Assured Guaranty Ltd. (AGO)

Updated November 17th, 2025, by Kody Kester

Key Metrics

Current Price:	$87	**5 Year CAGR Estimate:**	1.1%	**Market Cap:**	$4.1B
Fair Value Price:	$72	**5 Year Growth Estimate:**	3.0%	**Ex-Dividend Date:**	11/19/2025
% Fair Value:	121%	**5 Year Valuation Multiple Estimate:**	-3.8%	**Dividend Payment Date:**	12/03/2025
Dividend Yield:	1.6%	**5 Year Price Target**	$83	**Years Of Dividend Growth:**	14
Dividend Risk Score:	C	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

Assured Guaranty Ltd. (AGO) is a Bermuda-based holding company that provides credit protection products and asset management services through its subsidiaries. The company offers credit protection products to the U.S. and international public finance and structured finance markets and manages assets across collateralized loan obligations as well as other funds.

AGO operates the following two segments:

1. Insurance: This segment provides clients with financial guaranty insurance that protects holders of debt instruments from defaults in scheduled payments. It also offers specialty insurance and reinsurance on transactions with risk profiles similar to its structured finance exposures written in financial guaranty form, as well as insurance and reinsurance of renewable energy bonds, infrastructure bonds, healthcare bonds, etc. The segment made up more than 90% of its $886 million in total 2024 revenue.
2. Asset Management: AGO participates in the asset management business via its ownership interest in Sound Point, LP. The company's five main credit strategies include CLOs and performing credit, private credit, structured credit, opportunistic credit, and commercial real estate credit. Along with the corporate division, this made up the remainder of AGO's total revenue in 2024.

On November 6th, the company shared its earnings report for the third quarter ending September 30th, 2025. AGO's total revenue dropped by 23% over the year-ago period to $207 million during the quarter. Higher net investment income was more than countered by a swing from $55 million in foreign exchange gains in Q3 2024 to a loss of $23 million in Q3 2025. AGO's adjusted operating income per diluted share grew by 6.2% year-over-year to $2.57 for the quarter. This topped the analyst consensus during the quarter by $1.03. Before earnings, AGO declared a quarterly dividend per share of $0.34, with an ex-dividend date of November 19th and a pay date of December 3rd.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$4.69	$6.68	$5.41	$4.34	$3.91	$2.97	$6.32	$4.14	$10.78	$7.10	***$8.00***	***$9.27***
DPS	$0.48	$0.52	$0.57	$0.64	$0.72	$0.80	$0.88	$1.00	$1.12	$1.24	***$1.36***	***$2.00***
Shares[1]	137.9	128.0	116.0	103.7	93.3	77.6	67.5	59.0	56.2	50.5	***46.7***	***35.8***

Over the past decade, AGO's adjusted operating income per diluted share has grown by around 5% annually. Moving forward, we think that adjusted operating income per diluted share can grow by 3% annually through 2030, off an anticipated 2025 base of $8.00. That's because new business production in Q3 came in at $91 million (up 44% over Q3 2024). Coupled with AGO's extensive history of aggressive share buybacks, this is how we believe that the company can meet our growth forecasts.

[1] Share count is in millions.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Avg. P/E	5.6	5.7	6.3	8.8	12.5	10.6	7.9	15.0	6.9	12.7	***10.9***	***9.0***
Avg. Yld.	1.8%	1.4%	1.7%	1.7%	1.5%	2.5%	1.8%	1.6%	1.5%	1.4%	***1.6%***	***2.4%***

Since 2015, AGO has traded at a P/E ratio ranging from as low as the mid-single-digits to as high as the mid-teens. The average P/E ratio over that time was approximately 9. Since we believe that the modest growth profile is intact, a P/E ratio of 9 probably still represents fair value. Compared to the current year P/E ratio of 10.9, this suggests the stock remains overvalued.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	10%	8%	11%	15%	18%	27%	14%	24%	10%	17%	***17%***	***22%***

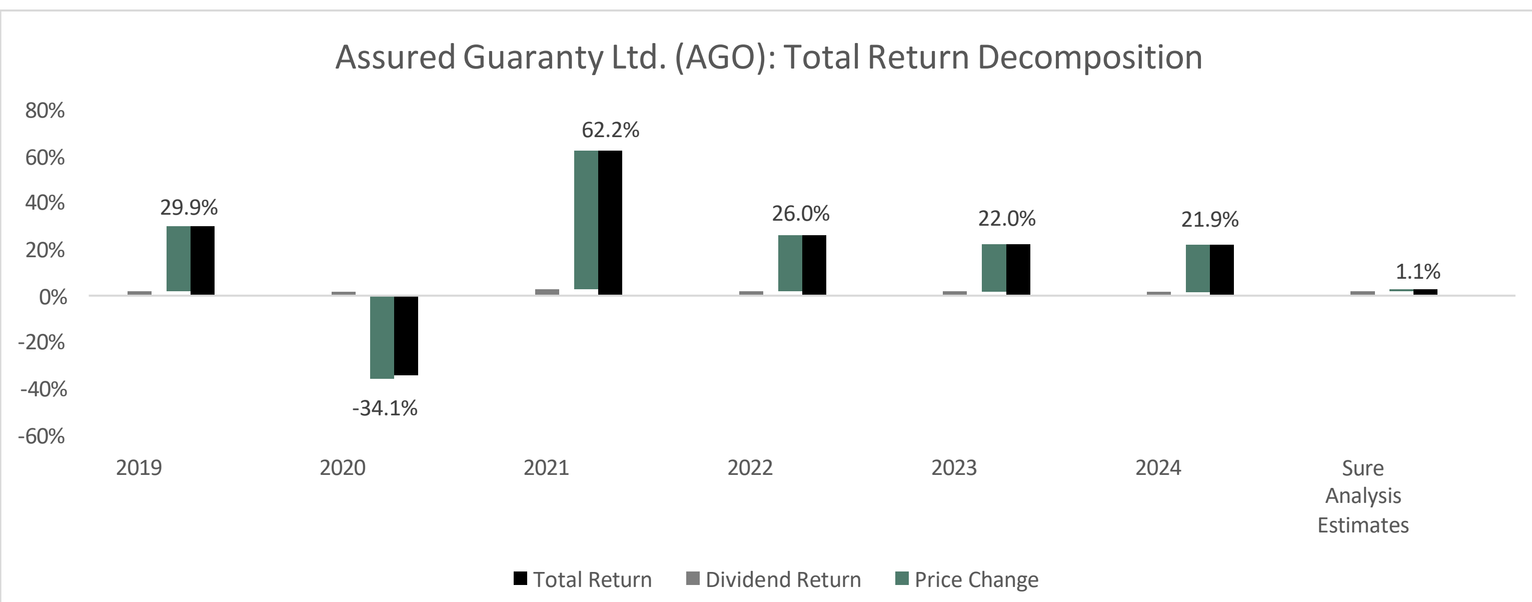
AGO's market leadership in the municipal bond insurance industry is a key competitive advantage for the company. In 2024, its U.S. municipal par volume of more than $24 billion accounted for 58% of total insured par sold. That makes it very difficult for existing competitors or new entrants in the market to challenge their position.

AGO also enjoys a strong balance sheet, with an A credit rating from S&P on a stable outlook. AGO's dividend is also reasonably secure, with the payout ratio set to be in the high teens for 2025. This should give it room for payout growth to moderately exceed adjusted operating income per diluted share for the foreseeable future.

Final Thoughts & Recommendation

AGO's 1.6% yield, 3.0% annual adjusted operating income per diluted share growth prospects, and 3.8% annualized multiple compression could translate into 1.1% annual total returns through 2030. As a result, we're reiterating our Hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,955	1,380	1,651	987	924	1,084	698	684	1,015	814
SG&A Exp.			143	152	178	228	230	258	251	202
Net Profit	1,056	881	730	521	402	362	389	124	739	376
Net Margin	54.0%	63.8%	44.2%	52.8%	43.5%	33.4%	55.7%	18.1%	72.8%	46.2%
Free Cash Flow	-71	-132	433	462	-509	-853	-1,937	-2,479	461	47
Income Tax	375	136	261	59	63	45	58	11	-93	96

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	14,544	14,151	14,433	13,603	14,326	15,334	18,208	16,843	12,540	11,900
Cash & Equivalents	166	118	144	104	169	162	120	107	97	121
Acc. Receivable	888	1,021	1,487	1,394	2,033	2,363	2,173	1,555	1,766	1,947
Goodwill & Int.				24	216	203	175	163		
Total Liabilities	8,481	7,647	7,594	7,048	7,674	8,629	11,708	11,551	6,774	6,348
Accounts Payable	51	64	---	---	---	---	---	---	---	---
Long-Term Debt	1,300	1,306	1,292	1,233	1,235	1,224	1,673	1,675	1,694	1,699
Total Equity	6,063	6,504	6,839	6,555	6,639	6,643	6,292	5,064	5,713	5,495
D/E Ratio	0.21	0.20	0.19	0.19	0.19	0.18	0.27	0.33	0.30	0.31

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	7.2%	6.1%	5.1%	3.7%	2.9%	2.4%	2.3%	0.7%	5.0%	3.1%
Return on Equity	17.9%	14.0%	10.9%	7.8%	6.1%	5.5%	6.0%	2.1%	13.4%	6.6%
ROIC	14.6%	11.6%	9.2%	6.5%	5.1%	4.6%	4.8%	1.6%	10.2%	5.1%
Shares Out.	138	128	116	103	93	77	67	64	58	53
Revenue/Share	13.12	10.29	13.50	8.87	9.22	12.58	9.39	10.70	17.38	15.27
FCF/Share	(0.48)	(0.98)	3.54	4.15	(5.08)	(9.90)	(26.07)	(38.80)	7.95	0.89

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.