

You won't win that easily: Stelios hits back at hotels bid

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The founder of Easyjet is on collision course with a pair of property investors looking to seize control of the hotel chain he launched 15 years ago.

Sir Stelios Haji-ioannou yesterday dismissed a £139million takeover bid for Easyhotel, the listed budget hotel operator. He described the agreed offer from Ivanhoë Cambridge, of Canada, and Icamap, of Luxembourg, as “very low” and urged fellow investors not to accept it.

However, the tycoon has a fight on his hands. The consortium owns a 39 per cent stake in Easyhotel and its 95p-a-share bid, 35 per cent above last Friday's closing price, has secured the backing of the board. Jonathan Lane, 73, Easyhotel's chairman, said that the sale price was “fair and reasonable and in the best interests of shareholders”.

Shares in Easyhotel leapt by 23½p, or 33 per cent, to 94p yesterday.

Sir Stelios, 52, and his family own 27 per cent of the company. The bidders need 75 per cent to take Easyhotel private, but only 50 per cent plus one share to take charge of the board.

The son of a Greek Cypriot shipping magnate, Sir Stelios founded Easyhotel in 2004 and floated the company on the stock exchange a decade later. The self-styled “ultra-budget” chain owns 12 sites with 1,340 rooms and has a further 26 franchised outlets with 2,293 rooms. The company, whose interests span Britain, continental Europe and

Dubai, has a further 17 hotels in development.

Easyhotel said that it would be able to raise capital to fund its expansion plans more easily if the consortium gained a majority of its shares. It said that liquidity in its shares had been “limited and would be likely to remain so”, narrowing its options. The bidders said

that they were “open-minded” about whether Easyhotel remained quoted or was taken off the stock market.

Sir Stelios said that the agreed bid undervalued Easyhotel shares, which hit an all-time high of 128p last year. “I urge all other shareholders to take no action, ie: not accept the offer,” he said. He noted that Icamap had paid 110p a share in a rights issue last year.

Sir Stelios founded his budget airline Easyjet in 1995 after leaving his father's company. He maintains ownership of the Easy brand through Easygroup, a private company that in 2014 set up a 50-year brand licensing with Easyhotel, worth £274,141 to the tycoon last year. Sir Stelios has also had a tempestuous relationship with the board of Easyjet. A decade ago he refused to approve its annual accounts after a row over the acquisition of a smaller rival. In 2016 he attacked the airline's executive pay plans. He owns 34 per cent of Easyjet.

Easyhotel reported a 25.3 per cent jump in sales to £20.2million in the half-year to the end of March, with underlying earnings up 48.2 per cent to £1.46 million. On a pre-tax level, it fell to a £124,000 loss.

