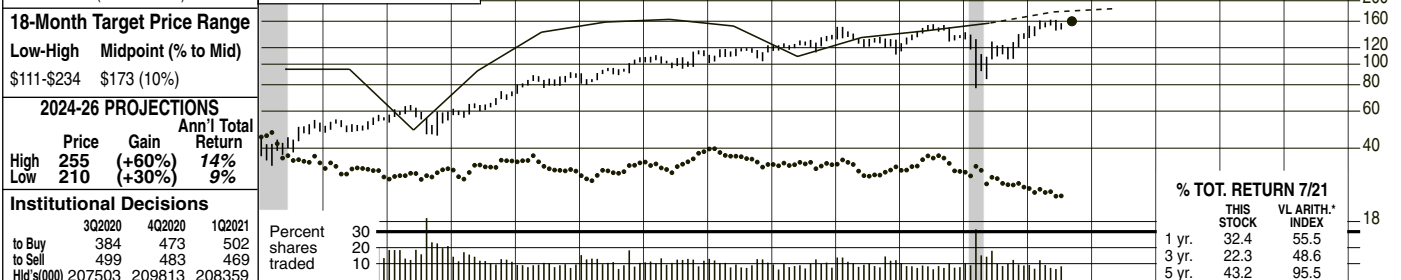


# THE TRAVELERS CO. NYSE-TRV

RECENT PRICE **159.90** P/E RATIO **13.2** (Trailing: 11.3 Median: 12.0) RELATIVE P/E RATIO **0.70** DIV'D YLD **2.2%** **VALUE LINE**

<b>TIMELINESS</b> 3 Raised 6/11/21	High: 57.6 64.2 74.7 91.7 107.9 116.5 123.1 138.0 150.5 155.1 141.9 162.7	Low: 47.3 46.0 55.9 72.5 79.9 95.2 101.2 113.8 111.1 115.1 77.0 133.1	Target Price Range 2024 2025 2026
<b>SAFETY</b> 1 Raised 9/16/11	<b>LEGENDS</b> — 15.0 x Earnings p sh .... Relative Price Strength Options: Yes Shaded area indicates recession		
<b>TECHNICAL</b> 4 Lowered 8/27/21			
<b>BETA</b> 1.00 (1.00 = Market)			



2024-26 PROJECTIONS		Ann'l Total Return		
Price	Gain			
High 255	(+60%)	14%		
Low 210	(+30%)	9%		
Institutional Decisions		Percent shares traded		
3Q2020	4Q2020	1Q2021		
To Buy 384	473	502		
To Sell 499	483	469		
Hlds(000) 207503	209813	208359		
2005	2006	2007	2008	2009
29.34	30.61	34.20	36.88	41.16
4.56	5.19	5.99	4.77	5.34
d.82	3.01	3.68	3.06	4.19
2.90	5.88	6.72	5.24	6.32
.91	1.01	1.13	1.19	1.26
31.94	36.87	42.22	43.12	52.54
693.40	678.30	627.80	585.10	520.30
127%	125%	124%	105%	84%
14.0	7.8	7.8	8.7	7.0
.75	.42	.41	.52	.47
2.2%	2.2%	2.2%	2.6%	2.8%

2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	© VALUE LINE PUB. LLC 24-26	
29.34	30.61	34.20	36.88	41.16	49.31	56.24	59.24	64.04	73.60	80.68	87.75	94.63	102.61	110.65	115.07	124.00	131.80	P/C Prem Earned per sh	140.00
4.56	5.19	5.99	4.77	5.34	7.04	7.33	7.66	7.68	8.65	8.04	8.23	8.83	9.38	9.66	8.82	9.50	10.75	Investment Inc per sh	13.00
d.82	3.01	3.68	3.06	4.19	3.06	d3.59	1.10	6.54	7.44	8.43	4.98	1.99	.93	3.01	5.75	6.80	6.60	Underwriting Inc per sh	9.80
2.90	5.88	6.72	5.24	6.32	6.31	3.25	6.21	9.46	10.56	10.87	10.13	7.27	8.94	9.60	10.45	11.80	12.25	Earnings per sh	15.50
.91	1.01	1.13	1.19	1.26	1.44	1.64	1.79	1.96	2.15	2.38	2.68	2.83	3.03	3.23	3.37	3.49	3.55	Div'ds Decl'd per sh	3.70
31.94	36.87	42.22	43.12	52.54	58.39	62.31	67.32	70.14	77.08	79.75	83.05	87.44	86.82	101.54	115.69	128.00	136.00	Book Value per sh	166.00
693.40	678.30	627.80	585.10	520.30	434.60	392.80	377.40	353.50	322.20	295.90	279.60	271.40	263.70	255.50	252.40	250.00	250.00	Common Shs Outst'g	250.00
127%	125%	124%	105%	84%	89%	91%	95%	119%	120%	132%	137%	143%	151%	137%	102%			Price to Book Value	140%
14.0	7.8	7.8	8.7	7.0	8.2	17.4	10.3	8.8	8.8	9.7	11.2	17.2	14.7	14.5	11.3			Avg Ann'l P/E Ratio	15.0
.75	.42	.41	.52	.47	.52	1.09	.66	.49	.46	.49	.59	.87	.79	.77	.59			Relative P/E Ratio	.85
2.2%	2.2%	2.2%	2.6%	2.8%	2.8%	2.9%	2.8%	2.3%	2.3%	2.3%	2.4%	2.3%	2.3%	2.3%	2.8%			Avg Ann'l Div'd Yield	1.6%

Fixed Maturities				53464	74003	75576	<b>BUSINESS:</b> The Travelers Companies, Inc. (formerly St. Paul Travelers) is a leading provider of commercial property/casualty insurance and asset management services. Following the April 1, 2004 acquisition of Travelers, the company is now a leading underwriter of homeowners insurance and automobile insurance through independent agents. Has approximately 30,600 employees.	Officers and directors own approximately .9% of common stock outstanding; The Vanguard Group, 8.6%; BlackRock, 8.0%; State Street Corporation, 6.5% (4/21 Proxy). Chief Executive Officer: Alan D. Schnitzer. Chairman: John H. Dasburg. Incorporated: Minnesota. Address: 485 Lexington Ave, New York, NY 10017. Telephone: 917-778-6000. Internet: <a href="http://www.travelers.com">www.travelers.com</a> .
Stocks				368	453	513		
Premiums Due				7506	7829	8555		
Other				32895	34479	35115		
Total Assets				104233	116764	119759		
Unearned Prems				13555	15222	16210		
Reserves				50668	54521	55906		
Other				17116	17820	33077		
Total Liabilities				81339	87563	90603		
<b>ANNUAL RATES</b>	<b>Past</b>	<b>Past</b>	<b>Est'd '18-'20</b>	<b>Travelers reported very healthy results for the June quarter.</b> On point, earnings from operations, which exclude capital gains and losses from the investment portfolio, clocked in at \$3.45, which was much better than the previous year's loss of \$0.30 a share and our \$2.95 a share estimate.	<b>\$31 billion, a slight improvement over our previous estimate of \$30.86 billion. We now expect share earnings of \$11.80, a \$0.60 increase over our tally of three months ago.</b> <b>We look for a moderate earnings advance next year, assuming continued</b>			
of change (per sh)	<b>10 Yrs.</b>	<b>5 Yrs.</b>	<b>to '24-'26</b>					
Premium Income	10.0%	8.5%	4.0%					
Invest Income	5.0%	2.5%	6.0%					
Earnings	5.0%	-1.5%	8.0%					
Dividends	9.5%	8.0%	2.5%					
Book Value	7.0%	6.0%	8.5%					

ANNUAL RATES		Past 10 Yrs.	Past 5 Yrs.	Est'd '18-'20 to '24-'26
of change (per sh)		10.0%	8.5%	4.0%
Premium Inc		5.0%	2.5%	6.0%
Invest Income		5.0%	-1.5%	8.0%
Earnings		9.5%	8.0%	2.5%
Dividends		7.0%	6.0%	8.5%
Book Value				

Cal-endar	NET PREMIUMS EARNED (\$ mill.) <sup>A</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	6537	6695	6882	6945	27059
2019	6855	6988	7179	7250	28272
2020	7229	6955	7380	7480	29044
2021	7385	7616	7900	8099	31000
2022	8075	8200	8275	8400	32950

Cal-endar	EARNINGS PER SHARE <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	2.46	1.81	2.54	2.13	8.94
2019	2.83	2.02	1.43	3.32	9.60
2020	2.62	d.20	3.12	4.91	10.45
2021	2.73	3.45	2.75	2.87	11.80
2022	3.05	3.15	3.00	3.05	12.25

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2018	.67	.72	.72	.72	2.83
2019	.72	.77	.77	.77	3.03
2020	.77	.82	.82	.82	3.23
2021	.82	.85	.85	.85	3.37
2022	.85	.88			

**BUSINESS:** The Travelers Companies, Inc. (formerly St. Paul Travelers) is a leading provider of commercial property/casualty insurance and asset management services. Following the April 1, 2004 acquisition of Travelers, the company is now a leading underwriter of homeowners insurance and automobile insurance through independent agents. Has approximately 30,600 employees.

**Travelers reported very healthy results for the June quarter.** On point, earnings from operations, which exclude capital gains and losses from the investment portfolio, clocked in at \$3.45, which was much better than the previous year's loss of \$0.20 a share and our \$2.85 expectation. The combined ratio dialed in at 95.3% for the period, which was a vast improvement over last year's comparable-period tally of 103.7%. Too, this implies that the company generated \$4.70 in pretax income for every \$100 in policies insured. Total revenues (includes items in addition to net premiums earned) increased 17% on a year-to-year basis, which further helped advance the bottom line. It should be noted that the largest contributor to the increase in share net for the interim was investment income. This line item was up from \$268 million to \$818 million on a year-over-year basis. A stellar increase in private-equity partnership returns was the key driver to growth there. As a result of the solid performance during the June quarter, we have boosted our top- and bottom-line expectations for this year. We now look for net premiums earned of \$31 billion, a slight improvement over our previous estimate of \$30.86 billion. We now expect share earnings of \$11.80, a \$0.60 increase over our tally of three months ago.

**We look for a moderate earnings advance next year, assuming continued healthy conditions in the broader insurance market.** While we are optimistic about the company's prospects for next year, we note that it will be up against difficult comparisons in 2021. This year many factors have been in the industry's favor, and the tide may begin to shift at any time.

**We forecast share net will climb at a high single-digit clip, on average, over the pull to 2024-2026.** Our cautious optimism is based on a decent economic backdrop over that time frame.

**These shares are a middling choice for the year ahead based on our Timeliness Ranking System.** However, they are a more attractive choice for the 3- to 5-year time frame, especially on a risk-adjusted basis. A decent dividend helps to sweeten the pot.

Alan G. House

September 3, 2021

(A) P/C only. (B) Dil. egs. Excl. cap gains and losses after '02. Excl. nonrec. (charges)/gains in '06, '3c; '07, '14c; '08, (42c); '09, '1c; '10, '31c; '11, '11c; '12, '9c; '13, '28c; '14, '14c; '15, '3c; '16, '15c; '17, '6c; '19, '35c; '20, '1c. Next egs. rpt. late Oct. (C) Div'ds. paid in late March, June, Sept., Dec. Div'd reinv. plan avail. (D) Intang. '19: \$4,291 mill., \$16.76/sh. (E) In mill.	Company's Financial Strength Stock's Price Stability Price Growth Persistence Earnings Predictability	A++ 95 80 70
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