

ModernGraham Valuation

Cincinnati Financial
Corporation



Company Name:

Company Ticker CIN F

Date of Analysis

1/1/2019

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	\$39,190,000,000	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
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	151.17%	Pass
5. Moderate PEmg Ratio	PEmg < 20	16.06	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.52	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	4.82
MG Growth Estimate	11.84%
MG Value	\$155.08
MG Value based on 3% Growth	\$69.89
MG Value based on 0% Growth	\$40.97
Market Implied Growth Rate	3.78%

MG Opinion

Current Price	\$77.42
% of Intrinsic Value	49.92%
Opinion	Undervalued
MG Grade	A

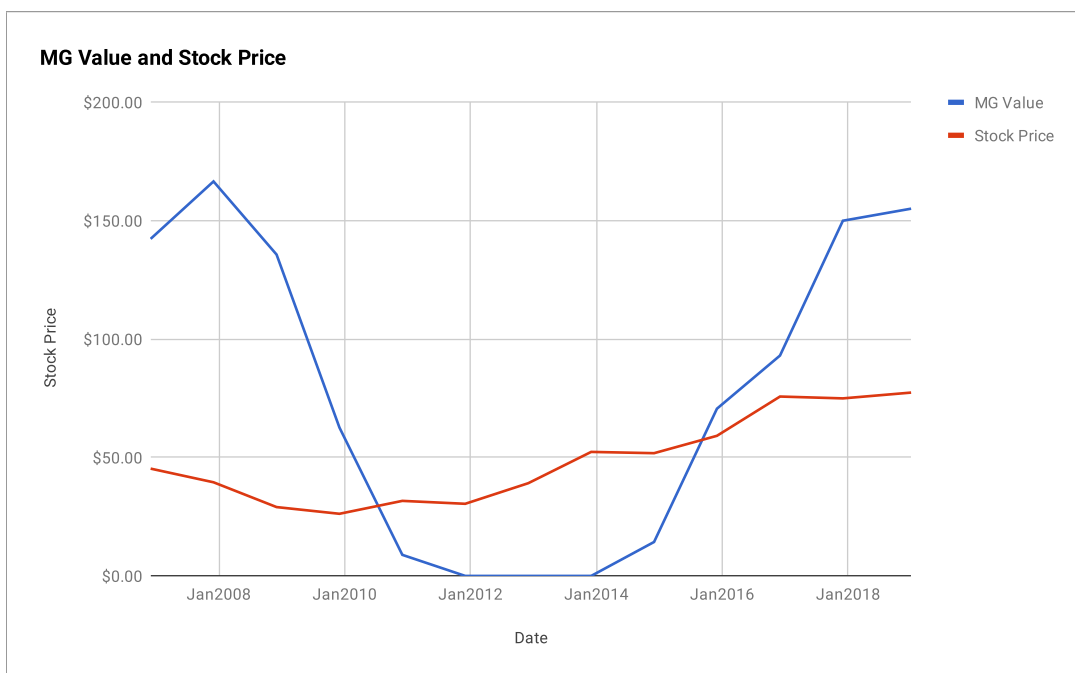
Stage 3: Information for Further Research

Graham Number	\$76.19
PEmg	16.06
PB Ratio	1.52
Dividend Yield	2.58%
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	\$5.13	Next Fiscal Year Estimate	\$4.82
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		
Dec2000	\$0.66		
Dec1999	\$1.38		
Dec1998	\$1.28		
		Balance Sheet Information	9/1/2018
		Long-Term Debt & Capital Lease Obligation	\$830,000,000
		Total Assets	\$22,480,000,000
		Intangible Assets	\$0
		Total Liabilities	\$14,146,000,000
		Shares Outstanding (Diluted Average)	164,000,000





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**
- [Best Dividend Paying Stocks for Dividend Growth Investors – August 2018](#)
 - [Best Dividend Paying Stocks for Dividend Growth Investors – June 2018](#)
 - [Best Dividend Paying Stocks for Dividend Growth Investors – April 2018](#)
 - [5 Great Stocks This Week – 3/5/18](#)
 - [Cincinnati Financial Corp Valuation – February 2018 \\$CINF](#)

- Other ModernGraham posts about related companies**
- [Aon PLC Valuation – November 2018 \\$AON](#)
 - [Travelers Companies Inc Valuation – November 2018 \\$TRV](#)
 - [Stewart Information Services Corp Valuation – August 2018 \\$STC](#)
 - [Kemper Corp Valuation – August 2018 \\$KMPR](#)
 - [CNO Financial Group Inc Valuation – August 2018 \\$CNO](#)
 - [Sun Life Financial Inc Valuation – August 2018 \\$TSE-SLF](#)
 - [American Financial Group Inc Valuation – August 2018 \\$AFG](#)
 - [Selective Insurance Group Inc Valuation – July 2018 \\$SIGI](#)
 - [Genworth Financial Inc Valuation – June 2018 \\$GNW](#)
 - [Prudential Financial Inc Valuation – June 2018 \\$PRU](#)