INVEST EUROPE

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PRIVATE EQUITY IN ACTION - CASE STUDY

B&B Hotels

Country	France
Region	Bretagne
Investor	Eurazeo

Spurred by Eurazeo's financial and strategic support between 2005 and 2010, B&B Hotels evolved from a small, regional company into a well-known brand in the European budget hotel sector. When Eurazeo invested in 2005, B&B Hotels had built its presence in France and had entered Germany.

However, private equity backing was the catalyst for an ambitious expansion plan, which saw B&B hotels open in Hungary, Italy, Poland, Portugal and The Netherlands. Growth continued through the combination of a new build programme and acquisitions of existing hotels. Thanks to its growing reputation across Europe, B&B Hotels caught the attention of fellow private equity firm Carlyle Group in 2010, which helped the company to continue its expansion, opening 110 hotels across Europe over the next six years.

What did the business need?

- Capital to finance expansion plan
- Strategic support to acquire and renovate hotels
- Marketing expertise to support rapid expansion plans
- Stronger management team to run an international business

How did private equity backing create lasting value?

- Structured and recruited B&B Hotels' new management team
- Reviewed brand identity and transformed all B&B Hotels product offerings
- Implemented an extensive refurbishment programme
- Supported new hotel construction and acquisitions

5
new countries entered

22%
increase in employee numbers to 505

> We could never have brought about this type of transformation as quickly without the full support of our shareholders.

GEORGES SAMPEUR
CEO
B&B Hotels

B&B Hotels revenue

- Expanded into new markets including Italy, Poland and The Netherlands

What outcomes did private equity investment achieve?

- Expanded B&B network to 223 hotels in 2010 from 117 in 2005
- More than doubled revenues to €178m in 2009 from €82m in 2005
- Increased profits to €71.2m in 2009 from €31.6 million in 2005
- Grew employee numbers to 505 from 415

More information

B&B Hotels

Eurazeo

B&B Hotels revenue

	2005	2006	2007	2008	2009	2010
revenue	€82m	€90m	€148m	€159m	€178m	€192m