

ModernGraham Valuation

Company Name:

AFLAC Incorporated

Company Ticker

AFL

Date of Analysis

8/7/2016



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	\$30,716,643,729	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	104.50%	Pass
4. Earnings Growth	PEmg < 20	11.66	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.34	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	6.27
MG Growth Estimate	4.92%
MG Value	\$115.02
MG Value based on 3% Growth	\$90.90
MG Value based on 0% Growth	\$53.28
Market Implied Growth Rate	1.58%

MG Opinion

Current Price	\$73.07
% of Intrinsic Value	63.53%
Opinion	Undervalued
MG Grade	A

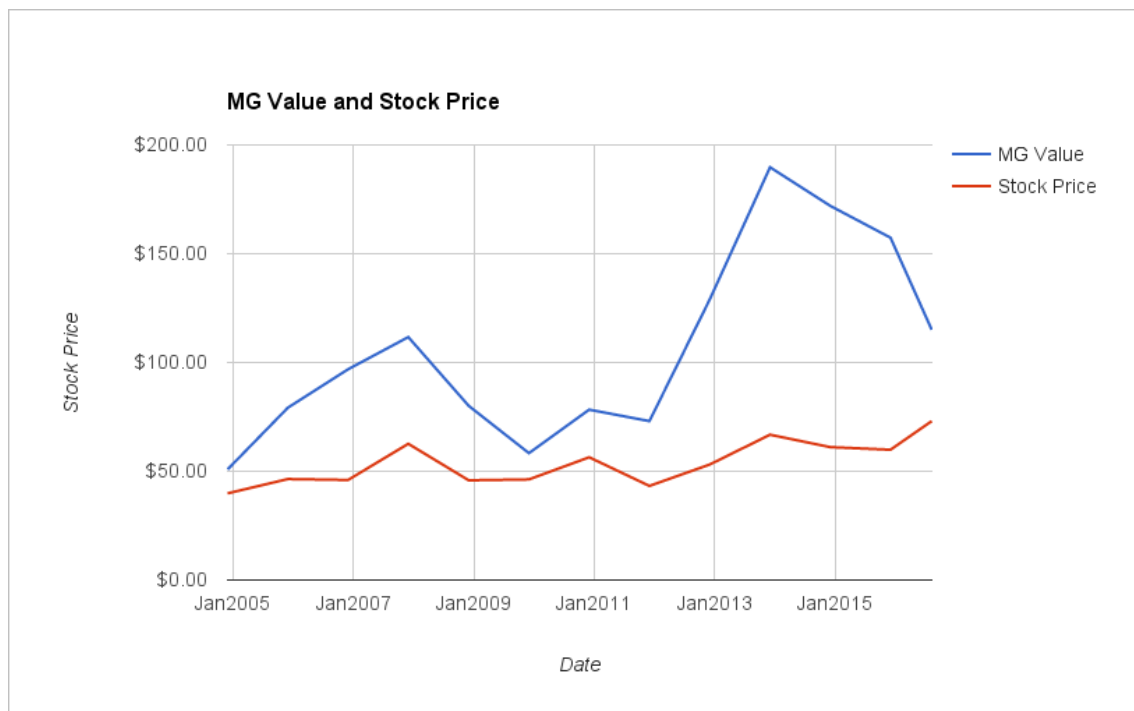
Stage 3: Information for Further Research

Graham Number	\$87.87
PEmg	11.66
PB Ratio	1.34
Dividend Yield	2.22%
Number of Consecutive Years of Dividend Growth	20

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	\$6.30	Next Fiscal Year Estimate	\$6.27
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	Balance Sheet Information 6/1/2016	
Dec1998	\$0.88	Long-Term Debt & Capital Lease Obligation	\$5,009,000,000
Dec1997	\$1.04	Total Assets	\$141,287,000,000
Dec1996	\$0.68	Intangible Assets	\$0
		Total Liabilities	\$118,737,000,000
		Shares Outstanding (Diluted Average)	414,326,000





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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[Cigna Corp Valuation – July 2016 \\$CI](#)
[Progressive Corporation Valuation – June 2016 \\$PGR](#)
[Cincinnati Financial Corporation Valuation – May 2016 \\$CINF](#)
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