

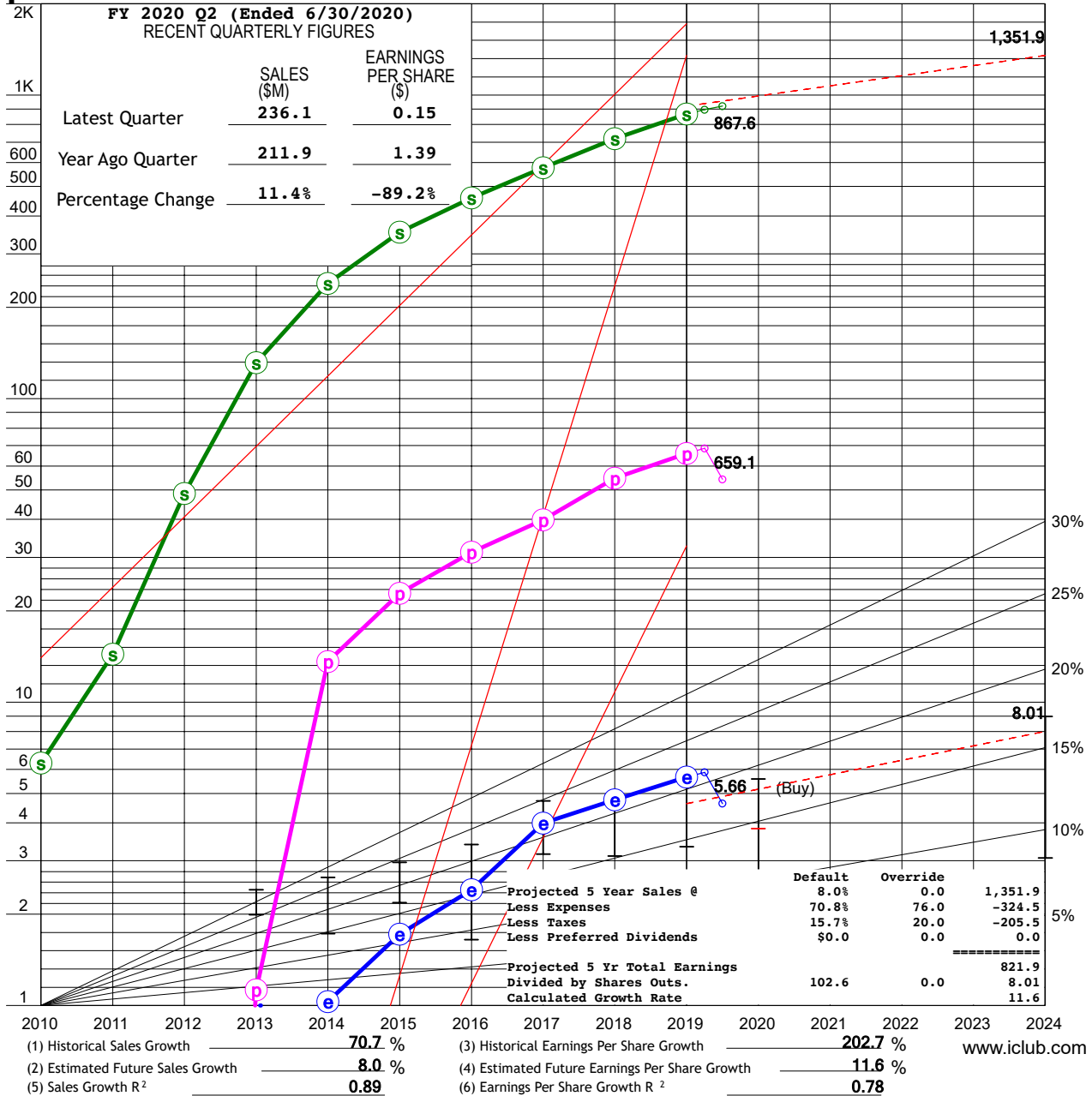


Stock Selection Guide

Company	Essent Group	Price Date	09/14/20
Study by	jah	Data Date	09/14/20
Sector	Financial Services	Last Judgment	09/15/20
Industry	Mortgage Finance	Data Source	StkCntrl
Preferred(\$M)	0.0	Reference	Morningsta
Diluted(M Shares)	102.6	% Insiders	2.3
Total Debt(\$M)	424.5	% Institutions	87.9
% Tot Debt to Tot Cap	12.5	Quality	8.9 (Take Stock)

1 Growth Analysis

NYS: ESNT



2 QUALITY ANALYSIS

Company **Essent Group (ESNT)**

09/14/20

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	5 YEAR AVG.	TREND UP / DOWN
A % Pre-tax Profit on Sales	438.6	239.4	28.5	8.6	56.8	64.7	68.1	69.1	76.0	76.0	70.8	UP
B % ROE (Beginning Yr)	8.0	NMF	NMF	NMF	40.6	20.0	20.7	28.4	26.4	25.1	24.1	UP
C % LT Debt to Equity	0.0	0.0	0.0	0.0	0.0	0.0	7.7	14.4	10.1	7.9	10.0	DOWN

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) **38.29 (8.3)** 52-WEEK HIGH (P/E) **55.84 (12.1)** 52-WEEK LOW (P/E) **17.52 (3.8)**

Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield	
1 2015	29.7	21.9	1.72	17.3	12.7	0.000	0.0	0.0	
2 2016	33.9	16.5	2.41	14.1	6.8	0.000	0.0	0.0	
3 2017	47.3	31.5	3.99	11.9	7.9	0.000	0.0	0.0	
4 2018	50.1	31.1	4.77	10.5	6.5	0.000	0.0	0.0	
5 2019	55.8	33.4	5.66	9.9	5.9	0.300	5.3	0.9	
6 AVERAGE		26.9		12.7	8.0		5.3		
AVERAGE P/E RATIO	10.4		PROJECTED P/E RATIO	7.4		TTM EPS	4.63		
CURRENT P/E RATIO	8.3		PEG RATIO	0.6		FTM EPS	5.17		
RELATIVE VALUE	80.2%		PROJ. RELATIVE VALUE	71.6% 82.8%		AVG TTM + FTM EPS	4.90		

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS – NEXT 5 YEARS

Selected High P/E ~~12.7~~ **11.2** X Estimated High Earnings/Share **8.01** = Forecast High Price \$ **89.7**

B FUTURE LOW PRICE ANALYSIS – NEXT 5 YEARS

(a) Sel. Low P/E ~~8.0~~ **6.7** (as adj.) X Estimated Low Earnings/Share **5.66** = \$ **37.9**

(b) Average 5-Year Low Price = **26.9**

(c) Recent Severe Low Price = **17.5**

(d) Price Dividend Will Support = Present Divd. + High Yield = **0.64 + 0.009 = 71.3**

Selected Estimated Low Price = \$ **30.6**

C PRICE RANGES

Forecast High Price **89.7** - Estimated Low Price **30.6** = Range **59.1** 25% of Range = **14.8**

BUY (Lower 25% of Range) = **30.6** to **45.4**

MAYBE (Middle 50% of Range) = **45.4** to **74.9**

SELL (Upper 25% of Range) = **74.9** to **89.7**

Current Price **38.29** is in the **Buy** Range

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

(Forecast High Price **89.7** - Current Price **38.29**) ÷ (Current Price **38.29** - Estimated Low Price **30.6**) = **6.7** To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend \$ **0.640** ÷ Current Price of Stock \$ **38.29** = **1.7 %** Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout **5.3** ÷ Forecast High P/E **11.2** = Avg. Yield **0.5**

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout **5.3** ÷ Forecast Avg P/E **9.0** = Avg. Yield **0.6**

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

Average Yield **0.5 %** + Annual Appreciation **18.6 %** = Compound Annual Total Return **19.0 %**

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

Average Yield **0.6 %** + Annual Appreciation **13.4 %** = Projected Average Total Return **14.0 %**

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