



POSADAS®

FIESTA AMERICANA®
MONTREAL
LIVE
AQUA

Operative & Financial Results - 4Q17

02/22/2018

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2017 –A year of great achievements

Operative & Financial Results - 2017

© Hotel pipeline

© New Projects

© Mayan Riviera: Live Aqua and Fiesta Americana hotel complex.

© Live Aqua Residence Club Los Cabos

© Cuba

© Dominican Republic

© New Brands

© LatinoAmerican

© Re-Set



© Sales & Marketing











© Fiesta Rewards (loyalty program)/ “Viaja”

© Vacation properties

© Divestment of assets

© Stratex – Hotel remodelings

© Great Place to Work

Ranking WTO					
2016		2017*		International Tourist Arrivals	
#	#	Country	Million people	Growth Rate	
1	1	 France	88	6.5%	
2	2	 Spain	81.3	8.0%	
3	3	 United States	72.6	(3.9%)	
4	4	 China	61.4	3.5%	
5	5	 Italy	56.2	7.3%	
6	6	 United Kingdom	38.7	8.3%	
8	7	 México	38.3	9.0%	
10	8	 Turkey	37.9	25.0%	
7	9	 Germany	37.6	5.6%	
9	10	 Thailand	35.5	8.9%	

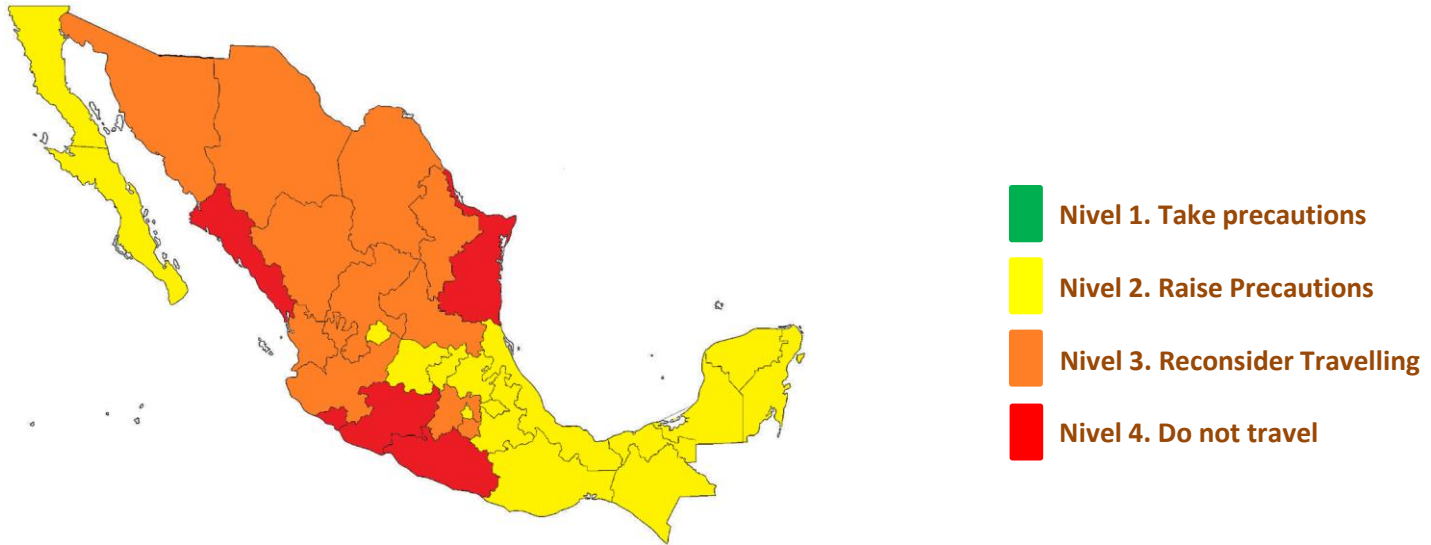
- Third generator of US dollar inflows just behind remittances and mining.
- International tourist arrivals (January to August) growing at a CAGR of 12.5% since 2013.
- 70% of International visitors to Mexico arriving by air are from U.S. and Canada.

USA Travel Warning

Operative & Financial Results - 2017

The USA Government lifted the travel warning for the states of Baja California and Quintana Roo.

- Travel restrictions remains for 5 states: Colima, Guerrero, Michoacán, Sinaloa y Tamaulipas.



Hotels in the Mayan Riviera

- Keys: 515.
- Fiesta Americana Vacation Club sales room.
- Conference rooms.
- 14 Restaurants and 7 Bars.

- Keys: 340.
- Live Aqua Residence Club sales room.
- Conference rooms.
- 11 Restaurants and 7 Bars.



Phase 1

Phase 2

Resort Spa
Convention center of 3,000 m2 with capacity for 2,000 pax.
Outdoor Theater /Entertainment

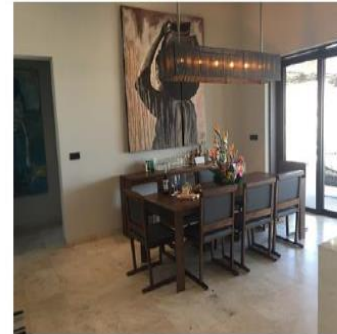
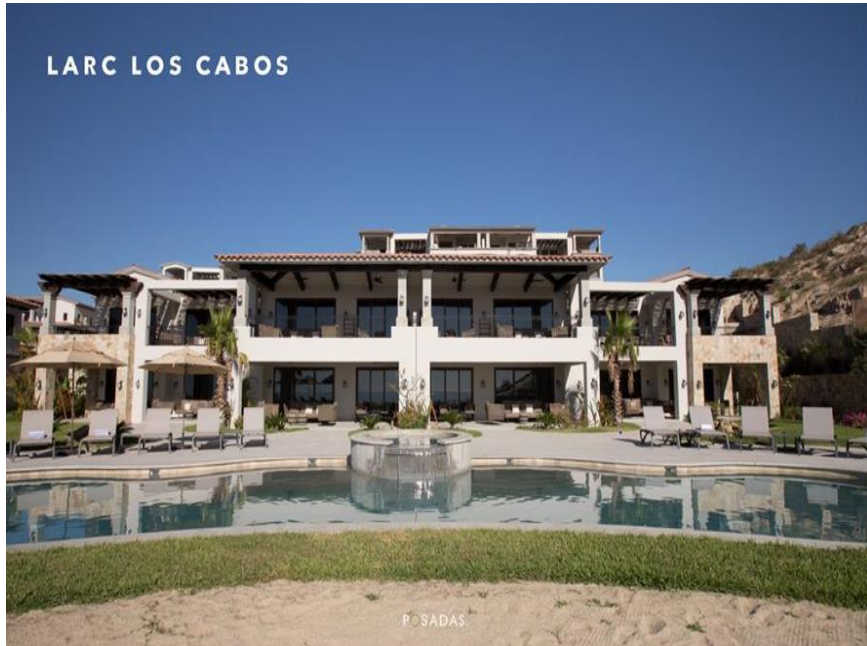
LARC LOS CABOS

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Live Aqua Residence Club

Operative & Financial Results - 2017

- Total investment: \$434 million
- 109 rooms





Fiesta Americana Punta Varadero All Inclusive

- 633 rooms
- 8 restaurants
- Gym
- 10 year management contract



Fiesta Americana Holguin Cuba All Inclusive

- 749 rooms
- 6 restaurants
- Gym
- 10 year management contract



Grand Fiesta Americana Punta Cana All Inclusive

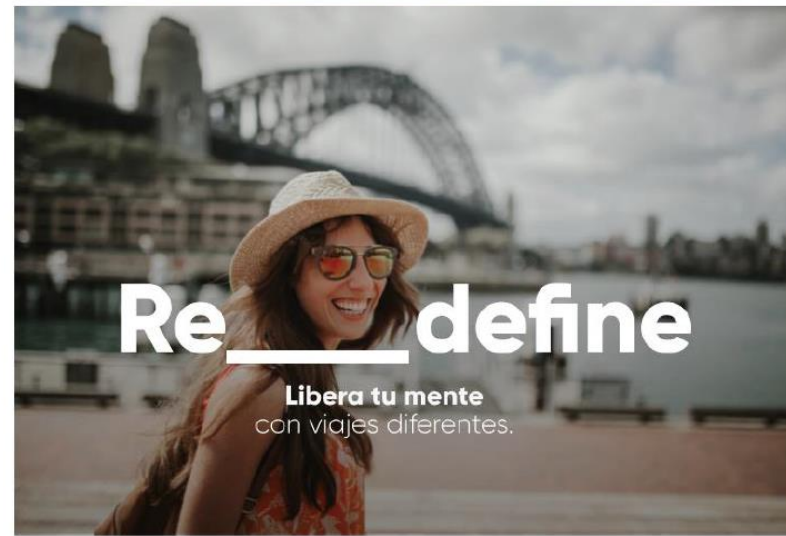
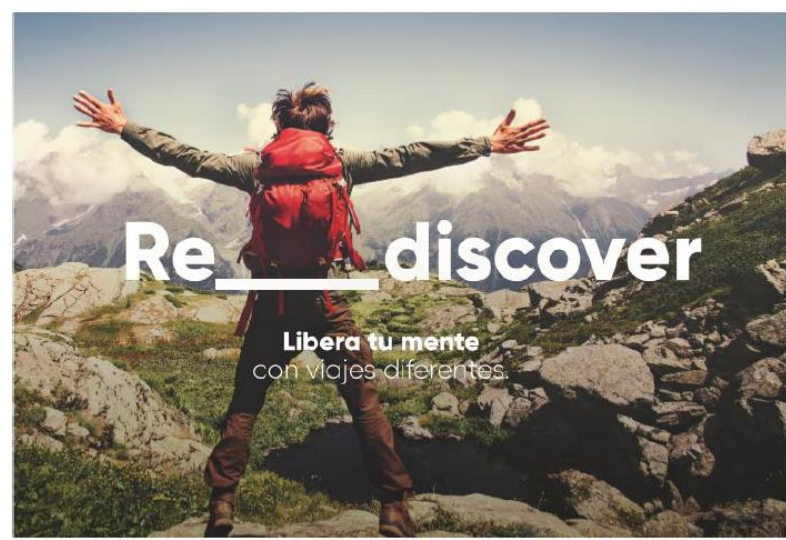
- 554 rooms and Suites
- SPA and Gym
- Meetings and event rooms
- More than 9 restaurants
- Cristal lagoon
- 15 year management contract with an option for 5 additional years

New Brand - LatinoAmerican

Operative & Financial Results - 2017

- Hotels Urban – (G) Local.
- Designed to merge into the most iconic neighborhoods of large cities to bring together the hyper-modern and hyper-connected travelers.





An **exclusive discount plan** created just for you that gives you the possibility to discover destinations in Mexico and abroad whenever and wherever you want.

BENEFITS

- 1

Access to the **best booking rates in the market** at Posadas.

15% off

One

25% off

Live Aqua, GFA, FA, FI y Gamma

50% off

Villas
- 2

Access to **exclusive international hotel discounts** without restraints.
- 3

Share your reservations with **family and friends**.

MEMBERSHIPS

	COST (USD)	Term	Annual Discount rates
Adventurer	11,999	5 years	40 nights
Experienced	19,999	5 years	unlimited

- **Commercialization**

- Total system sales reached \$16,682 million, consolidated revenues \$8,907 million, +12%.
- Gross operating profit growth: 14.3% YoY.
- New strategic Alliance: European tour operators (TUI, Thomas Cook and DER Turistik).

- **Service:**

- Net promoter score: 70% of our guests recommended our hotels, 5% improvement YoY.

- **Sustainability**

- All our hotels achieved the “Green Key” distinctive.
- **85** hotels with **TripAdvisor** “Eco Líderes” distinctive.

- **Food & Beverages:**

- Fiesta Americana: Introduced a Mexican Menu with chef Ricardo Muñoz Zurita.
- Fiesta Inn: New concepts for our Fiesta Inn brand: (food truck, Prime cuts, Tacos Rodados).

Fiesta Rewards (Loyalty Program)

- 30th anniversary of the program.
- Loyalty programs represents 32% of total Posadas' occupancy (1,854,917 room nights).
- 84% of points were redeemed in hotel rooms.
- Santander Fiesta Rewards added 17,135 new cardholders for a total of 120,000.



“VIAJA”

Operative & Financial Results - 2017

- Launched for eighth consecutive year.
- Generated 35,779 room nights.
- Revenues of \$709 million pesos, 57% more than the previous year.



Divestment of Assets

Hotel Fiesta Americana Condesa Cancun

- Price: \$2,892 million.
- Estimated EBITDA of \$1,369 million.
- Capex of \$120 million on public areas funded by purchaser and seller.
- 20 year term lease agreement.

Hotel Fiesta Americana Hacienda Galindo

- Sales Price equivalent to 10.06x of 2019 EBITDA.
- Capex of \$130 million by purchaser.

Hotel Fiesta Inn Aeropuerto

- Sales Price: \$435 million.
- 15 year lease contract.

Remodeling – Fiesta Americana Condesa Cancun

Operative & Financial Results - 2017

- Total remodeling investment: \$305 million.
- Public areas:
 - \$120 million (50% Posadas / 50% Fibrahotel) to be concluded in November 2018.



Remodeling – Fiesta Americana Merida

Operative & Financial Results - 2017

- Meeting rooms: \$39 million
- Public areas: \$48 million
- To be concluded by June 2018.



LOBBY



CAFE MONTEJO



BAR LA HACH



FRONT DESK



SWETT & COFFE



LOS ALMENDROS

Remodeling – Fiesta Americana Hacienda Galindo

Operative & Financial Results - 2017

- Total remodeling investment (room and public areas): \$130 million.
- To be concluded by June 2018.



- Ranked # 8 among the best Companies to work in Mexico.
- Ranked # 6 for Millennials.



- In 4Q17 and 2017 total revenues reached \$2,056 million (+6%) and \$8,907 million (+12%), respectively.
- 4Q17 and LTM EBITDA of \$441 million growing 12% and \$1,652 million in 2017, respectively.
- RevPAR grew 3.6% in the 4Q17 and 7.6% in 2017.
- Eleven hotel openings during 2017 with 1,411 rooms (+6%).
- The pipeline considers 55 hotels (a 39% increase over current number of rooms) to open during the next three years.
- Cash available as of December 31st, 2017 of \$1.4 billion (equivalent to US\$70 million).

Income Statement

(million pesos)

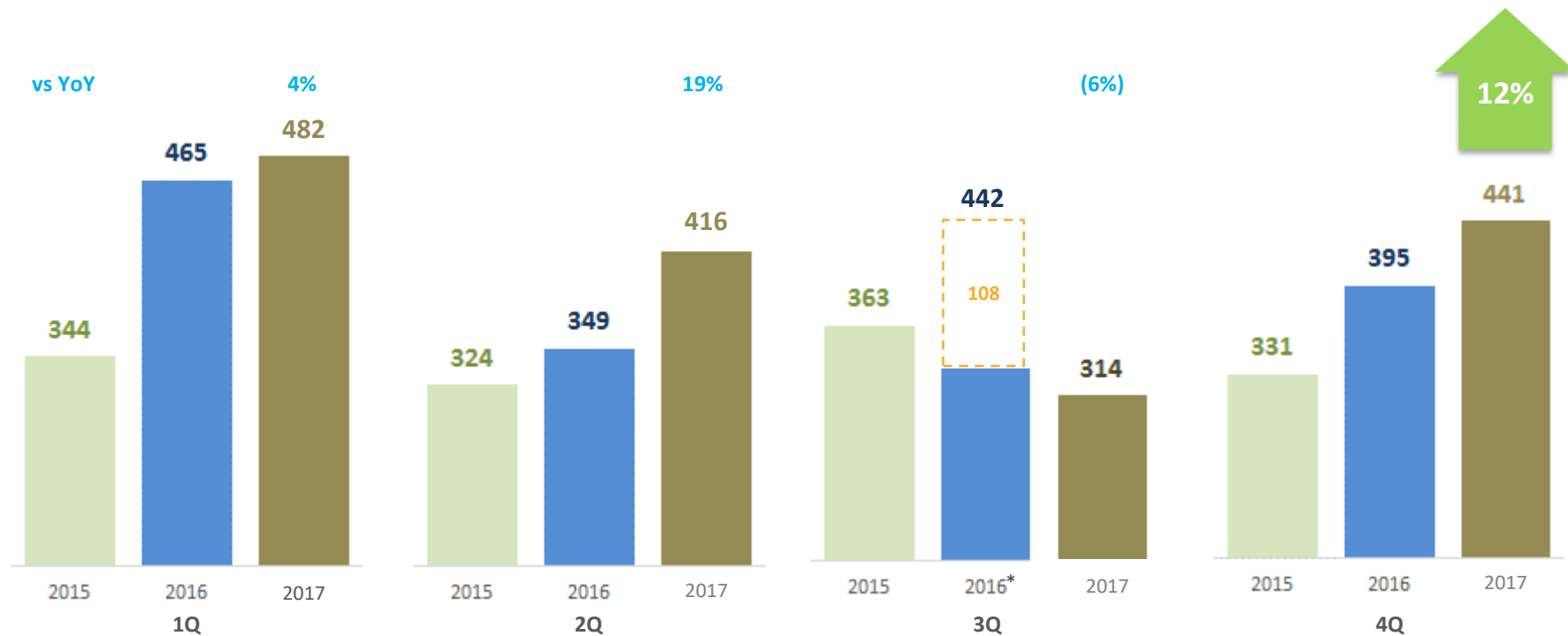
Operative & Financial Results - 4Q17

4Q17	%	QoQ		2017	%	QoQ
2,056	100	6%	Total revenues	8,907	100	12%
1,615	79	5%	Expenses	7,255	81	15%
441	21	12%	EBITDA MXN	1,652	19	0%
21%		(0.4pp)	Margin	19%		(0.2pp)
580		na	Exchange (gain)	(297)		na
(448)	(22)	na	Net Income	(484)	(5)	(31%)

EBITDA 4Q17

(million pesos)

Operative & Financial Results - 4Q17

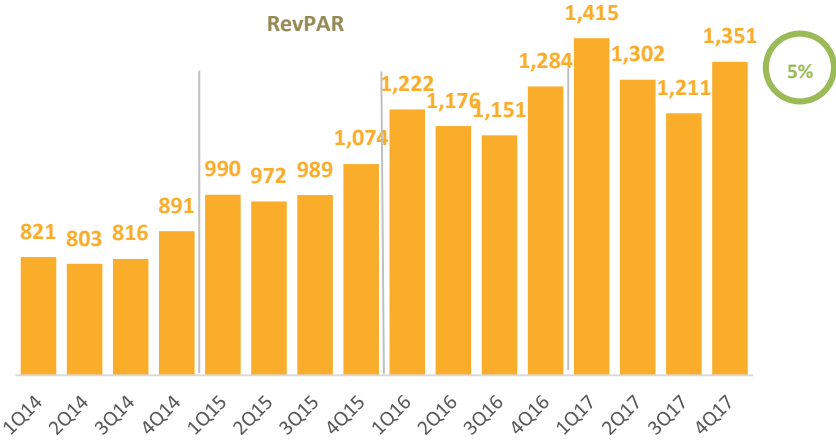
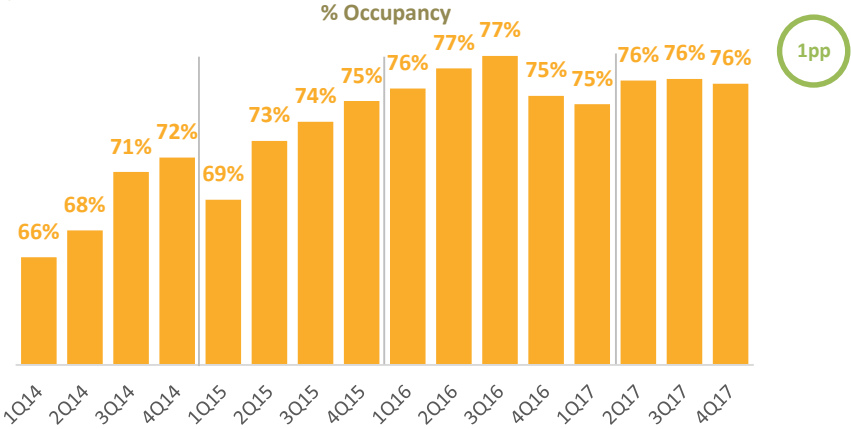


(*) \$108 million EBITDA from the sale of the Fiesta Inn Monterrey Valle hotel.

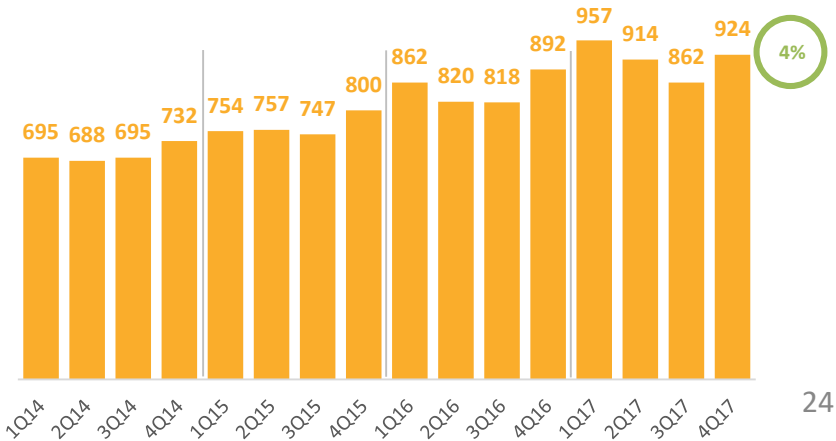
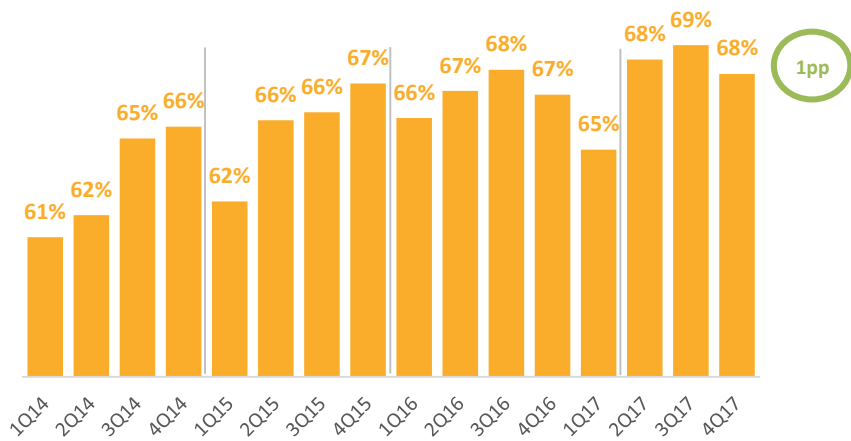
Hotel Performance

(MXN)

OWNED AND LEASED HOTELS



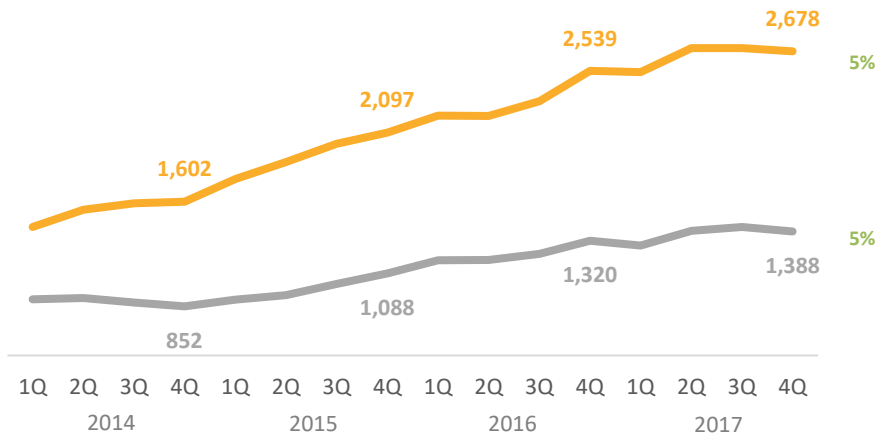
SYSTEM WIDE HOTELS



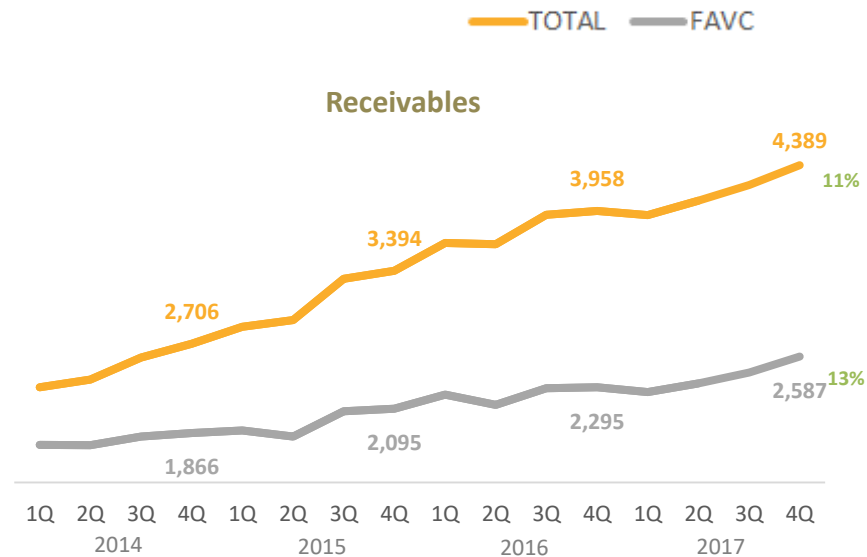
Vacation Properties

(million pesos)

Gross sales LTM

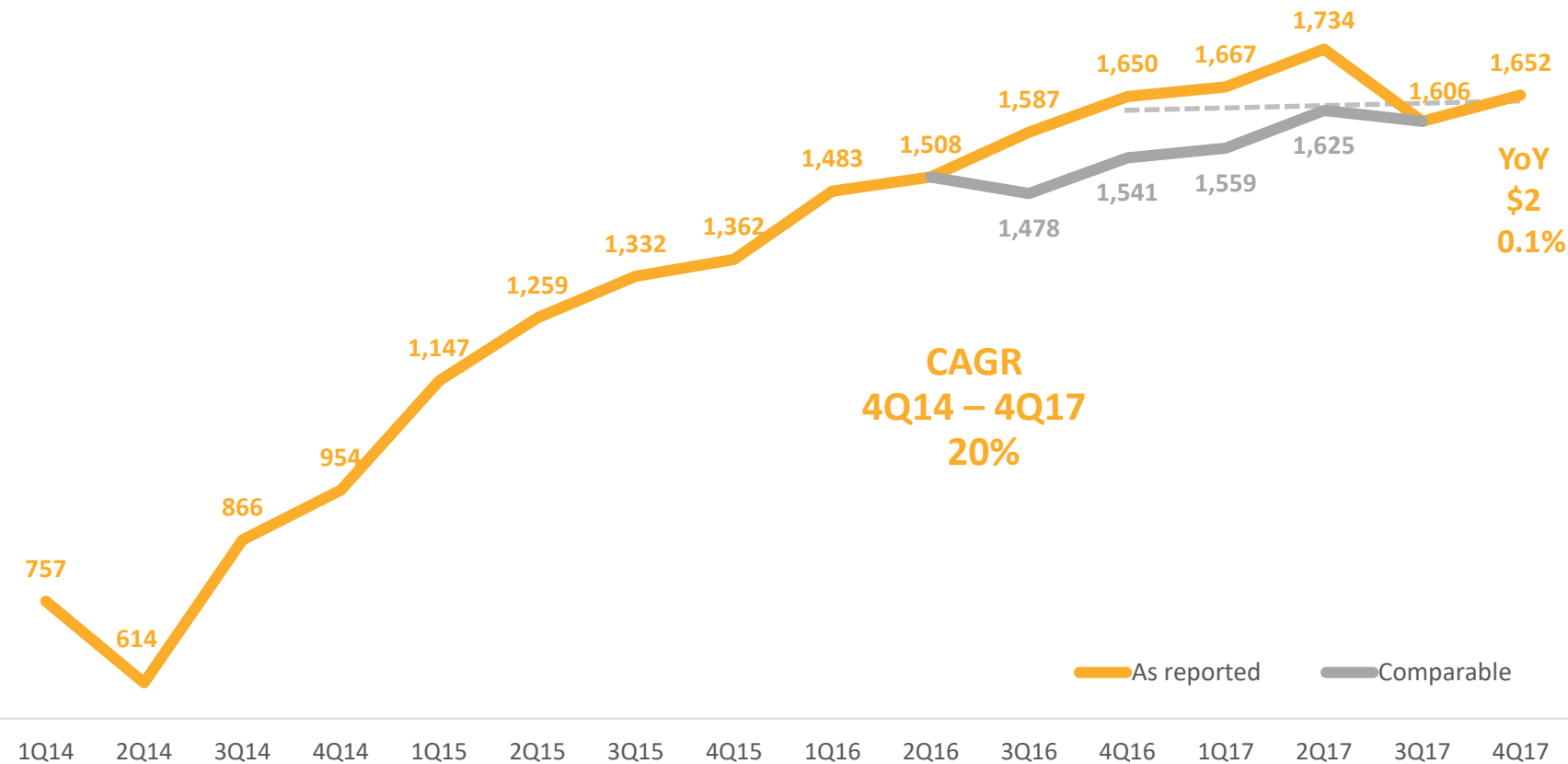


Receivables



EBITDA LTM

(million pesos)



Free Cash Flow, Internal Reporting

(million pesos)

Concept	2017
EBITDA	1,652
Working capital & Other	(144)
Asset Sales	435
CAPEX	(803)
Deferred Asset & Other	(351)
Interests, net	(574)
Taxes	(812)
FCF	(597)
Financings	210
Cash	(387)
Cash BOP	1,770
Cash EOP	1,384



Number of hotels by brand

	Luxury			Upper			Middle Economy			Vacation Properties		Other	Total
	LIVE AQUA	Grand	Fiesta Americana	LIVE AQUA	Grand	Fiesta Americana	FIESTA INN	GAMMA	one	LIVE AQUA	Fiesta Americana	Other	
2015	3	5	13				67	9	37	1	6	2	143
1Q16									2				2
2Q16	1	2	1				2						6
3Q16							1						1
4Q16			1				1	1	1				4
Exits 2016			(2)				(2)						(4)
1Q17							1		2				3
2Q17							1		1				2
3Q17									1				1
Exits 2017							(1)						(1)
4Q17							2	1	1	1			5
Total	4	7	13				72	11	45	2	7	2	162

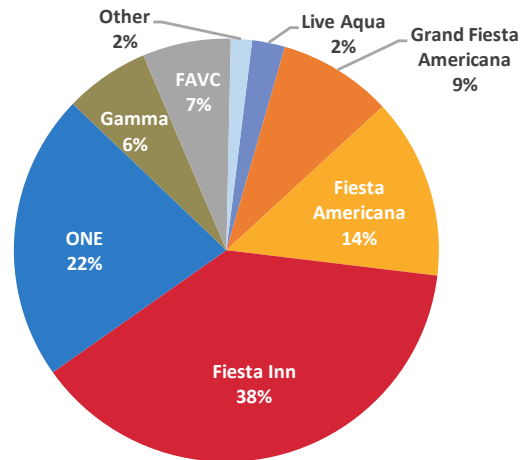
Number of rooms by brand

	Luxury			Upper			Middle Economy			Vacation Properties		Other	Total
	LIVE AQUA	Grand	Fiesta Americana	LIVE AQUA	Grand	Fiesta Americana	FIESTA INN	GAMMA	one	LIVE AQUA	Fiesta Americana	Other	
2015	566	1,705	3,628				9,414	1,335	4,582	16	1,597	416	23,259
1Q16									296				296
2Q16	74	348	178				204						804
3Q16							129						129
4Q16			252				125	102	156				635
Exits 2016			(379)				(420)						(799)
1Q17							144		246				390
2Q17			5				142		126				273
3Q17									126				126
Exits 2017							(127)						(127)
4Q17							285	102	126	109			622
Total	640	2,053	3,684				9,896	1,539	5,658	125	1,597	416	25,608


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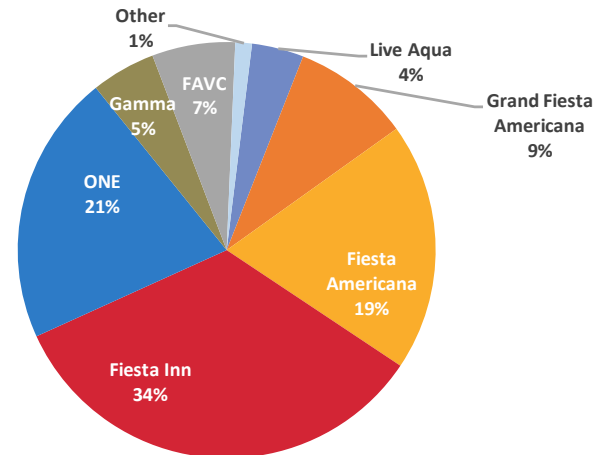
Development Plan

As of December 2017 (25,608 rooms)



\$26,818 mm 93.5% Managed

Estimated portfolio December 2021 (35,574 rooms) +39%



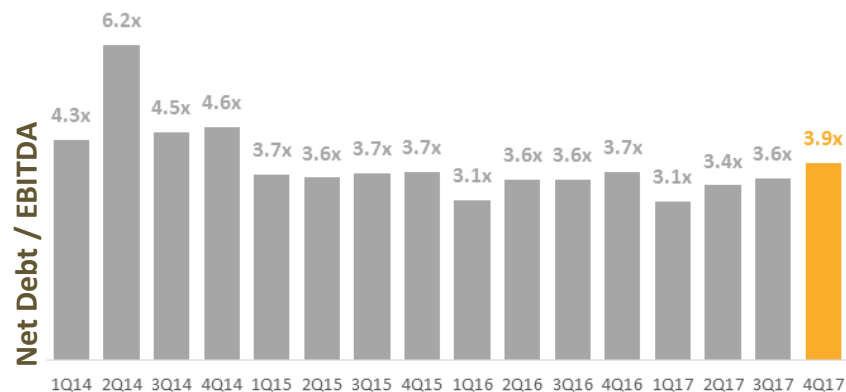
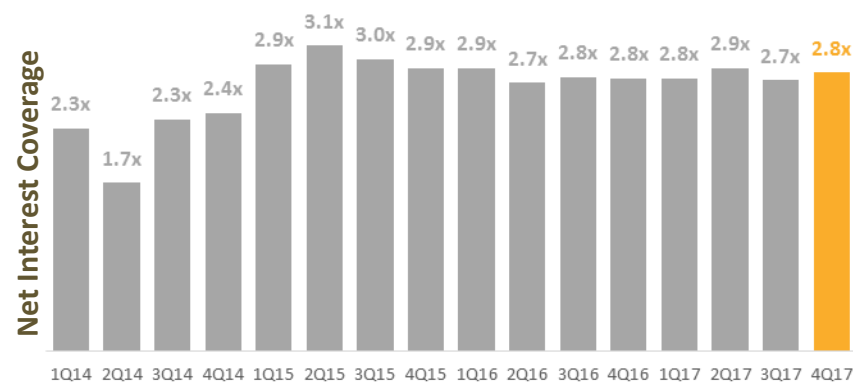
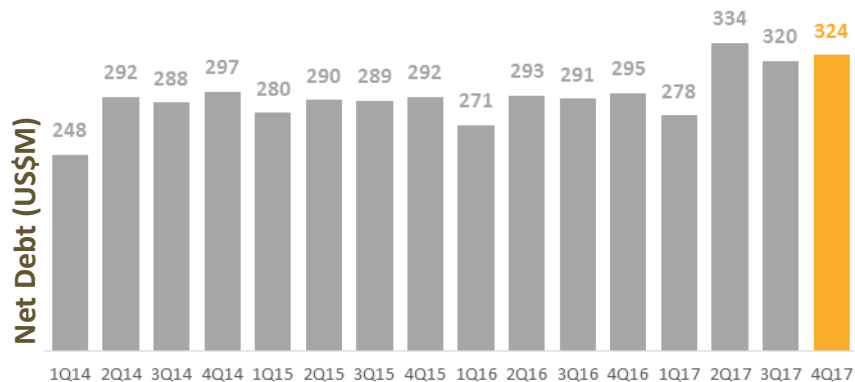
Hotels	2018	2019	2020	2021	TOTAL
Live Aqua	1	1	1	1	4
Grand Fiesta Americana		1	2		3
Fiesta Americana	3	4	1	1	9
Fiesta Inn	6	9	1		16
ONE	7	7			14
The Explorean	1	1			2
Gamma	6				6
Live Aqua Residence Club*		1			1
TOTAL	24	24	5	2	55

Rooms	2018	2019	2020	2021	TOTAL
Live Aqua	151	180	119	340	790
Grand Fiesta Americana		145	877		1,022
Fiesta Americana	1,632	757	426	515	3,330
Fiesta Inn	792	1,236	200		2,228
ONE	882	980			1,862
The Explorean	32	90			122
Gamma	567				567
Live Aqua Residence Club*		45			45
TOTAL	4,056	3,433	1,622	855	9,966

(*) Vacation Properties (OWNED)

Financial Health

(Fx eop 4Q17: 19.7354)



	4Q17		4Q16	
(Figures in millions)	US\$ Notional	IFRS MXN	US\$ Notional	IFRS MXN
FX eop:		19.7354		20.6640
EBITDA LTM		1,652		1,650
Cash		1,384		1,770
Indebtedness:				
Senior Notes 2022	400	7,894	400	8,266
Subsidiary	11	210		
Issuance expenses (IFRS)		(324)		(394)
Total	411	7,780	400	7,872
Net Debt to EBITDA		3.9		3.7

POSADAS®

LIVE
AQUA
WATER & LANDSCAPE

S. Grand
Fiesta Americana
SERVICIOS Y ACCESORIOS

S. Fiesta
Americana
SERVICIOS Y ACCESORIOS

F FIESTA INL
INTERIOR LUXURY

GEMMA
INTERIOR & ACCESSORIES

one
DESIGN

EXPLOREAN
DESIGN


FIESTA
REWARDS

**THE
FRONT
DOOR**
DESIGN

S. Fiesta
Americana
SERVICIOS Y ACCESORIOS

Kivac
INTERIOR DESIGN

Grand Fiesta Americana Puerto Vallarta