UnitedHealth Group (NYSE: UNH)  
Sector: Healthcare

<table>
<thead>
<tr>
<th>Target Price</th>
<th>Current Price</th>
<th>52 Week High</th>
<th>52 Week Low</th>
<th>P/E</th>
<th>Market Cap</th>
<th>Dividend Yield</th>
<th>Beta</th>
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</thead>
<tbody>
<tr>
<td>$269.61</td>
<td>$234.43</td>
<td>$287.94</td>
<td>$208.07</td>
<td>17.56</td>
<td>221.39B</td>
<td>1.65%</td>
<td>0.7</td>
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**Business Description:**
UNH is the world’s largest healthcare company by revenue. UNH generates money from premiums on risk-based products, fees from various services, sales of healthcare products, and services & investment. UNH has two main sectors within the company. They have the UnitedHealthcare branch which deals with health benefits, and the Optum branch that provides health services. Optum is then broken down into three sectors. OptumHealth operates health savings accounts through Optum bank. OptumInsight is a payment processor for healthcare providers, and OptumRx is a mail-order pharmacy.

**Industry Outlook:**
National health expenditures, as a percentage of GDP, are projected to increase over the next few years. In fact, healthcare expenditures are expected to outpace their historic growth rates as well. The baby boomer generation is also going to boost the amount of elderly Americans in the next few years.

**Management:**
- David S. Wichmann-Chief Executive Officer
- Stephen J. Hemsley-Executive Chairman, Board of Directors
- Larry C. Renfro, Vice Chairman

One of their strategic goals is positioning using acquisitions and through Optum. They help drive the company’s objectives including improving AI, transitioning to value-based care, and lowering premium costs for customers. Their compensation is based off revenue, operating income, cash flow targets, and net promoter score.

**Risks:**
Healthcare policy is a topic that is always heavily debated in today’s politics. UNH must be able to adapt to any potential federal changes. Additionally, each state has its own rules and laws in healthcare and UNH has to cater and meet these requirements. Another risk includes the slim margin of error that they have to work with. Since 80% of premium revenue pays healthcare costs, they cannot miscalculate since they have contracts with their customers. Lastly, the size of UNH is concerning in regards to the risk of information breaches.

**Competitive Analysis:**
Due to UnitedHealth Group’s size and scope, as well as their Optum business, we believe that they embody a wide moat. The size of their insurance book dwarfs both Cigna and Anthem’s and allows them to competitively price their premiums to create tough barriers to entry. Further, OptumRx makes up the largest portion of Optum, and this business has already shown significant revenue growth and potential to expand further through e-commerce. Their business model also allows them to cross-sell products and services between business segments.