

ModernGraham Valuation

Cincinnati Financial
Corporation



Company Name:

Company Ticker CINP

Date of Analysis

5/21/2016

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	\$11,184,155,321	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	-3.22%	Fail
5. Moderate PEmg Ratio	PEmg < 20	21.22	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.68	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	\$3.21
MG Growth Estimate	7.74%
MG Value	\$76.98
MG Value based on 3% Growth	\$46.56
MG Value based on 0% Growth	\$27.30
Market Implied Growth Rate	6.36%

MG Opinion

Current Price	\$68.16
% of Intrinsic Value	88.54%
Opinion	Fairly Valued
MG Grade	B

Stage 3: Information for Further Research

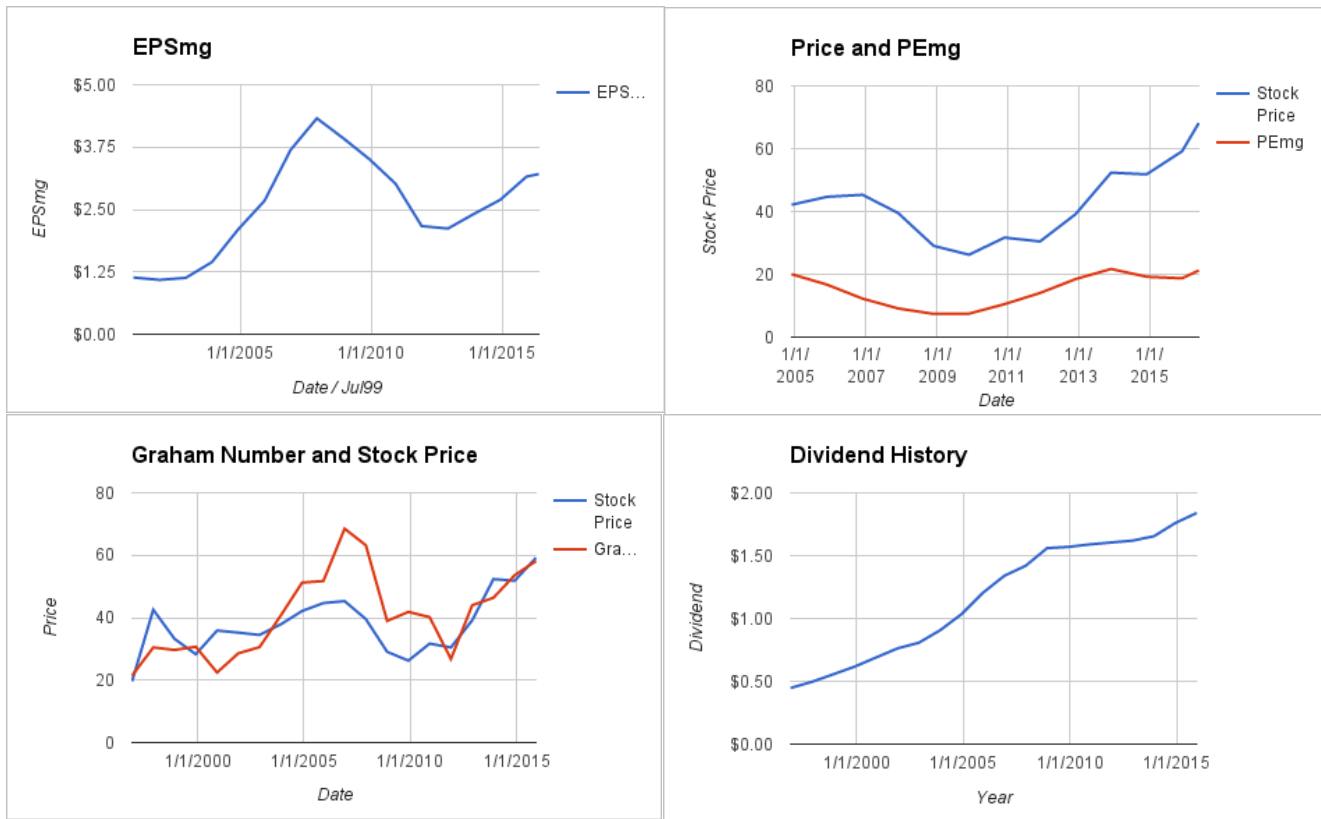
Graham Number	\$51.70
PEmg	21.22
PB Ratio	1.68
Current Dividend	\$1.86
Dividend Yield	2.73%
Number of Consecutive Years of Dividend Growth	20

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	\$2.90	Next Fiscal Year Estimate	\$3.21
12/1/2015	\$3.83	12/1/2015	\$3.16
12/1/2014	\$3.18	12/1/2014	\$2.70
12/1/2013	\$3.12	12/1/2013	\$2.41
12/1/2012	\$2.57	12/1/2012	\$2.12
12/1/2011	\$1.02	12/1/2011	\$2.17
12/1/2010	\$2.31	12/1/2010	\$3.02
12/1/2009	\$2.65	12/1/2009	\$3.51
12/1/2008	\$2.62	12/1/2008	\$3.93
12/1/2007	\$4.97	12/1/2007	\$4.33
12/1/2006	\$5.30	12/1/2006	\$3.70
12/1/2005	\$3.40	12/1/2005	\$2.67
12/1/2004	\$3.28	12/1/2004	\$2.10
12/1/2003	\$2.10	12/1/2003	\$1.45
12/1/2002	\$1.32	12/1/2002	\$1.13
12/1/2001	\$1.08	12/1/2001	\$1.09
12/1/2000	\$0.66	12/1/2000	\$1.14
12/1/1999	\$1.38	Balance Sheet Information 3/1/2016	
12/1/1998	\$1.28	Long-term Debt	\$860,000,000
12/1/1997	\$1.61	Total Assets	\$19,447,000,000
12/1/1996	\$1.19	Intangible Assets	\$0
		Total Liabilities	\$12,712,000,000
		Shares Outstanding (Diluted Average)	166,000,000





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

- [Dividend Growth Stocks for Intelligent Investors – February 2016](#)
- [Dividend Growth Stocks for Intelligent Investors – February 2016](#)
- [12 Best Stocks For Value Investors This Week – 11/7/15](#)
- [Cincinnati Financial Corp Valuation – November 2015 Update \\$CINF](#)
- [Cincinnati Financial Corp Valuation – November 2015 Update \\$CINF](#)

Other
ModernGraham
posts about related
companies

- [Lincoln National Corporation Valuation – May 2016 \\$LNC](#)
- [Allstate Corporation Valuation – May 2016 \\$ALL](#)
- [The Travelers Companies Valuation – May 2016 \\$TRV](#)
- [Unum Group Valuation – March 2016 \\$UNM](#)
- [Principal Financial Group Inc Valuation – March 2016 \\$PFG](#)
- [Assurant Inc Valuation – February 2016 \\$AIZ](#)
- [American International Group Inc Stock Valuation – February 2016 \\$AIG](#)
- [Chubb Ltd Stock Valuation – February 2016 \\$CB](#)
- [Humana Inc Stock Valuation – February 2016 \\$HUM](#)
- [Prudential Financial Inc Valuation – February 2016 \\$PRU](#)