

Company: Trainline

Date: 6 May 2026

Time: 09:00 BST

[START OF TRANSCRIPT]

Jody Ford:

Good morning, everyone. Thank you for joining us today for our results presentation. It's great to be here. I'm Jody Ford, CEO of Trainline, and I'm joined by Pete Wood, our CFO. Let's first go through the disclaimer.

On to the agenda for today. I'll give an introduction, briefly discussing the progress we've made this year and updating you on the regulatory backdrop in the UK. Pete will talk you through our financial performance, I'll update you on how we're progressing against our strategic priorities, and we'll finish with an overview of our AI strategy, which is becoming a core part of how we compete. After that, we'll open up to the floor for questions.

Trainline is Europe's number 1 rail app, built on a market-leading customer experience. Our core purpose is to empower greener travel choices, and each of the three business units is a leader in its market segment, with clear opportunities to scale. In the UK, we are the number 1 travel app. We are helping to grow the rail market and increasing the value of our 18 million customer base. In International, we are the largest rail aggregator in Europe. We will deploy our proven aggregation playbook across France, Italy, and Spain, markets expected to be worth €23 billion by 2030, including €12 billion on aggregated high-speed routes. In Trainline Solutions, we have the leading B2B rail platform across the UK and Europe, which now generates over £1 billion of net ticket sales. We plan to grow further into the €6 billion business travel opportunity in European rail.

This year, we've made strong progress in each of our business units. In the UK, we've delivered growth while strengthening customer engagement, through new rail disruption features and digital railcards. In international, our aggregation playbook drove positive momentum in South-East France following Trenitalia's expansion. In Trainline Solutions, B2B sales grew strongly, particularly in Europe. We delivered robust net ticket sales and revenue, as well as double-digit growth in profitability. And we delivered strong EPS growth, further accelerated by ongoing share buybacks.

Before I hand over to Pete, let me update you on the UK regulatory and industry backdrop. A key focus for investors is the UK Government's intention to launch GBR Online Retail, its consolidated app and website, as well as the design of the future retail market. In November, the Government published the output of its GBR consultation. This included plans to develop, for the first time, a code of practice owned and managed by the independent regulator, the ORR. This will codify how GBR should interact with third-party retailers.

In December, the Government published pre-tender documentation outlining procurement plans for the launch of GBR Online Retail. It included a stated aim to award a contract by January 2027. However, the tender process is yet to begin. We'll engage positively with both



processes and maintain our assertive stance with the Government to deliver on its commitment to a fair, open, and competitive retail market.

Today, there are instances where rail operators self-preference their own retail channels. Through our sustained engagement, we are making progress to remove these instances. The Government has confirmed our access to all temporary fares, and granted our ability to advertise in stations and on trains.

Furthermore, in March, they announced that once GBR is established, passengers will be able to claim Delay Repay compensation from wherever they purchase their ticket, including through Trainline. This was a meaningful step forward. However, it will take some time for this change to come into effect, so Delay Repay remains a pain point for our customers. Similarly, we remain unable to offer customers access to train operator loyalty schemes. We continue to engage Government stakeholders and the wider industry to remove examples where we are discriminated against.

We're also engaging with the industry to protect and grow the UK rail market. We're trialling our digital pay-as-you-go technology with East Midlands Railway. Our technology is performing strongly, and we've received excellent customer feedback. The trial is due to end in the summer, and we'll look to update you thereafter. We continue to take steps to protect industry revenue by blocking fraudulent processes and refunds, and we're sharing data with operators to enhance their revenue protection, while assisting their fraud prevention measures.

With that, I'll hand over to Pete to talk through our financial performance.

Pete Wood:

Thanks, Jody. Good morning, everyone. Before I step into the financial performance for the Group, let's briefly unpack the performance of each of our business units.

Starting first with UK Consumer, net ticket sales grew 6% to £4.1 billion. This reflected market recovery within the commuter segment in the first half, as well as growth in leisure travel sales. Growth slowed in the second half, reflecting the impact of Project Oval, as well as operators self-preferencing their own retail channels with features such as one-click Delay Repay.

Turning next to International Consumer, where we maintained a disciplined focus on our core markets. Net ticket sales grew 3% to £1.1 billion. We saw strong momentum on newly aggregated routes in South-East France. Growth in Spain moderated, reflecting a more balanced approach to growth and profitability, as well as a series of tragic rail accidents, the impact of which is ongoing.

In foreign travel, growth re-accelerated to 5% in the second half, as we lapped the headwind from changes to Google's search results page. As a reminder, Google made a series of changes that suppressed organic results, while increasing the prominence of paid ads. This disproportionately affected foreign travel sales, which rely more heavily on web acquisition.

Growth rates varied across our International markets, as we prioritise marketing investments on routes with carrier competition. Starting with Spain and South-East France, which together represent 22% of International net ticket sales, growth was up 9%. Elsewhere in France and in Italy, growth was more modest, up 2%. These markets account for around two-thirds of International Consumer net ticket sales, and are expected to benefit from an expansion of



carrier competition in the coming years. Germany and the rest of Europe declined 6%, as we prioritised our core markets, with these regions representing longer term growth opportunities.

Overall, our International business is becoming increasingly profitable. It's benefiting from higher-margin foreign travel, strong growth in ancillary revenue, and disciplined marketing investments, including in Spain, as we balance growth and profitability. Two years ago, our International business broke even on a pre-transaction fee basis. In the year ahead, we expect International to break even on a headline post-transaction fee basis.

Now, turning to Trainline Solutions, net ticket sales grew 14% to £1.1 billion. Growth was led by B2B distribution, which grew 36%. This reflected new and expanding travel management company partnerships. It was particularly evident in Europe, where B2B sales through our global API grew 58%. Sales growth was partly offset by the loss of Trainline's white label contract with UK rail operator CrossCountry, and we expect the loss of our ScotRail contract this year, as they seek a different partnership to better align their online and offline sales. In the long run, the rail industry anticipates that operator apps and websites will be replaced by GBR Online Retail.

Bringing this together, Group net ticket sales grew 7% to £6.3 billion. Revenue grew 2% to £453 million, given the reduction in the UK commission rate. Gross profit was up 6% to £374 million, outpacing revenue growth. This reflected lower cost of sales, given step reductions in UK industry costs, and Group-wide efficiency savings in customer service and payment processing.

We continue to drive strong cost discipline across the business. Our cost-to-income ratio reduced four points to 70%. This represents operating leverage, cost optimisation in the prior year, and ongoing cost discipline. Importantly, these efficiencies have more than offset the impact of the UK commission rate reduction. As a result, adjusted EBITDA grew 11% to £177 million, outpacing revenue and net ticket sales growth and landing within our previously upgraded guidance range.

We continue to execute our share buyback programme at pace, supported by strong cash generation. Since September 2023, we have repurchased £294 million of our shares, equivalent to 23% of issued share capital. Upon completion of our current £150 million programme, we will have returned a total of £350 million to shareholders over a three-year period. Together with strong earnings growth, this has driven a significant increase in earnings per share. EPS has more than quadrupled over the past three years, with a compound annual growth rate of 62%.

Altogether, I'm pleased with our performance, particularly the strong earnings growth and cash generation. Looking forward, we see opportunities for growth alongside some near-term headwinds. In the year ahead, we expect net ticket sales of around £6.2 billion to £6.45 billion, revenue of around £440 million to £455 million, and EBITDA of around 2.9% of net ticket sales, which would represent a 10 basis point increase, reflecting the benefit of International Consumer breaking even.

Thank you, and I'll now hand back to Jody.

Jody Ford:

Thanks, Pete. Let's now talk about the progress we're making against our strategic priorities. We are the UK's number 1 travel app. Our app is designed to meet the everyday needs of rail users. Rail is a high-frequency mode of transport, but booking can be complicated, and travellers often face journey disruption. Our app provides end-to-end booking flow and travel companion features that support customers on the go. It has become central to our customer experience



and our core customer touchpoint. In fact, the app is used for over 90% of our customer transactions in the UK.

Our UK customer flywheel is strengthening the competitive position of our app. It focuses on unlocking value, solving customer needs, building loyalty, and increasing engagement. Let's look at some examples from the year. In terms of solving customer needs, this year, we launched AI-powered disruption features in the app, helping customers navigate the rail network. They include Travel Forecast, our AI travel assistant, and Delay Repay notifications. We supported the launch with a targeted brand campaign highlighting a better way to train for our customers. I'll talk more about these features later in the AI section.

Trainline has cultivated strong brand affinity with customers over many years. We are the most trusted brand in UK rail retailing, and our brand consideration significantly outperforms all other rail retailers. This has supported Trainline's continued growth in the UK, even in the face of strong competition, and it's becoming increasingly important in an AI-driven search world.

We are scaling in-app railcards as a way to drive customer engagement. We've enhanced upselling within the booking flow, highlighting to customers how much they could save by buying a railcard alongside their ticket. We've improved the renewals process, too. As a result, we now have 2.7 million digital railcard users, up 16%. We're gaining good traction with younger cohorts. Our share of the 16 to 30-year-old railcard segment has now increased to 45%. This is driving greater customer engagement, with railcard users transacting four times more often than non-railcard holders.

We increasingly focus on growing our ancillary products and services. This year, we delivered strong double-digit growth in hotel bookings and insurance sales, having enhanced their prominence within the app. This includes visually engaging placements, as well as improved benefit-led copy for our insurance products. We'll continue to broaden our ancillary products, testing adjacent services like car hire, and investing behind those we see resonating with our customers.

We're taking steps to enhance advertisements within the app. We are shifting from traditional ad placements to integrated, targeted, and contextual advertising through the customer journey. This improves relevance for our customers and effectiveness for our partners.

Now, turning to International, where we are positioning ourselves as the aggregator of choice ahead of the next wave of liberalisation, increasing our focus on foreign travel and driving improved profitability. Starting first with South-East France, where Trenitalia significantly expanded their services this year, as the region liberalised, we rolled out our aggregation playbook. We leveraged our highly-rated mobile app to showcase all the fares from high-speed carriers. We launched Sponsored Search, a paid service that allows carriers to increase their prominence within our search function. We deployed features to unlock value for customers, like TopCombo, which allow customers to stitch together different carriers for return and multi-leg journeys.

We've also resumed brand marketing in South-East France. Through innovative campaigns and sponsorship deals, we've increased brand awareness to 50% across Paris, Lyon, and Marseille. As a result, we've grown net ticket sales by 26% in the region.

Our success in South-East France builds on the aggregation playbook that we refined in Spain over recent years. As a result of our investment, we've significantly scaled net ticket sales. This



has given us a considerable lead versus other market aggregators. While we continue to see runway for further growth in Spain, this year, we evolved our approach to strike more of a balance between growth and profitability. We are normalising brand investment while placing more emphasis upon customer engagement and monetisation. As a result, Spain's EBITDA took a big step towards breakeven in the second half of the year, prior to recent rail disruption.

Spain and South-East France represented the first wave of carrier competition in Europe. We're now preparing for the second wave, which will sweep across Italy and the rest of France. This is set to commence from late 2027, with SNCF's entry into Italy, followed by several new entrants launching in France from 2028 onwards. This includes Velvet, Le Train, and Ilisto, who are due to launch domestic services, and Trenitalia and Virgin Trains, who are due to launch services between London and Paris.

The second wave of carrier competition will open a considerably larger market for Trainline over the coming years. By 2030, the French and Italian rail markets are set to be worth around €20 billion, €10 billion of which will be from aggregated high-speed routes. The market opportunity from newly aggregated routes may expand further. Newsflow last week suggested that from 2028, Italian operator Italo are planning to launch high-speed services in Germany, one of the largest rail markets in Europe.

Foreign travel represents a large and attractive growth opportunity. It comprises global customers from the US, UK, and the rest of the world travelling in Europe by rail, alongside intra-EU cross-border travel. The foreign travel market in Europe today is estimated to be around €4 billion, so offers significant headroom for growth. Foreign travel provides favourable economics, with a less price-elastic customer base and a greater skew towards long-distance travel. It's also a higher-margin business, generating double-digit revenue take rates, given higher attach rates for ancillary products, and carriers willing to pay higher commission rates for inbound customs. As a result, foreign travel is a major contributor towards International Consumer profitability.

We see signals of generative AI playing an increasing role for foreign travel, given its ability to inspire travel plans and compress research time. Trainline is the early market leader in GEO, which currently contributes around 3% of new foreign travel customers.

Foreign travel is an area of competitive advantage for Trainline. We combine broad inventory coverage, including recently wiring on Poland and Ireland, alongside helpful travel content to inspire customers' travel plans. That's delivered through our market-leading user experience, offering a wide range of features tailored to international travellers, such as multi-language support, flexible payment options, and consistent post-sale support. So, foreign travellers can plan, book, and manage their journey seamlessly and with confidence.

Moving on to Trainline Solutions, our fastest-growing business unit, which now generates over £1 billion in net ticket sales. Business travel is our main growth opportunity here, and represents over 50% of Trainline Solutions sales. This is primarily generated through our B2B distribution business and our own branded channels. B2B distribution allows travel management companies and other business travel platforms to offer rail tickets to their respective customers.

We increasingly support our partners to sell tickets from multiple European carriers, as well, diversifying ourselves into a truly international business. They can do all through one simple



seamless connection, our global API, rather than tackle the complexity of connecting to multiple different carriers. As a result, International B2B distribution grew 58%.

Trainline-branded business travel also performed well, too. We invested to improve the experience for users and client companies over the past few years, and now serve over 35,000 business customer clients, an increase of 47% year on year.

Let's now move on to AI, which is rapidly becoming a core capability for Trainline, powering our product, our distribution, and how we operate. Before we start, it's worth spending a minute discussing the barriers to AI disintermediation. Rail retailing is inherently complex. Customers expect a simple, consistent, and reliable user experience, with end-to-end transaction capability from search to purchase to post sales. That's across multiple carriers, with all fares, ticket types, and railcards available.

With no GDS for rail, online retailers must deeply integrate into a wide array of carrier APIs to offer full functionality. Those carrier APIs are non-public, so the retailer needs commercial relationships and accreditations with those carriers, supported by bonding obligations. This complexity creates a clear barrier to disintermediation, and that's exacerbated by the relatively low commission rates offered by carrier partners.

In that context, we see AI as less of a threat, more of an opportunity. We've been on the front foot for a number of years, building our foundational investment in data and our broad application of machine learning. Our strategy centres on bringing AI capabilities to rail around three core areas: AI-powered products and features, extending distribution through emerging AI channels, and AI-enabled acceleration across the Group. Let's discuss each area in turn.

We increasingly use AI together with industry and first-party data to enhance the user experience of our app. This is reflected in our new rail disruption features, which are underpinned by our scalable multi-agent AI system. To bring our AI disruption features to life, let's take the example of Callum, a Trainline customer who has booked the 9:30am LNER train from London to Edinburgh. Unfortunately, there's disruption elsewhere on the rail network. Our Travel Forecast feature notifies Callum that his journey is likely to be affected, estimating his train will arrive in Edinburgh an hour later than scheduled. This feature is powered by proprietary algorithms trained on complex datasets. So, as a Trainline customer, Callum gets more accurate real-time insights.

Travel Forecast also provides a map view interface, powered by our Signalbox technology, so customers can see the location of their train in real time. Since launch, Travel Forecast has delivered updates over three million users. Given the expected delay, Callum consults the AI Travel Assistant, our in-app conversational support feature. It provides real-time travel advice, giving Callum options for alternative trains he can take. It offers agentic refund processing, allowing Callum to get his money back at the click of a button. Our AI Assistant has handled over two million conversations since launch, reducing workloads for our customer services team.

Callum decides to stick with his original booking. As predicted, his train arrives in Edinburgh an hour late, and Callum receives a Delay Repay notification. Trainline's AI system identifies the delay, calculates he's entitled to compensation of £37, and provides a punchout to LNER's website to complete the claim. Since launch, we've redirected over a million customers to complete their claim.



Moving on to emerging AI channels, which present a new way for Trainline to attract customers and drive incremental demand. We've made a strong start, and we are showing clear leadership in GEO. In fact, we're the most cited rail app in Google AI Search in all core markets, as well as in ChatGPT across all but one core market. This reflects our strength in SEO and the power of our brand. Building on this progress, we've recently integrated the Trainline app within ChatGPT. Users can now seamlessly search for routes and compare options, all within a conversational interface, before completing their booking with Trainline. While we've made good early progress, GEO still represents relatively low levels of sale traffic, making up less than 1% of new customers within International. As mentioned earlier, though, it's playing more of a role in foreign travel.

Moving on to AI-enabled acceleration, driving faster execution, greater agility, and more scalable innovation across the Group. Our software development teams increasingly use AI to code, as well as to accelerate auxiliary tasks like updating documentation, generating tests, and reviewing code. Their focus is increasingly shifting towards AI agents, moving from experimentation to scaling agent capabilities. In marketing, AI agents now generate around 20% of our in-house studio content, creating and applying imagery and copywriting that's aligned to Trainline brand. This enables us to scale the production of performance marketing ads to 19 times our previous output, using traditional design methods.

In customer service, we'll soon roll out voice AI, in partnership with ElevenLabs, to progressively automate inquiry handling. We've also introduced Zendesk, a new CRM system providing AI agent tools and language translation. Taking all of this together, AI is enhancing our product, expanding our distribution, and increasing the velocity at which we execute.

Before we open the floor for questions, let me summarise the key takeaways from today's presentation. This year, we have delivered a robust operating performance, double-digit growth in EBITDA, and a significant increase in earnings per share. We've maintained our assertive stance with the UK Government to deliver on their commitment to a fair, open, and competitive retail market. We've made strong progress against our strategic priorities.

In UK Consumer, we are strengthening our app proposition while deepening engagement with our 18 million customers. In International Consumer, we are positioning ourselves as the aggregator of choice ahead of the next wave of liberalisation, increasing our focus on foreign travel and driving improved profitability, with the business set to break even this year. In Trainline Solutions, we continue to grow business travel sales within B2B distribution, enabling partners to expand their rail offering across Europe. Finally, we're increasingly leveraging AI to power our products and services, extend our distribution, and accelerate our execution.

Thank you very much for listening. I'll now open the floor for questions. Raise your hand if you'd like to ask, or when asking, please state your name and your organisation.

Pete Wood:

Tim...

Tim Ramskill: (Bank of America, Analyst):

Thank you. Good morning. It's Tim Ramskill from Bank of America. I'm going to try and tackle three, if that's okay. So, just firstly, in terms of the guidance for FY2027, and specifically with regards to NTS, there's obviously a lot of moving parts, whether that's overall self-preferencing dynamics. If you think about it long term, you've pretty much always grown ahead of the market,

but it's likely that in FY2027, that might not be the case. So just your observations around how much of that guidance you think is a reflection of known factors like Oval versus that slippage in [segment] share.

Secondly, in terms of International, obviously very encouraging to see the guidance around breakeven. What do you think the key drivers of that are going to be, to get from the £11 million of loss to flat? How much of that's likely to be marketing expenses or other cost actions versus growth in revenues?

Then, thirdly, you obviously referenced the TopCombo product in International, which I guess is effectively the same as SplitSave. Just interested to know, are the consumer saving opportunities very similar to what we see here in the UK, or do they differ?

Jody Ford:

Great. Thank you very much for the questions. I think we'll be tag-teaming through these ones. Pete, do you want to start with guidance upfront, and then I'll take the other two?

Pete Wood:

Yes, certainly. Inevitably, UK Consumer is a significant driver in the overall guidance. The way I think about it is there are some nearer-term headwinds that will affect this year, and we've been talking about them for a while, but they unwind over time. So, the expansion of Oval will eventually cease. There's a little bit more to go and we're currently halfway through or so. Also, [UK] rail fares have been frozen this year. Our base case is that that won't extend beyond March 2027. So, that will, again, provide some uplift going forwards. Then, finally, the self-preferencing. The Delay Repay announcement that we had a month ago or so is clearly a good step forwards. We don't have that API available today, so we aren't able to wire it in, but the direction of intent is clear, and I do think we will resolve these issues that we've flagged.

So, let those all unwind, and then, looking beyond that, there'll be a moment when will see GBR shutting down their websites and apps, and that will present an opportunity for us to acquire customers that are then in the market. Then of course, with digital pay-as-you-go, we've also created a seed here that could flourish, as well. So, in the longer term, I do see opportunity for further growth, but these headwinds remain with us in the meantime.

Jody Ford:

Great. Thanks, Pete. Just to add there, in terms of where the question is going, absolutely, you see these things over the next couple of years that they've lapped through, and then we're pretty well-positioned going forward vis-a-vis the competition, and we're picking that up. We don't see particular growth from those third-party players, in terms of the market, and our primary competition remains the 14 different TOC operators, where a number of those, as we've discussed, have got this self-preferencing which will be phased out, and then we'll be competing on a level playing field with them.

Coming to your second question on International Consumer profitability. I think the drivers there really have been this very strong growth we have seen over the last three or four years, which is great. As we look forward, part of that story is foreign travel, which continues to be a nice growth driver, temporarily impacted by what's going on in the Middle East right now, but that's a relatively small part. But we see the appetite for cross-border travel increasing, and you can see



new services launching, and we see opportunity there, which helps drive profitability going forward, as scale does.

Then, where are we going on the marketing point here? I think the way to frame this around Spain is we had a launch period, and as a reminder, we were starting from pretty much zero brand awareness in Spain. That ultimately meant that we had to come out with a strong above-the-line campaign, supported by the usual below-the-line, to get our brand awareness at the point that we had all operators launching on all routes over a pretty short period of time, and having worked through, that we're now, by a distance, the number 1 third-party player, and we've moved to this position of optimisation of that [marketing] spend, having got our leadership position.

In France and Italy, we already have that leadership position. We already have strong brand awareness, and we will invest going forward, as it makes sense, in a hub-and-spoke way. In France, of course, we'll invest in Paris, but we'll also invest in the cities where the new operators are going, for example, Bordeaux, when Velvet launches. But that will be much more targeted than it was in Spain, where we did a whole country at once. So, we will keep disciplined around that. If really big opportunities arise, we've said before, we would lean in behind those, as it required. But for now, we've got this transition year, where we think we're in pretty good shape.

Then, to your final question on TopCombo versus SplitSave in the UK. Yes, they're slightly different, in that SplitSave is really arbitraging, if you like, the UK rail pricing system. TopCombo is really doing a level above that, by taking two different operators and putting those pricing together. But you're right. The spirit is helping the customer find value through the inherent complexity of rail. The more carriers that launch, the more of those opportunities become available, and the more railcards we wire on in these markets, and the more we're able to support an advanced purchase, and help customers understand how to navigate, the more we see value for growth in those markets. So, yes, and we keep finding those new areas to invest behind, and bringing TopCombo to life has been one of the compelling points for our customers.

Thanks for the questions.

Tim Ramskill: (Bank of America, Analyst):

Just wanted to clarify on the point around International breakeven, I recognise you want to keep options open in terms of what comes next, but are you confident that once you get to breakeven, you'll stay above that level?

Jody Ford:

I think our position is in the current setup, we would say that's right, but if a new opportunity comes in France, and we see multiple carriers launch, and it makes sense in that year to go harder with topline marketing, then we would go and invest behind those. We're not constrained by that, but the underlying business, we feel good about where that's headed. Yes.

Pete Wood:

Great. Gareth, please. Thank you.

Gareth Davies: (Deutsche Numis, Analyst):

Morning. Gareth Davies, Deutsche Numis. Just following on, really, from the guidance question again, and trying to dig a little more on self-preferencing, if we were to hit the bottom end of the

guidance range on revenue, does that assume a meaningful pickup in the impact of self-preferencing? Just trying to really get a context of how big a headwind you're facing from that, and what your fear is there?

Then, secondly, just on white label, the pre-close flagged a couple of white labels rolling off. Can you just talk around any potential timeline for other roll-offs or possible roll-offs? In the International white label, what kind of opportunity, if any, are you seeing there at the moment?

Jody Ford:

Pete, do you want to pick up the first?

Pete Wood:

Yes, so as ever, at a Group level, there are a number of factors for the guidance range, and self-preferencing is one moving part, but there are others. If I think about the foreign travel impact that we are seeing, it's unclear at the moment how the macro backdrop will evolve, and what impact there might be. I think we've got first-order effects, which are about travel plans and their disruption, particularly from [global inbound] travellers coming from east towards west. But if there are impacts on jet fuel availability and prices, then that could extend to Western or South American travellers into Europe, as well. Then, Spain is another moving part here. We had, after these accidents, a significant dip in demand. That has somewhat recovered and moderated, but it's still year-on-year negative. So, it's not just the UK that is driving this. There are other factors, as well.

Jody Ford:

Pete, do you just briefly want to speak to the white label and I'll come back to the International part?

Pete Wood:

Yes, certainly. Look, we've had these two white label contracts, each with their individual backdrop. One was around the owning group, wanting to consolidate their supply base. Then ScotRail, as I said, are looking to consolidate their online and offline, and wanting a different partnership for that. Our base case on the go-forwards is that these will run until the point at which the Government turns off these websites and apps. At that point, of course, the contracts will cease. So, yes, that's how I am thinking about it. Then, International white label?

Jody Ford:

Yes, I think on International, that's not a focus for us at the moment. There aren't really the same size operators that we have in the UK, which we're uniquely positioned for, so that's not a priority. However, I would say we are seeing, within Trainline Solutions business, very strong demand, as I outlined in the presentation, around our broader Distribution business, and that is ramping up very, very nicely, with quite a lot stacked back that we can see over the next few years. This is not a one-off coming through, as further businesses will integrate and then we grow them once they are integrated. Next question.

Pete Wood:

Great. Ed? Thank you.

Ed Young: (Morgan Stanley, Analyst):

Thank you. Ed Young from Morgan Stanley. Two questions. First, sorry to labour it on NTS growth guidance on International. You mentioned there the moving parts, but I wondered if you could be specific about the assumptions you've embedded in recovery in Spain and in international travel, given you mentioned that some of those lines just reopened. The impact has been significant and there's obviously uncertainty, in terms of forecasting. So, are you expecting this to recover this year fully, within the year? How are you thinking about it within the guidance construct?

Then, second of all, with digital pay-as-you-go, you were probably given the most complex trial area. How is that going? Can you give some colour on it? How should we think about the next steps following this round of trials ending in the summer?

Jody Ford:

Great. I'll take the second question first, and give some thoughts on the first and pass to Pete. Firstly on digital pay-as-you-go, the trial is performing very well. We've been really impressed with the technology, and proven to ourselves and the industry that we can stand that up, and with the feedback from customers, from the media, and from the industry/Government has been really encouraging. I think we're putting the [UK] Government in a place now where they can understand what this technology can do - it's really groundbreaking - and for them to begin to work through how they would want to take it forward. Look, I don't think it'd be crazy to expect the trial potentially would continue, as the Government think through how it might want to expand it. So, we're feeling good there. We'll come back post-trial and explain where we've got to on that.

Then, let me give you the high level on International and recovery, and Pete can speak to any specific points on guidance. Spain, obviously, those tragic incidents, we saw a very significant jump-off [in net ticket sales] in the weeks after that. We're now seeing that it's still down, but more contained. So, I would expect to see a full recovery probably by the end of the year, but it's obviously hard to gauge that.

Then, just to speak to the broader point on international travel, we obviously don't know what the inbound piece looks like. There's a number of scenarios. I think Pete spoke to those. But underlying, it's very encouraging. We spoke a year or so ago about some of the headwinds we had within Google Search. We are seeing those headwinds have effectively stopped, and to some degree, a little bit of a tailwind there. Then, we spoke to what that looks like within the more broader LLM platform. We are seeing just a little bit of goodness there coming through, and it speaks to our opportunity there, if they do indeed grow going forward.

Pete, do you want to add anything on the guidance specifics?

Pete Wood:

Only really to frame this somewhat as a transitional year. You heard Jody talk about how wave 1 of aggregation has completed. There is a wave 2 on the horizon, and it will come. The trains are bought and the safety certificates are being processed. But at the moment, it's adjusting our playbook for the landscape we find, pulling back a little bit, focusing a bit more on profitability. Of course, there's a balance on growth there, too.

Great. Alastair?

Alastair Reid: (Investec, Analyst):

Thanks. Alastair Reid, Investec. A couple from me. Obviously, you talked about the expansion of the Oyster zone with Project Oval. I think there's been some indications that TfL might be looking at introducing some barcodes. Talk about the opportunity potentially for you to get into the Oyster zone, and how you might think about the opportunity that you'd have if that were to happen.

Then, secondly, you touched on it in a couple of areas, things like ancillaries and really strong growth into business clients. How do you think about the future runway for both of those areas? Thank you.

Jody Ford:

Yep, thank you. Look, I think early days to speculate on barcodes in Oval, but we noticed that, as well. We think the future is ultimately the digital pay-as-you-go scheme. If those gate lines ultimately allow barcodes, then that would realise or allow the realisation of that vision. There's probably quite a long way before that will actually happen, and reasonable amount of CapEx spend on TfL's part. So, I won't speculate now. But I do think, as we look at the future of what this could hold, that's an important part of the jigsaw to come through. So, it's good to see that it's being talked about.

Then, I think on the ancillary products, I'll give quick thoughts and pass to Pete. At a high level, what we're seeing is that we have 18 million customers in the UK, and they are interested in buying other things, and that's what we've proved to ourselves over the last couple of years. Hotels, insurance are the obvious places, and we're seeing that we're getting really good endemic ads, and the quality of the ad partners that we've got now is really premium top tier. We need to, as ever - this is a playbook that others have done over the last 10 plus years- we need to develop the placements and the targeting that allow them to be able to realise their campaigns, and allows us to push up the value we get from them. So, we're encouraged by where that is going.

Pete, if you want to speak to any specifics on businesses more broadly?

Pete Wood:

Yes, ancillary is certainly an opportunity. Even within, say, insurance, fine-tuning, exploring what other products might work. We are testing out this idea of a Trainline Flex product, which combines the tickets that are available with some flexibility and insurance around it, and how we package that up. So, I still think there's optimisation to do in these areas and further to expand. So, yes, it's interesting to explore that.

Then, you also asked about the business customer, and how we serve them. I think their challenges are much the same as a consumer traveller, and we continue to explore how we can best solve some of those. At the moment, the API is principally around the transaction and delivering a ticket, but that doesn't mean that over time, we can't package up other aspects of our proposition in some way or other, and to find ways to serve them. In particular in Europe, the growth is fundamentally driven by the fragmentation of the supply and trying to draw that together, and again, as a traveller, not only to buy your ticket. There are opportunities to explore that. So, yes, I think that's an interesting customer set to further explore.

Lara, in the middle.

Lara Simpson: (J.P. Morgan, Analyst):

Thank you. Morning. It's Lara Simpson from J.P. Morgan. I also just wanted to come back to the guidance and the outlook on profitability. Obviously, we're getting small upgrades, which is driven by International, but it feels like there's a small inherent downgrade in the UK Consumer profitability outlook. So, could we just talk a bit about incremental costs that you're expecting to face from costs around GBR public affairs there? Are we likely to see a step-up in marketing in the UK, as we move to GBR standing up? So, just some moving parts there, I think, would be helpful.

Then, maybe one just on capital allocation. I know we still have some way to go on the £150 million share buyback, but maybe on a 12 to 18-month view, how are you thinking about organic investment needs for the business, or any inorganic opportunities we should start to think about? Otherwise, could we expect to see a reload on the share buyback? Thank you.

Jody Ford:

Great. Thanks for the question. Let me talk more broadly about GBR, and then Pete can pick up on specific guidance and capital allocation. In terms of GBR timelines and how we expect that to play out, from the app point of view, or the delivery of that, the procurement process hasn't started yet. So, it begins to look ambitious that that would be awarded before spring 2027 perhaps. Then for whoever wins it to actually bring the GBR app to life is probably early 2028, probably at the earliest, and these things do have a habit of slipping. Then we expect there to be dual running. If there's 14 different TOC apps that need to be consolidated, that's likely to happen through 2028.

We've obviously got lots of time here. This is very well understood, in terms of the opportunity we see. To where you're going on the marketing question, at the right moment, yes, look, if we feel it's appropriate, we potentially will spend up to acquire what we think is quite a potentially uplift in number of customers, which is pretty interesting to us, because the old apps will turn off and the new app will come on. So, we'll look pretty hard at that, and we've got time for it.

Pete, did you want to speak to any specific guidance points and capital allocation?

Pete Wood:

Yes, I think you've got the right ingredients there. We are certainly taking a step forwards in profitability in International Consumer. That supports the Group overall. Our cost optimisation programme that we delivered 18 months ago, I guess, now, that's washed through. But, yes, there are some additional costs. This is a once-in-a-generation shift for GBR, really changing the backdrop of the UK industry. It's important that we are appropriately advised, as we engage with the Government and other stakeholders through this transition. So, there were some costs last year. There'll be some this year. At some point, they will drop away, and there will be a new landscape that will be there, and we'll take the benefit when we reach that point.

Then, you asked about capital allocation, as well. Certainly, on the organic side, we will ensure that we're well-funded, we have the cash flows to do this, and as Jody's articulated, there will be moments, potentially in the UK, potentially in International, where we'll lean further in on the marketing side. From an inorganic perspective, we do the homework. There aren't that many opportunities out there, though, and so won't necessarily see that much there, but we will keep that under review. Thereafter, returning capital to shareholders, we've really favoured the buyback to date. We like the flexibility it offers. Nothing new to announce right now. I expect this

program to run through to September, all other things being equal, and we'll provide more colour then.

Sean, at the back.

Sean Kealy: (Panmure Liberum, Analyst):

Morning, everyone. Sean Kealy from Panmure Liberum. Thank you for taking questions, Jody and Pete. I've got just a couple today. First of all, Jody, you mentioned Italo potentially launching in Germany from 2028. I was wondering if you could just remind us of what the landscape currently looks like in Germany. I think you had that legal case in the past with Deutsche Bahn. I'd just appreciate an update on how things stand there.

Secondly, I think at the back of, or partway through the RNS, you talked about the proposed mobility package in Europe, and that this may force TOCs to sell each other's cross-border tickets. I appreciate it's all really nebulous at this stage. It's just a proposal from the European Commission. You've got the tripartite, lots of different bodies that get to weigh in. Can you just maybe give us a bit more colour on how you're expecting that to unfold, timeline, and maybe even if you have any detail on what level of support that currently has with the other bodies, as well?

Then, thirdly, this is probably a smaller question. I think it's the first time UK rail fares have been frozen in some time. Have you seen so far any level of volume stimulation from that price freeze? I appreciate the price freeze means the price just hasn't changed, but would you normally expect a small drop-off or something like that? Just interested on that. Thank you.

Jody Ford:

Sure. Thanks for all of the questions there. So, starting with Italo in Germany, I think that's helpful speculation, is the way I'd frame it at the moment. Germany is a pretty interesting rail market for us. It's of the same scale, if not slightly larger than the UK and France. As we've said, Italy and France are very much the next three years, where we're preparing for. I'd be surprised if Italo are able to actually launch trains in 2028, great if they can, and we can support that.

As a reminder, in the German market, we don't have the brand awareness that we do in France or Italy or now Spain. However, we do have significant inbound traffic, which is our secret sauce, if you like, of working with the operators, because we aggregate that from all the other markets in Europe and around the world. We obviously also have inbound B2B, and these are the sort of pump-priming customers that make our entry into those sorts of markets pretty interesting for the operators and ourselves to start with. Over time, should that happen in Germany, which I absolutely expect it will at some point, we'd be able to deploy our playbook on marketing and so forth.

So, I think I take this as the next three years, really, about the markets we've identified. But it gives us real conviction that what we've said will happen throughout Europe, and Germany is clearly the next most important market. So, it's encouraging to see that speculation.

Yes, then, in terms of the broader point around various proposals - whether they be in Brussels or in other national markets, such as in France as well, there's potential for some form of policy that instructs that incumbent operators need to show inventory from the challenger brands. I think our expectation there is that these things take real time, and who knows quite how it will play out? Some of those proposals actually have pretty interesting pieces on the commission

that we would get paid, like a FRAND proposal, which would be very helpful if that part came through.

Exactly how they will come through, no one really knows yet. The best we can point to is what's happening in Germany with Deutsche Bahn, where they need to show FlixTrain, and that means that they show the train service, but you can't actually buy the ticket, because it doesn't show the pricing. That, we think, is actually pretty helpful, in terms of bringing visibility to customers that they have choice, and then they can come to Trainline to buy the ticket. If it was to go in a direction of actually allowing the purchase, where we get to on that is the complexity inherent in providing multiple other carriers, and all of their tickets and all of their railcards, and that's what we do, and it's taken a long time. Is the incentive structure aligned that they would do it in a way that customers would trust them? I think it's pretty unlikely we'll get to that point. But we'll keep an eye on that. We're very focused on France, and how we bring that to light.

Then, finally, in terms of UK rail fares and volume stimulation, it's pretty hard to assess, at this early stage, what that looks like. The timing of it meant there wasn't a huge amount of marketing. There was a small amount of marketing, but I don't think we would yet say we're seeing any kind of volume increase there.

Pete Wood:

Yes, the only add I'd put is that many journeys are not discretionary, and so you don't really get signal from those. I agree with Jody. It's pretty early days to see anything on the discretionary journeys. Of course, there are other pressures on household wallets, as well, and that's evolving and changing over time, as well. But yes, no clear signal at this point.

Alastair?

Alastair Reid: (Investec, Analyst):

If I'm allowed one extra, it feels there's not been enough talked about AI, so I thought I'd help. It's great to hear some of your thoughts around the difficulties of disintermediation and the like. Can you perhaps just like dig into that a little bit more? In a world where there's just GBR existing as the train operator, how hard really is it for generically some form of agentic AI to try and get some accreditation, to be able to talk to the train operator directly, and not go through yourselves or even their ticket retailing app? How hard is it, really, to replicate things like your Signalbox technology and the like?

Jody Ford:

So, the way we think about it - and I outlined it to some degree - we've got these two moats here, which I think make it quite hard. There's the platform moat, which when you look at the money that is being moved there, whether it's £4 billion plus [net ticket sales] in the UK, coupled with doing all of the carrier integration and the full stack platform, not just showing the availability of tickets, but actually processing the ticket, issuing the ticket in real time, so that people can use it, and then providing customer service. That's a pretty complex set of things that any challenger would need to do, AI or not. Then, from a customer point of view, our 18 million customers is a strong distribution moat to start with, in terms of brand and scale and trust that we have there, where we're increasingly layering over a verticalized AI, in terms of doing that.

But what I'd really call out, right, we've had Uber competing in this market for four years, where they were effectively giving 10% back to customers at launch. Their segment share has



remained around 2% or below. So, look, our job and the way we framed it internally is to use AI to drive our competitive advantage, because we have scale, because we're not just doing it in the UK, but we're learning across all markets, and to do it in a way that the customers get benefit from that. Look, we're going to be competing against GBR, and I think we would back ourselves to out-compete GBR, an ultimately Government-sponsored rail app, where we've got the talent and the scale, and we've got basically what will end up being a four or five-year head start. So, we think AI will ultimately be something very much as part of our advantage in that market.

Pete Wood:

James?

James Lockyer: (Peel Hunt, Analyst):

Hi, it's James Lockyer from Peel Hunt. One of the points that GBR might play on is potentially being able to offer better pricing, if they're somehow able to, say, not charge a booking fee or to do some equivalent of SplitSave. Historically, you've focused on your tech being best in class, as well as the incumbency, and that's why you hope to continue to win there. But I wonder if you've ever thought about your ability to actually be cheaper, sort of wholesale be cheaper, for example, if someone books a hotel, to then not charge them a booking fee, for example, or even given your ability to forecast demand, even taking ticket inventory risk in advance at lower prices, and then offering those to customers, say, even on the day, at a bigger discount. Thanks.

Jody Ford:

Sure. Just to speak to the high-level part of the question. We expect GBR to launch without a booking fee. I think we've proven, and using the Uber example, why the vast majority of customers in the UK have seen real value in Trainline helping them find the cheapest ticket for what they want to do, helping them have a UX that supports them, and increasingly disruption features they are prepared to pay for. Expect us to test and experiment around fee structure, and what that might look like and where we're adding value. How can we go there and support? I think that will be an area of innovation going forward, but we're very confident in our premium position of what that will look like.

Then, in terms of the things that you offer up there, in terms of how we might look at pricing, I think those are very interesting areas, particularly the area around hotels and putting packages together. That's an area where there's lots of innovation in other industries outside of rail, and it would seem very natural for us to do that. I think the buying volume tickets and taking inventory is pretty unlikely. So, that's how we're approaching it. Pete, any add you want to make?

Pete Wood:

Yes, I think Trainline Flex, using insurance as a product is probably - and it's not necessarily cheaper per se, as a headline price, but that ability to give customers a more expanded choice where the rail ticket is at the heart of it, but there are other flexibility options that we could build in, that could be an interesting vector that we explore further.

Pete Wood:

Tim?

Tim Ramskill: (Bank of America, Analyst):

Sorry, it might be a bit of a dull one to finish on. I guess just a couple of numbers-y things. There was quite a big working capital outflow. Again, just maybe just some sense as to might that reverse, and what was driving that.

Then, also, you touched on the regulatory spend, the cost in the UK. Again, just looking H1, H2, admin expenses in the UK were, I think, £8 million greater in the second half, having been pretty flat in the first half. So, is that really all to do with that regulatory factors at play, or is there anything else you want to call out?

Jody Ford:

He's going to bring us home on working capital.

Pete Wood:

Yes, yes, exactly. I'll take the second one first. There was a balance sheet cleanup which also fell into H2, mid-single-digit million. So, that's another part of the equation to consider. On working capital, yes, it's a good question to end. The year ended on a Saturday, and so the credit card creditors was building. Next year is going to end on a Sunday, so it's going to be compounded again. But it is simply down to the timing effects, yes.

Jody Ford:

Great. We'll finish here. Thanks. That's all we've got the time for today, but thanks for all the questions and for attending today's presentation. To recap, we've had another strong year. We're making really good progress against our strategic priorities for growth, and we remain confident for the long-term growth opportunity. I look forward to speaking to you again soon. Thanks, everybody.

[END OF TRANSCRIPT]