

August 12, 2025

Zacks Small-Cap Research

Sponsored – Impartial - Comprehensive

Tom Kerr, CFA

312-265-9417

tkerr@zacks.com

scr.zacks.com

101 N. Wacker Drive, Chicago, IL 60606

Global Indemnity Group (NYSE: GBLI)

GBLI: Global Indemnity releases 2nd quarter 2025 financial results which showed solid underwriting results.

Utilizing a scenario analysis methodology for future projections of book value per share, we believe GBLI should trade at **\$48.00** (BVPS) in the near-term and **\$55.00** per share over the long-term.

Current Price (8/11/25) **\$27.84**
Valuation (near-term) **\$48.00**

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 targets small, Main Street business written on an excess and surplus lines basis. **The company has excess discretionary capital of approximately \$260 million.** Global Indemnity is expected to show continued improvement in underwriting results in 2025. 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 **\$26.94**
One-Year Return (%) **-6.2**
Beta **0.44**
Average Daily Volume (sh) **3,212**

Shares Outstanding (mil) **14.3**
Market Capitalization (\$mil) **\$397**
Short Interest Ratio (days) **N/A**
Institutional Ownership (%) **88**
Insider Ownership (%) **44**

Annual Cash Dividend **\$1.40**
Dividend Yield (%) **4.89**

5-Yr. Historical Growth Rates

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

P/E using TTM EPS **N/A**

P/E using 2025 Estimate **14.0**

P/E using 2026 Estimate **9.40**

Risk Level

Low

Type of Stock
Industry

Small-Value
Insurance

ZACKS ESTIMATES

Revenue

(In millions of \$)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2023	151 A	142 A	126 A	109 A	528 A
2024	112 A	109 A	111 A	108 A	441 A
2025	108 A	110 A	121 E	115 E	456 E
2026					492 E

EPS / Loss Per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
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	\$0.65 A	\$3.12 A
2025	-\$0.30 A	\$0.71 A	\$0.76 E	\$0.81 E	\$1.99 E
2026					\$2.97 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

2nd Quarter 2025 Financial Results

Global Indemnity Group reported 2nd quarter 2025 financial and operating results which showed solid underwriting results and improved profitability. Underwriting income was \$5.6 million in the 2nd quarter of 2025 compared to \$3.5 million in the 2nd quarter of 2024 and \$5.3 million in the 1st quarter of 2025 (excluding California wildfires).

Gross written premiums increased 6.1% to \$106.8 million. Excluding Belmont Non-Core operations, gross written premiums increased 9.2%. Operating income was \$10.2 million compared to \$9.9 million in the 2nd quarter of 2024 and \$8.4 million in the 1st quarter of 2025 (excluding California wildfires).

Quarter Ended June 30, 2025 (Dollars in thousands)	Agency and Insurance Services	Belmont Core	Belmont Non- Core	Elimination	Total
Revenues:					
Gross written premiums	\$ —	\$ 109,819	\$ (3,018)	\$ —	\$ 106,801
Net written premiums	\$ —	\$ 106,873	\$ (2,959)	\$ —	\$ 103,914
Net earned premiums	\$ —	\$ 97,513	\$ (2,367)	\$ —	\$ 95,146
Commission and service fee income ⁽¹⁾	14,851	—	—	(14,851)	—
Policy and installment fee income	499	—	41	—	540
Total segment revenues	15,350	97,513	(2,326)	(14,851)	95,686

Source: investors.gbli.com

Net investment income from its fixed-income portfolio increased 2.0% in the 2nd quarter of 2025 to \$15.3 million compared to \$15.0 million in the prior year period. Book yield on the investment portfolio increased to 4.54% at the end of the 2nd quarter of 2025. Annualized total investment return was 4.9% for 2025. As a result of the current low duration on fixed income securities (approximately 1.2 years), the company has a significant amount of investments maturing throughout the rest of 2025 that are expected to be reinvested in longer maturity bonds to improve overall investment returns.

Segment Review

For financial reporting purposes, the company recently realigned the composition of its reportable segments to reflect changes in how they now manage its operations:

Agency and Insurance Services – This consists of Penn-America Underwriters, LLC and includes three agencies: 1) Penn-America Insurance Services, LLC, 2) J.H. Ferguson, LLC, which includes the Vacant Express division, and 3) Collectibles Insurance Services, LLC that source, underwrite, and service policies and 2) two strategic insurance product and service businesses including Liberty Insurance Adjustment Agency, Inc. a claims adjustment and claims service business and Kaleidoscope Insurance Technologies, Inc., a proprietary insurance software and services provider.

Belmont Insurance Companies (Core (“Belmont Core”)) - This was previously known as the Penn-America segment and consists of five state-regulated insurance carriers: 1) Penn-Patriot Insurance Company, 2) Diamond State Insurance Company, 3) Penn-Star Insurance Company, 4) Penn-America Insurance Company, and 5) United National Insurance Company. These are all rated “A” (Excellent) by AM Best.

Belmont Insurance Companies (Non-Core (“Belmont Non-Core”)) - This was previously known as the Non-Core Operations segment and consists of insurance company operations for lines of business that have been de-emphasized or are no longer being written. The primary activities of Belmont Non-Core are servicing the run-off of policies/treaties, adjusting claims and estimating loss reserves on de-emphasized and terminated business.

Direct written premium produced for Belmont Core increased 4.0% in the 2nd quarter. In the aggregate, direct written premiums for Wholesale Commercial, Vacant Express and Collectibles grew by 10.3%. This growth was driven by premium rate increases, new agency appointments, organic growth of existing agents, and new products. Direct written premiums for Specialty Products declined by 26.1% due to terminated products not meeting profitability expectations.

	Quarters Ended June 30,		
(Dollars in thousands)	2025	2024	% Change
Wholesale Commercial	\$ 69,075	\$ 63,877	8.1%
Vacant Express	12,370	9,731	27.1%
Collectibles	4,186	4,014	4.3%
Direct written premiums excluding specialty products	85,631	77,622	10.3%
Specialty Products	12,143	16,435	(26.1%)
Total direct written premiums	<u>\$ 97,774</u>	<u>\$ 94,057</u>	4.0%

Source: investors.gbli.com

Combined Ratios

The consolidated combined ratio for the 2nd quarter of 2025 was 94.4% (*Loss Ratio 55.6% and Expense Ratio 38.8%*) as compared to 96.6% (*Loss Ratio 57.8% and Expense Ratio 38.8%*) for the prior year period. The current accident year combined ratio was slightly higher at 94.6% in the 2nd quarter compared to 96.7% for the same period in 2024.

Corporate expenses were elevated in the quarter as the company has been hiring people to help execute its strategic growth plans. The company was also paying higher than normal business development fees to find new opportunities for growth.

Fee Business

The company has been making a concerted effort to grow non-risk revenues in terms of fee income generation. This can come in the form of commission, service, policy and installment fees. Commission and service fee income are reported separately on affiliated business for segment purposes but eliminated in consolidation. Policy and installment fees with third parties are a separate line item and reported under Other Income. We project policy and installment fees (Other Income) will be approximately \$1.8 million in 2025 and continue to grow thereafter.

Quarter Ended June 30, 2025 (Dollars in thousands)	Agency and Insurance Services	Belmont Core	Belmont Non- Core	Elimination	Total
Revenues:					
Gross written premiums	\$ —	\$ 109,819	\$ (3,018)	\$ —	\$ 106,801
Net written premiums	\$ —	\$ 106,873	\$ (2,959)	\$ —	\$ 103,914
Net earned premiums	\$ —	\$ 97,513	\$ (2,367)	\$ —	\$ 95,146
Commission and service fee income ⁽¹⁾	14,851	—	—	(14,851)	—
Policy and installment fee income	499	—	41	—	540
Total segment revenues	15,350	97,513	(2,326)	(14,851)	95,686
Reconciliation of revenue					
Net investment income					14,707
Net realized investment gains					127
Total consolidated revenues					\$ 110,520
Less: ⁽²⁾					
Net losses and loss adjustment expenses	—	56,109	(2,829)	(332)	52,948
Net commission expenses	—	34,079	(780)	(11,456)	21,843
Other underwriting expenses ⁽³⁾	13,042	4,591	502	(3,063)	15,072
Income from segments	\$ 2,308	\$ 2,734	\$ 781	\$ —	\$ 5,823

Source: investors.gbli.com

Valuation and Estimates

GBLI book value per share increased to \$48.35 as of June 30, 2025 compared to \$47.85 as of March 31, 2025.

On June 5, 2025, the Board of Directors approved a dividend of \$0.35 per common share which was paid on June 27, 2025. The current dividend yield is approximately **4.89%**.

	As of June 30, 2025		As of March 31, 2025	
Select Balance Sheet Data:				
Cash and invested assets, net	\$	1,433.0	\$	1,431.8
Total assets	\$	1,720.6	\$	1,713.6
Shareholders' equity	\$	695.3	\$	687.1
Book value per share	\$	48.35	\$	47.85
Book value per share plus cumulative dividends and excluding AOCI	\$	56.78	\$	56.08
Shares Outstanding (in millions)		14.3		14.3

Source: investors.gbli.com

We adjust our 2025 total revenue estimate to \$456.1 million which includes \$393.1 million in Net Earned Premiums and \$60.2 million in net Investment Income. Our 2025 EPS estimate is adjusted to \$1.99. As the consolidated expense ratio continues to drift down, we believe EPS of over \$4.00 can be achieved in the next 2-3 years.

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 **62.2%** of book value based on June 30, 2025 shareholders' equity. We separate our price target into near-term and long-term objectives. Our near-term target is **\$48.00** 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.

OTHER RECENT NEWS

Project Manifest

On January 1, 2025, the company announced that it had completed an extensive reorganization of its business under the project name Project Manifest. This reorganization is a significant milestone that positions the company for enhanced operational efficiency and growth.

- The Penn-America business divisions (Wholesale Commercial, Vacant Express, Collectibles and Specialty Products) will become separate and distinct businesses to improve branding, attract talent and expand relationships with their distribution partners.
- The company will also establish separate businesses for technology (Kaleidoscope Insurance Technologies) and claim services (Liberty Insurance Adjustment Agency). These businesses will continue to support Penn-America and create the foundation to offer products and services to other insurance industry participants.
- De-stacking the insurance companies will result in an increased consolidated surplus of the insurance companies and allows for more efficient management of capital and liquidity.

This allows the company to move capital or surpluses in a more efficient, flattened type structure. This compares to the prior structure which was more of a vertical organization that was less efficient.

For financial reporting purposes, the company realigned the composition of its reportable segments to reflect changes in how they now manage its operations

1) Agency and Insurance Services

2) Belmont Insurance Companies (Core ("Belmont Core"))

3) Belmont Insurance Companies (Non-Core ("Belmont Non-Core"))



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 three primary segments: Agency and Insurance Services, Belmont-Core and Belmont Non-Core.
- Under the Belmont Core segment, 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 as of 6/30/25 with \$67.3 million in unrestricted cash and equivalents and \$1.37 billion in investments, primarily comprised of highly liquid fixed income investments.
- The company has approximately \$500 million in fixed income investments maturing over the rest of 2025 which can be invested at higher prevailing rates.
- Global Indemnity has approximately **\$260.0 million** in discretionary capital that can be put to use to grow the company and also engage in share buybacks, dividends or acquisitions.
- Based on the most recent reported results as of 6/30/25, the company is selling at approximately **62.2%** of book value. Using a future book value scenario analysis valuation methodology, we place a near-term value for GBLI stock at **\$48.00** per share and a long-term value at **\$55.00** per share.



Source: investors.gbli.com

COMPANY OVERVIEW



GLOBAL INDEMNITY

Source: investors.gbli.com

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.

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.

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.

In 2024 and 2025, under Project Manifest, the company implemented an extensive internal business reorganization that positioned the company for growth and enhanced operational efficiency, increased statutory capital, and more efficient capital management resulting from de-stacking of the insurance companies.

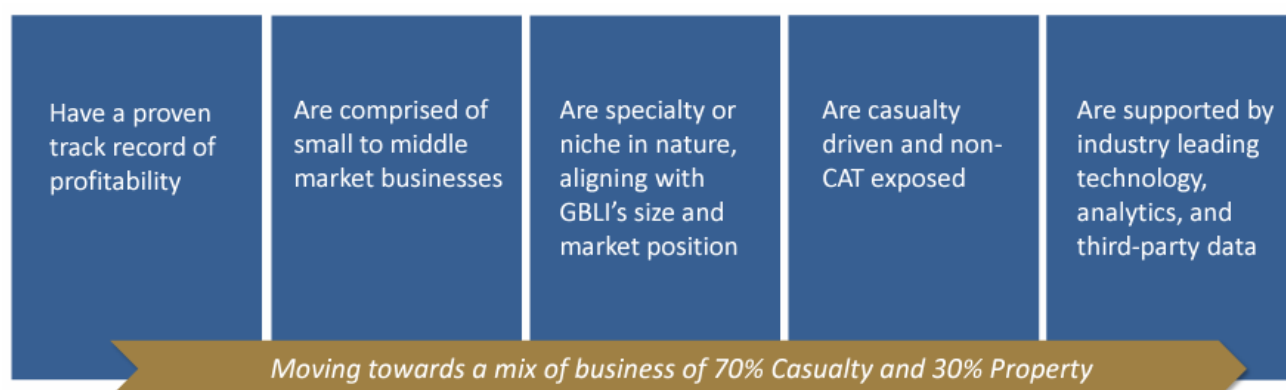
SEGMENTS & BUSINESS UNITS

As a result of Planet Manifest, the reportable segments are now structured under two holding companies:

- Penn-America Underwriters, LLC consists of:
 - (a) three agencies: 1) Penn-America Insurance Services, LLC, 2) J.H. Ferguson, LLC, which includes the Vacant Express division, and 3) Collectibles Insurance Services, LLC that source, underwrite, and service policies.
 - (ii) two strategic insurance product and service businesses: 1) Liberty Insurance Adjustment Agency, Inc. a claims adjustment and claims service business and 2) Kaleidoscope Insurance Technologies, Inc., a proprietary insurance software and services provider.
- Belmont Holdings GX, Inc. includes five state-regulated insurance carriers: 1) Penn-Patriot Insurance Company, 2) Diamond State Insurance Company, 3) Penn-Star Insurance Company, 4) Penn-America Insurance Company, and 5) United National Insurance Company. These are all rated “A” (Excellent) by AM Best.

For financial reporting purposes, the company realigned the composition of its reportable segments to reflect changes in how they now manage its operations

- Agency and Insurance Services – This consists of Penn-America Underwriters, LLC described above.
- Belmont Insurance Companies (Core (“Belmont Core”)) - This was previously known as the Penn-America segment and consists of insurance company operations for ongoing direct insurance products and assumed reinsurance products, which are offered in the excess and surplus lines marketplace.
- Belmont Insurance Companies (Non-Core (“Belmont Non-Core”)) - This was previously known as the Non-Core Operations segment and consists of insurance company operations for lines of business that have been de-emphasized or are no longer being written. The primary activities of Belmont Non-Core are servicing the run-off of policies/treaties, adjusting claims and estimating loss reserves on de-emphasized and terminated business.



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. 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.

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.

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 **4.89%**.

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 \$251 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.

WHY INVEST

“A” Excellent

“A” (Excellent) AM Best
Group Rating

\$629M

Returned to Shareholders
Since 2003

\$1.40

Annual Distribution per
Share

\$49.98

Book Value per Share as of
December 31, 2024

Source: investors.gbli.com

PROJECTED ANNUAL INCOME STATEMENT

<u>Income Statement</u>	<u>Dec-22</u>	<u>Dec-23</u>	<u>Dec-24</u>	<u>Dec-25</u>	<u>Dec-26</u>
Combined Ratio	98.9%	99.7%	95.6%	98.5%	95.0%
Net Written Premiums	591,331	399,319	379,190	409,039	445,853
Growth	1.9%	-32.5%	-5.0%	7.9%	9.0%
Net Earned Premiums	602,471	473,357	376,992	393,538	428,956
Growth	1.2%	-21.4%	-20.4%	4.4%	9.0%
Net Investment Income	27,627	55,444	62,375	60,233	61,738
%	4.6%	11.7%	16.5%	15.3%	14.4%
Investment Gains & Other	(1,564)	(672)	1,820	2,370	1,500
	0	0	0	0	0
TOTAL REVENUES	628,534	528,129	441,187	456,140	492,195
Growth	-7.3%	-16.0%	-16.5%	3.4%	7.9%
	0.0%	0.0%	0.0%	0.0%	0.0%
Net losses and loss adjustment expenses	359,228	289,153	213,190	232,583	244,937
% of sales	59.6%	61.1%	56.6%	59.1%	57.1%
Acquisition costs and other underwriting expenses	236,381	182,617	147,345	155,049	162,569
% of sales	39.2%	38.6%	39.1%	39.4%	37.9%
SG&A	24,421	23,383	25,696	31,528	29,952
% of sales	3.9%	4.4%	6.8%	8.0%	7.0%
Amortization	0	0	0	0	0
% of sales	0.0%	0.0%	0.0%	0.0%	0.0%
Operating Income	8,504	32,976	54,956	36,980	54,738
Margin	1.4%	6.2%	12.5%	8.1%	11.1%
EBITDA	6,940	32,304	56,776	39,350	56,238
Margin	1.2%	6.8%	15.1%	10.0%	13.1%
Other Expenses/(Income)	3,529	0	0	0	0
%	0.6%	0.0%	0.0%	0.0%	0.0%
EBIT	4,975	32,976	54,956	36,980	54,738
%	0.8%	7.0%	14.6%	9.4%	12.8%
Total Interest Exp (net)	3,004	0	0	0	0
%	0.5%	0.0%	0.0%	0.0%	0.0%
Net Profit Before Tax	1,971	32,976	54,956	36,980	54,738
%	0.3%	7.0%	14.6%	9.4%	12.8%
Income Tax	2,821	7,547	11,715	7,905	11,701
% Effective Rate	143.1%	22.9%	21.3%	21.4%	21.4%
% Cash Tax Rate	143.1%	22.9%	21.3%	21.4%	21.4%
Minority Interests or Preferred Stock	440	440	440	440	440
Net Profit	(1,290)	24,989	42,801	28,635	42,596
%	-0.2%	5.3%	11.4%	7.3%	9.9%
	0.0%	0.0%	0.0%	0.0%	0.0%
Non-recurring income (expense)					
Average Diluted Shares Outstanding	14,482	13,666	13,706	14,355	14,341
Zacks EPS	(0.09)	1.83	3.12	1.99	2.97
Dividends P/S	\$1.00	\$1.00	\$1.40	\$1.40	\$1.40

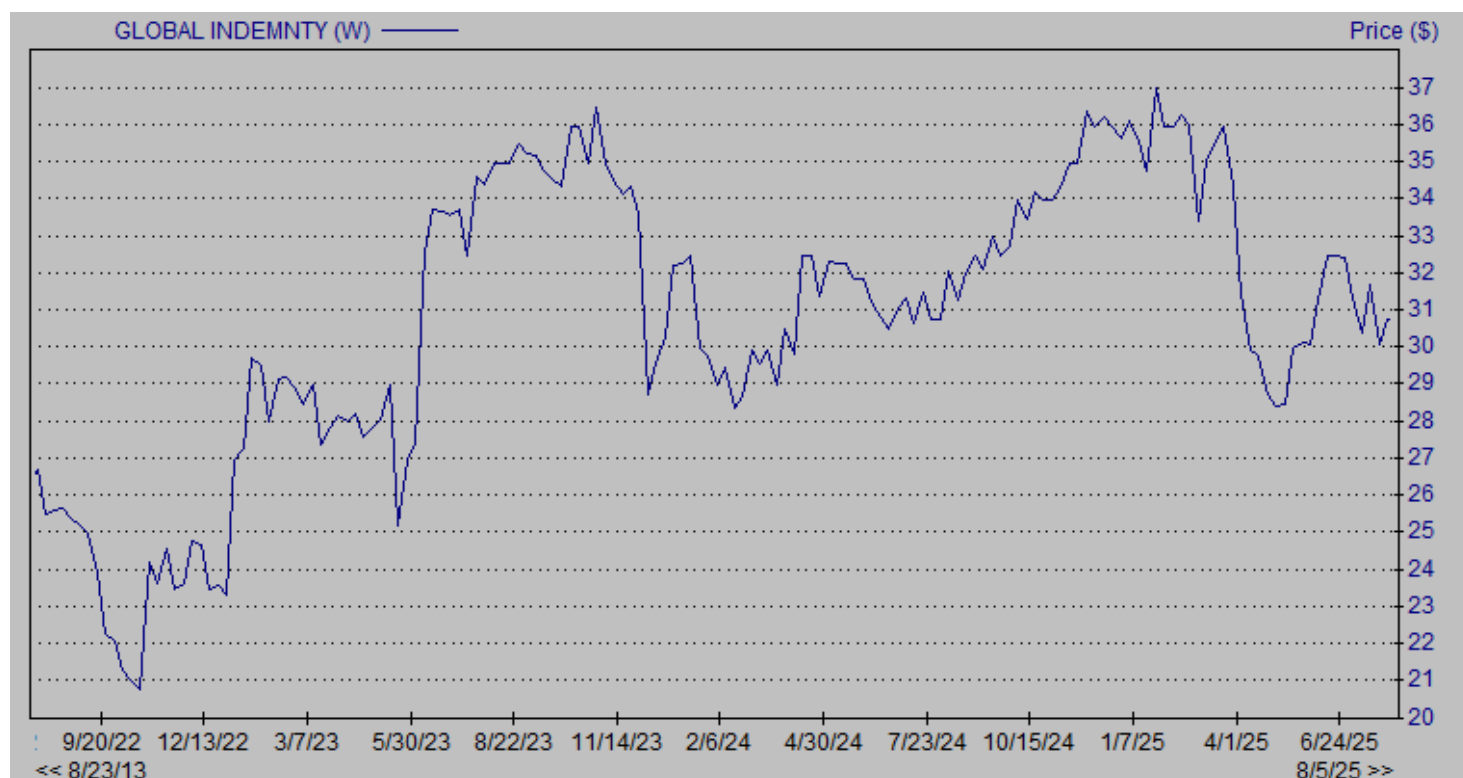
Source: Zacks analyst

PROJECTED QUARTERLY INCOME STATEMENT

	Q1/25A	Q2/25A	Q3/25E	Q4/25E
Net Written Premiums	95,864	103,914	107,866	101,395
<i>Growth</i>				
Net Earned Premiums	93,316	95,146	105,709	99,367
%	98.0%	98.0%	98.0%	98.0%
Net Investment Income	14,782	14,707	15,295	15,448
%	15.4%	14.2%	14.2%	15.2%
Investment Gains & Other Income	553	667	550	600
	0.6%	0.6%	0.5%	0.6%
TOTAL REVENUES	108,651	110,520	121,554	115,415
%	113.3%	106.4%	112.7%	113.8%
Net losses and loss adjustment expenses	66,738	52,948	58,246	54,652
% of sales	71.5%	55.6%	55.1%	55.0%
Acquisition costs and other underwriting expenses	37,507	36,915	42,072	38,554
% of sales	40.2%	40.0%	39.8%	38.8%
SG&A	9,500	7,528	7,300	7,200
% of sales	10.2%	7.9%	6.9%	7.2%
Amortization	0	0	0	0
% of sales	0.0%	0.0%	0.0%	0.0%
Operating Income	(5,094)	13,129	13,936	15,009
<i>Margin</i>	-5.3%	12.6%	12.9%	14.8%
EBITDA	0	0	0	0
<i>Margin</i>	0.0%	0.0%	0.0%	0.0%
Other Expenses/(Income)	0	0	0	0
%	0.0%	0.0%	0.0%	0.0%
EBIT	(5,094)	13,129	13,936	15,009
%	-5.3%	12.6%	12.9%	14.8%
Total Interest Exp (net)	0	0	0	0
%	0.0%	0.0%	0.0%	0.0%
Net Profit Before Tax	(5,094)	13,129	13,936	15,009
Income Tax	(1,105)	2,785	2,997	3,228
% Effective Rate	21.5%	21.5%	21.5%	21.5%
% Cash Tax Rate				
Minority Interests or Preferred Stock	110	110	110	110
Net Income	(4,099)	10,234	10,829	11,671
<i>Average Diluted Shares Outstanding</i>	13,867	14,341	14,341	14,341
Zacks Cash EPS	(0.30)	0.71	0.76	0.81

Source: Zacks analyst

HISTORICAL STOCK PRICE



DISCLOSURES

The following disclosures relate to relationships between Zacks Small-Cap Research ("Zacks SCR"), a division of Zacks Investment Research ("ZIR"), and the issuers covered by the Zacks SCR Analysts in the Small-Cap Universe.

ANALYST DISCLOSURES

I, Tom Kerr, hereby certify that the view expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the recommendations or views expressed in this research report. I believe the information used for the creation of this report has been obtained from sources I considered to be reliable, but I can neither guarantee nor represent the completeness or accuracy of the information herewith. Such information and the opinions expressed are subject to change without notice.

INVESTMENT BANKING AND FEES FOR SERVICES

Zacks SCR does not provide investment banking services nor has it received compensation for investment banking services from the issuers of the securities covered in this report or article.

Zacks SCR has received compensation from the issuer directly, from an investment manager, or from an investor relations consulting firm engaged by the issuer for providing non-investment banking services to this issuer and expects to receive additional compensation for such non-investment banking services provided to this issuer. The non-investment banking services provided to the issuer includes the preparation of this report, investor relations services, investment software, financial database analysis, organization of non-deal road shows, and attendance fees for conferences sponsored or co-sponsored by Zacks SCR. The fees for these services vary on a per-client basis and are subject to the number and types of services contracted. Fees typically range between ten thousand and fifty thousand dollars per annum. Details of fees paid by this issuer are available upon request.

POLICY DISCLOSURES

This report provides an objective valuation of the issuer today and expected valuations of the issuer at various future dates based on applying standard investment valuation methodologies to the revenue and EPS forecasts made by the SCR Analyst of the issuer's business.

SCR Analysts are restricted from holding or trading securities in the issuers that they cover. ZIR and Zacks SCR do not make a market in any security followed by SCR nor do they act as dealers in these securities. Each Zacks SCR Analyst has full discretion over the valuation of the issuer included in this report based on his or her own due diligence. SCR Analysts are paid based on the number of companies they cover.

SCR Analyst compensation is not, was not, nor will be, directly or indirectly, related to the specific valuations or views expressed in any report or article.

ADDITIONAL INFORMATION

Additional information is available upon request. Zacks SCR reports and articles are based on data obtained from sources that it believes to be reliable, but are not guaranteed to be accurate nor do they purport to be complete. Because of individual financial or investment objectives and/or financial circumstances, this report or article should not be construed as advice designed to meet the particular investment needs of any investor. Investing involves risk. Any opinions expressed by Zacks SCR Analysts are subject to change without notice. Reports or articles or tweets are not to be construed as an offer or solicitation of an offer to buy or sell the securities herein mentioned.

CANADIAN COVERAGE

This research report is a product of Zacks SCR and prepared by a research analyst who is employed by or is a consultant to Zacks SCR. The research analyst preparing the research report is resident outside of Canada, and is not an associated person of any Canadian registered adviser and/or dealer. Therefore, the analyst is not subject to supervision by a Canadian registered adviser and/or dealer, and is not required to satisfy the regulatory licensing requirements of any Canadian provincial securities regulators, the Investment Industry Regulatory Organization of Canada and is not required to otherwise comply with Canadian rules or regulations.