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## FREIGHTCAR AMERICA SWOT & PESTLE ANALYSIS

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**Company Name :** FreightCar America

**Company Sector :** Freight Cars, Rail

**Operating Geography :** United States, North America, Global

**About the Company :** FreightCar America is a railroad freight car manufacturer with headquarters in Chicago, United States and production in Mexico. The company was founded in 1901. Its primary business is the construction, repair, and leasing of freight cars, which are mostly used to transport bulk goods such as coal, metals, wood products, and vehicles. In addition to building freight vehicles, the company also makes parts for other companies' automobiles. New railcar production, used railcar sales, railcar leasing, and large railcar rebuilds are all part of the manufacturing business. As Corporate and other, the Company's Parts business is integrated with corporate and other non-operating activities. Its products and services include the design and manufacture of covered hoppers, open-top hoppers, gondolas, intermodal and non-intermodal flat cars that transport a variety of dry bulk and containerized freight products. The business stated in August 2021 that it would build two additional production lines to its Castros, Mexico plant within a year. FreightCar America has drawn up plans to introduce more production lines in 2022, which would double annual capacity to between 4,000 and 5,000 railcars by early 2023.

FreightCar America's USP lies in its being the largest North American manufacturer of aluminium railroad freight cars used to transport coal. The mission statement of FreightCar America reads, "Committed to being the best freight car producer and parts supplier in the world".

**Revenue :**

US\$ 203 million - FY ending 31st December 2021

US\$ 108 million - FY ending 31st December 2020

US\$ 230 million - FY ending 31st December 2019

## SWOT Analysis :

The SWOT Analysis for FreightCar America is given below:

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>1. One of the lowest breakeven point in the industry at ~2,000 rail cars per year</li> <li>2. FCA conducted two strategic transactions to transform the company and its growth trajectory. The company manufactures various models of railcars and holds intellectual property for the same</li> <li>3. Premier railcar manufacturer and aftermarket parts supplier in USA for 119 years with a diverse portfolio</li> </ul>	<ul style="list-style-type: none"> <li>1. Lawsuits and litigation charges harm the company's image and profitability</li> <li>2. The company has a considerable amount of debt</li> <li>3. The company has high concentration of sales to 3-4 clients</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>1. Expand product offerings and acquire new clients</li> <li>2. Conduct mergers and acquisitions to expand internationally to other countries</li> <li>3. Promising growth of Rail cars in 2021 an opportunity for FCA</li> <li>4. Continuously increasing scrapping levels in 2022</li> </ul>	<ul style="list-style-type: none"> <li>1. Threat from close competitors in the industry</li> <li>2. Business profitability is determined by cyclic upturns and downturns</li> <li>3. Limited control over supply of raw materials and components as well as sale of products</li> </ul>

## PESTLE Analysis :

The PESTLE Analysis for FreightCar America is given below:

<p style="text-align: center;"><b>Political</b></p> <p>1.USA and Mexico have a free trade agreement which allows ease of business</p>	<p style="text-align: center;"><b>Economical</b></p> <p>1.Joe Biden may increase US competition for railroad industry ","</p>
<p style="text-align: center;"><b>Social</b></p> <p>1.Rail manufacturing industry is cyclical in nature and the business is subject to changes in the economy 2.Fluctuations in the prices of raw materials such as steel affect profitability ",[" <b>Social</b></p>	<p style="text-align: center;"><b>Technological</b></p> <p>1.Urbanization driving growth for the rail industry","</p>
<p style="text-align: center;"><b>Legal</b></p> <p>1.New age freight rail car technology is sustainable and energy-efficient",[" <b>Legal</b></p>	<p style="text-align: center;"><b>Environmental</b></p> <p>1.Operations are subject to USA OSHO and Mexico's STPS 2.Rail manufacturing is regulated by FRA in USA ","</p>

Please note that our free summary reports contain the SWOT and PESTLE table contents only. The complete report for **FreightCar America** SWOT & PESTLE Analysis is a paid report at **27 U.S.D.**



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