

Lincoln National (LNC)

\$44.16 (Stock Price as of 01/08/2026)

Price Target (6-12 Months): **\$48.00**

Long Term: 6-12 Months

Zacks Recommendation:

Neutral

(Since: 12/04/25)

Prior Recommendation: Outperform

Short Term: 1-3 Months

Zacks Rank: (1-5)

3-Hold

Zacks Style Scores:

VGM: D

Value: C

Growth: F

Momentum: A

Summary

Lincoln National's product introductions and enhancements will help improve the top line. Operating margin of the Group Protection unit improved 110 bps year over year in the first nine months of 2025. LNC's adjusted income from operations rose 23.8% year over year in the first nine months of 2025. Robust digital capabilities and product innovation are its strong suit. The company expects RBC% to remain above the 420%+ target. Its dividend yield of 4% is higher than the industry average of 3.2%, signaling its shareholder value-boosting efforts. However, weakness in the Life Insurance business is a concern. Higher costs will likely keep the business under pressure. High leverage and potential reserve deficiencies can affect its performance. At Q3-end, it had total debt of \$5.8 billion. As such, the stock warrants a cautious stance.

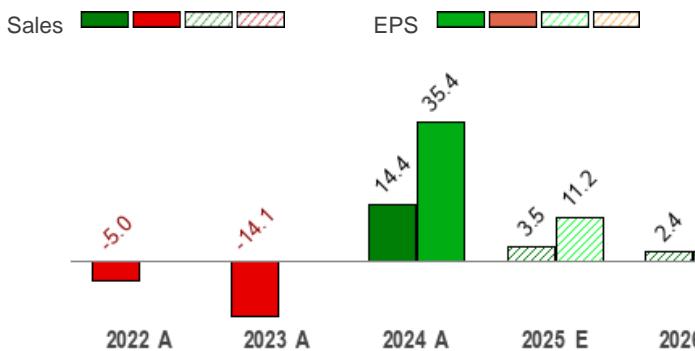
Price, Consensus & Surprise⁽¹⁾



Data Overview

52 Week High-Low	\$46.82 - \$27.58
20 Day Average Volume (sh)	1,324,568
Market Cap	\$8.4 B
YTD Price Change	-0.8%
Beta	1.32
Dividend / Div Yld	\$1.80 / 4.1%
Industry	Insurance - Life Insurance
Zacks Industry Rank	Bottom 26% (180 out of 244)

Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Last EPS Surprise	10.9%
Last Sales Surprise	-0.5%
EPS F1 Est- 4 week change	0.1%
Expected Report Date	02/05/2026
Earnings ESP	0.1%

Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	4,919 E	4,951 E	4,949 E	4,635 E	19,454 E
2025	4,685 A	4,726 A	4,780 A	4,828 E	18,992 E
2024	4,584 A	4,527 A	4,603 A	4,628 A	18,342 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026	1.69 E	2.17 E	2.06 E	2.11 E	8.03 E
2025	1.60 A	2.36 A	2.04 A	1.90 E	7.86 E
2024	1.37 A	1.84 A	2.06 A	1.91 A	7.07 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 01/08/2026.

(2) The report's text and the price target are as of 12/11/2025.

Overview

Founded in 1904 and headquartered in Radnor, PA, Lincoln National Corp. is a diversified life insurance and investment management company. Operating under the name of Lincoln Financial Group, the company's primary subsidiaries are Lincoln National Life Insurance Company (LNL), First Penn-Pacific Life Insurance Company, Lincoln Life & Annuity Company of New York, Delaware Management Holdings Inc., Lincoln National (U.K.) Plc, Lincoln Financial Advisors (LFA), and Lincoln Financial Distributors (LFD).

One of the key differentiators at Lincoln is its strong distribution franchise. With more than 1,300 wholesalers and 99,000 producers choosing to sell a Lincoln product over the past 24 months, the company has a commanding force. The total number of producers significantly increased over the years as the company is participating in more distribution channels, such as property and casualty, and are gaining momentum in other channels, such as independent marketing organizations.

LNC generated operating revenues of more than \$18 billion in 2024. It provides products and services in the following operating businesses:

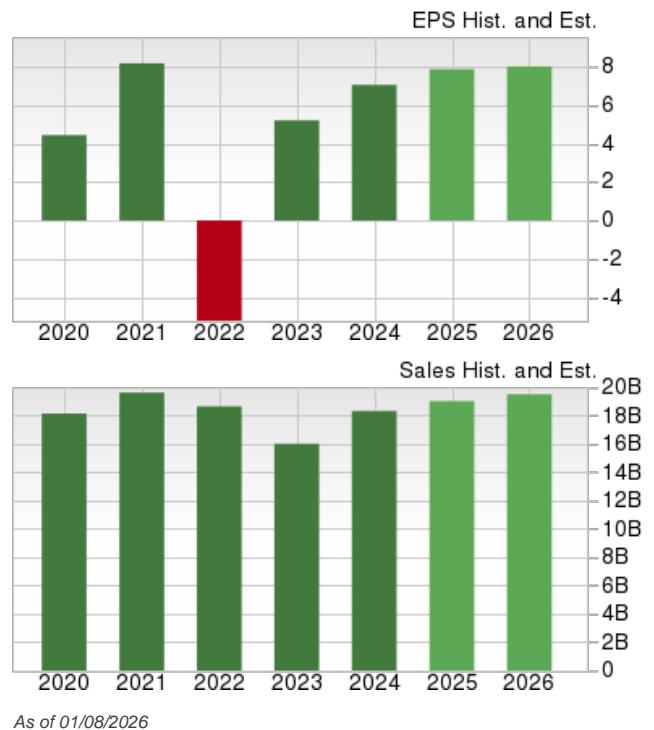
Life Insurance: (34.1% of 2024 total segmental operating revenues) focuses on the creation and protection of wealth for its clients by providing life insurance products, including term insurance.

Annuities: (26.7%) segment provides tax-deferred investment growth and lifetime income opportunities for its clients by offering fixed (including indexed) and variable annuities.

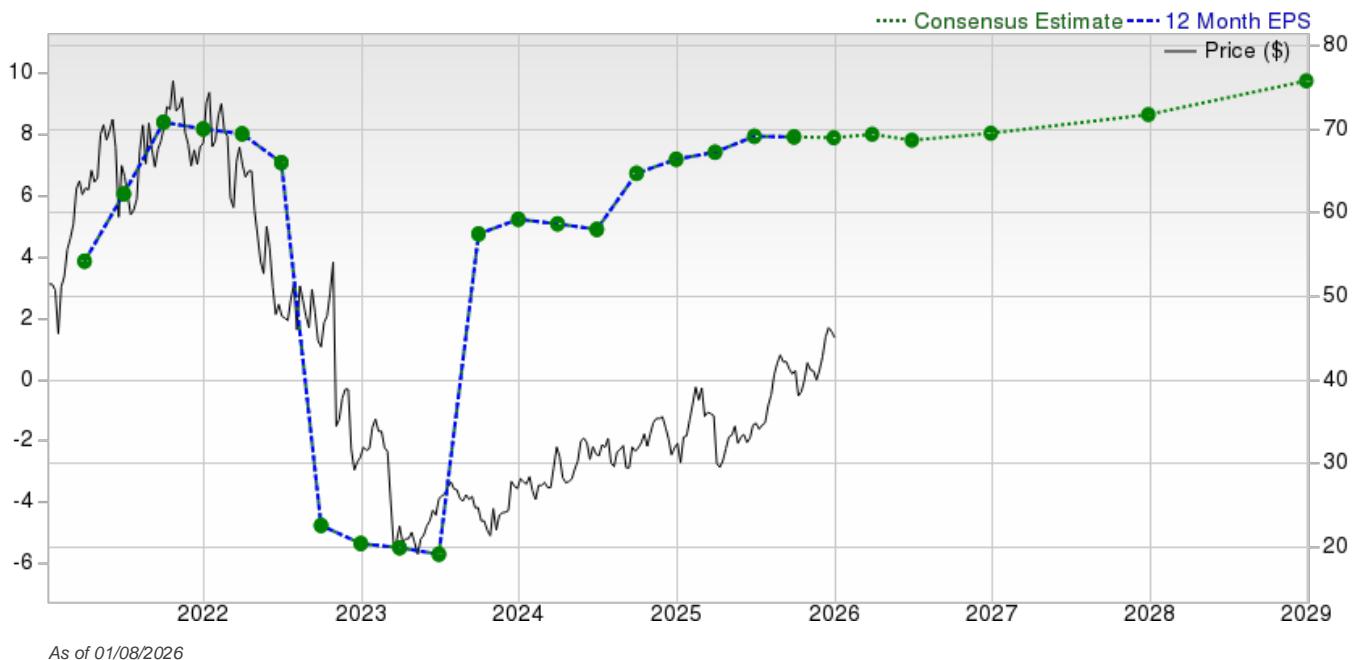
The Group Protection segment: (31.2%) offers group non-medical insurance products, including term life, disability, dental, vision and accident and critical illness benefits and services to the employer marketplace through various forms of employee-paid and employer-paid plans.

Retirement Plan Services: (7.2%) segment provides employers with retirement plan products and services, primarily in the defined contribution retirement plan marketplace.

The remaining of the operating revenues were generated from Other Operations.



As of 01/08/2026



Reasons To Buy:

▲ **Growing Profits:** The company's bottom line is set for growth, thanks to improving operational efficiencies. In 2023, it saw a notable jump in adjusted income from operations, reaching \$890 million, a significant improvement from the previous year's loss of \$1.2 billion. The metric rose 34.8% year over year in 2024 and 23.8% in the first nine months of 2025. Its enhanced and diversified in-force book, improving average life insurance in-force and margin expansion initiatives, positions the bottom line well for growth. Additionally, the company's strength in the Group Protection business and its robust fixed annuity business are expected to contribute positively to its earnings moving forward.

▲ **Organic Growth:** Several factors, including sales growth, pricing discipline, new product introduction and enhancement of the existing ones, and a change in business mix will drive premium growth in the coming days. Robust distribution and extended digital capabilities and product innovation are its strong suit. The company expects RBC% (Total Capital/Risk-Based Capital) to remain above the 420%+ target. The annuities segment is expected to benefit from growth in spread-based products, higher account balances and an optimized reinsurance strategy. The company launched Lincoln Level Advantage 2SM to enhance its offerings in the annuity business.

▲ **Resurging Group Protection Business:** The Group Protection segment, challenged earlier, has been recovering. The company continues to see improved growth and profitability trends in the segment. Increasing scale, broader distribution access and expanded capabilities are expected to provide its sales figures an impetus. Income from operations improved 42.1% year over year in 2024, owing to prudent pricing, new business growth and strong persistency rates. It further rose 33% YoY in the first nine months of 2025. Prudent acquisitions in this segment and improving underwriting results will further drive its results. The segment's operating margin improved 230 basis points year over year in 2024 and 110 bps in the first nine months of 2025. LNC's shares have outperformed the industry over the past year.

▲ **Dividend Yield:** In the third quarter of 2025, the company allocated \$85 million towards dividend payout as part of its strategy to return value to shareholders. Its quarterly dividends of 45 cents per share, resulting in a dividend yield of 4%, comfortably surpass the industry average of 3.2%.

The company's resurging Group Protection segment and free cash flow conversion target are impressive.

Reasons To Sell:

▼ **Rising Expenses:** Lincoln National's benefits expenses rose by 29% in 2024. Benefits and policyholder liability remeasurement expenses rose 1% year over year in the first nine months of 2025. Moreover, interest credited rose 8% YoY in the first nine months of 2025. With higher policies, benefit expenses might rise in the coming days, affecting the company's future margins. Nevertheless, its cost control initiatives are expected to provide some respite.

▼ **Higher Leverage:** Lincoln National has a notable disparity in leverage compared to the industry, evident in its elevated total debt-to-capital ratio of 35.6%, a substantial contrast to the industry average of 14.6%. At Q3-end, it had total debt of \$5.8 billion, while the cash and invested cash was at \$10.7 billion, which improved 83.9% from the 2024-end level.

▼ **Life Insurance Segment:** In the last couple of years, the company experienced a significant increase in mortality and morbidity claims, which negatively impacted its earnings. However, it has witnessed an improvement in the first nine months of 2025. The company makes efforts to shift capital toward a more capital-efficient product mix. This shift in mix is still in process and will take time to gain traction, thereby remaining a headwind for the segment for the near future. Total Life Insurance sales declined 19.2% year over year to \$438 million in 2024, although the metric rose 61.8% in the first nine months of 2025. Life Insurance's operating loss came in at \$63 million in 2024 due to unfavorable mortality, partially offset by lower net G&A expense and improved alternative investment income. Although, in the first nine months of 2025, operating income was at \$40 million.

High leverage and escalating expenses are some of the headwinds facing the stock.

Last Earnings Report

LNC Q3 Earnings Beat Estimates on Rising Net Investment Income

Lincoln National reported third-quarter 2025 adjusted earnings per share of \$2.04, which surpassed the Zacks Consensus Estimate by 10.9%. However, the bottom line fell 1% year over year.

Adjusted operating revenues grew 3.8% year over year to \$4.8 billion. However, the top line missed the consensus mark by 0.5%.

FY Quarter Ending	12/31/2025
Earnings Reporting Date	Oct 30, 2025
Sales Surprise	-0.45%
EPS Surprise	10.87%
Quarterly EPS	2.04
Annual EPS (TTM)	7.91

The quarterly earnings were supported by strong annuity deposits and solid Group Protection and Life Insurance performance. Higher net investment income, stable mortality results and a decline in total expenses also contributed to the upside. Nevertheless, the positives were partly offset by a decline in the insurance premiums of Annuities.

Key Takeaways From LNC's Q3 Results

LNC's estimated RBC ratio rose to more than 420% at the third-quarter end.

Insurance premiums advanced 1.4% year over year to \$1.6 billion, falling short of the Zacks Consensus Estimate by 2.1%.

Fee income was \$1.4 billion, which improved 2.4% year over year but missed the consensus mark by 2.2%. Net investment income advanced 9% year over year to \$1.5 billion, which beat the consensus mark by 6.2%.

Meanwhile, other revenues of \$206 million rose 28.8% year over year in the quarter under review.

Total expenses declined 16.3% year over year to \$4 billion. Interest credited rose 8.4% year over year to \$954 million.

Lincoln National incurred a net income of \$445 million against the prior-year quarter's net loss of \$528 million.

Lincoln National's Segmental Performances

The Annuities and Life Insurance segments form part of LNC's Retail Solutions business, while Group Protection and Retirement Plan Services units make up the Workplace Solutions business.

The **Annuities** segment's operating income totaled \$310 million in the third quarter, which grew 3% year over year and surpassed the Zacks Consensus Estimate of \$302.5 million, backed by increased spread income and a favorable equity market. The unit's operating revenues rose 6.3% year over year to \$1.3 billion, driven by 12.4% growth in net investment income, partly offset by a 34.2% decline in insurance premiums. Total annuity deposits were \$4.5 billion, which climbed 32.1% year over year.

The **Life Insurance** unit recorded an operating income of \$25 million, improved from the prior-year quarter's \$22 million and beat the consensus mark by 0.4%. The metric benefited from stable mortality, higher alternative investment income and reduced net G&A expenses. Operating revenues grew 1.3% year over year to \$1.6 billion. Total Life Insurance sales of \$298 million advanced 144.3% year over year. Total deposits grew 78.1% year over year to \$2.2 billion.

The **Group Protection** segment's operating income climbed 36.7% year over year to \$149 million and beat the Zacks Consensus Estimate of \$120.6 million. The unit was supported by a persistent, favorable life experience. Operating revenues totaled \$1.5 billion in the quarter under review, which improved 5.2% year over year. The metric was driven by a 5% rise in insurance premiums. Sales of \$116 million rose 38.1% year over year.

The **Retirement Plan Services** segment recorded an operating income of \$46 million, which rose 5% year over year and beat the consensus mark of \$37.5 million. The metric benefited from the expansion of spreads and favorable equity markets. Operating revenues increased 2.4% year over year to \$343 million. Total deposits were \$5 billion, which advanced 19.8% year over year.

Other Operations incurred an operating loss of \$99 million, wider than the year-ago quarter's loss of \$84 million and the Zacks Consensus Estimate of \$97.3 million.

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

Lincoln National exited the third quarter with cash and invested cash of \$10.7 billion, which rose from the 2024-end level of \$5.8 billion. Total assets of \$415.3 billion rose from the figure at the 2024-end of \$390.8 billion.

Long-term debt amounted to \$5.8 billion, down from the figure of \$5.9 billion as of Dec. 31, 2024.

Total stockholders' equity of \$10.5 billion rose from the 2024-end level of \$8.3 billion.

Book value per share, excluding accumulated other comprehensive income, was \$69.66, which fell from the 2024-end level of \$72.06. Adjusted income from operations ROE improved 80 basis points year over year to 11.3%.

LNC's Dividend Update

Lincoln National paid out quarterly dividends of \$85 million.

LNC's 2026 Outlook

In 2026, the Annuities, Life Insurance, Group Protection and Retirement Plan Services units were projected to account for 55-65%, 10-15%, 20-30% and 5-15%, respectively, of the company's total operating income earnings. The four units were likely to make up for 45-55%, 10-15%, 25-35% and 5-15%, respectively, of consolidated operating income over the long term.

Management targeted to achieve an RBC ratio of more than 420% in both 2026 and the long term.

Valuation

Lincoln National shares are up 35.9% and 37.3%, over the past six months and the past year, respectively. Stocks in the Zacks sub-industry is up 2% while the Zacks Finance sector is up 8.6%, in the past six-months. Over the past year, the Zacks sub-industry is up 2.5%, while the sector is up 11.8%.

The S&P 500 index is up 15.9% in the past six months, and 15.3% in the past year.

The stock is currently trading at 0.90X trailing 12-month price-to-book, which compares to 1.89X for the Zacks sub-industry, 4.22X for the Zacks sector and 8.51X for the S&P 500 index.

Over the past five years, the stock has traded as high as 4.15X and as low as 0.39X, with a 5-year median of 0.77X. Our Neutral recommendation indicates that the stock will perform in-line with the market. Our \$48.00 price target reflects 0.95X trailing 12-month price-to-book value.

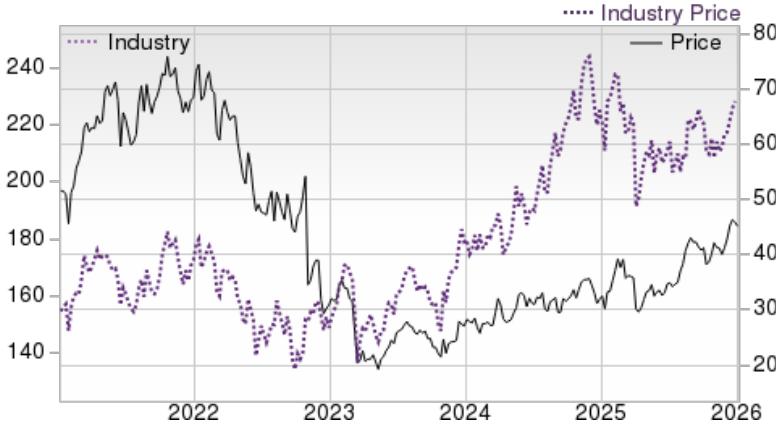
The table below shows the summary of valuation data for LNC.

Valuation Multiples - LNC					
		Stock	Sub-Industry	Sector	S&P 500
P/B TTM	Current	0.9	1.89	4.22	8.51
	5-Year High	4.15	2.11	4.37	9.16
	5-Year Low	0.39	1.04	2.87	6.6
	5-Year Median	0.77	1.53	3.52	8.05
P/S F12M	Current	0.44	4.75	9.07	5.3
	5-Year High	0.76	4.79	10.06	5.5
	5-Year Low	0.17	0.79	6.68	3.83
	5-Year Median	0.32	1.17	8.39	5.05
P/E F12M	Current	5.61	7.9	17.11	23.44
	5-Year High	8.11	8.61	18.28	23.78
	5-Year Low	NA	5.39	12.37	15.73
	5-Year Median	4.64	6.97	16.12	21.21

As of 12/10/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 26% (180 out of 244)



Top Peers⁽¹⁾

Company (Ticker)	Rec	Rank
American International... (AIG)	Neutral	3
Brighthouse Financial... (BHF)	Neutral	5
GoHealth, Inc. (GOCO)	Neutral	3
NN Group NV Unsponso... (NNGRY)	Neutral	4
Primerica, Inc. (PRI)	Neutral	2
Reinsurance Group of... (RGA)	Neutral	3
Sun Life Financial I... (SLF)	Neutral	2
Voya Financial, Inc. (VOYA)	Neutral	3

Industry Comparison⁽¹⁾ Industry: Insurance - Life Insurance

	LNC	X Industry	S&P 500	NNGRY	RGA	SLF
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Neutral	Neutral
Zacks Rank (Short Term)	3	-	-	4	3	2
VGM Score	D	-	-	C	B	C
Market Cap	8.39 B	5.68 B	40.07 B	20.24 B	13.30 B	34.84 B
# of Analysts	6	4	22	1	4	2
Dividend Yield	4.08%	1.30%	1.38%	3.28%	1.84%	4.18%
Value Score	C	-	-	B	A	B
Cash/Price	2.68	0.45	0.04	4.78	0.37	0.27
EV/EBITDA	-1.79	4.68	14.89	NA	12.57	8.44
PEG Ratio	0.86	0.57	2.04	0.71	NA	NA
Price/Book (P/B)	0.89	0.96	3.41	0.83	1.02	2.03
Price/Cash Flow (P/CF)	5.73	9.15	15.44	11.38	9.94	13.71
P/E (F1)	5.62	10.98	18.58	8.66	7.91	11.05
Price/Sales (P/S)	0.46	0.81	3.06	NA	0.60	1.20
Earnings Yield	18.21%	9.08%	5.38%	11.55%	12.64%	9.06%
Debt/Equity	0.61	0.35	0.57	0.55	0.44	0.28
Cash Flow (\$/share)	7.70	3.62	8.98	3.39	20.38	4.57
Growth Score	F	-	-	D	D	D
Hist. EPS Growth (3-5 yrs)	4.49%	8.06%	8.24%	NA	59.37%	2.68%
Proj. EPS Growth (F1/F0)	11.17%	12.64%	9.21%	58.93%	-6.51%	8.85%
Curr. Cash Flow Growth	34.84%	30.80%	7.00%	31.16%	7.53%	1.87%
Hist. Cash Flow Growth (3-5 yrs)	-0.18%	3.79%	7.49%	-5.16%	9.64%	3.88%
Current Ratio	0.28	0.28	1.19	72.56	0.13	NA
Debt/Capital	35.58%	30.50%	38.14%	35.35%	30.50%	22.11%
Net Margin	11.49%	7.53%	12.77%	NA	3.89%	7.53%
Return on Equity	18.77%	12.76%	17.03%	NA	12.19%	16.93%
Sales/Assets	0.05	0.11	0.53	NA	0.17	0.11
Proj. Sales Growth (F1/F0)	3.50%	5.35%	5.29%	NA	1.40%	NA
Momentum Score	A	-	-	B	B	D
Daily Price Chg	-1.16%	1.06%	-0.34%	1.64%	0.70%	-0.08%
1 Week Price Chg	-1.60%	-0.94%	1.10%	0.00%	-1.05%	0.34%
4 Week Price Chg	-4.54%	2.06%	0.50%	3.21%	-0.24%	5.02%
12 Week Price Chg	16.09%	8.89%	3.75%	10.62%	7.64%	2.87%
52 Week Price Chg	40.59%	18.33%	16.94%	78.79%	-8.75%	7.16%
20 Day Average Volume	1,324,568	255,789	2,431,070	40,787	425,819	293,153
(F1) EPS Est 1 week change	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	0.08%	0.00%	0.00%	0.00%	0.00%	1.25%
(F1) EPS Est 12 week change	1.88%	-0.77%	0.44%	-1.33%	0.31%	-1.13%
(Q1) EPS Est Mthly Chg	1.93%	0.00%	0.00%	NA	0.64%	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	C
Growth Score	F
Momentum Score	A
VGM Score	D

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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