FIBRA INN

The Occupancy Rate Continued to Rebound Sequentially But Remained Below Last Year's Level

BUY	
Target Price 2019E (MXN$)	$ 8.20
Current Price (MXN$)	$ 7.30
Min / Max (L12M - MXN$)	6.43 - 10.15
Expected Dividend (MXN$)	$ 0.13
Total Return	14.0%
Mkt Cap (Mn of MXN)	3,784
Enterprise Value (Mn of MXN$)	6,683
CBFI's Outstanding (Mn)	518.3
Float	84.6%
ADTV (MXN$ Mn)	$ 3.48

FIBRA INN's November hotel indicators included a continuous improvement in the average daily occupancy compared to the previous two months, as we broadly expected. However, this indicator remained below last year's level. We maintain our BUY recommendation on FIBRA INN as we expect the occupation rate to continue rebounding during the next few months both on a monthly and annually.

As for the same stores, which included 39 hotels in operation, FIBRA INN's occupancy rate was 64.2% in November, higher than 62.9% in October and 57.7% in September of this year. The average daily rate decreased slightly to MXN$1,282.5 on a monthly basis, which resulted in a RevPar of MXN$823.1, virtually unchanged. As a result, hotel revenues fell 2.4% MoM.

With respect to November last year, these indicators continued to face a high base of comparison. The occupancy rate fell 3 percentage points and the average daily rate declined 2.7% YoY. This generated a 7.0% YoY contraction in the RevPar and a 6.7% YoY reduction in hotel revenues.

In terms of total sales, which included 39 hotels in operation during this year and 42 during the past year, the daily occupancy rate and RevPar were the highest of the last three months. However, hotel revenues fell 2.5% MoM. On an annual basis, the occupancy rate contracted 2.6 percentage points and the average daily rate was down 1.6% YoY. This resulted in a 5.6% YoY fall in the RevPar and a 10.2% YoY decline in hotel revenues.

Same-store sales	Nov-19		Nov-18		Chg. YoY	Oct-19		Chg. MoM
Hotels	39		39			39		
Room Revenue (MXN$ Mn)	$ 159.4	$	172.8		-7.8%	$ 163.4		-2.4%
Occupancy	64.2%		67.2%		-3.0 PP	62.9%		1.3 PP
ADR (MXN$)	$ 1,282.5	$	1,318.0		-2.7%	$ 1,298.7		-1.2%
RevPar (P$)	$ 823.1	$	885.4		-7.0%	$ 816.5		0.8%
Total Monthly Sales	Nov-19		Nov-18		YoY Chg.	Oct-19		MoM Chg.
Hotels	39		42			40		
Room Revenue (MXN$ Mn)	$ 159.4	$	177.4		-10.1%	$ 163.5		-2.5%
Occupancy	64.2%		66.8%		-2.6 PP	62.7%		1.5 PP
ADR (MXN$)	$ 1,282.5	$	1,304.0		-1.6%	$ 1,297.9		-1.2%
RevPar (P$)	$ 823.1	$	871.5		-5.6%	$ 813.4		1.2%

Source: FIBRA INN

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