



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

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## MONTHLY AVERAGE FRISK® SCORE

CreditRiskMonitor's proprietary FRISK® score has Gogo Inc.'s (NASDAQ: GOGO) at a 1, the highest probability of bankruptcy in the next 12 months.

Business Name	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2019	2019	2019
	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
Gogo Inc.	3	2	1	1	1	1	1	1	1	1	1	1	1

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

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

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

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

## THE FRISK® SCORE COMPONENTS

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

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

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

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

## Crowdsourced CreditRiskMonitor Usage Data

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

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

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

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

# COMPANY REPORT DETAIL

## Gogo Inc.

111 N Canal St Ste 1500

Phone: (312) 517-5000

CHICAGO, IL 60606-7205 United States

Ticker: **GOGO**

Latest Financial Statements as of 12/31/2018

### Business Summary

Gogo Inc. is a holding company. The Company is a provider of in-flight broadband connectivity and connectivity-enabled services to commercial and business aviation. The Company operates through three segments: Commercial Aviation North America (CA-NA), Commercial Aviation Rest of World (CA-ROW) and Business Aviation (BA). The CA-NA segment offers air-to-ground (ATG) and satellite connectivity and entertainment services to commercial aircraft flying routes generally within North America. The CA-ROW segment offers satellite connectivity and entertainment services, using 2Ku and Ku solutions, to commercial aircraft flying routes outside of North America. The Company's BA segment offers a suite of integrated equipment, network and Internet connectivity products and services to the business aviation market. The Company offers a package of airborne equipment for its ATG-4/ATG and satellite services.

(Source: 10-K)

Employees: 1,153 (as of 12/31/2018)

Incorporated: 12/14/2009

Federal Tax Id: 271650905

### Credit Score History

Why are these scores different?

### Auditor Information

Score/ Index	2018												2019			
	M	A	M	J	J	A	S	O	N	D	J	F	M	J	F	M
<b>FRISK® Score*</b>	3	2	1	1	1	1	1	1	1	1	1	1	1	1	1	1
<b>DBT Index</b>	8	7	9	9	9	6	8	8	7	6	7	DBT	DBT	DBT	DBT	DBT
<b>Z"-Score</b>	-1.68	-1.35				-1.64										-2.12

Last Audit: 12/31/2018

Auditors: Deloitte & Touche LLP

Opinion: **Unqualified**

\*FRISK® Scores are month-end

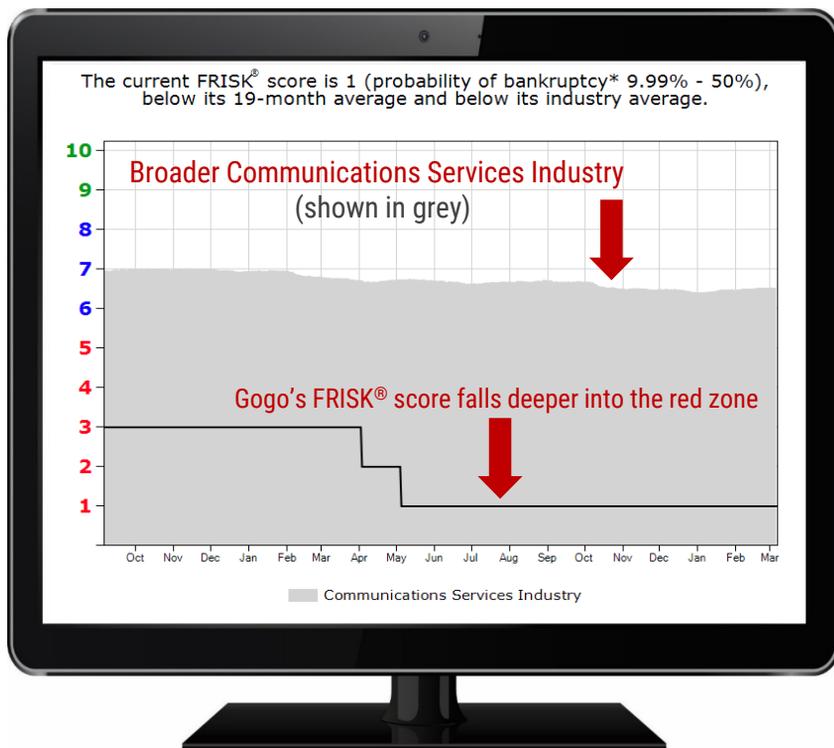
### Agency Credit Ratings

Rating Agency	Long Term Rating	Outlook	Short Term Rating
<b>Moody's</b>	Caa1	Negative	SGL-3

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

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

## FRISK® DEEP DIVE



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

**MAKING IMMEDIATE ATTENTION REQUIRED.**

## ADJUSTED MARKET CAP VOLATILITY



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

# FRISK® STRESS INDEX

Rank	Business Name	Country	FRISK score
1	Gogo Inc.	United States	1
2	Windstream Holdings Inc	United States	1
3	Cincinnati Bell Inc.	United States	2
4	DISH DBS Corp	United States	2
5	Fintech Select Ltd	Canada	2
6	Frontier Communications Corp	United States	2
7	FTE Networks Inc	United States	2
8	Fusion Connect Inc	United States	2
9	Glenfibrar Technologies Inc	Canada	2
10	Global Eagle Entertainment Inc	United States	2
11	Verizon Wireless Inc.	United States	2
12	Verizon Wireless Inc.	United States	2

## FRISK® Stress Index - SIC classification: Communications services, not elsewhere classified

Primary industry codes only     Primary and secondary industry codes

Businesses From: All Businesses CLEAR

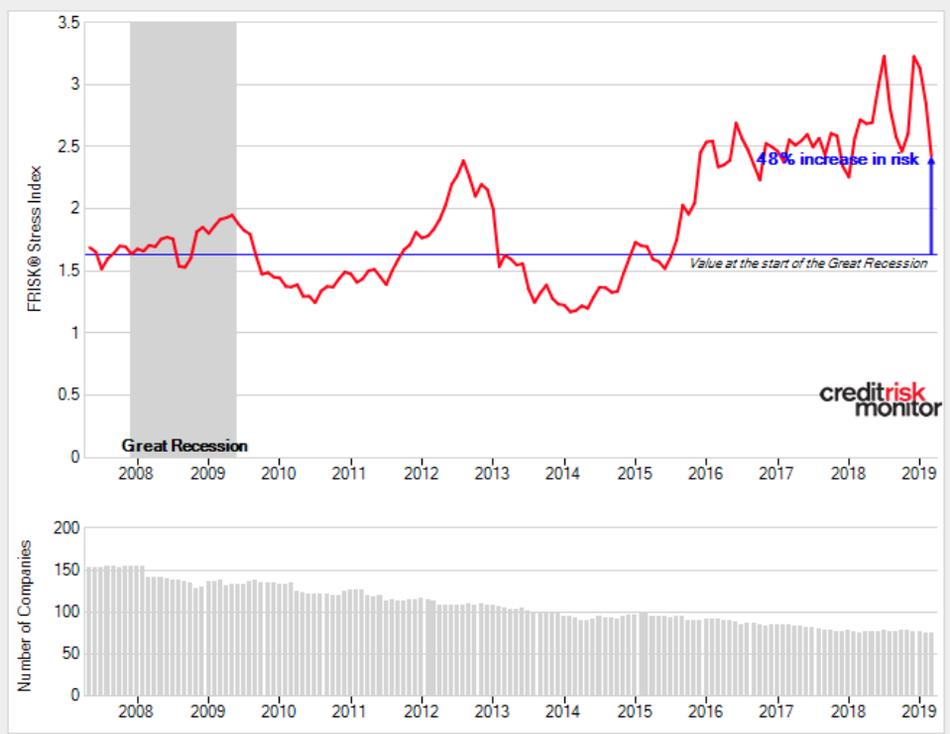
In Industry: SIC 4899: Communications services, not elsewhere classified

Country: North American Service

**UPDATE RESULTS**

Scale: Auto

Total Companies in all months 235



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

**The average probability of failure for SIC code 4899 (Communications services, not elsewhere classified) has increased 48% since 2007.** Gogo Inc. is among the weakest names in the industry as evidenced by its FRISK® score of 1.

# PEER ANALYSIS ON ALTERNATE SUPPLIERS AND CUSTOMERS

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

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

### Peer Analysis

Year/Quarter: 2018.4  
Peer Group: SIC 4899: Communications services, not elsewhere class  
[SIC: 4899] [Calendar Year/Quarter: 2018.4]

**REFRESH**

Businesses in Peer Group: 1456	Ranking Within Peer Group	Number Of Peers Ranked	Company Value	Peer Group Range		
				Low	Median	High
<b>Credit Ratings</b>						
ZScore	91	100	-2.12	-1,442.81	1.85	12.93
<b>Performance ratios:</b>						
Net Sales (Thousands of U.S. Dollars)	18	31	217,224	7	399,000	5,337,000
Gross Margin % Of Sales	64	105	42.36	-2.31	49.78	100.00
Gross Margin % Of Sales -- TTM	62	106	42.50	1.78	49.10	96.04
SG&A % Of Sales	43	104	16.87	0.68	19.19	25.00
SG&A % Of Sales -- TTM	50	106	17.13	0.62	19.19	25.00
Operating Margin % Of Sales	100	115	-13.51	-31,085.71		
Operating Margin % Of Sales TTM	100	115	-3.21	-13,523.53		
EBITDA Margin Of Sales	63	76	1.63	-30,128.57		
EBITDA Margin Of Sales -- TTM	64	82	9.71	-12,918.82		
Net Profit Margin % Of Sales	106	115	-27.48	-30,857.14		
Net Profit Margin % Of Sales - TTM	105	115	-18.13	-13,536.47		
Pre-tax Income % Of Sales	105	115	-27.40	-30,857.14		
Effective Tax Rate	17	114	-0.28	-162.54		
Depreciation % Of Prop/Plant/Equipment	58	110	21.58	1.24	21.58	25.00
Capital Expense % Of Prop/Plant/Equipment	10	89	5.70	0.25	22.92	34.14
Interest Coverage	61	71	0.11	-23.96	8.39	66,973.82
Interest Coverage -- TTM	68	78	0.71	-183.02	6.24	8,174.22
<b>Liquidity ratios:</b>						
Cash Ratio	31	109	0.75	0.00	0.00	0.00
Quick Ratio	38	103	1.23	0.07	0.07	0.07
Current Ratio	30	109	1.95	0.04	0.04	0.04
<b>Efficiency ratios:</b>						
Accounts Receivable Turnover	42	111	5.78	0.00	0.00	0.00
Days Sales Outstanding	47	115	63.18	0.00	0.00	0.00
% of Inventory Financed by Vendors	63	66	12.36	0.14	0.14	0.14
% of Inventory Financed by Vendors -- TTM	75	78	13.85	0.13	0.13	0.13
Inventory Turnover	83	96	2.49	0.00	0.00	0.00
Inventory Turnover TTM	84	99	3.23	0.00	0.00	0.00
Days Sales in Inventory	83	89	146.77	0.62	0.62	0.62
Inventory to Working Capital	41	86	0.68	-3.09	0.04	1.52
Accounts Payable Turnover	8	92	17.95	0.00	3.73	29,984.43
Accounts Payable Turnover -- TTM	9	95	15.83	0.00	3.48	17,480.00
<b>Leverage &amp; debt coverage:</b>						
Total Debt to Equity Ratio	N/A	95	N/A	0.00	0.96	10.73
Debt to Tangible Equity Ratio	N/A	66	N/A	0.00	1.36	55.69
Total Debt to Assets Ratio	97	100	0.81	0.00	0.36	1.38
Short-Term Debt % of Total Debt	3	94	0.06	0.00	21.96	100.00
Short-Term Debt % of Working Capital	4	95	0.23	-847.79	0.00	1,135.92
Liabilities to Net Worth Ratio	N/A	74	N/A	0.03	2.45	581.40
Total Liabilities to Equity Ratio	N/A	104	N/A	0.02	1.59	581.40
TTM EBITDA Over Total Debt	70	77	0.08	-1.33	0.32	76.77
Net Debt Over TTM EBITDA	70	74	9.24	-56.29	1.83	73.75

**Green - Ranked in Upper Quartile of Peer Group**

**White - Ranked in the Middle Two Quartiles of Peer Group**

**Red - Ranked in Lower Quartile of Peer Group**

**Orange - Confidential**

**Grey - Data is Not Available**

**Ranking within Peer Group by SIC 4899 (Calendar Year/Quarter)**

Rank	Company Name	Country
1	Hutchison Telecommunications (Asia) Ltd	Australia
2	Shenzhen Robot Education Group Co Ltd	Hong Kong
3	Skycom Telecommunication & Tech Corp	Vietnam
4	Softbank Communications SA	Japan
5	Alcatel-Lucent	France
6	Alcatel-Lucent Structures S.A.	Spain
7	Inteltek SA	Luxembourg
8	Transnational Corporation of Nigeria Plc	Nigeria
9	Time Dotcom Bhd	Malaysia
10	SBA Communications Corporation	United States
11	Castle International Corp	Vietnam
12	...	...

**Ranking within Peer Group by SIC 4899 (Calendar Year/Quarter)**

Rank	Company Name	Country
1	IntCon Corporation	United States
2	Information And Communicat Networks PCL	Thailand
3	GS Global Bhd	Malaysia
4	Zentel SA	Belgium
5	Liberty Broadband Corp	United States
6	Time Telecom Bhd	Malaysia
7	Time Telecom USA	Norway
8	NTT Docomo Inc (ADR)	Japan
9	NTT Docomo Inc (ADR)	Japan
10	Neto SA	Poland
11	Neto Oy	Finland
12	Neto (ADR)	Finland
13	Neto (ADR)	Finland
14	Neto (ADR)	Finland
15	Neto (ADR)	Finland
16	Neto (ADR)	Finland
17	Neto (ADR)	Finland
18	Neto (ADR)	Finland
19	Neto (ADR)	Finland
20	Neto (ADR)	Finland

# QUARTERLY PERFORMANCE RATIOS

Operating and net losses in each of the last five fiscal quarters

Poor interest coverage ratio & weak free cash flow relative to debt

## Performance Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018	3 mos 3/31/2018	3 mos 12/31/2017
<b>Net Sales \$</b>	<b>\$217,224</b>	<b>\$217,257</b>	<b>\$227,458</b>	<b>\$231,825</b>	<b>\$188,010</b>
% change	-0.02%	-4.48%	-1.88%	23.30%	8.76%
<b>Gross Margin \$</b>	<b>\$92,014</b>	<b>\$93,821</b>	<b>\$89,458</b>	<b>\$104,585</b>	<b>\$104,539</b>
% change	-1.93%	4.88%	-14.46%	0.04%	16.55%
% of sales	42.36%	43.18%	39.33%	45.11%	55.60%
change as % of incremental sales	n/m	n/m	n/m	0.11%	98.08%
<b>SG&amp;A \$</b>	<b>\$36,649</b>	<b>\$38,823</b>	<b>\$36,560</b>	<b>\$41,060</b>	<b>\$40,273</b>
% change	-5.60%	6.19%	-10.96%	1.95%	-0.21%
% of sales	16.87%	17.87%	16.07%	17.71%	21.42%
change as % of incremental sales	n/m	n/m	n/m	1.80%	-0.56%
<b>Operating margin \$</b>	<b>(\$29,344)</b>	<b>(\$7,610)</b>	<b>(\$7,449)</b>	<b>(\$2,171)</b>	<b>(\$14,427)</b>
% change	-285.60%	-2.16%	-243.11%	84.95%	18.95%
% of sales	-13.51%	-3.50%	-3.27%	-0.94%	-7.67%
change as % of incremental sales	n/m	n/m	n/m	27.97%	22.29%
<b>EBITDA \$</b>	<b>\$3,534</b>	<b>\$24,908</b>	<b>\$24,115</b>	<b>\$34,253</b>	<b>\$33,814</b>
% change	-85.81%	3.29%	-29.60%	1.30%	90.02%
% of sales	1.63%	11.46%	10.60%	14.78%	17.99%
change as % of incremental sales	n/m	n/m	n/m	1.00%	105.83%
<b>EBIT \$</b>	<b>(\$29,636)</b>	<b>(\$7,682)</b>	<b>(\$7,823)</b>	<b>(\$1,666)</b>	<b>(\$14,855)</b>
% change	-285.79%	1.80%	-369.57%	88.78%	17.61%
% of sales	-13.64%	-3.54%	-3.44%	-0.72%	-7.90%
change as % of incremental sales	n/m	n/m	n/m	30.10%	20.97%
<b>Pre-tax income \$</b>	<b>(\$59,522)</b>	<b>(\$37,522)</b>	<b>(\$37,136)</b>	<b>(\$31,144)</b>	<b>(\$44,080)</b>
% change	-58.63%	-1.04%	-19.24%	29.35%	1.89%
% of sales	-27.40%	-17.27%	-16.33%	-13.43%	-23.45%
change as % of incremental sales	n/m	n/m	n/m	29.52%	5.62%
<b>Net income (loss) \$</b>	<b>(\$59,688)</b>	<b>(\$37,717)</b>	<b>(\$37,207)</b>	<b>(\$27,419)</b>	<b>(\$41,138)</b>
% change	-58.25%	-1.37%	-35.70%	33.35%	9.15%
% of sales	-27.48%	-17.36%	-16.36%	-11.83%	-21.88%
change as % of incremental sales	n/m	n/m	n/m	31.31%	27.37%
<b>Tax expense \$</b>	<b>\$166</b>	<b>\$195</b>	<b>\$71</b>	<b>\$275</b>	<b>(\$5,942)</b>
Effective tax rate	-0.28%	-0.52%	-0.19%	-0.88%	13.48%
<b>Depreciation expense \$</b>	<b>\$27,470</b>	<b>\$26,490</b>	<b>\$24,738</b>	<b>\$28,319</b>	<b>\$40,269</b>
% of sales	12.65%	12.19%	10.88%	12.22%	21.42%
% of capital expenses	378.84%	286.50%	47.11%	45.20%	61.02%
% of PP&E, net (annualized)	21.58%	20.40%	18.62%	19.09%	25.36%
<b>Capital expenditures \$</b>	<b>\$7,251</b>	<b>\$9,246</b>	<b>\$52,508</b>	<b>\$62,658</b>	<b>\$65,992</b>
% change	-21.58%	-82.39%	-16.20%	-5.05%	-3.65%
% of PP&E, net (annualized)	5.70%	7.12%	39.52%	42.24%	41.56%
% of working capital (annualized)	9.89%	12.11%	63.06%	79.24%	88.07%
<b>Interest coverage ratio</b>	<b>0.11</b>	<b>0.81</b>	<b>0.79</b>	<b>1.12</b>	<b>1.12</b>
% change	-85.87%	2.95%	-29.80%	0.10%	73.62%
<b>Free cash flow \$</b>	<b>\$2,334</b>	<b>(\$72,113)</b>	<b>(\$35,332)</b>	<b>(\$108,863)</b>	<b>(\$1,527)</b>
% change	103.24%	-104.10%	67.54%	-7,029.21%	97.97%
Source:	10-K 2/21/2019	10-Q 11/6/2018	10-Q 8/8/2018	10-Q 5/4/2018	10-K 2/22/2018

## QUARTERLY LEVERAGE RATIOS

Negative tangible net worth suggests that the company has exhausted all of its loanable collateral

Total debt to assets ratio affords creditors little degree of protection from loss

### Leverage Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
<b>Total debt \$</b>	<b>\$1,025,745</b>	<b>\$1,019,644</b>	<b>\$1,014,197</b>	<b>\$1,008,710</b>	<b>\$1,002,657</b>
% change	0.60%	0.54%	0.54%	0.60%	0.50%
<b>Stockholders' equity \$</b>	<b>(\$268,761)</b>	<b>(\$261,281)</b>	<b>(\$228,212)</b>	<b>(\$191,336)</b>	<b>(\$191,564)</b>
% change	-2.86%	-14.49%	-19.27%	0.12%	-23.17%
<b>Tangible net worth \$</b>	<b>(\$352,252)</b>	<b>(\$345,411)</b>	<b>(\$311,290)</b>	<b>(\$275,834)</b>	<b>(\$278,697)</b>
% change	-1.98%	-10.96%	-12.85%	1.03%	-12.92%
<b>Total assets \$</b>	<b>\$1,265,096</b>	<b>\$1,248,462</b>	<b>\$1,304,308</b>	<b>\$1,300,142</b>	<b>\$1,403,175</b>
% change	1.33%	-4.28%	0.32%	-7.34%	2.95%
<b>Total debt to assets ratio</b>	<b>0.81</b>	<b>0.82</b>	<b>0.78</b>	<b>0.78</b>	<b>0.71</b>
% change	-0.72%	5.03%	0.23%	8.56%	-2.38%
<b>Tangible assets \$</b>	<b>\$1,181,605</b>	<b>\$1,164,332</b>	<b>\$1,221,230</b>	<b>\$1,215,644</b>	<b>\$1,316,042</b>
% change	1.48%	-4.66%	0.46%	-7.63%	3.49%
<b>Short-term debt \$</b>	<b>\$652</b>	<b>\$1,233</b>	<b>\$1,442</b>	<b>\$1,468</b>	<b>\$1,789</b>
% change	-47.12%	-14.49%	-1.77%	-17.94%	-16.75%
<b>Short-term debt % of total debt</b>	<b>0.06%</b>	<b>0.12%</b>	<b>0.14%</b>	<b>0.15%</b>	<b>0.18%</b>
% change	-47.39%	-14.98%	-2.27%	-18.44%	-17.18%
<b>Short-term debt % of working capital</b>	<b>0.23%</b>	<b>0.41%</b>	<b>0.46%</b>	<b>0.41%</b>	<b>0.65%</b>
% change	-44.34%	-11.85%	12.73%	-36.23%	-2.85%
<b>Total liabilities \$</b>	<b>\$1,533,857</b>	<b>\$1,509,743</b>	<b>\$1,532,520</b>	<b>\$1,491,478</b>	<b>\$1,594,739</b>
% change	1.60%	-1.49%	2.75%	-6.48%	5.03%
<b>Total debt to EBITDA ratio (annualized)</b>	<b>72.56</b>	<b>10.23</b>	<b>10.51</b>	<b>7.36</b>	<b>7.41</b>
% change	609.03%	-2.66%	42.81%	-0.69%	-47.11%
Source:	10-K 2/21/2019	10-Q 11/6/2018	10-Q 8/8/2018	10-Q 5/4/2018	10-K 2/22/2018

Total debt to EBITDA ratio (annualized) signals that the ability to meet financial obligations is in jeopardy

# QUARTERLY LIQUIDITY RATIOS AND RATES OF RETURN

Year-Over-Year  
cash balance  
declines 45%

## Liquidity Ratios - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	12/31/2018	9/30/2018	6/30/2018	3/31/2018	12/31/2017
<b>Current assets \$</b>	<b>\$585,526</b>	<b>\$579,635</b>	<b>\$618,343</b>	<b>\$628,830</b>	<b>\$592,897</b>
% change	1.02%	-6.26%	-1.67%	6.06%	0.16%
% of short-term debt	89,804.60%	47,010.14%	42,880.93%	42,835.83%	33,141.25%
<b>Current liabilities \$</b>	<b>\$299,687</b>	<b>\$278,748</b>	<b>\$308,199</b>	<b>\$272,837</b>	<b>\$316,278</b>
% change	7.51%	-9.56%	12.96%	-13.74%	17.53%
<b>Working capital \$</b>	<b>\$285,839</b>	<b>\$300,887</b>	<b>\$310,144</b>	<b>\$355,993</b>	<b>\$276,619</b>
% change	-5.00%	-2.98%	-12.88%	28.69%	-14.32%
% of sales (annualized)	32.90%	34.62%	34.09%	38.39%	36.78%
<b>Cash \$</b>	<b>\$223,478</b>	<b>\$191,239</b>	<b>\$263,611</b>	<b>\$299,672</b>	<b>\$409,148</b>
% change	16.86%	-27.45%	-12.03%	-26.76%	-0.42%
% of short-term debt	34,275.77%	15,510.06%	18,280.93%	20,413.62%	22,870.21%
<b>Cash ratio</b>	<b>0.75</b>	<b>0.69</b>	<b>0.86</b>	<b>1.10</b>	<b>1.29</b>
% change	8.69%	-19.78%	-22.13%	-15.09%	-15.27%
<b>Quick assets \$</b>	<b>\$368,209</b>	<b>\$347,330</b>	<b>\$413,982</b>	<b>\$431,410</b>	<b>\$527,044</b>
% change	6.01%	-16.10%	-4.04%	-18.15%	0.79%
% of short-term debt	56,473.77%	28,169.51%	28,708.88%	29,387.60%	29,460.26%
<b>Quick ratio</b>	<b>1.23</b>	<b>1.25</b>	<b>1.34</b>	<b>1.58</b>	<b>1.67</b>
% change	-1.40%	-7.24%	-15.05%	-5.11%	-14.24%
<b>Current ratio</b>	<b>1.95</b>	<b>2.08</b>	<b>2.01</b>	<b>2.30</b>	<b>1.87</b>
% change	-6.04%	3.64%	-12.95%	22.95%	-14.78%
Source:	10-K 2/21/2019	10-Q 11/6/2018	10-Q 8/8/2018	10-Q 5/4/2018	10-K 2/22/2018

Unable to  
generate  
any positive  
returns

## Rate of Return - Sequential Quarters

(Thousands of U.S. Dollars)

Period Ended	3 mos 12/31/2018	3 mos 9/30/2018	3 mos 6/30/2018	3 mos 3/31/2018	3 mos 12/31/2017
<b>Return on total assets</b>	<b>-4.75%</b>	<b>-2.96%</b>	<b>-2.86%</b>	<b>-2.03%</b>	<b>-2.97%</b>
% change	-60.72%	-3.42%	-40.85%	31.80%	13.28%
<b>Return on tangible assets</b>	<b>-5.09%</b>	<b>-3.16%</b>	<b>-3.05%</b>	<b>-2.17%</b>	<b>-3.18%</b>
% change	-60.92%	-3.55%	-40.98%	31.87%	13.70%
Source:	10-K 2/21/2019	10-Q 11/6/2018	10-Q 8/8/2018	10-Q 5/4/2018	10-K 2/22/2018

# ANNUAL STATEMENT OF CASH FLOWS

Negative cash from operating activities

## Statement of Cash Flows - Annual - Standardized

(Thousands of U.S. Dollars)

Period Ended	12 mos				
	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
		Restated	Restated	Restated	
		12/31/2018	12/31/2018	12/31/2017	
<b>Cash Flows from Operating Activities:</b>					
Net income	(\$162,031)	(\$171,995)	(\$124,505)	(\$107,613)	(\$84,538)
Depreciation/depletion	133,617	145,490	105,642	87,036	64,451
Deferred taxes	(3,821)	(2,281)	839	827	828
Non-cash Items	50,901	50,810	58,909	35,067	16,378
Changes in working capital	(100,977)	38,232	24,103	89,539	31,853
<b>Total cash from operating activities</b>	<b>(82,311)</b>	<b>60,256</b>	<b>64,988</b>	<b>104,856</b>	<b>28,972</b>
<b>Cash Flows from Investing Activities:</b>					
Capital expenditures	(131,663)	(280,230)	(176,881)	(153,148)	(149,563)
Other investing cash flow items, total	173,469	122,835	(118,902)	(139,667)	(2,468)
<b>Total cash from investing activities</b>	<b>41,806</b>	<b>(157,395)</b>	<b>(295,783)</b>	<b>(292,815)</b>	<b>(152,031)</b>
<b>Cash Flows from Financing Activities:</b>					
Financing cash flow items	(8,054)	(3,630)	(321,606)	(161,357)	(1,500)
Issuance/retirement of stock, net	396	(227)	271	4,633	3,065
Issuance/retirement of debt, net	34,972	178,793	522,388	359,945	66,430
<b>Total cash from financing activities</b>	<b>27,314</b>	<b>174,936</b>	<b>201,053</b>	<b>203,221</b>	<b>67,995</b>
<b>Foreign exchange effects</b>	<b>578</b>	<b>743</b>	<b>(522)</b>	<b>785</b>	<b>(42)</b>
<b>Net change in cash</b>	<b>(12,613)</b>	<b>78,540</b>	<b>(30,264)</b>	<b>16,047</b>	<b>(55,106)</b>
<b>Net cash-beginning balance</b>	<b>203,729</b>	<b>125,189</b>	<b>155,453</b>	<b>131,295</b>	<b>266,342</b>
<b>Net cash-ending balance</b>	<b>\$191,116</b>	<b>\$203,729</b>	<b>\$125,189</b>	<b>\$147,342</b>	<b>\$211,236</b>
<b>Supplemental Disclosures:</b>					
Cash interest paid	\$101,489	\$86,359	\$27,535	\$38,677	\$29,736
Cash taxes paid, supplemental	\$401	\$103	\$305	\$446	\$414
Auditor/Opinion:	Deloitte & Touche LLP <b>Unqualified</b>				
Source:	10-K 2/21/2019	10-K 2/21/2019	10-K 2/21/2019	10-K 2/22/2018	10-K 2/27/2015

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