W. R. Berkley Corporation (WRB)

Updated August 7th, 2025, by Yiannis Zourmpanos

Key Metrics

Current Price:	$71	**5 Year CAGR Estimate:**	10.1%	**Market Cap:**	$26.6 B
Fair Value Price:	$64	**5 Year Growth Estimate:**	12.0%	**Ex-Dividend Date:**	09/23/25[1]
% Fair Value:	111%	**5 Year Valuation Multiple Estimate:**	-2.1%	**Dividend Payment Date:**	09/30/25[2]
Dividend Yield:	0.5%	**5 Year Price Target:**	$113	**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 July 21st, 2025, W.R. Berkley announced its Q2 2025 result, posting revenues of $3.98 billion, which were up 7.0% year-over-year. WRB reported non-GAAP EPS of $1.05 that beat the market's estimates by $0.03.

Despite $99.2 million in catastrophe losses, the combined ratio remained solid at 91.6%, while the accident-year combined ratio ex-catastrophe stood at a healthy 88.4%. Operating income rose to $420.5 million, or $1.05 per diluted share, contributing to a 20.0% operating return on equity. GAAP net income increased to $401.3 million, or $1.00 per share, supported by strong underwriting profits and favorable investment results.

Investment income reached a record $379.3 million, reflecting higher reinvestment yields and increased investable assets from strong operating cash flow. Book value per share grew 6.8% in the quarter before dividends, and total capital returned to shareholders was $223.8 million, including $189.7 million in special dividends. With average rate increases (excluding workers' comp) at 7.6% and equity hitting a record $9.3 billion, Berkley enters the second half of the year in a position of strength. Management emphasized its continued focus on high-margin business lines, disciplined underwriting, and strategic capital allocation as key pillars driving durable value creation across cycles.

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	***$4.26***	***$7.51***
DPS	$0.14	$0.15	$0.16	$0.17	$0.19	$0.21	$0.23	$0.26	$0.29	$0.31	***$0.36***	***$0.58***
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***

Insurance is one of the biggest industries in the global economy and is among those sectors that continue to do well despite a turbulent macro-environment. With approximately 30% of WRB's premiums generated in excess and surplus lines, the company has positioned itself well for growth with its focus on the specialty sector, which is relatively less competitive and still underpenetrated with a lot of room for growth.

The company posted record profits in 2024 as it benefited from rising interest rates, which translated into higher returns on bonds and increased investment income for the company. WRB was able to grow its EPS at an impressive 10-year CAGR of 16.0%. 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 dividends at a healthy pace in the future, and we have assumed a dividend growth rate of 10.0% for the next five years.

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[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.

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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	20.3	18.4	24.3	22.5	27.5	32.8	20.5	20.4	19.2	13.0	***16.7***	***15.0***
Avg. Yld.	0.6%	0.6%	0.5%	0.5%	0.4%	0.5%	0.5%	0.4%	0.4%	0.5%	***0.5%***	***0.5%***

W.R. Berkley is currently trading at a forward P/E of 16.7, lower than the company's ten-year average P/E of 21.9 and its five-year average P/E of 21.2. Given the company's prospect for growth in the specialty sector, we believe there is a potential for the company to trade at a higher multiple. Thus, we have assumed a P/E of 15.0 to value the company in 2030, implying a valuation tailwind.

Safety, Quality, Competitive Advantage, & Recession Resiliency

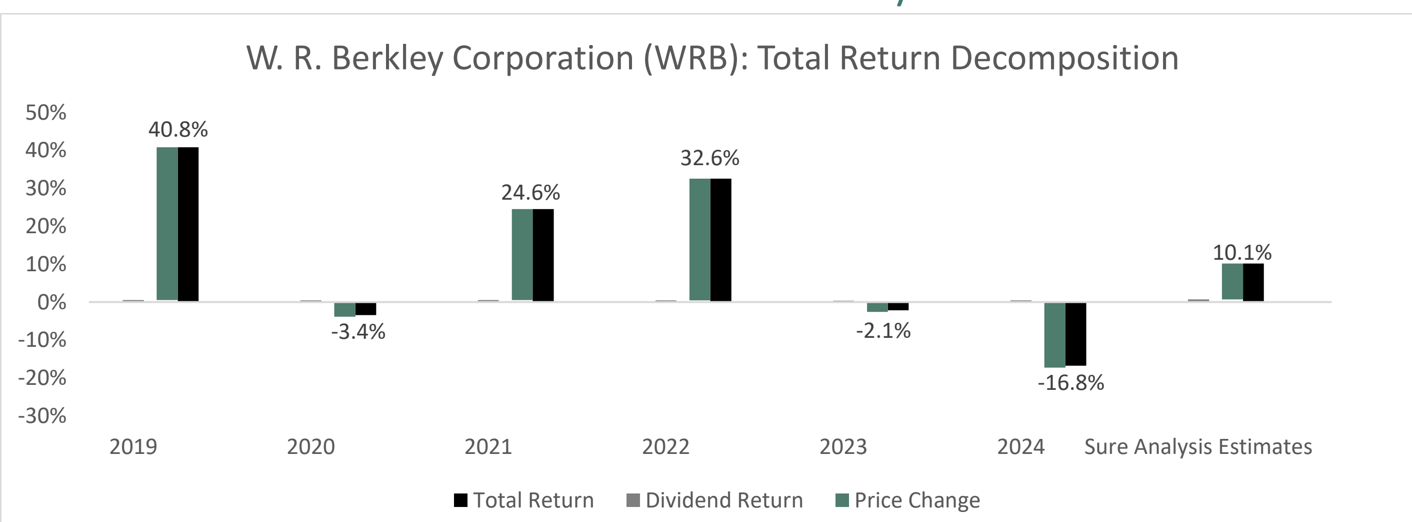
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030
Payout	12%	11%	13%	11%	12%	17%	9%	8%	9%	7%	***8%***	***8%***

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 I believe WRB is recession resilient. As of June 14, 2023, W.R. Berkley Corporation's Board of Directors increased the company's share repurchase authorization to 15 million shares. Between that date and December 31, 2024, the company repurchased approximately 5.7 million shares. This suggests that approximately 9.3 million shares remain available for repurchase under the current authorization. In Q4 2024, W.R. Berkley repurchased $67.4 million worth of shares, demonstrating its commitment to enhancing shareholder value alongside dividend distributions.

Final Thoughts & Recommendation

W.R. Berkeley has benefited from the elevated interest rate environment since it obtains a larger yield on new bonds when rates have increased. The predicted growth rate for earnings-per-share is in the low double-digits and the stock's valuation is attractive. As an insurance company operating in the specialty segment, the company is well-positioned to continue to do well in the near-term. We maintain our hold rating, premised upon the 10.1% annualized total returns for the medium-term, with the forecasted earnings-per-share growth of 12.0%, the 0.5% dividend yield, and a valuation headwind.

Total Return Breakdown by Year



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Updated February 13th, 2025, by Yiannis Zourmpanos

Income Statement Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenue	7,129	6,785	7,666	7,669	7,719	7,933	8,099	9,481	11,220	12,110
D&A Exp.	89	85	86	113	131	113	135	130	56	(21)
Net Profit	649	504	602	549	641	682	531	1,022	1,381	1,381
Net Margin	9.1%	7.4%	7.9%	7.2%	8.3%	8.6%	6.6%	10.8%	12.3%	11.4%
Free Cash Flow	693	818	798	595	570	1,083	1,579	2,117	2,516	2,876
Income Tax	303	228	293	219	163	169	172	252	335	371

Balance Sheet Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Assets	21,717	21,731	23,365	24,300	24,896	26,662	28,607	32,086	33,860	37,200
Cash & Equivalents	674	764	795	950	818	1,024	2,372	1,569	1,449	1,363
Acc. Receivable	3,155	3,202	3,446	3,557	3,740	4,131	4,592	5,446	5,967	6,947
Goodwill & Int.	151	153	145	179	173	170	170	170	186	175
Total Liabilities	17,093	17,098	18,284	18,849	19,416	20,544	22,281	25,419	27,090	29,730
Accounts Payable	237	225	213	246	257	360	426	515	523	631
Long-Term Debt	2,456	2,185	2,488	2,497	2,790	2,626	2,725	3,267	2,837	2,837
Total Equity	4,590	4,600	5,047	5,411	5,438	6,075	6,311	6,653	6,748	7,455
LTD/E Ratio	0.54	0.48	0.49	0.46	0.51	0.43	0.43	0.49	0.42	0.38

Profitability & Per Share Metrics

Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Return on Assets	3.1%	2.3%	2.7%	2.3%	2.6%	2.6%	1.9%	3.4%	4.2%	3.9%
Return on Equity	14.5%	11.0%	12.5%	10.5%	11.8%	11.8%	8.6%	15.8%	20.6%	19.4%
ROIC	9.6%	7.2%	8.4%	7.1%	7.9%	8.0%	6.0%	10.8%	14.1%	13.9%
Shares Out.	285.2	277.4	272.7	273.4	274.5	275.1	266.7	265.2	279.5	273
Revenue/Share	23.71	23.16	26.50	26.42	26.75	27.33	28.60	33.89	40.14	44.31
FCF/Share	2.30	2.79	2.76	2.05	1.98	3.73	5.57	7.57	9.00	10.52

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