

ModernGraham Valuation

Company Name:

Company Ticker HIG
Date of Analysis

Hartford Financial
Services Group Inc

8/7/2016



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$15,849,439,619	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-427.99%	Fail
5. Moderate PEmg Ratio	PEmg < 20	16.47	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.87	Pass

Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.

1. Earnings Stability	Positive EPS for 5 years prior		Fail
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	2.47
MG Growth Estimate	15.00%
MG Value	\$95.04
MG Value based on 3% Growth	\$35.80
MG Value based on 0% Growth	\$20.98
Market Implied Growth Rate	3.98%

MG Opinion

Current Price	\$40.65
% of Intrinsic Value	42.77%
Opinion	Undervalued
MG Grade	C

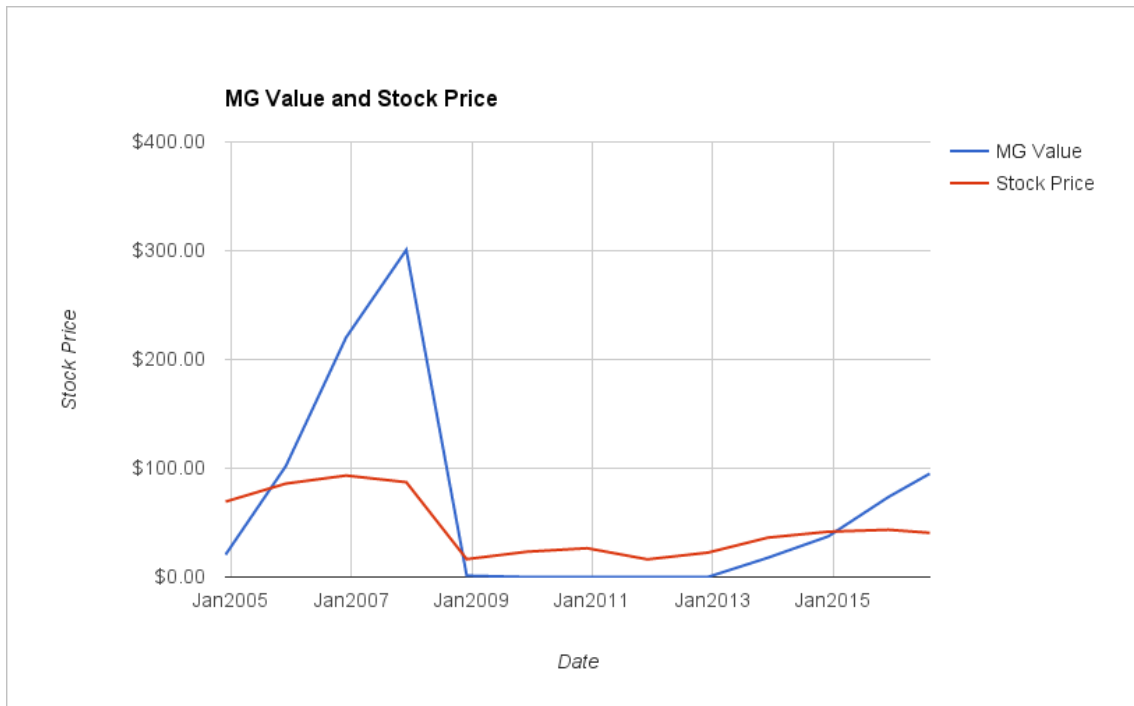
Stage 3: Information for Further Research

Graham Number	\$57.77
PEmg	16.47
PB Ratio	0.87
Dividend Yield	2.07%
Number of Consecutive Years of Dividend Growth	4

Useful Links:

ModernGraham tagged articles	Morningstar
Google Finance	MSN Money
Yahoo Finance	Seeking Alpha
GuruFocus	SEC Filings

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.10	Next Fiscal Year Estimate	\$2.47
Dec2015	\$3.96	Dec2015	\$1.91
Dec2014	\$1.73	Dec2014	\$0.97
Dec2013	\$0.34	Dec2013	\$0.46
Dec2012	-\$0.18	Dec2012	-\$0.21
Dec2011	\$1.30	Dec2011	-\$0.07
Dec2010	\$2.49	Dec2010	\$0.06
Dec2009	-\$2.93	Dec2009	\$0.13
Dec2008	-\$8.99	Dec2008	\$2.67
Dec2007	\$9.24	Dec2007	\$7.81
Dec2006	\$8.69	Dec2006	\$6.53
Dec2005	\$7.44	Dec2005	\$4.98
Dec2004	\$7.12	Dec2004	\$3.65
Dec2003	-\$0.33	Dec2003	\$2.20
Dec2002	\$3.97	Dec2002	\$3.54
Dec2001	\$2.10	Dec2001	\$3.56
Dec2000	\$4.34	Dec2000	\$4.03
Dec1999	\$3.79	Balance Sheet Information 6/1/2016	
Dec1998	\$4.30	Long-Term Debt & Capital Lease Obligation	\$4,634,000,000
Dec1997	\$5.58	Total Assets	\$227,616,000,000
Dec1996	-\$0.42	Intangible Assets	\$498,000,000
		Total Liabilities	\$209,057,000,000
		Shares Outstanding (Diluted Average)	398,600,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

Recommended Reading:

Other ModernGraham posts about the company

- [Hartford Financial Services Analysis – 2015 Annual Update \\$HIG](#)
- [15 Companies in the Spotlight This Week – 5/31/14](#)
- [Hartford Financial Services 2014 Annual Valuation \\$HIG](#)

Other ModernGraham posts about related companies

- [MetLife Inc Valuation – August 2016 \\$MET](#)
- [Genworth Financial Inc Valuation – August 2016 \\$GNW](#)
- [Aetna Inc Valuation – July 2016 \\$AET](#)
- [XL Group Ltd Valuation – July 2016 \\$XL](#)
- [Marsh & McLennan Companies Inc Valuation – July 2016 \\$MMC](#)
- [Cigna Corp Valuation – July 2016 \\$CI](#)
- [Progressive Corporation Valuation – June 2016 \\$PGR](#)
- [Cincinnati Financial Corporation Valuation – May 2016 \\$CINF](#)
- [Lincoln National Corporation Valuation – May 2016 \\$LNC](#)
- [Allstate Corporation Valuation – May 2016 \\$ALL](#)