

FIBRA INN: 4Q22 Preview

We expect once again a high revenue growth and rising profitability levels

FINN 13	BUY
Target Price (MXN\$)	\$ 6.50
Current Price (MXN\$)	\$ 6.31
Min / Max (L12M - MXN\$)	3.20 - 6.59
Expected Dividend (MXN\$)	\$ 0.17
Total Return	5.7%
Mkt Cap (Mn of MXN)	3,178
CBFI's Outstanding (Mn)	503.6
Float	86.5%
ADTV (MXN\$ Mn)	\$ 3.58

Opinion and recommendation

We expect FIBRA INN to continue to report favorable results in 4Q22 with a significant revenue growth driven by higher occupancy and average daily rates. In addition, profitability will improve, which will boost NOI by more than 50%. We believe these results, coupled by the acquisitions of CBFI's by two investor groups, will continue to support the certificates' price in the near term.

4Q22 Preview

We expect FIBRA INN's total revenues to be up 40% YoY mainly due to an increase in occupancy to 62.6% in the current quarter, from 50.5% in 4Q21. In addition, the average daily rate will rise 11% to MXN\$1,612.

Profitability will continue to improve as a result of operating leverage, translating into a total NOI margin of 32.6%, up from 29.9% in the previous year. Total NOI will thus grow 53% YoY, reaching MXN\$179 million.

For the same reason, we anticipate that FFO and AFFO will be positive by MXN\$54 million and MXN\$37 million, respectively, from the negative figures of the previous year. These two indicators will also be higher than those of 3Q22.



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