

ModernGraham Valuation

American
International Group
Inc



Company Name:

Company Ticker AIG

Date of Analysis

6/10/2018

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	\$49,480,309,041	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
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	-96.07%	Fail
4. Earnings Growth			
5. Moderate PEmg Ratio	PEmg < 20	254.40	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.80	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	Fail
2. Dividend Record	Currently Pays Dividend	Pass
3. Earnings Growth	EPSmg greater than 5 years ago	Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	0.22
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$3.14
MG Value based on 0% Growth	\$1.84
Market Implied Growth Rate	122.95%

MG Opinion

Current Price	\$55.12
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	C-

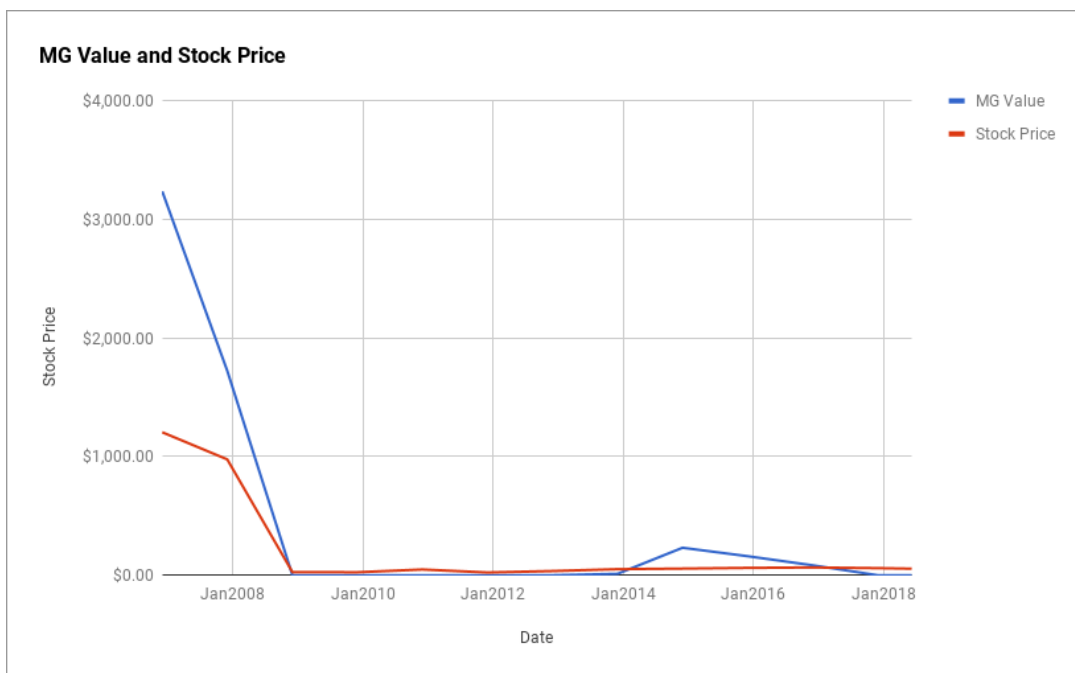
Stage 3: Information for Further Research

Graham Number	\$87.09
PEmg	254.40
PB Ratio	0.80
Dividend Yield	2.32%
Number of Consecutive Years of Dividend Growth	5

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	\$4.65	Next Fiscal Year Estimate	\$0.22
Dec2017	-\$6.54	Dec2017	-\$0.96
Dec2016	-\$0.78	Dec2016	\$2.17
Dec2015	\$1.65	Dec2015	\$4.17
Dec2014	\$5.20	Dec2014	\$6.02
Dec2013	\$6.13	Dec2013	\$0.30
Dec2012	\$2.04	Dec2012	-\$56.58
Dec2011	\$11.01	Dec2011	-\$109.06
Dec2010	\$11.60	Dec2010	-\$158.11
Dec2009	-\$90.48	Dec2009	-\$202.81
Dec2008	-\$756.85	Dec2008	-\$202.54
Dec2007	\$47.80	Dec2007	\$75.03
Dec2006	\$107.20	Dec2006	\$84.08
Dec2005	\$79.80	Dec2005	\$68.24
Dec2004	\$73.80	Dec2004	\$59.32
Dec2003	\$70.60	Dec2003	\$50.60
Dec2002	\$43.40	Dec2002	\$40.80
Dec2001	\$30.80	Balance Sheet Information 3/1/2018	
Dec2000	\$46.60	Long-Term Debt & Capital Lease Obligation	\$33,619,000,000
Dec1999	\$46.80	Total Assets	\$499,143,000,000
Dec1998	\$38.40	Intangible Assets	\$0
		Total Liabilities	\$435,786,000,000
		Shares Outstanding (Diluted Average)	925,267,000





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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company

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[Unum Group Valuation – April 2018 \\$UNM](#)

[Brighthouse Financial Inc Valuation – Initial Coverage \\$BHF](#)

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