

FIBRA INN: 1Q24 Preview

We expect strong quarterly results with a significant FFO improvement

FINN 13	BUY
Target Price (MXN\$)	\$ 8.50
Current Price (MXN\$)	\$ 5.80
Min / Max (L12M)	4.69 - 5.98
Expected Dividend (MXN\$)	\$ 0.44
Expected Return	54.1%
Market Cap. (MXN\$ Mn)	4,463
Outstanding CBFI's	769.5
Float	100.0%
ADTV (MXN\$ Mn)	\$ 1.78

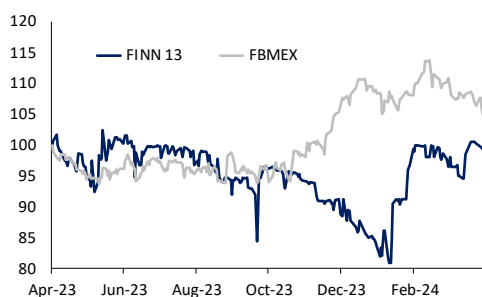
Opinion and recommendation

We expect FIBRA INN to report positive 1Q24 results with a significant improvement in FFO. We believe that the price of the certificates could react favorably in the short term. Our recommendation is BUY with a MXN\$8.50/CBFI target price.

1Q24 Preview

FIBRA had previously reported that its hotel revenues amounted to MXN\$554.2 million in the quarter, up 7.6% YoY, driven mainly by an 8.4% increase in the average daily rate, which was partially offset by a slight reduction in the occupancy rate to 60.3% due to the Holy Week effect. Additionally, we expect MXN\$17.6 million in leasing revenues, resulting in a 7.5% rise in total revenues to MXN\$571.8 million.

The NOI margin will decrease marginally to 32.8% due to an 8.2% increase in operating expenses. However, the FFO margin will improve by nearly 9 percentage points to 17.2% due to higher interest earned and lower corporate expenses, boosting FFO by 117.1% to MXN\$98.3 million.



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