



## News Release

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### **Verizon finishes 2023 with strong cash flow and wireless customer growth**

**Posts double-digit gains across fixed wireless and total wireless postpaid net additions**

**Full-year 2023 wireless service revenue was \$76.7 billion, up 3.2 percent from full-year 2022**

**Fixed wireless net additions for full-year 2023 were up over 31 percent year over year reflecting the increased demand driven by the strength and reliability of the product**

**Total wireless postpaid net additions for full-year 2023 spike 26 percent compared to 2022**

**Total wireless postpaid phone net additions jump to 449,000 for fourth-quarter 2023 compared to 217,000 for fourth-quarter 2022**

**Consumer postpaid phone gross additions for fourth-quarter 2023 increase nearly 17 percent year over year, marking the best quarterly performance in four years**

## 2023 highlights

### Consolidated:

- Full-year 2023 earnings per share (EPS) of \$2.75, compared with \$5.06 in 2022; adjusted EPS<sup>1</sup>, excluding special items, of \$4.71, compared with 2022 adjusted EPS<sup>1</sup> of \$5.18.
- Total operating revenue of \$134.0 billion in full-year 2023, down 2.1 percent year over year.
- Full-year 2023 cash flow from operations of \$37.5 billion, an increase from \$37.1 billion in 2022.
- Full-year 2023 free cash flow<sup>1</sup> of \$18.7 billion, an increase from \$14.1 billion in 2022.

## 4Q 2023 highlights

### Consolidated:

- Earnings per share was \$(0.64), compared with earnings per share of \$1.56 in fourth-quarter 2022; adjusted EPS<sup>1</sup>, excluding special items, of \$1.08, compared with \$1.19 in fourth-quarter 2022.
- Total operating revenue of \$35.1 billion, a decrease of 0.3 percent from fourth-quarter 2022.
- Consolidated net loss for the fourth-quarter of \$2.6 billion, compared to consolidated net income of \$6.7 billion in fourth-quarter 2022, and consolidated adjusted EBITDA<sup>1</sup> of \$11.7 billion, in line with the 2022 result.

### Total Broadband:

- Total broadband net additions of 413,000, represented the fifth consecutive quarter that Verizon reported more than 400,000 broadband net additions. Total broadband net additions included 375,000 fixed wireless net additions, bringing the subscriber base to over 3 million. In fourth-quarter 2023, more than 80 percent of Consumer fixed wireless gross additions were in Verizon's first 76 C-Band markets. Verizon is ahead of schedule to achieve its goal of 4 to 5 million subscribers by the end of 2025.
- 55,000 Fios Internet net additions, down 4,000 from the fourth-quarter 2022.
- 10.7 million total broadband subscribers as of the end of fourth-quarter 2023.

### Total Wireless:

- Total wireless service revenue<sup>2</sup> of \$19.4 billion, a 3.2 percent increase year over year.
- Retail postpaid phone net additions of 449,000, and retail postpaid net additions of 1,460,000.
- Retail postpaid churn of 1.18 percent, and retail postpaid phone churn of 0.93 percent.

**NEW YORK** - Verizon Communications Inc. (NYSE, Nasdaq: VZ) reported strong fourth-quarter and full-year 2023 results highlighted by total wireless postpaid net additions, fixed wireless net additions and increased wireless service revenue.

"After delivering continuous improvement throughout 2023, we ended the year strong and continue to pursue the right balance of growth and profitability," said Verizon Chairman and CEO Hans Vestberg. "2023 was a year of change. We have the right assets and the best team in place and are well-positioned for growth in 2024."

For fourth-quarter 2023, Verizon reported earnings per share of \$(0.64), compared with earnings per share of \$1.56 in fourth-quarter 2022. On an adjusted basis<sup>1</sup>, excluding special items, EPS was \$1.08 in fourth-quarter 2023, compared with adjusted EPS<sup>1</sup> of \$1.19 in fourth-quarter 2022.

Fourth-quarter 2023 financial results reflected a pre-tax loss from special items of approximately \$7.8 billion. This includes the impacts of a previously disclosed goodwill impairment charge related to our Business reporting unit of \$5.8 billion, a market-to-market adjustment for our pension and Other Post Employment Benefits (OPEB) liabilities of \$992 million, asset rationalization charges of \$325 million primarily relating to Business network assets that Verizon has ceased the use of, a severance charge of \$296 million, the amortization of intangible assets related to Tracfone and other acquisitions of \$227 million, and a \$100 million charge relating to the settlement of a litigation matter regarding certain administrative fees.

For full-year 2023, Verizon reported \$2.75 in EPS, compared with \$5.06 for full-year 2022. On an adjusted basis<sup>1</sup>, excluding special items, 2023 EPS was \$4.71, compared with \$5.18 for 2022.

### **Consolidated results**

- Total consolidated operating revenue in fourth-quarter 2023 of \$35.1 billion, down 0.3 percent from fourth-quarter 2022. The decrease can be attributed to wireless equipment revenue, which was 2.0 percent lower than 2022, as total postpaid upgrades declined by

17.9 percent. Full-year 2023 consolidated operating revenue was \$134.0 billion, down 2.1 percent year over year.

- Total wireless service revenue<sup>2</sup> in fourth-quarter 2023 was \$19.4 billion, up 3.2 percent year over year, driven primarily by pricing actions implemented in recent quarters, the larger allocation of our administrative and telco recovery fees from other revenue into wireless service revenue, higher premium price plan adoption and growth from fixed wireless access offerings.
- Full-year 2023 cash flow from operations was \$37.5 billion, an increase from \$37.1 billion in 2022. This marks a year over year increase of over \$300 million, primarily due to working capital improvements.
- Full-year 2023 capital expenditures were \$18.8 billion, down from \$23.1 billion in 2022.
- The company ended 2023 with free cash flow<sup>1</sup> of \$18.7 billion, an increase from \$14.1 billion in 2022.
- Consolidated net loss for the fourth-quarter 2023 was \$2.6 billion, compared to consolidated net income of \$6.7 billion in fourth-quarter 2022, and consolidated adjusted EBITDA<sup>1</sup> was \$11.7 billion, in line with the 2022 result.
- Verizon's total unsecured debt as of the end of the year was \$128.5 billion, a \$2.1 billion increase sequentially, but \$2.1 billion lower year over year. The company's net unsecured debt<sup>1</sup> at the end of the year was \$126.4 billion, a \$4.2 billion increase from third-quarter 2023, but \$1.6 billion lower year over year. At the end of fourth-quarter 2023, Verizon's ratio of unsecured debt to net income (LTM) was approximately 10.6 times and net unsecured debt to adjusted EBITDA ratio<sup>1</sup> was approximately 2.6 times.

### **Verizon Consumer results**

- Total Verizon Consumer revenue in fourth-quarter 2023 was \$27.0 billion, an increase of 0.7 percent year over year as growth in service revenue was offset by declines in wireless equipment revenue and other revenue. For full-year 2023, total Consumer revenue was \$101.6 billion, a decrease of 1.8 percent from full-year 2022.
- Wireless service revenue in fourth-quarter 2023 increased 3.2 percent year over year driven primarily by growth in Consumer wireless postpaid Average Revenue Per Account (ARPA) resulting from pricing actions implemented in recent quarters, the larger allocation of our administrative and telco recovery fees from other revenue into wireless service revenue, higher premium price plan adoption, and growth from fixed wireless access offerings. For full-year 2023, total Consumer wireless service revenue was \$63.4 billion, an increase of 3.0 percent from full-year 2022.
- Consumer wireless retail postpaid churn was 1.08 percent in fourth-quarter 2023, and wireless retail postpaid phone churn was 0.88 percent.

- In fourth-quarter 2023, Consumer reported 318,000 wireless retail postpaid phone net additions, representing an improvement of 369,000 from third-quarter 2023 and 277,000 from fourth-quarter 2022. Consumer postpaid phone gross additions in the fourth-quarter 2023 increased 16.9 percent year over year, the best performance in four years.
- Verizon continues to see better performance in the markets where C-Band is deployed. In Verizon's first 76 C-Band markets, fourth-quarter growth in Consumer postpaid phone gross additions was more than 8 percentage points better than in non C-Band markets and postpaid phone churn remains lower than non C-Band markets.
- Consumer reported 289,000 wireless retail prepaid net losses in fourth-quarter 2023.
- Consumer reported 231,000 fixed wireless net additions and 53,000 Fios Internet net additions in fourth-quarter 2023. Consumer Fios revenue was \$2.9 billion in fourth-quarter 2023, an increase of 1.0 percent year over year. Full-year 2023 Consumer Fios revenue was \$11.6 billion, relatively flat year over year.
- In fourth-quarter 2023, Consumer operating income was \$7.0 billion, an increase of 0.1 percent year over year, and segment operating income margin was 26.1 percent, a decrease from 26.3 percent in fourth-quarter 2022. Full-year 2023 Consumer operating income was \$29.0 billion, an increase of 0.6 percent year over year, and segment operating income margin was 28.5 percent, an increase from 27.9 percent in full-year 2022. Segment EBITDA<sup>1</sup> in fourth-quarter 2023 was \$10.4 billion, an increase of 2.4 percent year over year. This improvement can be attributed to wireless service revenue growth and lower upgrade volumes. Segment EBITDA margin<sup>1</sup> in fourth-quarter 2023 was 38.5 percent, an increase from 37.9 percent in fourth-quarter 2022. Full-year 2023 segment EBITDA margin<sup>1</sup> was 41.4 percent, an increase from 40.2 percent in 2022.

## **Verizon Business results**

- Total Verizon Business revenue was \$7.6 billion in fourth-quarter 2023, a decrease of 3.6 percent year over year as lower wireline revenue and lower wireless equipment revenue was partially offset by higher wireless service revenue. For full-year 2023, total Business revenue was \$30.1 billion, a 3.1 percent decrease year over year.
- Business wireless service revenue in fourth-quarter 2023 was \$3.4 billion, an increase of 3.0 percent year over year. This was driven by the larger allocation of our administration and telco recovery fees from other revenue into wireless service revenue, continued strong net additions and the benefit of pricing actions implemented earlier in the year. Full-year 2023 Business wireless service revenue was \$13.4 billion, an increase of 4.1 percent compared to full-year 2022.
- Business reported 292,000 wireless retail postpaid net additions in fourth-quarter 2023, including 131,000 postpaid phone net additions. This was the 10th consecutive quarter that Business reported more than 125,000 postpaid phone net additions. Business

continues to grow volumes and expand its relationships with customers strengthening its position as a wireless market share leader.

- Business wireless retail postpaid churn was 1.48 percent in fourth-quarter 2023, and wireless retail postpaid phone churn was 1.12 percent.
- Business reported 144,000 fixed wireless net additions in fourth-quarter 2023.
- In fourth-quarter 2023, Verizon Business operating income was \$443 million, a decrease of 24.3 percent year over year, and segment operating income margin was 5.8 percent, a decrease from 7.4 percent in fourth-quarter 2022. Full-year 2023 segment operating income was \$2.1 billion, a decrease of 21.5 percent year over year, and segment operating income margin was 6.9 percent, compared with 8.5 percent in full-year 2022. Segment EBITDA<sup>1</sup> in fourth-quarter 2023 was \$1.6 billion, a decrease of 4.5 percent year over year, driven by continued declines in high margin wireline revenues. Segment EBITDA margin<sup>1</sup> in fourth-quarter 2023 was 21.1 percent, a decrease from 21.3 percent in fourth-quarter 2022. For the full year, segment EBITDA margin<sup>1</sup> was 21.8 percent, a decrease from 22.3 percent in 2022.

## Outlook and 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 expects the following:

- Total wireless service revenue growth<sup>2</sup> of 2.0 percent to 3.5 percent.
- Adjusted EBITDA growth<sup>1</sup> of 1.0 percent to 3.0 percent.
- Adjusted EPS<sup>1</sup> of \$4.50 to \$4.70.
- Capital expenditures between \$17.0 billion and \$17.5 billion.
- Adjusted effective income tax rate<sup>1</sup> in the range of 22.5 percent to 24.0 percent.

<sup>1</sup> Non-GAAP financial measure. See the accompanying schedules and [www.verizon.com/about/investors](http://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).

<sup>2</sup> Total wireless service revenue represents the sum of Consumer and Business segments.

Verizon Communications Inc. (NYSE, Nasdaq: VZ) was formed on June 30, 2000 and is one of the world's leading providers of technology and communications services. Headquartered in New York City and with a presence around the world, Verizon generated revenues of \$134.0 billion in 2023. The company offers data, video and voice services

and solutions on its award-winning networks and platforms, delivering on customers' demand for mobility, reliable network connectivity, security and control.

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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.