ModernGraham Valuation

Company Name:

Infinity Property and Casualty Corp.



Company Ticker IPCC

Date of Analysis 12/22/2016

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	\$982,855,480 Fail
2. Earnings Stability	Positive EPS for 10 years prior	Pass
3. Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at	
Earnings Growth	beginning and end	17.08% Fail

4. Earnings Growth beginning and end 17.08% Fall
5. Moderate PEmg Ratio PEmg < 20 25.33 Fail
6. Moderate Price to Assets PB Ratio < 2.5 OR PB*PEmg < 50 1.41 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
 Fail

Suitability

Defensive No Enterprising No

Stage 2: Determination of Intrinsic Value

EPSmg	3.53
MG Growth Estimate	-0.79%
MG Value	\$24.40
MG Value based on 3% Growth	\$51.12
MG Value based on 0% Growth	\$29.97
Market Implied Growth Rate	8.42%

MG Opinion

 Current Price
 \$89.30

 % of Intrinsic Value
 366.06%

Opinion Overvalued

MG Grade D

Stage 3: Information for Further Research

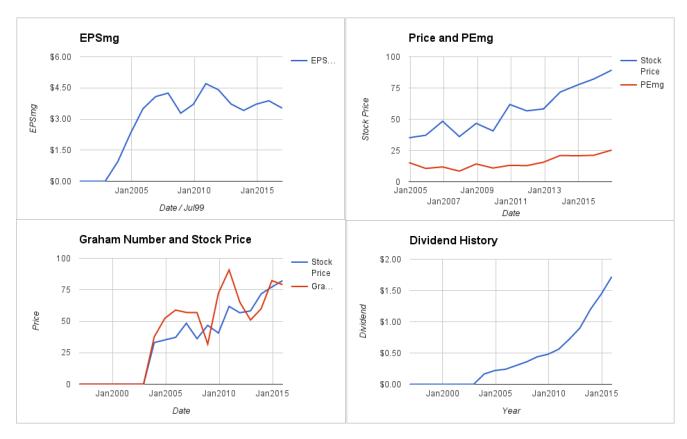
Graham Number	\$59.43
PEmg	25.33
PB Ratio	1.41
Dividend Yield	2.23%
Number of Consecutive Years of Dividend	14

Useful Links: <u>ModernGraham tagged articles</u> <u>Morningstar</u>

Google Finance MSN Money
Yahoo Finance Seeking Alpha
GuruFocus SEC Filings

EPS History		EPSmg History	
Next Fiscal Year			
Estimate	\$2.47	Next Fiscal Year Estimate	\$3.53
Dec2015	\$4.51	Dec2015	\$3.88
Dec2014	\$4.95	Dec2014	\$3.71
Dec2013	\$2.80	Dec2013	\$3.41
Dec2012	\$2.04	Dec2012	\$3.72
Dec2011	\$3.37	Dec2011	\$4.41
Dec2010	\$6.91	Dec2010	\$4.71
Dec2009	\$5.09	Dec2009	\$3.71
Dec2008	\$1.23	Dec2008	\$3.28
Dec2007	\$3.87	Dec2007	\$4.25
Dec2006	\$4.26	Dec2006	\$4.08
Dec2005	\$5.09	Dec2005	\$3.49
Dec2004	\$4.62	Dec2004	\$2.29
Dec2003	\$2.83	Dec2003	\$0.94
Dec2002	\$0.00	Dec2002	\$0.00
Dec2001	\$0.00	Dec2001	\$0.00
Dec2000	\$0.00	Dec2000	\$0.00
Dec1999	\$0.00	Balance Sheet Information	9/1/2016
		Long-Term Debt & Capital Lease	
Dec1998		Obligation	\$273,538,000
Dec1997	\$0.00	Total Assets	\$2,460,217,000
Dec1996	\$0.00	Intangible Assets	\$75,275,000
		Total Liabilities	\$1,757,416,000
		Shares Outstanding (Diluted Average)	11,084,000





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 #N/A

Other ModernGraham posts about related companies

<u>Hartford Financial Services Group Inc Valuation – December 2016 \$HIG</u>

AFLAC Inc Valuation – December 2016 \$AFL

Arthur J Gallagher & Co Valuation – December 2016 \$AJG

Aspen Insurance Holdings Limited Valuation – December 2016 \$AHL

MetLife Inc Valuation – December 2016 \$MET

<u>Travelers Companies Inc Valuation – November 2016 \$TRV</u>

Allstate Corp Valuation - November 2016 \$ALL

<u>Unum Group Valuation – August 2016 \$UNM</u>

Principal Financial Group Inc Valuation – August 2016 \$PFG

Assurant Inc Valuation - August 2016 \$AIZ