

Holiday Inn owner IHG announces share buyback after travel rebound

InterContinental Hotels Group has announced a share buyback programme of \$500m (£414m) and resumed its interim dividend after reporting healthy profits.

The Holiday Inn and Crowne Plaza owner said that its second-quarter revenue per available room for the Americas – its largest segment – was 3.5% above pre-pandemic levels.

Operating profit for the six months ending 30 June rose to \$361m (£298m), compared with \$138m (£114m) last year.

Keith Barr, IHG chief executive, said: “Having reinstated a final dividend in respect of 2021 six months ago, the strong performance seen in 2022 to date, together with the confidence we have in continued progress, has led us to reintroduce an interim dividend at a level 10% higher than when last paid and launch an initial \$500m share buyback.”

It comes as the travel industry experiences steady demand after the lifting of COVID-19-related travel restrictions.

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Mr Barr said that even China had seen a “strong recovery” after a period of strict pandemic lockdowns.

But he noted that the “risk of further volatility in the region still remains”.

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“Our overall performance reflects a continued focus to build a stronger business for our guests and owners,” he said.

“We have significantly enhanced and expanded our brand portfolio in recent years, and invested in our enterprise platform to drive performance and accelerate our growth.”

The group opened almost 100 new hotels during the six-month period, meaning it now has more than 6,000 worldwide.

It said that conversions represented more than a quarter of

those openings.

Mr Barr added: "Whilst the economic outlook faces uncertainties as central banks and governments take action to manage inflation, we remain confident in our business model and the attractive industry fundamentals that will drive long-term sustainable growth."