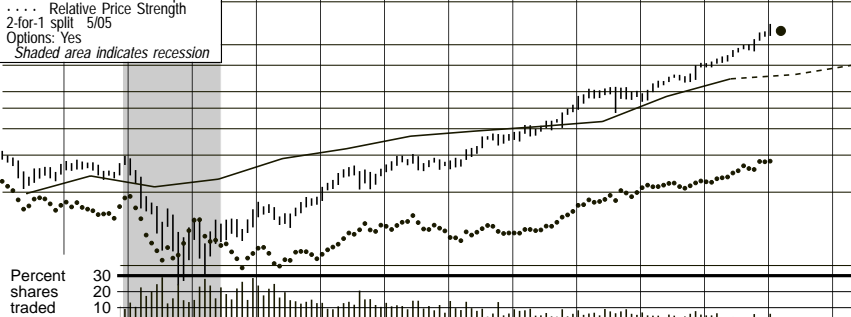


<b>TIMELINESS</b> 1 Raised 9/29/17	High: 59.5 57.9 33.3 38.1 53.5 60.8 75.9 104.0 126.2 164.0 231.8 250.8	Low: 45.8 14.5 16.2 27.1 36.4 49.8 51.4 69.6 95.0 107.5 156.1 208.5	Target Price Range 2021 2022 2023
<b>SAFETY</b> 1 Raised 6/13/14	<b>LEGENDS</b> 11.0 x "Cash Flow" p sh Relative Price Strength 2-for-1 split 5/05 Options: Yes Shaded area indicates recession		
<b>TECHNICAL</b> 3 Lowered 2/2/18			
<b>BETA</b> .95 (1.00 = Market)	% TOT. RETURN 1/18 THIS STOCK INDEX 1 yr. 48.3 17.3 3 yr. 133.9 38.0 5 yr. 364.7 85.6		

<b>2021-23 PROJECTIONS</b>				Ann'l Total	
Price	Gain	Return			
High 275	(+20%)	6%			
Low 225	(-5%)	1%			
<b>Insider Decisions</b>					
A M J J A S O N D					
to Buy	0	0	0	0	0
Options	2	1	5	8	1
to Sell	3	1	2	0	2
<b>Institutional Decisions</b>					
202017	302017	402017			
to Buy	694	637	656		
to Sell	663	704	668		
Hlds(000)	904400	901904	833058		

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	© VALUE LINE PUB. LLC	21-23
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	207.59	234.05	254.60	Revenues per sh	329.80
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	12.55	15.10	16.95	"Cash Flow" per sh	21.60
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	10.07	12.50	14.10	Earnings per sh A	18.00
.01	.01	.02	.03	.03	.03	.03	.03	.41	.61	.80	1.05	1.41	1.88	2.38	2.88	3.20	3.55	Div's Decl'd per sh B	4.40
.35	.30	.27	.37	.54	.70	.66	.64	.81	1.00	1.05	1.32	1.60	1.63	1.79	2.09	2.10	2.20	Cap'l Spending per sh	2.45
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	49.30	55.20	62.85	Book Value per sh C	78.75
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	969.00	960.00	955.00	Common Shs Outst'g D	940.00
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	18.4	18.0	17.0	Avg Ann'l P/E Ratio	14.0
1.09	.93	.90	1.10	.93	.81	.66	.54	.51	.61	.66	.67	.77	.98	.88	.90	.90	.88	Relative P/E Ratio	.80
.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%	1.5%	Avg Ann'l Div'd Yield	1.8%

CAPITAL STRUCTURE as of 12/31/17				81186	87138	94155	101862	110618	122489	130474	157107	184840	201159	224700	243150	Revenues (\$mill)	310000
Total Debt \$31692 mill. Due in 5 Yrs \$17000 mill.				9.0%	8.4%	9.5%	9.4%	9.5%	9.0%	9.0%	8.1%	8.5%	9.0%	10.0%	10.5%	Operating Margin	13.0%
LT Debt \$28835 mill. LT Interest \$1585 mill.				981.0	991.0	1064.0	1124.0	1309.0	1375.0	1478.0	1693.0	2055.0	2245.0	2500	2725	Depreciation (\$mill)	3400
(37% of Cap'l)				3660.0	3822.0	4634.0	5142.0	5526.0	5625.0	5619.0	5813.0	7792.0	9918.0	12000	13465	Net Profit (\$mill)	16920
Leases, Uncapitalized Annual rentals \$538.0 mill.				35.9%	34.2%	37.2%	35.4%	35.9%	36.4%	41.8%	42.6%	37.9%	30.2%	24.0%	24.0%	Income Tax Rate	24.0%
				4.5%	4.4%	4.9%	5.0%	5.0%	4.6%	4.3%	3.7%	4.2%	4.9%	5.3%	5.5%	Net Profit Margin	5.5%
No Defined Benefit Pension Plan				d4771	d3963	d5307	d3572	d6064	d7501	d7067	d11259	d15373	d13379	d11000	d9000	Working Cap'l (\$mill)	d3500
Pfd Stock None				11338	9009.0	8662.0	10656	14041	14891	16007	25460	25777	28835	27500	26000	Long-Term Debt (\$mill)	21500
				20780	23606	25825	28292	31178	32149	32454	33725	38177	47776	53000	60000	Shr. Equity (\$mill)	74000
Common Stock 967,662,919 shs.				12.4%	12.6%	14.1%	13.9%	12.9%	12.6%	12.1%	10.4%	13.0%	13.7%	16.0%	16.5%	Return on Total Cap'l	18.5%
as of 1/31/18				17.6%	16.2%	17.9%	18.2%	17.7%	17.5%	17.3%	17.2%	20.4%	20.8%	22.5%	22.5%	Return on Shr. Equity	23.0%
MARKET CAP: \$225 billion (Large Cap)				17.4%	16.0%	16.2%	15.9%	15.1%	14.2%	13.1%	11.9%	14.5%	15.0%	17.0%	17.0%	Retained to Com Eq	17.5%
CURRENT POSITION 2015 2016 12/31/17				1%	1%	10%	13%	15%	19%	24%	31%	29%	28%	26%	25%	All Div'ds to Net Prof	24%

**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: 82.1% in 2017. Has about 260,000 employees. BlackRock owns 7.3% of common; Vanguard, 6.3%; FMR LLC, 6.0%; off. & 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.

<b>UnitedHealth Group recently traded at an all-time high quotation just above \$250 a share.</b>				<b>tax cuts (UNH's annual tax rate has never been below 34% in the last decade and often heads north of 40%) that the company is poised to enjoy starting this year, there may even be upside potential to our \$12.50 earnings call for 2018.</b>			
<b>Shortly thereafter, a turbulent period struck the Dow 30, and the stock settled in around the \$230 mark.</b>				<b>Moves made by companies in UnitedHealth's universe should do little to derail its momentum.</b>			
<b>The planned entry of some large companies that do not deal in healthcare into the insurance waters also did not help (more below). Still, a strong fourth-quarter showing and improved guidance for 2018 buoyed the share price. In years past, UNH had flown under the blue-chip radar, but now its lofty price tag has given it some sizable influence in the market-weighted Dow Jones Industrial Average.</b>				<b>The CVS Health and Aetna merger would provide AET with a retail presence and make it a more formidable peer, but we do not envision any sort of sizable defections from United's enrollment level. Separately, Amazon, Berkshire Hathaway, and JPMorgan Chase, announced they were teaming up to create an independent healthcare company for their employees. Few details were released, but the headcount would be about one million lives, whereas the larger players have rosters that sum to tens of millions of Americans.</b>			
<b>Our 2018 earnings estimate is dramatically higher than it was just three months ago.</b>				<b>We look for this equity to best the broader market averages in the year ahead.</b>			
<b>The Optum branches are all chugging along at handsome growth paces. These units award UNH a premium over its less evolved peers from a business perspective, in our view. Too, the legacy healthcare insurance arm is posting formidable gains and though the medical cost ratio rose about 1% year over year in 2017, the portfolio was more than able to absorb that expense increase and still enhance its profitability profile. Adding in the sizable</b>				<b>Our Target Price Range out to 2021-2023 is now higher, but the lofty quotation may turn off longer-term accounts.</b>			

Cal-endar	EARNINGS PER SHARE <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
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	2.59	10.07
2018	2.90	3.05	3.30	3.25	12.50
2019	3.30	3.45	3.70	3.65	14.10
Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>				Full Year
Mar.31	Jun.30	Sep.30	Dec.31		
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	2.88
2018					

**Our 2018 earnings estimate is dramatically higher than it was just three months ago.** The Optum branches are all chugging along at handsome growth paces. These units award UNH a premium over its less evolved peers from a business perspective, in our view. Too, the legacy healthcare insurance arm is posting formidable gains and though the medical cost ratio rose about 1% year over year in 2017, the portfolio was more than able to absorb that expense increase and still enhance its profitability profile. Adding in the sizable

JPMorgan Chase, announced they were teaming up to create an independent healthcare company for their employees. Few details were released, but the headcount would be about one million lives, whereas the larger players have rosters that sum to tens of millions of Americans. **We look for this equity to best the broader market averages in the year ahead.** Our Target Price Range out to 2021-2023 is now higher, but the lofty quotation may turn off longer-term accounts.

*Erik M. Manning* *March 9, 2018*

(A) Diluted earnings. Excludes nonrecurring gains/(losses): '07, (8c); '08, (55c); '16, 80c; '17, 65c. May not sum due to rounding or change in share count. Next earnings report due mid-April.  
(B) Quarterly dividend initiated 6/10. Dividends historically paid in late March, June, September, and December.  
(C) Includes intangibles. In '17, \$63.0 billion, \$65.02/share.  
(D) In millions, adjusted for stock split.