

ModernGraham Valuation

Cincinnati Financial
Corporation



Company Name:

Company Ticker CINF

Date of Analysis

2/28/2018

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	\$12,231,884,533	Pass
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		
4. Earnings Growth		115.44%	Pass
5. Moderate PEmg Ratio	PEmg < 20	18.15	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.50	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	4.11
MG Growth Estimate	7.88%
MG Value	\$99.74
MG Value based on 3% Growth	\$59.60
MG Value based on 0% Growth	\$34.94
Market Implied Growth Rate	4.82%

MG Opinion

Current Price	\$74.59
% of Intrinsic Value	74.78%
Opinion	Undervalued
MG Grade	B+

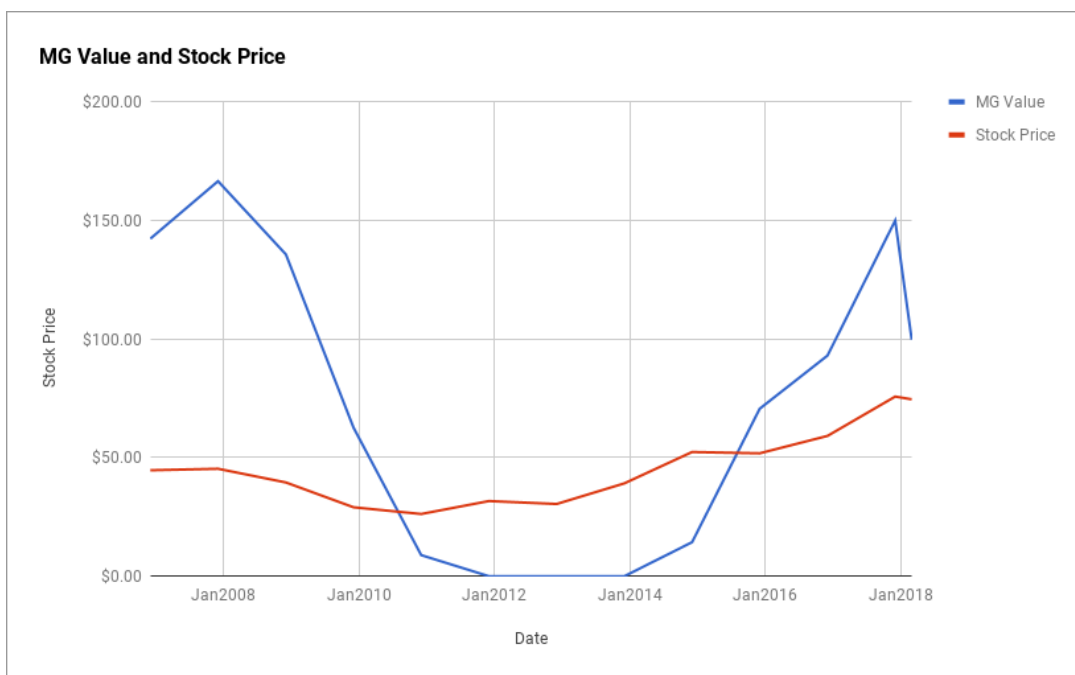
Stage 3: Information for Further Research

Graham Number	\$58.26
PEmg	18.15
PB Ratio	1.50
Dividend Yield	2.68%
Number of Consecutive Years of Dividend Growth	20

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	\$3.00	Next Fiscal Year Estimate	\$4.11
Dec2017	\$6.29	Dec2017	\$4.44
Dec2016	\$3.55	Dec2016	\$3.43
Dec2015	\$3.83	Dec2015	\$3.16
Dec2014	\$3.18	Dec2014	\$2.69
Dec2013	\$3.12	Dec2013	\$2.41
Dec2012	\$2.57	Dec2012	\$2.11
Dec2011	\$1.01	Dec2011	\$2.16
Dec2010	\$2.30	Dec2010	\$3.01
Dec2009	\$2.65	Dec2009	\$3.51
Dec2008	\$2.62	Dec2008	\$3.93
Dec2007	\$4.97	Dec2007	\$4.33
Dec2006	\$5.30	Dec2006	\$3.70
Dec2005	\$3.40	Dec2005	\$2.68
Dec2004	\$3.28	Dec2004	\$2.10
Dec2003	\$2.10	Dec2003	\$1.45
Dec2002	\$1.32	Dec2002	\$1.13
Dec2001	\$1.08	Balance Sheet Information 12/1/2017	
Dec2000	\$0.66	Long-Term Debt & Capital Lease Obligation	\$851,000,000
Dec1999	\$1.38	Total Assets	\$21,843,000,000
Dec1998	\$1.28	Intangible Assets	\$0
		Total Liabilities	\$13,600,000,000
		Shares Outstanding (Diluted Average)	165,700,000





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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[Best Dividend Paying Stocks for Dividend Growth Investors – March 2017](#)
[Best Dividend Paying Stocks for Dividend Growth Investors – February 2017](#)
[Best Dividend Paying Stocks for Dividend Growth Investors – January 2017](#)
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[Prudential Financial Inc Valuation – July 2017 \\$PRU](#)
[Assurant Inc Valuation – March 2017 \\$AIZ](#)
[American International Group Inc Valuation – March 2017 \\$AIG](#)
[Torchmark Corporation Valuation – March 2017 \\$TMK](#)
[Humana Inc Valuation – Initial Coverage \\$HUM](#)
[Chubb Ltd Valuation – March 2017 \\$CB](#)
[Stewart Information Services Corp Valuation – Initial Coverage \\$STC](#)