

# ModernGraham Valuation

## Company Name:

Travelers  
Companies Inc

Company Ticker TRV  
Date of Analysis

11/16/2015



## 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	\$34,110,484,988	Pass
2. Earnings Stability	Positive EPS for 10 years prior		Pass
3. Dividend Record	Dividend Payments for 10 years prior		Pass
4. Earnings Growth	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	75.31%	Pass
5. Moderate PEmg Ratio	PEmg < 20	12.04	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.45	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	Pass

### Suitability

Defensive	Yes
Enterprising	Yes

## Stage 2: Determination of Intrinsic Value

EPSmg	9.33
MG Growth Estimate	11.64%
<b>MG Value</b>	<b>\$296.43</b>
MG Value based on 3% Growth	\$135.22
MG Value based on 0% Growth	\$79.27
Market Implied Growth Rate	1.77%

### MG Opinion

Current Price	\$112.25
% of Intrinsic Value	37.87%
<b>Opinion</b>	<b>Undervalued</b>

## Stage 3: Information for Further Research

Graham Number	\$135.83
PEmg	12.04
PB Ratio	1.45
Dividend Yield	2.07%
Number of Consecutive Years of Dividend Growth	10

### Useful Links:

<a href="#">ModernGraham tagged articles</a>	<a href="#">Morningstar</a>
<a href="#">Google Finance</a>	<a href="#">MSN Money</a>
<a href="#">Yahoo Finance</a>	<a href="#">Seeking Alpha</a>
<a href="#">GuruFocus</a>	<a href="#">SEC Filings</a>

EPS History		EPSmg History	
Next Fiscal Year Estimate	\$10.38	Next Fiscal Year Estimate	\$9.33
Dec14	\$10.70	Dec14	\$8.31
Dec13	\$9.74	Dec13	\$6.90
Dec12	\$6.30	Dec12	\$5.48
Dec11	\$3.36	Dec11	\$5.25
Dec10	\$6.62	Dec10	\$6.17
Dec09	\$6.33	Dec09	\$5.71
Dec08	\$4.81	Dec08	\$5.03
Dec07	\$6.86	Dec07	\$4.79
Dec06	\$5.91	Dec06	\$3.47
Dec05	\$2.33	Dec05	\$1.72
Dec04	\$1.53	Dec04	\$1.29
Dec03	\$3.80	Dec03	\$1.26
Dec02	\$0.92	Dec02	\$0.24
Dec01	-\$5.22	Dec01	\$0.38
Dec00	\$4.24	Dec00	\$3.11
Dec99	\$3.41	Dec99	\$2.58
Dec98	\$0.32	<div> <div>Balance Sheet Information</div> <div>Sep15</div> <div> <div>Long-Term Debt</div> <div>\$6,743,000,000</div> <div>Total Assets</div> <div>\$102,110,000,000</div> <div>Intangible Assets</div> <div>\$3,859,000,000</div> <div>Total Liabilities</div> <div>\$78,077,000,000</div> <div>Shares Outstanding (Diluted Average)</div> <div>311,000,000</div> </div> </div>	
Dec97	\$3.97		
Dec96	\$2.84		
Dec95	\$2.84		





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

- [5 Undervalued Dow Stocks to Research – November 2015](#)
- [The Best Companies of the Insurance Industry – October 2015](#)
- [10 Low PE Stocks for the Defensive Investor – October 2015](#)
- [10 Most Undervalued Companies for the Defensive Investor – September 2015](#)
- [10 Low PE Stocks for the Defensive Investor – August 2015](#)

Other  
ModernGraham  
posts about related  
companies

- [Lincoln National Corp Valuation – November 2015 Update \\$LNC](#)
- [Unum Group Valuation – November 2015 Update \\$UNM](#)
- [Principal Financial Group Valuation – November 2015 Update \\$PFG](#)
- [Assurant Inc. Valuation – November 2015 Update \\$AIZ](#)
- [American International Group Inc. Valuation – November 2015 Update \\$AIG](#)
- [Cincinnati Financial Corp Valuation – November 2015 Update \\$CINF](#)
- [American Financial Group Inc. Valuation – November 2015 Update \\$AFG](#)
- [Loews Corporation Valuation – November 2015 Update \\$L](#)
- [Allstate Corporation Valuation – October 2015 Update \\$ALL](#)
- [Humana Inc. Valuation – October 2015 Update \\$HUM](#)