

# HOTEL: 3Q21 Results

Significant Annual Growth Due to a Higher Occupancy and ADR; In Line

HOTEL*	HOLD
Target Price (MXN\$)	\$ 5.90
Current Price (MXN\$)	\$ 4.98
Min / Max (L12M - MXN\$)	3.65 - 5.90
Expected Dividend (MXN\$)	\$ 0.00
Total Return	18.5%
Mkt Cap (Mn of MXN)	3,068
Enterprise Value (Mn of MXN\$)	5,569
Shares Outstanding (Mn)	616.1
Float	75.0%
ADTV (MXN\$ Mn)	\$ 0.70

## Opinion and Recommendation

HOTEL reported positive 3Q21 results that were pretty much in line with our forecasts. The company benefited from a combination of a higher occupancy and average daily rates in its owned and managed hotels, mainly in the beach segment, which resulted in strong 158.3% YoY revenue growth, while EBITDA was positive at MXN\$103.2 million. However, it recorded lower results sequentially due to seasonal factors and the impact of the third wave.

## 3Q21 Results

HOTEL's 3Q21 total revenues were up 158.3% YoY to MXN\$462.8 million (vs. MXN\$461.9 million E). This was mainly due to a 169.0% increase in hotel revenues, +148.7% in food and beverages and +457.6% in managed hotels.

The occupancy rate of owned hotels reached 51.2% in the period, from just 22.7% last year, mainly supported by a stronger performance at beach hotels, which have experienced a faster recovery than urban destinations. In addition, the average daily rate advanced 19.5% YoY to MXN\$1,352. This resulted in a MXN\$692 RevPar in 3Q21, compared to a MXN\$257 RevPar in 3Q20.

As a result of higher hotel activity, total costs and expenses rose 55.9% YoY. EBITDA was MXN\$103.2 million positive, compared to last year's negative MXN\$28.5 million EBITDA. The EBITDA margin was 22.3% (vs. 22.5%) in the quarter.

The net financial cost stood at MXN\$105.6 million in the period due to the FX impact, against a MXN\$59.7 million gain in the same quarter of the previous year.



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HOTEL registered a MXN\$62.0 million net loss in 3Q21, against a MXN\$32.0 million net loss in 3Q20, impacted mainly by a higher net financial cost.

Net debt amounted to MXN\$2.5 billion, which translated into a 10.4x net debt to EBITDA ratio. 87.2% of debt is denominated in US dollars, carrying an average rate of 3.23%. The remaining 12.8% of debt is denominated in pesos, with an average interest rate of 7.84%.

(Figures in Millions of MXN\$)	3Q21	3Q21E	Change	3Q20	Change
Total Revenues	463	462	0.2%	179	158.3%
Operating Profit	43	45	-3.4%	-90	n.a.
<i>Operating Margin</i>	9.4%	6.2%		-50.1%	
EBITDA	103	101	2.4%	-29	n.a.
<i>EBITDA Margin</i>	22.3%	21.8%		-15.9%	
Financial Gains	54	-84	n.a.	120	-55.0%
Financial Cost	-160	-38	n.a.	n.a.	n.a.
Pre-Tax Profit	-62	-93	-33.1%	-32	n.a.
Profit Before Minorities	-62	-93	-33.1%	-32	n.a.
Minority Interest	24	23	2.6%	-13	n.a.
Net Profit	-38	-69	-44.9%	-45	n.a.

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