Company: **Trainline**

Date: **4 November 2026**

Time: **08:30 GMT**

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Ian Brown:

Good morning, everyone, and thank you for joining us this morning for Trainline's H1 FY2027 results presentation. I'm Ian Brown, CEO of Trainline. I'm joined today by Pete Wood, our CFO. This is my first set of results since joining Trainline, and I'm delighted to be here today.

Before we begin, I just want to say how deeply saddened we all are by last week's tragic rail accident near Toledo in Spain. Our thoughts and prayers are with everyone affected.

Now, let me take you through today's agenda. I'll start with my early impressions of the business and then provide an update on GBR. Pete will then cover our financial performance and provide a strategic update, including how AI is improving our product and the way we work. Then after the presentation, Pete and I will be happy to take your questions.

For those of you I haven't yet met, by way of background, I spent the CEO part of my career scaling and transforming consumer and technology businesses. Most recently, I was CEO of Flutter UK and Ireland, where I led a collection of brands operating in highly regulated markets. Before that, I was CEO of ANS Group. I spent six years at Booking.com, including as CEO of its trips business unit and as CEO of Rentalcars.com. I know international online travel marketplaces very well. I also created and built out the insurance business at booking.com.

My track record of these businesses has been underpinned by product and commercial innovation. I therefore have a good understanding of what it takes to deliver innovation-led growth at scale, as well as to lead businesses through periods of change.

I joined just under two months ago, so it's still early days. Nonetheless, I've enjoyed spending time with many colleagues across our London, Edinburgh, and Paris offices so far, talking with customers, and progressively working my way around our business.

As you might expect, I've also been busy meeting with industry partners and carriers, as well as meeting key stakeholders in government. I look forward to meeting shareholders on our upcoming roadshow, and I plan to engage broadly with our stakeholders in the coming months.

What I've seen so far in my first two months has reconfirmed why I joined Trainline, and I'm genuinely excited about what's ahead. First, our fundamentals are strong and genuinely hard to replicate. We have real scale. We're Europe's most downloaded rail app, serving 27 million customers. Our customers' behaviour is habitual. Almost two million customers use our app every day to plan, book, and manage their rail travel. We have deep loyalty and trust. Our app is rated 4.9 stars, and we're the most trusted brand in UK rail.

We're a leading technology platform built on years of deep rail expertise and investment in technology. The Trainline app or API connects our customers to hundreds of rail and coach carriers across Europe, many of them operating aging legacy systems. That's hard to build and hard to copy. Our platform sits on an exceptional scale of data assets. AI is increasingly

ingrained in our products and across our business processes, making us smarter and faster in how we deliver for customers and partners. We have an outstanding team. It's innovative and driven with a strong track record of delivery and execution.

The opportunity ahead is very real across the UK, International, and our Trainline solutions business. With Trainline well-positioned to continue to scale each of them.

Trainline is exactly the kind of business that energises me. It has some complex challenges to solve in a period of material change, but many opportunities ahead.

The underlying strengths I just mentioned showed in the first half, with the business delivering a robust performance despite multiple headwinds. In the UK, we improved our proposition and continue to build trust and loyalty. We now have over three million digital railcard holders in our app, up 26% year on year. In Europe, in a year without major aggregation moments, we rebalanced growth and profitability. International is now profitable for the first time. Our B2B distribution business also continues to scale, led by strong growth from international customers.

With broadly flat net ticket sales, alongside strong cost management, we delivered 7% growth in adjusted EBITDA and 10% growth in adjusted EPS. The announcement of a new £100 million buyback in September also reflects both the strength of the underlying cash generation of our business and confidence in our outlook.

Now, as you know, on 9 October, the ORR published its draft Retail Code of Practice for consultation. We see it as an important step forward. For the first time, there will be a regulatory framework governing how GBR interacts with all retail market participants. The overall future rail framework is, of course, wider than just the code. It also includes the GBR business plan, the public service contracts, and GBR's own operating licence.

The draft confirms fair, transparent, and non-discriminatory access to fares, products, systems, and the data for third-party retailers in line with the level playing field that the Rail Minister, Lord Hendy, last week committed to. This reflects our progress to date with government engagement, for example, delay repay, where we secured future equivalence earlier this year.

The government's fact sheet, published alongside the draft code on 9 October, also says GBR must act in a way that does not exclude competitors, distort the online retail market, or abuse a dominant position. For the first time, an independent regulator, the ORR, will have a statutory responsibility to enforce compliance. These are all positive steps.

However, we believe the framework needs strengthening. In particular, we're seeking stronger mechanisms and oversight to ensure equivalence of treatments with GBR online retail. In other sectors where state-backed entities operate in the market, such as the BBC or BT, there's a clear precedent for strong safeguards on economic equivalence and economic transparency. We're not yet seeing the same here.

The government has, however, been clear on the continuing role independent retailers will play and on the need for safeguards. The government's fact sheet is clear that GBR should compete alongside other retailers in a fair and open online retail market. As Lord Hendy told the Lords on 8 September, when asked about the cross-subsidy, he said “GBR will not be overcompensated to deliver retail functions in a way that distorts the market”.

Our focus is on seeing these very clearly stated principles translate into the strongest possible market framework. We're continuing to engage actively in the consultation process, and more broadly, we maintain our assertive stance. With that, I'll hand over to Pete before joining for Q&A at the end of the presentation.

Pete Wood:

Thank you, Ian, and good morning, everyone. Before I share the Group results, let me start by unpacking the performance of each of our business units, starting first with UK Consumer. Net ticket sales were £2.1 billion, up 0.4%. This reflected both strong underlying rail demand, as well as fewer refunds as a result of a change to the industry refund policy in April 2026, which narrowed the window in which refunds could be claimed. As a reminder, there was no contribution to NTS from inflation in the half, given the regulated fare freeze.

We continued to face headwinds from train operating companies self-preferencing their own retail channels, as well as the expansion of Project Oval. There were also additional headwinds from the very hot weather in the summer months, alongside other disruptions to the rail network.

Turning next to international, net ticket sales were £579 million, down 4% year-on-year. Performance was affected by a number of external factors, including softer foreign travel, reflecting ongoing geopolitical tensions in the Middle East, weaker consumer sentiment in Spain following the tragic rail accidents earlier this year, and heat and strike-related disruption in the summer, which affected many parts of the European network.

Performance also reflected our more disciplined approach to marketing, as we balanced growth and profitability in the half ahead of future aggregation moments. Meanwhile, in South-East France, net ticket sales grew by double digits, sustaining growth a year on from Trenitalia's expansion in the market. This demonstrates our position as the aggregator of choice ahead of the next wave of carrier competition across Italy and France.

Turning next to Trainline Solutions, our B2B business. Net ticket sales grew 3% to £548 million. Within this, B2B Distribution, which helps large travel management companies sell train tickets, led the way, up 22%. With international B2B continuing to grow very strongly, up 45%, driven by new client wins across Europe. We are on track for international B2B sales to overtake UK sales by the end of the calendar year.

As expected, this growth was partially offset by the roll-off of two white-label contracts, including ScotRail, which we stopped providing services to in the half, and the drag from CrossCountry, which ended last November. Bringing this together, Group net ticket sales were £3.3 billion, and revenue was £233 million, down 1%. This largely reflected a lower UK revenue take rate, which was the result of changes in the industry refund policy. This led to fewer refund transactions and, therefore, lower refund fee revenue.

Despite lower revenue, gross profit increased 1% to £195 million, driven by an improvement in the settlement rate we pay to payment processors. This was achieved through renegotiated fee rates with our main payment providers. Cost of sales savings also came from lower customer service costs due to WhatsApp and Voice AI handling more contacts.

Turning to costs, where we delivered strong discipline across the business. Total OpEx and CapEx were down 5% year on year. In addition to lower cost of sales, we drove marketing costs down, reflecting efficiencies in both the UK and international, and a more disciplined approach

to marketing in international. CapEx was broadly flat, reflecting ongoing investment in our product and tech platform.

We continue to invest in AI and in our products, but we do it in an efficient way. Together, these savings offset an increase in other administrative costs. That increase was driven by inflation, investment in AI, and ongoing higher legal and public affairs costs. As a result of this cost discipline, and on a slightly lower revenue base, adjusted EBITDA grew 7% to £100 million. This was driven by the improvement in international, which moved from an EBITDA loss of £8 million last year to a profit of £6 million. That is on a post-transaction fee basis, which means covering the cost of the platform serving these transactions. Furthermore, all of our markets in international were profitable, another milestone for us.

Adjusted EPS grew a little faster at 10% to 13.8 pence, supported by continued accretion from our share buyback.

Turning to cash, adjusted free cash flow was £45 million, with the year-on-year movement reflecting the timing of working capital as well as tax payments and leverage at the end of the half was 1.2 times. Our capital allocation framework remains consistent, to invest in the business at appropriate returns, maintain a strong balance sheet and return surplus cash to shareholders.

In September, we announced a new £100 million share repurchase programme. Over the last three years, we have returned £356 million to shareholders, the equivalent to 28% of our share capital. This highlights both the cash generative nature of our business and the continued confidence in our outlook.

Before turning to guidance, an update on the CMA's investigation of how booking fees are presented. We operate across multiple regulatory frameworks, each with its own requirements of how rail fares and fees are presented. At the same time, rail tickets are complex in themselves, with booking fees varying, depending on the choices customers make.

We have always engaged actively with the ORR on our fee presentation. Since the CMA letter in November, and following the announcement of an investigation in August, we have continued to engage proactively with both the CMA and the ORR and are seeking a swift resolution.

To conclude, I'm pleased with our financial performance. We delivered what we planned and grew earnings, despite multiple headwinds. Looking ahead to the full year, we are reiterating our guidance. We continue to expect net ticket sales of between £6.2 billion and £6.45 billion, underlying revenue of between £440 million and £455 million, and EBITDA of around 2.9% of net ticket sales, with international consumer expected to be above break-even for the full year. With that, I'll move on to our strategic progress, starting with the UK consumer.

Trainline is the UK's number 1 travel app, and customers rely on it for the best value, the most accurate information, and peace of mind on their rail journey. That position is the result of investing over a number of years to build our technology platform and the best capability in rail. We make UK rail simple. Every ticket type, journey combination and fare is searchable in one place quickly and easily. We also offer products that help customers save money, including SplitSave, railcards and season tickets.

In the first half, we invested in our UK proposition and railcards were a particular highlight. We have made it even easier for customers to buy or renew a railcard with relevant prompts, timely reminders, and simpler eligibility checks. We have also grown railcard adoption through

partnerships, including Monzo, which offers a free digital railcard to its Monzo Perks subscribers. Railcards give customers real savings, an average saving of £175 per year.

The results of these improvements are clear. We now have over three million customers with a digital railcard in our app, up 26% year-on-year. We hold over a third of the railcard market, and we grew the number of railcards at over three times the rate of the rest of the market. We're also growing in key categories. In 16 to 30 railcards, shown in light blue in the middle chart, we have 47% of the market. Another example is Network Railcards, shown in dark blue, which offer savings across the Southeast.

As we have made it easier to discover, buy and use railcards, more people in this part of the network are adopting them and unlocking the benefits. Holding a railcard also builds loyalty. Digital railcard holders transact more than four times as often as non-holders and spend more than three times more, a competitive advantage that is hard to replicate.

Railcards give customers a reason to join us. Our product gives them a reason to stay. Our travel and disruption features help customers along their journey and are unique to Trainline, powered by our data and our technology.

On the left, the live tracker. Maps are now available to all users, so you can see your position, your stop, and any disruption on your route. In the middle, travel forecast. We predict your arrival time using our own journey data, providing us with a more accurate forecast than the one you would see at the station or in the train. On the right, when a delay happens, the app knows. Eligible customers are redirected to claim delay repay from the app. More than half now do, nearly double since January.

These features build habit. Today, 91% of eligible travellers see our disruption features, double the level since the start of the half, and customers come back month after month. We will continue to iterate and improve this feature set to give customers even more reasons to stay.

In the half, we've also added products that give customers more value, flexibility, and convenience. Trainline Flex is a new ticket type that combines an advance ticket with insurance, so customers can cancel for any reason. We are also using our scale to build advertising and partnership revenue with relevant discounts and promotions, such as through PayPal, available to customers in the app.

Together, insurance and advertising helped grow UK ancillary revenue by 22%. That diversifies our revenue and gives us new ways to earn more from our large customer base.

Trainline remains the most trusted brand in UK rail. In a recent survey, 51% of UK respondents said that we were the brand they would most likely consider for a ticket, well ahead of the competition. Our campaigns in the half widened our reach, particularly among families and new audiences. We launched a podcast series for families travelling with young children on trains, alongside a number of social media campaigns and a sponsorship opportunity of Arthur Fery's team at Wimbledon.

Moving on to international. While there are no major aggregation moments this year, international remains an aggregation story and Trainline is ready for when each market further opens. Our business has three parts, each at a different stage of aggregation maturity. First, Spain and South-East France, which are 21% of international net ticket sales. Here, the aggregation story is proven. South-East France continues to grow at double digits, and Spain shows how we can invest to scale the market and then turn it profitable.

Second, the rest of France and Italy, around 2 thirds of international net ticket sales. With no near-term competition, we are balancing spend carefully here while being ready to invest more ahead of aggregation moments. Third, Germany and the rest of Europe, the remaining 15%. These are longer-term growth opportunities. For now, most of our customers there are travelling cross-border or away from home.

We are building a more profitable base in Europe by applying the UK playbook. French railcards are growing strongly through upsell and prompts. Railcard sales rose over 70% year-on-year in the half, and that is building a base of loyal French customers who are more likely to travel with Trainline.

Ancillary revenue also grew strongly, led by insurance and hotels. It contributed to a more than 30 basis points increase in the international take rate and makes our revenue in the region more diversified.

Carrier competition remains the catalyst for the next phase of growth in Europe. In Spain, the market has gone from one high-speed carrier brand to four, competing across the five largest routes. In Italy, Trenitalia and Italo already compete on the high-speed network. SNCF is now expected to launch from mid-2028, a year later than we had originally anticipated.

In France, Velvet is on track for a summer 2028 launch, having obtained its railway operating licence in September. Alongside other entrants, we expect four competing carrier brands from mid-2028. On the Channel Tunnel, there has been recent progress with Trenitalia ordering trains and Virgin Trains recently receiving its licence to operate. Together, these markets represent €12 billion TAM by 2030, providing us with significant headroom for growth.

Foreign travel is a further overlapping opportunity. We estimate the inbound market from the EU and the rest of world at around €5 billion. It is a high margin, and our proposition is built for this customer.

International is a large market with clear catalysts. Until further aggregation moments arrive, we will keep deepening customer loyalty, driving engagement, and managing profitability.

Now to Trainline Solutions, a business with over £1 billion annualized net ticket sales. Our focus is growing business travel through B2B Distribution and branded B2B. European rail is fragmenting, leaving travel management companies with a challenge of connecting to more APIs, including aging legacy systems. Our global API aggregates this supply into a single connection.

Demand is building on both sides. Corporates want more rail, and carriers want more B2B, because business customers spend more per transaction and drive more first-class demand, which helps carriers manage yield.

Sustainability targets, more capacity and more competition are also making rail a genuine alternative to air, both cross-border and domestic. B2B Distribution is a large and sticky segment. Our average customer has been with us for seven years and switching costs are high, which gives us recurring revenue. It remains a success story for Trainline. In H1, we won 18 new customers, four of them large travel management companies.

Finally, turning to AI, an area that remains a big opportunity for Trainline and where we continue to make good progress against our three pillars. First, AI-powered products, solutions tailored to each customer need. Over one million customers use travel assistant and voice AI in the first

half, up 20%. They are ROI positive per conversation. We build efficiently, keep the cost to serve low, and customers resolve simple issues like refunds themselves.

Second, new AI distribution channels. We are working alongside leading AI companies so customers can reach us wherever they start. We lead in Google AI rail citations in every market except France. We are live in the ChatGPT app. While AI referrals remain under 1% of sales today, we are building now and are ready if and as that grows.

Third, using AI to move faster. Lead and cycle times are down 10%, and defects are down 18% across our tech team. Where we use AI more heavily, the gains are much bigger, and we expect more to come. Our agent platform is live in our data business, completing workflows, and we are rolling it out across the organisation.

Taking a closer look next at the impact of AI in distribution. Today, over 90% of customers come direct to our app, mostly for everyday repeat purchases where speed matters. However, customers have more options on how to plan their journeys than ever before. They might start in Google, ask ChatGPT or Claude, or use an agent such as Meta Muse. We have strong SEO and are well-connected into these tools through our ChatGPT app and our MCP infrastructure. Whether the buyer is a person or an agent, we can surface the journey options and complete the purchase.

But a journey doesn't end when the ticket is sold. 60% of customers fear travel disruption. After purchase, they need live updates and help when things go wrong. They may need to change a ticket, get a refund or claim Delay Repay. That is where our proprietary data and tools sit. It is data we own.

Rail is different from most things people plan with AI. It is live, the stakes are high when things go wrong, and customers need to trust what they are told. Our app is built for rail and nothing else. We make it visual. You check the map, you check the platform, and act on it all, all in one place, and fast. These are the features that bring customers back.

As we face an ever-changing market, whether it's through AI or GBR, our structural advantages matter more. There are four, and they reinforce each other. Let’s start with the foundation. We hold a retail licence and direct integrations with every carrier, plus the contracts, accreditations, and bonding facilities. That position gives us data. Every search, booking, journey, and after-sales interaction sits in one place on a leading technology platform built over many years with AI increasingly integrated.

Better data builds better, more innovative product because we can see what travellers actually need and build for it. Better product builds habits and loyalty so customers will choose us. We are the number 1 travel app in the UK and the number 1 rail aggregator in Europe. Active customers in the UK transact frequently with us and it takes just 23 seconds from search to purchase for familiar routes. That, in turn, gives us trust and scale.

AI strengthens each of these advantages so that the position grows with every journey. In summary, this was a resilient first half. Net ticket sales were robust, margins improved, and we've continued to return cash to shareholders. In the UK, we have a stronger proposition with a better travel experience, clearer value for money, and more flexibility for customers. In Europe, in a year without major aggregation moments, we rebalanced growth and profitability with international now profitable, and we are building strong foundations for growth.

In AI, we are executing faster and building a deeper competitive moat. Our balance sheet is strong, so we can keep returning cash while we navigate change and shifting markets, and we are confident in the outlook. Ian and I are now happy to take your questions, so I'll hand back to the operator.

Operator:

Thank you. If you would like to ask a question, you may do so by pressing star followed by one on your telephone keypad now. If you change your mind, please press star followed by two to remove yourself from the question queue. When preparing to ask your question, please ensure your device is unmuted locally. The first question today coming from Alastair Reid of Investec. Your line is now open, please go ahead.

Alastair Reid (Investec, Analyst):

Good morning, thanks very much. A couple for me. Firstly, can you expand more on the opportunity from the tender to build the GBR app? Is there any scope for the commercial terms of that to impact the government's decisions around the funding mechanisms for GBR, for example.

Then secondly, on the topic of pricing more broadly, can you perhaps expand a little bit on the strategy for Trainline Flex, whether you're looking to differentiate pricing more versus train operators and could you have some booking fees more explicitly linked to whether you have a SplitSave ticket? I guess the last thing sort of linked to that, do you think the GBR ticketing operations would have the incentive to do SplitSave as well, given the lower revenues it would generate for its parent? Thanks very much.

Pete Wood:

Thanks, Alastair. Yes, let me work through those. The first, you asked about the [GBR] tender opportunity. This we expected earlier in this year. I think it's a complex set of attributes that the government is trying to pull together here. That's why there's been some delay. There's a chance this will emerge pre-Christmas, although it may also appear earlier in the New Year as well.

In terms of whether the options that Trainline could offer something and how that might fit into the funding, no, I don't really see that as an opportunity here. I think the government has got an idea about what it's seeking to acquire. It's refining those proposals at the moment, we understand. As I say, we're expecting that to appear imminently.

The mechanism for funding a GBR more generally is somewhat separate to that. Of course, there is some look across, and they need to ensure that it fits the right envelope. But I don't think there's a role for Trainline to play here. There's quite a clear set of rules around procurement and I'm not sure that there's any option that you're pointing to here.

Then next you asked about the Trainline Flex and pricing more broadly. I think we've made really good progress with ancillary products. To start with, it was a question of layering in insurance and hotels, often post sales, if you like, as options for the customers to buy. Over time, we've found better ways to surface this, targeting the right customer at the right time and they've managed to scale this.

Now we're into the second era, which I think is really interesting. Obviously, if you blend these products together, you can create unique inventory. A ticket with different terms and conditions or a package for rail and hotels are things that we are now exploring. As ever, and as we've

always done, we will test and learn our way into this and see where there is opportunity and where we can exploit things that work for customers. That's really what we'll figure out as we work through that. But we're pleased with the progress we've made so far on that.

Then you asked about SplitSave as well. There's a chance that they'll offer SplitSave. I'm not sure that's really the approach they want to take. I think, really, this is one of those things that exist because there is yield management in the platform and they're trying to make sure that they get the loading on trains, the popular ones that are perhaps early in the morning versus the ones later in the day. That's really what creates this whole system. Yes, our working assumption is that they won't offer SplitSave.

They may find ways to remove certain splits. But I think overall, with yield management still a requirement in the system, I don't think there'll be major changes here. Essentially what they're doing here is keeping the subsidy under control by charging people who are travelling first thing on a Monday morning between Manchester and London who are able and willing to pay more and that's able then to subsidise tickets on empty trains or for families travelling at the weekend or such.

I think there's not really the appetite to increase that subsidy. In fact, the government has stated that they want to reduce the subsidy over time. I don't think you end up removing some of these things by normalising prices up either. That's certainly counter to the direction of travel for the government, who really sees train tickets as already quite expensive, and it wouldn't be a popular decision either. Yes, I don't think they'll offer it. I'm sure they'll continue to innovate and reform fares, but I think it will be there for Trainline and others to use in the longer run. Thanks.

Alastair Reid (Investec, Analyst):

Thank you very much.

Operator:

Thank you. The next question comes from Gareth Davies of Deutsche Numis. Your line is now open, please go ahead.

Gareth Davies (Deutsche Numis, Analyst):

Yes, morning, both. Just a couple for me. Firstly, very useful update on the French liberalisation. When Velvet enters and the other players come in, in calendar year 2028, do we have any feel yet for kind of regional targets or kind of how extensive their ambitions are in that early phase, or should we really think of this as a Trainline opportunity in 2029-2030?

The second one was really following up just quickly on the SplitSave question. You've been trialling SplitSave fees on the app. Just wondered if there's any sort of feedback terms of are you seeing that impacting customer purchasing or what are the learnings from putting that SplitSave fee in rather than charging a booking fee?

Then finally, just on the travel management business, clearly, four large international wins is great in the first half, 18 new customers. Are you kind of there in terms of the opportunity for big international customers or can you see further opportunity looking forward? What is the scale of opportunity across that international Trainline Solutions business? Are there white label opportunities starting to emerge as well? Thank you.

Pete Wood:

Great, thanks Gareth. Yes, let's go first to the liberalisation. Yes, so I think 2028 looks like it could be an exciting year and kind of a restart, both in Italy with SNCF and then Velvet in France. The routes, I think there are five key routes that SNCF is looking to run. It's relatively extensive. I think the important and exciting thing for us is that the rail-travelling public who've got used to some degree of juggling two apps will have a third to deal with as well on some of these routes. That does represent an interesting opportunity for us.

Velvet is launching in a part of France out to the west of Paris, which is not served by any other carriers at the moment. Obviously, down to Lyon and down to Marseille, you've already got some aggregation. This is going to be the first time that those customers travelling out that way are faced with more than just the incumbent carrier. Both of these offer similar but slightly different options for us.

As we get clearer on the launch plans, we'll begin to refine our planning. But typically, what we do, the tickets go on sale ahead of the launch of the services. There's a moment at that point for us to invest in brand and to capture early sales. Then really, you get more momentum as the service launches and as it starts scaling when people start seeing a different brand of train at the station. That's part of the marketing, if you like, or even awareness of the fact there's a new service is somewhat visual, if you like. That's where we'll further lean in and seek opportunity to build.

I think what we've seen in South-East France with Marseille is obviously there's a good first year for us to get after in acquiring new customers and building sales, but actually it persists over time and builds momentum. To your point around 2029 and 2030, yes, I think we expect that to kind of continue into those years from a good start. We really want to build momentum over time, if you like.

Then you asked about SplitSave fees. Yes, I think we are very mindful of how the world is evolving. Ahead of GBR being stood up, we've still got a window to explore. We've got a long history of offering a differentiated service and features that customers love. If you went back five years or so, you had live times and platform information in the app. Of course, you've got the saving by booking in advance. People were willing to pay a fee for that.

We're now layering in quite a lot of new features with travel disruption and Delay Repay notifications and things like this. Those features are things that customers are going to continue to love, based on the feedback we see now. We may evolve the fee mechanism over time with that. The SplitSave test is one of those, and there could be other things over time as we look to evolve that model more broadly.

But the learnings are good. I think customers understand the proposition. They understand why the value being tied close in really makes sense. Positive signals from that. Yes, we'll continue to iterate overall.

Then finally, yes, it's really great to see momentum, particularly into Europe with the travel management companies. We're talking to customers who perhaps a few years ago felt that they didn't need Trainline but eventually came back round because the work and the effort going to actually integrating these things directly on what are often legacy systems and require nurturing and maintenance, they aren't kind of, hey, we connect once and that's done for five years. These things are evolving organisms, if you like. Yes, great to get momentum there.

You then talked about white label and whether there was more opportunity. I think it's in the back of our minds, but it's not something that is kind of most obvious and we're actively pursuing right now. It's more that B2B cohort rather than trying to serve new operators with white label businesses. But look, the world is continuing to change. I think as AI washes through and as we embrace that, that might mean that it is a more attractive proposition in years to come. I'm not shutting it down. I'm just giving some kind of realism in the near term.

Gareth Davies (Deutsche Numis, Analyst):

Thank you very much.

Operator:

Thank you. The next question is from Andrew Ross of Barclays. Your line is now open, please go ahead.

Andrew Ross (Barclays, Analyst):

Great. Morning, all, thanks for taking my questions. I've got three if that's okay. First one's for you Ian. Welcome and thanks for the opening remarks as to what attracted you to Trainline. Appreciating that you've only been in the business for a relatively short period of time, wondering if I could ask if you have any early thoughts on if anything needs to change from a strategic perspective, e. g. levels of investment, product, the geographic exposure, et cetera. Any additional comments would be very helpful. That's the first one.

But the second one is to ask about the UK ticket price into next year. Obviously, there wasn't a regulated increase this year. How are you guys thinking about the likelihood of there being one next year or any other year in this Labour government?

Then the third question is for you, Pete, on the accounting of the CMA study. There's a small exceptional that you've booked. If you could explain what that is. Then you're still referring to underlying revenues. I guess there's still some uncertainty as to how that may or may not change, but it would be helpful just to get all the context as to how you're thinking of accounting for the potential risks about the study over time. Thanks.

Ian Brown:

Yes, good morning, Andrew, thanks for the questions. I mean, look, as you said, it's early days. Not that I'm striking them off on the wall or anything, but I think this is day 3 and week 6 in the CEO seat. As you'd expect, I'm working my way around the business, a broad set of stakeholders, listening to customers and absorbing a lot of stuff and asking a lot of questions. It's too early, honestly, to sort of say will we have any change in strategy?

What I will say is I've been struck by how strong the foundations of the business are. I touched on them earlier, fantastic product, great brand. The other thing I'd call out is just the strength of the team and the culture here, which I've been very impressed by and I'm proud to be part of.

Look, my focus right now is really three areas. One is external engagement, as you'd expect, particularly with the government around GBR. The second is ensuring we continue to execute on a plan well across UK, international B2B, and of course technology. Then the third is, as you'd expect, as I'm working my way around the business and our stakeholders and listening to a lot of people. It's early stages, but starting to think with the senior team and the Board, what is that

next growth of the business, which will answer your questions. Forgive me, I can't give you a direct answer today. But as that takes shape, we'll update you in due course.

Pete Wood:

Thanks, Ian. Yes, let me take the second question around ticket prices in the UK. I think the budget didn't provide any clarity, if you like, or it didn't announce that there would be a fare freeze or not. I still think that it's a possibility. The last time it was announced further towards Christmas. But if you take a step back and look at the mood music more broadly, I think the government under Burnham are seeking in many ways to try to relieve pressure from the public and their finances in many ways.

We know that Burnham is close to transport. He's shared a few hypotheses and thoughts around is there a railcard that could fit between the young persons and the senior. I think generally this idea that rail is expensive, and they want to make it more affordable against the backdrop of a challenge of the Treasury is one that they continue to explore.

I think net, that there will be pressure on fares into next year. That's kind of our planning assumption, if you like. Whether that's through a headline fare freeze, or whether that is through other reforms or mechanisms, I think that that's most likely to persist for the next year.

Then you asked about the CMA accounting and the exceptional charge that we push through. Yes, probably worth just clarifying. Obviously, this is an ongoing investigation, and it's about how we present fees, not whether we can charge them or not, just to be very clear.

This charge is really an accounting interpretation. The application of those standards to the situation we're in required us to make some judgments. This was ultimately what the accounting standards led us to, if you like. It covers the total cost, if you like, the legal aspects, potential fines and things like that. But if you then go deeper into reading through note 10, there are still a wide range of outcomes. Please, I don't want you to think that this is the answer or where the number will land. It could be zero, it could be a different number, and we'll have to find out in due course exactly how that plays out.

Likewise, to your point around underlying revenue, again, this is really to point at - based on how the business is performing today, we've reconfirmed guidance. If there are some implications from the CMA that impact revenue, then those will come on top, but I wanted to provide some visibility about how the underlying business is performing in the meantime.

Andrew Ross (Barclays, Analyst):

Thank you.

Operator:

Thank you. The next question is from Ed Young of Morgan Stanley. Your line is now open, please go ahead.

Ed Young: (Morgan Stanley, Analyst)

Good morning, two for me please. First of all, there's been quite a few mentions during the presentation around balancing investment and efficiency. I know you don’t want to get drawn on the strategy at large, but I do wonder if you could, between you, maybe provide some colour on how you address that challenge. You've obviously managed to drive EBITDA growth despite a flattish top line. It's clearly something you've done this year. Are there more levers to pull next

year? How do you sort of look at that when you've got the prospect of some more opportunities in the business over the next couple of years?

Then second of all, on the CMA, you've said the next update you expect is January. You've said you want to resolve this as quick as possible. Is it possible that is the answer or is that just an initial update and we should be expecting a much longer process to get some certainty on the CMA? Thank you.

Pete Wood:

Yes, thanks Ed, good question. Just on the first one, as we look into next year, and obviously it's very early days for Ian, who's learning the business very fast, but we've got a process ongoing internally, both on bringing Ian up to speed and in the loop, and also to define what next year and beyond looks like.

I think about it in two halves, if you like. There are some pressures that we have in the business from kind of rail-specific pressures that I think will persist. We just spoke about the fares in the UK and the pressure I think will persist into next year there. Of course, we have the tragic accident in Spain, which will undoubtedly result in some longer-term headwinds there. We've got a delay in Italy with SNCF launching now in 2028 rather than 2027, which we had expected. More broadly, with geopolitics and fuel prices, I'm not sure the inbound is set to recover either. If I look over the next 12 or so months, I think there is a bit of pressure at the top overall.

On the other hand, if we look further out, there are really interesting opportunities for us to chase after. AI, we're already finding unlocks some real potential, particularly in travel experience at the moment. That's an exciting area for us to differentiate. We're obviously starting in the UK, but over time that would be something that could be interesting in Europe as well. Obviously, there is more liberalisation on the horizon and high-speed rail tailwinds continue to persist.

We just spoke about Trainline Solutions and the great momentum we've got there. Look, that's before we even get beyond Europe, if we really want to keep dreaming, if you like. Then finally, ancillary revenues. Again, we've spoken about this, and I think there's opportunity there as well.

Then it comes to, well, how do you balance and judge the near-term factors that we need to consider with the longer-term opportunity? In essence, that is exactly what we're doing, alongside Ian. I don't know, Ian, if you have a few things you want to add to that thinking.

Ian Brown:

Yes, just very briefly. Firstly, I echo everything Pete just said. But maybe from my perspective, as I look at the business, and you'd expect I did quite a bit of homework on the business as I went through the process and before saying yes. We've got a bunch of things to navigate in terms of uncertainty and external factors, and Pete's narrated that really well.

Just from my perspective, as I sit here, I'll say one thing, which is, I'm even more excited about the business today than I was on day 1. I'd say the medium-term opportunities for the business are much greater than I'd anticipated as I did my homework from the outside. I think we both sit here genuinely bullish about the medium to long term but recognising we've got quite a few things we need to navigate in the sort of short term.

Pete Wood:

Thanks, Ian. Then to address your question on the CMA. When the announcement of the investigation started, the timeline was that by January, this investigation would be concluded. That's really what underpins this timeline. I think as we've got into this, we've recognised that there is a certain rhythm to how these investigations unfold. We're working hard and fast to hit the deadlines and make sure that we do everything our side. But there is a certain rhythm. As far as I'm concerned, the CMA will still hit the January deadline. Maybe we'll hit before. But as I say, it's a live situation and we'll have to see how it unfolds.

Ed Young (Morgan Stanley, Analyst):

Thank you.

Operator:

The next question comes from Peter McNally of Stifel. Your line is now open, please go ahead.

Peter McNally (Stifel, Analyst):

Hi, good morning. Thanks for taking the questions. You mentioned just moments ago that any CMA ruling would come on top of any current guidance. But I guess my question is, when you actually start displaying the booking fee, do you have any expectation on how that might impact bookings? Does your reconfirmed guidance reflect any sort of changes to the presentation of the booking fee, given that it's supposed to be coming imminently?

Then the second question is, you mentioned the phased rollout of single leg pricing in the statement with an impact on lower average transaction value. Just wondering how big of an impact that is. Just a quick third one. Spain and France are 21% of international. Can we carve out Spain specifically of that, please?

Pete Wood:

Thanks, Peter. Yes, starting with the CMA and the display of fee, I would say that the funnel that people go through to purchase is a critical part of our real estate, and we spent years refining and optimising that. Yes, changes to that can have some impact, but we have a skilled team that kind of work through those changes and maximise the conversion rate over time.

That all said, people do know that Trainline has a booking fee. We have a very high repeat rate. A lot of people are returning customers who love the service we provide. To some extent, changing the visibility or the presentation in some way, I'm not expecting to have particularly big effects. We'll need to work through any changes that we do make, and there'll be probably opportunities to refine it over time, because with all these things, you never get them perfect the first time out. We are always running AB tests on our experience. Yes, I'm not expecting a significant impact, but there might be something, and we'll have to work through it.

Then you asked about single leg pricing. Yes, I think the government has explored various different things, and they have slightly different dynamics. On the East Coast main line, they explored this idea of there being a sort of semi-flex ticket that could move - you could catch the train before or after, or at least there was a window. That created different complexities in a way. Sometimes, in seeking simplification, they actually introduced more complexity. That's one challenge that they face in trying to not create too many losers with the changes they make.

Governments typically don't like the kind of winner-loser trade-off. They like just creating winners overall.

The single leg pricing is another interesting one. What we've really seen here is that transaction count has gone up a bit and average transaction value has gone down a bit and overall, it kind of washes out relatively neutrally for us. People are, as ever, very efficient at trying to find the best form of ticket that's available to them. Net, it's kind of priced in a relatively similar way overall, even if the presentation is a bit clearer and ostensibly a bit fairer, if you like.

That sometimes drives certain other mechanisms, like the transaction fee that we have in our accounting. Actually, you're seeing more revenue apportioned out to Trainline Solutions than before because we've got a higher transaction count. There are sort of second order effects that we need to keep an eye on. But overall, for customers, I don't think a material shift is not driving much change at the NTS level for us.

Then finally, yes, you asked about Spain and South-East France. Yes, 21% for those two combined. We don't split Spain out overall. We're not about to do that now. I think that it is the smallest of the three markets. Of course, we'd hope to create a path of profitability growth in this market over time. We're really going to have to see what unfolds in the coming weeks and months.

Obviously, we've only got a few days of data at the moment on the impact here. We'll share more once we have a better understanding. I think if you make assumptions around some reasonable proportion of that being Spain, you won't be too far off, but it's not the majority nor the minority in a sort of 80-20 way. It's probably more balanced than that, I would say, if you want to do some calculations.

Peter McNally (Stifel, Analyst):

Okay, thank you.

Operator:

Thank you. The next question comes from Sean Keeley of Panmure Liberum. Your line is now open, please go ahead.

Sean Kealy (Panmure Liberum, Analyst):

Good morning, Ian. Morning, Pete. Two for me, if I can. First of all, you've taken quite a lot of spend out of marketing in international, which makes sense in the context of delays to carrier competition in Europe. When do you think you're going to get the minimum level of marketing that you're willing to put in without potentially compromising the brand in markets and then having to spend a bit more later on? Do you think that where we are now, you wouldn't want to go below that, or do you think there could be some more you could take out for next year, given further delays? I'm just interested on the trade-off on that point.

Then, second of all, on inbound foreign travel, I think it's fair to expect that it's been pretty weak, or slightly weaker at least, given hot summer, civil unrest in France, and so on. What are you seeing at the moment? Could there be some upside to international numbers next year if the Iran war ends, and so on, and various other bits wash out? Thank you.

Pete Wood:

Thanks, Sean. I think the marketing shift we've taken is definitely the bigger of the moves that we might make. At this point, we're now in some more marginal trimmings, which could be up or down as we look ahead. Really, there might be ways to seek further efficiencies on the one hand. On the other, the backdrop continues to evolve. You've got Google and the search results page which continues to change. You've got more people spending more time with other tools, such as ChatGPT, and a bit of fragmentation in that space.

I think we're solving against an evolving backdrop, and we'll have to continue to test and learn, which, frankly, is how we've always operated. You're kind of putting campaigns live in areas that are new. You're trying to hone them, and you're trying to balance the overall equation. You've kind of got this seed capital to test and learn, and then you put the bulk wherever you're getting the best return overall. Yes, I think we're more or less at the right level. It could go up or down a little bit at this point, but I'm not expecting a more significant shift like the one we've taken so far to unfold.

Then, yes, thank you for your question on inbound. I'm in two minds on this one. I think that, yes, if there is a swift resolution to things in the Middle East, then that is undoubtedly going to be supportive next year in terms of travellers. That said, I think there's quite a lot of stress already in the system with regards to fuel prices and futures and things like that. I don't think this suddenly unwinds. Very difficult to read the kind of broader civil unrest backdrop.

I think particularly Americans don't like the idea of there being unrest in Europe and that can put them off planning their travel. We saw that previously when France had some heat in it and that may spill into that planning horizon over Christmas, New Year, then that may also impact some of the travel plans that they're making as well. Yes, it's a mixed bag, I would say, but at the moment I'm probably a bit more cautious looking into next year based on my read where we are.

Sean Kealy (Panmure Liberum):

Brilliant, thank you.

Operator:

Thank you. The next question comes from Chris Luyckx of Bank of America. Your line is now open, please go ahead.

Chris Luyckx (Bank of America, Analyst):

Just two for me if I can. You just mentioned the balance sheet is strong enough to [inaudible] cash while you navigate the change. Are you thinking about the pace of the new £100 million buyback program? Execution so far seems fairly measured. With the CMA expected to conclude by January, should we expect the pace to pick up when there's more clarity?

Then just the second one, that was helpful on the CMA timetable. Maybe, Ian, just turning to the GBR, you mentioned BBC and BT as examples of strong safeguards. Which mechanisms would matter most to you in the final retail code? For example, separate accounts for GBR's retail arm will be protected, access to the full range of fares including splits and when you kind of expect the code to be finalised?

Pete Wood:

I'm not sure I got the second one but let me start with the first and we'll go back round. I think the question was around the pace and the execution of the £100 million buyback that we put out. I think there are a couple of factors that determine pace. Obviously, the availability of cash is one, and there's no issue on that over the last few months.

One other is, when we go into closed periods, we take a more prudent stance. If you look back over the last month, we've had a slower rate running here, and that's because we can't touch the order once we've submitted it through a closed period. You should expect that to be readjusted, I guess, in the coming days or so. Then working capital fluctuations is another factor in all of this, but we announced it back in September. Nothing has materially changed, and I'm expecting to complete this program over the course of the months through to next September.

Ian Brown:

Shall I take the GBR one? I think it was around access, or the bits I heard, access to full range of fares, and where in particular we we're calling for the coding framework to be strengthened. If that's right, Chris, I'll have a quick crack at that.

Chris Luyckx (Bank of America, Analyst):

Yes, that's correct.

Ian Brown:

We can hear you loud and clear now. Do we have anything else on that, Chris, or have we got that right?

Chris Luyckx (Bank of America, Analyst):

No, that's great. That's perfect.

Ian Brown:

Okay, firstly, so look, on access to sort of products and fares, the Minister, Lord Hendy, has been very clear in his words on this one. The draft code requires GBR to ensure access to products, providing services and data on fair, transparent and non-discriminatory terms, quote. This is an area we see most of the kind of government's words and commitments and assurances reflected in the draft code, albeit we might have a few nitpicks around the odd word like sort of products that form a core part of the online customer offer. That's an example of kind of where we'll be engaging sort of constructively through the consultation process that runs to 11 December.

To your second question, where are we calling for it to be strengthened? Look, I'll go back and make two points first. The first is, GBR formation is an enormously complex thing that it's going to take the government time to get right. It's really important for all of us as citizens and taxpayers and passengers that the government do get this right. We're playing an active and constructive part in that.

The code is the first part, the draft code. We're going to see the passenger service contracts and GBR's own business plan, GBR's own licence all kind of come into view over the coming months. It's only when we sort of see all of that together that sort of GBR is kind of fully formed. But nonetheless, the code is an important part of it.

Where are we calling for strengthening? Two very specific areas. One is around economics and transparency, right? Again, I go back to the government's stated intent and what Lord Hendy said. He says specifically, “GBR will not be overcompensated to deliver retail functions in a way that distorts the market”.

The government's own fact sheets referred to the Great British Rail retail market as among the most competitive in Europe. They're very clear on that. Basically, we see a meaningful gap between the government's words and what is currently in the draft code. What we specifically want to see here are the mechanisms that ensure equivalence of treatments between GBR online retail and independent online retail.

I referenced the BBC and BT as other examples where you've got large state-backed entities that participate in well-functioning, competitive, contested markets. They have very clear precedents established over many years for transparency and safeguards for the parts of those entities that compete in contested markets. We very much want to see the gap close between the government's repeated and ongoing assurances on the record here, versus what we currently see given effect to in the draft code.

Then the second piece very briefly is around oversight and the powers of the regulator, the ORR. We want the ORR to have clear, upfront visibility of how GBR's online retail activity is funded, and we want the regulator to be able to hear ex ante, so a merits-based appeal. In other words, before a harm occurs, we want the regulator to have the powers to hear those appeals and to be able to bind GBR to outcomes.

In other words, a regulator to be able to act swiftly and with confidence where there's an imminent possibility of something that, again, goes against the minister's words and risks distorting the market. I'll just close by saying, look, it's a big, complex thing in multiple parts. We've seen a really positive step forwards with the publication of the draft code. We're engaging constructively, proactively. We maintain our assertive stance. Maybe the final point I’ll just observe is the government made clear throughout, and it's made clear in the code that competition law continues to apply, and that's a backstop here.

Chris Luyckx (Bank of America, Analyst):

Great, thank you very much.

Operator:

Thank you. The next question comes from Giles Thorne of Jefferies. Your line is now open. Please go ahead.

Giles Thorne (Jefferies, Analyst):

Thank you. First question was on competition in Europe and how you see competitive dynamics changing or not at all as a result of the merger of Omio and Rail Europe. Then the second question is a bit more philosophical, but I wanted to test or hear how fragile you think the medium and longer-term outlook is in Spain.

We've obviously had the events of the crash. But even prior to that, the travel times between Madrid and Barcelona had been extended. ADIF, or A-D-I-F, however you call it, had been reluctant to give any price cuts to reflect those longer train times. We've seen the low-cost carrier Veuling relaunch service between the two cities. The most recent data points are a fairly

negative direction of travel for passenger rail services in Spain. Your thoughts there will be useful. Thank you.

Pete Wood:

Thank you. First of all, the merger or the acquisition of Rail Europe by Omio. Omio is an entity that they go beyond rail. We're somewhat different to them. They offer flights as well, for example. Their focus really is on the foreign inbound market. It's an attractive market in so much that the margins are higher. It's also not nearly as big. The majority of rail journeys are taken by people domestically in their home market. I think that it's a natural fit.

I'm sure there's a lot of work to be done integrating the two together. But I think we also have a strong proposition in this space. We will continue to compete well here as well. I don't think it materially changes the backdrop from our perspective.

Then, yes, your question on Spain. I think the government, over the last couple of decades, have put a huge amount of investment into the high-speed network. I think it's fairly clear that there are some questions that need asking and certain aspects of that network need to be reconsidered and perhaps adjusted and changed. There needs to be the work done to restore consumer confidence. This will take some time, of course.

We've not had any indication that there's an issue from the fact that it's a private operator that's been involved in this. I think the way the network is run, the same safety standards, the same protocols are applied to all who are operating on the network. It's an issue whoever's train is running on it overall.

Yes, I don't think there's a huge amount more to say at this point. It's obviously very early days from this most recent incident. We'll have to see what unfolds. But I still see a future for rail and the high-speed network in [Spain], given the backdrop, notwithstanding some changes that might need to be made.

Giles Thorne (Jefferies, Analyst):

Is it realistic to think that there could be negative NTS growth in Spain over the next three to five years?

Pete Wood:

Well, we're in a significant negative growth right now on the back of the incident. Actually, through the year we have been negative on the back of the accidents earlier in the year. I think it'll remain to be seen how that laps through and then, once you've got a year out from the most recent incident, what kind of confidence there is and how that builds thereafter. Yes, I think for the near term some negative growth. But in the longer run, I don't think that it's negative forever.

Giles Thorne (Jefferies, Analyst):

Thank you very much.

Operator:

Thank you. The next question is from Lara Simpson of J.P. Morgan. Your line is now open, please go ahead.

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

Thank you. Morning, all. I think most of my questions have actually been covered, but maybe just coming back to UK Consumer and the outlook there. Can you remind us where we are on Project Oval? I know we've spoken in the past around £150 million net ticket sales at risk. It feels like that phasing has probably taken a little bit longer. But how much of that have we now cycled and what should be incremental over the next two years.

Then I guess with UK Consumer, it sounds like we're a bit more downbeat on pricing, still risk around Project Oval. Do you think we can return to a period of growth in FY2028, or could there be some downside risk to expectations there on the UK consumer top line?

Then just on international, it feels like you're quite comfortable with the level of marketing there. You've obviously swung to profitability in the first half, and our guide is to be profitable in H2. Do you think you can hold profitability now on a mid-term view even if we look to sort of 2029-2030 where carrier competition is expected to intensify and sort of build of profit now or is there a risk that you could go back to negative territory as you go after that long-term growth opportunity?

Then, sorry, just a last question from me on CMA. It feels like that £3.7 million provision looks quite low relative to the scale of your booking fee revenue potentially at stake. I just wanted to check that that assumption does factor in, I suppose, a probability weighted view on both redress and fines because they're two running themes there.

If you can just confirm that and maybe also remind us what your booking fee revenue exposure is. I know it's not something you carve out, but just to try and gauge what a downside scenario could be. If you can give us any context on the exposure, that would be helpful. Thank you.

Pete Wood:

Thanks, Lara. Yes, I'll start first with [Project] Oval. Look, I think the backdrop here is back in February 2025, we had the first 50 or so stations. December 2025, we had another 30 or so. Then another 20 in March, I think, this year. Particularly those last two drops, we're still cycling through some of the impacts. Now, I think we've got a good handle on it. Typically, what happens is on day 1, there's not a huge impact. Then it builds over a period of time as people begin to notice the ability to tap in and then it starts to level out again.

As we've seen, the further out from London that you go, the less dramatic the impact is, but it is still there, if you like. The final 130 stations, I think, are slated to go early next year. TBC, exactly, if they stay on track timewise, but they are further out. I think that the remaining parts of that 150 million is still the best estimate that I can provide to you. But you're right, it has taken longer than we'd originally anticipated as this has slipped out to the right overall. Yes, still a bit of a headwind there.

Then more broadly to your question around the outlook into next year, obviously, not providing formal guidance for next year at this point. I think the rate we're running at the moment, net the good work that we're doing on railcards and other things, for example, less the impact of some of these factors, the self-preferencing overall, and then we talked extensively about the kind of price backdrop. I can see it continuing to run at this kind of level into next year, but that's not guidance. That is just joining the dots on what I'm seeing at the moment. We'll provide more colour as we get into next year with guidance.

Then thanks for the question on international marketing. I think we've been clear for a long time that when aggregation comes, that is the moment to invest more. I think we've developed and refined the playbook over time. Really, it depends what exactly gets launched and when as to exactly how much we invest. If these things all come at the same moment and we think there's good long-term opportunity, then we won't set a floor at the zero line. We will invest with a view to creating longer-term value and building our position out from those moments.

That said, it doesn't mean that we will drop below. There is a way in which these things are spaced appropriately. We've got underlying momentum and, therefore, it's not necessary either. But it's hard to say exactly right now without seeing more clarity on the plans.

Then finally, yes, just to confirm, the provision considers the potential fine, a potential redress and some legal costs as well. It does cover all of those bases. You're not wrong. We don't split out the booking fee. If you look at the overall UK take rate, you can remove the commission. Blends through at roughly the 4.5% that the headline is, and you're left with the residual part.

A material part of that is booking fees. We've not split it out. But just to give you some altitude, it is a material part of that residual take rate, if you like. But yes, as I said already, this is an accounting judgment on the situation as it is today and there's still a variety of outcomes that could unfold. It could be zero or it could be a different number. Don't please think of this as being the answer.

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

Perfect, thank you so much.

Pete Wood:

Great, I think that's all we have time for today. Thank you also, operator. I thank you all for your questions and for joining us. Just to recap, this was a robust first half. We are executing well and remain confident in the outlook. I look forward to speaking with you all again soon. Thank you.

[END OF TRANSCRIPT]