

FIBRA INN: 1Q25 Results

Positive results fueled by a 10% ADR increase and the Tregnor incorporation

FINN 13	BUY
Target Price (MXN\$)	\$ 8.50
Current Price (MXN\$)	\$ 4.74
Min / Máx (L12 M)	4.63 - 5.79
Expected Dividend (MXN\$)	\$ 0.37
Expected Return	87.1%
Market Cap. (MXN\$)	3,550
Outstanding CBFIs	749.0
Float	95.1%
ADTV (MXN\$ Mn)	\$ 0.23

Opinion and recommendation

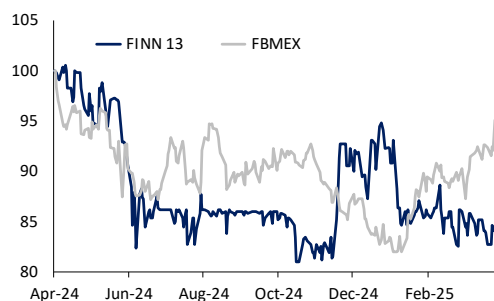
FIBRA INN reported favorable quarterly results, with revenue and NOI in line with our expectations, and a higher-than-expected FFO. We maintain our BUY recommendation and MXN\$8.50/CBFI target price following this quarterly report.

1Q25 Results

FIBRA INN's revenues were up 16.4% YoY to MXN\$665.7 million (vs. MXN\$665.1 million estimated), primarily due to a 6.4% increase in lodging revenues and a 6.0% RevPar rise, driven by a 9.7% ADR adjustment, which offset a 2 PP decrease in occupancy levels to 58.3%. Additionally, it recorded food and beverage revenues of MXN\$59.5 million, "other hotel revenues" of MXN\$13.5 million, and leases of MXN\$3.1 million due to the incorporation of Tregnor, a related party, from January 1st of this year.

NOI increased 10.9% YoY to MXN\$207.3 million (vs. MXN\$206.8 million E). However, the NOI margin contracted to 31.1% in 1Q25, from 32.7% in 1Q24, due to a 19.1% rise in operating expenses resulting from higher property taxes, preventive maintenance expenses, and Tregnor's food and beverage and other operating costs. Meanwhile, FFO registered a significant 34.3% YoY growth to MXN\$132.0 million (vs. MXN\$115.2 million E). The margin improved to 19.8% in the current quarter, from 17.2% in 1Q24. FIBRA INN will make a cash distribution of MXN\$66.2 million (MXN\$0.09/CBFI) corresponding to 1Q25 results. This figure represents 81% of AFFO.

FIBRA INN maintained a low leverage with an LTV of only 28.0%. Furthermore, the FIBRA has a MXN\$1.65 billion cash position.



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(Figures in MXN\$ Mn)	1Q25	1Q25E	Diff.	1Q24	Change
Total Revenues	665.7	665	0.1%	572	16.4%
Operating Expenses	-458	-458	0.0%	-385	19.1%
Total NOI	207	207	0.2%	187	10.9%
<i>Total NOI Margin</i>	31.1%	31.1%		32.7%	
Adjusted EBITDA	177	176	0.4%	154	14.8%
<i>Adjusted EBITDA Margin</i>	26.5%	26.4%		26.9%	
FFO	132	115	14.5%	98	34.3%
<i>FFO Margin</i>	19.8%	17.3%		17.2%	

Discounted Cash Flow Model

MXN\$ Mn	2026E	2027E	2028E	2029E	2030E	Perp.
FFO	555	616	668	732	806	823
Maintenance Capex	-103	-110	-116	-123	-130	-133
AFFO	452	506	552	609	675	690
Interest Gains	116	119	127	134	142	145
Interest Expenses	-387	-408	-405	-410	-412	-421
AFFO before interest payments	723	795	830	885	945	966
Perpetuity Growth Rate						2.2%
PV of Explicit Period (2026 -2030E)						3,038
Perpetuity Value						10,866
PV of Perpetuity Value						5,778
Enterprise Value						8,817
Net Debt						2,449
Market Value						6,368
<i>Outstanding CBFIs</i>						749
Target Price						P\$ 8.50
Current Price						P\$ 4.74
Potential Return incl/ Div.						87.1%
Average Cost of Debt						9.5%
Cost of Capital						11.8%
Market Risk Premium						6.0%
Risk Free Rate						9.3%
Beta						0.41
% of Debt						30%
% of Capital						70%
WACC						11.1%

INCOME STATEMENT	2024	2025E	2026E	2027E	2028E	2029E	2030E
Lodging Revenues	2,316.6	2,445.4	2,609.9	2,785.3	2,948.1	3,120.2	3,302.1
Food & Bev	-	245.1	261.0	278.5	294.8	312.0	330.2
Other Revenues	-	56.2	60.0	64.1	67.8	71.8	75.9
Property Leasing	72.6	12.3	12.8	13.2	13.7	14.2	14.7
Total Revenues	2,389.2	2,759.0	2,943.7	3,141.1	3,324.4	3,518.1	3,723.0
Operating Expenses	- 1,633.5	- 1,890.2	- 1,987.0	- 2,110.8	- 2,227.3	- 2,350.1	- 2,475.8
Total NOI	755.8	868.7	956.7	1,030.3	1,097.0	1,168.0	1,247.2
Indirect Expenses	- 126.8	- 192.8	- 206.1	- 219.9	- 232.7	- 246.3	- 260.6
EBITDA	629.0	675.9	750.6	810.4	864.3	921.7	986.6
Acquisition and Organization Expenses	0.7	42.7	38.3	40.8	43.2	45.7	48.4
Adjusted EBITDA	629.7	718.6	788.9	851.2	907.5	967.5	1,035.0
Operating Profit	- 88.5	354.1	454.0	518.5	567.9	615.9	672.0
Net Profit	- 252.3	109.6	194.0	242.9	308.4	360.6	422.5
FFO	442.0	503.7	554.9	615.7	668.0	732.2	805.5
Distribution Per CBF1	\$ 0.260	\$ 0.367	\$ 0.422	\$ 0.473	\$ 0.516	\$ 0.569	\$ 0.631
BALANCE SHEET	2024	2025E	2026E	2027E	2028E	2029E	2030E
TOTAL ASSETS	13,900.3	13,779.8	14,112.3	14,521.9	14,818.0	15,148.7	15,552.8
Current Assets	2,003.8	1,856.9	1,818.4	1,924.7	2,023.4	2,127.8	2,238.2
Long-Term Assets	11,896.5	11,922.9	12,293.9	12,597.1	12,794.5	13,020.9	13,314.6
Property, Plant and Equipment	11,631.6	11,739.8	12,110.2	12,412.9	12,609.6	12,835.4	13,128.4
TOTAL LIABILITIES	4,427.4	4,503.1	4,608.0	4,778.7	4,802.5	4,849.0	4,953.2
Current Liabilities	573.9	672.0	576.8	747.5	771.3	817.8	922.0
Long-Term Liabilities	3,853.5	3,831.2	4,031.2	4,031.2	4,031.2	4,031.2	4,031.2
Total Debt	3,858.3	3,966.0	4,057.8	4,211.7	4,219.7	4,249.7	4,336.8
Net Debt	2,145.2	2,448.6	2,585.9	2,641.1	2,557.6	2,490.6	2,475.3
Trustee's Capital	9,473.0	9,276.6	9,504.3	9,743.2	10,015.5	10,299.7	10,599.6
Minority Interest	1,423.5	1,405.8	1,440.3	1,476.5	1,517.8	1,560.8	1,606.3
Stockholder's Equity	8,049.5	7,797.8	7,979.8	8,175.3	8,399.2	8,629.7	8,873.3

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