

# ModernGraham Valuation

Company Name:

Progressive Corp

Company Ticker PGR

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	\$34,402,968,978	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Fail
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end		
4. Earnings Growth		96.23%	Pass
5. Moderate PEmg Ratio	PEmg < 20	18.82	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.92	Fail

*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	3.13
MG Growth Estimate	10.46%
<b>MG Value</b>	<b>\$92.18</b>
MG Value based on 3% Growth	\$45.44
MG Value based on 0% Growth	\$26.64
Market Implied Growth Rate	5.16%

### MG Opinion

Current Price	\$58.99
% of Intrinsic Value	63.99%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B-</b>

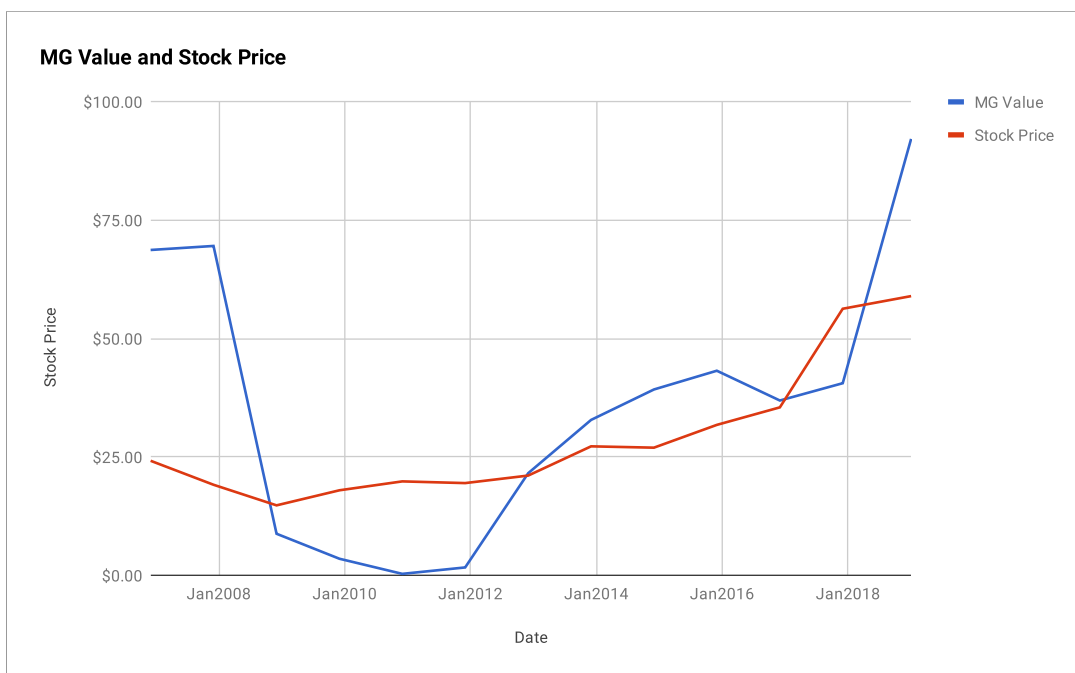
## Stage 3: Information for Further Research

Graham Number	\$41.86
PEmg	18.82
PB Ratio	2.92
Dividend Yield	1.15%
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		Next Fiscal Year Estimate	
	\$4.88		\$3.13
Dec2017	\$2.72	Dec2017	\$2.22
Dec2016	\$1.76	Dec2016	\$1.95
Dec2015	\$2.15	Dec2015	\$1.98
Dec2014	\$2.15	Dec2014	\$1.85
Dec2013	\$1.93	Dec2013	\$1.68
Dec2012	\$1.48	Dec2012	\$1.44
Dec2011	\$1.59	Dec2011	\$1.37
Dec2010	\$1.61	Dec2010	\$1.30
Dec2009	\$1.57	Dec2009	\$1.22
Dec2008	-\$0.10	Dec2008	\$1.19
Dec2007	\$1.65	Dec2007	\$1.81
Dec2006	\$2.10	Dec2006	\$1.79
Dec2005	\$1.74	Dec2005	\$1.50
Dec2004	\$1.91	Dec2004	\$1.23
Dec2003	\$1.42	Dec2003	\$0.79
Dec2002	\$0.75	Dec2002	\$0.46
Dec2001	\$0.46	<b>Balance Sheet Information 9/1/2018</b>	
Dec2000	\$0.05	Long-Term Debt & Capital Lease Obligation	\$3,859,900,000
Dec1999	\$0.33	Total Assets	\$45,543,700,000
Dec1998	\$0.51	Intangible Assets	\$765,300,000
		Total Liabilities	\$33,684,900,000
		Shares Outstanding (Diluted Average)	586,600,000





**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

[Progressive Corp Valuation – February 2018 \\$PGR](#)  
[Progressive Corporation Valuation – June 2016 \\$PGR](#)  
[11 Best Stocks For Value Investors This Week – 11/21/15](#)  
[Progressive Corp Valuation – November 2015 Update \\$PGR](#)  
[The Best Companies of the Insurance Industry – October 2015](#)

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[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](#)