

Ferndale
750 Lexington Avenue
9th Floor New York, NY 10022

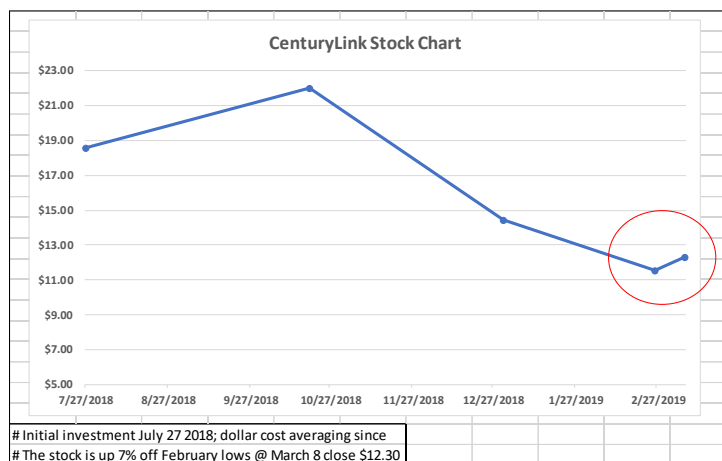
March 8, 2019

CenturyLink – Seeing the Forest for the Trees

CenturyLink (CTL) is now showing a Bullish pattern after news this week that the top two senior executives made significant equity investments. There is a broader theme in Telco that involves satisfying the investor community that acquisition debt will be repaid on an orderly schedule and to the net 3x or less level by 2020-21. CTL stock price has been depressed after less popular announcements relating to a dividend reduction, delayed 10-K filing and now ambulance chasing on the shareholder rights front. Although the size of the Ferndale investment in CTL would merit class action participation, Ferndale remains friendly and is in favor of letting the dust settle. Ferndale remains positive on the recent \$1.1 billion investment in CTL by Southeastern Asset Management filed 2/14/19 and believes that there is a capital reallocation opportunity whereby the reduced dividend helps serve the share price recovery to a greater degree over the medium term.

CTL offers a strong financial profile given the operational and business transformation that it is in the process of making, remaining viable through its EBITDA margin and cash generating capabilities. As a theme, Ferndale is long single name risk in the Telco sector and believes that it could now offer the more traditional defensive upside. Both CTL and T have recently bucked a downward market.

Ferndale initiated a long position in CTL on July 27, 2018. Ferndale has dollar averaged down throughout and last purchased shares on March 6, the day the senior executive stock purchases were announced after hours, so March 7 was the first trading session with that news. There was also a focus on completing share purchases before the ex-dividend date; currently yielding 8% annually, payable quarterly next on March 22.



About Us

Ferndale was established in 2012 to provide U.S. Baby Boomers with liquidity and income for the next stage of life during retirement. We seek small business acquisition opportunities and actively oversee our working capital through public equities. Ferndale has offices in New York, NY and Scottsdale, AZ.