

## Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 9/30/20	3 Mos. Ended 9/30/19	% Change	9 Mos. Ended 9/30/20	9 Mos. Ended 9/30/19	% Change
<b>Operating Revenues</b>						
Service revenues and other	\$ 27,431	\$ 27,753	(1.2)	\$ 81,604	\$ 82,301	(0.8)
Wireless equipment revenues	4,112	5,141	(20.0)	11,996	14,792	(18.9)
<b>Total Operating Revenues</b>	<b>31,543</b>	<b>32,894</b>	<b>(4.1)</b>	<b>93,600</b>	<b>97,093</b>	<b>(3.6)</b>
<b>Operating Expenses</b>						
Cost of services	7,955	7,902	0.7	23,348	23,396	(0.2)
Cost of wireless equipment	4,379	5,482	(20.1)	13,031	15,699	(17.0)
Selling, general and administrative expense	7,339	7,216	1.7	23,080	21,682	6.4
Depreciation and amortization expense	4,192	4,114	1.9	12,523	12,577	(0.4)
<b>Total Operating Expenses</b>	<b>23,865</b>	<b>24,714</b>	<b>(3.4)</b>	<b>71,982</b>	<b>73,354</b>	<b>(1.9)</b>
<b>Operating Income</b>	<b>7,678</b>	<b>8,180</b>	<b>(6.1)</b>	<b>21,618</b>	<b>23,739</b>	<b>(8.9)</b>
Equity in losses of unconsolidated businesses	(9)	(1)	*	(34)	(20)	70.0
Other expense, net	(774)	(110)	*	(703)	(1,127)	(37.6)
Interest expense	(1,044)	(1,146)	(8.9)	(3,167)	(3,571)	(11.3)
<b>Income Before Provision For Income Taxes</b>	<b>5,851</b>	<b>6,923</b>	<b>(15.5)</b>	<b>17,714</b>	<b>19,021</b>	<b>(6.9)</b>
Provision for income taxes	(1,347)	(1,586)	(15.1)	(4,084)	(4,450)	(8.2)
<b>Net Income</b>	<b>\$ 4,504</b>	<b>\$ 5,337</b>	<b>(15.6)</b>	<b>\$ 13,630</b>	<b>\$ 14,571</b>	<b>(6.5)</b>
Net income attributable to noncontrolling interests	\$ 147	\$ 143	2.8	\$ 417	\$ 401	4.0
Net income attributable to Verizon	4,357	5,194	(16.1)	13,213	14,170	(6.8)
<b>Net Income</b>	<b>\$ 4,504</b>	<b>\$ 5,337</b>	<b>(15.6)</b>	<b>\$ 13,630</b>	<b>\$ 14,571</b>	<b>(6.5)</b>
<b>Basic Earnings Per Common Share</b>						
Net income attributable to Verizon	\$ 1.05	\$ 1.26	(16.7)	\$ 3.19	\$ 3.42	(6.7)
Weighted-average shares outstanding (in millions)	4,140	4,138		4,139	4,138	
<b>Diluted Earnings Per Common Share <sup>(1)</sup></b>						
Net income attributable to Verizon	\$ 1.05	\$ 1.25	(16.0)	\$ 3.19	\$ 3.42	(6.7)
Weighted-average shares outstanding (in millions)	4,142	4,140		4,141	4,140	

## Footnotes:

(1) Diluted Earnings per Common Share includes the dilutive effect of shares issuable under our stock-based compensation plans, which represents the only potential dilution.

\* Not meaningful

## Condensed Consolidated Balance Sheets

(dollars in millions)

Unaudited	9/30/20	12/31/19	\$ Change
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 8,983	\$ 2,594	\$ 6,389
Accounts receivable	23,846	26,162	(2,316)
Less Allowance for credit losses	1,229	—	1,229
Less Allowance for doubtful accounts	—	733	(733)
Accounts receivable, net	22,617	25,429	(2,812)
Inventories	1,457	1,422	35
Prepaid expenses and other	5,515	8,028	(2,513)
Total current assets	38,572	37,473	1,099
Property, plant and equipment			
Property, plant and equipment	276,210	265,734	10,476
Less Accumulated depreciation	183,028	173,819	9,209
Property, plant and equipment, net	93,182	91,915	1,267
Investments in unconsolidated businesses	535	558	(23)
Wireless licenses	95,958	95,059	899
Goodwill	24,799	24,389	410
Other intangible assets, net	9,599	9,498	101
Operating lease right-of-use assets	22,680	22,694	(14)
Other assets	11,669	10,141	1,528
<b>Total assets</b>	<b>\$ 296,994</b>	<b>\$ 291,727</b>	<b>\$ 5,267</b>
<b>Liabilities and Equity</b>			
Current liabilities			
Debt maturing within one year	\$ 5,770	\$ 10,777	\$ (5,007)
Accounts payable and accrued liabilities	17,391	21,806	(4,415)
Current operating lease liabilities	3,494	3,261	233
Other current liabilities	9,530	9,024	506
Total current liabilities	36,185	44,868	(8,683)
Long-term debt			
Long-term debt	109,790	100,712	9,078
Employee benefit obligations	18,756	17,952	804
Deferred income taxes	34,567	34,703	(136)
Non-current operating lease liabilities	18,155	18,393	(238)
Other liabilities	13,011	12,264	747
Total long-term liabilities	194,279	184,024	10,255
Equity			
Common stock	429	429	—
Additional paid in capital	13,404	13,419	(15)
Retained earnings	58,473	53,147	5,326
Accumulated other comprehensive income (loss)	(812)	998	(1,810)
Common stock in treasury, at cost	(6,721)	(6,820)	99
Deferred compensation – employee stock ownership plans and other	296	222	74
Noncontrolling interests	1,461	1,440	21
Total equity	66,530	62,835	3,695
<b>Total liabilities and equity</b>	<b>\$ 296,994</b>	<b>\$ 291,727</b>	<b>\$ 5,267</b>

## Consolidated - Selected Financial and Operating Statistics

(dollars in millions, except per share amounts)

Unaudited	9/30/20	12/31/19
Total debt	\$ 115,560	\$ 111,489
Net unsecured debt	\$ 96,485	\$ 96,526
Net unsecured debt / Consolidated Adjusted EBITDA <sup>(1)</sup>	2.1x	2.0x
Common shares outstanding end of period (in millions)	4,138	4,136
Total employees ('000)	133.2	135.0
Quarterly cash dividends declared per common share	\$ 0.6275	\$ 0.6150

**Footnotes:**

(1) Consolidated adjusted EBITDA excludes the effects of non-operational items and special items.

## Condensed Consolidated Statements of Cash Flows

(dollars in millions)

Unaudited	9 Mos. Ended 9/30/20	9 Mos. Ended 9/30/19	\$ Change
<b>Cash Flows from Operating Activities</b>			
Net Income	\$ 13,630	\$ 14,571	\$ (941)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	12,523	12,577	(54)
Employee retirement benefits	867	(105)	972
Deferred income taxes	530	1,070	(540)
Provision for credit losses	1,100	1,131	(31)
Equity in losses of unconsolidated businesses, net of dividends received	67	64	3
Net loss on sale of divested businesses	—	94	(94)
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	1,345	(3,902)	5,247
Discretionary employee benefits contributions	—	(300)	300
Other, net	2,410	1,548	862
Net cash provided by operating activities	<u>32,472</u>	<u>26,748</u>	<u>5,724</u>
<b>Cash Flows from Investing Activities</b>			
Capital expenditures (including capitalized software)	(14,168)	(12,332)	(1,836)
Acquisitions of businesses, net of cash acquired	(507)	(29)	(478)
Acquisitions of wireless licenses	(1,987)	(299)	(1,688)
Proceeds from dispositions of businesses	—	27	(27)
Other, net	(1,807)	476	(2,283)
Net cash used in investing activities	<u>(18,469)</u>	<u>(12,157)</u>	<u>(6,312)</u>
<b>Cash Flows from Financing Activities</b>			
Proceeds from long-term borrowings	12,387	8,360	4,027
Proceeds from asset-backed long-term borrowings	4,439	3,982	457
Repayments of long-term borrowings and finance lease obligations	(8,853)	(12,486)	3,633
Repayments of asset-backed long-term borrowings	(6,726)	(5,273)	(1,453)
Dividends paid	(7,636)	(7,474)	(162)
Other, net	(1,348)	(1,410)	62
Net cash used in financing activities	<u>(7,737)</u>	<u>(14,301)</u>	<u>6,564</u>
<b>Increase in cash, cash equivalents and restricted cash</b>	<b>6,266</b>	<b>290</b>	<b>5,976</b>
<b>Cash, cash equivalents and restricted cash, beginning of period</b>	<b>3,917</b>	<b>3,916</b>	<b>1</b>
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b><u>\$ 10,183</u></b>	<b><u>\$ 4,206</u></b>	<b><u>\$ 5,977</u></b>

## Consumer - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 9/30/20	3 Mos. Ended 9/30/19	% Change	9 Mos. Ended 9/30/20	9 Mos. Ended 9/30/19	% Change
<b>Operating Revenues</b>						
Service	\$ 16,255	\$ 16,433	(1.1)	\$ 48,496	\$ 49,042	(1.1)
Wireless equipment	3,403	4,257	(20.1)	9,989	12,326	(19.0)
Other	2,078	2,016	3.1	6,129	5,481	11.8
<b>Total Operating Revenues</b>	<b>21,736</b>	<b>22,706</b>	<b>(4.3)</b>	<b>64,614</b>	<b>66,849</b>	<b>(3.3)</b>
<b>Operating Expenses</b>						
Cost of services	3,971	4,035	(1.6)	11,786	11,761	0.2
Cost of wireless equipment	3,411	4,291	(20.5)	10,161	12,342	(17.7)
Selling, general and administrative expense	4,055	4,085	(0.7)	12,353	12,090	2.2
Depreciation and amortization expense	2,862	2,806	2.0	8,531	8,581	(0.6)
<b>Total Operating Expenses</b>	<b>14,299</b>	<b>15,217</b>	<b>(6.0)</b>	<b>42,831</b>	<b>44,774</b>	<b>(4.3)</b>
<b>Operating Income</b>	<b>\$ 7,437</b>	<b>\$ 7,489</b>	<b>(0.7)</b>	<b>\$ 21,783</b>	<b>\$ 22,075</b>	<b>(1.3)</b>
<b>Operating Income Margin</b>	<b>34.2 %</b>	<b>33.0 %</b>		<b>33.7 %</b>	<b>33.0 %</b>	
<b>Segment EBITDA</b>	<b>\$ 10,299</b>	<b>\$ 10,295</b>	<b>—</b>	<b>\$ 30,314</b>	<b>\$ 30,656</b>	<b>(1.1)</b>
<b>Segment EBITDA Margin</b>	<b>47.4 %</b>	<b>45.3 %</b>		<b>46.9 %</b>	<b>45.9 %</b>	

**Footnotes:**

The segment financial results and metrics above are adjusted to exclude the effects of special items, as the Company's chief operating decision maker excludes these items in assessing segment performance.

Certain intersegment transactions with corporate entities have not been eliminated.

## Consumer - Selected Operating Statistics

Unaudited	9/30/20	9/30/19	% Change
<b>Connections ('000):</b>			
Wireless retail postpaid connections	90,026	89,739	0.3
Wireless retail prepaid connections	4,075	4,183	(2.6)
Total wireless retail connections	94,101	93,922	0.2
Fios video connections	3,926	4,203	(6.6)
Fios internet connections	6,110	5,867	4.1
Fios digital voice residence connections	3,384	3,672	(7.8)
Fios digital connections	13,420	13,742	(2.3)
Broadband connections	6,581	6,469	1.7
Voice connections	5,302	5,904	(10.2)

Unaudited	3 Mos. Ended 9/30/20	3 Mos. Ended 9/30/19	% Change	9 Mos. Ended 9/30/20	9 Mos. Ended 9/30/19	% Change
<b>Gross Additions ('000):</b>						
Wireless retail postpaid	2,304	3,020	(23.7)	6,451	8,459	(23.7)
<b>Net Additions Detail ('000) :</b>						
Wireless retail postpaid <sup>(1)</sup>	136	193	(29.5)	(317)	118	*
Wireless retail prepaid <sup>(1)</sup>	77	(81)	*	5	(470)	*
Total wireless retail <sup>(1)</sup>	213	112	90.2	(312)	(352)	11.4
Wireless retail postpaid phones <sup>(1)</sup>	142	239	(40.6)	(68)	149	*
Fios video	(61)	(67)	9.0	(226)	(174)	(29.9)
Fios internet	139	30	*	208	106	96.2
Fios digital voice residence	(72)	(53)	(35.8)	(236)	(130)	(81.5)
Fios digital	6	(90)	*	(254)	(198)	(28.3)
Broadband <sup>(1)</sup>	113	(5)	*	131	9	*
Voice	(142)	(154)	7.8	(452)	(428)	(5.6)

<b>Churn Rate:</b>					
Wireless retail postpaid	0.80 %	1.05 %		0.84 %	1.03 %
Wireless retail postpaid phones	0.63 %	0.79 %		0.64 %	0.77 %
Wireless retail	0.95 %	1.27 %		1.00 %	1.27 %

<b>Revenue Statistics (in millions):</b>										
Wireless service revenue	\$	13,442	\$	13,533	(0.7)	\$	40,005	\$	40,346	(0.8)
Fios revenues	\$	2,773	\$	2,811	(1.4)	\$	8,326	\$	8,347	(0.3)

Unaudited	3 Mos. Ended 9/30/20	3 Mos. Ended 9/30/19	% Change	9 Mos. Ended 9/30/20	9 Mos. Ended 9/30/19	% Change
<b>Other Wireless Statistics:</b>						
Wireless retail postpaid ARPA <sup>(2)</sup>	\$ 118.52	\$ 118.89	(0.3)	\$ 117.80	\$ 118.16	(0.3)
Wireless retail postpaid upgrade rate	4.2 %	4.9 %				
Wireless retail postpaid accounts ('000) <sup>(3)</sup>				33,712	33,898	(0.5)
Wireless retail postpaid connections per account <sup>(3)</sup>				2.67	2.65	0.8
Total wireless internet postpaid base <sup>(3)</sup>				15.9 %	16.1 %	

**Footnotes:**

(1) Connection net additions include certain adjustments.

(2) Wireless retail postpaid ARPA - average service revenue per account from retail postpaid accounts.

(3) Statistics presented as of end of period.

Certain intersegment transactions with corporate entities have not been eliminated.

\* Not meaningful

## Business - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 9/30/20	3 Mos. Ended 9/30/19	% Change	9 Mos. Ended 9/30/20	9 Mos. Ended 9/30/19	% Change
<b>Operating Revenues</b>						
Small and Medium Business	\$ 2,742	\$ 2,899	(5.4)	\$ 8,147	\$ 8,392	(2.9)
Global Enterprise	2,595	2,714	(4.4)	7,815	8,078	(3.3)
Public Sector and Other	1,639	1,472	11.3	4,636	4,435	4.5
Wholesale	773	800	(3.4)	2,314	2,467	(6.2)
<b>Total Operating Revenues</b>	<b>7,749</b>	<b>7,885</b>	<b>(1.7)</b>	<b>22,912</b>	<b>23,372</b>	<b>(2.0)</b>
<b>Operating Expenses</b>						
Cost of services	2,739	2,666	2.7	7,969	7,838	1.7
Cost of wireless equipment	968	1,190	(18.7)	2,870	3,356	(14.5)
Selling, general and administrative expense	2,092	2,042	2.4	6,195	5,984	3.5
Depreciation and amortization expense	1,027	1,010	1.7	3,055	3,098	(1.4)
<b>Total Operating Expenses</b>	<b>6,826</b>	<b>6,908</b>	<b>(1.2)</b>	<b>20,089</b>	<b>20,276</b>	<b>(0.9)</b>
<b>Operating Income</b>	<b>\$ 923</b>	<b>\$ 977</b>	<b>(5.5)</b>	<b>\$ 2,823</b>	<b>\$ 3,096</b>	<b>(8.8)</b>
<b>Operating Income Margin</b>	<b>11.9 %</b>	<b>12.4 %</b>		<b>12.3 %</b>	<b>13.2 %</b>	
<b>Segment EBITDA</b>	<b>\$ 1,950</b>	<b>\$ 1,987</b>	<b>(1.9)</b>	<b>\$ 5,878</b>	<b>\$ 6,194</b>	<b>(5.1)</b>
<b>Segment EBITDA Margin</b>	<b>25.2 %</b>	<b>25.2 %</b>		<b>25.7 %</b>	<b>26.5 %</b>	

**Footnotes:**

The segment financial results and metrics above are adjusted to exclude the effects of special items, as the Company's chief operating decision maker excludes these items in assessing segment performance.

Certain intersegment transactions with corporate entities have not been eliminated.



## Business - Selected Operating Statistics

Unaudited			9/30/2020	9/30/2019	% Change	
<b>Connections ('000):</b>						
Wireless retail postpaid connections			26,223	24,652	6.4	
Fios video connections			74	77	(3.9)	
Fios internet connections			332	322	3.1	
Fios digital connections			406	399	1.8	
Broadband connections			488	492	(0.8)	
Voice connections			4,668	5,058	(7.7)	
Unaudited	3 Mos. Ended 9/30/20	3 Mos. Ended 9/30/19	% Change	9 Mos. Ended 9/30/20	9 Mos. Ended 9/30/19	% Change
<b>Gross Additions ('000):</b>						
Wireless retail postpaid	1,345	1,299	3.5	3,957	3,634	8.9
<b>Net Additions Detail ('000):</b>						
Wireless retail postpaid <sup>(1)</sup>	417	412	1.2	1,172	1,002	17.0
Wireless retail postpaid phones <sup>(1)</sup>	141	206	(31.6)	456	497	(8.2)
Fios video	(1)	1	*	(3)	3	*
Fios internet	5	6	(16.7)	6	16	(62.5)
Fios digital	4	7	(42.9)	3	19	(84.2)
Broadband <sup>(1)</sup>	(3)	(2)	(50.0)	(18)	(9)	*
Voice	(90)	(105)	14.3	(291)	(341)	14.7
<b>Churn Rate:</b>						
Wireless retail postpaid	1.19 %	1.21 %		1.20 %	1.22 %	
Wireless retail postpaid phones	0.96 %	0.97 %		0.96 %	0.99 %	
<b>Revenue Statistics (in millions):</b>						
Wireless service revenue	\$ 2,990	\$ 2,850	4.9	\$ 8,732	\$ 8,319	5.0
Fios revenues	\$ 263	\$ 243	8.2	\$ 785	\$ 725	8.3
<b>Other Operating Statistics:</b>						
Wireless retail postpaid upgrade rate	3.3 %	4.5 %				
Total wireless internet postpaid base <sup>(2)</sup>				34.3 %	33.5 %	

**Footnotes:**

(1) Connection net additions include certain adjustments.

(2) Statistics presented as of end of period.

Certain intersegment transactions with corporate entities have not been eliminated.

Prior year amounts revised to conform to current period presentation.

\* Not meaningful

## Supplemental Information - Total Wireless Operating and Financial Statistics

The following supplemental schedule contains certain financial and operating metrics which reflect an aggregation of our Consumer and Business segments' wireless results.

Unaudited			9/30/20	9/30/19	% Change	
<b>Connections ('000)</b>						
Retail postpaid			116,249	114,391	1.6	
Retail prepaid			4,075	4,183	(2.6)	
Total retail			120,324	118,574	1.5	
Unaudited	3 Mos. Ended 9/30/20	3 Mos. Ended 9/30/19	% Change	9 Mos. Ended 9/30/20	9 Mos. Ended 9/30/19	% Change
<b>Net Additions Detail ('000) <sup>(1)</sup></b>						
Retail postpaid phone	283	445	(36.4)	388	646	(39.9)
Retail postpaid	553	605	(8.6)	855	1,120	(23.7)
Retail prepaid	77	(81)	*	5	(470)	*
Total retail	630	524	20.2	860	650	32.3
<b>Account Statistics</b>						
Retail postpaid accounts ('000) <sup>(2)</sup>			35,279	35,371	(0.3)	
Retail postpaid connections per account <sup>(2)</sup>			3.30	3.23	2.2	
Retail postpaid ARPA <sup>(3)</sup>	\$ 139.24	\$ 138.93	0.2	\$ 138.01	\$ 137.72	0.2
<b>Churn Detail</b>						
Retail postpaid phone	0.69 %	0.82 %		0.70 %	0.81 %	
Retail postpaid	0.89 %	1.08 %		0.92 %	1.07 %	
Retail	1.01 %	1.26 %		1.05 %	1.26 %	
<b>Retail Postpaid Connection Statistics</b>						
Total internet postpaid base <sup>(2)</sup>			20.0 %	19.8 %		
Upgrade rate	4.0 %	4.8 %				
<b>Revenue Statistics (in millions) <sup>(4)</sup></b>						
Wireless service	\$ 16,432	\$ 16,383	0.3	\$ 48,737	\$ 48,665	0.1
Wireless equipment	4,112	5,141	(20.0)	11,996	14,792	(18.9)
Wireless other	2,096	2,018	3.9	6,214	5,422	14.6
Total Wireless	\$ 22,640	\$ 23,542	(3.8)	\$ 66,947	\$ 68,879	(2.8)

**Footnotes:**

(1) Connection net additions include certain adjustments.

(2) Statistics presented as of end of period.

(3) Wireless retail postpaid ARPA - average service revenue per account from retail postpaid accounts.

(4) Intersegment transactions between Consumer or Business segment with corporate entities have not been eliminated.

Prior year amounts revised to conform to current period presentation.

\* Not meaningful