

ModernGraham Valuation

Company Name:

Travelers
Companies Inc

Company Ticker TRV

Date of Analysis

2/25/2018



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	\$38,246,261,539	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	68.06%	Pass
4. Earnings Growth	PEmg < 20	14.80	Pass
5. Moderate PEmg Ratio	PB Ratio < 2.5 OR PB*PEmg < 50	1.62	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	9.44
MG Growth Estimate	2.04%
MG Value	\$118.68
MG Value based on 3% Growth	\$136.90
MG Value based on 0% Growth	\$80.25
Market Implied Growth Rate	3.15%

MG Opinion

Current Price	\$139.74
% of Intrinsic Value	117.74%
Opinion	Overvalued
MG Grade	B-

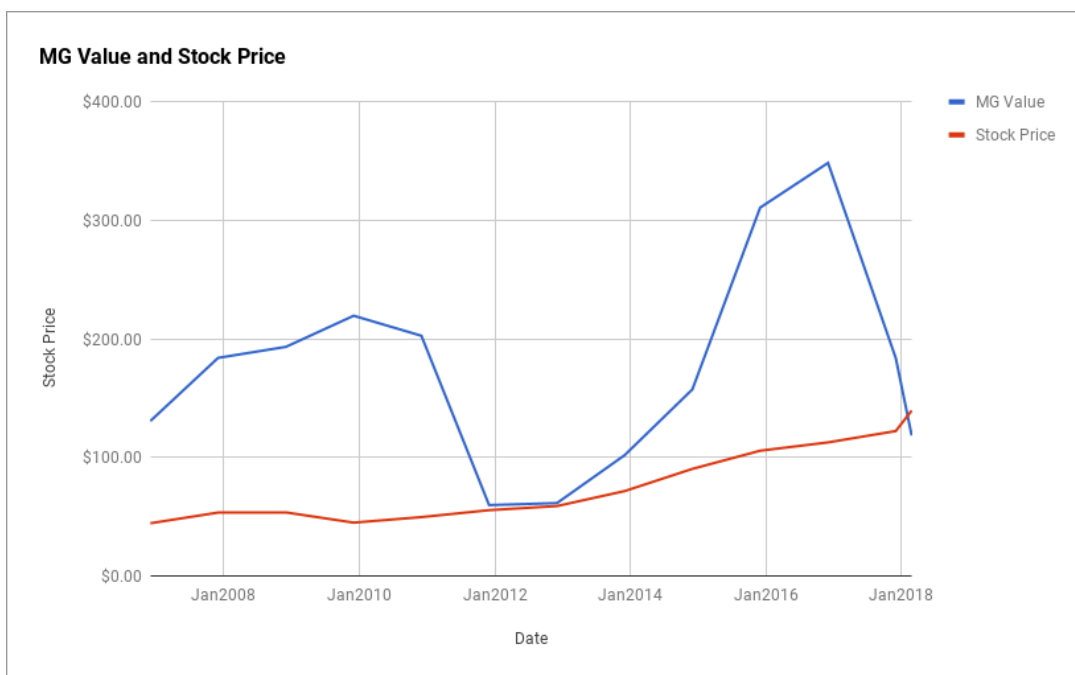
Stage 3: Information for Further Research

Graham Number	\$138.27
PEmg	14.80
PB Ratio	1.62
Dividend Yield	2.03%
Number of Consecutive Years of Dividend Growth	12

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	\$9.80	Next Fiscal Year Estimate	\$9.44
Dec2017	\$7.33	Dec2017	\$9.44
Dec2016	\$10.28	Dec2016	\$10.19
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	Balance Sheet Information 12/1/2017	
Dec2000	\$4.24	Long-Term Debt & Capital Lease Obligation	\$6,571,000,000
Dec1999	\$3.41	Total Assets	\$103,483,000,000
Dec1998	\$0.32	Intangible Assets	\$4,293,000,000
		Total Liabilities	\$79,752,000,000
		Shares Outstanding (Diluted Average)	275,600,000





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**

- [Hanover Insurance Group Valuation – Initial Coverage \\$THG](#)
- [Prudential Financial Inc Valuation – July 2017 \\$PRU](#)
- [Assurant Inc Valuation – March 2017 \\$AIZ](#)
- [American International Group Inc Valuation – March 2017 \\$AIG](#)
- [Torchmark Corporation Valuation – March 2017 \\$TMK](#)
- [Humana Inc Valuation – Initial Coverage \\$HUM](#)
- [Chubb Ltd Valuation – March 2017 \\$CB](#)
- [Stewart Information Services Corp Valuation – Initial Coverage \\$STC](#)
- [Loews Corporation – February 2017 \\$L](#)
- [Kemper Corp Valuation – Initial Coverage \\$KMPR](#)