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Q1FY27 Result update
17th Aug 2026

Titagarh Rail Systems Ltd

Passenger coaches ramping up, while wheelset JV set to navigate supply chain constraints.

CMP: INR 831

Rating: BUY

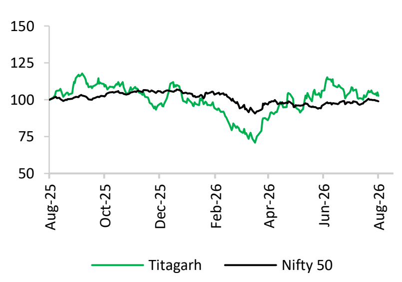
Target Price: INR 1,401

Stock Info	
BSE	532966
NSE	TITAGARH
Bloomberg	TWL:IN
Reuters	TITG.NS
Sector	Capital Goods
Face Value (INR)	2
Equity Capital (INR mn)	269
Mkt Cap (INR mn)	1,11,894
52w H/L (INR)	971 / 569
Avg Yearly Volume (in 000')	1,123.6

Shareholding Pattern % *(As on Jun, 2026)*	
Promoters	40.46
DII	15.38
FII	10.87
Public & Others	33.29

Stock Performance (%)	3m	6m	12m
TITAGARH	7.7	10.4	2.6
NIFTY	2.9	-5.1	-1.1

Titagarh vs Nifty



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Titagarh Rail Systems reported numbers, Q1FY27 revenue stood at INR 7,651mn (+12.6% YoY/-12.6% QoQ); slightly below our estimates of INR 7,963mn, supported by passenger coaches. Gross Profit stood at INR 2,024mn (+2.6% YoY/-13.5% QoQ), below our estimates of INR 2,317mn. Gross margins contracted 260 bps YoY (-28 bps QoQ) to 26.5% in Q1FY27, due to freight scale down. EBITDA stood at INR 949mn (+26.3% YoY/-2.4% QoQ); above our estimates of INR 892mn. EBITDA margin improved by 135bps YoY (+129 bps QoQ) to 12.4% in Q1FY27, supported by operating leverage and higher passenger margins. PAT stood at INR 526mn (+67% YoY/+2% QoQ), In-line with our estimates of INR 519mn. PAT margin improved by 224 bps YoY (+99 bps QoQ) to 6.9% in Q1FY27.

Key Highlights

Transformational pivot to high-growth passenger rail systems: Passenger rail systems revenue grew 196.7% YoY (+32.6% QoQ) to 2,298mn in Q1FY27, supported by strong volume of 30 coaches. The standalone order book stood at INR 133.35bn, with ~80% of the order book passenger-focused, providing multi-year visibility via Vande Bharat (5-year supply) and metro contracts (2-year supply). The company is focused on ramping up to 75-85 coaches per quarter (30 coaches in Q1FY27) and targeting 850+ coaches per annum capacity by FY30E. The key projects are on track, with bulk Bangalore/Gujarat metro deliveries in FY27E and the first Vande Bharat and Mumbai metro prototypes in Q4FY27E. The backward integration for Pune metro's aluminium coaches (moving from Firema Spa imports to in-house manufacturing) will enhance margins, reducing import dependence going forward. The end-to-end aluminium capability is a critical edge for bullet train opportunities.

Freight recovery supported by long-term demand: The freight production scaled down to 600-650 wagons per month (below 1,000 capacity) and is awaiting new tenders, which is supported by demand as Indian Railways must double freight from 1.5 to 3bn tons. The company is pursuing private sector orders to bridge gaps. Freight provides stable cash flow while the passenger business scales up, and passenger could eventually overtake the freight business over the long-term. The diversified portfolio across freight and passenger rail insulates against cyclicality and captures growth across the entire rail ecosystem.

Wheelset JV and Shipbuilding are strategic growth levers: The wheelset JV with RK Forgings, beginning trial production in Q2FY27. The JV has a 20-year supply contract with Indian Railways underwriting 40% of its 220,000-250,000 annual wheel capacity (~80,000 wheels/year). The wheel realization is ~INR 1 lakh, and margins are expected to be in line with the standard forging business. The shipbuilding subsidiary (Titagarh Naval Systems) is constructing a new Palta shipyard, operational by Q1/Q2FY28E, with a seasoned ex-Hindustan Shipyard CMD leading it and an existing vessel order.

Outlook & Valuation: **Titagarh Rail Systems' successful strategic pivot towards the high-growth passenger rail segment, which now comprises ~80% of its standalone order book and is set to become the dominant revenue driver. The passenger coaches volume stood at 30 coaches in Q1FY27, and management is targeting a 75-85 coaches per quarter run-rate by end of FY27E and a long-term capacity target of 850+ coaches per annum by FY30E. The execution is on track, and bulk Bangalore and Gujarat metro deliveries are expected in FY27E, while the first Vande Bharat and Mumbai metro prototypes are due in Q4FY27E. The freight segment, currently subdued, faces demand revival as Indian Railways must double freight to 3bn tons, ensuring new orders. The wheelset JV with RK Forgings (trial production in Q2FY27, 20-year railway contract) and the shipbuilding subsidiary (Palta yard operational by early FY28E) are poised to unlock new, long-term revenue streams. Backward integration in propulsion and aluminium coach manufacturing is expected to enhance margins. In the Base Case, Revenue is expected to grow at a CAGR of 26.6% for FY26-FY29E, and RoE is expected to be at 16.4% in FY29E. The stock is trading at 43.5x its FY27E EPS. In the Base Case Scenario, at the CMP of INR 831 per share, we are maintaining our "BUY" rating and value the stock at 35x (~50% of Mean 1-Year Forward PE) of its FY29E EPS of INR 40 and arrive at a price objective of INR 1,401, an upside of 68.6%**

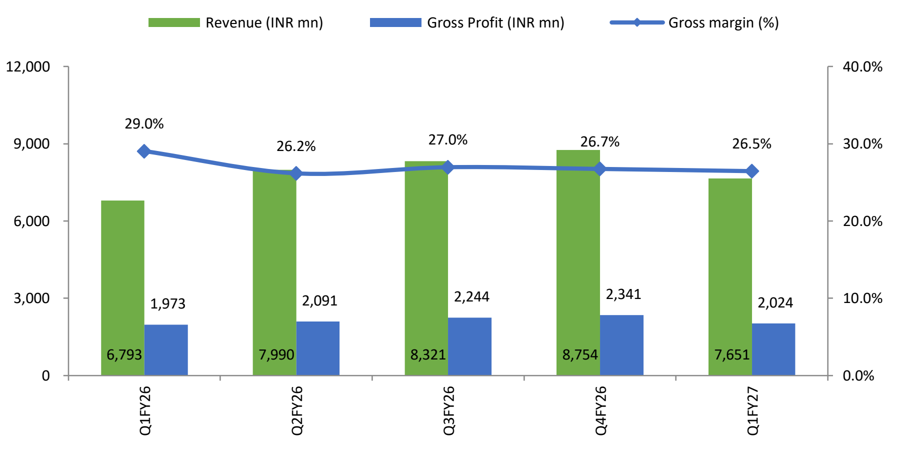
Q1FY27 Results

Exhibit 1: Income statement summary

Particular (INR Mn)	Q1FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Revenue	**6,793**	**8,754**	**7,651**	**12.6%**	**-12.6%**
Net Raw Materials	4,820	6,414	5,627	16.7%	-12.3%
Gross Profit	**1,973**	**2,341**	**2,024**	**2.6%**	**-13.5%**
Gross Margin (%)	**29.0%**	**26.7%**	**26.5%**	**-260 bps**	**-28 bps**
Employee Cost	263	278	285	8.4%	2.5%
Other Expenses	959	1,090	790	-17.7%	-27.5%
EBITDA	**751**	**972**	**949**	**26.3%**	**-2.4%**
EBITDA Margin (%)	**11.1%**	**11.1%**	**12.4%**	**+135 bps**	**+129 bps**
Depreciation	119	142	150		
Interest expense	178	169	151		
Other income	117	116	66		
Share of profits associate & JV	(110)	(50)	(6)		
Profit before tax	**460**	**727**	**709**		
Taxes	145	212	183		
PAT	**315**	**516**	**526**	**67.0%**	**2.0%**
PAT Margin (%)	**4.6%**	**5.9%**	**6.9%**	**+224 bps**	**+99 bps**
EPS (INR)	**2.3**	**3.8**	**3.9**		

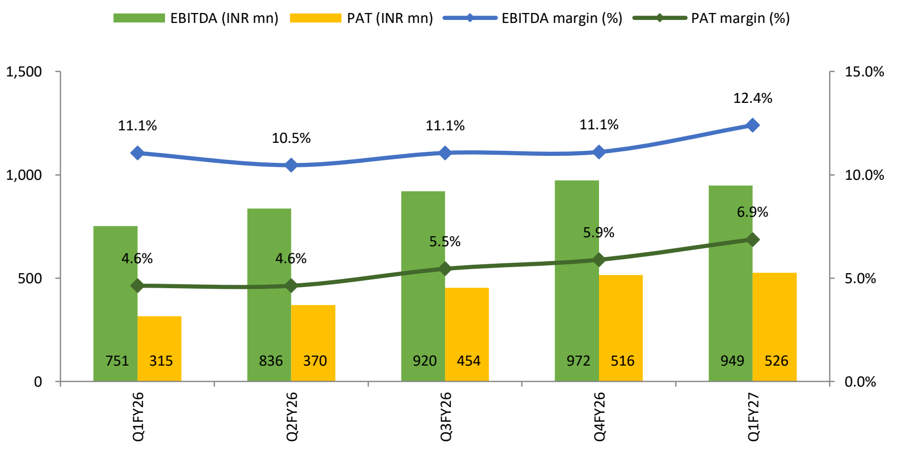
Source: Company Reports, Arihant Capital Research

Exhibit 2: Gross margins contracted by 260bps YoY (down by 28bps QoQ) to 26.5% in Q1FY27, due to higher RM costs.



Source: Company Reports, Arihant Capital Research

Exhibit 3: EBITDA margin improved by 135bps YoY (up by 129bps QoQ) to 12.4% in Q1FY27, due to lower employee & other expenses in-terms of sales.



Source: Company Reports, Arihant Capital Research

Segments and Order book

Exhibit 4: Freight business is expected to revive supported by new wagon tenders and wheelset supply chain normalization. The JV wheelset plant is expected to commence production by Q2FY27 and expected to resolve wheelset constraints. Passenger rolling stock volumes stood at 30 coaches in Q1FY27 and management is targeting 75-85 coaches/quarter by end of FY27E.

Segment Revenue (INR mn)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Freight Rolling Stock	5,966	6,768	6,564	6,852	5,053	-15.3%	-26.3%
Passenger Rolling Stock	774	1,222	1,664	1,733	2,298	196.7%	32.6%
Shipbuilding, Bridges and Defence	53	-	93	169	300	466.2%	77.7%
Total Revenue	**6,793**	**7,990**	**8,321**	**8,754**	**7,651**	**12.6%**	**-12.6%**

Segment Revenue share (%)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Freight Rolling Stock	87.8%	84.7%	78.9%	78.3%	66.0%		
Passenger Rolling Stock	11.4%	15.3%	20.0%	19.8%	30.0%		
Shipbuilding	0.8%	0.0%	1.1%	1.9%	3.9%		
Total Revenue	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		

Source: Company Reports, Arihant Capital Research

Exhibit 5: Freight wagon margins are expected to stabilize 11%-12% going forward. Passenger Rail Systems margins stood at 14.7% in Q1FY27 and expected to stabilize 12% in the near term and 15% over the next 2-3 years, supported by backward integration.

Segment EBIT (INR mn)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Freight Rolling Stock	692	726	822	886	617	-10.9%	-30.4%
Passenger Rolling Stock	86	140	216	329	337	291.3%	2.6%
Shipbuilding	(21)	-	(75)	(58)	11	-152.4%	-118.6%
Total EBIT	**758**	**866**	**963**	**1,157**	**965**	**27.3%**	**-16.6%**

Segment EBIT Margin (%)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Freight Rolling Stock	11.6%	10.7%	12.5%	12.9%	12.2%		
Passenger Rolling Stock	11.1%	11.4%	13.0%	19.0%	14.7%		
Shipbuilding	-38.9%	-	-80.5%	-34.5%	3.6%		
EBIT Margin	**11.2%**	**10.8%**	**11.6%**	**13.2%**	**12.6%**		

Source: Company Reports, Arihant Capital Research

Exhibit 6: The order book stood at INR 266.4bn as of Q1FY27. Passenger coaches order book constitutes ~80% of standalone order book, which is expected to drive business over the medium term. Freight wagon tenders are expected improve the order book going forward.

Standalone Order book (INR bn)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Freight Rolling Stock	41.1	36.3	31.3	31.0	24.7	-40.0%	-20.3%
Passenger Rolling Stock	85.8	109.6	107.9	106.0	104.0	21.1%	-1.9%
Shipbuilding	-	4.9	5.0	5.0	4.7	-	-6.0%
Standalone order book	**127.0**	**150.8**	**144.6**	**142.4**	**133.4**	**5.0%**	**-6.4%**

JV - Order book (INR bn)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Vande Bharat with BHEL	70.3	70.3	70.0	70.0	70.0	-0.4%	-
Wheelsets with Ramakrishna Forgings	63.0	63.0	63.0	63.0	63.0	-	-
JV - order book	**133.3**	**133.3**	**133.0**	**133.0**	**133.0**	**-0.2%**	**0.0%**
Total order book	**260.2**	**284.0**	**277.6**	**275.4**	**266.4**	**2.4%**	**-3.3%**

Standalone Order book (%)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Freight Rolling Stock	15.8%	12.8%	11.3%	11.3%	9.3%		
Passenger Rolling Stock	33.0%	38.6%	38.9%	38.5%	39.0%		
Shipbuilding	0.0%	1.7%	1.8%	1.8%	1.8%		
Standalone order book	**48.8%**	**53.1%**	**52.1%**	**51.7%**	**50.1%**		

JV - Order book (%)	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27	YoY (%)	QoQ (%)
Vande Bharat with BHEL	27.0%	24.7%	25.2%	25.4%	26.3%		
Wheelsets with Ramakrishna Forgings	24.2%	22.2%	22.7%	22.9%	23.7%		
JV - order book	**51.2%**	**46.9%**	**47.9%**	**48.3%**	**49.9%**		
Total order book	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**		

Source: Company Reports, Arihant Capital Research

Q1FY27 Concall Highlights

Order book

- The order book stood at INR 266.35bn, including share of JV orders.
- The standalone order book stood at INR 133.35bn, with heavy concentration in Passenger Rail Systems at INR 103.95bn.
- The freight rail order book stood at INR 24.7bn, representing 5,300 wagons.
- The orders skewed towards long-term passenger contracts (Vande Bharat over 5 years, Metro over 2 years).
- The large new tender is awaited from Indian Railways, which is expected but delayed.

Margins

- JV margins are expected to be in line with the standard forging business.
- Margin improvement is expected from backward integration initiatives. The company will manufacture sub-assemblies in-house rather than importing from Firema Spa for Pune aluminium coach manufacturing.

Freight Wagons

- Wagon volumes stood at 1,284 units in Q1FY27. The company consciously scaled down production.
- The company aims to produce 600-650 wagons per month until new orders materialize.
- The long-term demand is strong, driven by Indian Railways' target to move 3bn tons of freight. The company is also pursuing private sector orders to bridge the gap.

Passenger (Vande Bharat and Metros)

- The management is targeting 75-85 coaches/quarter in FY27E.
- The long-term capacity target is 850+ coaches/annum by FY30E, covering metro, Vande Bharat, and commuter coaches.
- The bulk of the Bangalore and Gujarat metro orders will be completed in FY27E, with slight spillover into Q1FY28E. The Mumbai metro prototype and the first Vande Bharat train set are both expected in Q4 FY27E.
- The Vande Bharat order is executed via a consortium with BHEL.

Capex

- Capex is directed towards expanding Passenger Rail Systems capacity to 850+ coaches, setting up the new shipyard in Palta for Titagarh Naval Systems, and acquiring machinery for aluminium coach backward integration.
- The company is also investing in the wheelset manufacturing plant with RK Forgings.

Q1FY27 Concall Highlights

Wheelset JV

- The wheelset JV is targeting trial production in Q2FY27, with commercial supplies to follow post-approval.
- The wheelset JV has a 20-year supply contract with Indian Railways, which has underwritten 40% of its capacity (~80,000 wheels per year).
- Total plant capacity is 220,000-250,000 wheels per annum, with each wheel valued at ~INR 1 lakh. The venture will sell the balance capacity to Titagarh or other customers.

Shipbuilding

- The shipbuilding business is under a wholly-owned subsidiary, Titagarh Naval Systems. The current vessel order is worth INR 1.7bn, with the first delivery in over 30 months and the rest over two years.
- The new shipyard is expected to be fully operational by Q1/Q2FY28E.

In-house

- The company is now setting up in-house facilities to manufacture sub-assemblies.
- The facility is expected to be commissioned by Q1FY28E. This move establishes full end-to-end aluminium coach manufacturing capability in India, positioning the company for future projects like the bullet train.

Other highlights

- MRVC tender was cancelled and is likely to shift production at railway PSUs towards local trains. It's freeing up Vande Bharat production, which could be tendered out to private players.
- The growth drivers are the government's rail modernization plans, the doubling of the metro network from 25 to 50 cities, the target to double freight movement to 3bn tons, and the Atmanirbhar Bharat initiative.

Sensitivity Analysis

Freight Rail Systems Revenue (INR mn) - FY27E

Wagon Volumes	Freight Wagon Realization (INR Mn/Wagon)										
25,080	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.3	4.4	4.5
5,800	20,300	20,880	21,460	22,040	22,620	23,200	23,780	24,360	24,940	25,520	26,100
6,000	21,000	21,600	22,200	22,800	23,400	24,000	24,600	25,200	25,800	26,400	27,000
6,200	21,700	22,320	22,940	23,560	24,180	24,800	25,420	26,040	26,660	27,280	27,900
6,400	22,400	23,040	23,680	24,320	24,960	25,600	26,240	26,880	27,520	28,160	28,800
6,600	23,100	23,760	24,420	25,080	25,740	26,400	27,060	27,720	28,380	29,040	29,700
6,800	23,800	24,480	25,160	25,840	26,520	27,200	27,880	28,560	29,240	29,920	30,600
7,000	24,500	25,200	25,900	26,600	27,300	28,000	28,700	29,400	30,100	30,800	31,500
7,200	25,200	25,920	26,640	27,360	28,080	28,800	29,520	30,240	30,960	31,680	32,400
7,400	25,900	26,640	27,380	28,120	28,860	29,600	30,340	31,080	31,820	32,560	33,300
7,600	26,600	27,360	28,120	28,880	29,640	30,400	31,160	31,920	32,680	33,440	34,200
7,800	27,300	28,080	28,860	29,640	30,420	31,200	31,980	32,760	33,540	34,320	35,100

Freight Rail Systems Revenue (INR mn) - FY28E

Wagon Volumes	Freight Wagon Realization (INR Mn/Wagon)										
29,640	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.3	4.4	4.5
7,000	24,500	25,200	25,900	26,600	27,300	28,000	28,700	29,400	30,100	30,800	31,500
7,200	25,200	25,920	26,640	27,360	28,080	28,800	29,520	30,240	30,960	31,680	32,400
7,400	25,900	26,640	27,380	28,120	28,860	29,600	30,340	31,080	31,820	32,560	33,300
7,600	26,600	27,360	28,120	28,880	29,640	30,400	31,160	31,920	32,680	33,440	34,200
7,800	27,300	28,080	28,860	29,640	30,420	31,200	31,980	32,760	33,540	34,320	35,100
8,000	28,000	28,800	29,600	30,400	31,200	32,000	32,800	33,600	34,400	35,200	36,000
8,200	28,700	29,520	30,340	31,160	31,980	32,800	33,620	34,440	35,260	36,080	36,900
8,400	29,400	30,240	31,080	31,920	32,760	33,600	34,440	35,280	36,120	36,960	37,800
8,600	30,100	30,960	31,820	32,680	33,540	34,400	35,260	36,120	36,980	37,840	38,700
8,800	30,800	31,680	32,560	33,440	34,320	35,200	36,080	36,960	37,840	38,720	39,600
9,000	31,500	32,400	33,300	34,200	35,100	36,000	36,900	37,800	38,700	39,600	40,500

Freight Rail Systems Revenue (INR mn) - FY29E

Wagon Volumes	Freight Wagon Realization (INR Mn/Wagon)										
34,200	3.5	3.6	3.7	3.8	3.9	4.0	4.1	4.2	4.3	4.4	4.5
8,200	28,700	29,520	30,340	31,160	31,980	32,800	33,620	34,440	35,260	36,080	36,900
8,400	29,400	30,240	31,080	31,920	32,760	33,600	34,440	35,280	36,120	36,960	37,800
8,600	30,100	30,960	31,820	32,680	33,540	34,400	35,260	36,120	36,980	37,840	38,700
8,800	30,800	31,680	32,560	33,440	34,320	35,200	36,080	36,960	37,840	38,720	39,600
9,000	31,500	32,400	33,300	34,200	35,100	36,000	36,900	37,800	38,700	39,600	40,500
9,200	32,200	33,120	34,040	34,960	35,880	36,800	37,720	38,640	39,560	40,480	41,400
9,400	32,900	33,840	34,780	35,720	36,660	37,600	38,540	39,480	40,420	41,360	42,300
9,600	33,600	34,560	35,520	36,480	37,440	38,400	39,360	40,320	41,280	42,240	43,200
9,800	34,300	35,280	36,260	37,240	38,220	39,200	40,180	41,160	42,140	43,120	44,100
10,000	35,000	36,000	37,000	38,000	39,000	40,000	41,000	42,000	43,000	44,000	45,000
10,200	35,700	36,720	37,740	38,760	39,780	40,800	41,820	42,840	43,860	44,880	45,900

Source: Company Reports, Arihant Capital Research

- Bull Case - Base Case - Bear Case

Sensitivity Analysis

Passenger Rail Systems Revenue (INR mn) - FY27E

Rollingstocks Volumes	Rollingstocks Realization (INR Mn/car)										
11,200	60.0	65.0	70.0	75.0	80.0	85.0	90.0	95.0	100.0	105.0	110.0
100	6,000	6,500	7,000	7,500	8,000	8,500	9,000	9,500	10,000	10,500	11,000
110	6,600	7,150	7,700	8,250	8,800	9,350	9,900	10,450	11,000	11,550	12,100
120	7,200	7,800	8,400	9,000	9,600	10,200	10,800	11,400	12,000	12,600	13,200
130	7,800	8,450	9,100	9,750	10,400	11,050	11,700	12,350	13,000	13,650	14,300
140	8,400	9,100	9,800	10,500	11,200	11,900	12,600	13,300	14,000	14,700	15,400
150	9,000	9,750	10,500	11,250	12,000	12,750	13,500	14,250	15,000	15,750	16,500
160	9,600	10,400	11,200	12,000	12,800	13,600	14,400	15,200	16,000	16,800	17,600
170	10,200	11,050	11,900	12,750	13,600	14,450	15,300	16,150	17,000	17,850	18,700
180	10,800	11,700	12,600	13,500	14,400	15,300	16,200	17,100	18,000	18,900	19,800
190	11,400	12,350	13,300	14,250	15,200	16,150	17,100	18,050	19,000	19,950	20,900
200	12,000	13,000	14,000	15,000	16,000	17,000	18,000	19,000	20,000	21,000	22,000

Passenger Rail Systems Revenue (INR mn) - FY28E

Rollingstocks Volumes	Rollingstocks Realization (INR Mn/car)										
19,200	60.0	65.0	70.0	75.0	80.0	85.0	90.0	95.0	100.0	105.0	110.0
200	12,000	13,000	14,000	15,000	16,000	17,000	18,000	19,000	20,000	21,000	22,000
210	12,600	13,650	14,700	15,750	16,800	17,850	18,900	19,950	21,000	22,050	23,100
220	13,200	14,300	15,400	16,500	17,600	18,700	19,800	20,900	22,000	23,100	24,200
230	13,800	14,950	16,100	17,250	18,400	19,550	20,700	21,850	23,000	24,150	25,300
240	14,400	15,600	16,800	18,000	19,200	20,400	21,600	22,800	24,000	25,200	26,400
250	15,000	16,250	17,500	18,750	20,000	21,250	22,500	23,750	25,000	26,250	27,500
260	15,600	16,900	18,200	19,500	20,800	22,100	23,400	24,700	26,000	27,300	28,600
270	16,200	17,550	18,900	20,250	21,600	22,950	24,300	25,650	27,000	28,350	29,700
280	16,800	18,200	19,600	21,000	22,400	23,800	25,200	26,600	28,000	29,400	30,800
290	17,400	18,850	20,300	21,750	23,200	24,650	26,100	27,550	29,000	30,450	31,900
300	18,000	19,500	21,000	22,500	24,000	25,500	27,000	28,500	30,000	31,500	33,000

Passenger Rail Systems Revenue (INR mn) - FY29E

Rollingstocks Volumes	Rollingstocks Realization (INR Mn/car)										
28,800	60.0	65.0	70.0	75.0	80.0	85.0	90.0	95.0	100.0	105.0	110.0
320	19,200	20,800	22,400	24,000	25,600	27,200	28,800	30,400	32,000	33,600	35,200
330	19,800	21,450	23,100	24,750	26,400	28,050	29,700	31,350	33,000	34,650	36,300
340	20,400	22,100	23,800	25,500	27,200	28,900	30,600	32,300	34,000	35,700	37,400
350	21,000	22,750	24,500	26,250	28,000	29,750	31,500	33,250	35,000	36,750	38,500
360	21,600	23,400	25,200	27,000	28,800	30,600	32,400	34,200	36,000	37,800	39,600
370	22,200	24,050	25,900	27,750	29,600	31,450	33,300	35,150	37,000	38,850	40,700
380	22,800	24,700	26,600	28,500	30,400	32,300	34,200	36,100	38,000	39,900	41,800
390	23,400	25,350	27,300	29,250	31,200	33,150	35,100	37,050	39,000	40,950	42,900
400	24,000	26,000	28,000	30,000	32,000	34,000	36,000	38,000	40,000	42,000	44,000
410	24,600	26,650	28,700	30,750	32,800	34,850	36,900	38,950	41,000	43,050	45,100
420	25,200	27,300	29,400	31,500	33,600	35,700	37,800	39,900	42,000	44,100	46,200

Source: Company Reports, Arihant Capital Research

- Bull Case
- Base Case
- Bear Case

Scenario Analysis

Exhibit 7: Scenario Analysis

Bull Case (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Freight Rail Systems	22,509	34,176	34,918	26,043	27,300	31,980	36,660
Passenger Rail Systems	5,287	4,357	2,575	5,393	12,750	22,100	32,300
Shipbuilding	-	-	1,184	422	1,183	1,419	1,703
Total Revenue	**27,796**	**38,533**	**38,678**	**31,858**	**41,233**	**55,499**	**70,663**

Base Case (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Freight Rail Systems	22,509	34,176	34,918	26,043	25,080	29,640	34,200
Passenger Rail Systems	5,287	4,357	2,575	5,393	11,200	19,200	28,800
Shipbuilding	-	-	1,184	422	1,183	1,419	1,703
Total Revenue	**27,796**	**38,533**	**38,678**	**31,858**	**37,463**	**50,259**	**64,703**

Bear Case (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Freight Rail Systems	22,509	34,176	34,918	26,043	23,680	28,120	32,560
Passenger Rail Systems	5,287	4,357	2,575	5,393	9,750	17,250	26,250
Shipbuilding			1,184	422	1,183	1,419	1,703
Total Revenue	**27,796**	**38,533**	**38,678**	**31,858**	**34,613**	**46,789**	**60,513**

Source: Company, Arihant Capital Research

Valuation

Exhibit 8: Bull Case Scenario

Bull Case (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	27,796	38,533	38,678	31,858	41,233	55,499	70,663
EBITDA	2,635	4,519	4,330	3,480	4,714	6,562	8,631
EBITDA Margin (%)	9.5%	11.7%	11.2%	10.9%	11.4%	11.8%	12.2%
PAT	1,157	2,865	853	1,230	2,931	4,380	5,994
PAT Margin (%)	4.2%	7.4%	2.2%	3.9%	7.1%	7.9%	8.5%
EPS (INR)	11.3	21.4	6.4	9.0	21.8	32.5	44.5

Valuation - P/E (FY29E)	
EPS (INR)	44.5
P/E (x)	35.0
Target Price (INR)	**1,558**
CMP (INR)	**831**
Upside/Downside (%)	**87.5%**

Source: Company, Arihant Capital Research

Exhibit 9: Bear Case Scenario

Bear Case (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	27,796	38,533	38,678	31,858	34,613	46,789	60,513
EBITDA	2,635	4,519	4,330	3,480	3,970	5,548	7,411
EBITDA Margin (%)	9.5%	11.7%	11.2%	10.9%	11.5%	11.9%	12.2%
PAT	1,157	2,865	853	1,230	2,305	3,524	4,966
PAT Margin (%)	4.2%	7.4%	2.2%	3.9%	6.7%	7.5%	8.2%
EPS (INR)	11.3	21.4	6.4	9.0	17.1	26.2	36.9

Valuation - P/E (FY29E)	
EPS (INR)	36.9
P/E (x)	35.0
Target Price (INR)	**1,291**
CMP (INR)	**831**
Upside/Downside (%)	**55.3%**

Source: Company, Arihant Capital Research

Exhibit 10: Base Case Scenario

Base Case (INR mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	27,796	38,533	38,678	31,858	37,463	50,259	64,703
EBITDA	2,635	4,519	4,330	3,480	4,290	5,951	7,914
EBITDA Margin (%)	9.5%	11.7%	11.2%	10.9%	11.5%	11.8%	12.2%
PAT	1,157	2,865	853	1,230	2,575	3,865	5,390
PAT Margin (%)	4.2%	7.4%	2.2%	3.9%	6.9%	7.7%	8.3%
EPS (INR)	11.3	21.4	6.4	9.0	19.1	28.7	40.0

Valuation - P/E (FY29E)	
EPS (INR)	40.0
P/E (x)	35.0
Target Price (INR)	**1,401**
CMP (INR)	**831**
Upside/Downside (%)	**68.6%**

Source: Company, Arihant Capital Research

Sensitivity Analysis

Exhibit 11: Changes in revenue and EBITDA margin impact on PAT & EPS.

FY29E PAT (INR mn)

Revenue (INR mn)	EBITDA Margin (%)						
5,390	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%	14.0%
60,000	4,411	4,635	4,858	5,082	5,305	5,529	5,753
62,000	4,575	4,806	5,037	5,268	5,499	5,730	5,961
64,000	4,739	4,978	5,216	5,455	5,693	5,931	6,170
66,000	4,903	5,149	5,395	5,641	5,887	6,133	6,378
68,000	5,067	5,320	5,574	5,827	6,080	6,334	6,587
70,000	5,231	5,492	5,753	6,013	6,274	6,535	6,796
72,000	5,395	5,663	5,931	6,200	6,468	6,736	7,004

FY29E EPS (INR)

Revenue (INR mn)	EBITDA Margin (%)						
40.0	11.0%	11.5%	12.0%	12.5%	13.0%	13.5%	14.0%
60,000	32.8	34.4	36.1	37.7	39.4	41.1	42.7
62,000	34.0	35.7	37.4	39.1	40.8	42.6	44.3
64,000	35.2	37.0	38.7	40.5	42.3	44.1	45.8
66,000	36.4	38.2	40.1	41.9	43.7	45.5	47.4
68,000	37.6	39.5	41.4	43.3	45.2	47.0	48.9
70,000	38.8	40.8	42.7	44.7	46.6	48.5	50.5
72,000	40.1	42.1	44.1	46.0	48.0	50.0	52.0

Source: Company Reports, Arihant Capital Research

Exhibit 12: Target Price range based on PE & EV/EBITDA.

FY29E Target Price (INR)

EPS (INR)	PE (x)						
1,401	25	30	35	40	45	50	55
38.0	950	1,140	1,330	1,520	1,710	1,900	2,090
39.0	975	1,170	1,365	1,560	1,755	1,950	2,145
40.0	1,000	1,200	1,400	1,600	1,800	2,000	2,200
41.0	1,025	1,230	1,435	1,640	1,845	2,050	2,255
42.0	1,050	1,260	1,470	1,680	1,890	2,100	2,310
43.0	1,075	1,290	1,505	1,720	1,935	2,150	2,365
44.0	1,100	1,320	1,540	1,760	1,980	2,200	2,420

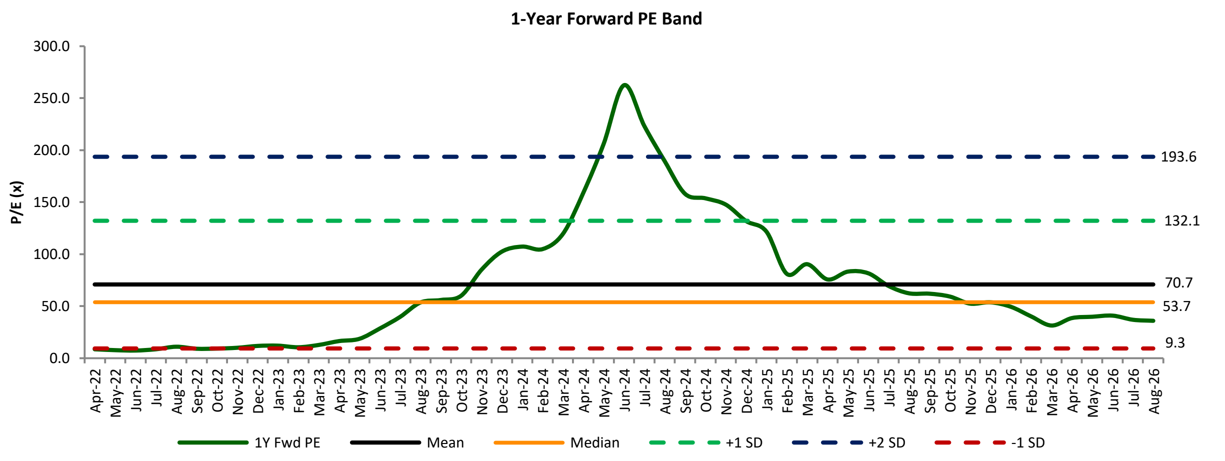
FY29E Target Price (INR)

EBITDA (INR mn)	EV/EBITDA (x)						
1,401	20.0x	22.0x	24.0x	26.0x	28.0x	30.0x	32.0x
7,400	1,151	1,260	1,370	1,480	1,590	1,700	1,810
7,600	1,180	1,293	1,406	1,519	1,632	1,745	1,858
7,800	1,210	1,326	1,442	1,557	1,673	1,789	1,905
8,000	1,240	1,358	1,477	1,596	1,715	1,834	1,953
8,200	1,269	1,391	1,513	1,635	1,757	1,878	2,000
8,400	1,299	1,424	1,549	1,673	1,798	1,923	2,048
8,600	1,329	1,456	1,584	1,712	1,840	1,967	2,095

Source: Company Reports, Arihant Capital Research

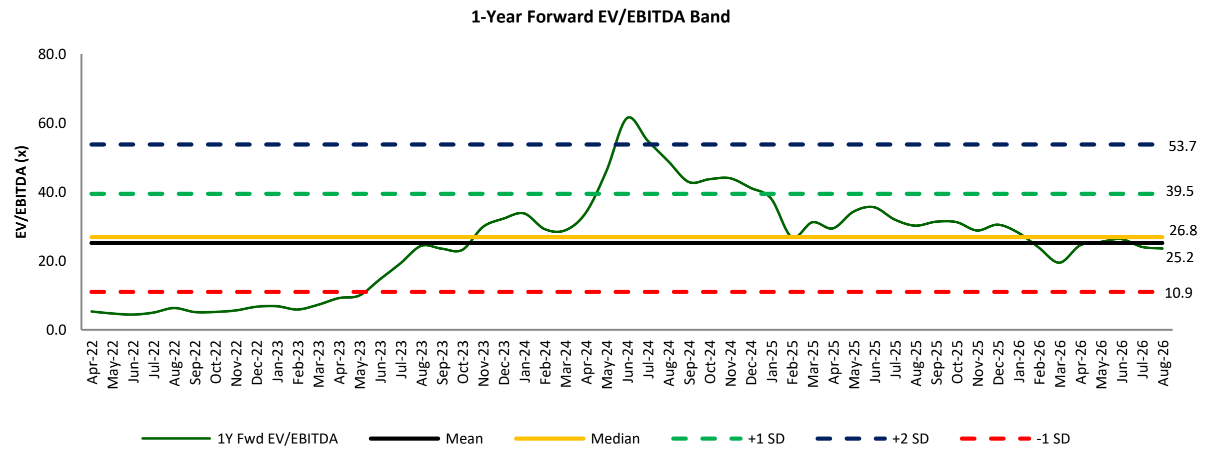
Outlook & Valuation: Titagarh Rail Systems' successful strategic pivot towards the high-growth passenger rail segment, which now comprises ~80% of its standalone order book and is set to become the dominant revenue driver. The passenger coaches volume stood at 30 coaches in Q1FY27, and management is targeting a 75-85 coaches per quarter run-rate by end of FY27E and a long-term capacity target of 850+ coaches per annum by FY30E. The execution is on track, and bulk Bangalore and Gujarat metro deliveries are expected in FY27E, while the first Vande Bharat and Mumbai metro prototypes are due in Q4FY27E. The freight segment, currently subdued, faces demand revival as Indian Railways must double freight to 3bn tons, ensuring new orders. The wheelset JV with RK Forgings (trial production in Q2FY27, 20-year railway contract) and the shipbuilding subsidiary (Palta yard operational by early FY28E) are poised to unlock new, long-term revenue streams. Backward integration in propulsion and aluminium coach manufacturing is expected to enhance margins. In the Base Case, Revenue is expected to grow at a CAGR of 26.6% for FY26-FY29E, and RoE is expected to be at 16.4% in FY29E. The stock is trading at 43.5x its FY27E EPS. In the Base Case Scenario, at the CMP of INR 831 per share, we are maintaining our "BUY" rating and value the stock at 35x (~50% of Mean 1-Year Forward PE) of its FY29E EPS of INR 40 and arrive at a price objective of INR 1,401, an upside of 68.6%.

Exhibit 13: We assigned 35x (~50% of Mean 1-Year Forward PE).



Source: Arihant Capital Research

Exhibit 14: 1-Year Forward EV/EBITDA



Source: Arihant Capital Research

Industry Wagon Volumes – Indian Railways (RSP)

Wagon Volumes	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Titagarh Rail Systems	1,430	949	1,195	1,377	1,515	2,008	1,889	1,910	1,437	1,536	1,423	1,481	1,013
Jupiter Wagons	557	314	277	816	997	790	1,071	1,490	255	794	865	488	564
Texmaco	998	1,098	1,355	1,665	1,439	2,108	1,573	1,520	1,118	1,703	1,349	1,749	834
Modern	27	-	-	-	-	-	-	-	-	-	-	-	-
H.E.I	550	610	566	1,036	758	778	943	1,483	908	1,098	940	957	521
Besco (WD)	249	208	196	157	96	79	108	165	110	157	168	156	114
Besco (FD)	200	225	205	343	310	178	246	215	157	146	238	301	192
Oriental	148	182	264	322	241	373	335	256	176	270	173	306	286
Amtek	-	-	-	-	-	-	-	-	-	-	-	-	-
CIMMCO	-	-	-	-	-	-	-	-	-	-	-	-	-
CEBBCO	-	-	-	-	-	-	-	-	-	-	-	-	-
Jindal	-	-	-	-	-	-	-	-	42	147	168	-	-
Braithwaite	153	111	82	-	284	477	183	532	228	279	260	164	100
SRBWIL	132	-	152	258	263	205	251	187	199	221	269	247	181
Total Industry Wagons	**4,444**	**3,697**	**4,292**	**5,974**	**5,903**	**6,996**	**6,599**	**7,758**	**4,630**	**6,351**	**5,853**	**5,849**	**3,805**

Volume Share (%)	Q1FY24	Q2FY24	Q3FY24	Q4FY24	Q1FY25	Q2FY25	Q3FY25	Q4FY25	Q1FY26	Q2FY26	Q3FY26	Q4FY26	Q1FY27
Titagarh Rail Systems	32.2%	25.7%	27.8%	23.0%	25.7%	28.7%	28.6%	24.6%	31.0%	24.2%	24.3%	25.3%	26.6%
Jupiter Wagons	12.5%	8.5%	6.5%	13.7%	16.9%	11.3%	16.2%	19.2%	5.5%	12.5%	14.8%	8.3%	14.8%
Texmaco	22.5%	29.7%	31.6%	27.9%	24.4%	30.1%	23.8%	19.6%	24.1%	26.8%	23.0%	29.9%	21.9%
Modern	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
H.E.I	12.4%	16.5%	13.2%	17.3%	12.8%	11.1%	14.3%	19.1%	19.6%	17.3%	16.1%	16.4%	13.7%
Besco (WD)	5.6%	5.6%	4.6%	2.6%	1.6%	1.1%	1.6%	2.1%	2.4%	2.5%	2.9%	2.7%	3.0%
Besco (FD)	4.5%	6.1%	4.8%	5.7%	5.3%	2.5%	3.7%	2.8%	3.4%	2.3%	4.1%	5.1%	5.0%
Oriental	3.3%	4.9%	6.2%	5.4%	4.1%	5.3%	5.1%	3.3%	3.8%	4.3%	3.0%	5.2%	7.5%
Amtek	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CIMMCO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CEBBCO	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Jindal	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.9%	2.3%	2.9%	0.0%	0.0%
Braithwaite	3.4%	3.0%	1.9%	0.0%	4.8%	6.8%	2.8%	6.9%	4.9%	4.4%	4.4%	2.8%	2.6%
SRBWIL	3.0%	0.0%	3.5%	4.3%	4.5%	2.9%	3.8%	2.4%	4.3%	3.5%	4.6%	4.2%	4.8%

Source: Ministry of Railways, Arihant Capital Research; Volumes as per RSP (Indian Railway)

Wagon Industry Note

Source: Arihant Capital Research

Titagarh Plant Visit Note

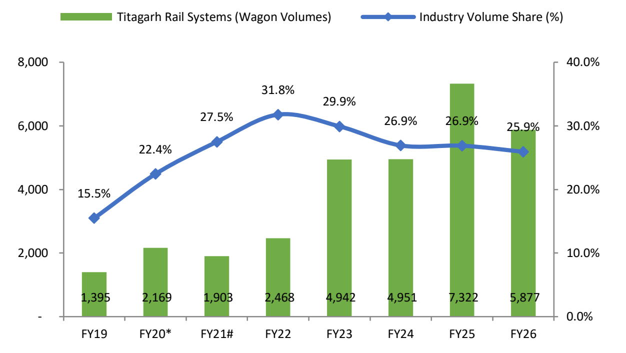
Source: Arihant Capital Research

Railway Sector Note

Source: Arihant Capital Research

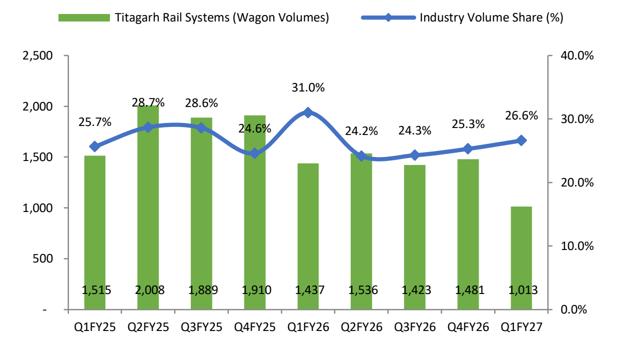
Industry Wagon Volumes – Indian Railways (RSP)

Exhibit 15: Titagarh's railway wagon volume share maintained to 25.9% in FY26.



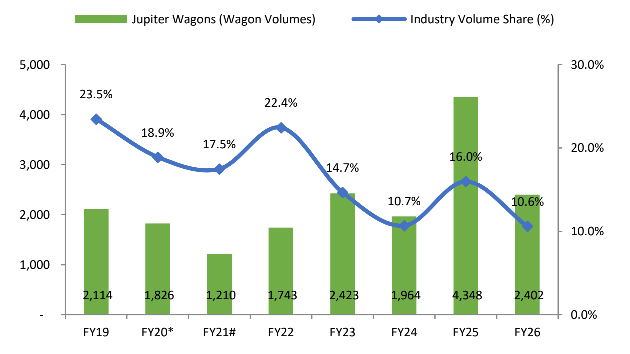
Source: Ministry of Railways, Industry, Arihant Capital Research

Exhibit 16: Titagarh's railway wagon volume share stood at 26.6% in Q1FY27.



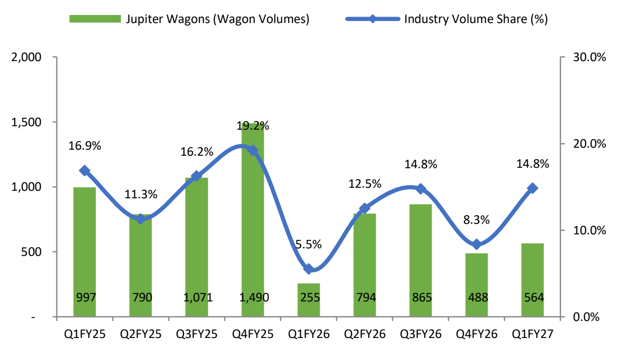
Source: Ministry of Railways, Industry, Arihant Capital Research

Exhibit 17: Jupiter's railway wagon volume share decreased to 10.6% in FY26. Majorly focused on Private wagons



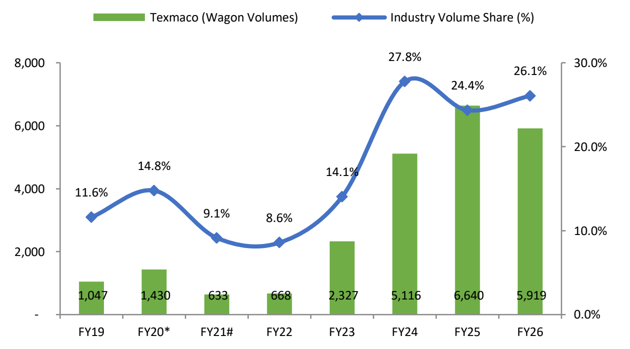
Source: Ministry of Railways, Industry, Arihant Capital Research

Exhibit 18: Jupiter's railway wagons volume share stood at 14.8% in Q1FY27.



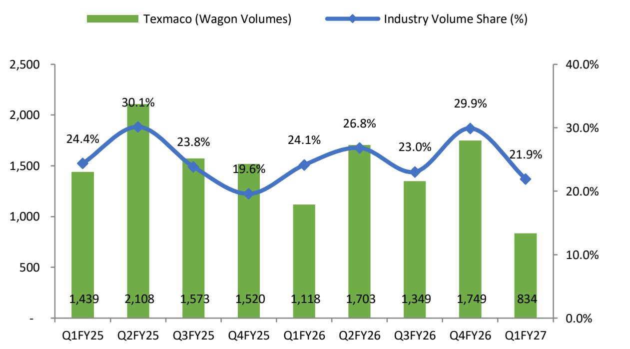
Source: Ministry of Railways, Industry, Arihant Capital Research

Exhibit 19: Texmaco's railway wagon volumes increased to 26.1% in FY26.



Source: Ministry of Railways, Industry, Arihant Capital Research

Exhibit 20: Texmaco's railway wagon volumes share decreased to 21.9% in Q1FY27.



Source: Ministry of Railways, Industry, Arihant Capital Research

Financial Statements

Income statement summary

Y/e 31 Mar (INR Mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Revenue	**27,796**	**38,533**	**38,678**	**31,858**	**37,463**	**50,259**	**64,703**
Net Raw Materials	21,499	29,881	29,289	23,210	27,449	36,705	47,099
Employee Cost	565	663	869	1,103	1,270	1,678	2,128
Other Expenses	3,096	3,470	4,190	4,065	4,454	5,925	7,563
EBITDA	**2,635**	**4,519**	**4,330**	**3,480**	**4,290**	**5,951**	**7,914**
EBITDA Margin (%)	**9.5%**	**11.7%**	**11.2%**	**10.9%**	**11.5%**	**11.8%**	**12.2%**
Depreciation	(225)	(271)	(296)	(511)	(620)	(699)	(762)
Interest expense	(807)	(735)	(732)	(708)	(714)	(789)	(849)
Other income	426	398	754	484	539	724	932
Share of profits associate & JV	(127)	(26)	(985)	(172)	(37)	-	-
Profit before tax	**1,901**	**3,886**	**1,496**	**1,927**	**3,458**	**5,187**	**7,234**
Taxes	(555)	(1,001)	(629)	(711)	(883)	(1,322)	(1,844)
PAT	**1,346**	**2,884**	**868**	**1,216**	**2,575**	**3,865**	**5,390**
PAT Margin (%)	**4.8%**	**7.5%**	**2.2%**	**3.8%**	**6.9%**	**7.7%**	**8.3%**
Loss from Discontinued operations	**(89)**	**(23)**	**(1)**	**13**	**-**	**-**	**-**
Net PAT	**1,257**	**2,861**	**866**	**1,228**	**2,575**	**3,865**	**5,390**
Other Comprehensive income	(100)	3	(13)	2	-	-	-
Net profit	**1,157**	**2,865**	**853**	**1,230**	**2,575**	**3,865**	**5,390**
EPS (INR)	11.3	21.4	6.4	9.0	19.1	28.7	40.0

Source: Company Reports, Arihant Capital Research

Balance sheet summary

Y/e 31 Mar (INR Mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Equity capital	239	269	269	269	269	269	269
Reserves	9,396	22,041	24,561	24,288	26,605	30,084	34,935
Net worth	**9,636**	**22,311**	**24,830**	**24,558**	**26,875**	**30,353**	**35,204**
Minority Interest	-	-	12	10	10	10	10
Provisions	112	203	313	2,021	103	138	177
Debt	3,608	1,919	6,672	6,693	7,593	8,193	8,793
Other non-current liabilities	417	1,334	562	1,046	937	1,508	1,941
Total Liabilities	**13,772**	**25,767**	**32,389**	**34,328**	**35,517**	**40,202**	**46,126**
Fixed assets	6,200	6,476	8,308	11,057	14,153	15,719	16,756
Capital Work In Progress	123	1,078	396	716	266	300	327
Other Intangible assets	16	674	1,518	2,010	2,010	2,010	2,010
Investments	1,006	3,621	3,876	3,041	3,372	4,523	5,823
Other non current assets	1,714	574	1,733	1,730	1,873	2,513	3,235
Net working capital	**3,650**	**7,076**	**10,459**	**10,962**	**9,778**	**11,681**	**14,156**
Inventories	4,614	5,237	5,233	5,882	6,392	8,246	10,065
Sundry debtors	2,791	5,325	6,709	6,298	6,158	7,573	9,395
Loans & Advances	-	-	-	-	-	-	-
Other current assets	4,953	3,038	3,751	4,847	3,592	4,131	5,318
Sundry creditors	(3,231)	(3,194)	(2,350)	(3,300)	(3,181)	(4,249)	(5,446)
Other current liabilities & Prov	(5,478)	(3,330)	(2,884)	(2,764)	(3,184)	(4,021)	(5,176)
Cash	1,000	6,091	4,674	3,172	2,943	1,948	1,877
Other Financial Assets	63	177	1,425	1,641	1,124	1,508	1,941
Total Assets	**13,772**	**25,767**	**32,389**	**34,328**	**35,517**	**40,202**	**46,126**

Source: Company Reports, Arihant Capital Research

Du-Pont Analysis

Y/e 31 Mar	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Tax burden (x)	0.7	0.7	0.6	0.6	0.7	0.7	0.7
Interest burden (x)	0.8	0.9	0.4	0.6	0.9	1.0	1.0
EBIT margin (x)	0.09	0.11	0.10	0.09	0.10	0.10	0.11
Asset turnover (x)	1.2	1.6	1.3	1.0	1.1	1.3	1.5
Financial leverage (x)	2.5	1.5	1.2	1.3	1.3	1.3	1.3
RoE (%)	**14.9%**	**18.1%**	**3.7%**	**4.9%**	**10.0%**	**13.5%**	**16.4%**

Source: Company Reports, Arihant Capital Research

Financial Statements

Cashflow summary

Y/e 31 Mar (INR Mn)	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Profit before tax	1,901	3,886	1,496	1,927	3,458	5,187	7,234
Depreciation	225	271	296	511	620	699	762
Tax paid	(555)	(1,001)	(629)	(711)	(883)	(1,322)	(1,844)
Working capital Δ	2,079	(3,426)	(3,383)	(503)	1,184	(1,903)	(2,476)
Operating cashflow	**3,651**	**(271)**	**(2,220)**	**1,223**	**4,379**	**2,661**	**3,677**
Capital expenditure	2,394	(1,503)	(1,446)	(3,579)	(3,266)	(2,300)	(1,827)
Free cash flow	**6,045**	**(1,774)**	**(3,666)**	**(2,356)**	**1,113**	**361**	**1,850**
Equity raised	(134)	9,855	1,771	(882)	-	-	-
Investments	(241)	(2,615)	(255)	836	(331)	(1,152)	(1,300)
Others	1,145	369	(3,250)	(706)	374	(1,024)	(1,156)
Debt financing/disposal	(5,708)	(1,688)	4,753	21	900	600	600
Other items	(528)	1,008	(662)	2,192	(2,028)	606	473
Net Δ in cash	**579**	**5,091**	**(1,417)**	**(1,502)**	**(229)**	**(994)**	**(71)**
Opening Cash Flow	**421**	**1,000**	**6,091**	**4,674**	**3,172**	**2,943**	**1,948**
Closing Cash Flow	**1,000**	**6,091**	**4,674**	**3,172**	**2,943**	**1,948**	**1,877**

Source: Company Reports, Arihant Capital Research

Ratio analysis

Y/e 31 Mar	FY23	FY24	FY25	FY26	FY27E	FY28E	FY29E
Growth matrix (%)							
Revenue growth	89.4%	38.6%	0.4%	-17.6%	17.6%	34.2%	28.7%
Op profit growth	59.8%	71.5%	-4.2%	-19.6%	23.3%	38.7%	33.0%
Profitability ratios (%)							
OPM	9.5%	11.7%	11.2%	10.9%	11.5%	11.8%	12.2%
Net profit margin	4.8%	7.5%	2.2%	3.8%	6.9%	7.7%	8.3%
RoCE	12.6%	18.3%	9.9%	6.7%	9.2%	12.2%	14.5%
RoNW	14.9%	18.1%	3.7%	4.9%	10.0%	13.5%	16.4%
RoA	9.8%	11.2%	2.7%	3.5%	7.2%	9.6%	11.7%
Per share ratios (INR)							
EPS	9.7	21.3	6.3	9.1	19.1	28.7	40.0
Dividend per share	-	0.5	0.8	4.5	1.9	2.9	4.0
Cash EPS	13.1	23.4	8.6	12.8	23.7	33.9	45.7
Book value per share	80.6	165.7	184.4	182.4	199.6	225.4	261.5
Valuation ratios (x)							
P/E	85.9	39.1	131.2	91.0	43.5	29.0	20.8
P/CEPS	63.2	35.5	96.2	64.8	35.0	24.5	18.2
P/B	10.3	5.0	4.5	4.6	4.2	3.7	3.2
EV/EBITDA	38.7	23.8	26.3	33.2	27.2	19.9	15.0
Payout (%)							
Dividend payout	0.0%	2.2%	12.4%	49.9%	10.0%	10.0%	10.0%
Tax payout	29.2%	25.8%	42.0%	36.9%	25.5%	25.5%	25.5%
Liquidity ratios							
Debtor days	62	38	57	75	61	50	48
Inventory days	82	60	65	87	82	73	71
Creditor days	55	34	29	36	36	31	31
WC Days	88	64	93	126	107	92	88
Leverage ratios (x)							
Interest coverage	3.0	5.8	5.5	4.2	5.1	6.7	8.4
Net debt / equity	0.3	-0.2	0.1	0.1	0.2	0.2	0.2
Net debt / op. profit	1.0	-0.9	0.5	1.0	1.1	1.0	0.9

Source: Company Reports, Arihant Capital Research

Story in Charts

Exhibit 21: Freight Wagons, Metro and Vande Bharat trains are expected to drive revenue growth over the period of FY26-FY29E.

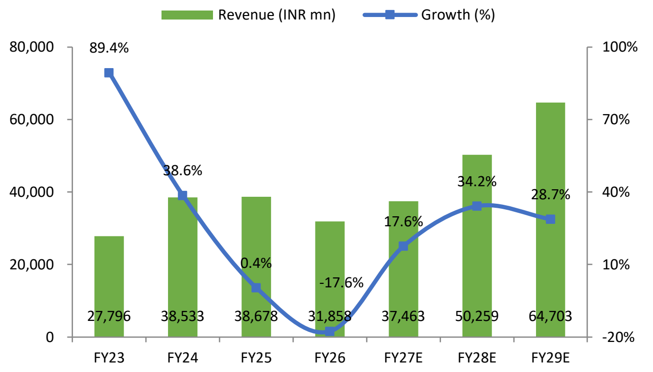


Exhibit 22: Gross margins are expected to improve going forward.

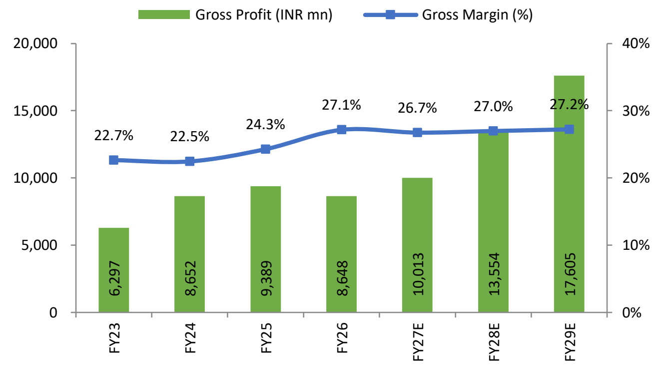


Exhibit 23: Growth in EBITDA & PAT levels

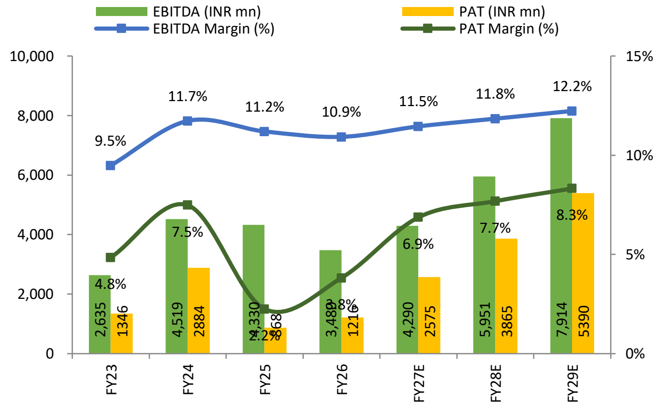


Exhibit 24: Return ratios is expected to improve from FY27E onwards.

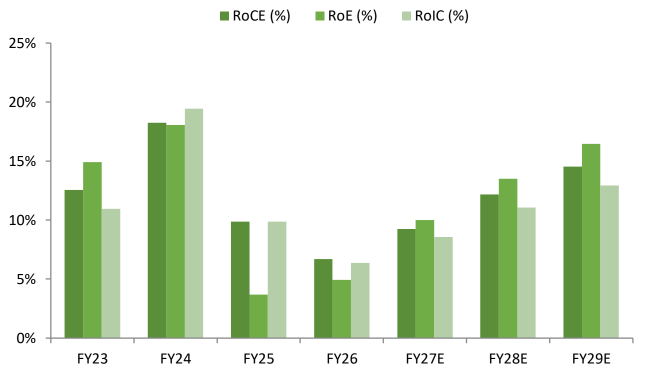


Exhibit 25: Working capital days to be improve.

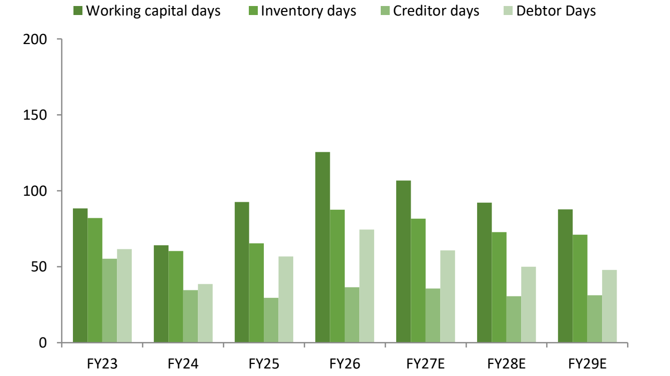
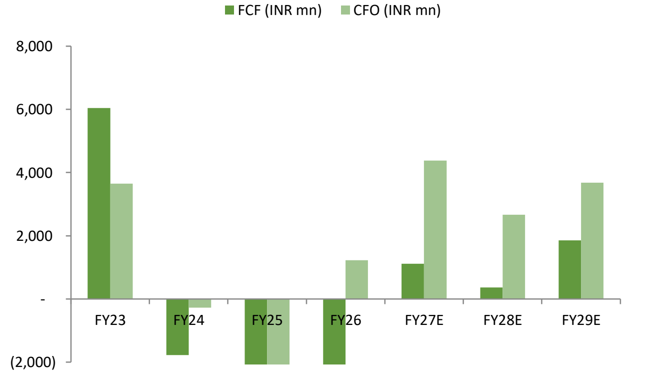


Exhibit 26: Cash flows to be improve.



Source: Company Reports, Arihant Capital Research

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Stock Rating Scale	Absolute Return
BUY	>20%
ACCUMULATE	12% to 20%
HOLD	5% to 12%
NEUTRAL	-5% to 5%
REDUCE	-5% to -12%
SELL	<-12%

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