

Lumen to Acquire Alkira, Establishing the Control Plane for Cloud Connectivity

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- Unites Lumen's physical infrastructure and programmable network with Alkira's cloud-native Network-as-a-Service control plane to deliver a single, digital platform
- Advances Lumen's push into east-west connectivity — cloud-to-cloud and data center-interconnect — and unlocks international markets

DENVER--(BUSINESS WIRE)-- **Lumen Technologies**, Inc. (NYSE: LUMN) today announced it has entered into an agreement to acquire Alkira, a cloud-native, carrier-agnostic networking platform that enables enterprises to design, deploy, and operate connectivity and network services across hybrid and multi-cloud environments. The proposed transaction pairs Alkira's cloud-native control plane — the software layer that programs and orchestrates connectivity — with Lumen's fiber network, advancing Lumen's digital platform strategy to deliver cloud-like consumption for global enterprise networking.

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"For decades, networking ran in the background. Today, it's the central nervous system, determining how fast you can move, how much you spend, and

whether your AI investments produce value," said Kate Johnson, CEO of Lumen Technologies. "With Alkira, Lumen will pair the trusted network for AI with a cloud-native control plane, which will give customers a programmable network designed for the AI era. It's what the market needs, and it's what we're building at Lumen."

The Programmable Network Imperative

AI is reshaping how enterprises operate and how their networks must perform. **More than half of internet traffic**

today is automated traffic generated by software systems rather than human users. Networks have to be big enough, fast enough, intelligent enough, and secure enough to keep up. Yet many enterprise networks remain static, manually configured, and fragmented across providers. Lumen is working to define a new category of enterprise networking: one built on world-class physical infrastructure, a programmable network, and a connected ecosystem of clouds, applications, and partners.

Alkira to Accelerate Lumen's Digital Platform Development

Alkira will accelerate Lumen's vision of a programmable network with a single control plane that orchestrates connectivity beyond Lumen's network across data centers, multiple clouds, partner ecosystems, and on-prem environments. Combined with Lumen's core assets, this is expected to deliver strategic value across multiple fronts:

- **Platform acceleration:** Once acquired and integrated, the Alkira product will unify Lumen's on-net and off-net services, cloud on-ramps, and **Multi-Cloud Gateway** into a single programmable platform, advancing Lumen's roadmap by several years and substantially completing Lumen's digital architecture.
- **Expanded addressable market:** Lumen's Network-as-a-Service (NaaS) business today is concentrated in premises-to-cloud (north-south) connectivity. Alkira is positioned to accelerate Lumen's move into cloud-to-cloud and data center-interconnect (east-west) connectivity — the fastest growing segment of enterprise networking. Lumen estimates Alkira's global footprint and cloud-native capabilities will bring its total addressable market to approximately \$70 billion.
- **International reach:** Lumen owns the fiber where ownership compounds value, the dense U.S. backbone closest to its customers. Alkira's carrier-agnostic design will extend Lumen's programmable network internationally over local infrastructure, broadening Lumen's footprint without the capital intensity of building fiber in every geography.
- **Deeper partner integration:** Alkira's API-driven marketplace presence will help strengthen integration across Lumen's connected ecosystem of clouds, data centers, and technology partners and will fast-track the selling and provisioning of **Lumen Validated Designs**.
- **World-class talent:** The proposed acquisition will add deep cloud-native control plane, cloud networking, and software-at-scale expertise to accelerate the delivery of consumption-based networking and software-defined cloud interconnects.

Today, Alkira serves enterprise customers across financial services, technology, retail, healthcare, and manufacturing sectors globally. Upon closing the transaction, Lumen plans to begin offering Alkira's core east-west connectivity services to its enterprise base, with deeper platform integration to follow.

Strategic Value for Alkira

For Alkira, the combination will pair its cloud-native orchestration with one of the world's largest high-bandwidth, low-latency fiber networks, including private networks, significantly extending its reach and performance. Lumen's commercial engine and global customer base will also provide a scaled distribution path, expected to accelerate delivery of Alkira's capabilities to customers across industries and geographies.

"We built Alkira on a single conviction: enterprise networking had to be reinvented for the cloud and AI era – programmable, on-demand, consumed not built," said Amir Khan, CEO of Alkira. "By joining Lumen, we will pair our cloud-native orchestration with one of the world's most expansive fiber networks and a proven commercial engine, setting a new standard for how enterprises build and run networks in a multi-cloud and AI world."

A Single Pane of Glass for Customers

As a result of Lumen's planned acquisition of Alkira, customers will have one control plane to orchestrate connectivity across major clouds, data centers, AI compute regions, partner ecosystems, and carriers. This will help enable simplified operations, improved performance, and cloud-like consumption of networking, so customers can focus on their core business. Specifically, customers will gain:

- **A true control plane:** Customers can design, deploy, and operate networks as software across clouds, data centers, partners, and sites, replacing manually configured, provider-by-provider builds with unified management and consistent policy and visibility across every environment.
- **One pane replaces the stack:** Connectivity, policy, routing, and services are delivered through a single control plane rather than assembled across disparate carriers and portals, enabling consistent security enforcement across clouds and locations to reduce risk and support compliance.
- **AI-ready agility:** Networks can be activated and modified on demand, with capacity that scales up or down as workloads shift, so customers pay only for what they use. This delivers the performance, resilience, and security AI workloads require, turning network changes from multi-month projects into real-time actions.

Financial Impact

Lumen has agreed to acquire Alkira for \$475 million in an all-cash transaction. The transaction is expected to be neutral to margin in the near term and accretive as the digital platform scales, while strengthening Lumen's long-term free cash flow profile and reducing platform development execution risk and capital intensity. Lumen remains committed to its capital allocation priorities, including continued debt reduction.

The transaction is expected to close in the third quarter of 2026, subject to customary regulatory approvals and closing conditions.

charges or expenses resulting from the proposed acquisition; risks related to the ability of Lumen to successfully integrate Alkira's business with Lumen's existing business and achieve the expected benefits of the proposed acquisition within the expected timeframes or at all and the possibility that such integration may be more difficult, time consuming or costly than expected; risks that the proposed transaction disrupts Lumen's or Alkira's current plans and operations; the risk that our estimates of, and assumptions underlying, Lumen's total addressable market prove to be incorrect and that the size of such market is smaller than we estimate; the risk of litigation that could be instituted against Lumen or its directors and executive officers and/or regulatory actions related to the proposed acquisition, including the effects of any outcomes related thereto; and other business effects, including the effects of industry, market, economic, political or regulatory conditions. In addition, actual results or performance of Lumen before and after closing of the proposed acquisition may differ materially from any future results or performance expressed or implied by the forward-looking statements made herein for a number of additional reasons as described in Lumen's filings with the U.S. Securities and Exchange Commission (the "SEC"), including its most recent Annual Report on Form 10-K, as updated by its other filings with the SEC from time to time. Additional factors or risks that we currently deem immaterial, that are not presently known to us, or that arise in the future could also cause our actual results to differ materially from the results anticipated by us in forward-looking statements. Given these uncertainties, investors are cautioned not to unduly rely upon our forward-looking statements, which speak only as of the date made. We undertake no obligation to publicly update or revise any forward-looking statements for any reason, whether as a result of new information, future events or developments, changed circumstances, or otherwise. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. Furthermore, any information about our intentions contained in any of our forward-looking statements reflects our intentions as of the date of such forward-looking statement, and is based upon, among other things, our assessment of regulatory, technological, industry, competitive, economic, or market conditions as of such date. We may change our intentions, strategies or plans (including our capital allocation plans) at any time and without notice, based upon any changes in such factors or otherwise, and we undertake no obligation to make any public announcement of such changed intentions, except to the extent required by applicable law.

Media Relations:

Anita Gomes

anita.gomes@lumen.com

+1 858-229-8538

Investor Relations:

Jim Breen, CFA

investor.relations@lumen.com

+1 603-404-7003



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