

# ModernGraham Valuation

Company Name:

Anthem Inc

Company Ticker ANTM

Date of Analysis

1/27/2017



## 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	\$39,993,446,436	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	36.93%	Pass
4. Earnings Growth	PEmg < 20	16.95	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.66	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	9.03
MG Growth Estimate	2.64%
<b>MG Value</b>	<b>\$124.49</b>
MG Value based on 3% Growth	\$131.00
MG Value based on 0% Growth	\$76.79
Market Implied Growth Rate	4.22%

### MG Opinion

Current Price	\$153.12
% of Intrinsic Value	123.00%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>C</b>

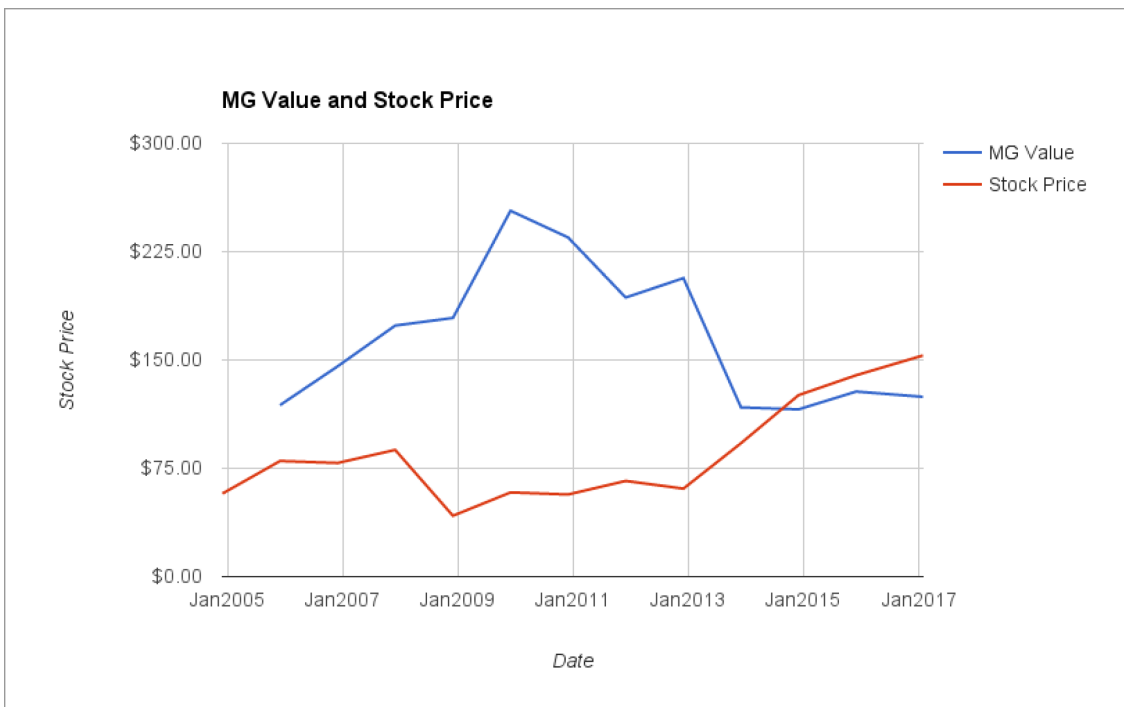
## Stage 3: Information for Further Research

Graham Number	\$140.13
PEmg	16.95
PB Ratio	1.66
Dividend Yield	1.68%
Number of Consecutive Years of Dividend Growth	6

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EPS History		EPSmg History	
Next Fiscal Year Estimate		Next Fiscal Year Estimate	
	\$9.29		\$9.03
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	<b>Balance Sheet Information 9/1/2016</b>	
		Long-Term Debt & Capital Lease Obligation	\$14,242,300,000
Dec1998	\$0.00	Total Assets	\$64,399,900,000
Dec1997	\$0.00	Intangible Assets	\$25,574,500,000
Dec1996	\$0.00	Total Liabilities	\$39,655,700,000
		Shares Outstanding (Diluted Average)	268,100,000





**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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[The Best Companies of the Insurance Industry – October 2015](#)  
[Anthem Inc. Analysis – September 2015 Update \\$ANTM](#)  
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[Berkshire Hathaway Inc Valuation – January 2017 \\$BRK.B](#)  
[Infinity Property and Casualty Corp Valuation – Initial Coverage \\$IPCC](#)  
[Hartford Financial Services Group Inc Valuation – December 2016 \\$HIG](#)  
[AFLAC Inc Valuation – December 2016 \\$AFL](#)  
[Arthur J Gallagher & Co Valuation – December 2016 \\$AJG](#)  
[Aspen Insurance Holdings Limited Valuation – December 2016 \\$AHL](#)  
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