Stock Study

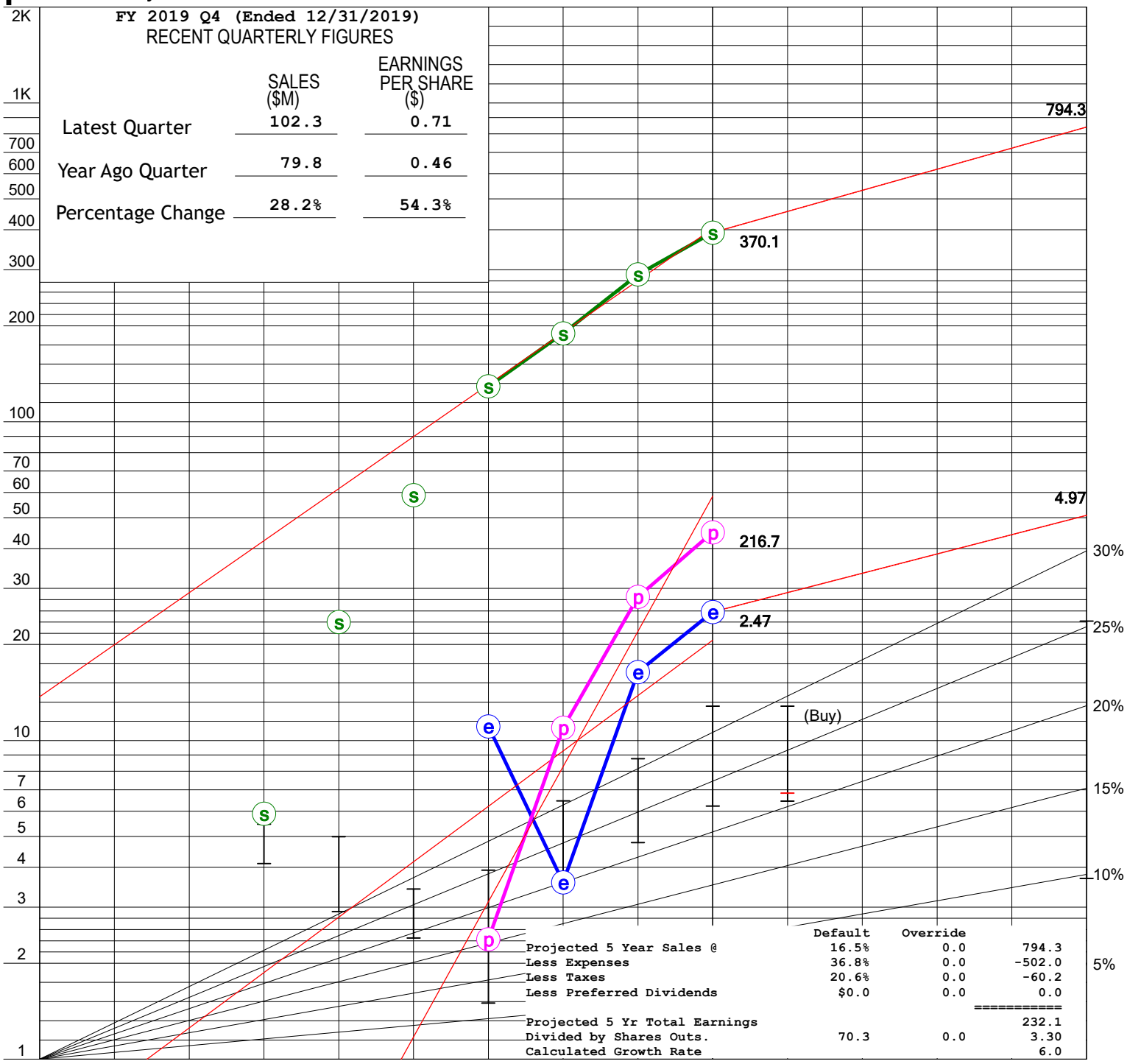
Company	NMI Holdings Inc	Price Date	03/13/20
Study by	Jack	Data Date	03/05/20
Sector	Financial Services	Last Judgment	03/14/20
Industry	Insurance - Property & C	Data Source	BI
Preferred($M)	0.0	Reference	Morningsta
Diluted(M Shares)	70.3	% Insiders	2.5
Total Debt($M)	145.8	% Institutions	63.8
% Tot Debt to Tot Cap	14.3	Quality	

1 Growth Analysis

NAS: NMIH

FY 2019 Q4 (Ended 12/31/2019)
RECENT QUARTERLY FIGURES

	SALES ($M)	EARNINGS PER SHARE ($)
Latest Quarter	102.3	0.71
Year Ago Quarter	79.8	0.46
Percentage Change	28.2%	54.3%



	Default	Override	
Projected 5 Year Sales @	16.5%	0.0	794.3
Less Expenses	36.8%	0.0	-502.0
Less Taxes	20.6%	0.0	-60.2
Less Preferred Dividends	$0.0	0.0	0.0
Projected 5 Yr Total Earnings			232.1
Divided by Shares Outs.	70.3	0.0	3.30
Calculated Growth Rate			6.0

(1) Historical Sales Growth	45.6 %	(3) Historical Earnings Per Share Growth	49.2 %
(2) Estimated Future Sales Growth	16.5 %	(4) Estimated Future Earnings Per Share Growth	15.0 %
(5) Sales Growth R ²	~~0.86~~ 1.00	(6) Earnings Per Share Growth R ²	~~0.80~~ 0.38

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2 QUALITY ANALYSIS

Company NMI Holdings Inc (NMIH) 03/13/20

		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	5 YEAR AVG.	TREND UP / DOWN
A	% Pre-tax Profit on Sales			-9680.3	992.5	-231.0	-50.1	9.4	29.6	49.7	58.5	36.8	UP
B	% ROE (Beginning Yr)				NMF	-10.9	-6.3	15.6	4.8	18.9	24.8	16.0	UP
C	% LT Debt to Equity	0.0	0.0	0.0	0.0	0.0	35.3	32.6	27.4	21.8	16.4	26.7	DOWN

3 PRICE, PRICE/EARNINGS RATIO and DIVIDEND ANALYSIS

CURRENT PRICE (P/E) 19.10 (7.8) 52-WEEK HIGH (P/E) 35.79 (14.7) 52-WEEK LOW (P/E) 18.01 (7.4)

	Fiscal Year	High Price	Low Price	EPS	High P/E	Low P/E	Dividend	% Payout	% High Yield
1	2015	9.6	6.7	-0.47	NMF	NMF	0.000	0.0	0.0
2	2016	11.0	4.2	1.08	10.2	3.9	0.000	0.0	0.0
3	2017	18.1	9.9	0.35	51.7	28.3	0.000	0.0	0.0
4	2018	24.5	13.4	1.60	15.3	8.4	0.000	0.0	0.0
5	2019	35.8	17.4	2.47	14.5	7.0	0.000	0.0	0.0
6	AVERAGE		10.3		13.3	6.4		0.0	

AVERAGE P/E RATIO	17.4 9.9	PROJECTED P/E RATIO	6.8	TTM EPS	2.44
CURRENT P/E RATIO	7.8	PEG RATIO	0.5	FTM EPS	2.81
RELATIVE VALUE	44.8% 79.2%	PROJ. RELATIVE VALUE	39.1% 69.1%	AVG TTM + FTM EPS	2.62

4 EVALUATING REWARD and RISK over the next 5 years

A FUTURE HIGH PRICE ANALYSIS -- NEXT 5 YEARS

Selected High P/E 13.3 X Estimated High Earnings/Share 4.97 = Forecast High Price $ 66.1

B FUTURE LOW PRICE ANALYSIS -- NEXT 5 YEARS

(a) Sel. Low P/E 6.4 (as adj.) X Estimated Low Earnings/Share 2.47 2.44 = $ 15.6

(b) Average 5-Year Low Price = 10.3

(c) Recent Severe Low Price = 13.4

(d) Price Dividend Will Support = Present Divd. ÷ High Yield = 0.00 ÷ 0.000 = 0.0

Selected Estimated Low Price = $ 10.3

C PRICE RANGES

Forecast High Price 66.1 - Estimated Low Price 10.3 = Range 55.8 25% of Range = 13.9

BUY (Lower 25% of Range) = 10.3 to 24.2

MAYBE (Middle 50% of Range) = 24.2 to 52.2

SELL (Upper 25% of Range) = 52.2 to 66.1

Current Price 19.10 is in the Buy Range

D REWARD/RISK ANALYSIS (Potential Gain vs. Risk of Loss)

(Forecast High Price 66.1 - Current Price 19.10) ÷ (Current Price 19.10 - Estimated Low Price 10.3) = 5.3 To 1

5 TOTAL RETURN ANALYSIS

A CURRENT YIELD

Present Full Year's Dividend $ 0.000 ÷ Current Price of Stock $ 19.10 = 0.0 % Present Yield or % Returned on Purchase Price

B AVERAGE YIELD - USING FORECAST HIGH P/E

Avg. % Payout 0.0 ÷ Forecast High P/E 13.3 = Avg. Yield 0.0

AVERAGE YIELD - USING FORECAST AVERAGE P/E

Avg. % Payout 0.0 ÷ Forecast Avg P/E 9.9 = Avg. Yield 0.0

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

Average Yield 0.0 % + Annual Appreciation 28.2 % = Compound Annual Total Return 28.2 %

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

Average Yield 0.0 % + Annual Appreciation 20.7 % = Projected Average Total Return 20.7 %

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