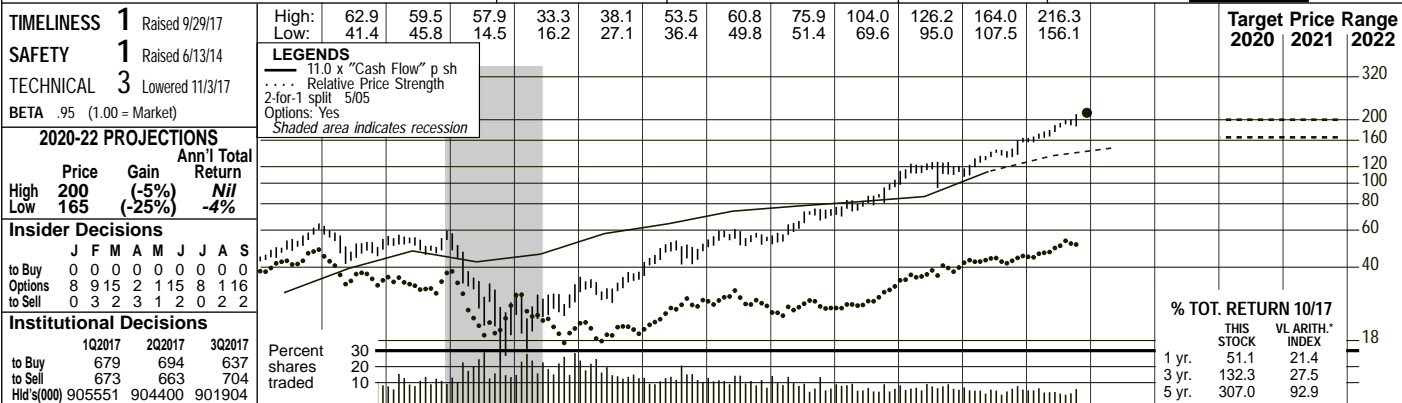


UNITEDHEALTH GRP. NYSE-UNH

RECENT PRICE **216.14** P/E RATIO **20.8** 22.5 12.0 RELATIVE P/E RATIO **1.03** 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	206.50	227.50	Revenues per sh	282.45
.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	13.45	13.45	"Cash Flow" per sh	17.45
.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	10.00	10.85	Earnings per sh ^A	14.00
.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	51.55	57.30	Book Value per sh ^C	74.45
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	970.00	960.00	Common Shs Outst'g ^D	940.00
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	13.45	13.45	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%	1.4%	1.4%	Avg Ann'l Div'd Yield	2.2%

CAPITAL STRUCTURE as of 9/30/17
 Total Debt \$29262 mill. Due in 5 Yrs \$16500 mill.
 LT Debt \$24723 mill. LT Interest \$1360 mill.

Leases, Uncapitalized Annual rentals \$453.0 mill. (33% of Cap'l)

No Defined Benefit Pension Plan
 Pfd Stock None

Common Stock 969,067,449 shs. as of 10/31/17

MARKET CAP: \$209 billion (Large Cap)

	2015	2016	9/30/17		2015	2016	9/30/17
Cash Assets (\$MILL)	12911	13275	19794	75431	81186	87138	94155
Receivables	6523	8152	8638	11.5%	9.0%	8.4%	9.5%
Other	12205	12452	12489	796.0	981.0	991.0	1064.0
Current Assets	31639	33879	40921	4654.0	3660.0	3822.0	4634.0
Accts Payable	26324	29752	33841	36.3%	35.9%	34.2%	37.2%
Debt Due	6634	7193	4539	6.2%	4.5%	4.4%	4.9%
Other	9940	12307	19708	d2948	d4771	d3963	d5307
Current Liab.	42898	49252	58088	9063.0	11338	9009.0	8662.0
				20063	20780	23606	25825
				16.9%	12.4%	12.6%	14.1%
				23.2%	17.6%	16.2%	17.9%
				23.0%	17.4%	16.0%	16.2%
				1%	1%	1%	10%

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 stock has shot past the \$215-a-share mark for the first time in its history. September-quarter EPS beat the consensus by a dime, and a share-price rally ensued. Even with the uncertain backdrop in the medical insurance field, investor enthusiasm is elevated, and UNH is the blue chip within that segment, so it benefits from any flights to quality. On a side note, the company's market-weighted influence on the Dow Jones Industrial Average is now at an all-time high, hovering around 6%. **Earnings growth should exceed 20% on an annualized basis this year.** The legacy business is performing well, and the various Optum units are still fueling the growth engine, particularly the pharmacy benefits branch. Exiting the markets of the Affordable Care Act that were causing some losses has also been a boon. Next year, we see no reason that would stop the good times from rolling. For 2018, we continue to look for share net of \$10.85.

Amazon's possible move into the pharmacy business is a minor concern, but United is shielded. UNH's pharmacy benefits manager is a part of the overall plan/coverage the company offers. Defections would not be sizable by any stretch of the imagination, even though worries arose when large players like Aetna and CVS started talking about a merger. Too, recent reports have stated that Amazon will start its foray via the sale of medical devices and supplies, so the effects on the medical services space could be substantially muted.

This equity is still at the zenith of our Timeliness Ranking System (1: Highest). After it shot past the top rung of our 3- to 5-year Target Price Range, longer-term appeal is limited. That said, momentum remains a possibility in the coming year. Pundits have hinted that a stock split may be in the cards for 2018, but our estimates don't reflect that possibility. Times are changing, and the investment community has grown its tolerance for lofty quotations. Barring some sort of concerted decision within the Dow 30, we think management will maintain its influence in that key index. Separately, the dividend is growing, but is not worthy of investment as a stand-alone characteristic.

Erik M. Manning December 8, 2017

Cal-endar	Q1	Q2	Q3	Q4	Full Year
2014	31708	32574	32759	33433	130474
2015	35756	36263	41489	43599	157107
2016	44527	46485	46293	47535	184840
2017	48723	50053	50322	51212	200310
2018	53450	54450	54750	55770	218420

Cal-endar	Q1	Q2	Q3	Q4	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	2.66	2.51	10.00
2018	2.51	2.70	2.90	2.74	10.85

Cal-endar	Q1	Q2	Q3	Q4	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-January.
 (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 95
Earnings Predictability 90

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