



CNO Financial Group, Inc. (CNO)

Updated July 28th, 2025, by Kody Kester

Key Metrics

Current Price:	\$38	5 Year CAGR Estimate:	10.3%	Market Cap:	\$3.7B
Fair Value Price:	\$39	5 Year Growth Estimate:	8.0%	Ex-Dividend Date:	09/09/25 ¹
% Fair Value:	96%	5 Year Valuation Multiple Estimate:	0.8%	Dividend Payment Date:	09/23/25 ¹
Dividend Yield:	1.8%	5 Year Price Target	\$58	Years Of Dividend Growth:	13
Dividend Risk Score:	B	Sector:	Financials	Rating:	Buy

Overview & Current Events

CNO Financial Group, Inc. serves middle-income pre-retirees and retired Americans. The company's offerings include Medicare supplement insurance, long-term care insurance, annuities, and individual life insurance. Founded in 1979, CNO is well-established within its industry. Bankers Life, Washington National, and Colonial Penn are among the company's most recognized brand names. As of June 30th, 2025, the company served 3.2 million customers with its insurance policies and annuities and had \$37.3 billion in total assets.

The company serves consumers through the Consumer and Worksite Divisions. As the name suggests, the Consumer Division serves the needs of individual consumers via the phone, online, virtual, face-to-face with agent interaction, or some mix of these modes. The Worksite Division sells life and health insurance products in the workplace to businesses, associations, and other membership groups, serving consumers at their place of employment and virtually.

In 2024, premiums from annuities accounted for \$1.79 billion of CNO's total premiums collected (41%). Supplemental health premiums made up \$725.7 million in total premiums collected for the year (17%). Medicare supplement plans chipped in another \$625.7 million or 14% of total collected premiums. Long-term care plans collected another \$276.2 million in premiums, or 6% of the total premiums collected. Finally, life insurance plans made up the remaining \$960.5 million of premiums or 22% of total collected premiums.

On July 28th, CNO shared its financial results for the second quarter ended June 30th, 2025. The company's total revenue grew by 8% year-over-year to \$1.15 billion in the quarter. That was driven by a 19% uptick in annuity collected premiums and a 27% jump in client assets in brokerage and advisory during the quarter. CNO's operating EPS fell by 17.1% over the year-ago period to \$0.87 for the quarter. This beat the analyst consensus in the quarter by \$0.01. On May 2nd, CNO also upped its quarterly dividend per share by 6.3%. That extended the company's dividend growth streak to 13 years.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	\$1.41	\$1.47	\$1.75	\$1.83	\$1.85	\$2.53	\$2.79	\$2.33	\$3.09	\$3.97	\$3.78	\$5.55
DPS	\$0.27	\$0.31	\$0.35	\$0.39	\$0.43	\$0.47	\$0.51	\$0.55	\$0.59	\$0.63	\$0.68	\$0.91
Shares²	184.0	173.8	166.9	162.2	148.1	135.3	120.4	114.3	109.4	101.6	99.2	73.2

Over the last five years, CNO has generated 8.5% annual operating EPS growth. Moving forward, we think the company continues to have a path to high-single-digit annual operating EPS growth, and model 8% going forward. CNO's expansion into additional geographies and a higher total agent count remain two factors that should keep total revenue growing (excluding special circumstances like swings in special purpose portfolio investment income). Not to mention, CNO keeps launching products to bridge the financial protection gap for underserved workers and families. Last month, its Washington National brand introduced its new Individual Term Life Insurance product. This was done to up the life insurance ownership rate among workers earning less than \$50,000 annually from the current rate of 31%. The company's significant cash flow should support substantial share buybacks in the coming years, too. These elements give CNO an attainable route to meet our growth projections.

¹ Estimated based on past dividend dates.

² Share count is in millions.

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.



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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	13.5	13.0	14.1	8.1	9.7	8.8	8.5	9.8	9.0	9.4	10.0	10.4
Avg. Yld.	1.4%	1.6%	1.4%	2.6%	2.4%	2.1%	2.1%	2.4%	2.1%	1.7%	1.8%	1.6%

Since 2015, CNO's P/E ratio has ranged from the high single digits to the low teens. The average P/E ratio of 10.4 over this time falls within this range. Given that CNO's annual diluted EPS growth potential is holding steady, we believe a fair value multiple of 10.4 is sensible. For more perspective, the current P/E ratio of 10.0 remains close to our fair value estimate.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	19%	21%	20%	21%	23%	19%	18%	24%	19%	16%	18%	16%

CNO's trusted reputation and nationally recognized brands allow it to effectively compete against larger industry peers. That's how the company continues to grow its consumer base, revenue, and profits.

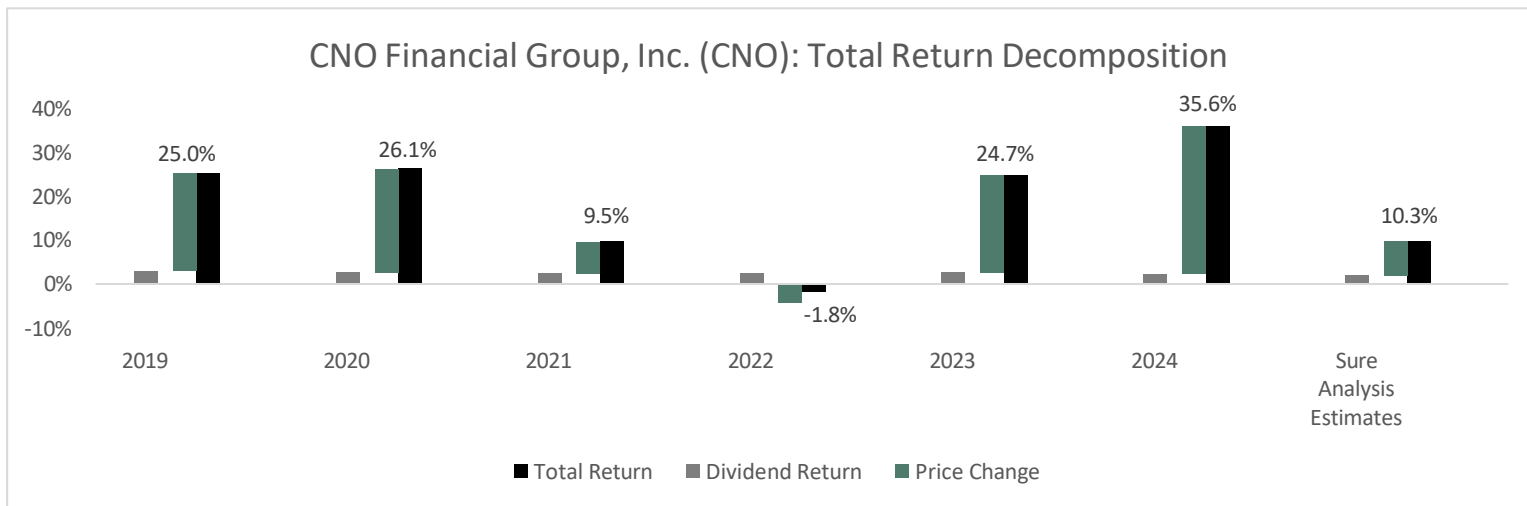
CNO's balance sheet is also a strength. The company's major brands all boast A-rated balance sheets on stable outlooks from the four major credit rating agencies (AM Best, S&P, Fitch, and Moody's). CNO itself possesses BBB+, BBB-, Baa3 (BBB- equivalent), and BBB credit ratings from Fitch, S&P, Moody's, and AM Best, respectively.

These investment-grade credit ratings are backed up by a total consolidated risk-based capital ratio or RBC ratio of 378% as of June 30th. This is better than the 375% RBC ratio that the company targets. Finally, the company's dividend payout ratio in the mid-to-high-teens range also somewhat shields the company from a downturn in profits.

Final Thoughts & Recommendation

CNO's 1.8% dividend yield, 8.0% annual diluted EPS growth prospects, and 0.8% annual valuation multiple upside could set it up for 10.3% annual total returns over the medium term. This explains why we're reiterating our Buy rating.

Total Return Breakdown by Year





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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	3,801	3,992	4,302	4,314	4,016	3,821	4,122	3,577	4,147	4,446
SG&A Exp.	205	231	237	233	238	253	268	288	291	305
D&A Exp.	283	275	265	292	268	304	237	249	267	292
Net Profit	271	358	176	(315)	409	302	570	631	277	404
Net Margin	7.1%	9.0%	4.1%	-7.3%	10.2%	7.9%	13.8%	17.6%	6.7%	9.1%
Free Cash Flow	748	776	633	318	697	736	598	495	583	628
Income Tax	97	(5)	305	50	(135)	43	163	186	80	114

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	31125	31975	33110	31440	33631	35340	36204	33133	35103	37853
Cash & Equivalents	364	189	179	62	75	54	100	69	775	1,657
Accounts Receivable	2859	2260	2175	4925	4786	4584	4354	4223	4041	4674
Total Liabilities	26987	27488	28263	28069	28954	29856	30945	31364	32887	35354
Long-Term Debt	4136	4223	3972	3980	3786	3931	4001	3883	4151	4520
Shareholder's Equity	4139	4487	4848	3371	4677	5484	5260	1769	2216	2498
LTD/E Ratio	1.00	0.94	0.82	1.18	0.81	0.72	0.76	2.20	1.87	1.81

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.9%	1.1%	0.5%	-1.0%	1.3%	0.9%	1.6%	1.8%	0.8%	1.1%
Return on Equity	6.1%	8.3%	3.8%	-7.7%	10.2%	5.9%	10.6%	17.9%	13.9%	17.1%
ROIC	3.3%	4.2%	2.0%	-3.9%	5.2%	3.4%	6.1%	8.5%	4.6%	-
Shares Out.	184.0	173.8	166.9	162.2	148.1	135.3	120.4	114.3	109.4	102.8
Revenue/Share	19.47	22.39	24.99	26.07	25.55	26.69	31.44	30.38	36.02	43.25
FCF/Share	3.83	4.35	3.68	1.92	4.43	5.14	4.56	4.21	5.06	6.11

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

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