

ModernGraham Valuation

Company Name:

Company Ticker TMK
Date of Analysis

Torchmark
Corporation

6/12/2018



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 | \$9,671,999,126 | 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 | 187.94% | Pass |
| 4. Earnings Growth | PEmg < 20 | 12.12 | Pass |
| 5. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.70 | Pass |
| 6. Moderate Price to Assets | | | |

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 | 6.98 |
| MG Growth Estimate | 13.49% |
| MG Value | \$247.84 |
| MG Value based on 3% Growth | \$101.27 |
| MG Value based on 0% Growth | \$59.36 |
| Market Implied Growth Rate | 1.81% |

MG Opinion

| | |
|----------------------|--------------------|
| Current Price | \$84.62 |
| % of Intrinsic Value | 34.14% |
| Opinion | Undervalued |
| MG Grade | A- |

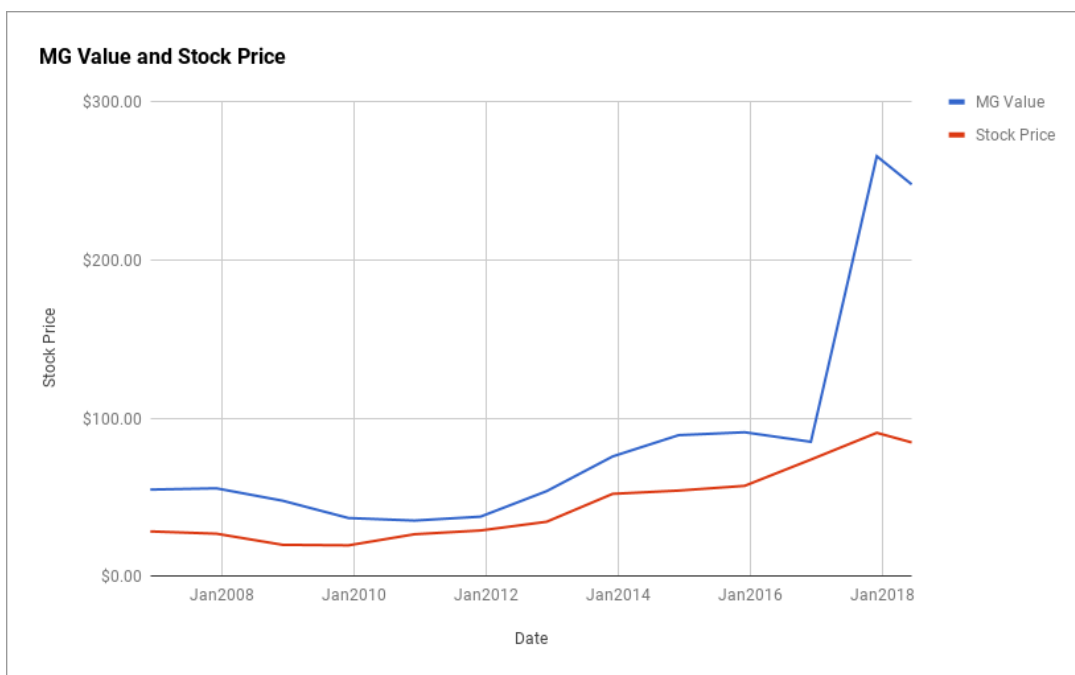
Stage 3: Information for Further Research

| | |
|--|---------|
| Graham Number | \$85.68 |
| PEmg | 12.12 |
| PB Ratio | 1.70 |
| Dividend Yield | 0.71% |
| Number of Consecutive Years of Dividend Growth | 12 |

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 | \$6.00 | Next Fiscal Year Estimate | \$6.98 |
| Dec2017 | \$12.22 | Dec2017 | \$6.90 |
| Dec2016 | \$4.49 | Dec2016 | \$4.17 |
| Dec2015 | \$4.16 | Dec2015 | \$3.92 |
| Dec2014 | \$4.09 | Dec2014 | \$3.68 |
| Dec2013 | \$3.79 | Dec2013 | \$3.33 |
| Dec2012 | \$3.60 | Dec2012 | \$2.99 |
| Dec2011 | \$3.02 | Dec2011 | \$2.63 |
| Dec2010 | \$2.70 | Dec2010 | \$2.41 |
| Dec2009 | \$2.17 | Dec2009 | \$2.26 |
| Dec2008 | \$2.27 | Dec2008 | \$2.27 |
| Dec2007 | \$2.44 | Dec2007 | \$2.20 |
| Dec2006 | \$2.28 | Dec2006 | \$2.00 |
| Dec2005 | \$2.08 | Dec2005 | \$1.79 |
| Dec2004 | \$1.86 | Dec2004 | \$1.60 |
| Dec2003 | \$1.66 | Dec2003 | \$1.41 |
| Dec2002 | \$1.41 | Dec2002 | \$1.23 |
| Dec2001 | \$1.26 | Balance Sheet Information 3/1/2018 | |
| Dec2000 | \$1.25 | Long-Term Debt & Capital Lease Obligation | \$1,131,215,000 |
| Dec1999 | \$0.91 | Total Assets | \$23,182,343,000 |
| Dec1998 | \$0.77 | Intangible Assets | \$441,591,000 |
| | | Total Liabilities | \$17,362,042,000 |
| | | Shares Outstanding (Diluted Average) | 116,750,000 |





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

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[Torchmark Corporation Valuation – March 2017 \\$TMK](#)

[15 Best Undervalued Stocks of the Week – 8/20/16](#)

[Torchmark Corporation Valuation – August 2016 \\$TMK](#)

[5 Undervalued Companies for the Defensive Investor Near 52 Week Lows – February 2016](#)

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[American International Group Inc – June 2018 \\$AIG](#)

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[Allstate Corp Valuation – April 2018 \\$ALL](#)

[Hartford Financial Services Group Inc Valuation – April 2018 \\$HIG](#)

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