

4Q 2020 EARNINGS

January 26, 2021

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 COVID-19 pandemic 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 pandemic; 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 networks or businesses; 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.

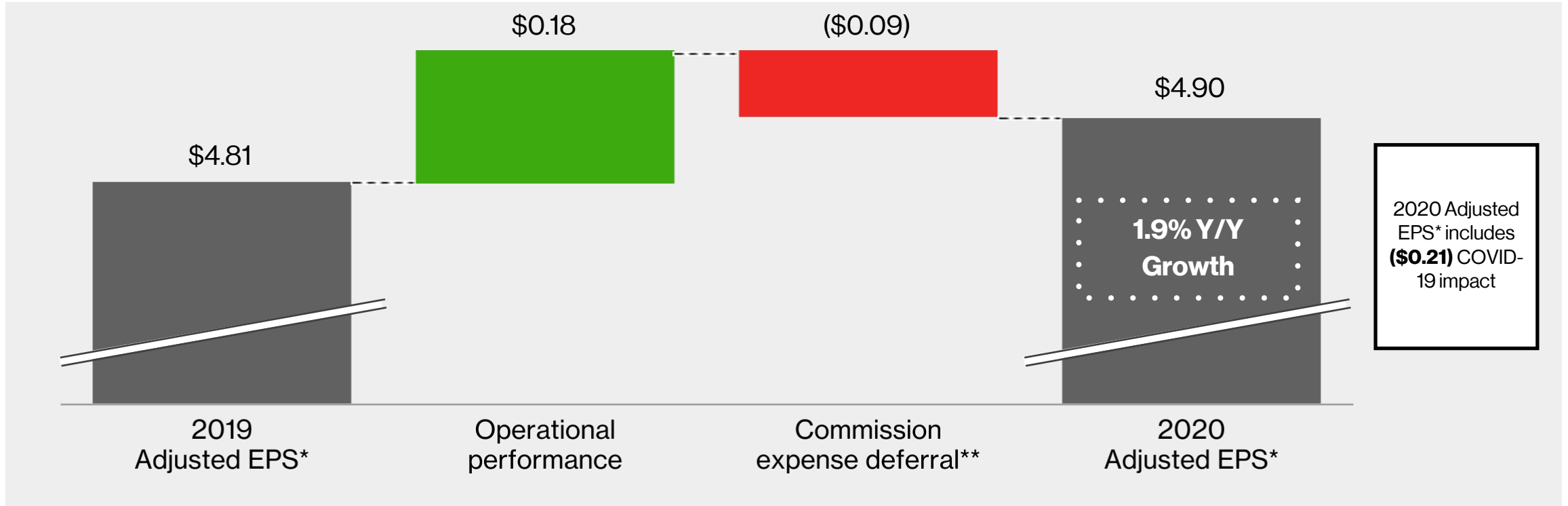
Consolidated Earnings Summary

	4Q 2020	2020
Reported EPS	\$1.11	\$4.30
<i>Special items:</i>		
Severance, pension and benefits charges	\$0.08	\$0.33
Loss on spectrum license auction	—	\$0.22
Net loss on disposition of business	\$0.03	\$0.03
Net early debt redemption costs	—	\$0.02
Adjusted EPS*	\$1.21	\$4.90

Note: Amounts may not add due to rounding.

* Non-GAAP measure.

2020 Adjusted EPS







Strong operational performance drives healthy earnings growth

* Non-GAAP measure.

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

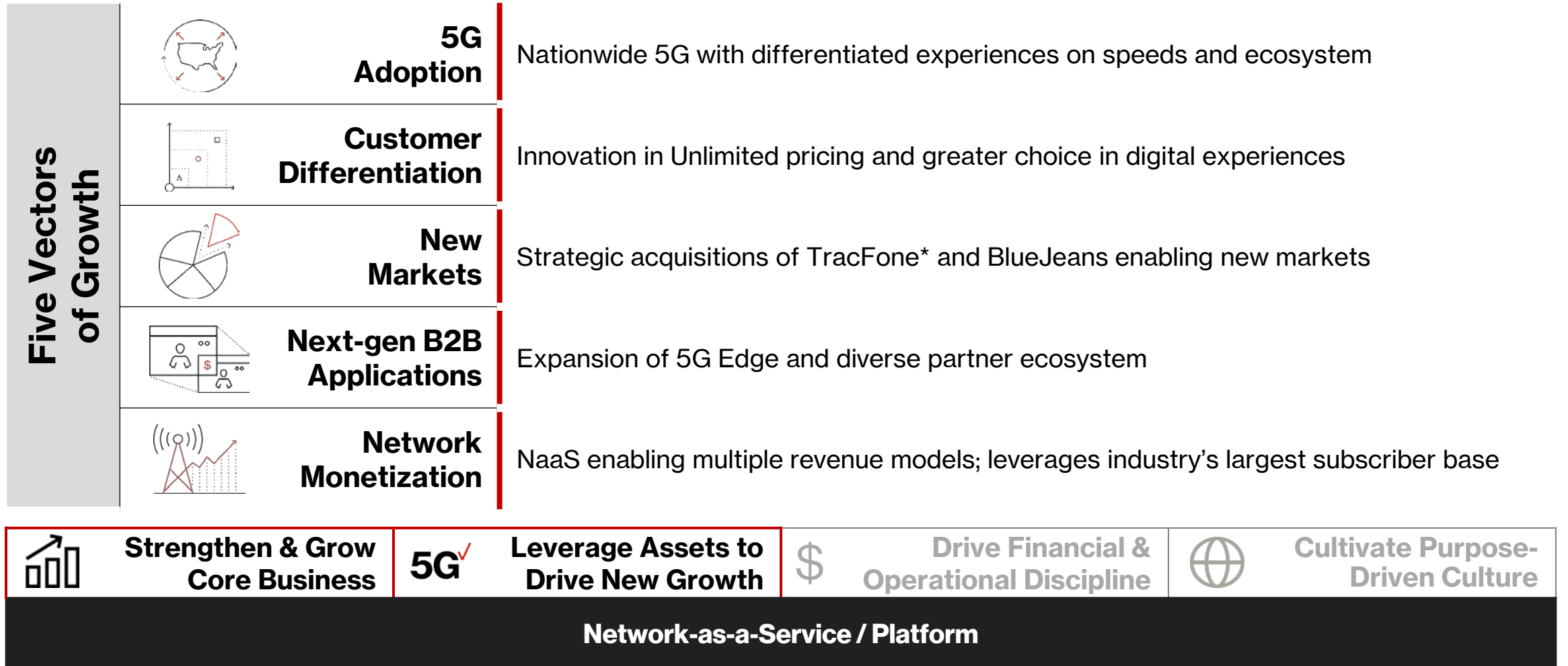
Delivered on 2020 Strategic Priorities

<p>Strengthen & Grow Core Business</p>		<ul style="list-style-type: none"> ✓ Extended network leadership through innovation and partnerships ✓ Customer innovation offering greater value and choice ✓ New investments in Verizon Business driving growth
<p>Leverage Assets to Drive New Growth</p>		<ul style="list-style-type: none"> ✓ 5G Nationwide using dynamic spectrum sharing ✓ 5x+ Y/Y increase in 5G small cells ✓ 60+ 5G Ultra Wideband (UW) Mobility cities ✓ 10+ 5G UW Home cities; launched nextGen CPE ✓ 10+ 5G Public Mobile Edge Compute (MEC) centers
<p>Drive Operational & Financial Discipline</p>		<ul style="list-style-type: none"> ✓ Delivered adjusted earnings* growth and strong cash flows ✓ On track to deliver 4-year, \$10B cash savings target in 2021
<p>Cultivate Purpose-Driven Culture</p>		<ul style="list-style-type: none"> ✓ Launched Citizen Verizon responsible business plan ✓ Issued 2nd green bond led by minority-owned underwriters ✓ Joined The Climate Pledge to be carbon neutral by 2040

Met 2020 commitments while addressing challenges of COVID-19

* Non-GAAP measure.

Execution Strengthening Core and Driving Growth



* Subject to receiving regulatory approvals

Consolidated Financial Summary

4Q 2020

\$34.7B

Total revenue
(down 0.2% Y/Y)

\$11.7B

Adjusted EBITDA*
(Adjusted EBITDA margin of 33.8%)*

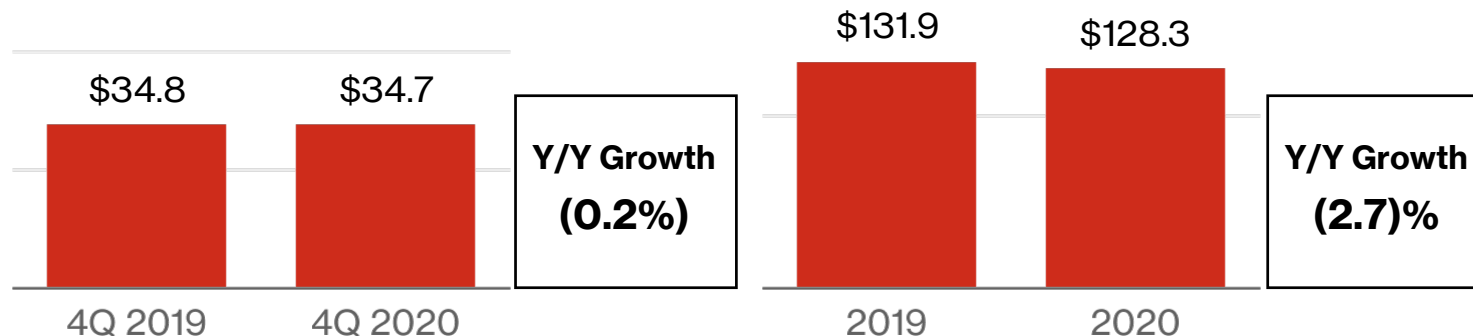
\$1.21

Adjusted EPS*
(up 7.1% Y/Y)

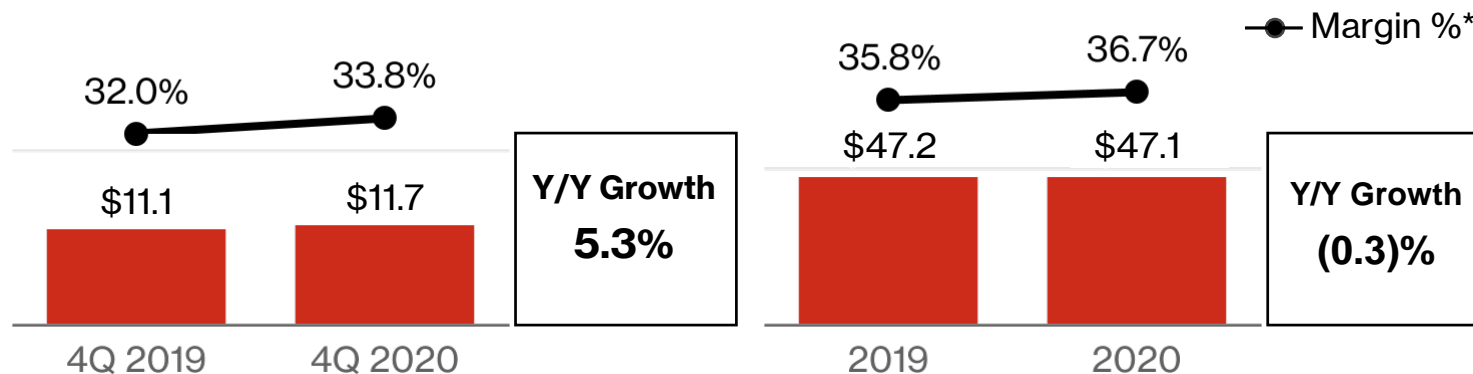
* Non-GAAP measure.



Total revenue (\$B)



Adjusted EBITDA* (\$B)



Resilient business model drives strong performance

Consolidated Cash Flow Summary

(\$ in billions)	2019	2020
Cash flow from operations	\$35.7	\$41.8
Capital expenditures	\$17.9	\$18.2
Free cash flow*	\$17.8	\$23.6
Dividends paid	\$10.0	\$10.2
Total debt	\$111.5	\$129.1
<i>Unsecured debt</i>	\$99.1	\$118.5
<i>Cash and cash equivalents</i>	\$2.6	\$22.2
<i>Net unsecured debt*</i>	\$96.5	\$96.3
Net unsecured debt to adjusted EBITDA*	2.0x	2.0x

Strong cash generation

Note: Amounts may not add due to rounding.

* Non-GAAP measure.

Consumer 4Q 2020 Key Metrics



8.4M

Postpaid device activations



357K

Retail postpaid net adds*



92K

Fios internet net adds



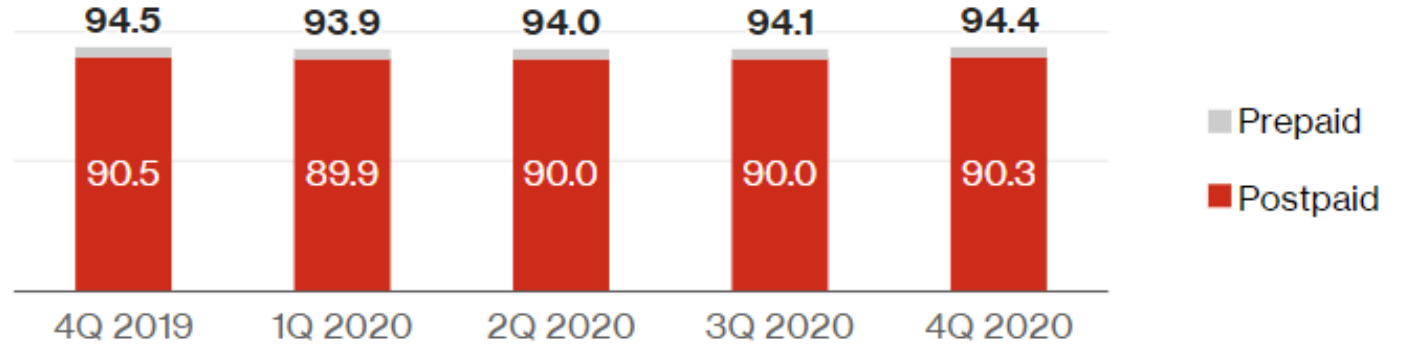
(72K)

Fios video net adds

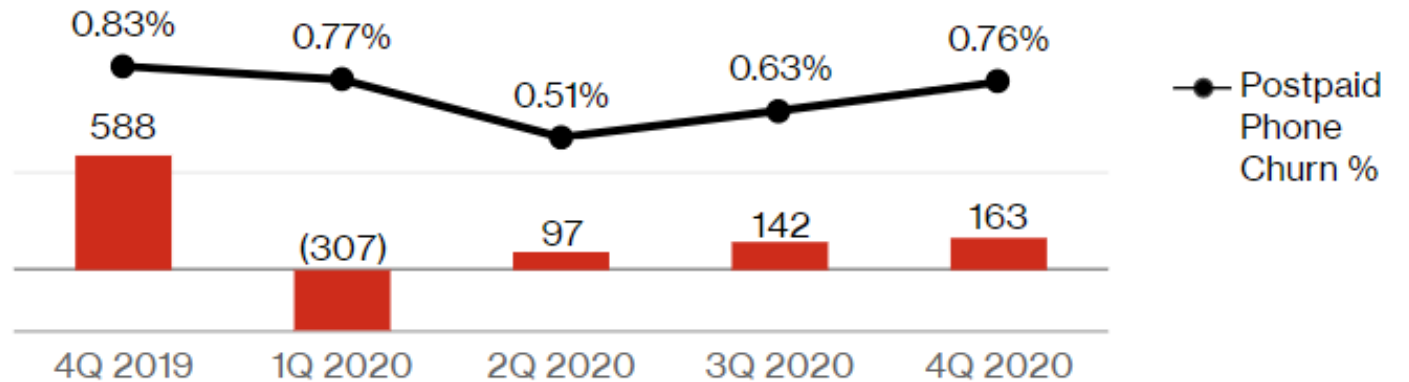
* Includes certain adjustments.



Wireless retail connections (M)



Wireless retail postpaid phone net adds* (K)



Nationwide 5G enhances value proposition

Consumer Financial Summary

4Q 2020

\$23.9B

Total revenue
(down 1.2% Y/Y)

\$13.6B

Wireless service revenue
(up 1.2% Y/Y)

\$5.5B

Equipment revenue
(down 3.8% Y/Y)

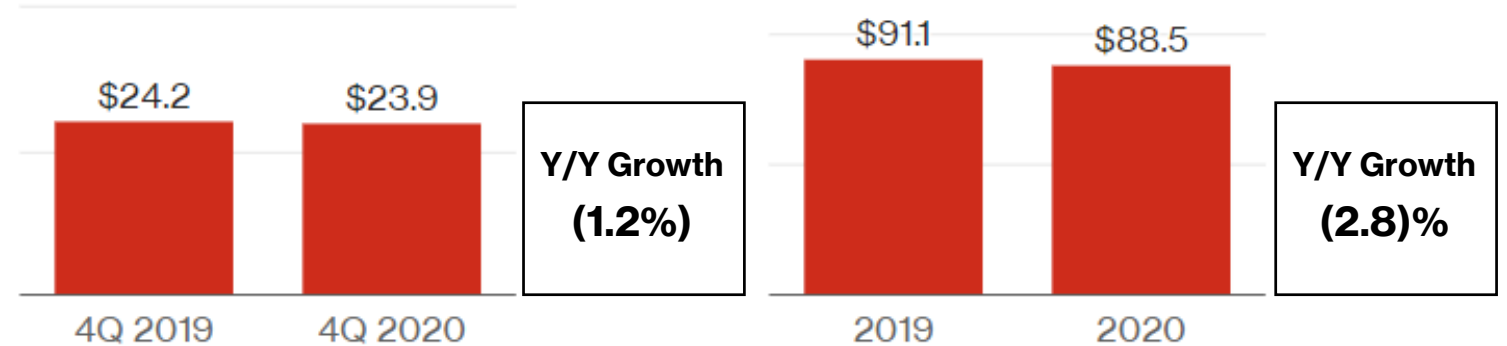
\$9.9B

Segment EBITDA*
(Segment EBITDA margin of 41.5%)*

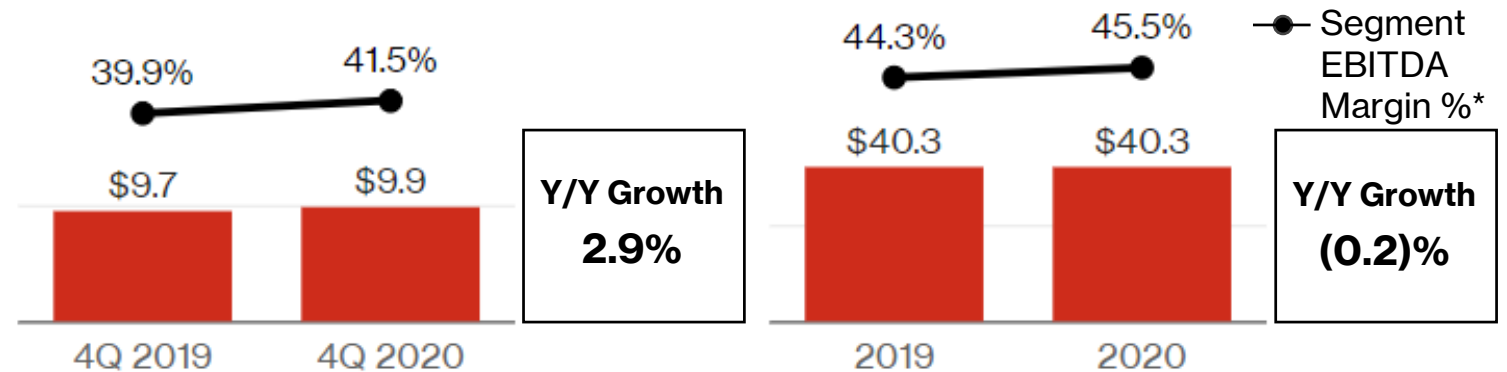
* Non-GAAP measure.



Total revenue (\$B)



Segment EBITDA* (\$B)



Service revenue growth producing strong margins*

Business 4Q 2020 Key Metrics



2.4M

Postpaid device activations

- Gross adds down 4.7%
- Phone gross adds down 11.0%
- Upgrade rate of 4.0%



346K

Wireless retail postpaid net adds*

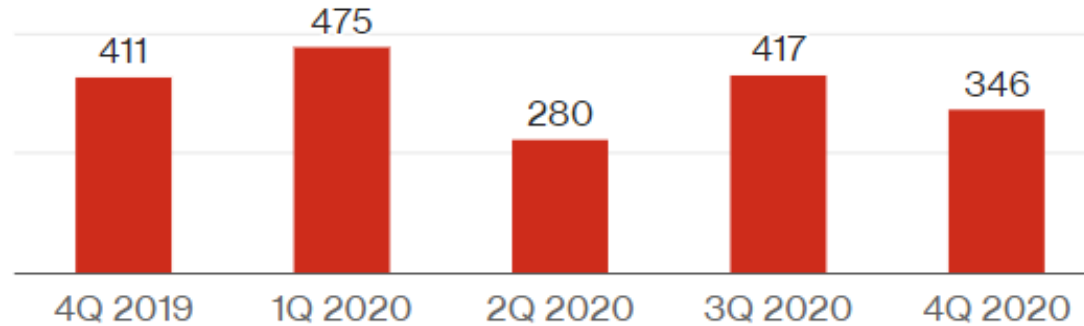
- 116K Phone net adds*
- 116K Tablet net adds*

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

* Includes certain adjustments.

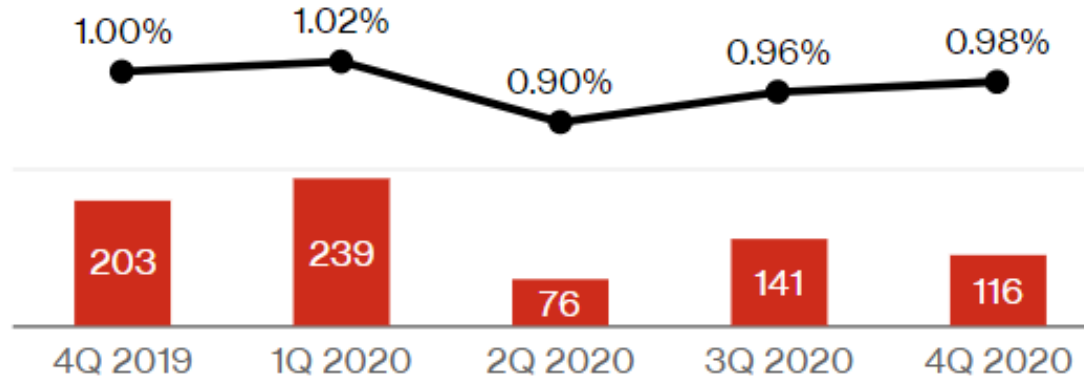


Wireless retail postpaid net adds* (K)



Y/Y Growth
(15.8%)

Wireless retail postpaid phone net adds* (K)



● Postpaid
Phone
Churn %

Wireless trends remain resilient

Business Financial Summary

4Q 2020

\$8.1B

Total revenue
(down 0.3% Y/Y)

\$3.1B

Wireless service revenue
(up 7.1% Y/Y)

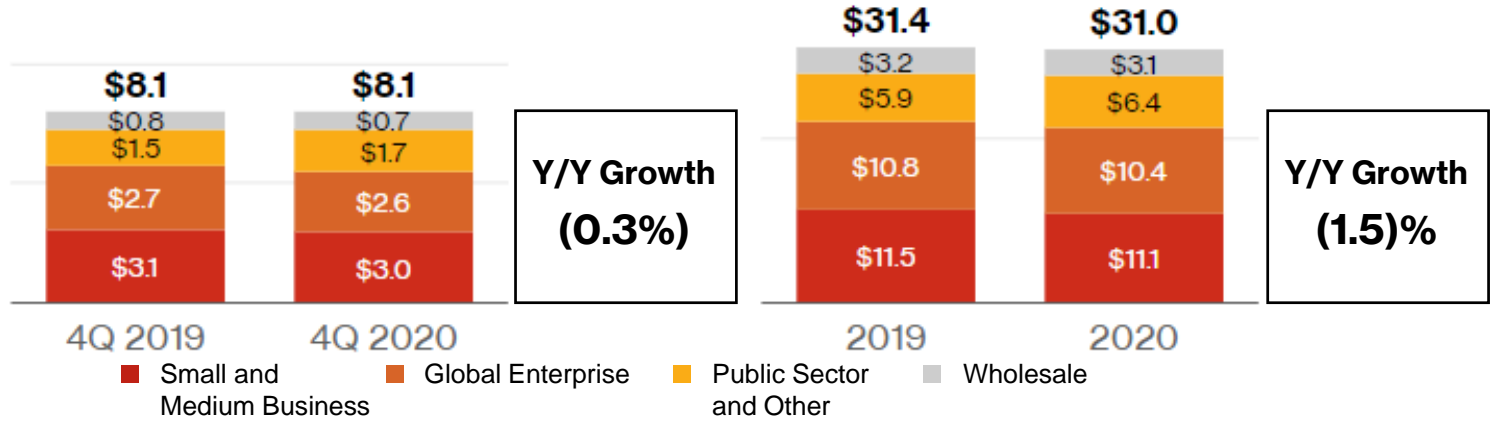
\$2.0B

Segment EBITDA*
(Segment EBITDA margin of 24.6%)*

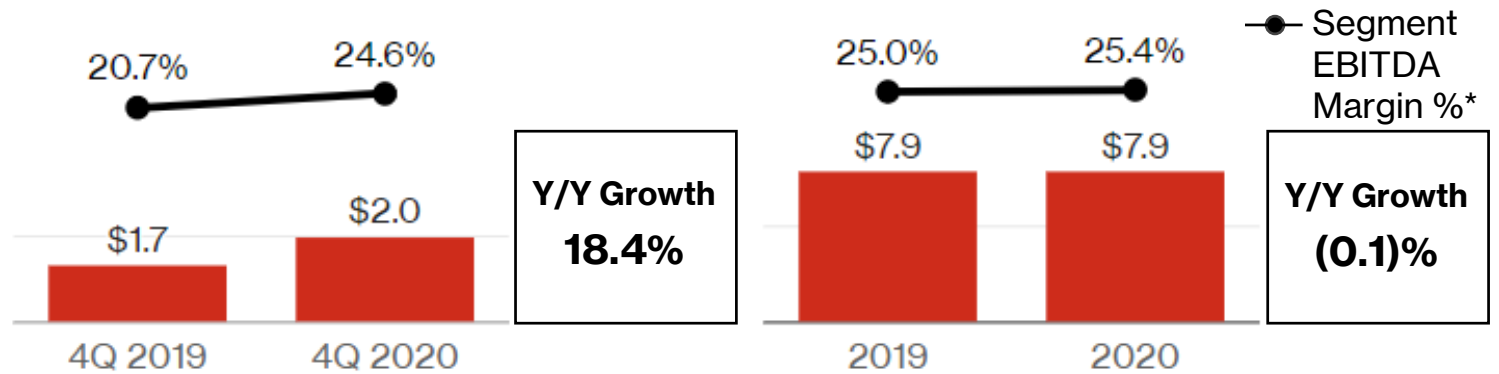
Note: Amounts may not add due to rounding.
* Non-GAAP measure.



Total revenue (\$B)



Segment EBITDA* (\$B)



Transformation initiatives support margin* performance

Verizon Media Group 4Q 2020



First quarter of Y/Y revenue growth since Yahoo acquisition

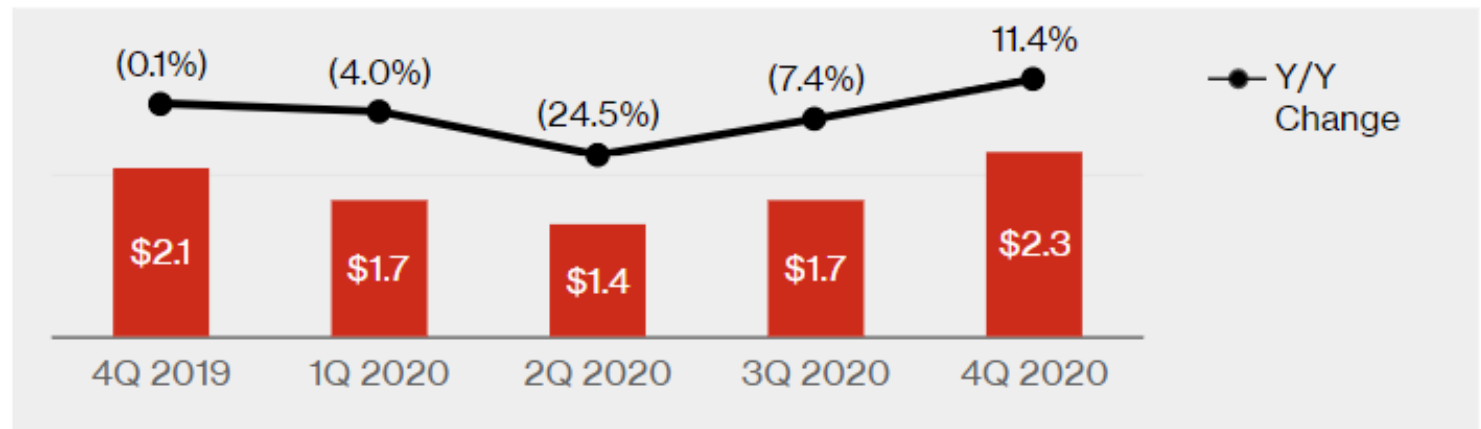


Advertising revenue grew 25% Y/Y; strength in Finance and News with daily active users up 52% and 11%, respectively



Demand Side Platform revenue grew 41% Y/Y

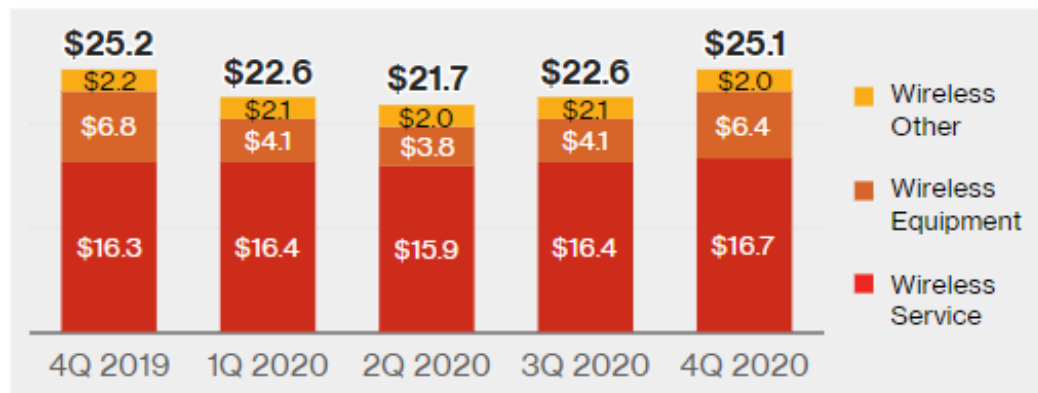
Total revenue (\$B)



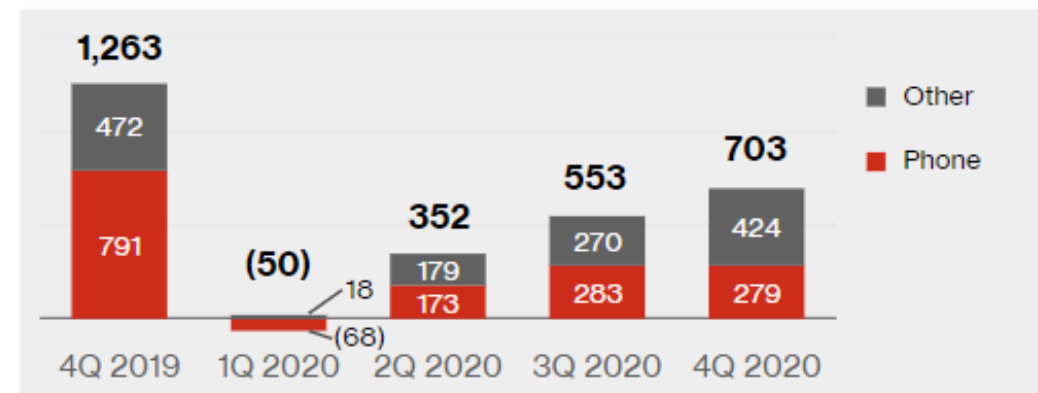
Advertising growth drives strong results

Total Wireless Results

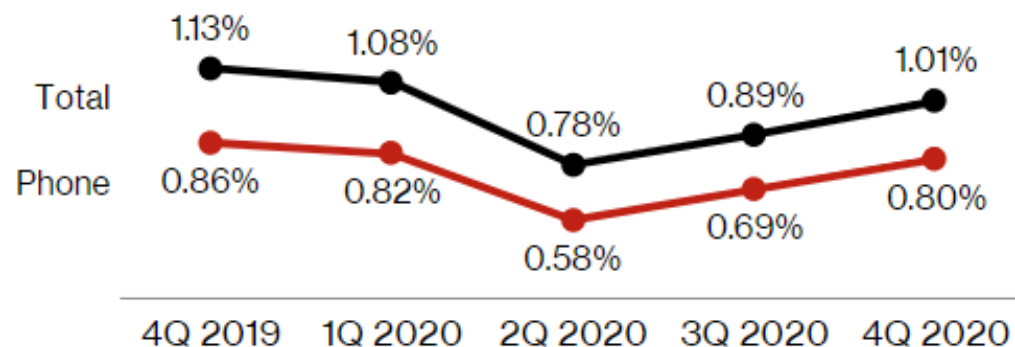
Total revenue (\$B)



Retail postpaid net adds* (K)



Retail postpaid churn



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

* Includes certain adjustments.

Other select 4Q 2020 metrics

\$16.7B ↑ (up 2.2% Y/Y)
Service revenue

5.6%
Upgrade rate




\$141.17 ↑ (up 2.3% Y/Y)
ARPA

2021 Guidance

	2021
Service and other revenue growth	2%+
Wireless service revenue growth	3%+
Adjusted EPS*	\$5.00 – \$5.15
Adjusted effective tax rate*	23% – 25%
Capital expenditures	\$17.5B – \$18.5B

* Non-GAAP measure.

2021 Priorities

Strengthen & Grow Core Business		<ul style="list-style-type: none">• Accelerate service revenue• Differentiate value proposition for customers• Business investment to capture new market opportunities
Leverage Assets to Drive New Growth		<ul style="list-style-type: none">• Expand 5G leadership<ul style="list-style-type: none">+ 14K 5G UW sites (30K+ by YE21)+ 20 5G UW cities+ 20+ 5G Home cities+ 10+ 5G public MEC centers+ Scale 5G private networks and MEC with demand• Deliver across five growth vectors
Drive Operational & Financial Discipline		<ul style="list-style-type: none">• Accelerate adjusted earnings per share* growth• Strong balance sheet and cash flow generation
Cultivate Purpose-Driven Culture		<ul style="list-style-type: none">• Customer-centricity and brand strength• Focus on responsible business via Citizen Verizon

* Non-GAAP measure.

Supplemental Information

4Q 2020

Selected Metrics

Consumer	4Q 2020
Wireless retail postpaid phone gross adds Y/Y change (%)	(23.6%)
Postpaid smartphone net adds* (K)	284
Tablet net adds* (K)	(81)
Upgrade rate (%)	6.0%

* Includes certain adjustments.

