

FIBRA INN

Occupancy Improves in a Significant Way in October

BUY	
Target Price 2019E (MXN\$)	\$ 8.20
Current Price (MXN\$)	\$ 6.92
Min / Max (L12M - MXN\$)	6.43 - 10.15
Expected Dividend (MXN\$)	\$ 0.13
Total Return	20.3%
Mkt Cap (Mn of MXN)	3,587
Enterprise Value (Mn of MXN\$)	6,486
CBFI's Outstanding (Mn)	518.3
Float	84.6%
ADTV (MXN\$ Mn)	\$ 3.70

FIBRA INN reported its hotel indicators for October, which show a significant recovery in the occupancy rate compared to the previous month. We believe that this news should support the share price in the short term. Our recommendation is BUY with year-end 2019 target price of MXN\$8.20 per CBFI, because we expect the occupation rate to continue showing a favorable performance during the following months.

In terms of the same stores, which included 39 hotels, the occupancy rate was 62.9% in October this year, which represented a significant improvement of 5.2 percentage point compared to September this year. The average daily rate per room remained fairly stable (+ 0.4%), which boosted the RevPar (calculated as occupancy rate multiplied by the ADR) by 9.5% MoM and hotel revenues by 11.7% MoM. In the annual comparison, FIBRA INN still recorded a fall in most indicators, particularly in the occupancy rate (-3.3 percentage points), which resulted in reductions of 4.3% YoY in the RevPar and 3.9% YoY in hotel revenue.

In terms of total stores, which included 40 hotels in operation, FIBRA INN also presented a clear recovery since the occupancy rate was 62.7% last October, from 57.7% in September this year, which implied a rebound of 5.0 percentage points. The average daily rate also remained virtually unchanged, with which the RevPar rose 8.9% MoM and hotel revenues advanced 11.9% YoY.



Same-store sales	Oct-19	Oct-18	Chg. YoY	Sep-19	Chg. MoM
Hotels	39	39		40	
Room Revenue (MXN\$ Mn)	\$ 163.4	\$ 170.0	-3.9%	\$ 146.3	11.7%
Occupancy	62.9%	66.2%	-3.3 PP	57.7%	5.2 PP
ADR (MXN\$)	\$ 1,298.7	\$ 1,289.1	0.7%	\$ 1,293.0	0.4%
RevPar (P\$)	\$ 816.5	\$ 852.9	-4.3%	\$ 745.5	9.5%
Total Monthly Sales	Oct-19	Oct-18	YoY Chg.	Sep-19	MoM Chg.
Hotels	40	42		40	
Room Revenue (MXN\$ Mn)	\$ 163.5	\$ 176.5	-7.4%	\$ 147.4	10.9%
Occupancy	62.7%	66.3%	-3.6 PP	57.7%	5.0 PP
ADR (MXN\$)	\$ 1,297.9	\$ 1,275.6	1.7%	\$ 1,294.0	0.3%
RevPar (P\$)	\$ 813.4	\$ 846.2	-3.9%	\$ 746.9	8.9%

Source: FIBRA INN

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