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DELTA REPORT

10-Q

FRONTIER COMMUNICATIONS P

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1515
CHANGES	231
DELETIONS	690
ADDITIONS	594

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2023 March 31, 2024

or

¨ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________to__________

Commission file number: 001-11001

Picture 2

FRONTIER COMMUNICATIONS PARENT, INC.

(Exact name of registrant as specified in its charter)

Delaware	**86-2359794 86-2359749**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1919 McKinney Avenue Dallas, Texas	**75201**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(972) 445-0042**

401 Merritt 7, Norwalk, Connecticut 06851

(Former name, former address and former fiscal year, if changed from last report)

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 $0.01 per share	FYBR	The NASDAQ Stock Market LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes __ No _X_

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes __ No _X_

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes _X_ No __

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes _X_ No __

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definition of “large accelerated filer”, “accelerated filer”, “smaller reporting company”, and “emerging growth company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Smaller reporting company ¨ 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 ¨

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. x

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. o

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes __ No _X_

The number of shares outstanding of the registrant's common stock as of October 30, 2023 April 29, 2024 was 245,789,000. 248,552,000.

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

($ in millions and shares in thousands, except for per-share amounts)

	(Unaudited) September 30, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	$ 948	$ 322
Short-term investments	1,275	1,750
Accounts receivable, less allowances of $33 and $47, respectively	449	438
Prepaid expenses	79	57
Income taxes and other current assets	47	30
Total current assets	2,798	2,597
Property, plant and equipment, net	13,621	11,850
Other intangibles, net	3,665	3,906
Other assets	425	271
Total assets	$ 20,509	$ 18,624
LIABILITIES AND EQUITY		
Current liabilities:		
Long-term debt due within one year	$ 15	$ 15
Accounts payable	885	1,410
Advanced billings	202	194
Accrued other taxes	131	137
Accrued interest	183	104
Pension and other postretirement benefits	39	39
Other current liabilities	596	396
Total current liabilities	2,051	2,295
Deferred income taxes	565	558
Pension and other postretirement benefits	866	1,044
Other liabilities	529	483
Long-term debt	11,258	9,110
Total liabilities	15,269	13,490
Equity:		
Common stock, $0.01 par value (1,750,000 authorized shares, 245,782		

and 245,021 shares issued and outstanding at September 30, 2023 and December 31, 2022, respectively)	2	2
Additional paid-in capital	4,271	4,198
Retained earnings	867	855
Accumulated other comprehensive income, net of tax	100	79
Total equity	5,240	5,134
Total liabilities and equity	$ 20,509	$ 18,624

	(Unaudited) March 31, 2024	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,296	$ 1,125
Short-term investments	225	1,075
Accounts receivable, less allowances of $64 and $53, respectively	447	446
Prepaid expenses	64	67
Income taxes and other current assets	49	68
Total current assets	2,081	2,781
Property, plant and equipment, net	14,296	13,933
Other intangibles, net	3,505	3,585
Other assets	315	394
Total assets	$ 20,197	$ 20,693
LIABILITIES AND EQUITY		
Current liabilities:		
Long-term debt due within one year	$ 15	$ 15
Accounts payable and accrued liabilities	884	1,103
Advanced billings	196	182
Accrued other taxes	122	118
Accrued interest	183	126
Pension and other postretirement benefits	38	38
Other current liabilities	502	693
Total current liabilities	1,940	2,275
Deferred income taxes	641	643
Pension and other postretirement benefits	563	697
Other liabilities	554	553
Long-term debt	11,240	11,246
Total liabilities	14,938	15,414

Equity:		
Common stock, $0.01 par value (1,750,000 authorized shares, 248,547 and 245,813 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively)	2	2
Additional paid-in capital	4,281	4,297
Retained earnings	885	884
Accumulated other comprehensive income, net of tax	91	96
Total equity	5,259	5,279
Total liabilities and equity	$ 20,197	$ 20,693

The accompanying Notes are an integral part of these unaudited Consolidated Financial Statements.

PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

($ in millions and shares in thousands, except for per-share amounts)

(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Revenue	$ 1,436	$ 1,444	$ 4,325	$ 4,350
Operating expenses:				
Cost of service	545	544	1,615	1,643
Selling, general, and administrative expenses	405	431	1,250	1,293
Depreciation and amortization	356	296	1,040	870
Restructuring costs and other charges	16	4	48	88
Total operating expenses	1,322	1,275	3,953	3,894
Operating income	114	169	372	456
Investment and other income, net (See Note 10)	67	211	101	410
Pension settlement costs	-	(50)	-	(50)
Interest expense	(170)	(135)	(460)	(356)

Income before income taxes	11	195	13	460
Income tax expense	-	75	1	174
Net income	$ 11	$ 120	$ 12	$ 286
Basic net earnings per share				
attributable to Frontier common shareholders	$ 0.05	$ 0.49	$ 0.05	$ 1.17
Diluted net earnings per share				
attributable to Frontier common shareholders	$ 0.05	$ 0.49	$ 0.05	$ 1.17
Total weighted average shares outstanding - basic	245,761	244,984	245,431	244,711
Total weighted average shares outstanding - diluted	247,447	245,212	247,336	245,080

	For the three months ended March 31,	
	2024	2023
Revenue	$ 1,462	$ 1,440
Operating expenses:		
Cost of service	522	542
Selling, general, and administrative expenses	428	417
Depreciation and amortization	388	330
Restructuring costs and other charges	34	8
Total operating expenses	1,372	1,297
Operating income	90	143
Investment and other income, net (See Note 10)	112	2
Interest expense	(199)	(141)
Income before income taxes	3	4
Income tax expense	2	1
Net income	$ 1	$ 3
Basic net earnings per share		
attributable to Frontier common shareholders	$ 0.00	$ 0.01
Diluted net earnings per share		
attributable to Frontier common shareholders	$ 0.00	$ 0.01
Total weighted average shares outstanding - basic	246,301	245,081
Total weighted average shares outstanding - diluted	247,040	246,425

The accompanying Notes are an integral part of these unaudited Consolidated Financial Statements.

PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

($ in millions)

(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Net income	$ 11	$ 120	$ 12	$ 286
Other comprehensive income (loss), net of tax	8	(2)	21	-
Comprehensive income	$ 19	$ 118	$ 33	$ 286

	For the three months ended March 31,	
	2024	2023
Net income	$ 1	$ 3
Other comprehensive (loss) income, net of tax	(5)	4
Comprehensive (loss) income	$ (4)	$ 7

The accompanying Notes are an integral part of these unaudited Consolidated Financial Statements.

PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EQUITY

($ in millions and shares in thousands)

(Unaudited)

	For the nine months ended September 30, 2023										
	Common Stock			Additional Paid-In		Retained		Accumulated Other Comprehensive		Total	
	Shares	Amount		Capital		Earnings		Income		Equity	
Balance at January 1, 2023	245,021	$	2	$	4,198	$	855	$	79	$	5,134
Stock plans, net	211		-		22		-		-		22
Net income	-		-		-		3		-		3
Other comprehensive income, net of tax	-		-		-		-		4		4
Balance at March 31, 2023	245,232	$	2	$	4,220	$	858	$	83	$	5,163
Stock plans, net	512		-		22		-		-		22
Net loss	-		-		-		(2)		-		(2)
Other comprehensive income, net of tax	-		-		-		-		9		9
Balance at June 30, 2023	245,744	$	2	$	4,242	$	856	$	92	$	5,192
Stock plans	38		-		29		-		-		29
Net income	-		-		-		11		-		11
Other comprehensive income, net of tax	-		-		-		-		8		8
Balance at September 30, 2023	245,782	$	2	$	4,271	$	867	$	100	$	5,240

	For the three months ended March 31, 2024										
	Common Stock			Additional Paid-In		Retained		Accumulated Other Comprehensive		Total	
	Shares	Amount		Capital		Earnings		Income		Equity	
Balance at January 1, 2024	245,813	$	2	$	4,297	$	884	$	96	$	5,279
Stock plans, net	2,734		-		(16)		-		-		(16)
Net income	-		-		-		1		-		1
Other comprehensive loss, net of tax	-		-		-		-		(5)		(5)
Balance at March 31, 2024	248,547	$	2	$	4,281	$	885	$	91	$	5,259

For the nine months ended September 30, 2022	For the three months ended March 31, 2023

	Common Stock Shares (2022)	Common Stock Amount (2022)	Additional Paid-In Capital (2022)	Retained Earnings (2022)	Accumulated Other Comprehensive Income (2022)	Total Equity (2022)	Common Stock Shares (2023)	Common Stock Amount (2023)	Additional Paid-In Capital (2023)	Retained Earnings (2023)	Accumulated Other Comprehensive Income (2023)	Total Equity (2023)
Balance at January 1, 2022	244,416	$ 2	$ 4,124	$ 414	$ 60	$ 4,600						
Stock plans, net	60	-	15	-	-	15						
Net income	-	-	-	65	-	65						
Other comprehensive loss, net of tax	-	-	-	-	(2)	(2)						
Balance at March 31, 2022	244,476	$ 2	$ 4,139	$ 479	$ 58	$ 4,678						
Balance at January 1, 2023							245,021	$ 2	$ 4,198	$ 855	$ 79	$ 5,134
Stock plans, net	493	-	13	-	-	13	211	-	22	-	-	22
Net income	-	-	-	101	-	101	-	-	-	3	-	3
Other comprehensive income, net of tax	-	-	-	-	4	4	-	-	-	-	4	4
Balance at June 30, 2022	244,969	$ 2	$ 4,152	$ 580	$ 62	$ 4,796						
Stock plans	30	-	19	-	-	19						
Net income	-	-	-	120	-	120						
Other comprehensive income, net of tax	-	-	-	-	(2)	(2)						
Balance at September 30, 2022	244,999	$ 2	$ 4,171	$ 700	$ 60	$ 4,933						
Balance at March 31, 2023							245,232	$ 2	$ 4,220	$ 858	$ 83	$ 5,163

The accompanying Notes are an integral part of these unaudited Consolidated Financial Statements.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

($ in millions)

(Unaudited)

	For the nine months ended September 30,	
	2023	2022
Cash flows provided from (used by) operating activities:		
Net Income	$ 12	$ 286
Adjustments to reconcile net income to net cash provided from (used by) operating activities:		
Depreciation and amortization	1,040	870
Pension settlement costs	-	50
Stock-based compensation expense	81	54
Lease Impairment	-	44
Amortization of premium	(21)	(21)
Bad debt expense	24	19
Other adjustments	9	1
Deferred income taxes	(1)	167
Change in accounts receivable	(35)	16
Change in long-term pension and other postretirement liabilities	(149)	(527)
Change in accounts payable and other liabilities	101	94
Change in prepaid expenses, income taxes, and other assets	(13)	(12)
Net cash provided from operating activities	1,048	1,041
Cash flows provided from (used by) investing activities:		
Capital expenditures	(2,882)	(1,860)
Purchase of short-term investments	(1,850)	(3,225)
Sale of short-term investments	2,325	900
Purchase of long-term investments	(63)	-
Proceeds on sale of assets	18	4
Other	1	3
Net cash (used by) investing activities	(2,451)	(4,178)
Cash flows provided from (used by) financing activities:		
Long-term debt principal payments	(64)	(11)

Net proceeds from long-term debt borrowings	2,278	1,200
Premium paid to retire debt	(10)	-
Financing costs paid	(56)	(17)
Finance lease obligation payments	(18)	(15)
Proceeds from sale and lease-back transactions	21	70
Taxes paid on behalf of employees for shares withheld	(9)	(7)
Other	(7)	(1)
Net cash provided from financing activities	2,135	1,219
Increase (Decrease) in cash, cash equivalents, and restricted cash	732	(1,918)
Cash, cash equivalents, and restricted cash at January 1,	322	2,178
Cash, cash equivalents, and restricted cash at September 30,	$ 1,054	$ 260
Supplemental cash flow information:		
Cash paid during the period for:		
Interest	$ 449	$ 286
Income tax payments, net	$ 1	$ 7

	For the three months ended March 31,	
	2024	2023
Cash flows provided from (used by) operating activities:		
Net income	$ 1	$ 3
Adjustments to reconcile net income to net cash provided from (used by) operating activities:		
Depreciation and amortization	388	330
Pension / OPEB special termination benefit enhancements	7	-
Stock-based compensation expense	26	24
Amortization of premium	(5)	(7)
Bad debt expense	9	7
Other adjustments	4	1
Deferred income taxes	-	-
Change in accounts receivable	(9)	2
Change in long-term pension and other postretirement liabilities	(146)	(7)
Change in accounts payable and other liabilities	27	30
Change in prepaid expenses, income taxes, and other assets	33	6

Net cash provided from operating activities	335	389
Cash flows provided from (used by) investing activities:		
Capital expenditures	(666)	(1,154)
Purchase of short-term investments	-	(225)
Sale of short-term investments	850	1,075
Other	2	-
Net cash provided from (used by) investing activities	186	(304)
Cash flows provided from (used by) financing activities:		
Long-term debt principal payments	(4)	(4)
Net proceeds from long-term debt borrowings	-	750
Payments of vendor financing	(363)	-
Financing costs paid	-	(13)
Finance lease obligation payments	(7)	(5)
Taxes paid on behalf of employees for shares withheld	(43)	(3)
Other	(6)	-
Net cash (used by) provided from financing activities	(423)	725
Increase in cash, cash equivalents, and restricted cash	98	810
Cash, cash equivalents, and restricted cash at January 1,	1,239	322
Cash, cash equivalents, and restricted cash at March 31,	$ 1,337	$ 1,132
Supplemental cash flow information:		
Cash paid during the period for:		
Interest	$ 149	$ 83
Income tax (refund) payments, net	$ (13)	$ 5

The accompanying Notes are an integral part of these unaudited Consolidated Financial Statements.

PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES

(Unaudited)

(1) Summary of Significant Accounting Policies:

a) Basis Description of Presentation and Use of Estimates: Business:

Frontier Communications Parent, Inc. is a provider of communications services in the United States, with approximately 3.0 million broadband subscribers and approximately 13,200 employees, operating in 25 states. We were incorporated in 1935, originally under the name of Citizens Utilities Company and known as

Citizens Communications Company until July 31, 2008. Frontier and its subsidiaries are referred to herein as "we," "us," "our," "Frontier," or the "Company" in this report.

b) Basis of Presentation and Use of Estimates:

Our interim unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and should be read in conjunction with the consolidated financial statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. The consolidated financial statements include the accounts of Frontier Communications Parent, Inc., all consolidated subsidiaries and variable interest entities of which the Company is the primary beneficiary. All significant intercompany balances and transactions have been eliminated in consolidation. These interim unaudited consolidated financial statements include all adjustments (consisting of normal recurring accruals) considered necessary, in the opinion of Frontier's management, to present fairly the results for the interim periods shown. Revenues, net income, and cash flows for any interim periods are not necessarily indicative of results that may be expected for the full year.

We operate in one reportable segment. Frontier provides both regulated and unregulated voice, data and video services to consumer, business, and wholesale customers and is typically the incumbent voice services provider in its service areas. Certain reclassifications of prior period balances have been made to conform to the current period presentation. For our interim financial statements as of and for the period ended September 30, 2023 March 31, 2024, we evaluated subsequent events and transactions for potential recognition or disclosure through the date that we filed this Form 10-Q with the Securities and Exchange Commission ("SEC").

The preparation of our interim financial statements in conformity with GAAP requires management to make estimates and assumptions that affect (i) the reported amounts of assets and liabilities at the date of the financial statements, (ii) the disclosure of contingent assets and liabilities, and (iii) the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates. Estimates and judgments are used when accounting for the application of allowance for credit losses, asset impairments, indefinite-lived intangibles, depreciation and amortization, income taxes, and pension and other postretirement benefits, among others.

b) c) Going Concern:

In accordance with the requirements of Accounting Standards Update ("ASU") 2014-15, "Presentation of Financial Statements Going Concern (ASU 2014-15)", and ASC 205, "Presentation of Financial Statements", we have the responsibility to evaluate at each reporting period, including interim periods, whether conditions and/or events raise substantial doubt about our ability to meet our future financial obligations. In its evaluation for this report, management considered our current financial condition and liquidity sources, including current funds available, forecasted future cash flows and our conditional and unconditional obligations due within one year following the date of issuance of this Quarterly Report on Form 10-Q.

We believe we have the ability to meet our obligations for at least one year from the date of issuance of this Form 10-Q. Accordingly, the accompanying consolidated financial statements have been prepared assuming that we will continue as a going concern and contemplate the realization of assets and the satisfaction of liabilities in the normal course business.

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d) Cash Equivalents and Restricted Cash:

We consider all liquid investments with an original maturity of three months or less to be cash equivalents. Restricted cash amounts represent cash collateral required for certain Letter of Credit obligations and utility vendors and collateral for debt arrangements.

At March 31, 2024, the Company had $41 million in restricted cash. Pursuant to the terms of the Company's securitized financing facility and secured fiber network revenue term notes, as described in Note 8, restricted cash is held in securitization escrow accounts. As of March 31, 2024, approximately $40 million is current restricted cash held for the purpose of paying interest and certain fees. In addition, as of March 31, 2024, we had approximately $1 million in noncurrent restricted cash to satisfy a portion of the required liquidity reserve amount, related to the securitization transaction.

e) Investments:

Short-term Investments

Given the long-term nature of our fiber build, we have invested cash into short-term investments to improve interest income while preserving liquidity to fund the investment as required.

As of March 31, 2024, short-term investments of $225 million are comprised of term deposits earning interest in excess of traditional bank deposit rates, maturing between April 25, 2024, and May 2, 2024, and placed with banks with A-1/P-1 or equivalent credit quality. These short-term investments are in scope of ASC 320, Investments - Debt Securities. The short-term investments' original maturity is greater than 90 days but less than one year, and they are classified as held to maturity, recorded as current assets, and are accounted for at amortized cost.

Other Investments

In connection with the closing of the securitization transaction, approximately $63 million in the form of U.S. Treasuries was deposited in an escrow account established with a trustee, for the purpose of paying interest and principal on $47 million in remaining debt of our subsidiary Frontier Southwest Incorporated. As of March 31, 2024, this balance was approximately $62 million and is included in "Other assets" on our consolidated balance sheets and is restricted. See Note 8 for further details.

f) Revenue Recognition:

Revenue for data and Internet services, voice services, video services, and switched and non-switched access services is recognized as services are provided to customers. Services that are billed in advance include monthly recurring network access services (including data services), special access services, and monthly recurring voice, video, and related charges. Revenue is recognized by measuring progress toward the complete satisfaction of our performance obligations. The unearned portion of these fees is deferred as a component of “Advanced billings” on our consolidated balance sheet and recognized as revenue over the period that the services are provided. Services that are billed in arrears include non-recurring network access services (including data services), switched access services, and non-recurring voice and video services. The earned but unbilled portion of these fees is recognized as revenue in our consolidated statements of income and accrued in “Accounts receivable” on our consolidated balance sheet in the period that services are provided. Excise taxes are recognized as a liability when billed.

Satisfaction of Performance Obligations

We satisfy our obligations to customers by transferring goods and services in exchange for consideration received from the customer. The timing of our satisfaction of the performance obligation may differ from the timing of the customer’s payment.

Bundled Service and Allocation of Discounts

When customers purchase more than one service, revenue for each is determined by allocating the total transaction price based upon the relative stand-alone selling price of each service. We frequently offer service discounts as an incentive to customers, which reduce the total transaction price. Any incentives which are considered cash equivalents (e.g. gift cards) that are granted will similarly result in a reduction of the total transaction price. Cash equivalent incentives are accounted for on a portfolio basis and are recognized in the month they are awarded to customers.

Customer Incentives

In the process of acquiring and/or retaining customers, we may issue a variety of incentives aside from service discounts or cash equivalent incentives. Those incentives that have stand-alone value (e.g. gift cards not considered cash equivalents or free goods/services) are considered separate performance obligations. While these incentives are free to the customer, a portion of the consideration received from the customer is ascribed to them based upon their relative stand-alone selling price. These types of incentives are accounted for on a portfolio basis with both revenue and expense recognized in the month they are awarded to the customer. The earned revenue associated with these incentives is reflected in “Other” revenue while the associated costs are reflected in “Cost of services” Services”.

Upfront Fees

All non-refundable upfront fees assessed to our customers provide them with a material right to renew; therefore, they are deferred by creating a contract liability and amortized into “Data and Internet service revenue” for fees charged to our wholesale customers and “Other revenue” for fees charged to all other customers over the average customer life using a portfolio approach.

Customer Acquisition Costs

Sales commission expenses are recognized as incurred. According to ASC 606, incremental costs in obtaining a contract with a customer are deferred and recorded as a contract asset if the period of benefit is expected to be greater than one year. For our retail customers, this period of benefit has been determined to be less than one year. As such, we applied the practical expedient that allows such costs to be expensed as incurred.

Taxes, Surcharges and Subsidies

We collect various taxes, Universal Service Funds (“USF”) surcharges (primarily federal USF), and certain other surcharges from our customers and subsequently remits these taxes to governmental authorities.

In June 2015, we accepted the FCC offer of support to price cap carriers under the Connect America Fund (“CAF”) Phase II program, which was intended to provide long-term support for broadband build commitments in high cost unserved or underserved areas. We recognized FCC’s CAF Phase II subsidies into revenue on a straight-line basis over the The seven-year funding term which ended on December 31, 2021. The FCC is reviewing carriers’ CAF II program completion data, and if the FCC determines that we did not satisfy certain applicable CAF Phase II requirements, we could be required to return a portion of the funds previously received and may be subject to certain other penalties, requirements and obligations. We have accrued an amount for any potential shortfall in the household build commitment that we deem to be

probable and reasonably estimated, and we do not expect that any amounts of funds that may need to be returned potential penalties, if ultimately incurred, will be material.

In May 2022, we accepted the FCC offer under the Rural Digital Opportunity Fund (“RDOF”) Phase I program, which provides funding over a ten-year period to support the construction of broadband networks in rural communities across the country. We accepted $37 million in annual support through 2032 in return for our commitment to make broadband available to households within the RDOF eligible areas. We will recognize the FCC's RDOF Phase I subsidies into revenue on a straight-line basis over the ten-year funding term which will end March 31, 2032. We are required to complete the RDOF deployment by December 31, 2028. Thereafter, the FCC will review carriers' RDOF program completion data, and if the FCC determines that we did not satisfy applicable FCC RDOF requirements, we could be required to return a portion of the funds previously received and may be subject to certain other penalties, requirements and obligations. We accrue for any potential shortfall in the household build commitment that we deem to be probable and reasonably estimated.

c) g)Cash Equivalents Property, Plant and Restricted Cash: Equipment:

We consider all liquid investments with an Property, plant, and equipment are stated at original maturity cost, including capitalized interest, or fair market value as of three months or less the date of acquisition for acquired properties. Maintenance and repairs are charged to be cash equivalents. Restricted cash amounts represent cash collateral required for certain Letter operating expenses as incurred. The gross book value of Credit obligations routine property, plant and utility vendors and collateral for debt arrangements. equipment retirements is charged against accumulated depreciation.

At September 30, 2023, the Company had $106 million in restricted cash. Pursuant to the terms of the

Company's securitized financing facility and secured fiber network revenue term notes, as described in Note 8, restricted cash is held in securitization escrow accounts. As of September 30, 2023, approximately $36 million is current restricted cash held for the purpose of paying interest and certain fees. In addition, as of September 30, 2023, approximately

$70 million is noncurrent restricted cash held for the purpose of satisfying the required liquidity reserve amount.

d) Investments:

Short-term Investments

Given the long-term nature of our fiber build, we have invested cash into short-term investments to improve interest income while preserving liquidity to fund the investment as required.

As of September 30, 2023, short-term investments of $1,275 million are comprised of term deposits earning interest in excess of traditional bank deposit rates, maturing between November 14, 2023, and March 19, 2024, and placed with banks with A-1/P-1 or equivalent credit quality. These short-term investments are in scope of ASC 320, Investments - Debt Securities. The short-term investments' original maturity is greater than 90 days but less than one year, and they are classified as held to maturity, recorded as current assets, and are accounted for at amortized cost.

Other Investments

In connection with the closing of the securitization transaction, approximately $63 million in the form of U.S. Treasuries was deposited in an escrow account established with a trustee, for the purpose of paying interest and principal on $47 million in remaining debt of our subsidiary Frontier Southwest Incorporated. This balance is included in “Other assets” on our consolidated balance sheets and is restricted. See Note 8 for further details.

e) h) Definite and Indefinite Lived Intangible Assets:

Intangible assets are initially recorded at estimated fair value. Customer relationship intangibles have been were established for business and wholesale customers. These intangibles are amortized on a straight-line basis over their assigned useful lives of between 11 and 16 years. Additionally, trademark and tradename assets established upon emergence are amortized on a straight-line basis over 5 years. We review such intangible assets annually, or more often if indicators of impairment arise, to determine whether there is

evidence that indicates an impairment condition may exist that would necessitate a change in useful life and a different amortization period.

f) (i) Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of:

We review long-lived assets to be held and used, including customer lists and property, plant and equipment, and long-lived assets to be disposed of for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of the asset to the future undiscounted net cash flows expected to be generated by the asset. Recoverability of assets held for sale is measured by comparing the carrying amount of the assets to their estimated fair market value. If any assets are considered to be impaired, the impairment is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value. Also, we periodically reassess the useful lives of our long-lived assets to determine whether any changes are required.

j) Lease Accounting:

We determine if an arrangement contains a lease at inception. Right-of-use (ROU) assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Operating and Finance lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. As most of our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at commencement date in determining the present value of lease payments. The operating and finance lease ROU asset also includes any lease payments made and excludes lease incentives. Our lease terms used in accounting for leases may reflect options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Lease expense for operating leases is recognized on a straight-line basis over the lease term. ROU assets for operating leases are recorded to “Other Assets”, and the related liabilities recorded to “Other current liabilities”, and “Other liabilities” on our consolidated balance sheets. Assets subject to finance leases are included in “Property, Plant & Equipment”, with corresponding liabilities recorded to “Other current liabilities”, and “Other liabilities” on our consolidated balance sheets.

We assess potential impairments to our leases annually, or as indicators exist, if indicators of impairment arise to determine whether there is evidence that indicate an impairment condition may exist. We continue to review our real estate portfolio and, during the first quarter of 2022, determined to either terminate or market for sublease certain facilities leases, which triggered an impairment of $44 million for our finance and operating lease assets recorded as restructuring charges and other costs. See Note 9 for further details.

g)

Going Concern:

In accordance with the requirements of Accounting Standards Update (“ASU”) 2014-15, “Presentation of Financial Statements Going Concern (ASU 2014-15)”, and ASC 205, “Presentation of Financial Statements”, we have the responsibility to evaluate at each reporting period, including interim periods, whether conditions and/or events raise substantial doubt about our ability to meet our future financial obligations. In its evaluation for this report, management considered our current financial condition and liquidity sources, including current funds available, forecasted future cash flows and our conditional and unconditional obligations due within one year following the date of issuance of this Quarterly Report on Form 10-Q.

We believe we have the ability to meet our obligations for at least one year from the date of issuance of this Form 10-Q. Accordingly, the accompanying consolidated financial statements have been prepared assuming that we will continue as a going concern and contemplate the realization of assets and the satisfaction of liabilities in the normal course business.

h) Property, Plant and Equipment:

Property, plant, and equipment are stated at original cost, including capitalized interest, or fair market value as of the date of acquisition for acquired properties. Maintenance and repairs are charged to operating expenses as incurred. The gross book value of routine property, plant and equipment retirements is charged against accumulated depreciation.

i)Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of:

We review long-lived assets to be held and used, including customer lists and property, plant and equipment, and long-lived assets to be disposed of for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of the asset to the future undiscounted net cash flows expected to be generated by the asset. Recoverability of assets held for sale is measured by comparing the carrying amount of the assets to their estimated fair market value. If any assets are considered to be impaired, the impairment is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value. Also, we periodically reassess the useful lives of our long-lived assets to determine whether any changes are required.

j) k) Income Taxes and Deferred Income Taxes:

We file a consolidated federal income tax return. We utilize the asset and liability method of accounting for income taxes. Under the asset and liability method, deferred income taxes are recorded for the tax effect of temporary differences between the financial statement basis and the tax basis of assets and liabilities using tax rates expected to be in effect when the temporary differences are expected to reverse.

We recognize deferred tax assets to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, tax-planning strategies, and results of recent operations. If we determine that we are not able to realize a portion of our net deferred tax assets in the future, we would make an adjustment to the deferred tax asset valuation allowance, which would increase the provision for income taxes.

The tax effect of a change in tax law or rates included in income tax expense from continuing operations includes effect of changes in deferred tax assets and liabilities initially recognized through a charge or credit to other comprehensive income (loss). income. The residual tax effects typically are released when the item giving rise to the tax effect is disposed of, liquidated, or terminated.

k) l) Stock Plans:

We have one stock-based compensation plan under which grants are made and awards remain outstanding. Awards under this plan may be made to employees, directors or consultants of the Company or its affiliates, as determined by the Compensation and Human Capital Committee of the Board. Awards may be made in the form of restricted stock, restricted stock units, incentive stock options, non-qualified stock options, stock appreciation rights or other stock-based awards, including awards with performance, market, and time-vesting conditions.

The compensation cost recognized is based on awards ultimately expected to vest. GAAP requires forfeitures to be estimated and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

(2) Recent Accounting Pronouncements:

Financial Accounting Standards Not Yet Adopted During 2023

During ASU No. 2023-09 – Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments in this Update require that public business entities on an annual basis (1) disclose specific categories in the quarter ended September 30, 2023, we adopted, rate reconciliation and (2) provide additional information for reconciling items that meet a quantitative threshold (if the Financial Accounting Standards Board's (FASB) Accounting Standards effect of those reconciling items is equal to or greater than 5 percent of the amount computed by multiplying pretax income [or loss] by the applicable statutory income tax rate). For public business entities, the amendments in this Update (ASU) No. 2022-04, "Liabilities – Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations" (ASU 2022-04), which establishes interim and are effective for annual reporting disclosure requirements about a company's supplier finance programs for its purchase of goods and services. In the year of adoption, the disclosure of payment and other key terms under the programs and outstanding balances under the obligations also applies to interim reporting dates. The adoption of this ASU does not have a material effect on our financial statements upon adoption. periods beginning after December 15, 2024.

We have negotiated favorable payment terms with some ASU No. 2023-07 – Segment Reporting (Topic 280): Improvements to reportable segment disclosures. The amendments in this update improve financial reporting by requiring disclosure of our vendors incremental segment information on an annual and interim basis for all public entities to enable investors to develop more decision-useful financial analyses. Currently, Topic 280 requires that allow a public entity disclose certain information about its reportable segments. For example, a public entity is required to report a measure of segment profit or loss that the CODM uses to assess segment performance and make decisions about allocating resources. Topic 280 also requires other specified segment items and amounts, such as depreciation, amortization, and depletion expense, to be disclosed under certain circumstances. The amendments in this update do not change or remove those disclosure requirements. The amendments in this update also do not change how a public entity identifies its operating segments, aggregates those operating segments, or applies the quantitative thresholds to determine its reportable segments. The amendments in this update are effective for a longer payment period than our normal customary terms (referred to as vendor financing) fiscal years beginning after December 15, 2023, which are excluded from capital expenditures and reported as financing activities. As of September 30, 2023 we have $169 million of vendor interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted.

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financing liabilities included in "Other current liabilities" on our consolidated balance sheets. No vendor financing payments were made as of September 30, 2023.

(3) Revenue Recognition:

We categorize our products, services and other revenues into the following categories:

Data and Internet services include broadband services for consumer and business customers. We provide data transmission services to high volume business customers and other carriers with dedicated high capacity circuits ("non-switched nonswitched access") including services to wireless providers (wireless backhaul) ("wireless backhaul");

Voice services include traditional local and long-distance wireline services, Voice over Internet Protocol (VoIP) services, as well as a number of unified messaging services offered to our consumer and business customers. Voice services also include the long-distance voice origination and termination services that we provide to our business customers and other carriers;

Video services include revenues generated from services provided directly to consumer customers as linear terrestrial television services, through various satellite providers, and through partnerships with over-the-top (OTT) video providers. Video services also includes pay-per-view revenues, video on demand, equipment rentals, and video advertising. We have made the strategic decision to limit sales of new traditional TV services, focusing on our broadband products and OTT video options;

Other customer revenue includes switched access revenue, rents collected for colocation collocation services, and revenue from other services and fees. Switched access revenue includes revenues derived from allowing other carriers to use our network to originate and/or terminate their local and long-distance voice traffic (switched access). These services are primarily billed on a minutes-of-use basis applying tariffed rates filed with the FCC or state agencies; and

Subsidy and other regulatory revenue includes revenues generated from cost subsidies from state and federal authorities, including the CAF II and RDOF.

The following tables provide a summary of revenues, by category.

	For the three months ended March 31,	
($ in millions)	2024	2023
Data and Internet services	$ 947	$ 862
Voice services	321	356
Video services	94	117
Other	84	83
Revenue from contracts with customers [1]	1,446	1,418
Subsidy and other revenue	16	22
Total revenue	$ 1,462	$ 1,440

	For the three months ended March 31,	
($ in millions)	2024	2023
Consumer	$ 787	$ 761
Business and wholesale	659	657

Revenue from contracts with customers (1)	1,446	1,418
Subsidy and other revenue	16	22
Total revenue	$ 1,462	$ 1,440

(1) Includes lease revenue of $13 million and $15 million for the three months ended March 31, 2024 and 2023, respectively.

PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES

(Unaudited)

The following tables provide a summary of revenues, by category:

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	2023	2022	2023	2022
Data and Internet services	$ 895	$ 848	$ 2,637	$ 2,531
Voice services	341	369	1,044	1,136
Video services	104	127	333	398
Other	81	82	253	245
Revenue from contracts with customers (1)	1,421	1,426	4,267	4,310
Subsidy and other revenue	15	18	58	40
Total revenue	$ 1,436	$ 1,444	$ 4,325	$ 4,350

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	2023	2022	2023	2022
Consumer	$ 787	$ 785	$ 2,323	$ 2,352
Business and wholesale	634	641	1,944	1,958
Revenue from contracts with customers (1)	1,421	1,426	4,267	4,310
Subsidy and other revenue	15	18	58	40
Total revenue	$ 1,436	$ 1,444	$ 4,325	$ 4,350

(1) Includes lease revenue of $14 million and $44 million for the three and nine months ended September 30, 2023, and $15 million and $48 million for the three and nine months ended September 30, 2022, respectively.

The following is a summary of the changes in the contract liabilities:

	Contract Liabilities	
($ in millions)	Current	Noncurrent

	Current	Noncurrent
Balance at December 31, 2022	$ 27	$ 17
Revenue recognized included in opening contract balance	(29)	(9)
Credits granted, excluding amounts recognized as revenue	31	15
Reclassified between current and noncurrent	5	(5)
Balance at September 30, 2023	$ 34	$ 18

	Contract Liabilities	
($ in millions)	Current	Noncurrent
Balance at December 31, 2021	$ 27	$ 11
Revenue recognized included in opening contract balance	(21)	(8)
Credits granted, excluding amounts recognized as revenue	17	17
Reclassified between current and concurrent	4	(4)
Balance at September 30, 2022	$ 27	$ 16

	Contract Liabilities	
($ in millions)	Current	Noncurrent
Balance at December 31, 2023	$ 33	$ 17
Revenue recognized included in opening contract balance	(8)	(5)
Credits granted, excluding amounts recognized as revenue	8	3
Reclassified between current and noncurrent	-	-
Balance at March 31, 2024	$ 33	$ 15

	Contract Liabilities	
($ in millions)	Current	Noncurrent
Balance at December 31, 2022	$ 27	$ 17
Revenue recognized included in opening contract balance	(9)	(3)
Credits granted, excluding amounts recognized as revenue	10	5
Reclassified between current and noncurrent	2	(2)
Balance at March 31, 2023	$ 30	$ 17

(Unaudited)

The unsatisfied obligations for retail customers consist of amounts in advance billings, which are expected to be earned within the following monthly billing cycle. Unsatisfied obligations for wholesale customers are based on a point-in-time calculation and determined by the number of circuits provided and the contractual price. These wholesale customer obligations change from period to period based on new circuits added as well as circuits that are terminated.

The following table includes estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period:

($ in millions)	Revenue from contracts with customers
2023 (remaining three months)	$ 294
2024	297
2025	169
2026	71
2027	14
Thereafter	9
Total	$ 854

($ in millions)	Revenue from contracts with customers
2024 (remaining nine months)	$ 437
2025	202
2026	104
2027	21
2028	11
Thereafter	5
Total	$ 780

(4) Accounts Receivable:

The components of accounts receivable, net at March 31, 2024 and December 31, 2023 are as follows:

($ in millions)	September 30, 2023	December 31, 2022
Retail and wholesale	$ 406	$ 416
Other	76	69
Less: Allowance for doubtful accounts	(33)	(47)
Accounts receivable, net	$ 449	$ 438

($ in millions)	March 31, 2024		December 31, 2023	
Retail and Wholesale	$	448	$	438
Other		63		61
Less: Allowance for doubtful accounts		(64)		(53)
Accounts receivable, net	$	447	$	446

We maintain an allowance for credit losses based on the estimated ability to collect accounts receivable. The allowance for credit losses is increased by recording an expense for the provision for bad debts for retail customers, and through decreases to revenue at the time of billing for wholesale customers. The allowance is decreased when customer accounts are written off, or when customers are given credits.

The provision for bad debts was $24 million $9 million and $19 million $7 million for the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

Approximately $154 million and $143 million of credits related to customers are included in other current liabilities on our consolidated balance sheets as of March 31, 2024, and December 31, 2023, respectively.

In accordance with ASC 326, we performed calculations to estimate expected credit losses, utilizing rates that are consistent with our write offs (net of recoveries) because such events affect the entity's loss given default experience.

Activity in the allowance for credit losses for the nine three months ended September 30, 2023 March 31, 2024 was as follows:

($ in millions)		
Balance at December 31, 2022	$	47
Provision for bad debt		24
Amounts charged to revenue		11
Write offs charged against the allowance		(49)
Balance at September 30, 2023	$	33

($ in millions)		
Balance at December 31, 2023	$	53
Provision for bad debt		9
Amounts charged to revenue		12

Write offs charged against the allowance		(10)
Balance at March 31, 2024	$	64

(5) Property, Plant and Equipment:

Property, plant and equipment, net at March 31, 2024 and December 23, 2023 are as follows:

($ in millions)		March 31, 2024		December 31, 2023
Property, plant and equipment	$	16,986	$	16,324
Less: Accumulated depreciation		(2,690)		(2,391)
Property, plant and equipment, net	$	14,296	$	13,933

As of March 31, 2024, our materials and supplies were $549 million, as compared to $594 million as of December 31, 2023. Components of this include fiber, network electronics, and customer premises equipment.

During the three months ended March 31, 2024, our capital expenditures were $666 million which included a net decrease of $156 million due to changes in accounts payable and accrued liabilities from December 31, 2023. In addition, during the three months ended March 31, 2024, our vendor financing payments were $363 million, a net decrease of $205 million from December 31, 2023. As of March 31, 2024, there was $500 million in "Accounts payable and accrued liabilities", for payables associated with capital expenditures, and $50 million included in "Other current liabilities" for vendor financing payables associated with capital expenditures. For the three months ended March 31, 2024, we had capitalized interest of $12 million.

Depreciation expense is principally based on the composite group method. Depreciation expense was as follows:

	For the three months ended March 31,			
($ in millions)		2024		2023
Depreciation expense	$	308	$	250

(5) Property, Plant and Equipment:

Property, plant and equipment, net is as follows:

($ in millions)	September 30, 2023	December 31, 2022

Property, plant and equipment	$	15,714	$	13,186
Less: Accumulated depreciation		(2,093)		(1,336)
Property, plant and equipment, net	$	13,621	$	11,850

Depreciation expense is principally based on the composite group method. Depreciation expense was as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	2023	2022	2023	2022
Depreciation expense	$ 276	$ 215	$ 799	$ 629

As of September 30, 2023, our materials and supplies were $589 million, as compared to $546 million as of December 31, 2022. Components of this include fiber, network electronics, and customer premises equipment.

During the nine months ended September 30, 2023, our capital expenditures were $2,882 million which included a decrease of $514 million due to changes in accounts payable and vendor financing payables from December 31, 2022. As of September 30, 2023 there was $635 million in accounts payable and vendor financing payables associated with capital expenditures. For the nine months ended September 30, 2023, we had capitalized interest of $65 million.

Through September 2023, we had asset sales and transactions of $39 million, including approximately $34 million in net proceeds related to certain wireless towers. Approximately $13 million of the proceeds related to wireless towers that qualified as sales, included in investing cash flows, and the remaining $21 million in proceeds related to wireless towers that were subject to sale-leaseback agreements and included in financing cash flows. After taking these sales and transactions into account, along with our capital expenditures, our net capital activity was $2,843 million as of September 30, 2023.

(6) Intangibles:

We consider whether the carrying values of finite-lived intangible assets and property plant and equipment may not be recoverable or whether the carrying value of certain indefinite-lived intangible assets were impaired. There No impairment was no impairment of present for either intangibles or property plant and equipment as of September 30, 2023 March 31, 2024, and 2022. 2023.

The balances of these assets as of September 30, 2023 March 31, 2024 and December 31, 2022 was December 31, 2023 are as follows:

($ in millions)	September 30, 2023						December 31, 2022					
	Gross Carrying Amount		Accumulated Amortization		Net Carrying Amount		Gross Carrying Amount		Accumulated Amortization		Net Carrying Amount	
Intangibles:												
Customer Relationships - Business	$	800	$	(176)	$	624	$	800	$	(121)	$	679
Customer Relationships - Wholesale		3,491		(527)		2,964		3,491		(364)		3,127
Trademarks & Tradenames		150		(73)		77		150		(50)		100
Total other intangibles	$	4,441	$	(776)	$	3,665	$	4,441	$	(535)	$	3,906

($ in millions)	March 31, 2024						December 31, 2023					
	Gross Carrying Amount		Accumulated Amortization		Net Carrying Amount		Gross Carrying Amount		Accumulated Amortization		Net Carrying Amount	
Intangibles:												
Customer Relationships - Business	$	800	$	(212)	$	588	$	800	$	(194)	$	606
Customer Relationships - Wholesale		3,491		(637)		2,854		3,491		(582)		2,909
Trademarks & Tradenames		150		(87)		63		150		(80)		70
Total other intangibles	$	4,441	$	(936)	$	3,505	$	4,441	$	(856)	$	3,585

Amortization expense was as follows:

($ in millions)	For the three months ended September 30,				For the nine months ended September 30,			
	2023		2022		2023		2022	
Amortization expense	$	80	$	81	$	241	$	241

($ in millions)	For the three months ended March 31,			
	2024		2023	
Amortization expense	$	80	$	80

We amortize our intangible assets on a straight-line basis, over the assigned useful lives of 16 years for our wholesale customer relationships, 11 years for our business customer relationships, and five years for our trademarks and tradenames.

(7) Fair Value of Financial Instruments:

The following table summarizes the carrying amounts and estimated fair values for total long-term debt at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. For the other financial instruments including cash, short-term investments, accounts receivable, accounts payable and other current liabilities, the carrying amounts approximate fair value due to the relatively short maturities of those instruments.

The fair value of our total long-term debt is estimated based upon quoted market prices at the reporting date for those financial instruments.

	September 30, 2023		December 31, 2022		March 31, 2024		December 31, 2023	
($ in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Total debt	$ 11,235	$ 9,977	$ 8,963	$ 8,079	$ 11,227	$10,733	$ 11,231	$10,712

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

(8) Long-Term Debt:

The activity in long-term debt is summarized as follows:

		For the nine months ended September 30, 2023		
($ in millions)	January 1, 2023	Principal Payments and Retirements	New Borrowings	September 30, 2023
Secured debt issued by Frontier	$ 8,113	$ (11)	$ 750	$ 8,852
Secured debt issued by subsidiaries	100	(53)	1,586	1,633
Unsecured debt issued by subsidiaries	750	-	-	750
Principal outstanding	$ 8,963	$ (64)	$ 2,336	$ 11,235
Less: Debt issuance costs	(28)			(68)

Less: Current portion	(15)	(15)
Less: Debt premium / (discount)	-	(64)
Plus: Unamortized fair value adjustments (1)	190	170
Total Long-term debt	$ 9,110	$ 11,258

($ in millions)	January 1, 2024	For the three months ended March 31, 2024 — Principal Payments and Retirements	For the three months ended March 31, 2024 — New Borrowings	March 31, 2024
Secured debt issued by Frontier	$ 8,848	$ (4)	$ -	$ 8,844
Secured debt issued by subsidiaries	1,633	-	-	1,633
Unsecured debt issued by subsidiaries	750	-	-	750
Principal outstanding	$ 11,231	$ (4)	$ -	$ 11,227
Less: Debt issuance costs	(71)			(68)
Less: Current portion	(15)			(15)
Less: Debt premium / (discount)	(64)			(52)
Plus: Unamortized fair value adjustments (1)	165			148
Total Long-term debt	$ 11,246			$ 11,240

(1) Upon emergence, we adjusted the carrying value of our debt to fair value. The adjustment consisted of the elimination of the existing unamortized debt issuance costs and unamortized discounts and recording a balance of $236 million as a fair value adjustment. The fair value accounting adjustment is being amortized into interest expense using the effective interest method.

Additional information regarding our senior unsecured debt, senior secured debt, and subsidiary debt at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 is as follows:

	September 30, 2023			December 31, 2022		
($ in millions)	Principal Outstanding		Interest Rate	Principal Outstanding		Interest Rate
Secured debt issued by Frontier						
Term loan due 10/8/2027	$	1,438	9.180% (Variable)	$	1,450	8.500% (Variable)
First lien notes due 10/15/2027		1,150	5.875%		1,150	5.875%
First lien notes due 5/1/2028		1,550	5.000%		1,550	5.000%
First lien notes due 5/15/2030		1,200	8.750%		1,200	8.750%
First lien notes due 3/15/2031		750	8.625%		-	-
Second lien notes due 5/1/2029		1,000	6.750%		1,000	6.750%
Second lien notes due 11/1/2029		750	5.875%		750	5.875%
Second lien notes due 1/15/2030		1,000	6.000%		1,000	6.000%
IDRB due 5/1/2030		13	6.200%		13	6.200%
Total secured debt issued by Frontier		8,851			8,113	
Secured debt issued by subsidiaries						
Debentures due 11/15/2031		47	8.500%		100	8.500%
Series 2023-1 Revenue Term Notes Class A-2 due 7/20/2028		1,120	6.600%		-	
Series 2023-1 Revenue Term Notes Class B due 7/20/2028		155	8.300%		-	
Series 2023-1 Revenue Term Notes Class C due 7/20/2028		312	11.500%		-	
Total secured debt issued by subsidiaries		1,634			100	
Unsecured debt issued by subsidiaries						
Debentures due 5/15/2027		200	6.750%		200	6.750%
Debentures due 2/1/2028		300	6.860%		300	6.860%
Debentures due 2/15/2028		200	6.730%		200	6.730%
Debentures due 10/15/2029		50	8.400%		50	8.400%
Total unsecured debt issued by subsidiaries		750			750	
Principal outstanding	$	11,235	7.098% (1)	$	8,963	6.760% (1)

	March 31, 2024		December 31, 2023	
($ in millions)	Principal Outstanding	Interest Rate	Principal Outstanding	Interest Rate
Secured debt issued by Frontier				

Term loan due 10/8/2027	$	1,431	9.195% (Variable)	$	1,435	9.220% (Variable)
First lien notes due 10/15/2027		1,150	5.875%		1,150	5.875%
First lien notes due 5/1/2028		1,550	5.000%		1,550	5.000%
First lien notes due 5/15/2030		1,200	8.750%		1,200	8.750%
First lien notes due 3/15/2031		750	8.625%		750	8.625%
Second lien notes due 5/1/2029		1,000	6.750%		1,000	6.750%
Second lien notes due 11/1/2029		750	5.875%		750	5.875%
Second lien notes due 1/15/2030		1,000	6.000%		1,000	6.000%
IDRB due 5/1/2030		13	6.200%		13	6.200%
Total secured debt issued by Frontier		8,844			8,848	
Secured debt issued by subsidiaries						
Debentures due 11/15/2031 [2]		47	8.500%		47	8.500%
Series 2023-1 Revenue Term Notes Class A-2 due 7/20/2028		1,119	6.600%		1,119	6.600%
Series 2023-1 Revenue Term Notes Class B due 7/20/2028		155	8.300%		155	8.300%
Series 2023-1 Revenue Term Notes Class C due 7/20/2028		312	11.500%		312	11.500%
Total secured debt issued by subsidiaries		1,633			1,633	
Unsecured debt issued by subsidiaries						
Debentures due 5/15/2027		200	6.750%		200	6.750%
Debentures due 2/1/2028		300	6.860%		300	6.860%
Debentures due 2/15/2028		200	6.730%		200	6.730%
Debentures due 10/15/2029		50	8.400%		50	8.400%
Total unsecured debt issued by subsidiaries		750			750	
Principal outstanding	$	11,227	7.099% [1]	$	11,231	7.103% [1]

(1) Interest rate represents a weighted average of the stated interest rates of multiple issuances. The anticipated repayment date of July 2028 is used for the Series 2023-1 Revenue Term Notes, classes A-2, B, and C when calculating the weighted average.

(2) Interest and principal on $47 million in remaining debt of our subsidiary Frontier Southwest Incorporated which was defeased in 2023 in connection with the closing of the securitization transaction.

Summaries of our various credit and debt agreements, including our credit agreements and the indentures for our senior secured first lien and senior secured second lien notes, and the indentures for the secured fiber network revenue term notes and secured fiber network revenue variable funding notes are contained in our Annual Report on Form 10-K including agreements filed as exhibits thereto.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Credit Facilities and Term Loans

Revolving Facility

On March 8, 2023, Frontier Holdings entered into an amendment to its Revolving Facility, which, among other things, (i) extends the maturity with respect to the commitments of certain revolving lenders (in addition to certain amendments to springing maturity provisions); (2) amends the financial maintenance covenant for the benefit of the Revolving Facility by increasing the maximum first lien leverage ratio thereunder to 3.50:1.00, with step-downs to: (a) 3.25:1.00 in 2026; and (b) 3.00:1.00 in 2027 and continuing thereafter; and (3) provides for certain amendments to debt incurrence and other restrictive covenants.

The $900 million Revolving Facility will be available on a revolving basis until April 30, 2025 and with respect to certain lenders currently representing $850 million thereunder, the maturity date of the Revolving Facility will be the earliest of (a) April 30, 2028, (b) 91 days prior to the maturity date of the term loan facility, (c) unless such notes have been repaid and/or redeemed in full, the date that is 91 days prior to the stated maturity date of our 5.875% First Lien Notes due 2027, and (d) unless such notes have been repaid and/or redeemed in full, the date that is 91 days prior to the stated maturity date of our 5.000% First Lien Notes due 2028.

At Frontier's election, the determination of interest rates for the Revolving Facility is based on margins over the alternate base rate or over Secured Overnight Financing Rate ("SOFR"). The interest rate margin with respect to any SOFR loan under the Revolving Facility is 3.50% or 2.50% with respect to any alternate base rate loans, with a 0% SOFR floor.

Subject to customary exceptions and thresholds, the security package under the Revolving Facility includes pledges of the equity interests in certain of our subsidiaries, which is currently limited to certain specified pledged entities and substantially all personal property of Frontier Video, which same assets also secure our First Lien Notes. The Revolving Facility is guaranteed by the same subsidiaries that guarantee the First Lien Notes. After giving effect to approximately $249 million $336 million of letters of credit previously outstanding, we have $651 million had $564 million of available borrowing capacity under the Revolving Facility.

Senior Secured Notes

First Lien Notes due 2031

On March 8, 2023, our consolidated subsidiary Frontier Communications Holdings, LLC ("Frontier Holdings") issued $750 million aggregate principal amount of 8.625% first lien secured notes due 2031 (the "First Lien Notes due 2031") in an offering pursuant to exemptions from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”). We intend to use the net proceeds of the offering to fund capital investments and operating costs arising from our fiber build and expansion of our fiber customer base, and for general corporate purposes.

The First Lien Notes due 2031 are secured by a first-priority lien, subject to permitted liens, by all the assets that secure the issuer’s obligations under its senior secured credit facilities and existing senior secured notes. The First Lien Notes due 2031 were issued pursuant to an indenture, dated Facility as of March 8, 2023, by and among Frontier Holdings, the guarantors party thereto, the grantor party thereto, Wilmington Trust, National Association, as trustee and JPMorgan Chase Bank, N.A., as collateral agent.

Fiber Securitization Transaction

Secured Fiber Network Revenue Term Notes

On August 8, 2023, our limited-purpose, bankruptcy remote, subsidiary, Frontier Issuer, issued $1.586 billion aggregate principal amount of secured Fiber Term Notes, less $58 million in original issue discounts, consisting of $1.120 billion 6.60% Series 2023-1, Class A-2 term notes, $155 million 8.30% Series 2023-1, Class B term

notes and $312 million 11.50% Series 2023-1, Class C term notes, each with an anticipated term ending in July 2028 (such anticipated repayment date, the “ARD”), in an offering exempt from registration under the Securities Act. We intend to use the proceeds from the offering of the Fiber Term Notes for, among other things, general corporate purposes, including potential investments or expenditures, such as capital expenditures and research and development, in line with our fiber expansion and copper migration strategies. In addition, we used a portion of the proceeds to retire and defease certain outstanding indebtedness of our subsidiary Frontier Southwest Incorporated.

The Fiber Term Notes were issued as part of a securitization transaction, pursuant to which the Company’s fiber network assets and associated customer contracts in certain neighborhoods in the Dallas, Texas metropolitan area were contributed to AssetCo, a direct, wholly-owned subsidiary of Frontier Issuer. The Fiber Term Notes are secured by these fiber assets and associated customer contracts. The Fiber Term Notes were issued pursuant to an indenture, dated as of August 8, 2023 (the “Base Indenture”), as supplemented by the Series 2023-1 Supplement thereto, dated as of August 8, 2023 (the “Series 2023-1 Supplement”), in each case entered into by and among the Issuer, Frontier Dallas TX Fiber 1 LLC (“AssetCo”) and Citibank, N.A. as the indenture trustee (the “Trustee”) March 31, 2024.

The Base Indenture, together with the Series 2023-1 Supplement and Series 2023-2 Supplement, and any other series supplements to the Base Indenture, are referred to herein as the “Fiber Term Notes Indenture.”

The table below sets forth the material terms of Fiber Term Notes as of September 30, 2023:

Security	Issue Date	Amount Outstanding	Interest Rate [(1)]	Anticipated Repayment Date	Final Maturity Date
Series 2023-1, Class A-2 term notes	August 8, 2023	$ 1,120,000,000	6.60%	July 20, 2028	August 20, 2053
Series 2023-1, Class B term notes	August 8, 2023	$ 155,000,000	8.30%	July 20, 2028	August 20, 2053
Series 2023-1, Class C term notes	August 8, 2023	$ 312,000,000	11.50%	July 20, 2028	August 20, 2053

(1) If Frontier Issuer has not repaid or refinanced any Fiber Term Note prior to the monthly payment date in July of 2028, additional interest will accrue thereon in an amount equal to the greater of (i) 5.00% per annum and (ii) the excess amount, if any, by which the sum of the following exceeds the interest rate Revolving Facility includes customary negative covenants for such note: (A) the yield to maturity (adjusted to a “mortgage-equivalent basis” pursuant to the standards and practices of the Securities Industry and Financial Markets Association) on the ARD for such note of the United States Treasury Security having a remaining term closest to 10 years plus (B) 5.00% plus (C) the post-ARD note spread applicable to such Note.

While the Fiber Term Notes are outstanding, scheduled payments of interest are required to be made on the Notes on a monthly basis. From and after the ARD, principal payments will also be required to be made on the Notes on a monthly basis. No principal payments will be due on the Fiber Term Notes prior to the ARD, unless certain rapid amortization or acceleration triggers are activated.

The Fiber Term Notes are subject to a series of covenants and restrictions customary for transactions loan agreements of this type. These type, including covenants limiting Frontier and restrictions include (i) that Frontier Issuer maintains a liquidity reserve account our restricted subsidiaries' (other than certain covenants therein which are limited to be used subsidiary guarantors) ability to, among other things, incur additional indebtedness, create liens on assets, make required investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of the Notes, (ii) provisions relating to optional and mandatory prepayments, including specified make-whole payments certain material payment subordinated indebtedness, in the each case of certain optional prepayments of the Fiber Term Notes prior to the monthly payment date in July 2026, (iii) certain indemnification payments in the event, among other things, that the transfers of the assets pledged as collateral for the Fiber Term Notes are in stated ways defective or ineffective and (iv) covenants relating to recordkeeping, access to information and similar matters. As provided in the Base Indenture, the Fiber Term Notes are also subject to rapid amortization in the event customary exceptions for loan agreements of a failure to maintain a stated debt service coverage ratio. A rapid amortization may be cured if the debt service coverage ratio exceeds a certain threshold for a certain period of time, upon which cure, regular amortization, if any, will resume. The Fiber Term Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal or other amounts due on or with respect to the Fiber Term Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective and certain judgments.

Securitized Financing Facility

In connection with the Fiber Term Notes, Frontier Issuer entered into a financing facility for the issuance of up to $500 million in Series 2023-2 Secured Fiber Network Revenue Variable Funding Senior Notes, Class A-1 (the "Variable Funding Notes"). Frontier Issuer had not drawn on the Variable Funding Notes as of September 30, 2023. this type.

The Variable Funding Notes were issued pursuant Revolving Facility also includes certain customary representations and warranties, affirmative covenants, and events of default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, certain events under ERISA, change of control or damage to a material portion of the Base Indenture, as supplemented by the Series 2023-1 Supplement and the Series 2023-2 Supplement, dated as of August 24, 2023 (the "Series 2023-2 Supplement"), in each case entered into by and among Frontier Issuer, AssetCo and the Trustee. collateral.

Drawings *Term Loan Facility*

Subject to certain exceptions and thresholds, the security package under the Term Loan Facility includes pledges of the equity interests in certain additional terms related of our subsidiaries, which as of the issue date is limited to certain specified pledged entities and substantially all personal property of Frontier Video Services Inc., a Delaware corporation ("Frontier Video"), which same assets also secure the Variable Funding First Lien Notes are governed (as defined below). The Term Loan Facility is guaranteed by the Class A-1 Note Purchase Agreement, dated as of August 24, 2023 (the "Variable Funding Note Purchase Agreement"), among Frontier Issuer, AssetCo, Frontier Communications Holdings, LLC (as same subsidiaries that guarantee the "Manager"), certain conduit investors, financial institutions and funding agents, and Barclays Bank plc, as administrative agent. The Variable Funding Notes will be governed, in part, by the Variable Funding Note Purchase Agreement and by certain generally applicable terms contained in the Indenture. The initial anticipated repayment date for the Variable Funding Notes is July 2026, and Frontier Issuer and Manager have the option to elect two one-year extensions of the anticipated repayment date. Following the initial anticipated repayment date (and any extensions thereof), additional interest will accrue on the Variable Funding Notes equal to 5.0% per annum. First Lien Notes.

Defeasance *The Term Loan Facility includes customary negative covenants for loan agreements of Notes this type, including covenants limiting Frontier and our restricted subsidiaries' (other than certain covenants therein which are limited to subsidiary guarantors) ability to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of certain material payment subordinated indebtedness, in each case subject to customary exceptions for loan agreements of this type.*

As The Term Loan Facility also includes certain customary representations and warranties, affirmative covenants and events of September 30, 2023, default, including, but not limited to, payment defaults, breaches of representations and warranties, covenant defaults, certain events under ERISA, upon the Company extinguished $53 million conversion date, unstayed judgments in favor of notes issued by its subsidiary Frontier Southwest Incorporated and transferred assets a third-party involving an aggregate liability in excess of a certain threshold, change of control, upon the conversion date, specified governmental actions having a material adverse effect or condemnation or damage to an escrow account to pay a material portion of the future interest and principal on the remaining $47 million of notes, which remain on the Company's balance sheet as outstanding debt and restricted assets. collateral.

(9) Restructuring and Other Charges:

Restructuring and other charges consists of severance and employee costs related to workforce reductions. During the nine three month period ended September 30, 2023 March 31, 2024, we incurred $48 million $34 million in restructuring charges and other costs consisting of $48 million of severance and employee costs resulting from workforce reductions, of which, approximately $23 million and $15 million $7 million in pension/OPEB special termination benefit enhancements related to larger workforce reductions during the second and third quarters of 2023, respectively.

During the nine month period ended September 30, 2022, we incurred $88 million in restructuring charges and other costs consisting of $44 million of lease impairment costs from the strategic exit of certain facilities, $35 million a voluntary separation program, $12 million of severance and employee costs resulting from workforce reductions, and $9 million $15 million of costs related to other restructuring activities.

During the three month period ended March Of the $35 million 31, 2023, we incurred $8 million in restructuring charges and other costs consisting of $10 million of severance and employee costs approximately $26 million resulting from workforce reductions, and $2 million of income related to the second quarter of 2022, as a result of larger workforce reductions.

As part of Frontier's cost reduction strategy, certain real estate leases will not be retained, or will be marketed for sublease. We evaluated the related right-of-use assets and other lease related assets for impairment under ASC 360. In connection with this analysis, we reassessed our leased real estate asset groups and estimated the fair value of the office space to be subleased under current market conditions. Where the carrying values of individual asset groups exceeded their fair values, an impairment charge was recognized for the difference. restructuring activities.

The following is a summary of the changes in the liabilities established for restructuring and other related programs:

($ in millions)		
Balance at January 1, 2023 January 1, 2024	$	9 10
Severance expense		48 12
Other costs		22
Cash payments during the period		(39) (30)
Balance at September 30, 2023 March 31, 2024	$	18 14

(10) Investment and Other Income: Income, Net:

The following is a summary of the components of Investment investment and Other Income: other income, net are as follows:

	For the three months ended March 31,	
($ in millions)	2024	2023
Interest and dividend income	$ 18	$ 21
Pension benefit	12	4
OPEB costs	(1)	(3)
OPEB remeasurement gain (loss)	9	(20)
Pension remeasurement gain	74	-
Total investment and other income, net	$ 112	$ 2

	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	2023	2022	2023	2022
Interest and dividend income	$ 22	$ 16	$ 60	$ 24
Pension benefit	5	24	14	74
OPEB costs	(2)	(5)	(7)	(13)
OPEB remeasurement gain	46	84	38	234
Pension remeasurement gain	-	91	-	91
All other, net	(4)	1	(4)	-
Total investment and other income, net	$ 67	$ 211	$ 101	$ 410

As a result of special termination benefit enhancements related to a voluntary separation plan, Frontier remeasured its pension plan and postretirement benefit plan obligations, resulting in remeasurement gains of $74 million and $9 million, respectively, for the three months ended March 31, 2024.

In the first nine months quarter of 2023, Frontier amended the medical coverage for certain postretirement benefit plans, which resulted in an $38 million net remeasurement gain. The net gain was comprised of a loss losses of $20 million in the first quarter, offset by a remeasurement gain of $12 million in the second quarter, and a gain of $46 million in the third quarter, , primarily due to discount rate changes.

Pension and OPEB benefit (cost) consist consists of interest income (costs), costs, expected return on plan assets, amortization of prior service (costs) and recognition of actuarial (gain) loss. Service cost components of pension and OPEB benefit costs are included in “Selling, general, and administrative expenses” on our consolidated statements of income.

(11) Stock Plans:

Frontier Communications Parent, Inc. has one stock-based compensation plan under which grants are made and awards remain outstanding: the 2021 Management Incentive Plan (the “2021 Incentive Plan”). The 2021 Incentive Plan permits stock-based awards to be made to employees, directors, or consultants of the Company or its affiliates, as determined by the Compensation and Human Capital Committee of the Board. Under the 2021 Incentive Plan, 15,600,000 shares of common stock have been were reserved for issuance. Equity awards have been issued in the form of time-based restricted stock units (RSUs) and performance-based stock units (PSUs). As of September 30, 2023 March 31, 2024, approximately 4,155,000 1,134,000 shares were available to grant under the 2021 Incentive Plan. Emergence LTI Program.

Restricted Stock Units

The following summary presents information regarding unvested RSUs outstanding restricted stock under the 2021 Incentive Plan: Plan:

	Number of Shares *(in thousands)*	Weighted Average Grant Date Fair Value *(per share)*	Aggregate Fair Value *(in millions)*	Number of Shares *(in thousands)*	Weighted Average Grant Date Fair Value *(per share)*	Aggregate Fair Value *(in millions)*
Balance at January 1, 2023	2,514	$ 25.78	$ 64			
Balance at January 1, 2024				2,468	$ 24.37	$ 63
Restricted stock units granted	1,364	$ 23.19	$ 21	1,266	$ 23.29	$ 31

Restricted stock units vested	(1,179)	$ 25.73	$ (18)	(626)	$ 26.51	$ (15)
Restricted stock units forfeited	(166)	$ 25.06		(16)	$ 24.06	
Balance at September 30, 2023	2,533	$ 24.46	$ 40			
Balance at March 31, 2024				3,092	$ 24.65	$ 76

For purposes of determining compensation expense, the fair value of each RSU restricted stock grant is estimated based on the closing price of our common stock on the date of grant. The non-vested RSUs restricted stock units granted in 2021, 2022, 2023, and 2023 2024 generally vest, and are expensed, on a ratable basis over three years from the grant date of the award. Total remaining unrecognized compensation cost associated with unvested RSU restricted stock awards that is deferred at September 30, 2023 March 31, 2024 was $46 million $57 million and the weighted average vesting period over which this cost is expected to be recognized is approximately 1 year.

None of the RSU restricted stock awards may be sold, assigned, pledged, or otherwise transferred, voluntarily or involuntarily, by the employees until the applicable time-based restrictions lapse, subject to limited exceptions. The restrictions are time-based. Compensation expense, including compensation related to non-employee directors, recognized in “Selling, general, and administrative expenses”, of $29 million $10 million and $27 million $8 million for the nine three month-periods ended September 30, 2023 March 31, 2024, and 2022, 2023, respectively, have has been recorded in connection with RSUs. restricted stock.

Performance Stock Units

We currently have performance stock units (“PSU”) outstanding for the 2022, 2023 and 2024 plans. Under the 2021 Incentive Plan, these plans, a target number of performance units (“PSU”) have been PSUs are awarded to applicable participants each participant with respect to a three-year performance periods (each a “Measurement period (“The Measurement Period”). For the 2024 PSU plan, for example, the Measurement Period is from January 1, 2024, through December 31, 2026. The performance metrics under the 2021, 2022, and 2023 2024 PSU awards plan consist of targets for (1) Adjusted Fiber EBITDA, (2) Fiber Locations Constructed Revenue and (3) Expansion Fiber Penetration. In addition, there is an overall relative total shareholder return Relative Total Shareholder Return (“TSR”) modifier, which. Relative TSR is based on our total return to stockholders over the Measurement Period relative to the S&P 400 Mid Cap Index. Each The metrics under the 2022 and 2023 plans are (1) Adjusted Fiber EBITDA, (2) Fiber Locations Constructed and (3) Expansion Fiber Penetration with an overall relative TSR modifier. For all outstanding plans, each performance metric is weighted 33.3%, and targets for each metric are set for each of the three years during the Measurement Period. Achievement of the metrics will be measured separately, on a cumulative basis for each performance metric, and the number of awards earned will be determined at the end of the three-year Measurement Period based on actual performance relative to the targets of each performance metric. Achievement is measured on a cumulative basis for each performance metric plus individually at the effect end of the three-year Measurement Period with a TSR modifier. The payout of modifier for the 2021 PSUs can range from 0% to a maximum award payout of 300% of the target PSUs. 2022 and 2023 plans. The payout of the 2022, 2023 and 2023 2024 PSUs can range from 0% to a maximum award payout of 200% of the target PSUs. units. 2021 PSU awards paid out at 126% of target on March 1, 2024.

The number of PSU awards earned at the end of a the Measurement Period may be more or less than the number of target PSUs granted as a result of performance. An executive must maintain a satisfactory performance rating during the Measurement Period and, except for limited circumstances, must be employed by Frontier upon determination in order for the award to vest. The Compensation and Human Capital Committee will determine the number of PSUs shares earned for the Measurement Period in the first quarter of the year following the end of the Measurement Period. PSU PSUs awards, to the extent earned, will be paid out in the form of common stock on a one-for-one basis.

Under ASC 718, Stock Based Compensation Expense, a grant date, and the fair value of a performance award are determined once the targets are finalized. For the 2021, 2022 and 2023 PSU awards, targets for all of the metrics have been fully set for each performance period and the related expense will be amortized over the appropriate performance period. For the 2024 PSU awards, the targets related to two of the three performance metrics have not been established. As a result, as of March 31, 2024, we have recognized associated expense with respect to 1/3 of the aggregate outstanding 2024 PSU awards.

The following summary presents information regarding PSU awards as of September 30, 2023, performance shares and changes during the nine months then ended period with regard to PSUs performance shares awarded under the 2021 Incentive Plan:

	Number of Shares *(in thousands)*	Weighted Average Award Date Fair Value (per share) [(1)]	Number of Shares *(in thousands)*	Weighted Average Award Date Fair Value (per share) [(1)]
Balance at January 1, 2023	3,485 $	25.62		
Balance at January 1, 2024			4,487$	25.33
Target performance shares awarded, net	1,040 $	24.36	1,769$	24.35
Target performance shares vested			(3,898)$	25.62
Target performance shares forfeited	(33)$	25.59	(2)$	26.61

Balance at September 30, 2023	4,492	$ 25.33
Balance at March 31, 2024	2,356	$ 25.21

(1) Represents the weighted average of the closing price of our stock on the date of the awards.

(1) Represents the weighted average of the closing price of our stock on the date of the awards.

(1) Represents the weighted average of the closing price of our stock on the date of the awards.

For purposes of determining compensation expense, the fair value of each PSU award performance share grant is estimated based on the closing price of a share of our common stock on the date of the grant, adjusted to reflect the fair value of the relative TSR modifier. metric for the 2024 grant and TSR modifier for previous years. For both the nine three months ended September 30, 2023 March 31, 2024, and 2022, 2023, we recognized net compensation expense, reflected in "Selling, general, and administrative expenses," of $52 million and $27 million $16 million, respectively, related to PSU awards.

Non-Employee Directors

Compensation expense related to the board of directors, recognized in "Selling, general, and administrative expenses", was less than $1 million for the nine three months ended September 30, 2023 March 31, 2024.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

(12) Income Taxes:

The following is a reconciliation of the provision for income taxes computed at the federal statutory rate to income taxes computed at the effective rates:

	For the three months ended September 30,		For the nine months ended September 30,	
	2023	2022	2023	2022
Consolidated tax provision at federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %
State income tax provisions, net of federal income tax benefit	(4.3)	14.7	5.1	13.1
Changes in certain deferred tax balances	-	2.1	-	1.5
Tax reserve adjustment	(3.0)	-	(3.1)	-

Tax Credit	6.0	-	6.3	-
Sec.162(m) - nondeductible Executive Compensation	(18.5)	1.5	(19.1)	2.5
All other, net	(0.5)	(0.8)	(0.5)	(0.3)
Effective tax rate	0.7 %	38.5 %	9.7 %	37.8 %

	For the three months ended March 31,	
	2024	2023
Consolidated tax provision at federal statutory rate	21.0 %	21.0 %
State income tax provisions, net of federal income tax benefit	12.0	12.5
Federal tax refund true-up	33.2	-
Tax reserve adjustment	(0.4)	(1.9)
Tax Credit	0.7	3.9
Sec.162(m) - nondeductible Executive Compensation	(2.7)	(11.4)
All other, net	(0.1)	(3.4)
Effective tax rate	63.7 %	20.7 %

Frontier considered positive and negative evidence in regard to evaluating certain state deferred tax assets during the third first quarter of 2023, 2024, including the development of recent years of pre-tax book losses. On the basis of this evaluation, a valuation allowance of $28 million ($22 million net of federal benefit) was recorded as of September 30, 2023.

The Inflation Reduction Act was signed into law on August 16, 2022. The law contains numerous changes to tax laws effective January 1, 2023. The Company evaluated the effects and does not believe the Company will be materially impacted by the Inflation Reduction Act.

evaluation, a valuation allowance of $303 million ($240 million net of federal benefit) was recorded as of March 31, 2024.

(13) Net Earnings Per Share:

The reconciliation of the net income per common share calculation is as follows:

($ in millions and shares in thousands, except per share amounts)	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Net income used for basic and diluted earnings per share:				
Total basic net income attributable to Frontier common shareholders	$ 11	$ 120	$ 12	$ 286
Effect of loss related to dilutive stock units	-	-	-	-
Total diluted net income attributable to Frontier common shareholders	$ 11	$ 120	$ 12	$ 286
Basic earnings per share:				
Total weighted average shares and unvested restricted stock awards outstanding - basic	245,761	244,984	245,431	244,711
Less: Weighted average unvested restricted stock awards	-	-	-	-
Total weighted average shares outstanding - basic	245,761	244,984	245,431	244,711
Basic net earnings per share attributable to Frontier common shareholders	$ 0.05	$ 0.49	$ 0.05	$ 1.17
Diluted earnings per share:				
Total weighted average shares outstanding - basic	245,761	244,984	245,431	244,711
Effect of dilutive performance stock awards	1,686	-	1,493	-
Effect of dilutive restricted stock awards	-	228	412	369
Total weighted average shares outstanding - diluted	247,447	245,212	247,336	245,080
Diluted net earnings per share attributable to Frontier common shareholders	$ 0.05	$ 0.49	$ 0.05	$ 1.17

($ in millions and shares in thousands, except per share amounts)	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Net income used for basic and diluted earnings per share:		
Total basic net income attributable to Frontier common shareholders	$ 1	$ 3
Effect of loss related to dilutive stock units	-	-

Total diluted net income		
attributable to Frontier common shareholders	$ 1	$ 3
Basic earnings per share:		
Total weighted average shares and unvested restricted		
stock awards outstanding - basic	246,301	245,081
Less: Weighted average unvested restricted stock awards	-	-
Total weighted average shares outstanding - basic	246,301	245,081
Basic net earnings per share		
attributable to Frontier common shareholders	$ 0.00	$ 0.01
Diluted earnings per share:		
Total weighted average shares outstanding - basic	246,301	245,081
Effect of dilutive performance stock awards	72	769
Effect of dilutive restricted stock awards	667	575
Total weighted average shares outstanding - diluted	247,040	246,425
Diluted net earnings per share		
attributable to Frontier common shareholders	$ 0.00	$ 0.01

In calculating diluted net income per common share for the nine three months ended September 30, 2023, March 31, 2024 and 2023, the effect of certain outstanding PSUs is included in the computation as their respective performance metrics have been satisfied as of September 30, 2023. March 31, 2024 and 2023, respectively.

(14) Comprehensive (loss) Income:

Comprehensive (loss) income consists of net income and other gains and losses affecting shareholders' equity (deficit) and pension/postretirement benefit (OPEB) liabilities that, under GAAP, are excluded from net income. The components of accumulated other comprehensive income, net of tax, are as follows:

($ in millions)	OPEB Costs
Balance at January 1, 2023 January 1, 2024 [1]	$ 79 96
Other comprehensive income before reclassifications	33 -

Amounts reclassified from accumulated other comprehensive income loss to net loss		(12) (5)
Net current-period other comprehensive income loss		21 (5)
Balance at September 30, 2023 March 31, 2024 (1)	$	100 91

($ in millions)		OPEB Costs
Balance at January 1, 2022 January 1, 2023 (1)	$	60 79
Other comprehensive income before reclassifications		8
Amounts reclassified from accumulated other comprehensive loss to net loss income		(8) (4)
Net current-period other comprehensive loss income		- 4
Balance at September 30, 2022 March 31, 2023 (1)	$	60 83

(1) OPEB amounts are net of deferred tax balances of $23 million $29 million and $15 million $23 million as of January 1, 2023 January 1, 2024 and 2022, 2023, respectively, respectively and $31 million $27 million and $16 million $25 million as of September 30, 2023 March 31, 2024 and 2022, 2023, respectively.

The significant items reclassified from components each component of accumulated other comprehensive loss are as follows:

($ in millions) Details about Accumulated Other Comprehensive Loss Components	Amount Reclassified from Accumulated Other Comprehensive Income (1) For the three months ended September 30, 2023	2022	For the nine months ended September 30, 2023	2022	Affected Line Item in the Statement Where Net Income (Loss) is Presented	Amount Reclassified from Accumulated Other Comprehensive Income (1) For the three months ended March 31, 2024	2023	Affected Line Item in the Statement Where Net Income (Loss) is Presented

Amortization of OPEB Cost Items								
Prior-service credits (costs)	$ 6	$ 4	$ 16	$ 10	Income (loss) before income taxes	$ 6	$ 5	Income (loss) before income taxes
Tax impact	(2)	-	(4)	(2)	Income tax benefit	(1)	(1)	Income tax benefit
	$ 4	$ 4	$ 12	$ 8	Net income (loss)	$ 5	$ 4	Net income (loss)

(1) These accumulated other comprehensive income components are included in the computation of net periodic pension and OPEB costs (see Note 15 - Retirement Plans for additional details).

(15) Retirement Plans:

Frontier recognizes actuarial gains (losses) for our pension and postretirement plans in the period they occur. The components of net periodic benefit cost other than the service cost component for our plans as well as any actuarial gains or losses are included in "Investment and other income (loss)" on the consolidated statements of income. income.

The following tables provide the components of total pension benefit cost:

	Pension Benefits			
	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	2023	2022	2023	2022
Components of total pension benefit cost				
Service cost	$ 12	$ 14	$ 39	$ 55
Interest cost on projected benefit obligation	31	22	97	71
Expected return on plan assets	(36)	(46)	(111)	(145)

Net periodic pension (benefit)	7	(10)	25	(19)
Pension settlement costs	-	50	-	50
Pension remeasurement gain	-	(91)	-	(91)
Total pension benefit cost (income)	$ 7	$ (51)	$ 25	$ (60)

	Pension Benefits	
	For the three months ended March 31,	
($ in millions)	2024	2023
Components of total pension benefit cost		
Service cost	$ 12	$ 13
Interest cost on projected benefit obligation	30	33
Expected return on plan assets	(42)	(37)
Pension remeasurement (gain)	(74)	-
Net periodic pension (benefit) costs	(74)	9
Pension special termination benefit enhancements	6	-
Total pension (benefit) cost	$ (68)	$ 9

The components of net periodic benefit cost other than the service cost component are included in "Investment and other income" on the consolidated statements of income.

The value of our pension plan assets increased $50 million $93 million from $2,033 million $2,268 million at December 31, 2022 December 31, 2023 to $2,083 million $2,361 million at September 30, 2023 March 31, 2024. This increase primarily resulted from changes in the market value of investments of $85 million $79 million, net of plan expenses, and contributions of $116 million $57 million, offset by benefit payments to participants of $151 million $43 million.

As a result of special termination benefit enhancements related to a voluntary separation plan, Frontier remeasured its pension plan obligations, resulting in a remeasurement gain of $74 million for the three months ended March 31, 2024.

The pension plan contains provisions that provide certain employees with the option of receiving a lump sum payment upon retirement. Frontier's accounting policy is to record these payments as a settlement only if, in the aggregate, they exceed the sum of the annual service and interest costs for the Pension Plan's net periodic pension benefit cost. During the nine months ended September 30, 2022, lump sum pension settlement payments to terminated or retired individuals amounted to $177 million, which exceeded the settlement threshold of $169 million, and as a result, Frontier recognized non-cash settlement charges totaling $50 million during the nine months ended September 30, 2022.

As In the first quarter of 2024, the Company recognized a result charge of $6 million to reflect the cost of pension settlement charges incurred during the period, Frontier remeasured its pension plan obligations resulting in special termination benefit enhancements related to a remeasurement gain of $91 million for the nine months ended September 30, 2022. Upon emergence from bankruptcy, Frontier revised its accounting policy to recognize actuarial gains and losses in the period in which they occur. As such, this gain was recorded in "Investment and other income, net" on our consolidated statements of income. voluntary separation plan.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

The following tables provide table provides the components of total postretirement benefit cost:

	Postretirement			
	For the three months ended September 30,		For the nine months ended September 30,	
($ in millions)	2023	2022	2023	2022
Components of net periodic postretirement benefit cost				
Service cost	$ 2	$ 3	$ 6	$ 10
Interest cost on projected benefit obligation	8	9	23	23
Amortization of prior service credit (gain) loss recognized	(6)	(4)	(16)	(10)
OPEB remeasurement (gain) loss	(46)	(84)	(38)	(234)
Total periodic postretirement (benefit) cost	$ (42)	$ (76)	$ (25)	$ (211)

	Postretirement	
	For the three months ended March 31,	
($ in millions)	2024	2023
Components of net periodic postretirement benefit cost		
Service cost	$ 1	$ 2
Interest cost on projected benefit obligation	7	8
Amortization of prior service credit gain recognized	(6)	(5)

OPEB remeasurement (gain) loss	(9)	20
Net periodic postretirement (benefit) cost	(7)	25
OPEB special termination benefit enhancements	1	-
Total periodic postretirement (benefit) cost	$ (6)	$ 25

As a result of special termination benefit enhancements related to a voluntary separation plan, Frontier remeasured its postretirement benefit plan, resulting in a remeasurement gain of $9 million for the three months ended March 31, 2024.

In the first nine months quarter of 2024, the Company recognized a charge of $1 million to reflect the cost of OPEB special termination benefit enhancements related to a voluntary separation plan.

In the first quarter of 2023, Frontier amended the medical coverage for certain postretirement benefit plans, which resulted in a $38 million net remeasurement gain. The net gain was comprised of a loss losses of $20 million in the first quarter, offset by remeasurement gains of $12 million in the second quarter and $46 million in the third quarter, , primarily due to discount rate changes.

For the nine months ended September 30 2022, Frontier amended the medical coverage for certain postretirement benefit plans, which necessitated a remeasurement of its OPEB obligations. This remeasurement resulted in the recognition of a net actuarial gain of $234 million, which was driven primarily from a higher assumed discount rate relative to the previous measurement date. Frontier recognizes actuarial gains and losses in the period in which they occur. As such, this gain was recorded in "Investment and other income, net" on our consolidated statements of income.

During the nine months ended September 30, 2023, and 2022 we We capitalized $14 million and $15 million $4 million of pension and OPEB expense for both the three months ended March 31, 2024 and 2023, respectively, into the cost of our capital expenditures, as the costs relate to our engineering and plant construction activities.

(16) Commitments and Contingencies:

Although from time to time we make short-term purchasing commitments to vendors with respect to capital expenditures, we generally do not enter into firm, written contracts for such activities. In connection with the fiber expansion build, we have prioritized diversifying our vendor base and solidifying partnership agreements with vendors for relevant labor and materials, to enable our build growth and customer expansion. Some of these key supplier agreements have multi-year terms and purchase commitments as we deem advisable in order to strengthen future supply.

In 2014, Citynet, a competitive local exchange carrier doing business in West Virginia, filed a qui tam action in federal court in the District Court for the Southern District of West Virginia against Frontier West Virginia, Inc. and others on behalf of the U.S. Government concerning billing practices relating to a government grant. The complaint became public in 2016 after the U.S. Government declined to participate in the case and instead allowed Citynet to pursue the claims on behalf of the U.S. On December 6, 2022, the parties reached a settlement in principle. On May 23, 2023, the parties finalized the terms of the settlement agreement to resolve the case in its entirety, the terms of which were made part of the public record and which requires a payment of approximately $18 million.

In addition, we We are party to various legal proceedings (including individual actions, class and putative class actions, and governmental investigations) arising in the normal course of our business covering a wide range

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of matters and types of claims including, but not limited to, general contract disputes, billing disputes, rights of access, taxes and surcharges, consumer protection, advertising, sales and the provision of services, intellectual property, including, trademark, copyright, and patent infringement, employment, regulatory, environmental, tort, claims of competitors and disputes with other carriers. Litigation is subject to uncertainty and the outcome of individual matters is not predictable. However, we believe that the ultimate resolution of all such matters, after considering insurance coverage or other indemnities to which we are entitled, will not have a material adverse effect on our financial position, results of operations, or cash flows.

Frontier has been named as a defendant in various intellectual property disputes. In each case, we have denied the allegations and are mounting a vigorous defense. We have accrued an amount for potential damages that we deem probable and reasonably estimable. We do not expect that any potential damages, if ultimately incurred, will be material.

On April 14, 2024, we detected that a third party had gained unauthorized access to portions of our information technology environment. Upon detection, we initiated our established cyber incident response protocols and took measures to contain the incident. The containment measures, which included shutting down certain of the Company’s systems, resulted in an operational disruption that could be considered material. Based on our investigation, we have determined that the third party was likely a cybercrime group, which gained access to, among other information, personally identifiable information. We believe we have contained the incident and have restored our core information technology environment and normal business operations. While we do not believe the incident is reasonably likely to materially impact our financial condition or results of operations, we continue to investigate the incident, have engaged cybersecurity experts, and have notified law enforcement authorities.

In October 2013, the California Attorney General's Office notified certain Verizon companies, including one of the subsidiaries that we acquired in the CTF transaction, of potential violations of California state hazardous waste statutes primarily arising from the disposal of electronic components, batteries, and aerosol cans at certain California facilities. We are cooperating with this investigation. We have accrued an amount for potential penalties that we deem to be probable and reasonably estimable, and we do not expect that any potential penalties, if ultimately incurred, will be material.

We accrue an expense for pending litigation when we determine that an unfavorable outcome is probable, and the amount of the loss can be reasonably estimated. Legal defense costs are expensed as incurred. None of our existing accruals for pending matters, after considering insurance coverage, is material. We monitor our pending litigation for the purpose of adjusting our accruals and revising our disclosures accordingly, when required. Litigation is, however, subject to uncertainty, and the outcome of any particular matter is not predictable. We will vigorously defend our interests in pending litigation, and as of this date, we believe that the ultimate resolution of all such matters, after considering insurance coverage or other indemnities to which we are entitled, will not have a material adverse effect on our consolidated financial position, results of operations, or our cash flows.

In 2015, Frontier accepted the FCC's CAF Phase II offer, which provided $313 million in annual support through 2021 in our current 25 states in return for the Company's commitment to make broadband available to households within the CAF II eligible areas. The Company was required to complete the CAF II deployment by December 31, 2021. Thereafter, the FCC has been reviewing carriers' CAF II program completion data, and if the FCC determines that the Company did not satisfy applicable FCC CAF Phase II requirements, Frontier could be required to return a portion of the funds previously received and may be subject to certain fines, or additional requirements and obligations.

On January 30, 2020, the FCC adopted an order establishing the RDOF competitive reverse auction to provide support to serve high-cost areas. Under the FCCs RDOF Phase I auction, we were awarded approximately $371 million over ten years to build gigabit-capable broadband over a fiber-to-the-premises network to approximately 127,000 locations in eight states (California, Connecticut, Florida, Illinois, New York, Pennsylvania, Texas, and West Virginia). We began receiving RDOF funding in the second quarter of 2022 and we will be required to complete the buildout to the awarded locations by December 31, 2028, with interim target milestones over this period. To the extent that Frontier is unable to meet the milestones or construct to all locations by the required deadlines, Frontier could be required to return a portion of funds previously received and may be subject to certain fines, or additional requirements and obligations.

The FCC currently classifies fixed consumer broadband services as information services, subject to light-touch regulation. In October 2023 On April 25, 2024, the FCC released a notice of proposed rulemaking seeking to approved an order that would reclassify certain retail broadband internet access services as lightly regulated telecommunications services imposing certain network neutrality requirements on the reclassified internet services. At this time, it remains uncertain whether Frontier anticipates that the FCC rules will adopt be appealed in court. The reclassification rules would largely take effect 60 days after publication in the Federal Register unless enjoined by the courts. Final adoption of these new network neutrality regulations rules could increase our regulatory and what impact that may have on Frontier's business. compliance obligations and associated costs.

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law. The legislation appropriated funding for the establishment of the Affordable Connectivity Program (ACP), and FCC-administered monthly, low-income broadband benefit program. The ACP provides provided qualified customers

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up to $30 dollars per month (or $75 dollars per month for those on Tribal lands) to assist with their internet bill. Frontier is a participating provider in Funding for the ACP program. program will be exhausted in mid-May, 2024 and Frontier ceased participation at the end of the last full month of support - April, 2024. Absent additional funding at present pace, the support, Frontier will no longer provide an ACP funds will likely exhaust in 2024. benefit to customers.

We conduct certain of our operations in leased premises and lease certain equipment and other assets pursuant to operating leases. The lease arrangements have terms ranging from 1 to 99 years and several contain rent escalation clauses providing for increases in monthly rent at specific intervals. When rent escalation clauses exist, we record annual rental expense based on the total expected rent payments on a straight-line basis over the lease term. Certain leases also have renewal options. Renewal options that are reasonably assured are included in determining the lease term.

As of March 31, 2024, we had total "Accounts payable and accrued liabilities" of $884 million, of which $672 million is related to accounts payable. As of December 31, 2023, we had total "Accounts payable and accrued liabilities" of $1.1 billion, of which $857 million is related to accounts payable.

Although from time to time we make short-term purchasing commitments to vendors with respect to capital expenditures, we generally do not enter into firm, written contracts for such activities. In connection with the fiber expansion build, we have prioritized diversifying our vendor base and solidifying partnership agreements with vendors for relevant labor and materials, to enable our build growth and customer expansion. Some of these key supplier agreements have multi-year terms and purchase commitments as we deem advisable in order to strengthen future supply. In addition, we have negotiated favorable payment terms with some of our vendors that allow for a longer payment period than our normal customary terms (referred to as vendor financing), which are excluded from capital expenditures and reported as financing activities on the statement of cash flows. As of March 31, 2024, we had $52 million of vendor financing liabilities included in “Other current liabilities” on our consolidated balance sheets, of which $50 million is associated with capital expenditures. For the three months ended March 31, 2024 we made $363 million in vendor financing payments related to capital expenditures.

We are party to contracts with several unrelated long-distance carriers. The contracts provide fees based on traffic they carry for us subject to minimum monthly fees.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains "forward-looking statements" statements," related to future events. Forward-looking statements address our expectations or beliefs concerning future events, including, without limitation, our future operating and financial performance, our ability to implement strategic initiatives, such as our fiber build and fiber penetration and our ability to realize cost savings initiatives, growth strategy, our ability to comply with the covenants in the agreements governing our indebtedness, our capital expenditures, the containment of the impact on our operations of the recently disclosed cyber incident, and other matters. These statements are made based on the basis of management’s views and assumptions, as of the time the statements are made, regarding future events and performance and contain words such as “expect,” “anticipate,” “intend,” “plan,” “believe,” “seek,” “see,” “may,” “will,” “would,” or “target.” Forward-looking statements by their nature address matters that are, to different degrees, uncertain. We do not intend, nor do we undertake any duty, to update any forward-looking statements, except as required by law.

A wide range of factors could materially affect future developments and performance, including but not limited to:

- our significant indebtedness, our ability to incur substantially more debt in the future, and covenants in the agreements governing our current indebtedness that may reduce our operating and financial flexibility;
- declines in Adjusted EBITDA and revenue relative to historical levels that we are unable to offset;
- economic uncertainty, volatility in financial markets, and rising interest rates could limit our ability to access capital or increase the cost of capital needed to fund business operations, including our fiber expansion plans;
- our ability to successfully implement strategic initiatives, including our fiber buildout and other initiatives to enhance revenue and realize productivity improvements;
- our ability to secure necessary construction resources, materials and permits for our fiber buildout initiative in a timely and cost-effective manner;

- inflationary pressures on costs, including tightening tight labor markets, and increased fuel and electricity costs, and potential disruptions in our supply chain, resulting from the global microchip shortage, or otherwise, which could adversely impact our financial condition or results of operations and hinder our fiber expansion plans;
- our ability to effectively manage our operations, operating expenses, capital expenditures, debt service requirements and cash paid for income taxes and liquidity;
- the impact of potential information technology or data security breaches or other cyber-attacks or other disruptions; disruptions, including the recently disclosed unauthorized access by a third party to portions of our information technology environment;
- the impact of laws and regulations relating to the handling of privacy and data protection;
- competition from cable, wireless and carriers, satellite providers, wireline carriers, satellite, fiber "overbuilders" and over the top companies, Over-the-Top video providers, and the risk that we will not respond on a timely or profitable basis;
- our ability to successfully adjust to changes in the communications industry, including the effects of technological changes and competition on our capital expenditures, products and service offerings;
- our ability to retain or attract new customers and to maintain relationships with existing customers, including wholesale customers;
- our reliance on a limited number of key supplies suppliers and vendors;

- declines in revenue from our voice services, switched and non-switched nonswitched access and video and data services that we cannot stabilize or offset with increases in revenue from other products and services;
- our ability to secure, continue to use or renew intellectual property and other licenses used in our business;
- our ability to hire or retain key personnel;
- our ability to dispose of certain assets or asset groups or to make acquisition of certain assets on terms that are attractive to us, or at all;
- the effects of changes in the availability of federal and state universal service funding or other subsidies to us and our competitors and our ability to obtain future subsidies;
- our ability to comply with the applicable CAF II and RDOF requirements and the risk of penalties or obligations to return certain CAF II and RDOF funds;
- our ability to defend against litigation or government investigations and potentially unfavorable results from current pending and future litigation or investigations;
- our ability to comply with applicable federal and state consumer protection requirements;

- the effects of governmental legislation and regulation on our business, including costs, disruptions, possible limitations on operating flexibility and changes to the competitive landscape resulting from such legislation or regulation;
- the impact of regulatory, investigative and legal proceedings and legal compliance risks;
- our ability to effectively manage service quality in the states in which we operate and meet mandated service quality metrics or regulatory requirements;
- the effects of changes in income tax rates, tax laws, regulations or rulings, or federal or state tax assessments, including the risk that such changes may benefit our competitors more than us, as well as potential future decreases in the value of our deferred tax assets;
- the effects of changes in accounting policies or practices;
- our ability to successfully renegotiate union contracts;
- the effects of increased medical expenses and pension and postemployment expenses;
- changes in pension plan assumptions, interest rates, discount rates, regulatory rules and/or the value of our pension plan assets;
- the impact of adverse changes in economic, political and market conditions in the areas that we serve, the U.S. and globally, including but not limited to, disruption in our supply chain, inflation in pricing for key materials or labor, or other adverse changes resulting from epidemics, pandemics, and outbreaks of contagious diseases, including the COVID-19 pandemic, natural disasters, economic or political instability, terrorist attacks and wars, including the ongoing war in Ukraine and the Israel-Hamas war, or other adverse widespread developments;
- potential adverse impacts of climate change and increasingly stringent environmental laws, rules and regulations, and customer expectations and other environmental liabilities;
- market overhang due to substantial common stock holdings by our former creditors;

- market overhang due to substantial common stock holdings by our former creditors;
- certain provisions of Delaware law and our certificate of incorporation that may prevent efforts by our stockholders to change the direction or management of our company; and
- certain other factors set forth in our other filings with the SEC.

This list of factors that may affect future performance and the accuracy of forward-looking statements is illustrative and is not intended to be exhaustive. Any of the foregoing events, or other events, could cause our results to vary from management's forward-looking statements included in this report. You should consider these important factors, as well as the risks contained in our most recent Form 10-K and other filings with the SEC, in evaluating any statement in this report or otherwise made by us or on our behalf.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Frontier Communications Parent, Inc. is a leading communications and technology provider offering gigabit speeds that empower and connect to approximately 2.9 million 3.0 million broadband subscribers, with approximately 13,800 13,200 employees, operating in 25 states as of September 30, 2023 March 31, 2024. We are building critical infrastructure across the country with our fiber-optic network and cloud-based solutions, enabling secure high-speed connections. Rallied around Driven by our purpose of Building Gigabit America™, we are focused on supporting a digital society, closing the digital divide, and working toward a more sustainable environment.

Business Overview

In 2020, we began the expansion and transformation of our fiber network in order to meet the rapidly increasing demand for data from both our consumer and business customers. We believe that a fiber network has competitive advantages to be able to meet this growing demand, including faster download speeds, faster upload speeds, and lower latency levels than alternative broadband services.

In August 2021, we announced our plan to pass 10 million total locations with fiber. We are prioritizing our activities to locations which that we believe will provide the highest investment returns. In these expansion markets, we target penetration between 15% and 20% within 12 months and between 25% and 30% within 24 months. Over time, we expect our business mix will shift significantly, with a larger percentage of revenue coming from fiber as we implement our expansion plan.

Our strategy focuses on four levers of value creation: strategic priorities: fiber deployment, fiber broadband penetration, operational efficiency, and improving the customer experience. experience, and operational efficiency. We accomplished the following objectives in the third first quarter of 2023: 2024:

- We passed 332,000 new added 322,000 fiber locations. passings. As of September 30, 2023 March 31, 2024, we had approximately 6.2 million 6.8 million total locations passed with fiber.
- We added 79,000 88,000 fiber broadband customer net additions, resulting in fiber broadband customer growth of 19% 18% as compared to the prior year period. Fiber broadband customer net additions continued to outpace copper broadband customer net losses, resulting in 16,000 31,000 total broadband customer net additions.
- Consumer fiber Fiber revenue growth of 13% 10%, offset consumer copper revenue declines of 15% 7%, resulting in overall positive consumer revenue growth for the first time as a new public company. year-over-year.

- We continue to make progress towards achieving our annualized gross run rate cost savings target of $500 million by the end of 2023. As of September 30, 2023, we had realized $484 million of gross annualized cost savings since 2021.
- We completed $2.1 billion offering of secured fiber revenue term notes in August 2023, consisting of $1.6 billion of aggregate principal amount of secured fiber network revenue term notes and $500 million in Series 2023-2 Secured Fiber Network Revenue Variable Funding Senior Notes.
- We announced the relocation of our corporate headquarters to Dallas, Texas.

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PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES

(Unaudited)

Our fiber build plans include significant expenditures which could be adversely impacted by supply chain delays, actual or perceived inflation, tightening tight labor markets, increased fuel and electricity costs, increases in the cost of borrowing, and other risks. In addition to higher costs, the availability of building materials and other supply chain risks could negatively impact our ability to achieve the fiber build plans we are executing against. During the third quarter of 2023, markets remained volatile, and the economic outlook was uncertain. We continue to closely monitor and evaluate the impact these and other factors may have on our business, including demand for our products and services, our ability to execute on our strategic priorities and our financial condition and results of operations.

Cyber Incident

On April 14, 2024, we detected that a third party had gained unauthorized access to portions of our information technology environment. Upon detection, we initiated our established cyber incident response protocols and took measures to contain the incident. The containment measures, which included shutting down certain of the Company’s systems, resulted in an operational disruption that could be considered material. Based on our investigation, we have determined that the third party was likely a cybercrime group, which gained access to, among other information, personally identifiable information. We believe we have contained the incident and have restored our core information technology environment and normal business operations. While we do not believe the incident is reasonably likely to materially impact our financial condition or results of operations, we continue to investigate the incident, have engaged cybersecurity experts, and have notified law enforcement authorities.

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PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES

(Unaudited)

Financial Overview – Operating Income

We reported operating income of $114 million $90 million and $169 million $143 million for the three months ended September 30, 2023 March 31, 2024 and 2022, 2023, respectively, a decrease of $55 million.

We reported operating income of $372 million and $456 million for the nine months ended September 30, 2023 and 2022, respectively, a decrease of $84 million $53 million.

Operating income decreased primarily due to decreases in revenue from voice and video services, subsidy and other revenue, and increases in depreciation and amortization expense. expenses, restructuring costs and other charges, and selling, general and administrative expenses. These factors were partially offset by an increase in data and internet services, as well as decreases in selling, general and administrative cost of service expenses, and other charges as compared to the corresponding period in 2022. 2023.

Presentation of Results of Operations

The sections below include tables that present customer counts, average monthly consumer revenue per customer ("ARPC"), average monthly revenue per unit ("ARPU"), and consumer customer churn. We define churn as the number of consumer customer deactivations during the month divided by the number of consumer customers at the beginning of the month and utilize the average of each monthly churn in the period. Management believes that consumer customer counts, ARPC, ARPU, and consumer customer churn are important factors in evaluating our consumer customer trends. Among the key services we provide to consumer customers are voice service, data service and video service. We continue to explore the potential to provide additional services to our customer base, with the objective of meeting our customers' communications needs.

The following section should be read in conjunction with the unaudited interim consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. The following charts present key customer metrics, disaggregation of revenue, and the results of operations of the consolidated company.

(a) **Results of Operations**

Unless otherwise indicated, the discussion of the customer metrics and components of operating income for the table that follows relates only to the financial results for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the financial results for the three and nine months ended September 30, 2022 March 31, 2023.

Customer Trends

(Customer and Employee Metrics in thousands)	As of or for the three months ended September 30,		
	2023	2022	% Change
Customers			
Consumer	3,118	3,142	(1)%
Consumer Customer Metrics			
Net customer losses	(9)	(17)	(47)%
ARPC	$ 83.99	$ 83.05	1%
Customer Churn	1.70%	1.76%	(4)%
Broadband Customer Metrics [(1)]			
Fiber Broadband			
Consumer customers	1,797	1,502	20%
Business customers	117	104	13%
Consumer net customer additions	75	64	17%
Consumer customer churn	1.47%	1.60%	(8)%
Consumer customer ARPU	$ 64.49	$ 62.97	2%
Copper Broadband			
Consumer customers	870	1,105	(21)%
Business customers	97	120	(19)%
Consumer net customer losses	(58)	(58)	-%
Consumer customer churn	2.18%	2.02%	8%
Consumer customer ARPU	$ 54.62	$ 49.65	10%
Other Metrics			
Employees	13,756	14,746	(7)%

(Customer and Employee Metrics in thousands)	As of or for the three months ended March 31,		
	2024	2023	% Change
Broadband Customer Metrics [(1)]			
Fiber Broadband			
Consumer customers	1,963	1,659	18%
Business and wholesale customers	132	118	12%
Consumer net customer additions	85	84	1%
Consumer customer churn	1.24%	1.20%	3%
Consumer customer ARPU	$ 65.18	$ 61.44	6%
Copper Broadband			
Consumer customers	771	987	(22)%

Business and wholesale customers		108		130	(17)%
Consumer net customer losses		(51)		(56)	(9)%
Consumer customer churn		1.93%		1.71%	13%
Consumer customer ARPU	$	56.16	$	48.88	15%
Consumer Customer Metrics					
Customers		3,140		3,140	-%
Net customer additions		11		7	57%
ARPC	$	83.65	$	80.87	3%
Customer Churn		1.47%		1.43%	3%
Other Metrics					
Employees		13,227		14,523	(9)%

	For the nine months ended September 30,				
(Customer and Employee Metrics in thousands)	2023		2022		% Change
Consumer Customer Metrics					
Net customer losses		(15)		(23)	(35)%
ARPC	$	82.49	$	82.68	(0)%
Customer Churn		1.55%		1.55%	0 %
Broadband Customer Metrics [(1)]					
Fiber Broadband					
Consumer net customer additions		222		166	34 %
Consumer customer churn		1.36%		1.41%	(4)%
Consumer customer ARPU	$	63.10	$	62.84	0 %
Copper Broadband					
Consumer net customer losses		(173)		(129)	34 %
Consumer customer churn		1.91%		1.76%	9 %
Consumer customer ARPU	$	51.81	$	47.93	8 %

(1) Amounts presented exclude related metrics for our wholesale customers.

(1) Amounts presented exclude related metrics for our wholesale customers.

We provide service and product options in our consumer and business offerings in each of our markets.

Customers

We experienced a decrease in consumer customers of approximately 1% as of September 30, 2023, as compared to the prior year period.

Consumer customer losses were driven by reductions in our copper broadband and stand-alone voice customers, partially offset by net additions of fiber broadband customers. Customer preferences as well as our fiber investment initiatives resulted in an increase in the number of our consumer broadband customers and a migration of our customer base to fiber.

- We lost approximately 9,000 and 15,000 consumer customers for the three and nine months ended September 30, 2023, and lost approximately 17,000 and 23,000 consumer customers for the three and nine months ended September 30, 2022, driven by losses in copper broadband, voice and video customers, offset by growth in fiber broadband customers.
- In the three and nine months ended September 30, 2023, we experienced a net gain of consumer broadband customers of approximately 17,000 and 49,000 as compared to a net gain of approximately 6,000 and 37,000 for the three and nine months ended September 30, 2022.
    - The average monthly consumer revenue per customer (“consumer ARPC”) increased $0.94, or 1%, to $83.99 for the three months ended September 30, 2023, compared to the prior year period. The slight increase was driven primarily by growth in fiber data and value-added services along with price increases, partially offset by declines in voice and video services. We have de-emphasized the sale of low margin video products, which have historically been a material part of the overall ARPC. Going forward, we expect moderate movements in ARPC as our customer mix becomes more weighted towards broadband services.
    - ARPC decreased $0.19, or less than 1%, to $82.49 for the nine months ended September 30, 2023, compared to the prior year period. The slight decrease was driven primarily by growth in fiber data and value-added services, more than offset by declines in voice and video services.

Fiber Broadband Customers

Our investment strategy is focused on expanding our fiber network. In conjunction with this strategy, we are also working to improve our product positioning in both existing and new fiber markets.

The quarter ended September 30, 2023 March 31, 2024 represents the seventeenth nineteenth consecutive quarter of positive fiber net adds. For the three and nine months ended September 30, 2023 March 31, 2024, we added approximately 75,000 and 222,000 85,000 consumer fiber broadband customers, compared to 64,000 and 166,000 84,000 for the three and nine months ended September 30, 2022. March 31, 2023. Customers who migrated from our copper base constituted a small minor portion of these consumer fiber broadband customer net additions in the three and nine months ended September 30, 2023 March 31, 2024.

For the three and nine months ended September 30, 2023 March 31, 2024, we added approximately 4,000 3,000 business and 10,000 business wholesale fiber broadband customers compared to approximately 2,000 and 8,000 4,000 net additions for the three and nine months ended September 30, 2022 March 31, 2023.

Our focus on expanding and improving our fiber network has contributed to healthy customer retention. Our average monthly consumer fiber broadband churn was 1.47% and 1.36% 1.24% for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to 1.60% and 1.41% 1.20% for the three and nine months ended September 30, 2022, respectively. March 31, 2023. These improvements consistent results were driven by our increased focus on key customer touchpoints such as installation and first bill and reflect the end of certain promotion pricing periods, and as well as retention activities associated with inflation-related pricing actions.

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actions and promotional pricing expiration.

- The average monthly consumer fiber broadband revenue per customer (“consumer ARPU”) increased $1.52, $3.74, or 2% 6%, to $64.49 and $0.26, or less than 1%, to $63.10 $65.18 for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to $61.44 in the prior year periods. period.
- The increase in consumer ARPU for the three and nine months ended September 30, 2023 March 31, 2024 was due to higher intake pricing, customer shifts to higher broadband speeds, customers rolling off promotional pricing, inflation-related price increases and lower gift card redemptions, all partially offset by increased retention activity and autopay take rates.

Copper Broadband Customers

For the three and nine months ended September 30, 2023 March 31, 2024, we lost approximately 58,000 and 173,000 51,000 consumer copper broadband customers compared to a loss of approximately 58,000 and 129,000 56,000 for the three and nine months ended September 30, 2022 March 31, 2023.

For the three and nine months ended September 30, 2023 March 31, 2024, Frontier lost approximately 5,000 6,000 business and 17,000 business wholesale copper broadband customers compared to a loss of approximately 4,000 and 13,000 6,000 in the three and nine months ended September 30, 2022 March 31, 2023.

Our average monthly consumer copper broadband churn was 2.18% and 1.91% 1.93% for the three and nine months ended September 30, 2023 March 31, 2024, compared to 2.02% and 1.76% 1.71% in the three and nine months ended September 30, 2022 March 31, 2023. The increase in consumer copper broadband churn was driven by the impact of inflationary price increases copper to fiber migration activities reducing the copper customer base in newly built fiber areas, and changes to our copper broadband go to market approach which impacted gross add volume.

Consumer Customers

We experienced an increase in consumer customers of less than 1% as of March 31, 2024, as compared to the prior year period.

Consumer customer gains were driven by net additions of fiber broadband customers, partially offset by reductions in our copper broadband and stand-alone voice customers. Customer preferences as well as our fiber investment initiatives resulted in an increase in the number of our consumer broadband customers and a migration of our customer base to fiber.

- We gained approximately 11,000 consumer customers for the three months ended March 31, 2024, compared to a gain of approximately 7,000 consumer customers for the three months ended March 31, 2023, driven by, growth in fiber broadband customers, offset by losses in copper broadband, voice and video customers.

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PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES

(Unaudited)

- For the three months ended March 31, 2024, we experienced a net gain of consumer broadband customers of approximately 34,000 as compared to a net gain of approximately 28,000 for the three months ended March 31, 2023.
  - The average monthly consumer revenue per customer ("consumer ARPC") increased $2.78, or 3%, to $83.65 for the three months ended March 31, 2024, compared to the prior year period. The increase was driven primarily by growth in fiber data and value-added services along with price increases, partially offset by declines in voice and video services. We have de-emphasized the sale of low margin video products, which has historically been a material part of the overall ARPC. Going forward, we expect moderate movements in ARPC as our customer mix becomes more weighted towards broadband services.

Financial Results

	For the three months ended September 30,		%	For the nine months ended September 30,		%
($ in millions)	2023	2022	Change	2023	2022	Change
Data and Internet services	$ 895	$ 848	6%	$ 2,637	$ 2,531	4%
Voice services	341	369	(8)%	1,044	1,136	(8)%
Video services	104	127	(18)%	333	398	(16)%
Other	81	82	(1)%	253	245	3%
Revenue from contracts with customers	1,421	1,426	(0)%	4,267	4,310	(1)%

Subsidy and other revenue	15	18	(17)%	58	40	45%
Revenue	1,436	1,444	(1)%	4,325	4,350	(1)%
Operating expenses:						
Cost of service	545	544	0%	1,615	1,643	(2)%
Selling, general, and administrative expenses	405	431	(6)%	1,250	1,293	(3)%
Depreciation and amortization	356	296	20%	1,040	870	20%
Restructuring costs and other charges	16	4	300%	48	88	(45)%
Total operating expenses	$ 1,322	$ 1,275	4%	$ 3,953	$ 3,894	2%
Operating income	114	169	(33)%	372	456	(18)%
Consumer	787	785	0%	2,323	2,352	(1)%
Business and wholesale	634	641	(1)%	1,944	1,958	(1)%
Revenue from contracts with customers	$ 1,421	$ 1,426	(0)%	$ 4,267	$ 4,310	(1)%
Fiber revenue	760	691	10%	2,235	2,048	9%
Copper revenue	661	735	(10)%	2,032	2,262	(10)%
Revenue from contracts with customers	$ 1,421	$ 1,426	(0)%	$ 4,267	$ 4,310	(1)%

	For the three months ended March 31,		%
($ in millions)	2024	2023	Change
Data and Internet services	$ 947	$ 862	10%
Voice services	321	356	(10)%
Video services	94	117	(20)%
Other	84	83	1%
Revenue from contracts with customers	1,446	1,418	2%
Subsidy and other revenue	16	22	(27)%
Revenue	1,462	1,440	2%
Operating expenses:			
Cost of service	522	542	(4)%
Selling, general, and administrative expenses	428	417	3%

Depreciation and amortization	388	330	18%
Restructuring costs and other charges	34	8	325%
Total operating expenses	$ 1,372	$ 1,297	6%
Operating income	90	143	(37)%
Consumer	787	761	3%
Business and Wholesale	659	657	0%
Revenue from contracts with customers	$ 1,446	$ 1,418	2%
Fiber revenue	805	729	10%
Copper revenue	641	689	(7)%
Revenue from contracts with customers	$ 1,446	$ 1,418	2%

PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES

(Unaudited)

REVENUE

The table below presents our revenue by technology for the periods indicated:

	For the three months ended September 30,		$ Increase	% Increase
($ in millions)	2023	2022	(Decrease)	(Decrease)
Fiber	$ 760	$ 691	$ 69	10 %
Copper	661	735	(74)	(10)%
Revenue from contracts with customers [(1)]	1,421	1,426	(5)	(0)%
Subsidy revenue	15	18	(3)	(17)%
Total revenue	$ 1,436	$ 1,444	$ (8)	(1)%

	For the three months ended March 31,		$ Increase	% Increase

($ in millions)	2024	2023	(Decrease)	(Decrease)
Fiber	$ 805	$ 729	$ 76	10 %
Copper	641	689	(48)	(7)%
Revenue from contracts with customers (1)	1,446	1,418	28	2 %
Subsidy revenue	16	22	(6)	(27)%
Total revenue	$ 1,462	$ 1,440	$ 22	2 %

	For the nine months ended September 30,		$ Increase	% Increase
($ in millions)	2023	2022	(Decrease)	(Decrease)
Fiber	$ 2,235	$ 2,048	$ 187	9 %
Copper	2,032	2,262	(230)	(10)%
Revenue from contracts with customers (1)	4,267	4,310	(43)	(1)%
Subsidy revenue	58	40	18	45 %
Total revenue	$ 4,325	$ 4,350	$ (25)	(1)%

(1) Includes lease revenue of $14 million $13 million and $44 million $15 million for the three and nine months ended September 30, 2023, March 31, 2024 and $15 million and $48 million for the three and nine months ended September 30, 2022, 2023, respectively.

Our revenue streams are primarily a result of recurring data, voice, and video services delivered over our fiber and copper network. Revenues are considered fiber or copper based on the "last-mile" technology used to connect the customer location. With our investment strategy to expand and improve our fiber network and the corresponding fiber focus of our sales and marketing efforts, we are experiencing growth in fiber broadband revenue and a decline in copper revenue. We expect this trend to continue and accelerate due to strong fiber demand and the migration of customers from copper to fiber as we expand our fiber network.

The table below presents our revenue for our consumer and business and wholesale customers for the periods indicated:

	For the three months ended September 30,		$ Increase	% Increase
($ in millions)	2023	2022	(Decrease)	(Decrease)

Consumer	$ 787	$ 785	$ 2	0 %
Business and wholesale	634	641	(7)	(1)%
Revenue from contracts with customers (1)	1,421	1,426	(5)	(0)%
Subsidy and other revenue	15	18	(3)	(17)%
Total revenue	$ 1,436	$ 1,444	$ (8)	(1)%

	For the nine months ended September 30,		$ Increase	% Increase
($ in millions)	2023	2022	(Decrease)	(Decrease)
Consumer	$ 2,323	$ 2,352	$ (29)	(1)%
Business and wholesale	1,944	1,958	(14)	(1)%
Revenue from contracts with customers (1)	4,267	4,310	(43)	(1)%
Subsidy and other revenue	58	40	18	45 %
Total revenue	$ 4,325	$ 4,350	$ (25)	(1)%

	For the three months ended March 31,		$ Increase	% Increase
($ in millions)	2024	2023	(Decrease)	(Decrease)
Consumer	$ 787	$ 761	$ 26	3 %
Business and Wholesale	659	657	2	0 %
Revenue from contracts with customers (1)	1,446	1,418	28	2 %
Subsidy and other revenue	16	22	(6)	(27)%
Total revenue	$ 1,462	$ 1,440	$ 22	2 %

(1) Includes lease revenue of $14 million $13 million and $44 million $15 million for the three and nine months ended September 30, 2023, March 31, 2024 and $15 million and $48 million for the three and nine months ended September 30, 2022, 2023, respectively.

We conduct business with a range of consumer, business and wholesale customers and we generate both recurring and non-recurring revenues. Recurring revenues are primarily billed at fixed recurring rates, with some services billed based on usage. Revenue recognition is not dependent upon significant judgments by management, with the exception of a determination of the provision for expected credit losses.

Consumer

For the three and nine months ended September 30, 2023March 31, 2024, compared to the three and nine months ended September 30, 2022March 31, 2023:

- Consumer revenues were up less than 1%3% for the three months ended September 30, 2023March 31, 2024, as compared to the three months ended September 30, 2022March 31, 2023. The revenue growth was the result of growth in fiber data and value added value-added service revenues along with inflationary price increases, offset by declines in voice, video, and copper broadband.

- We experienced a 1% decline in consumer revenues for nine months ended September 30, 2023, as compared to the nine months ended September 30, 2022. This decline was predominantly a result of decreases in voice, video, and copper broadband, offset by increases in fiber broadband. Our fiber initiative will result in increasing revenue mix toward fiber broadband.
   - o We experienced 22% and 20% 26% improvement in consumer fiber broadband revenues for the three and nine months ended September 30, 2023March 31, 2024, as compared to the three and nine months ended September 30, 2022March 31, 2023.

   - o This improvement is a result of higher consumer fiber broadband ARPU as well as continued increase net adds of consumer fiber broadband customers due to our expanded fiber footprint and continued focus on product positioning in both new and existing markets.

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
(Unaudited)

- We experienced a decline of approximately 13% and 12% decline 10% in consumer copper broadband revenues for the three and nine months ended September 30, 2023March 31, 2024. As our copper footprint transitions to fiber, we expect fewer copper sales opportunities, and will proactively migrate certain existing broadband customers from copper to fiber, both of which will reduce our copper net adds.

<u>Business and Wholesale</u>

For the three and nine months ended September 30, 2023 March 31, 2024, our business and wholesale revenues decreased were up less than 1%, as compared to the prior year periods. period. This decline increase was driven by increases in data and internet services, largely offset by decreases in voice services revenue, predominantly in business, largely offset by increases in fiber broadband and network access services. business. The increase in fiber broadband data and internet services was due to the continued growth of our fiber broadband customer base and with a shift towards higher broadband speeds. speeds, and unit price increases in network access services. The increase in network access services is due primarily to price adjustments as well as install and upgrade activity.

The table below presents our revenue by product and service type for the periods indicated:

($ in millions)	For the three months ended September 30, 2023	For the three months ended September 30, 2022	$ Increase (Decrease)	% Increase (Decrease)
Data and Internet services	$ 895	$ 848	$ 47	6 %
Voice services	341	369	(28)	(8)%
Video services	104	127	(23)	(18)%
Other	81	82	(1)	(1)%
Revenue from contracts with customers [1]	1,421	1,426	(5)	(0)%
Subsidy and other revenue	15	18	(3)	(17)%
Total revenue	$ 1,436	$ 1,444	$ (8)	(1)%

($ in millions)	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022	$ Increase (Decrease)	% Increase (Decrease)
Data and Internet services	$ 2,637	$ 2,531	$ 106	4 %
Voice services	1,044	1,136	(92)	(8)%
Video services	333	398	(65)	(16)%
Other	253	245	8	3 %
Revenue from contracts with customers [1]	4,267	4,310	(43)	(1)%
Subsidy and other revenue	58	40	18	45 %
Total revenue	$ 4,325	$ 4,350	$ (25)	(1)%

($ in millions)	For the three months ended March 31, 2024	For the three months ended March 31, 2023	$ Increase (Decrease)	% Increase (Decrease)
Data and Internet services	$ 947	$ 862	$ 85	10%
Voice services	321	356	(35)	(10)%
Video services	94	117	(23)	(20)%
Other	84	83	1	1%
Revenue from contracts with customers [1]	1,446	1,418	28	2%
Subsidy and other revenue	16	22	(6)	(27)%
Total revenue	$ 1,462	$ 1,440	$ 22	2%

(1) Includes lease revenue of $14 million $13 million and $44 million $15 million for the three and nine months ended September 30, 2023, March 31, 2024 and $15 million and $48 million for the three and nine months ended September 30, 2022, 2023, respectively.

We categorize our products, services, and other revenues into the following five categories:

Data and Internet Services

We provide data and Internet services to our consumer, business, and wholesale customers. Data and Internet services consist of fiber broadband services, copper broadband services, and network access revenues (data transmission services and dedicated high-capacity circuits including data services to wireless providers commonly called wireless backhaul). Network access services are provided primarily to our business and wholesale customers, while fiber and copper broadband are provided to all customer segments.

Our fiber expansion strategy is expected to positively impact data and Internet services. This network expansion is designed to provide faster, symmetrical broadband speeds and provide customer and revenue growth opportunities

PART I. FINANCIAL INFORMATION (Continued)
FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES
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for fiber broadband and certain network access products like ethernet. We believe this initiative will create opportunities for us to provide more fiber-based services to our customers.

($ in millions)	For the three months ended	For the nine months ended
Data and Internet services revenue, September 30, 2022	$ 848	$ 2,531
Change in fiber broadband revenue	65	167
Change in copper broadband revenue	(26)	(72)
Change in other data and internet services	8	11
Data and Internet services revenue, September 30, 2023	$ 895	$ 2,637

($ in millions)	For the three months ended	
Data and Internet services revenue, March 31, 2023	$	862
Change in fiber broadband revenue		80
Change in copper broadband revenue		(18)
Change in other data and internet services		23
Data and Internet services revenue, March 31, 2024	$	947

Data and internet services revenue increased $47 million $85 million, or 6% 10%, to $895 million $947 million, and increased $106 million, or 4%, to $2,637 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, as compared to the prior year periods. period. The increase was driven by growth in the fiber broadband revenue, partly offset by declines in copper broadband revenue.

Voice services

We provide voice services consisting of traditional local and long-distance service and voice over Internet protocol (VoIP) service provided over our fiber and copper broadband products. It also includes enhanced features such as call waiting, caller identification, and voice messaging services.

Voice services revenue declined $28 million $35 million, or 8% 10%, to $341 million $321 million, and $92 million, or 8%, to $1,044 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, as compared to the prior year periods. period. The decline was primarily due to net losses in business and consumer customers in addition to fewer customers bundling voice services with broadband as compared to the prior year period, all partially offset by higher voice services ARPU.

Video services

Video services include revenues generated from traditional television (TV) services provided directly to consumer customers as well as satellite TV services provided through various satellite providers. Video services also includes pay-per-view revenues, video on demand, equipment rentals, and video advertising. We have made the strategic decision to limit sales of new traditional TV services, focusing on our broadband products and OTT video options. We are partnering with OTT video providers and expect this to grow as OTT options are offered with our broadband products.

Video services revenue declined $23 million, or 18% 20%, to $104 million and $65 million, or 16%, to $333 million $94 million for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the prior year period. The decline was primarily driven by linear video customer losses, partially offset by price increases as compared to the prior year period.

Other

Other customer revenue includes non-recurring equipment sales, network facility rental income, ancillary customer fees, directory listing services and switched access revenue. Switched access revenue includes revenue derived from allowing other carriers to use our network to originate and/or terminate their local and long-distance voice traffic. These switched access services are primarily billed on a minutes-of-use basis applying tariffed rates filed with the FCC or state agencies.

Other customer services revenue decreased increased $1 million, or 1%, to $81 million $84 million for the three months ended September 30, 2023 March 31, 2024, as compared to the prior year period, driven primarily by declines increases in pole rentals, related application fees and equipment sales, partially offset by decreases in switched network access revenue. Other customer services

Subsidy and other revenue increased by $8 million

Subsidy and other revenue decreased $6 million, or 3% 27%, to $253 million $16 million for the nine three months ended March 31, 2024, compared to the prior year period, primarily due to decreases in subsidies, and other revenue.

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PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES

(Unaudited)

September 30, 2023, as compared to the prior year period driven by increases in pole rentals and related application fees and equipment sales partially offset by declines in switched network access revenue.

Subsidy and other revenue

Subsidy and other revenue decreased $3 million, or 17%, to $15 million for the three months ended September 30, 2023, compared to the prior year period, and increased $18 million, or 45%, to $58 million for the nine months ended September 30, 2023, compared to the prior year period primarily due to increases in RDOF and other services revenue.

OPERATING EXPENSES

The table below presents our operating expenses for the periods indicated:

	For the three months ended September 30,		$ Increase	% Increase
($ in millions)	2023	2022	(Decrease)	(Decrease)
Operating expenses:				
Cost of Service	$ 545	$ 544	$ 1	0 %
Selling, general, and administrative expenses	405	431	(26)	(6)%
Depreciation and amortization	356	296	60	20 %
Restructuring costs and other charges	16	4	12	300 %
Total operating expenses	$ 1,322	$ 1,275	$ 47	4 %

	For the three months ended March 31,	$ Increase	% Increase

($ in millions)	2024	2023	(Decrease)	(Decrease)
Operating expenses:				
Cost of Service	$ 522	$ 542	$ (20)	(4)%
Selling, general, and administrative expenses	428	417	11	3 %
Depreciation and amortization	388	330	58	18 %
Restructuring costs and other charges	34	8	26	325 %
Total operating expenses	$ 1,372	$ 1,297	$ 75	6 %

	For the nine months ended September 30,		$ Increase	% Increase
($ in millions)	2023	2022	(Decrease)	(Decrease)
Operating expenses:				
Cost of Service	$ 1,615	$ 1,643	$ (28)	(2)%
Selling, general, and administrative expenses	1,250	1,293	(43)	(3)%
Depreciation and amortization	1,040	870	170	20 %
Restructuring costs and other charges	48	88	(40)	(45)%
Total operating expenses	$ 3,953	$ 3,894	$ 59	2 %

Cost of service

Cost of service expenses include access charges and other third-party costs directly attributable to connecting customer locations to our network, and video content costs and certain promotional costs. Such access charges and other third-party costs exclude depreciation and amortization, and employee related expenses.

Cost of service increased $1 million and decreased $28 million $20 million for the three and nine months ended September 30, 2023 March 31, 2024, respectively, as compared to the prior year period. For the nine months ended September 30, 2023, the The decrease in cost of service expense was driven by lower video content costs as a result of declines in video customers, non-renewal of certain content agreements, and decreased CPE costs, and no rebranding costs in 2023. costs. These decreases more than offset higher energy and benefits costs and outside service rate increases resulting from higher inflation**.**

Selling, General, and Administrative Expenses

Selling, general, and administrative expenses (SG (“SG&A expenses) expenses”) include the salaries, wages and the related benefits and costs of corporate and sales personnel, travel, insurance, non-network related rent, advertising, and other administrative expenses.

(Unaudited)

SG&A expense decreased expenses increased by $26 million and $43 million $11 million for the three and nine months ended September 30, 2023 March 31, 2024, as compared to the prior year period. This decrease increase was primarily a result of due to an increase in marketing costs, third party commissions, and property taxes, partially offset by lower compensation and benefit costs, and other fees, partially offset by increased commissions and a non-recurring $11 million sales tax refund in 2022. fees.

Pension and Other post-employment benefits ("OPEB") costs

We allocate certain pension/OPEB expense to cost of service and SG&A expenses.

Total pension and OPEB service costs, excluding pension/OPEB special termination benefit enhancement were as follows:

	For the three months ended September 30,				For the nine months ended September 30,			
($ in millions)	2023		2022		2023		2022	
Total pension/OPEB expenses	$	14	$	17	$	45	$	65
Less: costs capitalized into capital expenditures		(5)		(4)		(14)		(15)
Net pension/OPEB expense	$	9	$	13	$	31	$	50

	For the three months ended March 31,			
($ in millions)	2024		2023	
Total pension/OPEB expenses	$	13	$	15
Less: costs capitalized into capital expenditures		(4)		(4)
Net pension/OPEB expense	$	9	$	11

Depreciation and Amortization

For the three and nine months ended September 30, 2023 March 31, 2024, the increased depreciation and amortization expense was driven by higher depreciation expense as a result of higher property, plant and equipment in service.

Restructuring costs and other charges

Restructuring costs and other charges consist of consulting and advisory fees, workforce reductions, transformation initiatives, and other restructuring expenses.

For the three months ended September 30, 2023 March 31, 2024, restructuring costs and other charges increased $12 million $26 million, as compared to the three months ended September 30, 2022, primarily due to higher severance and employee costs. For the nine months ended September 30, 2023, restructuring cost and other charges decreased $40 million, as compared to the nine months ended September 30, 2022, due to the non-recurrence of a one-time lease impairment charge of $44 million in the prior year, and lower costs related to other restructuring activities, partially offset by higher severance and employee costs.

compared to the three months ended March 31, 2023, primarily due to higher severance and employee costs, pension/OPEB special termination benefit enhancementcosts related to a voluntary severance program, and other restructuring activities.

OTHER NON-OPERATING INCOME AND EXPENSE

	For the three months ended September 30,		$ Increase	% Increase
($ in millions)	2023	2022	(Decrease)	(Decrease)
Investment and other income, net	$ 67	$ 211	$ (144)	(68)%
Pension settlement costs	$ -	$ (50)	$ 50	100%
Interest expense	$ (170)	$ (135)	$ (35)	26%
Income tax expense	$ -	$ 75	$ (75)	(100)%

	For the nine months ended September 30,		$ Increase	% Increase
($ in millions)	2023	2022	(Decrease)	(Decrease)
Investment and other income, net	$ 101	$ 410	$ (309)	(75)%
Pension settlement costs	$ -	$ (50)	$ 50	(100)%
Interest expense	$ (460)	$ (356)	$ (104)	29%
Income tax expense	$ 1	$ 174	$ (173)	(99)%

	For the three months ended March 31,		$ Increase	% Increase
($ in millions)	2024	2023	(Decrease)	(Decrease)
Investment and other income, net	$ 112	$ 2	$ 110	5,500%
Interest expense	$ (199)	$ (141)	$ (58)	41 %
Income tax expense	$ 2	$ 1	$ 1	100%

Investment and other income, net

Investment and other income, net decreased increased by $144 million and $309 million $110 million for the three and nine months ended September 30, 2023March 31, 2024, as compared to September 30, 2022.March 31, 2023. This decrease increase was primarily driven by a pension remeasurement gain for our other postretirement benefit obligation of $46 million and $38 million $74 million, along with a post-retirement remeasurement gain of $9 million for the three and nine months ended September 30, 2023,March 31, 2024, as compared to a remeasurement gain of $84 million and $234 million $20 million loss for the three and nine months ended September 30, 2022; a decrease of $91 million for both the three and nine months ended September 30, 2023, due to the non-recurrence of a $91 million pension remeasurement in the third quarter of 2022; a decrease of $16 million and $54 million in pension and other postretirement benefits for the three and nine months ended September 30, 2023; partially offset by an $6 million and $36 million increase in interest and dividend income, as compared to the prior year periods. March 31, 2023.

Interest expense

For the three and nine months ended September 30, 2023 March 31, 2024, interest expense increased $35 million and $104 million $58 million, respectively, as compared to the same periods in 2022. 2023. The increase in interest expense was primarily driven by a higher debt balance, as well as higher interest rates.

Income tax expense

During the three and nine months ended September 30, 2023 March 31, 2024, we recorded an income tax expense of less than $1 million and $1 million $2 million, on pre-tax income of $11 million and $13 million, respectively. $3 million. During the three and nine months ended September 30, 2022 March 31, 2023, we recorded an income tax expense of $75 million and $174 million $1 million on pre-tax income of $195 million and $460 million, respectively. $4 million.

Our effective tax rates for the three and nine months ended September 30, 2023 March 31, 2024, was 0.7% and 9.7% 63.7% and for the three and nine months ended September 30, 2022March 31, 2023 was 38.5% and 37.8% 20.7%.

PART I. FINANCIAL INFORMATION (Continued)

FRONTIER COMMUNICATIONS PARENT, INC. AND SUBSIDIARIES

(Unaudited)

(b) Liquidity and Capital Resources

As of September 30, 2023 March 31, 2024, we had liquidity of approximately $3,374 million $2,585 million, comprised of $948 million $1,296 million of cash and cash equivalents, $1,275 million $225 million of short-term investments consisting (consisting of term deposits earning interest in excess of traditional bank deposit rates, and placed with banks with A-1/P-1 or equivalent credit quality, quality), $500 million available variable funding note Variable Funding

Notes capacity, subject to customary conditions to draw, and available capacity on our undrawn revolving credit facility of $651 million $564 million.

Analysis of Cash Flows

As of September 30, 2023 March 31, 2024, we had unrestricted cash and cash equivalents aggregating $948 million $1,296 million. For the nine three months ended September 30, 2023 March 31, 2024, we used cash flow from operations, cash on hand, and cash from borrowings principally to fund our cash investing and financing activities, which were primarily short-term investments and capital expenditures.

As of September 30, 2023 March 31, 2024, we had a working capital surplus of $747 million $141 million compared to a $302 million $506 million surplus at December 31, 2022 December 31, 2023. The primary drivers for the change in the working capital was driven surplus at March 31, 2024, were a decrease in short-term investments of $850 million, a decrease in other current assets of $22 million, an increase of $57 million in accrued interest, and an increase of $14 million in advanced billings; offset by an increase of $171 million in cash net of movements between short term investments, as a result of funding our capital expenditures related to our fiber build, partially offset by and cash equivalents, and a decrease in accounts payable.

In August 2023, our limited-purpose, bankruptcy remote, subsidiary, Frontier Issuer LLC ("Frontier Issuer"), issued $1.586 billion aggregate principal amount payable and accrued liabilities, and other current liabilities of secured fiber network revenue term notes, less $58 million in original issue discounts, consisting of $1,120 million 6.60% Series 2023-1, Class A-2 term notes, $155 million 8.30% Series 2023-1, Class B term notes and $312 million 11.50% Series 2023-1, Class C term notes (collectively, $410 million as compared to the "Fiber Term Notes"), each with an anticipated repayment date, or ARD, in July 2028, in an offering exempt from registration under the Securities Act. We intend to use the proceeds from the offering of the Fiber Term Notes for, among other things, general corporate purposes, including potential investments or expenditures, such as capital expenditures and research and development, in line with our fiber expansion and copper migration strategies. In addition, we used a portion of the proceeds to retire and defease certain outstanding indebtedness of our subsidiary Frontier Southwest Incorporated. period ended December 31, 2023.

<u>Cash Flows provided by Operating Activities</u>

Cash flows provided by operating activities increased $7 million decreased $54 million to $1,048 million $335 million for the nine three months ended September 30, 2023 March 31, 2024, as compared to the nine three months ended September 30, 2022 March 31, 2023. The overall increase decrease in operating cash flows was primarily the result of changes in long-term pension and OPEB liabilities and working capital.

We received $13 million in tax refunds during the three months ended March 31, 2024 and 2023, respectively. We paid $1 million and $7 million $5 million in net cash taxes during the nine three months ended September 30, 2023 and 2022, respectively. March 31, 2023.

<u>Cash Flows used by Investing Activities</u>

Cash flows used by provided from investing activities were $2,451 million $186 million for the nine three months ended September 30, 2023 March 31, 2024, compared to cash flows used in by investing activities of $4,178 million $304 million for the prior year period. Given period, due to an increase of $488 million in capital expenditures as compared to the long-term nature of our fiber build, as of September 30, 2023, we have invested $1,275 million cash in short-term investments to improve interest income, while preserving funding flexibility. prior year period.

Capital Expenditures

For the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, our capital expenditures were $2,882 million $666 million and $1,860 million $1,154 million, respectively. The increase decrease in capital expenditures is due to lower levels of build prework and inventory purchases in 2024 when compared to the prior year period.

Cash Flows provided from Financing Activities

Cash flows provided from financing activities decreased $1,148 million to $423 million for the three months ended March 31, 2024 as compared to the corresponding period in 2023. The decrease in financing activities was primarily driven by increased spending for transformation the decrease in net proceeds from long-term debt borrowings and vendor financing payments in the first quarter of our fiber network. We expect cash capital expenditures to be approximately $3.0 billion to $3.2 billion in 2023. 2024.

Cash Flows provided from Financing Activities

Cash flows provided from financing activities increased $916 million to $2,135 million for the nine months ended September 30, 2023 as compared to the corresponding period in 2022. The increase in financing activities was primarily driven by an increase in proceeds from long-term debt borrowings in the first three quarters of 2023 as compared to the prior year period.

Capital Resources

Our primary anticipated uses of liquidity are to fund the costs of operations, working capital and capital expenditures and to fund interest payments on our long-term debt. Our primary sources of liquidity are cash flows from operations, cash on hand and borrowing capacity under our $900 million Revolving Facility (as reduced by $249 million $336 million of revolver Letters of Credit). In addition, potential future sources of capital may include debt and equity (or equity-linked) financing and the $500 million in Series 2023-2 Secured Fiber Network Revenue Variable Funding Senior Notes. Notes facility.

On March 8, 2023, Frontier Holdings entered into an amendment to its Revolving Facility which, among other things, (i) extends the maturity with respect to the commitments of certain revolving lenders (in addition to certain amendments to springing maturity provisions); (2) amends the financial maintenance covenant for the benefit of the Revolving Facility by increasing the maximum first lien leverage ratio thereunder to 3.50:1.00, with step-downs to: (a) 3.25:1.00 in 2026; and (b) 3.00:1.00 in 2027 and continuing thereafter; and (3) provides for certain amendments to debt incurrence and other restrictive covenants.

During the nine months ended September 30, 2023, we paid $449 million of cash interest. Our Amended and Restated Credit Agreement, including our $1.4 billion term loan facility and $900 million Revolving Facility, and the indentures governing our outstanding secured first lien notes and second lien notes are described in detail in Note 8 to the financial statements contained in Part I of this report. A summary of certain covenants and our borrowing capacity is provided below.

In August 2023, our limited-purpose, bankruptcy remote, subsidiary, Frontier Issuer, issued $1.6 billion of aggregate principal amount of secured Fiber Term Notes, less $58 million in original issue discounts, consisting of $1.120 billion 6.60% Series 2023-1, Class A-2 term notes, $155 million 8.30% Series 2023-1, Class B term notes and $312 million 11.50% Series 2023-1, Class C term notes, each with an anticipated repayment date of five years. The Notes are secured by certain of Frontier's fiber assets and associated customer contracts in the Dallas, Texas metropolitan area. Certain cash and other accounts for the benefit of the Trustee and noteholders are restricted.

In connection with the offering of the Fiber Term Notes, Frontier Issuer entered into a $500 million variable funding note facility with a delayed draw feature, subject to leverage tests and other customary drawing conditions.

We have negotiated payment terms with certain of our vendors, (referred to as vendor financing), which are excluded from capital expenditures and reported as financing activities. As of September 30, 2023 March 31, 2024 we have $169 million had $52 million of vendor financing liabilities included in "Other current liabilities" on our consolidated balance sheets. No sheet. Capital expenditures for the three months ended March 31, 2024 were $666 million, and when including $363 million cash paid for vendor financing, payments were made as of September 30, 2023 capital investment was $1,029 million.

As of September 30, 2023, the Company extinguished $53 million of notes and transferred assets to an escrow account to pay the future interest and principal on the remaining $47 million of notes, which remain on the Company's balance sheet as outstanding debt and restricted assets.

We have assessed our current and expected funding requirements and our current and expected sources of liquidity, and have determined, based on our forecasted financial results and financial condition as of September 30, 2023March 31, 2024, that our operating cash flows and existing cash balances, will be adequate to finance our working capital requirements, fund capital expenditures, make required debt interest and principal payments, pay taxes and make other payments over the next twelve months. A number of factors, including but not limited to, loss of customers, pricing pressure from increased competition, lower subsidy and switched access revenues, and the impact of economic conditions may negatively affect our cash generated from operations.

Debt Covenants and Borrowing Capacity

Our Amended and Restated Credit Agreement includes usual and customary negative covenants for loan agreements of this type, including covenants limiting us and our restricted subsidiaries' (other than certain covenants therein which are limited to subsidiary guarantors) ability to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of certain material subordinated indebtedness, in each case subject to customary exceptions for loan agreements of this type.

Our Amended and Restated Credit Agreement also contains a "financial covenant" which provides that our first lien leverage ratio shall not exceed as of the last day of each fiscal quarter 3.50:1.00, with step-downs to: (a) 3.25:1.00 in 2026; and (b) 3.00:1.00 in 2027 and continuing thereafter.

This financial covenant is only applicable for the benefit of the Revolving Lenders (as defined in the Amended and Restated Credit Agreement) thereunder and failure to comply with the financial covenant would not cause an Event of Default with respect to any loans pursuant to our term loan facility unless and until the Required Revolving Lenders (as defined in the Amended and Restated Credit Agreement) have declared all amounts outstanding under the revolving facility to be immediately due and payable and all outstanding commitments under the revolving facility to be immediately terminated.

The indentures governing our First Lien Notes and Second Lien Notes also include usual and customary negative covenants for debt securities of this type, including covenants limiting us and our restricted subsidiaries' (other than certain covenants therein which are limited to subsidiary guarantors) ability to, among other things, incur additional indebtedness, create liens on assets, make investments, loans or advances, engage in mergers, consolidations, sales of assets and acquisitions, pay dividends and distributions and make payments in respect of certain material subordinated indebtedness, in each case subject to customary exceptions for debt securities of this type.

The indentures governing the outstanding subsidiary debentures include covenants that limit such subsidiary's ability to create liens and/or merge or consolidate with other companies. These covenants are subject to important exceptions and qualifications.

The indenture governing Frontier Issuer's Fiber Term Notes includes covenants and restrictions customary for transactions of this type. These covenants and restrictions include (i) that Frontier Issuer maintains a required reserve amount, satisfied either in the maintenance form of a letter of credit or cash held in a liquidity reserve account, to be used to make

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required payments in respect of the Fiber Term Notes, provisions relating to prepayments, required indemnification payments in certain circumstances. The Fiber Term Notes are also subject to rapid amortization in the event of a failure to maintain a stated debt service coverage ratio. A rapid amortization may be cured if the debt service coverage ratio exceeds a certain threshold for a certain period of time, upon which cure, regular amortization, if any, will resume. The Fiber Term Notes are also subject to certain customary events of default, including events relating to non-payment of required interest, principal or other amounts due on or with respect to the Fiber Term Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective and certain judgments.

The Fiber Term Notes are subject to covenants and restrictions customary for transactions of this type, including (i) that the Issuer maintains specified reserve accounts to be used to make required payments in respect of the Fiber

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Term Notes and pay certain reserved fixed costs of the fiber networks, (ii) provisions relating to optional and mandatory prepayments of the Fiber Term Notes and the related payment of specified amounts, including specified make-whole payments in the case of prepayments of the Fiber Term Notes under certain circumstances, (iii) certain indemnification payments in the event, among other things, the assets pledged as collateral for the Fiber Term Notes are in stated ways defective or ineffective, and (iv) covenants relating to recordkeeping, access to information and similar matters. In addition, the terms of the indenture governing the Fiber Term Notes provide that a larger portion of Frontier Issuer’s available funds will be used towards the repayment of the Fiber Term Notes during a cash sweep period, which period would result from, among other things, the failure to maintain a certain debt service coverage ratio or a certain minimum penetration rate in the markets that were securitized at closing. The Fiber Term Notes are also subject to customary rapid amortization events provided for in the Indenture, including events tied to failure to maintain stated debt service coverage ratios, the acceleration of the maturity of the Fiber Term Notes following the occurrence of an event of default and the failure to repay or refinance on the applicable anticipated repayment date.

The customary events of default to which the Fiber Term Notes are subject include events relating to non-payment of required interest, principal or other amounts due on or with respect to the Fiber Term Notes, failure to comply with covenants within certain time frames, certain bankruptcy events, breaches of specified representations and warranties, failure of security interests to be effective and certain judgments. In addition, the Indenture and the related management agreement contain various covenants that limit the ability of the Company’s securitized subsidiaries to engage in specified types of transactions, subject to certain exceptions, including, for example, to incur or guarantee additional indebtedness, sell certain assets, create or incur liens on certain assets to secure indebtedness or consolidate, merge, sell or otherwise dispose of all or substantially all of their assets.

As of September 30, 2023March 31, 2024, we were in compliance with all of the covenants under our existing indentures and the Amended and Restated Credit Agreement.

Net Operating Losses

In connection with our emergence from bankruptcy, we consummated a taxable disposition of substantially all of the assets and/or subsidiary stock of the Company. Certain of the net operating losses ("NOLs") were utilized in offsetting gains from the disposition, certain of the NOLs were extinguished as part of attribute reduction and certain subsidiary NOLs were carried over. Under Section 338(h)(10) of the Code, Predecessor predecessor Frontier Communications Corporation and Successor Frontier made elections to step-up tax basis of certain subsidiary assets. Such Section 338(h)(10) elections will generate depreciation and amortization expense going forward, which may result in NOLs. Such net operating losses would be carried forward indefinitely but would be subject to an 80% limitation on U.S. taxable income.

<u>Off-Balance Sheet Arrangements</u>

We do not maintain any off-balance sheet arrangements, transactions, obligations or other relationships with unconsolidated entities that would be expected to have a material current or future effect upon our financial statements.

<u>Future Contractual Obligations and Commitments</u>

There have been no material changes outside the ordinary course of business to the information provided with respect to our contractual obligations, including indebtedness and purchase and lease obligations, as disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

<u>Future Commitments</u>

See "Regulatory Developments" immediately below for information regarding Frontier's known and potential future commitments related to our participation in the FCC's CAF Phase II program and RDOF Phase I auction.

<u>Regulatory Developments</u>

Connect America Fund ("CAF")/ Rural Digital Opportunity Fund ("RDOF"): In 2015, Frontier accepted the FCC's CAF Phase II offer, which provided $313 million in annual support through 2021 in return for the Company's commitment

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to make broadband available to households within the CAF II areas in our existing 25 states. The Company was required to complete the CAF II deployment by December 31, 2021. Thereafter, the FCC has been reviewing carriers' CAF II program completion data, and if the FCC determines that the Company did not satisfy certain applicable CAF

Phase II requirements, Frontier could be required to return a portion of the funds previously received and may be subject to certain other fines, requirements and obligations.

On January 30, 2020, the FCC adopted an order establishing the RDOF competitive reverse auction to provide support to serve high-cost areas. The FCC announced the results of its RDOF Phase I auction on December 7, 2020. Frontier was awarded approximately $371 million over ten years to build gigabit-capable broadband over a fiber-to-the-premises network to approximately 127,000 locations in eight states (California, Connecticut, Florida, Illinois, New York, Pennsylvania, Texas, and West Virginia). We began receiving RDOF funding in the second quarter of 2022 and we will be required to complete the buildout to the awarded locations by December 31, 2028, with interim target milestones over this period. To the extent that Frontier is unable to meet the milestones or construct to all locations by the required deadlines, Frontier could be required to return a portion of funds previously received and may be subject to certain fines, or additional requirements and obligations.

As part of its RDOF order, the FCC indicated it would hold a follow-on auction for the unawarded funding following the Phase I auction. However, it remains uncertain whether any such follow-on auction will occur given the recent passage of significant federal funding for broadband infrastructure.

In November 2021, Congress passed the IIJA which provides $65 billion to fund broadband connectivity programs, including broadband deployment to unserved and underserved locations. The National Telecommunications and Information Administration (NTIA) is administering the principal last mile infrastructure funding program in the amount of $42.5 billion, the Broadband Equity, Access & Deployment Program (BEAD), and will distribute funding through direct grants to states, who will then award the funds based on competitive grant programs. The NTIA has allocated approximately $25.5 billion to states in Frontier's footprint. We are closely tracking implementation of the BEAD program, including state determinations regarding subsidy award criteria. We are actively pursuing awards of these stimulus funds, however, we continue to evaluate our opportunities as the process is complex and any awards that we ultimately receive under the IIJA may require significant up-front capital expenditures or other costs.

Internet: The FCC currently classifies fixed consumer broadband services as information services, subject to light-touch regulation. In October 2023 On April 25, 2024, the FCC released a notice of proposed rulemaking seeking to approved an order that would reclassify certain retail broadband internet access services as lightly regulated telecommunications services imposing certain network neutrality requirements on the reclassified internet services. At this time, it remains uncertain whether Frontier anticipates that the FCC rules will adopt be appealed in court. The reclassification rules would largely take effect 60 days after publication in the Federal Register unless enjoined by the courts. Final adoption of these new network neutrality regulations rules could increase our regulatory and what impact that may have on Frontier's business. compliance obligations and associated costs.

On November 15, 2021, President Biden signed the Infrastructure Investment and Jobs Act (IIJA) into law. The legislation appropriated funding for the establishment of the Affordable Connectivity Program (ACP), and FCC-administered monthly, low-income broadband benefit program. The ACP provides provided qualified customers up to $30 dollars per month (or $75 dollars per month for those on Tribal lands) to assist with their internet bill. Funding for the

ACP program will be exhausted in mid-May, 2024 and Frontier is a participating provider in ceased participation at the ACP program. end of the last full month of support - April, 2024. Absent additional funding at present pace, the support, Frontier will no longer provide an ACP funds will likely exhaust in 2024. benefit to customers.

Absent additional funding support, Frontier no longer provides an ACP benefit to customers.

Privacy: Our businesses are subject to federal and state laws and regulations that impose various restrictions and obligations related to privacy and the handling of customers' personal information. Privacy-related legislation has been adopted in a number of states in which we operate. Certain state requirements give consumers increased rights including the right to know what personal information is being collected about them and obtain a copy of such information, opt-out of the sale of personal information or sharing of personal information for purposes of certain targeted advertising, and to request the correction or deletion of this information. Complying with such laws, as well as other legislative and regulatory action related to privacy, could result in increased costs of compliance, claims against the Company or investigations related to compliance, and increased uncertainty in the use and availability of certain consumer data.

Video Programming: Federal, state, and local governments extensively regulate the video services industry. Our linear video services are subject to, among other things: subscriber privacy regulations; requirements that we carry a local broadcast station or obtain consent to carry a local or distant broadcast station; rules for franchise renewals and transfers; the manner in which program packages are marketed to subscribers; and program access requirements.

We provide video programming in some of our markets including California, Connecticut, Florida, Indiana, and Texas pursuant to franchises, permits and similar authorizations issued by state and local franchising authorities. Most franchises require payment of a franchise fee as a requirement to the granting of authority.

Many franchises establish facilities and service requirements, as well as specific customer service standards and monetary penalties for non-compliance. We believe that we are meeting all material standards and requirements. Franchises are generally granted for fixed terms and must be periodically renewed.

Environmental Regulation: The local exchange carrier subsidiaries we operate are subject to federal, state, and local laws, and regulations governing the use, storage, disposal of, and exposure to hazardous materials, the release of pollutants into the environment and the remediation of contamination. As an owner and former owner of property, we are subject to environmental laws that could impose liability for the entire cost of cleanup at contaminated sites, including sites formerly owned by us or our predecessors, regardless of fault or the lawfulness of the activity that resulted in contamination. We believe that our operations are in substantial compliance with applicable environmental laws and regulations.

Critical Accounting Policies and Estimates

The preparation of our financial statements requires management to make estimates and assumptions. There are inherent uncertainties with respect to such estimates and assumptions; accordingly, it is possible that actual results could differ from those estimates and changes to estimates could occur in the near term. These critical accounting estimates have been reviewed with the Audit Committee of our Board of Directors.

There have been no material changes to our critical accounting policies and estimates from the information provided in Item 7. "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Recent Accounting Pronouncements

For additional information regarding FASB Accounting Standards Updates (''ASU''s) that have been issued but not yet adopted and that may impact the Company, refer to Note 2 – ''Recent Accounting Pronouncements'' to the Consolidated Financial Statements included in Part I of this report for additional information related to recent accounting literature.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the normal course of our business operations due to ongoing investing and funding activities, including those associated with our pension plan assets. Market risk refers to the potential change in fair

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value of a financial instrument as a result of fluctuations in interest rates and equity prices. We do not hold or issue derivative instruments, derivative commodity instruments or other financial instruments for trading purposes. As a result, we do not undertake any specific actions to cover our exposure to market risks, and we are not party to any market risk management agreements other than in the normal course of business. Our primary market risk exposures from interest rate risk and equity price risk are as follows:

Interest Rate Exposure

Our exposure to market risk for changes in interest rates relates primarily to the interest-bearing portion of our pension investment portfolio and the related actuarial liability for pension obligations, as well as our floating rate indebtedness. As of September 30, 2023 March 31, 2024, 87% of our total debt had fixed interest rates. We had no interest rate swap agreements in effect at September 30, 2023 March 31, 2024. We believe that our currently outstanding obligation exposure to interest rate changes is minimal.

Our objectives in managing our interest rate risk are to limit the impact of interest rate changes on earnings and cash flows and to lower our overall borrowing costs. To achieve these objectives, only our $1.4 billion term loan facility has a floating rate at September 30, 2023 March 31, 2024. Commencing July 1, 2023 the The annual impact of a 100 basis points change in the SOFR would result in approximately $14 million of additional interest expense, provided that the SOFR rate exceeds the SOFR floor. An adverse change in interest rates would increase the amount that we pay on our variable rate obligations and could result in fluctuations in the fair value of our fixed rate obligations. To date, interest income from cash invested in term deposits has offset the impact of higher interest expense from floating rate debt. Based

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upon our overall interest rate exposure, a near-term change in interest rates would not materially affect our consolidated financial position, results of operations or cash flows.

At March 31, 2024, the fair value of our debt was estimated to be approximately $10.7 billion, based on quoted market prices, our overall weighted average borrowing rate was 7.099% and our overall weighted average maturity was approximately 5.2 years.

Our discount rate assumption for our pension benefit obligation is determined at least annually, or whenever required, with assistance from our actuaries. The discount rate is based on the pattern of expected future benefit payments and the prevailing rates available on long-term, high quality corporate bonds with durations approximate to that of our benefit obligation. As of December 31, 2022 December 31, 2023, the discount rate utilized in calculating our benefit plan obligation was 5.50% 5.20%. As of March 31, 2024, the discount rate utilized in calculating our benefit plan obligation was 5.40%.

The discount rate assumption for our OPEB obligation is determined in a similar manner to the pension plan. As of December 31, 2022 December 31, 2023, our discount rate utilized in calculating our benefit plan obligation was 5.50% 5.20%. As of March 31, 2024, the discount rate utilized in calculating our benefit plan obligation was 5.40%.

At September 30, 2023, the fair value of our debt was estimated to be approximately $10 billion, based on quoted market prices, our overall weighted average borrowing rate was 7.098% and our overall weighted average maturity was approximately 5.74 years.

Equity Price Exposure

Our exposure to market risks for changes in equity security prices as of September 30, 2023 March 31, 2024 is primarily limited to our pension plan assets. We have no other security investments of any significant amount.

The value of our pension plan assets increased $50 million $93 million from $2,033 million $2,268 million at December 31, 2022 December 31, 2023 to $2,083 million $2,361 million at September 30, 2023 March 31, 2024. This increase primarily resulted from changes in the market value of investments of $85 million $79 million, net of plan expenses, and contributions of $116 million $57 million, offset by benefit payments to participants of $151 million $43 million.

Item 4. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, regarding the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended). Based upon this evaluation, our principal executive officer and principal financial officer concluded, as of the end of the period covered by this report, September 30, 2023 March 31, 2024, that our disclosure controls and procedures were effective.

(b) Changes in internal control over financial reporting

There have been no changes to our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended) identified in an evaluation thereof that occurred during the first nine three months of 2023 2024 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For more information regarding pending and threatened legal actions and proceedings see Note 16 - ‘‘Commitments and Contingencies’’ to the Consolidated Financial Statements included in Part I of this report.

In 2014, Citynet, a competitive local exchange carrier doing business in West Virginia, filed a qui tam action in federal court in the District Court for the Southern District of West Virginia against Frontier West Virginia, Inc. and others on behalf of the U.S. Government concerning billing practices relating to a government grant. The complaint became public in 2016 after the U.S. Government declined to participate in the case and instead allowed Citynet to pursue the claims on behalf of the U.S. On December 6, 2022, the parties reached a settlement in principle. On May 23, 2023, the parties finalized the terms of the settlement agreement to resolve the case in its entirety, the terms of which were made part of the public record and which requires a payment of approximately $18 million.

In addition, we We are party to various other legal proceedings (including individual, class and putative class actions as well as federal and state governmental investigations) arising in the normal course of our business covering a wide range of matters and types of claims including, but not limited to, general contracts, billing disputes, rights of access, taxes and surcharges, consumer protection, trademark, copyright and patent infringement, employment, regulatory, environmental, tort, claims of competitors and disputes with other carriers. Such matters are subject to uncertainty and the outcome of individual matters is not predictable. However, we believe that the ultimate resolution of these matters, after considering insurance coverage or other indemnities to which we are entitled, will not have a material adverse effect on our financial position, results of operations, or cash flows. For more information regarding pending and threatened legal actions and proceedings see Note 16 - ''Commitments and Contingencies'' to the Consolidated Financial Statements included in Part I of this report.

Item 1A. Risk Factors

Except The following risk factor updates and replaces the risk factor entitled "We rely on network and information systems and other technology, and a breach, disruption or failure of such networks, systems or technology as a result of cyber-attacks, malware, misappropriation of data or other malfeasance, as well as outages, accidental releases of information or similar events, may disrupt our business and materially impact our results of operations, financial condition and cash flows." disclosed in our Quarterly Report for under the quarterly period ended June 30, 2023 caption "Risk Factors", there have been no material changes to the Risk Factors described in Part 1, I, Item 1A "Risk Factors" in of our Annual Report on Form 10-K for the year ended December 31, 2022 and Quarterly Report on December 31, 2023 (the "2023 Form 10-Q for 10-K"). There have been no other material changes to the quarter ended June 30, 2023. Risk Factors in our 2023 Form 10-K.

We rely on network and information systems and other technology, and a breach, disruption or failure of such networks, systems or technology as a result of cyber-attacks, malware, misappropriation of data or other malfeasance, as well as outages, accidental releases of information or similar events, may disrupt our business and materially impact our results of operations, financial condition and cash flows.

Our business involves the receipt, storage, and transmission of confidential information about our customers and others, including sensitive personal, account and payment card information, confidential information about our employees and suppliers, and other sensitive information about our company, such as our business plans, transactions, financial information, and intellectual property. Cyberattacks against companies like ours have increased in frequency and potential harm over time, and the methods used to gain unauthorized access constantly evolve, making it increasingly difficult to anticipate, prevent, and/or detect incidents successfully in every instance. Likewise, our information technology, networks, and infrastructure may be subject to damage, disruptions, or shutdowns due to cyber-attacks, malware, including ransomware or other information security breaches, employee or third-party error or malfeasance, power outages, communication or utility failures, systems failures, natural disasters, or other catastrophic events.

Further, our network and information systems are subject to various risks related to our vendors, third parties and other parties we may not fully control. We use encryption and authentication technology licensed from third parties to provide secure transmission of confidential information, including our business data and customer information. Similarly, we rely on employees in our network operations centers, data centers and call centers to follow our procedures when handling sensitive information. Use of vendors and third-party technologies could also expose us to supply chain cybersecurity risks, and we may not have accurate or complete information about the risks that third-party service providers face or the security of their systems. While we select our employees and third-party business partners carefully, our ability to monitor these third parties is limited, which could expose us to cyber-security and other risks. In addition, our customers using our network to access the Internet may become victim to malicious and abusive internet activities, such as unsolicited mass advertising (or spam), peer-to-peer file sharing, distribution of viruses, worms and other destructive or disruptive software; these activities could adversely affect our network, result in excessive call volume at our call centers and damage our or our customers' equipment and data.

PART II. OTHER INFORMATION

While we maintain security measures, disaster recovery plans and business continuity plans and work to upgrade our existing technology systems and provide employee training around the cyber risks we face, these risks are constantly evolving and are challenging to mitigate. Like many companies, we and our third party service providers are the subject of increasingly frequent cyber-attacks. Security incidents result from the actions of a wide variety of actors with a wide range of motives and expertise, such as traditional hackers, personnel or the personnel of third parties, sophisticated nation-states and nation-state-supported actors. For example, on April 14, 2024, we detected that a third party had gained unauthorized access to portions of our information technology environment. Upon detection, we initiated our established cyber incident response protocols and took measures to contain the incident. The containment measures, which included shutting down certain of the Company's systems, resulted in an operational disruption that could be considered material. Based on our investigation, we have determined that the third party was likely a cybercrime group, which gained access to, among other information, personally identifiable information. While we do not believe the incident is reasonably likely to materially impact our financial condition or results of operations, we continue to investigate the incident, have engaged cybersecurity experts, and have notified law enforcement authorities.

We are required to expend significant resources in an effort to protect against security incidents and may be required or choose to spend additional resources or modify our business activities, particularly where required by applicable data privacy and security laws or regulations or industry standards. While we have developed systems and processes designed to protect the integrity, confidentiality and security of the confidential and personal information under our control, we cannot assure you that any security measures that we or our third-party service providers implement will be effective in preventing security incidents, disruptions, cyberattacks, or other similar events. Any unauthorized access, computer viruses, ransomware attacks, accidental or intentional release of confidential information or other disruptions could result in misappropriation of our or our customers' sensitive information; financial loss; reputational harm; increased costs, such as those relating to remediation or future protection; customer dissatisfaction, which could lead to a decline in customers and revenue; changes to insurance premiums or coverage;

government investigations and legal claims or proceedings, fines and other liabilities. There can be no assurance that the impact of such incidents would not be material to our results of operations, financial condition, or cash flows.

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PART II. OTHER INFORMATION

Item 6. Exhibits

(a) Exhibits:

Exhibit Number	Description
4.1	Base Indenture, dated as of August 8, 2023, by and among Frontier Issuer LLC, Frontier Dallas TX Fiber 1 LLC, and Citibank N.A. (filed as Exhibit 4.1 to Frontier's Current Report on Form 8-K filed on August 10, 2023.)
4.2	Series 2023-1 Supplement, dated as of August 8, 2023, by and among Frontier Issuer LLC, Frontier Dallas TX Fiber 1 LLC, and Citibank N.A. (filed as Exhibit 4.2 to Frontier's Current Report on Form 8-K filed on August 10, 2023.)
4.3	Series 2023-2 Supplement, dated as of August 24, 2023, by and among Frontier Issuer LLC, Frontier Dallas TX Fiber 1 LLC, and Citibank N.A. (filed as Exhibit 4.1 to Frontier's Current Report on Form 8-K filed on August 25, 2023.)
10.1	Class A-1 Note Purchase Agreement, dated as of August 24, 2023, among Frontier Issuer LLC, Frontier Dallas TX Fiber 1 LLC, Frontier Communications Holdings, LLC, certain conduit investors, financial institutions and funding agents, and Barclays Bank plc. (filed as Exhibit 10.1 to Frontier's Current Report on Form 8-K filed on August 25, 2023.)
31.1	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934.
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101	The following materials from Frontier's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, formatted in iXBRL (inline eXtensible Business Reporting Language): (i) the Consolidated Balance Sheets; (ii) the Consolidated Statements of Income; (iii) the Consolidated Statements of Comprehensive Loss; Income (loss); (iv) the Consolidated Statements of Equity (Deficit); (v) the Consolidated Statements of Cash Flows; and (vi) Notes to Consolidated Financial Statements.
104	Cover Page from Frontier's Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, formatted in iXBRL and contained in Exhibit 101.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

FRONTIER COMMUNICATIONS PARENT, INC.

By: /s/ William McGloin

William McGloin

Chief Accounting Officer and Controller

(Principal Accounting Officer)

Date: November 1, 2023 May 3, 2024

Exhibit 31.1

CERTIFICATIONSI, Nick Jeffery, certify that: 1. I have reviewed this quarterly report on Form 10-Q of Frontier Communications Parent, Inc.; 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have: a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions): a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 3, 2024

/s/ Nick Jeffery

Nick Jeffery
President and Chief Executive Officer

Exhibit 31.2

CERTIFICATIONSI, Scott Beasley, certify that: 1. I have reviewed this quarterly report on Form 10-Q of Frontier Communications Parent, Inc.; 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have: a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions): a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 1, 2023 May 3, 2024	/s/ Scott Beasley
	Scott Beasley Executive Vice President, Chief Financial Officer

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Exhibit 32

CERTIFICATIONS PURSUANT TO18 U.S.C. SECTION 1350,AS ADOPTED PURSUANT TOSECTION 906 OF THE SARBANES-OXLEY ACT OF 2002In connection with the Quarterly Report of Frontier Communications Parent, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2023 March 31, 2024 as filed with the Securities and

Exchange Commission on the date hereof (the "Report"), we, Nick Jeffery, President and Chief Executive Officer and Scott Beasley, Executive Vice President, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that: (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Nick Jeffery	/s/ Scott Beasley
Nick Jeffery	Scott Beasley
President and Chief Executive Officer	Executive Vice President, Chief Financial Officer
November 1, 2023 May 3, 2024	November 1, 2023 May 3, 2024

This certification is made solely for purpose of 18 U.S.C. Section 1350, subject to the knowledge standard contained therein, and not for any other purpose.A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signatures that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Frontier Communications Parent, Inc. and will be retained by Frontier Communications Parent, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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