

# Investor Day 2022

verizon✓

---

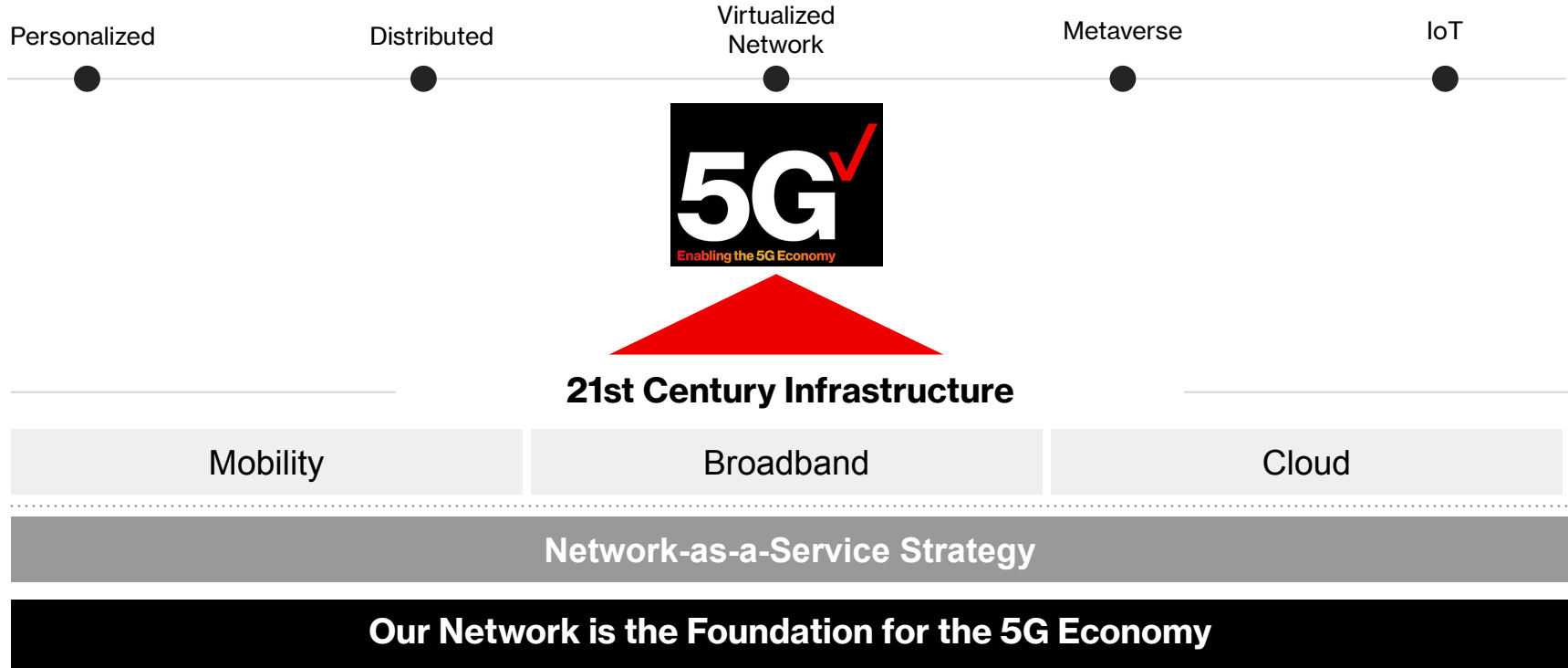
# “Safe Harbor” Statement

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,” “forecasts,” “plans” or similar expressions. For those statements, we claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. The following important factors, along with those discussed in our filings with the Securities and Exchange Commission (the “SEC”), could affect future results and could cause those results to differ materially from those expressed in the forward-looking statements: cyber attacks impacting our networks or systems and any resulting financial or reputational impact; damage to our infrastructure or disruption of our operations from natural disasters, extreme weather conditions or terrorist attacks and any resulting financial or reputational impact; the impact of public health crises, including the COVID-19 pandemic, on our operations, our employees and the ways in which our customers use our networks and other products and services; disruption of our key suppliers’ or vendors’ provisioning of products or services, including as a result of geopolitical factors, the COVID-19 pandemic or the potential impacts of global climate change; material adverse changes in labor matters and any resulting financial or operational impact; the effects of competition in the markets in which we operate; failure to take advantage of developments in technology and address changes in consumer demand; performance issues or delays in the deployment of our 5G network resulting in significant costs or a reduction in the anticipated benefits of the enhancement to our networks; the inability to implement our business strategy; adverse conditions in the U.S. and international economies; changes in the regulatory environment in which we operate, including any increase in restrictions on our ability to operate our networks or businesses; our high level of indebtedness; significant litigation and any resulting material expenses incurred in defending against lawsuits or paying awards or settlements; an adverse change in the ratings afforded our debt securities by nationally accredited ratings organizations or adverse conditions in the credit markets affecting the cost, including interest rates, and/or availability of further financing; significant increases in benefit plan costs or lower investment returns on plan assets; changes in tax laws or treaties, or in their interpretation; and changes in accounting assumptions that regulatory agencies, including the SEC, may require or that result from changes in the accounting rules or their application, which could result in an impact on earnings.

**This presentation includes the following measures, each of which is a non-GAAP financial measure: adjusted earnings per share, free cash flow forecast, net unsecured debt/adjusted EBITDA ratio, and net unsecured debt/adjusted EBITDA ratio forecast. As required by SEC rules, we have provided a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures in materials on our website at [www.verizon.com/about/investors](http://www.verizon.com/about/investors).**



# Network-as-a-Service



---

# Key Verizon Milestones

## 2019

---

mmWave Acquisition

Verizon Intelligent  
Edge Network

First to 5G

Mix & Match Launch

Verizon 2.0 Model

First Industry Green Bond

## 2020

---

Nationwide 5G

Public MEC Launch  
with AWS

Private MEC Launch  
with AWS + Microsoft

CBRS Acquisition

Citizen Verizon

## 2021

---

C-Band Acquisition

TracFone Acquisition

VMG Divestiture

10-Year NFL 5G Deal

EDISON Alliance

## 2022

---

C-Band Deployment

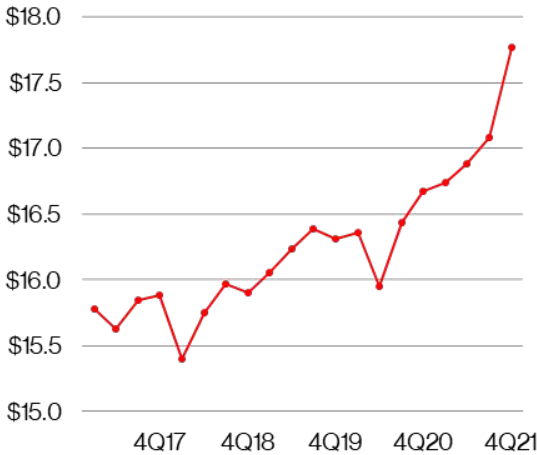
Mix & Match 4.0

Verizon Ultra Internet  
for Home & Business

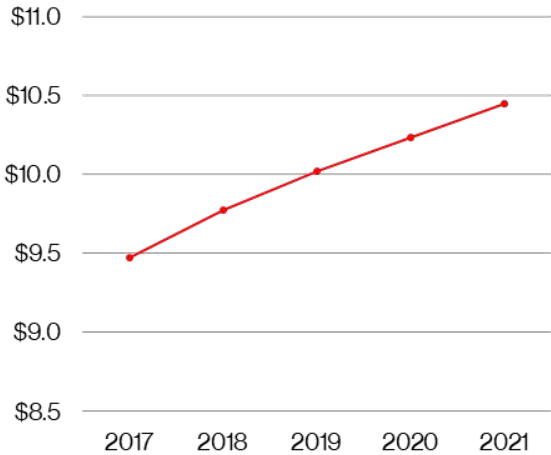


# Delivering Financial Performance and Growth

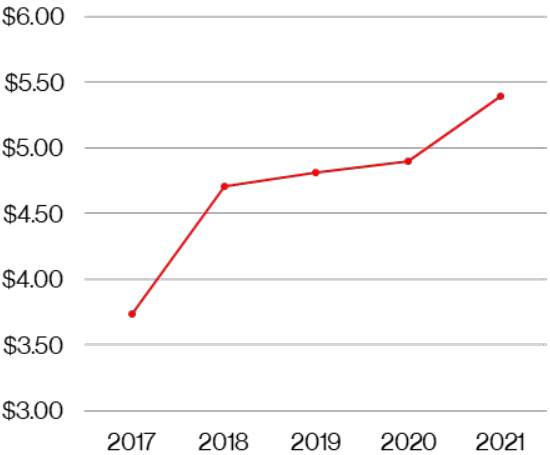
**Wireless Service Revenue**  
\$B



**Dividends**  
\$B



**Adjusted EPS**  
\$ per Share



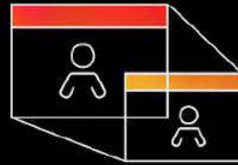
## 5 Vectors of Growth



**5G Mobility**



**Nationwide  
Broadband**



**MEC & B2B  
Solutions**



**Value Market**



**Network  
Monetization**

**5 Vectors of Growth Drive Verizon's Performance**



---

# Financial Outlook Overview

## Revenue Growth

4% annual service and other revenue growth in 2024 & beyond

## Strong Margins

NaaS to drive long-term consolidated Adjusted EBITDA growth at or above revenue growth

## Capital Intensity

Reduction below pre-C-Band levels

## Leverage

Achieve target long-term leverage ratio of 1.75-2.0x by 2025

## Return of Capital

Dividends and Buybacks

## ESG

Invest \$3B in Digital Inclusion by 2025 & carbon neutral operations by 2035



# Rima Qureshi

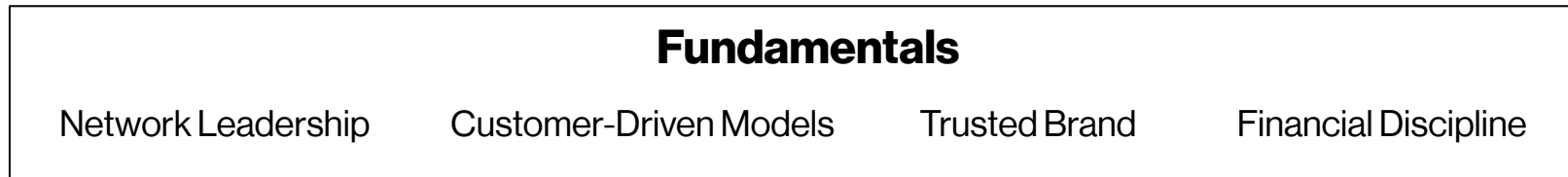
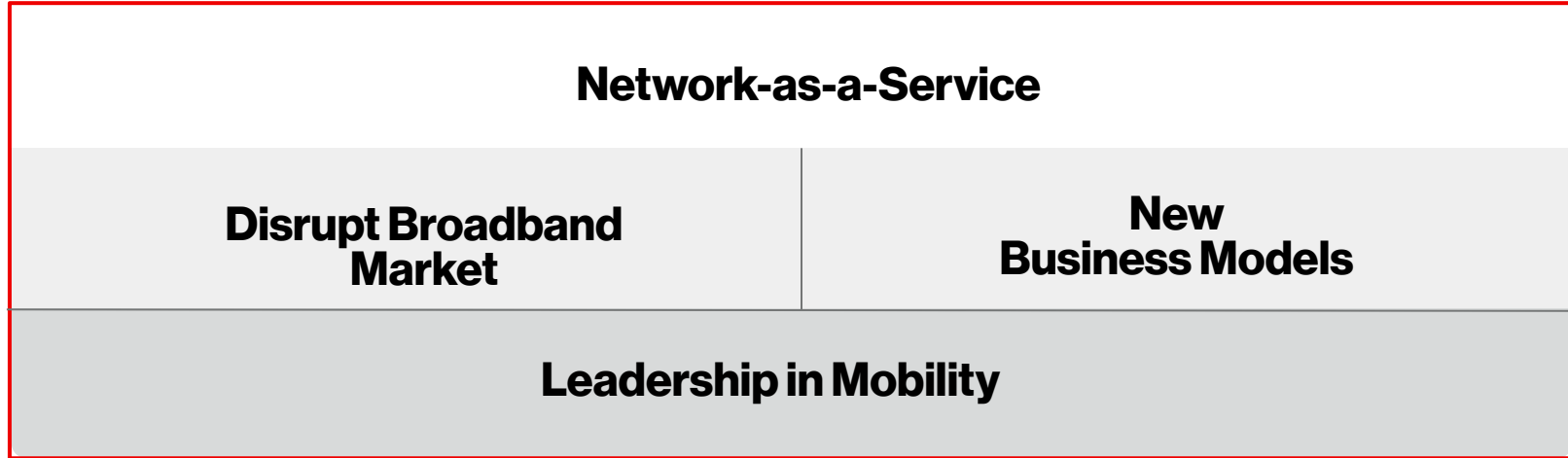
---

EVP & Chief Strategy Officer

@QureshiVZ

---

## Network-as-a-Service Framework



# Investments Enabling Our Strategy

## Network

iEN

OneFiber

## Spectrum

C-Band

mmWave

## Acquisition

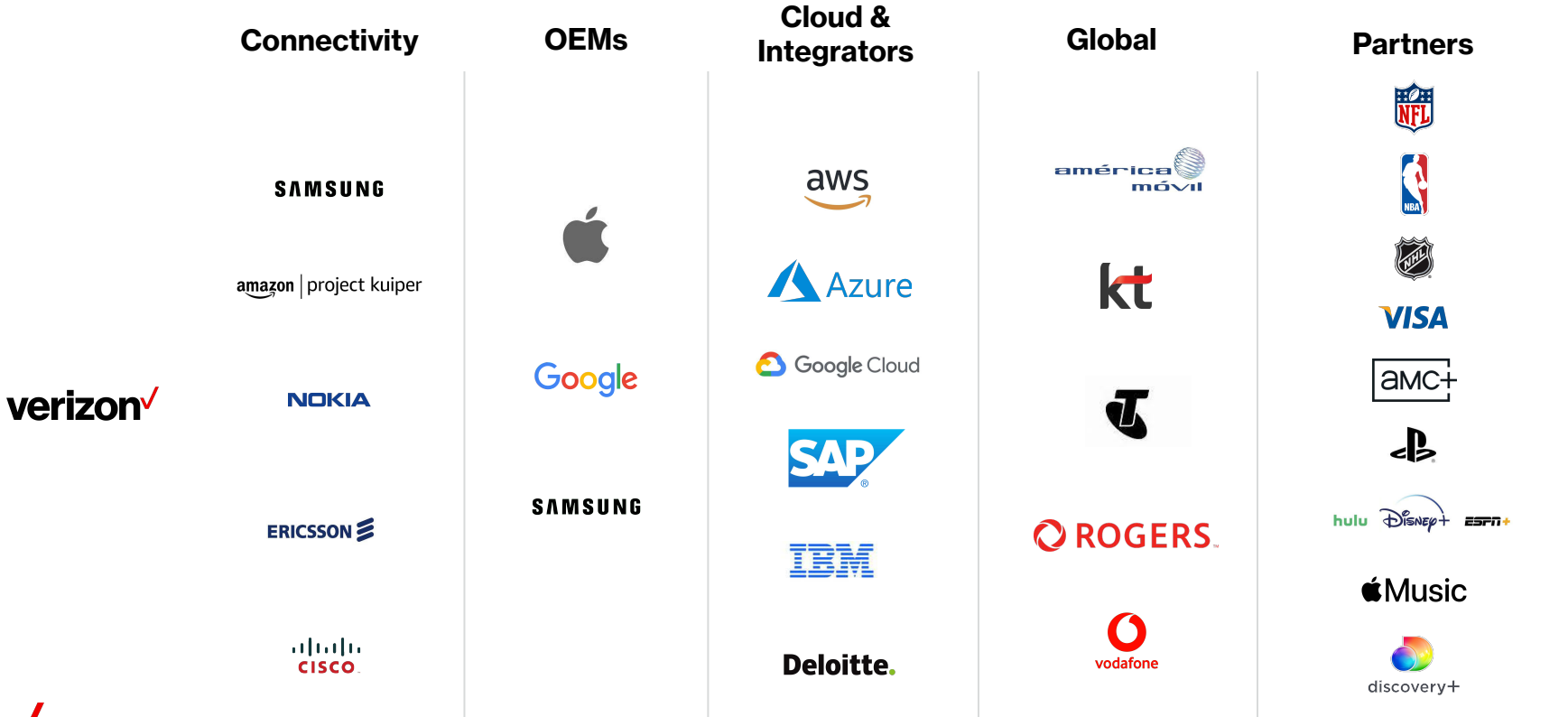
Tracfone®

BlueJeans

**Strategic Investments are the Key Enablers that Accelerate our Strategy**



# Building an Ecosystem Around Us



## First-of-its-kind Strategic Partnership

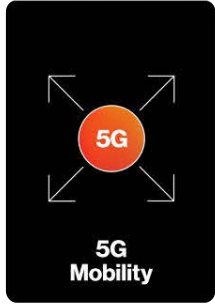


- The Metaverse represents a new use case of Verizon's multi-purpose network
- Partnership to determine:
  - Verizon's network requirements to support XR cloud rendering and low latency streaming
  - Measure impact of edge computing with Verizon's MEC infrastructure on key performance metrics for metaverse optimized experiences

**Verizon's Network will Enable the Metaverse**



# Network-as-a-Service Overview



- + Drive new customer growth
- + Increase revenue via step-ups, premium offerings and subscription services

## Measures of Success

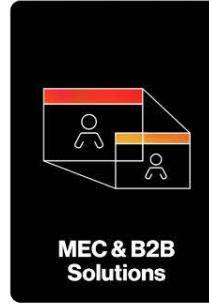
- + ARPA
- + Subscribers & Accounts
- + Premium Unlimited Penetration



- + Capture share
- + Fiber
- + Fixed Wireless Access (FWA)

## Measures of Success

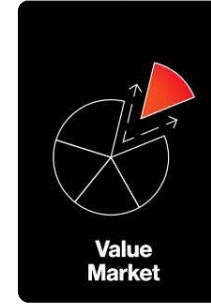
- + Households and Businesses Covered
- + Total Subscribers



- + Build on the first mover advantage
- + Edge computing and next-gen enterprise solutions

## Measures of Success

- + Total Revenue



- + #1 Share



## Measures of Success

- + Prepaid ARPU
- + Prepaid Subscribers
- + Prepaid Revenue



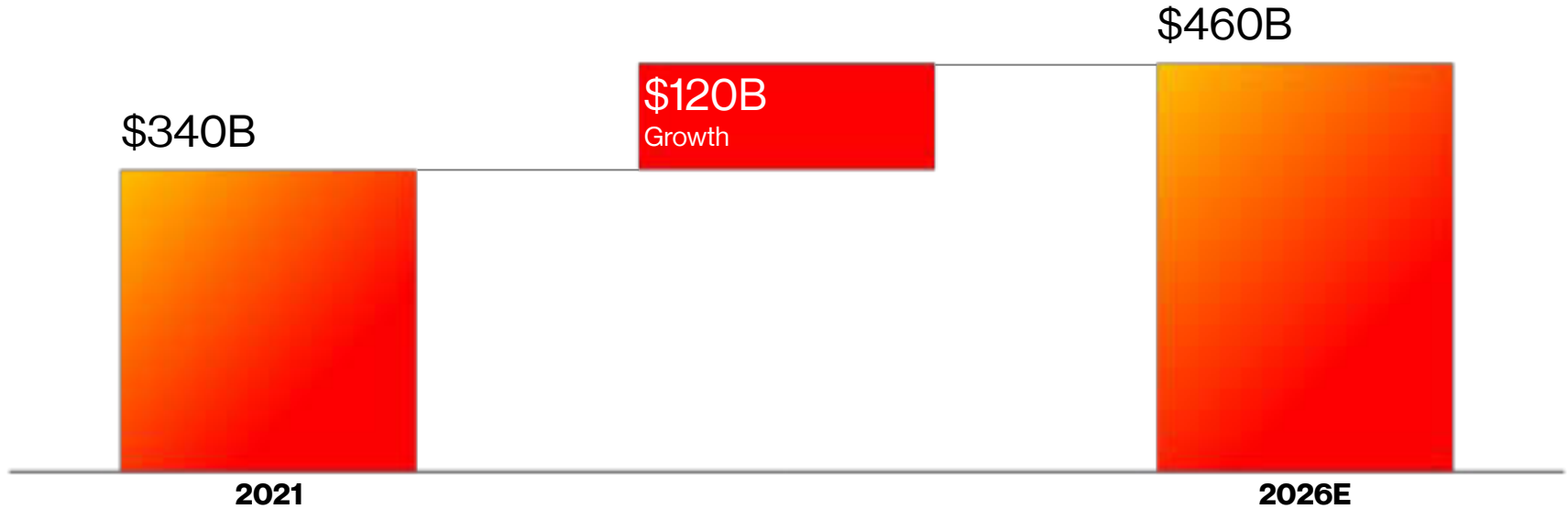
- + Return on invested capital
- + Wholesale, MVNOs, and other strategic partnerships

## Measures of Success

- + Wireless Service Revenue



# Addressable Market



**\$120B Serviceable Addressable Market Expansion over Next 5 Years**



---

## More Pathways to Growth

- **Consistent strategy driving execution**
- **Portfolio of assets designed to compete**
- **Vibrant ecosystem, redefining our market**
- **Multiple new paths to growth**



# Kyle Malady

---

EVP & President,  
Global Network and Technology

---

# Global Networks & Technologies Enable NaaS



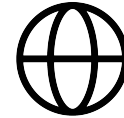
**Build the world's  
best networks**



**Deploy the world's  
best systems**



**Drive best  
efficiency**



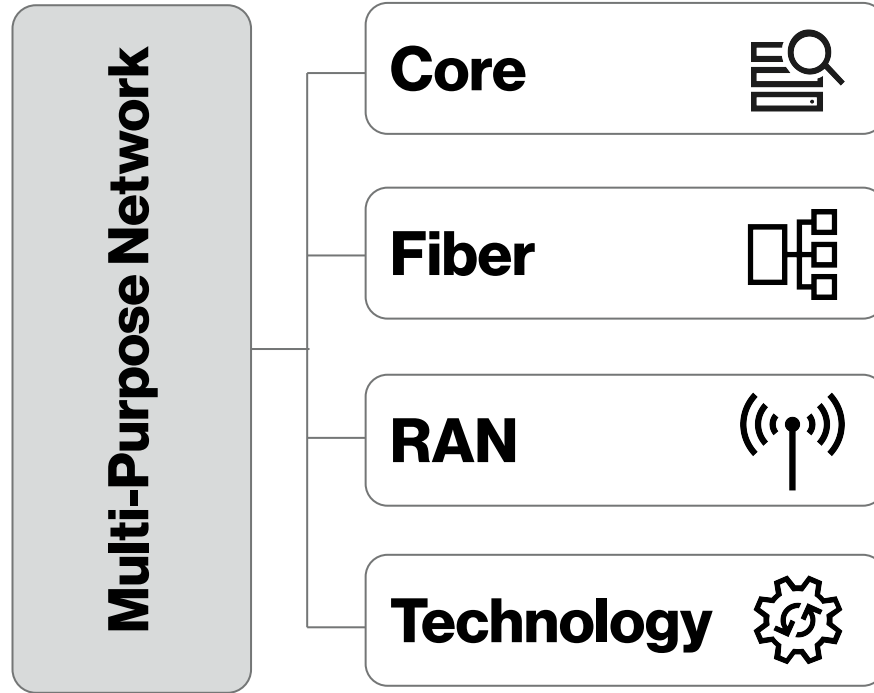
**Develop the world's  
best culture**

**4 Pillars Serve as Foundation for NaaS Strategy and Underpin the 5G Economy**



---

## What Makes Us Different



---

## Verizon Intelligent Edge Network Vision Supports NaaS

**1**  
**Core**

**93%**

**Reduction  
in Edge  
Routers**

**90%**

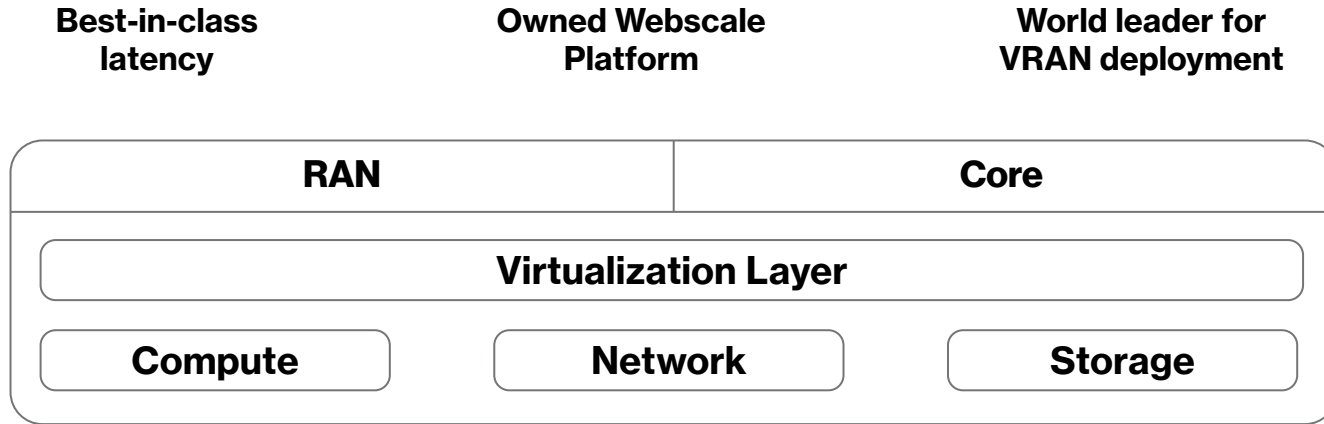
**Reduction in  
Transport  
Network Elements**

**iEN Driving over \$1B in Cumulative Benefits**



---

# Virtualization is Transforming Networks



**Verizon is a World Leader in VRAN**



---

## Fiber is Fundamental to NaaS

---

### Sites on Verizon Fiber

YE 2021

**45%**

Expect 50% YE 2022

---

### Fios Open for Sale

YE 2021

**16.5M**

Expect Incremental 550K in 2022

**Owned Fiber Assets Improves Performance and Reliability**



---

## Fiber Owner's Economics

---

**Expected Backhaul Increase**

**10x**

---

**Owner's Economics Benefits**

**~\$300M**

**Access cost savings in 2021**

**Fiber Owner's Economics Drives Cost Efficiency**



---

## Transforming the Network

**4.5M** Circuits  
Off Copper

**60M** kWhs Saved

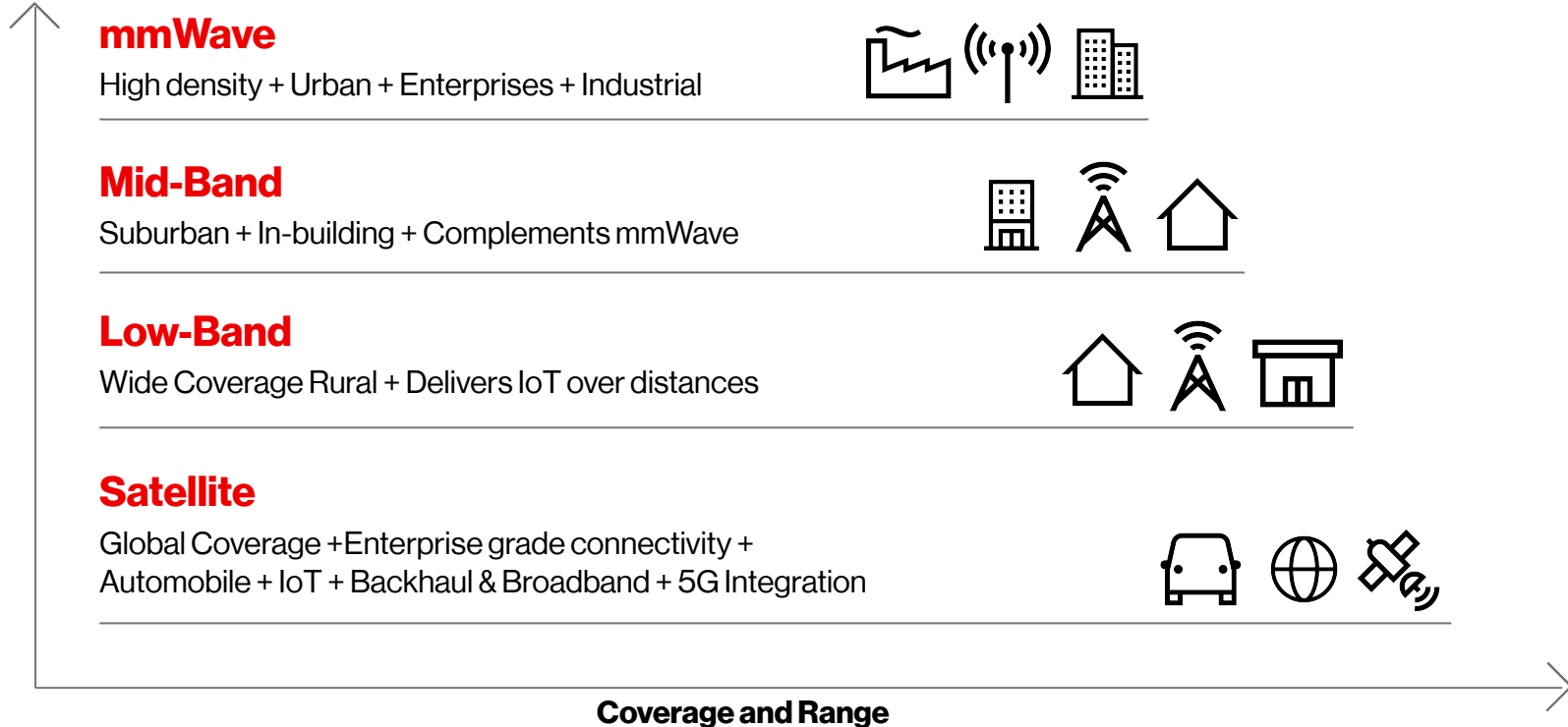
**36** Wire Centers  
Converted to Fiber

**11%** Copper Trouble  
Reduction YoY due to  
network transformation

**Copper to Fiber Transformation Drives Additional Cost Savings**

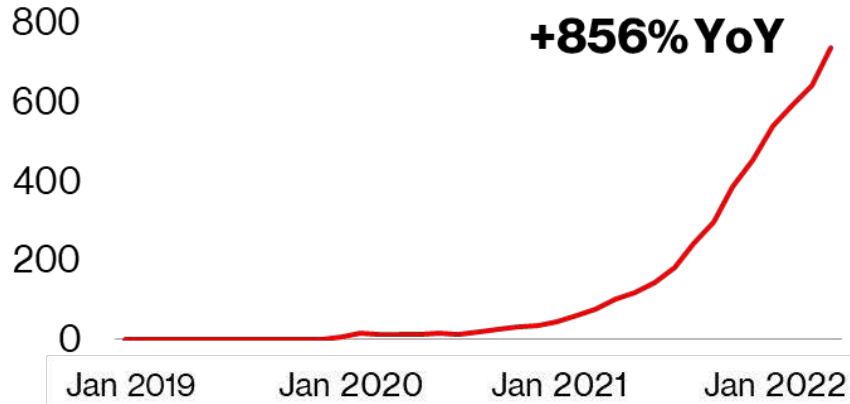


# Industry Leading RAN Design

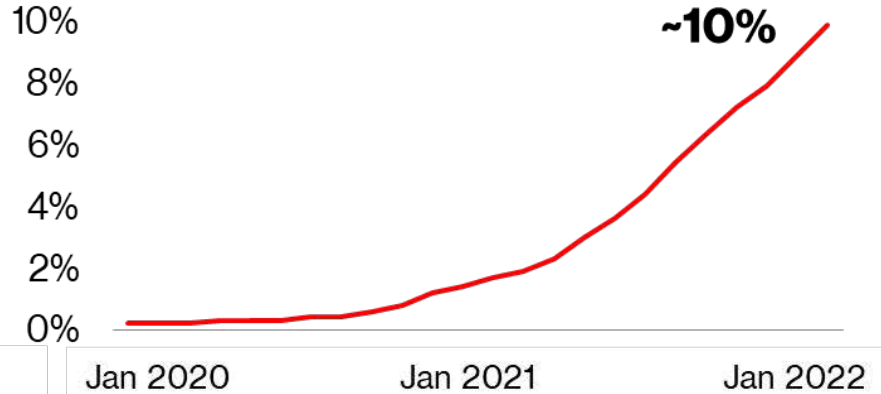


# mmWave Usage is Growing Fast

**mmWave Usage Growth**  
Avg. daily usage (TB)



**mmWave Usage in Deployed Footprint**  
Percentage usage on mmWave



**mmWave is Vital to 5G Plan to Support and Scale Usage in Dense Areas**



## C-Band Performance

**Ultra Speed**

Peak DL speeds  
on C-Band

**>900**

Mbps

Peak DL speeds  
with aggregation

**>1**

Gbps

Unique devices connected  
to C-Band network

**12M**

**Massive  
Capacity**

C-Band  
Spectrum (MHz)

**60**

Today



C-Band  
Spectrum (MHz)

**161**

2023+

**C-Band off to a Fast Start with Better than Expected Performance**



---

## Efficient Use of One Network for Mobility and FWA

---

### Peak Mobility Usage

**12PM –  
6PM**

While customers are at work

### Peak FWA Usage

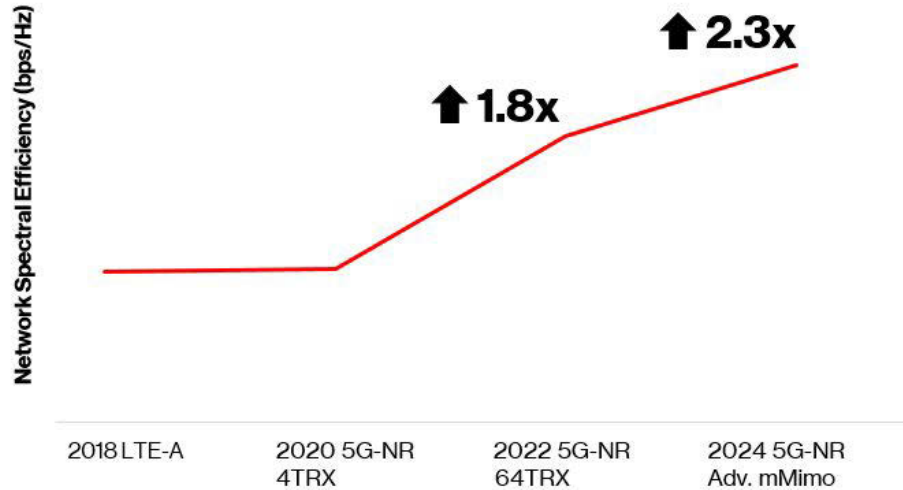
**7PM –  
9PM**

While customers are binge watching video

**Mobility & FWA Peak Usage is Complementary**



# Spectral Efficiency Forecast with C-Band



## Capacity Enablers

- More spectrum
- Complementary usage patterns
- Bits per Hertz efficiency

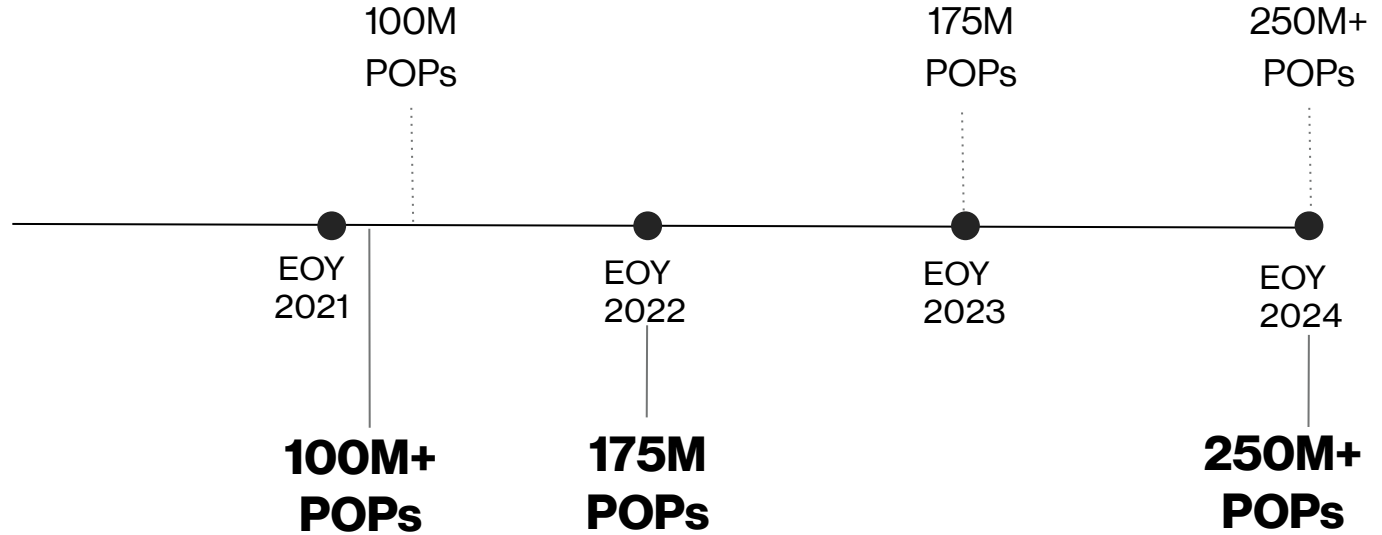
**5G Spectrum is 80% more Efficient than LTE**



## C-Band Coverage Exceeding Expectations

**2021**  
**Investor Day Guide**

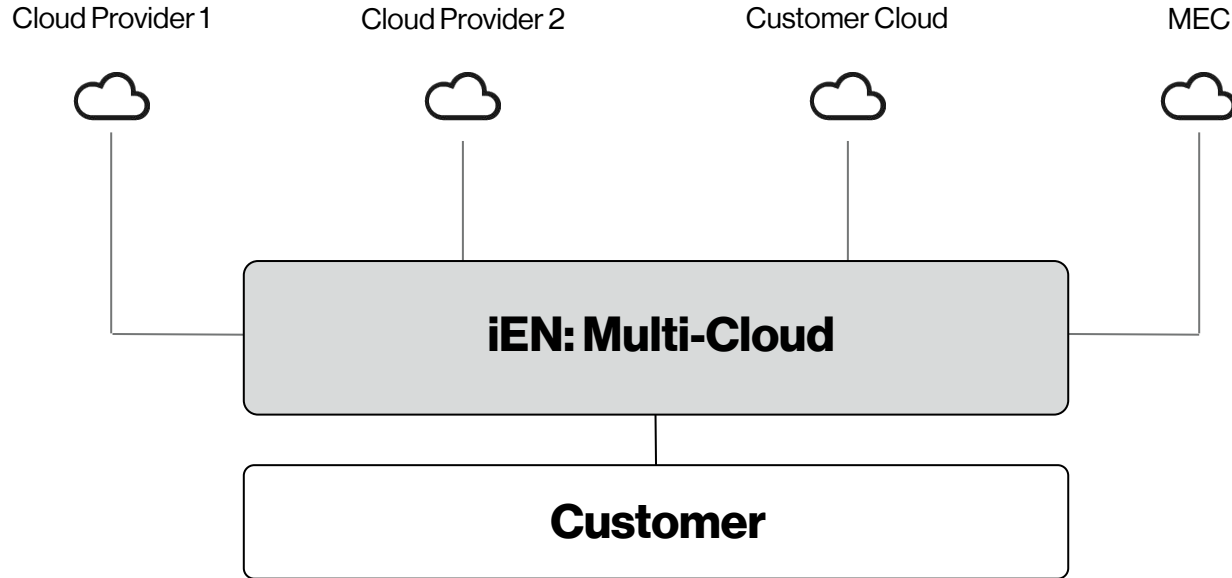
**2022**  
**Investor Day Guide**



**C-Band Deployment is Accelerating Faster than Original Build Plan**



# Network Leadership in MEC & Multi-Cloud Services



**Leverage Intelligent Edge Network to Connect Customers to Multiple Cloud Environments**



# 5G Services Evolution

Capabilities

**LTE, 5G Broadband, Fixed  
Wireless, Voice over LTE**

**Consumer & Private  
Network Slices**

Technologies

## Evolved Packet Core

Non-Standalone → Standalone → Ultra Reliable

**Cloud Native 5G Packet Core**

**5G Core Evolution will Enable Network Slicing Use Cases as the Ecosystem Evolves**



---

# Advanced Fios Network

**Multi-gig up to 10 Gbps symmetrical using NG-PON2**

**Speed**

**Efficiency**

**Multi-Purpose**

**Reliability**

**Upgraded Technology Enhances Fios Customer Speeds**



---

# Internet of Things

- **Cloud integration and digitization**
- **Market-leading platform**
- **Coverage**
- **Low latency**
- **Real-time**

**Unique Network Capabilities Make Verizon an Ideal IoT Partner**



---

## More Pathways to Growth

- **Network leadership in core, fiber, RAN and technology**
- **Reliable, differentiated and scalable platform**
- **Top engineering talent**



# Tami Erwin

---

EVP & Group CEO Verizon Business

@TamiErwinVZ

---

# Path to Accelerated Growth



**Be our customers'  
choice for their digital  
transformation journey**



**Build on our strong  
leadership position**



**Expand into new  
growth categories**

**Network-as-a-Service**



---

## Market Leader in Mobility and Fiber Broadband

**44%**

### Wireless Share

---

#1 in Wireless across  
Enterprise, Public Sector & SMB

**49%**

### B2B Fios Share

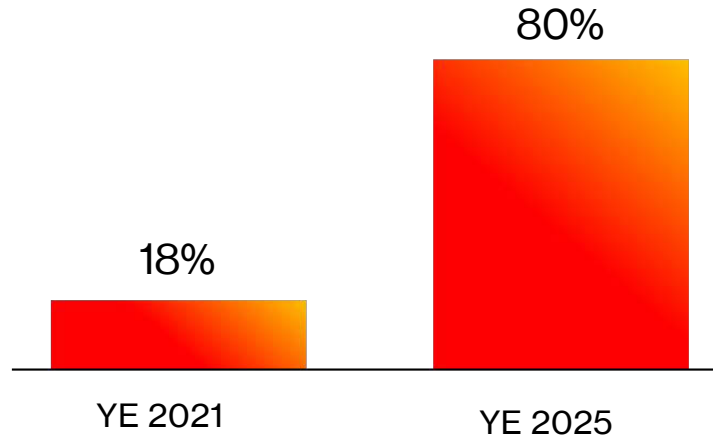
---

#1 broadband provider in  
Fios footprint



# 5G Mobility

## 5G Phone Adoption Outlook



## Expected 5G Mobility Drivers

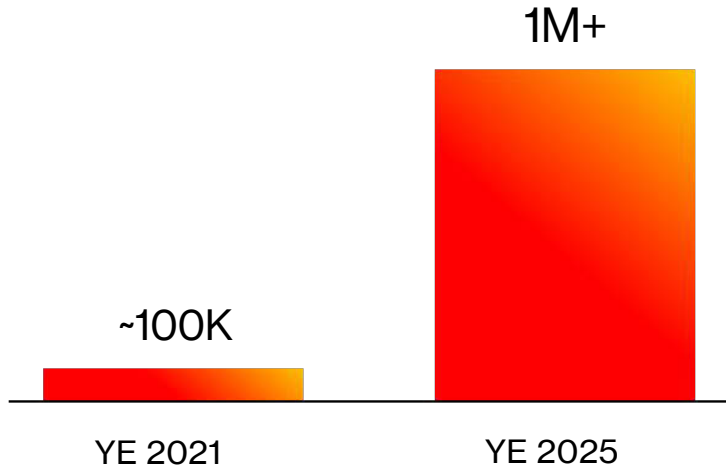
- Continued growth in premium plan step-ups
- Suite of above network products
  - Security
  - One Talk
  - Unified Communications

**4Q21 Delivered Highest Wireless Win Share in More than 2 Years;  
C-Band Accelerates Industry-Leading Market Share Growth**



# Nationwide Broadband

## Fixed Wireless Access (FWA) Subscribers



14M

Expected FWA business locations covered by 2025

**FWA as Primary Broadband Access for Every Customer Segment and New Use Cases**



---

## Verizon Addressable Opportunity by 2025

**\$30B**

Private Networks +  
Edge Compute +  
Enterprise Solutions

- Rapid ecosystem development
- First and only player with all 3 major cloud platforms
- Seamlessly integrate Public and Private MEC into hybrid, multi-cloud solutions



---

## 5G Enables Increased Sensor Capacity & Accelerated Adoption

**Continued double-digit IoT  
connections growth expected**

**Honeywell**



Cooler Screens®

**nuro**



---

# Enterprise Private Networking Solutions



**Increased  
Productivity**



**Revenue  
Opportunity**



**Cost  
Savings**



**Network  
Customization**



**Operations  
Monetization**

**Gateway to Enable 5G Private Edge Computing**



---

# Private Networking Use Cases



**In-building coverage  
with Hybrid MEC**



**Financial  
Services**



**Industrial  
Operations**



**Logistics**



**Automotive**



**Education/  
Universities**



**Sporting Events  
& Entertainment**

**Superior Network Positions Verizon to Drive the Market to Accelerated Adoption of Private Networks**



---

# Business Transformation

1

New Customers & Revenue Acceleration

2

Enhanced Customer Experiences & Digital

3

Strong Cost Control & Business Simplification Initiatives

**Targeting 25% EBITDA Margin**



---

## More Pathways to Growth

- **Building the 21st Century infrastructure:**
  - **Mobility, Broadband & Cloud**
- **Accelerating Growth with Many Ways to Win**
- **Delivering Transformational Customer Outcomes**



# Manon Brouillette

---

EVP & Group CEO Verizon Consumer

@brouilletm

---

# Even Stronger Consumer Group than 12 Months Ago

# 1

**Diversified  
brand portfolio**



v's'ble



SIMPLE  
Mobile

SafeLink  
WIRELESS

total  
wireless

Walmart  
FamilyMobile

Verizon  
Prepaid

# 2

**Home broadband  
coverage**

100M POPs mobility C-Band coverage

30M FWA HHs coverage

# 3

**Connecting everyone,  
everything, everywhere**



# Go to Market Strength



**Customer  
Experience**



**Value Prop  
Differentiation**



**Product  
Innovation**



**Lifetime Value  
Management**

**Omni-Channel Capabilities**

**Wholesale**

**Brand Equity**

**Network-as-a-Service**



---

## Winning with Mix & Match 4.0 and C-Band



**Expanded 5G Ultra  
Wideband coverage**



**Unlimited premium data  
with no speed caps**



**The most hotspot  
capacity offered by any  
carrier**



**6 entertainment  
subscriptions**

**Mix and Match Offers Flexibility and Efficiency that brings more Value to Customers**



---

# Personalized Customer Base Management



**ARPA & Step-up  
Strategy**



**Exclusive  
Partnerships**



**Personalized  
Upgrade Offers**

**Maximize Yield**

**Drive Lifetime Value**

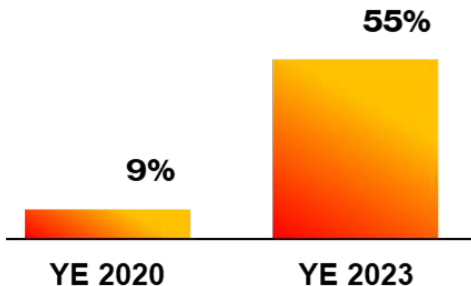
**Create Loyalty**



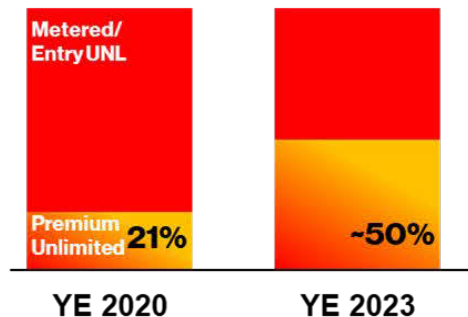
# Exceeding 2021 Investor Day Targets

## 2021 Outlook

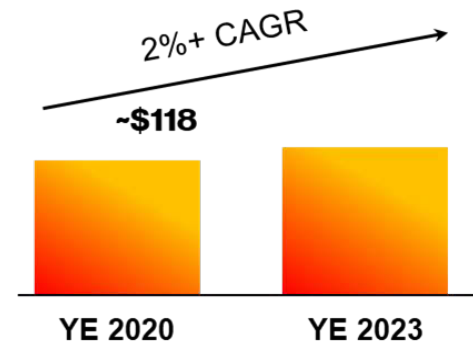
### 5G Postpaid Phone Penetration



### Postpaid Plan Mix



### ARPA Forecast



## Exceeded Expectations

**34%** EOP 2021

**33%** Premium UNL EOP 2021

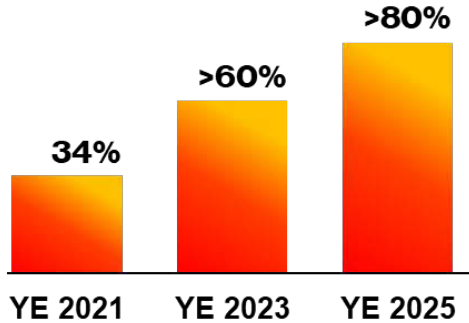
**3.3%** ARPA growth to \$122.30 FY 2021



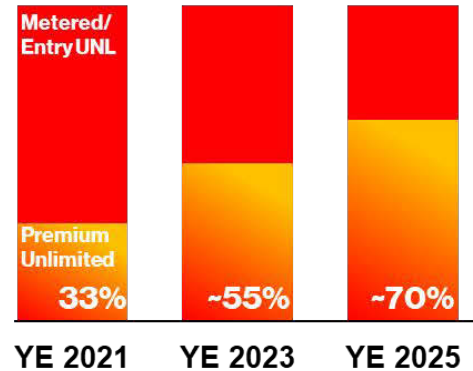
# Raising our Outlook

## 2022 Outlook

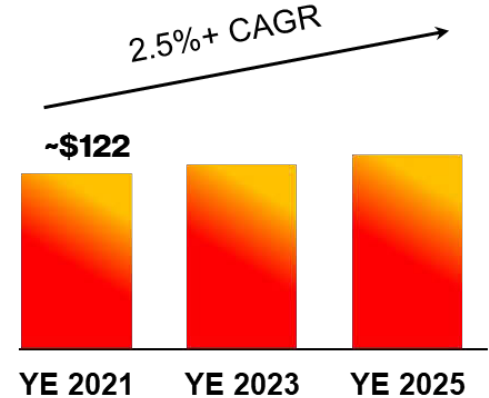
### 5G Postpaid Phone Penetration



### Postpaid Plan Mix



### ARPA Forecast



---

## **YE 2025 Nationwide Broadband Targets**

# **50M**

**Expected HHs covered FWA**

# **18M**

**Expected Fios Open For Sale**

**Opportunity to be THE Nationwide Broadband Provider in the U.S.**



---

# Winning with Mobile & 5G Home



**No contracts,  
data caps or extra  
fees, equipment  
included**



**50% off pricing for  
Mobile & Home  
customers**



**Self set-up  
enhancements**



**Base & Acquisition  
management  
to support stress  
free switching**



**Increase 5G Open  
for Sale (OFS)**

**Disrupting the Industry with Unparalleled Experience**



---

## Home Broadband Subscribers

**6.5M**

**YE 2021**

**11M**

**2025 E**

Total Broadband Subscribers = Fios + Fixed Wireless Access



---

## Scaling Value Drives Churn Benefits

---

Incremental Improvement in Consumer Phone Churn

---

**16bps**

Active Content  
Subscription

**34bps**

Premium Unlimited +  
Broadband

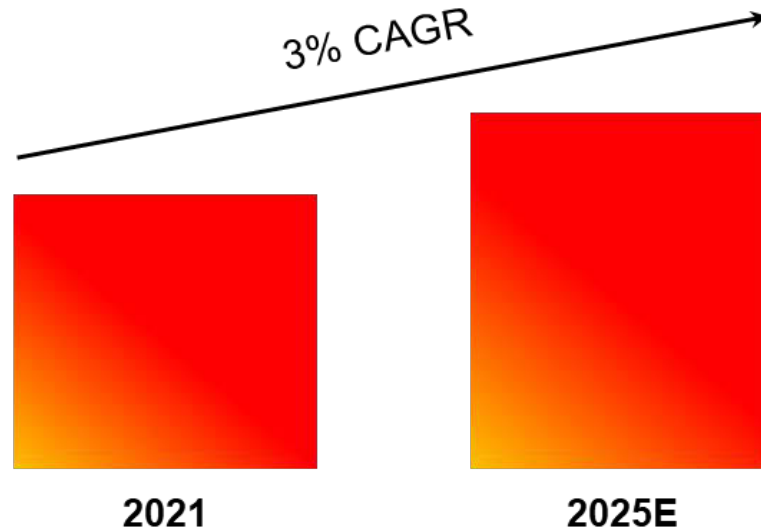


# Unlocking Substantial Value



# Verizon Value Market Outlook

## Prepaid Wireless Service Revenue



---

# Network Monetization



**Strong Revenue  
Stream**



**Healthy Margins**

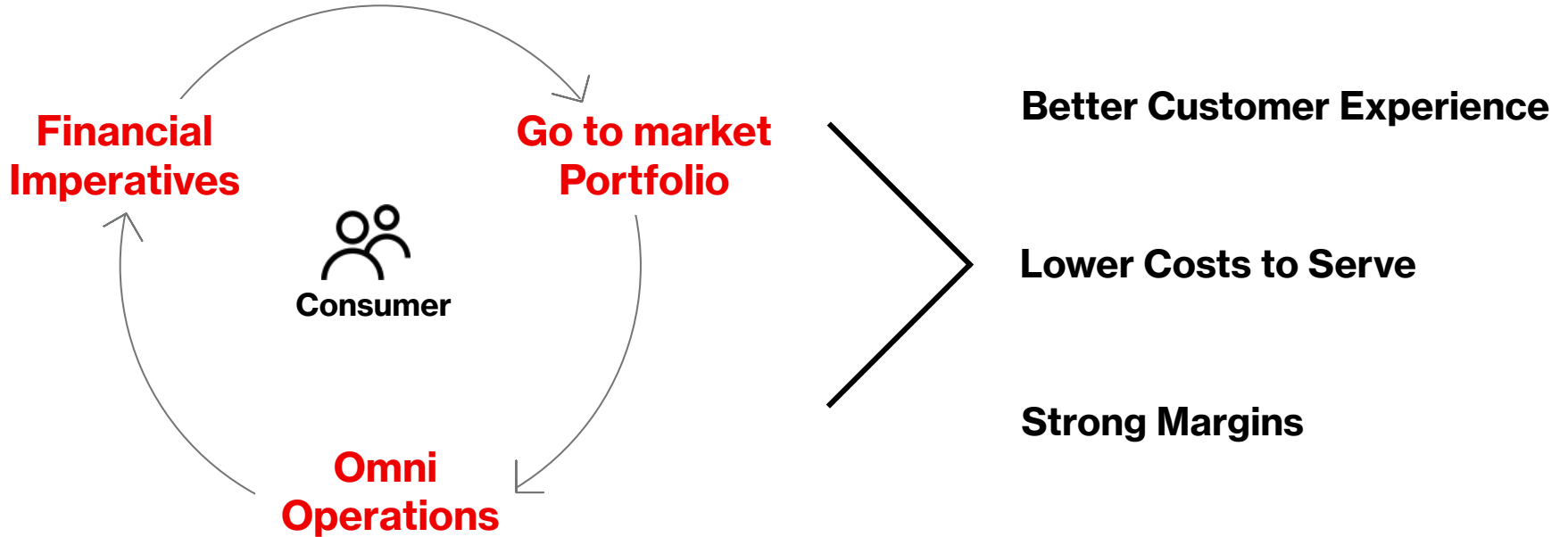


**Open for Business**

**Network-as-a-Service Strategy Creates an Additional Pathway to Revenue Growth**



# Operational Excellence Model



---

## More Pathways to Growth

- **Multiple paths to grow**
- **Leading all customer segments**
- **Disrupting home broadband nationwide**
- **Agility and nimbleness**
- **Customer-centric model**



**Matt**  
**Ellis**

---

EVP & Chief Financial Officer

---

## 2021 Goals Delivered

- **Acquired C-Band and achieved 100M POPs Target**
- **Completed TracFone acquisition**
- **Divested non-core assets**
- **Achieved financial targets**



---

# Platform for Accelerating Performance



**Revenue  
Growth**



**Operating  
Leverage**



**Capital  
Efficiency**



**Free Cash Flow  
Conversion**



**Capital  
Allocation Model**



# 5 Vectors Drive Accelerating Revenue

Expected Annual  
Service & Other  
Revenue Growth

2022

**~3%\*** YoY

2023

**3%+** YoY

2024+

**4%** YoY

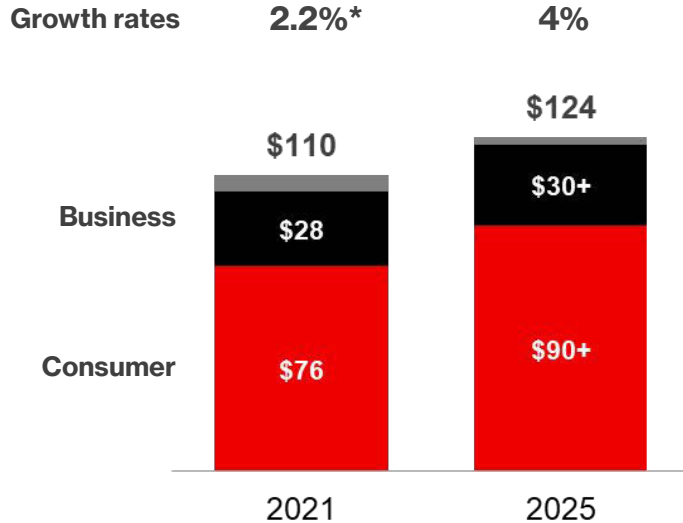


**Proof Point: FWA Scaling Quickly. Positioned to Deliver 150K+ FWA Adds in 1Q22**

\*Organic (excludes Verizon Media Group and TracFone)

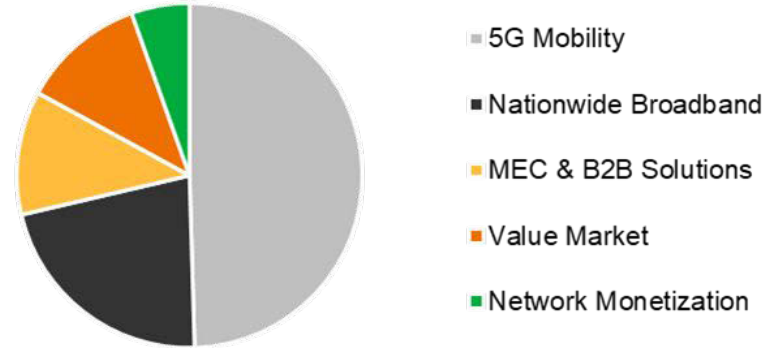
# Revenue Growth Drivers

## Expected Service & Other Revenue Growth (\$B)



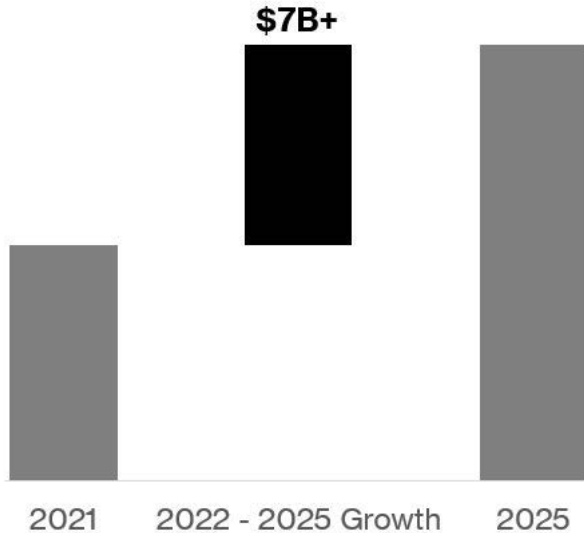
\* Excludes impact from Verizon Media

## Vector Contributions to 2022-2025 Growth



# 5G Mobility Growth Drivers

## 5G Mobility Growth Outlook\*



\* Vector includes postpaid net adds, ARPA/ARPU, and device protection

## Expected Key Drivers

### Consumer

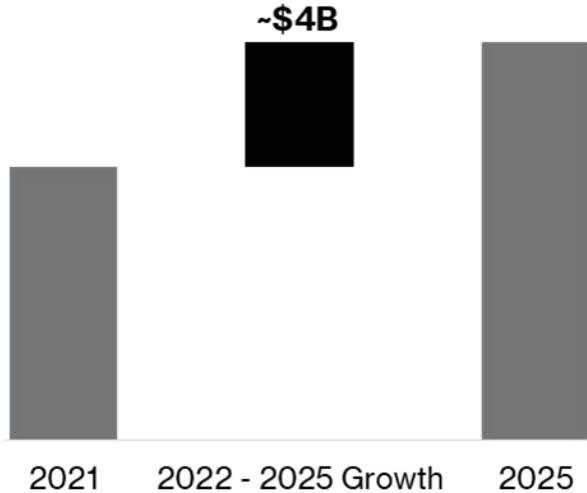
- **2.0%+** ARPA CAGR thru 2025 (excl. FWA)
- **~2/3** from Premium mix and **~1/3** from products
- Growth from subscribers and accounts
- Customers with 5G phones are **2.5X** more likely to take premium unlimited

### Business

- Growth from market leadership expansion
- 5G adoption grows to **80%** by year end 2025
- SMB premium mix of **~70%** by year end 2025

# Nationwide Broadband Growth Drivers

## Broadband Revenue Outlook\*



\*Note: Includes both Consumer & Business FWA + Fios Revenue

## Expected Key Drivers

### FWA

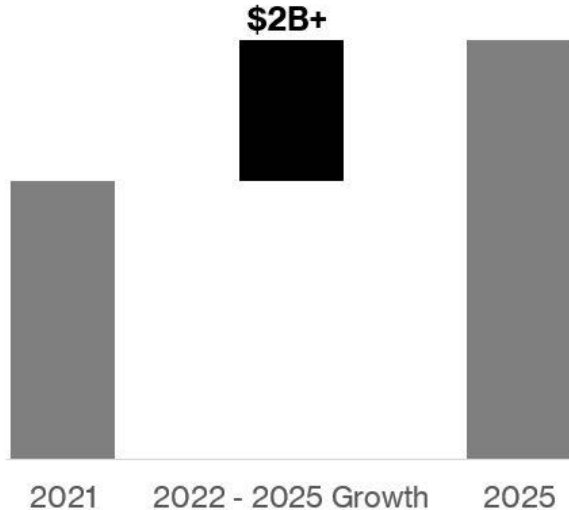
- **50M** Households Covered by YE 2025
- **14M** Businesses covered by YE 2025
- **4M-5M** Subscribers by YE 2025

### Fios

- **>18M** Open For Sale by YE 2025
- **~8M** Internet Subscribers by YE 2025
- Consumer Internet-only mix grows from 40% to **50%+** by YE 2025

# MEC & B2B Solutions Growth Drivers

## MEC & B2B Solution Revenue Outlook\*



\* Vector includes IoT, MEC, Private Wireless Networks, BlueJeans and other services

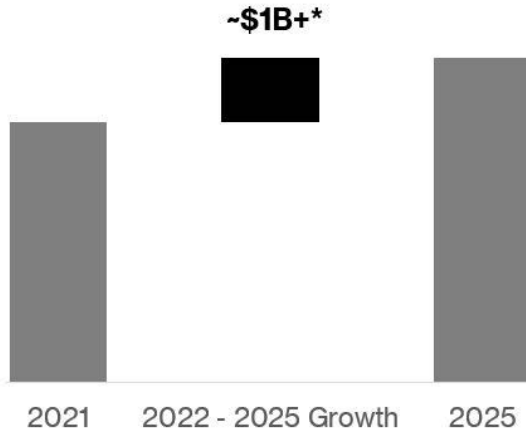
## Expected Key Drivers

- IoT revenue grows from **\$1.5B+** in 2021 driven by double-digit connections CAGR thru 2025
- **~\$1B** of growth from Public MEC by YE 2025
- Scaling private networks, delivering private MEC and solutions revenue



# Value Market Growth Drivers

## Prepaid Revenue Growth Outlook



\* Tracfone contribution only includes incremental revenue post acquisition

## Expected Key Drivers

- Growing subscriber base over long term
- Shift to unlimited plans and growth in value added services driving ARPU
- Migrating 6M+ off-net subs helps drive **-\$1B** in synergies



---

# Operating Leverage Plan



**Operating Scale  
from Multiple  
Revenue Sources**



**Network  
Owner's  
Economics**



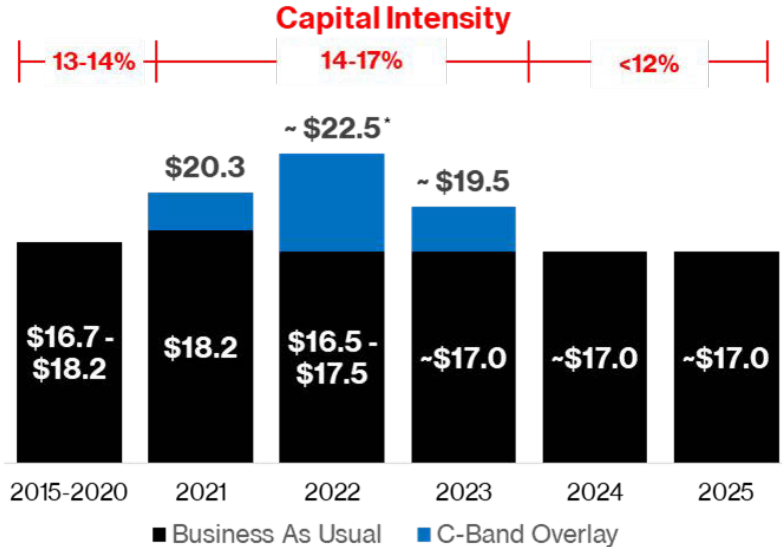
**Adjusted EBITDA  
Growth at or Above  
Revenue Growth**

**\$300M 2021 Fiber Access Cost Savings and Annualized Savings Approaching \$1B by 2025**



# Improving Capital Efficiency over Time

## Capex Outlook (\$B)



\* At the mid-point of 2022 guidance

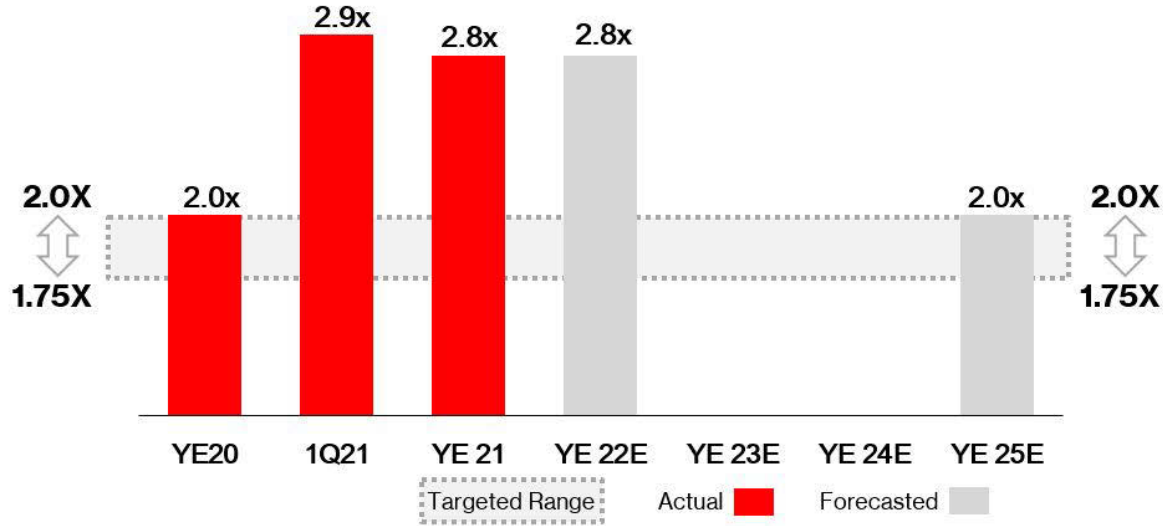
## Expected Key Drivers

- **C-Band** accelerated \$10B spend concludes in 2023
- **\$3B** run-rate savings from key programs by 2024
  - Less reliance on **4G LTE** capacity over time
  - Completion of **One Fiber** core build in 2023
  - **iEN** efficiencies result in virtualization benefits

**Positioned for \$20B-\$22B FCF in 2023 and Expected to Expand thereafter**

# Target Leverage Ratio

**Leverage Ratio** (Net Unsecured Debt/Adjusted EBITDA)



**Revenue Growth plus Capital Intensity Reduction Support Deleveraging**



---

# Capital Allocation Model

# 1

## Investment in the Business

---

- Capital Expenditures
- Spectrum
- Mergers & Acquisitions

# 2

## Commitment to Dividend

---

- 15 consecutive years of increases

# 3

## Strong Balance Sheet

---

- Target net unsecured debt to adjusted EBITDA range of 1.75x – 2.0x

# 4

## Share Repurchases

---

- Efficient return of excess cash flow to shareholders



---

## More Pathways to Growth

- **Clear path to 4% annual service and other revenue growth in 2024+**
- **Adjusted EBITDA growth at or above revenue growth**
- **Efficiencies drive lower capital intensity and overall spend**
- **Target leverage ratio remains at 1.75x – 2.0x with share repurchases considered at 2.25x**



