

# Texmaco

(BSE: 533326 NSE: TEXRAIL)

Rail & Engineering Ltd.

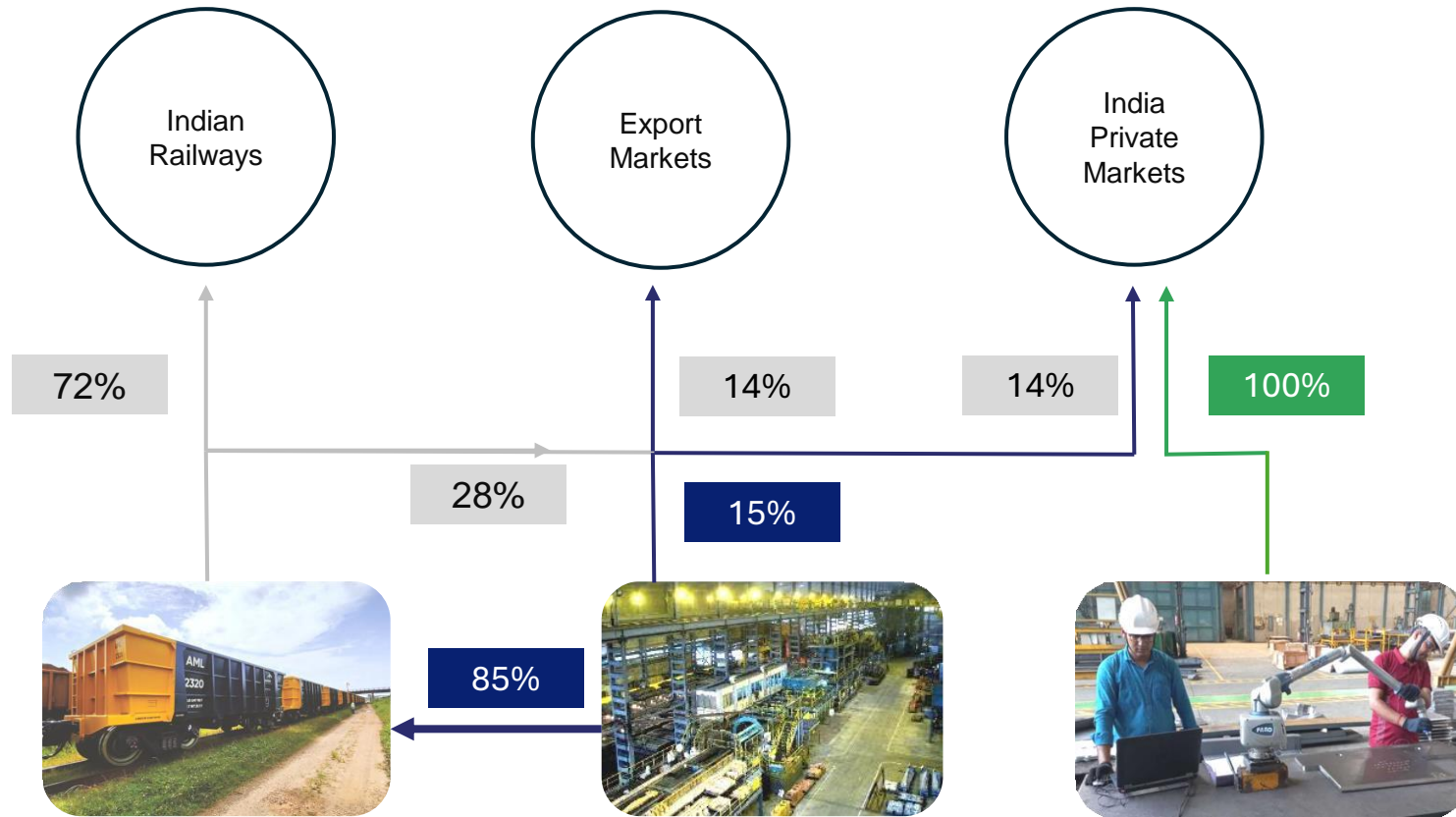
## Earnings Presentation Q2 and H1 FY25

October 2024

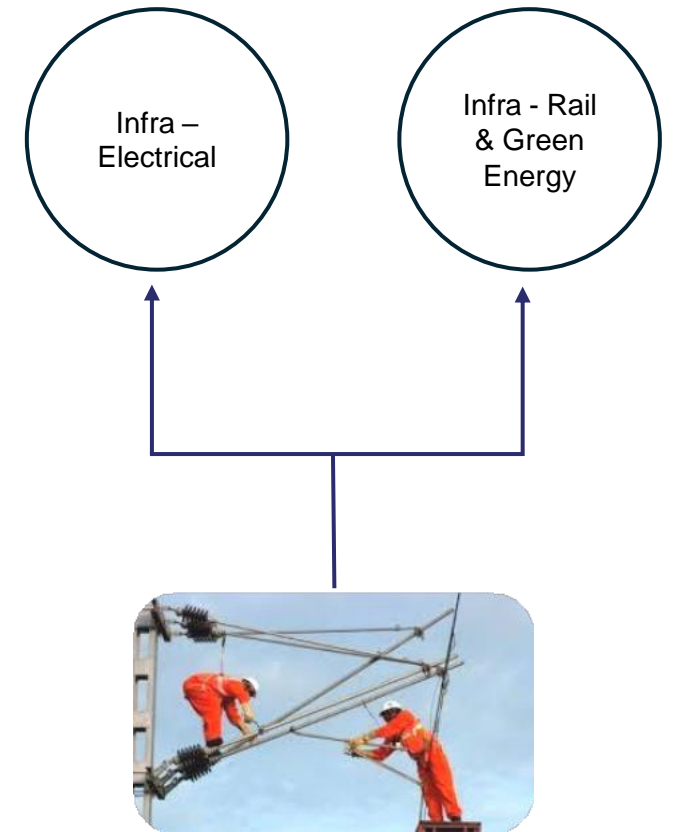


# Texmaco: Consolidated Business Snapshot

## Freight Car Division



## Rail Infra & Others



**Freight Cars**  
Freight cars for Indian Railways and commodity specific special purpose wagons

**Steel Foundry**  
Integrated part of freight cars providing railway castings

**Component Systems**  
Precision fabricated parts, machined systems and solutions

**Rail Infra & Others**

- Grey box: % of freight car volume
- Dark blue box: % of steel foundry volume
- Green box: % of components systems volume

# Consolidated Financial Highlights

## Q2 FY25 Financial Highlights

- Revenue from Operations of Rs. 1,346 Cr
- EBITDA of Rs. 149 Cr with a margin 11.0%
- PAT of Rs. 74 Cr with a margin 5.5%
- EPS of Rs. 1.82 per share

## H1 FY25 Financial Highlights

- Revenue from Operations of Rs. 2,434 Cr
- EBITDA of Rs. 272 Cr with a margin 11.2%
- PAT of Rs. 133 Cr with a margin 5.5%
- EPS of Rs. 3.32 per share

## Q2 FY25 Operational Highlights

- Wagon Sales of 2,927 units
- Foundry Sales of 11,156 MT
- Freight Car division Sales of Rs. 1,177 Cr

## H1 FY25 Operational Highlights

- Wagon Sales of 5,301 units
- Foundry Sales of 20,903 MT
- Freight Car division Sales of Rs. 2,108 Cr

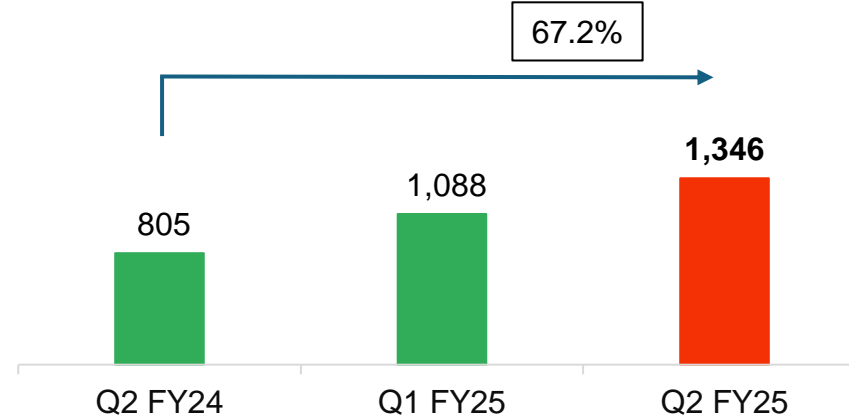
**Note:**

1. EBITDA includes Other Income
2. Texmaco West Rail (previously Jindal Rail and Infrastructure) has been consolidated from 1<sup>st</sup> April, 2024 (the date at which the lock box mechanism was agreed in the acquisition)

# Consolidated Q2 FY25 Financial Performance

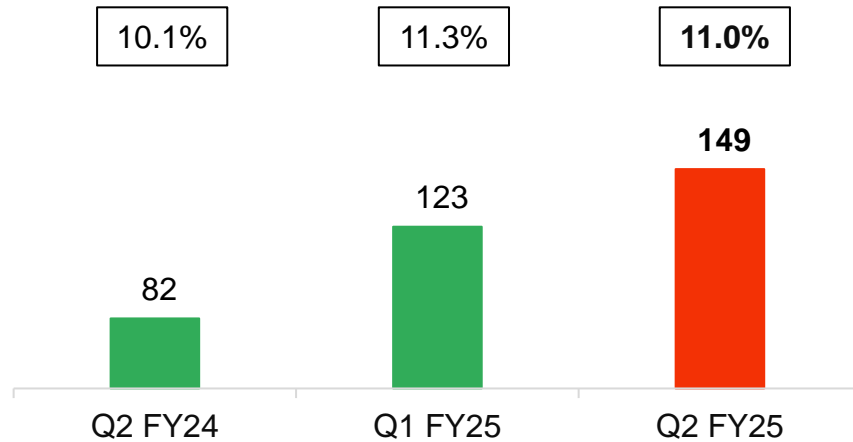
Rs. Crores

## Revenue from Operations

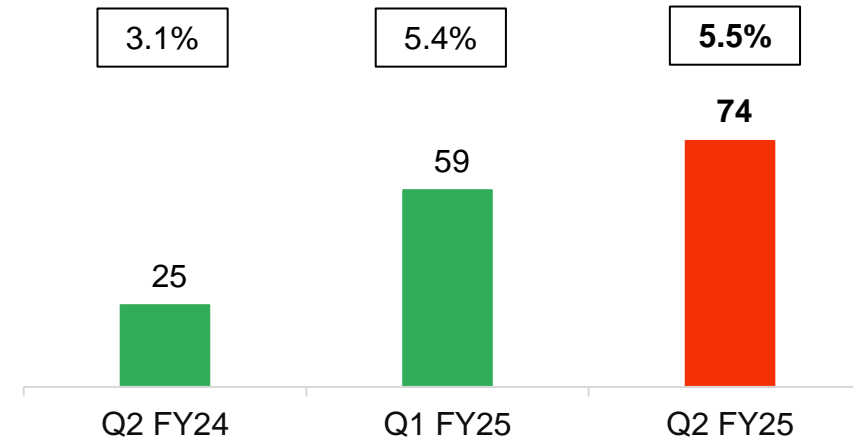


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## EBITDA and Margin



## PAT and Margin

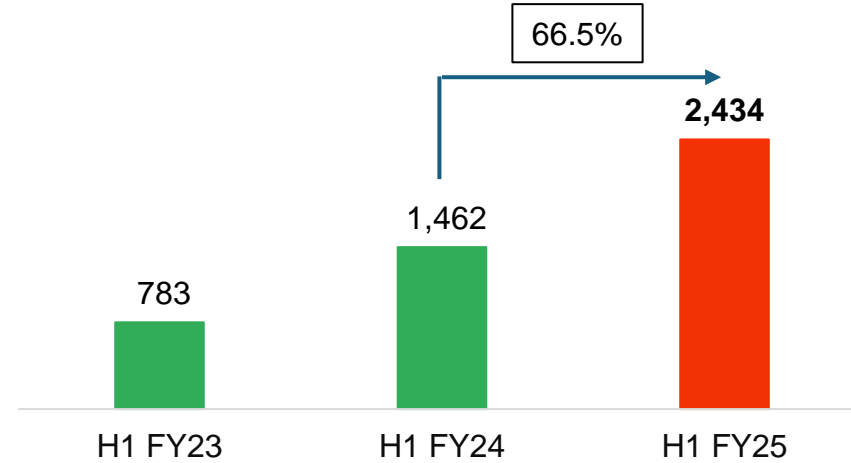


**Note:**  
1. EBITDA includes Other Income

# Consolidated H1 FY25 Financial Performance

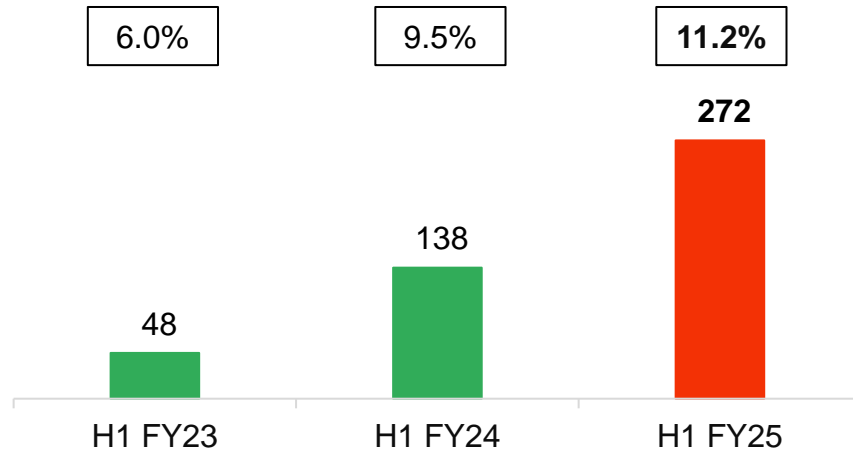
Rs. Crores

## Revenue from Operations

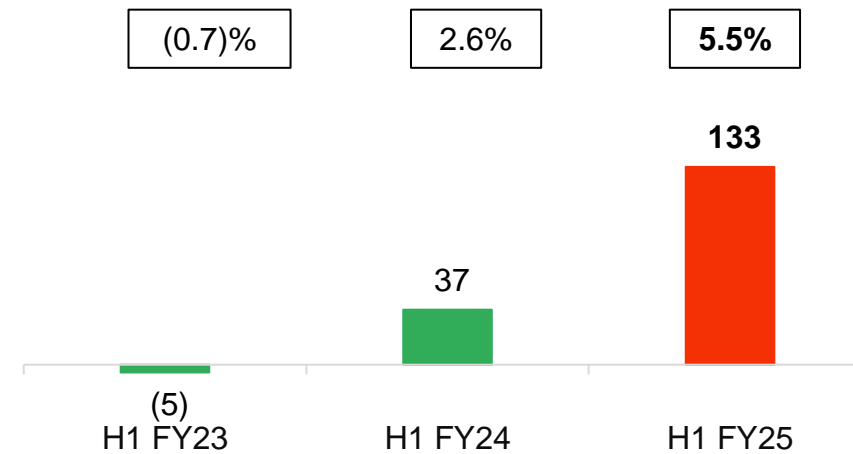


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## EBITDA and Margin



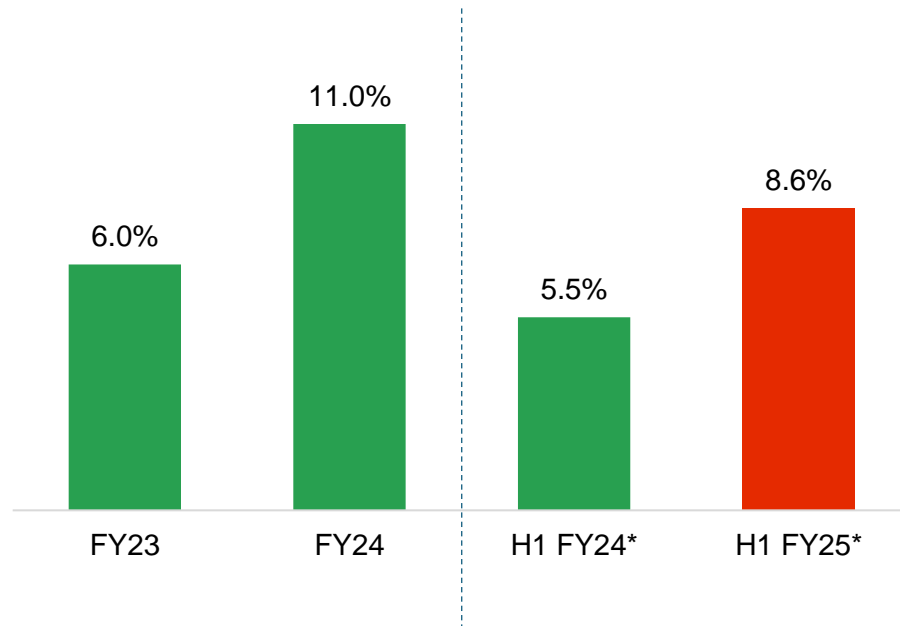
## PAT and Margin



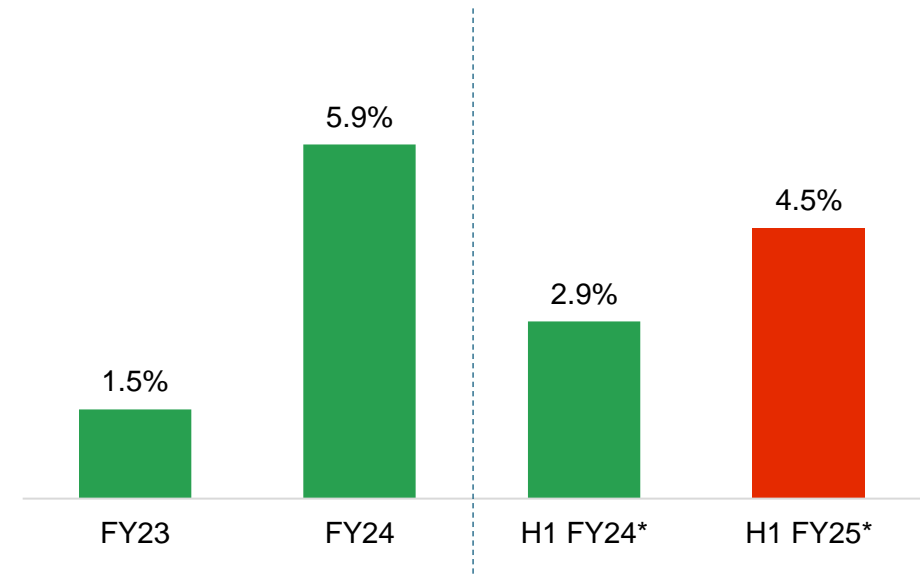
**Note:**  
1. EBITDA includes Other Income

# Key Ratios

## Return on Capital Employed



## Return on Equity



\* H1 FY25 ratios are not annualized

# Capital Structure and Ratings

(Rs Cr)	Sept-23	Mar-24	Sept-24
LT Debt	213	242	406
ST Debt	874	388	508
<b>Total Debt</b>	<b>1,088</b>	<b>630</b>	<b>914</b>
Cash & Cash Equivalent	139	698	247
<b>Net (Cash) / Debt</b>	<b>(949)</b>	<b>68</b>	<b>(667)</b>
Equity	1,423	2,533	2,714
<b>Net Debt / Equity</b>	<b>(0.7x)</b>	<b>0.03x</b>	<b>(0.2x)</b>

Rating	CARE Ratings	
	Mar-24	Aug-24
Long Term Rating	BBB+	A-
Short Term Rating	A2	A2+

# Consolidated Income Statement

(Rs. Crores)	Q2		Y-o-Y Growth(%)	Q1 FY2025	Q-o-Q Growth(%)	H1		Y-o-Y Growth(%)
	FY2025	FY2024				FY2025	FY2024	
Revenue from Operations	1,346	805	67.2%	1,088	23.7%	2,434	1,462	66.5%
Other Income	16	5		16		33	41	
<b>Total Income</b>	<b>1,362</b>	<b>810</b>	<b>68.1%</b>	<b>1,105</b>	<b>23.3%</b>	<b>2,467</b>	<b>1,503</b>	<b>64.1%</b>
Cost of Material Consumed	1,086	607		875		1,961	1,170	
Changes in Inventories of Finished Goods, Stock In Trade and Work In Progress	26	47		6		32	9	
Power and Fuel	28	21		23		51	42	
Employee Benefits Expense	43	34		40		83	67	
Other Expenses	30	19		37		67	77	
<b>EBITDA</b>	<b>149</b>	<b>82</b>	<b>82.2%</b>	<b>123</b>	<b>20.5%</b>	<b>272</b>	<b>139</b>	<b>96.4%</b>
<b>Margin (%)</b>	<b>11.0%</b>	<b>10.1%</b>		<b>11.3%</b>		<b>11.2%</b>	<b>9.5%</b>	
Depreciation and Amortization Expense	11	9		11		21	21	
EBIT	138	73		113		251	118	
<b>Margin (%)</b>	<b>10.1%</b>	<b>9.0%</b>		<b>10.2%</b>		<b>10.2%</b>	<b>7.8%</b>	
Finance Costs	40	37		28		68	71	
Share of net profit/(loss) of associate	7	4		6		13	9	
<b>Profit After Tax</b>	<b>74</b>	<b>25</b>	<b>201.2%</b>	<b>59</b>	<b>25.1%</b>	<b>133</b>	<b>37</b>	<b>257.6%</b>
<b>Margin (%)</b>	<b>5.5%</b>	<b>3.1%</b>		<b>5.4%</b>		<b>5.5%</b>	<b>2.6%</b>	
Basic EPS (Rs.)	1.82	0.76	<i>nm</i>	1.50	21.3%	3.32	1.16	<i>nm</i>

**Note:**

- EBITDA includes Other Income
- Texmaco West Rail (previously Jindal Rail and Infrastructure) has been consolidated from 1<sup>st</sup> April, 2024 (the date at which the lock box mechanism was agreed in the acquisition)





## **Indrajit Mookerjee** Executive Director and Vice Chairman

“We are delighted to have successfully completed the acquisition of Jindal Rail & Infrastructure Ltd during the first half of the year and announced consolidated Revenue from Operations of Rs. 2,434 Cr. In terms of profitability, Texmaco reported EBITDA at Rs. 272 Cr, with a margin of

11.2% and Profit After Tax at Rs. 133 Cr, with a margin of 5.5% in H1 FY25.

The acquisition has resulted in us increasing revenues by a factor of 1.67x, representing a transformation in Texmaco’s market presence in India and internationally. With the first 100-day integration plan well underway, the company has been renamed as Texmaco West Rail Limited and the synergy realization is in line with management expectations. This acquisition represents the largest deal in India’s rolling stock industry, marking a strategic milestone for the Company. Texmaco West Rail provides greater customer reach in the private commodity specific wagons market and increases our private sector revenue contribution from 12% to 28%. We look forward to leveraging the combined potential of both companies and creating new opportunities for sustainable growth and innovation.”



## **Sudipta Mukherjee** Managing Director

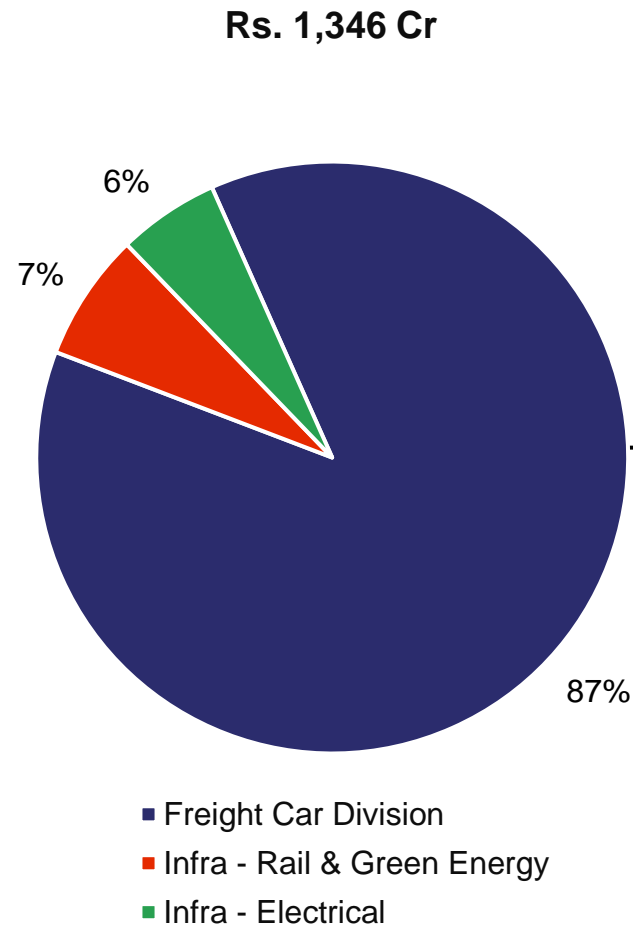
“During the first half of the year, Texmaco has achieved the highest ever freight car sales in its history, having sold 5,301 freight cars. With the acquisition of Jindal Rail & Infrastructure Ltd., we have attained leadership position in the freight car manufacturing industry. During Q2 FY24, we delivered 2,927 freight

cars with 72% to Indian Railways and 28% to private customers and export markets. Our steel foundries in Raipur and Belgharia had combined sales of 11,156 metric tonnes of castings and other railway components, marking a 3.5% increase YoY. As a market leader in the steel foundry segment, this growth in foundry output reinforces the resilience of the Texmaco supply chain for critical railway components.

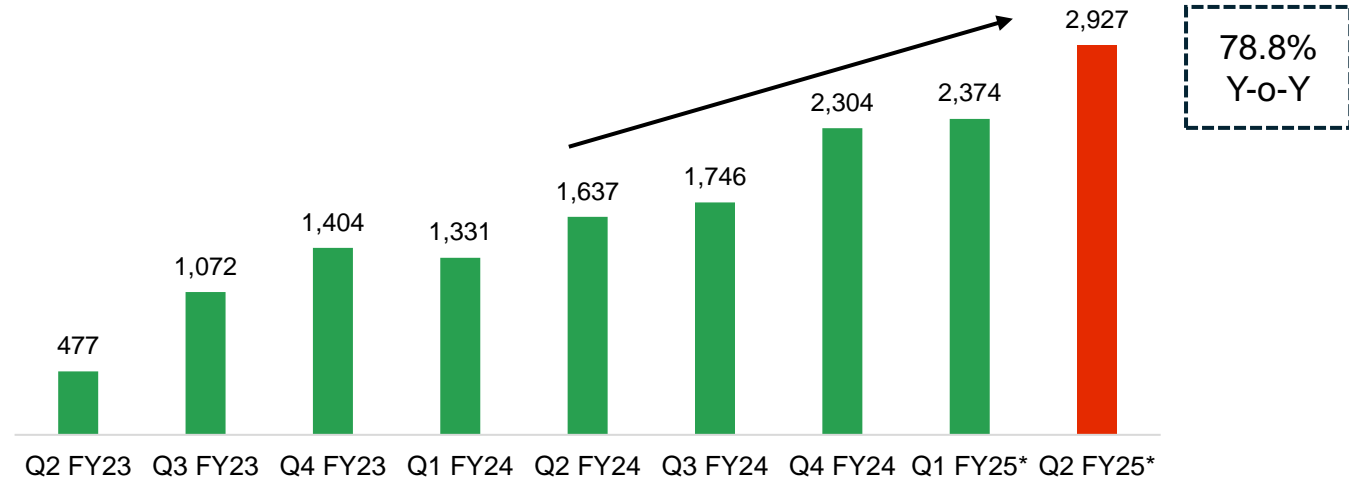
In October 2024, Texmaco was recognized as a “Three Star Export House” under the Government of India’s Foreign Trade Policy, 2023. This certification strengthens our position as a contributor to India’s global trade policies. The rail freight industry is poised for significant growth in the upcoming years, with freight volumes by rail projected to increase from 27% to 45% by 2030, as outlined in the National Rail Plan Vision 2030. Our sector plays a crucial role in supporting the government to achieve its goal of 3,000 MT of freight loading whilst also creating valuable opportunities for Texmaco. As Indian Railways expands its fleet to meet these goals, we are well-positioned to contribute with our advanced manufacturing capabilities and integrated solutions. Looking ahead, we remain focused on leveraging these government initiatives while also addressing growing demand from private customers and export markets. Our management team is ready to embrace the challenges ahead and is confident in its capabilities to convert them into opportunities for sustainable growth.”

# Consolidated Q2 FY25 Revenue by Business

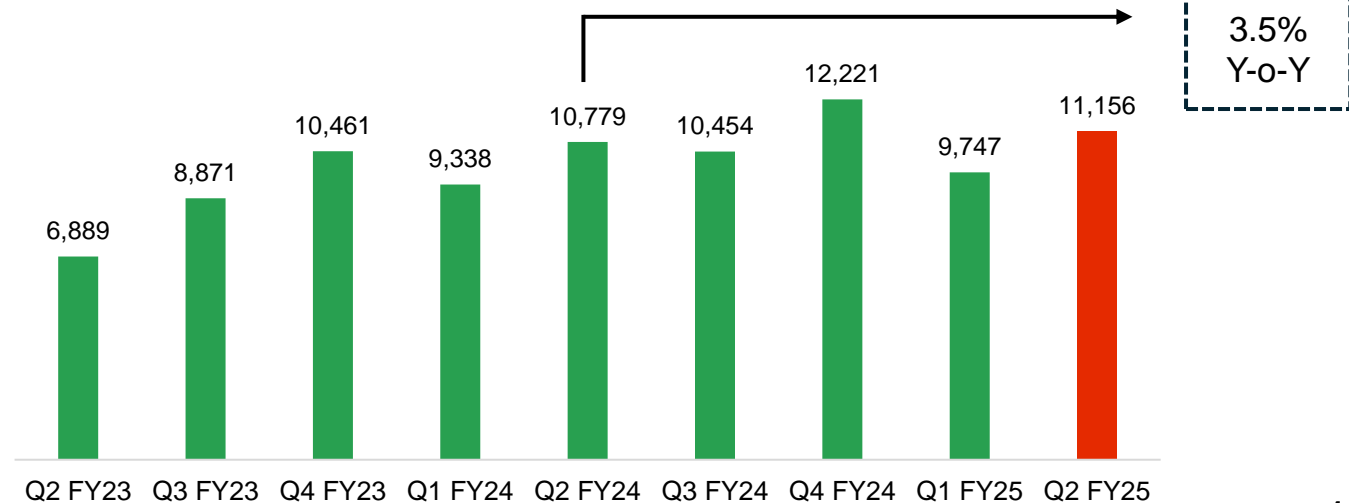
## Revenue from Operations by Business\*



## Freight Cars Sold (Vehicle Units)



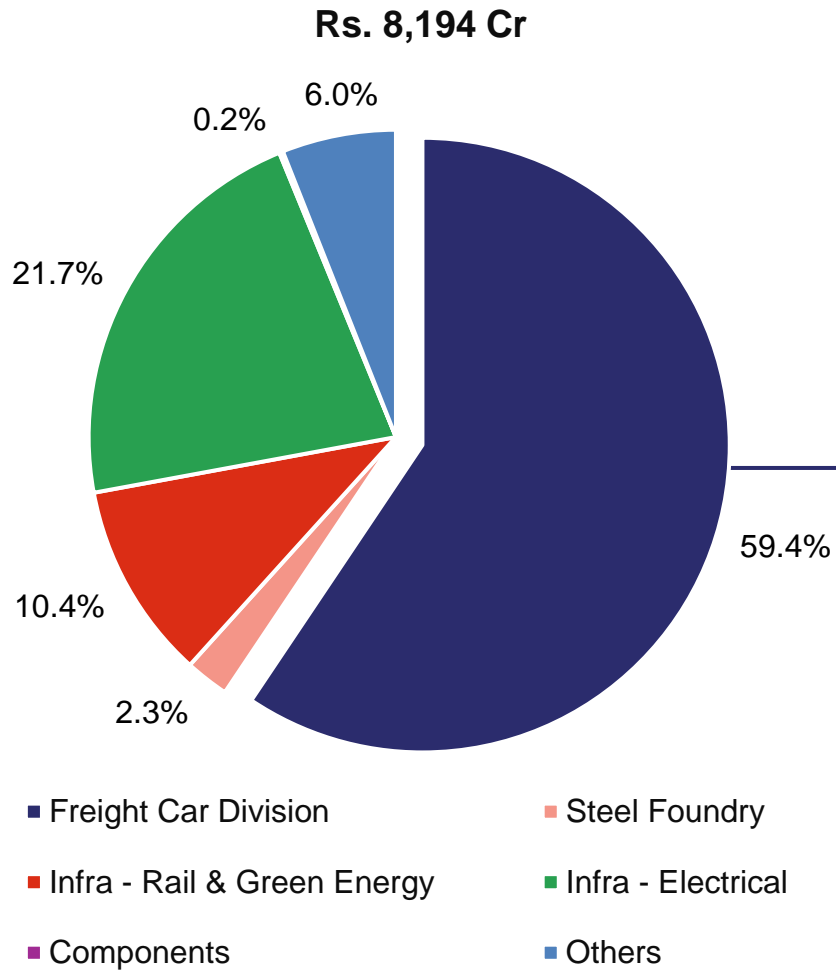
## Steel Foundry Sold (MT)



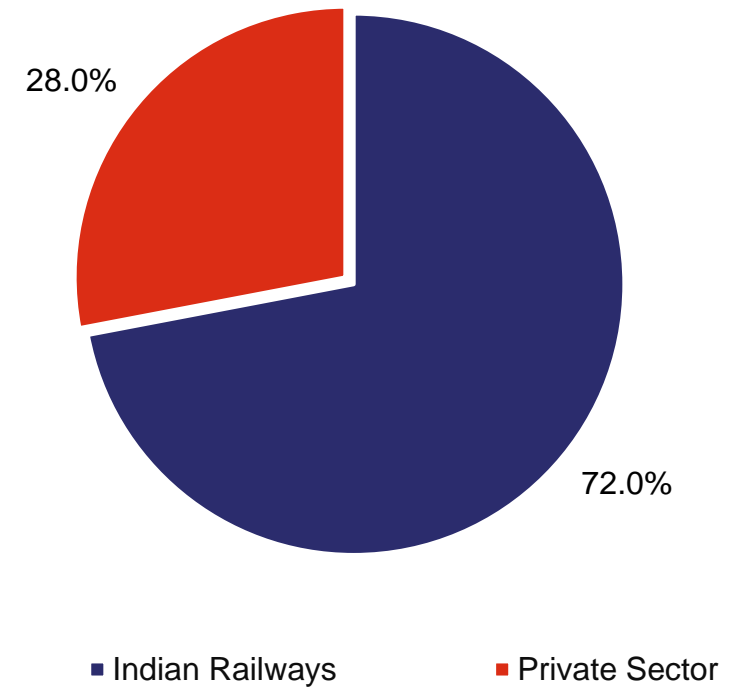
**Note:**  
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# Consolidated Q2 FY25 Order Book Summary

**Order Book by Business\***

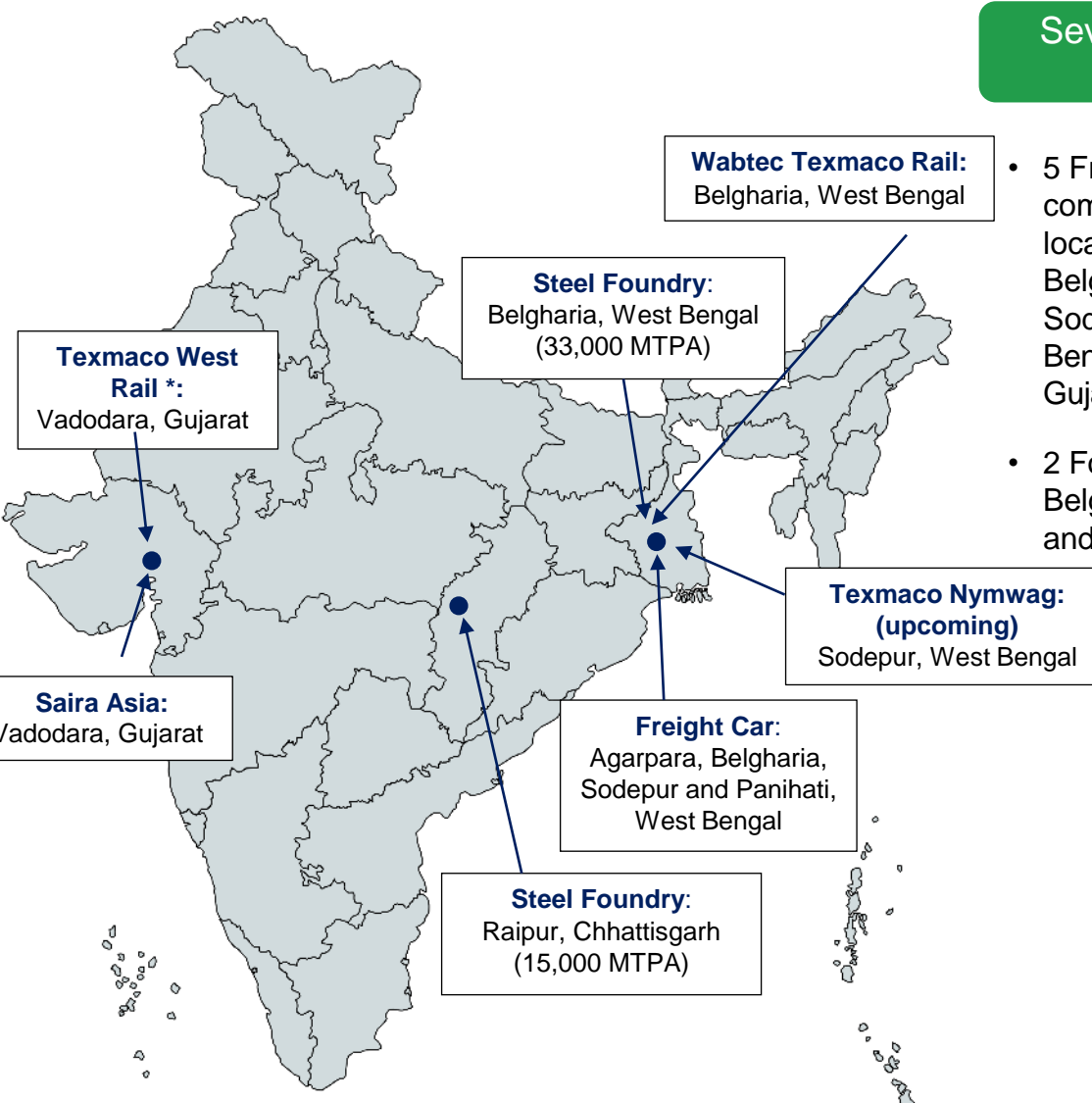


**Freight Car Order Book**



**Note:**  
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# Manufacturing Platforms



## Seven Manufacturing Facilities

- 5 Freight Car and component facilities located at Agarpara, Belgharia, Panihati, Sodepur in Kolkata, West Bengal and Vadodara, Gujarat.
- 2 Foundries located at Belgharia, West Bengal and Raipur, Chhattisgarh

## Strategic Location

- Connectivity to major highways and ports
- Facilities in Kolkata situated within a radius of 5 km

## Three Freight Car Manufacturing Facilities

- 15 Bays for production of Freight Cars / Loco Shells
- Large yard to hold 300+ Freight Cars
- Internal network of 15+ rail lines

## Total Area of ~309 Acres

- 114 acres at Agarpara and Belgharia, West Bengal
- 42 acres at Panihati and Sodepur, West Bengal
- 30 acres at Raipur, Chhattisgarh
- 123 acres at Vadodara, Gujarat

## Scope for Expansion

- Expansion of capabilities by optimizing existing facilities
- Establishing new manufacturing facilities

**Note:**  
\* Texmaco West Rail (previously Jindal Rai and Infrastructure), following its acquisition by Texmaco Rail and Engineering Limited

# Texmaco: Investment Case (1/2)

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## 1. Sustained Leadership in Freight Cars

- One of the largest suppliers of freight cars in India, manufacturing one out of every four wagons on the IR network
- Manufacturing track record of over 50,000+ freight cars supplied over 20 years
- 7,000+ freight cars sold to private customers in the last 10 years
- 20+ types of freight cars supplied for a broad range of end industry applications
- Currently manufacturing 2,500 – 3,000 of wagons per quarter

## 2. Leading Exporter of Railway Castings from India

- Leading position in the export of freight cars and railway components for the past five decades
- Export track record of 550+ freight cars to international markets over 10 years
- Texmaco is one of the leading exporter of railway castings from India
- Supplies to international markets also benefitting from geopolitical shift in supply chains

## 3. Cost Optimised Manufacturing Platform

- 5 Freight car and components manufacturing sites: 4 sites at Agarpara, Belgharia, Panihati and Sodepur in West Bengal and 1 in Vadodara, Gujarat.
- 2 Foundry facilities: 33,000 MTPA Belgharia, West Bengal and 15,000 MTPA Raipur, Chhattisgarh
- One of the largest foundry to be accredited by the Association of American Railroad (AAR)
- Amongst the leading companies working with mild-steel, stainless-steel and composite materials for manufacturing of rolling stock solutions

# Texmaco: Investment Case (2/2)

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## 4. Strategic and Technology Based Partnerships

- Touax Texmaco (50%): leases freight cars on long-term basis to private sector logistics and industrial transportation companies in India
- Nymwag Texmaco (51%): to manufacture freight wagons and railway components for IR, the private sector and export markets. The facility is currently under construction and is anticipated to be operational within a year
- Wabtec Texmaco (40%): manufactures world class braking systems and components for the Indian and US markets
- Saira Asia (51%): manufactures passenger coach railway interiors, based in Vadodara

## 5. Attractive Railway Industry Dynamics

- Strong Government infrastructure spend flowing down to rolling stock, with IR planning to procure 150,000 freight cars by the year 2025
- Movement of freight by railways to increase from 27% to 45% by 2030, positively impacting the environment
- Government investment of Rs.1.5 lakh crores in the Dedicated Freight Corridor (DFC)
- Interim Budget 2024-25 capital allocation of Rs. 2.52 lakh crores to the Ministry of Railways, highest ever outlay and 10x of FY2013-14

## 6. Outlook and Corporate Developments

- Largest ever order win of 20,000+ freight cars from Indian Railways in the year 2022
- Expected 3-5x growth in export of components and railway castings over the next 2-3 years
- Current order book of Rs. 8,194 Cr
- Received Rs. 37.5 Cr through preferential allotment (25.0% of Warrant Exercise Price) in April 2024
- Successfully completed the acquisition of Texmaco West Rail Limited (previously Jindal Rail and Infrastructure Limited) in September 2024, which is now fully integrated as a part of Texmaco

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