

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

Double-digit ADR increase partially offset by declining occupancy levels

NORTE 19 (BMV: HCITY\*) released its January hotel indicators. The company continued to benefit from its pricing strategy as its ADR rose 10.2% YoY (vs. +9.5% estimated), in line with the performance of the previous months. However, this adjustment and the prevailing economic situation led to a 1.7 PP reduction in occupancy levels to 45.9% (vs. 46.3% E). The company offset the decrease in business travelers with higher leisure travelers. RevPar was up 6.1% YoY and total revenues advanced 8.8% YoY to MXN\$294.5 million (vs. MXN\$298.7 million E).

By brands, the best performers in terms of RevPar were City Centro (+22.2%), City Express Plus (+10.8%) and City Express by Marriott (+5.4%). Worth nothing that City Center occupancy improved by 11.1 PP. The Metropolitan, Northeast and Central West regions recorded RevPar increases of 17.0%, 10.6% and 9.4%, respectively.

NORTE 19's January performance was favorable, in our view. We reiterate our BUY recommendation with a MXN\$11.0/share target price.

## January 2025 Hotel Indicators

	Jan-25	Jan-24	YoY Change	Dec-24	MoM Change
Occupancy	45.9%	47.6%	-1.7 PP	49.3%	-3.4 PP
ADR (MXN\$)	\$ 1,381.0	\$ 1,253.0	10.2%	\$ 1,369.0	0.9%
RevPar (MXN\$)	\$ 633.2	\$ 597.0	6.1%	\$ 675.0	-6.2%
Total Revenues (MXN\$ Mn)	\$ 294.5	\$ 270.7	8.8%	\$ 317.4	-7.2%

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