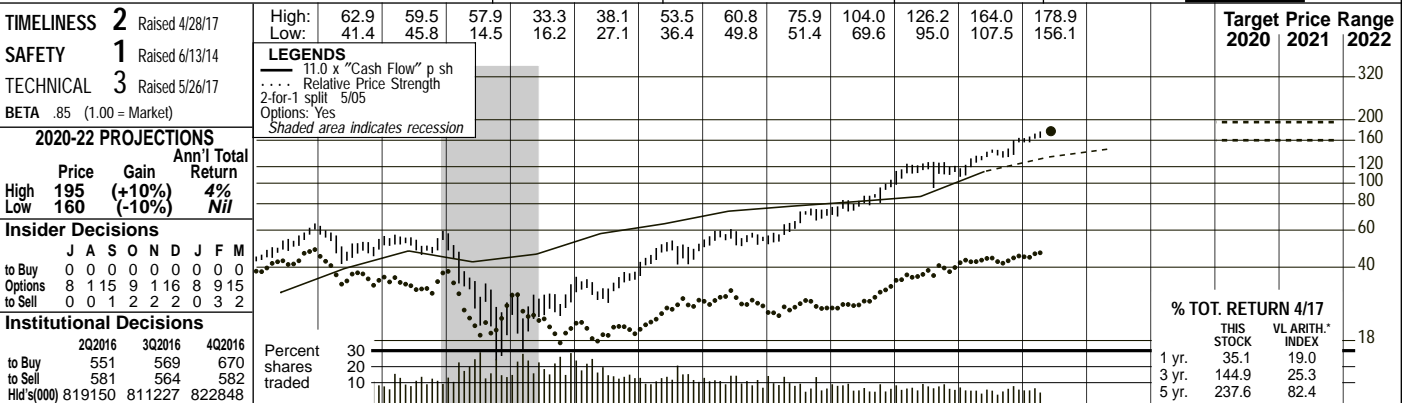


UNITEDHEALTH GRP. NYSE-UNH

RECENT PRICE **176.59** P/E RATIO **18.0** (Trailing: 20.5 Median: 12.0) RELATIVE P/E RATIO **0.92** DIV'D YLD **1.4%** **VALUE LINE**



2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	© VALUE LINE PUB. LLC	20-22
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	194.16	208.75	227.25	Revenues per sh	281.30
.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	10.34	12.10	13.30	"Cash Flow" per sh	16.95
.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	8.05	9.80	10.75	Earnings per sh ^A	13.50
.01	.01	.01	.02	.03	.03	.03	.03	.03	.41	.61	.80	1.05	1.41	1.88	2.38	2.80	3.20	Div'ds Decl'd per sh ^B	4.00
.34	.35	.30	.27	.37	.54	.70	.66	.64	.81	1.00	1.05	1.32	1.60	1.63	1.79	2.00	2.10	Cap'l Spending per sh	2.35
3.15	3.70	4.40	4.37	13.06	15.47	16.01	17.30	20.58	23.78	26.44	30.60	32.54	34.02	35.39	40.10	49.20	53.95	Book Value per sh ^C	71.65
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	952.00	960.00	955.00	Common Shs Outst'g ^D	935.00
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	16.8	13.30	13.30	Avg Ann'l P/E Ratio	13.0
1.15	1.09	.93	.90	1.10	.93	.81	.66	.54	.51	.61	.66	.67	.77	.98	.88	1.8%	1.8%	Relative P/E Ratio	.80
.0%	.0%	.0%	.0%	.1%	.1%	.1%	.1%	.1%	1.2%	1.3%	1.5%	1.6%	1.7%	1.6%	1.8%	2.3%	2.3%	Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 3/31/17																			
Total Debt \$33901 mill. Due in 5 Yrs \$16500 mill.				75431	81186	87138	94155	101862	110618	122489	130474	157107	184840	200400	217000	Revenues (\$mill)	263000		
LT Debt \$26154 mill. LT Interest \$1440 mill.				11.5%	9.0%	8.4%	9.5%	9.4%	9.5%	9.0%	9.0%	8.1%	8.5%	9.1%	9.8%	Operating Margin	12.2%		
(36% of Cap'l)				796.0	981.0	991.0	1064.0	1124.0	1309.0	1375.0	1478.0	1693.0	2055.0	2200	2450	Depreciation (\$mill)	3200		
Leases, Uncapitalized Annual rentals \$453.0 mill.				4654.0	3660.0	3822.0	4634.0	5142.0	5526.0	5625.0	5619.0	5813.0	7792.0	9410	10265	Net Profit (\$mill)	12625		
No Defined Benefit Pension Plan				36.3%	35.9%	34.2%	37.2%	35.4%	35.9%	36.4%	41.8%	42.6%	37.9%	38.0%	40.0%	Income Tax Rate	40.0%		
Pfd Stock None				6.2%	4.5%	4.4%	4.9%	5.0%	5.0%	4.6%	4.3%	3.7%	4.2%	4.7%	4.7%	Net Profit Margin	4.8%		
Common Stock 963,661,565 shs.				d2948	d4771	d3963	d5307	d3572	d6064	d7501	d7067	d11259	d15373	d17000	d15000	Working Cap'l (\$mill)	5000		
MARKET CAP: \$170 billion (Large Cap)				9063.0	11338	9009.0	8662.0	10656	14041	14891	16007	25460	25777	26000	25500	Long-Term Debt (\$mill)	24000		
CURRENT POSITION				20063	20780	23606	25825	28292	31178	32149	32454	33725	38177	47250	51500	Shr. Equity (\$mill)	67000		
2015				16.9%	12.4%	12.6%	14.1%	13.9%	12.9%	12.6%	12.1%	10.4%	13.0%	14.0%	14.5%	Return on Total Cap'l	14.5%		
2016				23.2%	17.6%	16.2%	17.9%	18.2%	17.7%	17.5%	17.3%	17.2%	20.4%	20.0%	20.0%	Return on Shr. Equity	19.0%		
2017				23.0%	17.4%	16.0%	16.2%	15.9%	15.1%	14.2%	13.1%	11.9%	14.5%	14.0%	14.0%	Retained to Com Eq	13.5%		
2018				1%	1%	1%	10%	13%	15%	19%	24%	31%	29%	29%	30%	All Div'ds to Net Prof	30%		

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 Health 5/08; Amil P. 4/13. Medical cost ratio: 81.2% in 2016. Has about 230,000 employees. BlackRock owns 7.3% of common; Vanguard, 6.3%; FMR LLC, 6.0%; ofs. & dirs., .9% (4/17 Proxy). CEO: Stephen J. Hemsley; President and CFO: David S. Wichmann. Inc.: MN. Address: 9900 Bren Road East, Minnetonka, MN 55343. Tel.: 952-936-1300. Web: www.unitedhealthgroup.com.

Even while trading at all-time highs, UnitedHealth Group stock is timely. First-quarter results bested the consensus, and expectations are up across the board (more color below). Too, the company deserves to trade at a premium due to its dominant market position, and on the strength of its Optum lines, which continue to post impressive growth figures. The Optum branches began their ascent around the onset of the Affordable Care Act. Industry reform pushes the demand for these offerings higher, and it looks like more alterations to the medical insurance arena are on their way from the Trump Administration. In times of change/the unknown, investors often are drawn to the quality names of a sector, and UNH is at the top of that list, given its membership in the Dow Jones Industrial Average. Those in the market for a longer-term holding may want to take their business elsewhere, however, as the stock is already trading well within our Target Price Range for the pull to 2020-2022. Too, the income component here is not up to snuff as a stand-alone metric. **Earnings for 2017 will probably be about \$0.30 a share higher than we initially predicted.** Minimizing its ACA exposure has negated a good portion of the losses associated with this business. Also, Optum numbers show no sign of trailing off. EPS is now on track to reach \$9.80 this year and \$10.75 in 2018. **Recent dealings with Merck could have pronounced effects on the medical services field.** The crux of the relationship is to develop and simulate the performance of contractual reimbursement models in which payment for prescription drugs is tied to patient health outcomes. Value-based and pay-for-performance setups could be the wave of the future if the findings come back certain ways. **Troubles with the Department of Justice remain a concern.** Twice in the last month, the DOJ has accused UNH of collecting more from Medicare than it was entitled to. The inflated amounts stem, according to UNH, from inaccurate information about the health status of patients. Management immediately responded that it has been compliant with the rules and is transparent. *Erik M. Manning* June 9, 2017

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	31708	32574	32759	33433	130474
2015	35756	36263	41489	43599	157107
2016	44527	46485	46293	47535	184840
2017	48723	50040	50260	51377	200400
2018	52875	54200	54400	55525	217000

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2014	1.10	1.42	1.63	1.55	5.70
2015	1.46	1.64	1.65	1.26	6.01
2016	1.81	1.96	2.17	2.11	8.05
2017	2.37	2.37	2.59	2.47	9.80
2018	2.50	2.65	2.85	2.75	10.75

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2013	.2125	.28	.28	.28	1.05
2014	.28	.375	.375	.375	1.41
2015	.375	.50	.50	.50	1.88
2016	.50	.625	.625	.625	2.38
2017	.625	.625	.625	.625	

(A) Diluted earnings. Excludes nonrecurring gains/(losses): '07, (.8c); '08, (.55c); '16, 80c. Next earnings report due mid-July. (B) Quarterly dividend initiated 6/10. Dividends historically paid in late March, June, September, and December. (C) Includes intangibles. In '16, \$56.1 billion, \$5.95/share. (D) In millions, adjusted for stock split. Company's Financial Strength A++ Stock's Price Stability 85 Price Growth Persistence 85 Earnings Predictability 95 To subscribe call 1-800-VALUELINE