Cincinnati Financial Corp. (CINF)

Updated June 13th, 2026 by Felix Martinez

Key Metrics

Current Price:	$169	**5 Year Annual Expected Total Return:**	8.7%	**Market Cap:**	$26.1B
Fair Value Price:	$175	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	06/23/26
% Fair Value:	97%	**5 Year Valuation Multiple Estimate:**	0.7%	**Dividend Payment Date:**	07/15/26
Dividend Yield:	2.2%	**5 Year Price Target**	$234	**Years Of Dividend Growth:**	66
Dividend Risk Score:	A	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Cincinnati Financial Corp. (CINF) is an insurance company founded in 1950. It offers business, home, auto insurance, and financial products, including life insurance, annuities, property, and casualty insurance. Cincinnati Financial is headquartered in Fairfield, Ohio, trading with a $26.1 billion market capitalization. As an insurance company, Cincinnati Financial makes money in two ways. It earns income from premiums on policies written and by investing its float, or the large sum of money consisting of the time value between the premium income and insurance claims.

Cincinnati Financial recently reported its financial results for the first quarter for fiscal year 2026. The company reported first-quarter 2026 net income of $274 million, or $1.75 per share, compared to a net loss of $90 million, or $0.57 per share, in the prior-year quarter. Non-GAAP operating income rose to $330 million, or $2.10 per share, beating estimates by $0.16 and reversing last year's $0.24 operating loss. Total revenues grew 12% to $2.86 billion, supported by 11% higher earned premiums and 14% growth in investment income. Results benefited from significantly lower catastrophe losses.

The property casualty combined ratio improved 17.7 points to 95.6%, driven by reduced catastrophes and a 3.0-point decline in the current accident year combined ratio before catastrophes to 87.5%. Net written premiums increased 7% to $2.67 billion. Personal lines posted strong 15% premium growth and a 96.8% combined ratio, while commercial lines and excess & surplus lines reported 98.6% and 89.3% combined ratios, respectively. The life insurance subsidiary earned $26 million, up 24%.

Book value per share was $101.60 at March 31, 2026. The company maintained a strong balance sheet with $5.55 billion in parent cash and marketable securities and over $8 billion in equity portfolio appreciation. It declared an $0.94 quarterly dividend, up 8%, and recorded a 0.2% value creation ratio. CEO Stephen M. Spray cited improved underwriting discipline, agency expansion, and confidence in continued profitable growth.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.07	$2.74	$3.35	$4.20	$3.28	$6.41	$4.24	$6.03	$7.58	$7.95	***$8.75***	***$11.71***
DPS	$1.92	$2.00	$2.12	$2.24	$2.40	$2.52	$2.76	$3.00	$3.24	$3.48	***$3.76***	***$4.80***
BPS	$42.94	$50.29	$48.11	$60.50	$67.04	$81.72	$67.01	$77.06	$89.11	$102.35	***$101.60***	***$163.63***
Shares[1]	167.0	166.0	165.0	165.0	162.0	162.7	158.8	158.1	157.8	157.7	***157.0***	***156.0***

Cincinnati Financial has grown earnings by 11.2% per year over the past nine years and 6.4% over the past five years. Consensus analysts expect earnings to grow by 6% for the next five years. Book value, a significant metric for insurance companies, has increased by 6.8% over the past nine years and 7.5% over the past five years.

The company makes most of its net income from its investment gains and is highly dependent on bond interest rates and stock market performance. We have a baseline forecast of 6% earnings and 10% book value growth over the next

[1] Share count is in millions.

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five years, but the estimate depends on overall stock and bond performance in the United States over that period. Management expects to grow the book value by 10% - 15% per year.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Avg. P/E	22.7	26.8	22.3	25.0	26.6	17.8	24.1	17.2	18.9	20.3	***19.3***	***20.0***
Avg. P/B	1.62	1.46	1.55	3.8	1.3	1.4	0.7	1.3	1.6	1.7	***1.7***	***1.6***
Avg. Yld.	2.8%	3.4%	2.8%	2.1%	2.6%	2.2%	2.7%	2.9%	2.3%	2.1%	***2.2%***	***2.0%***

Cincinnati Financial has averaged a 22.2x P/E ratio over the past decade. The P/B ratio has averaged 1.6. The company is slightly lower than its historical norm, with a current PE of 19.3x and 1.7 P/B valuations. We expect multiple expansion to 20 P/E as the base case, implying a tailwind of 0.7%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	63%	73%	63%	53%	73%	39%	65%	50%	43%	44%	***43%***	***41%***

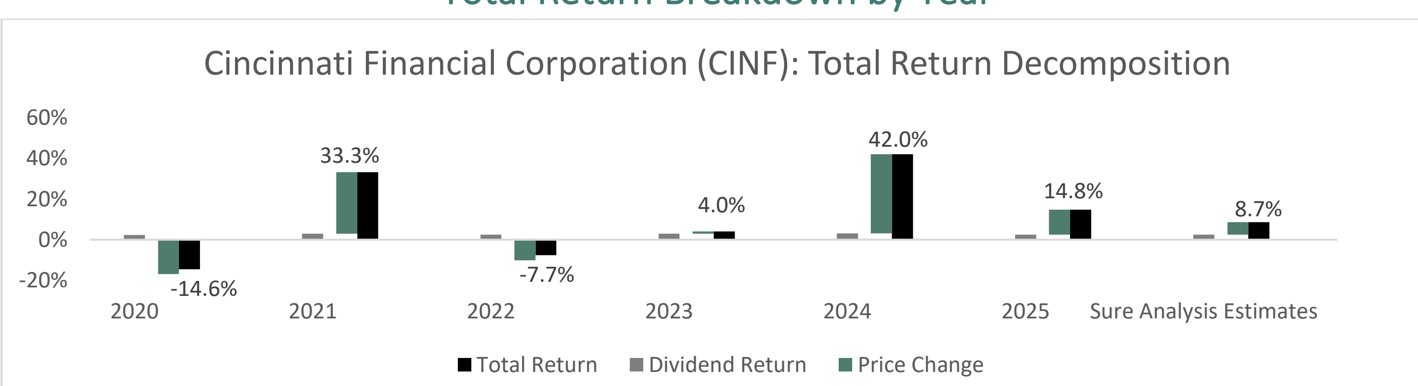
Cincinnati Financial has a strong dividend growth track record. Unlike many financial industry peers, it did not cut its dividend payout during the last financial crisis. In 2009, the dividend was not fully covered by earnings, but the company continued to grow its payout, and dividends have been fully covered since 2012. With its dividend record during the financial crisis, BBB+ investment-grade credit rating, and Cincinnati Financial having 66 consecutive years of annual dividend increases, we believe that the dividend cut risk here is low.

Cincinnati Financial has limited competitive advantages. Its recognized brand and relatively large-scale help, and to that end, Cincinnati Financial have developed a close relationship with its customers. But competition is fierce, and insurance companies do not enjoy high brand loyalty. Competing insurers can lure customers away with relative ease by offering price discounts. Cincinnati Financial is not insulated against recessions but is not as vulnerable as many companies in the financial sector. The company's balance sheet is strong, with interest coverage of 57.2 times and a Debt-to-Equity ratio of 0.1.

Final Thoughts & Recommendation

Cincinnati Financial is a high-quality dividend stock that has previously delivered compelling results for shareholders. The company is not a high-growth name, though, and we believe that earnings will rise at a modest mid-single-digit pace. Cincinnati Financial is trading at a fair valuation compared to what seems justified based on its growth outlook and historical valuation. The company earns a buy recommendation due to its valuation levels compared to historical valuation levels, with an estimated total return of 8.7% annually for the next five years.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	5,449	5,732	5,407	7,924	7,536	9,630	6,557	10,010	11340	12,631
D&A Exp.	48	55	63	72	81	93			130	168
Net Profit	591	1,045	287	1,997	1,216	2,946	-486	1,843	2292	2,393
Net Margin	10.8%	18.2%	5.3%	25.2%	16.1%	30.6%	-7.4%	18.4%	20.2%	19.0%
Free Cash Flow	1,102	1,036	1,161	1,184	1,471	1,966			2627	3,092
Income Tax	221	-315	-36	475	283	724	-207	433	566	587

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	20,386	21,843	21,935	25,408	27,542	31,387	29,736	32,770	36500	41002
Cash & Equivalents	777	657	784	767	900	1,139	1,264	907	983	1,431
Acc. Receivable	2,078	2,021	2,128	2,387	2,396	2,623	2,962	3,243	3492	3,797
Total Liabilities	13,326	13,600	14,102	15,544	16,753	18,282	19,205	20,670	22570	22,091
Long-Term Debt	807	811	820	827	842	843	891	874	815	861
Total Equity	7,060	8,243	7,833	9,864	10,789	13,105	10,531	12,100	13940	15,911
LTD/E Ratio	0.11	0.10	0.10	0.08	0.08	0.06	0.08	0.07	0.06	0.06

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.0%	4.9%	1.3%	8.4%	4.6%	10.0%	-1.6%	5.9%	6.6%	6.2%
Return on Equity	8.8%	13.7%	3.6%	22.6%	11.8%	24.7%	-4.1%	16.3%	17.6%	16.0%
ROIC	7.8%	12.4%	3.2%	20.6%	10.9%	23.0%	-3.8%	15.1%	16.6%	6.4%
Shares Out.	167.0	166.0	165.0	165.0	162.0	162.7	158.8	158.1	157.8	157.7
Revenue/Share	32.73	34.53	32.87	48.00	46.40	59.19	41.28	63.33	71.84	80.09
FCF/Share	6.62	6.24	7.06	7.17	9.06	12.08			16.65	19.61

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