

ModernGraham Valuation

Company Name:

Company Ticker TMK
Date of Analysis

Torchmark
Corporation

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	\$6,442,773,026	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	71.84%	Pass
5. Moderate PEmg Ratio	PEmg < 20	13.39	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.54	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	3.91
MG Growth Estimate	7.34%
MG Value	\$90.67
MG Value based on 3% Growth	\$56.71
MG Value based on 0% Growth	\$33.24
Market Implied Growth Rate	2.45%

MG Opinion

Current Price	\$52.38
% of Intrinsic Value	57.77%
Opinion	Undervalued

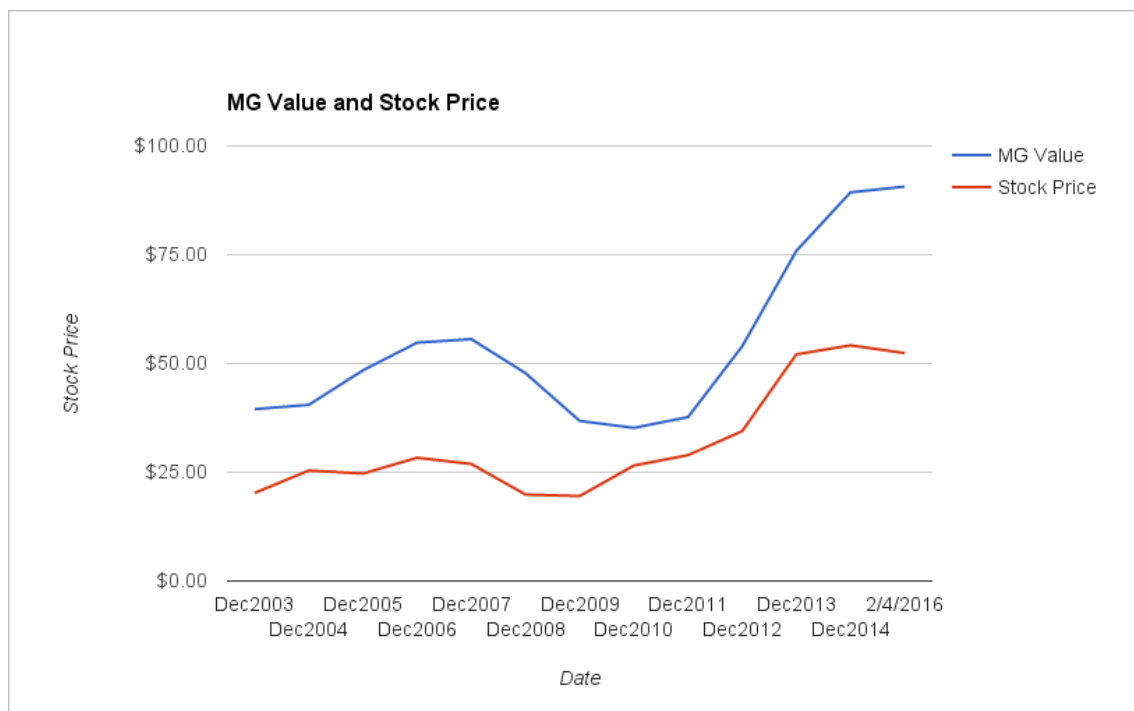
Stage 3: Information for Further Research

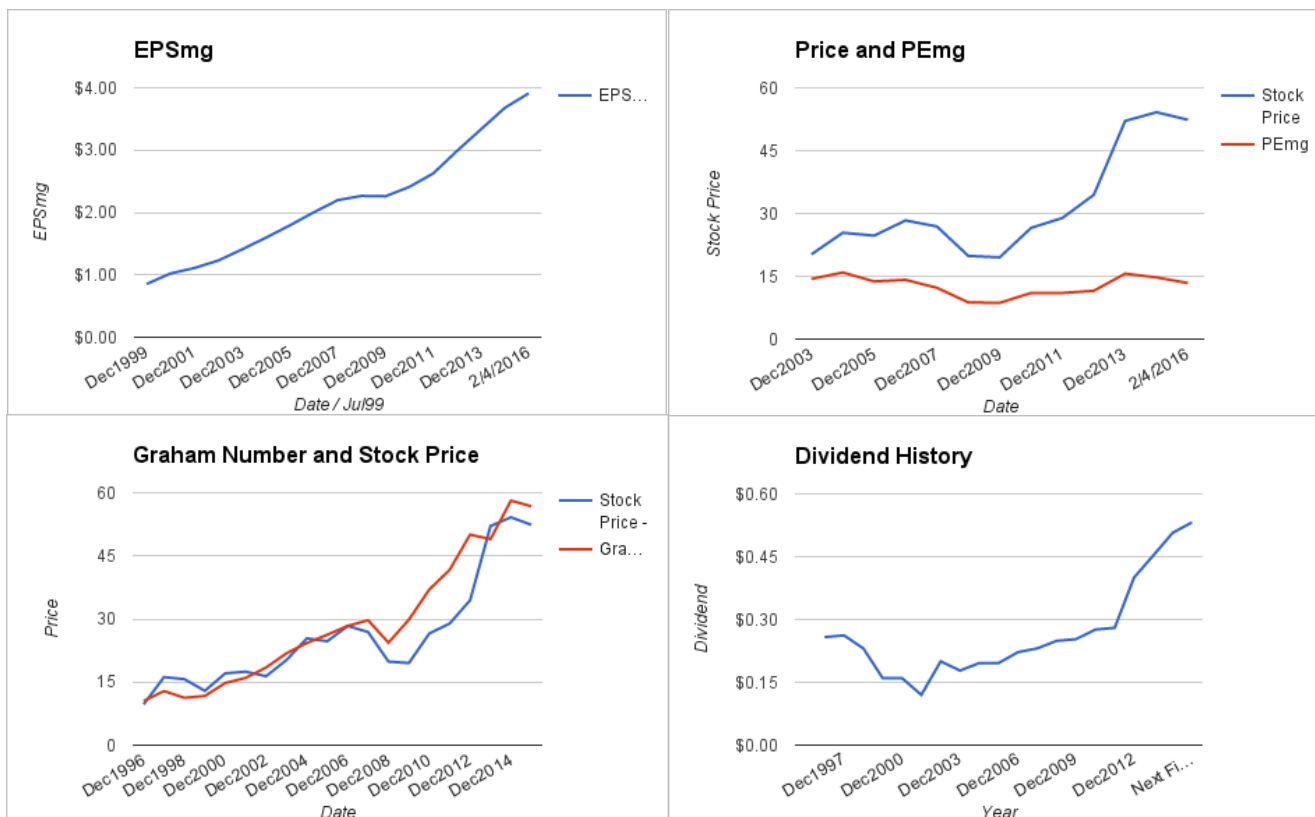
Graham Number	\$56.79
PEmg	13.39
PB Ratio	1.54
Dividend Yield	1.02%
Number of Consecutive Years of Dividend Growth	10

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	\$4.14	Next Fiscal Year Estimate	\$3.91
Dec2014	\$4.09	Dec2014	\$3.68
Dec2013	\$3.79	Dec2013	\$3.33
Dec2012	\$3.61	Dec2012	\$2.99
Dec2011	\$3.02	Dec2011	\$2.63
Dec2010	\$2.70	Dec2010	\$2.41
Dec2009	\$2.17	Dec2009	\$2.26
Dec2008	\$2.27	Dec2008	\$2.27
Dec2007	\$2.44	Dec2007	\$2.20
Dec2006	\$2.28	Dec2006	\$2.00
Dec2005	\$2.08	Dec2005	\$1.79
Dec2004	\$1.86	Dec2004	\$1.60
Dec2003	\$1.66	Dec2003	\$1.41
Dec2002	\$1.41	Dec2002	\$1.23
Dec2001	\$1.26	Dec2001	\$1.11
Dec2000	\$1.25	Dec2000	\$1.02
Dec1999	\$0.91	Dec1999	\$0.85
Dec1998	\$0.77	<div><div>Balance Sheet Information</div><div>Sep2015</div></div>	
Dec1997	\$1.08	Long-Term Debt	\$743,518,000
Dec1996	\$0.97	Total Assets	\$20,119,240,000
Dec1995	\$0.00	Intangible Assets	\$441,591,000
		Total Liabilities	\$15,835,938,000
		Shares Outstanding (Diluted Average)	126,140,000





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.

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company

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[Progressive Corp Valuation – November 2015 Update \\$PGR](#)
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[Travelers Companies Inc. Valuation – November 2015 Update \\$TRV](#)
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