

ModernGraham Valuation

Company Name:

AFLAC Incorporated

Company Ticker AFL

Date of Analysis

12/19/2016



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	\$28,539,012,424	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	102.96%	Pass
4. Earnings Growth			
5. Moderate PEmg Ratio	PEmg < 20	11.22	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.26	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	6.22
MG Growth Estimate	4.78%
MG Value	\$112.32
MG Value based on 3% Growth	\$90.22
MG Value based on 0% Growth	\$52.89
Market Implied Growth Rate	1.36%

MG Opinion

Current Price	\$69.79
% of Intrinsic Value	62.13%
Opinion	Undervalued
MG Grade	A

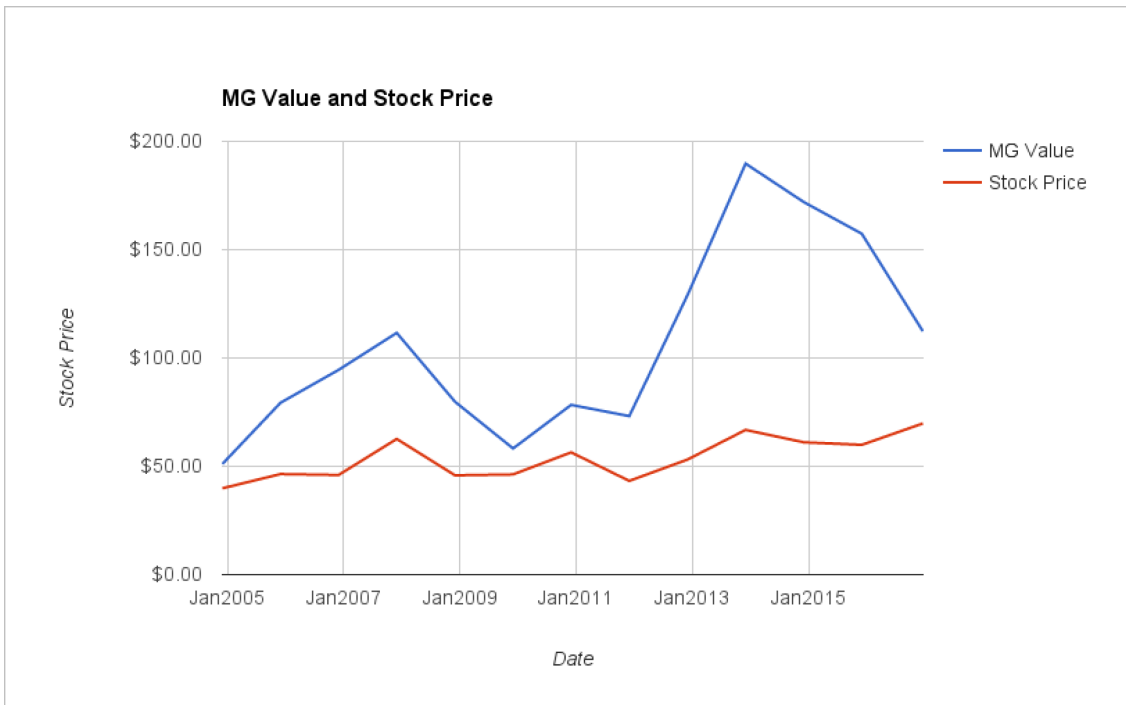
Stage 3: Information for Further Research

Graham Number	\$87.98
PEmg	11.22
PB Ratio	1.26
Dividend Yield	2.35%
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	\$6.16	Next Fiscal Year Estimate	\$6.22
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	\$1.47	Dec2003	\$1.40
Dec2002	\$1.55	Dec2002	\$1.31
Dec2001	\$1.28	Dec2001	\$1.16
Dec2000	\$1.26	Dec2000	\$1.06
Dec1999	\$1.04	Balance Sheet Information 9/1/2016	
Dec1998	\$0.88	Long-Term Debt & Capital Lease Obligation	\$5,765,000,000
Dec1997	\$1.04	Total Assets	\$144,101,000,000
Dec1996	\$0.68	Intangible Assets	\$0
		Total Liabilities	\$121,316,000,000
		Shares Outstanding (Diluted Average)	411,140,000





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

- [Dividend Growth Stocks for Intelligent Investors – July 2016](#)
- [10 Low PE Stocks for the Defensive Investor – July 2016](#)
- [Dividend Growth Stocks for Intelligent Investors – June 2016](#)
- [10 Low PE Stocks for the Defensive Investor – June 2016](#)
- [10 Low PE Stocks for the Defensive Investor – May 2016](#)

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ModernGraham
posts about related
companies

- [Travelers Companies Inc Valuation – November 2016 \\$TRV](#)
- [Allstate Corp Valuation – November 2016 \\$ALL](#)
- [Unum Group Valuation – August 2016 \\$UNM](#)
- [Principal Financial Group Inc Valuation – August 2016 \\$PFG](#)
- [Assurant Inc Valuation – August 2016 \\$AIZ](#)
- [American International Group Inc Valuation – August 2016 \\$AIG](#)
- [Humana Inc Valuation – August 2016 \\$HUM](#)
- [Chubb Limited Valuation – August 2016 \\$CB](#)
- [Torchmark Corporation Valuation – August 2016 \\$TMK](#)
- [Anthem Inc Valuation – August 2016 \\$ANTM](#)