

Tui returns to profit as holiday bookings and prices surge post-pandemic

Winter holiday [prices](#) have surged 28% on pre-pandemic levels and are up 7% on last year, travel giant [Tui](#) said today, as [inflation](#) and [currency](#) volatility pushed the cost of breaks to new highs.

But the jump in prices hasn't stopped winter bookings with the Hanover-based firm more than double on last year amid an easing of pandemic era [travel restrictions](#), with 1.5 million new bookings taken since September. However, they remain 16% behind pre-pandemic levels.

Air passenger transport costs have surged 24.3% since last year, according to data from the [Office for National Statistics](#) released today, while the cost of the average hotel stay is up 12%.

Richard Hunter, Head of Markets at interactive investor, said: "Inflation, disruptions, labour shortages and competition from lower-cost operators which could well capture the imagination of cash-starved consumers could all provide headwinds.

"One swallow does not a summer make and investors will need to see evidence of an established trend before warming to the prospects of the company."

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Shares in Tui sunk 8.6% to 135p this morning after CFO Mathias Kiep said the firm planned a capital raise of between 1.6 billion and 1.8 billion euros to help pay off hundreds of millions in support from the German government during the pandemic.

Investment bank Peel Hunt slashed its price target for Tui from 190p down to 148p on the back of the news, citing “continuing uncertainty”.

The firm posted sales of 16.5 billion euros (£14.2 billion) for the year to September 2022, more than triple last year’s sales, but short of 2019’s 18.9 billion, while it posted a loss of 146 million euros.