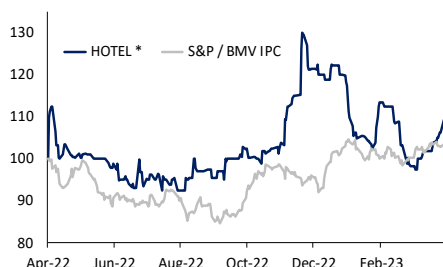


# HOTEL: 1Q23 Preview

We foresee a very favorable performance due to a strong tourism activity and the *Mahekal Beach Resort* acquisition

HOTEL*	BUY
Target Price (MXN\$)	\$ 7.00
Current Price (MXN\$)	\$ 4.20
Min / Max (L12M - MXN\$)	3.70 - 5.20
Expected Dividend (MXN\$)	\$ 0.00
Total Return	66.7%
Mkt Cap (Mn of MXN)	3,008
Enterprise Value (Mn of MXN\$)	5,309
Shares Outstanding (Mn)	716.1
Float	72.3%
ADTV (MXN\$ Mn)	\$ 0.09



## Opinion and recommendation

We expect HOTEL to report solid 1Q23 results with significant growth in all operating indicators. We recommend taking advantage of the current price level. Our recommendation is BUY with a MXN\$7.00/share target price.

## 1Q23 preview

We project that HOTEL 1Q23 revenues will increase 42% YoY to MXN\$835 million mainly due to a strong tourism activity and the acquisition of the *Mahekal Beach Resort* in Playa del Carmen late last year, which should boost occupancy to 68.5% and the average daily rate to MXN\$1,820, from 57.3% and P\$1,629, respectively, of the previous year.

The favorable performance at the revenue level, coupled with the company's operating leverage and a strict costs and expenses control will contribute to boost profitability in a significant way. We estimate that the EBITDA margin will expand to 34.1%, from 28.7% the previous year, translating into a 68% EBITDA growth to MXN\$285 million.

Additionally, we anticipate that the company will register FX gains due to the appreciation of the Mexican peso during the quarter. We forecast that net profits will be up 117% YoY to MXN\$228 million.

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