

Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 6/30/22	3 Mos. Ended 6/30/21	% Change	6 Mos. Ended 6/30/22	6 Mos. Ended 6/30/21	% Change
Operating Revenues						
Service revenues and other	\$ 27,115	\$ 28,221	(3.9)	\$ 54,333	\$ 56,144	(3.2)
Wireless equipment revenues	6,674	5,543	20.4	13,010	10,487	24.1
Total Operating Revenues	33,789	33,764	0.1	67,343	66,631	1.1
Operating Expenses						
Cost of services	6,932	8,324	(16.7)	14,159	16,344	(13.4)
Cost of wireless equipment	7,488	5,931	26.3	14,611	11,433	27.8
Selling, general and administrative expense	7,496	7,324	2.3	14,668	14,725	(0.4)
Depreciation and amortization expense	4,321	4,020	7.5	8,557	8,194	4.4
Total Operating Expenses	26,237	25,599	2.5	51,995	50,696	2.6
Operating Income	7,552	8,165	(7.5)	15,348	15,935	(3.7)
Equity in earnings of unconsolidated businesses	41	1	*	38	9	*
Other income (expense), net	49	502	(90.2)	(875)	903	*
Interest expense	(785)	(844)	(7.0)	(1,571)	(1,945)	(19.2)
Income Before Provision For Income Taxes	6,857	7,824	(12.4)	12,940	14,902	(13.2)
Provision for income taxes	(1,542)	(1,875)	(17.8)	(2,914)	(3,575)	(18.5)
Net Income	\$ 5,315	\$ 5,949	(10.7)	\$ 10,026	\$ 11,327	(11.5)
Net income attributable to noncontrolling interests	\$ 116	\$ 149	(22.1)	\$ 247	\$ 282	(12.4)
Net income attributable to Verizon	5,199	5,800	(10.4)	9,779	11,045	(11.5)
Net Income	\$ 5,315	\$ 5,949	(10.7)	\$ 10,026	\$ 11,327	(11.5)
Basic Earnings Per Common Share						
Net income attributable to Verizon	\$ 1.24	\$ 1.40	(11.4)	\$ 2.33	\$ 2.67	(12.7)
Weighted-average shares outstanding (in millions)	4,201	4,141		4,201	4,141	
Diluted Earnings Per Common Share ⁽¹⁾						
Net income attributable to Verizon	\$ 1.24	\$ 1.40	(11.4)	\$ 2.33	\$ 2.67	(12.7)
Weighted-average shares outstanding (in millions)	4,202	4,143		4,202	4,143	

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	6/30/22	12/31/21	\$ Change
Assets			
Current assets			
Cash and cash equivalents	\$ 1,857	\$ 2,921	\$ (1,064)
Accounts receivable	24,740	24,742	(2)
Less Allowance for credit losses	831	896	(65)
Accounts receivable, net	23,909	23,846	63
Inventories	3,646	3,055	591
Prepaid expenses and other	8,087	6,906	1,181
Total current assets	37,499	36,728	771
Property, plant and equipment	296,700	289,897	6,803
Less Accumulated depreciation	195,390	190,201	5,189
Property, plant and equipment, net	101,310	99,696	1,614
Investments in unconsolidated businesses	1,113	1,061	52
Wireless licenses	148,724	147,619	1,105
Goodwill	28,638	28,603	35
Other intangible assets, net	11,286	11,677	(391)
Operating lease right-of-use assets	27,098	27,883	(785)
Other assets	14,479	13,329	1,150
Total assets	\$ 370,147	\$ 366,596	\$ 3,551
Liabilities and Equity			
Current liabilities			
Debt maturing within one year	\$ 12,873	\$ 7,443	\$ 5,430
Accounts payable and accrued liabilities	20,956	24,833	(3,877)
Current operating lease liabilities	3,912	3,859	53
Other current liabilities	11,483	11,025	458
Total current liabilities	49,224	47,160	2,064
Long-term debt	136,184	143,425	(7,241)
Employee benefit obligations	15,125	15,410	(285)
Deferred income taxes	42,154	40,685	1,469
Non-current operating lease liabilities	22,597	23,203	(606)
Other liabilities	17,506	13,513	3,993
Total long-term liabilities	233,566	236,236	(2,670)
Equity			
Common stock	429	429	—
Additional paid in capital	13,872	13,861	11
Retained earnings	76,401	71,993	4,408
Accumulated other comprehensive loss	(1,320)	(927)	(393)
Common stock in treasury, at cost	(4,020)	(4,104)	84
Deferred compensation – employee stock ownership plans and other	654	538	116
Noncontrolling interests	1,341	1,410	(69)
Total equity	87,357	83,200	4,157
Total liabilities and equity	\$ 370,147	\$ 366,596	\$ 3,551

Consolidated - Selected Financial and Operating Statistics

(dollars in millions, except per share amounts)

Unaudited	6/30/22	12/31/21
Total debt	\$ 149,057	\$ 150,868
Net unsecured debt	\$ 130,628	\$ 133,745
Net unsecured debt / Consolidated Adjusted EBITDA ⁽¹⁾	2.7x	2.8x
Common shares outstanding end of period (in millions)	4,200	4,198
Total employees ('000)	119.4	118.4
Quarterly cash dividends declared per common share	\$ 0.6400	\$ 0.6400

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	6 Mos. Ended 6/30/22	6 Mos. Ended 6/30/21	\$ Change
Cash Flows from Operating Activities			
Net Income	\$ 10,026	\$ 11,327	\$ (1,301)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	8,557	8,194	363
Employee retirement benefits	(121)	(1,819)	1,698
Deferred income taxes	1,514	1,978	(464)
Provision for expected credit losses	665	409	256
Equity in losses (earnings) of unconsolidated businesses, net of dividends received	(18)	25	(43)
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(1,959)	82	(2,041)
Other, net	(999)	242	(1,241)
Net cash provided by operating activities	17,665	20,438	(2,773)
Cash Flows from Investing Activities			
Capital expenditures (including capitalized software)	(10,491)	(8,716)	(1,775)
Cash received (paid) related to acquisitions of businesses, net of cash acquired	247	(458)	705
Acquisitions of wireless licenses	(2,275)	(45,278)	43,003
Other, net	(2,137)	51	(2,188)
Net cash used in investing activities	(14,656)	(54,401)	39,745
Cash Flows from Financing Activities			
Proceeds from long-term borrowings	3,617	31,444	(27,827)
Proceeds from asset-backed long-term borrowings	5,053	2,695	2,358
Repayments of long-term borrowings and finance lease obligations	(7,405)	(7,559)	154
Repayments of asset-backed long-term borrowings	(2,695)	(2,993)	298
Dividends paid	(5,378)	(5,198)	(180)
Other, net	2,971	(1,839)	4,810
Net cash provided by (used in) financing activities	(3,837)	16,550	(20,387)
Decrease in cash, cash equivalents and restricted cash	(828)	(17,413)	16,585
Cash, cash equivalents and restricted cash, beginning of period	4,161	23,498	(19,337)
Cash, cash equivalents and restricted cash, end of period	\$ 3,333	\$ 6,085	\$ (2,752)

Consumer - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 6/30/22	3 Mos. Ended 6/30/21	% Change	6 Mos. Ended 6/30/22	6 Mos. Ended 6/30/21	% Change
Operating Revenues						
Service	\$ 18,149	\$ 16,709	8.6	\$ 36,275	\$ 33,278	9.0
Wireless equipment	5,708	4,739	20.4	11,082	8,931	24.1
Other	1,747	2,029	(13.9)	3,539	4,066	(13.0)
Total Operating Revenues	25,604	23,477	9.1	50,896	46,275	10.0
Operating Expenses						
Cost of services	4,284	4,181	2.5	8,730	8,181	6.7
Cost of wireless equipment	6,221	4,854	28.2	12,034	9,246	30.2
Selling, general and administrative expense	4,738	4,045	17.1	9,290	8,071	15.1
Depreciation and amortization expense	3,211	2,900	10.7	6,373	5,761	10.6
Total Operating Expenses	18,454	15,980	15.5	36,427	31,259	16.5
Operating Income	\$ 7,150	\$ 7,497	(4.6)	\$ 14,469	\$ 15,016	(3.6)
Operating Income Margin	27.9 %	31.9 %		28.4 %	32.4 %	
Segment EBITDA						
Segment EBITDA	\$ 10,361	\$ 10,397	(0.3)	\$ 20,842	\$ 20,777	0.3
Segment EBITDA Margin	40.5 %	44.3 %		41.0 %	44.9 %	

Footnotes:

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	6/30/22		6/30/21		% Change	
Connections ('000):						
Wireless retail postpaid	91,475		90,514		1.1	
Wireless retail prepaid ^{(1) (2)}	23,138		4,075		*	
Total wireless retail	114,613		94,589		21.2	
Wireless retail postpaid phones	75,197		75,118		0.1	
Fios video	3,409		3,710		(8.1)	
Fios internet	6,626		6,392		3.7	
Fixed wireless access (FWA) broadband	384		37		*	
Wireline broadband	6,938		6,783		2.3	
Total broadband	7,322		6,820		7.4	
Unaudited	3 Mos. Ended 6/30/22	3 Mos. Ended 6/30/21	% Change	6 Mos. Ended 6/30/22	6 Mos. Ended 6/30/21	% Change
Gross Additions ('000):						
Wireless retail postpaid	2,622	2,592	1.2	5,103	4,899	4.2
Net Additions Detail ('000) :						
Wireless retail postpaid ⁽³⁾	84	350	(76.0)	(42)	24	*
Wireless retail prepaid ^{(1) (3) (4)}	(229)	18	*	(309)	37	*
Total wireless retail ⁽³⁾	(145)	368	*	(351)	61	*
Wireless retail postpaid phones ⁽³⁾	(215)	197	*	(507)	(28)	*
Fios video	(86)	(62)	(38.7)	(164)	(144)	(13.9)
Fios internet	30	92	(67.4)	85	190	(55.3)
FWA broadband ⁽³⁾	168	11	*	280	23	*
Wireline broadband	13	70	(81.4)	50	136	(63.2)
Total broadband ⁽³⁾	181	81	*	330	159	*
Churn Rate:						
Wireless retail postpaid	0.93 %	0.83 %		0.94 %	0.90 %	
Wireless retail postpaid phones	0.75 %	0.65 %		0.76 %	0.71 %	
Wireless retail prepaid ^{(1) (4)}	3.90 %	4.12 %		3.79 %	4.17 %	
Wireless retail	1.53 %	0.97 %		1.52 %	1.04 %	
Revenue Statistics (in millions):						
Wireless service revenue	\$ 15,236	\$ 13,794	10.5	\$ 30,453	\$ 27,478	10.8
Fios revenues	\$ 2,895	\$ 2,895	—	\$ 5,806	\$ 5,755	0.9

Consumer - Selected Operating Statistics (continued)

Unaudited	3 Mos. Ended 6/30/22	3 Mos. Ended 6/30/21	% Change	6 Mos. Ended 6/30/22	6 Mos. Ended 6/30/21	% Change
Other Wireless Statistics:						
Wireless retail postpaid ARPA ⁽⁵⁾	\$ 124.16	\$ 121.24	2.4	\$ 124.06	\$ 121.05	2.5
Wireless retail postpaid upgrade rate	5.6 %	4.9 %				
Wireless retail postpaid accounts ('000) ⁽⁶⁾				33,386	33,606	(0.7)
Wireless retail postpaid connections per account ⁽⁶⁾				2.74	2.69	1.9
Wireless retail prepaid ARPU ^{(1) (7)}	\$ 31.26	\$ 35.70	(12.4)	\$ 31.07	\$ 35.68	(12.9)

Footnotes:

(1) Acquisition of TracFone Wireless, Inc. was completed on November 23, 2021.

(2) Reflects a decline in the customer base for wireless retail prepaid connections of approximately 402,000 as of June 30, 2022, resulting from the shutdown of a competitor's 3G network.

(3) Connection net additions include certain adjustments.

(4) Excludes the impact from the shutdown of a competitor's 3G network resulting in approximately 402,000 retail prepaid disconnects in the second quarter of 2022.

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

(6) Statistics presented as of end of period.

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

Certain intersegment transactions with corporate entities have not been eliminated.

* Not meaningful

Business - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 6/30/22	3 Mos. Ended 6/30/21	% Change	6 Mos. Ended 6/30/22	6 Mos. Ended 6/30/21	% Change
Operating Revenues						
Small and Medium Business	\$ 3,092	\$ 2,895	6.8	\$ 6,133	\$ 5,725	7.1
Global Enterprise	2,401	2,583	(7.0)	4,862	5,142	(5.4)
Public Sector and Other	1,504	1,614	(6.8)	3,056	3,260	(6.3)
Wholesale	629	670	(6.1)	1,284	1,416	(9.3)
Total Operating Revenues	7,626	7,762	(1.8)	15,335	15,543	(1.3)
Operating Expenses						
Cost of services	2,559	2,729	(6.2)	5,165	5,419	(4.7)
Cost of wireless equipment	1,268	1,076	17.8	2,578	2,187	17.9
Selling, general and administrative expense	2,050	2,086	(1.7)	4,109	4,154	(1.1)
Depreciation and amortization expense	1,074	1,015	5.8	2,135	2,028	5.3
Total Operating Expenses	6,951	6,906	0.7	13,987	13,788	1.4
Operating Income	\$ 675	\$ 856	(21.1)	\$ 1,348	\$ 1,755	(23.2)
Operating Income Margin	8.9 %	11.0 %		8.8 %	11.3 %	
Segment EBITDA	\$ 1,749	\$ 1,871	(6.5)	\$ 3,483	\$ 3,783	(7.9)
Segment EBITDA Margin	22.9 %	24.1 %		22.7 %	24.3 %	

Footnotes:

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				6/30/22	6/30/2021	% Change
Connections ('000):						
Wireless retail postpaid				28,208	26,740	5.5
Wireless retail postpaid phones				17,586	16,708	5.3
Fios video				70	72	(2.8)
Fios internet				367	346	6.1
FWA broadband				316	43	*
Wireline broadband				474	480	(1.3)
Total broadband				790	523	51.1
Unaudited	3 Mos. Ended 6/30/22	3 Mos. Ended 6/30/21	% Change	6 Mos. Ended 6/30/22	6 Mos. Ended 6/30/21	% Change
Gross Additions ('000):						
Wireless retail postpaid	1,582	1,220	29.7	3,084	2,361	30.6
Net Additions Detail ('000):						
Wireless retail postpaid ⁽¹⁾	430	178	*	825	334	*
Wireless retail postpaid phones ⁽¹⁾	227	78	*	483	125	*
Fios video	(1)	(1)	—	(1)	(1)	—
Fios internet	6	7	(14.3)	11	11	—
FWA broadband ⁽¹⁾	88	12	*	170	17	*
Wireline broadband ⁽¹⁾	(1)	—	*	(3)	(2)	(50.0)
Total broadband ⁽¹⁾	87	12	*	167	15	*
Churn Rate:						
Wireless retail postpaid	1.37 %	1.30 %		1.35 %	1.27 %	
Wireless retail postpaid phones	1.07 %	1.07 %		1.07 %	1.04 %	
Revenue Statistics (in millions):						
Wireless service revenue	\$ 3,182	\$ 3,090	3.0	\$ 6,307	\$ 6,150	2.6
Fios revenues	\$ 298	\$ 281	6.0	\$ 593	\$ 557	6.5
Other Operating Statistics:						
Wireless retail postpaid upgrade rate	3.1 %	3.4 %				

Footnotes:

(1) Connection net additions include certain adjustments.

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	6/30/22	6/30/21	% Change
Connections ('000)			
Retail postpaid	119,683	117,254	2.1
Retail prepaid ^{(1) (2)}	23,138	4,075	*
Total retail	142,821	121,329	17.7
Retail postpaid phones	92,783	91,826	1.0

Unaudited	3 Mos. Ended 6/30/22	3 Mos. Ended 6/30/21	% Change	6 Mos. Ended 6/30/22	6 Mos. Ended 6/30/21	% Change
Net Additions Detail ('000) ⁽³⁾						
Retail postpaid phones	12	275	(95.6)	(24)	97	*
Retail postpaid	514	528	(2.7)	783	358	*
Retail prepaid ^{(1) (4)}	(229)	18	*	(309)	37	*
Total retail	285	546	(47.8)	474	395	20.0

Account Statistics						
Retail postpaid accounts ('000) ⁽⁵⁾				35,132	35,223	(0.3)
Retail postpaid connections per account ⁽⁵⁾				3.41	3.33	2.4
Retail postpaid ARPA ⁽⁶⁾	\$ 145.50	\$ 142.23	2.3	\$ 145.18	\$ 141.98	2.3
Retail prepaid ARPU ^{(1) (7)}	\$ 31.26	\$ 35.70	(12.4)	\$ 31.07	\$ 35.68	(12.9)

Churn Detail				
Retail postpaid phone	0.81 %	0.72 %	0.82 %	0.77 %
Retail postpaid	1.03 %	0.94 %	1.03 %	0.98 %
Retail prepaid ^{(1) (4)}	3.90 %	4.12 %	3.79 %	4.17 %
Retail	1.50 %	1.04 %	1.49 %	1.09 %

Retail Postpaid Connection Statistics				
Upgrade rate	5.0 %	4.6 %		

Revenue Statistics (in millions) ⁽⁸⁾						
Wireless service	\$ 18,418	\$ 16,884	9.1	\$ 36,760	\$ 33,628	9.3
Wireless equipment	6,674	5,543	20.4	13,010	10,487	24.1
Wireless other	1,800	2,043	(11.9)	3,618	4,086	(11.5)
Total Wireless	\$ 26,892	\$ 24,470	9.9	\$ 53,388	\$ 48,201	10.8

Footnotes:

- (1) Acquisition of TracFone Wireless, Inc. was completed on November 23, 2021.
- (2) Reflects a decline in the customer base for wireless retail prepaid connections of approximately 402,000 as of June 30, 2022, resulting from the shutdown of a competitor's 3G network.
- (3) Connection net additions include certain adjustments.
- (4) Excludes the impact from the shutdown of a competitor's 3G network resulting in approximately 402,000 retail prepaid disconnects in the second quarter of 2022.
- (5) Statistics presented as of end of period.
- (6) Wireless retail postpaid ARPA - average service revenue per account from retail postpaid accounts.
- (7) Wireless retail prepaid ARPU - average service revenue per unit from retail prepaid connections.
- (8) Intersegment transactions between Consumer or Business segment with corporate entities have not been eliminated.