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# EDITED TRANSCRIPT

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**Ronan Dunne** *Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group*

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**David Barden** *BofA Merrill Lynch, Research Division - MD*

## PRESENTATION

**David Barden** - *BofA Merrill Lynch, Research Division - MD*

I'd like to say welcome to Ronan, and thank you for joining us again this year.

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**Ronan Dunne** - *Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group*

Well, thank you very much, David, for the invitation. And just before we kick off, if I can just draw people's attention to the safe harbor statement in relation to any forward-looking statements I may make.

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**David Barden** - *BofA Merrill Lynch, Research Division - MD*

Perfect. And I'm looking forward to lots of forward-looking statements.

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## QUESTIONS AND ANSWERS

**David Barden** - *BofA Merrill Lynch, Research Division - MD*

So let's kick it off. So look, where we left off at the end of the second quarter, 2Q was the COVID quarter and 3Q is the comeback quarter. And I understand most, if not all, of the Verizon retail stores are back open and, I guess, a lot of us are interested in knowing kind of what does that comeback look like? How much back is the Verizon business? And how much back is the Verizon consumer? And how is it changing at the margin?

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**Ronan Dunne** - *Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group*

So David, the first thing I would remind everybody is that, yes, there was disruption in the quarter because of COVID. And during the course of Q2, you've seen things like technicians going back into our Fios footprint. You've seen our retail stores reopening. But fundamentally, we're a subscription business. And so that part of our business has been strong throughout as reflected by the very strong churn numbers that we reported -- last time we reported at the end of Q2. So what I would say -- at the end of Q1. What I would say to you is that what we've seen is that as regards to the transactional volumes, we've now got all our retail stores back open. As of just this past weekend, our stores are now open for their regular opening hours on a daily basis and including opening on Sunday. That was something that hadn't been the case since we started to close stores in the middle of March. So we're now back to full capacity. But we've also enjoyed growth in our digital-only environment, in our in-store pickup environment, in our telesales environment. Some of that offsetting some of the capacity loss in the retail stores during the months of May, June, July, August. And I would say, overall, we're seeing a market that probably at its peak in the last 12 weeks has got to within 10% of last year year-over-year from a market size point of view, but it does vary week-on-week, and so it's running anywhere between kind of minus 10% and maybe minus 15% or 16%.

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**David Barden** - *BofA Merrill Lynch, Research Division - MD*

Okay. That's helpful. And I keep forgetting to do this as part of this virtual conference thing. But if you are on the conference, there's a little box below where Ronan and I are sitting, you can type in a question and then it will pop up on my screen here, and I can kind of try to feed it into our conversation. So you're welcome to do that if you have an interest. So -- okay, that's helpful, kind of where we are. I think at the margin, one of the big questions has been, and this actually came out in a report that came out yesterday, I think, from RootMetrics, which is a group that you guys value. And their kind of analysis of the 5G marketplace was something that we've kind of heard before, that Verizon has super fast speeds, but that these speeds are very hard to find in most markets. And I think that there's a question mark as we kind of look ahead to probably the next big competitive environment, which is going to be the launch of the 5G iPhone. Kind of how do you go-to-market with that message out there, that 5G is big and great in a very small number of places, how do you take that message and market it as we've got the best 5G in the market?

**Ronan Dunne** - *Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group*

Sure. And 2 things that we're doing really. We have said quite publicly that during the current calendar year, we will launch 5G nationwide. And so our opportunity to compete on a level-playing field with others is predicated on the world-class 4G network that we have, which, as you mentioned, RootMetrics recognized as America's most reliable network for, I think, the 14th time in a row. So that's a great foundational building block for us. On top of that, and this is the important thing, this is an, rather than are -- on top of that, we have deep holdings of millimeter wave spectrum that allow us to build out an ultra-wideband network in those areas which are suitable for that, which tends to be the urban and the dense areas where there's both a lot of capacity requirements, traffic and there's a lot of both business and consumer activity. So when you think about our ability to compete, think about us as a head-to-head 5G nationwide competitor built around the best national network that's out there. And on top of that, building incremental capability with 5G ultra-wideband, which is truly differentiated and which allows us to state that we're the fastest 5G network in the world.

**David Barden** - *BofA Merrill Lynch, Research Division - MD*

Got it. And so one of the theories about the Verizon 5G strategy is that DSS would be away for Verizon to kind of take advantage of you having to dedicate spectrum to it the way some of your competitors have. Hans has said that you're one of the gatekeepers for when that happens, presumably because it might impact customer experience and other things. So what are the thresholds? And what is the timetable now for adding DSS to the 5G strategy?

**Ronan Dunne** - *Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group*

The updates we've given to the market already are that we've been working with all of our equipment vendors to develop out their DSS capabilities tested in the field, and we've given regular updates during the year to say how pleased we are with that. What we've said all along, though, is that what we wanted to do is make sure that when we delivered the 5G nationwide experience, it was done in a way that wasn't at the expense of the best-in-class 4G network that we had and the customer experience associated with that. So what we've been doing is we've been readying the network. Kyle Malady, our CTO, who has an amazing engineering team, has been preparing the network on a nationwide basis to optimize both the deployment of DSS, but also the carriers that we have in all of the spectral bands that we own. You'll recall that up until now, we haven't had more than about mid-50s percent of our spectrum actually allocated to LTE. So we have a number of tools in our arsenal to build out incremental capacity to optimize the network and make it ready for a great 5G nationwide experience rather than to artificially create a single lane perhaps for 5G on a fixed basis, which would mean that a small number of consumers may enjoy the benefit of that. But very often will you see high speeds from others. It's probably because their network is actually under capacity, i.e., it's not very full of users. We want to make sure that all of our users get the benefit of that. So we will indeed use DSS as part of that when we launch our 5G nationwide later this year.

**David Barden** - *BofA Merrill Lynch, Research Division - MD*

Great. Okay. I've got a few more client questions coming in on competition. But there's a clarification. Someone is asking when you said the market size is 10% down, I think what you...

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**Ronan Dunne** - Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group

The piece that's externally measured is that the number of switches between the marketplace, and that has been anywhere between 10% and 15% in recent weeks, but has varied. I mean, it kind of dropped a lot more. I think we said at the end of Q1, it had dropped like 35% or 40% and has kind of recovered since then. So that's just a clarification.

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**David Barden** - BofA Merrill Lynch, Research Division - MD

Okay, great. So then as we think again about this kind of next big event in the sector, which, I believe, is for 5G (inaudible). I think that at the beginning of the year, there's a lot more uncertainty. I think that there's a lot more consensus now that there's going to be different SKUs. At least 1 or 2 of those SKUs will have millimeter wave chipsets in them. And that could represent a huge opportunity for Verizon to take mindshare and market share to help people really experience the mobile ultra-wideband 5G network in a way that they have been less able to do so with some of the more fringe devices, not to insult anybody that are out in the market at the margin. Is that how you see it? And is this a big opportunity to invest in taking mindshare and market share as a function of the kind of unique nature of this device?

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**Ronan Dunne** - Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group

Well, the first thing to say is, when you and I talked last year, I talked about the fact that I expected to see 20-plus 5G devices coming to the market and that they would range from the premium end all the way through, and we would see the \$500 mark being hit for 5G ultra-wideband devices. And with our recent launch with Motorola, we've done exactly that. So first thing to say is there's a broad range of devices out there already. Some third-party data that was reported a few weeks ago suggested that there were somewhere in the region of 4-plus million 5G devices out there, and that Verizon had more than half of those on their network. Now I can't verify what other operators have. What you can be certain is that the 5G devices that are on my network are ultra-wideband devices.

So it's been very much our intention right from the start, working with device manufacturers, working with equipment vendors, is to make 5G impossible to ignore. And within that, to make sure that people really understood the value of the ultra-wideband proposition. So it's not for me to speculate on what any one device manufacturer will do in the fall or at any other time, but we're very clear that for customers to benefit from the full extent of the capabilities of 5G, that we encourage device manufacturers to think about 5G, including ultra-wideband, i.e. millimeter wave whenever they're developing. And we're just -- for example, we're launching new hardware in the MiFi space and others where we're starting to bring out 5G 4G integrated equipment.

And we talked a few months ago about the fact that for our 5G Home product, that we were looking to the arrival of high-powered CPE that could support that. And I'm pleased to say we've now received that equipment. That chipset is now in production with end-user manufacturers, and so we will be delivering those high-powered CPE units to customers from -- excuse me, from 10/1.

So the whole ecosystem is supporting a 5G ultra-wideband capability. When it comes to the specifics of, do we think the idea that Apple arriving in the 5G marketplace, if that is indeed their intention in the fall is a good thing, then absolutely, we have a very strong mix of Apple products in our base and excellent relationship with Apple. So I'm very keen to make sure that our customers get maximum choice across all of the premium device vendors. And I do think that the arrival of Apple into the 5G marketplace will be a boost for the marketplace overall and a very positive. We sometimes get excited about a quarter and what will happen over a particular launch date. But we're investing 10-plus years out. It's a long-term strategy that we have, network and spectrum strategy. So certainly, having great Apple products in the marketplace, along with Samsung and others, is definitely a fill-up to the overall 5G, both deployment, but more particularly, adoption phase.

**David Barden** - BofA Merrill Lynch, Research Division - MD

Yes. I hear you on that potentially being a big positive in terms of awareness and take rate. I think investors are struggling a little bit with whether this launch is an opportunity or a threat. It's such a big opportunity for Verizon that it seems hard to believe that Verizon won't be very aggressive.

AT&T, over the last year, has been talking about how this is an opportunity for them to showcase what they believe is the upgrade, that their network is enjoyed. And then obviously, Sprint/T-Mobile want to demonstrate the power of their combined company in the marketplace. And so it feels like this could turn into just a giant dogfight which destroys value before ultimately, we realize value down the road from having these higher value customers on the network. Well, how do you respond to that?

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**Ronan Dunne** - Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group

Well, certainly, I can only speak on Verizon's part. The idea that somehow we haven't been preparing for the arrival of 5G devices from all of the premium manufacturers and preparing our marketplace and our competitive response to that. If you think about what we've been doing over the last couple of years in the consumer group is we've been basically building on the reliability and the superior performance of our network and then differentiating on top. And so our value proposition is the strongest that it's ever been built around quality, experience and choice, and that has been demonstrated to resonate very, very strongly with customers, as a result of which we're actually able to acquire and retain customers at unit costs that's lower than what we would previously have experienced, particularly as we evolve our investment model.

So that's not just simply dollar subsidy on devices, but that we're bringing value to our subscribers through a range of opportunities, particularly around this principle of mix and match, which allows our customers more of what they want and less of what they don't. And that has been highlighted by relationships like Apple Music by Disney, where we originally launched with Disney+ and have just recently expanded that to include ESPN+ and Hulu. So what our customers are saying to us is they value our network, they value unlimited on our network, and they value the incremental experiences and value that we're offering them within our portfolio. And not just on unlimited, we've just recently upgraded our prepay proposition and our metered plans. So I would say is, we have been spending quite some time preparing ourselves to be both competitive and do it in a way that is consistent with our objective to grow both our revenue and our profitability from its already premium position in the market.

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**David Barden** - BofA Merrill Lynch, Research Division - MD

So one question on the kind of evolution of the CTO options on the unlimited plans. Was that a function of how much success you feel you had in the last 9 months with the Disney+ plan? And how much more expensive relative to what incremental value you think you're getting is that proposition?

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**Ronan Dunne** - Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group

So what we did is, we -- when we moved to Unlimited, we immediately set about creating this concept of tiering within Unlimited. The original concern of investors was if everyone moves to Unlimited, where is your increments of value opportunity? And we demonstrated that very readily over the last few years. We're now in wave 3 in wireless of our mix and match proposition. And what has that done, it's driven more than half of our customers now to unlimited plans. And within that, we're seeing more of our customers move to the higher tiers to the premium plans. That allows us to monetize things like 5G ultra-wideband, but it also allows us to transfer value to customers in a way where the cost to us is less than the value ascribed to the benefit. So while I won't go into the details of any of my commercial arrangements, you can be sure I'm not paying retail for my Disney+.

**David Barden** - BofA Merrill Lynch, Research Division - MD

Okay. I guess another question kind of stems from a competitive standpoint, which is, it's been a couple of years now since AT&T and T-Mobile both started to kind of really focus on a first responder marketplace. And the question is, what kind of traction have they gotten? And what are you doing to defend yourself in that marketplace?

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**Ronan Dunne** - Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group

So the first thing to remind people is that first responders didn't wake up one day and discover that they needed high-quality ubiquitous connectivity. That's why they've been predominantly Verizon's customers for years. Has the arrival of FirstNet meant that there's a little bit more visible competition in the marketplace? Yes, sure. But that doesn't mean that we're any less able or prepared to compete. And so that part of our business remains very, very strong. And the sort of responses that we got from RootMetrics just in the last few days just reinforces the reason why our customers choose and more of the customers inside that category choose Verizon than anybody else. So highly competitive environment as across all of the U.S., the markets are competitive. But our proposition is built around best-in-class connectivity, incredible reliability within our network and one of the RootMetrics metrics is availability. And yet again, we won that, and that's a critical thing for first responders. So I think we're again well positioned both in 4G LTE and increasingly, as we build our capabilities in 5G to meet and exceed the needs of the first responder community.

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**David Barden** - BofA Merrill Lynch, Research Division - MD

Got it. So I think that this question probably segues into kind of the 5G home conversation a little bit. But the question about monetization of 5G and the consumer, you kind of talked about monetizing 5G there with devices -- compatible devices. But there was this original idea that we charged premium for premium 5G experience and we stopped doing that. And now the question is, how do we make a return on the capital we're putting in at the margin? What does that look like? I think people are still struggling with -- we're going to talk about 5G Home in a second, that's one monetization engine. There's EMBB enhancement broadband, which is just faster speeds, which it's not clear, people are willing to pay more for it. So I guess the question is, how do we make money from the total exercise?

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**Ronan Dunne** - Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group

So the first place to start is that 5G, as a technology, is a lower cost bearer unit per unit than its predecessors. So in a world where demand is growing, continually reducing your unit cost of production is a critical factor. So that's the first base layer of the economic case for 5G. The second thing is that the currencies within 5G are divisible where previously, if you offer LTE or 3G service, you're essentially offering -- it comes with, be it speed, be it the latency, it gets. In 5G, you can not just slice the network to give a private 5G network, you can separate the individual currencies. So if somebody has a requirement for latency but doesn't need huge capacity or if somebody has a requirement for a massive burst capacities, you can separate those things. And therefore, in the same way as mix and match for consumers, you can actually tailor the solutions to your customers, particularly B2B or increasingly, as we go forward, it will be B2B2C. A good example of that will be gaming, where latency will be a critical component. When it comes to actually monetization, I'll take consumer first and then maybe reference business. Let me just clarify. Within our plan structures, we still have a premium for ultra-wideband. It has always been our intention that 5G nationwide would come as part of the standard unlimited package. And so when we launched our refresh of our mix and match just a month or so ago, we described them all as 5G ready, and it is for 5G nationwide. If you want the ultra-wideband, then you go to one of our higher tiered plans or you take a \$10 bolt-on on the entry-level unlimited plan. Similarly, if you're in the metered plan and you want to get into 5G, you need to go up into the unlimited plans. So there is a tiering structure within the tariffs itself. And then there's the opportunity to monetize components of the 5G in the currencies, specifically in areas like separating latency and potentially creating a gamers package that allows people to get higher levels of experience within the games they enjoy when they're on a network that provides them with ultra-wideband type speeds and latency. And similarly, in the B2B space, whether that be real-time enterprise or other examples like that, where you can separate and create an individual slice for a business user. And within that, there are then 2 incremental -- the kind of use cases and business cases: One, which will come on to, which is 5G Home and the opportunity for us to significantly expand outside the Fios footprint; and the other is really 5G Edge and the Mobile Edge compute capability, which allows us to participate for the first time in the value of the cloud moving from a metro cloud to an edge cloud. So those represent discrete capabilities that weren't previously available to us within the 4G LTE environment. So that's the context in which I think we're very confident that not only is it a lower cost bearer, higher capability

way of delivering capacity, latency, et cetera, but also, it creates new business opportunities and business model opportunities, many of which I think will be B2B and B2B2C as well as the plain vanilla B2C monetizing through a tiered pricing structure.

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**David Barden** - *BofA Merrill Lynch, Research Division - MD*

Got it. So a few more questions and then we'll shift to 5G Home. I guess, the first one is you just mentioned, obviously, you reshuffled the rate plans just a month ago. Obviously, the store activity is down, more digital activity. Maybe things aren't moving around, but have you seen what you wanted to see as a function of that primary shuffling the migrations up either at an accelerating rate or at least a steady rate?

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**Ronan Dunne** - *Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group*

Yes. When I'm talking in a kind of quiet or close period like this, I think it's fair to say that whether I'm sort of pleased or very pleased is usually the way I describe these things. So I would say I'm very pleased with the response of the market to our new plans, and that's indicated by really 3 factors, and I won't give you specifics on the metrics. But our churn, our experience of the number of customers coming into us who are taking unlimited plans and then the mix of plans that customers are taking, both those new coming in and our existing customers. So we call that latter step-up. So we're continuing to see and we have seen improved experience on to step-ups as customers enjoy more of the value that's available to them on the premium plans. We also, like, which is important, just to remind people, is by refreshing our prepay plans and our metered plans and introducing mix and match to Fios, we now have a, what I would describe as a ladder, which affords the opportunity for customers to step up the ladder and grow with us as they grow in their confidence and enjoyment of using data. So we're seeing an increasing number of customers in metered plans take the higher tier, a 10-gig plan, which is a perfect on-ramp for them to ultimately go to unlimited. And in the Fios footprint, we've been hugely satisfied with the adoption of mix and match, and really for 2 reasons. One is we've seen our overall business grow at or above our own expectations. But we've seen the value of each customer grow as well. As customers see more value in the broadband connectivity, and they have more flexibility and choice in relation to their content needs. I've been very transparent before. I have a fabulous connectivity business in Fios with the subscale content business. My relationship with content owners, now that I'm Switzerland and I'm using my wireless business as well as my wireline business to engage with content owners means I'm much more attractive partner for Disney or other content owners, and that's allowing me to improve the economics of my Fios business as people cord shave and cord cut as well as bringing incremental value to my wireless customers. So across the portfolio, that positions us well as we start to think about the opportunity of expanding, particularly our residential broadband footprint as we build out our 5G ultra-wideband network.

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**David Barden** - *BofA Merrill Lynch, Research Division - MD*

Got it. And another question is a question about the BlueJeans acquisition and whether -- what the strategy is there? And is it more of a -- is it an enterprise application, consumer application, both? And what is the game plan?

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**Ronan Dunne** - *Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group*

So I'd start by saying it's the core proposition is a B2B proposition. Many of the people who are probably joining us today will know that BlueJeans is a platform of choice for those who value quality, security, exceptional high-definition voice, et cetera. And so it has a strong installed customer base, predominantly enterprise-grade customers. What we see is the opportunity to expand from that hub as we think about collaboration, as we think about people working on a more distributed basis, how we can be part of the suite of productivity tools that are available to business, but also then looking at how we can expand the opportunity set into small and medium, but also into the consumer space. So the investment hypothesis very much built around enterprise with lots of incremental upside as well.

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**David Barden** - *BofA Merrill Lynch, Research Division - MD*

Great. And this is my question, and I think it's important to hear your answer is, there's a lot of conversation around the election. There's -- if there's a Democratic win, we just had one speaker say there's 100% probability that this is going to become an issue again. And the issue of net neutrality



has been conflated with the notion of fast lanes and slow lanes. And those -- the people that care a lot about neutrality don't see a difference between discriminating against applications and discriminating along speeds. And yet 5G and network slicing is inherently based on monetizing the ability to create these different network experiences and presumably charge differently for them. And if there's a democratic sweep, the nightmare scenario is that lawmakers write laws that interfere with the monetization opportunity that the U.S. wireless carriers see, which would seem to run contrary to a lot of the efforts to further 5G in our country, but I'd like to hear -- I'd like people to hear your perspective on it.

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**Ronan Dunne** - Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group

So I would start actually just there with 5G. I think it's a fair representation to say that both of the principal parties are supportive of and invested in 5G leadership from the United States. So I think that's a foundational consideration. I think -- the second thing to say is that, I think, it's a bipartisan reality that COVID and the pandemic has reinforced people's desire to see increased coverage in the United States. And the third thing I would say is that Verizon and, I think, all major carriers are the same, are supporters of all of the principles of net neutrality. We operated and our business thrived in an Obama era, I don't see any reason if there's a change in the administration in November to presume that the core tenets of net neutrality that we all support would be varied in a way that would make it difficult for us to do business at a time when everybody is looking at how we can build out more capacity and coverage and lead in 5G.

When it comes to maybe the very specific thing about fast lanes and slow lanes, I think what's important is that we deliver products and capabilities that are germane to the use case and the need rather than arbitrary or artificial rules around how the network is used. And I think the way we've approached 5G is consistent with that. So I'm fully confident that whatever the administration be post the November elections, that will be consistent with building critical national infrastructure of quality and capacity that meets the economic community and social needs of the United States going forward.

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**David Barden** - BofA Merrill Lynch, Research Division - MD

Okay. So let's shift gears a little bit. So last year, you came, and we talked about 5G Home, and you said you'd be in 10 markets by the end of this year. And I think you just announced that the long pole in the tent are these high-powered chipsets that will be in the CPE units, are going to allow you to start shipping October 1 and presumably then we should see those 10 markets coming in the next several months. Is that fair?

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**Ronan Dunne** - Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group

Yes. So our plans with regards to coverage for 2020 haven't changed. I think we have given updates to the market incidentally during the year to say that despite COVID and some of the impacts of that, we've been on plan as regards to our 5G rollout and growing our 5G millimeter wave site count at a fast click. So that's the first thing. Second thing, as you say, is we identified that high-powered CPE was a critical component of getting the right yield per node out there. And we have now received the new CPE. We've been able to test it in the field. And that will go live 10/1 to be available for customers. So the combination of those now means that we're set. We have a proposition that customers enjoy. We're seeing on a unit basis the sort of economics that we anticipated seeing. We're getting better at things like self-install within the overall mix. The churn metrics are improving. The sort of demand for the products when we enter a market is consistent with the experience we saw when we entered new markets with our Fios fiber offering. So all of those components of the business case are where I would want them to be. And I make no bones about it. It is if we had built out more, I would have sold even more of it during the pandemic. So it's really down to just the drive for 5G mobility because, again, I just want to remind people is, our business case for 5G ultra-wideband is a mobility case with an incremental opportunity in 5G home, so that the driver of not just the pace but more specifically the exact locations and geography that we deploy those units is predicated on delivering 5G mobile coverage and capacity, and then we have the incremental opportunity for 5G Home.

So 2021 will be an important year because I have the product, I have the functional capability. And as Kyle and the team continue to roll out the ultra-wideband network, we in the commercial and marketing side are ready to sell, sell, sell. And everything we see from a customer response point of view is people are even more interested in high-quality product like that for the home today than they were 6 or 9 months ago.



**David Barden** - BofA Merrill Lynch, Research Division - MD

And within the context of the 10 markets and then maybe what the plans are for 2021, is there any way to scope out the addressable market opportunity here? I mean, is it a rounding error relative to the mobile-first plan that you have? Or is there a real business here that we should be thinking about when we're putting our model together?

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**Ronan Dunne** - Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group

Sure. And I think, David, it depends on whether you're talking very, very short-term quarter-to-quarter, whether you're taking a long-term investment view like we are. And certainly, in the context of a business that has 94 million, 95 million consumer -- subscribers, I'm not going to tell you that in the fourth quarter, now that I have the high-powered CPE, that, that's going to be more than a rounding adjustment in my revenues that I recognize in the fourth quarter. But over time, I think there's going to be an increasing blurring of the lines between mobility and residential. And therefore, I think that the development of our 5G ultra-wideband network and the deployment of the spectrum as it becomes available. We're in the CBRS still close period. But there's public record as to how that particular auction went. We think we're very well positioned to participate in the home and that's why you see things like our relationships with Disney and others are building a platform that makes us a relevant participant in an enhanced home environment. When you think of some of the capabilities of 5G in areas of AR, VR, mixed reality, and you think of an environment in which some entertainment and sport that people maybe watched live in stadia, some of those people may be watching it remotely going forward. And those who are interested in the sports and interested in the live entertainment but we're never able to access in the venue are also interested in this idea of an enhanced fan experience that can be effectively relocated to where they are. So that's why I think residential becomes really, really important, and we're very confident that we can disrupt in that space, and we're confident that it's not just high-speed connectivity, but it's all of the incremental capabilities that come with great 5G ultra-wideband that will allow us to disrupt the home proposition.

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**David Barden** - BofA Merrill Lynch, Research Division - MD

Got it. There's a lot of questions. So I guess the next -- we have a couple of minutes. Just 2 quick ones, I guess. The first one would be, this came up earlier. There's a narrative that T-Mobile Sprint have 2.5-gig spectrum in the back pocket. They're going to roll it out really fast. They're going to try to take advantage of the space between where everybody is and maybe where you are with your millimeter wave. And they can own that space for potentially a multiyear period because you won't be able to really replicate it with millimeter wave and really you're going to have to wait for C-band to come out. You can accelerate your time to market if you preposition the equipment out in the world and accelerate your ability to close the gap, if you will. Is that something you're doing? The question people are asking, is Verizon prepositioning equipment to accelerate their C-band build.

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**Ronan Dunne** - Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group

So what I would say to you is that I think most investors would acknowledge that the engineering capability that Verizon has available to it is second to none. Our commitment to continue to invest and invest at scale in 5G is unquestioned as evidenced by the recent announcements from Samsung in relation to a new equipment supply agreement that we've entered into with them. So what I would say to you is that we have a track record of maximizing and optimizing the capability of the network as we go through technology shifts and phases. And I would be comfortable to say that you should expect Verizon to take that optimum approach in 5G as it has done in every other generation, and therefore, be well positioned to exploit any particular capabilities that become available.

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**David Barden** - BofA Merrill Lynch, Research Division - MD

Okay. Not a "no", all right, I'll take it. And then the last one here is, what is the role that Visible brand plays in your go-to-market strategy? And is there a white space there for you to take it up as an opportunity in prepaid or online?

**Ronan Dunne** - Verizon Communications Inc. - Executive VP & Group CEO of Verizon Consumer Group

Yes, there is. And very much the idea of Visible -- the concept of having a carrier platform enabled inside Verizon that allowed us to be targeted to opportunities in the marketplace. Visible is very much the front-end, the leading-edge of that and increasingly satisfied with what we're seeing out of Visible. And it very much is. It's a segment in its own right. It's a hybrid between prepaid and postpaid. It's a certain type of consumer with a certain profile. And what I would say to you is the beauty of the way we've delivered Visible is, I have the capability on that platform to deliver discrete brands, almost like network-in-a-box capability, so if there are other opportunities, I can go after them. That's how I was able, with almost no heavy lifting to create a Yahoo! mobile brand and do the same thing using the same capability that Visible enjoys.

So yes, it's a growing segment opportunity. It's one where it's a highly efficient one for us to go-to-market in and it's complementary to rather than in any way inconsistent with the premium brand position we have with Verizon. Increasingly, you should think about this idea of network as a platform that you and I have discussed before, affording us the opportunity to serve all of the segments of the market using the sheer scale and lowest unit cost economics that we enjoy in the marketplace to be able to target and serve by maximizing either in brand or in distribution, the capabilities necessary to get the right product to the right customers at the right unit cost that allows them to enjoy the benefits of Verizon's network. And in the case of our Verizon premium offering to also enjoy the benefits of great experience, great customer service, all wrapped to give them that added value.

**David Barden** - BofA Merrill Lynch, Research Division - MD

Perfect. Great way to end it. Thank you so much, Ronan. We appreciate you being here again. Thank you for all your time. Thank you guys for joining us. If I didn't get your questions, I apologize. We'll follow up afterwards. Thank you so much, again, Ronan.

The next step in this track in about 15 minutes will be the CEO and CFO of Rogers. So see you in 15 minutes.

Thank you, everybody.

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