



## News Release

**FOR IMMEDIATE RELEASE**

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**Verizon begins 2024 with strong wireless service revenue growth, solid cash flow and continued momentum in broadband**

**First quarter performance positions Verizon for growth and profitability throughout 2024**

### 1Q 2024 Highlights

**Consolidated:**

- Earnings per share of \$1.09, compared with earnings per share of \$1.17 in first-quarter 2023; adjusted EPS<sup>1</sup>, excluding special items, of \$1.15, compared with \$1.20 in first-quarter 2023.
- Total operating revenue of \$33.0 billion, up 0.2 percent from first-quarter 2023.
- Consolidated net income for the first quarter of \$4.7 billion, compared to consolidated net income of \$5.0 billion in first-quarter 2023, and consolidated adjusted EBITDA<sup>1</sup> of \$12.1 billion, up from \$11.9 billion in first-quarter 2023.

**Total Wireless:**

- Total wireless service revenue<sup>2</sup> of \$19.5 billion, a 3.3 percent increase year over year.
- Retail postpaid phone net losses of 68,000, and retail postpaid net additions of 253,000.

- Retail postpaid phone churn of 0.89 percent, and retail postpaid churn of 1.15 percent.

**Total Broadband:**

- Total broadband net additions of 389,000, including 53,000 Fios Internet net additions.
- Verizon Business reported 151,000 fixed wireless net additions in first-quarter 2024, their best quarterly result to date.
- 11.1 million total broadband subscribers as of the end of first-quarter 2024, including 3.4 million subscribers on fixed wireless. Verizon added more than 3 million broadband subscribers in the last two years.
- Fixed wireless revenue for the first-quarter 2024 was \$452 million, up \$197 million compared to the prior year period.

**NEW YORK** - Verizon Communications Inc. (NYSE, Nasdaq: VZ) reported first-quarter 2024 results with strong wireless service revenue, solid cash flow, adjusted EBITDA expansion and fixed wireless subscriber base growth.

“Our strong results show that our team is delivering. Our performance in the first quarter sets us up for a successful 2024,” said Verizon Chairman and CEO Hans Vestberg. “We are on track to meet our financial guidance and to deliver positive Consumer postpaid phone net adds for the year. Our fixed wireless subscriber base is continuing to grow rapidly, and our network remains the best in the industry, by far.”

For first-quarter 2024, Verizon reported earnings per share of \$1.09, compared with earnings per share of \$1.17 in first-quarter 2023. On an adjusted basis<sup>1</sup>, excluding special items, EPS was \$1.15 in first-quarter 2024, compared with adjusted EPS<sup>1</sup> of \$1.20 in first-quarter 2023.

First quarter 2024 financial results reflected a pre-tax loss from special items of \$327 million. This includes the amortization of intangible assets related to Tracfone and other acquisitions of \$221 million, and a \$106 million charge associated with a litigation matter related

to a legacy contract for the production of telephone directories in Costa Rica by a subsidiary of Verizon.

### **Consolidated results: Verizon delivers on three key metrics: wireless service revenue, adjusted EBITDA and cash flow**

- Total consolidated operating revenue in first-quarter 2024 of \$33.0 billion, up 0.2 percent from first-quarter 2023. The increase can be attributed to pricing actions implemented in recent quarters, combined with improved operating results offset by a decrease in wireless equipment revenue due to lower upgrade volumes.
- Total wireless service revenue<sup>2</sup> in first-quarter 2024 was \$19.5 billion, up 3.3 percent year over year, driven primarily by pricing actions implemented in recent quarters, higher premium price plan adoption, and growth of our fixed wireless subscriber base.
- Cash flow from operations totaled \$7.1 billion in first-quarter 2024, down from \$8.3 billion in first-quarter 2023.
- First-quarter 2024 capital expenditures were \$4.4 billion, compared to \$6.0 billion in first-quarter 2023.
- The company ended first-quarter 2024 with free cash flow<sup>1</sup> of \$2.7 billion, up from \$2.3 billion in first-quarter 2023.
- Consolidated net income for first-quarter 2024 was \$4.7 billion, compared to consolidated net income of \$5.0 billion in first-quarter 2023, and consolidated adjusted EBITDA<sup>1</sup> was \$12.1 billion, up from \$11.9 billion in first-quarter 2023.
- Verizon's total unsecured debt as of the end of first-quarter 2024 was \$128.4 billion, a \$0.1 billion decrease compared to fourth-quarter 2023, and \$3.6 billion lower year over year. The company's net unsecured debt<sup>1</sup> at the end of first-quarter 2024 was \$126.0 billion. At the end of first-quarter 2024, Verizon's ratio of unsecured debt to net income (LTM) was 10.9 times and net unsecured debt to consolidated adjusted EBITDA ratio<sup>1</sup> was 2.6 times.

### **Verizon Consumer**

- Total Verizon Consumer revenue in first-quarter 2024 was \$25.1 billion, an increase of 0.8 percent year over year as gains in service revenue were partially offset by declines in wireless equipment revenue.
- Wireless service revenue in first-quarter 2024 was \$16.1 billion, up 3.4 percent year over year, driven by growth in Consumer wireless postpaid average revenue per account (ARPA) from pricing actions and continued FWA adoption.

- Consumer wireless retail postpaid churn was 1.03 percent in first-quarter 2024, and wireless retail postpaid phone churn was 0.83 percent.
- In first-quarter 2024, Consumer reported 158,000 wireless retail postpaid phone net losses, representing an improvement of 105,000 from first-quarter 2023 net losses of 263,000, driven by improvements in both gross adds and churn. This represents Verizon Consumer's best first-quarter performance since 2018.
- Consumer postpaid phone gross additions in first-quarter 2024 increased 5.3 percent year over year, driven by the continued success of myPlan and last year's go to market improvements.
- Consumer reported 216,000 wireless retail prepaid net losses in first-quarter 2024. Wireless retail prepaid net losses excluding SafeLink Wireless, Verizon's brand offering access to government-sponsored connectivity benefits and programs, were 131,000.
- Consumer reported 203,000 fixed wireless net additions and 49,000 Fios Internet net additions in first-quarter 2024. Consumer Fios revenue was \$2.9 billion in first-quarter 2024.
- In first-quarter 2024, Consumer operating income was \$7.4 billion, an increase of 3.8 percent year over year, and segment operating income margin was 29.4 percent, an increase from 28.6 percent in first-quarter 2023. Segment EBITDA<sup>1</sup> in first-quarter 2024 was \$10.7 billion, an increase of 3.6 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 first-quarter 2024 was 42.6 percent, an increase from 41.5 percent in first-quarter 2023.

## **Verizon Business**

- Total Verizon Business revenue was \$7.4 billion in first-quarter 2024, a decrease of 1.6 percent year over year, as increases in wireless service revenue were more than offset by decreases in wireline revenue and wireless equipment revenue.
- Business wireless service revenue in first-quarter 2024 was \$3.4 billion, an increase of 2.7 percent year over year. This was driven by continued strong net additions in the quarter for both mobility and fixed wireless, as well as benefits from pricing actions implemented in recent quarters.
- Business reported 178,000 wireless retail postpaid net additions in first-quarter 2024, including 90,000 postpaid phone net additions.
- Business wireless retail postpaid churn was 1.51 percent in first-quarter 2024, and wireless retail postpaid phone churn was 1.13 percent.

- Business reported 151,000 fixed wireless net additions in first-quarter 2024, representing a 10.2 percent increase from first-quarter 2023. This marked their best quarterly result to date.
- In first-quarter 2024, Verizon Business operating income was \$399 million, a decrease of 27.6 percent year over year, and segment operating income margin was 5.4 percent, a decrease from 7.4 percent in first-quarter 2023. Segment EBITDA<sup>1</sup> in first-quarter 2024 was \$1.5 billion, a decrease of 7.2 percent year over year, driven by wireline revenue declines. Segment EBITDA margin<sup>1</sup> in first-quarter 2024 was 20.7 percent, a decrease from 22.0 percent in first-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<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 in 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, and security.

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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.