

4th Quarter Earnings

February 4, 2025

LUMEN®

Financial Trending Schedule

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



Lumen Technologies, Inc.

Financial Results

(UNAUDITED)

(\$ in millions, except per share data)

Metric	Fourth Quarter		Full Year	
	2024	2023	2024	2023
Large Enterprise ⁽¹⁾	\$ 845	894	3,379	3,618
Mid-Market Enterprise	452	501	1,887	2,044
Public Sector	554	497	1,849	1,789
North America Enterprise Channels	1,851	1,892	7,115	7,451
Wholesale	716	750	2,875	3,152
North America Business Revenue	2,567	2,642	9,990	10,603
International and Other ⁽¹⁾⁽²⁾	92	160	373	980
Business Segment Revenue	2,659	2,802	10,363	11,583
Mass Markets Segment Revenue	670	715	2,745	2,974
Total Revenue⁽³⁾⁽⁴⁾	\$ 3,329	3,517	13,108	14,557
Cost of Services and Products	\$ 1,706	1,737	6,703	7,144
Selling, General and Administrative Expenses	711	896	2,972	3,198
Net Loss on Sale of Business	—	9	17	121
Stock-based Compensation Expense	8	13	29	52
Net Income (Loss)	85	(1,995)	(55)	(10,298)
Net Income (Loss), Excluding Special Items ⁽⁵⁾⁽⁶⁾	93	83	(205)	193
Adjusted EBITDA ⁽²⁾⁽⁵⁾⁽⁷⁾⁽⁸⁾	920	888	3,445	4,146
Adjusted EBITDA, Excluding Special Items ⁽²⁾⁽⁵⁾⁽⁷⁾⁽⁸⁾⁽⁹⁾	1,052	1,099	3,939	4,628
Net Income (Loss) Margin	2.6 %	(56.7)%	(0.4)%	(70.7)%
Net Income (Loss) Margin, Excluding Special Items ⁽⁵⁾⁽⁶⁾	2.8 %	2.4 %	(1.6)%	1.3 %
Adjusted EBITDA Margin ⁽⁵⁾	27.6 %	25.2 %	26.3 %	28.5 %
Adjusted EBITDA Margin, Excluding Special Items ⁽⁵⁾⁽⁹⁾	31.6 %	31.2 %	30.1 %	31.8 %
Net Cash Provided by Operating Activities	688	784	4,333	2,160
Capital Expenditures ⁽¹⁰⁾	915	821	3,231	3,100
Unlevered Cash Flow ⁽⁵⁾	112	196	2,228	158
Unlevered Cash Flow, Excluding Cash Special Items ⁽⁵⁾⁽¹¹⁾	165	283	2,512	220
Free Cash Flow ⁽⁵⁾	(227)	(37)	1,102	(940)
Free Cash Flow, Excluding Cash Special Items ⁽⁵⁾⁽¹¹⁾	(174)	50	1,386	(878)
Net Earnings (Loss) per Common Share - Diluted	0.09	(2.03)	(0.06)	(10.48)
Net Earnings (Loss) per Common Share - Diluted, Excluding Special Items ⁽⁵⁾⁽⁶⁾	0.09	0.08	(0.21)	0.20
Weighted Average Shares Outstanding (in millions) - Diluted	989.8	983.8	987.7	983.1

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

⁽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 our 2024 reporting presentation. These reporting changes had no impact on total operating revenue, total operating expenses or net income for any period. Revenue and Adjusted EBITDA excluding Special Items for the fourth quarter of 2023 includes \$18 million and \$10 million, respectively, and for the full year 2023 includes \$93 million and \$56 million, respectively, from our divested CDN customer contracts. The Company believes that these figures will allow analysts and investors to understand the amounts associated with recent transactions and to understand the impacts they had on the Company's past, but not current or future, financial performance. Therefore, these amounts will impact the Company's ability to match its past performance in current and future periods.

⁽³⁾ 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 divestiture. The Company believes that these figures will allow analysts and investors to understand the amounts associated with these transactions and to understand the impact they had on the Company's past, but not current or future, financial performance. Therefore, these amounts will impact the Company's ability to match its past performance in current and future periods.

⁽⁴⁾ The post-closing revenue received by the Company under its post-closing agreements with purchasers of our businesses divested in 2022 and 2023 was (i) \$49 million and \$189 million for the fourth quarter of 2024 and full year 2024, respectively, and (ii) \$39 million and \$117 million for the fourth quarter of 2023 and full year 2023, respectively. 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.

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

⁽⁶⁾ Excludes Special Items (net of the income tax effect thereof), which (i) positively impacted this metric by \$8 million and negatively impacted this metric by \$(150) million for the fourth quarter of 2024 and full year 2024, respectively, and (ii) positively impacted this metric by \$2.1 billion and \$10.5 billion (primarily related to our 2023 goodwill impairment losses) for the fourth quarter of 2023 and full year 2023, respectively.

⁽⁷⁾ Adjusted EBITDA and Adjusted EBITDA excluding Special Items for the fourth quarter of 2023 and full year 2023 includes \$14 million and \$125 million, respectively, from the EMEA business, divested in November 1, 2023, which will not recur in periods following the divestiture. The Company believes that these figures will allow analysts and investors to understand the amounts associated with these transactions to understand the impact they had on the Company's past, but not current or future, financial performance. Therefore, these amounts will impact the Company's ability to match its past performance in current and future periods.

⁽⁸⁾ The post-closing net financial impacts to adjusted EBITDA of actual amounts received or paid by the Company under its post-closing agreements with the purchasers of our businesses divested in 2022 and 2023 were (i) a net reduction of \$(29) million and \$(161) million for the fourth quarter of 2024 and full year 2024, respectively, and (ii) a net reduction of \$(40) million and \$(179) million, respectively, for the fourth quarter 2023 and full year 2023, respectively. The Company believes that these figures provide useful information to investors to understand the impact that the post-closing agreements have had on the Company's financial performance following the completion of these divestitures.

⁽⁹⁾ Excludes Special Items in the amounts of (i) \$132 million and \$494 million for the fourth quarter of 2024 and full year 2024, respectively, and (ii) \$211 million and \$482 million for the fourth quarter of 2023 and full year 2023, respectively.

⁽¹⁰⁾ Capital expenditures for the fourth quarter of 2023 and full year 2023 includes \$7 million and \$98 million, respectively, of capital expenditures relating to EMEA business divested on November 1, 2023, which will not recur in periods following the divestiture. The Company believes that these figures will allow analysts and investors to understand the amounts associated with these transactions and programs to understand the impact they had on the Company's past, but not current or future, capital expenditures. Therefore, these amounts will impact the Company's ability to match its past capital expenditure activities in current and future periods.

⁽¹¹⁾ Excludes cash paid for Special Items in the net amounts of (i) \$53 million and \$284 million for the fourth quarter of 2024 and full year 2024, respectively, and (ii) \$87 million and \$62 million for the fourth quarter of 2023 and full year 2023, respectively.

4th Quarter Earnings

February 4, 2025



Lumen Technologies, Inc.

Consolidated Statements of Operations

(UNAUDITED)

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

	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23
OPERATING REVENUE	\$ 3,329	3,221	3,268	3,290	3,517	3,641	3,661	3,738
OPERATING EXPENSES								
Cost of services and products (exclusive of depreciation and amortization)	1,706	1,692	1,653	1,652	1,737	1,850	1,740	1,817
Selling, general and administrative	711	696	742	823	896	791	790	721
(Gain) loss on sale of business	—	—	(5)	22	9	22	13	77
Depreciation and amortization	758	707	743	748	751	755	746	733
Goodwill impairment	—	—	—	—	1,900	—	8,793	—
Total operating expenses	3,175	3,095	3,133	3,245	5,293	3,418	12,082	3,348
OPERATING INCOME (LOSS)	154	126	135	45	(1,776)	223	(8,421)	390
OTHER (EXPENSE) INCOME								
Interest expense	(357)	(351)	(373)	(291)	(290)	(295)	(294)	(279)
Net gain (loss) on early retirement of debt	71	(1)	3	275	—	—	9	609
Other income (expense), net	13	54	194	73	(76)	(13)	16	(40)
Total other (expense) income, net	(273)	(298)	(176)	57	(366)	(308)	(269)	290
Income tax (benefit) expense	(204)	(24)	8	45	(147)	(7)	46	169
NET INCOME (LOSS)	\$ 85	(148)	(49)	57	(1,995)	(78)	(8,736)	511
BASIC AND DILUTED EARNINGS (LOSS) PER COMMON SHARE								
Basic	\$ 0.09	(0.15)	(0.05)	0.06	(2.03)	(0.08)	(8.88)	0.52
Diluted	0.09	(0.15)	(0.05)	0.06	(2.03)	(0.08)	(8.88)	0.52
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING								
Basic	989.8	988.8	987.2	984.9	983.8	983.6	983.5	981.6
Diluted	989.8	988.8	987.2	986.3	983.8	983.6	983.5	982.3
Exclude: Special Items ⁽¹⁾	8	15	(75)	(98)	2,078	(7)	8,834	(414)
NET INCOME (LOSS) EXCLUDING SPECIAL ITEMS	\$ 93	(133)	(124)	(41)	83	(85)	98	97
DILUTED EARNINGS (LOSS) PER SHARE EXCLUDING SPECIAL ITEMS	\$ 0.09	(0.13)	(0.13)	(0.04)	0.08	(0.09)	0.10	0.10

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



Lumen Technologies, Inc.

Consolidated Balance Sheets

(UNAUDITED)

(\$ in millions)

	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23
ASSETS								
CURRENT ASSETS								
Cash and cash equivalents	\$ 1,889	2,640	1,495	1,580	2,234	311	411	1,148
Accounts receivable, less allowance	1,231	1,225	1,294	1,322	1,318	1,442	1,504	1,463
Assets held for sale	24	86	107	105	104	1,942	2,005	1,946
Other current assets	1,250	785	864	928	1,119	982	984	879
Total current assets	4,394	4,736	3,760	3,935	4,775	4,677	4,904	5,436
NET PROPERTY, PLANT AND EQUIPMENT								
Property, plant and equipment	43,542	42,869	42,162	41,633	41,076	40,582	39,961	39,612
Accumulated depreciation	(23,121)	(22,525)	(22,073)	(21,725)	(21,318)	(20,976)	(20,529)	(20,291)
Net property, plant and equipment	20,421	20,344	20,089	19,908	19,758	19,606	19,432	19,321
GOODWILL AND OTHER ASSETS								
Goodwill	1,964	1,964	1,964	1,964	1,964	3,864	3,864	12,657
Other intangible assets, net	4,806	4,967	5,127	5,290	5,470	5,744	5,899	6,034
Other, net	1,911	1,978	2,003	2,076	2,051	2,061	2,100	2,113
Total goodwill and other assets	8,681	8,909	9,094	9,330	9,485	11,669	11,863	20,804
TOTAL ASSETS	\$ 33,496	33,989	32,943	33,173	34,018	35,952	36,199	45,561
LIABILITIES AND STOCKHOLDERS' EQUITY								
CURRENT LIABILITIES								
Current maturities of long-term debt	\$ 412	415	192	86	157	155	154	153
Accounts payable	749	905	995	1,162	1,134	1,109	1,265	1,225
Accrued expenses and other liabilities								
Salaries and benefits	716	700	605	578	696	733	605	590
Income and other taxes	272	434	597	761	251	287	234	1,303
Current operating lease liabilities	253	263	281	282	268	296	323	326
Interest	197	236	219	110	168	139	176	88
Other	179	174	175	167	209	174	177	178
Liabilities held for sale	—	5	4	5	4	478	496	472
Current portion of deferred revenue	861	808	670	665	647	643	627	607
Total current liabilities	3,639	3,940	3,738	3,816	3,534	4,014	4,057	4,942
LONG TERM DEBT	17,494	18,142	18,411	18,591	19,831	19,740	19,899	19,743
DEFERRED CREDITS AND OTHER LIABILITIES								
Deferred income taxes, net	2,890	3,138	3,142	3,143	3,127	3,192	3,204	3,200
Benefit plan obligations, net	2,205	2,249	2,437	2,457	2,490	2,322	2,335	2,358
Deferred revenue	3,733	3,541	2,112	2,021	1,969	1,902	1,850	1,808
Other	3,071	2,637	2,637	2,641	2,650	2,626	2,633	2,578
Total deferred credits and other liabilities	11,899	11,565	10,328	10,262	10,236	10,042	10,022	9,944
STOCKHOLDERS' EQUITY								
Common stock ⁽¹⁾	19,149	1,015	1,016	1,016	1,008	1,008	1,008	1,005
Additional paid-in capital ⁽¹⁾	—	18,140	18,135	18,137	18,126	18,117	18,100	18,094
Accumulated other comprehensive loss	(723)	(766)	(786)	(799)	(810)	(1,057)	(1,053)	(1,069)
Accumulated deficit	(17,962)	(18,047)	(17,899)	(17,850)	(17,907)	(15,912)	(15,834)	(7,098)
Total stockholders' equity	464	342	466	504	417	2,156	2,221	10,932
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 33,496	33,989	32,943	33,173	34,018	35,952	36,199	45,561

⁽¹⁾ On December 18, 2024, the Company filed with the Louisiana Secretary of State to convert our \$1 par value common stock into no-par value common stock as approved by the shareholders at our May 15, 2024 meeting. The Company recognized the change by reclassifying the balance in Additional paid-in capital to Common stock.



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

	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23
OPERATING ACTIVITIES								
Net cash provided by (used in) operating activities	\$ 688	2,032	511	1,102	784	881	(100)	595
INVESTING ACTIVITIES								
Capital expenditures	(915)	(850)	(753)	(713)	(821)	(843)	(796)	(640)
Proceeds (payment) from sale of businesses	—	20	(5)	—	1,743	—	3	—
Proceeds from sale of property, plant and equipment and other assets	83	19	252	12	130	9	3	23
Other, net	1	6	10	3	(21)	7	1	1
Net cash (used in) provided by investing activities	(831)	(805)	(496)	(698)	1,031	(827)	(789)	(616)
FINANCING ACTIVITIES								
Net proceeds from issuance of long-term debt	—	—	—	1,325	—	—	—	—
Payments of long-term debt	(609)	(72)	(95)	(1,902)	(40)	(45)	(39)	(61)
Net (payments of) proceeds from revolving line of credit	—	—	—	(200)	125	(125)	200	—
Dividends paid	—	—	—	(3)	(1)	(1)	(1)	(8)
Debt issuance and extinguishment costs and related fees	(1)	—	(4)	(278)	—	(1)	(2)	(11)
Other, net	—	(9)	(1)	(2)	(1)	(1)	—	(6)
Net cash (used in) provided by financing activities	(610)	(81)	(100)	(1,060)	83	(173)	158	(86)
Net (decrease) increase in cash, cash equivalents and restricted cash	(753)	1,146	(85)	(656)	1,898	(119)	(731)	(107)
Cash, cash equivalents and restricted cash at beginning of period	2,653	1,507	1,592	2,248	350	469	1,200	1,307
Cash, cash equivalents and restricted cash at end of period	\$ 1,900	2,653	1,507	1,592	2,248	350	469	1,200
Cash, cash equivalents and restricted cash:								
Cash and cash equivalents	\$ 1,889	2,640	1,495	1,580	2,234	311	411	1,148
Cash and cash equivalents and restricted cash included in assets held for sale	—	—	—	—	—	28	47	41
Restricted cash	11	13	12	12	14	11	11	11
Total	\$ 1,900	2,653	1,507	1,592	2,248	350	469	1,200



Lumen Technologies, Inc.
Segment Revenue ⁽¹⁾
(UNAUDITED)
(\$ in millions)

	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Segment Revenue												
Business Segment Total	\$ 2,659	2,536	2,577	2,591	2,802	2,905	2,908	2,968	3,020	3,232	3,432	3,415
Mass Markets Segment Total	670	685	691	699	715	736	753	770	780	1,158	1,180	1,261
Total	\$ 3,329	3,221	3,268	3,290	3,517	3,641	3,661	3,738	3,800	4,390	4,612	4,676

⁽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.

4th Quarter Earnings

February 4, 2025

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

	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Revenue By Sales Channel												
Large Enterprise	\$ 845	839	837	858	894	914	899	911	931	951	966	979
Mid-Market Enterprise	452	471	478	486	501	506	514	523	532	560	569	581
Public Sector	554	427	448	420	497	445	415	432	432	459	494	478
North America Enterprise Channels	1,851	1,737	1,763	1,764	1,892	1,865	1,828	1,866	1,895	1,970	2,029	2,038
Wholesale	716	706	723	730	750	776	803	823	840	923	933	909
North America Business Revenue	2,567	2,443	2,486	2,494	2,642	2,641	2,631	2,689	2,735	2,893	2,962	2,947
International and Other ⁽¹⁾⁽²⁾	92	93	91	97	160	264	277	279	285	339	470	468
Business Segment Revenue	2,659	2,536	2,577	2,591	2,802	2,905	2,908	2,968	3,020	3,232	3,432	3,415
Mass Markets Segment Revenue	670	685	691	699	715	736	753	770	780	1,158	1,180	1,261
Total Revenue⁽³⁾	\$ 3,329	3,221	3,268	3,290	3,517	3,641	3,661	3,738	3,800	4,390	4,612	4,676
Business Revenue by Product Category and Sales Channel												
Large Enterprise												
Grow	\$ 446	436	424	427	431	429	428	421	414	414	414	411
Nurture	236	253	258	268	282	297	293	300	308	313	322	331
Harvest ⁽²⁾	104	106	112	119	134	131	133	139	149	169	184	188
Subtotal	786	795	794	814	847	857	854	860	871	896	920	930
Other	59	44	43	44	47	57	45	51	60	55	46	49
Total Large Enterprise Revenue	\$ 845	839	837	858	894	914	899	911	931	951	966	979
Mid-Market Enterprise												
Grow	\$ 213	211	210	207	206	201	203	197	194	194	191	189
Nurture	157	167	178	188	197	203	210	219	226	234	240	249
Harvest ⁽²⁾	72	83	82	83	89	93	92	98	104	124	130	136
Subtotal	442	461	470	478	492	497	505	514	524	552	561	574
Other	10	10	8	8	9	9	9	9	8	8	8	7
Total Mid-Market Enterprise Revenue	\$ 452	471	478	486	501	506	514	523	532	560	569	581
Public Sector												
Grow	\$ 213	131	127	125	119	118	119	117	107	107	116	115
Nurture	93	87	88	87	101	98	93	107	110	122	129	131
Harvest	117	86	92	94	93	96	95	99	101	119	123	123
Subtotal	423	304	307	306	313	312	307	323	318	348	368	369
Other	131	123	141	114	184	133	108	109	114	111	126	109
Total Public Sector Revenue	\$ 554	427	448	420	497	445	415	432	432	459	494	478
North America Enterprise Subtotals												
Grow	\$ 872	\$ 778	761	759	756	748	750	735	715	715	721	715
Nurture	486	507	524	543	580	598	596	626	644	669	691	711
Harvest ⁽²⁾	293	275	286	296	316	320	320	336	354	412	437	447
Subtotal	1,651	1,560	1,571	1,598	1,652	1,666	1,666	1,697	1,713	1,796	1,849	1,873
Other	200	177	192	166	240	199	162	169	182	174	180	165
Total North America Enterprise Revenue	\$ 1,851	\$ 1,737	1,763	1,764	1,892	1,865	1,828	1,866	1,895	1,970	2,029	2,038
Wholesale												
Grow	\$ 265	259	264	260	260	256	265	271	262	250	243	236
Nurture	178	183	187	192	200	206	208	215	226	257	260	269
Harvest ⁽²⁾	272	261	271	275	287	312	330	332	341	402	404	404
Subtotal	715	703	722	727	747	774	801	818	829	909	907	909
Other	1	3	1	3	3	2	2	5	11	14	26	—
Total Wholesale Revenue	\$ 716	706	723	730	750	776	803	823	840	923	933	909
North America Business Revenue Subtotals												
Grow	\$ 1,137	1,037	1,025	1,019	1,016	1,004	1,015	1,006	977	965	964	951
Nurture	664	690	711	735	780	804	802	841	870	926	951	980
Harvest ⁽²⁾	565	536	557	571	603	632	650	668	695	814	841	851
Subtotal	2,366	2,263	2,293	2,325	2,399	2,440	2,467	2,515	2,542	2,705	2,756	2,782
Other	201	180	193	169	243	201	164	174	193	188	206	165
Total North America Business Revenue	\$ 2,567	2,443	2,486	2,494	2,642	2,641	2,631	2,689	2,735	2,893	2,962	2,947
International and Other⁽¹⁾												
Grow	\$ 38	39	38	40	69	127	129	128	118	157	245	241
Nurture	40	39	40	42	52	70	72	72	73	88	119	121
Harvest ⁽²⁾	9	13	9	11	17	30	41	38	44	48	57	61
Subtotal	87	91	87	93	138	227	242	238	235	293	421	423
Other ⁽²⁾	5	2	4	4	22	37	35	41	50	46	49	45
Total International and Other Revenue⁽¹⁾	\$ 92	93	91	97	160	264	277	279	285	339	470	468
Business Segment by Product Category												
Grow	\$ 1,175	1,076	1,063	1,059	1,085	1,131	1,144	1,134	1,095	1,122	1,209	1,192
Nurture	704	729	751	777	832	874	874	913	943	1,014	1,070	1,101
Harvest ⁽²⁾	574	549	566	582	620	662	691	706	739	862	898	912
Subtotal	2,453	2,354	2,380	2,418	2,537	2,667	2,709	2,753	2,777	2,998	3,177	3,205
Other ⁽²⁾	206	182	197	173	265	238	199	215	243	234	255	210
Total Business Segment Revenue	\$ 2,659	2,536	2,577	2,591	2,802	2,905	2,908	2,968	3,020	3,232	3,432	3,415
Mass Markets Segment by Product Category												
Fiber Broadband	\$ 195	190	181	170	164	163	158	152	148	160	151	145
Other Broadband ⁽⁴⁾	272	282	298	315	330	341	355	369	377	580	596	610
Voice and Other	203	213	212	214	221	232	240	249	255	418	433	506
Total Mass Markets Segment	\$ 670	685	691	699	715	736	753	770	780	1,158	1,180	1,261

⁽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 our EMEA business on November 1, 2023, (iii) Asia Pacific ("APAC") and any remaining international operations, which we do not expect to be significant or material in future periods. As such, prior period amounts related to our historical international operations have been reclassified within the Business Segment Revenue to the "International and Other" sales channel. These reporting changes had no impact on total operating revenue, total operating expenses or net income for any period.

⁽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) recognition of previously deferred revenue related to the Federal Communications Commission's Connect America Fund ("CAF") Phase II program, which lapsed on December 31, 2021, and (iii) revenue related to the post-closing commercial agreements with the purchasers of the Company's businesses divested in 2022 and 2023. Refer to Tab "Included in Revenue by channel" for details.

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



Lumen Technologies, Inc.

2025 Revenue by Sales Channel and Product Category Reporting Structure⁽¹⁾

(UNAUDITED)

(\$ in millions)

	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23
Revenue By Sales Channel								
Large Enterprise	\$ 764	761	749	765	793	805	783	790
Mid-Market Enterprise	531	542	562	577	598	615	633	644
Public Sector	556	430	449	421	497	446	416	432
North America Enterprise Channels	1,851	1,733	1,760	1,763	1,888	1,866	1,832	1,866
Wholesale	717	712	726	731	751	777	802	822
North America Business Revenue	2,568	2,445	2,486	2,494	2,639	2,643	2,634	2,688
International and Other ⁽²⁾	92	92	92	97	162	264	276	280
Business Segment Revenue	2,660	2,537	2,578	2,591	2,801	2,907	2,910	2,968
Mass Markets Segment Revenue	669	684	690	699	716	734	751	770
Total Revenue	\$ 3,329	3,221	3,268	3,290	3,517	3,641	3,661	3,738
Business Revenue by Product Category and Sales Channel								
Large Enterprise								
Grow	\$ 399	390	377	378	379	375	373	367
Nurture	217	234	235	241	253	265	256	260
Harvest	90	94	96	103	117	113	114	118
Subtotal	706	718	708	722	749	753	743	745
Other	58	43	41	43	44	52	40	45
Total Large Enterprise Revenue	\$ 764	761	749	765	793	805	783	790
Mid-Market Enterprise								
Grow	\$ 261	257	257	256	257	255	258	251
Nurture	176	186	200	213	225	236	248	259
Harvest	84	89	95	98	105	110	113	120
Subtotal	521	532	552	567	587	601	619	630
Other	10	10	10	10	11	14	14	14
Total Mid-Market Enterprise Revenue	\$ 531	542	562	577	598	615	633	644
Public Sector								
Grow	\$ 214	133	128	125	119	118	119	117
Nurture	94	87	88	88	99	96	95	103
Harvest	117	87	92	94	93	96	95	99
Subtotal	425	307	308	307	311	310	309	319
Other	131	123	141	114	186	136	107	113
Total Public Sector Revenue	\$ 556	430	449	421	497	446	416	432
North America Enterprise Subtotals								
Grow	\$ 874	780	762	759	755	748	750	735
Nurture	487	507	523	542	577	597	599	622
Harvest	291	270	283	295	315	319	322	337
Subtotal	1,652	1,557	1,568	1,596	1,647	1,664	1,671	1,694
Other	199	176	192	167	241	202	161	172
Total North America Enterprise Revenue	\$ 1,851	1,733	1,760	1,763	1,888	1,866	1,832	1,866
Wholesale								
Grow	\$ 265	259	263	260	260	256	264	270
Nurture	177	183	186	192	200	205	206	215
Harvest	274	268	275	276	288	314	330	332
Subtotal	716	710	724	728	748	775	800	817
Other	1	2	2	3	3	2	2	5
Total Wholesale Revenue	\$ 717	712	726	731	751	777	802	822
North America Business Revenue Subtotals								
Grow	\$ 1,139	1,039	1,025	1,019	1,015	1,004	1,014	1,005
Nurture	664	690	709	734	777	802	805	837
Harvest	565	538	558	571	603	633	652	669
Subtotal	2,368	2,267	2,292	2,324	2,395	2,439	2,471	2,511
Other	200	178	194	170	244	204	163	177
Total North America Business Revenue	\$ 2,568	2,445	2,486	2,494	2,639	2,643	2,634	2,688
International and Other⁽¹⁾								
Grow	\$ 38	38	38	40	69	127	129	128
Nurture	40	39	41	42	52	70	72	72
Harvest	10	12	10	11	17	30	41	38
Subtotal	88	89	89	93	138	227	242	238
Other	4	3	3	4	24	37	34	42
Total International and Other Revenue	\$ 92	92	92	97	162	264	276	280
Business Segment by Product Category								
Grow	\$ 1,177	1,077	1,063	1,059	1,084	1,131	1,143	1,133
Nurture	704	729	750	776	829	872	877	909
Harvest	575	550	568	582	620	663	693	707
Subtotal	2,456	2,356	2,381	2,417	2,533	2,666	2,713	2,749
Other	204	181	197	174	268	241	197	219
Total Business Segment Revenue	\$ 2,660	2,537	2,578	2,591	2,801	2,907	2,910	2,968
Mass Markets Segment by Product Category								
Fiber Broadband	\$ 194	190	181	170	164	163	158	152
Other Broadband ⁽³⁾	272	283	298	315	330	340	355	369
Voice and Other	203	211	211	214	222	231	238	249
Total Mass Markets Segment	\$ 669	684	690	699	716	734	751	770

⁽¹⁾ Revenue originally reported for 2024 and 2023 has been updated to reflect changes to Lumen's reporting of sales channels and product categories in 2025. These changes had no impact on total operating revenue, total operating expenses or net income for any period.

⁽²⁾ International and Other revenue includes amounts from the (i) EMEA business divested on November 1, 2023 and (ii) select Content Delivery Network ("CDN") customer contracts sold in the fourth quarter of 2023.

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

4th Quarter Earnings

February 4, 2025

LUMEN[®]

Lumen Technologies, Inc.

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

	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22
Revenue by Product Category and Sales Channel												
Large Enterprise												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	7	8	8
Included in Grow - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	6	7	7
Included in Nurture - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	13	13	14
Included in Harvest - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	—	—	—	—	26	28	29
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽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⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	2	1	2
Included in Nurture - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	20	21	22
Included in Harvest - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	—	—	—	—	22	22	24
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Other - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Public Sector												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	1	1	1
Included in Grow - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	4	3	3
Included in Nurture - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	17	20	21
Included in Harvest - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	—	—	—	—	22	24	25
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	—	1	1
Included in Other - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
NA Enterprise Channels Subtotal												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	8	9	9
Included in Grow - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	12	11	12
Included in Nurture - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	50	54	57
Included in Harvest - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	—	—	—	—	70	74	78
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	1	2	1
Included in Other - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Wholesale												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	2	2	1
Included in Grow - Post-closing commercial agreements ⁽²⁾	28	25	25	22	17	12	13	11	10	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	41	41	42
Included in Nurture - Post-closing commercial agreements ⁽²⁾	11	10	11	10	9	3	2	3	4	—	—	—
Included in Harvest - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	54	54	56
Included in Harvest - Post-closing commercial agreements ⁽²⁾	8	9	13	10	10	7	10	12	14	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	—	—	—	—	97	97	99
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	47	44	49	42	36	22	25	26	28	—	—	—
Included in Other - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	1	—	—
Included in Other - Post-closing commercial agreements ⁽²⁾	2	2	2	1	3	1	2	2	5	—	—	—
NA Business Subtotal												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	10	11	10
Included in Grow - Post-closing commercial agreements ⁽²⁾	28	25	25	22	17	12	13	11	10	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	53	52	54
Included in Nurture - Post-closing commercial agreements ⁽²⁾	11	10	11	10	9	3	2	3	4	—	—	—
Included in Harvest - Divestitures ⁽¹⁾⁽³⁾	—	—	—	—	—	—	—	—	—	104	108	113
Included in Harvest - Post-closing commercial agreements ⁽²⁾	8	9	13	10	10	7	10	12	14	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	—	—	—	—	—	167	171	177
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	47	44	49	42	36	22	25	26	28	—	—	—
Included in Other - Divestitures ⁽¹⁾⁽³⁾	—	—	—	—	—	—	—	—	—	2	2	1
Included in Other - Post-closing commercial agreements ⁽²⁾	2	2	2	1	3	1	2	2	5	—	—	—
International and Other												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	27	83	81	81	72	112	208	202
Included in Grow - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	8	26	27	27	27	41	71	72
Included in Nurture - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Included in Harvest - Divestitures ⁽¹⁾⁽³⁾	—	—	—	—	3	17	26	24	28	31	41	43
Included in Harvest - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	38	126	134	132	127	184	318	317
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	—	—	—	—	—	—	—	—	—	—	—	—
Included in Other - Divestitures ⁽¹⁾⁽³⁾	—	—	—	—	1	8	8	7	8	8	9	8
Included in Other - CDN	—	—	—	—	18	24	22	29	37	35	36	33
Included in Other - Post-closing commercial agreements ⁽²⁾	—	—	—	—	—	—	—	—	—	—	—	—
Business Segment by Product Category												
Included in Grow - Divestitures ⁽¹⁾	—	—	—	—	27	83	81	81	72	122	217	212
Included in Grow - Post-closing commercial agreements ⁽²⁾	28	25	25	22	17	12	13	11	10	—	—	—
Included in Nurture - Divestitures ⁽¹⁾	—	—	—	—	8	26	27	27	27	94	123	126
Included in Nurture - Post-closing commercial agreements ⁽²⁾	11	10	11	10	9	3	2	3	4	—	—	—
Included in Harvest - Divestitures ⁽¹⁾⁽³⁾	—	—	—	—	3	17	26	24	28	135	149	156
Included in Harvest - Post-closing commercial agreements ⁽²⁾	8	9	13	10	10	7	10	12	14	—	—	—
Subtotal included in Grow, Nurture, Harvest - Divestitures	—	—	—	—	38	126	134	132	127	351	489	494
Subtotal included in Grow, Nurture, Harvest - Post-closing commercial agreements	47	44	49	42	36	22	25	26	28	—	—	—
Included in Other - Divestitures ⁽¹⁾⁽³⁾	—	—	—	—	1	8	8	7	8	10	11	9
Included in Other - CDN	—	—	—	—	18	24	22	29	37	35	36	33
Included in Other - Post-closing commercial agreements ⁽²⁾	2	2	2	1	3	1	2	2	5	—	—	—
Mass Markets Segment by Product Category												
Included in Fiber Broadband - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	15	13	13
Included in Other Broadband - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	185	188	190
Included in Voice and Other - Divestitures ⁽¹⁾	—	—	—	—	—	—	—	—	—	154	158	162
Included in Voice and Other - CAF I ⁽³⁾	—	—	—	—	—	—	—	—	—	—	—	58

⁽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 our businesses divested in 2022 and 2023. The Company believes that this provides useful information to investors to understand the impact that the post-closing agreements have had on the Company's current financial performance.

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



Lumen Technologies, Inc.

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

December 31, 2024

(UNAUDITED)

(\$ in millions)

All information is presented as of December 31, 2024

Entity (Original Issuer)	Coupon Rate	Maturity Date	Total
Qwest Corporation			
Qwest Corporation Senior Notes	7.250 %	9/15/2025 \$	238
Qwest Corporation Senior Notes	7.750 %	5/1/2030	42
Qwest Corporation Senior Notes	7.375 %	5/1/2030	55
Qwest Corporation Senior Notes (CTBB)	6.500 %	9/1/2056	978
Qwest Corporation Senior Notes (CTDD)	6.750 %	6/15/2057	660
Total Qwest Corporation		\$	1,973
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	6.437 %	3/1/2027 \$	12
Level 3 Financing, Inc. Term Loan B-1	11.133 %	4/15/2029	1,199
Level 3 Financing, Inc. Sr. Secured Notes	10.500 %	4/15/2029	668
Level 3 Financing, Inc. First Lien Notes	11.000 %	11/15/2029	1,575
Level 3 Financing, Inc. Term Loan B-2	11.133 %	4/15/2030	1,199
Level 3 Financing, Inc. Sr. Secured Notes	10.500 %	5/15/2030	925
Level 3 Financing, Inc. First Lien Notes	10.750 %	12/15/2030	678
Level 3 Financing, Inc. Second Lien Notes	4.875 %	6/15/2029	606
Level 3 Financing, Inc. Second Lien Notes	4.500 %	4/1/2030	712
Level 3 Financing, Inc. Second Lien Notes	3.875 %	10/15/2030	458
Level 3 Financing, Inc. Second Lien Notes	4.000 %	4/15/2031	453
Level 3 Financing, Inc. 10.000% Second Lien Notes	10.000 %	10/15/2032	350
Level 3 Financing, Inc. Sr. Secured Notes (Unsecured)	3.400 %	3/1/2027	6
Level 3 Financing, Inc. Senior Notes	4.625 %	9/15/2027	65
Level 3 Financing, Inc. Senior Notes	4.250 %	7/1/2028	178
Level 3 Financing, Inc. Senior Notes	3.625 %	1/15/2029	300
Level 3 Financing, Inc. Sustainability-Linked Notes	3.750 %	7/15/2029	361
Level 3 Financing, Inc. Sr. Secured Notes (Unsecured)	3.875 %	11/15/2029	54
Total Level 3 Parent, LLC and Subsidiaries		\$	9,799
Lumen Technologies, Inc.			
Lumen Technologies, Inc. Superpriority First Out ("FOSP") RCF	4.114 %	6/1/2028 \$	—
Lumen Technologies, Inc. Superpriority Second Out ("SOSP") RCF	6.114 %	6/1/2028	—
Lumen Technologies, Inc. SOSP Term Loan A	10.573 %	6/1/2028	357
Lumen Technologies, Inc. SOSP Term Loan B-1	7.037 %	4/15/2029	1,606
Lumen Technologies, Inc. SOSP Notes	4.125 %	4/15/2029	332
Lumen Technologies, Inc. SOSP Term Loan B-2	7.037 %	4/15/2030	1,606
Lumen Technologies, Inc. SOSP Notes	4.125 %	4/15/2030	477
Lumen Technologies, Inc. 10.000% Secured Notes	10.000 %	10/15/2032	438
Lumen Technologies, Inc. Term Loan B	6.937 %	3/15/2027	56
Lumen Technologies, Inc. Senior Notes - Series X	5.625 %	4/1/2025	54
Lumen Technologies, Inc. Senior Notes - Series D	7.200 %	12/1/2025	29
Lumen Technologies, Inc. Senior Notes	5.125 %	12/15/2026	7
Lumen Technologies, Inc. Senior Secured Notes (Unsecured)	4.000 %	2/15/2027	41
Lumen Technologies, Inc. Senior Notes - Series G	6.875 %	1/15/2028	131
Lumen Technologies, Inc. Senior Notes	4.500 %	1/15/2029	300
Lumen Technologies, Inc. Senior Notes	5.375 %	6/15/2029	232
Lumen Technologies, Inc. Senior Notes - Series P	7.600 %	9/15/2039	349
Lumen Technologies, Inc. Senior Notes - Series U	7.650 %	3/15/2042	285
Total Lumen Technologies, Inc.		\$	6,300
Total LUMN Consolidated (excluding Finance Leases, Premium/(Discount)/Other, net)		\$	18,264

4th Quarter Earnings

February 4, 2025



Lumen Technologies, Inc.

Operating Metrics
(UNAUDITED)

	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23
Operating Metrics								
Mass Markets broadband subscribers								
<i>(in thousands)</i>								
Fiber broadband subscribers	1,077	1,035	992	952	916	896	877	856
Other broadband subscribers ⁽¹⁾	1,469	1,566	1,666	1,758	1,842	1,940	2,032	2,125
Mass Markets total broadband subscribers ⁽²⁾	2,546	2,601	2,658	2,710	2,758	2,836	2,909	2,981
Mass Markets average revenue per unit (ARPU)								
Fiber broadband ARPU	\$61	\$62	\$62	\$61	\$61	\$61	\$61	\$60
Mass Markets broadband enabled units⁽³⁾								
<i>(in millions)</i>								
Fiber broadband enabled units	4.2	4.1	3.9	3.8	3.7	3.5	3.4	3.3
Other broadband enabled units	17.8	17.9	18.0	18.0	18.1	18.2	18.4	18.5
Mass Markets total broadband enabled units	22.0	22.0	21.9	21.8	21.8	21.7	21.8	21.8

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

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

⁽³⁾ 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 (either with or without Special Items) 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 (either with or without Special Items) should not be used as a substitute for net change in cash, cash equivalents and restricted cash on the Consolidated Statements of Cash Flows.

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

4th Quarter Earnings

February 4, 2025



Lumen Technologies, Inc.

Non-GAAP Special Items

(UNAUDITED)

(\$ in millions)

Special Items Impacting Adjusted EBITDA	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	YTD 2024	YTD 2023	YTD 2022
Severance	\$ 11	12	103	4	53	8	5	8	10	—	—	2	130	74	12
Consumer and other litigation	3	—	1	(2)	1	(3)	(1)	—	—	—	(3)	—	2	(3)	(3)
Net (gain) loss on sale of businesses ⁽¹⁾	—	—	(5)	22	9	22	13	77	480	(593)	—	—	17	121	(113)
Loss on disposal group held for sale	—	—	—	—	—	—	—	—	40	—	—	—	—	—	40
Transaction and separation costs ⁽²⁾	50	41	23	168	41	28	10	29	53	66	50	50	282	108	219
Net loss (gain) on sale of select CDN contracts and other ⁽³⁾	3	(1)	14	(22)	73	—	—	—	—	—	—	—	(6)	73	—
Real estate transactions ⁽⁴⁾	65	4	—	—	34	—	75	—	—	—	—	—	69	109	—
Total Special Items impacting Adjusted EBITDA	\$ 132	56	136	170	211	55	102	114	583	(527)	47	52	494	482	155
Special Items Impacting Net (Loss) Income	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	YTD 2024	YTD 2023	YTD 2022
Severance	\$ 11	12	103	4	53	8	5	8	10	—	—	2	130	74	12
Consumer and other litigation	3	—	1	(2)	1	(3)	(1)	—	—	—	(3)	—	2	(3)	(3)
Net (gain) loss on sale of businesses ⁽¹⁾	—	—	(5)	22	9	22	13	77	480	(593)	—	—	17	121	(113)
Loss on disposal group held for sale	—	—	—	—	—	—	—	—	40	—	—	—	—	—	40
Transaction and separation costs ⁽²⁾	50	41	23	168	41	28	10	29	53	66	50	50	282	108	219
Net loss (gain) on sale of select CDN contracts ⁽³⁾	3	(1)	14	(22)	73	—	—	—	—	—	—	—	(6)	73	—
Real estate transactions ⁽⁴⁾	65	4	—	—	34	—	75	—	—	—	—	—	69	109	—
Goodwill impairment	—	—	—	—	1,900	—	8,793	—	3,271	—	—	—	—	10,693	3,271
Net (gain) loss on early retirement of debt ⁽⁵⁾	(71)	1	(3)	(275)	—	—	(9)	(609)	(205)	(9)	—	—	(348)	(618)	(214)
(Income) expense from transition and separation services ⁽⁶⁾	(50)	(37)	(35)	(35)	22	(64)	(40)	(46)	(82)	(37)	(30)	(3)	(157)	(128)	(152)
Gain on sale of investment	—	—	(205)	—	—	—	—	—	—	—	—	—	(205)	—	—
Total Special Items impacting Net Income (Loss)	11	20	(107)	(140)	2,133	(9)	8,846	(541)	3,567	(573)	17	49	(216)	10,429	3,060
Income tax effect of Special Items ⁽⁷⁾	(3)	(5)	32	42	(55)	2	(12)	127	(73)	141	(4)	(12)	66	62	52
Total Special Items impacting Net Income (Loss), net of tax	\$ 8	15	(75)	(98)	2,078	(7)	8,834	(414)	3,494	(432)	13	37	(150)	10,491	3,112
Special Items Impacting Cash Flows	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	YTD 2024	YTD 2023	YTD 2022
Severance	\$ 18	14	83	18	48	7	7	5	7	7	7	16	133	67	37
Consumer and other litigation	1	1	1	(2)	—	(3)	—	—	—	—	—	—	1	(3)	—
Pension contribution ⁽⁸⁾	—	—	—	—	—	—	—	—	—	319	—	—	—	—	319
Transaction and separation costs ⁽²⁾	56	31	29	138	70	28	25	24	142	60	48	32	254	147	282
Income from transition and separation services ⁽⁶⁾	(22)	(30)	(27)	(25)	(31)	(27)	(32)	(59)	(31)	(44)	(22)	—	(104)	(149)	(97)
Total Special Items impacting Cash Flows	\$ 53	16	86	129	87	5	—	(30)	118	342	33	48	284	62	541

⁽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, (iv) our March 22, 2024 debt transaction support agreement and our September 24, 2024 exchange offer and (v) our evaluation of other potential transactions.

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

⁽⁴⁾ Real estate transactions include primarily the Q4 2024 impairment loss for real estate held for sale, net of a gain associated our real estate rationalization program, and the Q2 2023 and Q4 2023 loss on donation of real estate and acceleration of costs associated with our real estate rationalization program.

⁽⁵⁾ Reflects primarily net gains as a result of (i) cash tender offers and open market repurchases resulting in a reduction of consolidated indebtedness of approximately \$656 million in Q4 2024, (ii) repurchase of \$75 million aggregate principal in Q2 2024, (iii) debt transaction support agreement and resulting debt extinguishment in Q1 2024, (iv) \$19 million of debt exchanges in Q2 2023, (v) \$1.5 billion of debt exchanges in Q1 2023, (vi) \$4.4 billion in early debt retirement in Q4 2022 and (vii) \$2.3 billion in early debt retirement in Q3 2022. There were no comparable gains or losses during Q4 2023, Q3 2023, Q2 2022 or Q1 2022.

⁽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 2022 and 2023 divestitures.

⁽⁷⁾ Tax effect calculated using the annualized effective statutory tax rate, excluding any non-recurring discrete items, which was 26.0% for Q4 2024 and Q3 2024, 30.0% for Q2 2024 and Q1 2024, 23.5% for all quarters of 2023 and 24.6% for all quarters of 2022.

⁽⁸⁾ 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.

4th Quarter Earnings

February 4, 2025



Lumen Technologies, Inc.

Non-GAAP Cash Flow Reconciliation

(UNAUDITED)

(\$ in millions)

	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	YTD 2024	YTD 2023	YTD 2022
Net cash provided by (used in) operating activities ⁽¹⁾	\$ 688	2,032	511	1,102	784	881	(100)	595	841	1,123	1,396	1,375	4,333	2,160	4,735
Capital expenditures ⁽²⁾	(915)	(850)	(753)	(713)	(821)	(843)	(796)	(640)	(833)	(845)	(761)	(577)	(3,231)	(3,100)	(3,016)
Free cash flow⁽¹⁾	\$ (227)	1,182	(242)	389	(37)	38	(896)	(45)	8	278	635	798	1,102	(940)	1,719
Cash interest paid	368	306	232	339	252	325	198	363	273	393	313	386	1,245	1,138	1,365
Interest income	(29)	(18)	(14)	(58)	(19)	(5)	(3)	(13)	(17)	(6)	(1)	(1)	(119)	(40)	(25)
Unlevered cash flow⁽¹⁾	\$ 112	1,470	(24)	670	196	358	(701)	305	264	665	947	1,183	2,228	158	3,059
Free cash flow⁽¹⁾	\$ (227)	1,182	(242)	389	(37)	38	(896)	(45)	8	278	635	798	1,102	(940)	1,719
Add back: Severance	18	14	83	18	48	7	7	5	7	7	7	16	133	67	37
Add back: Consumer and other litigation	1	1	1	(2)	—	(3)	—	—	—	—	—	—	1	(3)	—
Add back: Pension contribution ⁽³⁾	—	—	—	—	—	—	—	—	—	319	—	—	—	—	319
Add back: Transaction and separation costs ⁽⁴⁾	56	31	29	138	70	28	25	24	142	60	48	32	254	147	282
Remove: Income from transition and separation services ⁽⁶⁾	(22)	(30)	(27)	(25)	(31)	(27)	(32)	(59)	(31)	(44)	(22)	—	(104)	(149)	(97)
Free cash flow excluding Special Items⁽¹⁾	\$ (174)	1,198	(156)	518	50	43	(896)	(75)	126	620	668	846	1,386	(878)	2,260
Unlevered cash flow⁽¹⁾	\$ 112	1,470	(24)	670	196	358	(701)	305	264	665	947	1,183	2,228	158	3,059
Add back: Severance	18	14	83	18	48	7	7	5	7	7	7	16	133	67	37
Add back: Consumer and other litigation	1	1	1	(2)	—	(3)	—	—	—	—	—	—	1	(3)	—
Add back: Pension contribution ⁽³⁾	—	—	—	—	—	—	—	—	—	319	—	—	—	—	319
Add back: Transaction and separation costs ⁽⁴⁾	56	31	29	138	70	28	25	24	142	60	48	32	254	147	282
Remove: Income from transition and separation services ⁽⁵⁾	(22)	(30)	(27)	(25)	(31)	(27)	(32)	(59)	(31)	(44)	(22)	—	(104)	(149)	(97)
Unlevered cash flow excluding Special Items⁽¹⁾	\$ 165	1,486	62	799	283	363	(701)	275	382	1,007	980	1,231	2,512	220	3,600

⁽¹⁾ Includes the impact of (i) \$170 million voluntary pension contribution in Q3 2024, (ii) \$700 million in cash tax refund received in Q1 2024, (iii) \$938 million and \$90 million in cash tax payments in Q2 2023 and Q1 2023, respectively, related to our 2022 divestitures.

⁽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. 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, (iv) our March 22, 2024 debt transaction support agreement and our September 24, 2024 exchange offer and (v) our evaluation of other potential transactions.

⁽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 divestitures.

4th Quarter Earnings

February 4, 2025



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

	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	YTD 2024	YTD 2023	YTD 2022
Net Income (Loss)	\$ 85	(148)	(49)	57	(1,995)	(78)	(8,736)	511	(3,069)	578	344	599	(55)	(10,298)	(1,548)
Income tax (benefit) expense	(204)	(24)	8	45	(147)	(7)	46	169	(113)	359	109	202	(175)	61	557
Total other expense (income), net	273	298	176	(57)	366	308	269	(290)	(102)	447	459	282	690	653	1,086
Depreciation and amortization expense	758	707	743	748	751	755	746	733	796	808	827	808	2,956	2,985	3,239
Stock-based compensation expense (credit)	8	10	(3)	14	13	16	9	14	27	23	25	23	29	52	98
Goodwill impairment	—	—	—	—	1,900	—	8,793	—	3,271	—	—	—	—	10,693	3,271
Adjusted EBITDA⁽¹⁾	\$ 920	843	875	807	888	994	1,127	1,137	810	2,215	1,764	1,914	3,445	4,146	6,703
Business Segment Adjusted EBITDA ⁽²⁾	1,380	1,317	1,359	1,355	1,425	1,470	1,565	1,595	1,613	1,809	1,885	1,893	5,411	6,055	7,200
Mass Markets Segment Adjusted EBITDA ⁽²⁾	368	346	363	376	357	353	393	414	406	652	723	829	1,453	1,517	2,610
Other unallocated expense ⁽²⁾	(828)	(820)	(847)	(924)	(894)	(829)	(831)	(872)	(1,209)	(246)	(844)	(808)	(3,419)	(3,426)	(3,107)
Adjusted EBITDA⁽¹⁾	\$ 920	843	875	807	888	994	1,127	1,137	810	2,215	1,764	1,914	3,445	4,146	6,703
Add back: Severance	11	12	103	4	53	8	5	8	10	—	—	2	130	74	12
Add back: Consumer and other litigation	3	—	1	(2)	1	(3)	(1)	—	—	—	(3)	—	2	(3)	(3)
Add back: Net (gain) loss on sale of businesses ⁽²⁾	—	—	(5)	22	9	22	13	77	480	(593)	—	—	17	121	(113)
Add back: Loss on disposal group held for sale	—	—	—	—	—	—	—	—	40	—	—	—	—	—	40
Add back: Transaction and separation costs ⁽⁴⁾	50	41	23	168	41	28	10	29	53	66	50	50	282	108	219
Add back: Net loss (gain) on sale of select CDN contracts and other ⁽⁵⁾	3	(1)	14	(22)	73	—	—	—	—	—	—	—	(6)	73	—
Add back: Real estate transaction costs ⁽⁶⁾	65	4	—	—	34	—	75	—	—	—	—	—	69	109	—
Adjusted EBITDA excluding Special Items⁽¹⁾	\$ 1,052	899	1,011	977	1,099	1,049	1,229	1,251	1,393	1,688	1,811	1,966	3,939	4,628	6,858
Net Income (Loss) excluding Special Items	\$ 93	(133)	(124)	(41)	83	(85)	98	97	425	146	357	636	(205)	193	1,564
Total Revenue⁽⁷⁾	\$ 3,329	3,221	3,268	3,290	3,517	3,641	3,661	3,738	3,800	4,390	4,612	4,676	13,108	14,557	17,478
Net Income (Loss) Margin	2.6 %	(4.6)%	(1.5)%	1.7 %	(56.7)%	(2.1)%	(238.6)%	13.7 %	(80.8)%	13.2 %	7.5 %	12.8 %	(0.4)%	(70.7)%	(8.9)%
Net Income (Loss) Margin, excluding Special Items	2.8 %	(4.1)%	(3.8)%	(1.2)%	2.4 %	(2.3)%	2.7 %	2.6 %	11.2 %	3.3 %	7.7 %	13.6 %	(1.6)%	1.3 %	8.9 %
Adjusted EBITDA Margin	27.6 %	26.2 %	26.8 %	24.5 %	25.2 %	27.3 %	30.8 %	30.4 %	21.3 %	50.5 %	38.2 %	40.9 %	26.3 %	28.5 %	38.4 %
Adjusted EBITDA Margin, excluding Special Items	31.6 %	27.9 %	30.9 %	29.7 %	31.2 %	28.8 %	33.6 %	33.5 %	36.7 %	38.5 %	39.3 %	42.0 %	30.1 %	31.8 %	39.2 %

⁽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 Company's select CDN contracts sold October 10, 2023, (iii) the Federal Communications Commission's Connect America Fund ("CAF") Phase II program, which lapsed on December 31, 2021 and (iv) the post-closing commercial agreements with the purchasers of our businesses divested in 2022 and 2023. Refer to Tab "Included in Adj. EBITDA & Capex" for details.

⁽²⁾ Segment EBITDA originally reported for 2024 and 2023 will be updated in Q1 2025 to reflect changes to Lumen's reporting of sales channels and product categories in 2025. These changes will have no impact on total operating revenue, total operating expenses or net income for any period. Amounts presented herein have not been adjusted from previously reported.

⁽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⁾ Transaction and separation costs associated with (i) the sale of our Latin American business on August 1, 2022, (ii) the sale of our 20-state ILEC business on October 3, 2022, (iii) the sale of our EMEA business on November 1, 2023, (iv) our March 22, 2024 debt transaction support agreement and our September 24, 2024 exchange offer and (v) our evaluation of other potential transactions.

⁽⁵⁾ Includes primarily the recognition of (i) Q1 2024 previously deferred gain on sale of select CDN contracts in October 2023, based on the transfer of remaining customer contracts as of March 31, 2024 and (ii) Q4 2023 write-off of an allocated portion of customer relationship intangible assets in the amount of \$121 million triggered by the sale of the underlying CDN contracts, partially offset by recognition of a \$48 million gain on the transaction for based on the percentage of contracts that had transferred control as of December 31, 2023.

⁽⁶⁾ Real estate transactions include primarily the Q4 2024 impairment loss for real estate held for sale, net of a gain associated our real estate rationalization program, and the Q2 2023 and Q4 2023 loss on donation of real estate and acceleration of costs associated with our real estate rationalization program.

⁽⁷⁾ Revenue includes amounts from the (i) Latin American business divested on August 1, 2022, the 20-state ILEC business divested on October 3, 2022 and the EMEA business divested on November 1, 2023, (ii) the Company's select CDN contracts sold October 10, 2023, (iii) the Federal Communications Commission's Connect America Fund ("CAF") Phase II program, which lapsed on December 31, 2021 and (iv) revenue related to the post-closing commercial agreements with the purchasers of our businesses divested in 2022 and 2023. Refer to Tab "Included in Revenue by channel" for details.



Lumen Technologies, Inc.

Supplemental Information Regarding Amounts included in Adjusted EBITDA and Capital Expenditures

(UNAUDITED)

(\$ in millions)

	4Q24	3Q24	2Q24	1Q24	4Q23	3Q23	2Q23	1Q23	4Q22	3Q22	2Q22	1Q22	YTD 2024	YTD 2023	YTD 2022
Adjusted EBITDA															
Included in Adjusted EBITDA - Divestitures ⁽¹⁾	—	—	—	—	14	31	37	43	27	391	445	466	—	125	1,329
Included in Adjusted EBITDA - CDN ⁽²⁾	—	—	—	—	10	17	11	18	26	24	25	22	—	56	97
Included in Adjusted EBITDA - Post-close commercial agreements ⁽³⁾	(29)	(38)	(48)	(46)	(40)	(40)	(51)	(48)	(43)	—	—	—	(161)	(179)	(43)
Included in Adjusted EBITDA - CAF II ⁽⁴⁾	—	—	—	—	—	—	—	—	—	—	—	59	—	—	59
Capital expenditures															
Included in Capital expenditures - Divestitures ⁽¹⁾	—	—	—	—	7	21	34	36	38	126	151	109	—	98	424
Included in Capital expenditures - CAF II ⁽⁴⁾	—	—	—	—	—	—	—	—	—	—	12	6	—	—	18

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

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

⁽⁴⁾ 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 4, 2025



Lumen Technologies, Inc.

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

	4Q24	3Q24	2Q24	1Q24	Total LTM Adjusted EBITDA
Total revenue	\$ 3,329	3,221	3,268	3,290	13,108
Cost of services and products	1,706	1,692	1,653	1,652	6,703
Selling, general and administrative expenses ⁽¹⁾	711	696	737	845	2,989
Add back: Stock-based compensation expense	8	10	(3)	14	29
Adjusted EBITDA	<u>\$ 920</u>	<u>843</u>	<u>875</u>	<u>807</u>	<u>3,445</u>
Add back: Severance	\$ 11	12	103	4	130
Add back: Consumer and other litigation	3	—	1	(2)	2
Add back: (Gain) loss on sale of business	—	—	(5)	22	17
Add back: Transaction and separation costs ⁽²⁾	50	41	23	168	282
Add back: Net loss (gain) on sale of select CDN contracts and other ⁽³⁾	3	(1)	14	(22)	(6)
Add back: Real estate transaction costs ⁽⁴⁾	65	4	—	—	69
Adjusted EBITDA excluding Special Items	<u>\$ 1,052</u>	<u>899</u>	<u>1,011</u>	<u>977</u>	<u>3,939</u>

⁽¹⁾ Inclusive of (gain) loss on sale of business in Q1 2024 and Q2 2024.

⁽²⁾ Transaction and separation costs associated with Transaction and separation costs associated with (i) services provided under our post-closing commercial agreements with our 2022 and 2023 divested businesses, (ii) our March 22, 2024 debt transaction support agreement and our September 24, 2024 exchange offer and (iii) our evaluation of other potential transactions.

⁽³⁾ Includes primarily the recognition of Q1 2024 previously deferred gain on sale of select CDN contracts in October 2023, based on the transfer of remaining customer contracts as of March 31, 2024.

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



Lumen Technologies, Inc.

Net Debt to LTM Adjusted EBITDA ratio as of December 31, 2024
(UNAUDITED)
(\$ in millions)

Net Debt to LTM Adjusted EBITDA ratio:		
Gross debt, as reported	\$	18,518
Cash and cash equivalents, as reported		(1,889)
Net debt	\$	16,629
LTM Adjusted EBITDA excluding Special Items ⁽¹⁾	\$	3,939
Net debt to LTM Adjusted EBITDA ratio		4.2
⁽¹⁾ Please refer to the computation on Tab "LTM Adjusted EBITDA"		



Lumen Technologies, Inc.

2025 OUTLOOK ^{(1) (2)}

(UNAUDITED)

(\$ in millions)

Adjusted EBITDA Outlook

Twelve Months Ended December 31, 2025

	Range	
	Low	High
Net loss	\$ (1,655)	(850)
Income tax expense	215	30
Total other expense, net	1,500	1,300
Depreciation and amortization expense	3,100	2,900
Non-cash compensation expense	40	20
Adjusted EBITDA	\$ 3,200	3,400

Free Cash Flow Outlook

Twelve Months Ended December 31, 2025

	Range	
	Low	High
Net cash provided by operating activities	\$ 4,800	5,200
Capital expenditures	(4,100)	(4,300)
Free cash flow	\$ 700	900

⁽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 4, 2025. See "Forward Looking Statements" in our February 4, 2025 earnings release.

Outlook

To enhance the information in our outlook with respect to non-GAAP metrics, we are providing a range for certain GAAP measures that are components of the reconciliation of the non-GAAP metrics. The provision of these ranges is in no way meant to indicate that Lumen is explicitly or implicitly providing an outlook on those GAAP components of the reconciliation. In order to reconcile 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.