

# ModernGraham Valuation

## Company Name:

Company Ticker TMK

Date of Analysis

3/11/2017

**Torchmark  
Corporation**



## 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	\$9,240,742,957	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	86.33%	Pass
4. Earnings Growth	PEmg < 20	17.90	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	2.10	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>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	4.38
MG Growth Estimate	4.71%
<b>MG Value</b>	<b>\$78.42</b>
MG Value based on 3% Growth	\$63.47
MG Value based on 0% Growth	\$37.21
Market Implied Growth Rate	4.70%

### MG Opinion

Current Price	\$78.34
% of Intrinsic Value	99.90%
<b>Opinion</b>	<b>Fairly Valued</b>
<b>MG Grade</b>	<b>C+</b>

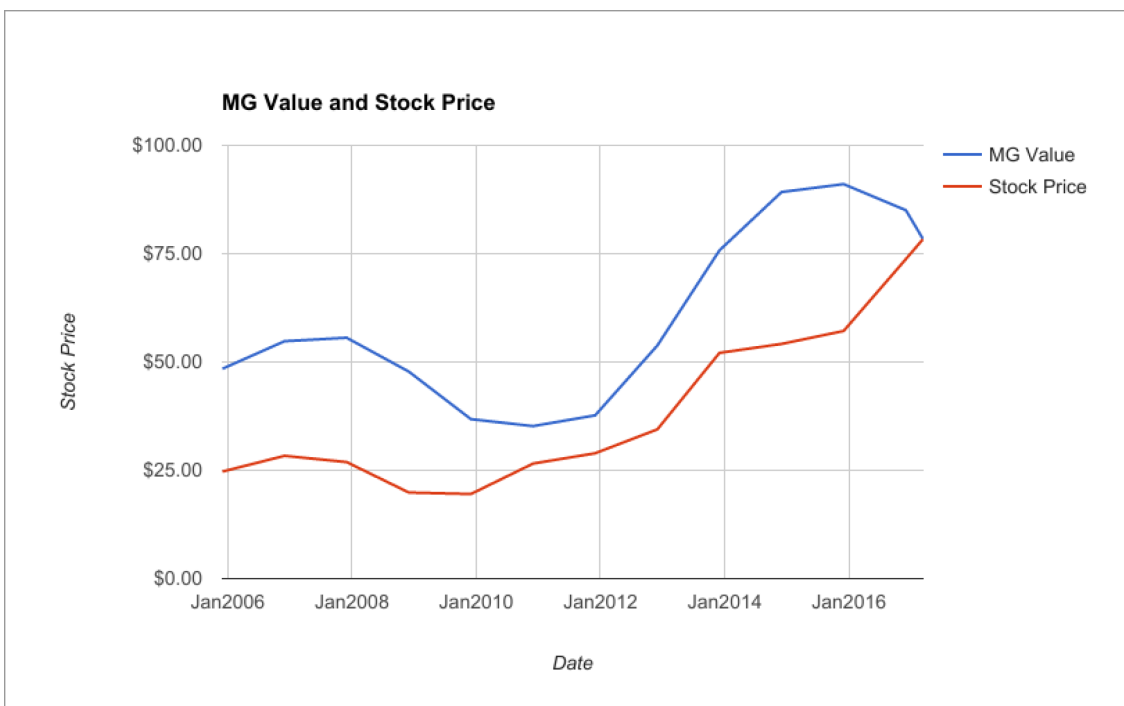
## Stage 3: Information for Further Research

Graham Number	\$63.73
PEmg	17.90
PB Ratio	2.10
Dividend Yield	0.71%
Number of Consecutive Years of Dividend Growth	12

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.65	Next Fiscal Year Estimate	\$4.38
Dec2016	\$4.49	Dec2016	\$4.17
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	<b>Balance Sheet Information 12/1/2016</b>	
Dec1999	\$0.91	Long-Term Debt & Capital Lease Obligation	\$1,133,165,000
Dec1998	\$0.77	Total Assets	\$21,436,087,000
Dec1997	\$1.08	Intangible Assets	\$441,591,000
		Total Liabilities	\$16,869,226,000
		Shares Outstanding (Diluted Average)	122,368,000





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 Undervalued Stocks of the Week – 8/20/16](#)  
[Torchmark Corporation Valuation – August 2016 \\$TMK](#)  
[5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – February 2016](#)  
[26 Best Stocks For Value Investors This Week – 2/6/16](#)  
[Torchmark Corp Valuation – February 2016 \\$TMK](#)

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[Chubb Ltd Valuation – March 2017 \\$CB](#)  
[Stewart Information Services Corp Valuation – Initial Coverage \\$STC](#)  
[Loews Corporation – February 2017 \\$L](#)  
[Kemper Corp Valuation – Initial Coverage \\$KMPR](#)  
[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](#)  
[Infinity Property and Casualty Corp Valuation – Initial Coverage \\$IPCC](#)