S&P Global
Market Intelligence

Lumen Technologies, Inc. NYSE:LUMN

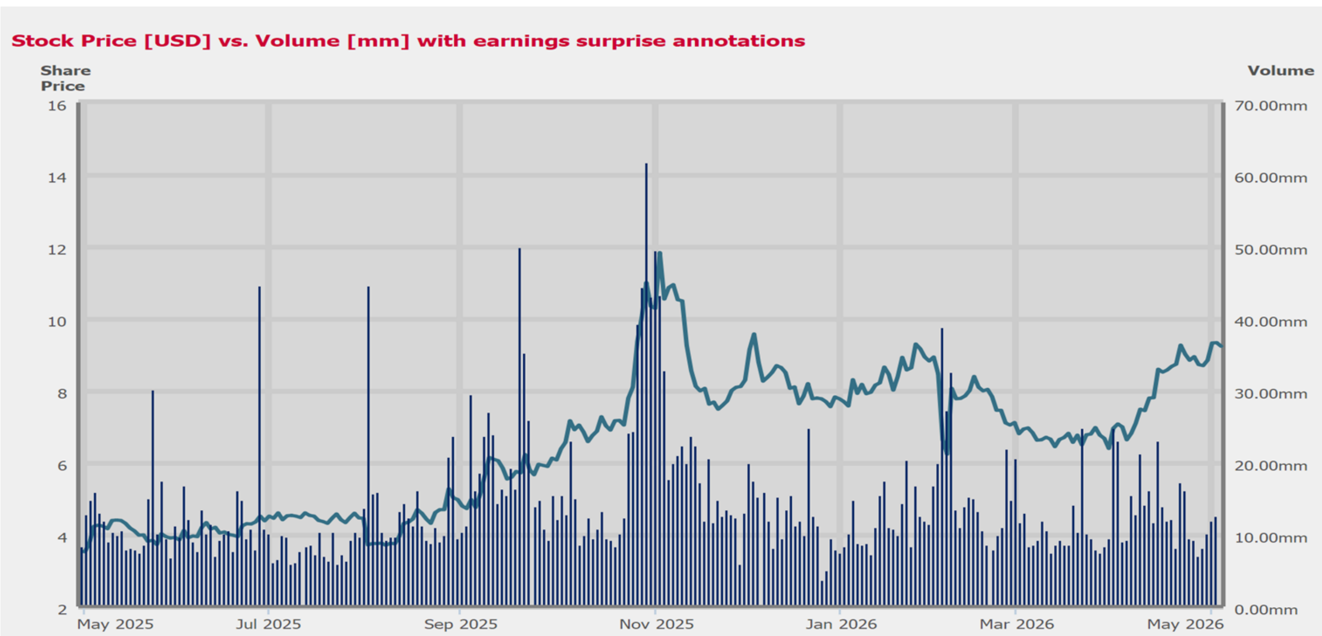
FQ1 2026 Earnings Call Transcripts

Tuesday, May 5, 2026 9:00 PM GMT

S&P Global Market Intelligence Estimates

	-FQ1 2026-			-FQ2 2026-	-FY 2026-	-FY 2027-
	CONSENSUS	ACTUAL	SURPRISE	CONSENSUS	CONSENSUS	CONSENSUS
EPS Normalized	(0.10)	(0.47)	NM	(0.08)	(0.44)	NA
Revenue (mm)	2828.72	2899.00	▲2.48	2721.29	10873.28	NA

Currency: USD
Consensus as of May-04-2026 10:37 AM GMT



- EPS NORMALIZED -

	CONSENSUS	ACTUAL	SURPRISE
FQ2 2025	(0.27)	(0.03)	NM
FQ3 2025	(0.27)	(0.20)	NM
FQ4 2025	(0.27)	0.23	NM
FQ1 2026	(0.10)	(0.47)	NM

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Call Participants

EXECUTIVES

Christopher David Stansbury
President & CFO

James Dennis Breen
Senior Vice President of Investor Relation

Kathleen E. Johnson
CEO & Director

ANALYSTS

Batya Levi
UBS Investment Bank, Research Division

Frank Garrett Louthan
Raymond James & Associates, Inc., Research Division

Gregory Bradford Williams
TD Cowen, Research Division

Michael Ian Rollins
Citigroup Inc., Research Division

Michael J. Funk
BofA Securities, Research Division

Nicholas Ralph Del Deo
MoffettNathanson LLC

Presentation

Operator

Greetings, and welcome to Lumen Technologies' First Quarter 2026 Earnings Call. [Operator Instructions] As a reminder, this conference is being recorded Tuesday, May 5, 2026. Your speakers for today are Kate Johnson, CEO; and Chris Stansbury, President and CFO.

I would now like to turn the conference over to Jim Breen, Senior Vice President of Investor Relations. Jim, please go ahead.

James Dennis Breen
Senior Vice President of Investor Relation

Good afternoon, everyone, and thank you for joining Lumen Technologies' Q1 2026 Earnings Call.

Before we begin, I'd like to remind everyone that today's presentation will include forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements reflect our current expectations, assumptions and projections about future events and financial performance. Actual results may differ materially from those expressed or implied in these forward-looking statements due to a number of risks and uncertainties. A detailed discussion of these factors can be found in our most recent filings with the Securities and Exchange Commission, including our most recent annual report on Form 10-K, our quarterly report on Form 10-Q for this quarter and any subsequent filings.

We undertake no obligation to update or revise any forward-looking statements made today, whether as a result of new information, future events or otherwise. Today's presentation may also include non-GAAP financial measures. Reconciliations are provided in our posted materials.

I'll pass it on to Kate.

Kathleen E. Johnson
CEO & Director

Thanks, Jim, and thanks, everybody, for joining the call and also for your feedback following the Lumen Investor Day. In addition to hearing your perspective about our strategy and new business model, we're tweaking the format of our earnings call by shortening our prepared remarks and leaving more time for your strategy-oriented questions.

So let's get to it. Lumen delivered a solid performance during the first quarter, with revenue and EBITDA in line with expectations. I'll let Chris handle the detail in a few minutes after I provide an update on our strategy and execution.

Enterprises are facing a huge challenge. They're trying to build an AI-driven future on infrastructure that simply wasn't designed to support it. It's no longer about point-to-point connectivity, it's about whether you can move massive amounts of data securely, predictably and in real time across highly distributed environments.

And just as importantly, it's about whether you can control and orchestrate that movement dynamically. Lumen is solving that problem. We're bringing together 3 core assets: world-class physical infrastructure, a programmable network and a connected ecosystem of clouds, applications and partners. And individually, each of these assets matter. But together, they solve the complexity problem by forming a comprehensive platform designed for AI and rooted in simplicity.

The whole industry now recognizes the need for better networking, better performance and better economics. It's not just Lumen talking about disruption anymore. But we believe it is Lumen who stands alone in our readiness to deliver game-changing capabilities to meet the needs of enterprise customers in an AI-driven world.

And it starts with the physical layer. Lumen already has one of the largest fiber networks in the world. We're making significant investments in long-haul capacity, metro expansion, data center-interconnect and cloud adjacency. And we're on track to deliver all of the commitments we shared in detail at Investor Day.

This physical foundation is table stakes that supports the proliferation of data workloads, but alone, it's insufficient to capture the full value of opportunity that we see. That's where the programmable network comes in: a single pane of glass where enterprises can control and orchestrate connectivity across their entire technology footprint of clouds, data centers, applications and partner networks.

Lumen has made strong progress in capturing the North-South part of this market with Lumen Connect and NaaS, giving customers API-driven on-demand access to our network.

And today, we announced our intent to acquire the software company Alkira. Alkira is expected to extend and enhance our programmable network into the fastest-growing segment of the enterprise networking market, the East-West part, establishing the control plane for cloud connectivity. After close, our combined capabilities will enable us to provide comprehensive coverage of North-South and East-West connectivity, whether on-net or off-net, with game-changing innovation, including direct cloud on-ramps and Multi-Cloud Gateway, and all of this in a single programmable system. We'll also be able to provide digital marketplace access to a myriad of ecosystem partners, simplifying network purchase and deployment experiences.

Together, Lumen Connect and Alkira will significantly accelerate time to value for customers operating in a complex multi-cloud and AI-driven architecture world. Strategically, this acquisition will substantially complete our digital architecture. And post close, it's all about integration and continuing our first- and third-party service innovation to deliver new value for customers and growth for Lumen.

As you know, we've also had some exciting recent announcements. AWS and Lumen partnered to launch AWS Interconnect - last mile, a service allowing enterprises to establish fast, secure, private direct connections from on-prem to the AWS cloud. And Google just announced the availability of private connectivity discovery through Google Cloud Marketplace, with an upcoming preview of API provision prem to cloud connectivity offering, all powered by Lumen.

These two new offerings are another example of how we're innovating to help enterprise customers deliver on their AI ambitions while simultaneously giving Lumen an opportunity to capture some of the over $2 billion in annual revenue currently served by carrier-neutral facility cross-connects. And it's Lumen Multi-Cloud Gateway that makes these direct on-ramp offerings possible, enabling customers to connect any cloud and any data center in any combination over our private network rather than the public Internet. It's how we bridge North-South and East-West connectivity domain securely and consistently.

Now after closing the acquisition, Multi-Cloud Gateway and Alkira together will turn direct cloud on-ramps into more than just access points into clouds and data centers. They will become programmable entry points into a broader digital fabric.

And speaking of that digital fabric, let's spend a minute on our Q1 adoption metrics. We're continuing to see strong adoption of our NaaS services with strength in off-net and large enterprise adoption this quarter. In the first quarter specifically, customer adoption grew 25% quarter-over-quarter, active ports grew 35% quarter-over-quarter and active services grew 32% quarter-over-quarter.

What's more, in Q1, we had 2 landmark wins. A leading global financial services firm committed to a more than 600-site branch upgrade with Lumen NaaS. Their goal is to drive deposit growth with faster new branch activation and deliver AI advisory and fraud detection services across all of those sites. And a large global logistics firm is deploying Lumen NaaS at 300 sites to ensure faster activation of acquired service centers, directly accelerating freight capacity and revenue. Both customer wins tell the same story: Programmable networks are essential in delivering AI-powered business transformation.

Back in February at Investor Day, we shared a multiyear road map for how we plan to drive digital service innovation, adoption and revenue growth. And since then, we've made meaningful progress in execution, and we have some encouraging buying pattern data that we'd like to share. Starting with basic NaaS. We now have nearly 2,500 NaaS customers, with more than 30% of them being repeat purchasers. What's more, over 20% of first-time NaaS adopters in Q1 were customers who are brand new to Lumen. They weren't doing any business with us before they bought our NaaS ports and services.

Now the remaining NaaS first-time adopters this quarter were existing Lumen customers. But what's interesting is that more than 60% of them were expanding their footprint with Lumen NaaS, not migrating from the old services. These trends are encouraging, as they suggest market share gain, and we'll continue to track them as we grow the business.

In the second scenario, upselling services, approximately 25% of all NaaS customers are attaching more than one service per port, primarily DDoS and Lumen Defender, another positive indicator of growth. And in the third buying scenario, Multi-Cloud Gateway, it's already in-market, enabling innovation with tech titans like AWS and Google, as I shared. And after we close the Alkira transaction, it will be the bridge between East-West and North-South traffic, giving our customers the feeling of one network, any cloud, total control globally. And the fourth and fifth buying scenarios, direct connections into SaaS providers and dynamic East-West cloud interconnects, that will be our focus post-Alkira transaction close, as we believe there's material growth potential there.

Now let me finish up by sharing what we think this acquisition means to Lumen, our customers and our shareholders. Alkira is a bull's eye in terms of strategic alignment and value creation. For Lumen, we expect it to dramatically accelerate our road map execution from years to months. It will reduce execution risk. It will give us an injection of talent, and it will give us a partner platform that's expected to be marketplace-ready on day 1.

Our customers will get the value they deserve: ample bandwidth, control, simplicity and accelerated time to value. And our investors will get what they deserve: better economics across the board from Lumen. Lumen has firmly entered a growth phase, and our future is very bright. Chris, over to you.

Christopher David Stansbury
President & CFO

Thanks, Kate. I'm pleased that Lumen has delivered another quarter of positive momentum towards our financial and operational goals. First, we transformed the balance sheet by closing the fiber-to-the-home sale to AT&T, reducing leverage below 4x and reducing annual interest expense by nearly $300 million.

Second, we recently simplified our capital structure by refinancing our revolver with a new $825 million facility. We also simplified our reporting structure this quarter, moving from 3 quarterly filings to 2, and we expect to move to a single parent company filing beginning next quarter after completion of the Qwest exchange offer.

Now this is a big deal. Why? For the first time in over 15 years, our equity investors, our bond investors and management will be aligned on one financial view of Lumen. Finally aligning those 3 together, we'll all be looking at the same information at the same time.

Third, we further aligned our operating systems by implementing Phase 2 of our ERP platform and are now on a unified ledger. This positions us to retire legacy systems and drive additional efficiencies over time. Fourth, we delivered solid financial results in line with our expectations and above consensus, with strategic business revenue for the first quarter at 51% of our total.

And last, today, we announced our acquisition of Alkira. This is an important moment for Lumen. As our balance sheet has become a strategic asset, we've been asked about potential M&A. We've said that we'd be interested in technology assets only if they enhance our product portfolio, only at a reasonable valuation and only if accretive to the broader financials, and Alkira checked all those boxes.

We believe that the Alkira acquisition will enhance Lumen Connect and expand our digital offerings across the East-West TAM, with the potential to accelerate digital revenue as adoption scales. We plan to finance the $475 million transaction with cash on hand. Once closed, we estimate the transaction will be immaterial to financials and neutral to margins in the near term, but accretive to both as the platform scales. We estimate the deal will close sometime in the third quarter, and we look forward to welcoming our new teammates.

Now moving on to our financial performance in the first quarter. Before I start, we provided additional detail on the fiber-to-the-home sale impact in the financial trending schedule. Total revenue was in line with our expectations and ahead of consensus as our revenue mix continues to improve. Total business revenue declined 3.2% year-over-year to $2.44 billion as our revenue mix continued to improve in North America. Total business was down 2.8% year-over-year. North American enterprise revenue, which includes wholesale, was down only 0.8% year-over-year. In short, as Kate mentioned earlier, we believe Lumen is taking market share.

Strategic revenue was 51% of total business revenue in Q1, up from 49% in the fourth quarter, even with legacy results slightly ahead of internal expectations. Digital revenue in the first quarter was $37 million, in line with our expectations. And as a reminder, included in that digital revenue number is NaaS security products and cloud voice services. We're still early in the adoption curve, and the shift to consumption-based revenue will take time.

Quarterly results can be variable, and the key signals are customer adoption and expanding consumption. Our projections assume linear growth, but we believe there will be an inflection as the consumption flywheel gains traction, and we believe Alkira will be a tailwind to that timing. We're encouraged by the increased interest we're seeing from both existing and prospective customers.

First quarter PCF revenue was $78 million associated with the nearly $13 billion in PCF deals that we've announced to date. Roughly $32 million of that was a delivery milestone payment that was anticipated in our Investor Day projections for 2026 PCF revenue, but won't reoccur in Q2. Our long-term PCF revenue projections shared at Investor Day do not include any incremental PCF deals beyond those already announced. We remain opportunistic on additional accretive opportunities. And while PCF is a key pillar, we believe that our differentiation comes from monetizing the network through a programmable digital layer and partner ecosystem to drive durable, higher-quality digital revenue.

Adjusted EBITDA, excluding special items, was $849 million in Q1 compared to approximately $929 million in the prior year quarter. The year-over-year decline reflects expected revenue trends, higher [healthcare] costs and the sale of our fiber-to-the-home assets. Special items impacting adjusted EBITDA totaled negative $430 million this quarter, and this includes a gain on the fiber-to-the-home transaction, severance, transaction and separation costs and our modernization and simplification initiatives. This onetime gain from the sale of the fiber-to-the-home business was $596 million in the quarter. And with that sale now closed, we expect the transaction-related special items to decline throughout the year.

Capital expenditures, excluding special items, were approximately $859 million, in line with our expectations and full year guidance. That included approximately $161 million of CapEx associated with PCF deals.

Now we're raising 2026 free cash flow guidance from $1.2 billion to $1.4 billion to $1.9 billion to $2.1 billion as a result of $729 million of the proceeds from the fiber-to-the-home deal being classified as cash flow from operations. As such, free cash flow in the first quarter was $756 million, excluding special items. The cash proceeds from the divestiture have been primarily used to pay down debt in the first quarter of 2026. We received roughly $870 million in cash associated with the PCF deals, and we expect free cash flow will continue to be lumpy quarter-to-quarter, but trends remain in line with our full year guidance.

Now to wrap up. We remain on track to meet our full year guidance, and we'll continue investing in our transformation to serve customers in a multi-cloud AI world. We've meaningfully strengthened our balance sheet, which allows us to make strategic investments like our anticipated acquisition of Alkira, all while keeping leverage below 4x.

We're focused on building credibility through execution and transparent disclosure, highlighted by one -- sorry, on-time and on-budget PCF builds, improving digital revenue visibility and continued ERP and modernization progress. We're pleased with our progress towards our key financial goals. We're operating with agility across the company, and we will continue to put in the hard work, fortifying our position as the premier digital enterprise services provider. Back over to you, Kate.

Kathleen E. Johnson
CEO & Director

Thanks, Chris. Look, the big takeaway for today, the vision for Lumen and Alkira is all about simplifying the customer experience, providing them quick, secure and effortless connections between people, data and applications. We're going to deliver one network, any cloud, total control globally. It's an exciting time.
So with that, we'll take questions, operator.

Question and Answer

Operator

[Operator Instructions] Your first question comes from the line of Michael Rollins with Citigroup.

Michael Ian Rollins
Citigroup Inc., Research Division

So I have a strategic question and an operating question. So on the strategic side, with the acquisition, can you frame the opportunity to accelerate and the speed at which you can go to market with the capabilities that you're acquiring? And then on the operating side, if you could unpack a bit more of the Business segment revenue performance in the quarter? And particularly in the North American enterprise, where -- if you could frame maybe what went better for certain of the verticals and products and maybe what -- if there's anything that didn't contribute as much as you were hoping?

Kathleen E. Johnson
CEO & Director

Yes, I'll start with the strategy, and Chris, will turn the revenue question over to you. Mike, thanks for the question. Alkira is pretty exciting because it gives us access into data center-interconnect and cloud-to-cloud connectivity, which is the fastest-growing part of the market, growing, we think, 20% CAGR, which is pretty darn exciting. If you take our installed base of customers all up, legacy and strategic revenue, and you offer that to the commercial engine that we're going to create for Alkira, it becomes a pretty exciting accelerant. It gives us new access to much more significant TAM growing at a much faster rate.

I think what's more is that we now enable in a CapEx-efficient way, international expansion. Because it's carrier- and cloud-agnostic. And so that's what we plan to do. We don't plan to absorb Alkira. We plan to enable and accelerate them by bringing our network as an underlay and making sure that they have the very best of our pipeline pointed right at their value proposition. So we're pretty excited about the growth trajectory. And obviously, we want this to accelerate our path to growth.

Christopher David Stansbury
President & CFO

Yes. And just on the operational question, if you look at kind of key drivers to total, I would say one standout was strategic waves. And again, those are waves that are 100-gig or greater. We saw some nice growth there, and we expect that to continue. And as Kate mentioned, more broadly, we're just seeing strength in the broader digital portfolio.

The part that was a pleasant surprise, and it was really highlighted in some of the data Kate shared, is that as customers are lighting up NaaS services, we're not seeing as much cannibalization. And I think that's one reason why legacy did a little better than we anticipated. And look, we'll take that all day long as we drive the conversion to our digital future.

Michael Ian Rollins
Citigroup Inc., Research Division

And just one last thing on that point. Is that a temporary benefit of -- that, that cannibalization may be just further down the road? Or do you think that it just represents that the customers just need to invest more, and so the aggregate outcome is better?

Christopher David Stansbury
President & CFO

I think the end game here is, yes, eventually, the new does replace the old and we fully cannibalize. I think as customers -- it's early. So we're still trying to read all these signals. But as customers are driving to the new, at least in the near term, they're maintaining the old. And again, I think that's a bit of a tailwind that we hadn't anticipated. We'll see if it continues. But again, the cash that, that business provides is welcome, and we'll use it to continue to invest in the transformation.

Operator

Your next question comes from the line of Frank Louthan with Raymond James & Associates.

Frank Garrett Louthan
Raymond James & Associates, Inc., Research Division

One question on some of the costs that you called out, some of the modernization costs and so forth. I assume some of those are related to the transaction with AT&T. Is there a total amount of that? How long will those types of costs go on?

And then on the wavelength business you just called out, you mentioned that outperformed. Are you seeing any customers having issues making installations or having any issues with availability of memory or chips to -- for those products?

Christopher David Stansbury
President & CFO

Yes. So the transaction-related costs were about $50 million in the quarter. And as I said in my prepared remarks, we would expect that to go down significantly in future quarters. So you'll continue to see that special items number get a little smaller.

As it relates to waves, I mean, again, I'm going to touch a nerve here. It's not about just selling on price anymore. And we've been saying that for a long, long time now. It's about solving a customer's problem. And the speed to dial up waves is important, but it's really around the broader problem that customers are trying to solve, which is the ability to move data all over the place. Our RapidRoutes investment and the ability to light up high-capacity, low-latency waves very quickly, we think is certainly a driver of that strategy.

Kathleen E. Johnson
CEO & Director

And saw a material uptick in the adoption rate on RapidRoutes specifically in the quarter, which is great because it hasn't even been in production for very long.

Operator

Your next question comes from the line of Gregory Williams with TD Cowen.

Gregory Bradford Williams
TD Cowen, Research Division

Great. I also have one strategic and one operational question. On the strategic side, with Alkira, it sounds like it enables the [cross-side] platform to off-net customers. And Kate, you mentioned international. I just remember last September, you unveiled Project Berkeley, and that was supposed to deliver off-net service as well. So does this replace that? Or it sits on top of that? Or are they not related? I'm just trying to understand the two.

Kathleen E. Johnson
CEO & Director

So -- yes, go ahead. Second part?

Gregory Bradford Williams
TD Cowen, Research Division

On the operational side, I was just thinking about EBITDA by the Street by about $50 million. You did not raise guidance. Curious, if you expect some sort of step down through the balance of the year? And how much of that EBITDA was from the cost-saving initiatives?

Kathleen E. Johnson
CEO & Director

Chris, do you want to hit EBITDA first? I'll just...

Christopher David Stansbury
President & CFO

Yes. We're not disclosing the cost-saving initiatives by quarter. But again, we remain on track and are super positive about where we're headed for the year. Remember that the first quarter also had effectively, a month of fiber-to-the-home EBITDA in that. So you do need to adjust for that. All that said, it was a strong quarter, but we remain firm on the guidance for the year and our ability to inflect at this point.

Kathleen E. Johnson
CEO & Director

Yes. And strategically, your question about fabric ports is actually a really good one. So remember, fabric ports is about enabling building on-prem to be able to connect to the cloud and to be able to grow those services in a cloud economic way. And the Alkira platform really focuses on the East-West interconnect. So that's data center-to-data center, cloud-to-cloud, et cetera.

So they operate with more of a virtual port kind of a model, and it's better together. So our fabric ports are really -- Project Berkeley is really the Lumen Connect platform all up. It's not just a piece of hardware. And when you put Alkira and Lumen together, you get coverage of all the different interconnection possibilities.

Operator

Your next question comes from the line of Michael Funk with Bank of America.

Michael J. Funk
BofA Securities, Research Division

You mentioned a bit earlier that you don't intend to absorb Alkira. But I am wondering, what will be an evolved integration process with Alkira even in terms of some of the back-office systems like billing, customer onboarding?

And then second question, more numbers-based. You mentioned the milestone payment in 1Q. Any help thinking about other milestone payments projected in 2026? And the tracking to -- I think you talked about $1,650 to $1,850 in PCF cash flow for the year?

Kathleen E. Johnson
CEO & Director

Regarding the integration, when I said we won't absorb it, of course, we'll look to take whatever capabilities on a single digital platform post [cash procure] to pay. Which, by the way, we're pretty proud of the fact that we've implemented and upgraded a brand-new ERP system, Phase 1 and Phase 2 at Lumen as of this week. So we're making huge progress, and we'll leverage all of that technology platform.

What I was referring to when I talked about not absorbing it, I'm very cognizant of a big company swallowing or suffocating the smaller company. I have a bunch of experience in the tech world of doing a bunch of acquisitions. And we need to make sure that Alkira stays Alkira in this transaction because we love what they do. They're customer obsessed. They have an amazing engineering team, an incredible platform, and their speed is incredible. So I think what you'll see is more of Lumen integrating into Alkira rather than the other way around.

Christopher David Stansbury
President & CFO

Yes. And on your question of kind of the onetime benefits, there was about $32 million in PCF in the quarter that won't recur. I think in the third quarter, we're expecting a smaller one. And so we'll give some more color at that time.

While I don't think it will impact 2026, I mean, one thing with the Alkira transaction is we do expect our CapEx in the coming years to be reduced by somewhere in the $100 million to $200 million range. And so after we get a little more time to inspect that, we'll give everybody an update.

Michael J. Funk
BofA Securities, Research Division

Okay. And that's an aggregate? $100 million or $200 million, that's per annum?

Christopher David Stansbury
President & CFO

Yes. That's [indiscernible].

Operator

[Operator Instructions] Your next question comes from the line of Nick Del Deo with MoffettNathanson.

Nicholas Ralph Del Deo
MoffettNathanson LLC

First, just another little clarification from Chris on the performance payment in PCF. Is that what drove the sequential step-up in public service revenue? Or was something else going on there?

Christopher David Stansbury
President & CFO

No. It wasn't driven by that. And the -- and again, it wasn't performance-based. It's just the way that contract was delivered that...

Nicholas Ralph Del Deo
MoffettNathanson LLC

I'm sorry, the delivery. I used the long term, sorry.

Christopher David Stansbury
President & CFO

Some of it wasn't public.

Nicholas Ralph Del Deo
MoffettNathanson LLC

Okay. Anything else we should be aware of in public sector as we think about the coming quarters?

Christopher David Stansbury
President & CFO

I think in the current quarter, legacy performed a little better. And in the coming quarters, again, it's -- there's tremendous opportunity in that space. It's just a very long decision cycle. So it's hard to predict when decisions will get made, but we feel very good about our position and ability to deliver to those customers.

Nicholas Ralph Del Deo
MoffettNathanson LLC

Okay. Okay. And then maybe one on Alkira. Are you able to share anything regarding its current revenue or EBITDA? Or if not, can you share anything to help give us a sense of its market presence or its customer base or its traction in the market today?

Christopher David Stansbury
President & CFO

Yes. So we aren't sharing anything. They do have a number of customers today. Their revenue is relatively small, I will say that. Look, I think that the powerful combination here is that we bring a customer installed base and scale that Alkira didn't have on what is, in an unparalleled way, the strongest enterprise network on the planet.

And what Alkira brings to Lumen is really the brain of that control plane and the ability to connect those things together and move workloads from anywhere to anywhere, right? As Kate said, one network, every cloud, total control globally. That's a big deal, and nobody else is doing that. So that's where we see the power of these things coming together, and frankly, delivering much faster, what our vision has been for the last 3 years. And so it was a great opportunity, and we're excited to share more after we close.

Operator

Your next question comes from the line of Batya Levi with UBS.

Batya Levi
UBS Investment Bank, Research Division

Just a follow-up on the public sector. Was part of the $32 million booked in there? And what else drove the sequential strength in that line? And can you just talk in general about your expectations for Business revenues for the full year?

Christopher David Stansbury
President & CFO

So again, we don't guide revenue in total. What I would say is that on our path to inflecting EBITDA this year and ultimately, revenue over the next couple of years -- and again, we'll get back to you with how we see Alkira can help us accelerate that -- is you will continue to see kind of a rate of decline that is better than our competition and one that improves year-over-year in total. So there will be fluctuations quarter-to-quarter, but we feel very good about the fact that we are clearly differentiating ourselves in the marketplace, and the performance is going to show that.

As it relates to public sector, as I just mentioned previously, yes, part of that $32 million was in public sector. And public sector also benefited from lower legacy churn than what we've been previously experiencing.

Batya Levi
UBS Investment Bank, Research Division

Do you expect that to continue?

Christopher David Stansbury
President & CFO

Look -- and I think we can't look at strategic and legacy as two separate and distinct things. I would love nothing more than to tell you that legacy declines in public sector accelerated because a number of new strategic initiatives were signed, right? So what's the objective here? For everything to be strategic over time.

And so yes, we do expect that to happen at some point in the future. I hope we actually see some faster decision-making that would allow us to drive more strategic. And in part, that would be driven by turning off some legacy product. That would be a great thing.

Operator

There are no further questions at this time. I will now turn the call back to Kate Johnson for closing remarks.

Kathleen E. Johnson
CEO & Director

Thanks, operator. Just a short note to say thank you to all Lumenaries for your amazing work and helping get us here. The transformation is going so well because of all you do every single day.

Our future is very bright. And with that, thanks for joining the call. Have a great night.

Operator
That does conclude the conference call for today. We thank you for your participation and ask that you please disconnect your line. Have a great day, everyone.