



Kinsale Capital Group, Inc. (KNSL)

Updated July 25th, 2025, by Kody Kester

Key Metrics

Current Price:	\$482	5 Year CAGR Estimate:	13.2%	Market Cap:	\$11.2B
Fair Value Price:	\$464	5 Year Growth Estimate:	14.0%	Ex-Dividend Date:	08/28/25 ¹
% Fair Value:	104%	5 Year Valuation Multiple Estimate:	-0.8%	Dividend Payment Date:	09/11/25 ¹
Dividend Yield:	0.1%	5 Year Price Target	\$893	Years Of Dividend Growth:	8
Dividend Risk Score:	A	Sector:	Financials	Rating:	Hold

Overview & Current Events

Founded in 2009, Kinsale Capital Group, Inc. is a specialty insurance company. KNSL focuses entirely on the excess and surplus (E&S) lines market in all 50 U.S. states, the District of Columbia, the Commonwealth of Puerto Rico, and the U.S. Virgin Islands. The company writes coverage for hard-to-place, small business risks, and personal lines risks. These products are primarily sold through a network of independent insurance brokers.

KNSL offers both property and casualty insurance in the E&S niche. Products include small business casualty insurance, commercial property insurance, excess and general casualty, life sciences insurance, environmental insurance, excess professional insurance, and aviation insurance.

Casualty insurance products accounted for about two-thirds of the \$1.9 billion in gross written premiums in 2024. Property insurance products made up the remaining one-third of gross written premiums for the year.

On July 24th, KNSL shared its financial results for the second quarter ended June 30th, 2025. The company's total revenue surged 22.2% year-over-year to \$469.8 million in the quarter. This was again fueled by vigorous submission flow from brokers during the quarter. KNSL's diluted operating EPS jumped 27.5% over the year-ago period to \$4.78 for the quarter. For more perspective, that topped the analyst consensus by \$0.36 in the quarter. The company's operating efficiency helped its net operating earnings margin expand by about 100 basis points to 23.7% during the quarter. That's how KNSL's diluted operating EPS growth outpaced revenue growth for the quarter.

Growth on a Per-Share Basis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
EPS	-	-	\$1.25	\$1.79	\$2.41	\$3.16	\$5.74	\$7.80	\$12.50	\$16.06	\$17.84	\$34.35
DPS	-	-	\$0.24	\$0.28	\$0.32	\$0.36	\$0.44	\$0.52	\$0.56	\$0.60	\$0.68	\$1.20
Shares²	-	-	21.0	21.2	22.2	22.8	22.8	23.1	23.2	23.3	23.3	23.8

KNSL has delivered 44% annualized diluted operating EPS growth to shareholders in its time as a publicly traded company. Predictably, this growth has slowed in recent years. That's because it takes more to move the growth needle than it did in the past, while remaining dedicated to sound underwriting.

KNSL has plenty of room to keep growing at a brisk pace, however. This is because the company's market share in the E&S market is still below 2%. That limited market share indicates that KNSL can focus on its bread and butter of small-account E&S, which is generally thought to have less competition. This is why we continue to believe that KNSL can generate diluted operating EPS growth of 14% annually through 2030. That's starting from an anticipated 2025 base of \$17.84.

¹ Estimated dates based on past dividend dates.

² Share count is in millions.



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Valuation Analysis

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Avg. P/E	-	-	36.0	30.3	43.3	63.2	41.4	33.6	26.8	29.0	27.0	26.0
Avg. Yld.	-	-	0.5%	0.5%	0.3%	0.2%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%

Since 2017, KNSL’s P/E ratio has ranged from as low as the high 20s to as high as the low 60s. Over the past five years, the average P/E ratio has been just below 39. In the years ahead, we think that a valuation multiple of 26 represents fair value for KNSL. That’s three standard deviations less than its five-year average multiple. This accounts for KNSL’s annual diluted operating EPS growth potential now being in the teens due to a much greater starting base. Relative to the current year P/E ratio of 27, that implies KNSL’s shares have swung from a slight undervaluation to a modest overvaluation.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Now	2030
Payout	-	-	19%	16%	13%	11%	8%	7%	4%	4%	4%	3%

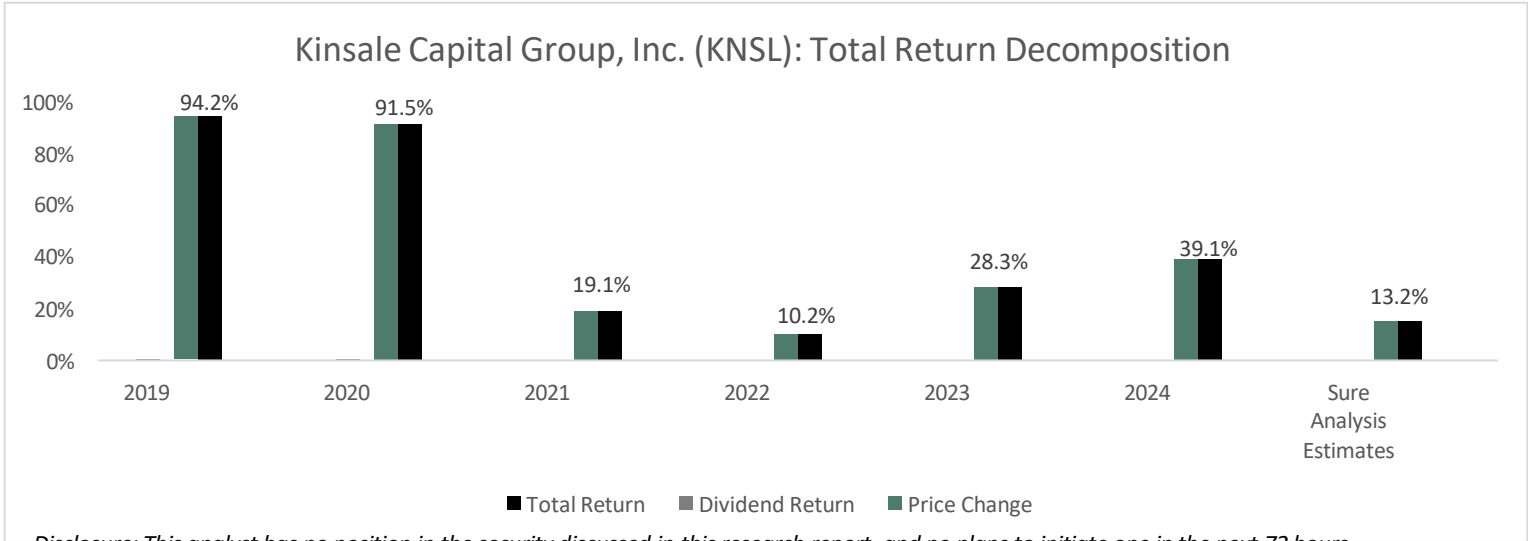
KNSL’s business model has been especially profitable for shareholders. From its IPO in July 2016 at \$16 a share, the specialty insurer has delivered 30x cumulative total returns. These types of returns wouldn’t be possible without the presence of substantial competitive advantages. KNSL’s exclusive focus on the E&S space is one distinct advantage. Couple that with a management team and employee base that has decades of experience, and this means the company arguably knows its industry better than anyone. This is further magnified by its proprietary technology that was developed by industry veterans. That drives efficient customer identification and prudent risk selection. This is what consistently supports a best-in-class expense ratio for the insurer.

KNSL also possesses a solid balance sheet. As of June 30th, 2025, the company’s net debt balance was just \$46.2 million. Additionally, KNSL’s dividend payout ratio is still positioned to be just 4% in 2025. This provides plenty of flexibility for future dividend growth.

Final Thoughts & Recommendation

KNSL’s combination of a 0.1% dividend yield, 14% annual diluted operating EPS growth prospects, and 0.8% annual valuation multiple downside potential could generate 13.2% annual total returns through 2030. The valuation multiple is now a bit above our fair value multiple. Thus, we’re downgrading shares to a hold rating now.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	81	142	187	222	316	460	653	839	1,224	1,588
D&A Exp.	1	1	1	1	1	2	2	3	3	6
Net Profit	22	26	25	34	63	88	153	159	308	415
Net Margin	27.6%	18.5%	13.3%	15.2%	20.0%	19.2%	23.4%	19.0%	25.2%	26.1%
Free Cash Flow	78	73	77	103	159	247	401	551	853	952
Income Tax	11	13	14	7	13	12	36	36	76	100

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	545	614	668	773	1,091	1,547	2,026	2,747	3,773	4,887
Cash & Equivalents	25	51	82	75	100	77	121	156	127	113
Accounts Receivable	123	96	69	81	107	142	194	326	391	478
Goodwill & Int.	4	4	4	4	4	4	4	4	4	4
Total Liabilities	432	404	430	509	685	971	1,326	2,002	2,686	3,403
Accounts Payable	11	13	10	12	20	26	39	63	93	-
Long-Term Debt	30	-	-	-	17	43	43	196	184	184
Shareholder's Equity	113	210	238	264	406	576	699	745	1,087	1,484
LTD/E Ratio	0.26	-	-	-	0.04	0.07	0.06	0.26	0.17	0.12

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	4.5%	4.5%	3.9%	4.7%	6.8%	6.7%	8.5%	6.7%	9.5%	9.6%
Return on Equity	21.6%	16.2%	11.1%	13.5%	18.9%	18.0%	23.9%	22.0%	33.6%	32.3%
Shares Out.	-	-	21.0	21.2	22.2	22.8	22.8	23.1	23.2	23.2
Revenue/Share	3.84	6.72	8.69	10.24	14.27	20.12	28.34	36.27	52.54	68.45
FCF/Share	3.74	3.47	3.59	4.74	7.17	10.81	17.39	23.82	36.61	41.03

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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