



# Allstate Corporation (ALL)

Updated November 13<sup>th</sup>, 2025 by Quinn Mohammed

## Key Metrics

|                             |       |  |            |   |            |
|-----------------------------|-------|--|------------|---|------------|
| <b>Current Price:</b>       | \$209 | <b>5 Year CAGR Estimate:</b>               | 9.3%       | <b>Market Cap:</b>                        | \$55 B     |
| <b>Fair Value Price:</b>    | \$287 | <b>5 Year Growth Estimate:</b>             | 1.0%       | <b>Ex-Dividend Date<sup>1</sup>:</b>      | 11/28/2025 |
| <b>% Fair Value:</b>        | 73%   | <b>5 Year Valuation Multiple Estimate:</b> | 6.5%       | <b>Dividend Payment Date<sup>1</sup>:</b> | 01/02/2025 |
| <b>Dividend Yield:</b>      | 1.9%  | <b>5 Year Price Target</b>                 | \$302      | <b>Years of Dividend Growth:</b>          | 12         |
| <b>Dividend Risk Score:</b> | C     | <b>Sector:</b>                             | Financials | <b>Rating:</b>                            | Hold       |

## Overview & Current Events

Allstate Corporation is an insurance company that offers property and casualty insurance to its customers. The company also sells life, accident, and health insurance products. Its segments include Allstate Protection, Service Businesses, Allstate Life, Allstate Benefits, Allstate Annuities, etc. Allstate's insurance brands include Allstate, Encompass, and Esurance. Allstate Corporation was founded in 1931, and the company is headquartered in Northbrook, IL. Allstate is currently trading with a market capitalization of \$55 billion.

On October 15<sup>th</sup>, 2024, Allstate announced its acquisition of Kingfisher, which offers mobile device protection plans.

On April 1<sup>st</sup>, 2025, Allstate sold its Employer Voluntary Benefits business to StanCorp Financial for \$2 billion. It also sold its Health and Benefits business to Nationwide for \$1.25 billion cash on July 1<sup>st</sup>, 2025.

Allstate Corporation reported third quarter 2025 results on November 5<sup>th</sup>, 2025, for the period ending September 30<sup>th</sup>, 2025. The company reported consolidated revenues of \$17.3 billion for the quarter, a 3.8% year-over-year increase, largely due to higher Property-Liability earned premium. Property-Liability insurance premiums earned totaled \$14.5 billion, up 6.1% from \$13.7 billion in the same period a year ago. Adjusted net income per share of \$11.17 soared from \$3.91 a year ago. Catastrophe losses amounted to \$558 million in the quarter, 67% lower than the same quarter last year.

Total policies in force increased 3.8% year-over-year, from 201.8 million to 209.5 million. The trailing twelve months adjusted net income return on common shareholder's equity was 34.7%, 8.6 points higher than last year's 26.1%. Book value per share rose by 36% year-over-year to \$95.95.

## Growth on a Per-Share Basis

| Year                      | 2015   | 2016   | 2017   | 2018   | 2019    | 2020    | 2021    | 2022     | 2023   | 2024    | 2025           | 2030           |
|---------------------------|--------|--------|--------|--------|---------|---------|---------|----------|--------|---------|----------------|----------------|
| <b>EPS</b>                | \$5.21 | \$4.89 | \$6.71 | \$8.86 | \$10.43 | \$14.29 | \$13.48 | (\$0.88) | \$0.95 | \$18.32 | <b>\$28.70</b> | <b>\$30.16</b> |
| <b>DPS</b>                | \$1.18 | \$1.29 | \$1.45 | \$1.84 | \$2.00  | \$2.16  | \$3.24  | \$3.40   | \$3.52 | \$3.68  | <b>\$4.00</b>  | <b>\$5.88</b>  |
| <b>Shares<sup>2</sup></b> | 381.0  | 366.0  | 355.0  | 342.0  | 326.0   | 314.0   | 280.6   | 263.5    | 262.5  | 265.0   | <b>263.1</b>   | <b>240.0</b>   |

Allstate's profits took a large hit during the last financial crisis. Earnings once peaked in 2006 at \$7.67 and continued to drop for several years before bottoming out in 2011, more than 80% below the peak that was hit five years earlier. Since then, profits have recovered, though, and have risen to new record highs since 2018, and through to 2020. 2021 fell just short of its 2020 high, while 2022 results were gruesome due to increased claims severity and unfavorable prior year reserve reestimates, lower net investment income and policies in force, and higher costs and expenses. For 2023, catastrophe losses rose 81% compared to 2022 to \$5.6 billion, heavily impacting profit. For 2025, we see Allstate on track to deliver \$28.70 per share, and forecast it can produce 1% annual earnings-per-share growth to generate \$30.16 in 2030.

<sup>1</sup> Estimate based on last year's date

<sup>2</sup> 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.



# Allstate Corporation (ALL)

Updated November 13<sup>th</sup>, 2025 by Quinn Mohammed

The insurance industry is not a high-growth industry, nevertheless, Allstate has managed to grow earnings successfully over the long term, with ebbs and flows over certain time periods. The company benefits from rising interest rates, as this allows it to deploy its insurance float more profitably.

Allstate has successfully reduced its share count throughout the last decade, and it is likely that share repurchases will remain a key factor in earnings-per-share growth going forward as well. In the last five years, the company has reduced its common shares outstanding by 4.1% annually. We would consider Allstate to be a shareholder-friendly company. Allstate recently authorized a \$1.5 billion share repurchase program, which should see the company return to lowering its share count.

## Valuation Analysis

| Year      | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Now  | 2030 |
|-----------|------|------|------|------|------|------|------|------|------|------|------|------|
| Avg. P/E  | 12.6 | 13.8 | 13.1 | 10.3 | 13.5 | 7.5  | 9.2  | -    | -    | 11.4 | 7.3  | 10.0 |
| Avg. Yld. | 1.8% | 1.9% | 1.6% | 2.2% | 1.9% | 2.1% | 2.2% | 2.5% | 2.9% | 2.1% | 1.9% | 1.9% |

Allstate Corporation trades at 7.3 times this year’s earnings-per-share forecast. This is below the 5-year average PE of 9.4. We believe that shares are undervalued here, which implies a valuation tailwind. Allstate’s dividend yield is above that of the broad market at 1.9% and is in line with its average historical yield of 2.1%.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

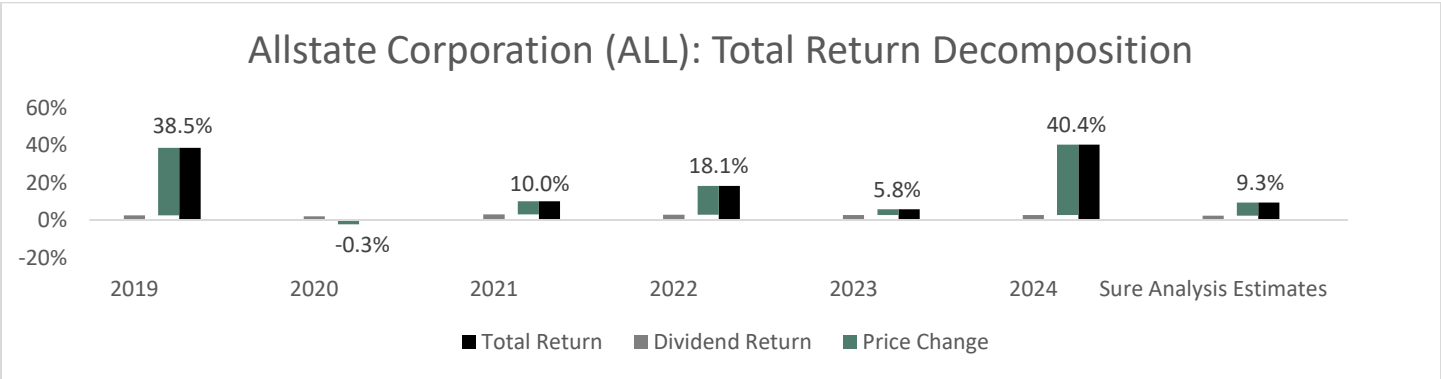
| Year   | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2030 |
|--------|------|------|------|------|------|------|------|------|------|------|------|------|
| Payout | 23%  | 26%  | 22%  | 21%  | 19%  | 15%  | 24%  | -    | 371% | 20%  | 14%  | 19%  |

Allstate saw its profits shrink considerably during the last financial crisis, which is why the company cut its dividend during those troubled times. The dividend was cut from 2008 to 2009 as well as from 2009 to 2010. The dividend payout ratio is quite low now, though, and results are expected to normalize from here. The risk of another dividend cut during the next couple of years is relatively low, even with the underperformance we saw in 2022 and 2023. Allstate does not have strong recession performance; its profits declined massively, and it took the company until 2018 to breach its earnings-per-share record that the company set in 2006. Allstate is thus not a resilient investment. It is highly reliant on auto insurance, which is responsible for more than 50% of revenues. Shifts towards more autonomous driving or ride sharing could thus turn into a headwind in the distant future.

## Final Thoughts & Recommendation

Allstate is one of the largest American insurers and a shareholder-friendly company. Following the 6% share price increase in the trailing one year, we now see the company as trading at a 27% discount to our fair value estimate. The stock could offer total annual returns of 9.3% over the next five years, thus ALL earns a hold rating.

## 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.



# Allstate Corporation (ALL)

Updated November 13<sup>th</sup>, 2025 by Quinn Mohammed

## Income Statement Metrics

| Year           | 2015   | 2016   | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024  |
|----------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|
| Revenue        | 35,653 | 37,399 | 39,407 | 39,815 | 44,675 | 44,791 | 50,588 | 51,412 | 57,090 | 64110 |
| SG&A Exp.      |        |        | -217   | 468    | 114    | -51    | -644   | 116    | 9      | -37   |
| D&A Exp.       | 371    | 382    | 483    | 511    | 647    | 686    |        |        |        |       |
| Net Profit     | 2,171  | 1,877  | 3,554  | 2,160  | 4,847  | 5,576  | 1,599  | -1,311 | -188   | 4667  |
| Net Margin     | 6.1%   | 5.0%   | 9.0%   | 5.4%   | 10.8%  | 12.4%  | 3.2%   | -2.5%  | -0.3%  | 7.0%  |
| Free Cash Flow | 3,313  | 3,680  | 4,015  | 4,898  | 4,696  | 5,183  |        |        |        |       |
| Income Tax     | 1,111  | 877    | 995    | 468    | 1,242  | 1,383  | 1,289  | -494   | -135   | 1162  |

## Balance Sheet Metrics

| Year               | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021   | 2022   | 2023    | 2024   |
|--------------------|---------|---------|---------|---------|---------|---------|--------|--------|---------|--------|
| Total Assets (\$B) | 104,656 | 108,610 | 112,422 | 112,249 | 119,950 | 125,987 | 99,440 | 97,957 | 103,360 | 111620 |
| Cash & Equivalents | 495     | 436     | 617     | 499     | 338     | 377     | 763    | 736    | 722     | 704    |
| Acc. Receivable    | 14,062  | 14,342  | 14,707  | 15,719  | 15,683  | 15,699  | 18,388 | 18,771 | 18,850  | 19540  |
| Goodwill & Int.    | 1,219   | 1,219   | 2,737   | 3,243   | 3,026   | 2,997   | 3,502  | 3,502  | 3,502   | 3245   |
| Total Liab. (\$B)  | 84,631  | 88,037  | 89,871  | 90,937  | 93,952  | 95,770  | 74,313 | 80,607 | 85,730  | 90250  |
| Long-Term Debt     | 5,124   | 6,347   | 6,350   | 6,451   | 6,631   | 7,825   | 7,976  | 7,964  | 7,942   | 8085   |
| Total Equity       | 18,279  | 18,827  | 20,805  | 19,382  | 23,750  | 28,247  | 23,209 | 15,505 | 15,770  | 19440  |
| LTD/E Ratio        | 0.26    | 0.31    | 0.28    | 0.30    | 0.26    | 0.26    | 0.32   | 0.46   | 0.45    | 0.37   |

## Profitability & Per Share Metrics

| Year             | 2015  | 2016  | 2017   | 2018   | 2019   | 2020   | 2021   | 2022   | 2023   | 2024   |
|------------------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| Return on Assets | 2.0%  | 1.8%  | 3.2%   | 1.9%   | 4.2%   | 4.5%   | 1.4%   | -1.3%  | -0.2%  | 4%     |
| Return on Equity | 11.2% | 10.1% | 17.9%  | 10.7%  | 22.5%  | 21.4%  | 6.2%   | -6.8%  | -1.1%  | 23%    |
| ROIC             | 8.3%  | 7.2%  | 12.7%  | 7.6%   | 16.1%  | 15.8%  | 4.5%   | -4.5%  | -0.7%  | 16%    |
| Shares Out.      | 381.0 | 366.0 | 355.0  | 342.0  | 326.0  | 314.0  | 280.6  | 271.2  | 262.5  | 267.80 |
| Revenue/Share    | 87.64 | 99.12 | 107.14 | 112.73 | 133.96 | 141.97 | 169.13 | 189.57 | 217.50 | 239.38 |
| FCF/Share        | 8.14  | 9.75  | 10.92  | 13.87  | 14.08  | 16.43  |        |        |        |        |

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