



2002	2003	2004	2005	2006 ^E	2007	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	32.05	32.65	Revenues per sh	34.55
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	7.91	6.10	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	3.74	4.60	4.70	Earnings per sh (A)	5.05
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	2.29	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	12.9	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	.65	.70	.65	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%	4.7%	4.5%	4.7%	Avg Ann'l Div'd Yield	2.9%

CAPITAL STRUCTURE as of 3/31/18				2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
Total Debt \$119057 mill. Due in 5 Yrs \$32124mill.				97354	107808	106565	110875	115846	120550	127079	131620	125980	126034	129790	130625	Revenues (\$mill)	136500
LT Debt \$112734 mill. LT Interest \$1800 mill.				7235.0	6805.0	6256.6	6086.8	5970.4	11497	13337	16324	15809	15297	18630	18800	Net Profit (\$mill)	19950
Incl. \$771.0 mill. capitalized leases.				34.4%	33.1%	19.5%	2.7%	--	19.6%	29.9%	34.6%	33.7%	32.9%	25.0%	25.0%	Income Tax Rate	25.0%
(Total interest coverage: 7.1x)				7.4%	6.3%	5.9%	5.5%	5.2%	9.5%	10.5%	12.4%	12.5%	12.1%	14.4%	14.4%	Net Profit Margin	14.4%
(68% of Total Cap'l.)				37.3%	39.5%	34.2%	36.9%	35.8%	48.4%	89.0%	85.3%	81.4%	71.1%	81.0%	80.0%	Long-Term Debt Ratio	80.0%
Leases, Uncapitalized Annual rentals \$3290 mill.				33.1%	29.8%	29.2%	26.4%	24.9%	21.0%	9.9%	13.5%	17.4%	27.9%	19.0%	20.0%	Common Equity Ratio	20.0%
Pension Assets-12/17/\$19175 mill.				125864	139418	132164	136211	133151	185074	124212	121547	129465	159920	121500	122000	Total Capital (\$mill)	126000
Obblig. \$21531 mill.				86546	91466	87711	88434	88642	88956	89947	83541	84751	88568	86000	86500	Net Plant (\$mill)	91000
Pfd Stock None				8.3%	7.2%	7.6%	7.2%	7.5%	9.0%	11.0%	13.7%	12.4%	9.7%	15.5%	15.5%	Return on Total Cap'l	16.0%
Common Stock 4,131,896,508 shs.				17.3%	16.4%	16.2%	16.9%	18.0%	29.6%	108.4%	99.4%	70.2%	34.2%	37.0%	37.0%	Return on Shr. Equity	40.0%
MARKET CAP: \$198 billion (Large Cap)				17.3%	16.4%	16.2%	16.9%	18.0%	29.6%	108.4%	99.4%	70.2%	34.2%	37.0%	37.0%	Return on Com Equity	40.0%
CURRENT POSITION				5.4%	3.7%	2.2%	1.5%	2.2%	14.3%	45.0%	47.4%	29.1%	13.0%	37.0%	37.0%	Retained to Com Eq	40.0%
(SMILL.)				69%	77%	87%	91%	88%	52%	59%	52%	59%	62%	53%	52.0%	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.

Verizon started off 2018 with a bang. To wit, the telecommunications giant and Dow-30 component reported first-quarter earnings of \$1.17 a share, seven cents above our estimate and 23% higher than the year-ago result, on a 6.6% top-line improvement. Truth be told, this impressive performance was better than we had expected. Earlier this year, we had noted that the company's fortunes had been tempered of late by the combined effects of the April, 2016 sale of its 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.

And the good news should continue. Indeed, VZ Wireless reported a 4.7% increase in first-quarter revenues, the company's second year-over-year wireless revenue growth in two years. The percentage of phone activations on device payment plans was 81% in the March period, compared to 72% last year, which has helped ease service revenue declines, which seemed to be improving toward the end of the first quarter. VZ Wireless added 260,000 retail postpaid net additions during the March period, bringing its total number of retail connections to 116.2 million, a 2% year-over-year increase.

The Tax Cuts and Jobs Act was certainly a blessing for Verizon. Notably, the expected savings from tax reform is likely to generate a net \$3.5 billion to \$4.0 billion uplift in cash from operations in 2018. Management expects this to result in a \$0.55-\$0.65 increase in 2018 share earnings, net of impacts from employees and Verizon Foundation initiatives. Hence, we now look for 2018 earnings to hit the \$4.60-a-share mark.

Verizon stock has something for investors of all ilk. To wit, the stock's Timeliness rank has moved up a notch since our mid-March review, and it is now pegged to outperform the year-ahead market. What's more, at the recent quotation, its appreciation potential 3 to 5 years hence is double that of the average selection under our review. Finally, income-seeking investors are apt to like Verizon's dividend yield, which is more than double that of the Value Line median.

Kenneth A. Nugent
June 15, 2018

(A) Based diluted shares. Excl. n/r gains (losses): '02, (\$1.56); '03, (\$1.51); '04, \$0.08; '06, (\$0.42). Next earnings report July 24th. (B) Div'd paid in early Feb., May, Aug. & Nov.	Div'd reinv. plan avail. (C) In mill. (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