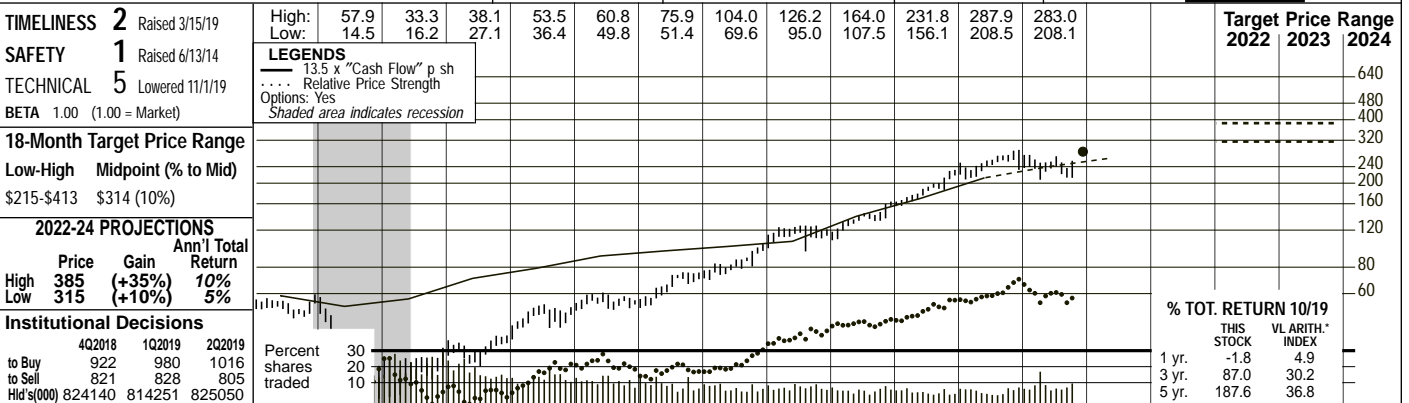


# UNITEDHEALTH GRP. NYSE-UNH

RECENT PRICE **282.67** P/E RATIO **17.9** (Trailing: 19.5) (Median: 13.0) RELATIVE P/E RATIO **1.01** DIV'D YLD **1.5%** VALUE LINE



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	<b>256.75</b>	<b>277.45</b>	Revenues per sh	<b>349.45</b>
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	<b>17.75</b>	<b>19.55</b>	"Cash Flow" per sh	<b>25.85</b>
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	<b>14.95</b>	<b>16.50</b>	Earnings per sh <sup>A</sup>	<b>22.00</b>
.01	.02	.03	.03	.03	.03	.03	.41	.61	.80	1.05	1.41	1.88	2.38	2.88	3.45	<b>4.14</b>	<b>4.90</b>	Div'ds Decl'd per sh <sup>B</sup>	<b>6.40</b>
.30	.27	.37	.54	.70	.66	.64	.81	1.00	1.05	1.32	1.60	1.63	1.79	2.09	2.15	<b>2.15</b>	<b>2.20</b>	Cap'l Spending per sh	<b>2.40</b>
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	<b>62.45</b>	<b>69.15</b>	Book Value per sh <sup>C</sup>	<b>88.15</b>
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	<b>945.00</b>	<b>940.00</b>	Common Shs Outst'g <sup>D</sup>	<b>930.00</b>
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	<b>16.0</b>	<b>16.0</b>	Avg Ann'l P/E Ratio	<b>16.0</b>
.93	.90	1.10	.93	.81	.66	.54	.51	.61	.66	.67	.77	.98	.88	.93	1.04	<b>1.04</b>	<b>1.04</b>	Relative P/E Ratio	<b>.90</b>
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%	<b>1.5%</b>	<b>1.8%</b>	Avg Ann'l Div'd Yield	<b>1.8%</b>

CAPITAL STRUCTURE as of 9/30/19																								
Total Debt \$44894 mill. Due in 5 Yrs \$21000 mill.																			Revenues (\$mill)		325000			
LT Debt \$38507 mill. LT Interest \$2115 mill.																			Operating Margin		12.8%			
(39% of Cap'l)																			Depreciation (\$mill)		3575			
Leases, Uncapitalized Annual rentals \$669.0 mill.																			Net Profit (\$mill)		20460			
No Defined Benefit Pension Plan																			Income Tax Rate		24.0%			
Pfd Stock None																			Net Profit Margin		6.3%			
Common Stock 947,414,929 shs. as of 10/31/19																			Working Cap'l (\$mill)		d16000			
MARKET CAP: \$268 billion (Large Cap)																			Long-Term Debt (\$mill)		30000			
CURRENT POSITION				2017	2018	9/30/19																Shr. Equity (\$mill)		82000
(SMILL)				15490	14324	15818																Return on Total Cap'l		19.0%
Cash Assets				9568	11388	10964																Return on Shr. Equity		25.0%
Receivables				12026	12980	16759																Retained to Com Eq		17.5%
Other				37084	38692	43541																All Div'ds to Net Prof		29%
Current Assets				15180	16705	18570																		
Accts Payable				2857	1973	6387																		
Debt Due				32426	34531	37684																		
Other				50463	53209	62641																		
Current Liab.																								

**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%; off. & 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 stock has bounced back by roughly 25% in the past three months.** Recall, through the first seven-plus months of the year medical insurance stocks were beaten down due to fears tied to the news coming from the Democratic campaign trail. High-profile presidential candidates like Bernie Sanders and Elizabeth Warren were trumpeting a single-payer system for healthcare and the Medicare For All headlines shook the investment community. UNH was at the eye of this storm, and the stock fell from its all-time high just shy of \$288 to just above \$208. More recently, other political issues have been pushed to the forefront and when healthcare is mentioned, the topic is skated around like at the most recent Democratic debate in late November. All the while, UnitedHealth has been posting impressive quarterly reports and we had been stating that we thought the selloff was dramatically overdone. Wall Street has now gotten on board with our train of thought. **Earnings for 2019 are likely to come in around the \$15.00-a-share mark.** The legacy health insurance business continues to show steady gains, while the various Optum branches carry the growth torch. UNH's units are so successful that areas like pharmacy benefits have sparked a consolidation spree via other companies attempting to mimic its business structure. Elsewhere, international advancements are blossoming, with UNH's operations outside the 50 states starting to mature and contribute more to the revenue and earnings picture. **Until the next earnings cycle, this equity will likely move on political headline news that affects healthcare.** Full-year 2019 results are not due out until the middle of January. Until then, investors will probably look to play this stock based on tidbits tied to the election. For example, UNH's quotation got a boost when in November, Mrs. Warren intimated that if she is elected, her administration would not look to implement Medicare For All legislation until year three of her term. **This blue chip is timely.** We are no longer advising this selection for the 3- to 5-year pull, however. *Erik M. Manning* December 6, 2019

Cal-endar	Q1	Q2	Q3	Q4	Full Year	Cal-endar	Q1	Q2	Q3	Q4	Full Year	Cal-endar	Q1	Q2	Q3	Q4	Full Year
2016	44527	46485	46293	47535	184840	2016	1.81	1.96	2.17	2.11	8.05	2015	.375	.50	.50	.50	1.88
2017	48723	50053	50322	52061	201159	2017	2.37	2.46	2.66	2.58	10.07	2016	.50	.625	.625	.625	2.38
2018	55188	56086	56556	58417	226247	2018	3.04	3.14	3.41	3.28	12.87	2017	.625	.75	.75	.75	2.88
2019	60308	60595	60351	<b>61396</b>	<b>242650</b>	2019	3.73	3.60	3.88	<b>3.74</b>	<b>14.95</b>	2018	.75	.90	.90	.90	3.45
2020	<b>64850</b>	<b>65130</b>	<b>64890</b>	<b>65940</b>	<b>260810</b>		<b>4.15</b>	<b>4.00</b>	<b>4.25</b>	<b>4.10</b>	<b>16.50</b>	2019	.90	1.08	1.08		

(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-January. (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 **To subscribe call 1-800-VALUELINE**