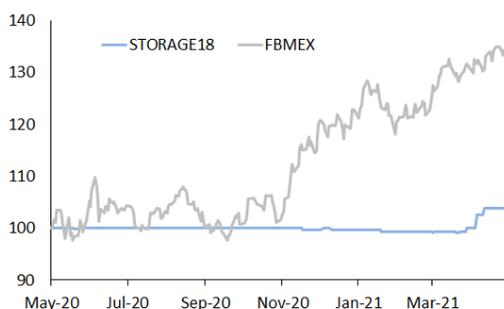


STORAGE: 1Q21 Results

High Revenue, NOI, EBITDA and FFO Growth; Internalization of the Administration

BMV: STORAGE 18	BUY
Target Price 2020E (MXN\$)	\$ 23.50
Expected Dividend	\$ 0.74
Current Price (MXN\$)	\$ 16.00
Min / Max (L12M - MXN\$)	15.27 - 16.00
Total Return	51.5%
Mkt Cap (Mn of MXN)	3,200
CBFI's Outstanding (Mn)	200.0
Float	12.5%



Opinion and Recommendation

STORAGE reported favorable results, marginally below our projections. Total revenues advanced 12.3% YoY supported by an 11.5% increase in leasing revenues, which were in turn fueled by a 10.0% rise in the effective monthly rent per available meter (RevPaM) and by a 4.0% growth in the available GLA. NOI was up 9.7% YoY, EBITDA 12.4% and FFO 37.0%. Furthermore, the Fibra maintained an excellent financial structure with an LTV ratio of only 11.9%.

On the other hand, the Certificates' holders approved the internalization of the administration and the acquisition of 7 properties, of which 6 are owned by U-Storage, which we see as excellent news. We reiterate our BUY recommendation with a target price of MXN\$23.50/CBFI.

1Q21 Results

STORAGE reported total revenues of MXN\$71.4 million in 1Q21, up 12.3% YoY (vs. 14.0% E). This performance was mainly due to an 11.5% growth in leasing revenues, which were driven by a higher occupancy rate and positive client absorption.

The effective rate was down 2.3% to MXN\$293.2 (vs. MXN\$303.1 E) deriving from the discounts and promotions that the Fibra implemented to boost demand. This was partially offset by a significant improvement in the occupancy rate to 76% (in line) in 1Q21, from 67.5% in 1Q20, showing the success of such strategies. This resulted in a MXN\$222.8 (vs. MXN\$229.0 E) RevPaM, up 10.0% YoY. In addition, other revenues, which mainly consisted of accessories for the rental of mini-warehouses, grew 28.0% YoY, reaching MXN\$3.5 million.

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STORAGE reported a MXN\$52.8 million NOI, which was 9.7% higher than in 1Q20. The NOI margin contracted to 74.8% (vs. 75.1% E) in the current quarter, compared to 75.8% in 1Q20. EBITDA advanced 12.4% YoY to MXN\$46.7 million. The EBITDA margin expanded 80 bps to 66.1% (vs. 64.2% E). Finally, the FFO registered a significant 37.0% YoY increase to MXN\$40.7 million, with which the FFO margin reached 57.7% (vs. 58.5% E), compared to 46.8% in 1Q20.

Portfolio

During 1Q21, STORAGE maintained a portfolio with 21 properties, of which 5 correspond to land for future development, while 16 consist of operating properties. Within the operating ones, 7 are already stabilized, and only 9 are in the stabilization process. The GLA built was 111,846 m², practically unchanged from the previous year. However, GLA available grew 4.0% YoY to 101,575 m², while GLA occupied rose 17.2% to 77,201 m². The potential GLA is 153,768 m².

Absorption and Clients

STORAGE concluded the period with 8,066 clients, of which 79.4% belong to the residential segment and the remaining 20.6% to the commercial segment. The net absorption was positive by 1,181 m², which resulted in a 4.9% move-in rate, higher than the 4.4% move-out rate.

Financial Structure

Total assets were MXN\$4,473.8 million, up 3% YoY, according to the revaluation of investment properties. Cash and equivalents rose 40.5% YoY to MXN\$187.1 million, which was due to the VAT recovery, operating cash flow and lower expenses. STORAGE has a solid financial structure, with an LTV of only 11.2% and a 3.1x debt service coverage ratio.

Distributions

During the quarter, the first distribution of MXN\$43.2 million took place, which was equivalent to MXN\$0.2163 per CBF. STORAGE considers distributing the minimum regulatory level in the future, prioritizing the investment in growth.

Acquisition

STORAGE signed a contract for the acquisition of a property from U-Storage for which it will receive the rent starting in April. In the coming weeks it will formalize the titling and will acquire the constructions of this property.

Shareholder's Meeting Resolutions

Certificates' holders voted to internalize the administration of the FIBRA, which will provide it with greater flexibility in decision-making, and will include the platform and know-how. This decision is expected to further boost growth.

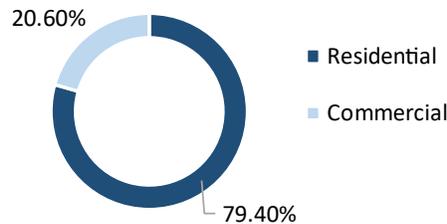
They also voted to maintain the previous limits of 50% for the maximum leverage threshold and the 1.0x minimum debt service coverage.

They approved to explore the acquisition of 7 assets with a percentage of ownership by related parties, of which 6 operate under the "U-Storage" brand and in general have operated for more than 24 months.

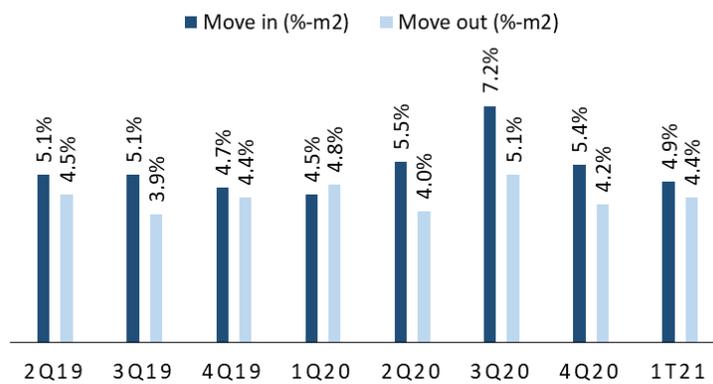
(Figures in MXN\$)

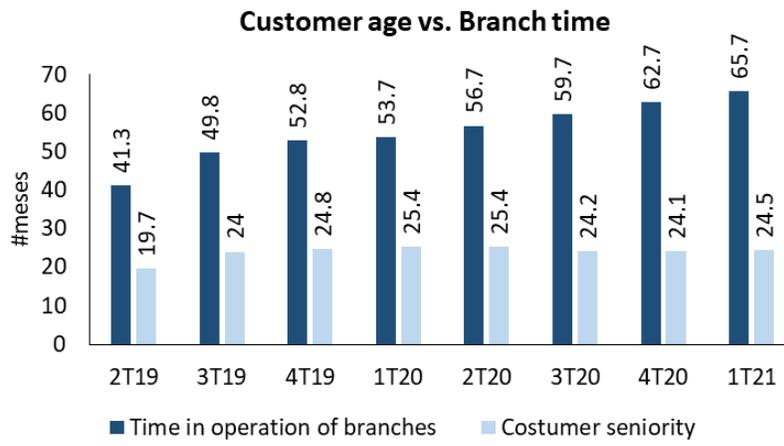
MAIN OPERATING INDICATORS	1Q21	1Q21E	Diff	1Q20	Chg.
Constructed GLA (m2)	111,846	111,847	0.0%	111,990	-0.1%
Available GLA (m2)	101,575	100,898	0.7%	97,633	4.0%
Monthly effective rate - P\$	293.2	303.1	-3.3%	300.1	-2.3%
Occupation (%-m2)	76%	76%		68%	
RevPaM (P\$)	222.8	229.0	-2.7%	202.6	10.0%
INCOME STATEMENT	1Q21	1Q21E	Diff	1Q20	Chg.
NOI	52,819,231	54,669,939	-3.4%	48,163,780	9.7%
NOI Margin	74.8%	75.1%		75.8%	
EBITDA	46,670,534	46,771,008	-0.2%	41,538,910	12.4%
EBITDA Margin	66.1%	64.2%		65.3%	
FFO	40,733,294	42,590,837	-4.4%	29,731,341	37.0%
FFO Margin	57.7%	58.5%		46.8%	
NOI / CBF1	0.26	0.27	-3.4%	0.24	8.7%
EBITDA / CBF1	0.23	0.23	-0.2%	0.21	11.4%
FFO / CBF1	0.20	0.21	-4.4%	0.15	35.8%

Classification of clients at the end of 1Q21



Net Client Absorption





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