



**Conference Call**  
Third Quarter 2019  
October 28, 2019

## Third Quarter 2019 Results

- I. Quarterly Distributions and Cancellation of CBFIs
- II. Sale of Non-Strategic Properties
- III. Hotel Factory Projects
- IV. Operational and Financial Review
- V. Q&A Session

# AGENDA





# Conference Call Third Quarter 2019 Results

## I. Quarterly Distributions and Dividend Yield

## Reinvestment Distribution Initiative for 3Q 2019

*100% of the AFFO allocated for quarterly distribution will be:*

- 50% paid in cash to investors = Ps. 31.2 million in 3Q19, or Ps. 0.0627 per CBFi.
- 50% reinvested in the repurchase of CBFIs = Ps. 31.2 million in 3Q19.
- CBFIs cancelled: 10,475,815 CBFIs in Oct 7, 2019 and 20,515,455 CBFIs in 4Q19.
- The Repurchase Fund decreased its number of CBFIs by 6.1%; Market Cap has gained value of 5.4% during 3Q19.

**Business Rationale:** Considering the implied cap rate and the limited growth estimates for Fibra Inn in 2019, due to macroeconomic circumstances, we consider that it is more attractive to invest in the repurchase of our CBFIs and then cancel them, in order to generate additional implied value for current CBFi holders.

# CANCELLATION OF CBFIs



	CBFI already cancelled	% of total issuance cancelled	Available Resources for Repurchase (Ps. millions)		
			50% AFFO Fund	Discretionary Repurchase	Total
4Q18	5,444,958	1.0% <sup>(1)</sup>	-	146.7	146.7
1Q19			-	137.2	137.2
2Q19			37.9	192.5	230.4
3Q19	10,475,815	2.0% <sup>(2)</sup>	31.2		
4Q19	20,515,455	4.0% <sup>(3)</sup>			
<b>Total</b>	<b>36,436,228</b>	<b>7.0%</b>			

(1) Calculation based on 534,256,416 outstanding CBFIs as of March 30, 2019.

(2) Based on 528,811,458 outstanding CBFIs as of June 30, 2019.

(3) Based on 518,335,643 outstanding CBFIs as of October 28, 2019

# QUARTERLY DISTRIBUTION

## Total Distributions (Ps. millions)

	3Q19	3Q18	Var
	31.2	94.1	-66.8%

	2017	2018	2019
1Q	0.2500	0.2511	0.1565
2Q	0.2500	0.2560	0.0736
3Q	0.2507	0.1802	0.0627
4Q	0.2515	0.1805	
Year	1.0025	0.8224	

## Quarterly Dividend Yield

	2017	2018	2019
1Q	9.2%	8.4%	7.7%
2Q	8.2%	8.5%	4.2%
3Q	8.3%	6.6%	3.3%
4Q	9.0%	7.3%	
TTM	<b>8.9%</b>	<b>8.8%</b>	<b>6.2%</b>

**LTM Dividend Yield** **6.2%**

Based on CBFi closing price of Ps. 7.60  
As of September 30, 2019



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## II. Sale of Non-Strategic Properties

Conference Call, October 28, 2019

# Capital Recycling Strategy for Non-Strategic Assets

Fibra Inn sold the following properties:



**Holiday Inn & Suites**  
Guadalajara Centro Histórico  
September 12, 2019

Price: Ps. 99 million + VAT  
8.1% cap rate  
Considering Ps. 8.0 million  
of NOI generated from  
July 2018 to June 2019



**City Express**  
Chihuahua  
July 22, 2019

Price: Ps. 95.0 million + VAT  
8.7% cap rate  
Ps. 8.3 million in NOI from  
July 2018 to June 2019

**Tecnológico Norte**  
Chihuahua  
October 10, 2019

Price: Ps. 40.0 million + VAT  
4.3% cap rate  
Ps. 1.7 million in NOI from  
Oct 2018 to Sep 2019





# Conference Call Third Quarter 2019 Results

## III. Hotel Factory Projects

# Hotel Factory Projects



Hotel (Ps. million)	Segment	Rooms	Opening	Fibra Inn Equity (1)			Strategic Partner Equity (1)			Debt	Total Investment
				Contribution as of 3T19	Remaining	Total 30%	Contribution as of 3T19	Remaining	Total 30%	at Project Level (1) 40%	
JW Marriott Monterrey Valle	Luxury Business	250	Julio 2020	346.8	48.3	395.1	350	45.1	395.1	527	1,317
The Westin Monterrey Valle	Luxury Business	174	1 Sem 2020	490.0	-258.1	231.9	140.0	91.9	231.9	309	773
Marriott Monterrey Aeropuerto (3)	Luxury Business	208	n/a	50.8	-	-	-	-	-	-	600 (4)
Playa del Carmen (3,5)	Luxury Resort	220 a 230	n/a	95.0	-	-	228.0	-	-	-	1,500
<b>Total</b>				<b>982.6</b>							<b>3,526.0</b>

(1) Figures in Ps. millions, at an exchange rate of Ps. 19.00 per US\$1; these amounts do not include notary expenses or financial costs, which will be distributed proportionally at 60% equity capital and 40% debt.

(2) On April 11 contributed Ps. 140 million plus VAT.

(3) Projects that are in the negotiation phase with the international hotel brand and with the strategic partners that will participate, as of 2Q19 there is no definitive capital participation structure, nor is there a set debt percentage.

(4) Estimated figures, which will be confirmed upon approval of the final project.

(5) Invested amounts only correspond to the purchase of the land property.

(6) Estimated investment calculated based on 220 rooms for US\$ 200 million, at an exchange rate of Ps. 19.0 per US\$1.

# CURRENT STANDING

	Current Standing		
	3Q19	3Q18	Variation
Hotels	40	42	-2
Total Rooms(1)	6,591	6,785	-194
Developments	0	0	-
Land	1	1	-
Segments	4	4	-
States	13	13	-
Global Brands (2)	13	15	-2
Local Brands	3	3	-
Hotel Factory (3)	4	4	-

- (1) The 3Q19 excludes City Express Chihuahua and the Holiday Inn & Suites Guadalajara Centro Histórico, which were sold; but still includes the Hotel Tecnológico Norte as it was in the process of sale.
- (2) Excludes the Best Western brand, due to a franchise termination and that was converted to Wyndham Garden and the Holiday Inn & Suites, which was sold.
- (3) The 2Q19 includes JW Marriott Monterrey, Westin Monterrey, Marriott Monterrey Airport and Playa del Carmen landbank



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## IV. Operational and Financial Review

# OPERATIONAL INDICATORS

## Same-Store Sales

(41 hotels)	3Q19	3Q18	Var %
Room Revenue	455.0	483.5	5.9%
Occupancy	59.5%	64.6%	-5 pp
Average Daily Rate (Ps.)	1,268.8	1,256.6	1.0 %
RevPar	755.3	811.4	-6.9%

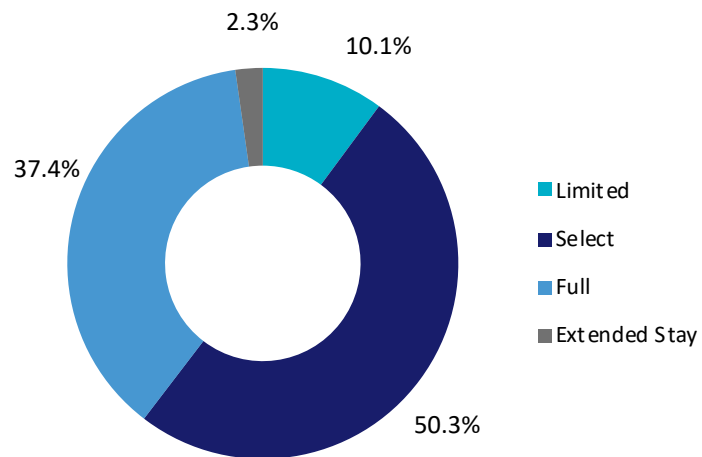
Note:

- Includes the Holiday Inn & Suites Guadalajara Centro Histórico, as it remained more than half of the quarter as it was sold on September 12, 2019.

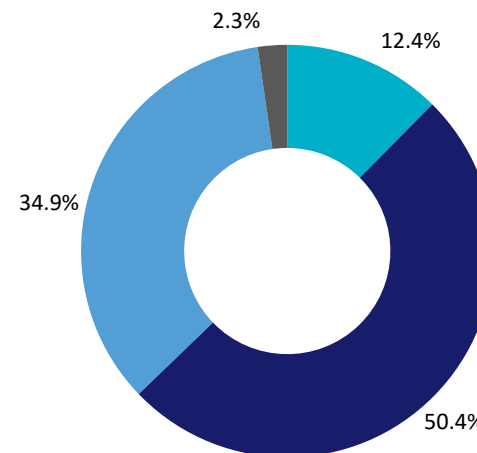
# FIBRA INN REVENUE



(Ps. millions)	3Q19	%	3Q18	%	Var. %
Lodging Revenues	462.2	94.9%	493.8	94.9%	-6.4%
Rental Revenues	25.1	5.1%	26.5	5.1%	-5.2%
Fibra Revenues	487.3	100.0%	520.3	100.0%	-6.3%



3Q19



3Q18

# INCOME STATEMENT




(Ps. millions)	3Q19	%	3Q18	%	Var. %
Total Fibra Revenue	487.3	100.0%	521.7	100.0%	-6.3%
Hotel NOI	158.1	32.4%	186.0	34.7%	-12.3%
Total NOI	154.3	30.7%	180.2	35.4%	-16.3%
Adjusted EBITDA	123.9	25.4%	158.0	30.4%	-21.6%
FFO	79.5	16.3%	109.7	21.1%	-27.6%
Distributions to Holders	31.2		94.1		-66.8%
Distribution per CBF1	0.0627		0.1802		-65.2%
CBF1s outstanding	528.8		521.9		1.32%

# BALANCE SHEET

(Ps. millions)	Sep 30, 2019	%	Dec 31, 2018	%	Var. %
Cash & equivalents	304.1	2.5%	644.4	5.4%	-52.8%
Recoverable VAT	169.4	1.4%	42.9	0.4%	294.5%
<b>Total Assets</b>	<b>12,318.1</b>	<b>100%</b>	<b>11,865.9</b>	<b>100%</b>	<b>3.8%</b>
Short Term Bank Debt	200.0	5.5%	-	-	
Accrued Interest	32.2	0.9%	79.6	2.4%	-59.5%
Total Short-Term Liabilities	467.2	12.8%	242.3	7.4%	92.8%
Long Term	2,970.1	81.2%	2,967.1	91.1%	0.1%
<b>Total Liabilities</b>	<b>3,659.3</b>	<b>100%</b>	<b>3,256.0</b>	<b>100%</b>	<b>12.4%</b>
<b>Total Equity</b>	<b>8,658.8</b>	<b>100%</b>	<b>8,609.9</b>	<b>100%</b>	<b>0.6%</b>



## Re-opening **FINN18 Debt Issuance** (October 9, 2019)

	Program:	Ps. 5,000 million
	Issuance:	Ps. 1,200 million
	Rating:	AA-(mex) / HR AA+
	Term:	8 years 4 months (February 2028)
	Interest Rate:	8.87% Fixed rate
	Coupons:	Biannual
	Amortization:	At maturity
	Guarantee:	Unsecured
	Common Rep:	CI Banco
	Use of Proceeds:	<b>Ps. 1,000 million applied for the early pre-payment of total amount of FINN15</b> the remaining will be invested in the improvement of the existing hotels.

# FINANCIAL SITUATION as of September 30, 2019

**27.6%** loan-to-value and  
**1.6** debt service coverage



**a. FINN18 58.8% of total debt**

- Ps. 2,000 million local debt
- At Fixed Rate at 9.93%
- 2 Feb 2028 (MXN)



RE-OPENING  
Additional PS. 1.2 B  
@8.87% FIXED  
OCTOBER 9, 2019

**b. FINN15 29.4% of total debt**

- Ps. 1,000 million covered with swaps at 7.10%
- At variable rate TIE Rate plus 110 bps
- TIE covered with swaps at weighted fixed rate 7.1%
- 1.9 year maturity
- 24 Sep 2021



PREPAID ON  
OCTOBER 14, 2019

## Bank credit lines

**a. Actinver 5.9% of total debt**

- Ps. 200 million
- At variable rate TIE plus 200 bps
- 24 months maturity

**b. BBVA Bancomer 5.9% of total debt**

- Ps. 197.6 million
- At variable rate TIE plus 150 bps
- 36 months maturity
- Ps. 300 million that may extend up to Ps. 450 million available total credit line



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## V. 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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