

Financial and Operating Information

As of March 31, 2024

verizon

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Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	2022		2023				2024		
	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	Year to date	
Operating Revenues									
Service revenues and other	\$ 109,625	\$ 27,152	\$ 27,319	\$ 27,523	\$ 27,658	\$ 109,652	\$ 27,620	\$ 27,620	
Wireless equipment revenues	27,210	5,760	5,277	5,813	7,472	24,322	5,361	5,361	
Total Operating Revenues	136,835	32,912	32,596	33,336	35,130	133,974	32,981	32,981	
Operating Expenses									
Cost of services	28,637	7,078	6,986	7,084	6,952	28,100	6,967	6,967	
Cost of wireless equipment	30,496	6,426	5,778	6,353	8,230	26,787	5,905	5,905	
Selling, general and administrative expense	30,136	7,506	8,253	7,995	8,991	32,745	8,143	8,143	
Depreciation and amortization expense	17,099	4,318	4,359	4,431	4,516	17,624	4,445	4,445	
Verizon Business Group goodwill impairment	—	—	—	—	5,841	5,841	—	—	
Total Operating Expenses	106,368	25,328	25,376	25,863	34,530	111,097	25,460	25,460	
Operating Income	30,467	7,584	7,220	7,473	600	22,877	7,521	7,521	
Equity in earnings (losses) of unconsolidated businesses	44	9	(33)	(18)	(11)	(53)	(9)	(9)	
Other income (expense), net	1,373	114	210	170	(807)	(313)	198	198	
Interest expense	(3,613)	(1,207)	(1,285)	(1,433)	(1,599)	(5,524)	(1,635)	(1,635)	
Income (Loss) Before Provision For Income Taxes	28,271	6,500	6,112	6,192	(1,817)	16,987	6,075	6,075	
Provision for income taxes	(6,523)	(1,482)	(1,346)	(1,308)	(756)	(4,892)	(1,353)	(1,353)	
Net Income (Loss)	\$ 21,748	\$ 5,018	\$ 4,766	\$ 4,884	\$ (2,573)	\$ 12,095	\$ 4,722	\$ 4,722	
Net income attributable to noncontrolling interests	\$ 492	\$ 109	\$ 118	\$ 122	\$ 132	\$ 481	\$ 120	\$ 120	
Net income (loss) attributable to Verizon	21,256	4,909	4,648	4,762	(2,705)	11,614	4,602	4,602	
Net Income (Loss)	\$ 21,748	\$ 5,018	\$ 4,766	\$ 4,884	\$ (2,573)	\$ 12,095	\$ 4,722	\$ 4,722	
Basic Earnings Per Common Share									
Net income (loss) attributable to Verizon	\$ 5.06	\$ 1.17	\$ 1.10	\$ 1.13	\$ (0.64)	\$ 2.76	\$ 1.09	\$ 1.09	
<i>Weighted-average shares outstanding (in millions)</i>	4,202	4,207	4,208	4,213	4,214	4,211	4,215	4,215	
Diluted Earnings Per Common Share⁽¹⁾									
Net income (loss) attributable to Verizon	\$ 5.06	\$ 1.17	\$ 1.10	\$ 1.13	\$ (0.64)	\$ 2.75	\$ 1.09	\$ 1.09	
<i>Weighted-average shares outstanding (in millions)</i>	4,204	4,211	4,213	4,216	4,214	4,215	4,219	4,219	

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.

EPS may not add due to rounding.

Condensed Consolidated Balance Sheets

(dollars in millions)

Unaudited	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Assets						
Current assets						
Cash and cash equivalents	\$ 2,605	\$ 2,234	\$ 4,803	\$ 4,210	\$ 2,065	\$ 2,365
Accounts receivable	25,332	23,748	24,108	24,559	26,102	26,380
Less Allowance for credit losses	826	892	922	957	1,017	1,061
Accounts receivable, net	24,506	22,856	23,186	23,602	25,085	25,319
Inventories	2,388	2,381	1,896	2,240	2,057	2,076
Prepaid expenses and other	8,358	8,251	7,503	8,067	7,607	8,197
Total current assets	37,857	35,722	37,388	38,119	36,814	37,957
Property, plant and equipment	307,689	310,519	313,424	316,767	320,108	322,266
Less Accumulated depreciation	200,255	203,532	206,154	209,277	211,798	214,403
Property, plant and equipment, net	107,434	106,987	107,270	107,490	108,310	107,863
Investments in unconsolidated businesses	1,071	1,052	1,015	929	953	941
Wireless licenses	149,796	150,485	151,337	155,465	155,667	156,111
Goodwill	28,671	28,674	28,647	28,642	22,843	22,842
Other intangible assets, net	11,461	11,246	11,097	10,952	11,057	10,835
Operating lease right-of-use assets	26,130	25,947	25,345	25,086	24,726	24,351
Other assets	17,260	17,603	17,856	18,147	19,885	19,258
Total assets	\$ 379,680	\$ 377,716	\$ 379,955	\$ 384,830	\$ 380,255	\$ 380,158
Liabilities and Equity						
Current liabilities						
Debt maturing within one year	\$ 9,963	\$ 12,081	\$ 14,827	\$ 12,950	\$ 12,973	\$ 15,594
Accounts payable and accrued liabilities	23,977	19,273	20,067	26,140	23,453	20,139
Current operating lease liabilities	4,134	4,177	4,211	3,906	4,266	4,282
Other current liabilities	12,097	12,237	12,299	12,681	12,531	13,616
Total current liabilities	50,171	47,768	51,404	55,677	53,223	53,631
Long-term debt	140,676	140,772	137,871	134,441	137,701	136,104
Employee benefit obligations	12,974	12,750	12,357	12,226	13,189	12,805
Deferred income taxes	43,441	43,667	44,055	44,434	45,781	45,980
Non-current operating lease liabilities	21,558	21,303	20,745	20,773	20,002	19,654
Other liabilities	18,397	17,237	17,021	18,191	16,560	16,258
Total long-term liabilities	237,046	235,729	232,049	230,065	233,233	230,801
Equity						
Common stock	429	429	429	429	429	429
Additional paid in capital	13,420	13,523	13,523	13,524	13,631	13,571
Retained earnings	82,380	84,543	86,448	88,416	82,915	84,714
Accumulated other comprehensive loss	(1,865)	(2,177)	(1,921)	(1,428)	(1,380)	(1,199)
Common stock in treasury, at cost	(4,013)	(3,832)	(3,830)	(3,828)	(3,821)	(3,602)
Deferred compensation – employee stock ownership plans and other	793	397	544	628	656	421
Noncontrolling interests	1,319	1,336	1,309	1,347	1,369	1,392
Total equity	92,463	94,219	96,502	99,088	93,799	95,726
Total liabilities and equity	\$ 379,680	\$ 377,716	\$ 379,955	\$ 384,830	\$ 380,255	\$ 380,158

Consolidated - Selected Financial and Operating Statistics

(dollars in millions)

Unaudited	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Total debt	\$ 150,639	\$ 152,853	\$ 152,698	\$ 147,391	\$ 150,674	\$ 151,698
Unsecured debt	\$ 130,631	\$ 132,018	\$ 131,356	\$ 126,440	\$ 128,491	\$ 128,408
Net unsecured debt ⁽¹⁾	\$ 128,026	\$ 129,784	\$ 126,553	\$ 122,230	\$ 126,426	\$ 126,043
Unsecured debt / Consolidated Net Income (LTM)		6.0x	6.1x	5.9x	10.6x	10.9x
Net unsecured debt / Consolidated Adjusted EBITDA ⁽¹⁾⁽²⁾		2.7x	2.6x	2.6x	2.6x	2.6x
Common shares outstanding end of period (in millions)	4,200	4,204	4,204	4,204	4,204	4,209
Total employees ('000) ⁽³⁾	117.1	115.5	114.2	110.5	105.4	104.4
Quarterly cash dividends declared per common share	\$ 0.6525	\$ 0.6525	\$ 0.6525	\$ 0.6650	\$ 0.6650	\$ 0.6650

Footnotes:

(1) Non-GAAP financial measure.

(2) Consolidated Adjusted EBITDA excludes the effects of non-operational items and special items.

(3) Number of employees on a full-time equivalent basis.

Condensed Consolidated Statements of Cash Flows

(dollars in millions)

Unaudited	12 Mos. Ended 12/31/22	3 Mos. Ended 3/31/23	6 Mos. Ended 6/30/23	9 Mos. Ended 9/30/23	12 Mos. Ended 12/31/23	3 Mos. Ended 3/31/24
Cash Flows from Operating Activities						
Net Income	\$ 21,748	\$ 5,018	\$ 9,784	\$ 14,668	\$ 12,095	\$ 4,722
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation and amortization expense	17,099	4,318	8,677	13,108	17,624	4,445
Employee retirement benefits	(2,046)	54	108	161	1,206	62
Deferred income taxes	2,973	331	633	822	2,388	141
Provision for expected credit losses	1,611	530	1,061	1,596	2,214	567
Equity in losses (earnings) of unconsolidated businesses, net of dividends received	(10)	10	49	69	84	14
Verizon Business Group goodwill impairment	—	—	—	—	5,841	—
Changes in current assets and liabilities, net of effects from acquisition/ disposition of businesses	(456)	(774)	(620)	972	(267)	(2,531)
Other, net	(3,778)	(1,198)	(1,672)	(2,598)	(3,710)	(336)
Net cash provided by operating activities	<u>37,141</u>	<u>8,289</u>	<u>18,020</u>	<u>28,798</u>	<u>37,475</u>	<u>7,084</u>
Cash Flows from Investing Activities						
Capital expenditures (including capitalized software)	(23,087)	(5,958)	(10,070)	(14,164)	(18,767)	(4,376)
Cash received (paid) related to acquisitions of businesses, net of cash acquired	248	—	—	—	(30)	—
Acquisitions of wireless licenses	(3,653)	(598)	(1,085)	(1,859)	(5,796)	(449)
Collateral receipts (payments) related to derivative contracts, net	(2,265)	367	824	162	880	(432)
Proceeds from disposition of business	33	—	—	—	—	—
Other, net	62	79	131	253	281	12
Net cash used in investing activities	<u>(28,662)</u>	<u>(6,110)</u>	<u>(10,200)</u>	<u>(15,608)</u>	<u>(23,432)</u>	<u>(5,245)</u>
Cash Flows from Financing Activities						
Proceeds from long-term borrowings	7,074	504	1,503	1,999	2,018	3,110
Proceeds from asset-backed long-term borrowings	10,732	1,754	3,705	4,656	6,594	2,510
Net proceeds from (repayments of) short-term commercial paper	106	342	(167)	333	(150)	2,347
Repayments of long-term borrowings and finance lease obligations	(8,616)	(1,325)	(2,600)	(5,568)	(6,181)	(4,508)
Repayments of asset-backed long-term borrowings	(4,948)	(931)	(2,383)	(3,729)	(4,443)	(1,408)
Dividends paid	(10,805)	(2,744)	(5,487)	(8,231)	(11,025)	(2,796)
Other, net	(2,072)	17	(157)	(1,101)	(1,470)	(683)
Net cash used in financing activities	<u>(8,529)</u>	<u>(2,383)</u>	<u>(5,586)</u>	<u>(11,641)</u>	<u>(14,657)</u>	<u>(1,428)</u>
Increase (decrease) in cash, cash equivalents and restricted cash	(50)	(204)	2,234	1,549	(614)	411
Cash, cash equivalents and restricted cash, beginning of period	4,161	4,111	4,111	4,111	4,111	3,497
Cash, cash equivalents and restricted cash, end of period	<u>\$ 4,111</u>	<u>\$ 3,907</u>	<u>\$ 6,345</u>	<u>\$ 5,660</u>	<u>\$ 3,497</u>	<u>\$ 3,908</u>

Consumer - Selected Financial Results

(dollars in millions)

Unaudited	2023				2024
	1Q	2Q	3Q	4Q	1Q
Operating Revenues					
Service	\$ 18,456	\$ 18,641	\$ 18,850	\$ 18,927	\$ 18,998
Wireless equipment	4,878	4,430	4,902	6,435	4,490
Other	1,523	1,487	1,505	1,592	1,569
Total Operating Revenues	24,857	24,558	25,257	26,954	25,057
Operating Expenses					
Cost of services	4,432	4,367	4,419	4,362	4,537
Cost of wireless equipment	5,191	4,626	5,133	6,877	4,750
Selling, general and administrative expense	4,921	4,988	4,886	5,336	5,089
Depreciation and amortization expense	3,214	3,247	3,272	3,344	3,309
Total Operating Expenses	17,758	17,228	17,710	19,919	17,685
Operating Income	\$ 7,099	\$ 7,330	\$ 7,547	\$ 7,035	\$ 7,372
Operating Income Margin	28.6 %	29.8 %	29.9 %	26.1 %	29.4 %
Segment EBITDA⁽¹⁾	\$ 10,313	\$ 10,577	\$ 10,819	\$ 10,379	\$ 10,681
Segment EBITDA Margin⁽¹⁾	41.5 %	43.1 %	42.8 %	38.5 %	42.6 %

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	2023				2024
	1Q	2Q	3Q	4Q	1Q
Connections ('000):					
Wireless retail postpaid	92,192	92,474	92,704	93,850	93,905
Wireless retail prepaid	22,331	21,646	21,420	21,122	20,904
Total wireless retail	114,523	114,120	114,124	114,972	114,809
Wireless retail prepaid excl. SafeLink	19,758	19,362	19,123	18,851	18,717
Wireless retail postpaid phone	74,611	74,465	74,407	74,720	74,561
Fios video	3,160	3,091	3,013	2,951	2,883
Fios internet	6,803	6,854	6,923	6,976	7,025
Fixed wireless access (FWA) broadband	1,140	1,390	1,641	1,866	2,070
Wireline broadband	7,062	7,098	7,151	7,190	7,227
Total broadband	8,202	8,488	8,792	9,056	9,297
Gross Additions ('000):					
Wireless retail postpaid	3,210	2,928	3,152	4,185	2,983
Wireless retail postpaid phone	1,624	1,570	1,843	2,293	1,710
Net Additions Detail ('000):					
Wireless retail postpaid	321	304	251	1,168	75
Wireless retail prepaid	(351)	(304)	(207)	(289)	(216)
Total wireless retail	(30)	—	44	879	(141)
Wireless retail prepaid excl. SafeLink	(277)	(317)	(221)	(263)	(131)
Wireless retail postpaid phone	(263)	(136)	(51)	318	(158)
Fios video	(74)	(69)	(78)	(62)	(68)
Fios internet	63	51	69	53	49
FWA broadband	256	251	251	231	203
Wireline broadband	46	36	53	39	36
Total broadband	302	287	304	270	239
Churn Rate:					
Wireless retail postpaid	1.05 %	0.95 %	1.04 %	1.08 %	1.03 %
Wireless retail postpaid phone	0.84 %	0.76 %	0.85 %	0.88 %	0.83 %
Wireless retail prepaid	4.31 %	4.24 %	4.39 %	4.55 %	4.26 %
Wireless retail prepaid excl. SafeLink	3.72 %	3.71 %	3.85 %	3.94 %	3.61 %
Wireless retail	1.69 %	1.58 %	1.68 %	1.73 %	1.62 %
Revenue Statistics (in millions):					
Wireless service revenue	\$ 15,599	\$ 15,762	\$ 15,963	\$ 16,034	\$ 16,134
Fios revenue	\$ 2,889	\$ 2,886	\$ 2,897	\$ 2,942	\$ 2,896
Other Wireless Statistics:					
Wireless retail postpaid ARPA ⁽¹⁾	\$ 130.06	\$ 131.83	\$ 133.47	\$ 134.10	\$ 135.75
Wireless retail postpaid upgrade rate	4.0 %	3.5 %	3.6 %	4.4 %	3.1 %
Wireless retail postpaid accounts ('000) ⁽²⁾	33,034	32,976	32,938	32,990	32,876
Wireless retail postpaid connections per account ⁽²⁾	2.79	2.80	2.81	2.84	2.86
Wireless retail prepaid ARPU ⁽³⁾	\$ 30.71	\$ 31.42	\$ 31.87	\$ 31.87	\$ 31.17
Wireless retail prepaid ARPU ⁽³⁾ excl. SafeLink	\$ 32.15	\$ 32.90	\$ 33.13	\$ 33.11	\$ 32.26

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.

Business - Selected Financial Results

(dollars in millions)

Unaudited	2023				2024
	1Q	2Q	3Q	4Q	1Q
Operating Revenues					
Enterprise and Public Sector	\$ 3,787	\$ 3,784	\$ 3,787	\$ 3,718	\$ 3,587
Business Markets and Other	3,104	3,109	3,184	3,318	3,195
Wholesale	603	590	556	582	594
Total Operating Revenues	7,494	7,483	7,527	7,618	7,376
Operating Expenses					
Cost of services	2,582	2,543	2,536	2,519	2,432
Cost of wireless equipment	1,234	1,152	1,220	1,353	1,155
Selling, general and administrative expense	2,033	2,152	2,105	2,139	2,262
Depreciation and amortization expense	1,094	1,103	1,127	1,164	1,128
Total Operating Expenses	6,943	6,950	6,988	7,175	6,977
Operating Income	\$ 551	\$ 533	\$ 539	\$ 443	\$ 399
Operating Income Margin	7.4 %	7.1 %	7.2 %	5.8 %	5.4 %
Segment EBITDA⁽¹⁾	\$ 1,645	\$ 1,636	\$ 1,666	\$ 1,607	\$ 1,527
Segment EBITDA Margin⁽¹⁾	22.0 %	21.9 %	22.1 %	21.1 %	20.7 %

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.

Business - Selected Operating Statistics

Unaudited	2023				2024
	1Q	2Q	3Q	4Q	1Q
Connections ('000):					
Wireless retail postpaid	28,820	29,105	29,455	29,779	29,947
Wireless retail postpaid phone	17,703	17,856	18,019	18,170	18,306
Fios video	65	64	63	61	59
Fios internet	377	380	383	385	389
FWA broadband	726	870	1,038	1,201	1,358
Wireline broadband	466	464	461	460	458
Total broadband	1,192	1,334	1,499	1,661	1,816
Gross Additions ('000):					
Wireless retail postpaid	1,607	1,590	1,618	1,605	1,531
Wireless retail postpaid phone	757	733	761	738	705
Net Additions Detail ('000):					
Wireless retail postpaid	312	308	330	292	178
Wireless retail postpaid phone	136	144	151	131	90
Fios video	(2)	(1)	(1)	(2)	(2)
Fios internet	4	3	3	2	4
FWA broadband	137	133	133	144	151
Wireline broadband	(2)	(2)	(3)	(1)	(1)
Total broadband	135	131	130	143	150
Churn Rate:					
Wireless retail postpaid	1.50 %	1.48 %	1.47 %	1.48 %	1.51 %
Wireless retail postpaid phone	1.16 %	1.10 %	1.14 %	1.12 %	1.13 %
Revenue Statistics (in millions):					
Wireless service revenue	\$ 3,290	\$ 3,351	\$ 3,367	\$ 3,364	\$ 3,379
Fios revenue	\$ 307	\$ 308	\$ 308	\$ 312	\$ 311
Other Operating Statistics:					
Wireless retail postpaid upgrade rate	2.8 %	2.7 %	2.9 %	3.1 %	2.5 %

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.

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	2023				2024
	1Q	2Q	3Q	4Q	1Q
Connections ('000)					
Retail postpaid	121,012	121,579	122,159	123,629	123,852
Retail prepaid	22,331	21,646	21,420	21,122	20,904
Total retail	143,343	143,225	143,579	144,751	144,756
Retail prepaid excl. SafeLink	19,758	19,362	19,123	18,851	18,717
Retail postpaid phone	92,314	92,321	92,426	92,890	92,867
Net Additions Detail ('000)					
Retail postpaid phone	(127)	8	100	449	(68)
Retail postpaid	633	612	581	1,460	253
Retail prepaid	(351)	(304)	(207)	(289)	(216)
Total retail	282	308	374	1,171	37
Retail prepaid excl. SafeLink	(277)	(317)	(221)	(263)	(131)
Account Statistics					
Retail postpaid accounts ('000) ⁽¹⁾	34,877	34,855	34,855	34,958	34,839
Retail postpaid connections per account ⁽¹⁾	3.47	3.49	3.50	3.54	3.55
Retail postpaid ARPA ⁽²⁾	\$ 152.27	\$ 154.51	\$ 156.13	\$ 156.48	\$ 158.25
Retail prepaid ARPU ⁽³⁾	\$ 30.71	\$ 31.42	\$ 31.87	\$ 31.87	\$ 31.17
Retail prepaid ARPU ⁽³⁾ excl. SafeLink	\$ 32.15	\$ 32.90	\$ 33.13	\$ 33.11	\$ 32.26
Churn Detail					
Retail postpaid phone	0.90 %	0.83 %	0.90 %	0.93 %	0.89 %
Retail postpaid	1.15 %	1.07 %	1.15 %	1.18 %	1.15 %
Retail prepaid	4.31 %	4.24 %	4.39 %	4.55 %	4.26 %
Retail prepaid excl. SafeLink	3.72 %	3.71 %	3.85 %	3.94 %	3.61 %
Retail	1.65 %	1.56 %	1.63 %	1.67 %	1.60 %
Retail Postpaid Connection Statistics					
Upgrade rate	3.7 %	3.3 %	3.4 %	4.1 %	3.0 %
Revenue Statistics (in millions)⁽⁴⁾					
FWA revenue	\$ 255	\$ 297	\$ 347	\$ 403	\$ 452
Wireless service	\$ 18,889	\$ 19,113	\$ 19,330	\$ 19,398	\$ 19,513
Wireless equipment	5,760	5,277	5,813	7,472	5,361
Wireless other	1,515	1,486	1,507	1,575	1,585
Total Wireless	\$ 26,164	\$ 25,876	\$ 26,650	\$ 28,445	\$ 26,459

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.

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 widely accepted financial measures used in evaluating the profitability of a company and its operating performance in relation to 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 total segment 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. 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 and amortization 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: legacy legal matter, severance charges, Verizon Business Group ("Verizon Business") goodwill impairment, asset rationalization, legal settlement, business transformation costs and non-strategic business shutdown. Legacy legal matter recorded during 2024 relates to a litigation matter associated with a legacy contract for the production of telephone directories in Costa Rica by a subsidiary of Verizon. Severance charges recorded during 2023 and 2022 primarily relate to involuntary separations under our existing plans. Verizon Business goodwill impairment relates to an impairment charge recognized in the fourth quarter of 2023 as a result of Verizon's annual goodwill impairment test. Asset rationalization recorded during the second quarter of 2023 relates to certain real estate and non-strategic assets that we made a decision to cease use of as part of our transformation initiatives. Asset rationalization recorded during the fourth quarter of 2023 primarily relates to Verizon Business network assets that we made a decision to cease use of as part of our continued transformation initiatives. Legal settlement recorded during 2023 relates to the settlement of a litigation matter regarding certain administrative fees. Business transformation costs recorded during 2023 primarily relate to costs incurred in connection with strategic partnership initiatives in our managed network support services for certain Verizon Business customers. Non-strategic business shutdown relates to the shutdown of our BlueJeans business offering in 2023.

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 2024.

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

Net Unsecured Debt and Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio 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, 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.

Adjusted Earnings per Common Share (Adjusted EPS) and Adjusted EPS Forecast

Adjusted EPS 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: amortization of acquisition-related intangible assets and legacy legal matter.

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

Definitions - Non-GAAP Measures

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 2024.

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 effect 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 2024.

Free Cash Flow and Free Cash Flow Dividend Payout Ratio

Free cash flow is a non-GAAP financial measure that reflects an additional way of viewing our liquidity that, when viewed with our GAAP results, provides 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. Free cash flow has limitations due to the fact that it does not represent the residual cash flow available for discretionary expenditures. For example, free cash flow does not incorporate payments made or expected to be made on finance lease obligations or cash payments for acquisitions of businesses or wireless licenses. Therefore, we believe it is important to view free cash flow as a complement to our entire consolidated statements of cash flows.

Free cash flow is calculated by subtracting capital expenditures (including capitalized software) from net cash provided by operating activities.

Free cash flow dividend payout ratio is a non-GAAP financial measure that we believe is useful to management, investors and other users of our financial information in evaluating Verizon's cash available for return to shareholders. We believe this is a more conservative measure of our ability to fund our dividend payments to shareholders. Free cash flow dividend payout ratio has limitations consistent with free cash flow as discussed above.

Free cash flow dividend payout ratio is calculated by dividing dividends paid to shareholders by free cash flow.

Consolidated Operating Expenses Excluding Depreciation and Amortization and Special Items

Consolidated operating expenses excluding depreciation and amortization and special items is a non-GAAP financial measure that we believe is useful to management, investors and other users of our financial information in evaluating our operating expenses and underlying operating trends. We believe that consolidated operating expenses excluding depreciation and amortization and special items is used by investors to more accurately compare a company's operating expenses to those of its competitors by eliminating impacts caused by differences in depreciation and amortization policies. In addition, the exclusion of the effects of special items allows for better comparability of our financial results from period to period.

Consolidated operating expenses excluding depreciation and amortization and special items is calculated by excluding from consolidated operating expenses the effects of depreciation and amortization expense and the following special item: legacy legal matter.

Adjusted 2023 Total Wireless Service Revenue and Growth Rate

Adjusted 2023 total wireless service revenue and adjusted 2023 total wireless service revenue growth rate are non-GAAP financial measures that we believe are useful to management, investors and other users of our financial information in evaluating our total wireless service revenue growth and underlying operating trends. Adjusted 2023 total wireless service revenue and adjusted 2023 total wireless service revenue growth rate allow for better comparability of our financial results from period to period by excluding the effects of the larger allocation of administrative and telco recovery charges, which partly recover network operating costs, from other revenue to wireless service revenue in 2023.

Adjusted 2023 total wireless service revenue is calculated by excluding from total wireless service revenue the effect of the reallocation of certain revenues from other revenue to wireless service revenue in 2023. Adjusted 2023 total wireless service revenue growth rate is calculated by dividing the difference between the adjusted 2023 total wireless service revenue and our prior period reported result, by the prior period reported total wireless service revenue result.

Non-GAAP Reconciliations - Consolidated

Consolidated EBITDA, Consolidated Adjusted EBITDA and Consolidated Adjusted EBITDA Margin

(dollars in millions)

Unaudited	2022			2023			2024	
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Consolidated Net Income (Loss)	\$ 5,315	\$ 5,024	\$ 6,698	\$ 5,018	\$ 4,766	\$ 4,884	\$ (2,573)	\$ 4,722
Add:								
Provision for income taxes	1,542	1,496	2,113	1,482	1,346	1,308	756	1,353
Interest expense	785	937	1,105	1,207	1,285	1,433	1,599	1,635
Depreciation and amortization expense ⁽¹⁾	4,321	4,324	4,218	4,318	4,359	4,431	4,516	4,445
Consolidated EBITDA	\$ 11,963	\$ 11,781	\$ 14,134	\$12,025	\$11,756	\$12,056	\$ 4,298	\$12,155
Add/(subtract):								
Other (income) expense, net ⁽²⁾	\$ (49)	\$ 439	\$ (2,687)	\$ (114)	\$ (210)	\$ (170)	\$ 807	\$ (198)
Equity in losses (earnings) of unconsolidated businesses	(41)	(2)	(4)	(9)	33	18	11	9
Severance charges	—	—	304	—	237	—	296	—
Legacy legal matter	—	—	—	—	—	—	—	106
Verizon Business Group goodwill impairment	—	—	—	—	—	—	5,841	—
Asset rationalization	—	—	—	—	155	—	325	—
Legal settlement	—	—	—	—	—	—	100	—
Business transformation costs	—	—	—	—	—	176	—	—
Non-strategic business shutdown	—	—	—	—	—	158	—	—
Consolidated Adjusted EBITDA	\$ 11,873	\$ 12,218	\$ 11,747	\$11,902	\$11,971	\$12,238	\$11,678	\$12,072
Consolidated Operating Revenues				\$32,912	\$32,596	\$33,336	\$35,130	\$32,981
Consolidated Net Income (Loss) Margin				15.2 %	14.6 %	14.7 %	(7.3)%	14.3 %
Consolidated Adjusted EBITDA Margin				36.2 %	36.7 %	36.7 %	33.2 %	36.6 %
Consolidated Adjusted EBITDA - Year over year change %								1.4 %

Footnotes:

(1) Includes Amortization of acquisition-related intangible assets and a portion of the Non-strategic business shutdown, where applicable.

(2) Includes Pension and benefits remeasurement adjustments, where applicable.

Non-GAAP Reconciliations - Consolidated

Consolidated EBITDA and Consolidated Adjusted EBITDA (LTM)

(dollars in millions)

Unaudited	12 Mos. Ended 3/31/23	12 Mos. Ended 6/30/23	12 Mos. Ended 9/30/23	12 Mos. Ended 12/31/23	12 Mos. Ended 3/31/24
Consolidated Net Income	\$ 22,055	\$ 21,506	\$ 21,366	\$ 12,095	\$ 11,799
Add:					
Provision for income taxes	6,633	6,437	6,249	4,892	4,763
Interest expense	4,034	4,534	5,030	5,524	5,952
Depreciation and amortization expense ⁽¹⁾	17,181	17,219	17,326	17,624	17,751
Consolidated EBITDA	\$ 49,903	\$ 49,696	\$ 49,971	\$ 40,135	\$ 40,265
Add/(subtract):					
Other (income) expense, net ⁽²⁾	\$ (2,411)	\$ (2,572)	\$ (3,181)	\$ 313	\$ 229
Equity in losses (earnings) of unconsolidated businesses	(56)	18	38	53	71
Severance charges	304	541	541	533	533
Legacy legal matter	—	—	—	—	106
Verizon Business Group goodwill impairment	—	—	—	5,841	5,841
Asset rationalization	—	155	155	480	480
Legal settlement	—	—	—	100	100
Business transformation costs	—	—	176	176	176
Non-strategic business shutdown	—	—	158	158	158
Consolidated Adjusted EBITDA	\$ 47,740	\$ 47,838	\$ 47,858	\$ 47,789	\$ 47,959

Footnotes:

(1) Includes Amortization of acquisition-related intangible assets and a portion of the Non-strategic business shutdown, where applicable.

(2) Includes Pension and benefits remeasurement adjustments, where applicable.

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

(dollars in millions)

Unaudited	12/31/22	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Debt maturing within one year	\$ 9,963	\$ 12,081	\$ 14,827	\$ 12,950	\$ 12,973	\$ 15,594
Long-term debt	140,676	140,772	137,871	134,441	137,701	136,104
Total Debt	150,639	152,853	152,698	147,391	150,674	151,698
Less Secured debt	20,008	20,835	21,342	20,951	22,183	23,290
Unsecured Debt	130,631	132,018	131,356	126,440	128,491	128,408
Less Cash and cash equivalents	2,605	2,234	4,803	4,210	2,065	2,365
Net Unsecured Debt	\$ 128,026	\$ 129,784	\$ 126,553	\$ 122,230	\$ 126,426	\$ 126,043
Consolidated Net Income (LTM)	\$ 22,055	\$ 21,506	\$ 21,366	\$ 12,095	\$ 12,095	\$ 11,799
Unsecured Debt to Consolidated Net Income Ratio		6.0x	6.1x	5.9x	10.6x	10.9x
Consolidated Adjusted EBITDA (LTM)	\$ 47,740	\$ 47,838	\$ 47,858	\$ 47,789	\$ 47,789	\$ 47,959
Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio		2.7x	2.6x	2.6x	2.6x	2.6x
Net Unsecured Debt - Quarter over quarter change						\$ (383)
Net Unsecured Debt - Year over year change						\$ (3,741)
Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio - Quarter over quarter change						—x
Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio - Year over year change						(0.1x)

Non-GAAP Reconciliations - Consolidated

Adjusted Earnings per Common Share (Adjusted EPS)

(dollars in millions except per share amounts)

Unaudited				3 Mos. Ended				3 Mos. Ended
				3/31/23				3/31/24
	Pre-tax	Tax	After-Tax		Pre-tax	Tax	After-Tax	
EPS				\$ 1.17				\$ 1.09
Amortization of acquisition-related intangible assets	\$ 208	\$ (53)	\$ 155	0.04	\$ 221	\$ (56)	\$ 165	0.04
Legacy legal matter	—	—	—	—	106	(27)	79	0.02
	\$ 208	\$ (53)	\$ 155	\$ 0.04	\$ 327	\$ (83)	\$ 244	\$ 0.06
Adjusted EPS				\$ 1.20				\$ 1.15
Year over year change %								(4.2)%

Footnote:

Adjusted EPS may not add due to rounding.

Free Cash Flow and Free Cash Flow Dividend Payout Ratio

(dollars in millions)

Unaudited	3 Mos. Ended	3 Mos. Ended
	3/31/23	3/31/24
Net Cash Provided by Operating Activities	\$ 8,289	\$ 7,084
Capital expenditures (including capitalized software)	(5,958)	(4,376)
Free Cash Flow	\$ 2,331	\$ 2,708
Dividends Paid	\$ 2,744	\$ 2,796
Net Cash Provided by Operating Activities Dividend Payout Ratio	33.1 %	39.5 %
Free Cash Flow Dividend Payout Ratio	117.7 %	103.2 %
Free Cash Flow for 3 Mos. Ended 3/31/24 - Year over year change		\$ 377
Free Cash Flow for 3 Mos. Ended 3/31/24 - Year over year change %		16.2 %

Consolidated Operating Expenses Excluding Depreciation and Amortization and Special Items

(dollars in millions)

Unaudited	3 Mos. Ended	3 Mos. Ended
	3/31/23	3/31/24
Consolidated Operating Expenses	\$ 25,328	\$ 25,460
Depreciation and amortization expense ⁽¹⁾	4,318	4,445
Legacy legal matter	—	106
Consolidated Operating Expenses Excluding Depreciation and Amortization and Special Items	\$ 21,010	\$ 20,909
Year over year change %		(0.5)%

Footnote:

(1) Includes Amortization of acquisition-related intangible assets.

Adjusted 2023 Total Wireless Service Revenue and Growth Rate

(dollars in millions)

Unaudited	12 Mos. Ended	12 Mos. Ended
	Ended	Ended
	12/31/22	12/31/23
Total Wireless Service Revenue	\$ 74,354	\$ 76,730
Less revenue reallocated from Other revenue to Wireless service revenue	—	1,445
Adjusted Total Wireless Service Revenue	\$ 74,354	\$ 75,285
Adjusted 2023 Total Wireless Service Revenue Growth Rate		1.3 %

Non-GAAP Reconciliations - Segments

Segment EBITDA and Segment EBITDA Margin

Consumer

	(dollars in millions)				
	3 Mos. Ended	3 Mos. Ended	3 Mos. Ended	3 Mos. Ended	3 Mos. Ended
Unaudited	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Operating Income	\$ 7,099	\$ 7,330	\$ 7,547	\$ 7,035	\$ 7,372
Add Depreciation and amortization expense	3,214	3,247	3,272	3,344	3,309
Segment EBITDA	\$ 10,313	\$ 10,577	\$ 10,819	\$ 10,379	\$ 10,681
Total operating revenues	\$ 24,857	\$ 24,558	\$ 25,257	\$ 26,954	\$ 25,057
Operating Income Margin	28.6 %	29.8 %	29.9 %	26.1 %	29.4 %
Segment EBITDA Margin	41.5 %	43.1 %	42.8 %	38.5 %	42.6 %
Segment EBITDA - Year over year change %					3.6 %

Business

	(dollars in millions)				
	3 Mos. Ended	3 Mos. Ended	3 Mos. Ended	3 Mos. Ended	3 Mos. Ended
Unaudited	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24
Operating Income	\$ 551	\$ 533	\$ 539	\$ 443	\$ 399
Add Depreciation and amortization expense	1,094	1,103	1,127	1,164	1,128
Segment EBITDA	\$ 1,645	\$ 1,636	\$ 1,666	\$ 1,607	\$ 1,527
Total operating revenues	\$ 7,494	\$ 7,483	\$ 7,527	\$ 7,618	\$ 7,376
Operating Income Margin	7.4 %	7.1 %	7.2 %	5.8 %	5.4 %
Segment EBITDA Margin	22.0 %	21.9 %	22.1 %	21.1 %	20.7 %
Segment EBITDA - Year over year change %					(7.2)%