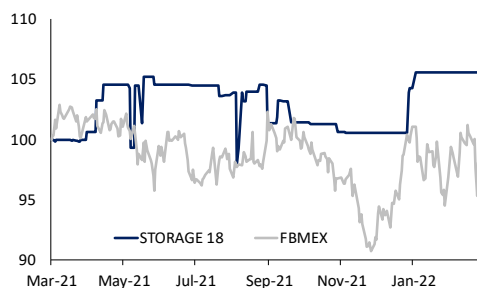


# STORAGE: 4Q21 Results

Revenues, NOI and EBITDA up more than 30% due to acquisitions and expansions

STORAGE 18	BUY
Target Price (MXN\$)	\$ 23.50
Expected Dividend	\$ 0.74
Current Price (MXN\$)	\$ 16.15
Min / Max (L12M - MXN\$)	15.00 - 16.15
Total Return	50.1%
Mkt Cap (Mn of MXN)	3,504
CBFI's Outstanding (Mn)	217.0
Float	12.5%



## Opinion and Recommendation

STORAGE reported favorable 4Q21 results with a growth of more than 30.0% in revenues, NOI, and EBITDA. This performance was mainly due to a 32.8% expansion in the GLA built and 40.4% in the GLA available due to the acquisition of GuardaBox and the upgrades that Fibra carried out during the last year. However, occupancy decreased 1.5 percentage points to 73.8%, and the average daily rate rose 1.5% YoY, due to the Guardabox consolidation. FFO fell 5.4% on higher interest payments related to the issuance of the green bond and increased leases. We continue with BUY and MXN\$23.50/CBFI target price.

The GuardaBox acquisition contributed with a 17,784 M2 of GLA, which represented 12.0% of the GLA built at the end of 4Q21. However, we believe this acquisition was strategically important for STORAGE as it will provide it with the necessary knowledge of the self-storage market outside of Mexico City, which will allow it to become the industry's consolidator in the future.

STORAGE plans to invest MXN\$756 million during the 2022-2023 period. It has a GLA under development of 44,179 M2, which represents 23% of the GLA built at the end of 4Q21.

## Revenues

Total revenues were up 32.8% YoY to MXN\$96.5 million in 4Q21, mainly driven by a 37.8% increase in leasing revenues to MXN\$92.2 million. They benefited from a 32.8% expansion in the GLA built to 148,537 M2, since the Fibra acquired 5 GuardaBox branches, of which 4 are located in Guadalajara and one in San Luis Potosí. The available GLA expanded 40.4% also due to the acquisition of GuardaBox and the expansion at the Interlomas, Anzures and Lindavista branches.

The properties acquired from GuardaBox had lower effective monthly rates and occupancy. As a result, STORAGE’s consolidated effective rate increased 1.5% YoY to MXN\$293.9. Additionally, occupancy per M2 was 73.8% in the quarter, down from 75.3% a year ago, although it was up 10 percentage points in unit terms. This resulted in a MXN\$216.6 RevPaM in 4Q21, practically unchanged from 4Q20.

**Profitability**

NOI advanced 30.0% YoY to MXN\$67.4 million due to acquisitions and expansions during the last twelve months, in addition to higher rates in the same store portfolio. NOI margin contracted to 69.9% in 4Q21, from 72.1% (excluding VAT refund) in 4Q20, due to lease expenses of the GuardaBox properties. For its part, EBITDA increased 33.0% compared to the same quarter of last year to MXN\$57.7 million, with which the margin dropped marginally to 59.8%.

FFO was down 5.4% annually as a result of higher interest payments related to the issuance of green bonds. The FFO margin was 38.6% in the period, lower than the 54.8% of 2020.

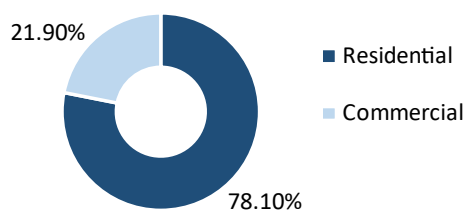
**Absorption and Clients**

Thanks to the acquisition of the Guardabox portfolio, the net absorption was positive by 15,990 M2. STORAGE ended 4Q21 with 11,193 clients, of which 78.1% belonged to the residential segment and the rest to the commercial segment.

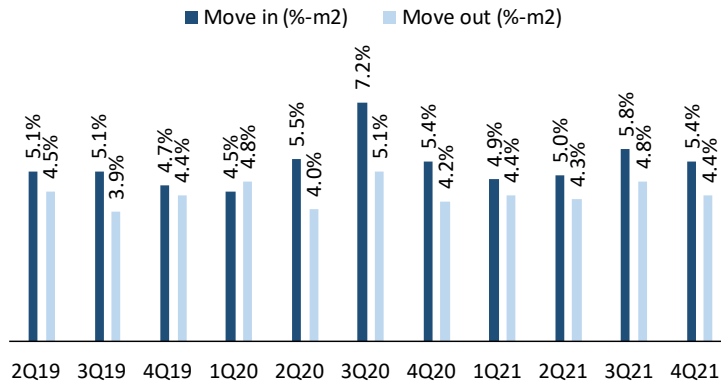
**Financial structure**

STORAGE reported a 24.6% LTV compared to 11.2% in the previous year, deriving from the issuance of two green bonds, STORAGE 21V and STORAGE 21-2V amounting to MXN\$1.5 billion. In addition, the debt coverage ratio was 6.1x, much higher than the regulatory minimum of 1.0x.

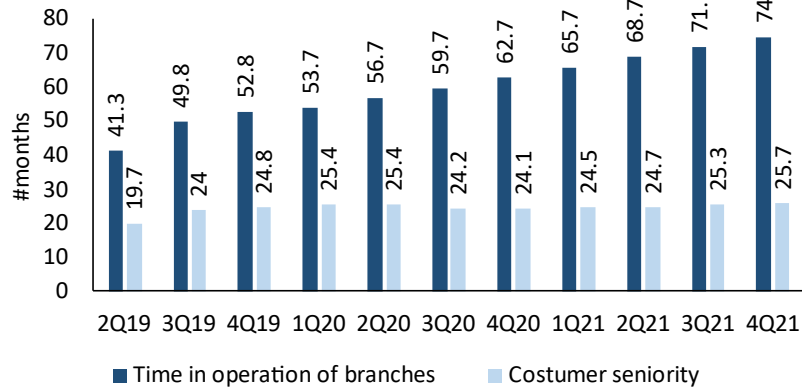
**4Q21 Client Breakdown**



### Net Client Absorption



### Customer age vs. Branch time



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