

A Game-Changer In The Hospitality Sector

An Interview with Andro Nodarse-Leon, Founder and Chief Executive Officer, LionGrove

EDITORS' NOTE Over the course of a successful 20-year career, Andro Nodarse-Leon has completed acquisition, financing, and divestiture transactions totaling over \$85 billion in value and has been involved with hundreds of transaction processes across multiple sectors, including hospitality, education, real estate, consumer products, media, entertainment, finance, business services, energy and infrastructure. Nodarse-Leon began his career in investment banking at Goldman Sachs & Co. and, subsequently, as a private equity professional at KKR in New York City. Immediately prior to founding LionGrove in 2018, Nodarse-Leon was Founder and Managing Partner for LEON, MAYER & Co. (LM), a successful Miami and New York City based investment banking and private equity firm which he founded in 2005. From 2012 to 2018, Nodarse-Leon led LM's efforts in connection with the founding, ownership, financing, investment and operational oversight of its portfolio company, Endeavor Schools, a successful roll-up of pre-k to 12th grade private schools throughout the United States. In 2015, LM formed a joint venture to acquire El San Juan Hotel from Blackstone. Subsequently, LionGrove purchased the interests of LM in El San Juan Hotel. Nodarse-Leon previously served on the Owners Advisory Council for Hilton Corporation and the Board of Trustees for the Oliver G. Scholars Program in New York City. He is the co-author of Cuba: From Economic Take-off to Collapse Under Castro. He currently serves as Vice President of the Board of Directors of the Cuban American National Foundation, a nonprofit that supports the development of democracy in Cuba. Nodarse-Leon received a BS, cum laude, from The Wharton School of the University of Pennsylvania and a BSE, cum laude, from the School of Engineering and Applied Sciences of the University of Pennsylvania.



Andro Nodarse-Leon

blue-chip, Wall Street professionals with the eye for creating great environments and the passion for service of world-leading hoteliers. LionGrove acquires hotels ranging from midscale to luxury and from limited service to full service located in fundamentally strong markets across the United States. The LionGrove team has operated hotels across the U.S., the Caribbean, and Latin America from upscale to luxury properties under the Marriott, Hilton, Intercontinental Hotels Group, Accor, Wyndham, and sbe family of brands, as well as independent properties ranging from small boutique hotels to some of the largest and most operationally complex properties in the world. LionGrove currently owns the Fairmont El San Juan Hotel in San Juan, Puerto Rico and the Wyndham Palmas Beach and Golf Resort in Palmas Del Mar, Puerto Rico.

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What was your vision for creating LionGrove and how do you define its mission?

LionGrove is a game-changer in the hospitality sector, transforming hotels that are fundamentally sound, but are underperforming due to varying strategic, operational, or capital dynamics. Core to our mission is acquiring properties that are rich in potential and revitalizing them into vibrant destinations that touch

souls and enrich lives through awe-inspiring experiences and spaces. We want our hotels to be great local citizens, both delighting guests with local authenticity, and uplifting our team members and local communities. Our careful selection of investment opportunities, together with our thoughtful development and execution of a bespoke business plan for each hotel, is what drives the industry leading returns that we are focused on delivering for our investors.

How do you describe LionGrove's culture and how critical is culture to the success of the firm?

LionGrove's culture is underpinned by a drive to be a worldwide leader in the hospitality industry. That means taking seriously the commitment to excellence, level of intensity, and the discipline that requires. At the same time, central to our culture is the understanding that we achieve more together when we care for each other, enjoy our daily interactions, and have fun while growing together. We are obsessed with driving robust results for our investors and, accordingly, we align our team's interests with theirs. We have each other's back, we treat each other with care and respect, we hold ourselves to high ethical standards, and we have a passion for creating award-winning profitable hotels that outperform their peers and deliver great investor returns.

FIRM BRIEF LionGrove LLC (liongrove.com), together with its affiliates, is a leading hospitality investment firm whose professionals have over 190 years of combined investment, financing, and operational experience forged at some of the most prestigious private equity, investment banking and hotel companies in the world, including KKR, Goldman Sachs, UBS, Greenhill, Marriott, Starwood, Intercontinental Hotels Group, The Ritz-Carlton Hotel Company and sbe, among others. LionGrove brings together the investment acumen of seasoned,



Wyndham Palmas Beach & Golf Resort (above and opposite page)



Will you discuss LionGrove’s investment strategy?

Our investment strategy targets primarily upscale to luxury hotels across the sunbelt of the U.S. and its territories. We focus on hotels that, while fundamentally strong, have hit a performance plateau and stand to gain from a new vision, capital improvements, a brand repositioning, and enhanced management oversight and execution. With a team that combines hundreds of years of world-class investment and hotel operational experience, we do a great job of selecting strong assets, in growing markets, and unlocking substantial value through physical upgrades, growing the hotel’s penetration of attractive market segments, and the creation of additional revenue streams through improved food and beverage, entertainment, and wellness programming.

Where do you see opportunities for growth for LionGrove?

We recognize significant growth potential across the U.S. sunbelt, including in the U.S. territory of Puerto Rico. We are fundamentally interested in markets with population and GDP growth, with environments that are friendly to business formation and growth, and where there is growing interest from U.S. and international travelers. Within the continental U.S., we are currently pursuing hotel acquisition opportunities across multiple markets including Florida, Texas, and Arizona, among others. In Puerto Rico, we are encouraged by the island’s economic progress, fueled by attractive tax benefits, a strengthening

manufacturing industry that represents approximately 50 percent of GDP, and a vibrant cultural resurgence that is driving global interest in visiting the island. We are working on new full-service hotel acquisitions in these markets, as well as follow-on investment opportunities to expand some of our current hotels in Puerto Rico with additional key count and branded residential product. Our objective is to expand our hotel portfolio to over \$1 billion in asset value in the next five years.

Will you highlight the strength of LionGrove’s team?

LionGrove’s strength lies in our diverse and experienced team that brings together world leading investment, hospitality operations expertise and creativity and passion for what we do. My background in investment banking at Goldman Sachs and private equity at KKR, combined with my experience in previously building and exiting successful operating real estate businesses, provides a strong financial and strategic foundation for our firm. We are also privileged to have on our team world class hoteliers, such as our COO, Chris Sariago, who brings extensive luxury hospitality experience from brands like Ritz-Carlton, sbe, and Atlantis.

Our firm’s blend of financial acumen, creativity, eye for design, and operational expertise allows us to identify undervalued assets and to implement effective strategies to transform and optimize these properties. Our team’s integrated approach, combining dealmaking skills with hands-on operational

knowledge, has been the key to our success selecting great properties and executing our vision for each one of them.

What do you see as the keys to effective leadership and how do you approach your management style?

Effective leadership is about fostering a culture of excellence, innovation, empowerment, accountability, and shared joy from seeking to execute on our firm’s mission and being industry leaders. We hire the brightest and most creative minds that are committed to professional excellence and are passionate about LionGrove’s vision, mission, core principles, and culture.

It is my role to delineate and keep us focused on a vision and mission for our firm. However, I am a firm believer that real magic happens when each of our team members realizes they are the CEO of their role. We believe in distributed leadership. Each team member at our firm is expected to delineate a vision and mission for their area and role that supports our broader vision and mission, and they are each expected to innovate, take ownership, collaborate, and execute.

It is essential for me to create an environment where the best ideas always rise to the top and are adopted and implemented, where speed of execution is valued, and where our team feels a deep sense of responsibility for the success of each hotel that we own.

Did you always know you had an entrepreneurial spirit and desire to build your own firm?

I have had an entrepreneurial spirit since I was very young. I had my first company while at Penn. It was a nightlife company. After graduating, I knew I wanted to go to the best finance and investment firm in the world so that I could learn the fundamentals of business and investing from the incredible colleagues that I knew I would have there.

It was an incredible privilege to have been able to work at Goldman Sachs and KKR. Both are amazing firms with incredible cultures and unbelievable track records of success that I admire tremendously. All along, I knew that I wanted to apply what I learned along the way to go out on my own to create new businesses. It is very fulfilling to create and grow a company that would not otherwise exist if it were not for a new team of people coalescing around a vision and a mission and turning it all into a reality.

What advice do you offer to young people beginning their careers?

Focus on the things that you are viscerally passionate about. Listen to those instincts. Develop expertise there. Build a strong base of foundational knowledge at the best places that you can get into – both academically and professionally. Along the way, accumulate some start-up capital and foster strong capital relationships. Then, go out on your own or join a small group of like-minded friends and colleagues to create and to give shape to new visions and ideas that move industries forward and make the world a better place. ●