

ModernGraham Valuation

Company Name:

CIGNA Corporation

Company Ticker CI

Date of Analysis

7/7/2016



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	\$32,975,542,507	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	159.27%	Pass
5. Moderate PEmg Ratio	PEmg < 20	16.23	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.60	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	7.82
MG Growth Estimate	9.25%
MG Value	\$211.32
MG Value based on 3% Growth	\$113.46
MG Value based on 0% Growth	\$66.51
Market Implied Growth Rate	3.87%

MG Opinion

Current Price	\$127.00
% of Intrinsic Value	60.10%
Opinion	Undervalued
MG Grade	C

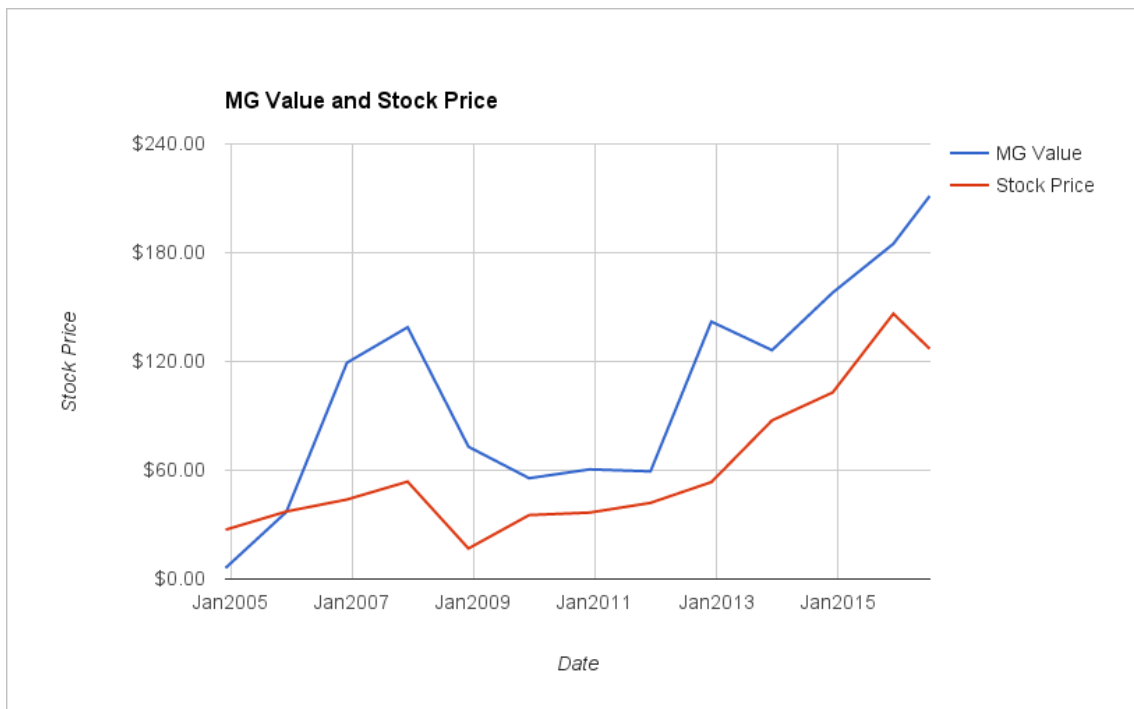
Stage 3: Information for Further Research

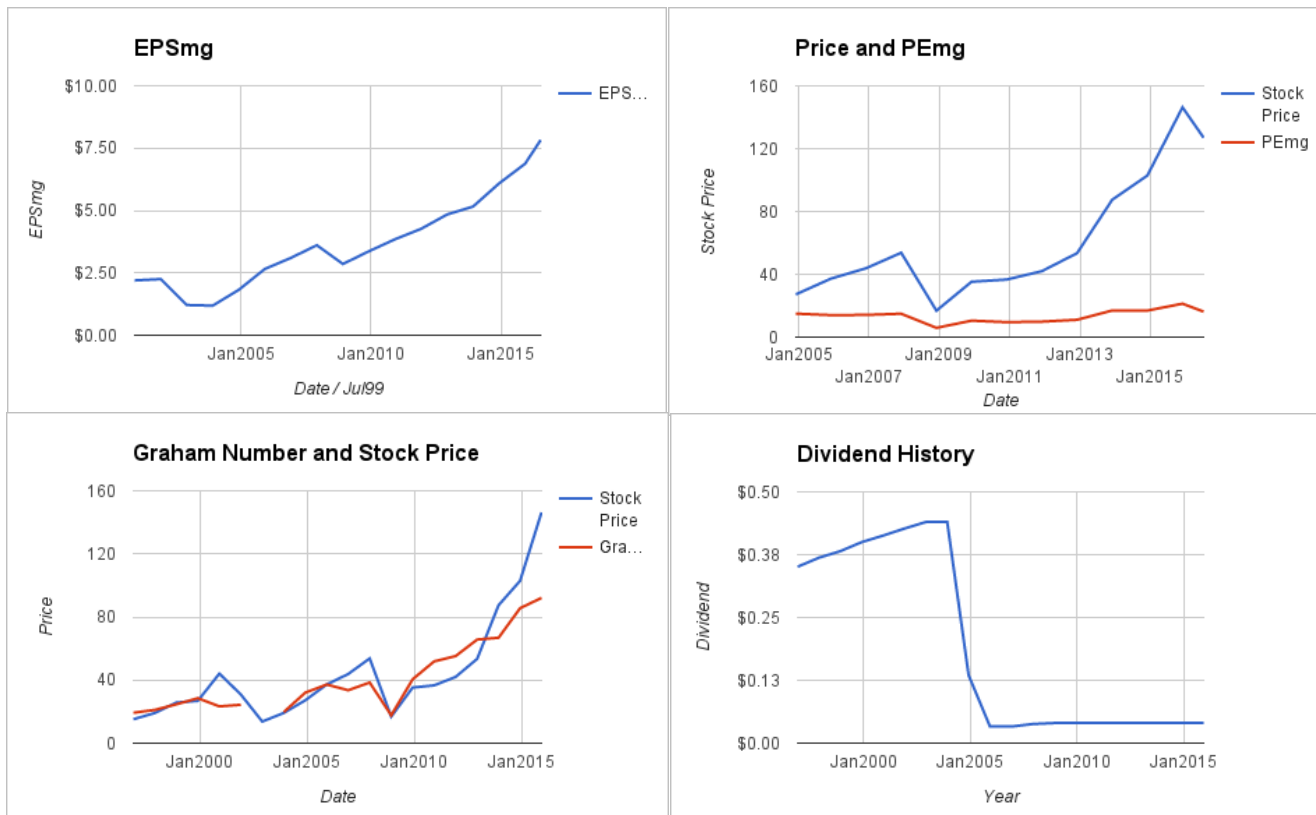
Graham Number	\$100.89
PEmg	16.23
PB Ratio	2.60
Dividend Yield	0.03%
Number of Consecutive Years of Dividend Growth	0

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	\$9.15	Next Fiscal Year Estimate	\$7.82
Dec2015	\$8.04	Dec2015	\$6.87
Dec2014	\$7.83	Dec2014	\$6.08
Dec2013	\$5.18	Dec2013	\$5.16
Dec2012	\$5.61	Dec2012	\$4.84
Dec2011	\$4.84	Dec2011	\$4.26
Dec2010	\$4.89	Dec2010	\$3.85
Dec2009	\$4.73	Dec2009	\$3.37
Dec2008	\$1.05	Dec2008	\$2.86
Dec2007	\$3.87	Dec2007	\$3.61
Dec2006	\$3.43	Dec2006	\$3.10
Dec2005	\$4.17	Dec2005	\$2.66
Dec2004	\$3.48	Dec2004	\$1.82
Dec2003	\$1.58	Dec2003	\$1.19
Dec2002	-\$0.94	Dec2002	\$1.21
Dec2001	\$2.20	Dec2001	\$2.25
Dec2000	\$2.03	Dec2000	\$2.20
Dec1999	\$3.00	Balance Sheet Information 3/1/2016	
Dec1998	\$2.02	Long-Term Debt	\$4,791,000,000
Dec1997	\$1.63	Total Assets	\$58,884,000,000
Dec1996	\$1.54	Intangible Assets	\$6,029,000,000
		Total Liabilities	\$46,209,000,000
		Shares Outstanding (Diluted Average)	259,447,000





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

- [5 Undervalued Companies with a Low Beta – July 2016](#)
- [5 Companies for Enterprising Investors Near 52 Week Lows – June 2016](#)
- [5 Undervalued Companies with a Low Beta – May 2016](#)
- [26 Best Stocks For Value Investors This Week – 2/6/16](#)
- [Cigna Corp Valuation – January 2016 Update \\$CI](#)

Other ModernGraham posts about related companies

- [Progressive Corporation Valuation – June 2016 \\$PGR](#)
- [Cincinnati Financial Corporation Valuation – May 2016 \\$CINF](#)
- [Lincoln National Corporation Valuation – May 2016 \\$LNC](#)
- [Allstate Corporation Valuation – May 2016 \\$ALL](#)
- [The Travelers Companies Valuation – May 2016 \\$TRV](#)
- [Unum Group Valuation – March 2016 \\$UNM](#)
- [Principal Financial Group Inc Valuation – March 2016 \\$PFG](#)
- [Assurant Inc Valuation – February 2016 \\$AIZ](#)
- [American International Group Inc Stock Valuation – February 2016 \\$AIG](#)
- [Chubb Ltd Stock Valuation – February 2016 \\$CB](#)