

# ModernGraham Valuation



## Company Name:

Lincoln National Corporation

Company Ticker LNC  
Date of Analysis

5/19/2016

## 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	\$10,807,010,723	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	468.93%	Pass
5. Moderate PEmg Ratio	PEmg < 20	8.73	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.75	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	\$5.16
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$198.66</b>
MG Value based on 3% Growth	\$74.82
MG Value based on 0% Growth	\$43.86
Market Implied Growth Rate	0.12%

### MG Opinion

Current Price	\$45.07
% of Intrinsic Value	22.69%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>A-</b>

## Stage 3: Information for Further Research

Graham Number	\$89.07
PEmg	8.73
PB Ratio	0.75
Current Dividend	\$1.10
Dividend Yield	2.44%
Number of Consecutive Years of Dividend Growth	7

### 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	\$5.75	Next Fiscal Year Estimate	\$5.16
12/1/2015	\$4.51	12/1/2015	\$4.59
12/1/2014	\$5.67	12/1/2014	\$4.30
12/1/2013	\$4.52	12/1/2013	\$3.12
12/1/2012	\$4.56	12/1/2012	\$2.04
12/1/2011	\$0.92	12/1/2011	\$0.94
12/1/2010	\$2.54	12/1/2010	\$1.33
12/1/2009	-\$1.85	12/1/2009	\$1.33
12/1/2008	\$0.22	12/1/2008	\$3.17
12/1/2007	\$4.43	12/1/2007	\$4.51
12/1/2006	\$5.13	12/1/2006	\$4.17
12/1/2005	\$4.72	12/1/2005	\$3.47
12/1/2004	\$3.95	12/1/2004	\$2.79
12/1/2003	\$2.85	12/1/2003	\$2.27
12/1/2002	\$0.49	12/1/2002	\$2.09
12/1/2001	\$3.05	12/1/2001	\$2.96
12/1/2000	\$3.19	12/1/2000	\$2.94
12/1/1999	\$2.30	<b>Balance Sheet Information 3/1/2016</b>	
12/1/1998	\$2.51	Long-term Debt	\$5,650,000,000
12/1/1997	\$4.49	Total Assets	\$255,718,000,000
12/1/1996	\$2.46	Intangible Assets	\$11,257,000,000
		Total Liabilities	\$241,060,000,000
		Shares Outstanding (Diluted Average)	245,100,000





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 Low PE Stocks for the Enterprising Investor – May 2016](#)
- [10 Companies Benjamin Graham Would Invest In Today – March 2016](#)
- [Stocks Trading Below Their Graham Number – March 2016](#)
- [Stocks Trading Below Their Graham Number – February 2016](#)
- [10 Most Undervalued Companies for the Enterprising Investor – February 2016](#)

Other ModernGraham posts about related companies

- [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](#)
- [Anthem Inc Valuation – February 2016 \\$ANTM](#)