

Manuel Bremont

Sr. Director — Hospitality & Leisure Group



- Participated in numerous pre and post-M&A transactions involving high-profile hotel brands and third-party management companies.
- Served as part of the team that managed the Lehman Brother's bankruptcy estate, the largest corporate bankruptcy in US history.
- 17 years of experience.

A photograph of the Houston skyline, featuring several prominent skyscrapers like the Bank of America Tower and the Texas Tower. In the foreground, there is a river with a bridge and some greenery. The image has a semi-transparent overlay.

M&A — Lodging Industry Consolidation Trends

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Contextual Background

- Strong M&A activity over the last 3-4 years.
- Similar fundamentals fueling transaction volume.
 - Continued industry fragmentation
 - Lower RevPAR growth environment
 - Operator's need to create value

M&A – Lodging Industry Consolidation Trends

- Hotel Brand Benefits
 - Larger distribution platform, broader customer base and offering, expanded loyalty programs, integration synergies, etc.
- Hotel Owner Benefits
 - Lower distribution costs, improved procurement pricing, improved corporate support, among others.

M&A – Lodging Industry Consolidation Trends

- Third-Party Management Companies
 - Increasingly competitive environment
 - Different set of value driver
 - Ownership mix
 - Length of HMA term / performance and termination provisions
 - HMA churn, retention and re-link

M&A – Lodging Industry Consolidation Trends

- M&A activity expected to continue in 2019
 - Goal is not to become bigger (though it may be a plus) but to gain strategic edge.
- PE / Sovereign wealth funds continue to seek for acquisition opportunities
 - Strategic capital deployment beyond individual assets and into operating platforms that can become a valuable asset, spun off and sold.