

# Verizon slashes value of assets by \$4.6 bn

December 11 2018

---



The initiative to combine former AOL assets Yahoo Finance with HuffPost under the "Oath" banner has failed to draw the influx of advertisers Verizon had expected

Verizon announced Tuesday that it will slash \$4.6 billion in value from assets purchased from Yahoo because of disappointing performance.

Verizon had argued that combining Yahoo Finance and Yahoo Mail with HuffPost and other AOL [assets](#) would draw advertisers and boost value.

But the assets, which been combined into a company called "Oath" instead have "experienced increased competitive and market pressures throughout 2018 that have resulted in lower than expected revenues and earnings," Verizon said in a securities filing.

The competitive pressures facing Oath "are expected to continue and have resulted in a loss of market position to our competitors in the digital advertising business," Verizon added.

As a result, Verizon said the "fair value" of the assets acquired in 2017, needed to be reduced \$4.6 billion.

The [disclosure](#) comes a day after the company announced 10,400 employees would be leaving early next year in a voluntary buyout program as Verizon reorganizes to position itself for the release of new 5G phones.

The [company](#) said it will take a one-time charge of \$1.8 to \$2.1 billion to cover the cost of severance payments, which include up to 60 months' pay.

Verizon also plans to take a third charge for \$2.1 billion for a reorganization of its legal entities associated with the wireless business.

Shares of Verizon rose 0.9 percent to \$58.82 in midday trading.

© 2018 AFP

Citation: Verizon slashes value of assets by \$4.6 bn (2018, December 11) retrieved 24 April 2024 from <https://phys.org/news/2018-12-verizon-slashes-assets-bn.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.