

FIBRA INN: 3Q25 Results

Mixed results with high revenue growth due to the Tregnor consolidation and rising ADR's, but lower profitability levels

FINN 13	BUY
Target Price (MXN\$)	\$ 8.50
Current Price (MXN\$)	\$ 4.71
Min / Máx (L12 M)	\$ 4.60 - 5.50
Expected Dividend (MXN\$)	\$ 0.31
Expected Return	87.0%
Market Cap. (MXN\$)	3,465
Outstanding CBFI's	735.8
Float	95.1%
ADTV (MXN\$ Mn)	\$ 0.85

Opinion and recommendation

FIBRA INN delivered mixed quarterly results with a favorable revenue performance due to the consolidation of Tregnor's operations and higher ADR's, and a higher distribution; although with lower profitability levels and reduced FFO generation. These results were in line with our estimates.

We reiterate our BUY recommendation with a MXN\$8.50/CBFI target price. We believe that the valuation of FIBRA INN's CBFI's is very low, with a 63% discount to NAV/CBFI and a 14.3% cap rate.

3Q25 Results



FIBRA INN reported total revenues of MXN\$654.5 million in the quarter, up 10.9% YoY, thanks to the consolidation of its food and beverage business following the integration of Tregnor. Hotel revenues increased 0.9%, supported by a 6.8% ADR rise to MXN\$1,929 due to an optimized customer mix. This was partially offset by a 2.7 PP decrease in occupancy levels to 58.7%, reflecting macroeconomic weakness. This resulted in a MXN\$1,132 RevPAR, which was 2.1% higher than the previous year. NOI grew 6.3% YoY to MXN\$187.7 million, although the margin contracted 120 bps to 28.7%, reflecting higher operating expenses, including property taxes, preventive maintenance, and the Tregnor incorporation. FFO fell 7.5% to MXN\$95.7 million due to higher non-operating and net financial expenses, with a 14.6% margin in the current quarter, compared to 17.5% in 3Q24. The distribution corresponding to these quarterly results will amount to MXN\$65.7 million, equivalent to MXN\$0.09/CBFI, up 20.0%.

Leverage (LTV) decreased to 28.0%, from 29.0%, consolidating a solid capital structure.

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In the quarter, the Fibra began direct operation of the Holiday Inn Monterrey Valle and Holiday Inn Puebla La Noria hotels, which we believe will generate operational efficiencies. It also completed the sale of the Coatzacoalcos hotel.

3Q25E Results

(Figures in MXN\$ Mn)	3Q25E	3Q25E	Diff.	3Q24	Change
Total Revenues	655	655	0.0%	590	10.9%
Operating Expenses	-467	-467	0.0%	-414	12.8%
Total NOI	188	188	-0.1%	177	6.3%
<i>Total NOI Margin</i>	<i>28.7%</i>	<i>28.7%</i>		<i>29.9%</i>	
Adjusted EBITDA	157	158	-0.1%	142	10.7%
<i>Adjusted EBITDA Margin</i>	<i>24.1%</i>	<i>24.1%</i>		<i>24.1%</i>	
FFO	96	96	0.1%	103	-7.6%
<i>FFO Margin</i>	<i>14.6%</i>	<i>14.6%</i>		<i>17.5%</i>	

Discounted Cash Flow Model

Figures in MXN\$ Mn	2026E	2027E	2028E	2029E	2030E	Perp.
FFO	462	526	557	607	660	678
Maintenance Capex	-140	-149	-158	-167	-177	-182
AFFO	322	377	399	440	483	496
Interest Gains	114	119	120	121	121	124
Interest Expenses	-398	-413	-413	-414	-411	-422
AFFO before interest payments	607	671	692	732	773	794
Perpetuity Growth Rate						2.8%
PV of Explicit Period (2026 -2030E)						2,583
Perpetuity Value						10,552
PV of Perpetuity Value						5,848
Enterprise Value						8,431
Net Debt						2,178
Market Value						6,253
<i>Outstanding CBFI's</i>						736
Target Price						P\$ 8.50
Current Price						P\$ 4.71
Potential Return incl/ Div.						95.1%
Average Cost of Debt						9.1%
Cost of Capital						10.8%
Market Risk Premium						6.0%
Risk Free Rate						8.6%
Beta						0.38
% of Debt						29%
% of Capital						71%
WACC						10.3%

INCOME STATEMENT	2024	2025E	2026E	2027E	2028E	2029E	2030E
Lodging Revenues	2,316.6	2,361.6	2,480.5	2,648.0	2,803.3	2,967.4	3,141.0
Food & Bev	-	244.4	248.0	264.8	280.3	296.7	314.1
Other Revenues	-	53.8	57.1	60.9	64.5	68.3	72.2
Property Leasing	72.6	10.7	9.4	9.7	10.1	10.4	10.8
Total Revenues	2,389.2	2,670.6	2,795.0	2,983.5	3,158.1	3,342.8	3,538.1
Operating Expenses	- 1,633.5	- 1,850.0	- 1,914.6	- 2,034.7	- 2,153.8	- 2,279.8	- 2,413.0
Total NOI	755.8	820.6	880.4	948.7	1,004.3	1,063.0	1,125.1
<i>Total NOI Margin</i>	<i>31.6%</i>	<i>30.7%</i>	<i>31.5%</i>	<i>31.8%</i>	<i>31.8%</i>	<i>31.8%</i>	<i>31.8%</i>
Indirect Expenses	- 126.8	- 191.5	- 209.6	- 223.8	- 236.9	- 250.7	- 265.4
EBITDA	629.0	629.1	670.8	725.0	767.4	812.3	859.8
<i>EBITDA Margin</i>	<i>26.3%</i>	<i>23.6%</i>	<i>24.0%</i>	<i>24.3%</i>	<i>24.3%</i>	<i>24.3%</i>	<i>24.3%</i>
Acquisition and Organization Expenses	0.7	55.9	39.1	41.8	44.2	46.8	49.5
Adjusted EBITDA	629.7	685.0	709.9	766.7	811.6	859.1	909.3
<i>Adjusted EBITDA Margin</i>	<i>26.4%</i>	<i>25.6%</i>	<i>25.4%</i>	<i>25.7%</i>	<i>25.7%</i>	<i>25.7%</i>	<i>25.7%</i>
Operating Profit	- 88.5	420.4	436.6	500.8	532.2	566.6	603.0
<i>Operating Margin</i>	<i>-3.7%</i>	<i>15.7%</i>	<i>15.6%</i>	<i>16.8%</i>	<i>16.9%</i>	<i>17.0%</i>	<i>17.0%</i>
Net Profit	- 252.3	144.6	162.6	220.4	257.9	294.3	333.5
FFO	442.0	464.6	461.9	526.4	557.3	606.7	659.8
<i>FFO Margin</i>	<i>18.5%</i>	<i>17.4%</i>	<i>16.5%</i>	<i>17.6%</i>	<i>17.6%</i>	<i>18.2%</i>	<i>18.6%</i>
FFO per CBFI	\$ 0.575	\$ 0.631	\$ 0.628	\$ 0.715	\$ 0.757	\$ 0.825	\$ 0.897
Distribution	199.8	246.7	225.5	264.0	279.6	307.7	338.0
Distribution Per CBFI	\$ 0.260	\$ 0.335	\$ 0.307	\$ 0.359	\$ 0.380	\$ 0.418	\$ 0.459
BALANCE SHEET	2024	2025E	2026E	2027E	2028E	2029E	2030E
TOTAL ASSETS	13,900.3	13,646.6	14,230.6	14,426.3	14,834.0	15,100.6	15,537.3
Current Assets	2,003.8	1,918.1	1,998.7	2,091.1	2,107.9	2,120.1	2,126.9
Long-Term Assets	11,896.5	11,728.6	12,231.8	12,335.2	12,726.0	12,980.5	13,410.4
Property, Plant and Equipment	11,631.6	11,557.9	12,060.6	12,163.3	12,553.6	12,807.4	13,236.6
TOTAL LIABILITIES	4,427.4	4,341.1	4,638.0	4,527.3	4,606.7	4,536.8	4,628.1
Current Liabilities	573.9	570.7	667.6	556.9	636.3	566.4	657.6
Long-Term Liabilities	3,853.5	3,770.4	3,970.4	3,970.4	3,970.4	3,970.4	3,970.4
Total Debt	3,858.3	3,807.2	4,095.4	3,968.4	4,031.7	3,944.7	4,018.0
Net Debt	2,145.2	2,178.1	2,390.4	2,178.4	2,231.6	2,139.6	2,213.6
Trustee's Capital	9,473.0	9,305.5	9,592.5	9,899.0	10,227.2	10,563.8	10,909.3
Minority Interest	1,423.5	1,441.4	1,485.9	1,533.3	1,584.2	1,636.3	1,689.8
Stockholder's Equity	8,049.5	7,815.2	8,048.0	8,298.9	8,572.7	8,849.9	9,134.7

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