

Verizon  
Up To Speed Live  
Monday, May 3, 2021



*\_Redefining Communication Access*

[www.acscaptions.com](http://www.acscaptions.com)

—

[MUSIC].

>> ANDY CHOI: Good afternoon thank you so much for joining us for a very special Up to Speed Live I'm here in our Basking Ridge, New Jersey headquarters. And behind me of course these men need no introductions we have Hans we have Guru let's get started we had some big news to talk about here of course so I'm going to head over to my workstation and make sure that I'm monitoring for questions our V Teamers I'm sure have questions about this morning's news.

So go ahead and email us [live@Verizon.com](mailto:live@Verizon.com) is the email.

I'll take a look at that.

But once again a very special Up to Speed Live.

Where we break down our big morning news this morning.

And before we get to that, though, I know Hans and Guru wanted to acknowledge and talk a little bit about the news that we've been covering since last week with Christy and of course that's what's happening over in India of course our thoughts and prayers are with them so Hans with that I'll turn it over to you.

>> HANS VESTBERG: Thank you Andy and hi to all of the V Teamers out there. Yes, we have some other stuff to talk about but I wanted to come a little bit what we have seen the last couple of months here and week.

That COVID has not gone away.

The pandemic is still here and it hits on different regions different places at different times.

We as a company need to continue to see for the safety and health of our employees and their families is top of our list and continue.

Now we see a surge in India that is really impacting a lot of our employees and their families.

And Christy was here on Friday I think on Up to Speed what we are doing telling everything we're trying to do to help in that situation that is so critical at the moment for the employees and all of that and including our donation that we're doing.

We will continue to be close to India and whatever other markets that is having a high impact of COVID right now.

But I caution all of us, we still have a pandemic out there.

And it's important that we continue to follow our safety and rules and principles that we have.

But right now our thoughts are with our colleagues and friends in India and the impact there.

And we'll do everything to help them.

And I know Guru both has a personal relationship in India but you also have a lot of employees there and I'm not sure how you see it right now.

>> GURU GOWRAPPAN: Thanks, Hans, first of all for acknowledging it and also what Christy and you are doing for the employees and families back in India.

I will just say look my family is in India, my parents and pretty much everyone else is there.

And it's definitely not a good situation.

And for a lot of us, I know there are a lot of people here in the U.S. who have families back in India or employees, Verizon Media employees, the broader Verizon employees, it's a tough state but we are here to support you.

I think do whatever you can, if you're here, I know we've donated money and oxygen and everything that's happening but I think the key is to be there and be strong.

And as Hans said, COVID is not over so for everybody to be very, very careful.

Being mindful. And reach out to us, I think Christy has put together an amazing plan what we're doing for employees it's amazing that we stand up to support them but we also need to stand up to give them strength and get through these next two months will be intense and crazy but I know we'll get through this.

>> HANS VESTBERG: Thank you and thank you to you and all of the support you're giving to the teams and what else we need to do we will do it for sure.

But coming to another topic that we have here today of course this morning we announced Apollo is entering an agreement with Verizon to buy Verizon Media group let me go back in time to start the concept with this in August of 2018 Guru and I sat down Guru was starting as the new head of Verizon Media Group and I was starting as CEO we were thinking we were going to take this fantastic asset of Verizon Media Group we outlined several different steps, several steps you have seen in the company all the way from being more efficient to productive by combining assets.

Making scale.

And creating fantastic products that our customers love.

That was the plan.

And ultimately at the end of that line we wanted to create optionality.

And optionality, what we do from here.

How do we scale this and going forward.

I think that somewhere in the beginning of last year we knew we were close to that optionality.

We had combined a lot of our ad tech.

We have done great with our owned and operated assets.

And we started to get some inbound questions about it.

Is this the right way to take it to the next step?

And that's how we actually moved this forward.

And during the last part of '20 we had discussions with different types of companies.

It's intensified with the support of last year and of course this year and it crystalized that the company that actually could support Verizon Media Group in the best way, they had ambition and they had strategy to take this to the next step and actually seeing that they can unleash some of the fantastic assets we have.

And they also met a lot of our requirements of seeing that their employees and entities fully moved over and will continue.

But also that we can keep 10% share in Verizon Media Group and continue with it.

So we were excited for it.

We're excited for all of our shares, stakeholders, for these next steps for Verizon Media Group and how this will create more opportunities.

And more excitement for Verizon Media Group and being able to take the next step of growth as we talk about all the time.

So it makes sense for all of us.

It's a growth -- I spoke to the V Team this morning of course it's bittersweet.

We are so close.

We will continue to work close of course.

But it's been of course a great relationship with the whole Verizon Media Group over this year and now they are moving on.

It's going to take some time until this is closed I always caution you guys we need to execute, execute, execute we have this in front of us and that Guru and his team has decided there's no change to that one.

So we have that time.

And it will take some four to six months to close this.

So that's why we need to continue to execute.

But all in all, I think it's a great next step for all stakeholders, including Verizon, Verizon Media Group, for our employees, for our shareholders and for our customers.

But we will now be able -- or Guru and his team will begin to -- continue to develop the products and Apollo that has multiple other assets and companies that can support that growth and combine and strengthen.

So yes, it is a great day.

We have announced it this morning.

A lot of outreach to customers, partners, both Guru and I have talked to lots of partners and customers and told them about how this is impacting them.

And mainly it's nothing we just basically go on and it's going to be a great opportunity for all of us.

>> ANDY CHOI: It's been a busy morning for all of you we thank you for joining us on Up to Speed Hans we're getting lots of questions in the inbox we'll get to those questions in a bit but Guru I want to touch upon your thoughts this morning and obviously you made with the Media Team, the employees, addressed them, talked to them about everything they need to know of course before this webcast.

But tell us about what it means.

What this day marks for you in terms of significance we spent the last few earnings calls congratulating the Media Team for such a job well done.

Talk to us about this Day 1 this new chapter means for you.

>> GURU GOWRAPPAN: I'll tell you a huge milestone back to what Hans said, I think there are two things we don't get to do often in many companies in our life. One is you don't set a plan up for you can state on this day and look back to Hans' point two and a half years plus to say we had thought about this two years back in terms of creating the optionality and doing through that and two very rarely you stick to that plan look back and over the last few quarters what we have done as Hans said coming to that being bold investing in the foundation in creating this massive optionality.

I would say that's led to this piece where now what I mentioned earlier during our leadership call is we're off the training wheels.

We've had the Verizon Foundation to help us to this place now it's time to make the connect.

Verizon is still is part of that with ownership and a lot of the partnership we're going to do.

So I feel beyond excited.

I think it's going to be a fun next phase.

I want to thank all of the employees, 10,000 plus Verizon Media employees and I would say the broader Verizon employee base and everybody who supported us through this journey we couldn't have gotten here without that and I also think Apollo with what Hans mentioned, I mean they have 150 companies in their portfolio, all the way from ADT, Michael's, to begged companies they are invested in.

All of that.

That only amplifies a lot of this journey in a much more aggressive way so it gives us scale, it gives us more growth and I think we can aggregate more consistently in that new form so I think it will be a great journey.

>> ANDY CHOI: It's going to be a new chapter Guru I'll stick with you with a couple of questions one from Melanie and Anthony talking about the 10% interest for Verizon how will Verizon's 10% interest in Yahoo continue to add value for both Verizon

and Yahoo.

>> GURU GOWRAPPAN: Two different ways and Hans can comment too one is we scale it from I would call it a value perspective we're hoping Yahoo ecosystems we're hoping the value becomes 10X, 10% growth and becomes bigger two when you have an interest this way it's a benefit to Verizon to partner as well because now our success means Verizon's success and even our success means Verizon's success both connect really well I think those two ways means our partnership will continue in a lot of strategic areas whether it's ad platform investment and the sports lesion all of that will continue and Hans will look at me and say make sure you grow this value.

(Chuckles).

>> HANS VESTBERG: That's what I'm going to say. But I think it's also it was an interest for all parties. I mean Verizon Media Group the buyer and seller all of us thought it would be a good idea to stay in there to be a partner with it but we also want to see the growth that's coming from the next level of Verizon Media Group so all in all I think this is also showing that we want to be connected to Verizon Media Group when this transaction is over.

We want to be part of it.

And see how they develop.

And we also want to learn from each other.

There's been so many learnings and how we strengthen both of our organizations when it comes to Verizon Media Group Consumer Group and Business Group learning from each other with the expertise of Verizon Media Group and the other expertise that other groups bring to them and that's been a fantastic learning from all of us and we want to keep that cycle to continue with the 10% we're always going to be there and be supportive and helping.

Because it's going to benefit all of us.

>> ANDY CHOI: Staying on the topic of support, Hans, let's talk about obviously Apollo is bringing quite a bit of strength to our strength.

We have partnered with some very strong companies like Disney, Discovery.

Talk to us about does this affect those partnerships at all.

>> HANS VESTBERG: No, no general, not.

We will continue to work as a combination we usually have that sort of setup where part of the delivery is going to the customers from the Verizon Media Group or Consumer Group or Business Group so all in all we want to help the customer to make it easy we'll continue to do that if that's how the customer wants to see us especially with many places like the sports league we're offering a combination of our assets.

We'll continue to do that.

I think as long as it's a benefit for our customers, we'll continue to do it.

>> ANDY CHOI: Excellent.

Guru, I wanted to ask you about real estate, obviously corporate real estate is a topic that just about every company is talking about these days coming out of the pandemic but talk to us about specifically for the Media Group team where does real estate stand.

>> GURU GOWRAPPAN: I would say we have 70% of the plan done in terms of what we want to do the rest as Hans mentioned between signing and closing a lot of details will get hashed out a couple of examples I'll give take San Jose the new office for Sunnyvale location that's on schedule for us to move in end of this year.

It's going to be our home there.

In the Bay Area.

That will happen.

London as an example we collocated so the way we'll do it is different floors, Verizon Media or Yahoo at that point and then Verizon.

>> HANS VESTBERG: Yes.

>> GURU GOWRAPPAN: The same in New York I think we will have our office where we are right now so a lot of those things have been planned out the good news is we will have a location, a lot of it what we have existing and places and cases where we may not in some way we'll make sure we're working on a plan for that but we are there 70%.

>> HANS VESTBERG: But Andy we have work forward where Christy has explained we're running FiOS for all of us because how we want to deal with administration offices so in yen so that will probably continue in a good partnership what is the best way for the future which we haven't defined any of it yet.

>> ANDY CHOI: What I see is acceleration on both fronts Yahoo and Apollo making sure they are moving forward and we talk about our core strengths and that's the network so Hans, tell us about what that means in terms of our strength in that category.

>> HANS VESTBERG: I think our strategy is very clear we have Network as a Service and we work on top of that to see that our customers are getting the best solutions and we want to scale platform as good as we can in the best way we can and in general for us of course this means we're even going to be more focused to delight our customer in that.

We can prioritize our investments there and Verizon Media Group will have an owner group that will invest in Verizon Media Group I think it's clarified even clearer for us how we continue to execute on our strategy that we have laid out with 5G and 5X or so growth and all of that will just continue.

So in general it fortifies where we want to invest in the network for growth some of you might remember what I said in the beginning of the year, growth, growth, growth the three words we're using right now we have built this company the last couple of years in order to get that and we have committed to our shareholders to grow this year we had

great growth in the First Quarter there's a lot left I look at Guru as well he's here his team is here and they will continue so that is really fortifying our strategy that we laid out in Verizon 2.0.

>> ANDY CHOI: Wonderful and Guru when we think about growth we're of course thinking about everybody in the company here growing together and that doesn't change with this announcement of course but transitions are always -- there's always going to be ways we can help strengthen that.

So for this entire V Team, Guru what does VM need from us to help support and lead in this transition.

>> GURU GOWRAPPAN: I would say I don't think anything changes from the past in terms of helping us stay focused I've said this before our mission hasn't changed as you think about Verizon wide creating networks that move the world forward we think of VM as connecting people to their passion I think that mission gets amplified in this world I would say for the broader teams if there are partnerships that came over together be supportive.

It's not like two different families.

It's still one family in many ways connected but help each other out to scale this further I think keep focused we'll have a very important quarter this quarter we're going to go into another quarter what we do the rest of the year is going to be so important that we execute.

And our job as leaders, Hans, me, and the rest of the Management Team is to make sure that employees feel that safety and they are very focused and we have done that I think part of the deal we have really taken care of the employees, as well everybody should feel very good.

>> ANDY CHOI: Fantastic we are coming up on 20 minutes here as we wrap up, I do want to end on a question of course there's so many specific questions and of course more of that will as we develop and share we'll share with more and of course go on to the intranet site the Street for Verizon Media as well as VZWeb for us at Verizon. There's a question Hans it's very much like your dinner table question.

>> HANS VESTBERG: Ah-ha.

>> ANDY CHOI: This is from Charles what are the top three things V Teamers should take away from today's announcement regarding the sale of the Media Group and we'll extend that question to you too Guru.

>> HANS VESTBERG: I think the three things you should take away, No. 1, we are fortifying the strategy of Verizon.

No. 2, this deal we're doing today is actually possibly impacting all of our stakeholders and that's what we talked about from the beginning is to put in place our own employees and the employees of Verizon Media Group of course, the customers because we're going to be even more focused for delivering to the shareholders and society because we can be much further out so I think those are the two main messages and then the

third one is of course, grow, grow, grow that's what we're in that's the strategy this year. So it's going to be a simple conversation but it could be very long.

That's how it is.

>> ANDY CHOI: Yeah Guru we're going to visit your dinner table now.

>> GURU GOWRAPPAN: I wish I could steal of what Hans said.

>> HANS VESTBERG: You can.

>> GURU GOWRAPPAN: I cannot.

(Chuckles).

>> GURU GOWRAPPAN: I would say the first thing is the massive milestone I think stop at the dinner table do a toast cheers saying the work we put in the last two and a half years, three years, what Hans has led and what each one of the I'll call it V Teamer and Verizon Media employees have done is stopped and smell the roses.

The best thing to do that is on the table.

The second piece this is an opportunity for us to grow from where we are.

We need to take the mission and scale that.

And talk about that we talk about execution how we take it to the next level the third key message I keep talking about removing the training wheels I also think what I think for all of you this is like kids going to college from home.

It's really we've been trained.

Now it's time to go and get A+ or whatever 4.0 GPA this is the time so it's emotional I think Hans --

>> HANS VESTBERG: I don't know what to think about that analogy who am I in that moment but I've leave it.

>> GURU GOWRAPPAN: But I think the key is it is a bittersweet moment for me personally.

>> HANS VESTBERG: Yes.

>> GURU GOWRAPPAN: You and I yesterday when we were talking you know you had a little bit of tears when you think about it but the reality is you're not going far away you're creating something bigger and we should be proud of that.

So that would be my three things.

>> HANS VESTBERG: No we should be very proud of that and I think the whole Verizon Media Group as I said in the beginning has been executing the plan that we discussed.

In August, September of 2018 we have executed and that gave us this optionality to take the next step and to accelerate growth in other environments.

So no, we have to be proud of what we have achieved with this.

And I thank all of the Verizon Media Group employees for a fantastic job.

And there's still some work because we're not closed yet.

So but thanking you including you, Guru.

>> GURU GOWRAPPAN: Thank you.

>> ANDY CHOI: Lots happening there and of course in the next few months we'll continue to update on this new chapter and stealing from your college comparison, Guru, the 10% stake means you can come back and do laundry. As many college kids do.

>> GURU GOWRAPPAN: Exactly.

>> HANS VESTBERG: That's exactly what I was thinking about when he was talking about it I'm not sure that really works.

>> GURU GOWRAPPAN: I heard there are really good smart laundry machines here.

>> ANDY CHOI: There you go.

>> HANS VESTBERG: 5G enabled.

>> ANDY CHOI: Once again, on behalf of our Up to Speed team we just thank you for sharing all those great stories and we'll continue to share of course and do great work together and Hans as you mentioned, grow, grow, grow, that's what it's all about. Lots of questions here.

In the inbox.

Which we'll collect and deliver to our teams who can help answer these questions.

>> HANS VESTBERG: nae.

>> ANDY CHOI: But just want to say thank you to both of you and of course thank you to everyone watching Up to Speed.

We'll have more of all this week for you.

But until next time.

You're Up to Speed.