

EARNINGS RESULTS 2023

1st Quarter

Webcast Results 1Q23

Date: Tuesday April 25th 2023

Time: 8:00 am MXT / 9:00 am CST / 10:00 am EST

Qualitas Controladora S.A.B. de C.V. cordially invites you to its first quarter 2023 earnings results conference call.

Hosted by:

Mr. Jose Antonio Correa, Chief Executive Officer Qualitas Controladora

Mr. Bernardo Risoul, Deputy Chief Executive Officer & Chief Financial Officer

Zoom webcast ID: 851 3716 3373

https://us02web.zoom.us/webinar/register/WN_S_U-l2RIQjiAbs9NuKtgWQ#/registration

The report and presentation will also be available:

<https://qinversionistas.qualitas.com.mx/financial-information/quarterly-report>

Qualitas reports first quarter 2023 results














Mexico City, April 24th, 2023 – Qualitas Controladora, S.A.B. de C.V. (“Qualitas”, “Q”, or “the company”) (BMV: Q*), announces its unaudited financial results for the first quarter 2023.

Figures in this document are stated in Mexican pesos (MM) except when otherwise indicated and may vary due to rounding.

Highlights

- External factors continue to impact the auto insurance industry and intensify the part of the cycle in which we are in. However, thanks to the actions implemented in the previous year, Qualitas was able to maintain a profitable operation with a solid financial result, in line with our expectations.
- Written premiums increased +25% vs 1Q22. Top line growth reflects the tariffs' adjustments, coupled with new car sales recovery, +24% vs 1Q22, although still -5% below 2019.
- We achieved record-high of insured units, closing the quarter with more than 5 million; +191 thousand units vs. 2022 year-end and +415 thousand units vs 1Q22.
- Earned premiums closed the quarter at \$11,117 million, an increase of 19.7% vs 1Q22 in-line with our quarterly written premium's growth and portfolio mix.
- Loss ratio for the quarter stood at 69.4%, reflecting the inflationary environment as well as the mobility raise and, therefore, in frequency.
- Combined ratio of the quarter stood at 95.7% in-line with our expectations and, above our technical target range.
- Comprehensive financial Income closed at \$981 million, which represents a quarterly 9.8% ROI. By March-end, the investment portfolio was \$36,855 million; 91.1% allocated in fixed income with a total duration of 1.14 years.
- Net result closed at \$897 million, an increase of 21.9% vs 1Q22 and representing a 7.3% net margin. Quarterly EPS was \$2.2 and 12-month ROE stood at 11.5%.
- The regulatory capital requirement stood at \$4,399 million, with a solvency margin of \$14,427 million, equivalent to a solvency ratio of 428%.
- By the end of the quarter, we held 5.6 million shares in treasury with a remaining share buyback fund of \$854.4 million pesos.
- In the coming General Shareholders' Meeting, to be held on April 27th, it is proposed a cash dividend payment of \$5.0 pesos per share payable in two installments, and a new share buyback fund of \$600 million pesos.

Qualitas' in figures

 <p>Record high</p> 	<p>5,000,895</p> <p>Insured Units</p>	<p>+25%</p> <p>Written premium growth 1Q23 vs 1Q22</p>	
	<p>32.0%*</p> <p>Market share leader since 2007</p>	<p>11.5%</p> <p>ROE 12M</p>	
	<p>7.3%</p> <p>1Q23 net margin</p>	<p>\$2.3</p> <p>P/BV</p>	
	<p>\$2.2</p> <p>EPS 12 M</p>	<p>\$19.5</p> <p>P/E</p>	
	<p>554</p> <p>Service offices: 222 ODQs: 332</p>	<p>\$36,855</p> <p>Invested assets, float MM, MXN</p>	
	<p>5,667</p> <p>Employees</p>	<p>20,217</p> <p>Agents</p>	

*2022 Mexico market share, AMIS

Financial highlights 1Q23 (MM MXN)

Income Statement	1Q23	1Q22	Δ %/bp 23 vs 22
Written premiums	12,241	9,796	25.0%
Net written premiums	12,187	9,587	27.1%
Earned premiums	11,117	9,291	19.7%
Acquisition cost	2,869	2,300	24.8%
Loss cost	7,721	6,118	26.2%
Technical result	527	873	(39.6%)
Operating expenses	336	363	(7.3%)
Underwriting result	191	510	(62.6%)
Comprehensive financial income	981	345	184.5%
Investment income	879	283	210.6%
Income Taxes	275	120	129.8%
Net result	897	736	21.9%
Cost ratios			
Acquisition ratio	23.5%	24.0%	(45)
Loss ratio	69.4%	65.8%	360
Operating ratio	2.7%	3.7%	(96)
Combined ratio	95.7%	93.5%	220
Combined ratio adjusted*	98.3%	94.5%	378
Profitability ratios			
Return on investments	9.8%	3.3%	655
ROE for the period	18.0%	14.3%	371
LTM ROE	11.5%	17.0%	(551)

*Adjusted combined ratio refers to the sum of the acquisition, loss, and operating costs, divided by earned premiums and it is presented for comparison reasons with international ratios.

Balance Sheet	1Q23	1Q22	Δ %/bp 23 vs 22
Assets	77,701	72,715	6.9%
Investments & Real Estate	39,070	36,903	5.9%
<i>Invested assets or float**</i>	36,855	34,873	5.7%
Technical reserves	43,447	38,553	12.7%
Total liabilities	57,306	51,876	10.5%
Stockholders' equity	20,396	20,839	(2.1%)

***Invested assets or float*: investments in debt + overnights + loans portfolio.

Written premiums

Business line	1Q23	1Q22	Δ %/bp 23 vs 22
Traditional	8,100	6,174	31.2%
<i>Individual</i>	4,887	3,536	38.2%
<i>Fleets</i>	3,213	2,638	21.8%
Financial institutions	3,313	2,579	28.5%
Foreign subsidiaries	817	927	(11.8%)
Total	12,241	9,796	25.0%

By March-end, written premiums were \$12,241 million, growing 25.0% compared to the same period of the previous year. Around 60% of our top line performance is related to rate increases and the remaining ~40% to volume growth.

Growth was once again driven by the traditional segment, which had an increase of +31.2% vs. 1Q22.

Underwriting through the financial institutions segment had a quarterly increase of 28.5%, related to the growth in new car sales. While this reflects a recovery trend, the sale of new cars is correlated to the behavior of the economy and interest rates, since ~57% of new car sales in Mexico are done through credit.

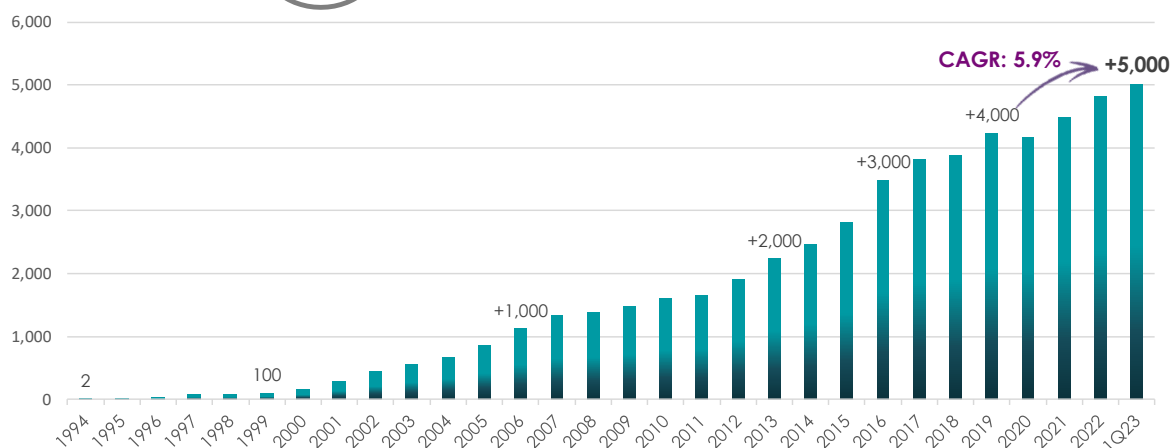
Regarding the operation of the international subsidiaries, these reported a quarterly decrease of 11.8%, in line with our expectations and reflecting the intentional slowdown in the United States subsidiary. Considering only the operation of our LATAM subsidiaries, its written premium had a quarterly growth of 28% compared to the same period of the previous year.

Insured units

We closed the quarter with an all-time high, reaching more than 5 million insured units. This represents an increase of +191 thousand units or +4% compared to 2022-end. Likewise, with the exception of our subsidiary in the United States, the rest of the subsidiaries increased the number of insured units, maintaining our commitment to accelerate and fuel their profitable growth.



5,000,895 insured units



CAGR of the last 5 years

Regarding the sale of new cars, light vehicles increased 24.4% compared to sales in 1Q22, although still below 2019 level, while sales of heavy equipment vehicles reported a growth of 38% in the quarter and even above 2019 level.

Insured units are distributed as follows:

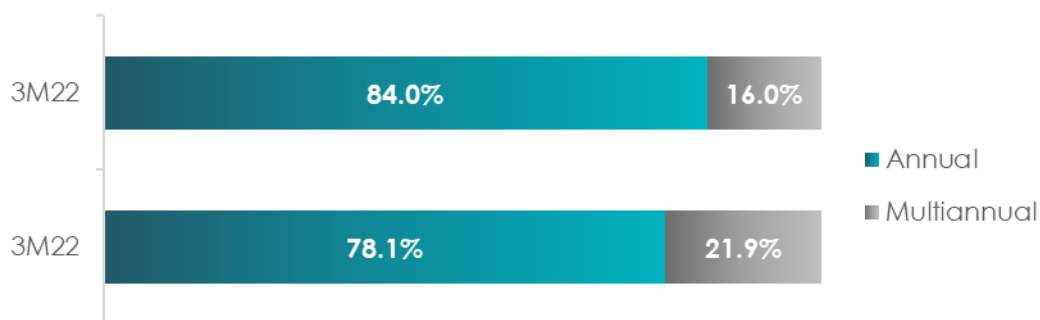
	1Q23	4Q22	Δ%	1Q22	Δ%
Mexico	4,788	4,607	3.9%	4,408	8.6%
<i>Automobiles</i>	3,121	3,020	3.4%	2,927	6.6%
<i>Trucks</i>	1,209	1,174	3.0%	1,145	5.6%
<i>Tourists</i>	145	138	5.3%	119	21.7%
<i>Motorcycles</i>	312	275	13.4%	216	44.3%
El Salvador	31	27	14.2%	24	30.2%
Costa Rica	105	100	4.8%	82	27.3%
USA	17	18	(2.6%)	18	(5.1%)
Peru	60	58	2.5%	54	10.3%
Insured vehicles	5,001	4,810	4.0%	4,586	9.0%

All percentage changes are compared to 1Q23, in thousands of units.

Unearned premiums

During the first quarter, earned premiums closed at \$11,117 million, which represents an increase of 19.7% compared to the first quarter 2022. This growth is explained by the performance in written premiums, in addition to our portfolio mix, thus the actuarial constitution of reserves.

At the end of March, 84% of the portfolio was constituted by annual policies and 16% by multiannual policies.



Acquisition cost

The acquisition cost closed the quarter at \$2,869 million, with an acquisition ratio of 23.5%. This figure stands within the historical range and reflects the recovery in the underwriting through financial institutions, which is linked to the payment of UDI, holding a higher commission.

It is important to highlight that there has been no change in the commissions paid neither to agents nor financial institutions, and that they are related to the sales volume, in addition to the quality and profitability of their portfolios.

Claims cost

By quarter-end, accumulated inflation in Mexico stood at 6.9%; likewise, inflation for spare parts manufacturing was 8.8%, and for vehicle repair 8.3%. Inflation is the main external factor that impacted our loss costs; in line with these figures, the average cost of claims increased by 9% compared to the same period in 2022. Qualitas is vertically integrated, which allows it to find efficiencies in spare parts, glass, and repairs, which has allowed us to control the increase in costs; this vertical integration has become one of our competitive advantages.

On the other hand, the frequency of the quarter was 27.9%, reflecting the growing mobility in Mexico as well as in the countries where we operate. The frequency reflects the average number of claims that an insurance policy, or a set of policies, had during a period of time.

Regarding the theft of insured vehicles in Mexico, according to the latest figures reported by OCRA, it increased 3.6% for the industry and 4.4% for Qualitas, during the first three months of the year. While we are beginning to see a turning point in the positive trend experienced during the last 3 years, theft in the industry is still ~30% below 2019 level. During the quarter, Qualitas recovered 45.7% of stolen units, which represents 6.4 p.p. more than the average for the rest of the industry.

All of the above resulted in a claim cost of \$7,721 and a 69.4% ratio in the quarter, in line with expectations.

We will continue implementing the necessary actions, such as the increase in tariffs, efficiencies in the operation and strengthening of vertical integration, to gradually return to our technical range of 62-65%.

Operating expense

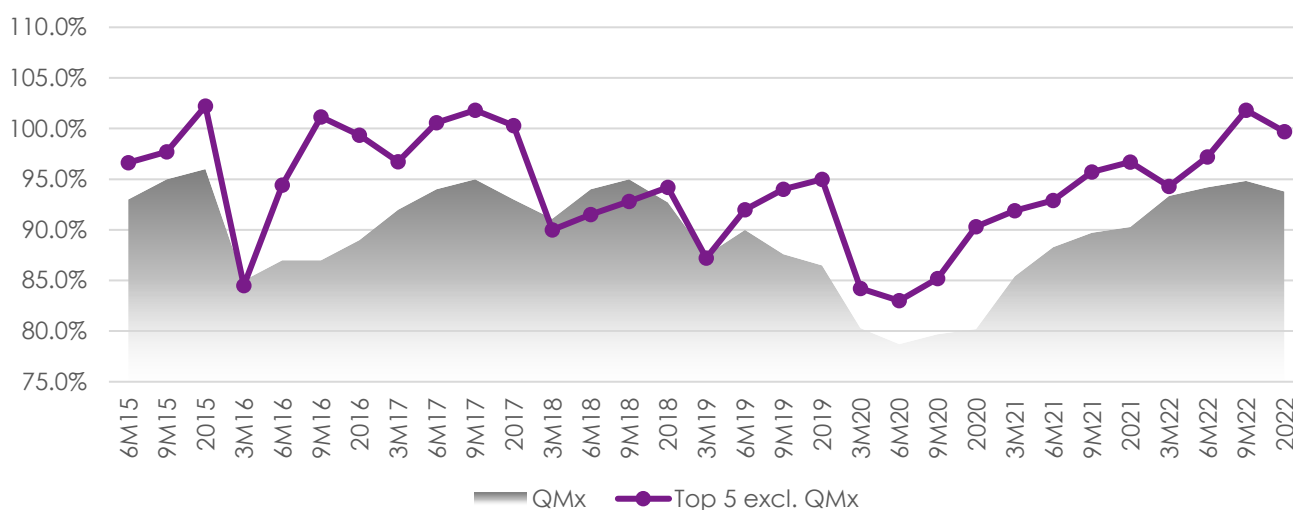
Operating expenses for the quarter were \$336 million, reaching an operating ratio of 2.7%.

Within the operating expense is the employees profit sharing, which is directly related to the earnings of the company; if we were to exclude this figure, the operating ratio would stand at 2.0%. It is important to note that this ratio considers salary increases due to inflation and performance, as well as the costs of implementing changes in labor laws in Q MX.

Operating result

Despite the challenging environment, we reported a combined ratio of 95.7% at the end of 1Q23. The company had a quarterly operating profit of \$191 million, representing a quarterly operating margin of 1.7%.

Relating to the combined ratio, the auto insurance industry in Mexico reported a ratio of 101.8% at the end of 2022; furthermore, the ratio reported by the 5 largest companies, excluding Qualitas, was 104.6%. Qualitas stands out from the Top 5, being the only insurer reporting a ratio below 100%.



Source: AMIS as of 2022

Comprehensive financial income

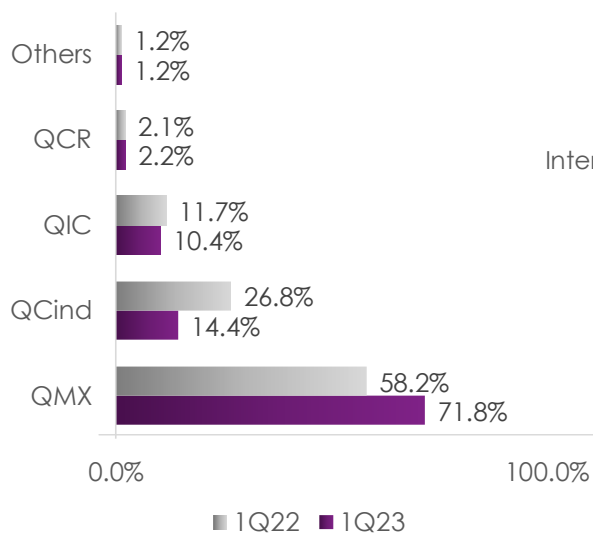
During 1Q23, the reference rate in Mexico increased by 75 basis points, standing at 11.25% by March-end, compared to 6.5% at the end of the same period in 2022. The average 28-day CETES for the quarter was 10.8 %.

At the end of 1Q23, 91.1% of the portfolio was allocated in fixed income and the remaining 8.9% in equities. Furthermore, the duration of our investment portfolio stood at 1.14 years.

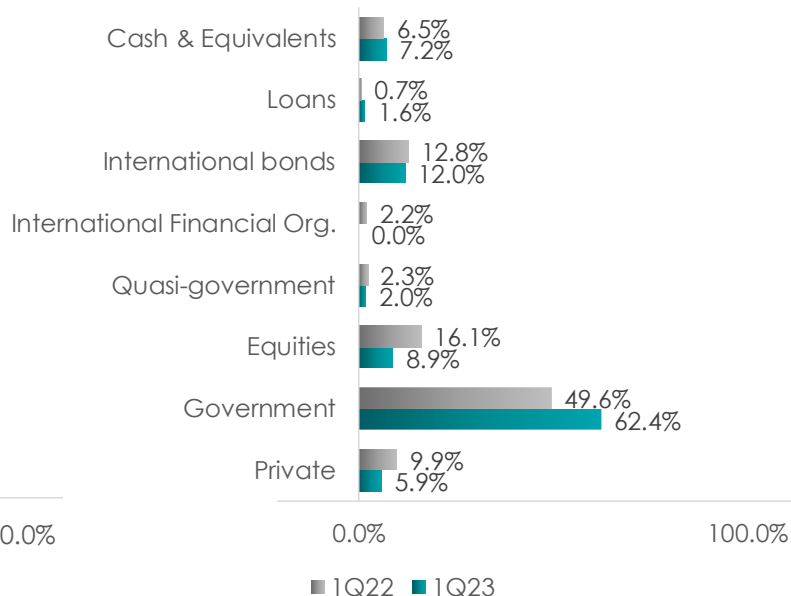
On the other hand, due to the volatility in the stock markets, throughout 2023 we will be shifting to an investment strategy focused on long-term returns, with less interest in individual positions.

Considering the above, the quarterly financial income closed at \$981 million, which implies an RSI of 9.8%; that is, an increase of 655 basis points compared to the RSI of the same period in 2022. The adjustments implemented during 2022 to benefit our investment portfolio from the high levels of interest rates already show results in the performance of our portfolio.

Subsidiaries portfolio



Total portfolio



Net result

All in all, the company reported a quarterly net profit of \$897 million, resulting in a quarterly net margin of 7.3%. The growth in net profit compared to the same period in 2022 was +21.9% or + \$161 million pesos.

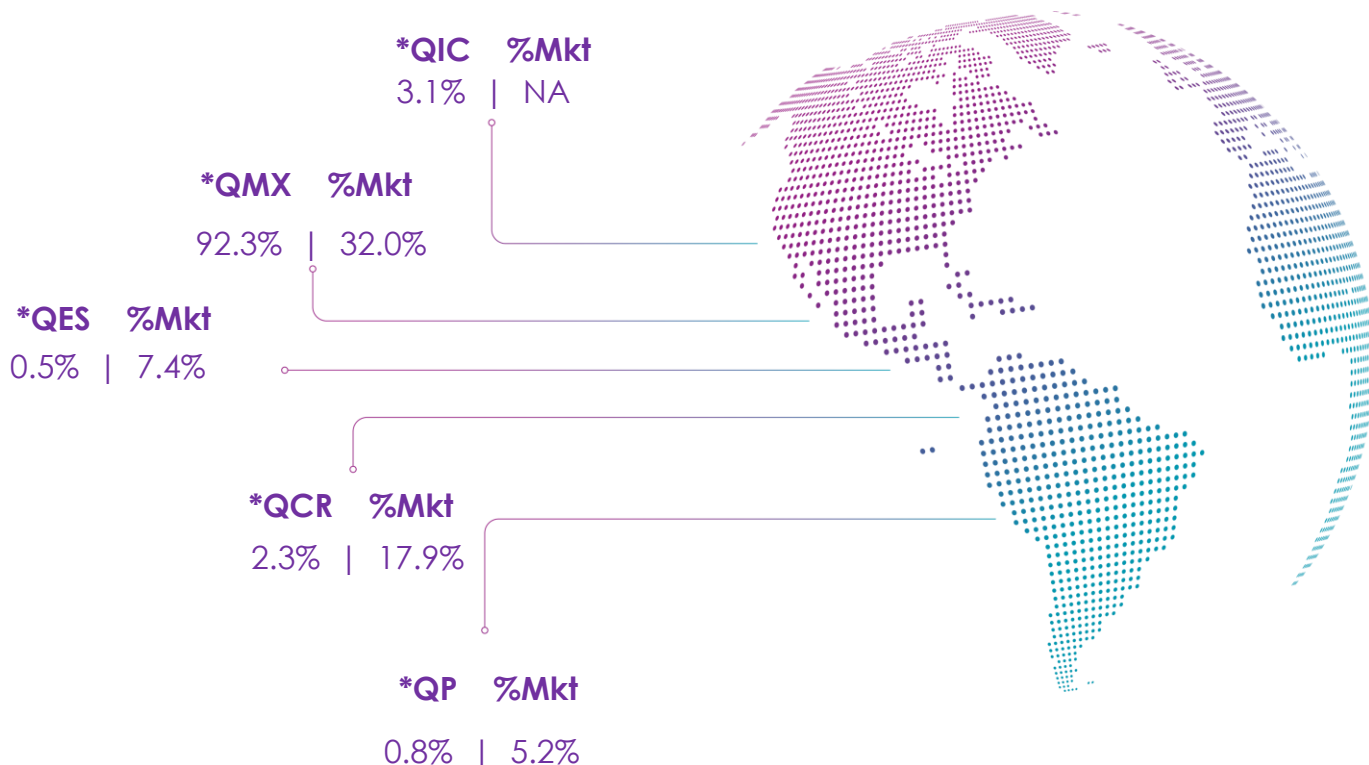
This result shows that, despite the complex environment operation-wise, our business model and the experience of our team allow us to continue creating value.

We will continue to focus on actions to control costs, through adequate pricing, to keep with the gradual recovery of our operating business which, coupled with the strength of our investment portfolio, will help us to boost our profitability.

Qualitas closed with a 12-month ROE of 11.5%, demonstrating the strength of its capital. ROE is comprised by an operating ROE of 3.0% and a financial ROE of 8.6%.

Subsidiaries as of 1Q23

International (geographical) subsidiaries represented **6.7%** of company's total written premium:



Altogether, the international and non-insurance (vertical) subsidiaries reported written premiums and sales of \$955.5 million during 1Q23, representing a quarterly decrease of 5.9%.

Along the first quarter of the year, our subsidiary Flekk has increased its sales to other insurers, excluding its sales to Qualitas, by +54% compared to same period of previous year. Likewise, it has been a fundamental part of our operation in Mexico to offset the inflation observed in the spare parts industry and make more efficient the support to our clients.

In the table below, it can be seen the performance our subsidiaries:

	Written premium		
	3Q22	3Q21	Δ %
Q ES	59	42	39.4%
Q CR	286	208	37.4%
Q IC	380	585	(35.0%)
Q P	93	91	1.3%
Vertical*	138	88	56.0%
Total	955	1,015	(5.9%)

Figures in million pesos. Sales in vertical subsidiaries exclude inter company operations.

*Sales in the case of non-insurance subsidiaries

Technical reserves

During first quarter, the company constituted reserves related to both: written premiums performance and the seasonality nature of the business. The net increase in unearned premium reserves was \$ 1,070 million, which represents \$774 million more than the constituted in 1Q22.

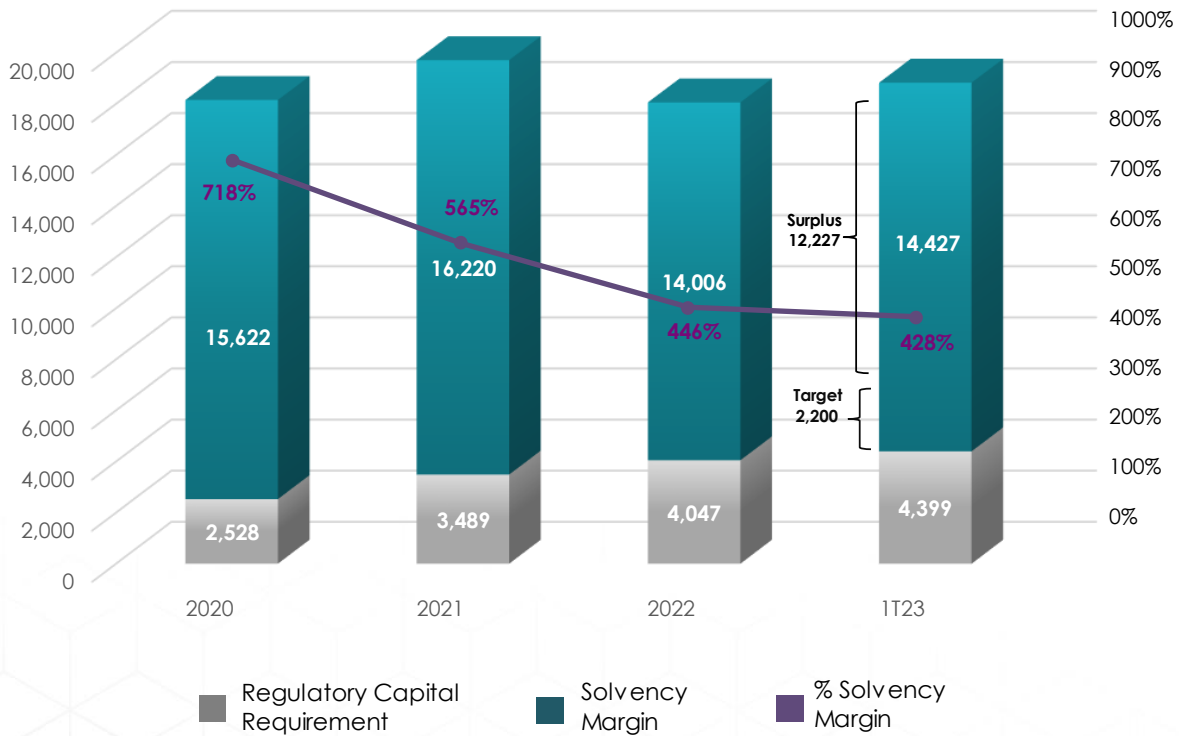
On the other hand, technical reserves reached \$43,447 million.

Stands out that reserves' constitution is related to three main factors: 1) underwriting growth pace, 2) portfolio premiums' composition (annual and multiannual) and 3) historical claims and loss cost estimates.

Solvency

The regulatory capital requirement stood at \$4,399 million by the end the quarter, with a solvency margin of \$14,427 million, equivalent to a solvency ratio of 428%.

Our capital use strategy will continue to focus on: 1) strengthening our leadership in Mexico, 2) accelerating the growth of our subsidiaries, and 3) expanding our service to new business lines within the insurance ecosystem.



QUALITAS CONTROLADORA, S.A.B. DE C.V.
Consolidated Balance Sheet as of March 31st 2023 & 2022
 Figures in Mexican pesos

	2023	2022
Assets		
Investments	39,070,389,527	36,903,485,768
Securities and Derivatives Transactions	36,135,372,426	34,452,106,623
Securities	36,135,372,426	34,452,106,623
Government	26,747,035,979	22,147,885,969
Private Companies: Fixed Rate	3,221,660,245	5,548,490,782
Private Companies: Equity	6,197,413,148	6,721,781,190
Foreign	-	64,611,825
Dividends Receivable on Capital Securities	-	-
(-) Value Impairment	30,736,945.5	30,663,143.1
Securities given in Loan Investments	-	-
Restricted Securities	-	-
Derivatives	-	-
Overnight	16,190,820	59,140,214
Loans Portfolio (Net)	703,468,165	361,543,276
Current Loan Portfolio	722,176,532	378,345,314
Non-performing Loan	31,729,686	31,197,633
(-) Loan Loss Provisions	50,438,053	47,999,671
Property (Net)	2,215,358,116	2,030,695,655
Investments Related to Labor Obligations	84,200,657	77,374,809
Cash and Cash Equivalents	2,950,603,960	2,469,482,673
Cash and Banks	2,950,603,960	2,469,482,673
Debtors	27,313,647,487	24,954,653,637
Premiums	25,887,949,655	23,894,634,255
Premiums P&C Subsidy	-	-
Federal Agencies Debts	115,623,496	151,953,954
Agents and Claims Officers (Adjusters)	139,329,522	169,342,209
Accounts Receivable	-	-
Bonds for Claims Debtors	-	-
Other	1,286,039,554	889,870,853
(-) Allowance for Doubtful Accounts	115,294,740	151,147,635
Reinsurers and Re-Bonding Companies	276,436,641	159,346,401
Insurance and Bonds Intitutions	12,363,592	11,538,275
Retained deposits	-	-
Amounts Recoverable from Reinsurance	266,003,113	149,760,510
(-) Loan Loss Provisions for Foreign Reinsurers	1,871,634	1,899,408
Reinsurance and Bonding Brokers	-	-
(-) Provisions for Penalties	58,429	52,976
Permanent Investments	46,760,489	46,546,839
Subsidiary	-	-
Associates	-	-
Other permanent investments	46,760,489	46,546,839
Other Assets	7,959,358,794	8,104,130,425
Furniture and Equipment (Net)	1,135,095,414	1,666,809,113
Foreclosed Assets (Net)	-	-
Miscellaneous	6,706,166,644	6,325,836,279
Amortizable Intangible Assets (Net)	86,589,276	76,890,424
Long-lived Intangible Assets (Net)	31,507,460	34,594,610
Total Assets	77,701,397,555	72,715,020,553

QUALITAS CONTROLADORA, S.A.B. DE C.V.
Consolidated Balance Sheet as of March 31st 2023 & 2022
 Figures in Mexican pesos

	2023	2022
Liabilities		
Technical Reserves	43,446,985,308	38,552,875,787
Unearned Premiums	29,677,551,698	27,505,645,108
Life Insurance	-	-
Accident and Illness Insurance	7,827,481	-
Property and Casualty Insurance	29,669,724,216	27,505,645,108
Rebonding	-	-
In Force Bonding	-	-
Reserve for Outstanding Obligations	13,769,433,610	11,047,230,679
Expired Policies and Claims Occurred Pending of Payment	16,243,341,786	13,030,207,458
Occurred but not Reported and Adjustment Costs assigned to Claims	(3,136,638,822)	(2,629,899,284)
Funds Under Administration	-	-
Deposit Premiums	662,730,647	646,922,506
Contingency Reserve	-	-
Specialized Insurance Reserve	-	-
Catastrophic Risks Reserves	-	-
Reserves Related to Labor Obligations	514,550,324	471,051,982
Creditors	7,137,173,371	7,429,634,358
Agents and Adjusters	2,301,401,928	2,066,719,444
Funds for Losses Management	54,604,705	86,823,820
Bonding for recognition of Liabilities Creditors	-	-
Miscellaneous	4,781,166,738	5,276,091,094
Reinsurers and Re-Bonding Companies	135,491,324	148,605,419
Insurance and Bond Companies	135,298,450	148,605,419
Retained Deposits	-	-
Other	192,874	-
Rebonding and Reinsurance Broker	-	-
Derivatives (Fair Value)	-	-
Funding Obtained	0	0
Debt Issuance	-	-
Subordinated Obligations not exchangeable into shares	-	-
Other Debt Securities	-	-
Financial Reinsurance Agreement	-	-
Other Liabilities	6,071,373,654	5,273,847,680
Provisions for employee profit sharing	419,298,060	370,144,330
Income Tax Provisions	251,009,357	50,015,400
Other Obligations	4,420,055,156	3,893,900,057
Deferred Credits	981,011,081	959,787,894
Total Liabilities	57,305,573,981	51,876,015,226
Stockholders' Equity		
Paid-in Capital		
Capital Stock	2,350,363,169	2,370,613,584
Capital Stock	2,386,567,046	2,422,365,551
(-) Non Subscribed Capital Stock	-	-
(-) Non Displayed Capital Stock	-	-
(-) Repurchased Shares	36,203,877	51,751,967
Subordinated Obligations of Mandatory Conversion into Stockholders' Equity	-	-
Earned Capital	-	-
Reserves	1,888,730,735	1,606,582,083
Legal	507,142,999	507,142,999
For Repurchase of shares	809,661,031	667,861,220
Other	571,926,705	431,577,865
Valuation Surplus	299,566,944	239,376,685
Permanent Investments	-	-
Retained Earnings	14,980,765,282	15,778,060,605
Net Result	895,772,912	734,372,413
Translation effect	(47,567,794)	94,958,424
Non Monetary Assets Result	-	-
Remeasurements for Benefits granted to Employees	3,810,626	2,889,779
Controlling Interest	20,374,327,251	20,820,729,750
Non-Controlling Interest	21,496,324	18,275,577
Total Stockholders' Equity	20,395,823,575	20,839,005,327
Total Liabilities and Stockholders' Equity	77,701,397,555	72,715,020,553

QUALITAS CONTROLADORA S.A.B. DE C.V.
Consolidated Income statement for the first quarter 2023 & 2022
 Figures in Mexican pesos

	1Q 2023	1Q 2022
Premiums		
Written	12,240,502,328	9,795,716,627
(-) Ceded	53,566,811	208,463,235
Net Written Premiums	12,186,935,517	9,587,253,392
(-) Net Increase of Unearned Premiums Reserve	1,069,525,823	295,769,230
Earned Retained Premiums	11,117,409,694	9,291,484,162
(-) Net Acquisition Cost	2,868,919,693	2,299,709,160
Agents Commissions	957,554,144	780,310,366
Agents Additional Compensation	337,930,664	294,608,055
Reinsurance and Rebonding Commissions	-	-
(-) Reinsurance Commissions	2,015,000	1,550,007
Excess of Loss Coverage	2,737,505	1,588,786
Other	1,572,712,380	1,224,751,960
(-) Net Claims Cost and Other Contractual Liabilities	7,721,012,685	6,118,349,417
Claims and Other Contractual Obligations	7,724,300,605	6,162,371,824
(-) Losses on non-proportional reinsurance	3,287,920	44,022,407
Claims	-	-
Technical Income (Loss)	527,477,316	873,425,585
(-) Net Increase in Other Technical Reserves	-	-
Catastrophic Risks Reserve	-	-
Specialized Insurance Reserve	-	-
Contingency Reserve	-	-
Other	-	-
Result of Analog and Related Operations	-	-
Gross Income (Loss)	527,477,316	873,425,585
(-) Net Operating Expenses	336,435,419	362,978,593
Administrative and Operating Expenses	(113,447,209)	766,218
Employees' compensation and benefits	321,011,809	222,846,277
Depreciation and Amortization	128,870,820	139,366,098
Operating Income (Loss)	191,041,897	510,446,992
Comprehensive Financing Result	980,819,616	344,762,002
Investments	749,471,686	432,503,846
Sale of Investments	21,011,430	(64,782,493)
Fair Valuation of Investments	130,801,752	(90,971,810)
Surcharges on Premiums	99,745,333	68,605,861
Debt Issuance	-	-
Financial Reinsurance	-	-
Loan Interests	17,599,813	5,569,692
(-) Preventive Penalties for Amounts Recoverable from Reinsurance	(320,009)	314,541
(-) Preventive Penalties for Credit Risks	(1,809,128)	7,466,361
Other	1,762,192	(6,982,956)
Foreign Exchange Rate Fluctuation	(41,701,727)	8,600,764
(-) Monetary Position Result	-	-
Participation in Permanent Investments Result	-	-
Income (Loss) Before Taxes	1,171,861,513	855,208,994
(-) Provision for Income Taxes	274,993,214	119,654,127
Income (Loss) Before Discontinued Operations	896,868,299	735,554,867
Discontinued Operations	-	-
Net Income (Loss)	896,868,299	735,554,867
Controlling Interest	895,772,912	734,372,413
Non-Controlling Interest	1,095,387	1,182,453
Net Income (Loss)	896,868,299	735,554,867

Glossary of terms and definitions

Acquisition Cost: Includes commissions and compensations paid to agents as well as fees paid to Financial Institutions for the use of their facilities (UOF).

Acquisition Ratio: Acquisition Cost ÷ Net Written Premiums.

AMDA: Mexican Association of Automotive Distributors.

CAGR: Compound Annual Growth Rate = $[(\text{End of Period Figure} / \text{Beginning of Period Figure}) ^ (1 / \text{Number of periods})]$.

Combined Ratio: Acquisition Ratio + Operating Ratio + Loss Ratio.

CNSF: National Insurance & Bonds Commission, the regulator of the insurance sector in México.

Financial Institutions: Financial branch of major automakers and Financial Groups that provide automotive financing.

IBNR: Incurred but not reported reserves.

Loss Cost: Includes costs incurred in the payment of claims: third party liability, theft, repair costs, among others.

Loss Ratio: Loss Cost ÷ Net Earned Premiums.

Multi-annual Policies: Policies with a term greater than 12 months. They are typically issued for the automobiles sold on credit.

Net Earned Premiums: Written premiums registered as income throughout the duration of a policy.

Net Margin: Net income/written premiums

Net Written Premiums: Written premiums less the portion ceded to reinsurance.

Operating Expenses: Includes expenses incurred in by the company in its regular operations.

Operating Ratio: Operating Expenses ÷ Net Written Premiums.

Operating Margin: operating income/ earned premiums

Policies' Fees: Administrative fee charged when the policy is issued and recorded as an income in operating expenses.

PTU: Employee profit sharing.

Premium Debtor: Records the portion of sold policies which will be paid in installments

Premiums Surcharge: Financial penalty imposed to policyholders that choose to pay premiums in installments.

Regulatory Capital Requirement: Is the minimum equity level that an insurance company should maintain, according to legal requirements.

Written Premiums: Premiums corresponding to policies underwritten.

Q CR: Qualitas Costa Rica

Q MX: Qualitas Mexico

Q ES: Qualitas El Salvador

Q P: Qualitas Peru

QIC: Qualitas Insurance company.

Solvency Margin: Stockholders' equity – Regulatory Equity Requirement.

Solvency Margin Ratio: Solvency Margin ÷ Regulatory Equity Requirement.

UOF: Fees paid to Financial Institutions for the use of their facilities.

OCRA:(Oficina Coordinadora de Riesgos Asegurados)

Analysts



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Target Price:
80.00 MXN

Recommendation:
Underweight



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Target price:
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Recommendation:
Underperform



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Target price:
117.00 MXN

Recommendation:
Neutral



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Target price:
110.00 MXN

Recommendation:
Neutral



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Target price:
114.6 MXN

Recommendation:
Sell



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Target price:
115.00 MXN

Recommendation:
Outperform



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Target price:
105.00 MXN

Recommendation:
Fair value



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Target price:
136.27 MXN

Recommendation:
Buy



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Target price:
119.5 MXN

Recommendation:
Buy



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Target price:
130.00 MXN

Recommendation:
Outperform



Analyst:
-

E-mail:
-

Target price:
110.92 MXN

Recommendation:
-

About Qualitas:

Qualitas Controladora (Q) is the company with the largest market share in the auto insurance industry in Mexico and has presence in the United States, Peru, Costa Rica, and El Salvador. Its unique business model, based on excellence service and a strict cost control policy, has allowed it to offer a first quality service under the largest coverage network in the country. Qualitas is listed on the Mexican Stock Exchange under the symbol "Q" (Bloomberg: Q *: MM).

This document may include forward-looking statements that involve risks and uncertainties. Information may include forward-looking statements regarding the company's results and prospects, which are subject to risks and uncertainty. Actual results may differ materially from what is discussed here today, and the company cautions you not to place undue reliance on these forward-looking statements. Qualitas undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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A large, stylized letter 'Q' in a purple-to-teal gradient, positioned on a diagonal band that also features the same gradient. The background is a light gray with a repeating geometric pattern of interconnected hexagons.

Q

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