

ModernGraham Valuation

Company Name:

CIGNA Corporation

Company Ticker CI

Date of Analysis

3/24/2018



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	\$40,106,450,920	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		97.64%	Pass
5. Moderate PEmg Ratio	PEmg < 20	17.72	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.92	Fail

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	9.25
MG Growth Estimate	8.00%
MG Value	\$226.71
MG Value based on 3% Growth	\$134.18
MG Value based on 0% Growth	\$78.66
Market Implied Growth Rate	4.61%

MG Opinion

Current Price	\$164.00
% of Intrinsic Value	72.34%
Opinion	Undervalued
MG Grade	B-

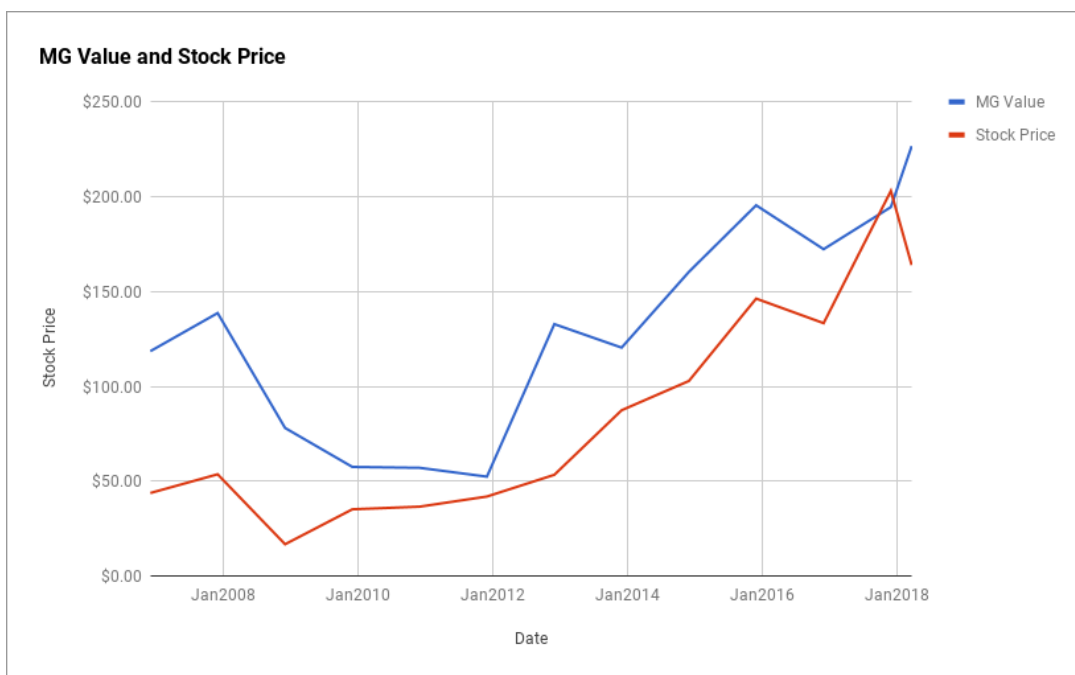
Stage 3: Information for Further Research

Graham Number	\$121.48
PEmg	17.72
PB Ratio	2.92
Dividend Yield	0.02%
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	
Dec2017	\$11.65	Dec2017	\$9.25
Dec2016	\$8.77	Dec2016	\$7.84
Dec2015	\$7.19	Dec2015	\$7.17
Dec2014	\$8.04	Dec2014	\$6.86
Dec2013	\$7.83	Dec2013	\$6.04
Dec2012	\$5.18	Dec2012	\$5.08
Dec2011	\$5.61	Dec2011	\$4.72
Dec2010	\$4.59	Dec2010	\$4.11
Dec2009	\$4.65	Dec2009	\$3.77
Dec2008	\$4.73	Dec2008	\$3.37
Dec2007	\$1.05	Dec2007	\$2.86
Dec2006	\$3.87	Dec2006	\$3.60
Dec2005	\$3.43	Dec2005	\$3.08
Dec2004	\$4.17	Dec2004	\$2.62
Dec2003	\$3.48	Dec2003	\$1.75
Dec2002	\$1.50	Dec2002	\$1.09
Dec2001	-\$1.06	Dec2001	\$1.12
Dec2000	\$2.08	Balance Sheet Information 12/1/2017	
Dec1999	\$1.95	Long-Term Debt & Capital Lease Obligation	\$5,199,000,000
Dec1998	\$3.00	Total Assets	\$61,753,000,000
	\$2.02	Intangible Assets	\$6,655,000,000
		Total Liabilities	\$48,018,000,000
		Shares Outstanding (Diluted Average)	244,628,000





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:

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ModernGraham
posts about the
company

- [9 Best Stocks For Value Investors This Week – 7/8/16](#)
- [Cigna Corp Valuation – July 2016 \\$CI](#)
- [5 Undervalued Companies with a Low Beta – July 2016](#)
- [5 Companies for Enterprising Investors Near 52 Week Lows – June 2016](#)
- [5 Undervalued Companies with a Low Beta – May 2016](#)

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posts about related
companies

- [Aspen Insurance Holdings Ltd Valuation – March 2018 \\$AHL](#)
- [AFLAC Inc Valuation – March 2018 \\$AFL](#)
- [MetLife Inc Valuation – March 2018 \\$MET](#)
- [Principal Financial Group Inc Valuation – March 2018 \\$PFG](#)
- [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](#)