

# FIBRA INN

Operating results will continue improving fueled by higher a higher occupancy and ADR's

FINN 13	BUY
Target Price (MXN\$)	\$ 5.00
Current Price (MXN\$)	\$ 3.43
Min / Max (L12M - MXN\$)	2.97 - 4.98
Expected Dividend (MXN\$)	\$ 0.00
Total Return	45.8%
Mkt Cap (Mn of MXN)	1,727
CBFI's Outstanding (Mn)	503.6
Float	86.5%
ADTV (MXN\$ Mn)	\$ 0.30

## Opinion and recommendation

We expect FIBRA INN's operating performance to improve significantly in 1Q22 due to increased hotel activity which will boost occupancy levels and rates, resulting in significant growth in all indicators. We anticipate a favorable short-term reaction in the Fibrá's certificates. We reiterate our BUY recommendation with an intrinsic value of P\$5.0/CBFI.

## 1Q22 Preview

We expect FIBRA INN's total revenues to be up 103% YoY, to MXN\$377.4 million. This performance will be mainly due to a 99% increase in hotel revenues, which will benefit from an improvement in the average daily rate to 47.7%, from 29.5%. In addition, the average daily rate will rise 22% to MXN\$1,486, driven by the recovery in existing hotels and the opening of the JW Marriott Monterrey Valle in May last year. This will translate into a 97% RevPar growth to MXN\$710. Leasing revenues will reach MXN\$16.5 million this quarter, from MXN\$4.9 million in 1Q21.

As a result of operating leverage, we project a MXN\$113.2 million Hotel NOI, from MXN\$12.1 million in the previous year. Hotel NOI margin will expand to 30.0% in 1Q22, from 6.5% in 1Q21.

We estimate that the Hotel Factory will record a small loss, which will translate into a Total NOI of MXN\$112.6 million, with an estimated margin of 29.8%. This figure will be much higher than last year's MXN\$9.2 million, with a 4.9% margin.

We project an adjusted EBITDA of MXN\$90 million, with a 23.9% margin. We anticipate a negative FFO of MXN\$15.3 million and negative AFFO of MXN\$29.2 million in the quarter. These indicators will improve significantly against 1Q21.



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