

Half Year Results Fiscal Year 2018/19

14 November 2018

ALSTOM
Designing fluidity

Disclaimer

This presentation contains forward-looking statements which are based on current plans and forecasts of Alstom's management. Such forward-looking statements are by their nature subject to a number of important risk 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.

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Agenda

- 1 Introduction**
- 2 Market update
- 3 2020 strategy
- 4 Financial results
- 5 Outlook
- 6 Siemens Alstom project

Excellent H1 2018/19 results

- Strong commercial momentum leading to a new record-breaking backlog
 - Order intake of €7.1bn, backlog of €38.1bn, book-to-bill of 1.8

- Outstanding operational performance
 - Sales at €4.0bn
 - Adjusted EBIT at €285m, leading to margin at 7.1%

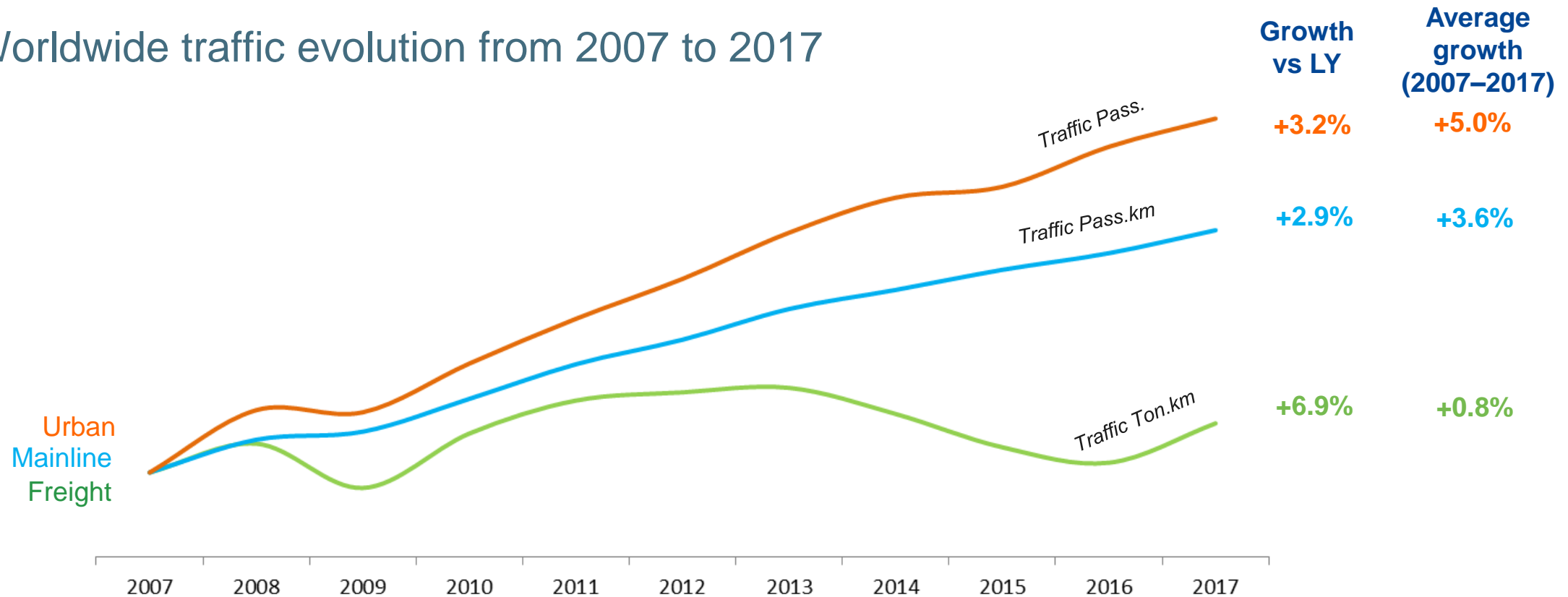
- Positive free cash flow and solid balance sheet
 - Free cash flow of €172m
 - Net debt at €(280)m
 - Equity of €4,021m

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Railway traffic evolution

Worldwide traffic evolution from 2007 to 2017



Steady growth in passenger traffic for urban and mainline. Freight rebound.

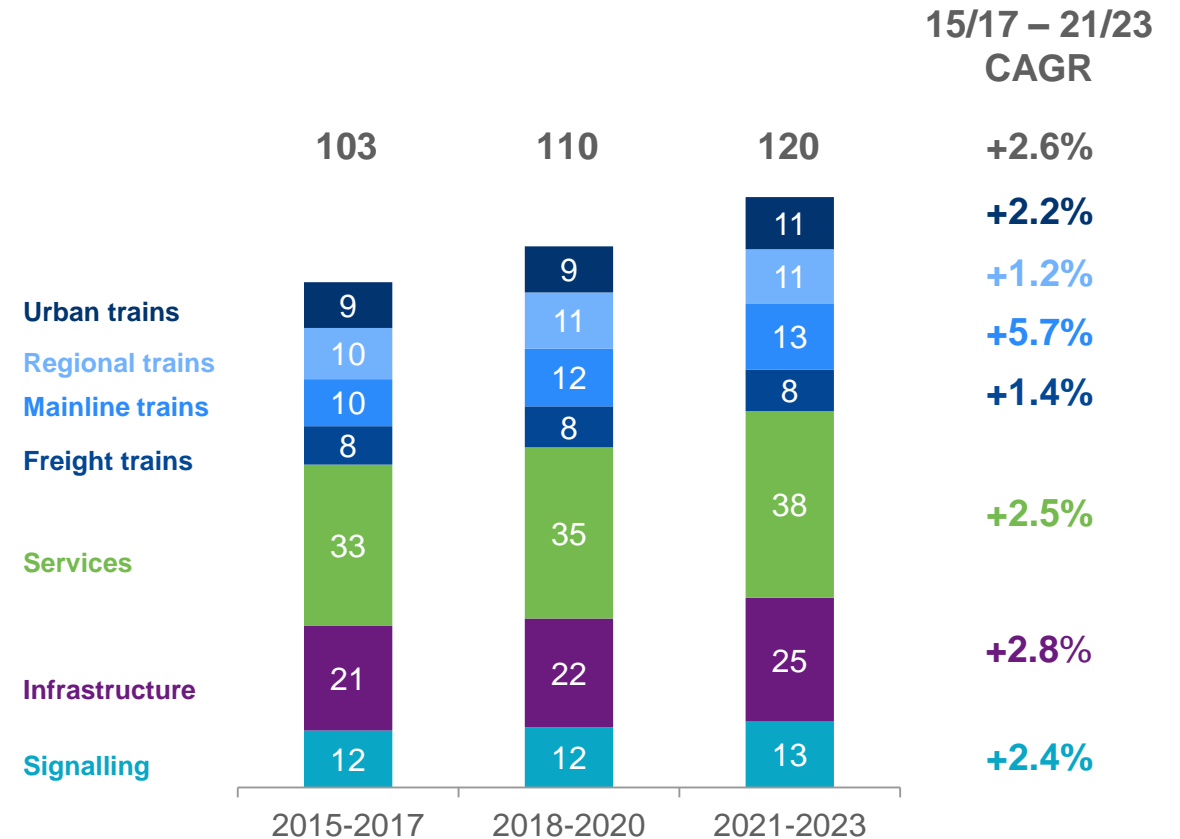
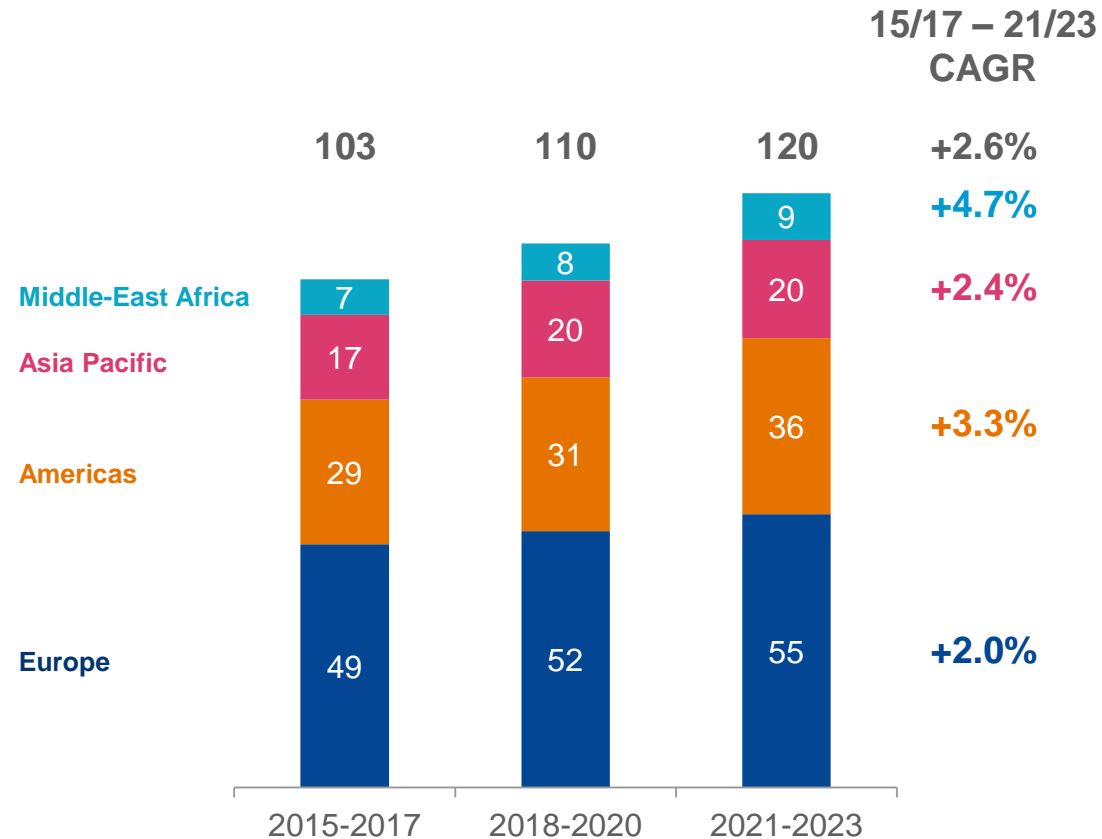
Note: Urban figures are for Top 25 cities worldwide; Mainline & Freight traffic figures are for all major national operators worldwide . Sources: Eurostat, UIC, operators' websites.

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Market forecast

Average annual accessible market (€bn)



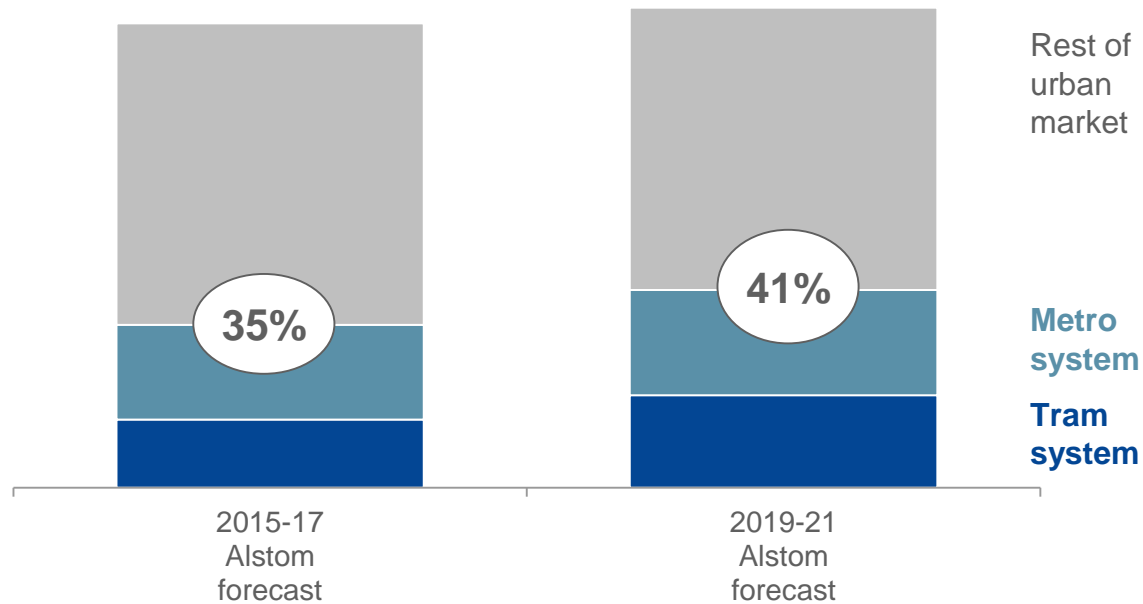
Growth in all geographical regions and product segments confirmed by latest market study

Source: UNIFE Market Study 2018 ; Rail Control Maintenance excluded
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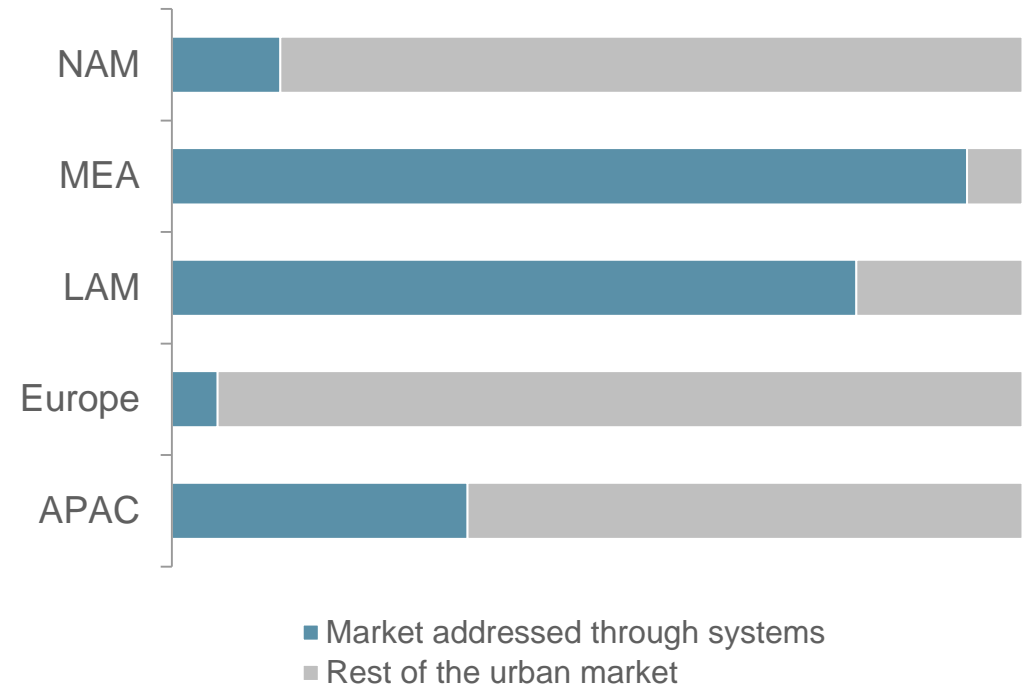
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Share of systems within the urban market

System market within urban market
Annual average



Share of urban market addressed through systems
2019-2021, Alstom Forecast



Systems continue to grow up to c.40% of the urban market, especially in MEA and LAM

Source: Alstom estimations, UNIFE Market study 2018

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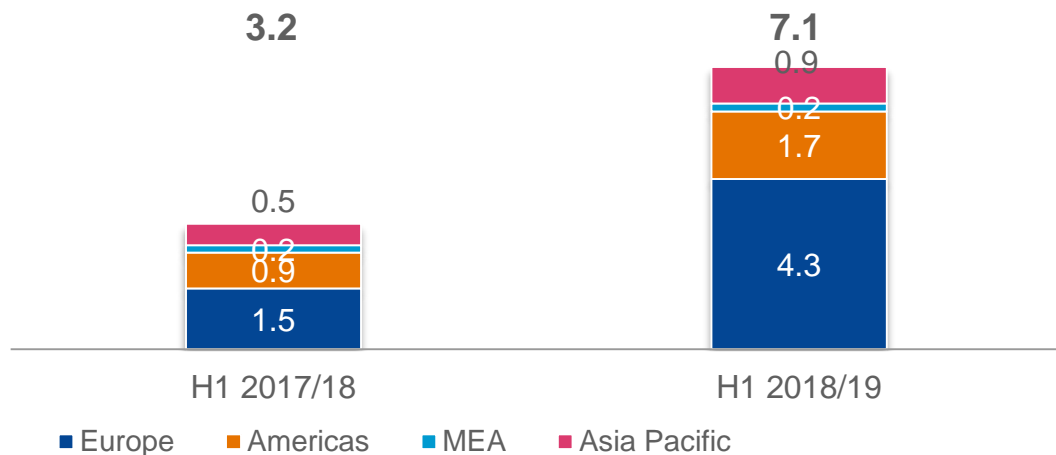
An ambitious strategy for 2020



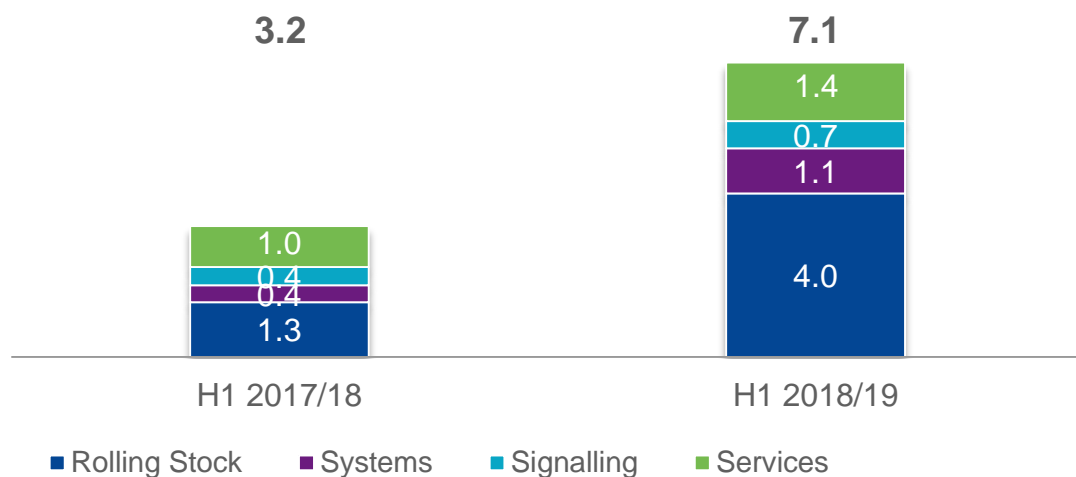
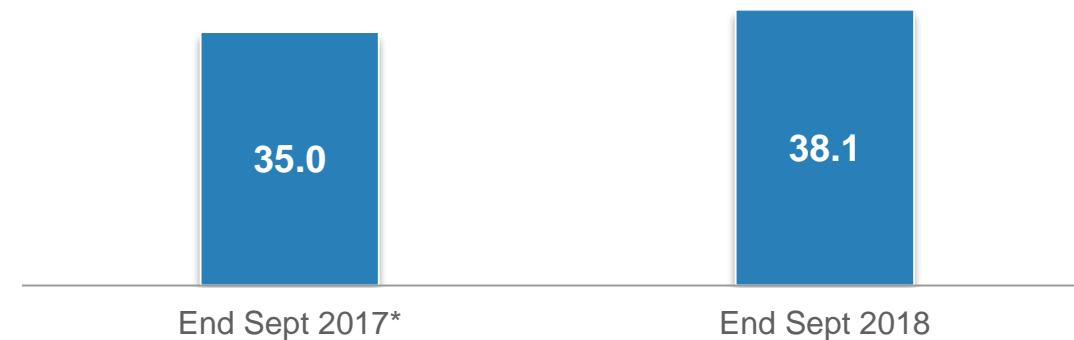
Customer-focused organisation

Strong commercial momentum leading to a new record-breaking backlog

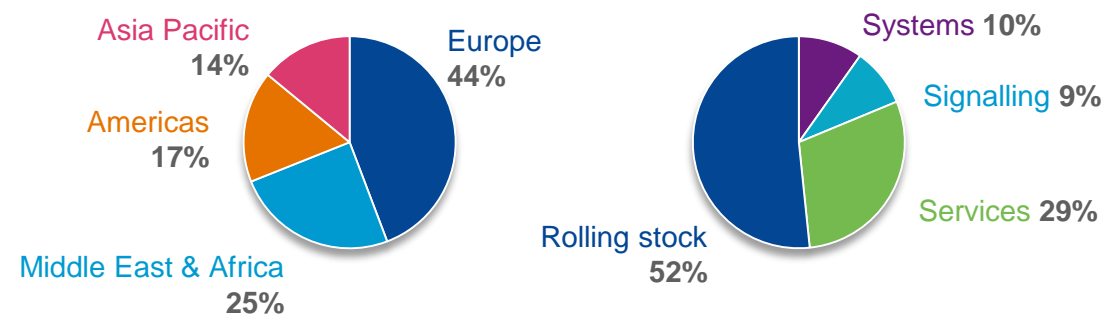
Orders (in € billion)



Backlog (in € billion)



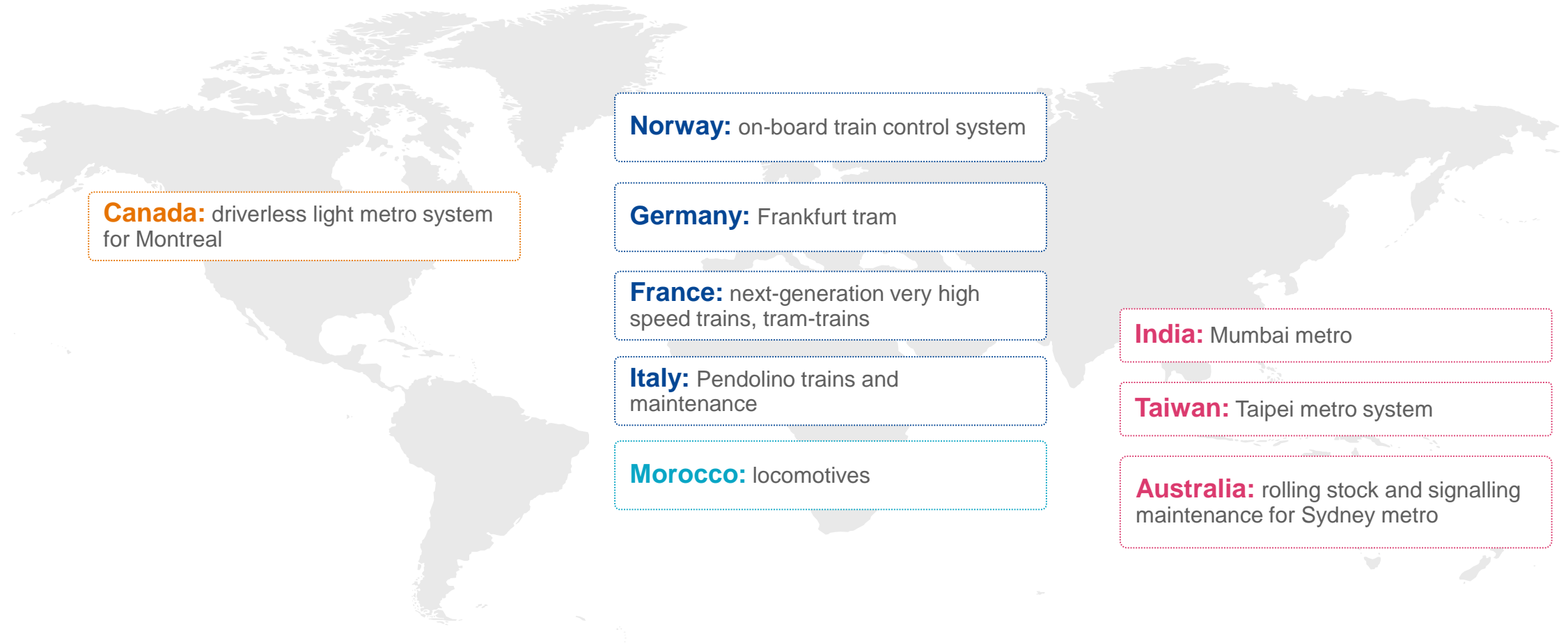
Backlog breakdown as end of September 2018



* Restated for IFRS 9 & 15
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Customer focused organisation

Main H1 2018/19 orders



Strong commercial momentum with very large projects in France and Canada

Customer focused organisation

Order for 100 next-generation very high speed trains

- **100 next-generation Avelia Horizon very high speed trains**
 - Two innovative power cars of reduced length and articulated double-deck passenger cars
 - 20% decrease in acquisition cost
 - 20% increase in passenger-dedicated areas with up to 740 passengers
 - 30% decrease in maintenance costs
 - 20% decrease in energy consumption



A contract worth above €2.7 billion for Alstom

Complete range of solutions

Towards more systems, signalling and services

ROLLING STOCK



- E-bus, tram, metro, suburban/regional, high speed, very high speed, locomotive
- Components: traction, bogie, motor

43%



SERVICES



- Maintenance
- Modernisation
- Spare parts, repairs & overhaul
- Support services

19%



SIGNALLING



- Signalling solutions portfolio for: main lines, urban, control and security
- Sold as products or solutions

16%



SYSTEMS



- Integrated solutions
- Infrastructure

22%

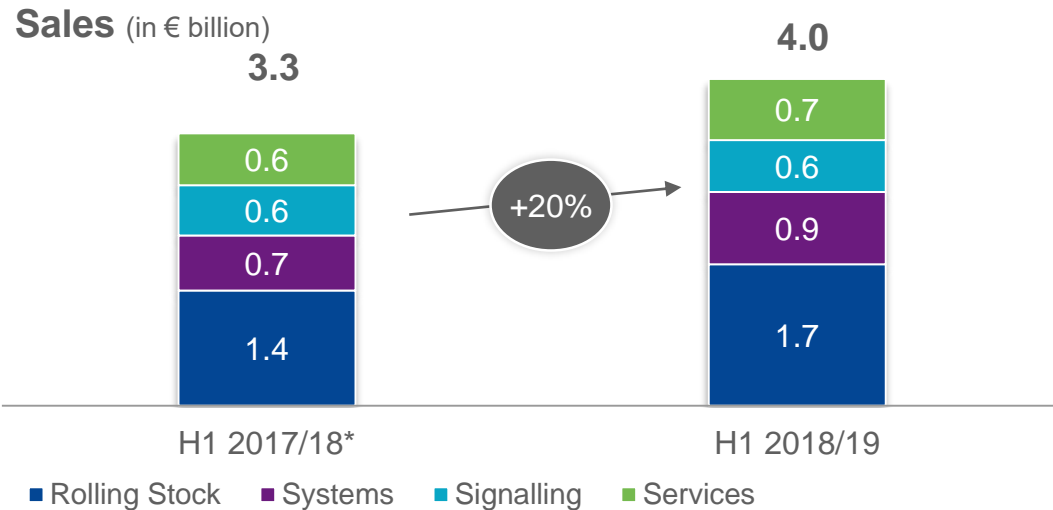


Note: % of H1 2018/19 sales

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Complete range of solutions



■ Above 20% growth in Rolling Stock

- Regional and high-speed trains in Europe
- On-going execution of PRASA project

■ Above 30% growth in Systems

- Strong ramp-up on Dubai metro and Lusail tram systems
- Progress on Riyadh metro system

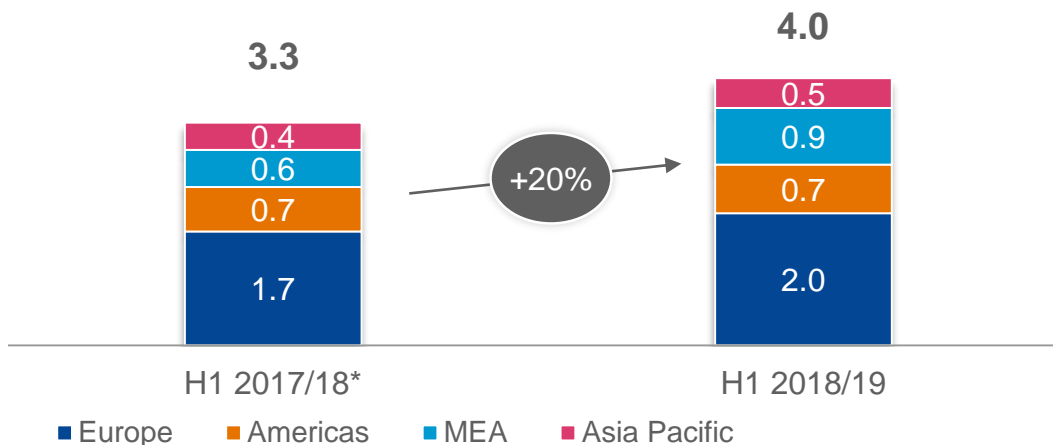
■ c. 20% growth in Services

- Increasing contribution of UK and Italy contracts

■ Increase in Signalling sales

- Start of new projects in France and in Australia

→ **% change reported**



* Restated for IFRS 9 & 15
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Complete range of solutions

Strong ramp-up on urban systems projects in Middle-East

■ Dubai 2020, United Arab Emirates



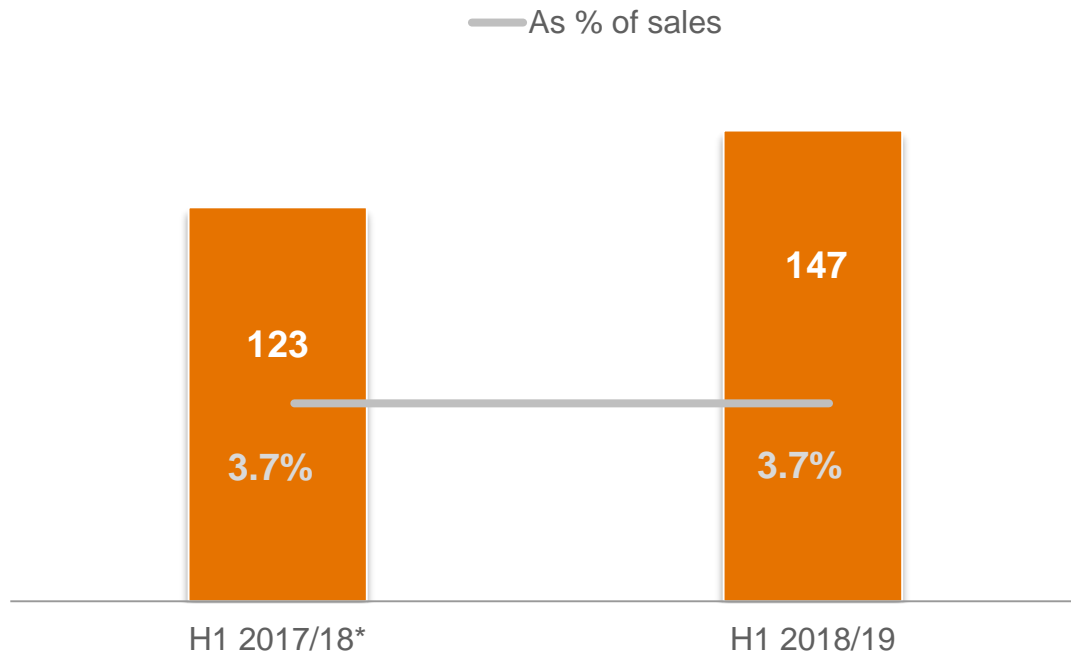
■ Lusail tramway system , Qatar



Value creation through innovation

Sustained level of R&D

R&D gross costs (in € million)



Main R&D programmes

- Renewal of rolling stock ranges
- Smart mobility programmes
- Predictive maintenance

Latest innovations

- Coradia iLint in passenger service in Germany
- Launch of StationOne, the online marketplace dedicated to the railway sector

* Restated for IFRS 9 & 15

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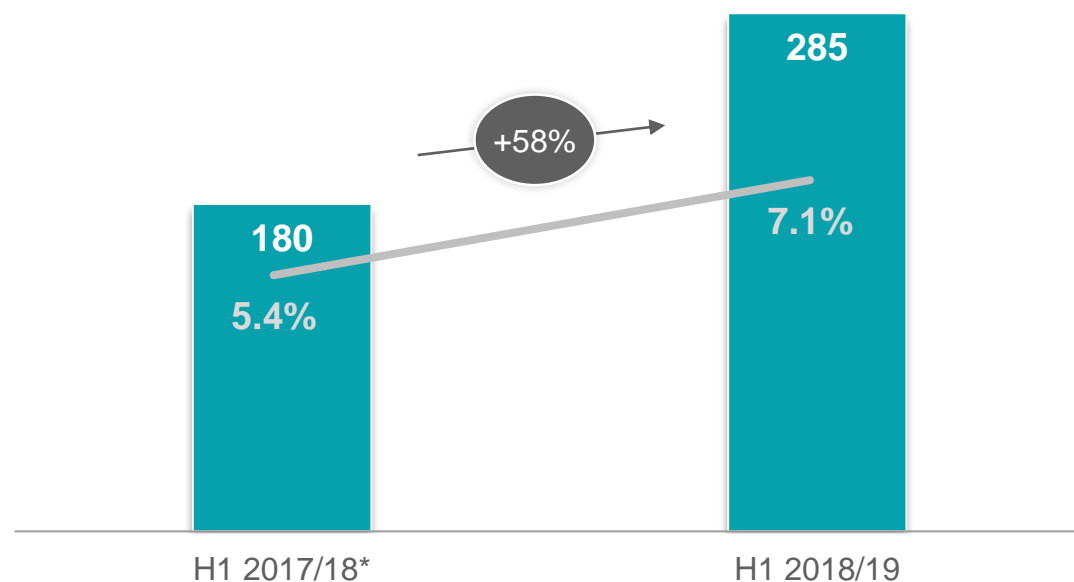
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Operational excellence

Outstanding operational performance

Adjusted EBIT (in € million)

— As % of sales



- Significant volume increase
- Stable portfolio mix
- On-going initiatives for operational excellence

— ● — % change reported

* Restated for IFRS 9 & 15

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Sourcing

■ Alstom Alliance

- Premium partnerships with strategic suppliers to support geographical expansion, share innovations and mutualise development of key components
- Quality, cost-effective and reliable solutions

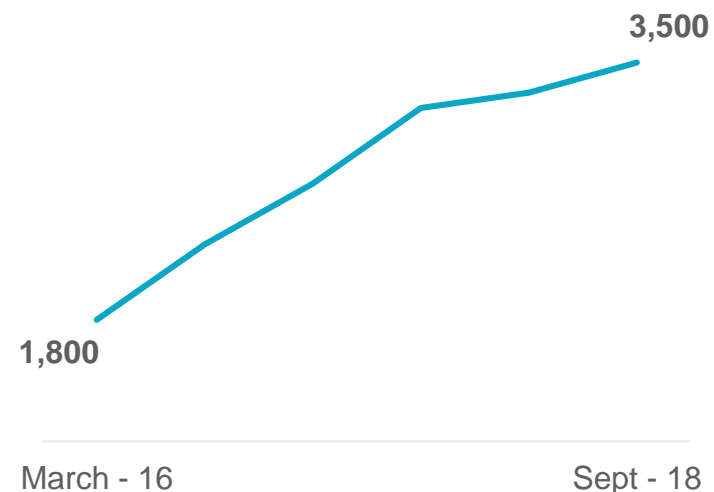
■ Global sourcing

- Increase of global sourcing volume
- c.50% purchased in low cost countries

Global footprint

■ Continued India ramp-up

- Headcount have almost doubled since March 2016



Operational excellence

Excellence in delivery: solid project execution

■ PRASA project, South Africa



■ Riyadh metro, Kingdom of Saudi Arabia



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Income statement

<i>In € million</i>	H1 2017/18*	H1 2018/19	% change reported	% change organic
Sales	3,341	4,010	20%	23%
Adjusted EBIT	180	285	58%	
<i>Adjusted EBIT margin</i>	5.4%	7.1%		
Restructuring charges	(19)	(34)		
Other charges	(18)	(32)		
EBIT	143	219		
Financial result	(53)	(46)		
Tax result	(25)	(12)		
Share in net income of equity investees	110	161		
Minority interests from continued op.	(6)	(4)		
Net income – Discontinued operations **	8	245		
Net income – Group share	177	563		

* Restated for IFRS 9 & 15

** Group share

Free cash flow

<i>In € million</i>	H1 2017/18*	H1 2018/19
Adjusted EBIT	180	285
Depreciation & amortisation	75	82
Restructuring cash-out	(18)	(19)
Capex	(85)	(85)
R&D capitalisation	(26)	(27)
Change in working capital	128	(10)
Financial cash-out	(16)	(29)
Tax cash-out	(47)	(73)
Other**	36	48
Free cash flow	227	172

- **Cash Focus Programme**
- **Limited change in working capital**
- **Potential volatility on short period remains**
- **Phasing of financial cash-out and capex**

* Restated for IFRS 9 & 15

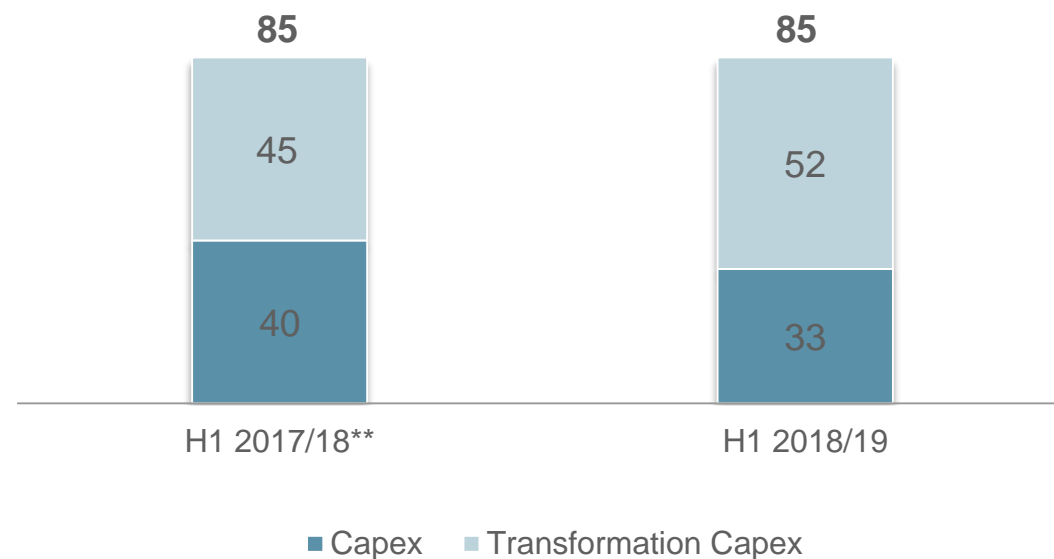
** Includes free cash flow from discontinued operations

Capex developments

Progressive ramp up of transformation capex



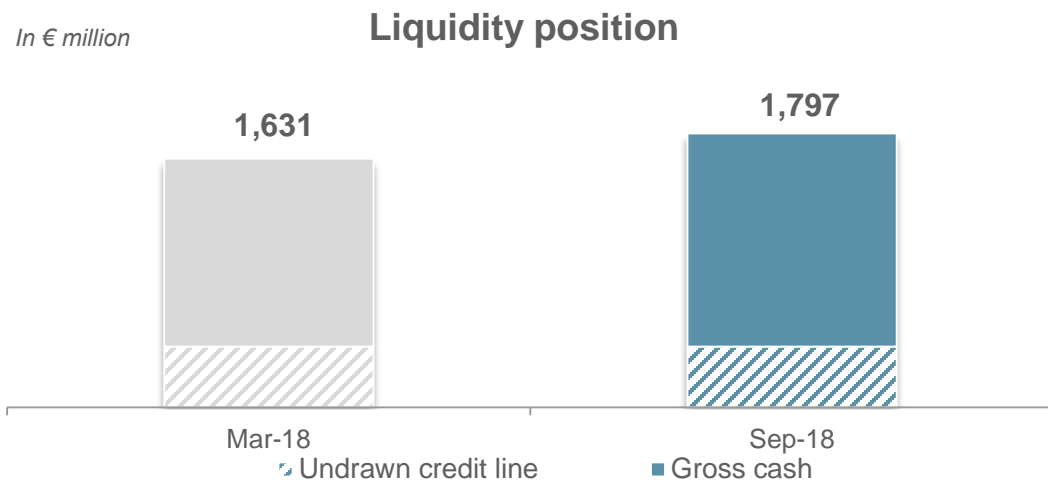
Capex* (in € million)



New sites to meet customers' growing demand for a local presence
€212m spent out of c. €300m transformation capex

* Excluding capitalised development costs ** Restated for IFRS 9 & 15

Liquidity and gross debt

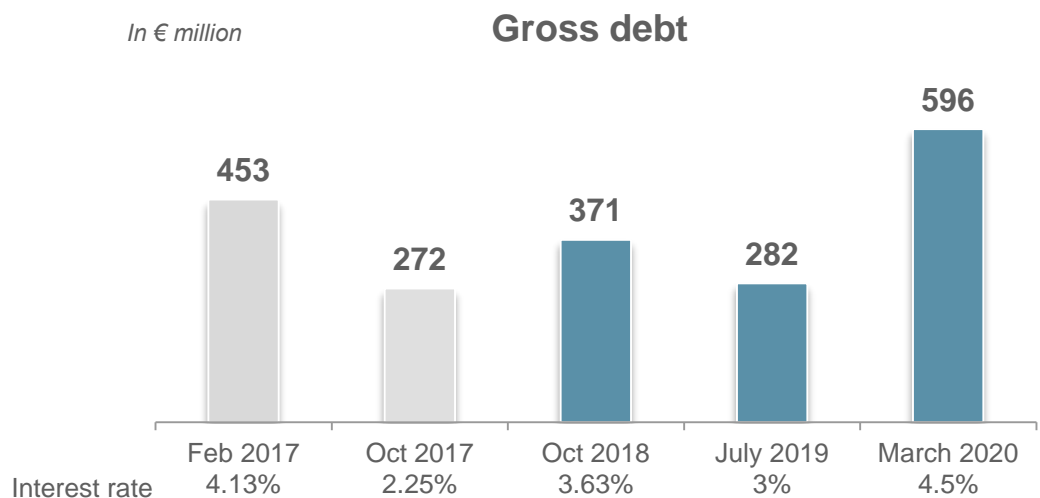


Liquidity

- €1,397m cash and cash equivalents as of 30 September 2018
- €400m revolving credit facility ; fully undrawn
- €2,594 cash payment for Energy JVs received on 2 October 2018

Gross debt

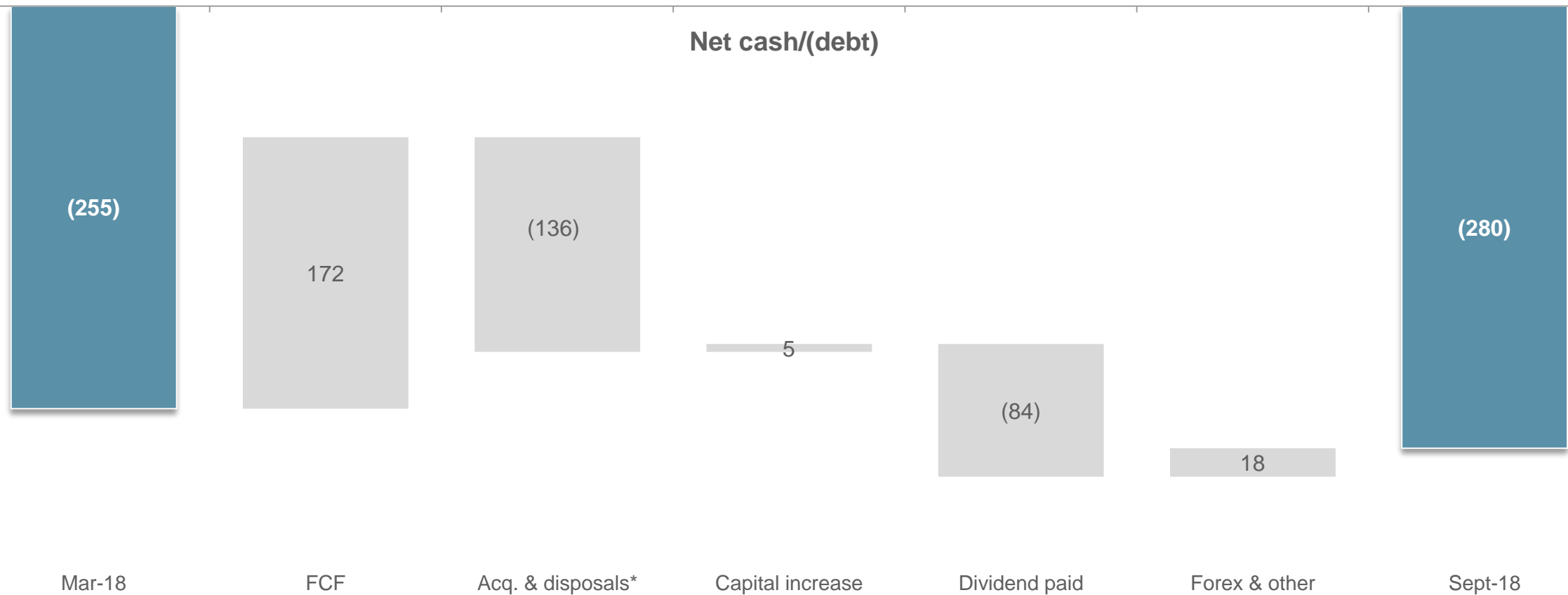
- €1,249m outstanding bonds as of 30 September 2018
- €371m reimbursed at maturity in October 2018
- Next maturity in July 2019 (€282m)



Net debt

In € million

Net cash/(debt)



* Includes €115 million investments in TMH Locotech

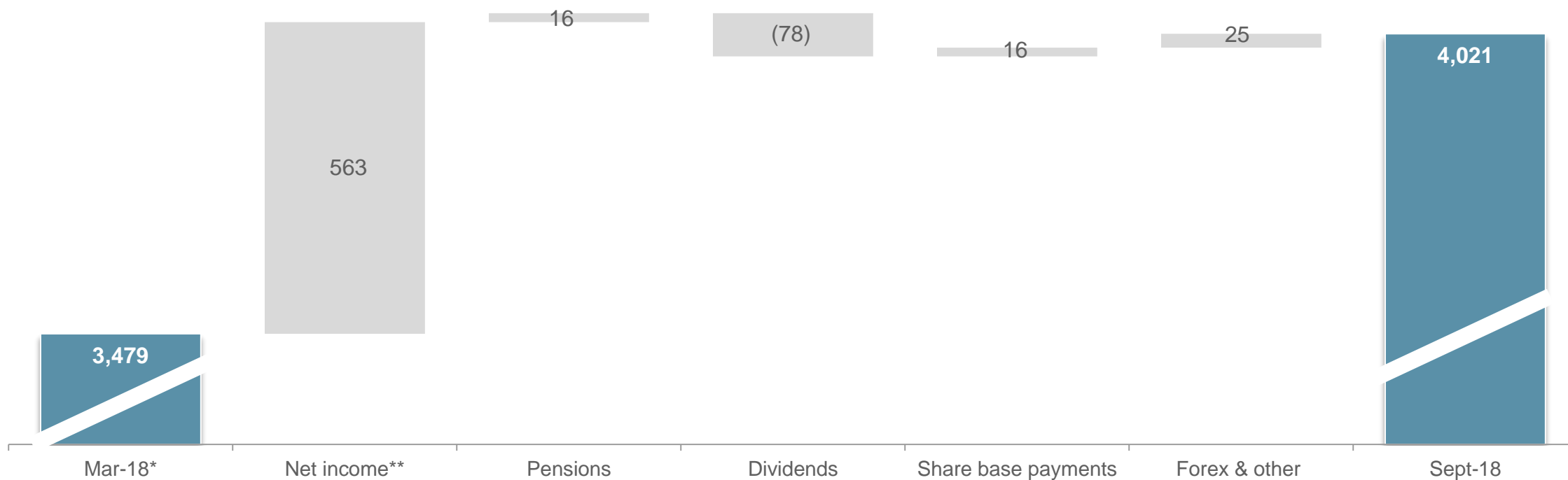
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Equity

In € million

Equity



* Restated for IFRS 9 & 15

** Group share

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Outlook

- At constant perimeter and exchange rates. In accordance with IFRS 15.

FY 2018/19

- Sales to reach around €8bn
- aEBIT margin to reach around 7%

Medium term

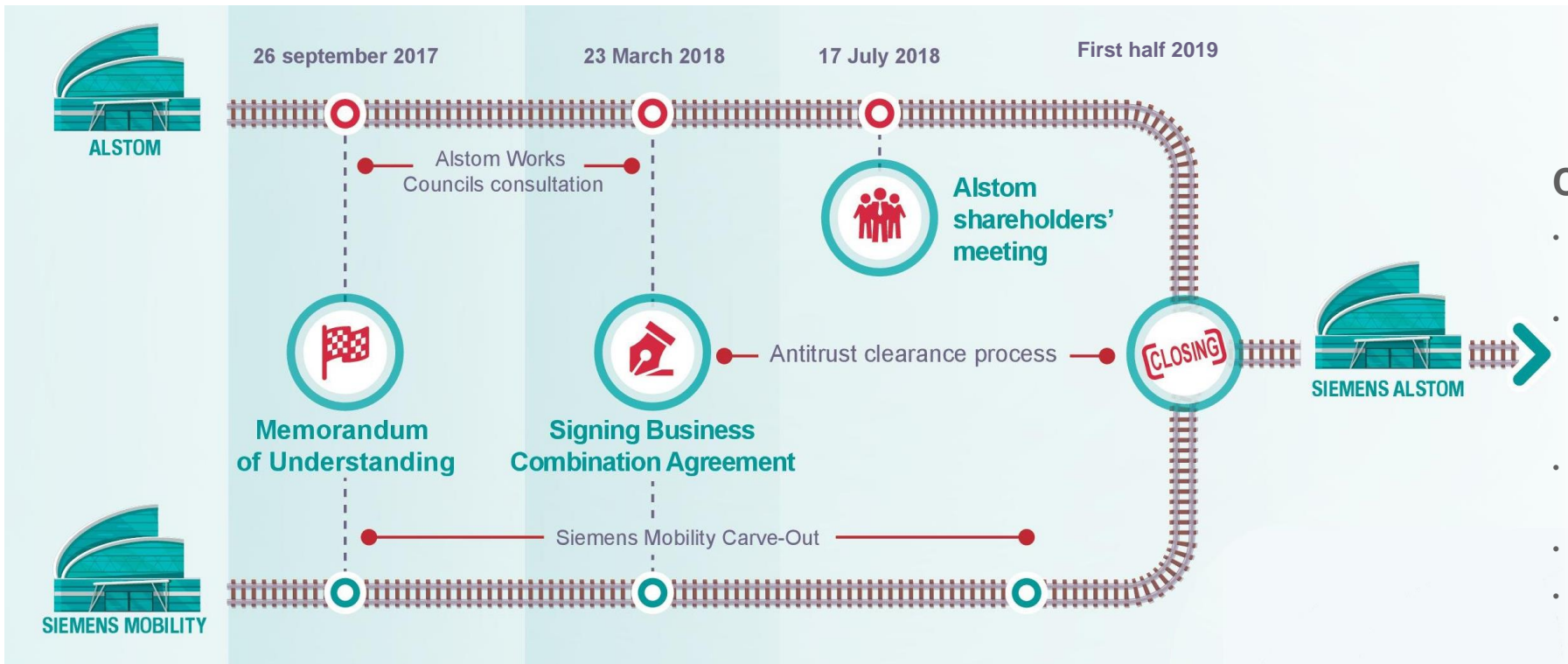
- Outperform the market growth
- Gradually improve profitability
- Improve cash generation, with possible volatility over some short periods

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Siemens Alstom project update

Indicative timetable



Closing conditions:

- 28 May: MINEFI clearance (French State – foreign investment control)
- 29 May: confirmation from the AMF that no public mandatory tender offer will have to be filed by Siemens following completion of the contribution
- 17 July: Approval by Alstom Shareholders' meeting
- Siemens Mobility carve-out¹
- Antitrust and other regulatory approvals

Some key milestones already achieved

Note 1: As described in the Business Combination Agreement
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Contacts and agenda

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Agenda

17 January 2019

Q3 2018/19 Orders and Sales

7 May 2019

Full Year 2018/19 Results



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