

ModernGraham Valuation

Company Name:

Company Ticker TMK

Date of Analysis

Torchmark Corporation

3/25/2019



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	\$8,908,878,115	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	166.74%	Pass
5. Moderate PEmg Ratio	PEmg < 20	11.33	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.69	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		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	7.13
MG Growth Estimate	12.30%
MG Value	\$235.86
MG Value based on 3% Growth	\$103.35
MG Value based on 0% Growth	\$60.58
Market Implied Growth Rate	1.42%

MG Opinion

Current Price	\$80.76
% of Intrinsic Value	34.24%
Opinion	Undervalued
MG Grade	A-

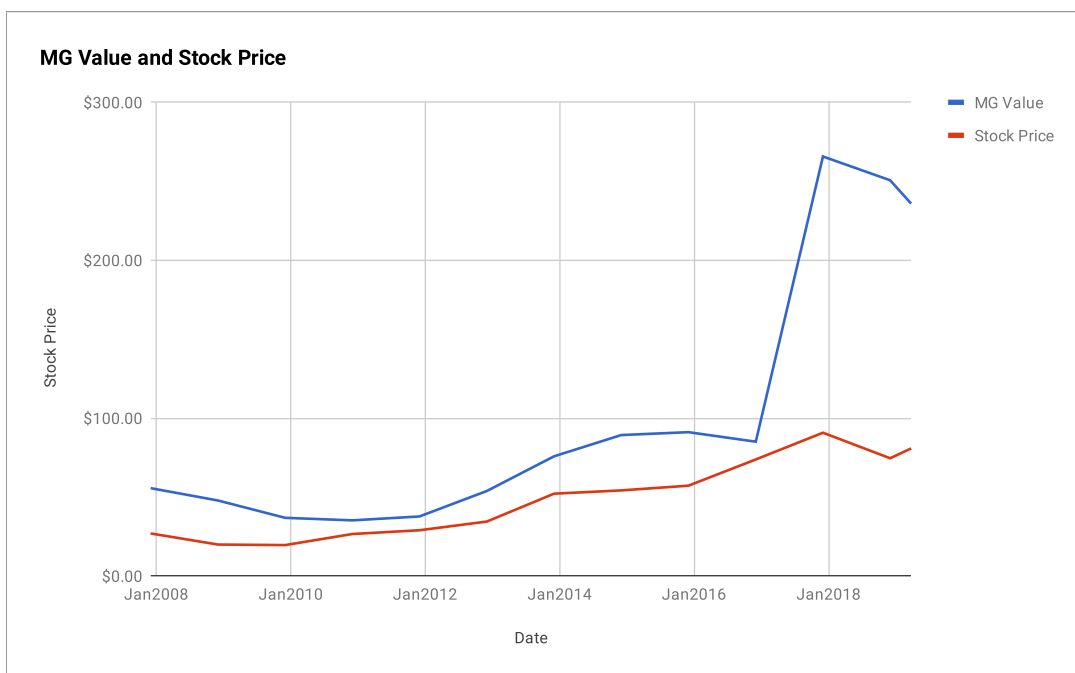
Stage 3: Information for Further Research

Graham Number	\$84.59
PEmg	11.33
PB Ratio	1.69
Dividend Yield	0.79%
Number of Consecutive Years of Dividend Growth	13

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	\$6.55	Next Fiscal Year Estimate	\$7.13
Dec2018	\$6.09	Dec2018	\$7.01
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	Balance Sheet Information 12/1/2018	
Dec2001	\$1.26	Long-Term Debt & Capital Lease Obligation	\$1,357,185,000
Dec2000	\$1.25	Total Assets	\$23,095,722,000
Dec1999	\$0.91	Intangible Assets	\$441,591,000
		Total Liabilities	\$17,680,545,000
		Shares Outstanding (Diluted Average)	113,642,000





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**
- [10 Low PE Stock Picks for the Defensive Investor – June 2018](#)
 - [Torchmark Corp Valuation – June 2018 \\$TMK](#)
 - [5 Best Stocks for Value Investors This Week – 3/18/17](#)
 - [Torchmark Corporation Valuation – March 2017 \\$TMK](#)
 - [15 Best Undervalued Stocks of the Week – 8/20/16](#)

- Other ModernGraham posts about related companies**
- [Assurant Inc Valuation – March 2019 #AIZ](#)
 - [Humana Inc Valuation – March 2019 #HUM](#)
 - [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](#)