



CreditRiskMonitor's assessment of Windstream Holdings, Inc.'s ("Windstream") "high risk" status has been determined by a combination of factors:

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MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score has Windstream Holdings, Inc. (NASDAQ: WIN) at a 2, one of the highest probabilities of bankruptcy in the next 12 months.

Business Name	2016	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017
	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Windstream Holdings, Inc.	3	3	3	3	3	3	3	3	2	2	1	2	2

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.

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%
	5	0.87%	1.40%
	4	1.40%	2.10%
	3	2.10%	4.00%
	2	4.00%	9.99%
Worst	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.

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. 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 S&P, Moody's and Fitch (when available)

Crowdsourced CreditRiskMonitor Usage Data

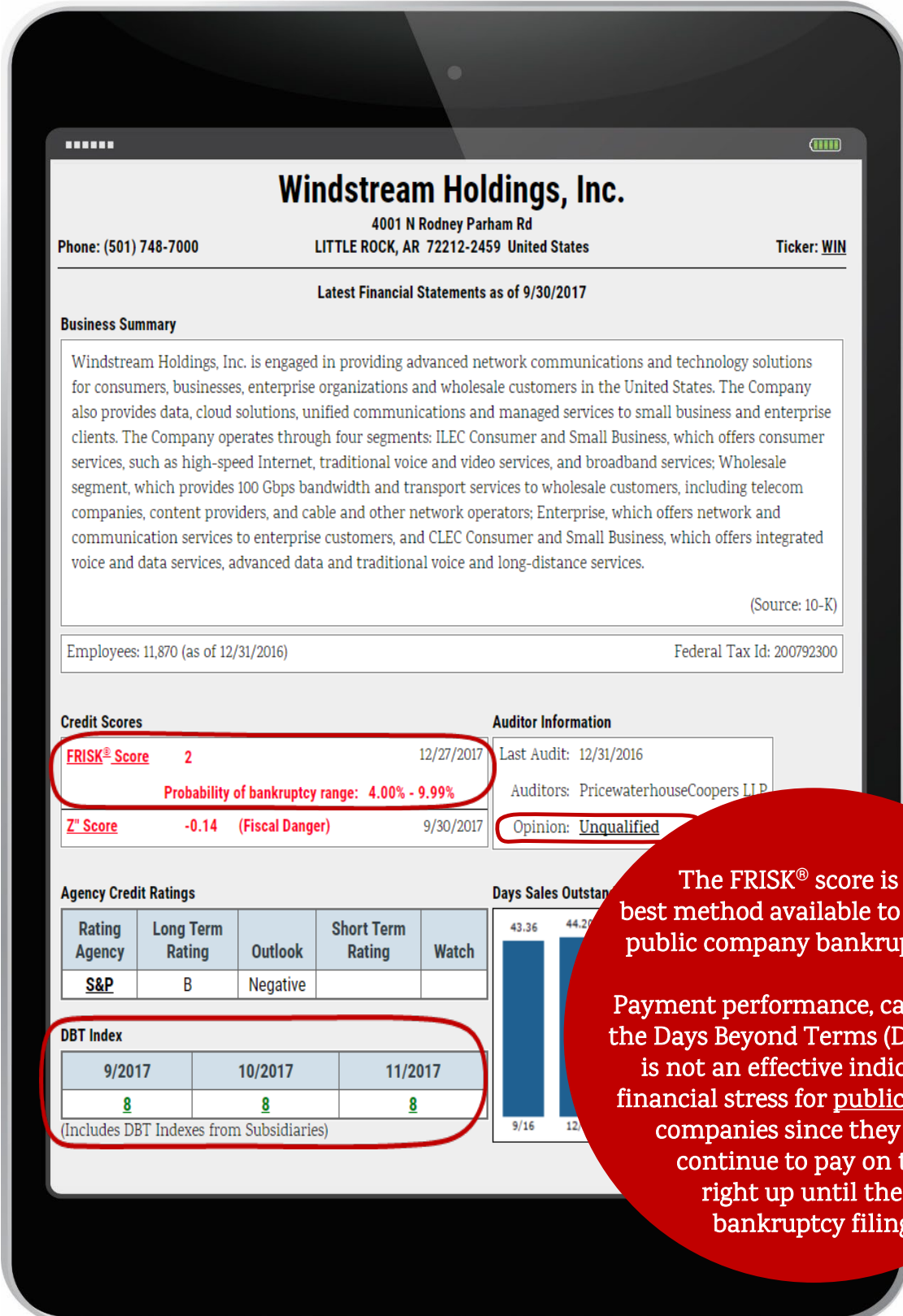
Crowdsourcing, has enhanced the accuracy and timeliness of the FRISK® score. We collect and analyze data patterns from thousands of CreditRiskMonitor subscribers, including professionals from more than 35% of the Fortune 1000 and other large corporations worldwide.

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 have a pulse on the external fusion of 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



Windstream Holdings, Inc.

4001 N Rodney Parham Rd

Phone: (501) 748-7000

LITTLE ROCK, AR 72212-2459 United States

Ticker: WIN

Latest Financial Statements as of 9/30/2017

Business Summary

Windstream Holdings, Inc. is engaged in providing advanced network communications and technology solutions for consumers, businesses, enterprise organizations and wholesale customers in the United States. The Company also provides data, cloud solutions, unified communications and managed services to small business and enterprise clients. The Company operates through four segments: ILEC Consumer and Small Business, which offers consumer services, such as high-speed Internet, traditional voice and video services, and broadband services; Wholesale segment, which provides 100 Gbps bandwidth and transport services to wholesale customers, including telecom companies, content providers, and cable and other network operators; Enterprise, which offers network and communication services to enterprise customers, and CLEC Consumer and Small Business, which offers integrated voice and data services, advanced data and traditional voice and long-distance services.

(Source: 10-K)

Employees: 11,870 (as of 12/31/2016)

Federal Tax Id: 200792300

Credit Scores

FRISK® Score 2 12/27/2017

Probability of bankruptcy range: 4.00% - 9.99%

Z' Score -0.14 (Fiscal Danger) 9/30/2017

Auditor Information

Last Audit: 12/31/2016

Auditors: PricewaterhouseCoopers LLP

Opinion: **Unqualified**

Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating	Watch
S&P	B	Negative		

Days Sales Outstanding



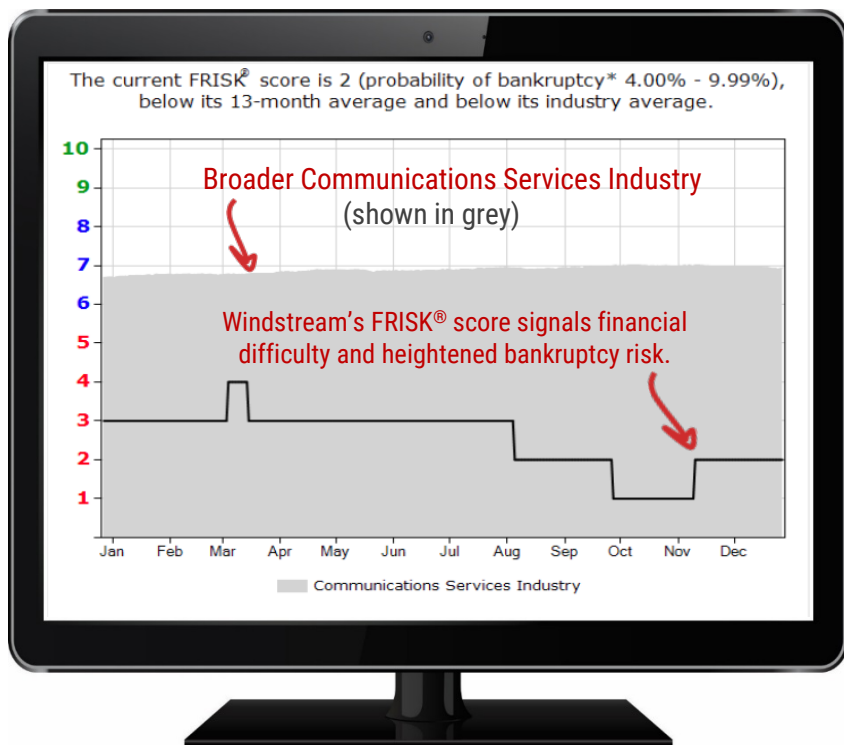
DBT Index

9/2017	10/2017	11/2017
8	8	8

(Includes DBT Indexes from Subsidiaries)

The FRISK® score is the best method available 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.

FRISK® DEEP DIVE



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

MAKING IMMEDIATE ATTENTION REQUIRED.

ADJUSTED MARKET CAP VOLATILITY



One of the inputs of the FRISK® score is a company's market cap volatility, adjusted for dividends, over the course of a year. Incorporating this information allows us to capture the "wisdom of markets" on a daily basis. This ensures our subscribers are getting the most up to date view of the risks they face since stocks tend to be more liquid and faster moving than bond prices and ratings.

FRISK® STRESS INDEX

Rank	Company Name
1	Frontier Communications Corp
2	Altice NV
3	Bakrie Telecom Tbk PT
4	First Media Tbk PT
5	Forthnet S.A.
	Global Telephony Tbk PT
	Telecomunic S.A.

FRISK® Stress Index - SIC classification: Telephone communications, except radiotelephone located in All Countries

Primary industry codes only Primary and secondary industry codes

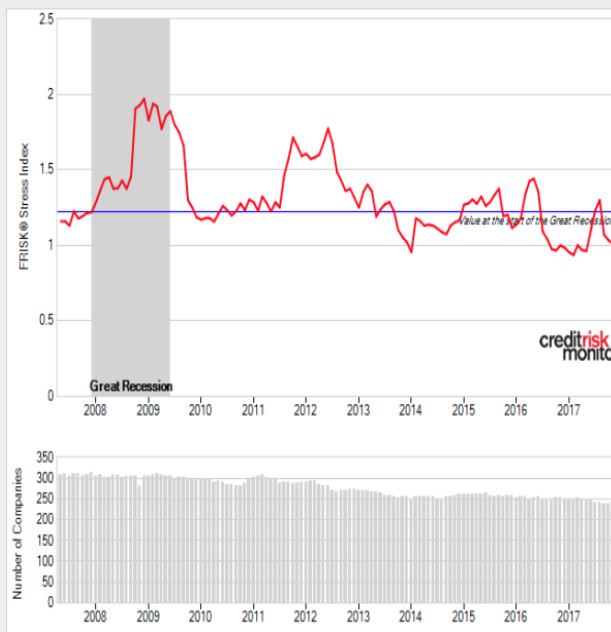
Businesses From: All Businesses CLEAR

In Industry: SIC 4813: Telephone communications, except radiotelephone

Country: All Countries

UPDATE RESULTS

Scale: Auto Total Companies in all months: 474



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 4813 (Telephone Communications, except Radiotelephone) reflects an industry subsector with low risk. But, Windstream has continued to struggle, as evidenced by its FRISK® score of 2.

PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

Windstream demonstrates bottom quartile ranking in key financial ratios (shown in red) vs. its Communication Services 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						
Sector: Services, Industry: Communications Services						
[Company Name] [Industry: Communications Services] [Calendar Year/Quarter]						
Businesses in Peer Group: 1868						
	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
Credit Ratings						
ZScore	264	328	-0.14	-35,281.93		67
Performance ratios:						
Net Sales (Thousands of U.S. Dollars)	11	80	1,497,700			
Gross Margin % Of Sales	191	320	46.50	-2,378		
Gross Margin % Of Sales -- TTM	181	322	47.57	-197		
SG&A % Of Sales	78	317	15.46	2		
SG&A % Of Sales -- TTM	66	316	15.48	2		
Operating Margin % Of Sales	254	344	3.22	-4,964.9		
Operating Margin % Of Sales TTM	239	344	-4.62	-4,960.92		
EBITDA Margin Of Sales	135	246	27.61	-4,643.78		
EBITDA Margin Of Sales -- TTM	111	262	29.29	-4,643.04	27,994.2	754.90
Net Profit Margin % Of Sales	289	344	-6.78	-4,006.48	5.06	4,901.04
Net Profit Margin % Of Sales - TTM	288	344	-6.49	-5,184.83	4.87	2,361.02
Pre-tax Income % Of Sales	304	344	-11.24	-4,964.63	8.32	4,901.04
Effective Tax Rate	296	333	39.69	-1,670.12	21.21	966.67
Depreciation % Of Prop/Plant/Equipment	175	326	21.70	0.00	20.89	870.01
Capital Expense % Of Prop/Plant/Equipment	82	291	15.62	0.14	21.44	1,272.52
Interest Coverage	186	224	1.91	-7,006.00	7.64	26,501.00
Interest Coverage -- TTM	196	243	1.95	-15,310.25	6.68	3,634.12
Liquidity ratios:						
Cash Ratio	315	341	0.04	0.00	0.31	354.09
Quick Ratio	233	331	0.57	0.00	0.78	356.30
Current Ratio	235	341	0.77	0.00	1.05	356.35
Efficiency ratios:						
Accounts Receivable Turnover	99	341	8.89	0.00	6.35	90.55
Days Sales Outstanding	103	344	41.08	0.00	57.03	3,590.55
% of Inventory Financed by Vendors	143	233	397.64	5.38	546.30	58,000.39
% of Inventory Financed by Vendors -- TTM	153	246	387.49	3.88		19,099
Inventory Turnover	79	286	34.13	-2,586.09		78
Inventory Turnover TTM	88	295	34.33	-1,464.4		
Days Sales in Inventory	80	268	10.69	-0.		
Inventory to Working Capital	179	281	-0.32	-279		
Accounts Payable Turnover	57	290	8.81	-4		
Accounts Payable Turnover -- TTM	67	296	8.34	-2		
Leverage & debt coverage:						
Total Debt to Equity Ratio	287	293	20.63	0.0		
Debt to Tangible Equity Ratio	N/A	197	N/A	0.00		
Total Debt to Assets Ratio	303	313	0.83	0.00		
Short-Term Debt % of Total Debt	48	300	1.88	0.00	21.57	100.00
Short-Term Debt % of Working Capital	260	302	-66.94	-67,533.33	0.00	10,269.52
Liabilities to Net Worth Ratio	N/A	220	N/A	0.08	1.65	140.16
Total Liabilities to Equity Ratio	308	316	23.81	0.08	1.37	1,017.57
TTM EBITDA Over Total Debt	186	230	0.15	-55.16	0.39	62.56

1 SW Innovative Holding

2 YeboYethu Ltd

3 MNI SA

4 Glowpoint, Inc.

5 Globalstar, Inc.

6 Intouch Holdings Pr

1 AdEPT Telecom plc

2 Beijing Bewinner Com

3 Exalt AB (publ)

4 Free2Move Holding AB

5 KazTransCom AO

6 Liberty Broadband

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

Year-over-year operating margin decreased 56% to \$48.2M

Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2017	3 mos 6/30/2017	3 mos 3/31/2017	3 mos 12/31/2016	3 mos 9/30/2016
Net Sales \$	\$1,497,700	\$1,491,600	\$1,365,700	\$1,309,100	\$1,344,900
% change	0.41%	9.22%	4.32%	-2.66%	-1.08%
Gross Margin \$	\$696,400	\$714,400	\$662,500	\$620,900	\$645,900
% change	-2.52%	7.83%	6.70%	-3.87%	-3.34%
% of sales	46.50%	47.89%	48.51%	47.43%	48.03%
change as % of incremental sales	-295.08%	41.22%	73.50%	n/m	n/m
SG&A \$	\$231,500	\$225,300	\$213,300	\$206,900	\$190,100
% change	2.75%	5.63%	3.09%	8.84%	-3.45%
% of sales	15.46%	15.10%	15.62%	15.80%	14.13%
change as % of incremental sales	101.64%	9.53%	11.31%	n/m	n/m
Operating margin \$	\$48,200	\$106,800	\$42,800	\$63,700	\$109,300
% change	-54.87%	149.53%	-32.81%	-41.72%	-43.10%
% of sales	3.22%	7.16%	3.13%	4.87%	8.13%
change as % of incremental sales	-960.66%	50.83%	-36.93%	n/m	n/m
EBITDA \$	\$413,500	\$469,100	\$382,000	\$394,500	\$430,900
% change	-11.85%	22.80%	-3.17%	-8.45%	-13.54%
% of sales	27.61%	31.45%	27.97%	30.14%	32.04%
change as % of incremental sales	-911.48%	69.18%	-22.08%	n/m	n/m
EBIT \$	\$48,100	\$106,700	\$43,500	\$65,000	\$109,900
% change	-54.92%	145.29%	-33.08%	-40.86%	-42.22%
% of sales	3.21%	7.15%	3.19%	4.97%	8.17%
change as % of incremental sales	-960.66%	50.20%	-37.99%	n/m	n/m
Pre-tax income \$	(\$168,300)	(\$107,700)	(\$168,300)	(\$142,100)	(\$108,600)
% change	-56.27%	36.01%	-18.44%	-30.85%	-996.97%
% of sales	-11.24%	-7.22%	-12.32%	-10.85%	-8.07%
change as % of incremental sales	-993.44%	48.13%	-46.29%	n/m	n/m
Net income (loss) \$	(\$101,500)	(\$68,100)	(\$111,300)	(\$86,900)	(\$66,200)
% change	-49.05%	38.81%	-28.08%	-31.27%	-513.33%
% of sales	-6.78%	-4.57%	-8.15%	-6.65%	-5.28%
change as % of incremental sales	-547.54%	34.31%	-43.11%	n/m	n/m
Tax expense \$	(\$66,800)	(\$39,600)	(\$57,000)		
Effective tax rate	39.69%	36.77%	33.87%		
Depreciation expense \$	\$300,600	\$298,500	\$289,700		
% of sales	20.07%	20.01%	21.21%		
% of capital expenses	138.91%	112.90%	119.02%		
% of PP&E, net (annualized)	21.70%	21.45%	21.34%		
Capital expenditures \$	\$216,400	\$264,400	\$243,400		
% change	-18.15%	8.63%	2.96%		
% of PP&E, net (annualized)	15.62%	19.00%	17.93%		
% of working capital (annualized)	-286.91%	-331.12%	-268.36%	-307.46%	-408.83%
Interest coverage ratio	1.91	2.19	1.80	1.90	1.97
% change	-12.67%	21.31%	-5.32%	-3.41%	-15.12%
Free cash flow \$	\$55,300	(\$43,200)	(\$110,900)	\$65,900	(\$45,500)
% change	228.01%	61.05%	-268.29%	244.84%	-189.57%
Source:	10-Q 11/9/2017	10-Q 8/3/2017	10-Q 5/8/2017	10-K 3/1/2017	10-Q 11/7/2016

Net loss and poor interest coverage ratio in the last five quarters

QUARTERLY LEVERAGE RATIOS

Total debt in relation to tangible net worth signals heightened risk

Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016
Total debt \$	\$10,752,500	\$10,497,600	\$10,439,100	\$9,864,200	\$9,906,300
% change	2.43%	0.56%	5.83%	-0.43%	0.86%
Stockholders' equity \$	\$521,200	\$630,200	\$722,400	\$170,000	\$250,300
% change	-17.30%	-12.76%	324.94%	-32.08%	-23.97%
Total debt to equity ratio	20.63	16.66	14.45	58.02	39.58
% change	23.85%	15.27%	-75.10%	46.61%	32.65%
Tangible net worth \$	(\$5,687,000)	(\$5,447,700)	(\$5,545,500)	(\$5,364,100)	(\$5,328,600)
% change	-4.39%	1.76%	-3.38%	-0.67%	-0.62%
Total assets \$	\$12,928,600	\$12,706,200	\$12,904,200	\$11,770,000	\$11,823,600
% change	1.75%	-1.53%	9.64%	-0.45%	0.02%
Total debt to assets ratio	0.83	0.83	0.81	0.84	0.84
% change	0.67%	2.13%	-3.47%	0.00%	0.00%
Tangible assets \$	\$6,720,400	\$6,628,300	\$6,636,300	\$6,636,300	\$6,636,300
% change	1.39%	-0.12%	6.42%	0.00%	0.00%
Short-term debt \$	\$202,500	\$197,100	\$192,200	\$192,200	\$192,200
% change	2.74%	2.55%	4.68%	0.00%	0.00%
Short-term debt % of total debt	1.88%	1.88%	1.84%	1.95%	1.94%
% change	0.30%	1.98%	-1.08%	0.51%	0.52%
Short-term debt % of working capital	-66.94%	-65.50%	-56.88%	-56.88%	-56.88%
% change	-2.20%	-15.16%	-20.11%	39.47%	0.00%
Total liabilities \$	\$12,407,400	\$12,076,000	\$12,181,800	\$11,600,000	\$11,573,300
% change	2.74%	-0.87%	5.02%	0.23%	0.70%
Total liabilities to equity ratio	23.81	19.16	16.86	68.24	46.24
% change	24.23%	13.63%	-75.29%	47.58%	32.45%
Total debt to EBITDA ratio (annualized)	6.50	5.59	6.83	6.25	5.75
% change	16.20%	-18.11%	9.29%	8.76%	16.65%
Source:	10-Q 11/9/2017	10-Q 8/3/2017	10-Q 5/8/2017	10-K 3/1/2017	10-Q 11/7/2016

Unfavorable total liabilities to equity and total debt to EBITDA (annualized) ratios in the last five quarters

QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Negative working capital

Lackluster cash, quick, and current ratios

Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	9/30/2017	6/30/2017	3/31/2017	12/31/2016	9/30/2016
Current assets \$	\$1,008,800	\$926,900	\$963,100	\$866,900	\$921,000
% change	8.84%	-3.76%	11.10%	-5.87%	5.66%
% of short-term debt	498.17%	470.27%	501.09%	472.17%	517.71%
Current liabilities \$	\$1,311,300	\$1,227,800	\$1,301,000	\$1,254,600	\$1,148,400
% change	6.80%	-5.63%	3.70%	9.25%	2.54%
Working capital \$	(\$302,500)	(\$300,900)	(\$337,900)	(\$387,700)	(\$227,400)
% change	-0.53%	10.95%	12.85%	-70.49%	8.42%
% of sales (annualized)	-5.05%	-5.04%	-6.19%	-7.40%	-4.23%
Cash \$	\$56,500	\$24,700	\$51,500	\$59,100	\$61,400
% change	128.74%	-52.04%	-12.86%	-3.75%	47.60%
% of short-term debt	27.90%	12.53%	26.80%	32.19%	34.51%
Cash ratio	0.04	0.02	0.04	0.05	0.05
% change	114.43%	-49.24%	-15.92%	-11.96%	44.20%
Quick assets \$	\$745,300	\$684,400	\$706,300	\$677,700	\$711,100
% change	8.90%	-3.10%	4.22%	-4.70%	6.12%
% of short-term debt	368.05%	347.23%	367.48%	369.12%	399.72%
Quick ratio	0.57	0.56	0.54	0.54	0.62
% change	1.97%	2.67%	0.50%	-12.76%	3.49%
Current ratio	0.77	0.75	0.74	0.69	0.80
% change	1.91%	1.97%	7.13%	-13.84%	3.05%
Source:	10-Q 11/9/2017	10-Q 8/3/2017	10-Q 5/8/2017	10-K 3/1/2017	10-Q 11/7/2016

Unable to generate any positive returns

Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 9/30/2017	3 mos 6/30/2017	3 mos 3/31/2017	3 mos 12/31/2016	3 mos 9/30/2016
Return on equity	-16.11%	-9.43%	-65.47%	-34.72%	-20.11%
% change	-70.85%	85.60%	-88.58%	-72.65%	-4,627.10%
Return on total assets	-0.79%	-0.53%	-0.90%	-0.74%	-0.56%
% change	-48.91%	41.06%	-22.48%	-31.56%	-4,652.03%
Return on tangible assets	-1.52%	-1.03%	-1.73%	-1.39%	-1.06%
% change	-48.10%	40.62%	-24.18%	-30.86%	-4,767.54%
Source:	10-Q 11/9/2017	10-Q 8/3/2017	10-Q 5/8/2017	10-K 3/1/2017	10-Q 11/7/2016

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 57,000 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.

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Contact us at:

845.230.3000

creditriskmonitor.com/contact-us