

# HOTEL: 3Q22 Preview

We expect a favorable performance both in beach and urban destinations

HOTEL*	BUY
Target Price (MXN\$)	\$ 5.90
Current Price (MXN\$)	\$ 4.02
Min / Max (L12M - MXN\$)	3.67 - 5.01
Expected Dividend (MXN\$)	\$ 0.00
Total Return	46.8%
Mkt Cap (Mn of MXN)	2,477
Enterprise Value (Mn of MXN\$)	4,989
Shares Outstanding (Mn)	616.1
Float	75.0%
ADTV (MXN\$ Mn)	\$ 1.77



## Opinion and recommendation

We expect HOTEL to continue posting solid results in 3Q22 with significant growth in revenues, EBITDA and net profits derived from the continuous improvement in occupancy and average daily rates, both in beach and urban hotels. We believe that these results could support HOTEL's share price in the short term. Our fundamental recommendation is BUY with a MXN\$5.90/share target price.

## 3Q22 preview

We expect HOTEL's 3Q22 total revenues to reach MNX\$648 million, representing a 40% YoY increase. The company will continue to experience a favorable performance both in beach hotels (above 2019) and in urban destinations (stronger than in previous years, but still below 2019). This will likely translate into a 62.0% occupancy in owned hotels, significantly above the 51.2% of the same period last year, although slightly lower than the 65.2% level in 2Q22 for seasonal factors. In addition, the average daily rate will rise 10% to MXN\$1,492.

As a result of operating leverage, we anticipate an expansion in the EBITDA margin to 25.8% in 3Q22, from 22.3% of 3Q21. For this reason, EBITDA will likely grow 62% to MXN\$167 million. Likewise, the net profit will stand at MXN\$55 million, higher than the previous year's MXN\$38 million net loss, which was affected by FX losses.

October 19<sup>th</sup>, 2022

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