



Verizon (VZ) 2019 Q4 Earnings Summary

January 2020

[Sign Up For Additional Research From Evolution Media Capital](#)



Verizon (VZ) 2019 Q4 Earnings Summary

January 2020

Verizon Is Using Partnerships To Enhance Their Network Service As A Strategy And Provide More Optionality

PARTNERSHIPS

- **Have added a lot of partnerships as they now have network service as a strategy, and expect to do more going forward**
 - On the business side, did a partnership with AWS Amazon on the 5G mobile edge compute, which was a totally new way of accessing a market
 - Extremely pleased with the early uptake on Disney+ and the ability to partner with an iconic consumer brand and content company
- **Utilizing tools such as pricing and partnerships to add to their value proposition and drive further increases in service revenue**
 - As customers require additional data, they seek to drive step-ups to unlimited plans from meter plans, and increasing connections per account

NETWORK

- **Have all the assets to deploy their 5G strategy when it comes to millimeter wave and dynamic spectrum sharing is ready to go**
 - Continue to support growth in data and video traffic on their 4G LTE network and upgrading their Intelligent Edge Network architecture
 - The more the network is growing, the more headroom they get to deploy software and engineering capabilities in the company
- **C-band is an important spectrum because it's one of the global spectrums, and therefore roaming will be done on it**
 - Right now, not hindering their strategy to deploy a great 5G network and be able to capture the market on 5G

VIDEO

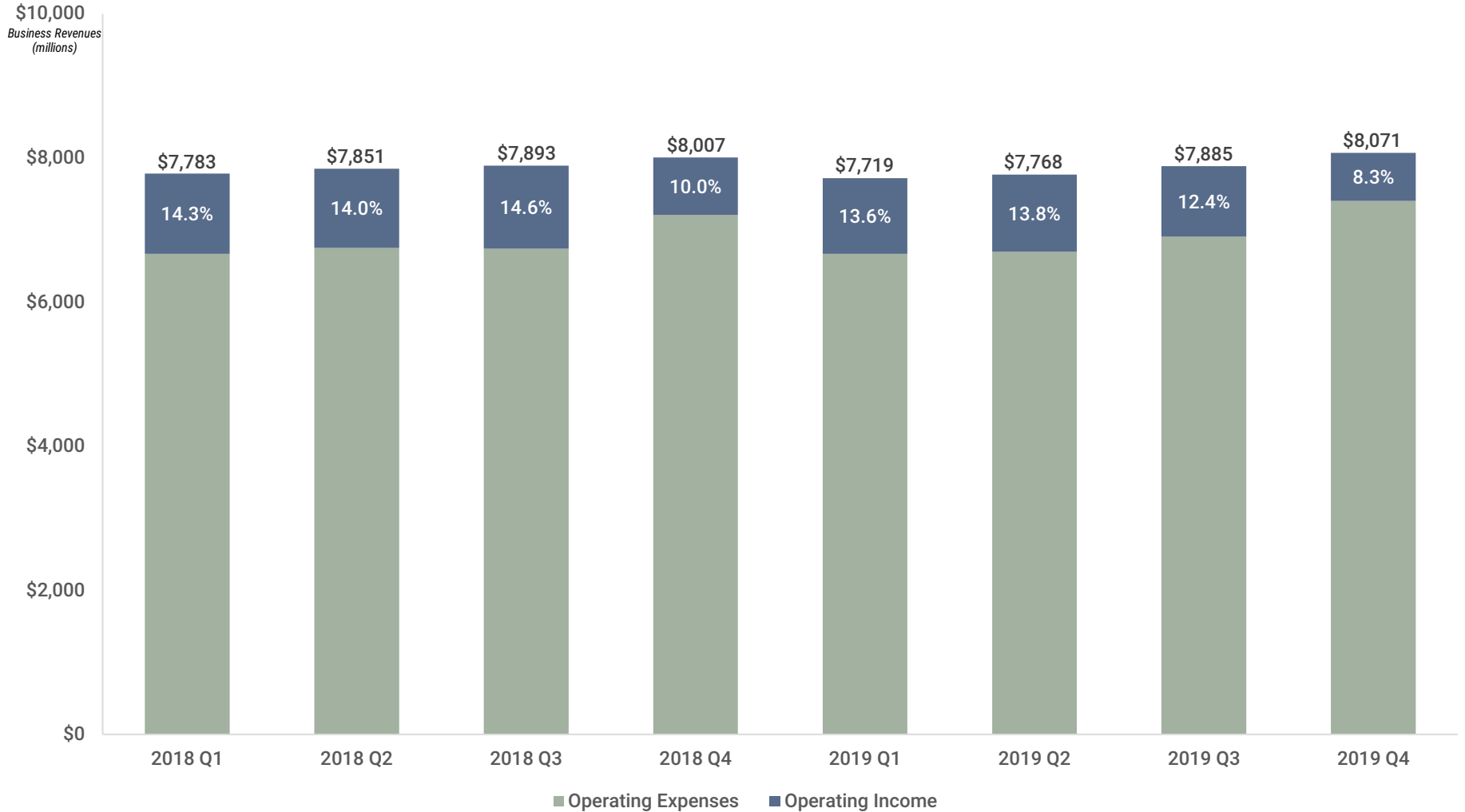
- **Want to give their customers optionality on top of the broadband, whether it is fiber broadband or 5G Home broadband**
 - One option is always to have broadband and let customers sign up on their own for various over-the-top services.
 - Have a great opportunity given their service strategy to work with all types of partners in the content market as they are not owning any content
- **Launched Mix & Match on Fios, providing customers with choice, transparency and opportunity to only pay for services they want**
 - Customers have been on trial for a month, and can clearly see what channels they're using and can optimize a package for that

5G

- **Building a unique 5G experience with their millimeter wave and will have a good chance to actually grab more customers**
 - Going to see more 5G devices coming out and there will be more build out networks in the market in 2020
 - When a 5G phone comes out from Apple, that will be important for many consumers to look into whether they should change carriers
- **Will be ready when the market is ready and customers need that coverage, but don't want to deploy it just because it's called 5G**
 - Early use cases are around private 5G networks in order to keep the data and the security and the throughput in a facility, or a campus

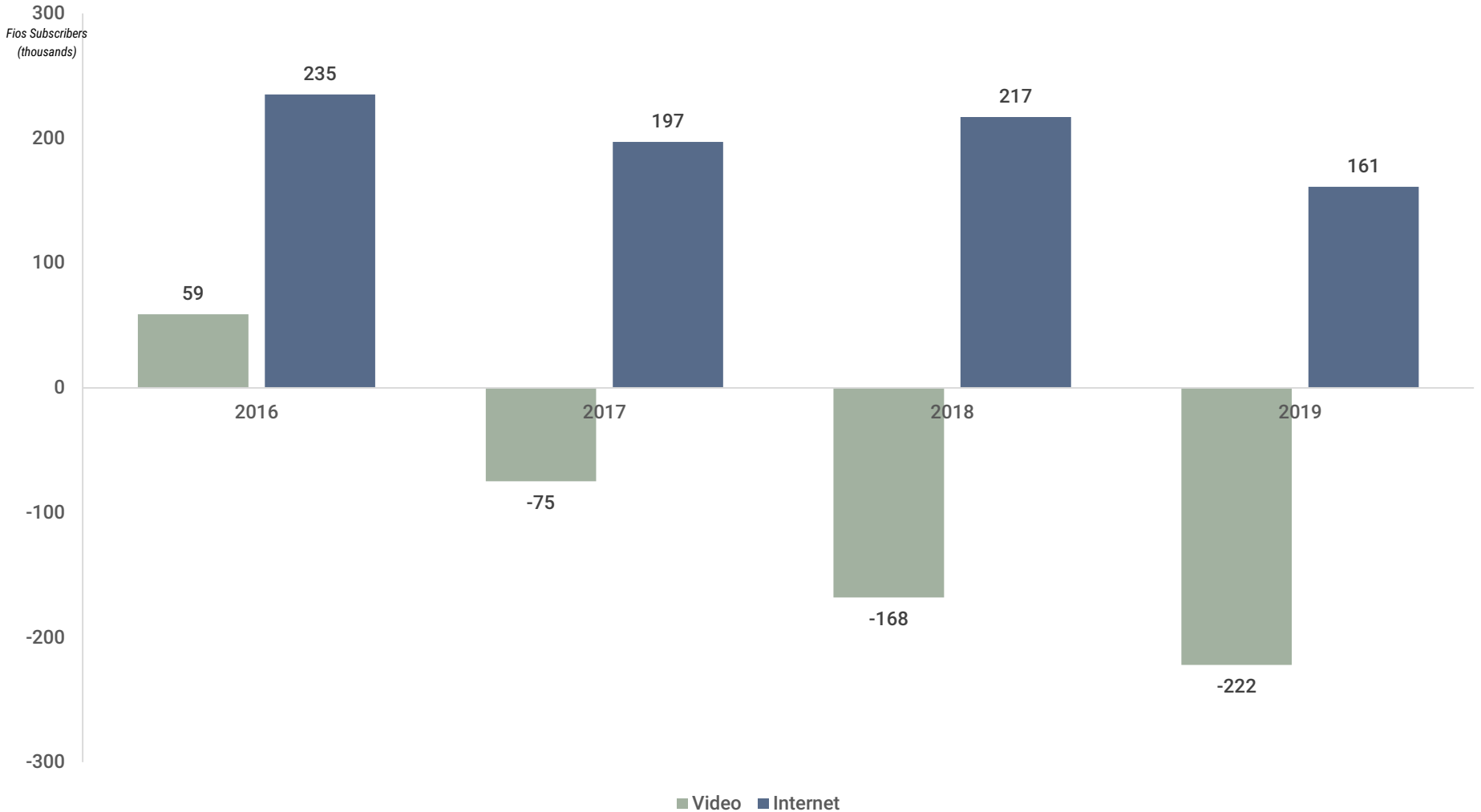
Even as 5G gains momentum, there is still a sharp focus on growing 4G and their other core businesses

Investments In The Business Group Are Accelerating In Order To Capitalize On The Potential For 5G



It will take a few years for this transformation to drive additional revenue growth across all of their business customers

Linear Video Continues Its Secular Decline, But Demand For Broadband Is Helping Offset The Churn

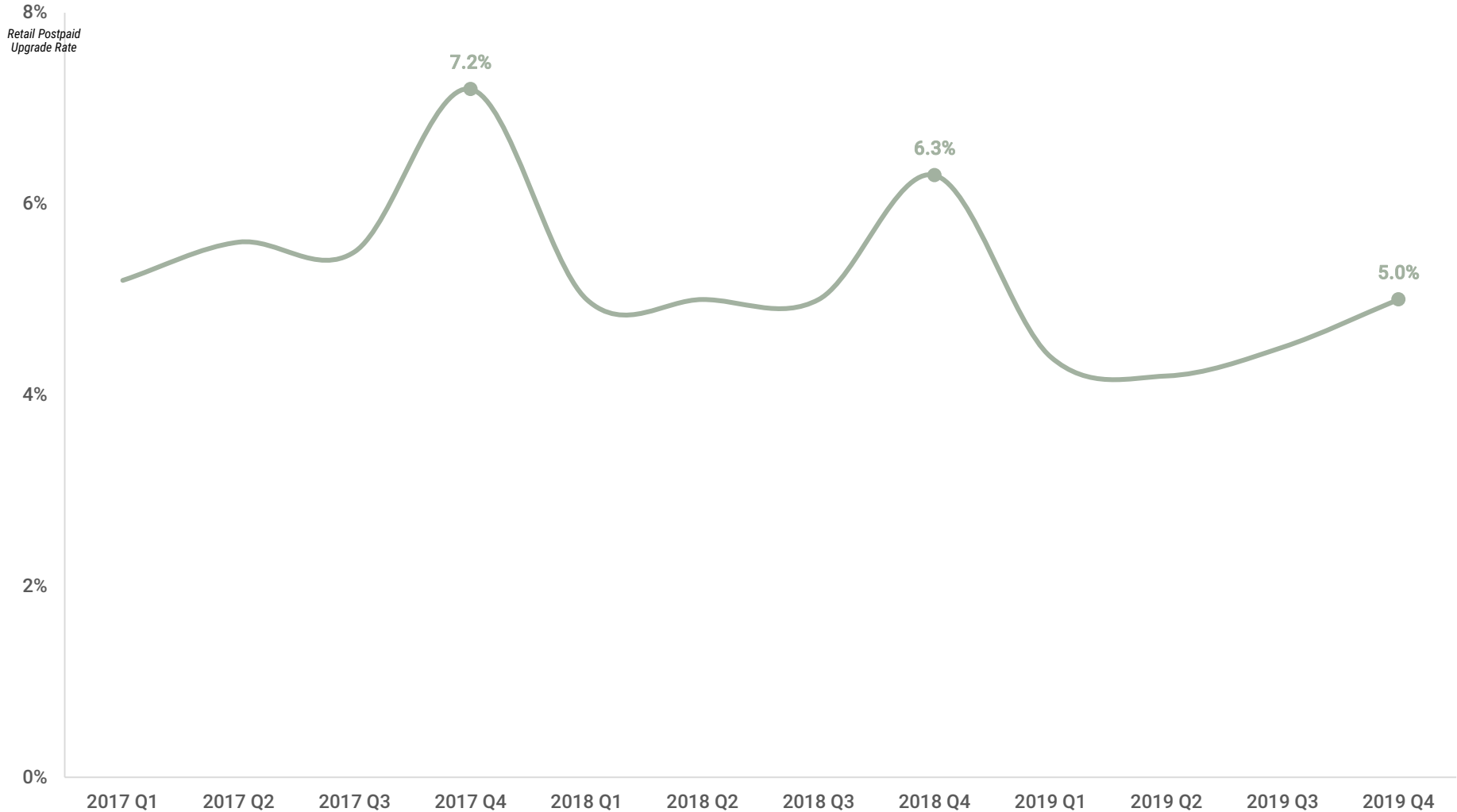


New mix-and-match offerings are seeing positive traction, and they will to continue to optimize for customer preferences

Upgrades



The Upgrade Rate Continues To Steadily Decline As Consumers Hold Onto Their Phones Even Longer



When 5G devices hit the market, there will be an opportunity to use their network strength to attract new customers