

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

Maintained double digit revenue growth in December

NORTE 19 (BMV: HCITY*) announced its December 2024 hotel indicators, which show that the ADR of its operating hotels (151 properties with 17,394 rooms) continued to increase above inflation (+9.6% YoY vs. +10.5% E), due to the company's strategy of maximizing its rates, while occupancy remained resilient to this price adjustment (49.3% in Dec 24 vs. 50.0% in Dec 23). These figures resulted in a healthy 8.0% YoY (vs. +10.5% E) RevPar increase to MXN\$675, and an 11.1% YoY rise in consolidated revenues to MXN\$317.4 million (vs. P\$323.1 million E).

The brands with the best RevPar performance were City Centro, City Express Plus and City Express Junior by Marriott with significant increases of 24.9%, 15.6% and 10.9%, respectively. The first two benefited from a higher volume of leisure travelers, which is typical at the end of each year. The Metropolitan, Central-West, and Northeast regions also benefited from this effect with RevPar growth of 18.7%, 8.7% and 5.5%, respectively.

We consider NORTE 19's December performance as satisfactory. We reiterate our BUY recommendation with a MXN\$11.0/share target price.

December 2024 Hotel Indicators

	Dec-24	Dec-23	YoY Change	Nov-24	MoM Change
Occupancy	49.3%	50.0%	-0.7 PP	62.6%	-13.3 PP
ADR (MXN\$)	\$ 1,369.0	\$ 1,249.0	9.6%	\$ 1,404.0	-2.5%
RevPar (MXN\$)	\$ 675.0	\$ 625.0	8.0%	\$ 879.0	-23.2%
Total Revenues (MXN\$ Mn)	\$ 317.4	\$ 285.7	11.1%	\$ 393.0	-19.2%

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February 4th, 2025

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