# Whitbread’s share surge boosted by Oasis tour and budget hotel demand



Whitbread, the parent company of the Premier Inn chain, is experiencing a notable rise in its share value, with a roughly 10 per cent increase since early April. This contrasts with a stagnant performance from the FTSE 100 index and its larger competitor, InterContinental Hotels Group. In its recent financial report, Whitbread displayed a mix of softening profits alongside robust room bookings and announced a £250 million share buyback.

The resurgence in popularity of Britpop band Oasis, with plans for a summer tour, has sparked speculation regarding its influence on the hospitality sector, particularly for UK hoteliers. While attributing the company's share rally solely to the band's reunion may be an oversimplification, it nonetheless provides an intriguing context to evaluate potential factors that could bolster Whitbread’s ongoing gains.

Critics have highlighted the cyclical nature of the hotel industry, noting that the softening UK economy may lead to reduced consumer travel. However, Premier Inn operates primarily in the budget segment, catering to travellers such as wedding guests seeking affordable lodging rather than luxury stays. The company reports a growth in business travel, with managers increasingly opting for economical accommodation choices. Major sports events and concerts, including the upcoming Oasis gigs, are also seen as reliable sources of increased bookings.

According to analysts at Citigroup, an estimated 1.5 million fans are expected to attend Oasis's 15 sold-out performances across the UK. This figure surpasses the 1.3 million attendees at last year's Eras Tour by Taylor Swift. If predictions hold true and half of these concertgoers require hotel stays, this could represent approximately 3 per cent of the UK's total room supply on concert days. Reports indicate that hotels near concert venues have been quickly adjusting their rates, although Premier Inn maintains a policy of price capping.

Despite potential challenges in the broader economy, Whitbread remains optimistic about achieving its targets by 2030, anticipating growth fueled by its expanding German operations, constrained UK room supply, and operational efficiencies such as the recent introduction of robotic vacuums. Moreover, the company benefits from its unique position within the FTSE 100, as it operates no US-based hotels, thus providing some insulation from unpredictable trade policies.

Nevertheless, external factors can still impact the hotel industry. A significant economic downturn could hinder growth in business travel, placing financial strain on even dedicated concert fans. Currently, though, Whitbread appears well-positioned within both the cultural landscape and economic climate, prompting investors to maintain a positive outlook.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

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