

ModernGraham Valuation

American
International Group
Inc



Company Name:

Company Ticker AIG

Date of Analysis

8/25/2016

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	\$62,837,473,019	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Fail
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-101.31%	Fail
5. Moderate PEmg Ratio	PEmg < 20	16.17	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.75	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	3.64
MG Growth Estimate	15.00%
MG Value	\$140.01
MG Value based on 3% Growth	\$52.73
MG Value based on 0% Growth	\$30.91
Market Implied Growth Rate	3.83%

MG Opinion

Current Price	\$58.80
% of Intrinsic Value	42.00%
Opinion	Undervalued
MG Grade	B

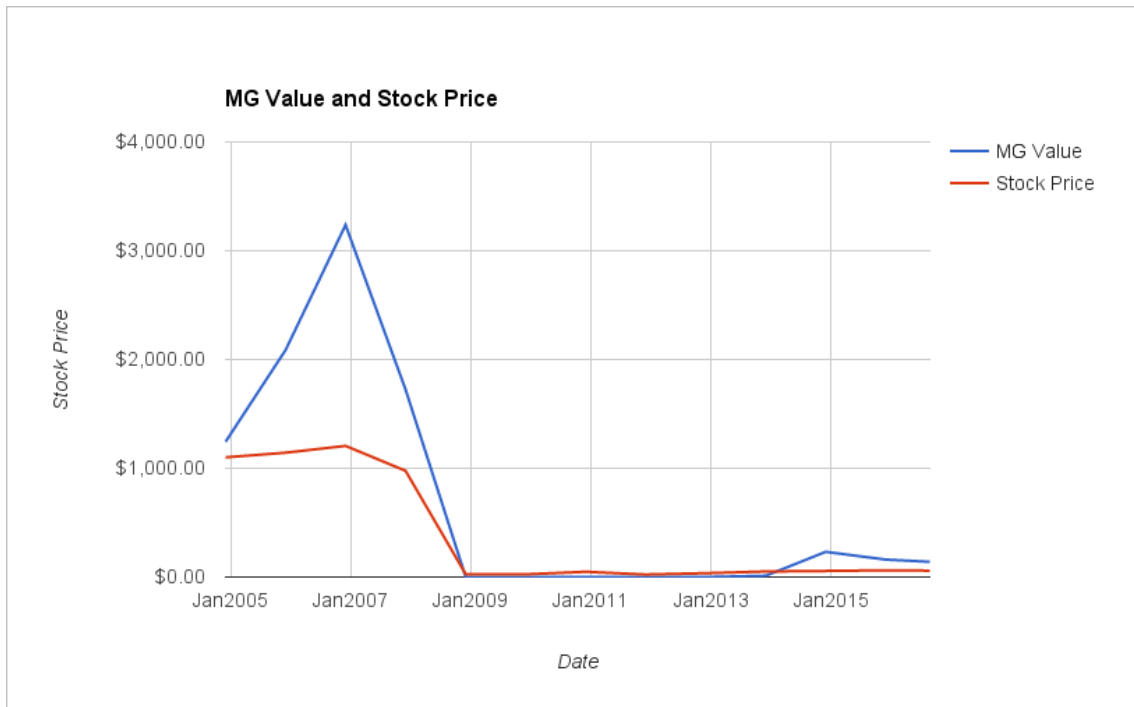
Stage 3: Information for Further Research

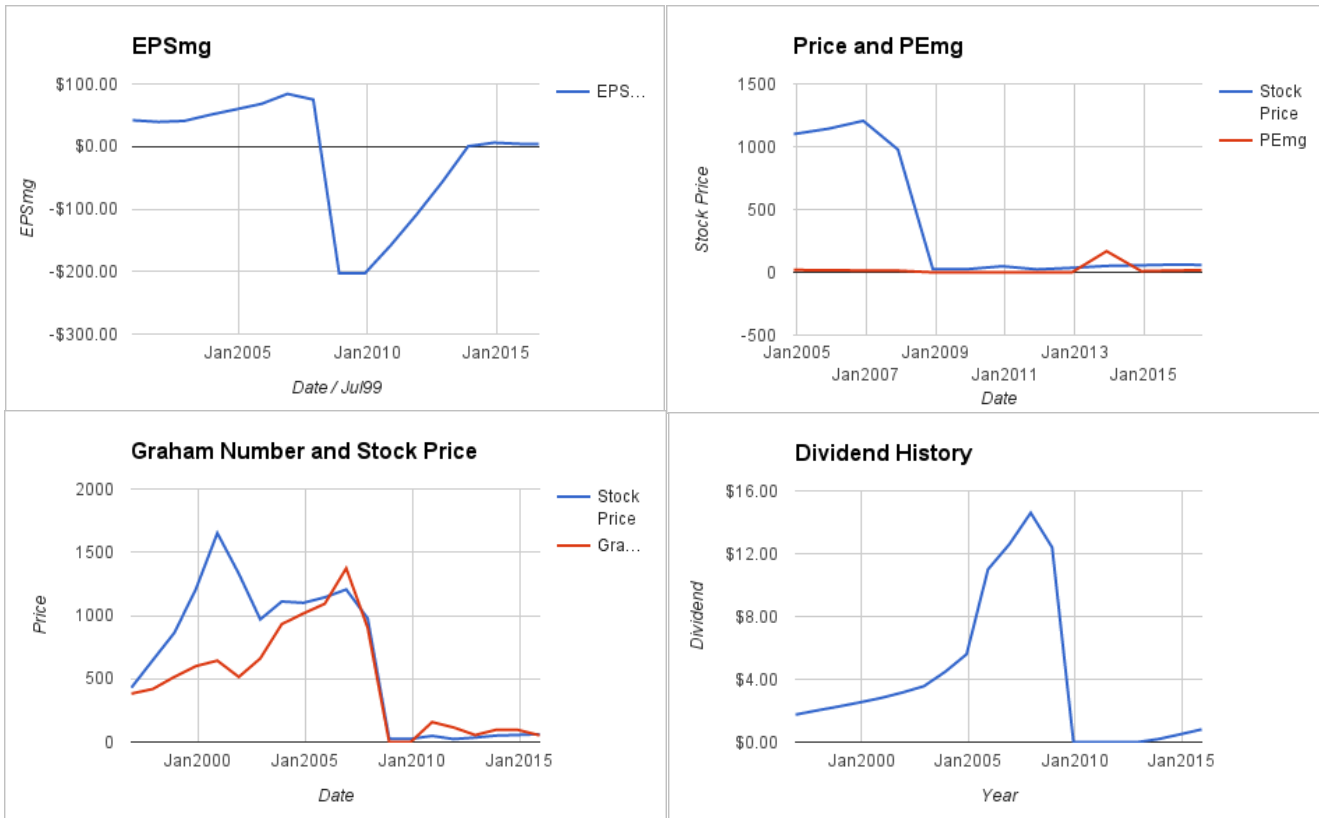
Graham Number	\$82.15
PEmg	16.17
PB Ratio	0.75
Dividend Yield	2.04%
Number of Consecutive Years of Dividend Growth	4

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	\$3.61	Next Fiscal Year Estimate	\$3.64
Dec2015	\$1.65	Dec2015	\$4.17
Dec2014	\$5.20	Dec2014	\$6.02
Dec2013	\$6.13	Dec2013	\$0.30
Dec2012	\$2.04	Dec2012	-\$56.58
Dec2011	\$11.01	Dec2011	-\$109.06
Dec2010	\$11.60	Dec2010	-\$158.11
Dec2009	-\$90.48	Dec2009	-\$202.81
Dec2008	-\$756.85	Dec2008	-\$202.54
Dec2007	\$47.80	Dec2007	\$75.03
Dec2006	\$107.20	Dec2006	\$84.08
Dec2005	\$79.80	Dec2005	\$68.24
Dec2004	\$73.80	Dec2004	\$59.32
Dec2003	\$70.60	Dec2003	\$50.60
Dec2002	\$43.40	Dec2002	\$40.80
Dec2001	\$30.80	Dec2001	\$39.31
Dec2000	\$46.60	Dec2000	\$41.90
Dec1999	\$46.80	Balance Sheet Information 6/1/2016	
Dec1998	\$38.40	Current Portion of Long-Term Debt	\$0
Dec1997	\$32.00	Total Assets	\$510,349,000,000
Dec1996	\$29.16	Intangible Assets	\$0
		Total Liabilities	\$420,403,000,000
		Shares Outstanding (Diluted Average)	1,140,046,000





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

- [Stocks Trading Below Their Graham Number – July 2016](#)
- [5 Companies for Enterprising Investors Near 52 Week Lows – June 2016](#)
- [Stocks Trading Below Their Graham Number – June 2016](#)
- [Stocks Trading Below Their Graham Number – May 2016](#)
- [Stocks Trading Below Their Graham Number – March 2016](#)

Other ModernGraham posts about related companies

- [Humana Inc Valuation – August 2016 \\$HUM](#)
- [Chubb Limited Valuation – August 2016 \\$CB](#)
- [Torchmark Corporation Valuation – August 2016 \\$TMK](#)
- [Anthem Inc Valuation – August 2016 \\$ANTM](#)
- [American Financial Group Inc Valuation – August 2016 \\$AFG](#)
- [AFLAC Inc Valuation – August 2016 \\$AFL](#)
- [Hartford Financial Services Group Inc Valuation – August 2016 \\$HIG](#)
- [MetLife Inc Valuation – August 2016 \\$MET](#)
- [Genworth Financial Inc Valuation – August 2016 \\$GNW](#)
- [Aetna Inc Valuation – July 2016 \\$AET](#)