

HOTEL: 3Q21 Preview

The Solid Operating Performance Will Likely Continue Against Last Year's

HOTEL*	HOLD
Target Price (MXN\$)	\$ 5.90
Current Price (MXN\$)	\$ 4.76
Min / Max (L12M - MXN\$)	3.65 - 5.90
Expected Dividend (MXN\$)	\$ 0.00
Total Return	23.9%
Mkt Cap (Mn of MXN)	2,933
Enterprise Value (Mn of MXN\$)	5,192
Shares Outstanding (Mn)	616.1
Float	75.0%
ADTV (MXN\$ Mn)	\$ 0.70



Opinion and Recommendation

We expect HOTEL's operating performance to continue recovering on an annual basis in 3Q21 mainly due to higher occupancy and rising rates. However, results will likely be lower compared to 2Q21 due to seasonal factors and the impact of the third wave.

3Q21 Preview

We project that HOTEL's total revenues will rise 59.9% YoY to MXN\$462 million in 3Q21. We estimate an occupancy rate of 51% in owned hotels in the quarter, much higher than the 24.3% level in the same period of the previous year thanks mainly to an improvement in beach hotels, which represent 53% of the total portfolio of the company. However, the occupancy rate will remain stable sequentially due to seasonal factors and the third wave. In addition, we foresee that the average daily rate of owned hotels will increase 19.4% YoY to MXN\$1,350. RevPar will likely be up 151.3% YoY to MXN\$689.

We anticipate an EBITDA of MXN\$101 million, which compares with last year's negative MXN\$29 million EBITDA. It will be the fourth consecutive period with a positive EBITDA generation. The EBITDA margin will expand to 21.8% from a negative -15.9% margin a year ago.

We believe that HOTEL will report a MXN\$69 million net loss in the current quarter, mainly impacted by FX losses, thus offsetting the solid operating performance.

Luis Hernández

+5255-3659-6407

luis.hernandez@miranda-gr.com

Martin Lara

+5255-6413-8563

martin.lara@miranda-gr.com

October 18th, 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.
