W. R. Berkley Corporation (WRB)

Updated June 4th, 2025, by Yiannis Zourmpanos

Key Metrics

Current Price:	$74	**5 Year CAGR Estimate:**	9.5%	**Market Cap:**	$28 B
Fair Value Price:	$65	**5 Year Growth Estimate:**	12.0%	**Ex-Dividend Date:**	06/23/2025[1]
% Fair Value:	114%	**5 Year Valuation Multiple Estimate:**	-2.6%	**Dividend Payment Date:**	06/27/2025[2]
Dividend Yield:	0.4%	**5 Year Price Target:**	$114	**Years Of Dividend Growth:**	20
Dividend Risk Score:	A	**Sector:**	Financials	**Rating:**	Hold

Overview & Current Events

W.R. Berkley (WRB) is an insurance holding company operating through a wide range of subsidiaries in the commercial casualty insurance segment. The firm primarily operates in two business segments: Insurance and Reinsurance. The insurance segment is the company's main focus, accounting for 87.4% of the total net premiums written annually. The company mainly underwrites commercial insurance businesses across the United States.

On April 21st, 2025, W.R. Berkley announced its Q1 2024 result, posting revenues of $3.01 billion, which were up 8.97% year-over-year. WRB reported non-GAAP EPS of $1.01, which beat the market's estimates by $0.02.

W. R. Berkley Corporation kicked off 2025 with robust first-quarter results, underscoring its disciplined underwriting and investment strategies. Net premiums written surged 10% year-over-year to a record $3.1 billion, reflecting favorable market conditions and strategic expansion within its Insurance segment. Despite elevated catastrophe losses of $111.1 million, the company maintained a solid combined ratio of 90.9%, highlighting its effective risk-adjusted return framework. Return on equity (ROE) stood at a strong 19.9%, while operating ROE came in at 19.3%, both well above historical averages.

Investment income also impressed, rising 12.6% to $360.3 million, driven by reinvestment at higher yields and improved fund returns. Net income was $417.6 million, or $1.04 per diluted share, slightly down from last year due to lower realized gains and catastrophe impacts. Nonetheless, WRB grew book value per share by 7.1% during the quarter (before dividends and buybacks), underpinned by record net invested assets of $30.7 billion. Management reaffirmed confidence in its flexible, multi-line model, emphasizing its ability to dynamically allocate capital based on market conditions to generate long-term shareholder value. It's worth noting that the company completed a 3-for-2 stock split in July 2024, which is reflected in the tables below.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
EPS	$1.15	$1.39	$1.26	$1.48	$1.56	$1.25	$2.44	$3.29	$3.37	$4.36	***$4.32***	***$7.61***
DPS	$0.14	$0.15	$0.16	$0.17	$0.19	$0.21	$0.23	$0.26	$0.29	$0.31	***$0.32***	***$0.52***
Shares[3]	439.4	433.9	435.4	432.9	435.4	424.7	419.6	419.2	409.9	403.2	***399.4***	***380.9***

The company's momentum comes on the heels of record profitability in 2023, when higher interest rates bolstered fixed-income returns and propelled investment income sharply upward. That trend continued into Q1 2025, with net investment income climbing 12.6% year-over-year. As bond yields remain elevated and WRB's investable asset base grows, now at an all-time high of $30.7 billion, the company is positioned to continue generating strong income even as underwriting volatility persists.

WRB was able to grow its EPS at an impressive 10-year CAGR of 16%. Going forward, we believe the company is well-positioned, and we forecast 12.0% annual growth in EPS through 2030. In addition, the company will be able to grow its

---

[1] Estimated ex-dividend date

[2] Estimated dividend payment date

[3] In millions

Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

dividends at a healthy pace in the future, and we have assumed a dividend growth rate of 10.0% for the next five years. Additionally, It's important to highlight that the dividend estimates do not account for special dividends, which could significantly enhance total returns for shareholders.

Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	20.29	18.43	24.30	22.52	27.52	32.83	20.47	20.36	19.24	12.97	***17.1***	***15.0***
Avg. Yld.	0.6%	0.6%	0.5%	0.5%	0.4%	0.5%	0.5%	0.4%	0.4%	0.5%	***0.4%***	***0.5%***

W.R. Berkley is currently trading at a forward P/E of 17.1, slightly lower than the company's ten-year average P/E of 21.9. We have assumed a P/E of 15.0 to value the company in 2030, implying a valuation tailwind. The dividend yield is on the low side, though special dividends could add to the total annualized yield.

Safety, Quality, Competitive Advantage, & Recession Resiliency

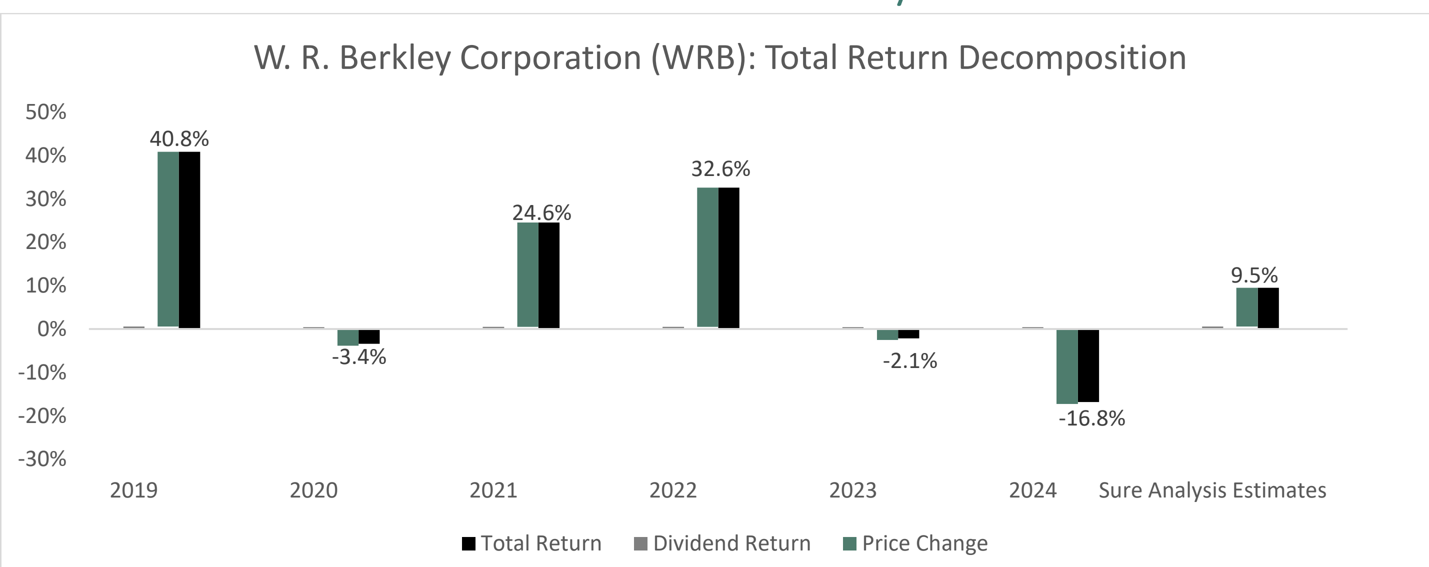
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	12%	11%	13%	11%	12%	17%	9%	8%	9%	7%	***7%***	***7%***

Insurance in general, and specifically the Property & Casualty (P&C) sub-segment, is ubiquitous, largely mandatory, and therefore considered relatively recession-resistant. The data for direct written premiums or DWP suggests that it (the equivalent of insurance industry gross revenue) either remains broadly stable or continues to go up even during weak cycles of the global economy as most businesses and consumers require insurance during good times and bad; therefore WRB is recession resilient. In Q1 2025, W. R. Berkley repurchased $25.2 million of its common stock, continuing its disciplined approach to shareholder returns.

Final Thoughts & Recommendation

W.R. Berkeley is benefiting from the elevated interest rates since it obtains a larger yield on new bonds when rates have increased. The predicted growth rate for earnings-per-share is in the high single-digits, but the stock's valuation is above our target. As an insurance company operating in the specialty segment, the company is well-positioned to continue to do well in the near-term. We revise our rating to hold, premised upon the 9.5% annualized total returns for the medium-term, with the forecasted earnings-per-share growth of 12.0%, the 0.4% dividend yield, and a valuation headwind.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

W. R. Berkley Corporation (WRB)

Updated June 4th, 2025, by Yiannis Zourmpanos

Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	6,785	7,666	7,669	7,719	7,933	8,099	9,481	11,220	12,110	13,690
D&A Exp.	85	86	113	131	113	135	130	56	(21)	(171)
Net Profit	504	602	549	641	682	531	1,022	1,381	1,381	1,756
Net Margin	7.4%	7.9%	7.2%	8.3%	8.6%	6.6%	10.8%	12.3%	11.4%	12.8%
Free Cash Flow	818	798	595	570	1,083	1,579	2,117	2,516	2,876	3,573
Income Tax	228	293	219	163	169	172	252	335	371	510

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	21,731	23,365	24,300	24,896	26,662	28,607	32,086	33,860	37,200	40,570
Cash & Equivalents	764	795	950	818	1,024	2,372	1,569	1,449	1,363	1,975
Acc. Receivable	3,202	3,446	3,557	3,740	4,131	4,592	5,446	5,967	6,947	6,885
Goodwill & Int.	153	145	179	173	170	170	170	186	175	184
Total Liabilities	17,098	18,284	18,849	19,416	20,544	22,281	25,419	27,090	29,730	32,168
Accounts Payable	225	213	246	257	360	426	515	523	631	669
Long-Term Debt	2,185	2,488	2,497	2,790	2,626	2,725	3,267	2,837	2,837	2,841
Total Equity	4,600	5,047	5,411	5,438	6,075	6,311	6,653	6,748	7,455	8,395
LTD/E Ratio	0.48	0.49	0.46	0.51	0.43	0.43	0.49	0.42	0.38	0.34

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	2.3%	2.7%	2.3%	2.6%	2.6%	1.9%	3.4%	4.2%	3.9%	4.5%
Return on Equity	11.0%	12.5%	10.5%	11.8%	11.8%	8.6%	15.8%	20.6%	19.4%	22.1%
ROIC	7.2%	8.4%	7.1%	7.9%	8.0%	6.0%	10.8%	14.1%	13.9%	16.3%
Shares Out.	277.4	272.7	273.4	274.5	275.1	266.7	265.2	279.5	273	403.2
Revenue/Share	23.16	26.50	26.42	26.75	27.33	28.60	33.89	40.14	44.31	33.95
FCF/Share	2.79	2.76	2.05	1.98	3.73	5.57	7.57	9.00	10.52	8.86

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.