



Full Year Results Fiscal Year 2021/22

11 May 2022

ALSTOM
• mobility by nature •

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Agenda

➤ ➤ **FY 2021/22 Highlights**

Henri Poupart-Lafarge, *Chairman and CEO*

➤ ➤ **Business Update**

Henri Poupart-Lafarge, *Chairman and CEO*

➤ ➤ **Financial Results**

Laurent Martinez, *CFO*

➤ ➤ **Trajectory and outlook**

Laurent Martinez, *CFO*

Henri Poupart-Lafarge, *Chairman and CEO*

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FY 2021/22 Highlights

Henri Poupart-Lafarge
Chairman and CEO

FY 2021/22 targets achieved

€19.3bn ORDER INTAKE

- Solid order intake reflecting the enlarged group momentum, with a book-to-bill at 1.25. Backlog now at a record €81bn.

€15.5bn SALES

- Sales increase by +11% compared to last year proforma and by +7.9% H2 2021/22 vs H1 2021/22.

5.0% aEBIT MARGIN

- aEBIT progressive recovery in H2 2021/22, with projects stabilisation executed as planned.

€(992)m FCF

- Positive Free Cash Flow in H2 2021/22 at +€469m driven by a positive Working Capital evolution.

... while managing macro-environment headwinds

INFLATION

- No material impact in FY 2021/22 financial results

ELECTRONICS SHORTAGES

- No material impact in FY 2021/22 financial results

RUSSIA

- Very limited direct exposure to Russia and to Ukraine
- Non-cash impairment charge of the 20% stake in TMH impacting net income by €(441)m

C19 & CHINA LOCKDOWNS

- No material impact in FY 2021/22

Successful first year integrating Bombardier Transportation



**Very robust commercial momentum and high customer satisfaction
Backlog execution delivered as per target**

8.1
NPS¹ for
Top 100 Customers



One Alstom team: Global key processes and IT tools convergence on track

80%
Key global
processes converged



Integrated R&D plan for further competitiveness and innovation as a differentiator

100%
Products convergence
validated



Synergies delivered as planned in first year, run-rate better than expected

€102m
Synergies delivered in 2021/22

Integration acceleration, synergies on-track and confirmed financial trajectory

1. Net Promoter Score

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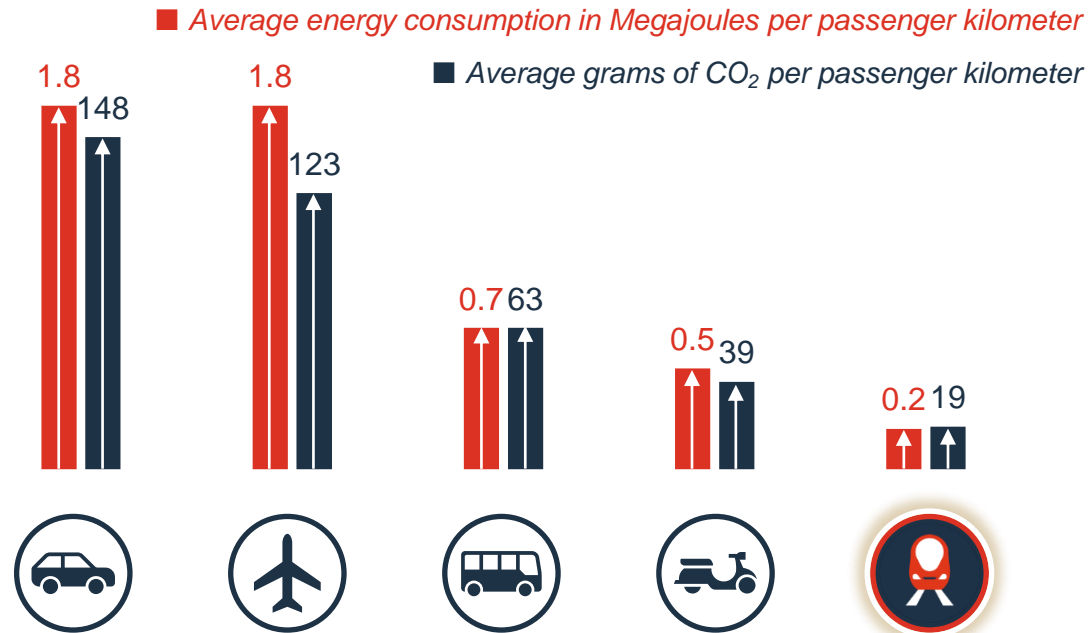


Business Update

Henri Poupart-Lafarge,
Chairman and CEO

Rail clearly positioned as emitting the least carbon and energy, supporting long term sustainable growth

**TRAIN CONSUMES THE LEAST ENERGY¹
AND EMITS THE LEAST CO₂²**



**ANNOUNCEMENTS SUPPORTING
MODAL SHIFT TO RAIL**

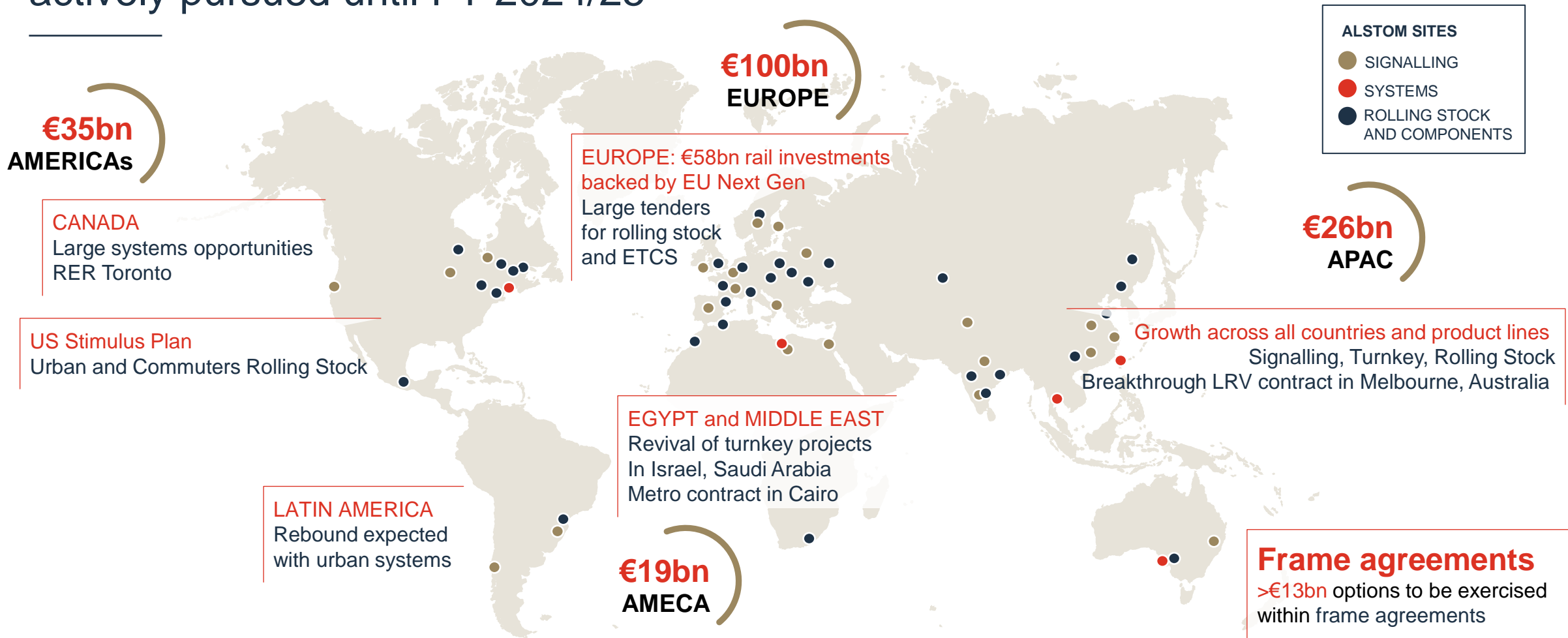
- ✈️ > 🚂 BANS OF SHORT-HAUL DOMESTIC FLIGHTS
- ✈️ > 🚂 RENEWAL OF NIGHT TRAINS IN EUROPE
- 🚗 > 🚂 RAIL OPERATORS AGGRESSIVE GROWTH PLANS
- 🚚 > 🚂
- 🚗 > 🚂 BANS OF DIESEL AND PETROL CARS IN CITY CENTRE

Rail politically favored amidst environmental and energy supply concern

1. Energy intensity of passenger transport modes, 2018 – Charts – Data & Statistics – IEA 2 Well-to-wheel (wake/wing) GHG intensity of motorised passenger transport modes – Charts – Data & Statistics – IEA

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Acceleration of market momentum with >€180bn of selected opportunities actively pursued until FY 2024/25



Unparalleled visibility on the market pipeline thanks to global reach

Leadership position – Clear enabler to our growth strategy and market share



ROLLING STOCK: #1 in Rolling Stock (excluding China)



SERVICES: Undisputed #1 with high potential of growth



SIGNALLING: #2 in a market under consolidation



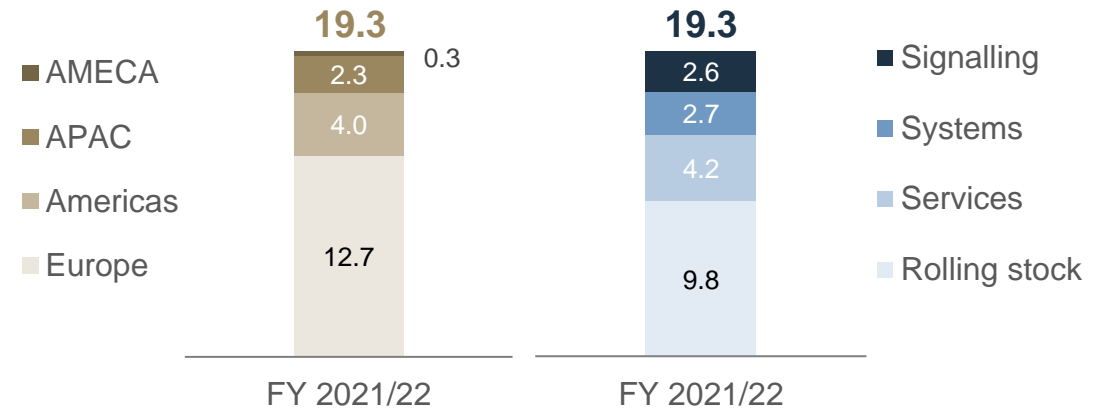
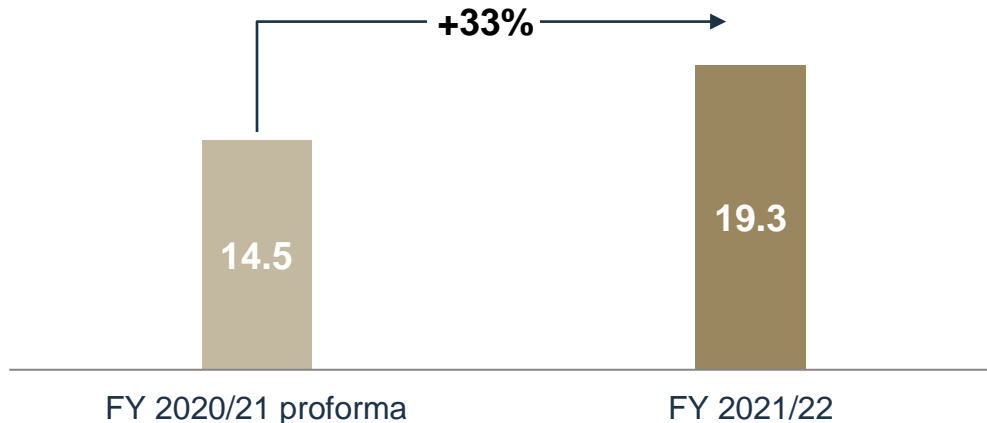
TURNKEY: #1 System provider with strong growing demand



Leveraging unique strategic positioning

Very solid order intake driven by large orders supporting growth trajectory across all product lines

ORDERS FY 2021/22 (in €bn)



- FY 2021/22 book-to-bill at 1.25
- H2 2021/22 order intake at €9.5bn
- Margin on order intake exceeding margin in backlog, and supporting mid-term aEBIT guidance

- Europe and Americas fueling the growth
- Large commercial successes in Services
- Positive success rate

Main contracts in H2 2021/22

€9.5 BILLION OF ALSTOM ORDERS BOOKED IN H2



€1.1 bn

HS2 (VERY HIGH SPEED & SERVICES - UK)



€0.2bn

DALLAS (OPERATION & MAINTENANCE - US)



€0.4 bn

CORADIA NORDIC (REGIONAL - Norway)



€0.3 bn

CORADIA EMUs (EMUs & SERVICES - Romania)



KINZIGAL (DOUBLE DECK – Germany)



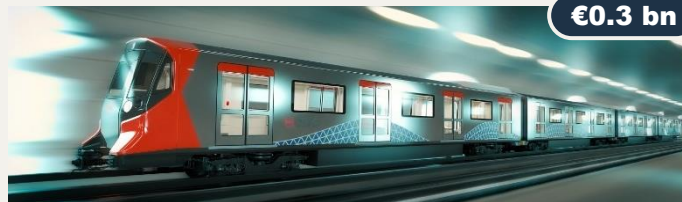
€0.3 bn

DUBLIN commuters (SUBURBAN & SERVICES - Ireland)



€0.3 bn

TRANSDEV (REGIONAL & SERVICES – France)



€0.3 bn

SANTIAGO M7 (SIG & SERVICES- Chile)



€0.2 bn

TORINO METROPOLIS (TURNKEY – Turin)

Sales ramp-up with focus on Rolling Stock projects stabilisation and usual seasonality H2 vs H1

SALES FY 2021/22 (in €bn)



PRODUCT LINE H2 2021/22 SALES



ROLLING STOCK: €4,362m (+2% vs H1 2021/22)
Ramp-up reflecting focus on projects stabilization



SERVICES: €1,847m (+18% vs H1 2021/22)
Growth in Europe maintenance (UK, Romania...) and train operations in Americas



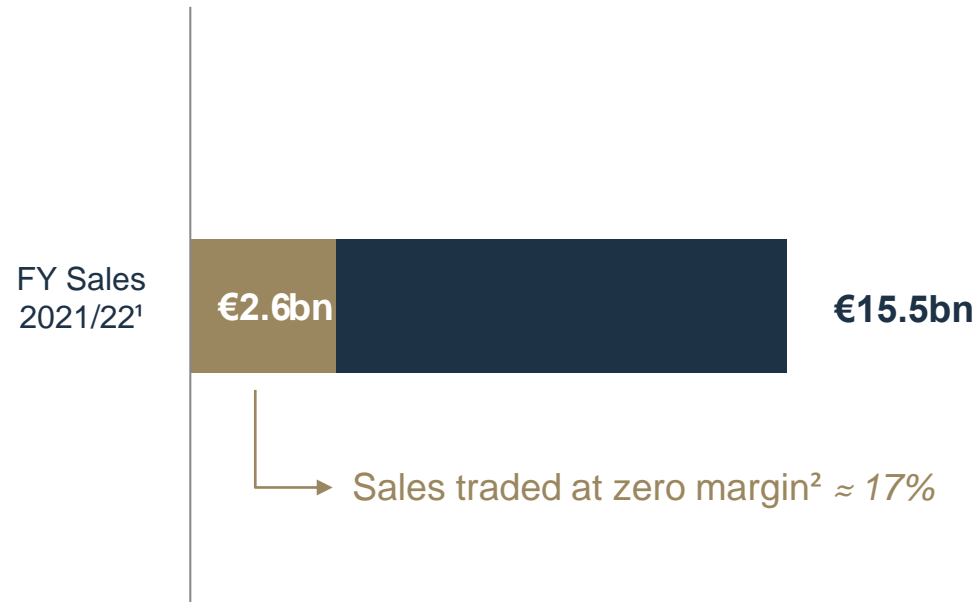
SIGNALLING: €1,186m (+10% vs H1 2021/22)
Good execution in Americas and strong commercial momentum in Europe, eg Germany



SYSTEMS: €633m (+21% vs H1 2021/22)
Acceleration with new orders starting to contribute (Tren Maya, Thailand...)

Significant progress in the delivery and commercial settlement of legacy projects

NON-PERFORMING SALES OVER THE PERIOD



UPDATES DURING Q4 2021/22 ON LEGACY PROJECTS

- Technical issues: solutions agreed with customers
- Production resumed
- Trains acceptance process resumed
- Sales delivery as announced at H1 and at Q3 2021/22
- Settlements negotiations with customers reached in most cases
 - 13 negotiations closed out of 15, 2 still on-going
 - Gross exposure around €2bn range at the time of acquisition now globally mitigated


Commercial and operational execution in line with trajectory

¹ bar chart for illustrative purpose, not at scale ² representing sales on projects with a negative margin at completion

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Major milestones in our smarter and greener mobility innovation roadmap

KEEPING THE EDGE IN ZERO EMISSION SOLUTION

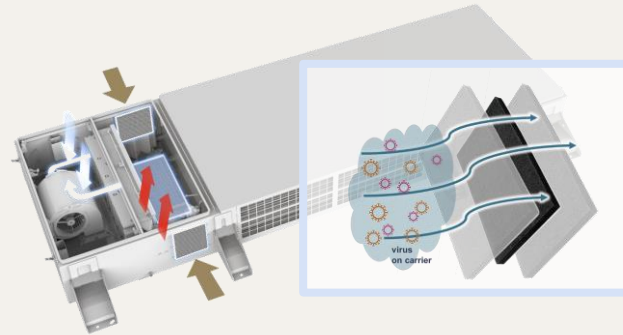
- Partnership to decarbonate freight with an H2 solution 
- First battery train tested in passenger operation with Deutsche Bahn



- Hybrid Régiolis tested in France -20%
Energy consumption

ENHANCING PASSENGER COMFORT

- PEPA™ filter, an antiviral HVAC filter that catches and kills viruses, including the coronavirus



-99.8%
Virus reduction

-99.9%
Bacteria reduction

PAVING THE WAY TO FULL AUTONOMY BY 2023

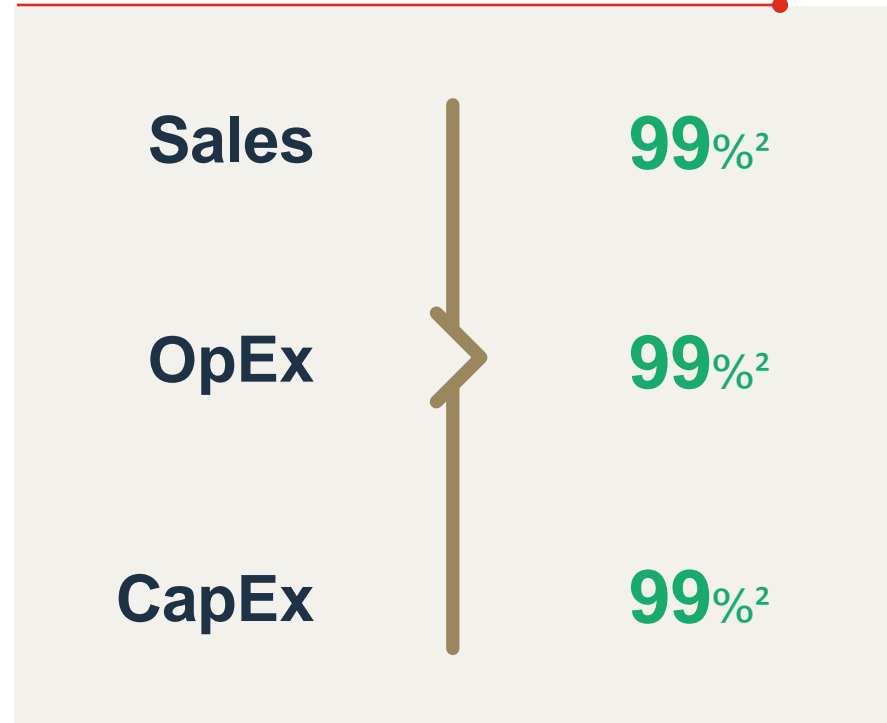
- Semi-autonomous operation with SNCF in trial phase



Level of net R&D spending totaling 3.4% over Sales, in line with our trajectory

Business model serving EU's ambitious goal of carbon neutrality by 2050

RECORD LEVEL OF
ELIGIBILITY AS PER EU TAXONOMY¹






High eligibility reflects the importance of the Group's activities for **sustainable mobility**

1. The EU Taxonomy regulation (Regulation (EU) 2020/852) was introduced to propose a framework to facilitate sustainable investment as part of EU's efforts to implement the European Green Deal 2. Taxonomy-eligibility should not be used as an indication of Taxonomy-alignment. The Group shall carry out a detailed and extensive analysis of Taxonomy-alignment using the technical environmental and social specific criteria laid out in the regulation and report it next fiscal year as requested under the EU Taxonomy legislation.

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ESG commitments confirmed and extended

		March 2022	March 2025
 ENABLING decarbonisation of mobility	KPIs		
	<ul style="list-style-type: none"> • Energy reduction in solutions¹ • Electricity supply from renewables 	22% 42%	25% 100% ²
 CARING for our people	<ul style="list-style-type: none"> • Total recordable injury rate • Women in management, engineering & professional role • Top Employer certification 	2.3 23.2% 14 countries	2 28% Global
	<ul style="list-style-type: none"> • Beneficiaries per year from local actions and Alstom foundation 	>245,000	250,000
 CREATING a positive impact on society	<ul style="list-style-type: none"> • Suppliers monitored or assessed on CSR and E&C standards according to their level of risk 	62%	100%
	<ul style="list-style-type: none"> • Scope 1 & 2 – From Alstom’s sites • Scope 3 – From the use of sold rolling stock per passenger-km and per tonne-km 		
GHG emissions			2030
Reduction targets			-40%
			-35%

Commitment to net-zero carbon in value chain by 2050

¹ Compared to 2014

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Financial Results

Laurent Martinez
CFO

aEBIT benefits from growth, improved Gross margin and controlled S&A

<i>(in € million)</i>	H1 2021/22	H2 2021/22	FY 2021/22
Sales	7,443	8,028	15,471
Cost of Sales	(6,494)	(6,829)	(13,323)
Adjusted Gross Margin before PPA¹ <i>As a % of sales</i>	949 12.8%	1,199 14.9%	2,148 13.9%
Research and development expenses before PPA ¹ <i>As a % of sales</i>	(220) 3.0%	(310) 3.9%	(530) 3.4%
Selling & Administrative expenses <i>As a % of sales</i>	(471) 6.3%	(524) 6.5%	(996) 6.4%
Net interest in equity investees pickup ²	77	68	145
Adjusted EBIT²	335	432	767
Adjusted EBIT margin²	4.5%	5.4%	5.0%

- Strong sales growth by 7.9% H2 vs H1 2021/22
- Gross Margin improved in H2 2021/22, still impacted by the non-performing BT legacy backlog
- R&D at target, with usual H2 phasing
- Consistent performance of Chinese JVs

¹ definition in Appendix This mainly includes Chinese joint-ventures ² definition in Appendix

Net Profit reflecting, as announced, transformation efforts and TMH non-cash impairment charge

(in € million)	H1 2021/22	H2 2021/22	FY 2021/22
Sales	7,443	8,028	15,471
Adjusted EBIT	335	432	767
Adjusted EBIT margin	4.5%	5.4%	5.0%
Restructuring and rationalisation costs	(26)	(112)	(138)
Integration, acquisition and other costs	(53)	(156)	(209)
Reversal of net interest in equity investees pickup ¹	(77)	(68)	(145)
EBIT before PPA	179	96	275
Financial results	(20)	(5)	(25)
Tax results	(43)	(25)	(68)
Share in net income of equity investees	64	43	107
Minority interests from continued op.	(9)	(12)	(21)
Adjusted Net profit² before TMH impairment charge	172	96	268
TMH impairment charge	-	(441)	(441)
Adjusted Net profit	172	(345)	(173)
PPA net of tax	(196)	(207)	(403)
Net Profit - Continued operations, Group share	(24)	(552)	(576)

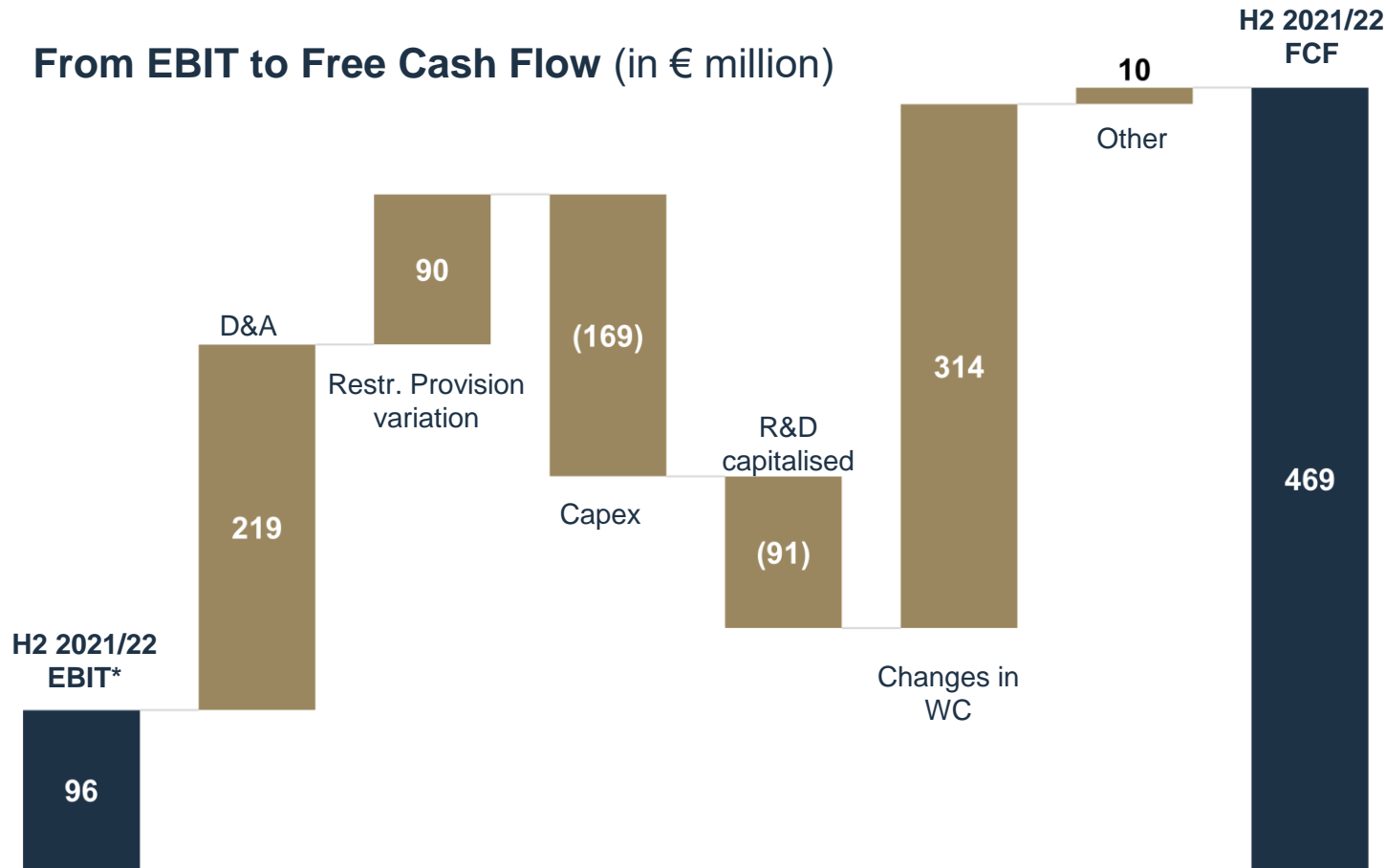
- Restructuring and rationalisation :
 - Germany transformation plan €(105)m
 - Aptis severance costs €(16)m
- Integration, acquisition and other costs:
 - Acceleration of integration costs at €(94)m
 - Aptis losses for €(46)m
 - Remedies costs at €(28)m
- Restructuring and Integration impact already cashed-out, except for Germany restructuring
- TMH
 - Impairment charge of the 20% stake as of March 2022 reflecting current situation
 - €(202)m Currency Translation Adjustment remains in Equity³

¹ This mainly includes Chinese joint-ventures ² net profit from continued operations (Group share) excluding the impact of amortisation of assets exclusively valued when determining the purchase price allocations ("PPA") in the context of business combination, net of the corresponding tax effect. ³ In accordance with IFRS, CTA can only be recognized in P&L at the time of a sale.

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Positive Free Cash Flow in H2 2021/22

From EBIT to Free Cash Flow (in € million)

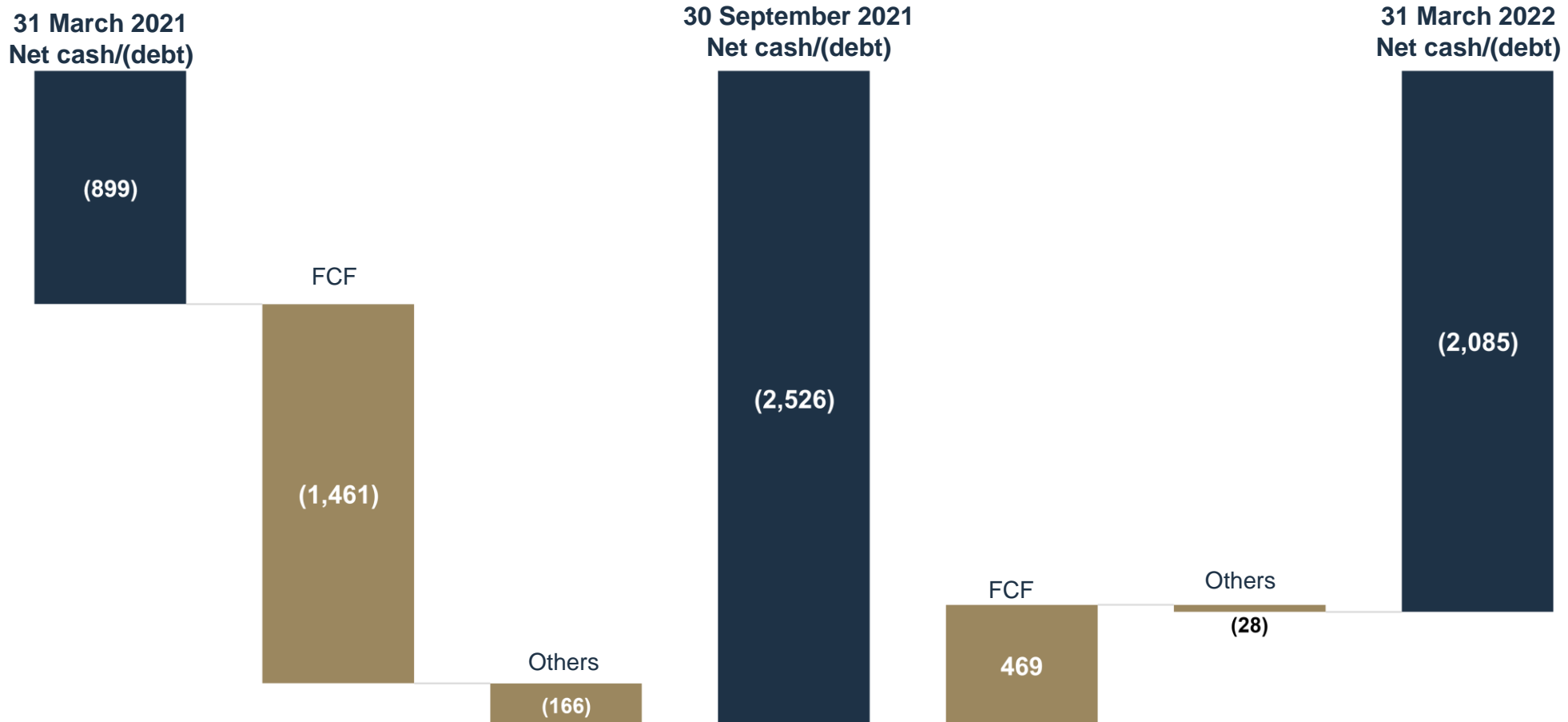


- Positive FCF in H2 2021/22 as targeted
 - Working capital change driven by delivery ramp-up and down-payments flow
 - Industrial capex in line with 2% over sales target
- H1 2021/22 FCF at €(1,461)m
- FY 2021/22 FCF at €(992)m

* EBIT Before PPA

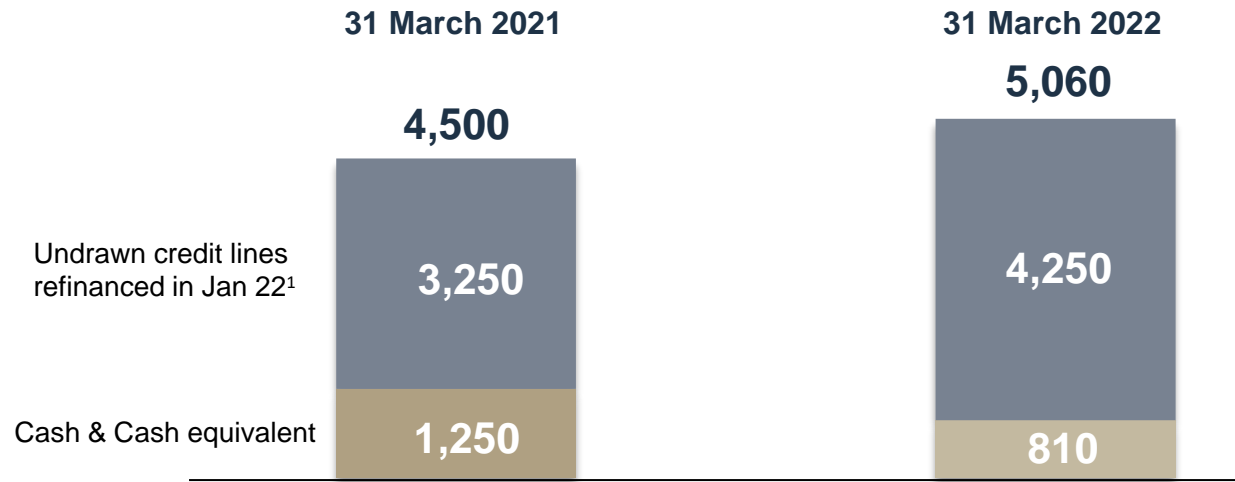
Net debt evolving mainly with Free Cash-Flow consumption / generation

(in € million)



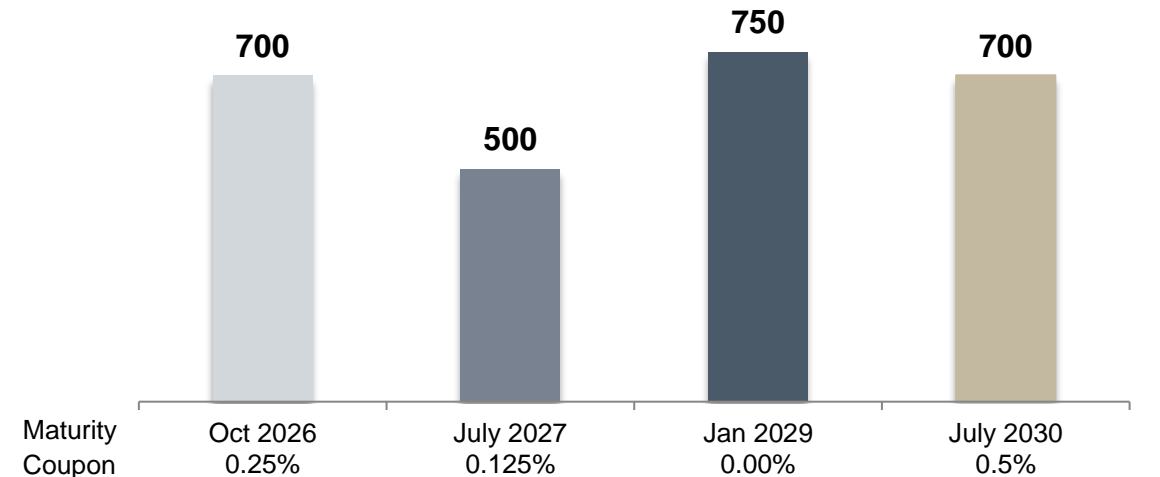
Strengthened liquidity position with long-term debt maturity profile

A STRONG LIQUIDITY POSITION (IN € MILLION)



- No financial covenants
- €250m Neu CP¹ as of 31.03.2022, at the level of 31.03.2021
- RCF maturities² : Jan2025 and Jan2027 respectively, with two 1-year extension options at lender's discretion

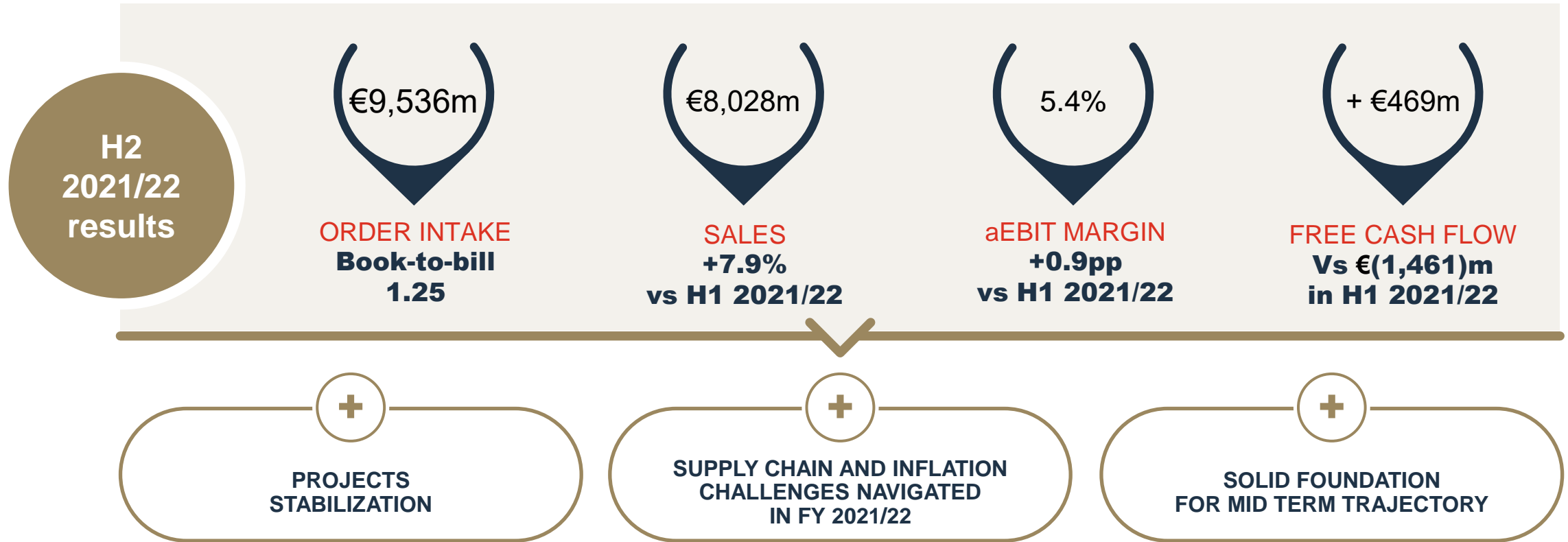
OUTSTANDING BONDS (IN € MILLION)



- No financial covenants
- Supportive maturities and cost profile

1. Negotiable European Commercial Papers 2. €1,750 million Revolving Credit Facility maturing in January 25, and two 1-year extension options at the lenders' discretion. This facility is undrawn at March closing. €2,500 million Revolving Credit Facility maturing in January 27, and two 1-year extension options at the lenders' discretion. This RCF is a backstop to Neu CP programme. Both facilities are also undrawn at March closing.

H2 2021/22 results delivered as per target, marked by solid performance and supported by usual seasonality



DIVIDEND 2021/22

Dividend¹ of 0.25€ per share with 35% payout ratio² will be proposed to the next shareholders' meeting

¹ Option for scrip dividend will be proposed

² The pay-out ratio is calculated by dividing the amount of the overall dividend with the Adjusted net profit before TMH non-cash impairment charge as presented in the management report on the consolidated financial statements

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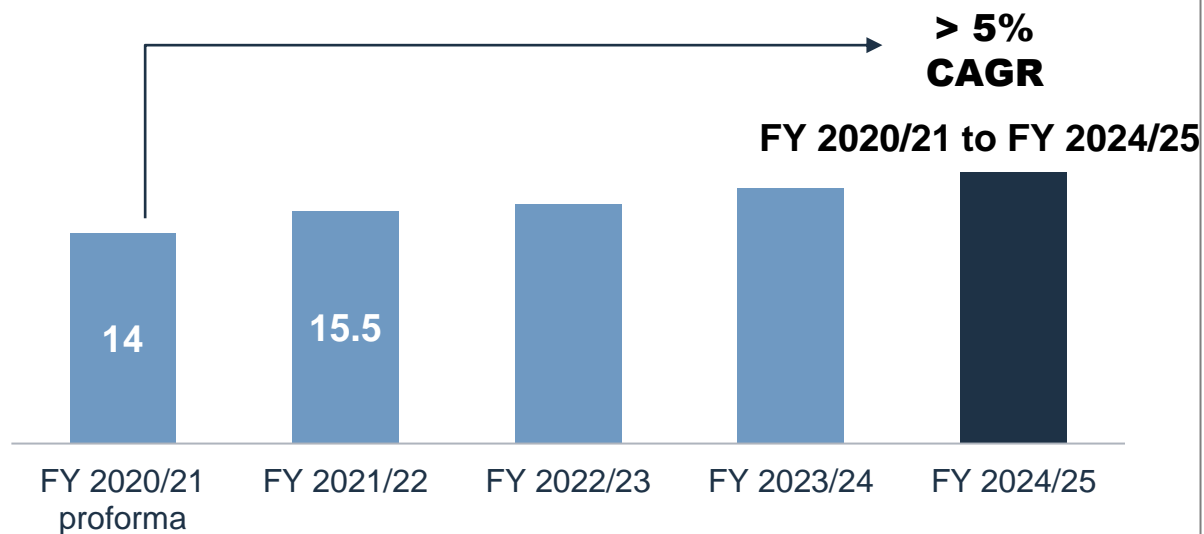
Trajectory and outlook

Laurent Martinez
CFO

Henri Poupart-Lafarge
Chairman and CEO

Sales trajectory confirmed as per guidance

SALES (IN € BILLION)¹



- €81bn backlog providing strong visibility over future sales
- Supply chain challenges, including C19 / China lockdowns to be mitigated

FY 2022/23 DRIVERS



ROLLING STOCK: Market growth despite remedies impact



SERVICES: Market growth after exceptional 2021/22



SIGNALLING: High single digit growth

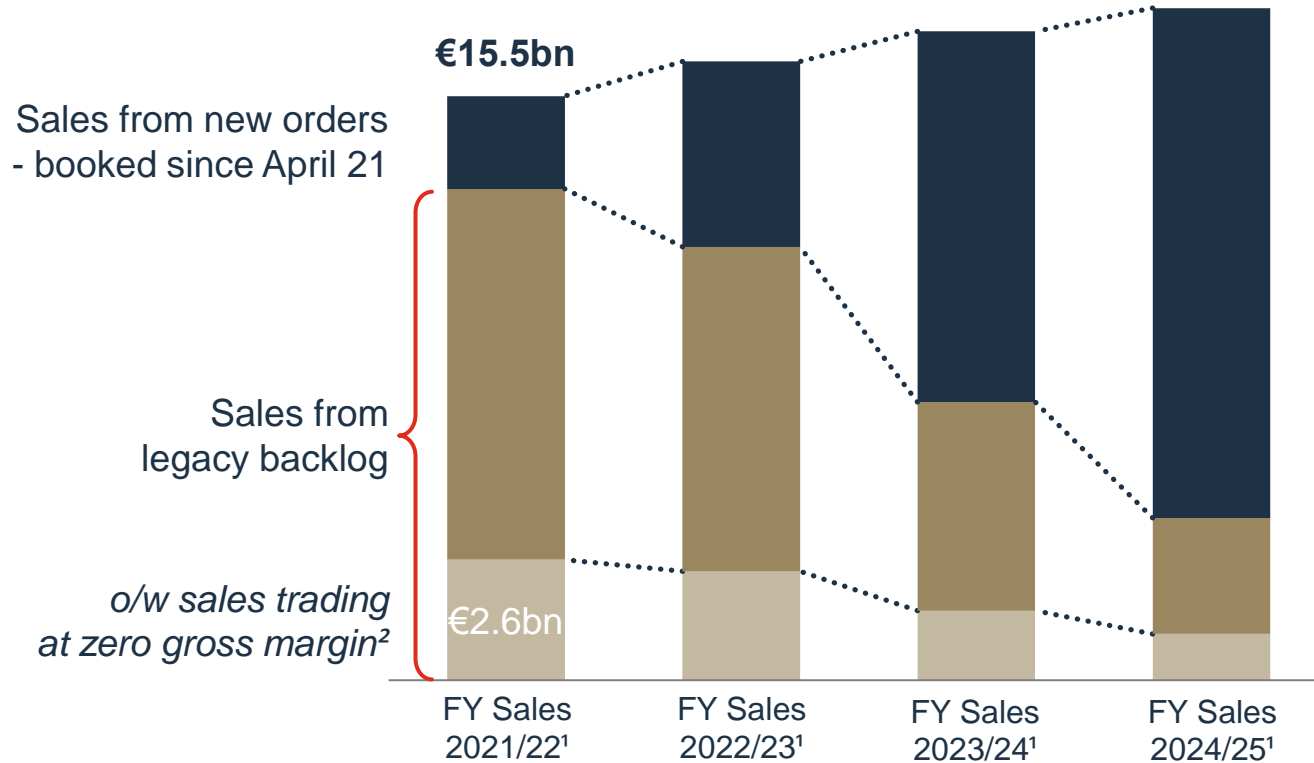


SYSTEMS: Double digit growth

Confirmed compound average growth rate above 5% between 2020/21 and 2024/25

¹ graph for illustrative purpose, not at scale

Majority of sales from new orders from FY 2023/24 onwards, while legacy backlog is being executed



Quality of order intake

- Tenders selectivity in a very dynamic market
- Rigorous application of Alstom tender rules
- Order intake in FY 2021/22 supporting mid-term profit and cash targets

Stepped decrease of legacy backlog

- FY2022/23 level of zero GM sales comparable to FY2021/22
- Sharp reduction of zero gross margin sales in FY2023/24 and onwards

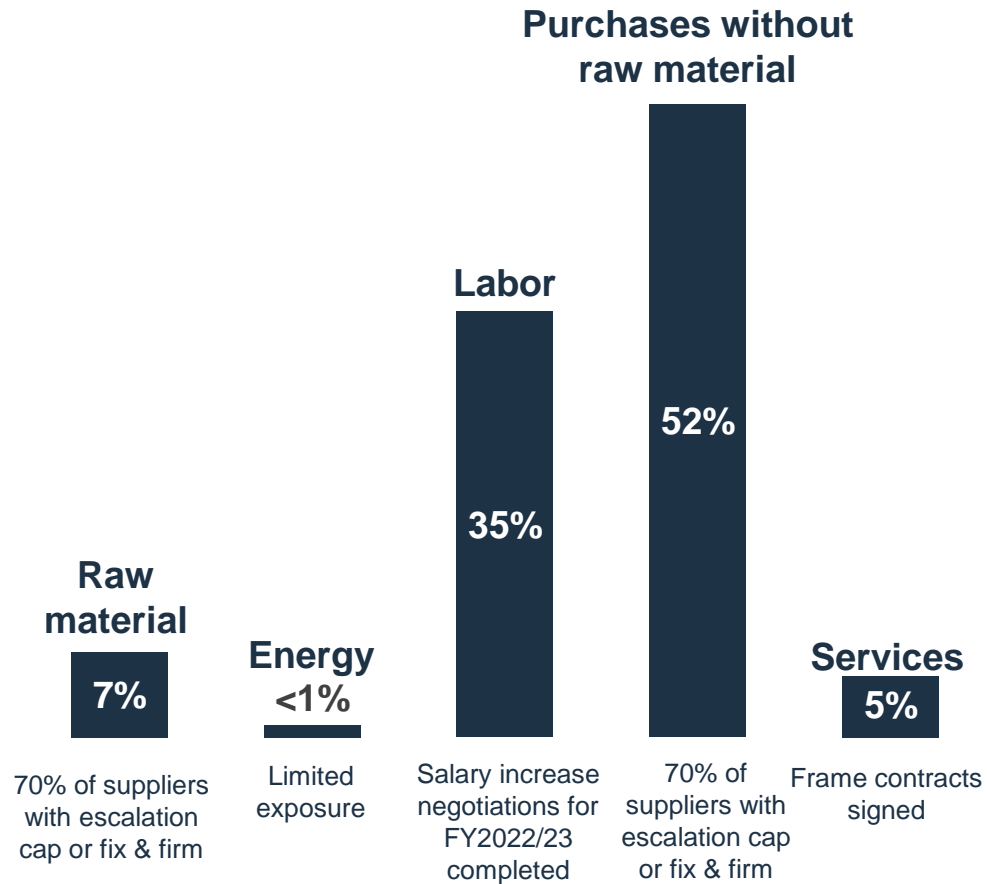
Gross Margin mix trajectory fully supporting the mid-term aEBIT target

¹ bar chart for illustrative purpose, not at scale ² representing sales on projects with a negative margin at completion

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Inflation parameters and mitigation actions

COST STRUCTURE³



- High inflation in 2022, assuming to normalize in 2023 and onwards¹
- 65% of backlog covered by contract price adjustment² clauses
- 60% of revenue in FY2022/23 immune from inflation
- Suppliers: 70% with escalation cap or firm fix, 55% based on Best Cost Countries suppliers with limited incremental inflation expected

Price increase in new tenders reflecting costs increase
 Stringent selectivity toward fix and firm price contracts
 Exposure mitigated by supplier back-to-back clauses
 Cost-out measures

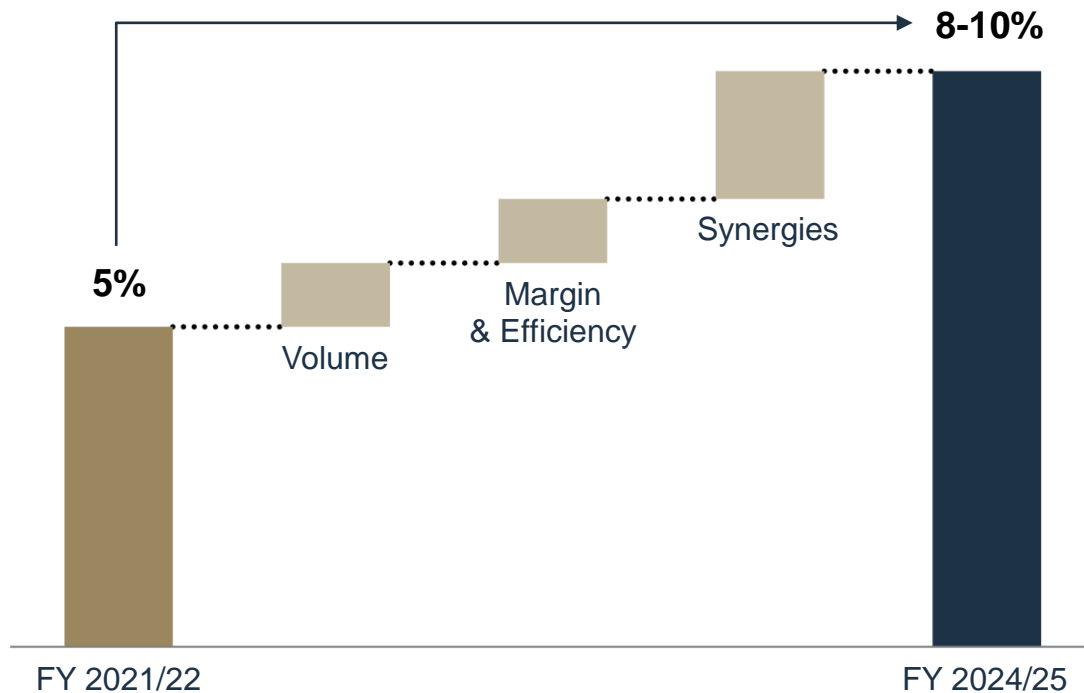
ROBUST MITIGATION PLAN IMPLEMENTED

1. Sources: IMF / Oxford / OECD 2. CPA includes both raw material and labour indexes 3. Based on 2022/23 cost base estimate

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Profitability bridge FY 2021/22 to FY 2024/25

aEBIT (in %)¹



FY 2022/23 DRIVERS

- Positive from volume growth and synergies ramp-up
- Comparable level of sales at zero Gross Margin
- Inflation impact
- Progressive aEBIT recovery in FY 2022/23

FY 2024/25 DRIVERS

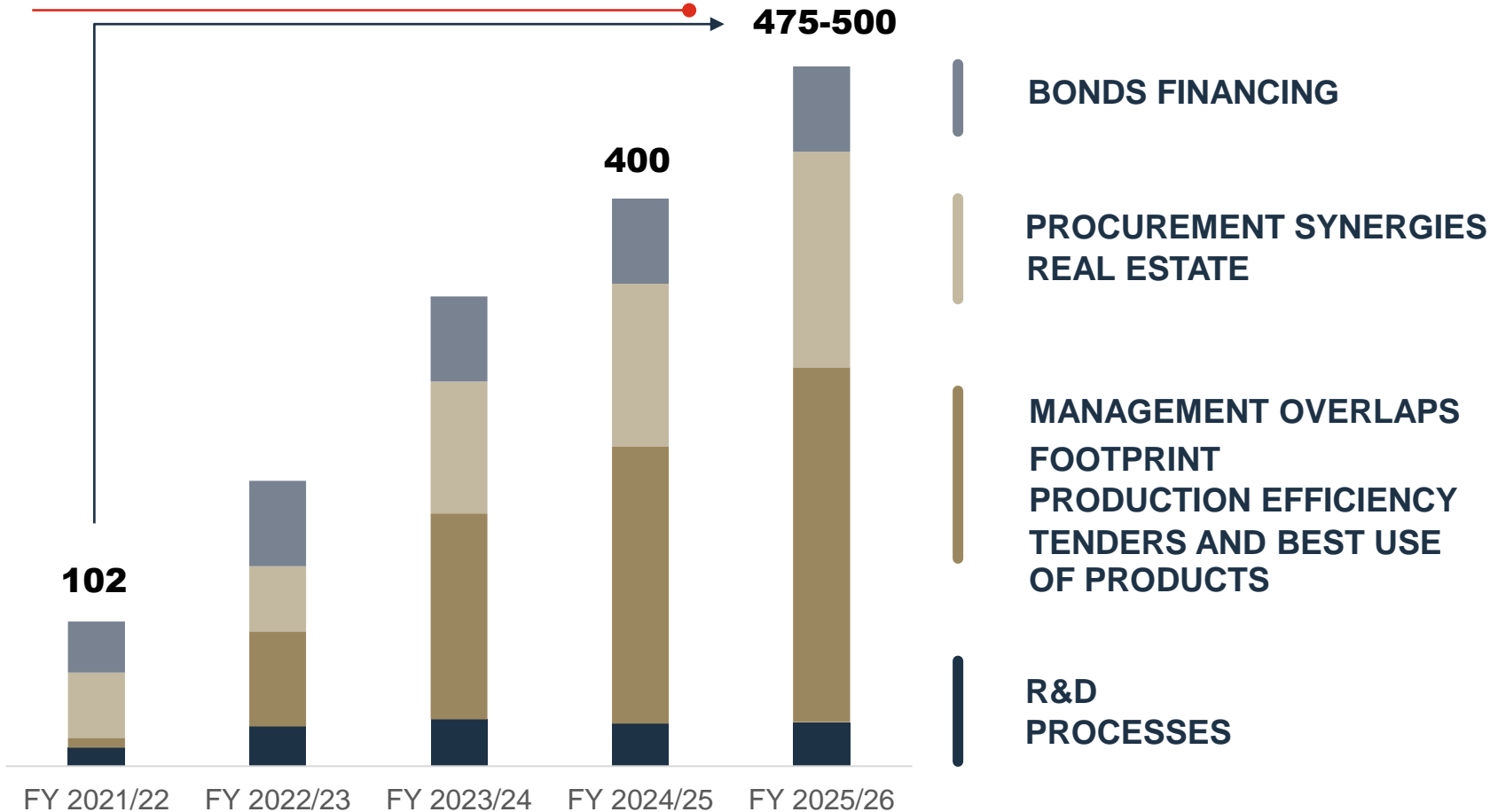
- Volume - Solid top line growth
 - Improving gross margin on new orders
 - Product line and intra product line mix
- Margin and efficiency:
 - Cost control on S&A and €550-600m R&D / year
 - Operational excellence, Projects execution and stabilization
- Synergies full execution

Target confirmed: 8% to 10% aEBIT margin from 2024/25 onwards

¹ graph for illustrative purpose, not at scale

Synergies on-track and run-rate target¹ uplifted to €475 – 500m from FY 2025/26 onwards

SYNERGIES RUN RATE (IN € MILLION)²



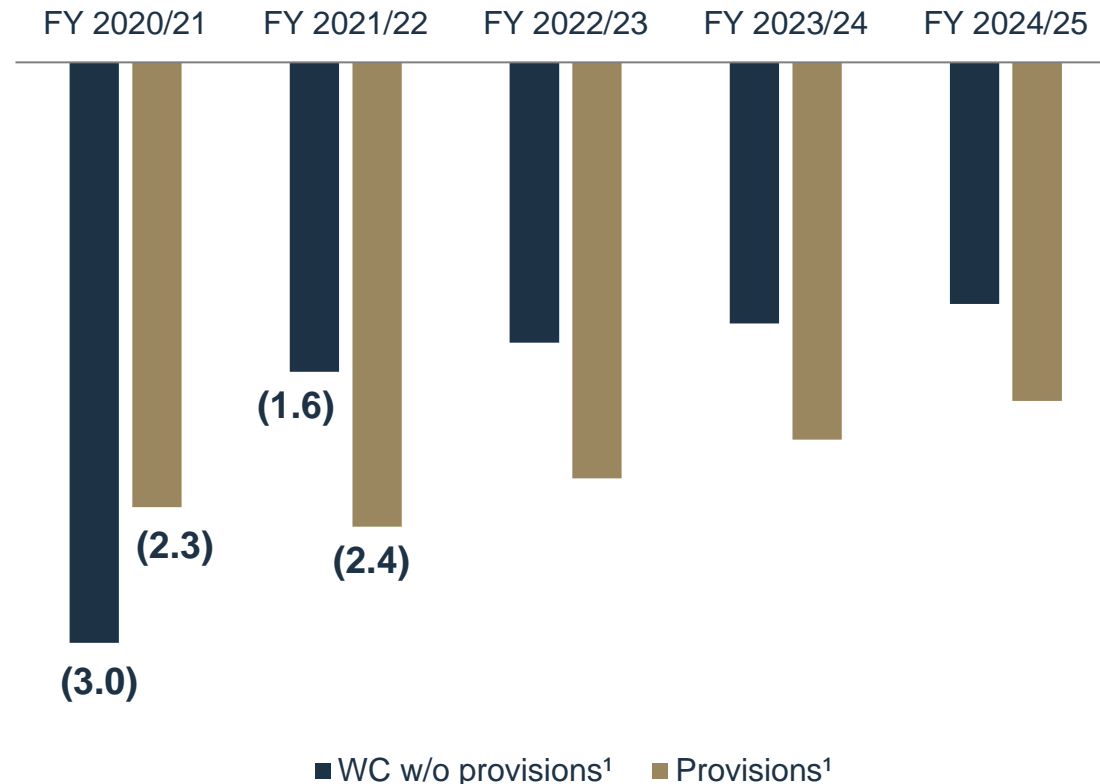
2025/26 SOURCES OF UPLIFT

- Incremental **industrial efficiency** and **best use of products** through massification
- Incremental **procurement synergies**

1. Initial target was annual run rate of €400m by the fourth to fifth year after closing 2. graph for illustrative purpose, not at scale

Working capital stabilizing on the back of better visibility of ex-BT backlog and rigorous order intake

(IN € BILLION)¹



Working Capital without provisions

- Major evolution during H1 2021/22 due to:
 - Suppliers overdues and terms of payment normalization
 - Restart of production at major BT legacy sites
- Expected limited normalization over the next three years:
 - Safety stocks due to supply chain challenges on short-term, continuous ramp-up
 - Cash focus programme including rigorous tender process, control on inventories and operation process optimisation

Provisions

- Decrease of contract-related provisions along with non-performing backlog execution

Subject to usual short-term volatility, global stabilization of Working Capital after the execution of the non-performing backlog

¹ graph for illustrative purpose, not at scale

Alstom financial trajectory consistent with solid Investment Grade rating

DELEVERAGE LEVERS

- Net debt
 - FCF generation towards > 80% Cash conversion
 - Rigorous Working capital management
 - Controlled Capex and M&A
 - Balanced dividend policy
- Profit
 - Top line growth from healthy order intake
 - Backlog execution
 - Synergies
- **Comfortable liquidity maintained**

NET DEBT (€ MILLION)



aEBIT (€ MILLION)



FY 2024/25



Targeting significant Net Debt deleverage by FY 2024/25

Key priorities for FY 2022/23



GROW

- Selectivity on order intake supported by market momentum
- Rigorous tender process
- Pursue quality dialogue with customers on legacy backlog execution



DELIVER

- Mitigate supply chain shortages and C19 / China lockdowns
- Adapt to new inflation environment
- Finalize stabilisation of the legacy backlog execution
- Pursue intense integration efforts and transformation of our operations based on Alstom playbook
- Focus on cost-out, synergies and cash generation



INNOVATE

- Leverage the enlarged group size to boost R&D



PEOPLE

- Manage the resources challenge

Pursuing the path to profitable growth while managing short-term headwinds

Financial trajectory confirmed

Mid-term 2024/25 targets confirmed

FY 2022/23 OUTLOOK

- Sales growth supported by solid order backlog and Book to bill above 1
- Progressive aEBIT margin increase vs FY 2021/22 through healthy order intake and sound backlog execution
- Free Cash Flow generation⁶

As the basis for its 2022/23 outlook, the Group assumes neither further disruptions to the world economy (including further inflation or aggravated geopolitical crisis), nor significant supply-chain shortages, that would materially impact the Group's ability to deliver products and services.



Financial trajectory fully confirmed as per Alstom in Motion 2025

1. Between 2020/21 and 2024/25 2. CAGR between Sales PF 2020/21 and 2024/25 3 From 2024/25 onwards 4 From 2024/25 onwards. Subject to short term volatility 5. 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. 6. subject to short term volatility
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Contacts & Agenda



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11 May 2022 at 15:30 (CET)
Alstom Investor Day

12 July 2022
Shareholders' assembly

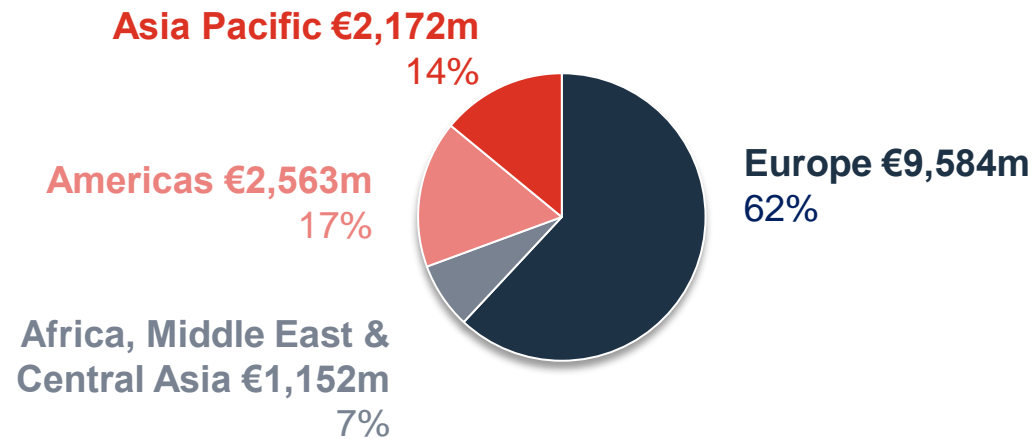
19 July 2022
Q1 FY 2022/33



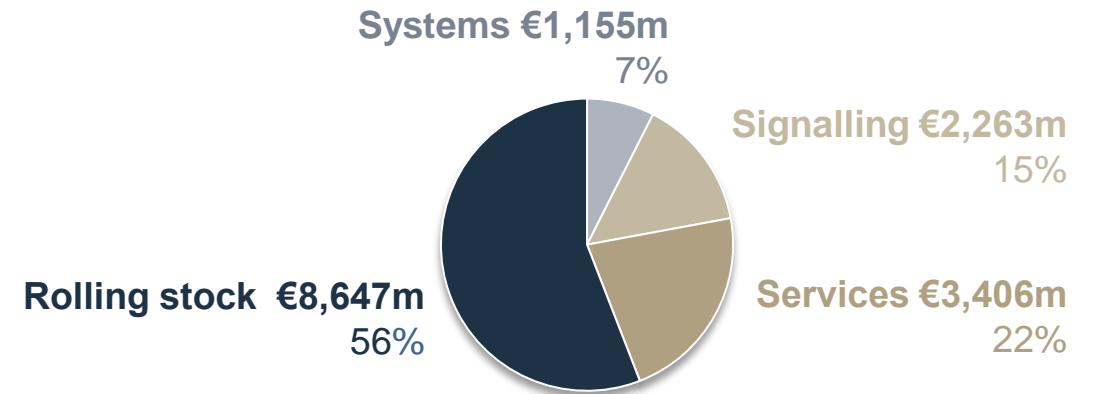
Appendix

FY 2021/22 Sales per regions and product lines

Sales breakdown per regions (in € million)

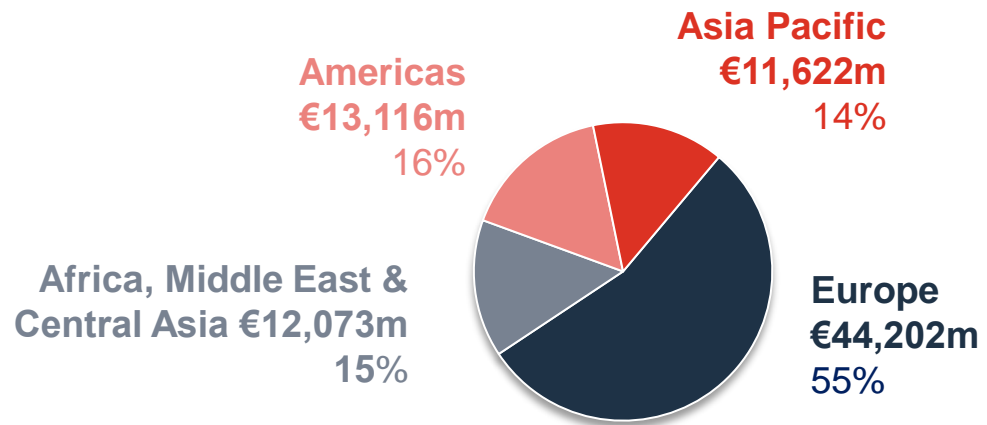


Sales breakdown per product line (in € million)

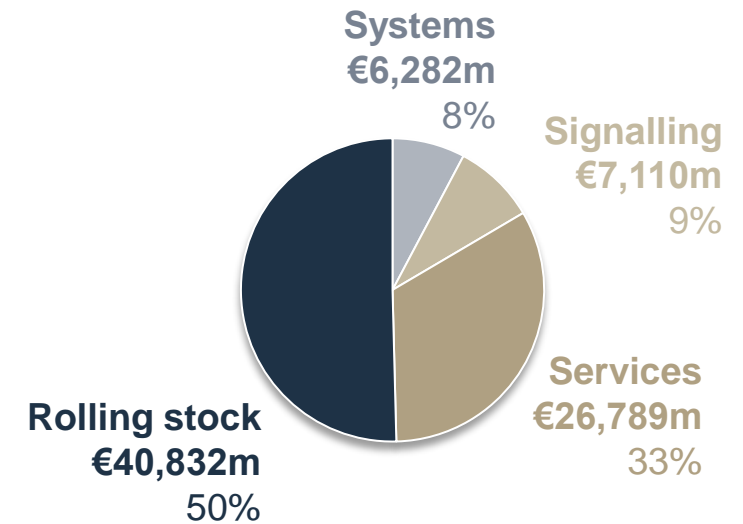


FY 2021/22 backlog per regions and product lines

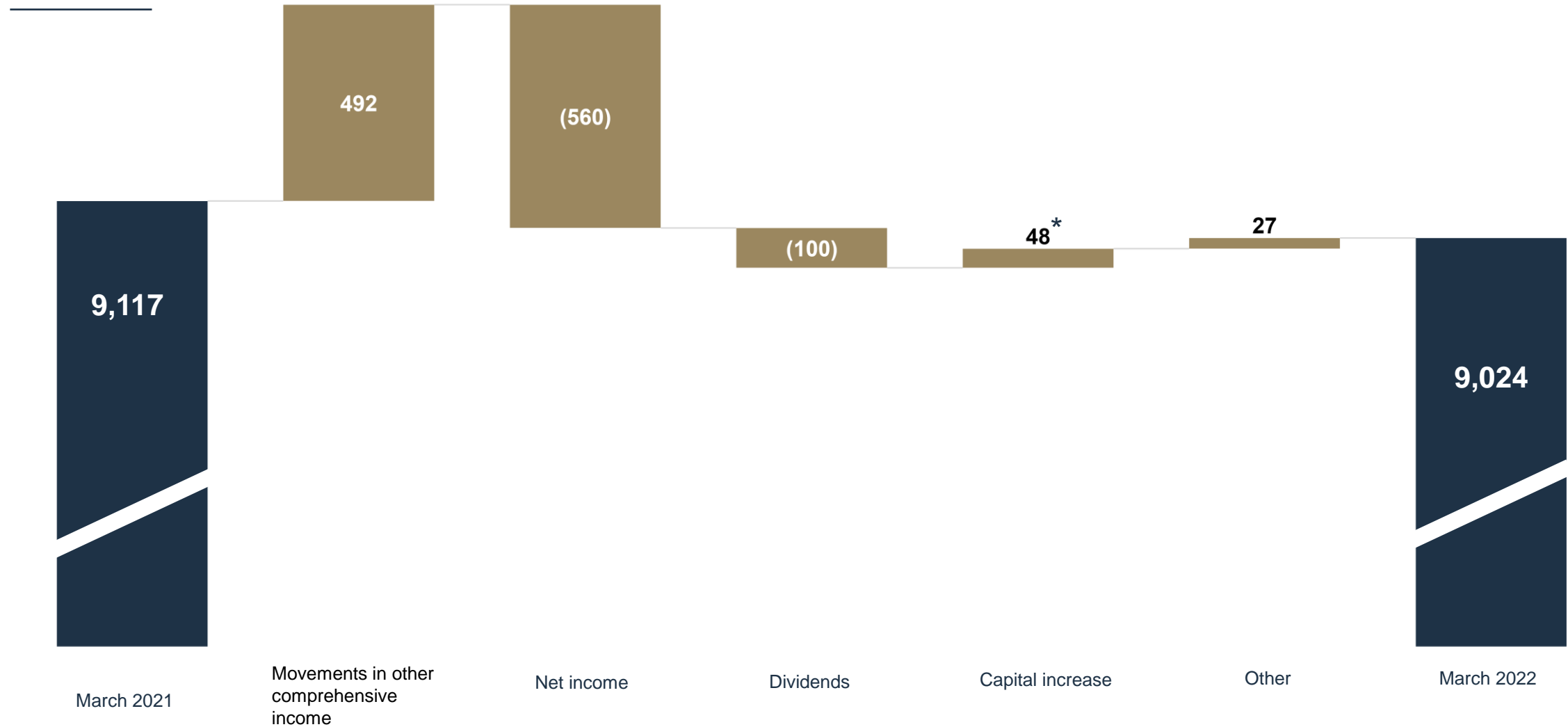
Backlog breakdown per regions (in € million)



Backlog breakdown per product line (in € million)



Equity in € million



*capital increase by issuance of new shares linked with scrip dividend

Evolution of main balance sheet aggregates as of 31 March 2022

<i>(in € million)</i>	FY 2021/22	FY 2020/21	Evolution
Goodwill	9,368	9,200	168
Tangible & Intangible assets	5,552	5,350	202
Investments in joint-ventures, associates & non conso investments	1,258	1,543	(285)
Other non-current assets	644	435	209
Deferred tax assets / (liabilities)	325	433	(108)
Net Equity	(9,024)	(9,117)	93
Pensions	(1,203)	(1,359)	156
Current and non current lease obligations	(709)	(751)	42
Net cash / (debt)	(2,085)	(899)	(1,186)
Working capital	(3,986)	(4,548)	562
Assets / (liabilities) held for sale	(113)	(287)	174

Bridge consideration – From Enterprise Value to Equity Value

(in € million)

		FY 2021/22
Total Gross debt, incl. lease obligations	(1)	3 539
Pensions liabilities net of prepaid and deferred tax asset related to pensions	(2)	803
Non controlling interest	(3)	113
Cash and cash equivalents	(4)	(810)
Other current financial assets	(4)	(54)
Other non-current financial assets	(5)	(48)
Net deferred tax liability / (asset)	(6)	(276)
Investments in associates & JVs, excluding Chinese JVs	(7)	(118)
Non-consolidated Investments	(8)	(79)
Bridge		3 070

- (1) Long-term and short-term debt and Leases (Note 27), excluding the lease to a London metro operator for 146m due to matching financial asset (Notes 15 and 27)
- (2) As per Note 29 restated from Accruals for employee benefit costs not yet deductible as per note 8.2
- (3) As per balance sheet
- (4) As per balance sheet
- (5) Other non-current assets: Loans to Non-consolidated Investments for 21m and deposit on a US loan for 27m (Notes 15 and 27)
- (6) Deferred Tax asset and Liabilities - as per balance sheet, restated from Accruals for employee benefit costs not yet deductible as per note 8.2
- (7) JVs - to the extent they are not included in equity pickup / FCF, ie excluding Chinese JVs.
- (8) Non-consolidated investments as per Note 14

Bombardier Transportation PPA provisional amortisation plan

<i>(in € million)</i>	As per P&L Booking ¹
FY 2020/21	(71)
FY 2021/22	(428)
FY 2022/23	(398)
FY 2023/24	(372)
FY 2024/25	(376)
FY 2025/26	(267)
FY 2026/27	(215)
FY 2027/28	(205)
FY 2028/29	(167)
FY 2029/30	(140)
FY 2030/31	(108)
FY 2031/32	(97)
Beyond	(290)

- The PPA amortisation plan will be subject to FX evolution in future years or subject to potential impairments
- Refer to Note 1.1.1 for explanations on amortisation duration

1. Excludes PPA other than related to the purchase of Bombardier Transportation

Reconciliation between consolidated income statement and the MD&A management view as of 31 March 2022

<i>(in € million)</i>	Total Consolidated Financial Statements (GAAP)	Adjustments				Total Consolidated Financial Statements (MD&A view)
		(1)	(2)	(3)	(4)	
31 March 2022						
Sales	15,471					15,471
Cost of Sales	(13,746)	357	46	20		(13,323)
Adjusted Gross Margin before PPA^(*)	1,725	357	46	20	-	2,148
R&D expenses	(604)	74				(530)
Selling expenses	(354)					(354)
Administrative expenses	(642)					(642)
Equity pick-up	-				145	145
Adjusted EBIT^(*)	125	431	46	20	145	767
Other income / (expenses)	(281)		(46)	(20)		(347)
Equity pick-up (reversal)	-				(145)	(145)
EBIT / EBIT before PPA^(*)	(156)	431	-	-	-	275
Financial income (expenses)	(25)					(25)
Pre-tax income	(181)	431	-	-	-	250
Income tax Charge	(27)	(41)				(68)
Share in net income of equity-accounted investments	(347)	13				(334)
Net profit (loss) from continued operations	(555)	403	-	-	-	(152)
Net profit (loss) attributable to non controlling interests (-)	(21)					(21)
Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss)^(*)	(576)	403	-	-	-	(173)
Purchase Price Allocation (PPA) net of corresponding tax effect	-	(403)				(403)
Net profit (loss) from discontinued operations	(5)					(5)
Net profit (Group share)	(581)					(581)

Adjustments as of 31 March 2022:

1. Impact of business combinations: amortisation of assets exclusively valued when determining the purchase price allocation (PPA), including corresponding tax effect;
2. Impact of Aptis closure: reclassification of operational results as non-recurring items following Alstom's announced and planned discontinuance of Aptis activities;
3. Reclassification of other operational costs to non-recurring items;
4. Reclassification of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group

Reconciliation between consolidated income statement and the MD&A management view as of 31 March 2021

(in € million)	Total Consolidated Financial Statements (GAAP)	Adjustments				Total Consolidated Financial Statements (MD&A view)
		(1)	(2)	(3)	(4)	
31 March 2021						
Sales	8,785					8,785
Cost of Sales	(7,400)	62	21	68		(7,249)
Adjusted Gross Margin before PPA ^(*)	1,385	62	21	68	-	1,536
R&D expenses	(318)	9				(308)
Selling expenses	(230)					(230)
Administrative expenses	(403)					(403)
Equity pick-up	-				50	50
Adjusted EBIT ^(*)	434	71	21	68	50	645
Other income / (expenses)	(134)	13	(21)	(68)		(211)
Equity pick-up (reversal)	-				(50)	(50)
EBIT / EBIT before PPA ^(*)	300	84	-	-	-	384
Financial income (expenses)	(68)					(68)
Pre-tax income	232	84	-	-	-	316
Income tax Charge	(63)	(23)				(86)
Share in net income of equity-accounted investments	83					83
Net profit (loss) from continued operations	252	61	-	-	-	313
Net profit (loss) attributable to non controlling interests (-)	(12)					(12)
Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss) ^(*)	240	61	-	-	-	301
Purchase Price Allocation (PPA) net of corresponding tax effect	-	(61)				(61)
Net profit (loss) from discontinued operations	7					7
Net profit (Group share)	247					247

Adjustments as of 31 March 2021:

1. Impact of business combinations: amortisation of assets exclusively valued when determining the purchase price allocation (PPA), including corresponding tax effect;
2. Impact of Aptis closure: reclassification of operational results as non-recurring items following Alstom's announced and planned discontinuance of Aptis activities;
3. Reclassification of other operational costs to non-recurring items;
4. Reclassification of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group

Appendix - Non-GAAP financial indicators definitions (1/2)

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.

- **Proforma like-for-like new Alstom**

Alstom" variations, orders and sales, correspond to the like-for-like variation of Alstom after the acquisition of Bombardier Transportation integrating Bombardier Transportation over the comparable periods preceding the acquisition. The pre-acquisition financial data used to calculate the "proforma like-for-like New Alstom" variations, sales, are extracted from the historical accounts of Alstom and Bombardier Transportation respectively. In order to ensure the comparability of the results, the proforma restatements as presented in chapter 3 of the URD "Unaudited proforma Condensed Financial Information as of 31 March 2021" have been applied. Data related to the commercial performance correspond to orders intake recorded by Alstom and Bombardier Transportation integrating Bombardier Transportation over the comparable periods preceding the acquisition. These indicators are not presented on an organic basis and, therefore, are not restated in order to 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.

Sales Q1, Q2 and Q3 2020/21 of Bombardier Transportation were converted at the average quarterly foreign exchange rate EUR/USD of 1/1.1004 for Q1 as communicated in Bombardier Inc Q2 2020 financial report; 1/1.1648 for Q2 as communicated in Bombardier Inc Q3 2020 financial report; 1/1.1910 for Q3 as communicated in Bombardier Inc Q4 2020 financial report.

Sales Q4 corresponds to like-for-like variation for Alstom and Bombardier Transportation combined, considering the activity of Bombardier Transportation as a whole until the closing date as of Jan 29th 2021 and the Q4 2020/21 of New Alstom which included Alstom legacy Q4 2020/21 and Bombardier Transportation contribution for 2 months (February and March 2021). Bombardier Transportation monthly financial data of January 2021 (unaudited) are extracted from the Bombardier Transportation management account in euros. Financial data post acquisition date are extracted from the historical statements of Alstom and Bombardier Transportation combined, prepared in euros under IFRS.

Orders received Q1, Q2 and Q3 2020/21 of Bombardier Transportation were converted at the quarterly closing foreign exchange rate EUR/USD of 1/1.1284 for Q1 as communicated in Bombardier Inc Q2 2020 financial report; 1/1.1702 for Q2 as communicated in Bombardier Inc Q3 2020 financial report; 1/1.2271 for Q3 as communicated in Bombardier Inc Q4 2020 financial report.

Bombardier Transportation orders for Jan 2021 were extracted from the Bombardier Transportation management account in euros.

- **Adjusted Gross Margin before PPA**

Adjusted Gross Margin before PPA is a Key Performance Indicator to present 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 purchase price allocations ("PPA") in the context of business combination as well as non-recurring "one off" items that are not supposed to occur again in following years and are significant

Appendix 1 - Non-GAAP financial indicators definitions (2/2)

• **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. (former Bombardier Sifang), Bombardier NUG Propulsion System Co. Ltd. and Changchun Changke Alstom Railway Vehicles Company Ltd (former Changchun Bombardier). 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 amortization 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.

• **EBIT before PPA**

Following the Bombardier Transportation acquisition and with effect from these Fiscal year 2021/22 condensed interim consolidated financial statements, Alstom decided to introduce the “EBIT before PPA” indicator aimed at restating its Earnings Before Interest and Taxes (“EBIT”) to exclude the impact of amortisation of assets exclusively valued when determining the purchase price allocations (“PPA”) in the context of business combination. This indicator is also aligned with market practice.

• **Adjusted net profit**

Following the Bombardier Transportation acquisition and with effect from these Fiscal year 2020/21 consolidated financial statements, Alstom decided to introduce the “adjusted net profit” indicator aimed at restating its net profit from continued operations (Group share) to exclude the impact of amortisation of assets exclusively valued when determining the purchase price allocations (“PPA”) in the context of business combination, net of the corresponding tax effect. This indicator is also aligned with market practice.

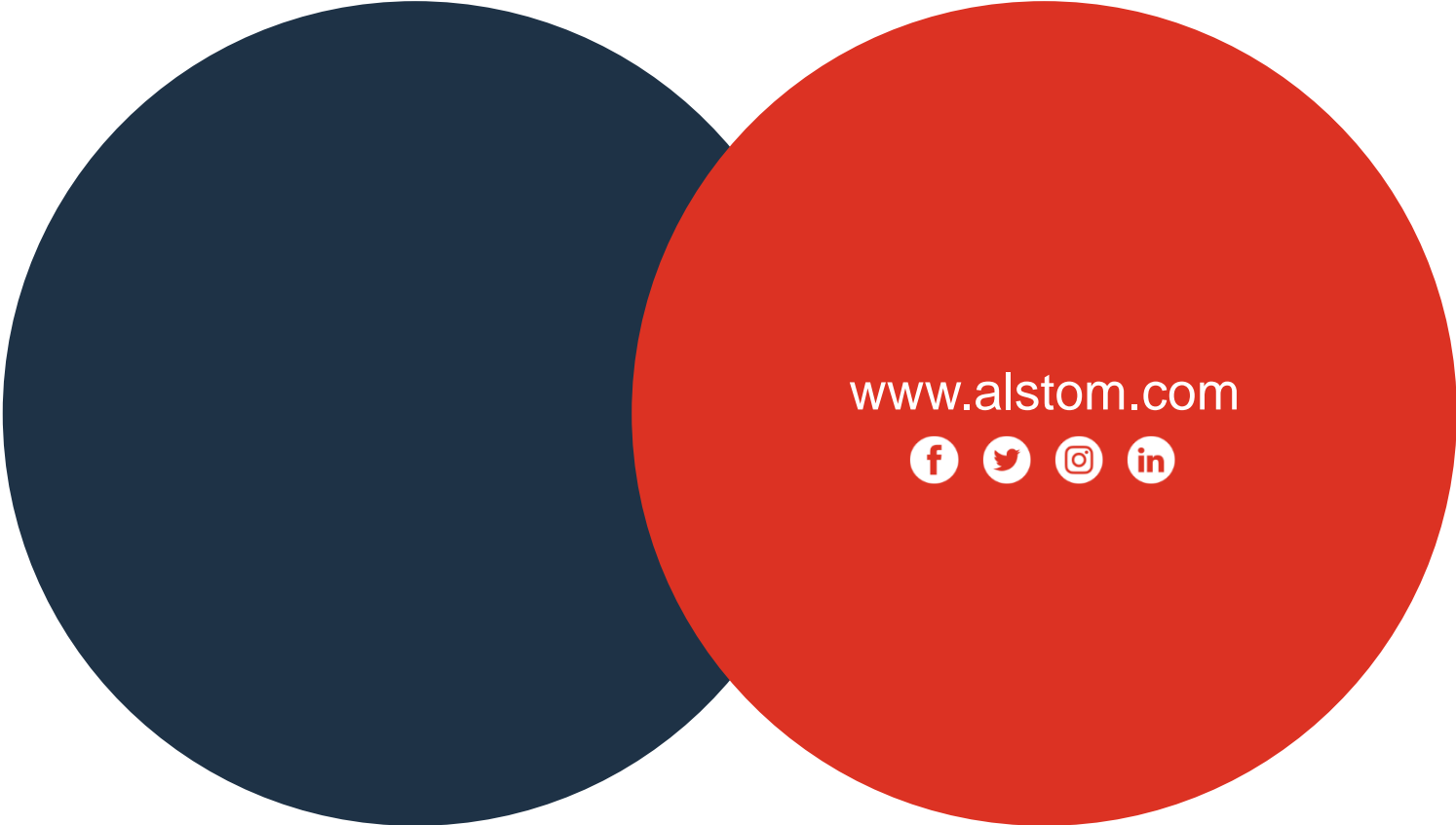
• **Free cash flow**

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. In particular, 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.

• **Net cash/(debt)**

The net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial asset, less borrowings



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