

Earnings Results Webcast

2nd Quarter *2019*



Quálitas Controladora

Information discussed on today's webcast 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. Quálitas undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

If you have any trouble visualizing the presentation or hearing the conference call please contact:

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All figures in this document are expressed in million Mexican pesos except when otherwise specified.

2019 ↘

Agenda

1) Our corporate structure

2) Financial highlights

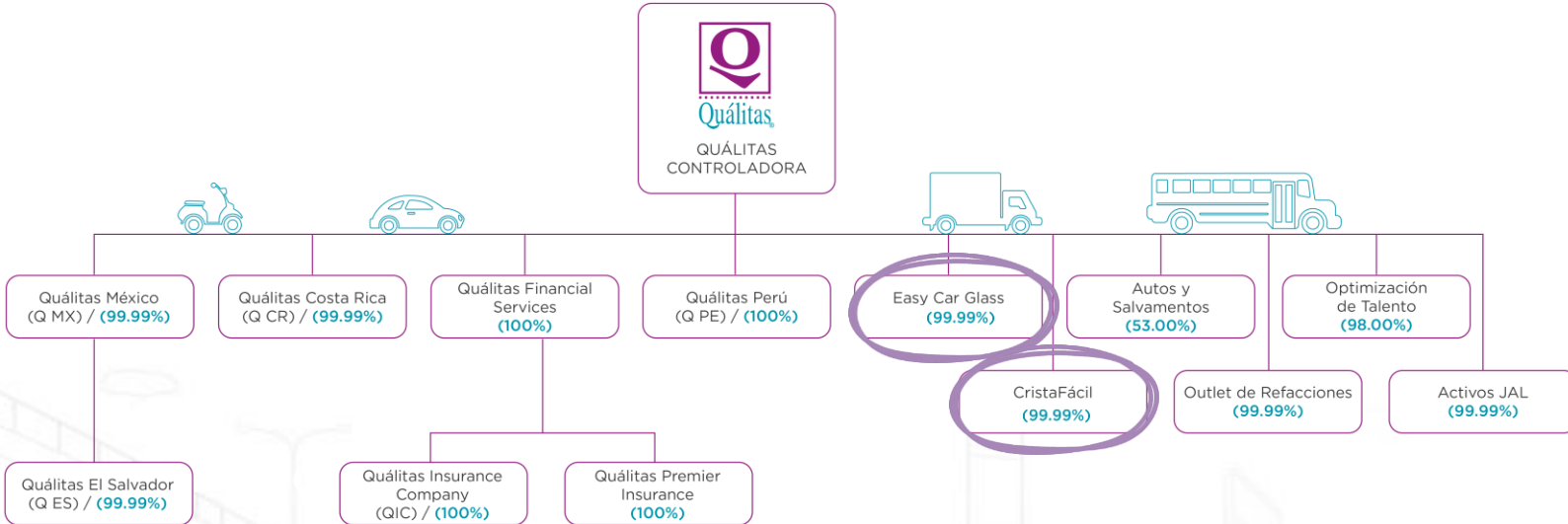
3) Underwriting &
financial income

4) Q* stock performance

5) Sustainability

2019 ↘

Update of our structure



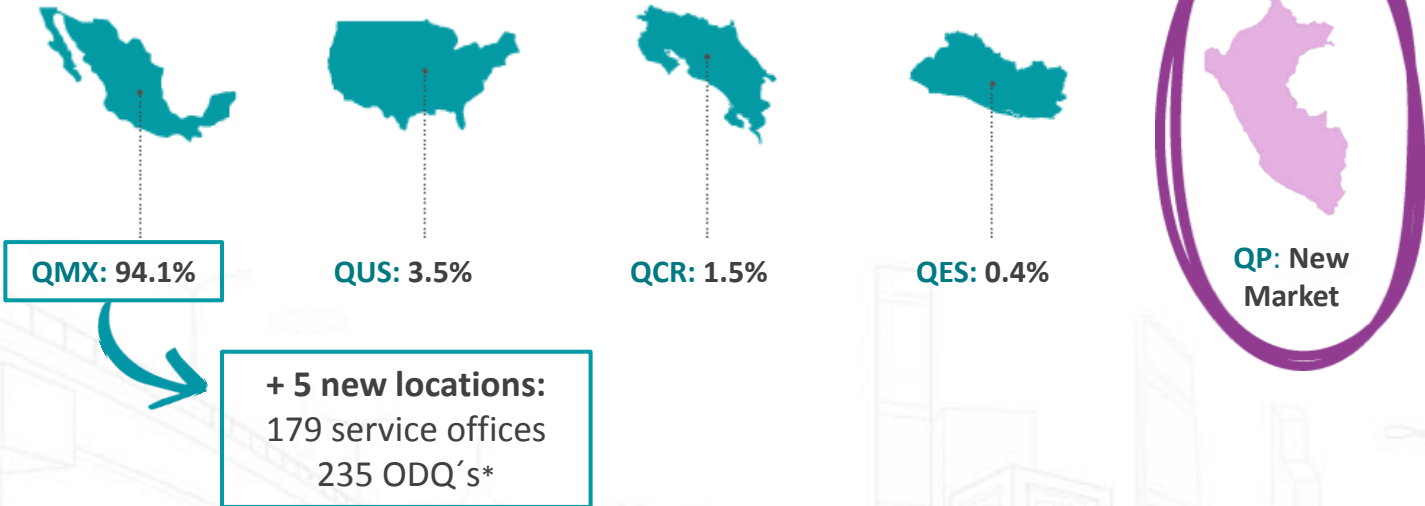
1. On June 30th 2019, Quálitas acquired the remaining 24.75% of the shares of Easy Car Glass, gaining total control.

2. On June 30th 2019, Quálitas acquired the remaining 44.00% of the shares of CristaFácil, gaining total control

2019 ↙

Our subsidiaries

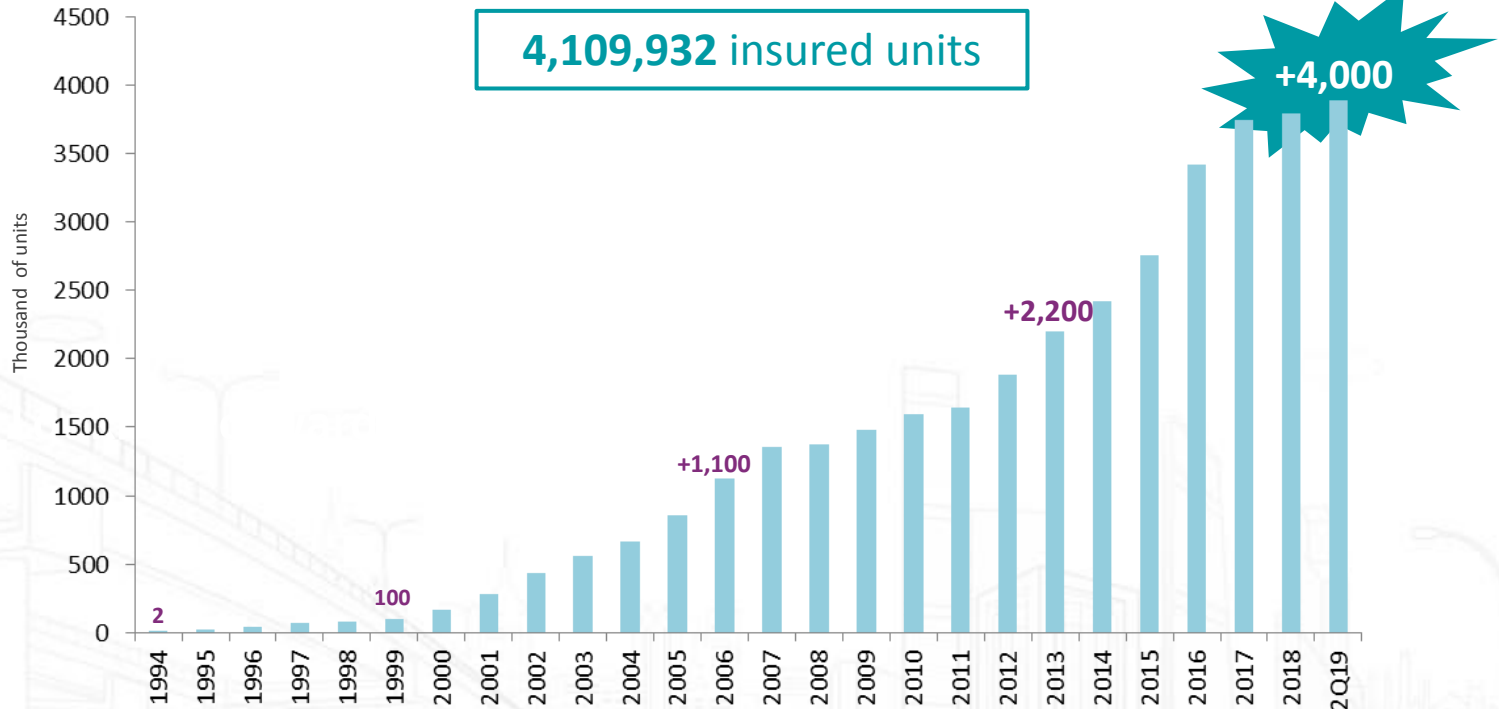
Subsidiaries share in Written Premiums



*Quálitás Development Offices

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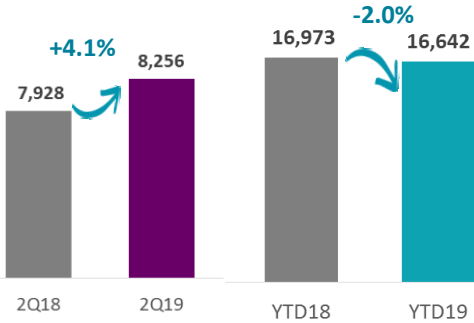
25 years ago we believed and created a **unique business model based on service excellence and low cost structure** to offer best value



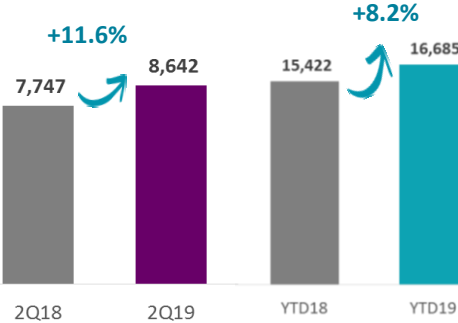
2019 ↘

Financial Highlights

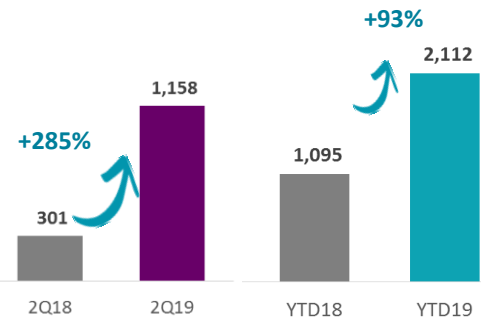
Written Premiums



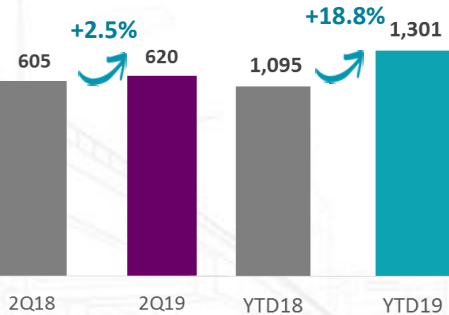
Earned Premiums



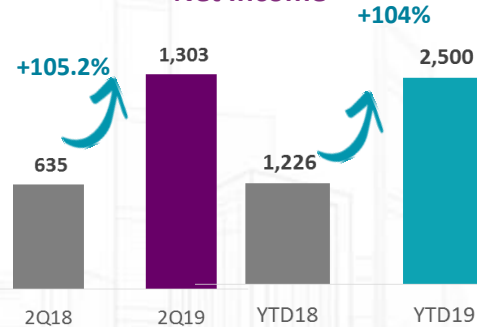
Underwriting result



Comprehensive Financial Income

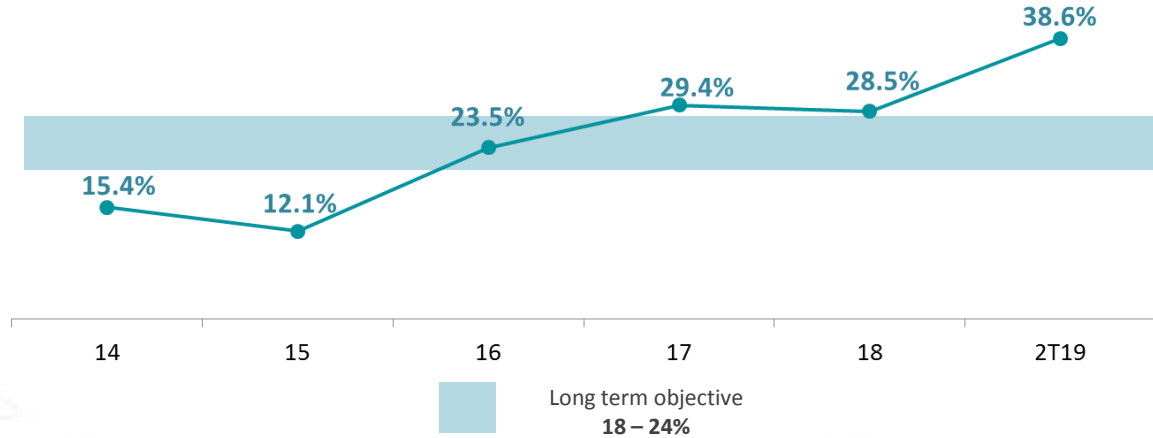


Net Income



2019 ↙

Financial Highlights (2)



Underwriting Margin

13.4%

Net Margin*

15.1%

Cumulative income per share

\$5.88 vs \$2.81 (2Q18)

Combined Ratio

88.1%

Combined Ratio Adjusted**

86.6%

*Net Margin: Stockholders' equity/Earned premiums

**Combined Ratio Adjusted=(Acquisition cost+Loss cost+Operating expenses)/Earned premiums

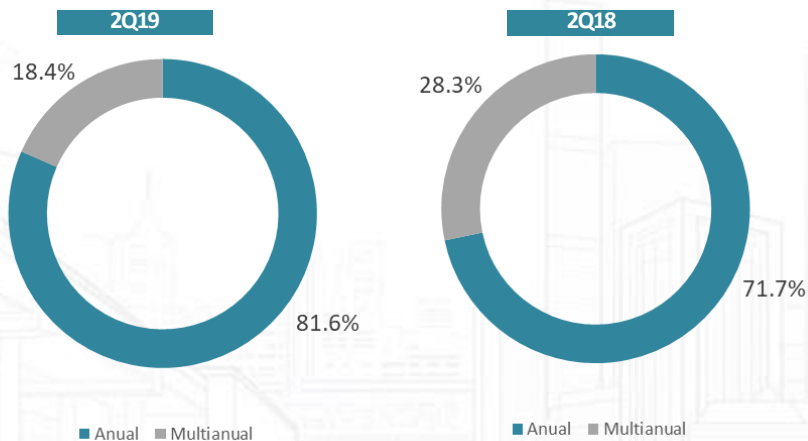
2019 ↙

Underwriting

Written premiums by segment

Segment	2Q19	2Q18	Δ \$	Δ %	6M19	6M18	Δ \$	Δ %
Traditional	5,144	4,294	850	19.8%	10,482	9,335	1,147	12.3%
<i>Individual</i>	2,513	2,131	383	18.0%	5,177	4,397	780	17.7%
<i>Fleets</i>	2,631	2,164	467	21.6%	5,305	4,938	368	7.4%
Financial institutions	2,614	3,122	(509)	(16.3%)	5,229	6,679	(1,450)	(21.7%)
Foreign subsidiaries	483	462	21	4.5%	851	851	0	0.0%
Other	16	50	(34)	(68.0%)	80	49.0	31	63.4%
Total	8,256	7,928	328	4.1%	16,642	16,973	(331)	(1.9%)

Premiums by duration



2019 ↙

Costs

Acquisition Ratio



	2019	2018	Δbps
2Q	21.6%	22.7%	(108)
YTD	21.9%	22.7%	(85)

Loss Ratio



	2019	2018	Δbps
2Q	59.3%	67.4%	(811)
YTD	60.1%	65.4%	(530)

Operating Ratio



	2019	2018	Δbps
2Q	7.1%	5.5%	160
2Qexc*	5.0%	4.7%	30
YTD	5.6%	5.0%	57

Combined Ratio



	2019	2018	Δbps
2Q	88.1%	95.7%	(759)
YTD	87.6%	93.2%	(558)

Adjusted Combined Ratio**



	2019	2018	Δbps
2Q	86.6%	96.1%	(947)
YTD	87.4%	95.6%	(822)

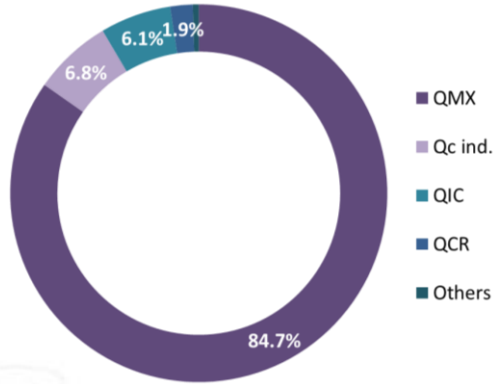
*Excluding Employee Profit Sharing EPS (PTU in spanish)

**Adjusted Combined Ratio= (acquisition cost + operating expenses + claims cost) / earned premiums

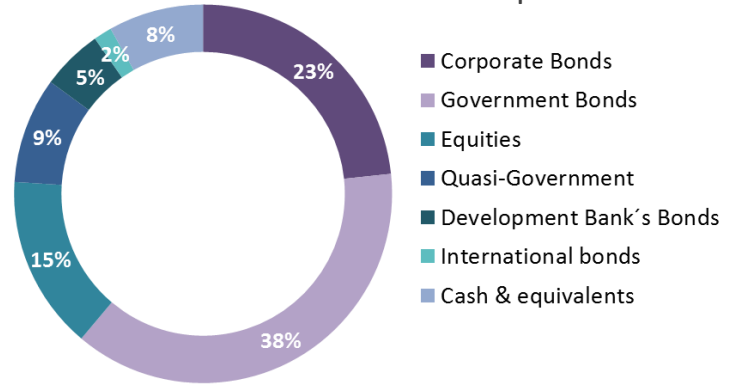
2019 ↘

Investment Portfolio

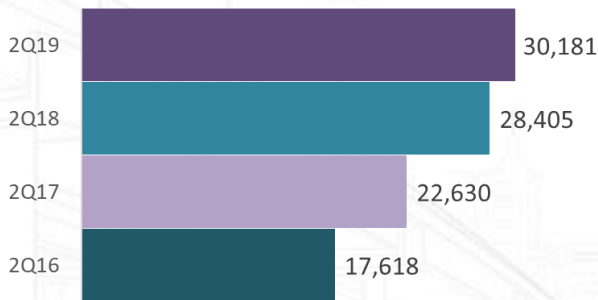
Portfolio by subsidiary



Total portfolio

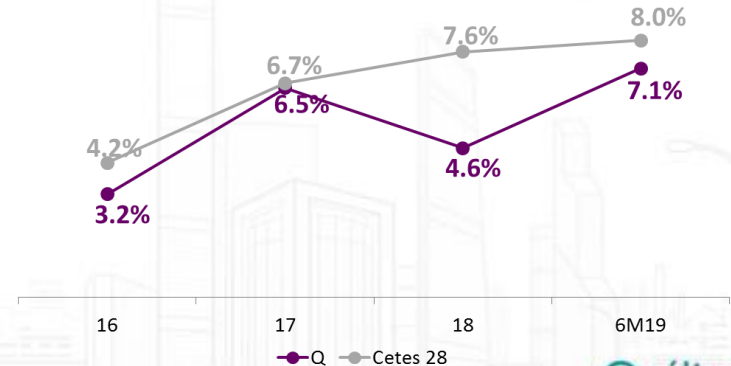


Invested assets, float, MXN BN
CAGR: 19.7%



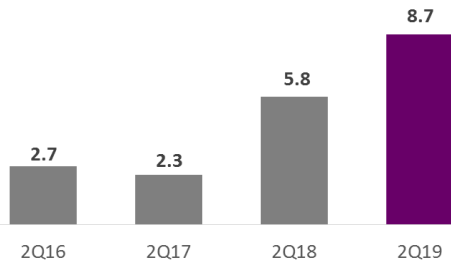
CAGR: Compound Annual Growth Rate

Return on investments

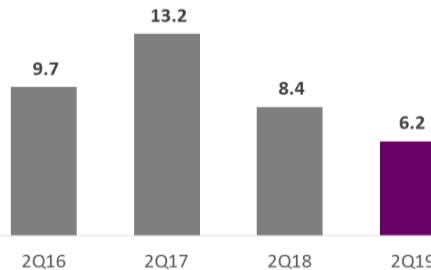


Quálitas performance

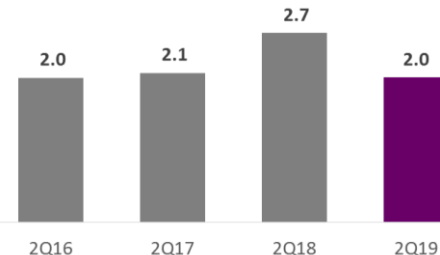
Earnings per Share



Price-to-Earnings



Price-to-Book



- EP up to 50% vs 2018
- P/E at 6.2 historically low
- These multiples consider 425 million shares float, after the 10 million share cancellation

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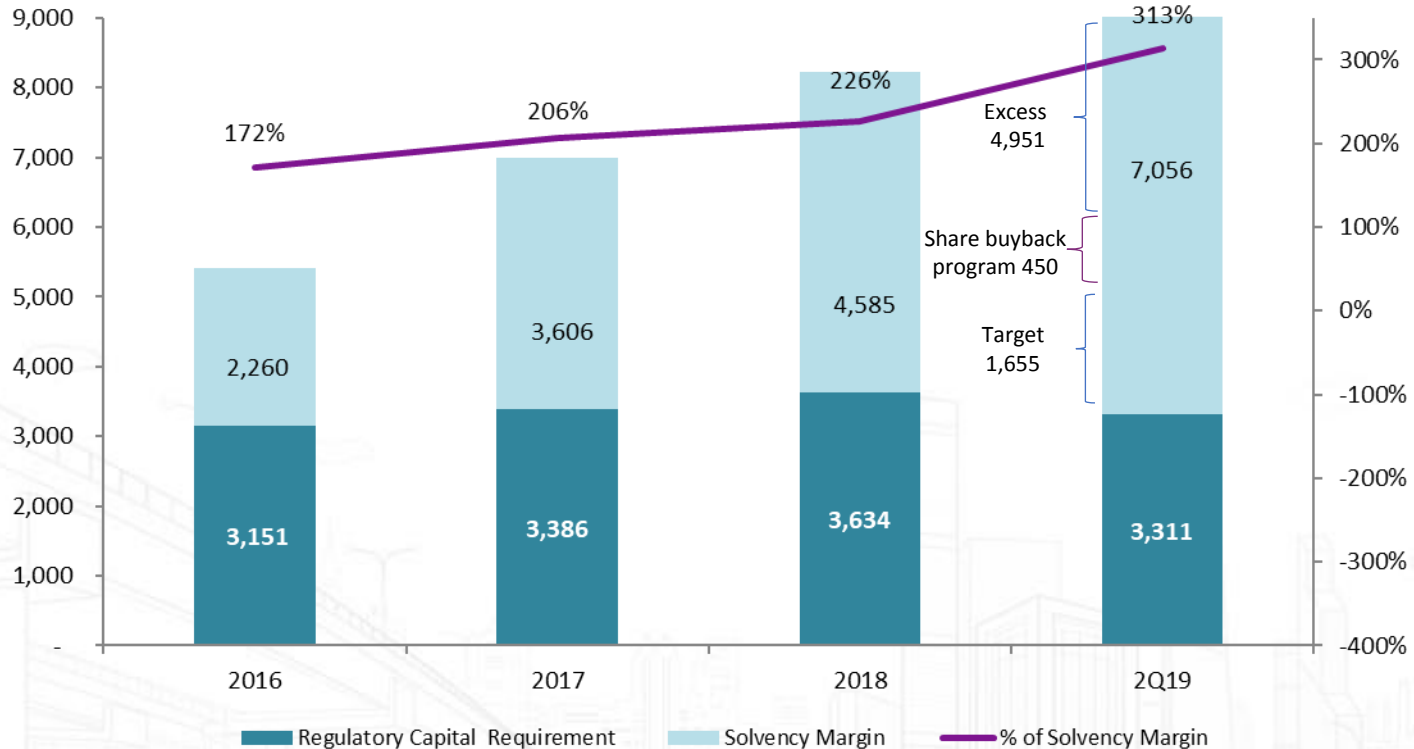
Q*- Our stock performance

	Performance		
	2T19	YTD	U12M
Q	13.0%	30.3%	9.7%
IPC	(0.3%)	3.7%	(9.4%)

	Daily average			
	Traded Volume	Δ%	Volume (MM USD)	Δ%
2Q	624,436	(22%)	1.7	(24.9%)
6M	508,297	(37%)	1.3	(36.8%)
12M	457,921	(29%)	1.1	(22.0%)

2019 ↘

Solvency Margin



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Environmental, social and governance

Total 141 hybrid vehicles

Electronic formats to reduce paper consumption

Responsible water consumption

Quálitas University
Reaching 13,000+ people
with 100+ courses

Annual reforestation program
1,200 people | 10,000 trees

46% of management positions
are occupied by women

Quálitas Road Safety Program

Q-Transparency

2019 ↙

Thank you for joining us



2019 ↘

Analysts

Institution	Analyst	E-mail	Target price	Recommendation
Merrill Lynch	Ernesto Gabilondo	ernesto.gabilondo@baml.com	65.00 MXN	Buy
Miranda Global Research	Martín Lara	martin.lara@miranda-gr.com	60.00 MXN	Hold
BBVA Research	Martín Hernández	martin.hernandez.ornelas@bbva.com	58.25 MXN	Buy
Actinver	Enrique Mendoza	emendoza@actinver.com.mx	58.00 MXN	Hold
Signum Research	Armando Rodriguez	armando.rodriguez@signumresearch.com	57.00 MXN	Buy
Bloomberg (consenso)			56.65 MXN	-
Nau Securities	Iñigo Vega	inigovega@nau-securities.com	56.00 MXN	Buy
Barclays	Gilberto Garcia	gilberto.garcia@barclays.com	55.00 MXN	-
Ve por más	Eduardo López	elopezp@vepormas.com	-	-