



2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	© VALUE LINE PUB. LLC	19-21
16.65	19.00	20.89	24.72	28.94	33.41	53.19	60.20	67.60	75.97	86.70	95.20	108.56	123.98	136.77	164.86	193.80	207.95	Revenues per sh	273.50
.75	.95	1.34	1.82	2.30	2.76	3.59	4.35	3.86	4.20	5.25	5.86	6.71	7.09	7.44	7.88	10.15	11.60	"Cash Flow" per sh	16.30
.53	.70	1.06	1.48	1.97	2.48	2.97	3.42	2.95	3.24	4.10	4.73	5.28	5.50	5.70	6.01	8.00	9.15	Earnings per sh ^A	12.90
.01	.01	.01	.01	.02	.03	.03	.03	.03	.03	.41	.61	.80	1.05	1.41	1.88	2.38	2.60	Div'ds Decl'd per sh ^B	3.60
.19	.34	.35	.30	.27	.37	.54	.70	.66	.64	.81	1.00	1.05	1.32	1.60	1.63	1.70	1.80	Cap'l Spending per sh	2.10
2.91	3.15	3.70	4.40	8.33	13.06	15.47	16.01	17.30	20.58	23.78	26.44	30.60	32.54	34.02	35.39	40.85	45.40	Book Value per sh ^C	60.85
1268.9	1234.5	1197.8	1166.0	1286.0	1358.0	1345.0	1253.0	1201.0	1147.0	1086.0	1070.0	1019.0	988.00	954.00	953.00	950.00	945.00	Common Shs Outst'g ^D	925.00
19.6	22.5	19.9	16.4	17.1	20.7	17.2	15.3	10.9	8.1	8.0	9.8	10.4	11.9	14.7	19.4	21.88	22.1	Avg Ann'l P/E Ratio	12.5
1.27	1.15	1.09	.93	.90	1.10	.93	.81	.66	.54	.51	.61	.66	.67	.77	.98	1.70	1.80	Relative P/E Ratio	.78
.0%	.0%	.0%	.0%	.0%	.1%	.1%	.1%	.1%	.1%	1.2%	1.3%	1.5%	1.6%	1.7%	1.6%	1.7%	1.6%	Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 9/30/16 Total Debt \$33224 mill. Due in 5 Yrs \$16000 mill. LT Debt \$26022 mill. LT Interest \$1430 mill.	71542	75431	81186	87138	94155	101862	110618	122489	130474	157107	184100	196500	Revenues (\$mill)	253000
(40% of Cap'l)	10.7%	11.5%	9.0%	8.4%	9.5%	9.4%	9.5%	9.0%	9.0%	8.1%	8.7%	9.5%	Operating Margin	11.3%
Leases, Uncapitalized Annual rentals \$417.0 mill.	670.0	796.0	981.0	991.0	1064.0	1124.0	1309.0	1375.0	1478.0	1693.0	2050	2300	Depreciation (\$mill)	3150
	4159.0	4654.0	3660.0	3822.0	4634.0	5142.0	5526.0	5625.0	5619.0	5813.0	7600	8650	Net Profit (\$mill)	11935
	36.3%	36.3%	35.9%	34.2%	37.2%	35.4%	35.9%	36.4%	41.8%	42.6%	41.0%	41.0%	Income Tax Rate	40.0%
	5.8%	6.2%	4.5%	4.4%	4.9%	5.0%	5.0%	4.6%	4.3%	3.7%	4.1%	4.4%	Net Profit Margin	4.7%
	d2453	d2948	d4771	d3963	d5307	d3572	d6064	d7501	d7067	d11259	d15300	d14200	Working Cap'l (\$mill)	10000
No Defined Benefit Pension Plan	5973.0	9063.0	11338	9009.0	8662.0	10656	14041	14891	16007	25460	26000	25500	Long-Term Debt (\$mill)	23500
Pfd Stock None	20810	20063	20780	23606	25825	28292	31718	32149	32454	33725	38800	42900	Shr. Equity (\$mill)	56300
Common Stock 951,816,220 shs.	16.4%	16.9%	12.4%	12.6%	14.1%	13.9%	12.9%	12.6%	12.1%	10.4%	13.0%	13.5%	Return on Total Cap'l	16.0%
	20.0%	23.2%	17.6%	16.2%	17.9%	18.2%	17.7%	17.5%	17.3%	17.2%	19.5%	20.0%	Return on Shr. Equity	21.0%
	19.8%	23.0%	17.4%	16.0%	16.2%	15.9%	15.1%	14.2%	13.1%	11.9%	14.0%	14.5%	Retained to Com Eq	15.5%
	1%	1%	1%	1%	10%	13%	15%	19%	24%	31%	30%	28%	All Div'ds to Net Prof	28%

CURRENT POSITION	2014	2015	9/30/16		
(\$MILL.)					
Cash Assets	9236	12911	15667		
Receivables	4252	6523	14849		
Other	10068	12205	5252		
Current Assets	23556	31639	35768		
Accts Payable	21287	26324	29494		
Debt Due	1399	6634	7202		
Earnings	7937	9940	14400		
Other	30623	42898	51096		
Current Liab.					
				BUSINESS: UnitedHealth Group is a diversified health/well-being company. It offers products/services to individuals through four segments: UnitedHealthcare (network-based health care benefits), OptumHealth, OptumInsight, and OptumRx (information and technology based health services, consulting, and PBM). Acquired Oxford 7/04; PacificCare Health 12/05; Sierra Health Svcs. 2/08; Unison Health 5/08; Amil P. 4/13. Medical cost ratio: 81.7% in 2015. Has about 200,000 employees. BlackRock owns 7.1% of common; FMR LLC, 5.9%; Vanguard, 5.7%; Wellington Man., 5.7%; offs. & dirs., 1.7% (4/16 Proxy). CEO: Stephen J. Hemsley; Pres./CFO: David S. Wichmann. Inc.: MN. Address: 9900 Bren Road East, Minnetonka, MN 55343. Tel.: 952-936-1300. Web: www.unitedhealthgroup.com.	

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '13-'15 of change (per sh)
 Revenues 17.0% 13.0% 12.0%
 "Cash Flow" 12.5% 11.0% 14.0%
 Earnings 11.0% 11.0% 15.0%
 Dividends 55.0% 56.5% 17.0%
 Book Value 14.5% 10.5% 10.0%

BUSINESS: UnitedHealth Group is a diversified health/well-being company. It offers products/services to individuals through four segments: UnitedHealthcare (network-based health care benefits), OptumHealth, OptumInsight, and OptumRx (information and technology based health services, consulting, and PBM). Acquired Oxford 7/04; PacifiCare Health 12/05; Sierra Health Svcs. 2/08; Unison

UnitedHealth Group's surge to fresh all-time highs has been multifaceted.	2013	2014	2015	2016	2017
First off, September-period results beat expectations on both the top and bottom lines. This got UNH's quotation heading in the right direction. Then, the Republicans' sweep on election day prompted a flight to quality among healthcare stocks. UnitedHealth is the cream of the crop in this field, as evident by its Dow-30 membership, and investors came aboard in droves. In that vein, much of the turmoil in this sector stems from the uncertainty regarding what the new regime will do with the Affordable Care Act. Recall, UNH has pulled out of most ACA-related areas for next year, with three states (Nevada, Virginia, New York) as exceptions. Therefore, the overhang of this dilemma is hardly present here. With that, this equity has pushed by the \$155 per-share mark and is trading at unprecedented heights.	30340	30408	30624	31117	122489
	31708	32574	32759	33433	130474
	35756	36263	41489	43599	157107
	44527	46485	46293	46795	184100
	47675	48425	49650	50750	196500

EARNINGS PER SHARE^A	2013	2014	2015	2016	2017
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year	1.16	1.40	1.53	1.41	5.50
	1.10	1.42	1.63	1.55	5.70
	1.46	1.64	1.65	1.26	6.01
	1.81	1.96	2.17	2.06	8.00
	2.15	2.25	2.45	2.30	9.15

QUARTERLY DIVIDENDS PAID^B	2012	2013	2014	2015	2016
Cal-endar Mar.31 Jun.30 Sep.30 Dec.31 Full Year	.1625	.2125	.2125	.2125	.80
	.2125	.28	.28	.28	1.05
	.28	.375	.375	.375	1.41
	.375	.50	.50	.50	1.88
	.50	.625	.625		

We are lifting our 2017 earnings estimate by a dime, to \$9.15. Losses from ACA operations had been weighing on an already blossoming bottom line, but this will likely not be the case next year. The legacy healthcare business should be able to grow at a respectable pace, while the Optum units continue to do more of the heavy lifting (more color below). Also, our earnings call out to late decade has been ratcheted up and now approaches the \$13.00-a-share level.

It appears the sky is the limit for the Optum branches. Demand for these services is skyrocketing. The pharmacy benefits arm has been growing rapidly since the Catamaran acquisition, and the consulting and health services divisions are no slouches. The name of the game due to all the uncertainty in the healthcare field has been cost cutting. Using UNH's different branches, particularly from an outsourcing perspective, helps companies reach this goal. Changes brought about by the ACA has catapulted Optum's lineup to the next level, and regardless of how it is altered in the coming months, we do not see the gains here slowing down.

Despite its recent strength, we suggest investors pass on this top-quality stock at these price levels. The strong market rally has lifted the quotation past our comfort level.

Erik M. Manning December 9, 2016

(A) Diluted earnings. Excludes nonrecurring gains/(losses): '00, 4c; '07, (8c); '08, (55c). Next earnings report due mid-January.
 (B) Quarterly dividend initiated 6/10. Dividends historically paid in late March, June, September, and December.
 (C) Includes intangibles. In '15, \$52.8 billion, \$55.63/share.
 (D) In millions, adjusted for stock split.

Company's Financial Strength A++
 Stock's Price Stability 85
 Price Growth Persistence 85
 Earnings Predictability 100

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