

Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 12/31/23	3 Mos. Ended 12/31/22	% Change	12 Mos. Ended 12/31/23	12 Mos. Ended 12/31/22	% Change
Operating Revenues						
Service revenues and other	\$ 27,658	\$ 27,626	0.1	\$ 109,652	\$ 109,625	—
Wireless equipment revenues	7,472	7,625	(2.0)	24,322	27,210	(10.6)
Total Operating Revenues	35,130	35,251	(0.3)	133,974	136,835	(2.1)
Operating Expenses						
Cost of services	6,952	7,185	(3.2)	28,100	28,637	(1.9)
Cost of wireless equipment	8,230	8,577	(4.0)	26,787	30,496	(12.2)
Selling, general and administrative expense	8,991	8,046	11.7	32,745	30,136	8.7
Depreciation and amortization expense	4,516	4,218	7.1	17,624	17,099	3.1
Verizon Business Group goodwill impairment	5,841	—	*	5,841	—	*
Total Operating Expenses	34,530	28,026	23.2	111,097	106,368	4.4
Operating Income	600	7,225	(91.7)	22,877	30,467	(24.9)
Equity in earnings (losses) of unconsolidated businesses	(11)	4	*	(53)	44	*
Other income (expense), net	(807)	2,687	*	(313)	1,373	*
Interest expense	(1,599)	(1,105)	44.7	(5,524)	(3,613)	52.9
Income (Loss) Before Provision For Income Taxes	(1,817)	8,811	*	16,987	28,271	(39.9)
Provision for income taxes	(756)	(2,113)	(64.2)	(4,892)	(6,523)	(25.0)
Net Income (Loss)	\$ (2,573)	\$ 6,698	*	\$ 12,095	\$ 21,748	(44.4)
Net income attributable to noncontrolling interests	\$ 132	\$ 121	9.1	\$ 481	\$ 492	(2.2)
Net income (loss) attributable to Verizon	(2,705)	6,577	*	11,614	21,256	(45.4)
Net Income (Loss)	\$ (2,573)	\$ 6,698	*	\$ 12,095	\$ 21,748	(44.4)
Basic Earnings Per Common Share						
Net income (loss) attributable to Verizon	\$ (0.64)	\$ 1.56	*	\$ 2.76	\$ 5.06	(45.5)
Weighted-average shares outstanding (in millions)	4,214	4,204		4,211	4,202	
Diluted Earnings Per Common Share ⁽¹⁾						
Net income (loss) attributable to Verizon	\$ (0.64)	\$ 1.56	*	\$ 2.75	\$ 5.06	(45.7)
Weighted-average shares outstanding (in millions)	4,214	4,207		4,215	4,204	

Footnotes:

(1) Where applicable, 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	12/31/23	12/31/22	\$ Change
Assets			
Current assets			
Cash and cash equivalents	\$ 2,065	\$ 2,605	\$ (540)
Accounts receivable	26,102	25,332	770
Less Allowance for credit losses	1,017	826	191
Accounts receivable, net	25,085	24,506	579
Inventories	2,057	2,388	(331)
Prepaid expenses and other	7,607	8,358	(751)
Total current assets	36,814	37,857	(1,043)
Property, plant and equipment			
Property, plant and equipment	320,108	307,689	12,419
Less Accumulated depreciation	211,798	200,255	11,543
Property, plant and equipment, net	108,310	107,434	876
Investments in unconsolidated businesses	953	1,071	(118)
Wireless licenses	155,667	149,796	5,871
Goodwill	22,843	28,671	(5,828)
Other intangible assets, net	11,057	11,461	(404)
Operating lease right-of-use assets	24,726	26,130	(1,404)
Other assets	19,885	17,260	2,625
Total assets	\$ 380,255	\$ 379,680	\$ 575
Liabilities and Equity			
Current liabilities			
Debt maturing within one year	\$ 12,973	\$ 9,963	\$ 3,010
Accounts payable and accrued liabilities	23,453	23,977	(524)
Current operating lease liabilities	4,266	4,134	132
Other current liabilities	12,531	12,097	434
Total current liabilities	53,223	50,171	3,052
Long-term debt			
Long-term debt	137,701	140,676	(2,975)
Employee benefit obligations	13,189	12,974	215
Deferred income taxes	45,781	43,441	2,340
Non-current operating lease liabilities	20,002	21,558	(1,556)
Other liabilities	16,560	18,397	(1,837)
Total long-term liabilities	233,233	237,046	(3,813)
Equity			
Common stock	429	429	—
Additional paid in capital	13,631	13,420	211
Retained earnings	82,915	82,380	535
Accumulated other comprehensive loss	(1,380)	(1,865)	485
Common stock in treasury, at cost	(3,821)	(4,013)	192
Deferred compensation – employee stock ownership plans and other	656	793	(137)
Noncontrolling interests	1,369	1,319	50
Total equity	93,799	92,463	1,336
Total liabilities and equity	\$ 380,255	\$ 379,680	\$ 575

Consolidated - Selected Financial and Operating Statistics

(dollars in millions, except per share amounts)

Unaudited	12/31/23	12/31/22
Total debt	\$ 150,674	\$ 150,639
Unsecured debt	\$ 128,491	\$ 130,631
Net unsecured debt ⁽¹⁾	\$ 126,426	\$ 128,026
Unsecured debt / Consolidated Net Income (LTM)	10.6x	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)	105.4	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	12 Mos. Ended 12/31/23	12 Mos. Ended 12/31/22	\$ Change
Cash Flows from Operating Activities			
Net Income	\$ 12,095	\$ 21,748	\$ (9,653)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	17,624	17,099	525
Employee retirement benefits	1,206	(2,046)	3,252
Deferred income taxes	2,388	2,973	(585)
Provision for expected credit losses	2,214	1,611	603
Equity in losses (earnings) of unconsolidated businesses, net of dividends received	84	(10)	94
Verizon Business Group goodwill impairment	5,841	—	5,841
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(267)	(456)	189
Other, net	(3,710)	(3,778)	68
Net cash provided by operating activities	<u>37,475</u>	<u>37,141</u>	<u>334</u>
Cash Flows from Investing Activities			
Capital expenditures (including capitalized software)	(18,767)	(23,087)	4,320
Cash received (paid) related to acquisitions of businesses, net of cash acquired	(30)	248	(278)
Acquisitions of wireless licenses	(5,796)	(3,653)	(2,143)
Collateral receipts (payments) related to derivative contracts, net	880	(2,265)	3,145
Proceeds from disposition of business	—	33	(33)
Other, net	281	62	219
Net cash used in investing activities	<u>(23,432)</u>	<u>(28,662)</u>	<u>5,230</u>
Cash Flows from Financing Activities			
Proceeds from long-term borrowings	2,018	7,074	(5,056)
Proceeds from asset-backed long-term borrowings	6,594	10,732	(4,138)
Net proceeds from (repayments of) short-term commercial paper	(150)	106	(256)
Repayments of long-term borrowings and finance lease obligations	(6,181)	(8,616)	2,435
Repayments of asset-backed long-term borrowings	(4,443)	(4,948)	505
Dividends paid	(11,025)	(10,805)	(220)
Other, net	(1,470)	(2,072)	602
Net cash used in financing activities	<u>(14,657)</u>	<u>(8,529)</u>	<u>(6,128)</u>
Decrease in cash, cash equivalents and restricted cash	(614)	(50)	(564)
Cash, cash equivalents and restricted cash, beginning of period	4,111	4,161	(50)
Cash, cash equivalents and restricted cash, end of period	<u>\$ 3,497</u>	<u>\$ 4,111</u>	<u>\$ (614)</u>

Consumer - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 12/31/23	3 Mos. Ended 12/31/22	% Change	12 Mos. Ended 12/31/23	12 Mos. Ended 12/31/22	% Change
Operating Revenues						
Service	\$ 18,927	\$ 18,443	2.6	\$ 74,874	\$ 73,139	2.4
Wireless equipment	6,435	6,528	(1.4)	20,645	23,168	(10.9)
Other	1,592	1,799	(11.5)	6,107	7,199	(15.2)
Total Operating Revenues	26,954	26,770	0.7	101,626	103,506	(1.8)
Operating Expenses						
Cost of services	4,362	4,450	(2.0)	17,580	17,746	(0.9)
Cost of wireless equipment	6,877	7,137	(3.6)	21,827	25,134	(13.2)
Selling, general and administrative expense	5,336	5,044	5.8	20,131	19,064	5.6
Depreciation and amortization expense	3,344	3,111	7.5	13,077	12,716	2.8
Total Operating Expenses	19,919	19,742	0.9	72,615	74,660	(2.7)
Operating Income	\$ 7,035	\$ 7,028	0.1	\$ 29,011	\$ 28,846	0.6
Operating Income Margin	26.1 %	26.3 %		28.5 %	27.9 %	
Segment EBITDA⁽¹⁾	\$ 10,379	\$ 10,139	2.4	\$ 42,088	\$ 41,562	1.3
Segment EBITDA Margin⁽¹⁾	38.5 %	37.9 %		41.4 %	40.2 %	

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.

Consumer - Selected Operating Statistics

Unaudited	12/31/23	12/31/22	% Change
Connections ('000):			
Wireless retail postpaid	93,850	91,856	2.2
Wireless retail prepaid	21,122	22,664	(6.8)
Total wireless retail	114,972	114,520	0.4
Wireless retail postpaid phones	74,720	74,857	(0.2)
Fios video	2,951	3,234	(8.8)
Fios internet	6,976	6,740	3.5
Fixed wireless access (FWA) broadband	1,866	884	*
Wireline broadband	7,190	7,016	2.5
Total broadband	9,056	7,900	14.6

Unaudited	3 Mos. Ended 12/31/23	3 Mos. Ended 12/31/22	% Change	12 Mos. Ended 12/31/23	12 Mos. Ended 12/31/22	% Change
Gross Additions ('000):						
Wireless retail postpaid	4,185	3,889	7.6	13,475	12,037	11.9
Net Additions Detail ('000):						
Wireless retail postpaid	1,168	979	19.3	2,044	965	*
Wireless retail prepaid	(289)	(175)	(65.1)	(1,151)	(445)	*
Total wireless retail	879	804	9.3	893	520	71.7
Wireless retail postpaid phones	318	41	*	(132)	(655)	79.8
Fios video	(62)	(80)	22.5	(283)	(339)	16.5
Fios internet	53	56	(5.4)	236	199	18.6
FWA broadband	231	262	(11.8)	989	776	27.4
Wireline broadband	39	40	(2.5)	174	128	35.9
Total broadband	270	302	(10.6)	1,163	904	28.7
Churn Rate:						
Wireless retail postpaid	1.08 %	1.06 %		1.03 %	1.01 %	
Wireless retail postpaid phones	0.88 %	0.86 %		0.83 %	0.81 %	
Wireless retail prepaid	4.55 %	4.90 %		4.37 %	4.09 %	
Wireless retail	1.73 %	1.83 %		1.67 %	1.63 %	
Revenue Statistics (in millions):						
Wireless service revenue	\$ 16,034	\$ 15,539	3.2	\$ 63,358	\$ 61,509	3.0
Fios revenues	\$ 2,942	\$ 2,914	1.0	\$ 11,614	\$ 11,622	(0.1)

Consumer - Selected Operating Statistics (continued)

Unaudited	3 Mos. Ended 12/31/23	3 Mos. Ended 12/31/22	% Change	12 Mos. Ended 12/31/23	12 Mos. Ended 12/31/22	% Change
Other Wireless Statistics:						
Wireless retail postpaid ARPA ⁽¹⁾	\$ 134.10	\$ 128.02	4.7	\$ 132.36	\$ 125.97	5.1
Wireless retail postpaid upgrade rate	4.4 %	5.6 %				
Wireless retail postpaid accounts ('000) ⁽²⁾				32,990	33,183	(0.6)
Wireless retail postpaid connections per account ⁽²⁾				2.84	2.77	2.5
Wireless retail prepaid ARPU ⁽³⁾	\$ 31.87	\$ 31.53	1.1	\$ 31.46	\$ 31.21	0.8

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 12/31/23	3 Mos. Ended 12/31/22	% Change	12 Mos. Ended 12/31/23	12 Mos. Ended 12/31/22	% Change
Operating Revenues						
Enterprise and Public Sector	\$ 3,718	\$ 3,908	(4.9)	\$ 15,076	\$ 15,693	(3.9)
Business Markets and Other	3,318	3,330	(0.4)	12,715	12,772	(0.4)
Wholesale	582	662	(12.1)	2,331	2,607	(10.6)
Total Operating Revenues	7,618	7,900	(3.6)	30,122	31,072	(3.1)
Operating Expenses						
Cost of services	2,519	2,665	(5.5)	10,180	10,483	(2.9)
Cost of wireless equipment	1,353	1,440	(6.0)	4,959	5,362	(7.5)
Selling, general and administrative expense	2,139	2,112	1.3	8,429	8,284	1.8
Depreciation and amortization expense	1,164	1,098	6.0	4,488	4,312	4.1
Total Operating Expenses	7,175	7,315	(1.9)	28,056	28,441	(1.4)
Operating Income	\$ 443	\$ 585	(24.3)	\$ 2,066	\$ 2,631	(21.5)
Operating Income Margin	5.8 %	7.4 %		6.9 %	8.5 %	
Segment EBITDA⁽¹⁾	\$ 1,607	\$ 1,683	(4.5)	\$ 6,554	\$ 6,943	(5.6)
Segment EBITDA Margin⁽¹⁾	21.1 %	21.3 %		21.8 %	22.3 %	

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			12/31/23	12/31/22	% Change	
Connections ('000):						
Wireless retail postpaid			29,779	28,733	3.6	
Wireless retail postpaid phones			18,170	17,782	2.2	
Fios video			61	67	(9.0)	
Fios internet			385	373	3.2	
FWA broadband			1,201	568	*	
Wireline broadband			460	468	(1.7)	
Total broadband			1,661	1,036	60.3	
Unaudited	3 Mos. Ended 12/31/23	3 Mos. Ended 12/31/22	% Change	12 Mos. Ended 12/31/23	12 Mos. Ended 12/31/22	% Change
Gross Additions ('000):						
Wireless retail postpaid	1,605	1,644	(2.4)	6,420	6,294	2.0
Net Additions Detail ('000):						
Wireless retail postpaid	292	455	(35.8)	1,242	1,640	(24.3)
Wireless retail postpaid phones	131	176	(25.6)	562	856	(34.3)
Fios video	(2)	(2)	—	(6)	(4)	(50.0)
Fios internet	2	3	(33.3)	12	17	(29.4)
FWA broadband	144	117	23.1	547	395	38.5
Wireline broadband	(1)	(3)	66.7	(8)	(9)	11.1
Total broadband	143	114	25.4	539	386	39.6
Churn Rate:						
Wireless retail postpaid	1.48 %	1.38 %		1.48 %	1.38 %	
Wireless retail postpaid phones	1.12 %	1.06 %		1.13 %	1.07 %	
Revenue Statistics (in millions):						
Wireless service revenue	\$ 3,364	\$ 3,265	3.0	\$ 13,372	\$ 12,845	4.1
Fios revenues	\$ 312	\$ 304	2.6	\$ 1,235	\$ 1,201	2.8
Other Operating Statistics:						
Wireless retail postpaid upgrade rate	3.1 %	3.6 %				

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	12/31/23	12/31/22	% Change
Connections ('000)			
Retail postpaid	123,629	120,589	2.5
Retail prepaid	21,122	22,664	(6.8)
Total retail	144,751	143,253	1.0
Retail postpaid phones	92,890	92,639	0.3

Unaudited	3 Mos. Ended 12/31/23	3 Mos. Ended 12/31/22	% Change	12 Mos. Ended 12/31/23	12 Mos. Ended 12/31/22	% Change
Net Additions Detail ('000)						
Retail postpaid phones	449	217	*	430	201	*
Retail postpaid	1,460	1,434	1.8	3,286	2,605	26.1
Retail prepaid	(289)	(175)	(65.1)	(1,151)	(445)	*
Total retail	1,171	1,259	(7.0)	2,135	2,160	(1.2)

Account Statistics						
Retail postpaid accounts ('000) ⁽¹⁾				34,958	35,002	(0.1)
Retail postpaid connections per account ⁽¹⁾				3.54	3.45	2.6
Retail postpaid ARPA ⁽²⁾	\$ 156.48	\$ 149.95	4.4	\$ 154.84	\$ 147.53	5.0
Retail prepaid ARPU ⁽³⁾	\$ 31.87	\$ 31.53	1.1	\$ 31.46	\$ 31.21	0.8

Churn Detail					
Retail postpaid phone	0.93 %	0.89 %		0.89 %	0.86 %
Retail postpaid	1.18 %	1.14 %		1.14 %	1.10 %
Retail prepaid	4.55 %	4.90 %		4.37 %	4.09 %
Retail	1.67 %	1.74 %		1.63 %	1.58 %

Retail Postpaid Connection Statistics		
Upgrade rate	4.1 %	5.1 %

Revenue Statistics (in millions) ⁽⁴⁾						
Wireless service	\$ 19,398	\$ 18,804	3.2	\$ 76,730	\$ 74,354	3.2
Wireless equipment	7,472	7,625	(2.0)	24,322	27,210	(10.6)
Wireless other	1,575	1,851	(14.9)	6,083	7,391	(17.7)
Total Wireless	\$ 28,445	\$ 28,280	0.6	\$ 107,135	\$ 108,955	(1.7)

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