

Hi everyone!

I'm Ritesh Agarwal, Founder and CEO of OYO.

I hope all of you are taking care of yourselves and your loved ones in these really tough times.

I'm reaching out to all of you to be able to give you an update of the impact brought by Coronavirus on OYO and its stakeholders.

Every business, industry and consumer brand are already facing and seeing the impact brought by Coronavirus.

Let me begin by talking about the health impact brought by Coronavirus on YOpreneurs across the world.

At this point of time, the YOpreneurs who have been tested positive from the Coronavirus infections, are less than 10.

At the same time, there is a significant amount of effort being taken by YOpreneurs and their near and dear ones so that they can protect themselves in these really tough times.

Having said that, among these 10 YOpreneurs who have been tested positive with the Coronavirus, I would like to share an update with you, that a few of them have already recovered including YOpreneurs from China, Brazil in Latin America, and others.

They have demonstrated fantastic tenacity to be able to fight the impact of Coronavirus. All the other YOpreneurs will improve their health conditions, I am confident about it.

The economic impact brought by Coronavirus is dramatic and has impacted every industry I can imagine.

However, I can not imagine any other industry that is worse affected from our industries of travel, tourism and hospitality.

A lot of you may remember, my Townhall, in which we discussed the impact on OYO being a 10-15% revenue or occupancy drop worldwide.

As we speak now, the situation has continued to worsen over the last few weeks.

At the latest, the revenues of OYO and the occupancies have dropped by over 50-60%.

When I look at it, at the industry benchmarks, the global leading hotel chains have all dropped their revenues by over 75% and continue to get worse.

The response to this kind of significant impact on the hospitality industry and specifically to OYO by means of our YOpreneurs has been creative, brave and extremely well-thought.

Our YOpreneurs in India have made sure that they reached out to state governments, national government, hospitals and ensured that they are constantly able to bring new kind of innovative measures by means of isolation rooms, helping stranded foreign travellers, helping domestic stranded travellers and ensuring that each one of these people get a safe, good quality place at the right price without being worried about being stranded or not getting a safe place during the period of Coronavirus.

In the same manner, the United States, the UK, Malaysia, Brazil, Mexico, Europe, every country and region across the world has put a step forward to make sure that they do right for the NHS workers, for the frontliners in the US and more.

I commend all of the YOpreneurs for the great effort to do right for the society and the communities we serve in these really testing times. In times in which we are expected to stand up.

YOpreneurs have voluntarily worked together with each other and have also come together for setting up an YO Welfare Fund for their partners, the partner's staff, YOpreneurs and various stakeholders around YO.

I and my leadership team have been on the ball, constantly reviewing and ensuring that we make the right decisions by reviewing every little detail of the business.

In that context, what we have seen, is that because of the significant revenue drop, of 50-60%, the company's balance sheet runway has come under severe stress.

This meant to ensure that we immediately look at every controllable cost and reduce them. As a part of which, every forward-looking CAPEX, MNAs or even something as little as every non-essential travel and new expenditures were paused a little over a month back.

Right after that, I have decided that I will forgo all my salary for the balance of the year. My leadership team has also decided to take pay cuts of a minimum of 25% and some of them have voluntarily reached out to me to take cuts upwards of 50% as well.

As you all know, this situation of COVID-19 comes at a very unique time for YO. This is right after we had a sizeable restructuring of our company in January of this year. Due to that, I want to clarify for all of you that we intend to do no or negligible layoffs as a part of cost restructuring across the world.

But at the same time, it is important for me and our leadership team to ensure that we make the right decisions required for the long-term success as well as what is right for the long-term cash runway for the company.

Given that, a significant number of YOpreneurs, across the world are being placed on temporary leaves or furloughs of a minimum of 60 to 90 days and the details of these will be made available from HR teams of your respective countries.

It is incredibly important to us that healthcare and medicare for all the YOpreneurs are very well looked at and hence all the benefits of healthcare and medicare for the impacted YOpreneurs on leaves or furloughs will continue.

But that said, I also want to reiterate to all of you that I and all my leaders are fully committed in order to ensure that we not only continue to fight in these tough times, we also see through the other side when the world comes back.

We don't just see through them, we come out a stronger company.

There is some positive news as well. YO China has seen occupancy rise by 5% week-on-week for the last few weeks.

YO Vacation Homes business of Dancentre in Denmark has seen its booking losses reduce and at the same time, we have seen Japan being resistant.

I hope these are trends which lead us to days when things do get better.

I am confident that YO will emerge stronger and more resilient than ever before outside of this crisis. Until then, I want to thank everyone who has contributed to the success of YO and pray for each one of you, your families and wish for the best.

Thank you so much.