

3Q 2020 EARNINGS

October 21, 2020

verizon^v

“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.

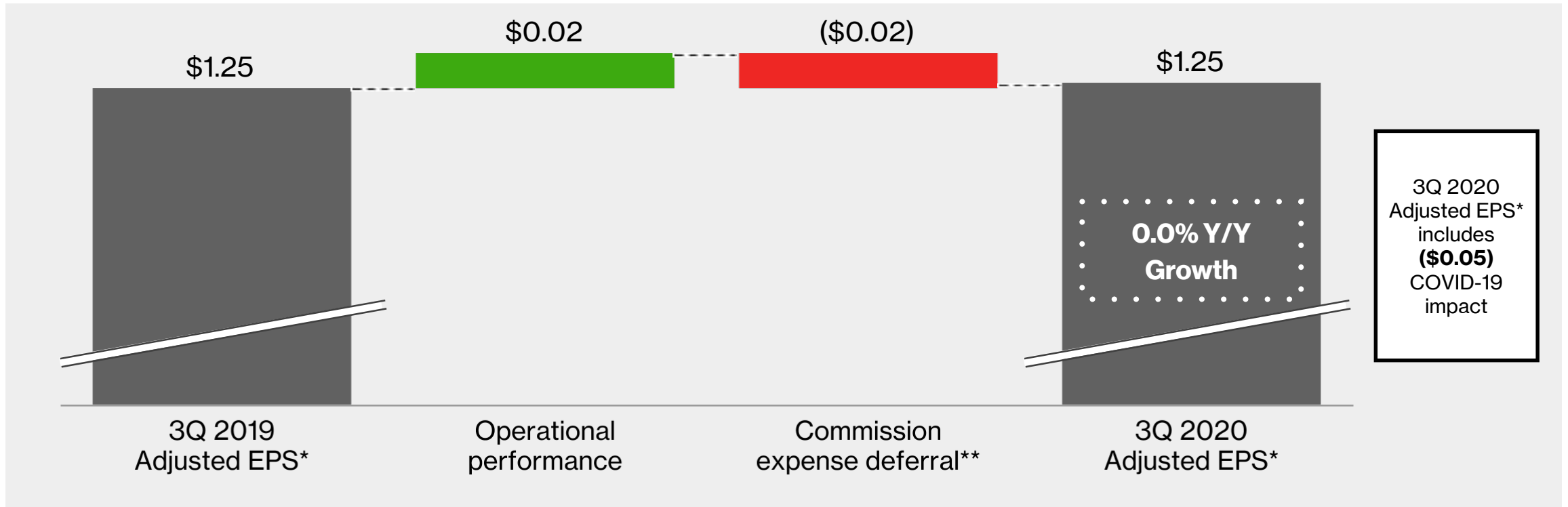
Consolidated Earnings Summary

	3Q 2020
Reported EPS	\$1.05
<i>Special item:</i>	
Net pension remeasurement charge	\$0.20
Adjusted EPS*	\$1.25

Note: Amounts may not add due to rounding.

* Non-GAAP measure.

3Q 2020 Adjusted EPS



Strong underlying earnings performance

* Non-GAAP measure.

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

Continued Responsible Business Practices

COVID-19



- Ongoing focus on employee safety
- Customer payment patterns in line with expectations
- Retail stores & Fios installations back to ~100%; leveraging new capabilities

Fight for Racial Justice



- Community engagement
- Published 2020 Diversity Representation report
- Economic empowerment and community building

Environmental, Social & Governance



- Issued second \$1B green bond led by minority-owned underwriters
- Joined The Climate Pledge to be carbon neutral by 2040
- Providing paid time-off for employees to vote



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

Executing Network-as-a-Service Strategy






Strengthening Network Leadership

- 1 **Continued LTE network leadership**
- 2 **Deepened spectrum assets with CBRS**
- 3 **5G Nationwide**
(200M+ POPs, 1,800+ cities)
- 4 **Expansion of 5G UWB network**
(55 Mobility & 8 Home cities; 43 stadiums/arenas & 7 airports)
- 5 **OneFiber deployment on plan**



Monetizing Network-as-a-Service

- 5G[✓]**
 - 5G UWB on all iPhone 12 models; 5G Mobility, FWA & MEC
 - Unmatched partnerships to deliver new offerings
-  **Customer innovation & differentiation**
 - Mix & Match 3.0
 - Exclusive 5G apps access for iPhone 12 customers
-  **New markets strengthening core**
 - LTE Home Internet covering 189 markets
 - TracFone acquisition agreement
-  **New B2B applications & models**
 - 5G Edge in five markets YTD
 - UCaaS in Health & Education



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

3Q Earnings Summary

Operations	Consumer	<ul style="list-style-type: none">• Net add strength driven by high customer loyalty• Strong growth in Fios internet net adds
	Business	<ul style="list-style-type: none">• Y/Y growth in wireless postpaid gross adds and net adds• Continued secular pressures in wireline
	Media	<ul style="list-style-type: none">• Sequential improvements• Strong growth in users & engagement
Financials & Guidance		<ul style="list-style-type: none">• Y/Y growth in consolidated wireless service revenue• Y/Y growth in Adjusted EBITDA margin*• Strong cash flow from operations• Raised Adjusted EPS* guidance

	Strengthen & Grow Core Business	5G[✓]	Leverage Assets to Drive New Growth	\$	Drive Financial & Operational Discipline		Infuse a Purpose-Driven Culture
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Network-as-a-Service / Platform

* Non-GAAP measure.

Consolidated 3Q 2020 Financial Summary

\$31.5B

Total revenue
(down 4.1% Y/Y)

\$11.9B

Adjusted EBITDA*
(Adjusted EBITDA margin of 37.6%)*

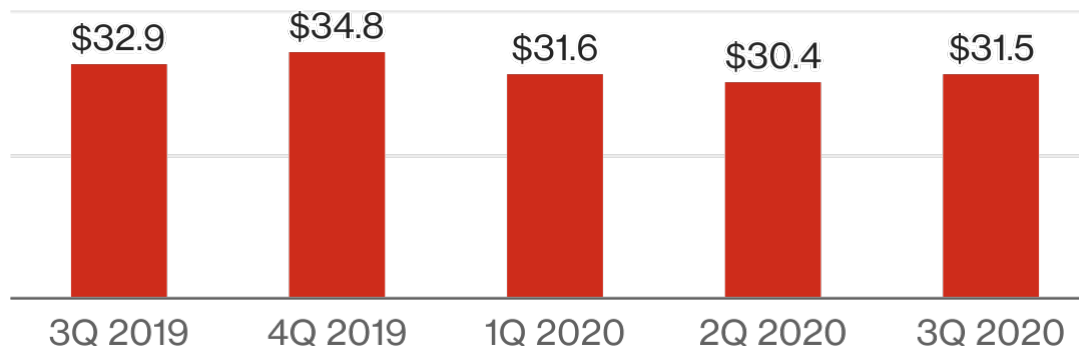
\$1.25

Adjusted EPS*
(flat Y/Y)

* Non-GAAP measure.

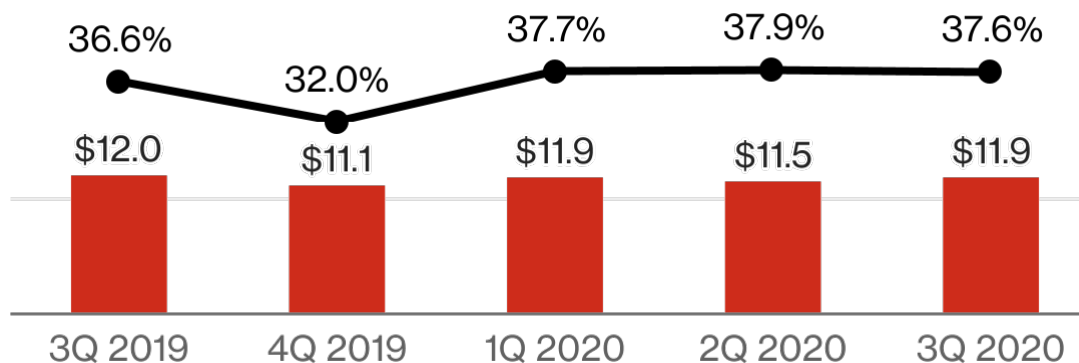


Total revenue (\$B)



**Y/Y Growth
(4.1%)**

Adjusted EBITDA* (\$B)



● Margin %*

**Y/Y Growth
(1.4%)**

Resilient business model drives healthy earnings

Consumer 3Q 2020 Key Metrics



6.1M

Postpaid device activations



136K

Retail postpaid net adds*



139K

Fios internet net adds



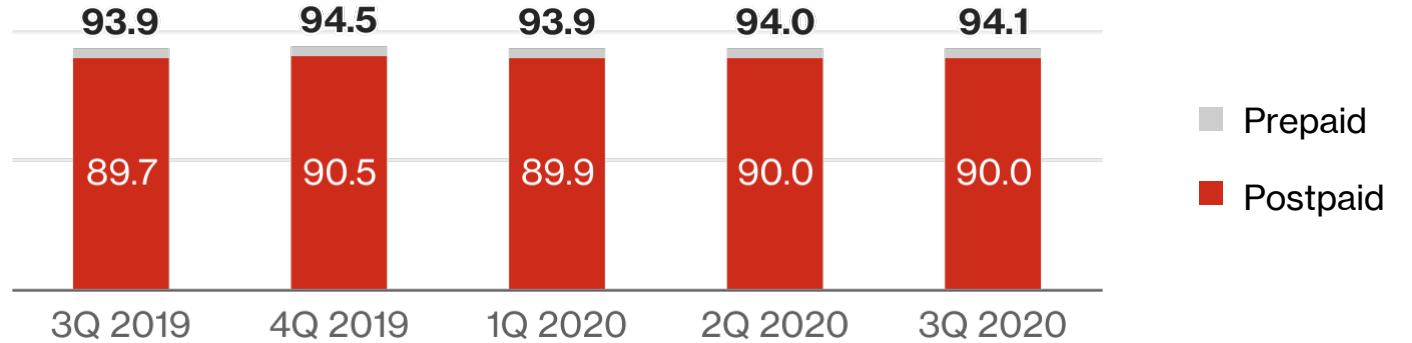
(61K)

Fios video net adds

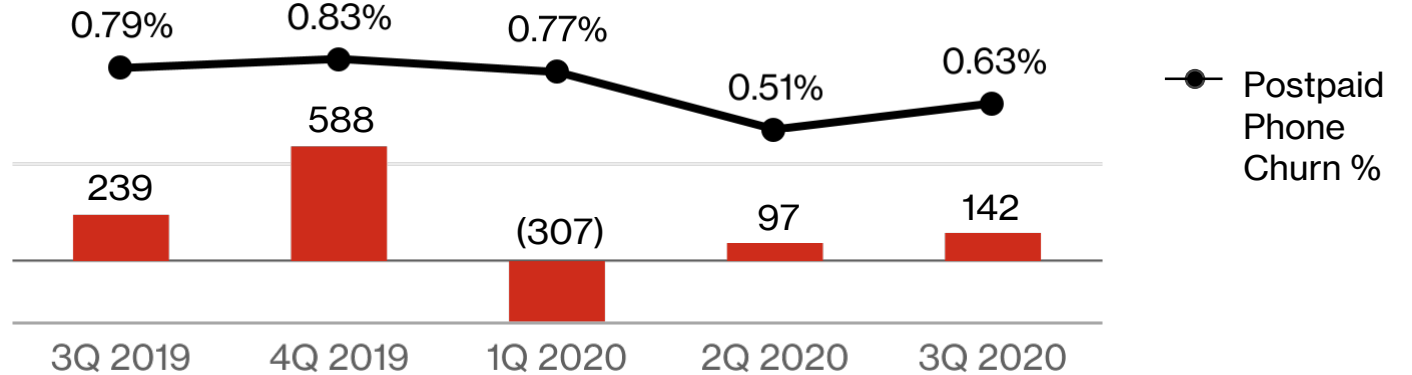
* Includes certain adjustments.



Wireless retail connections (M)



Wireless retail postpaid phone net adds* (K)



Network leadership and customer experience drive customer loyalty

Consumer 3Q 2020 Financial Summary

\$21.7B

Total revenue
(down 4.3% Y/Y)

\$13.4B

Wireless service revenue
(down 0.7% Y/Y)

\$3.4B

Equipment revenue
(down 20.1% Y/Y)

\$10.3B

Segment EBITDA*
(Segment EBITDA margin of 47.4%)*

* Non-GAAP measure.

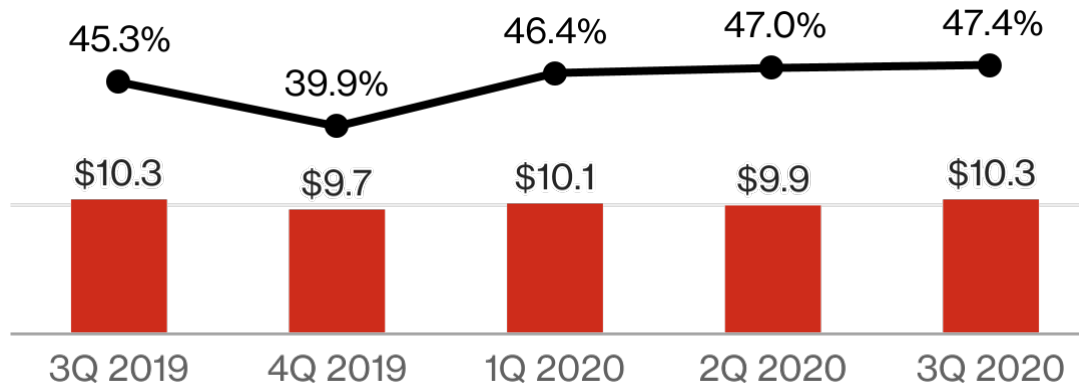


Total revenue (\$B)



**Y/Y Growth
(4.3%)**

Segment EBITDA* (\$B)



● Segment EBITDA Margin %*

**Y/Y Growth
0.0%**

Strong financial performance during COVID

Business 3Q 2020 Key Metrics



2.2M

Postpaid device activations

- Gross adds up 3.5%
- Phone gross adds down 7.5%
- Upgrade rate of 3.3%



417K

Wireless retail postpaid net adds*

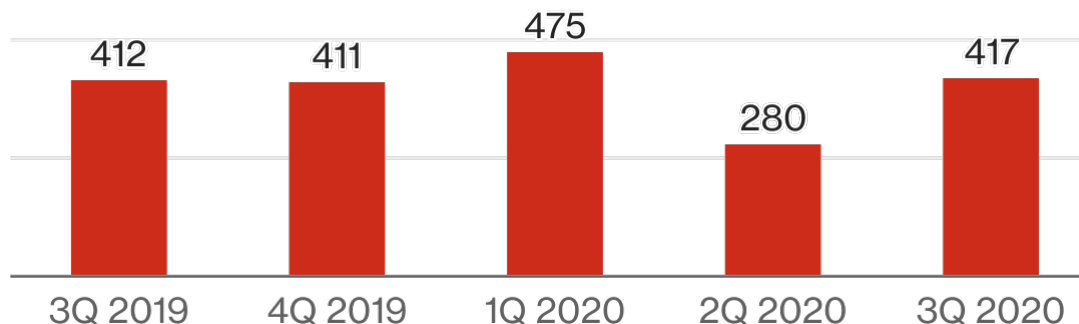
- 141K Phone net adds*
- 86K Tablet net adds*

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

* Includes certain adjustments.

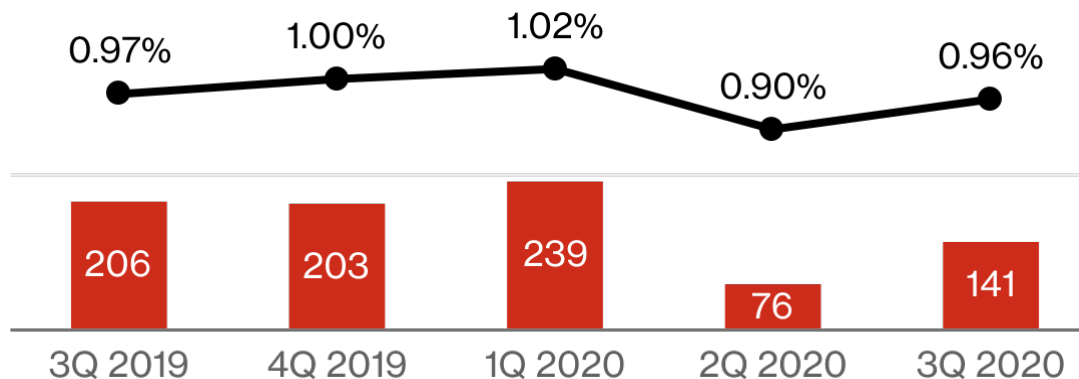


Wireless retail postpaid net adds* (K)



**Y/Y Growth
1.2%**

Wireless retail postpaid phone net adds* (K)



● Postpaid Phone Churn %

Customer demand returning to pre-COVID levels

Business 3Q 2020 Financial Summary

\$7.7B

Total revenue
(down 1.7% Y/Y)

\$3.0B

Wireless service revenue
(up 4.9% Y/Y)

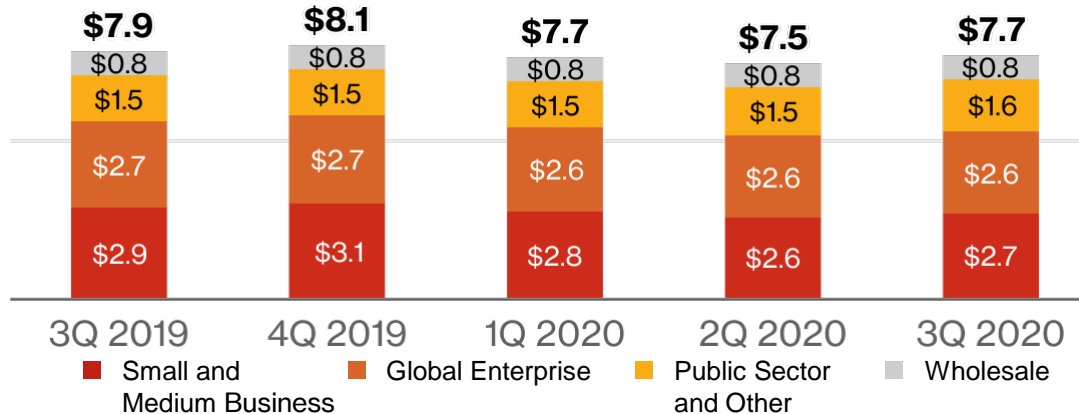
\$2.0B

Segment EBITDA*
(Segment EBITDA margin of 25.2%)*

* Non-GAAP measure.

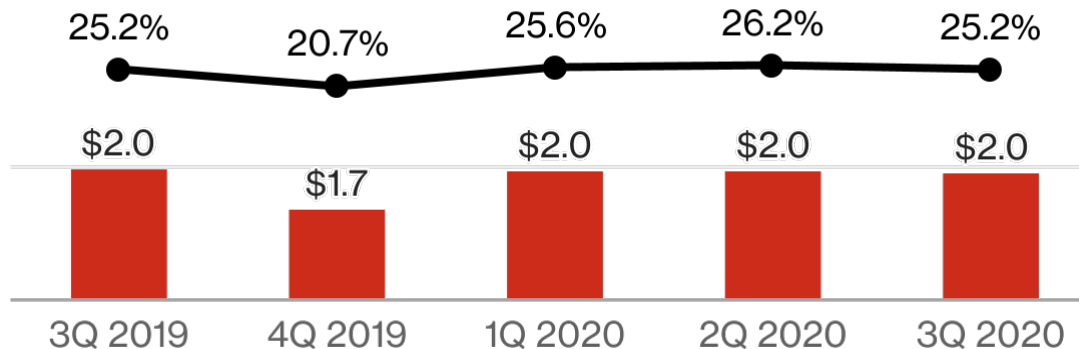


Total revenue (\$B)



**Y/Y Growth
(1.7%)**

Segment EBITDA* (\$B)



● Segment EBITDA Margin %*

**Y/Y Growth
(1.9%)**

Underlying strength in wireless performance

Verizon Media Group 3Q 2020

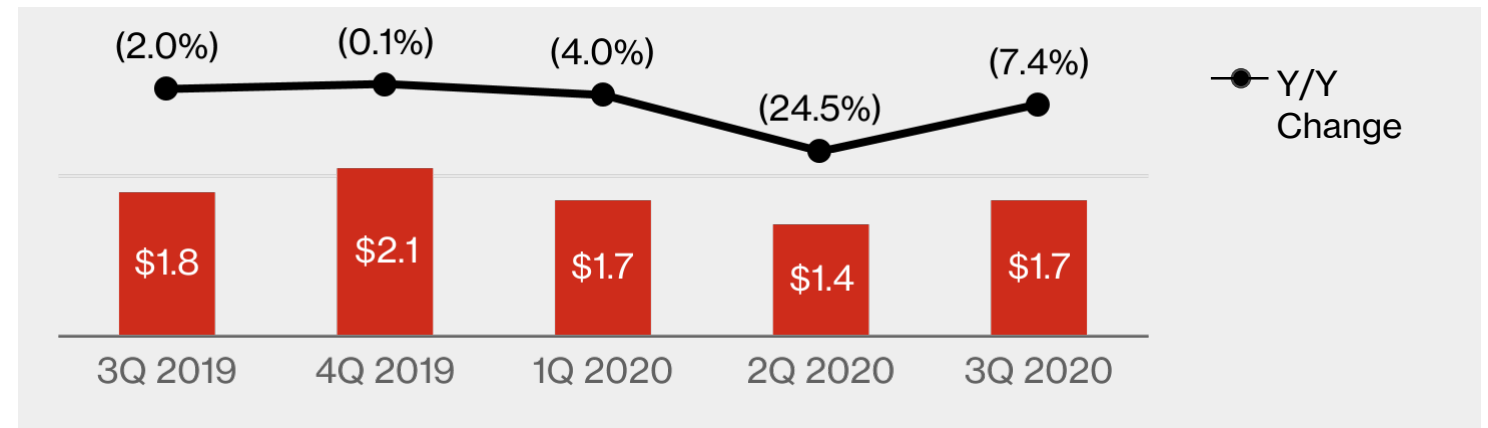


Increased customer engagement across Finance and News; monthly active users up 22% and 13%, respectively



Launched Watch Together and Yahoo Sports PlayAR

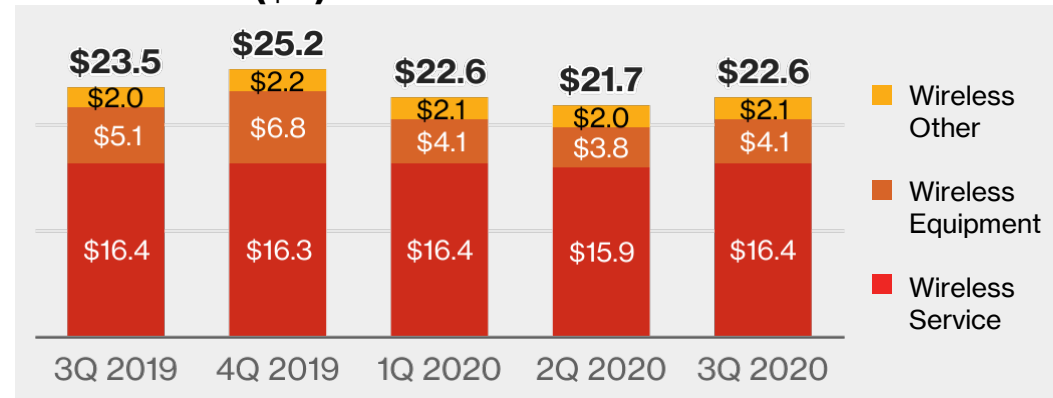
Total revenue (\$B)



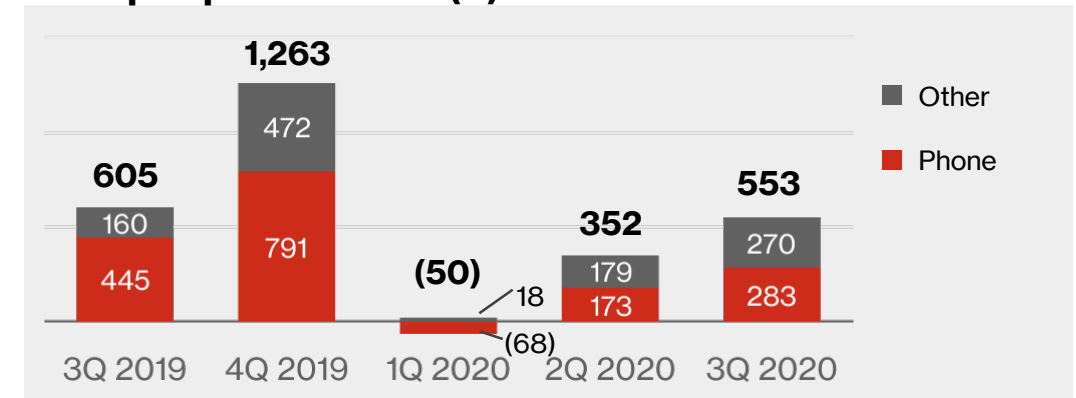
Strong sequential revenue growth

Total Wireless Results

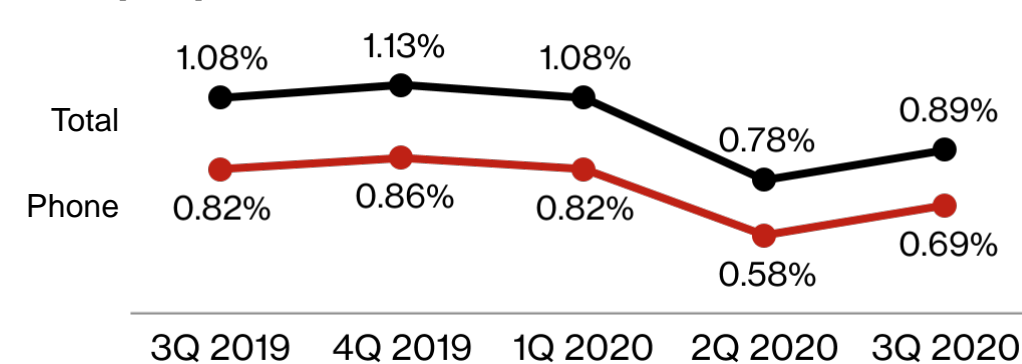
Total revenue (\$B)



Retail postpaid net adds* (K)



Retail postpaid churn



Other select 3Q 2020 metrics

\$16.4B ↑ (up 0.3% Y/Y)
Service revenue

4.0%
Upgrade rate

\$139.24 ↑ (up 0.2% Y/Y)
ARPA

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

<i>(\$ in billions)</i>	2019 YTD	2020 YTD
Cash flow from operations	\$26.7	\$32.5
Capital expenditures	\$12.3	\$14.2
Free cash flow*	\$14.4	\$18.3
Dividends paid	\$7.5	\$7.6
Total debt	\$109.6	\$115.6
<i>Unsecured debt</i>	\$100.8	\$105.5
<i>Cash and cash equivalents</i>	\$3.0	\$9.0
<i>Net unsecured debt*</i>	\$97.8	\$96.5
Net unsecured debt to adjusted EBITDA*	2.1x	2.1x

Strong cash generation and balance sheet

Note: Amounts may not add due to rounding.

* Non-GAAP measure.

2020 Guidance

	Prior Guidance		Current Guidance
Adjusted EPS growth*	(2%) – 2%	▶	0% – 2%
Depreciation and amortization	Relatively flat Y/Y	▶	UNCHANGED
Interest expense	Slightly lower than 2019 levels	▶	UNCHANGED
Adjusted effective tax rate*	23% – 25%	▶	UNCHANGED
Capital expenditures	\$17.5B – \$18.5B	▶	Upper end of \$17.5B – \$18.5B range

* Non-GAAP measure.

Closing 2020 Strong; Executing Against Strategy

5G^v

Industry-Leading 5G Ecosystem: Devices, Partners and Platforms

- Launched 5G Nationwide, continuing to expand UWB
- Leading iPhone 12 offers and capabilities to drive 4Q results



Strengthen Core Business: Best-in-Class Connectivity and Experiences

- Targeting new markets with new products and offers (MEC, TracFone)
- Creating value for Verizon customers and partners



New Revenue Models Built on Network-as-a-Service Strategy

- Renewed focus on verticals such as health care and education
- Additional partnerships to come, capturing the value of our network

Supplemental Information

3Q 2020

Selected Metrics

Consumer	3Q 2020
Wireless retail postpaid phone gross adds Y/Y change (%)	(22.0%)
Postpaid smartphone net adds* (K)	258
Tablet net adds* (K)	(113)
Upgrade rate (%)	4.2%

* Includes certain adjustments.

