ModernGraham Valuation

Company Name:

Travelers Companies Inc

Company Ticker TRV

11/16/2015 Date of Analysis



Stage 1: Is this company suitable for the Defensive Investor or the Enterprising Investor?

Defensive Investor; must pass all 6 of the following tests.

 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	
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 EPSmg greater than 5 years ago 3. Earnings Growth Pass

Suitability

Yes Defensive Enterprising Yes

Stage 2: Determination of Intrinsic Value

EPSmg	9.33
MG Growth Estimate	11.64%
MG Value	\$296.43
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% Opinion Undervalued

Stage 3: Information for Further Research

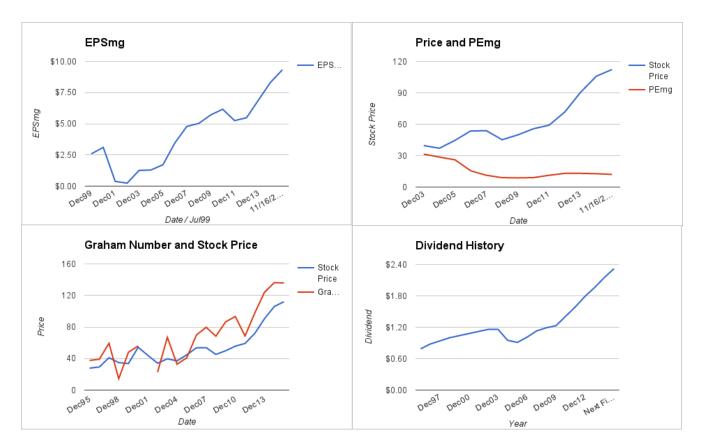
Graham Number	\$135.83
PEmg	12.04
PB Ratio	1.45
Dividend Yield	2.07%
Number of Consecutive Years of Dividend Growth	10

Useful Links: ModernGraham tagged articles

Morningstar Google Finance MSN Money Yahoo Finance Seeking Alpha SEC Filings GuruFocus

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	Balance Sheet Information	Sep15
Dec97	\$3.97	Long-Term Debt	\$6,743,000,000
Dec96	\$2.84	Total Assets	\$102,110,000,000
Dec95	\$2.84	Intangible Assets	\$3,859,000,000
		Total Liabilities	\$78,077,000,000
		Shares Outstanding (Diluted Average)	311,000,000





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

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