b>
Network Facilities (excluding Fiber Expense)	\$ 198	\$ 195	(2%)
Fiber Expense & Other	\$ 112	\$ 112	(0%)
<b>Kinetic &amp; Wholesale Network Facilities Expense</b>	<b>\$ 310</b>	<b>\$ 307</b>	<b>(1%)</b>
<b>Total Interconnect and Network Facilities Expense</b>	<b>\$ 745</b>	<b>\$ 628</b>	<b>(16%)</b>

(1) Includes TDM expenses as shown, plus Network Facilities (excluding Fiber Expense)

- 3Q24 annualized run-rate of \$628 million in interconnection and network facilities expenses; annualized decline of 16%
- \$274 million of Legacy TDM-related expense<sup>(1)</sup> including Network Facility expense; annualized decline of 24%
- Continued execution of multi-year program to migrate legacy TDM customers to newer technologies, moving from circuit-level to market-level optimization
- The focus on market-level TDM removal will enable greater reductions in network real estate and colocation expenses

# Strong Balance Sheet with No Near-Term Maturities

## Debt Maturity as of 3Q 2024 Pro Forma for Recent Financing Transactions



Ended 3Q with  
**\$373M**  
 Net Liquidity  
 and  
**2.27x**  
 Net Debt to  
 Adjusted EBITDA

Note: Available capacity under credit facility excludes outstanding letters of credit of \$133.9 million of which \$104.7 million was issued to Universal Service Administrative Company as a condition for Windstream receiving RDOF funding. Effective September 21, 2024, the borrowing capacity under the credit facility decreased from \$500 million to \$475 million.

## WIN Fully Owns and Operates Substantial Assets

Kinetic Fully Owned and Operated Metrics		E&W Owned & Operated
Broadband Consumers <sup>(1)</sup>	Fiber Broadband Consumers <sup>(1)</sup>	Fiber Route Miles <sup>(1)(4)</sup>
<b>208K</b> <b>(20.9%)</b>	<b>115K</b> <b>(31.2%)</b>	<b>81K</b> <b>(75.1%)</b>
Fiber Households Today <sup>(1)</sup>	Fiber Households – Build Plan <sup>(1)</sup>	Windstream Owns 100GB POPs <sup>(1)</sup>
<b>456K</b> <b>(28.6%)</b>	<b>655K</b> <b>(34.5%)</b>	<b>1,358</b> <b>(100.0%)</b>
Total Consumer Revenues <sup>(2)</sup>	Kinetic Owned Assets <sup>(3)</sup>	E&W Owned Assets <sup>(3)</sup>
<b>\$229M</b>	<b>\$2.5B</b>	<b>\$1.0B</b>

(1) Metric represents number and percentage of Windstream total not associated or encumbered by Uniti Master Lease Agreements as of September 30, 2024

(2) Consumer Revenues for FY 2023 that are not within in-footprint ILEC markets governed by Uniti ILEC Master Lease Agreement

(3) Kinetic and E&W Owned Assets represent net PP&E, excluding CWIP, as of December 31, 2023, for Windstream owned assets

(4) Beginning in 2Q24, the calculation of Fiber Route Miles was modified to align with Uniti disclosures



## 2024 Financial and Operational Guidance

<i>(all \$ in millions)</i>	2023 Results	2024 Guidance
Adjusted EBITDAR <sup>(1)</sup>	\$1,488M	Approximately flat y-o-y (adjusted for ACP expiration) <sup>(2)</sup>
Capex, net <sup>(3)</sup>	\$798M	Approximately \$700M
Unlevered Free Cash Flow <sup>(4)</sup>	\$155M	Approximately \$140M
Fiber Consumer Customer Additions	96K	75K (lowered from previous: "Similar to 2023")
Fiber Premises Constructed	232K	180K - 200K (lowered from previous: Approximately 200K)

(1) 2024 Adjusted EBITDAR guidance excludes the impact of non-core operating asset sales during the period

(2) Adjusted for expected wind-down of the Affordable Connectivity Program (ACP) in 2Q 2024. Windstream's ACP customer base currently receives ~\$3M in monthly subsidy under this program

(3) Adjusted Capex, less GCI reimbursements

(4) Total change in cash, excluding cash interest, cash taxes and debt amortization payments

# Appendix

Quarterly supplemental schedules (Pro Forma)

## Supplemental Financial Information

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

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 represent a recurring and necessary use of cash. As such, we believe investors should consider our capital spending and payments due under our master leases with Uniti when evaluating the amount of cash provided by our operating activities.

# Supplemental Financial Information

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

ADJUSTED RESULTS OF OPERATIONS:	2024				2023				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
<b>Revenues and sales:</b>									
Service revenues	\$ 2,795.4	\$ 903.0	\$ 915.7	\$ 976.7	\$ 3,948.0	\$ 957.8	\$ 990.8	\$ 980.0	\$ 1,019.4
Product and fiber sales	47.8	13.3	10.6	23.9	38.7	8.7	11.2	10.9	7.9
Total revenues and sales	2,843.2	916.3	926.3	1,000.6	3,986.7	966.5	1,002.0	990.9	1,027.3
<b>Costs and expenses:</b>									
Cost of services	1,203.0	392.2	398.9	411.9	1,758.7	408.4	441.9	446.0	462.4
Cost of sales	35.7	10.6	8.7	16.4	40.3	8.3	11.1	11.1	9.8
Selling, general and administrative	475.9	152.8	156.9	166.2	699.8	171.0	179.4	174.1	175.3
Costs and expenses	1,714.6	555.6	564.5	594.5	2,498.8	587.7	632.4	631.2	647.5
Adjusted EBITDAR, excluding gain on sale of operating assets	1,128.6	360.7	361.8	406.1	1,487.9	378.8	369.6	359.7	379.8
Gain on sale of operating assets (see note below)	103.2	-	-	103.2	-	-	-	-	-
Adjusted EBITDAR (A)	1,231.8	360.7	361.8	509.3	1,487.9	378.8	369.6	359.7	379.8
Cash payment under master leases with Uniti	(506.4)	(169.2)	(168.9)	(168.3)	(672.2)	(168.3)	(168.4)	(168.0)	(167.5)
Cash received from Uniti per settlement agreement	73.5	24.5	24.5	24.5	98.0	24.5	24.5	24.5	24.5
Adjusted EBITDA (B)	\$ 798.9	\$ 216.0	\$ 217.4	\$ 365.5	\$ 913.7	\$ 235.0	\$ 225.7	\$ 216.2	\$ 236.8
<b>Margins (C):</b>									
Adjusted EBITDAR margin, excluding gain on sale of operating assets	39.7%	39.4%	39.1%	40.6%	37.3%	39.2%	36.9%	36.3%	37.0%
Adjusted EBITDAR margin	43.3%	39.4%	39.1%	50.9%	37.3%	39.2%	36.9%	36.3%	37.0%
Adjusted EBITDA margin	28.1%	23.6%	23.5%	36.5%	22.9%	24.3%	22.5%	21.8%	23.1%
Adjusted Capital Expenditures	\$ 664.5	\$ 214.6	\$ 204.1	\$ 245.8	\$ 1,048.4	\$ 233.6	\$ 265.8	\$ 245.0	\$ 303.1
Adjusted Free Cash Flow (D)	\$ 137.6	\$ (60.0)	\$ 36.6	\$ 161.0	\$ (132.0)	\$ (14.9)	\$ (51.4)	\$ 16.5	\$ (82.2)

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

- (A) Adjusted EBITDAR is earnings before interest expense, income taxes and depreciation and amortization and is calculated as operating income (loss) excluding depreciation and amortization, straight-line expense under the master leases with Uniti, equity-based compensation expense, and certain other costs.  
(B) Adjusted EBITDA is Adjusted EBITDAR after the cash payment due under the master leases with Uniti excluding additional rent paid for growth capital expenditures funded by Uniti and increased for cash received from Uniti per the settlement agreement.  
(C) Margins are calculated by dividing the respective profitability measures by total revenues and sales.  
(D) Adjusted Free Cash Flow is Adjusted EBITDA less adjusted capital expenditures, additional rent paid for growth capital expenditures funded by Uniti and cash paid for interest on long-term debt obligations plus funding received from Uniti for growth capital expenditures and adjusted for cash (paid) refunded for income taxes, net.

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

# Supplemental Financial Information

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

	As of
	9/30/2024
Debt Leverage Ratio:	
Long-term debt, including current maturities (E)	\$ 2,355.9
Add: Capital lease obligations	21.4
Less: Cash and cash equivalents	(32.1)
Net debt	<u>\$ 2,345.2</u>
	Twelve
	Months Ended
	9/30/2024
Adjusted EBITDA	\$ 1,033.9
Net leverage ratio (F) - computed as (1)/(2)	<u>2.27x</u>
Available liquidity as of September 30, 2024:	
Cash and cash equivalents	\$ 32.1
Available capacity under credit facility (G)	341.1
Available liquidity	<u>\$ 373.2</u>

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

(F) The net leverage ratio is computed by dividing net debt by Adjusted EBITDA.

(G) Effective September 21, 2024, the borrowing capacity under the credit facility decreased from \$500.0 million to \$475.0 million. Available capacity under credit facility excludes outstanding letters of credit of \$133.9 million of which \$104.7 million was issued to Universal Service Administrative Company as a condition for Windstream receiving Rural Digital Opportunity Fund ("RDOF") funding.

# Supplemental Financial Information

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

	2024				2023				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
<b>Revenues and sales:</b>									
Kinetic Market	\$ 1,587.6	\$ 511.6	\$ 528.9	\$ 547.1	\$ 2,142.8	\$ 540.3	\$ 530.0	\$ 536.6	\$ 535.9
Enterprise Market	881.8	279.1	287.0	315.7	1,368.6	314.1	345.6	337.9	371.0
Wholesale Market	326.0	112.3	99.8	113.9	436.6	103.4	115.2	105.5	112.5
Total service revenues	2,795.4	903.0	915.7	976.7	3,948.0	957.8	990.8	980.0	1,019.4
Product and fiber sales	47.8	13.3	10.6	23.9	38.7	8.7	11.2	10.9	7.9
Total revenues and sales	2,843.2	916.3	926.3	1,000.6	3,986.7	966.5	1,002.0	990.9	1,027.3
<b>Costs and expenses:</b>									
Direct segment expenses	\$ 990.6	\$ 321.3	\$ 326.2	\$ 343.1	\$ 1,421.5	\$ 337.1	\$ 362.8	\$ 358.1	\$ 363.5
Network access and facilities	324.9	105.1	109.0	110.8	505.1	118.0	126.8	128.8	131.5
Shared network and operations	199.4	65.7	64.2	69.5	301.5	72.2	74.6	75.3	79.4
Information technology and shared corporate	199.7	63.5	65.1	71.1	270.7	60.4	68.2	69.0	73.1
Total costs and expenses	1,714.6	555.6	564.5	594.5	2,498.8	587.7	632.4	631.2	647.5
Adjusted EBITDAR, excluding gain on sale of operating assets	1,128.6	360.7	361.8	406.1	1,487.9	378.8	369.6	359.7	379.8
Gain on sale of operating assets	103.2	-	-	103.2	-	-	-	-	-
Adjusted EBITDAR	\$ 1,231.8	\$ 360.7	\$ 361.8	\$ 509.3	\$ 1,487.9	\$ 378.8	\$ 369.6	\$ 359.7	\$ 379.8
Adjusted EBITDAR margin, excluding gain on sale of operating assets	39.7%	39.4%	39.1%	40.6%	37.3%	39.2%	36.9%	36.3%	37.0%
Adjusted EBITDAR margin	43.3%	39.4%	39.1%	50.9%	37.3%	39.2%	36.9%	36.3%	37.0%

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

# Supplemental Financial Information

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

	2024				2023				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
<b>Kinetic</b>									
Revenues and sales:									
Broadband bundles	\$ 894.0	\$ 290.0	\$ 299.2	\$ 304.8	\$ 1,207.6	\$ 303.3	\$ 300.8	\$ 303.9	\$ 299.6
Voice and other	44.3	13.6	14.8	15.9	70.5	16.8	17.7	17.6	18.4
Consumer	938.3	303.6	314.0	320.7	1,278.1	320.1	318.5	321.5	318.0
Small business	125.7	40.6	41.8	43.3	168.2	42.7	42.6	41.2	41.7
RDOF funding	39.3	13.1	13.1	13.1	52.4	13.1	13.1	13.1	13.1
State USF	44.0	14.4	14.7	14.9	62.5	15.2	15.3	16.0	16.0
End user surcharges	39.8	12.7	13.0	14.1	58.3	15.6	12.9	13.7	16.1
Service revenues	1,187.1	384.4	396.6	406.1	1,619.5	406.7	402.4	405.5	404.9
Product sales	22.1	6.7	7.9	7.5	30.2	6.4	7.7	8.6	7.5
Total revenues and sales	1,209.2	391.1	404.5	413.6	1,649.7	413.1	410.1	414.1	412.4
Costs and expenses	474.2	159.7	157.0	157.5	627.6	153.5	166.1	157.6	150.4
Kinetic direct margin	\$ 735.0	\$ 231.4	\$ 247.5	\$ 256.1	\$ 1,022.1	\$ 259.6	\$ 244.0	\$ 256.5	\$ 262.0
Kinetic direct margin %	60.8%	59.2%	61.2%	61.9%	62.0%	62.8%	59.5%	61.9%	63.5%
<b>Enterprise</b>									
Revenues and sales:									
Strategic and Advanced IP (A)	\$ 865.3	\$ 276.5	\$ 287.7	\$ 301.1	\$ 1,198.2	\$ 296.0	\$ 302.5	\$ 297.6	\$ 302.1
TDM/Other (B)	114.9	34.8	32.9	47.2	303.2	49.8	76.7	74.3	102.4
End user surcharges	41.5	13.0	13.4	15.1	60.4	15.7	14.3	14.0	16.4
Service revenues	1,021.7	324.3	334.0	363.4	1,561.8	361.5	393.5	385.9	420.9
Product sales	1.2	0.4	0.4	0.4	3.4	1.4	1.3	0.3	0.4
Total revenues and sales	1,022.9	324.7	334.4	363.8	1,565.2	362.9	394.8	386.2	421.3
Costs and expenses	442.3	138.4	147.7	156.2	710.9	164.0	175.9	179.3	191.7
Enterprise direct margin	\$ 580.6	\$ 186.3	\$ 186.7	\$ 207.6	\$ 854.3	\$ 198.9	\$ 218.9	\$ 206.9	\$ 229.6
Enterprise direct margin %	56.8%	57.4%	55.8%	57.1%	54.6%	54.8%	55.4%	53.6%	54.5%
<b>Wholesale</b>									
Revenues and sales:									
Service revenues	\$ 586.6	\$ 194.3	\$ 185.1	\$ 207.2	\$ 766.7	\$ 189.6	\$ 194.9	\$ 188.6	\$ 193.6
Fiber sales	24.5	6.2	2.3	16.0	5.1	0.9	2.2	2.0	-
Total revenues and sales	611.1	200.5	187.4	223.2	771.8	190.5	197.1	190.6	193.6
Costs and expenses	74.1	23.2	21.5	29.4	83.0	19.6	20.8	21.2	21.4
Wholesale direct margin	\$ 537.0	\$ 177.3	\$ 165.9	\$ 193.8	\$ 688.8	\$ 170.9	\$ 176.3	\$ 169.4	\$ 172.2
Wholesale direct margin %	87.9%	88.4%	88.5%	86.8%	89.2%	89.7%	89.4%	88.9%	88.9%

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

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

# Supplemental Financial Information

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

	2024				2023				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
<b>Total segment revenues and expenses</b>									
Revenues and sales:									
Service revenues	\$ 2,795.4	\$ 903.0	\$ 915.7	\$ 976.7	\$ 3,948.0	\$ 957.8	\$ 990.8	\$ 980.0	\$ 1,019.4
Product and fiber sales	47.8	13.3	10.6	23.9	38.7	8.7	11.2	10.9	7.9
Total segment revenues and sales	2,843.2	916.3	926.3	1,000.6	3,986.7	966.5	1,002.0	990.9	1,027.3
Total segment costs and expenses	990.6	321.3	326.2	343.1	1,421.5	337.1	362.8	358.1	363.5
Segment direct margin	\$ 1,852.6	\$ 595.0	\$ 600.1	\$ 657.5	\$ 2,565.2	\$ 629.4	\$ 639.2	\$ 632.8	\$ 663.8
Segment direct margin %	65.2%	64.9%	64.8%	65.7%	64.3%	65.1%	63.8%	63.9%	64.6%
<b>Consolidated revenues and sales</b>									
Service revenues	\$ 2,795.4	\$ 903.0	\$ 915.7	\$ 976.7	\$ 3,948.0	\$ 957.8	\$ 990.8	\$ 980.0	\$ 1,019.4
Product and fiber sales	47.8	13.3	10.6	23.9	38.7	8.7	11.2	10.9	7.9
Consolidated revenues and sales	\$ 2,843.2	\$ 916.3	\$ 926.3	\$ 1,000.6	\$ 3,986.7	\$ 966.5	\$ 1,002.0	\$ 990.9	\$ 1,027.3
<b>Consolidated costs and expenses</b>									
Segment costs and expenses	\$ 990.6	\$ 321.3	\$ 326.2	\$ 343.1	\$ 1,421.5	\$ 337.1	\$ 362.8	\$ 358.1	\$ 363.5
Shared expenses: (C)									
Network access and facilities	324.9	105.1	109.0	110.8	505.1	118.0	126.8	128.8	131.5
Shared network and operations	199.4	65.7	64.2	69.5	301.5	72.2	74.6	75.3	79.4
Information technology and shared corporate	199.7	63.5	65.1	71.1	270.7	60.4	68.2	69.0	73.1
Shared expenses	724.0	234.3	238.3	251.4	1,077.3	250.6	269.6	273.1	284.0
Consolidated costs and expenses	\$ 1,714.6	\$ 555.6	\$ 564.5	\$ 594.5	\$ 2,498.8	\$ 587.7	\$ 632.4	\$ 631.2	\$ 647.5
<b>Consolidated</b>									
Adjusted EBITDAR, excluding gain on sale of operating assets	\$ 1,128.6	\$ 360.7	\$ 361.8	\$ 406.1	\$ 1,487.9	\$ 378.8	\$ 369.6	\$ 359.7	\$ 379.8
Gain on sale of operating assets	103.2	-	-	103.2	-	-	-	-	-
Adjusted EBITDAR	\$ 1,231.8	\$ 360.7	\$ 361.8	\$ 509.3	\$ 1,487.9	\$ 378.8	\$ 369.6	\$ 359.7	\$ 379.8
Adjusted EBITDAR margin, excluding gain on sale of operating assets	39.7%	39.4%	39.1%	40.6%	37.3%	39.2%	36.9%	36.3%	37.0%
Adjusted EBITDAR margin	43.3%	39.4%	39.1%	50.9%	37.3%	39.2%	36.9%	36.3%	37.0%

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



# Supplemental Financial Information

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

	2024				2023				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
<b>Kinetic Operating Metrics:</b>									
Next Gen consumer broadband customers	435.0	435.0	418.3	401.1	383.2	383.2	363.4	340.3	315.9
Net customer additions	51.8	16.7	17.2	17.9	96.0	19.8	23.1	24.4	28.7
DSL consumer broadband customers	666.5	666.5	695.7	722.9	752.4	752.4	784.0	814.7	846.8
Net customer losses	(85.9)	(29.2)	(27.2)	(29.5)	(126.1)	(31.6)	(30.7)	(32.1)	(31.7)
Total consumer broadband customers	1,101.5	1,101.5	1,114.0	1,124.0	1,135.6	1,135.6	1,147.4	1,155.0	1,162.7
Net customer losses	(34.1)	(12.5)	(10.0)	(11.6)	(30.1)	(11.8)	(7.6)	(7.7)	(3.0)
Average revenue per consumer broadband customer per month	\$ 88.81	\$ 87.26	\$ 89.13	\$ 89.93	\$ 87.46	\$ 88.57	\$ 87.10	\$ 87.41	\$ 85.78
Next Gen premises passed - Consumer	1,595	1,595	1,553	1,508	1,459	1,459	1,406	1,336	1,294
<b>Service Revenues Used in Average Revenue Per Month</b>									
<b>Computations Above (per page 3):</b>									
Broadband bundle revenues	\$ 894.0	\$ 290.0	\$ 299.2	\$ 304.8	\$ 1,207.6	\$ 303.3	\$ 300.8	\$ 303.9	\$ 299.6
<b>Adjusted Capital Expenditures:</b>									
Total capital expenditures	\$ 664.6	\$ 214.6	\$ 204.1	\$ 245.9	\$ 1,058.4	\$ 237.0	\$ 267.3	\$ 248.9	\$ 305.2
Reimbursement for cost to remove equipment (A)	(0.1)	-	-	(0.1)	(8.6)	(3.4)	(1.5)	(2.4)	(1.3)
Start-up construction equipment capital expenditures (B)	-	-	-	-	(1.4)	-	-	(0.6)	(0.8)
Adjusted Capital Expenditures	\$ 664.5	\$ 214.6	\$ 204.1	\$ 245.8	\$ 1,048.4	\$ 233.6	\$ 265.8	\$ 245.9	\$ 303.1
<b>Adjusted Capital Expenditures by Segment:</b>									
Kinetic	\$ 357.4	\$ 121.3	\$ 108.9	\$ 127.2	\$ 528.0	\$ 122.1	\$ 137.3	\$ 120.2	\$ 148.4
Enterprise	38.0	10.0	11.6	16.4	74.7	14.8	17.8	18.9	23.2
Wholesale	75.8	21.6	21.7	32.5	122.4	25.6	30.9	33.5	32.4
Shared network, information technology and operations	193.2	61.7	61.9	69.7	323.3	71.1	79.8	73.3	99.1
Adjusted Capital Expenditures	664.5	214.6	204.1	245.8	1,048.4	233.6	265.8	245.9	303.1
Less: Unit funding of growth capital expenditures	(230.8)	(34.2)	(65.3)	(131.3)	(250.0)	(16.5)	(74.8)	(91.2)	(67.5)
Adjusted Capital Expenditures, Net	\$ 433.7	\$ 180.4	\$ 138.8	\$ 114.5	\$ 798.4	\$ 217.1	\$ 191.0	\$ 154.7	\$ 235.6
Capital Expenditures Intensity % (C)	16%	21%	16%	12%	22%	25%	21%	17%	26%

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

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

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

# Supplemental Financial Information

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

	2024				2023				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
<b>ADJUSTED FREE CASH FLOW:</b>									
Operating income (loss)	\$ 74.2	\$ (37.3)	\$ (21.6)	\$ 133.1	\$ (47.8)	\$ (29.1)	\$ (8.5)	\$ (12.1)	\$ 1.9
Depreciation and amortization expense	612.6	204.1	200.8	207.7	790.8	192.9	202.7	199.5	195.7
<b>EBITDA</b>	<b>686.8</b>	<b>166.8</b>	<b>179.2</b>	<b>340.8</b>	<b>743.0</b>	<b>163.8</b>	<b>194.2</b>	<b>187.4</b>	<b>197.6</b>
<b>Adjustments:</b>									
Straight-line expense under master leases with Uniti	521.1	174.9	173.9	172.3	677.1	171.1	170.1	168.7	167.2
Cash payment under master leases with Uniti	(506.4)	(169.2)	(168.9)	(168.3)	(672.2)	(168.3)	(168.4)	(168.0)	(167.5)
Cash received from Uniti per settlement agreement	73.5	24.5	24.5	24.5	98.0	24.5	24.5	24.5	24.5
Net (gain) loss on asset refinements and dispositions	(29.1)	2.3	(9.7)	(21.7)	(1.8)	6.7	(2.9)	(5.2)	(0.4)
Other costs (A)	48.9	15.5	16.9	16.5	56.6	28.9	6.7	7.2	13.8
Equity-based compensation	4.1	1.2	1.5	1.4	13.0	8.3	1.5	1.6	1.6
<b>Adjusted EBITDA</b>	<b>798.9</b>	<b>216.0</b>	<b>217.4</b>	<b>365.5</b>	<b>913.7</b>	<b>235.0</b>	<b>225.7</b>	<b>216.2</b>	<b>236.8</b>
Adjusted Capital Expenditures	(664.5)	(214.6)	(204.1)	(245.8)	(1,048.4)	(233.6)	(265.8)	(245.9)	(303.1)
Additional rent paid for growth capital expenditures funded by Uniti	(38.9)	(14.6)	(13.0)	(11.3)	(32.0)	(9.9)	(8.4)	(7.5)	(6.4)
Cash paid for interest on long-term debt obligations	(180.8)	(77.7)	(23.9)	(79.2)	(203.7)	(22.6)	(76.1)	(28.2)	(76.8)
Uniti funding of growth capital expenditures	230.8	34.2	65.3	131.3	250.0	16.5	74.8	91.2	67.5
Cash (paid) received for income taxes, net	(7.9)	(3.3)	(5.1)	0.5	(11.6)	(0.3)	(1.6)	(9.5)	(0.2)
<b>Adjusted Free Cash Flow</b>	<b>\$ 137.6</b>	<b>\$ (60.0)</b>	<b>\$ 36.6</b>	<b>\$ 161.0</b>	<b>\$ (132.0)</b>	<b>\$ (14.9)</b>	<b>\$ (51.4)</b>	<b>\$ 16.5</b>	<b>\$ (82.2)</b>
<b>COMPUTATION OF ADJUSTED EBITDA:</b>									
Operating income (loss)	\$ 74.2	\$ (37.3)	\$ (21.6)	\$ 133.1	\$ (47.8)	\$ (29.1)	\$ (8.5)	\$ (12.1)	\$ 1.9
Depreciation and amortization expense	612.6	204.1	200.8	207.7	790.8	192.9	202.7	199.5	195.7
Straight-line expense under master leases with Uniti	521.1	174.9	173.9	172.3	677.1	171.1	170.1	168.7	167.2
Gain on sale of operating assets	(103.2)	-	-	(103.2)	-	-	-	-	-
Net (gain) loss on asset refinements and dispositions	(29.1)	2.3	(9.7)	(21.7)	(1.8)	6.7	(2.9)	(5.2)	(0.4)
Other costs (A)	48.9	15.5	16.9	16.5	56.6	28.9	6.7	7.2	13.8
Equity-based compensation	4.1	1.2	1.5	1.4	13.0	8.3	1.5	1.6	1.6
<b>Adjusted EBITDAR, excluding gain on sale of operating assets</b>	<b>1,128.6</b>	<b>360.7</b>	<b>361.8</b>	<b>406.1</b>	<b>1,487.9</b>	<b>378.8</b>	<b>369.6</b>	<b>359.7</b>	<b>379.8</b>
Gain on sale of operating assets	103.2	-	-	103.2	-	-	-	-	-
<b>Adjusted EBITDAR</b>	<b>1,231.8</b>	<b>360.7</b>	<b>361.8</b>	<b>509.3</b>	<b>1,487.9</b>	<b>378.8</b>	<b>369.6</b>	<b>359.7</b>	<b>379.8</b>
Cash payment under master leases with Uniti	(506.4)	(169.2)	(168.9)	(168.3)	(672.2)	(168.3)	(168.4)	(168.0)	(167.5)
Cash received from Uniti per settlement agreement	73.5	24.5	24.5	24.5	98.0	24.5	24.5	24.5	24.5
<b>Adjusted EBITDA</b>	<b>\$ 798.9</b>	<b>\$ 216.0</b>	<b>\$ 217.4</b>	<b>\$ 365.5</b>	<b>\$ 913.7</b>	<b>\$ 235.0</b>	<b>\$ 225.7</b>	<b>\$ 216.2</b>	<b>\$ 236.8</b>

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

	2024				2023				
	Total	3rd Qtr.	2nd Qtr.	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Merger costs (1)	\$ 21.8	\$ 7.0	\$ 10.1	\$ 4.7	\$ -	\$ -	\$ -	\$ -	\$ -
Cost initiatives (2)	0.2	0.1	-	0.1	12.9	4.3	1.3	3.4	3.9
Severance and benefit costs	26.9	8.4	6.8	11.7	43.7	21.6	5.4	3.8	9.9
Other costs	\$ 48.9	\$ 15.5	\$ 16.9	\$ 16.5	\$ 56.6	\$ 28.9	\$ 6.7	\$ 7.2	\$ 13.8

(1) Costs related to our pending merger with Uniti consisting of legal, accounting and consulting fees.

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

## 3Q24 Earnings Presentation Script October 30, 2024

**Genesis White**

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

Joining me on the call today are:

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

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

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

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

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**Paul Sunu**

Good morning and thank you for joining us.

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

We have been focused on quality this year and every segment of our operations from construction to installation to repair and care are all showing solid improvements.

As a result, we are delivering better service and this is showing up in the near 9% year-to- date reduction in our overall consumer broadband disconnects, excluding ACP.

We are focused on providing an outstanding service experience to our customers and the communities we serve.

This is exemplified by our recovery and restoration initiatives from the recent hurricanes in the Southeast this quarter.

As you know, last quarter, we were impacted by tornados and wildfires that tore through a number of our exchanges.

However, Hurricane Helene impacted a far wider swath of our service territory.

At its peak, over 20 percent of our customer base was out of service but through the valiant efforts and dedication of our construction and repair teams, we have made significant progress and are, for the most part, back to normal operations.

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*3Q24 Earnings Call Script*

Whether helping to clear impacted areas, restoring service or providing meals and water, our teams continue to demonstrate the very essence of our commitment to quality, service and community.

Let's turn to Slide 5, which provides an overview of our third quarter financial and operational highlights.

For the quarter, we delivered adjusted EBITDAR of \$361 million, which was up approximately 2% for the full year.

Within Kinetic, our consumer revenues declined 2% for the full year.

These results include the impact of funding elimination from the ACP, which began in May. We remain hopeful that Congress will address the need to continue this support mechanism.

In the meantime, as previously reported, we are continuing for the time being a \$30 monthly credit to this cohort.

As a reminder, this impact is included in our 2024 guidance that was provided in February.

Turning to slide 6, we extended our fiber coverage by constructing over 136,000 consumer premises so far this year, bringing our total to approximately 1.6 million consumer premises passed.

And this represents 36% coverage of our Kinetic footprint as outlined on slide 7.

While we are making steady progress on our RDOF and PPP builds, the pace of construction has slowed over the past two quarters.

This is driven in large part by the shift in resources toward restoration initiatives arising from the higher storm- and fire- related activity experienced in our footprint over the past two quarters, as well as delays in permitting.

Permitting is an industry-wide challenge and as you know there has been advocacy seeking to facilitate a more predictable timeline and faster flow through.

In the meantime, we are incorporating the anticipated permitting delays in our planning process to allow for smoother execution.

Our internal construction team continues to demonstrate their productivity and quality in execution.

Based on these demonstrated gains, we are ramping up our construction recruitment and training in advance of our anticipated level of future construction including BEAD.

Now let's look at our fiber broadband subscribers, as seen on Slide 8.

Despite a challenging environment in the third quarter, we produced consistent fiber subscriber growth of 17,000 net additions.

We ended the quarter with 435,000 subscribers on our fiber network, representing a 27.3% penetration rate, an improvement of 40 basis points sequentially.

Additionally, you can see the performance from our Fiber Fast Start initiative on Slide 9, as our latest cohorts continue to show impressive penetration results.

Furthermore, we launched our Fiber Forward initiative during the second quarter, which leverages the tactics and learning from Fiber Fast Start to reinvigorate our older cohorts.

While this program is still in its early stages, we are seeing encouraging improvements in the markets launched, including a 50 percent increase in sales.

These early indicators are a positive sign that our tactics are working and positions us well to continue to drive penetration in our older cohorts.

With the benefit to customer additions from these two marketing programs, as well as the churn improvements from our quality initiatives, we see opportunities ahead to further propel our fiber penetration.

Enterprise and Wholesale continued their solid performance.

Within Enterprise, we continue our focus on Strategic and Advanced IP portfolios, which now represent 88% of our total Enterprise Market service revenues on an annualized basis, excluding end-user surcharges.

Windstream Wholesale continues to demonstrate its technological prowess.

In partnership with Colt Technology and Nokia, Windstream Wholesale successfully trialed the first ever 800 Gigabit Ethernet service connecting London with Chicago over a production network.

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

And finally, before we get to our financial results, let me address the progress on our planned merger with Uniti.

We recently completed refinancing efforts that position us well for a combined capital structure post close.

Drew will touch on this in greater detail.

In addition, we have received thirteen state approvals and have five state approvals in process.

We continue to defer to Uniti management on specifics of the transaction and the closing process, but from our perspective, this combination makes a lot of sense as it will bring the leased network assets back with our operations and creates the opportunity to unlock additional value from our Kinetic operations while eliminating certain complexity of the lease arrangement with Uniti.

The merger is expected to close in the second half of 2025, subject to customary closing conditions, including receipt of regulatory and Uniti shareholder approvals.

In the meantime, we remain focused on executing on our initiatives and running our day- to-day business, while providing support to Uniti where needed to close the transaction.

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



**Drew Smith**

Thank you, Paul, and good morning everyone.

First, I wanted to take time to highlight the financing transactions that we have recently completed. During the third quarter, we initiated, and successfully completed, a consent solicitation for our 2028 Senior First Lien Notes, which allows for the adoption of certain amendments to the related indenture. Effectively, these amendments will allow for the consolidation of Windstream and Uniti's debt into a single capital structure following the merger. In addition, we completed refinancing transactions earlier this month which included the issuance of \$800M in senior first lien notes, as well as a new \$500M incremental term loan, both of which mature in 2031. This refinancing resulted in the repayment of our existing Term Loans, thus improving our debt maturity profile, as well as adding additional liquidity of over \$300 million.

Turning to Slide 10, we show our third quarter financial results.

During the quarter, Windstream generated:

- Total revenues of \$916 million, and
- Adjusted EBITDAR of \$361 million, which was largely flat sequentially and translated into a consolidated margin of 39.4% during the quarter, an improvement of 250 basis points over last year's levels. Additionally, the current quarter results include funding step-downs from the ACP program, as mentioned earlier. Excluding this, adjusted EBITDAR was flat year-over-year.

Moving to our market-level business revenue trends:

Within Kinetic:

- Service revenue was \$512 million, which was down 3.5% year-over-year, with consumer service revenue down 4.7% year-over-year, driven mostly by the ACP funding step-downs. In addition, we saw strong growth in our next-generation subscriber base.
- Kinetic consumer broadband ARPU of \$87.26 was up slightly year-over-year, but down sequentially primarily due to impacts from the ACP wind-down
- Next-Generation broadband subscribers grew by 16,700 during the quarter. This was offset by a loss of 29,200 DSL customers, resulting in a net decrease in total broadband units of 12,500 for the quarter.

Within Enterprise:

- Service revenue was \$279 million, down 19%, as legacy-TDM revenues continue to see ongoing declines as expected.
- Notably, approximately 88% of Enterprise Market service revenues, excluding end-user surcharges, came from our Strategic and Advanced IP portfolios. These combined revenues were down 3.8% for the full year driven primarily by ancillary legacy products within this portfolio.
- TDM and Other revenue declined approximately 55% year-over-year as we continue to execute our TDM exit strategy and transition customers to our strategic and advanced products, which produce a higher margin for the business.

Within Wholesale:

- Service revenue was \$112 million, down 2.6% year-over-year, driven by declines in legacy revenues. Strategic revenues had solid performance during the quarter highlighted by high demand being seen from telecom, cable and content customers.

Turning to expenses:

- Total cash expenses during the third quarter fell by \$77 million, or 12%, year-over-year, as our quality and unification efforts across the company continue to deliver solid results.

On slide 11, I wanted to provide our regular update on our interconnection expense reduction activities. Our total interconnection and network facility expenses fell by 16% on a year-over-year basis during the third quarter. We reduced these total expenses on a recurring annualized basis by almost \$120 million year-over-year. Notably, we still have \$628 million of total interconnection expenses, of which \$274 million are legacy TDM-related including network facilities expense. These expenses fell by 24% year-over-year. In particular, the Enterprise access and service delivery teams have fully exited 490 collocations associated with our TDM migration plans year-to-date.

Transitioning to slide 12, Windstream has a strong balance sheet, and following the refinancing transactions mentioned earlier, we have no current debt maturities until 2028. As of September 30th, we ended with \$373 million in total liquidity and a net debt to adjusted EBITDA ratio of 2.27x. We intend to use the incremental liquidity, of approximately \$300 million created from the refinancing transactions, for general corporate purposes, which may include investments in our network, such as expansion and acceleration of our Kinetic fiber-to-the-home buildout. Overall, these transactions put us in a great position as it relates to the combined capital structure with Uniti post- merger close, while also providing opportunities for us to maximize our fiber build program.

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

Our financial and operational guidance as seen on slide 14 remains unchanged, with the exception of the following updates to our fiber operational metrics:

- Fiber Premises Constructed are now expected to be between 180,000 and 200,000 for the year to account for delays in permitting for our RDOF and PPP builds, as well as resource shifts to accommodate the major storm activity experienced in our footprint over the last several months that Paul mentioned earlier. This results in a shift of the remaining households, originally planned for this year, to early next year.
- Further, fiber consumer customer additions are now expected to be 75,000 for the year to account for the slowdown in construction just mentioned. We remain encouraged by the performance in our fiber markets and are confident in our ability to reach our long-term penetration targets.

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

**Paul Sunu**

Thank you, Drew.

In closing, Windstream delivered solid financial and operational results across our business during the third quarter.

We continue to extend our fiber footprint within our Kinetic markets.

Based on improvements in our operations and service and the resulting reduction in our overall churn, we expect to accelerate our fiber build program beginning in 2025.

The ramp in our internal construction hiring and the work we are doing today to plan and engineer our 2025 builds, along with the additional funding from our recent refinancing, all contribute to the execution of our strategic vision to advance fiber deployment in our service areas.

We expect to meet our RDOF and PPP commitments and advance our strategic build locations including such attractive markets as Broken Arrow, Oklahoma.

While we expect to provide specifics around our 2025 guidance in our normal cadence, we did want to share with you the natural progression to market expansion and penetration that arises from quality-based operations.

We want to be the premier company for service and quality; the go-to company for the most reliable, resilient, and responsive network; and through our quality initiative, provide our customers with outstanding service experience.

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

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*3Q24 Earnings Call Script*