2nd Quarter 2018 Results

August 8, 2018

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 legacy offerings and increased pricing pressures; the effects of new, emerging or competing technologies, including those that could make our products less desirable or obsolete; 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, universal service, broadband deployment, data protection and net neutrality; our ability to timely realize the anticipated benefits of our recently-completed combination with Level 3, including our ability to attain anticipated cost savings, to use Level 3's net operating losses in the amounts projected, to retain key personnel and to avoid unanticipated integration disruptions; our ability to safeguard our network, and to avoid the adverse impact on our business from possible security breaches, service outages, system failures, equipment breakages or similar events impacting our network or the availability and quality of our services; 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 broadband service; our ability to successfully maintain the quality and profitability of our existing product and service offerings, to provision them efficiently to our customers, 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; 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; our ability to maintain favorable relations with our key business partners, customers, suppliers, vendors, landlords and financial institutions; our ability to effectively manage our network buildout project and our other expansion opportunities; our ability to collect our receivables from financially troubled customers; 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 or practices, including potential future impairment charges; the effects of adverse weather, terrorism or other natural or man-made disasters; the effects of more general factors such as changes in interest rates, in exchange rates, in operating costs, in general market, labor, economic or geo-political conditions, or in public policy; 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 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 attached financial schedules. 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, at the end of this presentation. 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.

Comparisons to prior periods are being presented on a “pro forma” (PF) basis, assuming the Level 3 acquisition and the colocation and data center sale took place on January 1, 2017. In addition, the growth rates disclosed in the presentation are on a year-over-year basis.

2Q18 Financial Highlights

- Captured approximately $675 million of annualized run-rate Adjusted EBITDA synergies since the close of the Level 3 transaction
- Generated Adjusted EBITDA[1] of $2.27 billion
- Adjusted EBITDA[1] margin expanded to 38.5% from 35.7%
- Generated Free Cash Flow[2] of $919 million
- Raised full year 2018 outlook for Adjusted EBITDA and Free Cash Flow

(1) 2Q18 Adjusted EBITDA results exclude $160 million of integration-related expenses
(2) 2Q18 Free Cash Flow results exclude $108 million of integration-related expenses and special items

2Q18 Revenue by Business Unit

CenturyLink®

Revenues ($ in millions)	2Q18	YoY % Change[1]	Revenue Mix
By Business Unit			
Medium & Small Business	$884	(1.0%)	15%
Enterprise	$1,295	(0.1%)	22%
International & Global Accounts	$903	(0.9%)	15%
Wholesale & Indirect	$1,283	(2.7%)	22%
Business Total	**$4,365**	**(1.2%)**	**74%**
Consumer	$1,352	(5.9%)	23%
Regulatory	$185	--%	3%
Total	**$5,902**	**(2.3%)**	**100%**

Consumer Broadband Performance (in thousands)	2Q18
Total subscribers, ending	4,906
Subscriber quarterly net change	(80)
Below 20 Mbps	(134)
20 Mbps and above	54

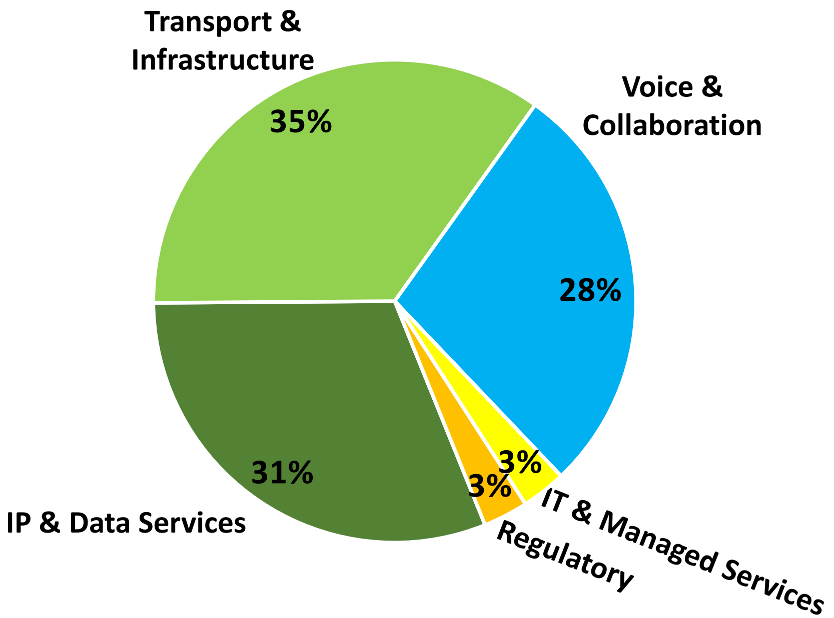
Excluding the 2Q18 impact of the Revenue Recognition Standard ASC 606 YoY:

- Total revenues declined 2.1%
- Business revenues declined 1.6%
- Consumer revenues declined 4.0%

(1) Year-over-Year percent change compares 2Q18 results to 2Q17 Pro Forma results

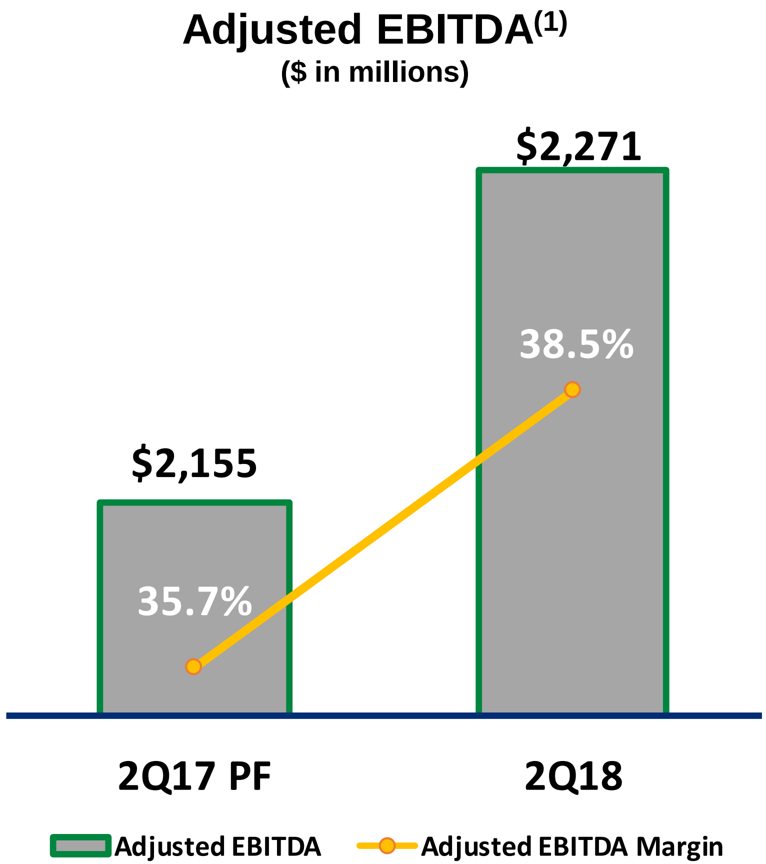
2Q18 Revenue Mix by Service Type

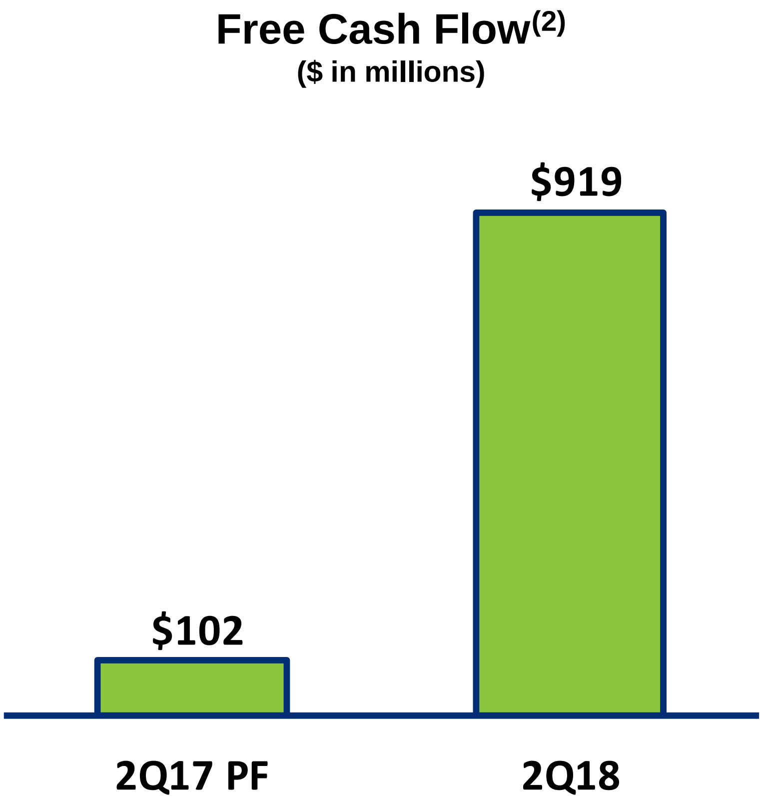
Revenues ($ in millions)	2Q18	YoY % Change[1]
IP & Data Services	$1,833	2.1%
Transport & Infrastructure	$2,064	(1.9%)
Voice & Collaboration	$1,658	(8.0%)
IT & Managed Services	$162	5.2%
Regulatory	$185	--%
Total	$5,902	(2.3%)



(1) Year-over-Year percent change compares 2Q18 results to 2Q17 Pro Forma results

2Q18 Adjusted EBITDA & Free Cash Flow





Net Debt to LTM Adjusted EBITDA Ratio[3]	4.2x

(1) 2Q18 Adjusted EBITDA results exclude $160 million of integration-related expenses
(2) 2Q18 Free Cash Flow results exclude $108 million of integration-related expenses and special items
(3) Excludes integration-related expenses and special items of $516 million in LTM Adjusted EBITDA

Integration Synergies and Expenses

Metric ($ in millions)	2Q18	1Q18	4Q17
Annualized run-rate Adjusted EBITDA synergies	$675	$215	$75
Integration-related expenses	$162	$71	$62

$850 million of expected annualized run-rate Adjusted EBITDA savings

2018 Business Outlook

CenturyLink

Metric[1][2]	Updated Outlook	Previous Outlook
Adjusted EBITDA	$9.00 to $9.15 billion	$8.75 to $8.95 billion
Free Cash Flow	$3.60 to $3.80 billion	$3.15 to $3.35 billion
Dividends[3]	$2.30 billion	$2.30 billion
Free Cash Flow after Dividends	$1.30 billion to $1.50 billion	$850 million to $1.05 billion
GAAP Interest Expense	$2.25 billion	$2.25 billion
Cash Interest	$2.10 billion	$2.10 billion
Capital Expenditures	~16% of Revenue	~16% of Revenue
Depreciation & Amortization	$5.10 to $5.30 billion	$5.10 to $5.30 billion
Non-cash Compensation Expense	$200 million	$200 million
Cash Income Taxes[4]	$100 million	$100 million
Full Year Effective Income Tax Rate	~18%	~25%

(1) See the attached schedules for definitions of non-GAAP metrics and reconciliation to GAAP figures.
(2) Outlook measures in this release and the accompanying schedules (i) exclude integration-related expenses, (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. 8, 2018. See “Forward Looking Statements” below.
(3) Dividends is defined as dividends paid as disclosed in the Consolidated Statements of Cash Flows. Assumes continued payment of dividends at the current rates based on the number of shares outstanding on June 30, 2018. Payments of all dividends are at the discretion of the board of directors.
(4) Cash income taxes are exclusive of all material prior period refunds.

Non-GAAP Reconciliation

Schedule to Reconcile to Non-GAAP Financial 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 income for which investors may want to give special consideration due to their magnitude, nature or both. We do not use the term non-recurring because while some of these items are special because they are unusual and infrequent, others may recur in future periods.

Schedule to Reconcile to Non-GAAP Financial Metrics

Adjusted EBITDA ($) is defined as net income (loss) from the Statements of Income before income tax (expense) benefit, total other income (expense), depreciation and amortization and non-cash stock compensation expense.

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 CenturyLink's internal reporting and are key measures used by Management to evaluate profitability and operating performance of CenturyLink 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 acquisition-related expenses) to compare CenturyLink's performance to that of its competitors and to eliminate certain non-cash and non-operating items in order to consistently measure from period to period its ability to fund capital expenditures, fund growth, service debt and determine bonuses. Adjusted EBITDA excludes non-cash impairment charges and non-cash stock compensation expense 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 excludes the gain (or loss) on extinguishment and modification of debt and other, net because these items are not related to the primary operations of CenturyLink.

There are 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 CenturyLink's calculations. Additionally, this financial measure does not include certain significant items such as interest income, interest expense, income taxes, depreciation and amortization, non-cash impairment charges, non-cash stock compensation expense, the gain (or loss) on extinguishment and modification of debt and net other income (expense). Adjusted EBITDA and Adjusted EBITDA Margin (either with or without acquisition-related expense adjustments) should not be considered a substitute for other measures of financial performance reported in accordance with GAAP.

Schedule to Reconcile to Non-GAAP Financial Metrics

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 CenturyLink's ability to generate cash to service its 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 CenturyLink's performance as it excludes certain material items such as principal payments on and repurchases of long-term debt and cash used to fund acquisitions. Comparisons of CenturyLink's Free Cash Flow to that of some of its competitors may be of limited usefulness since CenturyLink does not currently pay a significant amount of income taxes due to net operating loss carryforwards, and therefore, generates 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 and accounts payable and capital expenditures. Free Cash Flow should not be used as a substitute for net change in cash and cash equivalents on the Consolidated Statements of Cash Flows.

Net Debt to Last Twelve Months (LTM) Adjusted EBITDA Ratio is defined as Debt, reduced by cash and cash equivalents and marketable securities divided by LTM Adjusted EBITDA Excluding Integration-Related Expenses and Special Items.

Schedule to Reconcile to Non-GAAP Financial Metrics

CenturyLink, Inc.
Adjusted EBITDA Non-GAAP Reconciliation
(UNAUDITED)
($ in millions)

	Actual 2Q18	Pro Forma 2Q17
Net income	**$ 292**	**69**
Income tax (benefit) expense	(55)	29
Total other expense	530	535
Depreciation and amortization expense	1,290	1,313
Share-based compensation expenses	54	61
Adjusted EBITDA	**$ 2,111**	**2,007**
Add back: integration-related expenses [(1)]	$ 160	40
Add back: special items	—	108
Adjusted EBITDA excluding integration-related expenses and special items	**$ 2,271**	**2,155**
Total revenues	**$ 5,902**	**6,040**
Adjusted EBITDA margin	**35.8%**	**33.2%**
Adjusted EBITDA excluding integration-related expenses and special items margin	**38.5%**	**35.7%**

[(1)] In the second quarter of 2018, integration-related expenses include $160 million of expenses that impact adjusted EBITDA and $2 million of additional expenses that impact net income. In the second quarter of 2017 proforma integration-related expenses include expenses that impact both adjusted EBITDA and net income by $40 million.

Schedule to Reconcile to Non-GAAP Financial Metrics

CenturyLink, Inc.
Non-GAAP Cash Flow Reconciliation
(UNAUDITED)
($ in millions)

		Actual	Pro Forma
		2Q18	**2Q17**
Net cash provided by operating activities	$	1,582	1,246
Capital expenditures		(771)	(1,158)
Free cash flow		**811**	**88**
Cash interest paid		570	498
Interest income		(4)	(6)
Unlevered cash flow	**$**	**1,377**	**580**
Free cash flow	**$**	**811**	**88**
Add back: cash integration-related expenses		99	14
Add back: special items		**9**	**—**
Free cash flow excluding cash integration-related expenses and special items	**$**	**919**	**102**
Unlevered cash flow	**$**	**1,377**	**580**
Add back: cash integration-related expenses		99	14
Add back: special items		**9**	**—**
Unlevered cash flow excluding cash integration-related expenses and special items	**$**	**1,485**	**594**

Schedule to Reconcile to Non-GAAP Financial Metrics

CenturyLink

CenturyLink, Inc.
LTM Adjusted EBITDA
(UNAUDITED)
($ in millions)

		Actual		Pro Forma		Total LTM Pro Forma Adjusted EBITDA
		2Q18	1Q18	4Q17	3Q17	
Total revenues	$	5,902	5,945	6,005	6,033	23,885
Cost of services and products		2,730	2,803	2,840	2,914	11,287
Selling, general and administrative expenses		1,115	1,109	1,227	1,064	4,515
Add back: Stock-based compensation expense		54	41	54	54	203
Adjusted EBITDA	**$**	**2,111**	**2,074**	**1,992**	**2,109**	**8,286**
Add back: integration-related expenses		160	65	218	68	511
Add back: special items		—	42	—	(37)	5
Adjusted EBITDA excluding integration-related expenses and special items	**$**	**2,271**	**2,181**	**2,210**	**2,140**	**8,802**

Schedule to Reconcile to Non-GAAP Financial Metrics

CenturyLink, Inc.
Net Debt to LTM Adjusted EBITDA ratio as of June 30, 2018
(UNAUDITED)
($ in millions)

Gross debt	$	37,638
Cash and cash equivalents		(700)
Net debt	$	36,938
Adjusted EBITDA excluding integration-related expenses and special items [1]	**$**	**8,802**
Net debt to LTM adjusted EBITDA ratio		4.2

[1] Please refer to the computation on the previous slide.

Schedule to Reconcile to Non-GAAP Financial Metrics

CenturyLink, Inc.
2018 OUTLOOK
(UNAUDITED)
($ in millions)

Adjusted EBITDA Outlook
Twelve Months Ended December 31, 2018

	Range	
	Low	**High**
Net income	**$ 690**	**1,150**
Income tax expense	150	260
Total other expense	2,200	2,100
Depreciation and amortization expense	5,300	5,100
Non-cash compensation expense	210	190
Integration-related expenses	450	350
Adjusted EBITDA	**$ 9,000**	**9,150**

Free Cash Flow Outlook
Twelve Months Ended December 31, 2018

	Range	
	Low	**High**
Net cash provided by operating activities excluding integration costs	$ 7,350	7,450
Capital expenditures, excluding: integration projects	(3,750)	(3,650)
Free cash flow	**$ 3,600**	**3,800**