

ModernGraham Valuation

Company Name:

Anthem Inc

Company Ticker ANTM

Date of Analysis

9/14/2015



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	\$38,380,064,033	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	78.27%	Pass
4. Earnings Growth			
5. Moderate PEmg Ratio	PEmg < 20	16.53	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.75	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	8.88
MG Growth Estimate	3.37%
MG Value	\$135.33
MG Value based on 3% Growth	\$128.73
MG Value based on 0% Growth	\$75.46
Market Implied Growth Rate	4.01%

MG Opinion

Current Price	\$146.72
% of Intrinsic Value	108.42%
Opinion	Fairly Valued

Stage 3: Information for Further Research

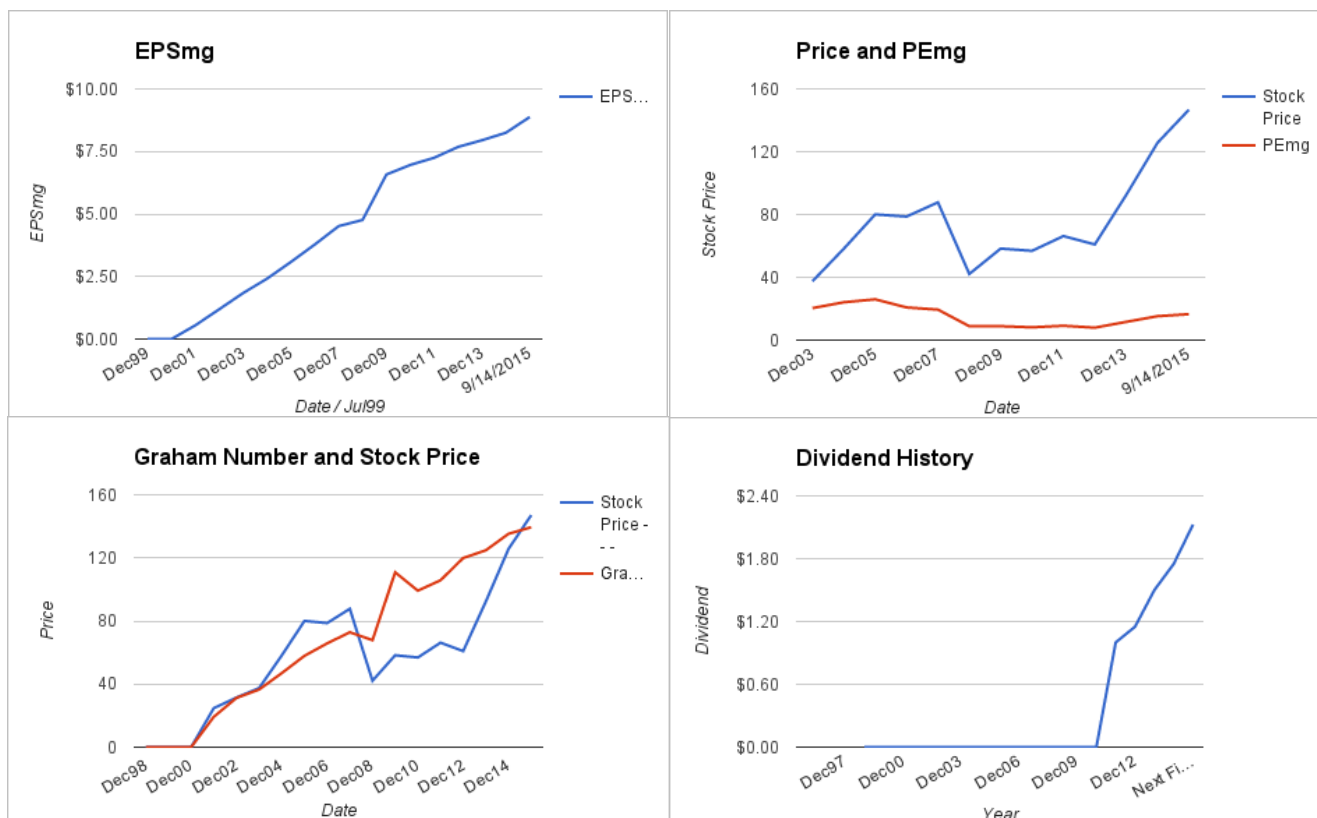
Graham Number	\$139.43
PEmg	16.53
PB Ratio	1.75
Dividend Yield	1.45%
Number of Consecutive Years of Dividend Growth	5

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$9.80	Next Fiscal Year Estimate	\$8.88
Dec14	\$8.99	Dec14	\$8.25
Dec13	\$8.20	Dec13	\$7.95
Dec12	\$8.18	Dec12	\$7.68
Dec11	\$7.25	Dec11	\$7.25
Dec10	\$6.94	Dec10	\$6.96
Dec09	\$9.88	Dec09	\$6.58
Dec08	\$4.76	Dec08	\$4.76
Dec07	\$5.56	Dec07	\$4.52
Dec06	\$4.82	Dec06	\$3.78
Dec05	\$3.94	Dec05	\$3.08
Dec04	\$3.05	Dec04	\$2.41
Dec03	\$2.73	Dec03	\$1.84
Dec02	\$2.26	Dec02	\$1.19
Dec01	\$1.65	Dec01	\$0.55
Dec00	\$0.00	Dec00	\$0.00
Dec99	\$0.00	Dec99	\$0.00
Dec98	\$0.00	Balance Sheet Information Jun15	
Dec97	\$0.00	Long-Term Debt	\$15,468,400,000
Dec96	\$0.00	Total Assets	\$64,263,800,000
Dec95	\$0.00	Intangible Assets	\$25,817,200,000
		Total Liabilities	\$41,201,200,000
		Shares Outstanding (Diluted Average)	274,300,000





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

[Anthem Inc. Analysis – June 2015 Update \\$ANTM](#)
[18 Companies in the Spotlight This Week – 3/15/15](#)
[Anthem Inc. Quarterly Valuation – March 2015 \\$ANTM](#)
[26 Companies in the Spotlight This Week – 12/13/14](#)
[Anthem Inc. Quarterly Valuation – December 2014 \\$ANTM](#)

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[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](#)