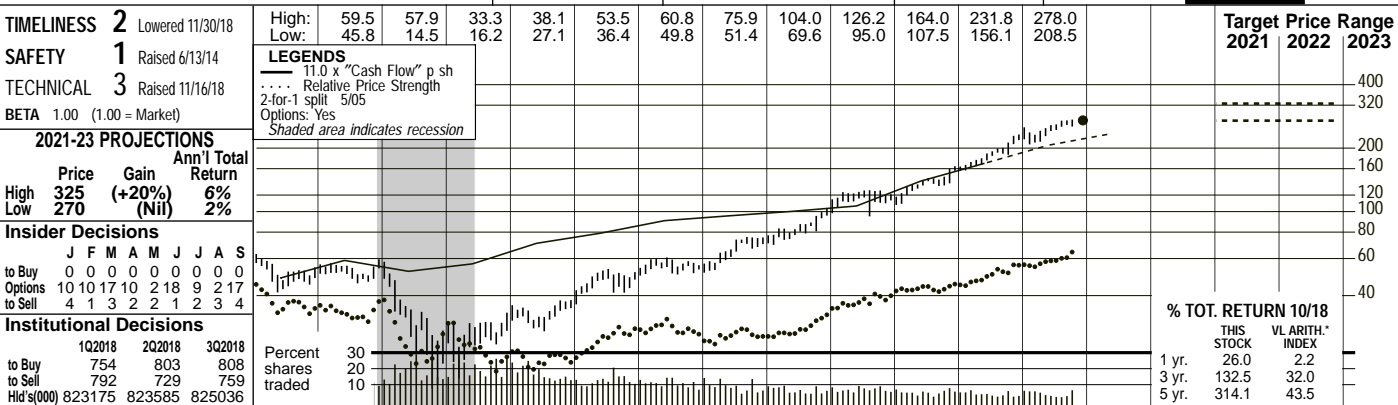


UNITEDHEALTH GRP. NYSE-UNH

RECENT PRICE **271.15** P/E RATIO **19.8** (Trailing: 22.3 Median: 12.0) RELATIVE P/E RATIO **1.21** DIV'D YLD **1.3%** **VALUE LINE**



TIMELINESS 2 Lowered 11/30/18
SAFETY 1 Raised 6/13/14
TECHNICAL 3 Raised 11/16/18
BETA 1.00 (1.00 = Market)

High: 59.5 57.9 33.3 38.1 53.5 60.8 75.9 104.0 126.2 164.0 231.8 278.0
 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

LEGENDS
 — 11.0 x "Cash Flow" p sh
 ... Relative Price Strength
 2-for-1 split 5/05
 Options: Yes
 Shaded area indicates recession

2021-23 PROJECTIONS

Price	Gain	Ann'l Total
High 325	(+20%)	Return
Low 270	(Nil)	6%
		2%

Insider Decisions

	J	F	M	A	M	J	J	A	S
to Buy	0	0	0	0	0	0	0	0	0
Options	10	10	17	10	2	18	9	2	17
to Sell	4	1	3	2	2	1	2	3	4

Institutional Decisions

	12/2018	2/2019	3/2019
to Buy	754	803	808
to Sell	792	729	759
Hlds(000)	823175	823585	825036

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	235.00	256.10	Revenues per sh	332.15
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	15.30	17.40	"Cash Flow" per sh	22.20
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	12.80	14.60	Earnings per sh ^A	18.60
.01	.01	.02	.03	.03	.03	.03	.03	.41	.61	.80	1.05	1.41	1.88	2.38	2.88	3.45	3.90	Div'ds Decl'd per sh ^B	4.75
.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	2.15	Cap'l Spending per sh	2.40
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	56.25	64.40	Book Value per sh ^C	80.65
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	16.5	16.5	Avg Ann'l P/E Ratio	16.0
1.09	.93	.90	1.10	.93	.81	.66	.54	.51	.61	.66	.67	.77	.98	.88	.93	1.2	1.2	Relative P/E Ratio	.90
.0%	.0%	.0%	.1%	.1%	.1%	.1%	.1%	1.2%	1.3%	1.5%	1.6%	1.7%	1.6%	1.8%	1.5%	1.8%	1.8%	Avg Ann'l Div'd Yield	1.2%

CAPITAL STRUCTURE as of 9/30/18
 Total Debt \$33553 mill. Due in 5 Yrs \$13700 mill.
 LT Debt \$32053 mill. LT Interest \$1765 mill.

(37% of Cap'l)
Leases, Uncapitalized Annual rentals \$538.0 mill.

No Defined Benefit Pension Plan
 Pfd Stock None

Common Stock 962,034,200 shs.
 as of 10/31/18

MARKET CAP: \$261 billion (Large Cap)

CURRENT POSITION (\$MILL)	2016	2017	9/30/18
Cash Assets	13275	15490	13849
Receivables	8152	9568	10992
Other	12452	12026	13913
Current Assets	33879	37084	38754
Accts Payable	13361	15180	38841
Debt Due	7193	2857	1500
Other	28698	32426	16036
Current Liab.	49252	50463	56377

ANNUAL RATES of change (per sh)	Past 10 Yrs	Past 5 Yrs	Est'd '15-'17 to '21-'23
Revenues	14.5%	14.5%	10.0%
"Cash Flow"	11.0%	11.5%	14.0%
Earnings	10.5%	11.5%	15.0%
Dividends	55.0%	31.5%	12.0%
Book Value	11.0%	9.0%	12.0%

Cal-endar	QUARTERLY REVENUES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2015	35756	36263	41489	43599	157107
2016	44527	46485	46293	47535	184840
2017	48723	50053	50322	52061	201159
2018	55188	56086	56556	57770	225600
2019	59860	60800	61300	62590	244550

Cal-endar	EARNINGS PER SHARE ^A				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	2.58	10.07
2018	3.04	3.14	3.41	3.21	12.80
2019	3.45	3.60	3.85	3.70	14.60

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				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	.75	.90	.90		

UnitedHealth Group shares have been flattish since our September review. We are not accustomed to saying that about this blue chip, as a quick glance at the above price chart shows that UNH has been on an upward trajectory for years. This recent setback was no fault of the company's. Third-quarter results were strong on both the top and bottom lines, and the consensus expectations were topped. However, the overall market has been going through a downward trend and UnitedHealth has actually held up well versus its Dow-30 brethren, particularly those with a technology bent. Still, some profit taking was clearly at hand given the recent broad-based tumult in the equities space. Make no mistake, we still view UNH as the cream of the crop in the medical services realm.

Our earnings call for 2018 has actually risen by a dime over the past three months. The shares may have come under a bit of pressure for the first time in awhile, but the company's operations have shown no signs of fatigue. The legacy health insurance branch continues to post handsome growth figures in terms of both

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 7.1% of common; Vanguard, 6.9%; FMR LLC, 5.4%; offs. & dirs., 0.9% (4/18 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.

revenues, profits, and membership gains. On top of this, the higher-growth Optum businesses are the toast of the sector. Here, UNH has grabbed significant market share in areas like consulting, pharmacy benefit management, and IT. In fact, the rest of the industry (and those with ties to it, like CVS Health) has made adjustments to their business models and set off a consolidation trend, partly in an effort to mimic the success of Optum. With that, share net is apt to climb to \$12.80 this year. Our 2019 EPS figure has also gotten a \$0.20 boost, to \$14.60.

Medicaid expansion will be a favorable development for this healthcare leader. The Democrats will soon control the House of Representatives, and Medicaid expansion has been approved in Nebraska, Idaho, and Utah. This represents 300,000 low-income patients. Too, the repeal of the Affordable Care Act is not as much of a concern.

We continue to like this Dow-30 component as a near-term play (Timeliness: 2). Longer term its appeal fades, however, at recent price points.
 Erik M. Manning December 7, 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-January.

(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.

Company's Financial Strength	A++
Stock's Price Stability	90
Price Growth Persistence	95
Earnings Predictability	85