

The role of Railway Operator in distribution

The case of Renfe



renfe



TRANSPORT
TICKETING
GLOBAL

www.renfe.com



537 Million passengers
120k seats/day HS



Over 85% Punctuality



6,200 daily train trips



89% Satisfaction in
commercial services



273 High Speed Trains



98 maintenance
facilities



15.000 employees



Over 4 Billion €
revenues

Renfe is the main railway operator in Spain, but not the only one. Over the past two years, our market has opened up to other railway companies, creating a competitive landscape

Renfe operates 6300 daily trains, on a +4.000 km High-Speed network, linking +45 cities <3h from Madrid

International Operation:

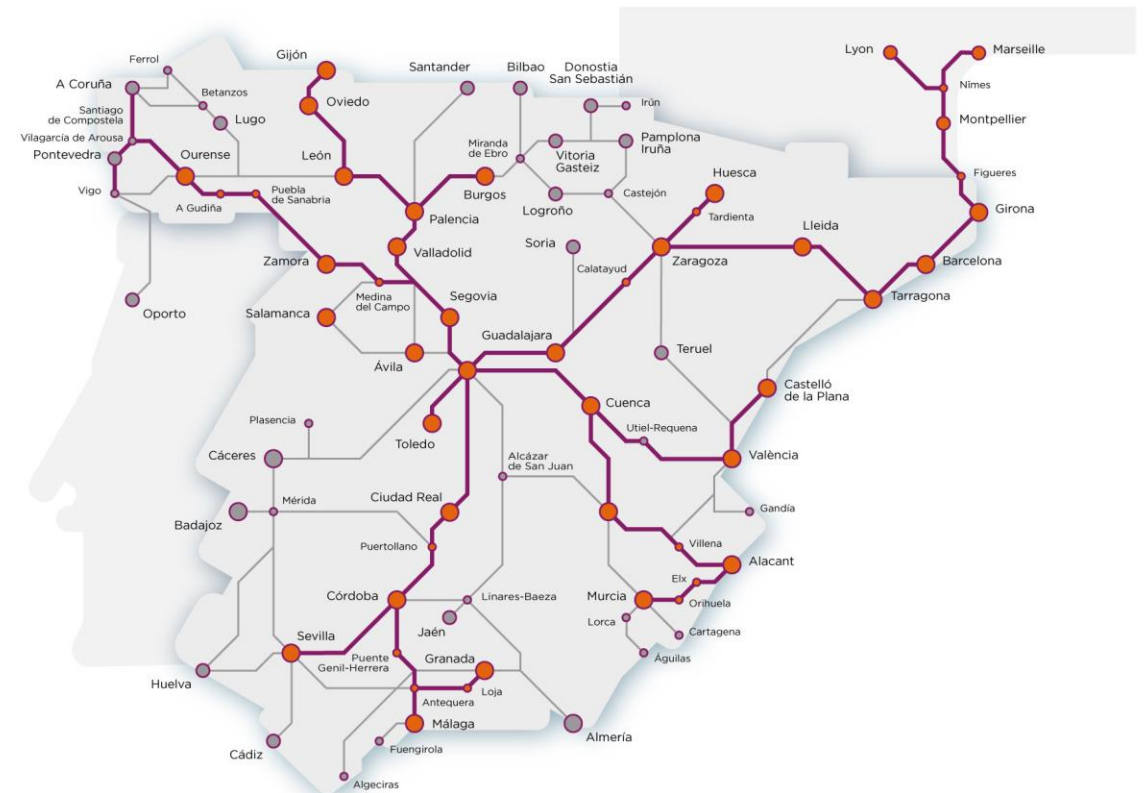
✓ **FRANCE:**

- Barcelona- Lyon
- Barcelona- Toulouse (as of April 2025)
- Madrid/Barcelona-Marseille
- Barcelona-Paris (in homologation)

✓ **SAUDI ARABIA:** Haramain La Mecca-Medina

✓ **CHECK REPUBLIC and SLOVAKIA:** Leo Express

✓ **MEXICO** Train Maya



Renfe masters efficiently train operations, timetables, frequencies, and interoperability (High Speed tickets include a QR code valid to take a commuter train).

How is our trains ticket's distribution?

- ✓ Renfe sells (see next slide) tickets, but clearly it can be done much better.
- ✓ Railway Operators (RO) must **rely more in third party distributors**.
- ✓ **By the end of 2026** a cutting-edge sale system will be implemented with a better and efficient inventory management, new API to boost connectivity with distributors
- ✓ To comply with the Brussels Commitments Renfe already gives **FULL ACCESS to all tariffs, trains and real time data**.

Renfe is committed to distributing our products on third-party platforms and strengthening our relationships with more partners in both national and international markets

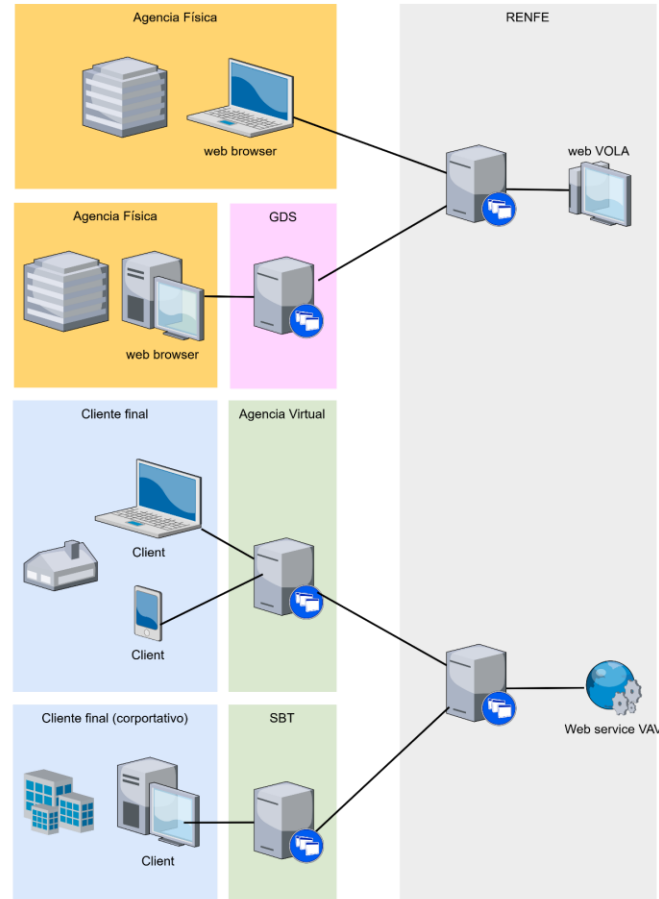


Renfe's Distribution

Direct Sales

WEB
APP
Self Service Machine
Ticket office Station
Phone

PROVEEDORES - AGENCIAS



Partners and connectivity

Travel Agencies
GDS
OTA
Third party agencies
Self Booking Tool

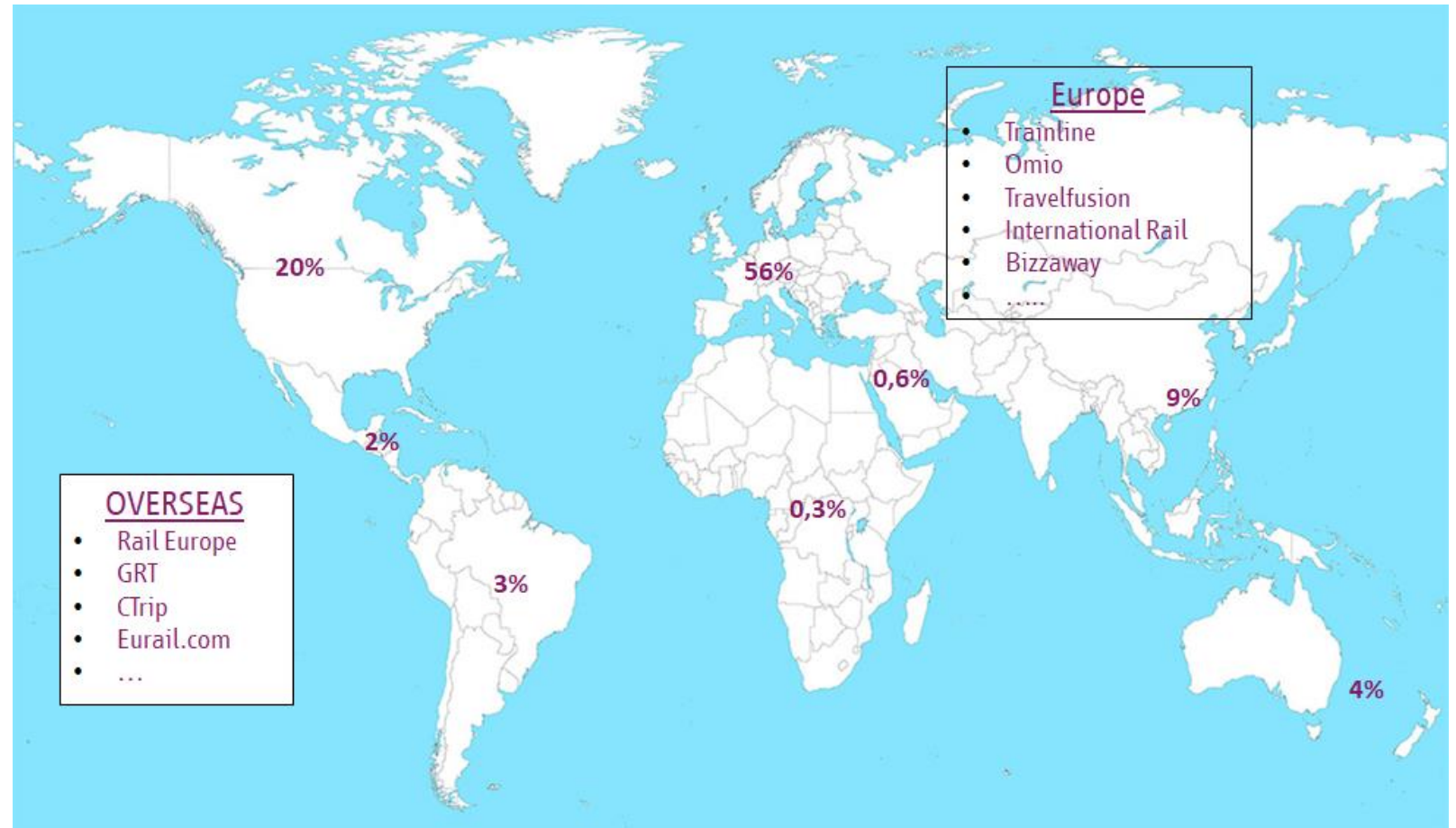
4650 point-of-sales

63 millions of tourists
visited Iberian Peninsula in
2024 made only **12 millions**
trips by train



An **opportunity** for third
parties to boost
international sales

INTERNATIONAL DISTRIBUTION



Renfe as a stated owned company that must follow and respect certain rules that limit our capability to **better distribute our products**. However, for distributors THAT's an OPPORTUNITY to work with RO!!!

Overall

- ✓ RO has excelled in train operations, but there is still significant room for improvement in customer knowledge and communication. In this regard, distributors perform much better than RO.
- ✓ RO need to **diversify** the **distribution channel** to achieve customers in other markets.
- ✓ To sell properly our products RO must offer **easy connectivity** to the distribution channel.
- ✓ RO draw up contracts that discourage small companies from working with us, request bank guarantees and many times making even difficult to pay for the tickets (many credit/debit cards are not accepted,...). One of the **added values of distributors** is to reach where ROs cannot efficiently reach **international markets**.
- ✓ RO distributes train tickets, but we cannot offer a good intermodality ticketing with other means of transport.
- ✓ In a **competitive market** the customer seeks to **compare prices of several operators**, that can not be done by RO's, but for travel agencies, OTA, ...
- ✓ Renfe has the '**Carbon Neutral**' certification for all its electric trains. People committed to sustainable mobility make demand grow. Spain is a clear example where demands is growing very fast

Third parties's advantages

- **Increased Market Reach:**

Third parties' access to a **broader customer data base**. Including travelers who may not actively seek out the RU's website or ticketing channels. **New markets** opportunities

- **Reduced Operational Costs:**

Third parties often handle their own Mk and sales efforts, reducing the RO's need to invest in Mk. Distributors can help streamline the ticketing and booking process, reducing operational costs for the railway operator.

- **Enhanced Customer Experience:**

Customers are used to buy tickets in OTA (selling rather quantity) and travel agencies (sell more quality and higher price)

Some distributors offer **personalized service** and **support** to customers

- **Market Intelligence:**

Distributors provide valuable data and insights into customer behavior and market trends, helping the RO to refine its pricing, marketing, and product offerings.

- **Advanced technology, extensive AI expertise, and exceptional marketing capabilities**

Drawbacks

- Distributors may have some control over pricing, offering not full range of tariffs but the easies to sell or higher profit.
- **Branding:** RO may lose control over how its products are marketed.
- CX can be impacted by the quality of service provided by the distributor,
- In a **competitive market: Price war is always a risk**
- **Data Security & Privacy:** Sharing customer data with third parties increases the risk of data breaches and potential privacy violations.
- Ensuring data accuracy across multiple distribution channels can be challenging (**Backoffice issues**)
- The **misconduct of distributors** can **harm RO's reputation**.
- Dependency on Third Parties: **Sales disruptions** of a key distributor can significantly impact in the RO sales and revenue.

Risks associated in aviation, hotels, ... with distributors having a dominant position

Regulatory authorities must monitor market dynamics and act promptly to **protect competition and ensure fairness for all**

- **Data Accuracy:** There may be inaccuracies in the airline or hotel offer that may not be listed in the offer.
- **Promotional Offers:** Special deals and discounts may not always be showed, causing clients to miss out on potential savings (best fares are not always displayed)
- **Bias and Transparency:** In a competitive market, **inclination for or against a company.**
- **Promoting a specific hotel** with marketing strategies is acceptable, but not if it involves not fully displaying the competitors' options
- Offer **transparency** must be the **priority & mandatory**
- **Partner Preferences:** Prioritize a certain flight from a company due to commercial agreements, higher commissions fees, etc.
- **Ancillaries**, such as baggage, seat selection, or ticket changes, may not be displayed correctly, potentially leading to unexpected costs.



Conclusions

Renfe is the leading player in the Spanish open rail market, but it needs to enhance its ticket distribution system. To achieve this, Renfe is relying even more on tech developers and third-party partners

Renfe is making a significant investment in railway distribution to provide more reliable service and enhanced connectivity, allowing throughout third parties to reach a broader market.

Renfe is developing in the sale system a better connectivity and interoperability with other modes of transport to facilitate multimodal travel.

We invite you to submit technological projects that enhance our connectivity and enable us to reach markets through distributors, where you can achieve superior performance compared to us. **Together, we all win.**



renfe

AVE

Thank you for your
kind attention

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renfe
Tu tren