

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

Occupancy Fell In December vs. November, But Still Exceeded our Projections; ADR Continues to Rise

Opinion and Recommendation

FIBRA INN's total occupancy decreased in December compared to November due to seasonal factors. However, it was higher than our projections. Despite this, occupancy for the quarter exceeded 50% and compared very favorably with that of the previous year. We estimate that FIBRA INN operated close to breakeven from a financial point of view during the quarter, but slightly below it during December. We reiterate our BUY recommendation with a MXN\$5.00/CBFI target price after this announcement.

December 2021 hotel indicators

In terms of total sales (33 hotels in operation), the average daily occupancy rate was 47.3% in December as a result of a stronger macroeconomic activity, exceeding our 43.0% projection. It was above the 24.9% level in December of the previous year, but lower than the 54.8% in November this year due to seasonal reasons. As a result of a higher occupancy and the opening of the JW Marriott Monterrey Valle in May 2021, the average daily rate rose 21.2% YoY to MXN\$1,458.8. This translated into a RevPar of MXN\$690.4, up 130.6% YoY. Hotel revenues stood at MXN\$121.0 million, 135.3% higher YoY.

In terms of same-store sales (32 hotels), the occupancy rate was 48.2% in December 2021, higher than 24.8% last year, but lower than 55.7% in November. The average daily rate advanced 13.4% YoY to MXN\$1,365.0. Therefore, RevPar rose 120.4% YoY to MXN\$657.9. Hotel revenues were up 122.8% YoY to MXN\$110.2 million.

4Q21 hotel indicators

Total occupancy was 50.5% in 4Q21, slightly higher than our 49.1% projection. It compared favorably with the 26.8% of the same period of the previous year also due to a stronger macroeconomic activity. The average daily rate was up 17.4% to MXN\$1,454.2 (we expected MXN\$1,392.5) due to the higher occupancy and the opening of the JW Marriott Monterrey Valle, which boosted RevPar by 120.6% to MXN\$734.7 (vs. MXN\$684.2 E). Hotel revenues were up 124.6% to MXN\$381.3 million, above our MXN\$349.1 million forecast.

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Hotel Indicators

Same-Store Monthly Sales	Dec-21	Dec-20	YoY Chg.	Dec-21	Dec-19	YoY Chg.
Hotels	32	32		31	31	
Room Revenue (MXN\$ Mn)	\$ 110.2	\$ 49.5	122.8%	\$ 101.2	\$ 104.1	-2.8%
Occupancy	48.2%	24.8%	23.4 PP	48.2%	50.6%	-2.4 PP
ADR (MXN\$)	\$ 1,365.0	\$ 1,203.7	13.4%	\$ 1,295.6	\$ 1,277.7	1.4%
RevPar (MXN\$)	\$ 657.9	\$ 298.6	120.4%	\$ 624.3	\$ 646.2	-3.4%

Total Monthly Sales	Dec-21	Dec-20	YoY Chg.	Dec-19	YoY Chg.
Hotels	33	33		39	
Room Revenue (MXN\$ Mn)	\$ 121.0	\$ 51.4	135.3%	\$ 121.3	-0.3%
Occupancy	47.3%	24.9%	22.4 PP	48.3%	-1.0 PP
ADR (MXN\$)	\$ 1,458.8	\$ 1,203.8	21.2%	\$ 1,253.9	16.3%
RevPar (MXN\$)	\$ 690.4	\$ 299.4	130.6%	\$ 606.0	13.9%

Total Quarterly Sales	4Q21	4Q20	Annual Change	4Q19	2019 Change
Hotels	33	33		39	
Room Revenue (MXN\$ Mn)	\$ 381.3	\$ 169.8	124.6%	\$ 444.1	-14.1%
Occupancy	50.5%	26.8%	23.7 PP	58.3%	-7.8 PP
ADR (MXN\$)	\$ 1,454.2	\$ 1,243.3	17.0%	\$ 1,280.1	13.6%
RevPar (MXN\$)	\$ 734.7	\$ 333.0	120.6%	\$ 746.8	-1.6%

Total Annual Sales	2021	2020	Annual Change	2019	2019 Change
Hotels	34	33		42	
Room Revenue (MXN\$ Mn)	\$ 1,150.6	\$ 688.5	67.1%	\$ 1,822.3	-36.9%
Occupancy	41.4%	29.9%	11.5 PP	58.9%	-17.5 PP
ADR (MXN\$)	\$ 1,346.7	\$ 1,268.0	6.2%	\$ 1,278.9	5.3%
RevPar (MXN\$)	\$ 557.0	\$ 378.6	47.1%	\$ 752.6	-26.0%

Source: FIBRA INN

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