

Alstom's first half 2024/25: good commercial performance, confirmation of FY 2024/25 outlook

- **H1 2024/25 highlights:**
 - **Book-to-bill ratio at 1.25 and organic sales up 5.6%¹**
 - **aEBIT² of €515 million, up 18%, i.e. margin of 5.9%**
 - **Free Cash Flow² at €(138) million benefiting from favourable downpayments phasing**
 - **Net financial debt at €(927) million down from €(2,994) million after deleveraging plan execution**
- **FY 2024/25 outlook**
 - **Book-to-bill above 1 and sales organic growth around 5%**
 - **aEBIT margin around 6.5%**
 - **Free Cash Flow within the range €300 million to €500 million**

13 November 2024 – In the first half of fiscal year 2024/25 (from 1st April to 30 September 2024), Alstom booked €10.9 billion of orders. The Group sales reached €8.8 billion, resulting in a book-to-bill ratio at 1.25.

The backlog is now €94.4 billion, providing strong visibility on future sales. Gross margin on backlog² reached 17.8% as of 30 September 2024, compared to 17.5% on 31 March 2024.

In the first half of 2024/25, Alstom's adjusted EBIT was €515 million, up +18% versus last fiscal year, equivalent to a 5.9% margin (+70bps), and EBIT before PPA was €382 million. Adjusted net profit² was €224 million, net income (group share) was €53 million, and free cash flow was €(138) million for the half-year.

"Demand remains robust, driven by green mobility policies, proving resilient to geopolitical tensions, and we had a solid commercial performance in this first half. We are making steady progress on our roadmap, with backlog margins returned to pre-merger levels and a focused shift towards Services and Signalling. With a strengthened balance sheet and an Investment grade rating with a stable outlook, we are focused on effectively managing our projects portfolio, amid supply chain challenges, while driving cost efficiencies to deliver on our financial trajectory" said **Henri Poupart-Lafarge**, Chief Executive Officer of Alstom.

¹ 3.9% on a reported basis

² Non – GAAP. See definition in the appendix.

Key figures³

Reported figures <i>(in € million)</i>	Half-year ended 30 September 2023	Half-year ended 30 September 2024	<i>% Change</i> <i>Reported</i>	<i>% Change</i> <i>Organic</i>
Orders received ⁴	8,446	10,950	29.6%	30.0%
Sales	8,443	8,775	3.9%	5.6%
Adjusted EBIT ⁴	438	515	17.6%	
Adjusted EBIT margin ⁴	5.2%	5.9%		
EBIT before PPA ⁴	275	382		
Adjusted net profit ⁴	174	224		
Free Cash Flow	(1,119)	(138)		

<i>(in € million)</i>	Full-year ended 31 March 2024	Half-year ended 30 September 2024	<i>% Change</i> <i>Reported</i>	<i>% Change</i> <i>Organic</i>
Backlog	91,900	94,369	2.7%	3.2%
Gross margin % on backlog ⁴	17.5%	17.8%		

The €2 billion inorganic deleveraging plan fully delivered

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

On 30 August 2024, Alstom sold its North American conventional Signalling business to Knorr-Bremse AG for a purchase price of USD 689 million, following the binding agreement signed on 19 April 2024.

Alstom has delivered all three components of the deleveraging plan, resulting in the stabilisation of its Investment Grade rating by Moody's on June 13, 2024.

Progress on Alstom's operational priorities

During the first half of fiscal year 2024/25, the Group mobilised around the commercial, operational and cost efficiency plans:

- Quality of order intake during the first half supports continuous growth in the margin in backlog, now standing at 17.8% as of 30 September 2024, a +30bps improvement versus 31 March 2024, in line with the expected +50bps per year trajectory announced previously.
- With regards to production, the Group is focusing on the ramp-up of several projects in startup phase, with an expected output of 4,400 to 4,600 cars for the full year, despite the recent supply chain issues encountered.

³ Geographic and product breakdowns of reported orders and sales are provided in Appendix 1

⁴ Non - GAAP. See definition in the appendix.

- Costs efficiency programs have been progressing. SG&A over sales have reduced to 6.0% in September 2024 against the 6.6% baseline in March 2023.

Business update

1. Growth by offering greater value to customers

- **Orders**

In the first half of fiscal year 2024/25, the Group recorded €10.9 billion in orders, with commercial success across multiple geographies, notably in Europe and across various product lines, with a strong emphasis on Services. For the same period last fiscal year, Alstom reported an order intake of €8.4 billion. This 30% growth is largely attributed to the award of the €3.6 billion S-Bahn Cologne contract.

In **Europe**, Alstom achieved an order intake of €8.5 billion during the first half of fiscal year 2024/25, compared to €5.2 billion for the same period in the previous fiscal year.

In Germany, Alstom was awarded a contract to supply 90 Adessia Stream™ commuter trains to the local rail passenger transport authorities, go.Rheinland and Verkehrsverbund Rhein-Ruhr (VRR), for operation within the S-Bahn Köln network. This contract also encompasses a long-term full-service agreement lasting 34 years. Additionally, the Group entered into a framework agreement with Hamburger Hochbahn AG to provide up to 374 new metro trains and innovative signalling technology, with the first metro trains call-off under this agreement for the initial section of the U5 line valued at approximately €670 million.

In France, Alstom will supply 12 Avelia Horizon™ very high-speed trains to Proxima, a newly established private operator. This marks a turning point for the French railway market, as it opens the Atlantic coastlines to a private operator for the first time in history. Avelia Horizon reduces operating costs compared to other high-speed trains. The train has fewer bogies, which account for 30% of the cost of preventive maintenance. With the largest passenger capacity in the market, Avelia Horizon offers great level of service and comfort, and consequently lowers operating costs per seat. As part of this contract, Alstom will also provide maintenance for 15 years, offering operational performance while optimising the residual value to meet Proxima's specific needs. The total value of this order is nearly €850 million.

In Italy, the Group received a contract from Mercitalia Rail for the supply of 70 Traxx™ Universal locomotives, along with 12 years of comprehensive maintenance services. This contract is valued at over €323 million and includes the option to deliver an additional 30 locomotives and extend the maintenance services.

In the **Americas**, Alstom reported an order intake of €0.9 billion, compared to €1.5 billion during the same period of the previous fiscal year, driven by the awarding of several small contracts. Last year's

performance in the Americas was largely influenced by two significant contracts: one for the Southeastern Pennsylvania Transportation Authority (SEPTA) and the other for the Connecticut Department of Transportation (CTDOT).

In **Asia/Pacific**, the order intake reached €1 billion, as compared to €1.7 billion over the same period last fiscal year. In Australia, Alstom in partnership with DT Infrastructures has been awarded by the Public Transport Authority of Western Australia (PTA) a contract to provide the design, supply, construction, installation, testing, commissioning, and maintenance of high-capacity signalling technology for Perth's suburban rail network. Alstom's contract share is valued at approximately €0.7 billion.

In **Africa/Middle East/Central Asia**, the Group reported €0.5 billion order intake driven by a new services contract from an undisclosed customer, as compared to €35 million over the same period last fiscal year.

As of 30 September 2024, the backlog stood at €94.4 billion, providing the Group with strong visibility over future sales.

- **Sales**

Alstom's sales amounted to €8,775 million for the first half of fiscal year 2024/25, representing a growth of 3.9% on a reported basis and a strong 5.6% on an organic basis compared with Alstom sales in the same period last fiscal year.

Rolling stock sales reached €4,531 million, representing an increase of 2% on a reported basis and 2% on an organic basis, driven by contracts ramp-up in France, Brazil and in Asia/Pacific, offsetting legacy German and UK contracts phasing out.

Services sales stood at €2,197 million, up 11% on a reported basis and 12% on an organic basis, benefiting from robust growth in Germany, Asia/Pacific and Middle East.

Signalling delivered consistent execution year-on-year, achieving sales of €1,247 million, stable on a reported basis and up 3% on an organic basis. The growth in Asia/Pacific compensated for the ramp down in Canada and in the US.

Systems sales grew 7% on a reported basis and 14% on an organic basis, and stood at €800 million, driven by a good performance of projects in Mexico compensating the successful completion of the Egyptian monorail.

2. Innovation by Pioneering Smarter and Greener Mobility for All

As of end of September 2024, research and development gross costs amounted to €(326) million, i.e. 3.7% of sales, delivering on the Alstom In Motion strategy which is based on three pillars: Autonomous mobility, Data factory and Mobility orchestration. Net R&D amounts to €(256) million before PPA amortisation.

Rolling Stock: homologation tests of the **Avelia Horizon™** double-deck high-speed trains are planned in 2024 to enable a start of revenue service in 2025 for SNCF in France. A new order for 12 trains based on the same product has been received from Proxima and the development of international configurations is ongoing.

Alstom is also continuously improving its single-deck high-speed train now branded **Avelia Stream™**. Meanwhile, Alstom has also further extended the **Coradia Stream™** range, with longer cars and 15kV traction chains, primarily in Germany. This range will also include a battery electric version.

Services: Alstom is progressing on the development of its Maintenance Performance Centres in Europe, APAC and North America, where Alstom will bring together expertise in centralised locations to support multiple fleets, optimise maintenance processes and better serve its customers. Alstom has recently equipped the first trains from the Réseau express métropolitain (REM) fleet with new predictive maintenance technology, relying on AI algorithms to predict more accurately the behaviour and condition of critical components, such as doors and HVAC, to boost the overall operational performance and efficiency of the system.

Signalling: this product line further enhances its mainline portfolio and applications by accelerating **Onvia™** for ETCS Level 2 on the German market, while working on ETCS onboard solutions for Level 2 and Level 3 including Automatic Train Operation. For metros and trams, Alstom continues to advance its train-centric CBTC solutions **Urbalis™** (implemented in Paris L18, Torino L1). This offering is completed by operational control centres that support Alstom's extensive range of CBTC solutions.

Alstom Innovation has continued to develop its Autonomous Mobility solutions for passengers & freight trains, successfully demonstrating remote driving tests and autonomous driving & perception and remote driving capability with its customer LNVG during InnoTrans. The company continues to investigate on various fields, including Artificial Intelligence for applications such as predictive maintenance, autonomous systems, and operational efficiency, as well as simulations to test and validate new technologies and systems prior to their deployment in real-world scenarios.

3. Profitability

The adjusted EBIT margin has progressed from 5.2% over the first semester of fiscal year 2023/24 to 5.9% over the first semester of fiscal year 2024/25, benefiting from an increased volume for 20bps, a favourable mix for 5bps, industrial efficiencies for 15bps as well as the costs savings programme positive effects for 35bps, partly offset by scope impact for negative (5)bps.

During the first half of fiscal year 2024/25, Alstom recorded €21 million capital gain mainly related to divestiture of the North American conventional Signalling business for €18 million.

Costs related to the integration of Bombardier Transportation were recorded for an amount of €(51) million. Other expenses were recorded for a total of €(31) million, of which €(13) million of legal fees.

Alstom's EBIT before amortisation and impairment of assets exclusively valued when determining the purchase price allocation ("PPA") stood at €382 million. This compares to €275 million in the same period last fiscal year.

Net financial result of the period amounted to €(107) million as compared to €(98) million in the same period last fiscal year, driven by lower net interest expenses due to the execution of the deleveraging plan offset mainly by adverse FX Forward Points and bank fees.

The effective tax rate before PPA has increased temporarily, at 37% during this first half compared to 25% for the same period last fiscal year, due to a non-cash write down of some deferred tax assets in certain countries. Consistently with medium term plan, the structural effective tax rate estimated remains at around 27%.

The share in net income from equity investments amounted to €60 million – excluding the amortisation of the purchase price allocation ("PPA") mainly from Chinese joint-ventures of €(6) million.

Adjusted net profit, representing the group's share of net profit from continued operations excluding PPA and impairment net of tax, amounts to €224 million for the first half of fiscal year 2024/25. This compares to an adjusted net profit of €174 million in the same period last fiscal year.

The Group's Net profit/(loss) (Group share) stood at €53 million for the first half of fiscal year 2024/25, compared to €1 million in the same period last fiscal year.

4. Free cash flow generation

The Group's Free Cash Flow stands at €(138) million for the first half of fiscal year 2024/25 as compared to €(1,119) million during the same period last fiscal year.

Funds from Operations⁵ stand at €282 million, compared to €256 million in the same period last fiscal year, driven by improved EBIT before PPA of €382 million compared to €275 million in the same period last fiscal year and partially offset by an increase in capital expenditure.

Cash generation was impacted by an unfavourable €(420) million change in working capital compared to €(1,375) million in the same period last fiscal year. This is mostly due to the trade working capital⁵

⁵ Non - GAAP. See definition in the appendix.

build up by €(435) million, impacted by the increase in inventory levels notably to prepare the higher production in the second semester than in the first semester due to seasonality of production.

Additionally, the Contract Working Capital⁵ has improved by €15 million compared to €(645) million in the same period last fiscal year. This evolution is due to continued industrial activity, project working capital phasing and supported by the level of downpayments received over the first half of fiscal year 2024/25 and provisions usage.

5. Financial structure

On 30 September 2024, the Group recorded a net debt position of €(927) million, compared to the €(2,994) million net debt that was reported on 31 March 2024, largely driven by the execution of deleveraging plan for €2,321 million including capital increase, issuance of subordinated perpetual securities and disposal of business.

As announced at the time of the rights issue, existing short-term debt as of 31 March 2024 was fully repaid for a total amount of €1,208 million.

The Group's cash and cash equivalents amounted to €1,789 million on 30 September 2024, of which €949 million were invested in cash equivalents.

In addition, the Group benefits from strong liquidity with:

- €1.75 billion short term Revolving Credit Facility maturing in January 2027
- €2.5 billion Revolving Credit Facility maturing in January 2029.

On 30 September 2024, both Revolving Credit Facility lines remained undrawn.

As per Group's conservative liquidity policy, the €2.5 billion Revolving Credit Facility serves as a back-up of the Group €2.5 billion NEU CP program in place.

Alstom has successfully executed its deleveraging plan resulting in the termination of the additional €2.25 billion credit facility agreement as announced previously.

6. One Alstom team – Agile, Inclusive and Responsible

Decarbonization is at the heart of Alstom's strategy. The Group is reducing its own direct and indirect emissions (Scope 1 & 2) and is also committed to work with suppliers and customers (Scope 3) to contribute to Net Zero carbon in the mobility sector. Thus, Alstom has signed a collaboration agreement with green steel supplier SSAB which will support the objective of recycled content materials in projects.

The Group confirmed its ambitious commitment to use 100% of electricity from renewable energy sources by end of 2025, as part of its global initiative to reduce its environmental footprint. At the end of September 2024, the supply of electricity from renewable sources reached 79%⁶ thanks to new green certificates used in Canada on sites as La Pocatière and Saint-Bruno and in Australia. In addition, Alstom continues installation of solar panels on relevant sites.

Alstom's Corporate Social Responsibility performance is regularly evaluated by various rating agencies; the Group maintained its presence among the CAC40 ESG index for the 4th consecutive year. Alstom strongly improved its scoring to ECOVADIS questionnaire with a score of 86/100, complemented by a "Platinum" distinction, ranking Alstom in the top 1% of the most engaged companies in environmental, sustainable procurement, ethics, human rights, and social terms. Alstom kept an AA score with the MSCI agency and is part of the 2024 Global 100 ranking from Corporate Knights. Those results reflect its strong position and strategy on sustainability.

FY 2024/25 outlook

Following the full 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 integration of Bombardier Transportation 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

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

Financial calendar

21 January 2025	FY 2024/25 Third Quarter – Orders & Sales
13 May 2025	FY 2024/25 Full-Year results

⁶ 12 months rolling

Conference Call

Alstom is pleased to invite the analysts to a conference call presenting its half year results for fiscal year 2024/25 on Wednesday 13 November at 6:30 pm (Paris local time), hosted by Henri Poupart-Lafarge, CEO and Bernard Delpit, EVP and CFO.

A live audiocast will also be available on Alstom's website: [Alstom's Half Year results 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.

The Board of Directors met on November 13th, 2024, and reviewed the interim financial statements and the management report as end of September 30th, 2024. The limited review procedures on the condensed interim consolidated financial statements were carried out by the statutory auditors. Their report is currently being prepared. The consolidated financial statements and notes related to this press release are available on the www.alstom.com website.

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About 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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This press release 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 reported 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.

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APPENDIX 1A – GEOGRAPHIC BREAKDOWN

Reported figures <i>(in € million)</i>	H1 2023/24	% Contrib.	H1 2024/25	% Contrib.
Europe	5,232	62%	8,511	78%
Americas	1,456	17%	887	8%
Asia/Pacific	1,723	21%	1,022	9%
Middle East/Africa/Central Asia	35	0%	530	5%
Orders by destination	8,446	100%	10,950	100%

Reported figures <i>(in € million)</i>	H1 2023/24	% Contrib.	H1 2024/25	% Contrib.
Europe	4,875	58%	4,911	56%
Americas	1,664	20%	1,813	21%
Asia/Pacific	1,165	14%	1,312	15%
Middle East/Africa/Central Asia	739	8%	739	8%
Sales by destination	8,443	100%	8,775	100%

APPENDIX 1B – PRODUCT BREAKDOWN

Reported figures <i>(in € million)</i>	H1 2023/24	% Contrib.	H1 2024/25	% Contrib.
Rolling stock	3,818	45%	4,415	40%
Services	2,141	26%	4,111	38%
Systems	1,548	18%	443	4%
Signalling	939	11%	1,981	18%
Orders by product line	8,446	100%	10,950	100%

Reported figures <i>(in € million)</i>	H1 2023/24	% Contrib.	H1 2024/25	% Contrib.
Rolling stock	4,463	53%	4,531	52%
Services	1,986	23%	2,197	25%
Systems	751	9%	800	9%
Signalling	1,243	15%	1,247	14%
Sales by product line	8,443	100%	8,775	100%

APPENDIX 2 – INCOME STATEMENT

Reported figures <i>(in € million)</i>	Half-Year ended 30 September 2023	Half-Year ended 30 September 2024
Sales	8,443	8,775
Adjusted Gross Margin before PPA*	1,165	1,228
Adjusted Earnings Before Interest and Taxes (aEBIT)*	438	515
Capital gain and other non-operating income	1	21
Restructuring and rationalisation costs	(7)	(1)
Integration, impairments, and other costs	(92)	(82)
Reversal of net interest in equity investees pick-up	(65)	(71)
EARNING BEFORE INTEREST AND TAXES (EBIT) BEFORE PPA*	275	382
Financial result	(98)	(107)
Tax result	(44)	(101)
Share in net income of equity investees	53	60
Minority interests from continued operations	(12)	(10)
Adjusted Net profit	174	224
PPA net of tax	(173)	(169)
Net profit – Continued operations, Group share	1	55
Net profit (loss) from discontinued operations	-	(2)
Net profit (Group share)	1	53

* See definition below

APPENDIX 3 – FREE CASH FLOW

Reported figures <i>(in € million)</i>	Half-Year ended 30 September 2023	Half-Year ended 30 September 2024
EBIT before PPA	275	382
Depreciation and amortisation ¹	211	234
JVs dividends	106	92
EBITDA before PPA + JVs dividends	592	708
Capital expenditure	(86)	(131)
R&D capitalisation	(70)	(83)
Financial & Tax cash out	(164)	(179)
Others	(15)	(33)
Funds from Operations	256	282
Trade Working Capital changes	(730)	(435)
Contract Working Capital changes	(645)	15
Free Cash Flow	(1,119)	(138)

¹ Before PPA

APPENDIX 4 - 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., Jiangsu Alstom NUG Propulsion System Co. Ltd 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 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.

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.

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 contractual, hence not included in Project Working Capital. It includes:

- Inventories
- Trade Receivables
- Trade Payables
- Other elements of Working Capital defined as the sum of Other Current Assets/Liabilities and Non-Current 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>	H1 2023/24			H1 2024/25		
	Reported figures	Exchange rate and scope impact	Comparable Figures	Actual figures	% Var Act.	% Var Org.
Orders	8,446	(26)	8,420	10,950	29.6%	30.0%
Sales	8,443	(132)	8,311	8,775	3.9%	5.6%

<i>(in € million)</i>	Full Year-ended 31 March 2024			Half Year-ended 30 September 2024		
	Reported figures	Exchange rate and scope impact	Comparable Figures	Actual figures	% Var Act.	% Var Org.
Backlog	91,900	(455)	91,445	94,369	2.7%	3.2%