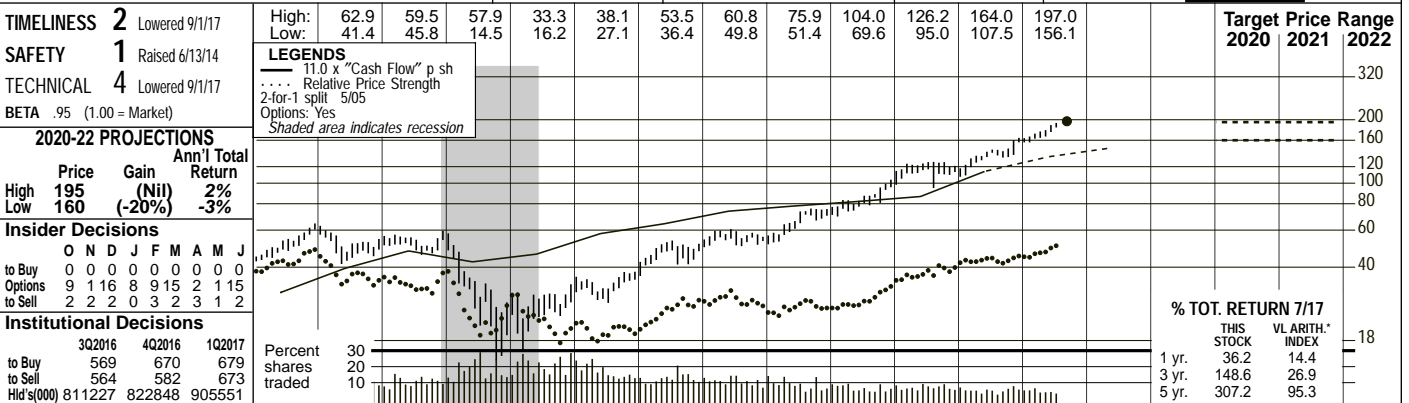


UNITEDHEALTH GRP. NYSE-UNH

RECENT PRICE **196.73** P/E RATIO **19.4** (Trailing: 21.6; Median: 12.0) RELATIVE P/E RATIO **1.03** DIV'D YLD **1.5%** **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	207.75	228.65	Revenues per sh	283.40
.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	12.15	13.40	"Cash Flow" per sh	17.10
.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	9.90	10.85	Earnings per sh ^A	13.65
.01	.01	.01	.02	.03	.03	.03	.03	.03	.41	.61	.80	1.05	1.41	1.88	2.38	2.87	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	1.95	2.05	Cap'l Spending per sh	2.30
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	40.10	51.80	57.60	Book Value per sh ^C	74.85
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	965.00	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	13.40	13.40	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	1.03	1.03	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%	1.5%	1.5%	Avg Ann'l Div'd Yield	2.3%

CAPITAL STRUCTURE as of 6/30/17				2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018		20-22	
Total Debt \$31936 mill. Due in 5 Yrs \$16000 mill.				75431	81186	87138	94155	101862	110618	122489	130474	157107	184840	200490	218350	265000	283400	307700	322200	342200	362200	382200	402200	265000
LT Debt \$26197 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%	9.2%	9.9%	12.3%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	12.3%
(34% of Cap'l)				796.0	981.0	991.0	1064.0	1124.0	1309.0	1375.0	1478.0	1693.0	2055.0	2180	2430	3200	3222	3222	3222	3222	3222	3222	3222	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	9555	10360	12765	12765	12765	12765	12765	12765	12765	12765	12765
No Defined Benefit Pension Plan				d2948	d4771	d3963	d5307	d3572	d6064	d7501	d7067	d11259	d15373	d16000	d14000	3500	3500	3500	3500	3500	3500	3500	3500	
Pfd Stock None				9063.0	11338	9009.0	8662.0	10656	14041	14891	16007	25460	25777	26000	25500	24000	24000	24000	24000	24000	24000	24000	24000	24000
Common Stock 966,859,926 shs.				20063	20780	23606	25825	28292	31178	32149	32454	33725	38177	50000	55000	70000	70000	70000	70000	70000	70000	70000	70000	70000
MARKET CAP: \$190 billion (Large Cap)				16.9%	12.4%	12.6%	14.1%	13.9%	12.9%	12.6%	12.1%	10.4%	13.0%	13.5%	14.0%	14.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	14.5%
CURRENT POSITION (SMILL)				23.2%	17.6%	16.2%	17.9%	18.2%	17.7%	17.5%	17.3%	17.2%	20.4%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	18.5%
Cash Assets				23.0%	17.4%	16.0%	16.2%	15.9%	15.1%	14.2%	13.1%	11.9%	14.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.0%
Receivables				1%	1%	1%	10%	13%	15%	19%	24%	31%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Other				1%	1%	1%	10%	13%	15%	19%	24%	31%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Current Assets				1%	1%	1%	10%	13%	15%	19%	24%	31%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Accts Payable				1%	1%	1%	10%	13%	15%	19%	24%	31%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Debt Due				1%	1%	1%	10%	13%	15%	19%	24%	31%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Other				1%	1%	1%	10%	13%	15%	19%	24%	31%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%
Current Liab.				1%	1%	1%	10%	13%	15%	19%	24%	31%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%	29%

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%; offs. & dirs., 0.9% (4/17 Proxy). CEO: David Wichmann; CFO: John F. Rex. Inc.: Minnesota. Address: 9900 Bren Road East, Minnetonka, MN 55343. Telephone: 952-936-1300. Web: www.unitedhealthgroup.com.

UnitedHealth Group's stock continues to test all-time high quotations. July-period results that were above the consensus on both the top and bottom lines kept the positive momentum going, and Wall Street even applauded a change at the top executive position (more color below). The Optum branches are still displaying growth metrics that warrant a premium on UNH's stock. That said, we have this equity designated as a 2 (Above Average) for Timeliness in the coming six to 12 months. Those in search of longer-term appreciation potential should look elsewhere for now, and dividend seekers are advised to stay tuned, as the payout is not yet on par with the *Value Line* median, though expect it to be out to early next decade. Cash flow generation is ample, and this blue chip should continue to reward shareholders with handsome increases to the quarterly stipend.

We are raising our 2017 and 2018 earnings estimates for the second time. UNH's market dominance is growing at a healthy clip. The legacy insurance business is humming along, and producing better margins since exiting the exchanges setup under the Affordable Care Act. Add to this the success of each Optum unit, pharmacy benefits operations have been a particular bright star, spurred on by the Catamaran purchase, and the company is firing on all cylinders. With that, we are adding a dime to our EPS calls for both this year and then next.

A transition at the CEO post should go seamlessly. On September 1st, CEO Stephen Hemsley moved into the executive chairman role, and David Wichmann, who has been with the company since 1998, most recently as president, took over the CEO reins. Mr. Wichmann has held several titles with UNH through the years and been vital on the traditional health plan front and new M&A deals.

The situation with the Department of Justice warrants a watchful eye, but the company has been transparent. Accusations of inflated billing surfaced several months back. However, management cited inaccurate health statuses as the reason behind the problem. The hope is that the situation is remedied with minimal financial and reputational negatives.

Erik M. Manning September 8, 2017

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2014	31708	32574	32759	33433	130474
2015	35756	36263	41489	43599	157107
2016	44527	46485	46293	47535	184840
2017	48723	50053	50380	51334	200490
2018	53200	54500	54800	55850	218350

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	2.46	2.55	2.52	9.90
2018	2.60	2.70	2.85	2.70	10.85

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
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	.75	.75	.75	

(A) Diluted earnings. Excludes nonrecurring gains/(losses): '07, (8c); '08, (55c); '16, 80c. Next earnings report due mid-October. (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.

© 2017 Value Line, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product.

Company's Financial Strength A++
Stock's Price Stability 85
Price Growth Persistence 100
Earnings Predictability 90

To subscribe call 1-800-VALUELINE