

HCITY (BUY, T.P. MXN\$11.00)

ADR's accelerate and occupancy levels continued to improve in September

NORTE 19 (BMV: HCITY *) reported its hotel indicators for September. The ADR of the portfolio of consolidated and managed hotels (152 hotels with 17,533 rooms) continued to increase above inflation (+11.6% YoY) and in fact accelerated slightly against August (+9.5% YoY), reaching a historically high level of MXN\$1,347 and exceeding our MXN\$1,317 expectation.

Despite this situation, occupancy levels improved 2.5 percentage points on an annual basis to 55.4% (vs. 53.9% E). This generated a 16.7% RevPar rise to MXN\$746. The City Centro, City Express Suites and City Express Plus By Marriott brands were the main drivers, with RevPar growth of 36.1%, 25.2% and 22.5%, respectively. By region, the best performers were the Metropolitan, Central West and Northeast with increases of 38.5%, 22.7% and 18.2%, respectively.

We believe that this was an outstanding performance. We reiterate our BUY recommendation with an MXN\$11.0/share target price.

September 2024 Hotel Indicators

	Sep-24	Sep-23	YoY Change
Occupancy	55.4%	52.9%	2.5 PP
ADR (MXN\$)	\$ 1,347.0	\$ 1,207.0	11.6%
RevPar (MXN\$)	\$ 746.2	\$ 639.0	16.7%

Source: Norte 19

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