

FIBRA INN (BUY, T.P. MXN\$5.00)

Occupancy Fell in January vs. December; ADR Continues to Rise

FIBRA INN reported its hotel indicators for January. The most important point was that the average daily occupancy was 36.5% (vs. 39.2% E) in terms of total sales, with an improvement of 11.9 percentage points compared to the previous year, but with a decrease of more than 10 percentage points compared to December 2021. We believe the latter was due to the impact of the Omicron variant, as infections peaked in mid-January, as well as seasonal factors. Occupancy was below the break-even point, which is around 49%. On the other hand, higher occupancy on an annual basis allowed FIBRA INN to raise its ADR by 15.2% YoY to MXN\$1,388 (in line). This boosted the RevPar and hotel revenues by 71.6% YoY and 75.0% YoY, respectively.

In terms of same store sales (32 hotels), the performance was similar to that of total sales. Average daily occupancy stood at 37.6% in January this year, with a significant recovery compared to 24.6% in the same period of the previous year. However, it was lower than the 48.2% in December of last year. The ADR was up 10.5% YoY to MXN\$1,332, benefiting from higher occupancy levels. We believe that the difference between the ADR performance in terms of total sales and same store sales was mainly due to the fact that the former included the JW Marriott Monterrey Valle hotel, which registers a higher ADR than the rest of FIBRA INN's properties. RevPar and hotel revenues advanced 69.0% YoY and 70.0% YoY, respectively, fueled by higher occupancy levels coupled with a rising ADR.

We expect the occupancy rate to recover over the next few months, supported by a lower level of infections and higher vaccinations. Our recommendation is BUY with a MXN\$5.00/CBFI.

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Hotel Indicators

Same-store Monthly Sales			Jan-22	Jan-21	Annual Change
Hotels			32	32	
Room Revenue (MXN\$ Mn)	\$	83.9	\$	49.4	70.0%
Occupancy		37.6%		24.6%	13.0 PP
ADR (MXN\$)	\$	1,331.7	\$	1,205.1	10.5%
RevPar (MXN\$)	\$	501.0	\$	296.3	69.0%
Total Monthly Sales			Jan-22	Jan-21	Annual Change
Hotels			33	33	
Room Revenue (MXN\$ Mn)	\$	88.9	\$	50.8	75.0%
Occupancy		36.5%		24.6%	11.9 PP
ADR (MXN\$)	\$	1,387.9	\$	1,204.5	15.2%
RevPar (MXN\$)	\$	507.3	\$	295.7	71.6%

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