

Dear Shareholder,



Hans Vestberg

Chairman and Chief Executive Officer

We won't soon forget 2020. Together, we faced a global pandemic, an economic crisis, political and social unrest and a deepening climate crisis. The word "unprecedented" became a part of our daily conversation. The ability to pivot became the hallmark of resilience.

Despite these challenges, we will remember 2020 as a year when we demonstrated the strength of our company, the commitment of our team and the network leadership that is the foundation of everything we do.

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2020 was not a year that could be reduced to a bottom line. The COVID-19 pandemic has hit hard in the communities we serve and continues to do so. It has brought sorrow, loss and uncertainty to many within our own organization. Yet, Verizon had another strong year, both financially and operationally. On an adjusted basis (non-GAAP, and excluding special items), adjusted earnings per share (EPS) was \$4.90, compared with 2019 adjusted EPS of \$4.81. Cash flow from operations totaled \$41.8 billion, a 16.8 percent increase from 2019.

Our V Teamers have met this challenge with skill and dedication. They were the essential workers on the frontlines, carrying out field service calls under conditions of unique uncertainty. They were the backbone of our network, enabling frontline workers, healthcare providers and homebound families to remain connected. Through this challenge, Verizon supported small businesses whose incomes dried up in the economic downturn. We have never shied away from responding to a crisis, and this past year was no exception. We responded as we always do, with our four stakeholders in mind: our customers, our employees, our shareholders and society.

Verizon was recognized as a leader in “employers’ responses to the pandemic” for the example we set and the transparency with which we communicated to our employees, demonstrating how our company takes care of our own. But it’s also a tribute to how our colleagues take care of our customers and our communities.

Those customers and those communities needed us like never before. As the U.S. and many other nations shut down in the spring, our network handled an immense amount of traffic. During a time when we needed to be socially distant, our networks made sure people felt connected. During the first 90 days of the COVID-19 crisis in the U.S., our network supported more than 58 billion calls, 519 billion text messages and 10.3 trillion megabytes of data.

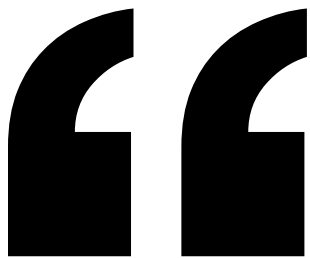
Our network handled all of this traffic without any disruptions, proof positive of the quality of our infrastructure and our entire V Team. Not only that—we developed bigger and better options for customers now facing the cancellation of live events.

We introduced our new Mix & Match plan, which gives consumers unparalleled ability to choose services and experience packages that work for them and their unique personal and family needs. We launched a new Yahoo Sports integrated feature, Watch Together, that gives viewers the ability to “co-watch” and interact over entertainment events ranging from music to sports, with the NFL as our initial launch partner.

We also extended our agreement with The Walt Disney Company to include Disney+, Hulu and ESPN+ in select wireless plans and announced a collaboration with Discovery, Inc., to debut Discovery+, the largest-ever content offering of any new streaming service.



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Even as our network was carrying more traffic than ever before, we continued to invest in its growth. As I mentioned at the Consumer Electronics Show in January of this year, 2020 in many ways marked the arrival of 5G as a true game-changer for the way consumers learn, work, play and enjoy entertainment.

By the end of 2020, we had 2,700 cities on our Nationwide 5G network, serving 230 million people. In addition, we had introduced 5G Ultra Wideband to more than 60 metro areas across the U.S.—expansion made possible by our growth in the millimeter-wave technology at the heart of Ultra Wideband.

In the fall, we announced millimeter-wave network deals with two of our leading network partners, Corning and Samsung, delivering 5G radio nodes for retail and other venue deployments.

More recently, we've entered into an agreement with Crown Castle to lease 15,000 small cells to support both millimeter-wave Ultra Wideband and 5G Nationwide.

And, of course, we also expanded access to 5G Home fixed wireless and teamed up with Apple for the arrival of 5G on iPhone 12 models—the moment when “5G got real” for many customers.



It was a year in which we found new ways to derive revenue from the best telecommunications network on Earth. You can see this strategy at work in our mobile virtual network operator agreements with Comcast and Charter, as well as in our Demand Side Platform (DSP), where emerging media formats such as Digital Out of Home and Connected TV (CTV) continue to flourish. For example, CTV grew by an amazing 284 percent year-over-year in Q3.

The market is definitely taking notice of Verizon's DSP dynamism. Microsoft migrated its display-ad inventory onto our supply-side platform, marking one of the largest and fastest tech migrations our industry has ever seen.

This is all just part of a broader trend: Verizon has emerged as the partner of choice for business and other enterprise customers. Since the start of Verizon 2.0 in 2019, we have continuously grown wireless subscribers and are the leader in every market we serve.

Then there's mobile-edge compute, or MEC—one of the most exciting developments in information technology. To put it simply, MEC is about the provision of cloud compute and storage services at the edge of the network itself, allowing innovators to deploy parts of their applications that require high bandwidth or ultra low latency at the edge of the 5G network. The potential applications are mind-blowing, for businesses and end-consumers alike.

In 2020, Verizon became the first company in the world to launch MEC, in partnership with Amazon Web Services. We also launched private MEC with Azure, teaming with Microsoft. In addition, we announced 5G and MEC co-innovation collaborations with IBM, SAP and Deloitte

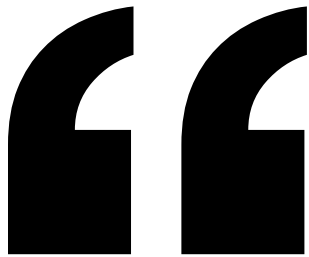
These are incredible new markets for us, but they aren't the only ones where we made a splash in 2020. The proposed TracFone acquisition* expands our presence in prepaid and value services. The purchase of BlueJeans gave us a strong foothold in the video-conference and event space, at a time when more and more people found themselves having to work and attend school online.

We're well-positioned and optimistic about the future. This momentum has continued into early 2021, as we continue to **protect and enable our employees, serve our customers and drive progress**. One very powerful example was the recent C-Band auction, the largest spectrum auction the telecom industry has ever seen. It was a once-in-a-lifetime opportunity to add a game-changing amount of high-quality spectrum to our portfolio—and I am thrilled with what we were able to accomplish. We succeeded in more than doubling our holdings in the vital mid-band spectrum, gaining licenses that will cover the entire contiguous 48 states.



*Subject to regulatory approval

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Our disciplined strategy and strong balance sheet enabled us to be aggressive and we were able to acquire the best spectrum available in this auction. That investment—combined with our other network holdings—makes our spectrum position the strongest in the industry and positions us superbly for the next stage of growth and beyond.

In many ways, this is a continuation of the strategic direction that we've been taking ever since the rollout of Verizon 2.0 in 2019, when we reorganized the company into three customer-facing operating businesses to maximize the value of our leadership in the transformational technology of 5G.

The C-Band investment takes that value maximization to another level. The new spectrum holdings ensure that Verizon is the carrier best positioned to deploy the fastest, most powerful 5G experience to the most people—or as we call it, “5G built right.”

Ever since we began building 5G, we have had a first-mover advantage. We are more than a year ahead in building and selling millimeter-wave with our 5G Ultra Wideband service and we are still the only company with commercial MEC. Now we intend to extend our lead by accelerating our deployment of C-Band. We will increase our capital spending by \$10 billion—over and above our annual ongoing capital investment—during the next three years to put this spectrum into use as quickly as possible.



We didn't pick up these spectrum assets for use at some far-off later date. We're going to put them to work fast and we're going to see their impact in the market as soon as 2022—in 5G mobility, fixed-wireless access and MEC. In short, this is an unparalleled opportunity to shape and monetize the next chapter of growth built on the multilayered 21st century infrastructure of mobile networks, broadband and cloud.

Our unmatched assets are all the tools we need to accelerate that growth. We've referred to the aim of getting to "GDP-plus" growth. Now we can be a bit more specific. As I mentioned at our recent Investor Day, we expect that Verizon will be growing at more than 3 percent for years to come, generating strong earnings and cash flow while simultaneously paying down debt to deleverage our financial position.

Our growth model is based on a clear vision. We are a multi-purpose network company that has set the global standard for network engineering. That network is expanding into a true 21st century broadband infrastructure with the mobility of 5G and the immense storage capacity of the cloud. It is our strategic foundation for growth in the fully networked economy.

We are committed to ensuring that this economy will be both dynamic and inclusive, opening up new opportunities for all—including for individuals, families, businesses and communities at risk of being marginalized or left behind.

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To help students, teachers and families during the pandemic, we expanded our Verizon Innovative Learning program to 264 schools nationwide and provided distance-learning capabilities to more than 38 million students across 41 states and the District of Columbia.

We also sought ways to help businesses and consumers stay afloat during the most severe downturn since the Great Depression. As economic indicators began to worsen, Verizon responded and announced a capital expenditure increase—a measure intended as a public vote of confidence in the longer-term health of the economy and an investment to ensure our network continued to serve the increased and unprecedented need of our customers.

In addition to our service continuations and late fee waivers for small and medium-sized businesses suffering from COVID-19 related losses, we established mentoring and support programs such as the Comeback Coach business-connectivity platform and the Women In Business initiative.

Through our partnership with the Local Initiatives Support Corporation, we made grants to over 400 small businesses—most of them female-owned and 90 percent of them minority-owned—to help them meet payroll, pay rent and address other immediate needs.

We also created a weekly livestream concert series, Pay It Forward Live, to raise funds for local businesses struggling to survive the pandemic. These concerts, featuring top artists such as Alicia Keys, Chance the Rapper and Dave Matthews, have been viewed over 90 million times; each live event attracted an average of 4.8 million views.

The global pandemic has been an extraordinary challenge for all of us and it will etch 2020 into our minds forever. But our vision of a better, more equitable, more sustainable society extends far beyond our response to this crisis. Our responsible business efforts and Citizen Verizon platform seek to address the many social issues that the pandemic has laid bare, from unequal educational funding to fighting the climate crisis. We're galvanizing hundreds of private sector leaders to join us in the World Economic Forum's EDISON Alliance to address challenges in health, financial and educational inclusivity over the next three years.

On the increasingly urgent issue of climate change, we've proudly committed to becoming net-zero in our operations by 2035. We fully share the growing business consensus that a net-zero world cannot simply be a dream, but must become a reality.



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As I mentioned, we like to refer to 2020 as the year when “5G got real” for many customers. But a lot of other things “got real” last year: our society’s vulnerability, our persistent challenges and our shared resilience.

It was a year when our customers entrusted us with so much and our employees rose to the challenge, time and time again and delivered essential services to all our customers. We firmly believe that our networks will move the world forward and we are already hard at work building the world’s most technologically advanced and fastest 5G network.

While we realize that there are still many challenges ahead for society, we are filled with renewed optimism and hope for a brighter future that we will help shape in this new networked economy. One where our networks will enable businesses to grow, economies to recover, students to learn and innovators to solve the world’s most pressing issues.



Hans Vestberg

Chairman and Chief Executive Officer
Verizon Communications Inc.



“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; natural disasters, terrorist attacks or acts of war or significant litigation and any resulting financial or reputational impact; the impact of 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 the COVID-19 pandemic; 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; 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.

As required by SEC rules, we have provided a reconciliation of the non-GAAP financial measures included in this presentation to the most directly comparable GAAP measures in materials on our website at www.verizon.com/about/investors

