



2001	2002	2003	2004	2005	2006 <sup>E</sup>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
24.73	24.63	24.46	25.73	25.59	30.29	32.56	34.27	38.02	37.68	39.10	40.53	29.11	30.58	32.31	30.90	<b>30.50</b>	<b>31.25</b>	Revenues per sh	<b>32.40</b>
8.11	7.93	7.55	7.64	7.24	7.07	7.40	7.65	8.12	8.01	7.96	7.85	6.79	7.19	7.94	7.79	<b>5.80</b>	<b>5.85</b>	"Cash Flow" per sh	<b>6.05</b>
3.00	3.05	2.62	2.59	2.56	2.54	2.34	2.54	2.40	2.21	2.15	2.32	4.00	3.35	3.99	3.87	<b>3.75</b>	<b>3.80</b>	Earnings per sh (A)	<b>4.25</b>
1.54	1.54	1.54	1.54	1.62	1.62	1.65	1.78	1.87	1.93	1.96	2.02	2.08	2.16	2.23	2.29	<b>2.32</b>	<b>2.36</b>	Div'ds Decl'd per sh (B)	<b>2.48</b>
6.39	4.36	4.29	4.79	5.24	5.88	6.11	6.07	6.01	5.82	5.73	5.66	4.01	4.14	4.36	4.18	<b>4.20</b>	<b>4.25</b>	Cap'l Spending per sh	<b>4.45</b>
11.98	11.88	12.08	13.56	13.56	16.68	17.62	14.68	14.67	13.64	12.69	11.60	9.38	2.96	4.03	5.53	<b>4.00</b>	<b>4.25</b>	Book Value per sh	<b>6.00</b>
2717.2	2745.8	2769.4	2770.0	2926.8	2909.9	2871.0	2840.6	2835.7	2828.1	2835.5	2858.3	4141.1	4155.4	4073.2	4076.7	<b>4050.0</b>	<b>4000.0</b>	Common Shs Outst'g (C)	<b>3950.0</b>
17.3	13.0	13.7	14.8	13.2	13.4	17.6	13.7	12.7	13.8	17.1	18.1	12.2	14.5	11.8	13.3	<b>17.5</b>	<b>17.5</b>	Avg Ann'l P/E Ratio	<b>17.5</b>
.89	.71	.78	.78	.70	.72	.93	.82	.85	.88	1.07	1.15	.69	.76	.59	.71	<b>1.10</b>	<b>1.10</b>	Relative P/E Ratio	<b>1.10</b>
3.0%	3.9%	4.3%	4.0%	4.8%	4.8%	4.0%	5.1%	6.1%	6.3%	5.3%	4.8%	4.3%	4.4%	4.7%	4.5%	<b>3.4%</b>	<b>3.4%</b>	Avg Ann'l Div'd Yield	<b>3.4%</b>

2001	2002	2003	2004	2005	2006 <sup>E</sup>	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
93469	97354	107808	106565	110875	115846	120550	127079	131620	125980	<b>123500</b>	<b>125000</b>	Revenues (\$mill)	<b>128000</b>						
6854.0	7235.0	6805.0	6256.6	6086.8	5970.4	11497	13337	16324	15809	<b>13500</b>	<b>13550</b>	Net Profit (\$mill)	<b>16800</b>						
35.6%	34.4%	33.1%	19.5%	2.7%	--	19.6%	29.9%	34.6%	33.7%	<b>34.0%</b>	<b>34.0%</b>	Income Tax Rate	<b>35.0%</b>						
7.3%	7.4%	6.3%	5.9%	5.5%	5.2%	9.5%	10.5%	12.4%	12.5%	<b>11.0%</b>	<b>11.0%</b>	Net Profit Margin	<b>13.1%</b>						
25.4%	37.3%	39.5%	34.2%	36.9%	35.8%	48.4%	89.0%	85.3%	81.4%	<b>81.0%</b>	<b>80.0%</b>	Long-Term Debt Ratio	<b>80.0%</b>						
45.5%	33.1%	29.8%	29.2%	26.4%	24.9%	21.0%	9.9%	13.5%	17.4%	<b>19.0%</b>	<b>20.0%</b>	Common Equity Ratio	<b>20.0%</b>						
111072	125864	139418	132164	136211	133151	185074	124212	121547	129465	<b>121000</b>	<b>121500</b>	Total Capital (\$mill)	<b>125500</b>						
85294	86546	91466	87711	88434	88642	88956	89947	83541	84751	<b>85500</b>	<b>86000</b>	Net Plant (\$mill)	<b>91000</b>						
8.8%	8.3%	7.2%	7.6%	7.2%	7.5%	9.0%	11.0%	13.7%	12.4%	<b>11.5%</b>	<b>12.4%</b>	Return on Total Cap'l	<b>14.0%</b>						
13.6%	17.3%	16.4%	16.2%	16.9%	18.0%	29.6%	108.4%	99.4%	70.2%	<b>NMF</b>	<b>NMF</b>	Return on Shr. Equity	<b>13.0%</b>						
13.6%	17.3%	16.4%	16.2%	16.9%	18.0%	29.6%	108.4%	99.4%	70.2%	<b>NMF</b>	<b>NMF</b>	Return on Com Equity	<b>13.0%</b>						
4.1%	5.4%	3.7%	2.2%	1.5%	2.2%	14.3%	45.0%	47.4%	29.1%	<b>48.0%</b>	<b>48.0%</b>	Retained to Com Eq	<b>45.0%</b>						
70%	69%	77%	87%	91%	88%	52%	59%	52%	59%	<b>68%</b>	<b>59%</b>	All Div'ds to Net Prof	<b>58%</b>						

**CAPITAL STRUCTURE as of 6/30/17**  
 Total Debt \$117543 mill. Due in 5 Yrs \$32097mill.  
 LT Debt \$116390 mill. LT Interest \$1805 mill.  
 Incl. \$950.0 mill. capitalized leases.  
 (Total interest coverage: 7.1x)  
 (80% of Total Cap'l.)  
 Leases, Uncapitalized Annual rentals \$2822 mill.  
 Pension Assets-12/16 \$14663 mill.  
 Oblig. \$21112 mill.  
 Pfd Stock None  
 Common Stock 4,079,407,956 shs.  
 MARKET CAP: \$193 billion (Large Cap)

**CURRENT POSITION** 2015 2016 6/30/17 (\$MILL.)  
 Cash Assets 4470 2880 4583  
 Other 17810 23515 24240  
 Current Assets 22280 26395 28823  
 Accts Payable 19362 19593 17825  
 Debt Due 6489 2645 1153  
 Other 9201 8102 8780  
 Current Liab. 35052 30340 27758

**BUSINESS:** Verizon Communications was created by the merger of Bell Atlantic and GTE in June of 2000. It is a diversified telecom company with a network that covers a population of about 298 million and provides service to nearly 98.2 million. Acquired MCI, 1/06; Alltel, 1/09; Verizon Wireless, 2/14. Also the largest provider of print and on-line directory information. Has a wireline presence in 28 states & Washington, D.C.; a wireless presence in 50 states & D.C.; operations in 19 countries. 2016 revenue breakdown: wireline (includes telecom & business), 29%; domestic wireless, 71%. Has approximately 160,900 employees. Chairman and CEO: Lowell McAdam, Inc.: Delaware. Addr.: 1095 Avenue of the Americas, NY, NY 10036. Tel.: 212-395-1000. Internet: www.verizon.com.

**Verizon's prospects for this year and next are a bit underwhelming.** This telecommunications giant and Dow-30 component reported June-quarter earnings of \$0.96 a share, in line with our estimate and a two cent year-over-year improvement, on a better-than-expected revenue comparison. These results came as no great surprise, as we have warned recently that the outlook for the next couple of years was nothing to write home about. Notably, the 2016 sale of Verizon's high-margined wireline operations in California, Florida, and Texas to Frontier Communications, combined with the ongoing shift of wireless customers to device payment plans and the ramping up of its new business model are doing the company no favors. The news was not all bad though, with VZ Wireless reporting a net increase of 614,000 retail postpaid connections, as compared to the net decline of 307,000 postpaid connections in the March quarter. All told, we look for Verizon to post 2017 earnings of \$3.75 a share, with a modest uptick of a nickel a share in the cards for the following year.

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	30818	31483	31586	33192	127079
2015	31984	32224	33158	34254	131620
2016	32171	30532	30937	32340	125980
2017	29814	30548	<b>30928</b>	<b>32210</b>	<b>123500</b>
2018	<b>30600</b>	<b>30900</b>	<b>31150</b>	<b>32350</b>	<b>125000</b>

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	.84	.91	.89	.71	3.35
2015	1.02	1.04	1.04	.89	3.99
2016	1.06	.94	1.01	.86	3.87
2017	.95	.96	<b>.96</b>	<b>.88</b>	<b>3.75</b>
2018	<b>.96</b>	<b>.97</b>	<b>.97</b>	<b>.90</b>	<b>3.80</b>

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	.515	.515	.515	.53	2.08
2014	.53	.53	.53	.55	2.16
2015	.55	.55	.565	.565	2.23
2016	.565	.565	.58	.58	2.29
2017	.58	.58	.58		

**The company looks a bit different**  
 than it did this time last year. Verizon acquired XO Communications during the first quarter. Subsequently, on June 13th, the company closed on the \$4.48 billion purchase of Yahoo!, creating one of the largest portfolios of owned and partnered global brands with exclusive distribution capabilities. And Verizon recently inked fiber purchase agreements with Corning and Prysmian to extend its network lead and position it to deliver new multiuse fiber services, including 5G, while complementing small-cell deployment. **Finances are not a concern.** The company finished the June interim with \$4.6 billion in cash on its ledger (up from \$2.9 billion a year ago) and long-term debt of \$116.4 billion (up from \$92.9 billion this time last year). **Investors with a long-term bent may wish to consider this blue-chip equity.** At the recent quotation, the issue offers above-average appreciation potential three to five years hence. Too, VZ stock could well be the darling of income-seeking investors, as its dividend yield is more than double that of the Value Line median.

**Company's Financial Strength** A++  
**Stock's Price Stability** 95  
**Price Growth Persistence** 30  
**Earnings Predictability** 65