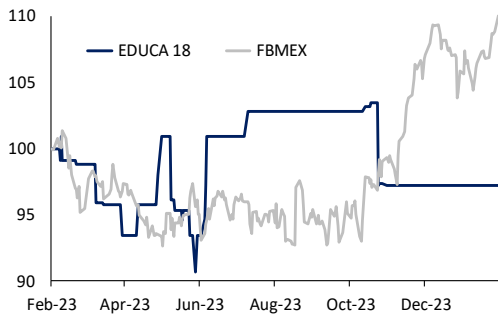


# FIBRA EDUCA: 4Q23 Results

Slightly lower-than-expected results due to the temporary closure of the Acapulco property

EDUCA 18	HOLD
Target Price (MXN\$)	\$ 62.00
Expected Dividend	\$ 2.22
Current Price (MXN\$)	\$ 52.00
Min / Max (L12M - MXN\$)	\$ 48.50 - 55.35
Total Return	23.5%
Mkt Cap (Mn of MXN)	63,831
CBFI's Outstanding (Mn)	1,227.5
Float	31.8%
ADTV (6M - MXN\$ Mn)	0.1



## Opinion and recommendation

FIBRA EDUCA reported results that were slightly below our expectations in terms of revenue, NOI and FFO due to the temporary impact on the Acapulco property. Our recommendation remains HOLD and we adjusted the target price to MXN\$62.0/CBFI, from MXN\$63.0/CBFI, after having updated our model.

## Portfolio

Total ABR grew 0.4% annually to 541 thousand M2 thanks to the acquisition of the Veracruz property with an ABR of 2,255 M2 at the end of last year. Occupancy of the properties in operation remained at 100%. In addition, the Fibra is carrying out expansions in its educational properties in Querétaro and San Luis Potosí.

On the other hand, it expects to receive the insurance payment to start the corresponding repairs in Acapulco. We believe that such funds will also include the rents that the Fibra has not collected. When this happens, NOI and FFO margins will have a favorable impact.

## 4Q23 Results / Distribution

Leasing revenues amounted to MXN\$1.0 billion (vs. MXN\$1.04 billion E) in the quarter, down -0.3% YoY, as the Fibra stopped collecting rents from the Acapulco property, which was partially offset by rent adjustments in line with inflation in the other properties. FIBRA EDUCA estimates that uncollected revenues from Acapulco represented 5.6% of 4Q23 revenues.

For the same reason, total NOI decreased -0.6% YoY to MXN\$868 million (vs. MXN\$907 million E), while the NOI margin contracted slightly to 86.5% in 4Q23, from 86.8% in 4Q22. For its part, FFO fell 1.4% to MXN\$713 million with a margin of 71.1%, compared to 71.9%.

The Fibra will distribute MXN\$705.99 million (MXN\$0.5751/CBFI) as capital reimbursement corresponding to 4Q23, starting next March 7<sup>th</sup>.

### Financial structure

FIBRA EDUCA carried out a MXN\$1.079 billion revaluation of its investment properties, mainly due to inflation and a higher risk-free rate.

It maintained a solid financial structure with a 21.1% LTV at the end of 4Q23. In addition, it recorded cash reserves of MXN\$3.46 billion which included the remainder of the funds it raised in August and December last year with the MXN\$7.66 billion bond linked to sustainability, of which it used MXN\$5.695 billion to prepay the simple credit. In the quarter, FIBRA EDUCA generated higher interest gains. With the refinancing, financial costs will decrease.

### ESG

FIBRA EDUCA obtained the EDGE Advance certification in one of its properties in the educational sector which is located in Mexico City. In total, it has received certifications in 4 properties that represent 21.26% of the committed GLA.

(Figures in Millions of Pesos)	4Q23	4Q23E	Diff	4Q22	Change
Leasing Revenues	1,003.0	1,045.8	-4.1%	1,005.6	-0.3%
Total Expenses	136.7	139.7	-2.2%	133.1	2.7%
Operating Profit	1,933.1	1,144.2	68.9%	2,232.7	-13.4%
Financing Result	(223.3)	(181.9)	22.8%	(165.0)	35.3%
Net Profit	1,709.8	962.3	77.7%	2,067.7	-17.3%
NOI	867.8	906.9	-4.3%	873.1	-0.6%
NOI Margin	86.5%	86.7%		86.8%	
FFO	712.9	741.0	-3.8%	722.9	-1.4%
FFO Margin	71.1%	70.9%		71.9%	
AFFO	706.0	707.8	-0.3%	690.9	2.2%
AFFO Margin	70.4%	67.7%		68.7%	

## Discounted Cash Flow Model

(Figures in Millions of Pesos)	2025E	2026E	2027E	2028E	2029E	Perp.
FFO	2,922	3,113	3,313	3,522	3,742	3,988
Capex Reserve	- 100	- 100	- 100	- 100	- 100	107
ESG Initiative Expenses	64	72	80	80	80	85
AFFO	2,878	3,061	3,253	3,462	3,682	3,924
Interests Expenses	1,073	1,073	1,073	1,073	1,073	1,143
FFCE	3,950	4,133	4,325	4,535	4,755	5,827
Perpetuity Growth Rate						6.6%
PV of Explicit Period (2025 - 2029E)						15,765
Perpetuity Value						122,980
PV of Perpetuity						64,712
Enterprise Value						80,476
Net Debt						4,376
Market Value						76,100
Adjusted Market Value						76,100
Outstanding CBFIs						1,228
Target Price						P\$ 62.00
Current Market Price						P\$ 52.00
Potential Return w/Dividends						23.5%
Average Cost of Debt						11.6%
Cost of Equity						11.2%
Market Risk Premium						6.0%
Risk-Free Rate						9.3%
Beta						0.32
% Total Debt						20%
% Equity						80%
WACC						11.3%



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