

ModernGraham Valuation

**Selective Insurance
Group**



Company Name:

Company Ticker SIGI

Date of Analysis

7/29/2018

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	\$3,341,689,935	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
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		
4. Earnings Growth		280.26%	Pass
5. Moderate PEmg Ratio	PEmg < 20	20.31	Fail
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	2.10	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

Defensive	No
Enterprising	Yes

Stage 2: Determination of Intrinsic Value

EPSmg	2.89
MG Growth Estimate	12.20%
MG Value	\$94.91
MG Value based on 3% Growth	\$41.84
MG Value based on 0% Growth	\$24.53
Market Implied Growth Rate	5.90%

MG Opinion

Current Price	\$58.60
% of Intrinsic Value	61.74%
Opinion	Undervalued
MG Grade	B-

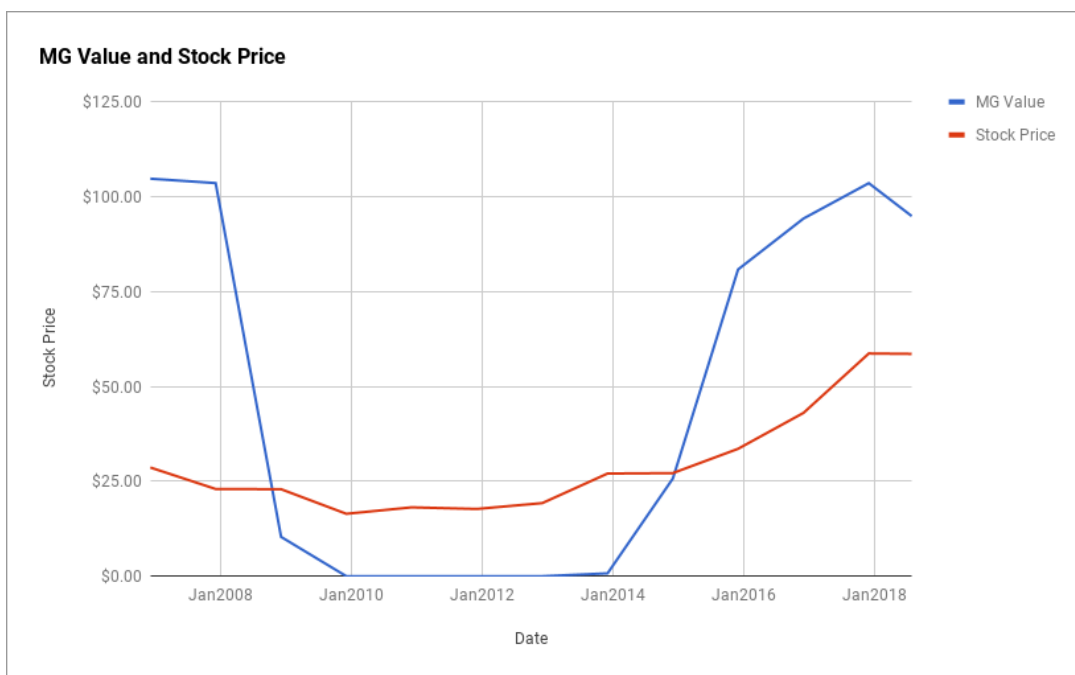
Stage 3: Information for Further Research

Graham Number	\$45.41
PEmg	20.31
PB Ratio	2.10
Dividend Yield	1.13%
Number of Consecutive Years of Dividend Growth	4

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	\$3.13	Next Fiscal Year Estimate	\$2.89
Dec2017	\$2.84	Dec2017	\$2.69
Dec2016	\$2.70	Dec2016	\$2.45
Dec2015	\$2.85	Dec2015	\$2.10
Dec2014	\$2.47	Dec2014	\$1.59
Dec2013	\$1.87	Dec2013	\$1.09
Dec2012	\$0.68	Dec2012	\$0.72
Dec2011	\$0.40	Dec2011	\$0.87
Dec2010	\$1.20	Dec2010	\$1.27
Dec2009	\$0.68	Dec2009	\$1.47
Dec2008	\$0.82	Dec2008	\$2.08
Dec2007	\$2.59	Dec2007	\$2.73
Dec2006	\$2.65	Dec2006	\$2.72
Dec2005	\$2.35	Dec2005	\$2.55
Dec2004	\$4.07	Dec2004	\$2.35
Dec2003	\$2.20	Dec2003	\$1.38
Dec2002	\$1.56	Dec2002	\$0.93
Dec2001	\$0.49	Balance Sheet Information 3/1/2018	
Dec2000	\$0.51	Long-Term Debt & Capital Lease Obligation	\$439,224,000
Dec1999	\$0.94	Total Assets	\$7,659,949,000
Dec1998	\$0.87	Intangible Assets	\$7,849,000
		Total Liabilities	\$6,000,153,000
		Shares Outstanding (Diluted Average)	59,563,000





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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company

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[10 Undervalued Companies for the Defensive Investor – January 2017](#)

[15 Best Stocks for Value Investors This Week – 1/14/17](#)

[Selective Insurance Group Valuation – Initial Coverage \\$SIGI](#)

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[Prudential Financial Inc Valuation – June 2018 \\$PRU](#)

[Assurant Inc Valuation – June 2018 \\$AIZ](#)

[Torchmark Corp Valuation – June 2018 \\$TMK](#)

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[Chubb Ltd Valuation – June 2018 \\$CB](#)

[Loews Corp Valuation – May 2018 \\$L](#)

[Anthem Inc Valuation – May 2018 \\$ANTM](#)

[Berkshire Hathaway Inc Valuation – May 2018 \\$BRK-B](#)