

# **Financial and Operating Information**

**As of September 30, 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	2Q	3Q	Year to date
<b>Operating Revenues</b>										
Service revenues and other	\$109,625	\$ 27,152	\$ 27,319	\$ 27,523	\$ 27,658	\$109,652	\$ 27,620	\$ 27,798	\$ 27,987	\$ 83,405
Wireless equipment revenues	27,210	5,760	5,277	5,813	7,472	24,322	5,361	4,998	5,343	15,702
<b>Total Operating Revenues</b>	<b>136,835</b>	<b>32,912</b>	<b>32,596</b>	<b>33,336</b>	<b>35,130</b>	<b>133,974</b>	<b>32,981</b>	<b>32,796</b>	<b>33,330</b>	<b>99,107</b>
<b>Operating Expenses</b>										
Cost of services	28,637	7,078	6,986	7,084	6,952	28,100	6,967	6,904	7,193	21,064
Cost of wireless equipment	30,496	6,426	5,778	6,353	8,230	26,787	5,905	5,567	6,047	17,519
Selling, general and administrative expense	30,136	7,506	8,253	7,995	8,991	32,745	8,143	8,024	9,706	25,873
Depreciation and amortization expense	17,099	4,318	4,359	4,431	4,516	17,624	4,445	4,483	4,458	13,386
Verizon Business Group goodwill impairment	—	—	—	—	5,841	5,841	—	—	—	—
<b>Total Operating Expenses</b>	<b>106,368</b>	<b>25,328</b>	<b>25,376</b>	<b>25,863</b>	<b>34,530</b>	<b>111,097</b>	<b>25,460</b>	<b>24,978</b>	<b>27,404</b>	<b>77,842</b>
<b>Operating Income</b>	<b>30,467</b>	<b>7,584</b>	<b>7,220</b>	<b>7,473</b>	<b>600</b>	<b>22,877</b>	<b>7,521</b>	<b>7,818</b>	<b>5,926</b>	<b>21,265</b>
Equity in earnings (losses) of unconsolidated businesses	44	9	(33)	(18)	(11)	(53)	(9)	(14)	(24)	(47)
Other income (expense), net	1,373	114	210	170	(807)	(313)	198	(72)	72	198
Interest expense	(3,613)	(1,207)	(1,285)	(1,433)	(1,599)	(5,524)	(1,635)	(1,698)	(1,672)	(5,005)
<b>Income (Loss) Before Provision For Income Taxes</b>	<b>28,271</b>	<b>6,500</b>	<b>6,112</b>	<b>6,192</b>	<b>(1,817)</b>	<b>16,987</b>	<b>6,075</b>	<b>6,034</b>	<b>4,302</b>	<b>16,411</b>
Provision for income taxes	(6,523)	(1,482)	(1,346)	(1,308)	(756)	(4,892)	(1,353)	(1,332)	(891)	(3,576)
<b>Net Income (Loss)</b>	<b>\$ 21,748</b>	<b>\$ 5,018</b>	<b>\$ 4,766</b>	<b>\$ 4,884</b>	<b>\$ (2,573)</b>	<b>\$ 12,095</b>	<b>\$ 4,722</b>	<b>\$ 4,702</b>	<b>\$ 3,411</b>	<b>\$ 12,835</b>
Net income attributable to noncontrolling interests	\$ 492	\$ 109	\$ 118	\$ 122	\$ 132	\$ 481	\$ 120	\$ 109	\$ 105	\$ 334
Net income (loss) attributable to Verizon	21,256	4,909	4,648	4,762	(2,705)	11,614	4,602	4,593	3,306	12,501
<b>Net Income (Loss)</b>	<b>\$ 21,748</b>	<b>\$ 5,018</b>	<b>\$ 4,766</b>	<b>\$ 4,884</b>	<b>\$ (2,573)</b>	<b>\$ 12,095</b>	<b>\$ 4,722</b>	<b>\$ 4,702</b>	<b>\$ 3,411</b>	<b>\$ 12,835</b>
<b>Basic Earnings Per Common Share</b>										
Net income (loss) attributable to Verizon	\$ 5.06	\$ 1.17	\$ 1.10	\$ 1.13	\$ (0.64)	\$ 2.76	\$ 1.09	\$ 1.09	\$ 0.78	\$ 2.96
Weighted-average shares outstanding (in millions)	4,202	4,207	4,208	4,213	4,214	4,211	4,215	4,215	4,220	4,217
<b>Diluted Earnings Per Common Share<sup>(1)</sup></b>										
Net income (loss) attributable to Verizon	\$ 5.06	\$ 1.17	\$ 1.10	\$ 1.13	\$ (0.64)	\$ 2.75	\$ 1.09	\$ 1.09	\$ 0.78	\$ 2.96
Weighted-average shares outstanding (in millions)	4,204	4,211	4,213	4,216	4,214	4,215	4,219	4,221	4,225	4,221

## 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	6/30/24	9/30/24
<b>Assets</b>								
Current assets								
Cash and cash equivalents	\$ 2,605	\$ 2,234	\$ 4,803	\$ 4,210	\$ 2,065	\$ 2,365	\$ 2,432	\$ 4,987
Accounts receivable	25,332	23,748	24,108	24,559	26,102	26,380	26,702	27,040
Less Allowance for credit losses	826	892	922	957	1,017	1,061	1,095	1,086
Accounts receivable, net	24,506	22,856	23,186	23,602	25,085	25,319	25,607	25,954
Inventories	2,388	2,381	1,896	2,240	2,057	2,076	1,841	2,523
Prepaid expenses and other	8,358	8,251	7,503	8,067	7,607	8,197	8,176	7,177
Total current assets	37,857	35,722	37,388	38,119	36,814	37,957	38,056	40,641
Property, plant and equipment	307,689	310,519	313,424	316,767	320,108	322,266	324,978	327,555
Less Accumulated depreciation	200,255	203,532	206,154	209,277	211,798	214,403	217,088	220,027
Property, plant and equipment, net	107,434	106,987	107,270	107,490	108,310	107,863	107,890	107,528
Investments in unconsolidated businesses	1,071	1,052	1,015	929	953	941	908	867
Wireless licenses	149,796	150,485	151,337	155,465	155,667	156,111	156,291	156,481
Goodwill	28,671	28,674	28,647	28,642	22,843	22,842	22,842	22,844
Other intangible assets, net	11,461	11,246	11,097	10,952	11,057	10,835	10,680	10,674
Operating lease right-of-use assets	26,130	25,947	25,345	25,086	24,726	24,351	24,064	23,613
Other assets	17,260	17,603	17,856	18,147	19,885	19,258	18,415	18,516
<b>Total assets</b>	<b>\$ 379,680</b>	<b>\$ 377,716</b>	<b>\$ 379,955</b>	<b>\$ 384,830</b>	<b>\$ 380,255</b>	<b>\$ 380,158</b>	<b>\$ 379,146</b>	<b>\$ 381,164</b>
<b>Liabilities and Equity</b>								
Current liabilities								
Debt maturing within one year	\$ 9,963	\$ 12,081	\$ 14,827	\$ 12,950	\$ 12,973	\$ 15,594	\$ 23,255	\$ 21,763
Accounts payable and accrued liabilities	23,977	19,273	20,067	26,140	23,453	20,139	19,727	22,222
Current operating lease liabilities	4,134	4,177	4,211	3,906	4,266	4,282	4,247	4,312
Other current liabilities	12,097	12,237	12,299	12,681	12,531	13,616	13,577	13,519
Total current liabilities	50,171	47,768	51,404	55,677	53,223	53,631	60,806	61,816
Long-term debt	140,676	140,772	137,871	134,441	137,701	136,104	126,022	128,878
Employee benefit obligations	12,974	12,750	12,357	12,226	13,189	12,805	12,812	12,744
Deferred income taxes	43,441	43,667	44,055	44,434	45,781	45,980	46,082	45,865
Non-current operating lease liabilities	21,558	21,303	20,745	20,773	20,002	19,654	19,456	19,247
Other liabilities	18,397	17,237	17,021	18,191	16,560	16,258	16,429	14,946
Total long-term liabilities	237,046	235,729	232,049	230,065	233,233	230,801	220,801	221,680
Equity								
Common stock	429	429	429	429	429	429	429	429
Additional paid in capital	13,420	13,523	13,523	13,524	13,631	13,571	13,539	13,479
Retained earnings	82,380	84,543	86,448	88,416	82,915	84,714	86,504	86,958
Accumulated other comprehensive loss	(1,865)	(2,177)	(1,921)	(1,428)	(1,380)	(1,199)	(1,287)	(1,665)
Common stock in treasury, at cost	(4,013)	(3,832)	(3,830)	(3,828)	(3,821)	(3,602)	(3,590)	(3,585)
Deferred compensation – employee stock ownership plans and other	793	397	544	628	656	421	577	710
Noncontrolling interests	1,319	1,336	1,309	1,347	1,369	1,392	1,367	1,342
Total equity	92,463	94,219	96,502	99,088	93,799	95,726	97,539	97,668
<b>Total liabilities and equity</b>	<b>\$ 379,680</b>	<b>\$ 377,716</b>	<b>\$ 379,955</b>	<b>\$ 384,830</b>	<b>\$ 380,255</b>	<b>\$ 380,158</b>	<b>\$ 379,146</b>	<b>\$ 381,164</b>

## 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	6/30/24	9/30/24
Total debt	\$ 150,639	\$ 152,853	\$ 152,698	\$ 147,391	\$ 150,674	\$ 151,698	\$ 149,277	<b>\$150,641</b>
Unsecured debt	\$ 130,631	\$ 132,018	\$ 131,356	\$ 126,440	\$ 128,491	\$ 128,408	\$ 125,262	<b>\$126,369</b>
Net unsecured debt <sup>(1)</sup>	\$ 128,026	\$ 129,784	\$ 126,553	\$ 122,230	\$ 126,426	\$ 126,043	\$ 122,830	<b>\$121,382</b>
Unsecured debt / Consolidated Net Income (LTM)				5.9x	10.6x	10.9x	10.7x	<b>12.3x</b>
Net unsecured debt / Consolidated Adjusted EBITDA <sup>(1)(2)</sup>				2.6x	2.6x	2.6x	2.5x	<b>2.5x</b>
Common shares outstanding end of period (in millions)	4,200	4,204	4,204	4,204	4,204	4,209	4,210	<b>4,210</b>
Total employees ('000) <sup>(3)</sup>	117.1	115.5	114.2	110.5	105.4	104.4	103.9	<b>101.2</b>
Quarterly cash dividends declared per common share	\$ 0.6525	\$ 0.6525	\$ 0.6525	\$ 0.6650	\$ 0.6650	\$ 0.6650	\$ 0.6650	<b>\$ 0.6775</b>

**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	6 Mos. Ended 6/30/24	9 Mos. Ended 9/30/24
<b>Cash Flows from Operating Activities</b>								
Net Income	\$ 21,748	\$ 5,018	\$ 9,784	\$ 14,668	\$ 12,095	\$ 4,722	\$ 9,424	\$ 12,835
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	8,928	13,386
Employee retirement benefits	(2,046)	54	108	161	1,206	62	354	469
Deferred income taxes	2,973	331	633	822	2,388	141	282	247
Provision for expected credit losses	1,611	530	1,061	1,596	2,214	567	1,119	1,623
Equity in (earnings) losses of unconsolidated businesses, net of dividends received	(10)	10	49	69	84	14	33	62
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)	(3,572)	(2,609)
Other, net	(3,778)	(1,198)	(1,672)	(2,598)	(3,710)	(336)	1	467
Net cash provided by operating activities	37,141	8,289	18,020	28,798	37,475	7,084	16,569	26,480
<b>Cash Flows from Investing Activities</b>								
Capital expenditures (including capitalized software)	(23,087)	(5,958)	(10,070)	(14,164)	(18,767)	(4,376)	(8,071)	(12,019)
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)	(613)	(768)
Collateral receipts (payments) related to derivative contracts, net	(2,265)	367	824	162	880	(432)	(424)	(332)
Proceeds from disposition of business	33	—	—	—	—	—	—	—
Other, net	62	79	131	253	281	12	(2)	6
Net cash used in investing activities	(28,662)	(6,110)	(10,200)	(15,608)	(23,432)	(5,245)	(9,110)	(13,113)
<b>Cash Flows from Financing Activities</b>								
Proceeds from long-term borrowings	7,074	504	1,503	1,999	2,018	3,110	3,122	3,142
Proceeds from asset-backed long-term borrowings	10,732	1,754	3,705	4,656	6,594	2,510	5,828	8,229
Net proceeds from (repayments of) short-term commercial paper	106	342	(167)	333	(150)	2,347	603	—
Repayments of long-term borrowings and finance lease obligations	(8,616)	(1,325)	(2,600)	(5,568)	(6,181)	(4,508)	(5,719)	(6,623)
Repayments of asset-backed long-term borrowings	(4,948)	(931)	(2,383)	(3,729)	(4,443)	(1,408)	(4,008)	(6,158)
Dividends paid	(10,805)	(2,744)	(5,487)	(8,231)	(11,025)	(2,796)	(5,598)	(8,399)
Other, net	(2,072)	17	(157)	(1,101)	(1,470)	(683)	(1,290)	(1,668)
Net cash used in financing activities	(8,529)	(2,383)	(5,586)	(11,641)	(14,657)	(1,428)	(7,062)	(11,477)
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>	(50)	(204)	2,234	1,549	(614)	411	397	1,890
<b>Cash, cash equivalents and restricted cash, beginning of period</b>	4,161	4,111	4,111	4,111	4,111	3,497	3,497	3,497
<b>Cash, cash equivalents and restricted cash, end of period</b>	\$ 4,111	\$ 3,907	\$ 6,345	\$ 5,660	\$ 3,497	\$ 3,908	\$ 3,894	\$ 5,387

## Consumer - Selected Financial Results

(dollars in millions)

Unaudited	2023				2024		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>Operating Revenues</b>							
Service	\$ 18,456	\$ 18,641	\$ 18,850	\$ 18,927	\$ 18,998	\$ 19,208	\$ 19,260
Wireless equipment	4,878	4,430	4,902	6,435	4,490	4,143	4,478
Other	1,523	1,487	1,505	1,592	1,569	1,576	1,622
<b>Total Operating Revenues</b>	<b>24,857</b>	<b>24,558</b>	<b>25,257</b>	<b>26,954</b>	<b>25,057</b>	<b>24,927</b>	<b>25,360</b>
<b>Operating Expenses</b>							
Cost of services	4,432	4,367	4,419	4,362	4,537	4,450	4,567
Cost of wireless equipment	5,191	4,626	5,133	6,877	4,750	4,432	4,850
Selling, general and administrative expense	4,921	4,988	4,886	5,336	5,089	5,047	4,928
Depreciation and amortization expense	3,214	3,247	3,272	3,344	3,309	3,394	3,411
<b>Total Operating Expenses</b>	<b>17,758</b>	<b>17,228</b>	<b>17,710</b>	<b>19,919</b>	<b>17,685</b>	<b>17,323</b>	<b>17,756</b>
<b>Operating Income</b>	<b>\$ 7,099</b>	<b>\$ 7,330</b>	<b>\$ 7,547</b>	<b>\$ 7,035</b>	<b>\$ 7,372</b>	<b>\$ 7,604</b>	<b>\$ 7,604</b>
<b>Operating Income Margin</b>	<b>28.6 %</b>	<b>29.8 %</b>	<b>29.9 %</b>	<b>26.1 %</b>	<b>29.4 %</b>	<b>30.5 %</b>	<b>30.0 %</b>
<b>Segment EBITDA<sup>(1)</sup></b>	<b>\$ 10,313</b>	<b>\$ 10,577</b>	<b>\$ 10,819</b>	<b>\$ 10,379</b>	<b>\$ 10,681</b>	<b>\$ 10,998</b>	<b>\$ 11,015</b>
<b>Segment EBITDA Margin<sup>(1)</sup></b>	<b>41.5 %</b>	<b>43.1 %</b>	<b>42.8 %</b>	<b>38.5 %</b>	<b>42.6 %</b>	<b>44.1 %</b>	<b>43.4 %</b>

**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	2Q	3Q
<b>Connections ('000):</b>							
Wireless retail postpaid	92,192	92,474	92,704	93,850	93,905	93,960	<b>94,005</b>
Wireless retail prepaid	22,331	21,646	21,420	21,122	20,904	20,276	<b>20,206</b>
Total wireless retail	114,523	114,120	114,124	114,972	114,809	114,236	<b>114,211</b>
Wireless retail prepaid excl. SafeLink	19,758	19,362	19,123	18,851	18,717	18,702	<b>18,780</b>
Wireless retail postpaid phone	74,611	74,465	74,407	74,720	74,561	74,551	<b>74,624</b>
Fios video	3,160	3,091	3,013	2,951	2,883	2,818	<b>2,744</b>
Fios internet	6,803	6,854	6,923	6,976	7,025	7,049	<b>7,088</b>
Fixed wireless access (FWA) broadband	1,140	1,390	1,641	1,866	2,070	2,292	<b>2,498</b>
Wireline broadband	7,062	7,098	7,151	7,190	7,227	7,238	<b>7,264</b>
Total broadband	8,202	8,488	8,792	9,056	9,297	9,530	<b>9,762</b>
<b>Gross Additions ('000):</b>							
Wireless retail postpaid	3,210	2,928	3,152	4,185	2,983	2,901	<b>3,088</b>
Wireless retail postpaid phone	1,624	1,570	1,843	2,293	1,710	1,758	<b>1,952</b>
<b>Net Additions Detail ('000):</b>							
Wireless retail postpaid	321	304	251	1,168	75	72	<b>68</b>
Wireless retail prepaid	(351)	(304)	(207)	(289)	(216)	(624)	<b>(69)</b>
Total wireless retail	(30)	—	44	879	(141)	(552)	<b>(1)</b>
Wireless retail prepaid excl. SafeLink	(277)	(317)	(221)	(263)	(131)	(12)	<b>80</b>
Wireless retail postpaid phone	(263)	(136)	(51)	318	(158)	(8)	<b>81</b>
Fios video	(74)	(69)	(78)	(62)	(68)	(65)	<b>(74)</b>
Fios internet	63	51	69	53	49	24	<b>39</b>
FWA broadband	256	251	251	231	203	218	<b>209</b>
Wireline broadband	46	36	53	39	36	13	<b>26</b>
Total broadband	302	287	304	270	239	231	<b>235</b>
<b>Churn Rate:</b>							
Wireless retail postpaid	1.05 %	0.95 %	1.04 %	1.08 %	1.03 %	1.00 %	<b>1.07 %</b>
Wireless retail postpaid phone	0.84 %	0.76 %	0.85 %	0.88 %	0.83 %	0.79 %	<b>0.84 %</b>
Wireless retail prepaid	4.31 %	4.24 %	4.39 %	4.55 %	4.26 %	4.49 %	<b>4.08 %</b>
Wireless retail prepaid excl. SafeLink	3.72 %	3.71 %	3.85 %	3.94 %	3.61 %	3.59 %	<b>3.72 %</b>
Wireless retail	1.69 %	1.58 %	1.68 %	1.73 %	1.62 %	1.63 %	<b>1.61 %</b>
<b>Revenue Statistics (in millions):</b>							
Wireless service revenue	\$ 15,599	\$ 15,762	\$ 15,963	\$ 16,034	\$ 16,134	\$ 16,342	<b>\$ 16,377</b>
Fios revenue	\$ 2,889	\$ 2,886	\$ 2,897	\$ 2,942	\$ 2,896	\$ 2,896	<b>\$ 2,916</b>
<b>Other Wireless Statistics:</b>							
Wireless retail postpaid ARPA <sup>(1)</sup>	\$ 130.06	\$ 131.83	\$ 133.47	\$ 134.10	\$ 135.75	\$ 138.44	<b>\$ 139.06</b>
Wireless retail postpaid upgrade rate	4.0 %	3.5 %	3.6 %	4.4 %	3.1 %	2.9 %	<b>3.2 %</b>
Wireless retail postpaid accounts ('000) <sup>(2)</sup>	33,034	32,976	32,938	32,990	32,876	32,769	<b>32,719</b>
Wireless retail postpaid connections per account <sup>(2)</sup>	2.79	2.80	2.81	2.84	2.86	2.87	<b>2.87</b>
Wireless retail prepaid ARPU <sup>(3)</sup>	\$ 30.71	\$ 31.42	\$ 31.87	\$ 31.87	\$ 31.17	\$ 30.90	<b>\$ 30.70</b>
Wireless retail prepaid ARPU <sup>(3)</sup> excl. SafeLink	\$ 32.15	\$ 32.90	\$ 33.13	\$ 33.11	\$ 32.26	\$ 32.48	<b>\$ 32.41</b>

**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	2Q	3Q
<b>Operating Revenues</b>							
Enterprise and Public Sector	\$ 3,787	\$ 3,784	\$ 3,787	\$ 3,718	\$ 3,587	\$ 3,545	\$ 3,538
Business Markets and Other	3,104	3,109	3,184	3,318	3,195	3,203	3,263
Wholesale	603	590	556	582	594	552	550
<b>Total Operating Revenues</b>	<b>7,494</b>	<b>7,483</b>	<b>7,527</b>	<b>7,618</b>	<b>7,376</b>	<b>7,300</b>	<b>7,351</b>
<b>Operating Expenses</b>							
Cost of services	2,582	2,543	2,536	2,519	2,432	2,455	2,440
Cost of wireless equipment	1,234	1,152	1,220	1,353	1,155	1,135	1,197
Selling, general and administrative expense	2,033	2,152	2,105	2,139	2,262	2,132	2,109
Depreciation and amortization expense	1,094	1,103	1,127	1,164	1,128	1,078	1,040
<b>Total Operating Expenses</b>	<b>6,943</b>	<b>6,950</b>	<b>6,988</b>	<b>7,175</b>	<b>6,977</b>	<b>6,800</b>	<b>6,786</b>
<b>Operating Income</b>	<b>\$ 551</b>	<b>\$ 533</b>	<b>\$ 539</b>	<b>\$ 443</b>	<b>\$ 399</b>	<b>\$ 500</b>	<b>\$ 565</b>
<b>Operating Income Margin</b>	<b>7.4 %</b>	<b>7.1 %</b>	<b>7.2 %</b>	<b>5.8 %</b>	<b>5.4 %</b>	<b>6.8 %</b>	<b>7.7 %</b>
<b>Segment EBITDA<sup>(1)</sup></b>	<b>\$ 1,645</b>	<b>\$ 1,636</b>	<b>\$ 1,666</b>	<b>\$ 1,607</b>	<b>\$ 1,527</b>	<b>\$ 1,578</b>	<b>\$ 1,605</b>
<b>Segment EBITDA Margin<sup>(1)</sup></b>	<b>22.0 %</b>	<b>21.9 %</b>	<b>22.1 %</b>	<b>21.1 %</b>	<b>20.7 %</b>	<b>21.6 %</b>	<b>21.8 %</b>

**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	2Q	3Q
<b>Connections ('000):</b>							
Wireless retail postpaid	28,820	29,105	29,455	29,779	29,947	30,230	<b>30,532</b>
Wireless retail postpaid phone	17,703	17,856	18,019	18,170	18,306	18,480	<b>18,649</b>
Fios video	65	64	63	61	59	58	<b>56</b>
Fios internet	377	380	383	385	389	393	<b>397</b>
FWA broadband	726	870	1,038	1,201	1,358	1,523	<b>1,698</b>
Wireline broadband	466	464	461	460	458	458	<b>459</b>
Total broadband	1,192	1,334	1,499	1,661	1,816	1,981	<b>2,157</b>
<b>Gross Additions ('000):</b>							
Wireless retail postpaid	1,607	1,590	1,618	1,605	1,531	1,579	<b>1,601</b>
Wireless retail postpaid phone	757	733	761	738	705	760	<b>784</b>
<b>Net Additions Detail ('000):</b>							
Wireless retail postpaid	312	308	330	292	178	268	<b>281</b>
Wireless retail postpaid phone	136	144	151	131	90	156	<b>158</b>
Fios video	(2)	(1)	(1)	(2)	(2)	(1)	<b>(2)</b>
Fios internet	4	3	3	2	4	4	<b>4</b>
FWA broadband	137	133	133	144	151	160	<b>154</b>
Wireline broadband	(2)	(2)	(3)	(1)	(1)	—	<b>—</b>
Total broadband	135	131	130	143	150	160	<b>154</b>
<b>Churn Rate:</b>							
Wireless retail postpaid	1.50 %	1.48 %	1.47 %	1.48 %	1.51 %	1.45 %	<b>1.45 %</b>
Wireless retail postpaid phone	1.16 %	1.10 %	1.14 %	1.12 %	1.13 %	1.10 %	<b>1.12 %</b>
<b>Revenue Statistics (in millions):</b>							
Wireless service revenue	\$ 3,290	\$ 3,351	\$ 3,367	\$ 3,364	\$ 3,379	\$ 3,431	<b>\$ 3,466</b>
Fios revenue	\$ 307	\$ 308	\$ 308	\$ 312	\$ 311	\$ 313	<b>\$ 314</b>
<b>Other Operating Statistics:</b>							
Wireless retail postpaid upgrade rate	2.8 %	2.7 %	2.9 %	3.1 %	2.5 %	2.4 %	<b>2.5 %</b>

**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	2Q	3Q
<b>Connections ('000)</b>							
Retail postpaid	121,012	121,579	122,159	123,629	123,852	124,190	<b>124,537</b>
Retail prepaid	22,331	21,646	21,420	21,122	20,904	20,276	<b>20,206</b>
Total retail	143,343	143,225	143,579	144,751	144,756	144,466	<b>144,743</b>
Retail prepaid excl. SafeLink	19,758	19,362	19,123	18,851	18,717	18,702	<b>18,780</b>
Retail postpaid phone	92,314	92,321	92,426	92,890	92,867	93,031	<b>93,273</b>
<b>Net Additions Detail ('000)</b>							
Retail postpaid phone	(127)	8	100	449	(68)	148	<b>239</b>
Retail postpaid	633	612	581	1,460	253	340	<b>349</b>
Retail prepaid	(351)	(304)	(207)	(289)	(216)	(624)	<b>(69)</b>
Total retail	282	308	374	1,171	37	(284)	<b>280</b>
Retail prepaid excl. SafeLink	(277)	(317)	(221)	(263)	(131)	(12)	<b>80</b>
<b>Account Statistics</b>							
Retail postpaid accounts ('000) <sup>(1)</sup>	34,877	34,855	34,855	34,958	34,839	34,766	<b>34,746</b>
Retail postpaid connections per account <sup>(1)</sup>	3.47	3.49	3.50	3.54	3.55	3.57	<b>3.58</b>
Retail postpaid ARPA <sup>(2)</sup>	\$ 152.27	\$ 154.51	\$ 156.13	\$ 156.48	\$ 158.25	\$ 161.20	<b>\$ 162.05</b>
Retail prepaid ARPU <sup>(3)</sup>	\$ 30.71	\$ 31.42	\$ 31.87	\$ 31.87	\$ 31.17	\$ 30.90	<b>\$ 30.70</b>
Retail prepaid ARPU <sup>(3)</sup> excl. SafeLink	\$ 32.15	\$ 32.90	\$ 33.13	\$ 33.11	\$ 32.26	\$ 32.48	<b>\$ 32.41</b>
<b>Churn Detail</b>							
Retail postpaid phone	0.90 %	0.83 %	0.90 %	0.93 %	0.89 %	0.85 %	<b>0.89 %</b>
Retail postpaid	1.15 %	1.07 %	1.15 %	1.18 %	1.15 %	1.11 %	<b>1.16 %</b>
Retail prepaid	4.31 %	4.24 %	4.39 %	4.55 %	4.26 %	4.49 %	<b>4.08 %</b>
Retail prepaid excl. SafeLink	3.72 %	3.71 %	3.85 %	3.94 %	3.61 %	3.59 %	<b>3.72 %</b>
Retail	1.65 %	1.56 %	1.63 %	1.67 %	1.60 %	1.59 %	<b>1.57 %</b>
<b>Retail Postpaid Connection Statistics</b>							
Upgrade rate	3.7 %	3.3 %	3.4 %	4.1 %	3.0 %	2.8 %	<b>3.0 %</b>
<b>Revenue Statistics (in millions)<sup>(4)</sup></b>							
FWA revenue	\$ 255	\$ 297	\$ 347	\$ 403	\$ 452	\$ 514	<b>\$ 562</b>
Wireless service	\$ 18,889	\$ 19,113	\$ 19,330	\$ 19,398	\$ 19,513	\$ 19,773	<b>\$ 19,843</b>
Wireless equipment	5,760	5,277	5,813	7,472	5,361	4,998	<b>5,343</b>
Wireless other	1,515	1,486	1,507	1,575	1,585	1,600	<b>1,662</b>
Total Wireless	\$ 26,164	\$ 25,876	\$ 26,650	\$ 28,445	\$ 26,459	\$ 26,371	<b>\$ 26,848</b>

### 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 earnings and losses of unconsolidated businesses and other income and expense, net, and the following special items: severance charges, asset and business rationalization, legacy legal matter, Verizon Business Group ("Verizon Business") goodwill impairment, legal settlement, business transformation costs and non-strategic business shutdown. Severance charges recorded during 2024 relate to separations under our voluntary separation program for select U.S.-based management employees as well as other headcount reduction initiatives. Severance charges recorded during 2023 and 2022 primarily relate to involuntary separations under our existing plans. Asset and business rationalization recorded during 2024 predominately relates to the decision to cease use of certain real estate assets and exit non-strategic portions of certain businesses, as part of our continued transformation initiatives. 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 transformation initiatives. 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. 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. 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. We have not provided a reconciliation for our Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio target because we cannot, without unreasonable effort, predict the timeline for achieving the target or the special items that could arise in future periods.

### 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, severance charges, asset and business rationalization, business transformation costs and non-strategic business shutdown.

## Definitions - Non-GAAP Measures

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 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**

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.

### **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 items: severance charges, asset and business rationalization, business transformation costs and non-strategic business shutdown.

## Non-GAAP Reconciliations - Consolidated

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

(dollars in millions)

Unaudited	2022		2023			2024		
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
<b>Consolidated Net Income (Loss)</b>	\$ 6,698	\$ 5,018	\$ 4,766	\$ 4,884	\$ (2,573)	\$ 4,722	\$ 4,702	\$ 3,411
Add:								
Provision for income taxes	2,113	1,482	1,346	1,308	756	1,353	1,332	891
Interest expense	1,105	1,207	1,285	1,433	1,599	1,635	1,698	1,672
Depreciation and amortization expense <sup>(1)</sup>	4,218	4,318	4,359	4,431	4,516	4,445	4,483	4,458
<b>Consolidated EBITDA</b>	<b>\$ 14,134</b>	<b>\$12,025</b>	<b>\$11,756</b>	<b>\$12,056</b>	<b>\$ 4,298</b>	<b>\$12,155</b>	<b>\$12,215</b>	<b>\$10,432</b>
Add/(subtract):								
Other (income) expense, net <sup>(2)</sup>	\$ (2,687)	\$ (114)	\$ (210)	\$ (170)	\$ 807	\$ (198)	\$ 72	\$ (72)
Equity in (earnings) losses of unconsolidated businesses	(4)	(9)	33	18	11	9	14	24
Severance charges	304	—	237	—	296	—	—	1,733
Asset and business rationalization	—	—	155	—	325	—	—	374
Legacy legal matter	—	—	—	—	—	106	—	—
Verizon Business Group goodwill impairment	—	—	—	—	5,841	—	—	—
Legal settlement	—	—	—	—	100	—	—	—
Business transformation costs	—	—	—	176	—	—	—	—
Non-strategic business shutdown	—	—	—	158	—	—	—	—
<b>Consolidated Adjusted EBITDA</b>	<b>\$ 11,747</b>	<b>\$11,902</b>	<b>\$11,971</b>	<b>\$12,238</b>	<b>\$11,678</b>	<b>\$12,072</b>	<b>\$12,301</b>	<b>\$12,491</b>
<b>Consolidated Operating Revenues</b>				\$33,336				<b>\$33,330</b>
<b>Consolidated Net Income Margin</b>				14.7 %				<b>10.2 %</b>
<b>Consolidated Adjusted EBITDA Margin</b>				36.7 %				<b>37.5 %</b>
Consolidated Adjusted EBITDA - Year over year change %								<b>2.1 %</b>

## 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 9/30/23	12 Mos. Ended 12/31/23	12 Mos. Ended 3/31/24	12 Mos. Ended 6/30/24	12 Mos. Ended 9/30/24
<b>Consolidated Net Income</b>	\$ 21,366	\$ 12,095	\$ 11,799	\$ 11,735	\$ 10,262
Add:					
Provision for income taxes	6,249	4,892	4,763	4,749	4,332
Interest expense	5,030	5,524	5,952	6,365	6,604
Depreciation and amortization expense <sup>(1)</sup>	17,326	17,624	17,751	17,875	17,902
<b>Consolidated EBITDA</b>	<b>\$ 49,971</b>	<b>\$ 40,135</b>	<b>\$ 40,265</b>	<b>\$ 40,724</b>	<b>\$ 39,100</b>
Add/(subtract):					
Other (income) expense, net <sup>(2)</sup>	\$ (3,181)	\$ 313	\$ 229	\$ 511	\$ 609
Equity in losses of unconsolidated businesses	38	53	71	52	58
Severance charges	541	533	533	296	2,029
Asset and business rationalization	155	480	480	325	699
Legacy legal matter	—	—	106	106	106
Verizon Business Group goodwill impairment	—	5,841	5,841	5,841	5,841
Legal settlement	—	100	100	100	100
Business transformation costs	176	176	176	176	—
Non-strategic business shutdown	158	158	158	158	—
<b>Consolidated Adjusted EBITDA</b>	<b>\$ 47,858</b>	<b>\$ 47,789</b>	<b>\$ 47,959</b>	<b>\$ 48,289</b>	<b>\$ 48,542</b>

### 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	6/30/24	9/30/24
Debt maturing within one year	\$ 9,963	\$ 12,081	\$ 14,827	\$ 12,950	\$ 12,973	\$ 15,594	\$ 23,255	\$ 21,763
Long-term debt	140,676	140,772	137,871	134,441	137,701	136,104	126,022	128,878
<b>Total Debt</b>	<b>150,639</b>	<b>152,853</b>	<b>152,698</b>	<b>147,391</b>	<b>150,674</b>	<b>151,698</b>	<b>149,277</b>	<b>150,641</b>
Less Secured debt	20,008	20,835	21,342	20,951	22,183	23,290	24,015	24,272
<b>Unsecured Debt</b>	<b>130,631</b>	<b>132,018</b>	<b>131,356</b>	<b>126,440</b>	<b>128,491</b>	<b>128,408</b>	<b>125,262</b>	<b>126,369</b>
Less Cash and cash equivalents	2,605	2,234	4,803	4,210	2,065	2,365	2,432	4,987
<b>Net Unsecured Debt</b>	<b>\$ 128,026</b>	<b>\$ 129,784</b>	<b>\$ 126,553</b>	<b>\$ 122,230</b>	<b>\$ 126,426</b>	<b>\$ 126,043</b>	<b>\$ 122,830</b>	<b>\$ 121,382</b>
<b>Consolidated Net Income (LTM)</b>				\$ 21,366	\$ 12,095	\$ 11,799	\$ 11,735	\$ 10,262
<b>Unsecured Debt to Consolidated Net Income Ratio</b>				5.9x	10.6x	10.9x	10.7x	12.3x
<b>Consolidated Adjusted EBITDA (LTM)</b>				\$ 47,858	\$ 47,789	\$ 47,959	\$ 48,289	\$ 48,542
<b>Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio</b>				2.6x	2.6x	2.6x	2.5x	2.5x
Net Unsecured Debt - Quarter over quarter change								\$ (1,448)
Net Unsecured Debt - Year over year change								\$ (848)
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			
	9/30/23				9/30/24			
	Pre-tax	Tax	After-Tax		Pre-tax	Tax	After-Tax	
<b>EPS</b>				<b>\$ 1.13</b>				<b>\$ 0.78</b>
Amortization of acquisition-related intangible assets	\$ 224	\$ (56)	\$ 168	0.04	\$ 186	\$ (46)	\$ 140	0.03
Severance charges	—	—	—	—	1,733	(429)	1,304	0.31
Asset and business rationalization	—	—	—	—	374	(90)	284	0.07
Business transformation costs	176	(45)	131	0.03	—	—	—	—
Non-strategic business shutdown	179	(83)	96	0.02	—	—	—	—
	<b>\$ 579</b>	<b>\$ (184)</b>	<b>\$ 395</b>	<b>\$ 0.09</b>	<b>\$ 2,293</b>	<b>\$ (565)</b>	<b>\$ 1,728</b>	<b>\$ 0.41</b>
<b>Adjusted EPS</b>				<b>\$ 1.22</b>				<b>\$ 1.19</b>
Year over year change %								<b>(2.5)%</b>

### Footnote:

Adjusted EPS may not add due to rounding.

## Free Cash Flow

(dollars in millions)

Unaudited	3 Mos. Ended	3 Mos. Ended	9 Mos. Ended	9 Mos. Ended
	9/30/23	9/30/24	9/30/23	9/30/24
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 10,778</b>	<b>\$ 9,911</b>	<b>\$ 28,798</b>	<b>\$ 26,480</b>
Capital expenditures (including capitalized software)	(4,094)	(3,948)	(14,164)	(12,019)
<b>Free Cash Flow</b>	<b>\$ 6,684</b>	<b>\$ 5,963</b>	<b>\$ 14,634</b>	<b>\$ 14,461</b>

## Consolidated Operating Expenses Excluding Depreciation and Amortization and Special Items

(dollars in millions)

Unaudited	3 Mos. Ended	3 Mos. Ended
	9/30/23	9/30/24
<b>Consolidated Operating Expenses</b>	<b>\$ 25,863</b>	<b>\$ 27,404</b>
Depreciation and amortization expense <sup>(1)</sup>	4,431	4,458
Severance charges	—	1,733
Asset and business rationalization	—	374
Business transformation costs	176	—
Non-strategic business shutdown	158	—
<b>Consolidated Operating Expenses Excluding Depreciation and Amortization and Special Items</b>	<b>\$ 21,098</b>	<b>\$ 20,839</b>
Year over year change %		<b>(1.2)%</b>

### Footnote:

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

# 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	3 Mos. Ended	3 Mos. Ended
Unaudited	3/31/23	6/30/23	9/30/23	12/31/23	3/31/24	6/30/24	9/30/24
<b>Operating Income</b>	\$ 7,099	\$ 7,330	\$ 7,547	\$ 7,035	\$ 7,372	\$ 7,604	\$ 7,604
Add Depreciation and amortization expense	3,214	3,247	3,272	3,344	3,309	3,394	3,411
<b>Segment EBITDA</b>	\$ 10,313	\$ 10,577	\$ 10,819	\$ 10,379	\$ 10,681	\$ 10,998	\$ 11,015
Total operating revenues	\$ 24,857	\$ 24,558	\$ 25,257	\$ 26,954	\$ 25,057	\$ 24,927	\$ 25,360
<b>Operating Income Margin</b>	28.6 %	29.8 %	29.9 %	26.1 %	29.4 %	30.5 %	30.0 %
<b>Segment EBITDA Margin</b>	41.5 %	43.1 %	42.8 %	38.5 %	42.6 %	44.1 %	43.4 %
Segment EBITDA - Year over year change %							1.8 %

### Business

	(dollars in millions)						
	3 Mos. Ended	3 Mos. Ended	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	6/30/24	9/30/24
<b>Operating Income</b>	\$ 551	\$ 533	\$ 539	\$ 443	\$ 399	\$ 500	\$ 565
Add Depreciation and amortization expense	1,094	1,103	1,127	1,164	1,128	1,078	1,040
<b>Segment EBITDA</b>	\$ 1,645	\$ 1,636	\$ 1,666	\$ 1,607	\$ 1,527	\$ 1,578	\$ 1,605
Total operating revenues	\$ 7,494	\$ 7,483	\$ 7,527	\$ 7,618	\$ 7,376	\$ 7,300	\$ 7,351
<b>Operating Income Margin</b>	7.4 %	7.1 %	7.2 %	5.8 %	5.4 %	6.8 %	7.7 %
<b>Segment EBITDA Margin</b>	22.0 %	21.9 %	22.1 %	21.1 %	20.7 %	21.6 %	21.8 %
Segment EBITDA - Year over year change %							(3.7)%