

4th Quarter Earnings

February 6, 2024



Financial Trending Schedule

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

4th Quarter Earnings

February 6, 2024



Lumen Technologies, Inc.

Financial Results

(UNAUDITED)

(\$ in millions, except per share data)

Metric	Fourth Quarter		Full Year	
	2023	2022	2023	2022
Large Enterprise	\$ 1,061	1,217	4,616	5,377
Mid-Market Enterprise	491	522	2,011	2,212
Public Sector	495	431	1,783	1,861
Enterprise Channels	2,047	2,170	8,410	9,450
Wholesale	741	835	3,125	3,591
Business Segment Revenue	2,788	3,005	11,535	13,041
Mass Markets Segment Revenue	729	795	3,022	4,437
Total Revenue⁽¹⁾⁽²⁾	\$ 3,517	3,800	14,557	17,478
Cost of Services and Products	1,737	1,826	7,144	7,868
Selling, General and Administrative Expenses	896	671	3,198	3,078
Net Loss (Gain) on Sale of Businesses ⁽³⁾	9	480	121	(113)
Loss on Disposal Group Held for Sale	—	40	—	40
Stock-based Compensation Expense	13	27	52	98
Net Loss	(1,995)	(3,069)	(10,298)	(1,548)
Net Income, Excluding Special Items ⁽⁴⁾⁽⁵⁾	83	425	193	1,564
Adjusted EBITDA ⁽⁴⁾⁽⁶⁾⁽⁷⁾	888	810	4,146	6,703
Adjusted EBITDA, Excluding Special Items ⁽⁴⁾⁽⁶⁾⁽⁷⁾⁽⁸⁾	1,099	1,393	4,628	6,858
Net Loss Margin	(56.7)%	(80.8)%	(70.7)%	(8.9)%
Net Income Margin, Excluding Special Items ⁽⁴⁾⁽⁵⁾	2.4 %	11.2 %	1.3 %	8.9 %
Adjusted EBITDA Margin ⁽⁴⁾	25.2 %	21.3 %	28.5 %	38.4 %
Adjusted EBITDA Margin, Excluding Special Items ⁽⁴⁾⁽⁸⁾	31.2 %	36.7 %	31.8 %	39.2 %
Net Cash Provided by Operating Activities	784	841	2,160	4,735
Capital Expenditures ⁽⁹⁾	821	833	3,100	3,016
Unlevered Cash Flow ⁽⁴⁾	196	264	158	3,059
Unlevered Cash Flow, Excluding Cash Special Items ⁽⁴⁾⁽¹⁰⁾	283	382	220	3,600
Free Cash Flow ⁽⁴⁾	(37)	8	(940)	1,719
Free Cash Flow, Excluding Cash Special Items ⁽⁴⁾⁽¹⁰⁾	50	126	(878)	2,260
Net Loss per Common Share - Diluted	(2.03)	(3.08)	(10.48)	(1.54)
Net Income per Common Share - Diluted, Excluding Special Items ⁽⁴⁾⁽⁵⁾	0.08	0.43	0.20	1.55
Weighted Average Shares Outstanding (in millions) - Diluted	983.8	995.6	983.1	1,007.5

(1) Revenue for the fourth quarter and full year 2023 includes \$39 million and \$454 million, respectively, from the EMEA business divested on November 1, 2023, which will not recur in periods following the completion of this divestiture. Revenue for the fourth quarter and full year 2022 includes \$135 million and \$2.6 billion of revenue, respectively, from (i) the Latin American business divested August 1, 2022, (ii) the 20-state ILEC business divested October 3, 2022 and (iii) the EMEA business (the "divestitures" or the "divested businesses"), which will not recur in periods following the completion of these divestitures. The full year 2022 also includes \$59 million of previously deferred revenue recognized in Q1 2022 related to the CAF Phase II program, which lapsed on December 31, 2021. 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.

(2) The post-closing revenue impact of amounts received by the Company under its post-closing agreements with the purchasers of the divested businesses was (i) \$39 million for the fourth quarter of 2023, (ii) \$117 million for the year 2023 and (iii) \$33 million for the fourth quarter of 2022 and the full year 2022. 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.

(3) 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.

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

(5) Excludes Special Items (net of the income tax effect thereof), which positively impacts this metric by (i) \$2.1 billion for the fourth quarter of 2023, (ii) \$10.5 billion for the year 2023, (iii) \$3.5 billion for the fourth quarter of 2022 and (iv) \$3.1 billion for the year 2022.

(6) Adjusted EBITDA and Adjusted EBITDA excluding Special Items for the fourth quarter and full year 2023 includes \$14 million and \$125 million, respectively, from the EMEA business, which will not recur in periods following the completion of this divestiture. Adjusted EBITDA and Adjusted EBITDA excluding Special Items for the fourth quarter and full year 2022 includes \$27 million and \$1.3 billion of Adjusted EBITDA from our businesses divested in the second half of 2022 and 2023, which will not recur in periods following the completion of these divestitures. The full year 2022 also includes \$59 million of previously deferred revenue recognized in Q1 2022 related to the CAF Phase II program, which lapsed on December 31, 2021. 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.

(7) The post-closing net financial impacts of actual amounts received or paid by the Company under its post-closing agreements with the purchasers of the divested businesses was a net reduction of (i) \$(40) million for the fourth quarter of 2023, (ii) \$(179) million for the year 2023 and (iii) \$(43) million for the fourth quarter and year 2022. 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 completion of these divestitures.

(8) Excludes Special Items in the amounts of (i) \$211 million for the fourth quarter of 2023, (ii) \$482 million for the year 2023, (iii) \$583 million for the fourth quarter of 2022 and (iv) \$155 million for the year 2022.

(9) Capital expenditures for the fourth quarter and full year 2023 includes \$7 million and \$98 million, respectively, of capital expenditures relating to EMEA business, which will not recur in periods following the completion of this divestiture. Capital expenditures for the fourth quarter 2022 includes \$38 million of capital expenditures relating to the divested businesses, which will not recur in periods following the completion of these divestitures. Capital expenditures for the full year 2022 includes (i) \$424 million of capital expenditures relating to the divested businesses and (ii) \$18 million of capital expenditures related to the CAF Phase II program, which lapsed on December 31, 2021. 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.

(10) Excludes cash paid for Special Items of (i) \$87 million for the fourth quarter of 2023, (ii) \$62 million for the year 2023, (iii) \$118 million for the fourth quarter of 2022 and (iv) \$541 million for the year 2022.

4th Quarter Earnings

February 6, 2024



Lumen Technologies, Inc.
Consolidated Statements of Operations
(UNAUDITED)
(\$ and shares in millions, except per share amounts)

	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
OPERATING REVENUE	\$ 3,517	3,641	3,661	3,738	3,800	4,390	4,612	4,676
OPERATING EXPENSES								
Cost of services and products (exclusive of depreciation and amortization)	1,737	1,850	1,740	1,817	1,826	1,999	2,058	1,985
Selling, general and administrative	896	791	790	721	671	792	815	800
Net loss (gain) on sale of businesses	9	22	13	77	480	(593)	—	—
Loss on disposal group held for sale	—	—	—	—	40	—	—	—
Depreciation and amortization	751	755	746	733	796	808	827	808
Goodwill impairment	1,900	—	8,793	—	3,271	—	—	—
Total operating expenses	5,293	3,418	12,082	3,348	7,084	3,006	3,700	3,593
OPERATING (LOSS) INCOME	(1,776)	223	(8,421)	390	(3,284)	1,384	912	1,083
OTHER (EXPENSE) INCOME								
Interest expense	(290)	(295)	(294)	(279)	(280)	(363)	(337)	(352)
Net gain on early retirement of debt	—	—	9	609	205	9	—	—
Other (expense) income, net	(76)	(13)	16	(40)	177	(93)	(122)	70
Total other (expense) income, net	(366)	(308)	(269)	290	102	(447)	(459)	(282)
Income tax (benefit) expense	(147)	(7)	46	169	(113)	359	109	202
NET (LOSS) INCOME	\$ (1,995)	(78)	(8,736)	511	(3,069)	578	344	599
BASIC AND DILUTED (LOSS) EARNINGS PER COMMON SHARE								
Basic	\$ (2.03)	(0.08)	(8.88)	0.52	(3.08)	0.57	0.34	0.59
Diluted	(2.03)	(0.08)	(8.88)	0.52	(3.08)	0.57	0.34	0.59
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING								
Basic	983.8	983.6	983.5	981.6	995.6	1,013.1	1,012.9	1,008.4
Diluted	983.8	983.6	983.5	982.3	995.6	1,017.0	1,016.6	1,015.2
DIVIDENDS DECLARED PER COMMON SHARE								
	—	—	—	—	—	0.25	0.25	0.25
Exclude: Special Items ⁽¹⁾	2,078	(7)	8,834	(414)	3,494	(432)	13	37
NET INCOME (LOSS) EXCLUDING SPECIAL ITEMS	\$ 83	(85)	98	97	425	146	357	636
DILUTED EARNINGS (LOSS) PER SHARE EXCLUDING SPECIAL ITEMS	\$ 0.08	(0.09)	0.10	0.10	0.43	0.14	0.35	0.63

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

4th Quarter Earnings

February 6, 2024



Lumen Technologies, Inc.

Consolidated Balance Sheets

(UNAUDITED)

(\$ in millions)

	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	\$ 2,234	311	411	1,148	1,251	252	360	366
Accounts receivable, less allowance	1,318	1,442	1,504	1,463	1,508	1,488	1,491	1,450
Assets held for sale	104	1,942	2,005	1,946	1,889	6,779	9,089	9,025
Other current assets	1,119	982	984	879	803	894	881	962
Total current assets	4,775	4,677	4,904	5,436	5,451	9,413	11,821	11,803
NET PROPERTY, PLANT AND EQUIPMENT								
Property, plant and equipment	41,076	40,582	39,961	39,612	39,052	41,104	40,740	40,464
Accumulated depreciation	(21,318)	(20,976)	(20,529)	(20,291)	(19,886)	(20,391)	(20,020)	(19,635)
Net property, plant and equipment	19,758	19,606	19,432	19,321	19,166	20,713	20,720	20,829
GOODWILL AND OTHER ASSETS								
Goodwill	1,964	3,864	3,864	12,657	12,657	15,918	15,947	15,976
Other intangible assets, net	5,470	5,744	5,899	6,034	6,166	6,436	6,628	6,785
Other, net	2,051	2,061	2,100	2,113	2,172	2,368	2,590	2,675
Total goodwill and other assets	9,485	11,669	11,863	20,804	20,995	24,722	25,165	25,436
TOTAL ASSETS	\$ 34,018	35,952	36,199	45,561	45,612	54,848	57,706	58,068
LIABILITIES AND STOCKHOLDERS' EQUITY								
CURRENT LIABILITIES								
Current maturities of long-term debt	\$ 157	155	154	153	154	3,474	156	156
Accounts payable	1,134	1,109	1,265	1,225	1,044	1,103	1,147	996
Accrued expenses and other liabilities								
Salaries and benefits	696	733	605	590	692	788	705	687
Income and other taxes	251	287	234	1,303	1,158	275	233	244
Current operating lease liabilities	268	296	323	326	344	396	400	383
Interest	168	139	176	88	181	184	253	207
Other	209	174	177	178	277	173	107	184
Liabilities held for sale	4	478	496	472	451	1,792	2,249	2,250
Current portion of deferred revenue	647	643	627	607	596	624	625	642
Total current liabilities	3,534	4,014	4,057	4,942	4,897	8,809	5,875	5,749
LONG TERM DEBT	19,831	19,740	19,899	19,743	20,418	21,764	27,965	28,397
DEFERRED CREDITS AND OTHER LIABILITIES								
Deferred income taxes, net	3,127	3,192	3,204	3,200	3,163	4,595	4,254	4,222
Benefit plan obligations, net	2,490	2,322	2,335	2,358	2,391	3,192	3,553	3,634
Deferred revenue	1,969	1,902	1,850	1,808	1,758	1,830	1,761	1,749
Other	2,650	2,626	2,633	2,578	2,611	2,144	2,142	2,098
Total deferred credits and other liabilities	10,236	10,042	10,022	9,944	9,923	11,761	11,710	11,703
STOCKHOLDERS' EQUITY								
Common stock	1,008	1,008	1,008	1,005	1,002	1,035	1,032	1,033
Additional paid-in capital	18,126	18,117	18,100	18,094	18,080	18,221	18,459	18,695
Accumulated other comprehensive loss	(810)	(1,057)	(1,053)	(1,069)	(1,099)	(2,202)	(2,217)	(2,047)
Accumulated deficit	(17,907)	(15,912)	(15,834)	(7,098)	(7,609)	(4,540)	(5,118)	(5,462)
Total stockholders' equity	417	2,156	2,221	10,932	10,374	12,514	12,156	12,219
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 34,018	35,952	36,199	45,561	45,612	54,848	57,706	58,068

4th Quarter Earnings

February 6, 2024

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Lumen Technologies, Inc.
Condensed Consolidated Statements of Cash Flows
(UNAUDITED)
(\$ in millions)

	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
OPERATING ACTIVITIES								
Net cash provided by (used in) operating activities	\$ 784	881	(100)	595	841	1,123	1,396	1,375
INVESTING ACTIVITIES								
Capital expenditures	(821)	(843)	(796)	(640)	(833)	(845)	(761)	(577)
Proceeds from sale of businesses	1,743	—	3	—	5,662	2,707	—	—
Proceeds from sale of property, plant and equipment and intangible assets	130	9	3	23	53	2	59	6
Other, net	(21)	7	1	1	—	—	1	2
Net cash provided by (used in) investing activities	1,031	(827)	(789)	(616)	4,882	1,864	(701)	(569)
FINANCING ACTIVITIES								
Payments of long-term debt	(40)	(45)	(39)	(61)	(4,194)	(2,367)	(58)	(1,474)
Net proceeds from (payments on) revolving line of credit	125	(125)	200	—	(280)	(520)	(400)	1,000
Dividends paid	(1)	(1)	(1)	(8)	—	(255)	(254)	(271)
Repurchases of common stock	—	—	—	—	(200)	—	—	—
Other, net	(1)	(2)	(2)	(17)	(7)	(1)	(1)	(31)
Net cash provided by (used in) financing activities	83	(173)	158	(86)	(4,681)	(3,143)	(713)	(776)
Net increase (decrease) in cash, cash equivalents and restricted cash	1,898	(119)	(731)	(107)	1,042	(156)	(18)	30
Cash, cash equivalents and restricted cash at beginning of period	350	469	1,200	1,307	265	421	439	409
Cash, cash equivalents and restricted cash at end of period	\$ 2,248	350	469	1,200	1,307	265	421	439
Cash, cash equivalents and restricted cash:								
Cash and cash equivalents	\$ 2,234	311	411	1,148	1,251	252	360	366
Cash and cash equivalents and restricted cash included in assets held for sale	—	28	47	41	44	—	48	59
Restricted cash	14	11	11	11	12	13	13	14
Total	\$ 2,248	350	469	1,200	1,307	265	421	439

4th Quarter Earnings

February 6, 2024



Lumen Technologies, Inc.

Segment Revenue ⁽¹⁾

(UNAUDITED)

(\$ in millions)

	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21
Segment Revenue												
Business Segment Total	\$ 2,788	2,894	2,897	2,956	3,005	3,218	3,417	3,401	3,494	3,508	3,522	3,595
Mass Markets Segment Total	729	747	764	782	795	1,172	1,195	1,275	1,353	1,379	1,402	1,434
Total	\$ 3,517	3,641	3,661	3,738	3,800	4,390	4,612	4,676	4,847	4,887	4,924	5,029

⁽¹⁾ 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⁽¹⁾
(UNAUDITED)
(\$ in millions)

	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21
Revenue By Sales Channel												
Large Enterprise	1,061	1,182	1,179	1,194	1,217	1,286	1,432	1,442	1,476	1,480	1,470	1,492
Mid-Market Enterprise	491	498	507	515	522	555	562	573	583	586	599	630
Public Sector	495	444	414	430	431	457	494	479	526	532	529	524
Enterprise Channels	2,047	2,124	2,100	2,139	2,170	2,298	2,488	2,494	2,585	2,598	2,598	2,646
Wholesale	741	770	797	817	835	920	929	907	909	910	924	949
Business Segment Revenue	2,788	2,894	2,897	2,956	3,005	3,218	3,417	3,401	3,494	3,508	3,522	3,595
Mass Markets Segment Revenue	729	747	764	782	795	1,172	1,195	1,275	1,353	1,379	1,402	1,434
Total Revenue⁽²⁾	3,517	3,641	3,661	3,738	3,800	4,390	4,612	4,676	4,847	4,887	4,924	5,029
Business Revenue by Product Category and Sales Channel												
Large Enterprise												
Grow	502	557	558	550	533	571	658	653	657	651	627	617
Nurture	337	369	369	375	383	404	444	454	461	473	483	489
Harvest	170	186	197	207	229	245	272	276	294	292	300	319
Subtotal	1,009	1,112	1,124	1,132	1,145	1,220	1,374	1,383	1,412	1,416	1,410	1,425
Other	52	70	55	62	72	66	58	59	64	64	60	67
Total Large Enterprise Revenue	1,061	1,182	1,179	1,194	1,217	1,286	1,432	1,442	1,476	1,480	1,470	1,492
Mid-Market Enterprise												
Grow	204	201	202	196	192	192	188	185	186	180	179	179
Nurture	189	195	202	211	217	226	231	241	245	251	259	271
Harvest	90	94	94	100	106	129	135	140	144	148	154	167
Subtotal	483	490	498	507	515	547	554	566	575	579	592	617
Other	8	8	9	8	7	8	8	7	8	7	7	13
Total Mid-Market Enterprise Revenue	491	498	507	515	522	555	562	573	583	586	599	630
Public Sector												
Grow	118	117	118	116	107	106	116	115	116	126	121	118
Nurture	101	98	93	106	110	121	128	131	131	131	131	135
Harvest	93	96	95	99	101	119	124	124	132	140	149	148
Subtotal	312	311	306	321	318	346	368	370	379	397	401	401
Other	183	133	108	109	113	111	126	109	147	135	128	123
Total Public Sector Revenue	495	444	414	430	431	457	494	479	526	532	529	524
Enterprise Subtotals												
Grow	824	875	878	862	832	869	962	953	959	957	927	914
Nurture	627	662	664	692	710	751	803	826	837	855	873	895
Harvest	353	376	386	406	436	493	531	540	570	580	603	634
Subtotal	1,804	1,913	1,928	1,960	1,978	2,113	2,296	2,319	2,366	2,392	2,403	2,443
Other	243	211	172	179	192	185	192	175	219	206	195	203
Total Enterprise Revenue	2,047	2,124	2,100	2,139	2,170	2,298	2,488	2,494	2,585	2,598	2,598	2,646
Wholesale												
Grow	254	250	260	266	259	247	240	233	239	230	232	229
Nurture	199	203	205	213	224	255	258	267	265	269	270	276
Harvest	286	314	331	333	341	404	405	407	405	411	422	444
Subtotal	739	767	796	812	824	906	903	907	909	910	924	949
Other	2	3	1	5	11	14	26	—	—	—	—	—
Total Wholesale Revenue	741	770	797	817	835	920	929	907	909	910	924	949
Business Segment by Product Category												
Grow	1,078	1,125	1,138	1,128	1,091	1,116	1,202	1,186	1,198	1,187	1,159	1,143
Nurture	826	865	869	905	934	1,006	1,061	1,093	1,102	1,124	1,143	1,171
Harvest	639	690	717	739	777	897	936	947	975	991	1,025	1,078
Subtotal	2,543	2,680	2,724	2,772	2,802	3,019	3,199	3,226	3,275	3,302	3,327	3,392
Other	245	214	173	184	203	199	218	175	219	206	195	203
Total Business Segment Revenue	2,788	2,894	2,897	2,956	3,005	3,218	3,417	3,401	3,494	3,508	3,522	3,595
Mass Markets Segment by Product Category												
Fiber Broadband	165	162	157	152	148	160	151	145	137	135	130	122
Other Broadband ⁽³⁾	330	340	355	369	377	580	597	610	608	619	632	648
Voice and Other	234	245	252	261	270	432	447	520	608	625	640	664
Total Mass Markets Segment	729	747	764	782	795	1,172	1,195	1,275	1,353	1,379	1,402	1,434

⁽¹⁾ 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.

⁽²⁾ 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 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 divested businesses. Refer to Tab "Included in Revenue by channel" for details.

⁽³⁾ Other broadband revenue primarily includes revenue from lower speed copper-based broadband services marketed under the CenturyLink brand.



Lumen Technologies, Inc.
2024 Revenue by Sales Channel and Product Category
(UNAUDITED)
(\$ in millions)

	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21
Revenue By Sales Channel												
Large Enterprise	903	920	907	917	937	951	965	977	1,006	996	998	1,023
Mid-Market Enterprise	490	497	506	514	521	555	561	572	582	585	598	629
Public Sector	495	444	414	430	431	457	494	479	526	532	529	524
North America Enterprise Channels	1,888	1,861	1,827	1,861	1,889	1,963	2,020	2,028	2,114	2,113	2,125	2,176
Wholesale	740	769	796	816	833	917	927	905	907	908	921	946
North America Business Revenue	2,628	2,630	2,623	2,677	2,722	2,880	2,947	2,933	3,021	3,021	3,046	3,122
International and Other ⁽¹⁾⁽²⁾	160	264	274	279	283	338	470	468	473	487	476	473
Business Segment Revenue	2,788	2,894	2,897	2,956	3,005	3,218	3,417	3,401	3,494	3,508	3,522	3,595
Mass Markets Segment Revenue	729	747	764	782	795	1,172	1,195	1,275	1,353	1,379	1,402	1,434
Total Revenue⁽³⁾	3,517	3,641	3,661	3,738	3,800	4,390	4,612	4,676	4,847	4,887	4,924	5,029
Business Revenue by Product Category and Sales Channel												
Large Enterprise												
Grow	434	431	430	423	416	415	414	412	420	405	397	394
Nurture	285	299	297	303	310	316	325	333	338	346	353	356
Harvest ⁽²⁾	138	133	135	141	151	165	180	194	195	196	200	218
Subtotal	857	863	862	867	877	896	919	929	953	947	950	968
Other	46	57	45	50	60	55	46	48	53	49	48	55
Total Large Enterprise Revenue	903	920	907	917	937	951	965	977	1,006	996	998	1,023
Mid-Market Enterprise												
Grow	204	201	202	196	192	192	188	185	186	180	179	179
Nurture	189	195	202	211	217	226	231	241	245	251	259	271
Harvest ⁽²⁾	89	93	93	99	105	129	134	139	143	147	153	166
Subtotal	482	489	497	506	514	547	553	565	574	578	591	616
Other	8	8	9	8	7	8	8	7	8	7	7	13
Total Mid-Market Enterprise Revenue	490	497	506	514	521	555	561	572	582	585	598	629
Public Sector												
Grow	118	117	118	116	107	106	116	115	116	126	121	118
Nurture	101	98	93	106	110	121	128	131	131	131	131	135
Harvest	93	96	95	99	101	119	124	124	132	140	149	148
Subtotal	312	311	306	321	318	346	368	370	379	397	401	401
Other	183	133	108	109	113	111	126	109	147	135	128	123
Total Public Sector Revenue	495	444	414	430	431	457	494	479	526	532	529	524
North America Enterprise Subtotals												
Grow	756	749	750	735	715	713	718	712	722	711	697	691
Nurture	575	592	592	620	637	663	684	705	714	728	743	762
Harvest ⁽²⁾	320	322	323	339	357	413	438	447	470	483	502	532
Subtotal	1,651	1,663	1,665	1,694	1,709	1,789	1,840	1,864	1,906	1,922	1,942	1,985
Other	237	198	162	167	180	174	180	164	208	191	183	191
Total North America Enterprise Revenue	1,888	1,861	1,827	1,861	1,889	1,963	2,020	2,028	2,114	2,113	2,125	2,176
Wholesale												
Grow	254	250	260	266	259	247	240	233	239	230	232	229
Nurture	199	203	205	213	224	255	258	267	265	269	270	276
Harvest ⁽²⁾	285	313	330	332	339	401	403	405	403	409	419	441
Subtotal	738	766	795	811	822	903	901	905	907	908	921	946
Other	2	3	1	5	11	14	26	—	—	—	—	—
Total Wholesale Revenue	740	769	796	816	833	917	927	905	907	908	921	946
North America Business Revenue Subtotals												
Grow	1,010	999	1,010	1,001	974	960	958	945	961	941	929	920
Nurture	774	795	797	833	861	918	942	972	979	997	1,013	1,038
Harvest ⁽²⁾	605	635	653	671	696	814	841	852	873	892	921	973
Subtotal	2,389	2,429	2,460	2,505	2,531	2,692	2,741	2,769	2,813	2,830	2,863	2,931
Other	239	201	163	172	191	188	206	164	208	191	183	191
Total North America Business Revenue	2,628	2,630	2,623	2,677	2,722	2,880	2,947	2,933	3,021	3,021	3,046	3,122
International and Other⁽¹⁾												
Grow	68	126	128	127	117	156	244	241	237	246	230	223
Nurture	52	70	72	72	73	88	119	121	123	127	130	133
Harvest ⁽²⁾	17	31	41	39	45	49	58	62	68	65	70	67
Subtotal	137	227	241	238	235	293	421	424	428	438	430	423
Other ⁽²⁾	23	37	33	41	48	45	49	44	45	49	46	50
Total International and Other Revenue⁽¹⁾	160	264	274	279	283	338	470	468	473	487	476	473
Business Segment by Product Category												
Grow	1,078	1,125	1,138	1,128	1,091	1,116	1,202	1,186	1,198	1,187	1,159	1,143
Nurture	826	865	869	905	934	1,006	1,061	1,093	1,102	1,124	1,143	1,171
Harvest ⁽²⁾	622	666	694	710	741	863	899	914	941	957	991	1,040
Subtotal	2,526	2,656	2,701	2,743	2,766	2,985	3,162	3,193	3,241	3,268	3,293	3,354
Other ⁽²⁾	262	238	196	213	239	233	255	208	253	240	229	241
Total Business Segment Revenue	2,788	2,894	2,897	2,956	3,005	3,218	3,417	3,401	3,494	3,508	3,522	3,595
Mass Markets Segment by Product Category												
Fiber Broadband	165	162	157	152	148	160	151	145	137	135	130	122
Other Broadband ⁽⁴⁾	330	340	355	369	377	580	597	610	608	619	632	648
Voice and Other	234	245	252	261	270	432	447	520	608	625	640	664
Total Mass Markets Segment	729	747	764	782	795	1,172	1,195	1,275	1,353	1,379	1,402	1,434

⁽¹⁾ 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 that 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, these 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 changes had no impact on total operating revenue, total operating expenses or net income for any period.

⁽²⁾ 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.

⁽³⁾ 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 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 divested businesses. Refer to Tab "Included in Revenue by channel" for details.

⁽⁴⁾ 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)

	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21
Revenue by Product Category and Sales Channel												
Latam Enterprise												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	—	7	8	8	11	10	9	9
Included in Grow - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	—	6	7	7	8	7	8	8
Included in Nurture - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾	—	—	—	—	—	13	13	14	15	16	16	19
Included in Harvest - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	26	28	29	34	33	33	36
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽¹⁾	—	—	—	—	—	1	1	—	—	—	1	—
Included in Other - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Mid-Market Enterprise												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Grow - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	2	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	—	—	1	2	1	2	—	1
Included in Nurture - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾	—	—	—	—	—	20	21	22	23	24	24	24
Included in Harvest - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	22	22	24	24	25	26	25
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	—	—	2
Included in Other - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Public Sector												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	—	1	1	1	1	—	1	1
Included in Grow - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	—	4	3	3	4	3	3	4
Included in Nurture - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾	—	—	—	—	—	17	20	21	21	23	23	23
Included in Harvest - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	22	24	25	26	26	27	28
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽¹⁾	—	—	—	—	—	—	1	1	—	6	1	—
Included in Other - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
NA Enterprise Channels Subtotal												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	—	8	9	9	12	10	10	10
Included in Grow - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	—	12	11	12	13	11	13	13
Included in Nurture - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾	—	—	—	—	—	50	54	57	59	63	63	66
Included in Harvest - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	70	74	78	84	84	86	89
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽¹⁾	—	—	—	—	—	1	2	1	—	6	2	2
Included in Other - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Wholesale												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	—	2	2	1	2	2	1	2
Included in Grow - Post-closing commercial agreements ⁽²⁾	17	12	13	11	10	—	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	—	41	41	42	43	40	40	39
Included in Nurture - Post-closing commercial agreements ⁽²⁾	9	3	2	3	4	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾	—	—	—	—	—	54	54	56	56	56	61	60
Included in Harvest - Post-closing commercial agreements ⁽²⁾	10	7	10	12	14	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	97	97	99	101	98	102	101
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	36	22	25	26	28	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽¹⁾	—	—	—	—	—	1	—	—	—	—	—	—
Included in Other - Post-closing commercial agreements ⁽²⁾	3	1	2	2	5	—	—	—	—	—	—	—
NA Business Subtotal												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	—	10	11	10	14	12	11	12
Included in Grow - Post-closing commercial agreements ⁽²⁾	17	12	13	11	10	—	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	—	53	52	54	56	51	53	52
Included in Nurture - Post-closing commercial agreements ⁽²⁾	9	3	2	3	4	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾⁽³⁾	—	—	—	—	—	104	108	113	115	119	124	126
Included in Harvest - Post-closing commercial agreements ⁽²⁾	10	7	10	12	14	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	167	171	177	185	182	188	190
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	36	22	25	26	28	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽¹⁾⁽³⁾	—	—	—	—	—	2	2	1	—	6	2	2
Included in Other - Post-closing commercial agreements ⁽²⁾	3	1	2	2	5	—	—	—	—	—	—	—
International and Other												
Included in Grow - Divestitures ⁽¹⁾	27	83	81	81	72	112	206	202	197	209	196	189
Included in Grow - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	8	26	27	27	27	41	71	72	72	76	77	78
Included in Nurture - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾⁽³⁾	3	17	26	24	28	31	41	43	49	47	54	52
Included in Harvest - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	38	126	134	132	127	184	318	317	318	332	327	319
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽¹⁾⁽³⁾	1	8	8	7	8	8	9	8	9	11	9	9
Included in Other - CDN	18	24	22	29	37	35	36	33	34	33	33	38
Included in Other - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Business Segment by Product Category												
Included in Grow - Divestitures ⁽¹⁾	27	83	81	81	72	122	217	212	211	221	207	201
Included in Grow - Post-closing commercial agreements ⁽²⁾	17	12	13	11	10	—	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	8	26	27	27	27	94	123	126	128	127	130	130
Included in Nurture - Post-closing commercial agreements ⁽²⁾	9	3	2	3	4	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾⁽³⁾	3	17	26	24	28	135	149	156	164	166	178	178
Included in Harvest - Post-closing commercial agreements ⁽²⁾	10	7	10	12	14	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	38	126	134	132	127	351	489	494	503	514	515	509
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	36	22	25	26	28	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽¹⁾⁽³⁾	1	8	8	7	8	10	11	9	9	17	11	11
Included in Other - CDN	18	24	22	29	37	35	36	33	34	33	33	38
Included in Other - Post-closing commercial agreements ⁽²⁾	3	1	2	2	5	—	—	—	—	—	—	—
Mass Markets Segment by Product Category												
Included in Fiber Broadband - Divestitures ⁽¹⁾	—	—	—	—	—	15	13	13	12	11	11	10
Included in Other Broadband - Divestitures ⁽¹⁾	—	—	—	—	—	185	188	190	193	197	199	204
Included in Voice and Other - Divestitures ⁽¹⁾	—	—	—	—	—	154	156	162	166	168	177	176
Included in Voice and Other - CAF II ⁽³⁾	—	—	—	—	—	—	59	122	123	123	122	123

⁽¹⁾ 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 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. Therefore, these amounts will impact the Company's ability to match its past performance in current and future periods.

⁽²⁾ Represents the post-closing financial impacts of actual amounts received by the Company under the post-closing agreements with the purchasers of the divested businesses. 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.

⁽³⁾ Represents the 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

December 31, 2023

(UNAUDITED)

(\$ in millions)

All information is presented as of December 31, 2023

Entity (Original Issuer)	Coupon Rate	Maturity Date	Total
Qwest Corporation			
Qwest Corporation Senior Notes	7.250 %	9/15/2025	250
Qwest Corporation Term Loan	S + 2.50%	10/23/2027	215
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
Total Qwest Corporation			\$ 2,201
Qwest Capital Funding, Inc.			
Qwest Capital Funding, Inc. Senior Notes	6.875 %	7/15/2028	76
Qwest Capital Funding, Inc. Senior Notes	7.750 %	2/15/2031	116
Total Qwest Capital Funding, Inc.			\$ 192
Level 3 Financing, Inc.			
Level 3 Financing, Inc. Term Loan B	S + 1.75%	3/1/2027	2,411
Level 3 Financing, Inc. Sr. Secured Notes	3.400%	3/1/2027	750
Level 3 Financing, Inc. Senior Notes	4.625 %	9/15/2027	1,000
Level 3 Financing, Inc. Senior Notes	4.250 %	7/1/2028	1,200
Level 3 Financing, Inc. Senior Notes	3.625 %	1/15/2029	840
Level 3 Financing, Inc. Sustainability-Linked Senior Notes	3.750 %	7/15/2029	900
Level 3 Financing, Inc. Sr. Secured Notes	3.875 %	11/15/2029	750
Level 3 Financing, Inc. Sr. Secured Notes	10.500 %	5/15/2030	925
Total Level 3 Parent, LLC and Subsidiaries			\$ 8,776
Lumen Technologies, Inc.			
Lumen Technologies, Inc. Revolving Credit Facility	S + 2.00%	1/31/2025	200
Lumen Technologies, Inc Term Loan A	S + 2.00%	1/31/2025	933
Lumen Technologies, Inc Term Loan A-1	S + 2.00%	1/31/2025	266
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	412
Lumen Technologies, Inc. Senior Secured Notes	4.000 %	2/15/2027	1,250
Lumen Technologies, Inc. Term Loan B	S + 2.25%	3/15/2027	3,891
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	292
Total Lumen Technologies, Inc.			\$ 8,683
Total LUMN Consolidated (excluding Finance Leases, Premium/(Discount)/Other, net)			\$ 19,852

4th Quarter Earnings

February 6, 2024



Lumen Technologies, Inc.

Operating Metrics
(UNAUDITED)

	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22 ⁽¹⁾	2Q22 ⁽¹⁾	1Q22 ⁽¹⁾
Operating Metrics								
Mass Markets broadband subscribers								
<i>(in thousands)</i>								
Fiber broadband subscribers	916	896	877	856	832	813	786	760
Other broadband subscribers ⁽²⁾	1,842	1,940	2,032	2,125	2,205	2,294	2,406	2,497
Mass Markets total broadband subscribers ⁽³⁾	2,758	2,836	2,909	2,981	3,037	3,107	3,192	3,257
Mass Markets average revenue per unit (ARPU)								
Fiber broadband ARPU	\$61	\$61	\$61	\$60	\$60	\$61	\$60	\$59
Mass Markets broadband enabled units⁽⁴⁾								
<i>(in millions)</i>								
Fiber broadband enabled units	3.7	3.5	3.4	3.3	3.1	3.0	2.9	2.7
Other broadband enabled units	18.1	18.2	18.4	18.5	18.7	18.8	18.9	18.9
Mass Markets total broadband enabled units	21.8	21.7	21.8	21.8	21.8	21.8	21.8	21.6

⁽¹⁾ These amounts have been adjusted to remove the impacts of the 20-state ILEC business divestiture completed October 3, 2022, which included (i) fiber broadband subscribers of 76 thousand in Q3 2022, 72 thousand in Q2 2022 and 70 thousand in Q1 2022, (ii) other broadband subscribers of 1,073 thousand in Q3 2022, 1,113 thousand in Q2 2022 and 1,140 thousand in Q1 2022, (iii) fiber broadband enabled units of 0.3 million in Q3 2022, Q2 2022 and Q1 2022 and (iv) other broadband enabled units of 7.2 million in Q3 2022, 7.2 million in Q2 2022 and 7.0 million in Q1 2022. The Company believes that this information will allow analysts and investors to understand the operating metrics associated with the divestiture of the 20-state ILEC business to understand the impact they had on the Company's past, but not current or future, financial performance.

⁽²⁾ Other broadband subscribers are customers that primarily subscribe to lower speed copper-based broadband services marketed under the CenturyLink brand.

⁽³⁾ 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.

⁽⁴⁾ 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.

4th Quarter Earnings

February 6, 2024



Lumen Technologies, Inc.

Non-GAAP Special Items
(UNAUDITED)
(\$ in millions)

Special Items Impacting Adjusted EBITDA	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	YTD 2023	YTD 2022	YTD 2021
Severance	\$ 53	8	5	8	10	—	—	2	3	—	—	—	74	12	3
Consumer and other litigation	1	(3)	(1)	—	—	—	(3)	—	(3)	—	11	8	(3)	(3)	16
Net loss (gain) on sale of businesses ⁽¹⁾	9	22	13	77	480	(593)	—	—	—	—	—	—	121	(113)	—
Loss on disposal group held for sale	—	—	—	—	40	—	—	—	—	—	—	—	—	40	—
Transaction and separation costs ⁽²⁾	41	28	10	29	53	66	50	50	19	9	9	—	108	219	37
Net loss on sale of select CDN contracts	73	—	—	—	—	—	—	—	—	—	—	—	73	—	—
Real estate transactions ⁽³⁾	34	—	75	—	—	—	—	—	—	(40)	—	—	109	—	(40)
Total Special Items Impacting Adjusted EBITDA	211	55	102	114	583	(527)	47	52	19	(31)	20	8	482	155	16
Special Items Impacting Net (Loss) Income	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	YTD 2023	YTD 2022	YTD 2021
Severance	\$ 53	8	5	8	10	—	—	2	3	—	—	—	74	12	3
Consumer and other litigation	1	(3)	(1)	—	—	—	(3)	—	(3)	—	11	8	(3)	(3)	16
Goodwill impairment	1,900	—	8,793	—	3,271	—	—	—	—	—	—	—	10,693	3,271	—
Net loss (gain) on sale of businesses ⁽¹⁾	9	22	13	77	480	(593)	—	—	—	—	—	—	121	(113)	—
Loss on disposal group held for sale	—	—	—	—	40	—	—	—	—	—	—	—	—	40	—
Net gain on early retirement of debt ⁽⁴⁾	—	—	(9)	(609)	(205)	(9)	—	—	—	—	—	(8)	(618)	(214)	(8)
Transaction and separation costs ⁽²⁾	41	28	10	29	53	66	50	50	19	9	9	—	108	219	37
Net loss on sale of select CDN contracts	73	—	—	—	—	—	—	—	—	—	—	—	73	—	—
Real estate transactions ⁽³⁾	34	—	75	—	—	—	—	—	—	(40)	—	—	109	—	(40)
Expense (income) from transition and separation services ⁽⁵⁾	22	(64)	(40)	(46)	(82)	(37)	(30)	(3)	—	—	—	—	(128)	(152)	—
Total Special Items Impacting Net (Loss) Income	2,133	(9)	8,846	(541)	3,567	(573)	17	49	19	(31)	20	—	10,429	3,060	8
Income tax effect of Special Items ⁽⁶⁾	(55)	2	(12)	127	(73)	141	(4)	(12)	(5)	8	(5)	—	62	52	(2)
Total Special Items Impacting Net (Loss) Income, net of tax	\$ 2,078	\$ (7)	\$ 8,834	(414)	3,494	(432)	13	37	14	(23)	15	—	10,491	3,112	6
Special Items Impacting Cash Flows	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	YTD 2023	YTD 2022	YTD 2021
Severance	\$ 48	7	7	5	7	7	7	16	6	13	29	22	67	37	70
Consumer and other litigation	—	(3)	—	—	—	—	—	—	(3)	11	20	19	(3)	—	47
Pension contribution ⁽⁷⁾	—	—	—	—	—	319	—	—	—	—	—	—	—	319	—
Transaction and separation costs ⁽²⁾	70	28	25	24	142	60	48	32	11	7	2	—	147	282	20
Real estate transactions ⁽⁸⁾	—	—	—	—	—	—	—	—	3	1	—	—	—	—	4
Income from transition and separation services ⁽⁵⁾	(31)	(27)	(32)	(59)	(31)	(44)	(22)	—	—	—	—	—	(149)	(97)	—
Total Special Items Impacting Cash Flows	87	5	—	(30)	118	342	33	48	17	32	51	41	62	541	141

⁽¹⁾ 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.

⁽²⁾ 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 and (iv) our evaluation of other potential transactions.

⁽³⁾ Real estate transactions include the Q2 2023 and Q4 2023 loss on donation of real estate and Q3 2021 (gain) on sale of real estate, net of impairment charges or acceleration of costs associated with our real estate rationalization program.

⁽⁴⁾ Reflects a gain as a result of (i) \$19 million of debt exchanges in Q2 2023, (ii) \$1.5 billion of debt exchanges in Q1 2023, (iii) \$4.4 billion in early debt retirement in Q4 2022, (iv) \$2.3 billion in early debt retirement in Q3 2022 and (v) \$1.1 billion in early debt retirement in Q2 2021. There were no comparable gains or losses during Q4 2023, Q3 2023, Q2 2022, Q1 2022, Q4 2021, Q3 2021 or Q2 2021.

⁽⁵⁾ 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.

⁽⁶⁾ Tax effect calculated using the annualized effective statutory tax rate, excluding any non-recurring discrete items, which was 23.5% for all quarters of 2023, 24.6% for all quarters of 2022 and 24.5% for all quarters of 2021.

⁽⁷⁾ 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.

⁽⁸⁾ Real estate transactions include the incremental cash charges associated with our real estate rationalization program.

4th Quarter Earnings

February 6, 2024



Lumen Technologies, Inc.

Non-GAAP Cash Flow Reconciliation

(UNAUDITED)

(\$ in millions)

	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	YTD 2023	YTD 2022	YTD 2021
Net cash provided by (used in) operating activities ⁽¹⁾	\$ 784	881	(100)	595	841	1,123	1,396	1,375	1,607	1,730	1,639	1,525	2,160	4,735	6,501
Capital expenditures ⁽²⁾	(821)	(843)	(796)	(640)	(833)	(845)	(761)	(577)	(848)	(690)	(646)	(716)	(3,100)	(3,016)	(2,900)
Free cash flow⁽¹⁾	\$ (37)	38	(896)	(45)	8	278	635	798	759	1,040	993	809	(940)	1,719	3,601
Cash interest paid	252	325	198	363	273	393	313	386	343	400	357	387	1,138	1,365	1,487
Interest income	(19)	(5)	(3)	(13)	(17)	(6)	(1)	(1)	(2)	—	—	—	(40)	(25)	(2)
Unlevered cash flow⁽¹⁾	\$ 196	358	(701)	305	264	665	947	1,183	1,100	1,440	1,350	1,196	158	3,059	5,086
Free cash flow⁽¹⁾	\$ (37)	38	(896)	(45)	8	278	635	798	759	1,040	993	809	(940)	1,719	3,601
Add back: Severance	48	7	7	5	7	7	7	16	6	13	29	22	67	37	70
Add back: Consumer and other litigation	—	(3)	—	—	—	—	—	—	(3)	11	20	19	(3)	—	47
Add back: Pension contribution ⁽³⁾	—	—	—	—	—	319	—	—	—	—	—	—	—	319	—
Add back: Transaction and separation costs ⁽⁴⁾	70	28	25	24	142	60	48	32	11	7	2	—	147	282	20
Add back: Real estate transactions ⁽⁵⁾	—	—	—	—	—	—	—	—	3	1	—	—	—	—	4
Remove: Income from transition and separation services ⁽⁶⁾	(31)	(27)	(32)	(59)	(31)	(44)	(22)	—	—	—	—	—	(149)	(97)	—
Free cash flow excluding Special Items⁽¹⁾	\$ 50	43	(896)	(75)	126	620	668	846	776	1,072	1,044	850	(878)	2,260	3,742
Unlevered cash flow⁽¹⁾	\$ 196	358	(701)	305	264	665	947	1,183	1,100	1,440	1,350	1,196	158	3,059	5,086
Add back: Severance	48	7	7	5	7	7	7	16	6	13	29	22	67	37	70
Add back: Consumer and other litigation	—	(3)	—	—	—	—	—	—	(3)	11	20	19	(3)	—	47
Add back: Pension contribution ⁽³⁾	—	—	—	—	—	319	—	—	—	—	—	—	—	319	—
Add back: Transaction and separation costs ⁽⁴⁾	70	28	25	24	142	60	48	32	11	7	2	—	147	282	20
Add back: Real estate transactions ⁽⁵⁾	—	—	—	—	—	—	—	—	3	1	—	—	—	—	4
Remove: Income from transition and separation services ⁽⁶⁾	(31)	(27)	(32)	(59)	(31)	(44)	(22)	—	—	—	—	—	(149)	(97)	—
Unlevered cash flow excluding Special Items⁽¹⁾	\$ 283	363	(701)	275	382	1,007	980	1,231	1,117	1,472	1,401	1,237	220	3,600	5,227

⁽¹⁾ 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 divestitures completed on August 1, 2022 and October 3, 2022.

⁽²⁾ 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 and (ii) the Federal Communications Commission's Connect America Fund ("CAF") Phase II program, which lapsed on December 31, 2021. Refer to Tab "Included in Adj. EBITDA & Capex" for details.

⁽³⁾ 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.

⁽⁴⁾ 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 and (iv) our evaluation of other potential transactions.

⁽⁵⁾ Real estate transactions include the incremental cash charges associated with our real estate rationalization program.

⁽⁶⁾ 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.



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

	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	YTD 2023	YTD 2022	YTD 2021
Net (Loss) Income	\$ (1,995)	(78)	(8,736)	511	(3,069)	578	344	599	508	544	506	475	(10,298)	(1,548)	2,033
Income tax (benefit) expense	(147)	(7)	46	169	(113)	359	109	202	171	172	168	157	61	557	668
Total other expense (income), net	366	308	269	(290)	(102)	447	459	282	482	415	332	355	653	1,086	1,584
Depreciation and amortization expense	751	755	746	733	796	808	827	808	877	951	1,041	1,150	2,985	3,239	4,019
Stock-based compensation expense	13	16	9	14	27	23	25	23	31	27	42	20	52	98	120
Goodwill impairment	1,900	—	8,793	—	3,271	—	—	—	—	—	—	—	10,693	3,271	—
Adjusted EBITDA⁽¹⁾	\$ 888	994	1,127	1,137	810	2,215	1,764	1,914	2,069	2,109	2,089	2,157	4,146	6,703	8,424
Business Segment Adjusted EBITDA	1,677	1,774	1,849	1,865	1,910	2,133	2,259	2,267	2,309	2,328	2,338	2,383	7,165	8,569	9,358
Mass Markets Segment Adjusted EBITDA	377	369	411	432	421	677	744	848	922	933	924	951	1,589	2,690	3,730
Other unallocated expense	(1,166)	(1,149)	(1,133)	(1,160)	(1,521)	(595)	(1,239)	(1,201)	(1,162)	(1,152)	(1,173)	(1,177)	(4,608)	(4,556)	(4,664)
Adjusted EBITDA⁽¹⁾	\$ 888	994	1,127	1,137	810	2,215	1,764	1,914	2,069	2,109	2,089	2,157	4,146	6,703	8,424
Add back: Severance	53	8	5	8	10	—	—	2	3	—	—	—	74	12	3
Add back: Consumer and other litigation	1	(3)	(1)	—	—	—	(3)	—	(3)	—	11	8	(3)	(3)	16
Add back: Net loss (gain) on sale of businesses ⁽²⁾	9	22	13	77	480	(593)	—	—	—	—	—	—	121	(113)	—
Add back: Loss on disposal group held for sale	—	—	—	—	40	—	—	—	—	—	—	—	—	40	—
Add back: Transaction and separation costs ⁽³⁾	41	28	10	29	53	66	50	50	19	9	9	—	108	219	37
Add back: Net loss on sale of select CDN contracts	73	—	—	—	—	—	—	—	—	—	—	—	73	—	—
Add back: Real estate transaction costs ⁽⁴⁾	34	—	75	—	—	—	—	—	—	(40)	—	—	109	—	(40)
Adjusted EBITDA excluding Special Items⁽¹⁾	\$ 1,099	1,049	1,229	1,251	1,393	1,688	1,811	1,966	2,088	2,078	2,109	2,165	4,628	6,858	8,440
Net Income excluding Special Items	\$ 83	(85)	98	97	425	146	357	636	522	521	521	475	193	1,564	2,039
Total Revenue⁽⁵⁾	\$ 3,517	3,641	3,661	3,738	3,800	4,390	4,612	4,676	4,847	4,887	4,924	5,029	14,557	17,478	19,687
Net (Loss) Income Margin	(56.7)%	(2.1)%	(238.6)%	13.7 %	(80.8)%	13.2 %	7.5 %	12.8 %	10.5 %	11.1 %	10.3 %	9.4 %	(70.7)%	(8.9)%	10.3 %
Net Income Margin, excluding Special Items	2.4 %	(2.3)%	2.7 %	2.6 %	11.2 %	3.3 %	7.7 %	13.6 %	10.8 %	10.7 %	10.6 %	9.4 %	1.3 %	8.9 %	10.4 %
Adjusted EBITDA Margin	25.2 %	27.3 %	30.8 %	30.4 %	21.3 %	50.5 %	38.2 %	40.9 %	42.7 %	43.2 %	42.4 %	42.9 %	28.5 %	38.4 %	42.8 %
Adjusted EBITDA Margin, excluding Special Items	31.2 %	28.8 %	33.6 %	33.5 %	36.7 %	38.5 %	39.3 %	42.0 %	43.1 %	42.5 %	42.8 %	43.1 %	31.8 %	39.2 %	42.9 %

⁽¹⁾ 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 Federal Communications Commission's Connect America Fund ("CAF") Phase II program, which lapsed on December 31, 2021 and (iii) the post-closing commercial agreements with the purchasers of the divested businesses. Refer to Tab "Included in Adj. EBITDA & Capex" for details.

⁽²⁾ 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 2022 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.

⁽³⁾ 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 and (iv) our evaluation of other potential transactions.

⁽⁴⁾ Real estate transactions include the Q2 and Q4 2023 loss on donation of real estate and Q3 2021 (gain) on sale of real estate, net of impairment charges or acceleration of costs associated with our real estate rationalization program.

⁽⁵⁾ 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 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 divested businesses. 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)

LUMEN

	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21	YTD 2023	YTD 2022	YTD 2021
Adjusted EBITDA															
Included in Adjusted EBITDA - Divestitures ⁽¹⁾	14	31	37	43	27	391	445	466	465	494	469	480	125	1,329	1,908
Included in Adjusted EBITDA - CDN	10	17	11	18	26	24	25	22	23	22	23	28	56	97	96
Included in Adjusted EBITDA - Post-close commercial agreements ⁽²⁾	(40)	(40)	(51)	(48)	(43)	—	—	—	—	—	—	—	(179)	(43)	—
Included in Adjusted EBITDA - CAF II ⁽³⁾	—	—	—	—	—	—	—	59	122	123	122	123	—	59	490
Capital expenditures															
Included in Capital expenditures - Divestitures ⁽¹⁾	7	21	34	36	38	126	151	109	167	140	131	127	98	424	565
Included in Capital expenditures - CAF II ⁽³⁾	—	—	—	—	—	—	12	6	35	41	34	35	—	18	145

⁽¹⁾ 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.

⁽²⁾ Represents the post-closing financial impacts of actual amounts received or paid by the Company under the post-closing agreements with the purchasers of the divested businesses. 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.

⁽³⁾ 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.

4th Quarter Earnings

February 6, 2024

Lumen Technologies, Inc.

LTM Adjusted EBITDA

(UNAUDITED)

(\$ in millions)

LUMEN®

	4Q23	3Q23	2Q23	1Q23	Total LTM Adjusted EBITDA
Total revenue	\$ 3,517	3,641	3,661	3,738	14,557
Cost of services and products	1,737	1,850	1,740	1,817	7,144
Selling, general and administrative expenses ⁽¹⁾	905	813	803	798	3,319
Add back: Stock-based compensation expense	13	16	9	14	52
Adjusted EBITDA	\$ 888	994	1,127	1,137	4,146
Add back: Severance	\$ 53	8	5	8	74
Add back: Consumer and other litigation	1	(3)	(1)	—	(3)
Add back: Net loss on sale of business ⁽²⁾	9	22	13	77	121
Add back: Transaction and separation costs ⁽³⁾	41	28	10	29	108
Add back: Net loss on sale of select CDN contracts	73	—	—	—	73
Add back: Real estate transaction costs ⁽⁴⁾	34	—	75	—	109
Adjusted EBITDA excluding Special Items	\$ 1,099	1,049	1,229	1,251	4,628

⁽¹⁾ Inclusive of net loss on sale of business for all quarters of 2023.

⁽²⁾ 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.

⁽³⁾ 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 and (iv) our evaluation of other potential transactions.

⁽⁴⁾ 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.

4th Quarter Earnings**February 6, 2024****Lumen Technologies, Inc.**

Net Debt to LTM Adjusted EBITDA ratio as of December 31, 2023

(UNAUDITED)

(\$ in millions)

Net Debt to LTM Adjusted EBITDA ratio:

Gross debt, as reported	\$	20,137
Cash and cash equivalents, as reported		(2,234)
Net debt	\$	17,903
LTM Adjusted EBITDA excluding Special Items ⁽¹⁾	\$	4,628

Net debt to LTM Adjusted EBITDA ratio **3.9**⁽¹⁾ Please refer to the computation on Tab "LTM Adjusted EBITDA"


Lumen Technologies, Inc.

 2023 OUTLOOK ^{(1) (2) (3) (4)}

(UNAUDITED)

(\$ in millions)

Adjusted EBITDA Outlook

Twelve Months Ended December 31, 2024

	Range	
	Low	High
Net (loss) income	\$ (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
Adjusted EBITDA	\$ 4,100	4,300

Free Cash Flow Outlook

Twelve Months Ended December 31, 2024

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

⁽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 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 February 6, 2024. See "Forward Looking Statements" in our February 6, 2024 earnings release.

⁽³⁾ Assumes no discretionary pension plan contributions during 2024.

⁽⁴⁾ 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.