

ModernGraham Valuation

Company Name:

Kemper Corp

Company Ticker

KMPR

Date of Analysis

2/13/2017



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	\$2,375,362,264	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	1580.25%	Pass
4. Earnings Growth	PEmg < 20	10.53	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.35	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		Pass

Suitability

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	4.25
MG Growth Estimate	13.20%
MG Value	\$148.41
MG Value based on 3% Growth	\$61.67
MG Value based on 0% Growth	\$36.15
Market Implied Growth Rate	1.02%

MG Opinion

Current Price	\$44.80
% of Intrinsic Value	30.19%
Opinion	Undervalued
MG Grade	C+

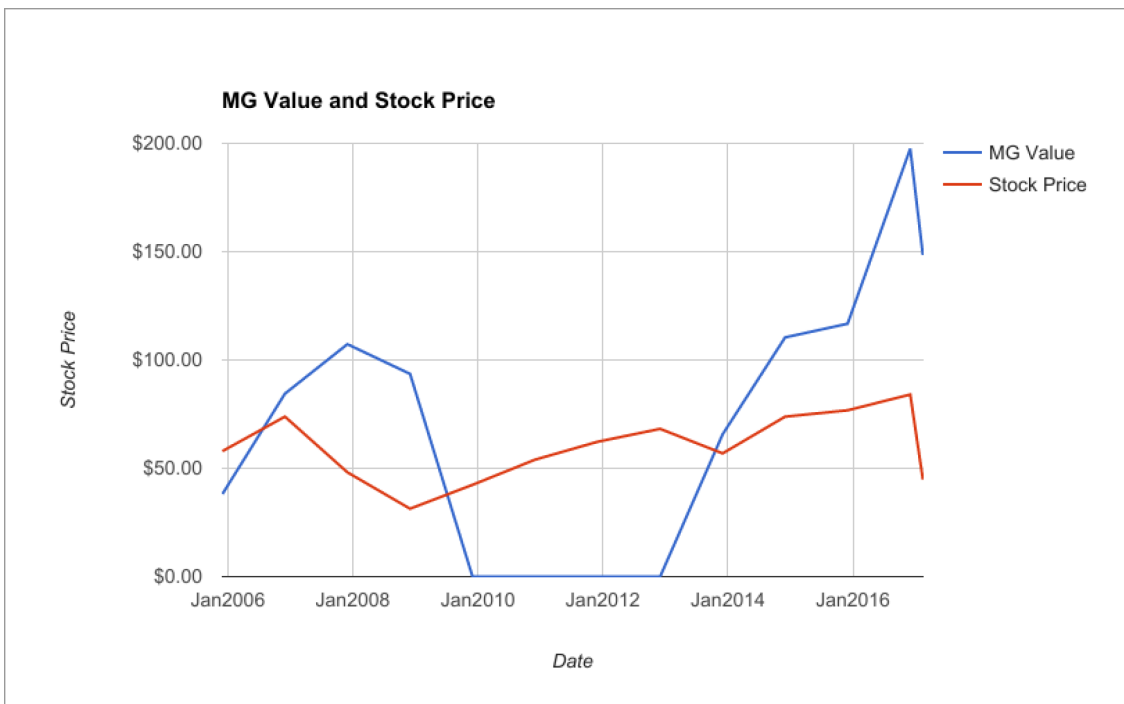
Stage 3: Information for Further Research

Graham Number	\$37.36
PEmg	10.53
PB Ratio	1.35
Dividend Yield	6.70%
Number of Consecutive Years of Dividend Growth	7

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		Next Fiscal Year Estimate	
Dec2016	\$1.80	Dec2016	\$4.25
Dec2015	\$9.05	Dec2015	\$5.13
Dec2014	\$2.76	Dec2014	\$3.03
Dec2013	\$3.27	Dec2013	\$2.87
Dec2012	\$3.78	Dec2012	\$2.26
Dec2011	\$3.30	Dec2011	\$1.32
Dec2010	\$0.66	Dec2010	\$0.49
Dec2009	\$0.33	Dec2009	\$0.75
Dec2008	-\$0.80	Dec2008	\$1.34
Dec2007	\$1.28	Dec2007	\$2.43
Dec2006	\$2.51	Dec2006	\$2.79
Dec2005	\$3.96	Dec2005	\$2.68
Dec2004	\$3.58	Dec2004	\$1.92
Dec2003	\$0.98	Dec2003	\$1.16
Dec2002	\$0.71	Dec2002	\$1.28
Dec2001	\$1.73	Dec2001	\$1.52
Dec2000	\$1.41	Dec2001	\$1.39
Dec1999	\$1.63	Balance Sheet Information 12/1/2016	
Dec1998	\$1.23	Long-Term Debt & Capital Lease Obligation	
Dec1997	\$1.12	\$2,480,588,000	
	\$1.41	Total Assets	
		\$6,028,152,000	
		Intangible Assets	
		\$0	
		Total Liabilities	
		\$3,013,279,000	
		Shares Outstanding (Diluted Average)	
		90,844,000	





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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[Anthem Inc Valuation – January 2017 \\$ANTM](#)
[American Financial Group Inc Valuation – January 2017 \\$AFG](#)
[Selective Insurance Group Valuation – Initial Coverage \\$SIGI](#)
[Berkshire Hathaway Inc Valuation – January 2017 \\$BRK.B](#)
[Infinity Property and Casualty Corp Valuation – Initial Coverage \\$IPCC](#)
[Hartford Financial Services Group Inc Valuation – December 2016 \\$HIG](#)
[AFLAC Inc Valuation – December 2016 \\$AFL](#)
[Arthur J Gallagher & Co Valuation – December 2016 \\$AJG](#)
[Aspen Insurance Holdings Limited Valuation – December 2016 \\$AHL](#)