

Alstom Presentation

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Kepler Cheuvreux Autumn Conference, 15 September 2017

ALSTOM
Designing fluidity

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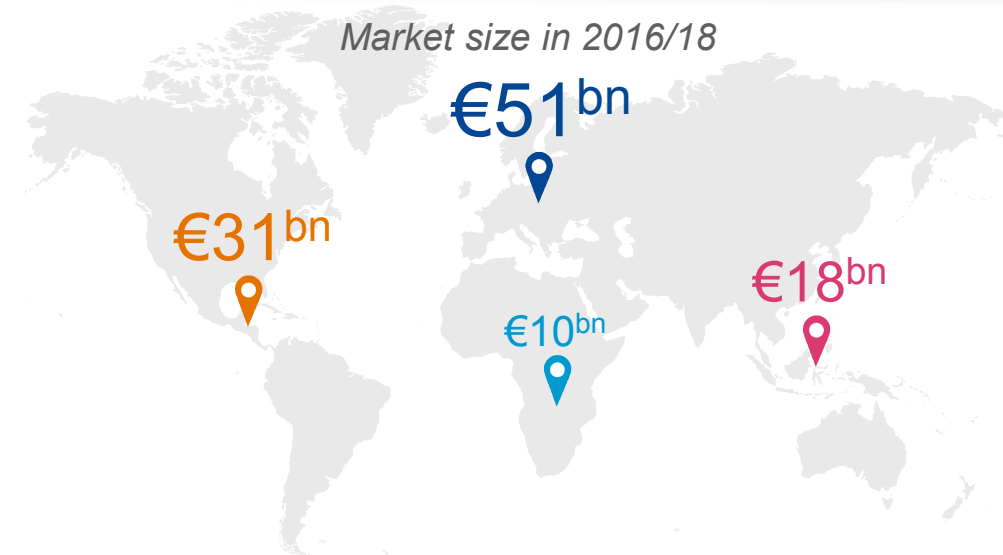
A dynamic market with solid long-term drivers

URBANISATION

GOVERNMENTAL FUNDING

SUSTAINABLE DEVELOPMENT

ECONOMIC GROWTH



- Market worth more than **€110bn** (+ 3.2%)
- **Solid growth** drivers
- Market driven by **urban & integrated systems**
- Significant growth in **all geographical regions**

Average annual growth
between 13/15 – 19/21

AMERICAS

+ 2.3 %

ASIA
PACIFIC

+ 5.4 %

EUROPE

+ 3.0 %

MIDDLE EAST
AFRICA

+ 3.2 %

Note: Annual average– Accessible market
Source: UNIFE Market Study 2016

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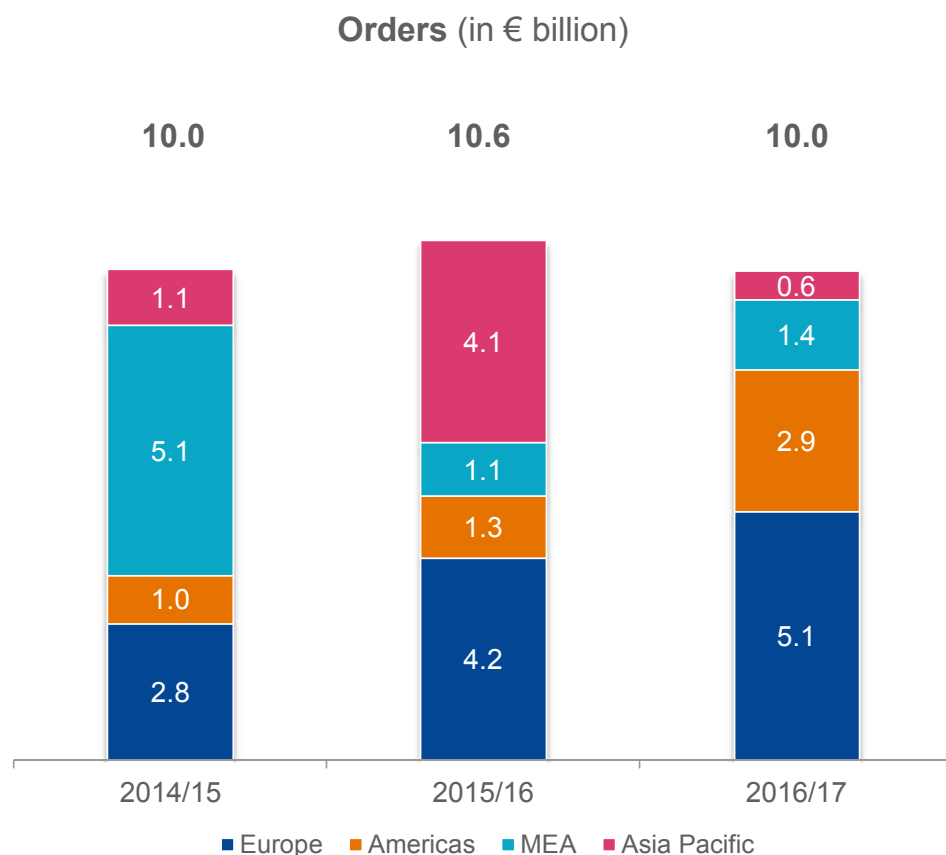
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An ambitious strategy for 2020



Customer-focused organisation

Continued strong commercial performance



- €10bn orders during third year in a row
 - 2014/15: PRASA project in South Africa (c. €4bn)
 - 2015/16: India eLocos project (c. €3.2bn)
 - 2016/17: High-speed trains and services for Amtrak, Dubai 2020 metro system, regional trains in Netherlands and Italy, suburban trains in France

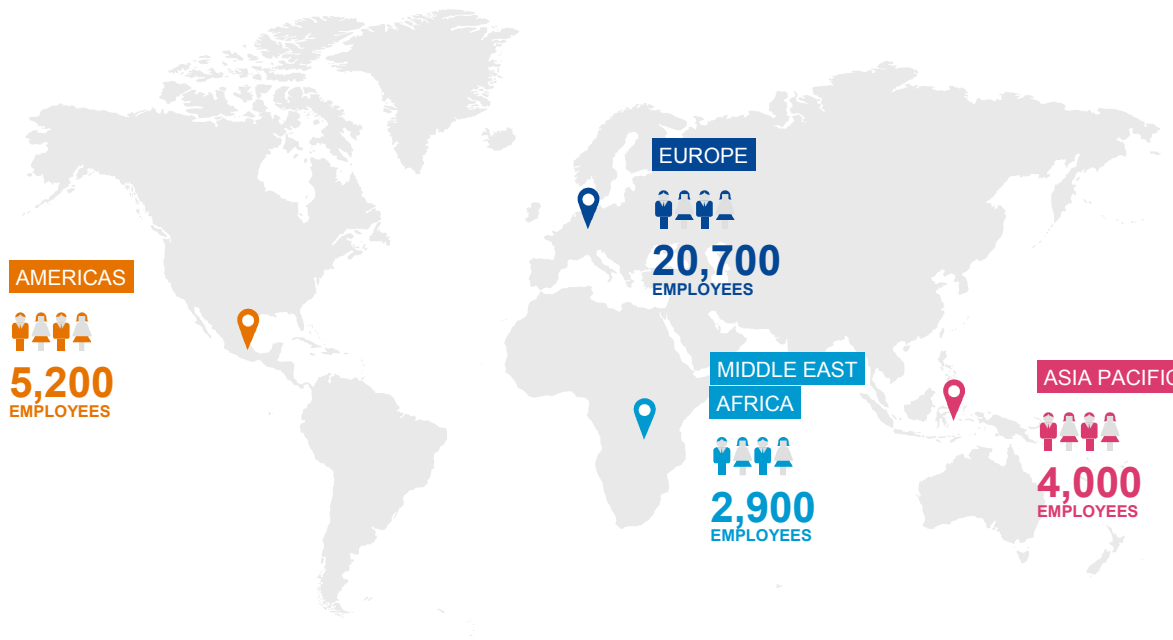
- Q1 2017/18: €1.9bn orders

- Backlog of €34bn on 30 June 2017 providing strong visibility on future sales

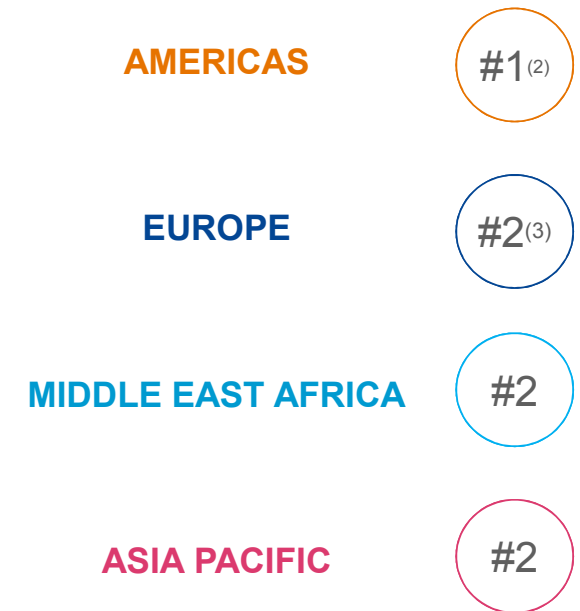
Customer focused organisation

Leader on all continents

- 32,800 employees working on 105 sites in 60 countries serving 200 customers



- 2016 rankings ⁽¹⁾

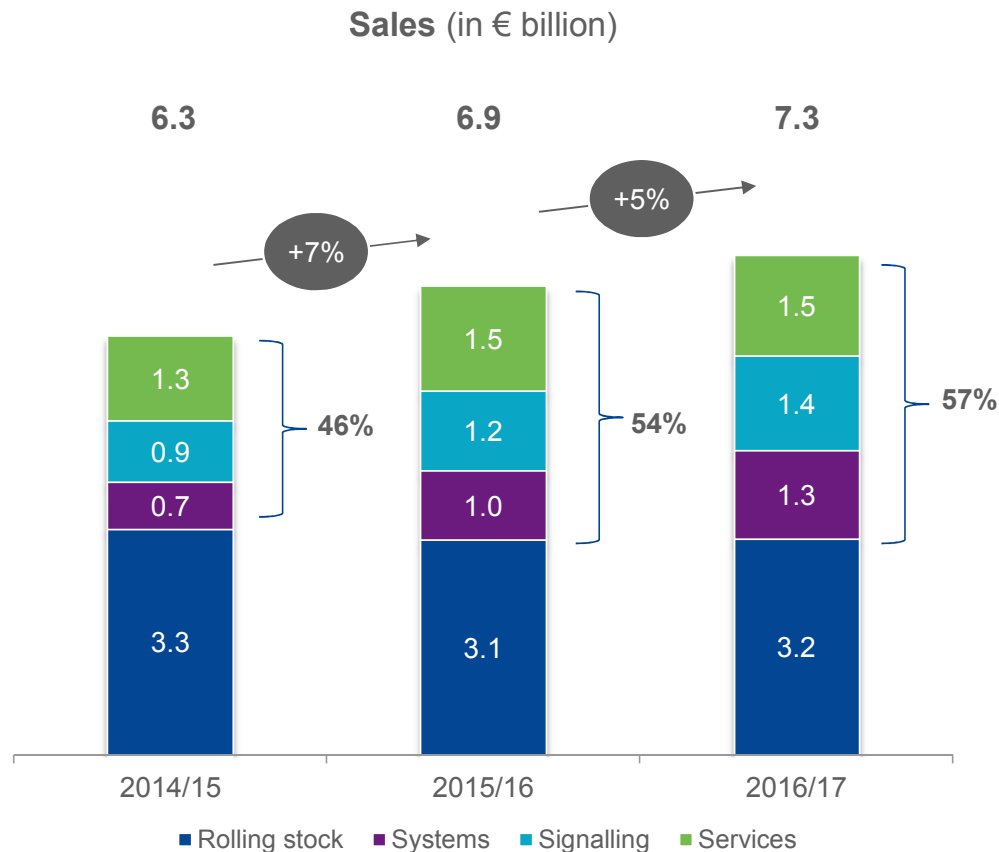


Notes: (1) Based on orders vs accessible market ; (2) Americas excluding freight market ; (3) Russia not included as market handled directly by TMH. Sources: Alstom ; UNIFE Market Study 2016

Objective to reach critical size in each region (#1 or #2 where relevant)

Complete range of solutions

Systems, signalling and services to represent around 60% of sales by 2020



■ Rolling stock: roughly stable

- Rolling stock deliveries in Europe
- On-going execution of PRASA project

■ Systems: +88% over 2 years

- Deliveries of urban systems in MEA and LAM

■ Signalling: +54% over 2 years

- GE signalling integration in November 2015

■ Services: +17% over 2 years

- Slight decrease in 2016/17 with adverse forex impact on UK contracts

■ Q1 2017/18: €1.9bn sales, i.e. 5% organic growth

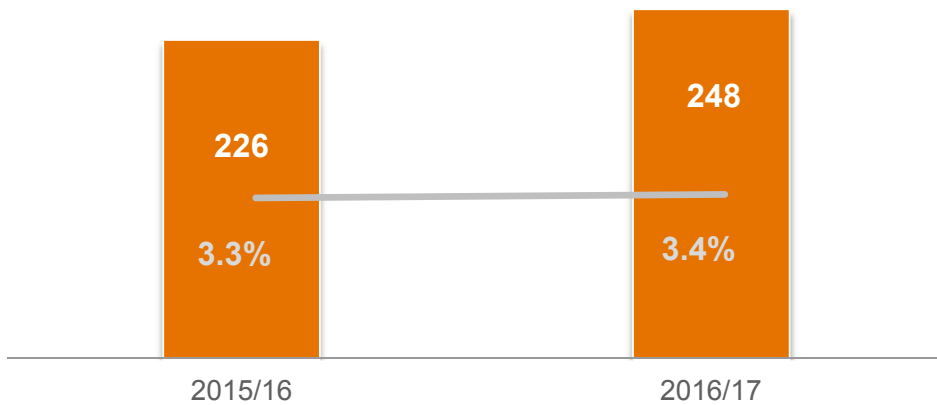


Value creation through innovation

Sustained level of R&D

R&D gross costs (in € million)

— As % of sales



Main R&D programmes

- Renewal of rolling stock ranges
- Signalling programmes
- Predictive maintenance



The new generation of Coradia regional trains

Value creation through innovation

New innovations for smarter mobility

- **Coradia iLint**, hydrogen train, with a first successful run at 80 km/h



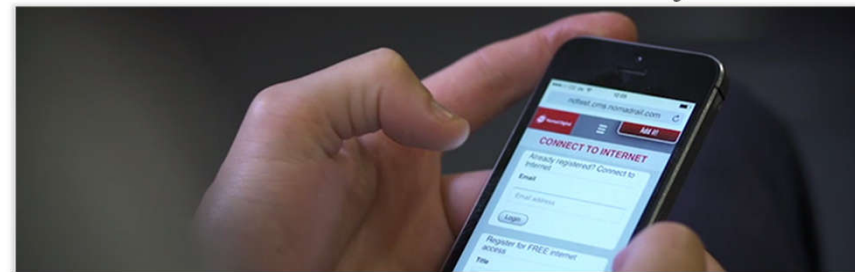
- **Aptis**, a new 100% electric experience of mobility



- **Mastria**, the first multimodal supervision solution



- **Nomad Digital**, acquisition of the world leader of on-board connectivity

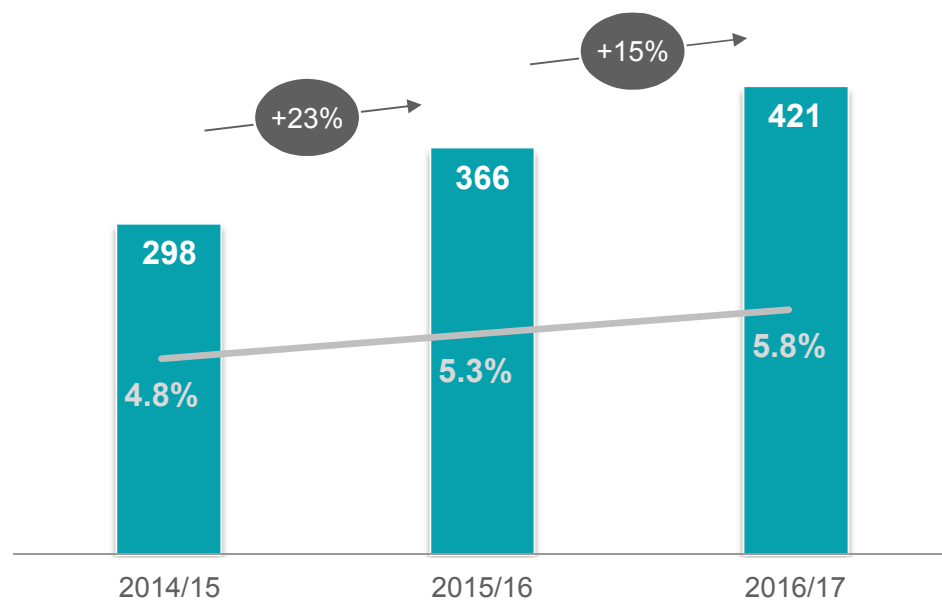


Operational excellence

Continued strong operational performance

Adjusted EBIT (in € million)

— As % of sales



- Volume increase
- Portfolio mix improvement
- On-going initiatives for operational excellence

—●→ % change reported

Operational excellence

Solid project execution

■ eLoco project, India

- First batch of design submitted to customer in February 2017



■ PRASA project, South Africa

- 17 trains in commercial service (delivered from Brazil)



■ Riyadh project, Saudi Arabia

- First train delivered on-time from Katowice, Poland in Feb. 2017



Conclusion

- **A 2020 strategy leading to sound results**
- **A solid balance sheet**
- **Resuming dividends in 2016/17**
- **2020 objectives confirmed:**
 - Sales expected to grow at 5% per year organically
 - Adjusted EBIT margin to reach around 7%
 - c. 100% conversion from net income to free cash flow

Q&A



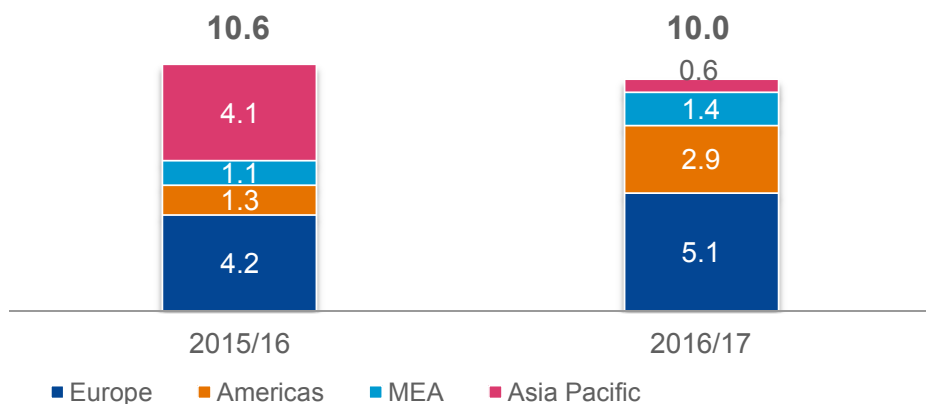


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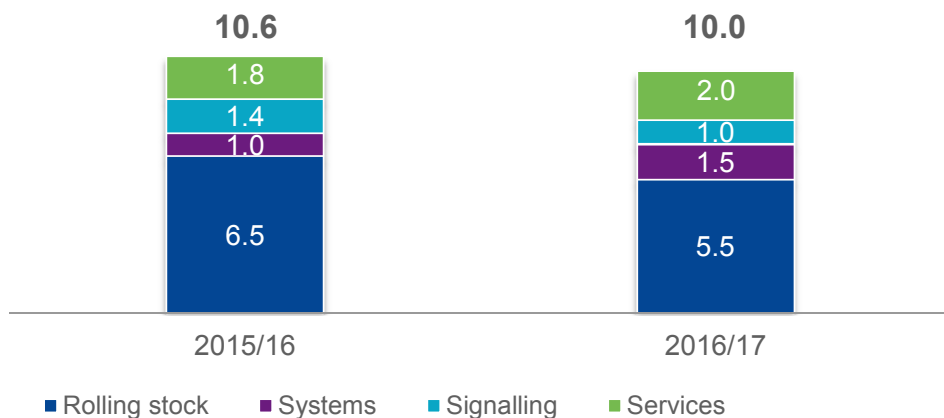
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Appendix: Customer-focused organisation

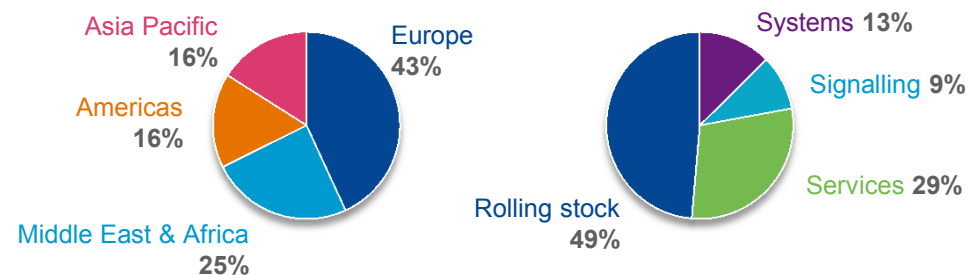
Orders (in € billion)



Backlog (in € billion)



Backlog breakdown as end of March 2017



Appendix: A complete range of transport solutions

% of 2016/17 sales



ROLLING STOCK

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

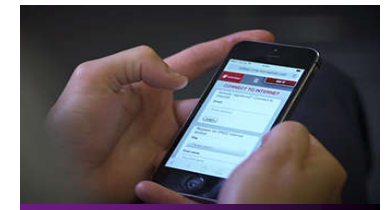
43%



SIGNALLING

- Signalling solutions portfolio for urban, main line, freight and mining and digital mobility
- Sold as products or solutions

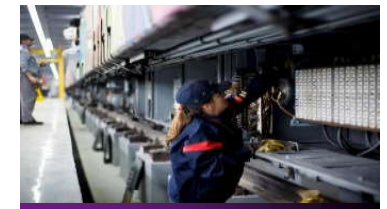
19%



SERVICES

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

20%



SYSTEMS

- Integrated solutions
- Infrastructure

18%



Appendix: 2016/17 key figures

<i>In € million</i>	2015/16	2016/17	% change reported	% change organic
Backlog	30,363	34,781	15%	9%
Orders	10,636	10,008	(6)%	(6)%
Sales	6,881	7,306	6%	5%
aEBIT	366	421	15%	
<i>aEBIT margin</i>	5.3%	5.8%		
Net income – Group share	3,001	289		
Free cash flow	(2,614)	182		
Net cash/(debt)	(203)	(208)		
Equity	3,328	3,713		

Appendix: Income statement

<i>In € million</i>	FY 2015/16	FY 2016/17	% change reported	% change organic
Sales	6,881	7,306	6%	5%
Adjusted EBIT	366	421	15%	
<i>Adjusted EBIT margin</i>	5.3%	5.8%		
Restructuring charges	(138)	(6)		
Other charges	(454)	(57)		
EBIT	(226)	358		
Financial result	(275)	(127)		
Tax result	(597)	(76)		
Share in net income of equity investees	30	82		
Minority interests from continued op.	(15)	(14)		
Net income – Discontinued operations*	4,084	66		
Net income – Group share	3,001	289		

*Group share

Appendix: Free cash flow

<i>In € million</i>	FY 2015/16	FY 2016/17
Adjusted EBIT	366	421
Depreciation & amortisation	138	132
Restructuring cash-out	(61)	(49)
Capex	(154)	(150)
R&D capitalisation	(73)	(70)
Change in working capital	(892)	80
Financial cash-out	(291)	(115)
Tax cash-out	(211)	(87)
Other*	(1,436)	20
Free cash flow	(2,614)	182

- **Cash Focus programme impact**
- **Several large down-payments**
- **Volatility on short period**
- **Phasing of transformation capex**

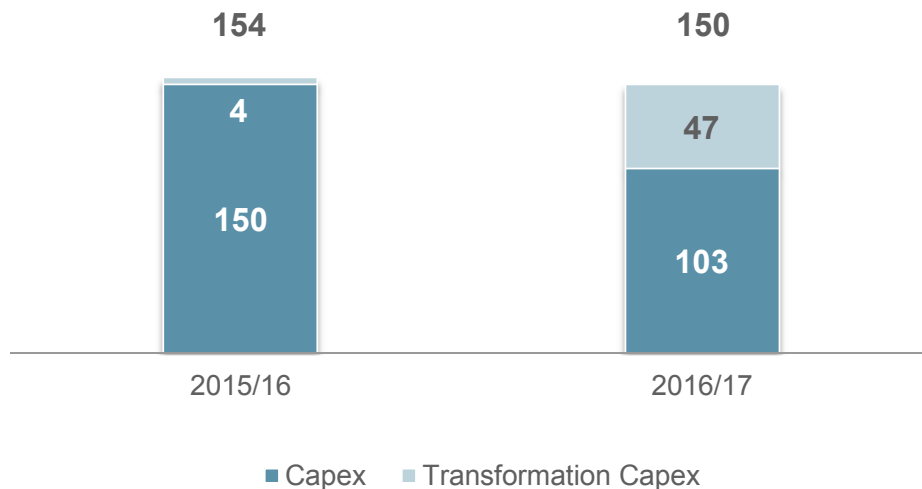
*includes free cash flow from discontinued operations

Appendix: Capex developments

Progressive ramp up of transformation capex



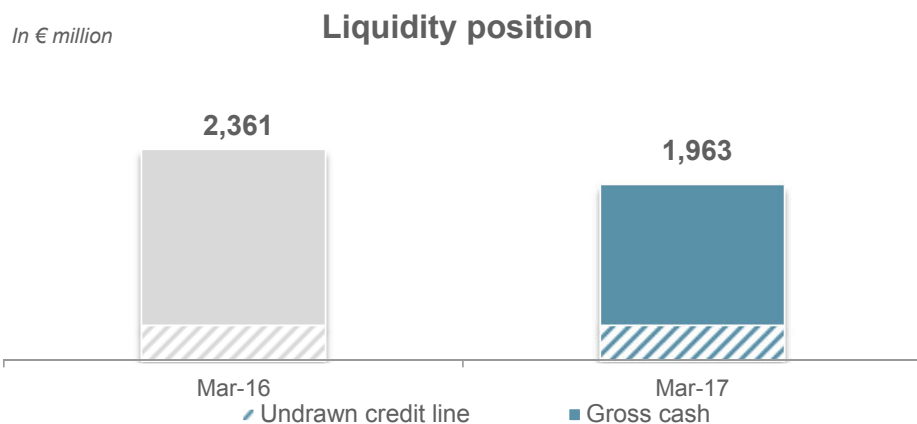
Capex* (in € million)



* excluding capitalised development costs

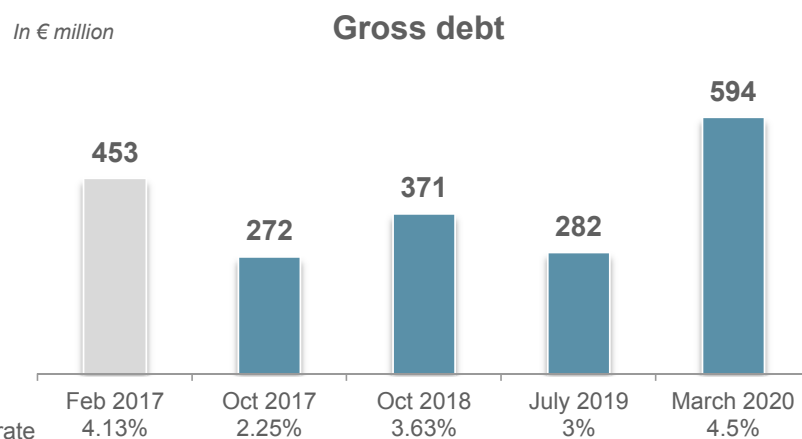
New sites to meet customers' growing demand for a local presence
c. €300m transformation capex over 3 years

Appendix: Liquidity and gross debt



Liquidity

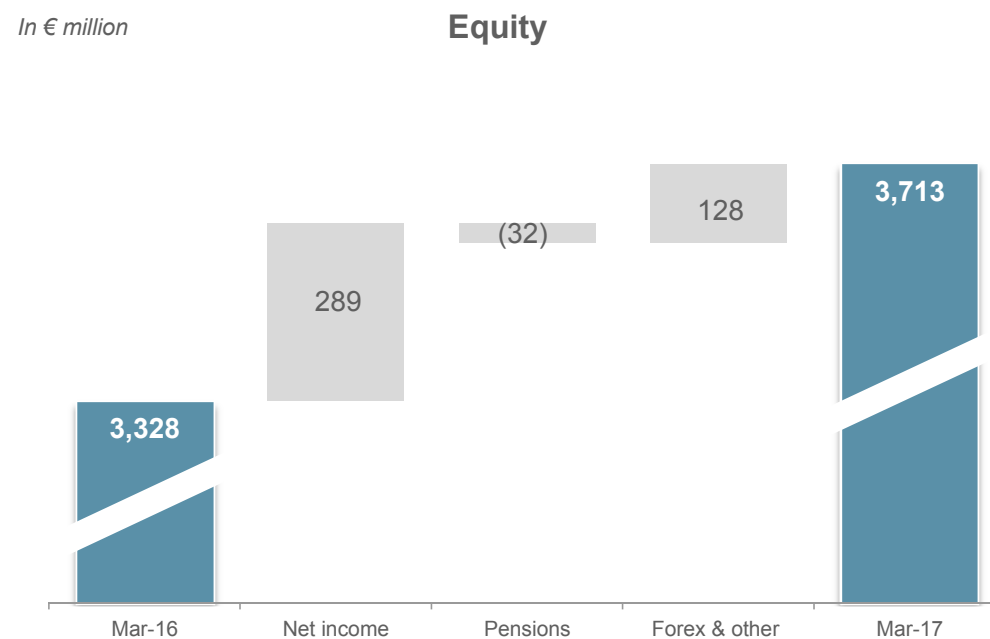
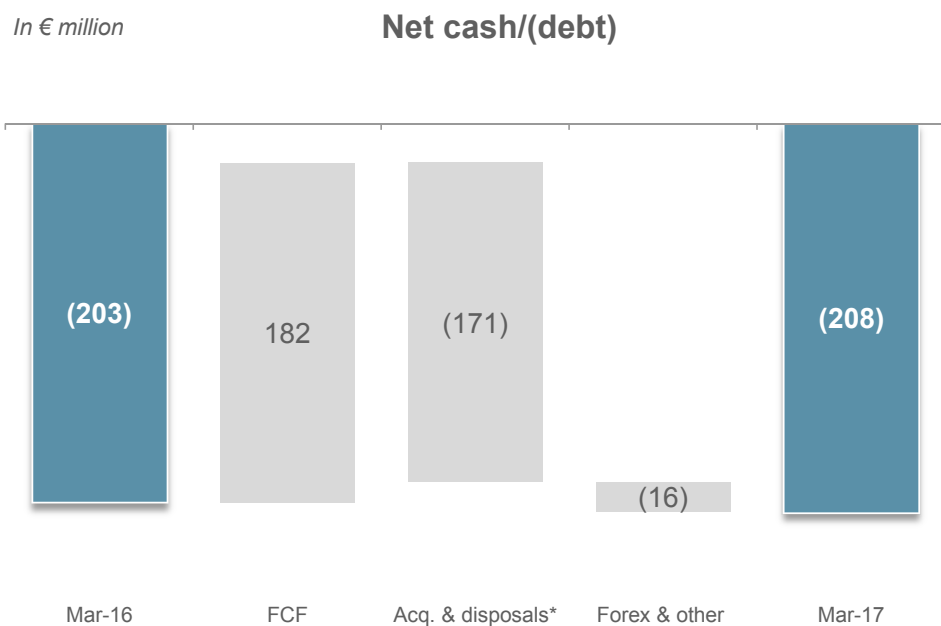
- €1,563m cash and cash equivalents as of 31 March 2017
- €400m revolving credit facility ; fully undrawn
- Flexibility with Energy JVs put options



Gross debt

- €453m reimbursed at maturity in February 2017
- €1,519m outstanding bonds as of 31 March 2017
- Next maturity in October 2017 (€272m)

Appendix: Strong balance sheet



* includes GE related separation impact (e.g. IS&T)

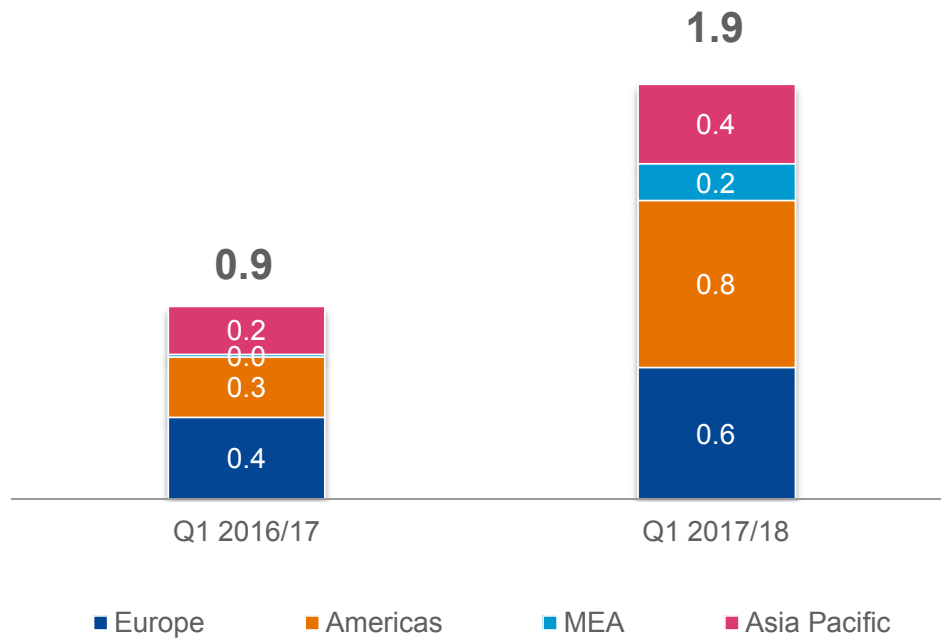
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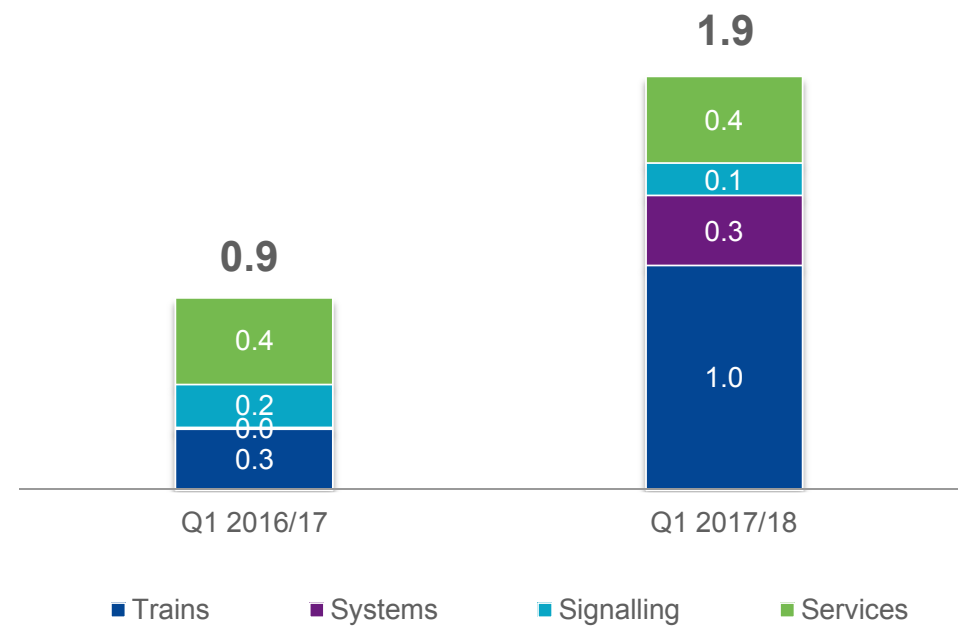


Appendix: Q1 2017/18 Orders

Orders by region
(in € billion)

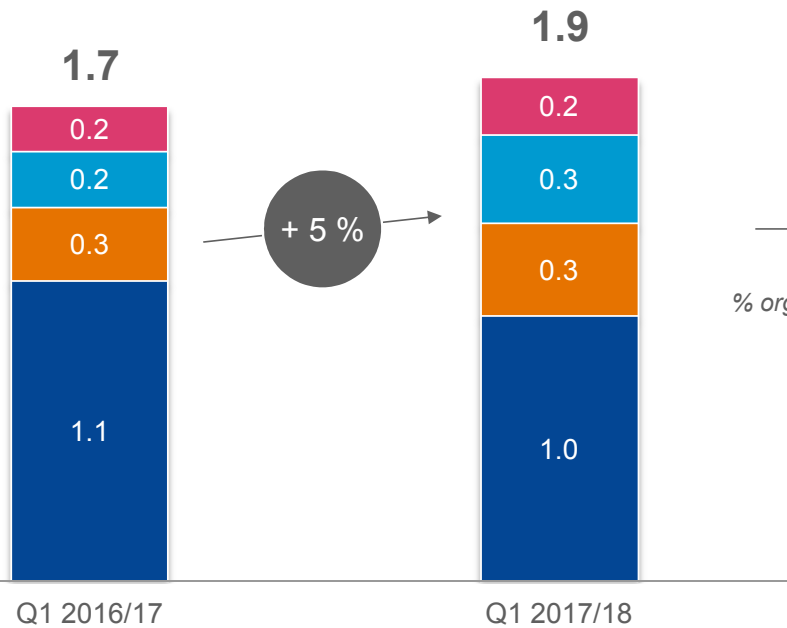


Orders by products
(in € billion)

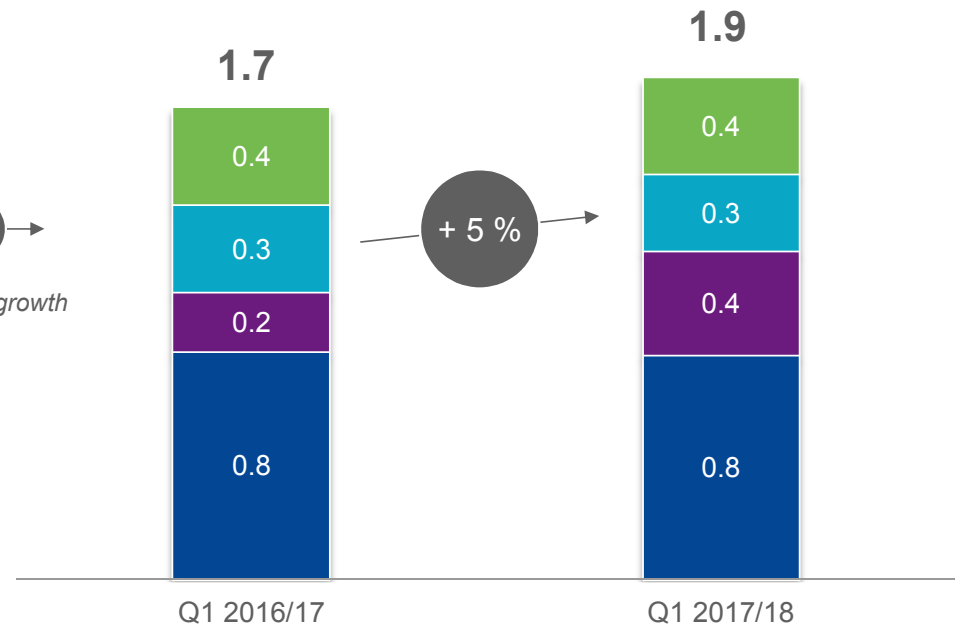


Appendix: Q1 2017/18 Sales

Sales by region
(in € billion)



Sales by product
(in € billion)



■ Europe ■ Americas ■ MEA ■ Asia Pacific

■ Trains ■ Systems ■ Signalling ■ Services