

ModernGraham Valuation

Company Name:

XL Group Ltd.

Company Ticker XL

Date of Analysis

4/10/2018



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 | \$14,237,684,200 | Pass |
| 2. Earnings Stability | Positive EPS for 10 years prior | | Fail |
| 3. Dividend Record | Dividend Payments for 10 years prior | | Pass |
| | Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end | 192.68% | Pass |
| 4. Earnings Growth | PEmg < 20 | 41.48 | Fail |
| 5. Moderate PEmg Ratio | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.44 | Pass |
| 6. Moderate Price to Assets | | | |

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 | Fail |
| 2. Dividend Record | Currently Pays Dividend | Pass |
| 3. Earnings Growth | EPSmg greater than 5 years ago | Fail |

Suitability

| | |
|---------------------|-----------|
| Defensive | No |
| Enterprising | No |

Stage 2: Determination of Intrinsic Value

| | |
|-----------------------------|---------------|
| EPSmg | 1.34 |
| MG Growth Estimate | -1.91% |
| MG Value | \$6.24 |
| MG Value based on 3% Growth | \$19.36 |
| MG Value based on 0% Growth | \$11.35 |
| Market Implied Growth Rate | 16.49% |

MG Opinion

| | |
|----------------------|-------------------|
| Current Price | \$55.39 |
| % of Intrinsic Value | 887.92% |
| Opinion | Overvalued |
| MG Grade | F |

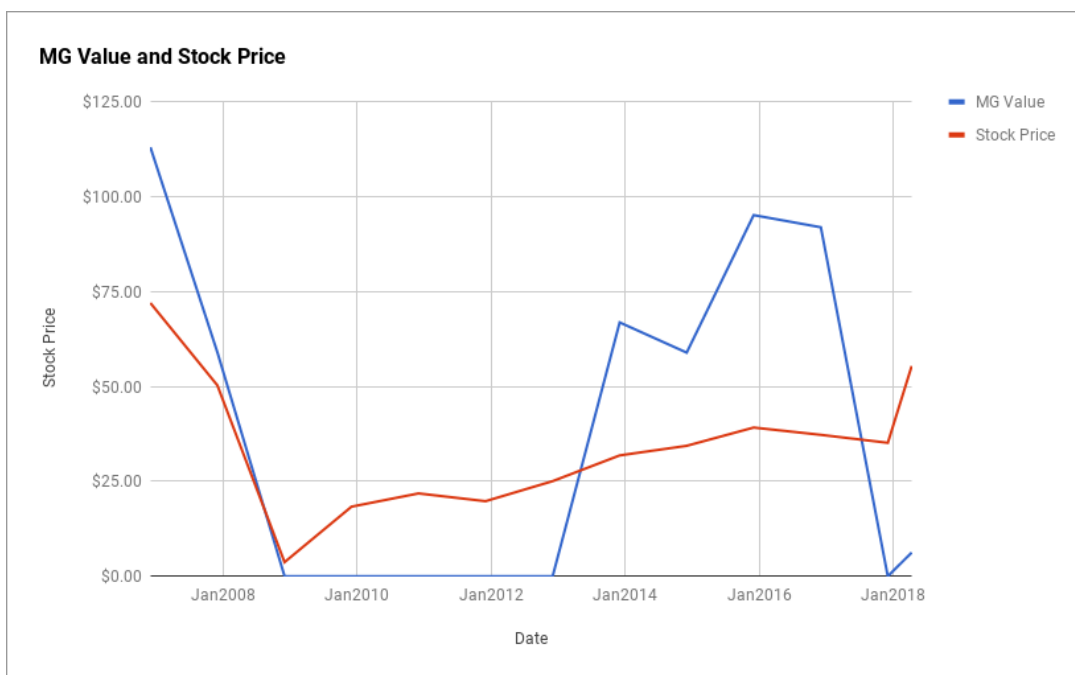
Stage 3: Information for Further Research

| | |
|--|---------|
| Graham Number | \$50.95 |
| PEmg | 41.48 |
| PB Ratio | 1.44 |
| Dividend Yield | 1.59% |
| Number of Consecutive Years of Dividend Growth | 5 |

Useful Links:

| | |
|--|-------------------------------|
| ModernGraham tagged articles | Morningstar |
| Google Finance | MSN Money |
| Yahoo Finance | Seeking Alpha |
| GuruFocus | SEC Filings |

| EPS History | | EPSmg History | |
|---------------------------|----------|--|------------------|
| Next Fiscal Year Estimate | | Next Fiscal Year Estimate | |
| Dec2017 | \$3.00 | Dec2017 | \$1.34 |
| Dec2016 | -\$2.16 | Dec2016 | \$0.86 |
| Dec2015 | \$1.56 | Dec2015 | \$2.39 |
| Dec2014 | \$4.15 | Dec2014 | \$2.47 |
| Dec2013 | \$0.69 | Dec2013 | \$1.53 |
| Dec2012 | \$3.63 | Dec2012 | \$1.74 |
| Dec2011 | \$2.10 | Dec2011 | -\$0.01 |
| Dec2010 | -\$1.52 | Dec2010 | -\$1.31 |
| Dec2009 | \$1.73 | Dec2009 | -\$0.66 |
| Dec2008 | \$0.61 | Dec2008 | -\$1.81 |
| Dec2007 | -\$10.94 | Dec2007 | -\$2.10 |
| Dec2006 | \$1.15 | Dec2006 | \$2.38 |
| Dec2005 | \$9.60 | Dec2005 | \$2.94 |
| Dec2004 | -\$9.14 | Dec2004 | -\$0.26 |
| Dec2003 | \$8.11 | Dec2003 | \$3.66 |
| Dec2002 | \$2.71 | Dec2002 | \$1.54 |
| Dec2001 | \$2.88 | Dec2002 | \$1.41 |
| Dec2000 | -\$4.55 | Balance Sheet Information 12/1/2017 | |
| Dec1999 | \$4.03 | Long-Term Debt & Capital Lease Obligation | \$3,220,769,000 |
| Nov1998 | \$3.62 | Total Assets | \$63,436,236,000 |
| | \$5.56 | Intangible Assets | \$2,225,751,000 |
| | | Total Liabilities | \$53,587,919,000 |
| | | Shares Outstanding (Diluted Average) | 255,967,000 |





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:

Other
ModernGraham
posts about the
company

- [14 Best Undervalued Stocks of the Week – 8/6/16](#)
- [XL Group Ltd Valuation – July 2016 \\$XL](#)
- [27 Companies in the Spotlight This Week – 4/4/15](#)
- [XL Group Annual Valuation – 2015 \\$XL](#)
- [17 Companies in the Spotlight This Week – 3/29/14](#)

Other
ModernGraham
posts about related
companies

- [Aetna Inc Valuation – April 2018 \\$AET](#)
- [Everest Re Group Ltd Valuation – Initial Coverage \\$RE](#)
- [Cigna Corp Valuation – March 2018 \\$CI](#)
- [Aspen Insurance Holdings Ltd Valuation – March 2018 \\$AHL](#)
- [AFLAC Inc Valuation – March 2018 \\$AFL](#)
- [MetLife Inc Valuation – March 2018 \\$MET](#)
- [Principal Financial Group Inc Valuation – March 2018 \\$PFG](#)
- [Progressive Corp Valuation – February 2018 \\$PGR](#)
- [Cincinnati Financial Corp Valuation – February 2018 \\$CINF](#)
- [Lincoln National Corp Valuation – February 2018 \\$LNC](#)