

ModernGraham Valuation

Company Name:

Company Ticker IPCC

Date of Analysis

12/22/2016

Infinity Property and
Casualty Corp.



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 beginning and end	17.08%	Fail
4. Earnings Growth	PEmg < 20	25.33	Fail
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.41	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	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 Growth	14

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	\$2.47	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 Obligation	\$273,538,000
Dec1998	\$0.00	Total Assets	\$2,460,217,000
Dec1997	\$0.00	Intangible Assets	\$75,275,000
Dec1996	\$0.00	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

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[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](#)
[Travelers Companies Inc Valuation – November 2016 \\$TRV](#)
[Allstate Corp Valuation – November 2016 \\$ALL](#)
[Unum Group Valuation – August 2016 \\$UNM](#)
[Principal Financial Group Inc Valuation – August 2016 \\$PFG](#)
[Assurant Inc Valuation – August 2016 \\$AIZ](#)