QLM Life & Medical Insurance Company (QLMI)

Recommendation	ACCUMULATE	Risk Rating	R-3
Share Price	QR2.520	Target Price	QR2.371
Implied Upside	(5.9%)		

4Q2025 Beats Estimates; BoD Announces Flat DPS of QR0.10

QLMI's 4Q2025 earnings come ahead of estimates. QLM Life & Medical Insurance Company's (QLMI) net profit surged by 81.8%/316.6% YoY/sequentially to QR18.5mn, beating our estimate of QR4.0mn. The bottom-line was driven from net insurance service results vs. investment income. **QLMI should be a primary beneficiary of the new Seha program.** We are still of the view **Seha could be a game changer – Seha rollout presents a sizable structural growth opportunity, with QLMI estimating ~2.1–2.3mn new individuals entering the private insured pool across two phases. Seha Phase 1 targeting Qatari nationals is underway and is expected to be implemented by 2nd or 3rd quarter of 2026, the timing remains uncertain. Phase 1 encompasses ~260k uninsured Qatari nationals not currently covered by employer-sponsored schemes, offering high-value, government-backed premiums. Coverage could be very broad with an extensive table of benefits and cover international services as well. Phase 2 could potentially follow extending mandatory coverage to ~1.8-2.0mn expatriates (1.4-1.5mn blue-collar workers), dramatically expanding the private insured base from the current ~550k. Phase 2 could grow the total addressable insurance premium pool by QR1.7–2.0bn, setting the stage for long-term demand uplift across Qatar's healthcare system. We are of the view that QLMI could be one of the primary beneficiaries of the Seha program and this could magnify the company's earnings profile. As such we will update our estimates shortly. For the time being, we maintain our QR2.371 PT and Accumulate rating.**

Highlights

- **Combined ratio improved YoY and sequentially in 4Q2025.** Combined ratio decreased from 101.3% in 4Q2024 to 97.7% in 4Q2025, resulting in profits from insurance activities. Sequentially, QLMI went from a Combined ratio of 104.3% (losses from insurance activities) in 3Q2025 to 97.7% in 4Q2025.
- **FY2025 RoE declined vs. FY2024.** QLMI generated 2025 RoE of 9.7% (<CoE, which is a negative) vs. 10.1% in FY2024. ROIC deteriorated from 7.2% in 2024 to 6.9% in 2025. We estimate RoE of 10.5% for FY2026, lower than CoE.
- **DPS came in-line with our estimate.** The BoD proposed DPS of QR0.10/share (flat vs. FY2024), which translates to a DY of 4.0% and payout ratio of 55%.
- **Medical insurance returned to profitability YoY and QoQ.** 4Q2025's bottom-line was positively affected from profitability generated by both medical and life insurance.
- **Investment income declined YoY and sequentially. However, investment yield was robust for FY2025.** QLMI's net investment income dropped by 45.1% YoY (-54.5% QoQ). QLMI generated investment income of QR8.1mn in 4Q2025. Investment yield improved from 5.4% in FY2024 to 5.6% in FY2025.
- **QLMI maintained a strong balance sheet although the capitalization ratio decreased.** The company's capitalization decreased from 46% in FY2024 to 39% in FY2025, which still shields it from adverse market conditions.

Catalysts

- 1) Implementation of mandatory health insurance 2) Increase in the stock's liquidity/volume

Recommendation, Valuation and Risks

- **Recommendation and valuation:** ***we keep our PT of QR2.371/sh. and Accumulate rating.*** QLMI trades at FY2026e P/B and P/E of 1.2x and 11.9x, respectively.
- **Risks: 1)** Geo-political factors & 2) Decrease in local expat population

Key Data

Current Market Price (QR)	2.520
Dividend Yield (%)	4.0
Bloomberg Ticker	QLMI QD
Reuters Ticker	QLMI.QA
ISIN	QA000QLM003
Sector	Insurance
52wk High/52wk Low (QR)	2.700/1.886
3-m Average Volume	99,089
Mkt. Cap. ($ bn/QR bn)	0.2/0.9
Shares Outstanding (mn)	350
FO Limit* (%)	49.0
Current Institutional FO (%)	13.8
1-Year Total Return (%)	32.4
Fiscal Year End	December 31

Source: Bloomberg (as of February 15, 2026), *Qatar Exchange (as of February 15, 2026); Note: FO is foreign ownership

Key Financial Data and Estimates

	2024	2025	2026e	2027e
Attributable EPS (QR)	0.181	0.183	0.212	0.221
EPS Growth (%)	-14.7	0.8	16.3	4.1
P/E (x)	13.9	13.8	11.9	11.4
BVPS (QR)	1.88	2.02	2.06	2.14
P/BV (x)	1.3	1.3	1.2	1.2
Combined Ratio	99.3	99.2	98.1	97.8
RoE (%)	10.1	9.7	10.5	10.7
DPS (QR)	0.100	0.100	0.140	0.150
Dividend Yield (%)	4.0	4.0	5.6	6.0

Source: Company data; Note: All data is based on current number of shares

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Recommendations *Based on the range for the upside / downside offered by the 12-month target price of a stock versus the current market price*	
OUTPERFORM	Greater than +20%
ACCUMULATE	Between +10% to +20%
MARKET PERFORM	Between -10% to +10%
REDUCE	Between -10% to -20%
UNDERPERFORM	Lower than -20%

Risk Ratings *Reflecting historic and expected price volatility versus the local market average and qualitative risk analysis of fundamentals*	
R-1	Significantly lower than average
R-2	Lower than average
R-3	Medium / In-line with the average
R-4	Above average
R-5	Significantly above average

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