

# HOTEL: 2Q23 Preview

We expect positive results, although with a slowdown compared to previous quarters

HOTEL*	BUY
Target Price (MXN\$)	\$ 7.30
Current Price (MXN\$)	\$ 4.30
Min / Max (L12M - MXN\$)	3.64 - 5.20
Expected Dividend (MXN\$)	\$ 0.00
Total Return	69.8%
Mkt Cap (Mn of MXN)	3,079
Enterprise Value (Mn of MXN\$)	6,034
Shares Outstanding (Mn)	716.1
Float	72.3%
ADTV (MXN\$ Mn)	\$ 0.79



## Opinion and recommendation

We expect HOTEL to report positive 2Q23 results, although with lower growth than in previous quarters due to the appreciation of the FX and greater competition from other beach destinations. Our current recommendation is BUY with a MXN\$7.30/share target price.

## 2Q23 Preview

We estimate that HOTEL 2Q23 revenues will stand at MXN\$725 million, which will represent an increase of 8.3% YoY. In wholly owned hotels, we are forecasting that the average daily rate will increase 16% to MXN\$1,602, which will be partially offset by a slight reduction in the occupancy rate to 63.5% in 2Q23, from 65.2% in 2Q22, as a result of the FX impact and greater competition from other destinations.

The EBITDA margin will decrease to 27.5%, from 28.8%, due to higher operating expenses, resulting in a 3% growth at the EBITDA level to MXN\$200 million.

On the other hand, we expect net profits to be up 746% YoY to MXN\$400 million due to extraordinary gains related to the sale of the *Barceló Guadalajara Hotel* during the quarter. The company used part of the funds to reduce its debt, which we believe will improve its leverage.

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