

ModernGraham Valuation

Principal Financial
Group Inc



Company Name:

Company Ticker PFG

Date of Analysis

1/6/2019

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	\$12,822,074,184	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	212.01%	Pass
5. Moderate PEmg Ratio	PEmg < 20	7.92	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.11	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	5.72
MG Growth Estimate	14.56%
MG Value	\$215.28
MG Value based on 3% Growth	\$82.98
MG Value based on 0% Growth	\$48.64
Market Implied Growth Rate	-0.29%

MG Opinion

Current Price	\$45.30
% of Intrinsic Value	21.04%
Opinion	Undervalued
MG Grade	A

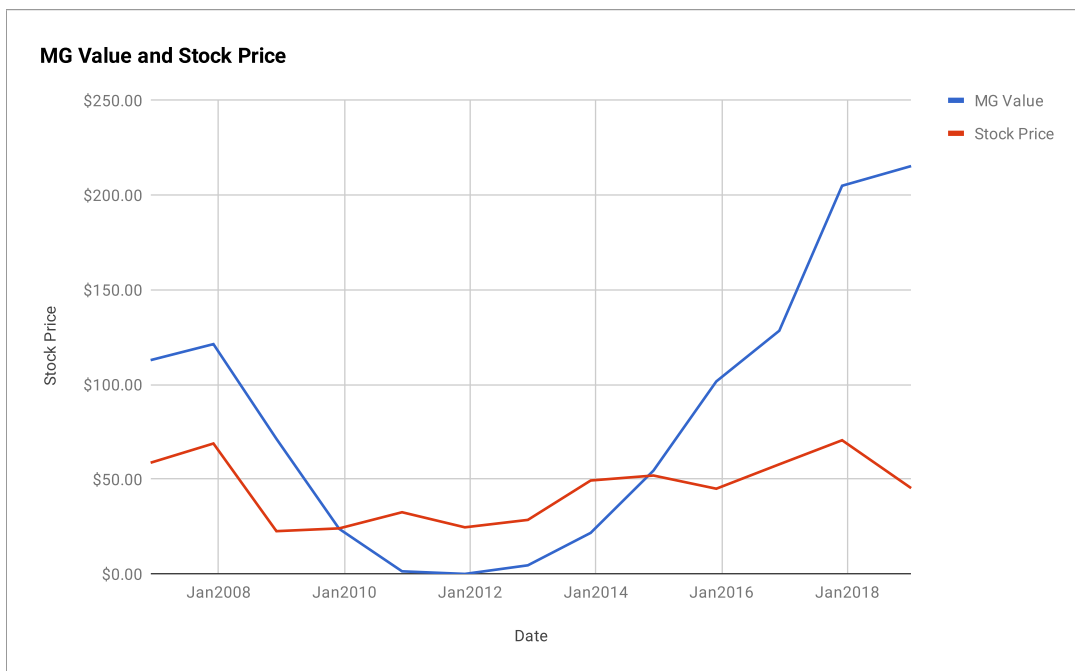
Stage 3: Information for Further Research

Graham Number	\$76.24
PEmg	7.92
PB Ratio	1.11
Dividend Yield	4.13%
Number of Consecutive Years of Dividend Growth	9

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	\$5.81	Next Fiscal Year Estimate	\$5.72
Dec2017	\$7.88	Dec2017	\$5.32
Dec2016	\$4.50	Dec2016	\$3.88
Dec2015	\$4.06	Dec2015	\$3.39
Dec2014	\$3.65	Dec2014	\$2.90
Dec2013	\$2.95	Dec2013	\$2.44
Dec2012	\$2.58	Dec2012	\$2.13
Dec2011	\$1.91	Dec2011	\$1.97
Dec2010	\$1.95	Dec2010	\$2.16
Dec2009	\$1.97	Dec2009	\$2.42
Dec2008	\$1.63	Dec2008	\$2.70
Dec2007	\$3.09	Dec2007	\$3.15
Dec2006	\$3.74	Dec2006	\$2.93
Dec2005	\$3.11	Dec2005	\$2.31
Dec2004	\$2.62	Dec2004	\$1.70
Dec2003	\$2.28	Dec2003	\$1.07
Dec2002	\$0.41	Dec2002	\$0.40
Dec2001	\$0.99		
Dec2000	\$0.00		
Dec1999	\$0.00		
Dec1998	\$0.00		
		Balance Sheet Information	9/1/2018
		Long-Term Debt & Capital Lease Obligation	\$3,245,500,000
		Total Assets	\$258,758,300,000
		Intangible Assets	\$2,482,600,000
		Total Liabilities	\$246,989,600,000
		Shares Outstanding (Diluted Average)	287,800,000





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**
- [10 Low PE Stock Picks for the Defensive Investor – August 2018](#)
 - [10 Undervalued Companies for the Defensive Dividend Stock Investor – July 2018](#)
 - [Best Stocks Below Their Graham Number – June 2018](#)
 - [10 Low PE Stock Picks for the Defensive Investor – June 2018](#)
 - [10 Undervalued Companies for the Defensive Dividend Stock Investor – June 2018](#)

- Other ModernGraham posts about related companies**
- [Progressive Corp Valuation – January 2019 \\$PGR](#)
 - [Lincoln National Corp Valuation – January 2019 \\$LNC](#)
 - [Cincinnati Financial Corp Valuation – January 2019 \\$CINF](#)
 - [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](#)