FIBRA INN (BUY, T.P. MXN$6.50)

2Q21 Occupancy and Hotel Revenues Above Expectations, Positive

FIBRA INN delivered an outstanding performance mainly due to a significant recovery in the average daily occupancy rate, which reached 40.6% in 2Q21 and 44.1% in June, in both cases exceeding our projections and well above the previous year's figures. This boosted hotel revenues by 440% YoY and 350% YoY, respectively.

We continue with a BUY recommendation and a MXN$6.50/CBFI target price since we expect the operating recovery to continue during the following months, although subject to vaccination and contagion levels. Furthermore, FIBRA INN's certificates trade at a significant 67% discount to NAV.

June 2021 hotel indicators

Regarding total sales (with 34 hotels in operation), the occupancy rate was 44.1% in June 2021, from 19.3% in the same period of the previous year. As a result, we believe that the Fibra is practically operating at the financial break-even point. The average daily rate was MXN$1,313.0, up 5.3% YoY. RevPar thus rose 140.7% YoY to MXN$579.2. Hotel revenues stood at MXN$101.2 million, with an annual 349.6% growth.

In terms of same-store sales (with 19 hotels in operation in both periods), the occupancy rate reached 53.3%, with a 34.0 percentage point improvement compared to the previous year. The average daily rate was MXN$1,249.2, or 0.2% higher YoY. This resulted in a MXN$665.8 RevPar, up 176.8% YoY. Hotel revenues were MXN$62.9 million, 179.4% higher YoY.

2Q21 hotel indicators

Occupancy reached 40.6% (vs. 36.3% E) in 2Q21, above the 16.7% level of the same period last year. The average daily rate was MXN$1,288.3 (vs. MXN$ 1,255.9E), with a 9.7% YoY rise. Therefore, RevPar advanced 167.2% YoY to MXN$523.0 (vs. MXN$455.9E).

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June 2021 hotel indicators

Same-store sales		Jun-21		Jun-20	YoY Chg.			
Hotels		19		19				
Room Revenue (MXN$ Mn)	$	62.9	$	22.5	179.9%			
Occupancy		53.3%		19.3%	34.0 PP			
ADR (MXN$)	$	1,249.2	$	1,246.7	0.2%			
RevPar (MXN$)	$	665.8	$	240.6	176.8%			
Total Monthly Sales		Jun-21		Jun-20	YoY Chg.		May-21	MoM Chg.
Hotels		34		19			34	
Room Revenue (MXN$ Mn)	$	101.2	$	22.5	349.6%	$	93.4	8.4%
Occupancy		44.1%		19.3%	24.8 PP		40.2%	3.9 PP
ADR (MXN$)	$	1,313.0	$	1,246.7	5.3%	$	1,291.5	1.7%
RevPar (MXN$)	$	579.2	$	240.6	140.7%	$	519.1	11.6%

Source: FIBRA INN

2Q21 hotel indicators

Total Sales		2Q21		2Q20	Annual Change		2Q21E	Estimates Diff.
Hotels		34		15			34	
Room Revenue (MXN$ Mn)	$	272.9	$	50.5	440.4%	$	232.6	17.3%
Occupancy		40.6%		16.7%	23.9 PP		36.3%	4.3 PP
ADR (MXN$)	$	1,288.3	$	1,174.8	9.7%	$	1,255.9	2.6%
RevPar (MXN$)	$	523.0	$	195.7	167.2%	$	455.9	14.7%

Fuente: FIBRA INN

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