

ModernGraham Valuation

Company Name:

CIGNA Corporation

Company Ticker CI

Date of Analysis

1/30/2016



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	\$33,444,200,015	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	152.81%	Pass
5. Moderate PEmg Ratio	PEmg < 20	19.42	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.96	Fail

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	6.88
MG Growth Estimate	10.08%
MG Value	\$197.09
MG Value based on 3% Growth	\$99.73
MG Value based on 0% Growth	\$58.46
Market Implied Growth Rate	5.46%

MG Opinion

Current Price	\$133.60
% of Intrinsic Value	67.79%
Opinion	Undervalued

Stage 3: Information for Further Research

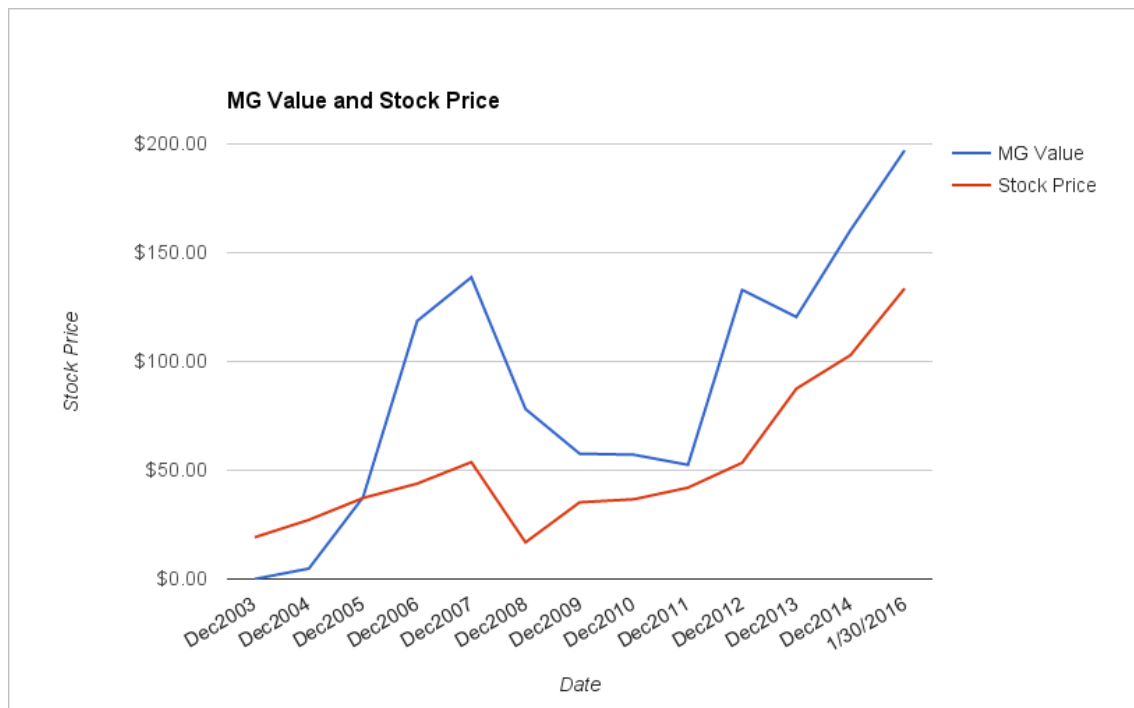
Graham Number	\$91.29
PEmg	19.42
PB Ratio	2.96
Dividend Yield	0.03%
Number of Consecutive Years of Dividend Growth	0

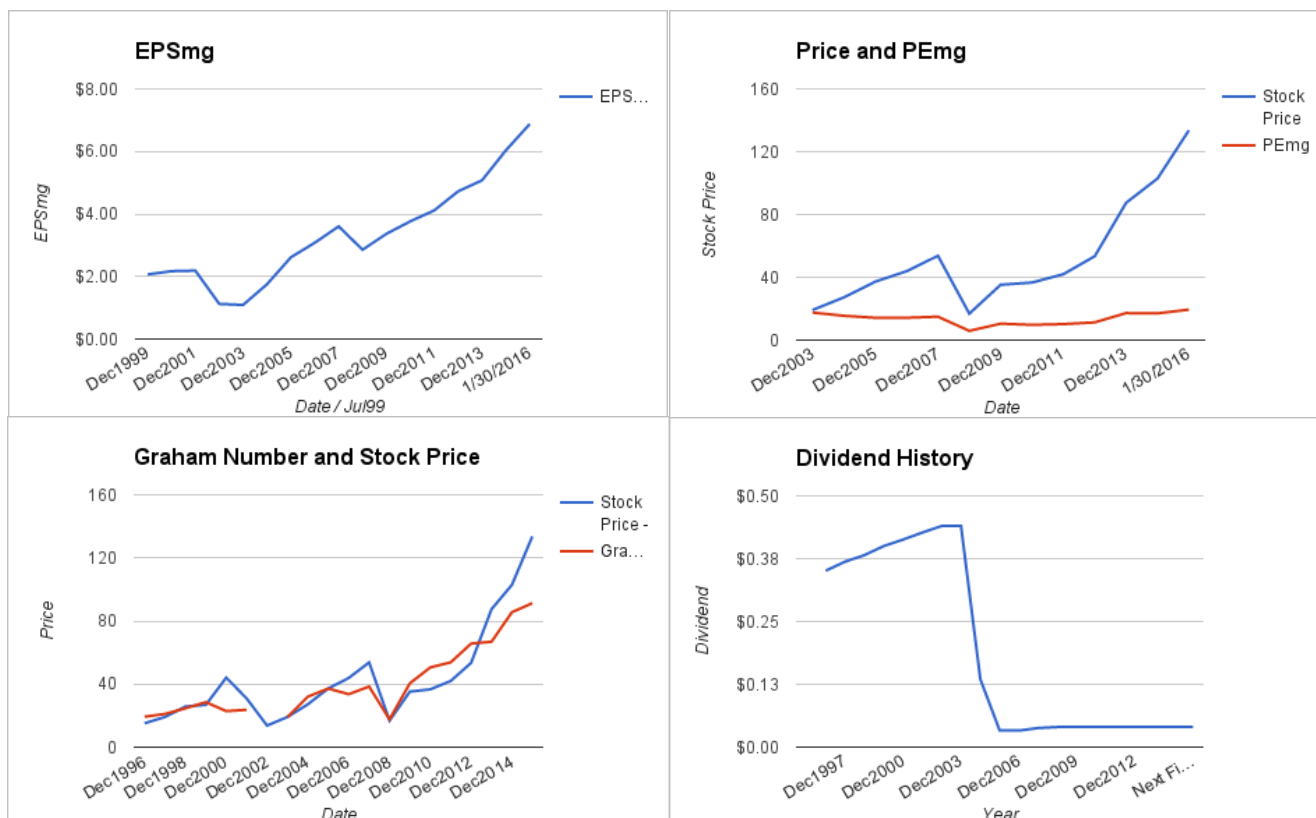
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$8.10	Next Fiscal Year Estimate	\$6.88
Dec2014	\$7.83	Dec2014	\$6.04
Dec2013	\$5.18	Dec2013	\$5.08
Dec2012	\$5.61	Dec2012	\$4.72
Dec2011	\$4.59	Dec2011	\$4.11
Dec2010	\$4.65	Dec2010	\$3.77
Dec2009	\$4.73	Dec2009	\$3.37
Dec2008	\$1.05	Dec2008	\$2.86
Dec2007	\$3.87	Dec2007	\$3.60
Dec2006	\$3.43	Dec2006	\$3.08
Dec2005	\$4.17	Dec2005	\$2.62
Dec2004	\$3.48	Dec2004	\$1.75
Dec2003	\$1.50	Dec2003	\$1.09
Dec2002	-\$1.06	Dec2002	\$1.12
Dec2001	\$2.08	Dec2001	\$2.19
Dec2000	\$1.95	Dec2000	\$2.17
Dec1999	\$3.00	Dec1999	\$2.07
Dec1998	\$2.02	Balance Sheet Information	
Dec1997	\$1.63	Sep2015	
Dec1996	\$1.54	Long-Term Debt	\$5,056,000,000
Dec1995	\$0.00	Total Assets	\$56,909,000,000
		Intangible Assets	\$6,040,000,000
		Total Liabilities	\$45,135,000,000
		Shares Outstanding (Diluted Average)	260,519,000





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:

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company

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- [Cigna Corporation Analysis – October 2015 Update \\$CI](#)
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