

A man wearing a white Verizon hard hat, safety glasses, and a bright yellow safety vest is looking off to the side. He is standing next to some equipment.

1Q 2020 Earnings

April 24, 2020

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“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 recent 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.

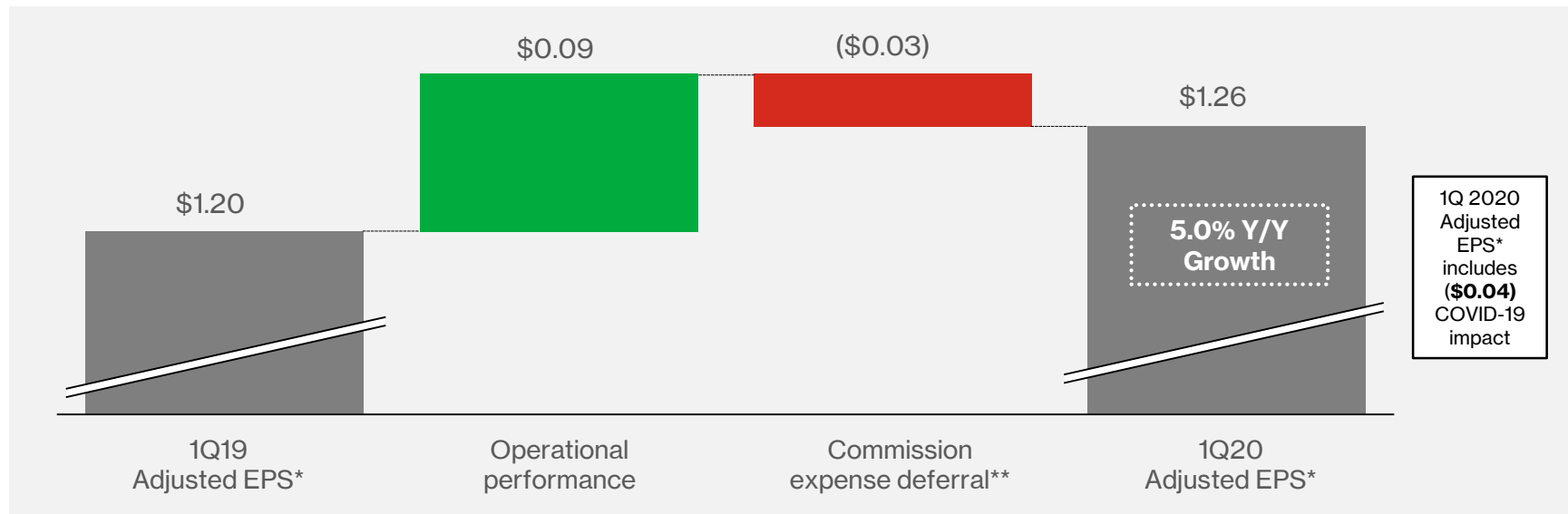
Consolidated Earnings Summary

	1Q 2020
Reported EPS	\$1.00
<i>Special items:</i>	
Net pension remeasurement charge	\$0.03
Loss on spectrum license auction	\$0.22
Adjusted EPS*	\$1.26

Note: Amounts may not add due to rounding.

* Non-GAAP measure.

1Q 2020 Adjusted EPS



Strong operational performance drives Adjusted EPS* growth

* Non-GAAP measure.

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

Verizon's COVID-19 Response



Keeping our Employees Safe

~85% of employees working remotely;
>20K reskilled

Enhanced communication, support and resources

Updated work plan for front line to ensure safety and customer service



Serving our Customers

Pledge to "Keep Americans Connected"; 15GBs additional data

Network resource prioritization for front line workers – hospitals, first responders

Networks performing well with changing usage patterns



Helping our Communities

Feed front line healthcare worker initiatives / #PayItForwardLIVE

Partnerships with WHO, Global Citizen, NY Times, Women's Sports Foundation

Over \$50M in committed grants / donated services; employee volunteering



Taking Proactive Financial Measures

Increased capex guidance while implementing efficient cost measures

Strengthened liquidity with cost-effective bond issuance

Scenario-based financial and operational planning

Response focused on all stakeholders

COVID-19: Network Usage Patterns

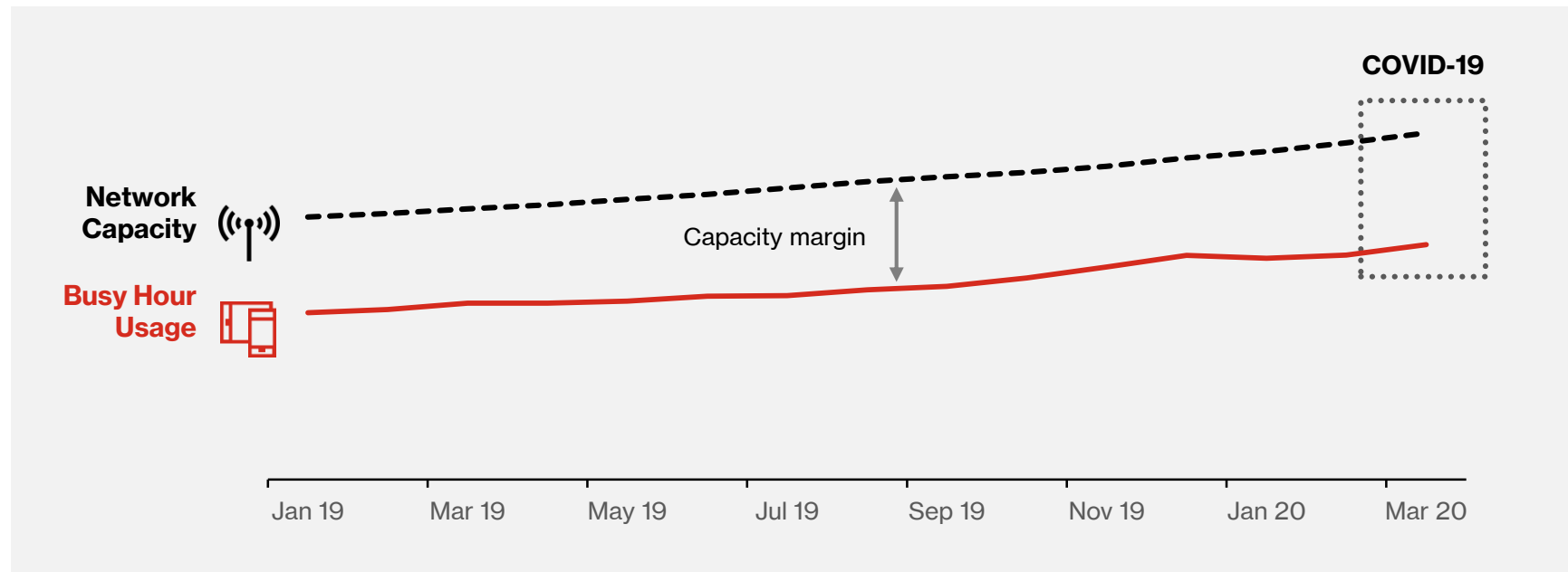
	Peak value observed during COVID-19 vs. baseline*	Recent week-over-week change**
Wireless data	+9%	+1.6%
Mobile handoffs	-35%	+1.3%
VoLTE call MoU	+38%	-4.7%
VoLTE call attempts	>800M per day	-3.9%
Average VoLTE call time	+45%	-0.5%
SMS text messages	>9B per day	-3.2%
VPN	+65%	-5.0%
Gaming	+213%	-0.3%
Collaboration tools	10X (+982%)	+1.8%
Video	+41%	-1.7%

* Baseline is week of January 26 – February 1

** Monday, April 13 vs. previous Monday, April 6

Wireless Network Capacity vs. Busy Hour Usage

(excludes AWS-3 temporary spectrum)



Network capacity handling COVID-19 demands

1Q 2020 Progress and Highlights



Progress Toward 2020 Commitments

Strengthen & Grow Core Business

- Driving digital sales through enhanced experiences
- Strengthened mmWave spectrum holdings through Auction 103

Leverage Assets to Drive New Growth

- 34 Ultra wideband cities live; 5G network build on plan
- BlueJeans acquisition announced in April expands portfolio

Drive Financial Discipline & Strength in Balance Sheet

- Disciplined spend with focus on operational efficiencies
- Scenario planning to navigate uncertainties

Infuse a Purpose-Driven Culture

- Continuing initiatives to drive meaningful difference to society
- Leading brand perception related to COVID-19 response



Financial Highlights

Consolidated

- Strong wireless service revenue growth
- 5% adjusted earnings* growth, including COVID-19 headwinds
- Strong free cash flow*; up 26.2% Y/Y

Operating Segments

- Met elevated demand for enterprise customers, government agencies, and public safety workers
- Successful launch of Fios Mix & Match
- 3rd consecutive quarter of branded advertising growth

Guidance

- Withdrawing revenue guidance
- Lowering Adjusted EPS* range
- Raised Capex range (on March 12)

* Non-GAAP measure.

Consolidated 1Q 2020 Financial Summary

\$31.6B

Total revenue
(down 1.6% Y/Y)

\$11.9B

Adjusted EBITDA*
(Adjusted EBITDA margin of 37.7%)*

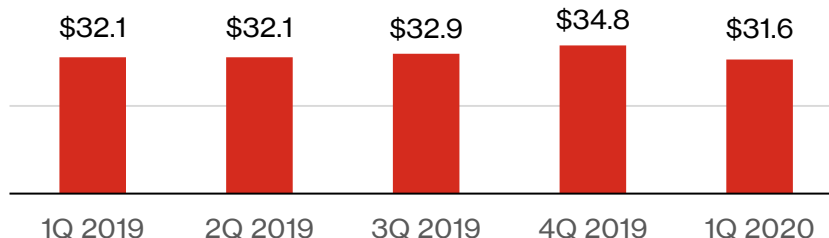
\$1.26

Adjusted EPS*
(up 5.0% Y/Y)

* Non-GAAP measure.

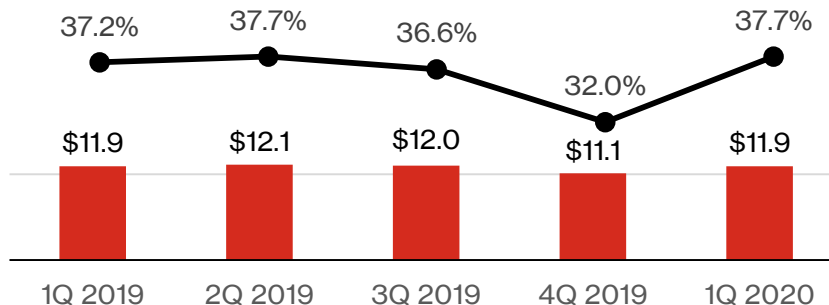


Total revenue (\$B)



**Y/Y Growth
(1.6%)**

Adjusted EBITDA* (\$B)



—●— Margin %*

**Y/Y Growth
(0.1%)**

Strong underlying fundamentals driving results

Consumer 1Q 2020 Key Metrics



5.6M

Postpaid device activations



(525K)

Retail postpaid net adds*



59K

Fios Internet net adds



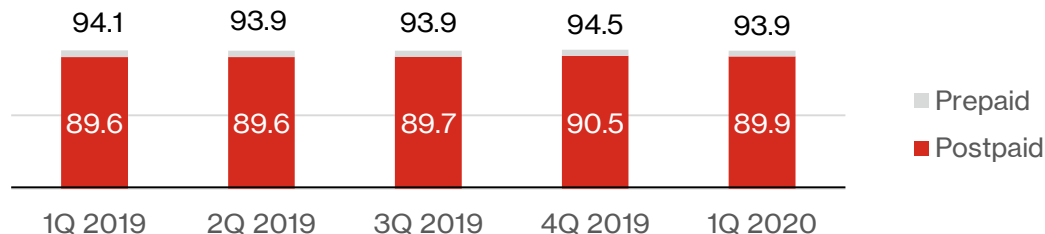
(84K)

Fios video net adds

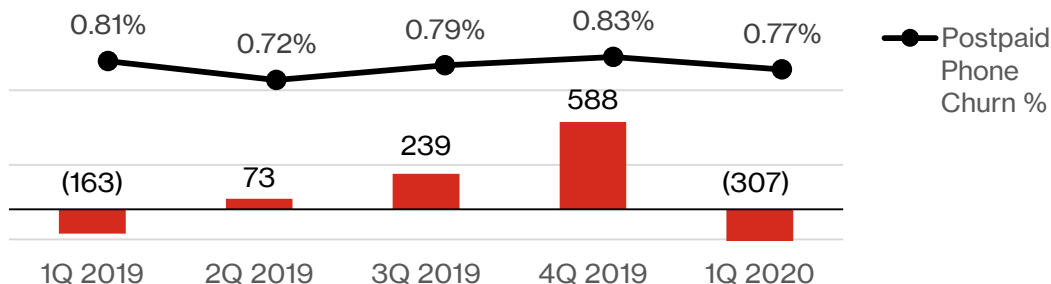
* Includes certain adjustments.

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Wireless retail connections (M)



Wireless retail postpaid phone net adds (K)



Seasonally lower volumes exacerbated by COVID-19

Consumer 1Q 2020 Financial Summary

\$21.8B

Total revenue
(down 1.7% Y/Y)

\$13.5B

Wireless service revenue
(up 0.9% Y/Y)

\$3.4B

Equipment revenue
(down 18.9% Y/Y)

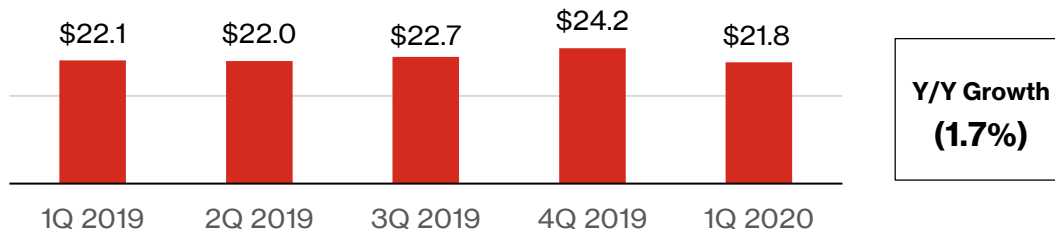
\$10.1B

Segment EBITDA*
(Segment EBITDA margin of 46.4%)*

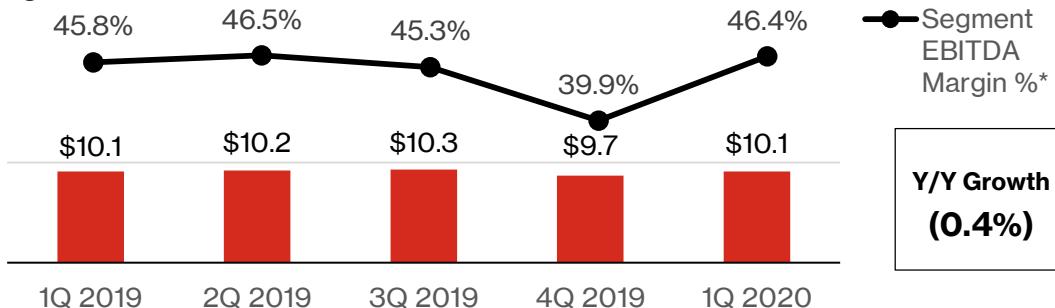
* Non-GAAP measure.



Total revenue (\$B)



Segment EBITDA* (\$B)



Measured and disciplined approach driving strong EBITDA

Business 1Q 2020 Key Metrics



2.4M

Postpaid device activations

- Gross adds up 28.4%
- Phone gross adds up 25.0%
- Upgrade rate of 3.6%



475K

Wireless retail postpaid net adds*

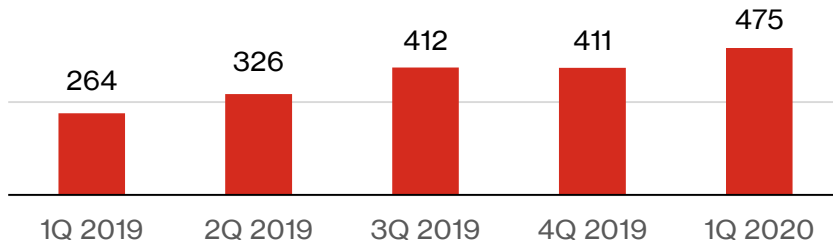
- 262K Postpaid smartphone net adds*
- 239K Phone net adds*
- 60K Tablet net adds*

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

* Includes certain adjustments.

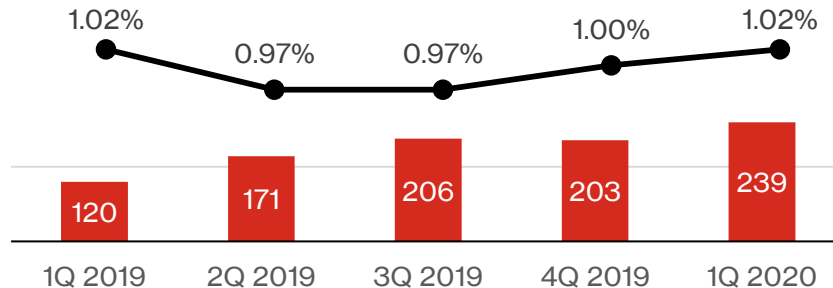


Wireless retail postpaid net adds (K)



Y/Y Growth
79.9%

Wireless retail postpaid phone net adds (K)



—●— Postpaid
Phone
Churn %

Strong volumes with heightened demand in March

Business 1Q 2020 Financial Summary

\$7.7B

Total revenue
(down 0.5% Y/Y)

\$2.9B

Wireless service revenue
(up 6.9% Y/Y)

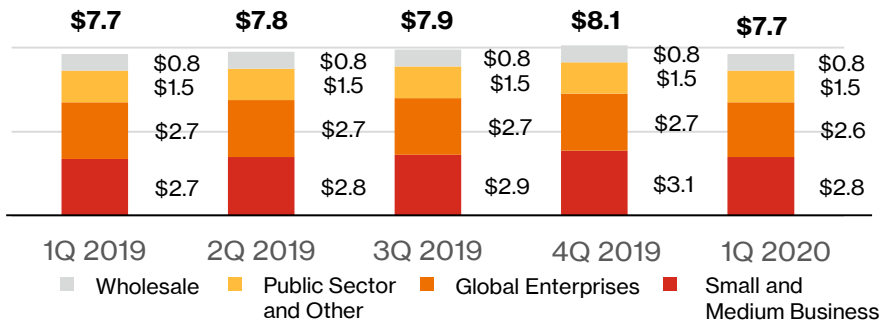
\$2.0B

Segment EBITDA*
(Segment EBITDA margin of 25.6%)*

* Non-GAAP measure.

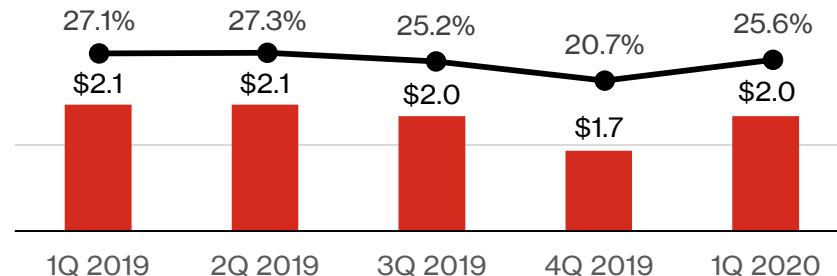


Total revenue (\$B)



**Y/Y Growth
(0.5%)**

Segment EBITDA* (\$B)



**Segment
EBITDA
Margin %***

**Y/Y Growth
(5.8%)**

Solid profitability while investing for future growth

Verizon Media Group 1Q 2020



Advertising and search revenue
lower due to stay-at-home orders

**PayIt
Forward**
LIVE

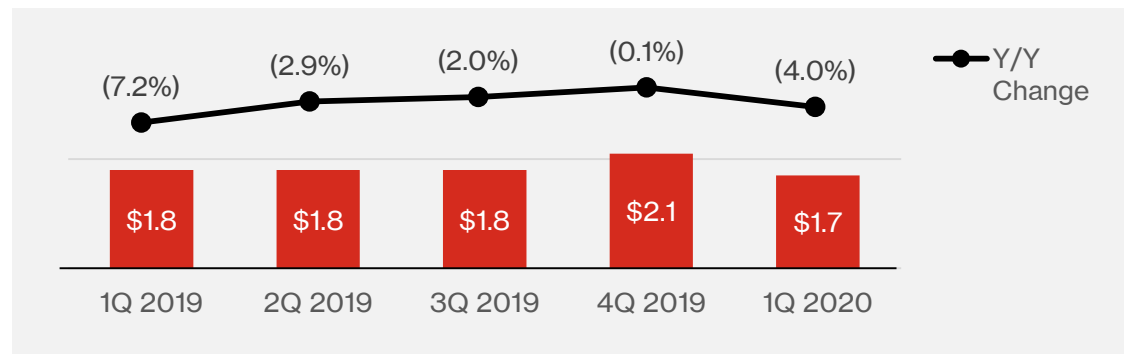
#PayItForwardLIVE campaign
to support small businesses



Coronavirus Hub driving higher
viewer engagement



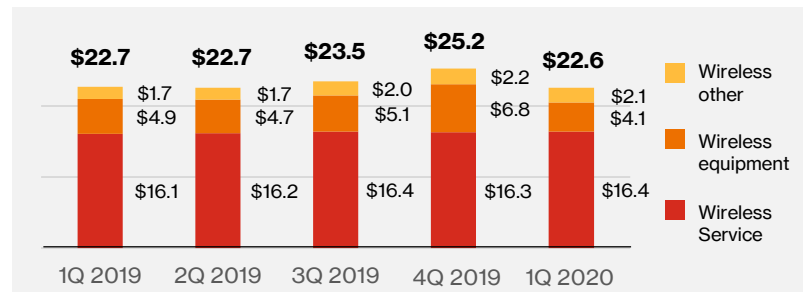
Total revenue (\$B)



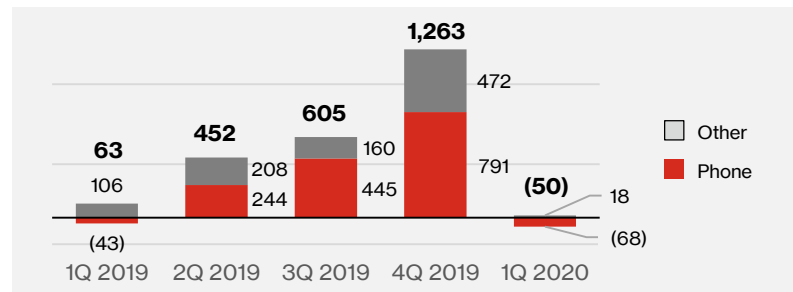
Continued momentum pre-COVID-19

Total Wireless Results

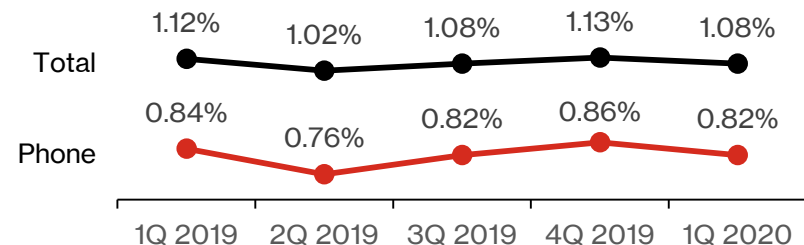
Total revenue (\$B)



Retail postpaid net adds (K)



Retail postpaid churn



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

Other select 1Q 2020 metrics

\$16.4B

Service revenue
(up 1.9% Y/Y)

\$138.80

ARPA
(up 1.7% Y/Y)

3.7%

Upgrade rate

Consolidated Cash Flow Summary

(\$ in billions)	1Q 2019	1Q 2020
Cash flow from operations	\$7.1	\$8.8
Capital expenditures	\$4.3	\$5.3
Free cash flow*	\$2.8	\$3.6
Dividends paid	\$2.5	\$2.5
Total debt	\$113.7	\$117.7
<i>Unsecured debt</i>	\$103.3	\$104.7
<i>Cash balance</i>	\$2.3	\$7.0
<i>Net unsecured debt*</i>	\$101.0	\$97.7
Net unsecured debt to adjusted EBITDA*	2.1x	2.1x

Strong cash generation and bolstered cash position

Note: Amounts may not add due to rounding.

* Non-GAAP measure.

COVID-19 Early Environment

(Y/Y Change)	Consumer March 15 – April 15	Small and Medium Business March 15 – April 15	Global Enterprise, Public Sector and Other March 15 – April 15
Postpaid gross adds	(49%)	(24%)	163%
Phone churn	(23 bps)	(3 bps)	(35 bps)
Upgrades	(41%)	(45%)	(19%)
Postpaid device activations	(44%)	(33%)	80%
Fios internet net adds*	(60%)	n.m.	n.m.

Verizon Media Group (March 15 – April 15)

- Advertising and search revenue declining as advertisers pause, pull back or cancel campaigns.
- Monthly active users up 22% Y/Y (Finance +95%, News +58%)**

* Fios installs currently limited to ensure customer and employee safety.

** Monthly active user data internally generated.

2020 Guidance

	Initial Guidance (provided on January 30)		Revised
Consolidated revenue	Low-to-mid single digit percentage growth	▶	WITHDRAWN
Depreciation and amortization	Relatively flat Y/Y	▶	UNCHANGED
Interest expense	Slightly lower than 2019 levels	▶	UNCHANGED
Adjusted effective tax rate*	23% – 25%	▶	UNCHANGED
Adjusted EPS growth*	2% – 4%	▶	(2%) – 2%
Capital expenditures	\$17B – \$18B	▶	\$17.5B – \$18.5B**

* Non-GAAP measure.

** Revised on March 12, 2020.

Liquidity Overview

	2Q 2020
Beginning cash (April 1)	\$7.0B
Maturities	
Unsecured bonds	\$1.0B
Preferred shares repaid (April)	\$1.7B
Other investments & commitments	
Dividend	\$2.5B
Auction 103 payment (April)	\$1.3B



\$7B of cash at end of 1Q 2020

- Activated liquidity management playbook
- Manageable non-recurring 2Q 2020 cash obligations
- 2020 maturities concentrated in 2Q
- Pension: no near-term funding required



Ongoing liquidity sources

- Commercial paper and bond markets
- ABS markets
- \$9.5B committed credit facility

Verizon well-positioned to execute in the near and long-term



Verizon 2.0 transformation, leadership, and strategy delivering results



Multi-pronged COVID-19 response supports all key stakeholder groups



Flexible, best-in-class network poised to capture 5G opportunities



Disciplined capital allocation with ongoing returns to shareholders



Strong brand reinforced by talent and responsible business practices

Winning culture, talent, assets and customer perception

Supplemental Information

1Q 2020

Selected Metrics

Consumer	1Q 2020
Wireless retail postpaid phone gross adds Y/Y change (%)	(12.8%)
Postpaid smartphone net adds (K)	(167)
Tablet net adds (K)	(227)
Upgrade rate (%)	3.7%

