

PROPRIUM

CAPITAL PARTNERS

FOR IMMEDIATE RELEASE

London, April 09, 2024 | Proprium sells its 35% stake in Motel One to majority shareholder One Hotels & Resorts after 17 years of successful partnership

Proprium Capital Partners (“Proprium”), the real estate private equity firm, today announces the sale of its 35% stake in Motel One Group (“Motel One”), a leading European affordable design hotel company, to the majority shareholder One Hotels & Resorts GmbH (“OHR”), led by the founder Dieter Müller, for a purchase price of €1.25 billion.

Principals of Proprium have been active minority shareholders in Motel One over the past 17 years. They acquired the 35% stake as part of a €65 million investment in 2007 – Motel One’s last capital increase. Proprium recapitalised the investment in 2019.

The sale price of €1.25 billion values the company at an enterprise value of €4.1 billion and a 2023 EBITDA valuation multiple of c. 14 times. Including dividends, the sale price implies a multiple on invested equity in excess of 20 times for the original investors making this an extremely successful real estate private equity transaction. Since its foundation by Dieter Müller in 2000, Motel One has been a pioneer and market leader in the affordable design hotel category in Europe and has since developed into a highly profitable, fast-growing and award-winning brand hosting nine million guests annually. True to its motto “Like the Price, Love the Design”, Motel One offers a high-quality design product at an attractive price in excellent city centre locations.

Since Proprium’s initial investment, Motel One has expanded in Germany and internationally and currently operates 94 hotels with 26,470 rooms. Including the pipeline, growth to 117 properties with more than 32,000 rooms in 56 cities is secured. The launch of the new lifestyle brand "The Cloud One Hotels" not only marked the opening of the first hotel in New York, but also ushered in a new phase of growth for the Company.

Philipp Westermann, Partner & Head of Europe of Proprium, who led the transaction for Proprium and worked with the board of the Company over the years, said: “We are proud to have been a long-term partner to Dieter Müller and the Motel One team on its impressive growth journey for more than 15 years. Motel One has delivered outstanding profitable growth since inception by combining a unique design-led hotel concept, a disciplined and cash generative business model and an entrepreneurial culture. While the sale of our stake in Motel One will generate very attractive returns for our investors, we leave Motel One very well positioned with an enormous potential for future growth. The investment in Motel One exemplifies Proprium’s commitment to platform investing, aimed at delivering outsized private equity returns within the real estate industry.”

Dieter Müller, Founder of Motel One & Chairman of the Supervisory Board, explains: “Together with Proprium, we have built Motel One into an international platform and brand and expect continued strong and profitable growth in the future. We thank the Proprium team led by Philipp Westermann for their trust and contribution.”

“On behalf of Motel One, I would like to thank Proprium for the 17 years of partnership. We will continue on our successful path, which we have established together.” says Stefan Lenze Co-CEO.

PROPRIUM

CAPITAL PARTNERS

The transaction closed on April 2nd. Morgan Stanley acted as financial advisor. Hengeler Mueller and Freshfields acted as legal advisors to OHR and Proprium respectively.

About the Motel One Group

Founded in 2000 and based in Munich, the Company has already won several awards for its concept and is considered the founder of the budget design hotel category. The Motel One Group currently operates 94 hotels with 26,470 rooms in 13 countries (as of December 2023). Both industry experts and guests appreciate the unique combination of high-quality facilities, exclusive design, high service standards and first-class inner-city locations at an attractive price. In 2022, Motel One Group launched the new lifestyle brand The Cloud One Hotels with its first hotel in New York. Further information can be found at www.motel-one.com

About Proprium

A spin out of the Morgan Stanley Real Estate Special Situations team, the Proprium principals have been investing in real estate operating companies since 1996, focusing on scalable themes with experienced local partners and platforms. Proprium's strategy of platform investing seeks to deliver private equity returns in the real estate industry. Today, Proprium has grown to over \$4 billion of net assets under management primarily within hospitality, living and logistics strategies with a global platform of six offices across the US, Europe, and Asia Pacific. Further information can be found at www.proprrium.com