ALSTOM

Press release

Alstom's preliminary first half 2026/27 results

FY 2026/27 outlook adjusted amid selected execution issues in Europe. Operational plans to be paired with deleveraging.

- **H1 2026/27 performance impacted by execution issues**
  - **Order intake[1] of €11.0 billion, book-to-bill ratio[1] of 1.2,** consistent with full-year guidance
  - **Operational and financial performance mainly impacted by Coradia Max platform**
    - Industrialisation challenges and extended homologation timeline for Coradia Max
    - Other projects executed for, and from, Germany also impacted
  - **Car production of 1,860,** trending below planned trajectory
  - **Group sales of €9.3 billion,** up 3%, including 2% organic growth[1]
  - **Adjusted EBIT margin[1] of around (4)%,** impacted by execution issues
  - **Free Cash Flow[1] of €(1,248) million**, reflecting seasonality
- **FY 2026/27 guidance adjusted:**
  - Group book-to-bill ratio[1] above 1 (unchanged)
  - Low- to mid-single digit organic sales growth[1] (vs around 5% previously)
  - Car production around 4,000 (vs 4,400-4,500 previously)
  - Adjusted EBIT margin[1] of around 1% (vs around 6.5% previously), implying around 6.5% in H2 2026/27
  - Free Cash Flow[1] of €(1.5) billion euro (vs 'Positive' previously)
- **Placing project execution excellence as the Group's top priority**
  - Priority initiatives launched since April 2026: leaner operations, faster issue resolution, enhanced accountability, stronger cost and procurement discipline, and simpler processes.
  - On-going broad review of the organisational and operational models, leading to decisions to be made by early 2027.
  - Capital Markets Day in the second quarter of 2027 to encompass organisational model, operations, footprint and product offering together with medium-term financial trajectory.
- **Deleveraging objective of around €2 billion.**

2 November 2026 - The Board of Directors of Alstom met on 1 November 2026 and reviewed the preliminary unaudited results for the first half of fiscal year 2026/27. Martin Sion, CEO of Alstom, said:

"Since my appointment as CEO in April 2026, I have requested rigorous identification and escalation of project-level risks and opportunities, mobilising dedicated teams of Alstom experts on most critical projects, including Coradia Max. Today's announcement reflects the consequences of this exercise with the objective to normalise the Group's performance from next fiscal year. It also reinforces my determination to accelerate operational improvements and calls for a deleveraging plan, with the support of our Board, to ensure Alstom realises the full potential of its competitive positioning on the growing rail market"

[1] Non-GAAP. See definition in the appendix

Key figures

	Half year ended 30 September 2025	Half year ended 30 September 2026	% Change Reported	% Change Organic[1]
Orders received[2] (€ billion)	10.5	11.0	5%	5%
Sales (€ billion)	9.1	9.3	3%	2%
Adjusted EBIT margin[2]	6.4%	~(4)%		
Free Cash Flow[2] (€ million)	(740)	(1,248)		

Preliminary H1 2026/27 review

Orders

In the first half of fiscal year 2026/27, Alstom recorded orders of €11.0 billion, compared with €10.5 billion in the same period of the previous fiscal year. Commercial momentum accelerated in the second quarter, with orders of €8.4 billion and a book-to-bill ratio of 1.8. The first-half book-to-bill ratio was therefore 1.2, consistent with the full-year guidance of above 1.

Sales

Sales reached €9.3 billion in the first half of fiscal year 2026/27, up 3% on a reported basis and 2% on an organic basis compared to the same period last fiscal year.

Alstom manufactured 1,860 cars during the first half, down 8% compared with 2,017 in the same period of the previous fiscal year. Production was affected by execution issues on the Coradia Max platform, with manufacturing paused during the first quarter to resolve identified issues and minimise subsequent retrofit work.

Profitability

Adjusted EBIT margin for the first half of fiscal year 2026/27 stands at around (4)%, compared with 6.4% in the first half of the previous fiscal year. The decline compared to the same period last fiscal year was largely attributable to gross margin adjustments on projects executed for, and from, Germany.

In the first half of fiscal year 2026/27, additional technical issues and testing requirements related to the Coradia Max platform surfaced. In parallel, strengthened reviews of some of the most critical Rolling Stock projects provided enhanced visibility on execution risks, additional work required, project timelines and knock-on effects on other projects.

These developments led to revised margins at completion on selected projects.

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[2] Non-GAAP. See definition in the appendix

Free Cash Flow

The Group's Free Cash Flow stands at €(1,248) million in the first half of fiscal year 2026/27, reflecting seasonality. Free-Cash-Flow consumption compared to first-half guidance was partly mitigated by a few milestone payments and downpayments being brought forward into the first half of fiscal year 2026/27.

Net debt

As of 30 September 2026, the Group reported net debt of €1.1 billion, compared with €0.4 billion as of 31 March 2026. The increase primarily reflects Free Cash Flow consumption of €(1,248) million, a €44 million coupon payment on subordinated perpetual securities, and an €81 million increase in lease liabilities. These effects were partly offset by €694 million of proceeds from the issuance of a green hybrid bond in June 2026.

FY 2026/27 outlook

Following preliminary results for the first half of fiscal year 2026/27, the Group is adjusting its outlook for the fiscal year 2026/27 as follows:

- **Book-to-bill ratio of above 1 for fiscal year 2026/27**, unchanged from previous outlook, supported by continued demand, a solid pipeline of opportunities, and ongoing operational and deleveraging initiatives.
- **Car production of around 4,000 in fiscal year 2026/27**, compared with 4,400–4,500 previously, partly reflecting the production shortfall recorded in the first half versus planned trajectory.
- Organic **sales growth of low- to mid-single digit in fiscal year 2026/27**, compared to around 5% previously, partly impacted by lower car production than initially expected.
- **Adjusted EBIT margin of around 1% for fiscal year 2026/27,** down from 6.5% as announced previously, implying a rebound in adjusted EBIT margin of around 6.5% in the second half fiscal year 2026/27.
- **Free Cash Flow of €(1.5) billion in fiscal year 2026/27**, compared with 'Positive' Free Cash Flow previously, predominantly driven by milestone payments shifting into subsequent fiscal years as a result of extended homologation timelines and later-than-anticipated entry into commercial service of major projects, including Coradia Max, as well as certain commercial opportunities.

The project-level identification and escalation of risks and opportunities, initiated by dedicated Alstom expert teams, is expected to be completed by fiscal-year end. As a result, the Group expects performance to normalise from fiscal 2027/28 onwards and trend towards 8-10% adjusted EBIT over the medium term.

Reinforce Balance Sheet to maintain Investment Grade rating

Conservative liquidity policy

In addition to its available cash and cash equivalents, amounting to €1.65 billion as of 30 September 2026, the Group benefits from the following liquidity lines:

- €2.5 billion short term Revolving Credit Facility maturing in July 2029
- €1.75 billion Backstop Revolving Credit Facility maturing in January 2029 serving as back-up to the Group's €2.5 billion NEU Commercial Paper programme

As of 30 September 2026, the short-term Revolving Credit Facility was fully undrawn and the outstanding balance under the NEU Commercial Paper programme was nil.

On 1 November 2026, the Group entered a new €2.0 billion short term Revolving Credit Facility with a first-tier international bank, further strengthening its financial flexibility. The facility is not subject to financial covenants and matures in November 2028.

Placing project execution excellence as the Group's top priority

Based on lessons learnt from Coradia Max and other projects, Alstom is developing a comprehensive action plan to address the root causes identified. As a first step, the Group has maintained dedicated teams of Alstom experts to identify risks and opportunities and enhance remediation plans at project level.

The Group's near-term priorities are centred on consistent deployment of lean practices in manufacturing and engineering, faster resolution of operational issues, greater accountability of project managers, cost and procurement initiatives and simplification of processes. The Group is also reviewing the organisational and operational models, with key decisions expected by early 2027.

Finally, Alstom is pursuing a broad operational plan designed to support sustainable performance over the longer term, with the objective of better aligning its operating model, operations, industrial footprint and product and services offering.

Deleveraging objective

Alstom's Board of Directors is committed to maintaining a solid investment-grade credit rating. It has therefore decided to initiate a review of all possible organic and inorganic options in order to achieve a debt reduction of around €2 billion by September 2027.

The board-represented shareholders are supportive of the Group and are closely working with the management to carry out such review.

The Group will retain flexibility over the sequencing and sizing of the selected measures.

Capital Markets Day in the second quarter of 2027

In parallel with the execution of the deleveraging plan, the Group will unveil its long-term strategic and operational plan and medium-term outlook at a Capital Markets Day to be held in the second quarter of calendar year 2027.

Financial Calendar

17 November 2026	FY 2026/27 Half-Year Results
19 January 2027	FY 2026/27 Third Quarter – Orders & Sales

Conference Call

Alstom invites the analysts to a conference call presenting preliminary figures for the first half of fiscal year 2026/27 on Monday 2 November at 8:00 am (Paris local time), hosted by Martin Sion, CEO, and Bernard Delpit, EVP and CFO.

A live audiocast will also be available on Alstom's website: Alstom's preliminary Half Year results for FY 2026/27

To participate in the Q&A session (audio only), please register here.

You will then receive all necessary information by e-mail. We strongly advise connecting at least 10 minutes in advance.

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About Alstom

Alstom is the pure rail leader, committed to making rail the backbone of sustainable transport. We design and deliver a complete range of future-ready solutions – from high-speed and regional trains to metros, monorails, trams, turnkey systems, end-to-end services, infrastructure, signalling and digital rail solutions. With 87,800 people in 61 countries, Alstom brings together global expertise and local know-how to make every journey smarter, cleaner and more enjoyable. Together with our partners and customers, we realise the power of rail. Listed in France, Alstom generated revenues of €19.2 billion for the fiscal year ending 31 March 2026.

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. 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. This press release does not constitute or form part of a prospectus or any offer or invitation for the sale or issue of, or any offer or inducement to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for any shares or other securities in the Company in France, the United Kingdom, the United States or any other jurisdiction. Any offer of the Company's securities may only be made in France pursuant to a prospectus having received the approval from the AMF or, outside France, pursuant to an offering document prepared for such purpose. The information does not constitute any form of commitment on the part of the Company or any other person. Neither the information nor any other written or oral information made available to any recipient, or its advisers will form the basis of any contract or commitment whatsoever. In particular, in furnishing the information, the Company, the Joint Global Coordinators, their affiliates, shareholders, and their respective directors, officers, advisers, employees or representatives undertake no obligation to provide the recipient with access to any additional information.

Appendix 1 – 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 a KPI that presents the level of recurring operational performance. This KPI is also aligned with market practice and comparable to the Group's direct competitors.

Since September 2019, Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT even though this component is part of the operating activities of the Group (because there are significant operational flows and/or common project execution associated 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 rationalisation 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 realise 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 significant, "one-off" exceptional item that is not expected to occur again in subsequent years.

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 before PPA to Free Cash Flow 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.

Organic basis

This press release includes KPIs presented on an actual 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.