



Half Year Results Fiscal Year 2024/25

13 November 2024

ALSTOM
• mobility by nature •

Disclaimer

- *This presentation contains forward-looking statements which are based on current plans and forecasts of Alstom's management. Such forward-looking statements are relevant to the current scope of activity and are by their nature subject to a number of important risks and uncertainty factors (such as those described in the documents filed by Alstom with the French AMF) that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements. These such forward-looking statements speak only as of the date on which they are made, and Alstom undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.*
- *This presentation does not constitute or form part of a prospectus or any offer or invitation for the sale or issue of, or any offer or inducement to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for any shares or other securities in the Company in France, the United Kingdom, the United States or any other jurisdiction. Any offer of the Company's securities may only be made in France pursuant to a prospectus having received the visa from the AMF or, outside France, pursuant to an offering document prepared for such purpose. The information does not constitute any form of commitment on the part of the Company or any other person. Neither the information nor any other written or oral information made available to any recipient, or its advisers will form the basis of any contract or commitment whatsoever. In particular, in furnishing the information, the Company, the Banks, their affiliates, shareholders, and their respective directors, officers, advisers, employees or representatives undertake no obligation to provide the recipient with access to any additional information.*



Agenda

➤ ➤ **Highlights of the first half of fiscal year 2024/25**

Henri Poupart-Lafarge, *Chief Executive Officer*

➤ ➤ **H1 2024/25 financial results**

Bernard Delpit, *Executive Vice-President and Chief Financial Officer*

➤ ➤ **Conclusion**

Henri Poupart-Lafarge, *Chief Executive Officer*

1



Highlights

Henri Poupart-Lafarge
Chief Executive Officer

Free Cash Flow at €(138) million benefiting from commercial activity

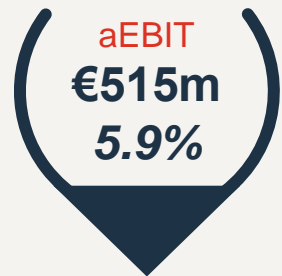
Confirmation of FY 2024/25 outlook



Book-to-bill
1.25



+3.9% (o/w **5.6% org**)
vs H1 2023/24



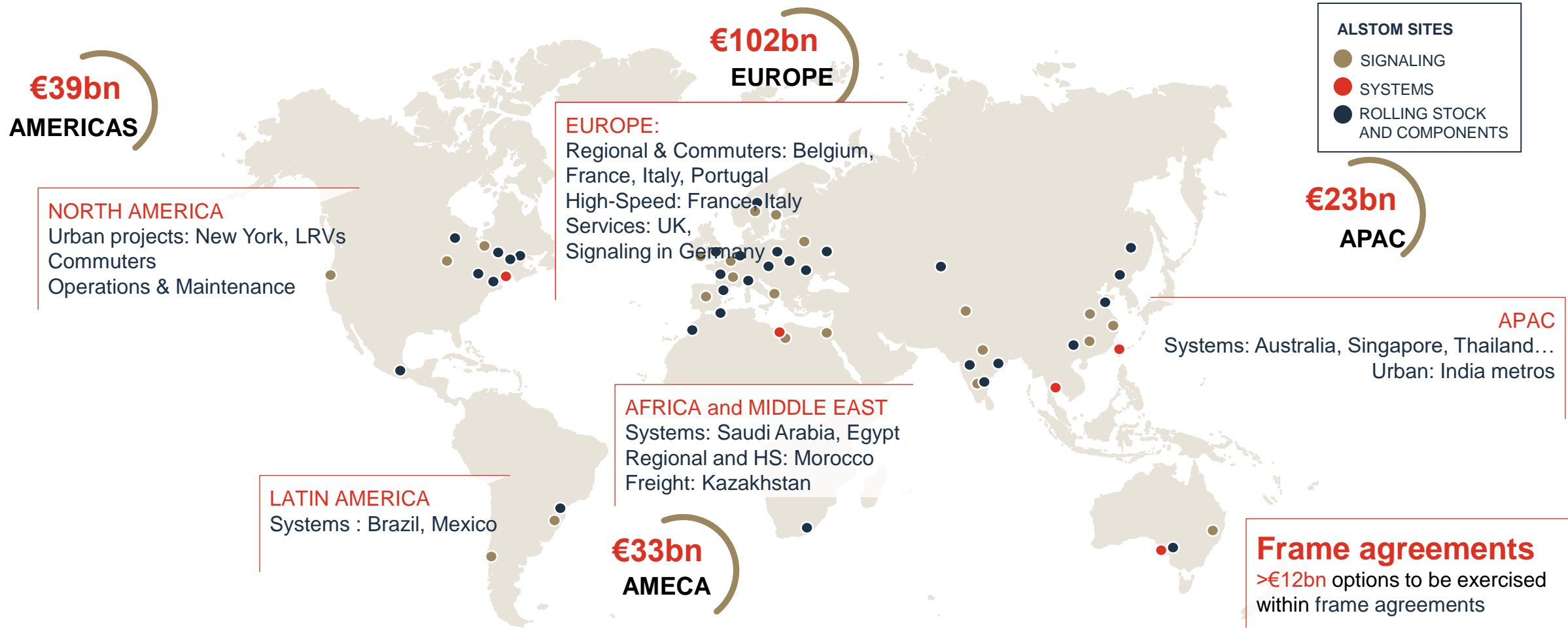
+70bps
vs H1 2023/24



vs €(1,119)m
H1 2023/24

- ✓ Strong commercial momentum with margin-accretive order intakes
- ✓ Sales and profitability in line with trajectory
- ✓ H1 Free Cash Flow phasing benefiting from downpayments
- ✓ FY 2024/25 outlook confirmed

3-year pipeline at ~€200bn: Asia-Pacific and Middle-East growth



€7.3bn orders in Q2: Landmark wins in Germany, Australia and France and good flow of small orders

€0.85 bn



PROXIMA (TRAINS & MAINTENANCE- France)

€3.6 bn



S-BAHN KÖLN (TRAINS & MAINTENANCE - Germany)

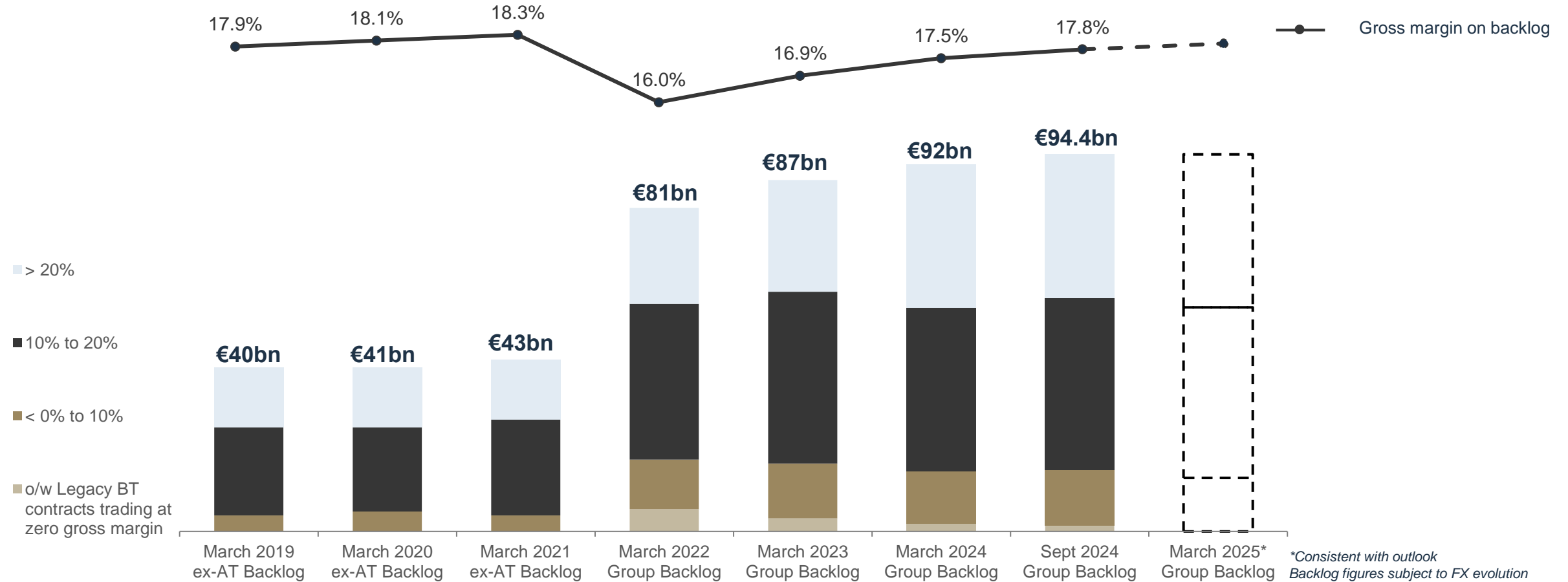
€0.7 bn



PERTH (SIGNALING - Australia)

Strong backlog with confirmed gross margin improvement trajectory

Backlog stratification – Gross margin evolution



Integration process finishing, amidst rising supply chain challenges

CONTINUED OPERATIONAL PROGRESS

- All sites with Alstom's tools and processes by year-end
- Inflationary pressures largely mitigated through escalation clauses on new orders
- Demonstrated agility in managing electronic component shortages
- Quality indicators and Net Promoter Score improving

...HINDERED BY SUPPLY-CHAIN CHALLENGES

- Supply chain is the primary cause when Rolling Stock contracts delays occur
- Suppliers' bottlenecks and capacity issues following orders peak in recent years
- Some emerging technologies need to be stabilized

Management focus on Supply Chain to secure On-Time Delivery

Relentless effort on optimising execution of all major projects

PARIS PROJECTS DELIVERED AS PLANNED



URBAN
MP14 with 3 metro lines, and 2 CITADIS tramway lines



COMMUTERS
RER NG: 1 line extension

MULTIPLE LEGACY PROJECTS SUCCESSFULLY TURNED AROUND



South Africa Locomotives



Belgium commuters



Talent 3 to RockRail

CONTINUOUS EFFORTS ON SELECTED PROJECTS



AVENTRA

- ✓ 130 cars delivered during H1
- ✓ Modification program execution
- ✓ Contracts close-out negotiations in H2

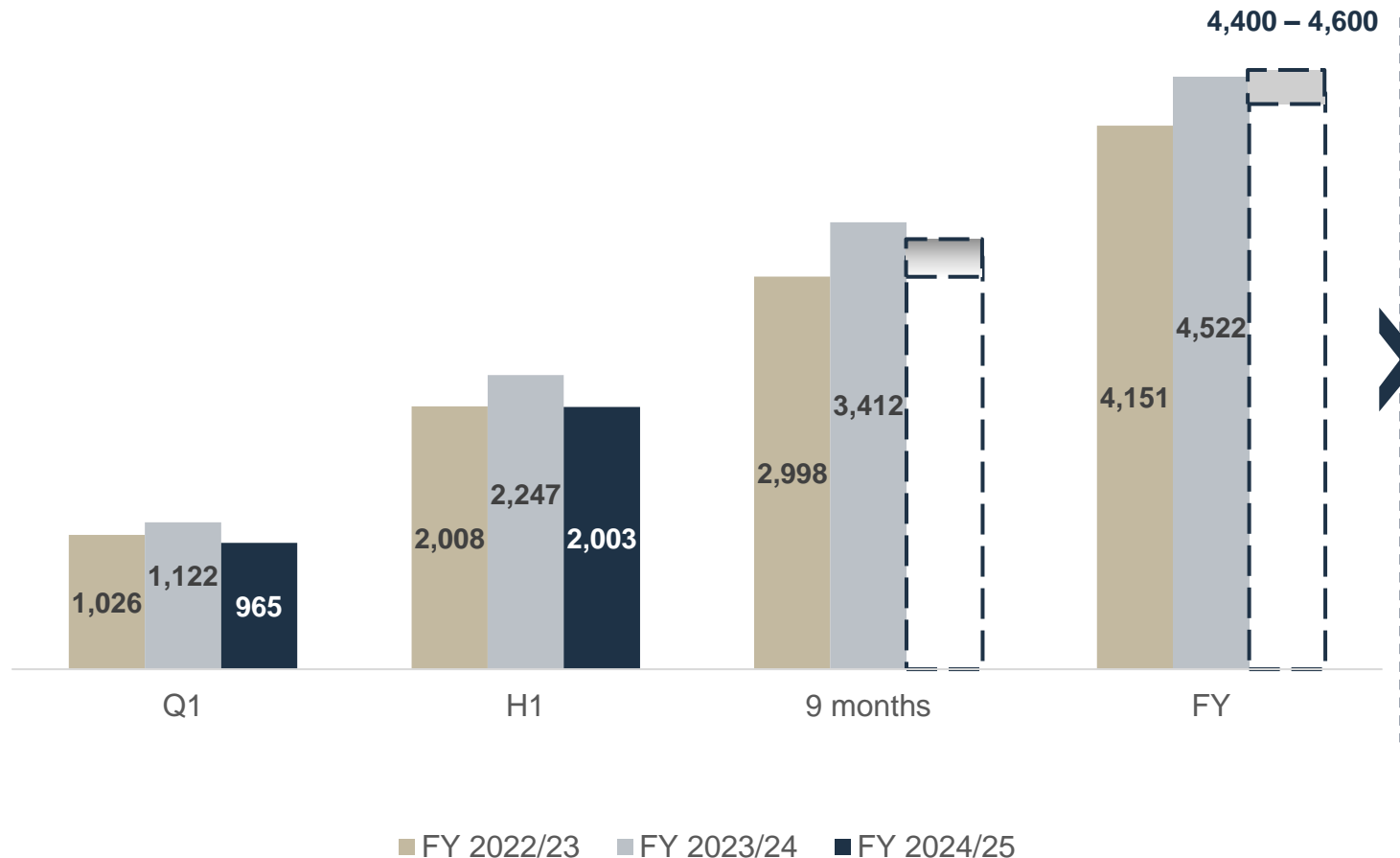


AMTRAK

- ✓ Progress on testing
- ✓ Expecting FRA decision

Production shift towards better margin projects with the end of Aventura in Derby

Quantity of cars produced per quarter



- No new cars production in Derby during H1 against ~300 cars during H1 23/24
- Numerous projects in startup phase, notably
 - Urban projects in Americas and India
 - Regional trains in Europe (Germany notably)
- Planning higher output during H2

2



Financial Results

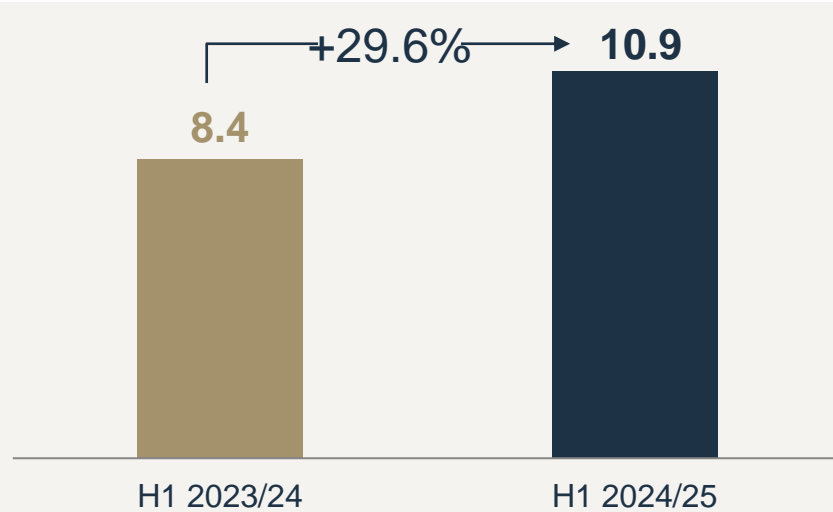
Bernard Delpit

Executive Vice-President and
Chief Financial Officer

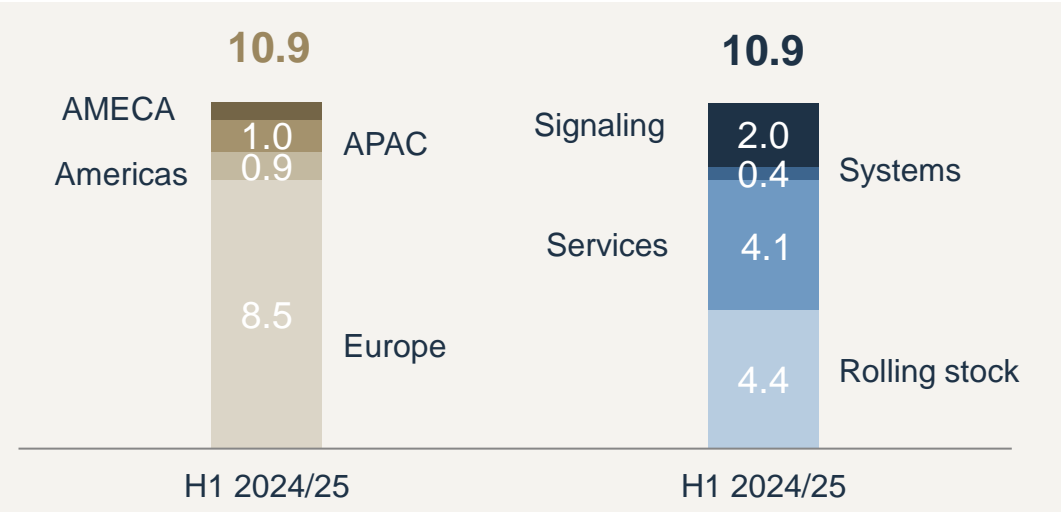
H1 orders boosted by strong Q2

Services and Signaling exceed 50% of order intake

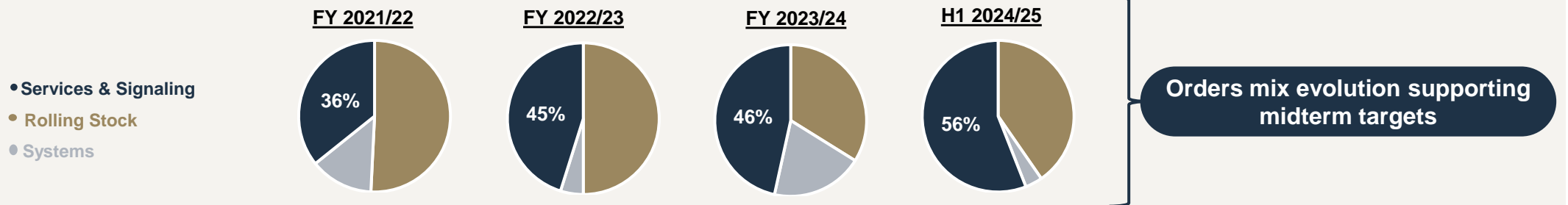
ORDERS H1 2024/25 (in €bn)



- Book-to-bill 1.25, backlog at €94.4bn



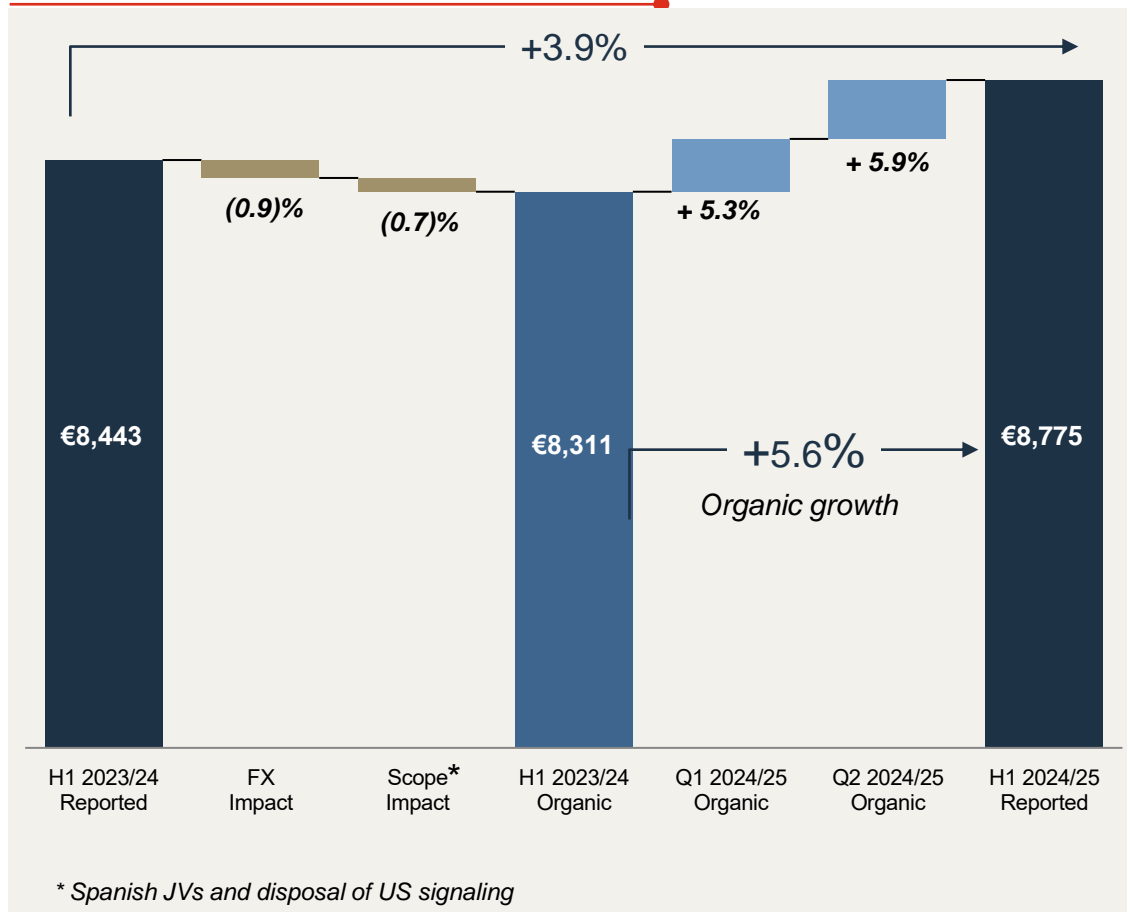
- Margin and cash on order intake supporting mid-term trajectory



Group organic growth in line with guidance

Double digit Services growth since merger

SALES H1 2024/25 (in €m)



H1 2024/25 SALES SPLIT BY PRODUCT LINES



ROLLING STOCK: €4,531m

(+2% vs H1 2023/24, o/w 2% organic growth)
Ramp-up in France, Brazil and Asia/Pacific offsetting legacy German and UK contracts phasing out.



SERVICES: €2,197m

(+11% vs H1 2023/24, o/w 12% organic growth)
Strong growth in Germany, Asia/Pacific and Middle East.



SIGNALING: €1,247m

(+0% vs H1 2023/24, o/w 3% organic growth)
Consistent execution year on year, Asia/Pacific growth compensating Canada/US ramp down.



SYSTEMS: €800m

(+7% vs H1 2023/24, o/w 14% organic growth)
Good performance of Turnkey Systems projects in Mexico compensating successful completion of Egyptian monorail.

aEBIT margin improvement in line with FY 2024/25 trajectory

<i>(in € million)</i>	H1 2023/24	H1 2024/25	<i>Evolution</i>
Sales	8,443	8,775	+3.9%
Cost of Sales	(7,278)	(7,547)	+3.7%
Adjusted Gross Margin before PPA¹ <i>As a % of sales</i>	1,165 13.8%	1,228 14.0%	+20bps
Research and development expenses before PPA ² <i>As a % of sales</i>	(254) 3.0%	(256) 2.9%	(10)bps
Selling & Administrative expenses <i>As a % of sales</i>	(538) 6.4%	(528) 6.0%	(40)bps
Net interest in equity investees pickup ³	65	71	+9.2%
Adjusted EBIT¹	438	515	+17.6%
Adjusted EBIT margin¹	5.2%	5.9%	+70bps

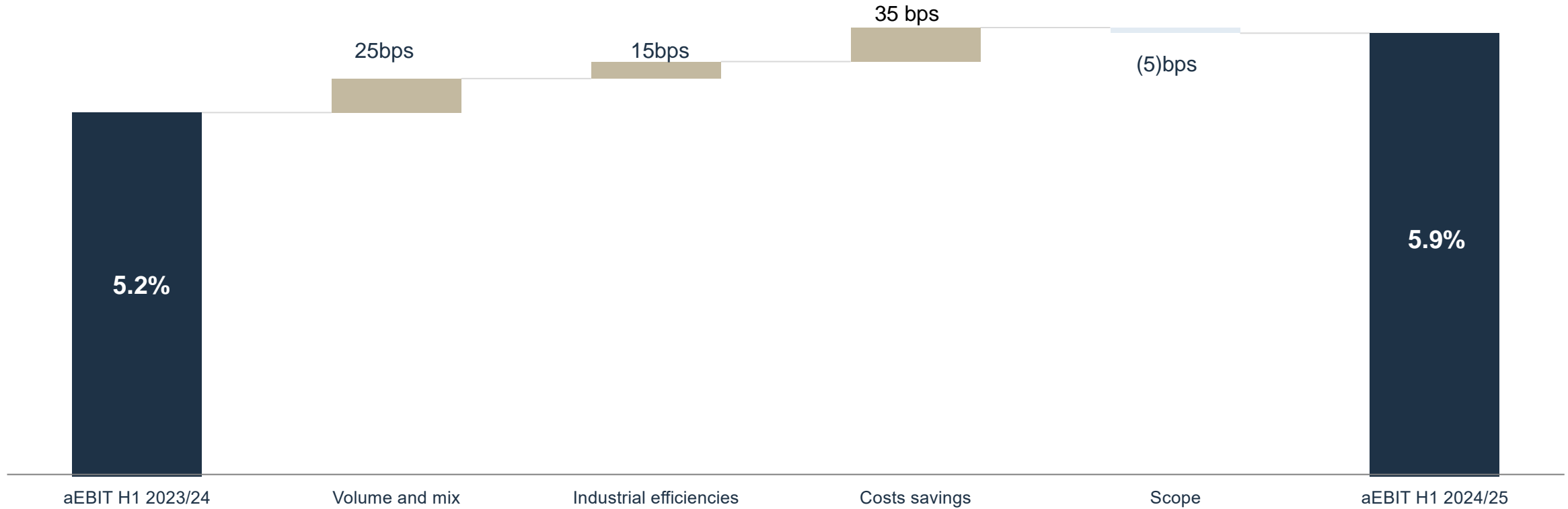
1. Definition in Appendix

2. Excluding €(28) million of amortisation expenses of the purchase price allocation of Bombardier Transportation.

3. Definition in Appendix. This mainly includes Chinese joint-ventures

Profit improvement coming from volume and cost savings initiatives

aEBIT (in %)



Improved EBIT drive Net income increase

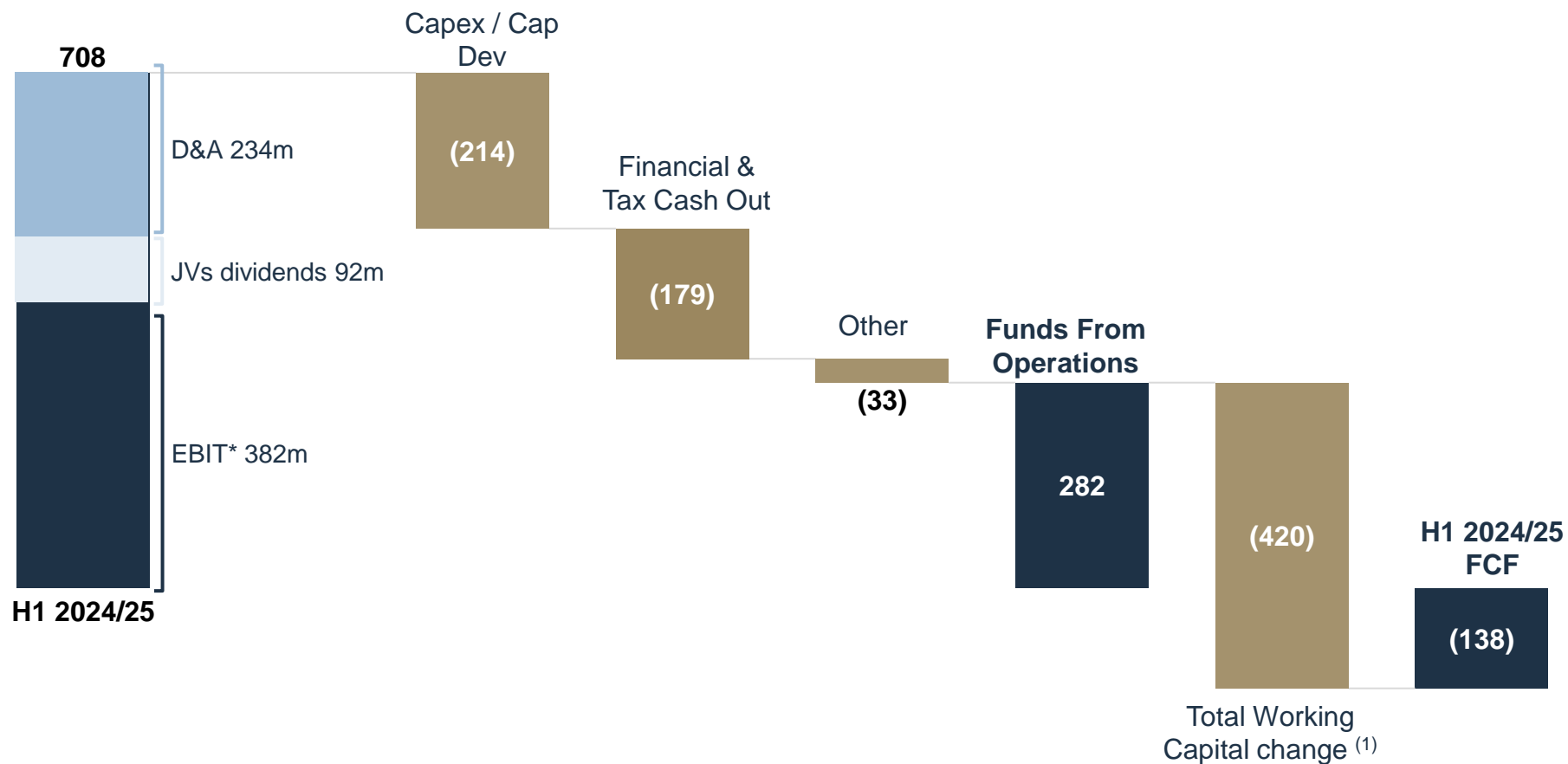
<i>(in € million)</i>	H1 2023/24	H1 2024/25	Evolution	
Sales	8,443	8,775	+3.9%	
Adjusted EBIT	438	515	+17.6%	
Adjusted EBIT margin	5.2%	5.9%	+70bps	
Capital gain and other non-operating income	1	21	-	
Restructuring and rationalisation costs	(7)	(1)	(85.7)%	← o/w Integration costs €51m Legal fees and others €31m
Integration, acquisition and other costs	(92)	(82)	(9.9)%	
Reversal of net interest in equity investees pickup ¹	(65)	(71)	+9.2%	← Net interest decrease by (€24m) Hedging, bank fees & others increase by + €33m
EBIT before PPA and impairment	275	382	+39.3%	
Financial results	(98)	(107)	+9.2%	← ETR 37%
Tax results	(44)	(101)	x2.3	
Share in net income of equity investees	53	60	+13.2%	
Minority interests from continued op.	(12)	(10)	(16.7)%	
Adjusted Net profit²	174	224	+28.7%	
PPA net of tax	(173)	(169)	(2.3)%	
Net Profit - Continued operations, Group share	1	53	-	

¹ This mainly includes Chinese joint-ventures

² Definition in appendix

Structural FCF seasonality mitigated by improved working capital phasing

From EBIT* to Free Cash Flow (in € million)



* EBIT Before PPA and impairment

(1) Change in Working Capital (Trade + Contract working capital change) for €(420)m corresponds to the €(448)m changes in working capital resulting from operating activities disclosed in the condensed interim consolidated financial statements from which the €31 million variations of restructuring provisions and €(2) million of variation of Tax working capital have been excluded.

Trade Working Capital

Seasonality on inventories, discipline maintained on overdues and payables

<i>(in € million / days of sales)</i>	30 September 2023		31 March 2024		30 September 2024	
Inventories	4,216	91	3,818	79	4,204	85
Trade payables	(4,223)	(91)	(3,444)	(71)	(3,474)	(71)
Trade receivables	3,019	65	2,997	62	3,093	63
Other assets/ liabilities	(2,107)	(45)	(1,705)	(35)	(1,630)	(33)
Trade Working Capital^{1,2}	905	20	1,666	34	2,193	45

Inventories increase due to usual H1 seasonality

Trade payables and trade receivables maintained at stable level in H1

1. Definition in appendix

2. Excluding restructuring provisions and corporate tax changes

© ALSTOM SA 2024. All rights reserved. Information contained in this document is indicative only. No representation or warranty is given or should be relied on that it is complete or correct or will apply to any particular project. This will depend on the technical and commercial circumstances. It is provided without liability and is subject to change without notice. Reproduction, use, alter or disclosure to third parties, without express written authorisation, is strictly prohibited.

Contract Working Capital

Larger quantity of projects in startup phase

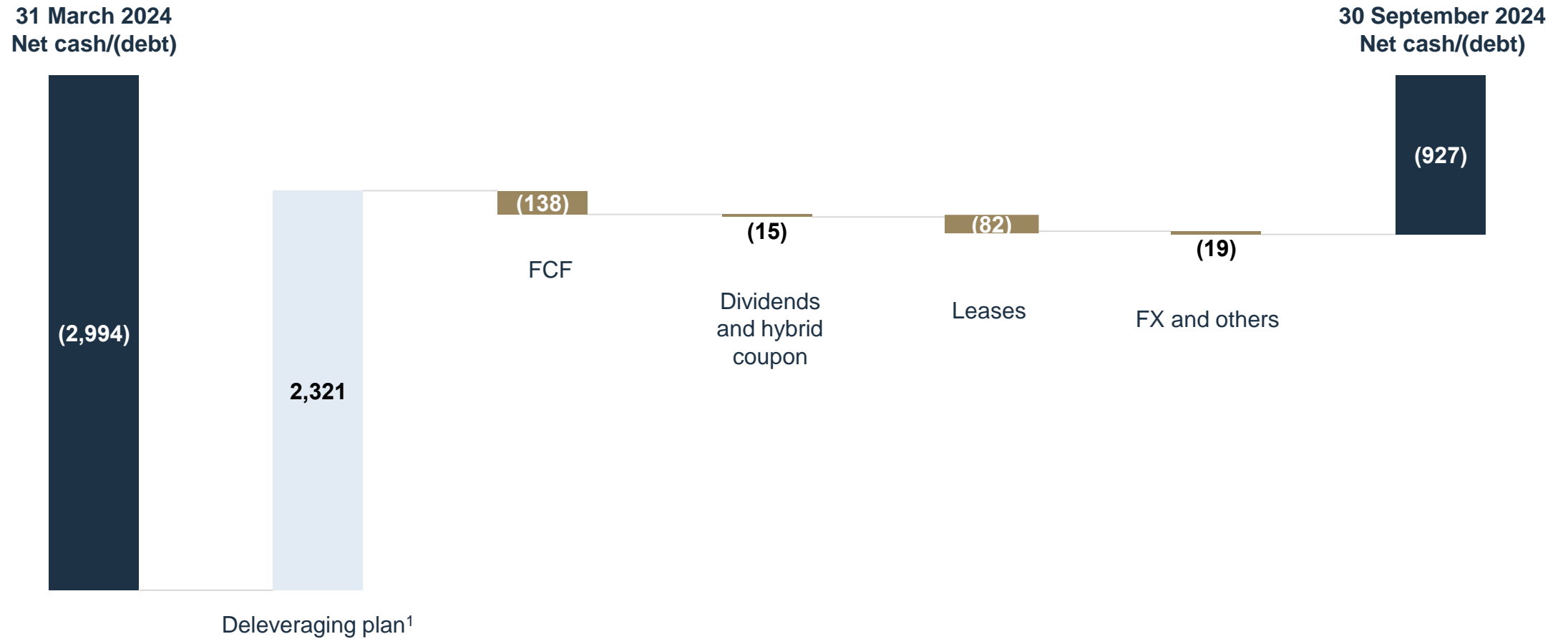
<i>(in € million / days of sales)</i>	30 September 2023		31 March 2024		30 September 2024	
Contract assets	5,369	116	4,973	103	5,476	111
Contract liabilities	(6,958)	(150)	(7,995)	(166)	(8,538)	(174)
Current provisions	(1,750)		(1,612)		(1,583)	
<i>Of which Risks on contracts</i>	(1,141)	(38)	(981)	(33)	(943)	(32)
Contract Working Capital¹	(3,339)	(72)	(4,634)	(96)	(4,645)	(94)

Net Contract Assets / Liabilities stable since March 2024 at (63) days of sales

Provisions on contract risks reducing as planned

¹ Definition in appendix

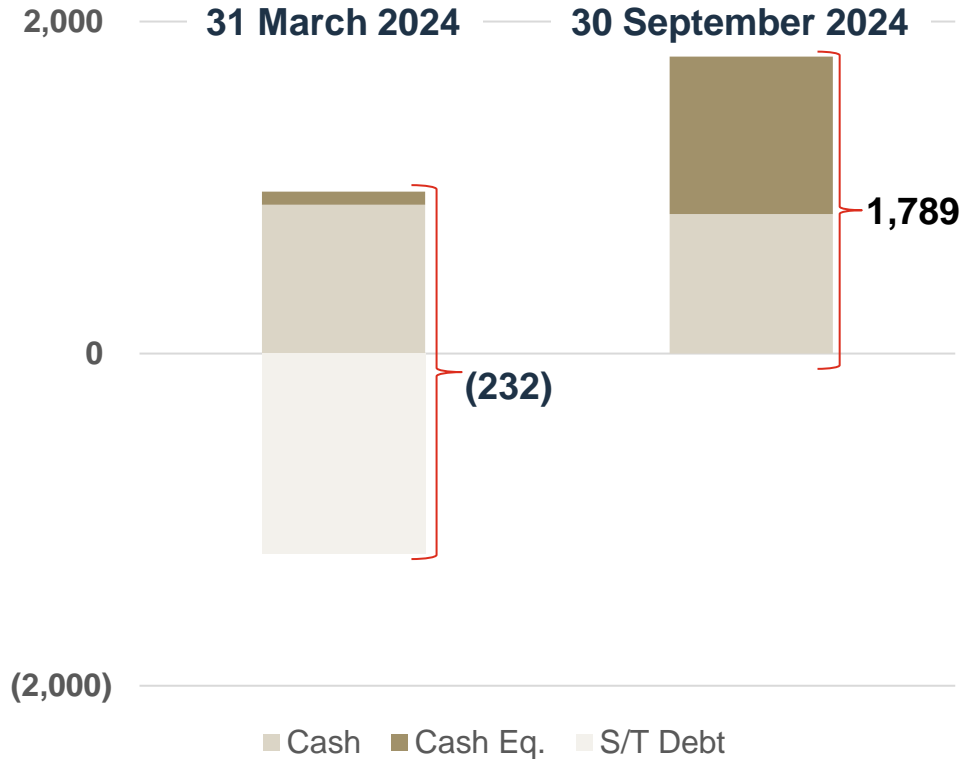
Net financial debt reduced by €2,067m to €927m following deleveraging plan



1. Sale of TMH for €75m executed during FY 2023/24. Rights issue, hybrid issuance and sale of US conventional Signaling net of advisory fees.

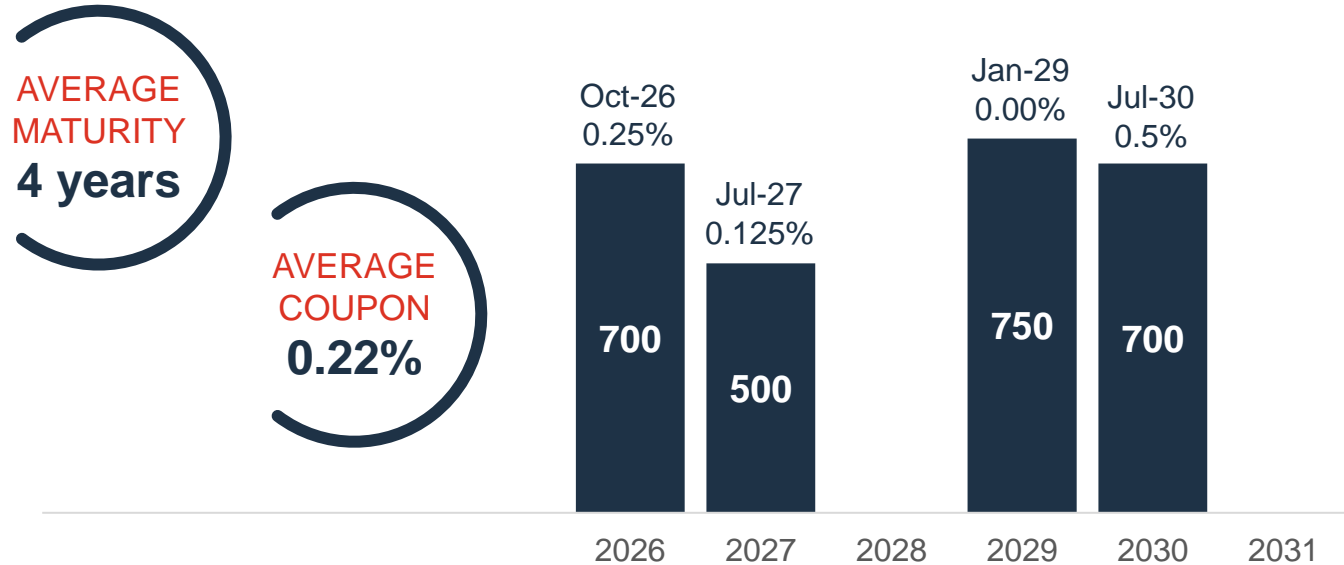
Short-term debt reimbursed, strong increase in Cash & cash equivalents

CASH, CASH EQ. and S/T DEBT (IN € MILLION)



- ~€869m increase in Cash equivalents
- ~€1.2b reimbursement of short-term debt during H1

STABLE OUTSTANDING BONDS (IN € MILLION)



- No financial covenants and fixed coupons on all bonds
- No planned redemption before October 2026

3



Conclusion

Henri Poupart-Lafarge
Chief Executive Officer

FY 2024/25 outlook and mid-term ambitions confirmed

Assumptions

- Supportive market demand
- FY 2024/25 downpayments consistent with FY 2023/24
- End of integration in FY 2024/25



Outlook for FY 2024/25

- Book to bill above 1
- Sales organic growth: around 5%
- aEBIT margin around 6.5 %
- FCF generation €300m to €500m

Mid- to long-term ambitions confirmed as per May 8, 2024 announcement*

* See Appendix 2



Q&A session



Contacts & Agenda



Martin VAUJOUR
VP Investor Relations

Estelle MATURELL ANDINO
Deputy Head Investor Relations

investor.relations@alstomgroup.com



21 January 2025
Q3 2024/25
orders and sales

13 May 2025
FY 2024/25 results

Financial Calendar

14 November	H1 FY 24/25 roadshow in Paris - ODDO	Paris, FRANCE
15 November	H1 FY 24/25 roadshow in London - Jefferies	London, UK
18 November	H1 FY 24/25 roadshow in NYC – CITI	NYC, USA
19 November	H1 FY 24/25 roadshow in Chicago – CITI	Chicago, USA
19 November	Forum by Market Solutions 2024 - CIC	Paris, FRANCE
20 November	H1 FY 24/25 roadshow in Toronto – JP Morgan	Toronto, CANADA
21 November	H1 FY 24/25 roadshow in Los Angeles – Redburn	Los Angeles, USA
22 November	H1 FY 24/25 roadshow in San Francisco – Redburn	San Francisco, USA
25, 26 & 29 November	H1 FY 24/25 “virtual”roadshow in Europe – Deutsche bank	VIRTUAL
26 November	Investir Day – Les Echos Le Parisien	Paris, France
27 November	H1 FY 24/25 “virtual”roadshow in Singapore, Hong-Kong Australia – Macquarie & Kepler Cheuvreux	VIRTUAL
27 November	H1 FY 24/25 roadshow in Dublin – Deutsche bank	Dublin, IRELAND
27 November	The Premium Review conference – Bernstein by Societe Generale	Paris, FRANCE
28 November	H1 FY 24/25 roadshow in Switzerland – Deutsche bank	Zurich/Geneva, SWITZERLAND
29 November	H1 FY 24/25 “Fireside chat” – Kepler Cheuvreux	VIRTUAL
3 December	Annual European Industrials & Autos conference 2024 – Goldman Sachs	London, UK
4 December	Alstom Sricity site visit	Sricity, INDIA

Financial Calendar

5 December	One-Stop-shop Brussels – Kepler Cheuvreux	Brussels, BELGIUM
9 January 2025	ODDO BHF Forum 2025 in Lyon	Lyon, FRANCE
5 June 2025	CEO conference – BNPP Exane	Paris, FRANCE
12 June 2025	CEO conference – JP Morgan	London, UK



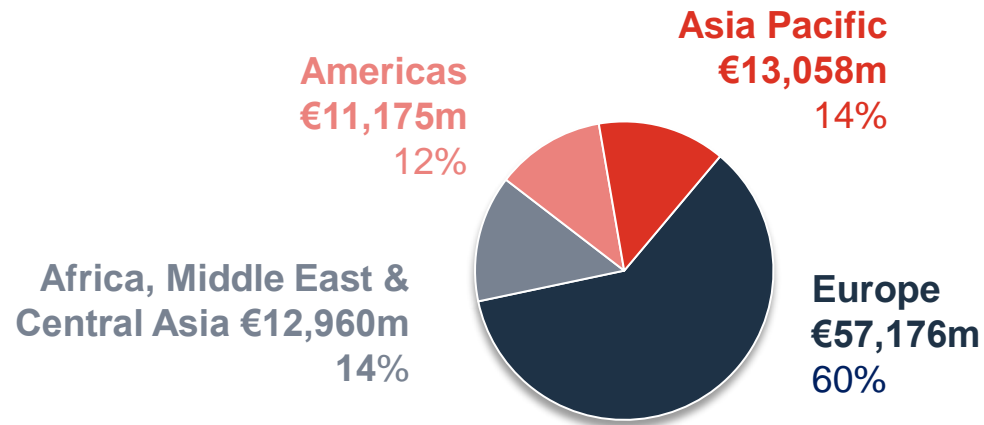
Appendix 1

Equity in € million

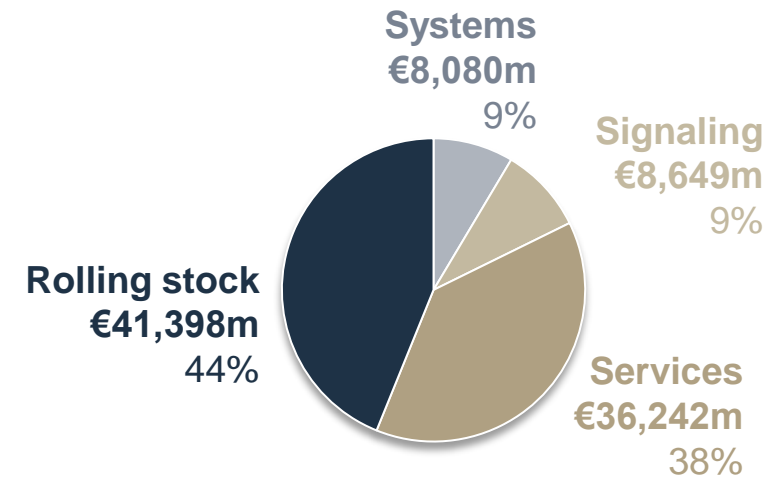


H1 2024/25 backlog by region and product line

Backlog breakdown by region (in € million)

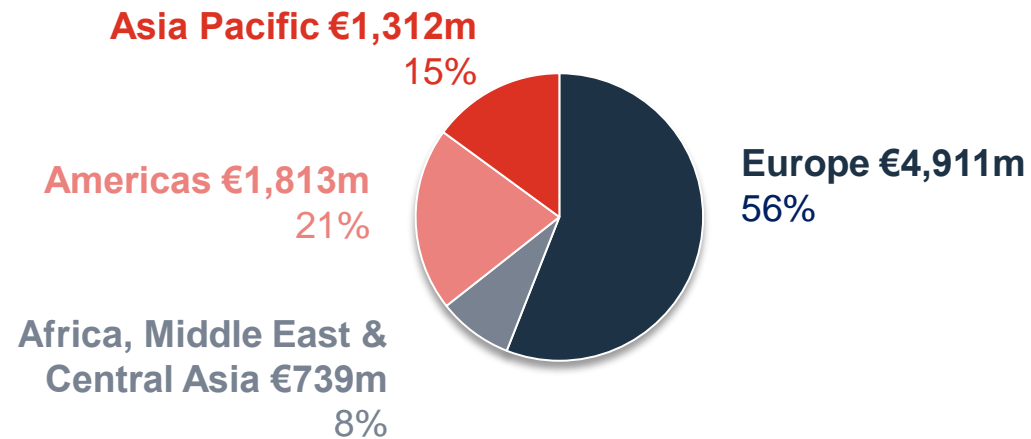


Backlog breakdown by product line (in € million)

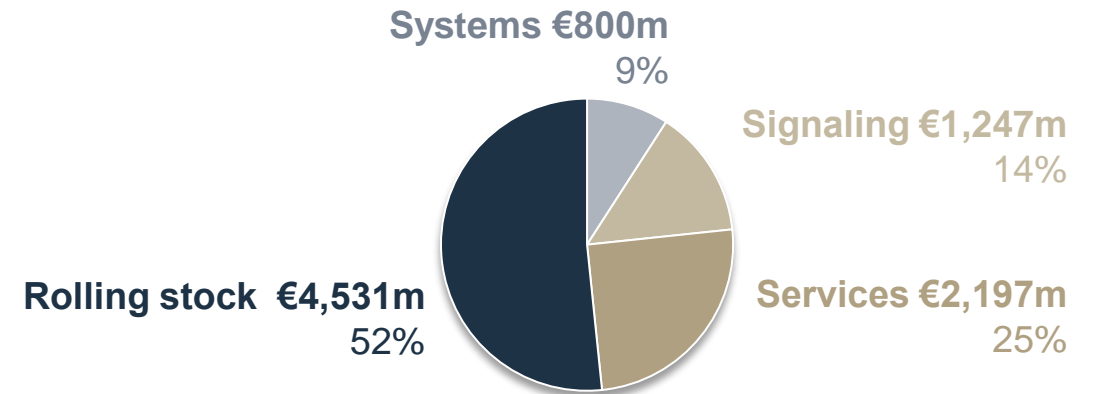


H1 2024/25 Sales by region and product line

Sales breakdown by region (in € million)



Sales breakdown by product line (in € million)



Sales by currency

<i>Currencies</i>	H1 2024/25 as a % of sales
EUR	47.1%
GBP	9.3%
USD	8.9%
CAD	4.7%
INR	4.4%
AUD	4.9%
SEK	2.8%
MXN	3.4%
ZAR	3.1%
BRL	1.9%
KZT	1.4%
SGD	1.6%
Currencies below 1% of sales	6.4%

Bombardier Transportation PPA provisional amortisation plan

<i>(in € million)</i>	As per P&L Booking ¹
FY 2020/21	(71)
FY 2021/22	(428)
FY 2022/23	(436)
FY 2023/24	(357)
FY 2024/25	(371)
FY 2025/26	(264)
FY 2026/27	(213)
FY 2027/28	(203)
FY 2028/29	(166)
FY 2029/30	(139)
FY 2030/31	(107)
FY 2031/32	(97)
FY 2032/33	(95)
FY 2033/34	(47)
Beyond	(151)

- The Gross PPA amortisation plan will be subject to FX evolution in future years or subject to potential impairments

1. Excludes PPA other than related to the purchase of Bombardier Transportation

Bridge consideration – From Enterprise Value to Equity Value

(in € million)

		H1 2024/25
Total Gross debt, incl. lease obligations	(1)	3,473
Pension liabilities net of prepaid and deferred tax asset related to pensions	(2)	770
Non controlling interest	(3)	110
Cash and cash equivalents	(4)	(1,789)
Other current financial assets	(4)	(71)
Other non-current financial assets	(5)	(85)
Net deferred tax liability / (asset)	(6)	(680)
Investments in associates & JVs, excluding Chinese JVs	(7)	(112)
Non-consolidated Investments	(8)	(75)
Bridge		1,541

(1) Long-term and short-term debt and Leases (Note 20), excluding the lease to a London metro operator for €87m due to matching financial asset (Notes 14 and 20 in the Financial Notes)

(2) As per Note 22 (in the Financial Notes) net of €63m of deferred tax allocated to accruals for employees benefit costs

(3) As per balance sheet

(4) As per balance sheet, adjusted with the deposit for the NMTC loan for €26m (Note 20 in the Financial Notes)

(5) As per balance sheet – excluding assets related to pensions for €341m, long term contract receivables for €114m and the deposit for the NMTC loan for €26m

(6) Deferred Tax asset and Liabilities - as per balance sheet net of €63m of deferred tax allocated to accruals for employees benefit costs

(7) JVs - to the extent they are not included in equity pickup / FCF, ie excluding Chinese JVs.

(8) Non-consolidated investments as per balance sheet

Reconciliation between consolidated income statement and the MD&A management view as of 30 September 2024

<i>(in € million)</i>	Total Consolidated Financial Statements (GAAP)	Adjustments		Total Consolidated Financial Statements (MD&A view)
		(1)	(2)	
30 September 2024				
Sales	8,775			8,775
Cost of Sales	(7,702)	155		(7,547)
Adjusted Gross Margin before PPA & impairment ⁽¹⁾	1,073	155	-	1,228
R&D expenses	(284)	28		(256)
Selling expenses	(180)	-		(180)
Administrative expenses	(348)	-		(348)
Equity pick-up	-		71	71
Adjusted EBIT ⁽¹⁾	261	183	71	515
Other income / (expenses)	(62)			(62)
Equity pick-up (reversal)	-	-	(71)	(71)
EBIT / EBIT before PPA & impairment ⁽¹⁾	199	183	-	382
Financial income (expenses)	(107)			(107)
Pre-tax income	92	183	-	275
Income tax Charge	(81)	(20)		(101)
Share in net income of equity-accounted investments	54	6		60
Net profit (loss) from continued operations	65	169	-	234
Net profit (loss) attributable to non controlling interests (-)	(10)			(10)
Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss) ⁽¹⁾	55	169	-	224
Purchase Price Allocation (PPA) & impairment net of corresponding tax effect	-	(169)		(169)
Net profit (loss) from discontinued operations	(2)			(2)
Net profit (loss) (Group share)	53	-	-	53

Adjustments as of 30 September 2024:

1. Impact of business combinations: amortisation of assets exclusively valued when determining the PPA, including net income of equity accounted investments, and including corresponding tax effect;
2. Reclassification of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group

Reconciliation between consolidated income statement and the MD&A management view as of 30 September 2023

<i>(in € million)</i>	Total Consolidated Financial Statements (GAAP)	Adjustments		Total Consolidated Financial Statements (MD&A view)
		(1)	(2)	
30 September 2023				
Sales	8,443			8,443
Cost of Sales	(7,432)	154		(7,278)
Adjusted Gross Margin before PPA & impairment ⁽¹⁾	1,011	154	-	1,165
R&D expenses	(284)	30		(254)
Selling expenses	(180)	-		(180)
Administrative expenses	(358)	-		(358)
Equity pick-up	-		65	65
Adjusted EBIT ⁽¹⁾	189	184	65	438
Other income / (expenses)	(98)			(98)
Equity pick-up (reversal)	-	-	(65)	(65)
EBIT / EBIT before PPA & impairment ⁽¹⁾	91	184	-	275
Financial income (expenses)	(98)			(98)
Pre-tax income	(7)	184	-	177
Income tax Charge	(28)	(16)		(44)
Share in net income of equity-accounted investments	48	5		53
Net profit (loss) from continued operations	13	173	-	186
Net profit (loss) attributable to non controlling interests (-)	(12)			(12)
Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss) ⁽¹⁾	1	173	-	174
Purchase Price Allocation (PPA) & impairment net of corresponding tax effect	-	(173)		(173)
Net profit (loss) from discontinued operations	-			-
Net profit (loss) (Group share)	1	-	-	1

Adjustments as of 30 September 2023:

1. Impact of business combinations: amortisation of assets exclusively valued when determining the PPA, including net income of equity accounted investments, and including corresponding tax effect;
2. Reclassification of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group

Appendix - Non-GAAP financial indicators definitions (1/3)

This section presents financial indicators used by the Group that are not defined by accounting standard setters.

- **Orders received**

A new order is recognised as an order received only when the contract creates enforceable obligations between the Group and its customer. When this condition is met, the order is recognised at the contract value. If the contract is denominated in a currency other than the functional currency of the reporting unit, the Group requires the immediate elimination of currency exposure using forward currency sales. Orders are then measured using the spot rate at inception of hedging instruments.

- **Book-to-Bill**

The book-to-bill ratio is the ratio of orders received to the amount of sales traded for a specific period.

- **Adjusted Gross Margin before PPA**

Adjusted Gross Margin before PPA is a KPI that presents the level of recurring operational performance. It represents the sales minus the cost of sales, adjusted to exclude the impact of amortisation of assets exclusively valued when determining the PPA in the context of business combination as well as significant, non-recurring “one off” items that are not expected to occur again in subsequent years

- **Adjusted EBIT**

Adjusted EBIT (“aEBIT”) is the Key Performance Indicator to present the level of recurring operational performance. This indicator is also aligned with market practice and comparable to direct competitors.

Starting September 2019, Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT when these are considered to be part of the operating activities of the Group (because there are significant operational flows and/or common project execution with these entities). This mainly includes Chinese joint ventures, namely CASCO joint venture for Alstom as well as, following the integration of Bombardier Transportation, Alstom Sifang (Qingdao) Transportation Ltd., Jiangsu Alstom NUG Propulsion System Co. Ltd

aEBIT corresponds to Earning Before Interests and Tax adjusted for the following elements:

- net restructuring expenses (including rationalisation costs);
- tangibles and intangibles impairment;
- capital gains or loss/revaluation on investments disposals or controls changes of an entity;
- any other non-recurring items, such as some costs incurred to realise business combinations and amortisation of an asset exclusively valued in the context of business combination, as well as litigation costs that have arisen outside the ordinary course of business;
- and including the share in net income of the operational equity-accounted investments.

A non-recurring item is a “one-off” exceptional item that is not supposed to occur again in following years and that is significant.

Adjusted EBIT margin corresponds to Adjusted EBIT expressed as a percentage of sales.

Appendix - Non-GAAP financial indicators definitions (2/3)

- **EBIT before PPA**

Following the Bombardier Transportation acquisition and with effect from the fiscal year 2021/22 condensed consolidated financial statements, Alstom decided to introduce the “EBIT before PPA” indicator aimed at restating its Earnings Before Interest and Taxes (“EBIT”) to exclude the impact of amortisation of assets exclusively valued when determining the purchase price allocations (“PPA”) in the context of business combination. This indicator is also aligned with market practice.

- **Adjusted net profit**

The “Adjusted Net Profit” indicator aims at restating the Alstom’s net profit from continued operations (Group share) to exclude the impact of amortisation & impairment of assets exclusively valued when determining the purchase price allocations (“PPA”) in the context of business combination, net of the corresponding tax effect.

- **Free cash flow**

Free Cash Flow is defined as net cash provided by operating activities less capital expenditures including capitalised development costs, net of proceeds from disposals of tangible and intangible assets. Free Cash Flow does not include any proceeds from disposals of activity.

The most directly comparable financial measure to Free Cash Flow calculated and presented in accordance with IFRS is net cash provided by operating activities.

- **Net cash/(debt)**

The net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial asset, less borrowings

- **Organic basis**

This presentation includes performance indicators presented on an actual basis and on an organic basis. Figures given on an organic basis eliminate the impact of changes in scope of consolidation and changes resulting from the translation of the accounts into Euro following the variation of foreign currencies against the Euro.

The Group uses figures prepared on an organic basis both for internal analysis and for external communication, as it believes they provide means to analyse and explain variations from one period to another. However, these figures are not measurements of performance under IFRS.

Appendix - Non-GAAP financial indicators definitions (3/3)

- **Gross margin % on backlog**

Gross Margin % on backlog is a KPI that presents the expected performance level of firm contracts in backlog. It represents the difference between the sales not yet recognized and the cost of sales not yet incurred from the contracts in backlog. This % is an average of the portfolio of contracts in backlog and is meaningful to project mid- and long-term profitability.

- **EBITDA + JV dividends**

EBITDA before PPA plus dividends from joint ventures is the EBIT before PPA, before depreciation and amortisation, with the addition of the dividends received from joint ventures.

- **Funds from Operations**

Funds from Operations “FFO” in the EBIT to FCF statement refers to the Free Cash Flow generated by Operations, less Working Capital variations.

- **Contract and Trade Working Capital**

Contract Working Capital is the sum of:

- Contract Assets & Liabilities, which includes the Customer Down-Payments
- Current provisions, which includes Risks on contracts and Warranties

Trade Working Capital is the Working Capital that is not strictly related to contract. It includes all the elements of the working capital but

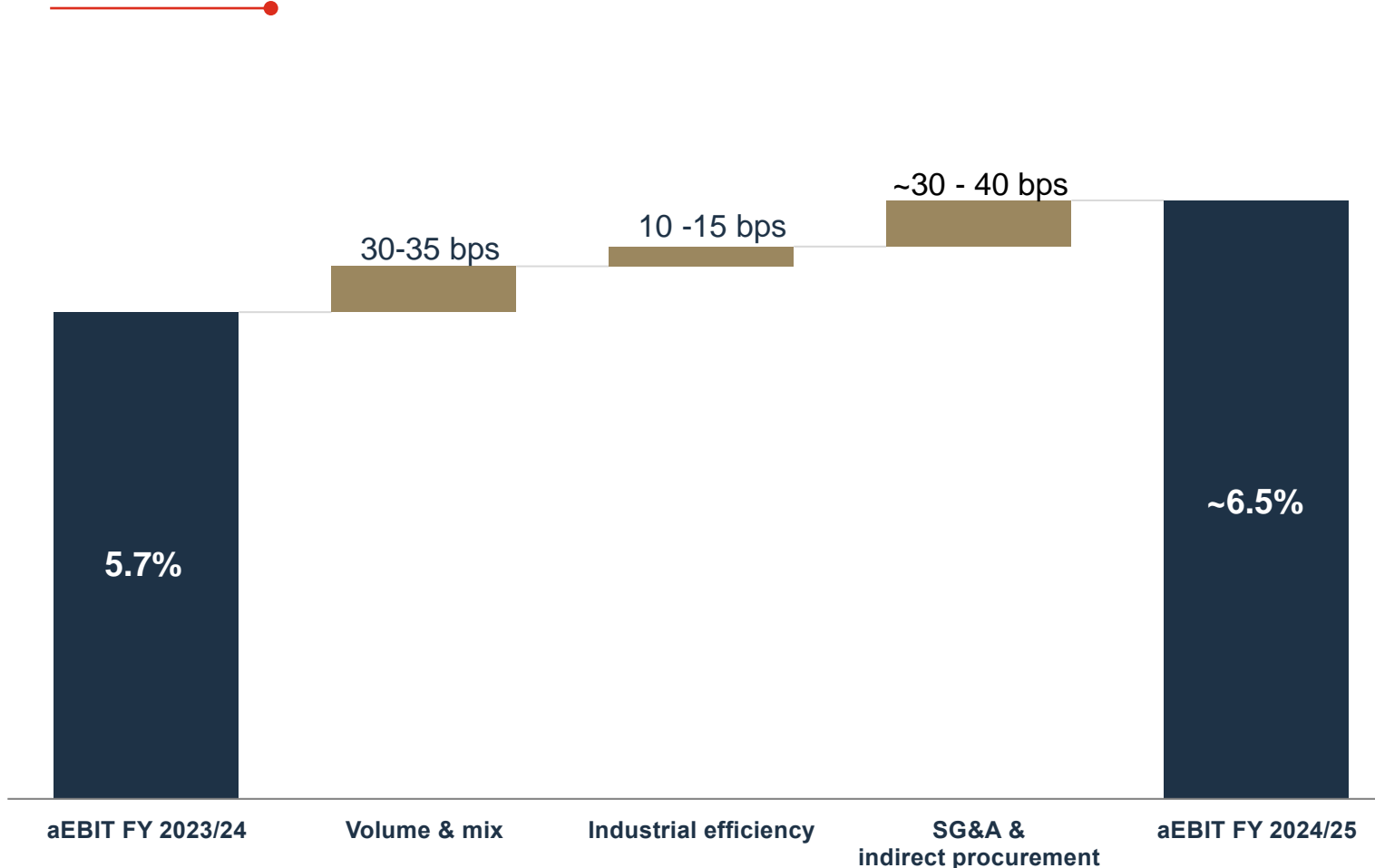
- Contract Working Capital
- Income Tax receivables and payables
- Restructuring provisions



Appendix 2

Non-linear aEBIT margin trajectory with impact of restructuring plan kicking in during second half of FY 2024/25

aEBIT (in %)

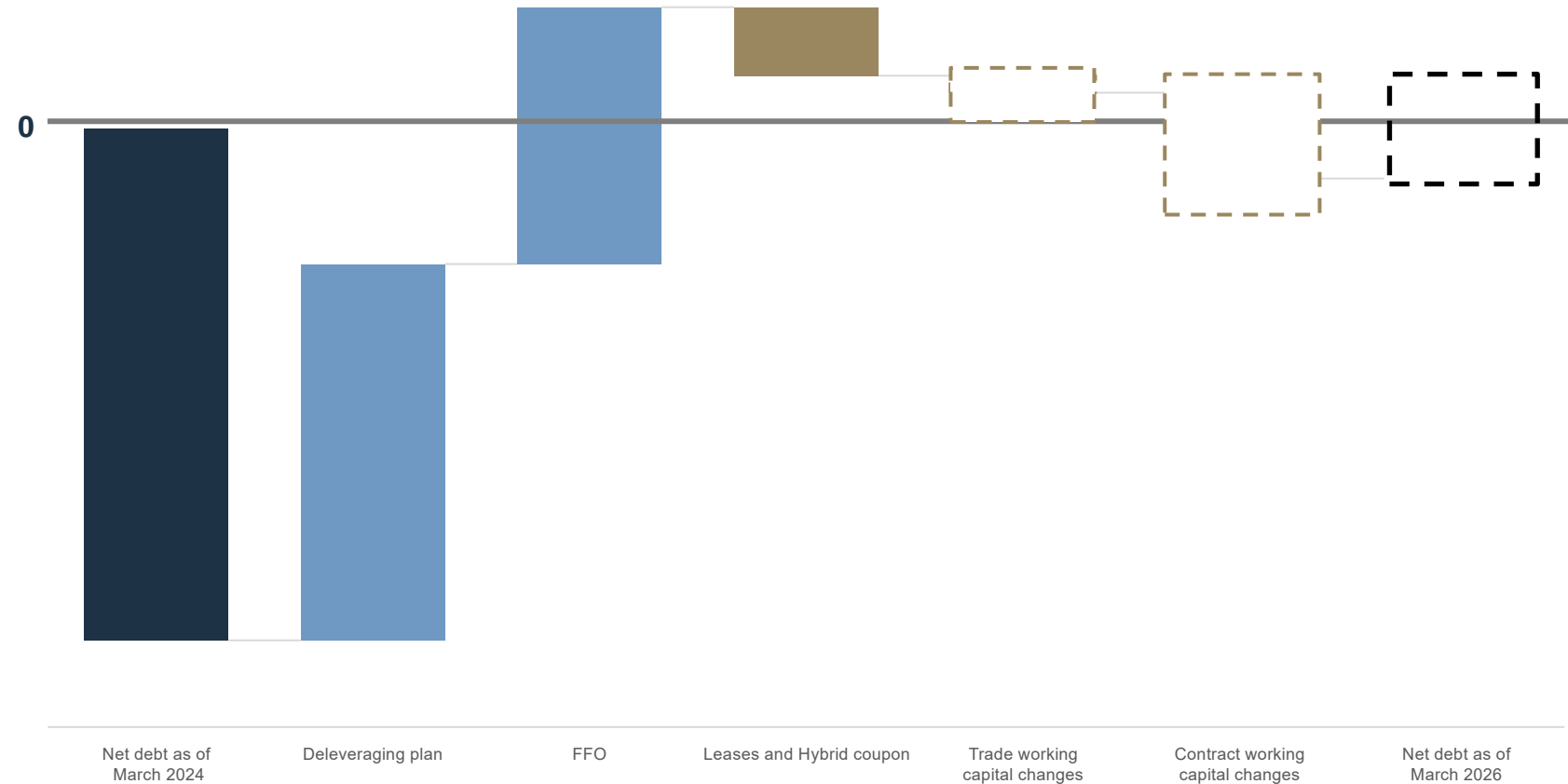


Main drivers to 8-10% aEBIT mid- to long-term ambition

- Rolling Stock margin uplift from progressive improvement of margin in backlog
- Reduction of industrial inefficiencies
- Full-year effect of the SG&A plan
- Indirect procurement action plan

Capital allocation priorities

- Priority to deleverage and maintain Investment Grade rating
- Dividends policy to be re-evaluated once zero net financial debt is reached
- M&A policy:
 - Pursue bolt-on acquisitions (Innovation, Digital, Services)
 - Dynamic portfolio management



Graph not at scale, for illustration purposes

Guidance for FY 2024/25 and mid-term ambitions

Assumptions

- Supportive market demand
- FY 2024/25 downpayments consistent with FY 2023/24
- Balance sheet plan fully executed in FY 2024/25
- End of integration in FY 2024/25

Outlook for FY 2024/25

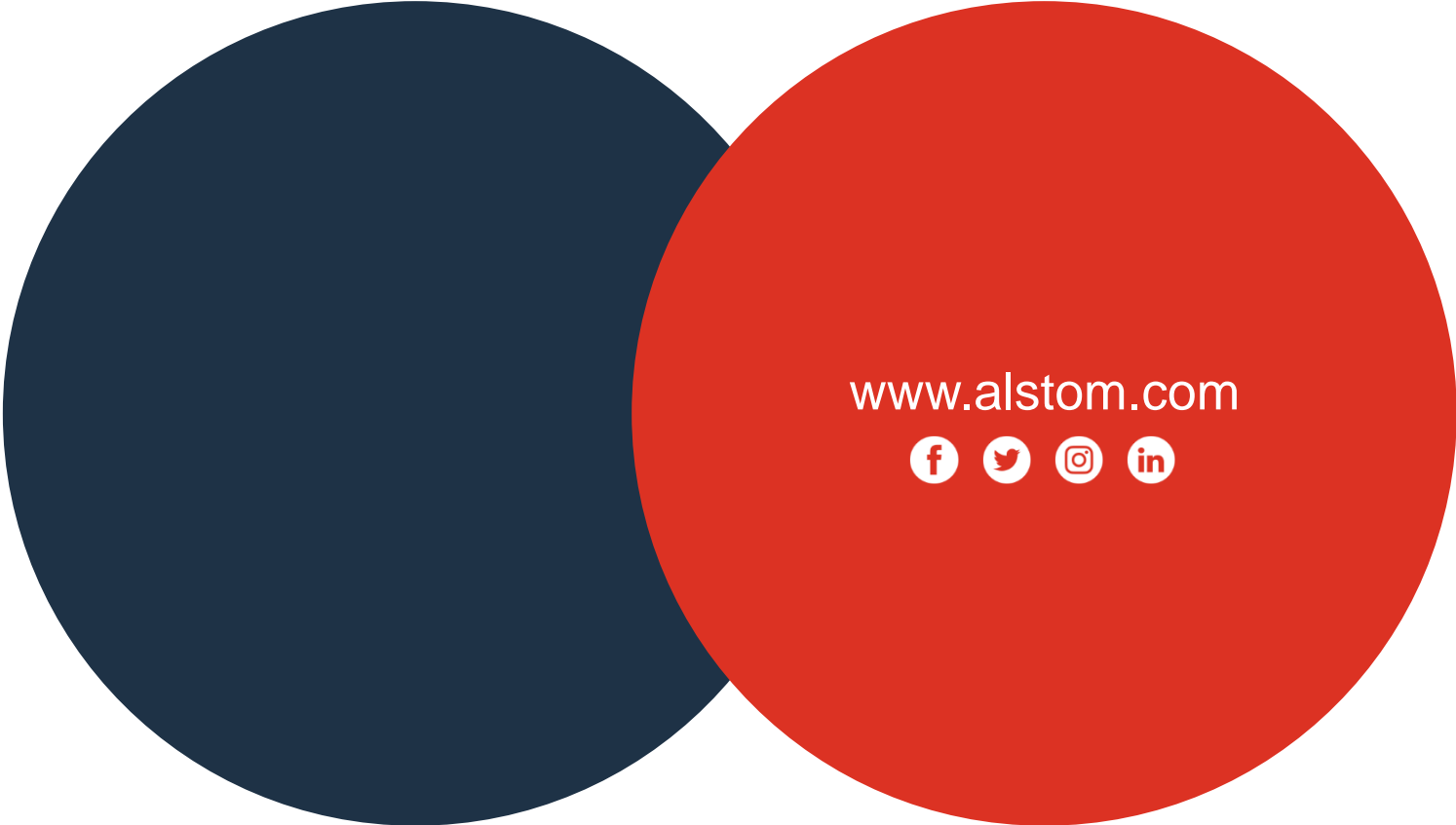
- Book to bill above 1
- Sales organic growth: around 5%
- aEBIT margin around 6.5 %
- FCF generation €300m to €500m
- Seasonality driving:
 - Negative FCF within a range of €(300)m to €(500)m in H1 2024/25
 - aEBIT margin development to be more H2 weighted

Mid- to long-term ambitions

- Book-to-bill above 1
- Sales average growth ~5% / year
- aEBIT margin within 8-10% range
- FCF conversion trending to 100%* over the cycle

* Of adjusted net profit

At least €1.5bn cumulative FCF from FY 2024/25 to FY 2026/27



www.alstom.com



ALSTOM
• mobility by nature •