Marsh & McLennan (MRSH)

Updated July 27th, 2026 by Quinn Mohammed

Key Metrics

Current Price:	$184	**5 Year CAGR Estimate:**	14.5%	**Market Cap:**	$86 B
Fair Value Price:	$230	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date[1]:**	07/23/2026
% Fair Value:	80%	**5 Year Valuation Multiple Estimate:**	4.5%	**Dividend Payment Date[1]:**	08/14/2026
Dividend Yield:	2.1%	**5 Year Price Target**	$338	**Years of Dividend Growth:**	16
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Marsh McLennan is a global professional services holding company that specializes in risk, strategy, and people. The four main global businesses of the corporation are Marsh (insurance broker and risk management), Guy Carpenter (reinsurance and capital strategies), Mercer (human resources and consulting) and Oliver Wyman (strategy, economic and brand consulting). The company's roots are traced back to 1871 as the Dan H. Bomar Company, giving it a 150+ year history of leadership and innovation. It has clients in 130 countries and over 95,000 colleagues across the globe. Marsh McLennan changed its ticker from MMC to MRSH in January 2026. It is headquartered in New York, New York and trades with a market capitalization of $86 billion. The corporation generates $27 billion in annual revenues.

On July 8th, 2026, Marsh McLennan declared a 10% quarterly dividend increase to $0.99 per share.

In March 2024, Marsh McLennan acquired Querbers & Nelson, and Louisiana Companies, which are both middle-market agencies. In the same month, Mercer acquired Vanguard's U.S. OCIO business. Furthermore, MRSH acquired Fisher Brown Bottrell Insurance, a large bank-affiliated U.S. insurance agency. Then on September 29th, 2024, MRSH announced it would be acquiring McGriff Insurance Services, a provider of insurance broking and risk management services, for $7.75 billion. McGriff produced $1.3 billion of revenue in the trailing twelve months.

In February 2025, Marsh's Mercer business agreed to acquire SECOR Asset Management, a customized portfolio solutions provider with approximately $21.5 billion in assets under management. And in April 2025, Marsh acquired Arthur Hall Insurance, a full-service insurance agency in West Chester, Pennsylvania.

In March 2026, Marsh announced it will acquire AltamarCAM, a private markets asset manager with €20B in AUM.

Marsh McLennan reported second quarter 2026 results on July 21st, 2026. Consolidated revenue for the quarter increased 6% year-over-year to $7.4 billion. Adjusted operating income grew 5% year-over-year to $2.2 billion, and adjusted EPS rose 9% to $2.96 for the quarter, compared to $2.72 in Q2 2025.

The company repurchased 4.5M of its shares in the quarter for $750 million, and ended the period with $1.7 billion in cash and cash equivalents.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$3.38	$3.88	$4.33	$3.41	$3.94	$6.17	$6.85	$7.99	$8.95	$9.75	***$10.45***	***$15.35***
DPS	$1.30	$1.43	$1.58	$1.74	$1.84	$2.00	$2.25	$2.84	$3.05	$3.43	***$3.96***	***$5.82***
Shares[2]	515	509	504	504	504	503	495	492	491	487	***482***	***475***

Marsh McLennan, with only one annual EPS decrease over the past decade, has produced a consistent and positive record of earnings-per-share growth. In the past nine and five years, MRSH has grown diluted EPS at 12.5% and 19.9% annually, on average. The dividend has grown at a 13% CAGR in the last five years. The corporation has successfully raised its dividend for sixteen consecutive years, and we see it growing in line with earnings going forward.

[1] Estimate based on last year's date
[2] in millions.

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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As MRSH continues to acquire new bolt-on businesses (as with Honan Insurance Group, PayneWest, Compass Financial Partners, Heritage Insurance, INSPRO, etc.), increase revenues, gain clients, expand operating margins, and repurchase shares, we expect the company to grow EPS at an 8.0% average annual rate into 2031 to earn $15.35.

The payout ratio has been range-bound between 35% and 50% in the last decade. For 2026 and over the intermediate term, we expect the payout ratio to be at the bottom of this range, which leaves ample space for continued growth in the dividend. As a result, we also expect the dividend to grow by 8% per annum to reach $5.82 in 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	18.8	19.9	19.2	28.6	27.7	30.7	25.3	28.2	26.8	21.6	***17.6***	***22.0***
Avg. Yld.	2.0%	1.9%	1.9%	1.8%	1.7%	1.3%	1.3%	1.3%	1.4%	1.6%	***2.1%***	***1.7%***

Marsh McLennan trades at 17.6 times this year's expected EPS. This is below both the 10-year average PE of 24.7 and 5-year average PE of 26.5. We find that shares are trading below our estimate of fair value, resulting in an expected positive impact on total returns from the valuation. Furthermore, the dividend yield is double the current yield of the S&P 500.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	38%	37%	36%	51%	47%	32%	33%	36%	34%	35%	***38%***	***38%***

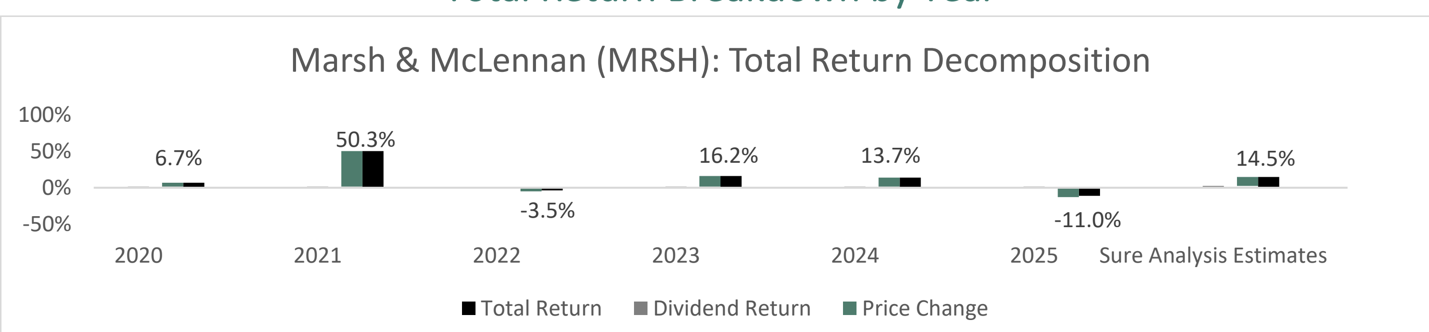
The payout ratio has generally remained below 50% of earnings, thus we see the dividend as being very safe. During the great financial crisis, MRSH kept the dividend steady at $0.80 rather than increasing it which is why the dividend streak is 16 years, but we would like to point out that the dividend was not cut, and the corporation remained financially prudent. While earnings took a dive in 2007 and 2008, by 2009 they were again quite healthy (78% payout ratio showed the dividend as sustainable), and surpassed previous records by 2011.

Marsh McLennan has a broad competitive advantage in that it has unparalleled geographic reach with clients in 130 countries. Additionally, Marsh McLennan lists its talent pool as an advantage considering it has 95,000 experienced, diverse, and dynamic colleagues, approximately one third of which have over 10 years of tenure. Its scale is massive, and it is in leading positions across insurance brokerages and consulting, and possess one of the largest capex spend among insurance brokers.

Final Thoughts & Recommendation

Marsh McLennan is a leading global professional services firm, with a wide range of businesses. We are forecasting annualized total returns of 14.5% through 2031, and the stock trades 20% below our estimate of fair value. We expect the company to continue growing, and it appears to be trading with a margin of safety. MRSH maintains its buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	13,211	14,024	14,950	16,652	17,224	19,820	20,720	22,740	24460	27,020
Gross Profit	5,517	5,939	6,345	6,918	7,095	8,395	8,649	9,637	10460	11772
Gross Margin	41.8%	42.3%	42.4%	41.5%	41.2%	42.4%	41.7%	42.4%	42.8%	43.6%
D&A Exp.	438	481	494	647	741	747	719	713	746	910
Operating Profit	2,431	2,655	2,761	2,677	3,066	4,312	4,280	5,282	5817	6,823
Operating Margin	18.4%	18.9%	18.5%	16.1%	17.8%	21.8%	20.7%	23.2%	23.8%	25.3%
Net Profit	1,768	1,492	1,650	1,742	2,016	3,143	3,050	3,756	4060	4,234
Net Margin	13.4%	10.6%	11.0%	10.5%	11.7%	15.9%	14.7%	16.5%	16.6%	15.7%
Free Cash Flow	1,754	1,591	2,114	1,940	3,034	3,110	2,995	3,842	3986	5,001
Income Tax	685	1,133	574	666	747	1,034	995	1,224	1363	1,305

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	18,190	20,429	21,578	31,357	33,049	34,388	33,454	48,030	56480	58,710
Cash & Equivalents	1,026	1,205	1,066	1,155	2,089	1,752	1,442	3,358	2398	2,687
Accounts Receivable	3,370	3,777	3,984	4,608	4,679	5,586	5,852	6,418	7156	7,156
Goodwill & Int.	9,495	10,363	11,036	17,445	18,216	19,127	18,788	19,860	28130	29,550
Total Liabilities	11,918	12,987	13,994	23,414	23,789	23,166	22,705	35,660	42950	43,400
Accounts Payable	1,969	2,083	2,234	2,746	3,050	3,165	3,278	3,403	3402	3,402
Long-Term Debt	4,807	5,487	5,824	11,956	11,313	10,950	11,495	13,460	19950	21,120
Shareholder’s Equity	6,192	7,359	7,511	7,793	9,104	11,222	10,749	12,370	13540	15,100
LTD/E Ratio	0.78	0.75	0.78	1.53	1.24	0.98	1.07	1.09	1.47	1.42

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	9.7%	7.7%	7.9%	6.6%	6.3%	9.3%	9.0%	9.2%	7.8%	7.4%
Return on Equity	27.8%	22.0%	22.2%	22.8%	23.9%	30.9%	28.0%	32.8%	31.4%	29.4%
ROIC	16.0%	12.4%	12.5%	10.5%	10.0%	14.7%	13.7%	15.6%	13.7%	11.7%
Shares Out.	515	509	504	503.6	503.6	503.0	505	499	496	494.00
Revenue/Share	25.21	27.02	29.26	32.59	33.64	38.64	41.03	45.56	49.31	54.69
FCF/Share	3.35	3.07	4.14	3.80	5.93	6.06	5.93	7.70	8.04	10.12

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