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Zacks Small-Cap Research

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Global Indemnity Group (NYSE: GBLI)

GBLI: Global Indemnity announces strong 3rd quarter 2024 financial and operating results which were better than our expectations.

Utilizing a scenario analysis methodology for future projections of book value per share, we believe GBLI should trade at **$50.00** (BVPS) in the near-term and **$55.00** per share over the long-term.

Current Price (11/14/24)	$34.75
Valuation (long-term)	**$55.00**

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 Penn-America segment targets small, Main Street business written on an excess and surplus lines basis. The company has excess discretionary capital of approximately $240 million. Global Indemnity is expected to show an improvement in underwriting results in 2024. 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	**$26.50**
One-Year Return (%)	**3.89**
Beta	**0.46**
Average Daily Volume (sh)	**2,343**
Shares Outstanding (mil)	**13.801**
Market Capitalization ($mil)	**$475.0**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**88**
Insider Ownership (%)	**44**
Annual Cash Dividend	**$1.40**
Dividend Yield (%)	**4.06**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**12.7**
P/E using 2024 Estimate	**10.7**
P/E using 2025 Estimate	**10.0**

Risk Level	**Low**
Type of Stock	**Small-Value**
Industry	**Insurance**

ZACKS ESTIMATES

Revenue
(In millions of $)

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
2022	130 A	148 A	194 A	156 A	628 A
2023	151 A	142 A	126 A	109 A	528 A
2024	112 A	109 A	111 A	114 E	447 E
2025					484 E

EPS / Loss Per Share

	Q1 (Mar)	**Q2** (Jun)	**Q3** (Sep)	**Q4** (Dec)	**Year** (Dec)
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	$0.43 A	$1.83 A
2024	$0.82 A	$0.73 A	$0.92 A	$0.78 E	$3.25 E
2025					$3.48 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

3rd Quarter 2024 Financial Results

Global Indemnity Group reported 3rd quarter 2024 financial and operating results with net income and the combined ratio coming better than our expectations. Underwriting income was $5.8 million in the 3rd quarter compared to $3.5 million in the 2nd quarter and $0.7 million in the prior year period. Net income was $12.7 million, or $0.92 per diluted share compared to $10.0 million and EPS of $0.73 in the 2nd quarter and $7.6 million and $0.55 per share in the prior year period.

In the company's core operating subsidiary, Penn-America, gross written premiums in aggregate for Wholesale Commercial, InsurTech, and Assumed Reinsurance business grew by 14.0% in the first nine months of 2024. Gross written premiums for the Specialty Products line decreased 16.0% in the 1st nine months of 2024 as a result of rate and underwriting actions taken to improve profitability in late 2022. We expect this segment to stabilize in 2025 and possibly return to growth in 2026. Penn-America's accident year underwriting income was $7.7 million in the 3rd quarter compared to $3.4 million in the 3rd quarter of 2023. Penn-America's loss ratio was 54.7% for the quarter which was an improvement from 57.8% for the same period in 2023.

Net investment income increased 16.2% in the quarter to $16.5 million compared to $14.2 million in the prior year period as a result of strategies employed in late 2022 to take advantage of the rising interest rate environment. Book yield on the investment portfolio increased to 4.6% from 4.0% at the end of 2023.

The average duration of these securities was shortened to 0.8 years as of 9/30/24 compared to 1.1 years on December 31, 2023. Approximately $480 million of cash flow will be generated from maturities and investment income for the rest of 2024. In 2025, $800 million to $1 billion of cash flow may be generated from maturing bonds which can be invested at higher rates. Management indicated that the bonds for the first nine months of 2024 were reinvested at approximately 5.1% and the current book yield is 4.6%

Annualized return on equity (ROE), including unrealized gains on fixed-income securities included in stockholders' equity, was 9.8% so far in 2024 compared to 5.2% in 2023. Annualized investment return was 6.1% for the first nine months of 2024.

Segment Review

During the 4th quarter of 2023, the company re-evaluated its segments and determined that the business should be managed through two reportable segments: Penn-America and Non-Core Operations. The Penn-America segment comprises the company's core products which include Wholesale Commercial,, InsurTech, Assumed Reinsurance and Specialty Programs. The Non-Core Operations segment contains lines of business that have been de-emphasized or are no longer being written.

For the nine months of 2024, Penn-America gross written premiums for the Wholesale Commercial, InsurTech, and Assumed Reinsurance businesses increased 12.0%. This growth was driven by organic agency growth and price increases. Gross written premiums for Specialty Products decreased 16.0%. Specialty Products is undergoing pricing and product line adjustments to position it for growth next year. Penn-America's total gross written premiums increased 7.0% reflecting the large decline in Specialty Products. Management indicated that the reinsurance business is an attractive market currently and may grow 30%-40% annually over the next 3-4 years.

In the Non-Core Operations segment, gross written premiums declined to ($3.9) million in the first nine months of 2024 from $54.6 million in the prior year period. The decrease in gross written premiums was primarily due to selling the manufactured home & dwelling and farm businesses and the non-renewal of a casualty reinsurance treaty. We expect a small amount of earned premiums from this segment in 2025 and none in 2026.

Combined Ratios

The consolidated combined ratio was 95.2% for the first nine months of 2024 (*Loss Ratio 56.0% and Expense Ratio 39.2%*) as compared to 98.9% (*Loss Ratio 60.7% and Expense Ratio 38.5%*) for the prior year period. The improvement is primarily due to improved performance in non-catastrophe related business. The company's catastrophe losses declined 35% to $10.3 million in 2024 from $15.8 million in 2023. 2024 losses include $1.5 million related to Hurricane Helene.

In the Penn-America segment, the accident year combined ratio was 93.9% as compared to 100.9% for the prior year period. In the Non-Core Operations segment, the calendar year combined ratio was 100.9% for the first nine months of 2024 compared to 95.4% in the prior year period. The expense ratio at Penn-America remains elevated as the company made a conscious decision not to reduce staff levels after the premium reductions since 2022 in order to maintain high levels of customer service. It is the company's goal to reduce the Penn-America expense ratio to the 36%-37% range over time.

Underwriting Income for the Nine Months Ended September 30,

	Penn-America		Non-Core Operations		Consolidated	
	2024	2023	2024	2023	2024	2023
Revenues:						
Gross written premiums	$ 297.9	$ 277.4	$ (3.9)	$ 54.6	$ 294.0	$ 332.0
Net written premiums	$ 290.9	$ 266.8	$ (3.9)	$ 50.7	$ 287.0	$ 317.5
Net earned premiums	$ 272.5	$ 266.7	$ 12.3	$ 114.2	$ 284.8	$ 380.9
Underwriting income (loss), current accident year	$ 17.6	$ 9.7	$ (2.3)	$ (4.7)	$ 15.3	$ 5.0
Underwriting income (loss)	$ 17.6	$ (1.4)	$ (3.0)	$ 5.3	$ 14.6	$ 3.9
Combined ratio analysis:						
Loss ratio						
Current accident year	55.7%	58.8%	62.6%	65.1%	56.0%	60.7%
Prior accident year	(0.1%)	4.1%	2.5%	(9.5%)	—	—
Calendar year loss ratio	55.6%	62.9%	65.1%	55.6%	56.0%	60.7%
Expense ratio	38.3%	38.0%	59.4%	39.8%	39.2%	38.5%
Combined ratio	93.9%	100.9%	124.5%	95.4%	95.2%	99.2%
Combined ratio, current accident year	93.9%	96.7%	118.9%	104.2%	95.0%	98.9%

Source: investors.gbli.com

Valuation and Estimates

GBLI book value per share increased to $49.88 as of September 30, 2024. On September 19, 2024, the Board of Directors approved a dividend of $0.35 per common share which was paid on October 7, 2024. The current dividend yield is approximately **4.06%**.

	As of September 30, 2024	As of June 30, 2024	As of March 31, 2024	As of December 31, 2023
Consolidated:				
Book value per share	$ 49.88	$ 48.56	$ 48.18	$ 47.53
Book value per share plus cumulative dividends and excluding AOCI	$ 57.50	$ 56.58	$ 56.00	$ 55.22
Shareholders' equity	$ 686.7	$ 667.5	$ 659.5	$ 648.8
Cash and invested assets	$ 1,468.0	$ 1,435.2	$ 1,417.3	$ 1,390.4
Shares Outstanding (in millions)	13.7	13.7	13.6	13.6

(1) Excludes $0.2 million and $3.0 million of gross written premiums for terminated products for the three months ended September 30, 2024 and 2023, respectively, and $4.8 million and $14.7 million of gross written premiums for terminated products for the nine months ended September 30, 2024 and 2023, respectively.

Source: investors.gbli.com

Our 2024 total revenue estimate is adjusted to $447.1 million which includes $381.1 million in Net Earned Premiums and $64.3 million in Investment Income. Our 2024 EPS estimate is adjusted to $3.25. As the consolidated combined expense ratio continues to drift down, we believe EPS can increase to approximately $3.48 in 2025.

Management stated its long-term financial goals which are:

1) Grow the overall business at a rate of 10% or higher,
2) Achieve a combined ratio in the low 90's,
3) Manage the expense ratio to a competitive level of 36%-37%.

GBLI stock is currently selling at **69.3%** of book value based on September 30, 2024 shareholders' equity. We separate our price target into near-term and long-term objectives. Our near-term target is **$50.00** which assumes GBLI stock will trade near book value per share. We maintain our long-term price target of **$55.00** per share based on the stock selling at a small premium to future book value per share.

Source: investors.gbli.com

KEY INVESTMENT POINTS

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: Penn-America and Non-Core Operations.
- Penn-America targets specific, defined groups of insureds predominantly in the excess and surplus lines, or non-admitted, small marketplace.

- The company has a solid liquidity position at the end of the 3rd quarter of 2024 with $31.0 million in unrestricted cash and equivalents and $1.44 billion in investments, primarily comprised of highly liquid fixed income investments.

- The company has $480 million in fixed income investments maturing over the rest of 2024 and over $800 million in 2025 which can be invested at higher prevailing rates.

- Global Indemnity has approximately $240 million in discretionary capital that can be put to use through share buybacks, dividends or acquisitions.

- The company has no traditional debt currently and has a market capitalization of $475 million.

- Based on the most recent reported results as of 9/30/24, the company is selling at approximately 69% of book value. Using a future book value scenario analysis valuation methodology, we place a near-term value for GBLI stock at **$50.00** per share and a long-term value at **$55.00** per share.

COMPANY OVERVIEW

Source: investors.gbli.com

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.

During the 4th quarter of 2023, the company re-evaluated its segments and determined that the business should be managed through two reportable segments: Penn-America and Non-Core Operations. The Penn-America segment comprises the company's core products which include Wholesale Commercial, Programs, InsurTech, and Assumed Reinsurance. The Non-Core Operations segment contains lines of business that have been de-emphasized or are no longer being written.

SEGMENTS & BUSINESS UNITS

Penn-America

The Penn-America segment distributes specialty property and casualty insurance products in the excess and surplus lines marketplace. Penn-America targets main street Specialty Excess & Surplus Lines focusing on small businesses such as Artisan Contractors, Habitational (Landlord), General Services, Vacant Properties, Restaurants, Bars, Taverns, Commercial Buildings, and Collectibles.

Penn-America is one of the larger providers of insurance to main street businesses and built this position by focusing on this market for over 40 years. Penn-America underwrites commercial coverages for 900 classes of casualty business and 200 classes of property business. Companies within the Insurance Operations are eligible to write on a surplus lines (non-admitted) basis and others are licensed to write on an admitted basis in all 50 U.S. states and related territories.

This provides the company with flexibility in designing products and in determining rates to meet emerging risks and discontinuities in the marketplace. Penn-America's insurance products target specific, defined groups of insureds with customized coverage to meet their needs. The primary business divisions within the Penn-America segment include:

- Wholesale Commercial distributes property and general liability products for small commercial businesses through a select network of wholesale general agents with specific binding authority using company administered systems to rate, quote and issue policies.

- InsurTech offers property and general liability products distributed using company administered systems, and include Collectibles, digital direct to-consumer insurance coverage for owners of collections, and VacantExpress, insurance coverage for owners of properties under construction, under renovation, vacant, or rented, distributed through wholesale general agents and retail agents.

- Assumed Reinsurance is composed of individual treaties with small-to-medium sized financially sound insurers in niche product lines that are contracted through reinsurance brokers/intermediaries. These treaties are focused on the US property and casualty market and will typically involve risk sharing by either the carrier or the producer of the business. Assumed reinsurance treaties are acquired through brokers.

- Specialty Products distributes property and general liability niche products through program administrators with specific binding authority. Administrators generally use their own proprietary systems, for which the company's rates and underwriting criteria are integrated.

Non-Core Operations

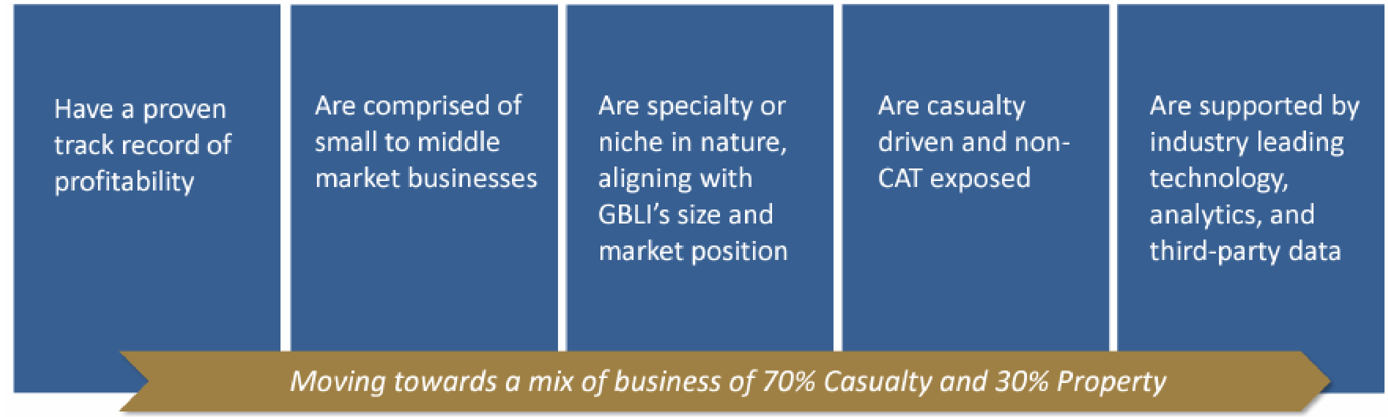
The Non-Core Operations segment represents lines of business that have been de-emphasized or are no longer being written.

The two key activities of Non-Core Operations are managing transition service agreements related to the sales of the company's renewal rights and handling claims activity and loss reserves on de-emphasized and terminated business.

At the end of 2022, the Company ceased writing new business and non-renewed existing policies for its four brokerage divisions: Professional Liability, Excess Casualty, Environmental, and Middle Market Property. 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. On October 26, 2021, the Company sold the renewal rights related to its manufactured and dwelling homes business. In 2021, the Company decided to cease writing certain Property Brokerage business which was part of the Commercial Specialty segment (now known as Penn-America), as well as non-renewing several treaties within the prior Reinsurance Operations segment which are now included in Non-Core Operations.

The manufactured home, dwelling, motorcycle, watercraft, certain homeowners products, and farm, ranch & equine business within Non-Core Operations operated primarily in the standard or admitted markets and were distributed through retail agents, wholesale general agents, and brokers. These insurance products were either underwritten via limited binding authority, specific binding authority, or by internal personnel. The Property Brokerage product within Non-Core Operations operated predominantly in the excess and surplus lines or non-admitted markets and were distributed through wholesale brokers and underwritten by the Company's personnel and selected brokers with limited binding authority. The retrocessional reinsurance treaties within Non-Core Operations were distributed through brokers and on a direct basis.

Information technology development initiatives related to business lines within Non-Core Operations have been discontinued. Additional capital has and will become available as a result of de-emphasizing and exiting non-core business. This additional capital will support future growth in the company's Penn-America segment and provide capital for business initiatives including share repurchases.



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
  - Canopius 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.

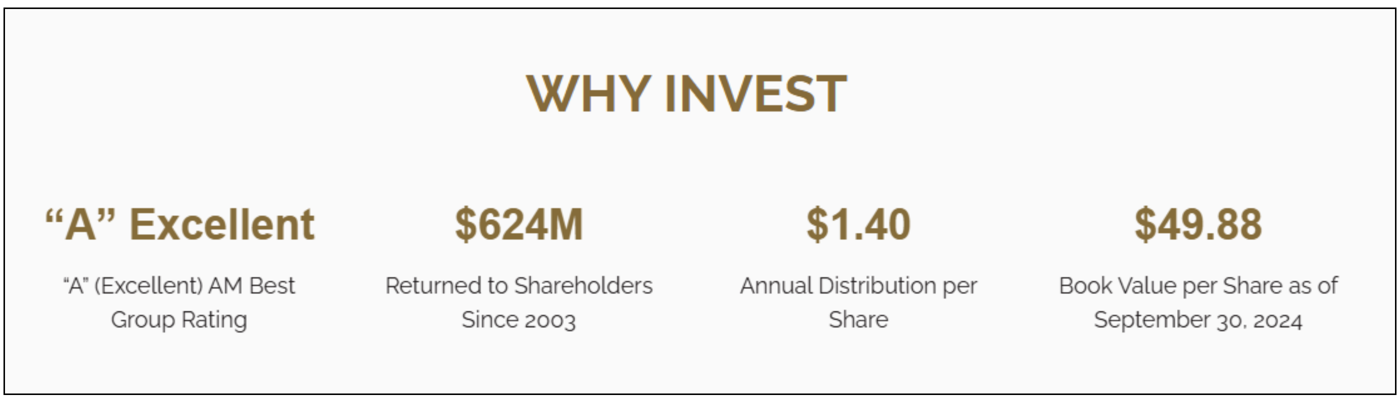
SUMMARY

We believe Global Indemnity is entering a new level of profitability based on new business lines and eliminating unprofitable areas 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 **4.06%.**

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 in book value. The company has excess discretionary capital of approximately $240 million to support the growth in equity value. With the company trading at such a large discount to book value, a margin of safety appears to exist at this time.



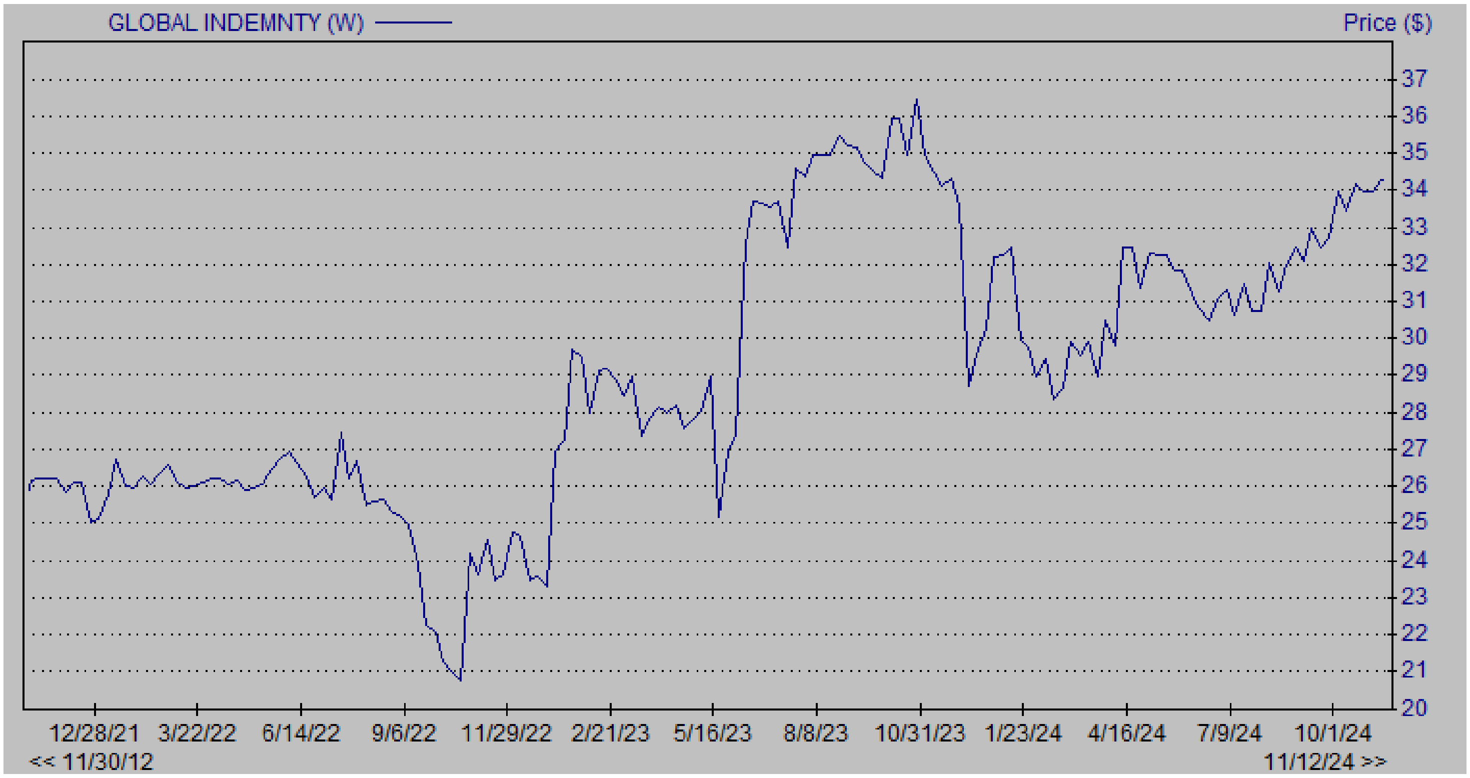
Source: investors.gbli.com

PROJECTED INCOME STATEMENT

Income Statement	Dec-21	Dec-22	Dec-23	Dec-24	Dec-25
Combined Ratio	102.0%	98.9%	99.7%	95.9%	95.6%
Net Written Premiums	**580,068**	**591,331**	**399,319**	**385,166**	**419,830**
Growth	*5.8%*	*1.9%*	*-32.5%*	*-3.5%*	*9.0%*
Net Earned Premiums	**595,610**	**602,471**	**473,357**	**381,173**	**415,477**
Growth	*4.9%*	*1.2%*	*-21.4%*	*-19.5%*	*9.0%*
Net Investment Income	**37,020**	**27,627**	**55,444**	**64,315**	**67,531**
%	*6.2%*	*4.6%*	*11.7%*	*16.9%*	*16.3%*
Investment Gains & Other	**45,638**	**(1,564)**	**(672)**	**1,614**	**1,614**
TOTAL REVENUES	**678,268**	**628,534**	**528,129**	**447,102**	**484,622**
Growth	*16.2%*	*-7.3%*	*-16.0%*	*-15.3%*	*8.4%*
Net losses and loss adjustment expenses	**384,964**	**359,228**	**289,153**	**215,821**	**234,828**
% of sales	*64.6%*	*59.6%*	*61.1%*	*56.6%*	*56.5%*
Acquisition costs and other underwriting expenses	**222,841**	**236,381**	**182,617**	**149,610**	**162,243**
% of sales	*37.4%*	*39.2%*	*38.6%*	*39.2%*	*39.0%*
SG&A	**27,179**	**24,421**	**23,383**	**25,177**	**27,066**
% of sales	*4.6%*	*3.9%*	*4.4%*	*6.6%*	*6.5%*
Amortization	**0**	**0**	**0**	**0**	**0**
% of sales	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
Operating Income	**43,284**	**8,504**	**32,976**	**56,495**	**60,485**
Margin	*6.4%*	*1.4%*	*6.2%*	*12.6%*	*12.5%*
EBITDA	**88,922**	**6,940**	**32,304**	**58,109**	**62,099**
Margin	*14.9%*	*1.2%*	*6.8%*	*15.2%*	*14.9%*
Other Expenses/(Income)	**0**	**3,529**	**0**	**0**	**0**
%	*0.0%*	*0.6%*	*0.0%*	*0.0%*	*0.0%*
EBIT	**43,284**	**4,975**	**32,976**	**56,495**	**60,485**
%	*7.3%*	*0.8%*	*7.0%*	*14.8%*	*14.6%*
Total Interest Exp (net)	**10,481**	**3,004**	**0**	**17**	**17**
%	*1.8%*	*0.5%*	*0.0%*	*0.0%*	*0.0%*
Net Profit Before Tax	**32,803**	**1,971**	**32,976**	**56,478**	**60,468**
%	*5.5%*	*0.3%*	*7.0%*	*14.8%*	*14.6%*
Income Tax	**3,449**	**2,821**	**7,547**	**11,352**	**12,154**
% Effective Rate	*10.5%*	*143.1%*	*22.9%*	*20.1%*	*20.1%*
% Cash Tax Rate	*10.5%*	*143.1%*	*22.9%*	*20.1%*	*20.1%*
Minority Interests or Preferred Stock	**440**	**440**	**440**	**440**	**440**
Net Profit	**28,914**	**(1,290)**	**24,989**	**44,686**	**47,874**
%	*4.9%*	*-0.2%*	*5.3%*	*11.7%*	*11.5%*
Non-recurring income (expense)					
Average Diluted Shares Outstanding	14,664	14,482	13,666	13,750	13,750
Reported FD EPS					
Zacks Cash EPS	**2.00**	**(0.09)**	**1.83**	**3.25**	**3.48**
Zacks EPS	**2.00**	**(0.09)**	**1.83**	**3.25**	**3.48**
Consensus Estimates - EPS					
Dividends P/S	$1.00	$1.00	$1.00	$1.40	$1.40

Source: Zacks analyst

HISTORICAL STOCK PRICE



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