

ModernGraham Valuation

Company Name:

Company Ticker PFG
Date of Analysis

Principal Financial
Group Inc

8/29/2016



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	\$14,208,961,402	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	44.99%	Pass
5. Moderate PEmg Ratio	PEmg < 20	16.15	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.37	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	Yes
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	3.04
MG Growth Estimate	6.41%
MG Value	\$64.85
MG Value based on 3% Growth	\$44.10
MG Value based on 0% Growth	\$25.85
Market Implied Growth Rate	3.83%

MG Opinion

Current Price	\$49.13
% of Intrinsic Value	75.76%
Opinion	Fairly Valued
MG Grade	B-

Stage 3: Information for Further Research

Graham Number	\$40.40
PEmg	16.15
PB Ratio	1.37
Dividend Yield	3.11%
Number of Consecutive Years of Dividend Growth	8

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	\$1.99	Next Fiscal Year Estimate	\$3.04
Dec2015	\$4.06	Dec2015	\$3.39
Dec2014	\$3.65	Dec2014	\$2.90
Dec2013	\$2.95	Dec2013	\$2.44
Dec2012	\$2.58	Dec2012	\$2.13
Dec2011	\$1.91	Dec2011	\$1.97
Dec2010	\$1.95	Dec2010	\$2.16
Dec2009	\$1.97	Dec2009	\$2.42
Dec2008	\$1.63	Dec2008	\$2.70
Dec2007	\$3.09	Dec2007	\$3.15
Dec2006	\$3.74	Dec2006	\$2.93
Dec2005	\$3.11	Dec2005	\$2.31
Dec2004	\$2.62	Dec2004	\$1.70
Dec2003	\$2.28	Dec2003	\$1.07
Dec2002	\$0.41	Dec2002	\$0.40
Dec2001	\$0.99	Dec2001	\$0.33
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information 6/1/2016	
Dec1998	\$0.00	Long-Term Debt & Capital Lease Obligation	\$3,270,200,000
Dec1997	\$0.00	Total Assets	\$223,074,200,000
Dec1996	\$0.00	Intangible Assets	\$2,395,700,000
		Total Liabilities	\$212,574,500,000
		Shares Outstanding (Diluted Average)	292,600,000





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:

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company

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[10 Undervalued Companies for the Defensive Dividend Stock Investor – July 2016](#)

[10 Most Undervalued Companies for the Defensive Investor – July 2016](#)

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