



UnitedHealth Group Incorporated is an American for-profit multinational managed healthcare and insurance company based in Minnetonka, Minnesota. It offers health care products and insurance services. In 2020, it was the second-largest healthcare company (behind CVS Health) by revenue with \$257.1 billion, and the largest insurance company by net premiums. UnitedHealthcare revenues comprise 80% of the Group's overall revenue.

Address: UNITEDHEALTH GROUP CENTER, 9900 BREN ROAD EAST, MINNEAPOLIS, MN, US

Financials Date: Jun 30, 2023

Industry: HOSPITAL & MEDICAL SERVICE PLANS

Sector:

FINANCE Exchange: NYSE

### Executive Valuation Summary



Previous Close	Distance to Price Target	Price Target
489.12	20.22%	588

Valuation Measures	Model Assumptions	
Market Cap	2.29T	Valuation Date
Trailing P/E Ratio	23.60	WACC
Forward P/E Ratio	24.10	EBITDA Multiple
PEG Ratio	2.87	Assumed Tax Rate
Enterprise Value / EBITDA	18.24	Implied EV / EBITDA
Enterprise Value / Sales	6.16	Implied EV / FWD Sales
Price / Sales Ratio	5.82	Implied Price / FWD Sales

Price Target	Peer Comparison Summary		
	Name	EVToEBITDA	EVToRevenue
588	UnitedHealth Gr...	16.82	1.63
	Piper Sandler C...	null	null
	Molina Healthc...	10.67	0.48
	Trupanion Inc	-74.80	2.40
	<b>Average</b>	<b>-4.99</b>	<b>2.04</b>

Fiscal Year	2020	2021	2022	2023	2024	2025	2026	2027
Fiscal Period	FY	FY	FY	FY	FY	FY	FY	FY
Revenue	257.1B	287.6B	324.2B	367.9B	393.7B	423.2B	454.9B	489.1B
Revenue Growth using Manual percentage input	NaN	11.84%	12.71%	13.50%	7.00%	7.50%	7.50%	7.50%
Cost of Goods Sold (COGs)	190.1B	217.9B	244.5B	278.2B	297.7B	320.0B	344.0B	369.8B
% of Sales	73.94%	75.78%	75.44%	75.61%	75.61%	75.61%	75.61%	75.61%
Gross Profit	67.0B	69.7B	79.6B	89.7B	96.0B	103.2B	111.0B	119.3B
% of Sales - Modeled flat using average of last 2 years	26.06%	24.22%	24.56%	24.39%	24.39%	24.39%	24.39%	24.39%
Operating Expenses (SG&A)	-44.6B	-45.7B	-51.2B	-59.1B	-63.9B	-68.7B	-73.9B	-79.4B
% of Sales - Derived from Quarterly Model	-17.34%	-15.88%	-15.79%	-16.05%	-16.24%	-16.24%	-16.24%	-16.24%
<b>Operating Income (EBIT)</b>	<b>22.4B</b>	<b>24.0B</b>	<b>28.4B</b>	<b>30.7B</b>	<b>32.1B</b>	<b>34.5B</b>	<b>37.1B</b>	<b>39.9B</b>
Interest Expense	-1663000K	-1660000K	-2092000K	-2092000K	-2092000K	-2092000K	-2092000K	-2092000K
Other Income	0K	0K	0K	0	0	0	0	0
<b>Total Other Income</b>	<b>-1663000K</b>	<b>-1660000K</b>	<b>-2092000K</b>	<b>-1805000K</b>	<b>-1805000K</b>	<b>-1805000K</b>	<b>-1805000K</b>	<b>-1805000K</b>
<b>Pretax Income (EBT)</b>	<b>20.7B</b>	<b>22.3B</b>	<b>26.3B</b>	<b>28.9B</b>	<b>30.3B</b>	<b>32.7B</b>	<b>35.3B</b>	<b>38.1B</b>
Income Tax Expense	5B	5B	6B	6.1B	6.4B	6.9B	7.4B	8.0B
Tax Rate	NaN	NaN	NaN	21.00%	21.00%	21.00%	21.00%	21.00%
<b>Net Income</b>	<b>15.8B</b>	<b>17.7B</b>	<b>20.6B</b>	<b>22.8B</b>	<b>23.9B</b>	<b>25.8B</b>	<b>27.9B</b>	<b>30.1B</b>
Operating Income (EBIT)	22.4B	24.0B	28.4B	30.7B	32.1B	34.5B	37.1B	39.9B
Depreciation & Amortization (D&A)	2.9B	3.1B	3.4B	3.9B	4.2B	4.5B	4.8B	5.2B
% of Sales	1.12%	1.08%	1.05%	1.06%	1.06%	1.06%	1.06%	1.06%
<b>EBITDA</b>	<b>25.3B</b>	<b>27.1B</b>	<b>31.8B</b>	<b>34.6B</b>	<b>36.3B</b>	<b>39.0B</b>	<b>41.9B</b>	<b>45.1B</b>
<b>Diluted EPS</b>	<b>16.51</b>	<b>18.67</b>	<b>21.48</b>	<b>23.73</b>	<b>24.90</b>	<b>26.88</b>	<b>29.01</b>	<b>31.29</b>
Diluted EPS Growth		13.04%	15.06%	10.48%	4.94%	7.95%	7.91%	7.88%

Discounted Cash Flow Analysis	2023	2024	2025	2026	2027	Normalized
EBITDA	34.6B	36.3B	39.0B	41.9B	45.1B	45.1B
Less: D&A	-3914339.5K	-4188343.3K	-4502469.0K	-4840154.2K	-5203165.7K	-3929613.7K
<b>EBIT</b>	<b>30.7B</b>	<b>32.1B</b>	<b>34.5B</b>	<b>37.1B</b>	<b>39.9B</b>	<b>41.1B</b>
Less: Taxes	-6440537.0K	-6739722.2K	-7245201.4K	-7788591.5K	-8372735.9K	-8640181.8K
<b>NOPAT</b>	<b>24.2B</b>	<b>25.4B</b>	<b>27.3B</b>	<b>29.3B</b>	<b>31.5B</b>	<b>32.5B</b>
Plus: D&A	3.9B	4.2B	4.5B	4.8B	5.2B	3.9B
Less: CapEx	-2956246.8K	-3163184.1K	-3400422.9K	-3655454.6K	-3929613.7K	-3929613.7K
Less: (Increase) / Decrease in NWC	14.1B	3.7B	4.2B	4.5B	4.9B	
<b>Unlevered Free Cash Flow</b>	<b>39.3B</b>	<b>30.1B</b>	<b>32.6B</b>	<b>35.0B</b>	<b>37.6B</b>	<b>32.5B</b>
Discount Period	0.5	1.5	2.5	3.5	4.5	4.5
Discount Factor	0.964	0.897	0.834	0.776	0.722	0.722
<b>PV of Unlevered Free Cash Flow</b>	<b>37.9B</b>	<b>27.0B</b>	<b>27.2B</b>	<b>27.2B</b>	<b>27.2B</b>	

Fiscal Year	2023	2023	2023	2024	2024	2024	2024	2025
Fiscal Period	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
<b>Revenue</b>	90.8B	93.4B	96.0B	98.6B	101.2B	103.8B	106.4B	109.0B
Revenue Growth	13.09%	15.51%	15.99%	7.27%	11.41%	11.09%	10.79%	10.51%
<b>Cost of Goods Sold (COGs)</b>	68.2B	70.0B	71.8B	73.6B	75.4B	77.2B	78.9B	80.7B
% of Sales	75.04%	74.90%	74.76%	74.62%	74.47%	74.33%	74.19%	74.05%
<b>Gross Profit</b>	22.7B	23.5B	24.2B	25.0B	25.8B	26.6B	27.5B	28.3B
% of Sales	24.96%	25.10%	25.24%	25.38%	25.53%	25.67%	25.81%	25.95%
<b>Operating Expenses (SG&amp;A)</b>	-14602.5M	-15056.4M	-15510.4M	-15964.3M	-16418.3M	-16872.2M	-17326.2M	-17780.1M
% of Sales	-16.07%	-16.11%	-16.15%	-16.19%	-16.22%	-16.25%	-16.29%	-16.31%
<b>Operating Income (EBIT)</b>	<b>8.1B</b>	<b>8.4B</b>	<b>8.7B</b>	<b>9.1B</b>	<b>9.4B</b>	<b>9.8B</b>	<b>10.1B</b>	<b>10.5B</b>
Interest Expense	-603250.0K	-603250.0K	-603250.0K	-603250.0K	-603250.0K	-603250.0K	-603250.0K	-603250.0K
Other Income	0.0K	0.0K	0.0K	0.0K	0.0K	0.0K	0.0K	0.0K
<b>Total Other Income</b>	<b>-603250.0K</b>	<b>-603250.0K</b>	<b>-603250.0K</b>	<b>-603250.0K</b>	<b>-603250.0K</b>	<b>-603250.0K</b>	<b>-603250.0K</b>	<b>-603250.0K</b>
<b>Pretax Income (EBT)</b>	<b>7.5B</b>	<b>7.8B</b>	<b>8.1B</b>	<b>8.5B</b>	<b>8.8B</b>	<b>9.2B</b>	<b>9.5B</b>	<b>9.9B</b>
Income Tax Expense	1.6B	1.6B	1.7B	1.8B	1.9B	1.9B	2.0B	2.1B
Tax Rate	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%	21.00%
<b>Net Income</b>	<b>5.9B</b>	<b>6.2B</b>	<b>6.4B</b>	<b>6.7B</b>	<b>7.0B</b>	<b>7.2B</b>	<b>7.5B</b>	<b>7.8B</b>
Operating Income (EBIT)	8.1B	8.4B	8.7B	9.1B	9.4B	9.8B	10.1B	10.5B
Depreciation & Amortization (D&A)	963.3M	990.8M	1.0B	1.0B	1.1B	1.1B	1.1B	1.2B
% of Sales	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%	1.06%
<b>EBITDA</b>	<b>9.0B</b>	<b>9.4B</b>	<b>9.7B</b>	<b>10.1B</b>	<b>10.5B</b>	<b>10.9B</b>	<b>11.3B</b>	<b>11.7B</b>
<b>Diluted EPS</b>	<b>6.26</b>	<b>6.54</b>	<b>6.84</b>	<b>7.14</b>	<b>7.44</b>	<b>7.76</b>	<b>8.08</b>	<b>8.41</b>
EPS Growth	14.35%	15.21%	32.03%	16.54%	18.94%	18.56%	18.20%	17.85%

