

ModernGraham Valuation

Company Name:

Anthem Inc

Company Ticker ANTM

Date of Analysis

2/28/2019



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	\$77,501,965,462	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		104.74%	Pass
5. Moderate PEmg Ratio	PEmg < 20	21.15	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.79	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	14.26
MG Growth Estimate	9.48%
MG Value	\$391.61
MG Value based on 3% Growth	\$206.78
MG Value based on 0% Growth	\$121.22
Market Implied Growth Rate	6.32%

MG Opinion

Current Price	\$301.55
% of Intrinsic Value	77.00%
Opinion	Fairly Valued
MG Grade	C+

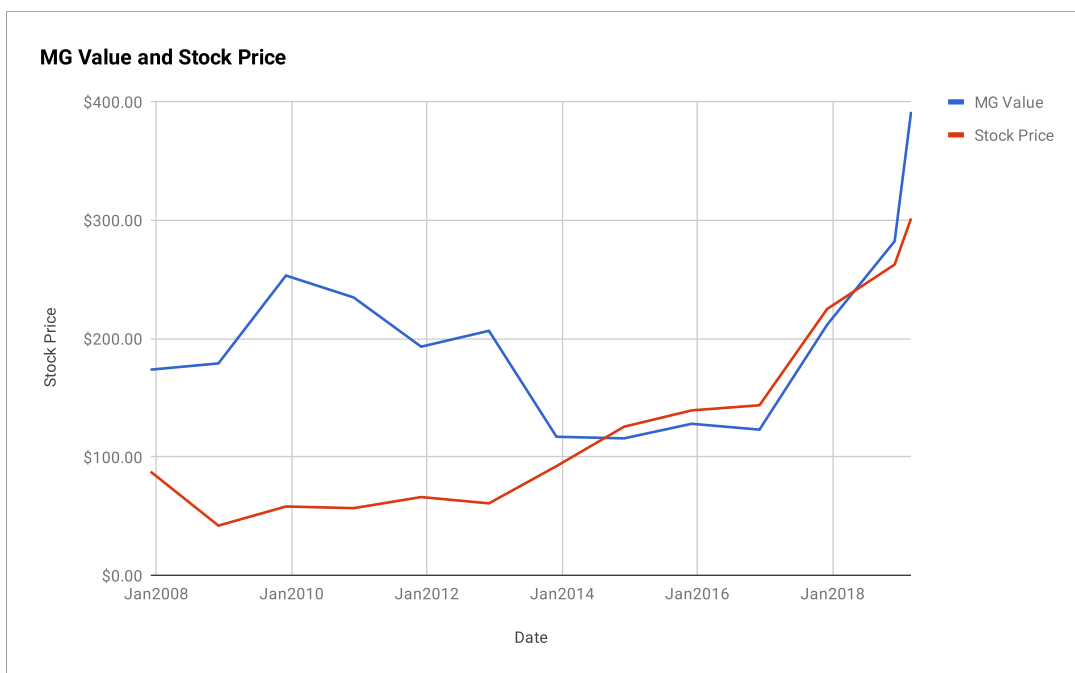
Stage 3: Information for Further Research

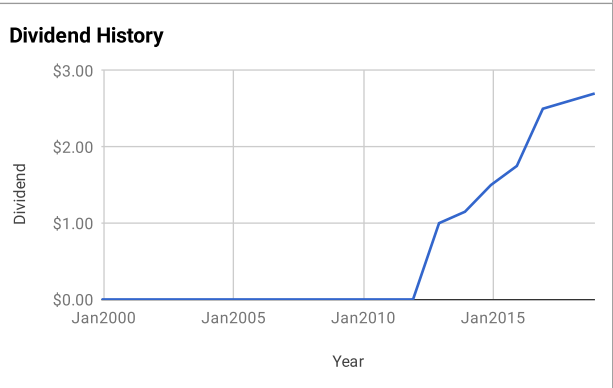
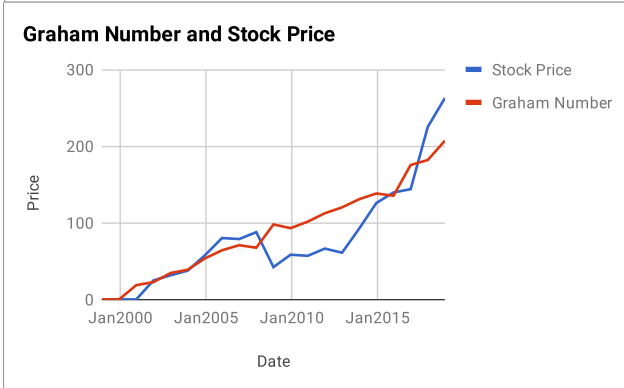
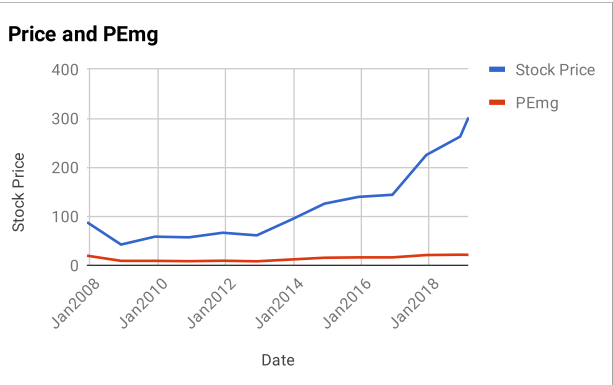
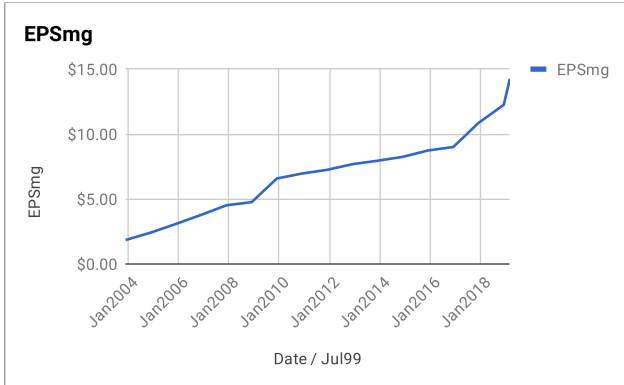
Graham Number	\$207.01
PEmg	21.15
PB Ratio	2.79
Dividend Yield	0.99%
Number of Consecutive Years of Dividend Growth	8

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	\$17.26	Next Fiscal Year Estimate	\$14.26
Dec2018	\$14.19	Dec2018	\$12.25
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		
Dec2001	\$1.65		
Dec2000	\$0.00		
Dec1999	\$0.00		
		Balance Sheet Information	12/1/2018
		Long-Term Debt & Capital Lease Obligation	\$17,217,000,000
		Total Assets	\$71,571,000,000
		Intangible Assets	\$29,511,000,000
		Total Liabilities	\$43,030,000,000
		Shares Outstanding (Diluted Average)	263,900,000





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**
- [Anthem Inc Valuation – May 2018 \\$ANTM](#)
 - [Anthem Inc Valuation – January 2017 \\$ANTM](#)
 - [15 Best Undervalued Stocks of the Week – 8/20/16](#)
 - [Anthem Inc Valuation – August 2016 \\$ANTM](#)
 - [15 Best Stocks For Value Investors This Week – 2/13/16](#)

- Other ModernGraham posts about related companies**
- [Arthur J Gallagher & Co Valuation – February 2019 \\$AJG](#)
 - [Brighthouse Financial Inc Valuation – February 2019 \\$BHF](#)
 - [Allstate Corp Valuation – February 2019 \\$ALL](#)
 - [Hartford Financial Services Group Inc Valuation – February 2019 \\$HIG](#)
 - [Unum Group Valuation – February 2019 \\$UNM](#)
 - [Everest Re Group Ltd Valuation – February 2019 \\$RE](#)
 - [Cigna Corp Valuation – January 2019 \\$CI](#)
 - [MetLife Inc Valuation – January 2019 \\$MET](#)
 - [Aflac Inc Valuation – January 2019 \\$AFL](#)
 - [Principal Financial Group Inc Valuation – January 2019 \\$PFG](#)