

Condensed Consolidated Statements of Income

(dollars in millions, except per share amounts)

Unaudited	3 Mos. Ended 9/30/19	3 Mos. Ended 9/30/18	% Change	9 Mos. Ended 9/30/19	9 Mos. Ended 9/30/18	% Change
Operating Revenues						
Service revenues and other	\$ 27,753	\$ 27,254	1.8	\$ 82,301	\$ 81,145	1.4
Wireless equipment revenues	5,141	5,353	(4.0)	14,792	15,437	(4.2)
Total Operating Revenues	32,894	32,607	0.9	97,093	96,582	0.5
Operating Expenses						
Cost of services	7,902	7,842	0.8	23,396	24,022	(2.6)
Cost of wireless equipment	5,482	5,489	(0.1)	15,699	16,195	(3.1)
Selling, general and administrative expense	7,216	7,224	(0.1)	21,682	21,673	—
Depreciation and amortization expense	4,114	4,377	(6.0)	12,577	13,051	(3.6)
Total Operating Expenses	24,714	24,932	(0.9)	73,354	74,941	(2.1)
Operating Income	8,180	7,675	6.6	23,739	21,641	9.7
Equity in losses of unconsolidated businesses	(1)	(3)	(66.7)	(20)	(250)	(92.0)
Other income (expense), net	(110)	214	*	(1,127)	499	*
Interest expense	(1,146)	(1,211)	(5.4)	(3,571)	(3,634)	(1.7)
Income Before Provision For Income Taxes	6,923	6,675	3.7	19,021	18,256	4.2
Provision for income taxes	(1,586)	(1,613)	(1.7)	(4,450)	(4,282)	3.9
Net Income	\$ 5,337	\$ 5,062	5.4	\$ 14,571	\$ 13,974	4.3
Net income attributable to noncontrolling interests	\$ 143	\$ 138	3.6	\$ 401	\$ 385	4.2
Net income attributable to Verizon	5,194	4,924	5.5	14,170	13,589	4.3
Net Income	\$ 5,337	\$ 5,062	5.4	\$ 14,571	\$ 13,974	4.3
Basic Earnings Per Common Share						
Net income attributable to Verizon	\$ 1.26	\$ 1.19	5.9	\$ 3.42	\$ 3.29	4.0
Weighted-average shares outstanding (in millions)	4,138	4,136		4,138	4,125	
Diluted Earnings Per Common Share ⁽¹⁾						
Net income attributable to Verizon	\$ 1.25	\$ 1.19	5.0	\$ 3.42	\$ 3.29	4.0
Weighted-average shares outstanding (in millions)	4,140	4,140		4,140	4,129	

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	9/30/19	12/31/18	\$ Change
Assets			
Current assets			
Cash and cash equivalents	\$ 3,020	\$ 2,745	\$ 275
Accounts receivable, net	24,713	25,102	(389)
Inventories	1,538	1,336	202
Prepaid expenses and other	5,624	5,453	171
Total current assets	34,895	34,636	259
Property, plant and equipment	260,053	252,835	7,218
Less accumulated depreciation	171,204	163,549	7,655
Property, plant and equipment, net	88,849	89,286	(437)
Investments in unconsolidated businesses	628	671	(43)
Wireless licenses	94,433	94,130	303
Goodwill	24,570	24,614	(44)
Other intangible assets, net	9,264	9,775	(511)
Operating lease right-of-use assets	22,218	—	22,218
Other assets	10,018	11,717	(1,699)
Total assets	\$ 284,875	\$ 264,829	\$ 20,046
Liabilities and Equity			
Current liabilities			
Debt maturing within one year	\$ 7,830	\$ 7,190	\$ 640
Accounts payable and accrued liabilities	19,566	22,501	(2,935)
Current operating lease liabilities	2,959	—	2,959
Other current liabilities	8,854	8,239	615
Total current liabilities	39,209	37,930	1,279
Long-term debt	101,769	105,873	(4,104)
Employee benefit obligations	18,236	18,599	(363)
Deferred income taxes	34,592	33,795	797
Non-current operating lease liabilities	18,214	—	18,214
Other liabilities	12,543	13,922	(1,379)
Total long-term liabilities	185,354	172,189	13,165
Equity			
Common stock	429	429	—
Additional paid in capital	13,418	13,437	(19)
Retained earnings	50,595	43,542	7,053
Accumulated other comprehensive income	1,104	2,370	(1,266)
Common stock in treasury, at cost	(6,822)	(6,986)	164
Deferred compensation – employee stock ownership plans and other	197	353	(156)
Noncontrolling interests	1,391	1,565	(174)
Total equity	60,312	54,710	5,602
Total liabilities and equity	\$ 284,875	\$ 264,829	\$ 20,046

Consolidated - Selected Financial and Operating Statistics

(dollars in millions, except per share amounts)

Unaudited		9/30/19	12/31/18
Total debt	\$	109,599	\$ 113,063
Net debt	\$	106,579	\$ 110,318
Net unsecured debt	\$	97,779	\$ 100,242
Net debt / Consolidated Adjusted EBITDA ⁽¹⁾		2.2x	2.3x
Net unsecured debt / Consolidated Adjusted EBITDA ⁽¹⁾		2.1x	2.1x
Common shares outstanding end of period (in millions)		4,136	4,132
Total employees ('000)		135.4	144.5
Quarterly cash dividends declared per common share	\$	0.6150	\$ 0.6025

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 9/30/19	9 Mos. Ended 9/30/18	\$ Change
Cash Flows from Operating Activities			
Net Income	\$ 14,571	\$ 13,974	\$ 597
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization expense	12,577	13,051	(474)
Employee retirement benefits	(105)	(886)	781
Deferred income taxes	1,070	2,023	(953)
Provision for uncollectible accounts	1,131	699	432
Equity in losses of unconsolidated businesses, net of dividends received	64	291	(227)
Net loss on sale of divested businesses	94	—	94
Changes in current assets and liabilities, net of effects from acquisition/disposition of businesses	(3,902)	(1,944)	(1,958)
Discretionary employee benefits contributions	(300)	(1,679)	1,379
Other, net	1,548	715	833
Net cash provided by operating activities	26,748	26,244	504
Cash Flows from Investing Activities			
Capital expenditures (including capitalized software)	(12,332)	(12,026)	(306)
Acquisitions of businesses, net of cash acquired	(29)	(39)	10
Acquisitions of wireless licenses	(299)	(1,307)	1,008
Proceeds from dispositions of businesses	27	—	27
Other, net	476	236	240
Net cash used in investing activities	(12,157)	(13,136)	979
Cash Flows from Financing Activities			
Proceeds from long-term borrowings	8,360	5,932	2,428
Proceeds from asset-backed long-term borrowings	3,982	3,216	766
Repayments of long-term borrowings and finance lease obligations	(12,486)	(9,776)	(2,710)
Repayments of asset-backed long-term borrowings	(5,273)	(2,915)	(2,358)
Dividends paid	(7,474)	(7,283)	(191)
Other, net	(1,410)	(1,595)	185
Net cash used in financing activities	(14,301)	(12,421)	(1,880)
Increase in cash, cash equivalents and restricted cash	290	687	(397)
Cash, cash equivalents and restricted cash, beginning of period	3,916	2,888	1,028
Cash, cash equivalents and restricted cash, end of period	\$ 4,206	\$ 3,575	\$ 631

Consumer - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 9/30/19	3 Mos. Ended 9/30/18	% Change	9 Mos. Ended 9/30/19	9 Mos. Ended 9/30/18	% Change
Operating Revenues						
Service	\$ 16,433	\$ 16,193	1.5	\$ 49,042	\$ 48,066	2.0
Wireless equipment	4,257	4,508	(5.6)	12,326	13,029	(5.4)
Other	2,016	1,698	18.7	5,481	4,934	11.1
Total Operating Revenues	22,706	22,399	1.4	66,849	66,029	1.2
Operating Expenses						
Cost of services	4,035	3,850	4.8	11,761	11,465	2.6
Cost of wireless equipment	4,291	4,379	(2.0)	12,342	12,948	(4.7)
Selling, general and administrative expense	4,085	3,947	3.5	12,090	11,426	5.8
Depreciation and amortization expense	2,806	3,010	(6.8)	8,581	8,982	(4.5)
Total Operating Expenses	15,217	15,186	0.2	44,774	44,821	(0.1)
Operating Income	\$ 7,489	\$ 7,213	3.8	\$ 22,075	\$ 21,208	4.1
Operating Income Margin	33.0 %	32.2 %		33.0 %	32.1 %	
Segment EBITDA	\$ 10,295	\$ 10,223	0.7	\$ 30,656	\$ 30,190	1.5
Segment EBITDA Margin	45.3 %	45.6 %		45.9 %	45.7 %	

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.

Consumer - Selected Operating Statistics

Unaudited	9/30/19		9/30/18		% Change	
Connections ('000):						
Wireless retail postpaid connections	89,739		89,062		0.8	
Wireless retail prepaid connections	4,183		4,736		(11.7)	
Total wireless retail connections	93,922		93,798		0.1	
Fios video connections	4,203		4,423		(5.0)	
Fios Internet connections	5,867		5,711		2.7	
Fios digital voice residence connections	3,672		3,833		(4.2)	
Fios digital connections	13,742		13,967		(1.6)	
Broadband connections	6,469		6,452		0.3	
Voice connections	5,904		6,480		(8.9)	
	3 Mos. Ended	3 Mos. Ended		9 Mos. Ended	9 Mos. Ended	
Unaudited	9/30/19	9/30/18	% Change	9/30/19	9/30/18	% Change
Gross Additions ('000):						
Wireless retail postpaid	3,020	2,850	6.0	8,459	8,101	4.4
Net Additions Detail ('000):						
Wireless retail postpaid ⁽¹⁾	193	151	27.8	118	243	(51.4)
Wireless retail prepaid ⁽¹⁾	(81)	(96)	15.6	(470)	(667)	29.5
Total wireless retail ⁽¹⁾	112	55	*	(352)	(424)	17.0
Wireless retail postpaid phones ⁽¹⁾	239	112	*	149	(24)	*
Fios video	(67)	(64)	(4.7)	(174)	(125)	(39.2)
Fios Internet	30	48	(37.5)	106	146	(27.4)
Fios digital voice residence	(53)	(30)	(76.7)	(130)	(72)	(80.6)
Fios digital	(90)	(46)	(95.7)	(198)	(51)	*
Broadband	(5)	5	*	9	11	(18.2)
Voice	(154)	(151)	(2.0)	(428)	(448)	4.5
Churn Rate:						
Wireless retail postpaid	1.05 %	1.01 %		1.03 %	0.98 %	
Wireless retail postpaid phones	0.79 %	0.77 %		0.77 %	0.75 %	
Wireless retail	1.27 %	1.24 %		1.27 %	1.25 %	
Revenue Statistics (in millions):						
Wireless service revenue	\$ 13,533	\$ 13,257	2.1	\$ 40,346	\$ 39,260	2.8
Fios revenues	\$ 2,811	\$ 2,764	1.7	\$ 8,347	\$ 8,236	1.3
Other Wireless Statistics:						
Wireless retail postpaid ARPA ⁽²⁾	\$ 118.89	\$ 117.06	1.6	\$ 118.16	\$ 115.34	2.4
Wireless retail postpaid upgrade rate	4.9 %	5.1 %				
Wireless retail postpaid accounts ('000) ⁽³⁾				33,898	34,005	(0.3)
Wireless retail postpaid connections per account ⁽³⁾				2.65	2.62	1.1
Total wireless Internet postpaid base ⁽³⁾				16.1 %	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.

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.

* Not meaningful

Business - Selected Financial Results

(dollars in millions)

Unaudited	3 Mos. Ended 9/30/19	3 Mos. Ended 9/30/18	% Change	9 Mos. Ended 9/30/19	9 Mos. Ended 9/30/18	% Change
Operating Revenues						
Global Enterprise	\$ 2,714	\$ 2,782	(2.4)	\$ 8,078	\$ 8,416	(4.0)
Small and Medium Business	2,899	2,729	6.2	8,392	7,905	6.2
Public Sector and Other	1,472	1,455	1.2	4,435	4,322	2.6
Wholesale	800	927	(13.7)	2,467	2,884	(14.5)
Total Operating Revenues	7,885	7,893	(0.1)	23,372	23,527	(0.7)
Operating Expenses						
Cost of services	2,666	2,657	0.3	7,838	8,027	(2.4)
Cost of wireless equipment	1,190	1,110	7.2	3,356	3,247	3.4
Selling, general and administrative expense	2,042	1,900	7.5	5,984	5,694	5.1
Depreciation and amortization expense	1,010	1,072	(5.8)	3,098	3,190	(2.9)
Total Operating Expenses	6,908	6,739	2.5	20,276	20,158	0.6
Operating Income	\$ 977	\$ 1,154	(15.3)	\$ 3,096	\$ 3,369	(8.1)
Operating Income Margin	12.4 %	14.6 %		13.2 %	14.3 %	
Segment EBITDA	\$ 1,987	\$ 2,226	(10.7)	\$ 6,194	\$ 6,559	(5.6)
Segment EBITDA Margin	25.2 %	28.2 %		26.5 %	27.9 %	

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.

Business - Selected Operating Statistics

Unaudited	9/30/19		9/30/18		% Change
Connections ('000):					
Wireless retail postpaid connections	24,732		23,073		7.2
Fios video connections	77		74		4.1
Fios Internet connections	322		302		6.6
Fios digital connections	399		376		6.1
Broadband connections	492		506		(2.8)
Voice connections	5,058		5,529		(8.5)

Footnotes:

(1) Connection net additions include certain adjustments.

(2) Statistics presented as of end of period.

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.

Supplemental Information - Wireless Historical Financial Results

The following supplemental schedule contains historical wireless segment results and is provided to help investors understand trends in our new segment results.

(dollars in millions)

Unaudited	3 Mos. Ended 9/30/19	3 Mos. Ended 9/30/18	% Change	9 Mos. Ended 9/30/19	9 Mos. Ended 9/30/18	% Change
Operating Revenues						
Service	\$ 16,398	\$ 15,966	2.7	\$ 48,714	\$ 47,122	3.4
Equipment	5,141	5,353	(4.0)	14,792	15,437	(4.2)
Other	2,030	1,654	22.7	5,445	4,763	14.3
Total Operating Revenues	23,569	22,973	2.6	68,951	67,322	2.4
Operating Expenses						
Cost of services	2,583	2,350	9.9	7,461	6,900	8.1
Cost of equipment	5,482	5,489	(0.1)	15,699	16,195	(3.1)
Selling, general and administrative expense	4,462	4,169	7.0	13,061	12,052	8.4
Depreciation and amortization expense	2,259	2,454	(7.9)	6,840	7,341	(6.8)
Total Operating Expenses	14,786	14,462	2.2	43,061	42,488	1.3
Operating Income	\$ 8,783	\$ 8,511	3.2	\$ 25,890	\$ 24,834	4.3
Operating Income Margin	37.3 %	37.0 %		37.5 %	36.9 %	
Segment EBITDA	\$ 11,042	\$ 10,965	0.7	\$ 32,730	\$ 32,175	1.7
Segment EBITDA Margin	46.8 %	47.7 %		47.5 %	47.8 %	

Footnotes:

The segment financial results and metrics above are adjusted to exclude the effects of special items.

Certain intersegment transactions with corporate entities have not been eliminated.

Supplemental Information - Wireless Historical Operating Statistics

The following supplemental schedule contains historical wireless segment results and is provided to help investors understand trends in our new segment results.

Unaudited	9/30/19	9/30/18	% Change
Connections ('000)			
Retail postpaid	114,471	112,135	2.1
Retail prepaid	4,183	4,736	(11.7)
Total retail	118,654	116,871	1.5

Unaudited	3 Mos. Ended 9/30/19	3 Mos. Ended 9/30/18	% Change	9 Mos. Ended 9/30/19	9 Mos. Ended 9/30/18	% Change
Net Add Detail ('000) ⁽¹⁾						
Retail postpaid	601	515	16.7	1,113	1,306	(14.8)
Retail prepaid	(81)	(96)	15.6	(470)	(667)	29.5
Total retail	520	419	24.1	643	639	0.6

Account Statistics

Retail postpaid accounts ('000) ⁽²⁾						35,371	35,309	0.2		
Retail postpaid connections per account ⁽²⁾						3.24	3.18	1.9		
Retail postpaid ARPA ⁽³⁾	\$	139.01	\$	136.58	1.8	\$	137.83	\$	134.28	2.6

Churn Detail

Retail postpaid	1.09 %	1.04 %	1.07 %	1.02 %
Retail	1.26 %	1.22 %	1.26 %	1.23 %

Retail Postpaid Connection Statistics ⁽²⁾

Total smartphone postpaid phone base	93.5 %	91.7 %
Total Internet postpaid base	19.8 %	19.4 %

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.

The segment financial results and metrics above are adjusted to exclude the effects of special items.

Certain intersegment transactions with corporate entities have not been eliminated.

Supplemental Information - Wireline Historical Financial Results

The following supplemental schedule contains historical wireline segment results and is provided to help investors understand trends in our new segment results.

Unaudited	(dollars in millions)					
	3 Mos. Ended 9/30/19	3 Mos. Ended 9/30/18	% Change	9 Mos. Ended 9/30/19	9 Mos. Ended 9/30/18	% Change
Operating Revenues						
Consumer Markets	\$ 3,124	\$ 3,138	(0.4)	\$ 9,397	\$ 9,420	(0.2)
Enterprise Solutions	2,085	2,172	(4.0)	6,309	6,623	(4.7)
Partner Solutions	1,044	1,166	(10.5)	3,162	3,594	(12.0)
Business Markets	795	840	(5.4)	2,443	2,561	(4.6)
Other	46	55	(16.4)	173	189	(8.5)
Total Operating Revenues	7,094	7,371	(3.8)	21,484	22,387	(4.0)
Operating Expenses						
Cost of services	4,318	4,371	(1.2)	12,701	13,223	(3.9)
Selling, general and administrative expense	1,542	1,498	2.9	4,701	4,554	3.2
Depreciation and amortization expense	1,480	1,552	(4.6)	4,606	4,610	(0.1)
Total Operating Expenses	7,340	7,421	(1.1)	22,008	22,387	(1.7)
Operating Loss	\$ (246)	\$ (50)	*	\$ (524)	\$ —	*
Operating Loss Margin	(3.5)%	(0.7)%		(2.4)%	0.0%	
Segment EBITDA	\$ 1,234	\$ 1,502	(17.8)	\$ 4,082	\$ 4,610	(11.5)
Segment EBITDA Margin	17.4 %	20.4 %		19.0 %	20.6 %	

Footnotes:

The segment financial results and metrics above are adjusted to exclude the effects of special items.

Certain intersegment transactions with corporate entities have not been eliminated.

* Not meaningful

Supplemental Information - Wireline Historical Operating Statistics

The following supplemental schedule contains historical wireline segment results and is provided to help investors understand trends in our new segment results.

Unaudited	9/30/2019	9/30/2018	% Change
Connections ('000)			
Fios video connections	4,280	4,497	(4.8)
Fios Internet connections	6,189	6,013	2.9
Fios digital voice residence connections	3,672	3,833	(4.2)
Fios digital connections	14,141	14,343	(1.4)
Broadband connections	6,961	6,958	—
Voice connections	10,962	12,009	(8.7)

Unaudited	3 Mos. Ended 9/30/19	3 Mos. Ended 9/30/18	% Change	9 Mos. Ended 9/30/19	9 Mos. Ended 9/30/18	% Change
Net Add Detail ('000)						
Fios video connections	(66)	(63)	(4.8)	(171)	(122)	(40.2)
Fios Internet connections	36	54	(33.3)	122	163	(25.2)
Fios digital voice residence connections	(53)	(30)	(76.7)	(130)	(72)	(80.6)
Fios digital connections	(83)	(39)	*	(179)	(31)	*
Broadband connections	(7)	2	*	—	(1)	*
Voice connections	(259)	(261)	0.8	(770)	(812)	5.2

Revenue Statistics

Fios revenues (in millions)	\$	3,054	\$	2,986	2.3	\$	9,072	\$	8,893	2.0
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Footnotes:

The segment financial results and metrics above are adjusted to exclude the effects of special items.

Certain intersegment transactions with corporate entities have not been eliminated.

* Not meaningful