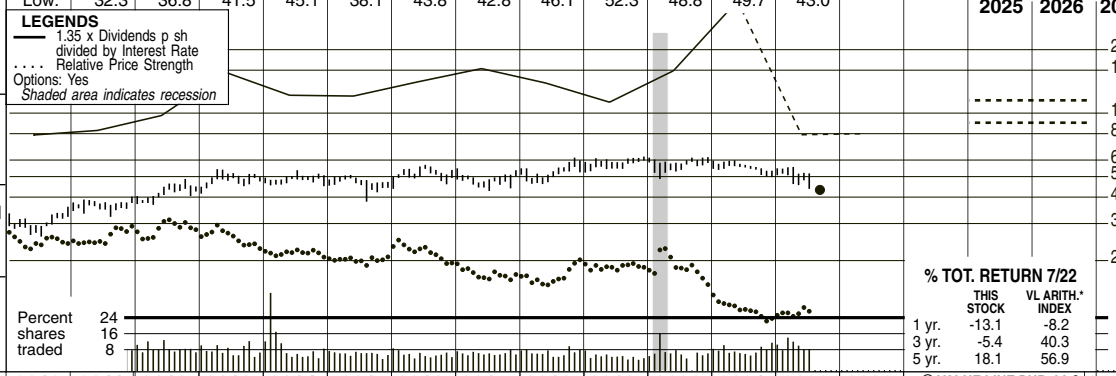
VERIZON NYSE-VZ

RECENT PRICE **43.33** | P/E RATIO **8.3** (Trailing: 8.1 Median: 12.0) | RELATIVE P/E RATIO **0.52** | DIV'D YLD **6.0%** | VALUE LINE

TIMELINESS 3 Raised 10/1/21
SAFETY 1 Raised 9/28/07
TECHNICAL 3 Lowered 9/9/22
BETA .60 (1.00 = Market)

High:	40.3	48.8	54.3	53.7	50.9	56.9	54.8	61.6	62.2	61.9	59.8	55.5
Low:	32.3	36.8	41.5	45.1	38.1	43.8	42.8	46.1	52.3	48.8	49.7	43.0

Target Price Range
2025 | 2026 | 2027



18-Month Target Price Range

Low-High	Midpoint (% to Mid)
$44-$66	$55 (25%)

2025-27 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	115	(+165%)	31%
Low	90	(+110%)	24%

Institutional Decisions

	4Q2021	1Q2022	2Q2022
to Buy	1454	1740	1539
to Sell	1357	1092	1264
Hld's(000)	2659318	2605876	2644137

% TOT. RETURN 7/22

	THIS STOCK	VL ARITH.* INDEX
1 yr.	-13.1	-8.2
3 yr.	-5.4	40.3
5 yr.	18.1	56.9

2006	2007D	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	© VALUE LINE PUB. LLC	25-27
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	31.88	31.00	31.83	**32.50**	**33.70**	Revenues per sh	**36.50**
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	8.85	8.94	9.19	**9.15**	**9.25**	"Cash Flow" per sh	**9.25**
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	4.81	4.90	5.40	**5.20**	**5.55**	Earnings per sh (A)	**5.85**
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	2.42	2.47	2.52	**2.56**	**2.64**	Div'ds Decl'd per sh (B) ■	**2.88**
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	4.34	4.40	4.83	**4.45**	**4.45**	Cap'l Spending per sh	**4.40**
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	14.84	16.39	19.48	**15.85**	**16.00**	Book Value per sh	**13.85**
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	4135.8	4138.1	4197.8	**4200.0**	**4100.0**	Common Shs Outst'g (C)	**4000.0**
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	12.1	11.8	10.3	*Bold figures are*		Avg Ann'l P/E Ratio	**17.5**
.72	.93	.82	.85	.88	1.07	1.15	.69	.76	.59	.70	.65	.60	.64	.61	.56	*Value Line*		Relative P/E Ratio	**.95**
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%	4.2%	4.3%	4.5%	*estimates*		Avg Ann'l Div'd Yield	**2.8%**

CAPITAL STRUCTURE as of 6/30/22
Total Debt $149057 mill. **Due in 5 Yrs** $38509mill.
LT Debt $136184 mill. **LT Interest** $3920 mill.
Incl. $373.0 mill. capitalized leases.
(Total interest coverage: 7.1x)
(61% of Total Cap'l.)

Leases, Uncapitalized Annual rentals $4383 mill.
Pension Assets-12/21 $20.1 bill.
Oblig. $20.2 bill.

Pfd Stock None

Common Stock 4,199,714,676 shs.
MARKET CAP: $182 billion (Large Cap)

2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023		25-27
115846	120550	127079	131620	125980	126034	130863	131868	128292	133613	**136450**	**138250**	Revenues ($mill)	**147000**
5970.4	11497	13337	16324	15809	15297	19279	19920	20292	22388	**21840**	**22755**	Net Profit ($mill)	**23400**
- -	19.6%	29.9%	34.6%	33.7%	32.9%	18.3%	23.3%	23.4%	24.0%	**24.0%**	**24.0%**	Income Tax Rate	**24.0%**
5.2%	9.5%	10.5%	12.4%	12.5%	12.1%	14.7%	15.1%	15.8%	16.8%	**16.0%**	**16.5%**	Net Profit Margin	**16.0%**
35.8%	48.4%	89.0%	85.3%	81.4%	71.1%	65.9%	61.6%	64.0%	63.3%	**80.0%**	**80.0%**	Long-Term Debt Ratio	**79.0%**
24.9%	21.0%	9.9%	13.5%	17.4%	27.9%	33.1%	37.5%	35.3%	36.1%	**20.0%**	**20.0%**	Common Equity Ratio	**21.0%**
133151	185074	124212	121547	129465	159920	160583	163547	192445	226625	**175500**	**176000**	Total Capital ($mill)	**179000**
88642	88956	89947	83541	84751	88568	89286	91915	94833	99696	**98000**	**97000**	Net Plant ($mill)	**89500**
7.5%	9.0%	11.0%	13.7%	12.4%	9.7%	12.2%	12.4%	10.7%	10.7%	**12.5%**	**13.0%**	Return on Total Cap'l	**13.0%**
18.0%	29.6%	108.4%	99.4%	70.2%	34.2%	36.3%	32.4%	29.9%	27.4%	**37.0%**	**37.0%**	Return on Shr. Equity	**40.0%**
18.0%	29.6%	108.4%	99.4%	70.2%	34.2%	36.3%	32.4%	29.9%	27.4%	**37.0%**	**37.0%**	Return on Com Equity	**40.0%**
2.2%	14.3%	45.0%	47.4%	29.1%	13.0%	17.9%	16.1%	14.8%	14.6%	**37.0%**	**37.0%**	Retained to Com Eq	**40.0%**
88%	52%	59%	52%	59%	62%	51%	50%	50%	47%	**49%**	**47%**	All Div'ds to Net Prof	**49%**

CURRENT POSITION ($MILL.)	2020	2021	6/30/22
Cash Assets	22171	2921	1857
Other	32423	33807	22052
Current Assets	54594	36728	23909
Accts Payable	20658	24833	20956
Debt Due	5889	7443	12873
Other	13113	14884	15395
Current Liab.	39660	47160	49224

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '19-'21 to '25-'27
Revenues	-2.0%	- -	*2.5%*
"Cash Flow"	1.0%	3.5%	*.5%*
Earnings	8.5%	6.0%	*2.5%*
Dividends	2.5%	2.0%	*2.5%*
Book Value	2.0%	32.5%	*Nil*

Cal-endar	QUARTERLY REVENUES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	32128	32071	32894	34775	131868
2020	31610	30447	31543	34692	128292
2021	32867	33764	32915	34067	133613
2022	33554	33789	**33807**	**35300**	**136450**
2023	**34000**	**34250**	**34250**	**35750**	**138250**

Cal-endar	EARNINGS PER SHARE A Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2019	1.20	1.23	1.25	1.13	4.81
2020	1.26	1.18	1.25	1.21	4.90
2021	1.31	1.37	1.41	1.31	5.40
2022	1.35	1.31	**1.30**	**1.24**	**5.20**
2023	**1.37**	**1.40**	**1.44**	**1.34**	**5.55**

Cal-endar	QUARTERLY DIVIDENDS PAID B■ Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2018	.59	.59	.59	.6025	2.37
2019	.6025	.6025	.6025	.615	2.42
2020	.615	.615	.615	.6275	2.47
2021	.6275	.6275	.6275	.64	2.52
2022	.64	.64	.64		

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. 2021 revenue breakdown: Consumer Group, 71%; Business Group, 23%; corporate, 6%. Has about 118,400 employees. Chairman: Lowell McAdam; CEO: Hans Vestberg. Inc.: Delaware. Address: 1095 Avenue of the Americas, NY, NY 10036. Telephone: 212-395-1000. Internet: www.verizon.com.

Verizon's fortunes are under a bit of pressure. The telecommunications giant and Dow-30 component reported June-interim results, and the news was not as good as we had expected. To wit, the company posted adjusted earnings of $1.31 a share, four cents below our estimate and six cents below the year-ago figure, on a relatively flat top-line comparison. During the quarter, wireless service revenue growth and higher wireless equipment revenue were offset by wireline declines and the net impact of merger and acquisition activity in 2021. In addition, Verizon operates in a highly competitive marketplace, with the Consumer division notching 215,000 wireless retail postpaid phone net losses during the June period, while the Business segment reported 430,000 wireless retail postpaid net additions.

And we look for more uninspiring news over the balance of the year. As a result of the aforementioned performance, management has reined in its guidance for 2022, and it now looks for Verizon to post wireless service revenue growth of 8.5% to 9.5%, versus the previous estimate of 9.0% to 10.0%, with adjusted earnings now expected to come in between $5.10 and $5.25 a share, down from the earlier call of $5.40 to $5.55. Hence, we have pared our 2022 earnings call by $0.20, to $5.20, on a 2% uptick in revenues.

Verizon's finances are not a cause for concern. Indeed, the company ended the June interim with $1.86 billion in cash on hand (down from $4.66 billion a year ago), and long-term debt of $136.2 billion (down from $144.9 billion this time last year). And going forward, we expect to see Verizon boost its dividend payout and make additional acquisitions, as management would like to enhance the company's strategic capabilities and its wireless-spectrum assets.

Investors willing to commit funds over the long haul may wish to consider staking a position here. At the recent quotation, VZ stock's capital-appreciation potential 3 to 5 years hence is roughly twice that of the average selection under our review. What's more, income-seeking accounts will find the issue's dividend yield to their liking, as it is almost triple that of the *Value Line* median.

Kenneth A. Nugent *September 9, 2022*

(A) Based on diluted shares. Excl. n/r gains (losses): '06, ($0.42). Next earnings report due Oct 21st. **(B)** Div'd paid in early Feb., May, Aug. & Nov. ■ Div'd reinv. plan avail. **(C)** In mill. **(D)** '06 MCI pro forma.

Company's Financial Strength	A++
Stock's Price Stability	100
Price Growth Persistence	25
Earnings Predictability	100

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