

HBSC 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 investment community that HBSC initiated coverage of Q* as of June 20th, 2024.

The fundamentals that determine its recommendation are: "Qualitas is Mexico's leading auto insurance company, with a market share of ~33% in terms of GWP, 2.4x the size of the second largest insurer in the market (GNP, with ~13% share). Over the past decade, the company has: (1) delivered consistent growth (2010-23 premium CAGR of 13%) well above the industry; (2) organically increased its market share from 20% in 2010 to 33% in 2023, a significant achievement that is hard to replicate; and (3) maintained solid underwriting performance that has allowed it to deliver strong ROAEs (avg 2010-23 ROAE of ~26%). We also highlight that over the last few years, the trading liquidity of the stock has improved significantly...".

Institution	Analyst	E-mail address	Target Price	Rating
HSBC	Jitendra Singh	jitendra.singh@hsbc.com.mx	MXN \$165.00	<i>Reduce</i>

HSBC full report is available at our web site: [HSBC LatAm Auto Insurance - Initiating coverage](#)

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 Peru. Its unique business model, with 30 years of experience in the auto insurance segment, 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)

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