



2Q 2020 Earnings

July 24, 2020

verizon



“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: cyber attacks impacting our networks or systems and any resulting financial or reputational impact; natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial or reputational impact; the impact of the global outbreak of COVID-19 on our operations, our employees and the ways in which our customers use our networks and other products and services; disruption of our key suppliers’ or vendors’ provisioning of products or services, including as a result of the COVID-19 outbreak; material adverse changes in labor matters and any resulting financial or operational impact; the effects of competition in the markets in which we operate; failure to take advantage 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; changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our business; 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; significant increases in benefit plan costs or lower investment returns on plan assets; changes in tax laws or treaties, or in their interpretation; 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.

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.

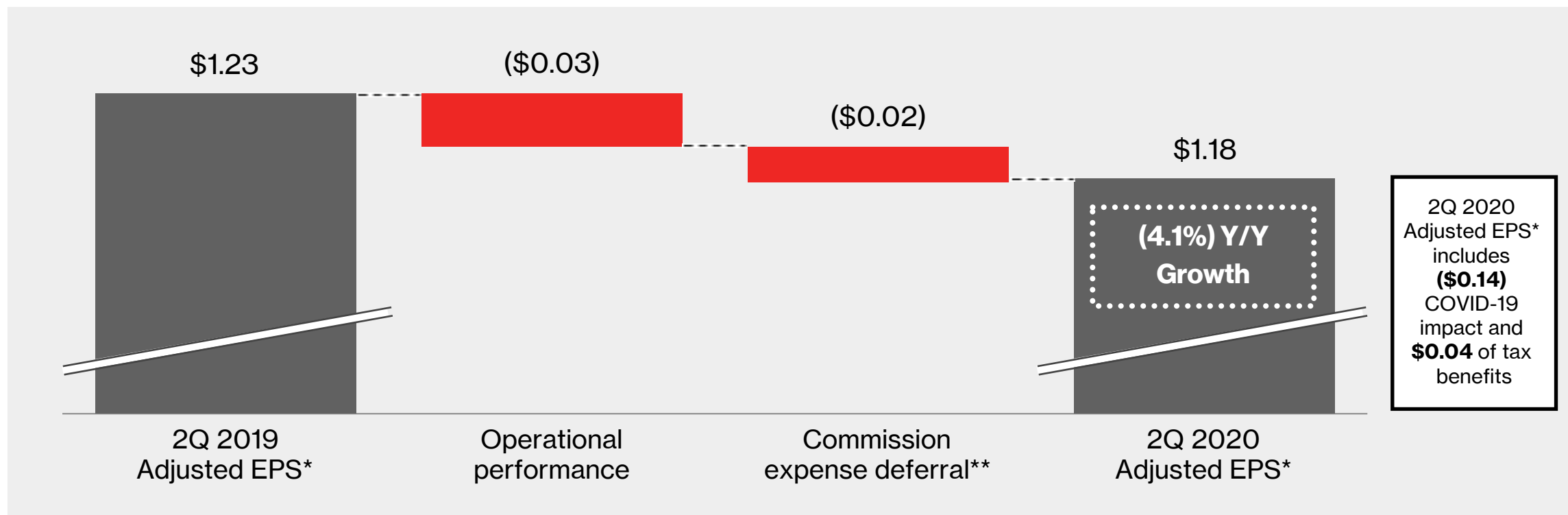
Consolidated Earnings Summary

	2Q 2020
Reported EPS	\$1.13
<i>Special items:</i>	
Net pension remeasurement charge	\$0.03
Net early debt redemption costs	\$0.02
Adjusted EPS*	\$1.18

Note: Amounts may not add due to rounding.

* Non-GAAP measure.

2Q 2020 Adjusted EPS

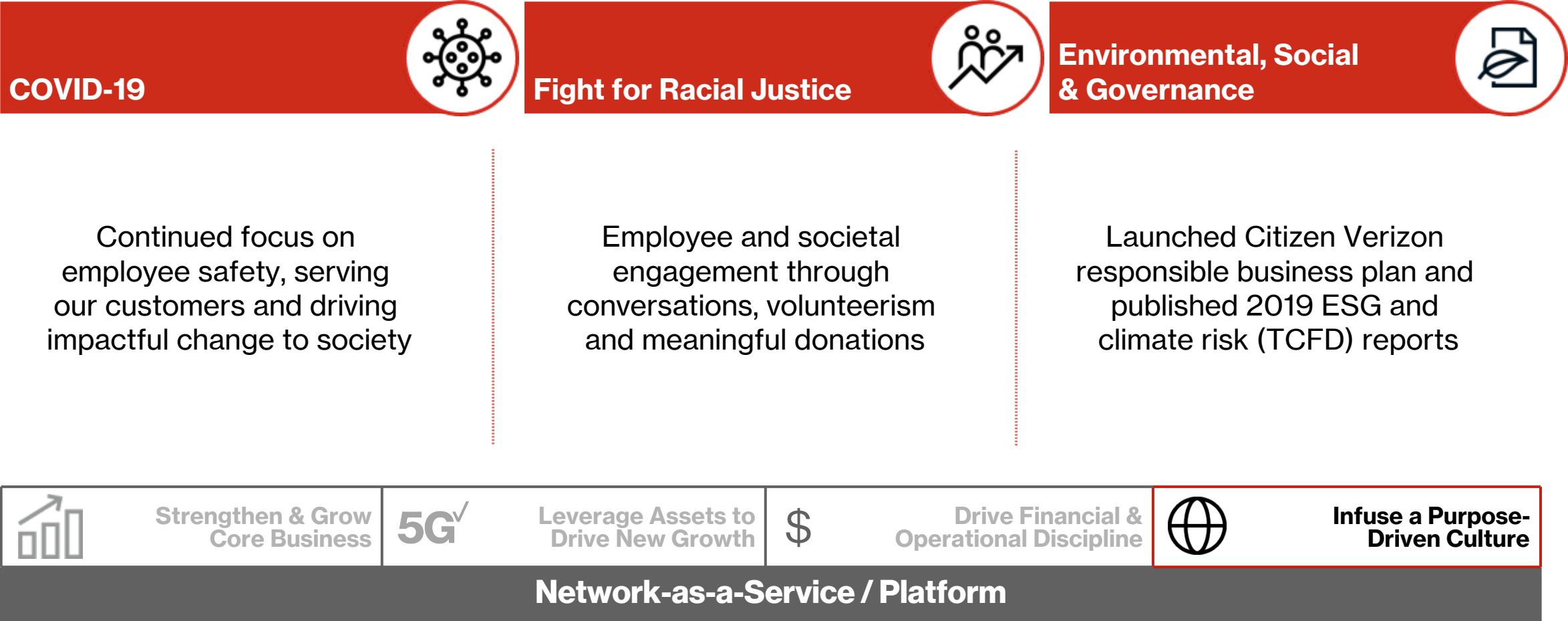


Delivered strong underlying Adjusted EPS* despite challenging environment

* Non-GAAP measure.

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

Purpose-Driven Culture at a Critical Time



Strong Execution across Strategic Priorities



Year-to-Date Execution

- Awarded J.D. Power top network quality for 25th time
- 5G small cell deployment on plan; 35th 5G Ultra wideband city and 6th 5G Home market
- Successful DSS and in-building coverage trials
- Continued customer innovation delivering results
- Expanded partnership ecosystem
- Strong liquidity position; pre-Vodafone credit rating profile



2Q 2020 Earnings & 2H 2020 Guidance

- Operational performance highlights resiliency of business
- Record uptake of Premium Unlimited by new accounts
- Momentum in subscriber growth and loyalty
- Generated strong cash flow
- Maintain Adjusted EPS* guidance



**Strengthen & Grow
Core Business**

5G[✓]

**Leverage Assets to
Drive New Growth**



**Drive Financial &
Operational Discipline**



**Infuse a Purpose-
Driven Culture**

Network-as-a-Service / Platform

* Non-GAAP measure.

Consolidated 2Q 2020 Financial Summary

\$30.4B

Total revenue
(down 5.1% Y/Y)

\$11.5B

Adjusted EBITDA*
(Adjusted EBITDA margin of 37.9%)*

\$1.18

Adjusted EPS*
(down 4.1% Y/Y)

* Non-GAAP measure.

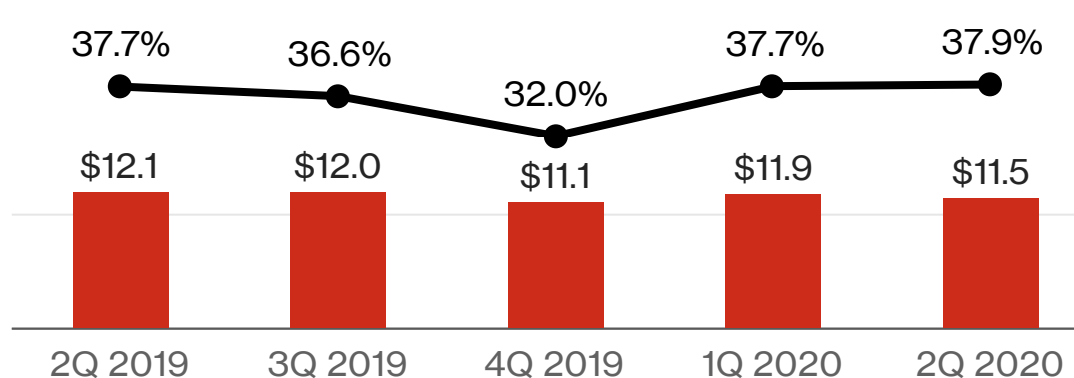


Total revenue (\$B)



**Y/Y Growth
(5.1%)**

Adjusted EBITDA* (\$B)



—●— Margin %*

**Y/Y Growth
(4.5%)**

Resilient business model drives healthy earnings

Consumer 2Q 2020 Key Metrics



5.4M

Postpaid device activations



72K

Retail postpaid net adds*



10K

Fios internet net adds



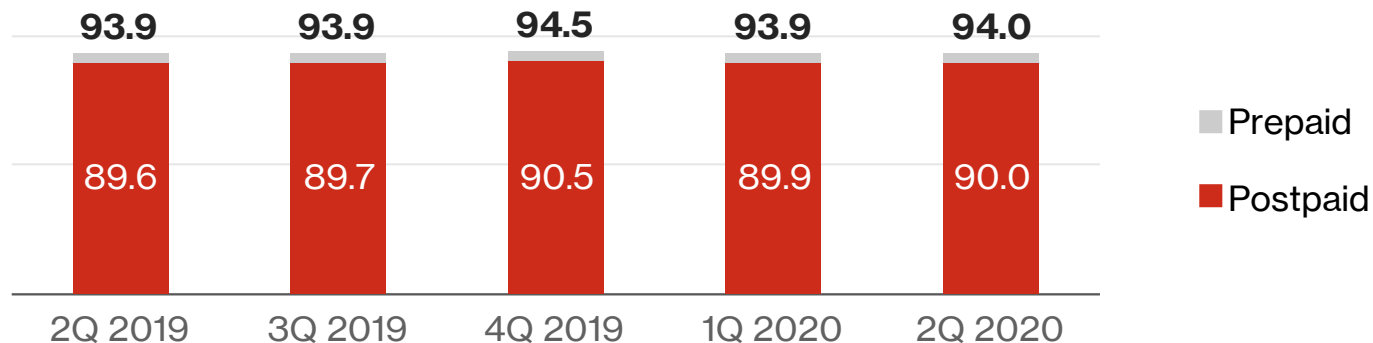
(81K)

Fios video net adds

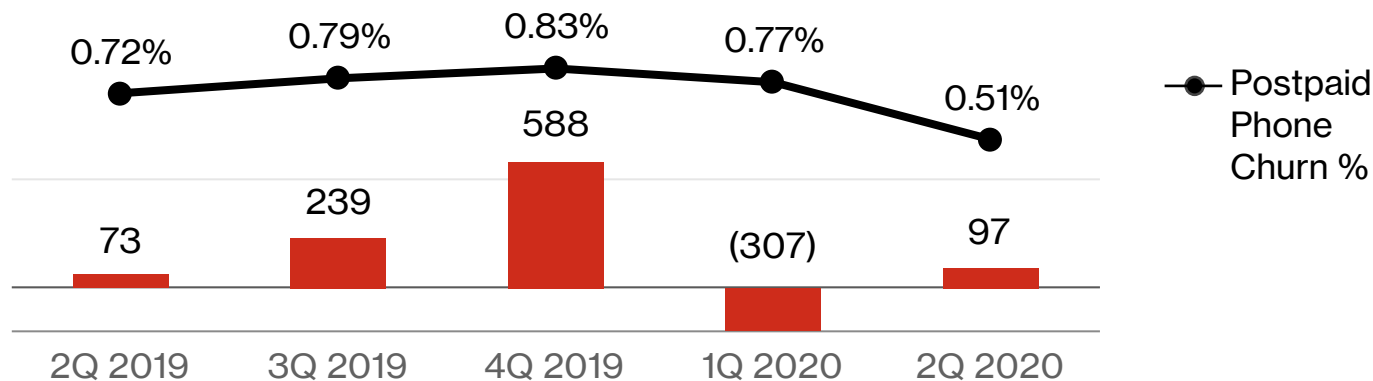
* Includes certain adjustments.



Wireless retail connections (M)



Wireless retail postpaid phone net adds* (K)



Network leadership contributing to strong customer loyalty

Consumer 2Q 2020 Financial Summary

\$21.1B

Total revenue
(down 4.0% Y/Y)

\$13.1B

Wireless service revenue
(down 2.7% Y/Y)

\$3.2B

Equipment revenue
(down 17.8% Y/Y)

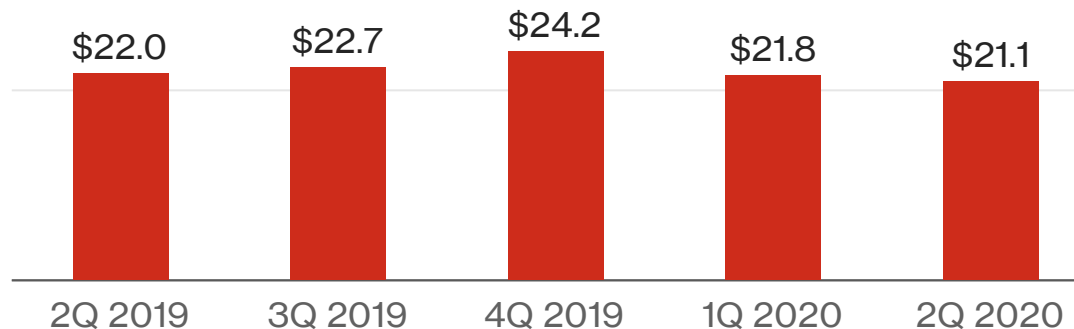
\$9.9B

Segment EBITDA*
(Segment EBITDA margin of 47.0%)*

* Non-GAAP measure.

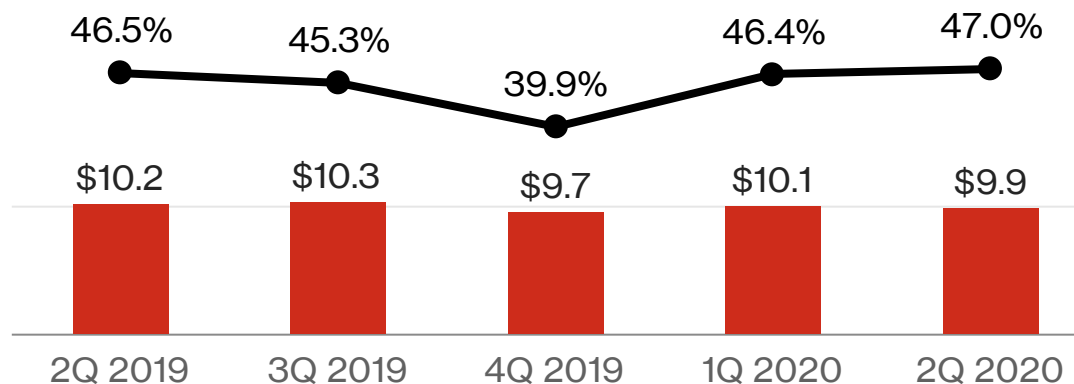


Total revenue (\$B)



**Y/Y Growth
(4.0%)**

Segment EBITDA* (\$B)



● Segment
EBITDA
Margin %*

**Y/Y Growth
(3.0%)**

Balanced financial performance

Business 2Q 2020 Key Metrics



1.9M

Postpaid device activations

- Gross adds down 3.9%
- Phone gross adds down 16.6%
- Upgrade rate of 2.7%



280K

Wireless retail postpaid net adds*

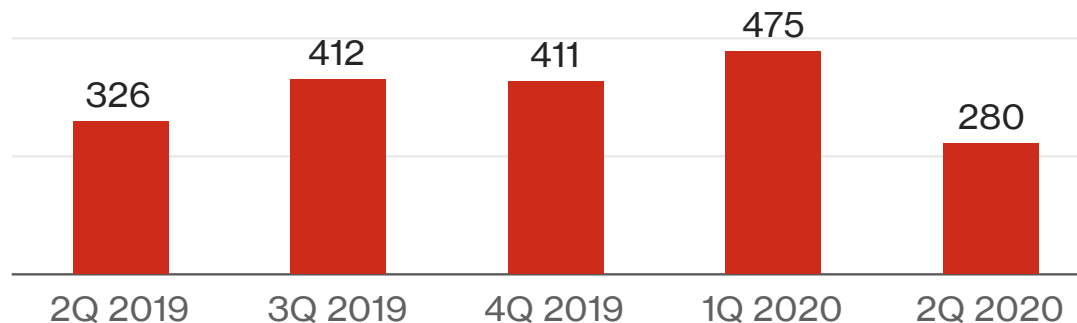
- 76K Phone net adds*
- 61K Tablet net adds*

Note: Prior year amounts revised to conform to current period presentation.

* Includes certain adjustments.

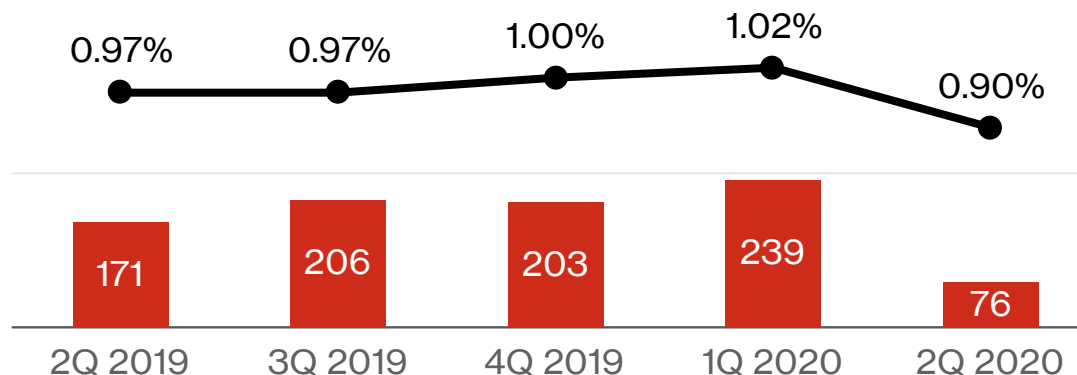


Wireless retail postpaid net adds* (K)



**Y/Y Growth
(14.1%)**

Wireless retail postpaid phone net adds* (K)



● Postpaid
Phone
Churn %

Meeting customer needs amid evolving environment

Business 2Q 2020 Financial Summary

\$7.5B

Total revenue
(down 3.7% Y/Y)

\$2.9B

Wireless service revenue
(up 3.1% Y/Y)

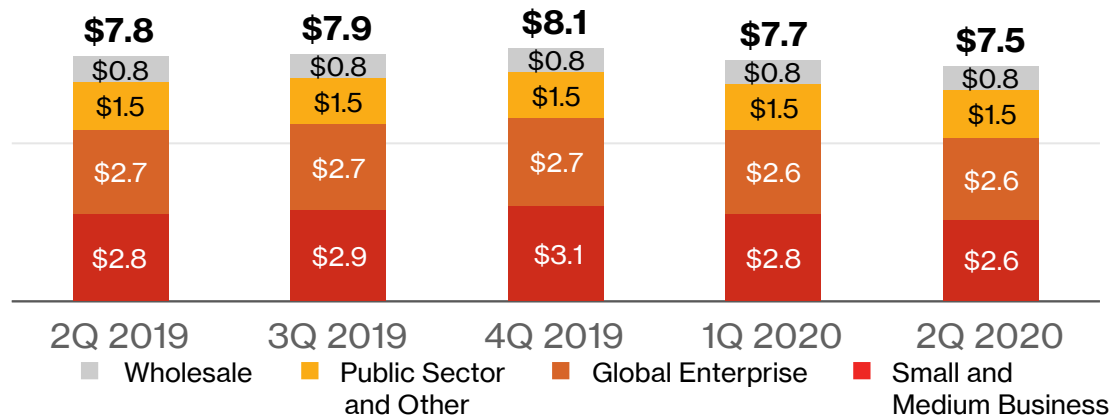
\$2.0B

Segment EBITDA*
(Segment EBITDA margin of 26.2%)*

* Non-GAAP measure.

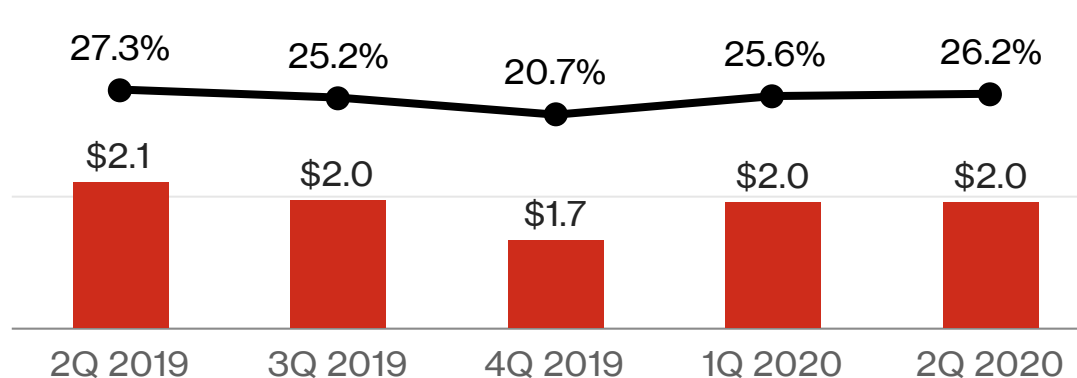


Total revenue (\$B)



**Y/Y Growth
(3.7%)**

Segment EBITDA* (\$B)



**Y/Y Growth
(7.4%)**

Stable profitability

Verizon Media Group 2Q 2020



Launched Verizon Media Immersive platform to power the future of 5G advertising content



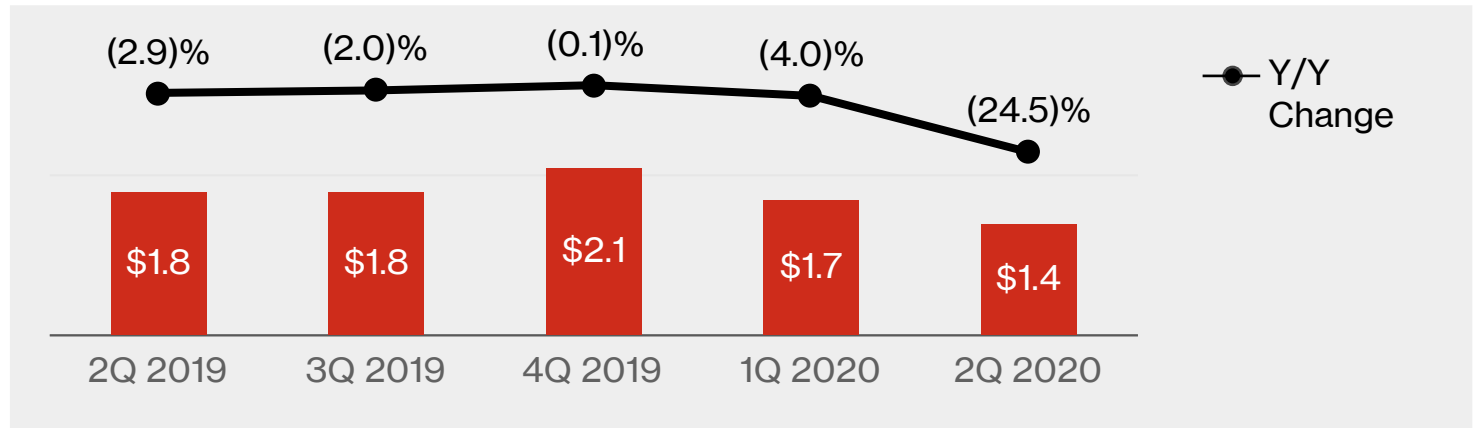
Significant partnerships wins with leading content and e-commerce companies leverage offline to online consumer shifts



Strength in demand side platform; one-third more client relationships added Y/Y



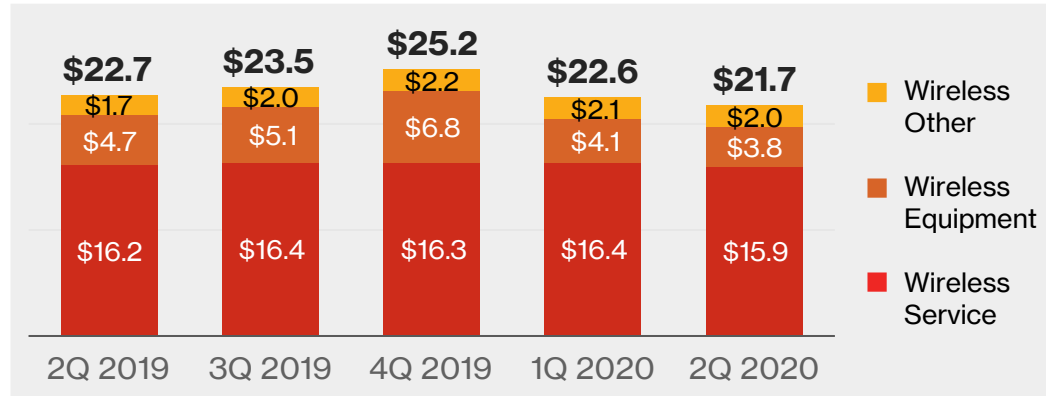
Total revenue (\$B)



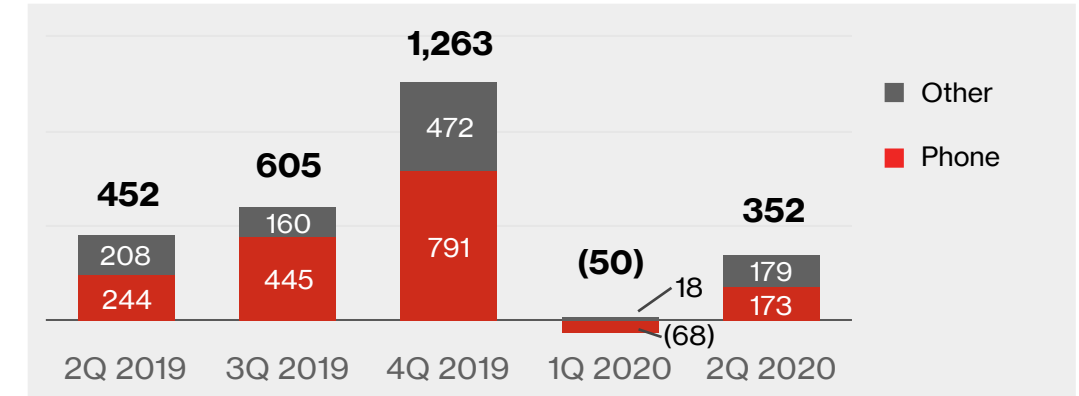
Strong leading indicators exiting June

Total Wireless Results

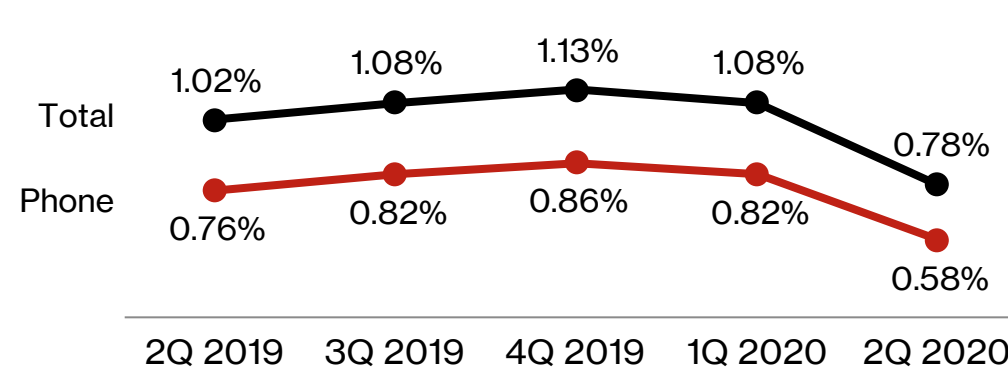
Total revenue (\$B)



Retail postpaid net adds* (K)



Retail postpaid churn



Other select 2Q 2020 metrics

\$15.9B

Service revenue
(down 1.7% Y/Y)

\$135.97

ARPA
(down 1.3% Y/Y)

3.7%

Upgrade rate

Note: Prior year amounts revised to conform to current period presentation. Amounts may not add due to rounding.

* Includes certain adjustments.

Consolidated Cash Flow Summary

(\$ in billions)	1H 2019	1H 2020
Cash flow from operations	\$15.8	\$23.6
Capital expenditures	\$8.0	\$9.9
Free cash flow*	\$7.9	\$13.7
Dividends paid	\$5.0	\$5.1
Total debt	\$113.4	\$112.8
<i>Unsecured debt</i>	\$102.1	\$102.2
<i>Cash and cash equivalents</i>	\$1.9	\$7.9
<i>Net unsecured debt*</i>	\$100.2	\$94.4
Net unsecured debt to adjusted EBITDA*	2.1x	2.0x

Strong cash generation and balance sheet

Note: Amounts may not add due to rounding.

* Non-GAAP measure.

COVID-19 Environment

	Consumer		Small and Medium Business		Global Enterprise		Public Sector	
(Y/Y Change)	2Q 2020	June 2020	2Q 2020	June 2020	2Q 2020	June 2020	2Q 2020	June 2020
Postpaid gross adds	(29%)	(21%)	(34%)	(23%)	(26%)	(8%)	125%	48%
Phone churn	(21 bps)	(18 bps)	(5 bps)	4 bps	1 bp	17 bps	(22 bps)	(4 bps)
Upgrades	(9%)	0%	(26%)	(4%)	(35%)	(23%)	(32%)	(27%)
Postpaid device activations	(17%)	(9%)	(31%)	(15%)	(30%)	(14%)	39%	8%
Fios internet gross adds	(35%)	(13%)	(49%)	(4%)	n/a	n/a	n/a	n/a

Verizon Media Group

- Total revenue declined 25% Y/Y in 2Q and 19% Y/Y in June, with advertising rebounding faster than search
- Owned and operated monthly active users up ~4% Y/Y in June (Finance +45%, News +25%)*

* Monthly active user data internally generated.

2020 Guidance

Reconfirming prior guidance

	2020
Adjusted EPS growth*	(2%) – 2%
Depreciation and amortization	Relatively flat Y/Y
Interest expense	Slightly lower than 2019 levels
Adjusted effective tax rate*	23% – 25%
Capital expenditures	\$17.5B – \$18.5B

Note: Consolidated revenue guidance withdrawn on April 24, 2020.

* Non-GAAP measure.

2H Execution Focused on Extending Leadership & Growth



Entering 2H 2020 with Strong Fundamentals

- ① LTE network leading in 3rd party tests
- ② Customer innovation delivering results
- ③ Key partnerships expand ecosystem
- ④ Brand leadership
- ⑤ Strong balance sheet



2H 2020 Execution – Network-as-a-Service at Scale

- 5G[✓]** 5G adoption
- Network monetization
- Next-gen B2B applications
- Customer differentiation
- New revenue opportunities

2H 2020 catalysts to further strengthen position

Supplemental Information

2Q 2020

Selected Metrics

Consumer	2Q 2020
Wireless retail postpaid phone gross adds Y/Y change (%)	(25.7%)
Postpaid smartphone net adds* (K)	199
Tablet net adds* (K)	(97)
Upgrade rate (%)	3.9%

* Includes certain adjustments.

