

VERIZON NYSE-VZ

RECENT PRICE **60.14** P/E RATIO **12.3** (Trailing: 12.5 Median: 13.0) RELATIVE P/E RATIO **0.71** DIV'D YLD **4.1%**

VALUE LINE

TIMELINESS 1 Raised 12/13/19
SAFETY 1 Raised 9/28/07
TECHNICAL 2 Raised 11/8/19
BETA .75 (1.00 = Market)

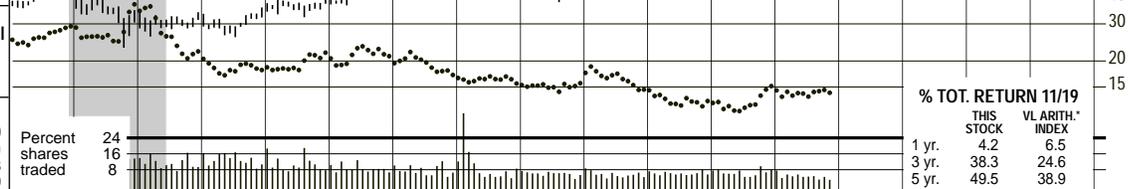
High: 44.3 34.8 36.0 40.3 48.8 54.3 53.7 50.9 56.9 54.8 61.6 61.3
 Low: 23.1 26.1 26.0 32.3 36.8 41.5 45.1 38.1 43.8 42.8 46.1 52.3

LEGENDS
 1.35 x Dividends p sh divided by Interest Rate
 Relative Price Strength
 Options: Yes
 Shaded area indicates recession

18-Month Target Price Range
 Low-High Midpoint (% to Mid)
 \$52-\$79 \$66 (10%)

2022-24 PROJECTIONS
 High Price Gain Ann'l Total
 Low 100 (+65%) 16%
 85 (+40%) 12%

Institutional Decisions
 1Q2019 2Q2019 3Q2019
 to Buy 1255 1212 1249
 to Sell 976 979 968
 Hlds(000)272156427635142738299



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	31.75	32.30	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	4.83	4.95	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	10.95	11.1	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%	4.5%	4.5%	Avg Ann'l Div'd Yield	2.8%

CAPITAL STRUCTURE as of 9/30/19
 Total Debt \$109599 mill. Due in 5 Yrs \$35014mill.
 LT Debt \$101769 mill. LT Interest \$1800 mill.
 Incl. \$758.0 mill. capitalized leases.
 (Total interest coverage: 7.1x)
 (63% of Total Cap'l.)
 Leases, Uncapitalized Annual rentals \$4043 mill.
 Pension Assets-12/18 \$17816 mill.
 Oblig. \$19567 mill.
 Pfd Stock None
 Common Stock 4,135,784,209 shs.
 MARKET CAP: \$250 billion (Large Cap)

2003	2004	2005	2006E	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
107808	106565	110875	115846	120550	127079	131620	125980	126034	130863	131665	134000	138000	138000	138000	138000	138000	138000	Revenues (\$mill)	138000
6805.0	6256.6	6086.8	5970.4	11497	13337	16324	15809	15297	19279	20020	20545	21000	21000	21000	21000	21000	21000	Net Profit (\$mill)	21000
33.1%	19.5%	2.7%	--	19.6%	29.9%	34.6%	33.7%	32.9%	18.3%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%	Income Tax Rate	25.0%
6.3%	5.9%	5.5%	5.2%	9.5%	10.5%	12.4%	12.5%	12.1%	14.7%	15.2%	15.3%	15.2%	15.2%	15.2%	15.2%	15.2%	15.2%	Net Profit Margin	15.2%
39.5%	34.2%	36.9%	35.8%	48.4%	89.0%	85.3%	81.4%	71.1%	65.9%	81.0%	80.0%	79.0%	79.0%	79.0%	79.0%	79.0%	79.0%	Long-Term Debt Ratio	79.0%
29.8%	29.2%	26.4%	24.9%	21.0%	9.9%	13.5%	17.4%	27.9%	33.1%	19.0%	20.0%	21.0%	21.0%	21.0%	21.0%	21.0%	21.0%	Common Equity Ratio	21.0%
139418	132164	136211	133151	185074	124212	121547	129465	159920	160583	122000	122250	126000	126000	126000	126000	126000	126000	Total Capital (\$mill)	126000
91466	87711	88434	88642	88956	89947	83541	84751	88568	89286	86500	86700	89000	89000	89000	89000	89000	89000	Net Plant (\$mill)	89000
7.2%	7.6%	7.2%	7.5%	9.0%	11.0%	13.7%	12.4%	9.7%	12.2%	15.5%	15.5%	16.0%	16.0%	16.0%	16.0%	16.0%	16.0%	Return on Total Cap'l	16.0%
16.4%	16.2%	16.9%	18.0%	29.6%	108.4%	99.4%	70.2%	34.2%	36.3%	37.0%	37.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	Return on Shr. Equity	40.0%
16.4%	16.2%	16.9%	18.0%	29.6%	108.4%	99.4%	70.2%	34.2%	36.3%	37.0%	37.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	Return on Com Equity	40.0%
3.7%	2.2%	1.5%	2.2%	14.3%	45.0%	47.4%	29.1%	13.0%	17.9%	37.0%	37.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	Retained to Com Eq	40.0%
77%	87%	91%	88%	52%	59%	52%	59%	62%	51%	51%	50%	50%	50%	50%	50%	50%	50%	All Div'ds to Net Prof	50%

CURRENT POSITION

(\$MILL.)	2017	2018	9/30/19
Cash Assets	2079	2745	3020
Other	27834	31891	31875
Current Assets	29913	34636	34895
Accts Payable	21232	22501	19566
Debt Due	3453	7190	7830
Other	8352	8239	11813
Current Liab.	33037	37930	39209

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.

ANNUAL RATES

of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '16-'18 to '22-'24
Revenues	-0.5%	-3.0%	1.5%
"Cash Flow"	1.0%	1.5%	2.0%
Earnings	5.0%	8.0%	4.0%
Dividends	3.0%	3.0%	2.0%
Book Value	-5.0%	-2.5%	5.5%

Verizon seems poised to finish 2019 in record fashion. The telecom giant reported September-period earnings of \$1.25 a share, two cents above our estimate and a modest 2% higher than the year-ago figure, on a 1% top-line improvement. Beginning in the June quarter, Verizon started reporting financial and operational results under its new operational structure, Verizon 2.0. Under this new set up, there are two reportable segments: Consumer and Business. This reflects the company's customer-centric approach to address evolving customer needs, deliver best-in-class customer experiences, and drive continued leadership in 5G. Total Verizon Consumer revenues for the third quarter came in at \$22.7 billion, up 1.4% year over year, with a lion's share of the good news attributable to continued strong growth in wireless service revenue and FiOS service offerings, offset somewhat by declines in wireless equipment and legacy wireline services. However, Business revenues continue to feel the effects of a decline in legacy wireline products and the shift away from traditional linear video bundles.

The company is in sound financial shape. Verizon ended the September interim with \$3.02 billion in cash on hand (up considerably from \$2.54 billion this time last year), and long-term debt of \$101.8 billion (down from \$106.4 billion 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 \$0.615 a share), and make additional acquisitions. Indeed, management has made clear that is committed to enhancing Verizon's strategic capabilities and its spectrum assets. **At this juncture, this blue-chip stock has something for everyone.** This equity's Timeliness rank has moved up two notches since our September review, and it is now pegged to best the market averages over the year ahead. What's more, at the recent quotation, the issue offers worthwhile capital-appreciation potential 3 to 5 years hence. Finally, income-seeking investors are apt to like the dividend yield, which is well above that of the Value Line median.

QUARTERLY REVENUES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	32171	30532	30937	32340	125980
2017	29814	30548	31717	33955	126034
2018	31772	32203	32607	34281	130863
2019	32128	32071	32894	34572	131665
2020	32775	32775	33450	35000	134000

EARNINGS PER SHARE A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2016	1.06	.94	1.01	.86	3.87
2017	.95	.96	.98	.85	3.74
2018	1.17	1.20	1.22	1.12	4.71
2019	1.20	1.23	1.25	1.15	4.83
2020	1.22	1.26	1.29	1.18	4.95

QUARTERLY DIVIDENDS PAID B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2015	.55	.55	.565	.565	2.23
2016	.565	.565	.58	.58	2.29
2017	.58	.58	.58	.59	2.33
2018	.59	.59	.59	.6025	2.37
2019	.6025	.6025	.6025	.615	

(A) Based diluted shares. Excl. n/r gains (losses): '03, (\$1.51); '04, \$0.08; '06, (\$0.42). Next earnings report late January. (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	35
Earnings Predictability	65