

VERIZON
2021 2Q EMPLOYEE WEBCAST
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>> I'm Adi.

>> We have Verizon interns.

>> For making us part of the V-team.

>> Sit back while we take the lead.

>> Of what our businesses did this quarter.

>> We have the latest from the global network and technology team. We lit up in four more cities and brought it to New Jersey, Delaware and Maryland. We added seven new 5G home cities in quarter 2 and another seven early in quarter 3 to bring us a 47 and counting. Root metrics ranks us highest for overall metrics performance and reliability for the 16th time in a row. We ran with Disney Plus using our new platform starting the most requested video content at the network edge. Partners with Honda to include autonomous vehicle safety. Our technology teams worked with HR to launch the work forward portal and supported a bunch of next gen solutions like on site private 5G, 5G service, BlueJeans telehealth and my Verizon on-line.

>> I'm Michele with the Verizon business. We added 21ing a business internet cities bringing us to 24 and counting. Business week in May and followed success with fall business days in June to support the biggest upgrade ever. Expanded our relationship with AWS to include private MEC for enterprise according to already on board and forms a 5G and MEC innovation partnership with dream scape immersive. The next generation in the response and our new advanced secure solution.

>> I'm proud to represent our consumer team. This quarter we broke the rules with our broken phone promo and followed with the biggest

upgrade ever.

>> We want to give every customer a new 5G phone.

>> We added Apple Arcade and Google Play Pass to our mix and match plan giving customers more of what they want. Offered discounts on accessories those that are vaccinated and those who serve. Government backs discounts for customers with hardships via the emergency Broadband benefit. We added great new travel and gift card rewards to our Verizon Visa card. Debuts Verizon family money to help kids become financially savvy and protected customers from 13 billion robo calls and counting.

>> I'm Kenneth. Here to tell you our immediate group delivered double digit growth for a third straight quarter. Our record number of advertisers spent over 1 million in ad dollars as they continue to invest in our unified app offering.

>> Emergent is a digital out of home so as financial growth. Consumers continue to grow. Premium subscriptions growth was driven by download plus, a connection of subscriptions with enhanced benefits and perks. Our momentum for the quarter was accelerated by the strategic partnerships with Visio and by the upcoming by Apollo which is expected to unlock more revenue stream.

>> As we know by the latest and amazing V-team culture.

>> Part of Citizen Verizon, we announced new sustainability initiatives and a new program called forward for a good accelerator. We launched challenges here. It's to help us drive our career. Published the human capital report on how we support the V-team. Continue by honoring George Floyd and learning how we can honor. We campaigned Asian American and Pacific Islander heritage, military awareness, mental health awareness and pride month. We selected top of the list for the best places to work for multi-cultural women and seven fortune top 20 customers for diversity and inclusion.

>> We are the V-team.

>> We are the V-team.

>> and we are proud to be part of the team that is moving the world forward together.

>> And with that, we say welcome to our 2Q earnings webcast live from Bryant park. The heart of New York City. We will talk about all that our interns and V-terns talked about proudly. I wanted to show

you the depth of today's show. We are live here in Bryant park, New York City, across from our 1095 offices. We are also in Basking Ridge. Audience waiting for your questions to be answered. We are across the street. We will go across the street and meeting with our leaders at our offices at 1095. You can see the crowd, that's not the beer district in Milwaukee. That's Basking Ridge, the team is there ready to watch our webcast. With that, let's bring in Mr. Hans Vestberg, our leader. Quite the video there. A lot to talk about.

>> Yeah, it seems that it's getting longer and longer. I guess it depends how much we achieved in the second quarter. We ought to be proud of that. And I was standing here looking. There is so many people that contributed to this quarter it's just amazing.

>> We are looking forward to hearing your thoughts on the earnings results. We are in the store.

>> We are in the store. Great store.

>> The team is fantastic and I will do a little shopping because we have a giveaway, we will give away accessories so take the survey. I will remind you at the end of the show here, but if you don't mind I will step away.

>> Take your time because I will speak for quite awhile.

>> Great. Let's do a little shopping.

>> Thank you. Hi, all V-team America. Good to be back Up to Speed. I always thank the Up to Speed team for inviting me and it's important to be here today with earnings call. I would like to start where I thought thinking about the situation we have around the world. In different places. It's still the pandemic. Here in the U.S. things have improved quite dramatically. People starting to get out again. There are many places on this planet that is not that good at this moment on the pandemic. I give a shout out to all of the V-teamers around the world, follow the procedures and policy and take care of yourself and the families. This pandemic is something we never seen in our generation. So continue with that. Send my best regards to all of you and take care. I think that's so important.

Talking about the second quarter, we are down so much in the quarter. Launching new prod -- we have done so much in the quarter. Launched new products and rolled out network. If I look at it from the consumer group had a great quarter. We see the traction coming

back in the stores. Ronan and the team had liberty together without thinking about what can we do -- what can we do for our customers. And I spoke to the people here in this store and they see both different offerings, from the broken screen and biggest upgrade ever. Both of them are doing well. And that turned out to be great numbers. Both operationally and financially.

And then we also saw that we continue on that -- for our customers. Not only having best network and we also have the mix and match adding in new type of opportunities like this quarter we are the gaming. Our team has done fantastic there on that area.

On the Verizon business group, I think they continue the transformation and doing a great job. A lot and new exciting areas. We are going into mobile edge compute. And business internet. Some headwinds in the business group that we know about which is wireline. I would say hard work there as well and great growth numbers and continue to lead the market.

Finally from the business side, Verizon Media group, it's hard not to mention them today. They had a fantastic quarter with the growth and this is a journey for two and a half year with the work they are down to put the product in the right place for the customers and now seeing the benefits from it.

Finally, our network team. A lot of great work there. We are on the path for the C-band launch that we talked about. The 7 to 8,000 sites we have talked about. The millimeter wave is now coming into play as we have seen more and more people coming into dense urban areas where we have the millimeter wave both for capacity and also for enormous capacity. And continue to build Verizon internet edge network. All in all, that's concluded a good quarter both financially and operationally.

However, we have more to be done. We are in the execution of a strategy that we outlined years ago now, but we are in the execution and nor come and we are not done at all. It's good to see when the results come in like this because I know all of our folks are doing that at the same time. I think that this quarter, if you are at the beginning, how we need to work together and there is much more. We have the competition, of course, around the corner all the time that want to take away our leadership. That will not happen. We will continue to lead the market in all aspects, in the business group, media group, consumer group and the network group. And some -- the V-teamer you continue that. By that I think that is summary of all

of the second quarter from my point of view.

Andy, how did the shopping go?

>> Great shopping. I've got the great beats we will give away. If you take the survey and give away a bunch of this stuff. Hans, I'm going to put it on your account there. Was that okay?

>> It's a phone calling here --

>> That's the V-teamer wondering how to get these and we will --

>> I don't think I will take that --

>> We aren't going to take that. We don't need your account because I have my Verizon Visa card. Never leave home without it. There we go. Look at that. See, this is fantastic. This is what it's all about it. The energy in the store. New York is coming back and we are learning how our customers continue to both shop here, on-line a lot of cool stuff.

With that, we will head across the street to 1095 and I believe Matt Ellis is going to time us. We will try our best. Now run with Hans, Hans is faster than me, we will see how quickly I get there.

>> We will be there.

>> Take it away, Matt.

>> All right, thank you. Hello, everyone. As Hans mentioned we have the opportunity this morning to report some very good numbers and the reason we had the opportunity to do that is we stay focused and disciplined on executing our strategy, all of you being a big part of that. We saw today what happens when we stay disciplined and focused and doing the things we said we will do. And so we got the opportunity to operational and financial numbers. Operationally when you look at wireless, we had 275,000 phone adds that was above expectations and very good numbers there. And that really happened because we built up momentum throughout the quarter as we saw traffic coming back into the economy re-opening and traffic coming back into our stores and consumers ready to spend again. We brought the right offers out there and we certainly delivered good volumes.

The second quarter last year was obviously a different quarter. The 275,000 phone add is higher in the second quarter of two years

ago. You can see that we had a good quarter there.

On the FiOS side, 98,000 internet net adds. You had the last quarters in FiOS internet, we had our best four quarter period in over six years. Again, executing on our strategy shows up in the results we deliver. Operationally and financially. So if you bring up the slide, you can see the financial rules that we had the opportunity to describe today. It started very good performance at the top line. Revenue growth of 10.9%. When you unpack that revenue growth you see it's coming from all parts of the business. Starting with wireless service revenue growth up 5.9%. And then wireless equipment up 47% on a year-over-year basis as that traffic came back in. It's very significant lift there.

FiOS revenues were up 5.4% adding those internet net adds that we had over the last year. Then Verizon Media. Up 50% on a revenue on a year-over-year basis. And as I mentioned earlier, we are comparing again to Q2 last year when we were in the middle of all of the lockdowns we had across the country and initial stages of COVID. We really spoke on the earnings call this morning not just how we did against 2Q last year or 2:00-19. And each of those revenues were up second quarter of 2019. So really good momentum on the top line across all parts of the business as an example the media pieces. So they are up 50% year-over-year. A lot of advertisers cut back last year. They were also up 13% against two years ago. Each of the areas I mentioned earlier was up against 2019 as well as last year.

So when you have that revenue growth, our EBITA, earnings before interest, taxes and depreciation and amortization. In line in other service and revenue growth. Really good to see the revenue growth coming down to the earnings there. And then our earnings per share at 1.37. Again, strong number this year. Up significantly year-over-year. Our best adjusted earnings per share number as we continue to execute on our strategy.

That flows up to cash flow for the -- that we have seen in the first half of the year. \$11.7 billion of free cash flow and this is after all of our revenues coming in. The bills we paid and the taxes we paid and our capital spending, too.

Down year-over-year, we had some cash tax benefits last year that were one time in nature but ahead of a lot of other run rate that we had coming into the year so good number there. Obviously a lot still to do as we go through the rest of the year. A lot of

capital still to spend as we Mr. Out millimeter wave and C-band and everything else we are doing for the rest of the year.

When you have strong numbers like this. It gives us the opportunity to raise guidance. At the start of the year we told investors what we thought revenue growth would be, what we thought earnings growth would be. And we had the opportunity that because of the strong first quarter results, strong second quarter results to take up our guidance for wireless service revenue and adjusted EPF that we expect higher leveled results both at the revenue line and the earnings line.

So we are in that position because of our strong execution. Let's keep executing as we have been. And we will be able to continue doing that.

Then some of the initial comments that came in this morning from some on the street and I think a good summary from Brett Feldman at Goldman Sachs. Verizon reports its solid 2Q results that the adjusted EPS and post paid phone apps. The wireless carrier increased its full year guidance for wireless service revenue and adjusted EPS. We view this as a solid print consistent with our view that Verizon can sustain strong wireless service revenue growth as upgrades its base into higher ARPU unlimited 5G plan we expect to convert into sustained growth in sustains EPS. That's a great example we talked about. Revenue, EPS, and volumes came in higher than the street was expecting.

A couple of other comments focused on Morgan Stanley's comment. The phone net adds better than estimate. That was a key theme coming through. A lot of questions throughout the quarter about where volumes would be and certainly we came in and showed the better than expected.

And then Michael Rawlings at city, we believe Verizon results reflect a positive industry back drop and deliver favorable wireless revenue growth. The key thing we were focused on is not just driving volumes for the sake of driving volumes up but doing it in way to increase revenues at the same time. Very strong results today. We deliver these results we can then take our forward view of the company up and look forward to continuing to do that. And we will have the opportunity to have more great results in the future.

With that, Andy has managed to cross the street -- was the elevator working?

>> I'm going to tell you my first live run with Hans, I thought I did okay. I was way behind but I think the problem was that I got stuck in a souvenir shop. Almost got on a double-decker bus. You know?

>> You get distracted. It's a shock.

>> Celebrating New York City.

>> Exactly.

>> It's awesome. Fantastic.

>> Thank you very much, Matt. And here is the great part is in the little moments that we went from across the street you can feel the energy. So I'm thinking about obviously the souvenirs, Broadway and I thought Broadway -- oh, broad band.

>> I didn't know where you were going with that. I think the transition is great.

>> I want to talk about Broadband because it's a big, big deal for us and we have a fantastic video to share which Raquel is hosting so let's go ahead and watch that video.

>> We've got a long history of being a network leader and that's why we are here today to talk about all of the ways we are changing the game for residential and customers. It started back in 2005 with our ground breaking FiOS service. And it continues today as we expand our influence and offerings with things like 5G home, LTE home and 5G and LGE business internet and a time where being connected has never been more important, we are showing up in a big way.

On the FiOS front, we tornado to win a-- we continue to win awards year after year. We won the PC Mac the fastest ISP in the U.S. for the ninth time in a decade and J.D. Power has ranked FiOS internet number one in customer satisfaction for the east region for eight years in a row.

And we just up the game again with even more flexible ways to enjoy the best internet and content available.

>> Customers say they love the reliability, product that they know works and that they can depend on every day.

>> My family are FiOS customers for ten years and it hasn't failed us. It's nice that Verizon is with us. It's super dependable. The internet has gone faster. Please never take it away. I will be super sad.

>> RG and T team is working hard to bring millions to power of LTE home internet and LGE business internet. This is wireless Broadband internet on America's most awarded 4G LTE network. An LTE home comes with a brand-new Verizon gateway router. First home internet router will be capable of accessing our expanded 5G Ultra Wideband service using C-band when available.

>> One of the exciting things about Verizon LTE home is giving customers an option of having a viable and fast home internet solution. It's something like they never had before.

>> LT home internet is more than connectivity. It's about bridging the digital divide so people have more high access to high quality internet. Which is awesome.

>> And that's not all. We are now offering 5G internet and 5G business internet in parts of over 40 U.S. cities with more on the way. This is lightning fast. No data caps are throttling unlimited service is that affordable and easy to set up. We are talking max download speeds up to a gigabyte. With typical download speeds of approximately 300 megabytes per second. 5G home and 5G business internet is Broadband right.

>> I was able to do it on my own in 15-20 minutes it was the easiest internet I ever set up.

>> Whenever I -- is that for real? That's totally real. It's downloading that fast.

>> There is no comparison. The connectivity just working seamlessly is perfect. This is top tier internet for me.

>> Like we always say, we create the network that moves the world forward. For us it's all about creating future solutions for everything that people are looking to do today with even more for all that they want to do tomorrow.

>> And there you go all we are doing with Broadband. Thank you so much for highlighting all of the great wins. You saw that FiOS

customer say don't take it away from me. Once they feel the power of what we provide, you know our customers are going to love us for a long time it really starts with the people on the front line and our techs and folks everywhere that are making sure that we deliver what we promise to our customers. With that, one of my favorite parts of the webcast is the credo award. We did a little something different this time around. You know, the Up to Speed team loves surprises. And with the help of Kevin service, we built out a pretty cool surprise for Mr. Ron Luna. You know he is getting the award. When we were taping this Ron did not know he was getting that. A fantastic little moment here. Let's roll the video.

>> Hello, my name is Ron luna I'm a Verizon FiOS technician in Chantilly, Virginia.

Each customer is completely different. So I kind of get to know the customer and see how they will set their place up and really get to know them.

>> Hey, Ron! How you doin', man?

>> Good, how are you?

>> Great, great. Hey, those were awesome answers. But the real reason you are here today isn't to do this up to speed video though we may use some of the footage. Is to present this quarter's Verizon credo award. Congratulations. It's a really big deal. Not given out lightly.

>> Wow.

[laughter]

That's awesome. I'm excited. That's great. It feels really good.

>> Let me give the V-team a couple of stats on what you have done. You have done 500 installations. There hasn't been one instance where the customer gone through dispatch due to quality issues. Virtual perfect score on the customer feedback. Incredible. I want you to make a couple of customers. You did a great job, was polite and informative and apologetic. Top notch service. Ron was fantastic. He understood what I needed and how to fix my problem and put in the extra effort to figure out why my jacks weren't working. The technician was awesome. Any tips you can share with the team on how you do it every day.

>> You have to enjoy your job. I enjoy coming to work. I love

helping customers and I love fixing things. If there is a problem I want to fix it I want them to get them to stay with Verizon. I don't want them to switch to any other competition.

>> Congratulations and from the bottom of my heart thank you for everything you are doing for our customers every single day. It's very much appreciated. Awesome job.

>> I appreciate it thank you so much.

>> Big congratulations to Ron there. Hans is back with us and you can see in Ron's face he was so surprised. The joy he has. I come in and I enjoy what I do and the statistics show that.

>> It's just fantastic. And this is what makes our brand so strong because we have these V-teamers that just are doing extraordinary job. And the stats are staggering. 500 installations. With that rating it's what a job you serve your customer and that was the big difference. And that's difference for us as a company. I'm blown away. It makes a big difference.

>> And of course, we always love little surprises like that.

>> That was a real surprise.

>> The phone ringing.

>> And Brady coming into the store and shopping as well. It was things you never know what will happen.

>> Never know what is going to happen here. Hans, we are at the portion of your favorite part. The questions. Very special Q&A session here. We have Adi joining us in Basking Ridge. We saw the crowd. Adi and I had hosted an Up to Speed on Monday. Adi hosted a coffee chat with you and the interns and you asked the interns, don't be afraid to reach out. So Adi and I went ahead and put a Google form together and said fill out this form, and let's connect you with the interns and we are proud to say we have more than 100 V-teamers.

>> That's great. Think about the interns are so important. They are coming here to learn. And that's how we work today. I think one of the things that I really would like all of the V-teamers to do is to take a time with the interns and tell them what you are doing. It's all about learning for the interns to get a great experience coming back to school after being with Verizon. Be kind and

knowledge. It's a good company to work for. That's what we need to see that they are liking it. If you have time give them 50 minutes, sign up in the Google format or whatever.

>> We will provide the link in today. We will connect you with all kinds of great interns who we will feature.

So with that, let's go to Adi in a lively Basking Ridge today. Hey, Adi!

>> Hey, Andy. Hey, Andy, it's great to be live here in Basking Ridge with the awesome V-team and thank you Hans for those kind words about our intern program. We are just so excited about how popular given intern the inside scoop has been. It shows how much the V-team cares about nurturing that next generation of leaders. And so with that, I'm here today to present ten interns questions. We have a great vast of interns this summer. Our first question is for Kyle who is here in Basking Ridge with us. Kyle, this question is coming to us from Cory who is live with us on BlueJeans. Cory, take it away.

>> Thank you, Adi. My question for Kyle, I'm on the 5G commercial team, working to launch T-band so my question is related to that with 5G C-band deployment being one of the most initiatives right now and continuing over the next couple of years, does Verizon see itself winning over our competitors as to who has the superior 5G network?

>> Okay, that's a great question. I think first of all it would be the people. We saw Ron. We have a great team of people who are passionate about serving the customer and making sure they have a great experience. So we are excited to be executing, executing, executing right now on C-band. We have the world's best 4G network and we continue to work on that you saw some of the information here we have the best FiOS network. We have the best 5G network and it's only going to get better. Right now the team is head down making sure we get 7 to 8,000 new nodes out there that will bring this extra capacity and unbelievable experience for our customers. And by the way, people who bought phones last year, they will be able to use the C-band that we are putting out right now. As soon as we are able to switch it on, the experience is going to be unbelievable. It's always going back to what we do and stand for as a company and the brand promise. We build the best most reliable networks in the world and that's what we will continue to do.

>> Awesome. Thank you so much, Cory and Kyle. So for our next question we will throw it back to Hans in New York City. So Hans

this question is also coming to us live from BlueJeans from our intern Saad. Saad, you have the floor.

>> Hi, Hans, I hope you are having a great day so far. My question for you is recently you met with CEOs from many of the top companies representing multiple industries. What are some of the things you heard and what is top of their minds especially as we come out of the pandemic?

>> Thank you. Yeah, I went to a big conference earlier this month to meet many of the CEOs and the industries and our industry. A couple of things we discussed with all of them, we all discussed what is the status of the pandemic. How are you dealing with their employees. We try to share and the best practice and learn from each other. We talk about 5G for obvious reasons because many of them are excited for 5G to see if it's an enterprise CEO they are thinking what it will do for edge compute. Technology company they want to know how the adoption is going. So I think those two things are definitely there. And then many are partners and want to partner with us and we discussed how they can partner with us. That's the majority of the discussions. What they see in the economy and the traffic coming back in the stores, in the network. The burr and dense areas. A lot of things to validate with peers across the country. All in all great to come back and we are talking over BlueJeans a lot. I was now face to face. Amazing experience when you finally meet people again. I'm getting really happy and actually need some hugs. Not virtual any more. I did real ones. That was cool.

>> Thank you so much. Looks like it's going to rain out there. I hope you are staying dry all of you inside there. So our next question is going to go to Christy here in Basking Ridge. This was submitted by Michele.

>> What advice do you have for young professionals that are aspiring to be in leadership roles and what steps is Verizon taking to develop employee growth and development?

>> Thanks for that question. So a couple of things I would say, first and foremost we are super excited that just about a month ago we rolled out challenge GPS and this is really a great way for all employees to get an understanding of what all of the jobs we have in the company. What are the expectations and the skills required in those roles. That's almost a map to help guide people through understanding what is possible. And then second that's linked over to our learning platform where people can then figure out how to build the skills

they need. Both on the job assignments and learning as well as through some structured learning. Then what I always offer is we have a robust curriculum of leadership development and other courses. I think this is a place where we want all employees to be inspired to build a career and achieve their personal and professional goals. Thank you.

>> Thank you so much. And thank you for your question, Michele.

Next up is a question for Sampath who is here in Basking Ridge. This is coming from Jaisaan Lovett who submitted it. So we will play that for you.

>> Hey, we have seen a lot of recent deals involving mobilized computing what is significant about this recent MasterCard deal?

>> That's a great question. MasterCard deal brings two things together. The greatest 5G network and one of the best global payment network together. And we want to change the global payment industry. 5G as you know has very low latency and you want to put that to work, what better way to put that to work than taking out friction in payments. Both on on-line and E-commerce and in real life. It's a little like cash. You take cash and give cash to the other person and take it it's done. With mobile payments it takes longer. You put in your card. You wait. The authorization happens and the fraud checks. Imagine if that happened as quickly as taking cash. That's one of the things we are working with them. Taking friction out of the payment process.

Second is co-innovation. We want to bring our labs together in Manhattan where we will have a presence in their innovation lab and create -- for us. Lastly our global IP network. One of the broadest and deepest IP network and mastercard will be riding on that as well

>> Next up we have a question for Ronan who is here with us in Basking Ridge. And this question is coming to you live from Zaria who is live with us on BlueJeans. Take it away, Zaria.

>> Hi, everyone. My question is involving our internet access. Good internet has been worth the while this past year, especially being in the pandemic. So I wanted to know what is Verizon doing to make sure that our FiOS customers are happy with their internet services.

>> Thank you for the question. First of all let's recognize that people like Ron Luna and the team that makes a difference in delivering the service. We have bullet proof technology. We have in both our wireless and wireline incredible products. It's important that we turn those products into deliverable experiences because it's what our customers truly value. And the way we have been operating the FiOS business the last year or two is to make sure we leverage the whole of Verizon consumer group for the benefit of our FiOS customers. We brought up the opportunity of mix and match which established this principle of quality, experience and choice in a way that really resonates with customers. And as a result of that, more customers have choice around what type of contents they get and how they get it and actually what they are doing is they are spending more of their money on better connectivity and having more flexibility in the products and services that they bundle with that connectivity.

Of course, in an environment like a pandemic, the reliability is that customer you saw on the video said please don't take pie FiOS away. It is the product that people want. Really the key is the combination of great technology, great innovation around the product and service and exquisite delivery of the experience at the end of the day. Don't forget, that turns into high levels of satisfaction, low levels of churn and record revenues in the quarter for FiOS. So a huge shout out to the whole team in FiOS for delivering a remarkable outcome by our employees on behalf of our customers. Thank you for the question.

>> Thank you so much, Ronan and Zaria. Next up we have a question for Diego who is coming to us from BlueJeans and Diego, this question is coming from Laila who is also joining us on BlueJeans. Laila, you have the floor.

>> Thank you, super excited to be part -- as an intern. My question is for Diego. With over a year of marketing 5G to consumers, what have we learned about talking to them and breaking through to them to make 5G matter?

>> Thank you so much for the question. I'm a huge virtual hi to the marketers in the company. You know the word of the day is execution, execution, execution. So tell you four things we will learn and know about it first of all is being first matters. We were first to 5G, first to fix wireless access and first to the iPhone and created an incredible foundation. Second is critical to drive 5G adoption. That's why you see doing the biggest outfit ever. We announced 20%

of our base is now on 5G. 5G in the house is very important.

Third, we need to keep giving people reasons to understand and experience 5G. That's why you see us doing the work with partners to create 5G applications and use cases. As of this summer you will see how we are communicating the amazing work that our engineers like is putting outside and wideband across the country. When people come together after the pandemic, there is no place to really experience 5G.

Last, I will tell you this. The recognition and making sure that we help everybody understand that in order for you to have the 5G network is that great you need to be the best network in America period. That's why we were all just saying. And when I think about it, we are now the experts of RootMetrics have made once again after -- best network and our customers, count supers, real people agree with J.D. Power. I tell you this there is only one best network in America and that is Verizon. Don't let anybody tell you otherwise. To re-enforce that message, this Thursday as part of the Olympics in the inaugural ceremony we are launching our new campaign to make sure that everybody in America gets reminded that there is only one best network. Now roll the video.

>> We did it again. Verizon has been named America's most reliable network by RootMetrics and our customers rated us number one for network quality in America according to J.D. Power. Number one in reliability. Most awarded for network quality 27 times in a row proving once again that nobody builds networks like Verizon. That's why we are building 5G right. That's why there is only one best network.

>> Thank you so much, Laila and Diego for that awesome video big shout out to my fellow CMO marking interns. They are awesome. All right, next up we have a question for Guru and we will go back to New York City and this question is coming to us live from Sheila. So Sheila, take it away.

>> Hi, Guru. We saw that Verizon Media reported strong results. What do you see as your biggest challenge as you get ready to become a separate company?

>> Hans is giving me a big clap here. Thank you, Sheila, for your question. On that clap I will say a big congrats to the entire team for an amazing quarter. I would position that question slightly different given three quarters of growth we had. There is more

opportunity than challenges as we look ahead as Yahoo!, being a new company. One of the best things that has happened the last two plus years of the foundation we created at Verizon Media and actually a lot of the growth we are seeing now. As remember also with Verizon because Verizon will own 10% of the new company we have a massive opportunity on growing on some of the foundations that is on the consumer front that we talked about a lot and then on the V2V ads and platforms and so on. One of the things I mentioned last quarter if you remember is now as we think of our challenges we are off the training wheels and that's what -- at least my journey of three years which means there are challenges when you think about independent companies. A lot of things to learn and be self-sufficient that's a good challenge because that creates a lot of new opportunities.

The second bucket I would say is bringing all of the employees along with the story we have as an independent company and future as we think to amplify the strategy we have. All in all very positive. We are excited about the next phase also partnering with Verizon and the broader community as well. So I would say more opportunities than challenges and all of the challenges will be solved and we will continue to keep growing. Thank you.

>> Thank you so much, Sheila and Guru, some exciting opportunities indeed.

So we are going to go to Matt next who is also in New York City and Matt, this question was submitted by Tyler in advance. We will play that for you right now.

>> Hi, Matt. When you think about a growth opportunity, what is top of mind for you? Where do we have the most potential. Thanks!

>> Thank you, Tyler. Great question. So as I think about growth, I think you may have heard about 5G. So the biggest opportunity we have ahead of us was really exciting about 5G, this is the first time that we had a wireless technology that we can produce not just the mobility revenue stream on but also fixed wireless access and then what we are doing in VtoV. I think when we look back and look at 5G in hindsight a few years from now we will see the impact it had on the VtoV space. Tremendous opportunity. You heard others say we've already got 5G handsets into the hands of 20% of our phone subscriber base. Building out millimeter wave and C-band will be turned on later in the year as soon as we get that done we will start driving not just those mobility growth even faster but also the fixed wireless access and then on the VtoV time. Sampath has described

one of the opportunities there. So many more across all of the different industry verticals that our customers cover. As I think about the biggest growth opportunity in front of us, everything we do is 5G gives us a lot of opportunity ahead.

>> Thank you so much, Tyler and Matt. We will take it back to Basking Ridge. Craig is here to answer a question and this question is coming -- so here is the question.

>> Which project implemented at Verizon had the most impact introducing energy consumption and helping the community.

>> Thank you. That's a great question. You know we all need to be thinking about the environment as we sit here today in New Jersey with haze in the air from wildfires all the way across the country in Oregon it should be on all of our minds. We consume different kinds of fuels in this company. We have gasoline for our fleet. We do some natural gas. But far and away our largest consumption is electricity. We have a lot of buildings and more importantly we have a big network that consumes electricity. We consume 10 gigawatts of electricity which doesn't mean anything to most of you but to put into context we will spend over \$1.1 billion this year in electricity costs. We look at it in two ways. One is how do we reduce that consumption even as we are expanding our network. Secondly, how do we ensure there is much of that consumption as possible from renewables?

First one, a lot comes from moving to next generation technologies. Fiber or fiber network consumes a lot less electricity than our copper network or latest generation wireless is far more energy efficient than our previous generation. So as we upgrade the network to new technologies, our energy consumption gets better and better. Then we look at other things like cutting edge cooling technology. That electricity is spent on cooling the equipment for our network and down to seemingly little things like using L.E.D. lights across thousands of facilities that makes a difference.

Then whatever we are consuming we are trying to make sure it's more renewable. Those here in Basking Ridge are cursing me right now for the construction going on in front of the building. The reason the building -- or the driveway is torn up is because we are installing solar panels on the roof of the garage. So what the reason is torn up we are running the power lines underneath the street to get back to the building. But we are also doing a lot of other things.

You see that at our facilities around the country. We are also sourcing more and more over the last couple of years we sourced 1.7 gigawatts of power from large solar and wind arrays. I said we consume 10 gigawatts a year. If we are sourcing 1.7, you think, okay, we are sourcing an amount of power from renewable that represents over 15%. So we are making great progress and we are not done yet. You will see more and more in this space and we are really excited about it. I want to say as I hand it back to you, I want to point out this little tip to you as an intern, Andy completely sandbagged you. He is in New York with four people and no distractions and he stuck you with a large crowd. Not only that, he offered us free coffee. Right? So gives us free coffee and we are hyped up on caffeine, let's say you are killin' it, after this scheduled 15 minutes with me and we will plan your payback for Andy, shall we?

>> Thanks so much, Craig. Sorry, Andy. Sorry about that. Thank you so much for those words.

So our next question is going to go to Rima who is also here with us in Basking Ridge and this question is coming to us from Kate. So here it is.

>> Have you pursue new ventures and strategies with a need to improve upon or further develop existing ones?

>> Thank you, Kate. Let me expand the question a little bit beyond ventures and talk a little bit about how we do the overall five year plan. I think if you guys remember back when we launched Verizon 2.0 we talked about preserve strengthen and transform. In the context of preserve, strengthen and transform, we look at how we are going to be generating revenue over the next five years. And we have a rough idea of how much investment we need to be able to generate that revenue. So that really is the basis for how we decide where we are going to be investing to then be able to recognize the revenue we need in our existing business, in our emerging businesses and then in those transformational businesses. And when we make those decisions we are doing it to make sure that we have more first for Diego to talk about. So we are not only going to be first in all of the things that he talked about, but we have a whole series of other things that we are planning that we make sure that we are always in the lead and at the same time ensure that we are doing what we need to for competition. Thanks again for the question.

>> Thank you so much, Kate and Rima. As you can see we have a really, really excellent group of interns who are extremely thoughtful and

came with some really great questions.

I actually have a question of my own and this will go to Hans. Hans, I know that you like to after every webcast leave your employees with three things to tell their families to take home to the dinner table. So Hans, what are your top three things?

>> Thank you. You are catching up quickly here how my procedures are and my processes and one of the processes I have is that I think the V-teamers are the biggest ambassadors of the company and of course I try to condense what I think you should talk to your friends, colleagues, dinner, lunches, when you meet, people are excited when they talk about Verizon. So this quarter I would say it's a couple of things. Number one, I think you should talk about the contributions that we all V-teamers have done to the great result of the second quarter but also mentioning, hey, we have more to be down on the rest of the year in execution, that's really important. Those people want to be part of a winning team and we are a winning team and we need to keep up the momentum. That's number one.

Number two, it's very much about what's happening in the near future here. We have so much exciting things happening. Expansion of fixed wire access on 5G. Mobile edge compute. We will have a new show of the C-band spectrum and talk about that because we are not done. We have so much more to be done and how we are doing this in this company and how in line we are on the strategy.

The third thing, I think you should talk about that we are doing to return to office if you are an office employee. Talking about we are doing it gradual. Coming back in -- how we do it and how you feel about it. Also when you do that conversation with your friends, colleagues, families talk about our front line team. That has been out there the whole time and never have been home. And I think that's going to be a good conversation. Those three probably takes you from the start to the end of the -- and then at dessert I have the fourth thing this quarter. I never have four things but this quarter I will have four things and that's to talk about Verizon Media group.

This might be the last time remote probably. They are part of our earnings call as we see we believe that we will close around the end of this quarter the media group. Why don't you take a couple of minutes and talk about the achievements and how great the partnership we had internally and how we will continue to work with them and talk about all of the great brands to have, the finance, sports and all of that. I think do that and then you will have a

full dinner or a full long walk or a run with Hans for one hour. At least.

I think this is sort of exciting times and bring it home. You are the biggest ambassador of the company so please talk about it.

You are back. I thought Craig talked about that you might not be here.

>> I was going to say, so Adi intern asked you the dinner table question and takes my line and give them four courses? No, no. Adi, thank you very much and to our friends at Basking Ridge and our intern team, how awesome.

>> So great to have them integrated in our company, the core values. Knowing what they are doing and that's how we work as a V-team and we want everybody to feel welcome and want to inspire them as we are inspired ourselves as a company and our value proposition and our purpose.

>> This was an hour full of big wins and great quarters and also an hour of great connections, the way we are connecting with each other it started with our team at Bryant park. Thank you to the team there. And of course we have the accessories and all kinds of great accessories. Please a reminder to take the survey. You will be entered for a chance to win those accessories. And Hans before we close out I know you had mentioned before that you didn't want to just do the virtual hug -- there we go! I got the hug from the CEO, yeah!

Hans, thank you very much and I want to close with this. Gratitude is something that we all have been thinking about when it comes to who we are as a team and who we would like to thank for a great quarter. And you as the Chairman of the board meet with our Board of Directors once a month. And something happened at one of our recent meetings that really struck you by surprise. I wanted you to share that with our V-team.

>> We had a board meeting and they were talking about the company and what we are doing and one of the board members said that they wanted to thank the executive team, of course. They wanted to extend that. They said that how can we reach out to all of the V-teamers and thank them? That's what they asked and we were taken by surprise because they are following us very closely. And we had board meetings much more frequent than ever during the pandemic because

of the things that are happening and seeing that they understand how we are operating as a company. Now we were taken by surprise by that but as Chairman of the board, I took a very executive decision to see that they could do that.

>> With that, on behalf of all of our leaders, our intern team, our V-team, we want to thank you for being part of our webcast here and as Hans mentioned, you know, this webcast is full of surprises. We have one last surprise so here is the surprise from our Board of Directors. Have a good one.

>> If I had one word to describe the V-team over the past 18 months, it would be heroic.

>> Inspiring.

>> Courageous.

>> Extraordinary.

>> Determined.

>> Champion.

>> I think the things that most impressed me you put into action things that the opportunities that we serve financial help, addressing mental health. That made a real difference.

>> Really pulling together, the work processes so that everyone could work from home and really continue to deliver the business in a way that makes sense during these difficult times.

>> Ingenuity. The way that we were able to still get out and do installs and customer homes to come up with touchless ways to make that happen.

>> We had many front line people who were absolutely required to work out in the field to keep our network operational. The way our V-teamers in the retail space stepped forward and kept our stores open that could be open. Kept services customers' needs. Our customer support people who were inundated with challenges that our customers were facing and still managed to respond while managing everything else going on in their lives.

>> For the V-team to step up and go above and beyond the call of duty,

I am so impressed with them. Nothing I ever seen.

>> We didn't miss a beat. Financial performance is excellent. Most importantly how you took care of each other. Just truly extraordinary.

>> Thank you for being there, for showing up in the face of crisis.

>> To being such a very special team.

>> For representing Verizon so well.

>> Thank you to your families who supported you. This was a team effort.

>> Thank you for all you have done for our stakeholders, for our business, and for each other.

>> Thank you for really caring about our community. People went through a really difficult time this last 18 months and I never seen a team stand up the way the Verizon team did.

>> Can't tell you how appreciative we are of you.

>> It meant the world to all of us on the board to see how committed you all were.

>> Thank you.

>> Thank you.

>> Thank you.

>> Thanks.

>> Thank you.

>> Thank you, V-teamers.