

ModernGraham Valuation

Company Name:

Aon PLC

Company Ticker AON

Date of Analysis

11/28/2018



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	\$39,190,000,000	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	102.43%	Pass
4. Earnings Growth	PEmg < 20	31.34	Fail
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	9.30	Fail
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	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	5.23
MG Growth Estimate	6.59%
MG Value	\$113.40
MG Value based on 3% Growth	\$75.84
MG Value based on 0% Growth	\$44.46
Market Implied Growth Rate	11.42%

MG Opinion

Current Price	\$163.89
% of Intrinsic Value	144.52%
Opinion	Overvalued
MG Grade	C

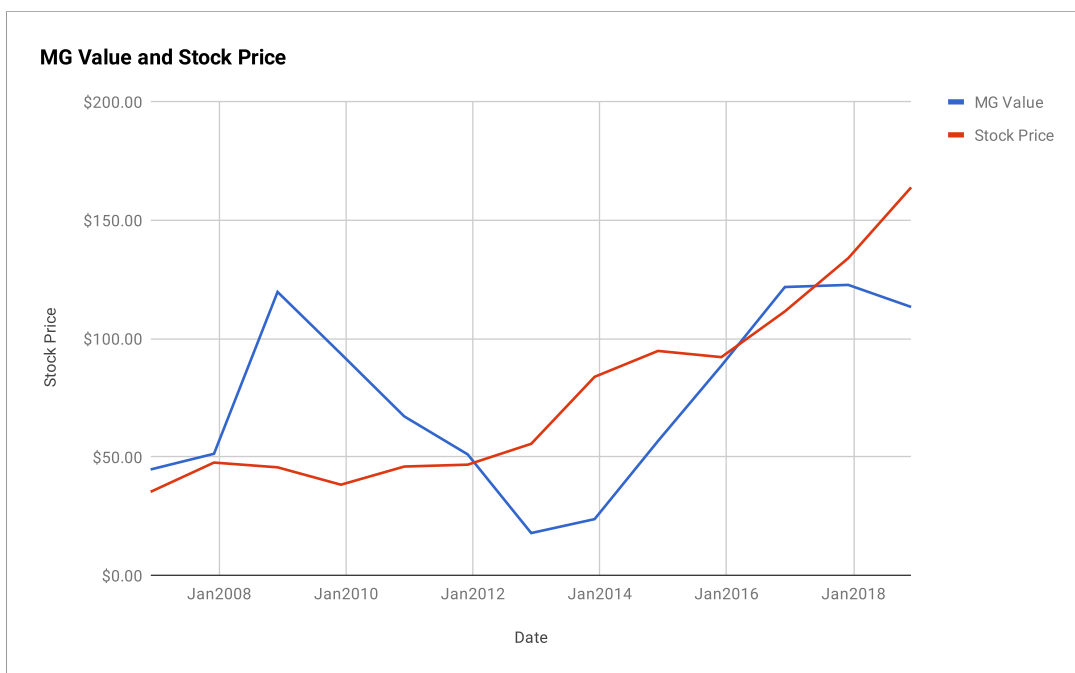
Stage 3: Information for Further Research

Graham Number	\$49.78
PEmg	31.34
PB Ratio	9.30
Dividend Yield	0.86%
Number of Consecutive Years of Dividend Growth	6

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	
	\$5.95		\$5.23
Dec2017	\$4.70	Dec2017	\$4.78
Dec2016	\$5.16	Dec2016	\$4.62
Dec2015	\$4.88	Dec2015	\$4.17
Dec2014	\$4.66	Dec2014	\$3.63
Dec2013	\$3.53	Dec2013	\$3.04
Dec2012	\$2.99	Dec2012	\$2.90
Dec2011	\$2.87	Dec2011	\$2.92
Dec2010	\$2.37	Dec2010	\$2.94
Dec2009	\$2.57	Dec2009	\$3.10
Dec2008	\$4.80	Dec2008	\$3.14
Dec2007	\$2.69	Dec2007	\$2.25
Dec2006	\$2.13	Dec2006	\$1.98
Dec2005	\$2.17	Dec2005	\$1.80
Dec2004	\$1.63	Dec2004	\$1.58
Dec2003	\$1.97	Dec2003	\$1.52
Dec2002	\$1.61	Dec2002	\$1.35
Dec2001	\$0.53	Balance Sheet Information 9/1/2018	
Dec2000	\$1.79	Long-Term Debt & Capital Lease Obligation	\$5,822,000,000
Dec1999	\$1.33	Total Assets	\$25,602,000,000
Dec1998	\$2.07	Intangible Assets	\$9,542,000,000
		Total Liabilities	\$21,274,000,000
		Shares Outstanding (Diluted Average)	245,600,000





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

- [Aon PLC Valuation – February 2018 \\$AON](#)
- [Aon PLC Valuation – January 2016 Update \\$AON](#)
- [32 Companies in the Spotlight This Week – 12/6/14](#)
- [Aon PLC Annual Valuation – 2014 \\$AON](#)

Other ModernGraham posts about related companies

- [Travelers Companies Inc Valuation – November 2018 \\$TRV](#)
- [Stewart Information Services Corp Valuation – August 2018 \\$STC](#)
- [Kemper Corp Valuation – August 2018 \\$KMPR](#)
- [CNO Financial Group Inc Valuation – August 2018 \\$CNO](#)
- [Sun Life Financial Inc Valuation – August 2018 \\$TSE-SLF](#)
- [American Financial Group Inc Valuation – August 2018 \\$AFG](#)
- [Selective Insurance Group Inc Valuation – July 2018 \\$SIGI](#)
- [Genworth Financial Inc Valuation – June 2018 \\$GNW](#)
- [Prudential Financial Inc Valuation – June 2018 \\$PRU](#)
- [Assurant Inc Valuation – June 2018 \\$AIZ](#)