

# 4Q 2022 Earnings Results

4Q 2022  
EARNINGS

## Highlights

### Total Consolidated Revenue

**\$35.3B**

4Q Y/Y growth 3.5%

**\$136.8B**

Full Year Y/Y growth 2.4%

### Adjusted EBITDA<sup>1</sup>

**\$11.7B**

4Q Y/Y decline 0.2%

**\$47.9B**

Full Year Y/Y decline 1.1%

### Adjusted EPS<sup>1</sup>

**\$1.19**

4Q Y/Y decline 10.5%<sup>2</sup>

**\$5.18**

Full Year Y/Y decline 5.8%<sup>2</sup>

### Consolidated Cash Flow Summary (\$ in billions) Full Year

2021

2022

Cash flow from operations \$39.5 **\$37.1**

Capital expenditures \$20.3 **\$23.1**

Free cash flow<sup>1</sup> \$19.3 **\$14.1**

Dividends paid \$10.4 **\$10.8**

## Revenue Summary

### Wireless Service<sup>3</sup>

**\$18.8B**

4Q Y/Y growth 5.9%

**\$74.4B**

Full Year Y/Y growth 8.6%

### Total Consumer

**\$26.8B**

4Q Y/Y growth 4.2%

**\$103.5B**

Full Year Y/Y growth 8.6%

### Total Business

**\$7.9B**

4Q Y/Y growth 1.2%

**\$31.1B**

Full Year Y/Y growth 0.1%

## Q4 Operating Metrics<sup>4</sup>

**416K**

Broadband net additions

Includes 379K Fixed Wireless Access net additions.

**59K**

Fios internet net additions

**143M**

Wireless retail connections

**1.14%**

Wireless retail postpaid churn<sup>5</sup>

**217K**

Wireless postpaid phone net additions<sup>5</sup>

**0.89%**

Wireless retail postpaid phone churn<sup>5</sup>

verizon<sup>v</sup>

## 2023 Guidance

Total wireless service revenue growth <sup>3,6</sup>	▶	2.5% - 4.5%
Adjusted EBITDA <sup>1</sup>	▶	\$47.0B - \$48.5B
Adjusted EPS <sup>1</sup>	▶	\$4.55 - \$4.85
Adjusted effective income tax rate <sup>1</sup>	▶	22.5% - 24.0%
Capital spending	▶	\$18.25B - \$19.25B (including ~\$1.75B for C-Band)

## Well-Positioned to Accelerate Growth

### Service Revenue

- **Network differentiation** attracts highest-quality customer base and leading B2B market share
- **Fixed wireless** to contribute to service revenue from an existing base of **>1.4M subscribers** with growth ahead
- **Segmented & localized approach** to attract, retain, & step-up customers

### EBITDA

- More offers like Welcome Unlimited **reducing expensive subsidies**
- Drive improved Business wireline profitability by **de-emphasizing low-margin revenue**
- **Verizon Global Services** contributing to **\$2B – \$3B of annual savings** by 2025

### Free Cash Flow

- Free cash flow growth has supported a **rising dividend for 16 consecutive years**
- **Capital efficient cash flow growth** as Mobility and FWA leverage the same infrastructure
- Capital spending to **decline >\$5B** from 2022 level to ~\$17B in 2024

<sup>1</sup>Non-GAAP financial measure. <sup>2</sup>Adjusted EPS for the prior year period has been reclassified to conform to current period presentation. <sup>3</sup>Total Wireless service revenue represents the sum of Consumer and Business segments. <sup>4</sup>Metrics reflect an aggregation of Consumer and Business segments' results. <sup>5</sup>At the end of the fourth quarter of 2022, Verizon fully decommissioned its 3G network, as a result of which approximately 909,000 wireless postpaid retail connections, including 392,000 wireless retail postpaid phone connections, were disconnected from its network. 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. <sup>6</sup>Includes a benefit of approximately 190 basis points from the reallocation from Other revenue to Wireless service revenue. This results from a larger allocation of administrative and telco recovery charges which partly recover network operating costs.