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5-Star Stocks Poised to Pop: Ebix

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Based on the aggregated intelligence of 180,000-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	\$669 million
Industry	Application software
Trailing-12-Month Revenue	\$160 million
Management	Chairman/CEO Robin Raina CFO Robert Kerris
Return on Equity (Average, Past 3 Years)	32.3%
Cash/Debt	\$15.6 million / \$27.2 million
Dividend Yield	0.9%

Sources: S&P Capital IQ and Motley Fool CAPS.

On CAPS, 97% of the 1,541 members who have rated Ebix believe the stock will outperform the S&P 500 going forward. These bulls include All-Stars [cibient](#) and [ayaghsizian](#), both of whom are ranked in the top 15% of our community.

Just [last week](#), CAPS All-Star [cibient](#) listed several of Ebix's positives: "Insider buys, growth stock ... ([PEG ratio](#) is purportedly 0.51), and pays a small dividend around 1%."

Over the next five years, in fact, Ebix is expected to grow its bottom line at a brisk rate of 20% annually. That's faster than much larger enterprise software plays like **IBM** (NYSE: [IBM](#)) (11%), **Microsoft** (Nasdaq: [MSFT](#)) (11%), and **Oracle** (Nasdaq: [ORCL](#)) (14%).

CAPS All-Star [ayaghsizian](#) [elaborates](#) on the Ebix bull case:

The P/E is low and the PEG is so low it's ridiculous. This low valuation shows that the bad news surrounding this company has been priced into the stock. Worst case scenario -- price goes down over the next few years. ... Best case scenario -- bad news goes away and P/E ratio doubles or more due to great earnings growth and stock trades in the \$40's in a couple years. I'm willing to take the risk.

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!](#)

Interested in another easy way to track Ebix? [Add it to your watchlist.](#)

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