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9

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Investing at the Corner of Boring and Delightful

By [Anders Bylund](#) | [More Articles](#)August 7, 2012 | [Comments \(0\)](#)**Don't let it get away!**

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Say what you will about **Ebix** (Nasdaq: [EBIX](#)), but [the company is never boring](#). That's quite a statement for a maker of e-commerce and software tools for the insurance industry -- be still, my beating heart! Yeah, [Peter Lynch would be proud to invest in this seemingly ultra-dull sector](#).

Today, Ebix shares jumped on the back of yet another terrific earnings report. You'd think the analyst crowd would catch on eventually, but they keep underestimating the company. Likewise, skeptics sell this stock short by the busload, leaving 36% of the float on the bearish side of the trade right now. By my count, the second quarter of 2012 marked the 10th report in a row where Ebix exceeded the Street's earnings estimates.

Non-GAAP earnings increased 24% year over year to \$0.47 per share, soundly beating analyst estimates of \$0.39 per share. The story was the same in terms of revenue, where the reported 13% annual jump to \$47.7 million left the Street's \$45.8 million consensus in the rearview mirror.

This surprise comes courtesy of strong sales to insurance exchange carriers. The company's main competition in this market comes from **Computer Sciences** (NYSE: [CSC](#)) and **GuideWire Software** (Nasdaq: [GWRE](#)). You might wonder whether Ebix's strong results come from market share gains or a rising tide lifting all boats; CSC reports results tomorrow morning, and that report will shed some light on this crucial question. Recent IPO GuideWire's next update is a bit further away, but [its June report was at least as impressive](#) as what Ebix is showing us today.

The insurance tools market looks ripe for a revolution, led by hungry small caps like GuideWire and Ebix. CSC had better watch its back in this particular sector. Small upstarts often beat established titans with new ideas and nimble operations. [Check out this free report](#) to learn the name of another plucky underdog with established giants in its sights.

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Fool contributor [Anders Bylund](#) holds no position in any of the companies mentioned. Check out [Anders' holdings and bio](#), or follow him on [Twitter](#) and [Google+](#). The Motley Fool owns shares of Ebix. [Motley Fool newsletter services](#) have recommended buying shares of Ebix. The Motley Fool has a [disclosure policy](#).

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