



Arch Capital Group Ltd (ACGL US)

COMPANY DESCRIPTION

Formed in 2001, Arch Capital Group is a diversified specialty insurer and reinsurer headquartered in Bermuda. The company writes insurance, reinsurance, and mortgage insurance with ca. \$15.1 billion in capital as of June 30, 2022. Arch Capital Group Ltd replaced Twitter Inc. in the S&P 500 on November 1, 2022.

BUSINESS MODEL

Arch Capital Group generates revenue through premium earned, investment income and other underwriting income.

M&A HISTORY

On 10/09/2020, Arch Capital Group announced to acquire Watford Holdings for \$35.00 per share in an all cash transaction, a premium of 16.67% to its previous close. The acquisition was completed, along with investment partners Kelso & Company and Warburg

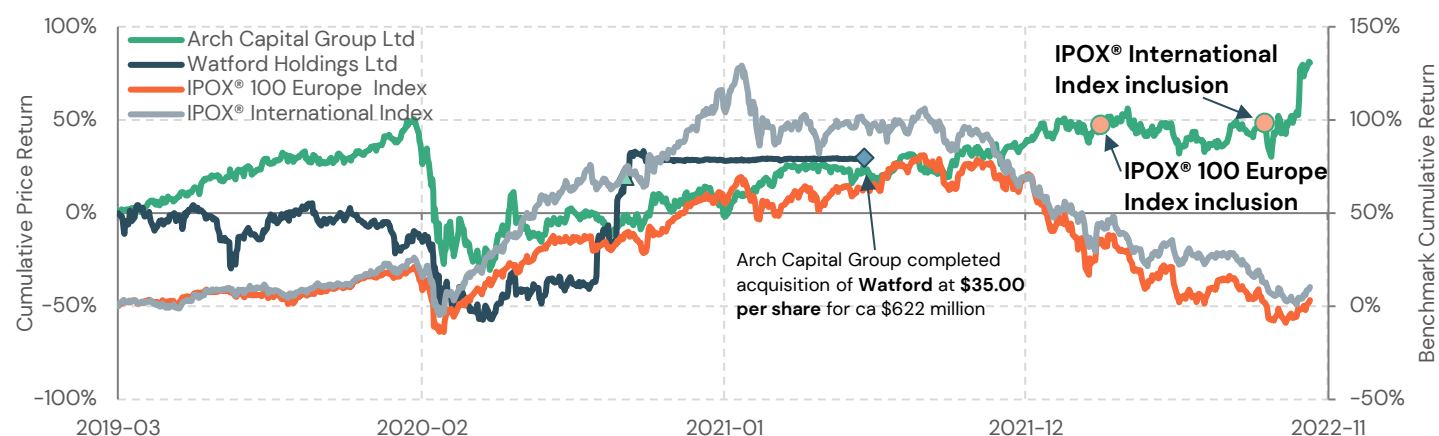
Pincus, on 07/02/2021 valuing Watford at an equity value of \$622 million. Watford was relaunched as Somers Group.

TARGET DIRECT LISTING HISTORY

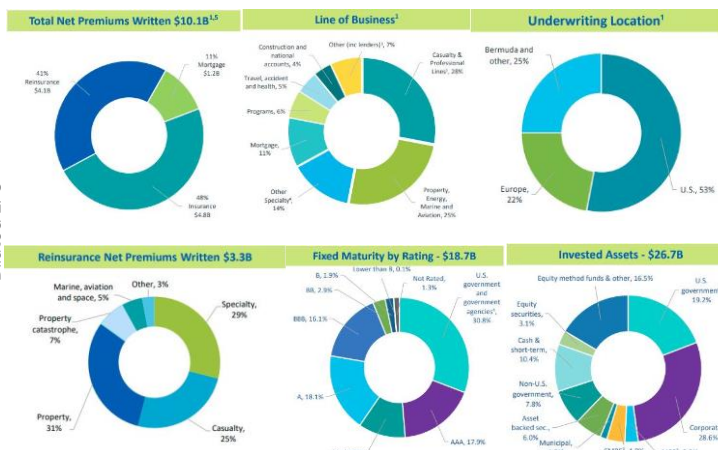
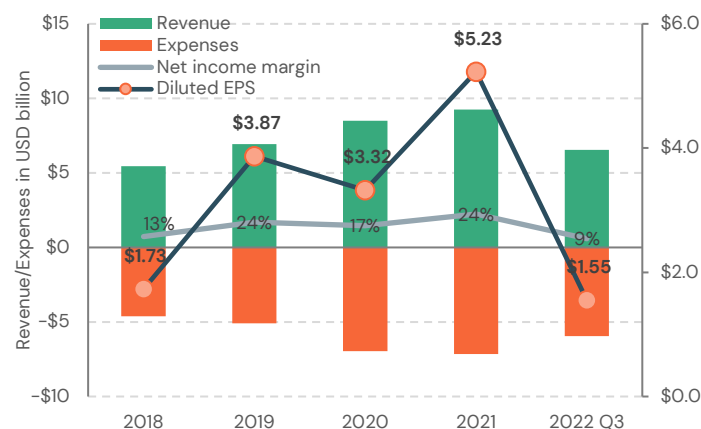
On 03/28/2019, Watford Holdings Ltd (WTRE) began trading on the Nasdaq Global Select Market through a Direct Listing led by J. P. Morgan. Watford registered to resell up to 3,593,003 common shares. The property and casualty insurance and reinsurance company managed its underwriting operations through Arch.

Arch Capital Group Ltd was included in the IPOX® 100 Europe Index (ETF: FPXE US, FPXE LN, EFPX IM) on 03/21/2022 and the IPOX® International Index (ETF: FPXI US) on 09/19/2022, and currently weighs ca. 3.04% and 1.42% of the portfolio, respectively.

HISTORICAL PERFORMANCE



GROWTH OUTLOOK



INDUSTRY COMPARISON

COMPANY	STOCK SYMBOL	IPO/SPIN-OFF DATE	INITIAL RETURN	OFFER TO DATE (TR)	2022 YTD (PR)	BETA TO BENCHMARK	REVENUE (MILLIONS)	DILUTED EARNINGS (LOSSES)/SHARE	P/E RATIO
Arch	ACGL US	09/13/1995 as Risk Capital Holdings			29.85%	0.73	\$9,249.98	5.23	14.58x
PROGRESSIVE	PGR US	Progressive went public in 1971			25.77%	0.62	\$47,676.50	5.66	20.66x
RLI	RLI US	RLI Corp went public in 1978			16.82%	0.70	\$1,179.24	6.11	25.38x
FIDELITY	FNF US	FNF spinoff on 7/1/2014			-23.94%	1.11	\$15,643.0	8.44	5.54x