

ModernGraham Valuation

Company Name:

Humana Inc

Company Ticker HUM

Date of Analysis

3/10/2017



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	\$31,493,083,727	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	41.09%	Pass
4. Earnings Growth	PEmg < 20	27.81	Fail
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	3.08	Fail
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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	7.84
MG Growth Estimate	0.60%
MG Value	\$76.08
MG Value based on 3% Growth	\$113.63
MG Value based on 0% Growth	\$66.61
Market Implied Growth Rate	9.65%

MG Opinion

Current Price	\$217.93
% of Intrinsic Value	286.46%
Opinion	Overvalued
MG Grade	C-

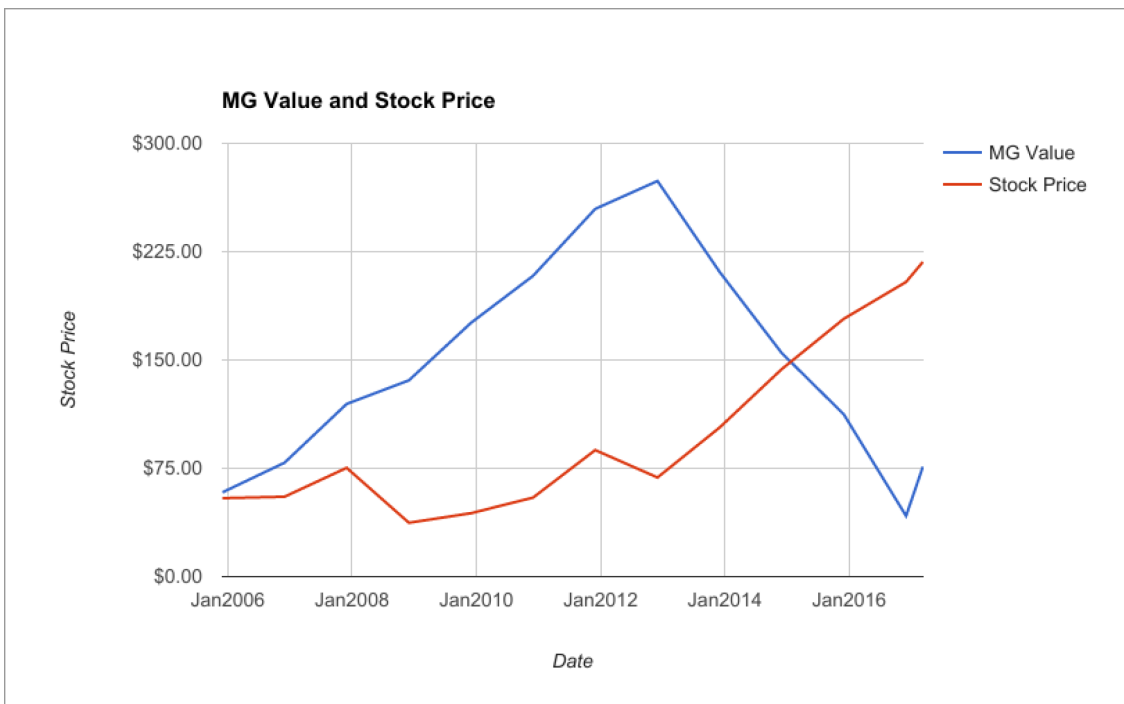
Stage 3: Information for Further Research

Graham Number	\$131.26
PEmg	27.81
PB Ratio	3.08
Dividend Yield	0.40%
Number of Consecutive Years of Dividend Growth	0

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		Next Fiscal Year Estimate	
Dec2016	\$10.70	Dec2016	\$7.84
Dec2015	\$4.07	Dec2015	\$6.61
Dec2014	\$8.44	Dec2014	\$7.88
Dec2013	\$7.36	Dec2013	\$7.57
Dec2012	\$7.73	Dec2012	\$7.53
Dec2011	\$7.47	Dec2011	\$7.12
Dec2010	\$8.46	Dec2010	\$6.61
Dec2009	\$6.47	Dec2009	\$5.41
Dec2008	\$6.15	Dec2008	\$4.56
Dec2007	\$3.83	Dec2007	\$3.53
Dec2006	\$4.91	Dec2006	\$3.11
Dec2005	\$2.90	Dec2005	\$2.05
Dec2004	\$1.87	Dec2004	\$1.52
Dec2003	\$1.72	Dec2003	\$1.24
Dec2002	\$1.38	Dec2002	\$0.74
Dec2001	\$0.83	Dec2001	\$0.32
Dec2000	\$0.70	Dec2000	\$0.09
Dec1999	\$0.54	Balance Sheet Information 12/1/2016	
Dec1998	-\$2.28	Long-Term Debt & Capital Lease Obligation	\$3,792,000,000
Dec1997	\$0.77	Total Assets	\$25,396,000,000
	\$1.05	Intangible Assets	\$3,552,000,000
		Total Liabilities	\$14,711,000,000
		Shares Outstanding (Diluted Average)	150,917,000





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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company

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[Humana Inc. Valuation – October 2015 Update \\$HUM](#)
[Humana Inc. Analysis – July 2015 Update \\$HUM](#)
[Humana Inc. Quarterly Valuation – April 2015 \\$HUM](#)
[58 Companies in the Spotlight This Week – 1/31/15](#)

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[CNO Financial Group Inc Valuation – January 2017 \\$CNO](#)
[Anthem Inc Valuation – January 2017 \\$ANTM](#)
[American Financial Group Inc Valuation – January 2017 \\$AFG](#)
[Selective Insurance Group Valuation – Initial Coverage \\$SIGI](#)
[Berkshire Hathaway Inc Valuation – January 2017 \\$BRK.B](#)
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