

POSADAS®

Operative & Financial Results - 2Q18

07/27/2018

Disclaimer

This Presentation has been produced by Grupo Posadas, S.A.B. de C.V. (the “Company” or “Posadas”). This presentation is strictly confidential and may not be reproduced or delivered, in whole or in part, to any other person.

This Presentation contains information that may be deemed to be “forward looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our future financial position and results of operations, our strategy, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate and other statements contained in this offering memorandum that are not historical facts. Forward looking statements use the words “anticipate,” “believe,” “could,” “estimate,” “except,” “intend,” “may,” “plan,” “predict,” “project,” “will,” “would” and similar terms and phrases. Forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results, developments and business decisions to differ materially from those contemplated in these forward looking statements. These statements are based on assumptions and assessments made by our management in light of their experience and their perception of historical trends, current conditions, expected future developments and other factors they believe to be appropriate. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate and the forward-looking statements based on these assumptions could be incorrect. In addition, our business and operations involve numerous risks and uncertainties, many of which are beyond our control, which could result in our expectations not being realized or otherwise materially affect our financial conditions, results of operations and cash flows. These risks and uncertainties include, among other factors: political and economic factors in Mexico and the United States; supply and demand changes for hotel rooms and vacation club memberships in our markets; the financial condition of the airline industry and its impact on the lodging industry; the impact of government regulations and resolutions, including land use, tax, health, safety and environmental laws; capital market volatility; risks related to our business, our strategy, our expectations about growth in demand for our services, our expectations as to our ability to increase the number of hotels and hotel rooms we manage and our business operations, financial condition and results of operations; statements of our plans, objectives or goals, including our ability to implement our strategy; the availability of funds to finance growth; currency fluctuations and inflation in the countries in which we operate; the impact of natural events, such as earthquakes, hurricanes and floods; and health pandemics, such as the 2009 H1N1 influenza outbreak. Readers are cautioned not to place undue reliance on these forward looking statements, which speak only as of the date of this Presentation. The Company undertakes no obligation (and expressly disclaims any such obligation) to update any forward looking statements to reflect events or circumstances after the date of this Presentation.

2Q18 - Highlights

- In 2Q18 revenues reached \$2,115 million.
- EBITDA for the 2Q18 of \$294 million.
- Four hotel openings during the quarter with 400 rooms (+2%).
- The pipeline considers 51 hotels (a 38% increase over current number of rooms) to be opened during the next three years.
- Cash available as of June 30th, 2018 of \$3,270 million (equivalent to US\$166 million) considering US\$96 million denominated in USD.
- Net debt to EBITDA ratio of 1.9x and Net interest coverage ratio of 4.7x.

Income Statement

(million pesos)

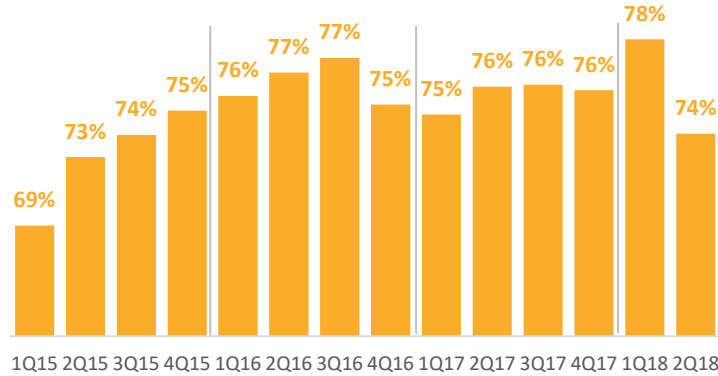
2Q18	%	QoQ		1H18	%	YoY
2,115	100	-4%	Total revenues	5,643	100	28%
1,821	86	1%	Expenses	3,980	71	14%
294	14	-29%	EBITDA MXN	1,663	29	85%
14%		(0.4pp)	Margin	29%		(0.2pp)
364		na	Exchange (gain)	(72)		(92%)
(264)	(12)	na	Net Income	812	14	na

Hotel Performance

(MXN)

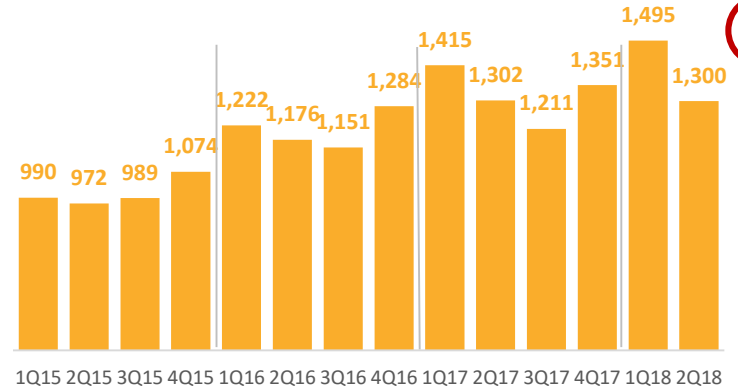
OWNED AND LEASED HOTELS

% Occupancy



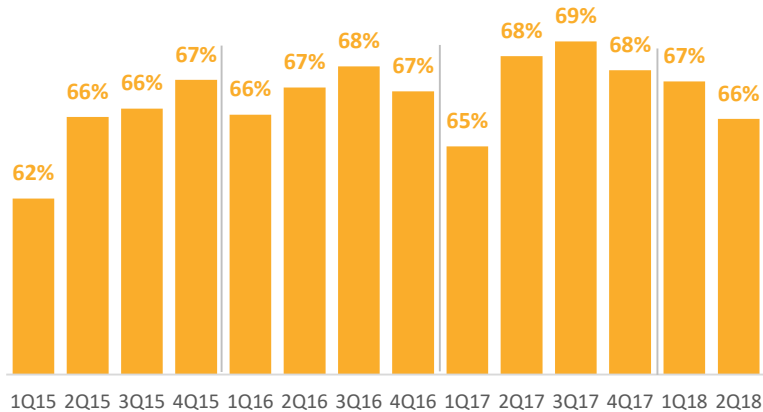
(2 pp)

RevPAR

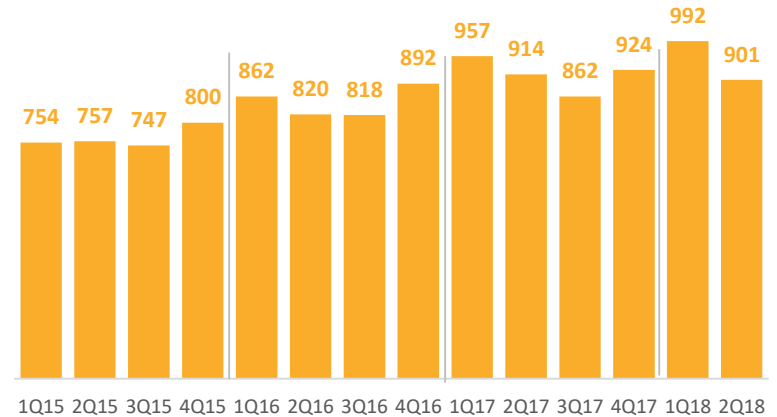


(0%)

SYSTEM WIDE HOTELS



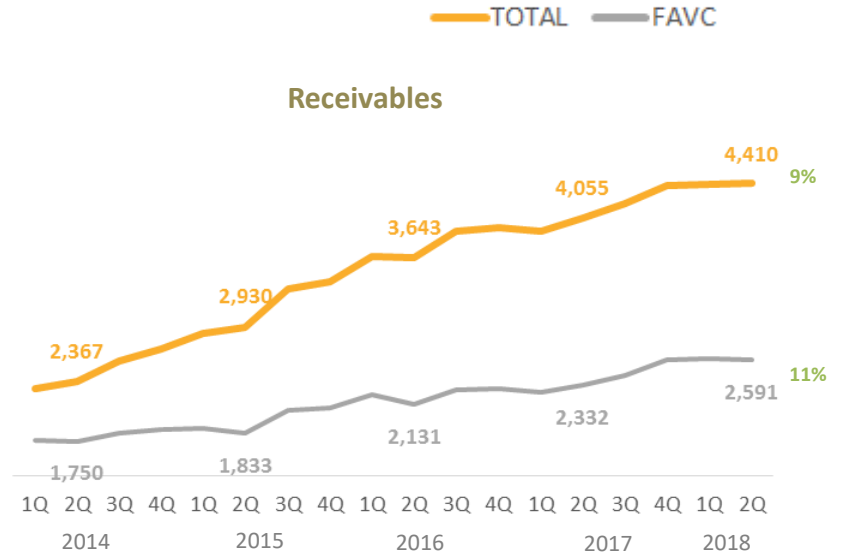
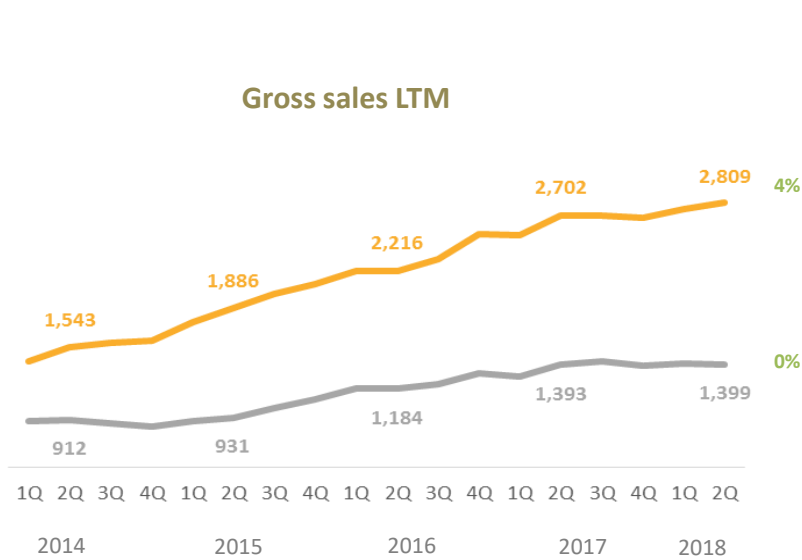
(3 pp)



(1%)

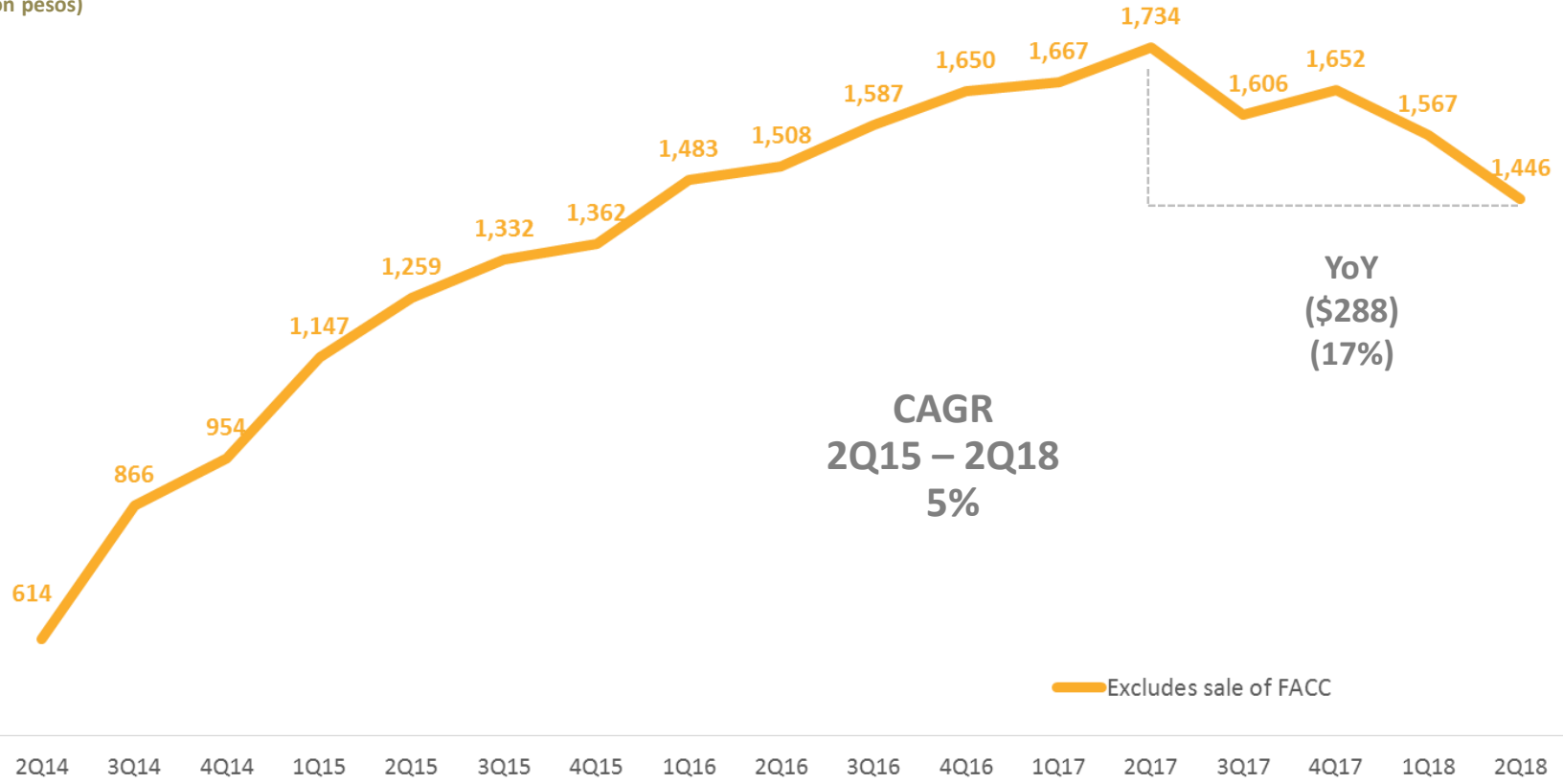
Vacation Properties

(million pesos)



EBITDA LTM

(million pesos)












Free Cash Flow, Internal Reporting

(million pesos)

	BAU	FACC	1H18
Cash EoP 2017	1,384		1,384
Sale FACC		2,892	
Taxes	682	(682)	
Provisions		(227)	
Investments in trust		(27)	
EBITDA & cash	691	1,956	2,647
Provisions	(133)		(133)
Working capital & Other	294		294
Dividends	(200)		(200)
Interests, net	(292)	63	(229)
Financings	(10)		(10)
Taxes	(338)		(338)
Cash before CAPEX	13	2,020	3,416
CAPEX	(202)	(566)	(768)
Key money	(59)		(59)
	433	1,454	2,589
Cash EoP	1,817	1,454	3,270



Number of hotels by brand

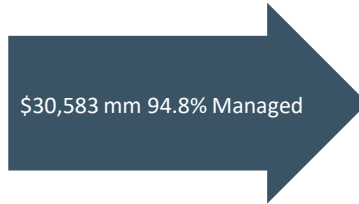
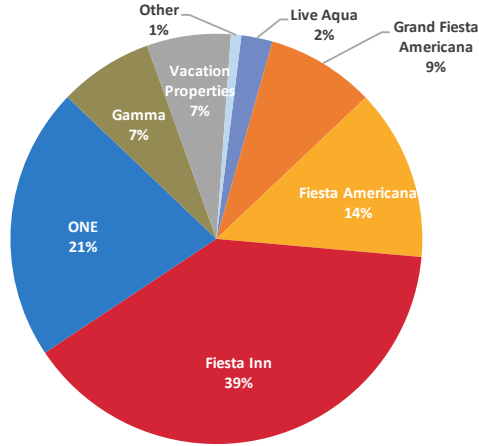
	Luxury		Upper		Middle Economy				Vacation Club	Other	Total
										Other	Total
2017	4	8	12	2	66	5	12	45	6	2	162
1Q18					2		1				3
2Q18					1		2	1			4
Exits								(1)		(1)	(2)
2018	4	8	12	2	69	5	15	45	6	1	167

Number of rooms by brand

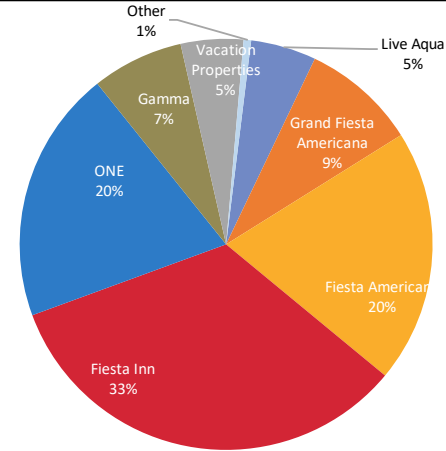
	Luxury		Upper		Middle Economy				Vacation Club	Other	Total
										Other	Total
2017	640	2,226	3,530	96	9,505	299	1,653	5,620	1,626	413	25,608
1T18					288		136				424
2T18					163		146	126			435
Exits								(126)		(200)	(326)
2018	640	2,226	3,530	96	9,956	299	1,935	5,620	1,626	213	26,141

Development Plan

As of June 30, 2018 (26,141 rooms)



Estimated portfolio June 2021 (36,065 rooms) +38%



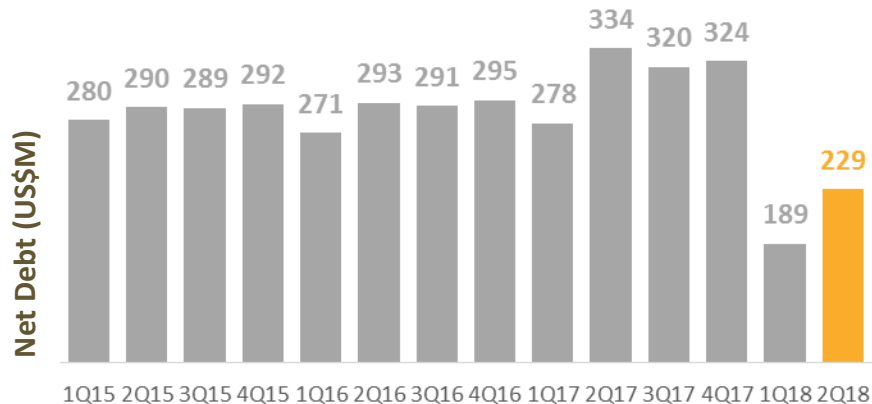
Hotels	2H18	2019	2020+	TOTAL
Live Aqua	1		3	4
Grand Fiesta Americana		1	2	3
Fiesta Americana	3	3	4	10
Fiesta Inn	1	5	1	7
Fiesta Inn	3	2	1	6
ONE	6	6		12
The Exploreal		1	1	2
Gamma	4	2		6
Live Aqua Residence Club*		1		1
TOTAL	18	21	12	51

Rooms	2H18	2019	2020+	TOTAL
Live Aqua	151		1,059	1,210
Grand Fiesta Americana		145	877	1,022
Fiesta Americana	1,605	557	1,376	3,538
Fiesta Inn	125	654	200	979
Fiesta Inn	387	281	137	805
ONE	756	794		1,550
The Exploreal		32	90	122
Gamma	497	156		653
Live Aqua Residence Club*		45		45
TOTAL	3,521	2,664	3,739	9,924

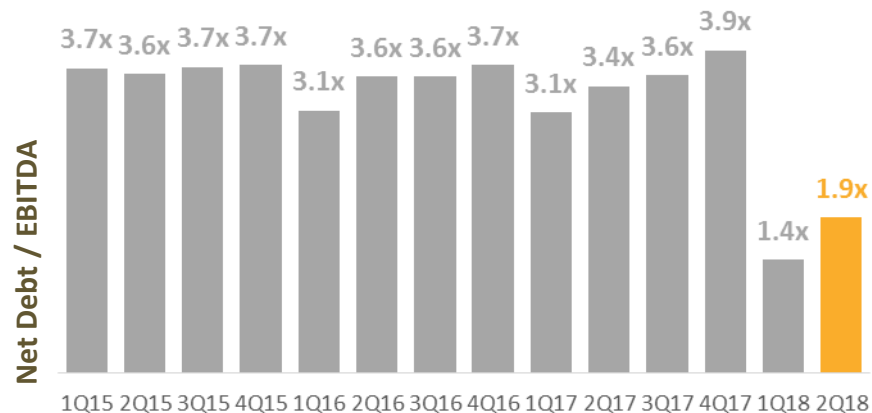
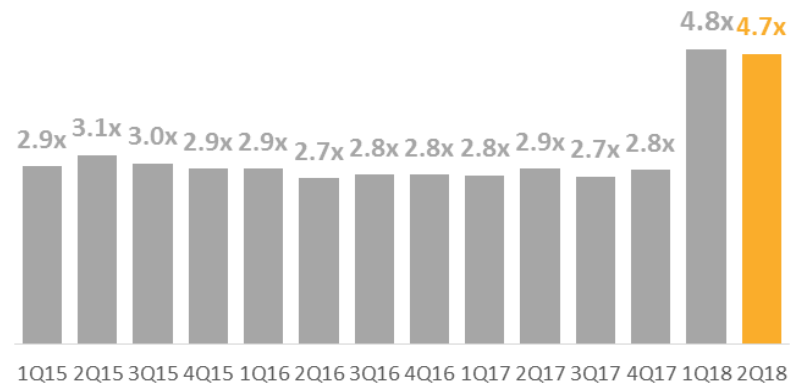
(*) Vacation Properties (OWNED)

Financial Health

(Fx eop 2Q18: 19.6912)



Net Interest Coverage



(Figures in millions)	2Q18		2Q17	
	US\$ Notional	IFRS MXN	US\$ Notional	IFRS MXN
FX eop:		19.6912		17.8775
EBITDA LTM		2,417		1,734
Cash		3,270		1,039
Indebtedness:				
Senior Notes 2022	400	7,876	400	7,151
Subsidiary	10	200	12	210
Issuance expenses (IFRS)		(289)		(358)
Total	410	7,788	412	7,003
Net Debt to EBITDA		1.9		3.4

POSADAS®

LIVE
AQUA

S. Grand
Fiesta Americana
HOTELS & RESORTS

S. Fiesta
Americana
HOTELS & RESORTS

F FIESTA INL
HOTELS & RESORTS

GAMMA
HOTELS & RESORTS

one
HOTELS

EXPLOREAN
HOTELS

FIESTA
REWARDS

THE
FRONT
DOOR

S. Fiesta
Americana
HOTELS & RESORTS

Kivac
HOTELS & RESORTS