

# ModernGraham Valuation

## Company Name:

Lincoln National  
Corporation

Company Ticker LNC  
Date of Analysis

11/13/2015



## 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	\$13,424,068,031	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	52.66%	Pass
5. Moderate PEmg Ratio	PEmg < 20	11.67	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.95	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	Pass
2. Dividend Record	Currently Pays Dividend	Pass
3. Earnings Growth	EPSmg greater than 5 years ago	Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	4.65
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$179.03</b>
MG Value based on 3% Growth	\$67.43
MG Value based on 0% Growth	\$39.53
Market Implied Growth Rate	1.59%

### MG Opinion

Current Price	\$54.27
% of Intrinsic Value	30.31%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

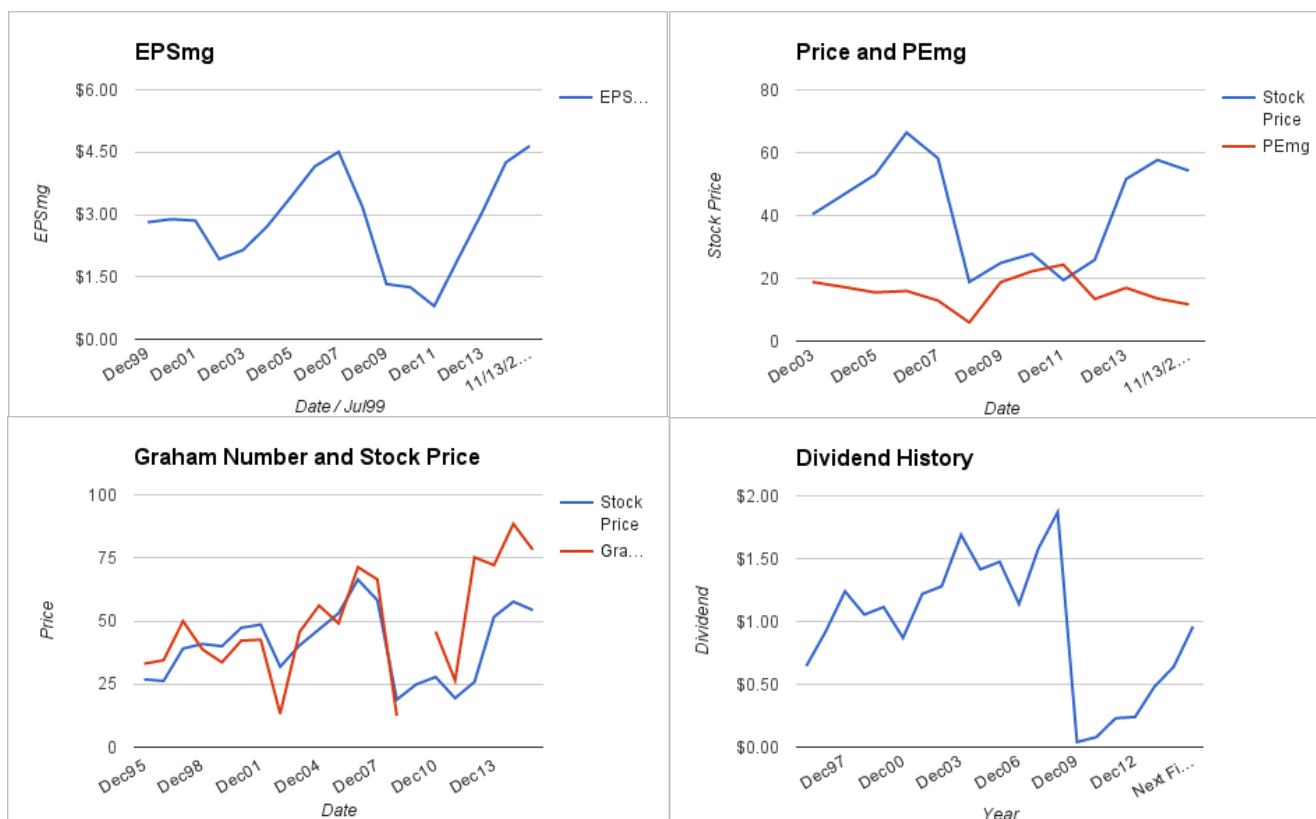
Graham Number	\$78.23
PEmg	11.67
PB Ratio	0.95
Dividend Yield	1.77%
Number of Consecutive Years of Dividend Growth	6

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$4.74	Next Fiscal Year Estimate	\$4.65
Dec14	\$5.67	Dec14	\$4.25
Dec13	\$4.52	Dec13	\$3.04
Dec12	\$4.56	Dec12	\$1.93
Dec11	\$0.69	Dec11	\$0.80
Dec10	\$2.30	Dec10	\$1.25
Dec09	-\$1.85	Dec09	\$1.33
Dec08	\$0.22	Dec08	\$3.17
Dec07	\$4.43	Dec07	\$4.51
Dec06	\$5.13	Dec06	\$4.16
Dec05	\$4.72	Dec05	\$3.42
Dec04	\$3.95	Dec04	\$2.71
Dec03	\$2.85	Dec03	\$2.15
Dec02	\$0.26	Dec02	\$1.93
Dec01	\$2.85	Dec01	\$2.85
Dec00	\$3.03	Dec00	\$2.89
Dec99	\$2.30	Dec99	\$2.81
Dec98	\$2.51	<b>Balance Sheet Information                      Sep15</b>	
Dec97	\$4.49	Long-Term Debt	\$5,604,000,000
Dec96	\$2.44	Total Assets	\$249,532,000,000
Dec95	\$2.32	Intangible Assets	\$2,273,000,000
		Total Liabilities	\$235,131,000,000
		Shares Outstanding (Diluted Average)	253,211,000





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

[10 Most Undervalued Companies for the Enterprising Investor – November 2015](#)

[10 Companies Benjamin Graham Would Invest In Today – November 2015](#)

[10 Most Undervalued Companies for the Enterprising Investor – October 2015](#)

[5 Undervalued Companies for Value Investors with a High Beta – October 2015](#)

[The Best Stocks of the Financial Services Industry – September 2015](#)

Other  
ModernGraham  
posts about related  
companies

[Unum Group Valuation – November 2015 Update \\$UNM](#)

[Principal Financial Group Valuation – November 2015 Update \\$PFG](#)

[Assurant Inc. Valuation – November 2015 Update \\$AIZ](#)

[American International Group Inc. Valuation – November 2015 Update \\$AIG](#)

[Cincinnati Financial Corp Valuation – November 2015 Update \\$CINF](#)

[American Financial Group Inc. Valuation – November 2015 Update \\$AFG](#)

[Loews Corporation Valuation – November 2015 Update \\$L](#)

[Allstate Corporation Valuation – October 2015 Update \\$ALL](#)

[Humana Inc. Valuation – October 2015 Update \\$HUM](#)

[Torchmark Corporation Valuation – October 2015 Update \\$TMK](#)