

Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 9/30/21	3 Mos. Ended 9/30/20	% Change	9 Mos. Ended 9/30/21	9 Mos. Ended 9/30/20	% Change
Operating Revenues						
Service revenues and other	\$ 27,565	\$ 27,431	0.5	\$ 83,709	\$ 81,604	2.6
Wireless equipment revenues	5,350	4,112	30.1	15,837	11,996	32.0
Total Operating Revenues	32,915	31,543	4.3	99,546	93,600	6.4
Operating Expenses						
Cost of services	7,855	7,955	(1.3)	24,199	23,348	3.6
Cost of wireless equipment	5,673	4,379	29.6	17,106	13,031	31.3
Selling, general and administrative expense	6,521	7,339	(11.1)	21,246	23,080	(7.9)
Depreciation and amortization expense	3,961	4,192	(5.5)	12,155	12,523	(2.9)
Total Operating Expenses	24,010	23,865	0.6	74,706	71,982	3.8
Operating Income	8,905	7,678	16.0	24,840	21,618	14.9
Equity in earnings (losses) of unconsolidated businesses	1	(9)	*	10	(34)	*
Other income (expense), net	269	(774)	*	1,172	(703)	*
Interest expense	(801)	(1,044)	(23.3)	(2,746)	(3,167)	(13.3)
Income Before Provision For Income Taxes	8,374	5,851	43.1	23,276	17,714	31.4
Provision for income taxes	(1,820)	(1,347)	35.1	(5,395)	(4,084)	32.1
Net Income	\$ 6,554	\$ 4,504	45.5	\$ 17,881	\$ 13,630	31.2
Net income attributable to noncontrolling interests	\$ 147	\$ 147	—	\$ 429	\$ 417	2.9
Net income attributable to Verizon	6,407	4,357	47.1	17,452	13,213	32.1
Net Income	\$ 6,554	\$ 4,504	45.5	\$ 17,881	\$ 13,630	31.2
Basic Earnings Per Common Share						
Net income attributable to Verizon	\$ 1.55	\$ 1.05	47.6	\$ 4.21	\$ 3.19	32.0
Weighted-average shares outstanding (in millions)	4,142	4,140		4,141	4,139	
Diluted Earnings Per Common Share ⁽¹⁾						
Net income attributable to Verizon	\$ 1.55	\$ 1.05	47.6	\$ 4.21	\$ 3.19	32.0
Weighted-average shares outstanding (in millions)	4,144	4,142		4,143	4,141	

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	9/30/21	12/31/20	\$ Change
Assets			
Current assets			
Cash and cash equivalents	\$ 9,936	\$ 22,171	\$ (12,235)
Accounts receivable	23,165	25,169	(2,004)
Less Allowance for credit losses	970	1,252	(282)
Accounts receivable, net	22,195	23,917	(1,722)
Inventories	2,303	1,796	507
Prepaid expenses and other	5,843	6,710	(867)
Total current assets	40,277	54,594	(14,317)
Property, plant and equipment	287,421	279,737	7,684
Less Accumulated depreciation	191,665	184,904	6,761
Property, plant and equipment, net	95,756	94,833	923
Investments in unconsolidated businesses	1,100	589	511
Wireless licenses	145,767	96,097	49,670
Deposits for wireless licenses	—	2,772	(2,772)
Goodwill	24,887	24,773	114
Other intangible assets, net	7,022	9,413	(2,391)
Operating lease right-of-use assets	27,969	22,531	5,438
Other assets	10,679	10,879	(200)
Total assets	\$ 353,457	\$ 316,481	\$ 36,976
Liabilities and Equity			
Current liabilities			
Debt maturing within one year	\$ 7,623	\$ 5,889	\$ 1,734
Accounts payable and accrued liabilities	20,153	20,658	(505)
Current operating lease liabilities	3,606	3,485	121
Other current liabilities	9,976	9,628	348
Total current liabilities	41,358	39,660	1,698
Long-term debt	143,352	123,173	20,179
Employee benefit obligations	16,516	18,657	(2,141)
Deferred income taxes	38,481	35,711	2,770
Non-current operating lease liabilities	23,507	18,000	5,507
Other liabilities	11,754	12,008	(254)
Total long-term liabilities	233,610	207,549	26,061
Equity			
Common stock	429	429	—
Additional paid in capital	13,402	13,404	(2)
Retained earnings	70,062	60,464	9,598
Accumulated other comprehensive loss	(709)	(71)	(638)
Common stock in treasury, at cost	(6,630)	(6,719)	89
Deferred compensation – employee stock ownership plans and other	490	335	155
Noncontrolling interests	1,445	1,430	15
Total equity	78,489	69,272	9,217
Total liabilities and equity	\$ 353,457	\$ 316,481	\$ 36,976

Footnotes:

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

Consolidated - Selected Financial and Operating Statistics

(dollars in millions, except per share amounts)

Unaudited	9/30/21	12/31/20
Total debt	\$ 150,975	\$ 129,062
Net unsecured debt	\$ 131,614	\$ 96,287
Net unsecured debt / Consolidated Adjusted EBITDA ⁽¹⁾	2.7x	2.0x
Common shares outstanding end of period (in millions)	4,140	4,138
Total employees ('000)	118.5	132.2
Quarterly cash dividends declared per common share	\$ 0.6400	\$ 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	9 Mos. Ended 9/30/21	9 Mos. Ended 9/30/20	\$ Change
Cash Flows from Operating Activities			
Net Income	\$ 17,881	\$ 13,630	\$ 4,251
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	12,155	12,523	(368)
Employee retirement benefits	(1,928)	867	(2,795)
Deferred income taxes	2,970	530	2,440
Provision for expected credit losses	604	1,100	(496)
Equity in losses of unconsolidated businesses, net of dividends received	32	67	(35)
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	603	1,345	(742)
Other, net	(1,155)	2,410	(3,565)
Net cash provided by operating activities	31,162	32,472	(1,310)
Cash Flows from Investing Activities			
Capital expenditures (including capitalized software)	(13,861)	(14,168)	307
Acquisitions of businesses, net of cash acquired	(459)	(507)	48
Acquisitions of wireless licenses	(47,027)	(3,757)	(43,270)
Proceeds from disposition of business	4,122	—	4,122
Other, net	207	(37)	244
Net cash used in investing activities	(57,018)	(18,469)	(38,549)
Cash Flows from Financing Activities			
Proceeds from long-term borrowings	32,482	12,387	20,095
Proceeds from asset-backed long-term borrowings	2,695	4,439	(1,744)
Repayments of long-term borrowings and finance lease obligations	(7,904)	(8,853)	949
Repayments of asset-backed long-term borrowings	(3,887)	(6,726)	2,839
Dividends paid	(7,797)	(7,636)	(161)
Other, net	(2,120)	(1,348)	(772)
Net cash provided by (used in) financing activities	13,469	(7,737)	21,206
Increase (decrease) in cash, cash equivalents and restricted cash	(12,387)	6,266	(18,653)
Cash, cash equivalents and restricted cash, beginning of period	23,498	3,917	19,581
Cash, cash equivalents and restricted cash, end of period	\$ 11,111	\$ 10,183	\$ 928

Footnotes:

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

Consumer - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 9/30/21	3 Mos. Ended 9/30/20	% Change	9 Mos. Ended 9/30/21	9 Mos. Ended 9/30/20	% Change
Operating Revenues						
Service	\$ 16,891	\$ 16,255	3.9	\$ 50,169	\$ 48,496	3.4
Wireless equipment	4,530	3,403	33.1	13,461	9,989	34.8
Other	1,907	2,078	(8.2)	5,973	6,129	(2.5)
Total Operating Revenues	23,328	21,736	7.3	69,603	64,614	7.7
Operating Expenses						
Cost of services	4,149	3,971	4.5	12,330	11,786	4.6
Cost of wireless equipment	4,611	3,411	35.2	13,857	10,161	36.4
Selling, general and administrative expense	4,060	4,055	0.1	12,131	12,353	(1.8)
Depreciation and amortization expense	2,918	2,862	2.0	8,679	8,531	1.7
Total Operating Expenses	15,738	14,299	10.1	46,997	42,831	9.7
Operating Income	\$ 7,590	\$ 7,437	2.1	\$ 22,606	\$ 21,783	3.8
Operating Income Margin	32.5 %	34.2 %		32.5 %	33.7 %	
Segment EBITDA	\$ 10,508	\$ 10,299	2.0	\$ 31,285	\$ 30,314	3.2
Segment EBITDA Margin	45.0 %	47.4 %		44.9 %	46.9 %	

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	9/30/21		9/30/20		% Change	
Connections ('000):						
Wireless retail postpaid connections	90,916		90,026		1.0	
Wireless retail prepaid connections	4,072		4,075		(0.1)	
Total wireless retail connections	94,988		94,101		0.9	
Fios video connections	3,642		3,926		(7.2)	
Fios internet connections	6,490		6,110		6.2	
Fios digital voice residence connections	3,094		3,384		(8.6)	
Fios digital connections	13,226		13,420		(1.4)	
Wireline broadband connections	6,858		6,581		4.2	
Unaudited	3 Mos. Ended 9/30/21	3 Mos. Ended 9/30/20	% Change	9 Mos. Ended 9/30/21	9 Mos. Ended 9/30/20	% Change
Gross Additions ('000):						
Wireless retail postpaid	2,701	2,304	17.2	7,600	6,451	17.8
Net Additions Detail ('000) :						
Wireless retail postpaid ⁽¹⁾	423	136	*	447	(317)	*
Wireless retail prepaid ⁽¹⁾	(4)	77	*	33	5	*
Total wireless retail ⁽¹⁾	419	213	96.7	480	(312)	*
Wireless retail postpaid phones ⁽¹⁾	267	142	88.0	239	(68)	*
Fios video	(68)	(61)	(11.5)	(212)	(226)	6.2
Fios internet	98	139	(29.5)	288	208	38.5
Fios digital voice residence	(71)	(72)	1.4	(212)	(236)	10.2
Fios digital	(41)	6	*	(136)	(254)	46.5
Wireline broadband ⁽¹⁾	75	113	(33.6)	211	131	61.1
Churn Rate:						
Wireless retail postpaid	0.84 %	0.80 %		0.88 %	0.84 %	
Wireless retail postpaid phones	0.67 %	0.63 %		0.69 %	0.64 %	
Wireless retail	0.98 %	0.95 %		1.02 %	1.00 %	
Revenue Statistics (in millions):						
Wireless service revenue	\$ 13,982	\$ 13,442	4.0	\$ 41,460	\$ 40,005	3.6
Fios revenues	\$ 2,893	\$ 2,773	4.3	\$ 8,648	\$ 8,326	3.9

Unaudited	3 Mos. Ended 9/30/21	3 Mos. Ended 9/30/20	% Change	9 Mos. Ended 9/30/21	9 Mos. Ended 9/30/20	% Change
Other Wireless Statistics:						
Wireless retail postpaid ARPA ⁽²⁾	\$ 123.04	\$ 118.52	3.8	\$ 121.71	\$ 117.80	3.3
Wireless retail postpaid upgrade rate	4.7 %	4.2 %				
Wireless retail postpaid accounts ('000) ⁽³⁾				33,640	33,712	(0.2)
Wireless retail postpaid connections per account ⁽³⁾				2.70	2.67	1.1
Total wireless internet postpaid base ⁽³⁾				16.2 %	15.9 %	

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.

* Not meaningful

Business - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 9/30/21	3 Mos. Ended 9/30/20	% Change	9 Mos. Ended 9/30/21	9 Mos. Ended 9/30/20	% Change
Operating Revenues						
Small and Medium Business	\$ 2,937	\$ 2,742	7.1	\$ 8,662	\$ 8,147	6.3
Global Enterprise	2,552	2,595	(1.7)	7,694	7,815	(1.5)
Public Sector and Other	1,547	1,639	(5.6)	4,807	4,636	3.7
Wholesale	653	773	(15.5)	2,069	2,314	(10.6)
Total Operating Revenues	7,689	7,749	(0.8)	23,232	22,912	1.4
Operating Expenses						
Cost of services	2,647	2,739	(3.4)	8,066	7,969	1.2
Cost of wireless equipment	1,061	968	9.6	3,248	2,870	13.2
Selling, general and administrative expense	2,077	2,092	(0.7)	6,231	6,195	0.6
Depreciation and amortization expense	1,018	1,027	(0.9)	3,046	3,055	(0.3)
Total Operating Expenses	6,803	6,826	(0.3)	20,591	20,089	2.5
Operating Income	\$ 886	\$ 923	(4.0)	\$ 2,641	\$ 2,823	(6.4)
Operating Income Margin	11.5 %	11.9 %		11.4 %	12.3 %	
Segment EBITDA	\$ 1,904	\$ 1,950	(2.4)	\$ 5,687	\$ 5,878	(3.2)
Segment EBITDA Margin	24.8 %	25.2 %		24.5 %	25.7 %	

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	9/30/21		9/30/20		% Change	
Connections ('000):						
Wireless retail postpaid connections	26,998		26,223		3.0	
Fios video connections	72		74		(2.7)	
Fios internet connections	352		332		6.0	
Fios digital connections	424		406		4.4	
Wireline broadband connections	479		488		(1.8)	
Unaudited	3 Mos. Ended 9/30/21	3 Mos. Ended 9/30/20	% Change	9 Mos. Ended 9/30/21	9 Mos. Ended 9/30/20	% Change
Gross Additions ('000):						
Wireless retail postpaid	1,314	1,345	(2.3)	3,675	3,957	(7.1)
Net Additions Detail ('000):						
Wireless retail postpaid ⁽¹⁾	276	417	(33.8)	610	1,172	(48.0)
Wireless retail postpaid phones ⁽¹⁾	162	141	14.9	287	456	(37.1)
Fios video	—	(1)	100.0	(1)	(3)	66.7
Fios internet	6	5	20.0	17	6	*
Fios digital	6	4	50.0	16	3	*
Wireline broadband ⁽¹⁾	(1)	(3)	66.7	(3)	(18)	83.3
Churn Rate:						
Wireless retail postpaid	1.29 %	1.19 %		1.28 %	1.20 %	
Wireless retail postpaid phones	1.04 %	0.96 %		1.04 %	0.96 %	
Revenue Statistics (in millions):						
Wireless service revenue	\$ 3,097	\$ 2,990	3.6	\$ 9,247	\$ 8,732	5.9
Fios revenues	\$ 287	\$ 263	9.1	\$ 844	\$ 785	7.5
Other Operating Statistics:						
Wireless retail postpaid upgrade rate	3.2 %	3.3 %				
Total wireless internet postpaid base ⁽²⁾				34.7 %	34.3 %	

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.

* 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	9/30/21		9/30/20		% Change	
Connections ('000)						
Retail postpaid	117,914		116,249		1.4	
Retail prepaid	4,072		4,075		(0.1)	
Total retail	121,986		120,324		1.4	
Unaudited	3 Mos. Ended 9/30/21	3 Mos. Ended 9/30/20	% Change	9 Mos. Ended 9/30/21	9 Mos. Ended 9/30/20	% Change
Net Additions Detail ('000) ⁽¹⁾						
Retail postpaid phone	429	283	51.6	526	388	35.6
Retail postpaid	699	553	26.4	1,057	855	23.6
Retail prepaid	(4)	77	*	33	5	*
Total retail	695	630	10.3	1,090	860	26.7
Account Statistics						
Retail postpaid accounts ('000) ⁽²⁾	35,285		35,279		*	
Retail postpaid connections per account ⁽²⁾	3.34		3.30		1.2	
Retail postpaid ARPA ⁽³⁾	\$ 143.87	\$ 139.24	3.3	\$ 142.61	\$ 138.01	3.3
Churn Detail						
Retail postpaid phone	0.74 %		0.69 %		0.76 %	
Retail postpaid	0.94 %		0.89 %		0.97 %	
Retail	1.05 %		1.01 %		1.08 %	
Retail Postpaid Connection Statistics						
Total internet postpaid base ⁽²⁾	20.4 %		20.0 %			
Upgrade rate	4.3 %		4.0 %			
Revenue Statistics (in millions) ⁽⁴⁾						
Wireless service	\$ 17,079	\$ 16,432	3.9	\$ 50,707	\$ 48,737	4.0
Wireless equipment	5,350	4,112	30.1	15,837	11,996	32.0
Wireless other	1,929	2,096	(8.0)	6,015	6,214	(3.2)
Total Wireless	\$ 24,358	\$ 22,640	7.6	\$ 72,559	\$ 66,947	8.4

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.