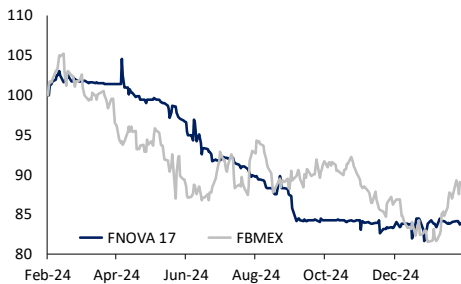


FNOVA: 4Q24 Results

Stronger-than-expected growth in the main operating indicators; we reiterate BUY with a MXN\$34.0/CBFI target price

FNOVA 17	BUY
Target Price (MXN\$)	\$ 34.00
Expected Dividend	\$ 2.11
Current Price (MXN\$)	\$ 23.79
Min / Max (L12M - MXN\$)	\$ 22.50 - 29.82
Total Return	51.8%
Mkt Cap (Mn of MXN)	14,122
CBFI's Outstanding (Mn)	593.6
Float	23.0%



Opinion and recommendation

FNOVA delivered positive 4Q24 results with strong double-digit growth in the main operating indicators, which accelerated with respect to 3Q24. In addition, profitability improved, and the Fibra maintained a high FFO generation and low leverage. These results were above our expectations.

We reiterate our BUY recommendation with a MXN\$34.0/CBFI target price. FNOVA offers high exposure to the nearshoring process.

Portfolio

The strong expansion of the real estate portfolio continued in the quarter as GLA increased 19.1% YoY to 662 thousand M2, due to the addition of seven properties, mainly in the industrial segment. Occupancy remained at 100% while the average contract term was 6.9 years. FNOVA signed new contracts with Brake Parts Inc, ATI Inc. and Emerson. In addition, it has 207 thousand M2 of GLA under development, which will increase its existing GLA by 34%.

4Q24 Results

Total revenues were up 26.5% YoY (+13.2% YoY in like-for-like properties) to MXN\$345.8 million, driven by portfolio expansion, new contracts (Visteon, Regal and agribusiness property), higher rents per square foot and FX depreciation. Sixty-five percent of revenues came from the industrial segment in 4Q24, up from fifty eight in 4Q23.

Profitability at the NOI and FFO levels improved (+80bps and +100bps, respectively), thanks to the Fibra's operating leverage. This resulted in a significant growth of 27.5% YoY in total NOI and 28.0% YoY in FFO.

LTV fell to 22.2% at the end of 4Q24, from 31.8% in 4Q23, due to the follow-on that the Fibra carried out last year.

The estimated total distribution corresponding to 4Q24 results will increase 25.5% YoY to MXN\$306.9 million. However, the distribution per CBFi will be MXN\$0.5170, slightly below the MXN\$0.5307 of 4Q23, due to a higher number of CBFi's outstanding.

(Figures in Millions of Pesos)	4Q24	4Q24E	Dif.	4Q23	Chg.
Total Revenues	346	314	10.2%	273	26.5%
Leasing Revenues	337	305	10.3%	265	27.2%
Operating Expenses	-9	-9	1.8%	-9	-2.6%
NOI	337	305	10.4%	264	27.5%
NOI Margin	97.5%	97.3%		96.7%	
EBITDA	312	283	10.2%	238	30.9%
EBITDA Margin	90.2%	90.2%		87.1%	
FFO	313	293	6.9%	244	28.0%
FFO Margin	90.5%	93.2%		89.5%	

Discounted Cash Flow Model

MXN\$ Mn	2026E	2027E	2028E	2029E	2030E	Perp.
Net profit	1,723	1,843	1,963	2,076	2,128	2,241
Adjustments	-417	-465	-517	-569	-561	-590
FFO	1,306	1,379	1,446	1,507	1,567	1,651
Interest Expenses	68	87	104	114	124	131
FFO Before Interest Expenses	1,374	1,466	1,550	1,622	1,692	1,782
Perpetuity Growth Rate						5.3%
PV of Explicit Period (2026 -2030E)						5,783
Perpetuity Value						38,142
PV of Perpetuity Value						21,529
Enterprise Value						27,311
Net Debt						7,129
Market Value						20,182
Outstanding CBFi's						594
Target Price						P\$ 34.00
Current Price						P\$ 23.79
Potential Return incl/ Div.						51.8%
Average Cost of Debt						4.9%
Cost of Capital						12.1%
Market Risk Premium						6.0%
Risk Free Rate						10.2%
Beta						0.31
% of Debt						29%
% of Capital						71%
WACC						10.0%

(Figures in Millions of Pesos)

Total GLA (M2)	2024	2025E	2026E	2027E	2028E	2029E	2030E
Industrial	529,585	583,205	736,589	736,589	736,589	736,589	736,589
Education	43,082	43,082	43,082	43,082	43,082	43,082	43,082
Retail	25,184	25,184	25,184	25,184	25,184	25,184	25,184
Logistics	39,432	39,432	39,432	39,432	39,432	39,432	39,432
Engineering Centers	24,924	24,924	24,924	24,924	24,924	24,924	24,924
Total Real Estate	662,206	715,826	869,210	869,210	869,210	869,210	869,210
Agroindustrial	2,118	2,118	2,118	2,118	2,118	2,118	2,118
Total	21,842,206	21,895,826	22,049,210	22,049,210	22,049,210	22,049,210	22,049,210
Occupancy	2024	2025E	2026E	2027E	2028E	2029E	2030E
Industrial	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Education	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Retail	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Logistics	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Engineering Centers	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Agroindustrial	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
INCOME STATEMENT	2024	2025E	2026E	2027E	2028E	2029E	2030E
Total Revenues	1,288	1,386	1,453	1,518	1,577	1,638	1,702
Leasing Revenues	1,255	1,350	1,413	1,474	1,533	1,594	1,658
Other Revenues	34	36	40	44	44	44	44
Operating Expenses	33	36	36	38	40	41	42
NOI	1,255	1,350	1,417	1,480	1,537	1,597	1,660
<i>NOI Margin</i>	97.4%	97.4%	97.5%	97.5%	97.5%	97.5%	97.5%
Net Profit	2,128	1,639	1,723	1,843	1,963	2,076	2,128
Outstanding CBFIs	594	594	594	594	594	594	594
EBITDA	1,203	1,248	1,311	1,372	1,425	1,485	1,544
<i>EBITDA Margin</i>	93.4%	90.0%	90.2%	90.4%	90.4%	90.6%	90.7%
FFO	1,114	1,252	1,306	1,379	1,446	1,507	1,567
FFO/CBFI	\$ 2.12	\$ 2.11	\$ 2.20	\$ 2.32	\$ 2.44	\$ 2.54	\$ 2.64
Distribution	1,132	1,252	1,306	1,379	1,446	1,507	1,567
Distribution/CBFI	\$ 2.16	\$ 2.11	\$ 2.20	\$ 2.32	\$ 2.44	\$ 2.54	\$ 2.64
BALANCE SHEET	2024	2025E	2026E	2027E	2028E	2029E	2030E
Total Assets	23,342	25,914	28,759	31,684	33,789	35,655	37,522
Short-Term Assets	543	380	449	518	587	657	728
Long-Term Assets	22,800	25,535	28,311	31,167	33,203	34,999	36,795
Investment Properties	20,294	22,833	25,413	28,073	29,913	31,513	33,113
Total Liabilities	5,458	7,668	10,097	12,557	14,146	15,443	16,750
ST Liabilities	566	777	905	1,366	654	652	658
Long-Term Liabilities	4,891	6,891	9,191	11,191	13,491	14,791	16,091
Gross Debt	5,189	7,399	9,828	12,288	13,877	15,174	16,481
Net Debt	4,751	7,129	9,490	11,882	13,403	14,632	15,871
LTV	22%	29%	34%	39%	41%	43%	44%
Trust's Equity	17,885	18,272	18,689	19,153	19,670	20,238	20,799

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