ModernGraham Valuation

Company Name:

UnitedHealth Group Inc



Company Ticker

Date of Analysis 2/25/2018

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$222,717,303,512 Pass
2. Sufficiently Strong Financial Condition	Current Ratio > 2	0.73 Fail
3. Earnings Stability	Positive EPS for 10 years prior	Pass
4. Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
5. Earnings Growth	beginning and end	137.95% Pass
6. Moderate PEmg Ratio	PEmg < 20	25.37 Fail
7. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.77 Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

Sufficiently Strong Financial Condition	Current Ratio > 1.5	0.73 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-2.16 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass
	Score	

Suitability

Defensive No Nο Enterprising

Stage 2: Determination of Intrinsic Value

EPSmg	\$9.07
MG Growth Estimate	10.55%
MG Value	\$268.58
MG Value based on 3% Growth	\$131.56
MG Value based on 0% Growth	\$77.12
Market Implied Growth Rate	8.43%

MG Opinion

\$230.16 Current Price % of Intrinsic Value 85.69%

Opinion **Fairly Valued**

MG Grade D+

Stage 3: Information for Further Research

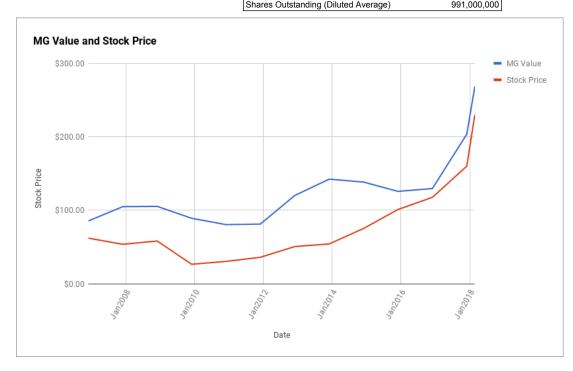
Net Current Asset Value (NCAV)	-\$54.69
Graham Number	\$109.20
PEmg	25.37
Current Ratio	0.73
PB Ratio	4.77
Current Dividend	\$2.88
Dividend Yield	1.25%
Number of Consecutive Years of Dividend	•
Growth	8

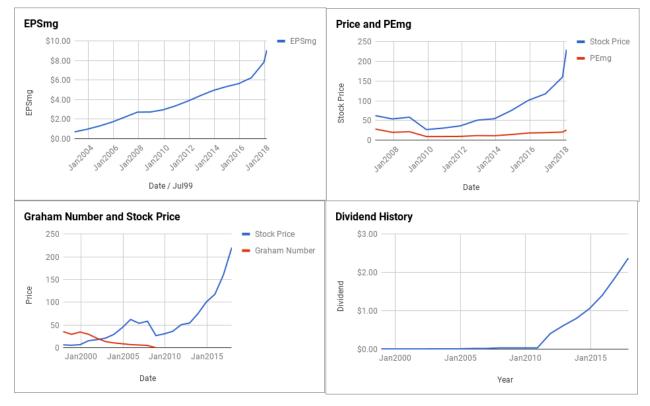
Morningstar

Useful Links: ModernGraham tagged articles

Google Finance MSN Money Yahoo Finance Seeking Alpha **GuruFocus SEC Filings**

EPS History		EPSmg History	
Next Fiscal Year Estimate	¢10.75	Next Fiscal Year Estimate	\$9.07
Dec2017	\$10.72	Dec2017	\$7.84
Dec2016	\$7.25	Dec2016	\$6.24
Dec2015	\$6.01	Dec2015	\$5.6
Dec2014	\$5.70	Dec2014	\$5.3
Dec2013	\$5.50	Dec2013	\$4.9
Dec2012	\$5.28	Dec2012	\$4.4
Dec2011	\$4.73	Dec2011	\$3.8
Dec2010	\$4.10	Dec2010	\$3.3
Dec2009	\$3.24	Dec2009	\$2.9
Dec2008	\$2.40	Dec2008	\$2.7
Dec2007	\$3.42	Dec2007	\$2.7
Dec2006	\$2.97	Dec2006	\$2.2
Dec2005	\$2.31	Dec2005	\$1.7
Dec2004	\$1.83	Dec2004	\$1.3
Dec2003	\$1.34	Dec2003	\$0.9
Dec2002	\$1.07	Dec2002	\$0.7
Dec2001	\$0.70	Balance Sheet Information	12/1/201
Dec2000	\$0.55	Total Current Assets	\$37,084,000,00
Dec1999	\$0.40	Total Current Liabilities	\$50,463,000,00
Dec1998	-\$0.14	Long-Term Debt	\$28,835,000,00
		Total Assets	\$139,058,000,00
		Intangible Assets	\$63,045,000,00
		Total Liabilities	\$91,282,000,00
		Shares Outstanding (Diluted Average)	991,000,00





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 <u>UnitedHealth Group Inc Valuation – February 2017 \$UNH</u>

<u>UnitedHealth Group Inc. Valuation – November 2015 Update \$UNH</u>

26 Companies in the Spotlight This Week - 11/22/14

<u>UnitedHealth Group Inc. Annual Valuation – 2014 \$UNH</u>

5 Undervalued Companies to Research with a Low Beta - November 2014

Other ModernGraham posts about related companies VCA Inc Valuation - Initial Coverage \$WOOF

<u>Universal Health Services Inc Valuation – August 2017 \$UHS</u>

<u>Telefex Inc Valuation – Initial Coverage \$TFX</u>

BIO-TECHNE Corp Valuation – Initial Coverage \$TECH

<u>LifePoint Health Inc Valuation – Initial Coverage \$LPNT</u>

Psychemedics Corp Valuation – April 2017 \$PMD

Community Health Systems Valuation – Initial Coverage \$CYH

Patterson Companies Inc Valuation – April 2017 \$PDCO

<u>Luminex Corp Valuation – Initial Coverage \$LMNX</u>

C R Bard Inc Valuation - March 2017 \$BCR