



**Conference Call**  
Second Quarter 2018  
July 26, 2018



## Second Quarter 2018 Results

# AGENDA

- I. Changes in Corporate Governance
- II. Capital Subscription
- III. Hotel Announcements
- IV. Quarterly Distributions and Dividend Yield
- V. Operational and Financial Review
- VI. Q&A Session






# Conference Call Second Quarter 2018 Results

## I. Changes in Corporate Governance

# CHANGES IN CORPORATE GOVERNANCE

- 
1. **Internally managed** since 2017, Fibra Inn reflected a ratio of G&A expenses to assets of 0.8% for 2Q18 vs 1.1%, when it was externally managed.
  2. The Technical Committee composition was revised; now comprised primarily by **independent members, two members from the Founders Trust and one member being always the CEO.**
  3. **Preferential and exclusive rights** were removed from major shareholders for the acquisition and development of assets.

# Technical Committee



| No. | Member                            | Alternate                           |                 |
|-----|-----------------------------------|-------------------------------------|-----------------|
| 1   | Victor Zorrilla Vargas (Chairman) | Robert Jaime Dotson Castrejón*      | Non-independent |
| 2   | Joel Zorrilla Vargas              | José Gerardo Clariond Reyes Retana* | Non-independent |
| 3   | Oscar Eduardo Calvillo Amaya      | Miguel Aliaga Gargollo              | Non-independent |
| 4   | Héctor Medina Aguiar              | N/A                                 | Independent     |
| 5   | Everardo Elizondo Almaguer        | N/A                                 | Independent     |
| 6   | Alberto Rafael Gómez Eng          | N/A                                 | Independent     |
| 7   | Adrián Enrique Garza de la Garza  | N/A                                 | Independent     |
| 8   | Marcelo Zambrano Lozano           | N/A                                 | Independent     |



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## II. Capital Subscription

# CAPITAL SUBSCRIPTION

**+20% INCREASE IN MARKET CAP**



|  |   |
|--|---|
| <b>Issuer</b>                          | Trust F/1616 (FIBRA INN)  |
| <b>Subscription Type</b>               | Issuance of CBFIs to be exclusively subscribe by current Holders.   |
| <b>Total Subscription Amount</b>       | 94,236,874 CBFIs, equivalent to Ps. 1,046.0 million.  |
| <b>Total Subscription First Round</b>  | 63,247,645 CBFIs, equivalent to Ps. 702.0 million   |
| <b>Total Subscription Second Round</b> | 30,989,229 CBFIs, equivalent to Ps. 344.0 million   |
| <b>Price and Discount</b>              | Ps. 11.10 / 9.87% <sup>1</sup>  |
| <b>Total CBFIs Outstanding</b>         | 523,942,848 CBFIS, after this subscription  |
| <b>CBFIs Cancelled</b>                 | 85,943,306 CBFIs  |
| <b>Use of Proceeds</b>                 | <ul style="list-style-type: none"> <li>• Ps. 1,064.0 million for current Hotel Factory Projects</li> <li>• Ps. 353.0 million for investment into current portfolio</li> <li>• Ps. 101.0 million for investment into Holiday Inn Ciudad Juarez</li> <li>• Ps. 200.0 million for the payment of a revolving loan to Banco Actinver.</li> <li>• Ps. 100.0 million for corporate use and future investments</li> <li>• Ps. 20.9 million for transaction expenses</li> </ul> |

# USE OF PROCEEDS

| Resources                |                |             |
|--------------------------|----------------|-------------|
|                          | Ps. million    | %           |
| Cash Available           | 492.9          | 26.8%       |
| Capital Subscription     | 1,046.0        | 56.9%       |
| Available Line of Credit | 300.0          | 16.3%       |
| <b>Total</b>             | <b>1,838.9</b> | <b>100%</b> |

|               |                                     | Segment                        | Rooms        | Opening      | Fibra Inn's Equity |            |              | Equity Partner | Debt Project Level | Total Investment |
|---------------|-------------------------------------|--------------------------------|--------------|--------------|--------------------|------------|--------------|----------------|--------------------|------------------|
|               |                                     |                                |              |              | Remaining          | Invested   | Total        |                |                    |                  |
| Hotel Factory | Remodeling                          | Current Portfolio              | n.a          | n.a          | 353                | 10         | 363          | 0              | 0                  | 363              |
|               | Conversion and Addition of Rooms    | Holiday Inn Cd. Juarez         | Full Service | 2018         | 101                | 142        | 243          | 0              | 0                  | 243              |
|               | Development                         | JW Marriott Monterrey Arboleda | Luxury       | 2020         | 299                | 86         | 385          | 385            | 514                | 1284             |
|               | Development                         | Marriott Monterrey Aeropuerto  | Luxury       | 2020         | 3                  | 45         | 48           | 230            | 192                | 480              |
|               | Acquisition                         | Westin Punto Valle Monterrey   | Luxury       | 1S'19        | 177                | 50         | 227          | 227            | 303                | 757              |
|               | Acquisition                         | Riviera Maya                   | Luxury       | En operación | 585                | 0          | 585          | 1170           | 1755               | 3510             |
|               | Expenses related to the transaction |                                | n.a          | n.a          | 21                 | 0          | 21           | 0              | 0                  | 20.9             |
|               | Banco Actinver Loan payment         |                                | n.a          | n.a          | 200                | 0          | 200          | 0              | 0                  | 200.0            |
|               | Other Corporate Expenses            |                                | n.a          | n.a          | 100                | 0          | 100          | 0              | 0                  | 100              |
|               | <b>Total</b>                        |                                | <b>1,300</b> | <b>-</b>     | <b>1,839</b>       | <b>333</b> | <b>2,172</b> | <b>2,012</b>   | <b>2,764</b>       | <b>6,958</b>     |



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## III. Hotel Announcements

# SALE OF MICROTEL INN & SUITES BY WYNDHAM CULIACAN

- Part of Fibra Inn's capital recycling program.
- Binding Agreement for sale, at a price of Ps. 85 million.
- This property was part of a hotel portfolio with successful performance that altogether reached a cap rate of 9.5% (trailing-12-months)
- There will be an early termination contract with Activos Prisma, as the hotel operator; at no cost for Fibra Inn.
- The buyer intends to keep the current hotel brand; subject to the approval of the international chain.



# CURRENT STANDING

| Current Standing             |       |       |           |
|------------------------------|-------|-------|-----------|
|                              | 2Q18  | 2Q17  | Variation |
| Hotels                       | 42    | 43    | -         |
| Total Rooms <sup>(1)</sup>   | 6,944 | 7,115 | -171      |
| Developments                 | 0     | 0     | -         |
| Land banks                   | 1     | 1     | -         |
| Segments                     | 4     | 4     | -         |
| States                       | 15    | 15    | +1        |
| Global Brands <sup>(2)</sup> | 15    | 15    | -         |
| Local Brands                 | 3     | 4     | -1        |
| Hotel Factory <sup>(3)</sup> | 3     | 2     | +1        |

(1) Including the 52-room addition at the Holiday Inn Ciudad Juarez, which is in the process of rebranding

(2) Including the AC Hotel by Marriott in 2Q17 and excluding the Best Western, due to a franchise termination

(3) Including the JW Marriott, Westin Monterrey and Marriott Monterrey Airport



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## IV. Quarterly Distribution and Dividend Yield

# DISTRIBUTIONS AND DIVIDEND YIELD

## Total Distributions (Ps. millions)

| 2Q18  | 2Q17  | Var |
|-------|-------|-----|
| 110.0 | 110.0 | -   |

## Distributions per CBFI

|      | 2016   | 2017   | 2018   |
|------|--------|--------|--------|
| 1Q   | 0.2211 | 0.2500 | 0.2500 |
| 2Q   | 0.2256 | 0.2500 | 0.2560 |
| 3Q   | 0.2512 | 0.2507 |        |
| 4Q   | 0.2523 | 0.2515 |        |
| Year | 0.9502 | 1.0022 | 0.5060 |

|      | 2016 | 2017 | 2018 |
|------|------|------|------|
| 1Q   | 6.6% | 9.2% | 8.4% |
| 2Q   | 6.7% | 8.2% | 8.5% |
| 3Q   | 8.4% | 8.3% |      |
| 4Q   | 8.8% | 9.0% |      |
| Year | 8.3% | 8.9% | 8.2% |

## Dividend Yield **8.5%**

Based on CBFI closing price of Ps. 12.28  
As of June 30, 2018



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V. Operational and Financial Review



# OPERATIONAL INDICATORS

| Same-Store Sales         |         |         |        |
|--------------------------|---------|---------|--------|
| (41 hotels)              | 2Q18    | 2Q17    | Var %  |
| Room Revenue             | 483.6   | 464.3   | 4.1%   |
| Occupancy                | 65.6%   | 64.0%   | 1.6 pp |
| Average Daily Rate (Ps.) | 1,233.1 | 1,213.9 | 1.6%   |
| RevPar                   | 809.2   | 777.0   | 4.1%   |

Note:

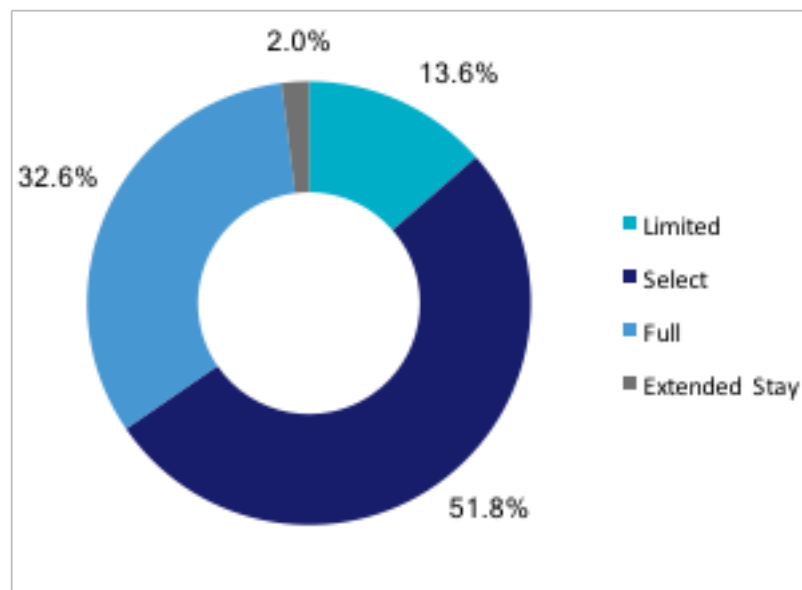
- Excludes the Casa Grande Ciudad Juarez Hotel, which closed temporarily in September 2017 for its rebranding to the Holiday Inn as well as for the 52-room addition.
- Excludes de Arriva Express Guadalajara due to rebranding process to AC Hotels by Marriott during 1Q17.

# FIBRA INN REVENUE

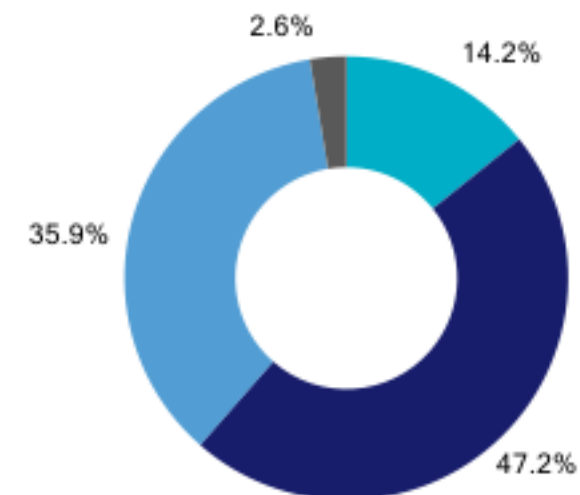


| (Ps. millions)   | 2Q18  | %      | 2Q17  | %      | Var. % |       |
|------------------|-------|--------|-------|--------|--------|-------|
| Lodging Revenues | 494.9 | 94.9%  | 472.2 | 95.6%  | 4.8%   | 4.8%  |
| Rental Revenues  | 26.8  | 5.1%   | 21.5  | 4.4%   | 24.6%  | 24.6% |
| Fibra Revenues   | 521.7 | 100.0% | 493.7 | 100.0% | 5.7%   | 5.7%  |

2Q18



2Q17



# INCOME STATEMENT

| (Ps. millions)           | 2Q18   | %      | 2Q17   | %      | Var. % |
|--------------------------|--------|--------|--------|--------|--------|
| Total Fibra Revenue      | 521.7  | 100.0% | 493.7  | 100.0% | 5.7%   |
| Hotel NOI                | 186.0  | 35.6%  | 179.3  | 36.3%  | 3.7%   |
| Total NOI                | 180.2  | 34.5%  | 179.3  | 36.3%  | 0.5%   |
| Adjusted EBITDA          | 159.8  | 30.6%  | 157.0  | 31.8%  | 1.8%   |
| FFO                      | 101.2  | 19.4%  | 116.2  | 23.5%  | -12.9% |
| Distributions to Holders | 110.0  |        | 110.0  |        | 0.0%   |
| Distribution per CBFi    | 0.2560 |        | 0.2500 |        | 2.4%   |
| CBFi's outstanding       | 429.7  |        | 440.0  |        | -2.3%  |



# BALANCE SHEET

| (Ps. millions)               | June 30,<br>2018 | %      | June 30,<br>2017 | %      | Var. % |
|------------------------------|------------------|--------|------------------|--------|--------|
| Cash & equivalents           | 492.9            | 4.2%   | 508.1            | 4.4%   | -3.0%  |
| Tax recoverable              | 0.5              | 0.0%   | 32.0             | 0.3%   | -98.4% |
| Total Assets                 | 11,723.1         | 100.0% | 11,627.7         | 100.0% | 0.8%   |
| Bank Loans                   | 199.1            | 5.8%   | -                | -      |        |
| Total Short Term Liabilities | 452.7            | 13.2%  | 133.8            | 4.5%   | 238.3% |
| Debt Securities non-current  | 2,957.0          | 86.0%  | 2,844.7          | 94.8%  | 3.9%   |
| Total Liabilities            | 3,440.2          | 100.0% | 3,000.0          | 100.0% | 14.7%  |
| Total Equity                 | 8,282.9          | 100.0% | 8,627.7          | 100.0% | 4.0%   |

# FINANCIAL SITUATION

## Total debt in pesos

- Total Ps. 2,957.0 million
- 66.7% at fixed rate of 9.93%;
- 33% floating rate 90% covered with swaps

### a. FINN18

- Ps. 2,000 million local debt
- Fixed Rate 9.93%
- 10 year maturity

### b. FINN15

- Ps. 1,000 million
- Ps. 900 million covered with swaps at 8.43%
- Ps. 100 million at TIIE + 110 bps = 8.94%
- 3.5 year maturity

**27.3%** loan-to-value and  
**2.4x** debt service coverage

## Additional bank credit lines

### a. Actinver

- Ps. 200 million
- TIIE Rate plus 250 bps
- 24 months maturity
- This credit line was disposed in 2T18

### b. BBVA Bancomer

- Ps. 300 million that may extend up to Ps. 450 mm
- TIIE Rate plus 150 bps
- 52 months maturity
- No amount has been disposed yet

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## VI. QUESTION AND ANSWER SESSION





## Note on Forward Looking Statements

This document may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, Company performance and financial results. Also, certain reclassifications have been made to make figures comparable for the periods. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the Company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

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