

Customer Metrics

Passings in millions; customers in thousands; unaudited



	2022					2023					2024	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
Passings⁽¹⁾												
Base Fiber ⁽²⁾	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2	3.2
Expansion Fiber ⁽²⁾	0.9	1.2	1.6	1.9	1.9	2.3	2.6	2.9	3.3	3.3	3.6	4.0
Total Fiber	4.2	4.4	4.8	5.2	5.2	5.5	5.8	6.2	6.5	6.5	6.8	7.2
Total Copper	11.2	10.9	10.5	10.2	10.2	9.9	9.6	9.2	8.9	8.9	8.6	8.2
Total Passings	15.3	15.3	15.3	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4	15.4
Consumer Customer Relationships⁽³⁾												
Total Customers	3,169	3,159	3,142	3,133	3,133	3,140	3,127	3,118	3,129	3,129	3,140	3,154
Total Net Adds	4	(10)	(17)	(9)	(32)	7	(13)	(9)	11	(4)	11	14
Internet Customers⁽⁴⁾												
Consumer												
Fiber Broadband Customers	1,388	1,438	1,502	1,575	1,575	1,659	1,722	1,797	1,878	1,878	1,963	2,053
Copper Broadband Customers	1,204	1,163	1,105	1,043	1,043	987	928	870	822	822	771	721
Total Broadband Customers	2,592	2,601	2,607	2,618	2,618	2,646	2,650	2,667	2,700	2,700	2,734	2,774
Fiber Broadband Net Adds	52	50	64	73	239	84	63	75	81	303	85	90
Copper Broadband Net Adds	(30)	(41)	(58)	(62)	(191)	(56)	(59)	(58)	(48)	(221)	(51)	(50)
Total Broadband Net Adds	22	9	6	11	48	28	4	17	33	82	34	40
Business and Wholesale												
Fiber Broadband Customers	104	108	110	114	114	118	122	126	129	129	132	134
Copper Broadband Customers	153	148	143	136	136	130	126	120	114	114	108	102
Total Broadband Customers	257	256	253	250	250	248	248	246	243	243	240	236
Fiber Broadband Net Adds	3	4	2	4	13	4	4	4	3	15	3	2
Copper Broadband Net Adds	(3)	(5)	(5)	(7)	(20)	(6)	(4)	(6)	(6)	(22)	(6)	(6)
Total Broadband Net Adds	-	(1)	(3)	(3)	(7)	(2)	-	(2)	(3)	(7)	(3)	(4)
Consumer Video Customers												
Fiber Video Customers	302	283	270	259	259	244	230	215	203	203	193	180
Copper Video Customers	49	48	40	35	35	32	25	21	19	19	14	13
Total Video Customers	351	331	310	294	294	276	255	236	222	222	207	193
Fiber Video Net Adds	(13)	(19)	(13)	(11)	(56)	(15)	(14)	(15)	(12)	(56)	(10)	(13)
Copper Video Net Adds	(4)	(1)	(8)	(5)	(18)	(3)	(7)	(4)	(2)	(16)	(5)	(1)
Total Video Net Adds	(17)	(20)	(21)	(16)	(74)	(18)	(21)	(19)	(14)	(72)	(15)	(14)

See footnotes on page 8.

Customer Metrics, Continued

ARPU in dollars; penetration in percent; unaudited



	2022					2023					2024	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
Internet Penetration ⁽⁵⁾												
Base Fiber ⁽⁶⁾	42.4%	42.6%	42.9%	43.2%	43.2%	43.5%	43.4%	43.9%	44.5%	44.5%	44.9%	45.3%
Expansion Fiber ⁽⁶⁾	13.3%	13.9%	14.6%	15.2%	15.2%	16.3%	17.0%	17.2%	17.5%	17.5%	17.9%	18.3%
Total Fiber	35.8%	34.8%	33.6%	32.6%	32.6%	32.2%	31.6%	31.2%	30.9%	30.9%	30.7%	30.4%
Total Copper	12.2%	12.0%	11.8%	11.6%	11.6%	11.3%	11.0%	10.7%	10.5%	10.5%	10.2%	10.0%
Total Broadband Penetration	18.6%	18.6%	18.6%	18.7%	18.7%	18.8%	18.8%	18.9%	19.1%	19.1%	19.3%	19.5%
Average Revenue Per Unit (ARPU) ⁽⁷⁾												
Consumer												
Fiber Broadband ARPU	\$ 62.10	\$ 63.35	\$ 62.97	\$ 61.20	\$ 62.45	\$ 61.44	\$ 63.12	\$ 64.49	\$ 64.16	\$ 63.39	\$ 65.18	\$ 65.32
Copper Broadband ARPU	\$ 45.72	\$ 48.47	\$ 49.65	\$ 48.70	\$ 48.13	\$ 48.88	\$ 51.90	\$ 54.62	\$ 54.22	\$ 52.43	\$ 56.16	\$ 58.26
Fiber Video ARPU	\$ 117.84	\$ 121.55	\$ 121.63	\$ 122.20	\$ 120.89	\$ 127.92	\$ 131.15	\$ 131.66	\$ 132.05	\$ 130.77	\$ 135.63	\$ 137.33
Copper Video ARPU	\$ 119.54	\$ 124.29	\$ 125.52	\$ 124.89	\$ 123.88	\$ 130.65	\$ 134.86	\$ 135.04	\$ 128.84	\$ 132.32	\$ 133.18	\$ 123.10
Business and Wholesale												
Fiber Broadband ARPU	\$ 103.84	\$ 105.03	\$ 105.21	\$ 105.34	\$ 104.99	\$ 101.92	\$ 100.30	\$ 98.54	\$ 98.86	\$ 99.86	\$ 98.40	\$ 97.83
Copper Broadband ARPU	\$ 59.35	\$ 57.35	\$ 59.25	\$ 60.18	\$ 59.03	\$ 60.59	\$ 61.26	\$ 59.87	\$ 59.87	\$ 60.39	\$ 60.81	\$ 63.83
Churn ⁽⁸⁾												
Consumer												
Fiber Broadband Churn	1.19%	1.43%	1.60%	1.32%	1.38%	1.20%	1.41%	1.47%	1.20%	1.32%	1.24%	1.40%
Copper Broadband Churn	1.53%	1.73%	2.02%	1.88%	1.79%	1.71%	1.84%	2.18%	1.86%	1.90%	1.93%	2.02%
Business and Wholesale												
Fiber Broadband Churn	1.24%	1.27%	1.34%	1.31%	1.29%	1.43%	1.29%	1.24%	1.17%	1.28%	1.32%	1.31%
Copper Broadband Churn	1.53%	1.55%	1.74%	1.81%	1.66%	1.88%	1.69%	1.68%	1.73%	1.74%	2.01%	1.99%

See footnotes on page 8.

Revenue, Expense, and Adjusted EBITDA ^{(9) (16)}

\$ in millions; unaudited



	2022					2023					2024	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
Revenue												
Data and Internet Services	\$ 836	\$ 847	\$ 848	\$ 859	\$ 3,390	\$ 862	\$ 880	\$ 895	\$ 897	\$ 3,534	\$ 947	\$ 983
Voice Services	386	381	369	362	1,498	356	347	341	329	1,373	321	312
Video Services	137	134	127	122	520	117	112	104	97	430	94	88
Other	83	80	82	80	325	83	89	81	86	339	84	83
Revenue from Contracts with Customers	1,442	1,442	1,426	1,423	5,733	1,418	1,428	1,421	1,409	5,676	1,446	1,466
Subsidy and Other Revenue	5	17	18	14	54	22	21	15	17	75	16	14
Total Revenue	\$ 1,447	\$ 1,459	\$ 1,444	\$ 1,437	\$ 5,787	\$ 1,440	\$ 1,449	\$ 1,436	\$ 1,426	\$ 5,751	\$ 1,462	\$ 1,480
<i>Y/Y Growth</i>	-10.7%	-8.7%	-8.4%	-6.9%	-8.7%	-0.5%	-0.7%	-0.6%	-0.8%	-0.6%	1.5%	2.1%
Other Financial Data:												
Consumer Fiber Revenue	\$ 407	\$ 421	\$ 424	\$ 436	\$ 1,688	\$ 448	\$ 462	\$ 479	\$ 484	\$ 1,873	\$ 505	\$ 523
Business and Wholesale Fiber Revenue	265	264	267	285	1,081	281	284	281	278	1,124	300	317
Total Fiber Revenue	672	685	691	721	2,769	729	746	760	762	2,997	805	840
Consumer Copper Revenue	369	370	361	328	1,428	313	313	308	290	1,224	282	266
Business and Wholesale Copper Revenue	401	387	374	374	1,536	376	369	353	357	1,455	359	360
Total Copper Revenue	770	757	735	702	2,964	689	682	661	647	2,679	641	626
Regulatory & TSA Revenue	5	17	18	14	54	22	21	15	17	75	16	14
Total Revenue	\$ 1,447	\$ 1,459	\$ 1,444	\$ 1,437	\$ 5,787	\$ 1,440	\$ 1,449	\$ 1,436	\$ 1,426	\$ 5,751	\$ 1,462	\$ 1,480
Adjusted Operating Expenses												
Video Content Expense	\$ 92	\$ 87	\$ 81	\$ 76	\$ 336	\$ 76	\$ 71	\$ 65	\$ 61	\$ 273	\$ 61	\$ 57
Cost of Service, excluding Video Content	460	451	459	442	1,812	467	460	482	453	1,862	453	453
Selling, General and Administrative Expenses	386	386	396	391	1,559	378	385	363	363	1,489	401	410
Total Adjusted Operating Costs and Expenses	\$ 938	\$ 924	\$ 936	\$ 909	\$ 3,707	\$ 921	\$ 916	\$ 910	\$ 877	\$ 3,624	\$ 915	\$ 920
Adjusted EBITDA ⁽⁹⁾												
Fiber Adjusted EBITDA	\$ 274	\$ 292	\$ 276	\$ 326	\$ 1,168	\$ 322	\$ 323	\$ 328	\$ 356	\$ 1,329	\$ 360	\$ 382
Copper Adjusted EBITDA	230	227	215	187	859	176	189	183	177	725	172	165
Adjusted EBITDA excluding Subsidy and Other	504	519	491	513	2,027	498	512	511	533	2,054	532	547
Subsidy and Other Adjusted EBITDA	5	16	17	15	53	21	21	15	16	73	15	13
Total Adjusted EBITDA	\$ 509	\$ 535	\$ 508	\$ 528	\$ 2,080	\$ 519	\$ 533	\$ 526	\$ 549	\$ 2,127	\$ 547	\$ 560
<i>Y/Y Growth</i>	-22.2%	-14.8%	-13.5%	-9.7%	-15.2%	2.0%	-0.4%	3.5%	4.0%	2.3%	5.4%	5.1%
<i>Adjusted EBITDA margin</i>	35.2%	36.7%	35.2%	36.7%	35.9%	36.0%	36.8%	36.6%	38.5%	37.0%	37.4%	37.8%

See footnotes on page 8.

Reconciliations of Non-GAAP Measures to GAAP Measures⁽¹⁶⁾

\$ in millions; unaudited



	2022					2023					2024	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
Adjusted EBITDA												
Net Income (Loss)	\$ 65	\$ 101	\$ 120	\$ 155	\$ 441	\$ 3	\$ (2)	\$ 11	\$ 17	\$ 29	\$ 1	\$ (123)
<i>Add back (Subtract)</i>												
Income Tax Expense (Benefit)	30	69	75	(16)	158	1	-	-	87	88	2	(9)
Interest Expense	103	118	135	136	492	141	149	170	193	653	199	199
Investment and Other (Income) Loss, Net	(77)	(122)	(211)	(144)	(554)	(2)	(32)	(67)	(177)	(278)	(112)	24
Pension Settlement Costs	-	-	50	5	55	-	-	-	-	-	-	-
Operating Income	121	166	169	136	592	143	115	114	120	492	90	91
Depreciation and Amortization	284	290	296	312	1,182	330	354	356	375	1,415	388	398
EBITDA, as reported⁽⁹⁾	\$ 405	\$ 456	\$ 465	\$ 448	\$ 1,774	\$ 473	\$ 469	\$ 470	\$ 495	\$ 1,907	\$ 478	\$ 489
<i>Add back:</i>												
Pension / OPEB Expense	19	18	13	11	61	11	11	9	10	41	9	9
Restructuring Costs and Other Charges	54	30	4	11	99	8	24	16	25	73	34	26
Rebranding Costs	8	11	7	6	32	-	-	-	-	-	-	-
Stock-based Compensation	15	20	19	28	82	24	27	30	27	108	26	11
Storm Related Costs (Proceeds)	-	-	-	7	7	3	2	1	-	6	-	-
Legal Settlements (Recoveries)	8	-	-	17	25	-	-	-	(8)	(8)	-	25
Adjusted EBITDA, as reported⁽⁹⁾	\$ 509	\$ 535	\$ 508	\$ 528	\$ 2,080	\$ 519	\$ 533	\$ 526	\$ 549	\$ 2,127	\$ 547	\$ 560

See footnotes on page 8.

Capital Investment⁽¹⁰⁾

\$ in millions; unaudited



	2022					2023					2024	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
Capital Investment												
Cash Capital Expenditures	447	641	772	878	2,738	1,154	1,057	671	329	3,211	666	626
Vendor Financing Payments	-	-	-	-	-	-	-	-	4	4	363	52
Cash Capital Investment	447	641	772	878	2,738	1,154	1,057	671	333	3,215	1,029	678
Accounts Payable Increase / (Decrease)	146	103	182	366	797	(25)	(193)	(296)	188	(326)	(156)	85
Vendor Financing Liabilities Increase / (Decrease)	-	-	-	-	-	-	-	167	88	255	(205)	(50)
Inventory (Increase) / Decrease ⁽¹¹⁾	(58)	(77)	(82)	(191)	(408)	(111)	56	11	(8)	(52)	43	53
Capital Investment (Accrual Basis)	535	667	872	1,053	3,127	1,018	920	553	601	3,092	711	766
Subsidy-related Build Capital Expenditures (Accrual Basis) ⁽¹²⁾	3	8	18	33	62	37	35	25	29	126	29	44
Non-subsidy-related Build Capital Expenditures (Accrual Basis) ⁽¹³⁾	233	325	442	517	1,517	523	419	143	159	1,245	232	252

See footnotes on page 8.

Free Cash Flow ⁽¹⁶⁾

\$ in millions; unaudited



	2022					2023					2024	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
Free Cash Flow												
Adjusted EBITDA ⁽⁹⁾	\$ 509	\$ 535	\$ 508	\$ 528	\$ 2,080	\$ 519	\$ 533	\$ 526	\$ 549	\$ 2,127	\$ 547	\$ 560
Pension / OPEB Expense	(19)	(18)	(13)	(11)	(61)	(11)	(11)	(9)	(10)	(41)	(9)	(9)
Cash Interest	(36)	(162)	(88)	(226)	(512)	(83)	(231)	(135)	(262)	(711)	(149)	(263)
Cash Taxes	(2)	(7)	2	(1)	(8)	(5)	4	-	1	-	13	(4)
Pension / OPEB Contributions	(18)	(32)	(91)	1	(140)	(26)	(29)	(49)	(12)	(116)	(52)	(17)
Other	148	(57)	(30)	80	141	3	34	66	55	158	19	133
Restructuring Costs	(54)	(30)	(4)	(11)	(99)	(8)	(24)	(16)	(25)	(73)	(34)	(26)
Net Cash from Operating Activities	528	229	284	360	1,401	389	276	383	296	1,344	335	374
Cash Capital Investment ⁽¹⁰⁾	(447)	(641)	(772)	(878)	(2,738)	(1,154)	(1,057)	(671)	(333)	(3,215)	(1,029)	(678)
Operating Free Cash Flow ⁽¹⁴⁾	\$ 81	\$ (412)	\$ (488)	\$ (518)	\$ (1,337)	\$ (765)	\$ (781)	\$ (288)	\$ (37)	\$ (1,871)	\$ (694)	\$ (304)
Adjusted Operating Free Cash Flow ⁽¹⁴⁾	135	(382)	(484)	(507)	(1,238)	(757)	(757)	(272)	(12)	(1,798)	(660)	(278)

See footnotes on page 8.

Leverage

\$ in millions; unaudited



	2022					2023					2024	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	1Q	2Q
Leverage												
Total Debt	\$ 7,972	\$ 9,145	\$ 9,135	\$ 9,125	\$ 9,125	\$ 9,854	\$ 9,844	\$ 11,273	\$ 11,261	\$ 11,261	\$ 11,255	\$ 11,249
Cash	(1,300)	(678)	(230)	(322)	(322)	(1,132)	(662)	(948)	(1,125)	(1,125)	(1,296)	(1,197)
Short-term investments	(900)	(2,300)	(2,325)	(1,750)	(1,750)	(900)	(575)	(1,275)	(1,075)	(1,075)	(225)	-
Net Debt	5,772	6,167	6,580	7,053	7,053	7,822	8,607	9,050	9,061	9,061	9,734	10,052
Trailing Twelve Months EBITDA ⁽⁹⁾	2,314	2,216	2,137	2,080	2,080	2,090	2,088	2,106	2,127	2,127	2,155	2,182
Net Leverage Ratio ⁽¹⁵⁾	2.5	2.8	3.1	3.4	3.4	3.7	4.1	4.3	4.3	4.3	4.5	4.6

See footnotes on page 8.

Notes



- 1) Passings represent our estimate of the number of locations, such as single family units, apartment and condominium units, and small and medium businesses, passed by our copper and fiber distribution network in the areas where we offer service. These locations are open to Frontier sales efforts. These estimates are based upon the information available at this time and may be updated for all periods presented when new information becomes available.
- 2) Base Fiber passings represent our pre-build fiber passings of 3.2M locations. Expansion Fiber passings represent our footprint where we have built fiber.
- 3) Consumer customer relationships include the number of customers that receive one or more levels of service, encompassing internet, video and voice services, without regard to which service(s) such customers receive. These estimates are based upon the information available at this time and may be updated for all periods presented when new information becomes available.
- 4) Internet customers in 2022 and 2023 were updated in the fourth quarter of 2023 to include wholesale broadband customers, which do not include circuits or fiber-to-the-tower customers. The change resulted in Business and Wholesale fiber customer increases of 7,000, and 10,000, and Business and Wholesale copper customer increases of 22,000, and 22,000, as of December 31, 2022, and 2023, respectively.
- 5) Penetration represents all customers as a percentage of estimated passings.
- 6) Base Fiber Penetration represents all customers as a percentage of estimated passings in our Base Fiber Footprint. Expansion Fiber Penetration represents all customers as a percentage of estimated passings in our Expansion Fiber Footprint.
- 7) Average Revenue Per Unit (ARPU) is calculated as quarterly revenue divided by three divided by average customers taking the respective products. Business and Wholesale ARPU in 2022 and 2023 were updated in the fourth quarter of 2023 for new methodology which includes wholesale ARPU, excluding circuits or fiber-to-the-tower ARPU. The change resulted in Business and Wholesale fiber ARPU decreases of \$2.05, and \$2.65, and Business and Wholesale copper ARPU decreases of \$5.92, and \$6.87, as of December 31, 2022, and 2023, respectively.
- 8) Churn is calculated as the quarterly average of monthly customer disconnects divided by customers at the beginning of the month. Business and Wholesale churn in 2022 and 2023 were updated in the fourth quarter of 2023 to include wholesale churn, which does not include circuits or fiber-to-the-tower churn. The change resulted in Business and Wholesale fiber churn increases / (decreases) of (0.01%), and (0.03%), and Business and Wholesale copper churn increases / (decreases) of (0.06%), and (0.15%), as of December 31, 2022, and 2023, respectively.
- 9) EBITDA is defined as net income (loss) less income tax expense (benefit), interest expense, investment and other income (loss), pension settlement costs, gains/losses on extinguishment of debt, reorganization items, and depreciation and amortization. EBITDA margin is calculated by dividing EBITDA by total revenue. Adjusted EBITDA is defined as EBITDA, as described above, adjusted to exclude certain pension/OPEB expenses, restructuring costs and other charges, stock-based compensation, and certain other non-recurring items. Adjusted EBITDA margin is calculated by dividing Adjusted EBITDA by total revenue. See footnote 16.
- 10) Capital investment includes capital expenditures and vendor financing payments.
- 11) Cash inventory changes may differ from balance sheet changes due to accounting treatment of inventory consumed after twelve months.
- 12) Subsidy-related Build Capital Expenditures represent direct capital expenditures related to CAF, RDOF, and other government grant opportunities, and are subject to various timing and accrual factors, including capital expenditures for locations that will be passed in subsequent periods.
- 13) Non-subsidy-related Build Capital Expenditures represent direct capital expenditures related to fiber expansion, new subdivisions, and new multi-dwelling units and are subject to various timing and accrual factors, including capital expenditures for locations that will be passed in subsequent periods. Build capital expenditures related to CAF, RDOF, and other government grant opportunities are excluded.
- 14) Operating Free Cash Flow, a non-GAAP measure, is defined as net cash provided from operating activities less capital expenditures, less payments on vendor financing related to capital expenditures. Adjusted Operating Free Cash Flow is defined as Operating Free Cash Flow excluding reorganization items and restructuring costs. See footnote 16.
- 15) Net Leverage Ratio is calculated as net debt (total debt less cash and cash equivalents) divided by Adjusted EBITDA for the most recent four quarters.
- 16) Certain financial measures contained herein, including EBITDA, Adjusted EBITDA, EBITDA Margin, Adjusted EBITDA Margin, Operating Free Cash Flow, Adjusted Operating Free Cash Flow and Net Leverage Ratio are non-GAAP financial measures. A description and reconciliation of each of these measures to the most comparable financial measures calculated and presented in accordance with GAAP is included herein. A wide range of factors could materially affect Frontier's future developments and performance, and may cause actual future results to be materially different than historical results and trends presented in this supplemental financial and operational trend information. These factors include, but are not limited to, the risks and other factors contained in Frontier's filings with the SEC, including Frontier's Form 10-K and most recent Form 10-Qs.