

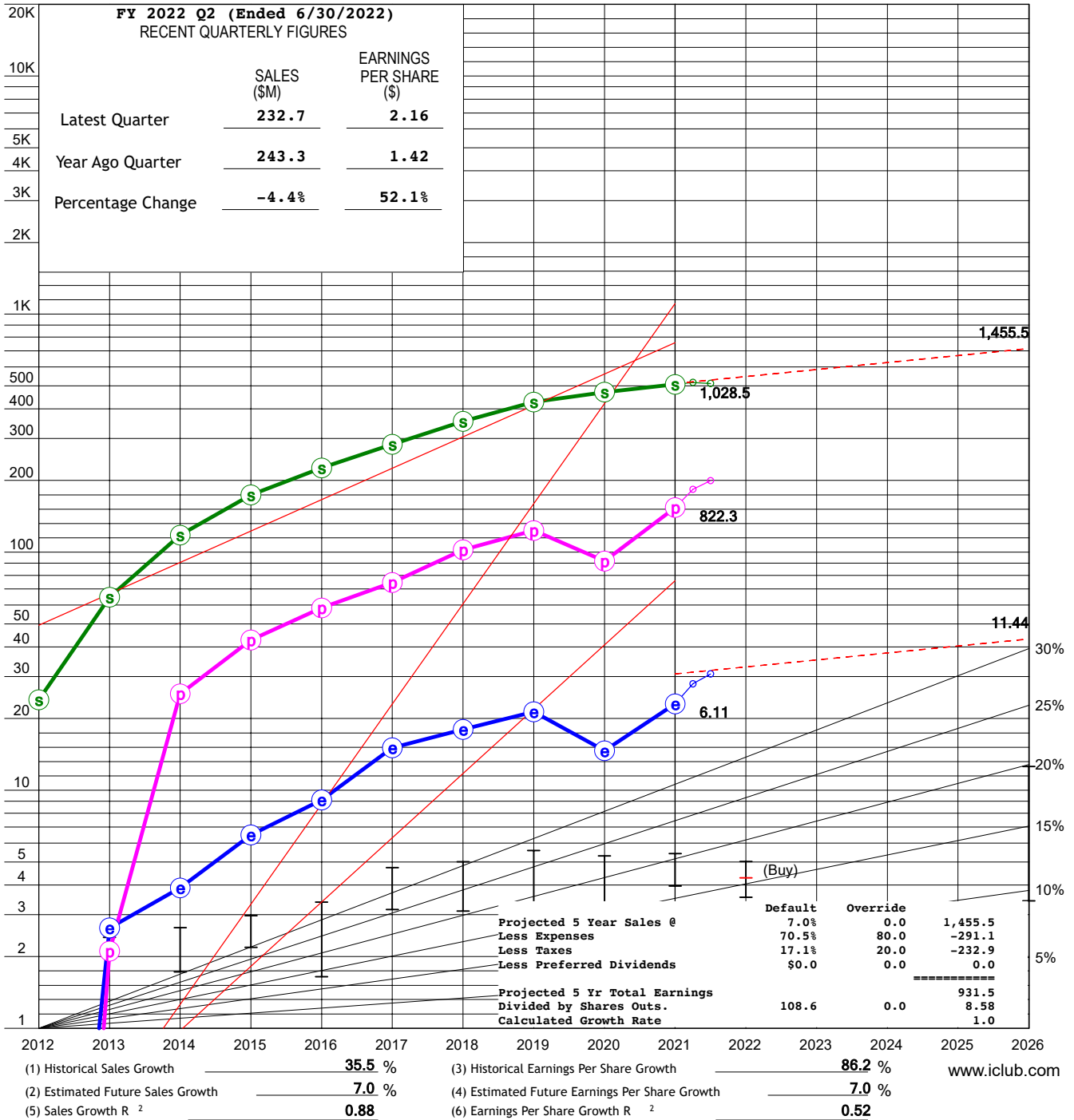


Stock Selection Guide

Company	Essent Group	Price Date	08/05/22
Study by	jah	Data Date	08/01/22
Sector	Financial Services	Last Judgment	08/08/22
Industry	Insurance - Specialty	Data Source	BI
Preferred(\$M)	0.0	Reference	Morningsta
Diluted(M Shares)	108.6	% Insiders	2.9
Total Debt(\$M)	420.1	% Institutions	80.8
% Tot Debt to Tot Cap	9.2	Quality	

1 Growth Analysis

NYS: ESNT



2 QUALITY ANALYSIS

Company **Essent Group (ESNT)**

08/05/22

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	5 YEAR AVG.	TREND UP / DOWN
A % Pre-tax Profit on Sales	-28.5	8.6	56.8	64.7	68.1	69.1	76.0	76.0	51.3	80.0	70.5	UP
B % ROE (Beginning Yr)		NMF	40.6	20.0	20.7	28.4	26.4	25.1	13.4	18.3	22.3	DOWN
C % LT Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	EVEN

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) **42.83 (5.2)** 52-WEEK HIGH (P/E) **50.17 (6.1)** 52-WEEK LOW (P/E) **35.53 (4.4)**

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield	
1 2017	47.3	31.5	3.99	11.9	7.9	0.000	0.0	0.0	
2 2018	50.1	31.1	4.77	10.5	6.5	0.000	0.0	0.0	
3 2019	55.8	33.4	5.66	9.9	5.9	0.300	5.3	0.9	
4 2020	53.0	17.5	3.88	13.7	4.5	0.640	16.5	3.7	
5 2021	54.2	39.6	6.11	8.9	6.5	0.700	11.5	1.8	
6 AVERAGE		30.6		11.0	6.3		11.1		
AVERAGE P/E RATIO	8.7		PROJECTED P/E RATIO		4.9		TTM EPS		8.16
CURRENT P/E RATIO	5.2		PEG RATIO		0.7		FTM EPS		8.73
RELATIVE VALUE	60.1%		PROJ. RELATIVE VALUE		56.7%		AVG TTM + FTM EPS		8.45

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS – NEXT 5 YEARS

Selected High P/E **11.0** X Estimated High Earnings/Share **11.44** = Forecast High Price \$ **125.8**

B FUTURE LOW PRICE ANALYSIS – NEXT 5 YEARS

(a) Sel. Low P/E **6.3** (as adj.) X Estimated Low Earnings/Share **6.11** = \$ **38.5**
 (b) Average 5-Year Low Price = **30.6**
 (c) Recent Severe Low Price = **17.5**
 (d) Price Dividend Will Support = Present Divd. + High Yield = **0.84 + 0.037 = 23.0**
 Selected Estimated Low Price = \$ **34.3**

C PRICE RANGES

Forecast High Price **125.8** - Estimated Low Price **34.3** = Range **91.5** 33% of Range = **30.5**
 BUY (Lower 33% of Range) = **34.3** to **64.8**
 MAYBE (Middle 33% of Range) = **64.8** to **95.3**
 SELL (Upper 33% of Range) = **95.3** to **125.8**
 Current Price **42.83** is in the **Buy** Range

D UPSIDE/DOWNSIDE ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price **125.8** - Current Price **42.83**) ÷ (Current Price **42.83** - Estimated Low Price **34.3**) = **9.7** To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend \$ **0.840** ÷ Current Price of Stock \$ **42.83** = **2.0 %** Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout **11.1** ÷ Forecast High P/E **11.0** = Avg. Yield **1.0**

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout **11.1** ÷ Forecast Avg P/E **8.7** = Avg. Yield **1.3**

C % COMPOUND ANNUAL TOTAL RETURN - USING FORECAST HIGH P/E

Average Yield **1.0 %** + Annual Appreciation **24.0 %** = Compound Annual Total Return **25.1 %**

D % PROJECTED AVERAGE RETURN - USING FORECAST AVERAGE P/E

Average Yield **1.3 %** + Annual Appreciation **18.2 %** = Projected Average Total Return **19.5 %**