

FIBRA INN: 3Q23 Preview

We expect a favorable quarter with strong growth fueled by higher occupancy and ADR's; significant improvement in the FFO

FINN 13	BUY
Target Price (MXN\$)	\$ 8.50
Current Price (MXN\$)	\$ 5.57
Min / Max (L12M)	3.48 - 6.57
Expected Dividend (MXN\$)	\$ 0.12
Expected Return	54.8%
Market Cap. (MXN\$ Mn)	4,286
Outstanding CBFI's	769.5
Float	100.0%
ADTV (MXN\$ Mn)	\$ 0.64

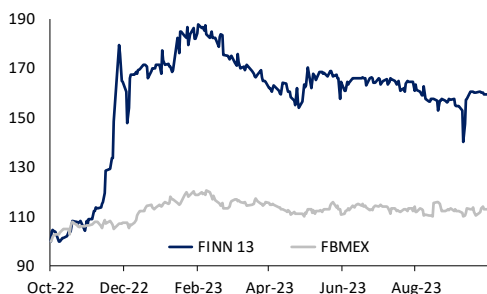
Opinion and recommendation

FIBRA INN had previously announced that its occupancy stood at 63.7% in 3Q23, from 60.6% the previous year, as a result of the strategic location of its properties that we believe benefited from the “nearshoring” process. Additionally, the average daily rate was 7.5% higher. This resulted in hotel revenues of MXN\$543.4 million in the quarter, up 11.5%.

We estimate that leasing revenues will be MXN\$23.0 million and that the Hotel Factory will contribute an additional MXN\$2.5 million, which will translate into total revenues of MXN\$568.9 million (+12.3%).

We project that the NOI margin will expand slightly to 32.8% due to economies of scale, boosting total NOI by 13.5% to MXN\$186.6 million. The FFO will rise 136.3% to MXN\$92.8 million due to the solid operating performance, coupled with interest gains generated by the funds of the subscription offer that FIBRA INN carried out last June.

Our recommendation is BUY with a MXN\$8.50/CBFI target price.



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