



2002	2003	2004	2005	2006	2007 ^E	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
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	30.89	31.70	32.45	Revenues per sh	34.35
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	5.80	6.10	"Cash Flow" per sh	6.30	
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	3.75	4.50	4.60	Earnings per sh (A)	4.95
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	2.33	2.37	2.41	Div's Decl'd per sh (B)	2.53
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	4.23	4.30	4.25	Cap'l Spending per sh	4.45
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	10.95	11.00	11.05	Book Value per sh	11.25
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	4079.5	4050.0	4000.0	Common Shs Outst'g (C)	3950.0
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	12.3	12.5	12.5	Avg Ann'l P/E Ratio	17.5
.71	.78	.78	.70	.72	.93	.82	.85	.88	1.07	1.15	.69	.76	.59	.70	.61	0.70	0.61	Relative P/E Ratio	.95
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%	4.8%	4.8%	4.8%	Avg Ann'l Div'd Yield	3.4%

CAPITAL STRUCTURE as of 12/31/17						97354	107808	106565	110875	115846	120550	127079	131620	125980	126034	128450	129850	Revenues (\$mill)	135700
Total Debt \$117095 mill. Due in 5 Yrs \$32124mill.						7235.0	6805.0	6256.6	6086.8	5970.4	11497	13337	16324	15809	15270	18225	18400	Net Profit (\$mill)	19555
LT Debt \$113642 mill. LT Interest \$1800 mill.						34.4%	33.1%	19.5%	2.7%	--	19.6%	29.9%	34.6%	33.7%	34.0%	25.0%	25.0%	Income Tax Rate	25.0%
Incl. \$771.0 mill. capitalized leases.						7.4%	6.3%	5.9%	5.5%	5.2%	9.5%	10.5%	12.4%	12.5%	12.1%	14.2%	14.2%	Net Profit Margin	14.4%
(Total interest coverage: 7.1x)						37.3%	39.5%	34.2%	36.9%	35.8%	48.4%	89.0%	85.3%	81.4%	81.0%	81.0%	Long-Term Debt Ratio	80.0%	
(72% of Total Cap'l.)						33.1%	29.8%	29.2%	26.4%	24.9%	21.0%	9.9%	13.5%	17.4%	19.0%	19.0%	Common Equity Ratio	20.0%	
Leases, Uncapitalized Annual rentals \$3290 mill.						125864	139418	132164	136211	133151	185074	124212	121547	129465	121000	121500	122000	Total Capital (\$mill)	126000
Pension Assets-12/17 \$19175 mill.						86546	91466	87711	88434	88642	88956	89947	83541	84751	85500	86000	86500	Net Plant (\$mill)	91000
Objig. \$21531 mill.						8.3%	7.2%	7.6%	7.2%	7.5%	9.0%	11.0%	13.7%	12.4%	12.5%	21.0%	21.0%	Return on Total Cap'l	15.5%
Pfd Stock None						17.3%	16.4%	16.2%	16.9%	18.0%	29.6%	108.4%	99.4%	70.2%	NMF	41.0%	41.0%	Return on Shr. Equity	43.0%
Common Stock 4,079,486,153 shs.						17.3%	16.4%	16.2%	16.9%	18.0%	29.6%	108.4%	99.4%	70.2%	NMF	41.0%	41.0%	Return on Com Equity	43.0%
MARKET CAP: \$199 billion (Large Cap)						5.4%	3.7%	2.2%	1.5%	2.2%	14.3%	45.0%	47.4%	29.1%	48.0%	48.0%	48.0%	Retained to Com Eq	45.0%
CURRENT POSITION						69%	77%	87%	91%	88%	52%	59%	52%	59%	68%	53%	52%	All Div'ds to Net Prof	51%

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. 2017 revenue breakdown: wireline (includes telecom & business), 26%; domestic wireless, 74%. Has approximately 155,400 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.

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '14-'16 to '21-'23
of change (per sh)	1.5%	-4.0%	2.0%
Revenues	0.5%	-1.0%	NMF
"Cash Flow"	4.0%	10.5%	3.0%
Earnings	3.5%	3.0%	2.0%
Dividends	-12.0%	-21.0%	5.5%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	31984	32224	33158	34254	131620
2016	32171	30532	30937	32340	125980
2017	29814	30548	31717	33955	126034
2018	31200	31400	32000	33850	128450
2019	31250	31700	32400	34500	129850

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	1.02	1.04	1.04	.89	3.99
2016	1.06	.94	1.01	.86	3.87
2017	.95	.96	.98	.86	3.75
2018	1.10	1.13	1.20	1.07	4.50
2019	1.12	1.15	1.23	1.10	4.60

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	.59	2.29
2018	.59				

Verizon's prospects have certainly improved of late. Truth be told, the company's performance throughout the recently completed year was nothing to write home about. Indeed, year-end share net came in 3% below the year-earlier tally, on a flat top-line comparison. This uninspiring performance is attributable to the combined effects of the April, 2016 sale of the company's high-margined wireline operations in California, Florida, and Texas to Frontier Communications: the ongoing shift of wireless customers to device payment plans; and the ramping up of its new business model. However, the tides have seemingly turned, thanks, in large part, to the Tax Cuts and Jobs Act of 2017. The anticipated savings from this recent tax reform should generate a net \$3.5 billion to \$4.0 billion increase in cash flow from operations in 2018, which, in turn, ought to yield a significant increase in 2018 share net. Moreover, the effective tax rate is projected to be in the 24% to 26% range. As a result, we now look for Verizon to post earnings of about \$4.50 a share this year, with a modest increase in the cards for next year.

The company's finances are certainly no cause for concern. Verizon finished off 2017 with \$2.079 billion in cash on its balance sheet (down from \$2.88 billion a year ago), and long-term debt of \$113.6 billion (up from \$105.4 billion this time last year). And over the coming quarters, we would not be surprised to see the company boost the dividend payout and make bolt-on acquisitions. To wit, management is committed to bolstering Verizon's strategic capabilities and boosting its spectrum assets. **Verizon stock has moved up a notch in Timeliness since our December review.** Nevertheless, it is pegged to merely run in tandem with the year-ahead market. **Investors with an eye toward the early years of the coming decade may wish to stake a position here.** Given the aforementioned impact of the recent tax reform, we have upped our earnings projections three to five years hence, and as a result, VZ stocks now offers alluring capital-appreciation potential over that timeframe.

Kenneth A. Nugent March 16, 2018

(A) Based diluted shares. Excl. n/r gains (losses): '01, (\$2.86); '02, (\$1.56); '03, (\$1.51); '04, \$0.08; '06, (\$0.42). Next earnings report April 24th. (B) Div'd paid in early Feb., May, Aug. & Nov. (C) Div'd reinv. plan avail. (D) Including financial subsidiary. (E) '06 MCI pro forma.	Company's Financial Strength	A++
	Stock's Price Stability	95
	Price Growth Persistence	30
	Earnings Predictability	65