

Kinsale

2Q23 Earnings: Another Beat and Raise, But Difficult to Chase Stock At These Levels

KNSL's 2Q23 was more of the same - with premiums and margins trending ahead of expectations – and in our view a good signal for strong results in future quarters. As such, our EPS estimates and price target are going up. Although we think that Kinsale has shown itself to be a high-quality E&S operator, we are reluctant to chase the stock because of its full valuation, even if we are proven wrong (yet again) by a hard P&C market that has lasted well beyond initial expectations.

- EPS beat.** KNSL reported 2Q23 operating EPS of \$2.88, well above our \$2.62 estimate and consensus of \$2.48. Compared to our model, KNSL posted better underwriting margins (+\$0.23 favorable vs. our estimate) and investment income (+\$0.07). Net written premium growth was strong (+50.6% vs. +34.0%E), which has positive implications for future earned premium and new/renewal written premiums. Investment income continued to benefit from strong operating cash flow and an improving portfolio yield.
- Slight accounting wrinkle will affect the comparability of underwriting results this quarter.** Due to their growing size on the P&L, KNSL changed its accounting treatment for policy fees beginning April 1 and now shows them as a revenue item instead of a contra-expense to offset other underwriting expenses (only financials for 1Q22, 2Q22, 1Q23, and 2Q23 are available on this basis for now). As a result, the combined ratio (and its component loss and expense ratios) will now have the sum of earned premiums and policy fees in the denominator. Applied to historical financials, this change would imply a decline in the loss ratio (higher denominator) and an increase in the expense ratio (higher denominator offset by a larger numerator).
- Underwriting results still strong either way.** KNSL reported a combined ratio of 76.7% in 2Q23 under the new accounting policy, consisting of a 55.7% loss ratio and a 21.0% expense ratio. Under prior accounting, this would have translated to a combined ratio of 76.1%, which is directly comparable (and better) than our 79.1% assumption. The loss ratio would have been 57.2% (vs. 58.9%E), driven by lower attritional losses, lower catastrophes, and higher favorable development. The expense ratio would have been 18.9% (vs. 20.2%E) due to higher ceding commissions paid by reinsurers to KNSL.
- Miscellaneous items from 2Q23.** (1) KNSL continues to manage down the duration of its investment portfolio (3.1 years in 2Q23 versus 3.4 years in 1Q23 and 4.2 years in 2Q22). Portfolio yields are running roughly 100-120 bps higher versus last year. (2) No change in favorable commentary about submission activity and pricing (across most lines of business). (3) Average written premiums per policy were \$17,800 in 2Q23, up 23% from \$14,500 in 2Q22, and an acceleration from mid-teens growth in the past several quarters. (4) Reserve releases of \$10.4 million in 2Q23 consisted of \$14.4 million of favorable development from accident years 2021 and 2022, partly offset by adverse development on property damage claims within construction-related casualty business from accident years 2017 and 2019.

Sources for: Style Exposure – J.P. Morgan Quantitative and Derivatives Strategy; all other tables are company data and J.P. Morgan estimates.

Neutral

KNSL, KNSL US
Price (27 Jul 23): \$378.57

▲ **Price Target (Dec-24): \$350.00**
Prior (Dec-24): \$340.00

Insurance - Life & Nonlife

Pablo S. Singzon ^{AC}

(1-212) 622-2295
pablo.s.singzon@jpmorgan.com
Bloomberg JPMA SINGZON <GO>

Jimmy S. Bhullar, CFA

(1-212) 622-6397
jimmy.s.bhullar@jpmorgan.com

Nicholas M Annitto

(1-212) 622-6705
nicholas.annitto@jpmorgan.com

Scott Haveman, CPA

(1-212) 622 9937
scott.haveman@jpmchase.com
J.P. Morgan Securities LLC

Key Changes (FYE Dec)

	Prev	Cur
Adj. EPS - 23E (\$)	10.80	11.46
Adj. EPS - 24E (\$)	13.98	15.07

Quarterly Forecasts (FYE Dec)

Adj. EPS (\$)	2022A	2023E	2024E
Q1	1.63	2.44A	
Q2	1.92	2.88A	
Q3	1.64	2.82	
Q4	2.60	3.35	
FY	7.80	11.46	15.07

Style Exposure

Quant Factors	Current		Hist %Rank (1=Top)			
	%Rank	6M	1Y	3Y	5Y	
Value	54	81	99	100	97	
Growth	9	4	5	11	5	
Momentum	6	5	3	3	2	
Quality	5	8	8	19	24	
Low Vol	69	76	70	37	79	
ESGQ	17	81	75	40	95	

2Q23 Results

EPS: \$2.88A vs. \$2.62E

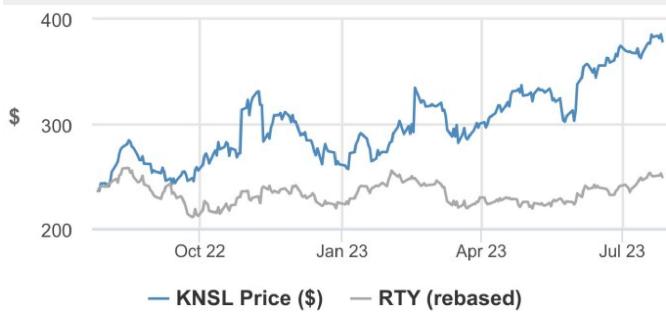
NPW growth: +50.6% vs. +34.0%E

Comb. ratio: 76.7% vs. 79.1%E

See page 13 for analyst certification and important disclosures.

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Price Performance



	YTD	1m	3m	12m
Abs	44.8%	3.3%	12.4%	60.5%
Rel	33.8%	-2.4%	0.8%	54.7%

Company Data

Shares O/S (mn)	23
52-week range (\$)	388.87-228.71
Market cap (\$ mn)	8,768.51
Exchange rate	1.00
Free float(%)	94.6%
3M - Avg daily vol (mn)	0.20
3M - Avg daily val (\$ mn)	68.0
Volatility (90 Day)	28
Index	RUSSELL 2000
BBG BUY HOLD SELL	3 5 0

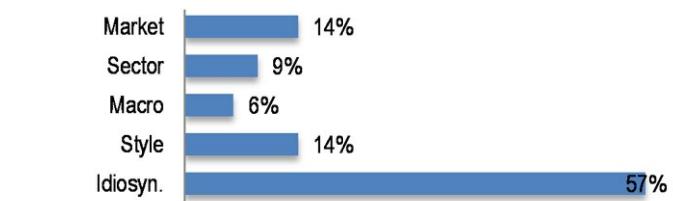
Key Metrics (FYE Dec)

\$ in millions	FY22A	FY23E	FY24E	FY25E
Financial Estimates				
NEP (Premium)	794	1,102	1,471	1,741
Underwriting income	166	215	278	323
Net investment income	25	106	137	177
Operating income	191	321	415	500
Adj. PBT	186	310	404	489
Adj. net income	180	268	354	427
Adj. EPS	7.80	11.46	15.07	18.10
BBG EPS	7.32	10.37	12.65	15.24
DPS	0.52	0.56	0.64	0.72
Investments	743	1,007	1,346	1,757
BVPS	32.28	43.60	57.99	75.32
NAVPS	-	-	-	-
Margins and Growth				
Adj. EPS growth	35.9%	47.0%	31.4%	20.1%
Ratios				
Adj. tax rate	19.6%	20.6%	20.6%	20.5%
Loss ratio	57.0%	57.2%	58.1%	58.6%
Combined ratio	78.4%	79.1%	79.8%	80.2%
Invest inc. % of Investments	-	-	-	-
Regulatory solvency ratio	-	-	-	-
Leverage (Debt/Debt+Equity)	-	-	-	-
ROE	25.0%	30.6%	30.0%	27.5%
Valuation				
Dividend yield	0.1%	0.1%	0.2%	0.2%
Adj. P/E	48.5	33.0	25.1	20.9
P/BV	11.7	8.7	6.5	5.0

Summary Investment Thesis and Valuation

We affirm our Neutral rating. KNSL is the only publicly traded P&C insurer that operates exclusively in the E&S insurance market with a focus on small commercial accounts. Our long-term outlook for KNSL is positive given its large addressable market, superior technology platform, and low cost base, which we view as a sustainable competitive advantage. Still, the stock's valuation seems full at current levels, and we are concerned about the risk of multiple compression as the P&C pricing cycle moderates.

Performance Drivers



Factors	6M Corr	1Y Corr
Market: MSCI US	0.19	0.37
Sect: Financials	0.36	0.30
Ind: Insurance	0.45	0.42
Macro:		
US Dollar	0.38	0.20
US 10yr yield	0.30	0.15
Economic Surprise	0.18	0.14
Quant Styles:		
Momentum	0.42	0.35
Growth	-0.39	-0.27
LowVol	0.23	0.19

Source: J.P. Morgan Quantitative and Derivatives Strategy for Performance Drivers; company data, Bloomberg Finance L.P. and J.P. Morgan estimates for all other tables. Note: Price history may not be complete or exact.

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Investment Thesis

Please see Page 5 for tables summarizing 2Q23 results. KNSL will hold its earnings conference call at 9:00 AM Eastern on July 28, 2023. The dial-in number for the call is 888-660-6493; code: 3573726. The call replay will be available on <https://ir.kinsalecapitalgroup.com>.

We affirm our Neutral rating. We expect KNSL's premiums and margins to benefit from favorable trends in the E&S market, which continues to generate outsized growth at attractive pricing/terms. The property insurance market is particularly compelling, and KNSL intends to grow the relative size of this business (25% of premiums in 1Q23, 20% of premiums in 2022) while controlling its exposure to property catastrophe risk. Also, we think that Kinsale's low-cost operating model is a sustainable competitive advantage across the pricing cycle, especially against higher cost competitors like Lloyd's writers. On the other hand, our view is that the stock's valuation is full compared to commercial peers and specialist names even after giving credit to KNSL's growth potential and above-average margins. Further, while favorable P&C market conditions are likely to persist through 2023 and will have positive implications for KNSL's reserves and future earnings, the eventual turn in the P&C pricing cycle is a downside risk to its above-average multiple.

Well-Positioned to Capitalize on Favorable P&C Market

In our view, the E&S market - where KNSL operates exclusively - will eventually see moderating new business volumes and price hikes as more underwriters focus on growth (weighing on pricing) and admitted markets increase their appetite for risk (recapturing business that had been diverted to E&S). Still, we think that KNSL can grow premiums at a strong pace given its small base and the fragmented nature of the pricing cycle whereby certain lines (property, marine) are only beginning to benefit from harder prices despite a slowdown in other lines. With respect to profitability, we expect the combination of price hikes – historical and prospective – and conservative reserving to support healthy margins at KNSL over the medium term.

Low Cost Operating Model a Durable Competitive Advantage

KNSL has a proprietary and fully integrated technology platform built from ground up - in contrast to peers that use unwieldy hybrid systems consisting of legacy platforms and newer technologies - which allows it to handle significant business volumes without sacrificing customer responsiveness, underwriting quality, and expense efficiency. As a result, KNSL maintains an industry leading expense ratio, and we expect it to outperform higher cost competitors (especially Lloyd's which is more than 20% of the E&S market) through the pricing cycle. During softer markets, KNSL can grow premiums as others pull back while maintaining above-average profitability. In hard markets, Kinsale can be a price taker and generate an even larger excess return.

Eventual Turn in Pricing Cycle is a Risk

The P&C industry is well into the current hard market and we expect overall price hikes to eventually moderate as re/insurers re-position themselves for growth (property and catastrophe coverage likely to be the exception in the near term). Given this, we see multiple compression as a risk since pricing/volume swings tend to be more volatile in E&S given its function as a safety valve for the P&C industry. Although we think some portion of market share gains by E&S are permanent and that KNSL will thrive even if prices soften, our view is that a reasonable valuation analysis will have to look several years out because of KNSL's above-average growth profile and would therefore have to account for how conditions in the P&C market are likely to be at that future time.

2Q23 Summary Results

The following tables and charts summarize KNSL's 2Q23 results as well as its operating performance over the past several years:

Table 1: 2Q23 Earnings: Actual versus Expected

\$ in millions, %, and bps

	JPM 2Q23E	Actual 2Q23	Actual v. Expected
<u>Underwriting Results</u>			
Net premiums written (\$)	324.8	365.0	12.4%
Net premiums earned (\$)	268.8	257.0	-4.4%
Loss ratio			
AY loss ratio	58.9%	55.7%	-321 bps
Catastrophe losses	61.0%	59.1%	-191 bps
Unfavorable (favorable) PYD	0.9%	0.5%	-35 bps
Expense ratio	-3.0%	-3.9%	-95 bps
Combined ratio	20.2%	21.0%	81 bps
AY combined ratio ex. cats	79.1%	76.7%	-240 bps
<u>Summary Income Statement</u>			
Underwriting income	56.2	61.5	\$0.23
Net premiums earned	268.8	257.0	(\$0.50)
Attritional losses	(164.0)	(156.0)	\$0.34
Catastrophe losses	(2.4)	(1.5)	\$0.04
(Unfavorable) development	8.1	10.4	\$0.10
Commissions	(32.3)	(27.1)	\$0.22
Other expenses	(22.0)	(21.4)	\$0.03
Net investment income	22.6	24.2	\$0.07
Taxes and other	(17.3)	(18.5)	(\$0.05)
Operating income	61.5	67.2	\$0.24
Average diluted shares	23.4	23.3	\$0.02
Operating EPS	\$2.62	\$2.88	\$0.26

Source: Company reports and J.P. Morgan estimates. Note: Fee income included in "other expenses" above. Loss, expense, and combined ratios are not directly comparable because of KNSL's new accounting for policy fees.

Table 2: 2Q23 Earnings: Actual versus JPM Estimates and Consensus

\$ in millions, %, and bps

	Actual	JPM	%	Consensus	%
Net premiums written	365.0	324.8	12.4%	311.5	17.2%
Net premiums earned	257.0	268.8	-4.4%	261.2	-1.6%
Loss ratio	55.7%	58.9%	-321 bps	58.8%	-311 bps
Expense ratio	21.0%	20.2%	81 bps	20.2%	85 bps
Combined ratio	76.7%	79.1%	-240 bps	79.1%	-241 bps
Operating EPS	\$2.88	\$2.62	9.8%	\$2.48	16.2%

Source: Company reports, J.P. Morgan estimates, and Bloomberg Finance L.P.

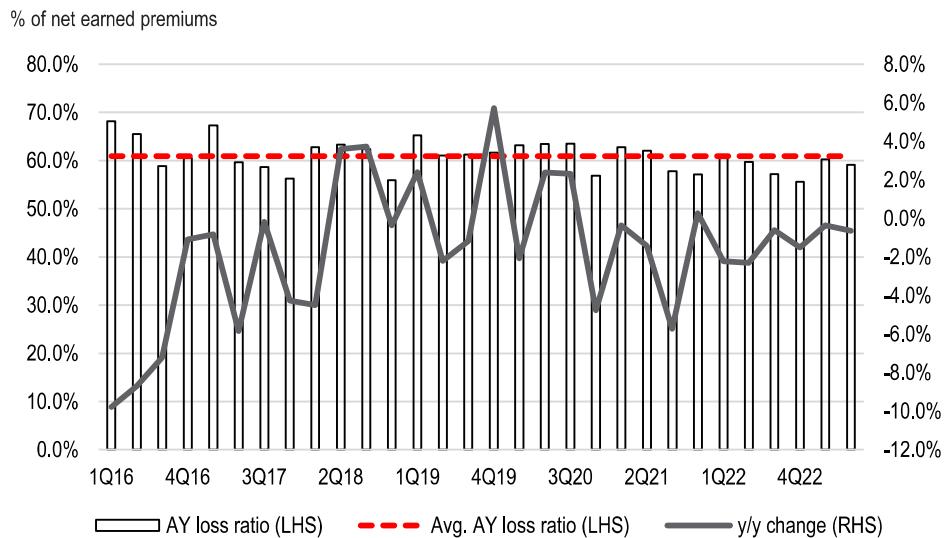
Table 3: Historical Operating Performance

\$ in millions and %

	2019	1Q20	2Q20	3Q20	4Q20	2020	1Q21	2Q21	3Q21	4Q21	2021	1Q22	2Q22	3Q22	4Q22	2022	1Q23	2023
Premium Trends																		
Gross written premiums	389.7	124.0	134.1	144.8	149.9	552.8	168.9	194.1	197.6	203.8	764.4	245.5	277.0	284.1	295.5	1,102.1	357.6	438.2
% ceded	12.2%	12.9%	12.3%	15.6%	13.1%	13.5%	14.6%	13.6%	13.5%	12.9%	13.6%	11.8%	12.5%	17.0%	18.1%	15.0%	16.4%	16.7%
Net written premiums	342.1	108.1	117.6	122.2	130.3	478.2	144.3	167.8	170.7	177.5	660.2	216.5	242.3	235.9	242.1	936.8	299.0	365.0
% growth y/y	45.2%	47.9%	42.2%	40.9%	30.9%	39.8%	33.5%	42.6%	39.6%	36.2%	38.1%	50.0%	44.5%	38.2%	36.4%	41.9%	38.1%	50.6%
Net earned premiums	283.0	89.8	97.0	108.2	117.8	412.8	123.0	137.7	156.9	165.3	582.9	178.6	190.2	209.3	216.1	794.1	237.2	257.0
% growth y/y	33.0%	46.0%	46.7%	49.1%	42.3%	45.9%	37.1%	42.0%	44.9%	40.3%	41.2%	45.1%	38.1%	33.4%	30.8%	36.2%	32.8%	35.2%
Underwriting Results																		
AY loss ratio	62.2%	63.1%	63.5%	63.5%	56.9%	61.5%	62.8%	62.0%	57.8%	57.1%	59.7%	62.0%	61.3%	57.2%	55.6%	58.8%	60.2%	59.1%
Catastrophe losses	1.1%	0.1%	0.4%	15.4%	5.1%	5.6%	0.1%	2.1%	3.7%	-0.1%	1.5%	0.0%	0.0%	12.5%	0.2%	3.4%	0.6%	0.5%
Unfavorable (favorable) PYD	-3.3%	-3.4%	-3.7%	-2.8%	-3.1%	-3.2%	-5.7%	-6.6%	-5.9%	-4.0%	-5.5%	-4.7%	-5.0%	-5.3%	-3.3%	-4.5%	-3.7%	-3.9%
Loss ratio	59.9%	59.9%	60.1%	76.2%	58.9%	63.9%	57.1%	57.5%	55.7%	53.1%	55.7%	57.4%	56.3%	64.4%	52.5%	57.7%	57.1%	55.7%
Expense ratio	24.8%	24.0%	23.7%	21.2%	22.8%	22.8%	22.9%	21.7%	20.1%	21.4%	21.4%	21.6%	20.5%	19.2%	19.9%	20.2%	21.7%	21.0%
Combined ratio	84.7%	83.9%	83.8%	97.3%	81.6%	86.8%	80.0%	79.2%	75.7%	74.5%	77.1%	79.0%	76.8%	83.6%	72.5%	77.9%	78.8%	76.7%
AY combined ratio ex. cats	87.0%	87.2%	87.1%	84.7%	79.6%	84.4%	85.7%	83.7%	77.9%	78.6%	81.1%	83.6%	81.8%	76.4%	75.5%	79.1%	81.9%	80.1%
Investment Results																		
Net investment income	20.1	6.0	6.6	7.0	6.5	26.1	6.9	7.4	8.1	8.6	31.0	9.1	10.6	13.9	17.7	51.3	20.7	24.2
% growth y/y	28.3%	32.0%	38.3%	33.1%	17.1%	29.7%	16.5%	11.8%	15.5%	32.1%	18.9%	30.9%	42.6%	71.2%	106.7%	65.2%	127.7%	128.2%
Duration	4.3	4.7	4.6	4.7	4.3	4.3	4.3	4.3	4.4	4.3	4.3	4.6	4.2	3.9	3.5	3.5	3.4	3.1
Gross yield ex. cash (YTD)	3.1%	2.9%	3.0%	3.0%	2.9%	2.9%	2.6%	2.6%	2.5%	2.3%	2.5%	2.5%	2.6%	2.7%	4.2%	3.0%	3.7%	3.8%
Cash and invested assets	908.2	955.0	1,100.0	1,200.0	1,300.0	1,300.0	1,400.0	1,500.0	1,600.0	1,700.0	1,700.0	1,700.0	1,800.0	1,900.0	2,200.0	2,200.0	2,400.0	2,600.0
% growth y/y	41.2%	34.9%	49.8%	38.1%	43.1%	43.1%	46.6%	36.4%	33.3%	30.8%	30.8%	21.4%	20.0%	18.8%	29.4%	41.2%	44.4%	

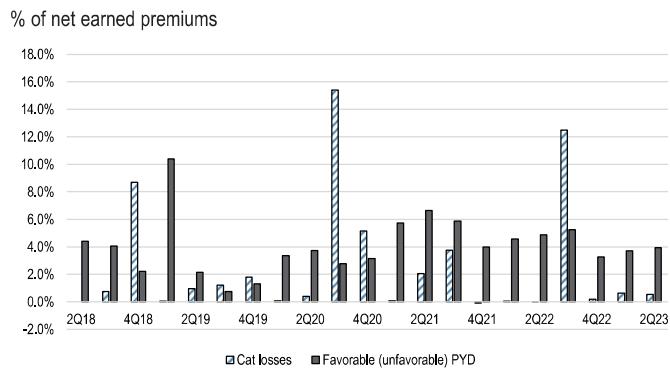
Source: Company reports and J.P. Morgan estimates.

Figure 1: Historical AY Loss Ratio Trends (Quarterly)



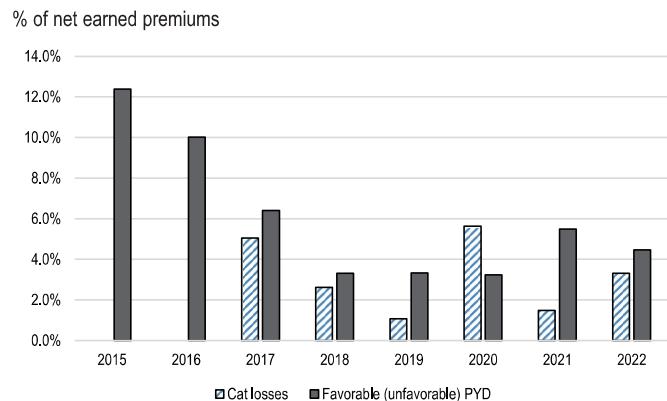
Source: Company reports and J.P. Morgan estimates.

Figure 2: Historical Catastrophe and PYD Trends (Quarterly)



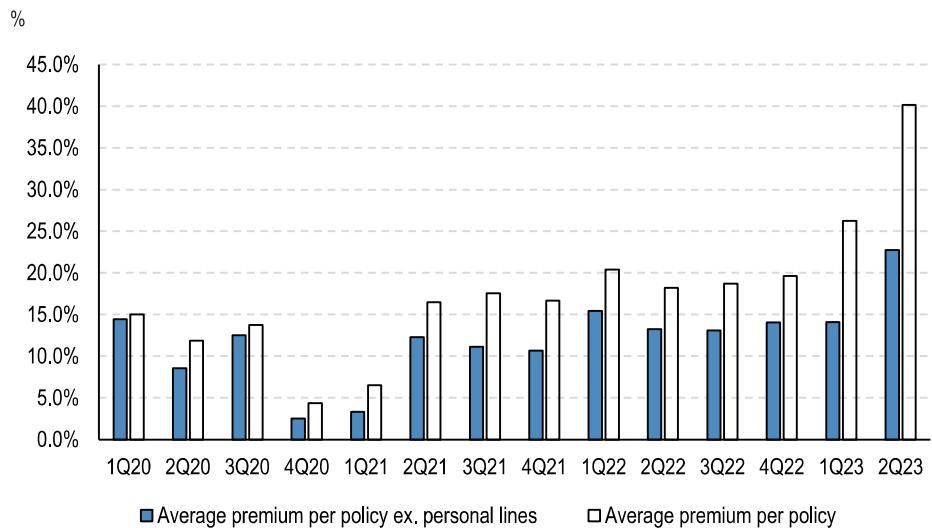
Source: Company reports and J.P. Morgan estimates.

Figure 3: Historical Catastrophe and PYD Trends (Annual)



Source: Company reports and J.P. Morgan estimates.

Figure 4: Year-on-Year % Change in Written Premiums per Policy



Source: Company reports and J.P. Morgan estimates. Note: Data through 1Q23.

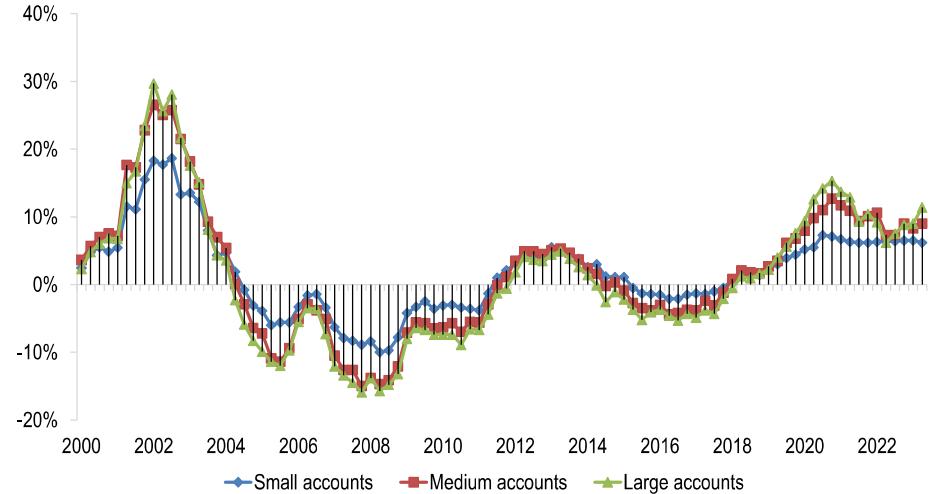
Table 4: KNSL's Historical New Business Metrics

	2015	2016	2017	2018	2019	2020	2021	2022
Submissions	148,691	186,377	226,000	288,000	380,000	461,000	520,000	605,000
Quotes	47,204	80,933	116,000	167,000	234,000	300,000	347,000	419,000
Bound policies	8,533	10,929	14,000	18,000	25,000	31,000	36,000	43,000
Quotes / submissions	31.7%	43.4%	51.3%	58.0%	61.6%	65.1%	66.7%	69.3%
Bound / quotes	18.1%	13.5%	12.1%	10.8%	10.7%	10.3%	10.4%	10.3%
Bound / submissions	5.7%	5.9%	6.2%	6.3%	6.6%	6.7%	6.9%	7.1%
Growth Rate								
Submissions		25%	21%	27%	32%	21%	13%	16%
Quotes		71%	43%	44%	40%	28%	16%	21%
Bound		28%	28%	29%	39%	24%	16%	19%

Source: Company reports and J.P. Morgan estimates. Note: Data through 2022 since only disclosed on annual basis.

Figure 5: Average Commercial Premium Rate Changes by Account Size

Year-over-year change on quarterly basis (%), data through 1Q23



Source: Council of Insurance Agents and Brokers and J.P. Morgan estimates.

Increasing EPS Estimates

We are raising 3Q23 EPS from \$2.62 to \$2.82, 2023 EPS from \$10.80 to \$11.46, and 2024 EPS from \$13.98 to \$15.07. We are assuming higher investment income in future periods given KNSL's higher jump off point in 2Q23. Also, we are assuming higher premium growth for the balance of 2H23 (from 38% to 40%) but leaving our future premium growth assumptions unchanged. As we have said on several occasions, we think KNSL is more likely than not to continue surprising to the upside given the positive momentum underpinning its premium growth, underwriting margins, and investment income. However, our concern is that even after giving credit for most of these factors, KNSL still trades at a significant premium versus peers. Additionally, even if KNSL's stock could justifiably trade at a permanent (albeit lower) premium for structural reasons (high quality franchise, above-average growth, pricing advantage), we think its current valuation multiple has an embedded benefit from the favorable P&C environment, which is not permanent and will eventually deteriorate.

Investment Thesis, Valuation and Risks

Kinsale (*Neutral*; Price Target: \$350.00)

Investment Thesis

We affirm our Neutral rating. KNSL is the only publicly traded P&C insurer that operates exclusively in the E&S insurance market with a focus on small commercial accounts. Our long-term outlook for KNSL is positive given its large addressable market, superior technology platform, and low cost base, which we view as a sustainable competitive advantage. Still, the stock's valuation seems full at current levels, and we are concerned about the risk of multiple compression as the P&C pricing cycle moderates.

Valuation

We are raising our December 2024 price target from \$340 to \$350. Our price target assumes a 5x multiple on 2025 book value and a 19x multiple on 2025 operating income. These target multiples are well above peers', which we think is supported by KNSL's above-average premium growth (long-term low- to mid-teens growth versus mid- to high-single-digit growth for most large commercial peers) and margin profile (high 70s to low 80s CR versus 85-90% for peers). KNSL trades at 10.1x BV, well above specialty peers (ex. PLMR) of 2.1x and commercial peers at 1.6x. On 2024E earnings, KNSL trades at 25x versus 11x for specialty insurers and 10x for commercial insurers.

Risks to Rating and Price Target

We believe the main upside risks to our rating and price target are:

- **The hard P&C market lasts longer than expected.** Kinsale is seeing higher prices and greater submission flow because of dislocation in the P&C market. If current conditions persist longer than we assume, there could be upside to our forecasts and investor sentiment would likely improve.
- **Premium growth surpasses already elevated expectations.** In our view, part of KNSL's premium valuation is attributable to its above-average growth. We would expect KNSL's valuation multiple to expand if it consistently exceeds growth expectations in the next few years.
- **Margin improvement is greater than assumed.** The combination of earned pricing exceeding loss cost trends and management's conservative reserving suggests margin improvement in the next few years. If KNSL's margin improvement tracks higher than expectations, there could be upside to forecasts.

We believe the main downside risks to our rating and price target are:

- **Increased competition and/or push back from insurance clients dampens the pricing cycle.** The insurance industry is well into the hard market and clients are pushing back more strongly on price hikes while more insurers are deploying capital and positioning themselves for growth. If the cycle begins to turn, there is a risk of multiple compression for insurers that have seen an outsized benefit from higher prices.
- **Adverse loss trends or social inflation reemerge in casualty reserves.** Although unlikely to be a material risk for KNSL given its specific exposures and low limits, the reopening of the court system could drive a surge in pent-up liability claims.
- **Unfavorable loss experience emerges from new lines of business.** Kinsale has a strong underwriting track record, and it is entering new lines in a strong part of the cycle.

Still, given the long-tail nature of casualty coverage, the impact of badly underwritten risks is likely to persist. Also, inflation is a risk for both casualty and property coverages.

Kinsale: Summary of Financials

Income Statement - Annual	FY22A	FY23E	FY24E	Income Statement - Quarterly	1Q23A	2Q23A	3Q23E	4Q23E
Earned premiums	-	-	-	Earned premiums	-	-	-	-
Policy charges and fee income	-	-	-	Policy charges and fee income	-	-	-	-
Net investment income	-	-	-	Net investment income	-	-	-	-
Other income	-	-	-	Other income	-	-	-	-
Total revenues	-	-	-	Total revenues	-	-	-	-
Insurance and annuity benefits	-	-	-	Insurance and annuity benefits	-	-	-	-
Interest credited	-	-	-	Interest credited	-	-	-	-
Interest expense	-	-	-	Interest expense	-	-	-	-
Acquisition & operating expenses	-	-	-	Acquisition & operating expenses	-	-	-	-
Amortization of acquisition costs (net)	-	-	-	Amortization of acquisition costs (net)	-	-	-	-
Other expenses	-	-	-	Other expenses	-	-	-	-
Total expenses	-	-	-	Total expenses	-	-	-	-
Pretax income	186	310	404	Pretax income	62A	83A	75	90
Income taxes	(36)	(64)	(83)	Income taxes	(13)A	(17)A	(16)	(18)
Total net income	180	268	354	Total net income	57A	67A	66	78
Total operating income	180	268	354	Total operating income	57A	67A	66	78
Weighted average diluted shares	23	23	24	Weighted average diluted shares	23A	23A	23	23
EPS - operating	7.80	11.46	15.07	EPS - operating	2.44A	2.88A	2.82	3.35
Balance Sheet and Capital Data	FY22A	FY23E	FY24E	Ratio Analysis	FY22A	FY23E	FY24E	FY25E
Shareholders' equity	-	-	-	EPS growth - operating	35.9%	47.0%	31.4%	20.1%
Shareholders' equity ex. AOCI	-	-	-	Book value per share (ex. AOCI) growth	-	-	-	-
Shares outstanding	23	23	23	Return on equity (ROE)	25.0%	30.6%	30.0%	27.5%
Book value per share	32.28	43.60	57.99	Return on equity (ex. AOCI)	-	-	-	-
Book value per share (ex. AOCI)	-	-	-	Dividend payout ratio	6.7%	4.9%	4.2%	4.0%
Capital for share repurchases	-	-	-	Total revenue growth	-	-	-	-
Capital for dividends	-	-	-	Total expense growth	-	-	-	-
Dividends	0.52	0.56	0.64	Tax rate	19.6%	20.6%	20.6%	20.5%

Source: Company reports and J.P. Morgan estimates.
Note: \$ in millions (except per-share data). Fiscal year ends Dec

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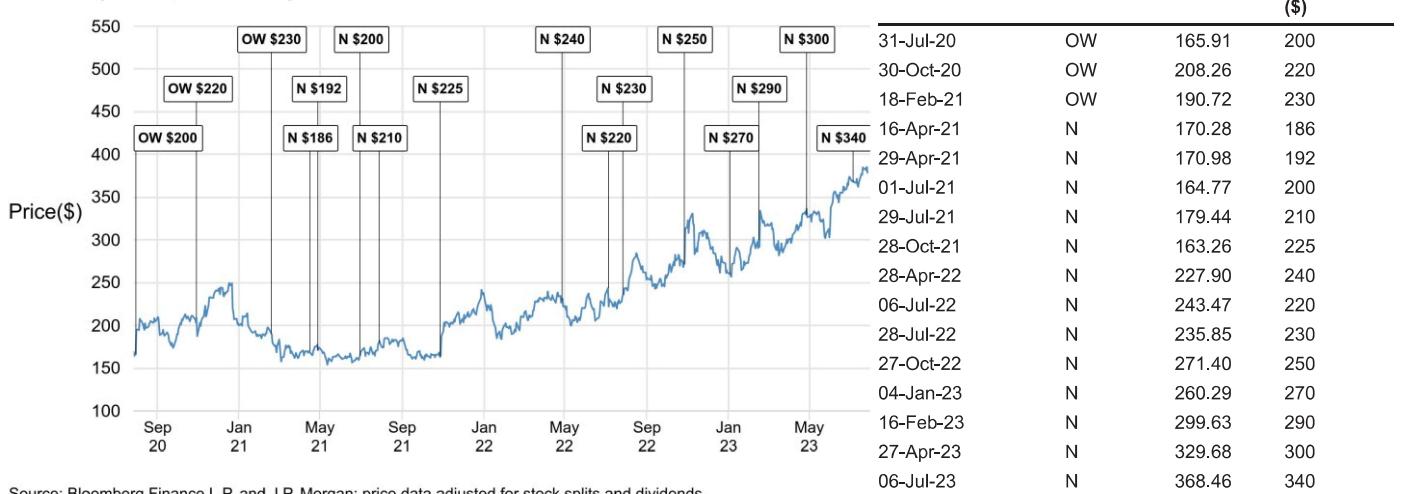
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Kinsale (KNSL, KNSL US) Price Chart



Source: Bloomberg Finance L.P. and J.P. Morgan; price data adjusted for stock splits and dividends.
 Initiated coverage Aug 22, 2016. All share prices are as of market close on the previous business day.

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