

Reduction in operations and cash outflows revealed by Trainline in response to COVID-19 crisis

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Digital rail and coach ticketing platform Trainline has revealed the actions being taken in response to the COVID-19 pandemic.

Clare Gilmartin, Chief Executive of Trainline, said: “Our people and our customers have always been our key priority. Over the past few weeks, we have worked extremely hard on our customers’ behalf to help them through what has been unprecedented levels of travel disruption.

“I would like to thank my team for their commitment and support, and our customers for their loyalty and patience throughout this period.

“Trainline is a resilient business and we believe that our prudent action now strengthens us for the long term, positioning us well to return to growth once travel restrictions lift.”

Supporting staff and customers

Trainline's priorities during the COVID-19 pandemic continue to be the safety and wellbeing of its people and supporting its customers to make changes to their travel plans and process refunds.

The company says it has swiftly transitioned all its teams to work from home with minimal disruption to business.

In addition, staff have managed unprecedented levels of inbound customer service requests and improved customer self-serve functionality – introducing simple, automated change and refund processes on its app and website – while also working with the rail industry to relax refund terms and conditions.

Actions to reduce cost base

In a statement the company says given the significant fall in industry passenger numbers over the past month, it has taken quick and decisive measures to reduce operating costs and cash outflows.

The Group's mitigating actions include effectively pausing marketing and other discretionary spend, introducing a recruitment freeze, deferring bonus payments and pay reviews for staff for FY 2020, and revising payment terms with some of its suppliers.

In addition, in recognition of the uncertainty generated by the current environment, the following has been agreed:

- The Chief Executive has decided to take a 50% salary reduction for the foreseeable future;
- The Board of Directors and Management Team will take a voluntary 20% reduction in their Board fees and salaries respectively for the foreseeable future;
- The Executive Directors and Management team will defer their annual bonus for FY 2020;
- The company plans to furlough certain teams under the Government's Coronavirus Job Retention Scheme (CJRS).

As a result of the actions across the Group, Trainline's cash outflow from operating costs and capital expenditure has reduced to c.£8-9 million per month.

Secure liquidity position, even in an extended downturn period

Given the Group's monthly cash outflow from operating costs and capital expenditure of c.£8-9 million, the Group remain confident it can operate through an extended downturn period if required, without any further cost mitigation.

The forecast is that Trainline's liquidity headroom will be c.£150million by the end of May 2020. By this time, the Group expects to have fully completed the working capital outflow arising from settling pre-existing bookings to train and coach operators as well as processing refunds to customers.

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