

# POSADAS®



## Operating & Financial Results: First Quarter 2023



## Grupo Posadas, S.A.B. de C.V. & Subsidiaries Mexico City, April 27, 2023.

Information presented with respect to the same quarter of previous year under IFRS accounting standards (figures in MXN):

- Hotel RevPAR (revenue per available room) increased 31% year-over-year, 25% higher than 2019.
- Q1 revenue was \$2,727<sup>1</sup> million, a 19% increase QoQ.
- 1QEBITDA was \$510 million, 56% higher YoY.
- Net income was \$279 million.
- Pipeline with 22 new hotels with 3,711 rooms, 13% growth.
- The 10th and last payment for \$415 million of the agreement signed with the SAT (Mexico's tax authorities) in 2017 was made.
- Cash available as of March 31, 2023 was \$1,682 million (80% denominated in USD).

Million pesos as of March 31, 2023	1Q23		Var. YY %
	\$	%	
<b>Total Revenues</b>	2,727.4	100	18.7
<b>EBIT</b>	298.5	10.9	165.8
<b>EBITDA</b>	510.5	18.7	56.3

### Relevant Events

During the first quarter of 2023, performance exceeded our expectations. The occupancy rate was 64%, with an ADR (available daily rate) of \$2,093. This resulted in RevPAR of \$1,335, which was 31% higher than in 2022 and 25% higher than 2019.

Coastal hotels (Resorts) had an occupancy rate of 83% and an available daily rate of \$7,929. This yielded a RevPAR of \$6,611, 18% higher than 2022 and 54% higher than 2019. Operating margins recorded a 96% flowthrough.

In the Upscale & Luxury segment, occupancy was 61%, and the available daily rate was \$2,500. This resulted in a RevPAR of \$1,534, an increase of 42% and 25% in RevPAR for 2022 and 2019, respectively. Operating margins recorded a 55% flowthrough.

Midscale & Economy urban hotels had an occupancy and available daily rate of 62% and \$1,210, respectively, resulting in a RevPAR of \$756. This compares favorably with the previous year, 37% higher than the same quarter of 2022 and 13% higher than 2019. Operating margins flowthrough was 58%.

This is mainly due to the recovery that we have observed in individual business, individual public and group reservations for all segments.

The Loyalty sales force registered an increase in net sales of 13% TT.

Fiesta Americana Vacation Club Access net sales grew 50% QoQ, representing 49% of current sales, increasing from \$214 million to \$322 million over the same period. Notably, this product is not recorded as timeshare. FAVC and LARC sales represented 51% of net sales in 1Q23, a decrease of 9%.

As of 2023, the sale of FAVC Access memberships appear registered in the Management segment.

The balance of vacation club receivables was \$6,585 million, as of March 31, 2023, representing an increase of 4% compared to the previous year.

During the quarter we generated a net IFRS income of \$279 million. The cash balance as of March 31, 2023 was \$1,682 million, which was \$82 million higher than the cash balance year-over-year.

1: Includes \$307.1 million from advertising, marketing, commissions and centralized services recoverable revenue.

Total assets were \$17,668 million.

With the cash flow generation, a \$415 million payment to the tenth and last annuity of the agreement with the Mexican tax authorities signed in 2017 was made.

As of 2023, we have added the revenue and costs related to advertising and marketing, centralized services (payroll of the executive committees of the hotels and other recoverable expenses, among others) that were previously presented net, in the profit and loss statement. This change has enabled revenue from the Management segment to be more appropriately sized. The contribution margin for this segment is 41.7% net and 28.5% (gross) when the aforementioned revenues and costs are included.

## > Hotel Development

As of March 31, 2023, the Company continues its development plan that includes agreements to operate 22 new hotels with 3,711 rooms. Of the total investment for these projects worth \$14,259 million (US\$788 million), Posadas will contribute 2% of the resources, with 98% contributed by other investors. This will increase the supply of rooms by 13%. During the quarter we signed an agreement to manage a condominium and residential lodging in Tulum, under development.

These hotel openings will begin during the second quarter of 2023, and according to the commitments assumed by the owners of said properties, it is estimated that most of them will be in operation by 2025. The average life of these operating contracts is more than 15 years.

New Hotels by Brand	Mexico		Caribbean		Total		%
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	
<b>Live Aqua</b>	4	1,101			4	1,101	29.7
<b>Live Aqua Residence Club</b>	1	33			1	33	0.9
<b>Grand Fiesta Americana</b>	2	763			2	763	20.6
<b>Fiesta Americana</b>	1	170			1	170	4.6
<b>Curamoria Collection</b>	3	117			3	117	3.2
<b>Fiesta Inn</b>	2	180			2	180	4.9
<b>Fiesta Inn Loft/Express</b>							
<b>Gamma</b>	3	241			3	241	6.5
<b>One</b>	5	608			5	608	16.4
<b>IOH</b>							
<b>Others</b>			1	498	1	498	13.4
<b>Total</b>	<b>21</b>	<b>3,213</b>	<b>1</b>	<b>498</b>	<b>22</b>	<b>3,711</b>	<b>100</b>

We end the quarter with a total of 189 hotels and 29,150 rooms, in more than 60 destinations.

Openings LTM	No. of rooms	Type of Contract
<b>IOH Mérida MID Center</b>	136	Administrado
<b>Gamma Villahermosa</b>	72	Franquicia
<b>Gamma Guaymas Armida</b>	82	Franquicia
<b>Celeste Beach Residences &amp; Spa Huatulco Curamoria Collection</b>	8	Franquicia
<b>Gamma Colima Garden</b>	91	Franquicia
<b>Total</b>	<b>389</b>	

## > EBITDA

EBITDA IFRS-16 in the quarter was \$510 million, while in the same quarter of the previous year it was \$327 million on a comparable basis.

## > Comprehensive Financial Results

At the end of the quarter (LTM), the net coverage ratio was 5.1 times.

The exchange gain in 1Q23 was \$401 million (including leases) as a result of the appreciation of the MXN/USD of 6.5% compared to the previous quarter.

Concept	1Q23	1Q22
<b>Interest Income</b>	(32,174)	(8,348)
<b>Accrued interest</b>	98,285	89,408
<b>Exchange (gain) loss, net</b>	(291,422)	(169,334)
<b>Exchange (gain) loss, from lease payments</b>	(109,637)	(54,478)
<b>Accrued interest from lease payments</b>	70,368	75,918
<b>Other financial costs (products)</b>	0	0
<b>Other financial expenses</b>	16,585	29,541
<b>Total</b>	<b>(247,995)</b>	<b>(37,295)</b>

Figures in thousands of pesos

## > Capital Expenses

In 1Q23, capital expenditures were \$41 million, invested in hotels, vacation properties and in corporate.

## > Net Majority Income

As a result of the above, net income in the quarter was \$279 million versus \$17 million for the prior year.

> Indebtednes

Concept (Figures in millions)	1Q23		1Q22	
	US\$	MXN	US\$	MXN
<b>FX eop:</b>		18.1052		19.9942
<b>EBITDA LTM</b>		1,047		931
<b>Asset Sale</b>				
<b>EBITDA with sales</b>		1,047		931
<b>Cash</b>		1,682		1,600
<b>Indebtedness:</b>				
<b>Interests</b>		94		101
<b>Senior Notes 2027</b>	393	7,120	399	7,969
<b>Secured Loan</b>				
<b>Subsidiary</b>	7	127	8	159
<b>Issuance expenses (IFRS)</b>		(260)		(313)
<b>Total</b>	400	7,081	407	7,916
<b>Net Debt to EBITDA</b>		5.2		6.8
<b>Lease liabilities</b>		2,997		3,314
<b>Leases LTM</b>		700		713
<b>Adjusted Net Debt to EBITDA</b>		4.8		5.9

As of March 31, 2023, the outstanding balance of the "Senior Notes Due 2027" was US\$393 million.

The \$210 million secured bank loan drawn in June 2017 in our subsidiary that holds the Fiesta Americana Mérida hotel has an outstanding balance of \$127 million after amortizing \$7 million in the quarter.

The corporate rating assigned by S&P is "B-".

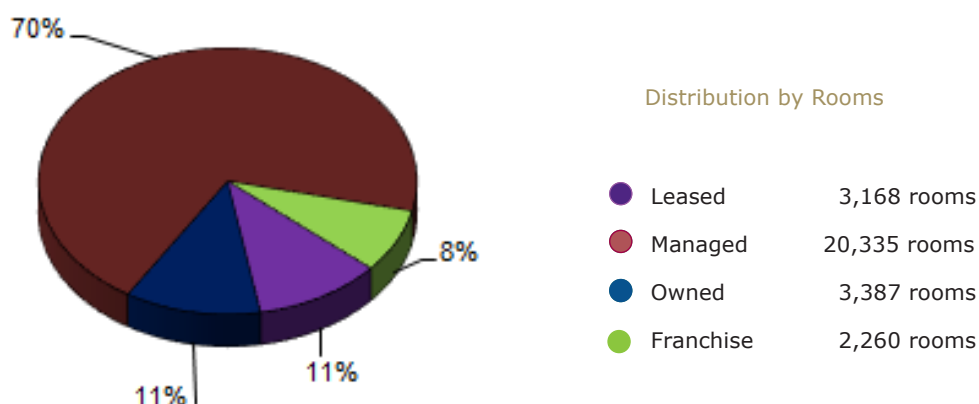
In compliance with Article 4.033.02 Section VIII of the Mexican Stock Exchange rules, Grupo Posadas coverage is provided by:

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> Grupo Posadas as of March 31<sup>st</sup>, 2023.

Posadas is the leading hotel operator in Mexico that owns, leases, franchises and manages 189 hotels and 29,150 rooms in the most important and visited urban and coastal destinations in Mexico. Urban hotels represent 87% of total rooms and coastal hotels represent 13%. Posadas operates the following brands: Live Aqua Beach Resort, Live Aqua Urban Resort, Live Aqua Boutique Resort, Live Aqua Residence Club, Curamoria Collection, Grand Fiesta Americana, Fiesta Americana, Fiesta Americana Vacation Club, The Explorean, IOH, Fiesta Inn, Fiesta Inn LOFT, Fiesta Inn Express, Gamma y One Hoteles.

Posadas has been trading on the Mexican Stock Exchange since 1992.



Brand	Mexico		Caribbean		Total	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
<b>Live Aqua</b>	4	726	1	347	5	1,073
<b>Live Aqua Residence Club</b>	2	160			2	160
<b>Grand Fiesta Americana</b>	8	1,910			8	1,910
<b>Curamoria</b>	5	134			5	134
<b>Fiesta Americana</b>	14	3,951			14	3,951
<b>The Explorean</b>	2	96			2	96
<b>FAVC</b>	5	1,774			5	1,774
<b>IOH</b>	1	136			1	136
<b>Fiesta Inn</b>	70	10,178			70	10,178
<b>Fiesta Inn Loft</b>	4	388			4	388
<b>Fiesta Inn Express</b>	3	378			3	378
<b>Gamma</b>	22	2,975			22	2,975
<b>One</b>	48	5,997			48	5,997
<b>Total</b>	<b>188</b>	<b>28,803</b>	<b>1</b>	<b>347</b>	<b>189</b>	<b>29,150</b>
<b>%</b>		<b>99%</b>		<b>1%</b>		<b>100%</b>

## > Income Statement IFRS (million pesos)

Concept	1Q23		1Q22		Var %
	\$	%	\$	%	
Total Revenues	2,727.4	100.0	2,298.2	100.0	18.7
<b>Owned &amp; Leased Hotels</b>					
Revenues	1,286.4	100.0	988.3	100.0	30.2
Direct cost	988.0	76.8	782.4	79.2	26.3
<i>Business Contribution</i>	298.5	23.2	205.9	20.8	44.9
<b>Managed</b>					
Revenues (1)	660.3	68.3	540.6	65.9	22.1
Advertising and marketing revenues	76.0	7.9	64.7	7.9	17.5
Centralized services revenues	231.1	23.9	215.5	26.3	7.2
<i>Total revenues managed</i>	967.4	100.0	820.8	100.0	17.9
Direct cost (1)	384.8	39.8	414.3	50.5	(7.1)
Advertising and marketing cost	76.0	7.9	64.7	7.9	17.5
Centralized services cost	230.9	23.9	213.9	26.1	7.9
Total cost managed	691.7	71.5	692.9	84.4	(0.2)
<i>Business Contribution IFRS managed</i>	275.7	28.5	127.9	15.6	115.6
<i>Business Contribution IFRS non recoverable expenses</i>	275.5	41.7	126.3	23.4	118.1
<b>Vacation Properties</b>					
Revenues	453.6	100.0	469.5	100.0	(3.4)
Direct cost	407.8	89.9	398.7	84.9	2.3
<i>Business Contribution</i>	45.8	10.1	70.8	15.1	(35.3)
<b>Other Businesses (2)</b>					
Revenues	20.0	100.0	19.7	100.0	1.6
Direct cost	7.0	35.0	7.6	38.6	(7.6)
<i>Business Contribution</i>	13.0	65.0	12.1	61.4	7.5
Corporate Expenses	116.7	4.3	99.6	4.3	17.2
Depreciation/Amortization and asset impairment	222.0	8.1	214.4	9.3	3.6
Other expenses (revenue)	(4.3)	(0.2)	(9.6)	(0.4)	(55.5)
Other	0.0	0.0	0.0	0.0	na
Operating Profit	298.5	10.9	112.3	4.9	165.8
<b>EBITDA</b>	<b>520.5</b>	<b>19.1</b>	<b>326.7</b>	<b>14.2</b>	<b>59.3</b>
Special operations	(10.0)	(0.4)	0.0	0.0	na
<b>EBITDA IFRS</b>	<b>510.5</b>	<b>18.7</b>	<b>326.7</b>	<b>14.2</b>	<b>56.3</b>
Comprehensive financing cost	(248.0)	(9.1)	(37.3)	(1.6)	565.0
Other	0.0	0.0	0.0	0.0	na
Part. in results of Associated Companies	0.0	0.0	0.0	0.0	na
<b>Profit Before Taxes</b>	<b>536.5</b>	<b>19.7</b>	<b>149.6</b>	<b>6.5</b>	<b>258.6</b>
Discontinued Operations	0.0	0.0	0.0	0.0	na
Income taxes	6.1	0.2	14.6	0.6	(58.1)
Deferred taxes	246.6	9.0	117.8	5.1	109.2
<b>Net Income before Minority</b>	<b>283.8</b>	<b>10.4</b>	<b>17.1</b>	<b>0.7</b>	<b>1,558.1</b>
<b>Minority Interest</b>	<b>4.6</b>	<b>0.2</b>	<b>0.1</b>	<b>0.0</b>	<b>3,547.5</b>
<b>Net Majority Income</b>	<b>279.2</b>	<b>10.2</b>	<b>17.0</b>	<b>0.7</b>	<b>1,543.5</b>

(1) Includes products not recorded as timeshare.

(2) Includes third parties operations for Conectum, Konexo.



> Consolidated Balance Sheet as of March 31<sup>st</sup>, 2023 and December 31<sup>st</sup>, 2022 IFRS (million pesos)

CONCEPT	MAR-23	%	DEC-22	%	VAR. %
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	1,681.8	9.5	1,938.9	10.8	(13.3)
Trade and other current receivables	3,077.0	17.4	2,852.7	15.9	7.9
Current tax assets, current	-	0.0	-	-	-
Other current financial assets	-	0.0	-	-	-
Current inventories	178.3	1.0	200.5	1.1	(11.1)
Other current non-financial assets	234.5	1.3	213.1	1.2	10.0
<b>Total</b>	<b>5,171.6</b>	<b>29.3</b>	<b>5,205.3</b>	<b>29.0</b>	<b>(0.6)</b>
Assets held for sale	-	0.0	-	-	-
<b>Total current assets</b>	<b>5,171.6</b>	<b>29.3</b>	<b>5,205.3</b>	<b>29.0</b>	<b>(0.6)</b>
<b>Non current assets</b>					
Trade and other non-current receivables	4,427.8	24.7	4,062.4	22.3	9.0
Non-current inventories	-	0.0	-	0.0	-
Other non-current financial assets	-	0.0	-	-	-
Investments in subsidiaries, joint ventures and associates	129.1	0.7	129.1	0.7	0.0
Property, plant and equipment	3,865.3	21.9	3,904.4	21.8	(1.0)
Right-of-use assets that do not meet definition of investment property	2,737.9	15.5	2,666.0	14.9	2.7
Intangible assets other than goodwill	538.2	3.0	538.4	3.0	(0.0)
Deferred tax assets	831.3	4.7	1,077.9	6.0	(22.9)
Other non-current non-financial assets	-	0.0	-	-	-
<b>Total non-current assets</b>	<b>12,496.8</b>	<b>70.7</b>	<b>12,743.6</b>	<b>71.0</b>	<b>(1.9)</b>
<b>Total assets</b>	<b>17,668.4</b>	<b>100.0</b>	<b>17,948.9</b>	<b>100.0</b>	<b>(1.6)</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other current payables	2,738.0	15.5	2,667.8	14.9	2.6
Current tax liabilities, current	(0.2)	(0.0)	412.1	2.3	(100.0)
Other current financial liabilities	34.6	0.2	33.8	0.2	2.4
Current lease liabilities	420.9	2.4	424.5	2.4	(0.8)
Other current non-financial liabilities	1,356.3	7.7	1,263.3	7.0	7.4
Current provisions for employee benefits	158.9	0.9	188.3	1.0	(15.6)
<b>Total current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>4,708.5</b>	<b>26.6</b>	<b>4,989.8</b>	<b>27.8</b>	<b>(5.6)</b>
Liabilities included in disposal groups classified as held for sale	-	0.0	-	0.0	-
<b>Total current liabilities</b>	<b>4,708.5</b>	<b>26.6</b>	<b>4,989.8</b>	<b>27.8</b>	<b>(5.6)</b>
<b>Non Current Liabilities</b>					
Trade and other non-current payables	942.4	5.3	715.7	4.0	31.7
Non-current lease liabilities	2,576.1	14.6	2,593.0	14.4	(0.7)
Bank loans	91.3	0.5	100.0	0.6	(8.7)
Stock market loans	6,861.5	38.8	7,343.6	40.9	(6.6)
<b>Other non-current financial liabilities</b>	<b>6,952.8</b>	<b>39.4</b>	<b>7,443.6</b>	<b>41.5</b>	<b>(6.6)</b>
Non-current provisions for employee benefits	301.6	1.7	297.0	1.7	1.5
Other non-current provisions	-	0.0	-	-	-
<b>Total non-current provisions</b>	<b>301.6</b>	<b>1.7</b>	<b>297.0</b>	<b>1.7</b>	<b>1.5</b>
Deferred tax liabilities	649.1	3.7	654.7	3.6	(0.9)
<b>Total non-current liabilities</b>	<b>11,422.0</b>	<b>64.6</b>	<b>11,704.0</b>	<b>65.2</b>	<b>(2.4)</b>
<b>Total liabilities</b>	<b>16,130.5</b>	<b>91.3</b>	<b>16,693.8</b>	<b>93.0</b>	<b>(3.4)</b>
<b>EQUITY</b>					
Total equity attributable to owners of parent	1,354.6	7.7	1,076.2	6.0	25.9
Non-controlling interests	183.4	1.0	178.8	1.0	2.6
<b>Total equity</b>	<b>1,538.0</b>	<b>8.7</b>	<b>1,255.0</b>	<b>7.0</b>	<b>22.5</b>
<b>Total equity and liabilities</b>	<b>17,668.5</b>	<b>100.0</b>	<b>17,948.8</b>	<b>100.0</b>	<b>(1.6)</b>

## > Consolidated Cash Flow Statement - IFRS

(Million pesos from January 1<sup>st</sup> to March 31<sup>st</sup>, 2023 & 2022)

STATEMENT OF CASH FLOWS		
	1Q23	1Q22
Cash flows from (used in) operating activities		
Profit (loss)	283.8	17.1
Adjustments to reconcile profit (loss)		
Discontinued operations	0.0	0.0
Adjustments for income tax expense	252.7	132.5
Adjustments for finance costs	148.6	98.7
Adjustments for depreciation and amortisation expense	222.0	214.4
Adjustments for unrealised foreign exchange losses (gains)	(603.7)	(289.4)
Adjustments for fair value losses (gains)	0.0	0.0
Adjustments for losses (gains) on disposal of non-current assets	(0.4)	(0.3)
Participation in associates and joint ventures	0.0	0.0
Adjustments for decrease (increase) in inventories	22.2	25.6
Adjustments for decrease (increase) in trade accounts receivable	(81.9)	(226.4)
Adjustments for decrease (increase) in other operating receivables	(131.4)	94.6
Adjustments for increase (decrease) in trade accounts payable	(121.2)	30.2
Adjustments for increase (decrease) in other operating payables	372.1	399.6
Other adjustments for which cash effects are investing or financing cash flow	0.0	0.0
Other adjustments to reconcile profit (loss)	0.0	(2.6)
Total adjustments to reconcile profit (loss)	79.1	476.8
Cash flows from (used in) operations	362.8	493.9
Income taxes paid (refund), classified as operating activities	416.1	559.5
Cash flows from (used in) operating activities	(53.3)	(65.7)
Other cash payments to acquire interests in joint ventures, classified as investing activities	0.0	0.0
Proceeds from sales of property, plant and equipment, classified as investing activities	1.1	0.6
Purchase of property, plant and equipment, classified as investing activities	40.6	28.2
Purchase of intangible assets, classified as investing activities	8.2	97.8
Interest received, classified as investing activities	32.2	8.3
Other inflows (outflows) of cash, classified as investing activities	0.0	0.0
Cash flows from (used in) investing activities	(15.6)	(117.1)
Proceeds from borrowings, classified as financing activities	0.0	0.0
Repayments of borrowings, classified as financing activities	8.1	0.0
Payments of lease liabilities	177.1	173.7
Dividends paid, classified as financing activities	0.0	0.0
Interest paid, classified as financing activities	3.1	3.7
Income taxes paid (refund), classified as financing activities	0.0	0.0
Other inflows (outflows) of cash, classified as financing activities	0.0	0.0
Cash flows from (used in) financing activities	(188.3)	(177.4)
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	(257.2)	(360.2)
Effect of exchange rate changes on cash and cash equivalents	0.0	0.0
Increase (decrease) in cash and cash equivalents	(257.2)	(360.2)
Cash and cash equivalents at beginning of period	1,938.9	1,960.1
Cash and cash equivalents at end of period	1,681.7	1,599.9