Trainline targets European growth as sales recover

O
nline ticketing giant Trainline has seen its recovery gather pace with lockdowns easing, and today revealed plans to grow its team by 150 as bosses eye European growth.

The company, which currently sells around 70% of all digital train tickets in the UK, saw net ticket sales reach 54% of pre-Covid levels at £1 billion in the six months to September. This was 179% improvement on sales last summer.

Leisure travel led the gains, with business travel now seeing the first signs of recovery.

The firm narrowed its interim pre-tax losses to £10.3 million from £44.7 million in losses a year ago.

CEO Jody Ford said the company now sees "significant growth opportunity in Europe" as new train companies emerge.

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Sales in four of Trainline's biggest overseas domestic markets – France, Italy, Germany and Spain – returned to growth in the second quarter, up 5% on 2019 levels.

It will hire 150 new staff, mainly software developers and data scientists, to help fuel growth in Europe.

Trainline has already invested heavily in creating a simple app for travellers and has a team of more than 300 IT engineers and coders running its operations.

Guidance for 2022 was left unchanged. The company expects net ticket sales of between £2.4 billion and £2.8 billion, and earnings before tax, depreciation and amortisation of £35-£40 million.

Trainline has a deal on commissions for tickets it sells with the rail authorities which expires in April 2024.

In May the Government announced that a new state-owned body called Great British Railways will sell tickets in England, as well as setting timetables and fares in what will be the most sweeping shakeup of the rail network since privatisation.

The move is a blow to Trainline, although ministers have said the so-called Williams-Shapps Plan for Rail will create opportunities for the private sector, including in ticketing.

JP Morgan analysts said today that “the recovery in ticket sales is well on track but Williams Shapps remains an overhang”.

The company floated in 2019 at 350p a share but on Wednesday morning shares fell 8.6% to 294p.