

ModernGraham Valuation

Company Name:

Humana Inc

Company Ticker HUM

Date of Analysis

3/23/2019



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 | \$36,974,919,627 | 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 | 106.34% | Pass |
| 4. Earnings Growth | PEmg < 20 | 20.25 | Fail |
| 5. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 3.69 | Fail |
| 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 | No |
| Enterprising | Yes |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|-----------------|
| EPSmg | 13.46 |
| MG Growth Estimate | 10.62% |
| MG Value | \$400.17 |
| MG Value based on 3% Growth | \$195.17 |
| MG Value based on 0% Growth | \$114.41 |
| Market Implied Growth Rate | 5.88% |

MG Opinion

| | |
|----------------------|--------------------|
| Current Price | \$272.60 |
| % of Intrinsic Value | 68.12% |
| Opinion | Undervalued |
| MG Grade | B- |

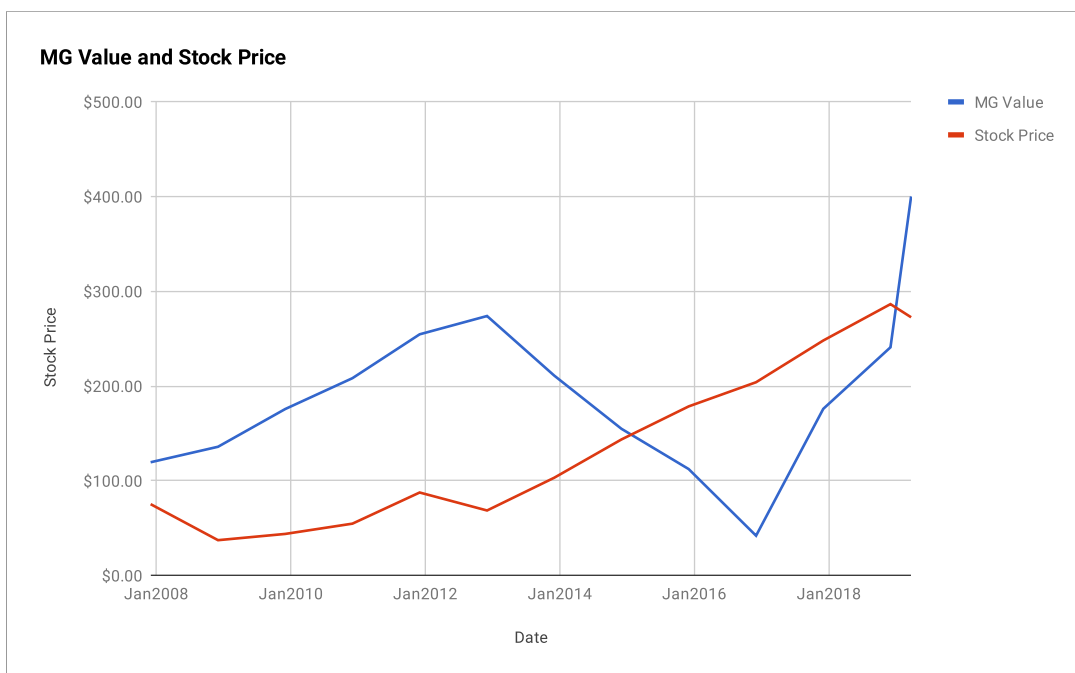
Stage 3: Information for Further Research

| | |
|--|----------|
| Graham Number | \$170.56 |
| PEmg | 20.25 |
| PB Ratio | 3.69 |
| Dividend Yield | 0.73% |
| Number of Consecutive Years of Dividend Growth | 2 |

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 | |
| Dec2018 | \$17.25 | Dec2018 | \$13.46 |
| Dec2017 | \$12.16 | Dec2017 | \$10.97 |
| Dec2016 | \$16.81 | Dec2016 | \$9.87 |
| Dec2015 | \$4.07 | Dec2015 | \$6.61 |
| Dec2014 | \$8.44 | Dec2014 | \$7.88 |
| Dec2013 | \$7.36 | Dec2013 | \$7.57 |
| Dec2012 | \$7.73 | Dec2012 | \$7.53 |
| Dec2011 | \$7.47 | Dec2011 | \$7.12 |
| Dec2010 | \$8.46 | Dec2010 | \$6.61 |
| Dec2009 | \$6.47 | Dec2009 | \$5.41 |
| Dec2008 | \$6.15 | Dec2008 | \$4.56 |
| Dec2007 | \$3.83 | Dec2007 | \$3.53 |
| Dec2006 | \$4.91 | Dec2006 | \$3.11 |
| Dec2005 | \$2.90 | Dec2005 | \$2.05 |
| Dec2004 | \$1.87 | Dec2004 | \$1.52 |
| Dec2003 | \$1.72 | Dec2003 | \$1.24 |
| Dec2002 | \$1.38 | Dec2003 | \$0.74 |
| Dec2001 | \$0.83 | Balance Sheet Information 12/1/2018 | |
| Dec2000 | \$0.70 | Long-Term Debt & Capital Lease Obligation | \$4,375,000,000 |
| Dec1999 | \$0.54 | Total Assets | \$25,413,000,000 |
| | -\$2.28 | Intangible Assets | \$4,142,000,000 |
| | | Total Liabilities | \$15,252,000,000 |
| | | Shares Outstanding (Diluted Average) | 137,527,000 |





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

[Humana Inc Valuation – June 2018 \\$HUM](#)
[Humana Inc Valuation – Initial Coverage \\$HUM](#)
[Humana Inc Valuation – August 2016 \\$HUM](#)
[Humana Inc Stock Valuation – February 2016 \\$HUM](#)
[Humana Inc. Valuation – October 2015 Update \\$HUM](#)

Other
ModernGraham
posts about related
companies

[American International Group Inc Valuation – March 2019 #AIG](#)
[Chubb Ltd Valuation – March 2019 #CB](#)
[Loews Corporation Valuation – March 2019 #L](#)
[Anthem Inc Valuation – February 2019 \\$ANTM](#)
[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](#)