

ModernGraham Valuation

Company Name:

Principal Financial Group Inc

Company Ticker PFG

Date of Analysis

8/11/2015

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

Defensive Investor

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	Pass
2. Earnings Stability	Positive EPS for 10 years prior	Pass
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	Fail
5. Moderate PEmg Ratio	PEmg < 20	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	Pass

Enterprising Investor

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

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	3.48
MG Growth Estimate	11.30%
MG Value	\$108.33
MG Value based on 3% Growth	\$50.52
MG Value based on 0% Growth	\$29.61
Market Implied Growth Rate	3.79%

MG Opinion

Current Price	\$56.04
% of Intrinsic Value	51.73%
Opinion	Undervalued

Stage 3: Information for Further Research

PEmg	16.08
PB Ratio	1.73
Dividend Yield	2.53%
Number of Consecutive Years of Dividend Growth	7

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	\$4.34	Next Fiscal Year Estimate	\$3.48
Dec14	\$3.65	Dec14	\$2.91
Dec13	\$2.95	Dec13	\$2.45
Dec12	\$2.58	Dec12	\$2.14
Dec11	\$1.95	Dec11	\$1.99
Dec10	\$1.95	Dec10	\$2.16
Dec09	\$1.97	Dec09	\$2.42
Dec08	\$1.63	Dec08	\$2.70
Dec07	\$3.09	Dec07	\$3.15
Dec06	\$3.74	Dec06	\$2.93
Dec05	\$3.11	Dec05	\$2.31
Dec04	\$2.62	Dec04	\$1.70
Dec03	\$2.28	Dec03	#VALUE!
Dec02	\$0.41	Dec02	#VALUE!
Dec01	\$0.99	Dec01	#VALUE!
Dec00	\$0.00	Dec00	#VALUE!
Dec99	-	Dec99	#VALUE!
Dec98	-	Balance Sheet Information Jun15	
Dec97	-	Long-Term Debt	\$3,315,900,000
Dec96	-	Total Assets	\$222,270,700,000
Dec95	-	Intangible Assets	\$2,239,500,000
		Total Liabilities	\$212,577,300,000
		Shares Outstanding (Diluted Average)	298,400,000



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.