

## Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 6/30/20	3 Mos. Ended 6/30/19	% Change	6 Mos. Ended 6/30/20	6 Mos. Ended 6/30/19	% Change
<b>Operating Revenues</b>						
Service revenues and other	\$ 26,692	\$ 27,351	(2.4)	\$ 54,173	\$ 54,548	(0.7)
Wireless equipment revenues	3,755	4,720	(20.4)	7,884	9,651	(18.3)
<b>Total Operating Revenues</b>	<b>30,447</b>	<b>32,071</b>	<b>(5.1)</b>	<b>62,057</b>	<b>64,199</b>	<b>(3.3)</b>
<b>Operating Expenses</b>						
Cost of services	7,639	7,702	(0.8)	15,393	15,494	(0.7)
Cost of wireless equipment	4,110	5,019	(18.1)	8,652	10,217	(15.3)
Selling, general and administrative expense	7,156	7,268	(1.5)	15,741	14,466	8.8
Depreciation and amortization expense	4,181	4,232	(1.2)	8,331	8,463	(1.6)
<b>Total Operating Expenses</b>	<b>23,086</b>	<b>24,221</b>	<b>(4.7)</b>	<b>48,117</b>	<b>48,640</b>	<b>(1.1)</b>
<b>Operating Income</b>	<b>7,361</b>	<b>7,850</b>	<b>(6.2)</b>	<b>13,940</b>	<b>15,559</b>	<b>(10.4)</b>
Equity in losses of unconsolidated businesses	(13)	(13)	—	(25)	(19)	31.6
Other income (expense), net	(72)	(1,312)	(94.5)	71	(1,017)	*
Interest expense	(1,089)	(1,215)	(10.4)	(2,123)	(2,425)	(12.5)
<b>Income Before Provision For Income Taxes</b>	<b>6,187</b>	<b>5,310</b>	<b>16.5</b>	<b>11,863</b>	<b>12,098</b>	<b>(1.9)</b>
Provision for income taxes	(1,348)	(1,236)	9.1	(2,737)	(2,864)	(4.4)
<b>Net Income</b>	<b>\$ 4,839</b>	<b>\$ 4,074</b>	<b>18.8</b>	<b>\$ 9,126</b>	<b>\$ 9,234</b>	<b>(1.2)</b>
Net income attributable to noncontrolling interests	\$ 139	\$ 130	6.9	\$ 270	\$ 258	4.7
Net income attributable to Verizon	4,700	3,944	19.2	8,856	8,976	(1.3)
<b>Net Income</b>	<b>\$ 4,839</b>	<b>\$ 4,074</b>	<b>18.8</b>	<b>\$ 9,126</b>	<b>\$ 9,234</b>	<b>(1.2)</b>
<b>Basic Earnings Per Common Share</b>						
Net income attributable to Verizon	\$ 1.14	\$ 0.95	20.0	\$ 2.14	\$ 2.17	(1.4)
Weighted-average shares outstanding (in millions)	4,139	4,138		4,139	4,138	
<b>Diluted Earnings Per Common Share <sup>(1)</sup></b>						
Net income attributable to Verizon	\$ 1.13	\$ 0.95	18.9	\$ 2.14	\$ 2.17	(1.4)
Weighted-average shares outstanding (in millions)	4,141	4,139		4,141	4,140	

**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	6/30/20	12/31/19	\$ Change
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 7,882	\$ 2,594	\$ 5,288
Accounts receivable	23,742	26,162	(2,420)
Less Allowance for credit losses	1,070	—	1,070
Less Allowance for doubtful accounts	—	733	(733)
Accounts receivable, net	22,672	25,429	(2,757)
Inventories	1,289	1,422	(133)
Prepaid expenses and other	5,490	8,028	(2,538)
Total current assets	37,333	37,473	(140)
Property, plant and equipment			
Property, plant and equipment	272,714	265,734	6,980
Less Accumulated depreciation	179,960	173,819	6,141
Property, plant and equipment, net	92,754	91,915	839
Investments in unconsolidated businesses	529	558	(29)
Wireless licenses	95,767	95,059	708
Goodwill	24,667	24,389	278
Other intangible assets, net	9,600	9,498	102
Operating lease right-of-use assets	22,431	22,694	(263)
Other assets	10,178	10,141	37
<b>Total assets</b>	<b>\$ 293,259</b>	<b>\$ 291,727</b>	<b>\$ 1,532</b>
<b>Liabilities and Equity</b>			
Current liabilities			
Debt maturing within one year	\$ 6,651	\$ 10,777	\$ (4,126)
Accounts payable and accrued liabilities	19,297	21,806	(2,509)
Current operating lease liabilities	3,270	3,261	9
Other current liabilities	9,668	9,024	644
Total current liabilities	38,886	44,868	(5,982)
Long-term debt			
Long-term debt	106,190	100,712	5,478
Employee benefit obligations	17,821	17,952	(131)
Deferred income taxes	33,798	34,703	(905)
Non-current operating lease liabilities	18,158	18,393	(235)
Other liabilities	14,293	12,264	2,029
Total long-term liabilities	190,260	184,024	6,236
Equity			
Common stock	429	429	—
Additional paid in capital	13,281	13,419	(138)
Retained earnings	56,746	53,147	3,599
Accumulated other comprehensive income (loss)	(1,274)	998	(2,272)
Common stock in treasury, at cost	(6,722)	(6,820)	98
Deferred compensation – employee stock ownership plans and other	237	222	15
Noncontrolling interests	1,416	1,440	(24)
Total equity	64,113	62,835	1,278
<b>Total liabilities and equity</b>	<b>\$ 293,259</b>	<b>\$ 291,727</b>	<b>\$ 1,532</b>

## Consolidated - Selected Financial and Operating Statistics

(dollars in millions, except per share amounts)

Unaudited	6/30/20	12/31/19
Total debt	\$ 112,841	\$ 111,489
Net unsecured debt	\$ 94,352	\$ 96,526
Net unsecured debt / Consolidated Adjusted EBITDA <sup>(1)</sup>	2.0x	2.0x
Common shares outstanding end of period (in millions)	4,138	4,136
Total employees ('000)	135.3	135.0
Quarterly cash dividends declared per common share	\$ 0.6150	\$ 0.6150

**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 6/30/20	6 Mos. Ended 6/30/19	\$ Change
<b>Cash Flows from Operating Activities</b>			
Net Income	\$ 9,126	\$ 9,234	\$ (108)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	8,331	8,463	(132)
Employee retirement benefits	(32)	(294)	262
Deferred income taxes	(120)	588	(708)
Provision for credit losses	831	738	93
Equity in losses of unconsolidated businesses, net of dividends received	46	50	(4)
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	3,297	(4,593)	7,890
Discretionary employee benefits contributions	—	(300)	300
Other, net	2,073	1,950	123
Net cash provided by operating activities	<u>23,552</u>	<u>15,836</u>	<u>7,716</u>
<b>Cash Flows from Investing Activities</b>			
Capital expenditures (including capitalized software)	(9,850)	(7,967)	(1,883)
Acquisitions of businesses, net of cash acquired	(399)	(28)	(371)
Acquisitions of wireless licenses	(1,801)	(199)	(1,602)
Other, net	(74)	(395)	321
Net cash used in investing activities	<u>(12,124)</u>	<u>(8,589)</u>	<u>(3,535)</u>
<b>Cash Flows from Financing Activities</b>			
Proceeds from long-term borrowings	9,305	6,237	3,068
Proceeds from asset-backed long-term borrowings	2,844	3,982	(1,138)
Repayments of long-term borrowings and finance lease obligations	(8,533)	(9,630)	1,097
Repayments of asset-backed long-term borrowings	(4,612)	(2,817)	(1,795)
Dividends paid	(5,090)	(4,981)	(109)
Other, net	(146)	(834)	688
Net cash used in financing activities	<u>(6,232)</u>	<u>(8,043)</u>	<u>1,811</u>
<b>Increase (decrease) in cash, cash equivalents and restricted cash</b>	5,196	(796)	5,992
<b>Cash, cash equivalents and restricted cash, beginning of period</b>	3,917	3,916	1
<b>Cash, cash equivalents and restricted cash, end of period</b>	<u>\$ 9,113</u>	<u>\$ 3,120</u>	<u>\$ 5,993</u>

## Consumer - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 6/30/20	3 Mos. Ended 6/30/19	% Change	6 Mos. Ended 6/30/20	6 Mos. Ended 6/30/19	% Change
<b>Operating Revenues</b>						
Service	\$ 15,900	\$ 16,350	(2.8)	\$ 32,241	\$ 32,609	(1.1)
Wireless equipment	3,209	3,903	(17.8)	6,586	8,069	(18.4)
Other	2,004	1,742	15.0	4,051	3,465	16.9
<b>Total Operating Revenues</b>	<b>21,113</b>	<b>21,995</b>	<b>(4.0)</b>	<b>42,878</b>	<b>44,143</b>	<b>(2.9)</b>
<b>Operating Expenses</b>						
Cost of services	3,885	3,847	1.0	7,815	7,726	1.2
Cost of wireless equipment	3,299	3,909	(15.6)	6,750	8,051	(16.2)
Selling, general and administrative expense	4,016	4,022	(0.1)	8,298	8,005	3.7
Depreciation and amortization expense	2,849	2,881	(1.1)	5,669	5,775	(1.8)
<b>Total Operating Expenses</b>	<b>14,049</b>	<b>14,659</b>	<b>(4.2)</b>	<b>28,532</b>	<b>29,557</b>	<b>(3.5)</b>
<b>Operating Income</b>	<b>\$ 7,064</b>	<b>\$ 7,336</b>	<b>(3.7)</b>	<b>\$ 14,346</b>	<b>\$ 14,586</b>	<b>(1.6)</b>
<b>Operating Income Margin</b>	<b>33.5 %</b>	<b>33.4 %</b>		<b>33.5 %</b>	<b>33.0 %</b>	
<b>Segment EBITDA</b>	<b>\$ 9,913</b>	<b>\$ 10,217</b>	<b>(3.0)</b>	<b>\$ 20,015</b>	<b>\$ 20,361</b>	<b>(1.7)</b>
<b>Segment EBITDA Margin</b>	<b>47.0 %</b>	<b>46.5 %</b>		<b>46.7 %</b>	<b>46.1 %</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	6/30/20	6/30/19	% Change
<b>Connections ('000):</b>			
Wireless retail postpaid connections	89,977	89,630	0.4
Wireless retail prepaid connections	3,998	4,266	(6.3)
Total wireless retail connections	93,975	93,896	0.1
Fios video connections	3,987	4,270	(6.6)
Fios internet connections	5,971	5,837	2.3
Fios digital voice residence connections	3,456	3,725	(7.2)
Fios digital connections	13,414	13,832	(3.0)
Broadband connections	6,468	6,474	(0.1)
Voice connections	5,444	6,058	(10.1)

Unaudited	3 Mos. Ended 6/30/20	3 Mos. Ended 6/30/19	% Change	6 Mos. Ended 6/30/20	6 Mos. Ended 6/30/19	% Change
<b>Gross Additions ('000):</b>						
Wireless retail postpaid	1,927	2,725	(29.3)	4,147	5,439	(23.8)
<b>Net Additions Detail ('000) :</b>						
Wireless retail postpaid <sup>(1)</sup>	72	126	(42.9)	(453)	(75)	*
Wireless retail prepaid <sup>(1)</sup>	12	(213)	*	(72)	(389)	81.5
Total wireless retail <sup>(1)</sup>	84	(87)	*	(525)	(464)	(13.1)
Wireless retail postpaid phones <sup>(1)</sup>	97	73	32.9	(210)	(90)	*
Fios video	(81)	(52)	(55.8)	(165)	(107)	(54.2)
Fios internet	10	28	(64.3)	69	76	(9.2)
Fios digital voice residence	(70)	(32)	*	(164)	(77)	*
Fios digital	(141)	(56)	*	(260)	(108)	*
Broadband <sup>(1)</sup>	(13)	(2)	*	18	14	28.6
Voice	(134)	(126)	(6.3)	(310)	(274)	(13.1)

<b>Churn Rate:</b>					
Wireless retail postpaid	0.69 %	0.97 %		0.85 %	1.03 %
Wireless retail postpaid phones	0.51 %	0.72 %		0.64 %	0.76 %
Wireless retail	0.86 %	1.23 %		1.03 %	1.28 %

<b>Revenue Statistics (in millions):</b>										
Wireless service revenue	\$	13,087	\$	13,456	(2.7)	\$	26,563	\$	26,813	(0.9)
Fios revenues	\$	2,754	\$	2,772	(0.6)	\$	5,553	\$	5,536	0.3

Unaudited	3 Mos. Ended 6/30/20	3 Mos. Ended 6/30/19	% Change	6 Mos. Ended 6/30/20	6 Mos. Ended 6/30/19	% Change
<b>Other Wireless Statistics:</b>						
Wireless retail postpaid ARPA <sup>(2)</sup>	\$ 116.02	\$ 118.15	(1.8)	\$ 117.44	\$ 117.80	(0.3)
Wireless retail postpaid upgrade rate	3.9 %	4.3 %				
Wireless retail postpaid accounts ('000) <sup>(3)</sup>				33,695	33,924	(0.7)
Wireless retail postpaid connections per account <sup>(3)</sup>				2.67	2.64	1.1
Total wireless internet postpaid base <sup>(3)</sup>				16.0 %	16.2 %	

**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 6/30/20	3 Mos. Ended 6/30/19	% Change	6 Mos. Ended 6/30/20	6 Mos. Ended 6/30/19	% Change
<b>Operating Revenues</b>						
Small and Medium Business	\$ 2,601	\$ 2,785	(6.6)	\$ 5,405	\$ 5,493	(1.6)
Global Enterprise	2,589	2,673	(3.1)	5,220	5,364	(2.7)
Public Sector and Other	1,523	1,492	2.1	2,997	2,963	1.1
Wholesale	769	818	(6.0)	1,541	1,667	(7.6)
<b>Total Operating Revenues</b>	<b>7,482</b>	<b>7,768</b>	<b>(3.7)</b>	<b>15,163</b>	<b>15,487</b>	<b>(2.1)</b>
<b>Operating Expenses</b>						
Cost of services	2,641	2,581	2.3	5,230	5,172	1.1
Cost of wireless equipment	812	1,109	(26.8)	1,902	2,166	(12.2)
Selling, general and administrative expense	2,069	1,961	5.5	4,103	3,942	4.1
Depreciation and amortization expense	1,014	1,046	(3.1)	2,028	2,088	(2.9)
<b>Total Operating Expenses</b>	<b>6,536</b>	<b>6,697</b>	<b>(2.4)</b>	<b>13,263</b>	<b>13,368</b>	<b>(0.8)</b>
<b>Operating Income</b>	<b>\$ 946</b>	<b>\$ 1,071</b>	<b>(11.7)</b>	<b>\$ 1,900</b>	<b>\$ 2,119</b>	<b>(10.3)</b>
<b>Operating Income Margin</b>	<b>12.6 %</b>	<b>13.8 %</b>		<b>12.5 %</b>	<b>13.7 %</b>	
<b>Segment EBITDA</b>	<b>\$ 1,960</b>	<b>\$ 2,117</b>	<b>(7.4)</b>	<b>\$ 3,928</b>	<b>\$ 4,207</b>	<b>(6.6)</b>
<b>Segment EBITDA Margin</b>	<b>26.2 %</b>	<b>27.3 %</b>		<b>25.9 %</b>	<b>27.2 %</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			6/30/2020	6/30/2019	% Change	
<b>Connections ('000):</b>						
Wireless retail postpaid connections			25,897	24,144	7.3	
Fios video connections			75	76	(1.3)	
Fios internet connections			327	316	3.5	
Fios digital connections			402	392	2.6	
Broadband connections			491	494	(0.6)	
Voice connections			4,758	5,163	(7.8)	
Unaudited	3 Mos. Ended 6/30/20	3 Mos. Ended 6/30/19	% Change	6 Mos. Ended 6/30/20	6 Mos. Ended 6/30/19	% Change
<b>Gross Additions ('000):</b>						
Wireless retail postpaid	1,148	1,195	(3.9)	2,612	2,335	11.9
<b>Net Additions Detail ('000):</b>						
Wireless retail postpaid <sup>(1)</sup>	280	326	(14.1)	755	590	28.0
Wireless retail postpaid phones <sup>(1)</sup>	76	171	(55.6)	315	291	8.2
Fios video	(2)	—	*	(2)	2	*
Fios internet	(3)	6	*	1	10	(90.0)
Fios digital	(5)	6	*	(1)	12	*
Broadband <sup>(1)</sup>	(10)	(3)	*	(15)	(7)	*
Voice	(102)	(105)	2.9	(201)	(236)	14.8
<b>Churn Rate:</b>						
Wireless retail postpaid	1.12 %	1.21 %		1.21 %	1.23 %	
Wireless retail postpaid phones	0.90 %	0.97 %		0.96 %	0.99 %	
<b>Revenue Statistics (in millions):</b>						
Wireless service revenue	\$ 2,861	\$ 2,775	3.1	\$ 5,742	\$ 5,469	5.0
Fios revenues	\$ 260	\$ 239	8.8	\$ 522	\$ 482	8.3
<b>Other Operating Statistics:</b>						
Wireless retail postpaid upgrade rate	2.7 %	4.2 %				
Total wireless internet postpaid base <sup>(2)</sup>				33.9 %	33.4 %	

**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.

Prior year amounts revised to conform to current period presentation.

\* 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			6/30/20	6/30/19	% Change	
<b>Connections ('000)</b>						
Retail postpaid			115,874	113,774	1.8	
Retail prepaid			3,998	4,266	(6.3)	
Total retail			119,872	118,040	1.6	
Unaudited	3 Mos. Ended 6/30/20	3 Mos. Ended 6/30/19	% Change	6 Mos. Ended 6/30/20	6 Mos. Ended 6/30/19	% Change
<b>Net Additions Detail ('000) <sup>(1)</sup></b>						
Retail postpaid phone	173	244	(29.1)	105	201	(47.8)
Retail postpaid	352	452	(22.1)	302	515	(41.4)
Retail prepaid	12	(213)	*	(72)	(389)	81.5
Total retail	364	239	52.3	230	126	82.5
<b>Account Statistics</b>						
Retail postpaid accounts ('000) <sup>(2)</sup>			35,242	35,345	(0.3)	
Retail postpaid connections per account <sup>(2)</sup>			3.29	3.22	2.2	
Retail postpaid ARPA <sup>(3)</sup>	\$ 135.97	\$ 137.71	(1.3)	\$ 137.39	\$ 137.12	0.2
<b>Churn Detail</b>						
Retail postpaid phone	0.58 %	0.76 %		0.70 %	0.80 %	
Retail postpaid	0.78 %	1.02 %		0.93 %	1.07 %	
Retail	0.92 %	1.22 %		1.07 %	1.27 %	
<b>Retail Postpaid Connection Statistics</b>						
Total internet postpaid base <sup>(2)</sup>			20.0 %	19.8 %		
Upgrade rate	3.7 %	4.3 %				
<b>Revenue Statistics (in millions) <sup>(4)</sup></b>						
Wireless service	\$ 15,948	\$ 16,231	(1.7)	\$ 32,305	\$ 32,282	0.1
Wireless equipment	3,755	4,720	(20.4)	7,884	9,651	(18.3)
Wireless other	2,039	1,718	18.7	4,118	3,404	21.0
Total Wireless	\$ 21,742	\$ 22,669	(4.1)	\$ 44,307	\$ 45,337	(2.3)

**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.

Prior year amounts revised to conform to current period presentation.

\* Not meaningful