

Alstom Note – Q2 and H1 2024/25 Preview

4 October 2024 – Alstom presents below a preview to its Q2 and H1 2024/25 results.

Q2 2024/25 orders

The table below summarizes the large orders (more than €200m) published and booked during the quarter.

Orders	Value (in € million)	Description	Link to press release
Proxima	~850	France - 12 very High speed trains with 15Y maintenance	Link to the PR
S-Bahn Köln	~3,600	Germany – Frame agreement of 90 trains and 34 years maintenance for ~4bn, o/w ~3.6bn to be booked in Q2, and the rest at a later stage (options)	Link to the PR
Perth – Signalling	~650	Western Australia – High capacity signalling project	Link to the PR
Total large orders	~5,100		

- **Deals announced previously, but to be booked at a later stage**
- **Haifa-Nazareth Systems contract for ~€700m**, expected booking in FY 2025/26: [link to the press release](#)
- **CP (Portugal) for ~€700m**, awarded to Alstom. Expecting end of competitors’ challenge. Expected booking in FY 2024/25.
- **Toronto electrification for several € billions**. Preliminary design works on-going (joint development phase). Bookings are expected in several batches from calendar year 2025 to 2028.

- **Focus on base orders**

In addition to large orders disclosed in the above table, we remind the guidance for base orders (less than €200 million) which typically account for €1.5b to €2.0b per quarter since the merger with Bombardier.

The table below reminds the breakdown between large and base orders during Q2 for the last three fiscal years, keeping in mind a positive seasonality of small orders on H2 (H2>H1):

Q2 orders (in € billion)	FY 2021/22	FY 2022/23	FY 2023/24
Base orders (less than €200m)	1.9	1.7	3.2
Large orders (more than €200m)	1.4	2.8	1.4
Total order intake	3.3	4.5	4.6

- **Reminder - Guidance on orders**

At FY 2023/24 release on 8 May 2024, we guided for :

- Book-to-bill ratio above 1 for FY 2024/25 at Group level.
- Book-to-bill ratio for Rolling Stock to be around 1 for the three years FY 2024/25 to FY 2026/27.

H1 2024/25 Sales

At FY 2023/24 release on 8 May 2024:

- We guided for an organic growth around 5% for FY 2024/25 at Group level
- We reminded of usual seasonality (H1 2024/25 growth to be measured against first half of last fiscal year)

Breakdown of sales by currency is given in the appendix of the FY 2024/25 analysts presentation (page 42): [link to the presentation](#)

We expect negative forex impact on sales of ~(-0.9)% for the first half of FY 2024/25, primarily due to USD and USD-pegged currencies against EUR.

We expect negative perimeter impact on H1 2024/25 sales of ~(-0.7)%

- for ~(-0.4)% due to a change in control of two service JVs with RENFE in Spain, following changes in the JV agreements: these JVs will now be accounted for under the equity method and no more as joint operations.
- for ~(-0.3)% due to the disposal of US conventional signalling to Knorr-Bremse, closed on 31 August 2024

H1 2024/25 adjusted EBIT

At FY 2023/24 release on 8 May 2024:

- We guided for an adjusted EBIT margin around 6.5% for the full year FY 2024/25, an improvement of around 80bps versus FY 2023/24 driven by volume and mix, cost savings initiatives and industrial efficiency
- We reminded of usual seasonality, driving aEBIT margin to be more H2 weighted

During the Q1 analysts call on July 23, 2024:

- We gave indication that H1 aEBIT margin would be consistent with FY 2023/24 aEBIT margin (reminder: 5.7%)
- We reiterated full year guidance

Below aEBIT – reminder of FY 2024/25 guidance

- Non-operating income and expenses:
At FY 2023/24 release on 8 May 2024, we indicated that they should not exceed (€200m) for the FY 2024/25, including:
 - The final year of integration costs, for an amount expected around €90m for the full year.
 - Some restructuring, legal fees and other non-operating costs

- Financial result:
We indicated around €200m of P&L net expense for FY 2024/25, with reduction of net interests paid by around €70m but some increase in bank fees and hedging.

- PPA :

The depreciation table on page 46 of the FY 2023/24 presentation: [link to the presentation](#)

Free Cash Flow

At Q1 FY2024/25 trading update, we confirmed

- our FCF guidance for the full year FY 2024/25 within the range €300m - €500m
- with seasonality driving negative FCF within a range €(300m) - €(500m) for H1 2024/25

Reminder of main assumptions for guidance:

- Supportive market demand and FY 2024/25 downpayments consistent with FY 2023/24 (*reminder: at the time of Q1 analysts call on 23 July 2024, we confirmed that these conditions were met*)
- End of integration in FY 2024/25
- Balance sheet plan fully executed in FY 2024/25 (*update: this has been fully achieved following the closing of the sale of US conventional signalling on 31/08/2024 – see link to press release [here](#)*)

Alstom

Alstom commits to contribute to a low carbon future by developing and promoting innovative and sustainable transportation solutions that people enjoy riding. From high-speed trains, metros, monorails, trams, to turnkey systems, services, infrastructure, signalling and digital mobility, Alstom offers its diverse customers the broadest portfolio in the industry. With its presence in 64 countries and a talent base of over 84,700 people from 184 nationalities, the company focuses its design, innovation, and project management skills to where mobility solutions are needed most. Listed in France, Alstom generated revenues of €17.6 billion for the fiscal year ending on 31 March 2024. For more information, please visit www.alstom.com.

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