

19th October, 2023

BSE Limited (BSE)

The Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400 001
Scrip Code: 532966

National Stock Exchange of India Limited (NSE)

The Listing Compliance Department
Exchange Plaza Bandra-Kurla Complex
Bandra (E), Mumbai – 400 051
Scrip Code: TITAGARH

Madam/Sir,

Sub: Announcement under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the copy of Q2 FY24 Earnings Presentation of the Company for the quarter and half-year ended 30th September, 2023.

This is for your information and record.

Thanking you,

Yours faithfully,

For TITAGARH RAIL SYSTEMS LIMITED
(Formerly TITAGARH WAGONS LIMITED)

Dinesh Arya
Company Secretary & Chief Compliance Officer
M. No. 3665

CIN: L27320WB1997PLC084819

Registered Office: Poddar Point, 10th Floor, 113 Park Street, Kolkata 700016, India
Corporate Office: Titagarh Towers, 756 Anandapur, E.M Bypass, Kolkata 700107, India
Phone: +91 33 40190800 Fax: +91 33 40190823 Email: corp@titagarh.in; Web: www.titagarh.in



TITAGARH
RAIL SYSTEMS LTD.

Investor Presentation

H1 FY24



Key Business Updates



Business updates Q2FY24



- The company has signed the contract with Gujarat Metro Rail Corporation Limited (GMRCL) for Design, Manufacture, Supply, Testing, Commissioning & Training of **72 nos.** of Standard Gauge Cars for **Surat Metro Rail Phase-I Project** with an order value of approximately **Rs. 866 Cr.**
- Received LOA from GMRCL for Design, Manufacture, Supply, Testing, Commissioning & Training of **30 nos.** of Standard Gauge Cars for **Ahmedabad Metro Rail Phase-II Project** with an order value of appx **Rs. 350 Cr.**
- The Uttarpara Plant receives **IRIS Certification**
- External Credit Rating of the Company has been upgraded to **A+ Stable (Long term Rating) by CRISIL**



- The company has finalized significant wagon orders from **private customers** in the past few months (~Rs 1200cr), thereby taking the wagon orderbook from private players to **~26% of the overall FTRS orderbook.**
- The Company has achieved the highest ever dispatch of wagons i.e **759 wagons** in the month of September 2023
- The company has launched the first **Diving Support Crafts (DSC)** which will be inducted into the **Indian Navy's Southern Naval Command Clearance Diving Teams (CCDT)** and will provide diving assistance during underwater repair, maintenance and salvage operations on ships inside designated harbours

Financial Snapshot– Q2 FY24

Revenue

935 Cr

EBITDA

115 Cr

PBT

95 Cr

PAT

71 Cr

Revenue Growth (YoY)

54%

EBITDA Margin

12.30%

PBT Margin

10.14%

PAT Margin

7.58%

Financial Snapshot– H1 FY24

1,846 cr

Revenue

221 cr

EBITDA*
(excl. other income)

185 cr

PBT*

138 cr

PAT

78%

Revenue Growth (YoY)

11.98%

EBITDA Margin*
(excl. other income)

10.02%

PBT Margin*

7.50%

PAT Margin

28,212 cr

Order Book

11.77%

ROE*#

13.50%

ROCE*#

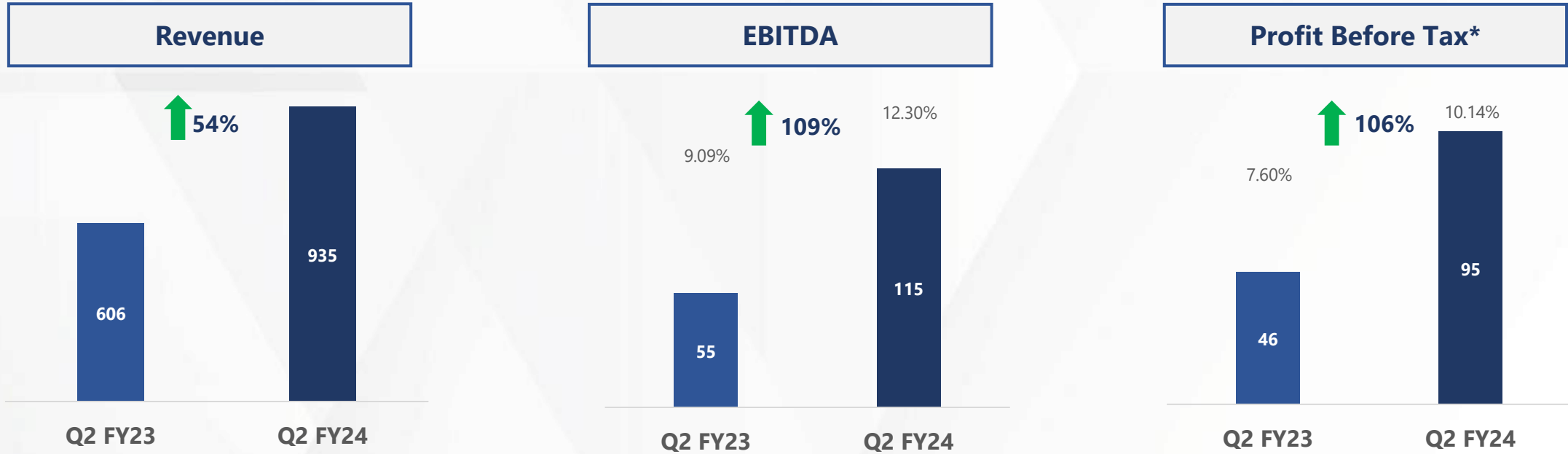
11.25

EPS#

* Before exceptional items
Not annualized

Y-o-Y Comparison

Rs. In Crores

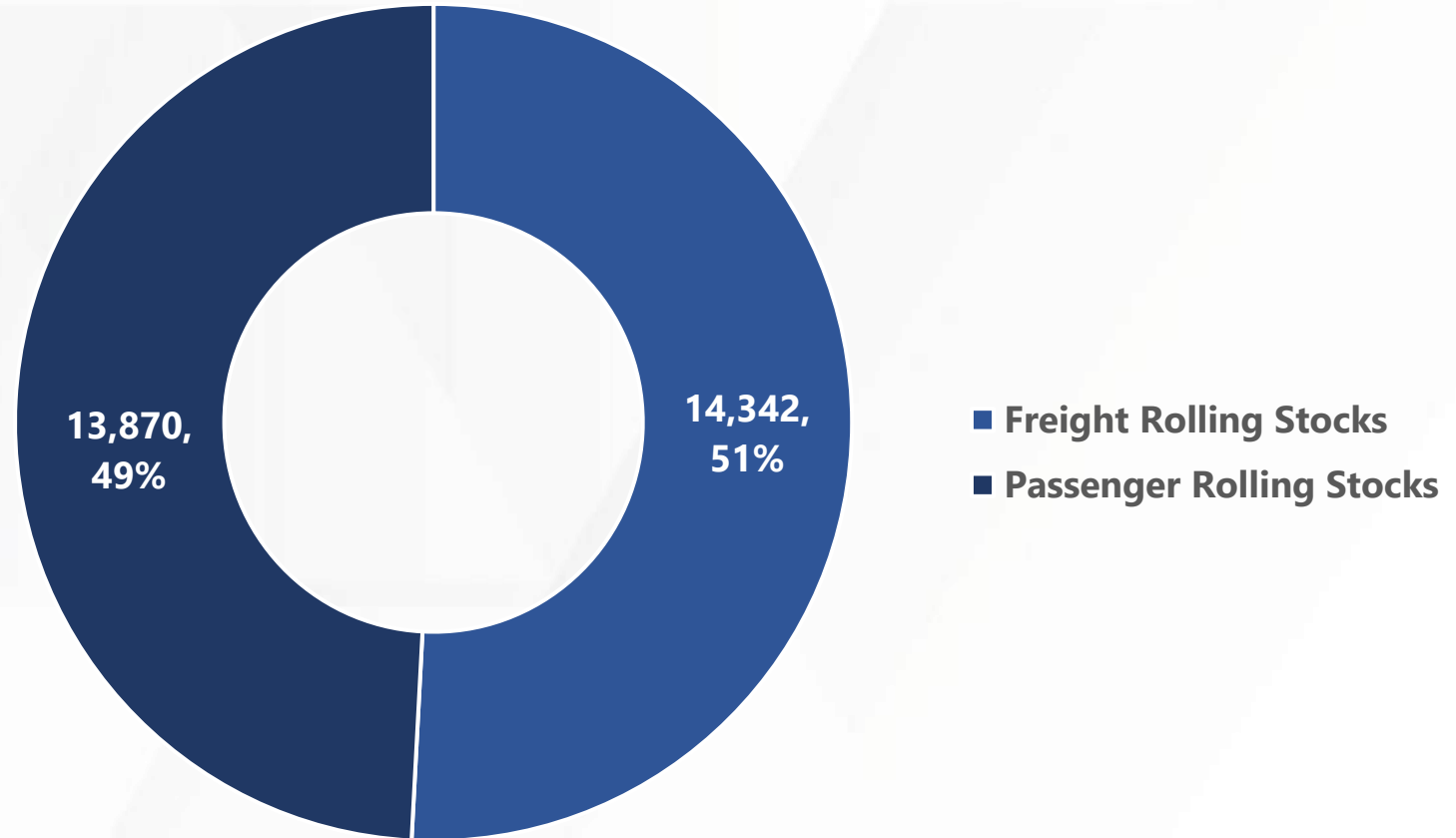


Revenue up by 54% and Profit Before Tax up by 106% Y-o-Y

* Before exceptional items

Order Book

As on 30th September'23 – Rs 28,212 cr



Financial Performance - Standalone

Rs. In Crores

Rs. Crores	Q2		y-o-y	Q1	q-o-q	H1		y-o-y
	FY24	FY23	Growth (%)	FY2024	Growth (%)	FY24	FY23	Growth (%)
Revenue	935	606	54%	911	3%	1846	1040	78%
EBITDA	115	55	109%	106	8%	221	96	130%
Margin (%)	12.30%	9.09%	-	11.65%	-	11.98%	9.25%	-
Profit Before Tax (PBT)	95	46	106%	90	5%	185	75	146%
Margin (%)	10.14%	7.60%	-	9.89%	-	10.02%	7.23%	-
Basic EPS (Rs.)	5.60	(0.99)	666%	5.65	(1%)	11.25	0.93	1110%

Segmental Performance

Freight Rolling Stock

Revenue	801	480	67%	746	7%	1547	831	86%
PBIT	108	52	109%	97	11%	205	88	135%
Margin (%)	13.51%	10.78%	-	13.03%	-	13.28%	10.53%	-

Passenger Rolling Stock

Revenue	134	126	7%	165	(18%)	299	209	43%
PBIT	4	4	(17%)	6	(44%)	10	7	45%
Margin (%)	2.67%	3.43%	-	3.87%	-	3.33%	3.29%	-

Financial Performance - Consolidated

Rs. In Crores

Rs. Crores	Q2		y-o-y	Q1	q-o-q	H1		y-o-y
	FY24	FY23	Growth (%)	FY2024	Growth (%)	FY24	FY23	Growth (%)
Revenue	935	607	54%	911	3%	1846	1039	78%
EBITDA	115	55	109%	106	8%	221	95	132%
Margin (%)	12.30%	9.07%	-	11.65%	-	11.98%	9.17%	-
Profit Before Tax (PBT)	95	46	106%	84	13%	179	74	141%
Margin (%)	10.14%	7.59%	-	9.25%	-	9.70%	7.15%	-
Basic EPS (Rs.)	5.56	3.00	85%	5.17	8%	10.74	4.96	117%

Segmental Performance

Freight Rolling Stock

Revenue	801	481	67%	746	7%	1547	831	86%
PBIT	108	52	108%	97	11%	205	88	134%
Margin (%)	13.45%	10.76%	-	13.03%	-	13.25%	10.53%	-

Passenger Rolling Stock

Revenue	135	126	7%	165	(18%)	299	208	44%
PBIT	4	4	(17%)	6	(44%)	10	7	45%
Margin (%)	2.67%	3.43%	-	3.87%	-	3.33%	3.30%	-

Annexure



UTP Plant receives IRIS Certification

The successful implementation of the IRIS Certification creates a win-win situation for all stakeholders

Benefits of IRIS Certification

- **Improved System Performance:** ISO/TS 22163 helps organizations establish and maintain effective quality management systems tailored to the unique needs of the railway industry.
- **Enhanced Customer Satisfaction:** By adhering to ISO/TS 22163, companies can better meet customer expectations and deliver products and services.
- **Risk based thinking:** ISO/TS 22163 encourages organizations to identify and mitigate risks associated with their operations, including those related to safety, quality, and environmental factors. This can help prevent accidents and incidents.
- **Increased Efficiency:** Implementing ISO/TS 22163 often leads to streamlined processes, reduced waste, and improved resource allocation. This can result in cost savings and increased operational efficiency.
- **Employee Engagement:** ISO/TS 22163 certification often involves employee training and involvement in quality and safety initiatives, leading to improved employee engagement, morale, and commitment to the organization's mission.

How this certification benefits Titagarh

- **Competitive Advantage:** Having ISO/TS 22163 certification can set our company apart from competitors in the railway industry. It demonstrates a commitment to quality, safety, and customer satisfaction, which can be a selling point.
- **International Recognition:** Achieving ISO/TS 22163 certification can open doors to international markets and partnerships by demonstrating a commitment to global best practices.
- **Better Supplier Relationships:** ISO/TS 22163 certification can strengthen relationships with suppliers as it promotes standardized processes and quality expectations throughout the supply chain.



Passenger Rolling Stock

Strong Tailwinds



Vande Bharat

- As of July 2023, a total of 50 Vande Bharat trains have been incorporated into the railway network.
- Opportunity size of **Rs. 58,000 Cr** to manufacture 200 Vande Bharat trains and maintaining them for next 35 years
- IR to fast-track modernisation with **800 semi-high-speed Vande Bharat** train sets by 2030



Metro

- As per National Urban Transport Policy, metro rail system to be constructed in every city having more than 20 lakh population
- **Rs. 19,500 Crores** allocated to Metro projects across India in the Union Budget 2023-24
- The government has announced 50 metro projects which translates to an opportunity size of **Rs. 50,000 – 70,000 Crores**
- Limited players in the space thus offering immense opportunities for existing players

Passenger demand for IR is expected to increase by almost 2.5x by 2051 requiring significant capacity expansion on the passenger handling as well as technological improvement fronts

Whopping 3 trillion Metro Opportunity

Metro Line	Cost (Rs Bn)	Timeline
Delhi 4 (Airport Express Line, Pink, Magenta and Silver Line)	550	2026-2028
Chennai- (Phase 2)	691	In phased manner from 2026 onwards
Bengaluru- (Phase 2, Phase 2A, Phase 2B)	264	2026
Colaba Seepz	380	2023-2024
Vizag	130	2028
Wadala - Kasarvadavli	120	2025-2026
Chandigarh	109	2028-30
Ahemdabad (Phase 1-2)	107	2025
Pune-1	102	2024
DN Mankhurd	100	2025-26
Thane- Kalyan	84	2028
Nagpur (Phase 2)	80	2026
Mumbai 6 (Seepz-Powai-Vikhroli)	67	2014-2025
Total	2,784	

Freight Rolling Stock

The impact of the infrastructure spend over the past 10 years is now flowing down to rolling stock, where for the first-time wagon manufacturers have got orders exceeding what they got in the last 10 years cumulatively

Indian Railway, for the first time, aims to **increase the freight traffic** by rail from existing **27% to 45%** by 2030

Annual freight target expected to increase from 1400m tonnes to 3000m tonnes by 2027 implying an increase in the wagon fleet from current ~336,900 to ~500,000 by 2027

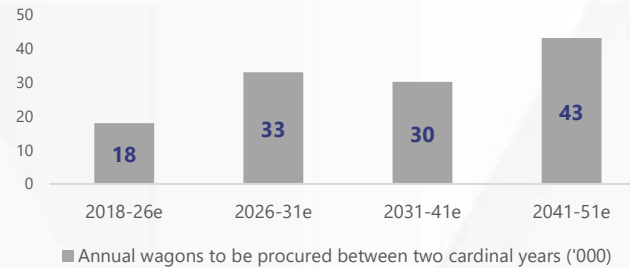
The carrying capacity of the national transporter is set to almost **double to more than 2400 million ton / year**, with the construction of dedicated freight corridors.

Railways plans to **procure 90,000 wagons in next 3 years**. The 90,000-wagon procurement plan is the largest in history and it is nearly 5 times the number of wagons procured by railways in a year.

~35% of the existing wagons are older than 15 years which will be due for replacement soon

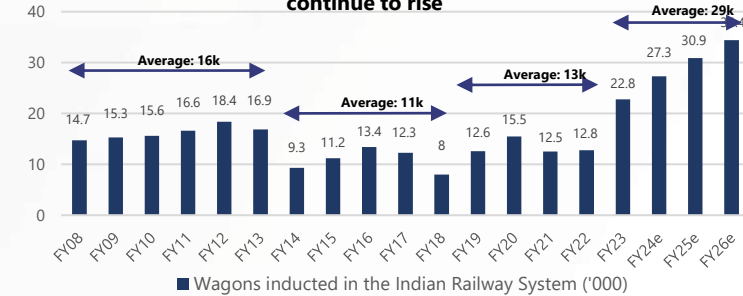
100 PM Gati Shakti Cargo terminals for multimodal logistics to be developed during the next three years.

Average number of wagons to be procured annually over different periods ('000)



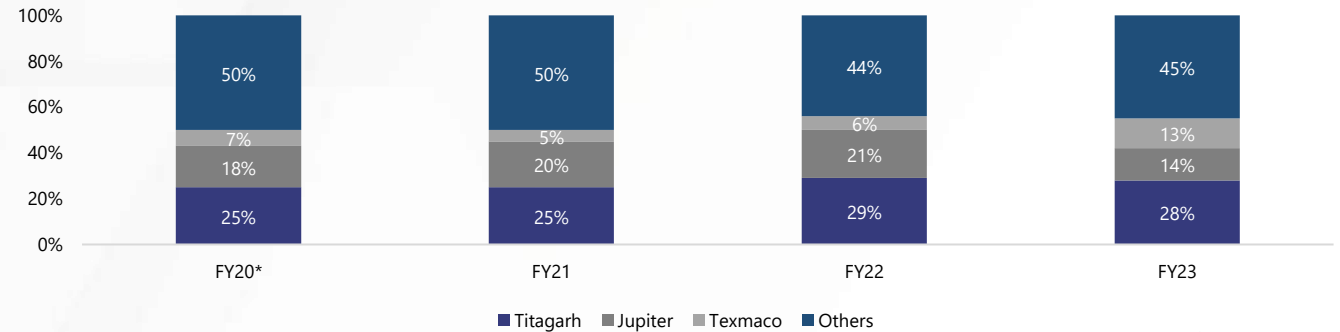
Source: National Rail Plan estimates, Indian Railways

Wagon additions to the Indian Railway network continue to rise



Source: Ministry of Railways estimates

Titagarh continues to enjoy a leadership position (~32% market share)



Note: Up to February 2020*
Source: Indian Railways

Disclaimer

This presentation contains statements that are “forward looking statements” including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to Titagarh Rail Systems’ future business developments and economic performance. While these forward looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations.

These factors include, but are not limited to, general market, macro-economic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance.

Titagarh Rail Systems undertakes no obligation to publicly revise any forward looking statements to reflect future/ likely events or circumstances.

For further information, please contact:



Anil Agarwal
Chief Financial Officer
Titagarh Rail Systems Limited
(Formerly Titagarh Wagons Ltd.)
E: anil.agarwal@titagarh.in



Binay Sarda/Nikita Atri
Ernst & Young LLP
E: binay.sarda@in.ey.com
E: nikita.atri@in.ey.com

Thank you

Titagarh Rail Systems Limited

Registered Office:

Poddar Point, 113 Park Street, 10th Floor
Kolkata – 700016, West Bengal, India

Corporate Office:

Titagarh Towers, 756, Anandapur, E.M. Bypass
Kolkata – 700107, West Bengal, India

T: +91 33 4019 0800

F: +91 33 4019 0823

E: corp@titagarh.in

