

1st Quarter 2018 Earnings Results

April 24, 2018

“Safe Harbor” statement

NOTE: In this presentation 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,” “believes,” “estimates,” “expects,” “hopes” 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: adverse conditions in the U.S. and international economies; the effects of competition in the markets in which we operate; material changes in technology or technology substitution; disruption of our key suppliers’ provisioning of products or services; changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks; breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance; our high level of indebtedness; 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; material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact; significant increases in benefit plan costs or lower investment returns on plan assets; changes in tax laws or treaties, or in their interpretation; 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; the inability to implement our business strategies; and the inability to realize the expected benefits of strategic transactions.

As required by SEC rules, we have provided a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures in materials on our website at www.verizon.com/about/investors.

Consolidated Consistent earnings performance

	1Q '18
Reported EPS <i>Includes ~\$0.21 due to the net impact of tax reform and ASC 606*</i>	\$1.11
Special items:	
Early debt redemption costs	\$0.04
Acquisition and integration-related charges	\$0.02
Adjusted EPS** <i>Includes ~\$0.21 due to the net impact of tax reform and ASC 606*</i>	\$1.17

* ASC 606 – Revenue Recognition Standard adopted on January 1, 2018.

** Non-GAAP measure. Adjusted for special items.

Supplemental Information

Impact of ASC 606*

(\$ in millions)

	1Q '18	ASC 606 Impact	w/o ASC 606 Impact
Consolidated			
Total revenue	\$31,772	(\$45)	\$31,727
Y/Y Growth	6.6%		6.4%
Adjusted EBITDA**	\$11,778	(\$423)	\$11,355
Adjusted EBITDA Margin**	37.1%		35.8%
Wireless			
Service revenue	\$15,402	\$380	\$15,782
Y/Y Growth	(2.4%)		0.0%
Total revenue	\$21,900	(\$35)	\$21,865
Y/Y Growth	4.9%		4.7%
Segment EBITDA***	\$10,477	(\$362)	\$10,115
Segment EBITDA Margin***	47.8%		46.3%
Wireline			
Total revenue	\$7,557	(\$17)	\$7,540
Y/Y Growth	(1.6%)		(1.8%)
Segment EBITDA***	\$1,603	(\$64)	\$1,539
Segment EBITDA Margin***	21.2%		20.4%

* ASC 606 – Revenue Recognition Standard adopted on January 1, 2018.

** Non-GAAP measure. Adjusted for special items.

*** Non-GAAP measure.

Strategic positioning

Network Leadership

- Award-winning 4G LTE
- Intelligent Edge Network

Customer relationships

- High-quality base
- Service revenue momentum
- Customer loyalty

New ecosystems

- 5G
- Oath
- Verizon Connect & IoT

Long-term value creation

- Profitable growth
- Business excellence
- Strong cash generation

Consolidated Delivering profitable results

Total revenue of \$31.8B, up 6.6% Y/Y in 1Q '18

- Excluding Oath, divested businesses and impact of ASC 606, total revenue of \$29.9B, up 3.2% Y/Y in 1Q '18*

1Q '18 Adjusted EBITDA of \$11.8B**

- Excluding impact of ASC 606, 1Q '18 Adjusted EBITDA was \$11.4B, up \$0.5B Y/Y**

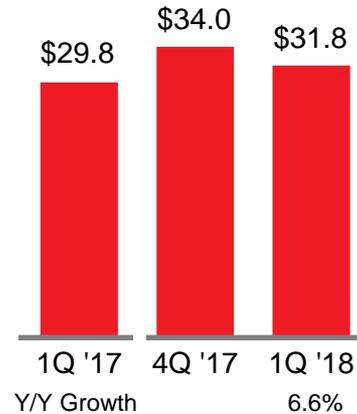
1Q '18 Adjusted EBITDA margin of 37.1%**

- Excluding impact of ASC 606, 1Q '18 Adjusted EBITDA margin of 35.8%**

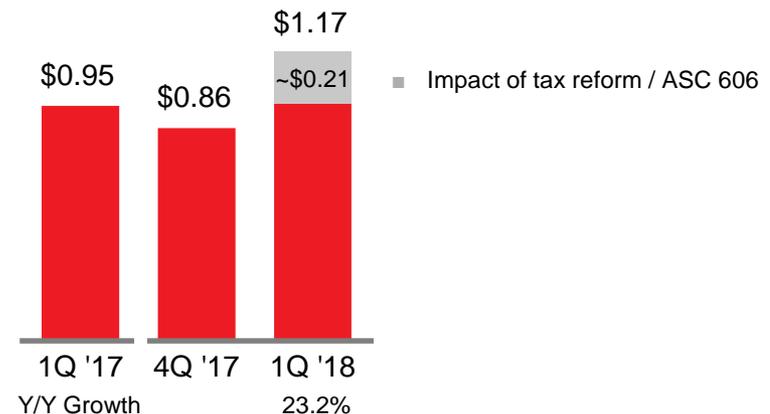
* Non-GAAP measure.

** Non-GAAP measure. Adjusted for special items.

Total Revenue (\$B)



Adjusted EPS**



Consolidated Generating strong free cash flow

<i>(\$ in billions)</i>	1Q '17	1Q '18
Cash flow from operations	\$1.4	\$6.6
<i>Discretionary pension contribution</i>	\$3.4	\$1.0
Capital expenditures	\$3.1	\$4.6
Free cash flow*	(\$1.7)	\$2.1
Dividends paid	\$2.4	\$2.4
Total debt	\$116.5	\$119.1
<i>Total asset-backed long-term borrowings</i>	\$6.3	\$10.1
Net debt to adjusted EBITDA**	2.6x	2.6x

Note: Amounts may not add due to rounding.

* Non-GAAP measure.

** Non-GAAP measure. Adjusted for special items.

Wireless

Improving service revenue trends

Total revenue, excluding impact of ASC 606, up 4.7% Y/Y in 1Q '18

Service revenue of \$15.4B, down 2.4% Y/Y in 1Q '18

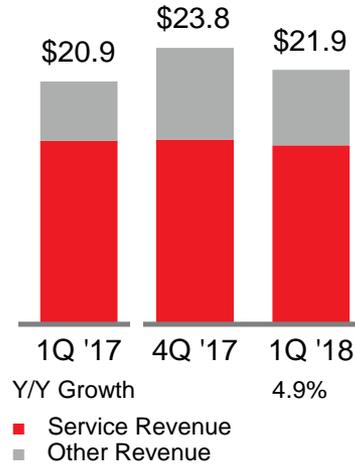
- Excluding impact of ASC 606, service revenue was flat Y/Y in 1Q '18

1Q '18 segment EBITDA margin on total revenue of 47.8%*

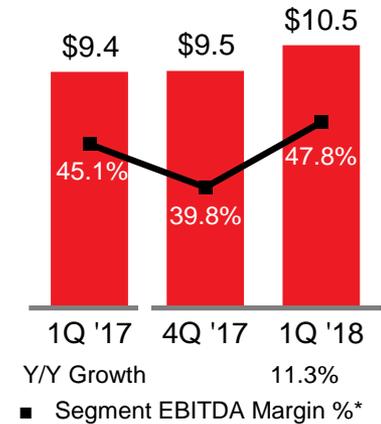
- Excluding impact of ASC 606, segment EBITDA margin of 46.3%, up 120 bps Y/Y*

~49% of postpaid phone base on device payment plans

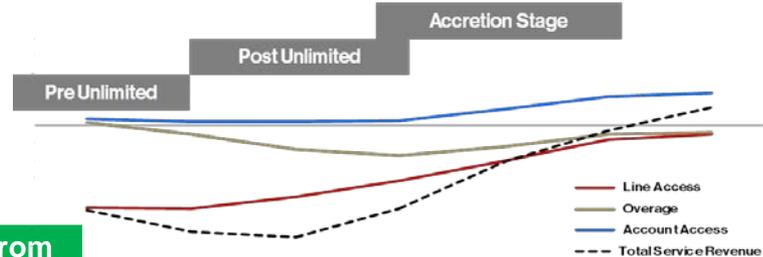
Total Revenue (\$B)



Segment EBITDA (\$B)*



Expected Wireless Service Revenue Cycle



Slide from
May 8, 2017
Analyst
Day

- Key Influencers
- Line Access → Increasing base on non-subsidized pricing
 - Overage → Base on New Verizon Plan and Unlimited
 - Account Access → Unlimited Take Rate & Step Ups

* Non-GAAP measure.

Wireless

Industry leading, high-quality retail base

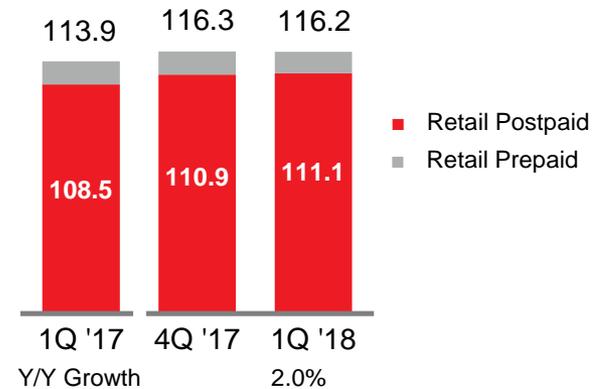
220K postpaid smartphone net adds in 1Q '18

24K phone net losses in 1Q '18

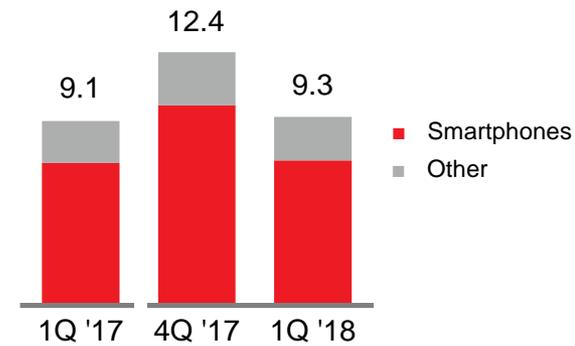
260K retail postpaid net adds in 1Q '18*

1Q '18 retail postpaid phone churn of 0.80%

Retail Connections (M)



Retail Postpaid Device Activations (M)



* Excludes acquisitions and adjustments.

Wireline

Broadband driving Fios revenue

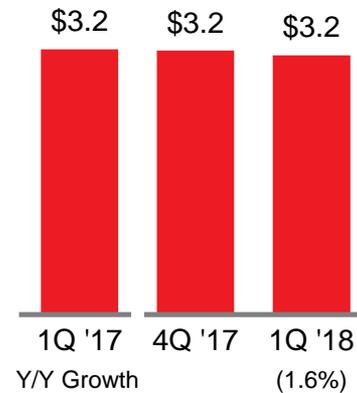
Total Wireline revenue excluding impact of ASC 606 of \$7.5B, down 1.8% Y/Y in 1Q '18; down 2.8% excluding XO Communications*

- Consumer Markets revenue excluding impact of ASC 606 of \$3.1B, down 1.7% Y/Y in 1Q '18
- Total Fios revenue excluding impact of ASC 606 grew 1.9% Y/Y in 1Q '18
- 66K Fios Internet net adds in 1Q '18
- 22K Fios Video net losses in 1Q '18

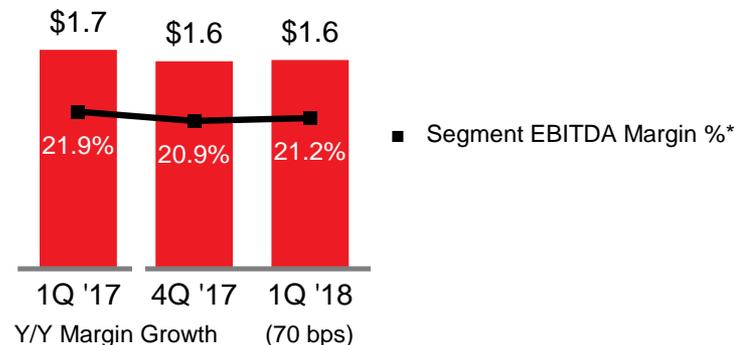
Excluding impact of ASC 606, segment EBITDA margin of 20.4%*

* Non-GAAP measure.

Consumer Markets Revenue (\$B)



Segment EBITDA (\$B)*



Media and IoT
Strategic positioning for future growth



Media

1Q '18 revenue of \$1.9B

Premium content distribution and programmatic advertising capabilities



RYOT

engadget

MAKERS

HUFFPOST

Confident in execution of strategy

Leading in technology development and network performance

Positive wireless service revenue trajectory

Business excellence initiatives

Pre-positioning for future growth opportunities

5G residential broadband launch in 2H 2018

Delivering solid financials, strengthening balance sheet, and returning value to shareholders

1Q '18 Supplemental Information

Selected metrics

Wireless	1Q '18
Retail postpaid upgrade rate (%)	5.0%
Postpaid gross adds (M)	3.7
Postpaid smartphone net adds (000)	220
Postpaid phone net losses (000)	(24)
Postpaid tablet net losses (000)	(75)
Wireline	
Fios consumer revenue growth rate Y/Y (%)	1.2%*

* Excludes impact of ASC 606.

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