

1st Quarter Earnings

April 30, 2024

LUMEN®

## Financial Trending Schedule

Financial Results and Trend Schedules, Debt, Operating Metrics, and Adjusted EBITDA

## 1st Quarter Earnings

April 30, 2024



## Lumen Technologies, Inc.

Financial Results

(UNAUDITED)

(\$ in millions, except per share data)

Metric	First Quarter	
	2024	2023
Large Enterprise	858	911
Mid-Market Enterprise	486	523
Public Sector	420	432
North America Enterprise Channels	1,764	1,866
Wholesale	730	823
North America Business Revenue	2,494	2,689
International and Other <sup>(1)(2)</sup>	97	279
<b>Business Segment Revenue</b>	<b>2,591</b>	<b>2,968</b>
<b>Mass Markets Segment Revenue</b>	<b>699</b>	<b>770</b>
<b>Total Revenue<sup>(3)(4)</sup></b>	<b>3,290</b>	<b>3,738</b>
Cost of Services and Products	1,652	1,817
Selling, General and Administrative Expenses	823	721
Loss on Sale of Business	22	77
Stock-based Compensation Expense	14	14
Net Income	57	511
Net (Loss) Income, Excluding Special Items <sup>(5)(6)</sup>	(41)	97
Adjusted EBITDA <sup>(2)(5)(7)(8)</sup>	807	1,137
Adjusted EBITDA, Excluding Special Items <sup>(2)(5)(7)(8)(9)</sup>	977	1,251
Net Income Margin	1.7 %	13.7 %
Net (Loss) Income Margin, Excluding Special Items <sup>(5)(6)</sup>	(1.2)%	2.6 %
Adjusted EBITDA Margin <sup>(5)</sup>	24.5 %	30.4 %
Adjusted EBITDA Margin, Excluding Special Items <sup>(5)(9)</sup>	29.7 %	33.5 %
Net Cash Provided by Operating Activities	1,102	595
Capital Expenditures <sup>(10)</sup>	713	640
Unlevered Cash Flow <sup>(5)</sup>	670	305
Unlevered Cash Flow, Excluding Cash Special Items <sup>(5)(11)</sup>	799	275
Free Cash Flow <sup>(5)</sup>	389	(45)
Free Cash Flow, Excluding Cash Special Items <sup>(5)(11)</sup>	518	(75)
Net Income per Common Share - Diluted	0.06	0.52
Net (Loss) Income per Common Share - Diluted, Excluding Special Items <sup>(5)(6)</sup>	(0.04)	0.10
Weighted Average Shares Outstanding (in millions) - Diluted	986.3	982.3

<sup>(1)</sup> International revenue amounts previously reported in Large Enterprise represent revenue related to our non-domestic regions including (i) Europe, Middle East and Africa ("EMEA") through the sale of our EMEA business on November 1, 2023 and (ii) Asia Pacific ("APAC") and any remaining international operations, which we do not expect to be significant or material in future periods. As such, prior period amounts related to our historical international operations have been reclassified within the Business Segment Revenue to the "International and Other" sales channel. These reporting changes had no impact on total operating revenue, total operating expenses or net income for any period.

<sup>(2)</sup> Subsequent to the sale of select Content Delivery Network ("CDN") customer contracts announced on October 10, 2023, certain prior period amounts related to our historical CDN revenue have been reclassified from "Harvest" to "International and Other" sales channel within the "Other" product in the Business Segment Revenue products to conform to our 2024 reporting presentation. These changes had no impact on total operating revenue, total operating expenses or net income for any period. Revenue and Adjusted EBITDA excluding Special Items for the first quarter of 2023 includes \$29 million and \$18 million, respectively, from our divested CDN customer contracts. The Company believes that these figures will allow analysts and investors to understand the amounts associated with recent transactions and to understand the impact they had on the Company's past, but not current or future, financial performance. Therefore, these amounts will impact the Company's ability to match its past performance in current and future periods.

<sup>(3)</sup> Revenue for the first quarter of 2023 includes \$139 million from the EMEA business divested on November 1, 2023, which will not recur in periods following the divestiture. The Company believes that these figures will allow analysts and investors to understand the amounts associated with these transactions and to understand the impact they had on the Company's past, but not current or future, financial performance. Therefore, these amounts will impact the Company's ability to match its past performance in current and future periods.

<sup>(4)</sup> The post-closing revenue impact of amounts received by the Company under its post-closing agreements with purchasers of our businesses divested in 2022 and 2023 was (i) \$43 million for the first quarter of 2024 and (ii) \$28 million for the first quarter of 2023. The Company believes that this provides useful information to investors to understand the impact that the post-closing agreements have had on the Company's current financial performance.

<sup>(5)</sup> See the attached schedules for definitions of non-GAAP metrics and reconciliations to GAAP figures.

<sup>(6)</sup> Excludes Special Items (net of the income tax effect thereof), which negatively impacted this metric by (i) \$(98) million for the first quarter of 2024 and (ii) \$(414) million for the first quarter of 2023.

<sup>(7)</sup> Adjusted EBITDA and Adjusted EBITDA excluding Special Items for the first quarter of 2023 includes \$43 million from the EMEA business, divested in November 1, 2023, which will not recur in periods following the divestiture. The Company believes that these figures will allow analysts and investors to understand the amounts associated with these transactions to understand the impact they had on the Company's past, but not current or future, financial performance. Therefore, these amounts will impact the Company's ability to match its past performance in current and future periods.

<sup>(8)</sup> The post-closing net financial impacts to adjusted EBITDA of actual amounts received or paid by the Company under its post-closing agreements with the purchasers of our businesses divested in 2022 and 2023 were (i) a net reduction of \$(46) million for the first quarter of 2024 and (ii) a net reduction of \$(48) million for the first quarter 2023. The Company believes that this provides useful information to investors to understand the impact that the post-closing agreements have had on the Company's financial performance following the completion of these divestitures.

<sup>(9)</sup> Excludes Special Items in the amounts of (i) \$170 million for the first quarter of 2024 and (ii) \$114 million for the first quarter of 2023.

<sup>(10)</sup> Capital expenditures for the first quarter of 2023 includes \$36 million of capital expenditures related to the EMEA business divested on November 1, 2023, which will not recur in periods following the divestiture. The Company believes that these figures will allow analysts and investors to understand the amounts associated with these transactions and programs to understand the impact they had on the Company's past, but not current or future, capital expenditures. Therefore, these amounts will impact the Company's ability to match its past capital expenditure activities in current and future periods.

<sup>(11)</sup> Excludes cash paid (received) for Special Items in the amounts of (i) \$129 million for the first quarter of 2024 and (ii) \$(30) million for the first quarter of 2023.


**Lumen Technologies, Inc.**

Consolidated Statements of Operations

(UNAUDITED)

(\$ and shares in millions, except per share amounts)

	1Q24	4Q23	3Q23	2Q23	1Q23
<b>OPERATING REVENUE</b>	\$ 3,290	3,517	3,641	3,661	3,738
<b>OPERATING EXPENSES</b>					
Cost of services and products (exclusive of depreciation and amortization)	1,652	1,737	1,850	1,740	1,817
Selling, general and administrative	823	896	791	790	721
Loss on sale of business	22	9	22	13	77
Depreciation and amortization	748	751	755	746	733
Goodwill impairment	—	1,900	—	8,793	—
Total operating expenses	3,245	5,293	3,418	12,082	3,348
<b>OPERATING INCOME (LOSS)</b>	45	(1,776)	223	(8,421)	390
<b>OTHER (EXPENSE) INCOME</b>					
Interest expense	(291)	(290)	(295)	(294)	(279)
Net gain on early retirement of debt	275	—	—	9	609
Other income (expense), net	73	(76)	(13)	16	(40)
Total other income (expense), net	57	(366)	(308)	(269)	290
Income tax expense (benefit)	45	(147)	(7)	46	169
<b>NET INCOME (LOSS)</b>	\$ 57	\$ (1,995)	(78)	(8,736)	511
<b>BASIC AND DILUTED EARNINGS (LOSS) PER COMMON SHARE</b>					
Basic	\$ 0.06	\$ (2.03)	(0.08)	(8.88)	0.52
Diluted	0.06	(2.03)	(0.08)	(8.88)	0.52
<b>WEIGHTED AVERAGE COMMON SHARES OUTSTANDING</b>					
Basic	984.9	983.8	983.6	983.5	981.6
Diluted	986.3	983.8	983.6	983.5	982.3
Exclude: Special Items <sup>(1)</sup>	(98)	2,078	(7)	8,834	(414)
<b>NET (LOSS) INCOME EXCLUDING SPECIAL ITEMS</b>	\$ (41)	83	(85)	98	97
<b>DILUTED (LOSS) EARNINGS PER SHARE EXCLUDING SPECIAL ITEMS</b>	\$ (0.04)	0.08	(0.09)	0.10	0.10

<sup>(1)</sup> Excludes the Special Items described in the Non-GAAP Special Items table, net of the income tax effect thereof.



## Lumen Technologies, Inc.

Consolidated Balance Sheets

(UNAUDITED)

(\$ in millions)

	1Q24	4Q23	3Q23	2Q23	1Q23
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 1,580	2,234	311	411	1,148
Accounts receivable, less allowance	1,322	1,318	1,442	1,504	1,463
Assets held for sale	105	104	1,942	2,005	1,946
Other current assets	928	1,119	982	984	879
Total current assets	3,935	4,775	4,677	4,904	5,436
<b>NET PROPERTY, PLANT AND EQUIPMENT</b>					
Property, plant and equipment	41,633	41,076	40,582	39,961	39,612
Accumulated depreciation	(21,725)	(21,318)	(20,976)	(20,529)	(20,291)
Net property, plant and equipment	19,908	19,758	19,606	19,432	19,321
<b>GOODWILL AND OTHER ASSETS</b>					
Goodwill	1,964	1,964	3,864	3,864	12,657
Other intangible assets, net	5,290	5,470	5,744	5,899	6,034
Other, net	2,076	2,051	2,061	2,100	2,113
Total goodwill and other assets	9,330	9,485	11,669	11,863	20,804
<b>TOTAL ASSETS</b>	<b>\$ 33,173</b>	<b>34,018</b>	<b>35,952</b>	<b>36,199</b>	<b>45,561</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Current maturities of long-term debt	\$ 86	157	155	154	153
Accounts payable	1,162	1,134	1,109	1,265	1,225
Accrued expenses and other liabilities					
Salaries and benefits	578	696	733	605	590
Income and other taxes	761	251	287	234	1,303
Current operating lease liabilities	282	268	296	323	326
Interest	110	168	139	176	88
Other	167	209	174	177	178
Liabilities held for sale	5	4	478	496	472
Current portion of deferred revenue	665	647	643	627	607
Total current liabilities	3,816	3,534	4,014	4,057	4,942
<b>LONG TERM DEBT</b>	<b>18,591</b>	<b>19,831</b>	<b>19,740</b>	<b>19,899</b>	<b>19,743</b>
<b>DEFERRED CREDITS AND OTHER LIABILITIES</b>					
Deferred income taxes, net	3,143	3,127	3,192	3,204	3,200
Benefit plan obligations, net	2,457	2,490	2,322	2,335	2,358
Deferred revenue	2,021	1,969	1,902	1,850	1,808
Other	2,641	2,650	2,626	2,633	2,578
Total deferred credits and other liabilities	10,262	10,236	10,042	10,022	9,944
<b>STOCKHOLDERS' EQUITY</b>					
Common stock	1,016	1,008	1,008	1,008	1,005
Additional paid-in capital	18,137	18,126	18,117	18,100	18,094
Accumulated other comprehensive loss	(799)	(810)	(1,057)	(1,053)	(1,069)
Accumulated deficit	(17,850)	(17,907)	(15,912)	(15,834)	(7,098)
Total stockholders' equity	504	417	2,156	2,221	10,932
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 33,173</b>	<b>34,018</b>	<b>35,952</b>	<b>36,199</b>	<b>45,561</b>

1st Quarter Earnings

April 30, 2024

LUMEN<sup>®</sup>

## Lumen Technologies, Inc.

Condensed Consolidated Statements of Cash Flows

(UNAUDITED)

(\$ in millions)

	1Q24	4Q23	3Q23	2Q23	1Q23
<b>OPERATING ACTIVITIES</b>					
Net cash provided by (used in) operating activities	\$ 1,102	784	881	(100)	595
<b>INVESTING ACTIVITIES</b>					
Capital expenditures	(713)	(821)	(843)	(796)	(640)
Proceeds from sale of businesses	—	1,743	—	3	—
Proceeds from sale of property, plant and equipment and other assets	12	130	9	3	23
Other, net	3	(21)	7	1	1
Net cash (used in) provided by investing activities	(698)	1,031	(827)	(789)	(616)
<b>FINANCING ACTIVITIES</b>					
Net proceeds from issuance of long-term debt	1,325	—	—	—	—
Payments of long-term debt	(1,902)	(40)	(45)	(39)	(61)
Net (payments on) proceeds from revolving line of credit	(200)	125	(125)	200	—
Dividends paid	(3)	(1)	(1)	(1)	(8)
Debt issuance and extinguishment costs and related fees	(278)	—	(1)	(2)	(11)
Other, net	(2)	(1)	(1)	—	(6)
Net cash (used in) provided by financing activities	(1,060)	83	(173)	158	(86)
Net (decrease) increase in cash, cash equivalents and restricted cash	(656)	1,898	(119)	(731)	(107)
Cash, cash equivalents and restricted cash at beginning of period	2,248	350	469	1,200	1,307
Cash, cash equivalents and restricted cash at end of period	\$ 1,592	2,248	350	469	1,200
<b>Cash, cash equivalents and restricted cash:</b>					
Cash and cash equivalents	\$ 1,580	2,234	311	411	1,148
Cash and cash equivalents and restricted cash included in assets held for sale	—	—	28	47	41
Restricted cash	12	14	11	11	11
Total	\$ 1,592	2,248	350	469	1,200

1st Quarter Earnings

April 30, 2024



**Lumen Technologies, Inc.**

Segment Revenue <sup>(1)</sup>

(UNAUDITED)

(\$ in millions)

	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
<b>Segment Revenue</b>									
Business Segment Total	\$ 2,591	2,802	2,905	2,908	2,968	3,020	3,232	3,432	3,415
Mass Markets Segment Total	699	715	736	753	770	780	1,158	1,180	1,261
<b>Total</b>	<b>\$ 3,290</b>	<b>3,517</b>	<b>3,641</b>	<b>3,661</b>	<b>3,738</b>	<b>3,800</b>	<b>4,390</b>	<b>4,612</b>	<b>4,676</b>

<sup>(1)</sup> Certain prior period amounts have been reclassified to conform to the current period presentation. These changes had no impact on total operating revenue, total operating expenses or net income for any period.



**Lumen Technologies, Inc.**  
Revenue by Sales Channel and Product Category  
(UNAUDITED)  
(\$ in millions)

	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
<b>Revenue By Sales Channel</b>									
Large Enterprise	858	894	914	899	911	931	951	966	979
Mid-Market Enterprise	486	501	506	514	523	532	560	569	581
Public Sector	420	497	445	415	432	432	459	494	478
North America Enterprise Channels	1,764	1,892	1,865	1,828	1,866	1,895	1,970	2,029	2,038
Wholesale	730	750	776	803	823	840	923	933	909
North America Business Revenue	2,494	2,642	2,641	2,631	2,689	2,735	2,893	2,962	2,947
International and Other <sup>(1)(2)</sup>	97	160	264	277	279	285	339	470	468
<b>Business Segment Revenue</b>	<b>2,591</b>	<b>2,802</b>	<b>2,905</b>	<b>2,908</b>	<b>2,968</b>	<b>3,020</b>	<b>3,232</b>	<b>3,432</b>	<b>3,415</b>
<b>Mass Markets Segment Revenue</b>	<b>699</b>	<b>715</b>	<b>736</b>	<b>753</b>	<b>770</b>	<b>780</b>	<b>1,158</b>	<b>1,180</b>	<b>1,261</b>
<b>Total Revenue<sup>(3)</sup></b>	<b>3,290</b>	<b>3,517</b>	<b>3,641</b>	<b>3,661</b>	<b>3,738</b>	<b>3,800</b>	<b>4,390</b>	<b>4,612</b>	<b>4,676</b>
<b>Business Revenue by Product Category and Sales Channel</b>									
<b>Large Enterprise</b>									
Grow	427	431	429	428	421	414	414	414	411
Nurture	268	282	297	293	300	308	313	322	331
Harvest <sup>(2)</sup>	119	134	131	133	139	149	169	184	188
Subtotal	814	847	857	854	860	871	896	920	930
Other	44	47	57	45	51	60	55	46	49
<b>Total Large Enterprise Revenue</b>	<b>858</b>	<b>894</b>	<b>914</b>	<b>899</b>	<b>911</b>	<b>931</b>	<b>951</b>	<b>966</b>	<b>979</b>
<b>Mid-Market Enterprise</b>									
Grow	207	206	201	203	197	194	194	191	189
Nurture	188	197	203	210	219	226	234	240	249
Harvest <sup>(2)</sup>	83	89	93	92	98	104	124	130	136
Subtotal	478	492	497	505	514	524	552	561	574
Other	8	9	9	9	9	8	8	8	7
<b>Total Mid-Market Enterprise Revenue</b>	<b>486</b>	<b>501</b>	<b>506</b>	<b>514</b>	<b>523</b>	<b>532</b>	<b>560</b>	<b>569</b>	<b>581</b>
<b>Public Sector</b>									
Grow	125	119	118	119	117	107	107	116	115
Nurture	87	101	98	93	107	110	122	129	131
Harvest	94	93	96	95	99	101	119	123	123
Subtotal	306	313	312	307	323	318	348	368	369
Other	114	184	133	108	109	114	111	126	109
<b>Total Public Sector Revenue</b>	<b>420</b>	<b>497</b>	<b>445</b>	<b>415</b>	<b>432</b>	<b>432</b>	<b>459</b>	<b>494</b>	<b>478</b>
<b>North America Enterprise Subtotals</b>									
Grow	759	756	748	750	735	715	715	721	715
Nurture	543	580	598	596	626	644	669	691	711
Harvest <sup>(2)</sup>	296	316	320	320	336	354	412	437	447
Subtotal	1,598	1,652	1,666	1,666	1,697	1,713	1,796	1,849	1,873
Other	166	240	199	162	169	182	174	180	165
<b>Total North America Enterprise Revenue</b>	<b>1,764</b>	<b>1,892</b>	<b>1,865</b>	<b>1,828</b>	<b>1,866</b>	<b>1,895</b>	<b>1,970</b>	<b>2,029</b>	<b>2,038</b>
<b>Wholesale</b>									
Grow	260	260	256	265	271	262	250	243	236
Nurture	192	200	206	206	215	226	257	260	269
Harvest <sup>(2)</sup>	275	287	312	330	332	341	402	404	404
Subtotal	727	747	774	801	818	829	909	907	909
Other	3	3	2	2	5	11	14	26	—
<b>Total Wholesale Revenue</b>	<b>730</b>	<b>750</b>	<b>776</b>	<b>803</b>	<b>823</b>	<b>840</b>	<b>923</b>	<b>933</b>	<b>909</b>
<b>North America Business Revenue Subtotals</b>									
Grow	1,019	1,016	1,004	1,015	1,006	977	965	964	951
Nurture	735	780	804	802	841	870	926	951	980
Harvest <sup>(2)</sup>	571	603	632	650	668	695	814	841	851
Subtotal	2,325	2,399	2,440	2,467	2,515	2,542	2,705	2,756	2,782
Other	169	243	201	164	174	193	188	206	165
<b>Total North America Business Revenue</b>	<b>2,494</b>	<b>2,642</b>	<b>2,641</b>	<b>2,631</b>	<b>2,689</b>	<b>2,735</b>	<b>2,893</b>	<b>2,962</b>	<b>2,947</b>
<b>International and Other<sup>(1)</sup></b>									
Grow	40	69	127	129	128	118	157	245	241
Nurture	42	52	70	72	72	73	88	119	121
Harvest <sup>(2)</sup>	11	17	30	41	38	44	48	57	61
Subtotal	93	138	227	242	238	235	293	421	423
Other <sup>(2)</sup>	4	22	37	35	41	50	46	49	45
<b>Total International and Other Revenue<sup>(1)</sup></b>	<b>97</b>	<b>160</b>	<b>264</b>	<b>277</b>	<b>279</b>	<b>285</b>	<b>339</b>	<b>470</b>	<b>468</b>
<b>Business Segment by Product Category</b>									
Grow	1,059	1,085	1,131	1,144	1,134	1,095	1,122	1,209	1,192
Nurture	777	832	874	874	913	943	1,014	1,070	1,101
Harvest <sup>(2)</sup>	582	620	662	691	706	739	862	898	912
Subtotal	2,418	2,537	2,667	2,709	2,753	2,777	2,998	3,177	3,205
Other <sup>(2)</sup>	173	265	238	199	215	243	234	255	210
<b>Total Business Segment Revenue</b>	<b>2,591</b>	<b>2,802</b>	<b>2,905</b>	<b>2,908</b>	<b>2,968</b>	<b>3,020</b>	<b>3,232</b>	<b>3,432</b>	<b>3,415</b>
<b>Mass Markets Segment by Product Category</b>									
Fiber Broadband	170	164	163	158	152	148	160	151	145
Other Broadband <sup>(4)</sup>	315	330	341	355	369	377	580	596	610
Voice and Other	214	221	232	240	249	255	418	433	506
<b>Total Mass Markets Segment</b>	<b>699</b>	<b>715</b>	<b>736</b>	<b>753</b>	<b>770</b>	<b>780</b>	<b>1,158</b>	<b>1,180</b>	<b>1,261</b>

<sup>(1)</sup> International revenue amounts previously reported in Large Enterprise represent revenue related to our non-domestic regions including (i) Latin America through the sale of that business on August 1, 2022, (ii) Europe, Middle East and Africa ("EMEA") through the sale of our EMEA business on November 1, 2023, (iii) Asia Pacific ("APAC") and any remaining international operations, which we do not expect to be significant or material in future periods. As such, prior period amounts related to our historical international operations have been reclassified within the Business Segment Revenue to the "International and Other" sales channel. These reporting changes had no impact on total operating revenue, total operating expenses or net income for any period.

<sup>(2)</sup> Subsequent to the sale of select Content Delivery Network ("CDN") customer contracts announced on October 10, 2023, certain prior period amounts related to our historical CDN revenue have been reclassified from "Harvest" to "International and Other" sales channel within the "Other" product in the Business Segment Revenue products to conform to the 2024 presentation. These changes had no impact on total operating revenue, total operating expenses or net income for any period.

<sup>(3)</sup> Revenue includes amounts from the (i) Latin American business divested on August 1, 2022, the 20-state ILEC business divested on October 3, 2022 and the EMEA business divested on November 1, 2023 (ii) recognition of previously deferred revenue related to the Federal Communications Commission's Connect America Fund ("CAF") Phase II program, which lapsed on December 31, 2021, and (iii) revenue related to the post-closing commercial agreements with the purchasers of the Company's businesses divested in 2022 and 2023. Refer to Tab "Included in Revenue by channel" for details.

<sup>(4)</sup> Other broadband revenue primarily includes revenue from lower speed copper-based broadband services marketed under the CenturyLink brand.



Lumen Technologies, Inc.

Supplemental Information Regarding Amounts Included in Revenue by Sales Channel and Product Category  
(UNAUDITED)  
(\$ in millions)

	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
<b>Revenue by Product Category and Sales Channel</b>									
<b>Large Enterprise</b>									
Included in Grow - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	7	8	8
Included in Grow - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	6	7	7
Included in Nurture - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	14
Included in Harvest - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	13	13	—
Included in Harvest - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	—	26	28	29
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	1	1	—
Included in Other - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
<b>Mid-Market Enterprise</b>									
Included in Grow - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	—	—	—
Included in Grow - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	2	1	2
Included in Nurture - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	20	21	22
Included in Harvest - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	—	22	22	24
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	—	—	—
Included in Other - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
<b>Public Sector</b>									
Included in Grow - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	1	1	1
Included in Grow - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	4	3	3
Included in Nurture - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	17	20	21
Included in Harvest - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	—	22	24	25
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	—	1	1
Included in Other - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
<b>NA Enterprise Channels Subtotal</b>									
Included in Grow - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	8	9	9
Included in Grow - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	12	11	12
Included in Nurture - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	50	54	57
Included in Harvest - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	—	70	74	78
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	1	2	1
Included in Other - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
<b>Wholesale</b>									
Included in Grow - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	2	2	1
Included in Grow - Post-closing commercial agreements <sup>(2)</sup>	22	17	12	13	11	10	—	—	—
Included in Nurture - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	41	41	42
Included in Nurture - Post-closing commercial agreements <sup>(2)</sup>	10	9	3	2	3	4	—	—	—
Included in Harvest - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	54	54	56
Included in Harvest - Post-closing commercial agreements <sup>(2)</sup>	10	10	7	10	12	14	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	—	97	97	99
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	42	36	22	25	26	28	—	—	—
Included in Other - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	1	—	—
Included in Other - Post-closing commercial agreements <sup>(2)</sup>	1	3	1	2	2	5	—	—	—
<b>NA Business Subtotal</b>									
Included in Grow - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	10	11	10
Included in Grow - Post-closing commercial agreements <sup>(2)</sup>	22	17	12	13	11	10	—	—	—
Included in Nurture - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	53	52	54
Included in Nurture - Post-closing commercial agreements <sup>(2)</sup>	10	9	3	2	3	4	—	—	—
Included in Harvest - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	104	108	113
Included in Harvest - Post-closing commercial agreements <sup>(2)</sup>	10	10	7	10	12	14	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	—	167	171	177
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	42	36	22	25	26	28	—	—	—
Included in Other - Divestitures <sup>(1)(3)</sup>	—	—	—	—	—	—	2	2	1
Included in Other - Post-closing commercial agreements <sup>(2)</sup>	1	3	1	2	2	5	—	—	—
<b>International and Other</b>									
Included in Grow - Divestitures <sup>(1)</sup>	—	27	83	81	81	72	112	206	202
Included in Grow - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures <sup>(1)</sup>	—	8	26	27	27	27	41	71	72
Included in Nurture - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures <sup>(1)</sup>	—	3	17	26	24	28	31	41	43
Included in Harvest - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	38	126	134	132	127	184	318	317
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures <sup>(1)(3)</sup>	—	1	8	8	7	8	8	9	8
Included in Other - CDN	—	18	24	22	29	37	35	36	33
Included in Other - Post-closing commercial agreements <sup>(2)</sup>	—	—	—	—	—	—	—	—	—
<b>Business Segment by Product Category</b>									
Included in Grow - Divestitures <sup>(1)</sup>	—	27	83	81	81	72	122	217	212
Included in Grow - Post-closing commercial agreements <sup>(2)</sup>	22	17	12	13	11	10	—	—	—
Included in Nurture - Divestitures <sup>(1)</sup>	—	8	26	27	27	27	84	123	126
Included in Nurture - Post-closing commercial agreements <sup>(2)</sup>	10	9	3	2	3	4	—	—	—
Included in Harvest - Divestitures <sup>(1)</sup>	—	3	17	26	24	28	135	149	156
Included in Harvest - Post-closing commercial agreements <sup>(2)</sup>	10	10	7	10	12	14	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	38	126	134	132	127	351	489	494
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	42	36	22	25	26	28	—	—	—
Included in Other - Divestitures <sup>(1)(3)</sup>	—	1	8	8	7	8	10	11	9
Included in Other - CDN	—	18	24	22	29	37	35	36	33
Included in Other - Post-closing commercial agreements <sup>(2)</sup>	1	3	1	2	2	5	—	—	—
<b>Mass Markets Segment by Product Category</b>									
Included in Fiber Broadband - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	15	13	13
Included in Other Broadband - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	185	188	190
Included in Voice and Other - Divestitures <sup>(1)</sup>	—	—	—	—	—	—	154	156	162
Included in Voice and Other - CAF II <sup>(2)</sup>	—	—	—	—	—	—	—	—	59

<sup>(1)</sup> Represents the revenue related to the Latin American business divested August 1, 2022, the 20-state ILEC business divested October 3, 2022 and the EMEA business divested on November 1, 2023 (the "divestitures"), which will not occur in periods following the completion of these divestitures. The Company believes that these figures will allow analysts and investors to understand the amounts associated with these transactions to understand the impact they had on the Company's past, but not current or future, financial performance. Therefore, these amounts will impact the Company's ability to match its past performance in current and future periods.

<sup>(2)</sup> Represents the post-closing financial impacts of actual amounts received by the Company under the post-closing agreements with the purchasers of our businesses divested in 2022 and 2023. The Company believes that this provides useful information to investors to understand the impact that the post-closing agreements have had on the Company's current financial performance.

<sup>(3)</sup> Represents recognition of previously deferred revenue related to the Federal Communications Commission's Connect America Fund ("CAF") Phase II program which lapsed on December 31, 2021. The Company believes that this provides useful information to investors to understand the impact that the CAF Phase II program had on the Company's revenue generating activities in relation to the Company's past, but not current or future, financial performance.



**Lumen Technologies, Inc.**

Debt Schedule - Excludes all Finance Leases, Unamortized Premiums, Discounts and Other, Net

March 31, 2024

(UNAUDITED)

(\$ in millions)

All information is presented as of March 31, 2024

Entity (Original Issuer)	Coupon Rate	Maturity Date	Total
<b>Qwest Corporation</b>			
Qwest Corporation Senior Notes	7.250 %	9/15/2025	250
Qwest Corporation Senior Notes	7.750 %	5/1/2030	43
Qwest Corporation Senior Notes	7.375 %	5/1/2030	55
Qwest Corporation Senior Notes (CTBB)	6.500 %	9/1/2056	978
Qwest Corporation Senior Notes (CTDD)	6.750 %	6/15/2057	660
<b>Total Qwest Corporation</b>			<b>\$ 1,986</b>
<b>Qwest Capital Funding, Inc.</b>			
Qwest Capital Funding, Inc. Senior Notes	6.875 %	7/15/2028	76
Qwest Capital Funding, Inc. Senior Notes	7.750 %	2/15/2031	116
<b>Total Qwest Capital Funding, Inc.</b>			<b>\$ 192</b>
<b>Level 3 Financing, Inc.</b>			
Level 3 Financing, Inc. Term Loan B	S + 1.75%	3/1/2027	12
Level 3 Financing, Inc. Term Loan B-1	S + 6.56%	4/15/2029	1,199
Level 3 Financing, Inc. First Lien Notes	10.500 %	4/15/2029	668
Level 3 Financing, Inc. First Lien Notes	11.000 %	11/15/2029	1,575
Level 3 Financing, Inc. Term Loan B-2	S + 6.56%	4/15/2030	1,199
Level 3 Financing, Inc. Sr. Secured Notes	10.500 %	5/15/2030	925
Level 3 Financing, Inc. First Lien Notes	10.750 %	12/15/2030	678
Level 3 Financing, Inc. Second Lien Notes	4.875 %	6/15/2029	606
Level 3 Financing, Inc. Second Lien Notes	4.500 %	4/1/2030	712
Level 3 Financing, Inc. Second Lien Notes	3.875 %	10/15/2030	458
Level 3 Financing, Inc. Second Lien Notes	4.000 %	4/15/2031	453
Level 3 Financing, Inc. Sr. Secured Notes (Unsecured)	3.400 %	3/1/2027	82
Level 3 Financing, Inc. Senior Notes	4.625 %	9/15/2027	394
Level 3 Financing, Inc. Senior Notes	4.250 %	7/1/2028	488
Level 3 Financing, Inc. Senior Notes	3.625 %	1/15/2029	382
Level 3 Financing, Inc. Sustainability-Linked Senior Notes	3.750 %	7/15/2029	447
Level 3 Financing, Inc. Sr. Secured Notes (Unsecured)	3.875 %	11/15/2029	72
<b>Total Level 3 Parent, LLC and Subsidiaries</b>			<b>\$ 10,350</b>
<b>Lumen Technologies, Inc.</b>			
Lumen Technologies, Inc. Superpriority First Out ("FOSP") RCF	S + 4.00%	6/1/2028	—
Lumen Technologies, Inc. Superpriority Second Out ("SOSP") RCF	S + 6.00%	6/1/2028	—
Lumen Technologies, Inc. SOSP Term Loan A	S + 6.00%	6/1/2028	372
Lumen Technologies, Inc. SOSP Term Loan B-1	S + 2.35%	4/15/2029	1,625
Lumen Technologies, Inc. SOSP Notes	4.125 %	4/15/2029	333
Lumen Technologies, Inc. SOSP Term Loan B-2	S + 2.35%	4/15/2030	1,625
Lumen Technologies, Inc. SOSP Notes	4.125 %	4/15/2030	479
Lumen Technologies, Inc. Term Loan B	S + 2.25%	3/15/2027	57
Lumen Technologies, Inc. Senior Notes - Series X	5.625 %	4/1/2025	157
Lumen Technologies, Inc. Senior Notes - Series D	7.200 %	12/1/2025	45
Lumen Technologies, Inc. Senior Notes	5.125 %	12/15/2026	150
Lumen Technologies, Inc. Senior Secured Notes (Unsecured)	4.000 %	2/15/2027	233
Lumen Technologies, Inc. Senior Notes - Series G	6.875 %	1/15/2028	242
Lumen Technologies, Inc. Senior Notes	4.500 %	1/15/2029	409
Lumen Technologies, Inc. Senior Notes	5.375 %	6/15/2029	232
Lumen Technologies, Inc. Senior Notes - Series P	7.600 %	9/15/2039	354
Lumen Technologies, Inc. Senior Notes - Series U	7.650 %	3/15/2042	291
<b>Total Lumen Technologies, Inc.</b>			<b>\$ 6,604</b>
<b>Total LUMN Consolidated (excluding Finance Leases, Premium/(Discount)/Other, net)</b>			<b>\$ 19,132</b>

## 1st Quarter Earnings

April 30, 2024



## Lumen Technologies, Inc.

Operating Metrics  
(UNAUDITED)

	1Q24	4Q23	3Q23	2Q23	1Q23
<b>Operating Metrics</b>					
<b>Mass Markets broadband subscribers</b>					
<i>(in thousands)</i>					
Fiber broadband subscribers	952	916	896	877	856
Other broadband subscribers <sup>(1)</sup>	1,758	1,842	1,940	2,032	2,125
Mass Markets total broadband subscribers <sup>(2)</sup>	2,710	2,758	2,836	2,909	2,981
<b>Mass Markets average revenue per unit (ARPU)</b>					
Fiber broadband ARPU	\$61	\$61	\$61	\$61	\$60
<b>Mass Markets broadband enabled units<sup>(3)</sup></b>					
<i>(in millions)</i>					
Fiber broadband enabled units	3.8	3.7	3.5	3.4	3.3
Other broadband enabled units	18.0	18.1	18.2	18.4	18.5
Mass Markets total broadband enabled units	21.8	21.8	21.7	21.8	21.8

<sup>(1)</sup> Other broadband subscribers are customers that primarily subscribe to lower speed copper-based broadband services marketed under the CenturyLink brand.

<sup>(2)</sup> Mass Markets broadband subscribers are customers that purchase broadband connection service through their existing telephone lines, stand-alone telephone lines, or fiber-optic cables. Our methodology for counting our Mass Markets broadband subscribers includes only those lines that we use to provide services to external customers and excludes lines used solely by us and our affiliates. It also excludes unbundled loops and includes stand-alone Mass Markets broadband subscribers. We count lines when we install the service.

<sup>(3)</sup> Represents the total number of units capable of receiving our broadband services at period end. Other companies may use different methodologies to count their broadband enabled units.

#### Description of Non-GAAP Metrics

Pursuant to Regulation G, the company is hereby providing definitions of non-GAAP financial metrics and reconciliations to the most directly comparable GAAP measures.

The following describes and reconciles those financial measures as reported under accounting principles generally accepted in the United States (GAAP) with those financial measures as adjusted by the items detailed below and presented in the accompanying news release. These calculations are not prepared in accordance with GAAP and should not be viewed as alternatives to GAAP. In keeping with its historical financial reporting practices, the company believes that the supplemental presentation of these calculations provides meaningful non-GAAP financial measures to help investors understand and compare business trends among different reporting periods on a consistent basis.

We use the term *Special Items* as a non-GAAP measure to describe items that impacted a period's statement of operations for which investors may want to give special consideration due to their magnitude, nature or both. We do not call these items *non-recurring* because, while some are infrequent, others may recur in future periods.

**Adjusted EBITDA (\$)** is defined as net income (loss) from the Statements of Operations before income tax (expense) benefit, total other income (expense), depreciation and amortization, stock-based compensation expense and impairments.

**Adjusted EBITDA Margin (%)** is defined as Adjusted EBITDA divided by total revenue.

Management believes that Adjusted EBITDA and Adjusted EBITDA Margin are relevant and useful metrics to provide to investors, as they are an important part of our internal reporting and are key measures used by management to evaluate profitability and operating performance of Lumen and to make resource allocation decisions. Management believes such measures are especially important in a capital-intensive industry such as telecommunications. Management also uses Adjusted EBITDA and Adjusted EBITDA Margin (and similarly uses these terms excluding Special Items) to compare our performance to that of our competitors and to eliminate certain non-cash and non-operating items in order to consistently measure from period to period our ability to fund capital expenditures, fund growth, service debt and determine bonuses. Adjusted EBITDA excludes non-cash stock compensation expense and impairments because of the non-cash nature of these items. Adjusted EBITDA also excludes interest income, interest expense and income taxes, and in our view constitutes an accrual-based measure that has the effect of excluding period-to-period changes in working capital and shows profitability without regard to the effects of capital or tax structure. Adjusted EBITDA also excludes depreciation and amortization expense because these non-cash expenses primarily reflect the impact of historical capital investments, as opposed to the cash impacts of capital expenditures made in recent periods, which may be evaluated through cash flow measures. Adjusted EBITDA further excludes the gain (or loss) on extinguishment and modification of debt and other income (expense), net, because these items are not related to the primary business operations of Lumen.

There are material limitations to using Adjusted EBITDA as a financial measure, including the difficulty associated with comparing companies that use similar performance measures whose calculations may differ from our calculations. Additionally, by excluding the above-listed items, Adjusted EBITDA may exclude items that investors believe are important components of our performance. Adjusted EBITDA and Adjusted EBITDA Margin (either with or without Special Items) should not be considered a substitute for other measures of financial performance reported in accordance with GAAP.

**Unlevered Cash Flow** is defined as net cash provided by (used in) operating activities less capital expenditures, plus cash interest paid and less interest income, all as disclosed in the Statements of Cash Flows or the Statements of Operations. Management believes that Unlevered Cash Flow is a relevant metric to provide to investors, because it reflects the operational performance of Lumen and, measured over time, enables management and investors to monitor the underlying business' growth pattern and ability to generate cash. Unlevered Cash Flow excludes cash used for acquisitions and debt service and the impact of exchange rate changes on cash and cash equivalents balances.

There are material limitations to using Unlevered Cash Flow to measure our cash performance as it excludes certain material items that investors may believe are important components of our cash flows. Comparisons of our Unlevered Cash Flow to that of some of our competitors may be of limited usefulness. Additionally, this financial measure is subject to variability quarter over quarter as a result of the timing of payments related to accounts receivable, accounts payable, payroll and capital expenditures. Unlevered Cash Flow should not be used as a substitute for net change in cash, cash equivalents and restricted cash in the Consolidated Statements of Cash Flows.

**Free Cash Flow** is defined as net cash provided by (used in) operating activities less capital expenditures as disclosed in the Statements of Cash Flows. Management believes that Free Cash Flow is a relevant metric to provide to investors, as it is an indicator of our ability to generate cash to service our debt. Free Cash Flow excludes cash used for acquisitions, principal repayments and the impact of exchange rate changes on cash and cash equivalents balances.

There are material limitations to using Free Cash Flow to measure our performance as it excludes certain material items that investors may believe are important components of our cash flows. Comparisons of our Free Cash Flow to that of some of our competitors may be of limited usefulness since until recently we did not pay a significant amount of income taxes due to net operating loss carryforwards, and therefore generated higher cash flow than a comparable business that does pay income taxes. Additionally, this financial measure is subject to variability quarter over quarter as a result of the timing of payments related to interest expense, accounts receivable, accounts payable, payroll and capital expenditures. Free Cash Flow should not be used as a substitute for net change in cash, cash equivalents and restricted cash on the Consolidated Statements of Cash Flows.

**Net Debt** is defined as Long-Term Debt (excluding unamortized discounts or premiums, net and unamortized debt issuance costs) minus Cash and Cash Equivalents.



## Lumen Technologies, Inc.

Non-GAAP Special Items

(UNAUDITED)

(\$ in millions)

Special Items Impacting Adjusted EBITDA	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Severance	\$ 4	53	8	5	8	10	—	—	2
Consumer and other litigation	(2)	1	(3)	(1)	—	—	—	(3)	—
Net loss (gain) on sale of businesses <sup>(1)</sup>	22	9	22	13	77	480	(593)	—	—
Loss on disposal group held for sale	—	—	—	—	—	40	—	—	—
Transaction and separation costs <sup>(2)</sup>	168	41	28	10	29	53	66	50	50
Net (gain) loss on sale of select CDN contracts <sup>(3)</sup>	(22)	73	—	—	—	—	—	—	—
Real estate transactions <sup>(4)</sup>	—	34	—	75	—	—	—	—	—
<b>Total Special Items impacting Adjusted EBITDA</b>	<b>\$ 170</b>	<b>211</b>	<b>55</b>	<b>102</b>	<b>114</b>	<b>583</b>	<b>(527)</b>	<b>47</b>	<b>52</b>
Special Items Impacting Net Income (Loss)	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Severance	\$ 4	53	8	5	8	10	—	—	2
Consumer and other litigation	(2)	1	(3)	(1)	—	—	—	(3)	—
Net loss (gain) on sale of businesses <sup>(1)</sup>	22	9	22	13	77	480	(593)	—	—
Loss on disposal group held for sale	—	—	—	—	—	40	—	—	—
Transaction and separation costs <sup>(2)</sup>	168	41	28	10	29	53	66	50	50
Net (gain) loss on sale of select CDN contracts <sup>(3)</sup>	(22)	73	—	—	—	—	—	—	—
Real estate transactions <sup>(4)</sup>	—	34	—	75	—	—	—	—	—
Goodwill impairment	—	1,900	—	8,793	—	3,271	—	—	—
Net gain on early retirement of debt <sup>(5)</sup>	(275)	—	—	(9)	(609)	(205)	(9)	—	—
(Income) expense from transition and separation services <sup>(6)</sup>	(35)	22	(64)	(40)	(46)	(82)	(37)	(30)	(3)
<b>Total Special Items impacting Net Income (Loss)</b>	<b>(140)</b>	<b>2,133</b>	<b>(9)</b>	<b>8,846</b>	<b>(541)</b>	<b>3,567</b>	<b>(573)</b>	<b>17</b>	<b>49</b>
Income tax effect of Special Items <sup>(7)</sup>	42	(55)	2	(12)	127	(73)	141	(4)	(12)
<b>Total Special Items impacting Net Income (Loss), net of tax</b>	<b>\$ (98)</b>	<b>2,078</b>	<b>(7)</b>	<b>8,834</b>	<b>(414)</b>	<b>3,494</b>	<b>(432)</b>	<b>13</b>	<b>37</b>
Special Items Impacting Cash Flows	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Severance	\$ 18	\$ 48	7	7	5	7	7	7	16
Consumer and other litigation	(2)	—	(3)	—	—	—	—	—	—
Pension contribution <sup>(8)</sup>	—	—	—	—	—	—	319	—	—
Transaction and separation costs <sup>(2)</sup>	138	70	28	25	24	142	60	48	32
Income from transition and separation services <sup>(6)</sup>	(25)	(31)	(27)	(32)	(59)	(31)	(44)	(22)	—
<b>Total Special Items impacting Cash Flows</b>	<b>\$ 129</b>	<b>87</b>	<b>5</b>	<b>—</b>	<b>(30)</b>	<b>118</b>	<b>342</b>	<b>33</b>	<b>48</b>

<sup>(1)</sup> Reflects primarily (i) the pre-tax gain of \$597 million recorded in operating income as a result of our Latin American business divestiture completed August 1, 2022, (ii) the pre-tax gain of \$176 million recorded in operating income as a result of our 20-state ILEC business divestiture completed October 3, 2022 and (iii) the net loss of \$102 million recorded for the year ended 2023 operating income and \$660 million recorded for the year ended 2022 operating income as a result of our EMEA business divestiture completed November 1, 2023.

<sup>(2)</sup> Transaction and separation costs associated with (i) the sale of our Latin American business on August 1, 2022, (ii) the sale of our 20-state ILEC business on October 3, 2022, (iii) the sale of our EMEA business on November 1, 2023, (iv) our March 22, 2024 debt transaction support agreement and (v) our evaluation of other potential transactions.

<sup>(3)</sup> Recognition of (i) Q1 2024 previously deferred gain on sale of select CDN contracts in October 2023, based on the transfer of remaining customer contracts as of March 31, 2024 and (ii) Q4 2023 write-off of an allocated portion of customer relationship intangible assets in the amount of \$121 million triggered by the sale of the underlying CDN contracts, partially offset by recognition of a \$48 million gain on the transaction for based on the percentage of contracts that had transferred control as of December 31, 2023.

<sup>(4)</sup> Real estate transactions include the Q2 2023 and Q4 2023 loss on donation of real estate.

<sup>(5)</sup> Reflects a gain as a result of (i) debt transaction support agreement and resulting debt extinguishment in Q1 2024, (ii) \$19 million of debt exchanges in Q2 2023, (iii) \$1.5 billion of debt exchanges in Q1 2023, (iv) \$4.4 billion in early debt retirement in Q4 2022 and (v) \$2.3 billion in early debt retirement in Q3 2022. There were no comparable gains or losses during Q4 2023, Q3 2023, Q2 2022 or Q1 2022.

<sup>(6)</sup> Income from transition and separation services includes charges we billed for transition services and IT professional services provided to the purchasers in connection with our 2022 and 2023 divestitures.

<sup>(7)</sup> Tax effect calculated using the annualized effective statutory tax rate, excluding any non-recurring discrete items, which was 30.0% for Q1 2024, 23.5% for all quarters of 2023 and 24.6% for all quarters of 2022.

<sup>(8)</sup> Cash pension contribution following a revaluation of the pension obligation and pension assets for the Lumen Pension Plan, in connection with the closing of the sale of the 20-state ILEC business on October 3, 2022.



## Lumen Technologies, Inc.

Non-GAAP Cash Flow Reconciliation

(UNAUDITED)

(\$ in millions)

	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Net cash provided by (used in) operating activities <sup>(1)</sup>	\$ 1,102	784	881	(100)	595	841	1,123	1,396	1,375
Capital expenditures <sup>(2)</sup>	(713)	(821)	(843)	(796)	(640)	(833)	(845)	(761)	(577)
<b>Free cash flow<sup>(1)</sup></b>	<b>\$ 389</b>	<b>(37)</b>	<b>38</b>	<b>(896)</b>	<b>(45)</b>	<b>8</b>	<b>278</b>	<b>635</b>	<b>798</b>
Cash interest paid	339	252	325	198	363	273	393	313	386
Interest income	(58)	(19)	(5)	(3)	(13)	(17)	(6)	(1)	(1)
<b>Unlevered cash flow<sup>(1)</sup></b>	<b>\$ 670</b>	<b>196</b>	<b>358</b>	<b>(701)</b>	<b>305</b>	<b>264</b>	<b>665</b>	<b>947</b>	<b>1,183</b>
<b>Free cash flow<sup>(1)</sup></b>	<b>\$ 389</b>	<b>(37)</b>	<b>38</b>	<b>(896)</b>	<b>(45)</b>	<b>8</b>	<b>278</b>	<b>635</b>	<b>798</b>
Add back: Severance	18	48	7	7	5	7	7	7	16
Add back: Consumer and other litigation	(2)	—	(3)	—	—	—	—	—	—
Add back: Pension contribution <sup>(3)</sup>	—	—	—	—	—	—	319	—	—
Add back: Transaction and separation costs <sup>(4)</sup>	138	70	28	25	24	142	60	48	32
Add back: Real estate transactions <sup>(5)</sup>	—	—	—	—	—	—	—	—	—
Remove: Income from transition and separation services <sup>(6)</sup>	(25)	(31)	(27)	(32)	(59)	(31)	(44)	(22)	—
<b>Free cash flow excluding Special Items<sup>(1)</sup></b>	<b>\$ 518</b>	<b>50</b>	<b>43</b>	<b>(896)</b>	<b>(75)</b>	<b>126</b>	<b>620</b>	<b>668</b>	<b>846</b>
<b>Unlevered cash flow<sup>(1)</sup></b>	<b>\$ 670</b>	<b>196</b>	<b>358</b>	<b>(701)</b>	<b>305</b>	<b>264</b>	<b>665</b>	<b>947</b>	<b>1,183</b>
Add back: Severance	18	48	7	7	5	7	7	7	16
Add back: Consumer and other litigation	(2)	—	(3)	—	—	—	—	—	—
Add back: Pension contribution <sup>(3)</sup>	—	—	—	—	—	—	319	—	—
Add back: Transaction and separation costs <sup>(4)</sup>	138	70	28	25	24	142	60	48	32
Remove: Income from transition and separation services <sup>(5)</sup>	(25)	(31)	(27)	(32)	(59)	(31)	(44)	(22)	—
<b>Unlevered cash flow excluding Special Items<sup>(1)</sup></b>	<b>\$ 799</b>	<b>283</b>	<b>363</b>	<b>(701)</b>	<b>275</b>	<b>382</b>	<b>1,007</b>	<b>980</b>	<b>1,231</b>

<sup>(1)</sup> Includes the impact of (i) \$938 million in cash tax payments in Q2 2023 and (ii) \$90 million in cash tax payments in Q1 2023 related to our 2022 divestitures and (iii) \$700 million in cash tax refund received in Q1 2024.

<sup>(2)</sup> Capital expenditures include amounts from the (i) Latin American business divested on August 1, 2022, the 20-state ILEC business divested on October 3, 2022 and the EMEA business divested on November 1, 2023. Refer to Tab "Included in Adj. EBITDA & Capex" for details.

<sup>(3)</sup> Cash pension contribution following a revaluation of the pension obligation and pension assets for the Lumen Pension Plan, in connection with the closing of the sale of the 20-state ILEC business on October 3, 2022.

<sup>(4)</sup> Transaction and separation costs associated with (i) the sale of our Latin American business on August 1, 2022, (ii) the sale of our 20-state ILEC business on October 3, 2022, (iii) the sale of our EMEA business on November 1, 2023, (iv) our March 22, 2024 debt transaction support agreement and (v) our evaluation of other potential transactions.

<sup>(5)</sup> Income from transition and separation services includes charges we billed for transition services and IT professional services provided to the purchasers in connection with our divestitures.

## 1st Quarter Earnings

April 30, 2024



**Lumen Technologies, Inc.**  
Adjusted EBITDA Non-GAAP Reconciliation  
(UNAUDITED)  
(\$ in millions)

	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
<b>Net Income (Loss)</b>	\$ 57	(1,995)	(78)	(8,736)	511	(3,069)	578	344	599
Income tax expense (benefit)	45	(147)	(7)	46	169	(113)	359	109	202
Total other (income) expense, net	(57)	366	308	269	(290)	(102)	447	459	282
Depreciation and amortization expense	748	751	755	746	733	796	808	827	808
Stock-based compensation expense	14	13	16	9	14	27	23	25	23
Goodwill impairment	—	1,900	—	8,793	—	3,271	—	—	—
<b>Adjusted EBITDA<sup>(1)</sup></b>	\$ 807	888	994	1,127	1,137	810	2,215	1,764	1,914
Business Segment Adjusted EBITDA	1,355	1,425	1,470	1,565	1,595	1,613	1,809	1,885	1,893
Mass Markets Segment Adjusted EBITDA	376	357	353	393	414	406	652	723	829
Other unallocated expense	(924)	(894)	(829)	(831)	(872)	(1,209)	(246)	(844)	(808)
<b>Adjusted EBITDA<sup>(1)</sup></b>	\$ 807	888	994	1,127	1,137	810	2,215	1,764	1,914
Add back: Severance	4	53	8	5	8	10	—	—	2
Add back: Consumer and other litigation	(2)	1	(3)	(1)	—	—	—	(3)	—
Add back: Net loss (gain) on sale of businesses <sup>(2)</sup>	22	9	22	13	77	480	(593)	—	—
Add back: Loss on disposal group held for sale	—	—	—	—	—	40	—	—	—
Add back: Transaction and separation costs <sup>(3)</sup>	168	41	28	10	29	53	66	50	50
Add back: Net (gain) loss on sale of select CDN contracts <sup>(4)</sup>	(22)	73	—	—	—	—	—	—	—
Add back: Real estate transaction costs <sup>(5)</sup>	—	34	—	75	—	—	—	—	—
<b>Adjusted EBITDA excluding Special Items<sup>(1)</sup></b>	\$ 977	1,099	1,049	1,229	1,251	1,393	1,688	1,811	1,966
<b>Net Income excluding Special Items</b>	\$ (41)	83	(85)	98	97	425	146	357	636
<b>Total Revenue<sup>(6)</sup></b>	\$ 3,290	3,517	3,641	3,661	3,738	3,800	4,390	4,612	4,676
<b>Net Income (Loss) Margin</b>	1.7 %	(56.7)%	(2.1)%	(238.6)%	13.7 %	(80.8)%	13.2 %	7.5 %	12.8 %
<b>Net (Loss) Income Margin, excluding Special Items</b>	(1.2)%	2.4 %	(2.3)%	2.7 %	2.6 %	11.2 %	3.3 %	7.7 %	13.6 %
<b>Adjusted EBITDA Margin</b>	24.5 %	25.2 %	27.3 %	30.8 %	30.4 %	21.3 %	50.5 %	38.2 %	40.9 %
<b>Adjusted EBITDA Margin, excluding Special Items</b>	29.7 %	31.2 %	28.8 %	33.6 %	33.5 %	36.7 %	38.5 %	39.3 %	42.0 %

<sup>(1)</sup> Adjusted EBITDA and Adjusted EBITDA excluding Special Items include the financial impacts of (i) the Latin American business divested on August 1, 2022, the 20-state ILEC business divested on October 3, 2022 and the EMEA business divested on November 1, 2023, (ii) the Company's select CDN contracts sold October 10, 2023, (iii) the Federal Communications Commission's Connect America Fund ("CAF") Phase II program, which lapsed on December 31, 2021 and (iv) the post-closing commercial agreements with the purchasers of our businesses divested in 2022 and 2023. Refer to Tab "Included in Adj. EBITDA & Capex" for details.

<sup>(2)</sup> Reflects primarily (i) the pre-tax gain of \$597 million recorded in operating income as a result of our Latin American business divestiture completed August 1, 2022, (ii) the pre-tax gain of \$176 million recorded in operating income as a result of our 20-state ILEC business divestiture completed October 3, 2022 and (iii) the net loss of \$102 million recorded for the year ended 2023 operating income and \$660 million recorded for the year ended 2022 operating income as a result of our EMEA business divestiture completed November 1, 2023.

<sup>(3)</sup> Transaction and separation costs associated with (i) the sale of our Latin American business on August 1, 2022, (ii) the sale of our 20-state ILEC business on October 3, 2022, (iii) the sale of our EMEA business on November 1, 2023, (iv) our March 22, 2024 debt transaction support agreement and (v) our evaluation of other potential transactions.

<sup>(4)</sup> Recognition of (i) Q1 2024 previously deferred gain on sale of select CDN contracts in October 2023, based on the transfer of remaining customer contracts as of March 31, 2024 and (ii) Q4 2023 write-off of an allocated portion of customer relationship intangible assets in the amount of \$121 million triggered by the sale of the underlying CDN contracts, partially offset by recognition of a \$48 million gain on the transaction for based on the percentage of contracts that had transferred control as of December 31, 2023.

<sup>(5)</sup> Real estate transactions include the Q2 and Q4 2023 loss on donation of real estate and acceleration of costs associated with our real estate rationalization program.

<sup>(6)</sup> Revenue includes amounts from the (i) Latin American business divested on August 1, 2022, the 20-state ILEC business divested on October 3, 2022 and the EMEA business divested on November 1, 2023, (ii) the Company's select CDN contracts sold October 10, 2023, (iii) the Federal Communications Commission's Connect America Fund ("CAF") Phase II program, which lapsed on December 31, 2021 and (iv) revenue related to the post-closing commercial agreements with the purchasers of our businesses divested in 2022 and 2023. Refer to Tab "Included in Revenue by channel" for details.



### Lumen Technologies, Inc.

Supplemental Information Regarding Amounts included in Adjusted EBITDA and Capital Expenditures

(UNAUDITED)

(\$ in millions)

	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
<b>Adjusted EBITDA</b>									
Included in Adjusted EBITDA - Divestitures <sup>(1)</sup>	—	14	31	37	43	27	391	445	466
Included in Adjusted EBITDA - CDN <sup>(2)</sup>	—	10	17	11	18	26	24	25	22
Included in Adjusted EBITDA - Post-close commercial agreements <sup>(3)</sup>	(46)	(40)	(40)	(51)	(48)	(43)	—	—	—
Included in Adjusted EBITDA - CAF II <sup>(4)</sup>	—	—	—	—	—	—	—	—	59
<b>Capital expenditures</b>									
Included in Capital expenditures - Divestitures <sup>(1)</sup>	—	7	21	34	36	38	126	151	109
Included in Capital expenditures - CAF II <sup>(4)</sup>	—	—	—	—	—	—	—	12	6

<sup>(1)</sup> Represents the financial impacts and capital expenditures related to the Latin American business divested on August 1, 2022 and the 20-state ILEC business divested on October 3, 2022, and the EMEA business divested on November 1, 2023 (the "divestitures"), which will not recur in periods following the completion of these divestitures. The Company believes that these figures will allow analysts and investors to understand the amounts associated with these transactions to understand the impact they had on the Company's past, but not current or future, financial performance and capital expenditures. Therefore, these amounts will impact the Company's ability to match its past performance in current and future periods.

<sup>(2)</sup> Represents the financial impacts related to servicing our historical CDN customer contracts, which were substantially all sold on October 10, 2023. The Company believes that these figures will allow analysts and investors to understand the amounts associated with recent transactions and to understand the impacts they had on the Company's past, but not current or future, financial performance. Therefore, these amounts will impact the Company's ability to match its past performance in current and future periods.

<sup>(3)</sup> Represents the post-closing financial impacts of actual amounts received or paid by the Company under the post-closing agreements with the purchasers of our businesses divested in 2022 and 2023. The Company believes that this provides useful information to investors to understand the impact that the post-closing agreements have had on the Company's current financial performance.

<sup>(4)</sup> Represents the financial impacts and capital expenditures related to the Federal Communications Commission's Connect America Fund ("CAF") Phase II program, which lapsed on December 31, 2021 from the CAF Phase II program, which lapsed on December 31, 2021. The Company believes that this provides useful information to investors to understand the impact that the CAF Phase II program had on the Company's revenue generating activities and capital expenditures in relation to the Company's past, but not current or future, financial performance.

## 1st Quarter Earnings

April 30, 2024

LUMEN®

## Lumen Technologies, Inc.

LTM Adjusted EBITDA  
(UNAUDITED)  
(\$ in millions)

	1Q24	4Q23	3Q23	2Q23	Total LTM Adjusted EBITDA
Total revenue	\$ 3,290	3,517	3,641	3,661	14,109
Cost of services and products	1,652	1,737	1,850	1,740	6,979
Selling, general and administrative expenses <sup>(1)</sup>	845	905	813	803	3,366
Add back: Stock-based compensation expense	14	13	16	9	52
Adjusted EBITDA	<u>\$ 807</u>	<u>888</u>	<u>994</u>	<u>1,127</u>	<u>3,816</u>
Add back: Severance	\$ 4	53	8	5	70
Add back: Consumer and other litigation	(2)	1	(3)	(1)	(5)
Add back: Loss on sale of business <sup>(2)</sup>	22	9	22	13	66
Add back: Transaction and separation costs <sup>(3)</sup>	168	41	28	10	247
Add back: Net (gain) loss on sale of select CDN contracts <sup>(4)</sup>	(22)	73	—	—	51
Add back: Real estate transaction costs <sup>(5)</sup>	—	34	—	75	109
<b>Adjusted EBITDA excluding Special Items</b>	<u>\$ 977</u>	<u>1,099</u>	<u>1,049</u>	<u>1,229</u>	<u>4,354</u>

<sup>(1)</sup> Inclusive of loss on sale of business for all quarters of 2023 and 2024.

<sup>(2)</sup> Reflects primarily (i) the pre-tax gain of \$597 million recorded in operating income as a result of our Latin American business divestiture completed August 1, 2022, (ii) the pre-tax gain of \$176 million recorded in operating income as a result of our 20-state ILEC business divestiture completed October 3, 2022 and (iii) the net loss of \$102 million recorded for the year ended 2023 operating income and \$660 million recorded for the year ended 2022 operating income as a result of our EMEA business divestiture completed November 1, 2023.

<sup>(3)</sup> Transaction and separation costs associated with (i) the sale of our Latin American business on August 1, 2022, (ii) the sale of our 20-state ILEC business on October 3, 2022, (iii) the sale of our EMEA business on November 1, 2023, (iv) our March 22, 2024 debt transaction support agreement and (v) our evaluation of other potential transactions.

<sup>(4)</sup> Recognition of (i) Q1 2024 previously deferred gain on sale of select CDN contracts in October 2023, based on the transfer of remaining customer contracts as of March 31, 2024 and (ii) Q4 2023 write-off of an allocated portion of customer relationship intangible assets in the amount of \$121 million triggered by the sale of the underlying CDN contracts, partially offset by recognition of a \$48 million gain on the transaction for based on the percentage of contracts that had transferred control as of December 31, 2023.

<sup>(5)</sup> Real estate transactions include the Q2 and Q4 2023 loss on donation of real estate and acceleration of costs associated with our real estate rationalization program.

1st Quarter Earnings

April 30, 2024

LUMEN<sup>®</sup>

**Lumen Technologies, Inc.**

Net Debt to LTM Adjusted EBITDA ratio as of March 31, 2024

(UNAUDITED)

(\$ in millions)

**Net Debt to LTM Adjusted EBITDA ratio:**

Gross debt, as reported	\$	19,411
Cash and cash equivalents, as reported		(1,580)
Net debt	\$	<u>17,831</u>
LTM Adjusted EBITDA excluding Special Items <sup>(1)</sup>	\$	<u>4,354</u>

**Net debt to LTM Adjusted EBITDA ratio** **4.1**

<sup>(1)</sup> Please refer to the computation on Tab "LTM Adjusted EBITDA"


**Lumen Technologies, Inc.**

 2024 OUTLOOK <sup>(1)</sup> <sup>(2)</sup> <sup>(3)</sup> <sup>(4)</sup>

(UNAUDITED)

(\$ in millions)

**Adjusted EBITDA Outlook**

Twelve Months Ended December 31, 2024

	Range	
	Low	High
<b>Net (loss) income</b>	\$ (100)	400
Income tax expense	50	250
Total other expense, net	1,190	920
Depreciation and amortization expense	2,900	2,700
Non-cash compensation expense	60	30
<b>Adjusted EBITDA</b>	<b>\$ 4,100</b>	<b>4,300</b>

**Free Cash Flow Outlook**

Twelve Months Ended December 31, 2024

	Range	
	Low	High
<b>Net cash provided by operating activities</b>	\$ 2,800	3,200
Capital expenditures	(2,700)	(2,900)
<b>Free cash flow</b>	<b>\$ 100</b>	<b>300</b>

<sup>(1)</sup> For definitions of Non-GAAP metrics and reconciliations to GAAP figures, see the above schedules and Lumen's Investor Relations website.

<sup>(2)</sup> Outlook measures in this chart and the accompanying schedules (i) exclude the effects of Special Items, future changes in our operating or capital allocation plans, unforeseen changes in regulation, laws or litigation, and other unforeseen events or circumstances impacting our financial performance and (ii) speak only as of April 30, 2024. See "Forward Looking Statements" in our April 30, 2024 earnings release.

<sup>(3)</sup> Assumes no discretionary pension plan contributions during 2024.

<sup>(4)</sup> Includes an approximately \$700 million tax refund received during the first quarter of 2024.

**Outlook**

To enhance the information in our outlook with respect to non-GAAP metrics, we are providing a range for certain GAAP measures that are components of the reconciliation of the non-GAAP metrics. The provision of these ranges is in no way meant to indicate that Lumen is explicitly or implicitly providing an outlook on those GAAP components of the reconciliation. In order to reconcile the non-GAAP financial metric to GAAP, Lumen has to use ranges for the GAAP components that arithmetically add up to the non-GAAP financial metric. While Lumen believes that it has used reasonable assumptions in connection with developing the outlook for its non-GAAP financial metrics, it fully expects that the ranges used for the GAAP components will vary from actual results. We will consider our outlook of non-GAAP financial metrics to be accurate if the specific non-GAAP metric is met or exceeded, even if the GAAP components of the reconciliation are different from those provided in an earlier reconciliation.