

Zacks Small-Cap Research

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Global Indemnity Group (NYSE:GBLI)

GBLI: The company reported 3rd quarter 2023 earnings which showed solid growth in the Package Specialty E&S lines of business. Book yield on the fixed income portfolio continues to increase.

Utilizing a scenario analysis methodology for future projections of book value per share, we believe GBLI is worth approximately **\$60.00** per share. Various industry wide dynamics could materially increase or decrease that value.

Current Price (11/16/23) **\$34.50**
Valuation **\$60.00**

OUTLOOK

Global Indemnity Group, LLC, provides specialty and niche insurance products nationwide. GBLI focuses on small market property and casualty business. The company has made a concerted effort to reduce its property exposure. The company's largest business within its Commercial Specialty segment targets small, Main Street business written on an excess and surplus lines basis. The company has excess capital of approximately \$150 million. Global Indemnity is expected to return to profitability in 2023. We believe GBLI stock is undervalued and should trade at a small premium to future book value.

SUMMARY DATA

52-Week High **\$37.00**
52-Week Low **\$22.93**
One-Year Return (%) **47.4**
Beta **0.42**
Average Daily Volume (sh) **2,007**

Shares Outstanding (mil) **13.542**
Market Capitalization (\$mil) **\$467.2**
Short Interest Ratio (days) **N/A**
Institutional Ownership (%) **88**
Insider Ownership (%) **44**

Annual Cash Dividend **\$1.00**
Dividend Yield (%) **2.90**

5-Yr. Historical Growth Rates

Sales (%) **7.2**
Earnings Per Share (%) **N/A**
Dividend (%) **0.0**

P/E using TTM EPS **N/A**
P/E using 2023 Estimate **18.0**
P/E using 2024 Estimate **11.5**

Risk Level

Type of Stock
Industry

Low
Small-Value
Insurance

ZACKS ESTIMATES

Revenue

(In millions of \$)

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2021	158 A	164 A	167 A	189 A	678 A
2022	130 A	148 A	194 A	156 A	628 A
2023	151 A	142 A	126 A	136 E	555 E
2024					514 E

EPS / Loss Per Share

	Q1	Q2	Q3	Q4	Year
	(Mar)	(Jun)	(Sep)	(Dec)	(Dec)
2021	\$0.37 A	\$0.43 A	-\$0.54 A	\$1.71 A	\$1.97 A
2022	-\$1.03 A	-\$0.84 A	\$1.60 A	\$0.16 A	-\$0.09 A
2023	\$0.17 A	\$0.67 A	\$0.55 A	\$0.53 E	\$1.92 E
2024					\$2.98 E

Quarterly revenues may not equal annual revenues due to rounding. Quarterly EPS may not equal annual EPS due to rounding, dilution or intangibles.

WHAT'S NEW

Financial Review

Global Indemnity Group reported 3rd quarter 2023 financial and operating results on November 8th which showed mixed results. Net Written Premiums declined 33.1% to \$95.6 million, which was primarily driven by the planned non-renewal of a large Reinsurance casualty treaty as well as the roll off of premiums from Exited Lines. Consolidated net income for the 3rd quarter was \$7.6 million, or \$0.55 per diluted share.

In the 3rd quarter, Commercial Specialty gross written premiums and net written premiums decreased 9.4% and 9.7%, respectively compared to the prior year period. These declines were driven by planned actions taken to improve underwriting results through increased rates, reducing exposure to catastrophe related business, and the non-renewal of underperforming business lines.

Package Specialty E&S, the company's primary division within the Commercial Specialty segment increased gross written premiums (excluding terminated business) by 6.1% in the 3rd quarter when compared to the prior year period. This increase was primarily driven by new agency appointments, strong rate increases as well as increased exposure growth in both property and general liability.

Targeted Specialty E&S, another division within the company's Commercial Specialty segment, gross written premiums excluding terminated business decreased by 21.7% in the quarter compared to the prior year period. This was driven by actions taken to improve underwriting results by not renewing underperforming business.

Within the Targeted Specialty business, the lines of business under InsurTech increased gross written premiums 22.7%. This includes the Vacant Express product which generated \$8.5 million in premiums in the quarter, which was an increase of 28% compared to the prior year period. The Collectibles line grew approximately 14% to \$4.8 million.

Targeted Specialty Class Specific lines of business were largely responsible for the declines in Commercial Specialty as gross written premiums declined 36.9% as the company reduced exposures to catastrophe business and did not renew underperforming business.

The other part of Continuing Lines is Reinsurance Operations where gross written premiums and net written premiums both decreased 72.4% in the 3rd quarter. The reduction in gross written premiums and net written premiums was primarily due to the non-renewal of a major casualty treaty in 2022.

For the Exited Lines segment, gross written premiums decreased 99.9% during the 3rd quarter. The decrease in gross written premiums was primarily due to divesting the manufactured home & dwelling and farm businesses in 2022.

On a consolidated basis, underwriting income for the company was \$0.7 million in the 3rd quarter compared to \$4.6 million in the prior year period. However, Continuing Lines showed an underwriting loss of (\$9.9) million due to loss reserve strengthening primarily driven by the restaurant book of business that was not renewed as well as other terminated business.

The consolidated combined ratio was 99.7% for the 3rd quarter (*Loss Ratio 58.3%, Expense Ratio 41.4%*) which compared to 97.2% (*Loss Ratio 57.6%, Expense Ratio 39.6%*) for the 3rd quarter of 2022.

The accident year combined ratio for Continuing Lines was 97.8% for the 3rd quarter (*Loss Ratio 59.3%, Expense Ratio 38.5%*) as compared to 97.7% (*Loss Ratio 59.6%, Expense Ratio 38.1%*) for the

3rd quarter of 2022. The calendar year combined ratio for Continuing Lines was 109.2% for the 3rd quarter of 2023, (*Loss Ratio 70.0%, Expense Ratio 39.2%*) as compared to 95.7% (*Loss Ratio 57.7%, Expense Ratio 38.0%*) for the 3rd quarter of 2022. The calendar year combined ratio for Continuing Lines was impacted by loss reserve strengthening primarily driven by the restaurant book of business that was not renewed as well as strengthening related to other non-renewed business. The tragic Maui fires were responsible for 2.3% of the Continuing Lines accident year loss ratio.

In the Continuing Lines business, the accident year casualty loss ratio increased by 3.7 points to 63.7% in 2023 from 60.0% in 2022. The consolidated accident year casualty loss ratio increased by 3.4 points to 62.9% in 2023 from 59.5% in 2022. The increase in the Continuing Lines and the Consolidated accident year casualty loss ratios was principally driven by higher claims severity.

Also in the Continuing Lines business, the accident year property loss ratio improved by 8.9 points to 49.4% in 2023 from 58.3% in 2022. The consolidated accident year property loss ratio improved by 11.5 points to 48.1% in 2023 from 59.6% in 2022. This improvement was primarily due to lower non-catastrophe claims severity partially offset by higher catastrophe claims frequency. Within the Continuing Lines segment, loss reserves were strengthened by approximately \$11.8 million.

The company provides a Non-GAAP adjusted operating income figure in order to provide an underlying metric for the health of the core Continuing Lines businesses. Adjusted operating income excludes exited lines underwriting losses, realized investment losses, as well as other extraordinary gains and losses. The 3rd quarter 2023 adjusted operating income was a loss of (\$0.55) million, or (\$0.05) per diluted share, compared to \$6.5 million in adjusted operating income and \$0.43 per diluted share in the prior year period.

Net investment income increased to \$14.2 million in the 3rd quarter of 2023 which compares to \$8.4 million in the 3rd quarter of 2022. The increase in net investment income was primarily due to the strategies undertaken by the company in April 2022 to take advantage of rising interest rates, which resulted in a 74% increase in book yield over time on the fixed income portfolio to 4.0% as of September 30, 2023 from 2.3% as of March 31, 2022. Average duration of these fixed income securities was shortened to 1.2 years as of September 30, 2023 from 3.3 years as of March 31, 2022.

Approximately \$800 million of cash flow, or roughly 60% of the fixed income portfolio, will be generated from maturities and investment income between September 30, 2023 and December 31, 2024, which positions the company to continue to increase book yield by investing maturities in higher yielding bonds. Some of this cash flow is being reinvested at rates above 5.0%. It's possible that the total fixed income book yield could increase to above 5.0% at some point in 2024.

Book value per share was \$46.27 at the end of the 3rd quarter, compared to \$46.03 at the end of the 2nd quarter of 2023 and \$44.87 as of 12/31/2022. The increase was primarily due to consolidated net income of \$7.6 million and offset by dividends to common shareholders of \$0.25 per share. There were no share buybacks in the quarter and year-to-date share buybacks have totaled \$12.7 million.

Acquisition Interest

On June 9th, 2023, the company announced multiple parties have indicated preliminary interest in exploring an acquisition of, or merger with Penn-America, Global Indemnity's insurance group, or an acquisition of, or merger with the company itself. The company is responding to certain of these preliminary indications of interest, but no further update or information was provided on the 3rd quarter 2023 earnings call.

Valuation and Estimates

We are adjusting our full year 2023 EPS estimate to \$1.92 based on 3rd quarter and year-to-date operating results. This may prove to be conservative if the company's combined ratio on its Continuing Lines continues to decline significantly in the 4th quarter of 2023. We also adjust our 2024 EPS estimate to \$2.98 based on the expected significant improvement in the Continuing Lines combined ratio. The company is currently selling at 75% of book value based on September 30, 2023 shareholders' equity. There are no changes to our valuation target of **\$60.00** at this time as we believe that in the long term, the company can trade at a small premium to future book value per share.

KEY INVESTMENT POINTS



GLOBAL INDEMNITY
Source: investors.gbli.com

- Global Indemnity Group, LLC (NYSE:GBLI) is a specialty property and casualty insurance company that has been operating nationwide since the early 2000's.
- The company is led by an experienced management team, including a Chief Executive who has decades of experience in the property & casualty insurance business.
- The company operates through two primary segments: Commercial Specialty and Reinsurance Operations. It also has an Exited Lines segment.
- Commercial Specialty targets specific, defined groups of insureds predominantly in the excess and surplus lines, or non-admitted, small marketplace.
- The Reinsurance Operations segment provides reinsurance solutions through primary writers including insurance and reinsurance companies. The company anticipates that its Reinsurance Operations will comprise a smaller percentage of the overall business going forward.
- Exited Lines represents lines of business that are no longer being written or are in runoff.
- The company has a solid liquidity position as of the end of the 3rd quarter of 2023 with \$46.5 million in unrestricted cash and equivalents and \$1.34 billion in investments, primarily comprised of highly liquid fixed income investments.
- The company has no traditional debt.
- GBLI currently has a market capitalization of \$446.9 million and is expected to generate \$555.3 million in total revenues in 2023.

- Based on the most recent reported results as of 9/30/23, the company is selling at approximately 75% of book value. Using a future book value scenario analysis valuation methodology, we place a value for GBLI at **\$60.00** per share.

COMPANY OVERVIEW

During the fourth quarter of 2022, the company decided to restructure its insurance operations in an effort to strengthen its market presence and enhance its focus on GBLI's core Wholesale Commercial and InsurTech products. As a result, the company exited its four brokerage divisions: Professional Liability, Excess Casualty, Environmental, and Middle Market Property. The company will cease writing new business and existing renewals will be placed in run-off for these four divisions.

The company provides its insurance products across a full distribution network that includes wholesale general agents, wholesale brokers, and retailers. The company's Commercial Specialty products are distributed through approximately 360 wholesale general agent and wholesale broker offices. One agent provided 10.3% of Commercial Specialty's gross written premiums. No other agent or broker accounted for more than 10% of gross written premiums within the Commercial Specialty segment for the year ended December 31, 2022.

On August 8, 2022, the company sold the renewal rights related to its Farm, Ranch & Stable business for policies written on or after August 8, 2022 to Everett Cash Mutual Insurance Company. During the 2nd quarter of 2022, the company decided that Farm, Ranch & Stable would not be a core business and a decision was made to not allocate additional resources to this segment. Previously, on October 26, 2021, the company sold the renewal rights related to its manufactured and dwelling homes business which were part of the Specialty Property segment.

In 2021, the company decided to cease writing certain Property Brokerage business which was part of the Commercial Specialty segment, as well as exit certain property and catastrophe lines within the Reinsurance Operations segment. In the fourth quarter of 2022, the company also decided it will reduce writings within its Reinsurance Operations segment. Based on the decisions to exit or downsize these lines of business, the company changed the way it manages and analyzes its operating results. The chief operating decision makers decided they will be reviewing the specific results of the Exited Lines in a separate segment. The chief operating decision makers also determined that the small amount of specialty property business that remained from the Specialty Property segment would be included as a product offering in the commercial Specialty segment for purpose of reviewing results and allocating resources. Several smaller reinsurance treaties have also been reclassified from Reinsurance to commercial Specialty. The Reinsurance Operations segment writes casualty treaties as well as individual excess policies.

Accordingly, the company has three reportable segments: Commercial Specialty, Reinsurance Operations, and Exited Lines. Management believes these segments allow users of the Company's financial statements to better understand the company's performance, better assess prospects for future net cash flows, and make more informed judgments about the Company as a whole. The segment results for 2021 and 2020 have been revised to reflect these changes.

Everett Cash Mutual Insurance Company also acquired the Company's wholly owned subsidiary, American Reliable Insurance Company, on December 31, 2022 for an amount equal to book value, which was \$10.0 million, at the time of closing.

SEGMENTS & BUSINESS UNITS

Commercial Specialty

Commercial Specialty's insurance products target specific, defined groups of insureds with customized coverage to meet their needs. The primary business divisions within the Commercial Specialty segment include:

- Package Specialty, which distributes property and general liability products for small commercial businesses through a select network of wholesale general agents. Examples of small businesses served are apartments, bars, contractors, other small retail operations, and niche businesses.
- Targeted Specialty which includes InsurTech products including Collectibles.com, digital direct-to-consumer insurance coverage for owners of collections, and VacantExpress, insurance coverage for owners of properties under construction, under renovation or vacant, distributed through wholesale general agents and retail agents as well as certain wholesale agents.

The company provides its insurance products across a full distribution network that includes wholesale general agents, wholesale brokers, and retailers. The company's Commercial Specialty products are distributed through approximately 360 wholesale general agent and wholesale broker offices. One agent provided 10.3% of Commercial Specialty's gross written premiums. No other agent or broker accounted for more than 10% of gross written premiums within the Commercial Specialty segment for the year ended December 31, 2022.

In 2022, gross written premiums for the Commercial Specialty segment were \$401.0 million compared to \$373.6 million for 2021. For 2022, surplus lines business accounted for approximately 90% of the business written while specialty admitted business accounted for the remaining 10%.

Reinsurance Operations

The company's Reinsurance Operations segment provides reinsurance solutions through brokers and primary writers, including insurance and reinsurance companies. Prior to the redomestication transaction, the company's Reinsurance Operations consisted solely of the operations of its Bermuda-based wholly owned subsidiary, Global Indemnity Reinsurance. As part of the redomestication transactions, Global Indemnity Reinsurance was merged into Penn-Patriot Insurance Company with Penn-Patriot being the surviving entity. The business is focused on using its capital capacity to write casualty and specialty-focused contracts.

The company's assumed premiums on one treaty accounted for 93.7% of the Reinsurance Operations' 2022 gross written premiums. This same treaty accounted for 10% or more of the Company's consolidated revenues for the year ended December 31, 2022. To support growth in the Company's Commercial Specialty segment and provide capital for business initiatives including share repurchases, a decision was made to reduce writings in its Reinsurance Operations. The company anticipates that its Reinsurance Operations will comprise a smaller percentage of the company's overall business prospectively.

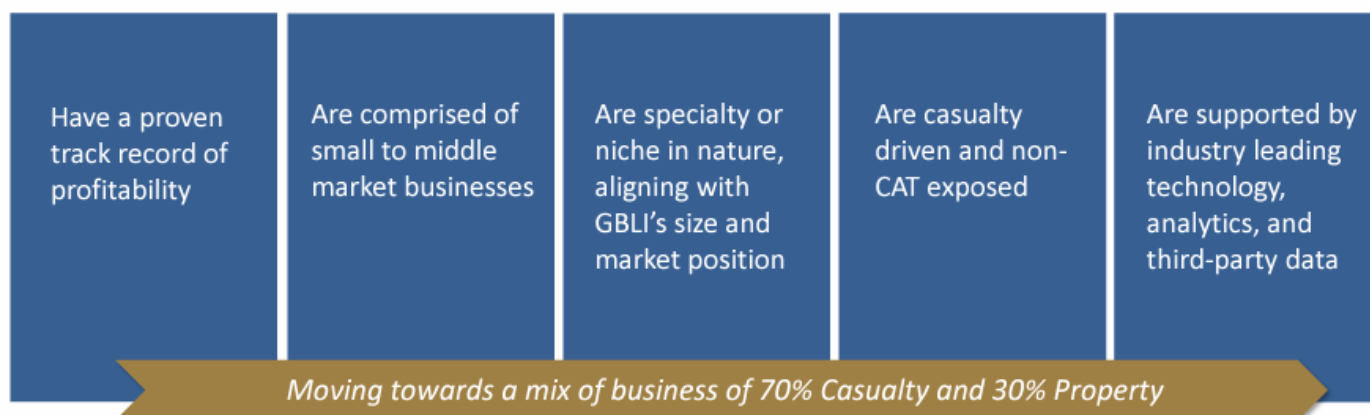
In 2022, gross written premiums were \$158.7 million compared to \$103.7 million for 2021. In early 2023, a large casualty treaty was not renewed and net written premiums in this segment are expected to decline significantly in 2023. Reinsurance gross written premiums in the first nine months of 2023 were \$50.1 million compared to \$130.6 million in the prior year period.

Exited Lines

The company's Exited Lines segment represents lines of business that are no longer being written or are in runoff. Exited Lines includes specialty personal lines and property and casualty products such as manufactured homes, dwelling, motorcycle, watercraft, certain homeowners' business, certain business within property brokerage, farm, ranch and equine business, and property and catastrophe reinsurance treaties. The renewal rights related to the company's manufactured home and dwelling products, which are included in Exited Lines, were sold during the fourth quarter of 2021. The renewal rights related to the farm, ranch and equine business were sold during the third quarter of 2022 and are also included in Exited Lines.

The manufactured home, dwelling, motorcycle, watercraft, certain homeowners, and farm, ranch and equine products within Exited Lines operated primarily in the standard or admitted markets. These insurance products were either underwritten through limited binding authority or by internal personnel. The property brokerage product within Exited Lines operated predominantly in the excess and surplus lines or non-admitted markets. The property and catastrophe reinsurance treaties within Exited Lines were distributed through brokers on a direct basis. GBLI made a concerted effort to reduce its catastrophe exposure, particularly in areas prone to hurricanes and wildfires.

In addition, the discontinued lines of Environmental, Excess Casualty and Professional were added to Exited Lines in early 2023.



Source: GBLI Investor Presentation

RISKS

- If actual claims payments exceed the company's reserves for losses and loss adjustment expenses, the company's financial condition and results of operations could be adversely affected. The company's ultimate success depends upon its ability to accurately assess the risks associated with the insurance and reinsurance policies that it writes. The company establishes reserves on an undiscounted basis to cover its estimated liability for the payment of all losses and loss adjustment expenses incurred with respect to premiums earned on the insurance policies that it writes. Reserves do not represent an exact calculation of liability, but reserves are estimates of what the company expects to be the ultimate cost of resolution and administration of claims under the insurance policies that it writes.

- The occurrence of natural or man-made disasters, as well as global pandemics, could result in declines in business and increases in claims that could adversely affect the company's business, financial condition, and results of operations. The company is exposed to various risks arising out of natural disasters, including earthquakes, hurricanes, fires, floods, landslides, tornadoes, typhoons, tsunamis, hailstorms, explosions, climate events, public health crises, illness, epidemics or pandemic health events. In addition, man-made disasters may occur which include acts of terrorism, military actions, cyber-terrorism, explosions, and biological, chemical or radiological events.
- A decline in ratings for any of the company's insurance or reinsurance subsidiaries could adversely affect its position in the insurance market by making it more difficult to sell its insurance products which would cause premiums and earnings to decrease. If the rating of any of the company's insurance companies is reduced from its current level of "A" (Excellent) by AM Best, the company's competitive position in the insurance industry could suffer, and it could be more difficult to market its insurance products. A downgrade could result in a significant reduction in the number of insurance contracts the company writes and in a substantial loss of business as that business could move to other competitors with higher ratings.
- The company's investment performance may suffer as a result of adverse capital market developments or other factors, which would in turn adversely affect its financial condition and results of operations. The company derives a significant portion of its income from its invested assets, therefore, the company's overall operating results depend, in part, on the performance of its investment portfolio. The company's operating results are subject to a variety of investment risks, including risks relating to general economic conditions, market volatility, interest rate fluctuations, liquidity risk and credit and default risk.
- The company competes with numerous domestic and international insurance and reinsurance companies, mutual companies, specialty insurance companies, underwriting agencies, diversified financial services companies, Lloyd's syndicates, risk retention groups, insurance buying groups, risk securitization products and alternative self-insurance mechanisms. In particular, the company competes against insurance subsidiaries of the groups in the specialty insurance market including:
 - American International Group
 - Argo Group International Holdings, Ltd.
 - Ategrity Specialty Holdings LLC
 - Atlantic Casualty Insurance Company
 - Berkshire Hathaway
 - Canopus US Insurance, Inc.
 - CapSpecialty Insurance Group
 - Everest Re Group, Ltd.
 - Great American Insurance Group
 - Hallmark Financial Services, Inc.
 - HCC Insurance Holdings, Inc.
 - IFG Companies
 - James River Group Holdings
 - Kinsale Capital Group, Inc.
 - Markel Corporation
 - Nationwide Insurance
 - RLI Corporation
 - RSUI Group
 - Selective Insurance Group, Inc.
 - The Hartford
 - The Travelers Companies, Inc.
 - Westchester Surplus Lines Insurance Co
 - W.R. Berkley Corporation

In addition to the companies mentioned above, the company is facing competition from other standard line companies who are continuing to write risks that traditionally had been written by excess and surplus lines carriers, Bermuda companies who are establishing relationships with wholesale brokers and purchasing carriers, and other excess and surplus lines competitors.

Competition may take the form of lower prices, broader coverage, greater product flexibility, higher quality services, reputation and financial strength or higher ratings by independent rating agencies. The company differentiates itself from the competition by distributing Wholesale Commercial and InsurTech products that are not readily available in the market. Each of the company's products has its own distinct competitive environment. The company seeks to compete through innovative products, appropriate pricing, niche underwriting expertise, and quality service to policyholders, general agencies and brokers.

VALUATION

We believe Global Indemnity can continue to generate profitable growth and produce Net Written Premium growth within the 6.0%-8.0% range. This is due to the company's ability to create new lines of businesses in niche markets and as well as continuing to efficiently operate and nurture the core and legacy businesses. We expect the company's total combined ratio to decline going forward from current levels.

Currently, GBLI is currently selling at 75.0% of book value based on shareholders' equity of \$626.4 million as of September 30, 2023. Average industry Price/Book multiples are approximately 1.50x for quality large cap operators and closer to 1.0x for small cap insurers with a median of 1.05x.

In addition, companies with low-mid double-digit ROE's often trade at a premium to industry averages. Currently Price/Book industry valuations for high ROE companies are approximately 1.50x.

Simply achieving the sector median of 1.05x to the weighted average future BVPS estimate (2027) would produce a value of approximately **\$60.00**, which is our current target valuation.

The company currently pays an annualized dividend of \$1.00 which equates to a dividend yield of 2.90%.

Your Partner for Specialty Insurance

GBLI | Global Indemnity is an AM Best "A" (Excellent) rated insurance group of companies primarily focused on specialty insurance for small to middle-market businesses. Our five insurance entities (Diamond State Insurance Company®, Penn-America Insurance Company®, Penn-Patriot Insurance Company®, Penn-Star Insurance Company®, and United National Insurance Company®) enable us to write both admitted and non-admitted business in 50 states and the District of Columbia.

Source: investors.gbli.com

SUMMARY

We believe Global Indemnity is entering a new level of profitability based on new business lines and eliminating unprofitable lines of business as well as improved cost controls.

The company is currently selling at a Price/Book value that does not reflect the future growth opportunities for the company over the next 3-5 years. GBLI may likely experience multiple expansion that approaches industry averages. Even with potential volatile earnings that can often be associated with P&C insurance companies, Global Indemnity can continue to add earnings to shareholders equity and increase book value over time.

The company pays a dividend that offers an above market average dividend yield which should offer some level of stability for equity investors. The dividend yield is currently 2.90%.

Investors may be getting the rare opportunity to get in on the ground floor of a dynamic P&C insurance company that is poised for rapid growth and an increase in book value. With the company trading at such a large discount to book value, a margin of safety appears to exist at this time.

WHY INVEST

“A” Excellent

“A” (Excellent) AM Best
Group Rating

\$606M

Returned to Shareholders
Since 2003

\$1.00

Annual Distribution per
Share

\$46.27

Book Value per Share as of
September 30, 2023

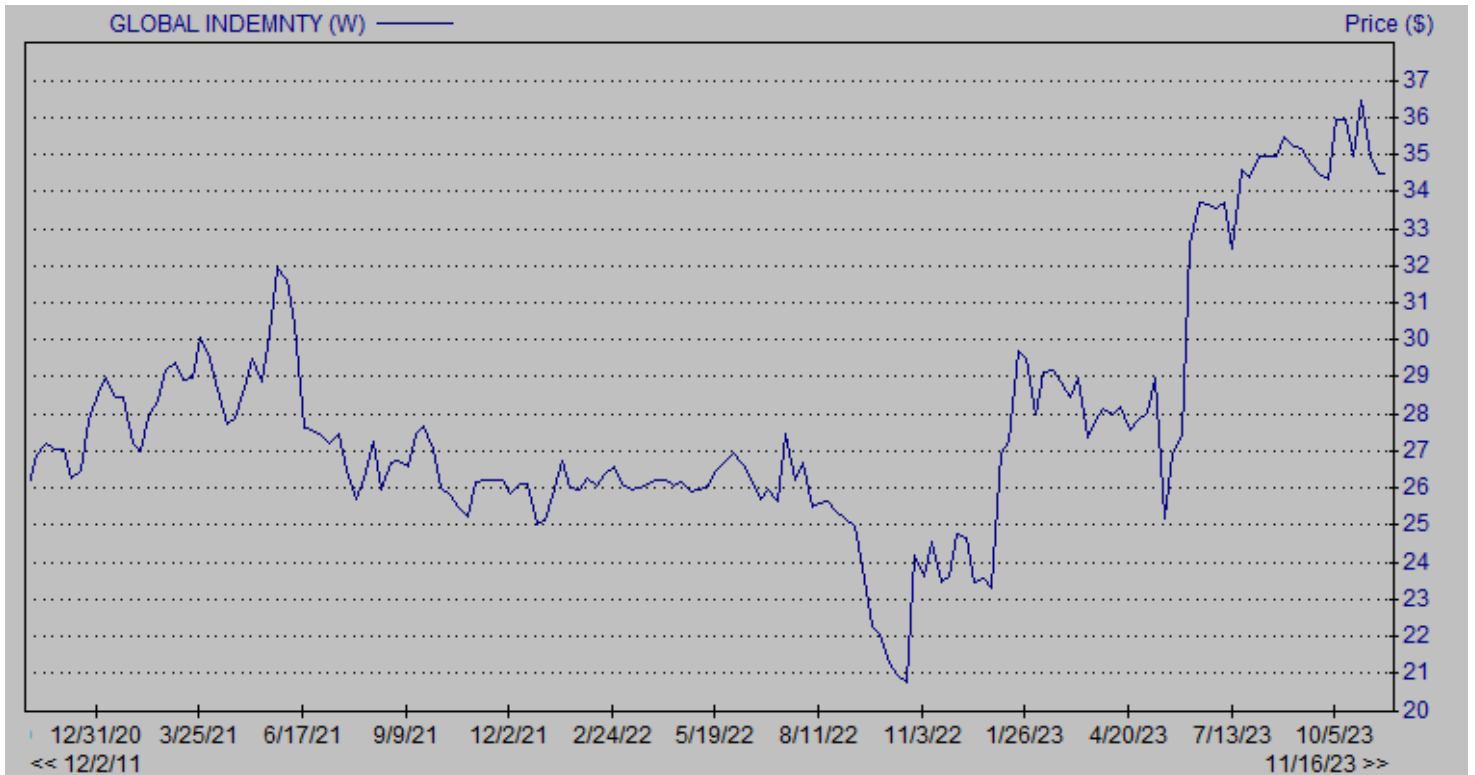
Source: investors.gbli.com

PROJECTED INCOME STATEMENT & BALANCE SHEET

Income Statement	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
Combined Ratio	102.0%	98.9%	99.2%	98.2%	98.0%
Net Written Premiums	580,068	591,331	417,000	442,688	481,539
<i>Growth</i>	5.8%	1.9%	-29.5%	6.2%	8.8%
Net Earned Premiums	595,610	602,471	503,577	449,703	443,464
<i>Growth</i>	4.9%	1.2%	-16.4%	-10.7%	-1.4%
Net Investment Income	37,020	27,627	53,000	63,600	66,780
<i>%</i>	6.2%	4.6%	10.5%	14.1%	15.1%
Investment Gains & Other	45,638	(1,564)	(1,313)	1,156	1,226
TOTAL REVENUES	678,268	628,534	555,264	514,459	511,470
<i>Growth</i>	16.2%	-7.3%	-11.7%	-7.3%	-0.6%
Net losses and loss adjustment expenses	384,964	359,228	302,581	267,962	263,801
<i>% of sales</i>	64.6%	59.6%	60.1%	59.6%	59.5%
Acquisition costs and other underwriting expenses	222,841	236,381	197,209	173,863	171,007
<i>% of sales</i>	37.4%	39.2%	39.2%	38.7%	38.6%
SG&A	27,179	24,421	21,968	20,354	19,212
<i>% of sales</i>	4.6%	3.9%	4.0%	4.0%	3.8%
Amortization	0	0	0	0	0
<i>% of sales</i>	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Income	43,284	8,504	33,505	52,281	57,449
<i>Margin</i>	6.4%	1.4%	6.0%	10.2%	11.2%
EBITDA	88,922	6,940	32,192	53,437	58,675
<i>Margin</i>	14.9%	1.2%	6.4%	11.9%	13.2%
Other Expenses/(Income)	0	3,529	0	0	0
<i>%</i>	0.0%	0.6%	0.0%	0.0%	0.0%
EBIT	43,284	4,975	33,505	52,281	57,449
<i>%</i>	7.3%	0.8%	6.7%	11.6%	13.0%
Total Interest Exp (net)	10,481	3,004	12	12	12
<i>%</i>	1.8%	0.5%	0.0%	0.0%	0.0%
Net Profit Before Tax	32,803	1,971	33,493	52,269	57,437
<i>%</i>	5.5%	0.3%	6.7%	11.6%	13.0%
Income Tax	3,449	2,821	6,651	10,976	12,062
<i>% Effective Rate</i>	10.5%	143.1%	19.9%	21.0%	21.0%
<i>% Cash Tax Rate</i>	10.5%	143.1%	19.9%	21.0%	21.0%
Minority Interests or Preferred Stock	440	440	440	440	440
Net Profit	28,914	(1,290)	26,403	40,852	44,935
<i>%</i>	4.9%	-0.2%	5.2%	9.1%	10.1%
Non-recurring income (expense)					
Average Diluted Shares Outstanding	14,664	14,482	13,725	13,725	13,725
Reported FD EPS					
Zacks Cash EPS	2.00	(0.09)	1.92	2.98	3.27

Source: Zacks analyst

HISTORICAL STOCK PRICE



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