

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
January 27, 2023

LUMEN®

Lumen Technologies, Inc.
(Exact name of registrant as specified in its charter)

Louisiana
(State or other jurisdiction
of incorporation)

001-7784
(Commission
File Number)

72-8651161
(IRS Employer
Identification No.)

100 CenturyLink Drive
Monroe, Louisiana
(Address of principal executive offices)

71203
(Zip Code)

(318) 388-9000
(Telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of any registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 145-2(b) under the Exchange Act (17 CFR 240.145-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
Common Stock, par value \$1.00 per share	LUMN	New York Stock Exchange
Preferred Stock Purchase Rights	N/A	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 7.01. Regulation FD Disclosure

Lumen Technologies, Inc. ("Lumen" or the "Company") is voluntarily furnishing unaudited supplemental historical financial information for the three quarters ended September 30, 2022, and each of the quarters in the year ended December 31, 2021 to assist investors in comparing its future and past operating results. This unaudited supplemental historical financial information is furnished herewith as Exhibit 99.1 to provide investors modified historical information that (i) excludes the impact of the Company's 2022 divestitures and its receipt of certain governmental support payments under a program that lapsed as of December 31, 2021 and (ii) reflects certain reporting changes discussed below.

The attached supplemental information excludes the impact of (i) the August 1, 2022 sale by affiliates of Level 3 Parent, LLC, an indirect wholly-owned subsidiary of Lumen, of its Latin American business (ii) the October 3, 2022 sale by Lumen and certain affiliates of its facilities-based incumbent local exchange business primarily conducted within 20 Midwestern and Southeastern states and (iii) the Company's receipt of support payments from the Federal Communications Commission's Connect America Fund ("CAF") Phase II program, which lapsed on December 31, 2021. By excluding the impact of these divestitures and payments in the attached supplemental information, the Company believes investors will more readily be able to compare the Company's future results to its past performance.

The attached supplemental information also reflects upcoming adjustments to the Company's 2023 customer-facing sales channel and product reporting to reflect changes made to customer assignments and product categories. Beginning with reports filed in the first quarter of 2023, the Company will update the sales channels in its Business segment to: Large Enterprise, Mid-Market Enterprise, Public Sector, and Wholesale. The Business segment will also report products under four product categories initially introduced in 2022: Grow, Nurture, Harvest, and Other. The Mass Markets segment will continue to be reported as historically presented during the past year.

Exhibit 99.1's unaudited supplemental historical financial information recasts historical operating revenue, adjusted EBITDA, adjusted EBITDA margin, capital expenditures and operating metrics to reflect the above-described modifications. All information in the attached unaudited supplemental historical financial information is presented for the quarterly periods shown as of January 27, 2023, and Lumen does not assume any obligation to correct or update said information in the future. The attached unaudited supplemental historical financial information does not constitute pro forma financial statements and has not been prepared in conformity with Article XI of Regulation S-X promulgated by the Securities and Exchange Commission.

The information in the preceding paragraphs, as well as attached Exhibit 99.1, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in filing under the Securities Act of 1933. The furnishings of this information hereby shall not be deemed an admission of the materiality of any such information.

Forward-Looking Statements

Except for historical and factual information, the matters set forth in this report and Exhibit 99.1 are forward-looking statements as defined by the federal securities laws, and are subject to the "safe harbor" protections thereunder. These forward-looking statements are not guarantees of future results and are based on current expectations only, and are subject to various uncertainties. Actual events and results may differ materially from those anticipated by us in those statements. Factors that could cause our actual results to differ materially from the expectations expressed in our forward-looking statements are described in our reports filed with the Securities and Exchange Commission. We may change our intentions or plans discussed in our forward-looking statements without notice at any time and for any reason.

Item 9.01. Financial Statements and Exhibits.

(d) The following exhibits are furnished with this Current Report on Form 8-K:

Exhibit No.	Description
Exhibit 99.1	Unaudited supplemental historical financial information.
Exhibit 104	Cover page formatted as Inline XBRL and contained in Exhibit 101.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Lumen Technologies, Inc., has duly caused this Current Report to be signed on its behalf by the undersigned officer hereunto duly authorized.

LUMEN TECHNOLOGIES, INC.

Date: January 27, 2023

By: /s/ Andrea Genschaw
Andrea Genschaw
Senior Vice President, Controller

Lumen Technologies, Inc.
Modified Adjusted EBITDA, Adjusted EBITDA Margin, and Capital Expenditures
(UNAUDITED)
(\$ in millions)

	3Q22		2Q22		1Q22		4Q21		3Q21		2Q21		1Q21								
	Lumen Consolidated, as reported	Adjustments ⁽¹⁾	Lumen Consolidated, as reported	Adjustments ⁽¹⁾	Lumen Consolidated, as reported	Adjustments ⁽¹⁾	Lumen Consolidated, as reported	Adjustments ⁽¹⁾	Lumen Consolidated, as reported	Adjustments ⁽¹⁾	Lumen Consolidated, as reported	Adjustments ⁽¹⁾	Lumen Consolidated, as reported	Adjustments ⁽¹⁾							
Adjusted EBITDA excluding Special Items ⁽²⁾	\$ 1,688	(366)	1,322	1,811	(438)	1,373	1,966	(514)	1,452	2,088	(592)	1,496	2,078	(594)	1,484	2,109	(577)	1,532	2,165	(585)	1,580
Adjusted EBITDA margin, excluding Special Items ⁽²⁾	38.5 %	66.1 %	34.5 %	39.3 %	64.0 %	35.0 %	42.0 %	68.4 %	37.0 %	43.1 %	71.8 %	37.2 %	42.5 %	71.3 %	36.6 %	42.8 %	68.1 %	37.6 %	43.1 %	69.4 %	37.7 %
Capital expenditures	\$ 845	(81)	764	761	(143)	618	577	(101)	476	848	(167)	681	690	(141)	549	646	(137)	509	716	(130)	586

⁽¹⁾ Adjustments reflect (i) removal of the financial impacts of the Latin American business divestiture completed August 1, 2022 and the 20-state ILEC business divestiture completed October 3, 2022, (ii) estimates of revenue that the Company would have received under the post-closing commercial agreements with the purchasers of the divested businesses if the transactions had previously been completed; and (iii) removal of the financial impacts related to the Federal Communications Commission's Connect America Fund ("CAF") Phase II program, which lapsed on December 31, 2021.

⁽²⁾ Excludes Special Items in the amounts of \$(527) million, \$47 million, \$52 million, \$19 million, \$(31) million, \$20 million and \$8 million, for periods presented 3Q22 through 1Q21, respectively, as reported in the Company's prior current reports on Form 8-K.

Lumen Technologies, Inc.																					
Modified Revenue by Sales Channel and Product Category																					
(UNAUDITED)																					
(\$ in millions)																					
3Q22			2Q22			1Q22			4Q21			3Q21			2Q21			1Q21			
	Lumen Consolidated, totals ⁽¹⁾	Adjustments ⁽²⁾	Lumen Consolidated, as modified	Lumen Consolidated, totals ⁽¹⁾	Adjustments ⁽²⁾	Lumen Consolidated, as modified	Lumen Consolidated, totals ⁽¹⁾	Adjustments ⁽²⁾	Lumen Consolidated, as modified	Lumen Consolidated, totals ⁽¹⁾	Adjustments ⁽²⁾	Lumen Consolidated, as modified	Lumen Consolidated, totals ⁽¹⁾	Adjustments ⁽²⁾	Lumen Consolidated, as modified	Lumen Consolidated, totals ⁽¹⁾	Adjustments ⁽²⁾	Lumen Consolidated, as modified	Lumen Consolidated, totals ⁽¹⁾	Adjustments ⁽²⁾	Lumen Consolidated, as modified
Revenue By Sales Channel																					
Business Segment:																					
Large Enterprise	\$ 1,239	(28)	1,211	1,386	(160)	1,226	1,397	(157)	1,240	1,429	(157)	1,272	1,436	(159)	1,277	1,426	(160)	1,266	1,447	(156)	1,291
Mid-Market Enterprise	618	(85)	533	626	(86)	540	636	(87)	549	647	(88)	559	648	(86)	562	661	(88)	573	693	(90)	603
Public Sector	457	(22)	435	493	(24)	469	477	(24)	453	525	(25)	500	531	(31)	500	529	(28)	501	524	(28)	496
Enterprise Channels	2,314	(135)	2,179	2,505	(270)	2,235	2,510	(268)	2,242	2,601	(270)	2,331	2,615	(276)	2,339	2,616	(276)	2,340	2,664	(274)	2,390
Wholesale	903	(64)	839	911	(56)	855	891	(60)	831	893	(62)	831	893	(58)	835	906	(62)	844	931	(56)	875
Business Segment Revenue	3,217	(199)	3,018	3,416	(326)	3,090	3,401	(328)	3,073	3,494	(332)	3,162	3,508	(334)	3,174	3,522	(338)	3,184	3,595	(330)	3,265
Mass Markets Segment:																					
Revenue	1,173	(355)	818	1,196	(358)	838	1,275	(424)	851	1,353	(493)	860	1,379	(499)	880	1,402	(509)	893	1,434	(513)	921
Total Revenue	\$ 4,390	(554)	3,836	4,612	(684)	3,928	4,676	(752)	3,924	4,847	(825)	4,022	4,887	(833)	4,054	4,924	(847)	4,077	5,029	(843)	4,186
Revenue by Product Category																					
Business Segment:																					
Grow	\$ 1,120	(45)	1,075	1,206	(135)	1,071	1,189	(127)	1,062	1,204	(128)	1,076	1,194	(124)	1,070	1,167	(122)	1,045	1,147	(109)	1,038
Nurture	996	(51)	945	1,054	(78)	976	1,087	(82)	1,005	1,093	(80)	1,013	1,118	(79)	1,039	1,138	(83)	1,055	1,172	(87)	1,085
Harvest	916	(116)	800	953	(127)	826	965	(133)	832	993	(138)	855	1,006	(141)	865	1,038	(147)	891	1,086	(146)	940
Other	185	13	198	203	14	217	160	14	174	204	14	218	190	10	200	179	14	193	190	12	202
Total Business Revenue	\$ 3,217	(199)	3,018	3,416	(326)	3,090	3,401	(328)	3,073	3,494	(332)	3,162	3,508	(334)	3,174	3,522	(338)	3,184	3,595	(330)	3,265
Mass Markets Segment:																					
Fiber Broadband	\$ 160	(15)	145	151	(13)	138	145	(13)	132	137	(12)	125	135	(11)	124	130	(11)	119	122	(10)	112
Other Broadband ⁽³⁾	580	(185)	395	596	(187)	409	610	(190)	420	608	(193)	415	619	(197)	422	632	(199)	433	648	(204)	444
Voice and Other	433	(155)	278	449	(158)	291	520	(221)	299	608	(288)	320	625	(291)	334	640	(299)	341	664	(299)	365
Mass Markets Segment Revenue	1,173	(355)	818	1,196	(358)	838	1,275	(424)	851	1,353	(493)	860	1,379	(499)	880	1,402	(509)	893	1,434	(513)	921
Total Revenue	\$ 4,390	(554)	3,836	4,612	(684)	3,928	4,676	(752)	3,924	4,847	(825)	4,022	4,887	(833)	4,054	4,924	(847)	4,077	5,029	(843)	4,186

⁽¹⁾ The sales channels within the Business Segment reflect upcoming adjustments to the Company's 2023 reporting. The International and GAM sales channel is now included in the Large Enterprise sales channel and the Public Sector sales channel is now reported separately from the Large Enterprise sales channel.

⁽²⁾ Adjustments reflect (i) removal of the financial impacts of the Latin American business divestiture completed August 1, 2022 and the 20-state ILEC business divestiture completed October 3, 2022, (ii) estimates of revenue that the Company would have received under the post-closing commercial agreements with the purchasers of the divested businesses if the transactions had previously been completed, (iii) removal of the financial impacts related to the Federal Communications Commission's Connect America Fund ("CAF") Phase II program, which lapsed on December 31, 2021 and (iv) reclassifications of certain prior period amounts to conform with current period presentation by product category. This fourth adjustment had no impact on total operating revenue for any period.

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

Lumen Technologies, Inc.							
Modified ⁽¹⁾ Operating Metrics (UNAUDITED)							
	3Q22	2Q22	1Q22	4Q21	3Q21	2Q21	1Q21
Operating Metrics							
Mass Markets broadband subscribers							
<i>(in thousands)</i>							
Fiber broadband subscribers	813	786	760	735	710	685	659
Other broadband subscribers ⁽²⁾	2,294	2,406	2,497	2,555	2,623	2,704	2,781
Mass Markets total broadband subscribers ⁽³⁾	3,107	3,192	3,257	3,290	3,333	3,389	3,440
Mass Markets average revenue per unit (ARPU)							
Fiber broadband ARPU	\$ 60	60	59	58	59	59	59
Mass Markets broadband enable units⁽⁴⁾							
<i>(in millions)</i>							
Fiber broadband enabled units	3.0	2.9	2.7	2.5	2.5	2.4	2.3
Other broadband enabled units	18.8	18.9	18.9	18.8	18.8	18.9	18.9
Mass Markets total broadband enabled units	21.8	21.8	21.6	21.3	21.3	21.3	21.2

⁽¹⁾ Modified to remove the impacts of the 20-state ILEC business divestiture completed October 3, 2022.

⁽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.