



8th October, 2020

1. National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051
Scrip Code: TWL(EQ)

2. Bombay Stock Exchange Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001
Scrip Code: 532966

Re.: **Earnings Presentation Q4 and FY 2020**

Dear Sirs,

Please find attached the “*Earnings Presentation Q4 and FY 2020*” which is self explanatory.

Please take the above on record.

Thanking You,
Yours faithfully,

For Titagarh Wagons Limited

Dinesh Arya
Company Secretary

Encl.: As above.

TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

Registered & Corporate Office: Titagarh Towers, 756 Anandapur, E. M. Bypass, Kolkata - 700 107, India
Phone : +91 33 4019 0800 | Fax: + 91 33 4019 0823 | Email : corp@titagarh.in | Web: www.titagarh.in

MOBILITY
FOR MILLIONS. GLOBALLY.



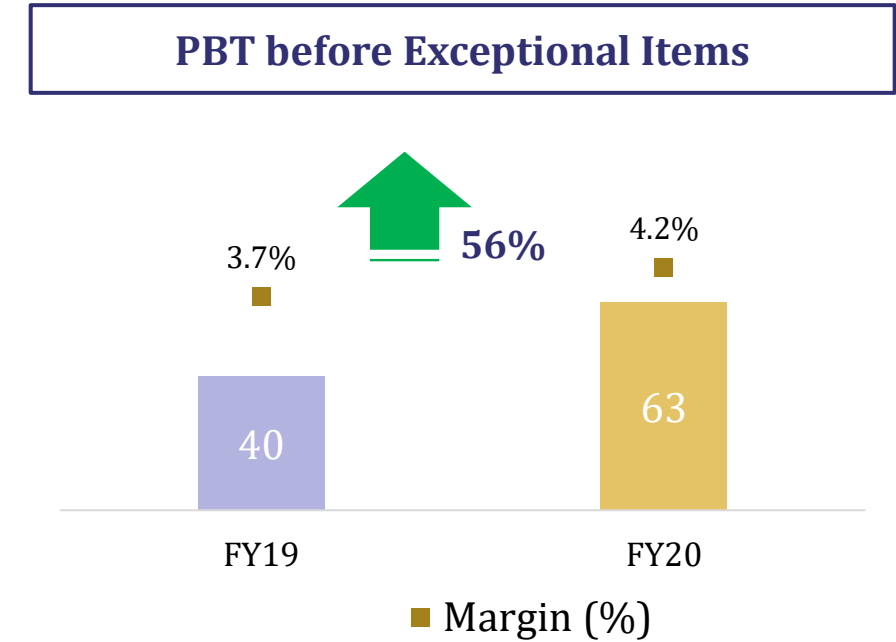
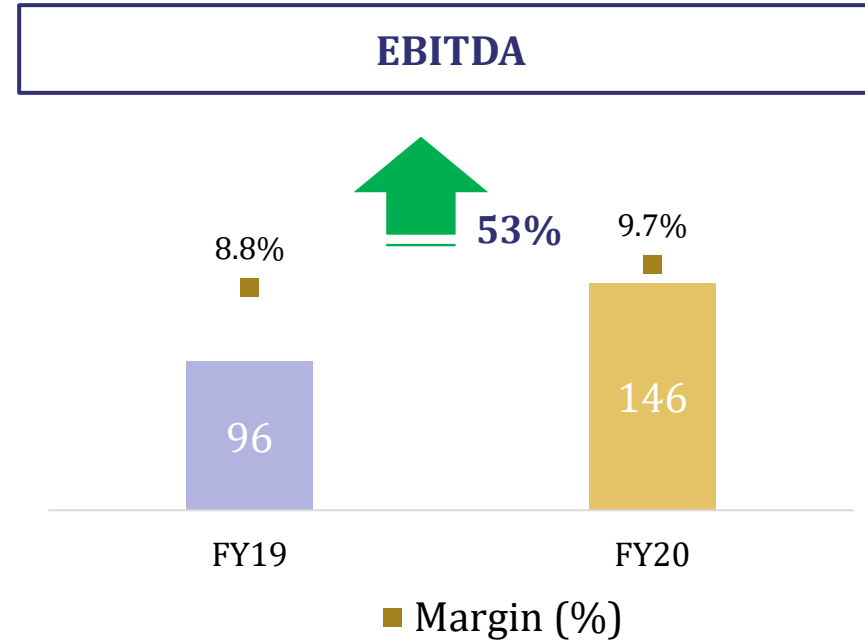
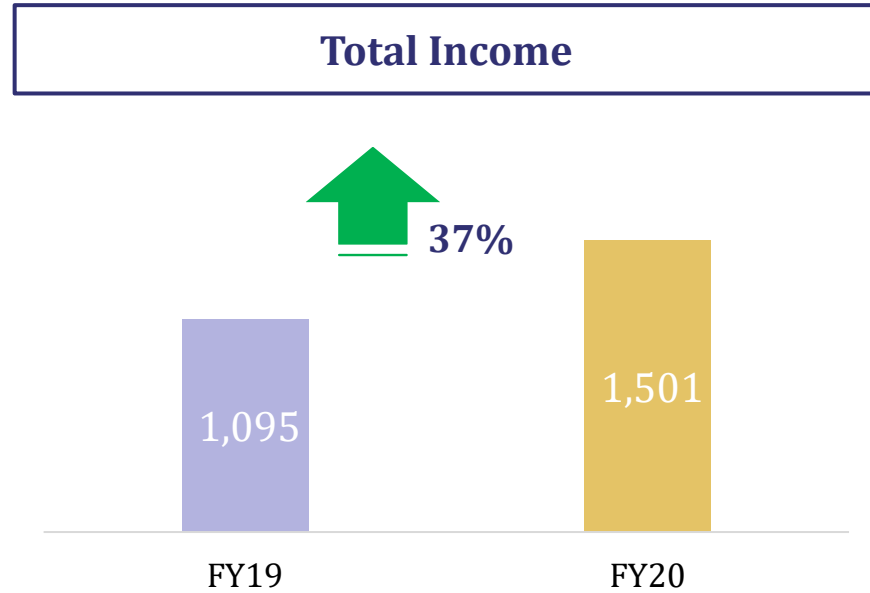
Titagarh Wagons Ltd
(BSE:532966 ; NSE:TWL)

Earnings Presentation
Q4 and FY2020

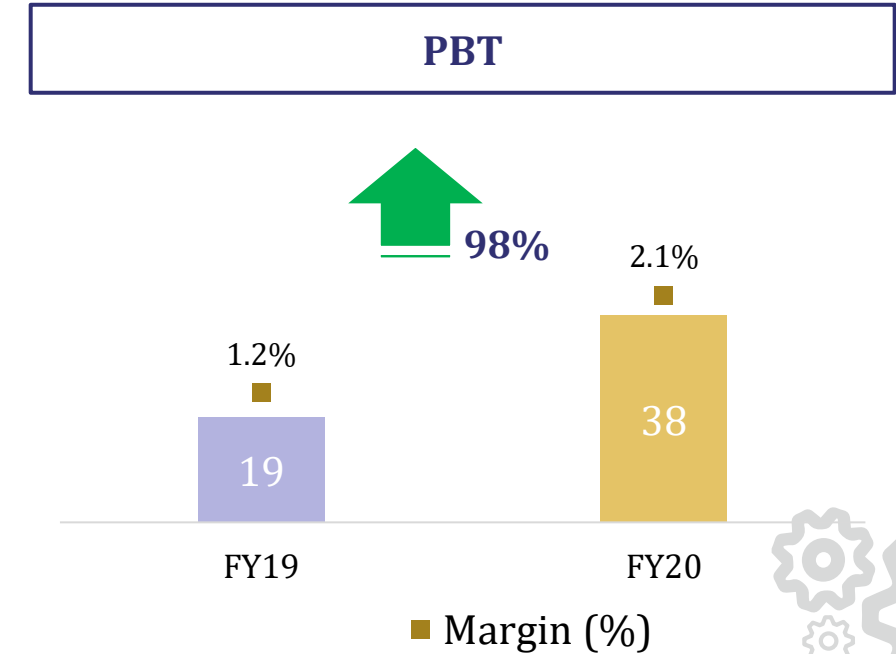
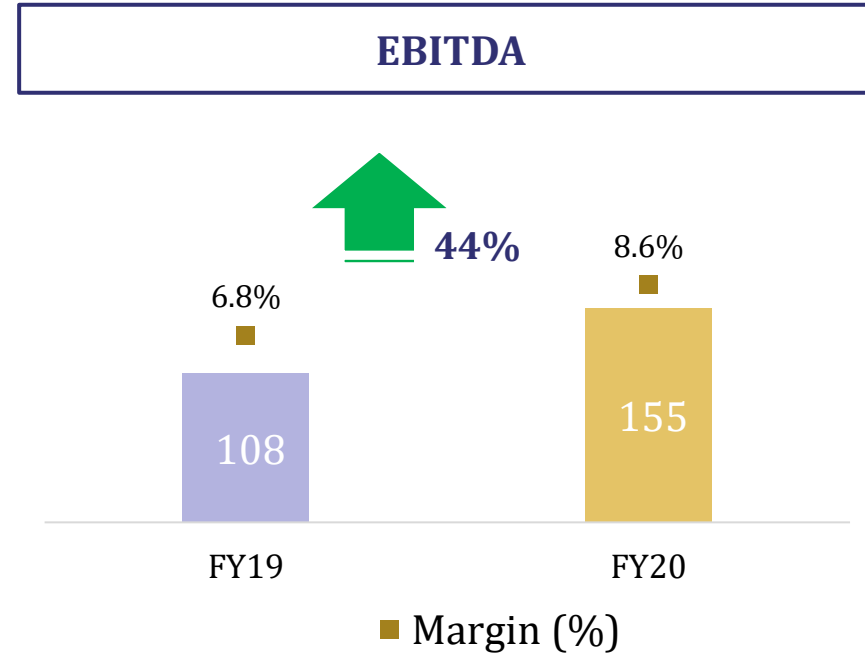
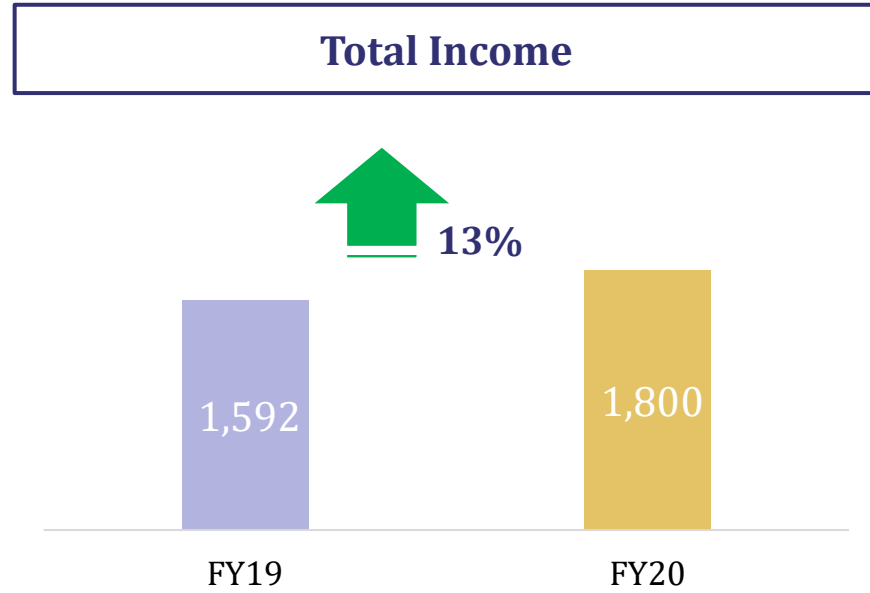
FY2020 Financial Highlights

Delivered strong financial performance from core standalone business

Standalone (Rs. Cr)

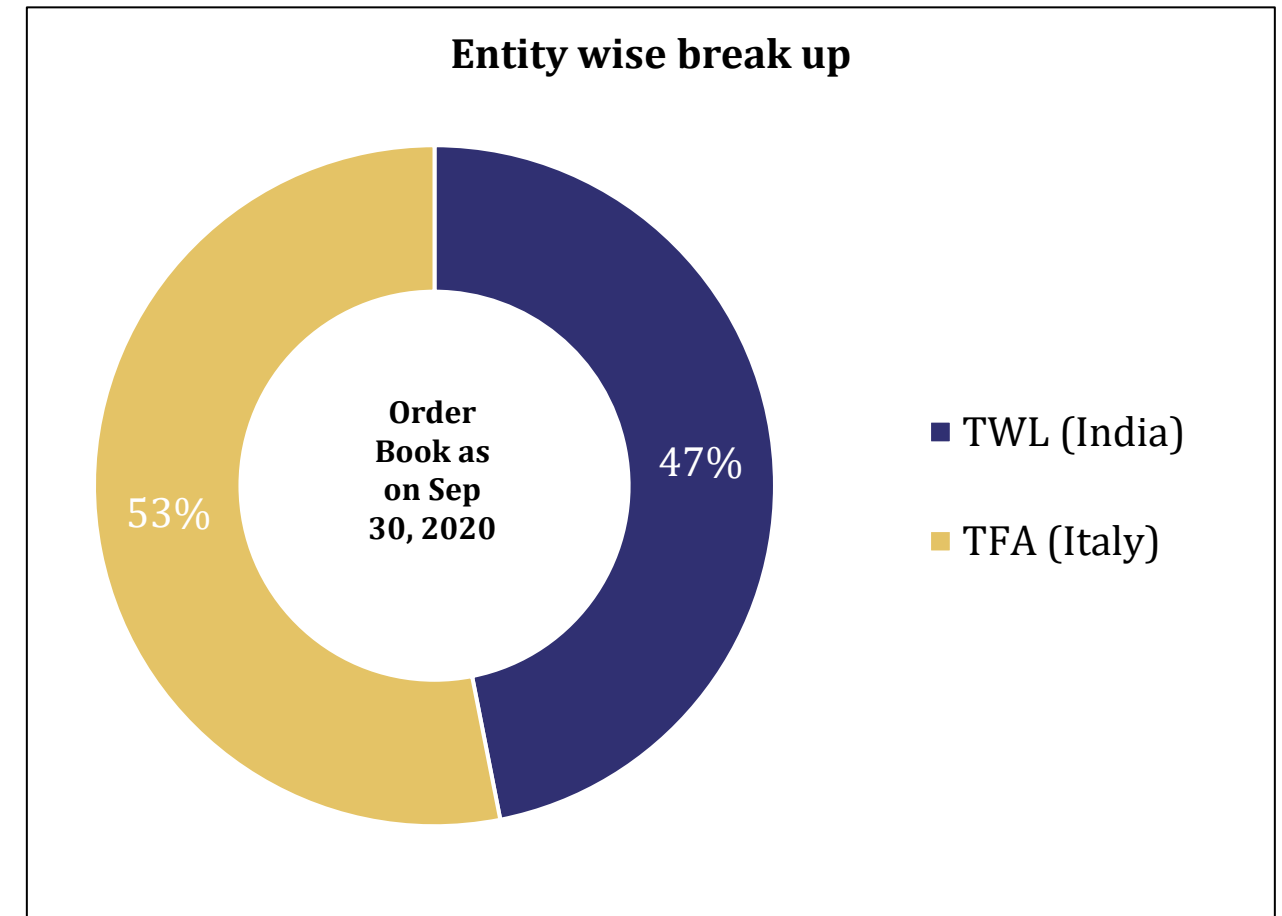
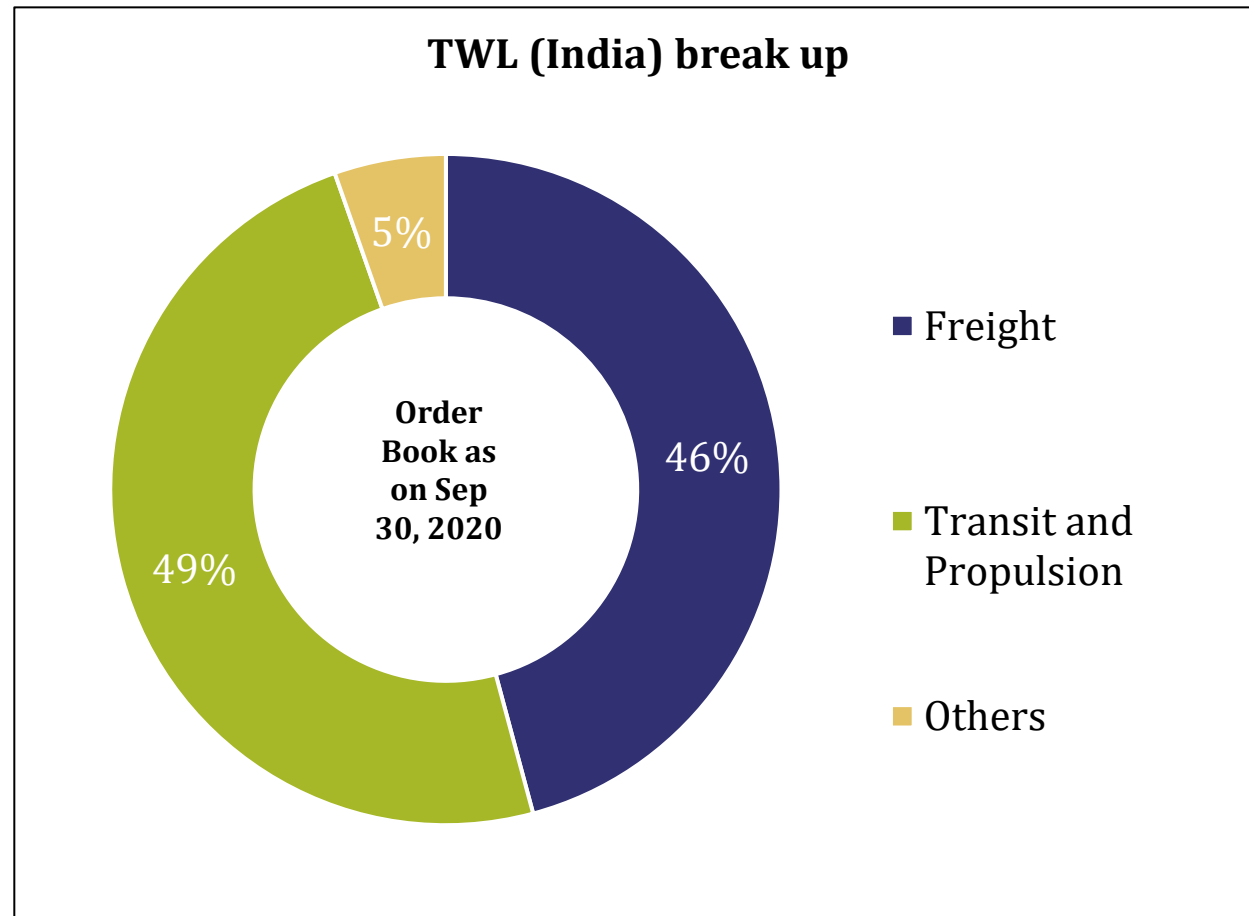


Consolidated (Rs. Cr)



Total Order Book

Total order book as on Sep-2020: Rs. 5,330 Cr



- Diversified order book across Indian and Italian business operations
- Above order book includes orders for 1,800 wagons worth Rs. 500 cr received from Indian Railways in the month of Sep 2020.

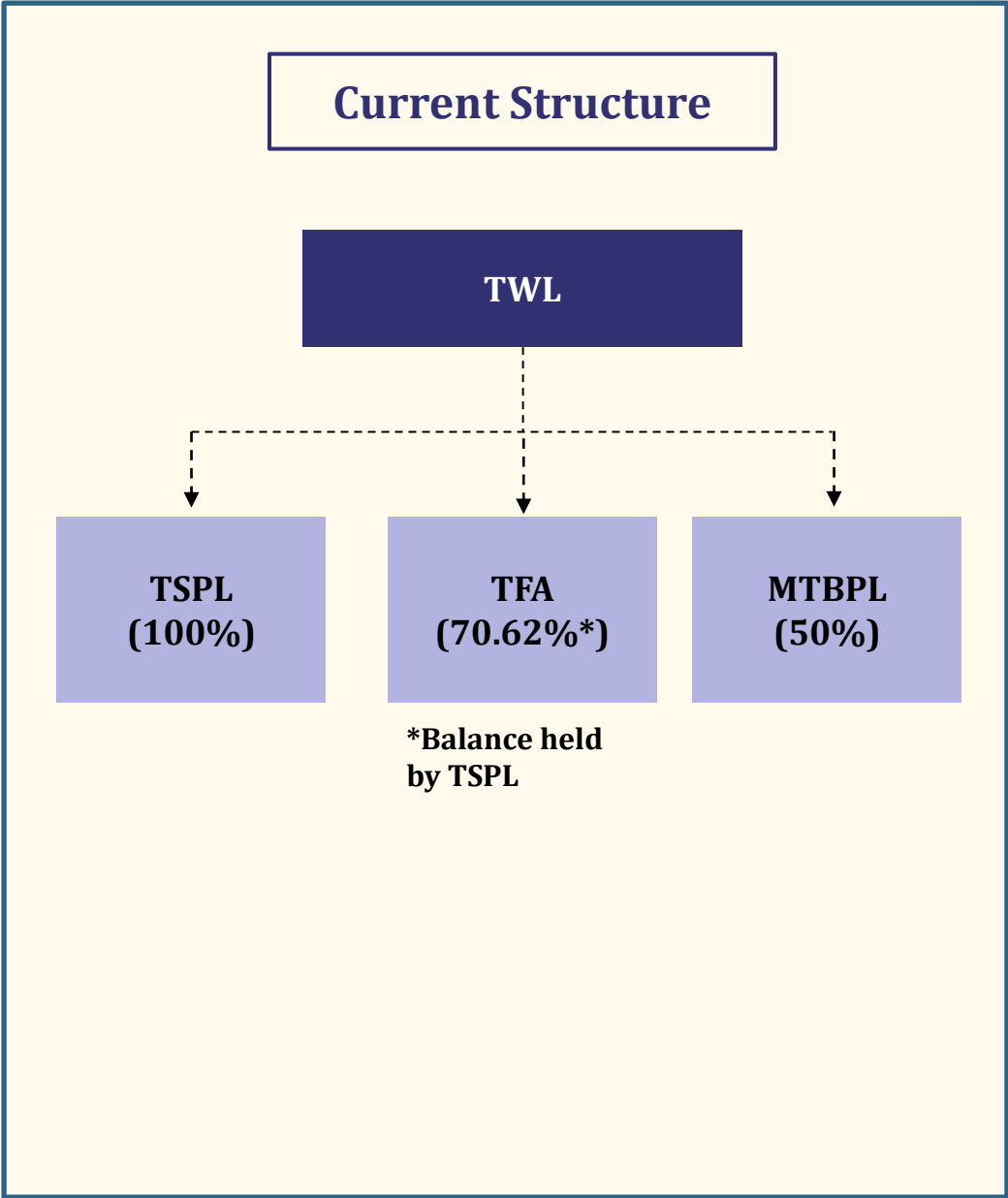
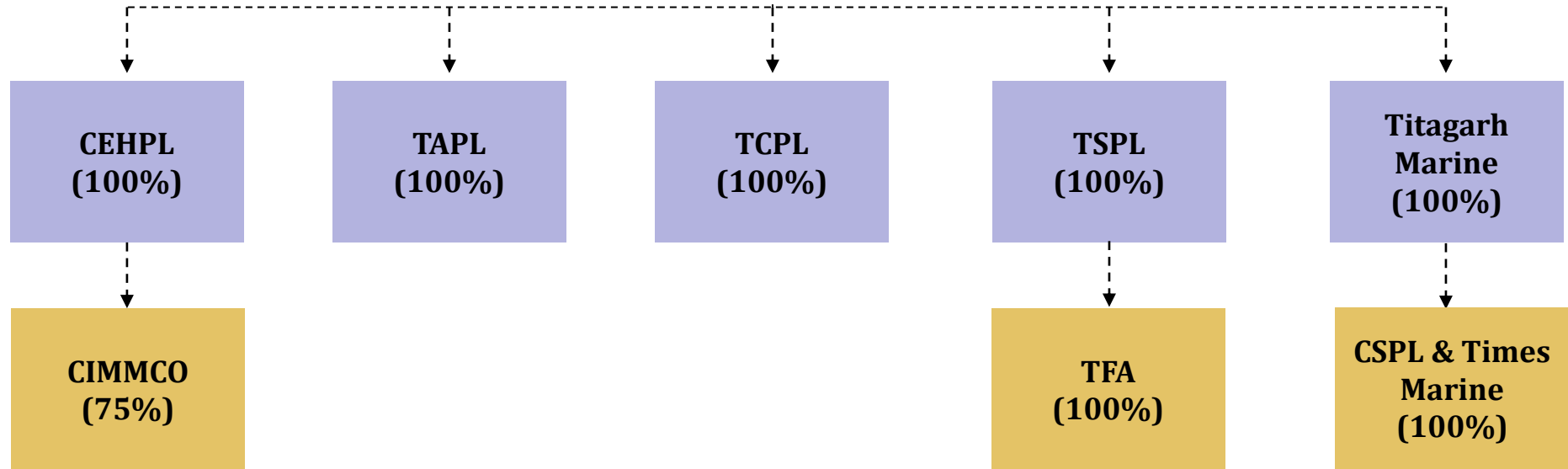


Titagarh Group – Corporate Structure Reorganization



Earlier Structure

TWL



Over the last five years, management has simplified group structure to bring more efficiencies



Benefits of Group Reorganization



Expedite Business Operations

- Consolidate products in line with plant capacities and bring in efficiencies resulting in creating the plant as a centre of excellence for a particular product
- Enable participation in large tenders by meeting the financial eligibility criteria as per the tender conditions
- Reducing compliance requirements from regulatory perspective including but not limited to Company's act 2013, listing, income tax, domestic transfer pricing, related party norms etc
- Consolidate product line and realign the Company in four distinct business segment i.e. Freight, Transit and Propulsion, Shipbuilding, Bridges and Defence



Increase Cost Efficiencies

- Cost efficient - Reduce fixed costs by consolidating common functions and reduce duplication of manpower
- Better working capital management - With the consolidation of product, productivity and efficiency have improved resulting in reduction in cost and inventory levels





Business Operations

- **Merger:** NCLT sanctioned the Scheme of Amalgamation of Cimmco Limited and Titagarh Capital Private Limited: subsidiaries of the Company with Company on 30th September 2020
- **New business development:** Tie up with ABB for propulsion business. Design collaboration with AnsaldoBreda for metrolite and new opportunity for private train operations announced by the Indian Railways



Capital Structure

- **Net debt reduction:** Consolidated Net Debt reduced from Rs. 776 cr in Mar 2019 to Rs. 630 cr in Mar 2020
- Corporate guarantee given on behalf of Indian and overseas subsidiaries (post merger) has completely expired



COVID-19 Impact

- **India Business:** Non availability of critical inputs during the initial lockdown in March 2020 impacted wagon dispatches
- **Italy Business:** Italy was one of the worst impacted countries during Q4 which affected sales and tender announcements were postponed
- Operations at both plants in India and Italy are now stabilising as normalcy returns



Update on Titagarh Firema S.P.A (100% Subsidiary)



Business turnaround

- Despite significant technical and financial challenges, majority of the legacy orders have been executed till March 2020 and the trains are in service
- Final phase of delivering remaining orders is expected to complete in FY 2021

Successful management overhaul

- New CEO and Managing Director onboarded in September 2019 with 23 years experience in the railway sector with the last experience being the Chairman and CEO of Bombardier, Italy
- Leading experts across functions hired from top global companies

New order wins and alliances

- Signed contract worth Euro 216 mn with FCE on the April 1st 2019 for design, manufacture and supply of trains for Catania (Sicily)
- Consortium bid with TWL for Pune Metro
- Strategic Alliance with Hitachi to manufacture trains and its components

EBITDA margin improvement

- Several cost reduction initiatives and execution of margin accretive new orders improved EBITDA margins
- Against an EBIDTA loss of Euro 6.33 million in FY 2018, EBIDTA was positive in FY 2019 and FY 2020



Financial Performance: Entity-Wise

Company (Rs. Cr)	Total Income		YoY Growth	EBIDTA*		YoY Growth	PBT (before exceptional item)		YoY Growth
	FY20	FY19		FY20	FY19		FY20	FY19	
Titagarh Wagons Limited (TWL)	1,501.4	1,094.8	37.1%	146.0	95.9	52.3%	62.9	40.4	55.6%
Titagarh Firema SPA, Italy (TFA)	308.1	502.7	(38.7)%	11.6	17.8	(34.6)%	(19.9)	(12.2)	-
Others (net of inter company eliminations)	(9.1)	(5.5)	-	(2.7)	2.3	-	(5.6)	(1.4)	-
Total (Continuing Operations)	1,800.4	1,591.9	13.1%	155.0	116.0	33.6%	37.5	26.8	39.9%



Financial Performance: Consolidated



Rs. Crores	Q4		YoY Growth	Q3	QoQ Growth	Full Year		YoY Growth
	FY2020	FY2019		FY2020		FY2020	FY2019	
Total Income	417.6	616.0	(32.2)%	460.9	(9.4)%	1,800.3	1,591.9	13.1%
EBITDA	36.5	63.7	(43.0)%	40.6	(10.5)%	155.0	116.0	33.9%
Margin (%)	8.7%	10.3%		8.8%		8.6%	7.3%	
Profit/ Loss from Continuing Operations	32.7	74.1	(55.9)%	8.0	309.5%	58.0	51.9	11.6%
Profit/ Loss from Discontinuing Operations	(42.9)	(39.3)	-	-	-	(94.1)	(74.4)	-
Net Profit attributable to Shareholders	(8.9)	26.4	-	7.8	-	(34.2)	(28.5)	-
Margin (%)	(2.1)%	4.3%		1.7%		(1.9)%	(1.8)%	
Basic EPS (Rs.)	(0.85)	2.29	-	0.68	-	(3.04)	(1.92)	-



Financial Performance: Standalone



Rs. Crores	Q4		YoY Growth	Q3	QoQ Growth	Full Year		YoY Growth
	FY2020	FY2019				FY2020	FY2019	
Revenue	355.6	470.6	(24.4)%	375.5	(5.3)%	1,501.4	1,094.8	37.1%
EBITDA	41.5	51.0	(18.7)%	35.2	17.7%	146.0	95.9	52.3%
Margin (%)	11.7%	10.8%		9.4%		9.7%	8.8%	
Profit Before Tax (PBT)	14.9	34.5	(56.7)%	16.0	(6.5)%	62.9	40.4	55.6%
Margin (%)	4.2%	7.3%		4.3%		4.2%	3.7%	
Exceptional Item*	(161.4)	(127.0)	-	0.0	-	(161.4)	(127.0)	-
Tax	29.2	35.2	(17.0)%	(4.3)	-	18.6	31.3	(40.6)%
Profit After Tax (PAT)	(117.2)	(57.2)	-	11.7	-	(79.9)	(55.3)	-
Margin (%)	(33.0)%	(12.2)%		3.1%		(5.3)%	(5.1)%	
Basic EPS (Rs.)	(9.85)	(8.33)	-	0.51	-	(6.71)	(7.17)	-

*Note: Impairment in value of investment of Subsidiary Companies (Rs. 69.3 cr w.r.t value of investment in TFA & Rs. 65.8 cr w.r.t. value of investment in TSPL). Provision worth Rs. 26.3 cr for Corporate Guarantee and related cost given to ICICI Bank UK for Titagarh Wagon AFR

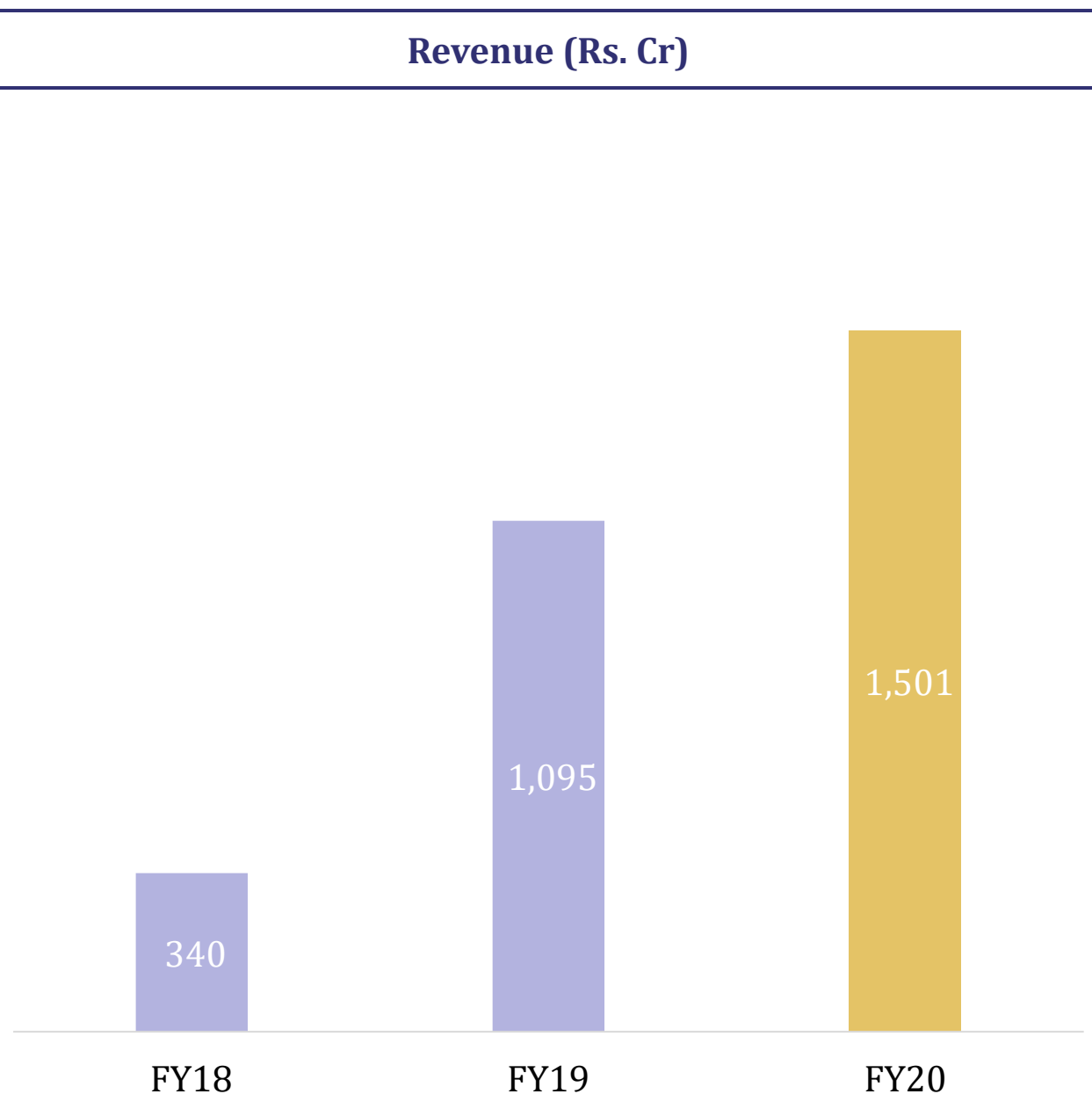


Annual Financial Performance Trend: Standalone

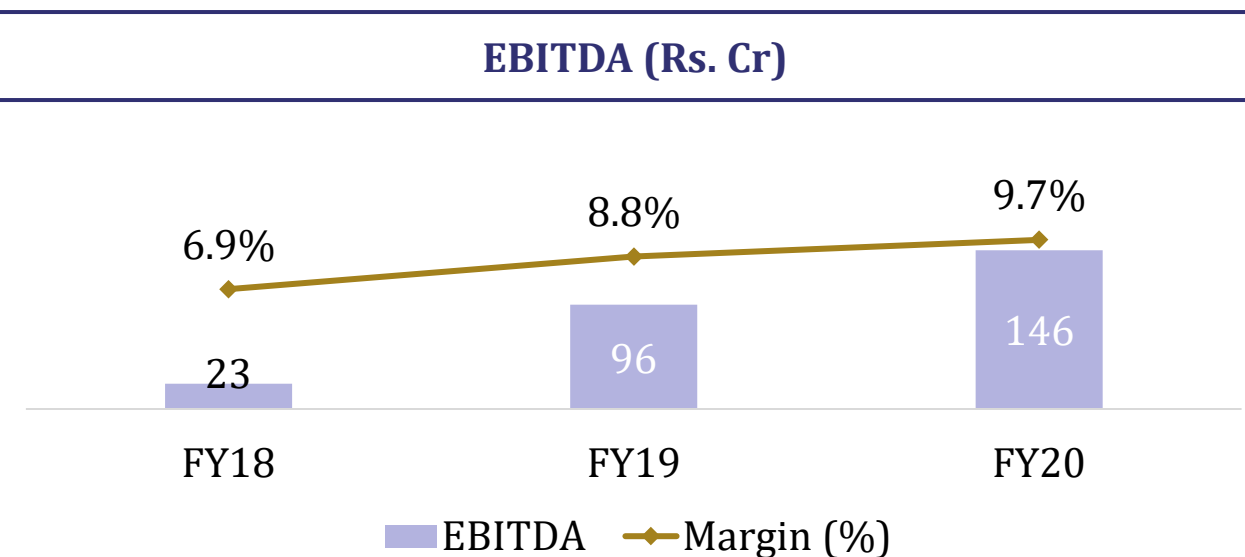


Timely execution of orders and delivering consistent performance

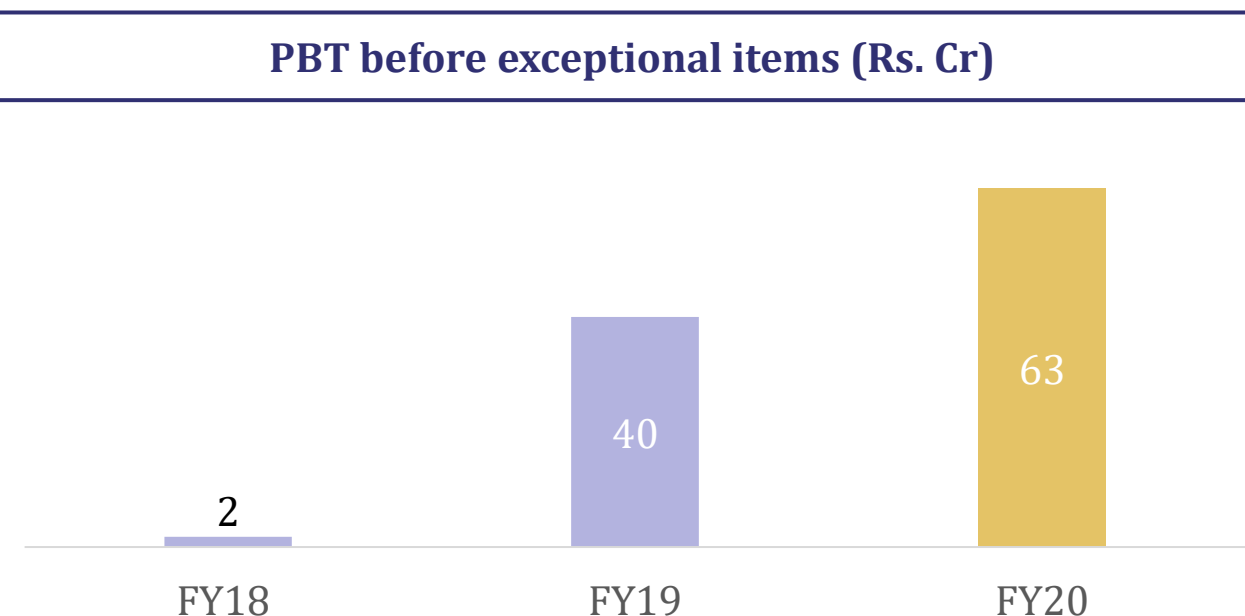
Revenue (Rs. Cr)



EBITDA (Rs. Cr)



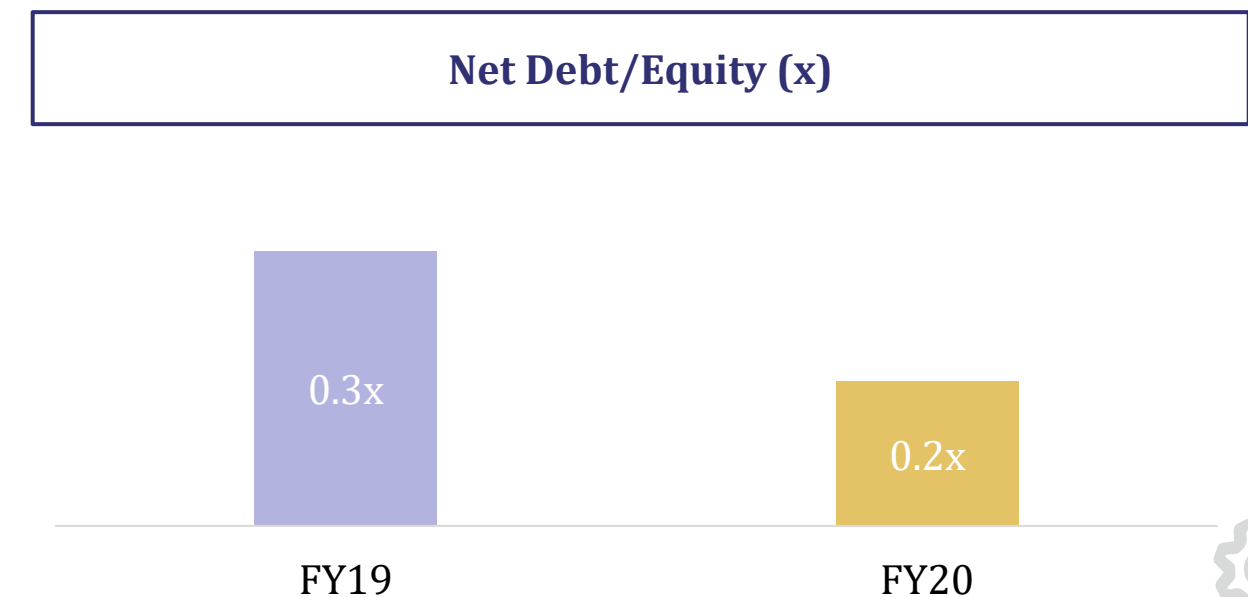
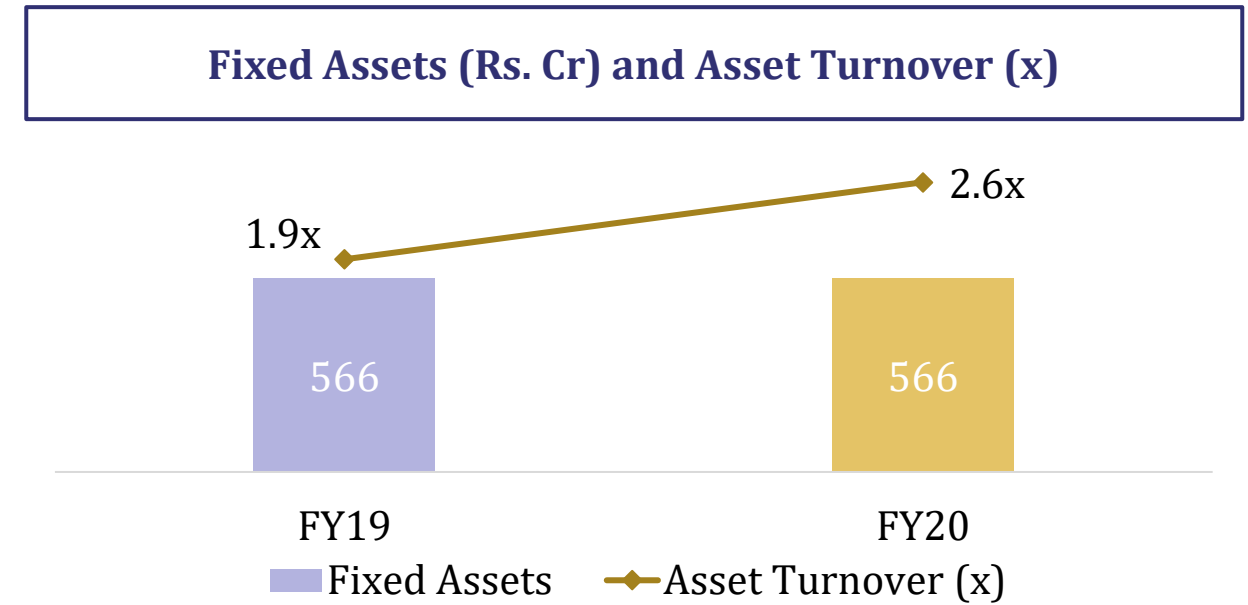
PBT before exceptional items (Rs. Cr)



Capital Structure: Standalone

Higher asset utilization and reduction in gross debt

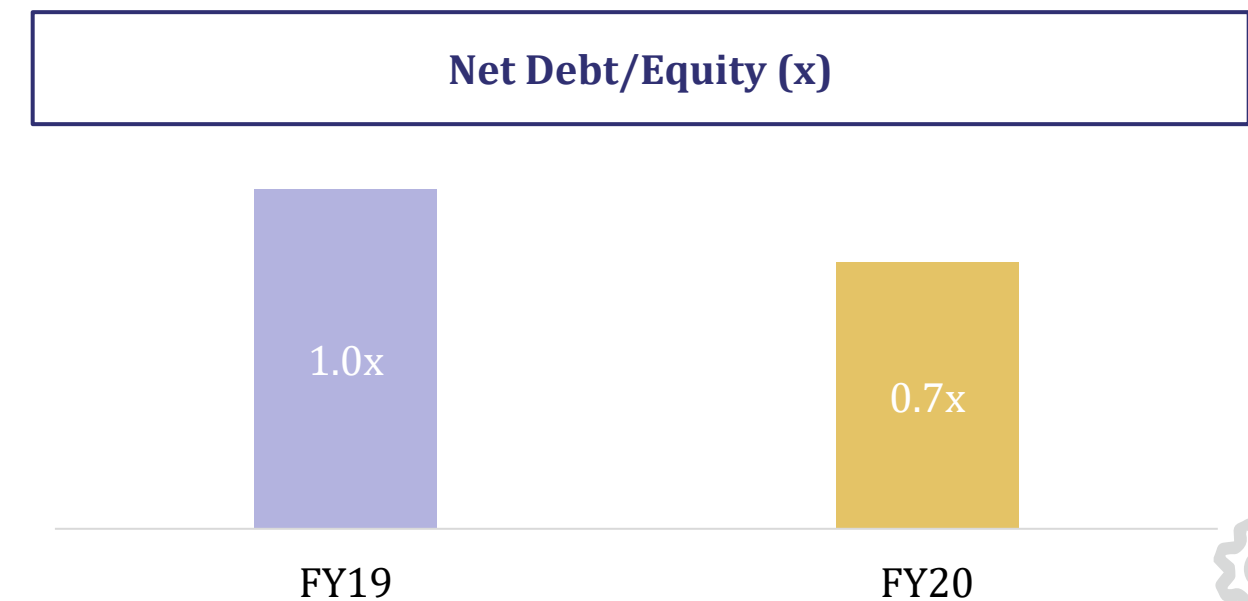
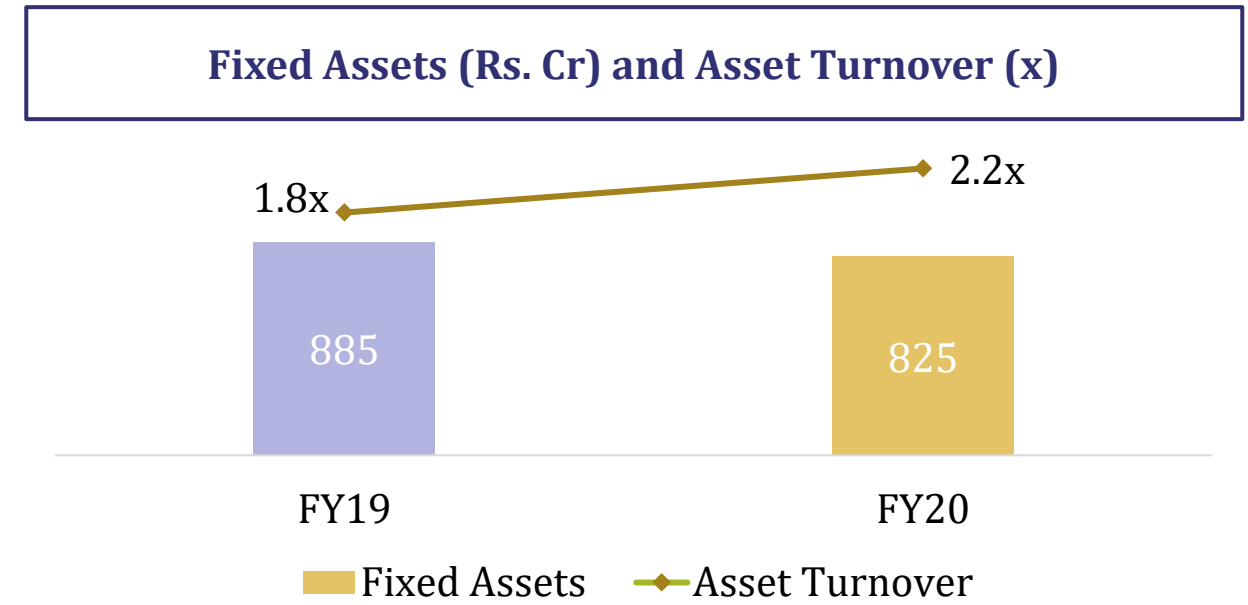
Rs. Crores	Mar-2019	Mar-2020
Short Term Debt	206	63
Long Term Debt	93	148
Gross Debt	299	211
Cash and Cash Equivalents	23	79
Net Debt	276	132
Total Equity	896	816



Capital Structure: Consolidated

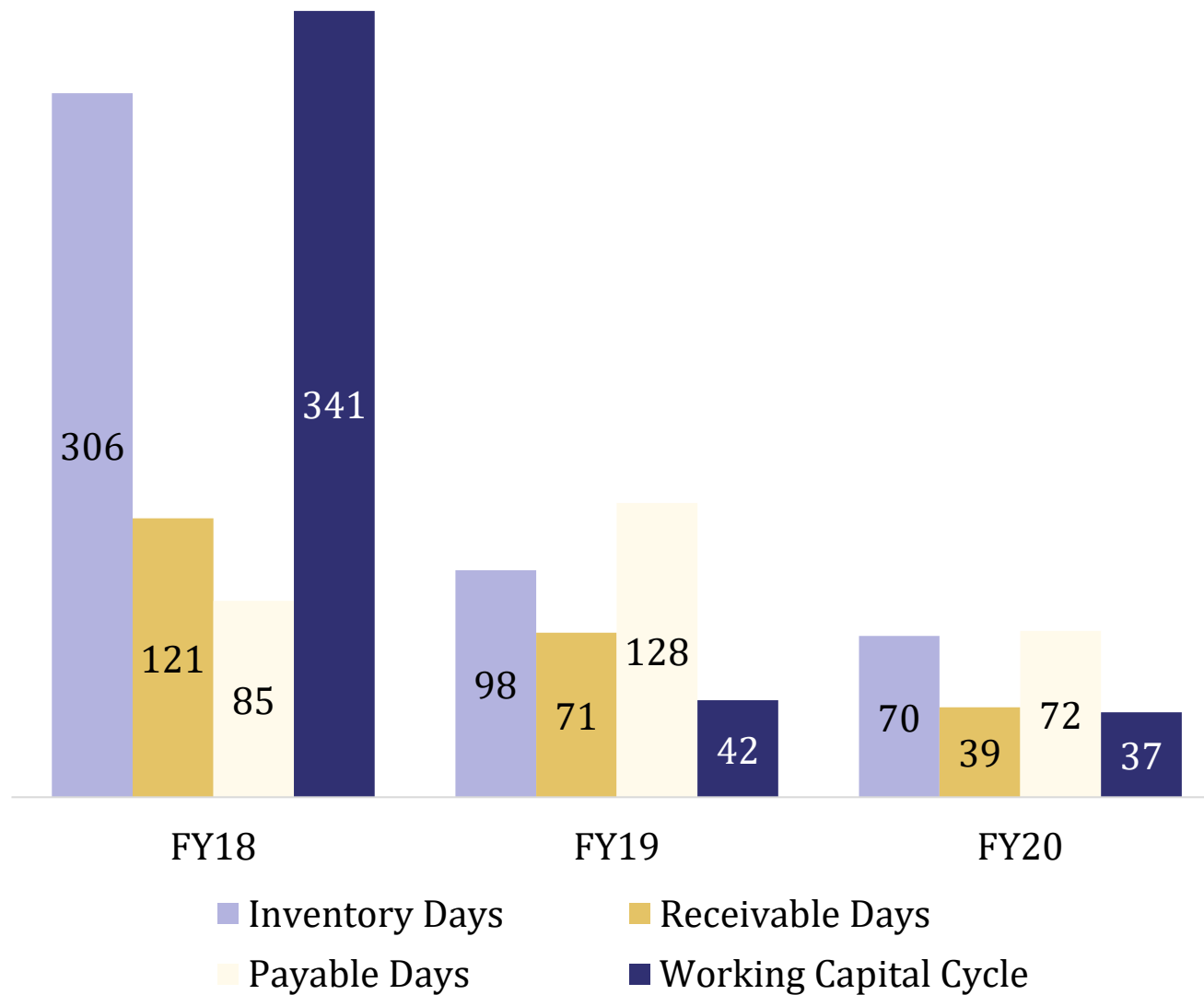
Higher asset utilization and reduction in gross debt

Rs. Crores	Mar-2019	Mar-2020
Short Term Debt	294	175
Long Term Debt	602	554
Gross Debt	896	729
Cash and Cash Equivalents	120	99
Net Debt	776	630
Total Equity	816	845

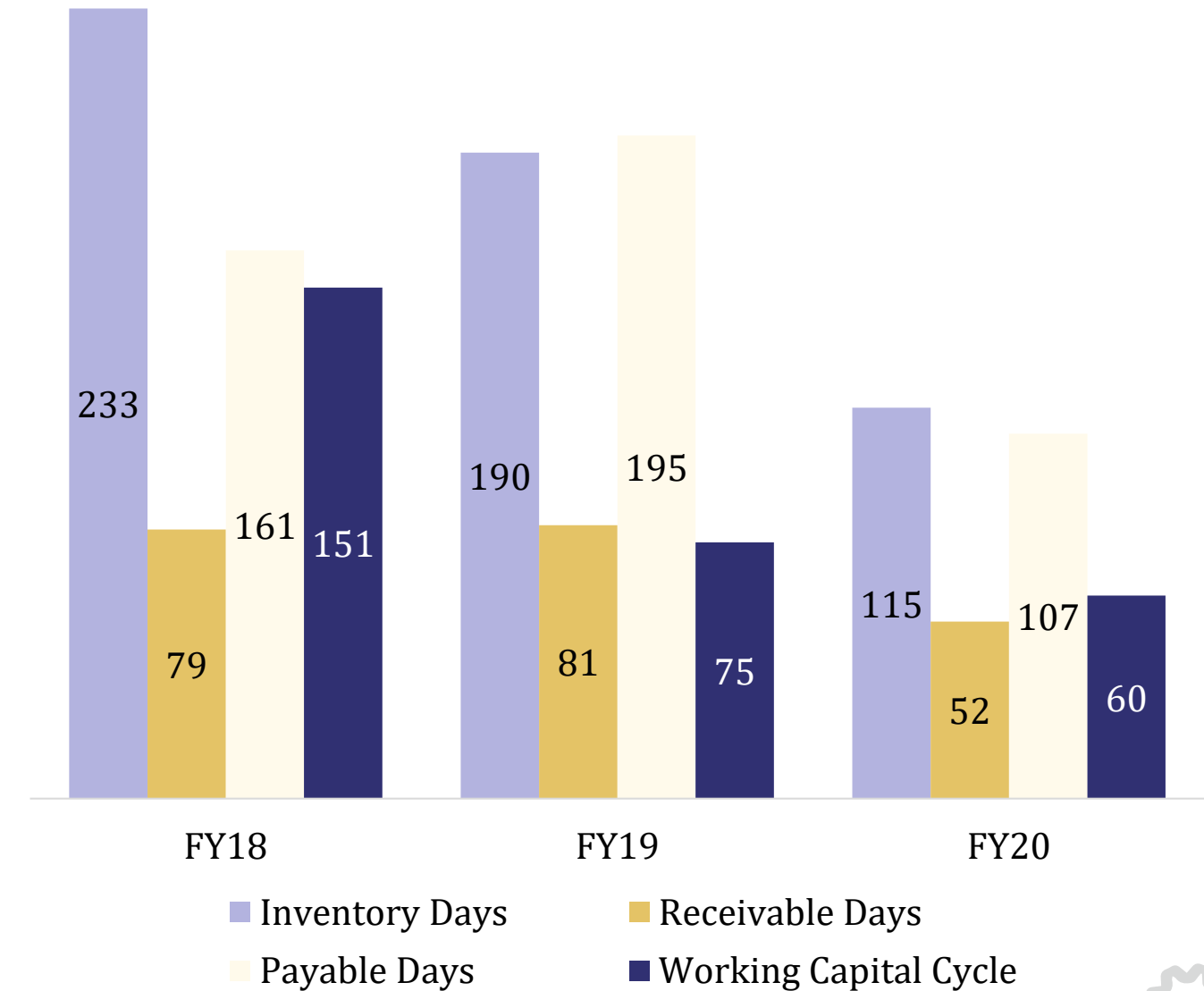


Working Capital Cycle

Standalone



Consolidated



	Strategy		Status Update
1 Reduction of Debt	Focus on debt reduction going forward	➔	Consolidated Net Debt reduced from Rs. 776 cr in Sep 2019 to Rs. 630 cr in Mar 2020 Management remains committed to further reduce debt going forward
2 Expand into Global Markets	Leverage Italy business experience and advanced technology to expand global footprint	➔	Signed contract worth Euro 216 mn with FCE Strategic Alliance with Hitachi to manufacture trains and its components
3 Consolidation of Subsidiaries	Management initiated consolidation of subsidiaries to simplify business structure	➔	Consolidation is effective as per NCLT order and it will lead to improvement in operating efficiencies
4 Diversified Product Portfolio	Diversify revenue profile in additional products	➔	Diversification into segments such as passenger rolling stocks, bridges, shipbuilding and propulsion equipment is in process and will reflect going forward
5 Strong Order Book	Strong, replenishing and advance backed orders with better margin level	➔	Order received from Pune Metro for the design, manufacture and supply of 34 trainsets. Received orders for 1,800 wagons worth Rs. 500 cr from Indian Railways in the month of Sep 2020.



1

Private Train Operations

Indian government's recently announced plan to include private players in 100 routes across the country expected to increase the demand for wagons

2

Dedicated Freight Corridor Network

Make in India initiative coupled with launch of Dedicated Freight Corridor (DFC), metro projects across all major Indian cities are expected boost wagon and electrical train manufacturing industry in the Country

3

Increasing Metro Network

TWL plans to bid for upcoming metro projects in Tier II cities based on its recent award of Pune Metro order

4

Propulsion Vertical

Expect significant growth opportunities for private train operations announced by Indian Railways
Tied up with ABB and design collaboration with AnsaldoBreda for metrolite



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 Wagons’ 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 Wagons 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 Wagons

T: +91 33 4019 0800
E: anil.agarwal@titagarh.in

Rohan Rege/ Ajay Tambhale
Churchgate Partners

T: +91 22 6169 5988
E: Titagarh@churchgatepartners.com





Titagarh Wagons Limited
Kolkata Registered & 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

Delhi Office

A-50 Type A, Hortron Complex
Electronic City, Sector -18
Gurugram - 122015, Haryana, India

CIN: L27320WB1997PLC084819