

UnitedHealth Group Incorporated: a BUY opportunity?

Share value calculated on March 14, 2026. FREE VALUATION
FOR EVERYONE.



VIAVALENS
MAR 15, 2026



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UnitedHealth Group Incorporated

reigns as America's healthcare titan, masterminding insurance via UnitedHealthcare and revolutionizing care through Optum's clinics and data smarts for millions nationwide.

Recent share price drop and its reason

The stock has tumbled more than 53% from its 52-week high of USD 606.36 to USD 282.09, sparked by a crippling cyberattack on Change Healthcare, leadership shakeup, and Medicare reimbursement squeezes.

Annual sales quote

UnitedHealth Group achieved annual sales of USD 447,567 million and an operating result of USD 19,605 million from the last four quarters, equating to a 4.4% margin.

Current developments

UnitedHealth is fortifying cyber defenses and accelerating Optum's doctor-buying spree to lock in patients amid Medicare rate wars, while the industry faces antitrust hammers, premium escalation battles, and Amazon's clinic invasion threatening traditional gatekeepers with data-driven disruption.

The intrinsic value per share is above actual share price.

We believe in a good buy opportunity, as the recent events are rather one-off in nature.

Intrinsic Valuation	
UnitedHealth Group Incorporated	Date: 14.03.26
ISIN	US91324P1021
Internet	www.unitedhealthgroup.com
Incorporation	United States
Primary Industry: Managed Health Care	
Value per Share in USD	304,18
Stock Market Share Price in USD	282,09
Price / Value	93%
52 Week Low in USD	234,60
52 Week High in USD	606,36
Number of Shares Outstanding in million	907,7
thereof Freefloat	99,2%
Key numbers at Date of Valuation in USD million	
Market Capitalization	256.046
Total revenue of last four quarters	447.567
EBIT of last four quarters	19.605
EBIT-Margin of last four quarters	4,4%

Share VIAVALENS stock selection

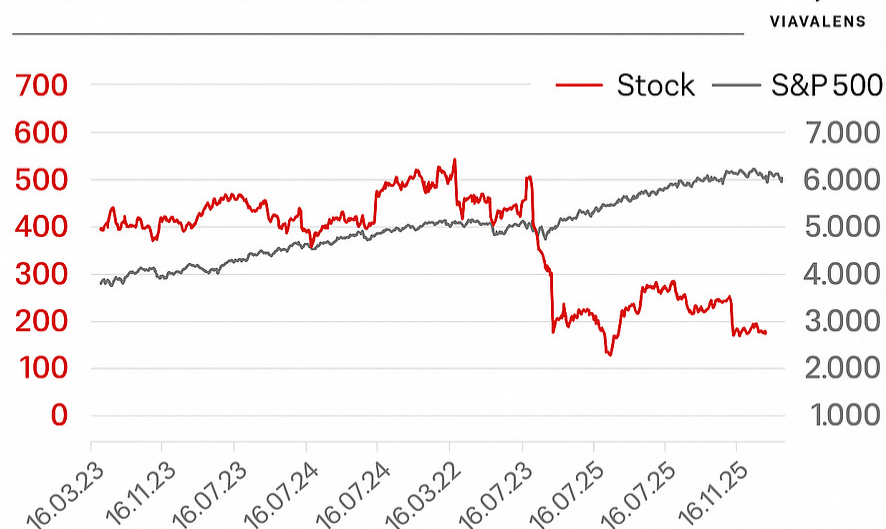
Value drivers

- Optum's AI rocket fuel: Exploding clinic expansions and data analytics crushing costs for insurers everywhere.
- Medicare Advantage mastery: Navigating rate cuts with razor-sharp risk adjustment and member retention wizardry.
- Cyber fortress rebuild: Swift IT armor upgrades turning hacks into history for unbreakable trust.
- Premium pricing power: Hiking rates amid medical inflation without losing employer flock.
- M&A magic wand: Snapping up doc groups and tech plays to bolt on juicy synergies.

Stock price performance

Plummeting over 53% from its 52-week peak of USD 606.36 to today's USD 282.09, UnitedHealth shares got body-slammed by cyber chaos, Medicare squeeze, and CEO drama, but resilient cash flows and Optum's hidden gems hint at a phoenix rise for sharp-eyed bargain hunters.

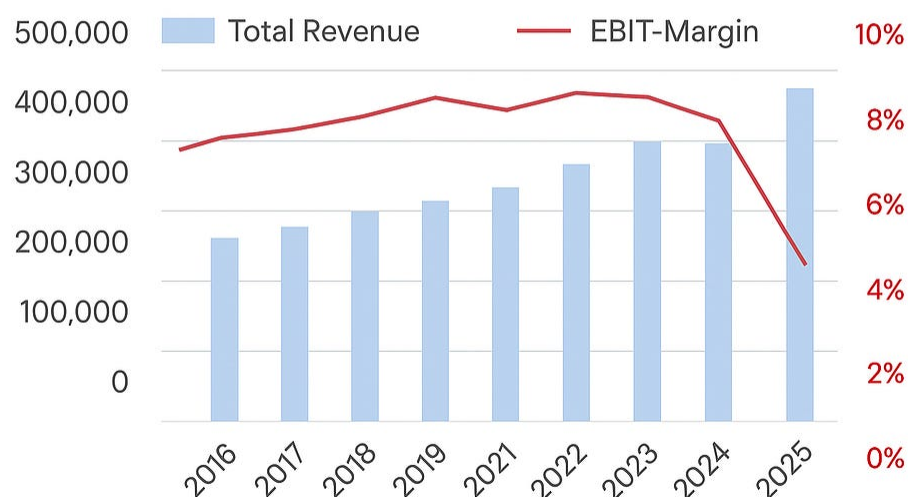
Share Price / 3 Years in USD



Business development

In the last three fiscal years, revenue changed by 14.6%, 7.7% and most recently by 11.8%. In addition to those changes in top-line sales, we are looking at the operating margins achieved. In the last three fiscal years, EBIT-Margins amounted to 8.7%, 8.1% and most recently 4.2%. The mean EBIT margin during the last 10 years was 8.1%; over the last five years, however, it was 8.3% (Median). Over the last four quarters the EBIT-Margin amounted to 4.4%.

Total Revenue in million USD | EBIT-Margin | 10 Fiscal Years



Analyst forecasts

Based on the most recent annual financial statements as of 31.12.25, analysts expect revenue growth of about -1.5% (2026e), 3.4% (2027e), and 5.2% (2028e). The EBIT margin for the next three fiscal years is forecasted (Median) at 5.3%; 5.6% and 6.1%. Accordingly, earnings before interest and taxes (EBIT) in fiscal year 2028e would amount to USD 29,183 million (EBIT). Financial industry analysts see target prices

for the share between USD 255.00 and USD 440.00; the Median is USD 365.50.

Key Ratios	14.3.26 12:00 AM
Market Enterprise Value / EBITDA	13,9
Market Enterprise Value / EBIT	17,0
Price / Diluted EPS Before Extra	21,3
Price / Normalized EPS	29,9
Price / Book Value	2,7
Net Debt / EBITDA	2,7
Dividends per Share in USD	8,74
Expected Dividends per Share in USD	9,01
Expected Dividend Yield	3,2%

Peergroup Multiples		14.3.26 12:00 AM	
	Enterprise Value / EBITDA _{LTM}	PE	Price/Book
UnitedHealth Group Ir	13,9	29,9	2,7
Elevance Health	9,6	15,2	1,5
Centene Corporation	6,5	44,4	0,8
Humana Inc.	7,9	15,4	1,1
CVS Health	9,4	16,8	1,3
The Cigna	7,7	13,8	1,7
Molina Healthcare	8,2	21,3	1,9
Alignment Healthcare	65,0	NM	19,3
Clover Health	NM	NM	3,3
Highmark Inc.	NA	NA	NA
Devoted Health	NA	NA	NA

Share VIAVALENS stock selection

Read further if you are interested to learn how we calculate the intrinsic value per share.

Explanation of our company valuation

Our opinion on the value of the share is based on a company valuation using a discounted cash flow (DCF) model. This methodology, which is widely accepted in theory and practice, discounts the company's expected free cash flows over a period of ten years using discount rates that reflect the current interest rate environment and the company's specific risk. The key determinants of the company-specific risk are the systematic risk of the industries in which the company operates and the regional risk of its sales markets (country risk, measured using current credit default swaps). In this way, the prevailing risk is priced individually for each company at every valuation date. In the following, **we explain our methodology and provide full transparency.**

Key inputs

Sales volume

The starting point for our forecast for the DCF model is the quoted annual sales of USD 447,567 million (LTM). LTM stands for "Last Twelve Months" and adds together the last four quarterly reports to provide a current annual view. We estimate sales growth for the first three planning periods (LTM+1 to LTM+3) at -1.5%, 2.7% and 4.2%.

Accordingly, we did not adopt the analysts' growth rates but instead adjusted them in light of the company's expected quarterly performance. For the subsequent planning periods (LTM+3 to LTM+10) up to steady state, we assume annual sales changes between a minimum of 4.0% und a maximum of 5.1%.

EBIT

For the first three forecasted periods (LTM+1 to LTM+3), we consider EBIT margins of 4.8%, 5.0% and 5.5%. In steady state, we advocate an EBIT margin of 6.2%; EBIT would therefore amount to USD 41,151 million. We do not see any need to consider special effects below the operational EBIT line item.

Key assumptions in USD million

Expected Revenue next 4 quarters (LTM+1)		441.060
Expected Revenue LTM+2	+2,7%	453.091
Expected Revenue LTM+3	+4,2%	472.071
Possible Revenue in 10 years		641.488
Expected EBIT-Margin next 4 quarters		4,8%
Expected EBIT-Margin LTM+2		5,0%
Expected EBIT-Margin LTM+3		5,5%
Possible EBIT-Margin in 10 years		6,2%
Expected Tax / EBIT		24,8%
Expected Reinvestment / EBIT-T		26,7%

Tax

We take future tax payments into account using percentages on the resulting EBIT line, i.e. the result before financing interest. It is part of the valuation mechanism to disregard tax-deductible interest in the assessment basis (EBIT), as this is reflected in the discount rate ("tax shield"). Taking into account the history and any loss carryforwards, we consider effective tax rates of 22.8%; 25.0% and 25.0% appropriate for the three planning periods (LTM+1 to LTM+3). In line with our conservative approach, we assume a linear development of the tax rate from LTM+4 up to the marginal tax rate at the company's United States headquarters of 25.0% until LTM+10.

Investments

A dedicated investment plan (Capex) from management is not available, and a forecast of depreciation and amortization would not be

meaningfully possible. Rather, we calculate future necessary Reinvestment in line with the expected company development. Reinvestment include investments in fixed and current assets, net of depreciation and amortization. We omit the forecast of EBITDA and depreciation, as well as any interim calculations regarding the development of working capital, since this would create a false sense of precision.

Derivation of Reinvestment

In this case, we calculate future Reinvestment by using the Sales / Capital - Ratio: Company revenue is related to tied-up capital (ratio: revenue/capital). Tied-up capital (Capital Employed) is calculated using the following formula: Capital Employed = Interest-bearing liabilities + Equity - Liquid assets - Goodwill. This ratio expresses how much capital must be tied up/invested for a given revenue. Since the DCF model includes revenue forecasts, the (implicitly) Capital Employed can be calculated. The change of Capital Employed from one period to the next results in annual reinvestment. Typically, the Sales to Capital - Ratio ranges somewhere between 0.5 und 5.0 (depending on the capital intensity of the respective industry.). The lower the ratio, the more must be invested for a given revenue. For example, if the ratio is 3.0 (revenue/capital), €30 must be invested for €100 in revenue.

Calculated Reinvestment

In this case, the future necessary Reinvestment were calculated as follows: The DCF model forecasts a change in sales over 10 years by 43.3% (Revenue LTM+10 / Revenue LTM). We assume that business volume will grow over time and take into account necessary Reinvestment. The Sales/Capital-Ratio (LTM+10) that is chosen amounts to 3.75. The selection is based on an analysis of the company's history (statistical relevance) in comparison to industry benchmarks. For the forecasting, sales growth is divided by the Sales/Capital-Ratio. The calculation is: (USD 668,943 - USD 441,060 million) / 3.75. For the 10 Years forecast, the total amounts to USD 60,769 million for plausible Reinvestment. We distribute the justified necessary Reinvestment over

the 10 planning periods, taking into account the assumed annual development of sales.

Terminal Value

The DCF model calculates the free cash flows before financing (FCFF) for each of the 10 planning periods and then takes into account a so called Terminal Value. In accordance with standard valuation methodology, we assume the eternal existence of the company and point out that a cash flow far in the future hardly affects the present value. We calculate the Terminal Value using the methodically recognized formula: $\text{Terminal Value} = \text{Terminal Cash Flow} / (\text{WACC} - \text{growth rate } g)$. In this case, the calculation is: $\text{Terminal Value} = \text{USD } 23,797 \text{ Mio.} / (9.3\% - 4.3\%) = \text{USD } 469,700 \text{ million}$ (Enterprise Value in 10 years from the date of valuation). The growth rate “g” is based on the risk-free interest rate, in our and academic opinion the best indicator for long-term economic growth in the respective currency. The present value of the Terminal Value included in the valuation result amounts to (only) USD 191,644 million.

Discount rates

Introduction

We use the DCF model based on the entity approach, which is the most widely used in theory and practice. Accordingly, cash flows before debt service are discounted using weighted cost of capital. In this case we use a discount rate of 9.4% (LTM), the mathematical derivation of which we explain and justify below. Taking into account expected leverage ratios, we adjust the discount rate over time until 9.3% for the cash flow in steady state.

Derivation and justification

As a risk-free interest rate, we use the daily traded yield of a safe 10-year government bond, as of the valuation date in the amount of 4.3% (USD). For taking stock market equity risk into account, we consider a risk premium of 6.0% in a first step. One important feature of our

methodology is to price in the regional risk of the company and in this case we change the risk premium to 6.3%. The regional adjustment of the risk premium takes into account the location of the company and its regional sales markets, which UnitedHealth Group regularly publishes. As a risk measure, we use the current prices traded on the capital market for country default risk (credit default swaps) and calculate weights based on the regional sales distribution. In this case we calculate the cost of equity as follows: Cost of Equity = risk-free rate + Beta * regional adjusted risk premium = 4.3% + 1.05 * 6.3% = 10.9%. The formula is the recognized derivation along the so-called Capital Asset Pricing Model, whereas the "Beta" as a relative measure adjusts the risk premium individually (relative risk).

Calculation of Discount Rate	
Risk-free Rate (10Y Government Bond) USD	4,3%
Equity Risk Premium based on sales regions	6,3%
Relative Risk (relevered Beta of Industries)	1,05
Adjustment in case of specific Country Risk	0,0%
Cost of Equity	10,9%
Cost of Debt at Date of valuation	6,7%
Marginal Tax Rate of Country	25,0%
Cost of Debt after Tax	5,0%
Market Capitalization in USD million	256.046
Value of Debt in USD million	88.290
Weighted Average Cost of Capital (WACC)	9,4%
WACC at steady state	9,3%

Explanations

“Beta” represents the systematic risk of the company; a Beta of less than 1.0 implies a lower risk than the market and vice versa. Our models always use specially derived bottom-up Betas, never the regression Beta of the individual stock, which we consider an unsuitable risk measure. Our Beta therefore takes into account the systematic risk of the industries in which UnitedHealth Group operates. Many companies operate in different industries; we calculate weights based on industrial revenue distribution and consider premiums or discounts depending on the stability of the EBIT margin (CAPM plus). In accordance with our methodology, we adjust Beta to the specific leverage ratio (“levered Beta”) and each company is assigned an individually justified risk that must be priced in.

Cost of debt

We estimate Cost of Debt as of the valuation date at 6.7%. This is the interest rate at which the company can currently borrow long-term funds. We determine the aforementioned interest rate based on a company rating and the currently traded yields of 10-year corporate bonds of the same rating class. Necessarily, in accordance with correct practise, we reduce the Cost of Debt by the Marginal Tax Rate (tax-shield), in this case in the amount of 25.0%. The Cost of Debt taken into account is therefore 5.0%.

Weighted Average Cost of Capital (WACC)

Taking into account current market capitalization and debt, we weigh the Cost of Equity in this case with 74.4% and the Cost of Debt with 25.6%. All this results in the quoted Weighted Average Cost of Capital:
$$WACC = 10.9\% * 74.4\% + 5.0\% * 25.6\% = 9.4\%$$

Valuation Results and Equity Bridge in USD million



Present Value of free cash flows	100.161
over 10 Years	191.644
Enterprise Value	291.805
Total Cash & ST Investments	28.121
Long Term Marketable Securities	0
(Market Value of) Debt	-88.290
Financial Receivables	0
Minority Interest	-7.588
Unearned Revenue, Non-Current, Other	0
Debt Equivalent of Unfunded Benefit Obligation	0
Cashout legal disputes	0
Value of cross holdings & LT Investments	52.051
Equity Value	276.099
Intrinsic Value per Share in USD	304,18

Remarks

The present value of the terminal value and the present value of all 10 discounted cash flows add up to the debt & cash free Enterprise Value. The Enterprise Value in this case amounts to USD 291,805 million = USD 191,644 million (Present Value of Terminal Value) plus USD 100,161 million (Present Value of forecasted cash flows). In accordance with correct methodology, cash including tradable securities (USD 28,121 million) are added and interest bearing liabilities (USD 88,290 million) are subtracted.

In addition, we analyze the liabilities of the balance sheets to consider additional items in the so-called “equity bridge” if necessary. These may include, in particular, accrued advance payments, consolidated minority shares or uncovered pension provisions, as well as other items. In special cases, interest-bearing liabilities may include financial liabilities from trading activities, e.g. in the case of consolidation of banking or leasing businesses. In the aforementioned cases, we pay attention to any offsetting items on the asset side of the balance sheet (financial receivables) and balance the amounts in the Equity Bridge under the item Other. After deducting or adding the items listed individually in the equity bridge of the DCF model, the Equity Value as of the valuation date is USD 276,099 million.

The Intrinsic Value per Share is calculated when dividing the Equity Value by the number of outstanding shares (908 million). **Value per Share as of the valuation date therefore amounts to USD 304.18.** The Intrinsic Value per Share can be compared with the current stock market price (USD 282.09) and can be used for investment decisions. **Based on this company valuation, the ratio of Share Price to Share Value as of the valuation date is: 92.7%.**

Buy or sell it or not, your decision.

Thanks for reading,

your VIAVALENS team