# Aon Plc (AON)

*Updated February 16th, 2026, by Josh Arnold*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $322 | **5 Year CAGR Estimate:** | 16.6% | **Market Cap:** | $69 B |
| **Fair Value Price:** | $401 | **5 Year Growth Estimate:** | 11.0% | **Ex-Dividend Date:** | 05/03/26[1] |
| **% Fair Value:** | 80% | **5 Year Valuation Multiple Estimate:** | 4.5% | **Dividend Payment Date:** | 05/14/26 |
| **Dividend Yield:** | 0.9% | **5 Year Price Target** | $676 | **Years Of Dividend Growth:** | 14 |
| **Dividend Risk Score:** | A | **Sector:** | Financials | **Rating:** | Buy |

## Overview & Current Events

Aon is a professional services firm headquartered in London, United Kingdom. The company provides a variety of services including consulting, risk management, and health plan management. Aon has approximately 500 offices worldwide that serve 120 countries through a workforce that numbers about 60,000. U.S. investors can initiate an ownership stake in Aon through American Depository Receipts that trade with a market capitalization of $69 billion on the New York Stock Exchange, under the ticker AON. Aon should generate just over $18 billion in revenue this year.

Aon posted fourth quarter and full-year earnings on January 30th, 2026, and results were mixed. Adjusted earnings-per-share came to $4.85, which was a dime ahead of estimates. Revenue was up 3.6% year-over-year to $4.3 billion, but that missed expectations by $70 million. Organic revenue growth was 5% in the fourth quarter. Adjusted operating margin was 220 basis points higher to 35.5% of revenue. Free cash flow for the quarter was $1.3 billion, up 16% year-on-year.

Restructuring savings were $160 million for the year, with $50 million of that accruing in Q4. Interest expense for Q4 was $191 million.

Commercial Risk and Reinsurance saw 6% organic growth in Q4, Construction was up double-digits, and Reinsurance was up 8%. Health Solutions grew 2%, while Wealth was also up 2%.

We see $19.10 in adjusted earnings-per-share to start 2026.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | $5.16 | $6.52 | $8.16 | $9.17 | $9.81 | $12.00 | $13.39 | $14.14 | $15.60 | $17.07 | ***$19.10*** | ***$32.18*** |
| **DPS** | $1.29 | $1.41 | $1.56 | $1.72 | $1.78 | $1.99 | $2.19 | $2.41 | $2.64 | $2.91 | ***$2.98*** | ***$4.59*** |
| **Shares[2]** | 262 | 254 | 245 | 237 | 230 | 215 | 205 | 198 | 216 | 214 | ***210*** | ***195*** |

Over the last decade, Aon compounded its adjusted earnings-per-share at a rate of more than 14% per year. Looking ahead, we believe that the company's growth is likely to continue to be quite strong, albeit a bit slower than its historical pace. More specifically, we are forecasting 11% annualized earnings growth over a full economic cycle.

Management continues to be bullish, and rightfully so, as Aon's businesses are posting very strong rates of growth, for the most part. We see expense savings as a driver of earnings growth along with the buyback, and organic revenue growth should continue to move the top line higher as well. Given the broad assortment of professional services the company offers as well as its global footprint, we are bullish on Aon's future. We note forex translation has been a sizable headwind in the past, but Aon has thus far been able to overcome that, and then some. There is upside potential so long as the company can continue to grow expenses at a slower rate than the top line.

The dividend should continue to rise at roughly the rate of earnings, and we forecast the payout to be at $4.59 in 2031, up from the current $2.98. Aon is not a high-yield stock by any means, but its dividend growth potential is robust given the very low payout ratio, and strong earnings growth outlook.

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[1] Estimated date

[2] Share count in millions

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

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## Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Avg. P/E** | 20.4 | 20.1 | 17.9 | 17.7 | 20.3 | 21.6 | 22.4 | 20.6 | 23.0 | 20.7 | ***16.9*** | ***21.0*** |
| **Avg. Yld.** | 1.2% | 1.1% | 1.1% | 0.9% | 0.9% | 0.8% | 0.7% | 0.8% | 0.7% | 0.8% | ***0.9%*** | ***0.7%*** |

Aon has traded at an average price-to-earnings ratio of ~20.5 over the last decade, and we are using 21 for a fair value estimate as more recent years have seen higher valuations. The company is trading for a price-to-earnings ratio of 16.9 using our 2026 earnings-per-share estimate. That implies a +4.5% total returns from the valuation, as Aon is trading well below our estimate of fair value. We see the yield staying about where it is for the foreseeable future, noting Aon is not – and likely will not be for some time – a pure income stock.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Payout** | 25% | 22% | 19% | 19% | 18% | 17% | 16% | 17% | 17% | 17% | ***16%*** | ***14%*** |

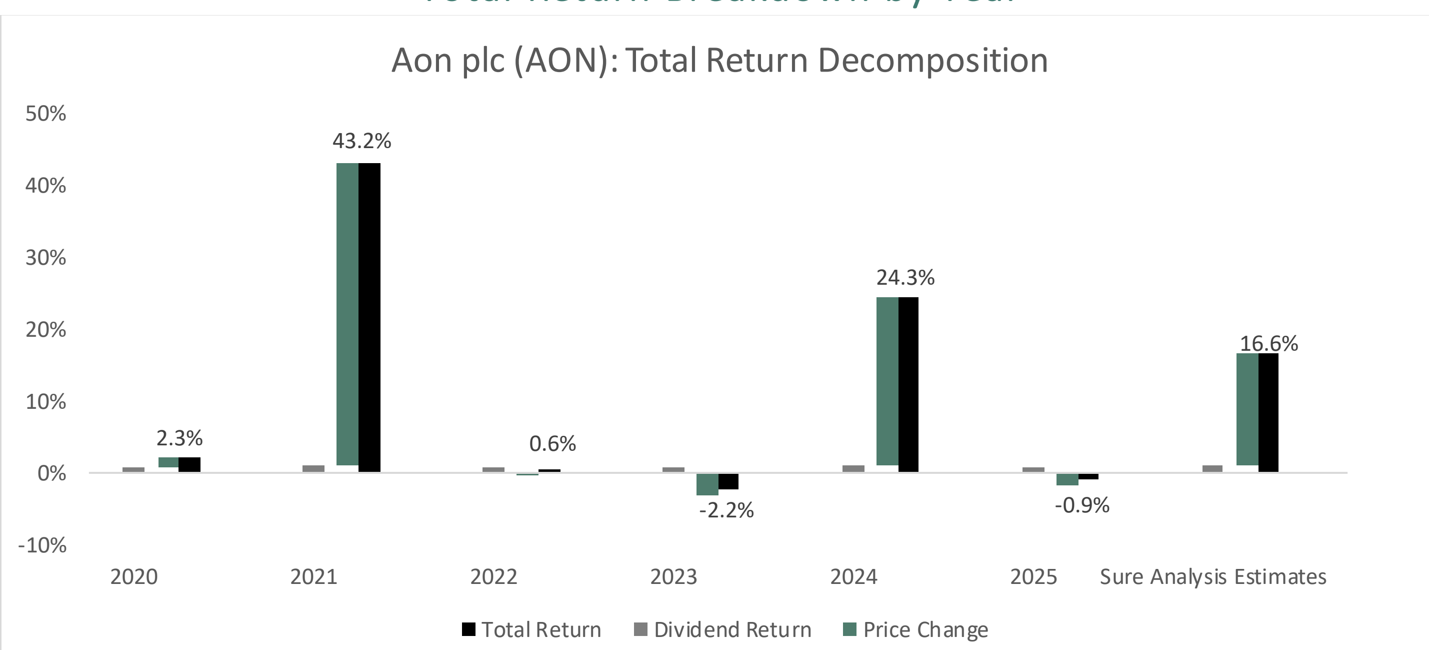
Aon's payout ratio is still very low, consistent with the company's historical practices, and we do not believe that will change. We see the dividend remaining around one-sixth of total earnings, so the payout is extremely safe. However, this means Aon is highly unlikely to have a meaningful yield anytime soon. Management has stated that it plans to protect the dividend during periods of uncertainty, and we see no reasonable scenario where Aon's dividend would be at risk.

Aon was resilient during the Great Recession, and that was certainly the case again during the COVID crisis, the product of its very diversified revenue streams. This is also a competitive advantage for the firm, along with its world-class client list and reputation.

## Final Thoughts & Recommendation

We are forecasting 16.6% total annual returns, consisting of the 0.9% yield, 11% EPS growth, and a +4.5% impact from the valuation. We're reiterating Aon at a buy rating after Q4 results and strong guidance. Aon offers dividend growth potential, but also a long runway for earnings-per-share growth.

## Total Return Breakdown by Year

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## Income Statement Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 9,409 | 9,998 | 10,770 | 11,013 | 11,066 | 12,193 | 12,479 | 13,376 | 15,698 | 17,289 |
| SG&A Exp. | 3,895 | 3,995 | 4,667 | 4,959 | 5,161 | 5,455 | 2,069 | 1,862 | 1,966 | --- |
| D&A Exp. | 41.4% | 40.0% | 43.3% | 45.0% | 46.6% | 44.7% | 264 | 256 | 686 | 966 |
| Operating Profit | 1,765 | 2,039 | 2,354 | 2,226 | 1,967 | 3,039 | 3,669 | 3,822 | 4,224 | 4,818 |
| Operating Margin | 319 | 891 | 769 | 564 | 413 | 326 | 29.4% | 28.6% | 26.9% | 27.9% |
| Net Profit | 1,811 | 1,065 | 1,544 | 2,169 | 2,781 | 2,090 | 2,589 | 2,564 | 2,654 | 3,750 |
| Net Margin | 19.2% | 10.7% | 14.3% | 19.7% | 25.1% | 17.1% | 20.7% | 19.2% | 16.9% | 21.7% |
| Free Cash Flow | 1,396 | 1,226 | 1,134 | 1,532 | 1,969 | 1,255 | 3,023 | 3,183 | 2,817 | 3,218 |
| Income Tax | 14.8% | 12.3% | 10.5% | 13.9% | 17.8% | 10.3% | 510 | 541 | 742 | 1,009 |

## Balance Sheet Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Assets | 26,615 | 26,088 | 26,422 | 29,405 | 32,114 | 31,928 | 32,704 | 33,959 | 48,965 | 50,784 |
| Cash & Equivalents | 426 | 756 | 656 | 790 | 884 | 544 | 690 | 778 | 1,085 | 2,798 |
| Acc. Receivable | 2,106 | 2,478 | 2,760 | 3,112 | 3,070 | 3,094 | 3,035 | 3,254 | 3,803 | --- |
| Goodwill & Int. | 9,300 | 10,091 | 9,320 | 8,948 | 9,306 | 8,926 | 8,739 | 8,648 | 21,942 | 21,524 |
| Total Liabilities | 21,083 | 21,440 | 22,203 | 25,956 | 28,531 | 30,770 | 33,133 | 34,701 | 42,535 | 41,236 |
| Accounts Payable | 1,604 | 1,961 | 1,943 | 1,939 | 2,016 | 2,192 | 18,014 | 2,262 | 2,905 | --- |
| Long-Term Debt | 6,205 | 5,966 | 6,244 | 7,339 | 7,729 | 9,392 | 10,770 | 11,199 | 17,016 | 15,889 |
| Total Equity | 5,475 | 4,583 | 4,151 | 3,375 | 3,495 | 1,061 | -529 | -826 | 6,121 | 9,352 |
| LTD/E Ratio | 1.13 | 1.30 | 1.50 | 2.17 | 2.21 | 8.85 | -20.36 | -13.56 | 2.78 | 1.72 |

## Profitability & Per Share Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return on Assets | 5.2% | 4.7% | 4.3% | 5.5% | 6.4% | 3.9% | 8.0% | 7.7% | 6.4% | 7.5% |
| Return on Equity | 24.3% | 24.4% | 26.0% | 40.7% | 57.3% | 55.1% | 710% | --- | 93.3% | 46.9% |
| ROIC | 11.9% | 11.0% | 10.8% | 14.4% | 17.8% | 11.5% | 24.8% | 24.7% | 15.7% | 15.0% |
| Shares Out. | 262 | 254 | 245 | 237 | 230 | 215 | 213 | 205 | 213 | 217 |
| Revenue/Share | 34.81 | 38.35 | 43.60 | 45.77 | 47.47 | 53.93 | 58.53 | 65.25 | 73.87 | 79.64 |
| FCF/Share | 8.03 | 2.11 | 5.85 | 6.69 | 11.33 | 9.04 | 14.18 | 15.53 | 13.26 | 14.82 |

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