

# FIBRA INN: 3Q22 Preview

We foresee sizeable increases in revenue, NOI and AFFO due to higher occupancy and ADR's

<b>FINN 13</b>	<b>BUY</b>
Target Price (MXN\$)	\$ 5.00
Current Price (MXN\$)	\$ 3.51
Min / Max (L12M - MXN\$)	2.90 - 3.85
Expected Dividend (MXN\$)	\$ 0.00
Total Return	42.5%
Mkt Cap (Mn of MXN)	1,768
CBFI's Outstanding (Mn)	503.6
Float	86.5%
ADTV (MXN\$ Mn)	\$ 0.16

## Opinion and recommendation

We expect FIBRA INN to report very positive results in 3Q22 supported by higher occupancy levels and rising average daily rates, which we estimate will translate into increases of 56% in revenues and 125% in NOI. In addition, AFFO will be positive at MXN\$21 million, compared to a negative figure of MXN\$66 million from the previous year. We believe that this outlook will have a favorable short-term effect on the price of FIBRA INN certificates. The fundamental recommendation is BUY with a MXN\$5.00/CBFI target price.

## 3Q22 Preview

As previously announced, FIBRA INN's hotel revenues will be up 55% to MXN\$488 million as total occupancy will reach 60.6%, from 44.4% the previous year. In addition, the average daily rate will rise 13.8% to MXN\$1,548. We estimate that leasing revenues will be MXN\$18 million, translating into total revenues of MXN\$506 million, up 56% YoY.

We project that profitability will improve significantly due to the operating leverage characteristic of hotel Fibras. The NOI margin will stand at 33.2% in the current quarter, with an expansion of more than ten percentage points compared to the previous year. This will likely boost the total NOI by 125% to MXN\$168 million. For this same reason, the adjusted FFO will be MXN\$21 million positive, from last year's negative MXN\$66 million figure of the previous year.



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