2\textsuperscript{nd} Quarter 2018
Earnings Results

July 24, 2018
“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.
## Consolidated

### Strong earnings performance

<table>
<thead>
<tr>
<th>2Q '18</th>
<th></th>
</tr>
</thead>
</table>

**Reported EPS**

$1.00

*Includes ~$0.21 due to the net impact of tax reform and ASC 606*<sup>*</sup>

**Special items:**

- **Product realignment charges**: $0.12
- **Severance charges**: $0.06
- **Acquisition and integration-related charges**: $0.02

**Adjusted EPS**<sup>**</sup>

$1.20

*Includes ~$0.21 due to the net impact of tax reform and ASC 606*<sup>*</sup>

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** Non-GAAP measure. Adjusted for special items.
## Supplemental Information

### Impact of ASC 606*

<table>
<thead>
<tr>
<th>($ in millions)</th>
<th>2Q '18</th>
<th>1H '18</th>
<th>ASC 606 Impact</th>
<th>w/o ASC 606 Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Consolidated</strong></td>
<td></td>
<td></td>
<td>2Q '18</td>
<td>1H '18</td>
</tr>
<tr>
<td>Total revenue</td>
<td>$32,203</td>
<td>$63,975</td>
<td>($144)</td>
<td>($189)</td>
</tr>
<tr>
<td>Y/Y Growth</td>
<td>5.4%</td>
<td>6.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA**</td>
<td>$11,865</td>
<td>$23,643</td>
<td>($458)</td>
<td>($881)</td>
</tr>
<tr>
<td>Adjusted EBITDA Margin**</td>
<td>36.8%</td>
<td>37.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| **Wireless** |        |        |        |        |        |        |
| Service revenue | $15,754 | $31,156 | $258   | $638   | $16,012 | $31,794 |
| Y/Y Growth      | 0.8%    | (0.8%) |        |        | 2.5%    | 1.3%   |
| Total revenue   | $22,449 | $44,349 | ($158) | ($193) | $22,291 | $44,156 |
| Y/Y Growth      | 5.5%    | 5.2%   |        |        | 4.7%    | 4.7%   |
| Segment EBITDA*** | $10,733 | $21,210 | ($438) | ($800) | $10,295 | $20,410 |
| Segment EBITDA Margin*** | 47.8% | 47.8% |        |        | 46.2% | 46.2% |

| **Wireline** |        |        |        |        |        |        |
| Total revenue   | $7,459  | $15,016 | ($6)  | ($23)  | $7,453  | $14,993 |
| Y/Y Growth      | (3.4%)  | (2.5%)  |        |        | (3.4%)  | (2.6%) |
| Segment EBITDA*** | $1,505  | $3,108  | ($42) | ($106) | $1,463  | $3,002 |
| Segment EBITDA Margin*** | 20.2% | 20.7% |        |        | 19.6% | 20.0% |

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** Non-GAAP measure. Adjusted for special items.
*** Non-GAAP measure.
Well positioned for future

- Strong financial and operating results in 1H ’18
- 100% ownership of Verizon Wireless
- Technology development and network performance
- Positioning to be the leader in 5G deployment
- Outstanding leadership team in place
- Delivering the promise of the digital world
**Consolidated**

**Focused on delivering profitable results**

Total revenue of $32.2B, up 5.4% Y/Y in 2Q ’18

- Excluding Oath, divested businesses and impact of ASC 606, total revenue of $30.2B, up 2.6% Y/Y*

2Q ’18 Adjusted EBITDA of $11.9B**

- Excluding impact of ASC 606, 2Q ’18 Adjusted EBITDA of $11.4B, up $0.2B Y/Y**

2Q ’18 Adjusted EBITDA margin of 36.8%**

- Excluding impact of ASC 606, 2Q ’18 Adjusted EBITDA margin of 35.6%**

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* Non-GAAP measure.
** Non-GAAP measure. Adjusted for special items.
# Consolidated

## Strong cash generation

<table>
<thead>
<tr>
<th>($ in billions)</th>
<th>1H ’17</th>
<th>1H ’18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow from operations</td>
<td>$9.3</td>
<td>$16.4</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>$7.0</td>
<td>$7.8</td>
</tr>
<tr>
<td>Free cash flow*</td>
<td>$2.3</td>
<td>$8.6</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>$4.7</td>
<td>$4.8</td>
</tr>
<tr>
<td>Total debt</td>
<td>$117.5</td>
<td>$114.6</td>
</tr>
<tr>
<td> Total asset-backed long-term borrowings</td>
<td>$7.9</td>
<td>$8.6</td>
</tr>
<tr>
<td>Net debt to adjusted EBITDA**</td>
<td>2.6x</td>
<td>2.5x</td>
</tr>
</tbody>
</table>

**Note:** Amounts may not add due to rounding.

* Non-GAAP measure.
** Non-GAAP measure. Adjusted for special items.
**Wireless**

**Strong service revenue and EBITDA growth**

Total revenue, excluding impact of ASC 606, up 4.7% Y/Y in 2Q ’18

Service revenue of $15.8B, up 0.8% Y/Y in 2Q ’18

- Excluding impact of ASC 606, service revenue of $16.0B, up 2.5% Y/Y

2Q ’18 segment EBITDA margin on total revenue of 47.8%*

- Excluding impact of ASC 606, segment EBITDA of $10.3B and segment EBITDA margin of 46.2%, up 40 bps Y/Y*

~49% of postpaid phone base on device payment plans

* Non-GAAP measure.
Wireless
High-quality retail base and strong customer retention

398K postpaid smartphone net adds in 2Q ’18
199K phone net adds in 2Q ’18
531K retail postpaid net adds in 2Q ’18*
2Q ’18 retail postpaid phone churn of 0.75%

* Excludes acquisitions and adjustments.
Wireline
Broadband driving Fios revenue

Total Wireline revenue excluding impact of ASC 606 of $7.5B, down 3.4% Y/Y in 2Q ’18

• Consumer Markets revenue excluding impact of ASC 606 of $3.1B, down 1.4% Y/Y in 2Q ’18

• Total Fios revenue excluding impact of ASC 606 grew 2.3% Y/Y in 2Q ’18

• 43K Fios Internet net adds in 2Q ’18

• 37K Fios Video net losses in 2Q ’18

Excluding impact of ASC 606, segment EBITDA margin of 19.6%*

* Non-GAAP measure.
Media and IoT
Strategic positioning for future growth

2Q ’18 revenue of $1.9B
Ad platform integration progress
Drivers of future growth: mobile and video
Delivered strong financial results in 2Q

- Adjusted earnings per share growth of 3.1% Y/Y*
- Wireless service revenue growth of 0.8% Y/Y**
- Retail postpaid phone churn of 0.75%
- Free cash flow of $6.5B***
- Total debt declined by $4.4B sequentially
- Business excellence initiatives yielded ~$0.5B YTD
- Well positioned for future growth opportunities

* Non-GAAP measure. Adjusted for special items, excluding impacts of ASC 606 and tax reform.
** Including impact of ASC 606.
*** Non-GAAP measure.
Strategic positioning

Network Leadership
- Award-winning 4G LTE
- Intelligent Edge Network

Customer relationships
- High-quality base
- Service revenue momentum
- Customer loyalty

Growth opportunities
- 4G / 5G
- Oath
- Verizon Connect & IoT

Long-term value creation
- Profitable growth
- Business excellence
- Strong cash generation
2Q ’18 Supplemental Information
## Selected metrics

**Wireless**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2Q ’18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail postpaid upgrade rate (%)</td>
<td>5.0%</td>
</tr>
<tr>
<td>Postpaid gross adds (M)</td>
<td>3.8</td>
</tr>
<tr>
<td>Postpaid smartphone net adds (000)</td>
<td>398</td>
</tr>
<tr>
<td>Postpaid phone net adds (000)</td>
<td>199</td>
</tr>
<tr>
<td>Postpaid tablet net losses (000)</td>
<td>(37)</td>
</tr>
</tbody>
</table>

**Wireline**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2Q ’18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fios consumer revenue growth rate Y/Y (%)</td>
<td>1.7%*</td>
</tr>
</tbody>
</table>

*Excludes impact of ASC 606.*