



CreditRiskMonitor’s assessment of Monitronics International Inc.’s (“MONI”) “high risk” status has been determined by a combination of factors:

Monthly Average FRISK® Score	Page 2
The FRISK® Score Components	3
Company Report Detail	4
FRISK® Deep Dive	5
FRISK® Stress Index	6
Peer Analysis on Alternate Suppliers and Customers	7
Quarterly Performance Ratios	8
Quarterly Leverage Ratios	9
Quarterly Liquidity Ratios and Rates of Return	10

About This Report/Contact CreditRiskMonitor	11

MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score has Monitronics International, Inc. at a **1**, the highest probability of bankruptcy in the next 12 months.

Business Name	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019
	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB
Monitronics International, Inc.	3	3	3	3	3	1	1	1	1	1	1	1	1

The FRISK® score is 96% accurate* in predicting the risk of corporate failure/bankruptcy over a 12-month horizon. All FRISK® scores are recalculated every night for each subsequent 12-month period.

FRISK® Probability of bankruptcy within 12 months			
	FRISK®	From	To
Best	10	0.00%	0.12%
	9	0.12%	0.27%
	8	0.27%	0.34%
	7	0.34%	0.55%
	6	0.55%	0.87%
Worst	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
	1	9.99%	50.00%

While the percentage risk of bankruptcy varies at each FRISK® score, 96% of public companies that eventually go bankrupt enter the FRISK® "red zone" prior to filing. A FRISK® score of 5 or less is an important warning sign.

* FRISK® score accuracy of 96% is based on backtesting of U.S. public companies; results may vary by country.

THE FRISK® SCORE COMPONENTS

At the core of the CreditRiskMonitor process is our 96% accurate FRISK® score, which indicates a company's level of financial stress on a scale of 1 to 10, based on the probability of bankruptcy over a 12-month horizon. When available, the FRISK® score incorporates a number of powerful risk indicators including:

A “Merton” type model using stock market capitalization and volatility

Financial ratios, including those used in the Altman Z”-Score Model

Bond agency ratings from Moody's, Fitch, DBRS, & Morningstar

Crowdsourced CreditRiskMonitor Usage Data

Crowdsourcing has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

The crowdsourcing advantage is even more powerful in our FRISK® score since many of the professionals who use our service are credit managers:

- Credit managers control one of the largest sources of working capital going into a company
- They are not held to the same “Fair Disclosure” restrictions that prevent non-disclosed information sharing on public companies
- Credit managers use a variety of non-public information sources such as their own company’s management and sales representatives to be alerted to concerns in a public company’s performance
- It is commonly known credit managers confidentially share information with other credit managers, thus collectively, their behavior helps to provide advanced insight to financial problems in public companies

[Read more in Credit Research Foundation’s quarterly journal article, “Assessing Public Company Financial Risk by Crowdsourcing the Research of Credit Professionals”](#)

COMPANY REPORT DETAIL

Monitronics International, Inc.

1990 Wittington Place

Phone: (972) 243-7443

FARMERS BRANCH, TX 75234-5736 United States

This company was Merged into or Acquired by [Ascent Capital Group Inc](#) on 12/17/2010

This is a Subsidiary, click [here](#) for the Parent Company

Latest Financial Statements as of 9/30/2018

Business Summary

Monitronics International, Inc. provides security alarm monitoring and related services to residential and business subscribers throughout the United States and parts of Canada. The Company is primarily engaged in the business of providing security alarm monitoring services, such as monitoring signals arising from burglaries, fires, medical alerts and other events through security systems at subscribers' premises, as well as providing customer service and technical support. It monitors signals through security systems installed by independent dealers at subscribers' premises. With subscribers in all 50 states, the District of Columbia, Puerto Rico, and Canada, the Company provides a range of residential security services, including hands-free two-way interactive voice communication with the monitoring center, cellular options, and an interactive service option, which allows the customer to control their security system remotely using a computer or smart phone.

(Source: 10-K)

Employees: 1,430 (as of 12/31/2017)

Incorporated: 8/31/1994

Federal Tax Id: 742719343

Credit Score History

[Why are these scores different?](#)

Auditor Information

Score/ Index	2018												2019				
	F	M	A	M	J	J	A	S	O	N	D	J	F	DBT	DBT		
FRISK® Score*	3	3	3	3	3	1	1	1	1	1	1	1	1	1	1		
DBT Index	9	8	9	10	10	10	10	10	10	10	10	9					
Z"-Score	-0.63		-0.68			-2.22					-2.13			Z"	7"		

*FRISK® Scores are month-end

Last Audit: 12/31/2017

Auditors: KPMG LLP

Opinion: 1

Agency Credit Ratings

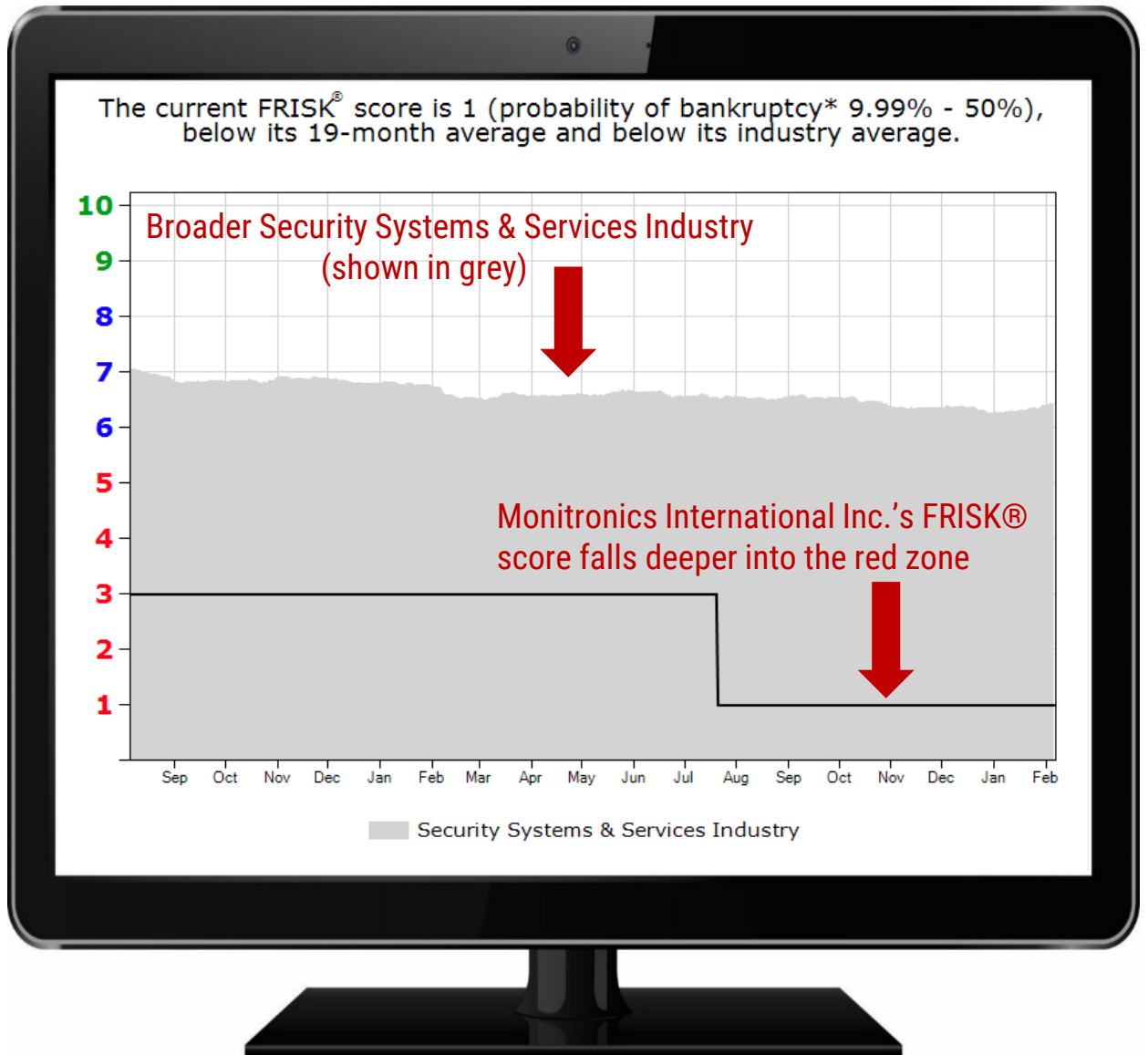
Rating Agency	Long Term Rating	Outlook	Short Term Rating	Wa
Moody's	Caa2	Stable	SGL-4	0

The FRISK® score is a 96% accurate method by which to monitor public company bankruptcy risk.

Payment performance, captured by the Days Beyond Terms (DBT) index, is not an effective indicator of financial stress for publicly traded companies since they often continue to pay on time right up until their bankruptcy filing.

This is what we call the "Cloaking Effect."

FRISK® DEEP DIVE



The FRISK® score relative to the broader Security Systems & Services industry raises an additional red flag signaling heightened risk relative to peers, as well...

MAKING IMMEDIATE ATTENTION REQUIRED.

FRISK® STRESS INDEX

classification: Security systems services

#	Business Name	Country	FRISK® score
1	Ascent Capital Group Inc	United States	1
2	Monitronics International, Inc.	United States	1
3	Zicom Electronic Security Systems Ltd.	India	1
4	APX Group Holdings Inc	United States	2
5	Artivision Technologies Ltd.	Singapore	2
6	Traqueur	France	2
7	ADT Inc	United States	3
	Confidence International AB	Sweden	3
	Id	Israel	
	ect Australia Ltd	Australia	

FRISK® Stress Index - SIC classification: Security systems services located in All Countries

Primary industry codes only Primary and secondary industry codes

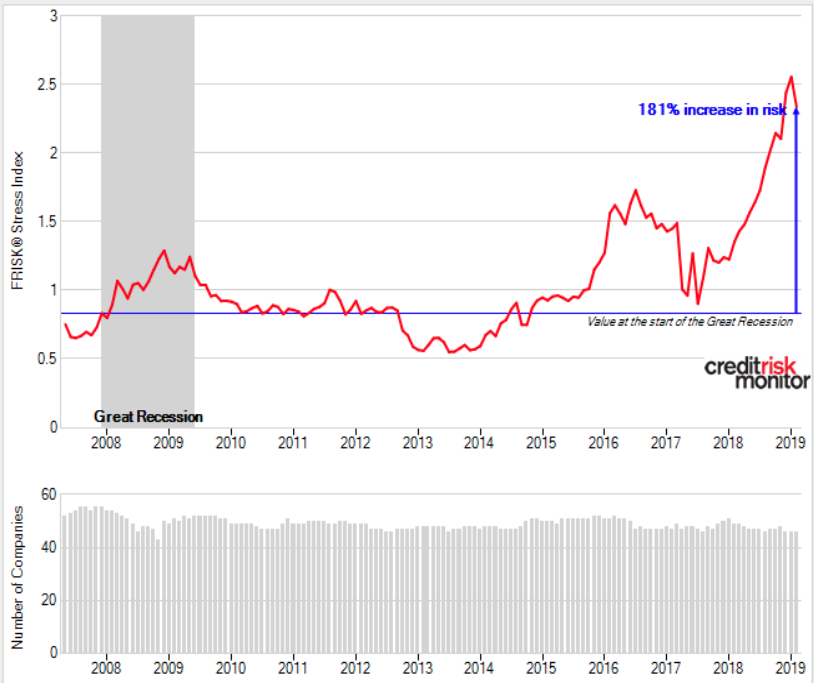
Businesses From: All Businesses CLEAR

In Industry: SIC 7382: Security systems services

Country: United States

UPDATE RESULTS

Scale: Auto Total Companies in all months 100



The FRISK® Stress Index shows the collective probability of failure in a group of companies (such as an industry, country or portfolio) over the next 12 months. It is designed to show trends in risk level across groups of companies and is shown on a zero to 50 scale, with 50 being the most risky.

The average probability of failure for SIC code 7382 (Security systems services) has increased 181% since 2007. MONI is among the weakest names in the industry as evidenced by its FRISK® score of 1.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Monitronics International, Inc. demonstrates bottom quartile ranking in key financial ratios (shown in red) vs. its industry peers.

The Peer Analysis expands to provide a ranking of a company's competitors, which can help provide options for alternate suppliers or new customers.

Peer Analysis

Year/Quarter: 2018.3
 Peer Group: SIC 7382: Security systems services
 [REFRESH] [SIC: 7382] [Calendar Year/Quarter: 2018.3]

Businesses in Peer Group: 447	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
ZScore	74	83	-2.13	-131.45	4.15	21.91
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	12	27	137,156	0	116,938	4,030,900
Gross Margin % Of Sales	7	86	74.44	-1.01	32.88	90.00
Gross Margin % Of Sales -- TTM	6	88	75.86	3.93		
SG&A % Of Sales	50	87	24.98	6.17		
SG&A % Of Sales -- TTM	50	89	23.74	3.73		
Operating Margin % Of Sales	30	92	8.95	-86.30		
Operating Margin % Of Sales TTM	91	94	-30.20	-280.7		
EBITDA Margin Of Sales	2	46	45.30	-60.8		
EBITDA Margin Of Sales -- TTM	22	53	11.31	-73.6		
Net Profit Margin % Of Sales	84	92	-24.67	-141.97		
Net Profit Margin % Of Sales - TTM	90	94	-58.67	-312.93		
Pre-tax Income % Of Sales	84	92	-23.69	-140.04		
Effective Tax Rate	14	89	-4.14	-156.09	1.4	-2.86
Depreciation % Of Prop/Plant/Equipment	56	81	31.50	0.00	20.86	1,216.27
Capital Expense % Of Prop/Plant/Equipment	35	58	28.28	0.08	24.28	485.67
Interest Coverage	23	36	1.59	-96.50	2.90	298.00
Interest Coverage -- TTM	38	49	0.40	-180.32	6.19	169.68
Liquidity ratios:						
Cash Ratio	56	92	0.29	0.00		
Quick Ratio	79	88	0.44	0.09		
Current Ratio	83	92	0.73	0.00		
Efficiency ratios:						
Accounts Receivable Turnover	2	92	42.83	0.00		
Days Sales Outstanding	5	92	8.52	0.00		
% of Inventory Financed by Vendors	N/A	64	N/A	3.99		
% of Inventory Financed by Vendors -- TTM	N/A	66	N/A	6.49		
Inventory Turnover	N/A	77	N/A	0.00		
Inventory Turnover TTM	N/A	77	N/A	0.00		
Days Sales in Inventory	N/A	70	N/A	0.42	68.00	2.57
Inventory to Working Capital	N/A	75	N/A	-78.51	0.23	2.57
Accounts Payable Turnover	23	77	11.51	0.00	6.77	149.54
Accounts Payable Turnover -- TTM	23	78	11.08	0.00	6.67	121.54
Leverage & debt coverage:						
Total Debt to Equity Ratio	N/A	72	N/A	0.00	0.22	6.81
Debt to Tangible Equity Ratio	N/A	60	N/A	0.00	0.21	77.55
Total Debt to Assets Ratio	78	80	1.06	0.00	0.16	2.96
Short-Term Debt % of Total Debt	7	77	0.61	0.00	66.07	100.00
Short-Term Debt % of Working Capital	74	78	-44.05	-90,556.41	10.06	7,555.67
Liabilities to Net Worth Ratio	N/A	71	N/A	0.09	0.83	225.59
Total Liabilities to Equity Ratio	N/A	84	N/A	0.07	0.76	13.27
TTM EBITDA Over Total Debt	34	46	0.03	-386.00	0.28	83.84
Net Debt Over TTM EBITDA	35	36	29.16	-13.48	1.64	35.40

Ranking within Peer Group (SIC: 7382) [Calendar Year: 2018.3]

Rank	Company Name	Country
1	Nanos Security Technologies Inc	United Kingdom
2	GinetIQ Group plc	United Kingdom
3	Taiwan Secom Company Ltd.	Taiwan
4	Taiwan Shin Keng Security Co Ltd	Taiwan
5	AVer Information Inc	Taiwan
6	www.monitronics.com	United States
7	MONITRONICS SECURITY SERVICES CO., LTD.	Japan
8	Securix Corporation	United States
9	Securix Co	United States
10	Leonard SA	France
11	Goldt S.A.	Spain
12	www.monitronics.com	United States
13	www.monitronics.com	United States
14	Security Systems, Inc.	United States

Ranking within Peer Group (SIC: 7382) [Calendar Year: 2018.3]

Rank	Company Name	Country
1	Octagonial plc	United Kingdom
2	Westone Information Industry Inc.	China
3	Golden Saint Technologies Ltd	Australia
4	GinetIQ Group plc	United Kingdom
5	Helix TCS Inc	United States
6	www.monitronics.com	United States
7	www.monitronics.com	Hong Kong
8	www.monitronics.com	Argentina
9	www.monitronics.com	Malaysia
10	Biochill Corp	Japan
11	www.monitronics.com	Hong Kong
12	www.monitronics.com	Hong Kong
13	www.monitronics.com	Hong Kong
14	www.monitronics.com	Hong Kong
15	www.monitronics.com	Hong Kong
16	www.monitronics.com	Hong Kong
17	www.monitronics.com	Hong Kong
18	www.monitronics.com	Hong Kong
19	www.monitronics.com	Hong Kong
20	www.monitronics.com	Hong Kong

TTM = trailing 12 months
 N/A = Not Available

Green - Ranked in Upper Quartile of Peer Group
 White - Ranked in the Middle Two Quartiles of Peer Group
 Red - Ranked in Lower Quartile of Peer Group
 Orange - Confidential
 Grey - Data is Not Available

QUARTERLY PERFORMANCE RATIOS

Cumulative operating loss in the last five fiscal quarters

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2018	3 mos 6/30/2018	3 mos 3/31/2018	3 mos 12/31/2017	3 mos 9/30/2017
Net Sales \$	\$137,156	\$135,013	\$133,753	\$133,546	\$138,211
% change	1.59%	0.94%	0.16%	-3.38%	-1.63%
Gross Margin \$	\$102,097	\$101,966	\$101,052	\$104,152	\$107,998
% change	0.13%	0.90%	-2.98%	-3.56%	-2.60%
% of sales	74.44%	75.52%	75.55%	77.99%	78.14%
change as % of incremental sales	6.11%	72.54%	-1,497.58%	n/m	n/m
SG&A \$	\$34,266	\$32,655	\$32,014	\$29,143	\$33,474
% change	4.93%	2.00%	9.85%	-12.94%	-44.73%
% of sales	24.98%	24.19%	23.94%	21.82%	24.22%
change as % of incremental sales	75.18%	50.87%	1,386.96%	n/m	n/m
Operating margin \$	\$12,280	(\$201,845)	\$12,012	\$14,647	\$12,896
% change	106.08%	-1,780.36%	-17.99%	13.58%	208.85%
% of sales	8.95%	-149.50%	8.98%	10.97%	9.33%
change as % of incremental sales	9,991.83%	-16,972.78%	-1,272.95%	n/m	n/m
EBITDA \$	\$62,134	(\$145,089)	\$69,038	\$74,942	\$74,450
% change	142.82%	-310.16%	-7.88%	0.66%	48.18%
% of sales	45.30%	-107.46%	51.62%	56.12%	53.87%
change as % of incremental sales	9,669.76%	-16,994.21%	-2,852.17%	n/m	n/m
EBIT \$	\$6,583	(\$201,845)	\$12,012	\$14,647	\$12,896
% change	103.26%	-1,780.36%	-17.99%	13.58%	208.85%
% of sales	4.80%	-149.50%	8.98%	10.97%	9.33%
change as % of incremental sales	9,725.99%	-16,972.78%	-1,272.95%	n/m	n/m
Pre-tax income \$	(\$32,494)	(\$240,445)	(\$24,861)	(\$21,865)	(\$23,769)
% change	86.49%	-867.16%	-13.70%	8.01%	50.81%
% of sales	-23.69%	-178.09%	-18.59%	-16.37%	-17.20%
change as % of incremental sales	9,703.73%	-17,109.84%	-1,447.34%	n/m	n/m
Net income (loss) \$	(\$33,840)	(\$241,792)	(\$26,207)	(\$14,642)	(\$25,536)
% change	86.00%	-822.62%	-78.99%	42.66%	49.03%
% of sales	-24.67%	-179.09%	-19.59%	-10.96%	-18.48%
change as % of incremental sales	9,703.78%	-17,109.92%	-5,586.96%	n/m	n/m
Tax expense \$	\$1,346	\$1,347	\$1,346	\$1,346	\$1,346
Effective tax rate	-4.14%	-0.56%	-5.41%	-5.41%	-5.41%
Depreciation expense \$	\$2,880	\$2,865	\$2,615	\$2,615	\$2,615
% of sales	2.10%	2.12%	1.96%	1.96%	1.96%
% of capital expenses	111.41%	51.00%	79.00%	79.00%	79.00%
% of PP&E, net (annualized)	31.50%	32.45%	31.30%	31.30%	31.30%
Capital expenditures \$	\$2,585	\$5,618	\$3,310	\$3,310	\$3,310
% change	-53.99%	69.73%	-24.67%	-24.67%	-24.67%
% of PP&E, net (annualized)	28.28%	63.64%	39.62%	39.62%	39.62%
% of working capital (annualized)	-22.82%	-39.29%	-21.91%	-21.91%	-21.91%
Interest coverage ratio	1.59	(3.76)	1.87	2.05	2.03
% change	142.30%	-300.76%	-8.78%	1.08%	47.42%
Free cash flow \$	\$4,376	\$11,525	\$47,044	\$18,583	\$42,297
% change	-62.03%	-75.50%	153.16%	-56.07%	73.17%
Source:	10-Q 11/6/2018	10-Q 8/6/2018	10-Q 5/10/2018	10-K 3/7/2018	10-Q 11/3/2017

Recurring net loss in the last five fiscal quarters

QUARTERLY LEVERAGE RATIOS

Total liabilities to tangible net worth ratio signals heightened risk in the last 5 quarters

Creditors' degree of protection from loss declines as the total debt to assets ratio worsens

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Total debt \$	\$1,806,119	\$1,731,235	\$1,722,336	\$1,718,297	\$1,731,193
% change	4.33%	0.52%	0.24%	-0.74%	0.93%
Stockholders' equity \$	(\$202,907)	(\$167,695)	\$68,220	\$102,736	\$115,930
% change	-21.00%	-345.82%	-33.60%	-11.38%	-17.32%
Total debt to equity ratio	n/a	n/a	25.25	16.73	14.93
% change	n/a	n/a	50.95%	12.00%	22.06%
Tangible net worth \$	(\$1,767,887)	(\$1,740,542)	(\$1,724,207)	(\$1,769,835)	(\$1,790,698)
% change	-1.57%	-0.95%	2.58%	1.17%	0.24%
Total assets \$	\$1,705,269	\$1,678,750	\$1,917,584	\$1,941,315	\$1,994,648
% change	1.58%	-12.45%	-1.22%	-2.67%	-0.01%
Total debt to assets ratio	1.06	1.03	0.90	0.89	0.87
% change	2.70%	14.82%	1.48%	1.98%	0.93%
Tangible assets \$	\$140,289	\$105,903	\$125,157	\$68,744	\$88,020
% change	32.47%	-15.38%	82.06%	-21.90%	47.64%
Short-term debt \$	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000
Short-term debt % of total debt	0.61%	0.64%	0.64%	0.64%	0.64%
% change	-4.15%	-0.52%	-0.23%	0.76%	-0.92%
Short-term debt % of working capital	-44.05%	-16.75%	-22.57%	-15.25%	-17.40%
% change	-162.94%	25.78%	-47.99%	12.33%	-30.52%
Total liabilities \$	\$1,908,176	\$1,846,445	\$1,849,364	\$1,838,579	\$1,878,718
% change	3.34%	-0.16%	0.59%	-2.14%	1.30%
Total liabilities to equity ratio	n/a	n/a	27.11	17.90	16.21
% change			51.48%	10.43%	22.51%
Total debt to EBITDA ratio (annualized)			6.24	5.73	5.81
% change			8.81%	-1.40%	-31.89%

Short-term debt as a percentage of working capital is negative in the last five quarters

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Recurring negative working capital

Quick and current ratios signal liquidity concerns

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2018	6/30/2018	3/31/2018	12/31/2017	9/30/2017
Current assets \$	\$66,924	\$37,622	\$63,487	\$26,615	\$50,199
% change	77.89%	-40.74%	138.54%	-46.98%	114.76%
% of short-term debt	608.40%	342.02%	577.15%	241.95%	456.35%
Current liabilities \$	\$91,895	\$103,280	\$112,220	\$98,737	\$113,427
% change	-11.02%	-7.97%	13.66%	-12.95%	7.11%
Working capital \$	(\$24,971)	(\$65,658)	(\$48,733)	(\$72,122)	(\$63,228)
% change	61.97%	-34.73%	32.43%	-14.07%	23.39%
% of sales (annualized)	-4.55%	-12.16%	-9.11%	-13.50%	-11.44%
Cash \$	\$26,835	\$2,103	\$27,901	\$3,302	\$28,250
% change	1,176.03%	-92.46%	744.97%	-88.31%	899.29%
% of short-term debt	243.95%	19.12%	253.65%	30.02%	256.82%
Cash ratio	0.29	0.02	0.25	0.03	0.25
% change	1,331.37%	-91.79%	644.31%	-86.59%	832.96%
Quick assets \$	\$39,997	\$14,559	\$40,201	\$15,947	\$41,456
% change	174.72%	-63.78%	152.09%	-61.53%	164.76%
% of short-term debt	363.61%	132.35%	365.46%	144.97%	376.87%
Quick ratio	0.44	0.14	0.36	0.16	0.37
% change	208.65%	-60.64%	121.80%	-55.81%	147.13%
Current ratio	0.73	0.36	0.57	0.27	0.44
% change	99.92%	-35.60%	109.83%	-39.09%	100.54%
Source:	10-Q 11/6/2018	10-Q 8/6/2018	10-Q 5/10/2018	10-K 3/7/2018	10-Q 11/3/2017

Negative returns in 4 of the last 5 fiscal periods

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	13 weeks 10/29/2016	13 weeks 7/30/2016	13 weeks 4/30/2016	13 weeks 1/30/2016	13 weeks 10/31/2015
Return on equity	-17.64%	-18.28%	-4.64%	3.17%	-7.57%
% change	3.49%	-293.64%	-246.27%	141.93%	2.26%
Return on net tangible equity	-18.89%	-19.33%	-4.90%	3.35%	-7.97%
% change	2.27%	-294.69%	-246.09%	142.09%	1.92%
Return on total assets	-1.86%	-2.56%	-0.70%	0.42%	-1.02%
% change	27.25%	-263.96%	-268.34%	140.83%	17.41%
Return on tangible assets	-1.87%	-2.58%	-0.71%	0.42%	-1.03%
% change	27.29%	-263.86%	-268.52%	140.83%	17.46%
Source:	10-Q 12/8/2016	10-Q 9/8/2016	10-Q 6/8/2016	10-K 4/1/2016	10-Q 12/10/2015

ABOUT THIS REPORT/CONTACT CREDITRISKMONITOR



CreditRiskMonitor is a financial risk analysis and news service that helps credit, supply chain and financial professionals stay ahead of and manage risk quickly, accurately and cost effectively. More than 35% of the Fortune 1000, plus over a thousand other large corporations worldwide, rely on our financial risk coverage of over 58,000 global public companies.

CreditRiskMonitor's High Risk Reports feature companies that are exhibiting a significantly high level of financial distress, as indicated by our proprietary FRISK® score. The ultimate goal of the High Risk Report series is two-part: provide an early warning for those doing business with an increasingly distressed company and inform of the many signals that should be examined when assessing financial risks.

[Request a Personalized Demo and Risk Assessment](#)

[Read more Bankruptcy Case Studies, High Risk Reports and other resources](#)

Contact us at:

845.230.3000

creditriskmonitor.com/contact-us