



# Verizon Communications (VZ)

Updated November 8<sup>th</sup>, 2025 by Nathan Parsh

## Key Metrics

<b>Current Price:</b>	\$40	<b>5 Year Annual Expected Total Return:</b>	12.8%	<b>Market Cap:</b>	\$169 B
<b>Fair Value Price:</b>	\$52	<b>5 Year Growth Estimate:</b>	2.5%	<b>Ex-Dividend Date:</b>	01/09/26 <sup>1</sup>
<b>% Fair Value:</b>	78%	<b>5 Year Valuation Multiple Estimate:</b>	5.2%	<b>Dividend Payment Date:</b>	02/03/26 <sup>2</sup>
<b>Dividend Yield:</b>	6.9%	<b>5 Year Price Target</b>	\$58	<b>Years Of Dividend Growth:</b>	21
<b>Dividend Risk Score:</b>	D	<b>Sector:</b>	Communication Services	<b>Rating:</b>	Hold

## Overview & Current Events

Verizon Communications was created by a merger between Bell Atlantic Corp and GTE Corp in June 2000. Verizon is one of the largest wireless carriers in the country. Wireless contributes three-quarters of all revenues, and broadband and cable services account for about a quarter of sales. The company's network covers ~300 million people and 98% of the U.S.

On September 5<sup>th</sup>, 2025, Verizon announced that it was increasing its quarterly dividend 1.8% to \$0.69 for the November 3<sup>rd</sup>, 2025 payment, extending the company's dividend growth streak to 21 consecutive years.

On October 29<sup>th</sup>, 2025, Verizon reported third quarter results for the period ending September 30<sup>th</sup>, 2025. For the quarter, revenue grew 1.5% to \$33.8 billion, but this was \$470 million below estimates. Adjusted earnings-per-share of \$1.21 compared favorably to \$1.19 in the prior year and was \$0.02 better than expected.

For the quarter, Verizon Consumer had postpaid phone net losses of 7,000, which compares to net additions of 18,000 in the same period of last year. However, wireless retail core prepaid net additions grew 47,000, marking the fifth consecutive quarter of positive subscriber growth. Consumer wireless retail postpaid phone churn rate remains low at 0.91%. The Consumer segment grew 2.9% to \$26.1 billion while consumer wireless service revenue increased 2.4% to \$17.4 billion. Consumer wireless postpaid average revenue per account grew 2.0% to \$147.91. Broadband totaled 306K net new customers during the period, which marks 13 consecutive quarters of at least 300K net adds. The total fixed wireless customer base is almost 5.4 million. Verizon aims to have 8 to 9 million fixed wireless subscribers by 2028. Fios additions totaled 61K, the best results in two years. Business revenue decreased 2.8% to \$7.1 billion as gains in wireless service revenue were once again more than offset by weakness for wireline revenue. Wireless retail postpaid net additions were 110K for the period. Free cash flow was \$15.8 billion for the first three quarters of the year, up from \$14.5 billion for the same period in 2024.

Verizon reaffirmed prior guidance for 2025 as well, with the company still expecting wireless service revenue to grow 2% to 2.8% for the year. Verizon is also expected to produce adjusted EPS growth in a range of 1% to 3%, up from a prior range of flat to 3%. We still expect that the company will earn \$4.69 per share in 2025, up from \$4.60 previously.

## Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
<b>EPS</b>	\$3.99	\$3.87	\$3.75	\$4.71	\$4.81	\$4.90	\$5.39	\$5.18	\$4.71	\$4.59	<b>\$4.69</b>	<b>\$5.31</b>
<b>DPS</b>	\$2.23	\$2.29	\$2.32	\$2.37	\$2.46	\$2.47	\$2.52	\$2.57	\$2.62	\$2.67	<b>\$2.76</b>	<b>\$3.05</b>
<b>Shares<sup>3</sup></b>	4073	4077	4080	4050	4025	4141	4169	4207	4214	4222	<b>4228</b>	<b>4210</b>

<sup>1</sup> Estimated ex-dividend date.

<sup>2</sup> Estimated dividend payment date.

<sup>3</sup> Share count in millions.

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Verizon has seen its earnings-per-share grow at a rate of 1.6% per year for the past 10 years. We reaffirm our forward growth rate of 2.5%. Applying our expected earnings growth rate to the company’s guidance for 2025 means that shares of Verizon could earn \$5.31 per share by 2030.

## Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	11.8	13.3	12.3	13.1	12.8	11.5	9.6	7.7	8.0	8.7	8.5	11.0
Avg. Yld.	4.7%	4.5%	4.8%	4.1%	4.0%	4.2%	4.8%	6.6%	6.9%	6.7%	6.9%	5.2%

Shares of Verizon have declined \$2, or 4.8%, since our July 21<sup>st</sup>, 2025 report. Based off the current share price and earnings guidance for 2025, Verizon has a forward P/E of 8.5. We reaffirm our target P/E of 11.0 as this brings the target valuation more in-line with peers as well. If shares were to return to this ratio by 2030, then multiple expansion could add 5.2% to total annual returns over this period. With a dividend yield of 6.9%, Verizon’s stock offers investors a yield that is more than five times the average yield of the S&P 500.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

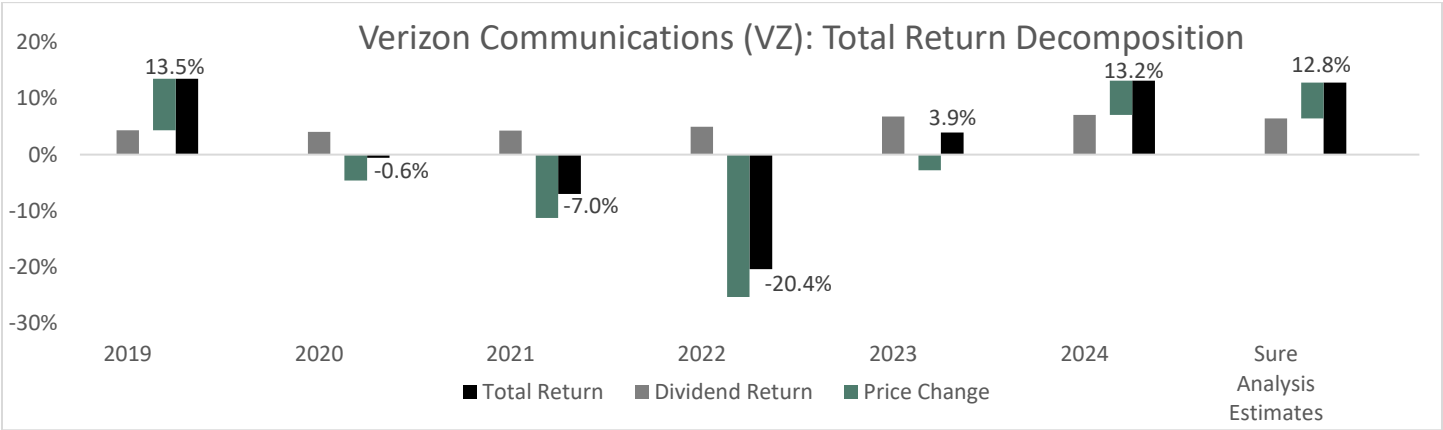
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	56%	59%	61%	50%	51%	50%	47%	50%	56%	58%	59%	57%

While investors are not likely to see a significant pickup in earnings growth, Verizon offers a very high and stable dividend yield that is well covered. While the current net debt level is still high, it has been reduced recently. One of Verizon’s key competitive advantages is that is often considered the best wireless carrier in the U.S. This is evidenced by the company’s wireless net additions and very low churn rate. This reliable service allows Verizon to maintain its customer base as well as give the company an opportunity to move customers to higher-priced plans. Verizon’s 5G service coverage area gives it an advantage over other carriers. Another advantage for Verizon is the stock’s ability to withstand a downturn in the market.

## Final Thoughts & Recommendation

Following third quarter earnings results, Verizon Communications is expected to return 12.8% annually through 2030, up from our prior estimate of 11.6%. Our projected return stems from a 2.5% earnings growth rate, a starting yield of 6.9%, and a mid-single-digit contribution from multiple expansion. Verizon posted a small loss in postpaid phone additions, but the company performed better and continues to generate an immense amount of free cash flow. We maintain our 2030 price target of \$58 due to earnings estimates for the year. While total returns and the yield are attractive, we continue to rate the stock as a hold due to a weaker dividend risk score.

## Total Return Breakdown by Year



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## Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue (\$B)	131.6	126.0	126.0	130.9	131.9	128.3	133.6	136.8	134.0	134.8
Gross Profit	79,063	73,279	72,971	75,355	77,142	77,091	77,312	77,702	79,087	80,691
Gross Margin	60.1%	58.2%	57.9%	57.6%	58.5%	60.1%	57.9%	56.8%	59.0%	59.9%
SG&A Exp.	29,986	27,095	26,818	31,083	29,896	31,573	28,658	30,136	32,745	34,113
D&A Exp.	16,017	15,928	16,954	17,403	16,682	16,720	16,206	17,099	17,624	17,892
Op. Profit	33,060	30,256	29,199	26,869	30,564	28,798	32,448	30,467	28,718	28,686
Op. Margin	25.1%	24.0%	23.2%	20.5%	23.2%	22.4%	24.3%	22.3%	21.4%	21.3%
Net Profit	17,879	13,127	30,101	15,528	19,265	17,801	22,065	21,256	11,614	17,506
Net Margin	13.6%	10.4%	23.9%	11.9%	14.6%	13.9%	16.5%	15.5%	8.7%	13.0%
Free Cash Flow	11,310	4,096	6,488	16,252	16,909	21,450	-28,343	10,401	12,912	18,922
Income Tax	9,865	7,378	-9,956	3,584	2,945	5,619	6,802	6,523	4,892	5,030

## Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets (\$B)	244.2	244.2	257.1	264.8	291.7	316.5	366.6	379.7	380.3	384.7
Cash & Equiv	4,470	2,880	2,079	2,745	2,594	22,171	2,921	2,605	2,065	4,194
Acc. Receivable	13,457	17,513	23,493	25,102	25,429	23,917	23,846	24,506	25,085	26,109
Inventories	1,252	1,202	1,034	1,336	1,422	1,796	3,055	2,388	2,057	2,247
Goodwill (\$B)	119.50	122.78	127.84	128.52	128.95	130.28	187.9	189.9	189.6	190.6
Total Liab. (\$B)	226.33	220.15	212.46	210.12	228.89	247.21	283.3	287.2	286.5	284.1
LT Debt (\$B)	109.73	108.08	117.10	113.06	111.49	129.06	150.9	150.6	150.7	144.0
Total Equity	16,428	22,524	43,096	53,145	61,395	67,842	81,790	91,144	92,430	99,237
LTD/E Ratio	6.68	4.80	2.72	2.13	1.82	1.90	1.84	1.65	1.63	1.45

## Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	7.5%	5.4%	12.0%	5.9%	6.9%	5.9%	6.5%	5.7%	3.1%	4.6%
Return on Equity	125%	67.4%	91.7%	32.3%	33.6%	27.5%	29.5%	24.6%	12.7%	18.0%
ROIC	14.0%	10.1%	20.5%	9.4%	11.3%	9.6%	10.2%	8.9%	4.8%	7.2%
Shares Out.	4,073	4,077	4,080	4,050	4,025	4,141	4,169	4,207	4,214	4,223
Revenue/Share	32.16	30.83	30.82	31.67	31.85	30.97	32.20	32.55	31.79	31.92
FCF/Share	2.76	1.00	1.59	3.93	4.08	5.18	-6.83	2.47	3.06	4.48

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

### Disclaimer

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