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# FIBRA Prologis Announces Third Quarter 2017 Earnings Results

MEXICO CITY, Oct. 24, 2017 /PRNewswire/ -- FIBRA Prologis (BMV:FIBRAPL 14), a leading owner and operator of Class-A logistics real estate in Mexico, today reported results for the third quarter of 2017.

## HIGHLIGHTS FROM THE QUARTER:

- Net effective rent change on rollover increased 13.9 percent.
- Period-end occupancy was 96.4 percent.
- Cash same store NOI growth was 3.7 percent.

Funds from operations (FFO) per CBF1 was Ps. 0.7508 (US\$0.0423) for the third quarter compared with Ps. 0.7730 (US\$ 0.0419) for the same period in 2016.

Net earnings per CBF1 in the third quarter was Ps. 0.7049 (US\$0.0398) compared with earnings of Ps. 0.7020 (US\$0.0382) for the same period in 2016.

"Our third quarter results were excellent and are an affirmation of the quality of our portfolio and team," said Luis Gutierrez, CEO, Prologis Property Mexico. "We continue to push for higher rents while maintaining better-than-market occupancy levels. This is clear evidence that our strategy to own well-located facilities in the most dynamic markets in Mexico is working."

## OPERATING PERFORMANCE

Operating Portfolio	3Q17	3Q16	Notes
Period End Occupancy	96.4%	96.7%	<i>Twelfth consecutive quarter above 96%</i>
Leases Signed	2.4MSF	2.3MSF	<i>Led by Mexico City with 838KSF</i>
Customer Retention	78.8%	88.8%	
Net Effective Rent Change	13.9%	8.0%	<i>Led by regional markets at 23.5%</i>
Cash Same Store NOI	3.7%	1.1%	
Same Store NOI	3.6%	-1.6%	

## FINANCIAL POSITION

As of September 30, 2017, FIBRA Prologis' liquidity was Ps. 3.6 billion (US\$199.0 million), which included Ps. 3.3 billion (US\$180.0 million) of available capacity on its unsecured credit facility and Ps. 348.4 million (US\$19.1 million) of unrestricted cash. This liquidity does not include a Ps. 2.7 billion (US\$150.0 million) accordion feature.

During the quarter, FIBRA Prologis fully repaid one secured debt facility totaling US\$37.5 million, that was scheduled to mature this year, and with a debt cost of 6.9 percent. The secured debt facility was repaid with borrowings under the unsecured credit facility at par,

decreasing the overall cost of debt by approximately 10 basis points to 3.9 percent quarter-over-quarter.

Also during the quarter, FIBRA Prologis completed two transactions with a syndicate of domestic and international banks for a US\$150.0 million unsecured term loan and a new US\$325.0 million unsecured credit facility with a US\$150.0 million accordion feature, that can be drawn from either product. Both financings have options which extend maturity to 2022. The debt cost of the term loan and new credit facility are approximately 3.3 percent and 3.4 percent, respectively. Proceeds were used to repay the former unsecured credit facility, which was scheduled to mature in 2019.

"Our 2017 refinancing strategy was completed in the third quarter," said Jorge Girault, senior vice president, Finance, Prologis Property Mexico. "We have significantly reduced our debt costs while keeping leverage levels steady. Our balance sheet remains a key strength for the company, providing us with enhanced liquidity and flexibility."

## **GUIDANCE UPDATE**

"We anticipate continued strength in rent change on lease expiration, as well as elevated average occupancy, which will drive our same store performance. As a result, we are increasing our same store NOI guidance," added Girault. "Due to an unexpected governmental issue at a property, we are decreasing our acquisitions guidance for 2017."

(US\$ in million, except per CBFI amounts)	Previous	Revised
Same Store NOI (Cash)	0.75-1.75%	1.75%-2.50%
Acquisitions	\$50.0-100.0	\$30.0

## **WEBCAST & CONFERENCE CALL INFORMATION**

FIBRA Prologis will host a live webcast/conference call to discuss quarterly results, current market conditions and future outlook. Here are the event details:

- Wednesday, October 25, 2017, at 9 a.m. CT/10 a.m. ET
- Live webcast at [www.fibraprologis.com](http://www.fibraprologis.com) by clicking Events
- Dial in: +1 877 256 7020 or +1 973 409 9692 and enter Passcode 93296069.

A telephonic replay will be available October 25–November 1 at +1 855 859 2056 from the U.S. and Canada or at +1 404 537 3406 from all other countries using conference code 93296069 and passcode 31833. The replay will be posted in the Investor Relations section of the FIBRA Prologis website.

## **ABOUT FIBRA PROLOGIS**

FIBRA Prologis is a leading owner and operator of Class-A logistics real estate in Mexico. As of September 30, 2017, FIBRA Prologis comprised 194 logistics and manufacturing facilities in six industrial markets in Mexico totaling 34.2 million square feet (3.2 million square meters) of gross leasable area.

## **FORWARD-LOOKING STATEMENTS**

The statements in this release that are not historical facts are forward-looking statements. These forward-looking statements are based on current expectations, estimates and

projections about the industry and markets in which FIBRA Prologis operates, management's beliefs and assumptions made by management. Such statements involve uncertainties that could significantly impact FIBRA Prologis financial results. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," variations of such words and similar expressions are intended to identify such forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future — including statements relating to rent and occupancy growth, acquisition activity, development activity, disposition activity, general conditions in the geographic areas where we operate, our debt and financial position, are forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions that are difficult to predict. Although we believe the expectations reflected in any forward-looking statements are based on reasonable assumptions, we can give no assurance that our expectations will be attained and therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements. Some of the factors that may affect outcomes and results include, but are not limited to: (i) national, international, regional and local economic climates, (ii) changes in financial markets, interest rates and foreign currency exchange rates, (iii) increased or unanticipated competition for our properties, (iv) risks associated with acquisitions, dispositions and development of properties, (v) maintenance of real estate investment trust ("FIBRA") status and tax structuring, (vi) availability of financing and capital, the levels of debt that we maintain and our credit ratings, (vii) risks related to our investments (viii) environmental uncertainties, including risks of natural disasters, and (ix) those additional factors discussed in reports filed with the "Comisión Nacional Bancaria y de Valores" and the Mexican Stock Exchange by FIBRA Prologis under the heading "Risk Factors." FIBRA Prologis undertakes no duty to update any forward-looking statements appearing in this release.

Non-Solicitation - Any securities discussed herein or in the accompanying presentations, if any, have not been registered under the Securities Act of 1933 or the securities laws of any state and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements under the Securities Act and any applicable state securities laws. Any such announcement does not constitute an offer to sell or the solicitation of an offer to buy the securities discussed herein or in the presentations, if and as applicable.



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