



Qualitas Controladora

Mexican Car Insurance Market Leader

Norman Rentrop

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A big THANK YOU

to Guy Spier and his team for organizing this wonderful event again
now that the Covid/Corona pandemic is subsiding.

Another big THANK YOU

to Whitney Tilson for his volunteer work in New York Central Park right
in the beginning of the Covid/Corona pandemic



Qualitas Controladora - Car Insurance Market Leader
Norman Rentrop 1st to 3rd February 2023

Qualitas Controladora – ChatGPT/Open AI

Good morning everyone, today we will be discussing Qualitas Controladora, a leading Mexican insurance company and why it is a good investment opportunity.

Qualitas Controladora is a Mexican insurance company that specializes in providing coverage for automobiles, cargo transportation, and civil liability. The company is well-known for its high-quality customer service and innovative products. With more than 25 years of experience in the Mexican insurance industry, Qualitas Controladora has built a reputation as a reliable and trustworthy company that provides comprehensive coverage at competitive prices.

Qualitas Controladora – ChatGPT/Open AI

One of the main reasons why Qualitas Controladora is a good investment opportunity is because of its strong financial performance. The company has a solid track record of consistent growth and profitability, with revenues and earnings growing at a steady pace over the last few years. It has a strong balance sheet, with a healthy level of liquidity and a low debt-to-equity ratio.

Another reason why Qualitas Controladora is a good investment opportunity is because of the growth potential of the Mexican insurance market. Mexico's economy is rapidly growing, and with it the number of vehicles on the roads is increasing. The number of cars and trucks on the road is expected to grow by 2% to 4% per year, which will lead to increased demand for insurance products. Additionally, The Mexican government is pushing forward with reform that aims to increase insurance penetration in the country, which will create more opportunities for companies such as Qualitas Controladora.

Furthermore, Qualitas Controladora has a strategic partnership with Mapfre, one of the largest insurance companies in Spain, with operations in 47 countries. That partnership allows the company to leverage Mapfre's expertise, technology and international presence to further develop and expand its operations in the Mexican market.

Qualitas Controladora – ChatGPT/Open AI

In conclusion, Qualitas Controladora is a well-established and financially strong Mexican insurance company, with a solid track record of growth and profitability. It operates in a market with strong growth potential, and has a strategic partnership with an international insurer. As a result, it is a good investment opportunity for those looking for a long-term growth stock in the insurance industry.

It is important to note that as an AI model I don't have the ability to verify the current situation of Qualitas Controladora, and before making any investment you should always do your own research and consult with an investment advisor and ensure that the investment aligns with your own risk tolerance and investment goals.

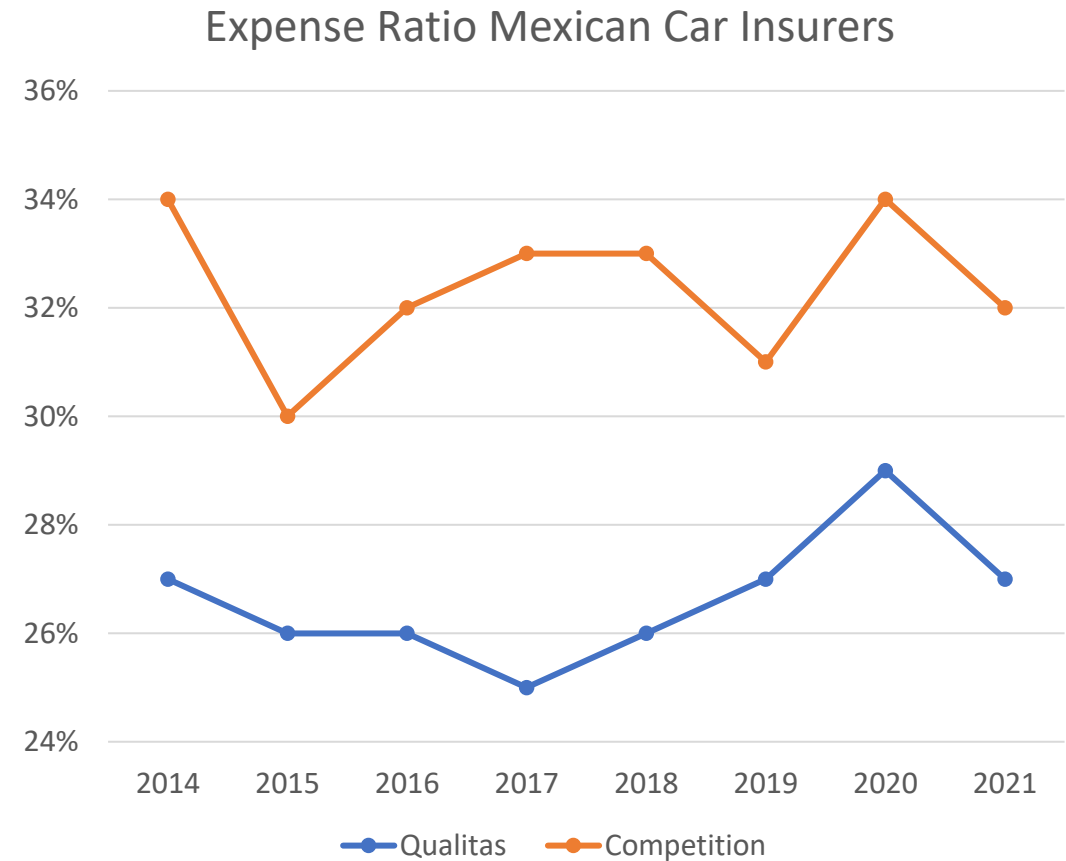
Qualitas Controladora - Company Overview

- Founded in 1993 by Joaquin Brockman
- First insurance company with sole focus on car insurance in Mexico
- Today active in Mexico, Costa Rica, El Salvador, Peru & the U.S.



Qualitas Controladora - Competitive Advantage

- Largest car insurance company in Mexico
- Lowest-cost car insurance operator in Mexico
- Warren Buffett:
“The sustainable competitive advantage at GEICO is to be the low-cost producer providing very good service.”



Qualitas Controladora - Management and ownership

- Long-term focus with founding family as majority shareholder (50.72 %)
- Good governance with able non-family management as well as family members involved in the business



CEO Jose Antonio
Correa
Etchegaray

Qualitas Controladora - Valuation

- Overcapitalized by more than a third of the market cap - capital that is not needed according to regulation and buffer by the company
- Earnings temporarily suppressed due to inflation & higher traffic as pre-COVID times
- Long-term growth via:
 - Higher car insurance penetration in Mexico
 - International expansion
 - New ventures

Market Cap	36 Mrd. MXN ca. 1,8 Mrd. €
Excess Capital	12 Mrd. MXN ca. 600 Mio. €
True Market Cap	24 Mrd. MXN ca. 1,2 Mrd. €
Normalized Earnings	3.7 Mrd. MXN ca. 180 Mio. €
Normalized PE	6.5x