



Company	Ticker	Sector	Industry
Aflac Incorporated	AFL-US	Financials	Insurance

Business Description

Aflac, Inc. is a holding company. engages in the provision of financial protection services. It operates through the followings segments: Aflac Japan and Aflac United States (U.S.). The Aflac Japan segment offers life insurance, death benefits, and cash surrender values. The Aflac U.S. segment sells voluntary supplemental insurance products for people who already have major medical or primary insurance coverage. The company was founded by John Amos, Daniel Paul Amos, and William Amos on November 17, 1955 and is headquartered in Columbus, GA.

Price Chart

Key Info & Metrics



Empirical Research Rank:	2
Date Purchased:	05/04/2022
Price:	\$64.46
52-Week Range:	\$53.01 - \$73.84
Dividend Yield:	2.51%
Market Cap (\$M):	\$39,463
Forward Price-to-Earnings:	11
Total Return	
Year-to-Date:	-9.9%
1 Year:	3.7%
3 Year:	115.1%
5 Year:	66.5%

Investment Case - Updated: November 6, 2022

Aflac is a market leader in niche insurance products in Japan (75% of earnings) such as cancer and supplemental medical. An aging population and pressure on government finances has led to increased demand for supplemental insurance in Japan. Although competition is increasing in Japan, Aflac benefits from strong brand recognition and a distribution partnership with Japan Post. Its faster growing U.S. segment (25% of earnings) is benefitting from lower penetration of supplemental insurance as well as several recent acquisitions in dental/vision and life/disability. Aflac is clearly in growth mode in the U.S., which offsets the slower pace of growth in the more mature Japanese market. Aflac's niche focus has led to strong profitability vs. its peers, with return on equity in the mid-teens in recent years. This is also a capital return story, as Aflac generates strong free cash flow, has raised the dividend for 39 consecutive years, and has been active in share buybacks. It has a conservative and well-diversified investment portfolio, with the majority of assets rated investment-grade. Given its quality traits, Aflac is a good defensive holding during periods of market volatility.

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