

ModernGraham Valuation

Company Name:

Anthem Inc

Company Ticker ANTM

Date of Analysis

8/16/2016



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	\$33,711,759,411	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
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	35.54%	Pass
5. Moderate PEmg Ratio	PEmg < 20	14.43	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.43	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	8.94
MG Growth Estimate	2.46%
MG Value	\$119.95
MG Value based on 3% Growth	\$129.65
MG Value based on 0% Growth	\$76.00
Market Implied Growth Rate	2.96%

MG Opinion

Current Price	\$128.99
% of Intrinsic Value	107.54%
Opinion	Fairly Valued
MG Grade	B-

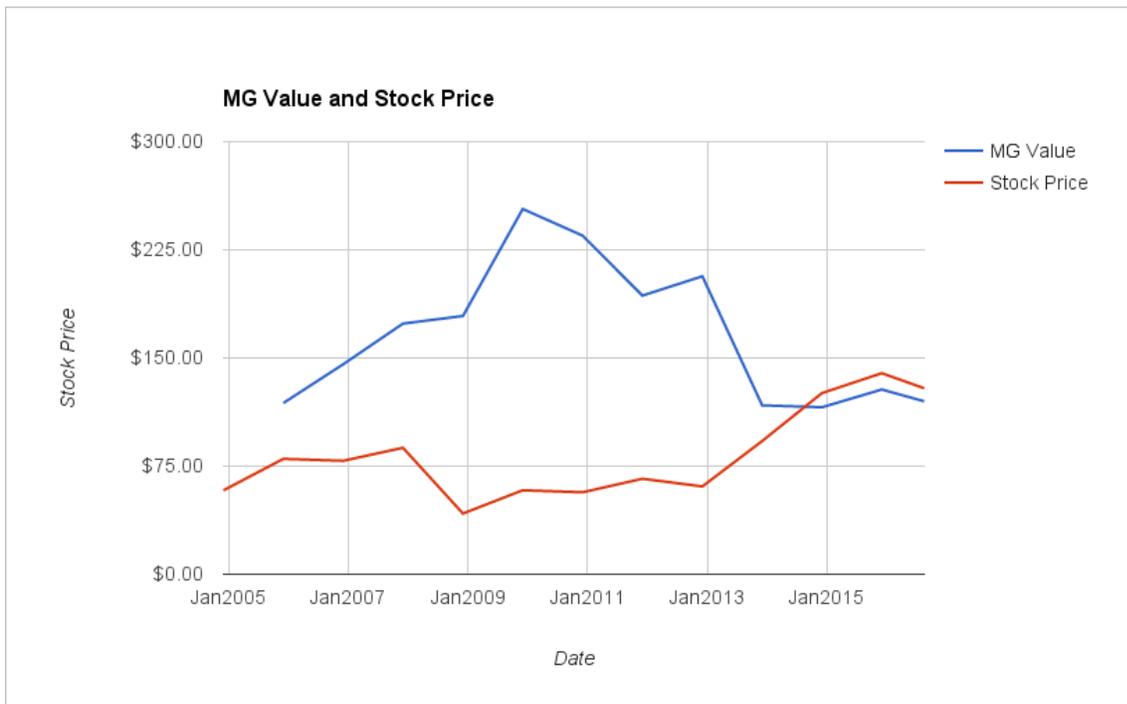
Stage 3: Information for Further Research

Graham Number	\$136.63
PEmg	14.43
PB Ratio	1.43
Dividend Yield	1.98%
Number of Consecutive Years of Dividend Growth	6

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	\$9.01	Next Fiscal Year Estimate	\$8.94
Dec2015	\$9.38	Dec2015	\$8.74
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	Balance Sheet Information 6/1/2016	
Dec1998	\$0.00	Long-Term Debt & Capital Lease Obligation	\$14,202,400,000
Dec1997	\$0.00	Total Assets	\$64,062,600,000
Dec1996	\$0.00	Intangible Assets	\$25,621,900,000
		Total Liabilities	\$39,829,000,000
		Shares Outstanding (Diluted Average)	268,200,000





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

- [15 Best Stocks For Value Investors This Week – 2/13/16](#)
- [Anthem Inc Valuation – February 2016 \\$ANTM](#)
- [The Best Companies of the Insurance Industry – October 2015](#)
- [Anthem Inc Valuation – February 2016 \\$ANTM](#)
- [The Best Companies of the Insurance Industry – October 2015](#)

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companies

- [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](#)
- [XL Group Ltd Valuation – July 2016 \\$XL](#)
- [Marsh & McLennan Companies Inc Valuation – July 2016 \\$MMC](#)
- [Cigna Corp Valuation – July 2016 \\$CI](#)
- [Progressive Corporation Valuation – June 2016 \\$PGR](#)
- [Cincinnati Financial Corporation Valuation – May 2016 \\$CINF](#)