

# ModernGraham Valuation

Company Name:

Travelers  
Companies Inc

Company Ticker TRV

Date of Analysis

11/30/2016



## 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	\$32,166,938,864 Pass
2. Earnings Stability	Positive EPS for 10 years prior	Pass
3. Dividend Record	Dividend Payments for 10 years prior	Pass
	Increase of 33% in EPS in past 10 years using 3 year averages at beginning and end	71.82% Pass
4. Earnings Growth	PEmg < 20	11.48 Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.34 Pass
6. Moderate Price to Assets		

*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	9.87
MG Growth Estimate	11.99%
<b>MG Value</b>	<b>\$320.65</b>
MG Value based on 3% Growth	\$143.12
MG Value based on 0% Growth	\$83.90
Market Implied Growth Rate	1.49%

### MG Opinion

Current Price	\$113.35
% of Intrinsic Value	35.35%
<b>Opinion</b>	<b>Undervalued</b>
<b>MG Grade</b>	<b>B</b>

## Stage 3: Information for Further Research

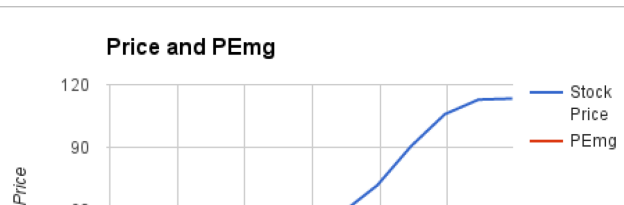
Graham Number	\$134.38
PEmg	11.48
PB Ratio	1.34
Dividend Yield	1.72%
Number of Consecutive Years of Dividend Growth	1

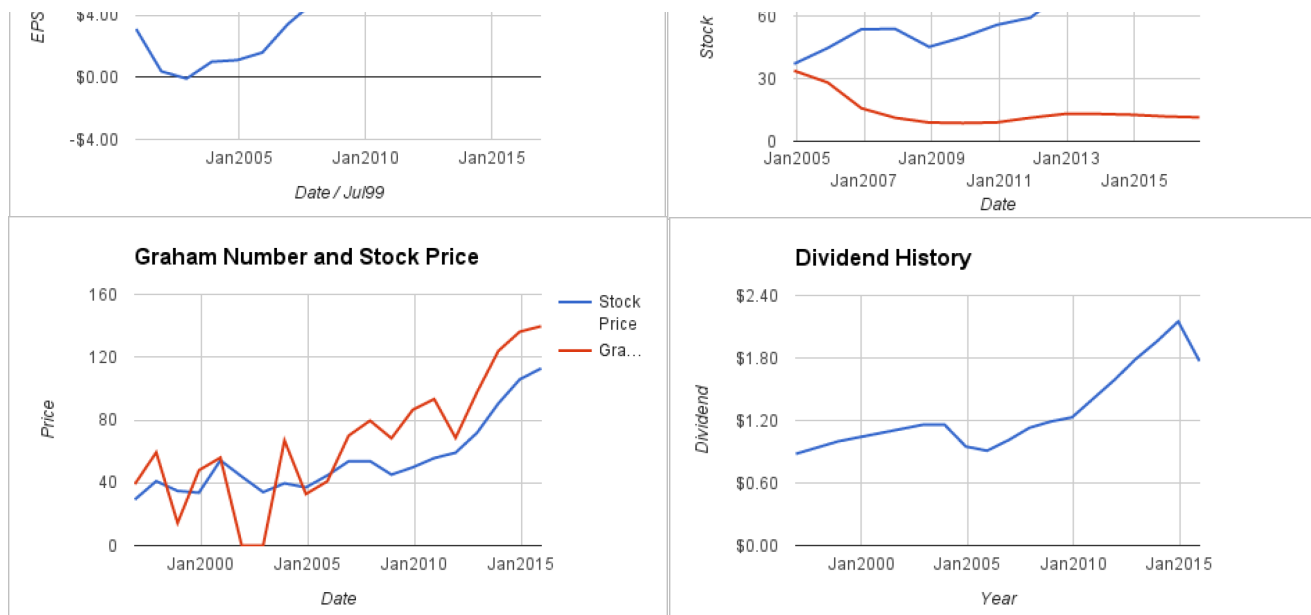
### Useful Links:

<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	Next Fiscal Year Estimate
\$9.33	\$9.87

Dec2015	\$10.88	Dec2015	\$9.49
Dec2014	\$10.70	Dec2014	\$8.31
Dec2013	\$9.74	Dec2013	\$6.90
Dec2012	\$6.30	Dec2012	\$5.48
Dec2011	\$3.36	Dec2011	\$5.25
Dec2010	\$6.62	Dec2010	\$6.16
Dec2009	\$6.33	Dec2009	\$5.71
Dec2008	\$4.81	Dec2008	\$5.02
Dec2007	\$6.85	Dec2007	\$4.78
Dec2006	\$5.91	Dec2006	\$3.40
Dec2005	\$2.33	Dec2005	\$1.59
Dec2004	\$1.53	Dec2004	\$1.10
Dec2003	\$3.80	Dec2003	\$1.00
Dec2002	-\$0.07	Dec2002	-\$0.09
Dec2001	-\$5.22	Dec2001	\$0.38
Dec2000	\$4.24	Dec2000	\$3.11
Dec1999	\$3.41	<b>Balance Sheet Information 9/1/2016</b>	
Dec1998	\$0.32	Long-Term Debt & Capital Lease Obligation	\$6,436,000,000
Dec1997	\$3.97	Total Assets	\$102,787,000,000
Dec1996	\$2.84	Intangible Assets	\$3,856,000,000
		Total Liabilities	\$78,348,000,000
		Shares Outstanding (Diluted Average)	289,800,000





#### 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 – August 2016 \\$UNM](#)
- [Principal Financial Group Inc Valuation – August 2016 \\$PFG](#)
- [Assurant Inc Valuation – August 2016 \\$AIZ](#)
- [American International Group Inc Valuation – August 2016 \\$AIG](#)
- [Humana Inc Valuation – August 2016 \\$HUM](#)
- [Chubb Limited Valuation – August 2016 \\$CB](#)
- [Torchmark Corporation Valuation – August 2016 \\$TMK](#)
- [Anthem Inc Valuation – August 2016 \\$ANTM](#)
- [American Financial Group Inc Valuation – August 2016 \\$AFG](#)
- [AFLAC Inc Valuation – August 2016 \\$AFL](#)