UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended June 30, 2021

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ______ to ______

Commission File Number 1-8519

CINCINNATI BELL INC.

Ohio	**31-1056105**
(State of Incorporation)	**(I.R.S. Employer Identification No.)**

221 East Fourth Street, Cincinnati, Ohio 45202
(Address of principal executive offices) (Zip Code)

(513) 397-9900
(Registrant's telephone number, including area code)

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Shares ($0.01 par value)	CBB	New York Stock Exchange
Depositary Shares, each representing 1/20 interest in a Share of 6 ¾% Cumulative Convertible Preferred Stock, without par value	CBB.PB	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒
Securities Registered Pursuant to Section 12(b) of the Act:

At June 30, 2021, there were 50,920,546 common shares outstanding.

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PART I. Financial Information

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Dollars in millions, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenue	$ 414.2	$ 380.0	$ 824.1	$ 760.0
Costs and expenses				
Cost of services and products, excluding items below	224.8	193.4	444.9	387.1
Selling, general and administrative, excluding items below	85.4	81.3	169.2	169.3
Depreciation and amortization	71.8	74.7	142.8	148.9
Restructuring and severance related charges	0.4	0.4	0.9	15.6
Transaction and integration costs	1.4	2.5	3.3	31.6
Total operating costs and expenses	383.8	352.3	761.1	752.5
Operating income	30.4	27.7	63.0	7.5
Interest expense	33.5	33.5	65.9	67.2
Other components of pension and postretirement benefit plans expense	1.7	3.8	4.3	6.4
Other income, net	(0.2)	(0.2)	—	(1.0)
Loss before income taxes	(4.6)	(9.4)	(7.2)	(65.1)
Income tax (benefit) expense	—	(1.6)	0.4	(23.3)
Net loss	(4.6)	(7.8)	(7.6)	(41.8)
Preferred stock dividends	2.6	2.6	5.2	5.2
Net loss applicable to common shareowners	$ (7.2)	$ (10.4)	$ (12.8)	$ (47.0)
Basic and diluted net loss per common share	$ (0.14)	$ (0.21)	$ (0.25)	$ (0.93)

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Dollars in millions)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net loss	$ (4.6)	$ (7.8)	$ (7.6)	$ (41.8)
Other comprehensive income (loss), net of tax:				
Foreign currency translation gain (loss)	1.6	2.8	2.6	(4.1)
Cash flow hedges:				
Unrealized (loss) gain on cash flow hedges arising during the period, net of tax of $0.0, ($0.2), $0.2, ($3.2)	(0.1)	(0.7)	0.5	(10.8)
Reclassification adjustment for net losses included in net income, net of tax of $0.6, $0.6, $1.1, $0.9	1.7	1.7	3.5	2.8
Defined benefit plans:				
Net gain (loss) arising from remeasurement during the period, net of tax of $1.8, ($4.4), $1.8, ($4.4)	6.0	(14.7)	6.0	(14.7)
Amortization of prior service benefits included in net income, net of tax of ($0.2), ($0.2), ($0.3), ($0.3)	(0.5)	(0.5)	(1.0)	(1.0)
Amortization of net actuarial loss included in net income, net of tax of $1.2, $1.2, $2.6, $2.2	4.0	3.7	8.9	7.4
Reclassification adjustment for pension settlement charges included in net income, net of tax of $0.2, $0.2	—	0.9	—	0.9
Total other comprehensive income (loss)	12.7	(6.8)	20.5	(19.5)
Total comprehensive income (loss)	$ 8.1	$ (14.6)	$ 12.9	$ (61.3)

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF SHAREOWNERS' DEFICIT
(Dollars in millions)
(Unaudited)

	6 3/4 % Cumulative Convertible Preferred Shares		Common Shares		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount	Shares	Amount				
Balance at March 31, 2021	3.1	$ 129.4	50.9	$ 0.5	$ 2,667.0	$ (2,834.6)	$ (151.9)	$ (189.6)
Net loss	—	—	—	—	—	(4.6)	—	(4.6)
Other comprehensive income	—	—	—	—	—	—	12.7	12.7
Stock-based compensation	—	—	—	—	0.9	—	—	0.9
Dividends on preferred stock	—	—	—	—	(2.6)	—	—	(2.6)
Balance at June 30, 2021	3.1	$ 129.4	50.9	$ 0.5	$ 2,665.3	$ (2,839.2)	$ (139.2)	$ (183.2)
Balance at March 31, 2020	3.1	$ 129.4	50.6	$ 0.5	$ 2,674.2	$ (2,810.0)	$ (182.8)	$ (188.7)
Net loss	—	—	—	—	—	(7.8)	—	(7.8)
Other comprehensive loss	—	—	—	—	—	—	(6.8)	(6.8)
Shares issued under employee plans	—	—	0.1	—	—	—	—	—
Stock-based compensation	—	—	—	—	1.3	—	—	1.3
Dividends on preferred stock	—	—	—	—	(2.6)	—	—	(2.6)
Balance at June 30, 2020	3.1	$ 129.4	50.7	$ 0.5	$ 2,672.9	$ (2,817.8)	$ (189.6)	$ (204.6)

	6 3/4 % Cumulative Convertible Preferred Shares		Common Shares		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount	Shares	Amount				
Balance at December 31, 2020	3.1	$ 129.4	50.7	$ 0.5	$ 2,670.3	$ (2,831.6)	$ (159.7)	$ (191.1)
Net loss	—	—	—	—	—	(7.6)	—	(7.6)
Other comprehensive income	—	—	—	—	—	—	20.5	20.5
Shares issued under employee plans	—	—	0.2	—	—	—	—	—
Shares purchased under employee plans and other	—	—	—	—	(2.0)	—	—	(2.0)
Stock-based compensation	—	—	—	—	2.2	—	—	2.2
Dividends on preferred stock	—	—	—	—	(5.2)	—	—	(5.2)
Balance at June 30, 2021	3.1	$ 129.4	50.9	$ 0.5	$ 2,665.3	$ (2,839.2)	$ (139.2)	$ (183.2)
Balance at December 31, 2019	3.1	$ 129.4	50.4	$ 0.5	$ 2,676.2	$ (2,776.0)	$ (170.1)	$ (140.0)
Net loss	—	—	—	—	—	(41.8)	—	(41.8)
Other comprehensive loss	—	—	—	—	—	—	(19.5)	(19.5)
Shares issued under employee plans	—	—	0.3	—	—	—	—	—
Shares purchased under employee plans and other	—	—	—	—	(1.1)	—	—	(1.1)
Stock-based compensation	—	—	—	—	3.0	—	—	3.0
Dividends on preferred stock	—	—	—	—	(5.2)	—	—	(5.2)
Balance at June 30, 2020	3.1	$ 129.4	50.7	$ 0.5	$ 2,672.9	$ (2,817.8)	$ (189.6)	$ (204.6)

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED BALANCE SHEETS
(Dollars in millions, except share amounts)
(Unaudited)

	June 30, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	$ 3.5	$ 12.2
Receivables, less allowances of $16.6 and $23.0	296.3	369.6
Inventory, materials and supplies	51.3	35.5
Prepaid expenses	37.5	33.5
Other current assets	6.7	8.3
Total current assets	395.3	459.1
Property, plant and equipment, net	1,733.8	1,729.1
Operating lease right-of-use assets	35.4	37.4
Goodwill	162.8	161.5
Intangible assets, net	142.1	148.1
Deferred income tax assets	78.5	82.5
Other noncurrent assets	52.5	50.9
Total assets	$ 2,600.4	$ 2,668.6
Liabilities and Shareowners' Deficit		
Current liabilities		
Current portion of long-term debt	$ 20.3	$ 21.8
Accounts payable	339.5	299.2
Unearned revenue and customer deposits	48.5	68.9
Accrued taxes	21.6	28.1
Accrued interest	26.6	26.7
Accrued payroll and benefits	45.6	50.5
Other current liabilities	47.6	50.9
Total current liabilities	549.7	546.1
Long-term debt, less current portion	1,892.5	1,949.9
Operating lease liabilities	31.9	33.6
Pension and postretirement benefit obligations	181.5	200.2
Pole license agreement obligation	36.1	36.7
Deferred income tax liability	10.5	10.9
Other noncurrent liabilities	81.4	82.3
Total liabilities	2,783.6	2,859.7
Shareowners' deficit		
Preferred stock, 2,357,299 shares authorized, 155,250 shares (3,105,000 depositary shares) of 6 3/4% Cumulative Convertible Preferred Stock issued and outstanding at June 30, 2021 and December 31, 2020; liquidation preference $1,000 per share ($50 per depositary share)	129.4	129.4
Common shares, $.01 par value; 96,000,000 shares authorized; 50,920,546 and 50,680,605 shares issued and outstanding at June 30, 2021 and December 31, 2020	0.5	0.5
Additional paid-in capital	2,665.3	2,670.3
Accumulated deficit	(2,839.2)	(2,831.6)
Accumulated other comprehensive loss	(139.2)	(159.7)
Total shareowners' deficit	(183.2)	(191.1)
Total liabilities and shareowners' deficit	$ 2,600.4	$ 2,668.6

The accompanying notes are an integral part of the condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in millions)
(Unaudited)

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Cash flows from operating activities		
Net loss	$ (7.6)	$ (41.8)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	142.8	148.9
Provision for loss on receivables	0.8	8.5
Noncash portion of interest expense	2.9	2.7
Deferred income taxes	(2.3)	(23.1)
Pension and other postretirement payments (in excess of) less than expense	(0.7)	2.1
Stock-based compensation	2.2	3.0
Other, net	(0.3)	(2.0)
Changes in operating assets and liabilities:		
Decrease in receivables	75.2	7.9
(Increase) decrease in inventory, materials, supplies, prepaid expenses and other current assets	(20.2)	4.7
Increase (decrease) in accounts payable	20.5	(21.8)
Decrease in accrued and other current liabilities	(35.6)	(25.8)
Decrease in other noncurrent assets	0.6	7.0
Increase in other noncurrent liabilities	1.8	3.3
Net cash provided by operating activities	180.1	73.6
Cash flows from investing activities		
Capital expenditures	(119.7)	(99.4)
Other, net	0.1	(1.7)
Net cash used in investing activities	(119.6)	(101.1)
Cash flows from financing activities		
Net (decrease) increase in corporate credit and receivables facilities with initial maturities less than 90 days	(51.6)	42.0
Repayment of debt	(9.6)	(12.2)
Debt issuance costs	(0.8)	(0.3)
Dividends paid on preferred stock	(5.2)	(5.2)
Other, net	(2.0)	(1.1)
Net cash (used in) provided by financing activities	(69.2)	23.2
Effect of exchange rate changes on cash, cash equivalents and restricted cash	—	(0.3)
Net decrease in cash, cash equivalents and restricted cash	(8.7)	(4.6)
Cash, cash equivalents and restricted cash at beginning of period	17.2	11.6
Cash, cash equivalents and restricted cash at end of period	$ 8.5	$ 7.0
Noncash investing and financing transactions:		
Acquisition of property by assuming debt and other noncurrent liabilities	$ 2.0	$ 2.4
Acquisition of property on account	$ 42.7	$ 25.8

The accompanying notes are an integral part of the condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

1. Description of Business and Accounting Policies

Description of Business — Cincinnati Bell Inc. and its consolidated subsidiaries ("Cincinnati Bell," "we," "our," "us" or the "Company") provide diversified telecommunications and technology services. The Company generates a large portion of its revenue by serving customers in Cincinnati, Ohio, Dayton, Ohio and the islands of Hawaii. An economic downturn or natural disaster occurring in these, or a portion of these, limited operating territories could have a disproportionate effect on our business, financial condition, results of operations and cash flows compared to similar companies of a national scope and similar companies operating in different geographic areas.

The Company has receivables with one customer, Verizon Communications Inc., which make up 11% and 20% of the outstanding accounts receivable balance at June 30, 2021 and December 31, 2020, respectively. Revenue derived from foreign operations was approximately 6% of consolidated revenue for the three and six months ended June 30, 2021. Revenue derived from foreign operations was approximately 5% of consolidated revenue for the three and six months ended June 30, 2020.

Basis of Presentation — The Condensed Consolidated Financial Statements of the Company have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC") and, in the opinion of management, include all adjustments necessary for a fair presentation of the results of operations, other comprehensive income, financial position and cash flows for each period presented.

The adjustments referred to above are of a normal and recurring nature. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") have been condensed or omitted pursuant to SEC rules and regulations for interim reporting.

The Condensed Consolidated Balance Sheet as of December 31, 2020 was derived from audited financial statements but does not include all disclosures required by U.S. GAAP. These Condensed Consolidated Financial Statements should be read in conjunction with the Company's 2020 Annual Report on Form 10-K. Operating results for the three and six months ended June 30, 2021 are not necessarily indicative of the results expected for the full year or any other interim period.

Use of Estimates — Preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the amounts reported. Actual results could differ from those estimates. In the normal course of business, the Company is subject to various regulatory and tax proceedings, lawsuits, claims and other matters. The Company believes adequate provision has been made for all such asserted and unasserted claims in accordance with U.S. GAAP. Such matters are subject to many uncertainties and outcomes that are not predictable with assurance.

Accounting Policies — The complete summary of significant accounting policies is included in the notes to the consolidated financial statements as presented in our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Cash, Cash Equivalents and Restricted Cash — Cash consists of funds held in bank accounts. Cash equivalents consist of short-term, highly liquid investments with original maturities of three months or less. Restricted cash consists of funds held in an escrow account associated with the pending transaction to acquire substantially all of the operating assets of Paniolo Cable Company, LLC ("Paniolo"). See Note 3 for further information related to this transaction. Restricted cash is included with cash and cash equivalents when reconciling the beginning-of-period and end-of-period total amounts shown on the Condensed Consolidated Statements of Cash Flows. A reconciliation of cash, cash equivalents and restricted cash to the Condensed Consolidated Balance Sheets follows:

(dollars in millions)	June 30, 2021	December 31, 2020
Cash and cash equivalents	$ 3.5	$ 12.2
Restricted cash included in Other noncurrent assets	5.0	5.0
Cash, cash equivalents and restricted cash per Condensed Consolidated Statements of Cash Flows	$ 8.5	$ 17.2

Restructuring Liability — As of June 30, 2021, restructuring liabilities have been established for employee separations. As of June 30, 2021 and December 31, 2020, $0.1 million and $4.5 million, respectively, of the restructuring liabilities was included in "Other current liabilities" in the Condensed Consolidated Balance Sheets**.**

Income and Operating Taxes

Income taxes — In accordance with Accounting Standards Codification ("ASC") 740-270, the Company's income tax provision for interim periods is determined through the use of an estimated annual effective tax rate applied to year-to-date ordinary income/loss plus or minus the tax effects of discrete items. The Company's estimated annual effective tax rate benefit is lower than statutory rates primarily due to the effect of a valuation allowance applied against the deferred tax assets related to disallowed interest expense, as well as permanent items such as portions of officers' compensation and meals and entertainment expenses that are not fully deductible for tax.

Operating taxes — Certain operating taxes such as property, sales, use, and gross receipts taxes are reported as expenses in operating income primarily within cost of services. These taxes are not included in income tax expense because the amounts to be paid are not dependent on our level of income. Liabilities for audit exposures are established based on management's assessment of the probability of payment. The provision for such liabilities is recognized as either property, plant and equipment, operating tax expense, or depreciation expense depending on the nature of the audit exposure. Upon resolution of an audit, any remaining liability not paid is released against the account in which it was originally recorded. Certain telecommunication taxes and surcharges that are collected from customers are also recorded as revenue; however, in accordance with ASC 606, revenue associated with these charges is excluded from the transaction price.

Derivative Financial Instruments — The Company accounts for derivative financial instruments by recognizing derivative instruments as either assets or liabilities in the Condensed Consolidated Balance Sheets at fair value and recognizing the resulting gains or losses as adjustments to the Condensed Consolidated Statements of Operations or "Accumulated Other Comprehensive Loss." The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

For derivative instruments that hedge the exposure to variability in expected future cash flows that are designated and qualify as cash flow hedges, the gain or loss on the derivative instrument is reported as a component of "Accumulated Other Comprehensive Loss" in stockholder's equity and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. To receive hedge accounting treatment, cash flow hedges must be highly effective in offsetting changes to expected future cash flows on hedged transactions. Derivatives that do not qualify as hedges are adjusted to fair value through earnings in the current period.

Recently Issued Accounting Standards

In August 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-06, Debt - Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. The ASU reduces the number of accounting models for convertible debt instruments by eliminating the cash conversion and beneficial conversion models. As compared with current U.S. GAAP, more convertible debt instruments will be reported as a single liability instrument, and the interest rate of more convertible debt instruments will be closer to the coupon interest rate. In addition, the ASU increases information related to disclosures for convertible instruments and aligns the consistency of diluted Earnings Per Share ("EPS") calculations for convertible instruments by requiring that (1) an entity use the if-converted method and (2) share settlement be included in the diluted EPS calculation for both convertible instruments and equity contracts when those contracts include an option of cash settlement or share settlement. The ASU is effective for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Company is currently evaluating the impact this guidance may have on its condensed consolidated financial statements and related disclosures and plans to adopt it for the fiscal year beginning January 1, 2022.

In March 2020, the FASB issued ASU 2020-04, Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting. The ASU is intended to provide temporary optional expedients and exceptions to the U.S. GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates. These amendments are effective as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020 and may be applied prospectively to contract modifications made and hedging relationships entered into or evaluated on or before December 31, 2022. The Company is currently evaluating our contracts and the optional expedients provided by the new standard.

In December 2019, the FASB issued ASU 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which simplifies the accounting for income taxes, eliminates certain exceptions within *Income Taxes (740)*, and clarifies certain aspects of the current guidance to promote consistency among reporting entities, and is effective for fiscal years, and for interim periods within those fiscal years, beginning after December 15, 2020. Most amendments within ASU 2019-12 are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. The Company adopted the standard effective January 1, 2021. The Company has evaluated the amendments that must be applied on a retrospective or modified retrospective basis and concluded that no adjustments are necessary. The Company has applied all other amendments on a prospective basis, and the changes did not have a material effect on its condensed consolidated financial statements.

Other accounting standards that have been issued or proposed by the FASB or other standard-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's condensed consolidated financial statements upon adoption.

2. Earnings Per Common Share

Basic EPS is based upon the weighted average number of common shares outstanding during the period. Diluted EPS reflects the potential dilution that would occur upon issuance of common shares for awards under stock-based compensation plans or conversion of preferred stock, but only to the extent that they are considered dilutive.

The following table shows the computation of basic and diluted EPS:

	Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except per share amounts)	**2021**	**2020**	**2021**	**2020**
Numerator:				
Net loss	$ (4.6)	$ (7.8)	$ (7.6)	$ (41.8)
Preferred stock dividends	2.6	2.6	5.2	5.2
Net loss applicable to common shareowners - basic and diluted	$ (7.2)	$ (10.4)	$ (12.8)	$ (47.0)
Denominator:				
Weighted average common shares outstanding - basic	50.9	50.6	50.9	50.6
Stock-based compensation arrangements	—	—	—	—
Weighted average common shares outstanding - diluted	50.9	50.6	50.9	50.6
Basic and diluted net loss per common share	$ (0.14)	$ (0.21)	$ (0.25)	$ (0.93)

For the three and six months ended June 30, 2021 and 2020, the Company had a net loss available to common shareholders and, as a result, all common stock equivalents were excluded from the computation of diluted EPS as their inclusion would have been anti-dilutive. For all periods presented, preferred stock convertible into 0.9 million common shares was excluded as it was anti-dilutive.

3. Mergers and Acquisitions

Pending Acquisition by MIP

On December 21, 2019, the Company entered into an Agreement and Plan of Merger (as amended from time to time, the "Brookfield Merger Agreement") with affiliates of the Brookfield Infrastructure Group ("Brookfield"), the infrastructure investment division of Brookfield Asset Management, which was subsequently amended. Pursuant to the amended Brookfield Merger Agreement, the Company would be acquired by an affiliate of Brookfield for $14.50 per Common Share.

On March 13, 2020, the Company terminated the Brookfield Merger Agreement and entered into an Agreement and Plan of Merger (the "MIP Merger Agreement") pursuant to which the Company will be acquired by an affiliate of Macquarie Infrastructure Partners V ("MIP"), a fund managed by Macquarie Infrastructure and Real Assets (the "MIP Merger"). At the effective time of the MIP Merger (the "Effective Time"), each of our issued and outstanding Common Shares will be converted into the right to receive $15.50 in cash per Common Share, without interest, and the 6 3/4% Cumulative Convertible Preferred Shares will remain issued and outstanding as 6 3/4% Cumulative Convertible Preferred Shares of the Company, without par value, following the Effective Time.

In connection with the termination of the Brookfield Merger Agreement in the first quarter of 2020, the Company paid to an affiliate of Brookfield a termination fee of $24.8 million as required by the terms of the Brookfield Merger Agreement. The termination fee is recorded in "Transaction and integration costs" on the Condensed Consolidated Statements of Operations.

The consummation of the MIP Merger is subject to customary closing conditions, including (i) the adoption of the MIP Merger Agreement by the affirmative vote of the holders of at least two-thirds of all outstanding Common Shares and 6 3/4% Cumulative Convertible Preferred Shares, voting as a single class; (ii) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR Act"), as amended, (iii) the receipt of any required consents or approvals from (a) the Committee on Foreign Investment in the United States ("CFIUS"), (b) the Federal Communications Commission, (c) state public service and state public utility commissions and (d) local regulators in connection with the provision of telecommunications and media services; and (iv) the absence of any legal restraint preventing the consummation of the MIP Merger. On May 7, 2020, the shareholders of the Company adopted the MIP Merger Agreement at a virtual special meeting of shareholders. In the first quarter of 2021, the waiting period under the HSR Act expired and the consummation of the MIP Merger was approved by CFIUS. As of the date of this filing, the Company has received all regulatory approvals required to consummate the MIP Merger other than approval by the California Public Utilities Commission.

The MIP Merger Agreement contains representations and warranties and covenants of the parties customary for a transaction of this nature.

The MIP Merger is expected to close in the third quarter of 2021, although there can be no assurance that the MIP Merger will occur by that date. At the Effective Time, the Company will cease to be a publicly traded company as a result of the completion of the MIP Merger.

Consent Solicitation for 7.000% Senior Notes due 2024 and 8.000% Senior Notes due 2025

On June 15, 2020, the Company announced that it had commenced consent solicitations (the "Consent Solicitations") with respect to certain proposed amendments to the change of control provisions contained in the (i) indenture, dated as of September 22, 2016 (as supplemented and amended, the "2024 Notes Indenture") governing its 7.000% Senior Notes due 2024 (the "2024 Notes") and (ii) indenture, dated as of October 6, 2017 (as supplemented and amended, the "2025 Notes Indenture," and together with the 2024 Notes Indenture, the "Indentures") governing its 8.000% Senior Notes due 2025 (the "2025 Notes," and together with the 2024 Notes, the "Notes").

Upon the terms and subject to the conditions described in the consent solicitation statement, dated June 15, 2020 (as supplemented and amended, the "Consent Solicitation Statement"), the Company solicited consents in order to (i) amend the definition of "Change of Control" in the Indentures so that the MIP Merger would not constitute a Change of Control and (ii) add a definition of, and designate certain persons, including MIP and its affiliates and Ares Management Corporation and its affiliates as, "Permitted Holders" (collectively, the "Proposed Amendments").

On July 2, 2020 (the "Effective Date"), following receipt of the requisite consents from holders of each series of Notes with respect to the Proposed Amendments pursuant to the Consent Solicitations, the Company, certain of the Company's subsidiaries, as guarantors, and Regions Bank, as trustee, entered into a sixth supplemental indenture, dated as of July 2, 2020 (the "Sixth Supplemental Indenture") to the 2024 Notes Indenture and a second supplemental indenture, dated as of July 2, 2020 to the 2025 Notes Indenture (the "Second Supplemental Indenture", and together with the Sixth Supplemental Indenture, the "Supplemental Indentures").

Subject to the terms and conditions in the Consent Solicitation Statement (including the consummation of the MIP Merger), holders who validly delivered (and did not validly revoke) their consents on or prior to the Effective Date are eligible to receive (i) with respect to the 2024 Notes, an aggregate cash payment of $2,812,500, on a pro rata basis (based on aggregate principal amount of 2024 Notes for which consents have been validly delivered and not revoked), and (ii) with respect to the 2025 Notes, an aggregate cash payment of $1,050,000, on a pro rata basis (based on aggregate principal amount of 2025 Notes for which consents have been validly delivered and not revoked). The Company expects to make this cash payment substantially concurrently with the consummation of the MIP Merger.

The Supplemental Indentures became effective upon execution thereof, but the Proposed Amendments will only become operative upon the occurrence of certain conditions described in the Supplemental Indentures, including payment of the consent fees pursuant to the Consent Solicitations. If the conditions described in the Supplemental Indentures are not satisfied, the Indentures will revert to the form in effect immediately prior to the Effective Date. In addition, subject to the terms and conditions described in the Consent Solicitation Statement and upon satisfaction or waiver of such conditions, including the consummation of the MIP Merger, the Company will secure the Notes and the related guarantees on a *pari passu* basis (subject to certain exceptions) with the new senior secured credit facilities expected to be entered into in connection with the MIP Merger (the "Collateral"). Any Collateral granted by the Company (but not its subsidiaries) to secure the Notes will also secure the 7.25% Senior Notes due 2023 and any Collateral granted by the Company's subsidiary Cincinnati Bell Telephone Company LLC ("CBT") to secure the Notes will also secure CBT's 6.30% Senior Notes due 2028, in each case on an equal and ratable basis.

Pending Acquisition of Paniolo Fiber Assets

On November 30, 2020, the Company entered into a definitive purchase agreement to acquire substantially all of the operating assets of Paniolo Cable Company, LLC, currently held by the bankruptcy estate of Paniolo, which include inter-island submarine and middle-mile terrestrial fiber infrastructure assets in Hawaii. The Company plans to account for the Paniolo acquisition as an asset acquisition under ASC 805-10-55 "Business Combinations" because the assets to be acquired from Paniolo do not include an assembled workforce, and the gross value of the assets to be acquired meets the screen test in ASC 805-10-55-5A related to substantially all of the fair value being concentrated in a single asset or group of assets (i.e., the fiber infrastructure assets) and, thus, the assets are not considered a business. The acquisition of Paniolo's assets will augment the Company's existing backbone network and increase the Company's total submarine and terrestrial fiber footprint by more than 400 miles.

The aggregate purchase price to be paid upon closing of the Paniolo acquisition will be $50.0 million, consisting of $25.0 million in cash and $25.0 million in committed purchase money financing. As of December 31, 2020, the Company has funded $5.0 million to an escrow account to fund a portion of the purchase price and has entered into an agreement with Paniolo to maintain the Paniolo network prior to the close of the acquisition. This escrow amount is classified as restricted cash and recorded in "Other noncurrent assets" on the Condensed Consolidated Balance Sheets. The transaction which is subject to customary closing conditions, including approval of the bankruptcy court and federal regulatory authorities, is expected to close in the second half of 2021.

4. Revenue

The Entertainment and Communications segment provides products and services to both residential and commercial customers that can be categorized as either Fioptics in Cincinnati or Consumer/SMB Fiber in Hawaii (collectively, "Consumer/SMB Fiber"), Enterprise Fiber or Legacy. The products and services within these three categories can be further categorized as either Data, Voice, Video or Other. Consumer/SMB Fiber and Legacy revenue include both residential and commercial customers. Enterprise Fiber revenue includes ethernet and dedicated internet access services that are provided to enterprise customers, as well as revenue associated with the Southeast Asia to United States ("SEA-US") trans-Pacific submarine cable system.

Residential customers have implied month-to-month contracts. Commercial customers, with the exception of contracts associated with the SEA-US cable system, typically have contracts with a duration of one to five years and automatically renew on a month-to-month basis. Customers are invoiced on a monthly basis for services rendered. Contracts for projects that are included within the Other revenue stream are typically short in duration and less than one year. Contracts associated with the SEA-US cable system typically range from 15 to 25 years and payment is prepaid.

The IT Services and Hardware segment provides a full range of Information Technology ("IT") solutions, including Communications, Cloud and Consulting services. IT Services and Hardware customers enter into contracts that have a typical duration of one to five years, with varied renewal options at the end of the term. Customers are invoiced on a monthly basis for services rendered. The IT Services and Hardware segment also provides enterprise customers with Infrastructure Solutions, which includes the sale of hardware and maintenance contracts. These contracts are typically satisfied in less than twelve months and revenue is recognized at a point in time.

The Company has elected the practical expedient described in ASC 606-10-32-18 that allows an entity to not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects that the period of time between the transfer of a promised good or service to the customer and when the customer pays for such good or service will be one year or less. Customers are typically billed immediately upon the rendering of services or the delivery of products. Payment terms for customers are between 30 and 120 days. Subsequent to the acquisition of Hawaiian Telcom Holdco., Inc. ("Hawaiian Telcom"), the Company began recognizing a financing component associated with the up-front payments for services to be delivered under indefeasible right of use ("IRU") contracts for fiber circuit capacity. The IRU contracts are primarily associated with the SEA-US cable system. The IRU contracts typically have a duration ranging from 15 to 25 years.

Performance Obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer, or a series of distinct goods or services, and is the unit of account defined in ASC Topic 606. The transaction price identified in the contract is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. Contract modifications for changes to services provided are routine throughout the term of our contracts. In most instances, contract modifications are for the addition or reduction of services that are distinct, and price changes are based on the stand-alone selling price of the service and, as such, are accounted for on a prospective basis as a new contract.

Goods and services are sold individually, or a contract may include multiple goods or services. For contracts with multiple goods and services, the transaction price identified in the contract is allocated to each performance obligation using the stand-alone selling price of each distinct good or service in the contract.

Certain customers of the Company may receive cash-based rebates based on volume of sales, which are accounted for as variable consideration. Potential rebates are considered at contract inception in our estimate of transaction price based on the estimated projection of sales volume. Estimates are reassessed quarterly.

Performance obligations are satisfied either over time as services are performed or at a point in time. Substantially all of our service revenue is recognized over time. For services transferred over time, the Company has elected the practical expedient to recognize revenue based on amounts invoiced to the customer as the Company has concluded that the invoice amount directly corresponds with the value of services provided to the customer. Management considers this a faithful depiction of the transfer of control as services are provided evenly over the month and are substantially the same over the life of the contract. As the Company has elected the practical expedients detailed at ASC 606-10-50-13, revenue for these unsatisfied performance obligations that will be billed in future periods has not been disclosed.

As of June 30, 2021, our estimated revenue, including a financing component, expected to be recognized in the future related to performance obligations associated with customer contracts that are unsatisfied (or partially unsatisfied) is $33.5 million. Approximately 80% of this revenue is related to IRU contracts associated with the SEA-US cable system. Certain IRU contracts extend for periods of up to 30 years and are invoiced at the beginning of the contract term. The revenue from such contracts is recognized over time as services are provided over the contract term. The expected revenue to be recognized for existing IRU contracts is as follows:

(dollars in millions)		
Six months ended December 31, 2021	$	1.3
2022		2.6
2023		2.5
2024		2.6
2025		2.6
Thereafter		21.9

Entertainment and Communications

The Company has identified four distinct performance obligations in the Entertainment and Communications segment, namely Data, Voice, Video and Other. For each of the Data, Voice and Video services, service is delivered to the customer continuously and in a substantially similar manner for each period of the agreement, the customer takes full control over the services as the service is delivered, and as such, Data, Voice and Video are identified to be a series of distinct services. Services provided by the Entertainment and Communications segment can be categorized into three main categories that include Consumer/SMB Fiber, Enterprise Fiber and Legacy, each of which may include one or more of the aforementioned performance obligations. Data services include high-speed internet access, digital subscriber lines, ethernet, routed network services, SONET (Synchronous Optical Network), dedicated internet access, wavelength, digital signal and IRU revenue. Voice services include traditional and fiber voice lines, switched access, digital trunking and consumer long distance calling. Video services are offered through our fiber network to residential and commercial customers based on various standard plans with the opportunity to add premium channels. To receive video services, customers are required to use the Company's set top boxes that are billed as part of the monthly recurring service. Set top boxes are not considered a separate performance obligation from video because the equipment is necessary for the service to operate and the customer has no alternative use for the equipment.

Services and products not included in Data, Voice or Video are included in Other revenue and are comprised of wire care, time and materials projects and advertising. Transfer of control of these services and products is evaluated on an individual project basis and can occur over time or at a point in time.

The Company uses multiple methods to determine stand-alone selling prices in the Entertainment and Communications segment. For Data, Video and Voice products in Consumer/SMB Fiber, market rate is the primary method used to determine stand-alone selling prices. For Data performance obligations under the Enterprise Fiber category, and Voice, Data and Other performance obligations under the Legacy category, stand-alone selling prices are determined based on a list price, discount off of list price, a tariff rate, a margin percentage range, or a minimum margin percentage.

IT Services and Hardware

The Company has identified four distinct performance obligations in the IT Services and Hardware segment. These performance obligations are Communications, Cloud, Consulting and Infrastructure Solutions. Communications services are monthly services that include data and VoIP services, tailored solutions that include converged IP communications of data, voice, video and mobility applications, enterprise long distance, MPLS (Multi-Protocol Label Switching) and conferencing services. Cloud services include storage, backup, disaster recovery, SLA-based monitoring and management, cloud computing and cloud consulting. Consulting services provide customers with IT staffing, consulting and emerging technology solutions. Infrastructure Solutions includes the sale of hardware and maintenance contracts as well as installation projects.

For the sale of hardware, the Company evaluated whether it is the principal or the agent. The Company has concluded it acts as an agent because it does not control the inventory before it is transferred to customers, it does not have the ability to direct the product to anyone besides the purchasing customer, and it does not integrate the hardware with any of its own goods or services. Based on this assessment, the performance obligation is to arrange a sale of hardware between the vendor and the customer. In the instance where there is an issue with the hardware, the Company coordinates with the manufacturer to facilitate a return in accordance with the standard manufacturer warranty. Hardware returns are not significant to the Company.

Within the IT Services and Hardware segment, stand-alone selling prices for the four performance obligations are determined based on either a margin percentage range, minimum margin percentage or standard price list.

For hardware sales, revenue is recognized net of the cost of product and is recognized when the hardware is either shipped or delivered in accordance with the terms of the contract. For certain projects within Communications and Consulting, revenue is recognized when the customer communicates acceptance of the services performed. For contracts with freight on board shipping terms, management has elected to account for shipping and handling as activities to fulfill the promise to transfer the good, and therefore, has not evaluated whether shipping and handling activities are promised services to its customers.

Contract Balances

The Company recognizes incremental fulfillment costs as an asset when installation expenses are incurred as part of performing the agreement for Voice, Video and Data product offerings in the Entertainment and Communications segment in which the contract life is longer than one year. These fulfillment costs are amortized ratably over the expected life of the customer, which is representative of the expected period of benefit of the asset capitalized. The expected life of the customer is determined utilizing the average churn rate for each product. The Company calculates average churn based on the historical average customer life. We also recognize an asset for incremental fulfillment costs for certain Communications services in the IT Services and Hardware segment that require us to incur installation and provisioning expenses. The asset recognized for Communication services is amortized over the average contract life. Churn rates and average contract life are reviewed on an annual basis. Fulfillment costs are capitalized to "Other noncurrent assets." The related amortization expense is recorded to "Cost of services and products."

The Company recognizes an asset for the incremental costs of acquiring a contract with a customer if we expect the benefit of those costs to be longer than one year. We have determined that certain sales incentive programs related to Voice, Video, Data and certain Communications and Cloud services meet the requirements to be capitalized. The contract asset established for the costs of acquiring a contract is recorded to "Other noncurrent assets." Sales incentives are amortized ratably over the period that services are delivered using either an average churn rate or average contract term, both representative of the expected period of benefit of the asset capitalized. Customer churn rates and average contract term assumptions are reviewed on an annual basis. The related amortization expense is recorded to "Selling, general and administrative."

Management has elected to use the practical expedient detailed in ASC 340-40-25-4 to expense any costs to fulfill a contract and costs to obtain a contract as they are incurred when the amortization period would have been one year or less. This practical expedient has been applied to fulfillment costs that include installation costs associated with wiring projects and certain Cloud services. In addition, this practical expedient has been applied to acquisition costs associated with revenue from certain Communications projects.

At June 30, 2021 and December 31, 2020, $5.8 million and $7.4 million, respectively, of fulfillment costs were included in "Other noncurrent assets." At June 30, 2021 and December 31, 2020, $19.1 million and $19.4 million, respectively, of costs of acquisition were included in "Other noncurrent assets."

The Company recognizes a liability for cash received upfront for IRU contracts. At June 30, 2021 and December 31, 2020, $1.7 million and $1.6 million, respectively, of contract liabilities were included in "Other current liabilities." At June 30, 2021 and December 31, 2020, $25.3 million and $26.2 million, respectively, of contract liabilities were included in "Other noncurrent liabilities."

Disaggregated Revenue

The following table presents revenues disaggregated by product and service lines:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	2021	2020	2021	2020
Data	$ 121.6	$ 119.7	$ 242.9	$ 239.0
Video	47.9	48.3	96.5	97.0
Voice	64.6	64.1	130.5	132.1
Other	6.9	7.6	13.9	15.4
Total Entertainment and Communications	241.0	239.7	483.8	483.5
Consulting	71.6	47.2	137.1	89.1
Cloud	24.3	20.4	47.7	41.9
Communications	55.0	55.2	109.0	106.4
Infrastructure Solutions	29.0	24.2	59.9	51.9
Total IT Services and Hardware	179.9	147.0	353.7	289.3
Intersegment revenue	(6.7)	(6.7)	(13.4)	(12.8)
Total revenue	$ 414.2	$ 380.0	$ 824.1	$ 760.0

The following table presents revenues disaggregated by contract type:

	Three Months Ended June 30,							
(dollars in millions)	Entertainment and Communications		IT Services and Hardware		Intersegment revenue elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Products and Services transferred at a point in time	$ 5.8	$ 5.0	$ 31.6	$ 28.7	$ —	$ —	$ 37.4	$ 33.7
Products and Services transferred over time	230.3	229.7	146.5	116.6	—	—	376.8	346.3
Intersegment revenue	4.9	5.0	1.8	1.7	(6.7)	(6.7)	—	—
Total revenue	$ 241.0	$ 239.7	$ 179.9	$ 147.0	$ (6.7)	$ (6.7)	$ 414.2	$ 380.0

	Six Months Ended June 30,							
(dollars in millions)	Entertainment and Communications		IT Services and Hardware		Intersegment revenue elimination		Total	
	2021	2020	2021	2020	2021	2020	2021	2020
Products and Services transferred at a point in time	$ 11.7	$ 12.5	$ 65.0	$ 59.1	$ —	$ —	$ 76.7	$ 71.6
Products and Services transferred over time	462.4	461.1	285.0	227.3	—	—	747.4	688.4
Intersegment revenue	9.7	9.9	3.7	2.9	(13.4)	(12.8)	—	—
Total revenue	$ 483.8	$ 483.5	$ 353.7	$ 289.3	$ (13.4)	$ (12.8)	$ 824.1	$ 760.0

5. Goodwill and Intangible Assets

Goodwill

The changes in the Company's goodwill consisted of the following:

(dollars in millions)	IT Services and Hardware	Entertainment and Communications	Total Company
Goodwill, balance as of December 31, 2020	$ 149.1	$ 12.4	$ 161.5
Activity during the year:			
Currency translations	1.3	—	1.3
Goodwill, balance as of June 30, 2021	$ 150.4	$ 12.4	$ 162.8

No impairment losses were recognized in goodwill for the three and six months ended June 30, 2021 and 2020.

Intangible Assets

The Company’s intangible assets consisted of the following:

	June 30, 2021			December 31, 2020		
(dollars in millions)	Gross Carrying Amount	Accumulated Amortization	Net Amount	Gross Carrying Amount	Accumulated Amortization	Net Amount
Intangible assets subject to amortization						
Customer relationships	$ 142.6	$ (44.2)	$ 98.4	$ 141.6	$ (38.9)	$ 102.7
Trade names	42.1	(11.2)	30.9	41.7	(9.4)	32.3
Technology	10.1	(3.8)	6.3	9.9	(3.2)	6.7
Total	194.8	(59.2)	135.6	193.2	(51.5)	141.7
Intangible assets not subject to amortization						
FCC licenses and spectrum usage rights	6.5	—	6.5	6.4	—	6.4
Total intangible assets	$ 201.3	$ (59.2)	$ 142.1	$ 199.6	$ (51.5)	$ 148.1

Amortization expense for finite-lived intangible assets was $3.6 million and $7.2 million for the three and six months ended June 30, 2021 and 2020, respectively. The change in gross carrying amounts for finite-lived intangible assets is due to foreign currency translation on finite-lived intangible assets denominated in foreign currency. No impairment losses were recognized for the three and six months ended June 30, 2021 and 2020.

The estimated useful lives for each intangible asset class are as follows:

Customer relationships	8 to 15 years
Trade names	10 to 15 years
Technology	10 years

The annual estimated amortization expense for future years is as follows:

(dollars in millions)		
Six months ended December 31, 2021	$	7.2
2022		14.2
2023		13.8
2024		13.6
2025		13.4
Thereafter		73.4
Total	$	135.6

6. Debt and Other Financing Arrangements

The Company's debt consists of the following:

(dollars in millions)		June 30, 2021		December 31, 2020
Current portion of long-term debt:				
Credit Agreement - Tranche B Term Loan due 2024	$	6.0	$	6.0
Other financing arrangements		1.2		1.9
Finance lease liabilities		13.1		13.9
Current portion of long-term debt		20.3		21.8
Long-term debt, less current portion:				
Receivables Facility		173.7		182.0
Credit Agreement - Revolving Credit Facility		24.0		67.0
Credit Agreement - Tranche B Term Loan due 2024		577.5		580.5
7 1/4% Senior Notes due 2023		22.3		22.3
7% Senior Notes due 2024		625.0		625.0
8% Senior Notes due 2025		350.0		350.0
Various Cincinnati Bell Telephone notes		87.9		87.9
Other financing arrangements		0.5		0.9
Finance lease liabilities		47.5		52.1
		1,908.4		1,967.7
Net unamortized premium		0.9		1.1
Unamortized note issuance costs		(16.8)		(18.9)
Long-term debt, less current portion		1,892.5		1,949.9
Total debt	$	1,912.8	$	1,971.7

Credit Agreement

The Company had $24.0 million of outstanding borrowings on the Revolving Credit Facility, leaving $176.0 million available for borrowings as of June 30, 2021. The Credit Agreement expires in October 2022.

Accounts Receivable Securitization Facility

As of June 30, 2021, the Company had $173.7 million in borrowings and $14.8 million of letters of credit outstanding under the accounts receivable securitization facility ("Receivables Facility”), leaving $19.1 million remaining availability on the total borrowing capacity of $207.6 million. In the second quarter of 2021, the Company executed amendments to its Receivables Facility, which replaced, amended and added certain provisions and definitions to increase the credit availability and renew the facility.The amendments extended the facility’s renewal date until June 2023 and the facility’s termination date to June 2024. The maximum borrowing limit for loans and letters of credit under the Receivables Facility was increased from $200.0 million to $215.0 million in the aggregate. The available borrowing capacity is calculated monthly based on the quantity and quality of outstanding accounts receivable, and thus may be lower than the maximum borrowing limit. In addition, the amendments removed the provision that the LIBOR rate for the Receivables Facility may not fall below 0.75%.

Under the Receivables Facility, certain U.S. and Canadian subsidiaries, as originators, sell their respective trade receivables on a continuous basis to Cincinnati Bell Funding LLC (“CBF”) or Cincinnati Bell Funding Canada Ltd. ("CBFC"), wholly-owned consolidated subsidiaries of the Company. Although CBF and CBFC are wholly-owned consolidated subsidiaries of the Company, CBF and CBFC are legally separate from the Company and each of the Company’s other subsidiaries. Upon and after the sale or contribution of the accounts receivable to CBF or CBFC, such accounts receivable are legally assets of CBF and CBFC and, as such, are not available to creditors of other subsidiaries or the parent company. The Receivables Facility includes an option for CBF to sell, rather than borrow against, certain receivables on a non-recourse basis. As of June 30, 2021, the outstanding balance of certain accounts receivable sold, rather than borrowed against, was $19.2 million.

7. Leases

Lessee Disclosures

The Company primarily leases real estate for offices, retail stores and central offices, as well as equipment, cell towers and fleet vehicles. Upon adoption of ASC 842, the Company elected not to recognize leases with terms of one-year or less on the balance sheet.

Supplemental balance sheet information related to the Company's leases is as follows:

(dollars in millions)	Balance Sheet Location	June 30, 2021	December 31, 2020
Operating lease assets, net of amortization	Operating lease right-of-use assets	$ 35.4	$ 37.4
Finance lease assets, net of amortization	Property, plant and equipment, net	21.8	28.0
Operating lease liabilities:			
Current operating lease liabilities	Other current liabilities	8.8	9.6
Noncurrent operating lease liabilities	Operating lease liabilities	31.9	33.6
Total operating lease liabilities		40.7	43.2
Finance lease liabilities:			
Current finance lease liabilities	Current portion of long-term debt	13.1	13.9
Noncurrent finance lease liabilities	Long-term debt, less current portion	47.5	52.1
Total finance lease liabilities		$ 60.6	$ 66.0

Supplemental cash flow information related to leases is as follows:

(dollars in millions)	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Supplemental Cash Flows Information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from finance leases	$ 2.1	$ 2.2
Operating cash flows from operating leases	$ 5.5	$ 5.5
Financing cash flows from finance leases	$ 6.4	$ 8.5
Right-of-use assets obtained in exchange for lease obligations:		
New operating leases	$ 2.9	$ 5.4
New finance leases	$ 2.0	$ 2.4

8. Financial Instruments and Fair Value Measurements

Fair Value Measurements

The Company defines fair value as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. To increase consistency and comparability in fair value measurements, the Company uses a three-level hierarchy that prioritizes the use of observable inputs. The three levels are:

Level 1 — Quoted market prices for identical instruments in an active market;

Level 2 — Quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs); and

Level 3 — Unobservable inputs that reflect management's determination of assumptions that market participants would use in pricing the asset or liability. These inputs are developed based on the best information available, including our own data.

The determination of where an asset or liability falls in the hierarchy requires significant judgment.

Interest Rate Swaps

The Company uses interest rate swap agreements to minimize its exposure to interest rate fluctuations on variable rate debt borrowings. Interest rate swaps involve the exchange of fixed and variable rate interest payments and do not represent an actual exchange of the underlying notional amounts between parties.

In the second quarter of 2018, the Company entered into one forward starting non-amortizing interest rate swap with a notional amount of $300.0 million to convert variable rate debt to fixed rate debt. The interest rate swap became effective in June 2018 and expires in June 2023. The interest rate swap results in interest payments based on an average fixed rate of 2.938% plus the applicable margin per the requirements in the Credit Agreement.

In the first quarter of 2019, the Company entered into three forward starting non-amortizing interest rate swaps, with a notional amount of $89.0 million each, to convert variable rate debt to fixed rate debt. The interest rate swaps became effective in March 2019 and expire in March 2024. The interest rate swaps result in interest payments based on an average fixed rate per swap of 2.275%, 2.244% and 2.328% plus the applicable margin per the requirements in the Credit Agreement.

During the next twelve months, the Company estimates that $9.3 million will be reclassified as an increase to interest expense.

The fair value of the Company's interest rate swaps are impacted by the credit risk of both the Company and its counterparties. The Company has agreements with its derivative financial instrument counterparties that contain provisions providing that if the Company defaults on the indebtedness associated with its derivative financial instruments, then the Company could also be declared in default on its derivative financial instruments obligations. In addition, the Company minimizes nonperformance risk on its derivative instruments by evaluating the creditworthiness of its counterparties, which are limited to major banks and financial institutions.

Upon inception, the interest rate swaps were designated as cash flow hedges under ASC 815, with gains and losses, net of tax, measured on an ongoing basis recorded in accumulated other comprehensive loss. The fair value of the interest rate swaps are categorized as Level 2 in the fair value hierarchy as they are based on well-recognized financial principles and available market data.

As of June 30, 2021, the fair value of the interest rate swap liability was $20.1 million and is recorded in the Condensed Consolidated Balance Sheets as follows:

(dollars in millions)	Balance Sheet Location	June 30, 2021	Quoted Prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Liabilities:					
Interest Rate Swap	Other current liabilities	$ 9.3	$ —	$ 9.3	$ —
Interest Rate Swap	Other noncurrent liabilities	$ 10.8	$ —	$ 10.8	$ —

As of December 31, 2020, the fair value of the interest rate swap liability was $25.4 million and is recorded in the Condensed Consolidated Balance Sheets as follows:

(dollars in millions)	Balance Sheet Location	December 31, 2020	Quoted Prices in active markets Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
Liabilities:					
Interest Rate Swap	Other current liabilities	$ 9.3	$ —	$ 9.3	$ —
Interest Rate Swap	Other noncurrent liabilities	$ 16.1	$ —	$ 16.1	$ —

The amount of gains (losses) recognized in Accumulated Other Comprehensive Income ("AOCI") net of reclassifications into earnings is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	2021	2020	2021	2020
Interest Rate Swap	$ 2.2	$ 1.4	$ 5.3	$ (10.3)

The amount of losses reclassified from AOCI into earnings is as follows:

		Three Months Ended June 30,		Six Months Ended June 30,	
(dollars in millions)	Statement of Operations Location	2021	2020	2021	2020
Interest Rate Swap	Interest expense	$ (2.3)	$ (2.3)	$ (4.6)	$ (3.7)

Disclosure on Financial Instruments

The carrying values of the Company's financial instruments approximate the estimated fair values as of June 30, 2021 and December 31, 2020, except for the Company's long-term debt and other financing arrangements. The carrying and fair values of these items are as follows:

	June 30, 2021		December 31, 2020	
(dollars in millions)	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt, including current portion*	$ 1,867.3	$ 1,911.2	$ 1,921.8	$ 1,973.4
Other financing arrangements	41.4	58.1	42.1	58.6

*Excludes finance leases, other financing arrangements and note issuance costs.

The fair value of our long-term debt was based on closing or estimated market prices of the Company's debt at June 30, 2021 and December 31, 2020, which is considered Level 2 of the fair value hierarchy. The fair value of the other financing arrangements was calculated using a discounted cash flow model that incorporates current borrowing rates for obligations of similar duration, which is considered Level 3 of the fair value hierarchy. As of June 30, 2021, the current borrowing rate was estimated by applying the Company's credit spread to the risk-free rate for a similar duration borrowing.

9. Pension and Postretirement Plans

As of June 30, 2021, the Company sponsors three noncontributory defined benefit plans and a postretirement health and life insurance plan in Cincinnati (collectively the "Cincinnati Plans"), and one noncontributory defined benefit plan for union employees, one cash balance pension plan for nonunion employees, and two postretirement health and life insurance plans for Hawaiian Telcom employees (collectively the "Hawaii Plans").

In the six months ended June 30, 2021, the Hawaii defined benefit plan for union employees made lump sum payments of $6.7 million resulting in a reduction of the benefit obligation of $6.7 million. The lump sum payments to the plan participants exceeded the sum of the service cost and the interest cost component of the net pension cost resulting in a nominal pension settlement cost for the three months ended June 30, 2021. In the six months ended June 30, 2020, the Hawaii defined benefit plan for union employees made lump sum payments of $7.4 million resulting in a reduction of the benefit obligation of $7.4 million. The Company recorded a pension settlement cost of $1.1 million in the three months ended June 30, 2020 as a result of the lump sum payments to the plan participants exceeding the sum of the service cost and the interest cost component of the net pension cost.

In accordance with ASC 715, only the service cost component of net benefit cost is eligible for capitalization, which was immaterial for the three and six months ended June 30, 2021 and 2020.

For the three and six months ended June 30, 2021 and 2020, pension and postretirement costs (benefits) were as follows:

	Three Months Ended June 30,			
	2021	2020	2021	2020
(dollars in millions)	Pension Benefits		Postretirement and Other Benefits	
Service cost	$ —	$ —	$ 0.1	$ 0.1
Other components of pension and postretirement benefit plans expense:				
Interest cost on projected benefit obligation	3.7	4.8	0.7	1.0
Expected return on plan assets	(7.2)	(7.2)	—	—
Amortization of:				
Prior service benefit	—	—	(0.7)	(0.7)
Actuarial loss	5.2	4.5	—	0.4
Pension settlement charges	—	1.1	—	—
Pension / postretirement costs	$ 1.7	$ 3.2	$ 0.1	$ 0.8

	Six Months Ended June 30,			
	2021	2020	2021	2020
(dollars in millions)	Pension Benefits		Postretirement and Other Benefits	
Service cost	$ —	$ —	$ 0.2	$ 0.2
Other components of pension and postretirement benefit plans expense:				
Interest cost on projected benefit obligation	7.5	9.6	1.3	1.9
Expected return on plan assets	(14.7)	(14.5)	—	—
Amortization of:				
Prior service benefit	—	—	(1.3)	(1.3)
Actuarial loss	11.5	9.0	—	0.6
Pension settlement charges	—	1.1	—	—
Pension / postretirement costs	$ 4.3	$ 5.2	$ 0.2	$ 1.4

Amortizations of prior service benefit and actuarial loss represent reclassifications from accumulated other comprehensive income.

For the six months ended June 30, 2021, contributions to the qualified and non-qualified pension plans were $0.8 million and $1.2 million, respectively. For the six months ended June 30, 2020, contributions to the qualified and non-qualified pension plans were $0.8 million and $1.1 million, respectively. Based on current assumptions, nominal additional contributions are expected to be made to the qualified pension plans in 2021. Contributions to the non-qualified pension plans in 2021 are expected to be approximately $3 million.

For the six months ended June 30, 2021 and 2020, contributions to our postretirement plans were $3.1 million and $2.6 million, respectively. Management expects to make cash payments of approximately $8 million related to its postretirement health plans in 2021.

10. Shareowners' Deficit

Accumulated Other Comprehensive Loss

For the three and six months ended June 30, 2021 and 2020, the changes in accumulated other comprehensive loss by component were as follows:

(dollars in millions)	Unrecognized Net Periodic Pension and Postretirement Benefit Cost	Unrealized Loss on Cash Flow Hedges, Net	Foreign Currency Translation Gain (Loss)	Total
Balance as of March 31, 2021	$ (134.4)	$ (17.3)	$ (0.2)	$ (151.9)
Remeasurement of benefit obligations	6.0	—	—	6.0
Reclassifications, net	3.5 (a)	1.7 (b)	—	5.2
Unrealized loss on cash flow hedges arising during the period, net	—	(0.1) (c)	—	(0.1)
Foreign currency gain	—	—	1.6	1.6
Balance as of June 30, 2021	$ (124.9)	$ (15.7)	$ 1.4	$ (139.2)
Balance as of March 31, 2020	$ (148.8)	$ (23.7)	$ (10.3)	$ (182.8)
Remeasurement of benefit obligations	(14.7)	—	—	(14.7)
Reclassifications, net	4.1 (a)	1.7 (b)	—	5.8
Unrealized loss on cash flow hedges arising during the period, net	—	(0.7) (c)	—	(0.7)
Foreign currency gain	—	—	2.8	2.8
Balance as of June 30, 2020	$ (159.4)	$ (22.7)	$ (7.5)	$ (189.6)

(dollars in millions)	Unrecognized Net Periodic Pension and Postretirement Benefit Cost	Unrealized Loss on Cash Flow Hedges, Net	Foreign Currency Translation Gain (Loss)	Total
Balance as of December 31, 2020	$ (138.8)	$ (19.7)	$ (1.2)	$ (159.7)
Remeasurement of benefit obligations	6.0	—	—	6.0
Reclassifications, net	7.9 (a)	3.5 (b)	—	11.4
Unrealized gain on cash flow hedges arising during the period, net	—	0.5 (c)	—	0.5
Foreign currency gain	—	—	2.6	2.6
Balance as of June 30, 2021	$ (124.9)	$ (15.7)	$ 1.4	$ (139.2)
Balance as of December 31, 2019	$ (152.0)	$ (14.7)	$ (3.4)	$ (170.1)
Remeasurement of benefit obligations	(14.7)	—	—	(14.7)
Reclassifications, net	7.3 (a)	2.8 (b)	—	10.1
Unrealized loss on cash flow hedges arising during the period, net	—	(10.8) (c)	—	(10.8)
Foreign currency loss	—	—	(4.1)	(4.1)
Balance as of June 30, 2020	$ (159.4)	$ (22.7)	$ (7.5)	$ (189.6)

(a) These reclassifications are included in the other components of net periodic pension and postretirement benefit plans expense and represent amortization of prior service benefit and actuarial loss, net of tax and pension settlement charges, net of tax. The other components of net periodic pension and postretirement benefit plans expense are recorded in "Other components of pension and postretirement benefit plans expense" on the Condensed Consolidated Statements of Operations. See Note 9 for further disclosures.

(b) These reclassifications are reported within "Interest expense" on the Condensed Consolidated Statements of Operations when the hedged transactions impact earnings.

(c) The unrealized (loss) gain, net on cash flow hedges represents the change in the fair value of the derivative instruments that occurred during the period, net of tax. The unrealized loss on cash flow hedges is recorded in "Other current liabilities" and "Other noncurrent liabilities" on the Condensed Consolidated Balance Sheets. See Note 8 for further disclosures.

11. Business Segment Information

The Company's segments are strategic business units that offer distinct products and services and are aligned with the Company's internal management structure and reporting. The Company operates two business segments identified as Entertainment and Communications and IT Services and Hardware.

The Entertainment and Communications segment provides products and services that can be categorized as Data, Video, Voice or Other. Data products include high-speed internet access, digital subscriber lines, ethernet, SONET, dedicated internet access, wavelength, digital signal and IRU. Video services provide our customers access to over 400 entertainment channels, over 150 high-definition channels, parental controls, HD DVR, Video On-Demand and access to a live TV streaming application. Voice represents traditional voice lines as well as fiber voice lines, consumer long distance, switched access and digital trunking. Other services consist of revenue generated from wiring projects for enterprise customers, advertising, directory assistance, maintenance and information services.

The IT Services and Hardware segment provides end-to-end solutions from consulting to implementation to ongoing optimization. These solutions include Cloud, Communications and Consulting services along with the sale, installation and maintenance of major branded Telecom and IT hardware reported as Infrastructure Solutions.

Certain corporate administrative expenses have been allocated to the segments based upon the nature of the expense and the relative size of the segment. Intercompany transactions between segments have been eliminated.

Selected financial data for the Company's business segment information is as follows:

(dollars in millions)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Revenue				
Entertainment and Communications	$ 241.0	$ 239.7	$ 483.8	$ 483.5
IT Services and Hardware	179.9	147.0	353.7	289.3
Intersegment	(6.7)	(6.7)	(13.4)	(12.8)
Total revenue	$ 414.2	$ 380.0	$ 824.1	$ 760.0
Intersegment revenue				
Entertainment and Communications	$ 4.9	$ 5.0	$ 9.7	$ 9.9
IT Services and Hardware	1.8	1.7	3.7	2.9
Total intersegment revenue	$ 6.7	$ 6.7	$ 13.4	$ 12.8
Operating income (loss)				
Entertainment and Communications	$ 28.1	$ 30.5	$ 59.4	$ 42.6
IT Services and Hardware	7.6	5.2	16.2	6.9
Corporate	(5.3)	(8.0)	(12.6)	(42.0)
Total operating income	$ 30.4	$ 27.7	$ 63.0	$ 7.5
Expenditures for long-lived assets				
Entertainment and Communications	$ 52.8	$ 42.2	$ 107.8	$ 86.6
IT Services and Hardware	6.2	6.3	11.9	12.8
Total expenditures for long-lived assets	$ 59.0	$ 48.5	$ 119.7	$ 99.4
Depreciation and amortization				
Entertainment and Communications	$ 61.6	$ 64.5	$ 122.4	$ 128.4
IT Services and Hardware	10.2	10.2	20.3	20.5
Corporate	—	—	0.1	—
Total depreciation and amortization	$ 71.8	$ 74.7	$ 142.8	$ 148.9

(dollars in millions)	June 30, 2021	December 31, 2020
Assets		
Entertainment and Communications	$ 1,801.9	$ 1,803.3
IT Services and Hardware	454.6	477.2
Corporate and eliminations	343.9	388.1
Total assets	$ 2,600.4	$ 2,668.6

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Cautionary Statement Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q and the documents incorporated by reference herein contain forward-looking statements regarding future events and results that are subject to the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, are statements that could be deemed forward-looking statements. These statements are based on current expectations, estimates, forecasts, and projections about the industries in which we operate and the beliefs and assumptions of our management. Words such as “expects,” “anticipates,” “predicts,” “projects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “continues,” “endeavors,” “strives,” “may,” “will,” “proposes,” “potential,” “could,” “should,” “outlook” or variations of such words and similar expressions are intended to identify such forward-looking statements. In addition, any statements that refer to projections of future financial performance, anticipated growth and trends in businesses, and other characterizations of future events or circumstances, including but not limited to, the possible impacts of the current adverse economic conditions associated with the COVID-19 global health pandemic, are forward-looking statements. Readers are cautioned these forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties, which could cause actual results to differ materially and adversely from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in this Quarterly Report on Form 10-Q and, in particular, the risks discussed under the caption “Risk Factors” in Part II, Item 1A, and those discussed in other documents the Company filed with the Securities and Exchange Commission (“SEC”). Actual results may differ materially and adversely from those expressed in any forward-looking statements. The Company undertakes no obligation to revise or update any forward-looking statements for any reason.

Introduction

This Management’s Discussion and Analysis section provides an overview of Cincinnati Bell Inc.'s financial condition as of June 30, 2021 and the results of operations for the three and six months ended June 30, 2021 and 2020. This discussion should be read in conjunction with the accompanying Condensed Consolidated Financial Statements and accompanying notes as well as the Company’s Annual Report on Form 10-K for the year ended December 31, 2020. Results for interim periods may not be indicative of results for the full year or any other interim period.

Pending Acquisition by MIP

On December 21, 2019, the Company entered into an Agreement and Plan of Merger (as amended from time to time, the “Brookfield Merger Agreement”) with affiliates of the Brookfield Infrastructure Group (“Brookfield”), the infrastructure investment division of Brookfield Asset Management, which was subsequently amended. Pursuant to the amended Brookfield Merger Agreement, the Company would be acquired by an affiliate of Brookfield for $14.50 per Common Share.

On March 13, 2020, the Company terminated the Brookfield Merger Agreement and entered into an Agreement and Plan of Merger (the “MIP Merger Agreement”) pursuant to which the Company will be acquired by an affiliate of Macquarie Infrastructure Partners V (“MIP”), a fund managed by Macquarie Infrastructure and Real Assets (the “MIP Merger”). At the effective time of the MIP Merger (the “Effective Time”), each of our issued and outstanding Common Shares will be converted into the right to receive $15.50 in cash per Common Share, without interest, and the 6 3/4% Cumulative Convertible Preferred Shares will remain issued and outstanding as 6 3/4% Cumulative Convertible Preferred Shares of the Company, without par value, following the Effective Time.

In connection with the termination of the Brookfield Merger Agreement, the Company paid an affiliate of Brookfield a termination fee of $24.8 million in the first quarter of 2020 as required by the terms of the Brookfield Merger Agreement.

The consummation of the MIP Merger is subject to customary closing conditions, including (i) the adoption of the MIP Merger Agreement by the affirmative vote of the holders of at least two-thirds of all outstanding Common Shares and 6 3/4% Cumulative Convertible Preferred Shares, voting as a single class; (ii) the expiration or early termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, (iii) the receipt of any required consents or approvals from (a) the Committee on Foreign Investment in the United States, (b) the Federal Communications Commission, (c) state public service and state public utility commissions and (d) local regulators in connection with the provision of telecommunications and media services; and (iv) the absence of any legal restraint preventing the consummation of the MIP Merger. On May 7, 2020, the shareholders of the Company adopted the MIP Merger Agreement at a virtual special meeting of shareholders. In the first quarter of 2021, the waiting period under the HSR Act expired and the consummation of the MIP Merger was approved by CFIUS. As of the date of this filing, the Company has received all regulatory approvals required to consummate the MIP Merger other than approval by the California Public Utilities Commission.

The MIP Merger Agreement contains representations and warranties and covenants of the parties customary for a transaction of this nature.

The MIP Merger is expected to close in the third quarter of 2021, although there can be no assurance that the MIP Merger will occur by that date. Upon the closing of the MIP Merger, the Company will cease to be a publicly traded company.

Executive Summary

Segment results described in the Executive Summary and Consolidated Results of Operations sections are net of intercompany eliminations.

Cincinnati Bell Inc. and its consolidated subsidiaries ("Cincinnati Bell," "we," "our," "us" or the "Company") provide integrated communications and IT solutions that keep consumer and enterprise customers connected with each other and with the world. Through its Entertainment and Communications segment, the Company provides Data, Video, and Voice solutions to consumer and enterprise customers over an expanding fiber network and a legacy copper network. In addition, enterprise customers across the United States, Canada and Europe rely on the IT Services and Hardware segment for the sale and service of efficient, end-to-end communications and IT systems and solutions.

Consolidated revenue totaling $414.2 million and $824.1 million for the three months and six months ended June 30, 2021 increased $34.2 million and $64.1 million, respectively, as compared to the same periods in 2020 due to strategic revenue growth in both segments offsetting declines in Legacy revenue.

For the three and six months ended June 30, 2021, Consumer/SMB Fiber revenue increased $6.7 million and $12.0 million, respectively, as compared to the same periods in the prior year as the Company continues to focus on high-speed internet activations while Legacy revenue decreased $5.5 million and $11.8 million, respectively, as compared to the comparable periods in 2020. IT Services and Hardware experienced revenue growth in all practices for the three months and six months ended June 30, 2021, with the exception of the Communications practice that decreased by $0.2 million in the three months ended June 30, 2021 compared to the three months end June 30, 2020, due to significant nonrecurring revenue recognized in the second quarter of 2020. The increase in IT Services and Hardware revenue in both comparable periods is due most significantly to the Consulting practice in which revenue increased 52% and 54% for the three and six months ended June 30, 2021, respectively, as compared to the same periods in the prior year.

Operating income was $30.4 million for the three months ended June 30, 2021, up $2.7 million compared to the same period in the prior year. The increase in operating income is due to revenue growth in addition to lower depreciation and amortization expense and transaction and integration charges for the three months ended June 30, 2021 compared to the comparable period in 2020. These increases to operating income were partially offset by increased SG&A expense in the three months ended June 30, 2021 resulting from higher payroll related costs and savings realized in the three months ended June 30, 2020 due to cost containment strategies to reduce the negative impact of the COVID-19 pandemic on the business that were no longer in place in the second quarter of 2021.

Operating income was $63.0 million for the six months ended June 30, 2021, up $55.5 million compared to the same period in the prior year. In addition to revenue growth in both segments, the increase in operating income was primarily due to lower transaction and integration charges, restructuring and severance related charges, and depreciation and amortization expense. Transaction and integration charges recorded in the six months ended June 30, 2020 include a termination fee of $24.8 million paid to an affiliate of Brookfield in the first quarter of 2020. Lower restructuring and severance related charges are due to the voluntary severance program ("VSP") finalized in the three months ended March 31, 2020.

Loss before income taxes totaled $4.6 million for the three months ended June 30, 2021, resulting in a decrease in the loss as compared to the comparable period in 2020 primarily due to the increase in operating income in addition to lower pension and postretirement benefit plans expense. Loss before income taxes totaled $7.2 million for the six months ended June 30, 2021, lower than the prior year primarily due to the factors impacting operating income as well as lower interest expense and pension and postretirement benefit plans expense.

Impact of COVID-19 on Our Business

The COVID-19 pandemic has resulted, and is likely to continue to result, in significant economic disruption. As of the date of this filing, significant uncertainty continues to exist concerning the magnitude of the impact and duration of the COVID-19 pandemic. While most of the country has started to reopen and normal activities begin to resume, the current rise in cases due to a variant of the virus may result in restrictions being reinstated. On March 13, 2020, in response to the COVID-19 pandemic, the Federal Communications Commission ("FCC") called on broadband and telephone service providers to keep Americans connected as the country reacts to the serious disruptions caused by the coronavirus outbreak. Cincinnati Bell, on behalf of all of its affiliates, including Hawaiian Telecom, signed on to the Keep Americans Connected Pledge (the "Pledge") and committed to waive late fees for, and not terminate service to, any of our consumer or small business customers who did not pay their bills timely due to an inability to pay caused by the COVID-19 crisis. The impacts to revenue as a result of these commitments during the three months ended June 30, 2020 included a decline in revenue related to late payment fees and certain other one-time fees. The impacts to revenue as a result of these commitments were limited in the six months ended June 30, 2021 and the three months ended March 31, 2020. The Pledge expired on June 30, 2020, and customer accounts in the Cincinnati market that were not cured were disconnected during the third and fourth quarters of 2020. Balances associated with accounts that have been disconnected were fully reserved as of December 31, 2020 and were written off during the first quarter of 2021. In accordance with regulatory orders in Hawaii, the Pledge continues to be honored for certain regulated services.

We expect the ultimate significance of the impact on our financial condition, results of operations, or cash flows will be dictated by the length of time that such circumstances continue, which will depend on the currently unknowable extent and duration of the COVID-19 pandemic, effectiveness of the vaccine and timeliness that individuals receive the vaccine. COVID-19 also makes it more challenging for management to estimate future performance of our businesses, particularly over the near term. We will continue to actively monitor the situation and may take further actions that alter our business operations as may be required by federal, state or local authorities or that we determine are in the best interests of our employees, customers, suppliers and shareholders.

Consolidated Results of Operations

Revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
(dollars in millions)	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change
Revenue								
Entertainment and Communications	$ 236.1	$ 234.7	$ 1.4	1%	$ 474.1	$ 473.6	$ 0.5	0%
IT Services and Hardware	178.1	145.3	32.8	23%	350.0	286.4	63.6	22%
Total revenue	$ 414.2	$ 380.0	$ 34.2	9%	$ 824.1	$ 760.0	$ 64.1	8%

Entertainment and Communications revenue increased for the three and six months ended June 30, 2021 compared to the same periods in 2020 primarily due revenue growth associated with our Consumer/SMB Fiber products as well as revenue from late payment fees and other one-time charges that were temporarily suspended in the second quarter of 2020 more than offsetting Legacy decline.

IT Services and Hardware revenue increased for the three and six months ended June 30, 2021 compared to the comparable periods in the prior year most significantly due to the contribution from the Consulting practice which increased revenue by $24.4 million and $48.0 million in the three and six months ended June 30, 2021, respectively, as compared to the same periods in 2020.

Operating Costs

	Three Months Ended June 30,				Six Months Ended June 30,			
(dollars in millions)	2021	2020	$ Change	% Change	2021	2020	$ Change	% Change
Cost of services and products								
Entertainment and Communications	$ 106.3	$ 102.3	$ 4.0	4%	$ 214.4	$ 208.9	$ 5.5	3%
IT Services and Hardware	118.5	91.1	27.4	30%	230.5	178.2	52.3	29%
Total cost of services and products	$ 224.8	$ 193.4	$ 31.4	16%	$ 444.9	$ 387.1	$ 57.8	15%

Entertainment and Communications costs increased for the three and six months ended June 30, 2021 compared to the same periods in the prior year primarily due to increases in operating taxes, contract services and payroll benefits expense. The increase in operating taxes is due to increased regulatory fees in addition to lower operating taxes in 2020 due to favorable audit results that resulted in a nonrecurring benefit of $1.9 million and $4.2 million in the three and six months ended June 30, 2020, respectively. Contract services increased $0.5 million and $2.2 million for the three and six months ended June 30, 2021, respectively, compared to the same periods in the prior year primarily due to a project completed in the prior year to outsource certain functions as well as a significant general liability insurance claim incurred in the first quarter of 2021. Payroll benefits expense increased due to higher healthcare and workers compensation costs incurred compared to the same periods in the prior year. These increases were partially offset by a decrease in payroll expense due to fewer headcount as a result of the restructuring activities executed in prior years.

IT Services and Hardware costs increased for the three and six months ended June 30, 2021 compared to the same periods in the prior year due to increases in payroll related costs, contractor costs, software licensing costs and regulatory fees. Payroll related costs increased $5.6 million and $10.3 million in the three and six months ended June 30, 2021, respectively, and contractor costs increased $20.2 million and $37.9 million in the three and six months ended June 30, 2021, respectively, as compared to the same periods in the prior year. These costs increased due to additional headcount to support the growth in the Communications and Consulting practices. Higher software licensing costs were also incurred to support the revenue growth in the Communications practice.

(dollars in millions)	Three Months Ended June 30, 2021	2020	$ Change	% Change	Six Months Ended June 30, 2021	2020	$ Change	% Change
Selling, general and administrative								
Entertainment and Communications	$ 43.7	$ 40.8	$ 2.9	7%	$ 84.3	$ 85.8	$ (1.5)	(2)%
IT Services and Hardware	37.7	35.2	2.5	7%	75.6	73.3	2.3	3%
Corporate	4.0	5.3	(1.3)	(25)%	9.3	10.2	(0.9)	(9)%
Total selling, general and administrative	$ 85.4	$ 81.3	$ 4.1	5%	$ 169.2	$ 169.3	$ (0.1)	0%

SG&A costs increased $4.1 million in the three months ended June 30, 2021 as compared to the same period in the prior year primarily due to cost containment strategies taken in 2020 to reduce the negative impact of the COVID-19 pandemic on the business that were no longer in place for the second quarter of 2021. Higher payroll related costs, increased advertising expense and increased travel expenses contributed to the increase of SG&A costs in both segments. These increases were partially offset by a decrease in bad debt expense due to updating our estimate of the impact of the economic downturn associated with the COVID-19 pandemic on the Company's receivables in the three months ended June 30, 2020.

For the six months ended June 30, 2021, SG&A costs are nearly flat as compared to the same period in the prior year primarily due to decreased bad debt expense of $6.4 million in the Entertainment and Communications segment partially offsetting increased expenses as a result of similar trends impacting the quarter in both segments. Corporate SG&A decreased in both comparable periods in 2021 due to certain expenses that are no longer expected to be incurred as a result of the pending MIP Merger Agreement.

(dollars in millions)	Three Months Ended June 30, 2021	2020	$ Change	% Change	Six Months Ended June 30, 2021	2020	$ Change	% Change
Depreciation and amortization expense								
Entertainment and Communications	$ 61.6	$ 64.5	$ (2.9)	(4)%	$ 122.4	$ 128.4	$ (6.0)	(5)%
IT Services and Hardware	10.2	10.2	—	0%	20.3	20.5	(0.2)	(1)%
Corporate	—	—	—	n/m	0.1	—	0.1	n/m
Total depreciation and amortization expense	$ 71.8	$ 74.7	$ (2.9)	(4)%	$ 142.8	$ 148.9	$ (6.1)	(4)%

Depreciation and amortization expense decreased in the three and six months ended June 30, 2021 compared to the same periods in 2020 primarily due to fewer assets placed in service in connection with the expansion of our fiber network.

(dollars in millions)	Three Months Ended June 30, 2021	2020	$ Change	% Change	Six Months Ended June 30, 2021	2020	$ Change	% Change
Other operating costs								
Restructuring and severance related charges	$ 0.4	$ 0.4	$ —	0%	$ 0.9	$ 15.6	$ (14.7)	(94)%
Transaction and integration costs	1.4	2.5	(1.1)	(44)%	3.3	31.6	(28.3)	(90)%
Total other operating costs	$ 1.8	$ 2.9	$ (1.1)	(38)%	$ 4.2	$ 47.2	$ (43.0)	(91)%

Restructuring and severance charges recorded in the three and six months ended June 30, 2021 and 2020 are primarily due to initiatives to reduce and contain costs in the IT Services and Hardware segment. Restructuring and severance charges recorded in the six months ended June 30, 2020 are primarily related to a VSP for certain bargained and management employees in an effort to reduce costs associated with our copper field and network operations in the Entertainment and Communications segment.

Transaction and integration costs incurred in 2021, recorded as a Corporate expense, are primarily associated with the MIP Merger Agreement. Transaction and integration costs incurred in 2020, recorded as a Corporate expense, are primarily due to the termination fee of $24.8 million paid to an affiliate of Brookfield to terminate the Brookfield Merger Agreement in the first quarter of 2020. The Company also incurred transaction and integration costs in the three and six months ended June 30, 2020 associated with the MIP Merger Agreement.

Non-operating Costs

(dollars in millions)	Three Months Ended June 30, 2021	2020	$ Change	% Change	Six Months Ended June 30, 2021	2020	$ Change	% Change
Non-operating costs								
Interest expense	$ 33.5	$ 33.5	$ —	0%	$ 65.9	$ 67.2	$ (1.3)	(2)%
Other components of pension and postretirement benefit plans expense	1.7	3.8	(2.1)	(55)%	4.3	6.4	(2.1)	(33)%
Other income, net	(0.2)	(0.2)	0.0	—	—	(1.0)	1.0	n/m
Income tax (benefit) expense	—	(1.6)	1.6	n/m	0.4	(23.3)	23.7	n/m

Interest expense decreased for the six months ended June 30, 2021 compared to the same period in the prior year due to the decrease in LIBOR rates.

The income tax provision for the three and six months ended June 30, 2021 was an expense, while a larger income tax benefit was recorded in the comparable period. The difference is due to a decrease in the loss before income taxes, a lower estimated annual effective tax rate, and the net effect of discrete items recorded in the current and comparable periods. Most notably, a valuation allowance was recorded in the current period against deferred tax assets related to interest expense that is disallowed for 2021. In the comparable period, a valuation allowance on previously-disallowed interest was released due to favorable temporary provisions of the CARES Act. The estimated annual effective tax rate applied in the second quarter of 2021 is lower than the statutory rate due most notably to the effect of the valuation allowance applied to deferred tax assets related to disallowed interest expense.

Entertainment and Communications

The Entertainment and Communications segment provides products and services that can be categorized as either Fioptics in Cincinnati or Consumer/SMB Fiber in Hawaii (collectively, "Consumer/SMB Fiber"), Enterprise Fiber or Legacy. Cincinnati Bell Telephone Company LLC ("CBT"), a subsidiary of the Company, is the incumbent local exchange carrier ("ILEC") for a geography that covers a radius of approximately 25 miles around Cincinnati, Ohio, and includes parts of northern Kentucky and southeastern Indiana. CBT has operated in this territory for over 145 years. Voice and data services in the Enterprise Fiber and Legacy categories that are delivered beyond the Company's ILEC territory, particularly in Dayton and Mason, Ohio, are provided through the operations of Cincinnati Bell Extended Territories LLC ("CBET"), a subsidiary of CBT. On July 2, 2018, the Company acquired Hawaiian Telcom. Hawaiian Telcom is the ILEC for the State of Hawaii and the largest full-service provider of communications services and products in the state. Originally incorporated in Hawaii in 1883 as Mutual Telephone Company, Hawaiian Telcom has a strong heritage of over 135 years as Hawaii’s communications carrier. Its services are offered on all of Hawaii’s major islands, except its video service, which currently is only available on the island of Oahu.

Consumer/SMB Fiber products include high-speed internet access, voice lines and video. The Company is able to deliver speeds of up to 30 megabits or more to approximately 75% of Greater Cincinnati and up to 20 megabits or more to approximately 50% of Hawaii's total addressable market.

Enterprise Fiber products include metro-ethernet, dedicated internet access, wavelength, IRU contracts, and wireless backhaul to macro-towers and small cell. As enterprise customers migrate from legacy products and copper-based technology, our metro-ethernet product becomes the preferred method of transport due to its ability to support multiple applications on a single physical connection.

Legacy products include traditional voice lines, consumer long distance, switched access, digital trunking, DSL, DS0, DS1, DS3 and other value-added services such as caller identification, voicemail, call waiting and call return.

	Three Months Ended June 30,				Six Months Ended June 30,			
(dollars in millions)	**2021**	**2020**	**Change**	**% Change**	**2021**	**2020**	**Change**	**% Change**
Revenue:								
Data	$ 121.6	$ 119.7	$ 1.9	2%	$ 242.9	$ 239.0	$ 3.9	2%
Video	47.9	48.3	(0.4)	(1)%	96.5	97.0	(0.5)	(1)%
Voice	64.6	64.1	0.5	1%	130.5	132.1	(1.6)	(1)%
Other	6.9	7.6	(0.7)	(9)%	13.9	15.4	(1.5)	(10)%
Total Revenue	241.0	239.7	1.3	1%	483.8	483.5	0.3	0%
Operating costs and expenses:								
Cost of services and products	108.0	103.9	4.1	4%	218.1	211.9	6.2	3%
Selling, general and administrative	43.8	40.8	3.0	7%	84.4	85.8	(1.4)	(2)%
Depreciation and amortization	61.6	64.5	(2.9)	(4)%	122.4	128.4	(6.0)	(5)%
Restructuring and severance charges	(0.5)	—	(0.5)	n/m	(0.5)	14.8	(15.3)	n/m
Total operating costs and expenses	212.9	209.2	3.7	2%	424.4	440.9	(16.5)	(4)%
Operating income	$ 28.1	$ 30.5	$ (2.4)	(8)%	$ 59.4	$ 42.6	$ 16.8	39%
Operating margin	11.7%	12.7%		(1.0) pts	12.3%	8.8%		3.5 pts
Capital expenditures	$ 52.8	$ 42.2	10.6	25%	$ 107.8	$ 86.6	21.2	24%

Entertainment and Communications, continued

Metrics information (in thousands):	June 30, 2021	2020	Change	% Change
Cincinnati				
Fioptics				
Data				
Internet FTTP*	249.7	230.6	19.1	8%
Internet FTTN*	24.6	28.9	(4.3)	(15)%
Total Fioptics Internet	274.3	259.5	14.8	6%
Video				
Video FTTP*	106.1	109.7	(3.6)	(3)%
Video FTTN*	19.3	21.4	(2.1)	(10)%
Total Fioptics Video	125.4	131.1	(5.7)	(4)%
Voice				
Fioptics Voice Lines	102.4	105.3	(2.9)	(3)%
Fioptics Units Passed				
Units passed FTTP*	502.7	489.6	13.1	3%
Units passed FTTN*	135.4	138.6	(3.2)	(2)%
Total Fioptics units passed	638.1	628.2	9.9	2%
Enterprise Fiber				
Data				
Ethernet Bandwidth (Gb)	7,075	5,756	1,319	23%
Legacy				
Data				
DSL	58.0	62.7	(4.7)	(7)%
Voice				
Legacy Voice Lines	165.2	186.4	(21.2)	(11)%

* Fiber-to-the-Premise (FTTP), Fiber-to-the-Node (FTTN)

Entertainment and Communications, continued

Metrics information (in thousands):	June 30, 2021	2020	Change	% Change
Hawaii				
Consumer / SMB Fiber				
Data				
Internet FTTP*	62.6	57.4	5.2	9%
Internet FTTN*	9.6	12.1	(2.5)	(21)%
Total Consumer / SMB Fiber Internet	72.2	69.5	2.7	4%
Video				
Video FTTP*	29.5	31.0	(1.5)	(5)%
Video FTTN*	8.9	11.8	(2.9)	(25)%
Total Consumer / SMB Fiber Video	38.4	42.8	(4.4)	(10)%
Voice				
Consumer / SMB Fiber Voice Lines	28.7	29.9	(1.2)	(4)%
Consumer / SMB Fiber Units Passed **				
Units passed FTTP*	195.0	176.2	18.8	11%
Units passed FTTN*	68.3	72.5	(4.2)	(6)%
Total Consumer / SMB Fiber units passed	263.3	248.7	14.6	6%
Enterprise Fiber				
Data				
Ethernet Bandwidth (Gb)	4,027	3,691	336	9%
Legacy				
Data				
DSL	33.3	40.3	(7.0)	(17)%
Voice				
Legacy Voice Lines	150.4	165.1	(14.7)	(9)%

* Fiber-to-the-Premise (FTTP), Fiber-to-the-Node (FTTN)

** Includes units passed for both consumer and business on Oahu and neighboring islands.

Entertainment and Communications, continued

Revenue

	Three Months Ended June 30,					
	2021			2020		
	Cincinnati	Hawaii	Total	Cincinnati	Hawaii	Total
Revenue						
Consumer / SMB Fiber *						
Data	$ 46.6	$ 10.2	$ 56.8	$ 42.1	$ 8.9	$ 51.0
Video	38.8	9.1	47.9	38.8	9.5	48.3
Voice	8.6	2.9	11.5	7.2	2.7	9.9
Other	0.3	—	0.3	0.4	0.2	0.6
	94.3	22.2	116.5	88.5	21.3	109.8
Enterprise Fiber						
Data	21.1	10.7	31.8	21.7	10.0	31.7
Legacy						
Data	21.3	11.7	33.0	23.8	13.2	37.0
Voice	26.5	26.6	53.1	28.3	25.9	54.2
Other	3.3	3.3	6.6	3.0	4.0	7.0
	51.1	41.6	92.7	55.1	43.1	98.2
Total Entertainment and Communications revenue	$ 166.5	$ 74.5	$ 241.0	$ 165.3	$ 74.4	$ 239.7

	Six Months Ended June 30,					
	2021			2020		
	Cincinnati	Hawaii	Total	Cincinnati	Hawaii	Total
Revenue						
Consumer / SMB Fiber *						
Data	$ 91.6	$ 20.4	$ 112.0	$ 83.0	$ 17.4	$ 100.4
Video	78.2	18.3	96.5	77.6	19.4	97.0
Voice	17.2	5.8	23.0	16.1	5.4	21.5
Other	0.5	—	0.5	0.7	0.4	1.1
	187.5	44.5	232.0	177.4	42.6	220.0
Enterprise Fiber						
Data	42.2	21.2	63.4	42.9	20.4	63.3
Legacy						
Data	43.8	23.7	67.5	48.2	27.1	75.3
Voice	53.9	53.6	107.5	57.8	52.8	110.6
Other	6.9	6.5	13.4	6.2	8.1	14.3
	104.6	83.8	188.4	112.2	88.0	200.2
Total Entertainment and Communications revenue	$ 334.3	$ 149.5	$ 483.8	$ 332.5	$ 151.0	$ 483.5

* Represents Fioptics in Cincinnati

Entertainment and Communications, continued

Cincinnati Fioptics and Hawaii Consumer/SMB Fiber (collectively, "Consumer/SMB Fiber")

Consumer/SMB Fiber revenue increased $6.7 million and $12.0 million for the three and six months ended June 30, 2021 as compared to the same periods in the prior year as the increase in the subscriber base for internet more than offset the decline in video and voice subscribers. The internet subscriber base continues to increase as we focus our attention on growing the internet FTTP subscriber base. In addition, the Average Revenue Per User ("ARPU") for the three months and six months ended June 30, 2021 increased for internet in both Cincinnati and Hawaii compared to the same periods in 2020 primarily due to price increases and more customers subscribing to higher broadband tiers. Voice revenue also increased primarily due to revenue associated with customer surcharges related to increased regulatory fees which more than offset the decline in voice subscribers. In Cincinnati, Video ARPU increased 5% and 6% in the three and six months ended June 30, 2021, respectively, as compared to the comparable periods in the prior year which offset the decline in video subscribers. Video ARPU increases are related to price increases as well as the change in the mix of subscribers. Consumer/SMB Fiber revenue was also unfavorably impacted in the three months ended June 30, 2020 due to a decline in certain nonrecurring revenue as a result of the Company's participation in the Pledge.

Enterprise Fiber

Enterprise Fiber revenue was nearly flat for the three and six months ended June 30, 2021 as compared to the same periods in 2020. Increased revenue as a result of customers migrating from legacy product offerings to higher bandwidth fiber solutions, as evidenced by the 23% and 9% increases in Ethernet Bandwidth in Cincinnati and Hawaii, respectively, was offset by pricing pressures to provide higher speeds at a lower cost.

Legacy

Legacy revenue decreased for the three and six months ended June 30, 2021 as compared to the same periods in the prior year due to the decline in voice lines and DSL subscribers. Voice lines declined 11% and 9% in Cincinnati and Hawaii, respectively, as the traditional voice lines become less relevant. DSL subscribers decreased by 7% and 17% in Cincinnati and Hawaii, respectively, as subscribers demand the higher speeds that can be provided by fiber. In addition, declines in DS1, DS3 and digital trunking have contributed to the revenue decline for these products in 2021 compared to the same period in the prior year as customers migrate away from these solutions to fiber-based solutions.

Operating Costs and Expenses

Cost of services and products increased $4.1 million and $6.2 million for the three and six months ended June 30, 2021, respectively, as compared to the same periods in the prior year due to increases in operating taxes, contract services and payroll benefits expense which were partially offset by a decrease in payroll related costs. The increase in operating taxes is due to increased regulatory fees as well as lower operating taxes in the prior year due to favorable audit results that resulted in a nonrecurring benefit of $1.9 million and $4.2 million in the three and six months ended June 30, 2020, respectively. Contract services increased $0.5 million and $2.2 million in the three and six months ended June 30, 2021, respectively, compared to the same periods in the prior year primarily due to outsourcing certain functions in the prior year as well as a significant general liability insurance claim incurred in the first quarter of 2021. Payroll benefits expense increased due to higher healthcare expense and workers compensation expense in each of the comparable periods. The decrease in payroll related costs is due to decreased headcount as a result of restructuring activities executed in prior years.

SG&A expenses increased $3.0 million for the three months ended June 30, 2021 as compared to the same period in 2020 due to decreased bad debt expense of $2.3 million compared the three months ended June 30, 2020 which was more than offset by increased payroll related costs as a result of additional headcount and higher healthcare costs of $1.9 million, increased advertising of $1.6 million as the Company delayed certain marketing campaigns and promotional events in 2020 and other nonrecurring savings realized in the three months ended June 30, 2020 as a result of cost containment strategies implemented to reduce the negative impact of the COVID-19 pandemic on the business. The decrease in bad debt expense is a result of updating our estimate of the impact of the economic downturn associated with the COVID-19 pandemic on the Company's receivables in the three months ended June 30, 2020 as well as increased focus on collection efforts.

SG&A expenses decreased $1.4 million for the six months ended June 30, 2021 as compared to the same period in the prior year primarily due to decreased bad debt expense of $6.4 million compared to the six months ended June 30, 2020 as a result of updating our estimate in the second quarter of 2020 as well as focus on collection efforts and favorable resolution of reserved balances in the first quarter of 2021 associated with a customer that filed for bankruptcy in a prior period. The decrease in bad debt expense was partially offset by increases resulting from similar trends impacting the three months ended June 30, 2021.

Depreciation and amortization expense decreased in the three and six months ended June 30, 2021 compared to the same periods in the prior year primarily due to fewer assets placed in service in connection with the expansion of our fiber network.

Entertainment and Communications, continued

Restructuring and severance charge reversals recorded in the three months ended June 30, 2021 are due to employees that transitioned to new positions in the Company and were previously included in the VSP offered in the first quarter of 2020. Restructuring and severance charges recorded in the six months ended June 30, 2020 are primarily related to a VSP for certain bargained and management employees in an effort to continue to reduce costs associated with our copper field and network operations.

Capital Expenditures

	Three Months Ended June 30,					
	2021			2020		
	Cincinnati	Hawaii	Total	Cincinnati	Hawaii	Total
Consumer / SMB Fiber capital expenditures *						
Construction	$ 7.2	$ 6.3	$ 13.5	$ 4.7	$ 2.6	$ 7.3
Installation	12.1	3.5	15.6	7.8	3.5	11.3
Other	0.8	0.3	1.1	3.4	—	3.4
Total Consumer / SMB Fiber	20.1	10.1	30.2	15.9	6.1	22.0
Enterprise Fiber	4.0	3.8	7.8	1.8	2.8	4.6
Other	6.7	8.1	14.8	9.1	6.5	15.6
Total Entertainment and Communications capital expenditures	$ 30.8	$ 22.0	$ 52.8	$ 26.8	$ 15.4	$ 42.2

	Six Months Ended June 30,					
	2021			2020		
	Cincinnati	Hawaii	Total	Cincinnati	Hawaii	Total
Consumer / SMB Fiber capital expenditures *						
Construction	$ 13.7	$ 11.1	$ 24.8	$ 8.0	$ 5.4	$ 13.4
Installation	23.3	6.6	29.9	16.7	7.2	23.9
Other	2.5	0.4	2.9	4.5	0.1	4.6
Total Consumer / SMB Fiber	39.5	18.1	57.6	29.2	12.7	41.9
Enterprise Fiber	12.9	7.5	20.4	4.4	5.5	9.9
Other	13.1	16.7	29.8	17.0	17.8	34.8
Total Entertainment and Communications capital expenditures	$ 65.5	$ 42.3	$ 107.8	$ 50.6	$ 36.0	$ 86.6

* Represents Fioptics in Cincinnati

Capital expenditures in Cincinnati are incurred to expand our Fioptics product suite, upgrade and increase capacity for our networks, and to extend the life of our fiber and copper networks. As of June 30, 2021, the Company is able to deliver its Fioptics services with speeds up to 30 megabits or more to approximately 638,100 residential and commercial addresses, or 75% of our operating territory in Cincinnati. Cincinnati construction capital expenditures increased $2.5 million and $5.7 million in the three and six months ended June 30, 2021, respectively, as compared to the same periods in 2020 due to passing more addresses in 2021 and the timing of capital expenditures, which does not necessarily coincide with the timing of when addresses become available. The increase in Consumer/SMB Fiber units passed in 2021 was partially offset due to decommissioning a legacy video platform, thereby disqualifying 13,000 addresses and resulting in sequential decline compared to March 31, 2021. Cincinnati installation capital expenditures are primarily related to the timing of expenditures for customer premise equipment ("CPE") utilized for installations. In the three and six months ended June 30, 2021, Cincinnati installation capital expenditures increased $4.3 million and $6.6 million compared to the same periods in 2020 primarily due to higher volume of CPE purchased.

Enterprise Fiber capital expenditures in Cincinnati are related to success-based fiber builds, including associated equipment, for enterprise and carrier projects to provide ethernet services as well as network refresh projects that ensure we continue to grow our capacity and services within the network core. Cincinnati Enterprise Fiber capital expenditures increased $2.2 million and $8.5 million in the three and six months ended June 30, 2021, respectively, as compared to the same periods in the prior year primarily due to increased spend associated with a scheduled network refresh project. Other capital expenditures are related to IT projects, cable and equipment maintenance and capacity additions, real estate upgrades and maintenance, plus other minor capital purchases.

Entertainment and Communications, continued

Hawaii construction capital expenditures increased $3.7 million and $5.7 million for the three and six months ended June 30, 2021, respectively, as compared to the same periods in the prior year due to building out 4,700 new addresses in the second quarter of 2021, primarily in rural areas and on the neighbor islands, and 9,000 new addresses in the six months ended June 30, 2021. Hawaii installation capital expenditures decreased $0.6 million in the six months ended June 30, 2021 as compared to the comparable period in 2020 primarily due to lower volume of CPE purchased and less video installations. Enterprise fiber capital in Hawaii is primarily driven by new ethernet customers. Hawaii capital expenditures classified as Other include IT projects, real estate projects, road jobs or plant damage projects, and network upgrades or optimization projects.

IT Services and Hardware

The IT Services and Hardware segment provides end-to-end IT solutions ranging from consulting to implementation to ongoing optimization of existing technology. These solutions include Cloud, Communications and Consulting services along with the sale and maintenance of major branded Telecom and IT hardware reported as Infrastructure Solutions. These services and products are provided through the Company's subsidiaries in various geographic areas throughout the United States, Canada and Europe. By offering a full range of equipment and strategic services in conjunction with the Company's fiber and copper networks, the IT Services and Hardware segment provides our customers personalized solutions designed to meet their business objectives.

Cloud services include the design, implementation and on-going management of the customer's infrastructure. This includes on-premise, public cloud and private cloud solutions. The Company assists customers with the risk assessment phase through an in-depth understanding of the customer's business as well as building and designing a solution, using either the customer's existing infrastructure or new cloud based options that transforms the way that the customer does business.

Communications solutions help to transform the way our customers do business by connecting employees, customers, and business partners. By upgrading legacy technologies through customized build projects and reducing customer costs, the Company helps to transform the customer's business. These services include Unified Communications as a Service ("UCaaS"), Software-Defined Wide Area Network ("SD-WAN"), Network as a Service ("NaaS"), Contact Center and Collaboration.

Using our experience and expertise, Infrastructure Solutions are tailored to our customers' organizational goals. We offer a complete portfolio of services that provide customers with efficient and optimized IT solutions that are agile and responsive to their business and are integrated, simplified and manageable. Through consulting with customers, the Company will build a solution using standard manufacturer equipment to meet our customers' specific requirements.

Consulting services help customers assess their business and technology needs and provide the talent needed to ensure success. The Company is a premier provider of application services and IT staffing.

	Three Months Ended June 30,				Six Months Ended June 30,			
(dollars in millions)	2021	2020	Change	% Change	2021	2020	Change	% Change
Revenue:								
Consulting	$ 71.6	$ 47.2	$ 24.4	52%	$ 137.1	$ 89.1	$ 48.0	54%
Cloud	24.3	20.4	3.9	19%	47.7	41.9	5.8	14%
Communications	55.0	55.2	(0.2)	0%	109.0	106.4	2.6	2%
Infrastructure Solutions	29.0	24.2	4.8	20%	59.9	51.9	8.0	15%
Total revenue	179.9	147.0	32.9	22%	353.7	289.3	64.4	22%
Operating costs and expenses:								
Cost of services and products	123.3	95.9	27.4	29%	239.8	187.5	52.3	28%
Selling, general and administrative	37.9	35.4	2.5	7%	76.0	73.7	2.3	3%
Depreciation and amortization	10.2	10.2	—	0%	20.3	20.5	(0.2)	(1)%
Restructuring and severance related charges	0.9	0.3	0.6	n/m	1.4	0.7	0.7	n/m
Total operating costs and expenses	172.3	141.8	30.5	22%	337.5	282.4	55.1	20%
Operating income	$ 7.6	$ 5.2	$ 2.4	46%	$ 16.2	$ 6.9	$ 9.3	n/m
Operating margin	4.2%	3.5%		0.7 pts	4.6%	2.4%		2.2 pts
Capital expenditures	$ 6.2	$ 6.3	$ (0.1)	(2)%	$ 11.9	$ 12.8	$ (0.9)	(7)%

	June 30,			
Metrics information (in thousands):	2021	2020	Change	% Change
Consulting				
Billable Resources	2,028	1,305	723	55%
Communications				
NaaS Locations	7,024	5,048	1,976	39%
SD - WAN Locations	4,650	2,575	2,075	81%
Hosted UCaaS Profiles*	292,266	276,360	15,906	6%

* Includes Hawaii Hosted UCaaS Profiles

IT Services and Hardware, continued

Revenue

IT Services and Hardware segment revenue increased $32.9 million and $64.4 million for the three and six months ended June 30, 2021, respectively, as compared to the same periods in the prior year. Consulting revenue is the most significant contributor to the revenue increase due to obtaining new projects throughout 2020 which continue to bill and grow in 2021. Communications revenue decreased $0.2 million for the three months ended June 30, 2021 as compared to the same period in 2020. The increase in revenue as a result of customers migrating to newer technologies which has increased the Company's Hosted UCaaS profiles, NaaS locations and SD-WAN locations was more than offset by the decline in legacy communications revenue and nonrecurring revenue recognized in the second quarter of 2020 associated with customers requiring additional services to mitigate the issues caused by the COVID-19 pandemic on their businesses. Communications revenue increased $2.6 million for the six months ended June 30, 2021 as compared to the comparable period in 2020 as strategic revenue growth more than offset declines in legacy communications revenue and nonrecurring revenue associated with customers mitigating the impact of the COVID-19 pandemic. Cloud revenue increased $3.9 million and $5.8 million in the three and six months ended June 30, 2021, respectively, as compared to the same periods in the prior year due to providing ongoing monitoring and management services to new customers obtained in 2020 that continue to bill in 2021. The increase in Infrastructure Solutions revenue is due to lower hardware sales in the second quarter of 2020 due to the impacts of COVID-19. In addition, Infrastructure Solutions revenue associated with professional services projects increased in the three and six months ended June 30, 2021 as compared to the same periods in the prior year.

Operating Costs and Expenses

IT Services and Hardware cost of services and products increased $27.4 million and $52.3 million for the three and six months ended June 30, 2021, respectively, as compared to the same periods in the prior year due to increases in payroll related costs, contractor costs, software licensing costs and regulatory fees. The increase in payroll related costs of $5.6 million and $10.3 million in three and six months ended June 30, 2021, respectively, and increased contractor costs of $20.2 million and $37.9 million in the three and six months ended June 30, 2021, respectively, compared to the same periods in the prior year is due to additional headcount to support the growth in the Communications and Consulting practices. As a result of the consulting projects obtained in 2020, billable resources increased by 723 persons compared to June 30, 2020. Higher software licensing costs were also incurred to support the revenue growth in the Communications practice.

SG&A expenses increased $2.5 million for the three months ended June 30, 2021 as compared to the comparable period in 2020 primarily due to an increase in payroll related costs and employee related costs partially offset by lower bad debt expense and savings realized in the three months ended June 30, 2020 as a result of cost containment strategies implemented to reduce the negative impact of the COVID-19 pandemic on the business. The decrease in bad debt expense is due to updating our estimate of the expected impact of the economic downturn associated with the COVID-19 pandemic on the Company's receivables in the second quarter of 2020. The increase in employee related costs is due to restrictions in certain geographies being eased and employees starting to travel in the second quarter of 2021.

SG&A expenses increased $2.3 million for the six months ended June 30, 2021 as compared to the same period in the prior year primarily due to an increase in payroll related costs partially offset by lower bad debt expense, decreased employee related expense as well as employee contract termination costs incurred in the first quarter of 2020 that did not recur in 2021. Employee related and travel activities increased in the second quarter of 2021 as restrictions eased, however activity continued to be limited in the first quarter of 2021 resulting in a decrease of $0.6 million for the six months ended June 30, 2021 compared to the same period in 2020. Similar trends that impacted bad debt expense for the quarter also impacted the six months ended June 30, 2021.

Restructuring and severance related charges recorded in the three and six months ended June 30, 2021 and 2020 are associated with initiatives to reduce and contain costs.

Capital Expenditures

Capital expenditures are dependent on the timing of success-based projects. Capital expenditures for the three and six months ended June 30, 2021, were primarily related to projects supporting the Cloud and Communications practices. In addition to success-based projects, the Company incurred $1.4 million for implementation work associated with internal software projects in the six months ended June 30, 2021.

Financial Condition, Liquidity, and Capital Resources

As of June 30, 2021, the Company had $1,912.8 million of outstanding indebtedness and an accumulated deficit of $2,839.2 million. A significant amount of the Company's accumulated deficit resulted from the purchase and operation of a national broadband business, which was sold in 2003.

The Company's primary source of cash is generated by operations. The Company generated $180.1 million and $73.6 million of cash flows from operations during the six months ended June 30, 2021 and 2020, respectively. As of June 30, 2021, the Company had $198.6 million of short-term liquidity, comprised of $3.5 million of cash and cash equivalents, $176.0 million of undrawn capacity on our Revolving Credit Facility, and $19.1 million available under the Receivables Facility.

The Receivables Facility permits maximum borrowings of up to $215.0 million. As of June 30, 2021, the Company had borrowings of $173.7 million and $14.8 million of letters of credit outstanding under the Receivables Facility on a borrowing capacity of $207.6 million. While we expect to continue to renew this facility, we would be required to use cash, our Revolving Credit Facility, or other sources to repay any outstanding balance on the Receivables Facility if it was not renewed.

The Company's primary uses of cash are for capital expenditures and debt service and, to a lesser extent, to fund pension and retiree medical obligations and preferred stock dividends. In the first quarter of 2020, as a result of terminating the Brookfield Merger Agreement, we paid an affiliate of Brookfield a termination fee of $24.8 million on March 13, 2020. The Company believes that its cash on hand, cash generated from operations, and available funding under its credit facilities will be adequate to meet its cash requirements for the next twelve months.

In the second quarter of 2021, the Company executed amendments to its Receivables Facility, which replaced, amended and added certain provisions and definitions to increase the credit availability and renew the facility. The amendments extended the facility's renewal date until June 2023 and the facility's termination date to June 2024. The maximum borrowing limit for loans and letters of credit under the Receivables Facility was increased from $200.0 million to $215.0 million in the aggregate. In addition, the amendments removed the provision that the LIBOR rate for the Receivables Facility may not fall below 0.75%. Capacity on the AR facility is calculated and will continue to be calculated based on the quantity and quality of outstanding accounts receivables. Therefore if the Company experiences declines in revenue or extends discounts to customers, the capacity could be negatively impacted and reduce our short term liquidity. Management is continuously monitoring liquidity to ensure sufficient cash is available.

As of June 30, 2021, the Company was in compliance with the Credit Agreement covenants and ratios.

Cash Flows

Cash provided by operating activities during the six months ended June 30, 2021 totaled $180.1 million, an increase of $106.5 million compared to the same period in 2020. The increase is due primarily to decreased transaction and termination costs, lower restructuring and severance payments and improved working capital compared to the same period in the prior year. The increase in working capital is primarily due to improved collection of receivables which was unfavorably impacted in the six months ended June 30, 2020 due to COVID-19 and the Company's participation in the Pledge.

Cash flows used in investing activities during the six months ended June 30, 2021 totaled $119.6 million, an increase of $18.5 million compared to the same period in 2020 due to the increase in capital expenditures.

Cash flows used in financing activities during the six months ended June 30, 2021 totaled $69.2 million as compared to cash provided by financing activities of $23.2 million during the same period in the prior year. In the six months ended June 30, 2021, the Company utilized cash for payments of $43.0 million and $8.6 million on the Revolving Credit Facility and Receivables Facility, respectively. In the six months ended June 30, 2020, the Company borrowed $8.0 million and $34.0 million on the Revolving Credit Facility and Receivables Facility, respectively.

Indentures

The Company's Senior Notes are governed by indentures which contain covenants that, among other things, limit the Company's ability to incur additional debt or liens, pay dividends or make other restricted payments, sell, transfer, lease or dispose of assets and make investments or merge with another company. The Company is in compliance with all of its debt indentures as of June 30, 2021.

Share Repurchase Plan

In 2010, the Board of Directors approved a plan for the repurchase of the Company's outstanding common stock in an amount up to $150.0 million. In prior years, the Company repurchased and retired a total of 1.7 million shares at a total cost of $25.6 million dollars. As of June 30, 2021, the Company has the authority to repurchase its common stock with a value of up to $124.4 million under the plan approved by its Board of Directors, subject to satisfaction of the requirements under its bond indentures.

Regulatory Matters

Refer to the Company's Annual Report on Form 10-K for the year ended 2020 for a complete description of regulatory matters.

Contingencies

In the normal course of business, the Company is subject to various regulatory and tax proceedings, lawsuits, claims and other matters. The Company believes adequate provision has been made for all such asserted and unasserted claims in accordance with accounting principles generally accepted in the United States. Such matters are subject to many uncertainties and outcomes that are not predictable with assurance.

Critical Accounting Policies

The Company's consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. Application of these principles requires management to make estimates or judgments that affect the amounts reported in the accompanying Condensed Consolidated Financial Statements and information available as of the date of the financial statements. As this information changes, the financial statements could reflect different estimates or judgments. The Company's most critical accounting policies and estimates are described in its Annual Report on Form 10-K for the year ended December 31, 2020.

Recently Issued Accounting Standards

Refer to Note 1 of the Condensed Consolidated Financial Statements for further information on recently issued accounting standards. The adoption of new accounting standards did not have a material impact on the Company's financial results for the six months ended June 30, 2021.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Refer to the Company’s Annual Report on Form 10-K for the year ended December 31, 2020 for a description of the Company's market risks.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

Cincinnati Bell Inc.’s management, with the participation of the Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in SEC Rule 13a-15(e)) as of the end of the period covered by this report. Based on this evaluation, Cincinnati Bell Inc.’s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of the period covered by this report, such controls and procedures were effective.

(b) Changes in internal control over financial reporting.

Cincinnati Bell Inc.’s management, with the participation of the Chief Executive Officer and Chief Financial Officer, have evaluated any changes in the Company’s internal control over financial reporting that occurred during the second quarter of 2021 and have concluded that there were no changes to Cincinnati Bell Inc.’s internal control over financial reporting during the second quarter of 2021 that materially affect, or are reasonably likely to materially affect, Cincinnati Bell Inc.’s internal control over financial reporting. We are continually monitoring and assessing the COVID-19 situation on our internal controls to minimize the impact to their design and operating effectiveness.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Cincinnati Bell and its subsidiaries are involved in a number of legal proceedings. Liabilities are established for legal claims when losses associated with the claims are judged to be probable and the loss can be reasonably estimated. In many lawsuits and arbitrations, including most class action lawsuits, it is not possible to determine whether a liability has been incurred or to estimate the amount of the liability until the case is close to resolution, in which case a liability will not be recognized until that time. Based on information currently available, consultation with counsel, available insurance coverage and recognized liabilities, the Company believes that the eventual outcome of all claims will not, individually or in the aggregate, have a material effect on the Company's financial position or results of operations.

Item 1A. Risk Factors

Refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2020 for a comprehensive listing of the Company's risk factors. There are no material changes for the six months ended June 30, 2021.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the six month period ended June 30, 2021, the Company had no unregistered sales of equity securities. The Company also had no purchases of its common stock for the six months ended June 30, 2021.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosure

None.

Item 5. Other Information

No reportable items.

Item 6. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference Form	Filing Date	Exhibit No.	SEC File No.	Filed Herewith
2.1	Agreement and Plan of Merger, dated as of March 13, 2020, by and among Cincinnati Bell Inc., Red Fiber Parent LLC and RF Merger Sub Inc.	8-K	3/13/2020	2.1	1-8519	
3.1	Amended and Restated Articles of Incorporation of Cincinnati Bell Inc.	8-K	4/30/2008	3.1	1-8519	
3.2	Amendment to the Amended and Restated Articles of Incorporation of Cincinnati Bell Inc.	8-K	10/5/2016	3.1	1-8519	
3.3	Amended and Restated Regulations of Cincinnati Bell Inc.	10-Q	8/8/2018	3.3	1-8519	
10.1	Third Amendment to the Receivables Purchase Agreement, dated as of April 9, 2021, by and among Cincinnati Bell Funding LLC as Seller, Cincinnati Bell Inc. as Servicer, and PNC Bank, National Association, as Buyer.	8-K	4/13/2021	99.1	1-8519	
10.2	Fourth Amendment to the Receivables Financing Agreement, dated as of April 9, 2021, by and among Cincinnati Bell Funding LLC and Cincinnati Bell Funding Canada Ltd., as Borrowers, Cincinnati Bell Inc. and OnX Enterprise Solutions Ltd., as Servicers, the Lenders, Letter of Credit Participants and Group Agents from time to time party thereto, PNC Bank Canada Branch as issuer of Letters of Credit and Lender, PNC Bank, National Association, as Administrator and Letter of Credit Bank, and PNC Capital Markets, as Structuring Agent.	8-K	4/13/2021	99.2	1-8519	
31.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					+
31.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					+
32.1	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					+
32.2	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					+
101	The following financial statements from Cincinnati Bell Inc.'s Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 were formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) Condensed Consolidated Statements of Shareholders' Deficit, (iv) Condensed Consolidated Statements of Cash Flows, and (v) Notes to Condensed Consolidated Financial Statements.					
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).					

The Company's reports on Form 10-K, 10-Q, and 8-K are available free of charge in the Investor Relations section of the Company's website: http://www.cincinnatibell.com. The Company will furnish any other exhibit at cost.

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 thereunto duly authorized.

	Cincinnati Bell Inc.
Date: July 29, 2021	/s/ Andrew R. Kaiser
	Andrew R. Kaiser Chief Financial Officer
Date: July 29, 2021	/s/ Suzanne E. Maratta
	Suzanne E. Maratta Chief Accounting Officer

Exhibit 31.1

Certifications

I, Leigh R. Fox, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cincinnati Bell Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date:July 29, 2021

/s/ Leigh R. Fox
Leigh R. Fox
Chief Executive Officer

Exhibit 31.2

Certifications

I, Andrew R. Kaiser, Chief Financial Officer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cincinnati Bell Inc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure control and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 29, 2021

/s/ Andrew R. Kaiser
Andrew R. Kaiser
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Cincinnati Bell Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Leigh R. Fox, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Leigh R. Fox

Leigh R. Fox
Chief Executive Officer
July 29, 2021

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Cincinnati Bell Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Andrew R. Kaiser, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Andrew R. Kaiser
Andrew R. Kaiser
Chief Financial Officer
July 29, 2021