

# ModernGraham Valuation

Company Name:

AFLAC Incorporated

Company Ticker AFL

Date of Analysis

2/4/2016



## 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	\$24,460,660,000	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	103.40%	Pass
4. Earnings Growth	PEmg < 20	9.31	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.43	Pass
6. Moderate Price to Assets			

*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	Yes
Enterprising	Yes

## Stage 2: Determination of Intrinsic Value

EPSmg	6.24
MG Growth Estimate	4.82%
<b>MG Value</b>	<b>\$113.09</b>
MG Value based on 3% Growth	\$90.41
MG Value based on 0% Growth	\$53.00
Market Implied Growth Rate	0.40%

### MG Opinion

Current Price	\$58.02
% of Intrinsic Value	51.30%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

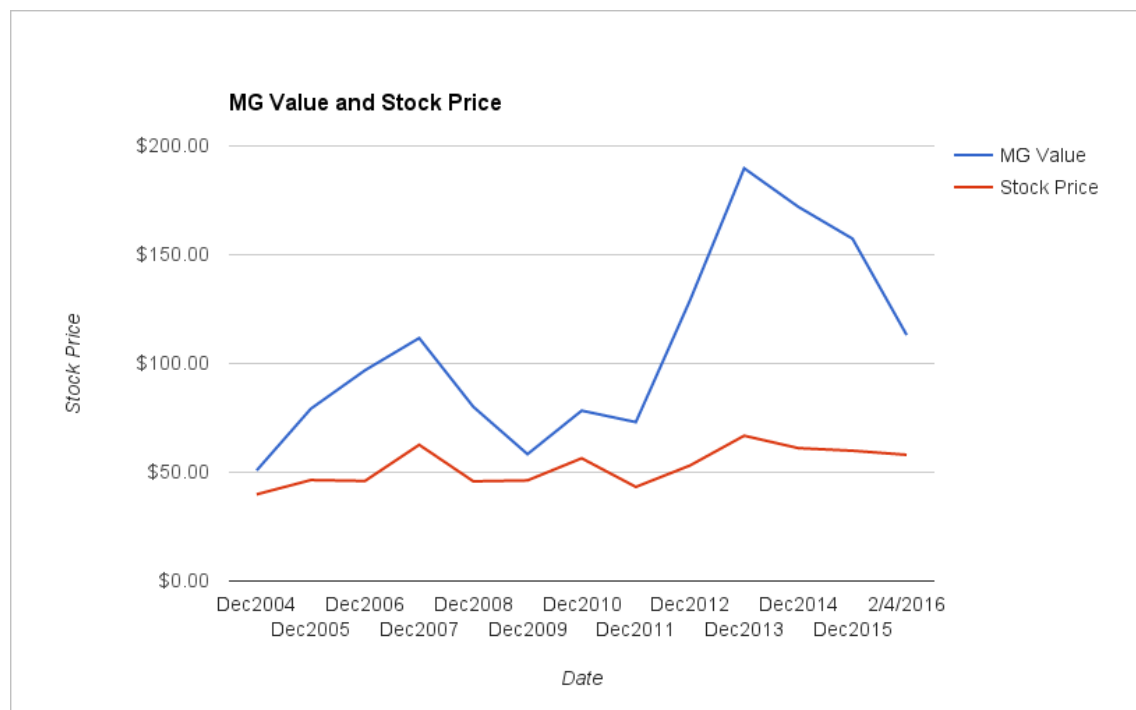
Graham Number	\$75.30
PEmg	9.31
PB Ratio	1.43
Dividend Yield	2.69%
Number of Consecutive Years of Dividend Growth	0

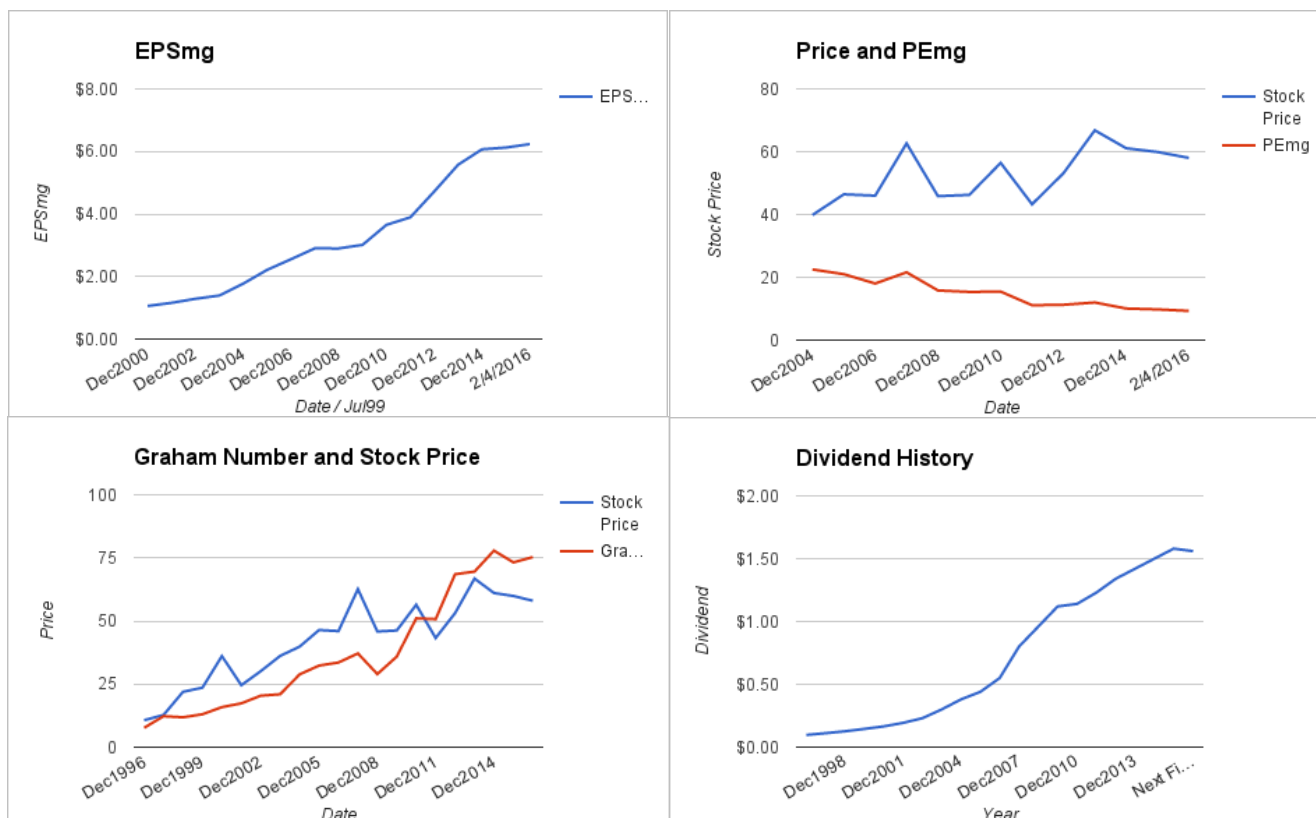
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$6.20	Next Fiscal Year Estimate	\$6.24
Dec2015	\$5.85	Dec2015	\$6.12
Dec2014	\$6.50	Dec2014	\$6.07
Dec2013	\$6.76	Dec2013	\$5.58
Dec2012	\$6.11	Dec2012	\$4.72
Dec2011	\$4.12	Dec2011	\$3.89
Dec2010	\$4.92	Dec2010	\$3.65
Dec2009	\$3.19	Dec2009	\$3.01
Dec2008	\$2.62	Dec2008	\$2.90
Dec2007	\$3.31	Dec2007	\$2.90
Dec2006	\$2.95	Dec2006	\$2.55
Dec2005	\$2.92	Dec2005	\$2.21
Dec2004	\$2.45	Dec2004	\$1.77
Dec2003	\$1.50	Dec2003	\$1.39
Dec2002	\$1.49	Dec2002	\$1.29
Dec2001	\$1.28	Dec2001	\$1.16
Dec2000	\$1.26	Dec2000	\$1.06
Dec1999	\$1.04	<b>Balance Sheet Information</b>	
Dec1998	\$0.88	<b>Dec2015</b>	
Dec1997	\$1.04	Long-Term Debt	\$5,011,000,000
Dec1996	\$0.68	Total Assets	\$118,296,000,000
		Intangible Assets	\$0
		Total Liabilities	\$100,914,000,000
		Shares Outstanding (Diluted Average)	427,570,000





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 Low PE Stocks for the Defensive Investor – January 2016](#)
- [15 Best Stocks For Value Investors This Week – 9/12/15](#)
- [Aflac Inc. Analysis – September 2015 Update \\$AFL](#)
- [10 Companies Benjamin Graham Would Invest In Today – September 2015](#)
- [10 Low PE Stocks for the Defensive Investor – August 2015](#)

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- [Aetna Inc Valuation – February 2016 Update \\$AET](#)
- [Marsh & McLennan Company Valuation – January 2016 Update \\$MMC](#)
- [Aon PLC Valuation – January 2016 Update \\$AON](#)
- [Progressive Corp Valuation – November 2015 Update \\$PGR](#)
- [Progressive Corp Valuation – November 2015 Update \\$PGR](#)
- [Ace Limited Valuation – November 2015 Update \\$ACE](#)
- [Travelers Companies Inc. Valuation – November 2015 Update \\$TRV](#)
- [Lincoln National Corp Valuation – November 2015 Update \\$LNC](#)
- [Unum Group Valuation – November 2015 Update \\$UNM](#)