



EQUITY RESEARCH

Andres Gomez

Andresgomez8528@simplestockreview.com



INVESTMENT SUMMARY

1

-Trainline is currently trading at an attractive valuation of approximately 10x free cash flow (FCF), supported by low debt levels, stable revenues, and consistent free cash flow generation. The company recently completed a £75 million share buyback programme, equivalent to roughly 7% of its market capitalisation, highlighting management's confidence in the business and commitment to shareholder returns.

-The stock price has remained rangebound, reflecting a multiple derating as the key growth catalysts are longer-term. These include the liberalisation of the French and Italian rail markets between 2026 and 2028, and the opening of the Eurotunnel to competition from 2029 onwards.

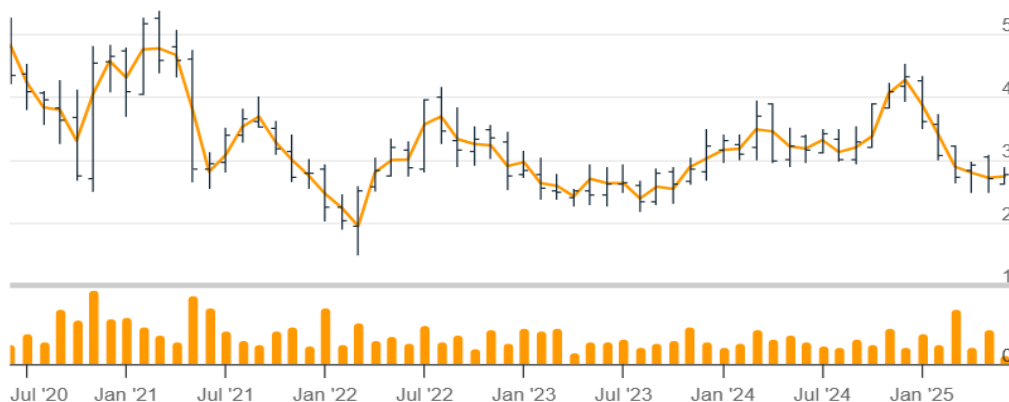
-So far, new entrants have not materially impacted Trainline's market share, and the company continues to benefit from strong brand recognition and a scalable platform. While the expansion of London's contactless travel zone (Oval Zone) may slightly reduce revenue — replacing some ticketed journeys with pay-as-you-go systems — Trainline is preparing to mitigate this through a proprietary solution akin to the Oyster card.

-Management has issued low single-digit growth guidance for the near term, reflecting macro and regulatory headwinds. However, the business retains significant long-term optionality and operates with relatively low risk, underpinned by strong fundamentals and long-term structural tailwinds from rail digitisation and market liberalisation across Europe.

Trainline plc (TRN)

(35.4%) price return over 5.00 years - (8.5%) CAGR

Zoom 3m 6m ytd 1yr 3yr 5yr 10yr all



Market Data

52 Week High	£4.52
52 Week Low	£2.48
Avg. 3 Month Volume	1.62 MM
5 Yr Beta	1.44
Float %	95.7%

Capital Structure

Market Cap (MM)	£1,148.42
Enterprise Value (MM)	£1,230.25
Shares Outstanding	414.00 MM
LTM Net Debt (MM)	£81.83
LTM Net Debt/EBITDA	0.76x

Efficiency

LTM Gross Margin	79.7%
LTM EBIT Margin	21.4%
LTM ROA	8.8%
LTM ROE	19.6%
LTM ROIC	21.4%
LTM ROCE	26.6%

Growth

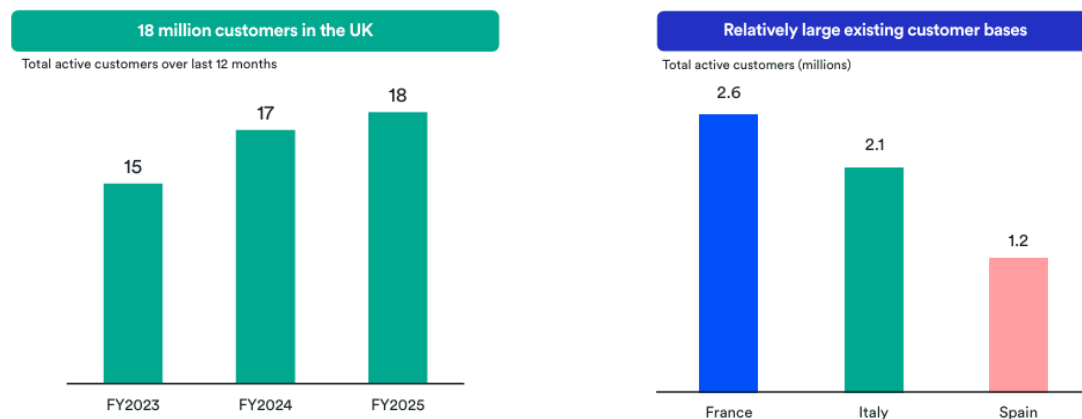
Fwd 2-Yr Rev. CAGR	4.3%
Fwd 2-Yr EBITDA CAGR	6.7%
Fwd 2-Yr EPS CAGR	8.9%
Last 3-Yr Rev. CAGR	32.9%
Last 3-Yr EBITDA CAGR	59.7%
Last 3-Yr EPS CAGR	-

Valuation

Street Target Price	£4.08
NTM EV/Revenues	2.72x
NTM EV/EBITDA	7.27x
NTM P/E	14.02x
NTM MC/FCF	11.07x
LTM EV/Revenues	2.78x

Business Description

Trainline plc is a leading digital platform for rail and coach travel, operating across more than 40 countries with over 270 transport partners. The company operates through three segments: UK Consumer, which sells domestic tickets and related services through its app and website; International Consumer, which serves global customers booking European rail, benefiting from the ongoing liberalisation of EU rail markets; and Trainline Solutions, its B2B arm. Trainline Solutions powers digital ticketing infrastructure for rail carriers, travel management companies, SMEs, and corporates via API and white-label solutions, monetised through per-transaction fees and value-added tech services. Trainline charges consumer booking fees typically ranging from £0.59 to £2.79 depending on the journey and channel, with same-day UK app bookings being free.



Trainline Solutions

Trainline Solutions is Trainline's B2B platform, providing digital ticketing infrastructure to travel management companies, corporates, public sector organisations, and rail operators across Europe. Through its "Platform One" API and white-label portals, partners can access a broad network of rail and coach carriers, integrating booking, ticketing, and travel management tools into their own systems. It enables new rail entrants to quickly reach consumers without building their own tech and supports business clients with features like expense tracking and sustainability reporting. This solution has become a strategic pillar of Trainline's international expansion, particularly in liberalising markets

-
- **Scale:** Trainline benefits from powerful network effects on both the supply and demand sides. As more consumers use the platform to book tickets, Trainline becomes more attractive to rail and coach operators seeking distribution. In turn, as more carriers join, the breadth of inventory improves, attracting even more users. This flywheel effect makes the platform increasingly difficult for new entrants to compete with, especially as it expands across liberalising European markets.
-
- **Proprietary Technology Infrastructure:** Trainline's core platform, "Platform One," is a proprietary ticketing and retailing engine that handles complex rail fare logic, split-ticketing, real-time disruption management, and multi-carrier journeys. This infrastructure is not only difficult and expensive to replicate but also provides partners with a plug-and-play solution to sell rail inventory efficiently. It serves as the backbone for both consumer-facing apps and B2B integrations, creating a long-term technical moat. This results in recurring, sticky revenue and high partner retention, strengthening Trainline's position as the go-to infrastructure layer for digital rail retail.
-
- **Brand Recognition and Trust:** Trainline enjoys leading brand recognition in its home market (UK) and is actively building brand awareness in strategic European geographies like France, Italy, and Spain. Its consumer app is widely trusted, with high user ratings and visibility in app stores and search engines. This trust encourages repeat usage, increases conversion rates, and lowers customer acquisition costs, which is critical in consumer travel markets.
-
- **Regulatory Tailwinds:** Trainline is strategically positioned to benefit from the EU-driven liberalisation of rail markets. It entered Spain early and rapidly grew market share as new entrants emerged. The company is now set to replicate that success in Italy and France, where more competition is expected to open up high-speed routes. Being among the first aggregators to onboard new carriers gives Trainline early visibility and control over consumer demand flows in those regions.
-
- **Winner-Takes-Most Aggregator Dynamics:** Rail travel is a fragmented, often inconvenient booking experience without aggregation. Trainline simplifies this by bringing multiple carriers into one search-and-book interface. In such markets, once an aggregator achieves scale and reliability, consumer behaviour tends to consolidate around a single platform. This "winner-takes-most" effect makes it difficult for smaller or late-stage competitors to gain meaningful traction.
-

Liberalisation Impact: Rail market liberalisation is transforming high-speed rail in Europe, with Spain leading the change. By 2023, Spain had liberalised five key corridors (e.g., Madrid–Barcelona, Valencia, Sevilla), attracting 10 million additional high-speed passengers since 2019 and resulting in a +75% growth in volume on the Madrid–Barcelona route alone. Liberalisation has led to strong modal shift from air to rail (82% rail share on Madrid–Barcelona) and an average fare drop of ~40% on routes with three operators.

In Italy, the market already supports competition between Trenitalia and Italo. However, a third national operator—SNCF—is entering in 2027, further opening the €2 billion high-speed rail market. In France, the liberalisation process is unfolding in three stages: Trenitalia has begun operating on the Paris–Lyon–Marseille corridor (2025), with multiple new entrants expected on domestic routes between 2027–2028 and new Channel Tunnel operators (like FS and Evolyn) entering by 2029. Combined, these new routes represent an additional €12 billion in market potential by 2030, according to Trainline.

Country-Specific Success: Liberalisation has driven strong volume growth and fare reductions:

- Madrid–Barcelona ridership rose 75% vs. 2019, while average prices dropped ~40%.
- On non-liberalised routes, volumes remain 19% below pre-pandemic levels.
- Off-peak fares now reach as low as €7–€9, making high-speed travel more accessible.

Digital ticketing adoption varies:

- UK: 52% penetration (up from 47%), led by Trainline and industry digitalisation.
- Spain, France, Italy: Rising quickly due to new entrants and mobile-first sales.
- Germany: Slower progress, hindered by fragmentation and legacy systems.

Aggregators: Trainline is the leading aggregator, connecting 270+ carriers across Europe:

- Spain: Share on top five routes grew from 5% (2022) to 12% (2024).
- France: Sales on Paris–Lyon route up 58% since 2023; brand awareness now 27%.
- Italy: Early growth, representing 15% of international ticket sales.
- Germany: Low activity; future growth expected post-liberalisation.
- UK: Dominant player with 18 million users and rising same-day bookings.

Volume and Market Share

Trainline is the largest independent rail platform in Europe, processing over £5.3 billion in net ticket sales (FY2025). In contrast, Omio, though present in 35+ countries and across multiple transport modes (bus, rail, flights), processed €1.5–2 billion annually based on latest public estimates — making its volume substantially lower than Trainline's.

However, both Trainline and Omio have relatively low market share in Germany and France, where national rail incumbents — Deutsche Bahn and SNCF — dominate direct digital ticketing through their own apps and websites. In Germany especially, DB's strong national brand and full control of digital access make third-party aggregators secondary.

Trainpal, owned by China's Trip.com Group, is a newer entrant but has likely gained share in price-sensitive segments by undercutting competitors with aggressive discounts and no booking fees across Europe (Indeed, Trainline's UK third-party market share dipped from ~90% to ~86%, partly due to new competitors like Train Pal). Its app appeals to budget-conscious travelers and students, possibly taking share from Trainline in certain corridors — especially in the UK and Italy — through price competition and simplified mobile UX.

Pricing Strategies

- Trainline (UK) charges booking fees on advance tickets (typically £0.59–£2.79), but offers no fees on same-day purchases via its app, encouraging mobile adoption. This model supports margin stability in a regulated fare environment.
- Trainline (Europe) does not charge booking fees in the same way, relying more on commissions from operators and integration services.
- Omio follows a partnership-focused model, integrating inventory from transport companies and charging variable convenience fees, often wrapped into the fare. Its pricing is less transparent but accommodates multi-modal bookings (e.g., train + bus + flight).
- Trainpal competes almost entirely on price — with no booking fees, flash sales, and smart split-ticketing — often undercutting Trainline and Omio.

COMPETITORS

Strategic Approaches

Trainline	Rail-focused specialist with strong UK base; expanding via platform scale and B2B infrastructure; targets liberalised markets.
Omio	Multi-modal aggregator with broad geographic coverage; focuses on partnerships and convenience across transport types.
TrainPal	Mobile-first, discount-driven model focused on undercutting rivals in price-sensitive markets; backed by Trip.com scale.

Strengths and Weaknesses

Company	Strengths	Weaknesses
Trainline	Strong brand in UK, proprietary tech, B2B solutions, deep rail expertise	Limited share in France/Germany, fee-sensitive in some markets
Omio	Multi-modal scope, global brand, simple interface	Weaker tech infrastructure for rail-specific retailing, no B2B
Trainpal	Aggressive pricing, Trip.com support, fast-growing mobile base	Low brand trust, limited inventory, no ecosystem beyond price

Trainline and Omio follow distinct strategic paths: Trainline leans into rail aggregation, proprietary technology, and B2B infrastructure to build long-term platform strength, while Omio prioritises multi-modal convenience and partnerships. Trainpal, though newer, is positioning itself as a disruptor on price.

As liberalisation expands across Europe and digital adoption deepens, Trainline’s end-to-end capabilities (consumer + B2B) and inventory scale offer a strong foundation, though it will need to defend against price-led competition and entrenched national incumbents in markets like Germany and France.

MANAGEMENT

Chief Executive Officer (CEO): Jody Ford

Mr. Ford holds a BA in Economics and Politics from the University of Exeter and an MBA from INSEAD. He began his career at PwC and later held strategic roles at Orange and McKinsey. He then spent nearly a decade at eBay, leading various international divisions, and subsequently became CEO of the Photobox Group, which included brands like Moonpig. Mr. Ford joined Trainline in September 2020 as Chief Operating Officer and was appointed Chief Executive Officer in February 2021.

Share Ownership: Mr. Ford holds approximately 0.23% of Trainline plc's outstanding shares.

Total Compensation (FY2025): Approximately £5.6 million, including a base salary of around £700,000 and share-based incentives.

Chief Financial Officer (CFO): Pete Wood

Mr. Wood graduated with a master's in engineering from the University of Cambridge. He began his career at KPMG and later joined eBay, where he served as Vice President of Finance. He joined Trainline in 2015 and was instrumental in the company's IPO. Mr. Wood was appointed Chief Financial Officer in December 2022.

Share Ownership: Mr. Wood holds vested share awards in Trainline plc, though his total percentage ownership has not been disclosed.

Base Salary (FY2025): Approximately £435,000, with additional compensation through bonuses and long-term incentives.

Performance Measures (FY2025)

- Revenue – 25% weight
- Adjusted EBITDA – 25% weight
- Strategic goals (non-financial) – 25% weight
- Personal performance – 25% weight

***Strategic Goals Examples:** Include delivering new product features, increasing app engagement, advancing sustainability, and expanding international operations.

Pesimistic Scenario

	2024e	2025e	2026e	2027e	2028e	5 Year CAGR
FCF estimado	0.25	0.30	0.31	0.35	0.39	9%
Precio Objetivo	£2.50	£3.00	£3.10	£3.50	£3.90	8%

Moderate Scenario

	2024e	2025e	2026e	2027e	2028e	5 Year CAGR
FCF estimado	0.25	0.30	0.31	0.35	0.39	9%
Precio Objetivo	£3.75	£4.50	£4.65	£5.25	£5.85	17%

Optimistic Scenario

	2024e	2025e	2026e	2027e	2028e	5 Year CAGR
FCF estimado	0.25	0.30	0.31	0.35	0.39	9%
Precio Objetivo	£5.00	£6.00	£6.20	£7.00	£7.80	24%

[Trainline Full DCF valuation](#) |



Trainline plc stands out as Europe's leading independent digital rail platform, with a clear strategic edge built on scale, proprietary technology, and regulatory tailwinds. Its unique positioning — combining strong consumer-facing brand power in the UK with a scalable B2B infrastructure through Trainline Solutions — gives it structural advantages in a rapidly liberalising European rail market. As high-speed corridors open up in Spain, Italy, and France, Trainline is capturing early-mover benefits, growing market share and app penetration, while enhancing monetisation through value-added services and partner integrations.

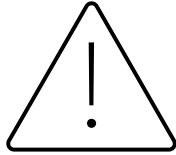
The company's flywheel model — where more supply attracts more users, and vice versa — is difficult to replicate, particularly as Trainline deepens its moat through Platform One and gains trust through a high-quality user experience. Its exposure to regulatory liberalisation provides long-term optionality and embedded growth, while the rise in digital ticketing across Europe plays directly to its strengths.

However, the company will need to actively defend its market position in the face of price-aggressive challengers like Trainpal and navigate entrenched national operators in markets like Germany and France. Maintaining margin stability and competitive pricing — especially in fee-sensitive environments — will be crucial.

With a high-quality management team, a resilient business model, and compelling structural tailwinds, Trainline is well-positioned to capture a disproportionate share of value in Europe's evolving rail ecosystem. Continued execution on international expansion and platform innovation could drive sustained growth, making Trainline a long-term winner in the digitisation of European mobility.

DISCLAIMER

10



Disclaimer

This document is for informational purposes only and does not constitute financial advice or an offer to buy/sell securities. Investing involves risks; readers should conduct their own research and consider consulting a financial advisor before making investment decisions. Past performance is not indicative of future results. The information provided is believed to be accurate but is not guaranteed. This document is not an endorsement or recommendation of the mentioned company, and investors should carefully evaluate their risk tolerance and financial situation before investing. The author and publisher are not responsible for any actions taken based on the information provided. Investing in publicly traded securities involves inherent risks, and readers are encouraged to perform due diligence and seek professional advice.