

Non-GAAP Reconciliations

As of June 30, 2025

verizon

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 (Consolidated 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, 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 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 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 2025.

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 and severance, pension and benefits charges.

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

Definitions - Non-GAAP Measures

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 2025.

Free Cash Flow and Free Cash Flow Forecast

Free cash flow and free cash flow forecast are non-GAAP financial measures that reflect an additional way of viewing our liquidity that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our cash flows. We believe they are more conservative measures of cash flow since capital expenditures are necessary for ongoing operations. Free cash flow and free cash flow forecast have limitations due to the fact that they do not represent the residual cash flow available for discretionary expenditures. For example, free cash flow and free cash flow forecast do not incorporate payments made or expected to be made on finance lease obligations or cash payments for business acquisitions or wireless licenses. Therefore, we believe it is important to view free cash flow and free cash flow forecast as complements 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. Free cash flow forecast is calculated by subtracting capital expenditures forecast (including capitalized software) from forecasted net cash provided by operating activities.

Non-GAAP Reconciliations - Consolidated

Consolidated EBITDA, Consolidated Adjusted EBITDA and Consolidated Adjusted EBITDA Margin

(dollars in millions)

Unaudited	3 Mos. Ended 9/30/23	3 Mos. Ended 12/31/23	3 Mos. Ended 3/31/24	3 Mos. Ended 6/30/24	3 Mos. Ended 9/30/24	3 Mos. Ended 12/31/24	3 Mos. Ended 3/31/25	3 Mos. Ended 6/30/25
Consolidated Net Income (Loss)	\$ 4,884	\$(2,573)	\$ 4,722	\$ 4,702	\$ 3,411	\$ 5,114	\$ 4,983	\$ 5,121
Add:								
Provision for income taxes	1,308	756	1,353	1,332	891	1,454	1,490	1,488
Interest expense	1,433	1,599	1,635	1,698	1,672	1,644	1,632	1,639
Depreciation and amortization expense ⁽¹⁾	4,431	4,516	4,445	4,483	4,458	4,506	4,577	4,635
Consolidated EBITDA	\$ 12,056	\$ 4,298	\$12,155	\$12,215	\$10,432	\$12,718	\$12,682	\$12,883
Add/(subtract):								
Other (income) expense, net ⁽²⁾	\$ (170)	\$ 807	\$ (198)	\$ 72	\$ (72)	\$ (797)	\$ (121)	\$ (79)
Equity in (earnings) losses of unconsolidated businesses	18	11	9	14	24	6	(6)	3
Severance charges	—	296	—	—	1,733	—	—	—
Asset and business rationalization	—	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	—	—	—	—	—	—	—
Consolidated Adjusted EBITDA	\$ 12,238	\$ 11,678	\$12,072	\$12,301	\$12,491	\$11,927	\$12,555	\$12,807
Consolidated Operating Revenues				\$32,796				\$34,504
Consolidated Net Income (Loss) Margin				14.3 %				14.8 %
Consolidated Adjusted EBITDA Margin				37.5 %				37.1 %
Consolidated Adjusted EBITDA for 3 Mos. ended 6/30/2025 - Year over year change %								4.1 %
Consolidated Adjusted EBITDA for 6 Mos. ended 6/30/2025 - Year over year change								\$ 989

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 6/30/24	12 Mos. Ended 9/30/24	12 Mos. Ended 12/31/24	12 Mos. Ended 3/31/25	12 Mos. Ended 6/30/25
Consolidated Net Income	\$ 11,735	\$ 10,262	\$ 17,949	\$ 18,210	\$ 18,629
Add:					
Provision for income taxes	4,749	4,332	5,030	5,167	5,323
Interest expense	6,365	6,604	6,649	6,646	6,587
Depreciation and amortization expense ⁽¹⁾	17,875	17,902	17,892	18,024	18,176
Consolidated EBITDA	\$ 40,724	\$ 39,100	\$ 47,520	\$ 48,047	\$ 48,715
Add/(subtract):					
Other (income) expense, net ⁽²⁾	\$ 511	\$ 609	\$ (995)	\$ (918)	\$ (1,069)
Equity in losses of unconsolidated businesses	52	58	53	38	27
Severance charges	296	2,029	1,733	1,733	1,733
Asset and business rationalization	325	699	374	374	374
Legacy legal matter	106	106	106	—	—
Verizon Business Group goodwill impairment	5,841	5,841	—	—	—
Legal settlement	100	100	—	—	—
Business transformation costs	176	—	—	—	—
Non-strategic business shutdown	158	—	—	—	—
Consolidated Adjusted EBITDA	\$ 48,289	\$ 48,542	\$ 48,791	\$ 49,274	\$ 49,780

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	12/31/23	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25
Debt maturing within one year	\$ 12,973	\$ 15,594	\$ 23,255	\$ 21,763	\$ 22,633	\$ 22,629	\$ 22,067
Long-term debt	137,701	136,104	126,022	128,878	121,381	121,020	123,929
Total Debt	150,674	151,698	149,277	150,641	144,014	143,649	145,996
Less Secured debt	22,183	23,290	24,015	24,272	26,138	26,336	26,600
Unsecured Debt	128,491	128,408	125,262	126,369	117,876	117,313	119,396
Less Cash and cash equivalents	2,065	2,365	2,432	4,987	4,194	2,257	3,435
Net Unsecured Debt	\$ 126,426	\$ 126,043	\$ 122,830	\$ 121,382	\$ 113,682	\$ 115,056	\$ 115,961
Consolidated Net Income (LTM)		\$ 11,735	\$ 10,262	\$ 17,949	\$ 18,210	\$ 18,629	
Unsecured Debt to Consolidated Net Income Ratio		10.7x	12.3x	6.6x	6.4x	6.4x	
Consolidated Adjusted EBITDA (LTM)		\$ 48,289	\$ 48,542	\$ 48,791	\$ 49,274	\$ 49,780	
Net Unsecured Debt to Consolidated Adjusted EBITDA Ratio		2.5x	2.5x	2.3x	2.3x	2.3x	
Net Unsecured Debt - Year over year change							\$ (6,869)
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							(0.2)x

Non-GAAP Reconciliations - Consolidated

Adjusted Earnings per Common Share (Adjusted EPS)

(dollars in millions except per share amounts)

Unaudited	3 Mos. Ended 6/30/24				3 Mos. Ended 6/30/25			
	Pre-tax	Tax	After-Tax		Pre-tax	Tax	After-Tax	
EPS				\$ 1.09				\$ 1.18
Amortization of acquisition-related intangible assets	\$ 219	\$ (55)	\$ 164	0.04	\$ 192	\$ (49)	\$ 143	0.03
Severance, pension and benefits charges	136	(34)	102	0.02	—	—	—	—
	\$ 355	\$ (89)	\$ 266	\$ 0.06	\$ 192	\$ (49)	\$ 143	\$ 0.03
Adjusted EPS				\$ 1.15				\$ 1.22
Year over year change %								6.1 %

Footnote:

Adjusted EPS may not add due to rounding.

Free Cash Flow

(dollars in millions)

Unaudited	3 Mos. Ended 6/30/24	3 Mos. Ended 6/30/25	6 Mos. Ended 6/30/24	6 Mos. Ended 6/30/25
Net Cash Provided by Operating Activities	\$ 9,485	\$ 8,975	\$ 16,569	\$ 16,757
Capital expenditures (including capitalized software)	(3,695)	(3,808)	(8,071)	(7,953)
Free Cash Flow	\$ 5,790	\$ 5,167	\$ 8,498	\$ 8,804
Free Cash Flow for 6 Mos. Ended 6/30/25 - Year over year change				\$ 306
Free Cash Flow for 6 Mos. Ended 6/30/25 - Year over year change %				3.6 %

Free Cash Flow Forecast for Full Year 2025

(dollars in millions)

Unaudited	Original Forecast	Revised Forecast
Net Cash Provided by Operating Activities Forecast	\$ 35,000 - 37,000	\$ 37,000 - 39,000
Capital expenditures forecast (including capitalized software)	(17,500 - 18,500)	(17,500 - 18,500)
Free Cash Flow Forecast	\$ 17,500 - 18,500	\$ 19,500 - 20,500

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
Unaudited	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25
Operating Income	\$ 7,372	\$ 7,604	\$ 7,604	\$ 6,904	\$ 7,424	\$ 7,643
Add Depreciation and amortization expense	3,309	3,394	3,411	3,438	3,543	3,582
Segment EBITDA	\$ 10,681	\$ 10,998	\$ 11,015	\$ 10,342	\$ 10,967	\$ 11,225
Total operating revenues	\$ 25,057	\$ 24,927	\$ 25,360	\$ 27,560	\$ 25,618	\$ 26,648
Operating Income Margin	29.4 %	30.5 %	30.0 %	25.1 %	29.0 %	28.7 %
Segment EBITDA Margin	42.6 %	44.1 %	43.4 %	37.5 %	42.8 %	42.1 %
Segment EBITDA - Year over year change %						2.1 %

Business

(dollars in millions)						
	3 Mos. Ended	3 Mos. Ended	3 Mos. Ended	3 Mos. Ended	3 Mos. Ended	3 Mos. Ended
Unaudited	3/31/24	6/30/24	9/30/24	12/31/24	3/31/25	6/30/25
Operating Income	\$ 399	\$ 500	\$ 565	\$ 594	\$ 664	\$ 638
Add Depreciation and amortization expense	1,128	1,078	1,040	1,061	1,020	1,031
Segment EBITDA	\$ 1,527	\$ 1,578	\$ 1,605	\$ 1,655	\$ 1,684	\$ 1,669
Total operating revenues	\$ 7,376	\$ 7,300	\$ 7,351	\$ 7,504	\$ 7,286	\$ 7,275
Operating Income Margin	5.4 %	6.8 %	7.7 %	7.9 %	9.1 %	8.8 %
Segment EBITDA Margin	20.7 %	21.6 %	21.8 %	22.1 %	23.1 %	22.9 %
Segment EBITDA - Year over year change %						5.8 %