



Ebix Earnings Preview

<http://www.fool.com/investing/general/2011/08/04/ebix-earnings-preview.aspx>

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Watch **Ebix's** (Nasdaq: [EBIX](#)) earnings report to see if it can beat analyst expectations for the fifth consecutive quarter. The company will unveil its latest earnings Tuesday. Ebix provides a series of application software products for the insurance industry including carrier systems, agency systems, and exchanges to custom software development for carriers, brokers, and agents involved in the insurance industry.

What analysts say:

- **Buy, sell, or hold?:** Analysts are very bullish on this stock, unanimously backing it as a buy. Analysts like Ebix better than competitor **Fundtech** overall. Two out of four analysts rate Fundtech a buy compared with four of four for Ebix. Analysts haven't adjusted their rating of Ebix for the past three months.
- **Revenue Forecasts:** On average, analysts predict \$43 million in revenue this quarter. That would represent a rise of 33.5% from the year-ago quarter.
- **Wall Street Earnings Expectations:** The average analyst estimate is earnings of \$0.37 per share. Estimates range from \$0.34 to \$0.39.

What our community says:

CAPS All-Stars are solidly backing the stock with 97.6% granting it an "outperform" rating. The community at large agrees with the All-Stars with 97.3% assigning it a rating of "outperform." Fools have embraced Ebix and haven't been shy with their opinions lately, logging 420 [posts](#) in the past 30 days. Even with a robust four out of five stars, Ebix's CAPS rating falls a little short of the community's upbeat outlook.

Management:

Ebix's profit has risen year over year by an average of 46.9%. The company raised its gross margin by 4.1 percentage points in the last quarter. Revenue rose 26.7% while cost of sales rose 3.5% to \$7.3 million from a year earlier.

Now let's look at how efficient management is at running the business. Traditionally, margins represent the efficiency with which companies capture portions of sales dollars. The following table shows gross, operating, and net margins over the past four quarters.

Quarter	Q1	Q4	Q3	Q2
Gross Margin	81.8%	78.1%	77.7%	76.9%
Operating Margin	39.0%	38.9%	39.3%	40.4%
Net Margin	37.9%	45.4%	50.1%	43.5%

One final thing: If you want to keep tabs on Ebix movements, and for more analysis on the company, make sure you add it to your [watchlist](#).

The Motley Fool owns shares of Ebix. Motley Fool newsletter services have recommended buying shares of Ebix. Try any of our Foolish newsletter services [free for 30 days](#). We Fools may not all hold the same opinions, but we all believe that [considering a diverse range of insights](#) makes us better investors. The Motley Fool has a [disclosure policy](#).

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