FIBRAPL

Quarterly Report

Results reflect portfolio expansion

- **Good quarter in which the inorganic growth strategy continues to drive figures. Higher demand for logistics space resulted in better occupancy and average rent**
- **An accounting adjustment boosted net income more than expected. Although the sector outlook supports solid quarters going forward, we believe valuation looks somewhat constrained**

Progress in results continues in view of higher GLA and improved sector dynamism. 2Q21 figures registered positive variations in dollar terms, in line with expectations, although in local currency numbers they declined due to the appreciation of the peso/dollar. REIT's revenues increased 14.7% y/y to US$59.6 million (-1.7% y/y in pesos), derived from additional GLA of ~2.2% vs. 2Q20 and the acceleration in demand for logistics space, which led to a 0.9pp y/y increase in occupancy of total portfolio, reaching 96.4%, where the greatest dynamism was observed in Mexico City and Guadalajara, offsetting a sharp drop in Reynosa. This was also reflected in a mid-single-digit rise in average rent per square foot. On the other hand, NOI grew 14.4% y/y to US$51.4 million (down 2.5% in pesos), maintaining a stable margin (-0.2pp to 86.2%). Meanwhile, EBITDA rose 8.2% y/y to US$44.4 million (-7.9% in pesos), and with this, the margin declined 4.5pp to 74.4%, as a result of an 8.8% y/y jump in the management fee, as well as an adverse FX effect. On a net level, a very favorable adjustment in the property value vs. losses in 2Q20, drove profit to US$126 million (+883.6% y/y). On the other hand, FFO reached US$36.8 million (+16.0% y/y) with a higher profitability (+0.7pp to 61.6%). **Expectations remain positive.** We believe the sector's outlook is favorable given the growing demand for logistics space due to e-commerce and near-shoring, which, together with ongoing acquisitions, should support results going forward. However, we reiterate Hold in the face of the limited potential return.

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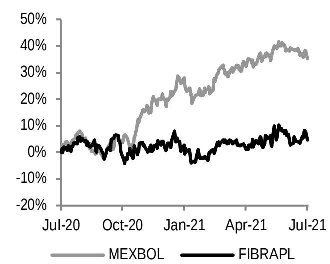
www.banorte.com
@analisis_fundam

José Espitia
Senior Strategist, Equity
jose.espitia@banorte.com

Eridani Ruibal
Analyst, Equity
eridani.ruibal.ortega@banorte.com

HOLD	
Current Price	$45.04
PT	$47.00
Distribution	$2.26
Distribution (%)	5.0%
Upside Potential	9.4%
Max – Min LTM ($)	49.00 – 39.91
Market Cap (US$m)	1,902.1
CBFIs Outstanding (m)	849.2
Float	53%
Daily Turnover ($m)	13.3
Valuation metrics LTM	
P/FFO	12.8x
P/AFFO	16.4x
FV/EBITDA	14.2x
MSCI ESG Rating*	N.A.

Relative performance to MEXBOL
LTM



Financial Statements

MXN, million	2019	2020	2021E	2022E
Revenues	3,825	4,662	4,879	5,273
Operating Income	2,844	2,018	2,813	2,937
EBITDA	2,863	3,794	3,741	4,062
EBITDA Margin	74.8%	81.4%	76.7%	77.0%
Net Income	2,159	3,563	3,027	3,297
Net Margin	56.5%	76.4%	62.0%	62.5%
Total Assets	48,420	49,570	50,309	7,359
Cash	183	434	412	321
Total Liabilities	20,852	20,905	20,437	21,923
Debt	14,551	17,043	21,586	21,586
Common Equity	29,914	40,542	42,930	48,057

Source: Banorte

Valuation and financial metrics

	2019	2020	2021E	2022E
FV/EBITDA	15.2x	14.5x	16.9x	15.4x
P/U	13.5x	10.7x	13.8x	12.6x
P/VL	1.0x	0.9x	0.9x	0.8x
P/FFO	15.2x	13.2x	13.8x	12.6x
P/AFFO	17.9x	18.0x	17.1x	15.5x
Cap Rate (NOI/FV)	7.6%	7.4%	6.8%	7.4%

FIBRAPL – Results 2Q21
MXN, million

Concept	2Q20	2Q21	Var %	2Q21e	Var % vs Estim.
Revenue	1,223	1,203	-1.7%	1,202	0.1%
NOI	1,066	1,039	-2.5%	1,050	-1.0%
Ebitda	976	899	-7.9%	930	-3.3%
Net Income	-375	2,535	N.A.	743	241.4%
Margins					
NOI Margin	87.1%	86.4%	-0.8pp	87.3%	-1.0pp
Ebitda Margin	79.8%	74.8%	-5.0pp	77.3%	-2.6pp
Net Margin	-30.7%	210.8%	241.5pp	61.8%	149.0pp
FFO per CBFI	$0.46	$0.86	89.5%	$0.53	63.5%

*FX used by FIBRAPL (is established as rent payments are made), differs from the quarter FX in our estimates

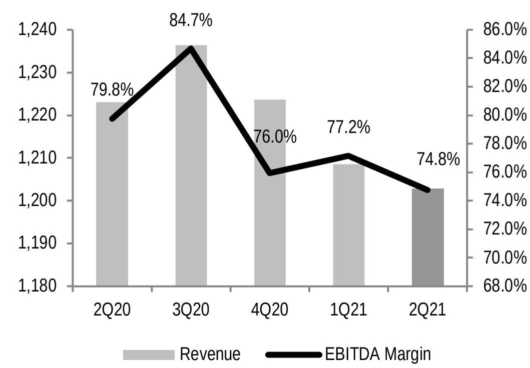
Income Statement (Million pesos)					
Year	2020	2021	2021	Change	Change
Quarter	2	1	2	% y/y	% q/q
Net Revenue	1,223.1	1,208.6	1,202.9	-1.7%	-0.5%
Operating costs	157.3	144.6	164.1	4.3%	13.5%
NOI	1,065.8	1,063.9	1,038.7	-2.5%	-2.4%
NOI margin	87.1%	88.0%	86.4%	-0.9%	-1.9%
General expenses	138.3	131.3	453.6	228.0%	245.5%
Operating profit	968.0	932.7	585.2	-39.5%	-37.3%
Operating Margin	79.1%	77.2%	48.6%	-38.5%	-37.0%
EBITDA	975.8	932.7	899.2	-7.9%	-3.6%
EBITDA Margin	79.8%	77.2%	74.8%	(5.0pp)	(2.4pp)
Interest income (expense) net	(178.7)	(202.5)	(164.6)	-7.9%	-18.7%
Interest expense	217.6	179.5	149.0	-31.5%	-17.0%
Interest income				N.A.	N.A.
Exchange (Income) loss	(60.9)	10.4	(6.7)	-89.0%	N.A.
Other financial income (expense)	(22.1)	(12.6)	(22.3)	1.1%	77.1%
	1,164.3	(67.7)	(2,114.7)	N.A.	>500%
Income before taxes	(375.0)	797.8	2,535.3	N.A.	217.8%
Income taxes				N.A.	N.A.
Consolidated Net Income	(375.0)	797.8	2,535.3	N.A.	217.8%
Minorities				N.A.	N.A.
Net Income	(375.0)	797.8	2,535.3	N.A.	217.8%
Net Margin	-30.7%	66.0%	210.8%	N.A.	2.2pp
FFO	775.4	737.2	732.4	-5.5%	-0.6%
AFFO	562.5	630.3	528.8	-6.0%	-16.1%
FFO per CBFI	0.46	0.87	0.86	89.5%	-0.6%

Balance Sheet (Millions)					
Total Current Assets	1,932.5	476.2	510.0	-73.6%	7.1%
Cash & Short Term Investments	658.0	297.2	397.4	-39.6%	33.7%
Long Term Assets	61,229.3	59,394.0	59,541.5	-2.8%	0.2%
Property, Plant & Equipment (Net)	61,191.9	59,357.1	59,516.9	-2.7%	0.3%
Properties under development				N.A.	N.A.
Total Assets	63,161.8	59,870.2	60,051.5	-4.9%	0.3%
Current Liabilities	271.3	207.5	441.4	62.7%	112.7%
Short Term Debt	37.2	116.3	34.9	-6.0%	-70.0%
Accounts Payable	131.2	48.8	377.8	188.0%	>500%
Long Term Liabilities	19,905.3	17,339.8	16,917.1	-15.0%	-2.4%
Long Term Debt	19,428.7	16,974.9	16,562.4	-14.8%	-2.4%
Total Liabilities	20,176.5	17,547.3	17,358.6	-14.0%	-1.1%
Common Stock	42,985.2	42,329.4	42,693.0	-0.7%	0.9%
Minorities				N.A.	N.A.
Total Equity	42,985.2	42,329.4	42,693.0	(0.0)	0.0
Liabilities & Equity	63,161.8	59,876.7	60,051.5	-4.9%	0.3%
Net Debt	18,939.1	16,794.1	16,200.0	-14.5%	-3.5%

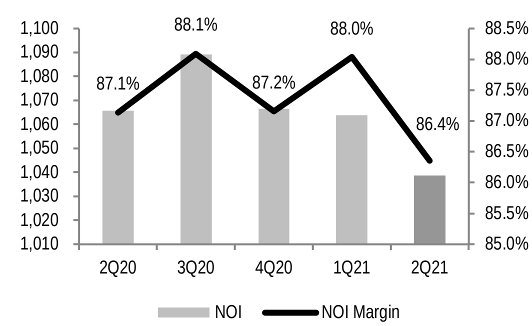
Cash Flow (Million pesos)			
Cash Flow from Operating Activities	635.8	869.2	1,794.9
Cash Flow from Investing Activities	(151.1)	74.0	(241.2)
Cash Flow from Financing Activities	7,044.8	(1,068.7)	(1,422.4)
FX effect on cash	504.2	(11.7)	(168.3)
Change in Cash Balance	8,033.7	(137.2)	(37.0)

Source: Banorte, BMV.

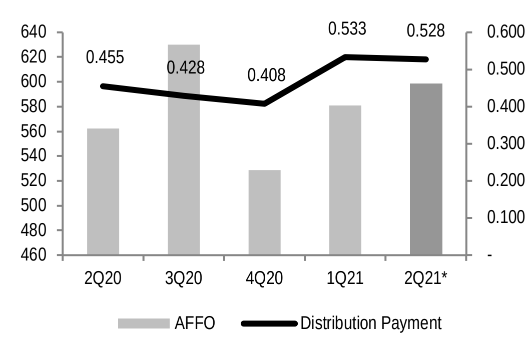
Revenue & EBITDA Margin
MXN, million



NOI & NOI Margin
MXN, million



AFFO / Distribution payment
MXN, million / pesos



*Estimated distribution payment

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We, Gabriel Casillas Olvera, Alejandro Padilla Santana, Delia María Paredes Mier, Juan Carlos Alderete Macal, Manuel Jiménez Zaldívar, Marissa Garza Ostos, Francisco José Flores Serrano, Katia Celina Goya Ostos, Santiago Leal Singer, José Itzamna Espitia Hernández, Víctor Hugo Cortes Castro, Hugo Armando Gómez Solís, Miguel Alejandro Calvo Domínguez, Luis Leopoldo López Salinas, Leslie Thalía Orozco Vélez, Gerardo Daniel Valle Trujillo, Eridani Ruibal Ortega and Juan Barbier Arizmendi, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

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	Reference
BUY	*When the share expected performance is greater than the MEXBOL estimated performance.*
HOLD	*When the share expected performance is similar to the MEXBOL estimated performance.*
SELL	*When the share expected performance is lower than the MEXBOL estimated performance.*

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History of PT and Ratings

Stock	Date	Rating	PT
FIBRAPL	22/04/2021	Hold	$47.00
FIBRAPL	07/12/2020	Hold	$45.00

MSCI ESG Rating scale

CCC	B	BB	BBB	A	AA	AAA
LAGGARD		AVERAGE			LEADER	

*The MSCI ESG Rating is an indicator that evaluates companies in Environment, Society and Governance (ESG) metrics.

GRUPO FINANCIERO BANORTE S.A.B. de C.V.

Research and Strategy			
Gabriel Casillas Olvera	IRO and Chief Economist	gabriel.casillas@banorte.com	(55) 4433 - 4695
Raquel Vázquez Godinez	Assistant	raquel.vazquez@banorte.com	(55) 1670 - 2967
Lourdes Calvo Fernández	Analyst (Edition)	lourdes.calvo@banorte.com	(55) 1103 - 4000 x 2611
Economic Research and Financial Market Strategy			
Alejandro Padilla Santana	Executive Director of Economic Research and Financial Markets Strategy	alejandro.padilla@banorte.com	(55) 1103 - 4043
Itzel Martínez Rojas	Analyst	itzel.martinez.rojas@banorte.com	(55) 1670 - 2251
Economic Research			
Juan Carlos Alderete Macal, CFA	Director of Economic Research	juan.alderete.macal@banorte.com	(55) 1103 - 4046
Francisco José Flores Serrano	Senior Economist, Mexico	francisco.flores.serrano@banorte.com	(55) 1670 - 2957
Katia Celina Goya Ostos	Senior Economist, Global	katia.goya@banorte.com	(55) 1670 - 1821
Luis Leopoldo López Salinas	Economist, Global	luis.lopez.salinas@banorte.com	(55) 1103 - 4000 x 2707
Market Strategy			
Manuel Jiménez Zaldívar	Director of Market Strategy	manuel.jimenez@banorte.com	(55) 5268 - 1671
Fixed income and FX Strategy			
Santiago Leal Singer	Senior Strategist, Fixed Income and FX	santiago.leal@banorte.com	(55) 1670 - 2144
Leslie Thalía Orozco Vélez	Strategist, Fixed Income and FX	leslie.orozco.velez@banorte.com	(55) 5268 - 1698
Equity Strategy			
Marissa Garza Ostos	Director of Equity Strategy	marissa.garza@banorte.com	(55) 1670 - 1719
José Itzamna Espitia Hernández	Senior Strategist, Equity	jose.espitia@banorte.com	(55) 1670 - 2249
Víctor Hugo Cortes Castro	Senior Strategist, Technical	victorh.cortes@banorte.com	(55) 1670 - 1800
Eridani Ruibal Ortega	Analyst	eridani.ruibal.ortega@banorte.com	(55) 1103 - 4000 x 2755
Juan Barbier Arizmendi, CFA	Analyst	juan.barbier@banorte.com	(55) 1670 - 1746
Corporate Debt			
Hugo Armando Gómez Solís	Senior Analyst, Corporate Debt	hugoa.gomez@banorte.com	(55) 1670 - 2247
Gerardo Daniel Valle Trujillo	Analyst, Corporate Debt	gerardo.valle.trujillo@banorte.com	(55) 1670 - 2248
Economic Studies			
Delia María Paredes Mier	Executive Director of Economic Studies	delia.paredes@banorte.com	(55) 5268 - 1694
Miguel Alejandro Calvo Domínguez	Senior Analyst, Economic Studies	miguel.calvo@banorte.com	(55) 1670 - 2220
Wholesale Banking			
Armando Rodal Espinosa	Head of Wholesale Banking	armando.rodal@banorte.com	(81) 8319 - 6895
Alejandro Aguilar Ceballos	Head of Asset Management	alejandro.aguilar.ceballos@banorte.com	(55) 5268 - 9996
Alejandro Eric Faesi Puente	Head of Global Markets and Institutional Sales	alejandro.faesi@banorte.com	(55) 5268 - 1640
Alejandro Frigolet Vázquez Vela	Head of Sólida Banorte	alejandro.frigolet.vazquezvela@banorte.com	(55) 5268 - 1656
Arturo Monroy Ballesteros	Head of Investment Banking and Structured Finance	arturo.monroy.ballesteros@banorte.com	(55) 5004 - 1002
Carlos Alberto Arciniega Navarro	Head of Treasury Services	carlos.arciniega@banorte.com	(81) 1103 - 4091
Gerardo Zamora Nanez	Head of Transactional Banking, Leasing and Factoring	gerardo.zamora@banorte.com	(81) 8318 - 5071
Jorge de la Vega Grajales	Head of Government Banking	jorge.delavega@banorte.com	(55) 5004 - 5121
Luis Pietrini Sheridan	Head of Private Banking	luis.pietrini@banorte.com	(55) 5004 - 1453
Lizza Velarde Torres	Executive Director of Wholesale Banking	lizza.velarde@banorte.com	(55) 4433 - 4676
Osvaldo Brondo Menchaca	Head of Specialized Banking Services	osvaldo.brondo@banorte.com	(55) 5004 - 1423
Raúl Alejandro Arauzo Romero	Head of Transactional Banking	alejandro.arauzo@banorte.com	(55) 5261 - 4910
René Gerardo Pimentel Ibarrola	Head of Corporate Banking	pimentelr@banorte.com	(55) 5268 - 9004
Ricardo Velázquez Rodríguez	Head of International Banking	rvelazquez@banorte.com	(55) 5004 - 5279
Víctor Antonio Roldan Ferrer	Head of Commercial Banking	victor.roldan.ferrer@banorte.com	(55) 5004 - 1454