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EDITED TRANSCRIPT

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PRESENTATION

David Barden - *BofA Securities, Research Division - MD*

Good morning, everyone, or good afternoon, as the case may be. Thank you for joining us again for our 2021 Bank of America Telco Media Conference. On behalf of Jessica, myself, who just turned to speak, I'd like to welcome everybody for being a part of this again, unfortunately, virtually. We'd love to be in Los Angeles seeing you all in person. Hopefully, that will be the case next year. But we're kicking off this year's conference with a really special presentation from Verizon's CEO of the Consumer Wireless business, Ronan Dunne. Ronan, thank you so much for joining us.

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

David, thank you for the invitation. Great to be back.

David Barden - *BofA Securities, Research Division - MD*

For all the people watching, if you'd like to throw in the question, please see the box at the bottom of your screen on the Veracast and I can kind of try to filter that into our conversation or if you like just Bloomberg me and you can do it that way. Ronan, I know you have a safe harbor slide you need to show.

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

Yes. Thank you. I'd just refer all of you to our safe harbor statement in relation to forward-looking comments and statements I may make. Thank you, David.

QUESTIONS AND ANSWERS

David Barden - *BofA Securities, Research Division - MD*

Awesome. So Ronan, a year ago, we were sitting here having this conversation, I actually had a green screen behind me. We changed how we do it, and we just have a banner. And we were talking about what it was like to be in the wireless business in the middle of the pandemic. We're not all the way out of the issue yet, but we're getting -- I guess the first question I wanted to ask, I think, a lot of people want to know is as we get to the second half 2021, what does business feel like today? How far are we back on the turn into normal?

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

So I think the industry has been remarkably resilient at every level. We've continued to grow and build networks. We've continued to operate. But more particularly, we've continued to innovate products and services. So I think that's very positive.

The second thing I would say is we're definitely seeing a return to normal levels of activity we can measure on the network, the level of activities that we can see. And many of the cities in the U.S. are now at or above the level of network activity back pre pandemic.

I think the third thing, which is contextual for this is, I think, we're seeing some secular trends. I think there's more engagement in the category. I think as we see a consumer-led recovery, I think, there's a strong interest now. Perhaps during lockdown, people were focused on just really making sure that they have the basics sorted. I think there's now a reengagement in the category. We're seeing that in activity levels in our retail stores. And we're seeing it generally in the participation in the upgrade cycle.

And I think, David, that's reflective of the fact that while many people are very significantly financially impacted by the pandemic, probably 70% of households in the U.S. probably have higher savings today than they did 12 months ago.

David Barden - *BofA Securities, Research Division - MD*

So I think when -- just to follow up on that. From a stock market perspective, I think the people are looking for those businesses that have been changed by this experience in the last year, and those that have been advantaged. For instance, us sitting here using Cisco WebEx, running a conference we would never have done this 24 months ago given the choice, but things have changed. And maybe we'll never stop doing these sorts of things in a hybrid kind of way. Can you maybe describe if there's -- if you believe this to be true that how Verizon is kind of a return to work, I mean, to play in the marketplace?

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

Yes. So I think a couple of things is, I think we've evolved the future of retail in a way that we have an immersive retail experience, that's a lower-touch experience. So that's giving people confidence to return to the retail environment. We've seen strong activity in the online environment. And I think that is one of the secular trends that people feel more comfortable now to participate online. And I think that provides good both distribution opportunities and economics opportunities for the industry.

And I think the other thing that I would say is, I think, we have more flexible or more agile business today. So I think we all recognize that this pandemic isn't over. There will be continual evolution of the public health situation. But I think we now have a business model, which is much more flexible, whether that be our ability to reopen a store within 24 or 48 hours after we've had a COVID positive situation where previously it might have taken us 10 days or more, all the way through to the flexibility of how we work.

So it's not just where work gets done, but it's how work gets done. And I think some of the tools that we're using, AI, machine learning, other things, will not just be a benefit for us, but I think increasingly, we will see the suite of B2B capabilities for the wireless industry, will actually be increasingly attractive to the new way of working. So I see that as a growth opportunity for the business, both B2B and ultimately, B2B2C.

David Barden - *BofA Securities, Research Division - MD*

So thank you for that. Let's switch gears a little and kind of go back to the industry-level stuff. One of the things I think is perplexing for investors, and investors don't like to be perplexed is when you and I were sitting here a year ago having this conversation in the second quarter, the prior 12 months, the U.S. wireless industry saw about 4.6 million postpaid phone net adds. Sitting here now in the prior 12 months from the second quarter, the U.S. wireless industry has seen postpaid phone net adds of 8 million. And people are struggling to figure out how that happened and whether it can last. And most people don't think it can last. And if it doesn't, how does that pain get distributed across the marketplace? Could you kind of just start off that type conversation a little bit about that in your initial impressions about what's going on?

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

Yes. So the first thing I would say is I think there is natural growth in the market, that's important to say, and I think it's coming probably from 3 or 4 sources. And as the economy has started to open up again, you've seen a very significant new company formation activity. I think the second quarter was actually the strongest new company formation in history. So I think you're seeing a recovery in that area, which is over 50% of the jobs in the U.S. economy are in small businesses. So I think that's driving. And sometimes, David, the way that represented some of those customers file and report as businesses and some just simply it's an extension of their, it's another line on their consumer plan, so that's one.

I think the reality of the pandemic has also meant that people have accelerated the trends of younger people and older people being connected because of that requirement to make sure that people were readily connected in an environment where people were staying in touch in a different way. They weren't necessarily physically seeing people as often as they were. So we've certainly seen evidence of that slightly younger age group and slightly older age group, who have been coming into the smartphone space. And so I think those trends are real growth.

The other trend, which I think is real growth in the market, is the trend that we've actually seen some growth in the pre-to-post migration area, where I think there's been more business being written in part because of some of the attractive handset offers that have been around the market that have encouraged people to switch over.

And I think the last thing I would say is just generally on connected devices, we're seeing very strong trends of people, who are picking up on cellular-enabled tablets, watches, other things like that. So baseline, I think there's strong growth. But there has also been, there's no doubt, is there's a little bit of phasing, I suspect of, as the economy opens up again. If people are taking a device as they go back to work, there would be some of those lines, which were suspended for a period of time as businesses closed down. So I think there's a little bit of that washing through, and there was a little bit of the Keep America Connected. That was also slightly disrupting I think the reported numbers and just moving them from quarter-to-quarter.

So net-net, I would say there's real growth out there. I would say there's an appetite for people to step up, and we're seeing that in the quality of the business that we're writing. So I'm positive about the trend. And the last thing I would say is I think there's a secular trend of lower churn in the industry overall as we see the high quality of service being offered. So those are all positives I see.

David Barden - BofA Securities, Research Division - MD

Let me ask this, though, because I think that this came up in the first and second quarters when this topic became topical, was the impact of stimulus and also now the Emergency Broadband fund contributing. For instance, we saw 3.1 million EBB customers come into the market in 2Q, another at least -- latest data, it was at least 2-something million so far this quarter. 70% of which, according to new data that's available from the FCC, are mobile. Has Verizon seen a benefit from that? I mean you guys are at the higher end of the market. Obviously, it might not have been such a big benefit for you guys.

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

So we see benefit in a number of places, but it's fair to say that our exposure to the value segment is lower than most of our competitors, subject to the closure of the TracFone transaction later in the year subject to the finalizing of the regulatory approval. But we have seen benefit, we've seen good interest in our fixed wireless access product as we've expanded that out, both 4G and 5G. Inside the Fios footprint, we have seen EBB interest as well.

And I think on the stimulus side, there's no question that the stimulus has given a fillip to the prepay segment. But as I alluded to earlier, I think the combination of stimulus plus some of the handset deals that have been out there have actually seen some of that prepaid stimulus actually flow across into some more people coming across to postpaid. So I think the trend of cord cut or shave that we talk about in the content space, I think there's also an element of there are more households who are looking at being fully wireless with the offer of great mobility connectivity but also fixed wireless access being increasingly an option as we build out choices and soon to be significantly accelerated with the deployment of C-Band.

David Barden - *BofA Securities, Research Division - MD*

Got it. Okay. So let's talk a little bit about that, the competition and some of the aspects and elements of that you just mentioned. I mean 1 of the things that I've been interested in, as you mentioned, the handset promotions, the free handset promotions that have been going on. It makes one wonder a lot of the competition historically is based on network quality, obviously, price and how those 2 are related to one another. And now that free handsets have become kind of the vanguard of the competitive climate. Does that blur the line for the customer? Does that make the customer -- does that encourage the customer to maybe ignore the differences, maybe the nuances even between network quality, between the major players? And really, it's now all about whether I can get a free iPhone or I can get a free Galaxy. And if I can get one of those things and I care about those things, I care about that thing more than I care about the nanosecond of speed difference between one carrier and the other.

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

So if I break it down into its component parts, the first thing to just remind listeners is that about 75% of all of the customers in the U.S. market are on a 4G phone. So when you talk about network quality, of course, we're all representing to our customers the opportunity of 5G, and we're all legitimately excited about the prospects of 5G. But the substance of network experience is still for 75% of people is the 4G network. And in that regard, Verizon continues to enjoy a very strong leadership position there. So while there's always this debate about at the end of a technology cycle, is there a leveling out. The truth is building a great 5G network is predicated on having an incredibly strong underlying 4G LTE network. So we still see a network as a significant consideration for customers. But it's network overall, it's not just simply 5G. That's the first thing to say.

I think the second thing to say is within that, we've seen our churn continue to improve as the industry has overall. So I think we are seeing the good quality customer experience, the balance of choice. This idea that value is defined by quality, choice and experience, which is our mix and match proposition, continues to resonate strongly. And what we're seeing is that the customer behavior is customers are staying longer, and they're spending more with us. So we're seeing real ARPU and ARPA growth. And I think quality of experience, plus choice within the proposition, is what's driving that.

To the very specific point of is the market being driven solely by the promotional layer. What I would say to you is, I think there's real secular trends of people spending more. I think we have more pricing power in the industry today than we've had for a while. And I think the loyalty is continuing to improve. And I would say those are definitely secular trends, both in the industry and for us, because it's not been promo-based because I've had promos in the market at different times over the last 4 or 5 months, some of which have been more focused on upgrading, some of being more focused on switching. And I've seen the same sort of underlying behaviors of strong loyalty, low churn characteristics, high levels of satisfaction in my base.

So I think those trends are ones that are positive to the industry overall. And David, as you know, we have more vectors of growth than our competitors, and that's why when you look at the second quarter, when you think about the share of revenue growth that was going on in the market, we were capturing the largest share of that. That's retail, that's wholesale. That's the whole thing. And we were showing metrics that demonstrated that our postpaid ARPA growth was the strongest in the industry as well. So we're seeing that in both the quality and the quantity of business that we're writing.

David Barden - *BofA Securities, Research Division - MD*

So just at a higher -- again, this kind of industry level. A year ago when we were having this conversation, Sprint/T-Mobile merger was 5 months old. Now it's about 1.5 years. We've seen AT&T do it. It's going to do. We've seen the Sprint/T-Mobile playbook play out, we think, to this point in time. Is the U.S. wireless industry as a 3-player market, healthier or less healthy from a business standpoint as a function of market structure?

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

So I think it's healthier, and I would say that for a number of reasons. The deployment of mid-band spectrum across the industry is allowing us to broaden out the proposition in a way that we are a more capable alternative to the cable industry. So that's one thing I would say.

The second thing I would say is that the evolution of proposition inside and plans inside the industry is allowing more choice in a way that actually meets, I think, the need of the family plan, the multi-line plan, because one size doesn't have to fit all. So I think the industry generally and Verizon specifically has evolved both its offering and its set of capabilities with the partnerships we've delivered through Disney, Discovery, Apple, others that I think has broadened out the offering in a way that wireless is a better alternative than it's ever been.

I think the second thing I would say to you is that as people can think about working from home or working differently, I think the flexibility that wireless has will also mean that we'll see similar trends in the B2B space, where I think that flexibility of office in a box, that ability to work wherever you want to work. Because it's kind of, yes, working from home, but it's not a reality of working from home every day. It's a reality of being able to work from wherever you need to be or wherever you want to be. And I think that drives a very strong opportunity for the wireless industry.

But I would also say, if you look at my Fios business, my Fios business has had its best run over the last couple of years than it's had in 5 or 6 years. And that's a combination of not just pandemic trends, but it's a combination of the recognition of high-quality residential broadband, whether it's delivered through a wireless or wireline product, plus choice in things like content as we've given more choice to cord cut and cord shave has been significant for customers. So I think we've done a really good job as an industry and specifically as Verizon to step up to the plate and not just simply hang on during the pandemic, but continue to evolve the offering that creates, I think, real growth momentum.

David Barden - BofA Securities, Research Division - MD

Good to hear. Let me get back to something that you mentioned, the value for the consumer. I guess in addition to network which we'll talk about in a second, obviously, there's price, there's handsets, which we just discussed, one of the things that's kind of become the thing that kind of is the value for the customer at the margin is the content availability. You guys have struck a lot of content partnerships. Obviously, you just rejiggered the NFL partnership and actually gave up the streaming rights which I thought was interesting. So I was wondering if you could kind of talk about, are these partnerships creating value for Verizon and Verizon's stockholders at the margin? Or is that great value for.

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

Absolutely. Yes, absolutely. I think we talked at the time that we reported on the outcome of the C-Band auction. We talked about product revenues. And we talked about them running at double-digit growth. I think sometimes people see our non-pure service revenues as being low value-add, low margin. The truth is we're growing that business through our partnerships and others at a level that is giving us contribution and margins that's similar to our overall network-based connectivity products. So it's a strong part of the portfolio. It also improves stickiness in an environment where you have a customer with multiple lines on our premium plans. One came for the Apple Music, one loves the flexibility of the choice of the content that's available. Another is a gamer.

What we've done differently to others is we've tailored. This is about customization in a way that really matters to customers. And from a pure economics point of view is we're a distribution platform. We're one of the largest direct to consumer distribution platforms in the marketplace. And as such, we're able to bring real value to the partners. So I think it's a genuine 2-sided business model with a win-win. We're creating value for the partners that we work with. And we're creating real value for our customers. And that's evidenced, David, and that's the thing its money through the till.

That's why our ARPA is growing faster than others in the marketplace. That's why we're seeing -- even though we already have record low churn, that's actually improving further. The number of step-ups that are people moving from both our metered plans to unlimited and then from the entry level of unlimited up into the premium plans. All of those data points are representing proof points that are economic proof points to the fact that this model is working. And I think we have a much more flexible monetization model than our peers do, and that's evidenced in the sort of growth quality that you're seeing in Verizon.

David Barden - *BofA Securities, Research Division - MD*

So I want to kind of move down the layer kind of more to the business side of things. You talked about growth vectors. And we talked at the beginning when we were talking about kind of there's some real growth and there's some kind of nonsustainable growth in terms of postpaid phone net adds. One of those things is prepaid and postpaid conversion. And Verizon's notable in that it hasn't historically had a very substantial prepaid position that's actually participated in the prepaid market via the wholesale market. And obviously, that is primarily through the TracFone business. And I guess a question -- 2 questions there.

One is, can you give us an update on how comfortable you feel about moving ahead and closing that deal, given some consumer group opposition? And second, how do you believe you might be able to use the TracFone phone business to kind of cream skim maybe some of that customer base and bring them up market into the Verizon base?

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

So if I take the geography around this, it's fair to say when you look at our net adds on a quarterly basis, there's one category that we don't really participate in pre to post migration, as you say. So when you exclude that, what I would say is our net add performance in the categories we participate in continues to be very strong, and that's a trend we expect to continue for the balance of the year.

When you take specifically the value segment, we see 2 opportunities. Of course, we're not as much in the flow because of our small prepaid base today. But we actually see the opportunity to innovate inside the value segment itself, so that customers don't have to move out of the value segment out of prepaid in order to get great value and to get great products in the marketplace. So actually, our view on TracFone, where indirectly, we participate through the wholesale revenues in TracFone, we participate in the value segment, the attraction for us of acquiring the asset, and we're very confident about the process completing in the fourth quarter. The progress that we've seen to date has been good. We've had a number of people, who had originally expressed concerns with the FCC who have written recently, public knowledge, some of the unions, and actually wrote to say that the commitments that we've made publicly both to California PUC and in our filings with the FCC have met the concerns that those parties have.

So we think we're on a good trend in that regard. But specifically, the reason we're looking to acquire TracFone is not simply to participate in pre to post migration, we see an opportunity to broaden out the product offering, expand. Yes, we see the opportunity to migrate those that are not on, who are in TracFone's base but not on the Verizon network to the Verizon network and upgrade their network experience. But I think success will be growing the revenues of TracFone and its portfolio within the value segment rather than an overarching desire to migrate people pre to post.

The reason they were moving pre to post is they don't see the offerings, they don't see the value, they don't see the product innovation. I believe that we're well positioned to actually change that value segment. And rather than simply jumping on the pre to post, actually stopping some of the pre-to-post migration that's going on in the industry by better serving the needs of the value segment in situ. And that, for me, is an exciting opportunity, and that's where I think we can make a significant strides forward. And it's not just our traditional mobility wireless product, I also think that that's an exceptionally interesting base for fixed wireless access products as well.

David Barden - *BofA Securities, Research Division - MD*

So that's another growth vector I wanted to kind of just quickly touch on. And it's like -- we only got the 12 minutes left, so we're running out already. But -- so you guys committed to in the fourth quarter, kind of coming out with data that supports your initiative on fixed wireless access. We're sitting here at the end of the third quarter. Presumably, we've made some headway there. Could you kind of give us an update on what is the fixed wireless access business looking like right now? Is it having a meaningful effect or even a noticeable effect on the business? Or is it just still so nascent that it doesn't matter?

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

So we always said that in 2021, the volumes and the financial impact would be immaterial. But what we talked about was the opportunity for the C-Band acquisition to propel the scope of our offering significantly. And we continue to make good progress on that. As part of that enabling, we brought out new hardware just in the last month or so, and that hardware is able to both access the existing spectrum that we have in place from millimeter wave all the way through but also as soon as the C-Band is enabled, will also be able to access the C-Band network. So we're getting the tools in place, the integrated hardware, et cetera, to be ready to participate.

The other thing that we have been doing is as we get ready to switch on C-Band, that means we will have some incremental 4G LTE capacity. And we started to open up some more 4G LTE markets and seen strong demand for a 4G product, which we said is a 25 meg, but where most customers are seeing up to 50 meg on that product. So in many instances, with fewer alternatives, that continues to be an interesting product as well. So when we get to year-end and switch on C-Band, that really introduces a second wave. So the initial one will be 46 PEAs, most of the major metropolitan markets in the U.S. And what we said at the time of the reporting of the results of the C-Band auction, that would mean that we would be approximately 15 million homes passed in total and then building out from there as the other PEAs come on at the end of 2023. So we're on plan for all of that. And therefore, what you expect, David, is that the economic impact, the financial impact starts to grow from 2022.

Now it's important to remind people that like our Fios business, if you think about our Fios footprint, it's essentially a 5- to 7-year cycle to get to your share in a market for residential broadband because the switcher market is driven in large part by people moving home. So what you tend to have is you tend to have penetration over a period of time.

So it's not like we passed 15 million homes at the end of the year, and then on the 1st of January, everybody is in the switcher pool. That's not the case. It will still have most of the characteristics of the traditional wireline cable market in the trends. And that, therefore, means that participation builds over time. And what I've said at the time of the C-Band auction is based on the mix of competition in different markets. For us to have a 20% market share in the 5- to 7-year time horizon seems like both a realistic opportunity and a very attractive business outcome.

David Barden - BofA Securities, Research Division - MD

The original fixed wireless opportunity was a function of the millimeter wave band. And I think you guys had a target of getting to like 5% of network traffic on the millimeter wave network by the end of the year, presumably in these core urban markets, which would then free up capacity for the 4G network and make it better. So I guess should we have been expecting more out of the millimeter wave fixed wireless access deployment? And is that network migration with the millimeter wave happening on track as you expected?

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

Yes. So as the economy opens back up and people start to go out and about, we're seeing probably 2 key metrics that are relevant. One is handoffs, i.e., people moving from cell to cell, very good proxy for activity people moving around, firstly. And what I said to you earlier was that many of the major cities now are at or, in some cases, above the levels of 2019. And what we're seeing is a significant double-digit month-over-month compound growth in the millimeter wave traffic. So that idea of being between 5% to 10% of the traffic on the millimeter wave network by the year-end is still something that we're very comfortable with.

To the context of how millimeter wave interplays in all of this is our deployment of both millimeter wave and C-Band is predicated on delivering an enhancement to the mobility network first and creating an ancillary product opportunity, which is fixed wireless access. So we went to the big public spaces, the big arenas, the big open air areas where there was high traffic demand in the normal times. And so that was the #1 priority.

As we roll out C-Band, we will be deploying it across all of our macro sites. So that gives us a broader footprint than the millimeter wave naturally did. So you should see a layering where the C-Band and the millimeter wave will come together and where there's a density that might otherwise mean that the demand for fixed wireless access might have some capacity constraints. The truth is the deployment of millimeter wave on top of the C-Band means with 1,600 megahertz of millimeter wave, we can essentially refresh the capacity in those areas where we see significant uptake of the C-Band fixed wireless access product.

So you should see them as very much complementary to each other inside fixed wireless access and doing very specific things from a network deployment point of view on mobility, which is the millimeter wave is by far and away, the most efficient bearer at scale to offer the high, high traffic areas, the sort of high-speed experiences that the customers want. So that momentum is very much there. The behavior that we're seeing, we're well over 20% of the handsets in the network now are 5G handsets and the vast majority of now of those are C-Band capable once the C-Band gets switched -- gets switched on, and that is driving a significant increase in the traffic of the millimeter wave, consistent, as we said, between 5% to 10% of the traffic -- total traffic being on that part of our spectrum bands by year-end.

David Barden - *BofA Securities, Research Division - MD*

Okay. Awesome. So I've got a couple of client questions coming in. One of them is relative to, I think, kind of the 5G question. It's interesting that we go 40 minutes and 5G is at the very end of this conversation now. And that's kind of the question, which is the kind of presumption was that Sprint/T-Mobile have this significant spectrum depth advantage with a multiyear lead time relative to the Verizons of the world deploying C-Band. And the question is, do you see that advantage that they have as [Technical Difficulty]

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

I didn't hear that question, David. We lost your audio just at the end.

David Barden - *BofA Securities, Research Division - MD*

All right. Sorry about that. Sorry about that technical difficulties for the telecom analyst, of course. But the question was really does that spectrum advantage give them -- and that time-to-market advantage, is that meaningful? Like is there something out there that if Verizon had it, that you would do that would make it meaningful, but it just isn't happening in the marketplace?

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

So I think the first thing to say and people may be surprised when I say it, but if I take specifically consumers, consumers don't buy technology, they buy what the technology enables. And fundamentally, therefore, the deep rich capability of our 4G LTE network is the foundation of circa 75% of customers experience every single day. As 5G comes along, it's about enhancing the capabilities of the network. It's not selling 5G as a distinct differentiator. For 4G, it's the broad suite of capabilities. It's that enhanced capacity. It's improved uplink speeds that will be relevant to things like AR deployments as they go forward. It's about low latency that creates the opportunity for mobile gaming to be as relevant to people as those who are on their console at home.

So what we've been doing is we've been building out the use cases and the experience cases, which says the enhancement of the network is enriching and deepening the network capabilities that support the stuff that consumers are interested in doing. As such, as we deploy out the 5G network, specifically C-Band, it's fair to say that we can bring more of those currencies of 5G to more customers. But I think the evolution of the product set is broadly consistent and our deployment time line is broadly consistent with the innovation curve that we're seeing around app development and use cases. So I don't think we're at any competitive disadvantage at all. And I think the fact that we have the strongest network as a base layer already means that in that transition phase, we have everything we need to continue to deliver a great experience and increasingly as the C-Band rolls out to actually provide that upgrade of experience to customers as more and more of these 5G-enabled experiences come to market and start to be scaled. And that's where things like gaming, AR, in due course, I think, will be significant.

The other thing I would say is that in millimeter wave, we have the opportunity to deliver an incredible fan experience, great capacity in dense environments. So as people go back to watching the football and other things is, our ability to deliver a fan experience to customers is significantly differentiated from anything else that's out there. So in the today now situation, whether you're on the Jersey Shore and you just realized that because we had deployed small cells, you have fabulous coverage on the beach this year or you're going back to football for the first time in a while, and you're seeing the fact that not only can some people not get a text out, you're streaming in 4K inside the stadium and loving it. That's

the sort of thing that's relevant to customers today. And I think we're on a very good curve to be able to participate in all of the innovation as it rolls out over the next couple of years.

David Barden - *BofA Securities, Research Division - MD*

Okay. I have 10 more questions, but we have 20 seconds left. So I guess we'll wrap it up there, Ronan. Thank you so much for joining us and helping kick off our 2021 Telco Media Conference. We really appreciate you being here. Best of luck with the rest of the year.

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

Thank you very much, David, and really positive about the trends we're seeing and the opportunities for the second half. So thank you.

David Barden - *BofA Securities, Research Division - MD*

Cheers.

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