

Alstom’s first quarter 2024/25: deleveraging plan delivered, Q1 orders and sales in line with FY 2024/25 trajectory, outlook confirmed

- Hybrid issuance and rights issue fully executed, closing of North American conventional signalling business disposal expected in Q2
- Order intake at €3.6 billion
- Sales at €4.4 billion, up 5.1% vs. last year, of which 5.3% organic
- Fiscal year 2024/25 outlook and mid to long-term ambitions confirmed

23 July 2024 – Over the first quarter of 2024/25 (from 1 April to 30 June 2024), Alstom booked €3.6 billion of orders. The Group’s sales reached €4.4 billion in the quarter, up 5.1% vs. last year, in line with announced growth trajectory.

The backlog, as of 30 June 2024, settled at €91.8 billion, providing strong visibility on future sales.

Key figures

Reported figures <i>(in € million)</i>	2023/24 Q1	2024/25 Q1	<i>% Change</i> <i>Reported</i>	<i>% Change</i> <i>Organic</i>
Orders received ¹	3,875	3,645	(5.9)%	(5.7)%
Sales	4,175	4,389	+5.1%	+5.3%

Geographic and product breakdowns of reported orders and sales are provided in Appendix 1.

“Alstom swiftly executed its deleveraging plan, resulting in the upgrade by Moody’s of the outlook of its credit rating. As expected, order volume was soft in the first quarter, however we secured significant contract wins in Europe, notably the Hamburg metro, together with robust margin on order intake. The market is dynamic with a strong pipeline of opportunities for the next three years. We see solid growth across all product lines, with strong performance in Services during this quarter, and we confirm our short and mid-term ambitions.” said **Henri Poupart-Lafarge**, Chief Executive Officer of Alstom.

Detailed review

During the first quarter of 2024/25 (from 1 April to 30 June 2024), Alstom recorded €3,645 million in orders, compared to €3,875 million over the same period last fiscal year.

Over three months, orders for Services, Signalling and Systems reached 61% of the total order intake.

On a regional level, Europe accounted for 70% of the Group total order intake. In Germany, Alstom signed a framework agreement with Hamburger Hochbahn AG worth up to €2.8 billion. The first call-

¹ Non - GAAP. See definition in the appendix.

off under this framework agreement comprises 48 metro trains and the CBTC equipment for the first section of the U5 line, including five of the 23 new metro stations. The call-off, booked during this first quarter, has a volume of around €670 million.

In Italy, Alstom signed a contract with Mercitalia Rail, a company of the Polo Logistica FS for the supply of 70 Traxx Universal locomotives, along with 12 years of full maintenance services. The contract is valued at over €323 million and includes the option to supply an additional 30 locomotives and an extension of the maintenance services.

In the United Kingdom, Alstom signed a contract worth around €430 million for 10 new nine-car Aventra trains for Transport for London's Elizabeth line, along with associated maintenance until 2046.

In the AMECA region, Alstom has announced a new Services contract from an undisclosed customer worth approximately €400 million. The order, received in June 2024, includes a technical support and spares supply agreement for 12 years.

Sales were €4,389 million in Q1 2024/25 (from 1 April to 30 June 2024) versus €4,175 million in Q1 2023/24 (up 5.1% on a reported basis and 5.3% on an organic basis).

Rolling Stock sales reached €2,338 million, representing an increase of 2% on a reported basis and 2% on an organic basis, driven by a ramp-up of projects in Italy, key project deliveries in France, and strong execution performance in the US and India, compensating for a lower cars production (965 cars versus 1,122 for the same period last fiscal year) notably due to the end of the production of legacy projects in UK (Aventra) and Germany.

Services delivered a sustained strong performance and reported €1,073 million of sales, up 12% on a reported basis and 13% on an organic basis, benefiting from an important ramp-up of Services project in the UK, Germany and Australia, and consistent performance in North America.

Signalling sales stood at €637 million, up 6% on a reported basis and 6% on an organic basis, led by a consistent execution across all regions, mainly in the US, Germany and Australia.

In Systems, Alstom reported €341 million sales, up 4% on a reported basis and 5% on an organic basis, on the back of a good performance of Turnkey projects in Mexico, France and Canada.

The book-to-bill ratio is 0.83 over the quarter.

Key project deliveries

During the first quarter of 2024/25, Alstom's employees mobilized effectively to meet the deadline for the entry into commercial service of 3 metro lines, 2 tramway lines and RER line extensions in the Île-de-France region, in the run-up of the sport events organised in Paris this summer 2024.

Progress on the €2 billion inorganic deleveraging plan

The hybrid bond issuance for €750 million and the rights issue for €1 billion euros have been fully executed during this quarter.

The preparation for the sale of the North American conventional signalling business to Knorr-Bremse AG is progressing well and closing is expected to take place during the second quarter of FY 2024/25.

Assumptions for rest of FY 2024/25

Following execution of the deleveraging plan, outlook for FY 2024/25 is based on following main assumptions:

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

Outlook for FY 2024/25

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

Mid to long-term ambitions are confirmed as per the May 8, 2024, full year announcement.

Financial calendar

13 November 2024 2024/25 Half-Year Results

Analysts Conference Call

Alstom is pleased to invite the analysts to a conference call presenting its first quarter orders and sales for the fiscal year 2024/25 on Tuesday 23 July at 6:30 pm (Paris time), hosted by Bernard Delpit, EVP and CFO.

A live audiocast will also be available on Alstom's website: [Alstom's first quarter orders and sales for FY 2024/25](#).

To participate in the Q&A session (audio only), please use the dial-in numbers below:

- France: +33 (0) 1 7037 7166
- UK: +44 (0) 33 0551 0200
- USA: +1 786 697 3501
- Canada: 1 866 378 3566 (toll free)

Quote **ALSTOM** to the operator to be transferred to the appropriate conference.

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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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APPENDIX 1A – GEOGRAPHIC BREAKDOWN

Reported figures <i>(in € million)</i>	2023/24 3 months	% Contrib.	2024/25 3 months	% Contrib.
Europe	1,850	48%	2,570	70%
Americas	848	22%	318	9%
Asia / Pacific	1,168	30%	237	7%
Middle East / Africa	9	0%	520	14%
Orders by destination	3,875	100%	3,645	100%

Reported figures <i>(in € million)</i>	2023/24 3 months	% Contrib.	2024/25 3 months	% Contrib.
Europe	2,516	60%	2,494	57%
Americas	772	19%	894	20%
Asia / Pacific	546	13%	624	14%
Middle East / Africa	341	8%	377	9%
Sales by destination	4,175	100%	4,389	100%

APPENDIX 1B – PRODUCT BREAKDOWN

Reported figures <i>(in € million)</i>	2023/24 3 months	% Contrib.	2024/25 3 months	% Contrib.
Rolling stock	1,387	36%	1,410	39%
Services	554	14%	1,199	33%
Systems	1,465	38%	119	3%
Signalling	469	12%	917	25%
Orders by product line	3,875	100%	3,645	100%

Reported figures <i>(in € million)</i>	2023/24 3 months	% Contrib.	2024/25 3 months	% Contrib.
Rolling stock	2,294	55%	2,338	53%
Services	956	23%	1,073	24%
Systems	326	8%	341	8%
Signalling	599	14%	637	15%
Sales by product line	4,175	100%	4,389	100%

APPENDIX 2 - NON-GAAP FINANCIAL INDICATORS DEFINITIONS

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.

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.

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.

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" KPI aimed at restating its Earnings Before Interest and Taxes ("EBIT") to exclude the impact of amortisation of assets exclusively valued when determining the PPA in the context of business combination. This KPI is also aligned with market practice.

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. (formerly Bombardier Sifang), Bombardier NUG Propulsion System Co. Ltd and Changchun Changke Alstom Railway Vehicles Company Ltd (formerly Changchun Bombardier).

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

- net restructuring expenses (including rationalization 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 realize business combinations and amortization 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.

EBITDA before PPA + 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.

Adjusted net profit

The “Adjusted Net Profit” KPI restates Alstom’s net profit from continued operations (Group share) to exclude the impact of amortisation of assets exclusively valued when determining the PPA in the context of business combination, net of the corresponding tax effect. This indicator is also aligned with market practice.

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.

Funds from Operations

Funds from Operations “FFO” in the EBIT to FCF statement refers to the Free Cash Flow generated by Operations, before 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

Net cash/(debt)

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

Pay-out ratio

The pay-out ratio is calculated by dividing the amount of the overall dividend with the “Adjusted Net profit from continuing operations attributable to equity holders of the parent, Group share” as presented in the management report in the consolidated financial statements.

Organic basis

This press release includes performance indicators presented on a reported 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.

<i>(in € million)</i>	Q1 2023/24			Q1 2024/25		
	Reported figures	Exchange rate and scope impact	Comparable Figures	Reported figures	% Var Act.	% Var Org.
Orders	3,875	11	3,864	3,645	(5.9)%	(5.7)%
Sales	4,175	7	4,168	4,389	5.1%	5.3%