

# FIBRA INN: 2Q23 Preview

We expect a solid quarter with high growth in all indicators; the balance sheet will strengthen with resources from the rights offering

FINN 13	BUY
Target Price (MXN\$)	\$ 8.50
Current Price (MXN\$)	\$ 5.73
Min / Max (L12M)	3.18 - 6.57
Expected Dividend (MXN\$)	\$ 0.17
Expected Return	51.3%
Market Cap. (MXN\$ Mn)	4,409
Outstanding CBFIs	769.5
Float	100.0%
ADTV (MXN\$ Mn)	\$ 2.48

## Opinion and recommendation

We expect FIBRA INN to deliver a favorable quarter with high growth in all operating indicators. In addition, the balance sheet will improve with the resources of the recent subscription offer. We believe that the certificates could react positively in the short term. Our recommendation is BUY with a MXN\$8.50/CBFI target price.

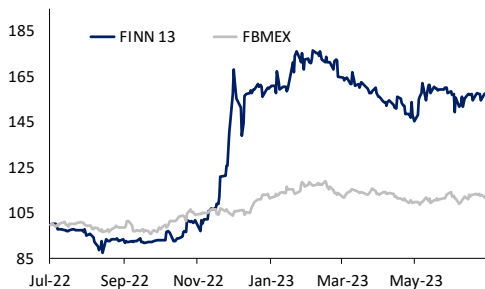
## 2Q23 Preview

FIBRA INN had previously reported that its 2Q23 hotel revenues reached, which represented a 14.3% YoY increase compared to the previous year. The average daily rate rose 5.7% to MXN\$1,654, while the occupancy rate continued to improve to 62.8%, from 57.9%, still as a result of strong tourism activity.

Regarding leasing and Hotel Factory revenues, we expect MXN\$17 million and MXN\$2 million, respectively, which will result in total quarterly revenues of MXN\$551 million, up 13.1% YoY.

For its part, the NOI will rise 10.7% to MXN\$180 million, while the FFO and AFFO will improve significantly to MXN\$51 and MXN\$35 million, respectively.

FIBRA INN's balance sheet will include the MXN\$1.5 billion that the Fibra raised with the subscription process it carried out during the quarter. For that reason, we estimate that the LTV will decrease to around 30%, from 34% in 1Q23.



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