

ModernGraham Valuation

Company Name:

Anthem Inc

Company Ticker ANTM

Date of Analysis

5/7/2018



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	\$57,902,286,848	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		
4. Earnings Growth		61.03%	Pass
5. Moderate PEmg Ratio	PEmg < 20	18.22	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.23	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	12.59
MG Growth Estimate	7.89%
MG Value	\$305.47
MG Value based on 3% Growth	\$182.49
MG Value based on 0% Growth	\$106.98
Market Implied Growth Rate	4.86%

MG Opinion

Current Price	\$229.26
% of Intrinsic Value	75.05%
Opinion	Fairly Valued
MG Grade	C+

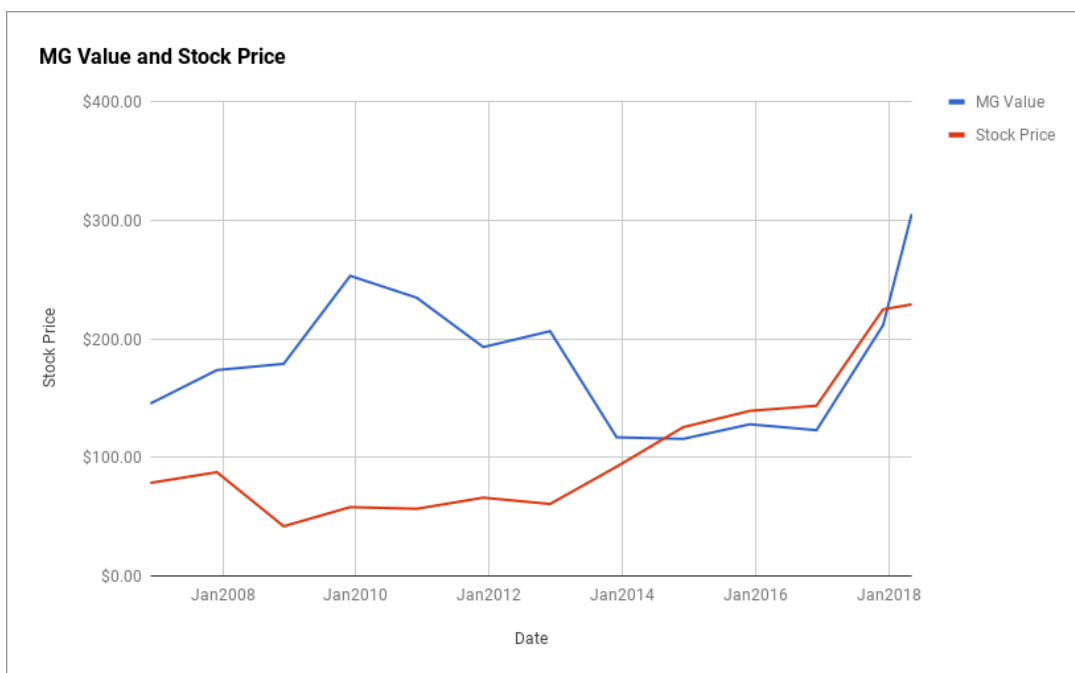
Stage 3: Information for Further Research

Graham Number	\$188.14
PEmg	18.22
PB Ratio	2.23
Dividend Yield	1.18%
Number of Consecutive Years of Dividend Growth	7

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	
	\$15.20		\$12.59
Dec2017	\$14.35	Dec2017	\$10.86
Dec2016	\$9.21	Dec2016	\$9.01
Dec2015	\$9.38	Dec2015	\$8.74
Dec2014	\$8.99	Dec2014	\$8.25
Dec2013	\$8.20	Dec2013	\$7.95
Dec2012	\$8.18	Dec2012	\$7.68
Dec2011	\$7.25	Dec2011	\$7.25
Dec2010	\$6.94	Dec2010	\$6.96
Dec2009	\$9.88	Dec2009	\$6.58
Dec2008	\$4.76	Dec2008	\$4.76
Dec2007	\$5.56	Dec2007	\$4.52
Dec2006	\$4.82	Dec2006	\$3.78
Dec2005	\$3.94	Dec2005	\$3.08
Dec2004	\$3.05	Dec2004	\$2.42
Dec2003	\$2.73	Dec2003	\$1.84
Dec2002	\$2.26	Dec2002	\$1.19
Dec2001	\$1.65	Balance Sheet Information 3/1/2018	
Dec2000	\$0.00	Long-Term Debt & Capital Lease Obligation	\$18,110,100,000
Dec1999	\$0.00	Total Assets	\$73,300,400,000
Dec1998	\$0.00	Intangible Assets	\$29,261,500,000
		Total Liabilities	\$46,288,000,000
		Shares Outstanding (Diluted Average)	262,800,000





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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[XL Group Ltd Valuation – April 2018 \\$XL](#)
[Aetna Inc Valuation – April 2018 \\$AET](#)
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