

# ModernGraham Valuation

Company Name:

Travelers  
Companies Inc

Company Ticker TRV

Date of Analysis

11/21/2018



## 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	\$34,201,667,650	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	67.01%	Pass
5. Moderate PEmg Ratio	PEmg < 20	13.76	Pass
6. Moderate Price to Assets	PB Ratio < 2.5 OR PB*PEmg < 50	1.54	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

<b>Defensive</b>	<b>Yes</b>
<b>Enterprising</b>	<b>Yes</b>

## Stage 2: Determination of Intrinsic Value

EPSmg	9.38
MG Growth Estimate	1.93%
<b>MG Value</b>	<b>\$116.05</b>
MG Value based on 3% Growth	\$136.08
MG Value based on 0% Growth	\$79.77
Market Implied Growth Rate	2.63%

### MG Opinion

Current Price	\$129.12
% of Intrinsic Value	111.26%
<b>Opinion</b>	<b>Overvalued</b>
<b>MG Grade</b>	<b>B+</b>

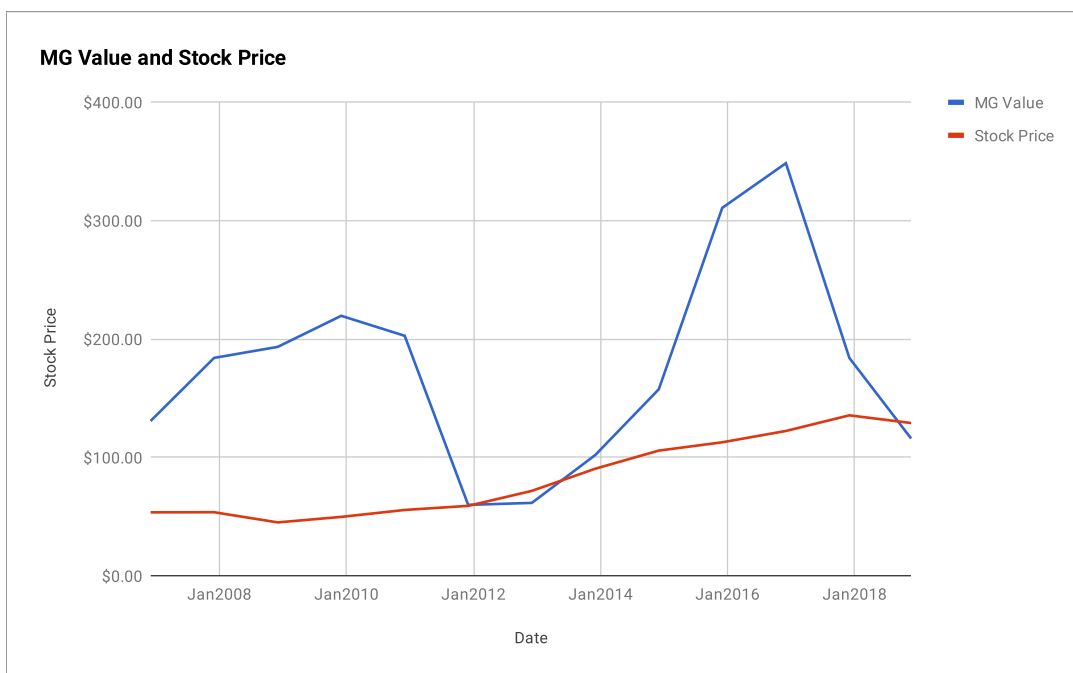
## Stage 3: Information for Further Research

Graham Number	\$137.64
PEmg	13.76
PB Ratio	1.54
Dividend Yield	2.19%
Number of Consecutive Years of Dividend Growth	12

### 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	\$9.63	Next Fiscal Year Estimate	\$9.38
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		
Dec2000	\$4.24		
Dec1999	\$3.41		
Dec1998	\$0.32		
		<b>Balance Sheet Information</b>	<b>9/1/2018</b>
		Long-Term Debt & Capital Lease Obligation	\$5,964,000,000
		Total Assets	\$104,390,000,000
		Intangible Assets	\$4,309,000,000
		Total Liabilities	\$81,930,000,000
		Shares Outstanding (Diluted Average)	268,400,000





**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**
- [Stewart Information Services Corp Valuation – August 2018 \\$STC](#)
  - [Kemper Corp Valuation – August 2018 \\$KMPR](#)
  - [CNO Financial Group Inc Valuation – August 2018 \\$CNO](#)
  - [Sun Life Financial Inc Valuation – August 2018 \\$TSE-SLE](#)
  - [American Financial Group Inc Valuation – August 2018 \\$AFG](#)
  - [Selective Insurance Group Inc Valuation – July 2018 \\$SIGI](#)
  - [Genworth Financial Inc Valuation – June 2018 \\$GNW](#)
  - [Prudential Financial Inc Valuation – June 2018 \\$PRU](#)
  - [Assurant Inc Valuation – June 2018 \\$AIZ](#)
  - [Torchmark Corp Valuation – June 2018 \\$TMK](#)