



CNO Financial Group, Inc. (CNO)

Updated May 1st, 2026, by Kody Kester

Key Metrics

Current Price:	\$44	5 Year CAGR Estimate:	10.4%	Market Cap:	\$4.2B
Fair Value Price:	\$45	5 Year Growth Estimate:	9.0%	Ex-Dividend Date:	06/09/26 ¹
% Fair Value:	99%	5 Year Valuation Multiple Estimate:	0.1%	Dividend Payment Date:	06/23/26 ¹
Dividend Yield:	1.5%	5 Year Price Target	\$68	Years Of Dividend Growth:	13
Dividend Risk Score:	A	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 March 31st, 2026, the company served 3.3 million customers with its insurance policies and annuities and had \$39.0 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 2025, premiums from annuities accounted for \$1.94 billion of CNO's total premiums collected (42.3%). Supplemental health premiums made up \$744.5 million in total premiums collected for the year (16.2%). Medicare supplement plans chipped in another \$626.8 million, or 13.7% of total collected premiums. Long-term care plans collected another \$292.2 million in premiums, or 6.4% of the total premiums collected. Finally, life insurance plans made up the remaining \$984.5 million of premiums or 21.4% of total collected premiums.

On April 30th, CNO released its earnings report for the first quarter ended March 31st, 2026. The company's total revenue edged 2.5% higher over the year-ago period to \$1.03 billion during the quarter. This topline growth was fueled by an 11% rise in total new annualized premiums and a 27% year-over-year jump in brokerage and advisory client assets in the quarter. CNO's operating EPS soared 32.9% higher over the year-ago period to \$1.05 for the quarter. That topped the analyst consensus during the quarter by \$0.12.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	\$1.47	\$1.75	\$1.83	\$1.85	\$2.53	\$2.79	\$2.33	\$3.09	\$3.97	\$4.02	\$4.45	\$6.85
DPS	\$0.31	\$0.35	\$0.39	\$0.43	\$0.47	\$0.51	\$0.55	\$0.59	\$0.63	\$0.67	\$0.68	\$0.95
Shares²	173.8	166.9	162.2	148.1	135.3	120.4	114.3	109.4	101.6	94.5	95.3	70.0

Over the last five years, CNO has generated nearly 10% annualized operating EPS growth. Moving forward, we believe the company continues to have a path to high-single-digit operating EPS growth, and model 9.0% off a 2026 base of \$4.45. 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 June, its Washington National brand introduced its new Individual Term Life Insurance product. Currently, just 31% of people earning less than \$50,000 annually have life insurance, indicating there is a significant market opportunity in this demographic segment. 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	13.0	14.1	8.1	9.7	8.8	8.5	9.8	9.0	9.4	10.3	9.9	10.0
Avg. Yld.	1.6%	1.4%	2.6%	2.4%	2.1%	2.1%	2.4%	2.1%	1.7%	1.6%	1.5%	1.4%

Since 2016, CNO's P/E ratio has varied from the high single digits to the low teens. The average P/E ratio of 10.1 over this time falls within this range. Given that CNO's annual diluted EPS growth potential is intact, we still think that a fair value multiple of 10.0 is sensible. Put into context, the current P/E ratio of 9.9 is marginally below our fair value estimate.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	21%	20%	21%	23%	19%	18%	24%	19%	16%	17%	15%	14%

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.

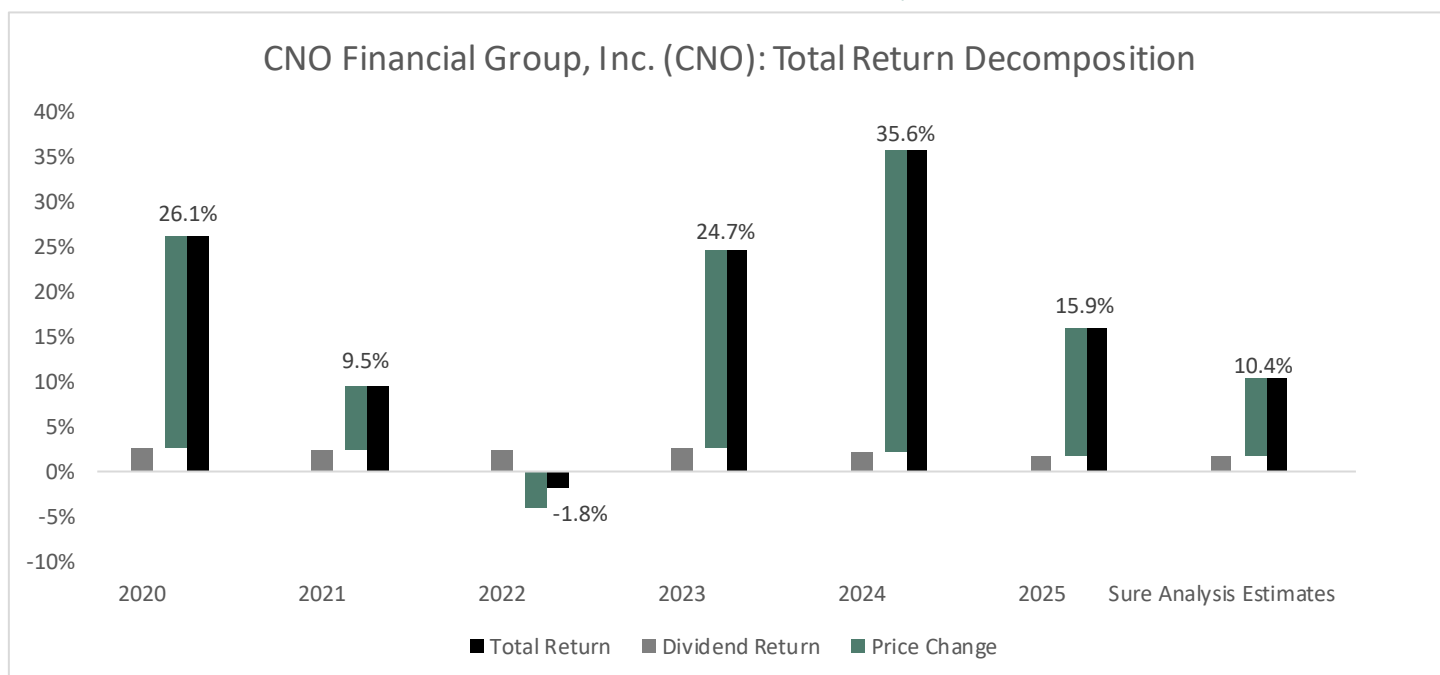
CNO's balance sheet is also a strength. The company's major brands all boast A-rated balance sheets on stable outlooks from the four major credit rating agencies (AM Best, S&P, Fitch, and Moody's). CNO itself possesses BBB+, BBB-, Baa3 (BBB- equivalent), and BBB credit ratings from Fitch, S&P, Moody's,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

These investment-grade credit ratings are backed up by a total consolidated risk-based capital ratio or RBC ratio of 375% as of March 31st. This is within its targeted range of between 360% and 390%. Finally, the company's dividend payout ratio in the mid-teens range also somewhat shields the company from a downturn in profits.

Final Thoughts & Recommendation

CNO's 1.5% dividend yield, 9.0% annual diluted EPS growth prospects, and 0.1% annual valuation multiple upside potential could set it up for 10.4% annual total returns over the medium term. In closing, this is why we're upgrading shares to a Buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	3,985	4,297	4,314	4,016	3,821	4,122	3,717	4,168	4,510	4,500
D&A Exp.	275	265	292	268	304	320	249	267	292	319
Net Profit	358	176	(315)	409	302	441	631	277	421	229
Net Margin	9.0%	4.1%	-7.3%	10.2%	7.9%	10.7%	17.0%	6.6%	9.3%	5.1%
Free Cash Flow	686	613	318	697	736	598	495	583	628	676
Income Tax	(5)	305	50	(135)	43	127	186	80	119	64
	3,985	4,297	4,314	4,016	3,821	4,122	3,717	4,168	4,510	4,500

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	30,337	31,438	26,746	29,401	31,523	32,558	28,910	31,261	34,220	35,348
Cash & Equivalents	668	757	657	655	992	732	645	889	1,998	984
Total Liabilities	25,850	26,590	23,375	24,724	26,039	27,298	27,141	29,046	31,705	32,710
Long-Term Debt	4,655	4,209	4,067	3,880	4,018	4,338	4,153	4,479	4,520	4,506
Shareholder's Equity	4,487	4,847	3,371	4,677	5,484	5,260	1,769	2,216	2,515	2,638
LTD/E Ratio	0.94	0.82	1.18	0.83	0.73	0.77	2.22	1.91	1.80	1.57

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.2%	0.6%	-1.1%	1.5%	1.0%	1.4%	2.1%	0.9%	1.3%	0.7%
Return on Equity	8.3%	3.8%	-7.7%	10.2%	5.9%	8.2%	17.9%	13.9%	17.8%	8.9%
ROIC	4.2%	2.0%	-3.9%	5.2%	3.4%	4.7%	8.4%	4.5%	6.2%	3.3%
Shares Out.	173.8	166.9	162.2	148.1	135.3	120.4	114.3	109.4	101.6	94.5
Revenue/Share	22.35	24.96	26.07	25.55	26.69	31.44	31.58	36.21	41.71	45.08
FCF/Share	3.85	3.56	1.92	4.43	5.14	4.56	4.21	5.06	5.81	6.77

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

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