

Zacks Small-Cap Research

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Global Indemnity Group (NASDAQ: GBLI)

GBLI: We introduce 2026 quarterly estimates and provide an update on the P&C industry outlook for 2026.

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 (2/17/26) \$28.13
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 \$273 million.** Global Indemnity is expected to show continued improvement in underwriting results in 2026. 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 \$28.13
One-Year Return (%) -22.5
Beta 0.40
Average Daily Volume (sh) 5,268

Shares Outstanding (mil) 14.3
Market Capitalization (\$mil) \$402.9
Short Interest Ratio (days) N/A
Institutional Ownership (%) 88
Insider Ownership (%) 44

Annual Cash Dividend \$1.40
Dividend Yield (%) 4.95

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 9.4

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

ZACKS ESTIMATES

Revenue

(In millions of \$)

| | Q1 | Q2 | Q3 | Q4 | Year |
|------|-------|-------|-------|-------|-------|
| | (Mar) | (Jun) | (Sep) | (Dec) | (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 | 114 A | 117 E | 450 E |
| 2026 | | | | | 480 E |

EPS / Loss Per Share

| | Q1 | Q2 | Q3 | Q4 | Year |
|------|-----------|----------|----------|----------|----------|
| | (Mar) | (Jun) | (Sep) | (Dec) | (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 | \$0.86 A | \$0.89 E | \$2.17 E |
| 2026 | \$0.85 E | \$0.89 E | \$0.91 E | \$0.56 E | \$3.21 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

Industry Update

As the property and casualty (P&C) insurance industry enters 2026, brokers are beginning to observe some signs that pricing is loosening in certain segments. However, some observers see the environment as a period of adjustment rather than a decisive shift into a broadly soft market.

According to the Swiss Re Institute's U.S. P&C outlook for 2025–2026, direct premiums written are projected to moderate to roughly 4% in 2026 (from approximately 5% in 2025), reflecting slowing rate momentum and stronger competition among insurers.

Alera Group P&C leader Justin Foa explains that, unlike past cycles when pricing softened broadly, today's moderation is uneven and highly risk specific. Some construction and property accounts are seeing more capacity and better pricing, while risks with recent losses or catastrophe exposure remain constrained. Because conditions now vary not just by line of business but by niche, account quality, and individual risk traits, broad market labels are less meaningful. Instead, the market behaves like a matrix in which even within one segment, certain risks are easing as others stay tight.

Fitch Ratings expects U.S. P&C insurers to maintain solid but moderating performance in 2026, with the strong results of 2025 carrying over into a softer market phase. Premium growth is projected to slow to about 4% in 2026 from 8.8% in 2024, while profitability normalizes after an exceptionally strong 2025, with combined ratios edging up to roughly 96%–97%. Return on equity is also expected to ease to about 9.1%–10%, down from over 15% in 2025, reflecting a more competitive yet still stable operating environment.

Industry Valuations

In recent months (early 2026), publicly traded P&C insurers and brokers have seen valuations pull back modestly after a 2025 peak, reflecting both cyclical and sentiment-driven factors. Fundamentally, 2025 marked a cyclical high in underwriting profitability and growth, and expectations for softer pricing, slower premiums, and rising combined ratios in 2026 have led investors to anticipate lower returns which typically compress multiples.

The S&P 500 Insurance index recently fell about 3.9%, with some broker stocks dropping 9–12% in a single session due to AI-disruption fears and competitive concerns. Many analysts broadly view this as partly overdone, but it has nonetheless pushed valuations down from late-2025 levels.

New Estimates

We adjust our 2026 total revenue estimate to \$480.4 million which includes \$411.8 million in Net Earned Premiums and \$67.1 million in net Investment Income. Our new 2026 EPS estimate is \$3.21. 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. We also introduce 2026 quarterly estimates (see below).

Balance Sheet

At the end of the 3rd quarter of 2025, the company had unrestricted cash of \$75.4 million and total investments of \$1.36 billion. Approximately 96.1% of the investment portfolio consists of fixed income securities. The average credit quality of the fixed income portfolio remains at AA-. Shareholders equity increased to \$704.1 million.

Valuation

GBLI book value per share increased to \$48.88 as of September 30, 2025 compared to \$48.35 as of June 30, 2025. On December 4, 2025, the Board of Directors approved a distribution (dividend) of \$0.35 per common share which was paid on December 30, 2025. The current dividend yield is approximately **4.95%**.

| | <u>As of September 30, 2025</u> | <u>As of June 30, 2025</u> | <u>As of March 31, 2025</u> |
|---|---|--------------------------------|---------------------------------|
| Select Balance Sheet Data: | | | |
| Cash and invested assets, net | \$ 1,435.2 | \$ 1,433.0 | \$ 1,431.8 |
| Total assets | \$ 1,734.1 | \$ 1,720.6 | \$ 1,713.6 |
| Shareholders' equity | \$ 704.1 | \$ 695.3 | \$ 687.1 |
| Book value per share | \$ 48.88 | \$ 48.35 | \$ 47.85 |
| Book value per share plus cumulative dividends and excluding AOCI | \$ 57.62 | \$ 56.78 | \$ 56.08 |
| Shares Outstanding (in millions) | 14.3 | 14.3 | 14.3 |

Source: investors.gbli.com

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 **57%** of book value based on September 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.



Source: investors.gbli.com

OTHER RECENT NEWS

3rd Quarter 2025 Financial Results

Global Indemnity Group reported 3rd quarter 2025 financial and operating results which showed solid accident-year underwriting income growth. Current accident year underwriting income increased 54.5% to \$10.2 million from \$6.6 million in the prior year period.

Gross written premiums increased 8.6% to \$108.4 million. Excluding Belmont Non-Core operations, gross written premiums increased 7.8%. Operating income was \$15.7 million compared to \$13.2 million in the 3rd quarter of 2024 and \$10.2 million in the 2nd quarter of 2025. Net income was \$12.4 million compared to \$12.7 million in the prior year period. Operating income excludes realized investment losses which were \$4.0 million in the quarter (\$3.14 million net of tax). The realized investment loss was not the result of a sale, it was related to fair value markdowns on its equity portfolio.

| | Segment Written Premiums | | | | | |
|--------------------------|---|-------------|-------------------------|-------------|--------------|-------------|
| | For the Three Months Ended September 30, | | | | | |
| | Belmont Core | | Belmont Non-Core | | Total | |
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Direct written premiums | \$ 92,916 | \$ 93,338 | \$ 43 | \$ (40) | \$ 92,959 | \$ 93,298 |
| Assumed written premiums | 15,625 | 9,906 | (215) | (3,437) | 15,410 | 6,469 |
| Gross written premiums | \$ 108,541 | \$ 103,244 | \$ (172) | \$ (3,477) | \$ 108,369 | \$ 99,767 |
| Net written premiums | \$ 105,708 | \$ 100,712 | \$ (165) | \$ (3,535) | \$ 105,543 | \$ 97,177 |

Source: investors.gbli.com

Net investment income increased 8.5% in the 3rd quarter of 2025 to \$17.9 million compared to \$16.5 million in the prior year period. Book yield on the investment portfolio increased to 4.5% at the end of the 3rd quarter of 2025. Annualized total investment return was 4.0% for 2025. As a result of the current low duration on fixed income securities (approximately 1.1 years), the company has a large amount of investments maturing throughout the rest of 2025 that can be reinvested in longer duration maturities 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 it now manages its operations:

Agency and Insurance Services – This division has been rebranded as Katalyx Holdings and, contains the Penn-America managing general agency, Valyn Re, a newly organized reinsurance managing general agency, the Vacant Express and Collectibles managing general agencies, Kaleidoscope Insurance Technologies, a developer of proprietary underwriting and policy systems that support Katalyx’s agencies and broader digital initiatives, Sayata, a proprietary AI-enabled insurance marketplace, and Liberty Insurance Adjustment Agency, which provides claims evaluation, adjustment, and related services.

Direct Written Premiums Produced by Agency and Insurance Services Segment

| | For the Three Months Ended September 30, | | | For the Nine Months Ended September 30, | | |
|---|---|------------------|---------------------|--|-------------------|---------------------|
| | 2025 | 2024 | % Change | 2025 | 2024 | % Change |
| Wholesale Commercial | \$ 67,931 | \$ 61,938 | 9.7% | \$ 201,888 | \$ 186,870 | 8.0% |
| Vacant Express | 11,341 | 11,219 | 1.1% | 34,632 | 29,804 | 16.2% |
| Collectibles | 5,087 | 4,471 | 13.8% | 13,372 | 12,139 | 10.2% |
| Direct written premiums excluding Specialty Products | 84,359 | 77,628 | 8.7% | 249,892 | 228,813 | 9.2% |
| Specialty Products | 8,557 | 15,710 | (45.5%) | 28,264 | 49,714 | (43.1%) |
| Total direct written premiums | <u>\$ 92,916</u> | <u>\$ 93,338</u> | (0.5%) | <u>\$ 278,156</u> | <u>\$ 278,527</u> | (0.1%) |

Source: investors.gbli.com

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 was flat in the 3rd quarter. In the aggregate, direct written premiums for Wholesale Commercial, Vacant Express and Collectibles grew by 8.7%. 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 45.5% due to terminated products not meeting profitability expectations.

Assumed written premiums in Belmont Core increased 57.7% to \$15.6 million in the 3rd quarter compared to \$9.9 million in the prior year period. These premiums are related to the company’s Reinsurance division.

Combined Ratios

The consolidated combined ratio for the 3rd quarter of 2025 improved to 90.6 % (*Loss Ratio 50.1% and Expense Ratio 40.5%*) as compared to 94.3% (*Loss Ratio 54.9% and Expense Ratio 39.4%*) for the prior year period. The current accident year combined ratio was slightly lower at 90.4% in the 3rd quarter compared to 93.5% for the same period in 2024.

Corporate expenses remain elevated in the quarter as the company has been hiring people to help execute its strategic growth plans. The company was also spending more than its historical 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 \$2.0 million in 2025 and continue to grow thereafter.

Transfer to NASDAQ Market

On October 21, 2025, the company announced that it will transfer the listing of its Class A common shares from the New York Stock Exchange to the Nasdaq Global Select Market (“NASDAQ”), effective after the market closes on November 3, 2025. The Company’s shares are expected to begin trading on NASDAQ under the existing ticker symbol “GBLI” on November 4, 2025.

Strategic Reorganization

The company also provided updates on its previously announced reorganization into two operating divisions.

The first division, which has been named **Katalyx Holdings**, contains the **Penn-America** managing general agency, **Valyn Re**, a newly organized reinsurance managing general agency, the **Vacant Express** and **Collectibles** managing general agencies, **Kaleidoscope Insurance Technologies**, a developer of proprietary underwriting and policy systems that support Katalyx’s agencies and broader digital initiatives, **Sayata**, a proprietary AI-enabled insurance marketplace, and **Liberty Insurance Adjustment Agency**, which provides claims evaluation, adjustment, and related services.

The second division, **Belmont Holdings GX**, houses the five statutory insurance carriers, each rated “A” by AM Best. These include **Penn-America Insurance Company**, **United National Insurance Company**, **Penn-Patriot Insurance Company**, **Diamond State Insurance Company**, and **Penn-Star Insurance Company**.

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”))

Reinsurance Managing General Agency

On October 3, 2025, the company announced that Penn-America Underwriters is launching its inaugural reinsurance managing general agency (MGA) in partnership with veteran reinsurance executive George Dragonetti, who will also serve as President of the new unit. PAU operates as a division of GBLI specializing in underwriting, growth, and distribution of insurance and reinsurance products, technology solutions, and claims services.



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 9/30/25 with **\$75.4 million** in unrestricted cash and equivalents and **\$1.36 billion** in investments, primarily comprised of highly liquid fixed income investments.
- The company has approximately \$580 million in fixed income investments maturing over the rest of 2025 which can be invested at higher prevailing rates.
- Global Indemnity has approximately **\$273 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 9/30/25, the company is selling at approximately **57%** 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:

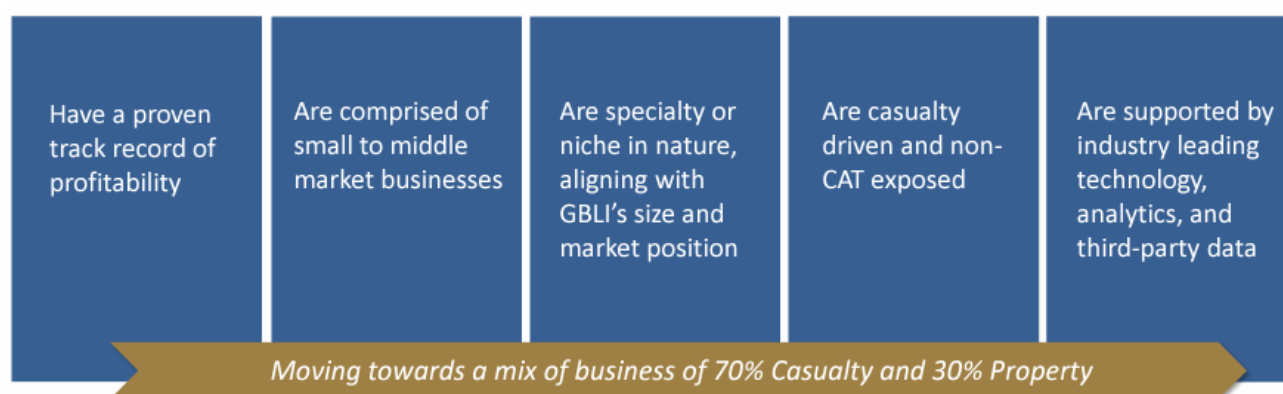
➤ Katalyx Holdings consists of:

Penn-America managing general agency, Valyn Re, a newly organized reinsurance managing general agency, the Vacant Express and Collectibles managing general agencies, Kaleidoscope Insurance Technologies, a developer of proprietary underwriting and policy systems that support Katalyx's agencies and broader digital initiatives, Sayata, a proprietary AI-enabled insurance marketplace, and Liberty Insurance Adjustment Agency, which provides claims evaluation, adjustment, and related services.

➤ 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 Katalyx Holdings 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 **4.95%**.

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 \$273 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 for Belmont Holdings, a GBLI U.S. insurance subsidiary

\$644M

Returned to Shareholders Since 2003

\$1.40

Annual Distribution per Share

\$48.88

Book Value per Share as of September 30, 2025

Source: investors.gbli.com

PROJECTED ANNUAL INCOME STATEMENT

| <u>Income Statement</u> | Dec-22 | Dec-23 | Dec-24 | Dec-25 | Dec-26 |
|--|----------------|----------------|----------------|----------------|----------------|
| Combined Ratio | 98.9% | 99.7% | 95.6% | 98.2% | 94.7% |
| Net Written Premiums | 591,331 | 399,319 | 379,190 | 405,794 | 436,228 |
| <i>Growth</i> | 1.9% | -32.5% | -5.0% | 7.0% | 7.5% |
| Net Earned Premiums | 602,471 | 473,357 | 376,992 | 383,025 | 411,752 |
| <i>Growth</i> | 1.2% | -21.4% | -20.4% | 1.6% | 7.5% |
| Net Investment Income | 27,627 | 55,444 | 62,375 | 65,490 | 67,127 |
| <i>%</i> | 4.6% | 11.7% | 16.5% | 17.1% | 16.3% |
| Investment Gains & Other | (1,564) | (672) | 1,820 | (1,563) | 1,500 |
| | 0 | 0 | 0 | 0 | 0 |
| TOTAL REVENUES | 628,534 | 528,129 | 441,187 | 446,952 | 480,380 |
| <i>Growth</i> | -7.3% | -16.0% | -16.5% | 1.3% | 7.5% |
| | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Net losses and loss adjustment expenses | 359,228 | 289,153 | 213,190 | 220,803 | 229,129 |
| <i>% of sales</i> | 59.6% | 61.1% | 56.6% | 57.6% | 55.6% |
| Acquisition costs and other underwriting expenses | 236,381 | 182,617 | 147,345 | 155,252 | 160,720 |
| <i>% of sales</i> | 39.2% | 38.6% | 39.1% | 40.5% | 39.0% |
| SG&A | 24,421 | 23,383 | 25,696 | 32,072 | 31,270 |
| <i>% of sales</i> | 3.9% | 4.4% | 6.8% | 8.4% | 7.6% |
| Amortization | 0 | 0 | 0 | 0 | 0 |
| <i>% of sales</i> | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Operating Income | 8,504 | 32,976 | 54,956 | 38,825 | 59,261 |
| <i>Margin</i> | 1.4% | 6.2% | 12.5% | 8.7% | 12.3% |
| EBITDA | 6,940 | 32,304 | 56,776 | 37,262 | 60,761 |
| <i>Margin</i> | 1.2% | 6.8% | 15.1% | 9.7% | 14.8% |
| Other Expenses/(Income) | 3,529 | 0 | 0 | 0 | 0 |
| <i>%</i> | 0.6% | 0.0% | 0.0% | 0.0% | 0.0% |
| EBIT | 4,975 | 32,976 | 54,956 | 38,825 | 59,261 |
| <i>%</i> | 0.8% | 7.0% | 14.6% | 10.1% | 14.4% |
| Total Interest Exp (net) | 3,004 | 0 | 0 | 0 | 0 |
| <i>%</i> | 0.5% | 0.0% | 0.0% | 0.0% | 0.0% |
| Net Profit Before Tax | 1,971 | 32,976 | 54,956 | 38,825 | 59,261 |
| <i>%</i> | 0.3% | 7.0% | 14.6% | 10.1% | 14.4% |
| Income Tax | 2,821 | 7,547 | 11,715 | 8,388 | 12,803 |
| <i>% Effective Rate</i> | 143.1% | 22.9% | 21.3% | 21.6% | 21.6% |
| <i>% Cash Tax Rate</i> | 143.1% | 22.9% | 21.3% | 21.6% | 21.6% |
| Minority Interests or Preferred Stock | 440 | 440 | 440 | 440 | 440 |
| Net Profit | (1,290) | 24,989 | 42,801 | 29,997 | 46,018 |
| <i>%</i> | -0.2% | 5.3% | 11.4% | 7.8% | 11.2% |
| | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Non-recurring income (expense) | | | | | |
| Average Diluted Shares Outstanding | 14,482 | 13,666 | 13,706 | 14,378 | 14,358 |
| Zacks EPS | (0.09) | 1.83 | 3.12 | 2.08 | 3.21 |
| Dividends P/S | \$1.00 | \$1.00 | \$1.40 | \$1.40 | \$1.40 |

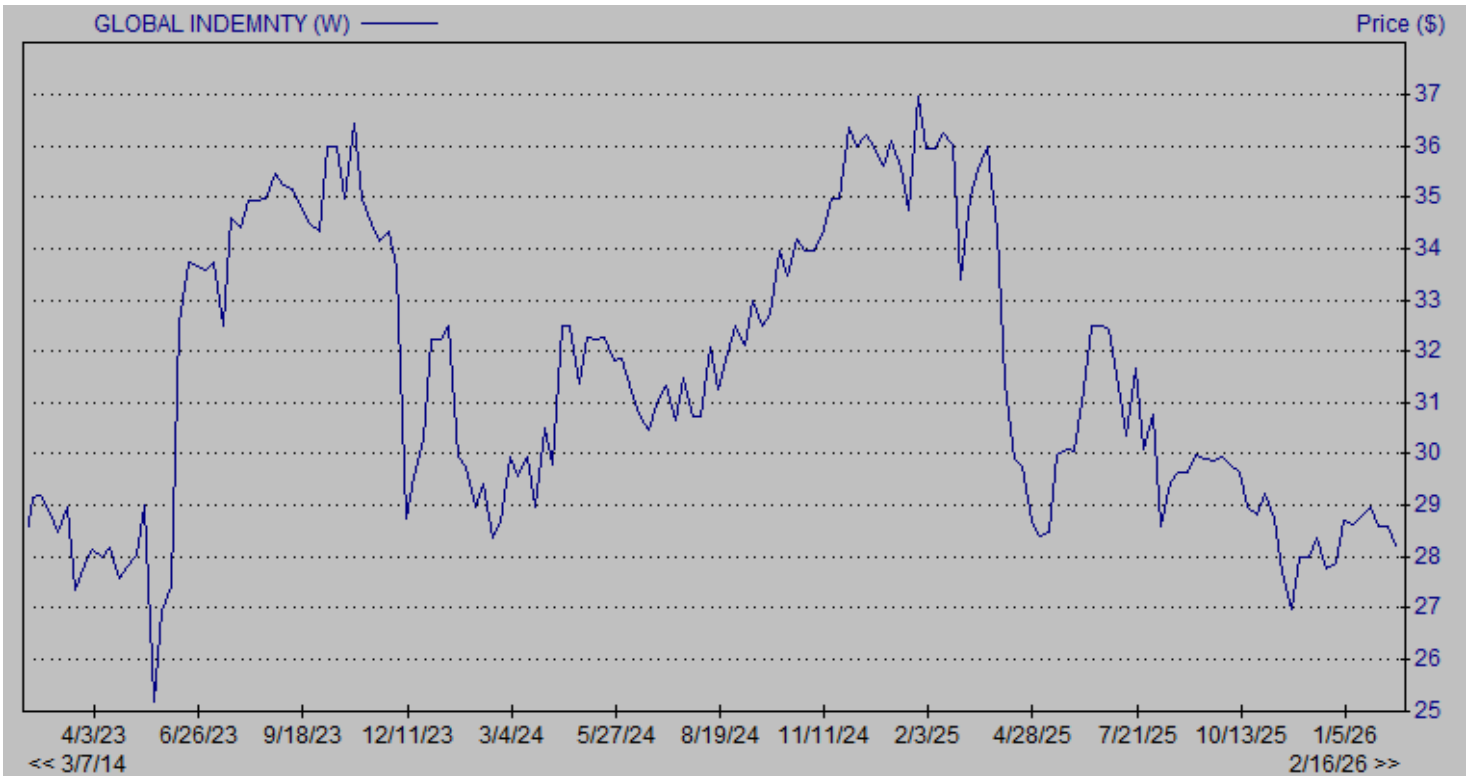
Source: Zacks analyst

PROJECTED QUARTERLY INCOME STATEMENT

| | Q1/26E | Q2/26E | Q3/26E | Q4/26E |
|--|----------------|----------------|----------------|----------------|
| Net Written Premiums | 104,012 | 113,266 | 116,097 | 102,852 |
| <i>Growth</i> | | | | |
| Net Earned Premiums | 98,236 | 106,156 | 109,437 | 97,923 |
| % | 94.4% | 93.7% | 94.3% | 94.1% |
| Net Investment Income | 17,728 | 17,817 | 17,817 | 13,765 |
| % | 17.0% | 15.7% | 15.3% | 13.4% |
| Investment Gains & Other Income | 300 | 388 | 392 | 420 |
| | 0.3% | 0.3% | 0.3% | 0.4% |
| TOTAL REVENUES | 116,265 | 124,361 | 127,645 | 112,108 |
| % | 111.8% | 109.8% | 109.9% | 109.0% |
| Net losses and loss adjustment expenses | 54,030 | 58,598 | 60,518 | 55,982 |
| % of sales | 55.0% | 55.2% | 55.3% | 57.2% |
| Acquisition costs and other underwriting expenses | 39,000 | 41,932 | 42,680 | 37,107 |
| % of sales | 39.7% | 39.5% | 39.0% | 37.9% |
| SG&A | 7,500 | 7,500 | 7,600 | 8,670 |
| % of sales | 7.6% | 7.1% | 6.9% | 8.9% |
| Amortization | 0 | 0 | 0 | 0 |
| % of sales | 0.0% | 0.0% | 0.0% | 0.0% |
| Operating Income | 15,734 | 16,331 | 16,847 | 10,349 |
| <i>Margin</i> | 15.1% | 14.4% | 14.5% | 10.1% |
| 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 | 15,734 | 16,331 | 16,847 | 10,349 |
| % | 15.1% | 14.4% | 14.5% | 10.1% |
| Total Interest Exp (net) | 0 | 0 | 0 | 0 |
| % | 0.0% | 0.0% | 0.0% | 0.0% |
| Net Profit Before Tax | 15,734 | 16,331 | 16,847 | 10,349 |
| Income Tax | 3,383 | 3,511 | 3,622 | 2,225 |
| % Effective Rate | 21.5% | 21.5% | 21.5% | 21.5% |
| % Cash Tax Rate | | | | |
| Minority Interests or Preferred Stock | 110 | 110 | 110 | 110 |
| Net Income | 12,241 | 12,710 | 13,115 | 8,014 |
| <i>Average Diluted Shares Outstanding</i> | 14,358 | 14,358 | 14,358 | 14,358 |
| Zacks Cash EPS | 0.85 | 0.89 | 0.91 | 0.56 |

Source: Zacks analyst

HISTORICAL STOCK PRICE



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