

## Santander initiates coverage of Qualitas Controladora

**Qualitas Controladora, S.A.B. de C.V.** ("Qualitas", "the Company" or "the Group") (BMV: Q\*), informs its shareholders and the investment community that Santander initiated coverage of Q\* as of December 14<sup>th</sup>, 2021.

The fundamentals that determine its recommendation are: *"Qualitas offers exposure to LATAM's underpenetrated insurance industry (premiums at 2.4%/GDP in Mexico) at what we view as an appealing valuation (2.0x P/BV vs. our estimated sustainable 20-25% ROE). We believe Qualitas' scale (31% share of Mexico's auto insurance market) and focus (Mexico's #1 auto insurer since 2007 in terms of issued premiums) give it strong competitive advantages to benefit from increased auto insurance penetration across LATAM ... Qualitas management's track record of profitable growth (25% earnings CAGR since 2016) has translated into an excess capital position of ~US\$650 million (34% of market cap), which we expect to be used to pursue inorganic growth opportunities and increase shareholder distributions".*

Institution	Analyst	E-mail address	Target Price	Rating
Santander	Andres Soto Jorge Henderson	<a href="mailto:asoto@santander.us">asoto@santander.us</a> <a href="mailto:johenderson@santander.com.mx">johenderson@santander.com.mx</a>	MXN \$124.00	BUY

Santander full report is available at our web site: [QUALITAS-Cobertura Santander.pdf](#)

### About Qualitas

**Qualitas Controladora (Q)** is the largest auto insurance company in Mexico in terms of market share, with operations in El Salvador, Costa Rica, USA and Perú. Its specialized business model has allowed the Company to provide top quality service under the largest network in Mexico. Qualitas is listed on the Mexican Stock Exchange (BMV) under the ticker "Q\*" (Bloomberg: Q\*: MM)

### IR Contacts

Santiago Monroy  
[smonroy@qualitas.com.mx](mailto:smonroy@qualitas.com.mx)  
 t: +52 (55) 1555 6056

Andrea Gonzalez  
[angonzalez@qualitas.com.mx](mailto:angonzalez@qualitas.com.mx)  
 t: +52 (55) 1555 6316

Raquel Leetoy  
[rleetoy@qualitas.com.mx](mailto:rleetoy@qualitas.com.mx)  
 t: +52 (55) 1555 6313

