

Latest FY : 2024

Ticker : UNH (United Health Care)

Updated : 5/7/2025

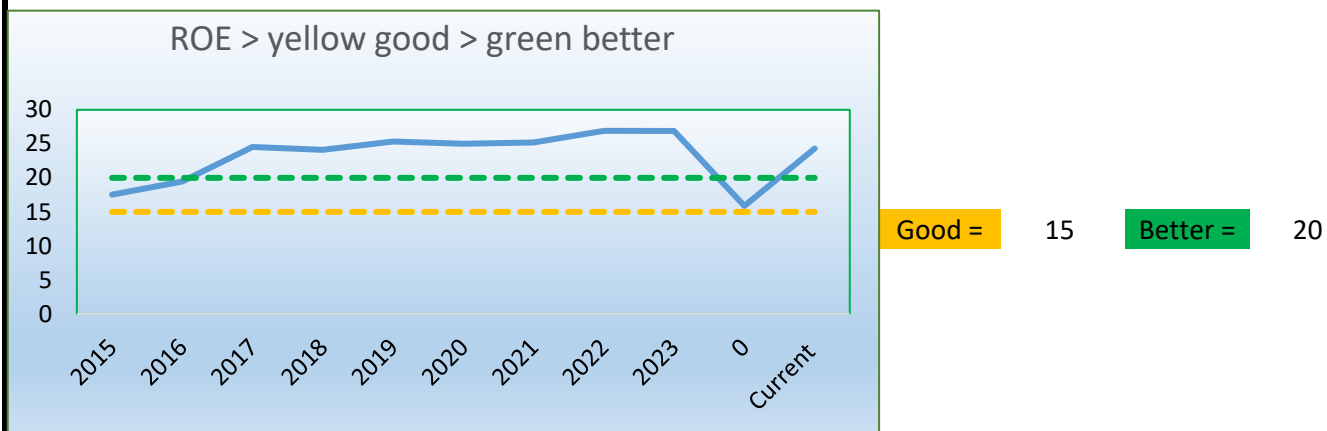
Financial ratios criteria below are considered for non-financial companies only!**Return on Equity (ROE):** above 15% is good, above 20% is better

Morningstar > Quote > Key Metrics > Profitability and Efficiency

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
17.54	19.46	24.54	24.10	25.32	25.02	25.19	26.91	26.88	15.88	24.33

Return on equity: how much profit a company generates on the money shareholders have invested in the firm

The calculation is return on assets times financial leverage

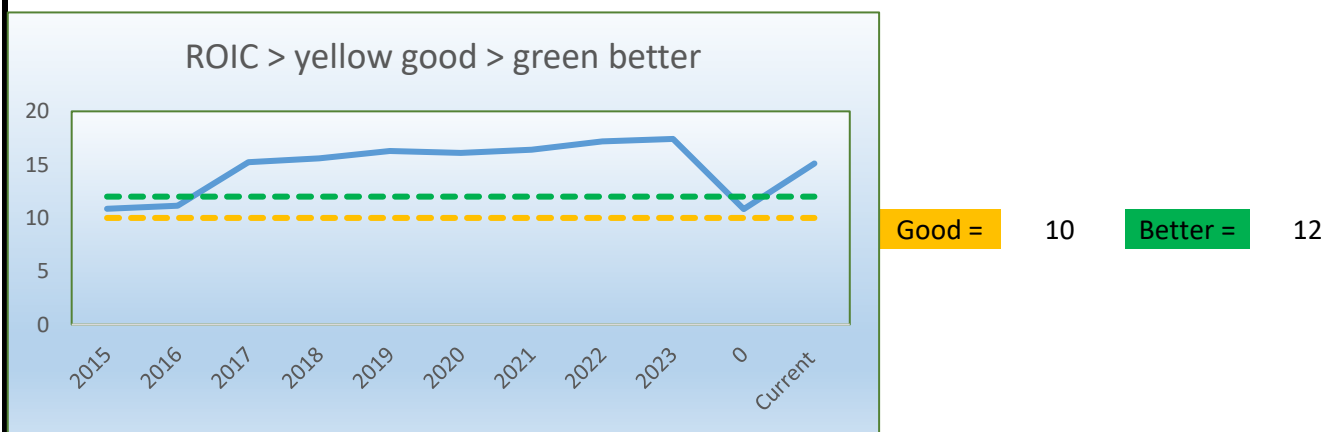
**Return on Invested Capital (ROIC):** above 10% is good, above 12% is better

Morningstar > Quote > Key Metrics > Profitability and Efficiency

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
10.86	11.16	15.23	15.59	16.28	16.09	16.41	17.19	17.41	10.83	15.10

ROIC: the % a company earns on its invested capital in a given year

The calculation is net operating profit after tax (NOPAT) divided by invested capital



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Free Cash Flow/Sales (FCF Margin): above 10% is good, above 15% is better

Morningstar > Quote > Key Metrics > Cash Flow

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
5.21	4.38	5.75	6.03	6.77	7.83	6.92	7.22	6.91	5.17	6.06

FCF Margin: Amount of free cash flow generated for each dollar of sales



If ROE, ROIC, & FCF Margin metrics are not favorable, stop analysis & look for another stock.

CapEx/Sales: lower than 10% is good, lower than 5% is better

Morningstar > Quote > Key Metrics > Financial Health

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
0.99	0.92	1.01	0.91	0.86	0.80	0.85	0.86	0.91	0.87	0.89

CapEx/Sales: Percent of sales used for internal growth. CapEx is capital deployed in Property, Plant, & Equipment (PP&E)



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Free Cash Flow/Net Income: steady or increasing at around 1.0

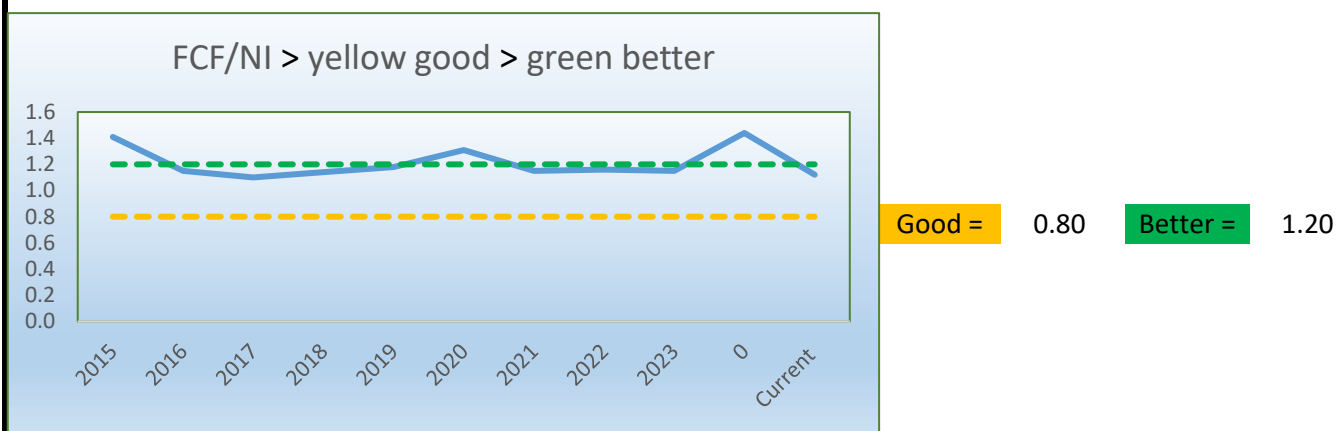
Morningstar > Quote > Key Metrics > Cash Flow

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
1.41	1.15	1.10	1.14	1.18	1.31	1.15	1.16	1.15	1.44	1.12

Free Cash Flow/Net Income: Amount of free cash flow generated for each dollar of profit

Also known as the conversion rate

Some companies define conversion rate as EBITDA/Net Income



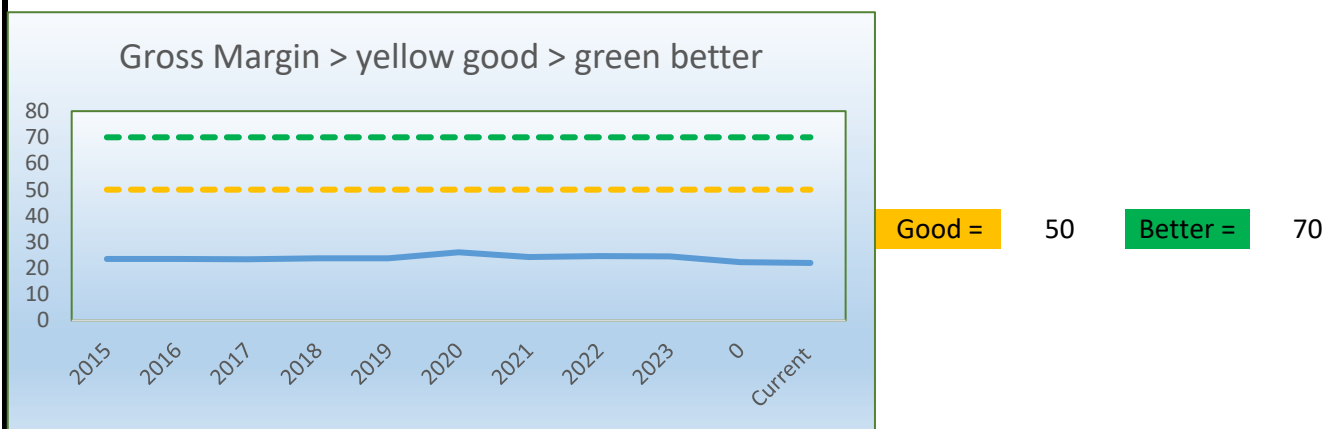
Gross Margin %: above 50% is good, above 70% is better

Morningstar > Quote > Key Metrics > Financial Summary

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
23.57	23.47	23.37	23.80	23.79	26.06	24.22	24.56	24.48	22.33	21.99

Gross Margin %: (Net Sales – Cost of Goods Sold) / Net Sales X 100

This profitability ratio indicates what's left after paying for direct cost of doing business



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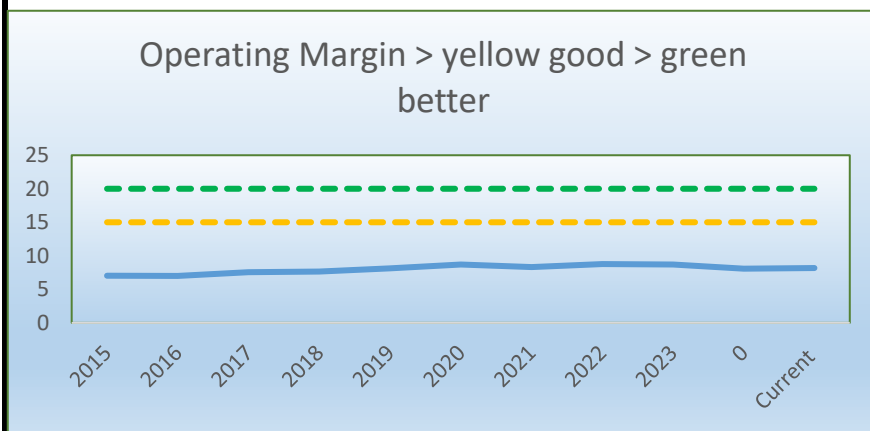
Financial ratios criteria below are considered for non-financial companies only!

Operating Margin %: above 15% is good, above 20% is better

Morningstar > Quote > Key Metrics > Financial Summary

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
7.02	7.00	7.56	7.67	8.13	8.71	8.33	8.77	8.71	8.07	8.16

Operating Margin %: earnings before interest and taxes (EBIT) expressed as a percentage of revenue



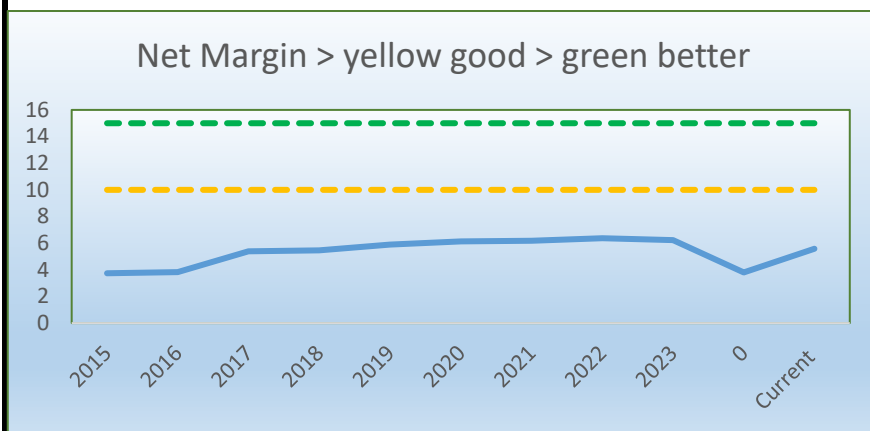
Good = 15 Better = 20

Net Margin: above 10% is good, above 15% is better

Morningstar > Quote > Key Metrics > Financial Summary

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
3.74	3.83	5.38	5.47	5.88	6.13	6.17	6.37	6.23	3.81	5.59

Net Margin: net income divided by sales expressed as a percentage



Good = 10 Better = 15

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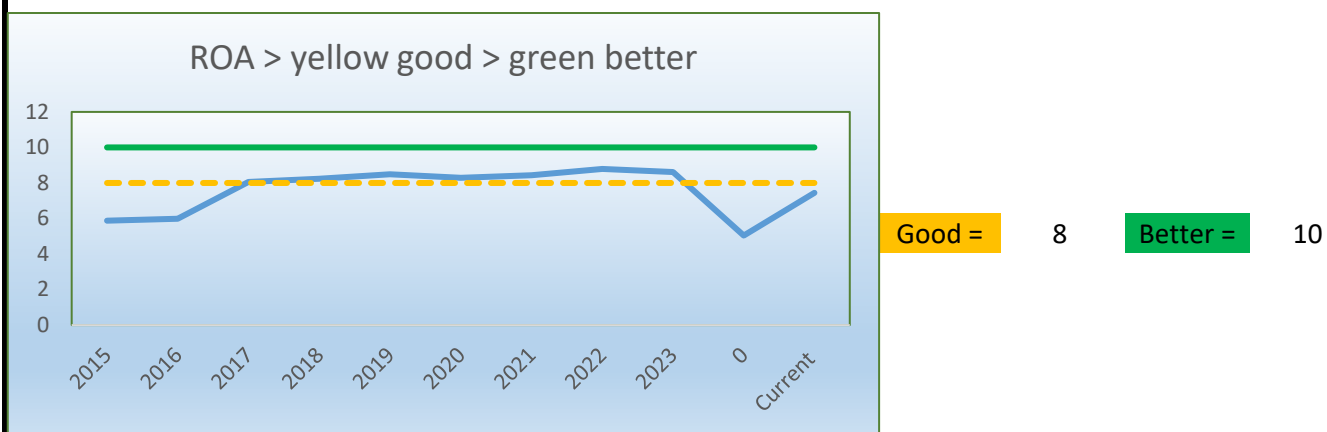
Financial ratios criteria below are considered for non-financial companies only!

Return on assets (ROA): above 8% is good, above 10% is better

Morningstar > Quote > Key Metrics > Profitability and Efficiency

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
5.88	5.99	8.06	8.23	8.49	8.30	8.44	8.79	8.62	5.04	7.44

Return on assets (ROA): Net income divided by total assets expressed as a percentage

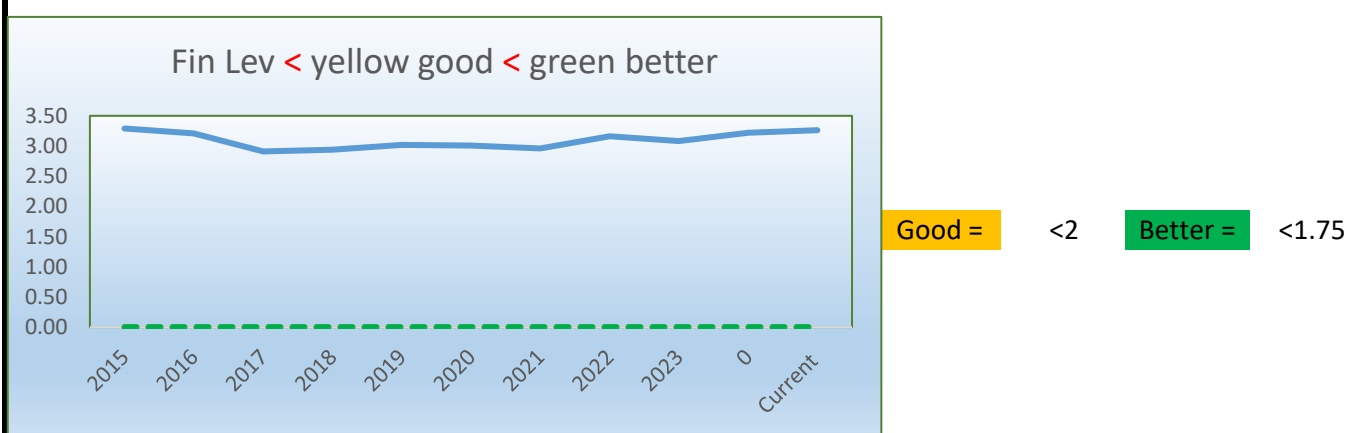


Financial Leverage: lower than 2.0 is good, lower than 1.75 is better

Morningstar > Quote > Key Metrics > Financial Health

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Current
3.29	3.21	2.91	2.94	3.02	3.01	2.96	3.16	3.08	3.22	3.26

Financial Leverage: total assets divided by total shareholder's equity



Checklist inspired by Ron Mauer's Return-on-Equity online presentation, June 29, 2023.

Adapted by Bakul Lalla for presentation at Golden West's Annual Meeting, June 21, 2025.

Edited for printing by Jayne DonVito, July 6, 2025.