

Ebiz Inc (EBIX)

Price:	\$19.76	Net Tang. Bk Value Incl. Cash (NTBVIC):	\$53,250,000.00	Net Tang. Book Yr. 5 (Inc. Cash):	\$389,982,863.24
Market Cap:	\$734,479,200	NTBVIC/Market Downside Recovery:	7.25%	Avg. Year FCF/Share:	\$74,803,838.85
Cash:	\$43,780,000	Op. Cash Flow:	\$61,493,426	Year 5 Disposition FCF Multiple:	3.0
Debt:	\$80,530,000	Implied Years to Fill Gap:	11.08	Year 5 Disposition Price:	\$614,394,379.79
Net Cash:	-\$36,750,000	Today's Equity if 5x Op. CF:	\$237,730,278	Net Tang. Book+ Gain Disposition:	\$614,394,379.79
Enterprise Value:	\$771,229,200	IRR:		IRR:	-3.51%
Shares Outstanding:	37,170,000			Price:	\$16.53
				Target Market Cap:	\$614,394,380
				Target Enterprise Value:	\$651,144,380

* Our future intrinsic value measures the total return, which includes both capital appreciation and dividend income.

Ebiz has great growth rate (18%), a strong interest rate coverage with a low leverage, D/E ratio of 21%, and stellar EBIT margin at the low 40% range.

We don't like the goodwill balance of \$320 MM. The co. has grown by acquiring companies, which isn't a bad strategy, as long as it can be executed while increasing the value generating ability from operations. We believe the acquisitions haven't impeded the cash generation. However, we are hesitant to load up on the shares at the current price, since we are acquiring almost 12 years of future cash flow, when we typically want a 5 year hold. There is very little downside protection. Yet, for the growth stock proponents, EBIX provides a strong cash generating investment which may payoff in a few years time.

Ebix, Inc. (Ebix) is an international supplier of software and e-commerce solutions to the insurance industry. Ebix provides a series of application software products for the insurance industry ranging from carrier systems, agency systems and exchanges to custom software development for all entities involved in the insurance and financial industries. As of December 31, 2011, approximately 77% of Ebix revenues came from on-demand insurance Exchanges. On February 7, 2011 Ebix merged with ADAM, Inc. (ADAM) with a wholly owned subsidiary of Ebix. On November 15, 2011, Ebix acquired Health Connect Systems, Inc. (Health Connect). On June 8, 2012, the Company acquired PlanetSoft, Inc. In June 2012, the Company acquired Fintechnix. In August 2012, the Company acquired TriSystems Ltd., a online insurance trading hub that facilitates commercial insurance and reinsurance transactions between London intermediaries and insurance companies.

Company Name:		Ebix Inc			Income Statement	
Ticker Symbol:	EBIX	Market Capitalization:	\$734,479,200.00	Revenue:	\$208,110,000.00	100.0%
Last Price:	\$19.76	Total Debt:	\$80,530,000.00	Cost of Goods Sold:	\$46,870,000.00	22.5%
Net Cash/Share:	-\$0.99	Total Cash:	\$43,780,000.00	Gross Profit:	\$161,240,000.00	77.5%
Net Cash t/z	-5.00%	Net Cash/(Debt):	-\$36,750,000.00	EBITDA:	\$86,950,000.00	41.8%
Shares Outstanding:	37,170,000	Enterprise Value:	\$771,229,200.00	Net Income:	\$72,230,000.00	34.7%
Industry:	Software - Application	Current EV/Share:	\$20.75			
Sector:	Technology	EBITDA:	\$95,330,000.00	Balance Sheet		
Institutional Ownership:	80.43%	EV/EBITDA Multiple:	8.09	Cash:	\$43,000,000.00	
Mutual Fund Ownership:	0.65%	EV/EBITDA Multiple Average Year 1-5:	6.62	Short Term Investment:	\$780,000.00	
Insider Ownership:	8.34%	EV/FCF Multiple (excluding acquisition):	10.97	A/R:	\$38,000,000.00	
Retail Ownership:	2.24%	EV/FCF Multiple Average Year 1-5 (excluding acquisition):	10.31	PP&E:	\$9,000,000.00	
Float:	91.66%	Upper Range			Assets:	\$527,540,000.00
		DCF: EV/EBITDA Terminal Value			A/P:	\$6,000,000.00
		Implied TV from 3 X EV/EBITDA Multiple	\$404,570,097.16	Deferred Tax:	\$0.00	
		Enterprise Value	\$404,570,097.16	Other Liabilities:	\$61,540,000.00	
		Cash at Year 5:	\$417,799,194.25	Short term Debt:	\$10,530,000.00	
		Debt at Year 5:	\$80,530,000.00	Long Term Debt:	\$70,000,000.00	
		Equity Value Year 5:	\$741,839,291.41	Liabilities:	\$148,070,000.00	
		Equity/Share at Year 5:	\$19.96	Retained Earnings:	\$202,000,000.00	
		Annualized Return:	0.20%	Paid-In Capital:	\$168,710,000.00	
		Lower Range			Treasury Stock:	-\$1,000,000.00
		DCF: Net Tangible Asset excluding Cash/Debt Terminal Value			Stockholder's Equity:	\$367,790,000.00
		Year 5 Net Tangible Assets excluding cash and debt	-\$9,740,000.00	Cash Flow		
		Enterprise Value	-\$9,740,000.00	Net Income:	70,570,000.00	
		Cash at Year 5:	\$417,799,194.25	Depreciation/Amortization:	9,160,000.00	
		Debt at Year 5:	\$80,530,000.00	Change in Working capital:	-4,790,000.00	
		Equity Value Year 5:	\$327,529,194.25	Cash from Operating Activities:	72,300,000.00	
		Equity/Share at Year 5:	\$8.81	Capital Expenditures:	-1,970,000.00	
		Annualized Return:	-14.91%	Cash from Investing Activities:	-63,380,000.00	
		EVA			Total Cash Dividends Paid:	-7,030,000.00
		EVA today:	\$399,457,887.07	Issuance (Retirement) of Stock:	-17,350,000.00	
		EVA in 5 Years:	\$582,047,379.04	Issuance (Retirement) of Debt:	31,240,000.00	
		EVA/Share:	\$15.66	Cash from Financing Activities:	6,910,000.00	
		Cash at Year 5:	\$417,799,194.25	Profitability Margins		
		Debt at Year 5:	\$80,530,000.00	Debt to Equity:	21.90%	
		Equity Value Year 5:	\$919,316,573.29	Return on Assets:	13.38%	
		Equity/Share at Year 5:	\$24.73	Return on Capital:	15.74%	
		Annualized return	7.82%	Return on Equity:	19.19%	
		Current Net Tangible Asset				
		Net Tangible Asset/Share:	-\$0.76			
		Net Tangible Asset/Share in Year 5:	\$9.02			
		Annualized return	-263.96%			
		Average EV to EBIT:	N/A			
		Company EV to EBITA:	10.01			
		Average EV to EBIT:	N/A			
		Company EV to EBITA:	10.01			
		Current Equity Price:	\$19.76			
		Selling at Discount?	Premium			
		Appreciation Potential:	-103.85%			
		Dividend Model				
		Next Year Dividend	\$12,960,290.57			
		WACC:	10.32%			
		Dividend:	\$11,151,000.00			
		Net Income:	\$72,230,000.00			

SN VALUATION

LBO Pro Forma Income Statement

Name:

Ebix Inc

Ticker:

EBIX

	Historical				Forecasted				
	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	2013	2014	2015	2016	2017
Revenue	97.69	132.19	168.97	199.37	219.31	241.24	265.36	291.90	321.09
COGS	21.27	29.60	33.59	38.13	43.86	48.25	53.07	58.38	64.22
Gross margin	76.42	102.59	135.38	161.24	175.45	192.99	212.29	233.52	256.87
SG&A	21.64	30.44	39.91	49.28	54.03	60.31	66.34	72.97	80.27
R&D	11.36	13.61	19.21	24.82	28.51	31.96	34.50	37.95	41.74
Unusual expense	0.00	0.00	0.00	0.97	0.00	0.00	0.00	0.00	0.00
Other operating expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Depreciation is: Excluded from COGS					0.00	0.00	0.00	0.00	0.00
Operating Income (EBITA)	43.22	58.54	76.26	86.17	92.11	101.32	111.45	122.60	134.86
Interest income/(expense)	0.48	0.82	4.10	0.83	-5.26	-5.26	-5.26	-5.26	-5.26
Gain (loss) on sale of asset	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other	0.09	6.32	0.65	0.19	0.00	0.00	0.00	0.00	0.00
Income before tax	39.83	59.65	73.50	78.03	86.85	96.06	106.19	117.33	129.59
Tax	1.01	0.63	2.12	7.46	30.40	33.62	37.17	41.07	45.36
Income after tax	38.82	59.02	71.38	70.57	56.45	62.44	69.02	76.27	84.24
Minority Interest	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Equity in affiliates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net income	38.82	59.02	71.38	70.57	56.45	62.44	69.02	76.27	84.24
*Figures are in millions (\$)									
EPS (based off today's share count)	\$1.04	\$1.59	\$1.92	\$1.90	\$1.52	\$1.68	\$1.86	\$2.05	\$2.27
P/E (historical today's price; forecasted intrinsic price)	18.92	12.44	10.29	10.41	12.55	10.95	9.56	8.35	7.29
Revenue Growth	N/A	35.32%	27.82%	17.99%	10.00%	10.00%	10.00%	10.00%	10.00%
Tax Rate	2.54%	1.06%	2.88%	9.56%	35.00%	35.00%	35.00%	35.00%	35.00%
Implied Debt Interest Rate	0.90%	2.31%	8.71%	1.02%	-7.52%	-7.52%	-7.52%	-7.52%	-7.52%
Margins									
COGS	21.77%	22.39%	19.88%	19.13%	20.00%	20.00%	20.00%	20.00%	20.00%
Gross margin	78.23%	77.61%	80.12%	80.87%	80.00%	80.00%	80.00%	80.00%	80.00%
SG&A	22.36%	23.03%	23.62%	24.72%	25.00%	25.00%	25.00%	25.00%	25.00%
R&D	11.63%	10.30%	11.37%	12.45%	13.00%	13.00%	13.00%	13.00%	13.00%
Unusual expense	0.00%	0.00%	0.00%	0.49%	0.00%	0.00%	0.00%	0.00%	0.00%
Other operating expense	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Depreciation is: Excluded from COGS	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Operating Income (EBITA)	44.24%	44.28%	45.13%	43.22%	42.00%	42.00%	42.00%	42.00%	42.00%
Interest income/(expense)	0.49%	0.62%	4.24%	0.42%	-2.40%	-2.18%	-1.98%	-1.80%	-1.64%
Gain (loss) on sale of asset	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Other	0.09%	4.78%	0.38%	0.10%	0.00%	0.00%	0.00%	0.00%	0.00%
Income before tax	40.77%	45.12%	43.50%	39.14%	39.60%	39.82%	40.02%	40.20%	40.36%
Tax	1.03%	0.48%	1.25%	3.74%	13.86%	13.94%	14.01%	14.07%	14.13%
Income after tax	39.74%	44.65%	42.24%	35.40%	25.74%	28.47%	31.47%	34.78%	38.41%
Minority Interest	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Equity in affiliates	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net income	39.74%	44.65%	42.24%	35.40%	25.74%	25.88%	26.01%	26.13%	26.23%

						Adjustment		Adjusted Proforma	2011	2012	2013	2014	2015
	As of 2009-12-31	As of 2010-12-31	As of 2011-12-31	As of 2012-12-31	As of 2013-03-31	+	-						
Cash	19.23	23.40	23.70	36.45	43.00			43.00	102.49	168.94	243.21	326.31	417.02
Short term investment	1.80	6.30	1.50	0.97	0.78			0.78	0.78	0.78	0.78	0.78	0.78
Cash and Short term	21.03	29.70	25.20	37.42	43.78			43.78	103.27	169.72	243.99	327.09	417.80
Accounts Receivable	22.86	26.03	31.13	37.30	38.00			38.00	38.00	38.00	38.00	38.00	38.00
Other receivables	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Receivables	22.86	26.03	31.13	37.30	38.00			38.00	38.00	38.00	38.00	38.00	38.00
Total Inventory	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	1.65	1.93	2.71	3.19	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other Current Assets	0.98	2.12	3.79	2.90	6.58			6.58	6.58	6.58	6.58	6.58	6.58
Current Assets	46.52	59.78	62.83	80.81	88.36	0.00	0.00	88.36	147.85	214.30	288.57	371.67	462.38
PP&E, Gross	13.38	15.77	18.93	0.00	19.00			19.00	21.00	23.00	25.00	27.00	29.00
Change in Depreciation	3.96	6.04	7.51	3.06	3.06			3.06	3.37	3.70	4.07	4.48	4.93
Accumulated Depreciation	5.51	7.97	10.10	0.00	10.00			10.00	13.37	17.07	21.14	25.62	30.55
PP&E, Net	7.87	7.80	8.83	0.00	9.00			9.00	7.63	5.93	3.86	1.38	-1.55
Goodwill	157.25	180.60	259.22	326.75	326.22	0.00		326.22	326.22	326.22	326.22	326.22	326.22
Intangibles	49.73	53.13	68.84	83.48	81.54			81.54	79.86	77.56	74.38	70.02	66.48
Long term investments	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other long term assets	0.81	0.98	10.47	14.97	22.42			22.42	22.42	22.42	22.42	22.42	22.42
Long Term Assets	215.66	242.51	347.36	425.20	439.18			439.18	436.14	432.13	426.88	420.04	413.57
Total Assets	262.18	302.29	410.19	506.01	527.54	0.00	0.00	527.54	583.99	646.43	715.45	791.72	875.95
Accounts Payable	1.77	2.57	2.92	5.61	6.00			6.00	6.00	6.00	6.00	6.00	6.00
Accrued Expense	11.54	15.62	16.44	11.67	12.00			12.00	12.00	12.00	12.00	12.00	12.00
Other current Liabilities	9.42	10.52	23.58	27.15	19.88			19.88	19.88	19.88	19.88	19.88	19.88
Total Current Liabilities	22.73	28.71	42.94	44.43	37.88	0.00	0.00	37.88	37.88	37.88	37.88	37.88	37.88
Notes Payables/Short Term Debt	23.10	5.00	6.67	11.34	9.62			9.62	9.62	9.62	9.62	9.62	9.62
Current port. Of LT Debt/Capital Leases	29.28	5.37	0.17	0.92	0.91			0.91	0.91	0.91	0.91	0.91	0.91
Long term Debt	0.67	25.20	40.22	69.43	70.00	0.00	0.00	70.00	70.00	70.00	70.00	70.00	70.00
Capital Lease Obligations	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Total Interest Earning Debt	53.05	35.57	47.06	81.69	80.53	0.00	0.00	80.53	80.53	80.53	80.53	80.53	80.53
Deferred Income tax	5.15	3.53	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Minority Interest	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Other liabilities	10.51	4.21	5.07	23.67	29.66			29.66	29.66	29.66	29.66	29.66	29.66
Total Liabilities	91.44	72.02	95.07	149.79	148.07	0.00	0.00	148.07	148.07	148.07	148.07	148.07	148.07
Redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Non-redeemable Preferred Stock	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Common Stock	3.44	3.60	3.64	3.71	3.71		0.00	3.71	3.71	3.71	3.71	3.71	3.71
Additional Paid-in capital	158.40	153.22	179.52	164.35	165.00	0.00	0.00	165.00	165.00	165.00	165.00	165.00	165.00
Dividends Paid	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Retained Earnings	8.62	67.64	137.56	201.09	202.00		0.00	202.00	258.45	320.89	389.91	466.18	550.41
Treasury Stock	-0.08	-0.08	-0.08	-0.08	-1.00		0.00	-1.00	-1.00	-1.00	-1.00	-1.00	-1.00
Other Equity	0.35	6.88	-4.52	-1.92	-1.92		0.00	-1.92	-1.92	-1.92	-1.92	-1.92	-1.92
Total Equity	170.73	231.26	316.12	367.15	367.79	0.00	0.00	367.79	424.24	486.68	555.70	631.97	716.20
Liability + Equity	262.17	303.28	411.19	516.94	515.86	0.00	0.00	515.86	572.31	634.75	703.77	780.04	864.27
Variance	0.01	-0.99	-1.00	-10.93	11.68			11.68	11.68	11.68	11.68	11.68	11.68
Debt/Equity	0.31	0.15	0.15	0.22	0.22			0.22	0.19	0.17	0.14	0.13	0.11
Inventory Turnover	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Inventory Turnover Days	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!			#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Days Inventory Outstanding	0.00	0.00	0.00	0.00	0.00			0.00	0.00	0.00	0.00	0.00	0.00
Accounts Receivable Turnover	4.27	5.08	5.43	5.35	5.77			5.25	6.35	6.98	7.68	8.45	8.45
Accounts Receivable Turnover Days	85.41	71.87	67.25	68.29	63.24			69.57	63.24	57.50	52.27	47.52	43.20
Days Payable Outstanding	30.37	31.69	31.73	53.70	49.93			57.44	49.93	45.39	41.26	37.51	34.10
Days Sales Outstanding	85.41	71.87	67.25	68.29	63.24			68.29	69.57	63.24	57.50	52.27	47.52
Cash Conversion Cycle	55.04	40.18	35.52	14.59	13.31			10.85	19.64	17.85	16.23	14.76	13.41
Net tangible assets/share	\$0.36	\$1.34	\$1.50	\$0.79	\$1.43				\$2.95	\$4.63	\$6.49	\$8.54	\$10.81

SN VALUATION

LBO Adjusted Proforma Cash Flow

Ticker:

EBIX

	12 months ending 2009-12-31	12 months ending 2010-12-31	12 months ending 2011-12-31	12 months ending 2012-12-31	2011	2012	2013	2014	2015
Net Income	38.82	59.02	71.38	70.57	56.45	62.44	69.02	76.27	84.24
Depreciation	3.96	6.04	7.51	3.06	3.37	3.70	4.07	4.48	4.93
Net Income + Depreciation	42.78	65.06	78.89	73.63	59.82	66.14	73.10	80.75	89.16
Amortization	0.00	0.00	0.00	6.10	1.68	2.31	3.17	4.36	3.54
Deferred Taxes	-2.62	-1.75	-5.08	-4.76	0.00	0.00	0.00	0.00	0.00
Non Cash Items	1.10	-6.14	-3.63	2.12	0.00	0.00	0.00	0.00	0.00
Change in Working capital	-7.39	-4.38	1.11	-4.79	0.00	0.00	0.00	0.00	0.00
Accounts Receivable	0.00	-3.17	-5.10	-6.17	0.00	0.00	0.00	0.00	0.00
Other Receivables	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Inventory	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Prepaid Expenses	0.00	-0.28	-0.78	-0.48	0.00	0.00	0.00	0.00	0.00
Accounts Payable	0.00	0.80	0.35	2.69	0.00	0.00	0.00	0.00	0.00
Cash from Operating Activities	33.87	52.79	71.29	72.30	61.49	68.45	76.27	85.11	92.70
Capital Expenditures Expenditures	-3.13	-1.75	-2.83	-1.97	-2.00	-2.00	-2.00	-2.00	-2.00
Long term investment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Other Investing Activities	-44.30	-22.65	-10.49	-61.41	0.00	0.00	0.00	0.00	0.00
Cash from Investing Activities	-47.43	-24.40	-13.32	-63.38	-2.00	-2.00	-2.00	-2.00	-2.00
Financing Cash flow items	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00
Total Cash Dividends Paid	0.00	0.00	1.46	-7.03	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Stock	1.06	-9.41	-63.61	-17.35	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Current Portion Debt	-	-	-	-	0.00	0.00	0.00	0.00	0.00
Issuance (Retirement) of Long Term Debt	22.12	-16.27	9.53	31.24	0.00	0.00	0.00	0.00	0.00
Cash from Financing Activities	23.18	-25.68	-55.54	6.91	0.00	0.00	0.00	0.00	0.00
Foreign Exchange effect	0.12	1.48	-2.13	-3.07	0.00	0.00	0.00	0.00	0.00
Beginning Cash Balance	9.48	19.23	23.40	23.70	43.00	102.49	168.94	243.21	326.31
Net Change in Cash	9.75	4.17	0.30	12.75	59.49	66.45	74.27	83.11	90.70
Ending Cash Balance	19.23	23.40	23.70	36.45	102.49	168.94	243.21	326.31	417.02
Capex to Revenue	3.20%	1.32%	1.67%	0.99%	0.91%	0.83%	0.75%	0.69%	0.62%
Depreciation to Sales	4.05%	4.57%	4.44%	1.53%	1.53%	1.53%	1.53%	1.53%	1.53%
Amortization to Sales	0.00%	0.00%	0.00%	3.06%	0.76%	0.96%	1.20%	1.49%	1.10%
A/R to Sales	23.40%	19.69%	18.42%	18.71%	17.01%	15.46%	14.06%	12.78%	11.62%
Distributable FCF/EV Yield	-1.76%	3.68%	7.52%	1.16%	7.71%	8.62%	9.63%	10.78%	11.76%
Dividend Yield	0.00%	0.00%	-0.20%	-0.96%	0.00%	0.00%	0.00%	0.00%	0.00%
FCF (Ops-Investing)	30.74	51.04	69.92	77.36	59.49	66.45	74.27	83.11	90.70

SN VALUATION

LBO Debt Schedule

Ticker:

EBIX

	Proforma	2013	2014	2015	2016	2017
Net Change in Cash	12.75	59.49	66.45	74.27	83.11	90.70
Current Portion Debt Repayment						
Long Term Debt Repayment						
Outstanding Debt	80.53	80.53	80.53	80.53	80.53	80.53
Current Portion Debt Balance	10.53	10.53	10.53	10.53	10.53	10.53
Long Term Debt Balance	70.00	70.00	70.00	70.00	70.00	70.00
Forward Libor Curve		3.00%	3.00%	3.00%	3.00%	3.00%
Spread		4.00%	4.00%	4.00%	4.00%	4.00%
Interest Rate		7.00%	7.00%	7.00%	7.00%	7.00%
Interest Expense		5.64	5.64	5.64	5.64	5.64
Cash Balance		37.42				
Interest @ 1.0%		0.37	0.37	0.37	0.37	0.37
Net Interest Expense/(Income)		5.26	5.26	5.26	5.26	5.26
Net Interest Rate		7.52%	7.52%	7.52%	7.52%	7.52%
EBITDA		92.11	101.32	111.45	122.60	134.86
EBITDA/Interest Expense Coverage		16.34	17.97	19.77	21.75	23.92

Interest Rate Coverage Table

Debt Rating					
AAA	AAA	AAA	AAA	AAA	AAA
AA					
A+					
A					
A-					
BBB					
BB+					
BB					
B+					
B					
B-					
CCC					
CC					
C					
D					

*Source: NYU; Professor Damodaran

Altman Z Score

Company Name:

Ebix Inc

Ticker:

EBIX

Period	2009	2010	2011	2012	2013	2014	2015	2016	2017
Working Capital	23.79	31.07	19.89	50.48	109.97	176.42	250.69	333.79	424.50
Total Assets	262.18	302.29	410.19	527.54	583.99	646.43	715.45	791.72	875.95
X1	0.09	0.10	0.05	0.10	0.19	0.27	0.35	0.42	0.48
Retained Earnings	8.62	67.64	137.56	202.00	258.45	320.89	389.91	466.18	550.41
Total Assets	262.18	302.29	410.19	527.54	583.99	646.43	715.45	791.72	875.95
X2	0.03	0.22	0.34	0.38	0.44	0.50	0.54	0.59	0.63
EBITDA	43.22	58.54	76.26	86.17	92.11	101.32	111.45	122.60	134.86
Total Assets	262.18	302.29	410.19	527.54	583.99	646.43	715.45	791.72	875.95
X3	0.16	0.19	0.19	0.16	0.16	0.16	0.16	0.15	0.15
Market Value of Equity	734.48	734.48	734.48	734.48	708.72	683.86	659.87	636.73	614.39
Total Liabilities	91.44	72.02	95.07	148.07	148.07	148.07	148.07	148.07	148.07
X4	8.03	10.20	7.73	4.96	4.79	4.62	4.46	4.30	4.15
Net Sales	97.69	132.19	168.97	199.37	219.31	241.24	265.36	291.90	321.09
Total Assets	262.18	302.29	410.19	527.54	583.99	646.43	715.45	791.72	875.95
X5	0.37	0.44	0.41	0.38	0.38	0.37	0.37	0.37	0.37
Altman Z Score	5.89	7.63	6.19	4.54	4.61	4.68	4.74	4.79	4.83

$$Z = 1.2 \times X1 + 1.4 \times X2 + 3.3 \times X3 + 0.6 \times X4 + 1.0 \times X5$$

Z-SCORE ABOVE 3.0 –The company is considered 'Safe' based on the financial figures only.

Blue

Z-SCORE BETWEEN 2.7 and 2.99 – 'On Alert'. This zone is an area where one should 'Exercise Caution'.

Green

Z-SCORE BETWEEN 1.8 and 2.7 – Good chance of the company going bankrupt within 2 years.

Yellow

Z-SCORE BELOW 1.80- Probability of Financial Catastrophe is Very High.

Red