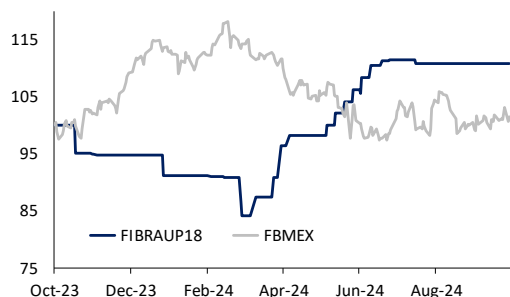


UPSITE: 3Q24 Results

Positive results with high revenue, NOI and FFO growth due to new contracts and FX benefit

FIBRAUP 18	BUY
Target Price (MXN\$)	\$ 55.00
Current Price (MXN\$)	\$ 31.60
Min / Max (L12M - MXN\$)	24.00 - 31.80
Total Return	74.1%
Mkt Cap (Mn of MXN)	1,778
CBFI's Outstanding (Mn)	56.3
Float	62.0%
NAV / CBFI (P\$)	\$ 68.65
Discount vs. NAV	-54%



Opinion and recommendation

We consider that UPSITE's results were positive, as they included increases of more than 40% in revenue and NOI, while FFO was substantially higher than that of the previous year. These figures exceeded our expectations. We reiterate our BUY recommendation with an MXN\$55.0/CBFI target price.

UPSITE expects to raise additional capital during 1Q25, as part of its second investment cycle. In addition, it will propose the creation of a new repurchase reserve, to increase the certificates' liquidity and establish a price in line with fundamentals. We believe this is favorable news, taking into account the certificates significant 54% discount to NAV/CBFI.

Portfolio

UPSITE's 10 properties are fully stabilized as of this quarter, with a total GLA of 205 thousand M2. In addition, the Fibra has land with a potential GLA of around 285 thousand M2, which we believe it will develop with the additional capital.

3Q24 Results

Quarterly revenues rose 41.1% YoY to MXN\$76.4 million (vs. MXN\$65.2 million that we expected) supported by the new contracts in Ciudad Juárez, the entry of the Tlaxcala contract and a favorable FX effect. As a result of operating leverage, NOI grew 47.8% to MXN\$66.3 million (vs. MXN\$56.3 million E) with a 4PP margin expansion to 86.8%.

For its part, FFO was MXN\$18.5 million (vs. P\$17.6 million E) in the current quarter, from MXN\$0.8 million in the previous year, driven by the solid performance at the NOI level in combination with a 30.0% reduction in administrative expenses, which offset higher interest paid.

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Financial structure - NAV/CBFI

Leverage stood at 38.7% at the end of the quarter, compared to 32.5% in 3Q23. The value of investment properties increased 17.1%, while total debt rose 54.1%, as the Fibra drew down another US\$29.2 million of the US\$150 million global line with Bancomext during the quarter.

NAV/CBFI was MXN\$68.65 at the end of 3Q24, compared to our of MXN\$65.30 expectation. This indicator has registered a 16% CAGR since the IPO.

(Figures in Millions of MXN\$)	3Q24	3Q24E	Diff.	3Q23	Change
Revenues	76	65	17.3%	54	41.1%
Operating Cost	-10	-9	13.4%	-9	8.6%
NOI	66	56	17.9%	45	47.8%
<i>Margen NOI</i>	<i>86.8%</i>	<i>86.3%</i>		<i>82.8%</i>	
EBITDA	41	31	34.2%	9	353.8%
<i>EBITDA Margin</i>	<i>54.0%</i>	<i>47.2%</i>		<i>16.8%</i>	
Financial Gains	8	-1	n.a.	-18	n.a.
Financial Cost	-111	-48	n.a.	-19	n.a.
Net Profit	-61	-11	n.a.	-28	n.a.
NAV / CBFI	P\$ 68.65	P\$ 65.30	5.1%	P\$ 55.30	24.1%

(Figures in Millions of MXN\$)

INCOME STATEMENT	2023	2024E	2025E	2026E	2027E	2028E	2029E
Revenues	200	269	276	328	384	438	456
Operating Cost	-33	-37	-36	-42	-48	-53	-54
NOI	167	232	240	287	336	385	402
General Expenses	-131	-103	-108	-128	-150	-172	-180
EBITDA	36	128	132	159	186	213	222
Financial Gains	49	750	142	170	156	173	183
Financial Cost	-78	-295	-157	-169	-182	-208	-236
Net Profit	7	593	117	159	160	179	168
BALANCE SHEET	2023	2024E	2025E	2026E	2027E	2028E	2029E
TOTAL ASSETS	4,598	5,953	6,245	6,543	6,849	7,388	7,926
Current Assets	788	1,391	1,287	1,036	754	687	708
LT Assets	3,810	4,562	4,957	5,507	6,094	6,702	7,218
TOTAL LIABILITIES	1,563	2,325	2,573	2,786	3,004	3,438	3,881
TOTAL DEBT	1,450	2,233	2,412	2,602	2,797	3,215	3,650
NET DEBT	850	956	1,241	1,686	2,167	2,655	3,070
Stockholder's Equity	3,035	3,628	3,672	3,757	3,845	3,950	4,045
NAV	3,120	3,707	3,756	3,850	3,947	4,058	4,156
NAV / CBF1	\$ 55.46	\$ 65.90	\$ 66.77	\$ 68.44	\$ 70.15	\$ 72.13	\$ 73.88
CASH FLOW STATEMENT	2023	2024E	2025E	2026E	2027E	2028E	2029E
Net Profit	7	593	117	159	160	179	168
Total Adjustments	73	-530	169	122	127	127	126
Cash Flow from Operations	80	63	286	281	288	305	294
Net Cash Flow from Operating Activities	80	63	286	281	288	305	294
Net Cash Flow from Investment Activities	-409	-34	-225	-138	-276	-276	-276
Net Cash Flow from Financing Activities	436	783	106	117	121	345	362
Net Incr. (Decr.) in Cash & Eq. Before FX Impact	107	676	-106	-255	-286	-70	20
Net Incr. (Decr.) in Cash & Eq. After FX Impact	107	676	-106	-255	-286	-70	20
Beg. of Period Cash and Eq.	494	601	1,277	1,171	916	630	560
End of Period Cash and Eq.	601	1,277	1,171	916	630	560	580

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