

Strategic partnership between Oaktree, Paris Inn Group and Maison Albar Hotels



Jean-Bernard Falco (Chairman PARIS INN GROUP), Céline Falco (Vice-President PARIS INN GROUP) et Grégory Pourrin (CEO PARIS INN GROUP) / [HD Picture](#) (©Stéphane de Bourgies).

The founders of the Paris Inn Group, the Maison Albar Hotels company, the founding members of the Albar Group, whose origins date back to 1923, and Gregory Pourrin have, since the beginning of 2019, initiated a discussion on the creation of a hotel investment vehicle whose objective is to hold (i) all or part of the hotel assets that they operate through various entities (premises, businesses and hotels under lease-management), (ii) the group's hotel management and operations activity currently carried out by Paris Inn Group and (iii) the Maison Albar Hotels brand. As a result of this discussion and after two years of work, a new group structure named "**CENTAURUS**" ("the Group") has been implemented, effective since January 1, 2021, which includes 5 wholly owned divisions, best reflecting the various activities:

- a first division dedicated to the hotel management and operations, which will be conducted by Paris Inn Group (the "**Hotel Management Division**");
- a second division whose purpose is to group together the hotel companies wholly or majority-owned by members of the Albar and Falco families (the "**Majority Division**") through Centaurus and its subsidiary "**Centaurus Participations Majoritaires**";
- a third division, whose purpose is to group together hotel companies that are partially owned alongside third-party investors (the "**Minority Division**") through Centaurus and its subsidiary "**Centaurus Partenariats**";
- a fourth division whose purpose is to group together companies operating hotels under lease-management hotel through Centaurus and its subsidiary (the "**Lease-Management Division**"); and finally
- a fifth division owning and operating the "Maison Albar Hotels" brand (the "**Brand Division**").

As part of this framework, Centaurus advised by Maya Global Markets, and funds managed by Oaktree Capital Management L.P. ("Oaktree") have partnered to discuss the terms and conditions of the Group refinancing and target structuring. In this context, Oaktree is considering subscribing in the coming weeks (closing to come) to a €115,200,000 bond issuance, convertible into preferred shares to be issued by Centaurus, under certain conditions.

This investment is one of the largest in the French hotel industry in 2020 and demonstrates both the confidence that the partners, Oaktree and Centaurus, have in each other as well as in the hotel industry, which has demonstrated its resilience over the last 30 years.

Founded in 2005 in its current structure by Céline and Jean-Bernard Falco, the company that they manage with their CEO-Partner Grégory Pourrin has been active in the Paris market for four generations. The company is both manager and investor of a portfolio of 35 4-star and 5-star hotels, mostly located in Paris, representing a total of more than 2,000 rooms and more than 1,000 employees. The company had a consolidated turnover of €100 million excluding VAT as of December 31, 2019, with assets under management valued at nearly €1 billion.

As a hotel manager, investor and owner, the business model of the "Management division" relies on a portfolio management activity of premium hotels, on behalf of third-party hoteliers, institutional investors and for Centaurus itself. The Group has developed a new concept of boutique hotels under the Maison Albar Hotels brand. This brand passionately combines the know-how developed from generation to generation by the family of Céline Falco, born Albar, and the cultural identity of a place bringing another vision of the French art of living. The brand was established in Paris with 4 flagship hotels: the Maison Albar Hotels Le Pont-Neuf, Le Champs-Élysées, Le Diamond and Le Vendome, in addition to 4 other hotels in operation (2 under franchise agreements in Chengdu and Guiyang, China), one in Nîmes and a palace in Porto (Portugal), representing 8 hotels of the 5-star category already in operation, 3 of which are promoting the French pavilion abroad.

Maison Albar Hotels offers 5-star boutique hotels from 50 to 100 rooms that benefit from a concentration of technologies to offer a distinctive and customized experience. This clever blend of design, French elegance and local cultural heritage is the true signature of the brand. Maison Albar Hotels thus immerses its guests into each of its hotels into a singular universe, partnering with artists, designers, contemporary craftsmen and renowned French families in the tourism sector. Six other hotels are currently being developed under this new international brand of French luxury, notably in Nice, Colmar and Chamonix as well as in Abidjan, Ivory Coast and 2 new projects in China (Guangzhou and Changsha).

Oaktree is notably supporting Centaurus in this ambitious development strategy in order to further deploy the new Maison Albar Hotels luxury boutique hotel brand internationally, and to enable the hotel management company to become a true reference in Europe.

Vincent Catherine and Hugo d'Avout d'Auerstaedt, Managing Directors at Oaktree comment: *"We have been closely following the development of the Paris Inn Group for several years and are delighted to embark on a common adventure today, for which this financing is intended to be only a first step. We have been able to appreciate over the past few months, and in an unprecedented context, all the professionalism, resilience and agility of the teams. We particularly value the entrepreneurial and family DNA of Centaurus and we are delighted to be able to support, Céline & Jean-Bernard Falco and Grégory Pourrin in this new stage of the group's development."*

Céline and Jean-Bernard Falco as well as Grégory Pourrin, co-founders of Centaurus, comment:

"After having founded the company in 2005, we have, over these past 15 years, benefited from numerous structured financings from our financial partners such as Zencap, Bpifrance or Bank of China. This investment from Oaktree is one of the most important implemented in France during this period of pandemic in a sector considered by many to be severely impacted. We like the contrarian spirit of the Oaktree teams that we have known for many years and with whom we share both the same values and the same confidence in the future, in our sector and in our teams."

This partnership demonstrates:

- the very good level of quality of our hotels;
- the ambition of our development projects, of which the current Nice project is the cornerstone;

- *the quality of our employees, their skills and those of our partners and networks;*
- *the skills of our teams;*
- *the motivation, determination, diligence, rigor and skills, that have been valued and appreciated in this unprecedented context.*

We are delighted to have the opportunity to collaborate with an international player, as respected and recognized, as Oaktree to continue to develop our group in the post-crisis period which will inexorably begin in a few months with renewed ambition to reach €1 billion of turnover by 2030.”

Centaurus teams: Jean-Bernard Falco, Céline Falco, Grégory Pourrin, Cécile Le Motheux, Isabelle Halin-Tassone, Serge Bourron, Elie Seban, Alexandre Guiraud and their teams.

Investors (Oaktree) : Vincent Catherine, Hugo d'Avout d'Auerstaedt, Martin Graham, Bastien Roleau, Thibaud Zarazaga

Centaurus advisors:

Financial: Maya Global Markets (Sofiane Megharbi, Rudy Allouch, Philippe Guerand), Legal, notary, corporate and accounting advisors: Gide (Thomas Urlacher, Laëtitia Lemercier, Bertrand Jouanneau and with all their teams), Flusin & Associés (Cécile Miralles and Jean-Michel Estève), Cabinet Richard (Charly Richard, Widiiane Mendes and Véronique Pagès), Cabinet Job (Jean-Marie Job and Victor Violet), Sinergys (Stéphane Belin and Didier Hassan), Statutory Auditor (Accomplys : Jacques Parent), Studies & Valuations (KPMG: Régis Chemouny & Stéphane Botz).

Oaktree advisors:

Legal: White & Case (Saam Golshani, Amaury de Faydeau, Alicia Bali, Paul Loisel), Tax: White & Case (Estelle Philippi), Financial: PwC (Arnaud Thibésart, Arnaud Burillon), Notarial: Monassier et Associés (Laurent Cassignard, Caroline Natal)

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About Oaktree:

Oaktree is a leader among global investment managers specializing in alternative investments, with \$140 billion in assets under management as of September 30, 2020. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in credit, private equity, real assets and listed equities. The firm has over 1,000 employees and offices in 19 cities worldwide.

For more information, please visit: <https://www.oaktreecapital.com/>

About Paris Inn Group:

Founded in 2005 in its current form, Paris Inn Group is a hotel asset manager specializing in the development, transformation and management of upscale hotels with a portfolio of 35 hotels under management with more than 2,000 rooms and 1,000 employees. Paris Inn Group has operational expertise in the development of hotel investment projects (preparatory audit and technical assistance), management (operational, financial, tax, IT, human resources, legal management of the various companies managed) and finally the marketing of hotel nights on behalf of its clients (Yield / Revenue Management, online marketing, web referencing).

For more information, please visit: <https://www.paris-inn-group.com/>

About Maison Albar Hotels:

Maison Albar Hotels is a French 5-star hotel chain, created in 2014 by Jean-Bernard and Céline Falco, founders of the Paris Inn Group, and managed by Grégory Pourrin. Enthusiastic about sharing the know-how of four generations of hoteliers and committed to creating spaces that are culturally striking, they decided to design Maison Albar hotels, which offer a new version of French elegance and hospitality. The Maison Albar Hotels brand is undoubtedly inspiring and keeps on growing. The first hotel opened in Paris and is currently being expanded throughout the World, with a special focus on the host city. Regardless of the purpose of the trip – family holidays, business, romantic getaway - , everyone will be treated in a unique and memorable way, replicated in all of the chain's hotels.

For more information, please visit: <https://www.maison-albar-hotels.com>

About Maya Global Markets:

Founded in 2013, Maya Global Markets (« MGM ») is an investment boutique specialised in Structured financing. MGM advises, arranges and structures large transactions across the full spectrum of the financing solutions (senior, mezzanine, unitranche, junior, preferred equity, equity) and has a strong track record with over €2 billion advised transactions over the last 2 years.

Led by the two founding partners Sofiane Megharbi and Rudy Allouch, its team combines a flexible approach and solid partnerships with lenders and private equity investors (investment banks, specialised funds, private banks and private investments) to provide financing solutions for both corporate and real estate companies across Europe. For more information, please visit: <https://www.maya-gm.com/>

This transaction was also arranged by Clearwater International (Thomas Gaucher).

For more information, please visit : <https://www.clearwaterinternational.com>