



Verizon Communications (VZ)

Updated February 1st, 2026, by Nathan Parsh

Key Metrics

Current Price:	\$44	5 Year Annual Expected Total Return:	11.6%	Market Cap:	\$188 B
Fair Value Price:	\$54	5 Year Growth Estimate:	2.5%	Ex-Dividend Date:	01/12/26
% Fair Value:	81%	5 Year Valuation Multiple Estimate:	4.3%	Dividend Payment Date:	02/02/26
Dividend Yield:	6.3%	5 Year Price Target	\$61	Years Of Dividend Growth:	21
Dividend Risk Score:	D	Sector:	Communication Services	Rating:	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 5th, 2025, Verizon announced that it was increasing its quarterly dividend 1.8% to \$0.69 for the November 3rd, 2025 payment, extending the company's dividend growth streak to 21 consecutive years.

On January 29th, 2026, Verizon announced fourth quarter and full year results for the period ending December 31st, 2025. For the quarter, revenue grew 2.0% to \$36.4 billion and beat estimates by \$200 million. Adjusted earnings-per-share of \$1.09 compared to \$1.10, but this was \$0.03 above expectations. For the year, revenue grew 2.5% to \$138.2 billion while adjusted earnings-per-share of \$4.71 compared to \$4.59 in 2024.

For the quarter, Verizon Consumer had postpaid phone net additions of 616K, which was the best quarter for net additions since 2019. Wireless retail core prepaid net additions grew 109K, marking the sixth consecutive quarter of positive subscriber growth. Consumer wireless retail postpaid phone churn rate remains low at 0.95%. The Consumer segment grew 3.2% to \$28.4 billion. Consumer wireless postpaid average revenue per account grew 1.2% to \$147.36. Broadband totaled 372K net new customers during the period, which marks 14 consecutive quarters of at least 300K net adds. The total fixed wireless customer base is almost 5.7 million. Verizon aims to have 8 to 9 million fixed wireless subscribers by 2028. Fios additions totaled 67K, the highest Q4 net addition total since 2020. Business revenue decreased 1.8% to \$7.4 billion as gains business markets was offset by weaker results in the enterprise and public sector and wholesale. Free cash flow was \$20.1 billion for the year, up from \$19.8 billion in 2024.

Verizon provided guidance for 2026 as well, with the company expecting to add retail postpaid phone net additions of 750K to 1 million. Adjusted earnings-per-share is projected to be in a range of \$4.90 to \$4.95. We have initiated our forecast accordingly.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$3.87	\$3.75	\$4.71	\$4.81	\$4.90	\$5.39	\$5.18	\$4.71	\$4.59	\$4.71	\$4.93	\$5.58
DPS	\$2.29	\$2.32	\$2.37	\$2.46	\$2.47	\$2.52	\$2.57	\$2.62	\$2.67	\$2.72	\$2.76	\$3.05
Shares¹	4077	4080	4050	4025	4141	4169	4207	4214	4222	4230	4230	4235

Verizon has seen its earnings-per-share grow at a rate of 2.2% 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 2026 means that shares of Verizon could earn \$5.58 per share by 2031.

¹ Share count in millions.

Disclosure: This analyst has a long position in the security discussed in this research report.



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Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	13.3	12.3	13.1	12.8	11.5	9.6	7.7	8.0	8.7	8.6	8.9	11.0
Avg. Yld.	4.5%	4.8%	4.1%	4.0%	4.2%	4.8%	6.6%	6.9%	6.7%	6.7%	6.3%	5.0%

Shares of Verizon have gained \$4, or 10.0%, since our November 8th, 2025 report. Based off the current share price and earnings guidance for 2026, Verizon has a forward P/E of 8.9. 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 2031, then multiple expansion could add 4.3% to total annual returns over this period. With a dividend yield of 6.3%, Verizon's stock offers investors a yield that is nearly six times the average yield of the S&P 500.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	59%	61%	50%	51%	50%	47%	50%	56%	58%	58%	56%	55%

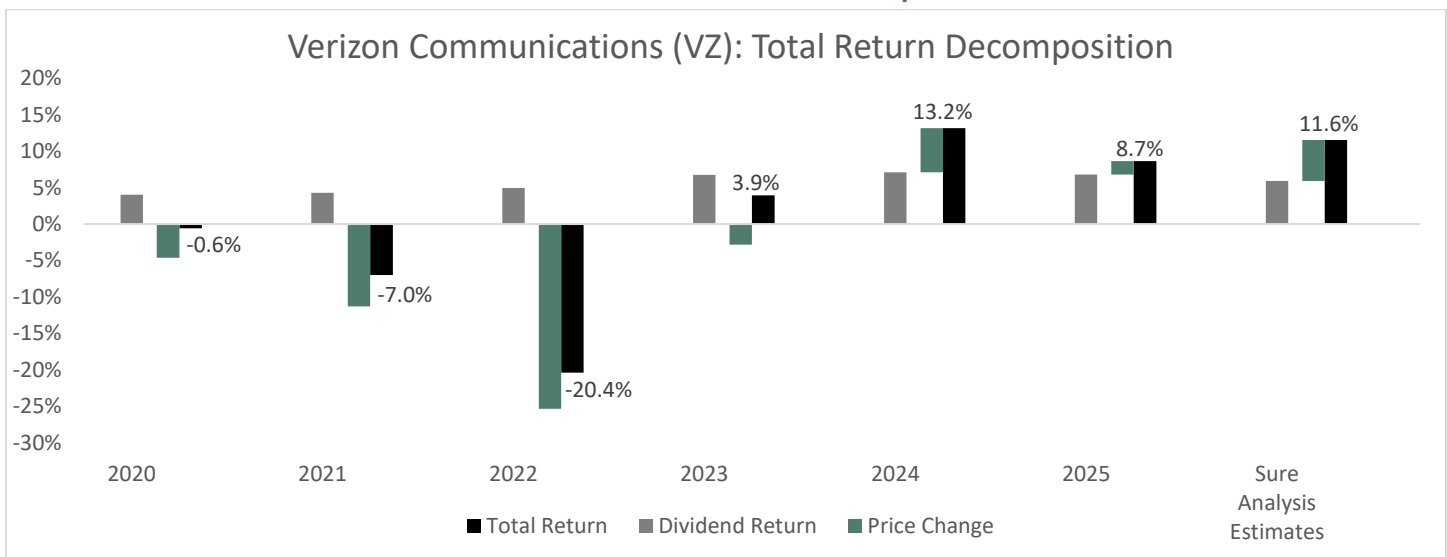
While investors are not likely to see a significant pickup in earnings growth, Verizon offers a very high and stable dividend yield that is well covered. Investors should note that the company's debt is high at \$177 billion.

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

After fourth quarter earnings results, Verizon Communications is expected to return 11.6% annually through 2031, down from our prior estimate of 12.8%. Our projected return stems from a 2.5% earnings growth rate, a starting yield of 6.3%, and a mid-single-digit contribution from multiple expansion. Verizon posted strong net additions throughout the company in Q4 and has guided towards a better figure for 2026. We have raised our 2031 price target \$3 to \$61 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 resulting from low dividend growth.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue (\$B)	126	126	131	132	128	134	137	134	135	138
Gross Profit	58,628	57,524	58,255	60,460	60,371	61,106	60,603	61,463	62,799	63,077
Gross Margin	46.5%	45.6%	44.5%	45.8%	47.1%	45.7%	44.3%	45.9%	46.6%	45.6%
SG&A Exp.	31,569	30,110	31,083	29,896	31,573	28,658	30,136	32,745	34,113	-
D&A Exp.	15,928	16,954	17,403	16,682	16,720	16,206	17,099	17,624	17,892	18,349
Op. Profit	25,910	26,519	30,007	31,029	29,867	31,965	30,467	28,831	30,604	29,259
Op. Margin	20.6%	21.0%	22.9%	23.5%	23.3%	23.9%	22.3%	21.5%	22.7%	21.2%
Net Profit	13,608	30,550	16,039	19,788	18,348	22,618	21,748	12,095	17,949	17,608
Net Margin	10.8%	24.2%	12.3%	15.0%	14.3%	16.9%	15.9%	9.0%	13.3%	12.7%
Free Cash Flow	5,122	7,475	16,252	16,909	21,450	-28,343	10,401	12,912	18,922	19,676
Income Tax	7,378	(9,956)	3,584	2,945	5,619	6,802	6,523	4,892	5,030	5,064

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets (\$B)	244	257	265	292	316	367	380	380	385	404
Cash & Equiv	2880	2079	3792	3815	23366	4015	3948	3309	4513	19048
Acc. Receivable	17513	23493	25102	26277	24650	24585	25162	25631	26730	27097
Inventories	1202	1034	1336		1796	3055	2388	2057	2247	2441
Goodwill (\$B)	122775	127836	128519	-	130283	187899	189928	189567	190583	190338
Total Liab.	220148	212456	210119		247209	283396	287217	286456	284136	298517
Acct. Payable	7084	7063	7232	7725	6667	8040	8750	10021	10425	24981
LT Debt (\$B)	108	117	113	11	147	174	172	171	164	177
Total Equity	22524	43096	53145	61395	67842	81790	91144	92430	99237	104460
LTD/E Ratio	4.80	2.72	2.13	2.17	2.22	2.18	1.93	1.89	1.70	1.74

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	5.6%	12.2%	6.1%	7.1%	6.0%	6.6%	5.8%	3.2%	4.7%	4.5%
Return on Equity	65.0%	88.9%	32.3%	33.7%	27.8%	29.7%	24.8%	13.0%	18.5%	17.1%
ROIC	10.5%	20.8%	9.7%	10.9%	8.9%	9.4%	8.2%	4.5%	6.7%	6.3%
Shares Out.	4077	4080	4050	4025	4141	4169	4207	4214	4222	4230
Revenue/Share	30.83	30.82	31.67	31.85	30.97	32.20	32.55	31.79	31.92	32.66
FCF/Share	1.25	1.83	3.93	4.08	5.18	(6.83)	2.47	3.06	4.48	4.65

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

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