

ModernGraham Valuation

Lincoln National
Corporation



Company Name:

Company Ticker LNC

Date of Analysis

1/2/2019

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	\$10,979,281,905	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	1825.44%	Pass
5. Moderate PEmg Ratio	PEmg < 20	7.33	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.75	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	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	7.01
MG Growth Estimate	9.73%
MG Value	\$195.99
MG Value based on 3% Growth	\$101.65
MG Value based on 0% Growth	\$59.59
Market Implied Growth Rate	-0.58%

MG Opinion

Current Price	\$51.42
% of Intrinsic Value	26.24%
Opinion	Undervalued
MG Grade	B+

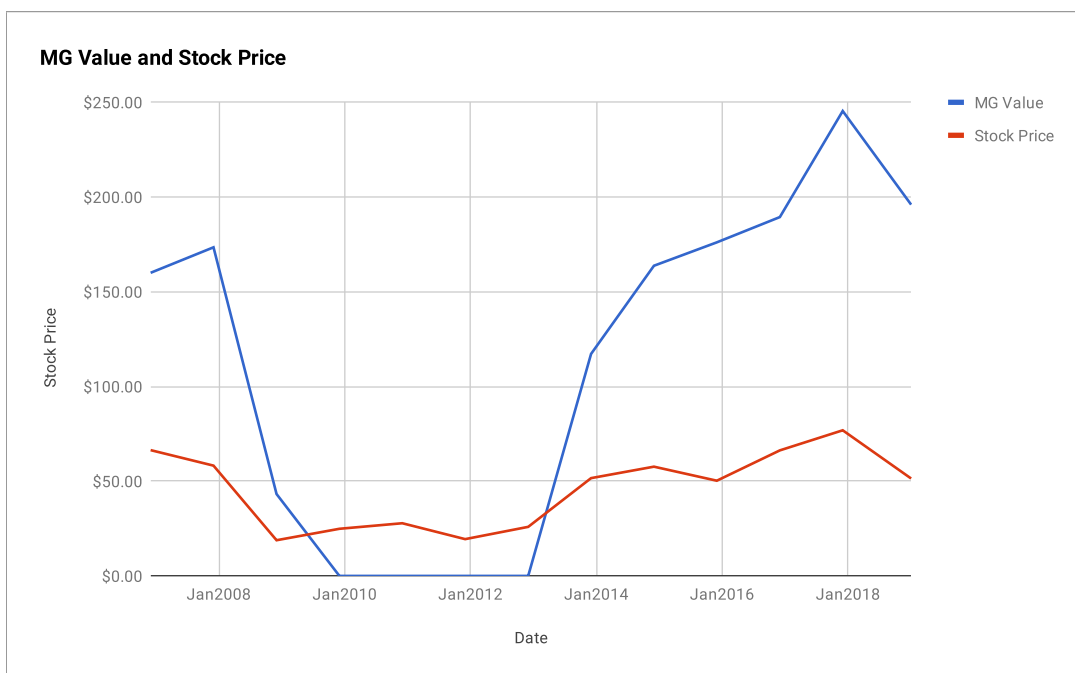
Stage 3: Information for Further Research

Graham Number	\$117.31
PEmg	7.33
PB Ratio	0.75
Dividend Yield	1.69%
Number of Consecutive Years of Dividend Growth	0

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	\$7.70	Next Fiscal Year Estimate	\$7.01
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		
		Balance Sheet Information	9/1/2018
		Long-Term Debt & Capital Lease Obligation	\$5,804,000,000
		Total Assets	\$303,850,000,000
		Intangible Assets	\$1,757,000,000
		Total Liabilities	\$288,780,000,000
		Shares Outstanding (Diluted Average)	218,469,000





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 – 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](#)