

Annual Results Fiscal Year 2018/19

7 May 2019

ALSTOM
Designing fluidity

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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.

Agenda

- 1 Introduction**
- 2 FY 2018/19 business performance
- 3 Financial results
- 4 Conclusion

FY 2018/19 results highlights

- Outstanding commercial momentum
 - Order intake of €12.1bn, leading to a new record-breaking backlog of €40.5bn
 - Book-to-bill of 1.5
- Strong operational performance
 - Sales at €8.1bn with growth of 10% (11% organically)
 - Adjusted EBIT margin at 7.1%, up from 5.4%*
- Sound balance sheet, increase in cash generation amid strong ramp-up
 - Free cash flow of €153m
 - Net cash at €2,325m
 - Equity of €4.2bn
- Proposed dividend of €5.50 per share

* FY 2017/18, restated for IFRS 9 & 15, 6,5% IAS 11

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- 1 Introduction
- 2 FY 2018/19 business performance**
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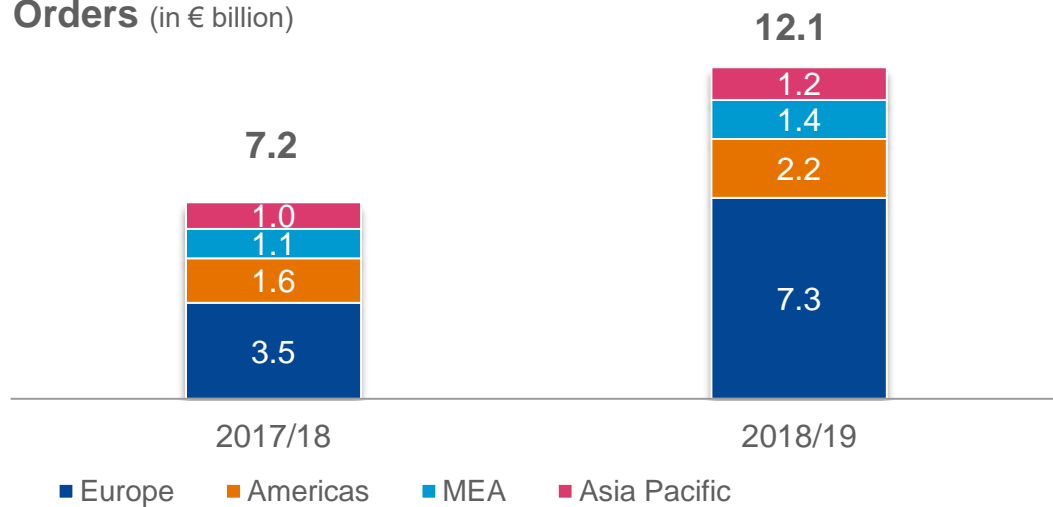
An ambitious strategy for 2020



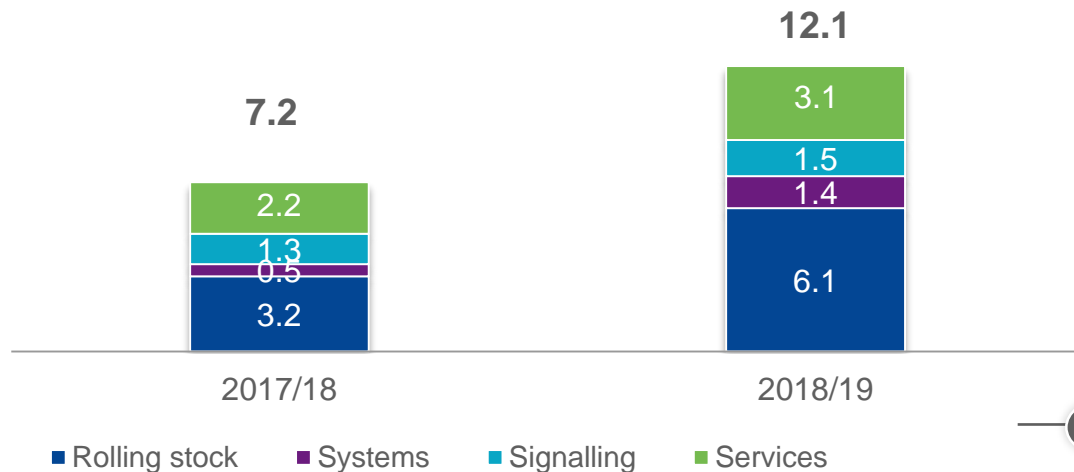
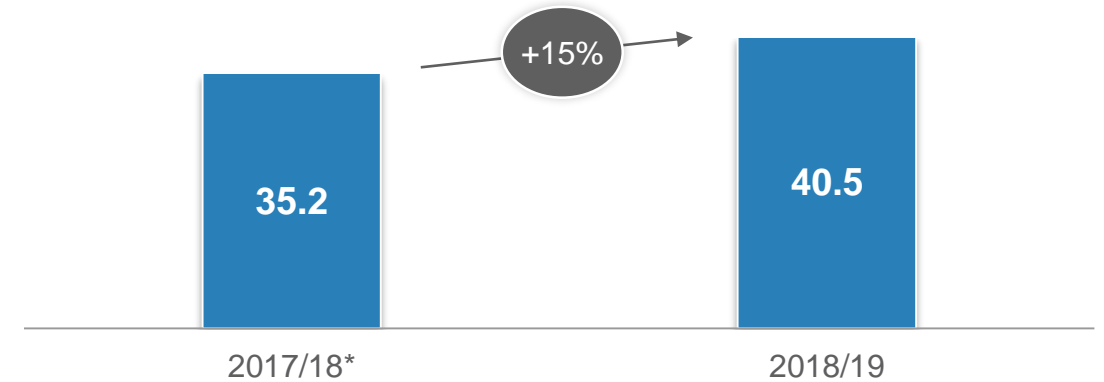
Customer-focused organisation

Excellent order intake of €12.1bn and record backlog reaching €40.5bn

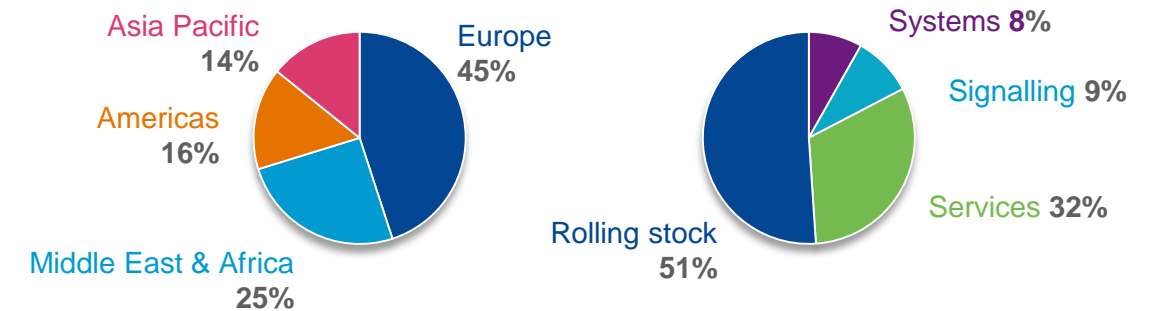
Orders (in € billion)



Backlog (in € billion)



Backlog breakdown as end of March 2019



% change reported

* Restated for IFRS 9 & 15

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Customer focused organisation

Main FY 2018/19 orders



Canada: Réseau Express Métropolitain (REM) in Montreal

Norway: on-board train control system

France: next generation very high speed trains (TGV du Futur), regional trains, Grand Paris Express

Germany: regional trains, Frankfurt tram

Luxembourg: regional trains to CFL

Italy: Pendolino trains and maintenance

Morocco: e-locomotives to ONCF

Saudi Arabia: Riyadh Metro maintenance



Taiwan: Taipei metro system

India: Mumbai metro

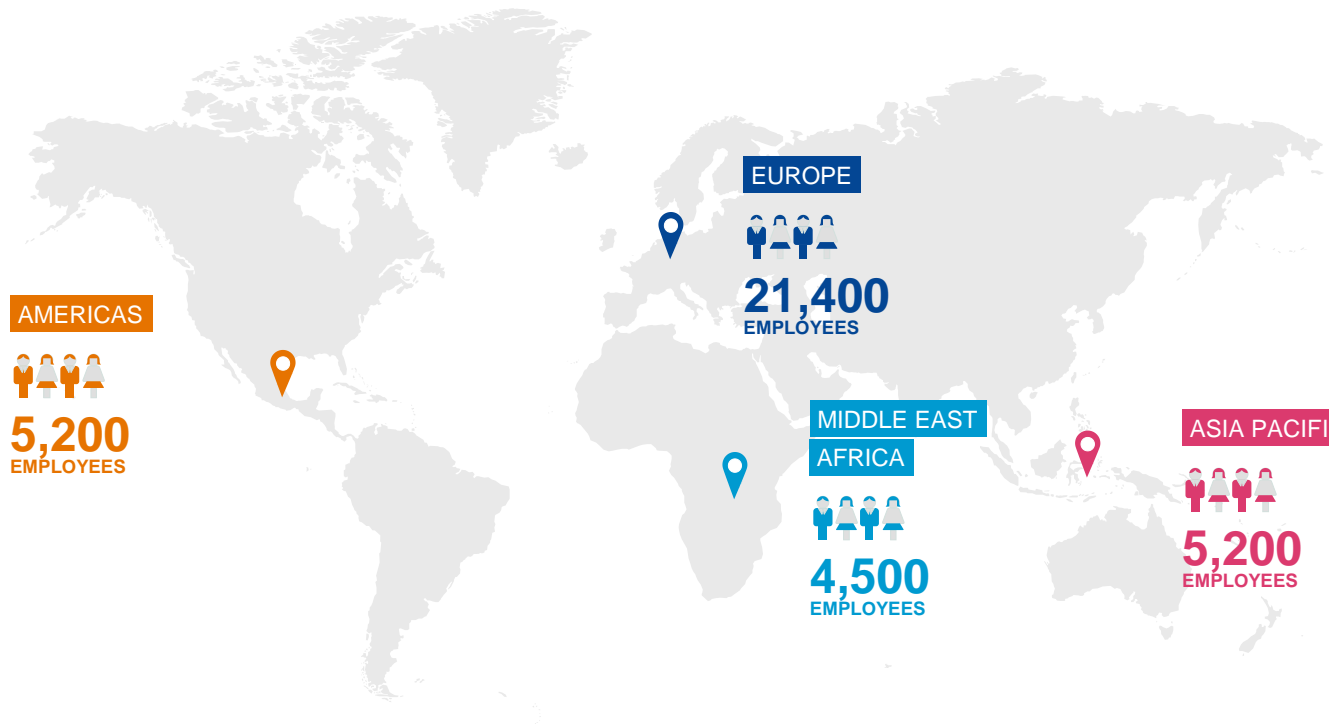
Australia: rolling stock and signalling maintenance for Sydney metro

Contracts awarded in all regions

Customer focused organisation

Leader on all continents

- 36,300 employees working on 105 sites in 60 countries serving 280 customers



- Market rankings⁽¹⁾

AMERICAS⁽²⁾

#1

EUROPE⁽³⁾

#1 on a 2018/19 basis

#3

MIDDLE EAST AFRICA

#2

ASIA PACIFIC

#2

Notes: (1) Based on last 3 years orders vs accessible market ; (2) Americas excluding freight market ; (3) Russia not included as market handled directly by TMH. Sources: Alstom ; UNIFE Market Study 2016

Objective to reach critical size in each region

Complete range of solutions

Continuing towards more systems, signalling and services

ROLLING STOCK



- Very high speed, high speed, suburban/regional, metro, tram, e-bus, 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 FY 2018/19 sales
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Complete range of solutions

Large services contracts, including some associated to systems orders

- Réseau Express Métropolitain (REM) in Montreal, Canada



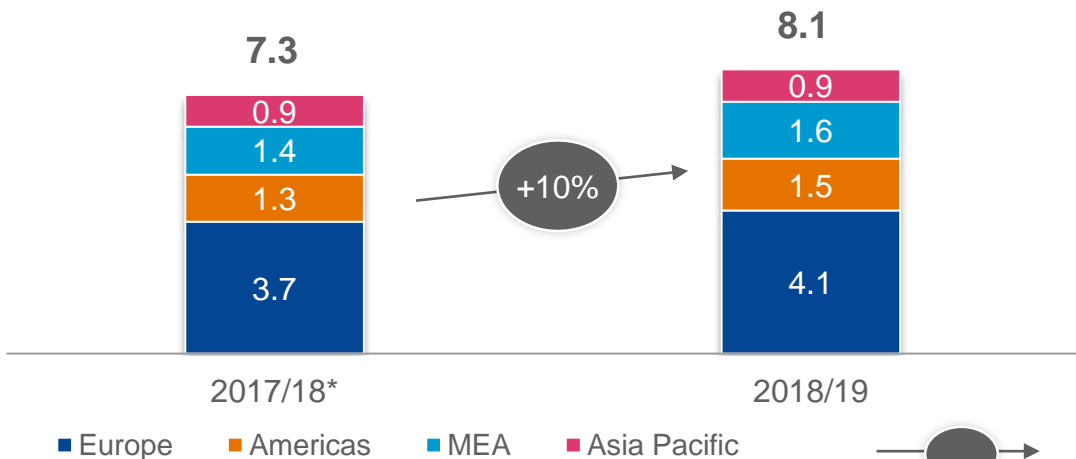
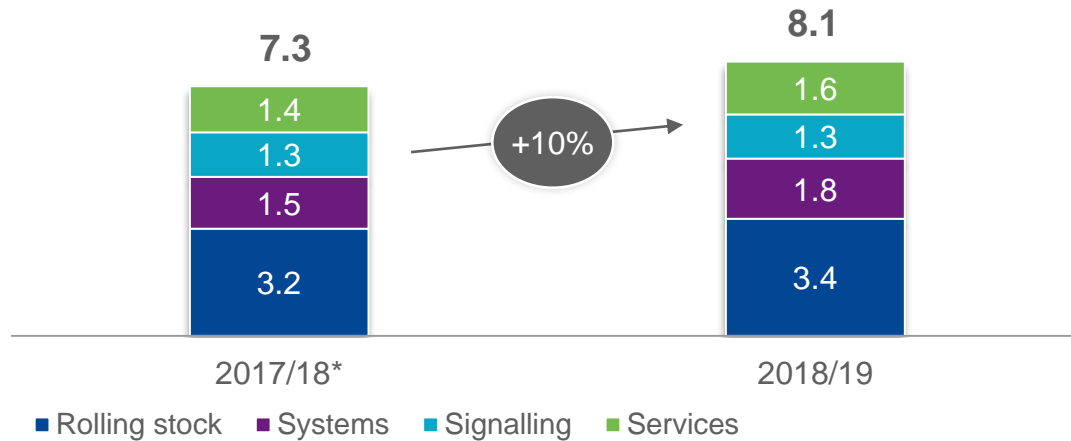
- Riyadh metro, Kingdom of Saudi Arabia



Complete range of solutions

Outstanding organic sales growth of 11%

Sales (in € billion)



* Restated for IFRS 9 & 15

→ % change reported

■ c. 11% organic growth in Rolling Stock

- Regional and high-speed trains in Europe
- Ramp-up of Amtrak project

■ c. 16% organic growth in Systems

- Solid contribution of MEA driven by Dubai, Riyadh and Lusail
- Panama metro line 2 in LAM

■ c. 16% organic growth in Services

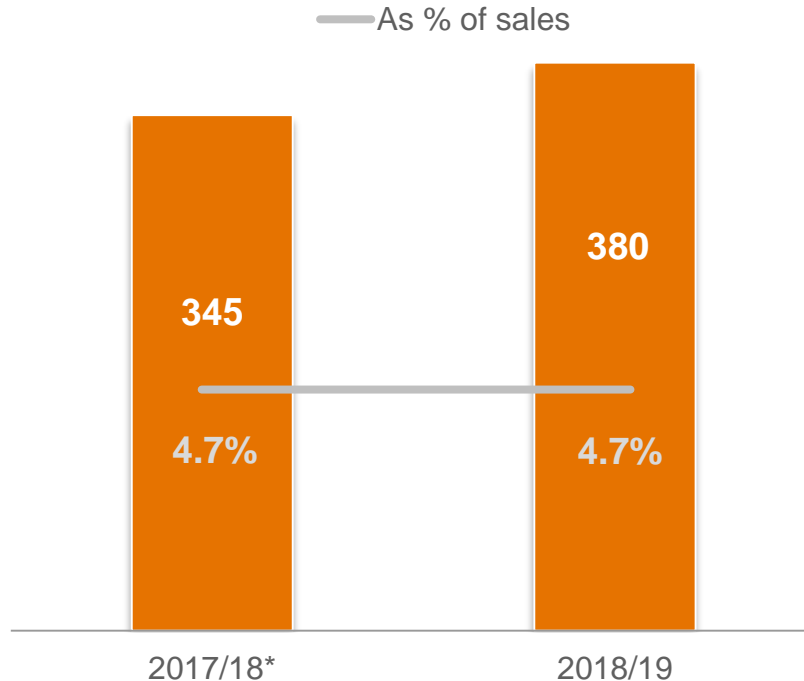
- Contribution of UK and Italy long term contracts

■ Signalling impacted by lower activity in the UK, and Brazil

Value creation through innovation

Sustained level of R&D

R&D gross costs (in € million)



Main R&D programmes

- Completed renewal of rolling stock ranges
- Execution of Signalling R&D
- Investment in Digital solutions

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

Value creation through innovation

Recent major launches

- Coradia iLint experiences first passenger service in Germany



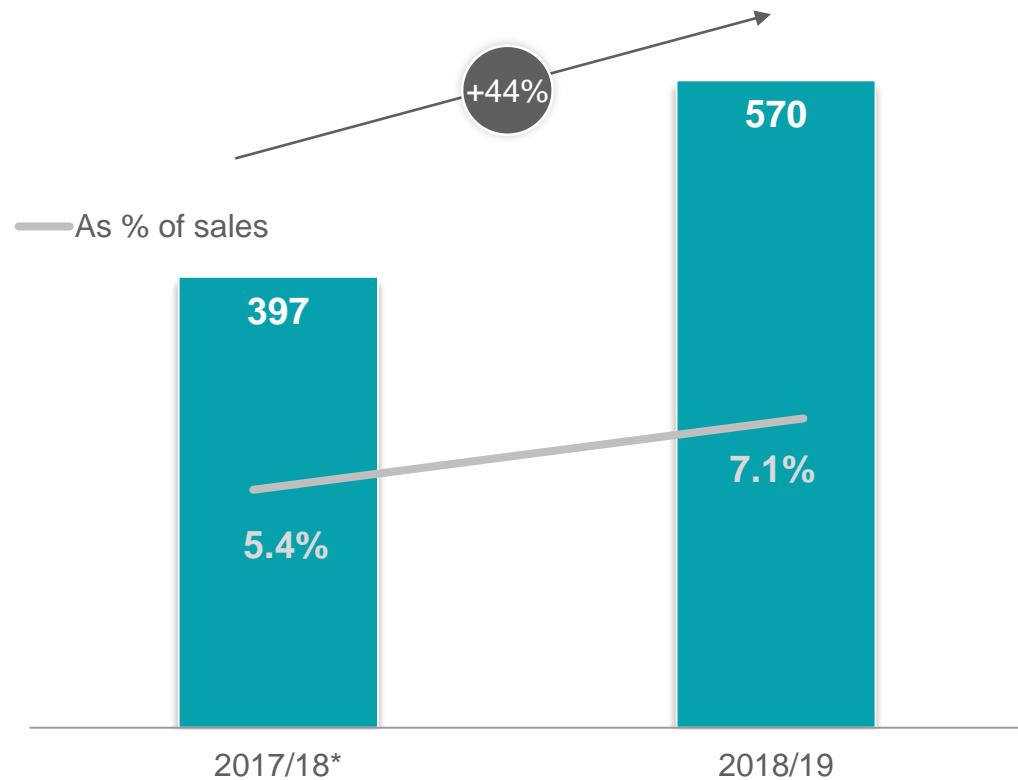
- First commercial success for Alstom's Aptis in Strasbourg



Operational excellence

Continued strong operational performance

Adjusted EBIT (in € million)



- Volume increase
- Efficiencies in operational performance
- Contained cost structure

—●—→ % change reported

* Restated for IFRS 9 & 15

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Operational excellence

Competitive offering

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.52% purchased in low cost countries

Automation

- Commissioning of the highest-capacity welding robot in the railway industry

Global footprint

■ Continued India ramp-up

- 3,700 people at end March 2019 (vs 3,300 at end March 2018)

■ Katowice, Poland

- 1,100 people at end March 2019 (vs 900 at end March 2018)



Katowice site (Poland)

Operational excellence

Excellence in delivery: solid project execution

■ PRASA, South Africa

- JV Gibela's first X'Trapolis Mega trains successfully revealed



■ Amtrak High speed, USA

The first Avelia Liberty to start testing end of 2019



Environmental excellence

On track to achieve 2020 objectives

■ Improve our environmental footprint

- Continue our efforts on energy saving, waste and CO₂
- ISO 14001 for all operational units with more than 200 people
- 2020 objective: energy intensity reduction by 10%. - **2018 status: 13% reduction compared to 2014**

■ Improve energy consumption for solutions

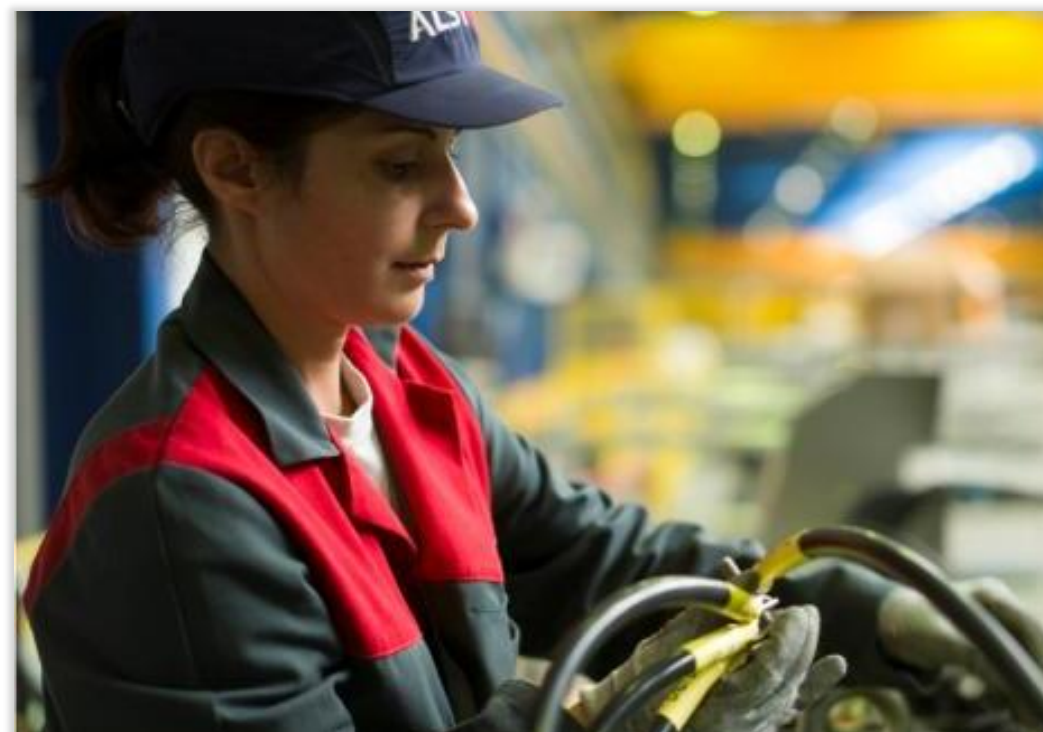
- Better sizing and energy consumption measurement
- 2020 objective: energy consumption reduction by 20%. - **2018 status: 17% reduction compared to 2014**

■ Safety at work



- Alstom Zero Deviation Plan
- Zero Severe Accidents on High Risk Activities
- 2020 objective: Occupational injury frequency rate (employees and contractors) at 1. - **Status: 1.1 in 2018/19**

A culture based on diversity & entrepreneurship



- **36,300 employees worldwide**
- **Diversity** in terms of gender, generation, nationality, social and cultural background targeted:
 - **25%** women in management or professional role by 2020 – Status: 21% in 2018/19

CSR and Ethics & Compliance

- First AFAQ ISO 37001 certification for anti-bribery management system awarded by AFNOR on every continent
- Alstom selected in the Dow Jones Sustainability World and Europe indices for the 8th consecutive year and remains part of the top 5% assessed companies
- Alstom has improved its score from B to A- at CDP's 2018 climate change questionnaire



MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



Strong external recognition of Alstom CSR and Ethics & Compliance

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Income statement

<i>In € million</i>	FY 2017/18*	FY 2018/19	% change reported	% change organic
Sales	7,346	8,072	10%	11%
Adjusted EBIT	397	570	44%	
<i>Adjusted EBIT margin</i>	5.4%	7.1%		
Restructuring charges	(47)	(65)		
Other charges	(86)	(97)		
EBIT	264	408		
Financial result	(99)	(88)		
Tax result	(59)	(70)		
Share in net income of equity investees	216	195		
Minority interests from continued op.	(9)	(12)		
Net income – Discontinued operations**	52	248		
Net income – Group share	365	681		

* Restated for IRFS 9 & 15

** Group share

Free cash flow

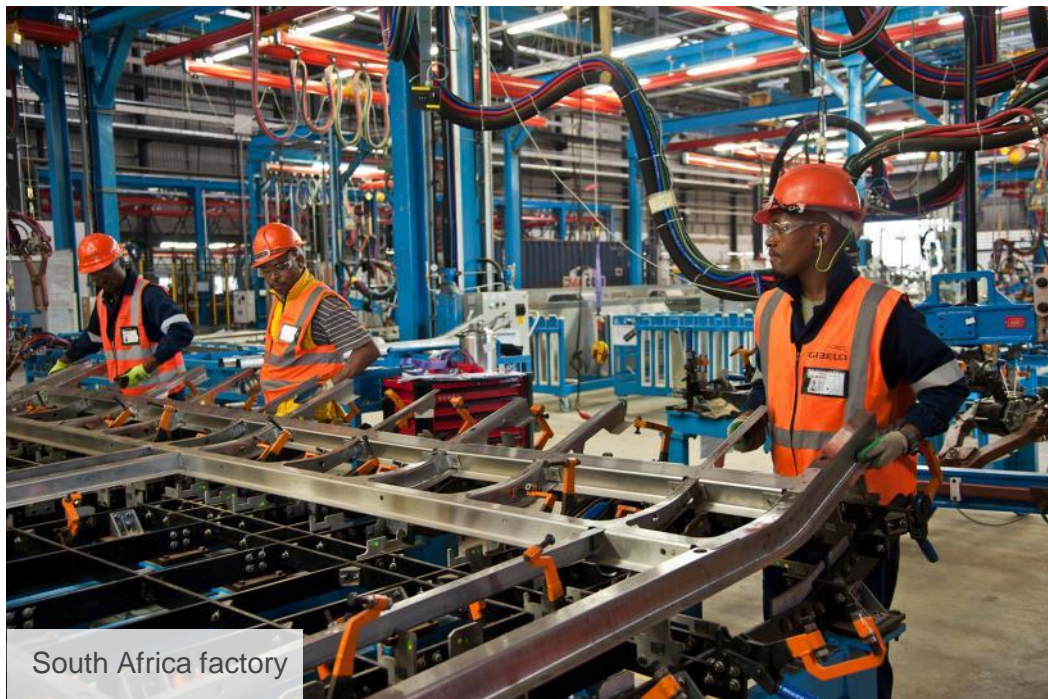
<i>In € million</i>	FY 2017/18*	FY 2018/19
EBIT	264	408
Depreciation & amortisation	168	194
Capex	(203)	(207)
R&D capitalisation	(90)	(68)
Change in working capital	91	(12)
Financial cash-out	(66)	(90)
Tax cash-out	(93)	(105)
Other	57	33
Free cash flow	128	153

- Positive EBIT evolution
- Phasing of transformation capex
- Working capital limited evolution, impacted by the ramp-up of major projects signed in previous years
- Siemens/Alstom deal cash impact

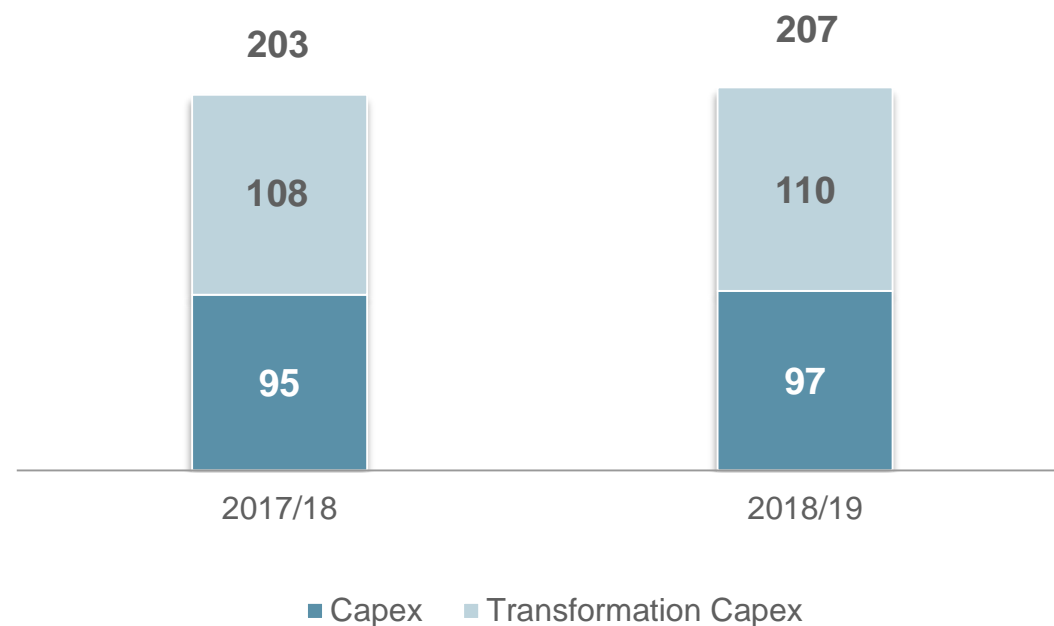
* Restated for IFRS 9 & 15

Capex developments

Ramp up of transformation capex



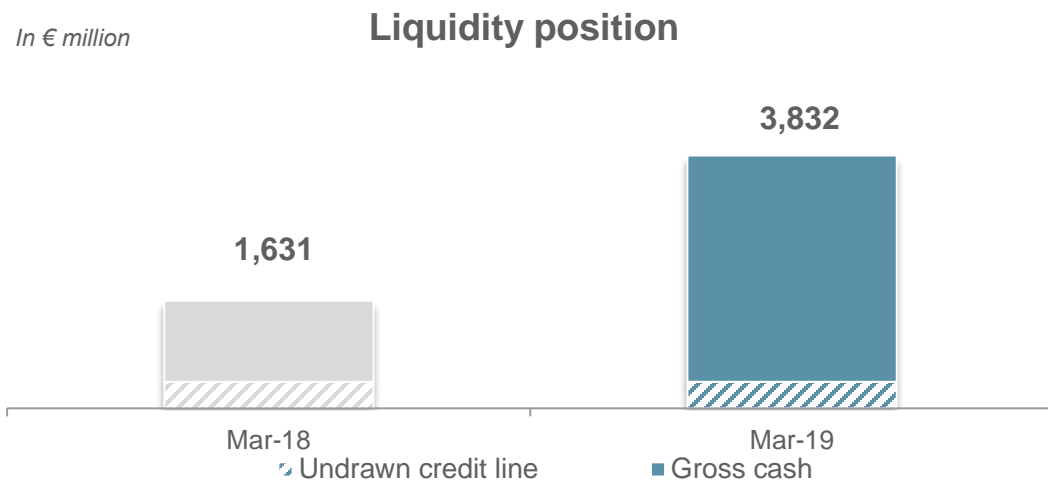
Capex* (in € million)



* excluding capitalised development costs

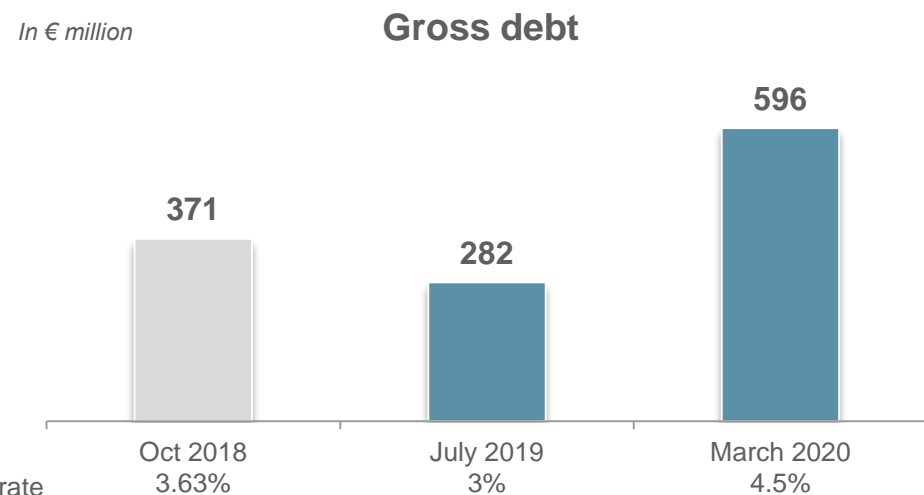
Strategic transformation of our footprint
€269m spent out of c. €300m transformation capex

Liquidity and gross debt



Liquidity

- €3,432m cash and cash equivalents as of 31 March 2019
- €400m revolving credit facility ; fully undrawn
- Energy JVs fully cashed in for €2.6bn



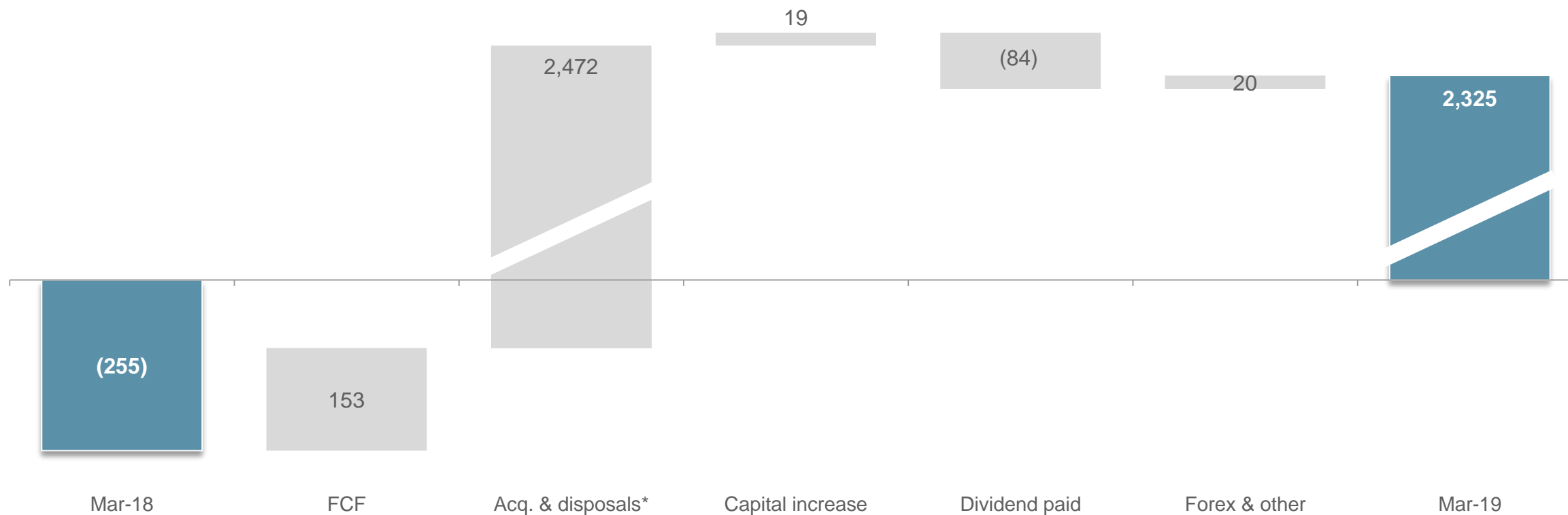
Gross debt

- €878m outstanding bonds as of 31 March 2019
- €371m reimbursed at maturity in October 2018
- Next maturity in July 2019 (€282m)

Net cash

In € million

Net cash/(debt)

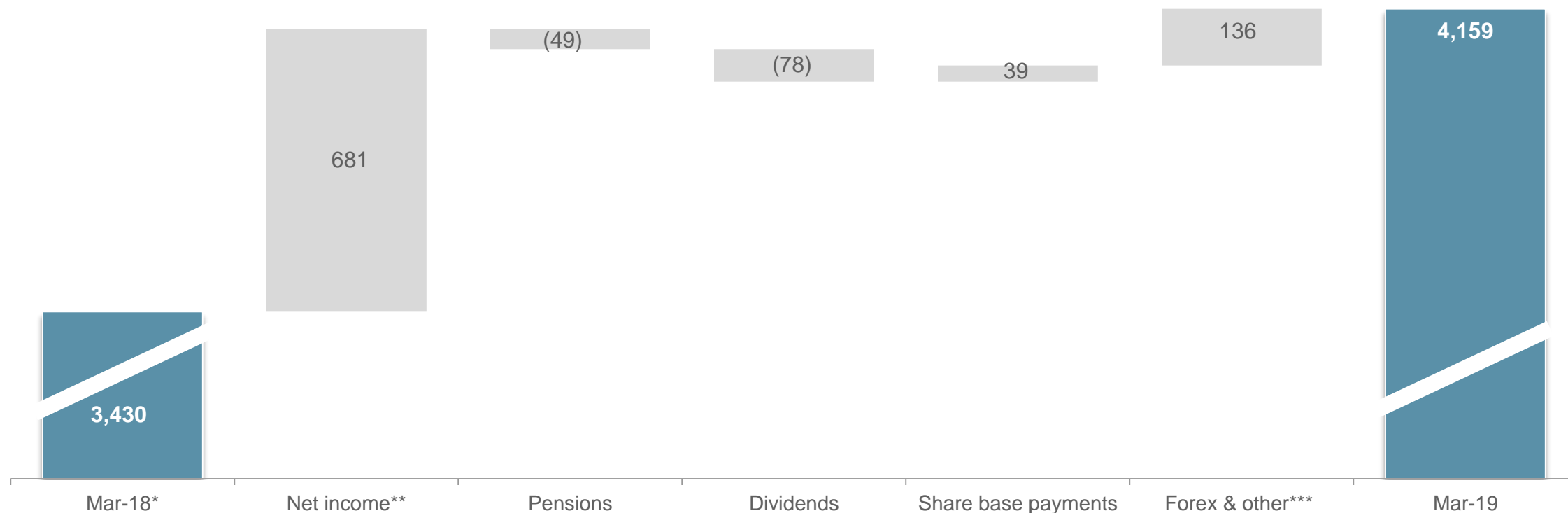


* includes GE disposals put option exercise for €2,594m and stakes of TMH for (€115m)

Equity

In € million

Equity



* Restated for IRFS 9 & 15

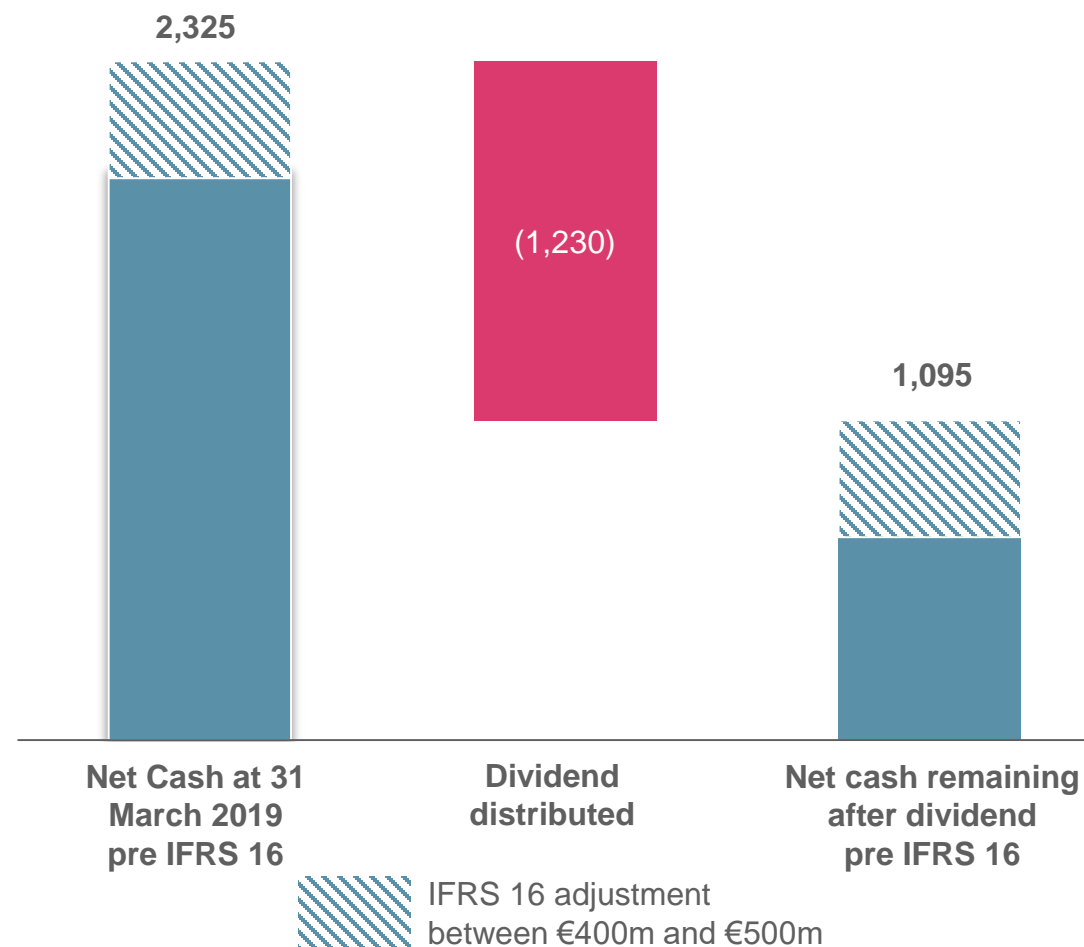
** Group share

*** Of which Forex for €36m and €53m related to fair value adjustment of Locotech investment in TMH

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Shareholder distribution

- Board of directors to propose a dividend of €5.50 per share, based on net cash position at 31 March 2019
- Net cash post dividend will be at €1,095m without considering IFRS16 impact estimated between €400m and €500m



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- **Excellent commercial momentum and strong operational performance**
 - **Board of directors to propose a dividend of €5.50 per share**
- **Outlook to be presented during Alstom's Capital Markets Day on 24 June 2019**



Contacts and agenda

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Agenda

24 June 2019

Capital Markets Day

10 July 2019

Shareholders' Meeting

18 July 2019

Q1 2019/20 Orders and Sales



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