



# SCHWARZER BOCK HOTEL

By MGallery



Wiesbaden, Germany

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# Table of Content

01      **Market Overview**

02      **Brand Selection**

03      **CAPEX**

04      **P&L**

## **Honour Code**

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# Radisson Blu Wiesbaden Repositionning Case Summary



## WHY CHANGE ?

- Underperforms the comp set
- Underutilised F&B/lobby
- Strong, underleveraged heritage & thermal spa USP

**2035 value (no CAPEX): €20.8m**



## WHAT WE DO:

- No full closure
- Driver : Rooms+ F&B
- Repositioning: MGallery

**Total CAPEX: €3.73m**

**Phasing: 2026–2028**



## WHAT WE GET:

Returns:

- IRR 22%
- NPV €1.99m
- Value Uplift : +€13.3m

# Market Overview

# HOTEL OVERVIEW



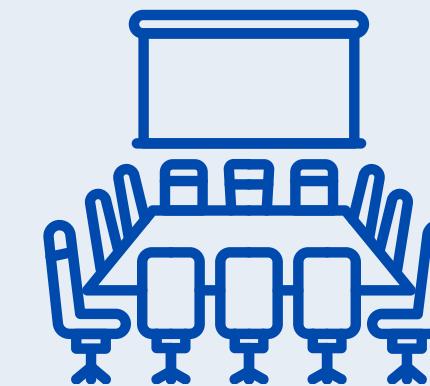
4-star  
heritage  
hotel



142 rooms



Historic spa  
facilities /  
thermal baths



Conference &  
event spaces



Prime location  
near  
Kurhaus + old  
town

**2024**

**Occ : 74.3%**

Upper upscale segment

**ADR : 120€**

A major weaknesses in F&B

**RevPar: 89€**

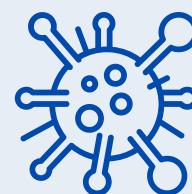
limitation ADR potential

# HOSPITALITY INDUSTRY OVERVIEW

## Germany



Top 1 : Worldwide destination for business travel



2024 confirmed a strong post-pandemic rebound in international visitor spending, including travel showing notable growth



## Wiesbaden



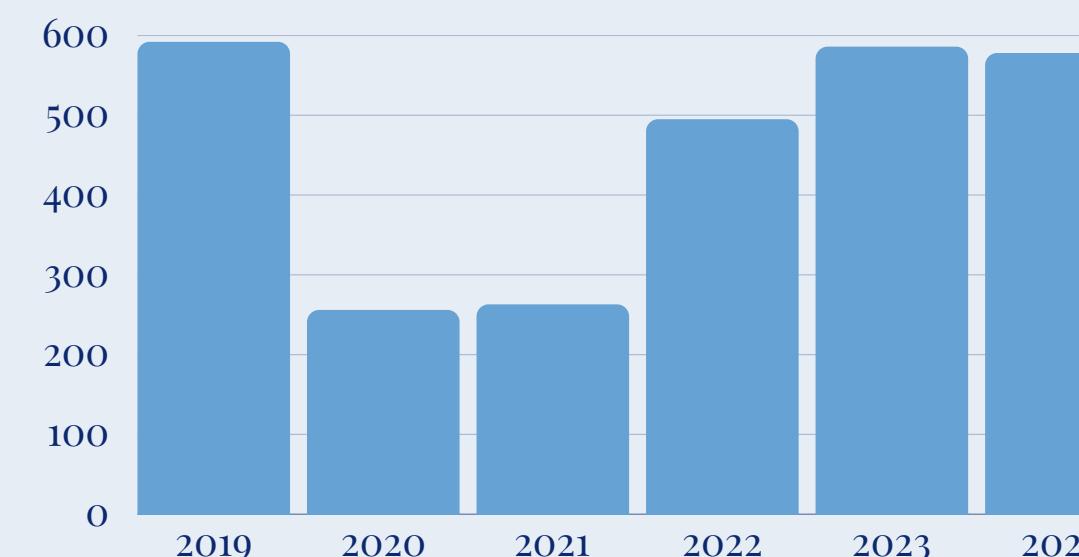
Foreign guests 17%



83% Domestic guests



People visiting Wiesbaden per year



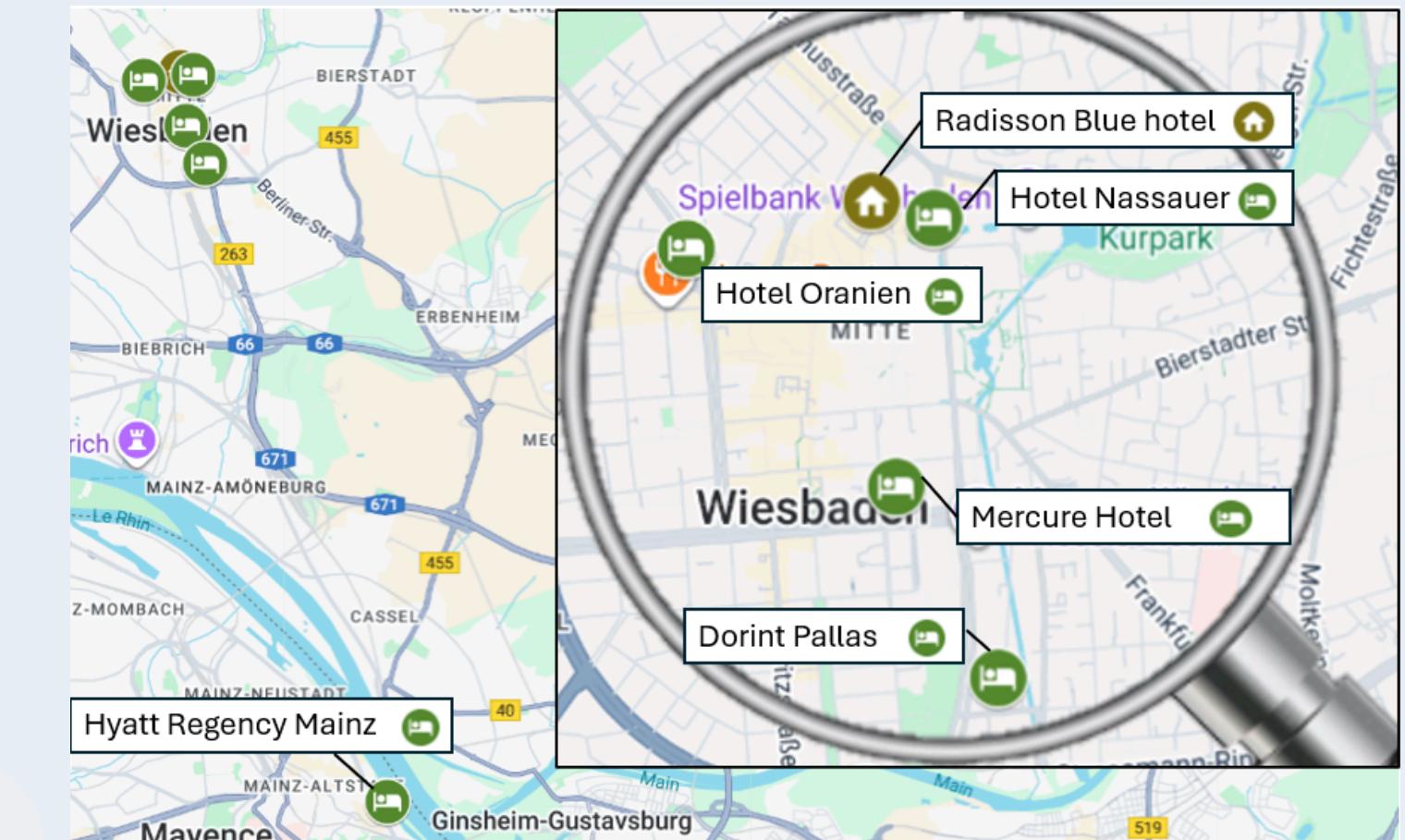
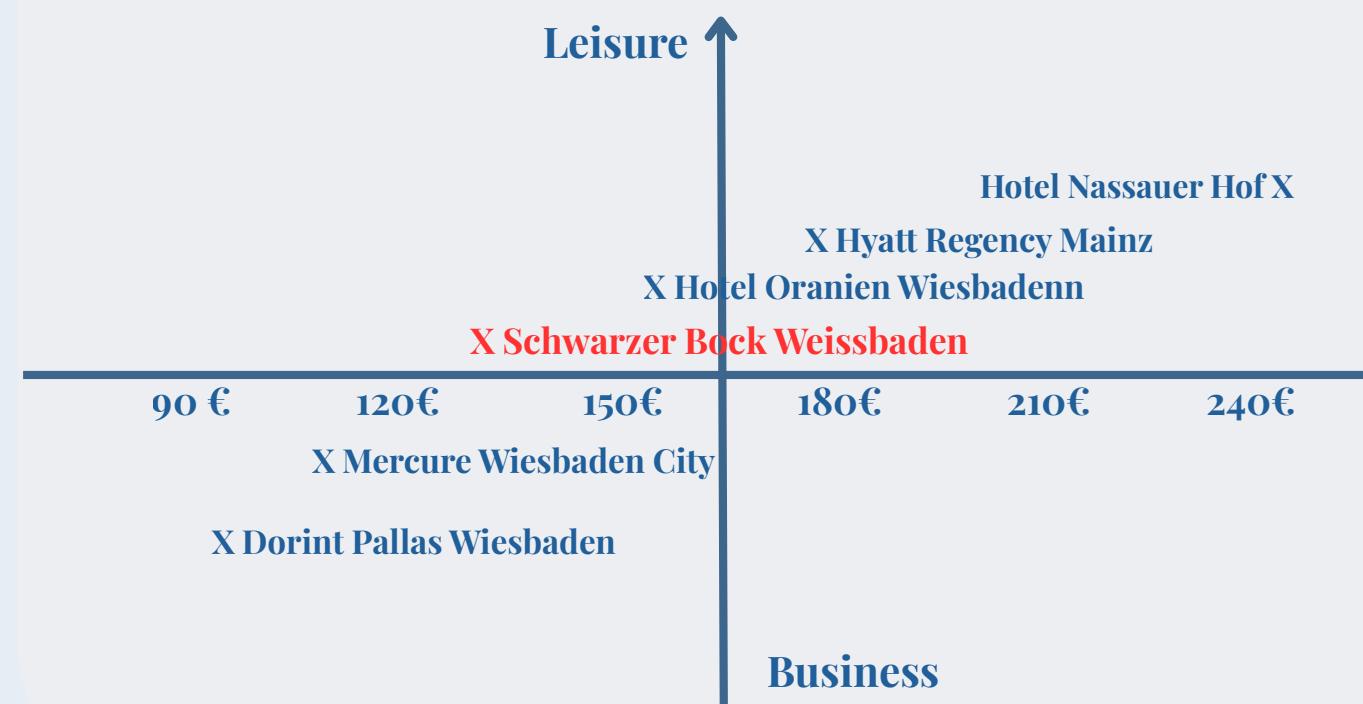
56% Business travel shifting to "Bleisure".  
+20-35% More spending than business travellers.  
+1.5/2.5. Nights extended in their stay

Bleisure Traveller, (2023)  
Tourism Review (2023)

# COMPSET IN WIESBADEN



## COMPSET POSITIONING



# Brand Selection & Management

# BRAND SELECTION

**Who is our targeted clientele ?**

Wiesbaden has **83%** of domestic clientele, we want to expand the “bleisure” segment .

**What aesthetic do we want for our Radisson Blu Wiesbaden ?**

To expand the bleisure segment we need to give a leisure ambiance so guests might feel more welcomed.



- Design-forward
- Strong global engine
- US-oriented



- Storytelling & heritage
- Strong European presence
- Best for bleisure



- Business hotels
- Corporate engine
- Less heritage-driven

# FRANCHISING & MANAGEMENT

For Radisson Blu we chose a soft brand  
franchising agreement

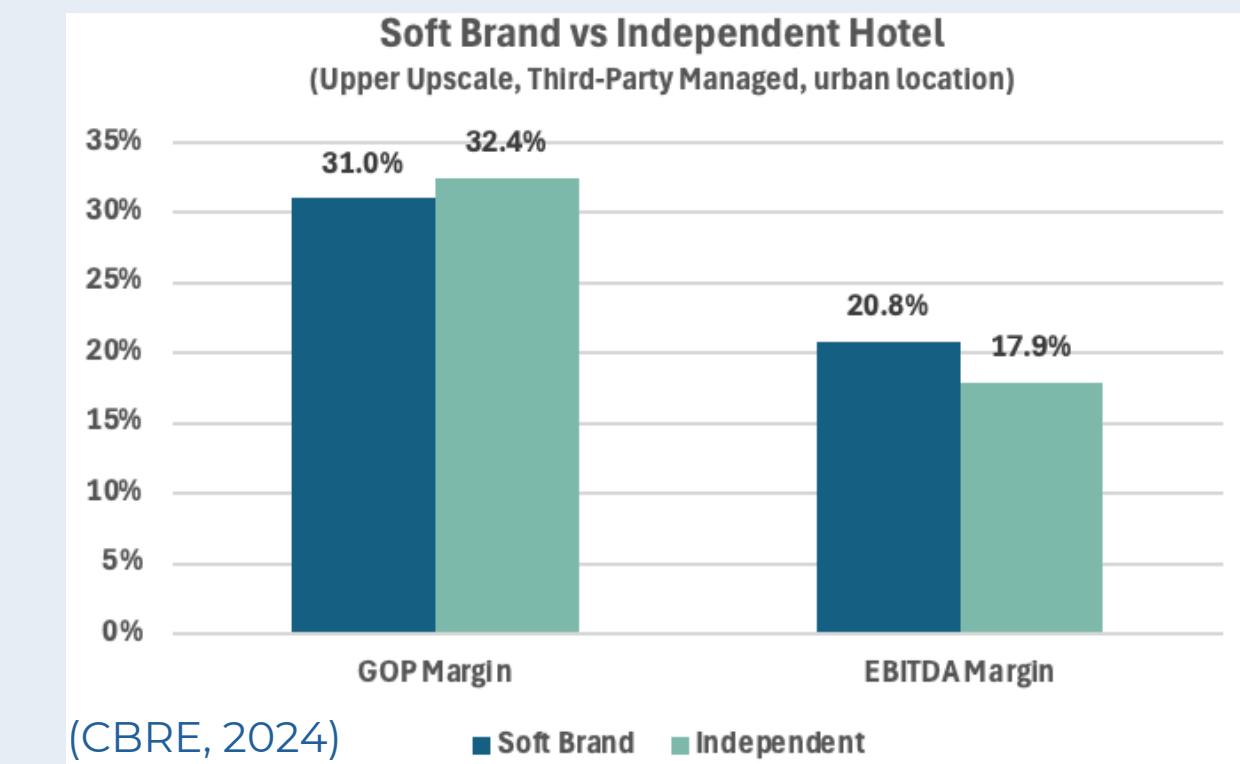


Avoids the costly compliance &  
loss of heritage



Secures financial benefits

White label operator  
Experience in premium  
historical hotels with  
strong expertise in F&B.



In our category, GOP margin is lower with a soft  
brand but EBITDA is almost 3 points higher.



# CAPEX & PHASING

# CAPEX - ROOMS

## SOFT RENOVATION

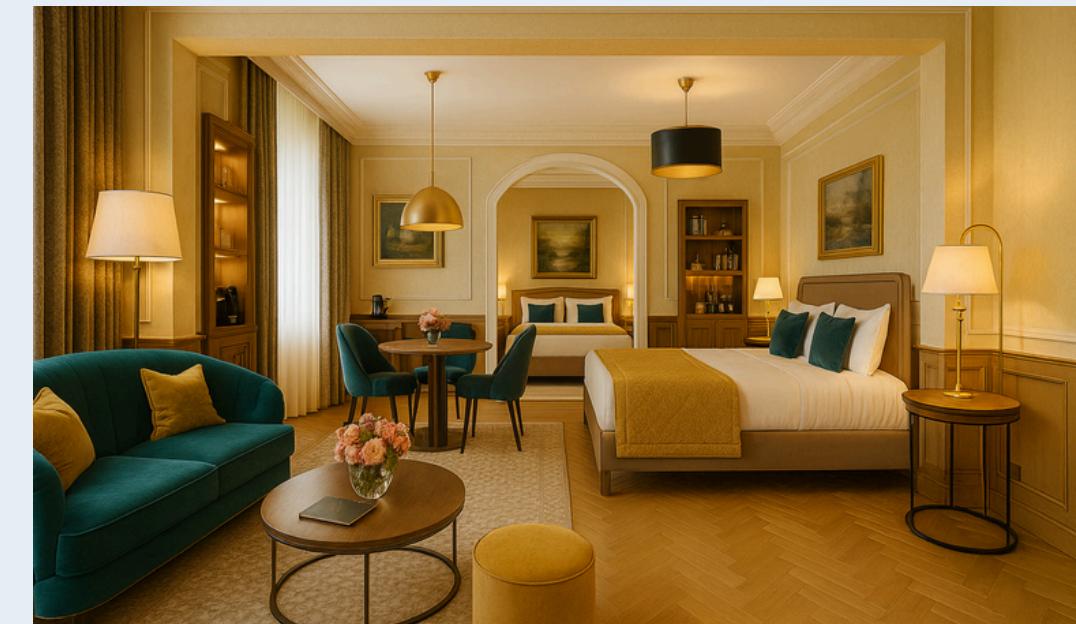
- Renovate the 141 rooms (+bathrooms)
- Updated furniture & soft good to match MGallery
  - New carpets & curtains
  - Warmer lighting concept
  - Bathrooms



Total Room & Prestige  
suite Capex : 2'053'000 €

## HARD RENOVATION

- Family room converted into Signature suite.
- Hard renovation for the conversion
  - Double bed + convertible
  - New furniture
  - Spa-inspired bathroom



# CAPEX

## MEETINGS ROOMS

- Experiential salons to adopt the MGallery boutique standards
- Replacement new FF&E, Carpets & add technology



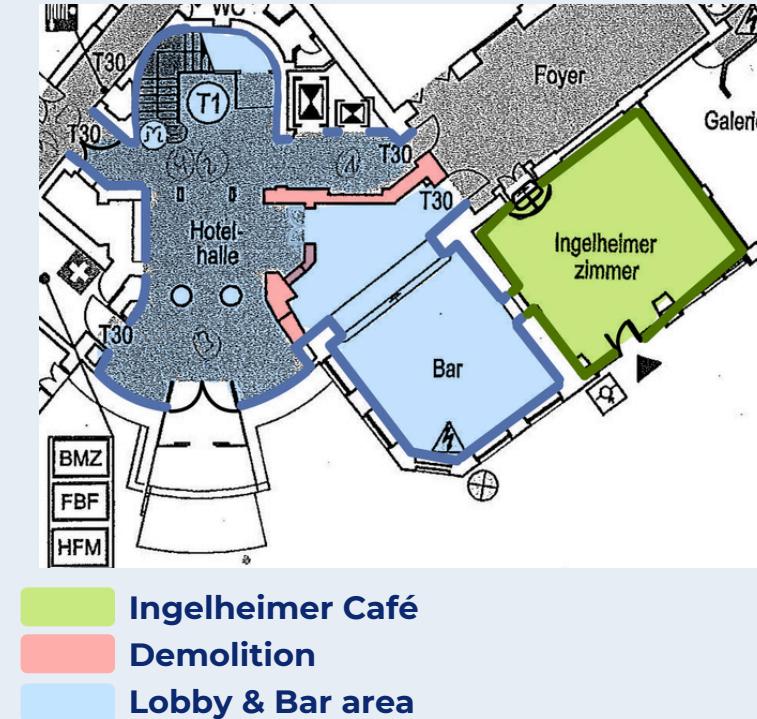
**636 sqm room**

CAPEX Cost: 274'000 €

## LOBBY & BAR

- **Demolition of walls** to merge the static reception with the existing Eck bar, creating a seamless, high-energy "Great Room".
- **Eck bar** : Drinks & appetisers

CAPEX Cost : 704'000 €



## CAFE INGELHEIMER

- Create a **coffee / coworking space** in the Ingelheimer zimmer
- **Evening** : Turning into a **wine** tasting room for **afterwork/private** events.
- Access for external clients,
- 5/7d open



CAPEX Cost: 372'000 €

## SPA

- Update of our biggest Leisure asset.
- **Renovation**: Focus on atmosphere- Lights, paint, furniture change, artwork.
- **Target**: Bleisure guests



CAPEX Cost : 316'000 €

# PHASING

TOTAL COSTS	Year	jan	feb	mar	april	may	jun	july	aug	sept	oct	nov	dec
€ 1,236,545.00	2026	Cluster 1						Cluster 2					
													Ingelheimer conversion
€ 1,482,981.00	2027	Meeting rooms					Cluster 3				Lobby		
		SPA						Eck bar + extention					
€ 1,015,235.00	2028	Cluster 4					Cluster 5				Energy		
				Lobby									

## Renovation Disruption

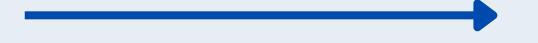
- OOO assumption: Rooms renovated in 5 clusters; no full hotel closure.
- Occupancy impact: dip in rooms sold (works period)

P&L

# MAJOR KPI'S

## Occupancy

Start 2025

74%  80%

+ 6 points in 6 years

## ADR

Start 2025

121 €  +48€ 169 €

+40% ADR growth

## RevPar

Start 2025

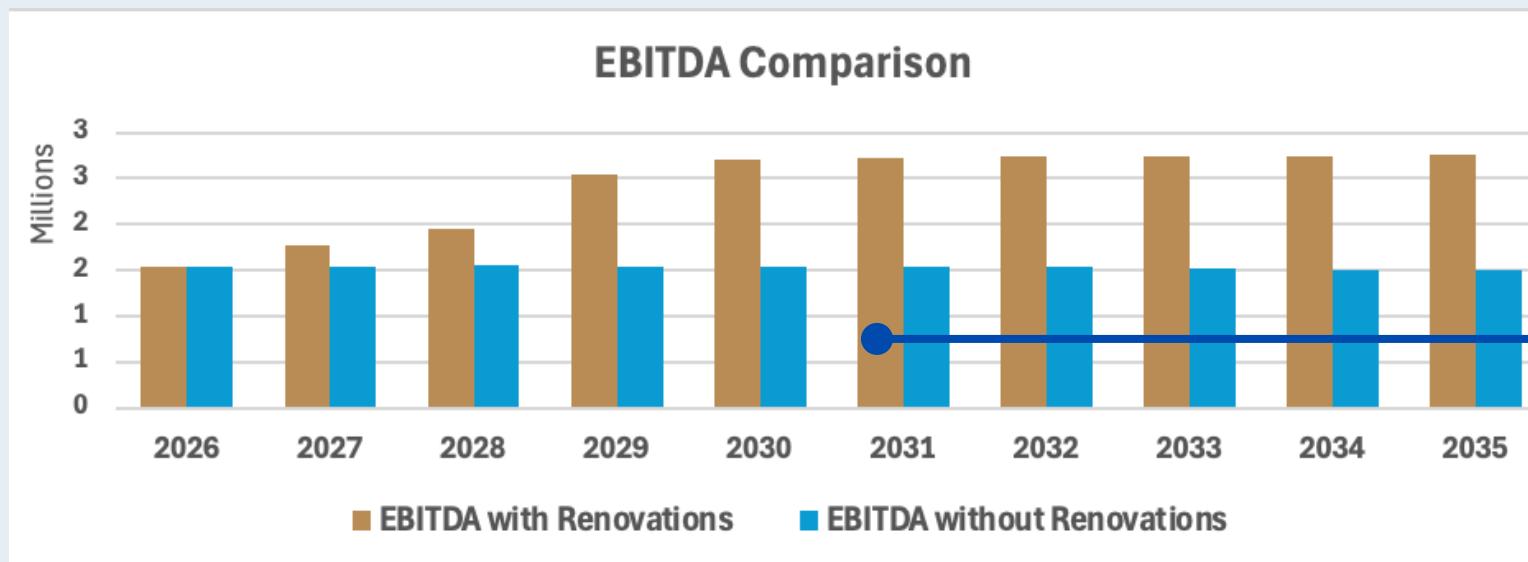
90€  +45€ 135€

+51 % RevPar growth

000 / renovation ➔ temporary dip, stabilisation in 2031

# OPERATION UPLIFT

## Performance Overtime



Stabilised year used for uplift = 2031 | Exit year = 2035

### Financial Impact (2031)

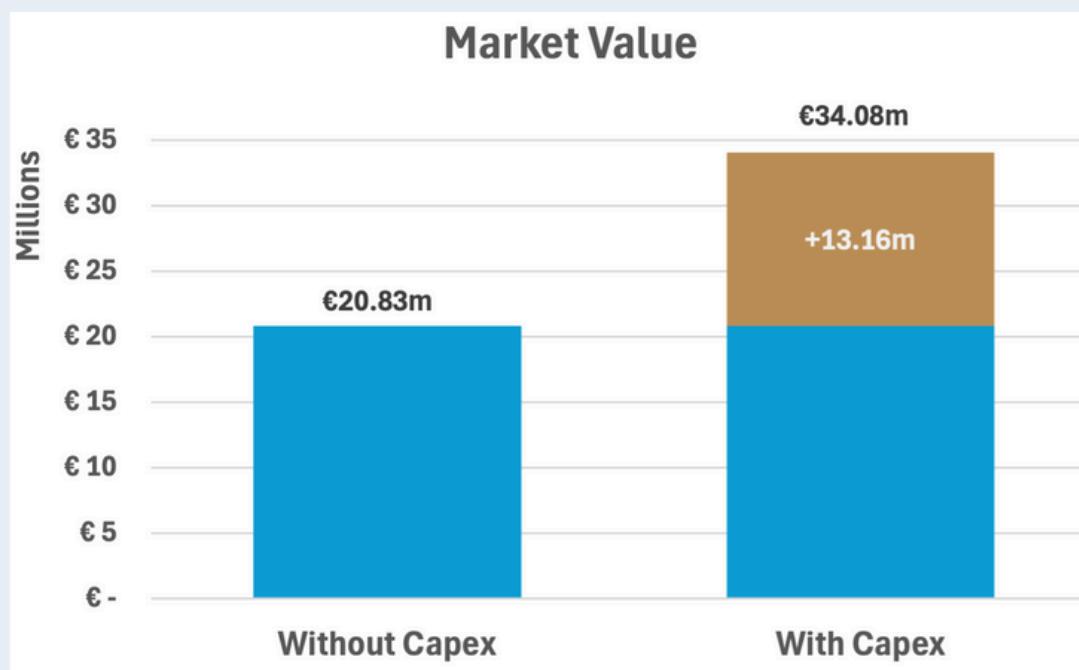
Revenue increase : +€3.63m

GOP increase : +€1.91m

EBITDA (excl. RR) : +€1.19m

GOP margin : 28% ➔ 37%

## Exit Value (2035)



Exit cap rate: 6.65% | Sale costs: 6%

CAPEX cost : 3.73 m

Payback period : 5.8 years

AROI : 14%

Market Value : 34.1 m

