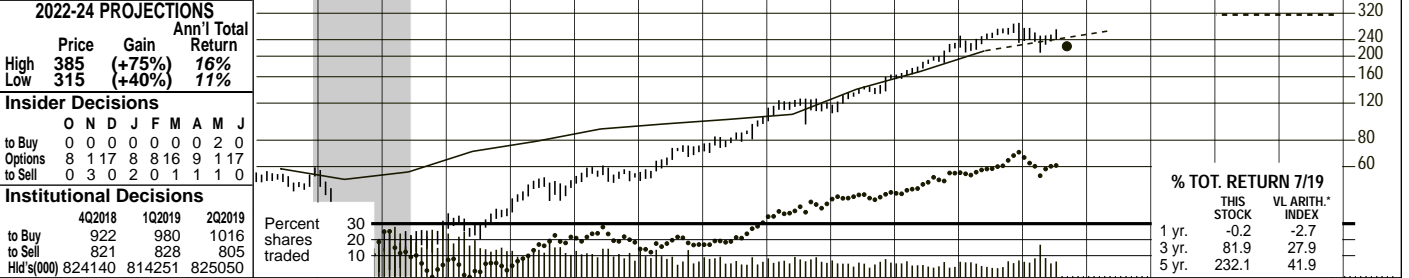


UNITEDHEALTH GRP. NYSE-UNH

RECENT PRICE **222.93** P/E RATIO **14.6** (Trailing: 15.9 Median: 13.0) RELATIVE P/E RATIO **0.92** DIV'D YLD **1.9%** VALUE LINE

TIMELINESS 2 Raised 3/15/19	High: 57.9	33.3	38.1	53.5	60.8	75.9	104.0	126.2	164.0	231.8	287.9	272.5	Target Price Range		
SAFETY 1 Raised 6/13/14	Low: 14.5	16.2	27.1	36.4	49.8	51.4	69.6	95.0	107.5	156.1	208.5	208.1	2022	2023	2024
TECHNICAL 1 Raised 8/30/19	LEGENDS — 13.5 x "Cash Flow" p sh ... Relative Price Strength Options: Yes Shaded area indicates recession												640		
BETA 1.00 (1.00 = Market)													480		



2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	© VALUE LINE PUB. LLC	22-24
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	235.67	256.45	278.60	Revenues per sh	349.45
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	15.71	17.60	19.65	"Cash Flow" per sh	25.70
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	12.87	14.85	16.65	Earnings per sh ^A	22.00
.01	.02	.03	.03	.03	.03	.03	.41	.61	.80	1.05	1.41	1.88	2.38	2.88	3.45	4.14	4.90	Div'ds Decl'd per sh ^B	6.40
.30	.27	.37	.54	.70	.66	.64	.81	1.00	1.05	1.32	1.60	1.63	1.79	2.09	2.15	2.25	2.30	Cap'l Spending per sh ^C	2.50
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	53.85	61.40	68.60	Book Value per sh ^C	86.00
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	945.00	940.00	Common Shs Outst'g ^D	930.00
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	19.3	19.3	19.3	Avg Ann'l P/E Ratio	16.0
.93	.90	1.10	.93	.81	.66	.54	.51	.61	.66	.67	.77	.98	.88	.93	1.04	1.04	1.04	Relative P/E Ratio	.90
NMF	NMF	.1%	.1%	.1%	.1%	.1%	1.2%	1.3%	1.5%	1.6%	1.7%	1.6%	1.8%	1.5%	1.4%	1.5%	1.4%	Avg Ann'l Div'd Yield	1.8%

CAPITAL STRUCTURE as of 6/30/19	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Revenues (\$mill)	2022-24
Total Debt \$42273 mill. Due in 5 Yrs \$20000 mill.	87138	94155	101862	110618	122489	130474	157107	184840	201159	226247	242360	261900	Revenues (\$mill)	325000						
LT Debt \$34473 mill. LT Interest \$1900 mill.	8.4%	9.5%	9.4%	9.5%	9.0%	9.0%	8.1%	8.5%	9.0%	9.0%	9.7%	10.2%	Operating Margin	13.0%						
(37% of Cap'l)	991.0	1064.0	1124.0	1309.0	1375.0	1478.0	1693.0	2055.0	2245.0	2428.0	2585	2800	Depreciation (\$mill)	3450						
Leases, Uncapitalized Annual rentals \$669.0 mill.	3822.0	4634.0	5142.0	5526.0	5625.0	5619.0	5813.0	7792.0	9918.0	12654	14035	15650	Net Profit (\$mill)	20460						
No Defined Benefit Pension Plan	34.2%	37.2%	35.4%	35.9%	36.4%	41.8%	42.6%	37.9%	30.2%	21.4%	22.0%	23.0%	Income Tax Rate	24.0%						
Pfd Stock None	4.4%	4.9%	5.0%	5.0%	4.6%	4.3%	3.7%	4.2%	4.9%	5.6%	5.8%	6.0%	Net Profit Margin	6.3%						
Common Stock 947,680,609 shs. as of 7/31/19	d3963	d5307	d3572	d6064	d7501	d7067	d11259	d15373	d13379	d14517	d18500	d17250	Working Cap'l (\$mill)	d14000						
MARKET CAP: \$211 billion (Large Cap)	9009.0	8662.0	10656	14041	14891	16007	25460	25777	28835	34581	34500	32500	Long-Term Debt (\$mill)	27000						
CURRENT POSITION (SMILL)	23606	25825	28292	31178	32149	32454	33725	38177	47776	51696	58000	64500	Shr. Equity (\$mill)	80000						
Cash Assets 15490	14.1%	13.9%	12.9%	12.6%	12.1%	10.4%	13.0%	13.7%	15.5%	16.0%	17.0%	17.0%	Return on Total Cap'l	20.0%						
Receivables 9568	16.2%	17.9%	18.2%	17.7%	17.5%	17.3%	17.2%	20.4%	20.8%	24.5%	24.0%	24.5%	Return on Shr. Equity	25.5%						
Other 12026	16.0%	16.2%	15.9%	15.1%	14.2%	13.1%	11.9%	14.5%	15.0%	18.1%	17.5%	17.0%	Retained to Com Eq	18.0%						
Current Assets 37084	1%	10%	13%	15%	19%	24%	31%	29%	28%	26%	28%	29%	All Div'ds to Net Prof	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: 81.6% in 2018. Has about 260,000 employees. Vanguard owns 7.4% of common; BlackRock, 7.3%; FMR LLC, 6.8%; and dirs., 0.8% (4/19 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 top-tier status in the medical services arena is a double-edged sword. When market sentiment is positive, UNH is recognized as a bellwether in this sector and is awarded a premium for its stature and leadership position. However, when things sour some, which is currently the case, UNH is often the first one, and hardest, punished. Such a scenario has been developing over the last few months. The company's quarterly reports have been solid and operating numbers remain strong. Still, the quotation has slipped to around the \$220 level (it peaked at \$287.90 late in 2018). The sharp dip can be directly tied to the growing talk of universal healthcare among Democratic presidential candidates, most notably Bernie Sanders. This type of wholesale disruption to the system would have far-reaching ramifications and put a dent in the profitability of healthcare insurance providers. Many in the investment community see this chatter and cycle out of UNH.

On the strength of a second-quarter earnings beat, we are raising our 2019 estimate by \$0.15, to \$14.85 a share.

The legacy healthcare insurance arm is performing admirably, and the Optum branches continue to be high-growth segments that give United a sizable competitive advantage against its peers. And, with the status quo expected to be maintained at least through 2020, we look for profits to climb even higher, to \$16.65 a share.

With the next round of earnings still over a month away, this stock will likely trade on headline news, particularly those of a political nature. Mr. Sanders is not the only candidate trumpeting Medicare For All. And which person will challenge President Trump in the next election is still very much unclear. Therefore, negative commentary on healthcare from any of the remaining participants may well push UNH shares lower.

These high-quality, timely shares also have investment appeal for the three-to five-year haul. A higher dividend payout has strengthened total return potential over that span. Buying on the dips during these volatile times for this stock may well pay off handsomely for both near- and long-term accounts.

Erik M. Manning September 6, 2019

(A) Diluted earnings. Excludes nonrecurring gains/(losses): '07, (8¢); '08, (55¢); '16, 80¢; '17, 65¢; '18, 68¢. May not sum due to rounding or change in share count. 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 '18, \$68.2 billion, \$71.07/share.	(D) In millions, adjusted for stock split.	Company's Financial Strength	A++
				Stock's Price Stability	85
				Price Growth Persistence	100
				Earnings Predictability	90