

# ModernGraham Valuation

Company Name:

XL Group plc

Company Ticker XL

Date of Analysis

7/30/2016



## Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

*Defensive Investor; must pass all 6 of the following tests.*

1. Adequate Size of the Enterprise	Market Cap > \$2Bil	\$10,494,679,110	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Fail
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	-163.17%	Fail
5. Moderate PEmg Ratio	PEmg < 20	15.69	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	0.72	Pass

*Enterprising Investor; must pass all 3 of the following tests, or be suitable for the Defensive Investor.*

1. Earnings Stability	Positive EPS for 5 years prior		Pass
2. Dividend Record	Currently Pays Dividend		Pass
3. Earnings Growth	EPSmg greater than 5 years ago		Pass

### Suitability

<b>Defensive</b>	<b>No</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	2.21
MG Growth Estimate	15.00%
<b>MG Value</b>	<b>\$84.91</b>
MG Value based on 3% Growth	\$31.98
MG Value based on 0% Growth	\$18.75
Market Implied Growth Rate	3.60%

### MG Opinion

Current Price	\$34.61
% of Intrinsic Value	40.76%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>C</b>

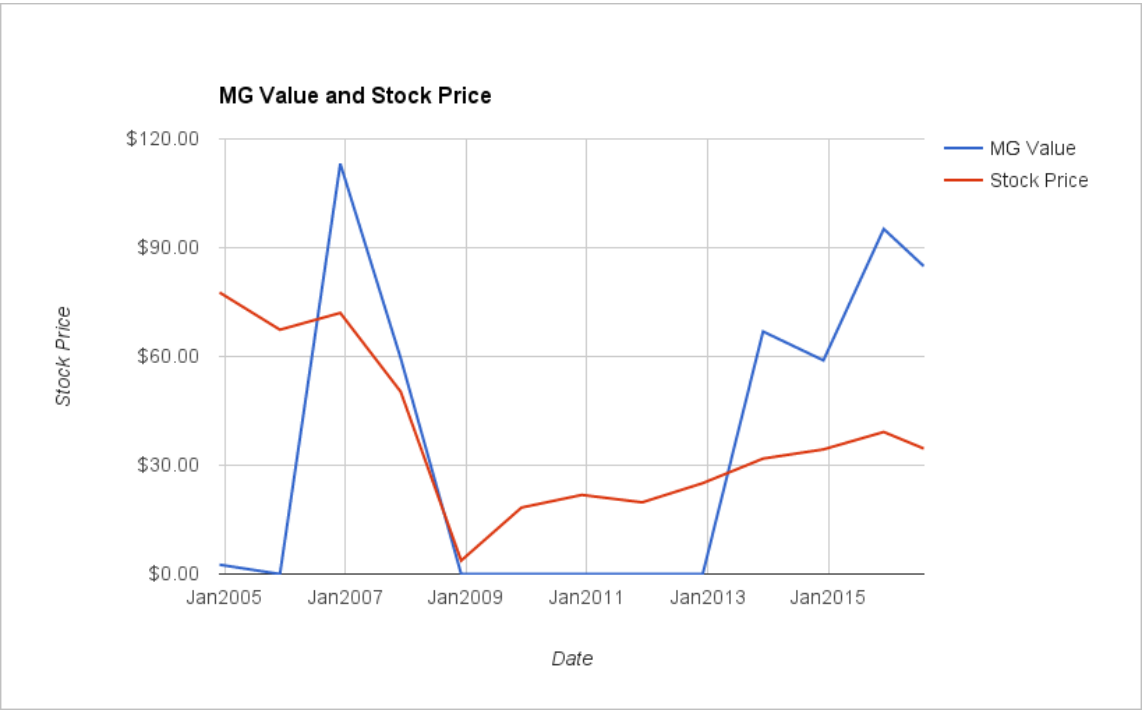
## Stage 3: Information for Further Research

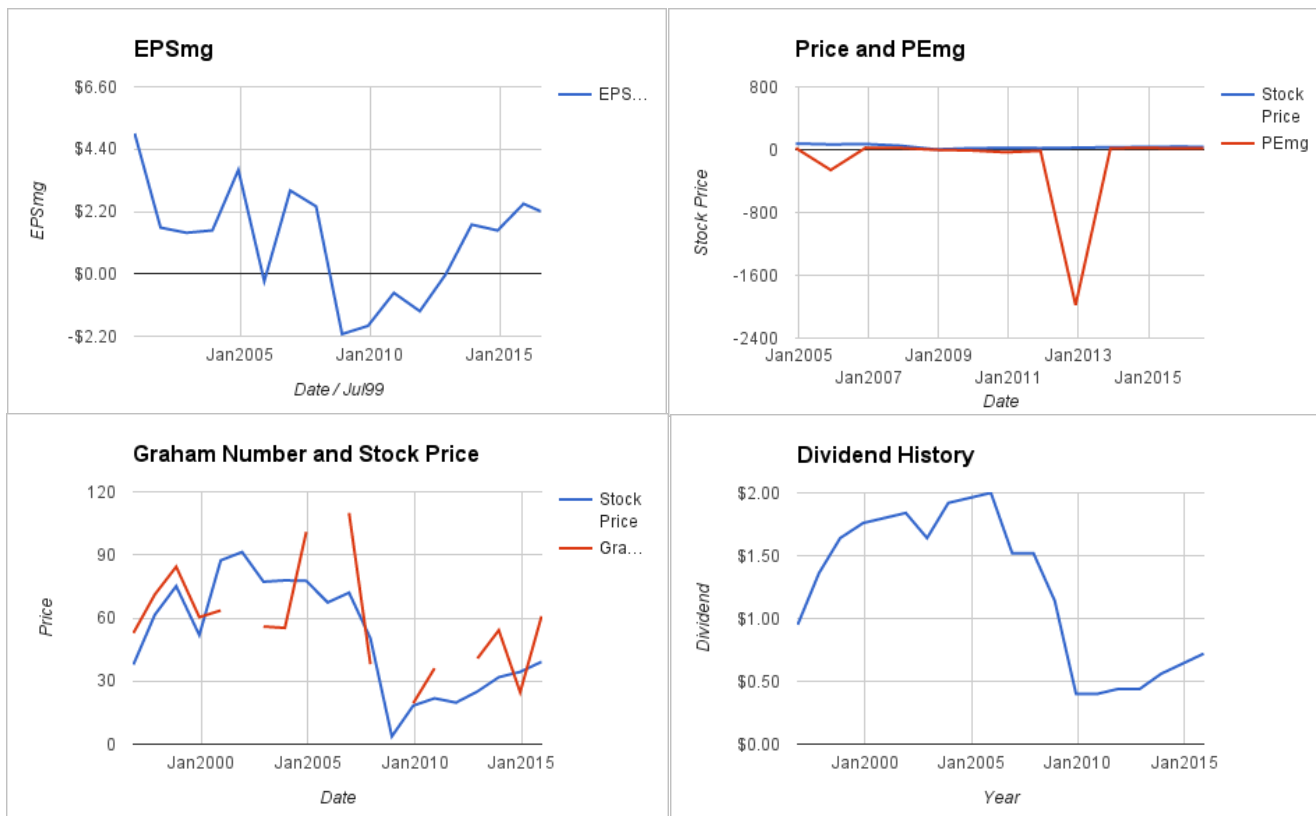
Graham Number	\$33.03
PEmg	15.69
PB Ratio	0.72
Dividend Yield	2.31%
Number of Consecutive Years of Dividend Growth	4

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<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
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EPS History		EPSmg History	
Next Fiscal Year Estimate	\$1.01	Next Fiscal Year Estimate	\$2.21
Dec2015	\$4.15	Dec2015	\$2.47
Dec2014	\$0.69	Dec2014	\$1.53
Dec2013	\$3.63	Dec2013	\$1.74
Dec2012	\$2.10	Dec2012	-\$0.01
Dec2011	-\$1.52	Dec2011	-\$1.32
Dec2010	\$1.73	Dec2010	-\$0.67
Dec2009	\$0.61	Dec2009	-\$1.83
Dec2008	-\$11.02	Dec2008	-\$2.12
Dec2007	\$1.15	Dec2007	\$2.38
Dec2006	\$9.60	Dec2006	\$2.94
Dec2005	-\$9.14	Dec2005	-\$0.26
Dec2004	\$8.13	Dec2004	\$3.67
Dec2003	\$2.69	Dec2003	\$1.53
Dec2002	\$2.88	Dec2002	\$1.45
Dec2001	-\$4.55	Dec2001	\$1.63
Dec2000	\$4.03	Dec2000	\$4.95
Dec1999	\$3.62	<b>Balance Sheet Information 6/1/2016</b>	
Nov1998	\$6.20	Long-Term Debt & Capital Lease Obligation	\$2,646,324,000
Nov1997	\$7.84	Total Assets	\$61,198,240,000
Nov1996	\$5.39	Intangible Assets	\$2,217,973,000
		Total Liabilities	\$47,534,308,000
		Shares Outstanding (Diluted Average)	285,082,000





Disclaimer:

This valuation is not investment advice. Anyone who is considering making an investment decision should speak to a registered investment advisor.

The author did not hold a position in any company mentioned in this article at the time of publication and had no intention of changing those holdings within the next 72 hours.

## Recommended Reading:

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[XL Group Annual Valuation – 2015 \\$XL](#)

[17 Companies in the Spotlight This Week – 3/29/14](#)

[XL Group PLC \(XL\) Annual Valuation – 2014](#)

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[Cigna Corp Valuation – July 2016 \\$CI](#)

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[Cincinnati Financial Corporation Valuation – May 2016 \\$CINF](#)

[Lincoln National Corporation Valuation – May 2016 \\$LNC](#)

[Allstate Corporation Valuation – May 2016 \\$ALL](#)

[The Travelers Companies Valuation – May 2016 \\$TRV](#)

[Unum Group Valuation – March 2016 \\$UNM](#)

[Principal Financial Group Inc Valuation – March 2016 \\$PFG](#)

[Assurant Inc Valuation – February 2016 \\$AIZ](#)