

Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 12/31/22	3 Mos. Ended 12/31/21	% Change	12 Mos. Ended 12/31/22	12 Mos. Ended 12/31/21	% Change
Operating Revenues						
Service revenues and other	\$ 27,626	\$ 26,740	3.3	\$ 109,625	\$ 110,449	(0.7)
Wireless equipment revenues	7,625	7,327	4.1	27,210	23,164	17.5
Total Operating Revenues	35,251	34,067	3.5	136,835	133,613	2.4
Operating Expenses						
Cost of services	7,185	7,035	2.1	28,637	31,234	(8.3)
Cost of wireless equipment	8,577	7,961	7.7	30,496	25,067	21.7
Selling, general and administrative expense	8,046	7,412	8.6	30,136	28,658	5.2
Depreciation and amortization expense	4,218	4,051	4.1	17,099	16,206	5.5
Total Operating Expenses	28,026	26,459	5.9	106,368	101,165	5.1
Operating Income	7,225	7,608	(5.0)	30,467	32,448	(6.1)
Equity in earnings of unconsolidated businesses	4	135	(97.0)	44	145	(69.7)
Other income (expense), net	2,687	(860)	*	1,373	312	*
Interest expense	(1,105)	(739)	49.5	(3,613)	(3,485)	3.7
Income Before Provision For Income Taxes	8,811	6,144	43.4	28,271	29,420	(3.9)
Provision for income taxes	(2,113)	(1,407)	50.2	(6,523)	(6,802)	(4.1)
Net Income	\$ 6,698	\$ 4,737	41.4	\$ 21,748	\$ 22,618	(3.8)
Net income attributable to noncontrolling interests	\$ 121	\$ 124	(2.4)	\$ 492	\$ 553	(11.0)
Net income attributable to Verizon	6,577	4,613	42.6	21,256	22,065	(3.7)
Net Income	\$ 6,698	\$ 4,737	41.4	\$ 21,748	\$ 22,618	(3.8)
Basic Earnings Per Common Share						
Net income attributable to Verizon	\$ 1.56	\$ 1.11	40.5	\$ 5.06	\$ 5.32	(4.9)
Weighted-average shares outstanding (in millions)	4,204	4,167		4,202	4,148	
Diluted Earnings Per Common Share ⁽¹⁾						
Net income attributable to Verizon	\$ 1.56	\$ 1.11	40.5	\$ 5.06	\$ 5.32	(4.9)
Weighted-average shares outstanding (in millions)	4,207	4,169		4,204	4,150	

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	12/31/22	12/31/21	\$ Change
Assets			
Current assets			
Cash and cash equivalents	\$ 2,605	\$ 2,921	\$ (316)
Accounts receivable	25,332	24,742	590
Less Allowance for credit losses	826	896	(70)
Accounts receivable, net	24,506	23,846	660
Inventories	2,388	3,055	(667)
Prepaid expenses and other	8,358	6,906	1,452
Total current assets	37,857	36,728	1,129
Property, plant and equipment	307,689	289,897	17,792
Less Accumulated depreciation	200,255	190,201	10,054
Property, plant and equipment, net	107,434	99,696	7,738
Investments in unconsolidated businesses	1,071	1,061	10
Wireless licenses	149,796	147,619	2,177
Goodwill	28,671	28,603	68
Other intangible assets, net	11,461	11,677	(216)
Operating lease right-of-use assets	26,130	27,883	(1,753)
Other assets	17,260	13,329	3,931
Total assets	\$ 379,680	\$ 366,596	\$ 13,084
Liabilities and Equity			
Current liabilities			
Debt maturing within one year	\$ 9,963	\$ 7,443	\$ 2,520
Accounts payable and accrued liabilities	23,977	24,833	(856)
Current operating lease liabilities	4,134	3,859	275
Other current liabilities	12,097	11,025	1,072
Total current liabilities	50,171	47,160	3,011
Long-term debt	140,676	143,425	(2,749)
Employee benefit obligations	12,974	15,410	(2,436)
Deferred income taxes	43,441	40,685	2,756
Non-current operating lease liabilities	21,558	23,203	(1,645)
Other liabilities	18,397	13,513	4,884
Total long-term liabilities	237,046	236,236	810
Equity			
Common stock	429	429	—
Additional paid in capital	13,420	13,861	(441)
Retained earnings	82,380	71,993	10,387
Accumulated other comprehensive loss	(1,865)	(927)	(938)
Common stock in treasury, at cost	(4,013)	(4,104)	91
Deferred compensation – employee stock ownership plans and other	793	538	255
Noncontrolling interests	1,319	1,410	(91)
Total equity	92,463	83,200	9,263
Total liabilities and equity	\$ 379,680	\$ 366,596	\$ 13,084

Consolidated - Selected Financial and Operating Statistics

(dollars in millions, except per share amounts)

Unaudited	12/31/22	12/31/21
Total debt	\$ 150,639	\$ 150,868
Net unsecured debt ⁽¹⁾	\$ 128,026	\$ 133,745
Net unsecured debt / Consolidated Adjusted EBITDA ⁽¹⁾⁽²⁾	2.7x	2.8x
Common shares outstanding end of period (in millions)	4,200	4,198
Total employees ('000)	117.1	118.4
Quarterly cash dividends declared per common share	\$ 0.6525	\$ 0.6400

Footnotes:

- (1) Non-GAAP financial measure.
- (2) 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 12/31/22	12 Mos. Ended 12/31/21	\$ Change
Cash Flows from Operating Activities			
Net Income	\$ 21,748	\$ 22,618	\$ (870)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	17,099	16,206	893
Employee retirement benefits	(2,046)	(3,391)	1,345
Deferred income taxes	2,973	4,264	(1,291)
Provision for expected credit losses	1,611	789	822
Equity in losses (earnings) of unconsolidated businesses, net of dividends received	(10)	36	(46)
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(456)	(890)	434
Other, net	(3,778)	(93)	(3,685)
Net cash provided by operating activities	<u>37,141</u>	<u>39,539</u>	<u>(2,398)</u>
Cash Flows from Investing Activities			
Capital expenditures (including capitalized software)	(23,087)	(20,286)	(2,801)
Cash received (paid) related to acquisitions of businesses, net of cash acquired	248	(4,065)	4,313
Acquisitions of wireless licenses	(3,653)	(47,596)	43,943
Collateral payments related to derivative contracts, net of repayments	(2,265)	(21)	(2,244)
Proceeds from disposition of business	33	4,122	(4,089)
Other, net	62	693	(631)
Net cash used in investing activities	<u>(28,662)</u>	<u>(67,153)</u>	<u>38,491</u>
Cash Flows from Financing Activities			
Proceeds from long-term borrowings	7,074	33,034	(25,960)
Proceeds from asset-backed long-term borrowings	10,732	8,383	2,349
Net proceeds from short-term commercial paper	106	—	106
Repayments of long-term borrowings and finance lease obligations	(8,616)	(14,063)	5,447
Repayments of asset-backed long-term borrowings	(4,948)	(4,800)	(148)
Dividends paid	(10,805)	(10,445)	(360)
Other, net	(2,072)	(3,832)	1,760
Net cash provided by (used in) financing activities	<u>(8,529)</u>	<u>8,277</u>	<u>(16,806)</u>
Decrease in cash, cash equivalents and restricted cash	(50)	(19,337)	19,287
Cash, cash equivalents and restricted cash, beginning of period	4,161	23,498	(19,337)
Cash, cash equivalents and restricted cash, end of period	<u>\$ 4,111</u>	<u>\$ 4,161</u>	<u>\$ (50)</u>

Footnotes:

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

Consumer - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 12/31/22	3 Mos. Ended 12/31/21	% Change	12 Mos. Ended 12/31/22	12 Mos. Ended 12/31/21	% Change
Operating Revenues						
Service	\$ 18,443	\$ 17,564	5.0	\$ 73,139	\$ 67,733	8.0
Wireless equipment	6,528	6,320	3.3	23,168	19,781	17.1
Other	1,799	1,813	(0.8)	7,199	7,786	(7.5)
Total Operating Revenues	26,770	25,697	4.2	103,506	95,300	8.6
Operating Expenses						
Cost of services	4,450	4,251	4.7	17,746	16,581	7.0
Cost of wireless equipment	7,137	6,666	7.1	25,134	20,523	22.5
Selling, general and administrative expense	5,044	4,431	13.8	19,064	16,562	15.1
Depreciation and amortization expense	3,111	3,000	3.7	12,716	11,679	8.9
Total Operating Expenses	19,742	18,348	7.6	74,660	65,345	14.3
Operating Income	\$ 7,028	\$ 7,349	(4.4)	\$ 28,846	\$ 29,955	(3.7)
Operating Income Margin	26.3 %	28.6 %		27.9 %	31.4 %	
Segment EBITDA⁽¹⁾	\$ 10,139	\$ 10,349	(2.0)	\$ 41,562	\$ 41,634	(0.2)
Segment EBITDA Margin⁽¹⁾	37.9 %	40.3 %		40.2 %	43.7 %	

Footnotes:

(1) Non-GAAP financial measure.

The segment financial results and metrics above exclude the effects of special items (other than the effects of acquisition-related intangible asset amortization), which the Company's chief operating decision maker does not consider in assessing segment performance.

Certain intersegment transactions with corporate entities have not been eliminated.

Consumer - Selected Operating Statistics

Unaudited	12/31/22	12/31/21	% Change
Connections ('000):			
Wireless retail postpaid ⁽¹⁾	91,856	91,543	0.3
Wireless retail prepaid ⁽¹⁾⁽²⁾	22,664	23,852	(5.0)
Total wireless retail	114,520	115,395	(0.8)
Wireless retail postpaid phones ⁽¹⁾	74,857	75,712	(1.1)
Fios video	3,234	3,573	(9.5)
Fios internet	6,740	6,541	3.0
Fixed wireless access (FWA) broadband	884	101	*
Wireline broadband	7,016	6,888	1.9
Total broadband	7,900	6,989	13.0

Unaudited	3 Mos. Ended 12/31/22	3 Mos. Ended 12/31/21	% Change	12 Mos. Ended 12/31/22	12 Mos. Ended 12/31/21	% Change
Gross Additions ('000):						
Wireless retail postpaid ⁽³⁾	3,889	3,234	20.3	12,037	10,834	11.1
Net Additions Detail ('000):						
Wireless retail postpaid ⁽¹⁾⁽³⁾	979	667	46.8	965	1,114	(13.4)
Wireless retail prepaid ⁽¹⁾⁽²⁾⁽³⁾	(175)	(85)	*	(445)	(52)	*
Total wireless retail ⁽³⁾	804	582	38.1	520	1,062	(51.0)
Wireless retail postpaid phones ⁽¹⁾⁽³⁾	41	336	(87.8)	(655)	575	*
Fios video	(80)	(69)	(15.9)	(339)	(281)	(20.6)
Fios internet	56	51	9.8	199	339	(41.3)
FWA broadband ⁽³⁾	262	38	*	776	87	*
Wireline broadband	40	30	33.3	128	241	(46.9)
Total broadband	302	68	*	904	328	*

Churn Rate: ⁽¹⁾					
Wireless retail postpaid	1.06 %	0.94 %		1.01 %	0.89 %
Wireless retail postpaid phones	0.86 %	0.77 %		0.81 %	0.71 %
Wireless retail prepaid ⁽²⁾⁽³⁾	4.90 %	4.73 %		4.09 %	4.44 %
Wireless retail	1.83 %	1.34 %		1.63 %	1.10 %

Revenue Statistics (in millions):						
Wireless service revenue	\$ 15,539	\$ 14,643	6.1	\$ 61,509	\$ 56,103	9.6
Fios revenues	\$ 2,914	\$ 2,910	0.1	\$ 11,622	\$ 11,558	0.6

Consumer - Selected Operating Statistics (continued)

Unaudited	3 Mos. Ended 12/31/22	3 Mos. Ended 12/31/21	% Change	12 Mos. Ended 12/31/22	12 Mos. Ended 12/31/21	% Change
Other Wireless Statistics:						
Wireless retail postpaid ARPA ⁽⁴⁾	\$ 128.02	\$ 124.06	3.2	\$ 125.97	\$ 122.30	3.0
Wireless retail postpaid upgrade rate	5.6 %	6.3 %				
Wireless retail postpaid accounts ('000) ⁽⁵⁾				33,183	33,651	(1.4)
Wireless retail postpaid connections per account ⁽⁵⁾				2.77	2.72	1.8
Wireless retail prepaid ARPU ^{(2),(6)}	\$ 31.53	\$ 37.83	(16.7)	\$ 31.21	\$ 36.70	(15.0)

Footnotes:

(1) The number of wireless retail connections as of December 31, 2022 reflects a decline in our customer base related to the shutdown of our 3G network in the fourth quarter of 2022 of approximately 576,000 wireless retail postpaid connections, including 180,000 wireless retail postpaid phone connections, and 237,000 wireless retail prepaid connections. In addition, the shutdown of our competitors' 3G network in the second and third quarter of 2022 resulted in a reduction to our customer base of 402,000 wireless retail prepaid connections and 102,000 wireless retail prepaid connections as of June 30, 2022 and September 30, 2022, respectively. The impact of the 3G network shutdowns has been excluded for purposes of calculating wireless retail net additions and wireless churn for the respective periods.

(2) Acquisition of TracFone Wireless, Inc. was completed on November 23, 2021.

(3) Includes certain adjustments.

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

(5) Statistics presented as of end of period.

(6) Wireless retail prepaid ARPU - average service revenue per unit from retail prepaid connections.

Certain intersegment transactions with corporate entities have not been eliminated.

* Not meaningful

Business - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 12/31/22	3 Mos. Ended 12/31/21	% Change	12 Mos. Ended 12/31/22	12 Mos. Ended 12/31/21	% Change
Operating Revenues						
Small and Medium Business	\$ 3,284	\$ 3,112	5.5	\$ 12,613	\$ 11,774	7.1
Global Enterprise	2,423	2,530	(4.2)	9,734	10,224	(4.8)
Public Sector and Other	1,531	1,517	0.9	6,118	6,324	(3.3)
Wholesale	662	651	1.7	2,607	2,720	(4.2)
Total Operating Revenues	7,900	7,810	1.2	31,072	31,042	0.1
Operating Expenses						
Cost of services	2,665	2,587	3.0	10,483	10,653	(1.6)
Cost of wireless equipment	1,440	1,296	11.1	5,362	4,544	18.0
Selling, general and administrative expense	2,112	2,093	0.9	8,284	8,324	(0.5)
Depreciation and amortization expense	1,098	1,038	5.8	4,312	4,084	5.6
Total Operating Expenses	7,315	7,014	4.3	28,441	27,605	3.0
Operating Income	\$ 585	\$ 796	(26.5)	\$ 2,631	\$ 3,437	(23.5)
Operating Income Margin	7.4 %	10.2 %		8.5 %	11.1 %	
Segment EBITDA⁽¹⁾	\$ 1,683	\$ 1,834	(8.2)	\$ 6,943	\$ 7,521	(7.7)
Segment EBITDA Margin⁽¹⁾	21.3 %	23.5 %		22.3 %	24.2 %	

Footnotes:

(1) Non-GAAP financial measure.

The segment financial results and metrics above exclude the effects of special items (other than the effects of acquisition-related intangible asset amortization), which the Company's chief operating decision maker does not consider in assessing segment performance.

Certain intersegment transactions with corporate entities have not been eliminated.

Business - Selected Operating Statistics

Unaudited	12/31/22	12/31/21	% Change
Connections ('000):			
Wireless retail postpaid ⁽¹⁾	28,733	27,411	4.8
Wireless retail postpaid phones ⁽¹⁾	17,782	17,103	4.0
Fios video	67	71	(5.6)
Fios internet	373	356	4.8
FWA broadband	568	122	*
Wireline broadband	468	477	(1.9)
Total broadband	1,036	599	73.0

Unaudited	3 Mos. Ended 12/31/22	3 Mos. Ended 12/31/21	% Change	12 Mos. Ended 12/31/22	12 Mos. Ended 12/31/21	% Change
Gross Additions ('000):						
Wireless retail postpaid ⁽²⁾	1,644	1,417	16.0	6,294	5,092	23.6
Net Additions Detail ('000):						
Wireless retail postpaid ⁽¹⁾⁽²⁾	455	391	16.4	1,640	1,001	63.8
Wireless retail postpaid phones ⁽¹⁾⁽²⁾	176	222	(20.7)	856	509	68.2
Fios video	(2)	(1)	*	(4)	(2)	*
Fios internet	3	4	(25.0)	17	21	(19.0)
FWA broadband ⁽²⁾	117	40	*	395	86	*
Wireline broadband ⁽²⁾	(3)	(2)	(50.0)	(9)	(5)	(80.0)
Total broadband	114	38	*	386	81	*

Churn Rate: ⁽¹⁾						
Wireless retail postpaid	1.38 %	1.26 %		1.38 %	1.27 %	
Wireless retail postpaid phones	1.06 %	1.01 %		1.07 %	1.03 %	

Revenue Statistics (in millions):										
Wireless service revenue	\$	3,265	\$	3,119	4.7	\$	12,845	\$	12,366	3.9
Fios revenues	\$	304	\$	292	4.1	\$	1,201	\$	1,136	5.7

Other Operating Statistics:		
Wireless retail postpaid upgrade rate	3.6 %	3.4 %

Footnotes:

(1) The number of wireless retail connections as of December 31, 2022 reflects a decline in our customer base related to the shutdown of our 3G network in the fourth quarter of 2022 of approximately 333,000 wireless retail postpaid connections, including 212,000 wireless retail postpaid phone connections. The impact of the 3G network shutdown has been excluded for purposes of calculating wireless retail net additions and wireless churn for the respective periods.

(2) Includes certain adjustments.

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	12/31/22	12/31/21	% Change
Connections ('000) ⁽¹⁾			
Retail postpaid	120,589	118,954	1.4
Retail prepaid ⁽²⁾	22,664	23,852	(5.0)
Total retail	143,253	142,806	0.3
Retail postpaid phones	92,639	92,815	(0.2)

Unaudited	3 Mos. Ended 12/31/22	3 Mos. Ended 12/31/21	% Change	12 Mos. Ended 12/31/22	12 Mos. Ended 12/31/21	% Change
Net Additions Detail ('000) ^{(1) (3)}						
Retail postpaid phones	217	558	(61.1)	201	1,084	(81.5)
Retail postpaid	1,434	1,058	35.5	2,605	2,115	23.2
Retail prepaid ⁽²⁾	(175)	(85)	*	(445)	(52)	*
Total retail	1,259	973	29.4	2,160	2,063	4.7

Account Statistics										
Retail postpaid accounts ('000) ⁽⁴⁾				35,002	35,332	(0.9)				
Retail postpaid connections per account ⁽⁴⁾				3.45	3.37	2.4				
Retail postpaid ARPA ⁽⁵⁾	\$	149.95	\$	144.88	3.5	\$	147.53	\$	143.18	3.0
Retail prepaid ARPU ^{(2) (6)}		31.53		37.83	(16.7)	\$	31.21	\$	36.70	(15.0)

Churn Detail ⁽¹⁾					
Retail postpaid phone	0.89 %	0.81 %		0.86 %	0.77 %
Retail postpaid	1.14 %	1.01 %		1.10 %	0.98 %
Retail prepaid ^{(2) (3)}	4.90 %	4.73 %		4.09 %	4.44 %
Retail	1.74 %	1.32 %		1.58 %	1.14 %

Retail Postpaid Connection Statistics		
Upgrade rate	5.1 %	5.7 %

Revenue Statistics (in millions) ⁽⁷⁾										
Wireless service	\$	18,804	\$	17,762	5.9	\$	74,354	\$	68,469	8.6
Wireless equipment		7,625		7,327	4.1		27,210		23,164	17.5
Wireless other		1,851		1,840	0.6		7,391		7,855	(5.9)
Total Wireless	\$	28,280	\$	26,929	5.0	\$	108,955	\$	99,488	9.5

Footnotes:

- (1) The number of wireless retail connections as of December 31, 2022 reflects a decline in our customer base related to the shutdown of our 3G network in the fourth quarter of 2022 of approximately 909,000 wireless retail postpaid connections (576,000 Consumer and 333,000 Business connections), including 392,000 wireless retail postpaid phone connections (180,000 Consumer and 212,000 Business connections), and 237,000 wireless retail prepaid connections. In addition, the shutdown of our competitors' 3G network in the second and third quarter of 2022 resulted in a reduction to our customer base of 402,000 wireless retail prepaid connections and 102,000 wireless retail prepaid connections as of June 30, 2022 and September 30, 2022, respectively. The impact of the 3G network shutdowns has been excluded for purposes of calculating wireless retail net additions and wireless churn for the respective periods.
- (2) Acquisition of TracFone Wireless, Inc. was completed on November 23, 2021.
- (3) Includes certain adjustments.
- (4) Statistics presented as of end of period.
- (5) Wireless retail postpaid ARPA - average service revenue per account from retail postpaid accounts.
- (6) Wireless retail prepaid ARPU - average service revenue per unit from retail prepaid connections.
- (7) Intersegment transactions between Consumer or Business segment with corporate entities have not been eliminated.

* Not meaningful