

ModernGraham Valuation

Company Name:

AFLAC Incorporated

Company Ticker AFL

Date of Analysis

3/5/2018



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	\$34,389,525,456	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		
4. Earnings Growth		108.42%	Pass
5. Moderate PEmg Ratio	PEmg < 20	10.92	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.42	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	8.08
MG Growth Estimate	4.98%
MG Value	\$149.29
MG Value based on 3% Growth	\$117.23
MG Value based on 0% Growth	\$68.72
Market Implied Growth Rate	1.21%

MG Opinion

Current Price	\$88.25
% of Intrinsic Value	59.11%
Opinion	Undervalued
MG Grade	A-

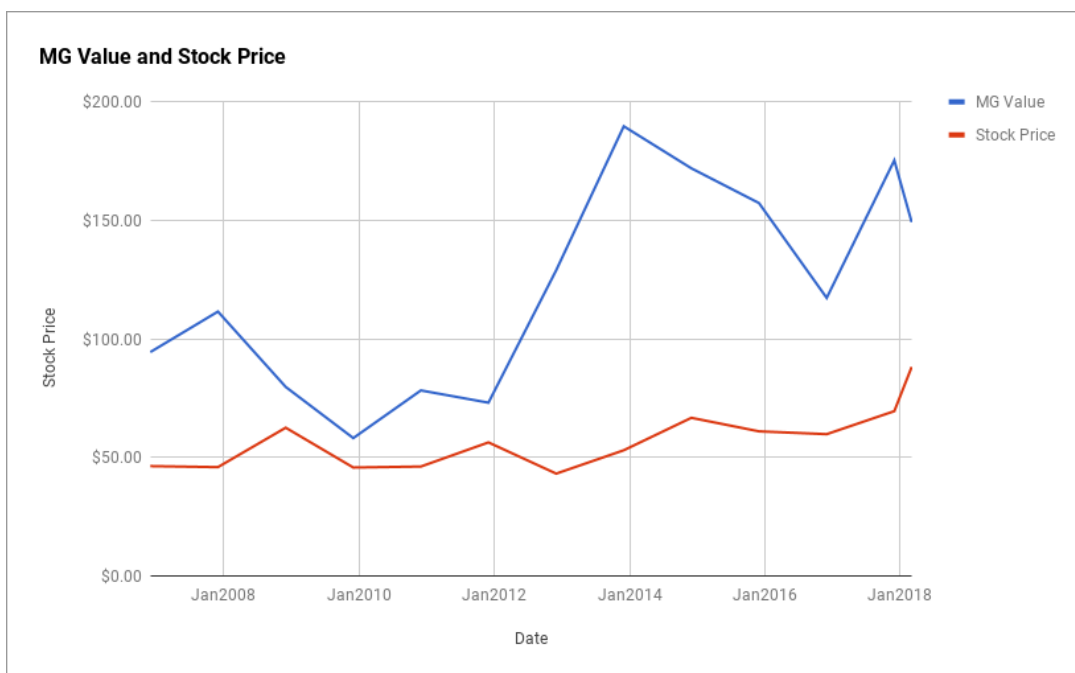
Stage 3: Information for Further Research

Graham Number	\$103.31
PEmg	10.92
PB Ratio	1.42
Dividend Yield	1.97%
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	\$7.53	Next Fiscal Year Estimate	\$8.08
Dec2017	\$11.54	Dec2017	\$8.05
Dec2016	\$6.42	Dec2016	\$6.31
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	Balance Sheet Information 12/1/2017	
Dec2000	\$1.26	Long-Term Debt & Capital Lease Obligation	\$5,289,000,000
Dec1999	\$1.04	Total Assets	\$137,217,000,000
Dec1998	\$0.88	Intangible Assets	\$0
		Total Liabilities	\$112,619,000,000
		Shares Outstanding (Diluted Average)	394,997,000





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](#)

- Other ModernGraham posts about related companies**
- [Progressive Corp Valuation – February 2018 \\$PGR](#)
 - [Cincinnati Financial Corp Valuation – February 2018 \\$CINF](#)
 - [Lincoln National Corp Valuation – February 2018 \\$LNC](#)
 - [Aon PLC Valuation – February 2018 \\$AON](#)
 - [Travelers Companies Inc Valuation – February 2018 \\$TRV](#)
 - [Hanover Insurance Group Valuation – Initial Coverage \\$THG](#)
 - [Prudential Financial Inc Valuation – July 2017 \\$PRU](#)
 - [Assurant Inc Valuation – March 2017 \\$AIZ](#)
 - [American International Group Inc Valuation – March 2017 \\$AIG](#)
 - [Torchmark Corporation Valuation – March 2017 \\$TMK](#)