



DEL VALLE
INVESTMENTS

HOTEL ACQUISITION MODEL 2021

A strategic aproach based on a real life proforma hotel



INDEX

- Hotel Metrics
- Projected Revenue
- Operating Expenses Forecast
- Projected Financial Statements
- Income Statement
- Balance Sheet
- Shareholder Value Creation Process
- Profitability Analysis
- Annual Cash Flow
- Payback Period
- IRR - Internal Rate of Return
- NPV- Net Present Value



HOTEL DATA

PURCHASE PRICE *\$500,000*
EXPECTED SELLING PRICE *\$2,250,000*

TOTAL AVAILABLE ROOMS: 12
2 SINGLE ROOMS | 4 DOUBLE ROOMS | 6 TRIPLE ROOMS

AVERAGE DAILY RATE: \$66.67

AVERAGE
OCCUPANCY RATE

YEAR 1	YEAR 2	YEAR 3	YEAR 4
20%	25%	30%	35%

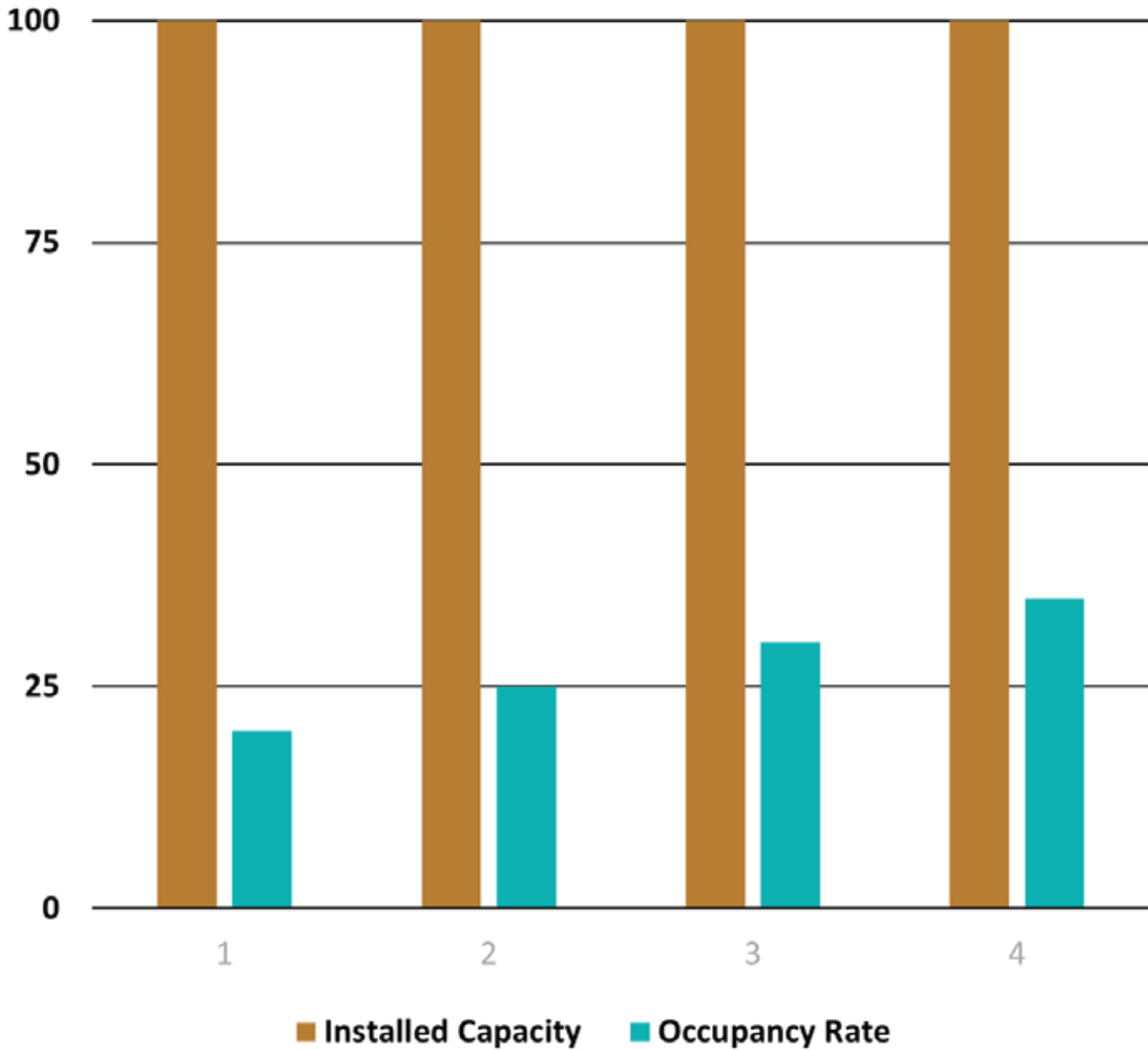


PROJECTED REVENUE

PROJECTED REVENUE
USD

Year	1	2	3	4
Occupancy Rate	20	25	30	35
Room Income	58,400	73,000	87,600	102,200
Aquatic Entertainment Income	10,080	12,600	15,120	17,640
Corporate Food Income	54,000	67,500	81,000	94,500
Food and Beverage Income	28,957	36,196	43,435	50,674
Meetings and Events Income	28,800	36,000	43,200	50,400
Total Revenue	180,237	225,296	270,355	315,414

OCCUPANCY RATE

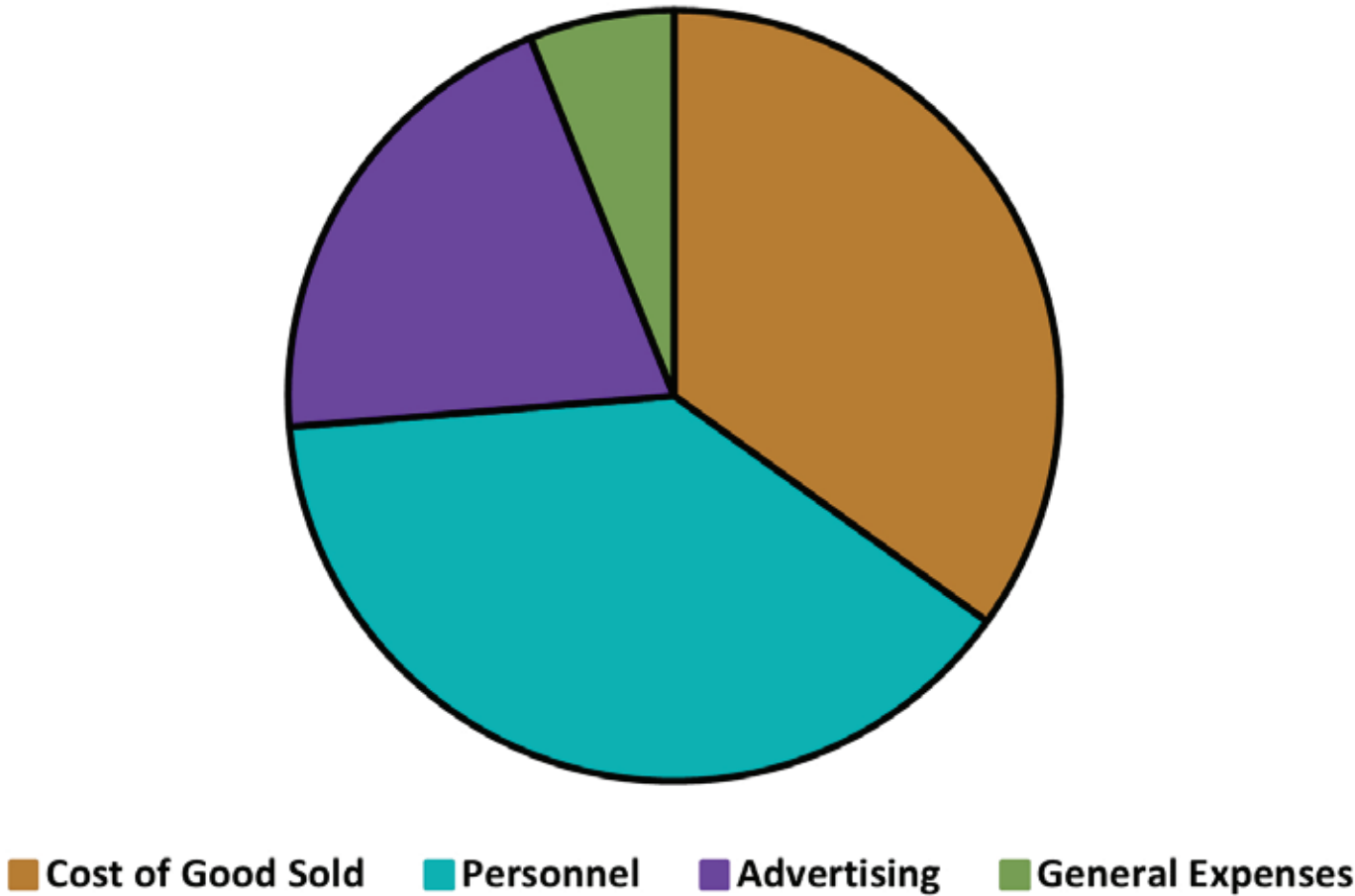


OPERATING EXPENSES FORECAST

OPERATING EXPENSES FORECAST
USD

Year	1	2	3	4
Occupancy Rate	20	25	30	35
Cost of Good Sold	41,478	51,848	62,218	72,587
Personnel	46,000	46,000	46,000	46,000
Advertising	24,000	24,000	24,000	24,000
General Expenses	7,200	7,200	7,200	7,200
TOTAL OPERATING EXPENSES	118,678	129,048	139,418	149,787

Operating Expenses



PROJECTED FINANCIAL STATEMENTS

PROJECTED INCOME STATEMENT
USD

Year	1	2	3	4
Occupancy Rate	20	25	30	35
Sales	180,237	225,296	270,355	315,414
Cost Of Goods Sold	41,478	51,848	62,218	72,587
Personnel	46,000	46,000	46,000	46,000
Advertising Expenses	24,000	24,000	24,000	24,000
General Expenses	7,200	7,200	7,200	7,200
Operating Income	61,558	96,248	130,938	165,627
(+) Non-Operating Income				2,250,000
Net Income	61,558	96,248	130,938	2,415,627
Dividends Paid (5%)	3,078	4,812	6,547	120,781

* Net Income does not include taxes

PROJECTED BALANCE SHEET
USD

Year	1	2	3	4
Occupancy Rate	20	25	30	35
ASSETS				
Current Assets	58,480	149,916	274,307	3,069,152
Fixed Assets	500,000	500,000	500,000	0
TOTAL ASSETS	558,480	649,916	774,307	3,069,152
LIABILITIES	0	0	0	0
EQUITY	500,000	500,000	500,000	500,000
RETAINED EARNINGS	58,480	149,916	274,307	2,569,152
TOTAL LIABILITIES AND EQUITY	558,480	649,916	774,307	3,069,152

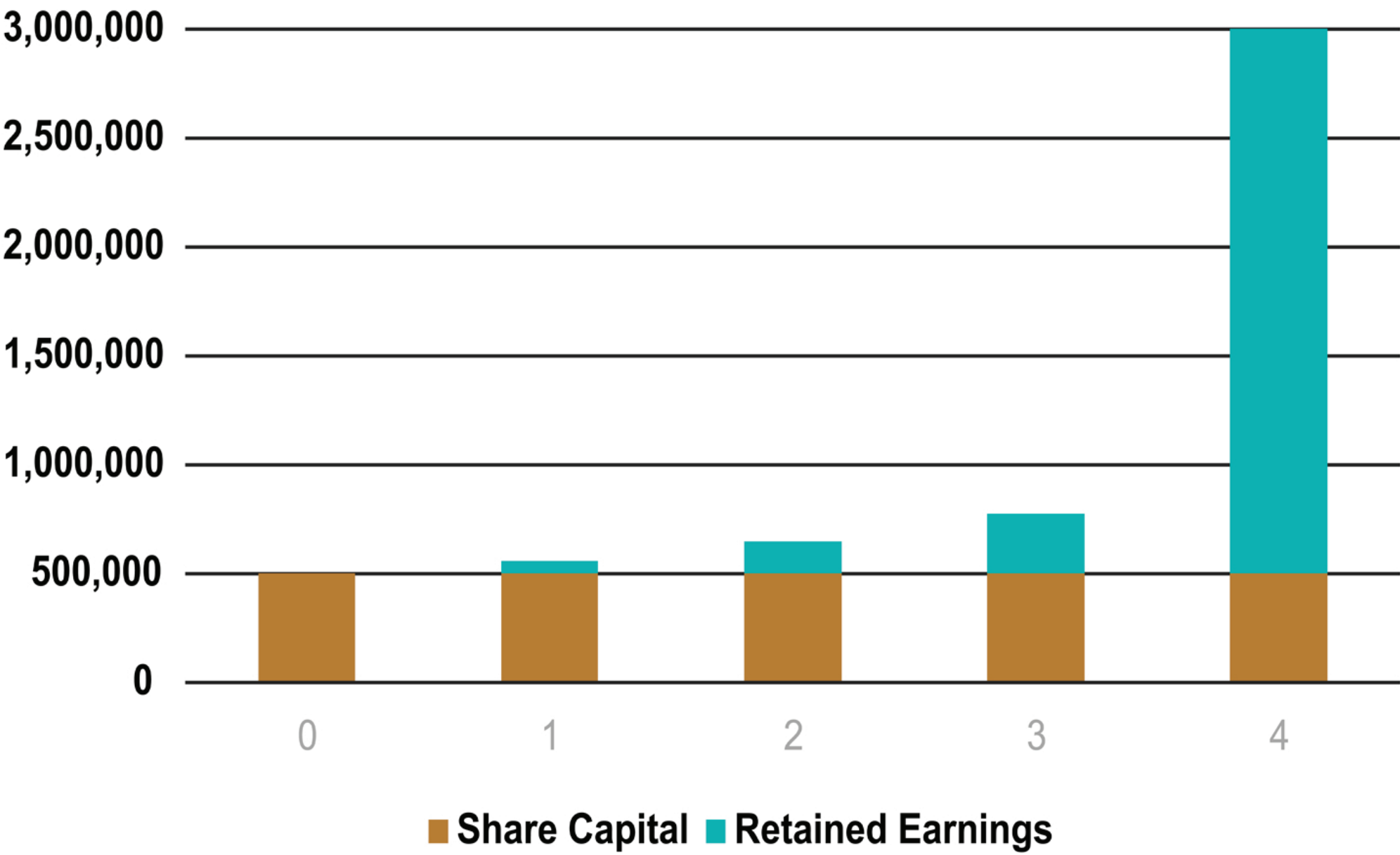
SHAREHOLDER VALUE CREATION PROCESS

SHAREHOLDER VALUE CREATION PROCESS USD

YEAR >>>	0	1	2	3	4
Share Capital	500,000	500,000	500,000	500,000	500,000
Retained Earnings		58,480	149,916	274,307	2,569,152
Total Equity	500,000	558,480	649,916	774,307	3,069,152

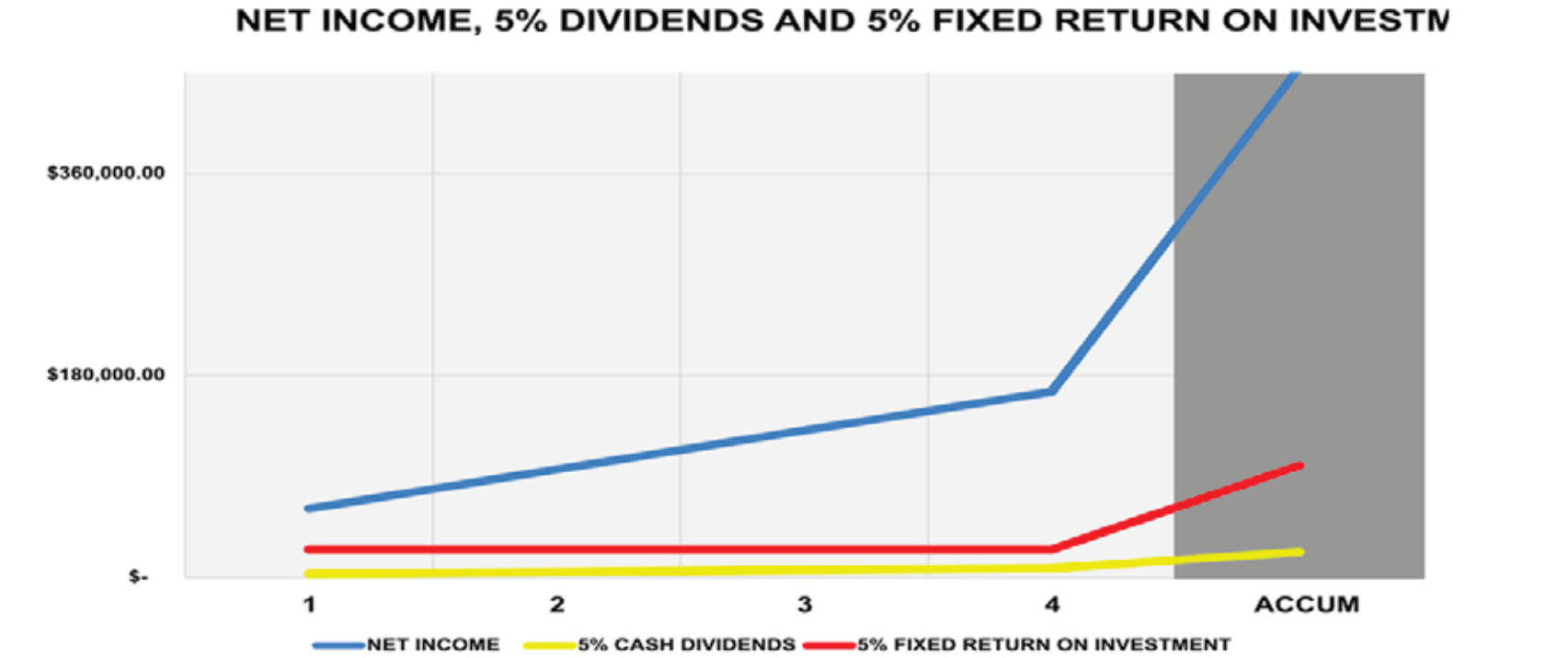
* / Retained earnings after 5% cash dividends

Shareholder Value Creation



PROFITABILITY ANALYSIS

YEAR >>	0	1	2	3	4
Return on Investment - ROI		12.3%	19%	26%	483%
Annual Cash Flow	\$ -500,000.00	\$ 61,558.33	\$ 96,247.92	\$ 130,937.50	\$ 2,415,627.08
Acum. Annual Cash Flow		\$ 61,558.33	\$ 157,806.25	\$ 288,743.75	\$ 2,704,370.83
Payback Period	4 years				
Internal Rate of Return - IRR	57.9%				
Net Present Value - VAN	\$ 1,487,245.00 * / Discount Rate 7%				



NET INCOME, 5% CASH DIVIDENDS AND 5% FIXED RETURN ON INVESTMENT
USD

	1	2	3	4	ACUMM.
NET INCOME	61,558	96,248	130,938	165,627	454,371
5% CASH DIVIDENDS	3,078	4,812	6,547	8,281	22,719
5% FIXED RETURN ON INVESTMEN	25,000	25,000	25,000	25,000	100,000

* / Fourth year excludes \$2,250,000.00 Non-Operating Income.

Payback Period



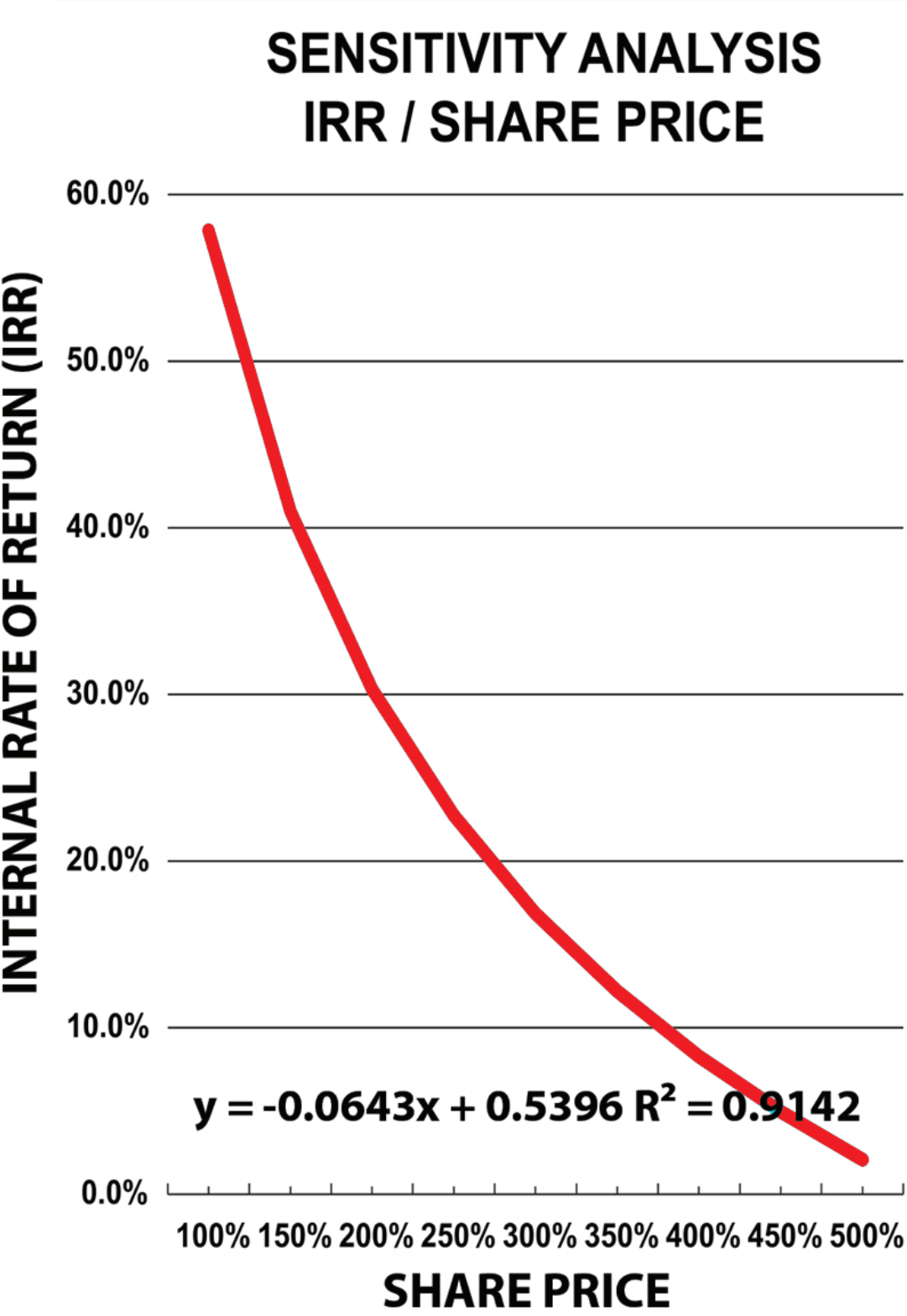
SENSITIVITY ANALYSIS

INITIAL INVESTMENT 500,000
SHARES 5,000
SHARE PRICE 100

SHARE PRICE	IRR	ANNUAL CASH DIVIDENDS				RETURN ON INVESTMENT - ROI			
		1	2	3	4	1	2	3	4
100	58%	12	19	26	483	12%	19%	26%	483%
150	41%	12	19	26	483	8%	13%	17%	322%
200	30%	12	19	26	483	6%	10%	13%	242%
250	23%	12	19	26	483	5%	8%	10%	193%
300	17%	12	19	26	483	4%	6%	9%	161%
350	12%	12	19	26	483	4%	5%	7%	138%
400	8%	12	19	26	483	3%	5%	7%	121%
450	5%	12	19	26	483	3%	4%	6%	107%
500	2%	12	19	26	483	2%	4%	5%	97%

SENSITIVITY ANALYSIS (IRR/SHARE PRICE)

SHARE PRICE	100	150	200	250	300	350	400	450	500
IRR	57.9%	41.0%	30.3%	22.7%	16.9%	12.2%	8.3%	5.0%	2.1%
PRICE +/-		50.0%	100.0%	150.0%	200.0%	250.0%	300.0%	350.0%	400.0%
IRR +/-		29.1%	47.6%	60.7%	70.8%	79.0%	85.7%	91.4%	96.4%





DEL VALLE
INVESTMENTS