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Economic and Financial Markets Research
Equity Research

FIBRA MONTERREY
BUY: Strategic positioning to nearshoring and attractive distributions


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Highlights

- **FIBRA Monterrey (FMTY) is a Mexican Real Estate Investment Trust (REIT) specializing in the acquisition, management, and development of properties, with a preponderant component in the industrial segment. As part of its clearly defined strategy, the company remains committed to strengthening this core area**
- **We highlight: (1) A very appealing valuation, with the most attractive property cap rate in the sector; (2) high cash generation that supports consistent distributions; (3) a portfolio of high-quality, strategically located properties; (4) strong corporate governance, with internal management and advisory; and (5) a clear and balanced growth strategy focused on acquisitions to further enhance its industrial property base**
- **We are initiating coverage of FMTY14 shares with a BUY recommendation and a price target of MXN 13.80 per CBFI. This represents a 2025e P/FFO multiple of 12.8x relative to a sector average of 12.3x. The implied cap rate with our price target for 2025 would be 7.5% vs the sector average of 7.0%. The estimated total return for 2025, including distributions, is 41.3% vs its current price**

Fibra Monterrey is an investment vehicle with a strong focus on the industrial sector (75% of its total revenues). While it is diversified across the office (24%) and commercial (1%) segments, its strategy aims to consolidate its industrial footprint, targeting at least an ~87% revenue share by 2026. The latter sector has accelerated its progress as it has been benefitting from trends such as nearshoring and the digital revolution (*e.g.* e-commerce), which have consolidated Mexico as a key manufacturing hub. One of FMTY's main pillars is its strategic presence in economically dynamic states such as Nuevo Leon, Jalisco, and Guanajuato, allowing it to position itself competitively for sustained, balanced, and orderly growth. With a portfolio occupancy rate of 96%, the company ensures stable and predictable cash flows. Additionally, 86% of its leases are denominated in USD, providing a natural hedge against MXN depreciation. As of 3Q24, its T12M EBITDA margin was 83.3%, higher than the 79.8% average of its competitors. This has translated into consistent cash distributions, with an annualized yield of 8.5% (T12M), which will become even more attractive in the event of lower interest rates. FMTY also stands out for its robust corporate governance, as it is the first FIBRA (similar to a Real Estate Investment Trust in the US, or REIT) in Mexico with fully in house management and advisory, aligning its interests closely with those of its investors. In our view, the company will benefit from sustained strong demand for industrial space and limited supply in 2025, with average rental rates likely to grow at least in line with inflation.

Financial Statements

MXN million	2023	2024e	2025e	2026e
Revenues	2,152	2,674	3,435	3,548
EBITDA	1,786	2,228	2,839	2,973
EBITDA Margin	83.0%	83.3%	82.6%	83.8%
Net Income	-912	5,830	3,599	3,721
Net Margin	-42.4%	218.0%	104.8%	104.9%
Total Assets	28,992	44,704	46,383	47,772
Available	1,039	9,749	4,508	4,793
Total Liabilities	8,214	12,131	12,126	12,149
Debt	7,799	11,550	11,550	11,550
Capital	20,778	32,572	34,257	35,624

Source: Banorte

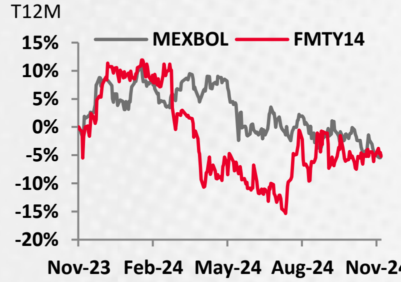
Valuation and financial metrics*

	2023	2024e	2025e	2026e
FV/EBITDA	14.4x	12.3x	11.5x	10.9x
P/E	-20.8x	4.4x	7.1x	6.9x
P/BV	0.9x	0.8x	0.7x	0.7x
P/FFO	11.7x	10.6x	9.7x	9.2x
P/AFFO	12.0x	11.0x	10.1x	9.5x
Cap Rate	7.6%	8.8%	9.4%	9.9%

*Note: All ratios are calculated based on the current stock price.

BUY	
Current Price	$10.50
Price Target (PT)	**$13.80**
Estimate Distribution	$1.04
Distribution (%e)	9.9%
Upside potential	41.3%
Max – Min LTM ($)	11.93 – 8.94
Market Cap (US$m)	1,273.4
Outstanding CBFIs (m)	2,438
Float	97.0%
Daily Turnover ($m)	14.2
Valuation metrics TTM	
P/FFO	12.0x
P/AFFO	12.4x
FV/EBITDA	13.1x
MSCI ESG Rating	**N.A.**

Relative performance to Mexbol
T12M



Source: Banorte

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BANORTE

FMTY – Financial Statements

MXN million

Concept	2022	2023	2024e	2025e	2026e	CAGR
Revenue	**1,501.2**	**2,152.2**	**2,673.6**	**3,435.4**	**3,548.2**	**24.0%**
Operating expenses	**186.7**	**204.8**	**256.6**	**364.2**	**345.5**	**16.6%**
NOI	**1,314.5**	**1,947.5**	**2,417.1**	**3,071.1**	**3,202.7**	**24.9%**
NOI Margin	**87.6%**	**90.5%**	**90.4%**	**89.4%**	**90.3%**	**N.A.**
EBITDA	**1,193.0**	**1,785.7**	**2,228.0**	**2,839.1**	**2,972.9**	**25.6%**
EBITDA Margin	**79.5%**	**83.0%**	**83.3%**	**82.6%**	**83.8%**	**N.A.**
(Loss) Gain from fair value of investment properties	146.2	-2,998.5	4,872.2	966.1	1,050.0	63.7%
Net Financial Income (loss)	**239.0**	**378.4**	**-1,056.8**	**-66.8**	**-137.2**	**N.A.**
Interest expense	259.2	537.6	645.1	448.3	358.6	8.5%
Interest income	178.0	342.2	769.9	430.8	458.0	26.7%
Foreign Exchange gain (loss)	320.2	573.8	-1,181.7	-49.3	-236.6	N.A.
Income before taxes	**1,510.0**	**-905.4**	**5,836.6**	**3,600.3**	**3,721.9**	**25.3%**
Income taxes	1.9	7.1	7.0	1.2	1.2	-11.2%
Consolidated Net Income	**5.0**	**-912.5**	**5,829.6**	**3,599.2**	**3,720.7**	**422.3%**
Net Margin	**0.3%**	**-42.4%**	**218.0%**	**104.8%**	**104.9%**	**N.A.**
FFO	**1,110.1**	**1,627.6**	**2,425.5**	**2,625.6**	**2,773.6**	**25.7%**
FFO Margin	**73.9%**	**75.6%**	**90.7%**	**76.4%**	**78.2%**	**N.A.**
AFFO	**1,119.8**	**1,586.2**	**2,324.3**	**2,543.8**	**2,686.5**	**24.5%**
AFFO Margin	**74.6%**	**73.7%**	**86.9%**	**74.0%**	**75.7%**	**N.A.**
Distribution per CBFI	**0.9**	**0.9**	**1.0**	**1.0**	**1.1**	**5.4%**
Cap Rate (Properties)	**7.5%**	**7.1%**	**7.2%**	**7.4%**	**7.6%**	**N.A.**

Balance Sheet						
Total Current Assets	**4,432.8**	**1,444.9**	**10,550.3**	**4,720.6**	**5,136.0**	**3.7%**
Cash & Short-Term Investments	4,277.1	1,038.9	9,748.6	4,507.8	4,793.0	2.9%
Long Term Assets	**17,783.0**	**27,546.8**	**34,153.3**	**41,662.6**	**42,636.5**	**24.4%**
Investment properties (Net)	17,639.3	27,265.2	33,800.7	41,237.5	42,287.6	24.4%
Total Assets	**22,215.8**	**28,991.7**	**44,703.6**	**46,383.1**	**47,772.5**	**21.1%**
Current Liabilities	**465.5**	**563.7**	**1,353.5**	**1,330.8**	**1,340.3**	**30.3%**
Short Term Debt	36.4	301.4	1,091.1	1,091.1	1,091.1	134.0%
Long Term Liabilities	**5,301.9**	**7,650.0**	**10,777.6**	**10,795.0**	**10,808.4**	**19.5%**
Long Term Debt	5,224.2	7,497.8	10,459.4	10,459.4	10,459.4	19.0%
Total Liabilities	**5,767.5**	**8,213.6**	**12,131.1**	**12,125.8**	**12,148.7**	**20.5%**
Stockholders´ equity	16,448.4	20,778.0	32,572.4	34,257.4	35,623.8	21.3%
Total Equity	**16,448.4**	**20,778.0**	**32,572.4**	**34,257.4**	**35,623.8**	**21.3%**
Liabilities & Equity	**22,215.8**	**28,991.7**	**44,703.6**	**46,383.1**	**47,772.5**	**21.1%**
Net Debt	**983.5**	**6,760.4**	**1,801.9**	**7,042.7**	**6,757.5**	**61.9%**

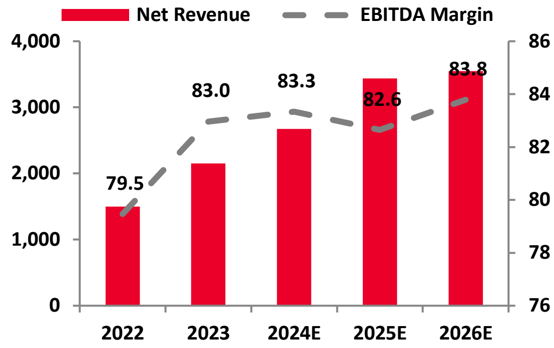
Cash Flow						
Cash Flow from Operating	1,191	1,779	2,221	2,838	2,972	25.7%
Cash Flow from Investing	-215	-13,024	-1,630	-5,535	-	N.A.
Cash Flow from Financing	2,080	7,783	8,840	-2,544	-2,686	N.A.
Change in Cash Balance	**3,057**	**-3,463**	**9,431**	**-5,241**	**285**	**N.A.**

*CAGR: Compound annual growth rate calculated for the period 2022 – 2026. **We are assuming no acquisitions in our 2026 estimates. N.A. = Not applicable.

Source: Banorte, FMTY.

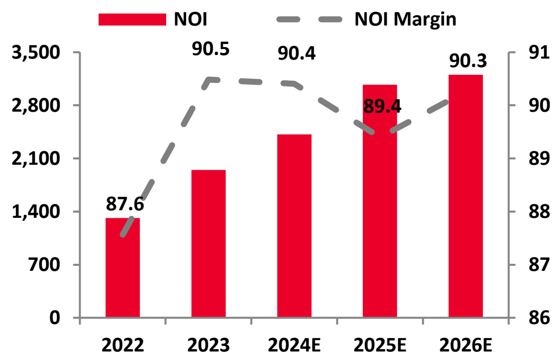
Revenue & EBITDA Margin

MXN million / %



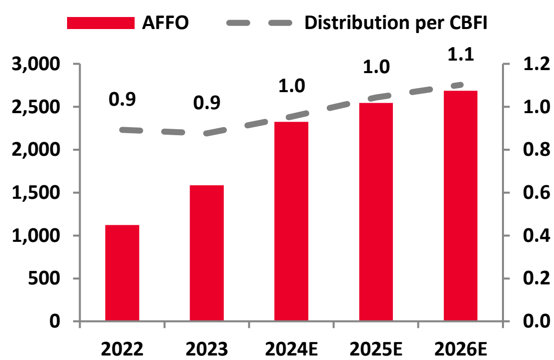
NOI & NOI Margin

MXN million / %



AFFO / Distribution per CBFI

MXN million / MXN

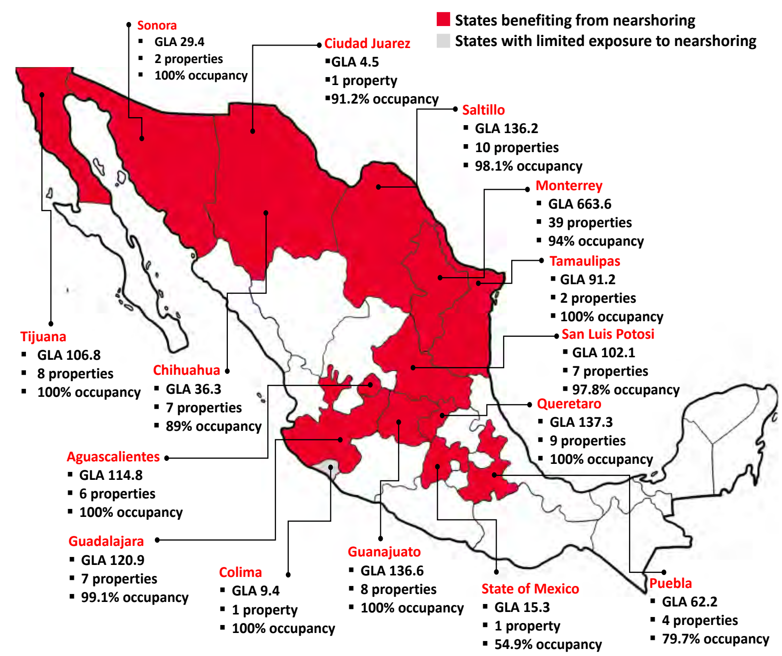


[FIBRAs in Mexico](#) have gained significant investor attention, particularly in the industrial segment, which has shown remarkable dynamism throughout 2024. Several market participants have actively sought to capitalize on current trends and leverage favorable growth expectations. Examples of the high dynamism and realignment that is materializing in the sector include: (1) The proposed acquisition of Terrafina (TERRA) by six major companies (including FMTY), ultimately resulting in Fibra Prologis (FIBRAPL) securing the deal and which has already began consolidating the transaction; (2) Fibra Uno's (FUNO) intention to spin-off its industrial assets into a new FIBRA, under the name Fibra NEXT, with a tentative initial public offering set for March 2025; and (3) approximately MXN 17.5 billion in capital raised by many FIBRAs to seize growth opportunities in the current backdrop. In our view, these developments highlight the robust demand and abundant opportunities that exist within Mexico's industrial real estate sector.

Business Description

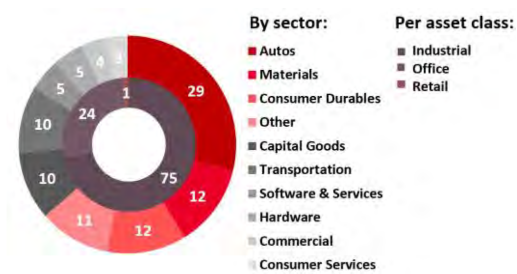
FMTY is a Real Estate Investment Trust specializing in the acquisition, management, development, and operation of properties, with its primary focus on the industrial sector in Mexico. While it also holds assets in the office and commercial sectors, these represent a smaller portion of its operations. As of the end of 3Q24, FMTY's portfolio comprised 112 high-quality properties: 87 industrial, 19 in offices, and 6 commercial. The average occupancy rate is 96%. Notably, 75% of the company's revenue is derived from the industrial sector, 24% from offices, and 1% from commercial properties. By tenant, the key contributors are the automotive industry (28%), materials (12%), and consumer goods (12%). Regionally, Nuevo Leon leads with 38% of revenue, followed by Jalisco (13%), and Queretaro (9%).

A premium portfolio in high growth locations
Presence of FMTY's assets as of 3Q24

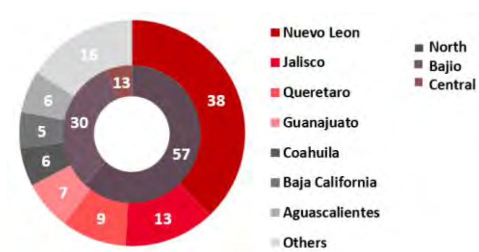


Source: FMTY, Banorte.

Revenue contribution by asset class and segment
% of revenues as of 3Q24



Revenue contribution by region
% of revenues as of 3Q24



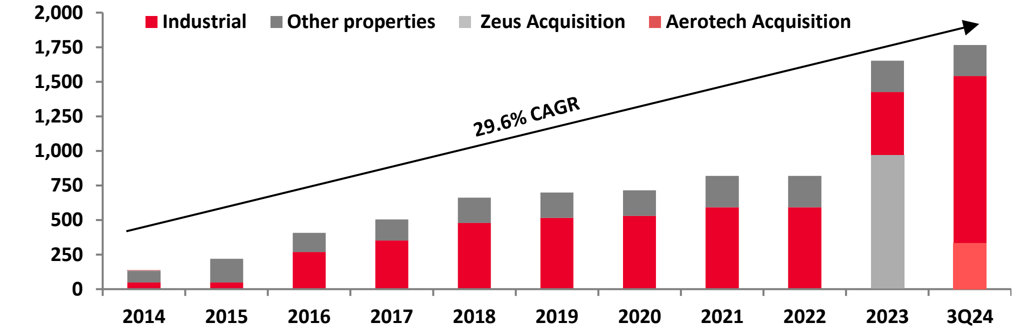
Source: FMTY, Banorte.

FMTY has established itself as one of the fastest-growing FIBRAs in the sector, driven by an expansion strategy focused on integrating high-value assets. Since its listing on the Mexican Stock Exchange in 2014, its Gross Leasable Area (GLA) has achieved a Compound Annual Growth Rate (CAGR) of 29.6%, with a strong emphasis on expanding its portfolio of industrial properties. Among the most relevant are: (1) The acquisition of the Zeus portfolio in 2023; and (2) Aerotech in 2024. Zeus represents ~47% of the current GLA, with 46 industrial warehouses distributed in 11 Mexican states, highlighting Nuevo Leon (~10% of the current GLA) and Guanajuato (~7%). Aerotech is comprised of 6 stabilized industrial buildings located in Queretaro (~5% of the current GLA).

The company has engaged in two office portfolio divestitures this year, in line with the strategy of strengthening its industrial branch. Specifically: (1) On August 23rd, it signed a binding agreement to sell a property (occupied by Axtel) for US$15 million (MXN 286.7 million); and (2) on November 13th, it completed the sale of the "Fortaleza" building (located in the Mexico City Metropolitan Area), for MXN 360 million. Both transactions represented approximately 2% of the company's total assets. We believe this divestment strategy will continue in 2025 as part of the company's efforts to further concentrate on industrial assets.

FMTY portfolio performance as of 3Q24

m^2

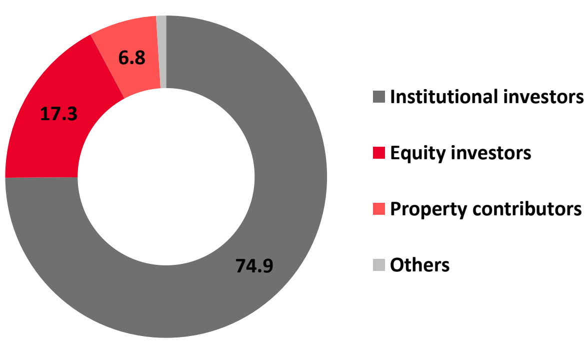


Source: FMTY, Banorte.

Shareholders' structure with high institutional participation. Main holders include: (1) Institutional investors such as private sector, defined contribution pension funds (AFORES), private investment and other pension funds, with a 74.9% share; (2) equity investors with 17.3%; and (3) real estate contributors with 6.8%.

FMTY major holders

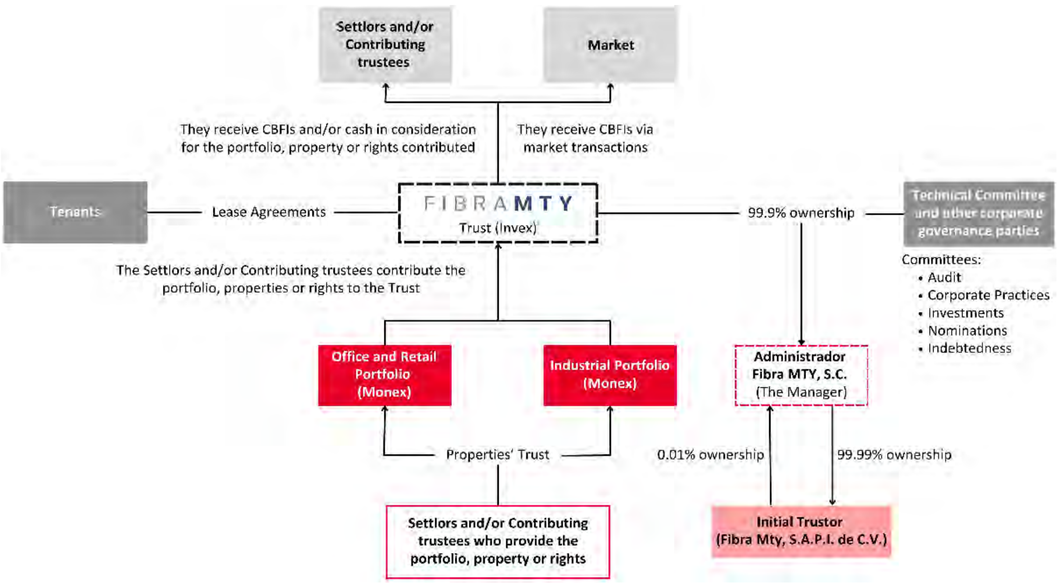
%



Source: FMTY, Banorte, MSE. As of 3Q24.

Organizational and Operational Structure

Trust structure. The Technical Committee holds a key role in overseeing operations, management, and growth strategies, as well as evaluating its financial performance. The Technical Committee is comprised of 10 members, 8 of whom are independent. Other governing committees include the Audit Committee (100% independent), the Corporate Practices Committee (75%), the Investment Committee (71%), the Nominating Committee (66%), and the Indebtedness Committee (100%).



Source: Banorte, FMTY.

Valuation and Price Target 2025 at MXN 13.80. Recommendation: BUY

An estimated total return of 41.3% by the end of next year. To establish FMTY's price target, we used a discounted cash flow (DCF) valuation method. We believe this is appropriate as it clearly reflects the potential for cash generation and, therefore, potential distributions to shareholders. Our Price Target (PT) was calculated with a discount rate (WACC) of 10.9%, which assumes: (1) A cost of capital of 13.0%, consisting of a risk-free rate of 9.55% (our estimate for the 10-year Mbono at year end 2025), a 0.5 beta (similar to its level over the last year vs the Mexbol Index) and a market risk premium of 6.5%; (2) an average cost of debt of 6.3%; and (3) a debt/capitalization ratio of 30.9% (aligned with the estimated leverage range of 25% to 35%). On the other hand, we use a Net Operating Income (NOI) growth rate of 3.5% for perpetuity, comprised of a long-term growth rate above the US Fed's inflation target (2.0%), as well as an average annual depreciation of the peso against the US dollar of 1.5%. In this respect, we recall that most of the company's revenues are dollar denominated (86%).

We set a Price Target of MXN 13.80 per CBFI. This level is equivalent to a P/FFO 2025e multiple of 12.8x relative to a current level of 12.0x, slightly higher than vehicles with participation primarily in the domestic industrial sector (more than 75% of revenues in the segment) at an average of 12.3x (Fibra Macquarie, Fibra Prologis, and Vesta). In our view, a multiple expansion would be justified by: (1) The prospect of lower interest rates; but, above all, (2) the company's strategy, focused on the sale of its office assets, which will allow a greater strengthening and contribution from the industrial segment. It is worth noting that FIBRAs concentrated in the industrial sector typically trade at a higher premium compared to diversified portfolios (~80% – see Relative Valuation Table on page 7).

FMTY – DCF
MXN million

	2025e	2026e	2027e	2028e	2029e	2030e	Perp.
NOI	3,071	3,203	3,283	3,314	3,415	3,511	48,502
PV NOI		2,887	2,667	2,427	2,254	2,090	28,863

Risk-Free Rate (RF)	9.6%
Equity Risk premium (RP)	6.5%
Beta	0.5
CAPM	**13.0%**
Debt Cost	6.3%
Net Cost of Debt	**6.3%**
Debt / Capitalization	30.9%
WACC	**10.9%**

	YE25
(+) Present Value of NOI	12,325
(+) Present Value of Perpetuity	28,863
= Firm Value	**41,188**
(-) Debt	11,550
(+) Cash	4,508
(=) Equity value	**34,145**
Outstanding CBFIs	2,457
2025 Price Target $	**13.80**
2025 Estimate Distribution	9.9%
Current Price $	10.50
Potential Return	41.3%

Source: Banorte.

On the cap rate... Based on our estimates and Price Target for 2025, we project that the cap rate will be 7.5% by the end of next year, eventually converging to the sector average of 7.0% compared to 8.3% currently. This will depend on the effective completion of the acquisitions for around US$800 million that are contemplated for 2025 and that we include in our estimates. In this sense, the company estimates that the weighted capitalization rate could reach 8% for the expected expansions. Meanwhile, FMTY's current property cap rate stands at 6.8%, making it the most attractive among comparable industrial FIBRAs, which have an average cap rate of 5.5% (–see Relative Valuation Table, page 7).

Sensitivity Analysis. In the following table we performed a sensitivity analysis to gauge the variations in the estimated Price Target when assuming different growth and discount rates (WACC).

FMTY – Sensitivity Analysis
2025 closing share price (MXN)

		Growth Rate (%)				
		3.0	*3.2*	***3.5***	*3.7*	*4.0*
WACC (%)	*10.4*	14.3	14.8	15.3	15.8	16.4
	10.7	13.7	14.1	14.5	15.0	15.5
	11.0	13.1	13.4	**13.8**	14.3	14.7
	11.3	12.5	12.8	13.2	13.6	14.0
	11.6	12.0	12.3	12.6	13.0	13.4

Source: Banorte.

Net Asset Value (NAV) aligned with our DCF estimates. As a complementary theoretical exercise, we calculated the value per CBFI using the Net Asset Value (NAV) approach. To determine the Gross Asset Value, we used its projected 2025 Net Operating Income (NOI) and divided it by an estimated cap rate of 7.5%. Adding cash and subtracting total liabilities from this result provided the net asset value, which, when divided by the total number of CBFIs, resulted in a notional value of MXN 13.90 per CBFI. This figure aligns with our Price Target and supports our Buy recommendation.

FMTY – Net Asset Value
MXN million at year-end 2025

NOI 2025e	3,071
Cap rate	7.5%
Gross Asset Value	41,238
Cash 2025e	4,508
Sum	45,745
Total Liabilities 2025e	11,550
Net Assets	34,195
Outstanding CBFIs	2,457
Theoretical value (per CBFI)	**13.90**

Source: Banorte.

The relative valuation suggests a discount with respect to comparable companies. Given its current structure, with a preponderant component in the industrial segment, we believe it is most appropriate to compare it with those companies concentrated in the same sector. Thus, FMTY currently trades at a P/FFO of 12.0x, a 33.3% discount to the national industrial sector average (FIBRAMQ, FIBRAPL and VESTA) of 18.0x. It is worth noting that FIBRAPL's 12-month figures incorporate TERRA's operations after acquiring them in early August. On the other hand, and based on our Price Target, the P/FFO at the end of 2025 would be 12.8x, equivalent to a 4.5% premium relative to the 12.3x average on the comparable universe at current prices. Our 2025 estimates for FMTY incorporates the acquisitions outlined in its growth pipeline, which we anticipate will be completed during the first half of the year.

Relative Valuation

FIBRAs	Price nov. 22	Market cap (US$ m)	T12M Revenue (US$ m)	T12M EBITDA (US$ m)	T12M EBITDA Margin	P/BV	FV/EBITDA			P/FFO*			T12M Distribution Yield	Current implicit Cap Rate**	Property Cap Rate***
							T12M	2024e	2025e	T12M	2024e	2025e			
FIBRAPL	**62.86**	**4,730**	**380**	**295**	**77.6%**	**0.8x**	**26.0x**	**27.6x**	**20.0x**	**22.7x**	**17.8x**	**15.1x**	**4.2%**	**4.2%**	**4.0%**
FUNO11	21.51	4,017	1,535	1,104	71.9%	0.4x	10.6x	11.5x	10.9x	9.1x	8.6x	7.4x	8.4%	9.3%	6.5%
VESTA*	**49.82**	**2,157**	**243**	**194**	**79.8%**	**0.8x**	**14.5x**	**13.3x**	**11.1x**	**21.0x**	**15.2x**	**13.0x**	**2.5%**	**8.3%**	**6.3%**
DANHOS13	20.41	1,581	363	234	64.5%	0.5x	10.3x	10.1x	9.6x	9.5x	8.9x	8.5x	5.1%	12.6%	
FIBRAMQ	**32.46**	**1,267**	**243**	**199**	**81.9%**	**0.6x**	**14.0x**	**12.7x**	**11.3x**	**10.3x**	**9.9x**	**8.7x**	**8.3%**	**8.4%**	**6.2%**
FIHO12	8.85	341	296	75	25.2%	0.6x	7.6x	7.5x	7.2x	7.1x	6.4x	5.9x	6.1%	15.0%	
FSHOP13	7.72	256	131	97	74.5%	0.3x	10.7x	9.9x	9.0x	9.8x			7.9%	11.0%	
STORAGE	17.49	222	37	19	51.3%	0.7x	8.0x			14.6x			1.8%	8.8%	
FINN13	4.73	173	130	31	24.0%	0.5x	9.6x			9.7x			3.3%	13.5%	
FIBRAs average		1,638	373	250	61.2%	0.6x	12.4x	13.2x	11.3x	12.6x	11.1x	9.8x	5.3%	10.1%	
Industrial average******	**2,718**	**289**	**229**	**79.8%**	**0.7x**	**18.2x**	**17.8x**	**14.1x**	**18.0x**	**14.3x**	**12.3x**	**5.0%**	**7.0%**	**5.5%**	
FMTY14	**10.50**	**1,249**	**143**	**119**	**83.3%**	**0.8x**	**13.1x**	**12.3x**	**11.5x**	**12.0x**	**10.6x**	**9.7x**	**8.5%**	**8.3%**	**6.8%**
Premium (Discount) vs industrial average							**-27.8%**	**-31.1%**	**-18.6%**	**-33.3%**	**-26.3%**	**-20.5%**			

Source: Banorte, Bloomberg (11/22/24). Note: All multiples are calculated based on current prices. *FFO: Funds from operations based on analysts' consensus. **Implied Cap Rate: NOI T12m/Current Enterprise Value. ***Cap Rate properties: NOI T12m/Fair value of investment properties. **** Industrial average includes FIBRAPL, VESTA and FRIBRAMQ.

We recommend to BUY due to an attractive potential total return. Finally, we highlight an expected cash distribution yield of 9.9% in 2025, above the T12M average of 8.5% for comparable vehicles. For 2026, we estimate 10.5% considering the total of CBFIs currently outstanding. Furthermore, we estimate the 2025-2030 CAGR for cash distributions at 5.4%. The potential total return based on the above and our MXN **13.80 Price Target** would be 41.3%. Hence, we initiate coverage with a BUY recommendation.

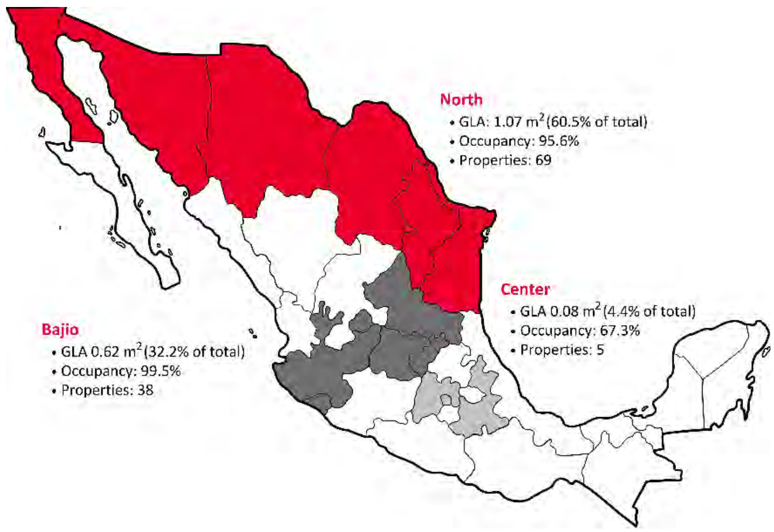
Investment Fundamentals

High quality portfolio. FMTY has a diversified portfolio with Class A assets primarily on the industrial segment (87.2% of total GLA) with cap rates of ~8.2%. Its properties are distinguished by three basic elements: (1) Location in areas with high demand and economic growth such as Monterrey, Mexico City, and Guadalajara, with approximately 60% of the properties in the north of the country; (2) high quality standards; and (3) high occupancy rates (see chart below). Likewise, its focus is to maintain a diversified tenant base, with clients that include both domestic and foreign companies. It should be noted that most of the leases are medium and long-term, denominated in dollars, and stipulate annual increases (most of which are indexed to inflation), and negotiable until renewal.

Presence of FMTY's assets
GLA in millions of m^2, as of 3Q24

State	% of revenues	% occupancy
Nuevo Leon	38.4	94.0
Jalisco	12.9	99.1
Queretaro	9.3	100.0
Guanajuato	7.0	100.0
Coahuila	5.6	98.1
Aguascalientes	5.5	100.0
Baja California	5.1	100.0
Tamaulipas	4.8	100.0
San Luis Potosi	4.3	97.8
Chihuahua	2.2	89.2
Puebla	2.0	79.7
Sonora	1.3	100.0
Mexico	1.1	54.9
Colima	0.5	100.0
112 properties	1.76 million m^2 of GLA	176 tenants

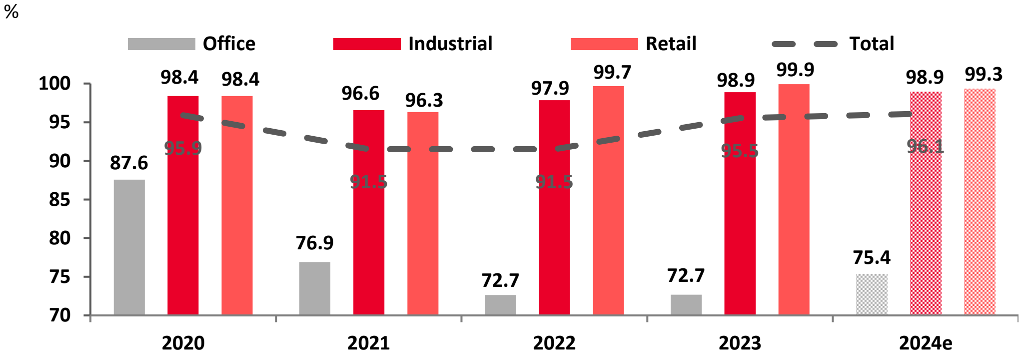
Source: FMTY, Banorte.



Source: FMTY, Banorte.

High occupancy. As of 3Q24, the occupancy rate of the stabilized portfolio (112 properties distributed throughout 15 Mexican states) was 96%. In particular, the industrial sector continues to consolidate record occupancy levels (98.7% at the end of the same period). Within the latter, the recent acquisition of Aerotech stands out, which reached an occupancy rate of 100%. Meanwhile, the office occupancy rate (75.7% as of 3Q24) has benefited from growth in commercial activity, increasing ~3pp with respect to year-end 2023, as can be seen in the following chart.

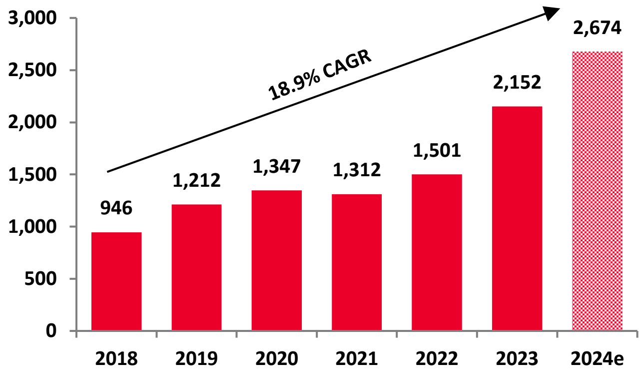
Occupancy by segment
%



Source: FMTY, Banorte.

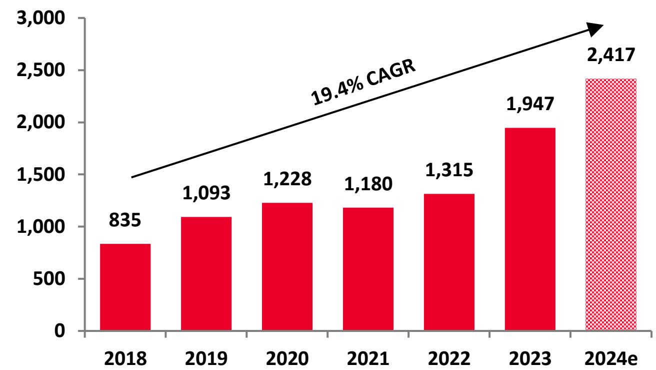
Sustained revenue growth... Over the past six years, revenue and NOI growth have been relevant, driven mainly by the solid performance of its industrial properties. In our view, the accelerated growth of the last couple of years reflects the benefits stemming from nearshoring. This includes sector expansion, increased occupancy levels, and contract renewals with higher rents. It also includes an effective and successful asset acquisition and expansion strategy. In our view, the outlook for the industrial sector remains positive and would support sustained growth in operating indicators over the next few years.

Revenue performance
MXN million



Source: FMTY, Banorte.

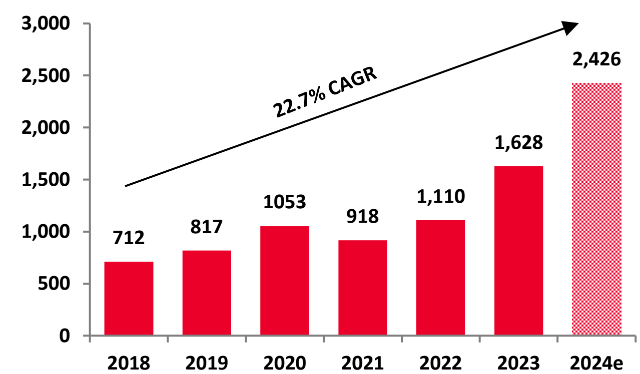
NOI performance
MXN million



Source: FMTY, Banorte.

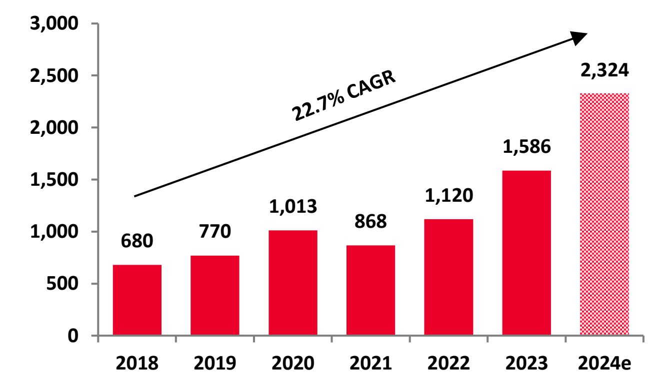
…and cash generation. Both FFO and AFFO have shown steady growth, reaching a CAGR of 22.7% in both cases. In 2018, these indicators stood at MXN 712 million and MXN 680 million, respectively. By 2023 they had already increased considerably, reaching MXN 1.63 billion and MXN 1.59 billion. In this context, we expect FFO to close 2024 at MXN 2.43 billion (+49.0% y/y), while AFFO would reach MXN 2.32 billion (+46.5% y/y). This significant increase is mainly explained by financial income, which in turn is the result of higher amounts invested during the year thanks to the equity issuance made in March 2024. The FFO margin has remained high, reaching 96.2% in 2Q24 and 94.0% in the third quarter. We expect these margins to return to average levels close to ~77% once investments are redirected to the acquisition of new properties.

FFO performance
MXN million



Source: FMTY, Banorte.

AFFO performance
MXN million



Source: FMTY, Banorte.

Corporate Governance and fee structure. Corporate governance is designed in accordance with best practices and in compliance with international standards. It is the first FIBRA that is managed and advised internally, so no commissions are paid for the management, consulting or acquisition of properties.

In addition, it has: (1) A Technical Committee with 80% independent members; (2) a non-staggered structure, also known as “Non-Staggered Board"; and (3) a flexible scheme that allows the shareholders' meeting to ratify or remove Committee members on an annual basis. This favors a greater generation of cash flow and value, in addition to ensuring that the interests of the manager are fully aligned with those of investors, including minority interests. CBFI holders have decision-making powers and are responsible for high-level decisions. On the other hand, the internal management scheme seeks to obtain benefits by achieving objectives and generating higher profitability levels. This is because an operating expense is created based on a pre-established budget and avoids commissions linked to property metrics. This approach allows economies of scale, directly benefiting CBFI holders with better distributions. In contrast, one key advantage of an external management model is its potential for greater scalability. This is due to the sponsor’s ability to provide resources, properties, strategic relationships, and, in some cases, reduce overhead and administrative expenses by sharing costs. However, this model is frequently criticized for its potential to create significant conflicts of interest. For instance, if the manager’s compensation is tied to the total value of assets, there may be an incentive to pursue aggressive growth, even when new investments fail to meet profitability targets. We believe that internalized management helps mitigate these risks by aligning the company's objectives with the goal of maximizing investor returns.

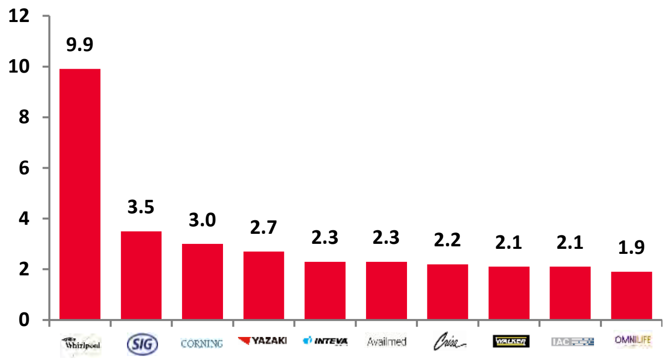
FIBRAs – Fee structure

	FMTY	FIBRAPL	FUNO	FIBRAMQ
Management	**Internal**	**External**	**External**	**External**
Asset management fee	100% internalized administration and consulting. No commissions.	Commission on the value of assets Assets < US$5,000 million = 0.70% of asset value Assets > US$5,000 million = 0.60% of asset value Assets > US$7,500 million = 0.50% of asset value	Annual payment of 0.5% on the book value of assets less debt. FUNO continues to look for alternatives to consolidate its industrial properties into a new vehicle (NEXT) planned to be completed in 2025. This transaction would change the structure to an internalized management and advisory structure.	Commission of 1.0% per year of market capitalization. FIBRAMQ opened the possibility of reducing this incentive to 0.75%, subject to a merger and/or acquisition of another FIBRA in the future.
Performance incentives	Incentive plan paid in CFBIs linked to AFFO performance per certificate (equivalent to 5.2% of T12M sales).	10.0% commission on total accumulated returns that exceed the expected compound annual return of 9.0%. Annual payment.	Compensation plan: Limited to 5.0% of outstanding CBFIs. Up to 10.0% of the plan may be used each year and is distributed according to certain CBFI performance parameters.	10.0% commission on the excess of the 5% annual compounded expected return (based on market capitalization and prior distributions). Payment every 2 years.
Construction and development fee	Not applicable	4.0% commission on developments and improvements to the property and construction costs. Payable upon completion of the Project.	3.0% commission on the value of the properties to be acquired or contributed to the Trust.	Not applicable
Leasing and revenue fee	Not applicable	Monthly payment of 3.0% of collected revenues.	FUNO pays a monthly fee equivalent to 2.0% of the rents collected from its properties, in exchange for administrative services.	Not applicable

Source: FMTY, FIBRAPL, FUNO, FIBRAMQ.

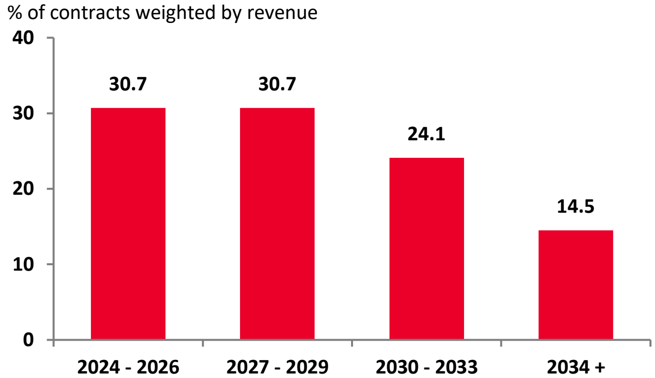
A diversified client base supports expectations of resilient cash flows. As of 3Q24, there were 176 clients in the stabilized portfolio, including world-class companies such as: American Airlines, Caterpillar, DHL, General Electric, and Whirlpool. Among the leading companies in Mexico are: Cemex and Walmart. The 10 largest customers account for less than 32.0% of leasing revenues and none represents more than 10.0% of the total. Additionally, the portfolio benefits from a staggered lease maturity, with a revenue-weighted average of 4.8 years. Specifically, the mandatory lease term is 5.6 years in the industrial sector, 4.9 in commercial, and 3.0 in office. Approximately 69.3% of the leases have a term that expires after 2027. Regarding rent structure: (1) 55.2% of leases are indexed to US inflation; (2) 16.5% have a fixed rate; (3) 14.2% are indexed to Mexico's CPI; (4) 13.9% have a limited increase (capped inflation); and (5) only 0.2% are flat leases.

Top 10 Tenants
% of revenues



Source: FMTY, Banorte.

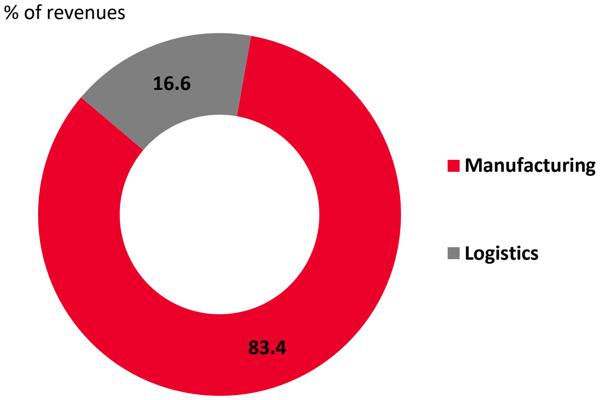
Contract Maturities
% of contracts weighted by revenue



Source: FMTY, Banorte.

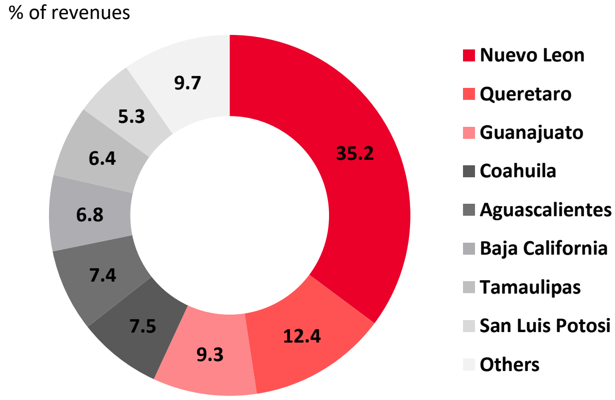
Robust industrial approach. Currently, the portfolio has an 87% GLA concentration in industrial assets, representing 75% of revenues. We believe that this remains as one of the most promising and resilient segments in Mexico, especially in the context of nearshoring, as it benefits directly from the relocation of goods-producing companies. In this regard, they concluded the acquisition of the Zeus portfolio in 2023, comprised of 46 industrial buildings equivalent to 47% of the total GLA; they also recently acquired Aerotech in Queretaro (5.3% of the total GLA). In addition, they signed a binding agreement for the acquisition of Batach in Nuevo Leon, which includes 8 properties (10.2% of total GLA). The following charts detail the contribution of the industrial portfolio by asset type and location.

Asset Class
% of revenues



Source: FMTY, Banorte.

Location
% of revenues

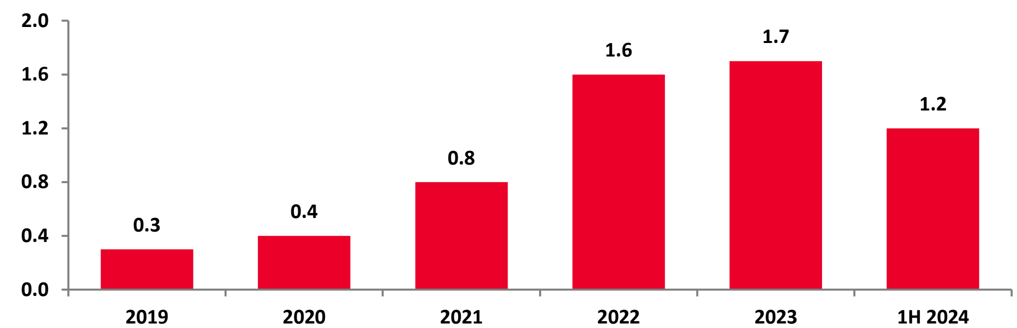


Source: FMTY, Banorte.

Positive outlook supported by nearshoring. Properties are mainly located in border states (57.4% of total income) and the Bajío (39%), regions that have consolidated as industrial development poles and are key nodes for international trade.

Especially Monterrey (38.4%), which has been the most benefitted city so far due to its economies of scale, presence of multinational companies, infrastructure, and proximity to the US, among other factors. According to CBRE, Monterrey was the market with the highest demand for nearshoring in 1H24 with 300,000 m^2. Likewise, border markets continue to be the most attractive with a 78% share of total absorption due to relocation dynamics. The Bajío region stands out mainly for its logistics and transportation infrastructure, which has made it attractive for industries such as automotive, aerospace, and manufacturing. In addition, we have closely followed recent news about the growing attractiveness of the state of Jalisco for investments in the technology sector. For example, Taiwanese semiconductor firm Foxconn recently announced plans to build the world's largest factory for these components in the state. In the center of the country, Mexico City's Metropolitan Area stands out (1.1%) due to the significant industrial development it has registered in recent years, with a very notable vocation in logistics. The following chart shows the evolution of gross demand for nearshoring according to the company. In 1H24 it reached 1.2 million m^2.

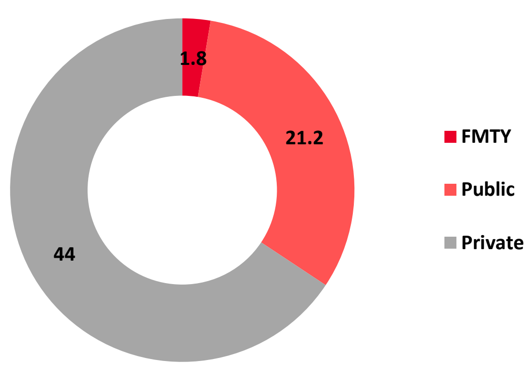
Demand for industrial space related to nearshoring
Millions of m^2



Source: FMTY, Banorte.

Market conditions support the possibility of further portfolio expansion. There are approximately 67 million m^2 of stabilized industrial properties in Mexico. The total GLA owned by public companies (including FIBRAs and Vesta) is close to 23 million m^2. Under this assumption, ~44 million m^2 would remain in the hands of private investors, which in our view represents a very attractive opportunity for inorganic growth and further industry consolidation.

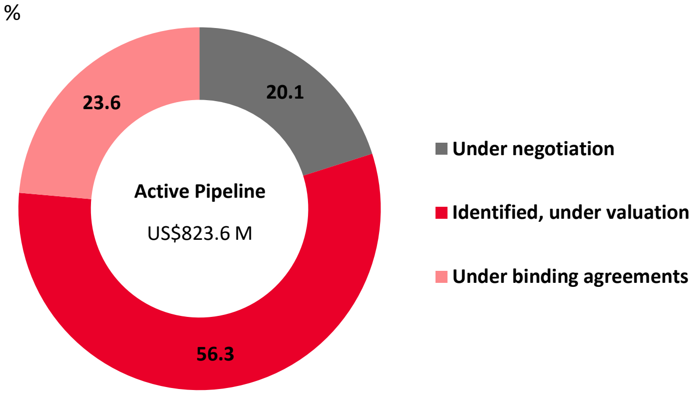
GLA Distribution
Millions of m^2



Source: FMTY, Banorte.

Solid growth strategy. We note the company's active management of its capital structure to optimize business investment plans and maximize returns to its trustees through controls on leverage. The company's stated objective is to maintain debt levels within a 25% - 35% range vs. total assets. In March 2024, the company made a subsequent equity issuance of MXN 7.41 billion. The proceeds will be used primarily for the acquisition of industrial real estate. Thus, it had an identified pipeline of acquisitions for US$823.6 million at the end of 3Q24 in stabilized industrial properties in Mexico that could represent an increase in GLA of 762.5 thousand m^2 (43.2% of current GLA).

Pipeline of potential acquisitions
%

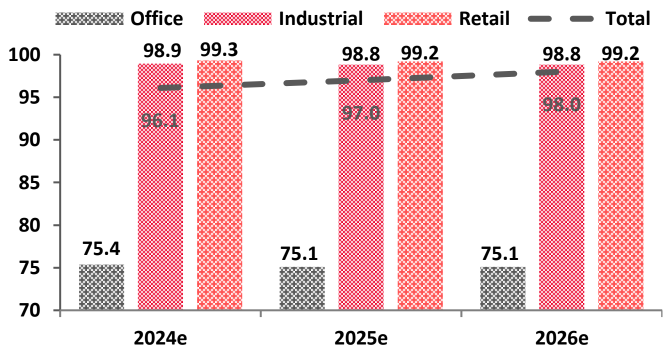


Source: FMTY, Banorte.

Estimates

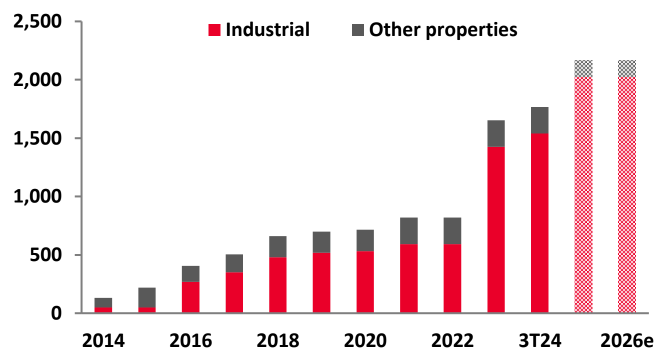
We expect better operating indicators. Revenues have benefited from high occupancy rates (96% as of 3Q24, with expectations to close the year at a similar level), and our estimates point to a modest improvement (98%) by the end of 2026. This would be driven by its growth strategy, focused on the industrial sector, along with a reduction in offices. FMTY is well-positioned to support this expansion (considering cash on hand), which would significantly increase its GLA and revenues and, as a result, improve shareholders' distributions. We forecast 31.4% growth in its GLA over the next 2 years vs the 2024 closing estimate, reaching 2.17 million square meters. Beyond this period, our analysis assumes no further portfolio acquisitions or disposals.

Occupancy level by segment
%



Source: FMTY, Banorte.

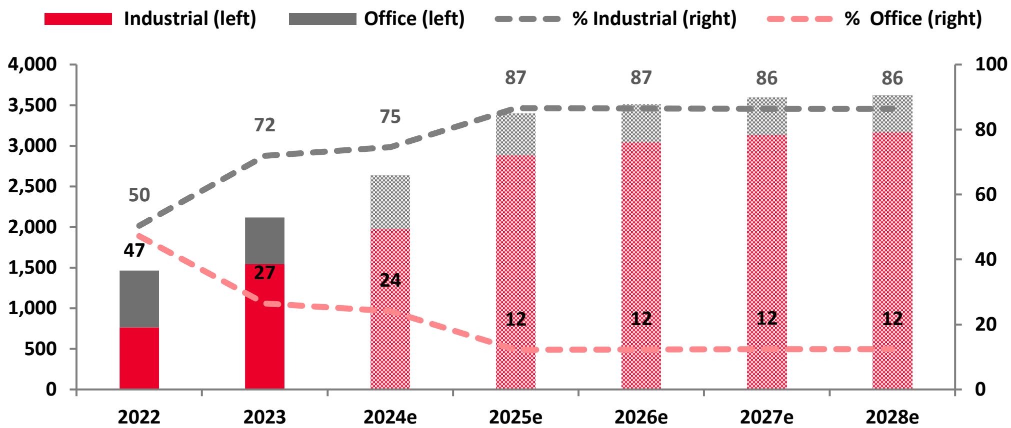
GLA
Thousands of m^2



Source: FMTY, Banorte.

The strategy will stay centered on acquiring properties in the industrial sector. Hence, we expect the revenue composition to shift from 74.6% industrial, 24.1% office, and 1.3% retail as of 3Q24 to 86.6% industrial, 12.2% office, and 1.2% retail by the end of 2026. We believe that the orientation in this sector, particularly in key regions of the North and Bajio where the company currently operates, aligns well with favorable growth trends driven by the aforementioned relocation and related opportunities.

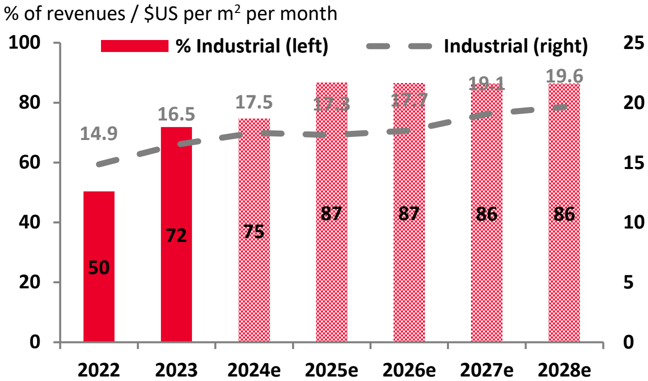
Revenue by asset class*
MXN million / %



Source: FMTY, Banorte. *The commercial sector was intentionally excluded as it represents only 1.2% of revenues.

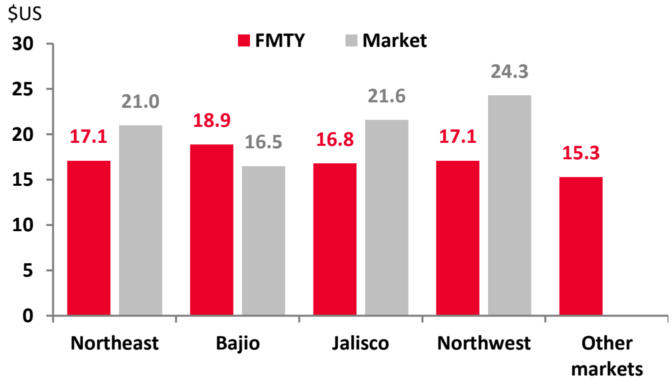
We expect the imbalance between supply and demand for industrial spaces to prevail, which will continue to drive results. This dynamic could allow for a further increase in rental prices on new leases. Currently, rental prices are at record highs in the face of a slower pace of supply growth in industrial spaces relative to demand. We believe their ability to make strategic acquisitions and adjust rents upward will be critical for strong share price performance. Conservatively, we project average rents per square meter to remain linked to US and Mexican inflation for dollar- and peso-denominated contracts, respectively. Our long-term inflation estimates for the US range between 2% and 3%; for Mexico, between 3% and 4%. As of the third quarter, 86.1% of revenues were dollar-denominated, and we consider this proportion will remain the same or improve slightly. Therefore, we project the nominal annual increase in rents to be between 3% and 4%, slightly higher than inflation in Mexico.

Evolution of rents in the industrial sector
% of revenues / $US per m² per month



Source: FMTY, Banorte, CBRE Market View.

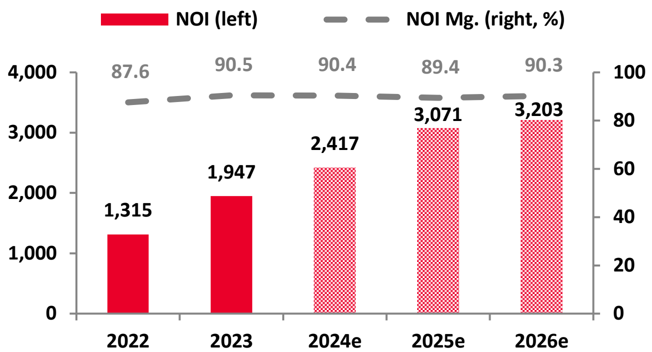
Comparison of rents in the industrial sector
$US



Source: FMTY, Banorte, CBRE Market View.

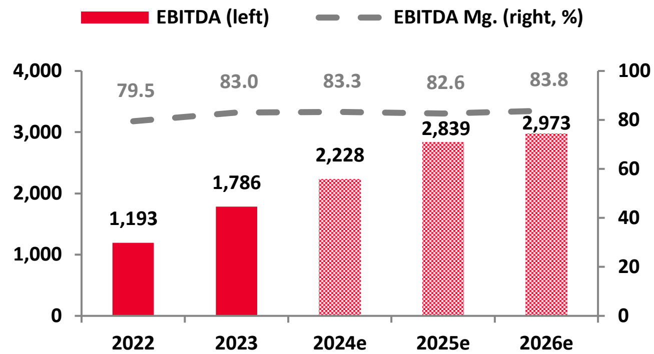
High profitability will be maintained. FMTY has one of the best performing operating margins in the sector. Supported by GLA expansion in the industrial sector —characterized by superior occupancy rates— and the reduced participation of the office segment, which has lower occupancy, we project NOI and EBITDA to grow by an average of 16% in 2025 and 2026. Post-acquisition growth will primarily be driven by rental income, an area where the company still has potential to catch up with its peers. NOI and EBITDA margins are forecasted to remain strong, at approximately 90% and 83%, respectively, over the next two years, consistent with current levels.

Evolution of NOI and NOI margin
MXN million / %



Source: FMTY, Banorte.

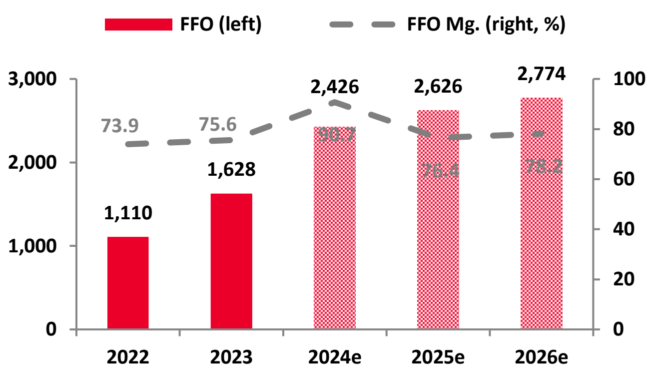
Evolution of EBITDA and EBITDA margin
MXN million / %



Source: FMTY, Banorte.

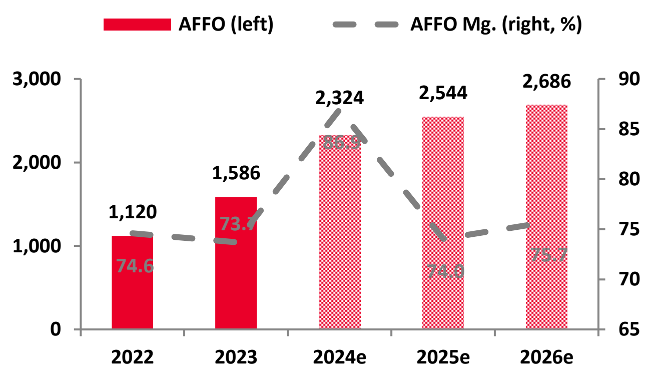
We forecast that by 2025 FFO will increase 8.2% y/y, while AFFO will grow 9.4%. By 2026, both FFO and AFFO are expected to rise 5.6% y/y, driven by the stabilization of industrial acquisitions and the execution of the office divestment strategy. Similarly, FFO and AFFO margins would stand at ~77% and ~75%, respectively, consistent with previous years but well above other FIBRAs with a greater industrial focus (average FFO margin of 50%). Longer term, we expect incremental improvements in the profitability of these metrics.

Evolution of FFO and FFO margin
MXN million / %



Source: FMTY, Banorte.

Evolution of AFFO and AFFO margin
MXN million / %

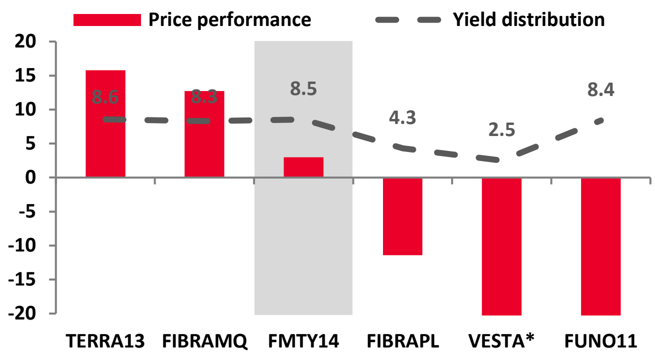


Source: FMTY, Banorte.

Cash distributions align with expectations of strong returns. As noted, FMTY benefits from its internal management and advisory structure, which eliminates management fees and enables the distribution of 100% of AFFO. Over the past five years, the average cash distribution yield has been 8.8% (8.5% T12M), significantly above inflation rates and the sector average of 5.0%. FMTY currently boasts the highest cash distribution rate in the last 12 months, a trend we expect to continue. For 2025, we project a distribution of MXN 1.04 per CBFI, representing a yield of 9.9% at current prices. Additionally, we estimate the Loan-to-Value (LTV) ratio will remain near 30% in 2025, well below the regulatory limit of 50% and consistent with the company's internal target range of 25% to 35%.

Comparative yields per FIBRA T12M

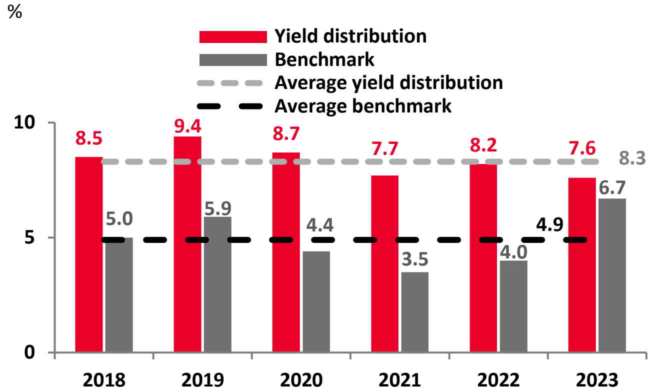
%



Source: FMTY, Banorte, Bloomberg.

Yield distribution FMTY (MXN) vs Benchmark*

%



Source: FMTY, graph and data taken from the 3Q24 earnings call presentation of the FIBRA. Note: *The Benchmark is calculated assuming the weighting of the US Treasury Bonds and the 10-year Mbono of Mexico, according to the distribution of the portfolio's income.

Risk Factors

Weak global economic growth, but especially in Mexico and the US. FMTY has its operations and assets in Mexico, so a moderation in economic growth or a recession could have negative implications. However, this could be mitigated by the global and highly export-oriented nature of its main tenants. Specifically, we believe that a significant slowdown or contraction in the US, especially in the manufacturing sector, would be even more relevant. In this context, it is important to emphasize that the industrial sector has shown resilience in situations of crisis or economic weakness.

USMCA review and other possible changes in US trade and fiscal policy. It will be critical to monitor the following developments: (1) The 2026 USMCA review process following Donald Trump's election victory; (2) potential adjustments to the US corporate tax framework, particularly the proposed reduction in the corporate tax rate for manufacturing companies from 21% to 15%; and (3) the possibility of unilateral tariffs being imposed by the new administration on Mexican exports to the US. These factors could create uncertainty and market volatility, potentially limiting the stock's appreciation despite its positive fundamental outlook. These challenges may impact Mexico's relative competitiveness and the nearshoring growth narrative. However, the peso's exchange rate against the dollar could act as a mitigating factor, especially since a significant portion of the FIBRA's revenues are denominated in USD. Additionally, a more aggressive US trade policy toward China could present opportunities for Mexico, positioning the country as a stronger manufacturing hub. Favorable resolutions to these issues could serve as critical catalysts for the stock's performance, reinforcing the long-term benefits of nearshoring and industrial sector expansion in Mexico.

Change in tax regulations. There is no guarantee that the tax regulations currently applicable to FIBRAs will be maintained in the future. Therefore, FMTY may be subject to regulatory changes that could affect its financial performance. Consequently, it is essential to continue monitoring the evolution of the vehicles' laws.

Possible dilution from future capital increases. Given the nature of the FIBRAs, the company could issue additional CBFIs to raise funds for new acquisitions, which would have a dilutive effect on current holders.

Highly competitive sector. Competition from other buyers could increase the cost of investing in attractive properties. In addition, the growing number of landlords, developers, FIBRAs, and industrial real estate operators in Mexico could: (1) Make it difficult to find good inorganic growth options with third parties; and (2) impact lease prices if supply exceeds demand, although we believe this scenario is unlikely in the short term. For clients, this represents more options for leasing properties.

Conflicts of interest. Conflicts between related parties cannot be ruled out. However, it should be noted that 94% of the FIBRA's transactions have been with third parties. Some factors that reduce this risk are: (1) Internal management, with special care in the profitability of operations and an incentive scheme linked to the performance of the AFFO per certificate; (2) all subcommittees are chaired by independent members; and (3) no member of the administrator is part of the Technical Committee.

Leverage levels. By law, a FIBRA should not be leveraged above 50% of the book value of its assets. High indebtedness could reduce the company's available cash to make distributions and in turn limit its ability to make acquisitions in the future. We consider FMTY's leverage level to be low, with its LTV at 25.8% as of 3Q24 vs. an industry average of 29.7%.

Risk of renewal and breach of lease agreements. Revenues are derived from tenants' rents. Therefore, if a considerable number of clients decide not to renew their contracts or are immersed in payment complications or insolvency, this could have a direct impact on its financial results. However, the average retention rate as of 3Q24 for industrial contracts was 100%. In addition, during the last twelve months, 82.3% of leases have been renewed.

Market consolidation. The real estate business faces saturation risks due to increased competition, especially in the industrial sector. On the other hand, we believe that recent strategic operations of consolidation, acquisition, sales, merger, etc., indicate strength in the industrial market. Additionally, FMTY is among the main players in the market, which places it in a relatively advantageous position with respect to other smaller participants.

Limited liquidity. The issue of share liquidity in the market is relevant when noting that its market capitalization (US$1,263 million) is lower than the sector average of US$2,797 million. On the other hand, according to the latest report submitted to Mexico's stock exchange, 74.9% of outstanding CBFIs were in firm hands (institutional investors) as of 3Q24, including AFORES, private investments, and pension funds, while only 17.3% are owned by equity investors (see Shareholding Structure in Business Description – page 3). As a result, the limited supply of shares in the market could make it difficult to enter and/or exit the company quickly if needed.

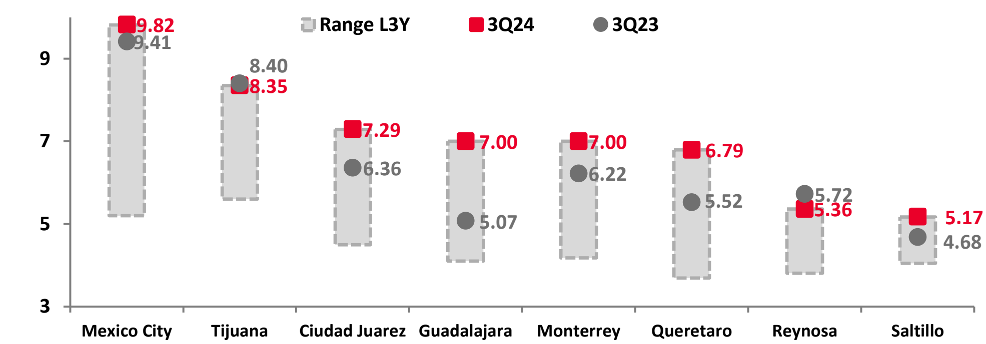
Industry and competition

FIBRAs play a fundamental role in the country's economy by fostering real estate development and attracting investment. These entities contribute significantly to economic growth, job creation, and infrastructure modernization. During 2023, Mexico's industrial sector output grew 3.5% y/y. Among the headwinds we identify the reconfiguration of supply chains because of trade tensions (*e.g.* between China and the US) and geopolitical tensions (*e.g.* conflicts between Russia and Ukraine and in the Middle East). In this context, Mexico has positioned itself as a strategic player in global manufacturing. For example, since 2019 (except for a 12-month gap between the end of 2020 and 2021, due to the pandemic) the country has positioned itself as the leading exporter to the US based on 12-month cumulative amounts, surpassing China, which had held the lead since 2006.

The proximity to the US and the nearshoring trend has boosted the capacity to attract foreign direct investment (FDI), mainly in sectors such as automotive, aerospace, electronics, and more recently, in the advanced technology sector. States such as Nuevo Leon, Queretaro, Guanajuato and Baja California have stood out as leaders in this area thanks to their specialized industrial clusters that integrate efficient supply chains. This has led to the creation of new factories and the expansion of industrial parks, contributing to the significant growth of the industrial real estate market in 2024.

We also expect the benefit of nearshoring to continue driving the industrial real estate market in the long term. While potential changes in international trade may affect the country's competitive position, we believe that the benefits of relocating to Mexico will continue outweighing the costs. Evidence of this has been the growing demand for industrial space, especially in key markets such as Monterrey, Mexico City and Guadalajara, where occupancy rates have reached historic highs (98%). In our view, this is a clear reflection of the confidence that persists among investors in the Mexican industrial market. As a result, rental prices have been at record levels. Over the past year, rents in Guadalajara grew 14.6%, in Monterrey 12.5%, and in Mexico City 4.4%. In addition, average rents in most of the country's main industrial centers are at record highs, as can be seen in the following graph.

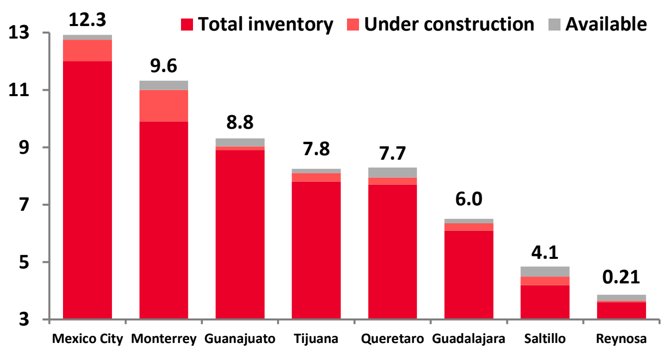
Average rent per m^2
US$/month



Source: Banorte, Newmark

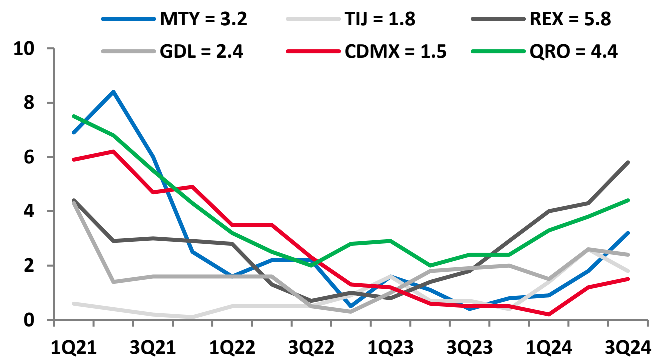
Although demand remains solid, supply has shown signs of recovery in some markets such as Reynosa, Monterrey, Queretaro and Mexico City. In this regard, the *Mexican Association of Private Industrial Parks* (AMPIP, for its acronym in Spanish) said that 72 parks are being built nationwide compared to 50 in 2023. Likewise, they estimate the construction of 8 million m^2 between 2023 and 2025. The following graphs show the evolution of available inventory and the behavior of the availability rate in the main industrial markets.

Available inventory in main markets
Millions of m^2 at 3Q24



Source: Banorte, FMTY, CBRE Market View, Newmark.

Vacancy rate in main markets
%



Source: Banorte, FMTY, CBRE Market View, Newmark.

Differentials in the regional vocation provide an opportunity for diversification within the industrial real estate sector. The sector has been characterized by its diversity and specialization. At the regional level, the **North** plays an important role in the automotive industry with assembly and auto parts manufacturing plants, as well as in aerospace. Baja California focuses on the production of household appliances and medical devices. For example, Tijuana has established itself as a key manufacturing center due to its proximity to the US. The northern region has benefited from its connectivity with the US, facilitating the integration of supply chains. The **Bajío** region has experienced an industrial boom in the last decade, consolidating its position as a specialized manufacturing center. It is also characterized by its participation in automotive production, with states such as Guanajuato, Queretaro and Aguascalientes standing out. Queretaro also stands out in the aerospace industry, with the presence of companies that produce everything from components to complex systems. Much of the pharmaceutical industry is concentrated in the **Central** region, particularly around Mexico City. It is also a key area to produce processed foods and beverages. In addition, this region has an advanced logistics network and is the most important financial center in the country.

Location of operations of the main industrial FIBRAs. There are 15 FIBRAs operating in Mexico. At the end of 2023, these entities had a portfolio of 1,979 active properties, with a Gross Leasable Area (GLA) of ~26.2 million m^2 in operation and 1.2 million m^2 under development. Of the total, 54% is focused on the industrial sector. Among the main FIBRAs in this segment are FMTY, FIBRAPL and FIBRAMQ. The first has a strong presence in the Northern Zone, especially in Monterrey and Saltillo. The second is characterized by its ownership of industrial parks in Mexico City, Guadalajara and Monterrey. Finally, the third is distinguished by its notable participation in Ciudad Juarez and Tijuana. With the recent acquisition of TERRA, FIBRAPL seeks to strengthen its position in Northern and Central Mexico.

Comparative table by FIBRA

	FMTY	FUNO	FIBRAPL	VESTA	FIBRAMQ
GLA (million, m^2)	1.77	10.99	8.28	3.54	3.35
Occupancy rate	96.0%	95.3%	98.1%	95.8%	96.6%
EBITDA (US$ million) T12M	118.9	1,103.6	295.1	194.1	198.7
EBITDA Margin	*83.3%*	*71.9%*	*77.6%*	*79.8%*	*81.9%*
NOI (US$ million) T12M	129.2	1,159.2	236.5	225.8	212.4
NOI Margin	*90.5%*	*75.5%*	*62.2%*	*92.8%*	*87.5%*
FFO (US$ million) T12M	119.9	500.9	236.5	102.8	140.4
FFO Margin	*84.0%*	*32.6%*	*62.2%*	*42.3%*	*57.9%*
Leverage *Loan To Value*	25.8%	42.3%	24.1%	21.6%	30.7%

Source: FMTY, FUNO, FIBRAPL, VESTA, FIBRAMQ, Banorte. Note: Figures converted at an exchange rate of MXN 17.97 per dollar (average T12M).

Analyst Certification.

We, Alejandro Padilla Santana, Juan Carlos Alderete Macal, Alejandro Cervantes Llamas, Marissa Garza Ostos, Katia Celina Goya Ostos, Francisco José Flores Serrano, José Luis García Casales, Santiago Leal Singer, Víctor Hugo Cortes Castro, Leslie Thalía Orozco Vélez, Hugo Armando Gómez Solís, Carlos Hernández García, Yazmín Selene Pérez Enríquez, Cintia Gisela Nava Roa, José De Jesús Ramírez Martínez, Daniel Sebastián Sosa Aguilar, Gerardo Daniel Valle Trujillo, Luis Leopoldo López Salinas, Marcos Saúl García Hernandez, Juan Carlos Mercado Garduño, Ana Gabriela Martínez Mosqueda, Ana Laura Zaragoza Félix, Jazmin Daniela Cuautencos Mora, Andrea Muñoz Sánchez and Paula Lozoya Valadez, certify that the points of view expressed in this document are a faithful reflection of our personal opinion on the company (s) or firm (s) within this report, along with its affiliates and/or securities issued. Moreover, we also state that we have not received, nor receive, or will receive compensation other than that of Grupo Financiero Banorte S.A.B. of C.V for the provision of our services.

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Analysts' compensation is based on activities and services that are aimed at benefiting the investment clients of Casa de Bolsa Banorte and its subsidiaries. Such compensation is determined based on the general profitability of the Brokerage House and the Financial Group and on the individual performance of each analyst. However, investors should note that analysts do not receive direct payment or compensation for any specific transaction in investment banking or in other business areas.

Last-twelve-month activities of the business areas.

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Over the course of the last twelve months, Grupo Financiero Banorte S.A.B. C.V., has not obtained compensation for services rendered by the investment bank or by any of its other business areas of the following companies or their subsidiaries, some of which could be analyzed within this report.

Activities of the business areas during the next three months.

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The Analysts of Grupo Financiero Banorte S.A.B. of C.V. do not maintain direct investments or through an intermediary person, in the securities or derivative instruments object of this analysis report.

Guide for investment recommendations.

	Reference
BUY	When the share expected performance is greater than the MEXBOL estimated performance.
HOLD	When the share expected performance is similar to the MEXBOL estimated performance.
SELL	When the share expected performance is lower than the MEXBOL estimated performance.

Even though this document offers a general criterion of investment, we urge readers to seek advice from their own Consultants or Financial Advisors, in order to consider whether any of the values mentioned in this report are in line with their investment goals, risk and financial position.

Determination of Target Prices

For the calculation of estimated target prices for securities, analysts use a combination of methodologies generally accepted among financial analysts, including, but not limited to, multiples analysis, discounted cash flows, sum-of-the-parts or any other method that could be applicable in each specific case according to the current regulation. No guarantee can be given that the target prices calculated for the securities will be achieved by the analysts of Grupo Financiero Banorte S.A.B. C.V, since this depends on a large number of various endogenous and exogenous factors that affect the performance of the issuing company, the environment in which it performs, along with the influence of trends of the stock market, in which it is listed. Moreover, the investor must consider that the price of the securities or instruments can fluctuate against their interest and cause the partial and even total loss of the invested capital.

History of PT and Ratings

Stock	Date	Rating	PT
FMTY	11/22/2024	Buy	$13.80

MSCI ESG Rating scale

CCC	B	BB	BBB	A	AA	AAA
Rezagado		Promedio			Líder	

*The MSCI ESG Rating is an indicator that evaluates companies in Environment, Social and Governance (ESG) metrics.

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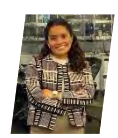

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