

ModernGraham Valuation

Company Name:

Company Ticker TMK
Date of Analysis

Torchmark
Corporation

8/17/2016



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	\$7,451,929,363	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	83.09%	Pass
5. Moderate PEmg Ratio	PEmg < 20	15.14	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.57	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	4.12
MG Growth Estimate	5.71%
MG Value	\$82.14
MG Value based on 3% Growth	\$59.78
MG Value based on 0% Growth	\$35.04
Market Implied Growth Rate	3.32%

MG Opinion

Current Price	\$62.40
% of Intrinsic Value	75.97%
Opinion	Fairly Valued
MG Grade	B

Stage 3: Information for Further Research

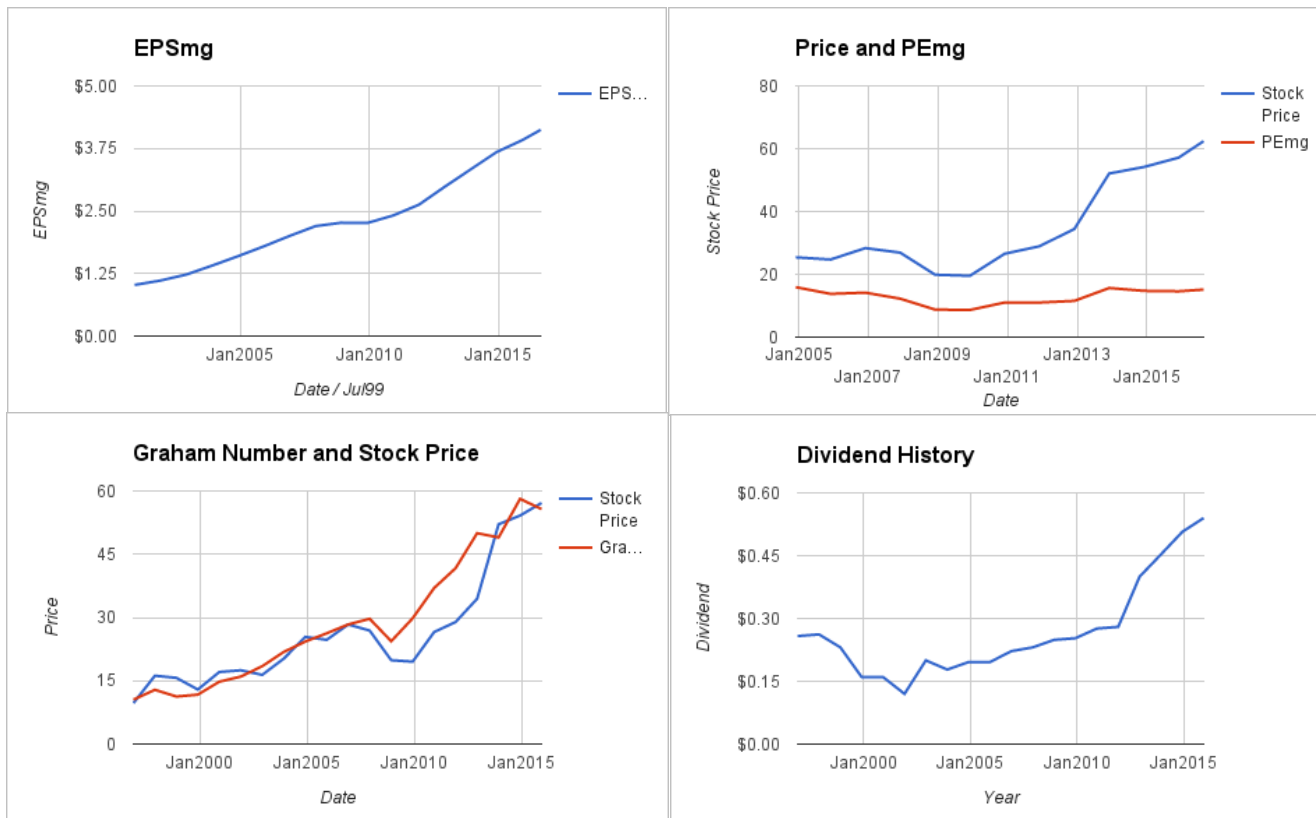
Graham Number	\$62.90
PEmg	15.14
PB Ratio	1.57
Dividend Yield	0.88%
Number of Consecutive Years of Dividend Growth	11

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	\$4.35	Next Fiscal Year Estimate	\$4.12
Dec2015	\$4.16	Dec2015	\$3.92
Dec2014	\$4.09	Dec2014	\$3.68
Dec2013	\$3.79	Dec2013	\$3.33
Dec2012	\$3.60	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	Balance Sheet Information 6/1/2016	
Dec1998	\$0.77	Long-Term Debt & Capital Lease Obligation	\$1,133,928,000
Dec1997	\$1.08	Total Assets	\$21,574,040,000
Dec1996	\$0.97	Intangible Assets	\$441,591,000
		Total Liabilities	\$16,696,282,000
		Shares Outstanding (Diluted Average)	122,748,000





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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