

# Financial and Operating Information

As of March 31, 2021

**verizon**

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## Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	2019		2020				2021	
	Full Year	1Q	2Q	3Q	4Q	Full Year	1Q	Year to date
<b>Operating Revenues</b>								
Service revenues and other	\$ 110,305	\$ 27,481	\$ 26,692	\$ 27,431	\$ 28,268	\$ 109,872	\$ 27,923	\$ 27,923
Wireless equipment revenues	21,563	4,129	3,755	4,112	6,424	18,420	4,944	4,944
<b>Total Operating Revenues</b>	<b>131,868</b>	<b>31,610</b>	<b>30,447</b>	<b>31,543</b>	<b>34,692</b>	<b>128,292</b>	<b>32,867</b>	<b>32,867</b>
<b>Operating Expenses</b>								
Cost of services	31,772	7,754	7,639	7,955	8,053	31,401	8,020	8,020
Cost of wireless equipment	22,954	4,542	4,110	4,379	6,769	19,800	5,502	5,502
Selling, general and administrative expense	29,896	8,585	7,156	7,339	8,493	31,573	7,401	7,401
Depreciation and amortization expense	16,682	4,150	4,181	4,192	4,197	16,720	4,174	4,174
Media goodwill impairment	186	—	—	—	—	—	—	—
<b>Total Operating Expenses</b>	<b>101,490</b>	<b>25,031</b>	<b>23,086</b>	<b>23,865</b>	<b>27,512</b>	<b>99,494</b>	<b>25,097</b>	<b>25,097</b>
<b>Operating Income</b>	<b>30,378</b>	<b>6,579</b>	<b>7,361</b>	<b>7,678</b>	<b>7,180</b>	<b>28,798</b>	<b>7,770</b>	<b>7,770</b>
Equity in earnings (losses) of unconsolidated businesses	(15)	(12)	(13)	(9)	(11)	(45)	8	8
Other income (expense), net	(2,900)	143	(72)	(774)	164	(539)	401	401
Interest expense	(4,730)	(1,034)	(1,089)	(1,044)	(1,080)	(4,247)	(1,101)	(1,101)
<b>Income Before Provision For Income Taxes</b>	<b>22,733</b>	<b>5,676</b>	<b>6,187</b>	<b>5,851</b>	<b>6,253</b>	<b>23,967</b>	<b>7,078</b>	<b>7,078</b>
Provision for income taxes	(2,945)	(1,389)	(1,348)	(1,347)	(1,535)	(5,619)	(1,700)	(1,700)
<b>Net Income</b>	<b>\$ 19,788</b>	<b>\$ 4,287</b>	<b>\$ 4,839</b>	<b>\$ 4,504</b>	<b>\$ 4,718</b>	<b>\$ 18,348</b>	<b>\$ 5,378</b>	<b>\$ 5,378</b>
Net income attributable to noncontrolling interests	\$ 523	\$ 131	\$ 139	\$ 147	\$ 130	\$ 547	\$ 133	\$ 133
Net income attributable to Verizon	19,265	4,156	4,700	4,357	4,588	17,801	5,245	5,245
<b>Net Income</b>	<b>\$ 19,788</b>	<b>\$ 4,287</b>	<b>\$ 4,839</b>	<b>\$ 4,504</b>	<b>\$ 4,718</b>	<b>\$ 18,348</b>	<b>\$ 5,378</b>	<b>\$ 5,378</b>
<b>Basic Earnings Per Common Share</b>								
Net income attributable to Verizon	\$ 4.66	\$ 1.00	\$ 1.14	\$ 1.05	\$ 1.11	\$ 4.30	\$ 1.27	\$ 1.27
Weighted-average shares outstanding (in millions)	4,138	4,139	4,139	4,140	4,140	4,140	4,141	4,141
<b>Diluted Earnings Per Common Share <sup>(1)</sup></b>								
Net income attributable to Verizon	\$ 4.65	\$ 1.00	\$ 1.13	\$ 1.05	\$ 1.11	\$ 4.30	\$ 1.27	\$ 1.27
Weighted-average shares outstanding (in millions)	4,140	4,141	4,141	4,142	4,143	4,142	4,142	4,142

**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.

EPS may not add due to rounding.

## Condensed Consolidated Balance Sheets

		(dollars in millions)					
Unaudited		12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21
<b>Assets</b>							
Current assets							
Cash and cash equivalents	\$	2,594	\$ 7,047	\$ 7,882	\$ 8,983	\$ 22,171	\$ 10,205
Accounts receivable		26,162	24,852	23,742	23,846	25,169	23,611
Less Allowance for credit losses		—	1,055	1,070	1,229	1,252	1,104
Less Allowance for doubtful accounts		733	—	—	—	—	—
Accounts receivable, net		25,429	23,797	22,672	22,617	23,917	22,507
Inventories		1,422	1,633	1,289	1,457	1,796	1,303
Prepaid expenses and other		8,028	8,228	5,490	5,515	6,710	5,632
Total current assets		37,473	40,705	37,333	38,572	54,594	39,647
Property, plant and equipment							
Less Accumulated depreciation		265,734	268,993	272,714	276,210	279,737	282,742
Property, plant and equipment, net		173,819	176,816	179,960	183,028	184,904	187,866
Investments in unconsolidated businesses		91,915	92,177	92,754	93,182	94,833	94,876
Wireless licenses		558	543	529	535	589	555
Deposits for wireless licenses		95,059	92,471	95,767	95,958	96,097	98,012
Goodwill		101	325	124	1,894	2,772	45,490
Other intangible assets, net		24,389	24,382	24,667	24,799	24,773	24,837
Operating lease right-of-use assets		9,498	9,371	9,600	9,599	9,413	9,304
Other assets		22,694	22,472	22,431	22,680	22,531	22,315
Total assets	\$	291,727	\$ 294,500	\$ 293,259	\$ 296,994	\$ 316,481	\$ 345,573
<b>Liabilities and Equity</b>							
Current liabilities							
Debt maturing within one year	\$	10,777	\$ 11,175	\$ 6,651	\$ 5,770	\$ 5,889	\$ 8,802
Accounts payable and accrued liabilities		21,806	17,419	19,297	17,391	20,658	17,219
Current operating lease liabilities		3,261	3,331	3,270	3,494	3,485	3,536
Other current liabilities		9,024	9,132	9,668	9,530	9,628	9,173
Total current liabilities		44,868	41,057	38,886	36,185	39,660	38,730
Long-term debt							
Employee benefit obligations		100,712	106,561	106,190	109,790	123,173	149,700
Deferred income taxes		17,952	17,617	17,821	18,756	18,657	18,252
Non-current operating lease liabilities		34,703	33,709	33,798	34,567	35,711	36,747
Other liabilities		18,393	18,117	18,158	18,155	18,000	17,766
Total long-term liabilities		12,264	15,786	14,293	13,011	12,008	11,695
Equity		184,024	191,790	190,260	194,279	207,549	234,160
Common stock		429	429	429	429	429	429
Additional paid in capital		13,419	13,302	13,281	13,404	13,404	13,408
Retained earnings		53,147	54,557	56,746	58,473	60,464	63,107
Accumulated other comprehensive income (loss)		998	(1,502)	(1,274)	(812)	(71)	640
Common stock in treasury, at cost		(6,820)	(6,725)	(6,722)	(6,721)	(6,719)	(6,634)
Deferred compensation – employee stock ownership plans and other		222	149	237	296	335	282
Noncontrolling interests		1,440	1,443	1,416	1,461	1,430	1,451
Total equity		62,835	61,653	64,113	66,530	69,272	72,683
Total liabilities and equity	\$	291,727	\$ 294,500	\$ 293,259	\$ 296,994	\$ 316,481	\$ 345,573

**Footnotes:**

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

## Consolidated - Selected Financial and Operating Statistics

(dollars in millions)

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21
Total debt	\$ 111,489	\$ 117,736	\$ 112,841	\$ 115,560	\$ 129,062	\$ 158,502
Net unsecured debt	\$ 96,526	\$ 97,700	\$ 94,352	\$ 96,485	\$ 96,287	\$ 137,421
Net unsecured debt / Consolidated Adjusted EBITDA <sup>(1)</sup>		2.1x	2.0x	2.1x	2.0x	2.9x
Common shares outstanding end of period (in millions)	4,136	4,138	4,138	4,138	4,138	4,140
Total employees ('000)	135.0	135.5	135.3	133.2	132.2	130.1
Quarterly cash dividends declared per common share	\$ 0.6150	\$ 0.6150	\$ 0.6150	\$ 0.6275	\$ 0.6275	\$ 0.6275

**Footnotes:**

(1) 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 12/31/19	3 Mos. Ended 3/31/20	6 Mos. Ended 6/30/20	9 Mos. Ended 9/30/20	12 Mos. Ended 12/31/20	3 Mos. Ended 3/31/21
<b>Cash Flows from Operating Activities</b>						
Net Income	\$ 19,788	\$ 4,287	\$ 9,126	\$ 13,630	\$ 18,348	\$ 5,378
Adjustments to reconcile net income to net cash provided by operating activities:						
Depreciation and amortization expense	16,682	4,150	8,331	12,523	16,720	4,174
Employee retirement benefits	(284)	(1)	(32)	867	840	(253)
Deferred income taxes	1,232	(87)	(120)	530	1,553	762
Provision for expected credit losses	1,588	553	831	1,100	1,380	224
Equity in losses of unconsolidated businesses, net of dividends received	74	26	46	67	91	19
Media goodwill impairment	186	—	—	—	—	—
Changes in current assets and liabilities, net of effects from acquisition/ disposition of businesses	(6,713)	(1,208)	3,297	1,345	56	(41)
Discretionary employee benefits contributions	(300)	—	—	—	—	—
Other, net	3,493	1,104	2,073	2,410	2,780	(569)
Net cash provided by operating activities	35,746	8,824	23,552	32,472	41,768	9,694
<b>Cash Flows from Investing Activities</b>						
Capital expenditures (including capitalized software)	(17,939)	(5,274)	(9,850)	(14,168)	(18,192)	(4,494)
Acquisitions of businesses, net of cash acquired	(29)	—	(399)	(507)	(520)	(408)
Acquisitions of wireless licenses	(898)	(434)	(1,801)	(3,757)	(3,896)	(44,783)
Proceeds from dispositions of businesses	28	—	—	—	—	—
Other, net	1,257	(1,272)	(74)	(37)	(904)	32
Net cash used in investing activities	(17,581)	(6,980)	(12,124)	(18,469)	(23,512)	(49,653)
<b>Cash Flows from Financing Activities</b>						
Proceeds from long-term borrowings	10,079	5,848	9,305	12,387	25,822	31,383
Proceeds from asset-backed long-term borrowings	8,576	2,844	2,844	4,439	5,635	1,000
Repayments of long-term borrowings and finance lease obligations	(17,584)	(1,700)	(8,533)	(8,853)	(9,775)	(302)
Repayments of asset-backed long-term borrowings	(6,302)	(2,229)	(4,612)	(6,726)	(7,413)	(732)
Dividends paid	(10,016)	(2,547)	(5,090)	(7,636)	(10,232)	(2,601)
Other, net	(2,917)	347	(146)	(1,348)	(2,712)	(792)
Net cash provided by (used in) financing activities	(18,164)	2,563	(6,232)	(7,737)	1,325	27,956
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>1</b>	<b>4,407</b>	<b>5,196</b>	<b>6,266</b>	<b>19,581</b>	<b>(12,003)</b>
<b>Cash, cash equivalents and restricted cash, beginning of period</b>	<b>3,916</b>	<b>3,917</b>	<b>3,917</b>	<b>3,917</b>	<b>3,917</b>	<b>23,498</b>
<b>Cash, cash equivalents and restricted cash, end of period</b>	<b>\$ 3,917</b>	<b>\$ 8,324</b>	<b>\$ 9,113</b>	<b>\$ 10,183</b>	<b>\$ 23,498</b>	<b>\$ 11,495</b>

**Footnotes:**

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

## Consumer - Selected Financial Results

(dollars in millions)

Unaudited	2020				2021
	1Q	2Q	3Q	4Q	1Q
<b>Operating Revenues</b>					
Service	\$ 16,341	\$ 15,900	\$ 16,255	\$ 16,388	\$ 16,569
Wireless equipment	3,377	3,209	3,403	5,503	4,192
Other	2,047	2,004	2,078	2,028	2,037
<b>Total Operating Revenues</b>	<b>21,765</b>	<b>21,113</b>	<b>21,736</b>	<b>23,919</b>	<b>22,798</b>
<b>Operating Expenses</b>					
Cost of services	3,930	3,885	3,971	3,824	4,000
Cost of wireless equipment	3,451	3,299	3,411	5,575	4,392
Selling, general and administrative expense	4,282	4,016	4,055	4,583	4,026
Depreciation and amortization expense	2,820	2,849	2,862	2,864	2,861
<b>Total Operating Expenses</b>	<b>14,483</b>	<b>14,049</b>	<b>14,299</b>	<b>16,846</b>	<b>15,279</b>
<b>Operating Income</b>	<b>\$ 7,282</b>	<b>\$ 7,064</b>	<b>\$ 7,437</b>	<b>\$ 7,073</b>	<b>\$ 7,519</b>
<b>Operating Income Margin</b>	<b>33.5 %</b>	<b>33.5 %</b>	<b>34.2 %</b>	<b>29.6 %</b>	<b>33.0 %</b>
<b>Segment EBITDA</b>	<b>\$ 10,102</b>	<b>\$ 9,913</b>	<b>\$ 10,299</b>	<b>\$ 9,937</b>	<b>\$ 10,380</b>
<b>Segment EBITDA Margin</b>	<b>46.4 %</b>	<b>47.0 %</b>	<b>47.4 %</b>	<b>41.5 %</b>	<b>45.5 %</b>

**Footnotes:**

The segment financial results and metrics above are adjusted to exclude the effects of special items, as the Company's chief operating decision maker excludes these items in assessing segment performance.

Certain intersegment transactions with corporate entities have not been eliminated.

## Consumer - Selected Operating Statistics

Unaudited	2020				2021
	1Q	2Q	3Q	4Q	1Q
<b>Connections ('000):</b>					
Wireless retail postpaid connections	89,914	89,977	90,026	90,346	<b>90,172</b>
Wireless retail prepaid connections	3,980	3,998	4,075	4,027	<b>4,058</b>
Total wireless retail connections	93,894	93,975	94,101	94,373	<b>94,230</b>
Fios video connections	4,068	3,987	3,926	3,854	<b>3,772</b>
Fios internet connections	5,961	5,971	6,110	6,202	<b>6,300</b>
Fios digital voice residence connections	3,526	3,456	3,384	3,306	<b>3,227</b>
Fios digital connections	13,555	13,414	13,420	13,362	<b>13,299</b>
Broadband connections	6,481	6,468	6,581	6,647	<b>6,713</b>
<b>Gross Additions ('000):</b>					
Wireless retail postpaid	2,220	1,927	2,304	2,945	<b>2,307</b>
<b>Net Additions Detail ('000) :</b>					
Wireless retail postpaid <sup>(1)</sup>	(525)	72	136	357	<b>(326)</b>
Wireless retail prepaid <sup>(1)</sup>	(84)	12	77	(50)	<b>19</b>
Total wireless retail <sup>(1)</sup>	(609)	84	213	307	<b>(307)</b>
Wireless retail postpaid phones <sup>(1)</sup>	(307)	97	142	163	<b>(225)</b>
Fios video	(84)	(81)	(61)	(72)	<b>(82)</b>
Fios internet	59	10	139	92	<b>98</b>
Fios digital voice residence	(94)	(70)	(72)	(78)	<b>(79)</b>
Fios digital	(119)	(141)	6	(58)	<b>(63)</b>
Broadband <sup>(1)</sup>	31	(13)	113	66	<b>66</b>
<b>Churn Rate:</b>					
Wireless retail postpaid	1.01 %	0.69 %	0.80 %	0.96 %	<b>0.97 %</b>
Wireless retail postpaid phones	0.77 %	0.51 %	0.63 %	0.76 %	<b>0.77 %</b>
Wireless retail	1.20 %	0.86 %	0.95 %	1.12 %	<b>1.11 %</b>
<b>Revenue Statistics (in millions):</b>					
Wireless service revenue	\$ 13,476	\$ 13,087	\$ 13,442	\$ 13,600	<b>\$ 13,684</b>
Fios revenues	\$ 2,799	\$ 2,754	\$ 2,773	\$ 2,756	<b>\$ 2,860</b>
<b>Other Wireless Statistics:</b>					
Wireless retail postpaid ARPA <sup>(2)</sup>	\$ 118.86	\$ 116.02	\$ 118.52	\$ 120.20	<b>\$ 120.86</b>
Wireless retail postpaid upgrade rate	3.7 %	3.9 %	4.2 %	6.0 %	<b>4.5 %</b>
Wireless retail postpaid accounts ('000) <sup>(3)</sup>	33,669	33,695	33,712	33,659	<b>33,588</b>
Wireless retail postpaid connections per account <sup>(3)</sup>	2.67	2.67	2.67	2.68	<b>2.68</b>
Total wireless internet postpaid base <sup>(3)</sup>	16.1 %	16.0 %	15.9 %	16.0 %	<b>16.0 %</b>

**Footnotes:**

(1) Connection net additions include certain adjustments.

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

(3) Statistics presented as of end of period.

Certain intersegment transactions with corporate entities have not been eliminated.



## Business - Selected Financial Results

(dollars in millions)

Unaudited	2020				2021
	1Q	2Q	3Q	4Q	1Q
<b>Operating Revenues</b>					
Small and Medium Business	\$ 2,804	\$ 2,601	\$ 2,742	\$ 2,985	\$ 2,830
Global Enterprise	2,631	2,589	2,595	2,595	2,559
Public Sector and Other	1,474	1,523	1,639	1,726	1,646
Wholesale	772	769	773	744	746
<b>Total Operating Revenues</b>	<b>7,681</b>	<b>7,482</b>	<b>7,749</b>	<b>8,050</b>	<b>7,781</b>
<b>Operating Expenses</b>					
Cost of services	2,589	2,641	2,739	2,690	2,690
Cost of wireless equipment	1,090	812	968	1,194	1,111
Selling, general and administrative expense	2,034	2,069	2,092	2,185	2,068
Depreciation and amortization expense	1,014	1,014	1,027	1,031	1,013
<b>Total Operating Expenses</b>	<b>6,727</b>	<b>6,536</b>	<b>6,826</b>	<b>7,100</b>	<b>6,882</b>
<b>Operating Income</b>	<b>\$ 954</b>	<b>\$ 946</b>	<b>\$ 923</b>	<b>\$ 950</b>	<b>\$ 899</b>
<b>Operating Income Margin</b>	<b>12.4 %</b>	<b>12.6 %</b>	<b>11.9 %</b>	<b>11.8 %</b>	<b>11.6 %</b>
<b>Segment EBITDA</b>	<b>\$ 1,968</b>	<b>\$ 1,960</b>	<b>\$ 1,950</b>	<b>\$ 1,981</b>	<b>\$ 1,912</b>
<b>Segment EBITDA Margin</b>	<b>25.6 %</b>	<b>26.2 %</b>	<b>25.2 %</b>	<b>24.6 %</b>	<b>24.6 %</b>

**Footnotes:**

The segment financial results and metrics above are adjusted to exclude the effects of special items, as the Company's chief operating decision maker excludes these items in assessing segment performance.

Certain intersegment transactions with corporate entities have not been eliminated.

## Business - Selected Operating Statistics

Unaudited	2020				2021
	1Q	2Q	3Q	4Q	1Q
<b>Connections ('000):</b>					
Wireless retail postpaid connections	25,658	25,897	26,223	26,507	<b>26,621</b>
Fios video connections	77	75	74	73	<b>73</b>
Fios internet connections	330	327	332	335	<b>339</b>
Fios digital connections	407	402	406	408	<b>412</b>
Broadband connections	501	491	488	482	<b>480</b>
<b>Gross Additions ('000):</b>					
Wireless retail postpaid	1,464	1,148	1,345	1,285	<b>1,141</b>
<b>Net Additions Detail ('000):</b>					
Wireless retail postpaid <sup>(1)</sup>	475	280	417	346	<b>156</b>
Wireless retail postpaid phones <sup>(1)</sup>	239	76	141	116	<b>47</b>
Fios video	—	(2)	(1)	(1)	<b>—</b>
Fios internet	4	(3)	5	3	<b>4</b>
Fios digital	4	(5)	4	2	<b>4</b>
Broadband <sup>(1)</sup>	(5)	(10)	(3)	(6)	<b>(2)</b>
<b>Churn Rate:</b>					
Wireless retail postpaid	1.30 %	1.12 %	1.19 %	1.19 %	<b>1.24 %</b>
Wireless retail postpaid phones	1.02 %	0.90 %	0.96 %	0.98 %	<b>1.01 %</b>
<b>Revenue Statistics (in millions):</b>					
Wireless service revenue	\$ 2,881	\$ 2,861	\$ 2,990	\$ 3,073	<b>\$ 3,060</b>
Fios revenues	\$ 262	\$ 260	\$ 263	\$ 272	<b>\$ 276</b>
<b>Other Operating Statistics:</b>					
Wireless retail postpaid upgrade rate	3.6 %	2.7 %	3.3 %	4.0 %	<b>3.3 %</b>
Total wireless internet postpaid base <sup>(2)</sup>	33.7 %	33.9 %	34.3 %	34.5 %	<b>34.6 %</b>

**Footnotes:**

(1) Connection net additions include certain adjustments.

(2) Statistics presented as of end of period.

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	2020				2021
	1Q	2Q	3Q	4Q	1Q
<b>Connections ('000)</b>					
Retail postpaid	115,572	115,874	116,249	116,853	<b>116,793</b>
Retail prepaid	3,980	3,998	4,075	4,027	<b>4,058</b>
Total retail	119,552	119,872	120,324	120,880	<b>120,851</b>
<b>Net Additions Detail ('000) <sup>(1)</sup></b>					
Retail postpaid phone	(68)	173	283	279	<b>(178)</b>
Retail postpaid	(50)	352	553	703	<b>(170)</b>
Retail prepaid	(84)	12	77	(50)	<b>19</b>
Total retail	(134)	364	630	653	<b>(151)</b>
<b>Account Statistics</b>					
Retail postpaid accounts ('000) <sup>(2)</sup>	35,209	35,242	35,279	35,244	<b>35,184</b>
Retail postpaid connections per account <sup>(2)</sup>	3.28	3.29	3.30	3.32	<b>3.32</b>
Retail postpaid ARPA <sup>(3)</sup>	\$ 138.80	\$ 135.97	\$ 139.24	\$ 141.17	<b>\$ 141.74</b>
<b>Churn Detail</b>					
Retail postpaid phone	0.82 %	0.58 %	0.69 %	0.80 %	<b>0.81 %</b>
Retail postpaid	1.08 %	0.78 %	0.89 %	1.01 %	<b>1.03 %</b>
Retail	1.22 %	0.92 %	1.01 %	1.14 %	<b>1.14 %</b>
<b>Retail Postpaid Connection Statistics</b>					
Total internet postpaid base <sup>(2)</sup>	20.0 %	20.0 %	20.0 %	20.2 %	<b>20.2 %</b>
Upgrade rate	3.7 %	3.7 %	4.0 %	5.6 %	<b>4.3 %</b>
<b>Revenue Statistics (in millions) <sup>(4)</sup></b>					
Wireless service	\$ 16,357	\$ 15,948	\$ 16,432	\$ 16,673	<b>\$ 16,744</b>
Wireless equipment	4,129	3,755	4,112	6,424	<b>4,944</b>
Wireless other	2,079	2,039	2,096	2,029	<b>2,043</b>
Total Wireless	\$ 22,565	\$ 21,742	\$ 22,640	\$ 25,126	<b>\$ 23,731</b>

### Footnotes:

(1) Connection net additions include certain adjustments.

(2) Statistics presented as of end of period.

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

(4) Intersegment transactions between Consumer or Business segment with corporate entities have not been eliminated.

## 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 a widely accepted financial measures used in evaluating the profitability of a company and with 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 segment total operating revenues.

### Consolidated Adjusted EBITDA and Consolidated Adjusted EBITDA Margin Related Non-GAAP Measures

Consolidated Adjusted EBITDA and Consolidated Adjusted EBITDA Margin 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 in a manner that is consistent with management's evaluation of business performance. We believe that Consolidated Adjusted EBITDA and Consolidated Adjusted EBITDA Margin 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 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: impairment charges, severance charges, loss on spectrum licenses, and net gain/loss from dispositions of assets and businesses. The impairment charges relate to goodwill impairment charges recognized as a result of the Company's annual goodwill impairment testing of its media business, Verizon Media, and the impairment charge of an investment in a media joint venture. Severance charges recorded during 2020 and 2019 relate to voluntary separations under our existing plans and headcount reduction initiatives respectively. Loss on spectrum licenses relates to the reclassification of certain spectrum licenses to assets held for sale at fair value in connection with spectrum sale transactions in 2021 and Auction 103 in 2020. Net gain/loss from dispositions of assets and businesses relates to the sale of Huffington Post in 2020 and the sale of various real estate properties and businesses in 2019.

Consolidated Adjusted EBITDA Margin is calculated by dividing Consolidated Adjusted EBITDA by Consolidated Operating Revenues.

### 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: loss on spectrum licenses and net pension remeasurement charge.

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 2021.

### 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 impact 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 2021.

## Definitions - Non-GAAP Measures

### **Net Unsecured Debt, Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio and Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio Forecast**

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

We have not provided a reconciliation for our Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio Forecast because we cannot, without unreasonable effort, predict the special items that could arise during 2021.

### **Free Cash Flow**

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 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.

# Non-GAAP Reconciliations - Consolidated

## Consolidated EBITDA, Consolidated Adjusted EBITDA and Consolidated Adjusted EBITDA Margin

(dollars in millions)

Unaudited	2019			2020				2021
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
<b>Consolidated Net Income</b>	\$ 4,074	\$ 5,337	\$ 5,217	\$ 4,287	\$ 4,839	\$ 4,504	\$ 4,718	\$ 5,378
Add/(subtract):								
Provision (benefit) for income taxes	1,236	1,586	(1,505)	1,389	1,348	1,347	1,535	1,700
Interest expense <sup>(1)</sup>	1,215	1,146	1,159	1,034	1,089	1,044	1,080	1,101
Depreciation and amortization expense	4,232	4,114	4,105	4,150	4,181	4,192	4,197	4,174
<b>Consolidated EBITDA</b>	\$ 10,757	\$ 12,183	\$ 8,976	\$ 10,860	\$ 11,457	\$ 11,087	\$ 11,530	\$ 12,353
Add/(subtract):								
Other (income) expense, net <sup>(2)</sup>	\$ 1,312	\$ 110	\$ 1,773	\$ (143)	\$ 72	\$ 774	\$ (164)	\$ (401)
Equity in losses (earnings) of unconsolidated businesses <sup>(3)</sup>	13	1	(5)	12	13	9	11	(8)
Impairment charges	—	—	186	—	—	—	—	—
Severance charges	—	—	204	—	—	—	221	—
Loss on spectrum licenses	—	—	—	1,195	—	—	—	223
Net (gain) loss from dispositions of assets and businesses	—	(261)	—	—	—	—	126	—
<b>Consolidated Adjusted EBITDA</b>	\$ 12,082	\$ 12,033	\$ 11,134	\$ 11,924	\$ 11,542	\$ 11,870	\$ 11,724	\$ 12,167
<b>Consolidated Operating Revenues</b>				\$ 31,610	\$ 30,447	\$ 31,543	\$ 34,692	\$ 32,867
<b>Consolidated Adjusted EBITDA Margin</b>				37.7 %	37.9 %	37.6 %	33.8 %	37.0 %
<b>Consolidated Adjusted EBITDA - Year Over Year Change %</b>								2.0 %

(1) Includes Early debt redemption costs, where applicable.

(2) Includes Pension and benefits mark-to-market adjustments and Early debt redemption costs, where applicable.

(3) Includes impairment charges, where applicable.

## Adjusted Earnings per Common Share (Adjusted EPS)

(dollars in millions except per share amounts)

Unaudited	3 Mos. Ended 3/31/20				3 Mos. Ended 3/31/21			
	Pre-tax	Tax	After-Tax		Pre-tax	Tax	After-Tax	
<b>EPS</b>				\$ 1.00				\$ 1.27
Loss on spectrum licenses	1,195	(281)	914	0.22	223	(56)	167	0.04
Net pension remeasurement charge	\$ 182	\$ (47)	\$ 135	0.03	\$ —	\$ —	\$ —	—
	\$ 1,377	\$ (328)	\$ 1,049	\$ 0.25	\$ 223	\$ (56)	\$ 167	\$ 0.04
<b>Adjusted EPS</b>				\$ 1.26				\$ 1.31
Year over year change %								4.0 %

Note:  
Adjusted EPS may not add due to rounding.

## Non-GAAP Reconciliations - Consolidated

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

(dollars in millions)

Unaudited	12/31/19	3/31/20	6/30/20	9/30/20	12/31/20	3/31/21
Debt maturing within one year	\$ 10,777	\$ 11,175	\$ 6,651	\$ 5,770	\$ 5,889	\$ 8,802
Long-term debt	100,712	106,561	106,190	109,790	123,173	149,700
<b>Total Debt</b>	111,489	117,736	112,841	115,560	129,062	158,502
Less Secured debt	12,369	12,989	10,607	10,092	10,604	10,876
<b>Unsecured Debt</b>	99,120	104,747	102,234	105,468	118,458	147,626
Less Cash and cash equivalents	2,594	7,047	7,882	8,983	22,171	10,205
<b>Net Unsecured Debt</b>	\$ 96,526	\$ 97,700	\$ 94,352	\$ 96,485	\$ 96,287	\$ 137,421
<b>Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio</b>		2.1x	2.0x	2.1x	2.0x	2.9x

### Free Cash Flow

(dollars in millions)

Unaudited	3 Mos. Ended 3/31/20	3 Mos. Ended 3/31/21
<b>Net Cash Provided by Operating Activities</b>	\$ 8,824	\$ 9,694
Capital expenditures (including capitalized software)	(5,274)	(4,494)
<b>Free Cash Flow</b>	\$ 3,550	\$ 5,200
Year over year change %		46.5 %

# Non-GAAP Reconciliations - Segments

## Segment EBITDA and Segment EBITDA Margin

### Consumer

Unaudited	(dollars in millions)				
	3 Months Ended 3/31/20	3 Months Ended 6/30/20	3 Months Ended 9/30/20	3 Months Ended 12/31/20	3 Months Ended 3/31/21
<b>Operating Income</b>	\$ 7,282	\$ 7,064	\$ 7,437	\$ 7,073	\$ 7,519
Add Depreciation and amortization expense	2,820	2,849	2,862	2,864	2,861
<b>Segment EBITDA</b>	<b>\$ 10,102</b>	<b>\$ 9,913</b>	<b>\$ 10,299</b>	<b>\$ 9,937</b>	<b>\$ 10,380</b>
Total operating revenues	\$ 21,765	\$ 21,113	\$ 21,736	\$ 23,919	\$ 22,798
<b>Operating Income Margin</b>	33.5 %	33.5 %	34.2 %	29.6 %	33.0 %
<b>Segment EBITDA Margin</b>	46.4 %	47.0 %	47.4 %	41.5 %	45.5 %
Segment EBITDA - Year over year change					2.8 %
Segment EBITDA Margin - Year over year change					(90) bps

### Business

Unaudited	(dollars in millions)				
	3 Months Ended 3/31/20	3 Months Ended 6/30/20	3 Months Ended 9/30/20	3 Months Ended 12/31/20	3 Months Ended 3/31/21
<b>Operating Income</b>	\$ 954	\$ 946	\$ 923	\$ 950	\$ 899
Add Depreciation and amortization expense	1,014	1,014	1,027	1,031	1,013
<b>Segment EBITDA</b>	<b>\$ 1,968</b>	<b>\$ 1,960</b>	<b>\$ 1,950</b>	<b>\$ 1,981</b>	<b>\$ 1,912</b>
Total operating revenues	\$ 7,681	\$ 7,482	\$ 7,749	\$ 8,050	\$ 7,781
<b>Operating Income Margin</b>	12.4 %	12.6 %	11.9 %	11.8 %	11.6 %
<b>Segment EBITDA Margin</b>	25.6 %	26.2 %	25.2 %	24.6 %	24.6 %
Segment EBITDA - Year over year change					(2.8)%
Segment EBITDA Margin - Year over year change					(100) bps