

# ModernGraham Valuation

Company Name:

AFLAC Incorporated

Company Ticker AFL

Date of Analysis

9/11/2015



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass all 6 of the following tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$25,000,284,973	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	113.29%	Pass
4. Earnings Growth			
5. Moderate PEmg Ratio	PEmg < 20	9.52	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.47	Pass

*Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.*

1. Earnings Stability	Positive EPS for 5 years prior	Pass
2. Dividend Record	Currently Pays Dividend	Pass
3. Earnings Growth	EPSmg greater than 5 years ago	Pass

### Suitability

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	6.07
MG Growth Estimate	8.23%
<b>MG Value</b>	<b>\$151.52</b>
MG Value based on 3% Growth	\$88.04
MG Value based on 0% Growth	\$51.61
Market Implied Growth Rate	0.51%

### MG Opinion

Current Price	\$57.79
% of Intrinsic Value	38.14%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

Graham Number	\$70.80
PEmg	9.52
PB Ratio	1.47
Dividend Yield	2.66%
Number of Consecutive Years of Dividend Growth	20

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$5.68	Next Fiscal Year Estimate	\$6.07
Dec14	\$6.50	Dec14	\$6.08
Dec13	\$6.76	Dec13	\$5.59
Dec12	\$6.11	Dec12	\$4.74
Dec11	\$4.18	Dec11	\$3.92
Dec10	\$4.95	Dec10	\$3.66
Dec09	\$3.19	Dec09	\$3.01
Dec08	\$2.62	Dec08	\$2.90
Dec07	\$3.31	Dec07	\$2.91
Dec06	\$2.95	Dec06	\$2.57
Dec05	\$2.92	Dec05	\$2.24
Dec04	\$2.52	Dec04	\$1.81
Dec03	\$1.52	Dec03	\$1.41
Dec02	\$1.55	Dec02	\$1.31
Dec01	\$1.28	Dec01	\$1.16
Dec00	\$1.26	Dec00	\$1.06
Dec99	\$1.04	Dec99	\$0.92
Dec98	\$0.88	<b>Balance Sheet Information Jun15</b>	
Dec97	\$1.04	Long-Term Debt	\$5,425,000,000
Dec96	\$0.68	Total Assets	\$115,581,000,000
Dec95	\$0.58	Intangible Assets	\$0
		Total Liabilities	\$98,563,000,000
		Shares Outstanding (Diluted Average)	434,257,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

Other  
ModernGraham  
posts about the  
company

- [10 Companies Benjamin Graham Would Invest In Today – September 2015](#)
- [10 Low PE Stocks for the Defensive Investor – August 2015](#)
- [10 Most Undervalued Companies for the Defensive Investor – August 2015](#)
- [5 Low PE Stocks for the Defensive Investor – July 2015](#)
- [The 6 Best Stocks For Value Investors This Week – 6/13/15](#)

Other  
ModernGraham  
posts about related  
companies

- [Marsh & McLennan Companies Analysis – September 2015 Update \\$MMC](#)
- [Berkshire Hathaway Analysis – August 2015 Update \\$BRK/B](#)
- [Progressive Corporation Analysis – August 2015 Update \\$PGR](#)
- [Ace Limited Analysis – August 2015 Update \\$ACE](#)
- [Travelers Companies Analysis – August 2015 Update \\$TRV](#)
- [Lincoln National Corporation Analysis – August 2015 Update \\$LNC](#)
- [Unum Group Analysis – August 2015 Update \\$UNM](#)
- [Principal Financial Group Analysis – August 2015 Update \\$PFG](#)
- [Assurant Inc. Analysis – August 2015 Update \\$AIZ](#)
- [Arthur J Gallagher & Company Analysis – Initial Coverage \\$AJG](#)