



2003	2004	2005	2006E	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
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	31.67	31.90	32.25	Revenues per sh	34.50
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	8.88	8.90	9.00	"Cash Flow" per sh	9.25
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	4.71	4.75	4.85	Earnings per sh (A)	5.25
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	2.37	2.42	Div'ds Decl'd per sh (B)	2.62
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	4.03	4.25	4.25	Cap'l Spending per sh	4.40
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	12.86	13.25	13.50	Book Value per sh	13.65
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	4132.0	4145.0	4150.0	Common Shs Outst'g (C)	4000.0
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	11.1	11.5	11.5	Avg Ann'l P/E Ratio	17.5
.78	.78	.70	.72	.93	.82	.85	.88	1.07	1.15	.69	.76	.59	.70	.65	.60	.65	.60	Relative P/E Ratio	.95
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%	4.5%	Avg Ann'l Div'd Yield	2.8%

CAPITAL STRUCTURE as of 3/31/19				BUSINESS				Leases, Uncapitalized Annual rentals \$4043 mill.				Pension Assets-12/18 \$17816 mill.				Pfd Stock None				Common Stock 4,135,706,646 shs.				MARKET CAP: \$233 billion (Large Cap)																																			
Total Debt \$113659 mill. Due in 5 Yrs \$35014mill.				107808				106565				110875				115846				120550				127079				131620				125980				126034				130863				132300				133800				Revenues (\$mill)				138000			
LT Debt \$105045 mill. LT Interest \$1800 mill.				6805.0				6256.6				6086.8				5970.4				11497				13337				16324				15809				15297				19279				19690				20130				Net Profit (\$mill)				21000			
Incl. \$758.0 mill. capitalized leases.				33.1%				19.5%				2.7%				--				19.6%				29.9%				34.6%				33.7%				32.9%				18.3%				25.0%				25.0%				Income Tax Rate				25.0%			
(Total interest coverage: 7.1x)				6.3%				5.9%				5.5%				5.2%				9.5%				10.5%				12.4%				12.5%				12.1%				14.7%				14.9%				15.0%				Net Profit Margin				15.2%			
(65% of Total Cap'l.)				39.5%				34.2%				36.9%				35.8%				48.4%				89.0%				85.3%				81.4%				71.1%				65.9%				81.0%				80.0%				Long-Term Debt Ratio				79.0%			
Leases, Uncapitalized Annual rentals \$4043 mill.				29.8%				29.2%				26.4%				24.9%				21.0%				9.9%				13.5%				17.4%				27.9%				33.1%				19.0%				20.0%				Common Equity Ratio				21.0%			
Pension Assets-12/18 \$17816 mill.				139418				132164				136211				133151				185074				124212				121547				129465				159920				160583				122000				122250				Total Capital (\$mill)				126000			
Obblig. \$19567 mill.				91466				87711				88434				88642				88956				89947				83541				84751				88568				89286				86500				86700				Net Plant (\$mill)				89000			
Pfd Stock None				7.2%				7.6%				7.2%				7.5%				9.0%				11.0%				13.7%				12.4%				9.7%				12.2%				15.5%				15.5%				Return on Total Cap'l				16.0%			
Common Stock 4,135,706,646 shs.				16.4%				16.2%				16.9%				18.0%				29.6%				108.4%				99.4%				70.2%				34.2%				36.3%				37.0%				37.0%				Return on Shr. Equity				40.0%			
MARKET CAP: \$233 billion (Large Cap)				16.4%				16.2%				16.9%				18.0%				29.6%				108.4%				99.4%				70.2%				34.2%				36.3%				37.0%				37.0%				Return on Com Equity				40.0%			
CURRENT POSITION				3.7%				2.2%				1.5%				2.2%				14.3%				45.0%				47.4%				29.1%				13.0%				17.9%				37.0%				37.0%				Retained to Com Eq				40.0%			
(SMILL.)				77%				87%				91%				88%				52%				59%				52%				59%				62%				51%				51%				50.0%				All Div'ds to Net Prof				50%			

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. 2018 revenue breakdown: wireline, 23%; domestic wireless, 69%; corporate & other, 8%. Has about 144,500 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.

Verizon once again seems set for another record year. To wit, the telecommunications giant and Dow-30 component reported first-quarter earnings of \$1.20 a share, four cents above our estimate and three cents above the year-ago figure, on a modest 1.1% top-line advance. It is important to note that during the first quarter, Verizon's performance was tempered by a reduction in benefits from the adoption of a revenue recognition standard, primarily due to the deferral of commission expense, and the adoption of a lease accounting standard. The combined impact pared earnings by \$0.04 a share. However, the better-than-expected bottom-line performance can be attributed to VZ Wireless. Indeed, the division reported a 3.7% uptick in March-quarter revenue, the sixth time the company has reported year-over-year wireless revenue growth in two years. Too, service revenues, which were in decline last year, were up a solid 4.4% in the first quarter, driven by customer step-ups to higher-priced plans, contributions from strong retail postpaid net additions in the fourth quarter of last year, and an increase in connections per account.

But the news is not all good. Top-line growth in 2019 is likely to be fairly modest, as elevated competition in a mature industry may stymie the company's ability to attract new customers. And Verizon has earmarked \$17 billion to \$18 billion for capital expenditures in 2019, due to the launch and continued buildout of its 5G Ultra Wideband network, the growth in data and video traffic on the company's 4G LTE network, the deployment of significant fiber in markets nationwide, and the upgrade to Verizon's Intelligent Edge Network. Yet, the company is on schedule to achieve \$10 billion in total cash savings by 2021, which augurs well for the bottom line going forward.

Blue-chip Verizon stock has something for investors of all ilk. Notably, the issue is ranked to best the year-ahead market averages. And at the recent quotation, its capital-appreciation potential 3 to 5 years hence is above that of the average selection under our review. Finally, income-seeking investors are apt to like Verizon's dividend yield, which is almost twice that of the Value Line median.

Kenneth A. Nugent
June 14, 2019

(A) Based diluted shares. Excl. n/r gains (losses): '03, (\$1.51); '04, \$0.08; '06, (\$0.42). Next earnings report Aug. 1st. (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