# CNO Financial Group, Inc. (CNO)

*Updated November 6th, 2025, by Kody Kester*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $40 | **5 Year CAGR Estimate:** | 9.5% | **Market Cap:** | $3.8B |
| **Fair Value Price:** | $39 | **5 Year Growth Estimate:** | 8.5% | **Ex-Dividend Date:** | 12/09/25[1] |
| **% Fair Value:** | 103% | **5 Year Valuation Multiple Estimate:** | -0.5% | **Dividend Payment Date:** | 12/23/25[1] |
| **Dividend Yield:** | 1.7% | **5 Year Price Target** | $59 | **Years Of Dividend Growth:** | 13 |
| **Dividend Risk Score:** | B | **Sector:** | Financials | **Rating:** | Hold |

## 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 September 30th, 2025, the company served 3.3 million customers with its insurance policies and annuities and had $38.3 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 November 3rd, CNO released its earnings report for the third quarter ended September 30th, 2025. The company's total revenue grew by 5.2% over the year-ago period to $1.19 billion during the quarter. This topline growth was led by a 26% growth rate in total new annualized premiums and a 28% jump in brokerage and advisory client assets year-over-year in the quarter. CNO's operating EPS rose by 16.2% over the year-ago period to $1.29 for the quarter. For more perspective, this surpassed the analyst consensus by $0.37 during the quarter.

## 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 | ***$3.76*** | ***$5.65*** |
| **DPS** | $0.27 | $0.31 | $0.35 | $0.39 | $0.43 | $0.47 | $0.51 | $0.55 | $0.59 | $0.63 | ***$0.68*** | ***$0.95*** |
| **Shares[2]** | 184.0 | 173.8 | 166.9 | 162.2 | 148.1 | 135.3 | 120.4 | 114.3 | 109.4 | 101.6 | ***95.4*** | ***69.4*** |

Over the last five years, CNO has generated 8%+ annual operating EPS growth. Moving forward, we believe the company continues to have a path to high-single-digit annual operating EPS growth, and model 8.5% 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. In June, 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.

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[1] Estimated based on past dividend dates.

[2] Share count is in millions.

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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 | ***10.7*** | ***10.4*** |
| **Avg. Yld.** | 1.4% | 1.6% | 1.4% | 2.6% | 2.4% | 2.1% | 2.1% | 2.4% | 2.1% | 1.7% | ***1.7%*** | ***1.6%*** |

Since 2015, CNO's P/E ratio has varied 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 up, we believe a fair value multiple of 10.4 is sensible. Put into context, the current P/E ratio of 10.7 is now just above our fair value estimate following the recent rally.

## 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%*** | ***17%*** |

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.

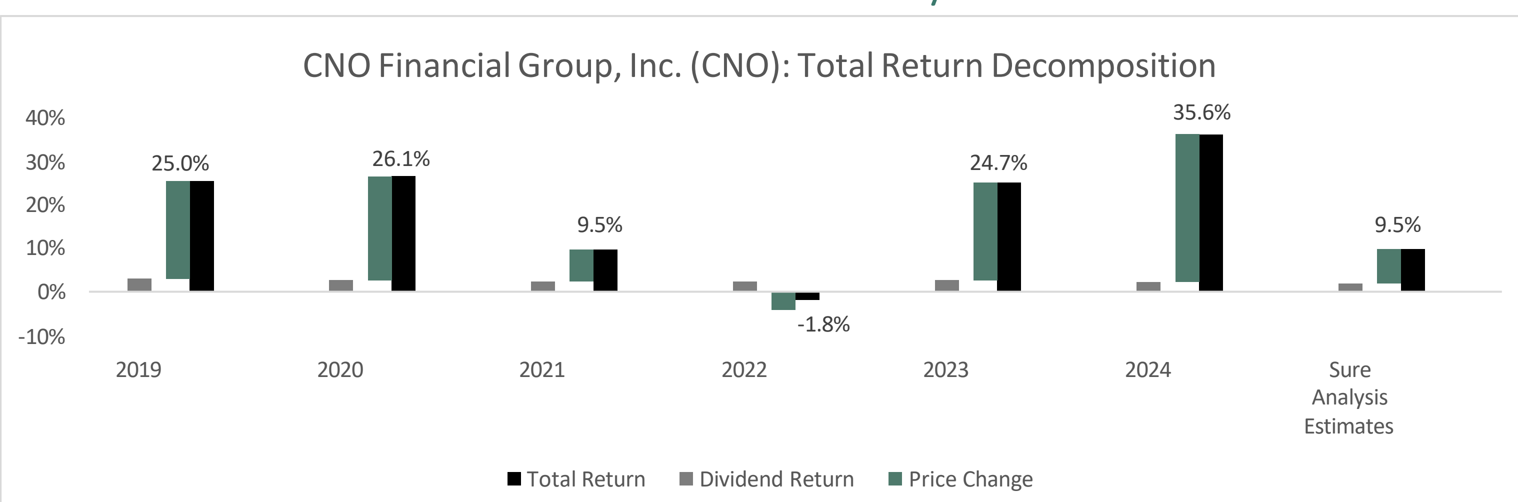
CNO's balance sheet is also a strength. The company's major brands all boast A-rated balance sheets on stable outlooks from the four major credit rating agencies (AM Best, S&P, Fitch, and Moody's). CNO itself possesses BBB+, BBB-, Baa3 (BBB- equivalent), and BBB credit ratings from Fitch, S&P, Moody's,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

These investment-grade credit ratings are backed up by a total consolidated risk-based capital ratio or RBC ratio of 380% as of September 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 1.7% dividend yield, 8.5% annual diluted EPS growth prospects, and 0.5% annual valuation multiple downside could set it up for 9.5% annual total returns over the medium term. Given that the current valuation is a bit above our fair value estimate, we're downgrading shares to a hold rating for now.

## 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** | 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.*