

LATEST NEWS:

News

Finance **Opinion**

In Business

Mandelson stripped of Power at his own firm after Epstein email scandal

Building Bridges: How 3G Capital Partners with

Family-Owned Businesses for Long-Term Growth

Technology

Get Funded

Profiles

f y o

SEARCH

Receive the latest news daily direct to your

> * indicates required **First Name**

Last Name

inbox

Search

Email Address *

Subscribe

LATEST NEWS



Ryanair sparks fury as it bans paper boarding passes

Ryanair faces backlash after banning paper boarding passes from November, with campaigners calling the move "disgraceful" and warning it discriminates against older passengers.

AI data centres to swallow 10% of global power surge — with US demand soaring to 40% by 2035, warns BP

Pound slides as Bailey hints at rate cuts if inflation falls

Government could buy Jaguar Land Rover parts to prevent job losses after cyberattack

Lloyds to axe 49 more branches as high street banking collapse deepens

ENTREPRENEUR FOCUS...

Crypto entrepreneur raises

data centre

£750m for Britain's biggest AI

Crypto entrepreneur Josh Payne's

from Nvidia, Nokia and Aker to build

start-up Nscale secures £750m

the UK's biggest AI data centre

Susie Ma secures £20m

Sugar exit

MARKETING

payout as Tropic Skincare

profits jump 30% after Lord

Former Apprentice finalist Susie Ma

30% to £8.7m in 2024, following her

Murdoch and Dell said to join

US consortium for TikTok

takeover, Trump claims

has taken a £20m dividend from

Tropic Skincare after profits rose

buyout of Lord Sugar's stake.

despite no track record.

November 25, 2024 **Business**

Business Matters

SHARING

Email this article Print this article

Global investment firm 3G Capital's approach to investing centers on pursuing high-quality businesses that will benefit from its long-term involvement.

The firm's owner-operator methodology often equates to fairly long holding periods, with 3G Capital potentially remaining directly involved with a company's operations for decades.

After it acquired Burger King in 2010, for example, 3G Capital spent years strengthening and expanding the brand.

At the time of the nearly \$4 billion deal, management changes and other challenges within the fast food chain had led to a lack of strategy and performance issues. The 3G team immersed themselves in Burger King's operations to learn how its talent management, compensation, and other aspects of the business worked.

Through menu innovation, cost streamlining and other tactics, the firm lowered the chain's overhead expenses and achieved other operational efficiencies. In June 2012, 3G Capital was able to take Burger King public again.

In 2014, 3G Co-Managing Partner Daniel Schwartz, who had been appointed as Burger King's CEO

the year before, said the chain had become "one of the fastest-growing and most profitable QSR businesses in the world," through efforts such as "successful international growth, a consistent focus on brand revitalization and strong commitment to our franchisees." That same year, 3G acquired coffee-focused restaurant chain Tim Hortons — and established Restaurant Brands International, a company both brands began to operate independently under.

obtained Firehouse Subs in what the Financial Times said was a \$1 billion deal in 2021. Today, RBI is one of the largest quick service restaurant companies in existence — encompassing 29,000 [EB2] restaurants in more than 100 countries and producing more than \$35 billion in annual

After adding the Popeyes Louisiana Kitchen chain via a \$1.8 billion acquisition in 2017, RBI also

system-wide sales. On the recently released Sept. 26 episode of the Invest Like the Best Podcast, host Patrick O'Shaughnessy — founder and CEO of venture capital firm Positive Sum, who launched the business and investing podcast network Colossus in 2020 — and investment expert Ted Seides,

Seides said he believed it was the highest-returning private equity deal on record.

who hosts the Capital Allocators podcast, discussed 3G's Burger King acquisition.

"[3G] really grew this business, and it was doing really well," he said. "And then, they had an opportunity to buy Tim Hortons, and they literally re-levered the entire thing, almost ... They had this wildly successful LBO, and then they risked it all again, and they made it work again; and then they did it again."

Noting that 3G Capital still owns Burger King, Seides mentioned the firm's use of single asset funds.

"It's a great story because there's a combination of this operating model that 3G has, and this vision, ability to take risk, but also a very different private equity structure," he said. "It's [been] 14 years, and they find ways to get some people some liquidity if they want, but most people are like, 'No, no, no, keep doing what you're doing. It's working really well."

Working With Legacy-Led Companies

In addition to corporations like Burger King, 3G Capital also has found success partnering with family-owned businesses that hope to advance their organization to the next stage of operations.

In 2022, 3G Capital obtained a 75% stake in window coverings manufacturer and retailer Hunter Douglas; headquartered in The Netherlands, the company had been owned by the Sonnenberg family since 1919.

While Hunter Douglas — which offers products that provide energy efficiency and smart home technology solutions — had become a key player in its industry with a strong market position, the company had reached a pivotal moment in its trajectory; and the members of its founding family were looking to transition its leadership.

They ultimately decided to work with 3G Capital and retain a 25% share of the company.

When the \$7 billion deal was initially announced, 3G Capital Co-Founder and Co-Managing Partner Alex Behring and Schwartz said the firm had a deep respect for the Sonnenberg family's steadfast leadership of the more than 100-year-old company and its diverse portfolio of brands.

"Hunter Douglas' strong market position is the product of its specialized expertise built over the past century," they said in a statement. "We are committed to preserving this expertise by empowering and supporting Hunter Douglas' leadership and partnering closely with Hunter Douglas' exceptional team of founders and entrepreneurial managers and unrivaled network of dealers and fabricators."

Ralph Sonnenberg, whose father founded Hunter Douglas, called 3G Capital "a well-renowned investor, operator and a strong partner for our business."

Prior to the acquisition, despite possessing inherent quality as a business, Hunter Douglas had been underappreciated, according to 3G Capital, garnering only minimal research and news coverage within the financial community and a very low float on the Amsterdam exchange.

The partnership with 3G Capital has helped enhance Hunter Douglas' leadership team. Its Co-President and Co-CEO David Sonnenberg, who had garnered 30 years' worth of experience working at the company, moved into an executive chairman role on its board of directors and continued to be involved in Hunter Douglas' daily operations; 3G partner João Castro Neves stepped into the CEO role, and Alex Behring and Daniel Schwartz became board members.

Since becoming involved with the company, 3G Capital has helped identify options for long-term growth, including possibilities to expand in regions such as Latin America and Asia, where Hunter Douglas' market penetration is still relatively low.

The Sonnenberg family's decades of industry experience and institutional knowledge, in tandem with 3G Capital's involvement, is now helping position Hunter Douglas to evolve on an international scale, without having to sacrifice its brand integrity — enabling it to move into what David Sonnenberg, when the partnership was first announced, referred to as "the next chapter of Hunter Douglas' history."

"As owner-operators with a long-term investment horizon and significant experience operating global branded businesses alongside founding families, 3G Capital is a dynamic steward to continue the legacy of Hunter Douglas," he said. "As a private enterprise, Hunter Douglas will have the opportunity to advance and expand our business — while preserving the family-led culture and strong relationships with stakeholders, which have been core to our success."

Previous Post

Share

Management Tools Are Critical for Businesses in 2024

The Evolution of Data Privacy: Why Consent

Subscribe Privacy ! Do Not Sell My Data

Next Post

How Digital Signage Simplifies Event Promotions for Businesses

Comments for this thread are now closed **0** Comments

This discussion has been closed.

X

Login ▼

Best Newest Oldest

DISQUS

IN BUSINESS

CEOs warn Reeves's tax hikes are pushing UK to the brink

Britain's business backlash:

BM Capital Business Media

> About us > Contact us

Home

> Advertise with us > Subscribe to our magazine > Subscribe to our newsletters More from the CBM Group > Travelling For Business

> EV Powered > Electric Home > Property Portfolio Investor

Ö