

ModernGraham Valuation

Everest Re Group
Ltd



Company Name:

Company Ticker RE

Date of Analysis

2/2/2019

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	\$9,035,643,647	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		
4. Earnings Growth		62.33%	Pass
5. Moderate PEmg Ratio	PEmg < 20	17.24	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.08	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		Fail

Suitability

Defensive	No
Enterprising	No

Stage 2: Determination of Intrinsic Value

EPSmg	12.90
MG Growth Estimate	-4.25%
MG Value	\$0.00
MG Value based on 3% Growth	\$186.99
MG Value based on 0% Growth	\$109.62
Market Implied Growth Rate	4.37%

MG Opinion

Current Price	\$222.29
% of Intrinsic Value	N/A
Opinion	Overvalued
MG Grade	D+

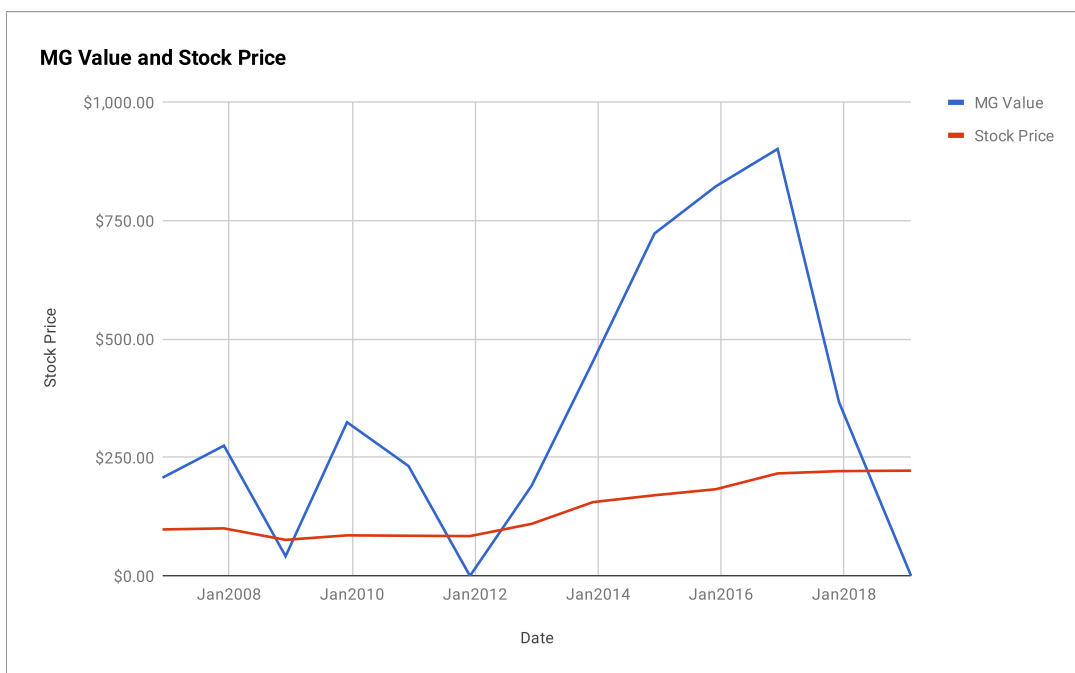
Stage 3: Information for Further Research

Graham Number	\$79.48
PEmg	17.24
PB Ratio	1.08
Dividend Yield	2.27%
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	\$1.37	Next Fiscal Year Estimate	\$12.90
Dec2017	\$11.36	Dec2017	\$19.67
Dec2016	\$23.68	Dec2016	\$23.41
Dec2015	\$22.10	Dec2015	\$21.37
Dec2014	\$25.91	Dec2014	\$19.09
Dec2013	\$25.44	Dec2013	\$14.70
Dec2012	\$15.79	Dec2012	\$8.75
Dec2011	-\$1.49	Dec2011	\$5.84
Dec2010	\$10.70	Dec2010	\$9.65
Dec2009	\$13.22	Dec2009	\$8.43
Dec2008	-\$0.30	Dec2008	\$6.07
Dec2007	\$13.19	Dec2007	\$8.75
Dec2006	\$12.87	Dec2006	\$6.35
Dec2005	-\$3.79	Dec2005	\$3.35
Dec2004	\$8.71	Dec2004	\$6.42
Dec2003	\$7.74	Dec2003	\$4.96
Dec2002	\$4.52	Dec2002	\$3.52
Dec2001	\$2.10	Balance Sheet Information 9/1/2018	
Dec2000	\$4.02	Long-Term Debt & Capital Lease Obligation	\$236,634,000
Dec1999	\$3.25	Total Assets	\$24,410,857,000
Dec1998	\$3.26	Intangible Assets	\$0
		Total Liabilities	\$16,081,844,000
		Shares Outstanding (Diluted Average)	40,542,000





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 [Everest Re Group Ltd Valuation – Initial Coverage \\$RE](#)

- Other ModernGraham posts about related companies**
- [Cigna Corp Valuation – January 2019 \\$CI](#)
 - [MetLife Inc Valuation – January 2019 \\$MET](#)
 - [Aflac Inc Valuation – January 2019 \\$AFL](#)
 - [Principal Financial Group Inc Valuation – January 2019 \\$PFG](#)
 - [Progressive Corp Valuation – January 2019 \\$PGR](#)
 - [Lincoln National Corp Valuation – January 2019 \\$LNC](#)
 - [Cincinnati Financial Corp Valuation – January 2019 \\$CINF](#)
 - [Aon PLC Valuation – November 2018 \\$AON](#)
 - [Travelers Companies Inc Valuation – November 2018 \\$TRV](#)
 - [Stewart Information Services Corp Valuation – August 2018 \\$STC](#)