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News Release

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Verizon delivers strong wireless service revenue and broadband subscriber growth in Q2

Company remains on track to meet full-year 2024 financial guidance

2Q 2024 Highlights

Wireless: Accelerated growth in wireless service revenue

- Total wireless service revenue[1] of $19.8 billion, a 3.5 percent increase year over year.
- Retail postpaid phone net additions of 148,000, and retail postpaid net additions of 340,000.
- Retail postpaid phone churn of 0.85 percent, and retail postpaid churn of 1.11 percent.

Broadband: Double-digit broadband subscriber growth

- Total broadband net additions of 391,000. This was the eighth consecutive quarter with more than 375,000 broadband net additions.
- Total fixed wireless net additions of 378,000. At the end of second-quarter 2024, the company had a base of more than 3.8 million fixed wireless subscribers, representing an increase of nearly 69 percent year over year.
- 11.5 million total broadband subscribers as of the end of second-quarter 2024, representing a 17.2 percent increase year over year.

- Fixed wireless revenue for second-quarter 2024 was $514 million, up more than $200 million year over year.

Consolidated: Verizon's operational excellence drives upward momentum

- Total operating revenue of $32.8 billion, up 0.6 percent from second-quarter 2023.
- Consolidated net income for the second quarter of $4.7 billion, down from consolidated net income of $4.8 billion in second-quarter 2023, and consolidated adjusted EBITDA[2] of $12.3 billion, up from $12.0 billion in second-quarter 2023.
- Earnings per share of $1.09, compared with earnings per share of $1.10 in second-quarter 2023; adjusted EPS[2], excluding special items, of $1.15, compared with $1.21 in second-quarter 2023.

NEW YORK - Verizon Communications Inc. (NYSE, Nasdaq: VZ) reported second-quarter 2024 results today with strong wireless service revenue, broadband subscriber growth, and continued momentum in its three financial priorities of wireless service revenue, consolidated adjusted EBITDA and free cash flow. The company remains on track to achieve its full-year 2024 financial guidance.

“The sequential and year over year improvements in the second quarter were a reflection of operational excellence and the moves we made to bring choice, value and control to our customers’ lives,” said Verizon Chairman and CEO Hans Vestberg. “Our industry-leading network serves as a catalyst for how our millions of customers live their lives, and serves as the backbone for new and emerging technologies. We continue to build and expand on our strengths and successes with new products and services, and we are confident that this upward momentum will position us for future growth."

For second-quarter 2024, Verizon reported earnings per share of $1.09, compared with earnings per share of $1.10 in second-quarter 2023. On an adjusted basis[2], excluding special items, EPS was $1.15 in second-quarter 2024, compared with adjusted EPS[2] of $1.21 in second-quarter 2023.

Second-quarter 2024 financial results reflected a pre-tax loss from special items of $355 million. This included the amortization of intangible assets related to Tracfone and other acquisitions of $219 million, and a $136 million charge associated with a mark-to-market adjustment for pension liabilities.

Consolidated results: Upward momentum in key areas

- Total consolidated operating revenue in second-quarter 2024 was $32.8 billion, up 0.6 percent from second-quarter 2023. This growth can be attributed to an increase in service and other revenue, offset by a decrease in wireless equipment revenue due to lower upgrade volumes.

- Total wireless service revenue[1] in second-quarter 2024 was $19.8 billion, a sequential increase of more than $250 million, and an increase of 3.5 percent year over year. This increase was driven primarily by growth of Consumer wireless service revenue.

- Cash flow from operations in first-half 2024 totaled $16.6 billion, down from $18.0 billion in first-half 2023. This decrease was due to higher cash taxes, and higher interest expense primarily related to a reduction in capitalized interest, as well as higher interest rates.

- Capital expenditures in first-half 2024 were $8.1 billion, compared to $10.1 billion in first-half 2023. The company has returned to historic levels of capital intensity.

- The company ended first-half 2024 with free cash flow[2] of $8.5 billion, up from $8.0 billion in first-half 2023.

- Consolidated net income for second-quarter 2024 was $4.7 billion, down from consolidated net income of $4.8 billion in second-quarter 2023, and consolidated adjusted EBITDA[2] was $12.3 billion, up from $12.0 billion in second-quarter 2023.

- Verizon's total unsecured debt as of the end of second-quarter 2024 was $125.3 billion, a $3.1 billion decrease compared to first-quarter 2024, and $6.1 billion lower year over year. The company's net unsecured debt[2] at the end of second-quarter 2024 was $122.8 billion. At the end of second-quarter 2024, Verizon's ratio of unsecured debt to net income (LTM) was 10.7 times and net unsecured debt to consolidated adjusted EBITDA ratio[2] was 2.5 times.

Verizon Consumer: Revenue up, continued improvement in postpaid phone net additions

- Total Verizon Consumer revenue in second-quarter 2024 was $24.9 billion, an increase of 1.5 percent year over year as gains in service revenue were partially offset by declines in wireless equipment revenue.

- Wireless service revenue in second-quarter 2024 was $16.3 billion, up 3.7 percent year over year, driven by growth in Consumer wireless postpaid average revenue per account (ARPA) from pricing actions and continued fixed wireless adoption.

- Consumer wireless retail postpaid churn was 1.00 percent in second-quarter 2024, and wireless retail postpaid phone churn was 0.79 percent.

- In second-quarter 2024, Consumer reported 8,000 wireless retail postpaid phone net losses, compared with 136,000 wireless retail postpaid phone net losses in second-quarter 2023.

- Consumer wireless postpaid phone gross additions of approximately 1.8 million in second-quarter 2024 represented a 12.0 percent increase year over year. Excluding the contribution from the company's second number offering, wireless postpaid phone gross additions grew approximately 5.0 percent year over year.

- Consumer reported 624,000 wireless retail prepaid net losses in second-quarter 2024. This result included 410,000 wireless retail prepaid net losses related to the shutdown of the Affordable Connectivity Program, the majority of which were in SafeLink Wireless, Verizon's brand offering access to government-sponsored connectivity benefits and programs. Wireless retail prepaid net losses, excluding SafeLink, were 12,000.

- Consumer reported 218,000 fixed wireless net additions and 24,000 Fios Internet net additions in second-quarter 2024. Consumer Fios revenue was $2.9 billion in second-quarter 2024.

- In second-quarter 2024, Consumer operating income was $7.6 billion, an increase of 3.7 percent year over year, and segment operating income margin was 30.5 percent, an increase from 29.8 percent in second-quarter 2023. Segment EBITDA[2] in second-quarter 2024 was $11.0 billion, an increase of 4.0 percent year over year. This improvement can be attributed to service revenue growth and lower upgrade volumes. Segment EBITDA margin[2] in second-quarter 2024 was 44.1 percent, an increase from 43.1 percent in second-quarter 2023.

Verizon Business: Strong mobility and broadband growth

- Total Verizon Business revenue was $7.3 billion in second-quarter 2024, a decrease of 2.4 percent year over year, as increases in wireless service revenue were more than offset by decreases in wireline revenue.

- Business wireless service revenue in second-quarter 2024 was $3.4 billion, an increase of 2.4 percent year over year. This result was driven by continued strong net additions for both mobility and fixed wireless, as well as benefits from pricing actions implemented in recent quarters.

- Business reported 268,000 wireless retail postpaid net additions in second-quarter 2024. This included 156,000 postpaid phone net additions, the highest result since fourth-quarter 2022. The company experienced sequential improvement in phone net additions across its small and medium business, enterprise, and public sector customers.

- Business wireless retail postpaid churn was 1.45 percent in second-quarter 2024, and wireless retail postpaid phone churn was 1.10 percent.

- Business reported 160,000 fixed wireless net additions in second-quarter 2024, the highest quarterly result to date.

- In second-quarter 2024, Verizon Business operating income was $500 million, a decrease of 6.2 percent year over year, and segment operating income margin was 6.8 percent, a decrease from 7.1 percent in second-quarter 2023. Segment EBITDA[2] in second-quarter 2024 was $1.6 billion, a decrease of 3.5 percent year over year, driven by continued declines in wireline revenues. Segment EBITDA margin[2] in second-quarter 2024 was 21.6 percent, a decrease from 21.9 percent in second-quarter 2023.

Outlook and guidance: Verizon is on track to meet financial guidance

The company does not provide a reconciliation for any of the following adjusted (non-GAAP) forecasts because it cannot, without unreasonable effort, predict the special items that could arise, and the company is unable to address the probable significance of the unavailable information.

For 2024, Verizon continues to expect the following:

- Total wireless service revenue growth[1] of 2.0 percent to 3.5 percent.

- Adjusted EBITDA growth[2] of 1.0 percent to 3.0 percent.

- Adjusted EPS[2] of $4.50 to $4.70.

- Capital expenditures between $17.0 billion and $17.5 billion.

- Adjusted effective income tax rate[2] in the range of 22.5 percent to 24.0 percent.

[1] Total wireless service revenue represents the sum of Consumer and Business segments.

[2] Non-GAAP financial measure. See the accompanying schedules and www.verizon.com/about/investors for reconciliations of non-GAAP financial measures cited in this document to most directly comparable financial measures under generally accepted accounting principles (GAAP).

Verizon Communications Inc. (NYSE, Nasdaq: VZ) powers and empowers how its millions of customers live, work and play, delivering on their demand for mobility, reliable network connectivity and security. Headquartered in New York City, serving countries worldwide and nearly all of the Fortune 500, Verizon generated revenues of $134.0 billion in 2023. Verizon's world-class team never stops innovating to meet customers where they are today and equip them for the needs of tomorrow. For more, visit verizon.com or find a retail location at verizon.com/stores.

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Forward-looking statements

In this communication we have made forward-looking statements. These statements are based on our estimates and assumptions and are subject to risks and uncertainties. Forward-looking statements include the information concerning our possible or assumed future results of operations. Forward-looking statements also include those preceded or followed by the words "anticipates," "assumes," "believes," "estimates," "expects," "forecasts," "hopes," "intends," "plans," "targets" or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The following important factors, along with those discussed in our filings with the Securities and Exchange Commission (the "SEC"), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: the effects of competition in the markets in which we operate, including the inability to successfully respond to competitive factors such as prices, promotional incentives and evolving consumer preferences; failure to take advantage of, or respond to competitors' use of, developments in technology and address changes in consumer demand; performance issues or delays in the deployment of our 5G network resulting in significant costs or a reduction in the anticipated benefits of the enhancement to our networks; the inability to implement our business strategy; adverse conditions in the U.S. and international economies, including inflation and changing interest rates in the markets in which we operate; cyber attacks impacting our networks or systems and any resulting financial or reputational impact; damage to our infrastructure or disruption of our operations from natural disasters, extreme weather conditions, acts of war, terrorist attacks or other hostile acts and any resulting financial or reputational impact; disruption of our key suppliers' or vendors' provisioning of products or services, including as a result of geopolitical factors or the potential impacts of global climate change; material adverse changes in labor matters and any resulting financial or operational impact; damage to our reputation or brands; the impact of public health crises on our operations, our employees and the ways in which our customers use our networks and other products and services; changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks or businesses; allegations regarding the release of hazardous materials or pollutants into the environment from our, or our predecessors', network assets and any related government investigations, regulatory developments, litigation, penalties and other liability, remediation and compliance costs, operational impacts or reputational damage; our high level of indebtedness; significant litigation and any resulting material expenses incurred in defending against lawsuits or paying awards or settlements; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing; significant increases in benefit plan costs or lower investment returns on plan assets; changes in tax laws or regulations, or in their interpretation, or challenges to our tax positions, resulting in additional tax expense or liabilities; and changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings.