

# Financial and Operating Information

As of December 31, 2021

**verizon**

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## Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	2019		2020				2021				
	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
<b>Operating Revenues</b>											
Service revenues and other	\$110,305	\$27,481	\$26,692	\$27,431	\$28,268	\$109,872	\$27,923	\$28,221	\$27,565	<b>\$26,740</b>	<b>\$110,449</b>
Wireless equipment revenues	21,563	4,129	3,755	4,112	6,424	18,420	4,944	5,543	5,350	<b>7,327</b>	<b>23,164</b>
<b>Total Operating Revenues</b>	<b>131,868</b>	<b>31,610</b>	<b>30,447</b>	<b>31,543</b>	<b>34,692</b>	<b>128,292</b>	<b>32,867</b>	<b>33,764</b>	<b>32,915</b>	<b>34,067</b>	<b>133,613</b>
<b>Operating Expenses</b>											
Cost of services	31,772	7,754	7,639	7,955	8,053	31,401	8,020	8,324	7,855	<b>7,035</b>	<b>31,234</b>
Cost of wireless equipment	22,954	4,542	4,110	4,379	6,769	19,800	5,502	5,931	5,673	<b>7,961</b>	<b>25,067</b>
Selling, general and administrative expense	29,896	8,585	7,156	7,339	8,493	31,573	7,401	7,324	6,521	<b>7,412</b>	<b>28,658</b>
Depreciation and amortization expense	16,682	4,150	4,181	4,192	4,197	16,720	4,174	4,020	3,961	<b>4,051</b>	<b>16,206</b>
Media goodwill impairment	186	—	—	—	—	—	—	—	—	—	—
<b>Total Operating Expenses</b>	<b>101,490</b>	<b>25,031</b>	<b>23,086</b>	<b>23,865</b>	<b>27,512</b>	<b>99,494</b>	<b>25,097</b>	<b>25,599</b>	<b>24,010</b>	<b>26,459</b>	<b>101,165</b>
<b>Operating Income</b>	<b>30,378</b>	<b>6,579</b>	<b>7,361</b>	<b>7,678</b>	<b>7,180</b>	<b>28,798</b>	<b>7,770</b>	<b>8,165</b>	<b>8,905</b>	<b>7,608</b>	<b>32,448</b>
Equity in earnings (losses) of unconsolidated businesses	(15)	(12)	(13)	(9)	(11)	(45)	8	1	1	<b>135</b>	<b>145</b>
Other income (expense), net	(2,900)	143	(72)	(774)	164	(539)	401	502	269	<b>(860)</b>	<b>312</b>
Interest expense	(4,730)	(1,034)	(1,089)	(1,044)	(1,080)	(4,247)	(1,101)	(844)	(801)	<b>(739)</b>	<b>(3,485)</b>
<b>Income Before Provision For Income Taxes</b>	<b>22,733</b>	<b>5,676</b>	<b>6,187</b>	<b>5,851</b>	<b>6,253</b>	<b>23,967</b>	<b>7,078</b>	<b>7,824</b>	<b>8,374</b>	<b>6,144</b>	<b>29,420</b>
Provision for income taxes	(2,945)	(1,389)	(1,348)	(1,347)	(1,535)	(5,619)	(1,700)	(1,875)	(1,820)	<b>(1,407)</b>	<b>(6,802)</b>
<b>Net Income</b>	<b>\$ 19,788</b>	<b>\$ 4,287</b>	<b>\$ 4,839</b>	<b>\$ 4,504</b>	<b>\$ 4,718</b>	<b>\$ 18,348</b>	<b>\$ 5,378</b>	<b>\$ 5,949</b>	<b>\$ 6,554</b>	<b>\$ 4,737</b>	<b>\$ 22,618</b>
Net income attributable to noncontrolling interests	\$ 523	\$ 131	\$ 139	\$ 147	\$ 130	\$ 547	\$ 133	\$ 149	\$ 147	<b>\$ 124</b>	<b>\$ 553</b>
Net income attributable to Verizon	19,265	4,156	4,700	4,357	4,588	17,801	5,245	5,800	6,407	<b>4,613</b>	<b>22,065</b>
<b>Net Income</b>	<b>\$ 19,788</b>	<b>\$ 4,287</b>	<b>\$ 4,839</b>	<b>\$ 4,504</b>	<b>\$ 4,718</b>	<b>\$ 18,348</b>	<b>\$ 5,378</b>	<b>\$ 5,949</b>	<b>\$ 6,554</b>	<b>\$ 4,737</b>	<b>\$ 22,618</b>
<b>Basic Earnings Per Common Share</b>											
Net income attributable to Verizon	\$ 4.66	\$ 1.00	\$ 1.14	\$ 1.05	\$ 1.11	\$ 4.30	\$ 1.27	\$ 1.40	\$ 1.55	<b>\$ 1.11</b>	<b>\$ 5.32</b>
Weighted-average shares outstanding (in millions)	4,138	4,139	4,139	4,140	4,140	4,140	4,141	4,141	4,142	<b>4,167</b>	<b>4,148</b>
<b>Diluted Earnings Per Common Share <sup>(1)</sup></b>											
Net income attributable to Verizon	\$ 4.65	\$ 1.00	\$ 1.13	\$ 1.05	\$ 1.11	\$ 4.30	\$ 1.27	\$ 1.40	\$ 1.55	<b>\$ 1.11</b>	<b>\$ 5.32</b>
Weighted-average shares outstanding (in millions)	4,140	4,141	4,141	4,142	4,143	4,142	4,142	4,143	4,144	<b>4,169</b>	<b>4,150</b>

**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.

EPS may not add due to rounding.

## Condensed Consolidated Balance Sheets

(dollars in millions)

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
<b>Assets</b>									
Current assets									
Cash and cash equivalents	\$ 2,594	\$ 7,047	\$ 7,882	\$ 8,983	\$ 22,171	\$ 10,205	\$ 4,657	\$ 9,936	\$ 2,921
Accounts receivable	26,162	24,852	23,742	23,846	25,169	23,611	22,237	23,165	24,742
Less Allowance for credit losses	—	1,055	1,070	1,229	1,252	1,104	980	970	896
Less Allowance for doubtful accounts	733	—	—	—	—	—	—	—	—
Accounts receivable, net	25,429	23,797	22,672	22,617	23,917	22,507	21,257	22,195	23,846
Inventories	1,422	1,633	1,289	1,457	1,796	1,303	1,421	2,303	3,055
Prepaid expenses and other	8,028	8,228	5,490	5,515	6,710	5,632	8,291	5,843	6,906
Total current assets	37,473	40,705	37,333	38,572	54,594	39,647	35,626	40,277	36,728
Property, plant and equipment									
Property, plant and equipment	265,734	268,993	272,714	276,210	279,737	282,742	283,654	287,421	289,897
Less Accumulated depreciation	173,819	176,816	179,960	183,028	184,904	187,866	189,452	191,665	190,201
Property, plant and equipment, net	91,915	92,177	92,754	93,182	94,833	94,876	94,202	95,756	99,696
Investments in unconsolidated businesses	558	543	529	535	589	555	560	1,100	1,061
Wireless licenses	95,059	92,471	95,767	95,958	96,097	98,012	98,034	145,767	147,619
Deposits for wireless licenses	101	325	124	1,894	2,772	45,490	45,910	—	—
Goodwill	24,389	24,382	24,667	24,799	24,773	24,837	24,915	24,887	28,603
Other intangible assets, net	9,498	9,371	9,600	9,599	9,413	9,304	7,002	7,022	11,677
Operating lease right-of-use assets	22,694	22,472	22,431	22,680	22,531	22,315	28,180	27,969	27,883
Other assets	10,040	12,054	10,054	9,775	10,879	10,537	14,761	10,679	13,329
<b>Total assets</b>	<b>\$ 291,727</b>	<b>\$ 294,500</b>	<b>\$ 293,259</b>	<b>\$ 296,994</b>	<b>\$ 316,481</b>	<b>\$ 345,573</b>	<b>\$ 349,190</b>	<b>\$ 353,457</b>	<b>\$ 366,596</b>
<b>Liabilities and Equity</b>									
Current liabilities									
Debt maturing within one year	\$ 10,777	\$ 11,175	\$ 6,651	\$ 5,770	\$ 5,889	\$ 8,802	\$ 7,023	\$ 7,623	\$ 7,443
Accounts payable and accrued liabilities	21,806	17,419	19,297	17,391	20,658	17,219	17,328	20,153	24,833
Current operating lease liabilities	3,261	3,331	3,270	3,494	3,485	3,536	3,881	3,606	3,859
Other current liabilities	9,024	9,132	9,668	9,530	9,628	9,173	11,846	9,976	11,025
Total current liabilities	44,868	41,057	38,886	36,185	39,660	38,730	40,078	41,358	47,160
Long-term debt									
Long-term debt	100,712	106,561	106,190	109,790	123,173	149,700	144,894	143,352	143,425
Employee benefit obligations	17,952	17,617	17,821	18,756	18,657	18,252	16,713	16,516	15,410
Deferred income taxes	34,703	33,709	33,798	34,567	35,711	36,747	37,534	38,481	40,685
Non-current operating lease liabilities	18,393	18,117	18,158	18,155	18,000	17,766	23,360	23,507	23,203
Other liabilities	12,264	15,786	14,293	13,011	12,008	11,695	11,499	11,754	13,513
Total long-term liabilities	184,024	191,790	190,260	194,279	207,549	234,160	234,000	233,610	236,236
Equity									
Common stock	429	429	429	429	429	429	429	429	429
Additional paid in capital	13,419	13,302	13,281	13,404	13,404	13,408	13,403	13,402	13,861
Retained earnings	53,147	54,557	56,746	58,473	60,464	63,107	66,310	70,062	71,993
Accumulated other comprehensive income (loss)	998	(1,502)	(1,274)	(812)	(71)	640	(234)	(709)	(927)
Common stock in treasury, at cost	(6,820)	(6,725)	(6,722)	(6,721)	(6,719)	(6,634)	(6,632)	(6,630)	(4,104)
Deferred compensation – employee stock ownership plans and other	222	149	237	296	335	282	408	490	538
Noncontrolling interests	1,440	1,443	1,416	1,461	1,430	1,451	1,428	1,445	1,410
Total equity	62,835	61,653	64,113	66,530	69,272	72,683	75,112	78,489	83,200
<b>Total liabilities and equity</b>	<b>\$ 291,727</b>	<b>\$ 294,500</b>	<b>\$ 293,259</b>	<b>\$ 296,994</b>	<b>\$ 316,481</b>	<b>\$ 345,573</b>	<b>\$ 349,190</b>	<b>\$ 353,457</b>	<b>\$ 366,596</b>

## Footnotes:

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

## Consolidated - Selected Financial and Operating Statistics

(dollars in millions)

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Total debt	\$ 111,489	\$ 117,736	\$ 112,841	\$ 115,560	\$ 129,062	\$ 158,502	\$ 151,917	\$ 150,975	\$ <b>150,868</b>
Net unsecured debt	\$ 96,526	\$ 97,700	\$ 94,352	\$ 96,485	\$ 96,287	\$ 137,421	\$ 136,845	\$ 131,614	\$ <b>133,745</b>
Net unsecured debt / Consolidated Adjusted EBITDA <sup>(1)</sup>					2.0x	2.9x	2.9x	2.7x	<b>2.8x</b>
Common shares outstanding end of period (in millions)	4,136	4,138	4,138	4,138	4,138	4,140	4,140	4,140	<b>4,198</b>
Total employees ('000)	135.0	135.5	135.3	133.2	132.2	130.1	129.3	118.5	<b>118.4</b>
Quarterly cash dividends declared per common share	\$ 0.6150	\$ 0.6150	\$ 0.6150	\$ 0.6275	\$ 0.6275	\$ 0.6275	\$ 0.6275	\$ 0.6400	\$ <b>0.6400</b>

**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	12 Mos. Ended 12/31/19	3 Mos. Ended 3/31/20	6 Mos. Ended 6/30/20	9 Mos. Ended 9/30/20	12 Mos. Ended 12/31/20	3 Mos. Ended 3/31/21	6 Mos. Ended 6/30/21	9 Mos. Ended 9/30/21	12 Mos. Ended 12/31/21
<b>Cash Flows from Operating Activities</b>									
Net Income	\$ 19,788	\$ 4,287	\$ 9,126	\$ 13,630	\$ 18,348	\$ 5,378	\$ 11,327	\$ 17,881	\$ 22,618
Adjustments to reconcile net income to net cash provided by operating activities:									
Depreciation and amortization expense	16,682	4,150	8,331	12,523	16,720	4,174	8,194	12,155	16,206
Employee retirement benefits	(284)	(1)	(32)	867	840	(253)	(1,819)	(1,928)	(3,391)
Deferred income taxes	1,232	(87)	(120)	530	1,553	762	1,978	2,970	4,264
Provision for expected credit losses	1,588	553	831	1,100	1,380	224	409	604	789
Equity in losses of unconsolidated businesses, net of dividends received	74	26	46	67	91	19	25	32	36
Media goodwill impairment	186	—	—	—	—	—	—	—	—
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(6,713)	(1,208)	3,297	1,345	56	(41)	82	603	(890)
Discretionary employee benefits contributions	(300)	—	—	—	—	—	—	—	—
Other, net	3,493	1,104	2,073	2,410	2,780	(569)	242	(1,155)	(93)
Net cash provided by operating activities	35,746	8,824	23,552	32,472	41,768	9,694	20,438	31,162	39,539
<b>Cash Flows from Investing Activities</b>									
Capital expenditures (including capitalized software)	(17,939)	(5,274)	(9,850)	(14,168)	(18,192)	(4,494)	(8,716)	(13,861)	(20,286)
Acquisitions of businesses, net of cash acquired	(29)	—	(399)	(507)	(520)	(408)	(458)	(459)	(4,065)
Acquisitions of wireless licenses	(898)	(434)	(1,801)	(3,757)	(3,896)	(44,783)	(45,278)	(47,027)	(47,596)
Proceeds from disposition of business	28	—	—	—	—	—	—	4,122	4,122
Other, net	1,257	(1,272)	(74)	(37)	(904)	32	51	207	672
Net cash used in investing activities	(17,581)	(6,980)	(12,124)	(18,469)	(23,512)	(49,653)	(54,401)	(57,018)	(67,153)
<b>Cash Flows from Financing Activities</b>									
Proceeds from long-term borrowings	10,079	5,848	9,305	12,387	25,822	31,383	31,444	32,482	33,034
Proceeds from asset-backed long-term borrowings	8,576	2,844	2,844	4,439	5,635	1,000	2,695	2,695	8,383
Repayments of long-term borrowings and finance lease obligations	(17,584)	(1,700)	(8,533)	(8,853)	(9,775)	(302)	(7,559)	(7,904)	(14,063)
Repayments of asset-backed long-term borrowings	(6,302)	(2,229)	(4,612)	(6,726)	(7,413)	(732)	(2,993)	(3,887)	(4,800)
Dividends paid	(10,016)	(2,547)	(5,090)	(7,636)	(10,232)	(2,601)	(5,198)	(7,797)	(10,445)
Other, net	(2,917)	347	(146)	(1,348)	(2,712)	(792)	(1,839)	(2,120)	(3,832)
Net cash provided by (used in) financing activities	(18,164)	2,563	(6,232)	(7,737)	1,325	27,956	16,550	13,469	8,277
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>1</b>	<b>4,407</b>	<b>5,196</b>	<b>6,266</b>	<b>19,581</b>	<b>(12,003)</b>	<b>(17,413)</b>	<b>(12,387)</b>	<b>(19,337)</b>
<b>Cash, cash equivalents and restricted cash, beginning of period</b>	<b>3,916</b>	<b>3,917</b>	<b>3,917</b>	<b>3,917</b>	<b>3,917</b>	<b>23,498</b>	<b>23,498</b>	<b>23,498</b>	<b>23,498</b>
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$ 3,917</b>	<b>\$ 8,324</b>	<b>\$ 9,113</b>	<b>\$ 10,183</b>	<b>\$ 23,498</b>	<b>\$ 11,495</b>	<b>\$ 6,085</b>	<b>\$ 11,111</b>	<b>\$ 4,161</b>

**Footnotes:**

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

## Consumer - Selected Financial Results

(dollars in millions)

Unaudited	2020				2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Operating Revenues</b>								
Service	\$ 16,341	\$ 15,900	\$ 16,255	\$ 16,388	\$ 16,569	\$ 16,709	\$ 16,891	\$ 17,564
Wireless equipment	3,377	3,209	3,403	5,503	4,192	4,739	4,530	6,320
Other	2,047	2,004	2,078	2,028	2,037	2,029	1,907	1,813
<b>Total Operating Revenues</b>	<b>21,765</b>	<b>21,113</b>	<b>21,736</b>	<b>23,919</b>	<b>22,798</b>	<b>23,477</b>	<b>23,328</b>	<b>25,697</b>
<b>Operating Expenses</b>								
Cost of services	3,930	3,885	3,971	3,824	4,000	4,181	4,149	4,251
Cost of wireless equipment	3,451	3,299	3,411	5,575	4,392	4,854	4,611	6,666
Selling, general and administrative expense	4,282	4,016	4,055	4,583	4,026	4,045	4,060	4,431
Depreciation and amortization expense	2,820	2,849	2,862	2,864	2,861	2,900	2,918	3,000
<b>Total Operating Expenses</b>	<b>14,483</b>	<b>14,049</b>	<b>14,299</b>	<b>16,846</b>	<b>15,279</b>	<b>15,980</b>	<b>15,738</b>	<b>18,348</b>
<b>Operating Income</b>	<b>\$ 7,282</b>	<b>\$ 7,064</b>	<b>\$ 7,437</b>	<b>\$ 7,073</b>	<b>\$ 7,519</b>	<b>\$ 7,497</b>	<b>\$ 7,590</b>	<b>\$ 7,349</b>
<b>Operating Income Margin</b>	<b>33.5 %</b>	<b>33.5 %</b>	<b>34.2 %</b>	<b>29.6 %</b>	<b>33.0 %</b>	<b>31.9 %</b>	<b>32.5 %</b>	<b>28.6 %</b>
<b>Segment EBITDA</b>	<b>\$ 10,102</b>	<b>\$ 9,913</b>	<b>\$ 10,299</b>	<b>\$ 9,937</b>	<b>\$ 10,380</b>	<b>\$ 10,397</b>	<b>\$ 10,508</b>	<b>\$ 10,349</b>
<b>Segment EBITDA Margin</b>	<b>46.4 %</b>	<b>47.0 %</b>	<b>47.4 %</b>	<b>41.5 %</b>	<b>45.5 %</b>	<b>44.3 %</b>	<b>45.0 %</b>	<b>40.3 %</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	2020				2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Connections ('000):</b>								
Wireless retail postpaid connections	89,914	89,977	90,026	90,346	90,172	90,514	90,916	<b>91,543</b>
Wireless retail prepaid connections	3,980	3,998	4,075	4,027	4,058	4,075	4,072	<b>23,852</b>
Total wireless retail connections	93,894	93,975	94,101	94,373	94,230	94,589	94,988	<b>115,395</b>
Fios video connections	4,068	3,987	3,926	3,854	3,772	3,710	3,642	<b>3,573</b>
Fios internet connections	5,961	5,971	6,110	6,202	6,300	6,392	6,490	<b>6,541</b>
Fios digital voice residence connections	3,526	3,456	3,384	3,306	3,227	3,165	3,094	<b>3,026</b>
Fios digital connections	13,555	13,414	13,420	13,362	13,299	13,267	13,226	<b>13,140</b>
Wireline broadband connections	6,481	6,468	6,581	6,647	6,713	6,783	6,858	<b>6,888</b>
<b>Gross Additions ('000):</b>								
Wireless retail postpaid	2,220	1,927	2,304	2,945	2,307	2,592	2,701	<b>3,234</b>
<b>Net Additions Detail ('000) :</b>								
Wireless retail postpaid <sup>(1)</sup>	(525)	72	136	357	(326)	350	423	<b>667</b>
Wireless retail prepaid <sup>(1)</sup>	(84)	12	77	(50)	19	18	(4)	<b>(85)</b>
Total wireless retail <sup>(1)</sup>	(609)	84	213	307	(307)	368	419	<b>582</b>
Wireless retail postpaid phones <sup>(1)</sup>	(307)	97	142	163	(225)	197	267	<b>336</b>
Fios video	(84)	(81)	(61)	(72)	(82)	(62)	(68)	<b>(69)</b>
Fios internet	59	10	139	92	98	92	98	<b>51</b>
Fios digital voice residence	(94)	(70)	(72)	(78)	(79)	(62)	(71)	<b>(68)</b>
Fios digital	(119)	(141)	6	(58)	(63)	(32)	(41)	<b>(86)</b>
Wireline broadband <sup>(1)</sup>	31	(13)	113	66	66	70	75	<b>30</b>
<b>Churn Rate:</b>								
Wireless retail postpaid	1.01 %	0.69 %	0.80 %	0.96 %	0.97 %	0.83 %	0.84 %	<b>0.94 %</b>
Wireless retail postpaid phones	0.77 %	0.51 %	0.63 %	0.76 %	0.77 %	0.65 %	0.67 %	<b>0.77 %</b>
Wireless retail	1.20 %	0.86 %	0.95 %	1.12 %	1.11 %	0.97 %	0.98 %	<b>1.34 %</b>
<b>Revenue Statistics (in millions):</b>								
Wireless service revenue	\$ 13,476	\$ 13,087	\$ 13,442	\$ 13,600	\$ 13,684	\$ 13,794	\$ 13,982	<b>\$ 14,643</b>
Fios revenues	\$ 2,799	\$ 2,754	\$ 2,773	\$ 2,756	\$ 2,860	\$ 2,895	\$ 2,893	<b>\$ 2,910</b>
<b>Other Wireless Statistics:</b>								
Wireless retail postpaid ARPA <sup>(2)</sup>	\$ 118.86	\$ 116.02	\$ 118.52	\$ 120.20	\$ 120.86	\$ 121.24	\$ 123.04	<b>\$ 124.06</b>
Wireless retail postpaid upgrade rate	3.7 %	3.9 %	4.2 %	6.0 %	4.5 %	4.9 %	4.7 %	<b>6.3 %</b>
Wireless retail postpaid accounts ('000) <sup>(3)</sup>	33,669	33,695	33,712	33,659	33,588	33,606	33,640	<b>33,651</b>
Wireless retail postpaid connections per account <sup>(3)</sup>	2.67	2.67	2.67	2.68	2.68	2.69	2.70	<b>2.72</b>
Total wireless internet postpaid base <sup>(3)</sup>	16.1 %	16.0 %	15.9 %	16.0 %	16.0 %	16.1 %	16.2 %	<b>16.4 %</b>

**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.



## Business - Selected Financial Results

(dollars in millions)

Unaudited	2020				2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Operating Revenues</b>								
Small and Medium Business	\$ 2,804	\$ 2,601	\$ 2,742	\$ 2,985	\$ 2,830	\$ 2,895	\$ 2,937	\$ 3,112
Global Enterprise	2,631	2,589	2,595	2,595	2,559	2,583	2,552	2,530
Public Sector and Other	1,474	1,523	1,639	1,726	1,646	1,614	1,547	1,517
Wholesale	772	769	773	744	746	670	653	651
<b>Total Operating Revenues</b>	<b>7,681</b>	<b>7,482</b>	<b>7,749</b>	<b>8,050</b>	<b>7,781</b>	<b>7,762</b>	<b>7,689</b>	<b>7,810</b>
<b>Operating Expenses</b>								
Cost of services	2,589	2,641	2,739	2,690	2,690	2,729	2,647	2,587
Cost of wireless equipment	1,090	812	968	1,194	1,111	1,076	1,061	1,296
Selling, general and administrative expense	2,034	2,069	2,092	2,185	2,068	2,086	2,077	2,093
Depreciation and amortization expense	1,014	1,014	1,027	1,031	1,013	1,015	1,018	1,038
<b>Total Operating Expenses</b>	<b>6,727</b>	<b>6,536</b>	<b>6,826</b>	<b>7,100</b>	<b>6,882</b>	<b>6,906</b>	<b>6,803</b>	<b>7,014</b>
<b>Operating Income</b>	<b>\$ 954</b>	<b>\$ 946</b>	<b>\$ 923</b>	<b>\$ 950</b>	<b>\$ 899</b>	<b>\$ 856</b>	<b>\$ 886</b>	<b>\$ 796</b>
<b>Operating Income Margin</b>	<b>12.4 %</b>	<b>12.6 %</b>	<b>11.9 %</b>	<b>11.8 %</b>	<b>11.6 %</b>	<b>11.0 %</b>	<b>11.5 %</b>	<b>10.2 %</b>
<b>Segment EBITDA</b>	<b>\$ 1,968</b>	<b>\$ 1,960</b>	<b>\$ 1,950</b>	<b>\$ 1,981</b>	<b>\$ 1,912</b>	<b>\$ 1,871</b>	<b>\$ 1,904</b>	<b>\$ 1,834</b>
<b>Segment EBITDA Margin</b>	<b>25.6 %</b>	<b>26.2 %</b>	<b>25.2 %</b>	<b>24.6 %</b>	<b>24.6 %</b>	<b>24.1 %</b>	<b>24.8 %</b>	<b>23.5 %</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	2020				2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Connections ('000):</b>								
Wireless retail postpaid connections	25,658	25,897	26,223	26,507	26,621	26,740	26,998	<b>27,411</b>
Fios video connections	77	75	74	73	73	72	72	<b>71</b>
Fios internet connections	330	327	332	335	339	346	352	<b>356</b>
Fios digital connections	407	402	406	408	412	418	424	<b>427</b>
Wireline broadband connections	501	491	488	482	480	480	479	<b>477</b>
<b>Gross Additions ('000):</b>								
Wireless retail postpaid	1,464	1,148	1,345	1,285	1,141	1,220	1,314	<b>1,417</b>
<b>Net Additions Detail ('000):</b>								
Wireless retail postpaid <sup>(1)</sup>	475	280	417	346	156	178	276	<b>391</b>
Wireless retail postpaid phones <sup>(1)</sup>	239	76	141	116	47	78	162	<b>222</b>
Fios video	—	(2)	(1)	(1)	—	(1)	—	<b>(1)</b>
Fios internet	4	(3)	5	3	4	7	6	<b>4</b>
Fios digital	4	(5)	4	2	4	6	6	<b>3</b>
Wireline broadband <sup>(1)</sup>	(5)	(10)	(3)	(6)	(2)	—	(1)	<b>(2)</b>
<b>Churn Rate:</b>								
Wireless retail postpaid	1.30 %	1.12 %	1.19 %	1.19 %	1.24 %	1.30 %	1.29 %	<b>1.26 %</b>
Wireless retail postpaid phones	1.02 %	0.90 %	0.96 %	0.98 %	1.01 %	1.07 %	1.04 %	<b>1.01 %</b>
<b>Revenue Statistics (in millions):</b>								
Wireless service revenue	\$ 2,881	\$ 2,861	\$ 2,990	\$ 3,073	\$ 3,060	\$ 3,090	\$ 3,097	<b>\$ 3,119</b>
Fios revenues	\$ 262	\$ 260	\$ 263	\$ 272	\$ 276	\$ 281	\$ 287	<b>\$ 292</b>
<b>Other Operating Statistics:</b>								
Wireless retail postpaid upgrade rate	3.6 %	2.7 %	3.3 %	4.0 %	3.3 %	3.4 %	3.2 %	<b>3.4 %</b>
Total wireless internet postpaid base <sup>(2)</sup>	33.7 %	33.9 %	34.3 %	34.5 %	34.6 %	34.8 %	34.7 %	<b>34.6 %</b>

**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.

## 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	2020				2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Connections ('000)</b>								
Retail postpaid	115,572	115,874	116,249	116,853	116,793	117,254	117,914	<b>118,954</b>
Retail prepaid	3,980	3,998	4,075	4,027	4,058	4,075	4,072	<b>23,852</b>
Total retail	119,552	119,872	120,324	120,880	120,851	121,329	121,986	<b>142,806</b>
<b>Net Additions Detail ('000) <sup>(1)</sup></b>								
Retail postpaid phone	(68)	173	283	279	(178)	275	429	<b>558</b>
Retail postpaid	(50)	352	553	703	(170)	528	699	<b>1,058</b>
Retail prepaid	(84)	12	77	(50)	19	18	(4)	<b>(85)</b>
Total retail	(134)	364	630	653	(151)	546	695	<b>973</b>
<b>Account Statistics</b>								
Retail postpaid accounts ('000) <sup>(2)</sup>	35,209	35,242	35,279	35,244	35,184	35,223	35,285	<b>35,332</b>
Retail postpaid connections per account <sup>(2)</sup>	3.28	3.29	3.30	3.32	3.32	3.33	3.34	<b>3.37</b>
Retail postpaid ARPA <sup>(3)</sup>	\$ 138.80	\$ 135.97	\$ 139.24	\$ 141.17	\$ 141.74	\$ 142.23	\$ 143.87	<b>\$ 144.88</b>
<b>Churn Detail</b>								
Retail postpaid phone	0.82 %	0.58 %	0.69 %	0.80 %	0.81 %	0.72 %	0.74 %	<b>0.81 %</b>
Retail postpaid	1.08 %	0.78 %	0.89 %	1.01 %	1.03 %	0.94 %	0.94 %	<b>1.01 %</b>
Retail	1.22 %	0.92 %	1.01 %	1.14 %	1.14 %	1.04 %	1.05 %	<b>1.32 %</b>
<b>Retail Postpaid Connection Statistics</b>								
Total internet postpaid base <sup>(2)</sup>	20.0 %	20.0 %	20.0 %	20.2 %	20.2 %	20.4 %	20.4 %	<b>20.6 %</b>
Upgrade rate	3.7 %	3.7 %	4.0 %	5.6 %	4.3 %	4.6 %	4.3 %	<b>5.7 %</b>
<b>Revenue Statistics (in millions) <sup>(4)</sup></b>								
Wireless service	\$ 16,357	\$ 15,948	\$ 16,432	\$ 16,673	\$ 16,744	\$ 16,884	\$ 17,079	<b>\$ 17,762</b>
Wireless equipment	4,129	3,755	4,112	6,424	4,944	5,543	5,350	<b>7,327</b>
Wireless other	2,079	2,039	2,096	2,029	2,043	2,043	1,929	<b>1,840</b>
Total Wireless	\$ 22,565	\$ 21,742	\$ 22,640	\$ 25,126	\$ 23,731	\$ 24,470	\$ 24,358	<b>\$ 26,929</b>

**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.

## Definitions - Non-GAAP Measures

### Non-GAAP Measures

Verizon's Financial and Operating Information includes financial information prepared in conformity with generally accepted accounting principles in the United States (GAAP) as well as non-GAAP financial information. It is management's intent to provide non-GAAP financial information to enhance the understanding of Verizon's GAAP financial information and it should be considered by the reader in addition to, but not instead of, the financial statements prepared in accordance with GAAP. Each non-GAAP financial measure is presented along with the corresponding GAAP measure so as not to imply that more emphasis should be placed on the non-GAAP measure. We believe that providing these non-GAAP measures in addition to the GAAP measures allows management, investors and other users of our financial information to more fully and accurately assess both consolidated and segment performance. The non-GAAP financial information presented may be determined or calculated differently by other companies and may not be directly comparable to that of other companies.

### EBITDA and EBITDA Margin Related Non-GAAP Measures

Consolidated earnings before interest, taxes, depreciation and amortization (EBITDA), Segment EBITDA and Segment EBITDA Margin are non-GAAP financial measures that we believe are useful to management, investors and other users of our financial information as they are a widely accepted financial measures used in evaluating the profitability of a company and with its competitors.

Consolidated EBITDA is calculated by adding back interest, taxes and depreciation and amortization expense to net income.

Segment EBITDA is calculated by adding back segment depreciation and amortization expense to segment operating income. Segment EBITDA Margin is calculated by dividing Segment EBITDA by segment total operating revenues.

### Consolidated Adjusted EBITDA, Consolidated Adjusted EBITDA Margin and Consolidated Adjusted EBITDA Growth Forecast

Consolidated Adjusted EBITDA, Consolidated Adjusted EBITDA Margin and Consolidated Adjusted EBITDA Growth Forecast are non-GAAP financial measures that we believe provide relevant and useful information to management, investors and other users of our financial information in evaluating the effectiveness of our operations and underlying business trends in a manner that is consistent with management's evaluation of business performance. We believe that Consolidated Adjusted EBITDA, Consolidated Adjusted EBITDA Margin and Consolidated Adjusted EBITDA Growth Forecast are used by investors to compare a company's operating performance to its competitors by minimizing impacts caused by differences in capital structure, taxes and depreciation policies. Further, the exclusion of non-operational items and special items enables comparability to prior period performance and trend analysis.

Consolidated Adjusted EBITDA is calculated by excluding from Consolidated EBITDA the effect of the following non-operational items: equity in losses and earnings of unconsolidated businesses and other income and expense, net, and the following special items: severance charges, loss on spectrum licenses, and net gain/loss from dispositions of businesses. Severance charges recorded during both 2021 and 2020 relate to voluntary separations under our existing plans. Loss on spectrum licenses relates to the sale of certain wireless licenses in 2021 and Auction 103 in 2020. Net gain/loss from dispositions of businesses relates to the sale of Verizon Media in 2021 and the sale of Huffington Post in 2020.

Consolidated Adjusted EBITDA Margin is calculated by dividing Consolidated Adjusted EBITDA by consolidated operating revenues.

We have not provided a reconciliation for our Consolidated Adjusted EBITDA Growth Forecast because we cannot, without unreasonable effort, predict the special items that could arise during 2022.

### Net Unsecured Debt, Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio and Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio Forecast

Net Unsecured Debt, Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio and Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio Forecast are non-GAAP financial measures that we believe are useful to management, investors and other users of our financial information in evaluating Verizon's ability to service its unsecured debt from continuing operations.

Net Unsecured Debt is calculated by subtracting secured debt and cash and cash equivalents, including cash and cash equivalents held for sale where applicable, from the sum of debt maturing within one year and long-term debt. Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio is calculated by dividing Net Unsecured Debt by Consolidated Adjusted EBITDA. For purposes of Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio, Consolidated Adjusted EBITDA is calculated for the last twelve months.

Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio Forecast is calculated by dividing Net Unsecured Debt by Consolidated Adjusted EBITDA. For purposes of Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio Forecast, Consolidated Adjusted EBITDA is calculated for the last twelve months of the forecasted period.

We have not provided a reconciliation for our Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio Forecast because we cannot, without unreasonable effort, predict the impacts to the special items that could arise during future periods.

### Adjusted Earnings per Common Share (Adjusted EPS), Adjusted EPS excluding Acquired Intangible Assets Amortization and Adjusted EPS Forecast

Adjusted EPS, Adjusted EPS excluding Acquired Intangible Assets Amortization and Adjusted EPS Forecast are non-GAAP financial measures that we believe are useful to management, investors and other users of our financial information in evaluating our operating results and understanding our operating trends without the effect of special items which could vary from period to period. We believe excluding special items provides more comparable assessment of our financial results from period to period.

Adjusted EPS is calculated by excluding from the calculation of reported EPS the effect of the following special items: net severance, pension and benefits credits/charges, net gain/loss from dispositions of assets and businesses, net early debt redemption costs, and loss on spectrum licenses. Net gain/loss from

## Definitions - Non-GAAP Measures

dispositions of assets and businesses relate to the sale of an investment and the sale of Verizon Media in 2021, as well as the sale of Huffington Post in 2020. Loss on spectrum licenses relates to the sale of certain wireless licenses in 2021 and Auction 103 in 2020. Net severance, pension and benefits credits/charges relate to severance charges and actuarial gains/losses resulting from the re-measurements of pension and other postretirement benefits.

Actuarial gains or losses as a result of the re-measurements of pension and other postretirement benefits are included in other income and expense, net, and are measured based on projected discount rates and estimated returns on plan assets. Such estimates are updated at least annually at the end of the fiscal year to reflect actual discount rates and returns on plan assets or more frequently if significant events arise which require an interim re-measurement.

Adjusted EPS excluding Acquired Intangible Assets Amortization is calculated by excluding amortization of acquisition-related intangible assets from Adjusted EPS. We exclude the amortization of acquisition-related intangible assets because the amount and timing of such charges are significantly impacted by the timing, size, number and nature of the acquisitions we consummate. While we have a history of significant acquisition activity, we do not acquire businesses on a predictable cycle, and the amount of an acquisition's purchase price allocated to intangible assets and related amortization term are unique to each acquisition and can vary significantly from acquisition to acquisition. Exclusion of this amortization expense facilitates more consistent comparisons of operating results over time between our newly acquired and long-held businesses, and with both acquisitive and non-acquisitive peer companies. We believe that it is important for investors to understand that our non-GAAP financial measure adjusts for the intangible asset amortization but does not adjust the revenue that is generated in part from the use of such intangible assets.

We have not provided a reconciliation for our Adjusted EPS Forecast because we cannot, without unreasonable effort, predict the special items that could arise during 2022.

### **Adjusted Effective Income Tax Rate Attributable to Verizon Forecast (Adjusted ETR Forecast)**

Adjusted ETR Forecast is a non-GAAP financial measure that we believe is useful to management, investors and other users of our financial information in assessing our effective income tax rate without the effect of special items which could vary from period to period. Adjusted ETR Forecast is calculated by dividing the provision for income taxes by net income attributable to Verizon before tax after adjusting for the impact of special items.

We have not provided a reconciliation for our Adjusted ETR Forecast because we cannot, without unreasonable effort, predict the special items that could arise during 2022.

### **Free Cash Flow and Free Cash Flow Forecast**

Free cash flow and Free cash flow forecast are non-GAAP financial measures that reflects an additional way of viewing our liquidity that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our cash flows. We believe it is a more conservative measure of cash flow since capital expenditures are necessary for ongoing operations. These free cash flow measures have limitations due to the fact that they do not represent the residual cash flow available for discretionary expenditures. For example, free cash flow and free cash flow forecast do not incorporate payments made on finance lease obligations or cash payments for acquisitions of businesses or wireless licenses. Therefore, we believe it is important to view these free cash flow measures as complements to our entire consolidated statements of cash flows.

Free cash flow and free cash flow forecast are calculated by subtracting capital expenditures (including capitalized software) from net cash provided by operating activities.

## Non-GAAP Reconciliations - Consolidated

## Consolidated EBITDA, Consolidated Adjusted EBITDA and Consolidated Adjusted EBITDA Margin

(dollars in millions)

Unaudited	2020					2021				
	1Q	2Q	3Q	4Q	Full Year	1Q	2Q	3Q	4Q	Full Year
<b>Consolidated Net Income</b>	\$ 4,287	\$ 4,839	\$ 4,504	\$ 4,718	\$ 18,348	\$ 5,378	\$ 5,949	\$ 6,554	\$ 4,737	\$ 22,618
Add:										
Provision for income taxes	1,389	1,348	1,347	1,535	5,619	1,700	1,875	1,820	1,407	6,802
Interest expense <sup>(1)</sup>	1,034	1,089	1,044	1,080	4,247	1,101	844	801	739	3,485
Depreciation and amortization expense	4,150	4,181	4,192	4,197	16,720	4,174	4,020	3,961	4,051	16,206
<b>Consolidated EBITDA</b>	<b>\$ 10,860</b>	<b>\$ 11,457</b>	<b>\$ 11,087</b>	<b>\$ 11,530</b>	<b>\$ 44,934</b>	<b>\$ 12,353</b>	<b>\$ 12,688</b>	<b>\$ 13,136</b>	<b>\$ 10,934</b>	<b>\$ 49,111</b>
Add/(subtract):										
Other (income) expense, net <sup>(2)</sup>	\$ (143)	\$ 72	\$ 774	\$ (164)	\$ 539	\$ (401)	\$ (502)	\$ (269)	\$ 860	\$ (312)
Equity in losses (earnings) of unconsolidated businesses <sup>(3)</sup>	12	13	9	11	45	(8)	(1)	(1)	(135)	(145)
Severance charges	—	—	—	221	221	—	—	103	106	209
Loss on spectrum licenses	1,195	—	—	—	1,195	223	—	—	—	223
Net (gain) loss from dispositions of businesses	—	—	—	126	126	—	—	(706)	—	(706)
<b>Consolidated Adjusted EBITDA</b>	<b>\$ 11,924</b>	<b>\$ 11,542</b>	<b>\$ 11,870</b>	<b>\$ 11,724</b>	<b>\$ 47,060</b>	<b>\$ 12,167</b>	<b>\$ 12,185</b>	<b>\$ 12,263</b>	<b>\$ 11,765</b>	<b>\$ 48,380</b>
<b>Consolidated Operating Revenues</b>										
						\$ 34,692	\$ 128,292	\$ 32,867	\$ 33,764	\$ 32,915
<b>Consolidated Adjusted EBITDA Margin</b>						33.8 %	36.7 %	37.0 %	36.1 %	37.3 %
<b>Consolidated Adjusted EBITDA - Year Over Year Change %</b>										0.3 %
<b>Consolidated Adjusted EBITDA - Year Over Year Change</b>										\$ 1,320
<b>Consolidated Adjusted EBITDA Margin - Year Over Year Change</b>										(50) bps

(1) Includes Net early debt redemption costs, where applicable.

(2) Includes Pension and benefits mark-to-market adjustments and Net early debt redemption costs, where applicable.

(3) Includes Net gain from disposition of assets, where applicable.

## Non-GAAP Reconciliations - Consolidated

## Adjusted Earnings per Common Share (Adjusted EPS)

(dollars in millions except per share amounts)

Unaudited				3 Mos. Ended 12/31/20				3 Mos. Ended 12/31/21
	Pre-tax	Tax	After-Tax		Pre-tax	Tax	After-Tax	
<b>EPS</b>				\$ 1.11				\$ 1.11
Net severance, pension and benefits (credits) charges	\$ 404	\$ (87)	\$ 317	0.08	\$ (1,103)	\$ 268	\$ (835)	(0.20)
Net (gain) loss from dispositions of assets and businesses	119	2	121	0.03	(131)	30	(101)	(0.02)
Net early debt redemption costs	—	—	—	—	2,409	(629)	1,780	0.43
	\$ 523	\$ (85)	\$ 438	\$ 0.11	\$ 1,175	\$ (331)	\$ 844	\$ 0.20
<b>Adjusted EPS</b>				\$ 1.21				\$ 1.31
Year over year change %								8.3 %

Note: Adjusted EPS may not add due to rounding.

## Adjusted Earnings per Common Share (Adjusted EPS) and Adjusted EPS excluding Acquired Intangible Assets Amortization

(dollars in millions except per share amounts)

Unaudited				12 Mos. Ended 12/31/20				12 Mos. Ended 12/31/21
	Pre-tax	Tax	After-Tax		Pre-tax	Tax	After-Tax	
<b>EPS</b>				\$ 4.30				\$ 5.32
Net severance, pension and benefits (credits) charges	\$ 1,831	\$ (451)	\$ 1,380	0.33	\$ (2,170)	\$ 539	\$ (1,631)	(0.39)
Net (gain) loss from dispositions of assets and businesses	119	2	121	0.03	(837)	—	(837)	(0.20)
Net early debt redemption costs	102	(26)	76	0.02	3,541	(917)	2,624	0.63
Loss on spectrum licenses	1,195	(281)	914	0.22	223	(56)	167	0.04
	\$ 3,247	\$ (756)	\$ 2,491	\$ 0.60	\$ 757	\$ (434)	\$ 323	\$ 0.08
<b>Adjusted EPS</b>				\$ 4.90				\$ 5.39
Year over year change %								10.0 %
Amortization of acquisition-related intangible assets					594	(145)	449	\$ 0.11
<b>Adjusted EPS excluding Acquired Intangible Assets Amortization</b>								\$ 5.50

Note: Adjusted EPS may not add due to rounding.

## Non-GAAP Reconciliations - Consolidated

## Net Unsecured Debt and Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio

(dollars in millions)

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21	6/30/21	9/30/21	12/31/21
Debt maturing within one year	\$ 10,777	\$ 11,175	\$ 6,651	\$ 5,770	\$ 5,889	\$ 8,802	\$ 7,023	\$ 7,623	\$ 7,443
Long-term debt	100,712	106,561	106,190	109,790	123,173	149,700	144,894	143,352	143,425
<b>Total Debt</b>	111,489	117,736	112,841	115,560	129,062	158,502	151,917	150,975	150,868
Less Secured debt	12,369	12,989	10,607	10,092	10,604	10,876	10,315	9,425	14,202
<b>Unsecured Debt</b>	99,120	104,747	102,234	105,468	118,458	147,626	141,602	141,550	136,666
Less Cash and cash equivalents <sup>(1)</sup>	2,594	7,047	7,882	8,983	22,171	10,205	4,757	9,936	2,921
<b>Net Unsecured Debt</b>	\$ 96,526	\$ 97,700	\$ 94,352	\$ 96,485	\$ 96,287	\$ 137,421	\$ 136,845	\$ 131,614	\$ 133,745
<b>Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio</b>					2.0x	2.9x	2.9x	2.7x	2.8x
Net Unsecured Debt - 3/31/21 to 12/31/21 change									\$ (3,676)

(1) Includes Cash and cash equivalents held for sale, where applicable.

## Free Cash Flow

(dollars in millions)

Unaudited	12 Mos. Ended 12/31/20	12 Mos. Ended 12/31/21
<b>Net Cash Provided by Operating Activities</b>	\$ 41,768	\$ 39,539
Capital expenditures (including capitalized software)	(18,192)	(20,286)
<b>Free Cash Flow</b>	\$ 23,576	\$ 19,253
Year over year change %		(18.3)%

## Free Cash Flow Forecast

(dollars in billions)

Unaudited	12 Mos. Ended 12/31/23
<b>Net Cash Provided by Operating Activities Forecast</b>	\$ 39.5 to \$ 41.5
Capital expenditures (including capitalized software) forecast	(19.5)
<b>Free Cash Flow Forecast</b>	\$ 20 to \$ 22



## Non-GAAP Reconciliations - Segments

## Segment EBITDA and Segment EBITDA Margin

## Consumer

(dollars in millions)

Unaudited	3 Mos. Ended 3/31/20	3 Mos. Ended 6/30/20	3 Mos. Ended 9/30/20	3 Mos. Ended 12/31/20	Full year 2020	3 Mos. Ended 3/31/21	3 Mos. Ended 6/30/21	3 Mos. Ended 9/30/21	3 Mos. Ended 12/31/21	Full Year 2021
<b>Operating Income</b>	\$7,282	\$7,064	\$7,437	\$7,073	\$28,856	\$7,519	\$7,497	\$7,590	\$7,349	\$29,955
Add Depreciation and amortization expense	2,820	2,849	2,862	2,864	11,395	2,861	2,900	2,918	3,000	11,679
<b>Segment EBITDA</b>	<b>\$10,102</b>	<b>\$9,913</b>	<b>\$10,299</b>	<b>\$9,937</b>	<b>\$40,251</b>	<b>\$10,380</b>	<b>\$10,397</b>	<b>\$10,508</b>	<b>\$10,349</b>	<b>\$41,634</b>
Total operating revenues	\$21,765	\$21,113	\$21,736	\$23,919	\$88,533	\$22,798	\$23,477	\$23,328	\$25,697	\$95,300
<b>Operating Income Margin</b>	33.5 %	33.5 %	34.2 %	29.6 %	32.6 %	33.0 %	31.9 %	32.5 %	28.6 %	31.4 %
<b>Segment EBITDA Margin</b>	46.4 %	47.0 %	47.4 %	41.5 %	45.5 %	45.5 %	44.3 %	45.0 %	40.3 %	43.7 %
Segment EBITDA - Year over year change									\$ 412	\$ 1,383
Segment EBITDA - Year over year change %									4.1 %	3.4 %
Segment EBITDA Margin - Year over year change									(120) bps	

## Business

(dollars in millions)

Unaudited	3 Mos. Ended 3/31/20	3 Mos. Ended 6/30/20	3 Mos. Ended 9/30/20	3 Mos. Ended 12/31/20	Full year 2020	3 Mos. Ended 3/31/21	3 Mos. Ended 6/30/21	3 Mos. Ended 9/30/21	3 Mos. Ended 12/31/21	Full Year 2021
<b>Operating Income</b>	\$ 954	\$ 946	\$ 923	\$ 950	\$3,773	\$ 899	\$ 856	\$ 886	\$ 796	\$3,437
Add Depreciation and amortization expense	1,014	1,014	1,027	1,031	4,086	1,013	1,015	1,018	1,038	4,084
<b>Segment EBITDA</b>	<b>\$1,968</b>	<b>\$1,960</b>	<b>\$1,950</b>	<b>\$1,981</b>	<b>\$7,859</b>	<b>\$1,912</b>	<b>\$1,871</b>	<b>\$1,904</b>	<b>\$1,834</b>	<b>\$7,521</b>
Total operating revenues	\$7,681	\$7,482	\$7,749	\$8,050	\$30,962	\$7,781	\$7,762	\$7,689	\$7,810	\$31,042
<b>Operating Income Margin</b>	12.4 %	12.6 %	11.9 %	11.8 %	12.2 %	11.6 %	11.0 %	11.5 %	10.2 %	11.1 %
<b>Segment EBITDA Margin</b>	25.6 %	26.2 %	25.2 %	24.6 %	25.4 %	24.6 %	24.1 %	24.8 %	23.5 %	24.2 %
Segment EBITDA - Year over year change %									(7.4)%	
Segment EBITDA Margin - Year over year change									(120) bps	