Jackson Financial Inc. (JXN)

Updated July 6th, 2025, by Yiannis Zourmpanos

Key Metrics

Current Price:	$89	**5 Year CAGR Estimate:**	6.0%	**Market Cap:**	$6.4 B
Fair Value Price:	$78	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	09/05/25[1]
% Fair Value:	114%	**5 Year Valuation Multiple Estimate:**	-2.6%	**Dividend Payment Date:**	09/19/25[2]
Dividend Yield:	3.6%	**5 Year Price Target**	$99	**Years Of Dividend Growth:**	4
Dividend Risk Score:	C	**Sector:**	Financials	**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 May 7th, 2025, the company announced results for the first quarter of 2025. Jackson Financial reported Q1 non-GAAP EPS of $5.10, missing estimates by $0.17.

Jackson Financial opened 2025 with retail annuity sales reaching a strong $4.0 billion for Q1, marking a healthy 9% increase year-over-year. Variable annuity sales led the charge, coming in at $2.7 billion, with a notable surge in products without lifetime benefits. Registered index-linked annuities (RILA) also edged up 3% to $1.2 billion, while fixed and fixed index annuities jumped a striking 74% to $174 million. However, the quarter wasn't without its bumps, Jackson reported a net loss of $35 million, or $0.48 per diluted share, largely due to a loss on reinsured business. Still, adjusted operating earnings painted a brighter picture at $376 million, up from $334 million last year, buoyed by robust spread income and share repurchases.

On the capital front, Jackson showcased a resilient balance sheet, with total adjusted capital at $5.2 billion and a healthy RBC ratio of 585% at Jackson National Life. The company's free cash flow hit $213 million this quarter and nearly $1 billion over the trailing twelve months. Management's focus on shareholder returns was clear—$231 million was returned through buybacks and dividends. CEO Laura Prieskorn struck an optimistic tone, pointing to the company's solid momentum, sturdy capital position, and commitment to helping Americans build financial security in a shifting market landscape.

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	***$19.48***	***$24.86***
DPS	---	---	---	---	---	---	$0.50	$2.20	$2.48	$2.80	***$3.20***	***$4.49***
Shares[3]	---	---	---	---	---	---	94.5	88.7	83.6	76.8	***70.6***	***46.2***

We expect the company to post an EPS of $19.48 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 $24.86 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.

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[1] Estimated ex-dividend date.

[2] Estimated dividend payment date.

[3] Shares in millions.

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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	***4.6***	***4.0***
Avg. Yld.	---	---	---	---	---	---	1.6%	6.2%	6.6%	3.6%	***3.6%***	***4.5%***

The financial services provider trades at a forward P/E of 4.6, 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 $99 by 2030.

Safety, Quality, Competitive Advantage, & Recession Resiliency

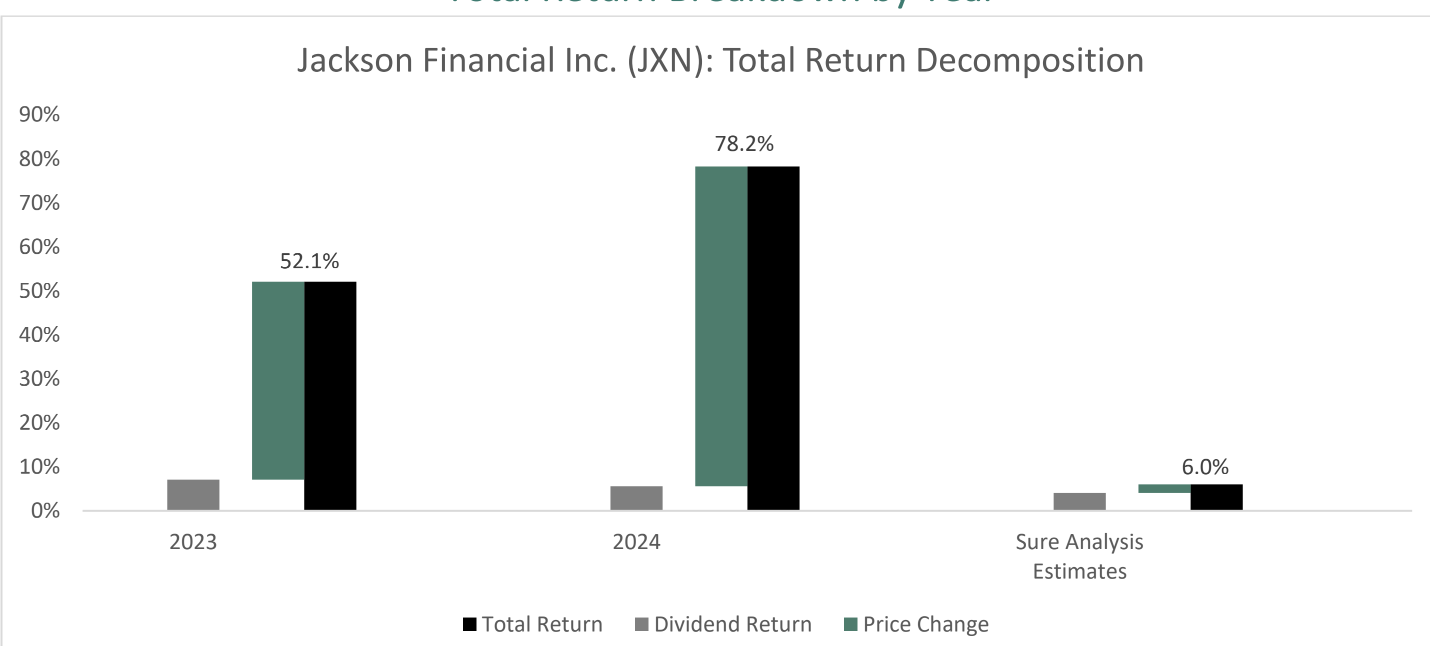
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout							1%	3%	23%	24%	***16%***	***18%***

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. Jackson continued to reward investors by repurchasing $172 million worth of common shares during the first quarter, underscoring its commitment to returning capital to shareholders.

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 6.0% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 5.0%, the 3.6% dividend yield, and a valuation headwind.

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.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	---	---	---	13,688	3,489	3,441	8,452	14,407	3,241	3,092
SG&A Exp.	---	---	---	1,050	994	985	1,078	875	1,007	1,120
Net Profit	---	---	---	1,986	(497)	(1,634)	3,183	5,697	934	946
Net Margin	---	---	---	14.5%	-14.2%	-47.5%	37.7%	39.5%	28.8%	30.6%
Free Cash Flow	---	---	---	5,822	4,368	3,712	5,682	5,206	5,310	5,793
Income Tax	---	---	---	338	(369)	(854)	602	1,371	4	46

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	---	---	---	---	297,057	353,456	375,559	311,058	330,260	338
Cash & Equivalents	---	---	---	---	1,935	2,019	2,623	4,298	2,688	3,767
Acc. Receivable	---	---	---	---	8,372	35,270	33,126	29,641	25,570	21,950
Total Liabilities	---	---	---	---	289,736	343,533	364,485	301,903	319,920	328
Long-Term Debt	---	---	---	---	2,692	322	4,053	4,367	4,025	4,377
Total Equity	---	---	---	---	6,837	9,429	10,394	8,423	9,637	9,231
LTD/E Ratio	---	---	---	---	0.39	0.03	0.39	0.52	0.40	0.45

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	---	---	---	---	---	-0.5%	0.9%	1.7%	0.3%	0.3%
Return on Equity	---	---	---	---	---	-20.1%	32.1%	60.6%	9.5%	9.3%
ROIC	---	---	---	---	---	-16.1%	25.1%	39.8%	6.7%	6.6%
Shares Out.	---	---	---	---	---	---	94.5	88.7	83.6	76.8
Revenue/Share	---	---	---	144.90	36.93	36.43	95.30	162.44	38.78	40.26
FCF/Share	---	---	---	61.63	46.24	39.30	64.07	58.70	63.53	75.42

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