

M&A DEAL OVERVIEW

ALSTOM SA TO ACQUIRE BOMBARDIER TRANSPORTATION FOR
\$6.23BILLION



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| ACQUIRER | Alstom, SA (ENXTPA:ALO) | |
| ACQUIRER DETAILS | <ul style="list-style-type: none"> Alstom SA develops and markets systems, equipment, and services for the transport sector in Europe, the Americas, Asia and Pacific, the Middle East, and Africa Incorporated in 1992, headquarters in Saint-Ouen, Paris Employees – 38,879 | |
| ACQUIRER FINANCIAL INFORMATION | <ul style="list-style-type: none"> Market Cap: \$10.98 billion EV: \$10.48 billion LTM Revenue: \$9.65 billion P/E Ratio: 19.95 | <ul style="list-style-type: none"> LTM EBITDA: \$828 million LTM EV / Revenue: 1.09x LTM EV / EBITDA: 12.65x |
| TARGET | Bombardier Inc (Target's Parent Company) | |
| TARGET DETAILS | <ul style="list-style-type: none"> Bombardier Inc., together with its subsidiaries, manufactures and sells transportation equipment worldwide. The company operates in two segments, Aviation and Transportation Incorporated in 1902, headquarters in Montreal, QC Employees – 53,900 | |
| TARGET FINANCIAL INFORMATION | <ul style="list-style-type: none"> Market Cap: \$652 million EV: \$8927 million LTM Revenue: \$190.68 million Forward P/E Ratio: -2.06 | <ul style="list-style-type: none"> LTM EBITDA: -\$299 million LTM EV / Revenue: 0.83x LTM EV / EBITDA: -39.64x |
| DEAL POINTS | <ul style="list-style-type: none"> Deal announced – 17/02/2020 Expected Closing Date: Q1 2020 Deal Price - \$6.23 billion purchase price via cash and shares settlement Following positive progress on the antitrust regulation process, the closing of the transaction is now expected for Q1 2021 subject to regulatory approvals and customary closing conditions Acquirer Advisor – Rothschild & Co and Société Générale Target Advisor – Citi and UBS | |
| RATIONALE | <ul style="list-style-type: none"> The deal represents Alstom aspiration to tap into Bombardier Transportation's market shares, strengthen its geographical presence in Europe, and R&D capabilities for its sustainable plans <ul style="list-style-type: none"> Global urban rail passenger traffic expected to grow by 4.73% CAGR, and this value is expected to reach 954 billion passenger-kilometres by 2025 59% of Bombardier's transportation revenues in the fiscal year 2019 came from Europe, while, North America and Asia Pacific shared 24% and 12% respectively Bombardier suffered net income loss since 2014 except for 2018. Nevertheless, Alstom pledged to recover BT commercial, operational and profitability potential while aiming to deliver \$400m run-rate cost synergies in year 4 to 5 and to restore BT margin towards standard level The transaction is expected to be double-digit EPS accretive in year 2 post-acquisition and preserve Alstom's Baa2 credit rating <ul style="list-style-type: none"> A deal is said to be accretive if the acquiring firm's earnings per share (EPS) increase after the deal goes through Earnings per share (EPS) is calculated as a company's profit divided by the outstanding shares of its common stock | |