



# Interim results

For the six months ended  
31 August 2020

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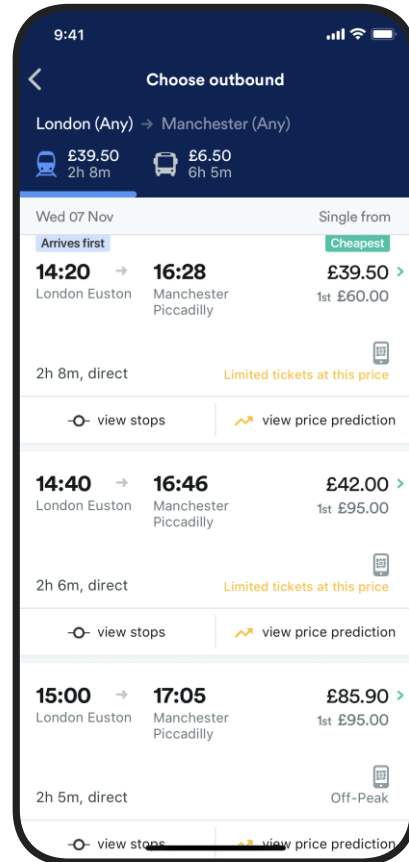
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# Agenda

- 1. Introduction**  
Clare Gilmartin, CEO
- 2. Financial performance in H1**  
Shaun McCabe, CFO
- 3. Progress against strategic priorities**  
Jody Ford, COO
- 4. Q&A**

# Our aim: To make rail and coach travel easier



## For travellers and travel company partners:

- All carriers in one app
- Easy, consistent, friction free
- Unique, AI driven travel info

## For carriers:

- Global distribution, more customers
- Lower cost to serve

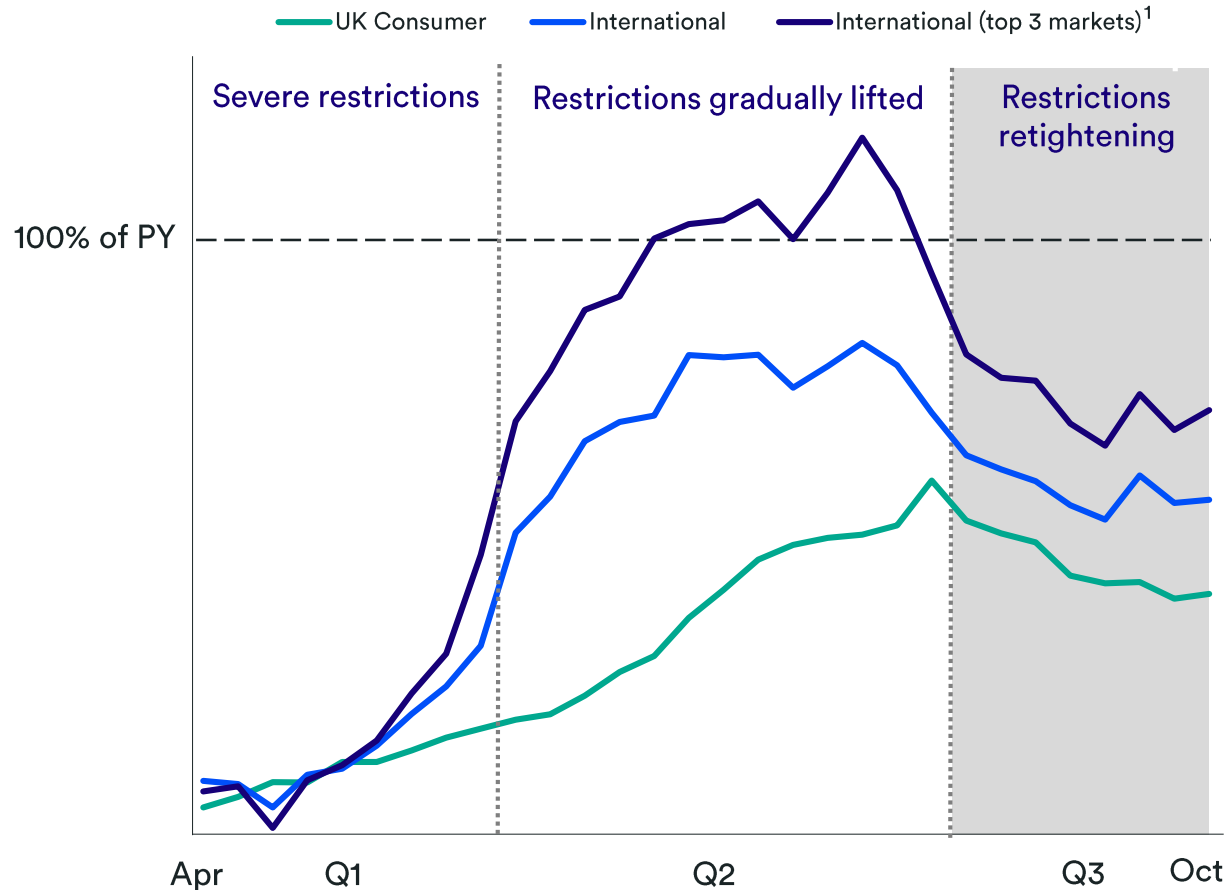
Championing a much greener way to travel

# H1 Summary

- Significant impact from COVID across our markets; took steps to limit impact and ensure sufficient liquidity for the long term
- Encouraging signs of recovery over the summer
- Continued progress against our strategic growth priorities
- Whilst short term outlook remains challenging, strong confidence remains in our long-term tailwinds and opportunity

# Encouraging signs of recovery in Q2, especially in International

## Trainline daily net ticket sales (% of PY)

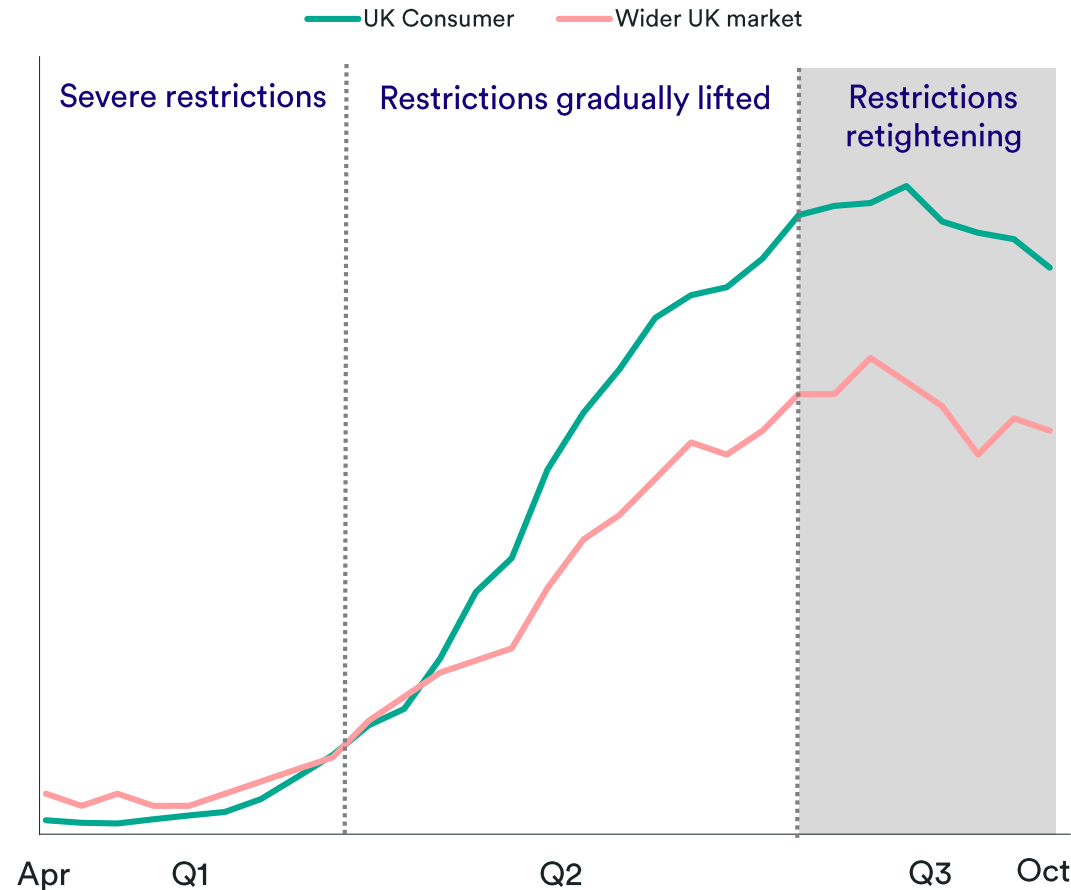


1. International top 3 markets of France, Italy and Germany

- Encouraging signs of recovery in Q2 as lockdowns lifted and social distancing relaxed
- Recovery most pronounced in International where restrictions lifted earlier than the UK
  - Top 3 markets returned to YoY growth
- Some supply-side constraints still persisted through Q2:
  - Reduced seat capacity
  - Shorter booking horizons
- Further lockdown restrictions impacting Q3

# Trainline's relative market position strengthened in the UK

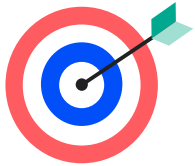
## Trainline UK Consumer vs wider market (% of PY)<sup>1</sup>



1. UK Consumer gross daily transactions vs National Rail daily passenger volumes as reported by DFT

- Trainline's recovery outpaced the market in our second quarter
- Reflects accelerated shift to online / mobile, as expected:
  - Greater propensity for contactless travel
  - Consumer reluctance to queue at stations or touch ticket machines
  - Government guidance to book in advance
  - Increased need for clear, real-time on-the-go data

# Continued progress against our strategic growth priorities



Maintained investment in strategic priorities despite significantly reducing cash burn



Enhancing user experience: Continued innovation; eticket industry penetration up to 29%

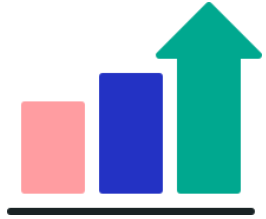


Building demand: Leant into low cost opportunity to drive rebound in new customers



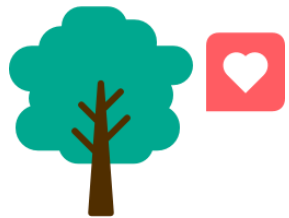
Growing Trainline for Business (T4B): Global API gaining momentum – 15 clients signed

# Long-term structural tailwinds endure



## Large and expanding market

- c€225bn global market<sup>1</sup>
- Significant government investment in expansion and high speed rail planned



## Greater environmental awareness of different modes of travel

- UK & EU Commission objective: net-zero greenhouse gas emissions by 2050
  - German Government to increase investment by 59% and double rail passengers by 2030
  - UK Government to invest a record £48 billion by 2024 to “maximise the shift of users to rail”<sup>2</sup>



## Runway for migration to online and mobile

- c40% tickets sold online pre COVID vs 86% of flights<sup>3</sup>
- Eticket adoption in UK of 29%<sup>4</sup>



## Growing supply fragmentation, a result of market liberalisation in Europe

- EU’s Fourth Railway Package mandating open-access competition in domestic rail by Dec 2020
- Major competitor carriers plan to enter French and Spanish markets from 2021

1. OC&C Market Report – average for 2017; 2. DFT Decarbonising Transport report (2020), 3. OC&C, Company information and Two Six Capital. % of gross value of bookings in 2017 for rail vs low cost carrier airlines for top 5 European markets 4. eticket adoption and availability based on industry data and Company estimates.

# Agenda

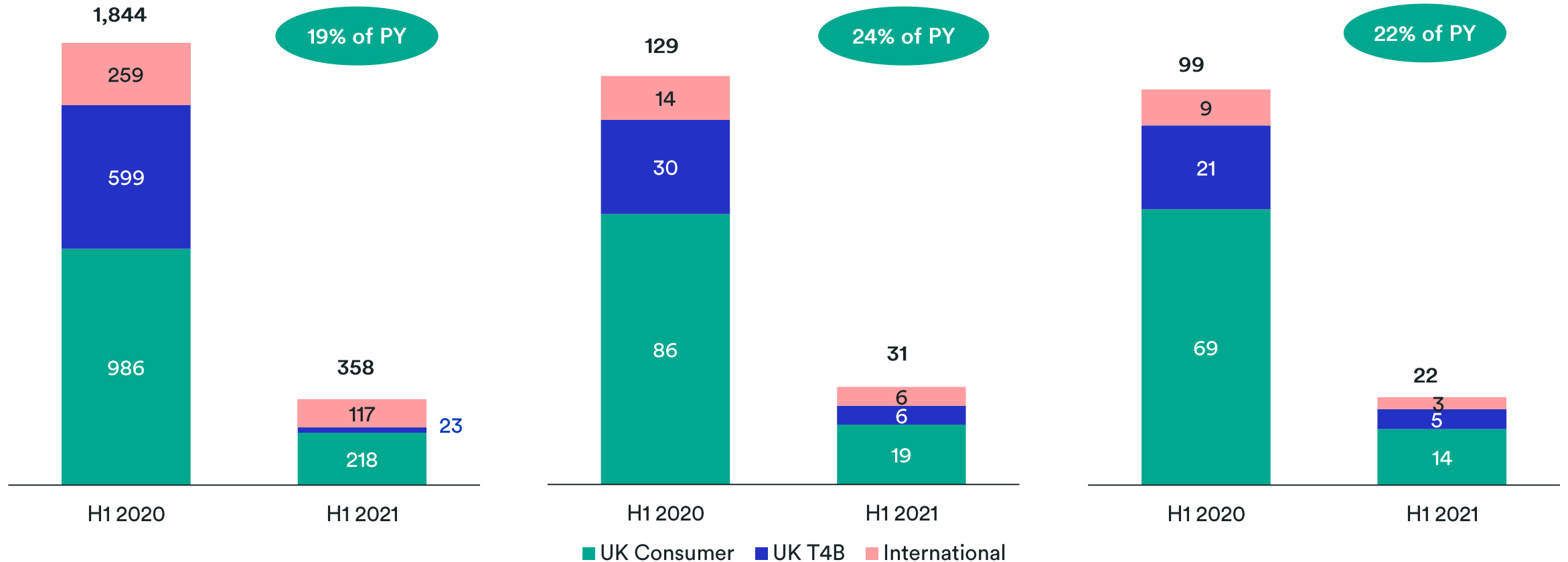
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# Significant impact on sales, revenue and gross profit from COVID

Net ticket sales (£m)

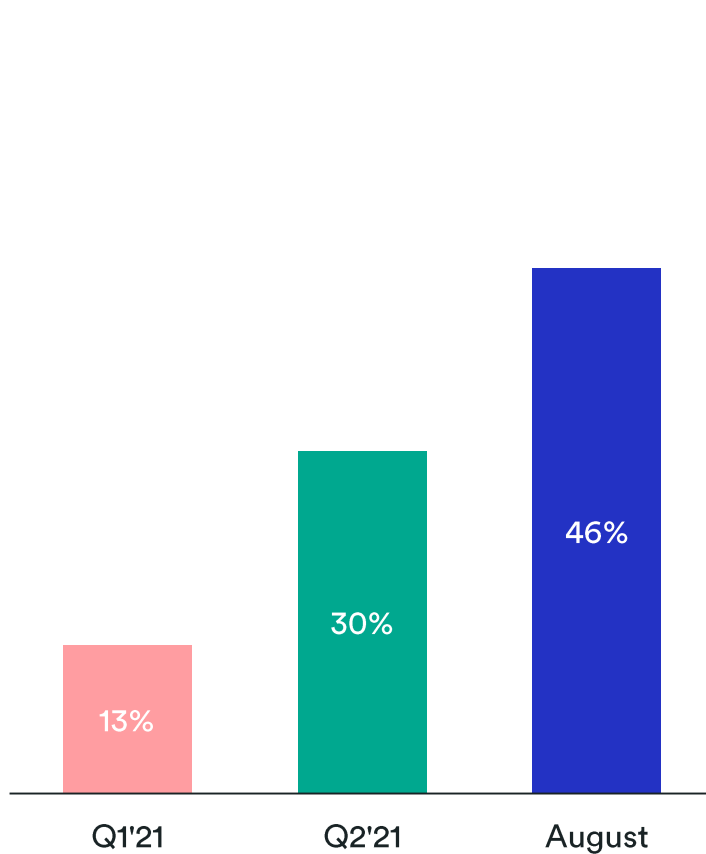
Revenue (£m)

Gross profit (£m)

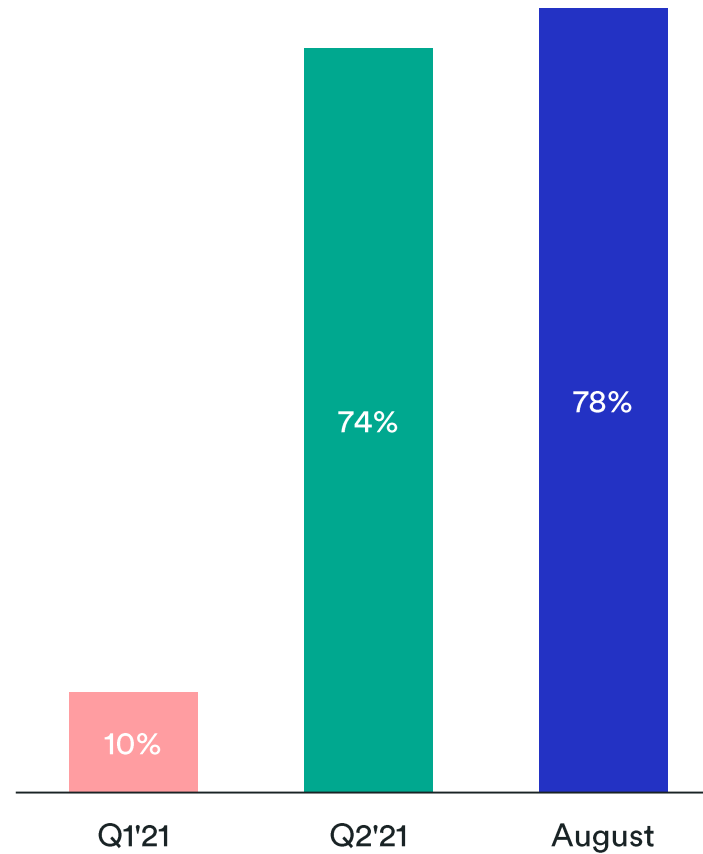


# As trading conditions improved over Q2, net ticket sales recovered quickly

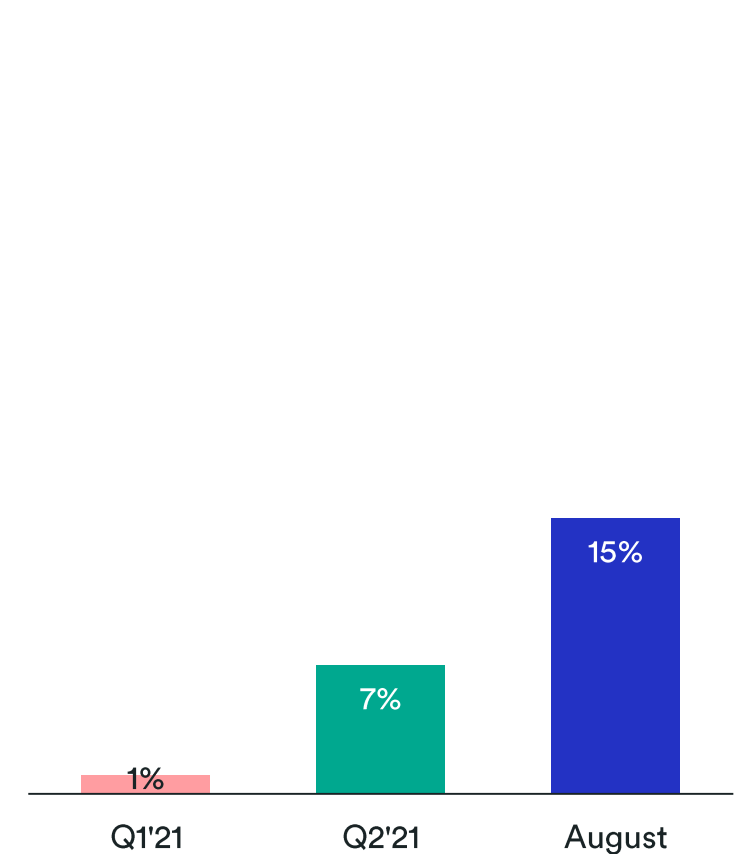
## UK Consumer vs PY (%)



## International vs PY (%)



## UK T4B vs PY (%)



# Quick and decisive actions to mitigate impact of COVID

**Reduced  
cash burn**

- Paused marketing, discretionary spend
- Furloughed teams under CJRS
- Pay freeze, deferred bonus payments
- Voluntary Board/ Exec team salary cuts
- Long term efficiencies & cost savings

**c£5 million  
per month in Q2<sup>1</sup>**

**Ensured  
sufficient  
liquidity**

- £350 million Revolving Credit Facility
- Covenant test waived until August 2021

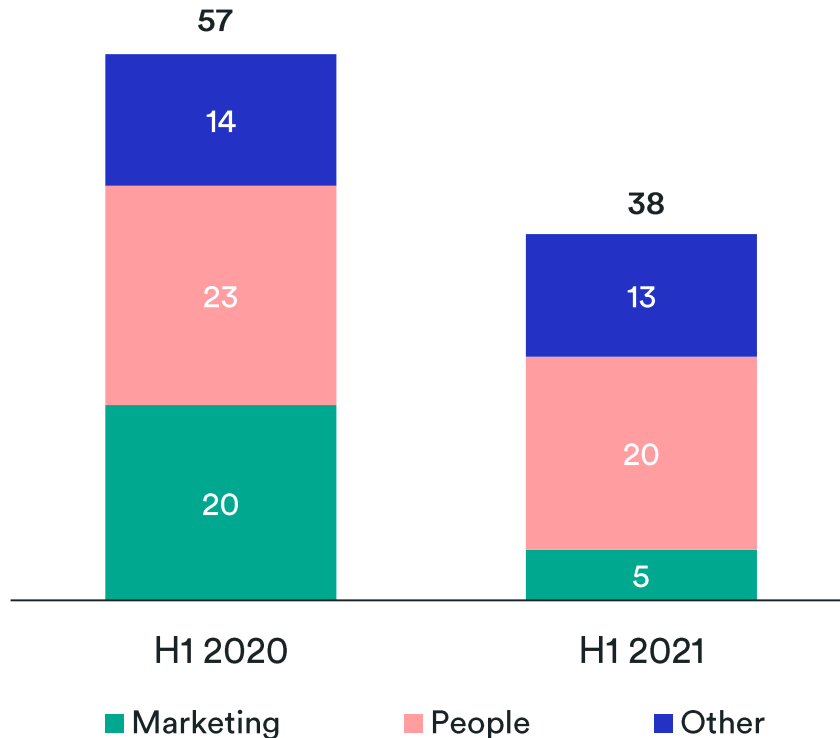
**c£162 million  
headroom at end of August**

**Better than expected performance on cash burn and liquidity headroom**

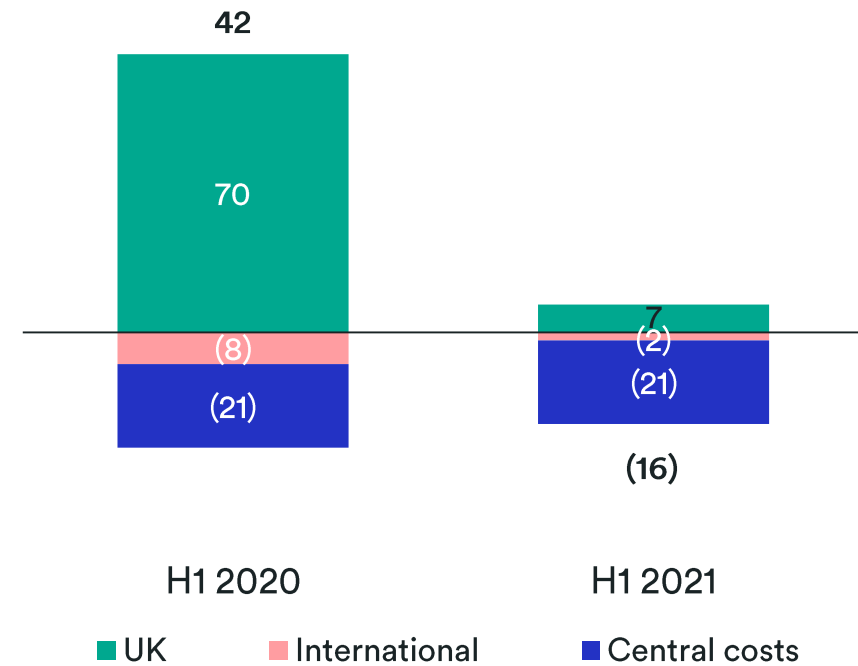
1. Cash burn is adjusted EBITDA less tangible and intangible asset additions, less interest paid and less lease liabilities paid, averaged over Jun-Aug 2020

# Strong operational cost management helped mitigate impact on EBITDA

## Direct and central costs (£m)

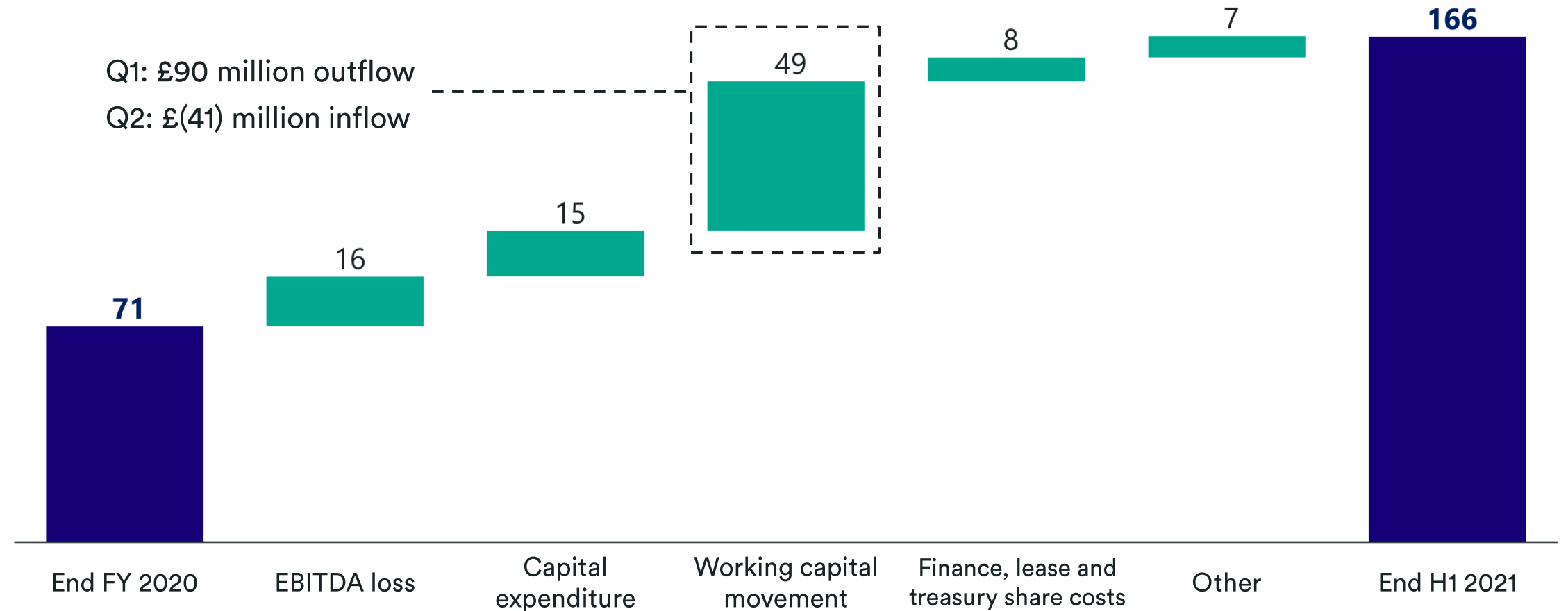


## Adjusted EBITDA (£m)



# Net debt increase driven by working capital outflow in Q1 and cash burn

## Net debt movements in the half (£m)



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# Strategic priorities for growth



Enhance customer  
experience



Build demand



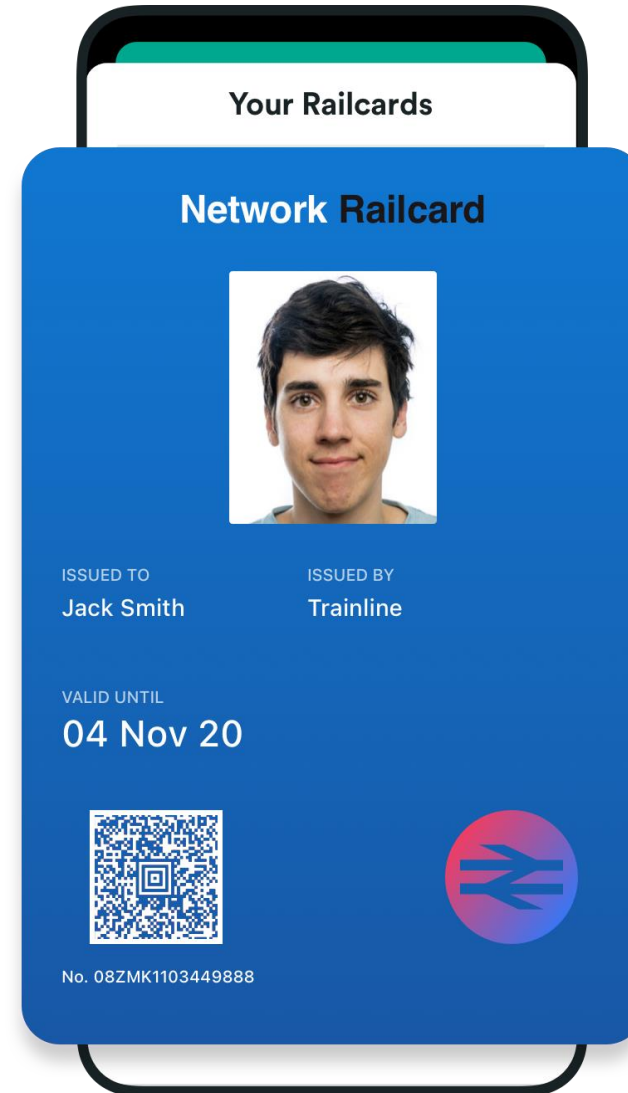
Optimise revenues



Grow T4B

# Continued customer experience innovation

- Driving adoption of etickets in UK
  - Industry penetration 29%, up from 21% last year<sup>1</sup>
- Lowering cost of travel for customers
  - Launched in-app digital railcards in UK
- Making our smart travel companion even smarter
  - Added ‘Crowd Alerts’ feature
- Improving self-serve functionality
  - Launched Delay Repay in France
  - Enhanced automated change/ refund features
- Strong innovation roadmap for the year ahead

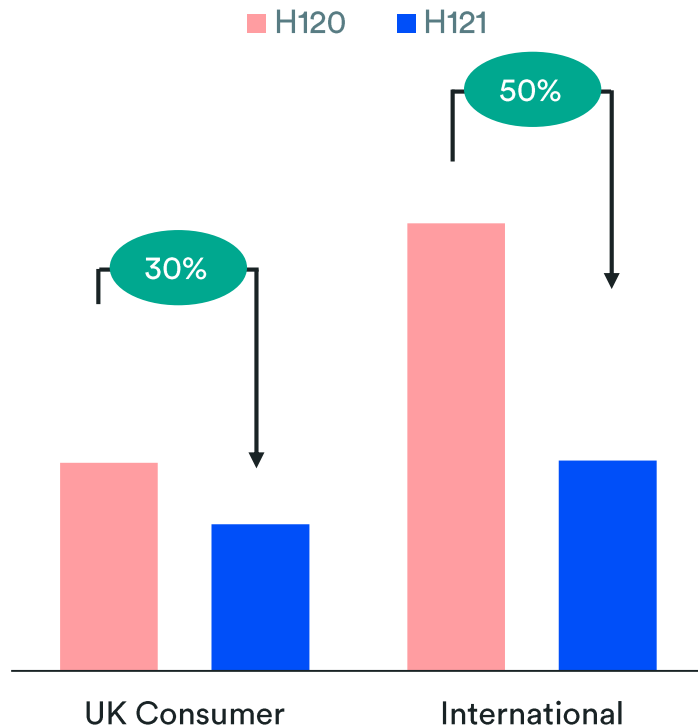


1. Eticket sales as a % of total industry ticket sales

# Strong new customer momentum at lower cost of acquisition

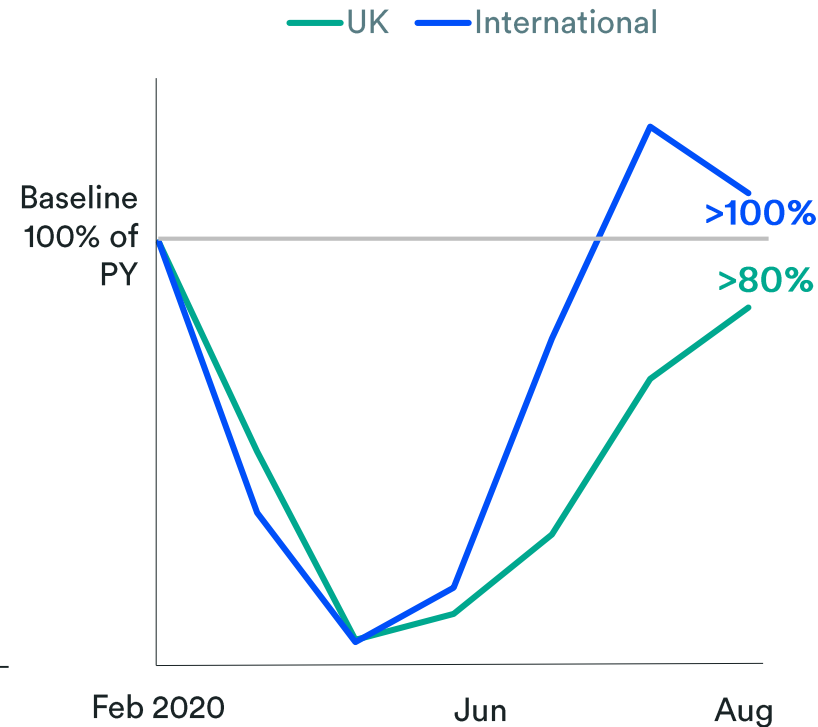
## Acquisition costs significantly lower

Cost per acquisition



## Strong rebound in new customers

New app customers vs Pre-COVID

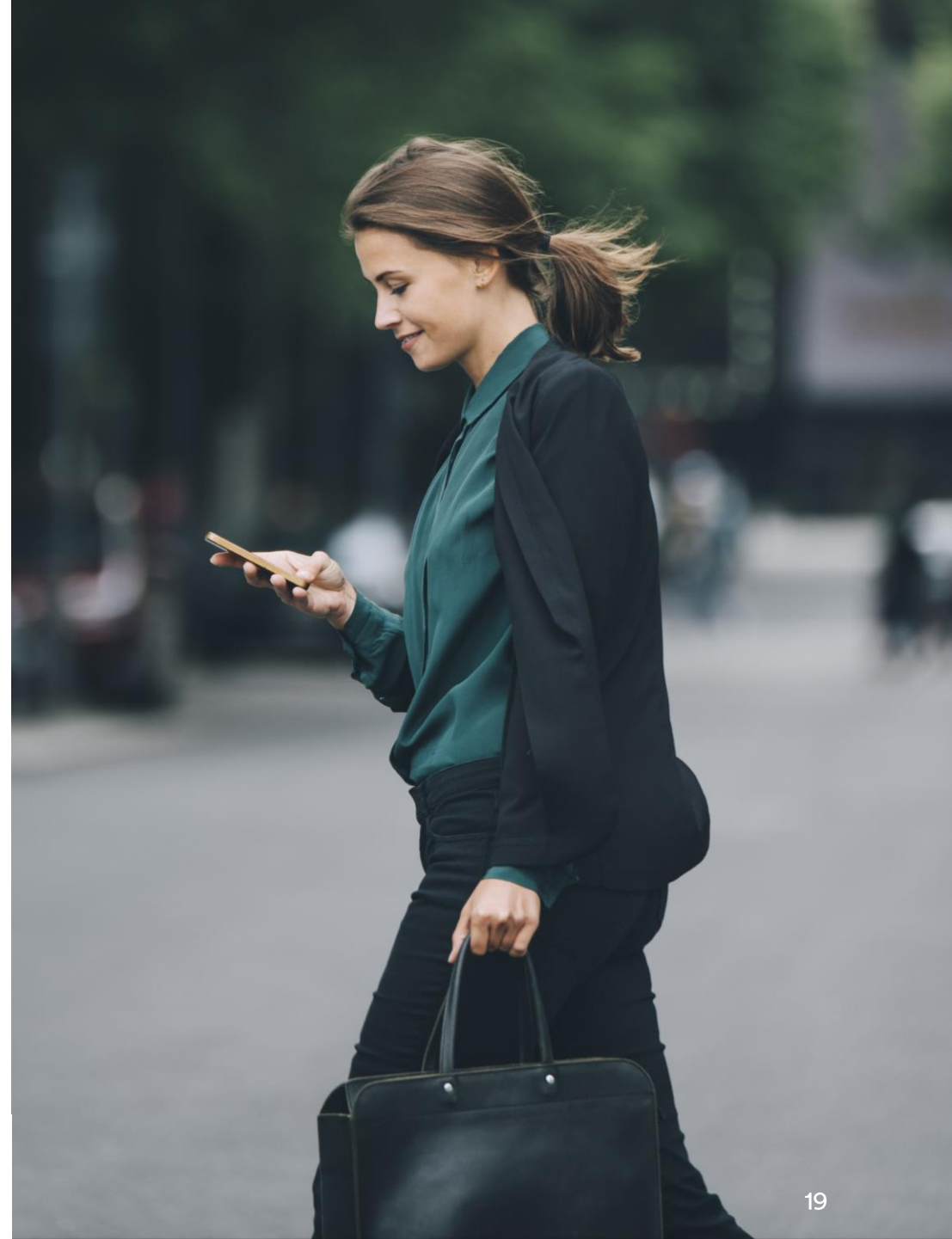


- Monitoring, predicting and aggressively optimising post-lockdown demand
- Greater content focus on high demand domestic routes
- Customer engagement recovering
  - >20 million MAUs in Q2
  - Reaching c75% of pre-COVID levels
- Shifting more customers on to App
  - UK App share of transactions at 81%, up 8%pts YoY

# Growing Trainline For Business

- **Our global API opens up international distribution market to us:**
  - Platform to scale B2B distribution internationally, ~£6bn addressable market vs historical ~£1bn UK only<sup>1</sup>
  - Allows B2B clients 'one stop shop' access to European rail supply
  - Meeting growing demand from TMCs<sup>2</sup> and other travel platforms
- **Continued good momentum in H1, even against challenging COVID backdrop**
  - 15 clients signed; agreements with 3 of the top 5 Global TMCs
  - Further contract discussions with TMCs, travel platforms and European carriers
- **Supported our white label partners mitigate impact of COVID and prepare for market recovery**
  - Developing new flexible ticketing solutions
  - Providing automated, self-serve refund and change functionality

1. OC&C estimates (2018); 2. TMCs – travel management companies



# Key takeaways

- Significant impact from COVID across our markets; took steps to limit impact and ensure sufficient liquidity for the long term
- Encouraging signs of recovery over the summer:
  - In International, our top 3 domestic markets returned to year over year growth
  - Whilst UK lagged somewhat given longer restrictions, Trainline's relative market position strengthened
  - Customer acquisition outpaced sales
- Continued progress against our strategic growth priorities
- Whilst short term outlook remains challenging, strong confidence remains in our long-term tailwinds and opportunity

Q&A