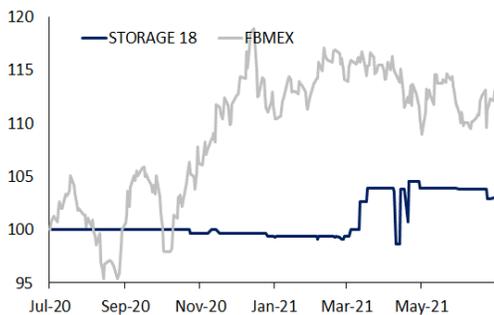


STORAGE: 2Q21 Results

New Properties, Higher Occupancy and Rising Rates in the Quarter, Positive

STORAGE 18	BUY
Target Price (MXN\$)	\$ 23.50
Expected Dividend	\$ 0.74
Current Price (MXN\$)	\$ 15.86
Min / Max (L12M - MXN\$)	15.2 - 16.00
Total Return	52.8%
Mkt Cap (Mn of MXN)	3,172
CBFI's Outstanding (Mn)	200.0
Float	12.5%



Opinion and Recommendation

STORAGE reported favorable 2Q21 results with a strong growth in all operating indicators, above our expectations. The most important points of the quarter were that rates began to rise both sequentially and annually, the portfolio included 3 new properties that added more than 8 thousand square meters sequentially and the Fibra placed issued MXN\$1.5 billion in green bonds with which it refinanced its bank credit. We reiterate our BUY recommendation with a MXN\$23.50 / CBFI target price after these results.

Revenues

STORAGE reported total revenues of MXN\$75.5 million (higher than our MXN\$71.4 million estimate) in 2Q21, up 18.6% YoY. They were driven by a 21.4% growth in leasing revenues that were partially offset by a 16.4% contraction in “other” revenues.

The effective rate was MXN\$296.4 (vs. MXN\$294.3 E), with an increase of 3.8% YoY and 1.1% QoQ thanks to the reduction of discounts and promotions implemented in previous quarters due to the pandemic. Occupancy improved to 74.9% during the quarter, from 69.3% in the same period of the previous year. However, it decreased slightly compared to 76.0% in 1Q21 due to the incorporation of the new properties. This resulted in a monthly RevPaM of MXN\$222.0 (vs. MXN\$219.5 E), with a 12.2% YoY rise.

July 28th, 2021

Luis Hernández
 +5255-3659-6407
 luis.hernandez@miranda-gr.com

Martin Lara
 +5255-6413-8563
 martin.lara@miranda-gr.com

Profitability

NOI advanced 25.5% YoY to MXN\$57.5 million. The NOI Margin was 76.1% (vs. 74.6% E), improving against the 71.9% margin of 2Q20 due to economies of scale. EBITDA grew 32.0% to MXN\$50.4 million. The EBITDA margin expanded to 66.8% (vs. 64% E) from the 60.0% margin of the prior year. The FFO was up 44.1% YoY to MXN\$38.6 million, with the FFO margin improving to 51.2%, from 42.2% in 2Q20. Nevertheless, the FFO margin experienced a sequential contraction due to the increase in interests paid.

Portfolio

STORAGE's portfolio included 3 new properties (Paseo Interlomas, Lindavista, San Antonio) with which it reached 24 units, of which 18 are operational and 6 are land. Of the 18 operating, 6 are stabilized (with an occupancy greater than 85%) and 12 are in the stabilization process. The GLA built was 7.3% higher YoY with 119,886 m². The GLA available grew 5.8% annually to 105,233 m².

The GLA under development is 36,673 m², which represents 30.5% of current GLA built. In addition, the Fibra has another 14,652 m² built but that cannot be rented. STORAGE plans to complete its expansion during 2022 which will include a MXN\$621.3 million investment.

During the quarter, the Fibra acquired the Core & Shell of the Imán branch through a private contract, opened the Paseo Interlomas branch, expanded the GLA of the Lindavista property to almost triple the size, and added the San Antonio branch to its portfolio. which operated under the “U-Storage” brand. Additionally, it acquired a piece of land in Polanco called “Rio San Joaquín” after the end of the quarter.

Absorption and Clients

STORAGE ended 2Q21 with 8,422 clients, of which 82.0% belonged to the residential segment and the rest to the commercial segment. The absorption was positive by 1,636 m², as the entry of new clients (“move-ins”) that represented 5.0% of the portfolio, was partially offset by the exit of 4.3% of users (“move-outs”).

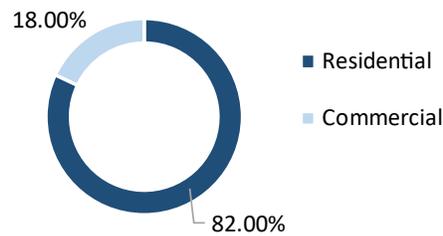
Financial Structure

STORAGE issued MXN\$1.5 billion in green bonds with which it refinanced the MXN\$500 million bank loan. The remaining resources will be for expansion. The financial structure is very solid, with a 26.9% LTV, lower than the previous regulatory limit of 50%. In addition, the debt service coverage ratio ended at 6.2x.

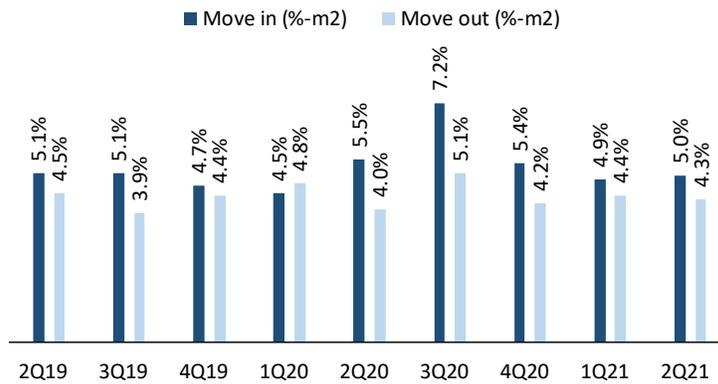
Internalization

STORAGE is fine-tuning the details of its internalization process to adapt it to recent changes in labor matters.

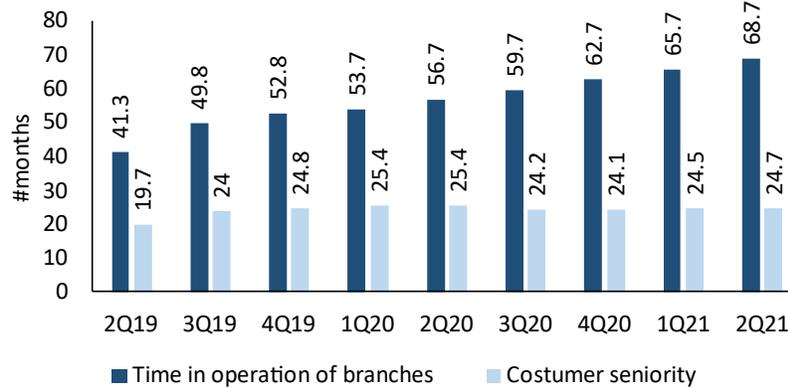
Classification of clients at the end of 2Q21



Net Client Absorption



Customer age vs. Branch time



DISCLAIMER

The current report was prepared by Miranda Global Research ("Miranda GR") for Vector Casa de Bolsa, S.A. de C.V. The information is presented in summarized form and is not meant to be complete. There are no declarations or guarantees, expressed or implicit, in respect to the accuracy, impartiality or integrity of the information.

Miranda GR, in accordance to applicable legislation, has made sure that the presented personalized recommendation is reasonable to the client, as it has verified congruency between the client's profile and the profile of the financial product. Under no circumstance should it be understood that the fulfillment of the previously mentioned recommendation, guarantees the result or the success of the proposed strategies in the presented document.

The information included in this presentation was obtained from public and/or private sources. Projections or previsions included in this presentation, are a generalized recommendation and are based on subjective assumptions and estimations about events and circumstances that have not yet happened and are subjected to significant variations. Therefore, it is not possible to guarantee that any of the results included in the current report will happen in the future, in other words, it does not guarantee the result or the success of the posed strategies.

This report has been prepared solely with informational purposes. No declarations are made in respects to precision, sufficiency, veracity or accuracy of the information and opinions hereby included. Miranda GR will not answer (either because of negligence or for any other reason) for any damage or detriment derived or related to the use of this report or its content, or any connection to the report. Miranda GR is not responsible for the use or association with this report, including but not limited to, any declaration, expressed or implicit or guarantees or omissions included in this information.

This report is based on facts and/or events that have happened up to this date, consequently any future facts and/or events can impair the conclusions hereby expressed. Miranda GR does not assume any responsibility to update, review, rectify or invalidate this report based on any future occurrence.

The opinions related to this report eventually expressed by Miranda GR, should be considered only as suggestions/recommendations to better operate various topics related to the presentation.

This report and its contents are property of Miranda GR and cannot be reproduced or broadcast in part or in its entirety without the previous written consent of Miranda GR.

Miranda Global Research receives fees from Fibra Storage for independent analyst services.
