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5-Star Stocks Poised to Pop: Ebix

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January 11, 2011

Based on the aggregated intelligence of 170,000-plus investors participating in [Motley Fool CAPS](#), the Fool's free investing community, insurance-industry software specialist **Ebix** (Nasdaq: [EBIX](#)) has earned a coveted [five-star ranking](#).

With that in mind, let's take a closer look at [Ebix's](#) business and see what CAPS investors are saying about the stock right now.

Ebix facts

Headquarters (Founded)	Atlanta (1976)
Market Cap	\$867.5 million
Industry	Application software
Trailing-12-Month Revenue	\$128.4 million
Management	CEO Robin Raina (since 1999) CFO Robert Kerris (since 2007)
Return on Equity (Average, Past 3 Years)	37%
Cash/Debt	\$18 million / \$43.15 million
Competitors	Computer Sciences (NYSE: CSC) InsWeb (Nasdaq: INSW)

Sources: Capital IQ (a division of Standard & Poor's) and Motley Fool CAPS.

On CAPS, 98% of the 1,234 members who have rated Ebix believe the stock will outperform the S&P 500 going forward. These bulls include [oldpbass](#) and [woodhaven1965](#).

Just [last month](#), oldpbass tapped Ebix as a great way to go for growth: "Honest, aggressive and driven. Snapping up any and all competitors that make sense for the long-term. The moat gets wider and deeper. Plowing profits back into the company -- who could possibly want a dividend when that money will be returned many times over."

Ebix's dominant position in the insurance software space continues to drive financials that many Fools just can't ignore. For example, Ebix's three-year average operating margin (39.9%) tops that of rivals Computer Sciences (7.4%) and InsWeb (26.4%), as well as enterprise software gorillas like **Microsoft** (Nasdaq: [MSFT](#)) (38.5%) and **IBM** (NYSE: [IBM](#)) (18.5%).

CAPS member woodhaven1965 expands on the [outperform case](#):

I like Ebix as both a growth play and value play. Graham-type value calculations can readily support an argument that the value of the business is materially in excess of the total market price. Growth seems relatively sustainable, especially in the face of a fragmented market (which will allow judicious deployment of capital and rollup of smaller competitors).

What do you think about Ebix, or any other stock for that matter? If you want to retire rich, you need to put together the best portfolio you can. Owning exceptional stocks is a surefire way to

secure your financial future, and on Motley Fool CAPS, thousands of investors are working every day to find them. CAPS is 100% free, so [get started!](#)

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