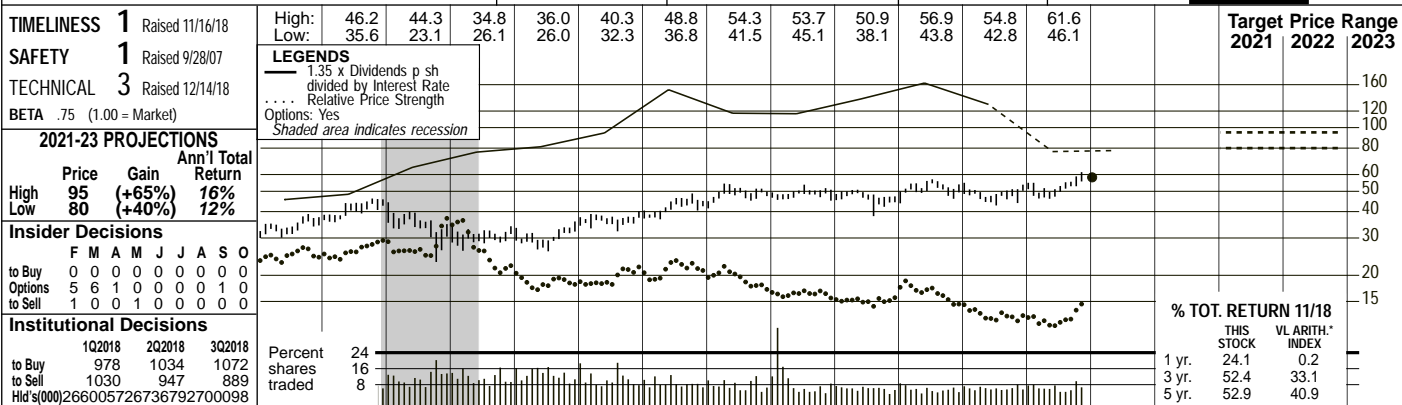


VERIZON NYSE-VZ

RECENT PRICE **58.09** P/E RATIO **12.4** (Trailing: 13.1 Median: 13.0) RELATIVE P/E RATIO **0.76** DIV'D YLD **4.1%**

VALUE LINE



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	32.35	33.15	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	7.91	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	4.65	4.75	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	4.25	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	17.5	17.5	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	.95	.95	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%	2.9%	2.9%	Avg Ann'l Div'd Yield	2.9%

CAPITAL STRUCTURE as of 9/30/18		97354	107808	106565	110875	115846	120550	127079	131620	125980	126034	130985	132580	Revenues (\$mill)	136500
Total Debt \$112942 mill. Due in 5 Yrs \$32124mill.		7235.0	6805.0	6256.6	6086.8	5970.4	11497	13337	16324	15809	15297	18835	19000	Net Profit (\$mill)	19950
LT Debt \$106440 mill. LT Interest \$1800 mill.		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%
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%	14.4%	14.3%	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%	71.1%	81.0%	80.0%	Long-Term Debt Ratio	80.0%
(65% of Total Cap'l.)		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%
Leases, Uncapitalized Annual rentals \$3290 mill.		125864	139418	132164	136211	133151	185074	124212	121547	129465	159920	121500	122000	Total Capital (\$mill)	126000
Pension Assets-12/17\$19175 mill.		86546	91466	87711	88434	88642	88956	89947	83541	84751	88568	86000	86500	Net Plant (\$mill)	91000
Oblig. \$21531 mill.		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%
Pfd Stock None		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%
Common Stock 4,132,015,101 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 Com Equity	40.0%
MARKET CAP: \$240 billion (Large Cap)		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%
CURRENT POSITION		69%	77%	87%	91%	88%	52%	59%	52%	59%	62%	51%	51%	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 about 155,400 employees. Chairman: Lowell McAdam; CEO: Hans Vestberg, 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 '15-'17 to '21-'23
of change (per sh)	10 Yrs.	5 Yrs.	to '21-'23
Revenues	0.5%	-4.5%	1.5%
"Cash Flow"	1.0%	-	-3.5%
Earnings	4.5%	11.5%	4.5%
Dividends	3.5%	3.0%	2.0%
Book Value	-8.0%	-11.5%	8.5%

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	31772	32203	32607	34403	130985
2019	32175	32590	33000	34815	132580

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	.85	3.74
2018	1.17	1.20	1.22	1.06	4.65
2019	1.18	1.22	1.23	1.12	4.75

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	.59	.59	.6025	

Verizon is likely putting the finishing touches on a record year. Notably, this telecommunications giant reported September-interim earnings of \$1.22 a share, two cents above our estimate and a hefty 24% jump relative to the year-ago result, on a 2.8% top-line advance. Once again, Verizon Wireless was the star of the show during the quarter, with the division reporting a 6.5% increase in third-quarter revenues, and service revenues, which had been declining earlier in the year, rising 0.8% year over year during the quarter. In addition, the percentage of phone activations on device payment plans was 83%, compared to 78% in the same period last year. Separately, total revenues for the Wireline division's FiOS fiber-optic-based services were up 1.5% year over year, due to decent demand for high-quality broadband service. Of note, though, the division added 54,000 FiOS Internet connections, yet lost 63,000 FiOS Video connections, due to the ongoing shift away from traditional cable video offerings. Hence, we are confident Verizon will post earnings of \$4.65 a share in 2018, with an advance of a dime a share likely in 2019.

The company's finances are in solid shape. Verizon ended the September interim with \$2.5 billion in cash on its ledger (down from \$4.5 billion a year ago), and long-term debt of \$106.4 billion (down from \$115.3 a year ago). Going forward, we would not be surprised to see the company further boost its dividend payout (the quarterly dividend was recently increased by 2.1%, to \$0.6025 a share) and make additional acquisitions. To wit, management has made it clear that it is committed to enhancing Verizon's strategic capabilities and its spectrum assets. **At the moment, this blue-chip stock has something for everyone.** The equity's Timeliness rank has moved up two notches since our mid-September review and now is expected to be the broader market averages over the next six to 12 months. Moreover, despite the recent uptick in its value, VZ stock still offers worthwhile capital-appreciation potential through the early years of the coming decade. Finally, a dividend yield that is well above the Value Line median only serves to sweeten the pot.

Kenneth A. Nugent December 14, 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 January 29th. (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	25
	Earnings Predictability	65