

CNO Financial Group (CNO)

\$42.87 (Stock Price as of 12/15/2025)

Price Target (6-12 Months): **\$43.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 04/02/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

2-Buy

Zacks Style Scores:

VGM: B

Value: A

Growth: D

Momentum: B

Summary

CNO Financial's third-quarter earnings beat estimates. It stands to benefit from strong industry tailwinds, including growing demand for Medicare, supplemental health and life insurance products, supported by its multi-channel distribution and focus on middle-income retirees. It has delivered consistent revenue growth, aided by solid policyholder persistency and agent-client relationships. Insurance policy income grew 2.4% year over year in the first nine months of 2025. Investments in technology platforms such as myHealthPolicy.com and Optavise, along with strategic acquisitions, are expected to enhance efficiency and expand market reach. Shareholder returns remain robust. However, leverage remains elevated, with a long-term debt-to-capital ratio of 59.1%. Rising expenses could pressure margins and weigh on its EPS.

Data Overview

52 Week High-Low	\$43.20 - \$34.63
20 Day Average Volume (sh)	630,963
Market Cap	\$3.9 B
YTD Price Change	10.8%
Beta	0.86
Dividend / Div Yld	\$0.68 / 1.6%
Industry	Insurance - Multi line
Zacks Industry Rank	Top 22% (54 out of 243)

Last EPS Surprise	1.1%
Last Sales Surprise	26.3%
EPS F1 Est- 4 week change	0.4%
Expected Report Date	02/05/2026
Earnings ESP	0.0%

P/E TTM	10.5
P/E F1	11.4
PEG F1	2.7
P/S TTM	0.9

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	967 E	969 E	976 E	991 E	3,899 E
2025	1,011 A	1,152 A	1,192 A	962 E	3,778 E
2024	1,157 A	1,066 A	1,128 A	1,139 A	4,499 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	0.92 E	1.05 E	1.12 E	1.26 E	4.32 E
2025	0.79 A	0.87 A	0.96 A	1.20 E	3.76 E
2024	0.52 A	1.05 A	1.11 A	1.31 A	3.97 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/15/2025.

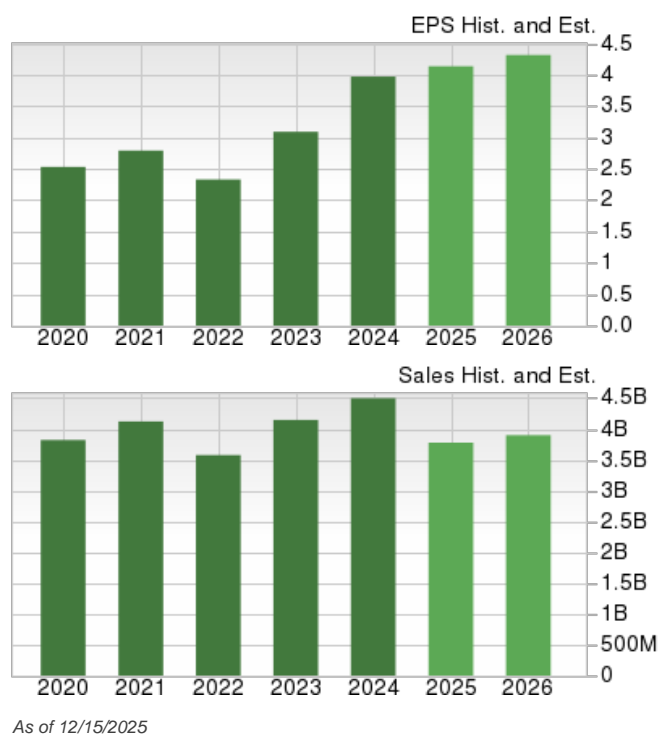
(2) The report's text and the price target are as of 11/25/2025.

Overview

Headquartered in Carmel, IN, CNO Financial Group Inc. is a top-tier holding company for a group of insurance companies operating throughout the U.S., to develop, administer and market annuity, supplemental health and individual life insurance, and other insurance products. Accordingly, premiums collected are reported under three key insurance product lines: Annuities (40.9% of total premiums collected in 2024), Health (37.2%) and Life (21.9%).

Its three distribution channels include career agents, professional independent producers and direct marketers. Following a business reorganization in January 2020 to enhance cross-channel efficiencies and improve customer service, its marketing efforts were focused on the Consumer and Worksite markets.

The Consumer Division: This division serves individual consumers with a focus on middle-income pre-retiree and retired Americans, directly engaging with them over the phone, through online and face-to-face interaction with agents or a combination of sales channels (direct sales through agents). The company deploys 4,500 exclusive agents to sell its primary products and related customer services and an extensive network of independent agents, insurance brokers and marketing organizations to sell supplemental products. **The Worksite Division:** This division focuses on group insurance products for businesses, associations and other membership groups. Its Optavise brand facilitates customer interaction and product sales. With this division, the company focuses on high-growth business



Reasons To Buy:

- ▲ **Favorable Industry Tailwinds:** CNO Financial is poised to benefit from the U.S. health insurance market's growth, driven by aging demographics, chronic disease prevalence and tech-enabled access. Its strong presence in Medicare supplement, long-term care and supplemental health insurance aligns well with increasing demand, positioning it to capture share amid expanding private coverage and rising healthcare costs. Additionally, the company can benefit from the growing individual life insurance market by leveraging its focus on underserved middle-income retirees, a segment well-aligned with rising demand. Its multi-channel distribution strategy, including exclusive agents and direct-to-consumer outreach, positions it to capitalize on expected growth in whole and term life products.
- ▲ **Strong Policyholder Persistency:** CNO Financial delivered a 15.9% revenue increase in 2023 and another 7.3% rise in 2024, fueled by higher policy income across Health and Life insurance products, favorable rate actions and improved investment income. Insurance policy income grew 2.4% year over year in the first nine months of 2025. Strong persistency in its Medicare Supplement and Medicare Advantage businesses, supported by deep agent-client relationships, continues to drive stable policy income growth, reinforcing CNO's solid market positioning and effective product strategy.
- ▲ **Technology Investments and Acquisitions:** CNO has made substantial investments in technology to enhance agent productivity and improve sales and marketing efficiency. These initiatives are designed to elevate the online customer experience and streamline service delivery. Notably, the company has equipped its agents with advanced tools, training and virtual consultation capabilities, enabling seamless digital insurance applications. Its digital health insurance marketplace, myHealthPolicy.com, positions CNO to capitalize on the growing demand for online Medicare product purchases and helping to attract a younger demographic. Additionally, the company's hybrid enrollment platform, Optavise, strengthens agent-employee engagement and is driving higher enrollment attendance rates, further supporting business growth. Meanwhile, CNO Financial continues to drive inorganic growth through strategic acquisitions and disciplined capital allocation. The acquisition of DirectPath strengthened its Worksite division by adding in-demand benefits management services and enhanced enrollment capabilities.
- ▲ **Capital Distribution:** CNO Financial has demonstrated a strong commitment to shareholder returns through consistent capital distribution. The company has increased its quarterly dividend annually since 2013 and actively engages in share repurchase programs. In 2024, it returned \$282 million via buybacks and \$129 million through dividends (net of capital distributions). In the first nine months of 2025, CNO repurchased \$259.9 million worth of shares and paid \$50 million in dividends. As of Sept. 30, 2025, \$480.4 million remained authorized for share repurchases. The company's shares have outperformed the industry in the past year.

CNO Financial's growing policy income, investments in cutting-edge technology, strategic initiatives and shareholder value boosting efforts are its tailwinds.

Reasons To Sell:

▼ **High Debt Burden:** CNO Financial's balance sheet reflects a relatively high level of leverage. At the end of Q3 2025, its long-term debt-to-capital ratio stood at 59.1%, nearly double the industry average of 30.3%. Unrestricted cash and cash equivalents fell sharply to \$1.2 billion from \$1.7 billion at the end of 2024, while long-term debt remained elevated at \$3.8 billion. In a high-interest-rate environment, this high leverage translates into heavier interest expenses and reduced financial flexibility.

A volatile expense level, weak balance sheet and premium valuation raise concerns for the company.

▼ **Rising Costs:** After several years (from 2019 through 2022) of disciplined expense control, cost pressures have resurfaced. Total benefits and expenses surged 37.3% in 2023 due to higher insurance policy benefits, followed by increases of 3.7% in 2024 and 3.9% in the first nine months of 2025. The expense ratio, excluding significant items, came in at 19.2% both in 2024 and in the first nine months of 2025, above management's full-year guidance of around 19%. Operating EPS is projected at \$3.75–\$3.85 in 2025, below the \$3.97 earned in 2024. Meanwhile, ongoing investments in technology, agent platforms, and direct-to-consumer channels may further elevate costs and weigh on margins.

▼ **Overvalued:** CNO Financial's current valuation appears elevated relative to industry peers. Its forward 12-month price-to-earnings (P/E) ratio stands at 9.61X, above the industry average of 8.47X, suggesting that the stock may be priced at a premium despite near-term earnings pressure.

Last Earnings Report

CNO Q3 Earnings Top on Strong Life Collected Premiums

CNO Financial reported third-quarter 2025 adjusted earnings per share (EPS) of 96 cents, which beat the Zacks Consensus Estimate by 1.1%. The bottom line rose from 92 cents a year ago.

Operating revenues of \$1.2 billion advanced 5.3% year over year. The top line surpassed the consensus mark by 26.3%.

The quarterly results were supported by strong collected premiums from annuity, life and health products, rising new annualized premiums and higher fee revenues. Nevertheless, the upside was partly offset by a rise in total benefits and expenses as a result of higher other operating costs and expenses.

CNO's Q3 Performance

Total insurance policy income rose 2.1% year over year to \$658.4 million and beat the Zacks Consensus Estimate of \$653 million. The metric was aided by improved collected premiums from annuity, life and health products.

Net investment losses were \$8.8 million, slightly narrower than the prior-year quarter's loss of \$11.1 million. General account assets grew 4.5% year over year to \$382.9 million. Policyholder and other special-purpose portfolios of \$116.8 million advanced 33.3% year over year in the quarter under review.

Fee revenues and other income rose 13.9% year over year to \$33.6 million.

Annuity collected premiums of \$472.5 million improved 1.6% year over year, while health collected premiums increased 2.4% to \$412.6 million. Collected premiums from life products totaled \$247 million, which rose 2.5% year over year. The total collected premiums advanced 2.1% year over year to \$1.1 billion.

New annualized premiums for health products rose 20.2% year over year, while the same for life products climbed 32.1% year over year. Annuity, Health and Life products accounted for 24.3%, 52.2% and 23.5%, respectively, of CNO's insurance margin.

Total benefits and expenses escalated 3% year over year to \$1.2 billion due to goodwill and other asset impairment, and other operating costs and expenses.

CNO's Financial Update (As of Sept. 30, 2025)

CNO Financial exited the third quarter with unrestricted cash and cash equivalents of \$1.2 billion, which plunged 26.5% from the 2024-end level.

Total assets of \$38.3 billion rose 1.2% from the figure at 2024-end.

The debt-to-capital ratio was 33.8% at the third-quarter end, which improved 840 basis points (bps) from the 2024-end figure.

Total shareholders' equity grew 3.8% from the 2024-end level to \$2.6 billion.

Book value per common share was \$27.24, which increased 10.1% from the figure at 2024-end. Operating return on equity, excluding significant items, improved 80 bps year over year to 11.2% at the third-quarter end.

CNO Financial's Share Repurchase & Dividend Update

CNO Financial rewarded its shareholders with \$60 million in the form of share buybacks and \$16.4 million in dividends during the third quarter. As of Sept. 30, 2025, the company had a leftover repurchase capacity of \$480.4 million.

CNO's 2025 Guidance

CNO Financial now anticipates operating EPS in the range of \$3.75-\$3.85 compared to the previously expected range of \$3.70-\$3.90.

For 2025, management now estimates excess cash flow in the band of \$365-\$385 million to the holding company, up from the previously expected range of \$200-\$250 million.

The company currently projects the expense ratio to be around 19%, narrower than the prior view of 19-19.2%. It estimates the effective tax rate to be in the band of 22-22.5%. Management continues to target achieving leverage within the band of 25-28%.

FY Quarter Ending 12/31/2024

Earnings Reporting Date	Nov 03, 2025
Sales Surprise	26.25%
EPS Surprise	1.05%
Quarterly EPS	0.96
Annual EPS (TTM)	3.93

Valuation

CNO shares are up 9.7% in the year-to-date period and 0.8% in the past 12-month period. Stocks in the Zacks sub-industry is up 3.7% in the year-to-date period, while the Zacks Finance sector is up 12%, in the year-to-date period. Over the past year, the Zacks sub-industry was down 1.2% while the sector was up 6.5%.

The S&P 500 index is up 16.4% in the year-to-date period and 14.4% in the past year.

The stock is currently trading at 9.61X forward 12-month earnings, which compares to 8.47X for the Zacks sub-industry, 16.81X for the Zacks sector and 23.15X for the S&P 500 index.

Over the past five years, the stock has traded as high as 12.46X and as low as 7.24X, with a 5-year median of 9.56X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$43.00 price target reflects 10.09X forward earnings.

The table below shows summary valuation data for CNO.

Valuation Multiples - CNO					
		Stock	Sub-Industry	Sector	S&P 500
P/E F12M	Current	9.61	8.47	16.81	23.15
	5-Year High	12.46	10.41	18.31	23.81
	5-Year Low	7.24	7.26	12.38	15.73
	5-Year Median	9.56	8.74	16.14	21.21
P/S F12M	Current	1	1.4	8.9	5.23
	5-Year High	1.11	1.48	10.06	5.5
	5-Year Low	0.53	1.04	6.68	3.83
	5-Year Median	0.82	1.31	8.35	5.04
P/B TTM	Current	1.49	2.21	4.07	8.34
	5-Year High	2.07	2.74	4.3	9.16
	5-Year Low	0.52	1.05	2.87	6.6
	5-Year Median	1.33	2.23	3.52	8.03

As of 11/24/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Top 22% (54 out of 243)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
Hamilton Insurance G...(HG)	Outperform	1
Radian Group Inc. (RDN)	Outperform	1
SiriusPoint Ltd. (SPNT)	Outperform	1
Fidelis Insurance Ho...(FIHL)	Neutral	4
Horace Mann Educator...(HMN)	Neutral	2
MGIC Investment Corp...(MTG)	Neutral	2
SelectQuote, Inc. (SLQT)	Neutral	4
Kemper Corporation (KMPR)	Underperform	5

Industry Comparison⁽¹⁾ Industry: Insurance - Multi Line

	CNO	X Industry	S&P 500	FIHL	KMPR	SPNT
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Outperform
Zacks Rank (Short Term)	2	-	-	4	5	1
VGM Score	B	-	-	C	B	B
Market Cap	3.93 B	5.30 B	39.38 B	2.11 B	2.42 B	2.62 B
# of Analysts	2	2	22	1	4	1
Dividend Yield	1.65%	1.25%	1.41%	3.15%	3.10%	0.00%
Value Score	A	-	-	C	A	B
Cash/Price	0.39	0.33	0.04	0.52	0.20	0.27
EV/EBITDA	7.99	6.39	14.60	11.91	5.77	11.00
PEG Ratio	2.54	0.93	2.23	NA	NA	NA
Price/Book (P/B)	1.51	1.30	3.35	0.87	0.95	1.30
Price/Cash Flow (P/CF)	9.91	12.19	15.20	18.24	6.07	19.42
P/E (F1)	10.97	9.92	19.78	10.69	9.88	9.35
Price/Sales (P/S)	0.89	1.12	3.06	0.82	0.50	0.92
Earnings Yield	10.04%	9.97%	4.99%	9.35%	10.13%	10.69%
Debt/Equity	1.45	0.30	0.57	0.35	0.35	0.34
Cash Flow (\$/share)	4.16	2.70	8.99	1.04	6.80	1.16
Growth Score	D	-	-	C	B	D
Hist. EPS Growth (3-5 yrs)	12.97%	12.24%	8.16%	NA	20.65%	-8.32%
Proj. EPS Growth (F1/F0)	-5.29%	14.56%	8.57%	50.85%	-29.03%	130.77%
Curr. Cash Flow Growth	20.56%	2.09%	6.75%	-69.19%	613.44%	-54.95%
Hist. Cash Flow Growth (3-5 yrs)	-4.83%	0.56%	7.43%	NA	1.01%	-7.54%
Current Ratio	0.18	0.67	1.19	0.74	0.19	0.57
Debt/Capital	59.13%	23.59%	38.01%	25.86%	25.74%	23.59%
Net Margin	6.64%	7.95%	12.78%	-0.56%	5.13%	6.97%
Return on Equity	15.81%	12.30%	17.00%	-0.94%	11.48%	11.31%
Sales/Assets	0.12	0.20	0.53	0.21	0.39	0.23
Proj. Sales Growth (F1/F0)	-16.00%	0.00%	5.77%	8.20%	5.60%	15.40%
Momentum Score	B	-	-	C	F	C
Daily Price Chg	0.24%	0.00%	-1.07%	0.48%	1.00%	0.76%
1 Week Price Chg	2.64%	2.88%	-0.63%	5.20%	4.56%	4.47%
4 Week Price Chg	0.07%	3.00%	1.39%	3.59%	7.76%	10.43%
12 Week Price Chg	4.14%	1.07%	2.45%	7.94%	-20.39%	26.91%
52 Week Price Chg	8.44%	11.27%	12.83%	-0.26%	-39.06%	44.37%
20 Day Average Volume	630,963	271,170	2,728,366	560,699	817,475	560,810
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.40%	0.00%	0.00%	-17.97%	-13.78%	0.00%
(F1) EPS Est 12 week change	0.48%	3.77%	0.69%	15.21%	-24.87%	6.82%
(Q1) EPS Est Mthly Chg	0.00%	0.00%	0.00%	0.00%	-5.28%	0.00%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	A
Growth Score	D
Momentum Score	B
VGM Score	B

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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