



# INNO VEST TING

Corporación Inmobiliaria Vesta S.A.B. de C.V.

2Q17

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A low-angle photograph of a modern glass skyscraper. The building's facade is composed of large glass panels framed in white, reflecting a clear blue sky with scattered white clouds. The perspective is from below, looking up at the corner of the building.

# Company overview



We are a pure-play developer, owner and operator of industrial real estate properties in Mexico



We lease industrial buildings and distribution centers for light manufacturing and logistics



We provide innovative and custom-tailored solutions for a wide range of world-class customers, with a presence in the most dynamic markets in the country, with long-term leases and a secure and profitable growth platform

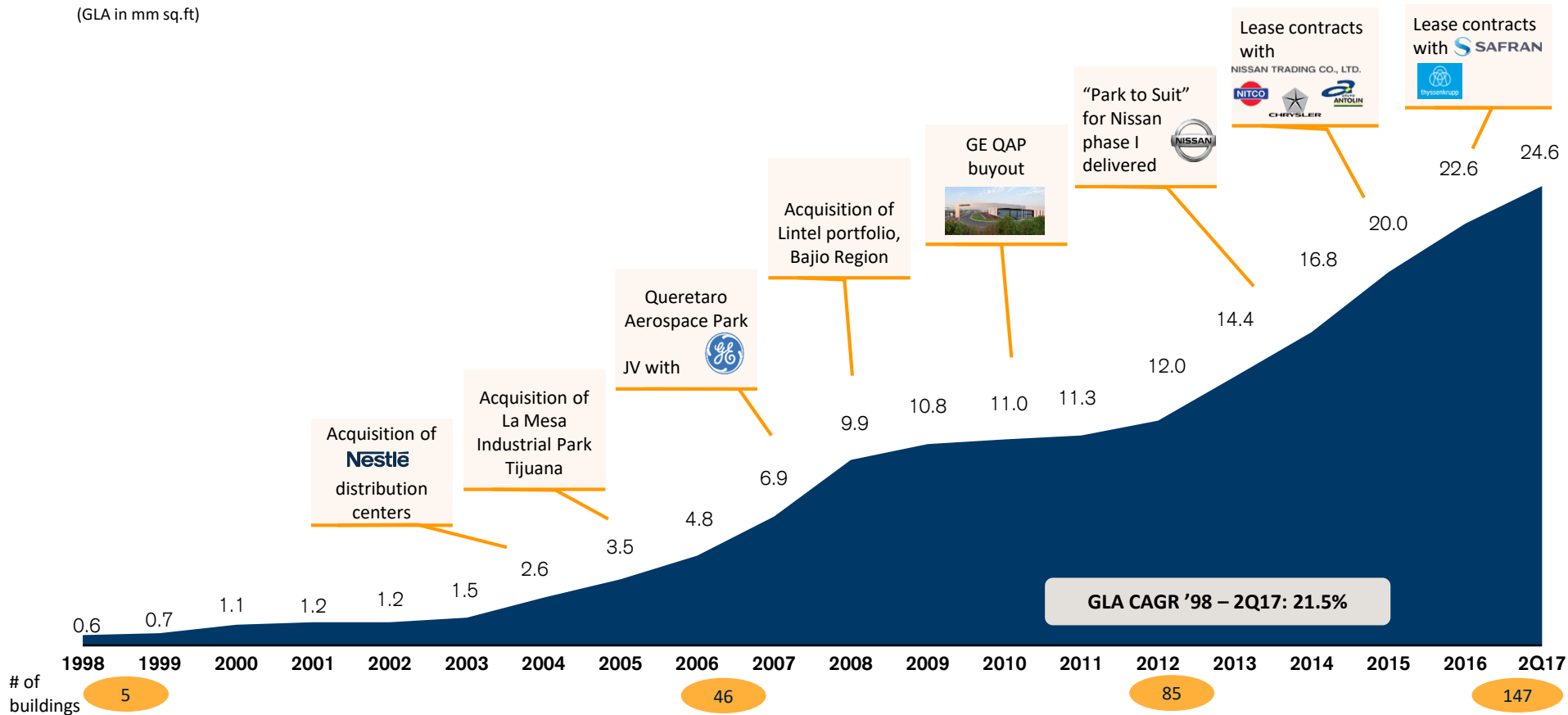


We are a Mexican public company committed to contribute to the competitiveness of our clients and well being of society while minimizing the environmental impact of our developments



In a short period of time, Vesta has become one of Mexico's leading industrial real estate developers and operators with presence in the most dynamic economic clusters in the country

(GLA in mm sq.ft)



(1) Includes secondary component.

## Fully integrated industrial real estate developer and operator



- Offers innovative and customized solutions
- Development approach to capture specific supply chain sectors and generate higher returns
- Internally managed company

**147** Class A industrial properties located in Mexico's key trade corridors and manufacturing centers

- **24.6 million sq.ft.** (2.28 million m<sup>2</sup>) of total GLA
- 91.0%** total portfolio occupancy rate
- **22.7 million sq.ft.** (2.1 million m<sup>2</sup>) of stabilized portfolio
- 95.4%** stabilized portfolio occupancy rate
- **19.7 million sq.ft.** (1.83 million m<sup>2</sup>) of same store portfolio
- 97.1%** same store occupancy rate

**33.97 million sq.ft.** (3.16 million m<sup>2</sup>) of land reserves with potential to develop over 15.3 million sq.ft. of incremental GLA

**129** tenants

- **5.4 yrs** average contract life<sup>(1)</sup>
- **88.9%** of the lease contracts denominated in USD<sup>(2)</sup>
- **86.0%** of the rental income is denominated in USD

## Park-to-suit ("PTS")

Custom-designed and built industrial parks that meet the specific needs of supply chains



## Build-to-suit ("BTS")

Buildings designed and built to meet the specific needs of clients



## Inventory buildings

These buildings conform to standard industry specifications and are designed to be adapted for two or more tenants

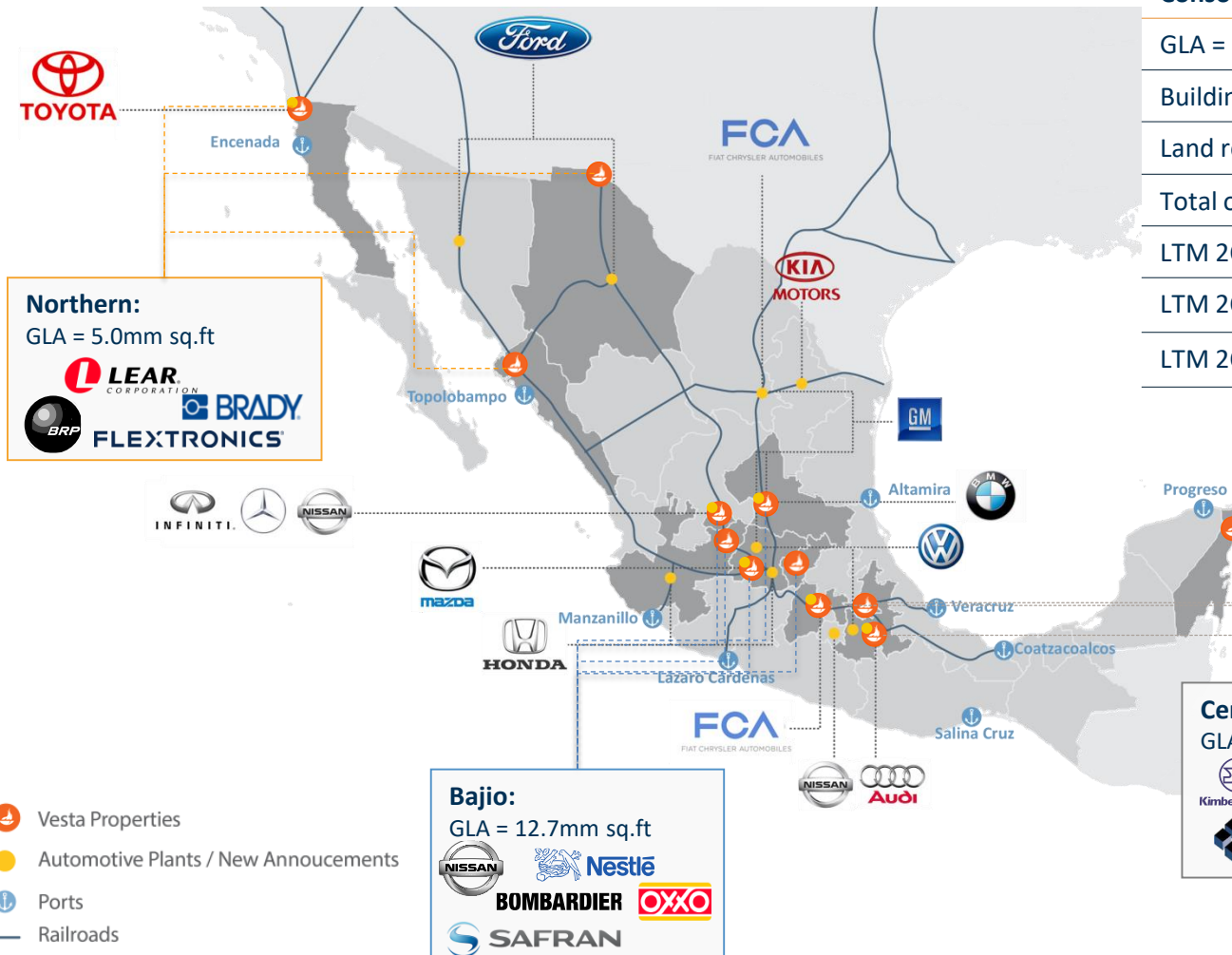


**Pure-play industrial developer and operator with a premium quality portfolio**

# STRATEGICALLY LOCATED PORTFOLIO IN IMPORTANT TRADE CORRIDORS CONNECTING



(As of June 30, 2017)



## Consolidated:

GLA = 24.6 mm sq.ft (2.28 mm m<sup>2</sup>)

Buildings = 147

Land reserves = 34.0 mm sq.ft (3.16 mm m<sup>2</sup>)

Total occupancy 2Q'16 = 91.0%

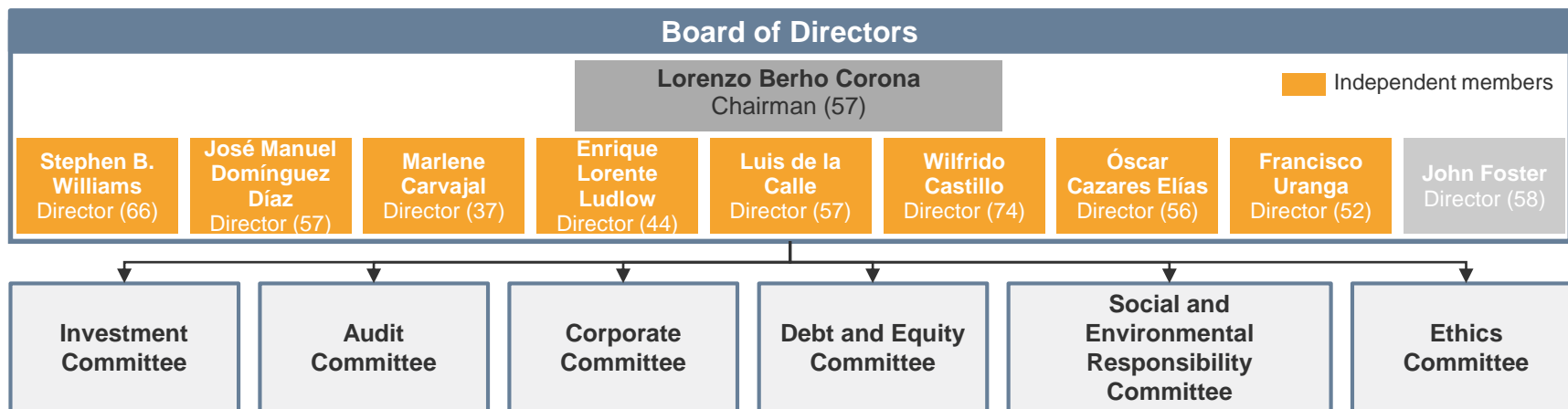
LTM 2Q17 rental income = US\$94.9 mm

LTM 2Q17 NOI = US\$91.2 mm

LTM 2Q17 EBITDA<sup>(1)</sup> = US\$79.8 mm

**One of the largest and most modern industrial portfolios in Mexico in terms of GLA**

(1) EBITDA is defined as gross profit minus property operating costs (both for the properties that generated income during the year and for those that did not) and minus administration expenses.

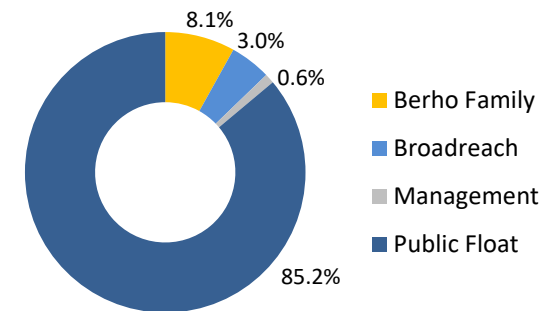


**Solid corporate governance standards**

- **10 Board members**
  - 80% independent members
- **100% Committees chaired by Board members**
  - 80% Committees are chaired by independent Board members
- **High governance standards required by public market and institutional investors**

**Shareholder structure**

(As of March 31, 2017)



**First publicly listed real estate company with a fully internalized management structure**



A photograph of a modern, multi-story building with a facade of light beige panels and teal-colored accents. A large glass window is visible on the right side. The sky is blue with some clouds. The text "Portfolio overview" is overlaid in white on the right side of the image.

# Portfolio overview

# DIVERSIFIED PORTFOLIO LOCATED IN THE MOST ACTIVE ECONOMIC REGIONS IN MEXICO

(As of June 30, 2017, % of GLA)



## North:

Surface area ft<sup>2</sup>: 4,985,029  
 Number of buildings: 38  
 Number of clients: 39  
 Land bank ac: 118.54



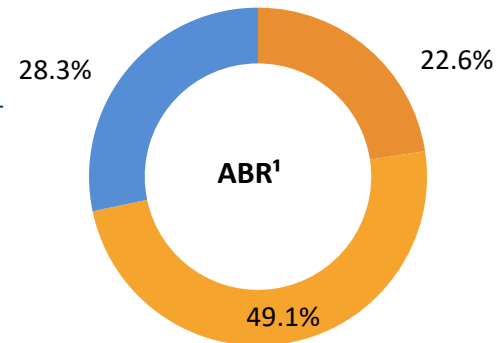
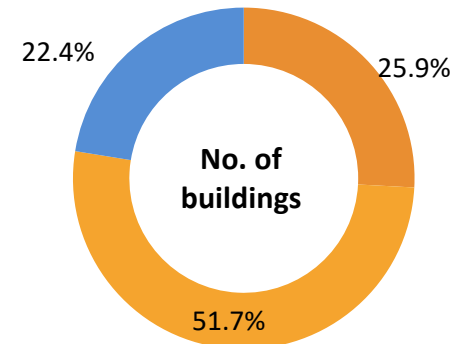
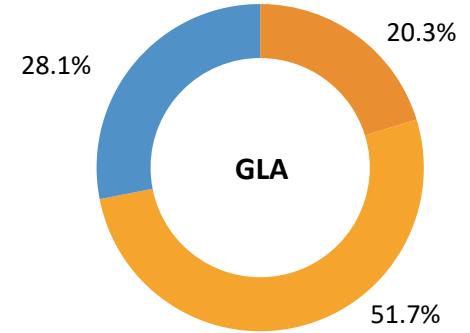
## Bajo:

Surface area ft<sup>2</sup>: 12,716,007  
 Number of buildings: 76  
 Number of clients: 78  
 Land bank ac: 623.78



## Central:

Surface area ft<sup>2</sup>: 6,912,630  
 Number of buildings: 33  
 Number of clients: 35  
 Land bank ac: 37.43

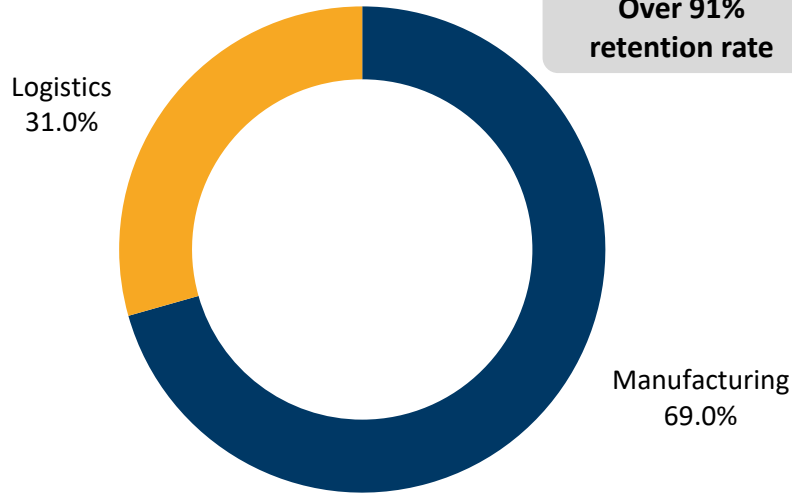


**One of the largest and most modern industrial portfolios in Mexico in terms of GLA**

(1) Annualized base rent.

## Balanced portfolio use

(% of GLA, as of June 30, 2017)

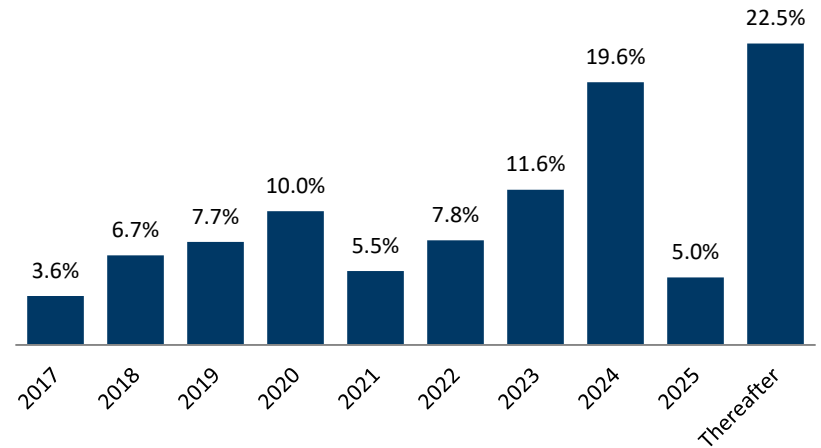


## Long-term and staggered lease maturity profile<sup>(1)</sup>

(% of GLA, as of June 30, 2017)

5.4 yrs average contract life<sup>(2)</sup>

86.0% of our revenues are denominated in USD



## Well diversified portfolio of tenants

Country										
Tenant										
% of GLA	7.0%	4.3%	4.3%	3.8%	2.8%	2.7%	2.5%	2.0%	2.0%	1.8%
Years with Vesta	14	3	8	3	1	7	9	3	7	11
Credit rating	AA	N/A	N/A	A-	B	BB-	N/A	A	BB-	N/A

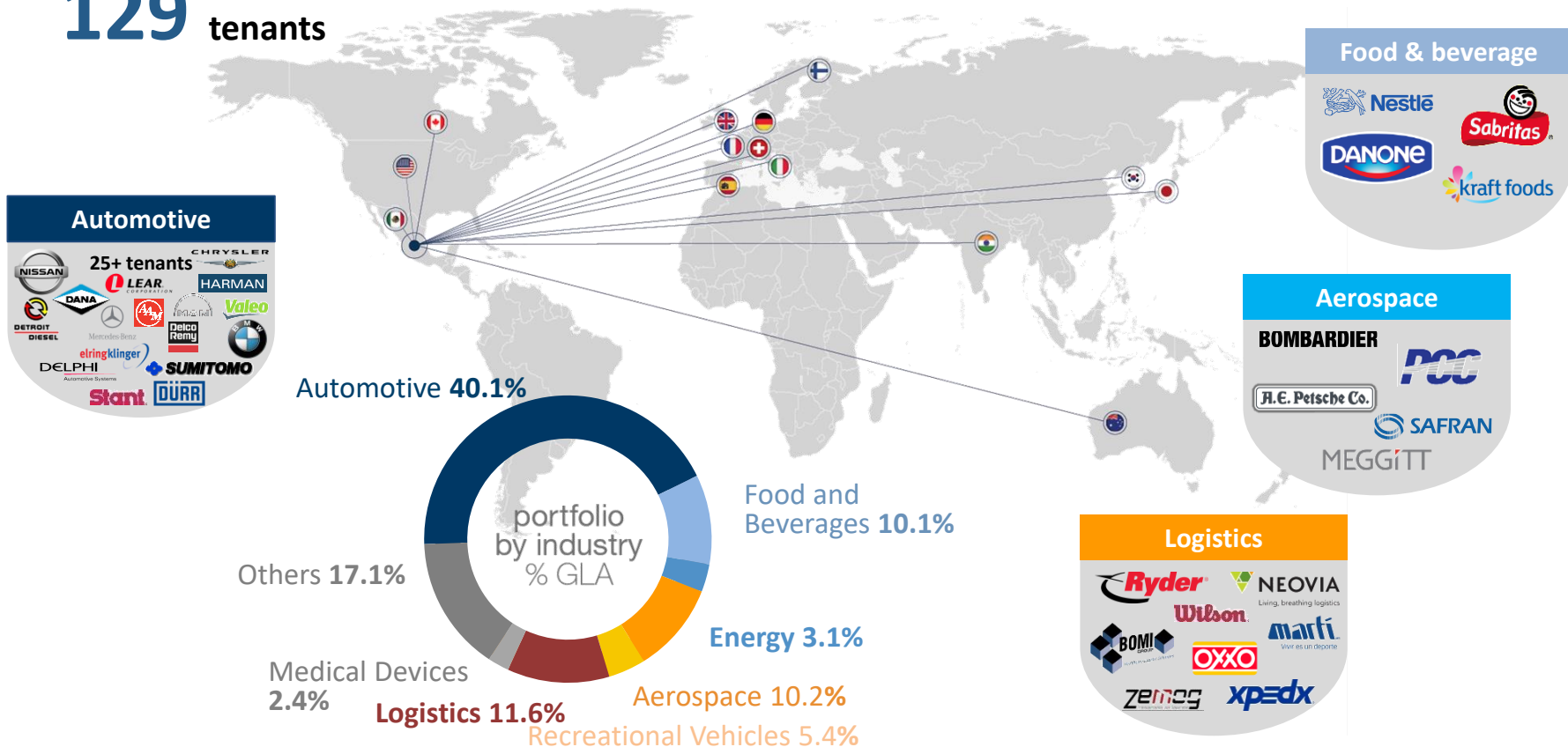
**Industry and geographic diversification provide resiliency to downturns in any given sector as evidenced by our solid performance throughout our history**

<sup>(1)</sup> Vacancy rate of 9.0% as of 2Q'17, including recently finished buildings. In GLA terms  
<sup>(2)</sup> Weighted-average life of a contract

- We put strong emphasis on our tenants' credit profile and enjoy parent guarantees in a significant portion of our leasing contracts
  - Approx. 77.0% of contracts enjoy guarantees
  - Most of our leases are double or triple net leases, which means the tenant is responsible for most maintenance and repair expenses

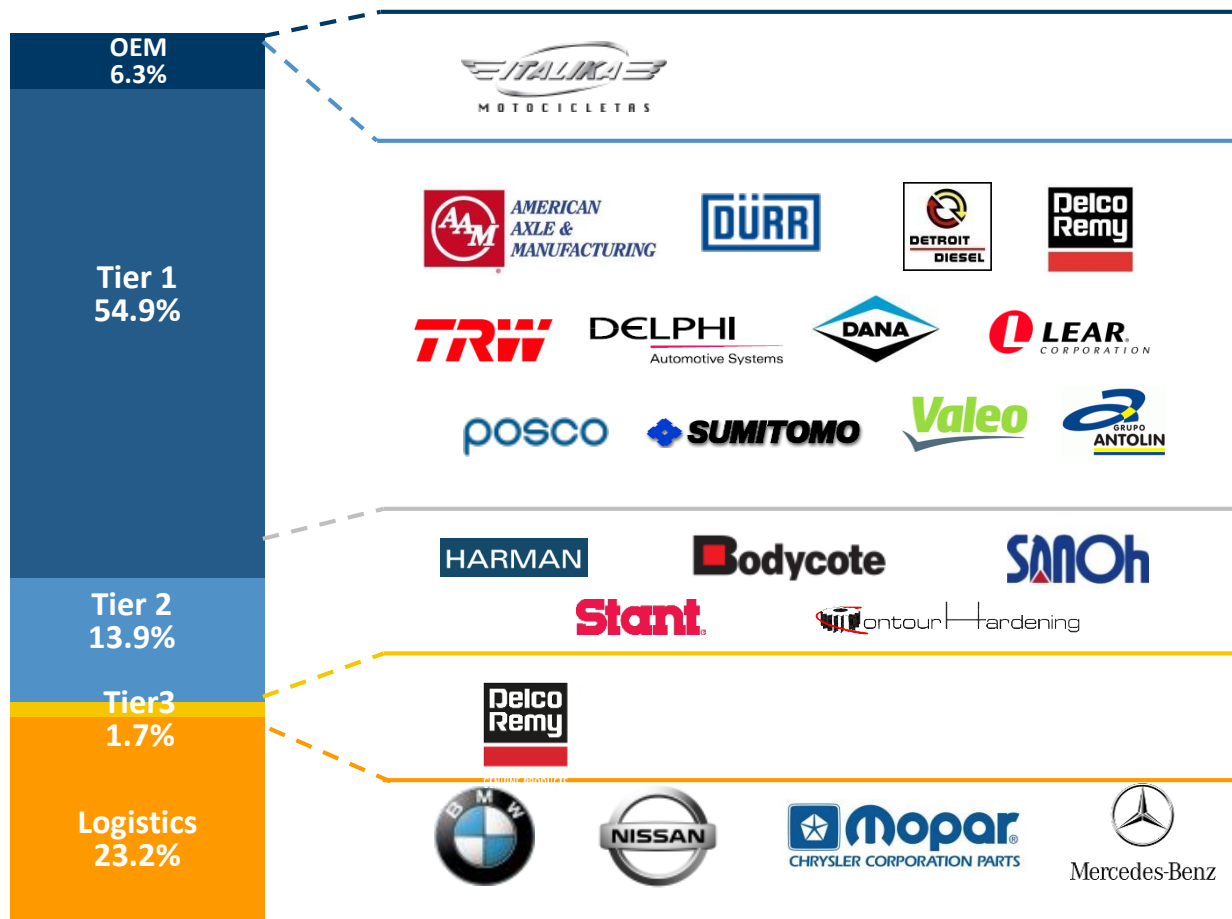
**129** tenants

(As of March 31, 2017, % of GLA)



**Broad tenant base diversified by industry and geography with a balanced combination of growth and defensive sectors**

(As of June 30, 2017 % of GLA)



**Post-crisis outcome:** Tier 1 manufacturers have strengthened driven by a significant reduction in OEM suppliers driven by market consolidation where only the best and most profitable survived

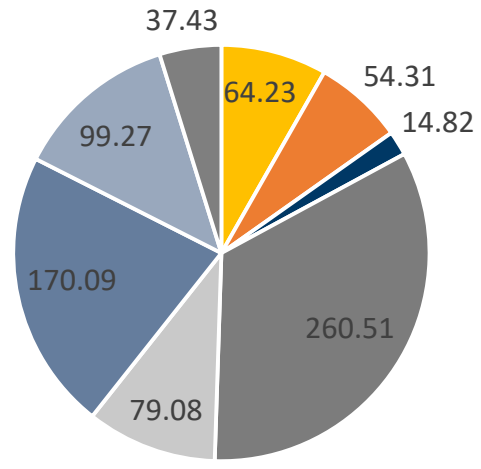
**By being more focused in the supplier component of the automotive supply chain, Vesta is exposed to a much stable business stream with higher quality of earnings**



(As of June 30, 2017)

## Land Reserve<sup>1</sup>

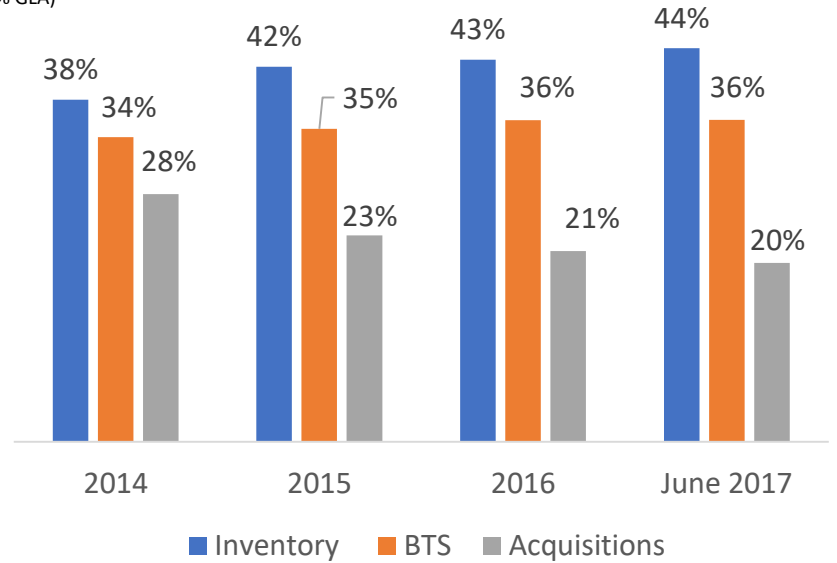
(Acres)



- Tijuana
- Juárez
- San Luis Potosí
- Querétaro
- Guanajuato
- Aguascalientes
- SMA
- Puebla

## Vesta's Buildings<sup>2</sup>

(% GLA)



2012 - 2016 total investment



US\$ 560.8 million

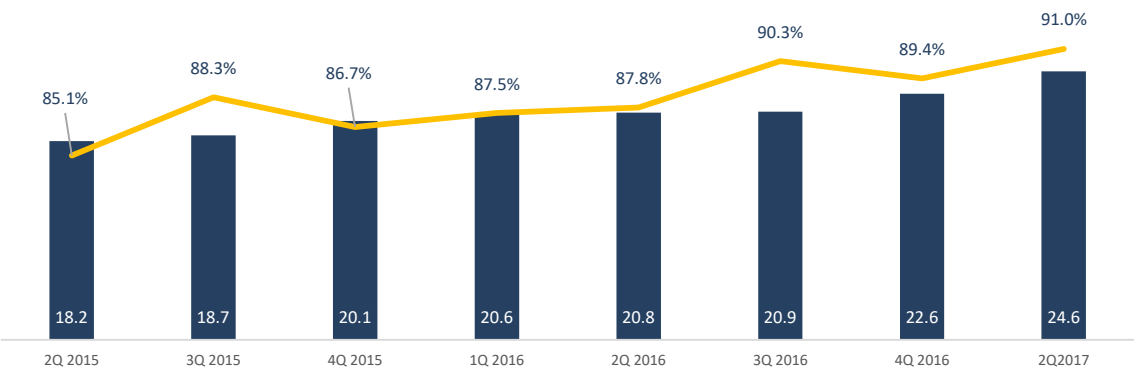
*An average of US\$ 112.2 million per year*

(1) Supplemental Package as of June 30, 2017  
 (2) Historical Financial Statements



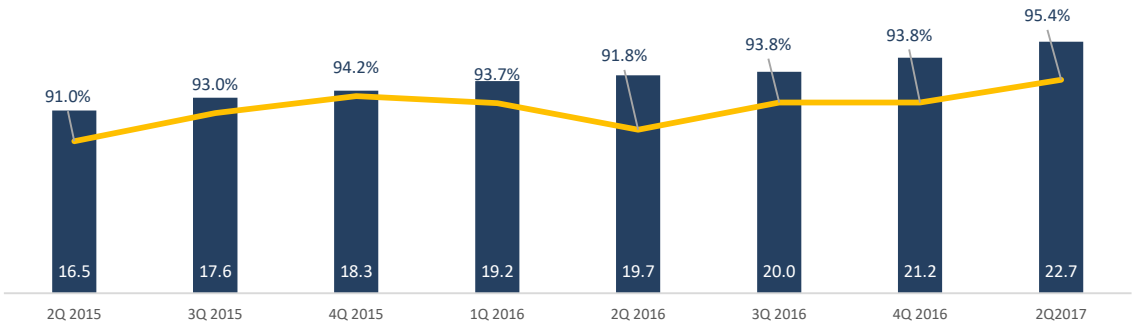
(As of June 30, 2017)

### Total Portfolio % Occupancy

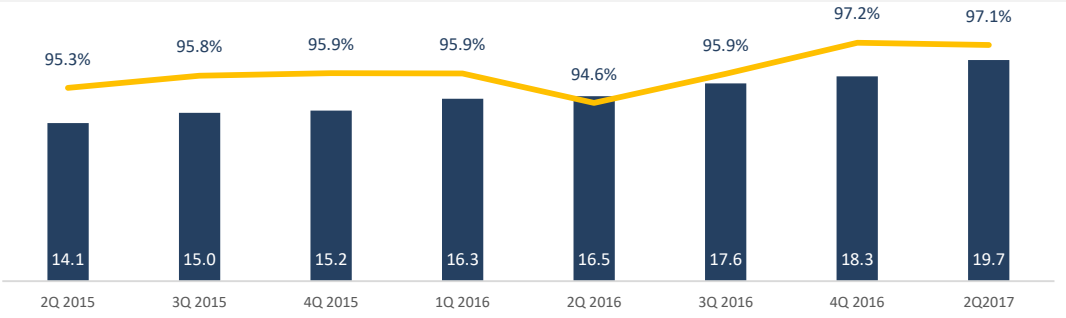


Strong growth trajectory combined with steady occupancy

### Stabilized Portfolio % Occupancy



### Same Store Portfolio % Occupancy



\* Adjusted changes in the initial size of the portfolio.

# STRONG LEASING ACTIVITY

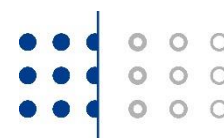
(As of June 30, 2017)

## Lease up Properties

PIQSA 10	Queretaro	87,844	77.1%
PIQSA 11	Querétaro	192,398	68.6%
SMA 2	Guanajuato	131,319	23.2%
SMA 3	Guanajuato	205,474	62.5%
PUEBLA 1	Sureste	181,642	59.1%
PUEBLA 2	Sureste	181,642	56.1%
PTO 9	Guanajuato	167,046	47.4%
J10 Exp	Juarez	161,081	44.4%
MNT II	Aguascalientes	138,432	0.0%
MNT III	Aguascalientes	183,049	0.0%
PIQ 12	Queretaro	248,869	0.0%
		<b>1,878,797</b>	<b>38.2%</b>

## Stabilized but not Same Store

F2	Tijuana	302,692	100.00%
TPI	Juarez	358,797	100.00%
Thyssen-Bilstein	Guanajuato	262,907	100.00%
PTO 1	Guanajuato	225,052	0.00%
PTO 2	Guanajuato	213,502	25.00%
J10	Juarez	213,312	66.64%
F3	Tijuana	167,121	100.00%
TPI 2	Juarez	339,384	100.00%
SNECMA 2	Queretaro	338,365	100.00%
S6	Toluca	211,618	100.00%
PTO 8	Guanajuato	151,653	86.95%
ZF	Aguascalientes	99,256	100.00%
SLP 8	SLP	150,960	100.00%
		<b>3,034,620</b>	<b>84.31%</b>



carcoustics



GLOBAL TRADE  
LOGISTICS



SANAC



Global Seat System Creator

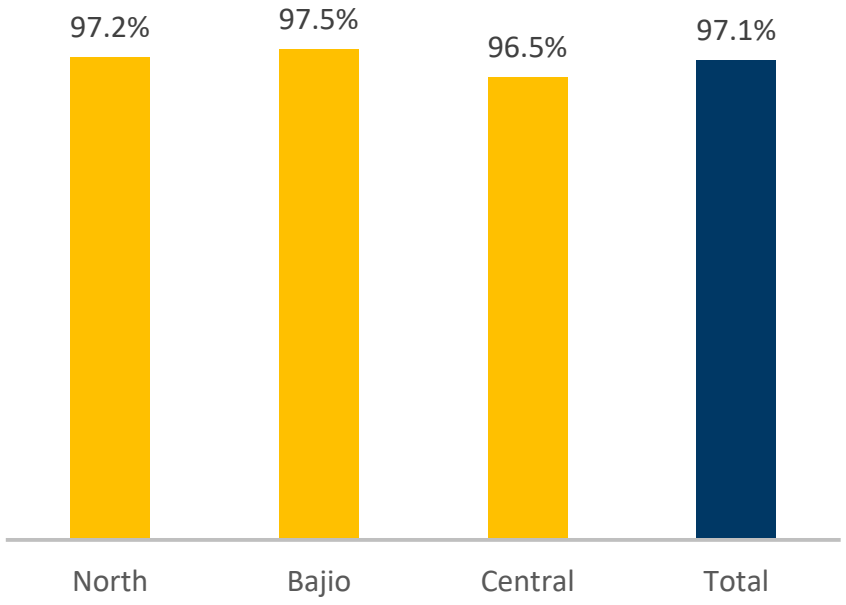


# HIGH OCCUPANCY ACROSS ALL REGIONS

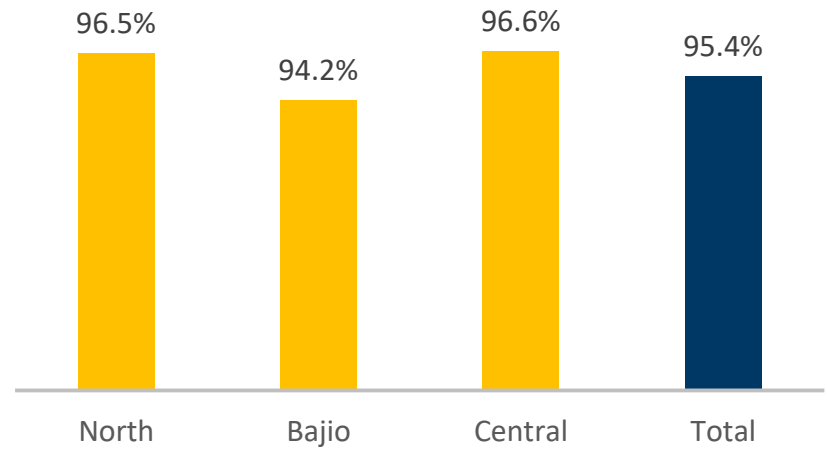


(As of June 30, 2017)

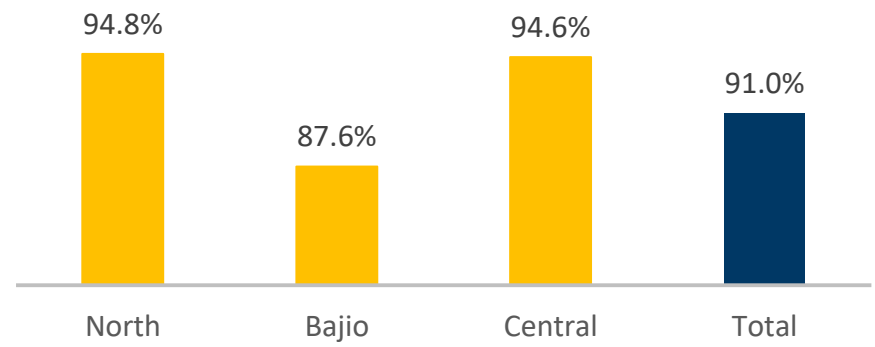
## Same Store Occupancy



## Stabilized Occupancy



## Total Occupancy





## Querétaro Aerospace Park

- Construction start 2006
- GLA 2.18 million sf
- 13 buildings
- Total investment of US\$106.93 million
- Stabilized Cap rate: 12.13%
- Appraisal value of US\$ US\$151.92 million



## Nissan Supplier Park- Aguascalientes

### Douki Seisan Park

- Construction start 2013
- GLA 2.13 million sf
- 8 buildings
- Total investment of US\$70.91
- Stabilized Cap Rate: 14.88%
- Appraisal value of US\$117.39 million



## Vesta Park Toluca II

- Construction start 2013
- GLA 1.47 million sf
- 6 buildings
- Total investment of US\$67.01 million
- Stabilized Cap rate: 11.46%
- Appraisal value of US\$92.20 million



## Vesta Park Juárez

Potential GLA SF	68,721
Construction Start	jul-17
GLA Developed	0%
Investment	US\$29M
Investment to Date	US\$0M

## Vesta Park Puebla I

Potential GLA SF	1,137,017
Construction Start	abr-16
GLA Developed	32%
Investment	US\$49M
Investment to Date	US\$22M

## Vesta Park Puerto Interior I

Potential GLA SF	2,375,004
Construction Start	abr-15
GLA Developed	44%
Investment	US\$112M
Investment to Date	US\$39M

## San Miguel de Allende

Potential GLA SF	2,772,686
Construction Start	dic-14
GLA Developed	32%
Investment	US\$111 M
Investment to Date	US\$35 M

## Vesta Park Aguascalientes I

Potential GLA SF	2,952,920
GLA Developed	0%
Investment	US\$111 M
Investment to Date	US\$8 M

## Vesta Park Querétaro

Potential GLA SF	4,502,414
Construction Start	may-14
GLA Developed	0%
Investment	US\$189 M
Investment to Date	US\$16 M

**Total potential GLA of 14.4M SF, total investment of ~US\$603.5 million and US\$131.1 investment to date**

Source: Company information. Estimated values, may change in the future.

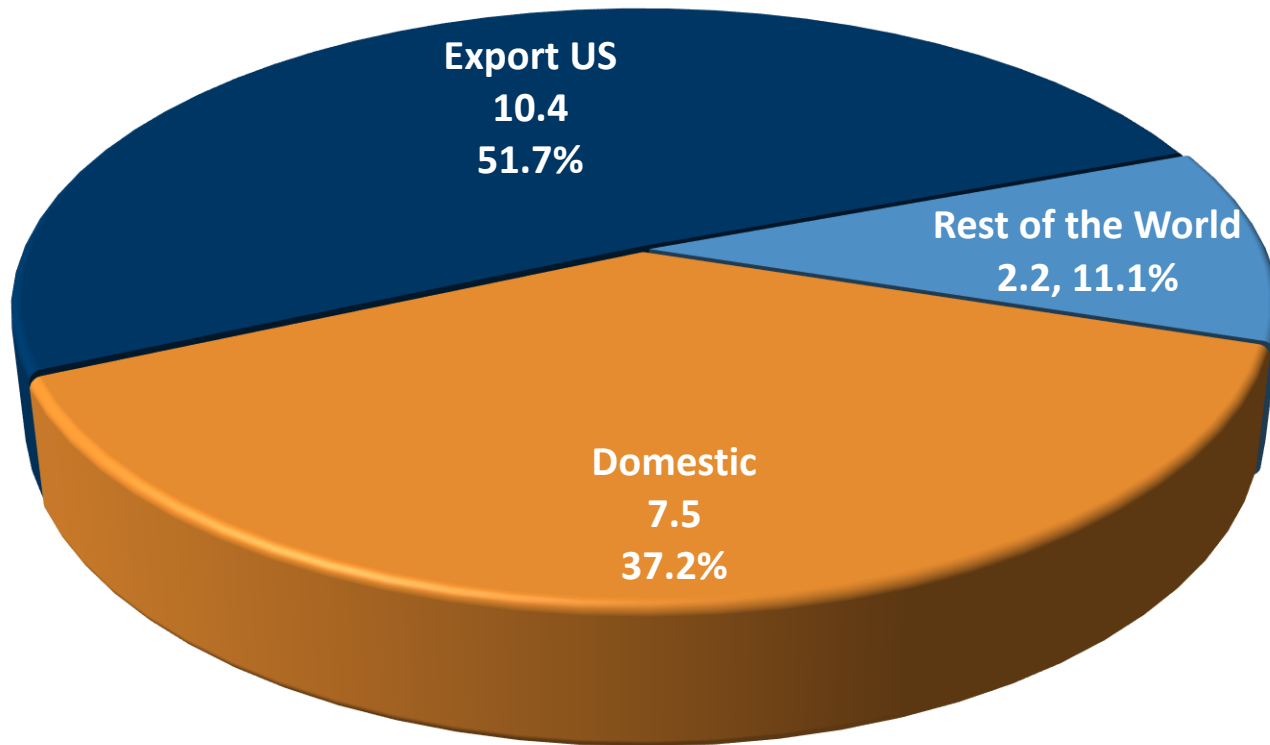
# Domestic and Export Market Approach





## Portfolio breakdown by tenants sales destination

(As of December 31 2016, % of GLA)

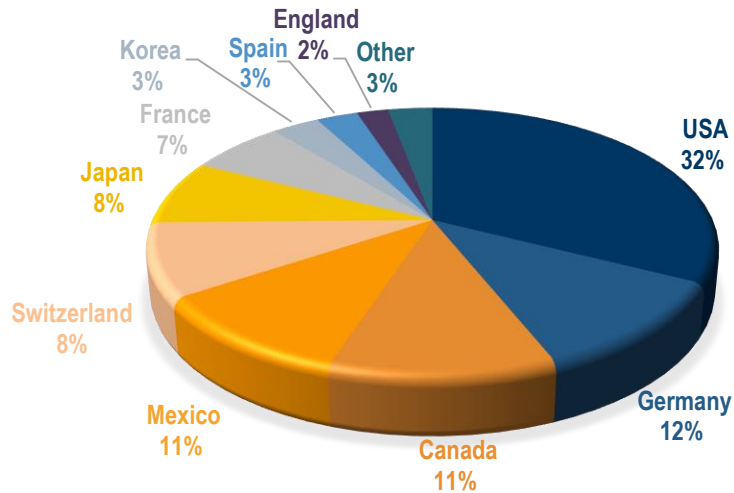


**49% of our tenants are focus on domestic sales or to a different country tan the US**

(1) Annualized base rent.

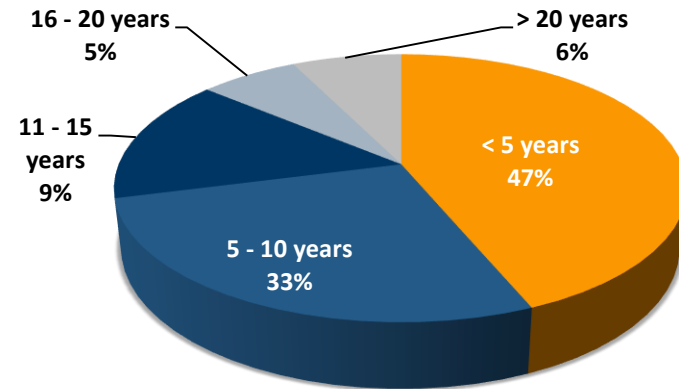
(% of GLA, as of December 31, 2016)

## Tenant Base<sup>(1)</sup>



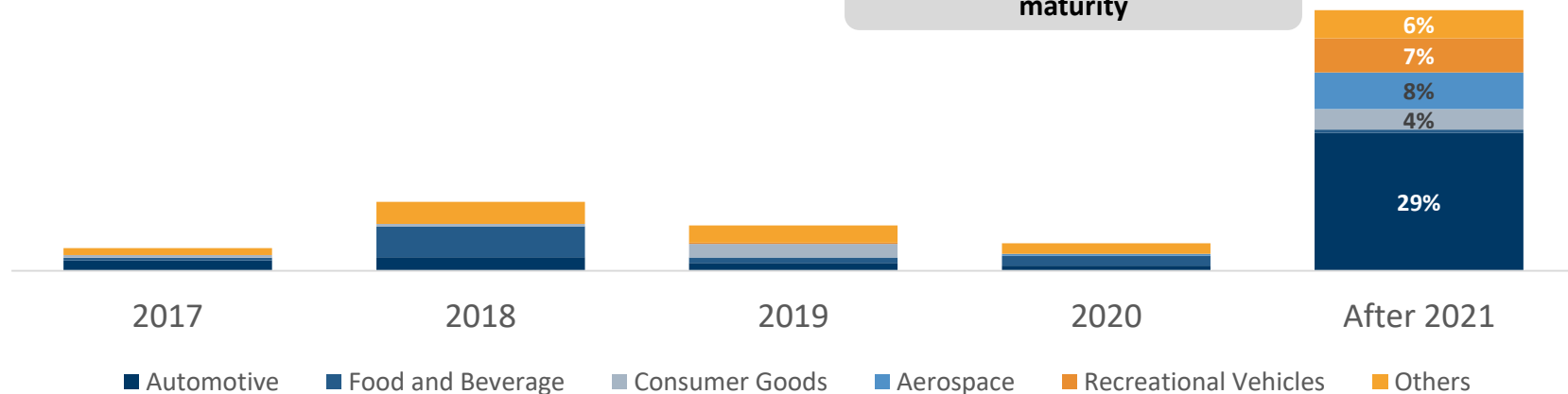
## Most modern portfolio in Mexico

80% of the portfolio is less than 10 years old



## Maturity Profile of Leases<sup>(2)</sup>

Leases are enforceable to maturity

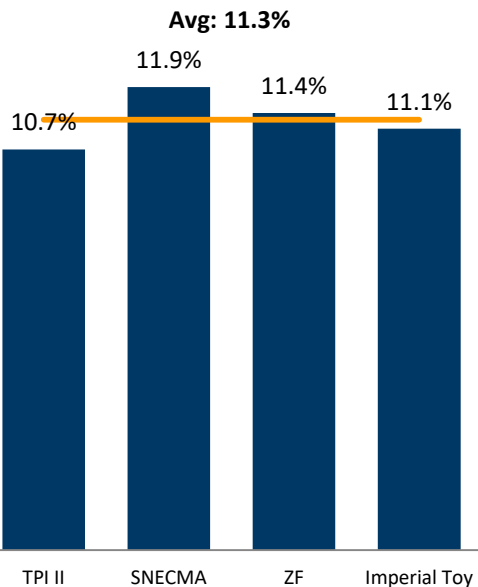


(1) % of GLA by tenant country of origin  
 (2) Maturities as % of rented GLA

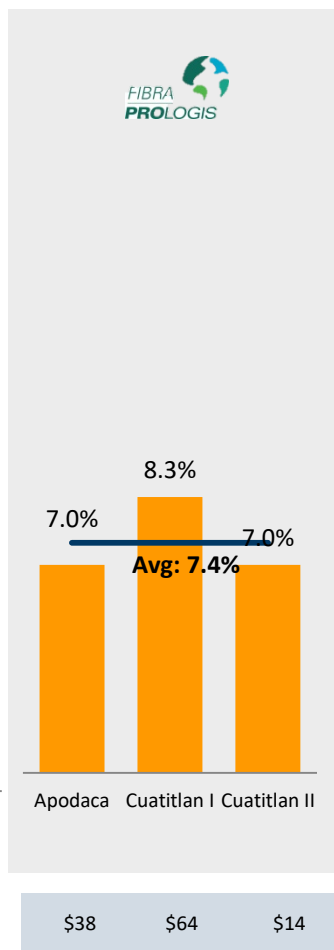




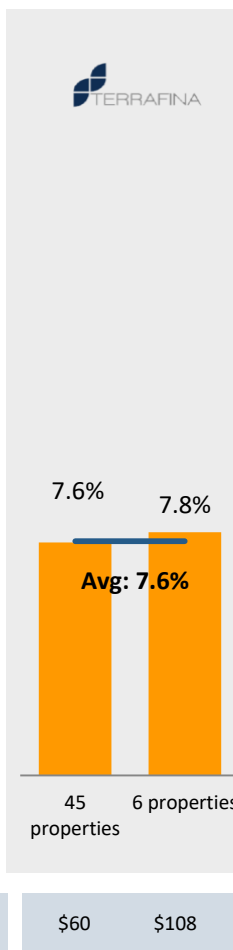
Vesta's competitive position  
Peers benchmarking



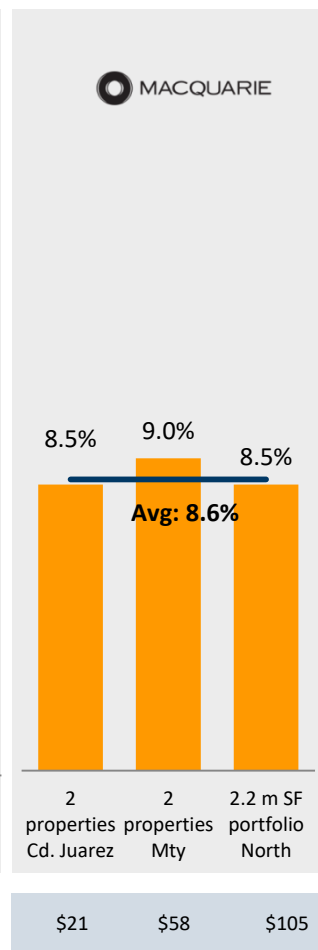
Acquisition investment (US\$m)



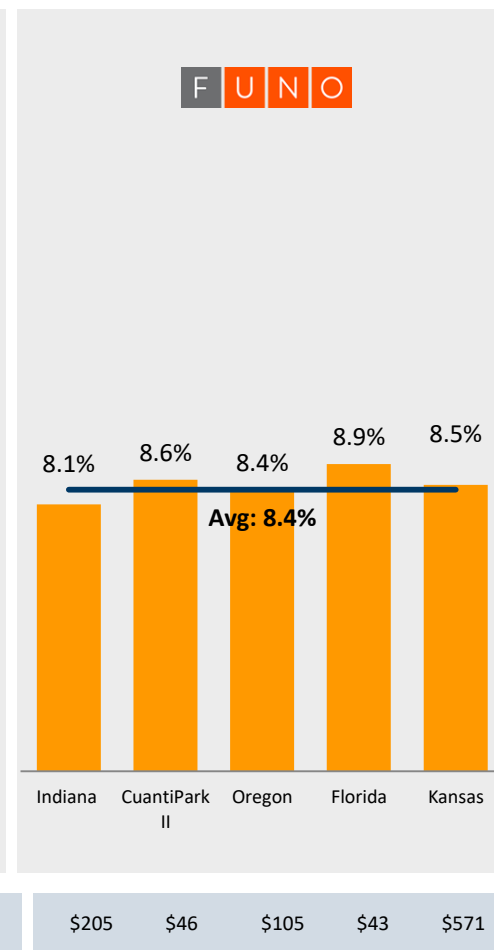
\$38	\$64	\$14
------	------	------



\$60	\$108
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\$21	\$58	\$105
------	------	-------



\$205	\$46	\$105	\$43	\$571
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300 to 400 basis points spread in development vs. acquisition cap rate

Note: Weighted average based on GLA; Cap rate is based on publicly announced acquisition price or development cost vs. publicly available projected (1) NOI; Acquisition investment converted at FX of date of transaction announcement, unless reported by the companies in USD. Prologis, (2) Macquarie and FUNO, are based on 3Q16 reports and Vesta, Terrafina are based on 4Q16

Considers only stabilized projects. Malls in process of stabilization.

Source: Company filings and press releases; Credit Suisse, Mexican Real Estate Gazette, issue 12, 13, 14, 15

# Guidance





	2016	2017	2017
		Low Range	High Range
Revenue Guidance	13-14%	16.4%	18.1%
Gross Income		\$104,000,000	\$105,500,000
NOI Guidance	95.0%	95.0%	
EBITDA Guidance	83.0%	83.0%	

# Financials





## 2020 Objectives

## Increase Total Portfolio

GLA 2020	$\Delta$ GLA	Invest
33.2 M sf	10.6 M sf	\$407M



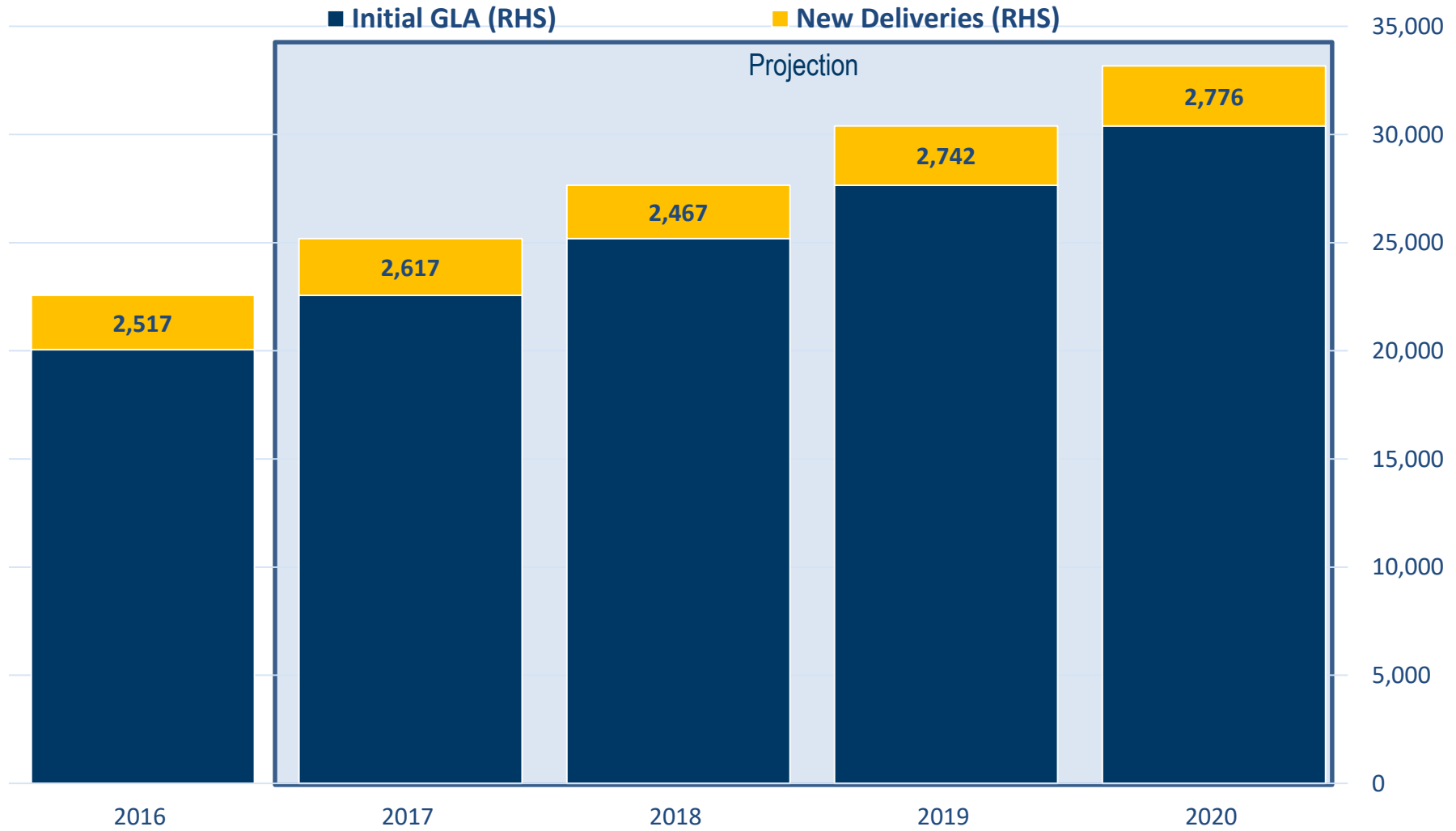
## 2020 Objectives

Total		
Concept	2017-2020	Δ
GLA	33.2 M sf	
Land Acquisition	71 acres	
Development	10.6 M sf	
Leasing	11.7 M sf	
Renewals	4.8 M sf	
Occupancy	92.4%	

Central		
Concept	2017-2020	Δ
GLA	8.3 M sf	
Land Acquisition	34 acres	
Development	1.4 M sf	
Leasing	2.3 M sf	
Renewals	1.6 M sf	
Occupancy	94.1 %	

Bajío		
Concept	2017-2020	Δ
GLA	18.0 M sf	
Land Acquisition	8 acres	
Development	6.6 M sf	
Leasing	6.9 M sf	
Renewals	1.4 M sf	
Occupancy	93.0 %	

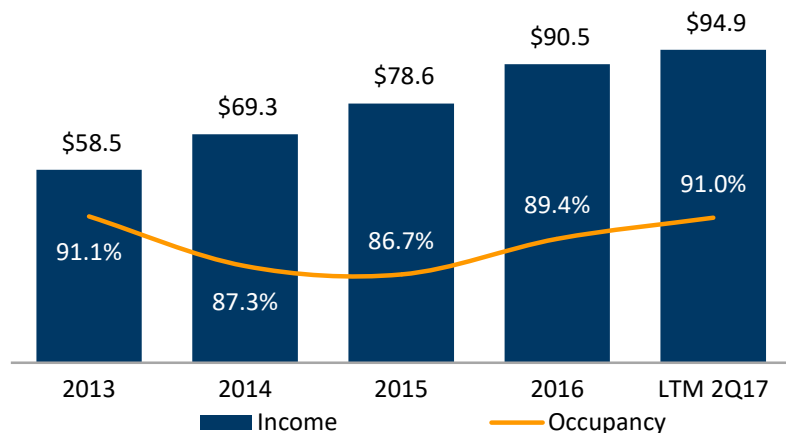
North		
Concept	2017-2020	Δ
GLA	6.9 M sf	
Land Acquisition	29 acres	
Development	2.6 M sf	
Leasing	2.5 M sf	
Renewals	1.8 M sf	
Occupancy	88.6 %	





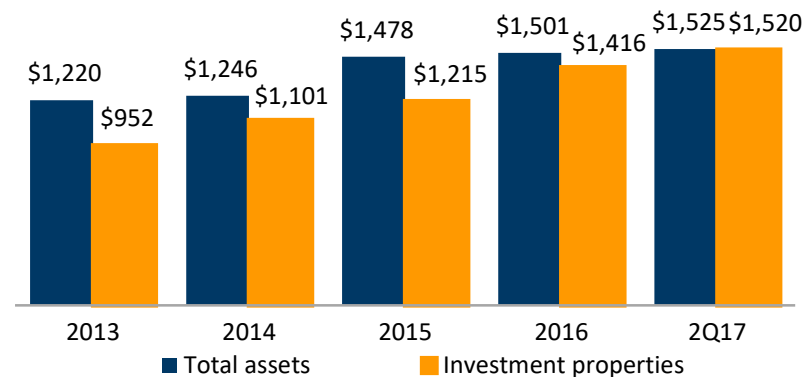
## Highly predictable rental income & stable occupancy rates

(US\$ in millions)



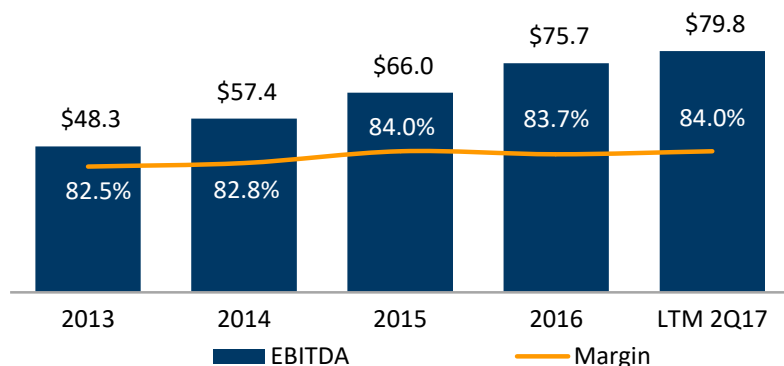
## Consistent growth in total assets & investment properties

(US\$ in millions)



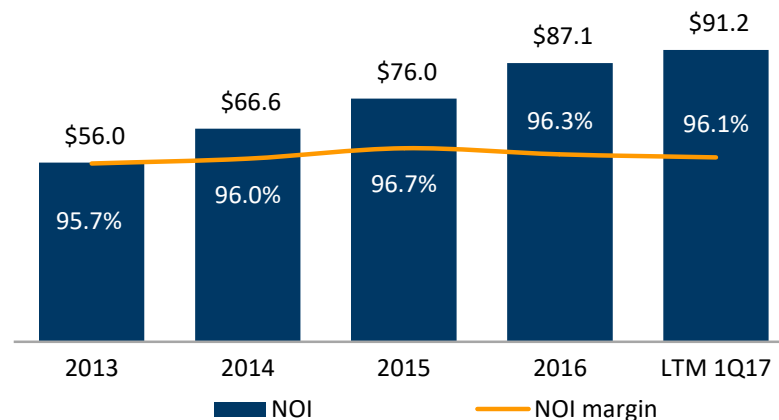
## Strong EBITDA growth with low margin volatility<sup>(2)</sup>

(US\$ in millions)



## High NOI profitability and low margin volatility<sup>(1)</sup>

(US\$ in millions)

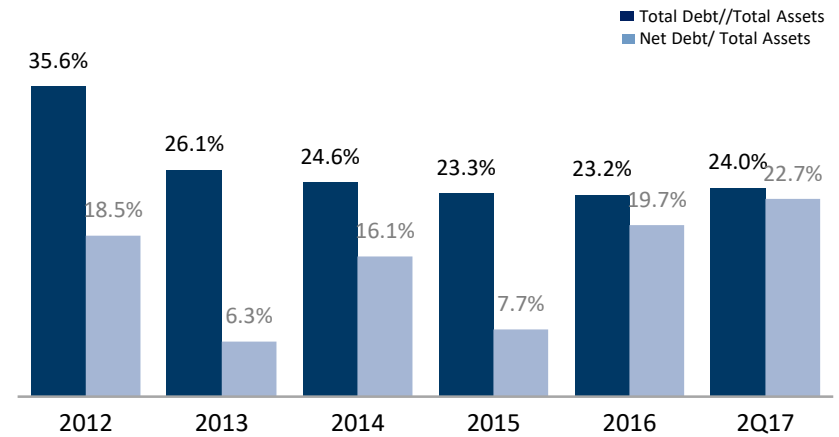


## Outstanding debt

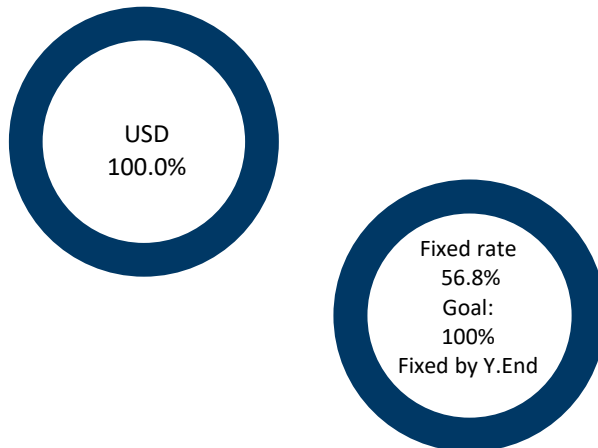
(% of outstanding balance, as of March 31, 2017)

	Syndicated 2021	Met Life 2026	Met Life 2022	Rev	Total Out	Average
<b>Amount</b>	150,000,000	150,000,000	47,500,000	100,000,000	347,500,000	
	43.2%	43.2%	13.7%		100.0%	
<b>Int Rate</b>	3.3959%	4.8013%	4.6205%			4.1700%

## Loan to Value



## Debt breakdown



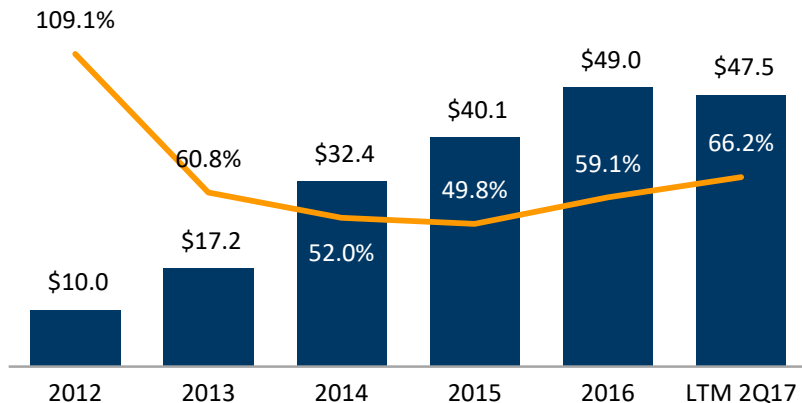
## Sound liquidity position

- ✓ **Cash reserves**
  - \$20.33 mm as of June 30, 2017
- ✓ **Idle debt capacity**
  - Current LTV of 24.0% vs 40% maximum leverage internal policy
- ✓ **Proven access to capital markets**
  - 3 transactions in the Equity Capital Markets, raising US\$660mm in primary proceeds
- ✓ **Strong cash flow generation and low payout ratio commitments**
- ✓ **Diversified sources of funding**
  - Internal cash flows
  - Recently signed a Term Loan with Metlife & Syndicated Loan Medium term Loan Facility with a Bank Syndicate
  - Obtained a US\$100M Revolver with Bank Syndicate

(1) Includes US\$ 608,213 of issuance costs, total Metlife loan of US\$47.5mm.

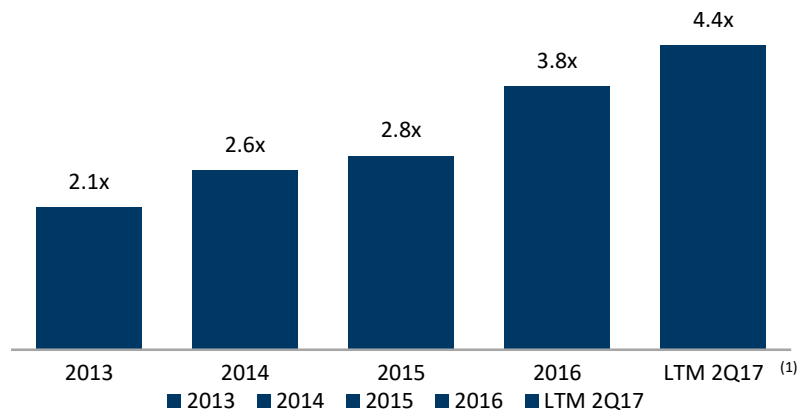
## FFO & FFO payout<sup>(2)</sup>

(US\$ in millions)



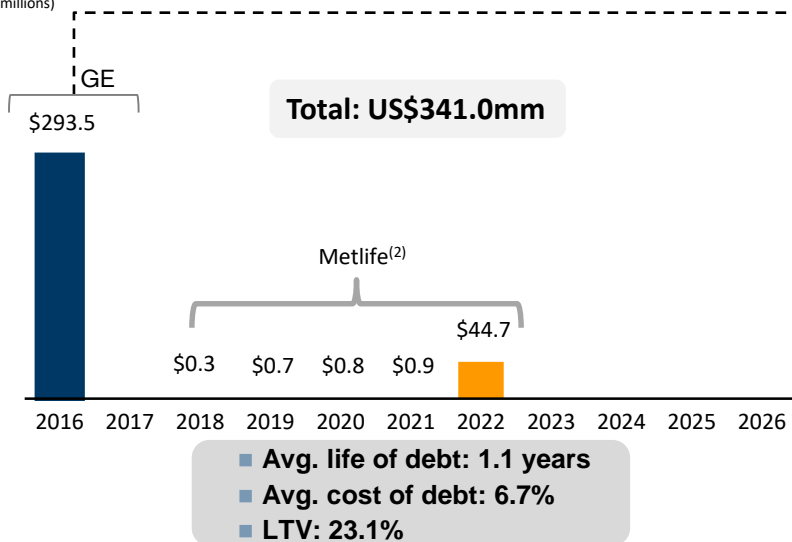
## Strong coverage ratios

(EBITDA LTM / Interest expense)

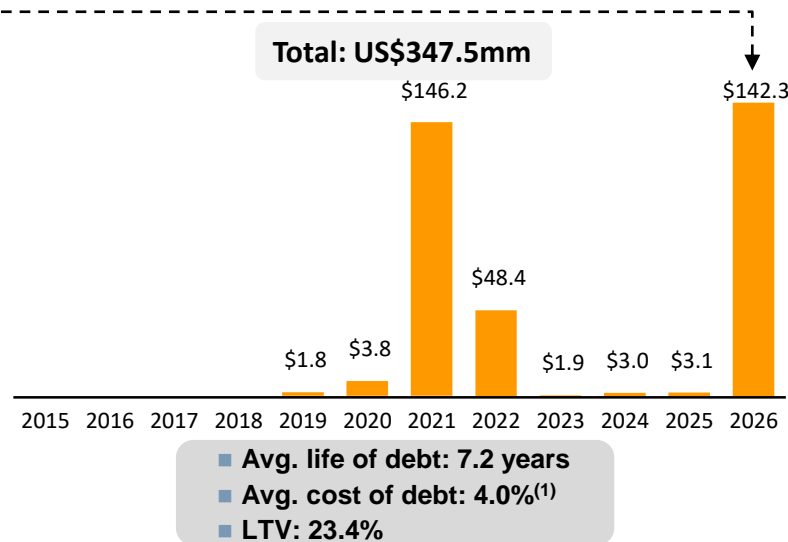


## Well-balanced debt maturity profile

(US\$ in millions)

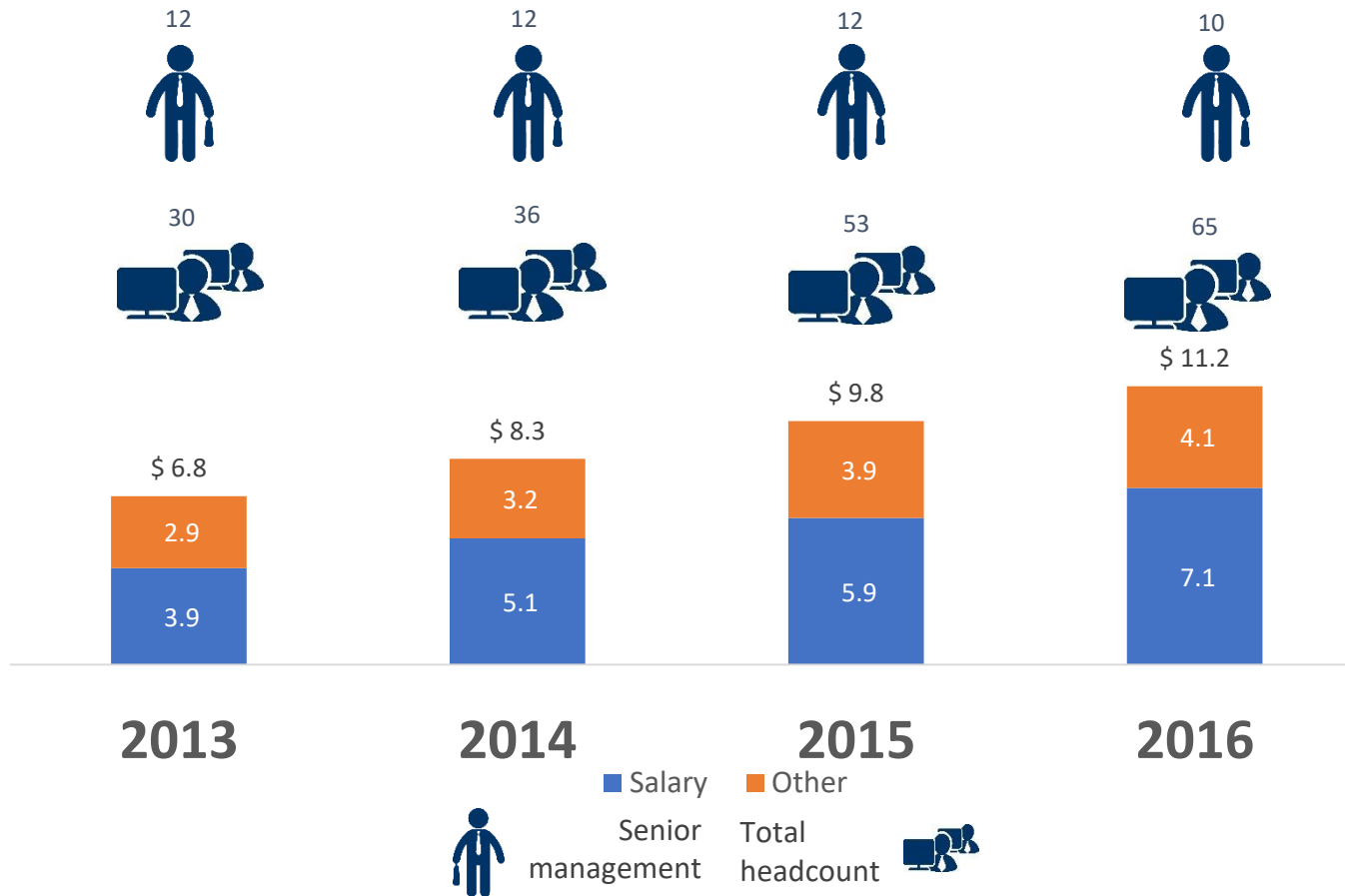


Pro forma



(1) Assumes US\$150 million senior unsecured credit facility and US\$197.5 MetLife loan  
 (2) Includes US\$608,213 of issuance costs, total MetLife loan of US\$47.5mm.

## Disciplined Resource Management

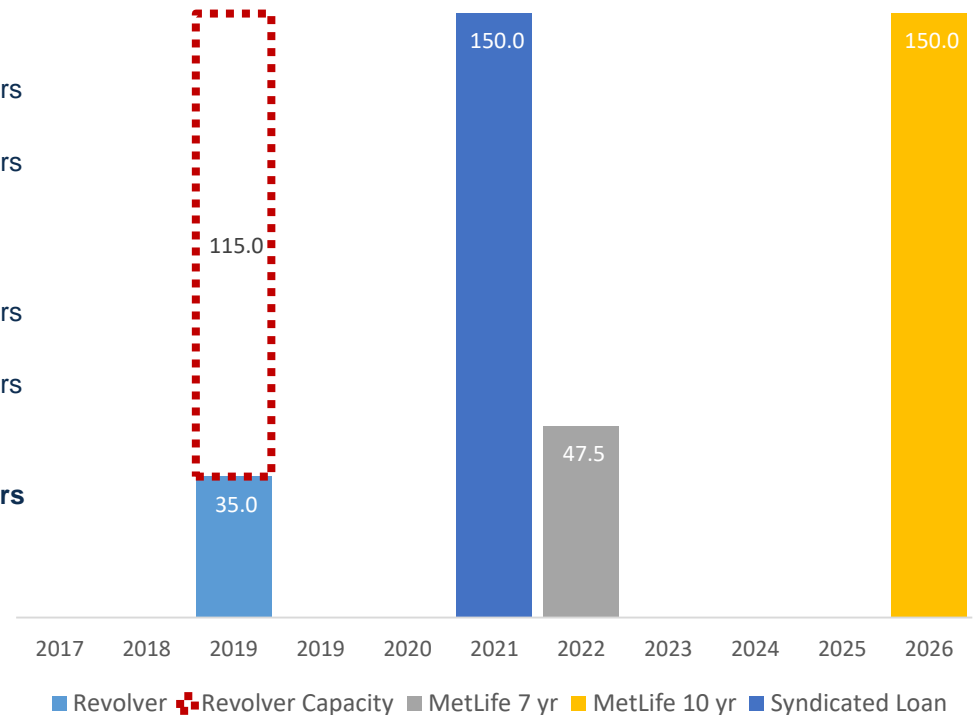


*Economies of scale will amplify our margins*

## Total Enterprise Value (TEV) (\$mm)

	06/30/2017	Rate	Maturity
<b>Secured Debt</b>			
MetLife 7	\$47.5	4.35%	4.8 years
MetLife 10	\$150.0	4.55%	9.2 years
<b>Total Secured Debt</b>	<b>\$197.5</b>		
<b>Unsecured Debt</b>			
Revolver	\$35.0	L + 225 bps	2.1 years
Syndicated Loan	\$150.0	L + 200 bps	4.1 years
<b>Total Unsecured Debt</b>	<b>\$185.0</b>		
<b>Total Debt</b>	<b>\$382.5</b>	<b>3.80%</b>	<b>4.2 years</b>
Common Equity (@ MXN\$26.83/share as of 3/31)	\$880.5		
<b>Total Equity</b>	<b>\$880.5</b>		
<b>Total Market Capitalization</b>	<b>\$1,263.0</b>		
Less: Cash and Cash Equivalents	\$20.3		
<b>Total Enterprise Value (TEV)</b>	<b>\$1,242.7</b>		
Net Debt / TEV	29%		
Secured Debt / TEV	16%		
Net Debt / EBITDA <sub>1,3</sub>	4.5x		
Percentage of Floating Rate Debt	48%		

## Debt Maturity Schedule (\$mm)





# Industry overview

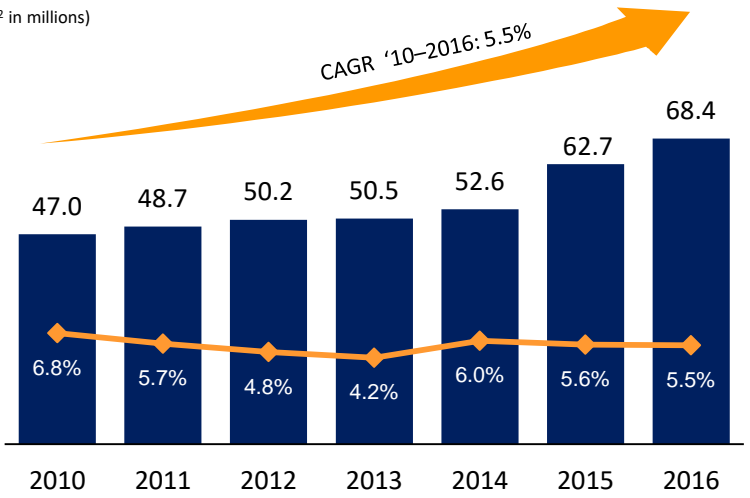
# RECOGNIZED QUALITY OF MEXICO'S AUTOMOTIVE MANUFACTURING HAS ENABLED OEMs TO CHOOSE MEXICO AS A UNIQUE MANUFACTURING PLATFORM



**Mexico's positive macroeconomic outlook and attractive industry dynamics serve as foundations for a promising growth potential in the automotive sector**

## Industrial Real Estate Inventory

(m<sup>2</sup> in millions)

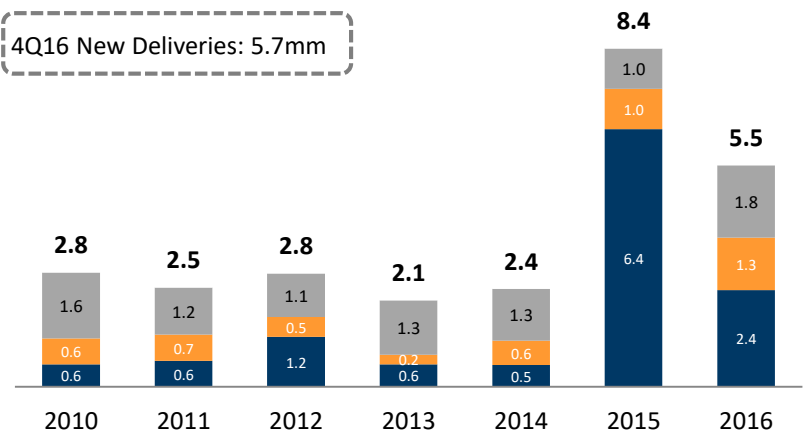


## Industrial market absorption<sup>1</sup>

(m<sup>2</sup> in millions)

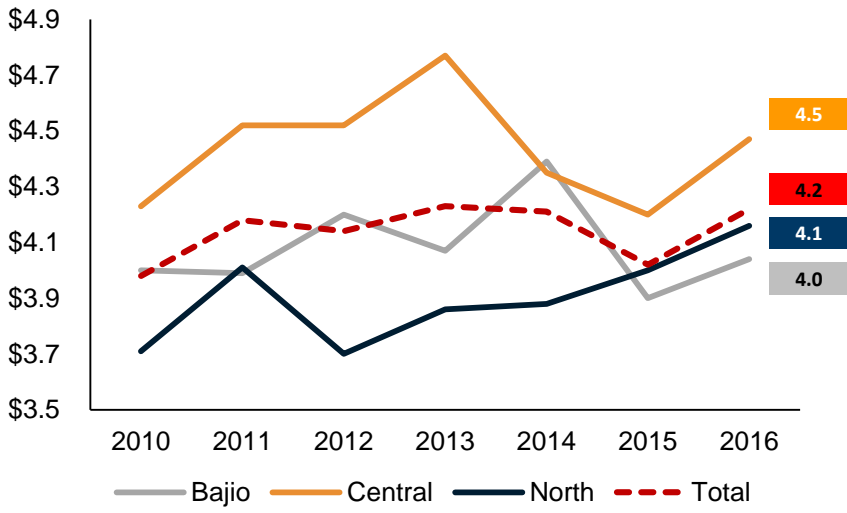
■ Bajío ■ Central ■ North

4Q16 New Deliveries: 5.7mm



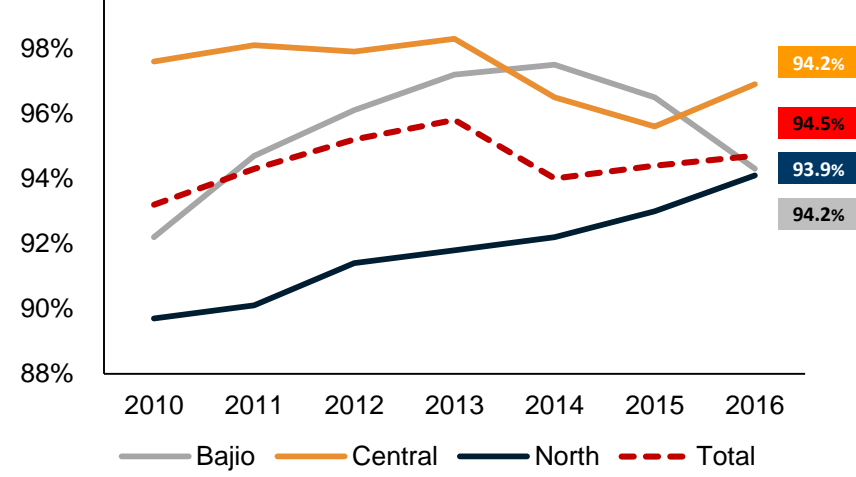
## Average industrial monthly rent

(US\$/m<sup>2</sup>)



## Industrial occupancy rate

100%



Source: Jones Lang LaSalle Industrial Real Estate Report 4Q16.

1. In 2015 for Aguascalientes, Guadalajara, Guanajuato, Querétaro, Puebla and Mexicali markets, JLL expanded (updated) the submarkets and industrial parks surveyed along 2015. This alters "net absorption", "growth", and "new deliveries" variables relative to the past.



(4Q'16)

	Stock (m <sup>2</sup> )	Available (m <sup>2</sup> )	Net Absorption (m <sup>2</sup> ) YTD	Vacancy (%)	Lease Price (USD/m <sup>2</sup> /month)	Growth (%)	New Deliveries (m <sup>2</sup> ) YTD
Aguascalientes	2,094,514	37,210	150,297	1.5%	3.55	4.3%	138,482
Guadalajara	3,841,910	248,751	593,812	5.9%	4.09	–	87,429
Guanajuato	5,155,927	284,093	504,541	4.6%	4.20	5.8%	335,579
Querétaro	5,050,580	375,260	749,471	7.5%	4.09	27.9%	1,487,321
San Luís Potosí	3,035,453	160,632	398,883	6.8%	4.09	18.9%	807,053
<b>Bajío Markets</b>	<b>19,178,384</b>	<b>1,105,946</b>	<b>2,397,004</b>	<b>5.8%</b>	<b>4.00</b>	<b>14.9%</b>	<b>2,855,864</b>
Mexico City	7,351,712	205,763	957,115	2.2%	4.95	2.6%	450,228
Puebla	2,544,409	117,519	253,275	7.0%	4.09	3.5%	847,571
Toluca	3,143,515	86,365	103,440	2.8%	4.38	–	–
<b>Central Markets</b>	<b>13,039,636</b>	<b>409,647</b>	<b>1,313,830</b>	<b>3.1%</b>	<b>4.47</b>	<b>10.0%</b>	<b>1,297,799</b>
Chihuahua	2,159,678	56,718	53,325	2.2%	3.88	16.2%	350,918
Ciudad Juárez	6,035,754	459,182	201,831	7.0%	4.09	1.3%	83,624
Matamoros	1,670,122	160,611	15,206	9.6%	4.49	0.1%	931
Mexicali	2,243,608	128,776	101,621	6.1%	4.20	1.5%	37,161
Monterrey	9,773,811	701,984	678,035	6.7%	4.30	1.6%	208,497
Nogales	1,112,108	65,775	54,347	3.8%	3.66	7.1%	78,967
Nuevo Laredo	888,211	65,735	73,955	8.7%	3.50	4.8%	42,296
Reynosa	3,021,053	247,798	199,132	7.8%	4.00	1.1%	34,286
Saltillo - Ramos	3,447,309	170,642	122,534	4.8%	4.10	7.1%	589,061
Tijuana	5,793,433	156,666	255,354	3.1%	4.74	2.1%	124,161
<b>North Markets</b>	<b>36,145,087</b>	<b>2,213,887</b>	<b>1,755,340</b>	<b>6.1%</b>	<b>4.10</b>	<b>4.3%</b>	<b>1,549,902</b>
<b>TOTAL MEXICO</b>	<b>68,363,107</b>	<b>3,729,480</b>	<b>5,466,174</b>	<b>5.5%</b>	<b>4.19</b>	<b>8.30%</b>	<b>5,703,565</b>

Thank You!

