



Trisura Group Ltd. (TSX:TSU)

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May 2025

Market Data

Shareprice (\$CAD)	\$37.35
Market Cap	\$1,771
Net Debt	(\$163)
Enterprise Value	\$1,647
52 Week Range	\$31 - \$47
Beta (5-year)	0.82
12 month Target Price	\$43.06
Expected HPR	15%

Metrics	2024A	2025E	2026E
Revenue	\$3,162	\$3,272	\$3,613
DEPS	\$2.45	\$2.94	\$3.40
BVPS	\$16.49	\$19.41	\$22.82
P/BV	2.3x	1.9x	1.6x
P/E	15.2x	12.7x	11.0x
ROE	16.9%	16.4%	16.2%

Q1 REVIEW: WHAT HAPPENED?

TSU delivered a strong start to the year with robust Q1 results, driven by continued momentum across its core primary lines, as GPW grew by 37.9% in Surety, 10.4% in Corporate Insurance, and 36.7% in Warranty, reflecting effective underwriting strategies and market expansion, while NPE increased by 12.8% to \$172M primarily due to significant growth in the Surety segment which rose by 47.2%; operating EPS, which reflects the underlying performance of the business excluding non-core items, increased by 2.9% to \$0.70 supported by strong insurance operations and an 8.6% increase in net investment income to \$18M driven by higher yields on a conservatively structured investment portfolio composed of 96% high-rated bonds, and BVPS rose by 24% to \$17.16 as a result of unrealized gains on investments, with TSU maintaining a strong capital position reflected in a debt to capital ratio of 10.7%, up 50bps due to the drawdown of additional funds from the revolving credit facility to strategically support further growth in its expanding US Surety platform.

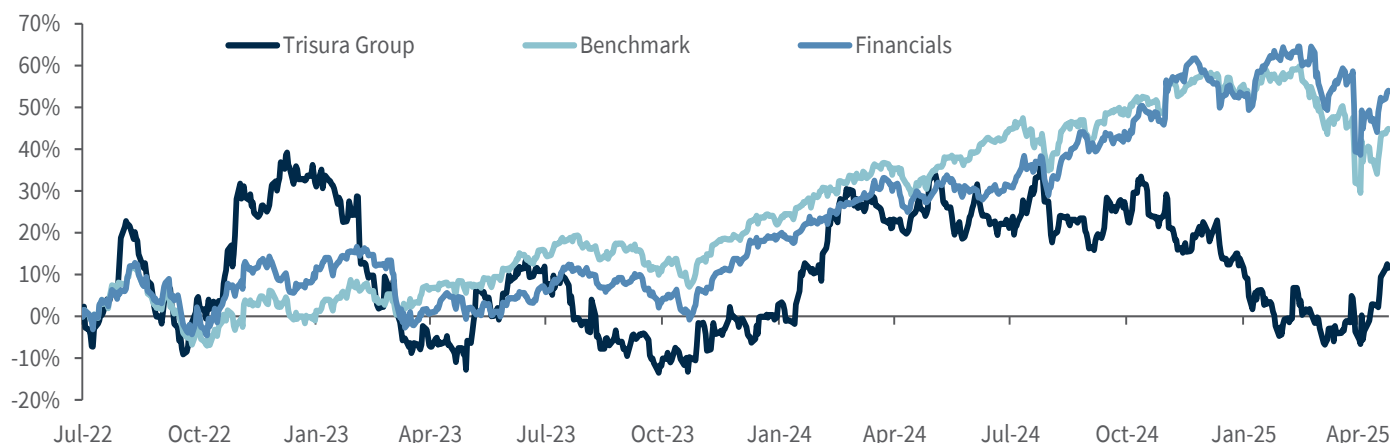
Although TSU reported a strong Q1 result with solid GPW growth in lines such as Surety and Warranty, overall GPW declined by 1.6% due to non-renewed programs in US Programs during 2024; ROE and Operating ROE fell by 30bps and 160bps respectively driven by an increase in shareholder equity, while EPS declined by 20% due to net losses related to SBC hedging and ECL movement, though TSU remains well positioned for continued growth and resilient in the face of ongoing economic headwinds.

Canada Platform- Canadian lines saw solid growth across all lines, with GPW up 4.9% Y/Y, NPE grew by 21% Y/Y. The combined ratio improved to 85.1%, reflecting underwriting strength. TSU is now prepared to participate in large-sized contractor space that offers larger bonding opportunities which is expected to contribute significantly to the business.

US Platform- US line is thriving, with nearly 40% of premiums now sourced from this market. TSU credentials in expanding its Surety platform within the U.S. were underscored, with 33 state licenses obtained within a year, positioning them for substantial growth. The U.S. Surety market is estimated to be ten times larger than that of Canada, highlighting significant opportunities for premium growth. As the platform begins to contribute profitably, this expansion is expected to enhance revenue streams further.

Trisura Group (TSX: TSU) Share Performance Since Inception

(\$CAD)



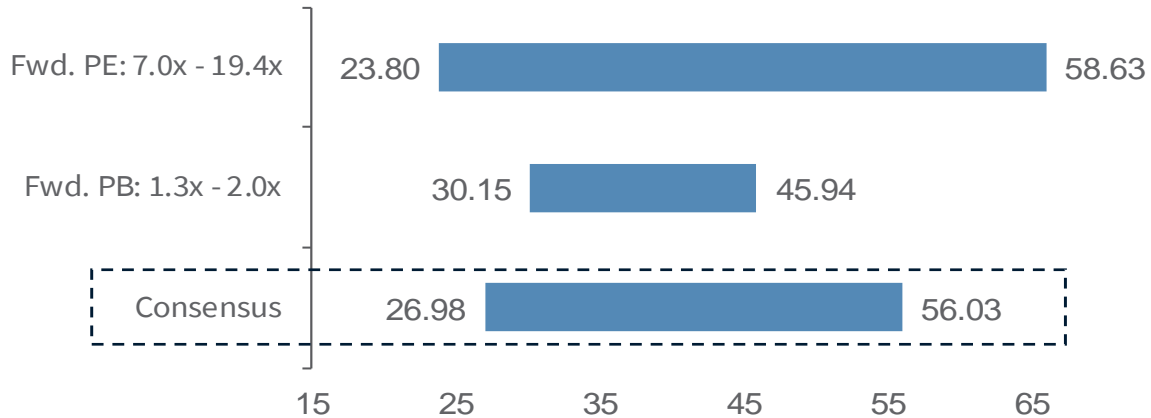
Source: Capital IQ; TRUSIF

VALUATION

TSU is trading at 11x 2026E EPS, significantly above its current 2.3x multiple but in line with industry peers. Its P/B ratio stands at 1.6x 2026E BVPS, matching the median competitor multiple. Even in the storm of economic uncertainty, we still believe there is strong upside in TSU, especially now that the contribution from the U.S. market is catching up to that of the Canadian market, and given the fact that the U.S. market is over 10 times larger, TSU looks very poised for more growth ahead.

Valuation Assumption

(\$CAD)

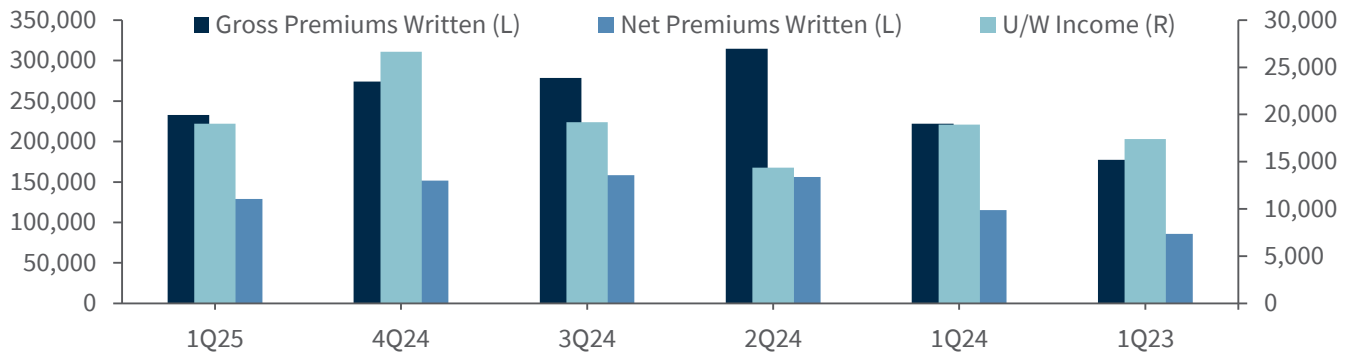


Note: Valuation reflects a May, 07 2025 close; PE = Price to Earnings; PB = Price to Book

Source: Capital IQ; TRUSIF

Canadian Underwriting Volumes & Profitability

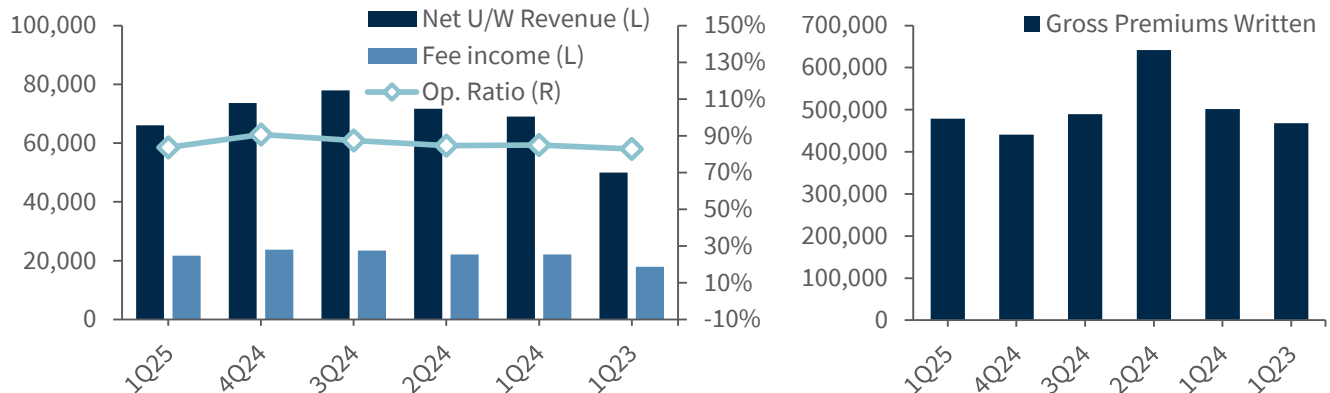
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Source: Company Filings; TRUSIF

US Underwriting Volumes & Profitability

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Source: Company Filings; TRUSIF

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