

ORAVEL STAYS LTD (OYO)'S MOTEL 6 ACQUISITION ADDS GLOBAL VISIBILITY

OYO gets access to roughly 1,500 hotels across the United States and Canada held under the Motel 6 and Studio 6 brands that gross annual revenues of about \$1.7 billion, OYO therefore, will enhance its US footprint. Company had also added 100 hotels to its portfolio in the US about two years ago.

The Indian budget hotel aggregator whose initial public offer (IPO) plans were tweaked added \$525 million all-cash deal to acquire America's budget lodging company G6 Hospitality may be hard to digest.

The tech-hospitality firm that boasts of a strong presence in India is an aggregator for thousands of hotel rooms in about 35-40 countries (per the original Draft Red Herring Prospectus) across the globe.

Analysts are positive that it would be earnings accretive given that G6 Hospitality is coughing up cash. The euphoria from the acquisition itself could make investors see it in fresh light, thereby improving valuations of the company in the near future.



FINANCIALS

Company's commendable efforts in rejigging the business from being just a start-up budget hotel to an aggregator (during Covid) and now further pushing boundaries, both geographically and financially, are beginning to show results.

The current year has seen an impressive turnaround for OYO, which reported a first-ever annual profit of \$27.5 million for the FY-2024 fiscal year, representing a significant turnaround from a \$153.9 million loss in FY-2023.

OYO's valuations (backed by Japan's SoftBank) is \$2.4 billion -- as per its latest funding round a few months ago.

Report: MoneyControl.com (24th September 2024)

EQUITY SHARES

Seize the opportunity to invest in OYO and be part of its growth journey before it goes public. Contact Investolane to buy OYO unlisted shares or to know more!

