

Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 9/30/23	3 Mos. Ended 9/30/22	% Change	9 Mos. Ended 9/30/23	9 Mos. Ended 9/30/22	% Change
Operating Revenues						
Service revenues and other	\$ 27,523	\$ 27,666	(0.5)	\$ 81,994	\$ 81,999	—
Wireless equipment revenues	5,813	6,575	(11.6)	16,850	19,585	(14.0)
Total Operating Revenues	33,336	34,241	(2.6)	98,844	101,584	(2.7)
Operating Expenses						
Cost of services	7,084	7,293	(2.9)	21,148	21,452	(1.4)
Cost of wireless equipment	6,353	7,308	(13.1)	18,557	21,919	(15.3)
Selling, general and administrative expense	7,995	7,422	7.7	23,754	22,090	7.5
Depreciation and amortization expense	4,431	4,324	2.5	13,108	12,881	1.8
Total Operating Expenses	25,863	26,347	(1.8)	76,567	78,342	(2.3)
Operating Income	7,473	7,894	(5.3)	22,277	23,242	(4.2)
Equity in earnings (losses) of unconsolidated businesses	(18)	2	*	(42)	40	*
Other income (expense), net	170	(439)	*	494	(1,314)	*
Interest expense	(1,433)	(937)	52.9	(3,925)	(2,508)	56.5
Income Before Provision For Income Taxes	6,192	6,520	(5.0)	18,804	19,460	(3.4)
Provision for income taxes	(1,308)	(1,496)	(12.6)	(4,136)	(4,410)	(6.2)
Net Income	\$ 4,884	\$ 5,024	(2.8)	\$ 14,668	\$ 15,050	(2.5)
Net income attributable to noncontrolling interests	\$ 122	\$ 124	(1.6)	\$ 349	\$ 371	(5.9)
Net income attributable to Verizon	4,762	4,900	(2.8)	14,319	14,679	(2.5)
Net Income	\$ 4,884	\$ 5,024	(2.8)	\$ 14,668	\$ 15,050	(2.5)
Basic Earnings Per Common Share						
Net income attributable to Verizon	\$ 1.13	\$ 1.17	(3.4)	\$ 3.40	\$ 3.49	(2.6)
<i>Weighted-average shares outstanding (in millions)</i>	4,213	4,202		4,209	4,201	
Diluted Earnings Per Common Share ⁽¹⁾						
Net income attributable to Verizon	\$ 1.13	\$ 1.17	(3.4)	\$ 3.40	\$ 3.49	(2.6)
<i>Weighted-average shares outstanding (in millions)</i>	4,216	4,204		4,214	4,203	

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	9/30/23	12/31/22	\$ Change
Assets			
Current assets			
Cash and cash equivalents	\$ 4,210	\$ 2,605	\$ 1,605
Accounts receivable	24,559	25,332	(773)
Less Allowance for credit losses	957	826	131
Accounts receivable, net	23,602	24,506	(904)
Inventories	2,240	2,388	(148)
Prepaid expenses and other	8,067	8,358	(291)
Total current assets	38,119	37,857	262
Property, plant and equipment			
Property, plant and equipment	316,767	307,689	9,078
Less Accumulated depreciation	209,277	200,255	9,022
Property, plant and equipment, net	107,490	107,434	56
Investments in unconsolidated businesses	929	1,071	(142)
Wireless licenses	155,465	149,796	5,669
Goodwill	28,642	28,671	(29)
Other intangible assets, net	10,952	11,461	(509)
Operating lease right-of-use assets	25,086	26,130	(1,044)
Other assets	18,147	17,260	887
Total assets	\$ 384,830	\$ 379,680	\$ 5,150
Liabilities and Equity			
Current liabilities			
Debt maturing within one year	\$ 12,950	\$ 9,963	\$ 2,987
Accounts payable and accrued liabilities	26,140	23,977	2,163
Current operating lease liabilities	3,906	4,134	(228)
Other current liabilities	12,681	12,097	584
Total current liabilities	55,677	50,171	5,506
Long-term debt			
Long-term debt	134,441	140,676	(6,235)
Employee benefit obligations	12,226	12,974	(748)
Deferred income taxes	44,434	43,441	993
Non-current operating lease liabilities	20,773	21,558	(785)
Other liabilities	18,191	18,397	(206)
Total long-term liabilities	230,065	237,046	(6,981)
Equity			
Common stock	429	429	—
Additional paid in capital	13,524	13,420	104
Retained earnings	88,416	82,380	6,036
Accumulated other comprehensive loss	(1,428)	(1,865)	437
Common stock in treasury, at cost	(3,828)	(4,013)	185
Deferred compensation – employee stock ownership plans and other	628	793	(165)
Noncontrolling interests	1,347	1,319	28
Total equity	99,088	92,463	6,625
Total liabilities and equity	\$ 384,830	\$ 379,680	\$ 5,150

Consolidated - Selected Financial and Operating Statistics

(dollars in millions, except per share amounts)

Unaudited	9/30/23	12/31/22
Total debt	\$ 147,391	\$ 150,639
Unsecured debt	\$ 126,440	\$ 130,631
Net unsecured debt ⁽¹⁾	\$ 122,230	\$ 128,026
Unsecured debt / Consolidated Net Income (LTM)	5.9x	6.0x
Net unsecured debt / Consolidated Adjusted EBITDA ⁽¹⁾⁽²⁾	2.6x	2.7x
Common shares outstanding end of period (in millions)	4,204	4,200
Total employees ('000)	110.5	117.1
Quarterly cash dividends declared per common share	\$ 0.6650	\$ 0.6525

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	9 Mos. Ended 9/30/23	9 Mos. Ended 9/30/22	\$ Change
Cash Flows from Operating Activities			
Net Income	\$ 14,668	\$ 15,050	\$ (382)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	13,108	12,881	227
Employee retirement benefits	161	479	(318)
Deferred income taxes	822	1,595	(773)
Provision for expected credit losses	1,596	1,048	548
Equity in losses (earnings) of unconsolidated businesses, net of dividends received	69	(13)	82
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	972	(458)	1,430
Other, net	(2,598)	(2,383)	(215)
Net cash provided by operating activities	<u>28,798</u>	<u>28,199</u>	<u>599</u>
Cash Flows from Investing Activities			
Capital expenditures (including capitalized software)	(14,164)	(15,811)	1,647
Cash received related to acquisitions of businesses, net	—	248	(248)
Acquisitions of wireless licenses	(1,859)	(2,890)	1,031
Collateral receipts (payments) related to derivative contracts, net	162	(4,857)	5,019
Proceeds from disposition of business	—	33	(33)
Other, net	253	(43)	296
Net cash used in investing activities	<u>(15,608)</u>	<u>(23,320)</u>	<u>7,712</u>
Cash Flows from Financing Activities			
Proceeds from long-term borrowings	1,999	4,605	(2,606)
Proceeds from asset-backed long-term borrowings	4,656	5,939	(1,283)
Net proceeds from short-term commercial paper	333	4,514	(4,181)
Repayments of long-term borrowings and finance lease obligations	(5,568)	(8,001)	2,433
Repayments of asset-backed long-term borrowings	(3,729)	(3,647)	(82)
Dividends paid	(8,231)	(8,066)	(165)
Other, net	(1,101)	(797)	(304)
Net cash used in financing activities	<u>(11,641)</u>	<u>(5,453)</u>	<u>(6,188)</u>
Increase (decrease) in cash, cash equivalents and restricted cash	1,549	(574)	2,123
Cash, cash equivalents and restricted cash, beginning of period	4,111	4,161	(50)
Cash, cash equivalents and restricted cash, end of period	<u>\$ 5,660</u>	<u>\$ 3,587</u>	<u>\$ 2,073</u>

Consumer - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 9/30/23	3 Mos. Ended 9/30/22	% Change	9 Mos. Ended 9/30/23	9 Mos. Ended 9/30/22	% Change
Operating Revenues						
Service	\$ 18,850	\$ 18,421	2.3	\$ 55,947	\$ 54,696	2.3
Wireless equipment	4,902	5,558	(11.8)	14,210	16,640	(14.6)
Other	1,505	1,861	(19.1)	4,515	5,400	(16.4)
Total Operating Revenues	25,257	25,840	(2.3)	74,672	76,736	(2.7)
Operating Expenses						
Cost of services	4,419	4,566	(3.2)	13,218	13,296	(0.6)
Cost of wireless equipment	5,133	5,963	(13.9)	14,950	17,997	(16.9)
Selling, general and administrative expense	4,886	4,730	3.3	14,795	14,020	5.5
Depreciation and amortization expense	3,272	3,232	1.2	9,733	9,605	1.3
Total Operating Expenses	17,710	18,491	(4.2)	52,696	54,918	(4.0)
Operating Income	\$ 7,547	\$ 7,349	2.7	\$ 21,976	\$ 21,818	0.7
Operating Income Margin	29.9 %	28.4 %		29.4 %	28.4 %	
Segment EBITDA⁽¹⁾	\$ 10,819	\$ 10,581	2.2	\$ 31,709	\$ 31,423	0.9
Segment EBITDA Margin⁽¹⁾	42.8 %	40.9 %		42.5 %	40.9 %	

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	9/30/23	9/30/22	% Change
Connections ('000):			
Wireless retail postpaid	92,704	91,478	1.3
Wireless retail prepaid	21,420	23,076	(7.2)
Total wireless retail	114,124	114,554	(0.4)
Wireless retail postpaid phones	74,407	74,997	(0.8)
Fios video	3,013	3,314	(9.1)
Fios internet	6,923	6,684	3.6
Fixed wireless access (FWA) broadband	1,641	621	*
Wireline broadband	7,151	6,976	2.5
Total broadband	8,792	7,597	15.7

Unaudited	3 Mos. Ended 9/30/23	3 Mos. Ended 9/30/22	% Change	9 Mos. Ended 9/30/23	9 Mos. Ended 9/30/22	% Change
Gross Additions ('000):						
Wireless retail postpaid	3,152	3,045	3.5	9,290	8,148	14.0
Net Additions Detail ('000):						
Wireless retail postpaid	251	28	*	876	(14)	*
Wireless retail prepaid	(207)	39	*	(862)	(270)	*
Total wireless retail	44	67	(34.3)	14	(284)	*
Wireless retail postpaid phones	(51)	(189)	73.0	(450)	(696)	35.3
Fios video	(78)	(95)	17.9	(221)	(259)	14.7
Fios internet	69	58	19.0	183	143	28.0
FWA broadband	251	234	7.3	758	514	47.5
Wireline broadband	53	38	39.5	135	88	53.4
Total broadband	304	272	11.8	893	602	48.3

Churn Rate:					
Wireless retail postpaid	1.04 %	1.10 %		1.01 %	0.99 %
Wireless retail postpaid phones	0.85 %	0.88 %		0.82 %	0.80 %
Wireless retail prepaid	4.39 %	3.90 %		4.31 %	3.83 %
Wireless retail	1.68 %	1.66 %		1.65 %	1.57 %

Revenue Statistics (in millions):										
Wireless service revenue	\$	15,963	\$	15,517	2.9	\$	47,324	\$	45,970	2.9
Fios revenues	\$	2,897	\$	2,902	(0.2)	\$	8,672	\$	8,708	(0.4)

Consumer - Selected Operating Statistics (continued)

Unaudited	3 Mos. Ended 9/30/23	3 Mos. Ended 9/30/22	% Change	9 Mos. Ended 9/30/23	9 Mos. Ended 9/30/22	% Change
Other Wireless Statistics:						
Wireless retail postpaid ARPA ⁽¹⁾	\$ 133.47	\$ 127.76	4.5	\$ 131.79	\$ 125.29	5.2
Wireless retail postpaid upgrade rate	3.6 %	5.1 %				
Wireless retail postpaid accounts ('000) ⁽²⁾				32,938	33,251	(0.9)
Wireless retail postpaid connections per account ⁽²⁾				2.81	2.75	2.2
Wireless retail prepaid ARPU ⁽³⁾	\$ 31.87	\$ 31.18	2.2	\$ 31.32	\$ 31.11	0.7

Footnotes:

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

(2) Statistics presented as of end of period.

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

Where applicable, the operating results reflect certain adjustments, including those related to the 3G network shutdowns, migration activity among different types of devices and plans, customer profile changes, and adjustments in connection with mergers, acquisitions and divestitures.

Certain intersegment transactions with corporate entities have not been eliminated.

* Not meaningful

Business - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 9/30/23	3 Mos. Ended 9/30/22	% Change	9 Mos. Ended 9/30/23	9 Mos. Ended 9/30/22	% Change
Operating Revenues						
Enterprise and Public Sector	\$ 3,787	\$ 3,940	(3.9)	\$ 11,358	\$ 11,785	(3.6)
Business Markets and Other	3,184	3,236	(1.6)	9,397	9,442	(0.5)
Wholesale	556	661	(15.9)	1,749	1,945	(10.1)
Total Operating Revenues	7,527	7,837	(4.0)	22,504	23,172	(2.9)
Operating Expenses						
Cost of services	2,536	2,653	(4.4)	7,661	7,818	(2.0)
Cost of wireless equipment	1,220	1,344	(9.2)	3,606	3,922	(8.1)
Selling, general and administrative expense	2,105	2,063	2.0	6,290	6,172	1.9
Depreciation and amortization expense	1,127	1,079	4.4	3,324	3,214	3.4
Total Operating Expenses	6,988	7,139	(2.1)	20,881	21,126	(1.2)
Operating Income	\$ 539	\$ 698	(22.8)	\$ 1,623	\$ 2,046	(20.7)
Operating Income Margin	7.2 %	8.9 %		7.2 %	8.8 %	
Segment EBITDA⁽¹⁾	\$ 1,666	\$ 1,777	(6.2)	\$ 4,947	\$ 5,260	(6.0)
Segment EBITDA Margin⁽¹⁾	22.1 %	22.7 %		22.0 %	22.7 %	

Footnotes:

(1) Non-GAAP financial measure.

Our Business segment's wireless and wireline products and services are organized by the primary customer groups targeted by these offerings. During the first quarter of 2023, Verizon reorganized the customer groups within its Business segment. Previously, this segment was comprised of four customer groups: Small and Medium Business, Global Enterprise, Public Sector and Other, and Wholesale. Following the reorganization, there are now three customer groups: Enterprise and Public Sector, Business Markets and Other, and Wholesale. Enterprise and Public Sector combines the customers previously included in Global Enterprise and Public Sector and Other (excluding BlueJeans and Connect customers) as well as the commercial wireline customers previously included in Small and Medium Business. Business Markets and Other combines the customers previously included in Small and Medium Business (excluding commercial wireline customers), the BlueJeans customers previously included in Global Enterprise and Public Sector and Other, and the Connect customers previously included in Public Sector and Other. The Wholesale customer group remained unchanged. Prior period operating revenue results within the Business segment have been recast for these reorganized customer groups. There was no change to the composition of our reportable segments and total segment results, nor the determination of segment profit.

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	9/30/23	9/30/22	% Change
Connections ('000):			
Wireless retail postpaid	29,455	28,584	3.0
Wireless retail postpaid phones	18,019	17,795	1.3
Fios video	63	69	(8.7)
Fios internet	383	370	3.5
FWA broadband	1,038	442	*
Wireline broadband	461	471	(2.1)
Total broadband	1,499	913	64.2

Unaudited	3 Mos. Ended 9/30/23	3 Mos. Ended 9/30/22	% Change	9 Mos. Ended 9/30/23	9 Mos. Ended 9/30/22	% Change
Gross Additions ('000):						
Wireless retail postpaid	1,618	1,566	3.3	4,815	4,650	3.5
Net Additions Detail ('000):						
Wireless retail postpaid	330	360	(8.3)	950	1,185	(19.8)
Wireless retail postpaid phones	151	197	(23.4)	431	680	(36.6)
Fios video	(1)	(1)	—	(4)	(2)	*
Fios internet	3	3	—	10	14	(28.6)
FWA broadband	133	108	23.1	403	278	45.0
Wireline broadband	(3)	(3)	—	(7)	(6)	(16.7)
Total broadband	130	105	23.8	396	272	45.6

Churn Rate:						
Wireless retail postpaid	1.47 %	1.42 %		1.48 %	1.38 %	
Wireless retail postpaid phones	1.14 %	1.10 %		1.13 %	1.08 %	

Revenue Statistics (in millions):						
Wireless service revenue	\$ 3,367	\$ 3,273	2.9	\$ 10,008	\$ 9,580	4.5
Fios revenues	\$ 308	\$ 304	1.3	\$ 923	\$ 897	2.9

Other Operating Statistics:						
Wireless retail postpaid upgrade rate	2.9 %	3.3 %				

Footnotes:

Where applicable, the operating results reflect certain adjustments, including those related to the 3G network shutdowns, migration activity among different types of devices and plans, customer profile changes, and adjustments in connection with mergers, acquisitions and divestitures.

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	9/30/23	9/30/22	% Change
Connections ('000)			
Retail postpaid	122,159	120,062	1.7
Retail prepaid	21,420	23,076	(7.2)
Total retail	143,579	143,138	0.3
Retail postpaid phones	92,426	92,792	(0.4)

Unaudited	3 Mos. Ended 9/30/23	3 Mos. Ended 9/30/22	% Change	9 Mos. Ended 9/30/23	9 Mos. Ended 9/30/22	% Change
Net Additions Detail ('000)						
Retail postpaid phones	100	8	*	(19)	(16)	*
Retail postpaid	581	388	49.7	1,826	1,171	55.9
Retail prepaid	(207)	39	*	(862)	(270)	*
Total retail	374	427	(12.4)	964	901	7.0

Account Statistics							
Retail postpaid accounts ('000) ⁽¹⁾				34,855	35,034	(0.5)	
Retail postpaid connections per account ⁽¹⁾				3.50	3.43	2.0	
Retail postpaid ARPA ⁽²⁾	\$ 156.13	\$ 149.82	4.2	\$ 154.30	\$ 146.73	5.2	
Retail prepaid ARPU ⁽³⁾	\$ 31.87	\$ 31.18	2.2	\$ 31.32	\$ 31.11	0.7	

Churn Detail					
Retail postpaid phone	0.90 %	0.92 %		0.88 %	0.85 %
Retail postpaid	1.15 %	1.17 %		1.12 %	1.08 %
Retail prepaid	4.39 %	3.90 %		4.31 %	3.83 %
Retail	1.63 %	1.62 %		1.61 %	1.53 %

Retail Postpaid Connection Statistics			
Upgrade rate	3.4 %	4.7 %	

Revenue Statistics (in millions) ⁽⁴⁾							
Wireless service	\$ 19,330	\$ 18,790	2.9	\$ 57,332	\$ 55,550	3.2	
Wireless equipment	5,813	6,575	(11.6)	16,850	19,585	(14.0)	
Wireless other	1,507	1,922	(21.6)	4,508	5,540	(18.6)	
Total Wireless	\$ 26,650	\$ 27,287	(2.3)	\$ 78,690	\$ 80,675	(2.5)	

Footnotes:

- (1) Statistics presented as of end of period.
- (2) Wireless retail postpaid ARPA - average service revenue per account from retail postpaid accounts.
- (3) Wireless retail prepaid ARPU - average service revenue per unit from retail prepaid connections.
- (4) Intersegment transactions between Consumer or Business segment with corporate entities have not been eliminated.

Where applicable, the operating results reflect certain adjustments, including those related to the 3G network shutdowns, migration activity among different types of devices and plans, customer profile changes, and adjustments in connection with mergers, acquisitions and divestitures.

* Not meaningful