

ModernGraham Valuation

Company Name:

Company Ticker TRV
Date of Analysis

Travelers Companies
Inc

5/17/2016



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 | \$32,282,427,610 | 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 | 67.13% | Pass |
| 5. Moderate PEmg Ratio | PEmg < 20 | 11.54 | Pass |
| 6. Moderate Price to Assets | PB Ratio < 2.5 OR PB*PEmg < 50 | 1.37 | 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 | \$9.60 |
| MG Growth Estimate | 11.25% |
| MG Value | \$297.64 |
| MG Value based on 3% Growth | \$139.20 |
| MG Value based on 0% Growth | \$81.60 |
| Market Implied Growth Rate | 1.52% |

MG Opinion

| | |
|----------------------|--------------------|
| Current Price | \$110.83 |
| % of Intrinsic Value | 37.24% |
| Opinion | Undervalued |
| MG Grade | A |

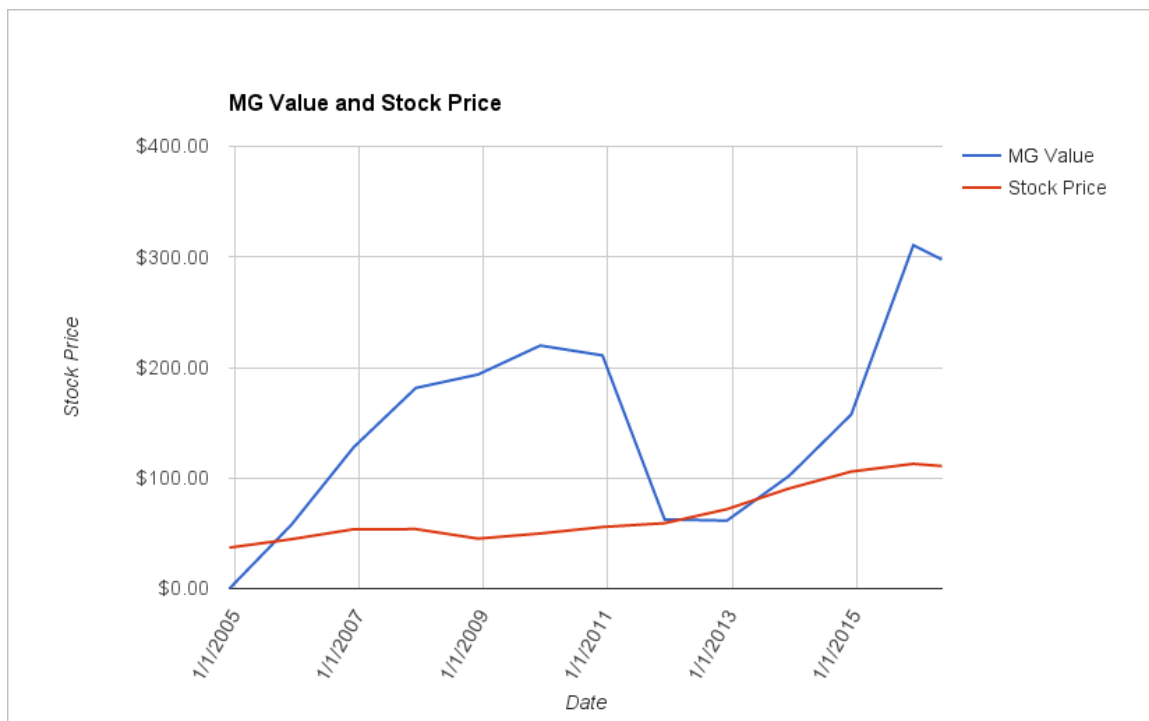
Stage 3: Information for Further Research

| | |
|--|----------|
| Graham Number | \$125.87 |
| PEmg | 11.54 |
| PB Ratio | 1.37 |
| Current Dividend | \$2.44 |
| Dividend Yield | 2.20% |
| Number of Consecutive Years of Dividend Growth | 11 |

Useful Links:

| | |
|--|-------------------------------|
| ModernGraham tagged articles | Morningstar |
| Google Finance | MSN Money |
| Yahoo Finance | Seeking Alpha |
| GuruFocus | SEC Filings |

| EPS History | | EPSmg History | |
|---------------------------|---------|---|-------------------|
| Next Fiscal Year Estimate | \$8.52 | Next Fiscal Year Estimate | \$9.60 |
| 12/1/2015 | \$10.88 | 12/1/2015 | \$9.49 |
| 12/1/2014 | \$10.70 | 12/1/2014 | \$8.31 |
| 12/1/2013 | \$9.74 | 12/1/2013 | \$6.90 |
| 12/1/2012 | \$6.30 | 12/1/2012 | \$5.49 |
| 12/1/2011 | \$3.36 | 12/1/2011 | \$5.25 |
| 12/1/2010 | \$6.62 | 12/1/2010 | \$6.17 |
| 12/1/2009 | \$6.33 | 12/1/2009 | \$5.71 |
| 12/1/2008 | \$4.82 | 12/1/2008 | \$5.03 |
| 12/1/2007 | \$6.86 | 12/1/2007 | \$4.71 |
| 12/1/2006 | \$5.91 | 12/1/2006 | \$3.32 |
| 12/1/2005 | \$2.33 | 12/1/2005 | \$1.50 |
| 12/1/2004 | \$1.53 | 12/1/2004 | \$1.01 |
| 12/1/2003 | \$2.72 | 12/1/2003 | \$0.90 |
| 12/1/2002 | \$0.92 | 12/1/2002 | \$0.24 |
| 12/1/2001 | -\$5.22 | 12/1/2001 | \$0.37 |
| 12/1/2000 | \$4.24 | 12/1/2000 | \$3.06 |
| 12/1/1999 | \$3.41 | Balance Sheet Information 3/1/2016 | |
| 12/1/1998 | \$0.32 | Long-term Debt | \$6,344,000,000 |
| 12/1/1997 | \$3.83 | Total Assets | \$101,680,000,000 |
| 12/1/1996 | \$2.47 | Intangible Assets | \$3,863,000,000 |
| | | Total Liabilities | \$77,514,000,000 |
| | | Shares Outstanding (Diluted Average) | 297,900,000 |





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

- [10 Most Undervalued Companies for the Defensive Investor – May 2016](#)
- [10 Most Undervalued Companies for the Defensive Investor – February 2016](#)
- [11 Best Stocks For Value Investors This Week – 11/21/15](#)
- [Travelers Companies Inc. Valuation – November 2015 Update \\$TRV](#)
- [5 Undervalued Dow Stocks to Research – November 2015](#)

Other
ModernGraham
posts about related
companies

- [Unum Group Valuation – March 2016 \\$UNM](#)
- [Principal Financial Group Inc Valuation – March 2016 \\$PFG](#)
- [Assurant Inc Valuation – February 2016 \\$AIZ](#)
- [American International Group Inc Stock Valuation – February 2016 \\$AIG](#)
- [Chubb Ltd Stock Valuation – February 2016 \\$CB](#)
- [Humana Inc Stock Valuation – February 2016 \\$HUM](#)
- [Prudential Financial Inc Valuation – February 2016 \\$PRU](#)
- [Anthem Inc Valuation – February 2016 \\$ANTM](#)
- [American Financial Group Inc Valuation – February 2016 \\$AFG](#)
- [Aflac Inc Valuation – February 2016 \\$AFL](#)