Jackson Financial Inc. (JXN)

Updated March 14th, 2025, by Yiannis Zourmpanos

Key Metrics

Current Price:	$80	**5 Year CAGR Estimate:**	9.5%	**Market Cap:**	$5.64 B
Fair Value Price:	$83	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	03/11/2025
% Fair Value:	96%	**5 Year Valuation Multiple Estimate:**	0.8%	**Dividend Payment Date:**	03/20/2025
Dividend Yield:	4.0%	**5 Year Price Target**	$106	**Years Of Dividend Growth:**	4
Dividend Risk Score:	A	**Retirement Suitability Score:**	A	**Rating:**	Hold

Overview & Current Events

Jackson Financial Inc. (JXN) primarily offers annuity products to retail investors in the United States. The company operates in three segments and provides a range of retirement income and savings options. The Institutional Products segment includes traditional investment contracts and funding agreements. The Closed Life and Annuity Blocks segment offers various insurance products. The company distributes its offerings through a diverse network of financial intermediaries.

On February 19th, 2025, the company announced results for the fourth quarter of 2024. Jackson Financial reported Q4 non-GAAP EPS of $4.65, missing estimates by $0.21.

Jackson Financial posted a strong performance in Q4 and full-year 2024, with retail annuity sales reaching $4.7 billion in the quarter, a 42% increase year-over-year. The surge was driven by a 27% rise in variable annuity sales and a 47% jump in registered index-linked annuities (RILA), reflecting strong market demand and Jackson's distribution strength. The company's assets under management (AUM) climbed to $252 billion, a 7% increase from 2023, supported by higher equity markets. Net income for Q4 2024 was $334 million ($4.45 per diluted share), a significant turnaround from a $1.6 billion loss in Q4 2023. Adjusted operating earnings grew 71% to $349 million, boosted by higher fee income from increased AUM and improved spread income. Jackson also returned $148 million to shareholders in the quarter, including $96 million in share repurchases and $52 million in dividends.

For the full year, Jackson reported net income of $902 million ($11.74 per share), in line with 2023, while adjusted operating earnings surged to $1.4 billion ($18.79 per share) and was up from $1.1 billion in 2023. Capital return remained a priority, with $631 million returned to shareholders, a 48% increase from 2023. The company's risk-based capital (RBC) ratio stood at 572%, well above its target, and cash reserves exceeded $700 million. Looking ahead, Jackson increased its Q1 2025 dividend by 14% and set a $700 million to $800 million capital return target for 2025, reinforcing its commitment to shareholder value.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	---	---	---	---	---	---	$33.69	$64.23	$10.76	$11.74	***$20.86***	***$26.62***
DPS	---	---	---	---	---	---	$0.50	$2.20	$2.48	$2.80	***$3.20***	***$4.49***
Shares[1]	---	---	---	---	---	---	94.5	88.7	83.6	76.8	***70.6***	***46.2***

We expect the company to post an EPS of $20.86 in 2025, in line with analysts' estimates. We estimate an EPS growth of 5% over the next five years, leading to our estimated EPS of $26.62 by 2030. Moreover, the company has a solid record of paying dividends despite operating in a mature sector, as Jackson Financial has paid an increasing dividend for the past 3 years. We expect the company to maintain its dividend growth and have forecasted a dividend CAGR of 7%, leading to a dividend of $4.49 in 2030.

[1] Shares in millions.

Jackson Financial Inc. (JXN)

Updated March 14th, 2025, by Yiannis Zourmpanos

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	---	---	---	---	---	---	0.9	0.6	3.5	6.7	***3.8***	***4.0***
Avg. Yld.	---	---	---	---	---	---	1.6%	6.2%	6.6%	3.6%	***4.0%***	***4.2%***

The financial services provider trades at a forward P/E of 3.8, higher than its 4-year average P/E of 2.9. The increasing registered index-linked annuity and an uptick in annuity account value have benefitted the company in the near term, and the stock's P/E multiple has expanded in the last quarter. We maintain our estimated P/E multiple of 4.0, which we feel is a fair reflection of its overvaluation, suggesting a target price of $106 by 2030.

Safety, Quality, Competitive Advantage, & Recession Resiliency

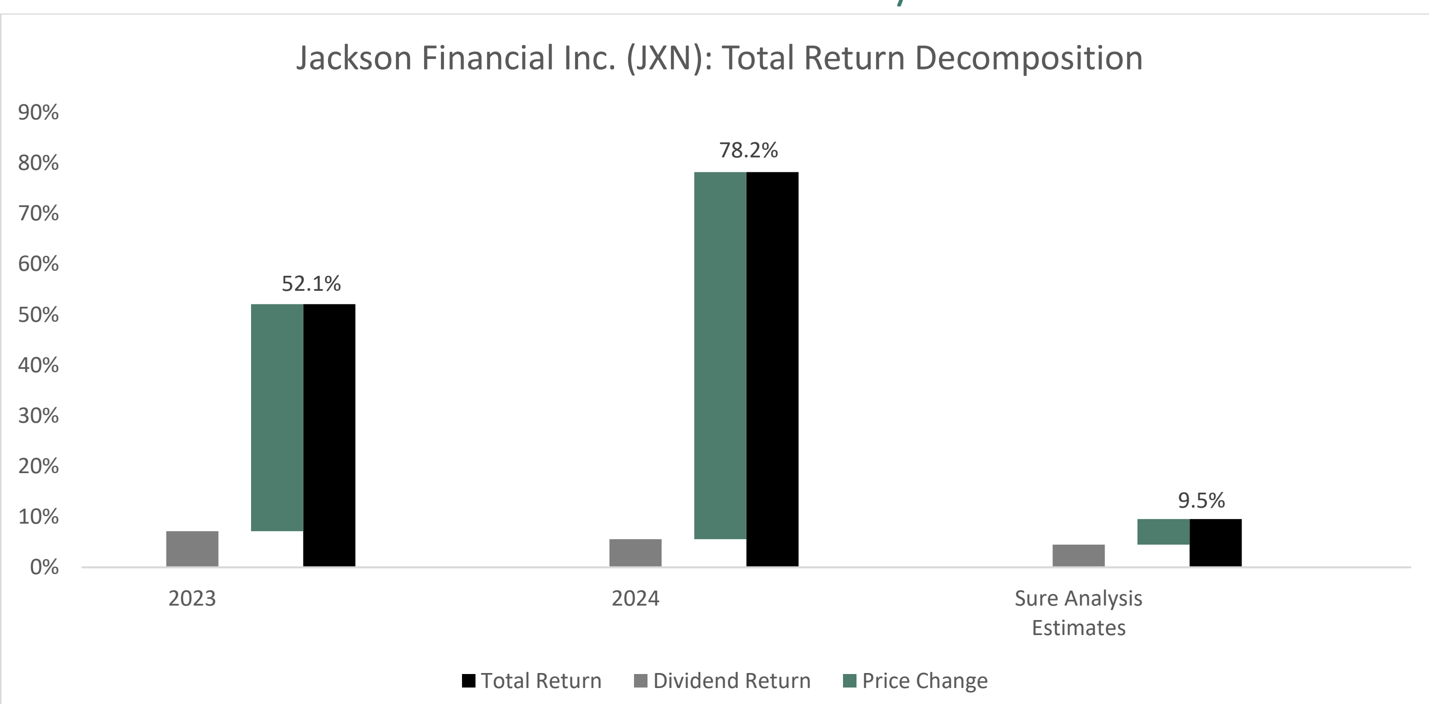
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout							1%	3%	23%	24%	***15%***	***17%***

The company has paid a consistent dividend to its shareholders with a 3-year payout ratio averaging 17%, and we expect the company to maintain and increase its payout in the future. While the company is committed to returning capital to shareholders, achieving its 2025 target may be ambitious, given the current financial performance. However, the increase in RILA sales and growth in annuity account value indicates some positive momentum. Maintaining a healthy RBC ratio and strong liquidity should provide a buffer against potential financial challenges.

Final Thoughts & Recommendation

While Jackson Financial runs a capital-intensive financial service business, increased annuity value will be a positive catalyst for EPS growth. Indeed, Jackson Financial's dividend growth prospects could remain strong throughout the mid-term. However, we maintain our hold rating on the name premised upon the 9.5% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 5.0%, the 4.0% dividend yield, and a valuation tailwind.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

Jackson Financial Inc. (JXN)

Updated March 14th, 2025, by Yiannis Zourmpanos

Income Statement Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	---	---	---	---	13,688	3,489	3,441	8,452	14,407	3,241
SG&A Exp.	---	---	---	---	1,050	994	985	1,078	875	1,007
Net Profit	---	---	---	---	1,986	(497)	(1,634)	3,183	5,697	934
Net Margin	---	---	---	---	14.5%	-14.2%	-47.5%	37.7%	39.5%	28.8%
Free Cash Flow	---	---	---	---	5,822	4,368	3,712	5,682	5,206	5,310
Income Tax	---	---	---	---	338	(369)	(854)	602	1,371	4

Balance Sheet Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Assets	---	---	---	---	---	297,057	353,456	375,559	311,058	330,260
Cash & Equivalents	---	---	---	---	---	1,935	2,019	2,623	4,298	2,688
Acc. Receivable	---	---	---	---	---	8,372	35,270	33,126	29,641	25,570
Total Liabilities	---	---	---	---	---	289,736	343,533	364,485	301,903	319,920
Long-Term Debt	---	---	---	---	---	2,692	322	4,053	4,367	4,025
Total Equity	---	---	---	---	---	6,837	9,429	10,394	8,423	9,637
LTD/E Ratio	---	---	---	---	---	0.39	0.03	0.39	0.52	0.40

Profitability & Per Share Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Return on Assets	---	---	---	---	---	---	-0.5%	0.9%	1.7%	0.3%
Return on Equity	---	---	---	---	---	---	-20.1%	32.1%	60.6%	9.5%
ROIC	---	---	---	---	---	---	-16.1%	25.1%	39.8%	6.7%
Shares Out.	---	---	---	---	---	---	---	94.5	88.7	83.6
Revenue/Share	---	---	---	---	144.90	36.93	36.43	95.30	162.44	38.78
FCF/Share	---	---	---	---	61.63	46.24	39.30	64.07	58.70	63.53

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.