ModernGraham Valuation

Company Name:

UnitedHealth Group Inc



Company Ticker

Date of Analysis 11/21/2018

Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass 6 out of the following 7 tests.

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1	. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$253,928,946,752	Pass
2	. Sufficiently Strong Financial Condition	Current Ratio > 2	0.69	Fail
3	. Earnings Stability	Positive EPS for 10 years prior		Pass
4	Dividend Record	Dividend Payments for 10 years prior		Pass
		Increase of 33% in EPS in past 10 years using 3 year averages at		
5	. Earnings Growth	beginning and end	149.05%	Pass
6	. Moderate PEmg Ratio	PEmg < 20	27.73	Fail
7	. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	4.93	Fail

Enterprising Investor; must pass 4 out of the following 5 tests, or be suitable for the Defensive Investor.

 Sufficiently Strong Financial Condition 	Current Ratio > 1.5	0.69 Fail
2. Sufficiently Strong Financial Condition	Debt to NCA < 1.1	-1.82 Fail
3. Earnings Stability	Positive EPS for 5 years prior	Pass
4. Dividend Record	Currently Pays Dividend	Pass
5. Earnings Growth	EPSmg greater than 5 years ago	Pass
	Score	

Suitability

Defensive No No Enterprising

Stage 2: Determination of Intrinsic Value

EPSmg	\$9.52
MG Growth Estimate	11.81%
MG Value	\$305.75
MG Value based on 3% Growth	\$138.04
MG Value based on 0% Growth	\$80.92
Market Implied Growth Rate	9.61%

MG Opinion

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% of Intrinsic Value	86.33%
Current Price	\$263.95

Fairly Valued

MG Grade D+

Stage 3: Information for Further Research

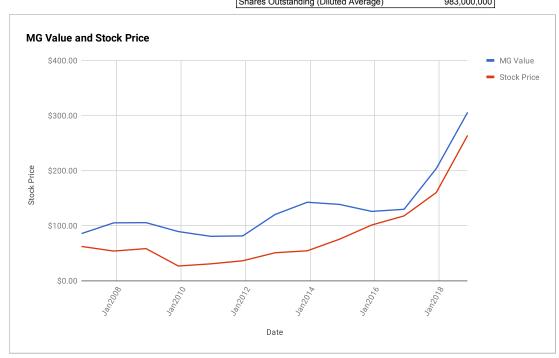
-\$60.77
\$115.81
27.73
0.69
4.93
\$2.88
1.09%
8

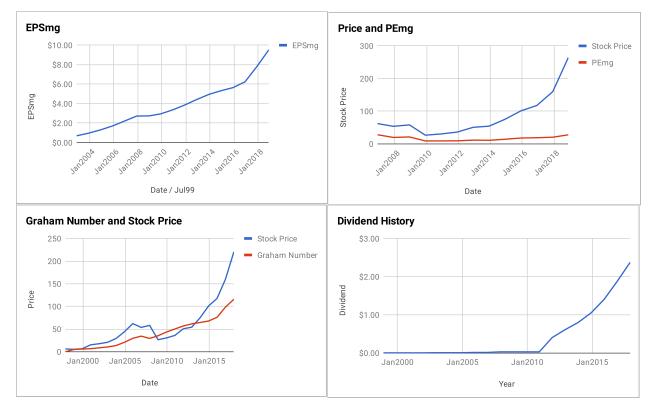
Morningstar

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EPS History		EPSmg History	
Next Fiscal Year			20.50
Estimate	,	Next Fiscal Year Estimate	\$9.52
Dec2017	\$10.72	Dec2017	\$7.84
Dec2016	\$7.25	Dec2016	\$6.24
Dec2015	\$6.01	Dec2015	\$5.64
Dec2014	\$5.70	Dec2014	\$5.33
Dec2013	\$5.50	Dec2013	\$4.95
Dec2012	\$5.28	Dec2012	\$4.43
Dec2011	\$4.73	Dec2011	\$3.87
Dec2010	\$4.10	Dec2010	\$3.36
Dec2009	\$3.24	Dec2009	\$2.95
Dec2008	\$2.40	Dec2008	\$2.74
Dec2007	\$3.42	Dec2007	\$2.73
Dec2006	\$2.97	Dec2006	\$2.22
Dec2005	\$2.31	Dec2005	\$1.71
Dec2004	\$1.83	Dec2004	\$1.31
Dec2003	\$1.34	Dec2003	\$0.97
Dec2002	\$1.07	Dec2002	\$0.70
Dec2001	\$0.70	Balance Sheet Information	9/1/2018
Dec2000	\$0.55	Total Current Assets	\$38,754,000,000
Dec1999	\$0.40	Total Current Liabilities	\$56,377,000,000
Dec1998	-\$0.14	Long-Term Debt	\$32,053,000,000
		Total Assets	\$151,087,000,000
		Intangible Assets	\$68,201,000,000
		Total Liabilities	\$98,491,000,000
		Shares Outstanding (Diluted Average)	983,000,000





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 <u>UnitedHealth Group Inc Valuation – February 2018 \$UNH UnitedHealth Group Inc Valuation – February 2017 \$UNH</u>

UnitedHealth Group Inc. Valuation – November 2015 Update \$UNH

26 Companies in the Spotlight This Week – 11/22/14
UnitedHealth Group Inc. Annual Valuation – 2014 \$UNH

Other ModernGraham posts about related companies <u>Luminex Corp Valuation – October 2018 \$LMNX</u>

<u>LHC Group Inc Valuation – September 2018 \$LHCG</u>

Chartwell Retirement Residences Valuation - August 2018 \$TSE:CSH.UN

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<u>Charles River Laboratories International Inc Valuation – August 2018 \$CRL</u>

Surmodics Inc Valuation – August 2018 \$SRDX Conmed Corp Valuation – August 2018 \$CNMD Invacare Corp Valuation – July 2018 \$IVC

Select Medical Holdings Corp Valuation – July 2018 \$SEM