



COMPANY OVERVIEW

Description (From KNSL's investor relations page) "Founded in 2009, Kinsale Capital Group is an established and expanding specialty insurance company focused on the excess and surplus lines ("E&S") market in the U.S. We use our underwriting expertise to write coverages for hard-to-place small and mid-sized business risks. Our goal is to deliver long-term value for our stockholders by generating exceptional, consistent financial growth. We seek to accomplish this by producing reliable and attractive underwriting profits, steady investment returns, and managing our capital prudently. We have built a company that is both entrepreneurial and highly efficient, leveraging our proprietary technology platform and the expertise of our employees." Industry estimates (A.M. Best) that the E&S market is approximately \$82.7 billion in premiums. This gives KNSL a market share of 1.3%, with great scope for growth. The E&S market has grown by 10.3% CAGR from 2011 to 2021, whilst the more traditional Property and Casualty (P&C) premiums have only grown by 4.8% over this period. The company was founded by Michael Kehoe who is still the CEO, he was formerly the CEO at James River Group, one of KNSL's competitors.	Geographical split ⇒ USA 100%, in all states. Distribution Via approved brokers, with three firms writing > 10% of Gross Premiums as follows: 18.4%, 16.2% and 10.7%. Management CEO & Founder tenure 14.5 years CFO tenure 14.5 years Insider ownership 6.0% Competitive advantage Proprietary IT infrastructure keeping cost low and allowing faster more disciplined quotes. Centralised, in-house underwriting. Broker network preferred supplier. Main strengths Lowest combined ratio (underwriting and costs) in the industry. Focus on small account E&S market, no large single client exposures. Main Risks Catastrophic regional events resulting in large claims. Underwriting and pricing risk. E&S risks more complex.
Revenue split by type ⇒ E&S Insurance 100% Market share in USA E&S market ⇒ 1.3% (Great growth opportunity)	Significant peers Arch Capital, Argo Group, James River Group, Lloyds of London, Markel Corporation, RLI Corp.

RATIO'S

Capital allocation	Profitability	Balance Sheet
ROCE 36.90% ROCE – 5 year avg 25.90% ROE 35.40% ROE – 5yr average 23.60%	Operating Margin 33.10% OM – 5yr. average 26.00% Underwriting margin 45.40% UM 5 yr. average 41.92% FCF/Net income 276.6%	Debt/Equity 15.7% EBIT/Interest 43.50 CAPEX/Sales 0.6% CAPEX/Sales 5 yr. 2.4% CAPEX to OCF 0.09%
Historical Growth (CAGR)	Outlook*	Valuation
Revenue growth 5yr 40.69% Revenue growth 3yr 38.79% EPS Growth 5yr 53.99% EPS Growth 3yr 51.92%	Revenue growth (5yrs) 18% EPS Growth (5 yr) 25%	P/E 25.75 PEG 1.43 Forward P/E 22.42 Average forward P/E 5yr 31.22

All data provided by FinChat, other than *Outlook which are Celestial estimates.