

2020 Verizon Investor Day

February 13, 2020



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: adverse conditions in the U.S. and international economies; the effects of competition in the markets in which we operate; material changes

in technology or technology substitution; disruption of our key suppliers’ provisioning of products or services; changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks; breaches of network or information technology security, natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial impact not covered by insurance; 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; material adverse changes in labor matters, including labor negotiations, and any resulting financial and/or operational impact; significant increases in benefit plan costs or lower investment returns on plan assets; changes in tax laws or treaties, or in their interpretation; 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; the inability to implement our business strategies; and the inability to realize the expected benefits of strategic transactions.

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

**Hans
Vestberg**

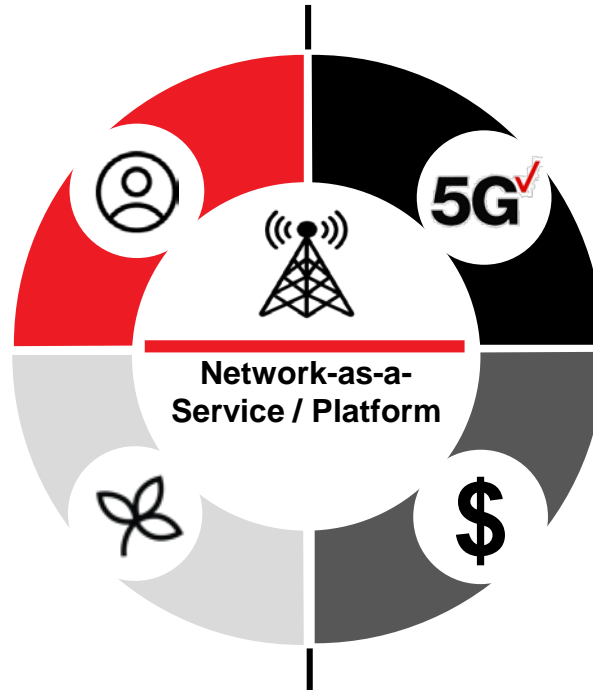
Verizon strategy fundamentals

CUSTOMERS FIRST

- Best Network Experiences
- Customer-Centric Models

PURPOSE-DRIVEN CULTURE

- Responsible Business
- Preferred Place for Talent



INNOVATION DRIVING NEW GROWTH






- 5G & Edge Compute
- New Market Opportunities

FINANCIAL DISCIPLINE

- Balanced Capital Allocation
- Best-in-Class Cost Models

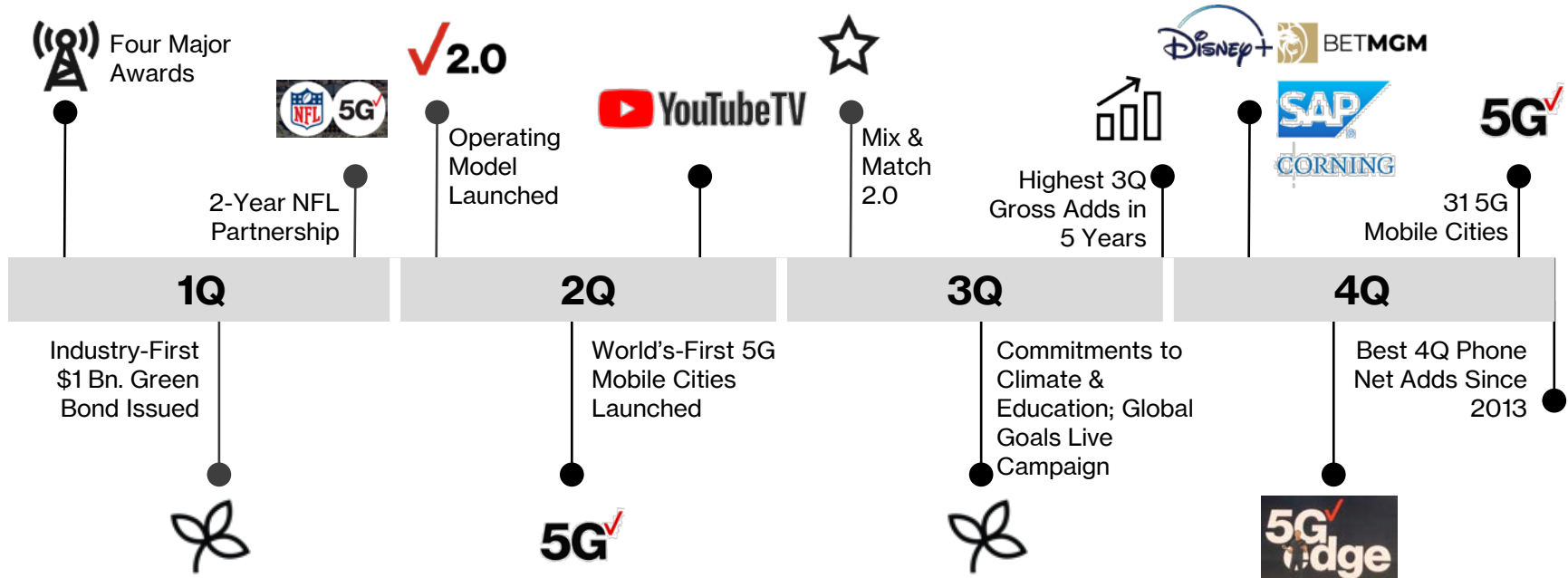
Target GDP+ revenue growth driving strong earnings and cash flow

Measuring strategy success – Transformation journey

	2018 - 2019	2020 - 2021	2022+
	VERIZON 2.0 TRANSFORMATION	EXTENDING 5G & CUSTOMER INNOVATION	PREFERRED BRAND & 5G EDGE LEADERSHIP
 NETWORK	Network-as-a-Service / Intelligent Edge Network	Scaling UWB & 5G Nationwide	Expanding 5G Public & Private Edge
 PROCESS	Smart Capex & Process Reengineering	Continuous BAU Improvements	Scaling “As-a-Service” Delivery
 BRAND	One Brand – Trust & Innovation	Responsible & Purpose-Driven	#1 Choice for Connectivity
 BUSINESS	Customer-Centric & VMG Turnaround	Business Investments & Scaling Mix & Match	Winning Above the Network
 TALENT & LEADERSHIP	Talent Refresh & Growth Mindset	Re-skilling & AI Tech Hub	Preferred Destination for Talent

Transformation delivering value for shareholders, customers, employees, & society

2019 strategy execution across all stakeholders



2020 execution from a position of strength

2019 results – Leading indicators driving strong momentum

LEADING INDICATORS



#1

NETWORK
QUALITY &
PERCEPTION

Leadership in LTE Performance
and 5G¹



#1

CUSTOMER
LOYALTY &
WIN SHARE

Customer innovation – Mix &
Match, Disney+, Yahoo



LEADING
BRAND ON
TRUST & INNOVATION

Industry Brand Leader in
Trust & Innovation¹

5G[✓]

INDUSTRY
LEADING
ECOSYSTEM



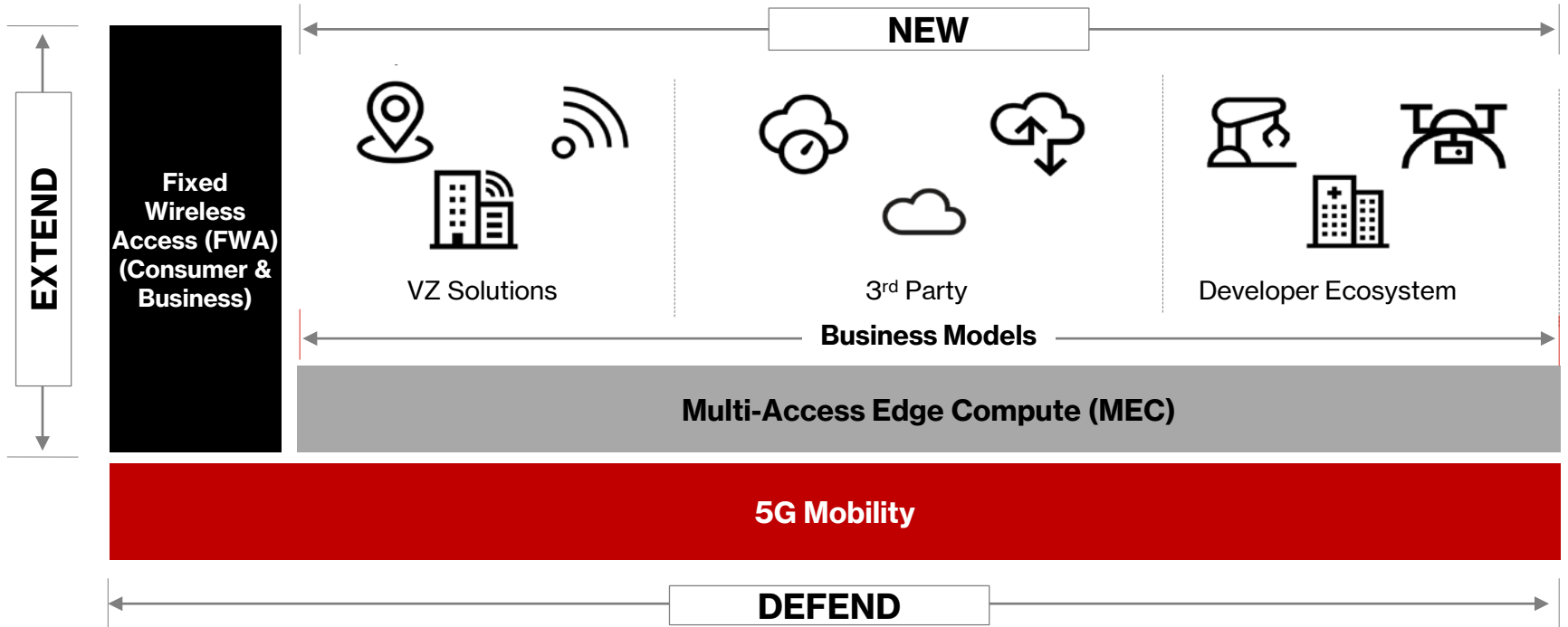
1. Q4 2019 Verizon Brand Health Tracker; 4Q19 Wireless Survey, Cowen & Company

2. Non-GAAP measure

2019 RESULTS & MOMENTUM

- Highest total phone net adds since 2013
- Highest wireless service revenue growth since 2014
- Highest cash flow from operations since 2015
- Strong YoY Adjusted EPS growth²

Looking forward – 5G execution across existing & new markets



Market trends and Verizon assets – Right to play & win

CUSTOMER, INDUSTRY & TECHNOLOGY TRENDS

- Network Reliability & Responsiveness
- Broadband Alternatives
- Customer Trust & Privacy
- Distributed Compute
- Decentralized Applications


**Currencies w/
Verizon Assets
Driving Innovation**

VERIZON ASSETS & RIGHT TO PLAY & WIN

- Network Leadership & Innovation
- Customer-Centric Mindset
- Customers, Distribution, Fiber, Spectrum
- Industry-Leading 5G Ecosystem
- Fast & Economical MEC Deployment

Winning strategy leveraging best-in-class assets & 2019 momentum

2020 commitments – Reflecting an agenda of growth

Strengthen & Grow Core Business

▪ Continued 2.0 Transformation

- Network & Customer innovation: Intelligent Edge Network, VZ Credit Card, Mix & Match
- VBG Investments to capture new markets; deliver on 4-year \$10B cash savings

Leverage Assets to Drive New Growth

▪ 5G Deployment

- Dynamic spectrum sharing (DSS) nationwide roll-out
- 5x+ YoY increase in 5G small cells
- 60+ 5G Ultra wideband (UWB) Mobility cities
- 10+ 5G UWB Home cities on 5G NR and nextGen CPE
- 10+ 5G commercial MEC centers

Drive Financial Discipline & Strength in Balance Sheet

▪ Revenue Growth and Financial Discipline

- Accelerate revenue & adjusted EPS growth with consistent levels of capex intensity
- Balanced capital allocation approaching leverage target

Infuse a Purpose-Driven & Customer-Centric Culture

▪ Responsible Business Commitments

- Climate, digital divide and purpose-driven brand

Increased focus on ESG and purpose-driven brand



CORPORATE GOVERNANCE

- Two new directors
 - Vittorio Colao – Former CEO, Vodafone
 - Carol Tomé – Former CFO, Home Depot
- Established position for Chief ESG Officer
- Enhancing sustainability reporting and engagement

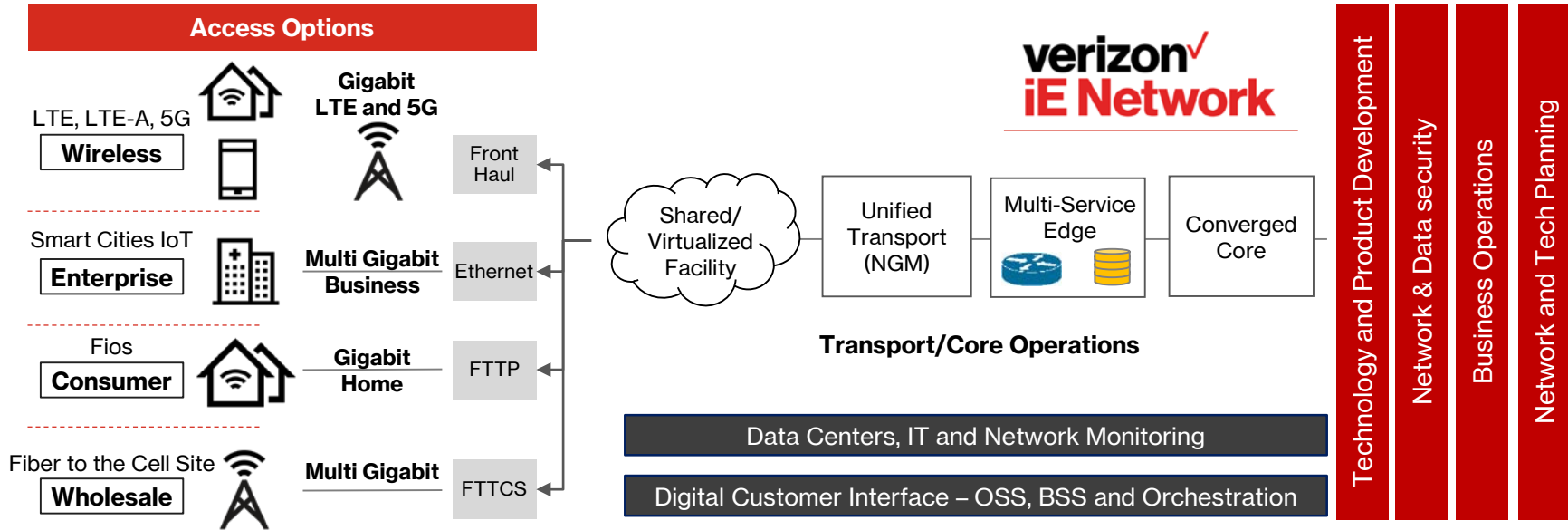


RESPONSIBLE BUSINESS

- Joined United Nations Global Compact
- Jointly leading CEO coalition for Global Goals Live
- Commitment to carbon neutral in our operations by 2035
- Setting science-based emission reduction target by 2021
- Commitment to 2.5M hrs of volunteerism; NFL partnership to amplify and scale
- Allocated ~\$500M of \$1Bn Green Bond proceeds to Green investments

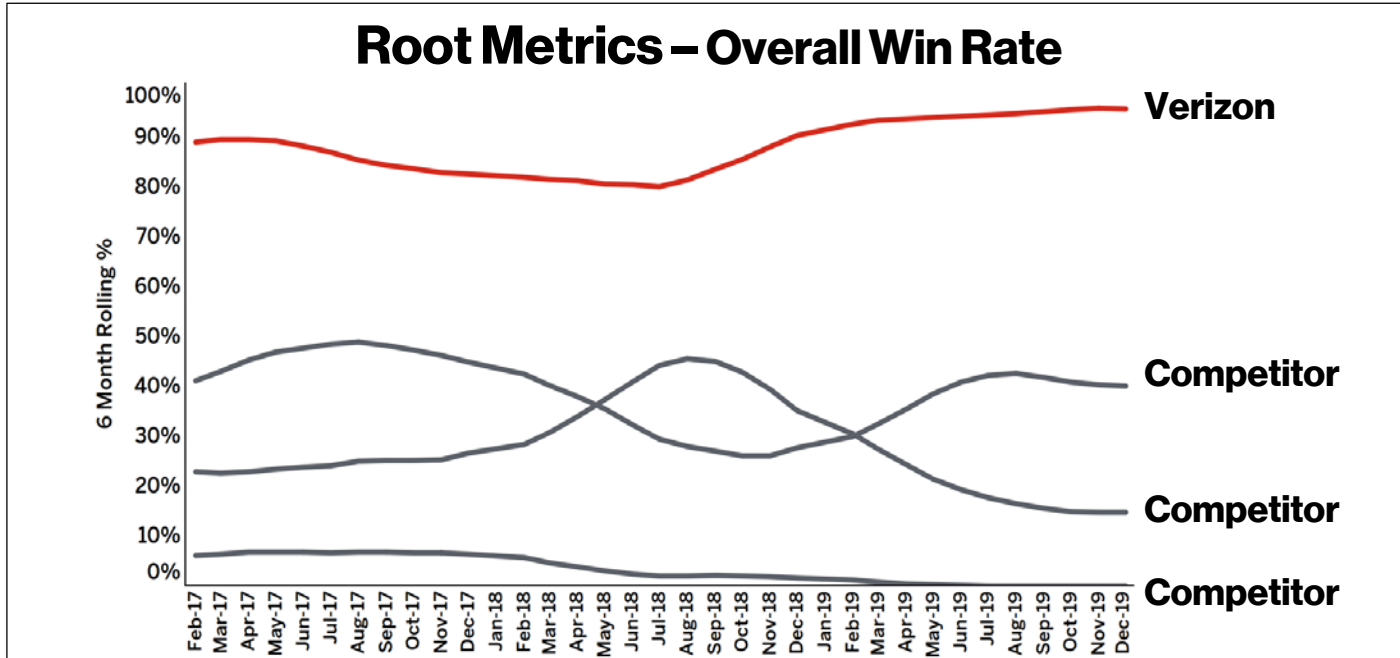
**Kyle
Malady**

Verizon Intelligent Edge Network Architecture



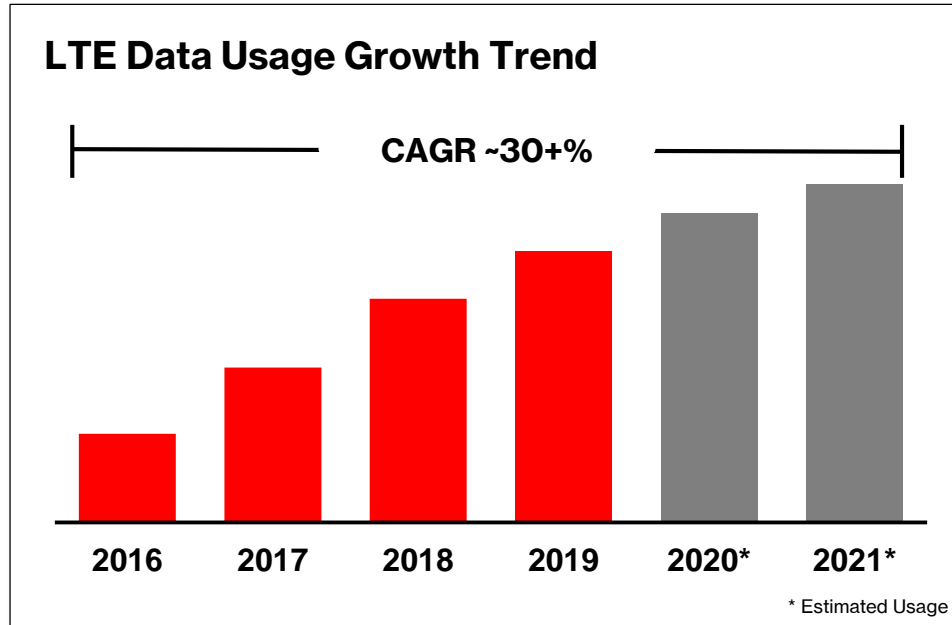
Fiber based multi-purpose network enabling efficiencies and new services

Industry leading network performance



Verizon continues to maintain network leadership

Staying ahead of data usage growth



New Technology Deployment



256-QAM

4x4 MIMO

RF Innovation



Carrier
Aggregation

CBRS/LAA

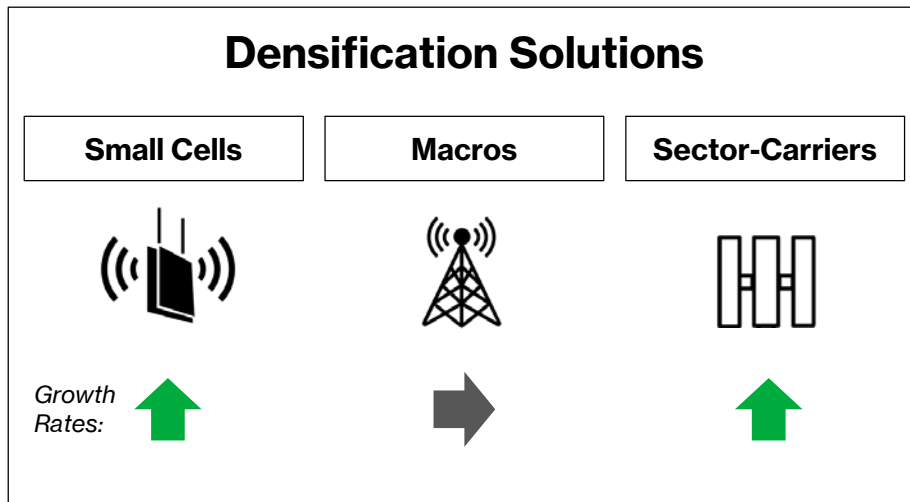
Spectrum
Innovation

We continue to deploy new technologies and capacity to keep up with growth

Capacity and capabilities in existing spectrum

Technologies & Spectrum

- 4TX Antenna Advancements
- CBRS/LAA
- 256 QAM
- FD-MIMO
- Network Slicing (QCI8/9)
- Interference Management Software Features
- 5G mmWave

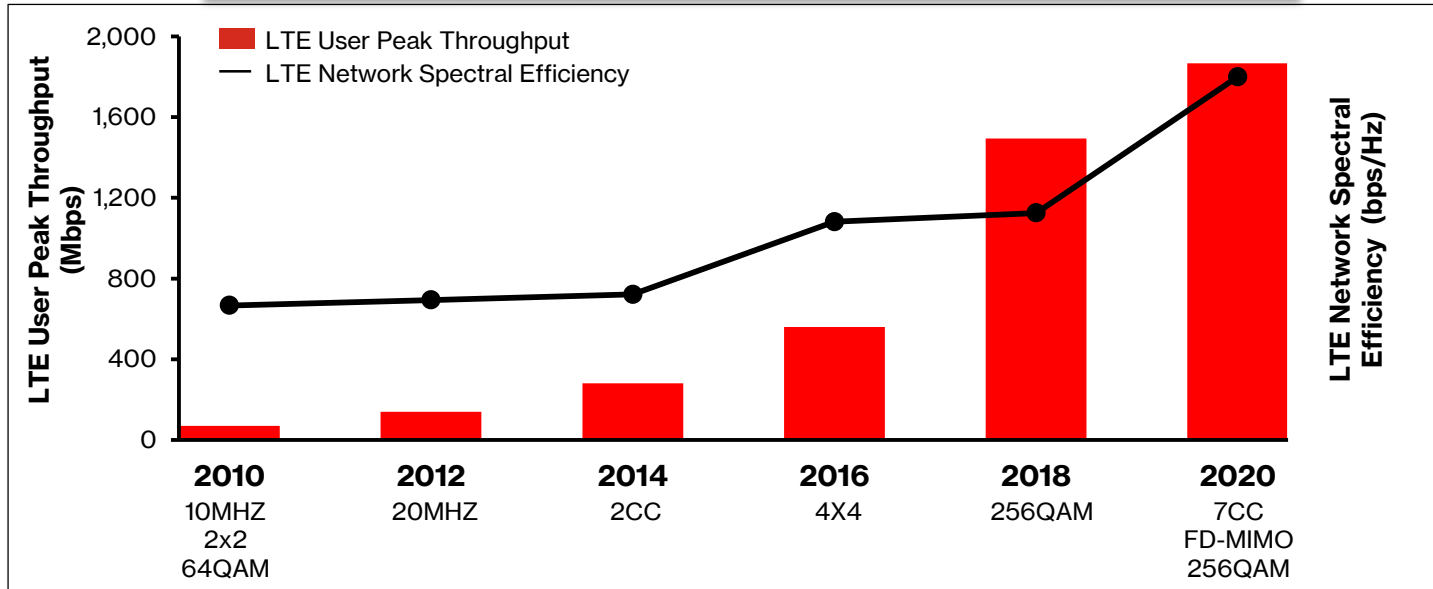


Technology efficiencies & densification provide clear path to satisfy future capacity needs

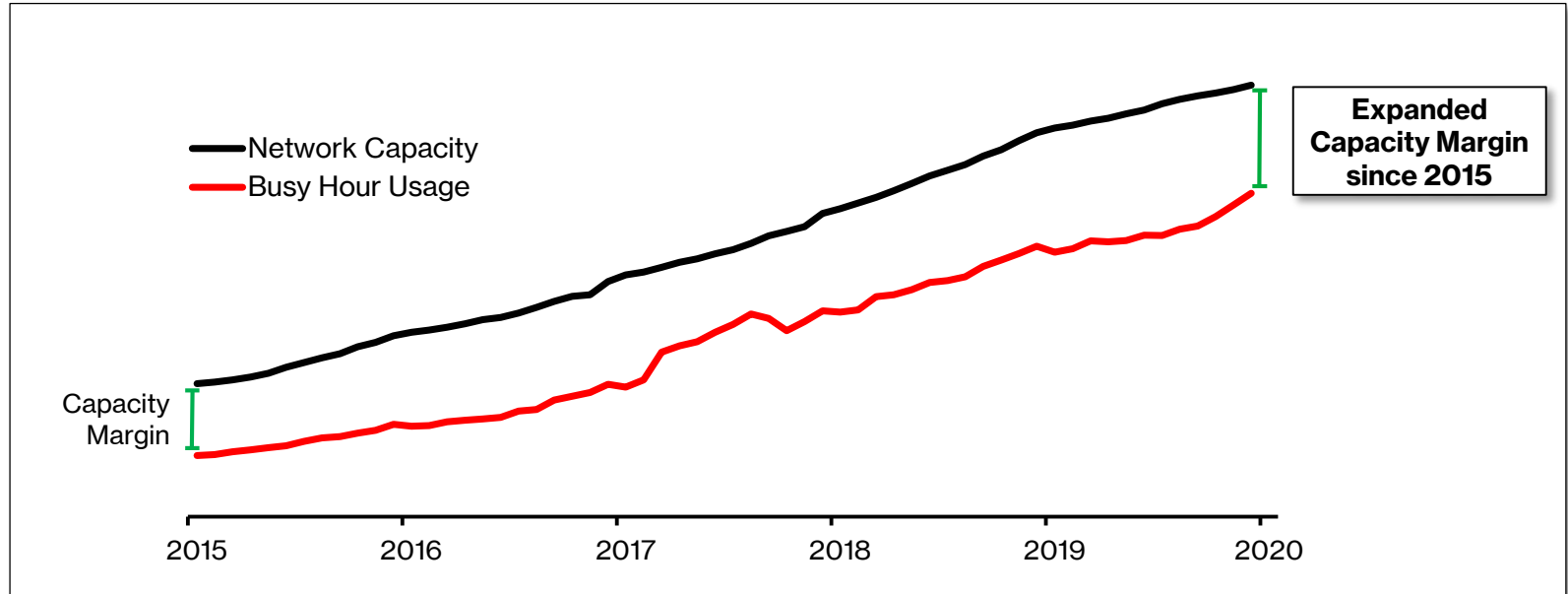
LTE peak user throughput and spectral efficiency evolution

~4x improvement of spectrum efficiency

- Based on technology improvements over past ~10 years
- Allows for significantly more bits transferred on each Hz of spectrum

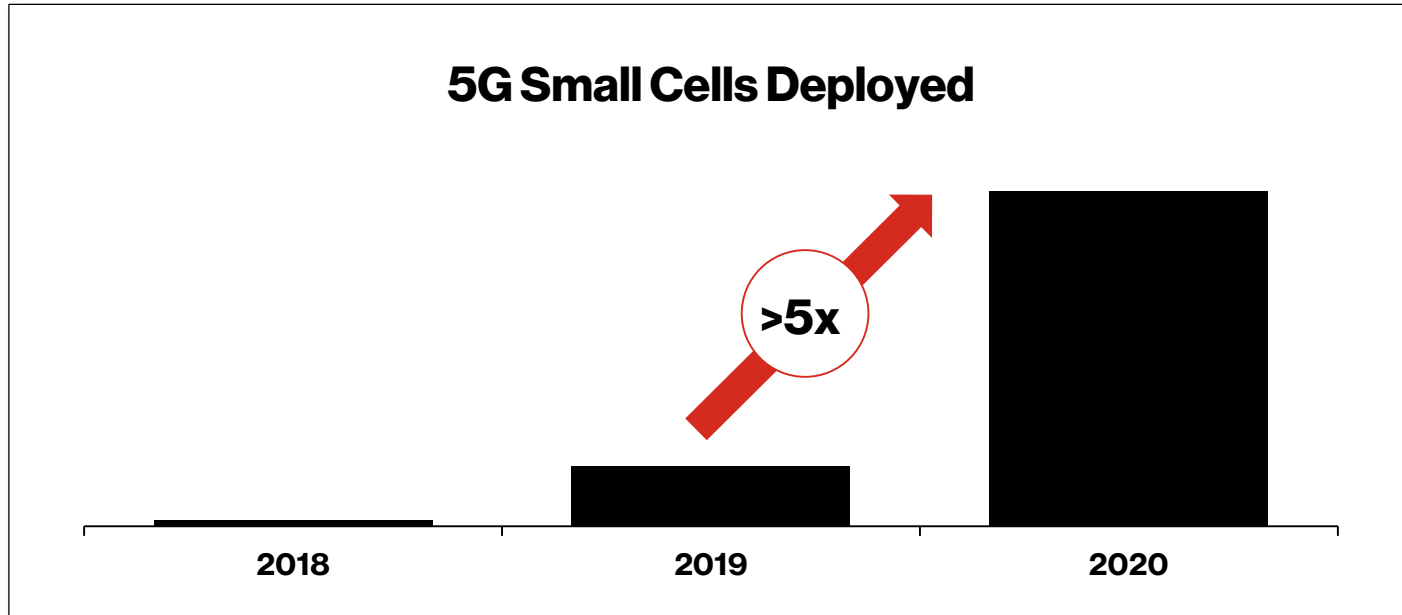


Network capacity vs. busy hour usage



Network capacity continues to expand ahead of data growth

5G build-out plan



Accelerating our 5G small cell deployment and performance

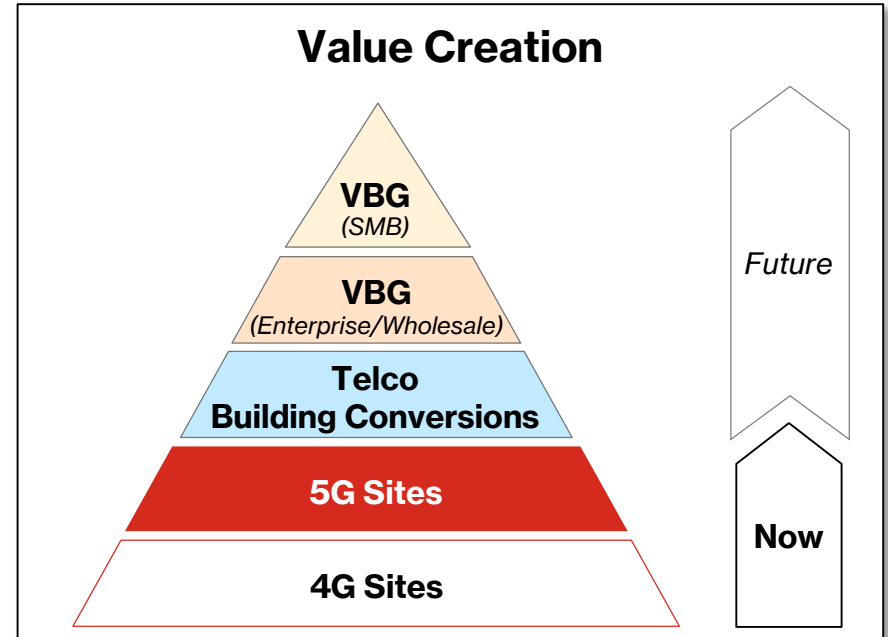
Dynamic Spectrum Sharing (DSS)

- DSS allows for the deployment of 4G and 5G in the same spectrum at the same time
- Lab testing on track
- Field testing in progress
- Network providers, chip manufacturers, OEMs delivering
- Network preparations underway for nationwide rollout

Commercially driven launch

One Fiber update

- ~30k route mile completed (EoY 2019)
- Monthly pacing at full run-rate and will continue
- Majority of 5G build leveraging One Fiber
- Work with municipalities scaling with master license agreements & local relationships



One Fiber benefits are being realized across cost reduction and new revenue opportunities

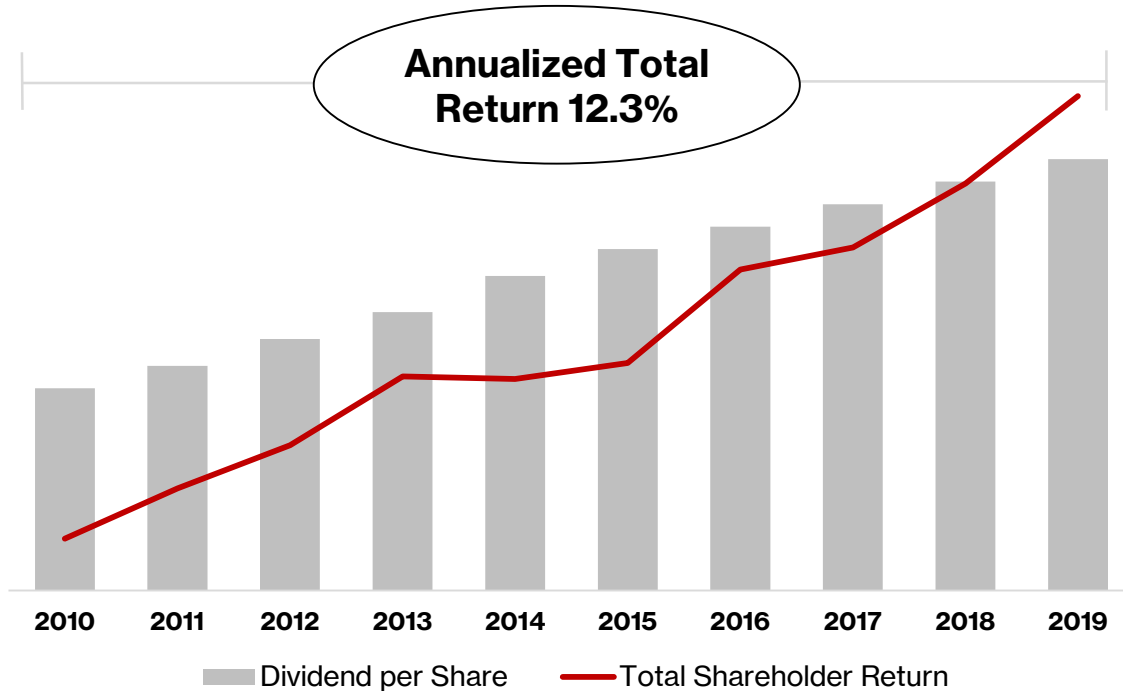
2020 Focus Areas

- 1. 4G augmentation**
- 2. 5G UWB build**
- 3. Nationwide DSS launch**
- 4. One Fiber expansion**
- 5. Cost efficiencies**

Superior network performance

**Matt
Ellis**

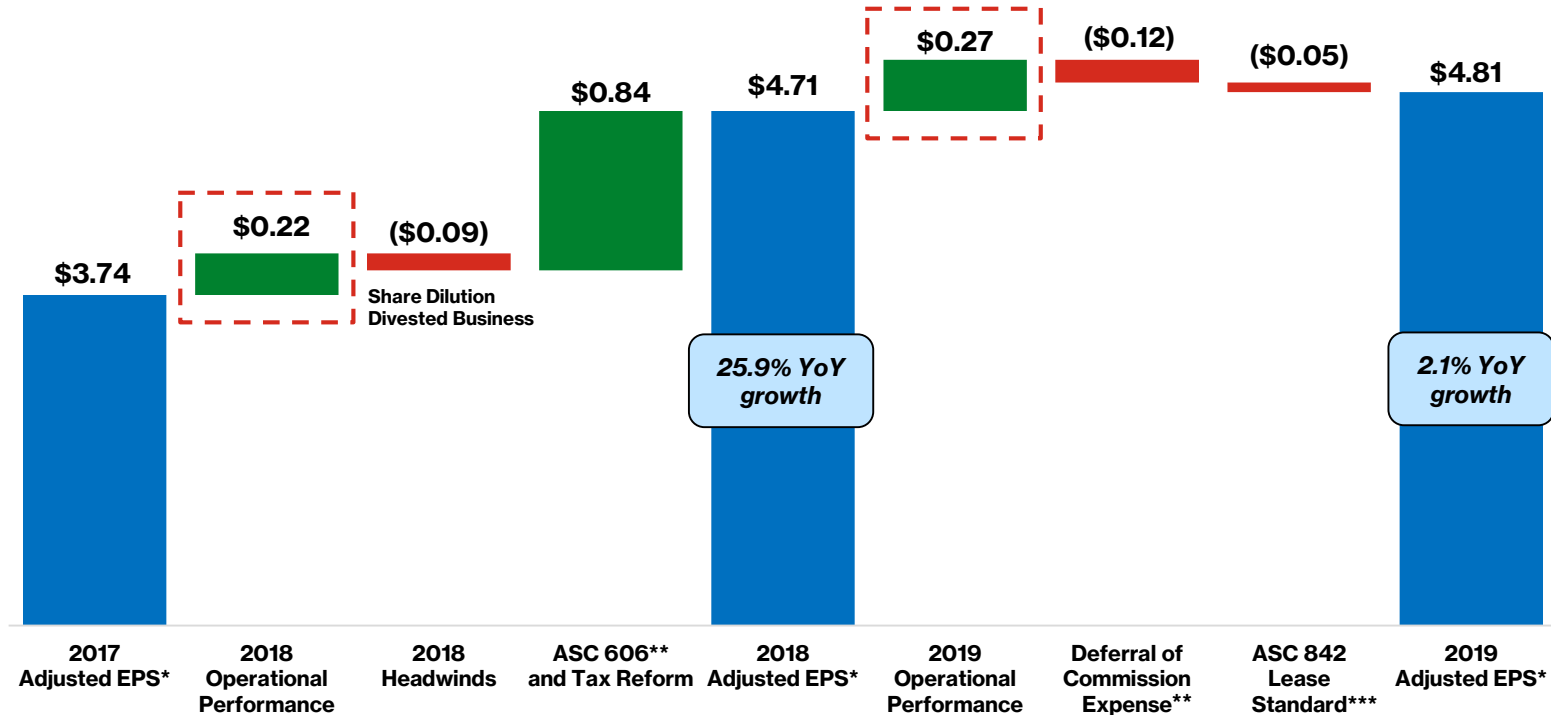
Ten year total shareholder return



- 220% cumulative total shareholder return
- 2.4% annualized growth of dividend per share

Source: Bloomberg. 10 year return range from 12/31/2009 – 12/31/2019

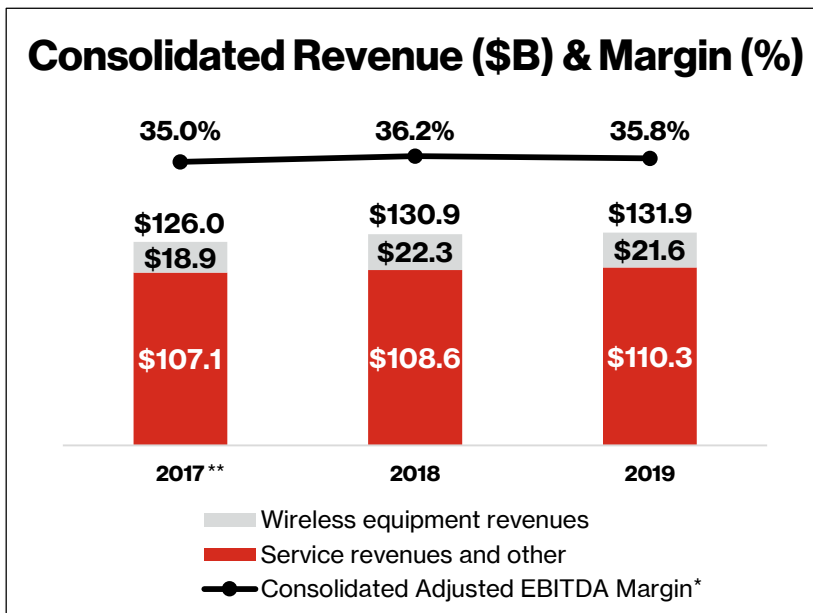
Delivering healthy earnings growth



*Non-GAAP measure; ** ASC 606 – Revenue Recognition Standard adopted on January 1, 2018; *** ASC 842 – Lease Accounting Standard adopted on January 1, 2019

Strong 2019 consolidated performance

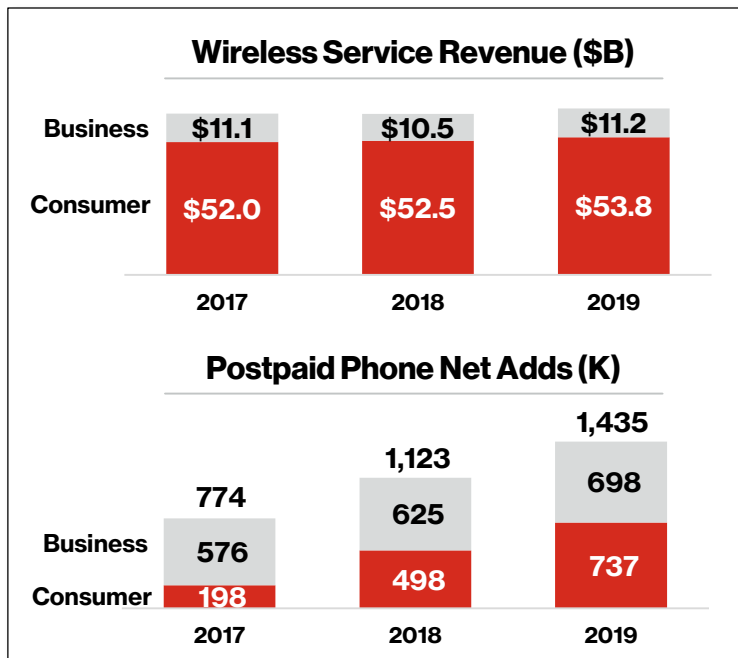
- 0.8% consolidated revenue growth in 2019
 - 1.6% growth in service revenues and other
- Maintained strong Adjusted EBITDA* performance
- 4.1% growth in CFFO with solid free cash flow* generation



Continued momentum exiting 2019

*Non-GAAP measure; **Prior to adoption of ASC 606 – Revenue Recognition Standard on January 1, 2018

Driving growth in 4G wireless market



2019 total wireless service revenue growth of 3.2%

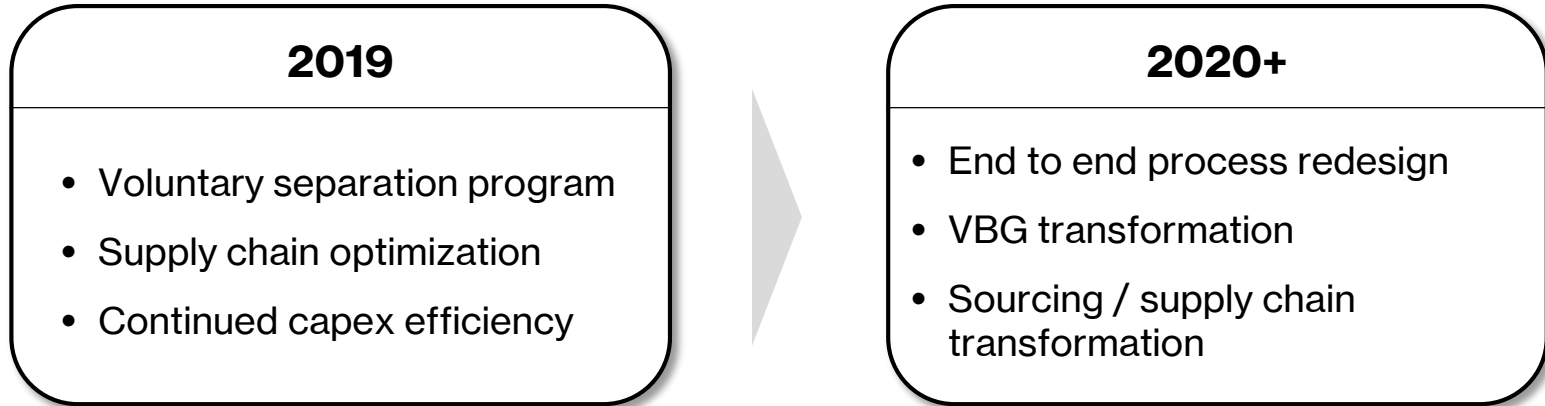
- 2.5% growth in Consumer
- 6.7% growth in Business

Offers resonating with customers

- Mix & Match refresh
- Disney+ and other partnerships
- Strong device lineup

2019 highest postpaid phone net adds in 6 years

On track to deliver \$10B / 4 year cash savings goal



Realized \$5.7B in cumulative cash savings over two years

2020 financial guidance

Revenue

- Low-to-mid single digit percentage growth in consolidated revenues
- Continued momentum and growth in both Consumer and Business wireless service revenue
- Increase in wireless equipment revenue

EPS

- 2% – 4% EPS growth on an adjusted basis*
- Strength in recurring revenues
- Investment in VBG to drive future performance
- Depreciation & amortization relatively flat YoY
- Interest expense slightly lower than 2019 levels
- Adjusted ETR: 23% – 25%*

Capital Expenditures

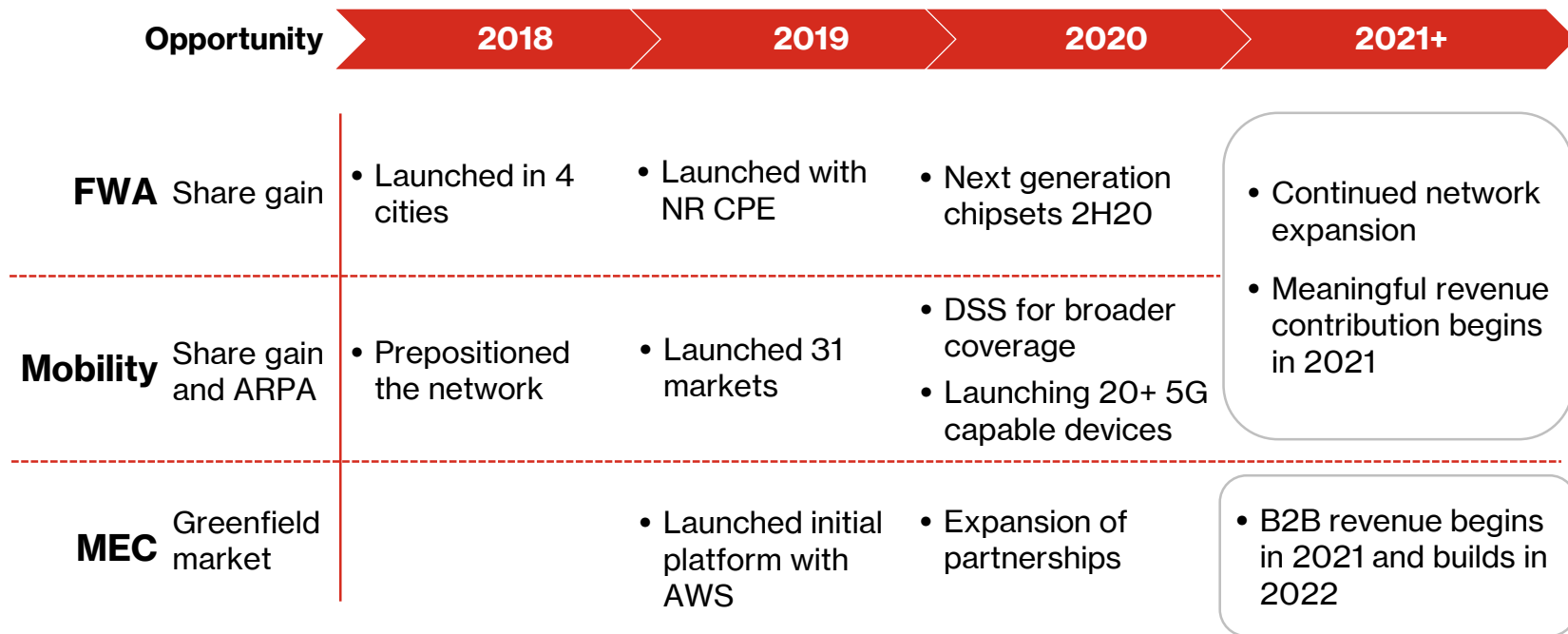
- Capex of \$17B – \$18B
- Capital intensity consistent with historical levels
- Expansion of 5G deployment while maintaining 4G network leadership

Positioned for sustained GDP+ revenue growth

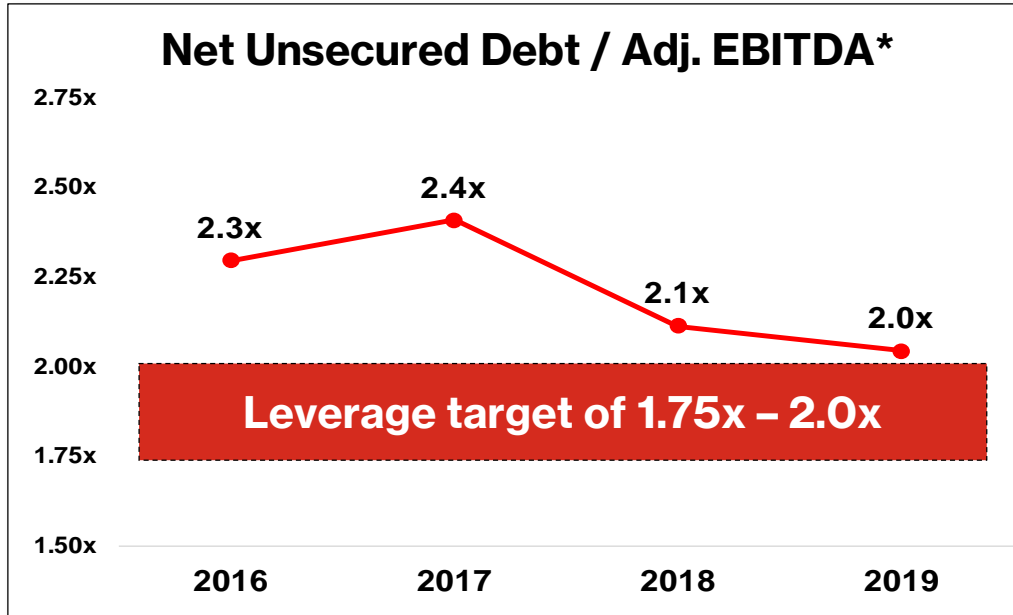
*Non-GAAP measure



Large 5G opportunity ahead



Strengthened balance sheet provides flexibility



2019 performance supported:

- Consistent network investment
- Spectrum acquisition
- Dividend increase
- Strengthened balance sheet

Continued momentum to achieve leverage target

*Non-GAAP measure



Consistent capital allocation

Priority #1

Investment in the Business

Capex

- \$17B–\$18B expected in 2020
- Capital intensity consistent with historical levels

Spectrum

Mergers & acquisitions

- Bolt-on / Tuck-in
- Consistent with strategy

Priority #2

Commitment to Dividend

- 13 consecutive years of increases
- Position to support further consistent dividend increases

Priority #3

Strong Balance Sheet

- Return to pre-Vodafone credit profile
- Strong pension funding
- Target net unsecured debt to adjusted EBITDA* range of 1.75x – 2.0x

Priority #4

Share Repurchases

- Efficient return of excess cash flow to shareholders
- Current authorization of 100M shares

*Non-GAAP measure



Summary

1



Strong momentum heading into 2020

2

2.0

Continued 2.0 transformation driving customer innovation & growth mindset

3

5G[✓]

Scale 5G deployment and ecosystem partnership to drive new revenue

4



Disciplined capital allocation with focus on operational efficiencies

5



Drive differentiated and purpose-driven brand

Positioned for accelerating growth in 2020 and beyond



Verizon Business Group & Partnerships

**Tami Erwin &
Rima Qureshi**

Verizon Business Group

Customer-Centric Transformation

Wireless and Wireline

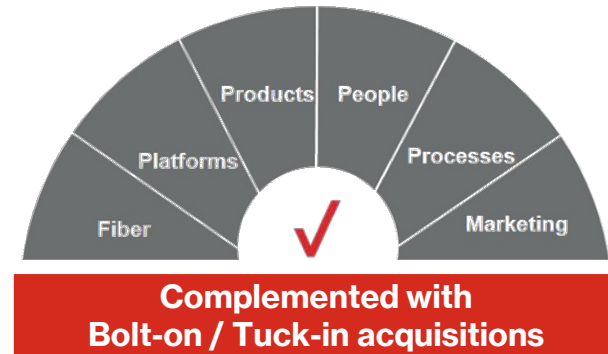
VBG
\$31.4B¹

Routes to Market

-  Business Markets
-  Public Sector
-  Global Enterprise
-  Wholesale

**Headwinds
and
Opportunities**

Investment Priorities



Investing in core capabilities to capture the revenue and margin opportunities of 5G

¹2019 Revenue

verizon

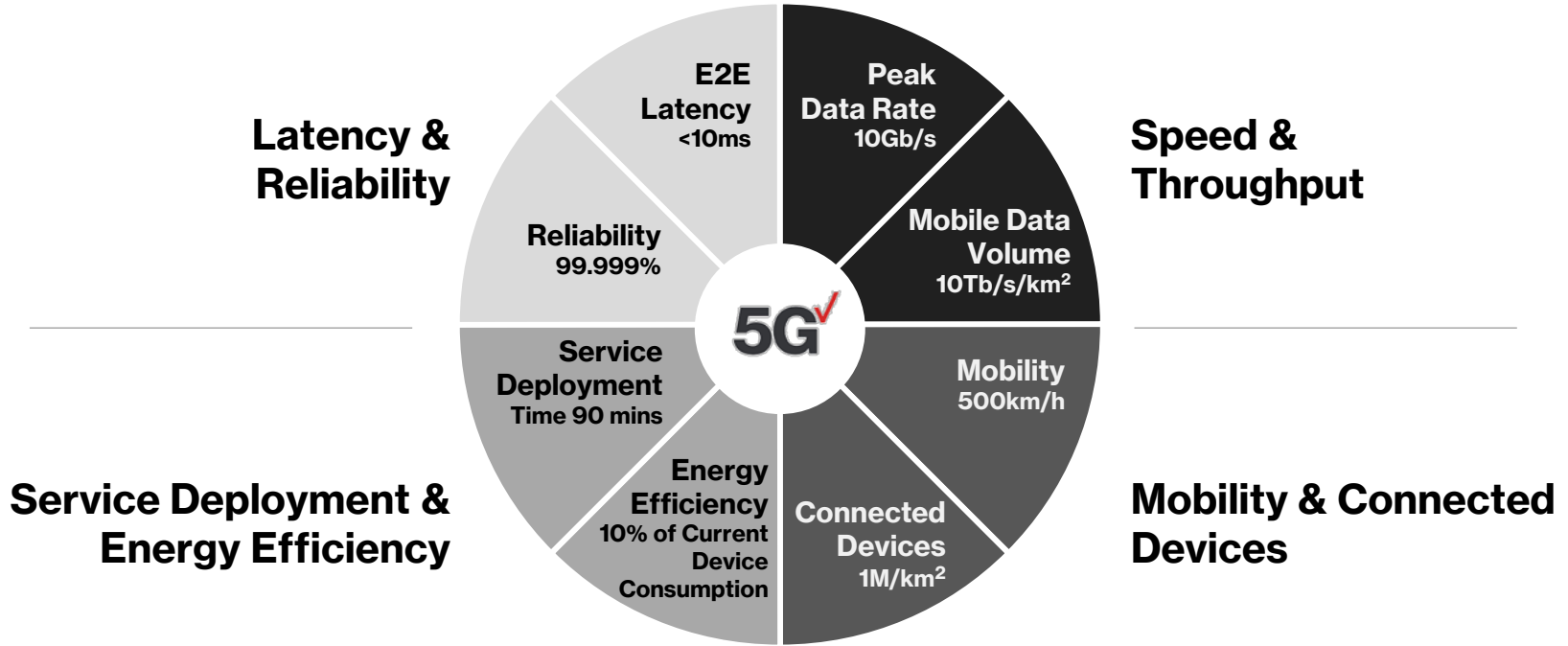
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VBG investments

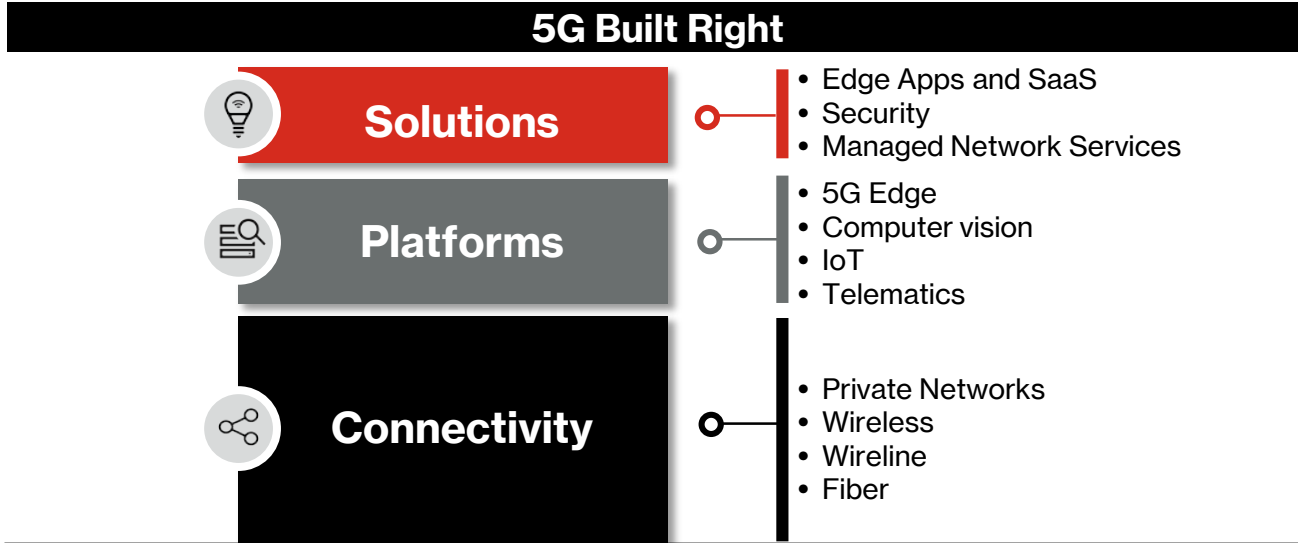


5G Built Right: Verizon Ultra Wideband



Built for industrial and commercial use cases

Leading our customer digital transformation journey



5 Stages of Digital Transformation



5G built right, across every industry vertical



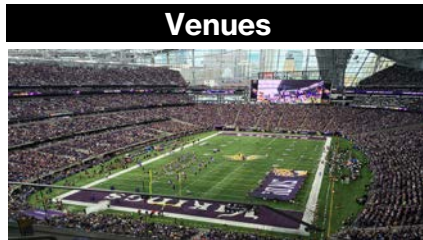
Retail

Real-time transactions



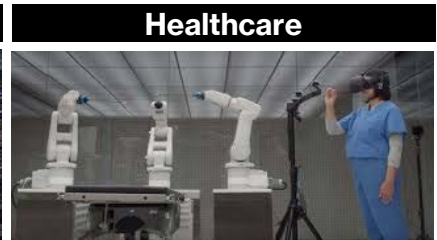
Manufacturing

Autonomous production



Venues

eSports and Gaming



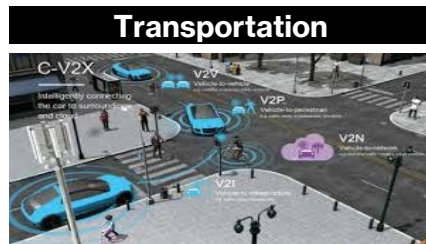
Healthcare

Robotic controlled surgery



Smart Communities

Massive embedded intelligence



Transportation

Vehicle to anything



Construction

Robotic construction

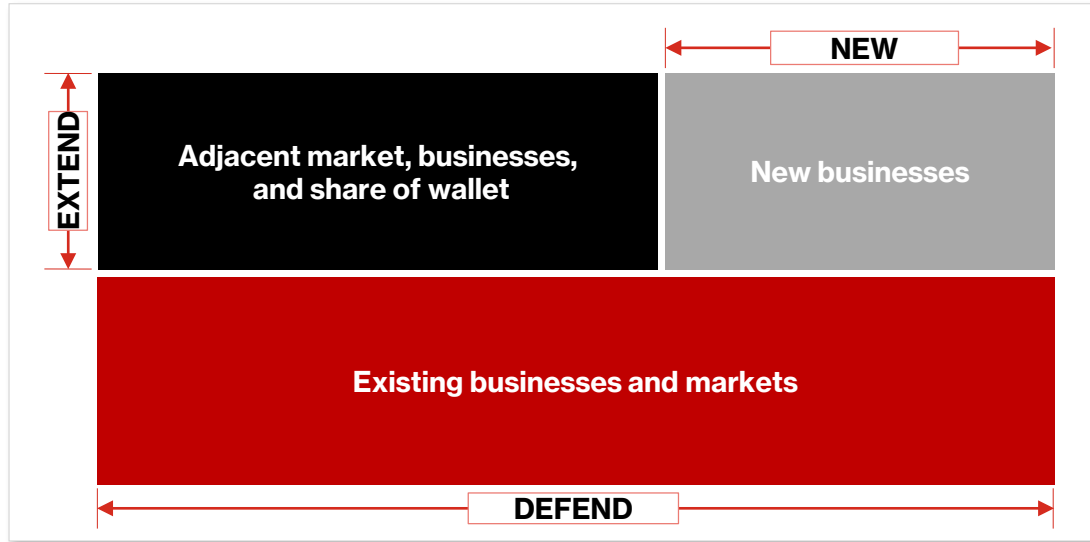


Logistics

Instantaneous delivery

5G was built for industrial applications – 80+ prototypes and use cases

Verizon Strategy – Enablers



Maximized
Existing Assets

Selective
Partnerships

Strategic
Investments

Bolt-on / Tuck-in
M&A

Foundation: Network Strength, Customer Base, Technology Leadership, Scale

Strategic partnerships

Consumer



Business



Media



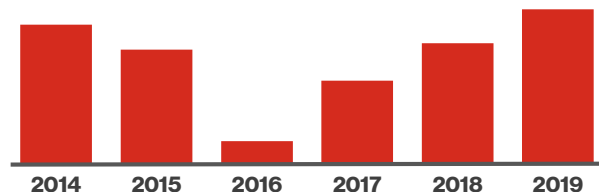
Additional partnerships in 2020

Verizon Consumer & Verizon Media Groups

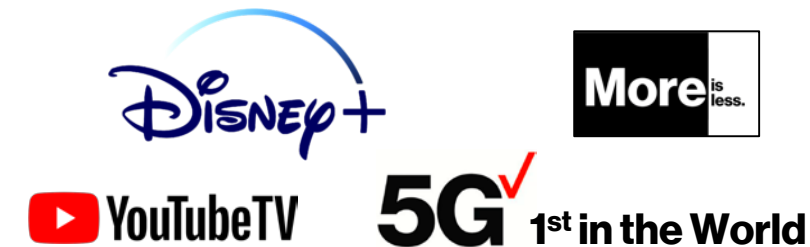
**Ronan Dunne &
Guru Gowrappan**

Building on success of 2019

Highest Wireless Phone Net Adds since 2013!



New Launches



Mobile + Home



1Q'20



Execute our strategy and leverage the strength of the group

1

Strengthen & Grow Core Business

- Network leadership
- Customer innovation

2

Leverage Assets to Drive New Growth

- Deliver segmented connectivity and experiences that customers want

3

Drive Financial Discipline & Strength in Balance Sheet

- Drive value through Quality, Choice, and Experience
- Deliver cost transformation through customer led innovation

4

Infuse a Purpose-Driven & Customer-Centric Culture

- Deepen customer engagement to connect people to their passions
- Put customers at the center of everything we do

VCG

5G[✓] built right

VMG

Verizon's platform strategy enables segmented plays and curated partner experiences

Consumers 

Customer Enhancements



Brands



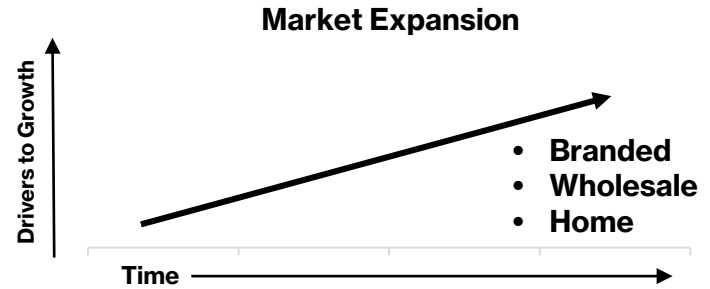
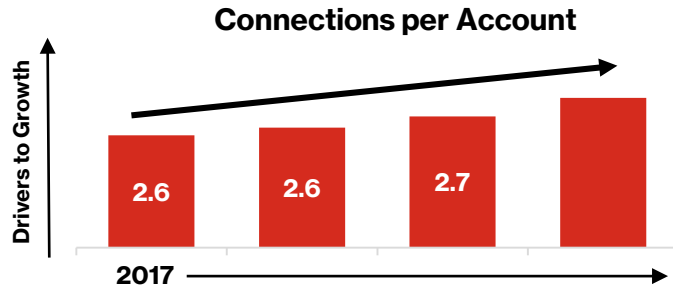
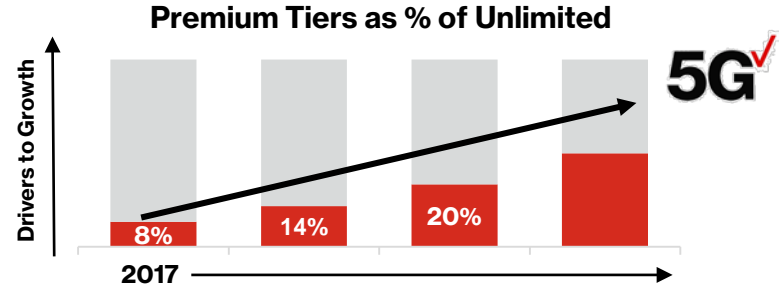
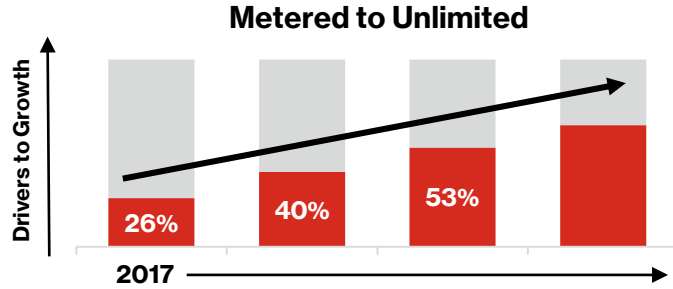
Enabling tech layer

Modular, API-driven, AI-ready technology stack and data layer

Core Platforms



Driving multi-vector growth



5G Built Right.

Mix and Match

unlimited^v

Apple MUSIC

YouTubeTV

Disney+

VMG – building on success of 2019

Overall VMG

verizon
media

#2

Digital media company,
second only to Google¹

Overall NPS

yahoo!

+5

YoY NPS growth

Mail

yahoo!
mail

4.6

Rating on iOS vs.
Gmail at 4.3

Finance & News

yahoo!
finance
yahoo!
news
HUFFPOST

#1

Finance and
News/Information
comScore category

Sports



2B

Minutes watched
(+140% YoY)

Platforms



Demand/
Supply Side



Native



Media
Platforms

Double Digit

YoY growth
for Native & DSP in Q4;
4K streaming capabilities

Recognitions

DIGIDAY

Brand of the
Year 2019

¹Source: Comscore Media Metrix® Multi-Platform, Total Audience, Verizon Media (and Microsoft Partnership), Custom-defined Top 100 properties, Total Unique Visitors/Viewers, December 2019, U.S.C

VMG's Ecosystem Strategy:

trusted content,
commerce,
and networks

to grow
advertising,
subscriptions,
and transaction
revenue

~900M
Unique Viewers Globally
per month¹

HUFFPOST

engadget

Aol.

autoblog

yahoo!

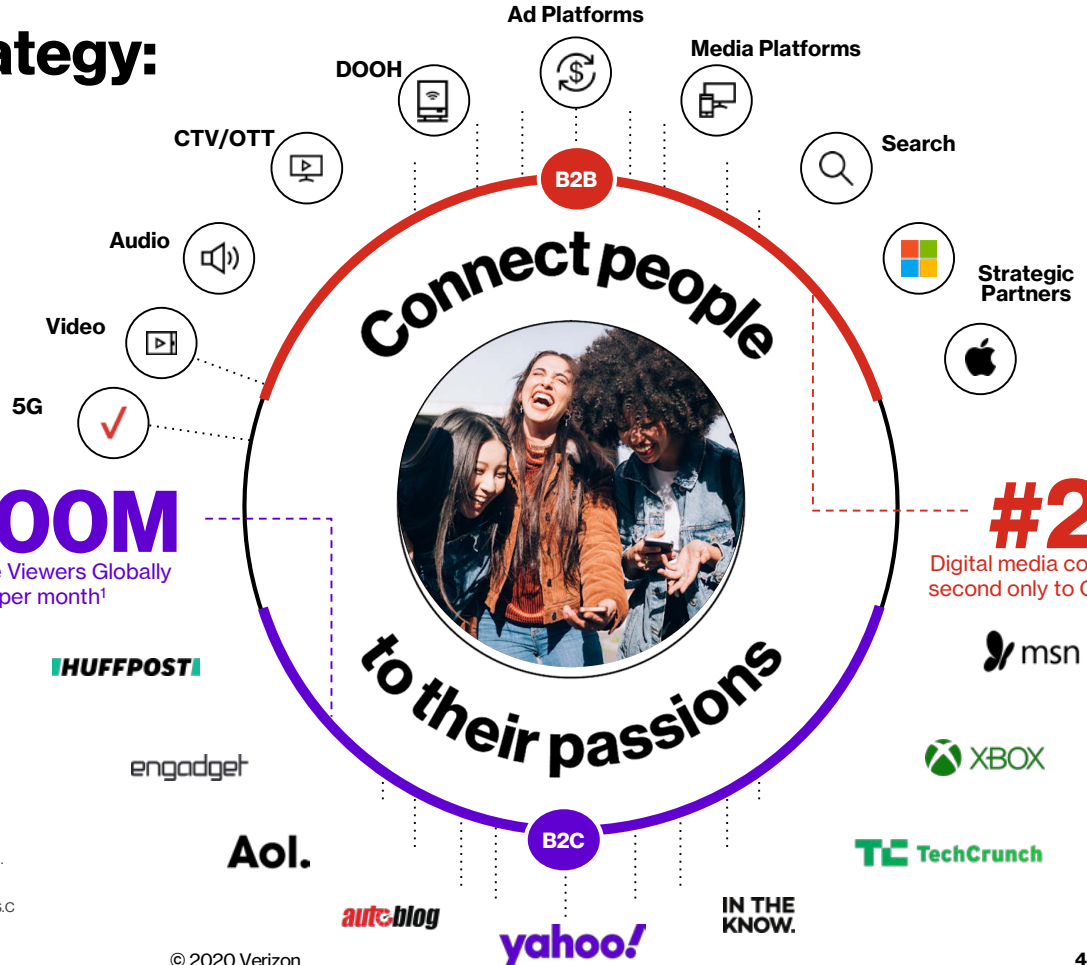
IN THE KNOW.

TC TechCrunch

XBOX

msn

#2
Digital media company,
second only to Google²



¹ Source: Comscore Custom Reporting, Multi-Platform, Verizon Media (and Microsoft Partnership) Avg. January 2018 to October 2019, Global
² Source: Comscore Media Metrix® Multi-Platform, Total Audience, Verizon Media (and Microsoft Partnership), Custom-defined Top 100 properties, Total Unique Visitors/Viewers, December 2019, U.S.C

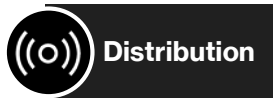
Bringing together the capabilities of Verizon Consumer and Verizon Media via mobility access

**Accelerate Verizon
subscriber growth**

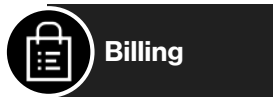
**Diversify VMG
revenue with subscriptions**



**Address new
segments**



**Leverage
digital and
technology assets
as platforms**



**~900M monthly
active users within
the VMG ecosystem
as target audience**

**Create new
subscription services
and incremental
revenue to accelerate
VMG's transformation**

yahoo!
finance

yahoo!
mail

yahoo!
news

yahoo!
sports

Aol.

TC TechCrunch

IHUFFPOST

¹ Source: Comscore Custom Reporting, Multi-Platform, Verizon Media (and Microsoft Partnership) Avg. January 2018 to October 2019, Global

² Source: Comscore Media Metrix® Multi-Platform, Total Audience, Verizon Media (and Microsoft Partnership), Custom-defined Top 100 properties, Total Unique Visitors/Viewers, December 2019, U.S.C

Making 5G impossible to ignore

verizon[✓]

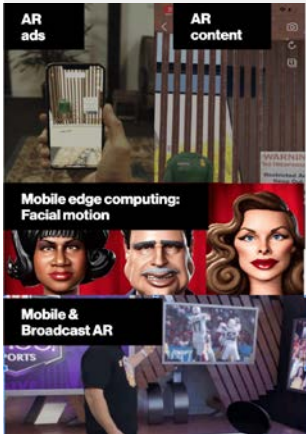
VMG

VCG

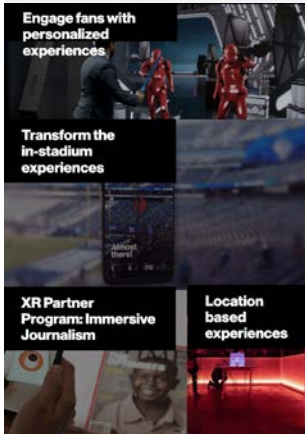
Next gen filmmaking and creators



Immersive content and ads



Fan experiences & partnerships



60+

5G UWB mobile cities

10+

5G Home cities with Next Gen CPE

20+

UWB device portfolio

\$600-\$800

UWB devices

**2020 Targets*

5G[✓] built right

