

FIBRA INN: 2Q25 Results

Results continued to benefit from higher ADRs and the Tregnor consolidation; continues to evaluate acquisition opportunities

FINN 13	BUY
Target Price (MXN\$)	\$ 8.50
Current Price (MXN\$)	\$ 4.90
Min / Máx (L12 M)	4.63 - 5.50
Expected Dividend (MXN\$)	\$ 0.36
Expected Return	80.8%
Market Cap. (MXN\$)	3,605
Outstanding CBFI's	735.8
Float	95.1%
ADTV (MXN\$ Mn)	\$ 0.54



Opinion and recommendation

FIBRA INN reported favorable quarterly results with double-digit growth in key operating indicators driven by higher ADRs and the Tregnor consolidation. These results were practically in line with our projections. We reiterate our BUY recommendation with a MXN\$8.50/CBFI target price.

2Q25 Results

FIBRA INN's total revenues were up 13.7% YoY to MXN\$697.4 million, driven primarily by a 3.2% increase in hotel revenues and a 2.4% increase in RevPar, given an 8.8% improvement in the ADR, which offset a 3.8 PP decline in occupancy levels. The consolidation of Tregnor's results also contributed. NOI grew 10.6% YoY to MXN\$218.6 million, although the margin contracted 90 bps to 31.3% due to higher property taxes and maintenance expenses, in addition to Tregnor's operating costs. However, FFO grew 15.6% to MXN\$134.5 million, with a 30 bps margin expansion to 19.3%.

FIBRA INN plans to make a cash distribution of MXN\$65.9 million (MXN\$0.09/CBFI) corresponding to 2Q25 results. This figure represents 66% of AFFO and is 48% higher than the 2Q24 distribution.

The financial structure strengthened with an LTV of 27.6% at the end of 2Q25, compared to 28.8% in 2Q24.

FIBRA INN sold a hotel during the quarter and is evaluating potential acquisitions that will generate long-term value. We believe the Fibra has sufficient resources given its low leverage and high cash levels.

2Q25E Results

(Figures in MXN\$ Mn)	2Q25E	2Q25E	Diff.	2Q24	Change
Total Revenues	697.4	697	0.0%	613	13.7%
Operating Expenses	-479	-479	-0.0%	-416	15.2%
Total NOI	219	218	0.2%	198	10.6%
<i>Total NOI Margin</i>	<i>31.4%</i>	<i>31.3%</i>		<i>32.2%</i>	
Adjusted EBITDA	184	183	0.2%	166	10.9%
<i>Adjusted EBITDA Margin</i>	<i>26.4%</i>	<i>26.3%</i>		<i>27.0%</i>	
FFO	134	134	0.0%	116	15.6%
<i>FFO Margin</i>	<i>19.3%</i>	<i>19.3%</i>		<i>19.0%</i>	

Discounted Cash Flow Model

Figures in MXN\$ Mn	2026E	2027E	2028E	2029E	2030E	Perp.
FFO	562	627	657	710	764	786
Maintenance Capex	-142	-152	-161	-170	-180	-185
AFFO	420	475	497	540	584	601
Interest Gains	127	129	130	131	131	134
Interest Expenses	-367	-381	-385	-386	-386	-397
AFFO before interest payments	660	728	752	796	840	863
Perpetuity Growth Rate						2.8%
PV of Explicit Period (2026 -2030E)						2,760
Perpetuity Value						10,568
PV of Perpetuity Value						5,660
Enterprise Value						8,420
Net Debt						2,162
Market Value						6,257
<i>Outstanding CBFI's</i>						736
Target Price						P\$ 8.50
Current Price						P\$ 4.90
Potential Return incl/ Div.						80.8%
Average Cost of Debt						9.2%
Cost of Capital						11.7%
Market Risk Premium						6.0%
Risk Free Rate						9.4%
Beta						0.38
% of Debt						29%
% of Capital						71%
WACC						11.0%

INCOME STATEMENT	2024	2025E	2026E	2027E	2028E	2029E	2030E
Lodging Revenues	2,316.6	2,388.6	2,522.2	2,692.1	2,849.7	3,016.4	3,192.5
Food & Bev	-	242.1	252.2	269.2	285.0	301.6	319.3
Other Revenues	-	55.8	58.0	61.9	65.5	69.4	73.4
Property Leasing	72.6	12.4	12.8	13.3	13.7	14.2	14.7
Total Revenues	2,389.2	2,698.9	2,845.2	3,036.5	3,214.0	3,401.6	3,600.0
Operating Expenses	-	1,633.5	-	1,849.5	-	1,920.5	-
Total NOI	755.8	849.4	924.7	996.0	1,054.2	1,115.7	1,180.8
<i>Total NOI Margin</i>	<i>31.6%</i>	<i>31.5%</i>	<i>32.5%</i>	<i>32.8%</i>	<i>32.8%</i>	<i>32.8%</i>	<i>32.8%</i>
Indirect Expenses	-	126.8	-	184.3	-	199.2	-
EBITDA	629.0	665.1	725.5	783.4	829.2	877.6	928.8
<i>EBITDA Margin</i>	<i>26.3%</i>	<i>24.6%</i>	<i>25.5%</i>	<i>25.8%</i>	<i>25.8%</i>	<i>25.8%</i>	<i>25.8%</i>
Acquisition and Organization Expenses	0.7	43.8	39.8	42.5	45.0	47.6	50.4
Adjusted EBITDA	629.7	709.0	765.4	825.9	874.2	925.2	979.2
<i>Adjusted EBITDA Margin</i>	<i>26.4%</i>	<i>26.3%</i>	<i>26.9%</i>	<i>27.2%</i>	<i>27.2%</i>	<i>27.2%</i>	<i>27.2%</i>
Operating Profit	-	88.5	464.0	497.7	561.1	593.9	629.8
<i>Operating Margin</i>	<i>-3.7%</i>	<i>17.2%</i>	<i>17.5%</i>	<i>18.5%</i>	<i>18.5%</i>	<i>18.5%</i>	<i>18.6%</i>
Net Profit	-	252.3	218.4	268.7	322.3	357.1	394.4
FFO	442.0	511.9	562.3	627.1	657.5	709.8	764.2
<i>FFO Margin</i>	<i>18.5%</i>	<i>19.0%</i>	<i>19.8%</i>	<i>20.7%</i>	<i>20.5%</i>	<i>20.9%</i>	<i>21.2%</i>
FFO per CBFI	\$ 0.575	\$ 0.696	\$ 0.764	\$ 0.852	\$ 0.894	\$ 0.965	\$ 1.039
Distribution	199.8	263.1	294.0	332.7	347.7	377.8	408.9
Distribution Per CBFI	\$ 0.260	\$ 0.358	\$ 0.400	\$ 0.452	\$ 0.473	\$ 0.514	\$ 0.556
BALANCE SHEET	2024	2025E	2026E	2027E	2028E	2029E	2030E
TOTAL ASSETS	13,900.3	13,918.4	14,336.4	14,660.8	15,083.4	15,521.4	15,820.8
Current Assets	2,003.8	2,088.8	2,132.6	2,169.4	2,186.3	2,198.5	2,205.3
Long-Term Assets	11,896.5	11,829.6	12,203.8	12,491.4	12,897.1	13,322.9	13,615.5
Property, Plant and Equipment	11,631.6	11,635.4	12,009.0	12,296.0	12,701.0	13,126.2	13,418.0
TOTAL LIABILITIES	4,427.4	4,545.3	4,638.7	4,623.5	4,686.7	4,758.1	4,682.2
Current Liabilities	573.9	750.0	643.4	628.2	691.5	762.9	686.9
Long-Term Liabilities	3,853.5	3,795.2	3,995.2	3,995.2	3,995.2	3,995.2	3,995.2
Total Debt	3,858.3	3,916.6	4,000.4	3,968.9	4,016.0	4,070.4	3,976.4
Net Debt	2,145.2	2,162.3	2,207.9	2,147.0	2,184.1	2,233.5	2,140.4
Trustee's Capital	9,473.0	9,373.1	9,697.7	10,037.3	10,396.7	10,763.3	11,138.6
Minority Interest	1,423.5	1,434.3	1,484.0	1,535.9	1,590.9	1,647.0	1,704.5
Stockholder's Equity	8,049.5	7,872.7	8,134.2	8,414.4	8,715.5	9,017.7	9,327.4

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