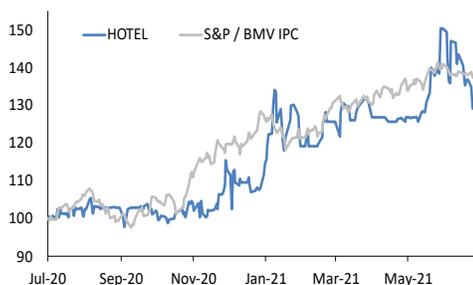


HOTEL: 2Q21 Preview

We Expect an Excellent Performance due to a Higher Occupancy and Daily Rates

HOTEL*	HOLD
Target Price (MXN\$)	\$ 5.90
Current Price (MXN\$)	\$ 4.95
Min / Max (L12M - MXN\$)	3.65 - 5.90
Expected Dividend (MXN\$)	\$ 0.00
Total Return	19.2%
Mkt Cap (Mn of MXN)	3,050
Enterprise Value (Mn of MXN\$)	5,979
Shares Outstanding (Mn)	616.1
Float	75.0%
ADTV (MXN\$ Mn)	\$ 0.82



Opinion and Recommendation

We expect HOTEL to deliver a high growth in all its operating indicators, both annually and sequentially, thanks to higher occupancy levels in beach hotels mainly supported by the vaccination process in the US and Mexico, as well as the re-opening of the economies. The main risk at this time is the rebound in infections.

2Q21 Preview

We anticipate that HOTEL will report total revenues of MXN\$480 million in 2Q21, due to higher occupancy levels, rising rates and the operating limitations in 2Q20. In addition, revenues will likely rise 79.1% QoQ. We estimate that the occupancy of owned hotels will reach 50.6% in the current quarter, higher than the 2.3% in 2Q20 and 33.2% in 1Q21. We believe that the recovery will take place mainly in beach hotels, which experienced a strong demand from North American visitors from April, driven by the vaccination process.

We estimate a MXN\$1,250 average daily rate in owned hotels in 2Q21, up 21.6% YoY and 4.9% QoQ. This will result in a MXN\$663 RevPar for the period, with an annual improvement of 394.1%.

We forecast an EBITDA of MXN\$120 million in 2Q21, compared to last year's negative MXN\$87 million. This will be the third quarter in a row with a positive EBITDA. The EBITDA margin will expand to 25.0% in 2Q21, from a negative figure in 2Q20 and 1.6% in 1Q21.

We expect HOTEL to report a positive MXN\$128 million net profit in 2Q21, from a MXN\$44 million net loss in 2Q20, due to the favorable operating performance in combination with FX gains. The company will report on July 22dn after the close.

Luis Hernández

+5255-3659-6407

luis.hernandez@miranda-gr.com

Martin Lara

+5255-6413-8563

martin.lara@miranda-gr.com

July 14th, 2021

DISCLAIMER

The current report was prepared by Miranda Global Research ("Miranda GR") for Vector, Casa de Bolsa, S.A. de C.V. The information is presented in summarized form and is not meant to be complete. There are no declarations or guarantees, expressed or implicit, in respect to the accuracy, impartiality or integrity of the information.

Miranda GR, in accordance to applicable legislation, has made sure that the presented personalized recommendation is reasonable to the client, as it has verified congruency between the client's profile and the profile of the financial product. Under no circumstance should it be understood that the fulfillment of the previously mentioned recommendation, guarantees the result or the success of the proposed strategies in the presented document.

The information included in this presentation was obtained from public and/or private sources. Projections or previsions included in this presentation, are a generalized recommendation and are based on subjective assumptions and estimations about events and circumstances that have not yet happened and are subjected to significant variations. Therefore, it is not possible to guarantee that any of the results included in the current report will happen in the future, in other words, it does not guarantee the result or the success of the posed strategies.

This report has been prepared solely with informational purposes. No declarations are made in respects to precision, sufficiency, veracity or accuracy of the information and opinions hereby included. Miranda GR will not answer (either because of negligence or for any other reason) for any damage or detriment derived or related to the use of this report or its content, or any connection to the report. Miranda GR is not responsible for the use or association with this report, including but not limited to, any declaration, expressed or implicit or guarantees or omissions included in this information.

This report is based on facts and/or events that have happened up to this date, consequently any future facts and/or events can impair the conclusions hereby expressed. Miranda GR does not assume any responsibility to update, review, rectify or invalidate this report based on any future occurrence.

The opinions related to this report eventually expressed by Miranda GR, should be considered only as suggestions/recommendations to better operate various topics related to the presentation.

This report and its contents are property of Miranda GR and cannot be reproduced or broadcast in part or in its entirety without the previous written consent of Miranda GR.

Miranda Global Research receives fees from Grupo Hotelero Santa Fé, S.A.B. de C.V. for independent analyst services.
