

# ModernGraham Valuation

Lincoln National  
Corporation



Company Name:

Company Ticker LNC

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	\$16,668,239,187	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	1878.07%	Pass
5. Moderate PEmg Ratio	PEmg < 20	10.56	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.98	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

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	7.21
MG Growth Estimate	10.43%
<b>MG Value</b>	<b>\$211.75</b>
MG Value based on 3% Growth	\$104.55
MG Value based on 0% Growth	\$61.29
Market Implied Growth Rate	1.03%

### MG Opinion

Current Price	\$76.17
% of Intrinsic Value	35.97%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

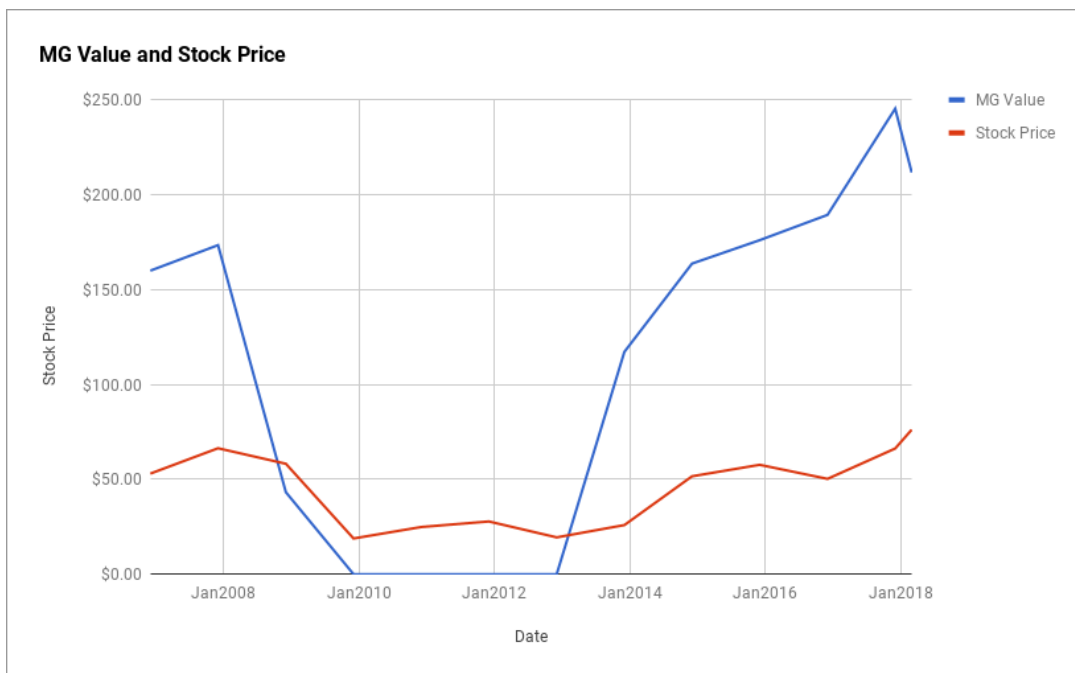
## Stage 3: Information for Further Research

Graham Number	\$121.79
PEmg	10.56
PB Ratio	0.98
Dividend Yield	1.14%
Number of Consecutive Years of Dividend Growth	0

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$8.30	Next Fiscal Year Estimate	\$7.21
Dec2017	\$9.22	Dec2017	\$6.37
Dec2016	\$5.03	Dec2016	\$4.92
Dec2015	\$4.51	Dec2015	\$4.57
Dec2014	\$5.67	Dec2014	\$4.25
Dec2013	\$4.52	Dec2013	\$3.04
Dec2012	\$4.56	Dec2012	\$1.93
Dec2011	\$0.69	Dec2011	\$0.80
Dec2010	\$2.30	Dec2010	\$1.25
Dec2009	-\$1.85	Dec2009	\$1.33
Dec2008	\$0.22	Dec2008	\$3.17
Dec2007	\$4.43	Dec2007	\$4.51
Dec2006	\$5.13	Dec2006	\$4.16
Dec2005	\$4.72	Dec2005	\$3.42
Dec2004	\$3.95	Dec2004	\$2.71
Dec2003	\$2.85	Dec2003	\$2.15
Dec2002	\$0.26	Dec2002	\$1.93
Dec2001	\$2.85		
Dec2000	\$3.03		
Dec1999	\$2.30		
Dec1998	\$2.51		
		<b>Balance Sheet Information</b>	<b>12/1/2017</b>
		Long-Term Debt & Capital Lease Obligation	\$4,894,000,000
		Total Assets	\$281,763,000,000
		Intangible Assets	\$9,771,000,000
		Total Liabilities	\$264,441,000,000
		Shares Outstanding (Diluted Average)	222,745,000





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**

- [Stocks Trading Below Their Graham Number – March 2016](#)
- [10 Most Undervalued Companies for the Enterprising Investor – February 2016](#)
- [10 Low PE Stocks for the Enterprising Investor – May 2016](#)
- [10 Companies Benjamin Graham Would Invest In Today – March 2016](#)
- [Stocks Trading Below Their Graham Number – February 2016](#)

**Other ModernGraham posts about related companies**

- [Aon PLC Valuation – February 2018 \\$AON](#)
- [Travelers Companies Inc Valuation – February 2018 \\$TRV](#)
- [Hanover Insurance Group Valuation – Initial Coverage \\$THG](#)
- [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](#)