



Press release

PAI Partners enters into exclusive negotiations to sell B&B Hotels to Goldman Sachs

20 May 2019

Paris, France – PAI Partners (“PAI”), a leading European private equity firm, today announced that it has entered into exclusive negotiations for the sale of B&B Hotels (“B&B” or “the Group”), a leading European budget hotel chain, to the Merchant Banking Division of Goldman Sachs (“Goldman Sachs”). The transaction will be subject to employee consultations and approval of regulatory authorities. It is expected to close in the second half of 2019.

PAI acquired B&B in March 2016. Under PAI’s ownership, the Group has grown from a strong local player to an integrated hotel platform operating at a pan-European level. PAI has supported the management team in its plans to accelerate international expansion (B&B is now also present in Brazil, Austria, Switzerland, Belgium, Portugal and Slovenia) following a significant roll-out programme (averaging one opening per week) and strong investment in the refurbishment of existing hotels. This resulted in the Group almost doubling EBITDA since PAI’s acquisition. Today, B&B operates a network of 486 budget hotels, with a total capacity of 42,832 rooms across 12 countries.

The transaction represents the fourth exit from the PAI Europe VI fund. Previous exits include: the sale of DomusVI, a leading player in the European nursing home sector; the sale of Innovista Censors, a global leader manufacturing sensors, controls and motion products for the industrial, aerospace and transportation markets; and PAI’s sale of Koneceta, a leading provider of outsourced contact centres and business process outsourcing services in Spain and Latin America.

Gaëlle d’Engremont, Partner at PAI Partners, commented: “We are proud to have been part of B&B’s growth journey over the last three years. B&B is an excellent example of an entrepreneurial approach to business, which has helped achieve superior growth and customer service. Today, B&B is a strong European platform that offers consistent high quality in its budget segment and is very well placed to capture further growth.”

Andreas Kumeth, Principal at PAI Partners, added: “Alongside Fabrice and his team, we have worked hard to transform B&B from a strong local player to a truly pan-European champion. We wish Fabrice and Goldman Sachs all the best in continuing to grow B&B in the years to come.”



Fabrice Collet, Chief Executive Officer of B&B Hotels, commented: "PAI have been very supportive partners, helping us grow by +16% p.a. in the last three years. They have given us the backing to invest in delivering the highest levels of customer services. Additionally, we have benefited from their extensive experience of acquisitions and international expansion to further develop in Europe while also initiating our development outside of the Continent. We would like to thank them for their efforts and their confidence in our teams. Leveraging our unique concept, brand and entrepreneurial spirit, we look forward to continuing our growth trajectory alongside Goldman Sachs."

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About PAI Partners

PAI Partners is a leading European private equity firm with offices in Paris, London, Luxembourg, Madrid, Milan, Munich, New York and Stockholm. PAI manages €12.3 billion of dedicated buyout funds. Since 1994, the company has completed 69 transactions in 11 countries, representing over €50 billion in transaction value. PAI is characterised by its industrial approach to ownership combined with its sector-based organisation. PAI Partners provide the companies they own with the financial and strategic support required to pursue their development and enhance strategic value creation.
www.paipartners.com

About B&B Hotels

B&B Hotels is a leading budget hotels chain in Europe operating a network of more than 486 budget hotels, across 12 countries with a total of 42,832 rooms. B&B is at the "high-end" of the budget hotel segment, offering high quality at a competitive price, to meet the needs of both business and leisure travellers. B&B Hotels reported 2018 revenues of €580 million.
<https://www.hotel-bb.eu/>