

# ModernGraham Valuation

Company Name:

Anthem Inc

Company Ticker ANTM

Date of Analysis

2/8/2016



## 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	\$29,814,829,594	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	49.22%	Pass
4. Earnings Growth	PEmg < 20	11.97	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.33	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	9.79
MG Growth Estimate	4.12%
<b>MG Value</b>	<b>\$163.82</b>
MG Value based on 3% Growth	\$141.97
MG Value based on 0% Growth	\$83.22
Market Implied Growth Rate	1.74%

### MG Opinion

Current Price	\$117.22
% of Intrinsic Value	71.55%
<b>Opinion</b>	<b>Undervalued</b>

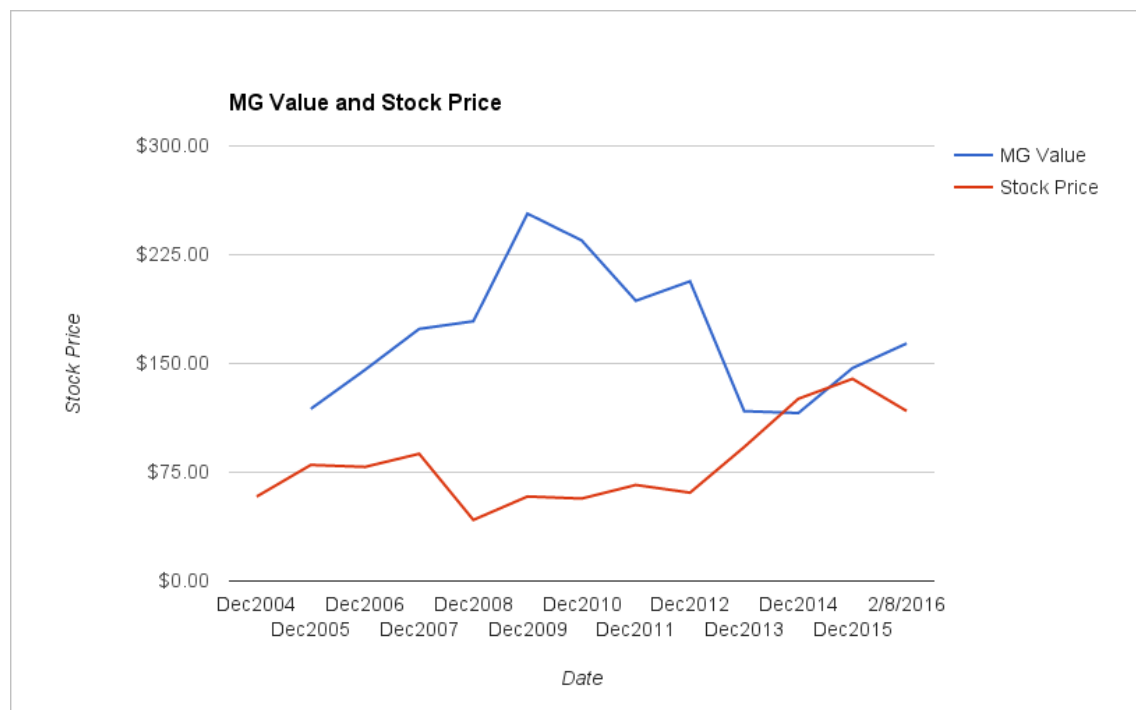
## Stage 3: Information for Further Research

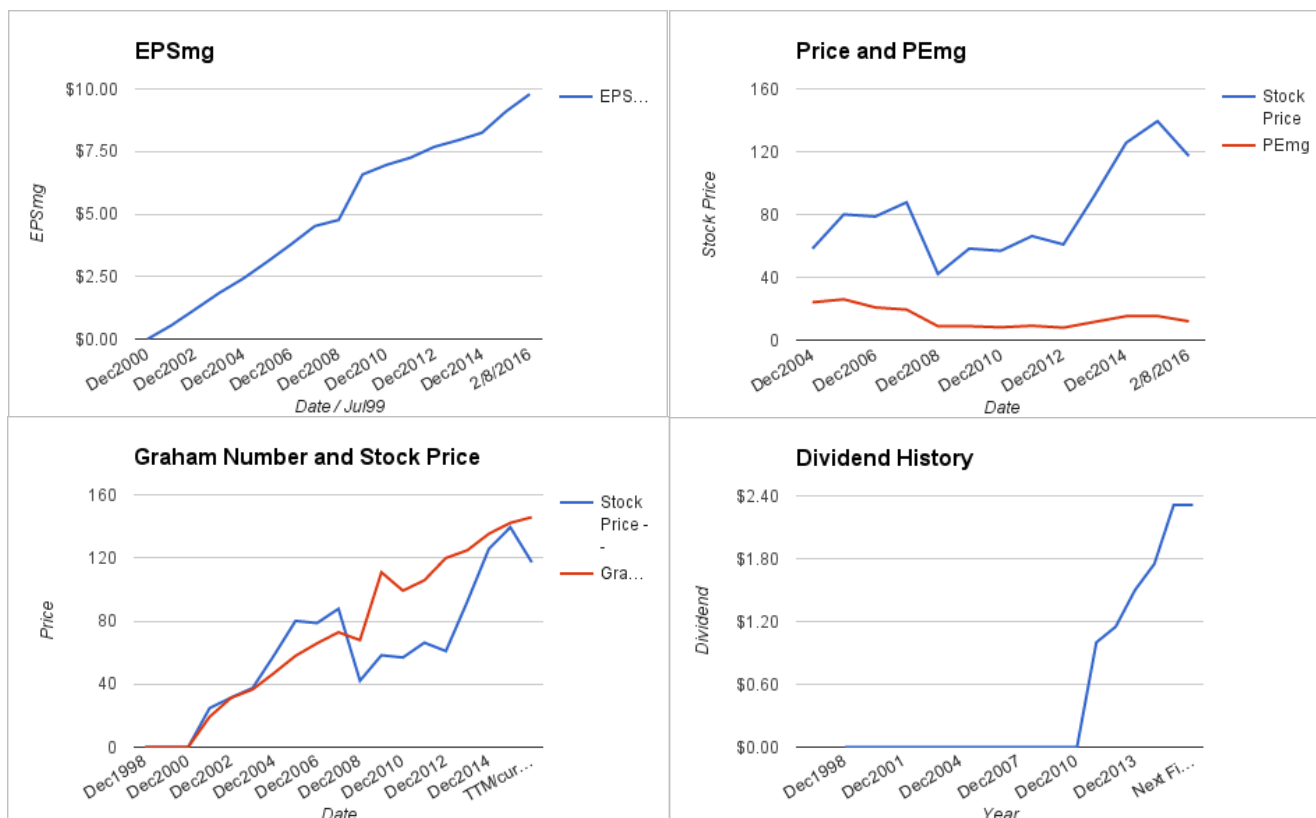
Graham Number	\$145.79
PEmg	11.97
PB Ratio	1.33
Dividend Yield	1.97%
Number of Consecutive Years of Dividend Growth	6

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<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$10.70	Next Fiscal Year Estimate	\$9.79
Dec2015	\$10.45	Dec2015	\$9.10
Dec2014	\$8.99	Dec2014	\$8.25
Dec2013	\$8.20	Dec2013	\$7.95
Dec2012	\$8.18	Dec2012	\$7.68
Dec2011	\$7.25	Dec2011	\$7.25
Dec2010	\$6.94	Dec2010	\$6.96
Dec2009	\$9.88	Dec2009	\$6.58
Dec2008	\$4.76	Dec2008	\$4.76
Dec2007	\$5.56	Dec2007	\$4.52
Dec2006	\$4.82	Dec2006	\$3.78
Dec2005	\$3.94	Dec2005	\$3.08
Dec2004	\$3.05	Dec2004	\$2.42
Dec2003	\$2.73	Dec2003	\$1.84
Dec2002	\$2.26	Dec2002	\$1.19
Dec2001	\$1.65	Dec2001	\$0.55
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	<b>Balance Sheet Information</b>	
Dec1998	\$0.00	<b>Dec2015</b>	
Dec1997	\$0.00	Long-Term Debt	\$15,324,500,000
Dec1996	\$0.00	Total Assets	\$61,717,800,000
		Intangible Assets	\$25,720,200,000
		Total Liabilities	\$38,673,700,000
		Shares Outstanding (Diluted Average)	261,030,000





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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ModernGraham  
posts about the  
company

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[Anthem Inc. Analysis – September 2015 Update \\$ANTM](#)

[Anthem Inc. Analysis – June 2015 Update \\$ANTM](#)

[18 Companies in the Spotlight This Week – 3/15/15](#)

[Anthem Inc. Quarterly Valuation – March 2015 \\$ANTM](#)

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posts about related  
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[MetLife Inc Valuation – February 2016 Update \\$MET](#)

[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](#)