Half Year Results
Fiscal Year 2024/25

13 November 2024

ALSTOM
• mobility by nature •

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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

ORDERS
€10.9bn
Book-to-bill
1.25

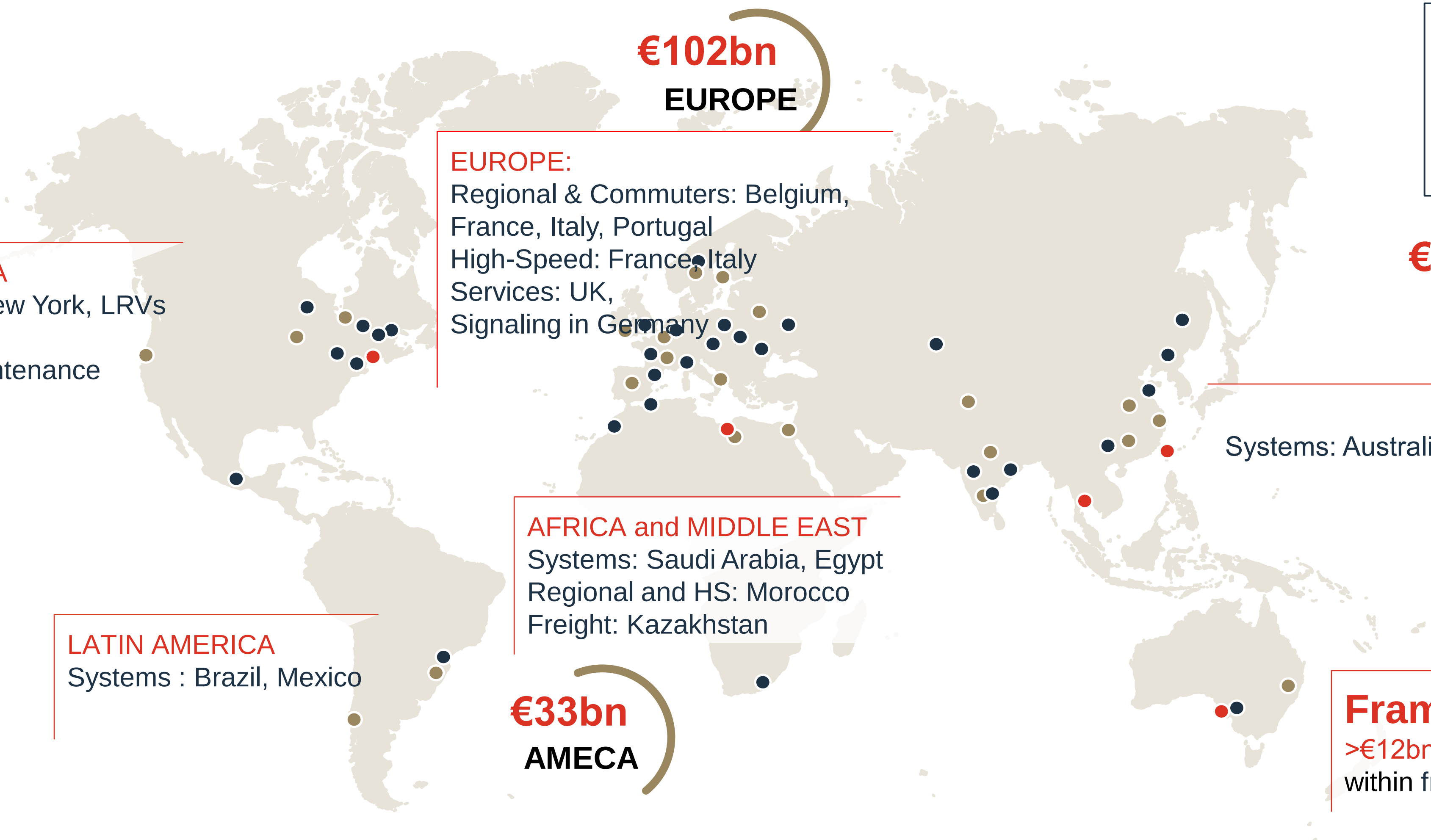
SALES
€8.8bn
+3.9% ***(o/w 5.6% org)***
vs H1 2023/24

aEBIT
€515m
5.9%
+70bps
vs H1 2023/24

FREE CASH FLOW
€(138)m
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



€39bn
AMERICAS

NORTH AMERICA
Urban projects: New York, LRVs
Commuters
Operations & Maintenance

LATIN AMERICA
Systems : Brazil, Mexico

€102bn
EUROPE

EUROPE:
Regional & Commuters: Belgium, France, Italy, Portugal
High-Speed: France, Italy
Services: UK,
Signaling in Germany

€33bn
AMECA

AFRICA and MIDDLE EAST
Systems: Saudi Arabia, Egypt
Regional and HS: Morocco
Freight: Kazakhstan

€23bn
APAC

APAC
Systems: Australia, Singapore, Thailand…
Urban: India metros

Frame agreements
>€12bn options to be exercised within frame agreements

€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

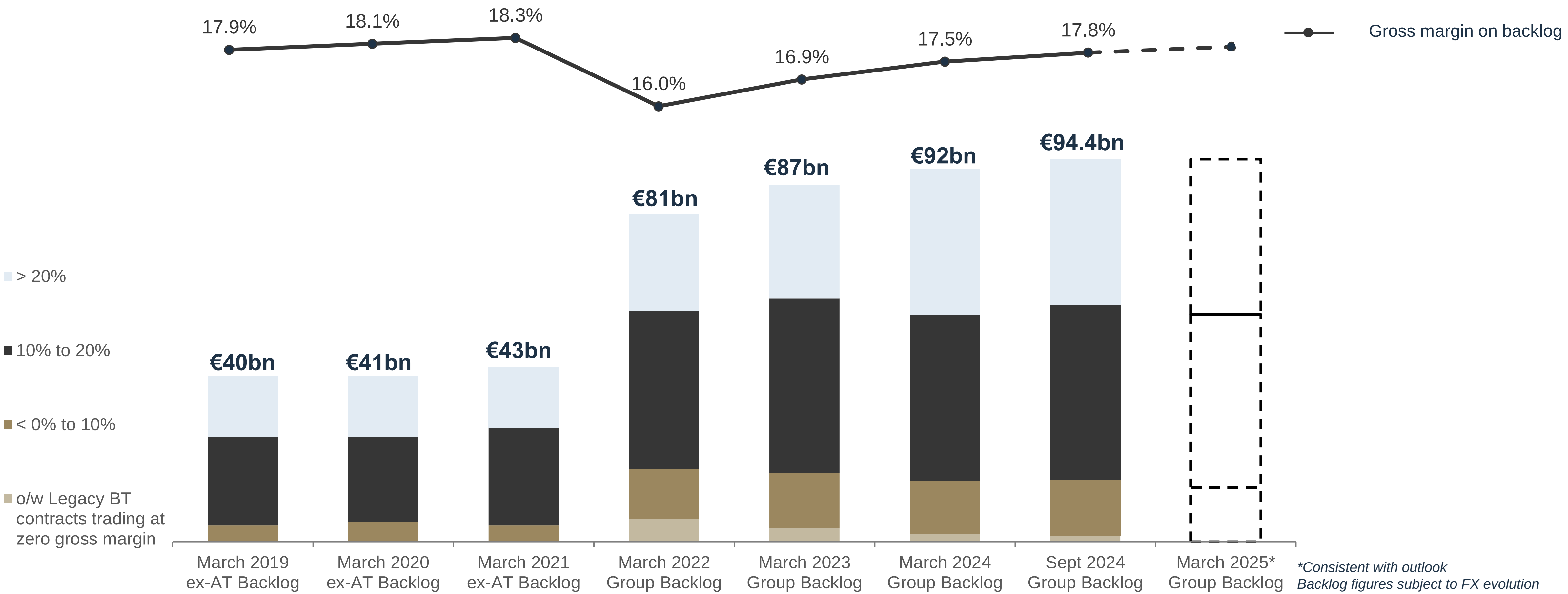
S-BAHN KÖLN (TRAINS & MAINTENANCE - Germany)

€0.7 bn

PERTH (SIGNALING - Australia)

Strong backlog with confirmed gross margin improvement trajectory

Backlog stratification – Gross margin evolution



**Consistent with outlook*
Backlog figures subject to FX 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

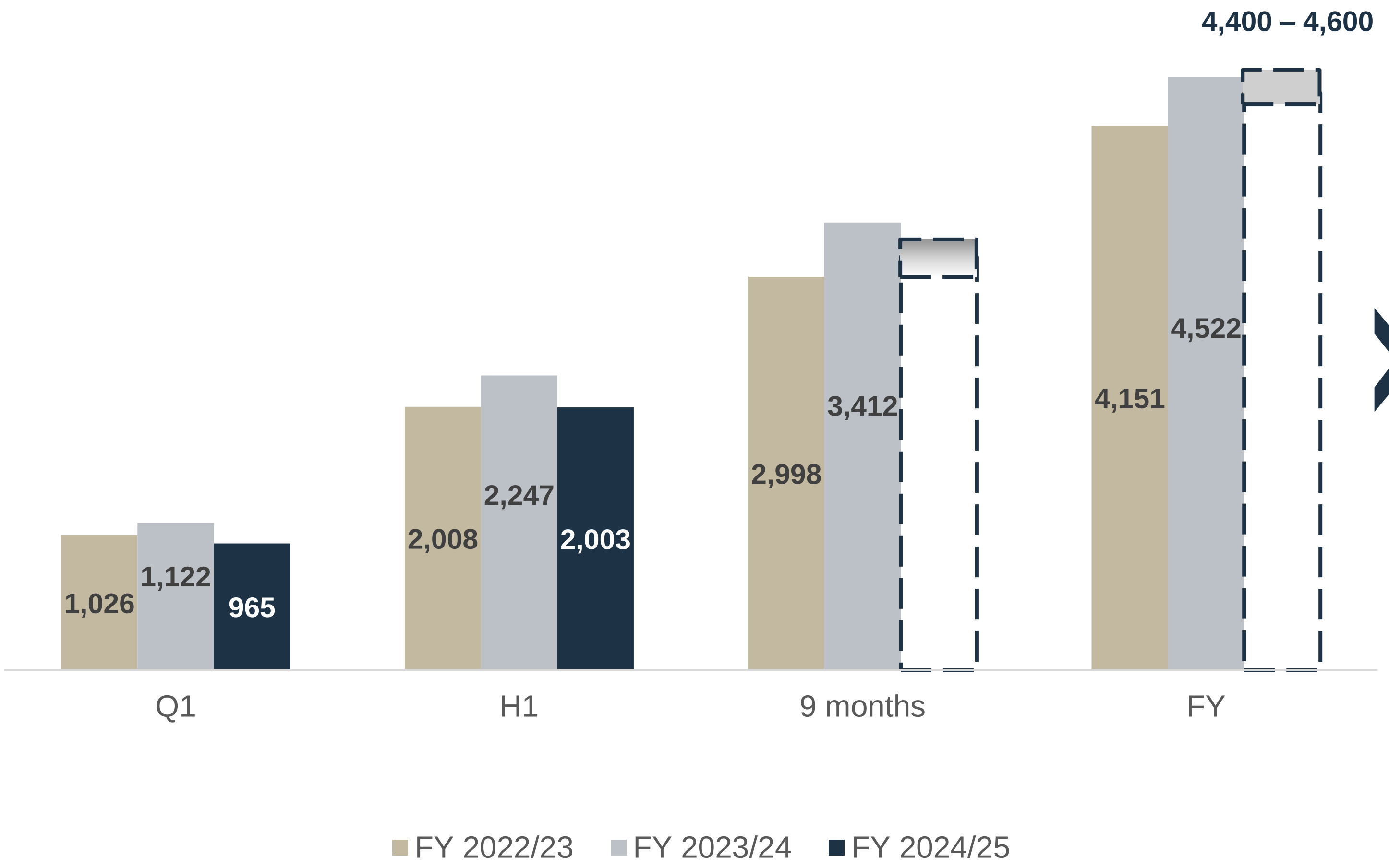
CONTINUOUS EFFORTS ON SELECTED PROJECTS

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 Aventra 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

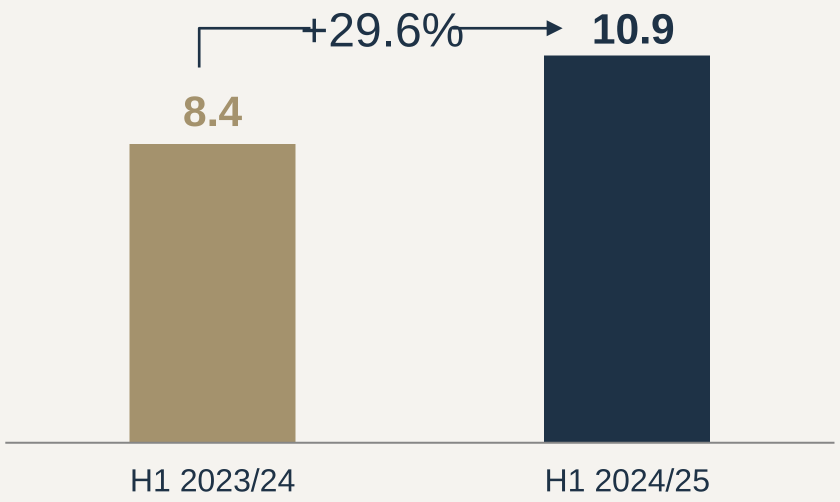
2

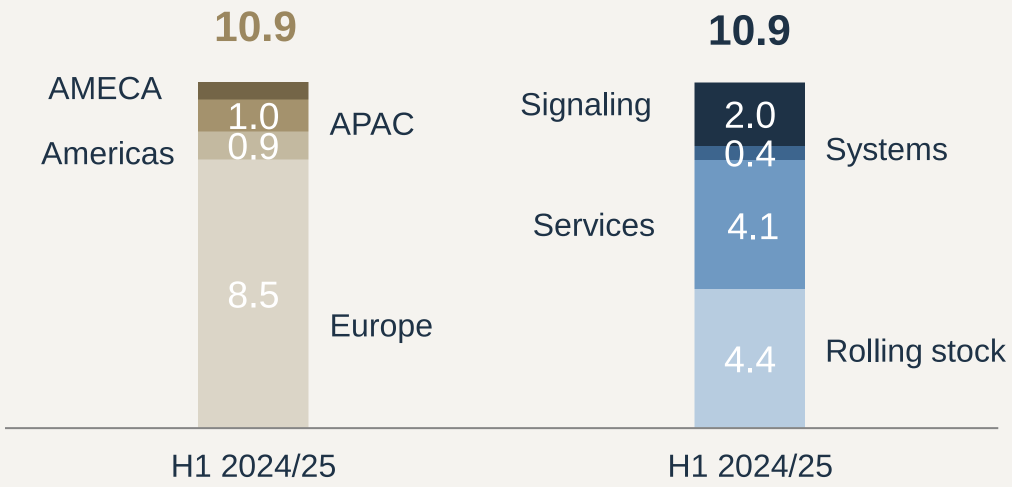
Financial Results

Bernard Delpit
Executive Vice-President and
Chief Financial Officer

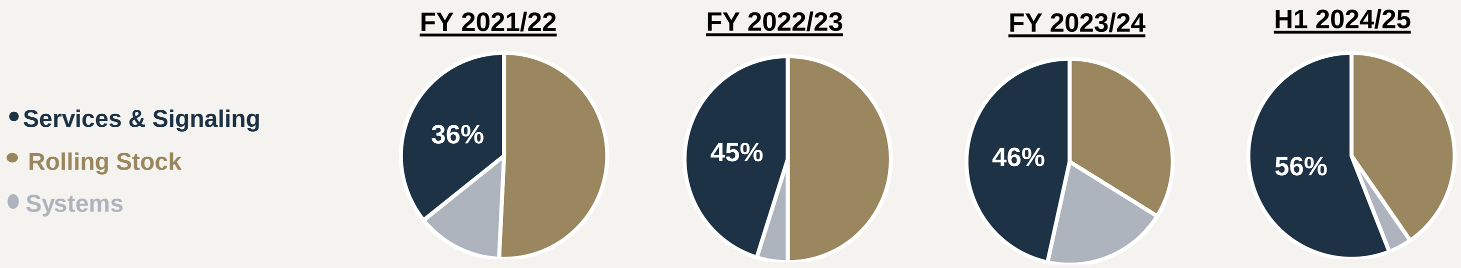
H1 orders boosted by strong Q2
Services and Signaling exceed 50% of order intake

ORDERS H1 2024/25 (in €bn)





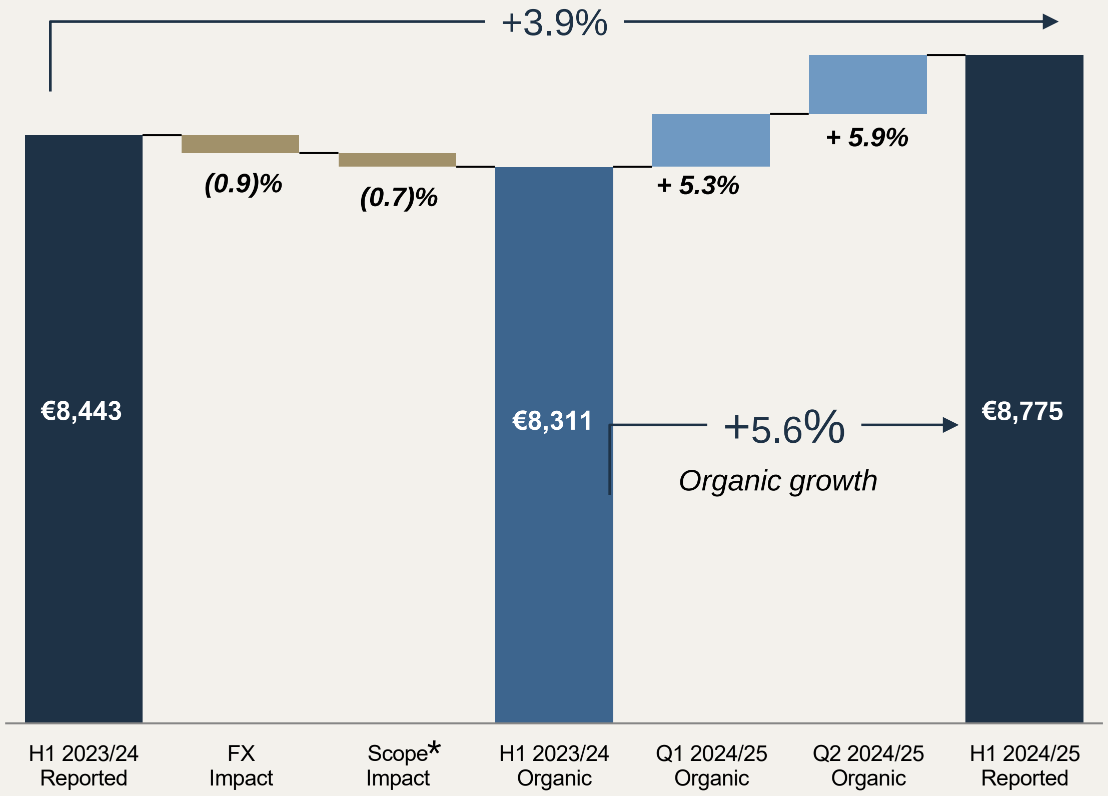
- Book-to-bill 1.25, backlog at €94.4bn
- Margin and cash on order intake supporting mid-term trajectory



Orders mix evolution supporting midterm targets

Group organic growth in line with guidance
Double digit Services growth since merger

SALES H1 2024/25 (in €m)



** Spanish JVs and disposal of US signaling*

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.

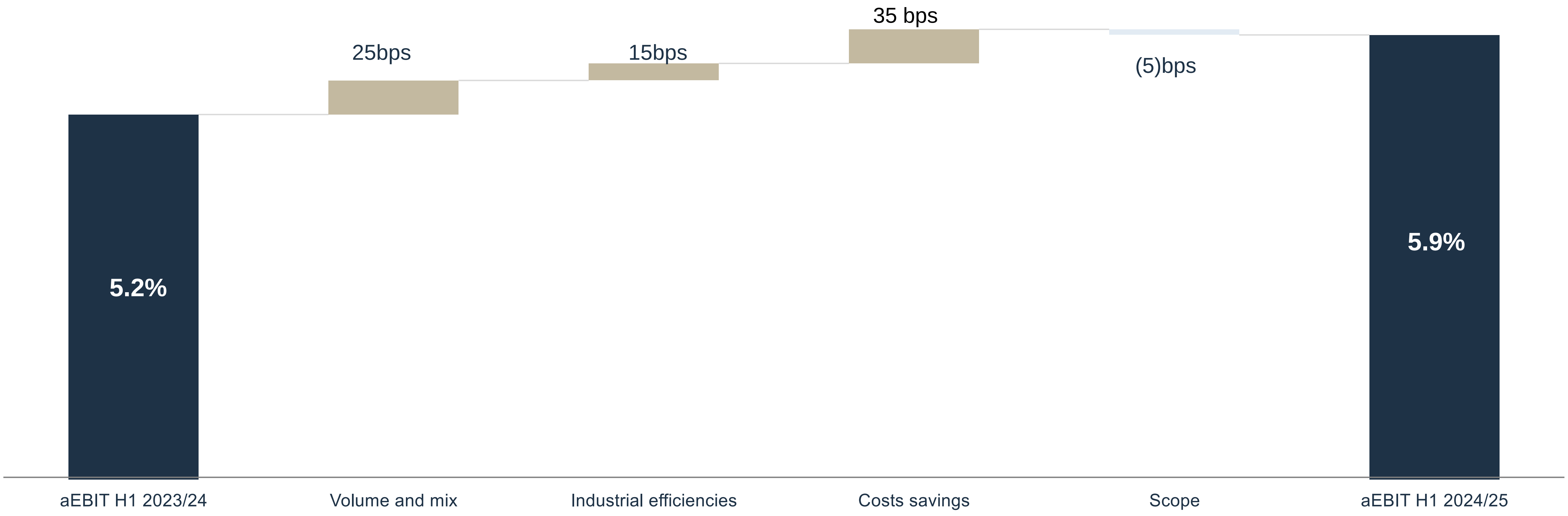
aEBIT margin improvement in line with FY 2024/25 trajectory

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

(in € million)	**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)%*
Integration, acquisition and other costs	(92)	(82)	*(9.9)%*
Reversal of net interest in equity investees pickup[1]	(65)	(71)	*+9.2%*
EBIT before PPA and impairment	**275**	**382**	*+39.3%*
Financial results	(98)	(107)	*+9.2%*
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 profit[2]	**174**	**224**	*+28.7%*
PPA net of tax	(173)	(169)	*(2.3)%*
Net Profit - Continued operations, Group share	**1**	**53**	-

o/w Integration costs €51m
Legal fees and others €31m

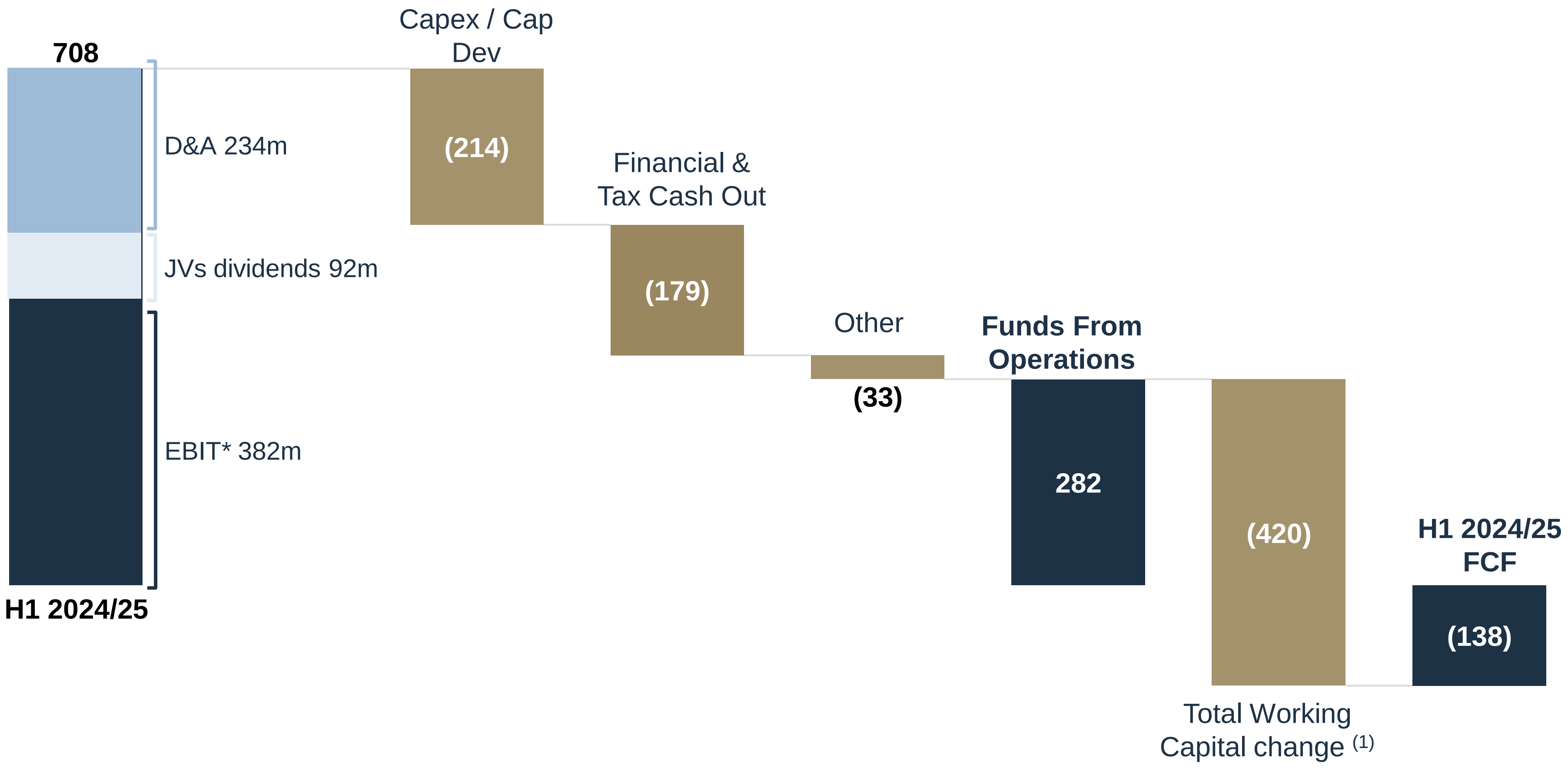
Net interest decrease by (€24m)
Hedging, bank fees & others increase by + €33m

ETR 37%

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)million 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

(in € million / days of sales)	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

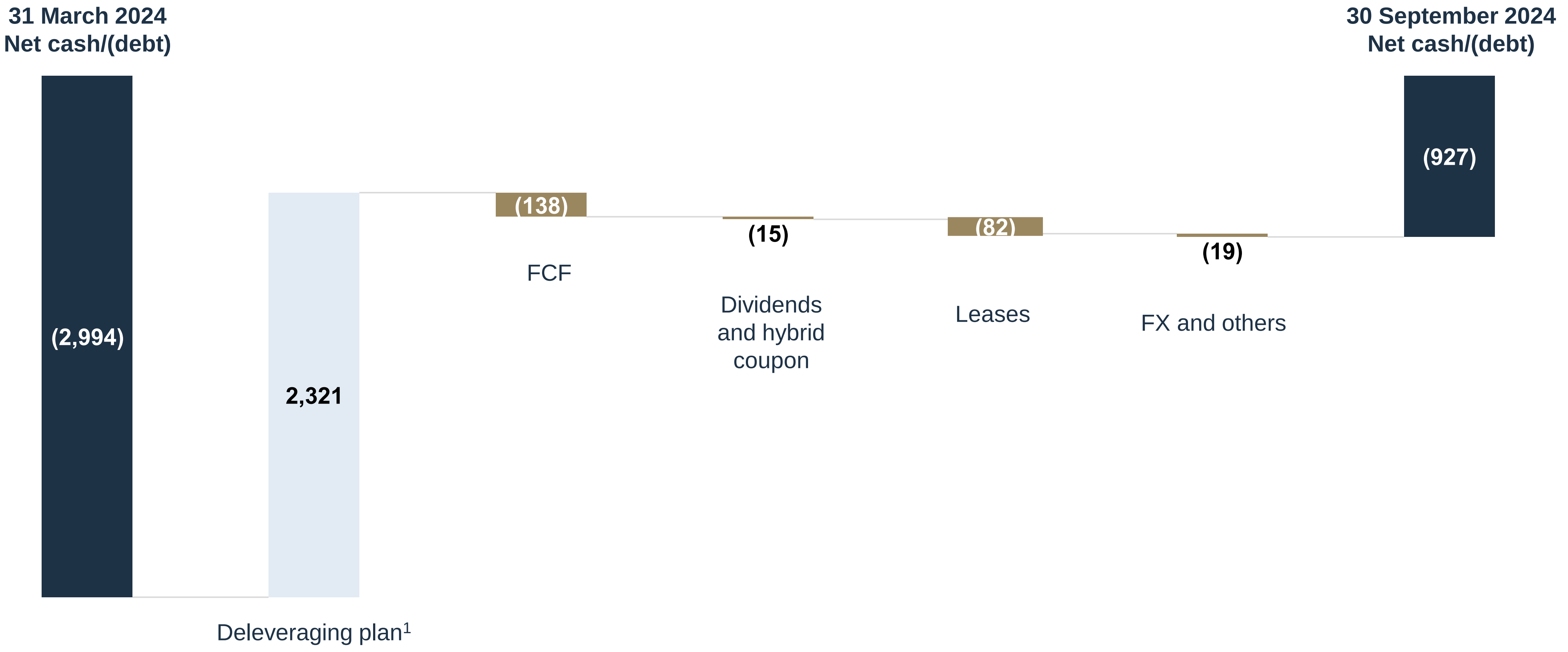
Contract Working Capital
Larger quantity of projects in startup phase

(in € million / days of sales)	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 *Of which Risks on contracts*	(1,750) *(1,141)*	*(38)*	(1,612) *(981)*	*(33)*	(1,583) *(943)*	*(32)*
Contract Working Capital[1]	**(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

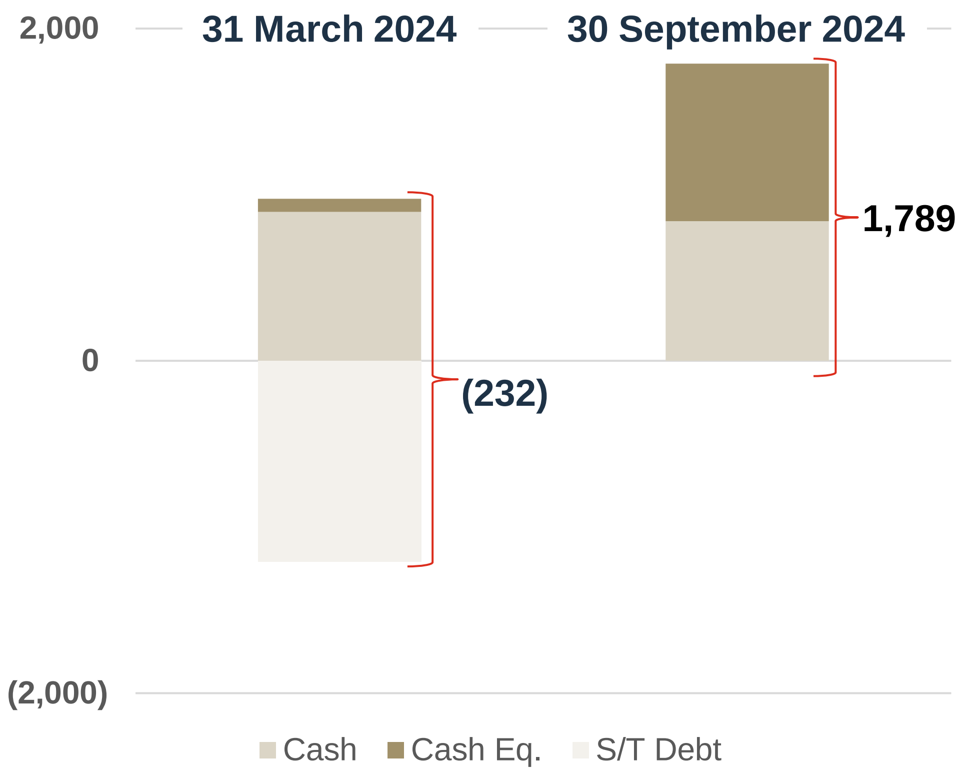
Net financial debt reduced by €2,067m to €927m following deleveraging plan



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.

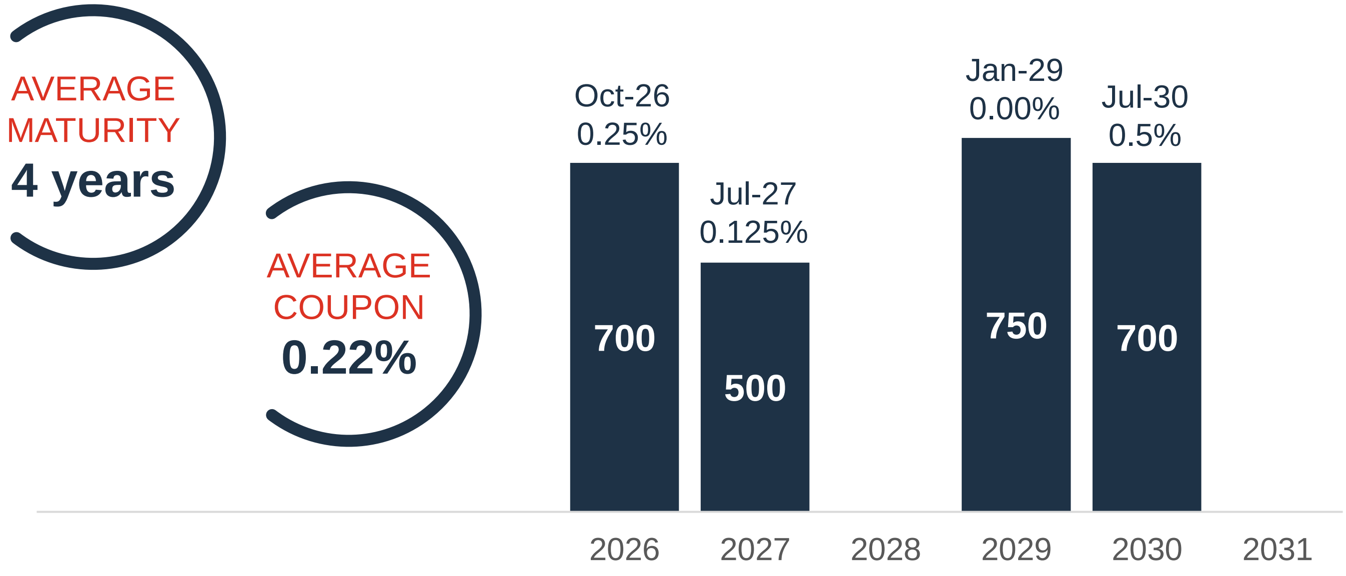
Short-term debt reimbursed, strong increase in Cash & cash equivalents

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

CONTACTS

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AGENDA

21 January 2025
Q3 2024/25 orders and sales

13 May 2025
FY 2024/25 results

Financial Calendar

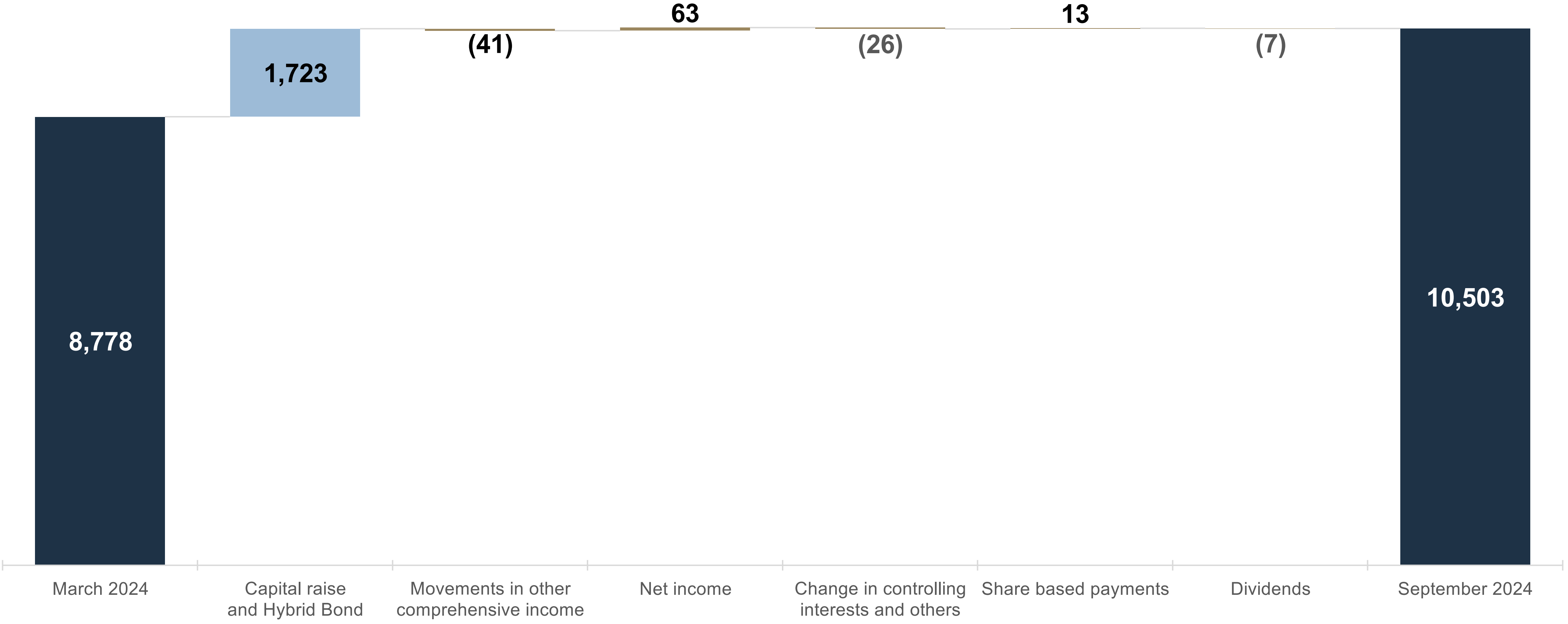
14 November	H1 FY 24/25 roadshow in Paris - ODDO	Paris, FRANCE
15 November	H1 FY 24/25 roadshow in London - Jefferies	London, UK
18 November	H1 FY 24/25 roadshow in NYC – CITI	NYC, USA
19 November	H1 FY 24/25 roadshow in Chicago – CITI	Chicago, USA
19 November	Forum by Market Solutions 2024 - CIC	Paris, 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

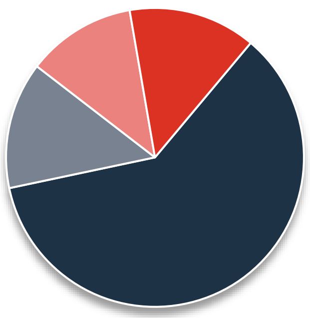
Appendix 1

Equity in € million

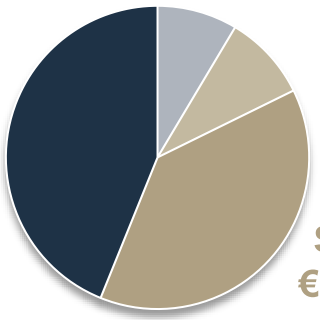


H1 2024/25 backlog by region and product line

Backlog breakdown by region (in € million)

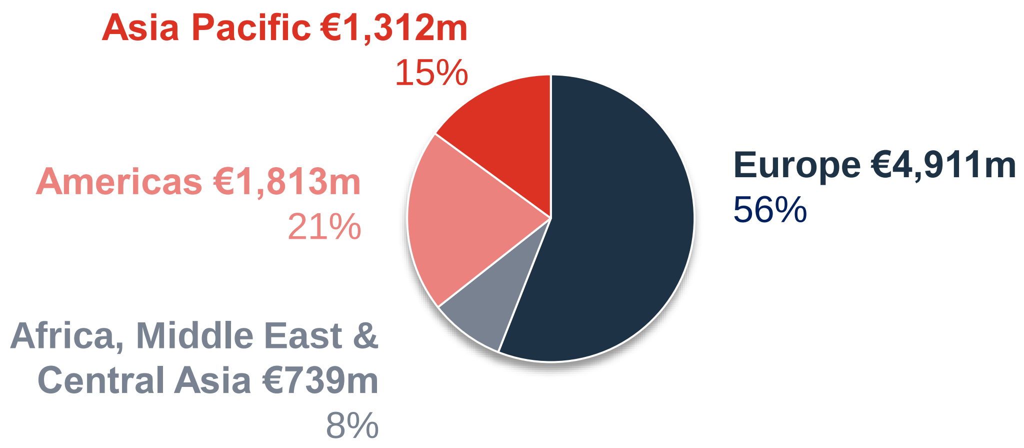


Backlog breakdown by product line (in € million)

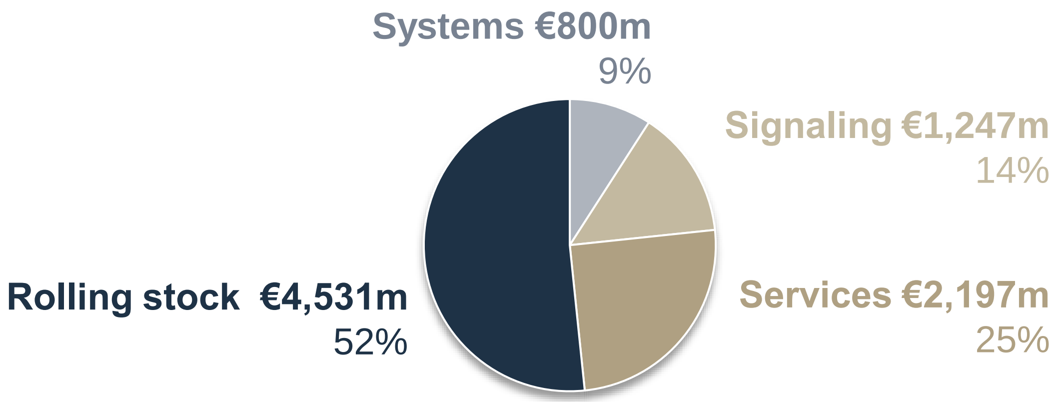


H1 2024/25 Sales by region and product line

Sales breakdown by region (in € million)



Sales breakdown by product line (in € million)



Sales by currency

Currencies	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

(in € million)	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

(in € million)	Total Consolidated Financial Statements (GAAP)	Adjustments (1)	(2)	Total Consolidated Financial Statements (MD&A view)
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

(in € million)	Total Consolidated Financial Statements (GAAP)	Adjustments (1)	(2)	Total Consolidated Financial Statements (MD&A view)
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)

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

- **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

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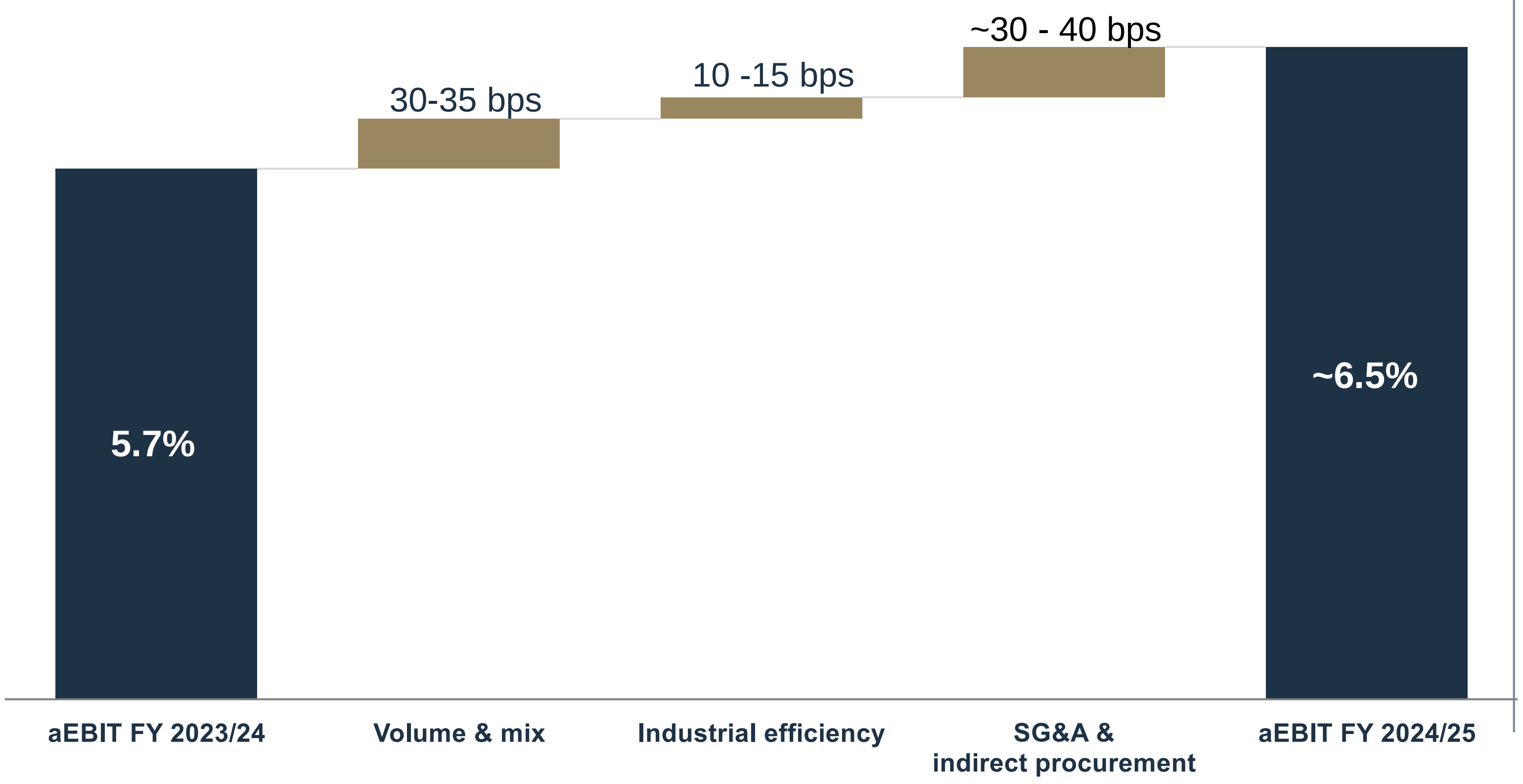
Appendix 2

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

aEBIT (in %)

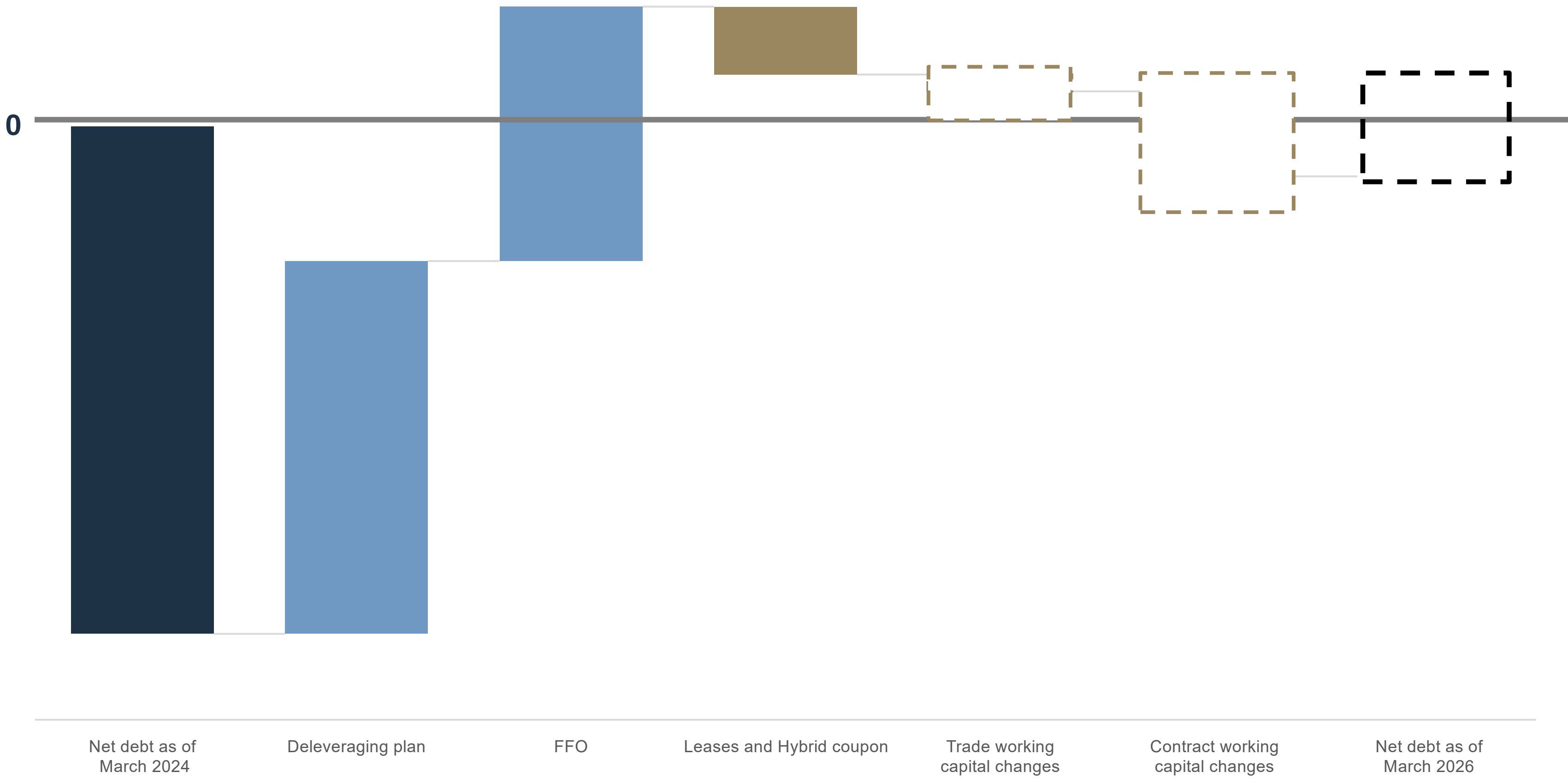


Main drivers to 8-10% aEBIT mid- to long-term ambition

- 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

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