

The Easy life

EasyHotel's new majority owners are discovering an irony well known to easyJet's senior managers: having founder Stelios Haji-Ioannou as a big shareholder is anything but easy.

After spending years criticising the low-cost airline's strategy and pay policies, Sir Stelios is now holding out against a "very low" bid for the hotel chain. Bidders Ivanhoé Cambridge and ICAMAP have offered 95p a share and say they hold or have received acceptances in respect of more than 50 per cent of easyHotel shares. But Sir Stelios has 27.5 per cent and is trying to buy more, to be sure the bidding consortium cannot get to the 75 per cent needed to delist the company.

Preventing a delisting would mean the new owners cannot save £250,000 of annual listing costs, cannot pursue the cheaper fundraising options open to private companies, and cannot have a much simpler ownership structure.

A holdout by 25 per cent of investors was what prevented Non Standard Finance from delisting its bid target Provident Financial, which ultimately scuppered that deal.

So, might the bidders be tempted to raise their offer to a level Sir Stelios could accept? With easyHotel paying him branding royalties of £274,000 a year, he is not reliant on shares to provide an income. However, unlike NSF in its bid for Provvy, Ivanhoé Cambridge and ICAMAP do not need to delist easyHotel. They are not trying to combine two businesses to achieve synergies. They are seeking to invest — and they can put more money in, more easily, with just 50 per cent. It might not be quite as easy with Sir Stelios hanging around, but it is do-able.