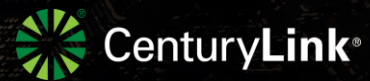




# 2<sup>nd</sup> Quarter 2019 Results

Aug 7, 2019





# Forward-Looking Statements

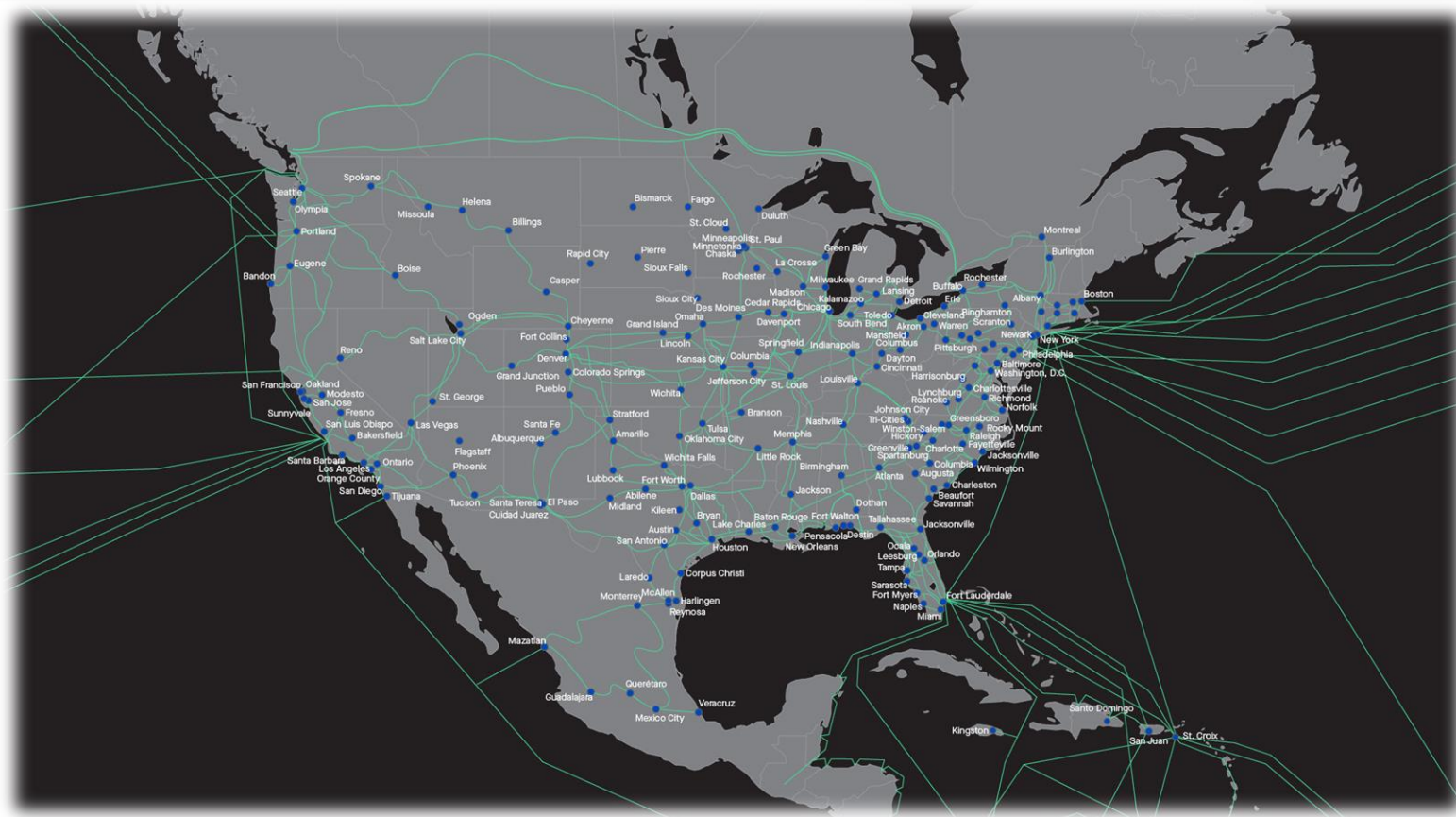
Except for historical and factual information, the matters set forth in this presentation and other of our oral or written statements identified by words such as “estimates,” “expects,” “anticipates,” “believes,” “plans,” “intends,” and similar expressions are forward-looking statements as defined by 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, are inherently speculative, and are subject to a number of assumptions, risks and uncertainties, many of which are beyond our control. Actual events and results may differ materially from those anticipated, estimated, projected or implied by us in those statements if one or more of these risks or uncertainties materialize, or if underlying assumptions prove incorrect. Factors that could affect actual results include but are not limited to: the effects of competition from a wide variety of competitive providers, including decreased demand for our traditional wireline service offerings and increased pricing pressures; the effects of new, emerging or competing technologies, including those that could make our products less desirable or obsolete; our ability to attain our key operating imperatives, including simplifying and consolidating our network, simplifying and automating our service support systems, strengthening our relationships with customers and attaining projected cost savings; our ability to safeguard our network, and to avoid the adverse impact on our business from possible security breaches, service outages, system failures, equipment breakage or similar events impacting our network or the availability and quality of our services; the effects of ongoing changes in the regulation of the communications industry, including the outcome of regulatory or judicial proceedings relating to intercarrier compensation, interconnection obligations, special access, universal service, broadband deployment, data protection and net neutrality; our ability to effectively adjust to changes in the communications industry and changes in the composition of our markets and product mix; possible changes in the demand for our products and services, including our ability to effectively respond to increased demand for high-speed data transmission services; our ability to successfully maintain the quality and profitability of our existing product and service offerings and to introduce profitable new offerings on a timely and cost-effective basis; our ability to generate cash flows sufficient to fund our financial commitments and objectives, including our capital expenditures, operating costs, debt repayments, dividends, pension contributions and other benefits payments; changes in our operating plans, corporate strategies, dividend payment plans or other capital allocation plans, whether based upon changes in our cash flows, cash requirements, financial performance, financial position, market conditions or otherwise; our ability to effectively retain and hire key personnel and to successfully negotiate collective bargaining agreements on reasonable terms without work stoppages; the negative impact of increases in the costs of our pension, health, post-employment or other benefits, including those caused by changes in markets, interest rates, mortality rates, demographics or regulations; adverse changes in our access to credit markets on favorable terms, whether caused by changes in our financial position, lower debt credit ratings, unstable markets or otherwise; our ability to meet the terms and conditions of our debt obligations, including our ability to make transfers of cash in compliance therewith; our ability to maintain favorable relations with our key business partners, suppliers, vendors, landlords and financial institutions; our ability to collect our receivables from financially troubled customers; our ability to use our net operating loss carry forwards in the amounts projected; any adverse developments in legal or regulatory proceedings involving us; changes in tax, communications, pension, healthcare or other laws or regulations, in governmental support programs, or in general government funding levels; the effects of changes in accounting policies, practices or assumptions, including changes that could potentially require future impairment charges; the effects of adverse weather, terrorism or other natural or man-made disasters; adverse effects of material weaknesses or any other significant deficiencies identified in our internal controls over financial reporting; the effects of more general factors such as changes in interest rates, in exchange rates, in operating costs, in public policy, in the views of financial analysts or in general market, labor, economic or geo-political conditions; and other risks referenced from time to time in our filings with the U.S. Securities and Exchange Commission (“SEC”). For all the reasons set forth above and in our SEC filings, you are cautioned not to unduly rely upon our forward-looking statements, which speak only as of the date made. We undertake no obligation to publicly update or revise any forward-looking statements for any reason, whether as a result of new information, future events or developments, changed circumstances, or otherwise. Furthermore, any information about our intentions contained in any of our forward-looking statements reflects our intentions as of the date of such forward-looking statement, and is based upon, among other things, existing regulatory, technological, industry, competitive, economic and market conditions, and our assumptions as of such date. We may change our intentions, strategies or plans without notice at any time and for any reason.

# Non-GAAP Measures

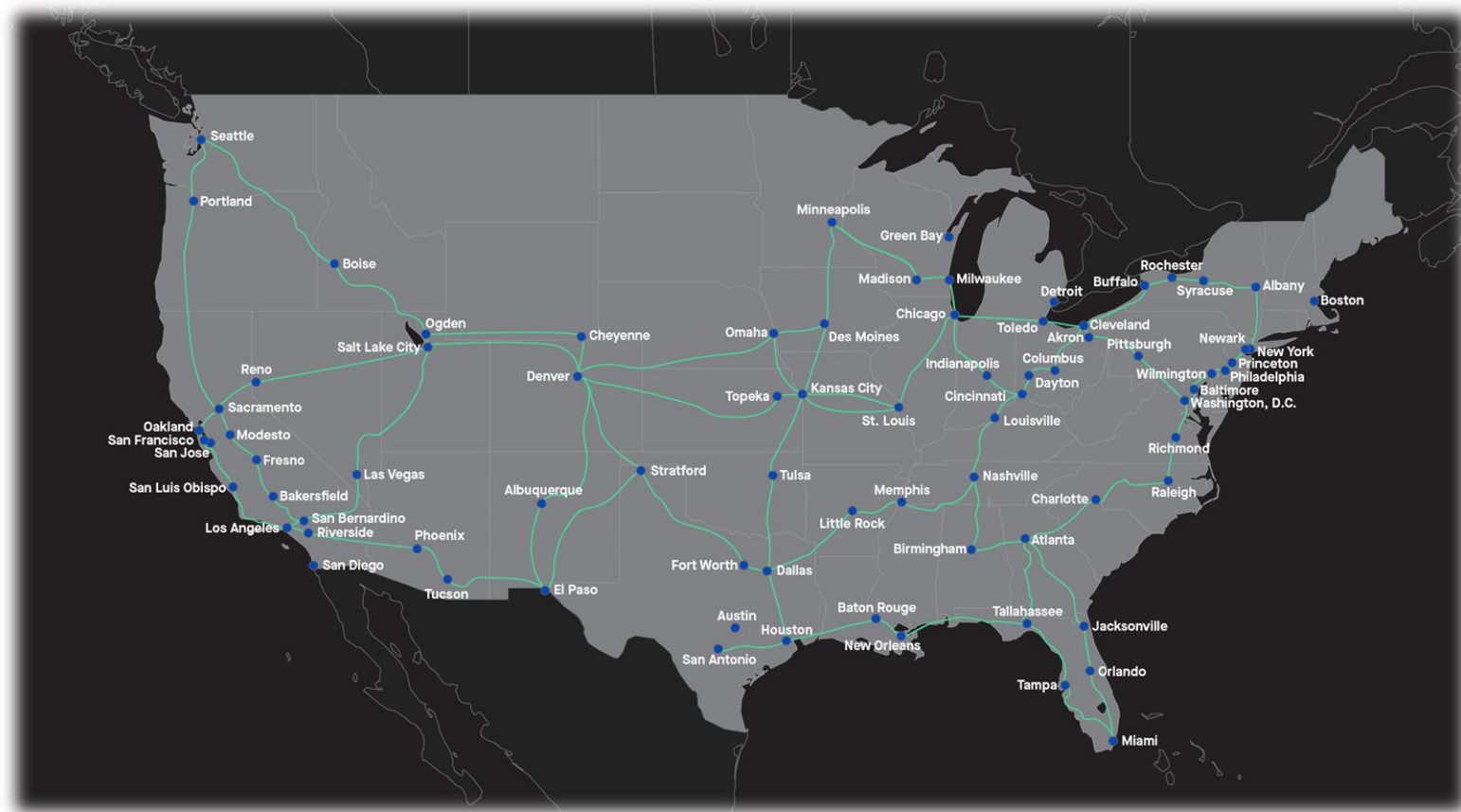
This presentation includes certain non-GAAP historical and forward-looking financial measures, including but not limited to adjusted EBITDA, free cash flow, unlevered cash flow, and adjustments to GAAP and non-GAAP measures to exclude the effect of special items. In addition to providing key metrics for management to evaluate the company's performance, we believe these measurements assist investors in their understanding of period-to-period operating performance and in identifying historical and prospective trends.

Reconciliations of non-GAAP financial measures to the most comparable GAAP measures are included in the financial schedules to the Company's accompanying earnings release. Reconciliation of additional non-GAAP historical financial measures that may be discussed during the call described above, along with further descriptions of non-GAAP financial measures, will be available in the Investor Relations portion of the company's website at <http://ir.centurylink.com>. Non-GAAP measures are not presented to be replacements or alternatives to the GAAP measures, and investors are urged to consider these non-GAAP measures in addition to, and not in substitution for, measures prepared in accordance with GAAP. CenturyLink may present or calculate its non-GAAP measures differently from other companies.

# CenturyLink's Robust Fiber Network

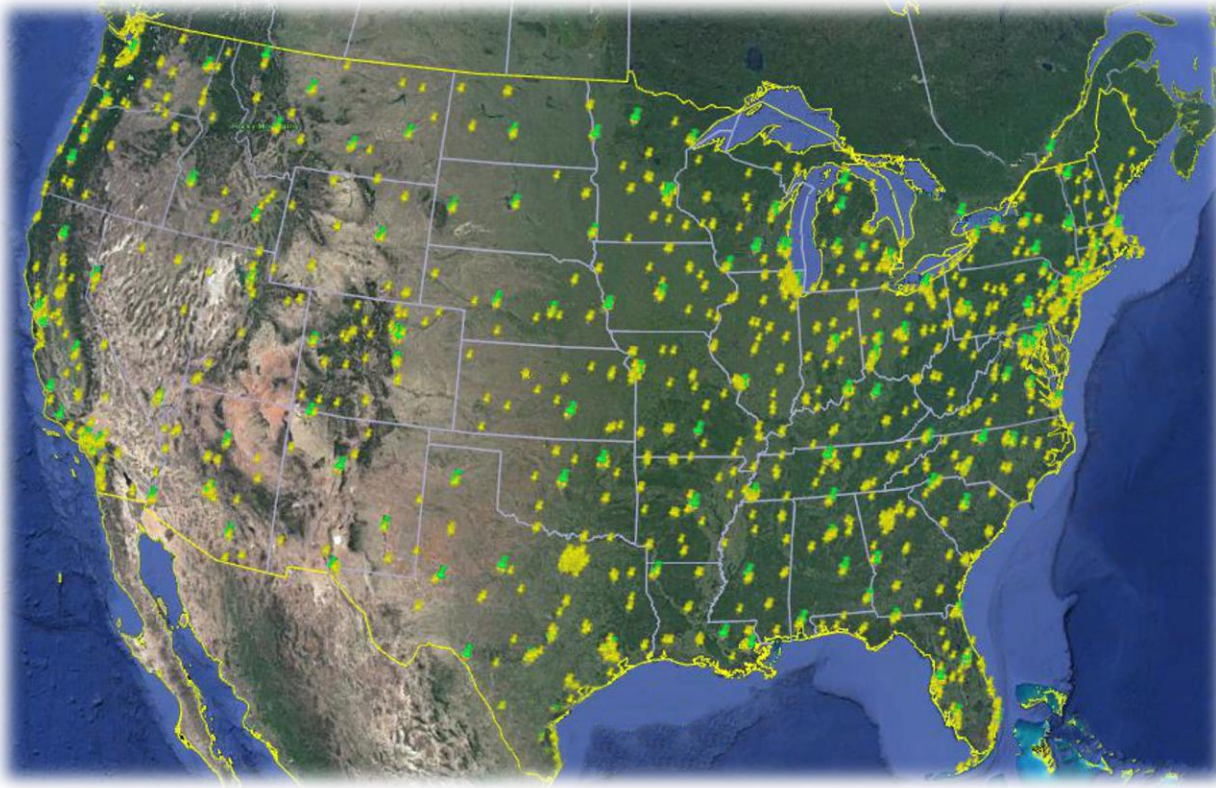


# CenturyLink's Ultra-Low-Loss Fiber Network





# Edge Compute Network | Large Enterprise Customer Example



***Pins on this map represent ~2,000 U.S. locations of a global enterprise customer***

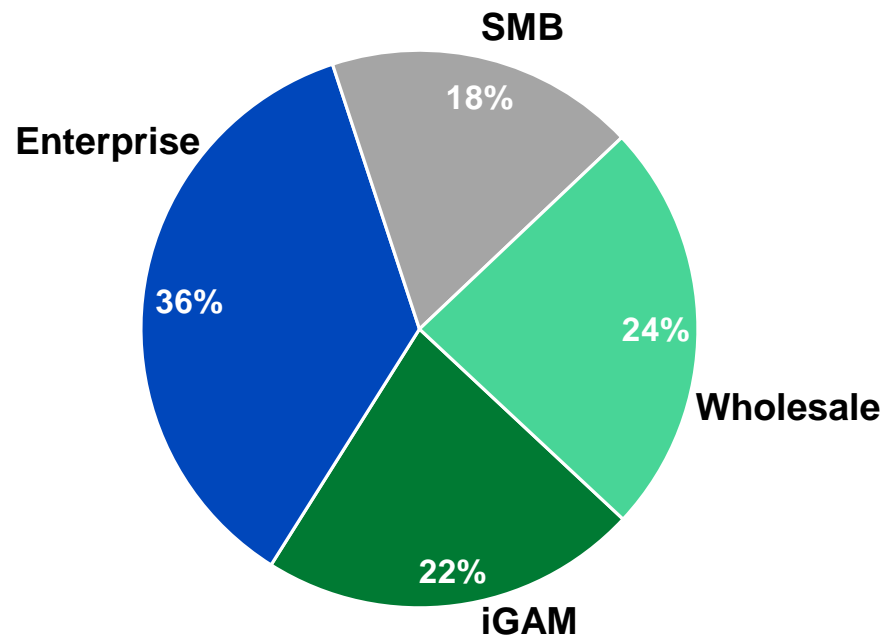
***Approximately 95% of these customer locations have 5ms coverage with CenturyLink Edge Compute Nodes***

- **Generated Adjusted EBITDA<sup>(1)</sup> of \$2.269 billion for 2Q19**
- **Expanded Adjusted EBITDA<sup>(1)</sup> margin to 40.7% from 35.5% since the close of the Level 3 transaction**
- **Achieved \$290 million of annualized run-rate Adjusted EBITDA cost savings from Transformation Efforts**
- **Reiterated Full Year 2019 Financial Outlook**

(1) 2Q19 Adjusted EBITDA results exclude \$54 million of Integration and Transformation Costs and Special Items

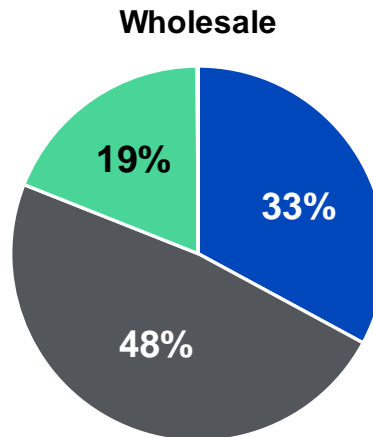
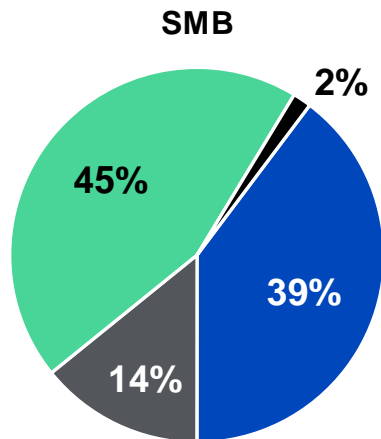
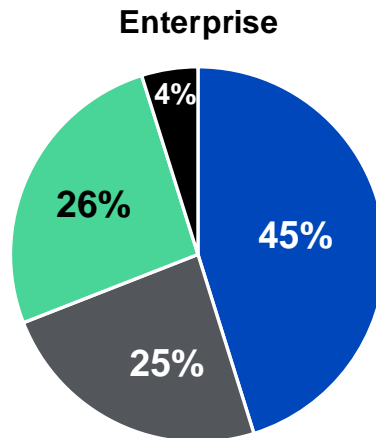
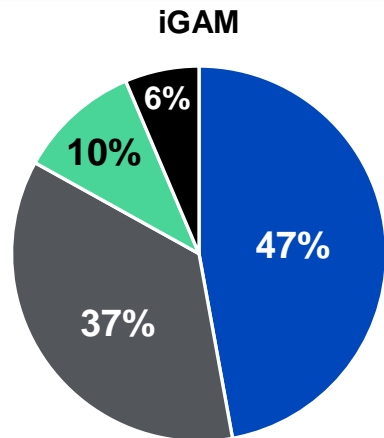
# 2Q19 Revenue

Revenue (\$ in millions)	2Q19	YoY % Change	QoQ % Change
International & GAM	\$902	(0.1%)	1.2%
Enterprise	\$1,505	(1.2%)	(1.2%)
SMB	\$736	(10%)	(2.5%)
Wholesale	\$1,018	(8.8%)	(1.8%)





# 2Q19 Product Revenue Mix by Business Segment



## Legend

IP and Data  
Services

Transport and  
Infrastructure

Voice and  
Collaboration

IT and Managed  
Services

# 2Q19 Consumer Metrics

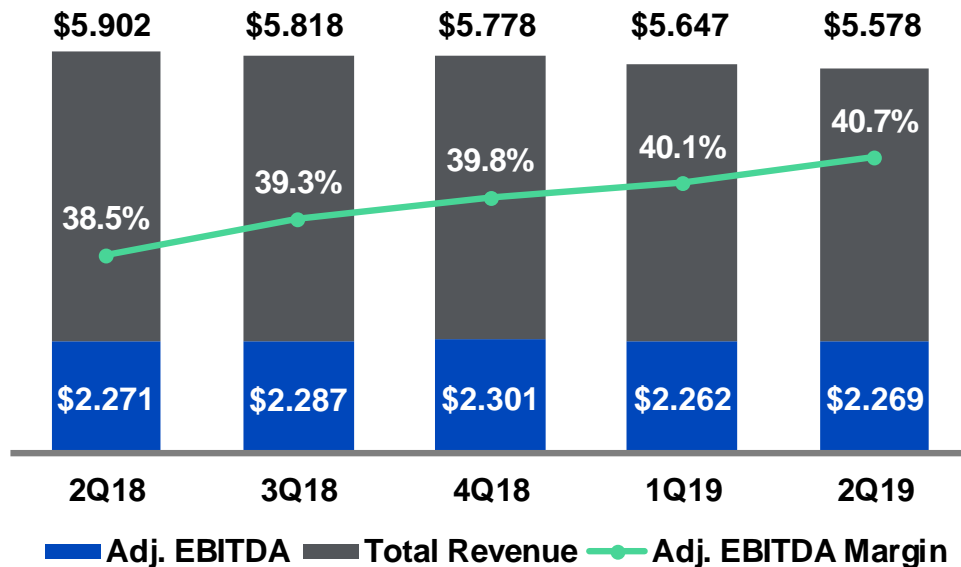
Revenue (\$ in millions)	2Q19	YoY % Change	QoQ % Change
Broadband	\$718	1.8%	(0.6%)
Voice	\$477	(13%)	(2.5%)
Regulatory	\$158	(15%)	(0.6%)
Other <sup>(1)</sup>	\$64	(39%)	(9.9%)
<b>Consumer Total</b>	<b>\$1,417</b>	<b>(8.0%)</b>	<b>(1.7%)</b>

Consumer Broadband Performance (in thousands)	2Q19
Total Subscribers	4,750
Subscriber Quarterly Net Change	(56)
Below 20 Mbps	(78)
20 Mbps & Above	22
➤100 Mbps & Above	48

(1) Other includes consumer retail video revenue, professional services and other ancillary services.

# Adjusted EBITDA

## Adjusted EBITDA & Adjusted EBITDA Margin<sup>(1)</sup> (\$ in billions)



**Expanded Adjusted EBITDA margin**

- 520 basis-point improvement since the close of the Level 3 transaction

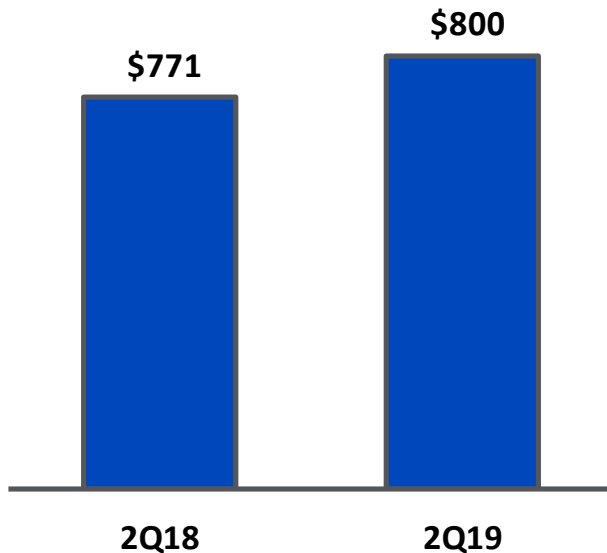
(1) 2Q18, 3Q18, 4Q18, 1Q19 and 2Q19 exclude integration, transformation and special items of \$160 million, \$59 million, \$112 million, \$34 million and \$54 million, respectively



# Capital Expenditures & Free Cash Flow

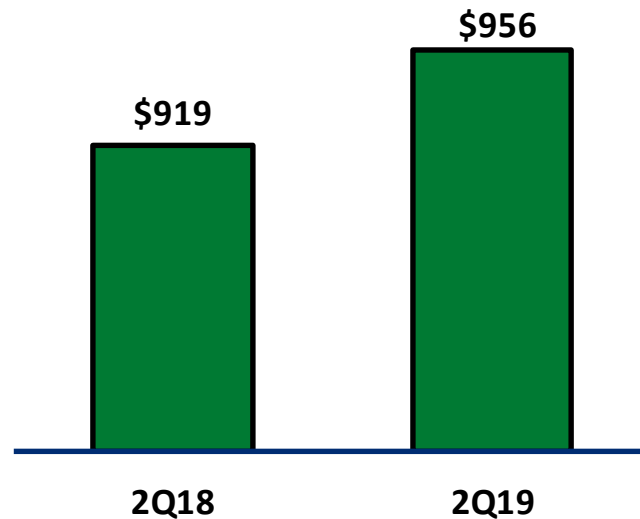
## Capital Expenditures

(\$ in millions)



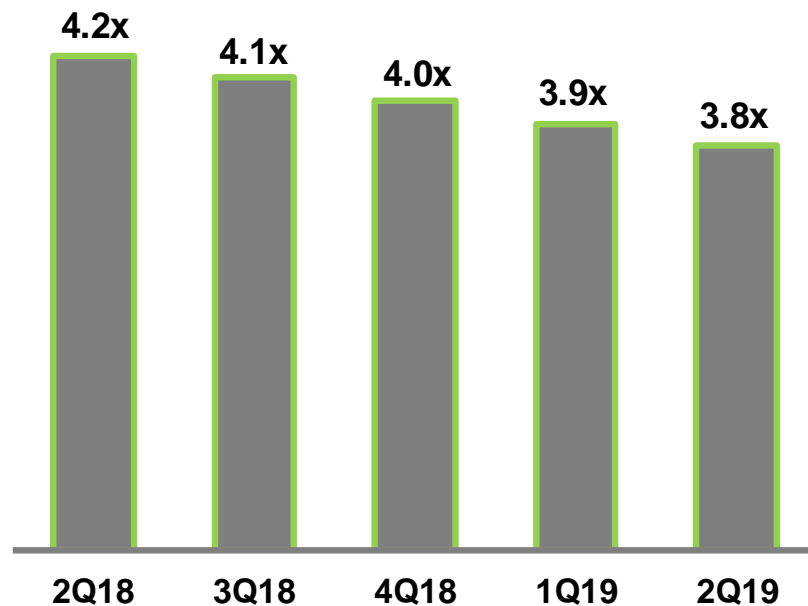
## Free Cash Flow<sup>(1)</sup>

(\$ in millions)



(1) 2Q18 and 2Q19 Free Cash Flow excludes cash paid for Integration and Transformation Costs and Special Items of \$108 million and \$55 million, respectively

# Leverage | Net Debt to Adjusted EBITDA



- Net debt reduced by approximately \$700 million in 2Q19
- Continued progress on deleveraging objective and reaching target leverage range of 2.75x-3.25x

# Reiterated 2019 Business Outlook



Metric <sup>(1)(2)</sup>	Outlook
Adjusted EBITDA	\$9.0 to \$9.2 billion
Free Cash Flow	\$3.1 to \$3.4 billion
Dividends <sup>(3)(4)</sup>	\$1.095 billion
Free Cash Flow after Dividends <sup>(4)</sup>	\$2.005 billion to \$2.305 billion
GAAP Interest Expense	\$2.1 billion
Cash Interest	\$2.05 to \$2.10 billion
Capital Expenditures	\$3.5 to \$3.8 billion
Depreciation & Amortization <sup>(4)</sup>	\$4.75 to \$4.85 billion
Non-cash Compensation Expense	\$210 million
Cash Income Taxes	\$100 million
Full Year Effective Income Tax Rate	~25%

1) For definitions of non-GAAP metrics and reconciliation to GAAP figures, see CenturyLink's Investor Relations website.

2) Outlook measures in this presentation and the accompanying schedules (i) exclude integration and transformation costs, (ii) 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 (iii) speak only as of Aug 7, 2019. See "Forward Looking Statements" at the beginning of this presentation.

3) Dividends is defined as dividends paid as disclosed in the Consolidated Statements of Cash Flows. Assumes payment of dividends at the rate of \$1.00 per share per year, based on the number of shares outstanding on June 30, 2019. Payments of all dividends are at the discretion of the board of directors.

4) Updated from original outlook provided on CenturyLink's 4Q18 earnings call on Feb. 13, 2019. Outlook for Dividends is now \$1.095 billion, compared to the previous outlook of \$1.075 billion; outlook for Free Cash Flow after Dividends is now \$2.005 billion to \$2.305 billion, compared to previous outlook of \$2.025 billion to \$2.325 billion; Outlook for Depreciation and Amortization is now \$4.75 to \$4.85 billion, compared to previous outlook of \$4.90 to \$5.10 billion