9 months
Fiscal Year 2020/21

19 January 2021

ALSTOM

• mobility by nature •

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- *FY 2020/21 forecasts are based on Alstom's scope of consolidation at the end of September 2020, therefore exclude any scope impacts from the expected Bombardier Transportation acquisition. They are mainly based on the following assumptions:*

Alstom internal assumptions

- *The sales improvement in the second semester as compared to the first semester will primarily come from a decrease in the Covid-19 related disruptions that affected Alstom during the first half of this fiscal year, and from the execution of its orders backlog.*
- *The adjusted EBIT margin improvement compared to the first semester will primarily come from additional volume, rigorous project execution, and the delivery of projected sourcing savings.*
- *Standardisation of engineering tools and processes together with design to cost, and optimisation of our footprint both for engineering and manufacturing, will also support the improvement of Alstom performance. In addition, digital transformation, combined with efficient discipline in overhead cost management, will contribute to the improvement of the adjusted EBIT margin.*
- *Improved cash generation over the second semester as compared to the first semester will mainly come from accelerated deliveries and commercial performance. It remains subject to usual short-term volatility in down- and progress payments from clients.*

Macro-economic assumptions

- *They have been established excluding any major variations in exchange rates of the currencies of the main countries outside of Euro-zone in which the Group generates its revenues, compared to the rates in effect as at 30 September 2020.*
- *They assume an overall stable political environment in areas where Alstom operates or delivers products.*
- *They assume the absence of Covid-19 crisis-related production slowdowns, arising from partial or full lockdown situations, that would exceed the lockdown measures in place on the date of this document and affecting either Alstom or its key suppliers. In addition, they assume that customer tenders scheduled for the second semester will not considerably shift to later periods and that train mileage for purposes of calculating indexed payments under maintenance contracts will not decrease very significantly during the remainder of the second semester due to the ongoing health crisis.*

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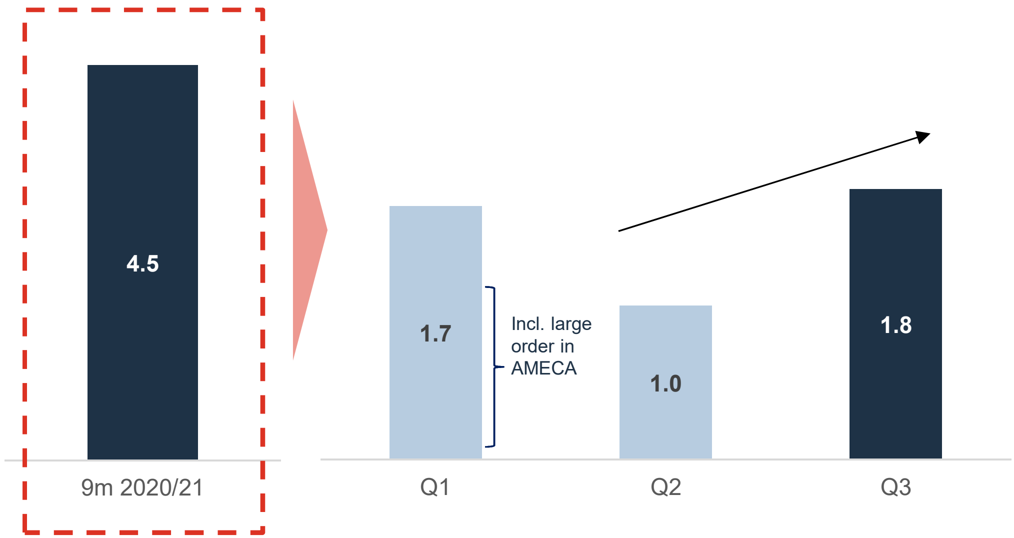
Solid order intake in Q3 2020/21, and support to rail investments confirmed

Orders (in €bn)



- As anticipated, sustained tendering activity in Q3 vs Q2
- Strong commercial outlook for Q4, with several large tenders in pipeline
- Government support to rail confirmed

2021: **European Year of Rail**

€672bn Recovery and Resilience Facility earmarked to climate neutrality investments

EC Smart and Sustainable Mobility:
- collective travel[1] should be carbon neutral by 2030
- high-speed rail traffic x2 by 2030
- ERTMS roll-out confirmed as a priority

5-year Transportation funding bill including proposed **$60bn funding for rail and $105bn for transit**

Australian government chips in **extra $A 5.5bn for Inland Rail**

FY book to bill > 1 on the back of positive tender pipeline

1 up to 500 km

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Several strategic wins in Q3 2020/21

- **Metro system** in Toulouse (France) – c.€470m
- **Up to 30 Metropolis™** in Line 5 Bucharest (Romania) – c.€100m
- **64 Tramways** in Cologne (Germany) – c.€220m
- **Delhi Meerut ETCS Mainline Signalling** - €106m
- **13 Tram-Trains** Citadis™ Dualis™ in Ile-de-France (France) – c.€70m

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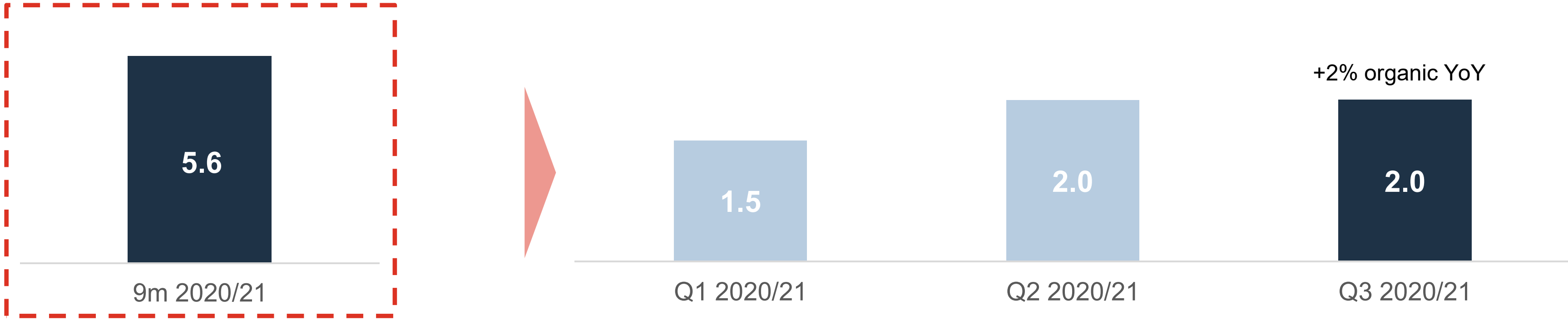
9 months 2020/21 sales in line with targeted trajectory with Q3 solid sales

Sales (in €bn)



Product line momentum in Q3 2020/21

Rolling Stock – *Q3 +9% organic vs LY*
- Ramp up of large contracts

Signalling – *Q3 +10% organic vs LY*
- Continued positive dynamic

Services – *Q3 (7)% organic vs LY*
- Covid-19 impact

Systems – *Q3 (23)% organic vs LY*
- Anticipated ramp-down of contracts in Middle-East

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Significant progress in « Alstom in Motion » strategy

Alstom in Motion

GROWTH

Alstom invests in railway cybersecurity specialist Cylus

INNOVATION

Alstom supplies hydrogen trains to Italy

EFFICIENCY

Alstom WAG 12 eLocomotives inaugurated by PM Modi

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Alstom leadership in ESG confirmed and rewarded during this third quarter

Alstom included in Dow Jones Sustainability Indices for tenth consecutive year

78/100 Corporate Sustainability Assessment

95% percentile 2020

Top 5% of the best scored companies in the industry

ALSTOM

CDP
DISCLOSURE INSIGHT ACTION
A LIST
2020

CLIMATE

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Bombardier Transportation acquisition status

- Clearance process from relevant regulatory authorities and anti-trust authorities completed in November 2020
- Financing completely secured:
  - €2bn capital increase completed in December 2020, c. 170% oversubscribed
  - Debt financing completed with successful 8-year senior bond issuance at a 0% fixed coupon in January 2021

Bombardier Transportation transaction closing expected for 29 January, 2021

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Alstom on track to meet its short and mid-term financial targets

Full-year 2020/21 outlook[1]

- Confirmed full year outlook[2]:
  - Commercial performance allowing a book to bill ratio above one
  - Sales between €7.6bn and €7.9bn
  - An adjusted EBIT margin in the 7.7% - 8.0% range
  - Breakeven to Positive Free Cash Flow generation[3]

Assuming that the ongoing Covid-19 situation does not have a material effect on production or on the commercial tendering schedule

Mid-term outlook[1]

- Sustained mid-term market perspectives supported by large recovery plans and structural demand for sustainable mobility
- Confirmed mid term outlook communicated on May 12, 2020[4]
  - 5% Sales CAGR over 2019/20 – 2022/23 (Slightly impacted due to Covid-19)
  - 9% aEBIT margin in 2022/23
  - Above 80% Net Income to FCF conversion by 2022/23

1 Alstom standalone scope 2 The fiscal year 2020/21 outlook assumes the absence of Covid-19 crisis-related production slowdowns, arising from partial or full lockdown situations, that would exceed the lockdown measures in place on the date of this document and affecting either Alstom or key suppliers. Also relating to the Covid-19 environment, it assumes that customer tendering schedules will not materially shift after the second semester and that train mileage for purposes of calculating indexed payments under maintenance contracts will not decrease very significantly during the remainder of the second semester; 3 Subject to the usual short-term volatility in the timing of receipt of down payments and milestone payments owed by customers; 4 The objective of a 5% average annual growth rate over the period from 2019/20 to 2022/23 should be slightly impacted by the temporary slowdown of tender activity, yet the 2022/23 objectives of 9% aEBIT margin and of a conversion from net income to free cash flow above 80% are confirmed

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Contacts & Agenda

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AGENDA

11 May 2021

2020/21 FY Results

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Appendix

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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.

Order backlog

Order backlog represents sales not yet recognised from orders already received. Order backlog at the end of a financial year is computed as follows:

- order backlog at the beginning of the year;
- plus new orders received during the year;
- less cancellations of orders recorded during the year;
- less sales recognised during the year.

The order backlog is also subject to changes in the scope of consolidation, contract price adjustments and foreign currency translation effects.
Order backlog corresponds to the transaction price allocated to the remaining performance obligations, as per IFRS 15 quantitative and qualitative disclosures requirement.

Book-to-Bill

The book-to-bill ratio is the ratio of orders received to the amount of sales traded for a specific period.

Adjusted EBIT

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), namely the CASCO Joint Venture. The company believes that bringing visibility over a key contributor to the Alstom signalling strategy will provide a fairer and more accurate picture of the overall commercial & operational performance of the Group. This change will also enable more comparability with what similar market players define as being part of their main non-GAAP profit aggregate disclosure.

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.

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Appendix 1 - Non-GAAP financial indicators definitions

- **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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