

1Q18 Earnings Presentation

May 3, 2018



Participants

Tony Thomas
Chief Executive Officer



Bob Gunderman
Chief Financial Officer



Chris King
VP, Investor Relations



Safe Harbor Statement

Safe Harbor Statement

Windstream Holdings, Inc. claims the protection of the safe-harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. 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 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 include, but are not limited to, 2018 guidance for service revenue, adjusted OIBDAR, adjusted capital expenditures, and adjusted free cash flow, along with statements regarding cash taxes, future growth of adjusted OIBDAR and free cash flow; 2018 directional outlook for business units and overall business trends, including revenue and contribution margin trends and sales opportunities; improvement in our ability to compete, including expanding utilization of next generation technology in our products and services; increasing availability of faster broadband speeds to more households within our service areas, along with subscriber trends, and expected continued sales growth of strategic products for business customers, statements regarding our 2018 priorities and progress; the benefits of the mergers with EarthLink Holdings Corp. and Broadview Network Holdings, Inc. including projected synergies and the timing of the synergies; our ability to improve our debt profile and balance sheet and overall reduction in net leverage; expectations regarding expense management activities and the timing and benefit of such activities; and any other statements regarding plans, objectives, expectations and intentions and other statements that are not historical facts. These statements, along with other forward-looking statements regarding Windstream’s overall business outlook, are based on estimates, projections, beliefs, and assumptions that Windstream believes are reasonable but are not guarantees of future events, performance or results. Actual future events and results may differ materially from those expressed in these forward-looking statements as a 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 that the cost savings and expected synergies from the mergers with EarthLink Holdings Corp. and Broadview Networks Holdings, Inc. may not be fully realized or may take longer to realize than expected; that the businesses will not be integrated successfully; that disruption from the mergers may make it more difficult to maintain relationships with customers, employees or suppliers; that the attention of management and key personnel may be diverted by integration matters related to the mergers; that current pending litigation involving an activist bondholder may be resolved unfavorably to the Company, that the expected benefits of cost reduction and expense management activities are not realized or adversely affect our sales and operational activities or are otherwise disruptive to our business and personnel; that our current capital allocation practices may be changed at any time at the discretion of our Board of Directors; further adverse changes in economic conditions in markets served by the combined company; the impact of new, emerging, or competing technologies and our ability to utilize these technologies to provide services to our customers; general worldwide economic conditions and related uncertainties; and the effect of any changes in federal or state governmental regulations or statutes. For other risk factors that could cause actual results and events to differ materially from those expressed, please refer to our filings with the Securities and Exchange Commission. Windstream does not undertake any obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise.

Regulation G Disclaimer

This presentation includes certain non-GAAP financial measures. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are available on our website at www.windstream.com/investors.

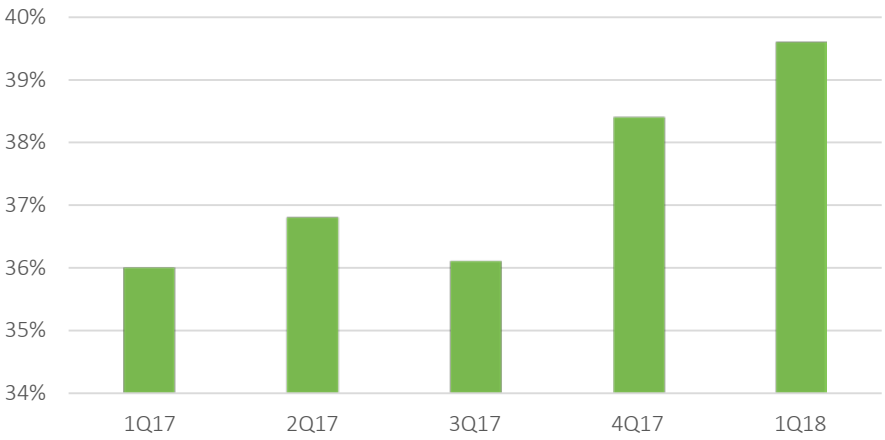


Expanding & Leveraging Network Capabilities

Enterprise and Wholesale

Strategic Sales Continuing to Ramp

Strategic Sales as % of Total Windstream Enterprise Sales

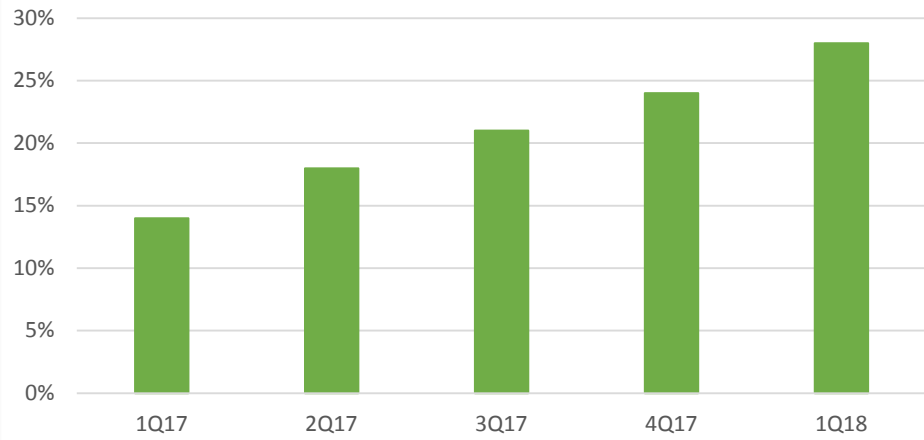


- Strategic sales (SD-WAN, Unified Communications and On-Net) at record high percentage
- Strategic sales 45% of total Windstream Enterprise sales in March 2018

ILEC Consumer and SMB

Deliver More Speed to More People

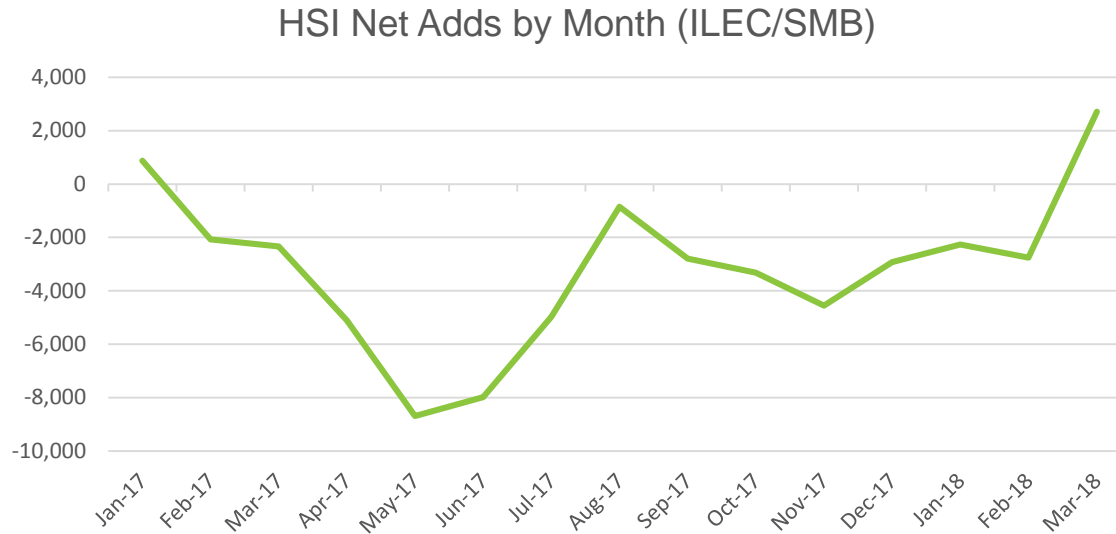
Customer Speed Distribution 25 Mbps or Faster



- Expand premium speed availability
- Improving Speed Availability driving Improving Broadband Trends
 - March 2018 best month of HSI net adds since August 2012



Improving HSI Subscriber Trends



- March HSI net adds represented best month since August 2012
- April HSI net adds continuing positive subscriber trends
- 13 Consecutive Quarters of Consumer ARPU Growth
- Driven by Project Excel investments and efforts to extend faster broadband speed tiers to more customers across ILEC footprint

2018 Priorities



ADVANCE

Product & Service
Capabilities



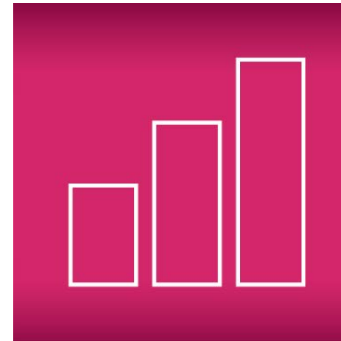
LAUNCH

Next-Gen Broadband
Deployment
Techniques



SIMPLIFY

Our Business and
Transform User
Capabilities



DRIVE

Revenue
Improvements



OPTIMIZE

Balance
Sheet

1Q18 Financial Results

Financial Overview ⁽¹⁾ (Dollars in Millions)	2017				2018
	Q1	Q2	Q3	Q4	Q1
Revenue					
ILEC Consumer & SMB	\$496	\$494	\$479	\$476	\$471
Enterprise	746	723	751	760	733
Wholesale	200	197	191	190	184
CLEC Consumer	52	52	52	51	48
Segment Service Revenue	\$1,494	\$1,466	\$1,472	\$1,477	\$1,435
Product Sales	22	26	25	21	19
Total Revenue and Sales	\$1,515	\$1,492	\$1,498	\$1,498	\$1,454
Contribution Margin					
ILEC Consumer & SMB	\$289	\$289	\$270	\$282	\$282
Enterprise	140	142	147	164	146
Wholesale	138	135	133	135	128
CLEC Consumer	29	26	25	28	27
Segment Contribution Margin	\$595	\$592	\$575	\$608	\$583
Shared Expenses	\$96	\$91	\$85	\$87	\$84
Adjusted OIBDAR⁽²⁾	\$499	\$501	\$490	\$521	\$500
Margin %	32.9%	33.6%	32.7%	34.8%	34.4%
Segment Contribution Margin %					
ILEC Consumer & SMB	57.3%	57.3%	55.3%	58.5%	59.2%
Enterprise	18.4%	19.2%	19.2%	21.2%	19.5%
Wholesale	68.7%	68.7%	69.6%	70.8%	69.8%
CLEC Consumer	55.4%	50.3%	47.7%	53.5%	57.0%

- \$500 million in adjusted OIBDAR; Increased y-o-y
- Consolidated adjusted OIBDAR margin of 34.4% represents 150 bps improvement over 1Q17 margins
- Total cash costs improved by over \$62 million or 6.1% y-o-y
- 70 bps sequential improvement in ILEC Consumer & SMB segment margin %
- 13th consecutive quarter of consumer ARPU growth
- 110 bps y-o-y improvement in Enterprise margins
- Synergy plan on schedule

(1) Results are based upon the combined historical information of Windstream and EarthLink for all periods presented as well as Broadview from July 28th 2017 closing date

(2) Adjusted OIBDAR excludes all goodwill impairment, merger, integration and certain other costs, restructuring, stock-based compensation and pension expense

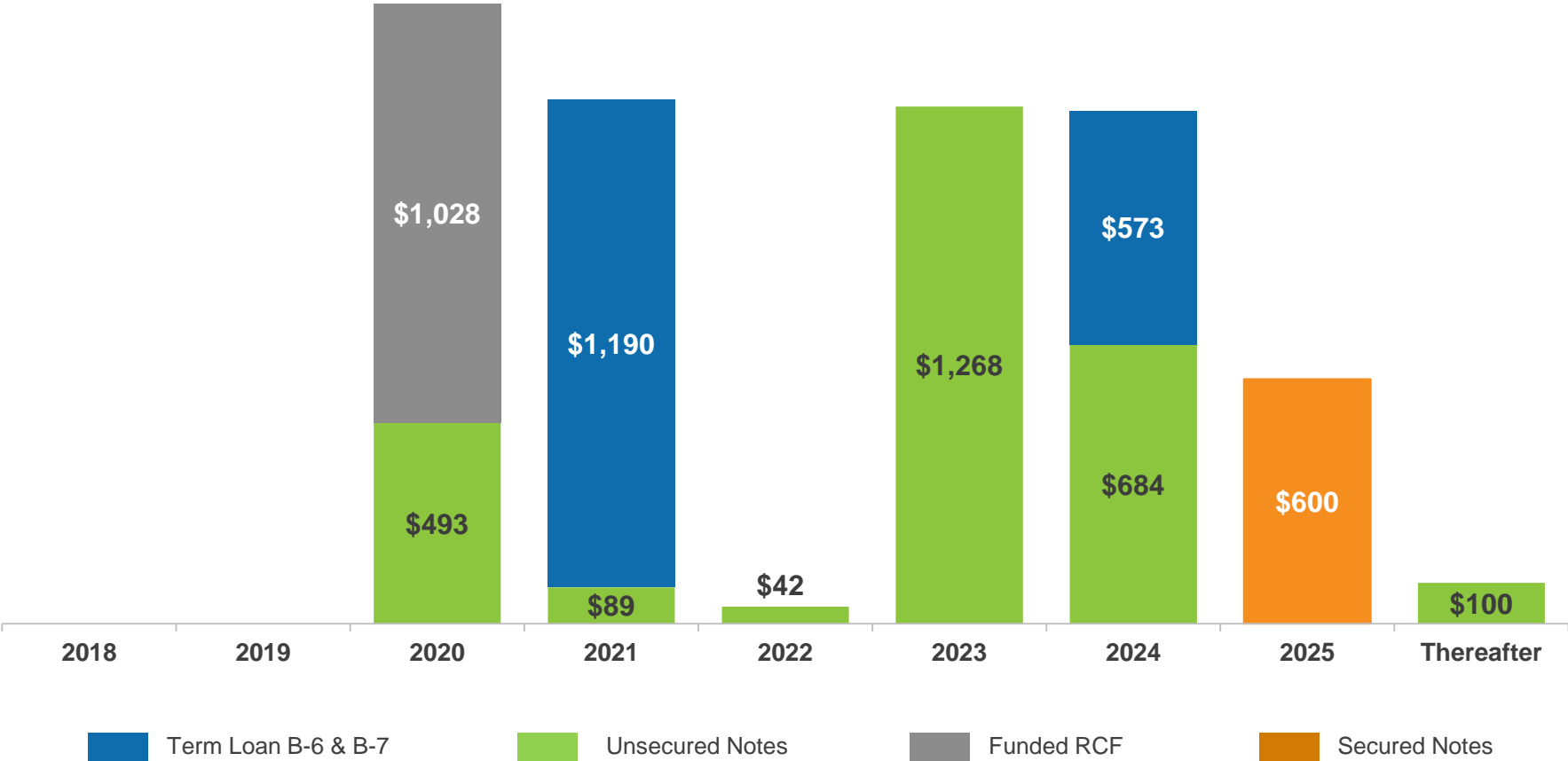


Improved Balance Sheet

Attractive debt maturity profile, with no near-term maturities

As of March 31, 2018

(dollars in millions)



2018 Guidance

(in millions)	2018 Guidance
Service Revenue	Slightly Improved vs. 2017 Trends
Adj. OIBDAR	\$1,950 – \$2,010M
Adjusted Capex ⁽¹⁾	\$750 - \$800M
Adjusted Free Cash Flow	~\$165M

1) Adjusted capex excludes expenditures related to Integration Capex

Growth Expected in 2019 Adjusted OIBDAR



Appendix

Contents:

- Quarterly supplemental schedules (Pro Forma)
- 2018 Business Segment Directional Outlook
- A Closer Look at 2018 Capex

Supplemental Financial Information

WINDSTREAM HOLDINGS, INC.
 UNAUDITED ADJUSTED RESULTS OF OPERATIONS (NON-GAAP) (A)
 QUARTERLY SUPPLEMENTAL INFORMATION
 for the quarterly periods in the years 2018 and 2017
 (In millions)

ADJUSTED RESULTS OF OPERATIONS:	2018		2017			
	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Revenues and sales:						
Total service revenues	\$ 1,435.4	\$ 5,909.0	\$ 1,477.3	\$ 1,472.4	\$ 1,465.6	\$ 1,493.7
Product sales	18.9	93.4	20.6	25.3	26.0	21.5
Total revenues and sales	1,454.3	6,002.4	1,497.9	1,497.7	1,491.6	1,515.2
Costs and expenses:						
Cost of services	725.6	2,999.9	738.0	762.1	741.8	758.0
Cost of products sold	16.8	93.7	20.7	22.3	29.7	21.0
Selling, general and administrative	212.2	898.3	218.1	223.0	219.6	237.6
Costs and expenses excluding pension and share-based compensation expense	954.6	3,991.9	976.8	1,007.4	991.1	1,016.6
Adjusted OIBDAR (B)	499.7	2,010.5	521.1	490.3	500.5	498.6
Master lease rent payment	163.4	653.5	163.4	163.3	163.4	163.4
Adjusted OIBDA (C)	\$ 336.3	\$ 1,357.0	\$ 357.7	\$ 327.0	\$ 337.1	\$ 335.2
Margins (D):						
Adjusted OIBDAR margin	34.4%	33.5%	34.8%	32.7%	33.6%	32.9%
Adjusted OIBDA margin	23.1%	22.6%	23.9%	21.8%	22.6%	22.1%
CAPITAL EXPENDITURES:						
Capital expenditures under GAAP	\$ 217.6	\$ 908.6	\$ 184.4	\$ 216.4	\$ 264.4	\$ 243.4
EarthLink capital expenditures pre-merger	-	15.2	-	-	-	15.2
Project Excel capital expenditures	-	(49.9)	-	-	(26.3)	(23.6)
Integration capital expenditures	(9.9)	(34.5)	(12.4)	(11.2)	(6.4)	(4.5)
Adjusted capital expenditures (E)	\$ 207.7	\$ 839.4	\$ 172.0	\$ 205.2	\$ 231.7	\$ 230.5

(A) Adjusted results of operations are based upon the combined historical financial information of Windstream and EarthLink for all periods presented. The adjusted results assume the merger was completed on January 1, 2017.

Operating results for Broadview are included beginning on July 28, 2017, the date of acquisition.

(B) Adjusted OIBDAR is adjusted OIBDA before the annual cash rent payment due under the master lease agreement with Uniti.

(C) Adjusted OIBDA is operating income before depreciation and amortization, excluding goodwill impairment, pension expense, share-based compensation expense, restructuring charges, merger, integration and certain other costs as further discussed in Note (A) on page 7.

(D) Margins are calculated by dividing the respective profitability measures by total revenues and sales.

(E) Adjusted capital expenditures includes applicable amounts for EarthLink for the periods prior to the merger date of February 27, 2017 and excludes post-merger integration capital expenditures for Broadview and EarthLink and amounts related to Project Excel, a capital program completed in 2017 funded entirely using a portion of the proceeds from the sale of the data center business completed in December 2015.



Supplemental Financial Information

WINDSTREAM HOLDINGS, INC.
 UNAUDITED ADJUSTED RESULTS OF OPERATIONS (NON-GAAP) (A)
 QUARTERLY SUPPLEMENTAL INFORMATION
 for the quarterly periods in the years 2018 and 2017
 (In millions)

REVENUE SUPPLEMENT	2018		2017			
	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Consumer & Small Business:						
High-speed Internet bundles	\$ 255.1	\$ 1,045.8	\$ 256.8	\$ 258.9	\$ 264.0	\$ 266.1
Voice only	31.4	132.4	32.5	32.8	33.5	33.6
Video and miscellaneous	11.4	45.0	11.5	11.3	11.2	11.0
Consumer - ILEC	297.9	1,223.2	300.8	303.0	308.7	310.7
Small business - ILEC	78.1	325.1	79.6	80.7	81.4	83.4
Switched access	8.1	39.5	8.8	9.1	10.6	11.0
CAF Phase II funding	46.0	188.0	46.1	46.5	47.3	48.1
State USF and ARM support	24.2	104.9	24.5	23.6	29.6	27.2
End user surcharges	16.7	63.9	16.1	15.9	16.6	15.3
Consumer & Small Business	471.0	1,944.6	475.9	478.8	494.2	495.7
Windstream Enterprise & Wholesale:						
Voice and long distance	242.8	983.0	248.4	246.2	240.4	248.0
Data and integrated services (B)	408.3	1,686.1	427.8	427.6	408.6	422.1
Miscellaneous	48.5	182.3	48.2	45.7	43.4	45.0
End user surcharges	33.3	128.7	35.9	31.1	30.8	30.9
Enterprise	732.9	2,980.1	760.3	750.6	723.2	746.0
Core wholesale (C)						
Resale (D)	18.3	69.2	19.0	18.3	15.7	16.2
Wireless TDM	3.2	17.8	3.5	4.0	4.5	5.8
Switched access	9.4	43.7	10.3	10.2	12.0	11.2
Wholesale	183.7	778.0	189.8	191.2	196.6	200.4
Total Windstream Enterprise & Wholesale	916.6	3,758.1	950.1	941.8	919.8	946.4
Consumer CLEC:						
High-speed Internet	24.4	105.2	26.5	26.6	26.0	26.1
Dial-up, email and miscellaneous	22.8	98.3	24.1	24.5	24.9	24.8
End user surcharges	0.6	2.8	0.7	0.7	0.7	0.7
Total Consumer CLEC	47.8	206.3	51.3	51.8	51.6	51.6
Total service revenues	1,435.4	5,909.0	1,477.3	1,472.4	1,465.6	1,493.7
Product sales:						
Consumer - ILEC	5.5	33.8	5.9	8.5	10.7	8.7
Enterprise	13.2	58.7	14.4	16.5	15.2	12.6
Wholesale	0.1	0.3	0.2	0.1	-	-
Consumer CLEC	0.1	0.6	0.1	0.2	0.1	0.2
Total product sales	18.9	93.4	20.6	25.3	26.0	21.5
Total revenues and sales	\$ 1,454.3	\$ 6,002.4	\$ 1,497.9	\$ 1,497.7	\$ 1,491.6	\$ 1,515.2

(A) Adjusted results of operations are based upon the combined historical financial information of Windstream and EarthLink for all periods presented. The adjusted results assume the merger was completed on January 1, 2017.

Operating results for Broadview are included beginning on July 28, 2017, the date of acquisition.

(B) Data and integrated service revenues primarily include voice and broadband services delivered over a single Internet connection as well as multi-site networking services.

(C) Core wholesale revenues primarily include revenues from providing special access circuits, fiber connections, data transport and wireless backhaul services.

(D) Revenues represent voice and data services sold to other communications services providers on a resale basis.



Supplemental Financial Information

WINDSTREAM HOLDINGS, INC.
 UNAUDITED ADJUSTED SEGMENT RESULTS (NON-GAAP) (A)
 QUARTERLY SUPPLEMENTAL INFORMATION
 for the quarterly periods in the years 2018 and 2017
 (In millions)

	2018	2017				
	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Consumer & Small Business						
Revenues and sales:						
Service revenues	\$ 297.9	\$ 1,223.2	\$ 300.8	\$ 303.0	\$ 308.7	\$ 310.7
Product sales	5.5	33.8	5.9	8.5	10.7	8.7
Total Consumer - ILEC	303.4	1,257.0	306.7	311.5	319.4	319.4
Small business - ILEC	78.1	325.1	79.6	80.7	81.4	83.4
Switched access	8.1	39.5	8.8	9.1	10.6	11.0
CAF Phase II funding	46.0	188.0	46.1	46.5	47.3	48.1
State USF and ARM support	24.2	104.9	24.5	23.6	29.6	27.2
End user surcharges	16.7	63.9	16.1	15.9	16.6	15.3
Total revenues and sales	476.5	1,978.4	481.8	487.3	504.9	504.4
Costs and expenses	194.6	848.8	199.8	217.7	215.7	215.6
Consumer & Small Business contribution margin	\$ 281.9	\$ 1,129.6	\$ 282.0	\$ 269.6	\$ 289.2	\$ 288.8
Consumer & Small Business contribution margin %	59.2%	57.1%	58.5%	55.3%	57.3%	57.3%
Windstream Enterprise & Wholesale						
Enterprise						
Revenues and sales:						
Service revenues	\$ 732.9	\$ 2,980.1	\$ 760.3	\$ 750.6	\$ 723.2	\$ 746.0
Product sales	13.2	58.7	14.4	16.5	15.2	12.6
Total revenues and sales	746.1	3,038.8	774.7	767.1	738.4	758.6
Costs and expenses	600.3	2,445.9	610.6	619.8	596.7	618.8
Contribution margin	\$ 145.8	\$ 592.9	\$ 164.1	\$ 147.3	\$ 141.7	\$ 139.8
Contribution margin %	19.5%	19.5%	21.2%	19.2%	19.2%	18.4%
Wholesale						
Revenues and sales:						
Service revenues	\$ 183.7	\$ 778.0	\$ 189.8	\$ 191.2	\$ 196.6	\$ 200.4
Product sales	0.1	0.3	0.2	0.1	-	-
Total revenues and sales	183.8	778.3	190.0	191.3	196.6	200.4
Costs and expenses	55.5	238.0	55.5	58.1	61.6	62.8
Contribution margin	\$ 128.3	\$ 540.3	\$ 134.5	\$ 133.2	\$ 135.0	\$ 137.6
Contribution margin %	69.8%	69.4%	70.8%	69.6%	68.7%	68.7%
Total Windstream Enterprise & Wholesale						
Revenues and sales:						
Service revenues	\$ 916.6	\$ 3,758.1	\$ 950.1	\$ 941.8	\$ 919.8	\$ 946.4
Product sales	13.3	59.0	14.6	16.6	15.2	12.6
Total revenues and sales	929.9	3,817.1	964.7	958.4	935.0	959.0
Costs and expenses	655.8	2,683.9	666.1	677.9	658.3	681.6
Total Windstream Enterprise & Wholesale contribution margin	\$ 274.1	\$ 1,133.2	\$ 298.6	\$ 280.5	\$ 276.7	\$ 277.4
Total Windstream Enterprise & Wholesale contribution margin %	29.5%	29.7%	31.0%	29.3%	29.6%	28.9%



Supplemental Financial Information

WINDSTREAM HOLDINGS, INC.

UNAUDITED ADJUSTED SEGMENT RESULTS (NON-GAAP) (A)

QUARTERLY SUPPLEMENTAL INFORMATION

for the quarterly periods in the years 2018 and 2017

(In millions)

	2018		2017			
	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Consumer CLEC						
Revenues and sales:						
Service revenues	\$ 47.8	\$ 206.3	\$ 51.3	\$ 51.8	\$ 51.6	\$ 51.6
Product sales	0.1	0.6	0.1	0.2	0.1	0.2
Total revenues and sales	47.9	206.9	51.4	52.0	51.7	51.8
Costs and expenses	20.6	99.9	23.9	27.2	25.7	23.1
Contribution margin	\$ 27.3	\$ 107.0	\$ 27.5	\$ 24.8	\$ 26.0	\$ 28.7
Contribution margin %	57.0%	51.7%	53.5%	47.7%	50.3%	55.4%
Total segment revenues and expenses						
Revenues and sales:						
Service revenues	\$ 1,435.4	\$ 5,909.0	\$ 1,477.3	\$ 1,472.4	\$ 1,465.6	\$ 1,493.7
Product sales	18.9	93.4	20.6	25.3	26.0	21.5
Total segment revenues and sales	1,454.3	6,002.4	1,497.9	1,497.7	1,491.6	1,515.2
Total segment costs and expenses	871.0	3,632.6	889.8	922.8	899.7	920.3
Segment contribution margin	\$ 583.3	\$ 2,369.8	\$ 608.1	\$ 574.9	\$ 591.9	\$ 594.9
Segment contribution margin %	40.1%	39.5%	40.6%	38.4%	39.7%	39.3%
Consolidated revenues and expenses						
Service revenues	\$ 1,435.4	\$ 5,909.0	\$ 1,477.3	\$ 1,472.4	\$ 1,465.6	\$ 1,493.7
Product sales	18.9	93.4	20.6	25.3	26.0	21.5
Consolidated revenues and sales	\$ 1,454.3	\$ 6,002.4	\$ 1,497.9	\$ 1,497.7	\$ 1,491.6	\$ 1,515.2
Consolidated costs and expenses						
Segment costs and expenses	\$ 871.0	\$ 3,632.6	\$ 889.8	\$ 922.8	\$ 899.7	\$ 920.3
Shared expenses (B)	83.6	359.3	87.0	84.6	91.4	96.3
Consolidated costs and expenses	\$ 954.6	\$ 3,991.9	\$ 976.8	\$ 1,007.4	\$ 991.1	\$ 1,016.6
Consolidated						
Adjusted OIBDAR	\$ 499.7	\$ 2,010.5	\$ 521.1	\$ 490.3	\$ 500.5	\$ 498.6
Adjusted OIBDAR margin	34.4%	33.5%	34.8%	32.7%	33.6%	32.9%

(A) Adjusted results of operations are based upon the combined historical financial information of Windstream and EarthLink adjusted to exclude merger, integration and other costs related to strategic transactions, restructuring charges, pension and share-based compensation expense for all periods presented. The adjusted results assume the merger was completed on January 1, 2017. Operating results for Broadview are included beginning on July 28, 2017, the date of acquisition.

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



Supplemental Financial Information

WINDSTREAM HOLDINGS, INC.

UNAUDITED ADJUSTED OPERATING METRICS (NON-GAAP)

QUARTERLY SUPPLEMENTAL INFORMATION

for the quarterly periods in the years 2018 and 2017

(Units in thousands, Dollars in millions, except per unit amounts)

	2018	2017				
	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Consumer - ILEC						
Households served	1,257.3	1,268.8	1,268.8	1,288.2	1,307.8	1,337.5
<i>YOY change in households served</i>	-6.0%	-6.3%	-6.3%	-6.6%	-6.8%	-6.5%
<i>Average revenue per household served per month</i>	\$ 78.62	\$ 77.71	\$ 78.43	\$ 77.81	\$ 77.80	\$ 76.94
High-speed Internet customers	1,004.4	1,006.6	1,006.6	1,017.4	1,025.8	1,047.6
Digital television customers	267.1	277.9	277.9	289.6	300.7	310.0
<i>YOY change in high-speed Internet</i>	-4.1%	-4.2%	-4.2%	-4.3%	-4.6%	-4.1%
<i>YOY change in digital television customers</i>	-13.8%	-13.4%	-13.4%	-12.1%	-12.1%	-11.5%
Small Business - ILEC						
Customers	125.0	128.1	128.1	131.2	134.1	136.8
<i>YOY change in customers</i>	-8.6%	-8.3%	-8.3%	-7.8%	-7.4%	-7.6%
<i>Average revenue per customer per month</i>	\$ 205.72	\$ 202.33	\$ 204.65	\$ 202.79	\$ 200.32	\$ 201.08
Enterprise						
Customers	120.7	125.7	125.7	129.9	114.8	120.8
<i>YOY change in customers</i>	-0.1%	-0.5%	-0.5%	-1.4%	-16.2%	-15.5%
<i>Average revenue per customer per month</i>	\$ 1,982.95	\$ 1,970.97	\$ 1,983.05	\$ 2,044.95	\$ 2,046.41	\$ 2,012.68
Consumer CLEC						
Customers	641.0	662.1	662.1	680.6	684.4	683.1
<i>YOY change in customers</i>	-6.2%	-3.9%	-3.9%	-3.2%	-5.2%	-7.4%
<i>Average revenue per customer per month</i>	\$ 24.45	\$ 25.45	\$ 25.47	\$ 25.30	\$ 25.16	\$ 25.07
Service Revenues Used in Average Revenue Per Month Computations Above (per page 3):						
Consumer service revenue - ILEC	\$ 297.9	\$ 1,223.2	\$ 300.8	\$ 303.0	\$ 308.7	\$ 310.7
Small business service revenue - ILEC	\$ 78.1	\$ 325.1	\$ 79.6	\$ 80.7	\$ 81.4	\$ 83.4
Enterprise service revenue	\$ 732.9	\$ 2,980.1	\$ 760.3	\$ 750.6	\$ 723.2	\$ 746.0
Consumer CLEC service revenue	\$ 47.8	\$ 206.3	\$ 51.3	\$ 51.8	\$ 51.6	\$ 51.6



Supplemental Financial Information

WINDSTREAM HOLDINGS, INC.
 UNAUDITED ADJUSTED CONSOLIDATED RESULTS (NON-GAAP)
 QUARTERLY SUPPLEMENTAL INFORMATION
 for the quarterly periods in 2018
 (In millions)

	2018
	1st Qtr.
ADJUSTED FREE CASH FLOW:	
Operating income under GAAP	\$ 69.0
Depreciation and amortization	381.8
OIBDA	450.8
Adjustments:	
Merger, integration and other costs	7.3
Restructuring charges	13.7
Other costs (A)	17.1
Pension expense	0.9
Share-based compensation	9.9
Master lease rent payment	(163.4)
Adjusted OIBDA	336.3
Adjusted capital expenditures (B)	(207.7)
Cash paid for interest on long-term debt obligations	(66.3)
Cash received (paid) for income taxes, net	3.2
Adjusted free cash flow	\$ 65.5
Weighted average common shares	187.0
Common stock outstanding	204.6
DEBT LEVERAGE RATIO:	
Long-term debt, including current maturities	As of 3/31/2018 \$ 5,947.2
Capital lease obligations	105.2
Total long-term debt and capital lease obligations	6,052.4
Cash and cash equivalents	60.5
Net debt	\$ 5,991.9 (1)
Adjusted OIBDA (per page 2)	Twelve Months Ended 3/31/2018 \$ 1,358.1
Other expense adjustments required by the credit facilities and indentures (C):	
Broadview OIBDA for the period April 1, 2017 to July 28, 2017	18.6
Annual expense synergies for Broadview and EarthLink acquisitions	100.0
Adjusted OIBDA for purposes of calculating net leverage ratio	\$ 1,476.7 (2)
Net leverage ratio (D) - computed as (1)/(2)	4.06
(A) Other costs primarily include business transformation expenses of \$11.1 million consisting of consulting fees of \$8.7 million and \$2.4 million of incremental marketing and rebranding costs. These costs also include \$5.4 million of incremental network optimization costs incurred in migrating traffic to existing lower cost circuits and terminating contracts prior to their expiration.	
(B) Adjusted capital expenditures includes applicable amounts for EarthLink for the pre-merger period January 1, 2017 to February 26, 2017 and excludes post-merger integration capital expenditures for Broadview and EarthLink and amounts related to Project Excel, a capital program funded entirely using a portion of the proceeds from the sale of the data center business completed in December 2015.	
(C) Other expense adjustments include operating results of Broadview for the period prior to the date of acquisition and net cost savings from integrating acquired companies not to exceed \$25.0 million on a quarterly basis.	
(D) The net leverage ratio is computed by dividing net debt by adjusted OIBDA.	



Supplemental Financial Information

WINDSTREAM HOLDINGS, INC.

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (A)

for the quarterly periods in the years 2018 and 2017

(In millions)

	2018	2017				
	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Reconciliation of Revenues and Sales under GAAP to						
Adjusted Revenues and Sales:						
Service revenues under GAAP	\$ 1,435.4	\$ 5,759.7	\$ 1,477.3	\$ 1,472.4	\$ 1,465.6	\$ 1,344.4
Adjustments:						
EarthLink service revenues	-	149.3	-	-	-	149.3
Adjusted service revenues	1,435.4	5,909.0	1,477.3	1,472.4	1,465.6	1,493.7
Product sales under GAAP	18.9	93.2	20.6	25.3	26.0	21.3
Adjustments:						
EarthLink product sales	-	0.2	-	-	-	0.2
Adjusted product sales	18.9	93.4	20.6	25.3	26.0	21.5
Adjusted revenues and sales	\$ 1,454.3	\$ 6,002.4	\$ 1,497.9	\$ 1,497.7	\$ 1,491.6	\$ 1,515.2
Reconciliation of Net (Loss) Income under GAAP to Adjusted OIBDA:						
Net (loss) income	\$ (121.4)	\$ (2,116.6)	\$ (1,835.7)	\$ (101.5)	\$ (68.1)	\$ (111.3)
Adjustments:						
Other (income) expense, net	2.3	2.9	10.8	(1.7)	(4.2)	(2.0)
Loss on sale of data center business	-	(0.6)	-	-	-	(0.6)
Net (gain) loss on disposal of investment in Uniti common stock	-	-	-	-	-	-
Net loss (gain) on early extinguishment of debt	-	56.4	58.4	(5.2)	-	3.2
Interest expense	223.1	875.4	232.8	216.4	214.4	211.8
Income tax benefit	(35.0)	(408.1)	(244.7)	(66.8)	(39.6)	(57.0)
Operating (loss) income under GAAP	69.0	(1,590.6)	(1,778.4)	41.2	102.5	44.1
Depreciation and amortization	381.8	1,470.0	403.7	365.4	362.4	338.5
Adjustments:						
Goodwill impairment	-	1,840.8	1,840.8	-	-	-
EarthLink operating income (B)	-	30.8	-	-	-	30.8
Merger, integration and other costs	7.3	137.4	30.0	33.7	16.4	57.3
Restructuring charges	13.7	43.0	9.3	22.8	3.5	7.4
Other costs (C)	17.1	25.8	3.5	12.8	3.5	6.0
Pension expense	0.9	8.1	2.0	2.0	2.0	2.1
Share-based compensation expense	9.9	45.2	10.2	12.4	10.2	12.4
Adjusted OIBDAR (D)	499.7	2,010.5	521.1	490.3	500.5	498.6
Master lease rent payment	(163.4)	(653.5)	(163.4)	(163.3)	(163.4)	(163.4)
Adjusted OIBDA (E)	\$ 336.3	\$ 1,357.0	\$ 357.7	\$ 327.0	\$ 337.1	\$ 335.2

- (A) Adjusted results of operations are based upon the combined historical financial information of Windstream and EarthLink for all periods presented. The adjusted results assume the merger was completed on January 1, 2017.
- (B) Represents EarthLink operating results for periods prior to the merger date of February 27, 2017. These amounts exclude EarthLink's historical depreciation and amortization, restructuring, merger and integration costs and share-based compensation.
- (C) Other costs for the three month period ended March 31, 2018, primarily include business transformation expenses of \$11.1 million consisting of consulting fees of \$8.7 million and \$2.4 million of incremental marketing and rebranding costs. These costs also include \$5.4 million of incremental network optimization costs incurred in migrating traffic to existing lower costs circuits and terminating contracts prior to their expiration. Included in other costs for 2017 are incremental expenses of \$4.7 million related to Hurricanes Harvey and Irma and \$8.3 million of costs incurred in connection with a carrier access settlement. Other costs also include a reserve for a penalty attributable to not meeting certain spend commitments under a circuit discount plan of approximately \$2.5 million and \$5.2 million during the three month periods ended June 30, 2017 and March 31, 2017, respectively.
- (D) Adjusted OIBDAR is adjusted OIBDA before the annual cash rent payment due under the master lease agreement with Uniti.
- (E) Adjusted OIBDA is operating income before depreciation and amortization, excluding goodwill impairment, merger and integration costs related to strategic transactions, restructuring charges, pension and share-based compensation expense and certain other costs as discussed in Note (C) above.



Supplemental Financial Information

WINDSTREAM HOLDINGS, INC.

RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES

for the quarterly periods in the years 2018 and 2017

(In millions)

	2018		2017			
	1st Qtr.	Total	4th Qtr.	3rd Qtr.	2nd Qtr.	1st Qtr.
Reconciliation of Net Cash Provided from Operating Activities to Adjusted OIBDA:						
Net Cash Provided from Operating Activities	\$ 239.3	\$ 974.5	\$ 327.9	\$ 271.7	\$ 221.2	\$ 153.7
Adjustments:						
Master lease rent payment	(163.4)	(653.5)	(163.4)	(163.3)	(163.4)	(163.4)
EarthLink operating income (A)	-	30.8	-	-	-	30.8
Merger, integration and other costs	7.3	137.4	30.0	33.7	16.4	57.3
Restructuring charges	13.7	43.0	9.3	22.8	3.5	7.4
Other costs	17.1	25.8	3.5	12.8	3.5	6.0
Other (income) expense, net	2.3	2.3	10.8	(1.7)	(4.2)	(2.6)
Interest expense	223.1	875.3	232.7	216.4	214.4	211.8
Income tax benefit, net of deferred income taxes	(0.3)	(12.8)	5.3	(18.8)	2.5	(1.8)
Provision for doubtful accounts	(5.6)	(45.7)	(12.2)	(13.8)	(10.1)	(9.6)
Other noncash adjustments, net	(9.5)	(38.2)	(18.6)	(6.0)	(9.1)	(4.5)
Changes in operating assets and liabilities, net	12.3	18.1	(67.6)	(26.8)	62.4	50.1
Adjusted OIBDA	\$ 336.3	\$ 1,357.0	\$ 357.7	\$ 327.0	\$ 337.1	\$ 335.2
Reconciliation of Net Cash Provided from Operating Activities to Adjusted Free Cash Flow:						
Net Cash Provided from Operating Activities	\$ 239.3	\$ 974.5	\$ 327.9	\$ 271.7	\$ 221.2	\$ 153.7
Adjustments:						
Cash paid for interest on long-term debt obligations	(66.3)	(371.9)	(138.2)	(59.2)	(126.9)	(47.6)
Cash paid for income taxes	3.2	(2.0)	(0.2)	(0.2)	(1.6)	-
Capital expenditures	(217.6)	(908.6)	(184.4)	(216.4)	(264.4)	(243.4)
Project Excel capital expenditures	-	49.9	-	-	26.3	23.6
Integration capital expenditures	9.9	34.5	12.4	11.2	6.4	4.5
EarthLink capital expenditures pre-merger	-	(15.2)	-	-	-	(15.2)
EarthLink operating income (A)	-	30.8	-	-	-	30.8
Master lease rent payment	(163.4)	(653.5)	(163.4)	(163.3)	(163.4)	(163.4)
Merger, integration and other costs	7.3	137.4	30.0	33.7	16.4	57.3
Restructuring charges	13.7	43.0	9.3	22.8	3.5	7.4
Other costs	17.1	25.8	3.5	12.8	3.5	6.0
Other income, net	2.3	2.3	10.8	(1.7)	(4.2)	(2.6)
Interest expense	223.1	875.3	232.7	216.4	214.4	211.8
Income tax benefit, net of deferred income taxes	(0.3)	(12.8)	5.3	(18.8)	2.5	(1.8)
Provision for doubtful accounts	(5.6)	(45.7)	(12.2)	(13.8)	(10.1)	(9.6)
Other noncash adjustments, net	(9.5)	(38.2)	(18.6)	(6.0)	(9.1)	(4.5)
Changes in operating assets and liabilities, net	12.3	18.1	(67.6)	(26.8)	62.4	50.1
Adjusted Free Cash Flow	\$ 65.5	\$ 143.7	\$ 47.3	\$ 62.4	\$ (23.1)	\$ 57.1

(A) Represents EarthLink operating results for periods prior to the merger date of February 27, 2017. These amounts exclude EarthLink's historical depreciation and amortization, restructuring, merger and integration costs and share-based compensation.



2018 Business Segment Directional Outlook

FY17 Pro Forma Results

(Dollars in Millions)

ILEC CONSUMER & SMB

Service Revenue	\$1,945
YoY Growth	(3.9%)
Contribution Margin	\$1,130
Contribution Margin %	57.1%

- Broadband customer trends improve
- Stable contribution margin percentage

ENTERPRISE

Service Revenue	\$2,980
YoY Growth	(5.5%)
Contribution Margin	\$593
Contribution Margin %	19.5%

- Revenue trends improve with organic sales growth and churn reduction
- Growth in contribution margin and margin percentage year-over-year

WHOLESALE

Service Revenue	\$778
YoY Growth	(9.5%)
Contribution Margin	\$540
Contribution Margin %	69.4%

- Legacy revenue declines continue to offset strategic revenue trends
- Stable contribution margin percentage

CLEC CONSUMER

Service Revenue	\$206
YoY Growth	(8.5%)
Contribution Margin	\$107
Contribution Margin %	51.7%

- Similar trends to 2017

Note: Pro forma results includes historical Windstream plus pro forma EarthLink and include Broadview from 7/28/17.



A Closer Look at 2018 Capex

Executing a Network First Strategy

2018 Capex Plans	Capex (in millions)
Success-based	\$240
Broadband capacity and expansion	\$120
On-Net/Interconnection Cost Savings	\$10
IT Projects to Drive Efficiencies	\$40
Other	\$30
Strategic Capex	\$440
Maintenance capex/Network Optimization	\$335
Adjusted Capital Expenditures⁽¹⁾	\$775

2018 INITIATIVES

- Expand high-speed internet capabilities
- Expand Enterprise on-net
- Enhance network performance
- Make targeted investments to reduce network operating expenses



(1) Adjusted capex excludes expenditures related to Integration Capex and assumes mid-point of annual guidance