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OVERVIEW:

Company Summary

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PRESENTATION

Operator

Good morning and welcome to Verizon's first-quarter 2025 earnings conference call. (Operator Instructions) Today's conference is being recorded. If you have any objections, you may disconnect at this time.

I would now like to turn the call over to Mr. Brady Connor, Senior Vice President, Investor Relations.

Brady Connor - *Verizon Communications Inc - Senior Vice President, Investor Relations*

Thanks, Brad. Good morning and welcome to our first quarter of 2025 earnings call and customer value update. I'm Brady Connor, and on the call with me this morning are Hans Vestberg, our Chairman and Chief Executive Officer; Tony Skiadas, our Chief Financial Officer; and we have our Consumer Group CEO, Sampath, who will provide an update on our consumer strategy.

Before we begin, I'd like to draw your attention to our safe harbor statement, which can be found at the start of the investor presentation posted on our investor relations website. Information in this presentation contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties.

Discussions of factors that may affect future results is contained in Verizon's filings with the SEC, which are available on our Investor Relations website. This presentation contains certain non-GAAP financial measures. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are included in the financial materials posted on our website.

Discussions and comments related to our 2025 guidance exclude any assumptions regarding the potential effects of the tariff environment owing to the uncertain and evolving nature of these impacts. Earlier this morning, a detailed overview of our first quarter results was posted to our Investor Relations website. We also posted supplemental materials relating to today's call on our website.

With that, I'll turn it over to Hans.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Brady. Good morning, everyone. Let me start by addressing the evolving policy and macroeconomic landscape. We continue to monitor the ongoing developments, and we're confident in our ability to effectively manage our business for our customers and shareholders.

In periods of heightened uncertainty, our business has demonstrated remarkable strength, given the importance and the essential nature of our connectivity services, the size and quality of our customer base, and the strength of our balance sheet.

Our diverse portfolio of offerings serves all market segments and positions us for success in any economic environment. And with our bias for action and position of strength, we expect that we will not only weather the current environment but thrive in it.

Now let me turn to our results. We had an exceptional financial start of the year delivering strong growth across our key financial metrics. Wireless service revenue was up 2.7% at the high end of our guided range. Adjusted EBITDA of $12.6 billion was our highest reported result ever, growing 4% and exceeding our guided range.

Free cash flow was up over $900 million and enabled continued execution of our capital allocation priorities. Even with the recent declines in consumer confidence, we remain confident in our ability to deliver on our 2025 financial guidance.

Our comprehensive portfolio of offerings and strategic moves we have made over the last year position as well for sustainable financial and subscriber growth while also improving the customer experience.

These moves include our brand refresh along with continuous evolution of customer first offerings such as myPlan, myHome, and My Biz Plan, organic and inorganic broadband expansion with the pending acquisition of Frontier, AI Connect and satellite partnerships that enables texting anywhere for free.

RootMetrics recently recognized Verizon as the best, fastest and most reliable 5G network in the US, and our network continues to get even better. On mobility, we're on track to deploy C-band to 80% to 90% of our planned sites by year end, and we are aggressively rolling out 5G advanced features.

On Fios expansion, we're ahead of our plan year-to-date to deliver 650,000 incremental passings this year. On fixed wireless access, our multi-dwelling unit solution is expected to gradually ramp over time along with continued expansion of homes and businesses covered with ongoing C-band deployment.

Turning to our operation performance, our segmentation strategy focused on delivering targeted offerings is yielding positive results. We delivered a year-on-year improvement in combined postpaid and prepaid phone net adds. We did have a slow start on postpaid phone net adds, largely driven by elevated churn due to recent price ups and pressure from federal government accounts.

However, our prepaid nets adds of 137,000 were the best since the TracFone acquisition. In broadband, we continue to take share. With fixed wireless access and fiber, we have the most complete offering covering all segments of the market, and we will cover more than 100 million premises over the time.

Our fixed wireless access product continues to lead our broadband growth, and we have great momentum to reach our next milestone of 8 million to 9 million fixed wireless access subscribers by 2028. We're excited to expand our broadband opportunity and continue to scale our mobile and home offerings as we work towards closing the Frontier transaction.

The consumer group's multi-year business transformation effort is progressing as planned, and you'll hear more about that from Sampath shortly. In the business group, our private networks business continued to scale. We closed more than a dozen deals in the quarter, including private networks for AdventHealth and Nucor.

We were named a leader in the Gartner Magic Quadrant for managed IoT connectivity services worldwide and reached an agreement to deliver a turnkey IoT solution for Atlanta Hawks. We have seen accelerated interest in AI Connect and continue to expand our partner ecosystem.

Looking ahead, our priorities are clear: a continued focus on growing wireless service revenue, expanding adjusted EBITDA and generating strong free cash flow, accelerating our mobility and broadband growth and scale private networks, leverage our existing fiber and edge compute assets to unlock new revenue stream through our AI connect offerings, focus on financial discipline, operational excellence and customer experience, and finally, execute on our capital allocation priorities, invest in the business, support and grow our dividends, pay down debt and eventually share repurchases.

With that, I'll turn the call over to Tony.

Anthony Skiadas - *Verizon Communications Inc - Chief Financial Officer, Executive Vice President*

Thanks, Hans. Good morning, everyone. As we reported earlier, the first quarter demonstrated our ability to drive strong financial growth with wireless service revenue growth at the upper end of our guided range. Additionally, we had our best ever reported adjusted EBITDA result at $12.6 billion and we delivered an over $900 million improvement in free cash flow from the prior year.

We improved our total combined postpaid and core prepaid phone net adds year over year. We're taking share on broadband, and we continue to innovate with myPlan, myHome and our new My Biz Plan to deliver best-in-class value across all of our customers.

Our consumer postpaid phone net losses of [356,000] reflect the impact of recent pricing actions. We exited the first quarter with positive momentum. Consumer Postpaid phone gross ads in March were up mid single-digits from the prior year, and the performance in April continues to be strong.

Additionally, our new three-year price lock and free phone guarantee is resonating in the market. We remain confident in our ability to deliver better consumer postpaid phone net adds year over year for the full year. Business phone net adds were 67,000 in the period, impacted by pressure within federal government accounts.

We continue to work with customers of all sizes to deliver connectivity solutions that match their needs. Our momentum continued to build in core prepaid where we delivered 137,000 net adds. Our strong execution and investment in Visible, Total Wireless and Straight Talk is paying off, and we continue to expect positive service revenue contribution from core prepaid in the second half of the year.

In broadband, our Fios and fixed wireless access offerings are attracting new customers quarter after quarter. We had 339,000 net adds in the period and we continue to take market share. This is a solid start to the year and one we expect to build on as we expand our C-band and Fios availability.

Shifting to financials. We delivered strong results with 2.7% wireless service revenue growth. This reflects the benefits of pricing actions, expansion of fixed wireless access subscribers and continued adoption of perks and premium plans.

Adjusted EBITDA of $12.6 billion grew 4% in the quarter, which represents our best quarter of year-over-year growth in nearly four years and demonstrates our sustained and disciplined approach to growth. Adjusted EPS was $1.19 for the quarter, up 3.5% year over year. Finally, our free cash flow of $3.6 billion positions us to continue to pay down debt in alignment with our capital allocation priorities and ahead of the anticipated close of the Frontier transaction.

In closing, we are pleased with the financial performance we saw in the quarter. As Hans mentioned, we have a lot of experience managing through uncertainty in the broader economy, and we have a product portfolio that allows us to compete effectively in any environment. We remain confident in our ability to deliver on our operational and financial goals for 2025.

I will now turn the call back over to Hans.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Tony. Now, let's discuss our strategic approach to the consumer market to drive sustainable subscriber and financial growth. It all starts with how we compete and go to market. Our network is the foundation of everything we offer. We have the best and most reliable network, and we continue to extend our network leadership with our ongoing C-band deployment and broadband expansion with fixed wireless access and fiber, including the pending acquisition of Frontier.

Our customer-first connectivity offerings deliver unmatched control, value and simplicity for all our customer segments. Over the last two years, we have introduced targeted offers for all customer segments across mobility and broadband. As the market leader, we remain committed to introducing new and innovative offerings that meet the evolving needs of our customers.

Next is the value-added services, which is one of our key differentiators in the market. We offer add-on perks including exclusive discounts on some of the top streaming services such as Netflix and Max. Given the size and the quality of our base and the scale of our distribution network, we offer rates that customers cannot find anywhere else, and we will continue to expand our perk portfolio.

Over the past few years, we have dedicated substantial resources and capital to enhance our customer experience through various initiatives including AI for customer care and personalization. Although the industry, including Verizon still has room to improve, we have made great progress towards our goal of seamless customer interactions.

Lastly, our brand is a pivotal element in our go-to-market strategy. Recognizing its importance, we made a strategic decision to refresh our brand last year, and we are committed to further developing and strengthening our brand to drive continued growth and customer engagement.

By focusing on these key pillars of our value proposition, we attract new customers, foster loyalty among existing ones and maximize the long-term value of each customer relationship. This holistic approach ensures that we remain competitive in the marketplace and drive sustainable subscriber and financial growth.

Now, let me turn to Sampath, who will provide more details on our consumer transformation journey.

Sowmyanarayan Sampath - *Verizon Communications Inc - Executive Vice President and CEO of Verizon Consumer Group*

Good morning, everyone. When I stepped into the role of Consumer Unit CEO, just over two years ago, Hans and I immediately set a course for a multi-year transformation that offers what customers need in today's increasingly dynamic economic environment. We committed to delivering real value to our customers while driving sustained long-term growth.

Let me walk you through our transformation journey and the results so far. Beginning in 2023, we revamped our sales engine, moving to a regional model, individual sales incentives and a stronger focus on local marketing. We also launched myPlan, giving customers more control, value and simplicity.

This allowed us to significantly reduce our perceived price premium while driving higher average revenue per user through perks, insurance and financial services. In 2024, we relaunched our brand and accelerated myPlan and myHome adoption. We solidified the Verizon model of convergence with the announcement of the Frontier transaction and ramping up our current in footprint fiber builds.

This transaction will help enable our long-term goal of offering broadband to over 100 million premises, including fiber passings of 35 million to 40 million. We also turned around our prepaid business, which includes the industry's largest portfolio of brands. This was driven by a revamp of our value propositions, expanded exclusive and third-party distribution, and instilling the same operational rigor we introduced in our postpaid business.

The core prepaid brands returned to subscriber growth in 2024 and achieved their best results since the TracFone acquisition this quarter. This demonstrates our ability to win across all market segments. Customers are responding to our offers and we anticipate gaining market share in prepaid this year.

As we enter year three, we are doubling down on our customer-first strategy with an increased focus on customer retention with the Verizon value guarantee, and industry leading 3-year price lock, free phone guarantee for everyone and savings you cannot get elsewhere.

Before I dive into the Verizon value guarantee, let us quickly recap what makes our offering stand out from the competition. Our strategic differentiation centers on creating real customer value through a unique combination of network superiority and customer first offerings. Our myPlan and myHome offerings have been the key drivers of our transformation.

These offerings go beyond basic connectivity to include premium entertainment and adjacent services that deliver significant savings for the customer. Today, you can get8 of the most popular streaming services from Verizon for $50. That is value customers can only get at Verizon.

Our portfolio of adjacent services include industry leading insurance products for both mobility and the connected home and give customers even more peace of mind. We offer even more ways to save through our financial service partners and products, including the Verizon Visa card and the Openbank high yield savings account with Santander, both exclusive to Verizon customers. This business is growing at a double-digit rate and bringing in margin rich service revenue.

Finally, we launched Verizon Access loyalty program, giving customers access to events like the exclusive pre-sale of 100,000 Beyonce concert tickets, NFL, NBA and NHL games, and lifetime experiences such as the 140,000 free tickets we gave out to the first Verizon Super Bowl fanfest parties.

There is no other plan in the industry like myPlan in myHome, and the beauty of having them built side by side is our ability to offer seamless account linkage and promote joint offers. For converged customers, our retention rates are significantly better than those with just mobility or broadband validating our convergence strategy.

Simply put, we offer the most differentiated value proposition in the industry and with our recently launched offers for both new and existing customers, we are delivering what people want and need on their terms.

So now let's turn to what we announced a few weeks ago. We launched a game-changing offer, a 3-year price lock and a free phone guarantee with trade in for new and existing customers. This offer was contemplated in our 2025 guidance and is a key component of our strategy to deliver sustainable growth.

The premise of this offer began several quarters ago as emerging consumer trends showed a growing desire for predictability, price control and value. All things that are particularly relevant in today's economic environment. Customers want peace of mind, and we are giving them just that.

The key elements of this offer include a 3-year price lock guarantee that covers the network portion of all tiers of myPlan and myHome, and current customers were automatically enrolled on day one. Guaranteed trade in credit for phones to new and existing customers within their plan tiers, free satellite text messaging on all plans. Customers should not have to pay for texting, and it's part of the value we provide to our customers.

Customers love our perks and the massive savings they deliver. We had over 10 million perk subscriptions at the end of the first quarter. We now anticipate 15 million subscriptions on our platform by the end of this year, an increase of 1 million perks from our prior forecast in the year-end 2025.

They love getting more value for their money with Verizon Visa card and Openbank high-yield savings account. And customers with both mobile and home services get a free monthly perk that will drive customer loyalty. We did not just launch an offer, we set a new standard for customer value, and customers are responding very well.

Early indicators in April suggest strong gross add momentum and very good reception from customers, including many new customers attracted to Verizon. We expect the Verizon value guarantee to provide many benefits to Verizon.

First, growth. We will continue to drive revenue through higher volumes, higher premium mix, perk adoption and upgrading customers to myPlan. All of that is in addition to revenue benefits from a growing FWA base along with the wholesale business and the momentum with prepaid, which we expect to turn service revenue positive in the second half of the year.

Second, better customer retention. In the past, we've made necessary price adjustments, which impacted churn, but we expect trends to improve through the year, and this launch puts us on a path to get back to the lowest churn in the industry over time.

And third, we have constructed this offer in a flexible manner to give us continued financial discipline. The price lock applies to myPlan and myHome network plans only. It doesn't apply to perks, discounts, taxes or fees, and we can still adjust price on legacy plans or introduce new plans if we see an opportunity in the market. Another important note is that the free phone offer will be tiered by plan and require a device trade-in.

Overall, we believe this is just the beginning of how we'll earn lasting customer loyalty and continue to grow the Verizon base, including deliver better consumer postpaid phone net adds in 2025 compared to 2024. We are back to leading the market, not reacting to it, and we are the only carrier with the brand portfolio covering every price point, positioning us for further growth across every segment of the market.

The 3-year price lock guarantee is the next phase in our consumer transformation, giving consumers the best network, value and 24/7 support with myPlan and myHome, plus additional peace of mind with the free phone and satellite texting. We want to be people's first choice, providing products, services and experience they can't get elsewhere.

With that, let me turn back to Hans.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Sampath. In summary, we are on plan with our multi-year consumer transformation. We're offering the most differentiated value proposition, and we are well positioned to drive subscriber and financial growth.

I'm incredibly proud of the team's dedication and efforts transforming the business. I'm confident that the actions we are taking will set the business up for sustainable long-term growth and extend our industry leadership.

Now, Brady, we are ready for questions.

Brady Connor - *Verizon Communications Inc - Senior Vice President, Investor Relations*

Thanks, Hans. Brad, we're ready for the first question.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) John Hodulik, UBS.

John Hodulik - *UBS Investment Bank - Analyst*

Hey. Thanks and good morning guys. Two questions, if I could. Maybe first for Hans on the subject of tariffs. Any additional color you can give us on how tariffs on, I guess, first handsets and then telecom equipment could affect the business?

On the handset side, you expect the promotions to scale with tariffs and what do you expect the impact to be on upgrades? And then on the equipment side, is tariffs on equipment coming into the US mean the budget stays the same and maybe you do less homes passed? Or just how that unfolds?

And then secondly, for Sampath, thanks for all the color on the consumers and the strategy. And thanks for the color on the gross adds leaving the quarter. Can we talk a little bit about churn? I mean, is all the new plans and promotions and offers you have in place, does that help churn in the second quarter? Or do we have to wait until the second half of the year?

And that comment on getting back to industry-leading churn, is that something you expect to achieve by the fourth quarter, by the end of this year, or just more color on how that plays out would be great? Thank you.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

Thank you, John. Let me talk about the tariffs. Of course, tariffs is a little bit of a moving target where they are. But if we take our capital expenditures, it's a very small portion of the [$18 billion], which is the midpoint of the guide this year that it is exposed to tariffs. And on top of that, we are working with all our suppliers, as we have done so.

I mean, during COVID-19, we had no impact at all with the supply chain issues there were because I think my team is the best in the industry to handle that. So that will not change any type of investments we're doing in CapEx or anything. We cannot foresee that.

When it comes to handsets, that's also, of course, very early to say where the tariff is going to go and what's going to happen. But in general, if the tariff is going to be as high as they say on the handsets, we are not planning to cover that in our work.

That's just not going to be possible. So we will continue to be with financial discipline in whatever promotions we have, but we will not cover any enormous increase on tariffs on handset. That's ultimately going to hit the consumer in the market. But again, it's too early to say. We don't know where tariff is going to go.

But I think my team is well prepared for handling all of it. And on the consumer side, I think Sampath has talked quite a lot about it. I think that the team has done a tremendous work with doing all the new proposals and the new promotions we had all the way from myPlan and myHome home and all of that.

And now we come to the third leg with the price lock and the phone guarantee. I think we're right in the moment, and we're leading from a very strong financial position. But I'll let Sampath talk a little bit more about the churn and where we are there.

Sowmyanarayan Sampath - *Verizon Communications Inc - Executive Vice President and CEO of Verizon Consumer Group*

Thank you, Hans. Look, we made a decision to price up certain cohorts in December and January, and they were the right trade-offs to make. It helped us lock our revenue for the rest of the year and it was the right thing to do. Look, in Q1, the cohorts that were priced up had higher elasticity than anticipated. And the higher churn can be largely attributed and isolated to those cohorts.

So because of that, we think churn is transitory, it is abating, and we expect to get back to BAU by the second half of the year. And we've got other levers that we are deploying quite aggressively. The first and the biggest one is Verizon value guarantee. The 3-year price lock and the free phone base is resonating really well, both for our base and for new customers as well.

Our second is C-Band expansion. As Joe gets to between 80% and 90% of all macros to be C-Band enabled, you tend to see lower churn when that happens as well. And the Verizon model of convergence. Look, we added 339,000 broadband customers between consumer and business and strong volumes, but the vast majority of those customers are converged, which tends to give a benefit to churn.

And then lastly is better customer experience. We have a lot of AI-driven customer experiences, updates in the funnel in the second quarter and the rest of the year. So given all of this, we feel that churn is transitory, abating and expected to get back to a BAU posture by the second half of the year.

Brady Connor - *Verizon Communications Inc - Senior Vice President, Investor Relations*

Yeah. Thanks, John. Brad, we're ready for the next question.

Operator

Ben Swinburne, Morgan Stanley.

Ben Swinburne - *Morgan Stanley - Analyst*

Thank you. Good morning. Maybe just to follow on the conversation with Sampath. Can you talk a little bit about the March and April gross adds improvement and how much that's been tied to specific promotions including the new 3-year price lock?

And there was a lot of talk during the first quarter at various conferences about competitive intensity. I didn't really hear you guys talk about that as being something that's incrementally more concerning, et cetera. So maybe frame the gross adds commentary, if you can, and the new plans in the context of the competitive environment.

And then maybe for Tony, 4% EBITDA growth for the quarter. Obviously, sets you guys up really nicely for the year. I think your business margins were the highest in, I think, since '21. Anything in the quarter around expenses that we should think about as non-recurring? Or any commentary on how you're feeling about the EBITDA guidance for the year? It seems like you could be trending maybe to the upper end of the range, but I'll let you talk to that, if you will. Thank you.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Ben. I'll start and then I'm going to hand it over to Sampath and Tony. But on the competitive environment, I think we have seen that for quite a while. I mean, it is a competitive market. We perform well in that market. I think our propositions that we have had in the market that's really resonating with our customers, both on the business side and on the consumers and then adding also both the wireless business and the broadband business.

I mean, the broadband business continued to gain share in this quarter. We have done -- that's why I'm not sure how many quarters right now as well as now we turned around the prepaid business as well, which I'm very proud of what the team has done. So I think we're competing well. But of course, it's going to be competitive.

It's a great product and it's a great market, but there's nothing new when it comes to that. I would ask Sampath to comment on the momentum that we have gained in March and April. But on the finance before I move it over to Tony, yeah, what you saw in this quarter is that how hard we worked with efficiency because we have leverage right now. We grew [Wireless Service Revenue by] (added by company after the call) 2.7%, and we have [grown Adjusted EBITDA by] (added by company after the call) 4%.

Our expenses, if you take it by the handsets, cost is down compared to last year. So we're coming down in expenses. And the team is doing a great job here. And I have to say also on the business group, they have been on the journey for years right now with the headwind of wireline to take down the cost, at the same time, building AI connect, fiber, broadband business, wireless business.

And now you start seeing that they turn around and this is the second quarter of year-over-year growth. And I know that Kyle and the team are committed to continue that work. So I will start with Sampath to talk about the momentum in March and April, and then we'll go over to Tony to talk a little bit more about leverage.

Sowmyanarayan Sampath - *Verizon Communications Inc - Executive Vice President and CEO of Verizon Consumer Group*

Look, it's always a competitive market. We pulse in and out promotions as we see volumes in the market. And when we have an opportunity to go for volumes, we go for it. Look, we have a playbook. We like our playbook. It's an aggressive playbook, but it's also a playbook that lets us win.

In March, we started seeing mid single-digit growth in gross adds in March, and the last two weeks of March was very good and strong for us. As we came into April, we launched the Verizon value guarantee, and we are seeing double-digit growth in gross adds. I think that's largely because how well the offer is resonating both for base as well as new customers coming into the category.

So we have good momentum coming out of March and currently in April right now. And this gives us comfort that in 2025, we'll have better for net adds than in 2024. Because on the back half of the year, we see churn coming back to a BAU posture and continued momentum on gross adds, the combination of those two is what gives us comfort that will have a good result for net adds in 2025.

Anthony Skiadas - *Verizon Communications Inc - Chief Financial Officer, Executive Vice President*

Okay. Good morning, Ben. So on the EBITDA in your question, look, we're off to a great start, and we're very confident in the EBITDA guide and it starts with the strong service revenue growth that Hans mentioned at 2.7%, and very healthy customer economics when you look at that versus the promo amortization as well.

And as Hans mentioned, we continue to focus on the cost transformation work and we always working to make the business more efficient, whether it's the customer care, managed services work that Kyle and Sampath are doing day in and day out or the network decommissioning as well.

And we also completed our voluntary separation program, and we expect to see a full run rate benefit of that for the balance of the year. And we've said many times, volumes are important, but we're going to drive volumes and be very disciplined in support of our service revenue, EBITDA and free cash flow guidance, and that has not changed at all.

On your question on business margins, look, Hans mentioned this earlier, the team is doing a great job in growing the wireless portfolio. If you think about the mix of business shifting more wireless now, Kyle and the team have been growing both mobility and FWA for many quarters now.

So that mix shift is skewing more wireless. And as that skews more wireless, that brings more margin with it. And we're also seeing some early contribution from private 5G networks and also AI Connect, where we saw improvements in the fourth quarter.

And then on the cost side, the team continues to take cost out, being very disciplined at the deal desk, particularly on business wireless and also the work we're doing around HCL with managed services and also the network decoms as well. So we're pleased to the start to the year. Obviously, the goal here is to grow the business margins for the full year, and we're off to a great start.

Brady Connor - *Verizon Communications Inc - Senior Vice President, Investor Relations*

Yeah. Thanks, Ben. Brad, ready for the next question.

Operator

Jim Schneider, Goldman Sachs.

Jim Schneider - *Goldman Sachs Group, Inc. - Analyst*

Good morning. Thanks for taking my question. Maybe first off, on the consumer side, maybe Sampath or Hans, you could talk to the broad behavior you're seeing from consumers from March into April. Are you seeing any kind of significant change in consumer behavior, trade downs, more reticence to upgrade phones?

Or actually are you seeing potentially consumers react to the potential for tariffs and actually pulling forward some upgrades into the month of April. I mean, maybe how are you thinking about that, the impact of the sort of knock-on impact of tariffs on consumer behavior. Anything you're seeing in terms of the deterioration of consumer in terms of health, credit metrics or whatnot?

And then maybe as a second question, can you maybe just sort of talk about following on the business EBITDA question. I mean, that really sticks out to me as the best growth you've seen in quite some time. Can you maybe talk about the cost metrics underlying that? Are those structural in nature due to the HCL arrangement? Or are there any onetime effects that we should think about? And do you think business EBITDA growth is sustainable from here? Thank you.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

Thank you. When it comes to consumer behavior, I mean, in general, we haven't seen any major consumer shifts in behavior, even though we read the same articles that everybody else that consumer sentiment come back or coming down. Of course, we have a product, the mobility and broadband. It's so essential for our consumers and for our business customers because it's just relevant. So we haven't seen that.

And Tony can talk a little about the payments as well, but they are continue very intact, no deterioration on payments. And then there have been speculation also of any growth in handsets due to worries for tariffs. I think what we can see, and I think Sampath can talk about it is that we have seen a somewhat uptick.

But I think it comes more from our offering that we start with a new 3-year price lock-in as well as that we had any phone guarantee trade-in. I think that has driven a little bit more handsets for us, not per se. But maybe Sampath and Tony will talk a little bit, and Tony will talk about the margin as well. So let's start with Sampath about the momentum there.

Sowmyanarayan Sampath - *Verizon Communications Inc - Executive Vice President and CEO of Verizon Consumer Group*

Look, we have good momentum in our business that March and April were very strong, and April have double-digit growth there. We're seeing good premium mix, in other words, a portion of our base new customers that is taking our premium plans. That mix has actually grown higher.

So that suggests that a value prop is resonating well and customers like what we offer. In terms of upgrades, look, Q1 was a bit soft, and we didn't chase volumes where there was no demand, we didn't think it made sense for us to chase volumes there.

For the whole year, I think we're still committing to a mid single-digit growth in overall upgrade. There will be some volatility quarter-to-quarter as that works through. As we come into April, there will be some pent-up demand mostly from the Verizon value guarantee. Customers really like that. So they're going to take advantage of that. But overall, for the year, we still think mid single-digit growth for upgrade holds. Tony?

Anthony Skiadas - *Verizon Communications Inc - Chief Financial Officer, Executive Vice President*

Yeah. Sure. Good morning, Jim. So on the customer payment trends, look, Hans said this in the prepared remarks. The business is very resilient, and the demand and priority for connectivity is still high, and the payment trends we see are still very stable in both consumer and business and very much at normal historical levels.

The agings and the quality of the receivables continue to be very strong. And the bad debt we see -- and as you know, we have a very high-quality customer base. And the bad debt that we do see trends with volume growth, and you see the gross add growth. But as always, we're going to continue to monitor the trends very closely, but no change in trends there.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

And then on the Verizon Business Group's performance, I think that they are now into year-over-year improvements and the focus for Kyle and the team together with Tony is to continue to drive year-over-year improvements. That can be a little bit up and down.

But definitely, the focus and the target is clear for us, continue to grow our Verizon Business bottom line. And they have proven it in two quarters right now. So we're pleased with what we're seeing right now.

Brady Connor - *Verizon Communications Inc - Senior Vice President, Investor Relations*

Great. Thanks, Jim. Brad, we're ready for the next.

Operator

Michael Rollins, Citi.

Michael Rollins - *Citigroup Inc. - Analyst*

Thanks. Good morning. So as you're looking to still target better consumer phone net adds in '25 over '24, can you give us an update on how you're seeing postpaid phone industry growth and the volumes you're expecting for the year, and how important that is relative to your target for your own volume?

And then within that, are you seeing any impacts from changes in immigration policy? And do you have a better sense of how to frame the potential sensitivities to the forward operating prospects?

And then just one more, if I could. You mentioned some impact from the federal government on business postpaid phone net adds. I'm just curious if there's additional impacts that you could see as you move through this year, whether it's on the wireless side or on the business wireline side? Thanks.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

Let me start. First of all, I'm going to let Sampath comment on the postpaid market. But I would say, on the immigration, we don't have any impact of that and that's not something that we have seen anything from. When it comes to the federal government, what we comment on in the quarter was wireless, where we had a little bit reduction in wireless as we saw some impact of the new government and their efficiency work.

But all in all, all other things in wireless when it comes to large enterprises and SMBs, very strong and continue to take share. I'm not sure how many quarters we have now with Kyle and team taking share and continue to grow the wireless portfolio. So I'm pleased with what I see. So that's where it is. But Sampath, talk about the postpaid market business and consumer.

Sowmyanarayan Sampath - *Verizon Communications Inc - Executive Vice President and CEO of Verizon Consumer Group*

Look, earlier in the year, we had estimated that the market is likely to grow between 8 million and 8.5 million postpaid phones, both for the consumer and the business segment. Sitting where we are right now, we think that number holds. But remember that more than 50% of that is pre to postpaid migration, i.e., customers who are on prepaid plans migrating to postpaid.

This is not a segment Verizon typically plays in directly. We play through our partners, but directly, we do not play in the space there. So that segment could have some impact, but very little impact to Verizon. The second is on the prepaid side, immigration could impact the lower end of prepaid. That's also not a segment where Verizon has a high level of participation in that segment.

And on prepaid, despite lower immigration last three quarters, we're actually seeing our best performance in a very long time. We are gaining on the higher end of prepaid, which is why we are seeing strong performance despite low immigration in those segments.

Brady Connor - *Verizon Communications Inc - Senior Vice President, Investor Relations*

Thanks, Mike. Yeah. Brad, we're ready for the next question.

Operator

Peter Supino, Wolfe Research.

Peter Supino - *Wolfe Research, LLC - Analyst*

Hey. Good morning, everybody. Two, if I may. Marketing, in light of your churn experience over the last two years, does the market's ARPA expectations need to adapt to a less aggressive pricing growth trajectory? Are you feeling too much pressure from whatever the expectations are about pricing to serve all your needs?

And then secondly, on FWA, I'm wondering when that multiyear expansion plan might begin to pressure either or both of CapEx or tower rental costs as some of your 5G sales become more utilized? Thank you.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

I can start with the second question on fixed wireless access. I'm not sure, I 100% understood it. But what we see in fixed wireless access is exactly what I articulated in the second half of 2024. That is when -- we now start deploying C-band in the suburban markets, our OFS is a little bit smaller. And remember, our priority is mobility first when we roll out C-band.

So that means that the potential open for sale is a little bit smaller. And we said that's going to happen in the first half of the year. What we're doing to add to that is, of course, number one, the MDU solution that we now have launched in more than 15 markets will start ramping during the year, and that will help us to have more. And then, of course, we're going to bring out the C-band more widely.

Our plan is to go to 80% to 90% this year. So that's going to increase. And then we have our Fios, which last year was roughly 450,000 OFS, we're ramping up to 650,000. That will help us to continue. So there is no slowdown in speed or appetite or interest on customers, it's just technically how the rollout is working with fixed wireless access.

So again, we're super happy with the product, and we think that we have the two superior products in the market with Fios and fixed wireless access, and we are the most covered broadband provider in the market. So very excited over that and continue with that. I will leave the question to Sampath around the business. I didn't really get it.

Peter Supino - *Wolfe Research, LLC - Analyst*

Hans, if I could just briefly follow up before we get to pricing. The purpose of my question was a bit more focused on your multiyear guidance as opposed to your 2025 execution. As I think we can all agree that in certain locations, you're going to experience more highly utilized cells over time as you achieve your success in FWA. And I'm wondering what year should we expect to see some pressure on CapEx as a result of that given the desire to achieve a lot of FWA growth?

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

So in the multiyear plan, we have to '28, there's no pressure. That's part of our normal rollout. And as always, Joe and network team, they're always building more capacity as needed. So there's no particular pressure in the multiyear plan, where I said to reach 8 million to 9 million subscribers, that's going to be managed with the BAU rollout of C-band.

Sowmyanarayan Sampath - *Verizon Communications Inc - Executive Vice President and CEO of Verizon Consumer Group*

Thanks, Peter, for the question. Look, I don't want to use -- this is not the time to discuss future pricing. So what I will talk about more is wireless service revenue and how we think about it in the medium term. As far as the Verizon value guarantee, it was contemplated in our '25 guidance. But let me talk about some of the puts and takes that we have in our wireless revenue.

The first is higher volumes. We'll have higher volumes in '25 compared to '24, and that will help with wireless service revenue. Second is only 50% of our base is on myPlan with the Verizon value guarantee, there are more incentives for customers to migrate to my plan, which tends to be accreted to revenue immediately.

Longer term, look, we have step-ups. There's a lot of value in our ultimate high-end plan, including an upgrade to unlimited hotspot, which we did last week, and it's really helping with the premium mix. Perks is another area that we'll continue to grow. We had said that we'll get to 14 million perks by the end of this year. I'm happy to say that I think we have line of sight to 15 million perks, an increase of 1 million perks by the time the year ends.

FWA, look, that's a place for good, strong service revenue growth, both on volume, but also on ARPU with a much higher premium mix that we had planned. Value on our prepaid business, historically, has been a drag on our service revenue.

In 2024, it was a 0.8% drag on our overall service revenue. We expect that to turn positive in the second half as volumes grow nicely, and that will help with the long-term service revenue growth. The last is our wholesale business. It has healthy service revenue growth margin in it. So those are all the different levers that we have at our disposal to drive long-term wireless service revenue growth, and we are very comfortable with sustained growth in our business.

Brady Connor - *Verizon Communications Inc - Senior Vice President, Investor Relations*

Thanks, Peter. Brad, ready for the next.

Operator

Sebastiano Petti, JPMorgan.

Sebastiano Petti - *JPMorgan Chase & Co. - Analyst*

Hi. Thank you for getting me back in the queue. Just one quick question just on EBITDA in the first quarter here and how we should be thinking about that. Obviously, EBITDA, there is SG&A side in consumer was -- I wouldn't necessarily say depressed, but was there any perhaps savings or a pullback in spend related to SG&A that will resurface or be a bit more aggressive in 2Q and beyond as we think about the price guarantee and getting some, I guess, advertising and sales and marketing push behind that? So that's a quick just housekeeping question.

And then as you're thinking about the company's broader multiyear convergence strategy, obviously, there is some fiber available in the market as well as others looking for potential partners. But if you step back, how do you think about perhaps -- or does it make sense to either partner with additional fiber providers to accelerate the fiber-to-the-home or your fiber locations push? Or does it perhaps make sense to accelerate your fiber footprint build engine somewhat at the expense of leverage and free cash flow in the interim ahead of the Frontier deal close? Thank you.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

Thank you. I think I can start with the fiber, and I will leave it to Tony talk about EBITDA and the cost savings. On the fiber, we're already ramping up right now our fiber deployment, and that's contemplated in our CapEx from [$450 million OFS to $650 million]. That's ongoing. And our focus right now is, of course, to close Frontier.

And when we have Frontier closed, we have said initially as we didn't have all the data, that plus 1 million OFS a year should be what we're targeting and plus means plus. We haven't defined in that we need to get closer to the closing to give you an update, and we will do that.

So we are very focused on that and see that we're doing the right thing. And then on convergence, the only thing I would say, first of all, I think we have owner economics on everything in broadband and mobility, which means that we have a great position on convergence. And a big portion, I would say, the majority and maybe Sampath can comment on it.

If you take the majority of all the customers coming in on broadband this quarter, they're [mostly] (corrected by company after the call) converged. So it's actually working for us. So maybe Sampath, you can comment on that first, and then we'll go to Tony on the EBITDA.

Sowmyanarayan Sampath - *Verizon Communications Inc - Executive Vice President and CEO of Verizon Consumer Group*

Hans, we saw 339,000 broadband net adds, both for the business and consumer side spread over FWA and Fios. And the vast majority of them were in a converged offering, aka, they had mobility and broadband together with us. And we are still holding on our plan that every time you combine the two, we tend to see a 50% reduction in mobility churn when we have fiber and a reduction in mobility churn when we have FWA as well.

So, A, volumes have been very strong, but second is our converged posture is improving every single day that happens. And that helps with long-term churn, but also proves the Verizon model of convergence, which tends to be very demand-led, it's based on a strong offering and giving customers what they want, which is flexibility, not just using price and promotions to get a converged offering.

Anthony Skiadas - *Verizon Communications Inc - Chief Financial Officer, Executive Vice President*

Yeah. Hey, Sebastiano, your question on EBITDA, look, we started out of the gate very strong with 4% growth. And we were very disciplined in our approach. We didn't chase volumes in the first quarter as we knew we had the Verizon value guarantee launching in early April. So we stayed very disciplined there.

And we launched it from a position of financial strength, and that was very important. If you look across the margin profiles, it’s a team sport. So whether it's consumer or business, we guide at the consolidated level. And we also had very strong cash flow in the quarter as well, and I'm proud of the cash flow result having $900 million of free cash flow improvement and a lot of on the operating cash flow side. So we're very confident in the EBITDA growth and the start to the year.

Brady Connor - *Verizon Communications Inc - Senior Vice President, Investor Relations*

Thanks. Brad, ready for the next question.

Operator

Craig Moffett, MoffettNathanson.

Craig Moffett - *MoffettNathanson - Analyst*

Hi. Good morning. You just talked about what my previous question was going to be about convergence. So let me shift a little bit to -- there's a lot of talk and expectation about a renegotiation of your MVNO agreement with the cable operators.

Can you just talk about that a little bit as to how the relationship with the cable operators as customers has been evolving. And what you expect to happen with the renegotiation this year? Do you -- maybe just conceptually, do you think of the cable operators as part of your convergence solution in the sense that they are offering Verizon wireless service themselves? Or do you think of them as a convergence competitor?

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Craig. You know that we cannot deep dive in our MVNO relationship, but I will try to do my best here. Number one, our strategy is to build a network once and have as many profitable connections on top of it. That's also where our MVNO partners are playing a role. I would say we have a very good relationship with our MVNO partners and a business-to-business relationship.

So we continue to have a good conversation with them and offering the service on the best network in the United States. So the only thing I can say. But this is an accretive business for us that is important in our overall strategy. And hopefully, our partners and our customers on the MVNO side feels the same, but that's at least what I believe.

Brady Connor - *Verizon Communications Inc - Senior Vice President, Investor Relations*

Brad, ready for the next question.

Operator

Kannan Venkateshwar, Barclays.

Kannan Venkateshwar - *Barclays Bank - Analyst*

Thank you. So starting with fiber once again. Just for the framework that we're using the 35 million to 40 million number in terms of the goal post, what did that mean is the right number? Why not better ineffective or whatever month we get state may take?

And secondly, there's some spectrum bands that may come up for auction this year and maybe over the next couple of years as well. So would it take to get an update in terms of your spectrum position and how you guys are thinking about some of the bands coming up in this year and beyond? Thank you.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

Thank you, Kannan. And I hope that you're not using a Verizon line because it was a little bit wobbly. Anyhow, I think I heard your question. And the first one was around the long-term plan of 35 million to 40 million fiber coverings. Yeah. That's the long-term plan we have. And again, we did that communication when we just had made the offer to acquire Frontier.

We are, of course, in the planning stage right now and of course, working through the regulatory approvals. As soon as we get more clarity and closer to the closing of Frontier, we will do more updates where we are and timing, et cetera. And secondly, I would say, everything with the Frontier transaction is going as planned. Our plan is to close it in the first quarter.

So that is going according to plan, but we are in the planning stage right now as we have not that acquired entity in our hands. But as soon as we are closing in on that, we will have more updates where we are. But that was a long-term number we gave when we made the acquisition.

When it comes to spectrum, I think, first of all, we have a really good position on spectrum. I think the C-band and the millimeter wave positions that we have is really yielding. And we have talked about it on previous calls that when we deploy C-band, we have lower churn, better step-ups.

We are creating fixed wireless access opportunities. So it is really making a difference for us. So the second-hand market or spectrum is always coming in and out. We always do an evaluation if it makes sense for us to buy it. It's a buy versus build, but I don't see any major second-hand market spectrum coming up.

I think it's more important long term for the US government for the competitiveness of the US to actually bringing out spectrum over time in order for the carriers to continue to grow. And I think that we all are aligned at that in the industry, it's going to be important.

But that's not a short-term issue, not even medium for us. But over long term, US need to come up with spectrum to continue to compete, especially with 5G advanced and 6G coming later on.

Brady Connor - *Verizon Communications Inc - Senior Vice President, Investor Relations*

Brad, ready for the next question.

Operator

Sam McHugh, BNP.

Sam McHugh - *BNP Paribas Exane - Analyst*

Thanks, guys. Just two quick ones. On the tariffs, you sounded pretty relaxed. And so, I was just wondering why you added the caveat for the guidance. Where could we see an impact from tariffs potentially part one?

And the second question on broadband? Obviously, there's a lot of talk about kind of market weakness in wireless. What are you seeing in broadband? Do you think there's -- are you seeing higher churn? Is that why subs are a bit weaker? Or is it more of a gross add and market growth issue? Thanks.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

Yeah. On the tariffs, I mean, I don't think anybody but is relaxed on tariffs, given what the volatility of where tariffs are going. I just conclude that if I take the midpoint or $18 billion guide on capital expenditures this year, it's a very small portion that is exposed to tariffs. We are a US-based company, investing in US. Fiber is US centric, everything we do with labor, product is fiber-based.

Wireless equipment, of course, were importing, but a smaller portion of the total $18 billion. That's why I'm saying that this we're going to handle. We have handled it before with our suppliers, strategic suppliers, and I don't see that we will not handle it this time. So that's why I'm talking about that.

Then what I said on handsets, it still remains. If we're going to see those type of increases on handsets that we've heard, we are not planning to absorb those. I mean that needs to be passed on to the customers. That's the only way to do it because that's so much money. And then on the broadband, we continue to see very good performance on broadband. The Fios, I think is just doing great, the churn is extremely low.

On the fixed wireless access, we have good gross adds it's a very attractive product from (inaudible) and then what we see is, of course, our churn that it is higher than on Fios because it's a -- product is in early stages compared to Fios that has been around for 25 years or at least 20-plus -- 22, Tony tells me. But we're seeing now improvements quarter-by-quarter. So we're doing that as well.

But maybe Sampath can add something about we see on the usage and the step-ups.

Sowmyanarayan Sampath - *Verizon Communications Inc - Executive Vice President and CEO of Verizon Consumer Group*

Yeah. What we are seeing is, look, it's a normal market on broadband. It is competitive. But what's interesting for us is because of our segmentation approach on FWA and Fios, where on FWA, we lead with value for money, we lead with convenience. And on Fios, we lead with just incredible reliability and performance.

That segmentation strategy is working well, and we are growing on both sides. That's why we had a very strong quarter at 339,000 broadband net adds for both consumer and business.

On churn, Fios had its best churn in a very, very long time this quarter and it goes back to the strong NPS customer satisfaction and reliability of the fiber plant. On FWA, we are seeing sequential improvement in churn, which is really important for us as the product matures, and we get more comfortable, and customers get more comfortable with the piece.

In terms of ARPU, we are seeing good ARPU growth across both Fios and our FWA products. Two things are happening. One is we're getting better price realization. Two is a better premium mix in terms of higher-end plans on FWA and 1 gig-plus plant on Fios. A combination of those two is giving us good ARPU growth in the pace.

So overall, it's a really good market for us. We are doing extremely well. We are taking share every single quarter in the market. We are growing on volume and we are growing on price. And that's the perfect thing to build a long-term sustainable business in the broadband space.

Brady Connor - *Verizon Communications Inc - Senior Vice President, Investor Relations*

Brad, we have time for one last question, please.

Operator

Bryan Kraft, Deutsche Bank.

Bryan Kraft - *Deutsche Bank - Analyst*

Good morning. Thank you. I had two, if I could. First is a follow-up question on the March and April gross adds strength. I think early in 1Q, industry volumes were pretty soft. So just wondering if part of the March and April strength has been from a pickup in those industry volumes or if it's more market share take driven by your new offers?

And then second question I had relates to your MDU solution for fixed wireless. I was wondering if you could talk about the breadth of that launch, maybe comment on what some of the markets are that you've launched in, how available the product is in those markets? Any comment on homes available?

And then also, how is the product performing? What kinds of speeds and reliability you're seeing? And then lastly, can you talk about what's involved in expanding that services availability from here? What are the sort of gating factors to doing that? Thank you.

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

On the first question about the momentum we are seeing in March and April, and I think what we see that's because of our offerings. I mean, I don't see anything else if the industry is coming back or not. I think this is related to us how we perform.

And remember, this is a plan that Sampath and his team together with our CMO has had for a long time to take the next step with our offering, and it resonates with our customers because, I mean, whatever we have learned from our customer is that they want the control or predictability about the offerings, they want the simplicity of the offers and they want the value and we're hitting on all three of them.

So I think that maybe Sampath can comment after this, but I can talk about the MDU. Yeah, we have launched the MDU solution in more than 15 markets. And of course, in the beginning, you start with certain high rises.

And this is, of course, a Fios work. You need to see that the landlords in every house is accepting our solution and then you can sell it into the whole household. So of course, we are working in parallel with a technical solution as well as seeing that we are opening up more and more MDUs. And that is going to roll out over the year.

And it's both for the business side, but I would say, mainly by the consumer side, this is opening up. We have different type of solutions on technology, both on Fios like performance down to fixed wireless access performance. And that's how we're going to work it because ultimately, we want to give choice for our customers for different type of speed tiers as we did the fixed wireless access, et cetera.

So this is going to ramp over the year, and we just came out. So we feel good about the solution and the technology, and this is just adding opportunity for us to grow our broadband. But maybe, Sampath, you can add something.

Sowmyanarayan Sampath - *Verizon Communications Inc - Executive Vice President and CEO of Verizon Consumer Group*

Yeah. Look, March and April -- March was mid single-digit growth in gross adds. April, we saw double-digit growth, largely on the back of our Verizon value guarantee. It's resonating really well with customers. It's very easy to explain. Our sales team is doing an incredible job of explaining it to customers.

And then lastly, is impact on the base because to get the Verizon value guarantee, the base has to do absolutely nothing. They all get locked in for three years with a price guarantee. And they like that and hence, it's driving add aligned opportunity for us as well in the space.

What we are seeing is good performance on a prepaid side of our business. That's a base that's been incredibly strong in the first quarter. We're likely taking share in prepaid. And we're seeing good performance across all our core brands. Total, Visible and Straight Talk are probably the brands that had the strongest performance.

And it's the same playbook that we had in postpaid. We are rolling out that same playbook in prepaid, which is execution, better distribution, disciplined financials and just getting to better outcomes on that. And then lastly is our portfolio of brands. We are in a very unique position where we have a brand in every segment of the market, and more importantly, a leading brand in every segment of the market.

So irrespective of how the economy moves and what level of economic uncertainty there is, we'll always have a place and a place for the customer to go through. So that gives us comfort, and that's a little bit of commentary about the March and April performance. Hans?

Hans Vestberg - *Verizon Communications Inc - Chairman of the Board, Chief Executive Officer*

Yeah. Maybe before we end up, I mean, people usually ask me what questions I will not answer, I think what we haven't gotten any questions on our prepaid business. And I would say this is Verizon at its best in execution. Taking it from where it was, the whole team with Sampath has turned this around with branding, segmenting the market. And basically, all our brands are growing at the moment in prepaid.

And I think that we're going to see that going forward. I'm really excited, and this was the right decision for Verizon to buy TracFone and we can be in all segments of the market with wireless, and that's where we should be as a leader and number one in this market. So that was answer your question I didn't get.

Brady Connor - *Verizon Communications Inc - Senior Vice President, Investor Relations*

Thanks, Bryan. Thanks for asking that at the end. Brad, I think that's all the time we have for today. Thank you.

Operator

This concludes our conference call for today. Thank you for your participation and for using Verizon Conference Services. You may now disconnect.
