

# POSADAS®



## Operating & Financial Results: First Quarter 2024



## Grupo Posadas, S.A.B. de C.V. & Subsidiaries Mexico City, April 25, 2024.

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

- Hotel occupancy rate was 63%, 1 pp higher year-over-year.
- RevPAR (revenue per available room) increased by 1% despite the appreciation of the MXN vs. USD of 8% QoQ.
- Q1 revenue was \$2,702<sup>1</sup> million, 1% lower QoQ, which includes \$327 million from advertising and marketing recoverable revenue.
- 1Q EBITDA was \$496 million, 3% lower QoQ.
- 1Q net income was \$70 million, including a foreign exchange gain of \$66 million.
- Pipeline includes 21 new hotels with 3,719 rooms, 12% growth.
- Cash available as of March 31, 2024 was \$2,001 million (70% denominated in USD), 19% higher than in 1Q23.

Million pesos as of March 31, 2024	1Q24		Var. YY %
	\$	%	
<b>Total Revenues</b>	2,702.5	100	(1.0)
<b>EBIT</b>	303.3	11.2	1.6
<b>EBITDA</b>	496.4	18.4	(2.8)

### Relevant Events

We recorded strong occupancy rates in all segments during the first quarter. As a result of the fact that the MXN/USD exchange rate appreciated by 8% QoQ, the results in MXN of dollar denominated hotels were impacted by the depreciation of the U.S. dollar. This was mainly in Resorts located in coastal destinations.

The occupancy rate was 63%, with an ADR (available daily rate) of \$2,174. This resulted in RevPAR of \$1,360, which was 1% higher than in 1Q23.

Coastal hotels (Resorts) had an occupancy rate of 84% (+1pp vs 1Q23) and an available daily rate of \$7,737. This yielded a RevPAR of \$6,476, 2% lower than 1Q23. The variation is mainly due to the strength of the peso (MXN) against the USD (8% vs. 1Q23 average exchange rate). When we compare the performance of these hotels in USD, the same occupancy with the ADR of US\$456 (+6% QoQ), resulted in a RevPAR of US\$381, 6% higher than in 1Q23.

In the Upscale & Luxury segment, occupancy was 58%, and the available daily rate was \$2,634. This resulted in a RevPAR of \$1,537, a similar performance than in 1Q23.

Midscale & Economy urban hotels had occupancy and available daily rate of 62% and \$1,284, respectively, resulting in a RevPAR of \$791. This compares favorably with the previous year, 5% higher than the same quarter of 2023.

The net sales for the Loyalty segment recorded a similar performance QoQ.

For the purposes of comparison, it is important to highlight that the 20 sales rooms located in different locations compensated for the lack of that resulted from the temporary closure of the salesroom located in the Fiesta Americana Condesa Acapulco hotel. When comparing sales in USD, a 3% increase was recorded, QoQ.

Access Fiesta Rewards net operating sales remained flat, representing 46% of current operating sales of \$267 million for both comparable periods.

Operating sales of FAVC (Fiesta Americana Vacation Club) and LARC (Live Aqua Residence Club) represented 54% of net sales in 1Q24, decreasing marginally compared to the same period last year.

1: Includes \$327.1 million from advertising, marketing, commissions and centralized services recoverable revenue.

compared to the same period last year. It is important to highlight that the other 20 sales rooms compensated for the lack of sales that resulted from the temporary closure of the salesroom in the Fiesta Americana Condesa Acapulco hotel.

Hotel Fiesta Americana Condesa Acapulco sustained significant damage from OTIS, which had 560 rooms impacted. The cost to remodel is expected to be \$670 million, with 15% financed by Posadas and the remaining 85% reimbursed by insurance. We expect that the hotel to partially reopen operations during the fourth quarter of 2024, with nine out of 19 floors and the remaining rooms expected to be operational by the end of 1Q25.

The outstanding balance of vacation club receivables was \$6,929 million, as of March 31, 2024, representing an increase of 5.2% compared to the previous year.

## > Hotel Development

As of March 31, 2024, the Company continues its development plan comprised of agreements to operate 21 new hotels with 3,719 rooms. Of the total investment for these projects worth \$14,527 million (US\$871 million), Posadas will contribute 2% of the resources, with 98% contributed by other investors. This will increase the supply of rooms by 12%. Notably, 65% of these rooms will be developed in coastal destinations.

These hotel openings will begin in the second half of 2024, and according to the commitments assumed by the owners of these properties, we estimate that all of them will be in operation by 2026. 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>	5	1,176			5	1,176	31.6
<b>Live Aqua Residence Club</b>	1	33			1	33	0.9
<b>Grand Fiesta Americana</b>	1	600			1	600	16.1
<b>Fiesta Americana</b>	2	324			2	324	8.7
<b>Curamoria Collection</b>	1	50			1	50	1.3
<b>Fiesta Inn</b>	1	40			1	40	1.1
<b>Fiesta Inn Loft/Express</b>							
<b>Gamma</b>	2	222			2	222	6.0
<b>One</b>	7	776			7	776	20.9
<b>IOH</b>							
<b>Others</b>			1	498	1	498	14.5
<b>Total</b>	<b>20</b>	<b>3,221</b>	<b>1</b>	<b>498</b>	<b>21</b>	<b>3,719</b>	<b>100</b>

We end the quarter with a total of 197 hotels and 29,849 rooms, in more than 60 destinations.

Openings LTM	No. of rooms	Type of Contract
<b>Gamma Querétaro</b>	116	Franchised
<b>Tres79</b>	14	Franchised
<b>El Hotel Casona142</b>	8	Franchised
<b>One Mazatlán Zona Dorada</b>	144	Managed
<b>Gamma Los Cabos</b>	33	Franchised
<b>Kempinski Cancún</b>	363	Franchised
<b>Fiesta Inn Mazatlán Zona Dorada</b>	138	Managed
<b>One Irapuato</b>	126	Franchised
<b>Gamma Puebla Hotel Señorial</b>	78	Franchised
<b>One Morelia Acueducto</b>	90	Franchised
<b>Sumiya Cuernavaca</b>	163	Managed
<b>Total</b>	<b>1,273</b>	

In the first quarter of 2024, we stopped operating the following three hotels: IOH Mérida MID Center, Gamma Acapulco Copacabana and Ilo Rojo San Miguel de Allende.

## > EBITDA

EBITDA IFRS-16 in the quarter was \$496 million, while in the same quarter of the previous year it was \$510 million on a comparable basis, a 3% decrease.

## > Comprehensive Financial Results

At the end of the quarter, the net coverage ratio was 3.7 times on an LTM basis. LTM Net Debt to EBITDA was 4.1x, 1.1 times lower than in 1Q23.

The exchange gain in 1Q24 was \$66 million (including leases) because of a 1.3% appreciation of the MXN/USD compared to the previous quarter. Compared to the same period of the previous year (March 31, 2024 v. March 31, 2023), the end of period exchange rate appreciated 7.9%. For 1Q23, the foreign exchange gain was \$401 million.

Concept	1Q24	1Q23
<b>Interest Income</b>	(34,159)	(32,174)
<b>Accrued interest</b>	123,099	98,285
<b>Exchange (gain) loss, net</b>	(45,304)	(291,422)
<b>Exchange (gain) loss, from lease payments</b>	(20,704)	(109,637)
<b>Accrued interest from lease payments</b>	77,825	70,368
<b>Other financial costs (products)</b>	(6,230)	0
<b>Other financial expenses</b>	15,185	16,585
<b>Total</b>	<b>109,712</b>	<b>(247,995)</b>

Figures in thousands of pesos

## > Capital Expenses

In 2024, capital expenditures were \$66 million, comprised of investments in hotels, vacation properties and in corporate.

## > Net Majority Income

As a result of the above, net income in the quarter was \$70 million versus \$279 million for the prior year.

> Indebtednes

Concept (Figures in millions)	1Q24		1Q23	
	US\$	MXN	US\$	MXN
<b>FX eop:</b>		16.6780		18.1052
<b>EBITDA LTM</b>		1,063		1,047
<b>Asset Sale</b>				
<b>EBITDA with sales</b>		1,063		1,047
<b>Cash</b>		2,001		1,682
<b>Indebtedness:</b>				
<b>Interests</b>		117		94
<b>Senior Notes 2027</b>	381	6,349	393	7,120
<b>Secured Loan</b>				
<b>Subsidiary</b>	6	93	7	127
<b>Issuance expenses (IFRS)</b>		(209)		(260)
<b>Total</b>	386	6,351	400	7,081
<b>Net Debt to EBITDA</b>		4.1		5.2
<b>Lease liabilities</b>		3,211		2,997
<b>Leases LTM</b>		708		700
<b>Adjusted Net Debt to EBITDA</b>		4.3		4.8

As of March 31, 2024, the outstanding balance of the "Senior Notes Due 2027" was US\$380.7 million after having repurchased US\$5.0 million on the market (OMR) during the quarter. This liability is recorded as long-term.

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 \$93 million after amortizing \$8 million in the quarter. The outstanding balance is recorded as a short-term liability since the loan matures in June 2024 and is being refinanced prior to maturity

The corporate rating assigned by the S&P Global agency is "B".

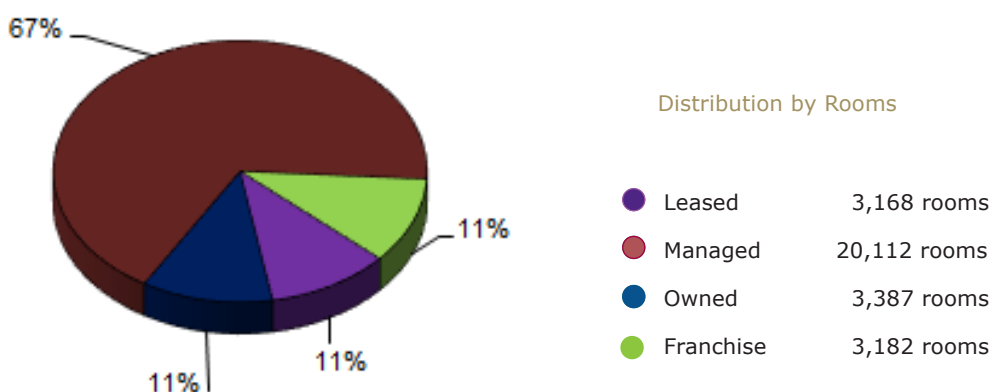
In compliance with Article 4.033.02 Section VIII of the Mexican Stock Exchange rules, Grupo Posadas coverage is provided by:

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> Grupo Posadas as of March 31<sup>st</sup>, 2024.

Posadas is the leading hotel operator in Mexico that owns, leases, franchises and manages 197 hotels and 29,849 rooms in the most important and visited urban and coastal destinations in Mexico. Urban hotels represent 86% of total rooms and coastal hotels represent 14%. 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 Exploreat, 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>	9	2,073			9	2,073
<b>Curamoria</b>	6	126			6	126
<b>Fiesta Americana</b>	14	3,951			14	3,951
<b>The Exploreat</b>	2	96			2	96
<b>FAVC</b>	5	1,774			5	1,774
<b>Fiesta Inn</b>	71	10,316			71	10,316
<b>Fiesta Inn Loft</b>	4	388			4	388
<b>Fiesta Inn Express</b>	3	378			3	378
<b>Gamma</b>	24	2,771			24	2,771
<b>One</b>	51	6,380			51	6,380
<b>Kempinski</b>	1	363			1	363
<b>Total</b>	<b>196</b>	<b>29,502</b>	<b>1</b>	<b>347</b>	<b>197</b>	<b>29,849</b>
<b>%</b>		<b>99%</b>		<b>1%</b>		<b>100%</b>

> Income Statement IFRS (million pesos)

Concepto	1Q24		1Q23		Var %
	\$	%	\$	%	
Total Revenues	2,702.5	100.0	2,729.2	100.0	(1.0)
<b>Owned &amp; Leased Hotels</b>					
Revenues	1,295.2	100.0	1,286.4	100.0	0.7
Direct cost	1,006.0	77.7	988.0	76.8	1.8
<i>Business Contribution</i>	289.2	22.3	298.5	23.2	(3.1)
<b>Managed</b>					
Revenues	682.4	67.6	662.2	68.3	3.1
Advertising and marketing revenues	82.2	8.1	76.0	7.8	8.2
Centralized services revenues	244.9	24.3	231.1	23.8	6.0
<i>Total revenues managed</i>	1,009.5	100.0	969.2	100.0	4.2
Direct cost	397.2	39.3	386.7	39.9	2.7
Advertising and marketing cost	82.2	8.1	76.0	7.8	8.2
Centralized services cost	242.7	24.0	230.9	23.8	5.1
Total cost managed	722.1	71.5	693.5	71.6	4.1
<i>Business Contribution IFRS managed</i>	287.4	28.5	275.7	28.4	4.3
<i>Business Contribution IFRS non recoverable expenses</i>	285.2	41.8	275.5	41.6	3.5
<b>Vacation Properties</b>					
Revenues	375.4	100.0	453.6	100.0	(17.2)
Direct cost	338.3	90.1	407.8	89.9	(17.0)
<i>Business Contribution</i>	37.1	9.9	45.8	10.1	(18.9)
<b>Other Businesses (1)</b>					
Revenues	22.3	100.0	20.0	100.0	11.4
Direct cost	7.8	34.9	7.0	35.0	10.9
<i>Business Contribution</i>	14.5	65.1	13.0	65.0	11.7
Corporate Expenses	118.5	4.4	116.7	4.3	1.6
Depreciation/Amortization and asset impairment	218.1	8.1	222.0	8.1	(1.8)
Other expenses (revenue)	(11.7)	(0.4)	(4.3)	(0.2)	174.6
Other	0.0	0.0	0.0	0.0	na
Operating Profit	303.3	11.2	298.5	10.9	1.6
<b>EBITDA</b>	<b>521.4</b>	<b>19.3</b>	<b>520.5</b>	<b>19.1</b>	<b>0.2</b>
Special operations	(25.0)	(0.9)	(10.0)	(0.4)	150.0
<b>EBITDA IFRS</b>	<b>496.4</b>	<b>18.4</b>	<b>510.5</b>	<b>18.7</b>	<b>(2.8)</b>
Comprehensive financing cost	109.7	4.1	(248.0)	(9.1)	na
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>168.6</b>	<b>6.2</b>	<b>536.5</b>	<b>19.7</b>	<b>(68.6)</b>
Discontinued Operations	0.0	0.0	0.0	0.0	na
Income taxes	1.9	0.1	6.1	0.2	(69.1)
Deferred taxes	93.8	3.5	246.6	9.0	(61.9)
<b>Net Income before Minority</b>	<b>72.9</b>	<b>2.7</b>	<b>283.8</b>	<b>10.4</b>	<b>(74.3)</b>
<b>Minority Interest</b>	<b>3.2</b>	<b>0.1</b>	<b>4.6</b>	<b>0.2</b>	<b>(30.2)</b>
<b>Net Majority Income</b>	<b>69.7</b>	<b>2.6</b>	<b>279.2</b>	<b>10.2</b>	<b>(75.0)</b>

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



> Consolidated Balance Sheet as of March 31<sup>st</sup>, 2024 and December 31<sup>st</sup>, 2023 IFRS (million pesos)

CONCEPT	MAR-24	%	DEC-23	%	VAR. %
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	2,001.1	10.6	1,841.2	10.1	8.7
Trade and other current receivables	3,220.2	17.0	2,877.0	15.8	11.9
Current tax assets, current	-	0.0	-	-	-
Other current financial assets	-	0.0	-	-	-
Current inventories	315.9	1.7	304.2	1.7	3.8
Other current non-financial assets	190.2	1.0	177.7	1.0	7.0
<b>Total</b>	<b>5,727.3</b>	<b>30.2</b>	<b>5,200.1</b>	<b>28.5</b>	<b>10.1</b>
Assets held for sale	-	0.0	-	-	-
<b>Total current assets</b>	<b>5,727.3</b>	<b>30.2</b>	<b>5,200.1</b>	<b>28.5</b>	<b>10.1</b>
<b>Non current assets</b>					
Trade and other non-current receivables	4,667.9	24.6	4,696.1	25.7	(0.6)
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	3,742.6	19.7	3,761.4	20.6	(0.5)
Right-of-use assets that do not meet definition of investment property	2,997.7	15.8	2,646.3	14.5	13.3
Intangible assets other than goodwill	777.3	4.1	803.1	4.4	(3.2)
Deferred tax assets	920.0	4.9	1,013.9	5.6	(9.3)
Other non-current non-financial assets	-	0.0	-	-	-
<b>Total non-current assets</b>	<b>13,234.6</b>	<b>69.8</b>	<b>13,049.8</b>	<b>71.5</b>	<b>1.4</b>
<b>Total assets</b>	<b>18,961.9</b>	<b>100.0</b>	<b>18,249.9</b>	<b>100.0</b>	<b>3.9</b>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Trade and other current payables	2,687.9	14.2	2,326.2	12.7	15.5
Current tax liabilities, current	1.1	0.0	0.0	0.0	-
Other current financial liabilities	91.8	0.5	100.5	0.6	(8.7)
Current lease liabilities	417.5	2.2	419.9	2.3	(0.6)
Other current non-financial liabilities	1,500.5	7.9	1,407.9	7.7	6.6
Current provisions for employee benefits	146.5	0.8	204.2	1.1	(28.3)
<b>Total current liabilities other than liabilities included in disposal groups classified as held for sale</b>	<b>4,845.2</b>	<b>25.6</b>	<b>4,458.7</b>	<b>24.4</b>	<b>8.7</b>
Liabilities included in disposal groups classified as held for sale	-	0.0	-	0.0	-
<b>Total current liabilities</b>	<b>4,845.2</b>	<b>25.6</b>	<b>4,458.7</b>	<b>24.4</b>	<b>8.7</b>
<b>Non Current Liabilities</b>					
Trade and other non-current payables	1,825.6	9.6	1,774.8	9.7	2.9
Non-current lease liabilities	2,793.6	14.7	2,444.9	13.4	14.3
Bank loans		0.0		0.0	-
Stock market loans	6,141.8	32.4	6,297.6	34.5	(2.5)
<b>Other non-current financial liabilities</b>	<b>6,141.8</b>	<b>32.4</b>	<b>6,297.6</b>	<b>34.5</b>	<b>(2.5)</b>
Non-current provisions for employee benefits	336.8	1.8	321.6	1.8	4.7
Other non-current provisions	-	0.0	-	-	-
<b>Total non-current provisions</b>	<b>336.8</b>	<b>1.8</b>	<b>321.6</b>	<b>1.8</b>	<b>4.7</b>
Deferred tax liabilities	678.8	3.6	684.9	3.8	(0.9)
<b>Total non-current liabilities</b>	<b>11,776.6</b>	<b>62.1</b>	<b>11,523.8</b>	<b>63.1</b>	<b>2.2</b>
<b>Total liabilities</b>	<b>16,621.8</b>	<b>87.7</b>	<b>15,982.5</b>	<b>87.6</b>	<b>4.0</b>
<b>EQUITY</b>					
Total equity attributable to owners of parent	2,146.2	11.3	2,076.7	11.4	3.3
Non-controlling interests	193.9	1.0	190.7	1.0	1.7
<b>Total equity</b>	<b>2,340.1</b>	<b>12.3</b>	<b>2,267.4</b>	<b>12.4</b>	<b>3.2</b>
<b>Total equity and liabilities</b>	<b>18,961.9</b>	<b>100.0</b>	<b>18,249.9</b>	<b>100.0</b>	<b>3.9</b>

## > Consolidated Cash Flow Statement - IFRS

(Million pesos from January 1<sup>st</sup> to March 31, 2024 & 2023)

STATEMENT OF CASH FLOWS		
	1Q24	1Q23
Cash flows from (used in) operating activities		
Profit (loss)	72.9	283.8
Adjustments to reconcile profit (loss)		
Discontinued operations	0.0	0.0
Adjustments for income tax expense	95.7	252.7
Adjustments for finance costs	171.4	148.6
Adjustments for depreciation and amortisation expense	218.1	222.0
Adjustments for unrealised foreign exchange losses (gains)	(103.4)	(603.7)
Adjustments for fair value losses (gains)	0.0	0.0
Adjustments for losses (gains) on disposal of non-current assets	(0.8)	(0.4)
Participation in associates and joint ventures	0.0	0.0
Adjustments for decrease (increase) in inventories	(11.7)	22.2
Adjustments for decrease (increase) in trade accounts receivable	(159.0)	(81.9)
Adjustments for decrease (increase) in other operating receivables	(156.7)	(131.4)
Adjustments for increase (decrease) in trade accounts payable	92.2	(121.2)
Adjustments for increase (decrease) in other operating payables	250.5	372.1
Other adjustments for which cash effects are investing or financing cash flow	0.0	0.0
Other adjustments to reconcile profit (loss)	0.0	(6.4)
Total adjustments to reconcile profit (loss)	396.4	79.1
Cash flows from (used in) operations	469.3	362.8
Income taxes paid (refund), classified as operating activities	0.3	416.1
Cash flows from (used in) operating activities	469.0	(53.3)
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	1.2	1.1
Purchase of property, plant and equipment, classified as investing activities	51.5	40.6
Purchase of intangible assets, classified as investing activities	14.5	8.2
Interest received, classified as investing activities	34.2	32.2
Other inflows (outflows) of cash, classified as investing activities	0.0	0.0
Cash flows from (used in) investing activities	(30.6)	(15.6)
Proceeds from borrowings, classified as financing activities	0.0	0.0
Repayments of borrowings, classified as financing activities	86.5	8.1
Payments of lease liabilities	188.4	177.1
Dividends paid, classified as financing activities	0.0	0.0
Interest paid, classified as financing activities	3.7	3.1
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	(278.5)	(188.2)
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes	159.9	(257.1)
Effect of exchange rate changes on cash and cash equivalents	0.0	0.0
Increase (decrease) in cash and cash equivalents	159.9	(257.1)
Cash and cash equivalents at beginning of period	1,841.2	1,938.9
Cash and cash equivalents at end of period	2,001.1	1,681.8