

**2nd Quarter Earnings**

**July 31, 2025**

LUMEN®

## **Financial Trending Schedule**

Financial Results and Trend Schedules, Debt, Operating Metrics, and Non-GAAP Measures

## 2nd Quarter Earnings

July 31, 2025

LUMEN®

## Lumen Technologies, Inc.

Financial Results

(UNAUDITED)

(\$ in millions, except per share data)

Metric	Second Quarter	
	2025	2024
Large Enterprise	\$ 732	749
Mid-Market Enterprise	500	562
Public Sector	486	449
North America Enterprise Channels	1,718	1,760
Wholesale	690	726
North America Business Revenue	2,408	2,486
International and Other	82	92
<b>Business Segment Revenue</b>	<b>2,490</b>	<b>2,578</b>
<b>Mass Markets Segment Revenue</b>	<b>602</b>	<b>690</b>
<b>Total Revenue</b>	<b>\$ 3,092</b>	<b>3,268</b>
Cost of Services and Products	\$ 1,624	1,653
Selling, General and Administrative Expenses	755	742
Gain on Sale of Business	—	(5)
Stock-based Compensation Expense (Credit)	12	(3)
Net Loss	(915)	(49)
Net Loss, Excluding Special Items <sup>(1)(2)</sup>	(29)	(124)
Adjusted EBITDA <sup>(1)</sup>	725	875
Adjusted EBITDA, Excluding Special Items <sup>(1)(3)</sup>	877	1,011
Net Loss Margin	(29.6)%	(1.5)%
Net Loss Margin, Excluding Special Items <sup>(1)(2)</sup>	(0.9)%	(3.8)%
Adjusted EBITDA Margin <sup>(1)</sup>	23.4 %	26.8 %
Adjusted EBITDA Margin, Excluding Special Items <sup>(1)(3)</sup>	28.4 %	30.9 %
Net Cash Provided by Operating Activities	570	511
Capital Expenditures	891	753
Unlevered Cash Flow <sup>(1)</sup>	54	(24)
Unlevered Cash Flow, Excluding Cash Special Items <sup>(1)(4)</sup>	166	62
Free Cash Flow <sup>(1)</sup>	(321)	(242)
Free Cash Flow, Excluding Cash Special Items <sup>(1)(4)</sup>	(209)	(156)
Net Loss per Common Share - Diluted	(0.92)	(0.05)
Net Loss per Common Share - Diluted, Excluding Special Items <sup>(1)(2)</sup>	(0.03)	(0.13)
Weighted Average Shares Outstanding (in millions) - Diluted	994.5	987.2

(1) See the attached schedules for definitions of non-GAAP metrics and reconciliations to GAAP figures.

(2) Excludes Special Items (net of the income tax effect thereof), which (i) positively impacted this metric by \$886 million for the second quarter of 2025 and (ii) negatively impacted this metric \$(75) million for the second quarter of 2024.

(3) Excludes Special Items in the amounts of (i) \$152 million for the second quarter of 2025 and (ii) \$136 million for the second quarter of 2024.

(4) Excludes cash paid for Special Items in the amounts of (i) \$112 million for the second quarter of 2025 and (ii) \$86 million for the second quarter of 2024.

## 2nd Quarter Earnings

July 31, 2025

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## Lumen Technologies, Inc.

Consolidated Statements of Operations

(UNAUDITED)

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

	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24
OPERATING REVENUE	\$ 3,092	3,182	3,329	3,221	3,268	3,290
OPERATING EXPENSES						
Cost of services and products (exclusive of depreciation and amortization)	1,624	1,687	1,706	1,692	1,653	1,652
Selling, general and administrative	755	675	711	696	742	823
Net (gain) loss on sale of business	—	—	—	—	(5)	22
Depreciation and amortization	688	713	758	707	743	748
Goodwill impairment	628	—	—	—	—	—
Total operating expenses	3,695	3,075	3,175	3,095	3,133	3,245
OPERATING (LOSS) INCOME	\$ (603)	107	154	126	135	45
OTHER (EXPENSE) INCOME						
Interest expense	(338)	(347)	(357)	(351)	(373)	(291)
Net (loss) gain on early retirement of debt	(236)	(35)	71	(1)	3	275
Other income, net	28	30	13	54	194	73
Total other (expense) income, net	(546)	(352)	(273)	(298)	(176)	57
Income tax (benefit) expense	(234)	(44)	(204)	(24)	8	45
NET (LOSS) INCOME	\$ (915)	(201)	85	(148)	(49)	57
BASIC AND DILUTED (LOSS) EARNINGS PER COMMON SHARE						
Basic	\$ (0.92)	(0.20)	0.09	(0.15)	(0.05)	0.06
Diluted	(0.92)	(0.20)	0.09	(0.15)	(0.05)	0.06
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING						
Basic	994.5	991.3	989.8	988.8	987.2	984.9
Diluted	994.5	991.3	989.8	988.8	987.2	986.3
Exclude: Special Items <sup>(1)</sup>	886	72	8	15	(75)	(98)
NET (LOSS) INCOME EXCLUDING SPECIAL ITEMS	\$ (29)	(129)	93	(133)	(124)	(41)
DILUTED (LOSS) EARNINGS PER SHARE EXCLUDING SPECIAL ITEMS	\$ (0.03)	(0.13)	0.09	(0.13)	(0.13)	(0.04)

<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)

	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 1,568	1,900	1,889	2,640	1,495	1,580
Accounts receivable, less allowance	1,266	1,180	1,231	1,225	1,294	1,322
Assets held for sale	3,692	24	24	86	107	105
Other current assets	1,211	1,173	1,250	785	864	928
Total current assets	7,737	4,277	4,394	4,736	3,760	3,935
<b>NET PROPERTY, PLANT AND EQUIPMENT</b>						
Property, plant and equipment	41,823	44,109	43,542	42,869	42,162	41,633
Accumulated depreciation	(23,158)	(23,541)	(23,121)	(22,525)	(22,073)	(21,725)
Net property, plant and equipment	18,665	20,568	20,421	20,344	20,089	19,908
<b>GOODWILL AND OTHER ASSETS</b>						
Goodwill	—	1,964	1,964	1,964	1,964	1,964
Other intangible assets, net	4,525	4,660	4,806	4,967	5,127	5,290
Other, net	2,049	2,069	1,911	1,978	2,003	2,076
Total goodwill and other assets	6,574	8,693	8,681	8,909	9,094	9,330
<b>TOTAL ASSETS</b>	<b>\$ 32,976</b>	<b>33,538</b>	<b>33,496</b>	<b>33,989</b>	<b>32,943</b>	<b>33,173</b>
<b>LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Current maturities of long-term debt	\$ 331	330	412	415	192	86
Accounts payable	831	773	749	905	995	1,162
Accrued expenses and other liabilities						
Salaries and benefits	588	563	716	700	605	578
Income and other taxes	285	305	272	434	597	761
Current operating lease liabilities	275	263	253	263	281	282
Interest	151	237	197	236	219	110
Other	179	198	179	174	175	167
Liabilities held for sale	110	—	—	5	4	5
Current portion of deferred revenue	882	876	861	808	670	665
Total current liabilities	3,632	3,545	3,639	3,940	3,738	3,816
<b>LONG TERM DEBT</b>	<b>17,565</b>	<b>17,334</b>	<b>17,494</b>	<b>18,142</b>	<b>18,411</b>	<b>18,591</b>
<b>DEFERRED CREDITS AND OTHER LIABILITIES</b>						
Deferred income taxes, net	2,496	2,731	2,890	3,138	3,142	3,143
Benefit plan obligations, net	2,152	2,177	2,205	2,249	2,437	2,457
Deferred revenue	4,450	4,226	3,733	3,541	2,112	2,021
Other	3,276	3,236	3,071	2,637	2,637	2,641
Total deferred credits and other liabilities	12,374	12,370	11,899	11,565	10,328	10,262
<b>STOCKHOLDERS' (DEFICIT) EQUITY</b>						
Common stock <sup>(1)</sup>	19,162	19,152	19,149	1,015	1,016	1,016
Additional paid-in capital <sup>(1)</sup>	—	—	—	18,140	18,135	18,137
Accumulated other comprehensive loss	(679)	(700)	(723)	(766)	(786)	(799)
Accumulated deficit	(19,078)	(18,163)	(17,962)	(18,047)	(17,899)	(17,850)
Total stockholders' (deficit) equity	(595)	289	464	342	466	504
<b>TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY</b>	<b>\$ 32,976</b>	<b>33,538</b>	<b>33,496</b>	<b>33,989</b>	<b>32,943</b>	<b>33,173</b>

<sup>(1)</sup> On Dec. 18, 2024, the Company amended its articles of incorporation to eliminate the par value of its common stock (which was, prior to such amendment, \$1 per share) as approved by the shareholders at the Company's 2024 annual shareholders meeting. The Company recognized the change by reclassifying the balance in Additional paid-in capital to Common stock.

2nd Quarter Earnings

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## Lumen Technologies, Inc.

Condensed Consolidated Statements of Cash Flows

(UNAUDITED)

(\$ in millions)

	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24
<b>OPERATING ACTIVITIES</b>						
Net cash provided by operating activities	\$ 570	1,095	688	2,032	511	1,102
<b>INVESTING ACTIVITIES</b>						
Capital expenditures	(891)	(791)	(915)	(850)	(753)	(713)
Proceeds (payment) from sale of businesses	—	—	—	20	(5)	—
Proceeds from sale of property, plant and equipment and other assets	17	14	83	19	252	12
Other, net	1	8	1	6	10	3
Net cash used in investing activities	(873)	(769)	(831)	(805)	(496)	(698)
<b>FINANCING ACTIVITIES</b>						
Net proceeds from issuance of long-term debt	1,982	2,279	—	—	—	1,325
Payments of long-term debt	(1,782)	(2,502)	(609)	(72)	(95)	(1,902)
Net payments of revolving line of credit	—	—	—	—	—	(200)
Debt issuance and extinguishment costs and related fees	(228)	(80)	(1)	—	(4)	(278)
Other, net	(2)	(11)	—	(9)	(1)	(5)
Net cash used in financing activities	(30)	(314)	(610)	(81)	(100)	(1,060)
Net (decrease) increase in cash, cash equivalents and restricted cash	(333)	12	(753)	1,146	(85)	(656)
Cash, cash equivalents and restricted cash at beginning of period	1,912	1,900	2,653	1,507	1,592	2,248
Cash, cash equivalents and restricted cash at end of period	\$ 1,579	1,912	1,900	2,653	1,507	1,592
Cash, cash equivalents and restricted cash:						
Cash and cash equivalents	\$ 1,568	1,900	1,889	2,640	1,495	1,580
Restricted cash	11	12	11	13	12	12
Total	\$ 1,579	1,912	1,900	2,653	1,507	1,592

## 2nd Quarter Earnings

July 31, 2025

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### Lumen Technologies, Inc.

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

(UNAUDITED)

(\$ in millions)

	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24
<b>Segment Revenue</b>						
Business Segment Total	\$ 2,490	2,524	2,660	2,537	2,578	2,591
Mass Markets Segment Total	602	658	669	684	690	699
<b>Total</b>	<b>\$ 3,092</b>	<b>3,182</b>	<b>3,329</b>	<b>3,221</b>	<b>3,268</b>	<b>3,290</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<sup>(1)</sup>  
(UNAUDITED)  
(\$ in millions)

	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24
<b>Revenue By Sales Channel</b>						
Large Enterprise	\$ 732	737	764	761	749	765
Mid-Market Enterprise	500	513	531	542	562	577
Public Sector	486	483	556	430	449	421
North America Enterprise Channels	1,718	1,733	1,851	1,733	1,760	1,763
Wholesale	690	705	717	712	726	731
North America Business Revenue	2,408	2,438	2,568	2,445	2,486	2,494
International and Other	82	86	92	92	92	97
<b>Business Segment Revenue</b>	<b>2,490</b>	<b>2,524</b>	<b>2,660</b>	<b>2,537</b>	<b>2,578</b>	<b>2,591</b>
<b>Mass Markets Segment Revenue</b>	<b>602</b>	<b>658</b>	<b>669</b>	<b>684</b>	<b>690</b>	<b>699</b>
<b>Total Revenue<sup>(3)</sup></b>	<b>\$ 3,092</b>	<b>3,182</b>	<b>3,329</b>	<b>3,221</b>	<b>3,268</b>	<b>3,290</b>
<b>Business Revenue by Product Category and Sales Channel</b>						
<b>Large Enterprise</b>						
Grow	\$ 427	416	399	390	377	378
Nurture	192	203	217	234	235	241
Harvest	75	79	90	94	96	103
Subtotal	694	698	706	718	708	722
Other	38	39	58	43	41	43
<b>Total Large Enterprise Revenue</b>	<b>\$ 732</b>	<b>737</b>	<b>764</b>	<b>761</b>	<b>749</b>	<b>765</b>
<b>Mid-Market Enterprise</b>						
Grow	\$ 260	259	261	257	257	256
Nurture	154	165	176	186	200	213
Harvest	77	79	84	89	95	98
Subtotal	491	503	521	532	552	567
Other	9	10	10	10	10	10
<b>Total Mid-Market Enterprise Revenue</b>	<b>\$ 500</b>	<b>513</b>	<b>531</b>	<b>542</b>	<b>562</b>	<b>577</b>
<b>Public Sector</b>						
Grow	\$ 140	159	214	133	128	125
Nurture	83	84	94	87	88	88
Harvest	137	108	117	87	92	94
Subtotal	360	351	425	307	308	307
Other	126	132	131	123	141	114
<b>Total Public Sector Revenue</b>	<b>\$ 486</b>	<b>483</b>	<b>556</b>	<b>430</b>	<b>449</b>	<b>421</b>
<b>North America Enterprise Subtotals</b>						
Grow	\$ 827	834	874	780	762	759
Nurture	429	452	487	507	523	542
Harvest	289	266	291	270	283	295
Subtotal	1,545	1,552	1,652	1,557	1,568	1,596
Other	173	181	199	176	192	167
<b>Total North America Enterprise Revenue</b>	<b>\$ 1,718</b>	<b>1,733</b>	<b>1,851</b>	<b>1,733</b>	<b>1,760</b>	<b>1,763</b>
<b>Wholesale</b>						
Grow	\$ 262	265	265	259	263	260
Nurture	170	177	177	183	186	192
Harvest	258	260	274	268	275	276
Subtotal	690	702	716	710	724	728
Other	—	3	1	2	2	3
<b>Total Wholesale Revenue</b>	<b>\$ 690</b>	<b>705</b>	<b>717</b>	<b>712</b>	<b>726</b>	<b>731</b>
<b>North America Business Revenue Subtotals</b>						
Grow	\$ 1,089	1,099	1,139	1,039	1,025	1,019
Nurture	599	629	664	690	709	734
Harvest	547	526	565	538	558	571
Subtotal	2,235	2,254	2,368	2,267	2,292	2,324
Other	173	184	200	178	194	170
<b>Total North America Business Revenue</b>	<b>\$ 2,408</b>	<b>2,438</b>	<b>2,568</b>	<b>2,445</b>	<b>2,486</b>	<b>2,494</b>
<b>International and Other</b>						
Grow	\$ 38	37	38	38	38	40
Nurture	35	37	40	39	41	42
Harvest	7	8	10	12	10	11
Subtotal	80	82	88	89	89	93
Other	2	4	4	3	3	4
<b>Total International and Other Revenue</b>	<b>\$ 82</b>	<b>86</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>97</b>
<b>Business Segment by Product Category</b>						
Grow	\$ 1,127	1,136	1,177	1,077	1,063	1,059
Nurture	634	666	704	729	750	776
Harvest	554	534	575	550	568	582
Subtotal	2,315	2,336	2,456	2,356	2,381	2,417
Other	175	188	204	181	197	174
<b>Total Business Segment Revenue</b>	<b>\$ 2,490</b>	<b>2,524</b>	<b>2,660</b>	<b>2,537</b>	<b>2,578</b>	<b>2,591</b>
<b>Mass Markets Segment by Product Category</b>						
Fiber Broadband	\$ 217	209	194	190	181	170
Other Broadband <sup>(2)</sup>	245	257	272	283	298	315
Voice and Other	140	192	203	211	211	214
<b>Total Mass Markets Segment</b>	<b>\$ 602</b>	<b>658</b>	<b>669</b>	<b>684</b>	<b>690</b>	<b>699</b>

<sup>(1)</sup> Revenue originally reported for 2024 has been updated to reflect changes to Lumen's reporting of sales channels and product categories in 2025. These changes had no impact on total operating revenue, total operating expenses or net income for any period.

<sup>(2)</sup> Other broadband revenue primarily includes revenue from lower speed copper-based broadband services marketed under the CenturyLink brand.



**Lumen Technologies, Inc.**

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

June 30, 2025

(UNAUDITED)

(\$ in millions)

All information is presented as of June 30, 2025

Entity (Original Issuer)	Coupon Rate	Maturity Date	Total
<b>Qwest Corporation</b>			
Qwest Corporation Senior Notes	7.250 %	9/15/2025 \$	238
Qwest Corporation Senior Notes	7.750 %	5/1/2030	42
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>\$ 1,973</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	6.191 %	3/1/2027 \$	12
Level 3 Financing, Inc. First Lien Notes	11. %	11/15/2029	1,409
Level 3 Financing, Inc. First Lien Notes	10.750 %	12/15/2030	678
Level 3 Financing, Inc. First Lien Notes	6.875 %	6/30/2033	2,000
Level 3 Financing, Inc. Term Loan B-3	8.577 %	3/27/2032	2,400
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. Second Lien Notes	10.000 %	10/15/2032	350
Level 3 Financing, Inc. Senior Notes	4.250 %	7/1/2028	178
Level 3 Financing, Inc. Senior Notes	3.625 %	1/15/2029	301
Level 3 Financing, Inc. Sustainability-Linked Notes	3.750 %	7/15/2029	361
Level 3 Financing, Inc. Sr. Secured Notes (Unsecured)	3.875 %	11/15/2029	54
<b>Total Level 3 Parent, LLC and Subsidiaries</b>			<b>\$ 9,972</b>
<b>Lumen Technologies, Inc.</b>			
Lumen Technologies, Inc. Superpriority First Out ("FOSP") RCF	4.114 %	6/1/2028 \$	—
Lumen Technologies, Inc. Superpriority Second Out ("SOSP") RCF	6.114 %	6/1/2028	—
Lumen Technologies, Inc. SOSP Term Loan A	10.327 %	6/1/2028	347
Lumen Technologies, Inc. SOSP Term Loan B-1	6.791 %	4/15/2029	1,598
Lumen Technologies, Inc. SOSP Notes	4.125 %	4/15/2029	331
Lumen Technologies, Inc. SOSP Term Loan B-2	6.791 %	4/15/2030	1,598
Lumen Technologies, Inc. SOSP Notes	4.125 %	4/15/2030	477
Lumen Technologies, Inc. SOSP Notes	10.000 %	10/15/2032	439
Lumen Technologies, Inc. Term Loan B	6.691 %	3/15/2027	56
Lumen Technologies, Inc. Senior Notes - Series G	6.875 %	1/15/2028	130
Lumen Technologies, Inc. Senior Notes	4.500 %	1/15/2029	300
Lumen Technologies, Inc. Senior Notes	5.375 %	6/15/2029	232
Lumen Technologies, Inc. Senior Notes - Series P	7.600 %	9/15/2039	349
Lumen Technologies, Inc. Senior Notes - Series U	7.650 %	3/15/2042	285
<b>Total Lumen Technologies, Inc.</b>			<b>\$ 6,142</b>
<b>Total LUMN Consolidated (excluding Finance Leases, Premium/(Discount)/Other, net)</b>			<b>\$ 18,279</b>

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July 31, 2025

LUMEN<sup>®</sup>

## Lumen Technologies, Inc.

Operating Metrics  
(UNAUDITED)

	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24
<b>Operating Metrics</b>						
<b>Mass Markets broadband subscribers</b>						
<i>(in thousands)</i>						
Fiber broadband subscribers	1,150	1,116	1,077	1,035	992	952
Other broadband subscribers <sup>(1)</sup>	1,308	1,392	1,469	1,566	1,666	1,758
Mass Markets total broadband subscribers <sup>(2)</sup>	2,458	2,508	2,546	2,601	2,658	2,710
<b>Mass Markets average revenue per unit (ARPU)</b>						
Fiber broadband ARPU	\$64	\$64	\$61	\$62	\$62	\$61
<b>Mass Markets broadband enabled units<sup>(3)</sup></b>						
<i>(in millions)</i>						
Fiber broadband enabled units	4.4	4.3	4.2	4.1	3.9	3.8
Other broadband enabled units	17.6	17.7	17.8	17.9	18.0	18.0
Mass Markets total broadband enabled units	22.0	22.0	22.0	22.0	21.9	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. Other companies may use different methodologies.

<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 and Item 10 (e) of Regulation S-K, 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.

The largest components of our *Special Items* reflected in this schedule are one-time or unusual charges, including charges for goodwill impairment and gains or losses associated with the early retirement of debt or sale of investments. The other main components of our *Special Items* include Modernization and Simplification costs, Transaction and Separation costs, Real Estate Transactions and Income from Transition and Separation Services. Modernization and Simplification costs are associated with a multi-year transformation initiative to streamline our network infrastructure, product portfolio, and IT systems, and to modernize our workforce to deliver \$1 billion in annualized cost savings on a run-rate basis exiting 2027. Transaction and Separation costs are primarily associated with providing certain transition services in connection with our divestitures and costs related to certain debt transactions which were unusual and infrequent. Real Estate Transactions are infrequent and unusual costs related to various impairments, our loss on donation of real estate and the acceleration of costs associated with our real estate rationalization program. Income from Transition and Separations Services includes charges we have billed for certain services provided to the purchasers in connection with our recent divestitures. Other primarily includes the recognition of gains and losses on our sale of select CDN contracts and the recognition of losses on disposal of certain operating assets.

**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. 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 none of these items are 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. 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 (either with or without Special Items) excludes cash used or received for acquisitions, divestitures 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 or received for acquisitions, divestitures, 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 (either with or without Special Items) 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.

## 2nd Quarter Earnings

July 31, 2025

LUMEN®

## Lumen Technologies, Inc.

Non-GAAP Special Items

(UNAUDITED)

(\$ in millions)

Special Items Impacting Adjusted EBITDA	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24
Severance	\$ 3	3	11	12	103	4
Consumer and other litigation	2	—	3	—	1	(2)
Net (gain) loss on sale of businesses	—	—	—	—	(5)	22
Transaction and separation costs <sup>(1)</sup>	92	16	50	41	23	168
Modernization and simplification <sup>(2)</sup>	41	50	—	—	—	—
Other <sup>(3)</sup>	14	30	3	(1)	14	(22)
Real estate transactions <sup>(4)</sup>	—	—	65	4	—	—
<b>Total Special Items impacting Adjusted EBITDA</b>	<b>\$ 152</b>	<b>99</b>	<b>132</b>	<b>56</b>	<b>136</b>	<b>170</b>
Special Items Impacting Net (Loss) Income	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24
Severance	\$ 3	3	11	12	103	4
Consumer and other litigation	2	—	3	—	1	(2)
Net (gain) loss on sale of businesses	—	—	—	—	(5)	22
Transaction and separation costs <sup>(1)</sup>	92	16	50	41	23	168
Modernization and simplification <sup>(2)</sup>	41	50	—	—	—	—
Other <sup>(3)</sup>	14	30	3	(1)	14	(22)
Real estate transactions <sup>(4)</sup>	—	—	65	4	—	—
Goodwill impairment	628	—	—	—	—	—
Net loss (gain) on early retirement of debt <sup>(5)</sup>	236	35	(71)	1	(3)	(275)
Income from transition and separation services <sup>(6)</sup>	(39)	(37)	(50)	(37)	(35)	(35)
Gain on sale of investment	—	—	—	—	(205)	—
<b>Total Special Items impacting Net (Loss) Income</b>	<b>977</b>	<b>97</b>	<b>11</b>	<b>20</b>	<b>(107)</b>	<b>(140)</b>
Income tax effect of Special Items <sup>(7)</sup>	(91)	(25)	(3)	(5)	32	42
<b>Total Special Items impacting Net (Loss) Income, net of tax</b>	<b>\$ 886</b>	<b>72</b>	<b>8</b>	<b>15</b>	<b>(75)</b>	<b>(98)</b>
Special Items Impacting Cash Flows	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24
Severance	\$ 4	10	18	14	83	18
Consumer and other litigation	1	2	1	1	1	(2)
Transaction and separation costs <sup>(1)</sup>	10	16	56	31	29	138
Modernization and simplification <sup>(2)(8)</sup>	124	76	—	—	—	—
Income from transition and separation services <sup>(6)</sup>	(27)	(54)	(22)	(30)	(27)	(25)
<b>Total Special Items impacting Cash Flows</b>	<b>\$ 112</b>	<b>50</b>	<b>53</b>	<b>16</b>	<b>86</b>	<b>129</b>

<sup>(1)</sup> Transaction and separation costs associated with (i) the Q2 2025 expense of \$49 million for fees related to the relinquishment of our funding received under the FCC's Rural Digital Opportunity Fund, (ii) our recently announced plan to sell our Mass Markets fiber-to-the-home business, including approximately 95% of Quantum Fiber, in 11 states to AT&T, (iii) our 2022 and 2023 divestitures, (iv) our March 22, 2024 debt transaction support agreement and our September 24, 2024 exchange offer and (v) our evaluation of other potential transactions.

<sup>(2)</sup> Includes costs incurred related to network infrastructure, product portfolio, IT systems, and workforce modernization designed to deliver \$1 billion annualized in cost savings on a run-rate basis exiting 2027.

<sup>(3)</sup> Includes primarily (i) the recognition of 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) the recognition of a loss on disposal of certain operating assets in Q2 2024 and Q1 2025.

<sup>(4)</sup> Real estate transactions include primarily the Q4 2024 impairment loss for real estate held for sale, net of a gain associated our real estate rationalization program.

<sup>(5)</sup> Reflects primarily net loss (gains) as a result of (i) refinancing of certain debt instrument and credit facilities in Q2 and Q1 2025, (ii) cash tender offers and open market repurchases resulting in a reduction of consolidated indebtedness of approximately \$656 million in Q4 2024, (iii) repurchase of \$75 million aggregate principal in Q2 2024, (iv) debt transaction support agreement and resulting debt extinguishment in Q1 2024.

<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 26.0% for Q2 and Q1 2025, Q4 2024 and Q3 2024, and 30.0% for Q2 2024 and Q1 2024.

<sup>(8)</sup> Includes both the related cash payments of expense captured as described in footnote 2 above and cash payments for capital expenditures incurred under the same programs.

2nd Quarter Earnings

July 31, 2025



Lumen Technologies, Inc.

Non-GAAP Cash Flow Reconciliation

(UNAUDITED)

(\$ in millions)

	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24
Net cash provided by operating activities <sup>(1)</sup>	\$ 570	1,095	688	2,032	511	1,102
Capital expenditures	(891)	(791)	(915)	(850)	(753)	(713)
<b>Free cash flow<sup>(1)</sup></b>	<b>\$ (321)</b>	<b>304</b>	<b>(227)</b>	<b>1,182</b>	<b>(242)</b>	<b>389</b>
Cash interest paid	396	280	368	306	232	339
Interest income	(21)	(21)	(29)	(18)	(14)	(58)
<b>Unlevered cash flow<sup>(1)</sup></b>	<b>\$ 54</b>	<b>563</b>	<b>112</b>	<b>1,470</b>	<b>(24)</b>	<b>670</b>
<b>Free cash flow<sup>(1)</sup></b>	<b>\$ (321)</b>	<b>304</b>	<b>(227)</b>	<b>1,182</b>	<b>(242)</b>	<b>389</b>
Add back: Severance	4	10	18	14	83	18
Add back (remove): Consumer and other litigation	1	2	1	1	1	(2)
Add back: Transaction and separation costs <sup>(2)</sup>	10	16	56	31	29	138
Add back: Modernization and simplification <sup>(3)</sup>	124	76	—	—	—	—
Remove: Income from transition and separation services <sup>(4)</sup>	(27)	(54)	(22)	(30)	(27)	(25)
<b>Free cash flow excluding Special Items<sup>(1)</sup></b>	<b>\$ (209)</b>	<b>354</b>	<b>(174)</b>	<b>1,198</b>	<b>(156)</b>	<b>518</b>
<b>Unlevered cash flow<sup>(1)</sup></b>	<b>\$ 54</b>	<b>563</b>	<b>112</b>	<b>1,470</b>	<b>(24)</b>	<b>670</b>
Add back: Severance	4	10	18	14	83	18
Add back (remove): Consumer and other litigation	1	2	1	1	1	(2)
Add back: Transaction and separation costs <sup>(2)</sup>	10	16	56	31	29	138
Add back: Modernization and simplification <sup>(3)(5)</sup>	124	76	—	—	—	—
Remove: Income from transition and separation services <sup>(3)</sup>	(27)	(54)	(22)	(30)	(27)	(25)
<b>Unlevered cash flow excluding Special Items<sup>(1)</sup></b>	<b>\$ 166</b>	<b>613</b>	<b>165</b>	<b>1,486</b>	<b>62</b>	<b>799</b>

<sup>(1)</sup> Includes the impact of (i) \$170 million voluntary pension contribution in Q3 2024 and (ii) \$700 million in cash tax refund received in Q1 2024.

<sup>(2)</sup> Transaction and separation costs associated with (i) our recently announced plan to sell our Mass Markets fiber-to-the-home business, (ii) our 2022 and 2023 divestitures, (iii) our March 22, 2024 debt transaction support agreement and our September 24, 2024 exchange offer and (iv) our evaluation of other potential transactions.

<sup>(3)</sup> Includes costs incurred related to network infrastructure, product portfolio, IT systems, and workforce modernization designed to deliver \$1 billion annualized in cost savings on a run-rate basis exiting 2027.

<sup>(4)</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.

<sup>(5)</sup> Includes both the related cash payments of expense captured as described in footnote 2 above and cash payments for capital expenditures incurred under the same programs.

## 2nd Quarter Earnings

July 31, 2025

LUMEN<sup>®</sup>

## Lumen Technologies, Inc.

Adjusted EBITDA Non-GAAP Reconciliation

(UNAUDITED)

(\$ in millions)

	2Q25	1Q25	4Q24	3Q24	2Q24	1Q24
<b>Net (Loss) Income</b>	\$ (915)	(201)	85	(148)	(49)	57
Income tax (benefit) expense	(234)	(44)	(204)	(24)	8	45
Total other expense (income), net	546	352	273	298	176	(57)
Depreciation and amortization expense	688	713	758	707	743	748
Stock-based compensation expense (credit)	12	10	8	10	(3)	14
Goodwill impairment	628	—	—	—	—	—
<b>Adjusted EBITDA</b>	\$ 725	830	920	843	875	807
Business Segment Adjusted EBITDA <sup>(1)</sup>	1,152	1,166	1,185	1,100	1,164	1,168
Mass Markets Segment Adjusted EBITDA <sup>(1)</sup>	317	381	380	357	376	383
Other unallocated expense <sup>(1)</sup>	(744)	(717)	(645)	(614)	(665)	(744)
<b>Adjusted EBITDA</b>	\$ 725	830	920	843	875	807
Add back: Severance	3	3	11	12	103	4
Add back (remove): Consumer and other litigation	2	—	3	—	1	(2)
Add back: Net (gain) loss on sale of businesses	—	—	—	—	(5)	22
Add back: Transaction and separation costs <sup>(2)</sup>	92	16	50	41	23	168
Add back: Modernization and Simplification <sup>(3)</sup>	41	50	—	—	—	—
Add back: Other <sup>(4)</sup>	14	30	3	(1)	14	(22)
Add back: Real estate transaction costs <sup>(5)</sup>	—	—	65	4	—	—
<b>Adjusted EBITDA excluding Special Items</b>	\$ 877	929	1,052	899	1,011	977
<b>Net (Loss) Income excluding Special Items</b>	\$ (29)	(129)	93	(133)	(124)	(41)
<b>Total Revenue</b>	\$ 3,092	3,182	3,329	3,221	3,268	3,290
<b>Net (Loss) Income Margin</b>	(29.6)%	(6.3)%	2.6 %	(4.6)%	(1.5)%	1.7 %
<b>Net (Loss) Income Margin, excluding Special Items</b>	(0.9)%	(4.1)%	2.8 %	(4.1)%	(3.8)%	(1.2)%
<b>Adjusted EBITDA Margin</b>	23.4 %	26.1 %	27.6 %	26.2 %	26.8 %	24.5 %
<b>Adjusted EBITDA Margin, excluding Special Items</b>	28.4 %	29.2 %	31.6 %	27.9 %	30.9 %	29.7 %

<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.

<sup>(2)</sup> Transaction and separation costs associated with (i) the Q2 2025 expense of \$49 million for fees related to the relinquishment of our funding received under the FCC's Rural Digital Opportunity Fund, (ii) our recently announced plan to sell our Mass Markets fiber-to-the-home business, (iii) our 2022 and 2023 divestitures, (iv) our March 22, 2024 debt transaction support agreement and our September 24, 2024 exchange offer and (v) our evaluation of other potential transactions.

<sup>(3)</sup> Includes costs incurred related to network infrastructure, product portfolio, IT systems, and workforce modernization designed to deliver \$1 billion annualized in cost savings on a run-rate basis exiting 2027.

<sup>(4)</sup> Includes primarily (i) the recognition of 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) the recognition of a loss on disposal of certain operating assets in Q2 2024 and Q1 2025.

<sup>(5)</sup> Real estate transactions include primarily the Q4 2024 impairment loss for real estate held for sale, net of a gain associated our real estate rationalization program.



**Lumen Technologies, Inc.**

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

	2Q25	1Q25	4Q24	3Q24	Total LTM Adjusted EBITDA
Total revenue	\$ 3,092	3,182	3,329	3,221	12,824
Cost of services and products	1,624	1,687	1,706	1,692	6,709
Selling, general and administrative expenses	755	675	711	696	2,837
Add back: Stock-based compensation expense	12	10	8	10	40
Adjusted EBITDA	\$ 725	830	920	843	3,318
Add back: Severance	\$ 3	3	11	12	29
Add back: Consumer and other litigation	2	—	3	—	5
Add back: Transaction and separation costs <sup>(1)</sup>	92	16	50	41	199
Add back: Modernization and simplification <sup>(2)</sup>	41	50	—	—	91
Add back: Other <sup>(3)</sup>	14	30	3	(1)	46
Add back: Real estate transaction costs <sup>(4)</sup>	—	—	65	4	69
<b>Adjusted EBITDA excluding Special Items</b>	<b>\$ 877</b>	<b>929</b>	<b>1,052</b>	<b>899</b>	<b>3,757</b>

<sup>(1)</sup> Transaction and separation costs associated with (i) the Q2 2025 expense of \$49 million for fees related to the relinquishment of our funding received under the FCC's Rural Digital Opportunity Fund, (ii) our recently announced plan to sell our Mass Markets fiber-to-the-home business, (iii) our 2022 and 2023 divestitures, (iv) our March 22, 2024 debt transaction support agreement and our September 24, 2024 exchange offer and (v) our evaluation of other potential transactions.

<sup>(2)</sup> Includes costs incurred related to network infrastructure, product portfolio, IT systems, and workforce modernization designed to deliver \$1 billion annualized in cost savings on a run-rate basis exiting 2027.

<sup>(3)</sup> Includes primarily the recognition of a loss on disposal of certain operating assets in Q1 2025.

<sup>(4)</sup> Real estate transactions include primarily the Q4 2024 impairment loss for real estate held for sale, net of a gain associated our real estate rationalization.

2nd Quarter Earnings

July 31, 2025

LUMEN<sup>®</sup>

**Lumen Technologies, Inc.**

Net Debt to LTM Adjusted EBITDA ratio as of June 30, 2025

(UNAUDITED)

(\$ in millions)

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

Gross debt, as reported	\$	18,520
Cash and cash equivalents, as reported		(1,568)
Net debt	\$	<u>16,952</u>
LTM Adjusted EBITDA excluding Special Items <sup>(1)</sup>	\$	<u>3,757</u>

**Net debt to LTM Adjusted EBITDA ratio**

**4.5**

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



**Lumen Technologies, Inc.**

2025 OUTLOOK <sup>(1)(2)</sup>

(UNAUDITED)

(\$ in millions)

**Adjusted EBITDA Outlook**

Twelve Months Ended December 31, 2025

	Range	
	Low	High
<b>Net loss</b>	\$ (1,455)	(650)
Income tax expense	215	30
Total other expense, net	1,500	1,300
Depreciation and amortization expense	2,900	2,700
Non-cash compensation expense	40	20
<b>Adjusted EBITDA</b>	<b>\$ 3,200</b>	<b>3,400</b>

**Free Cash Flow Outlook**

Twelve Months Ended December 31, 2025

	Range	
	Low	High
<b>Net cash provided by operating activities</b>	\$ 5,300	5,700
Capital expenditures	(4,100)	(4,300)
<b>Free cash flow</b>	<b>\$ 1,200</b>	<b>1,400</b>

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

(2) Outlook measures in this chart (i) exclude the effects of Special Items, goodwill impairments, 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 July 31, 2025. See "Forward Looking Statements" in our July 31, 2025 earnings release.

**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 each 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.