

2017



# WORLDWIDE MANUFACTURERS OF RAIL INFRASTRUCTURE 2017

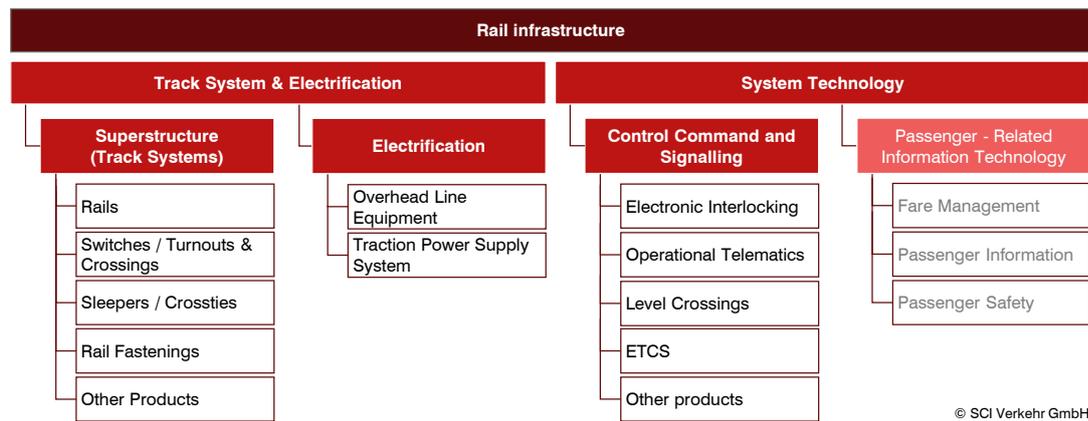
Business, Portfolios, Facts, Figures

## WORLDWIDE MANUFACTURERS OF RAIL INFRASTRUCTURE 2017

Business, Portfolios, Facts, Figures

This study provides a comprehensive and consistent overview of the most significant market players in the field of rail infrastructure manufacturing.

SCI Verkehr analyses the corporate development of 55 of the most important manufacturers of products in the rail infrastructure business. Usually there is a division into four business sectors: Track, Electrification, Control Command and Signalling (CCS), and Passenger Information Technology (PIT). However, due its inherent low differentiability, PIT is excluded from this study.



The analysis focuses only on the product-related revenues in the remaining three sectors, while civil works, planning, installation and other services are not taken into account.

The survey criteria selected as basis for this study are held as simple as possible. The methodology only differentiates between three parameters

- Turnover made by sales of rail infrastructure related products
- Recent turnover development as CAGR (over three years, in %, based on revenues in Euro)
- Profit margins (sort of margin depending on information available) of entire group or group branch since no information is available for product related profits for none of the companies

Since the biggest players make very high turnovers – even in the global comparison of all infrastructure manufacturers – in only one segment, all parameters are analysed both for the entire rail infrastructure market and for each sector (Track, Electrification, CCS).

All input data used for these assessments has been summarized in corporate fact sheets that can be found in the study's annexe and easily used for all kinds of advanced detailed analysis.

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## CONTENTS

<b>1</b>	<b>Executive Summary.....</b>	<b>13</b>
<b>2</b>	<b>Methodology .....</b>	<b>17</b>
2.1	Market delimitation.....	17
2.2	Product shares in company figures .....	18
2.3	Analysis .....	19
2.4	Overview of analysed companies .....	20
<b>3</b>	<b>Analysis of corporate figures.....</b>	<b>22</b>
3.1	Global observations .....	22
3.2	Track System .....	29
3.3	Electrification.....	40
3.4	Control Command and Signalling .....	49

## ANNEX

<b>1</b>	<b>Factsheets on the largest infrastructure manufacturers .....</b>	<b>60</b>
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### 3 Analysis of corporate figures

#### 3.2 Track System

Track systems are made up of rails connected via rail fastenings to either sleepers embedded in ballast, to other suitable materials, or to a ballastless track (comprising monolithically cast concrete or concrete elements). Rails are joined together either by rail connectors (fishplates) or are welded together without gaps.

Other elements of the track system (for both types of construction) include points and crossings, which are manufactured separately and integrated into track systems if necessary, as well as a number of components securing the operational function of the track system (e.g. rail end blocks) or reducing undesirable effects on railway operation (e.g. air- and structure-borne noise).

The modular structure of track systems accounts for the versatility and usability of rail transport as a whole. In turn, however, this has also caused a highly diversified landscape of manufacturers and suppliers. None of them covers all principal product segments, so that identifying overall track system market shares may remain poorly meaningful with respect to the suppliers' positions in the respective product markets they serve.

[...]

Product shares of the worldwide track market

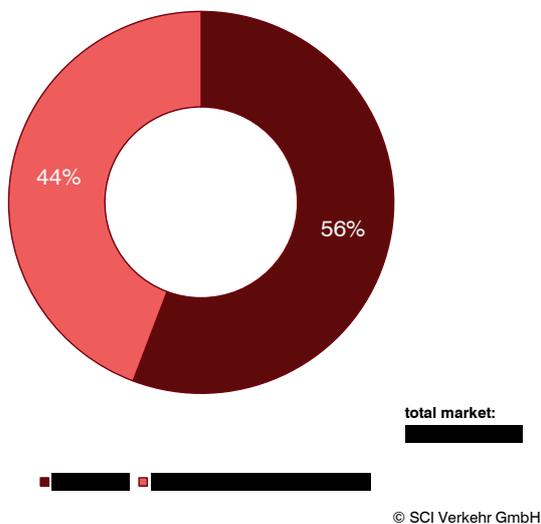


Figure: Product shares of the worldwide track market

Shares of single product groups in the market for rail track

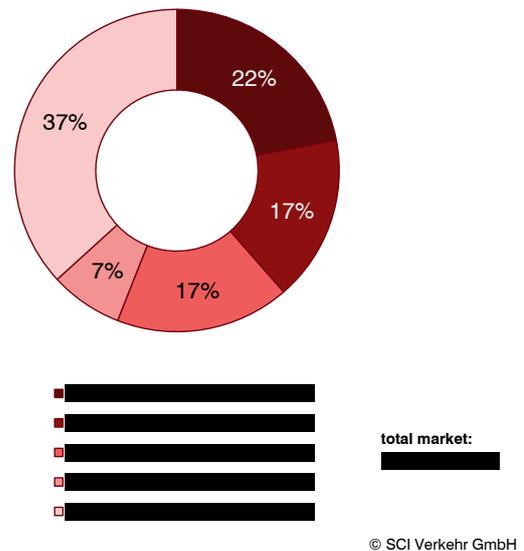


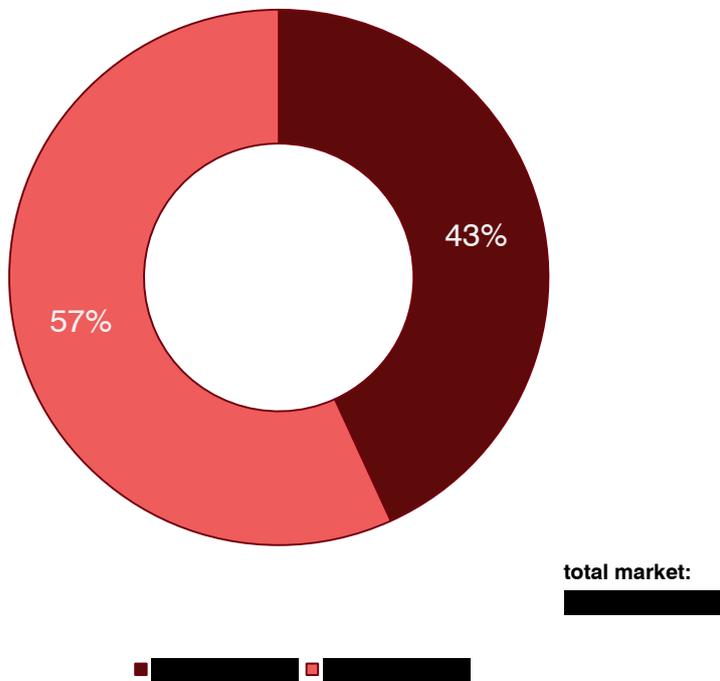
Figure: Shares of single product groups in the market for rail track

More than 50% of this [...] market is made up by Sleepers and Crossties, Rails and Switches / Turnouts and Crossings. Other products include (amongst others):

- Ballast
- Ballastless Track / Slab Track
- Fastenings (ballastless track)

[...]

**Share of OEM and After Sales business of the world wide track product market**



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Figure: Share of OEM and After Sales business of the world wide track product market

Renewal and maintenance of track systems – as used in this study - include all product procurements carried out after the track system goes into operation to maintain or to create a defined operational standard of performance. In contrast, new development and upgrade includes all product procurements which are performed to achieve a higher operational standard of performance than the previous situation.

A multitude of suppliers are active in the rail track business whose company sizes, organisational structures, strategies and concrete activities (manufacturing, trade, product design, renewal, maintenance) vary widely. Smaller suppliers are specialising on a limited number of products within one product group, whereas larger companies have a more diversified portfolio, often including businesses outside the track system or even the overall railway technology market. In entrepreneurial reporting procedures, these activities are represented in different levels of aggregation. Thus, in-depth delimitation of the actual product manufacturing is difficult, combined with considerably varying reporting standards due to local legal conditions and ownership structures.

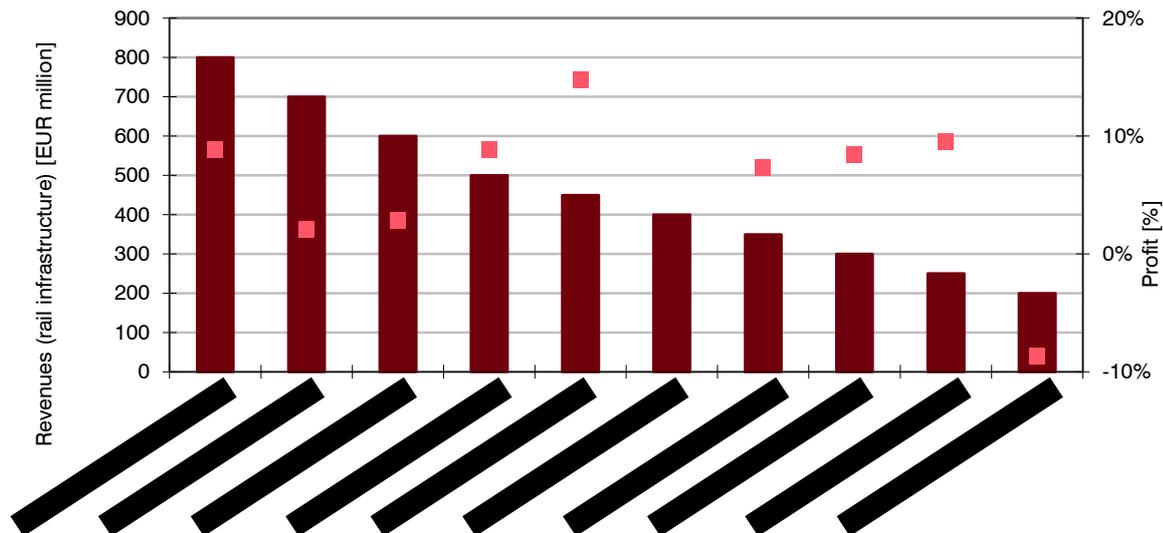
[...]

### 3.2.1 Top Manufacturers

The company with the highest product revenues in the rail track segment is voestalpine. This can be traced back to the groups leading global positions in the rail and turnouts business.

[...]

**TOP 10 Track manufacturers in terms of revenue in rail infrastructure incl. profits**



*Remark: All analysis based on latest information available;  
Product revenues estimated;  
Partly different types of profit used due to availability,  
Closer information in chapter 1,2 and factsheets*

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Figure: TOP 10 Track manufacturers in terms of revenue in rail infrastructure incl. profits

[...]

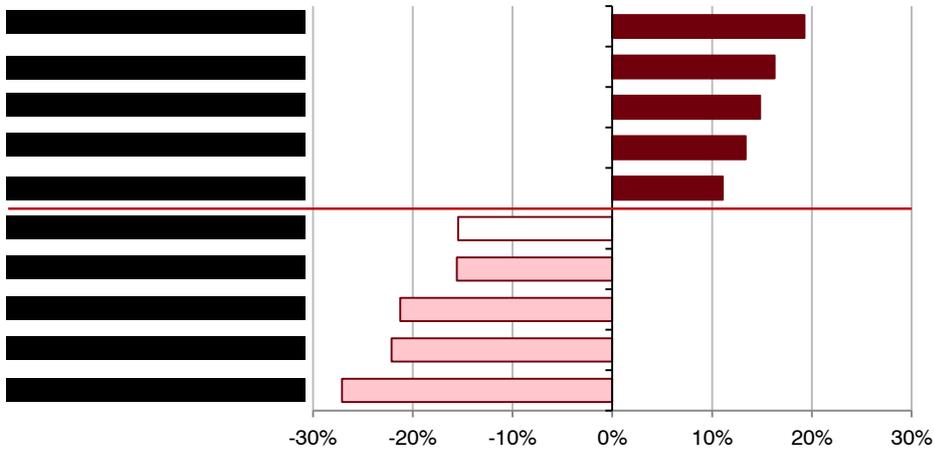
The top 10 company with the highest profit margin is Evraz (EBITDA) with nearly 15%. The multinational, vertically integrated steel and mining conglomerate is mainly operating in Russia, but also in the United States, Canada, Italy, Ukraine, Kazakhstan, the Czech Republic, Switzerland and South Africa. [...]

Three of the top 10 track suppliers in terms of revenues are also among the top 5 companies in terms of growth:

- CRCC                      Focus on turnouts, fastenings and electrification components
- CRECG                    Focus on turnouts and fastening components
- Stella-Jones              Wooden sleepers

The two Chinese companies profit from the lower exchange rates of the Chinese Yuan in 2015 and 2016. This leads to a higher 3-year CAGR in EUR than in CNY. [...]

**TOP 5 Companies with most negative and positive revenue development in a 3 years period [CAGR, %, in EUR]**



Remark: All analysis based on latest information available  
 Developments displayed for companies / groups

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Figure: TOP 5 Companies with most negative and positive development in a 3 year period

[...]

When analysing the positive development of Groupe Delachaux, one should take into account different aspects of the group's activities. The group is serving three main branches: railways by its subsidiaries Pandrol and Railtech International), conductive, metals.

[...]

# Bestellformular MC Manufacturers Rail Infrastructure



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Hiermit bestelle ich die Marktstudie „Worldwide Manufacturers of Rail Infrastructure 2017“

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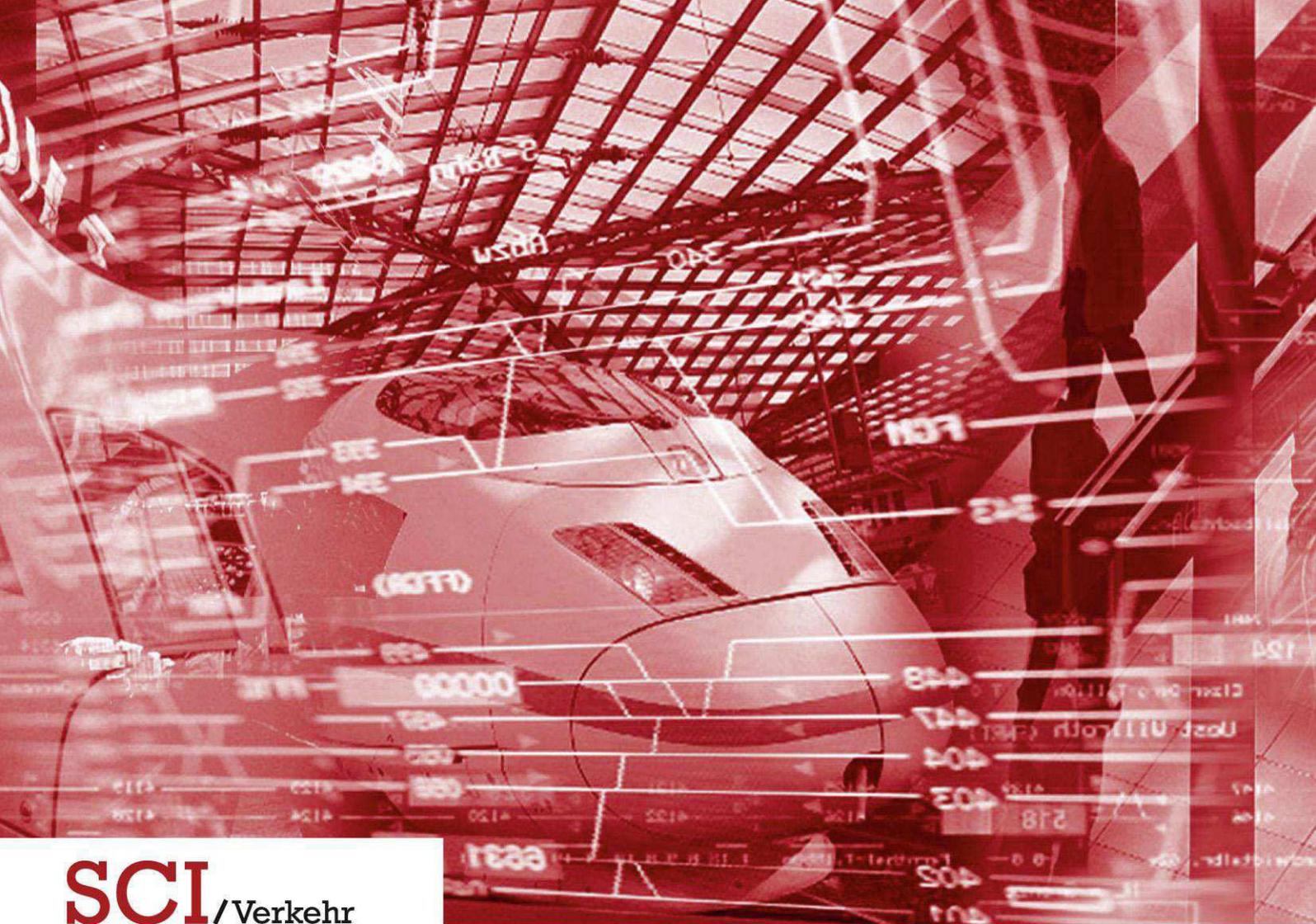
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