

ModernGraham Valuation

Company Name:

Company Ticker

HIG

Date of Analysis

12/20/2016

Hartford Financial
Services Group Inc



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	\$18,203,537,457	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-435.45%	Fail
4. Earnings Growth	PEmg < 20	18.91	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.00	Pass
6. Moderate Price to Assets			

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		Fail
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	2.54
MG Growth Estimate	15.00%
MG Value	\$97.74
MG Value based on 3% Growth	\$36.81
MG Value based on 0% Growth	\$21.58
Market Implied Growth Rate	5.21%

MG Opinion

Current Price	\$48.01
% of Intrinsic Value	49.12%
Opinion	Undervalued
MG Grade	D+

Stage 3: Information for Further Research

Graham Number	\$60.41
PEmg	18.91
PB Ratio	1.00
Dividend Yield	1.75%
Number of Consecutive Years of Dividend Growth	4

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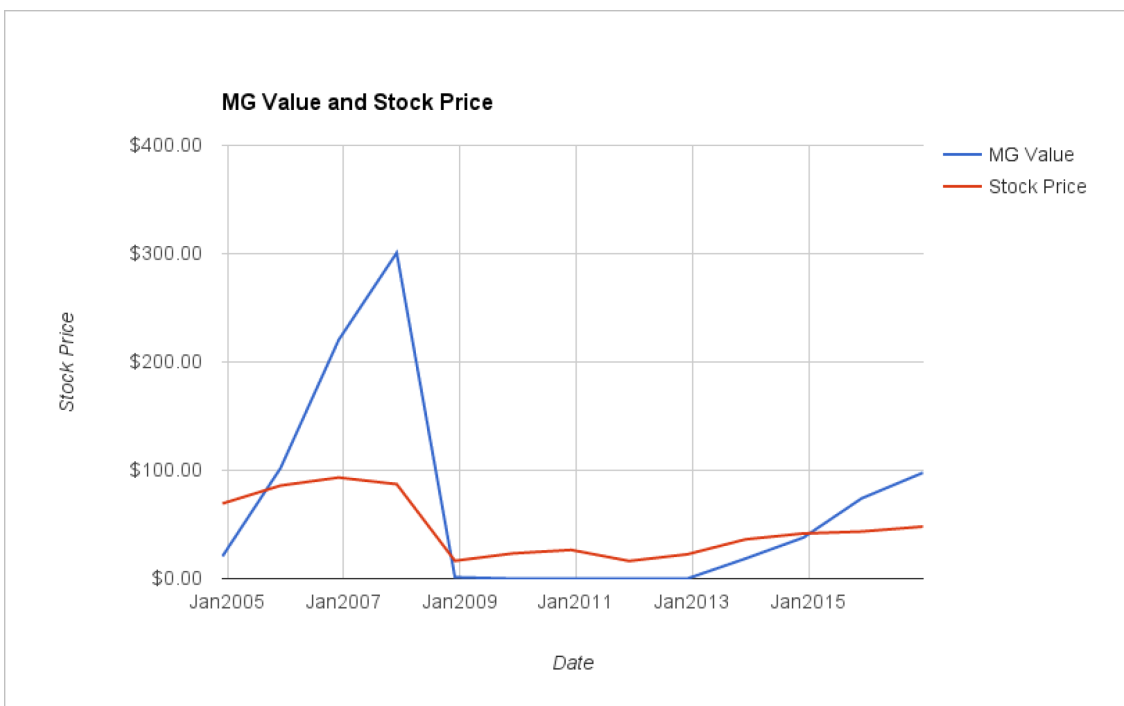
[Morningstar](#)

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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$3.30	Next Fiscal Year Estimate	\$2.54
Dec2015	\$3.96	Dec2015	\$1.92
Dec2014	\$1.73	Dec2014	\$0.99
Dec2013	\$0.36	Dec2013	\$0.48
Dec2012	-\$0.17	Dec2012	-\$0.19
Dec2011	\$1.40	Dec2011	-\$0.06
Dec2010	\$2.40	Dec2010	\$0.03
Dec2009	-\$2.93	Dec2009	\$0.13
Dec2008	-\$8.99	Dec2008	\$2.67
Dec2007	\$9.24	Dec2007	\$7.81
Dec2006	\$8.69	Dec2006	\$6.53
Dec2005	\$7.44	Dec2005	\$4.98
Dec2004	\$7.12	Dec2004	\$3.65
Dec2003	-\$0.33	Dec2003	\$2.20
Dec2002	\$3.97	Dec2002	\$3.54
Dec2001	\$2.10	Dec2001	\$3.56
Dec2000	\$4.34	Dec2000	\$4.03
Dec1999	\$3.79	Balance Sheet Information 9/1/2016	
Dec1998	\$4.30	Long-Term Debt & Capital Lease Obligation	\$4,635,000,000
Dec1997	\$5.58	Total Assets	\$228,430,000,000
Dec1996	-\$0.42	Intangible Assets	\$567,000,000
		Total Liabilities	\$209,772,000,000
		Shares Outstanding (Diluted Average)	390,500,000





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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[15 Companies in the Spotlight This Week – 5/31/14](#)
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[Assurant Inc Valuation – August 2016 \\$AIZ](#)
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