

Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

| Unaudited | 3 Mos. Ended 6/30/21 | 3 Mos. Ended 6/30/20 | % Change | 6 Mos. Ended 6/30/21 | 6 Mos. Ended 6/30/20 | % Change |
|--|-------------------------|-------------------------|-------------|-------------------------|-------------------------|-------------|
| Operating Revenues | | | | | | |
| Service revenues and other | \$ 28,221 | \$ 26,692 | 5.7 | \$ 56,144 | \$ 54,173 | 3.6 |
| Wireless equipment revenues | 5,543 | 3,755 | 47.6 | 10,487 | 7,884 | 33.0 |
| Total Operating Revenues | 33,764 | 30,447 | 10.9 | 66,631 | 62,057 | 7.4 |
| Operating Expenses | | | | | | |
| Cost of services | 8,324 | 7,639 | 9.0 | 16,344 | 15,393 | 6.2 |
| Cost of wireless equipment | 5,931 | 4,110 | 44.3 | 11,433 | 8,652 | 32.1 |
| Selling, general and administrative expense | 7,324 | 7,156 | 2.3 | 14,725 | 15,741 | (6.5) |
| Depreciation and amortization expense | 4,020 | 4,181 | (3.9) | 8,194 | 8,331 | (1.6) |
| Total Operating Expenses | 25,599 | 23,086 | 10.9 | 50,696 | 48,117 | 5.4 |
| Operating Income | 8,165 | 7,361 | 10.9 | 15,935 | 13,940 | 14.3 |
| Equity in earnings (losses) of unconsolidated businesses | 1 | (13) | * | 9 | (25) | * |
| Other income (expense), net | 502 | (72) | * | 903 | 71 | * |
| Interest expense | (844) | (1,089) | (22.5) | (1,945) | (2,123) | (8.4) |
| Income Before Provision For Income Taxes | 7,824 | 6,187 | 26.5 | 14,902 | 11,863 | 25.6 |
| Provision for income taxes | (1,875) | (1,348) | 39.1 | (3,575) | (2,737) | 30.6 |
| Net Income | \$ 5,949 | \$ 4,839 | 22.9 | \$ 11,327 | \$ 9,126 | 24.1 |
| Net income attributable to noncontrolling interests | \$ 149 | \$ 139 | 7.2 | \$ 282 | \$ 270 | 4.4 |
| Net income attributable to Verizon | 5,800 | 4,700 | 23.4 | 11,045 | 8,856 | 24.7 |
| Net Income | \$ 5,949 | \$ 4,839 | 22.9 | \$ 11,327 | \$ 9,126 | 24.1 |
| Basic Earnings Per Common Share | | | | | | |
| Net income attributable to Verizon | \$ 1.40 | \$ 1.14 | 22.8 | \$ 2.67 | \$ 2.14 | 24.8 |
| Weighted-average shares outstanding (in millions) | 4,141 | 4,139 | | 4,141 | 4,139 | |
| Diluted Earnings Per Common Share ⁽¹⁾ | | | | | | |
| Net income attributable to Verizon | \$ 1.40 | \$ 1.13 | 23.9 | \$ 2.67 | \$ 2.14 | 24.8 |
| Weighted-average shares outstanding (in millions) | 4,143 | 4,141 | | 4,143 | 4,141 | |

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 | 6/30/21 | 12/31/20 | \$ Change |
|--|-------------------|-------------------|------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 4,657 | \$ 22,171 | \$ (17,514) |
| Accounts receivable | 22,237 | 25,169 | (2,932) |
| Less Allowance for credit losses | 980 | 1,252 | (272) |
| Accounts receivable, net | 21,257 | 23,917 | (2,660) |
| Inventories | 1,421 | 1,796 | (375) |
| Prepaid expenses and other | 8,291 | 6,710 | 1,581 |
| Total current assets | 35,626 | 54,594 | (18,968) |
| Property, plant and equipment | | | |
| Property, plant and equipment | 283,654 | 279,737 | 3,917 |
| Less Accumulated depreciation | 189,452 | 184,904 | 4,548 |
| Property, plant and equipment, net | 94,202 | 94,833 | (631) |
| Investments in unconsolidated businesses | 560 | 589 | (29) |
| Wireless licenses | 98,034 | 96,097 | 1,937 |
| Deposits for wireless licenses | 45,910 | 2,772 | 43,138 |
| Goodwill | 24,915 | 24,773 | 142 |
| Other intangible assets, net | 7,002 | 9,413 | (2,411) |
| Operating lease right-of-use assets | 28,180 | 22,531 | 5,649 |
| Other assets | 14,761 | 10,879 | 3,882 |
| Total assets | \$ 349,190 | \$ 316,481 | \$ 32,709 |
| Liabilities and Equity | | | |
| Current liabilities | | | |
| Debt maturing within one year | \$ 7,023 | \$ 5,889 | \$ 1,134 |
| Accounts payable and accrued liabilities | 17,328 | 20,658 | (3,330) |
| Current operating lease liabilities | 3,881 | 3,485 | 396 |
| Other current liabilities | 11,846 | 9,628 | 2,218 |
| Total current liabilities | 40,078 | 39,660 | 418 |
| Long-term debt | | | |
| Long-term debt | 144,894 | 123,173 | 21,721 |
| Employee benefit obligations | 16,713 | 18,657 | (1,944) |
| Deferred income taxes | 37,534 | 35,711 | 1,823 |
| Non-current operating lease liabilities | 23,360 | 18,000 | 5,360 |
| Other liabilities | 11,499 | 12,008 | (509) |
| Total long-term liabilities | 234,000 | 207,549 | 26,451 |
| Equity | | | |
| Common stock | 429 | 429 | — |
| Additional paid in capital | 13,403 | 13,404 | (1) |
| Retained earnings | 66,310 | 60,464 | 5,846 |
| Accumulated other comprehensive loss | (234) | (71) | (163) |
| Common stock in treasury, at cost | (6,632) | (6,719) | 87 |
| Deferred compensation – employee stock ownership plans and other | 408 | 335 | 73 |
| Noncontrolling interests | 1,428 | 1,430 | (2) |
| Total equity | 75,112 | 69,272 | 5,840 |
| Total liabilities and equity | \$ 349,190 | \$ 316,481 | \$ 32,709 |

Footnotes:

Certain amounts have been reclassified to conform to the current period presentation.

Consolidated - Selected Financial and Operating Statistics

(dollars in millions, except per share amounts)

| Unaudited | 6/30/21 | 12/31/20 |
|--|------------|------------|
| Total debt | \$ 151,917 | \$ 129,062 |
| Net unsecured debt | \$ 136,845 | \$ 96,287 |
| Net unsecured debt / Consolidated Adjusted EBITDA ⁽¹⁾ | 2.9x | 2.0x |
| Common shares outstanding end of period (in millions) | 4,140 | 4,138 |
| Total employees ('000) | 129.3 | 132.2 |
| Quarterly cash dividends declared per common share | \$ 0.6275 | \$ 0.6275 |

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 | 6 Mos. Ended 6/30/21 | 6 Mos. Ended 6/30/20 | \$ Change |
|--|-------------------------|-------------------------|--------------------------|
| Cash Flows from Operating Activities | | | |
| Net Income | \$ 11,327 | \$ 9,126 | \$ 2,201 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | |
| Depreciation and amortization expense | 8,194 | 8,331 | (137) |
| Employee retirement benefits | (1,819) | (32) | (1,787) |
| Deferred income taxes | 1,978 | (120) | 2,098 |
| Provision for expected credit losses | 409 | 831 | (422) |
| Equity in losses of unconsolidated businesses, net of dividends received | 25 | 46 | (21) |
| Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses | 82 | 3,297 | (3,215) |
| Other, net | 242 | 2,073 | (1,831) |
| Net cash provided by operating activities | <u>20,438</u> | <u>23,552</u> | <u>(3,114)</u> |
| Cash Flows from Investing Activities | | | |
| Capital expenditures (including capitalized software) | (8,716) | (9,850) | 1,134 |
| Acquisitions of businesses, net of cash acquired | (458) | (399) | (59) |
| Acquisitions of wireless licenses | (45,278) | (1,801) | (43,477) |
| Other, net | 51 | (74) | 125 |
| Net cash used in investing activities | <u>(54,401)</u> | <u>(12,124)</u> | <u>(42,277)</u> |
| Cash Flows from Financing Activities | | | |
| Proceeds from long-term borrowings | 31,444 | 9,305 | 22,139 |
| Proceeds from asset-backed long-term borrowings | 2,695 | 2,844 | (149) |
| Repayments of long-term borrowings and finance lease obligations | (7,559) | (8,533) | 974 |
| Repayments of asset-backed long-term borrowings | (2,993) | (4,612) | 1,619 |
| Dividends paid | (5,198) | (5,090) | (108) |
| Other, net | (1,839) | (146) | (1,693) |
| Net cash provided by (used in) financing activities | <u>16,550</u> | <u>(6,232)</u> | <u>22,782</u> |
| Increase (decrease) in cash, cash equivalents and restricted cash | (17,413) | 5,196 | (22,609) |
| Cash, cash equivalents and restricted cash, beginning of period | 23,498 | 3,917 | 19,581 |
| Cash, cash equivalents and restricted cash, end of period | <u>\$ 6,085</u> | <u>\$ 9,113</u> | <u>\$ (3,028)</u> |

Consumer - Selected Financial Results

(dollars in millions)

| Unaudited | 3 Mos. Ended 6/30/21 | 3 Mos. Ended 6/30/20 | % Change | 6 Mos. Ended 6/30/21 | 6 Mos. Ended 6/30/20 | % Change |
|---|-------------------------|-------------------------|-------------|-------------------------|-------------------------|-------------|
| Operating Revenues | | | | | | |
| Service | \$ 16,709 | \$ 15,900 | 5.1 | \$ 33,278 | \$ 32,241 | 3.2 |
| Wireless equipment | 4,739 | 3,209 | 47.7 | 8,931 | 6,586 | 35.6 |
| Other | 2,029 | 2,004 | 1.2 | 4,066 | 4,051 | 0.4 |
| Total Operating Revenues | 23,477 | 21,113 | 11.2 | 46,275 | 42,878 | 7.9 |
| Operating Expenses | | | | | | |
| Cost of services | 4,181 | 3,885 | 7.6 | 8,181 | 7,815 | 4.7 |
| Cost of wireless equipment | 4,854 | 3,299 | 47.1 | 9,246 | 6,750 | 37.0 |
| Selling, general and administrative expense | 4,045 | 4,016 | 0.7 | 8,071 | 8,298 | (2.7) |
| Depreciation and amortization expense | 2,900 | 2,849 | 1.8 | 5,761 | 5,669 | 1.6 |
| Total Operating Expenses | 15,980 | 14,049 | 13.7 | 31,259 | 28,532 | 9.6 |
| Operating Income | \$ 7,497 | \$ 7,064 | 6.1 | \$ 15,016 | \$ 14,346 | 4.7 |
| Operating Income Margin | 31.9 % | 33.5 % | | 32.4 % | 33.5 % | |
| Segment EBITDA | \$ 10,397 | \$ 9,913 | 4.9 | \$ 20,777 | \$ 20,015 | 3.8 |
| Segment EBITDA Margin | 44.3 % | 47.0 % | | 44.9 % | 46.7 % | |

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 | | | 6/30/21 | 6/30/20 | % Change | |
|--|-------------------------|-------------------------|-------------|-------------------------|-------------------------|-------------|
| Connections ('000): | | | | | | |
| Wireless retail postpaid connections | | | 90,514 | 89,977 | 0.6 | |
| Wireless retail prepaid connections | | | 4,075 | 3,998 | 1.9 | |
| Total wireless retail connections | | | 94,589 | 93,975 | 0.7 | |
| Fios video connections | | | 3,710 | 3,987 | (6.9) | |
| Fios internet connections | | | 6,392 | 5,971 | 7.1 | |
| Fios digital voice residence connections | | | 3,165 | 3,456 | (8.4) | |
| Fios digital connections | | | 13,267 | 13,414 | (1.1) | |
| Broadband connections | | | 6,783 | 6,468 | 4.9 | |
| Unaudited | 3 Mos. Ended 6/30/21 | 3 Mos. Ended 6/30/20 | % Change | 6 Mos. Ended 6/30/21 | 6 Mos. Ended 6/30/20 | % Change |
| Gross Additions ('000): | | | | | | |
| Wireless retail postpaid | 2,592 | 1,927 | 34.5 | 4,899 | 4,147 | 18.1 |
| Net Additions Detail ('000) : | | | | | | |
| Wireless retail postpaid ⁽¹⁾ | 350 | 72 | * | 24 | (453) | * |
| Wireless retail prepaid ⁽¹⁾ | 18 | 12 | 50.0 | 37 | (72) | * |
| Total wireless retail ⁽¹⁾ | 368 | 84 | * | 61 | (525) | * |
| Wireless retail postpaid phones ⁽¹⁾ | 197 | 97 | * | (28) | (210) | 86.7 |
| Fios video | (62) | (81) | 23.5 | (144) | (165) | 12.7 |
| Fios internet | 92 | 10 | * | 190 | 69 | * |
| Fios digital voice residence | (62) | (70) | 11.4 | (141) | (164) | 14.0 |
| Fios digital | (32) | (141) | 77.3 | (95) | (260) | 63.5 |
| Broadband ⁽¹⁾ | 70 | (13) | * | 136 | 18 | * |
| Churn Rate: | | | | | | |
| Wireless retail postpaid | 0.83 % | 0.69 % | | 0.90 % | 0.85 % | |
| Wireless retail postpaid phones | 0.65 % | 0.51 % | | 0.71 % | 0.64 % | |
| Wireless retail | 0.97 % | 0.86 % | | 1.04 % | 1.03 % | |
| Revenue Statistics (in millions): | | | | | | |
| Wireless service revenue | \$ 13,794 | \$ 13,087 | 5.4 | \$ 27,478 | \$ 26,563 | 3.4 |
| Fios revenues | \$ 2,895 | \$ 2,754 | 5.1 | \$ 5,755 | \$ 5,553 | 3.6 |

| Unaudited | 3 Mos. Ended 6/30/21 | 3 Mos. Ended 6/30/20 | % Change | 6 Mos. Ended 6/30/21 | 6 Mos. Ended 6/30/20 | % Change |
|---|-------------------------|-------------------------|-------------|-------------------------|-------------------------|-------------|
| Other Wireless Statistics: | | | | | | |
| Wireless retail postpaid ARPA ⁽²⁾ | \$ 121.24 | \$ 116.02 | 4.5 | \$ 121.05 | \$ 117.44 | 3.1 |
| Wireless retail postpaid upgrade rate | 4.9 % | 3.9 % | | | | |
| Wireless retail postpaid accounts ('000) ⁽³⁾ | | | | 33,606 | 33,695 | (0.3) |
| Wireless retail postpaid connections per account ⁽³⁾ | | | | 2.69 | 2.67 | 0.7 |
| Total wireless internet postpaid base ⁽³⁾ | | | | 16.1 % | 16.0 % | |

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 6/30/21 | 3 Mos. Ended 6/30/20 | % Change | 6 Mos. Ended 6/30/21 | 6 Mos. Ended 6/30/20 | % Change |
|---|-------------------------|-------------------------|--------------|-------------------------|-------------------------|--------------|
| Operating Revenues | | | | | | |
| Small and Medium Business | \$ 2,895 | \$ 2,601 | 11.3 | \$ 5,725 | \$ 5,405 | 5.9 |
| Global Enterprise | 2,583 | 2,589 | (0.2) | 5,142 | 5,220 | (1.5) |
| Public Sector and Other | 1,614 | 1,523 | 6.0 | 3,260 | 2,997 | 8.8 |
| Wholesale | 670 | 769 | (12.9) | 1,416 | 1,541 | (8.1) |
| Total Operating Revenues | 7,762 | 7,482 | 3.7 | 15,543 | 15,163 | 2.5 |
| Operating Expenses | | | | | | |
| Cost of services | 2,729 | 2,641 | 3.3 | 5,419 | 5,230 | 3.6 |
| Cost of wireless equipment | 1,076 | 812 | 32.5 | 2,187 | 1,902 | 15.0 |
| Selling, general and administrative expense | 2,086 | 2,069 | 0.8 | 4,154 | 4,103 | 1.2 |
| Depreciation and amortization expense | 1,015 | 1,014 | 0.1 | 2,028 | 2,028 | — |
| Total Operating Expenses | 6,906 | 6,536 | 5.7 | 13,788 | 13,263 | 4.0 |
| Operating Income | \$ 856 | \$ 946 | (9.5) | \$ 1,755 | \$ 1,900 | (7.6) |
| Operating Income Margin | 11.0 % | 12.6 % | | 11.3 % | 12.5 % | |
| Segment EBITDA | \$ 1,871 | \$ 1,960 | (4.5) | \$ 3,783 | \$ 3,928 | (3.7) |
| Segment EBITDA Margin | 24.1 % | 26.2 % | | 24.3 % | 25.9 % | |

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 | 6/30/21 | 6/30/20 | % Change |
|--------------------------------------|---------|---------|----------|
| Connections ('000): | | | |
| Wireless retail postpaid connections | 26,740 | 25,897 | 3.3 |
| Fios video connections | 72 | 75 | (4.0) |
| Fios internet connections | 346 | 327 | 5.8 |
| Fios digital connections | 418 | 402 | 4.0 |
| Broadband connections | 480 | 491 | (2.2) |

| Unaudited | 3 Mos. Ended 6/30/21 | 3 Mos. Ended 6/30/20 | % Change | 6 Mos. Ended 6/30/21 | 6 Mos. Ended 6/30/20 | % Change |
|--|----------------------|----------------------|----------|----------------------|----------------------|----------|
| Gross Additions ('000): | | | | | | |
| Wireless retail postpaid | 1,220 | 1,148 | 6.3 | 2,361 | 2,612 | (9.6) |
| Net Additions Detail ('000): | | | | | | |
| Wireless retail postpaid ⁽¹⁾ | 178 | 280 | (36.4) | 334 | 755 | (55.8) |
| Wireless retail postpaid phones ⁽¹⁾ | 78 | 76 | 2.6 | 125 | 315 | (60.3) |
| Fios video | (1) | (2) | 50.0 | (1) | (2) | 50.0 |
| Fios internet | 7 | (3) | * | 11 | 1 | * |
| Fios digital | 6 | (5) | * | 10 | (1) | * |
| Broadband ⁽¹⁾ | — | (10) | 100.0 | (2) | (15) | 86.7 |

| | | | | | | |
|---------------------------------|--------|--------|--|--------|--------|--|
| Churn Rate: | | | | | | |
| Wireless retail postpaid | 1.30 % | 1.12 % | | 1.27 % | 1.21 % | |
| Wireless retail postpaid phones | 1.07 % | 0.90 % | | 1.04 % | 0.96 % | |

| | | | | | | |
|--|----------|----------|-----|----------|----------|-----|
| Revenue Statistics (in millions): | | | | | | |
| Wireless service revenue | \$ 3,090 | \$ 2,861 | 8.0 | \$ 6,150 | \$ 5,742 | 7.1 |
| Fios revenues | \$ 281 | \$ 260 | 8.1 | \$ 557 | \$ 522 | 6.7 |

| | | | | | | |
|--|-------|-------|--|--------|--------|--|
| Other Operating Statistics: | | | | | | |
| Wireless retail postpaid upgrade rate | 3.4 % | 2.7 % | | | | |
| Total wireless internet postpaid base ⁽²⁾ | | | | 34.8 % | 33.9 % | |

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.

* 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 | 6/30/21 | 6/30/20 | % Change |
|---------------------------|---------|---------|-------------|
| Connections ('000) | | | |
| Retail postpaid | 117,254 | 115,874 | 1.2 |
| Retail prepaid | 4,075 | 3,998 | 1.9 |
| Total retail | 121,329 | 119,872 | 1.2 |

| Unaudited | 3 Mos. Ended 6/30/21 | 3 Mos. Ended 6/30/20 | % Change | 6 Mos. Ended 6/30/21 | 6 Mos. Ended 6/30/20 | % Change |
|---|-------------------------|-------------------------|-------------|-------------------------|-------------------------|-------------|
| Net Additions Detail ('000) ⁽¹⁾ | | | | | | |
| Retail postpaid phone | 275 | 173 | 59.0 | 97 | 105 | (7.6) |
| Retail postpaid | 528 | 352 | 50.0 | 358 | 302 | 18.5 |
| Retail prepaid | 18 | 12 | 50.0 | 37 | (72) | * |
| Total retail | 546 | 364 | 50.0 | 395 | 230 | 71.7 |

| | | | | | | |
|--|-----------|-----------|-----|-----------|-----------|-------|
| Account Statistics | | | | | | |
| Retail postpaid accounts ('000) ⁽²⁾ | | | | 35,223 | 35,242 | (0.1) |
| Retail postpaid connections per account ⁽²⁾ | | | | 3.33 | 3.29 | 1.2 |
| Retail postpaid ARPA ⁽³⁾ | \$ 142.23 | \$ 135.97 | 4.6 | \$ 141.98 | \$ 137.39 | 3.3 |

| | | | | | |
|-----------------------|--------|--------|--|--------|--------|
| Churn Detail | | | | | |
| Retail postpaid phone | 0.72 % | 0.58 % | | 0.77 % | 0.70 % |
| Retail postpaid | 0.94 % | 0.78 % | | 0.98 % | 0.93 % |
| Retail | 1.04 % | 0.92 % | | 1.09 % | 1.07 % |

| | | | | | |
|--|-------|-------|--|--------|--------|
| Retail Postpaid Connection Statistics | | | | | |
| Total internet postpaid base ⁽²⁾ | | | | 20.4 % | 20.0 % |
| Upgrade rate | 4.6 % | 3.7 % | | | |

| | | | | | | |
|--|-----------|-----------|------|-----------|-----------|-------|
| Revenue Statistics (in millions) ⁽⁴⁾ | | | | | | |
| Wireless service | \$ 16,884 | \$ 15,948 | 5.9 | \$ 33,628 | \$ 32,305 | 4.1 |
| Wireless equipment | 5,543 | 3,755 | 47.6 | 10,487 | 7,884 | 33.0 |
| Wireless other | 2,043 | 2,039 | 0.2 | 4,086 | 4,118 | (0.8) |
| Total Wireless | \$ 24,470 | \$ 21,742 | 12.5 | \$ 48,201 | \$ 44,307 | 8.8 |

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.