

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

ADR's continued to rise significantly above the inflation rate, but occupancy fell 3.5 PP in February

NORTE 19 reported its February hotel indicators. The ADR increased 9.1% YoY to MXN\$1,417 (vs. P\$1,422 E), which exceeded the last twelve-month inflation rate by 5.3 PP, primarily driven by hotels in the northern and metropolitan areas. However, this was partially offset by a 3.5 percentage point fall in occupancy levels to 53.4% (vs. 54.1% E), which we believe was due to macroeconomic weakness. RevPar thus rose 2.3% YoY to MXN\$756, and total revenue was up 2.3% YoY to MXN\$320.1 million (vs. P\$325.3 million E). The brands with the best RevPar performance were City Express by Marriott, City Centro, City Express, and City Express Junior, with increases of 23.1%, 2.8%, and 2.3%, respectively, driven by higher ADR's.

We reiterate our BUY recommendation with a MXN\$11.0/share target price.

## February 2025 Hotel Indicators

	Feb-25		Feb-24		YoY Change
Occupancy	53.4%		56.9%		-3.5 PP
ADR (MXN\$)	\$	1,417.0	\$	1,299.0	9.1%
RevPar (MXN\$)	\$	756.0	\$	739.0	2.3%
Total Revenues (MXN\$ Mn)	\$	320.1	\$	312.9	2.3%

## **DISCLAIMER**

The current report was prepared by Miranda Global Research ("Miranda GR") for CI Casa de Bolsa, S.A. de C.V. The information is presented in summarized form and is not meant to be complete. There are no declarations or guarantees, expressed or implicit, concerning the accuracy, impartiality, or integrity of the information.

Miranda GR, in accordance with applicable legislation, has made sure that the presented personalized recommendation is reasonable to the client, as it has verified congruency between the client's profile and the profile of the financial product. Under no circumstance should it be understood that the fulfillment of the previously mentioned recommendation, guarantees the result or the success of the proposed strategies in the presented document.

The information included in this presentation was obtained from public sources. Projections or previsions included in this presentation, are a generalized recommendation and are based on subjective assumptions and estimations about events and circumstances that have not yet happened and are subjected to significant variations. Therefore, it is not possible to guarantee that any of the results included in the current report will happen in the future, in other words, it does not guarantee the result or the success of the posed strategies.

This report has been prepared solely for informational purposes. No declarations are made in respect to precision, sufficiency, veracity, or accuracy of the information and opinions hereby included. Miranda GR will not answer (either because of negligence or for any other reason) for any damage or detriment derived or related to the use of this report or its content, or any connection to the report. Miranda GR is not responsible for the use or association with this report, including but not limited to, any declaration, expressed or implicit, or guarantees or omissions included in this information.

This report is based on facts and/or events that have happened up to this date, consequently any future facts and/or events can impair the conclusions hereby expressed. Miranda GR does not assume any responsibility to update, review, rectify or invalidate this report based on any future occurrence.

The opinions related to this report eventually expressed by Miranda GR, should be considered only as suggestions/recommendations to better operate various topics related to the presentation.

This report and its contents are property of Miranda GR and cannot be reproduced or broadcast in part or in its entirety without the previous written consent of Miranda GR.

Miranda Global Research receives fees from Promotora de Hoteles Norte 19, S.A.B. de C.V. ("Norte 19") for independent analyst services. Companies or Fibras under coverage will have no right or opportunity to exert any influence on opinions, projections, recommendations, and/or target prices expressed hereby by Miranda GR.

