

UnitedHealth Group Incorporated

Recommendation **HOLD** ★ ★ ★ ★ ★

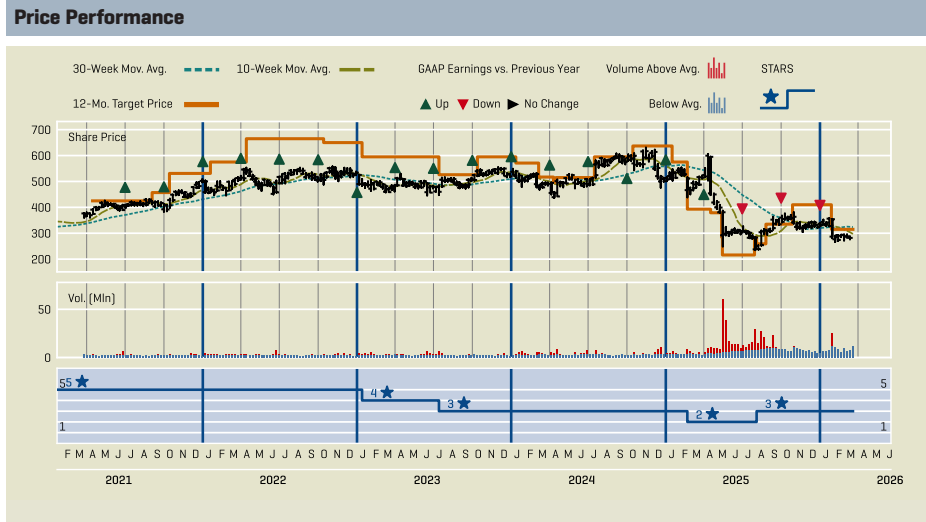
Price USD 275.59 (as of market close Mar 20, 2026) **12-Mo. Target Price** USD 315.00 **Report Currency** USD **Investment Style** Large-Cap Value

Equity Analyst Daniel Rich, CFA

GICS Sector Health Care
Sub-Industry Managed Health Care

Summary UNH is the largest managed health care firm in the U.S., providing health plans and health care delivery and optimization services to a broad array of customers.

Key Stock Statistics (Source: CFRA, S&P Global Market Intelligence (SPGMI), Company Reports)							
52-Wk Range	USD 606.36 - 234.6	Oper.EPS2026E	USD 17.76	Market Capitalization[B]	USD 254.55	Beta	0.41
Trailing 12-Month EPS	USD 16.31	Oper.EPS2027E	USD 20.76	Yield [%]	3.15	3-yr Proj. EPS CAGR[%]	17
Trailing 12-Month P/E	16.9	P/E on Oper.EPS2026E	15.52	Dividend Rate/Share	USD 8.84	SPGMI's Quality Ranking	A
USD 10K Invested 5 Yrs Ago	8,213.0	Common Shares Outstg.[M]	906.00	Trailing 12-Month Dividend	USD 8.84	Institutional Ownership [%]	46.0



Source: CFRA, S&P Global Market Intelligence
Past performance is not an indication of future performance and should not be relied upon as such.
Analysis prepared by Daniel Rich, CFA on Mar 17, 2026 12:30 AM ET, when the stock traded at USD 285.49.

Highlights

- Full-year 2025 revenues rose 12% to \$447.6B. UnitedHealthcare segment posted 16% growth to \$344.9B with 49.8M consumers served. 2026 guidance reflects strategic right-sizing with revenues expected to fall ~2%, including UnitedHealthcare membership losses of 2.3M-2.8M. MA represented ~17% of membership with over 8M customers, though management expects 1.3M-1.4M MA losses during 2026.
- We see 2026 MCR near 88.8% vs. 88.9% in 2025, reflecting elevated cost environment offset by repricing initiatives. MCR rose 340 bps in 2025 to 88.9% due to higher cost trends and Medicare reimbursement headwinds. UnitedHealthcare operating margin fell to 2.7% from 5.2%. UNH targets operating margin expansion to ~5.5% vs. 4.8% in 2025.
- Adj. EPS fell 41% in 2025 due to heightened care activity, pricing assumptions falling short of medical costs, and restructuring efforts with \$1.78 EPS impact. 2026 adj. EPS outlook (above \$17.75) implies ~9% growth via turnaround efforts. We expect three-year EPS CAGR near 17% from 2025-2028. Share repurchases suspended in 2025, with resumption expected by end-2026 under guidance for ~\$2.5B. Our 2026 EPS estimate is \$17.76 and our 2027 EPS forecast is \$20.76.

Investment Rationale/Risk

- Our opinion is Hold. We think UNH is in the midst of a long-term turnaround to improve profitability and public perception. Shares, down over 50% from their highs, trade at discounted valuation. We find UNH's 13%-16% long-term EPS growth goal achievable, supported by FCF generation, acquisitions, and cost cuts. However, we see challenging near-term environment and maintain negative 12-month outlook for managed care.
- Risks: worse-than-expected membership growth, higher medical procedures, and unfavorable regulatory developments including PBM legislation. 2027 MA proposed Rate Notice came well below expectations with just 0.09% average increase. We see it unlikely 2027 MA rates will match 2026 levels. Additional headwinds expected as OBBBA Medicaid provisions take effect. Ongoing DOJ investigations present regulatory overhang.
- Our target is \$315, 17.7x our 2026 EPS estimate. The target is multiple above peers, reflecting strong FCF, scale advantages, and diversified model, but below historical averages due to elevated cost environment, regulatory pressure, and DOJ investigations. Using DCF analysis, shares appear attractive vs. intrinsic value, though sentiment remains negative.

Analyst's Risk Assessment

LOW MEDIUM HIGH

Our risk assessment reflects the strength of UNH's leading scale in diversified health plans and its valuable Optum brand in health care delivery and optimization. In both its health plan and Optum segments, we think UNH benefits from industry-leading scale that drives lower costs. These strengths are balanced by the risks of unexpected spikes in medical utilization, as well as recent legislative proposals to eliminate or more strictly regulate private health plans. The markets for managed care contracts are also extremely competitive, which can lead to volatile membership trends if large contracts change hands unexpectedly.

Revenue/Earnings Data

Revenue (Million USD)	Revenue (Million USD)				
	1Q	2Q	3Q	4Q	Year
2027	E 116,586	E 117,942	E 119,538	E 119,547	E 473,613
2026	E 109,347	E 108,953	E 110,144	E 110,556	E 439,000
2025	109,575	111,616	113,161	113,215	447,567
2024	99,796	98,855	100,820	100,807	400,278
2023	91,931	92,903	92,361	94,427	371,622
2022	80,149	80,332	80,894	82,787	324,162

Earnings Per Share (USD)

Earnings Per Share (USD)	Earnings Per Share (USD)				
	1Q	2Q	3Q	4Q	Year
2027	E 7.93	E 4.98	E 4.56	E 3.29	E 20.76
2026	E 6.64	E 4.43	E 3.76	E 2.93	E 17.76
2025	7.20	4.08	2.92	2.11	16.35
2024	6.91	6.80	7.15	6.81	27.66
2023	6.26	6.14	6.56	6.16	25.12
2022	5.49	5.57	5.79	5.34	22.19

Fiscal Year ended Dec 31. EPS Estimates based on CFRA's Operating Earnings; historical earnings are adjusted. In periods where a different currency has been reported, this has been adjusted to match the current quoted currency.

Dividend Data

Amount (USD)	Date Decl.	Ex-Div. Date	Stk. of Record	Payment Date
2.2100	Feb 24	Mar 09	Mar 09	Mar 17 '26
2.2100	Nov 07	Dec 08	Dec 08	Dec 16 '25
2.2100	Aug 13	Sep 15	Sep 15	Sep 23 '25
2.2100	--	Jun 16	Jun 16	Jun 24 '25

Dividends have been paid since 1990. Source: Company reports
Past performance is not an indication of future performance and should not be relied as such.
Forecasts are not a reliable indicator of future performance.
Dividends paid in currencies other than the Trading currency have been accordingly converted for display purposes.

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UnitedHealth Group Incorporated

Business Summary Mar 17, 2026

Corporate Overview. UNH is the largest health care management company in the U.S., providing a broad range of health care products and services, including traditional risk-based health insurance plans, administration of non-risk health insurance plans, pharmacy benefit management, and health care delivery and optimization. UNH is organized into four business segments. The health insurance provider UnitedHealthcare (United) comprises one segment, while different parts of UNH's Optum business (health care information and services provider) comprise the remaining three.

United provides insurance in various markets to nearly 50 million individuals. Employer and Individual revenues were around 23% of total United revenues in 2025. Commercial plans comprised approximately 60% of individuals served, with risk-based arrangements making up around 16% and fee-based arrangements accounting for roughly 43%. Under risk-based plans, customers pay United fixed insurance premiums, and in turn, United pays health care providers its negotiated rates for covered medical care received by plan members. Accordingly, the "risk" of customers' covered medical costs exceeding the premium amounts is retained by United, but it also gets the resulting profits when they do not. United can experience swings in profitability if medical costs under its risk-based plans exceed expectations. Under fee-based health plans, customers [typically large employers or government agencies] pay United for access and administration of health benefits through its networks, but these customers self-fund the medical costs negotiated on their behalf by UNH. Accordingly, UNH does not carry the risk of customers' medical costs exceeding expectations with these plans.

Medicare Advantage comprised 17% of individuals served in 2025, while Medicare Supplement and Medicaid were 9% and 15%, respectively. Medicare and retirement made up 50% of United segment revenues, while community and state made up 27% during the year.

Optum Health serves an estimated 95 million customers via offerings such as primary and surgical care, behavioral health, telehealth, and financial services. Optum Insight utilizes data and analytics to support health systems, health plans, state government, and life sciences companies. As of December 31, 2025, Optum Insight maintained an aggregate backlog near \$31.1 billion, with around \$18.3 billion expected to be realized within 12 months. OptumRx is a pharmacy benefit manager (PBM) that provides prescription drug and other services via large pharmacy networks.

Competitive Advantages. We think UNH's unique combination of the nation's largest health plan provider and a major health care services firm provides a material advantage over competing firms, with the greatest derived strength being lower costs. United is typically a medical cost ratio leader among health plan providers, which we believe is partially due to its close relationship with Optum helping to keep medical and operating costs down in a number of ways. These include OptumRx negotiating favorable drug prices, OptumHealth providers offering lower cost services than third-party providers, and OptumInsight's data analytics driving costs out of health care delivery. With a low-cost advantage derived through Optum, United is more competitive in bidding for health plan business, as its premiums can be lower than competitors that have to cover higher medical and operating costs.

For Optum, we think there are material advantages derived from having United and its leading membership population as a virtually automatic in-house customer. The large patient population overseen by United gives Optum significant price negotiating power, in our view, as drug makers and providers would be loath to lose the massive volume of business derived from United. Health care optimization also requires studying vast amounts of data on delivery arrangements, diverse treatment strategies, patient outcomes, etc. The leading scale of United provides this data to Optum in droves, in turn allowing it to discover the most effective strategies for customers, in our view.

Recent Developments. During May 2025, UNH announced a leadership transition, with then-CEO Andrew Witty stepping down from his CEO role for personal reasons, and Stephen J. Hemsley replacing him. In December 2024, UNH confirmed the tragic news of the murder of Brian Thompson, CEO of the company's health insurance arm, UnitedHealthcare. Tim Noel, with over two decades of experience at UNH, was named his replacement.

Financial Trends. The United segment generated 50% of UNH's operating earnings in 2025, posting a 2.7% operating margin, down from 5.2% in 2024. Overall, Optum comprised the other 50% of earnings, though operating margin fell to 3.5% from 6.6% in 2024. Within Optum, OptumHealth posted an operating loss of \$278 million in 2025, resulting in a negative 0.3% operating margin vs. positive 7.4% in 2024. Optum Insight generated 14% of UNH's operating earnings in 2025, supporting a 13.5% margin [vs. 16.5% in 2024]. OptumRx comprised 38% of consolidated operating earnings in 2025, including operating margin growth to 4.6% from 4.4% in the prior year.

Corporate information

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Officers

Chief Accounting Officer & Corporate Controller D. Stankiewicz	Executive VP, Chief Legal Officer & Corporate Secretary C. R. Zaetta
CEO & Non-Independent Non-Executive Chairman S. J. Hemsley	Chief Financial Officer W. S. DeVeydt

Executive VP and Chief Digital & Technology Officer

S. Dadlani

Board Members

C. D. Baker	P. R. Garcia
F. W. McNabb	S. Gottlieb
J. H. Noseworthy	S. J. Hemsley
K. L. Gil	T. P. Flynn
M. J. Hooper	V. M. Rice

Domicile

Delaware

Auditor

Deloitte & Touche LLP

Founded

1974

Employees

390,000

Stockholders

8,734

UnitedHealth Group Incorporated

Quantitative Evaluations					
Fair Value Rank	1	2	3	4	5
	LOWEST				HIGHEST
	Based on CFRA's proprietary quantitative model, stocks are ranked from most overvalued [1] to most undervalued [5].				
Fair Value Calculation	USD 275.89	Analysis of the stock's current worth, based on CFRA's proprietary quantitative model suggests that UNH is undervalued by USD 0.30 or 0.11%			
Volatility	LOW	AVERAGE	HIGH		
Technical Evaluation	BEARISH	Since December, 2025, the technical indicators for UNH have been BEARISH"			
Insider Activity	UNFAVORABLE	NEUTRAL	FAVORABLE		

Expanded Ratio Analysis				
	2025	2024	2023	2022
P/E Ratio	20.19	18.29	20.96	23.89
Price/Tangible Book Value	-6.97	-10.76	-13.83	-14.49
% LT Debt to Capitalization	39.15	40.31	36.09	37.86
Avg. Diluted Shares Outstg. [M]	911.00	929.00	938.00	950.00

Figures based on fiscal year-end price

Key Growth Rates and Averages			
Past Growth Rate [%]	1 Year	3 Years	5 Years
Net Income	NM	NM	NM
Ratio Analysis (Annual Avg.)			
% LT Debt to Capitalization	39.15	38.52	37.60
Return on Equity [%]	12.54	17.55	20.42
Operating Margin [%]	2.86	4.30	5.09

Company Financials Fiscal year ending Dec 31

Per Share Data [USD]	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Tangible Book Value	-47.33	-47.00	-38.06	-36.60	-18.76	-20.98	-22.53	-20.04	-18.23	-20.88
Operating Earnings	20.82	34.75	34.50	29.93	25.07	23.31	20.38	17.64	15.44	13.36
Earnings	13.23	15.51	23.86	21.18	18.08	16.03	14.33	12.19	10.72	7.25
Dividends	8.73	8.18	7.29	6.40	5.60	4.83	4.14	3.45	2.88	2.38
Payout Ratio [%]	65.66	52.29	30.21	29.78	30.55	29.76	28.41	27.70	26.26	32.22
Prices: High	606.36	630.73	554.70	558.10	509.23	367.95	300.00	287.94	231.77	164.00
Prices: Low	234.60	436.38	445.68	445.74	320.35	187.72	208.07	208.48	156.09	107.51
P/E Ratio: High	37.10	22.80	22.10	25.20	26.80	21.80	19.90	22.40	23.00	20.40
P/E Ratio: Low	14.30	15.80	17.70	20.10	16.80	11.10	13.80	16.20	15.50	13.40

Income Statement Analysis (Million USD)										
Net Life Insurance In Force	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Premium Income	352,229	308,810	290,827	257,157	226,233	201,478	189,699	178,087	158,453	144,118
Other Revenue	91,058	86,976	76,982	65,186	59,880	54,161	50,570	46,784	41,683	39,894
Total Revenue	447,567	400,278	371,622	324,162	287,597	257,141	242,155	226,247	201,159	184,840
Pretax Income	14,697	20,071	29,112	26,343	22,310	20,742	17,981	15,944	14,023	11,863
Net Operating Income	18,964	32,287	32,358	28,435	23,970	22,405	19,685	17,344	15,209	12,930
Net Income	12,056	14,405	22,381	20,120	17,285	15,403	13,839	11,986	10,558	7,017

Balance Sheet and Other Financial Data (Million USD)										
Cash & Equivalent	24,365	25,312	25,427	23,365	21,375	16,921	10,985	10,866	11,981	10,430
Investment Assets: Bonds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment Assets: Loans	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment Assets: Total	55,807	54,055	49,910	46,674	43,846	42,502	39,069	34,980	30,985	26,041
Deferred Policy Costs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Assets	309,581	298,278	273,720	245,705	212,206	197,289	173,889	152,221	139,058	122,810
Insurance Annuity Liability	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Unearned Premiums	3,413	3,317	3,355	3,075	2,571	2,842	2,622	2,396	2,269	1,968
Debt	83,004	76,904	62,537	57,623	46,003	43,467	40,678	36,554	31,692	32,970
Common Equity	94,110	92,658	88,756	77,772	71,760	65,491	57,616	51,696	47,776	38,274
Property & Casualty: Combined	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
% Return on Revenue	2.69	3.60	6.02	6.21	6.01	5.99	5.71	5.30	5.25	3.80
% Return on Equity	12.50	15.10	25.00	25.40	24.10	23.80	24.10	22.90	23.50	18.70
Premium/Annuity Revenue	352,229	308,810	290,827	257,157	226,233	201,478	189,699	178,087	158,453	144,118

Source: S&P Global Market Intelligence. Data may be preliminary or restated; before results of discontinued operations/special items. Per share data adjusted for stock dividends; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

UnitedHealth Group Incorporated

Sub-Industry Outlook

We have a negative fundamental outlook for the managed health care sub-industry.

MLRs rose sharply over the past three years. Sometimes referred to as the medical cost ratio, benefit expense ratio, or health benefits ratio, the MLR is the ratio of direct medical costs to premium revenues. Recent results revealed several instances of misaligned contract pricing and unfavorable geographic and population exposures. Industry MLRs broadly declined in 2020 as the Covid-19 pandemic reduced medical utilization, but cost trends have been greater than expected post-pandemic. In 2025, the median MLR across the five major insurers in the S&P Composite 1500 Managed Health Care Index reached 90.2%, compared to 87.6% in 2022 and 85.8% in 2019. Based on recent guidance from the Q4 2025 earnings report, we anticipate a median of 91.3% in 2026.

Insurers face premium revenue headwinds from unfavorable changes in CMS's Five-Star Quality Rating System, which can hurt quality bonus payments for health insurers within Medicare Advantage (MA). Lower Star ratings could also pose headwinds for MA enrollment by decreasing the relative attractiveness of plans within the insurance marketplace. In recent years, the weighted enrollment in plans with 5 Stars decreased significantly despite modest Y/Y improvement in 2026 ratings, while weighted enrollment in plans with 3.5 Stars is meaningfully higher despite a modest decline in 2026.

We think MA reimbursement growth rates are lagging higher cost trends. In January 2026, the proposed 2027 MA Rate Notice was well below market expectations, with the Centers for Medicare Medicaid Services (CMS) indicating an average MA rate increase of 0.09%, roughly flat with 2026 levels, with unfavorable changes to risk adjustment and diagnostic coding. Within the notice, CMS indicated the potential for some improvement to the final rate update before finalization in April. Our expectation is for some improvement in the coming months given affordability and access concerns from impacted

senior populations, as we think insurers are likely to continue raising premiums and exiting plans to maintain profitability. Washington Analysis, a CFRA business, recently projected a 3%-4% final rate update.

Policy headwinds are significant, as we expect membership and premium revenue losses from rising levels of uninsured individuals. We think near-term regulatory and political pressure is likely to remain high through the midterm election period. On July 4, 2025, the One Big Beautiful Bill Act (OBBBA) was signed into law. Based on a KFF analysis of Congressional Budget Office estimates from August 2025, the legislation would increase uninsured levels by around 10 million people in 2034. The Inflation Reduction Act (IRA) extended the American Rescue Plan Act subsidies, which provided health insurance tax credits under the ACA to people who were previously ineligible due to income (400% of federal poverty level). However, these subsidies expired at year-end 2025. Without the subsidies, we expect meaningful membership declines as individuals choose not to renew their coverage due to lack of affordability.

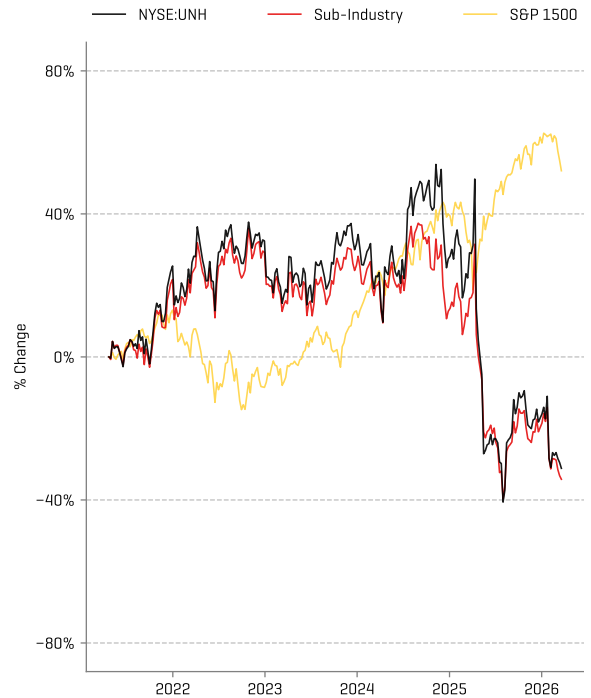
Year-to-date through March 13, the S&P Managed Health Care sub-industry Index was down 16.5% vs. a 3.7% decline in the S&P Composite 1500 Health Care Index. In 2025, the S&P Managed Health Care sub-industry Index fell 28.5% vs. an 11.8% gain for the S&P 1500 Health Care Index.

/ Daniel Rich, CFA

Industry Performance

GICS Sector: Health Care Sub-Industry: Managed Health Care

Based on S&P 1500 Indexes
Five-Year market price performance through Mar 21, 2026



NOTE: A sector chart appears when the sub-industry does not have sufficient historical index data.

All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS).

Past performance is not an indication of future performance and should not be relied upon as such.

Source: CFRA, S&P Global Market Intelligence

Sub-Industry: Managed Health Care Peer Group*: Managed Health Care

Peer Group	Stock Symbol	Exchange	Currency	Recent Stock Price	Stk. Mkt. Cap. [M]	30-Day Price Chg. [%]	1-Year Price Chg. [%]	P/E Ratio	Fair Value Calc.	Yield [%]	Return on Equity [%]	LTD to Cap [%]
UnitedHealth Group Incorporated	UNH	NYSE	USD	280.44	254,549.0	-3.0	-44.3	17.0	275.89	3.2	12.5	39.2
Alignment Healthcare, Inc.	ALHC	NasdaqGS	USD	18.16	3,710.0	-11.8	5.6	NM	N/A	N/A	-0.7	63.3
Centene Corporation	CNC	NYSE	USD	35.57	17,492.0	-13.7	-40.0	17.0	N/A	N/A	-28.7	45.4
Clover Health Investments, Corp.	CLOV	NasdaqGS	USD	1.89	992.0	-7.4	-49.1	NM	0.95	N/A	-26.3	N/A
Elevance Health, Inc.	ELV	NYSE	USD	291.15	64,258.0	-15.6	-32.4	10.0	321.58	2.4	13.2	40.2
HealthEquity, Inc.	HQY	NasdaqGS	USD	81.13	6,854.0	9.1	-3.8	33.0	109.06	N/A	10.2	30.8
Humana Inc.	HUM	NYSE	USD	166.45	19,983.0	-10.0	-37.7	10.0	195.71	2.1	7.0	40.1
Molina Healthcare, Inc.	MOH	NYSE	USD	142.21	7,324.0	4.8	-54.8	13.0	71.11	N/A	11.0	46.4
Progyngy, Inc.	PGNY	NasdaqGS	USD	18.18	1,489.0	-10.7	-16.3	28.0	20.89	N/A	12.5	N/A

*For Peer Groups with more than 10 companies or stocks, selection of issues is based on market capitalization.

NA-Not Available; NM-Not Meaningful.

Note: Peers are selected based on Global Industry Classification Standards and market capitalization. The peer group list includes companies with similar characteristics, but may not include all the companies within the same industry and/or that engage in the same line of business.

UnitedHealth Group Incorporated

Analyst Research Notes and other Company News

January 28, 2026

01:26 AM ET... CFRA Maintains Hold Opinion on Shares of UnitedHealth Group [UNH 284.05***]:

We trim our price target to \$315 from \$410, representing 17.7x our 2026 EPS estimate (down to \$17.76 from \$18.53; 2027 EPS estimate is set at \$20.76). Our target multiple is above most peers to reflect strong FCF generation, balance sheet strength, scale advantages, and a diversified business model across health insurance, pharmacy benefit management, health care technology and analytics, and outpatient facility networks. However, our target multiple is below UNH's five- and 10-year historical forward averages of 20.5x and 19.4x, respectively, to reflect an elevated cost environment for managed care firms, continued regulatory pressure from CMS on Medicare reimbursement, expiration of the ACA enhanced premium tax credits, Medicaid funding cuts under the OBBBA legislation, and ongoing civil and criminal investigations by the Department of Justice. We think UNH is in the midst of a long-term turnaround to improve profitability as well as public perception about the business, which may delay valuation recovery. / Daniel Rich, CFA

January 27, 2026

09:57 AM ET... Managed Care Stocks Decline on 2027 Medicare Advantage Rate Proposal [UNH 297.37***]:

UNH and managed care peers, including CVS Health, Elevance, Centene, Molina, and Humana, opened meaningfully lower Tuesday following CMS's 2027 Medicare Advantage Rate Notice proposing just 0.09% average rate increases, well below market expectations. The proposal includes unfavorable changes to risk adjustment and diagnostic coding at a time when health insurers are struggling with elevated medical utilization and cost trends that caused significant sub-industry earnings declines in 2025. CMS indicated potential improvement to final rates before April finalization, estimating an expected average rate update of 2.54%. We note the 2026 MA Rate Notice supported a final 5.06% increase, well above initial proposals. Though we expect some improvement due to industry pressure and senior population access/cost concerns, we currently see it as unlikely that 2027 MA rate updates will match 2026 levels, providing additional industry headwinds. / Daniel Rich, CFA

January 27, 2026

07:56 AM ET... UnitedHealth Q4 EPS Slightly Beats, Company Outlines 2026 Turnaround Plan [UNH 351.64***]:

UnitedHealth Group [UNH] delivered Q4 2025 adjusted EPS of \$2.15 vs. \$6.81 in the prior year, down 68% but beating the consensus of \$2.11, reflecting elevated medical costs industry-wide. The adjusted medical cost ratio increased 340 bps to 88.9% for full-year 2025, owing to higher cost trends and Medicare reimbursement headwinds. Cyberattack disruptions and restructuring efforts, including contract repricing and workforce reductions, weighed on results with an estimated \$1.78 EPS impact. Full-year 2025 revenues reached \$447.6B, up 12%, with UnitedHealthcare growing 16% to \$344.9B and membership at 49.8M. Management provided 2026 guidance for a medical cost ratio of 88.8% with a 50-bp band, revenues down ~2% including UnitedHealthcare membership losses of 2.3M-2.8M, and adjusted EPS greater than \$17.75 implying 9%+ growth. We believe UNH's strategic right-sizing and repricing actions position the company for margin expansion to 5.5% from 4.8%, supporting the turnaround effort despite near-term headwinds. / Daniel Rich, CFA

October 28, 2025

10:57 AM ET... CFRA Keeps Hold Opinion on Shares of UnitedHealth Group Incorporated [UNH 367.80***]:

We raise our 12-month target price to \$410 from \$335, 22.1x our 2026 EPS estimate, a premium to UNH's historical forward average given rising confidence in UNH's ability to navigate a successful turnaround. We trim our 2025 EPS forecast to \$16.41 from \$20.77 and 2026's to \$18.53 from \$23.90. We anticipate fundamental improvement will be gradual, with earnings expected to remain below historical averages in the medium term. The company faces persistent external headwinds, including ongoing Medicare cuts implemented by the previous administration and Medicaid funding pressures across state programs. Despite these challenges, UNH appears to be rebuilding investor confidence after a difficult start to the year. The company's Q3 results marked a return to form, delivering an earnings beat and raising full-year guidance. Most important, medical costs did not surprise to the upside in Q3, positioning UNH to achieve a FY 25 medical care ratio at or below the

low end of managements 89.0%-89.5% projection. / Alexander Yokum, CFA

October 28, 2025

07:11 AM ET... UNH Raises Guidance and Reports a Q3 Earnings Beat [UNH 365.98***]:

UnitedHealth Group [UNH] reported Q3 GAAP EPS of \$2.59, beating consensus by \$0.19 and marking the first earnings beat in six quarters. Total revenues of \$113.2B [+12% Y/Y] met expectations, attributed to strong performance across UnitedHealthcare and Optum segments. The medical care ratio deteriorated to 89.9% [+470 bps Y/Y], though this was within management's Q2 expectations, suggesting some stabilization in cost trends. UNH raised full-year 2025 GAAP EPS guidance to at least \$14.90 from \$14.65, signaling increasing confidence in navigating the current environment. UNH's revenue rose 16% with membership expanding 795k to 50.1M, while operating margins compressed to 2.1% from 5.6% due to persistent medical cost pressures. Optum revenue grew 8% but margins fell to 3.6% from 7.0%, with Optum Health particularly pressured at 1.0% margins. Strong cash generation of \$5.9B (2.3x net income) provides financial flexibility for capital allocation and strategic investments. / Alexander Yokum, CFA

August 26, 2025

11:44 AM ET... CFRA Keeps Hold Opinion on Shares of UnitedHealth Group Incorporated [UNH 306.00***]:

We raise our 12-month target price to \$335 from \$259 based on recent market movements, reflecting a 14.0x multiple of our 2026 EPS estimate, a discount to UNH's historical forward average due to an elevated medical care ratio (MCR) and regulatory uncertainty. We maintain our 2025 and 2026 EPS estimates of \$20.77 and \$23.90, respectively. We see medical costs elevated across the sub-industry and expect this trend to continue through at least year-end, though we note that next year rates may be raised to better match costs. We anticipate the One Big Beautiful Bill Act will provide further challenges in 2027, as approximately 15% of UNH's total membership is from Medicaid. However, we think the current valuation leaves some cushion with shares trading at an 11% discount to the five-year historical forward average based on forward P/E, and as high as a 30% discount based on forward P/CF. / Paige Meyer

August 04, 2025

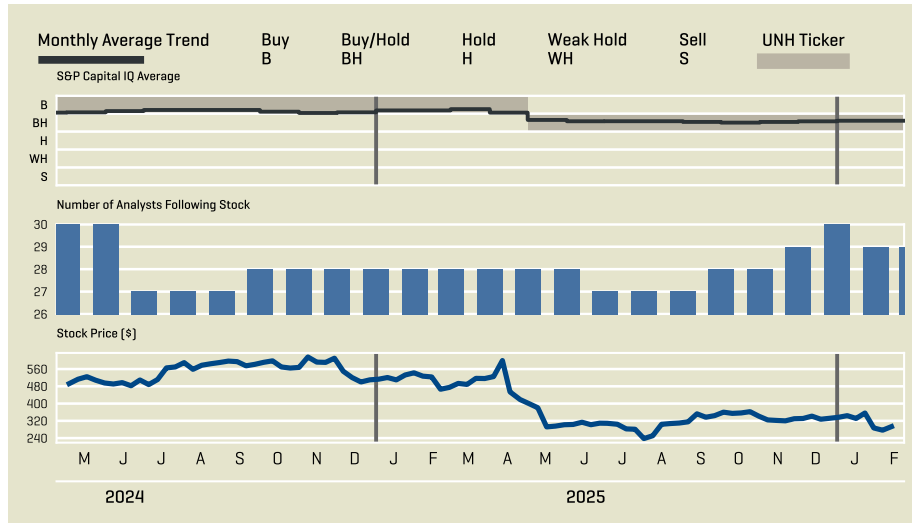
01:58 PM ET... CFRA Lifts Opinion on Shares of UnitedHealth Group Incorporated to Hold from Sell [UNH 239.29***]:

We lower our 12-month target price to \$259 from \$284, 10.8x our 2026 EPS estimate, a discount to UNH's historical forward average due to a rising medical care ratio (MCR) and regulatory uncertainty. We maintain our 2025 EPS forecast at \$20.77 and our 2026 forecast at \$23.90. With shares of UnitedHealth Group down approximately 16% over the past week since the Q2 earnings release, and down 53% year-to-date, we view shares as appropriately valued relative to the risks. We expect medical costs to continue to remain elevated through the end of the year, leading the company's medical care ratio to average around 89.4% in 2025 (up from 85.5% in 2024). However, we think UNH should be able to pass along many of these rising costs through pricing and benefit designs going into 2026. We anticipate the One Big Beautiful Bill Act will provide further challenges in 2027, as approximately 15% of UNH's total membership is from Medicaid. / Paige Meyer

Note: Research notes reflect CFRA's published opinions and analysis on the stock at the time the note was published. The note reflects the views of the equity analyst as of the date and time indicated in the note, and may not reflect CFRA's current view on the company.

UnitedHealth Group Incorporated

Analysts Recommendations



Wall Street Consensus Opinion

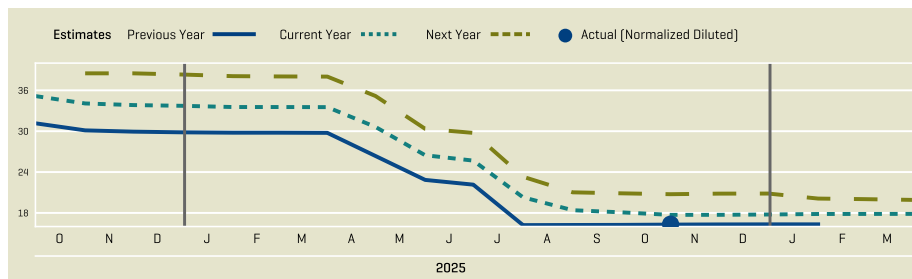
Buy/Hold

Wall Street Consensus vs. Performance

For fiscal year 2026, analysts estimate that UNH will earn USD 17.86. For fiscal year 2027, analysts estimate that UNH's earnings per share will grow by 11.5% to USD 19.91.

	No. of Recommendations	% of Total	1 Mo.Prior	3 Mos.Prior
Buy	16	55	15	14
Buy/Hold	6	21	6	6
Hold	5	17	6	6
Weak hold	0	0	0	0
Sell	2	7	2	2
No Opinion	0	0	0	1
Total	29	100	29	29

Wall Street Consensus Estimates



Fiscal Year	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2027	19.91	21.59	18.30	26	14.08
2026	17.86	18.89	17.53	28	15.70
2027 vs. 2026	▲ 12%	▲ 14%	▲ 4%	▼ -7%	▼ -10%
Q1'27	7.23	7.86	5.87	11	38.80
Q1'26	6.81	7.76	5.01	23	41.16
Q1'27 vs. Q1'26	▲ 6%	▲ 1%	▲ 17%	▼ -52%	▼ -6%

Forecasts are not reliable indicator of future performance.

Note: A company's earnings outlook plays a major part in any investment decision. S&P Global Market Intelligence organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years, as well as how those earnings estimates have changed over time. Note that the information provided in relation to consensus estimates is not intended to predict actual results and should not be taken as a reliable indicator of future performance.

Note: For all tables, graphs and charts in this report that do not cite any reference or source, the source is S&P Global Market Intelligence.

UnitedHealth Group Incorporated

Glossary

STARS

Since January 1, 1987, CFRA Equity and Fund Research Services, and its predecessor S&P Capital IQ Equity Research has ranked a universe of U.S. common stocks, ADRs [American Depositary Receipts], and ADSs [American Depositary Shares] based on a given equity's potential for future performance. Similarly, we have ranked Asian and European equities since June 30, 2002. Under proprietary STARS (Stock Appreciation Ranking System), equity analysts rank equities according to their individual forecast of an equity's future total return potential versus the expected total return of a relevant benchmark [e.g., a regional index [MSCI AC Asia Pacific Index, MSCI AC Europe Index or S&P 500® Index]], based on a 12-month time horizon. STARS was designed to help investors looking to put their investment decisions in perspective. Data used to assist in determining the STARS ranking may be the result of the analyst's own models as well as internal proprietary models resulting from dynamic data inputs.

S&P Global Market Intelligence's Quality Ranking

[also known as **S&P Capital IQ Earnings & Dividend Rankings**] - Growth and S&P Capital IQ Earnings & Dividend Rankings stability of earnings and dividends are deemed key elements in establishing S&P Global Market Intelligence's earnings and dividend rankings for common stocks, which are designed to capsize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Below Average
A	High	B-	Lower
A	Above	C	Lowest
B+	Average	D	In Reorganization
NC	Not Ranked		

EPS Estimates

CFRA's earnings per share (EPS) estimates reflect analyst projections of future EPS from continuing operations, and generally exclude various items that are viewed as special, non-recurring, or extraordinary. Also, EPS estimates reflect either forecasts of equity analysts; or, the consensus [average] EPS estimate, which are independently compiled by S&P Global Market Intelligence, a data provider to CFRA. Among the items typically excluded from EPS estimates are asset sale gains; impairment, restructuring or merger-related charges; legal and insurance settlements; in process research and development expenses; gains or losses on the extinguishment of debt; the cumulative effect of accounting changes; and earnings related to operations that have been classified by the company as discontinued. The inclusion of some items, such as stock option expense and recurring types of other charges, may vary, and depend on such factors as industry practice, analyst judgment, and the extent to which some types of data is disclosed by companies.

12-Month Target Price

The equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

Abbreviations Used in Equity Research Reports

CAGR	- Compound Annual Growth Rate
CAPEX	- Capital Expenditures
CY	- Calendar Year
DCF	- Discounted Cash Flow
DDM	- Dividend Discount Model
EBIT	- Earnings Before Interest and Taxes
EBITDA	- Earnings Before Interest, Taxes, Depreciation & Amortization
EPS	- Earnings Per Share
EV	- Enterprise Value
FCF	- Free Cash Flow
FFO	- Funds From Operations
FY	- Fiscal Year
P/E	- Price/Earnings
P/NAV	- Price to Net Asset Value
PEG Ratio	- P/E-to-Growth Ratio
PV	- Present Value
R&D	- Research & Development
ROCE	- Return on Capital Employed
ROE	- Return on Equity
ROI	- Return on Investment
ROIC	- Return on Invested Capital
ROA	- Return on Assets
SG&A	- Selling, General & Administrative Expenses
SOTP	- Sum-of-The-Parts
WACC	- Weighted Average Cost of Capital

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).

Qualitative Risk Assessment

Reflects an equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices. For an ETF this reflects on a capitalization-weighted basis, the average qualitative risk assessment assigned to holdings of the fund.

STARS Ranking system and definition:

★★★★★ 5-STARS (Strong Buy):

Total return is expected to outperform the total return of a relevant benchmark, by a notable margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★ 4-STARS (Buy):

Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months.

★★★ 3-STARS (Hold):

Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months.

★★★ 2-STARS (Sell):

Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months.

★★★ 1-STAR (Strong Sell):

Total return is expected to underperform the total return of a relevant benchmark by a notable margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks:

In North America, the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are the MSCI AC Europe Index and the MSCI AC Asia Pacific Index, respectively.

UnitedHealth Group Incorporated

Disclosures

Stocks are ranked in accordance with the following ranking methodologies:

STARS Stock Reports:

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Quantitative Stock Reports:

Quantitative rankings are determined by ranking a universe of common stocks based on 5 measures or model categories: Valuation, Quality, Growth, Street Sentiment, and Price Momentum. In the U.S., a sixth sub-category for Financial Health will also be displayed. Percentile scores are used to compare each company to all other companies in the same universe for each model category. The five (six) model category scores are then weighted and rolled up into a single percentile ranking for that company. For reports containing quantitative rankings refer to the Glossary section of the report for detailed methodology and the definition of Quantitative rankings.

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STARS Stock Reports:

Global STARS Distribution as of December 31, 2025

Ranking	North America	Europe	Asia	Global
Buy	43.5%	40.0%	42.5%	42.6%
Hold	45.1%	47.2%	53.6%	47.5%
Sell	11.4%	12.8%	4.0%	9.9%
Total	100.0%	100.0%	100.0%	100.0%

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UnitedHealth Group Incorporated

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