ALSTOM
• mobility by nature •

PRESS RELEASE

Alstom's third quarter 2023/24: good commercial momentum and Free Cash Flow guidance reaffirmed for FY 2023/24

- **Q3: strong orders of €5.5 billion, sales at €4.3 billion, book-to-bill at 1.3**
- **9-months: orders at €13.9 billion, sales at €12.8 billion, book-to-bill at 1.1**
- **Full year 2023/24 outlook and mid-term objectives confirmed**
- **Executing on the deleveraging plan**

24 January 2024 – Over the third quarter of 2023/24 (from 1 October to 31 December 2023), Alstom booked €5.5 billion of orders. The Group's sales reached €4.3 billion in the quarter.

For the first nine months of 2023/24 (from 1 April to 31 December 2023), Alstom's order intake reached €13.9 billion, compared to €15.2 billion for the same period last fiscal year. The Group sales increased by 4.1% over 9 months, of which 7.3% organic growth, reaching €12.8 billion, in line with the targeted trajectory.

The backlog, as of 31 December 2023, settled at €90.3 billion, providing strong visibility on future sales.

Key figures

Reported figures *(in € million)*	**2022/23 Q3**	**2023/24 Q3**	*% Change Reported*	*% Change Organic*
Orders received	5,152	5,451	*+5.8%*	*+6.4%*
Sales	4,223	4,332	*+2.6%*	*+4.6%*

Reported figures *(in € million)*	**2022/23 9 months**	**2023/24 9 months**	*% Change Reported*	*% Change Organic*
Orders received	15,224	13,898	*(8.7)%*	*(7.0)%*
Sales	12,271	12,775	*+4.1%*	*+7.3%*

Geographic and product breakdowns of reported orders and sales are provided in Appendix 1. All figures mentioned in this release are unaudited.

"Alstom delivered strong levels of order intake during the third quarter, on the back of positive market momentum in Services and Systems. We are relentlessly focused on the operational action plan to generate cash in the second half of the year, notably through improved production and working capital efficiency. Considering the progress made since November, we will provide the breakdown of each measure of the €2 billion inorganic plan in May 2024. Confident in the resilience of our business model, we confirm our short and mid-term targets," said **Henri POUPART-LAFARGE**, Alstom Chairman and Chief Executive Officer.

***

ALSTOM
• mobility by nature •

Detailed review

During the third quarter of 2023/24 (from 1 October to 31 December 2023), Alstom recorded €5,451 million in orders, compared to €5,152 million over the same period last fiscal year.

Over three months, orders for Services, Signalling and Systems reached 84% of the total order intake and 66% over the 9 months.

On a regional level, Europe accounts for 34% of the Group total order intake. In the United Kingdom, Alstom has signed an eight-year extension to its Train Services Agreement (TSA) with Cross-Country. With this contract extension, valued at around €950 million, Alstom will continue to maintain, overhaul, service and clean Cross-Country's Voyager and Super Voyager fleet until 2031.

In France, Alstom has won a twelve-year framework contract worth almost €300 million to develop and deploy the NExTEO signalling system on the RER B and RER D lines in the Île-de-France region. Alstom's Urbalis signalling technology will help infrastructure managers and transport operators to improve the performance and punctuality.

In the Asia-Pacific region, Alstom has been announced as the successful bidder for a contract worth around €900 million to maintain the regional rolling stock VLocity and Classic fleets in Victoria, Australia for the next decade.

In Africa-Middle East-Central Asia, the Group reached financial closure for Israel's NTA contract of Tel Aviv's Green Line light rail systems. With around €900 million share in the contract, Alstom is set to design, build and maintain the Tel Aviv Metropolitan LRT Green Line by Metropolitan Mass Transit System Ltd (NTA).

The level of base orders (less than €200 million of contract value) has exceeded €2 billion during this third quarter.

Sales were €4,332 million in Q3 2023/24 compared to €4,223 million in Q3 2022/23.

Over 9 months, sales amounted to €12,775 million, representing a growth of 4.1% on a reported basis and a strong 7.3% on an organic basis compared with Alstom sales in the same period last fiscal year.

For the same period, Rolling Stock sales reached €6,765 million, representing an increase of 1% on a reported basis and 5% on an organic basis, driven by a ramp-up of projects in Brazil and in India as well as a solid level of execution in the US and in France.

Signalling sales stood at €1,911 million for the 9 months, up 8% on a reported basis and 12% on an organic basis, led by a consistent execution across all regions, mainly in the US, the UK and Australia.

In Systems, Alstom reported €1,118 million sales for the 9 months, up 5% on a reported basis and 8% on an organic basis, on the back of a good performance of Turnkey Systems projects in Egypt, Canada and France and a ramp-up of projects in Mexico.

Services delivered a sustained performance and reported €2,981 million of sales over 9 months, up 7% on a reported basis and 10% on an organic basis, benefiting from a strong ramp-up in the UK, in Italy and in the US.

The book-to-bill ratio is 1.3 over the quarter and 1.1 over 9 months.

***

Main highlights of the third quarter of 2023/24

During the quarter, Alstom reached important delivery milestones, and launched a range of initiatives to accelerate its transformation into a more competitive and agile group.

- **Key projects deliveries**

In October 2023, Alstom reached a milestone for India's rail revolution with the inauguration of NaMo Bharat, India's first semi-high-speed regional rail service, with both rolling stock and signalling solutions provided by Alstom India. The first phase, the seventeen-kilometre Duhai-Sahibabad section of the Delhi-Meerut corridor which is now operational for general public, also marks the world debut of Level 3 ETCS (European Train Control System).

In November 2023 in Paris, Ile-de-France Mobilités, SNCF Voyageurs and Alstom together inaugurated the RER NG, the "New Generation RER" in the presence of elected representatives and passengers. The RER NG commuter train, designed and manufactured with the contribution of 9 Alstom sites in France, will bring lasting improvements to travel conditions for the hundreds of thousands of people who use the RER D and RER E lines every day.

In December 2023, for the first time in France, a battery-powered train carried passengers on a non-electrified track in Toulouse, in the Occitanie region. This innovative tri-mode electric-combustion-battery train was presented at Toulouse-Matabiau station before departing for Mazamet. The hybrid train will be tested for a year in commercial service on several lines in the four partner regions.

Also in December 2023, Tren Maya, a brand-new rail service for Mexico's Yucatán Peninsula entered commercial service. The trains were built by Alstom, at its plant in Ciudad Sahagún, in Mexico. Alstom is providing the X'trapolis trains for this project. Alstom is responsible for the maintenance of the trains for the next five years and continues the work to provide signalling as well.

- **One Alstom team Agile, Inclusive and Responsible**

For the thirteenth consecutive year, Alstom has been included in the Dow Jones Sustainability Indices (DJSI), World and Europe, attesting to its leadership position in sustainable business practices.

The Company reached an overall score of 70 out of 100 in the Corporate Sustainability Assessment and remained in the top of the best scored companies of the industry. Significant improvement has been recorded this year in areas such as Resource Efficiency and Circularity, Customer relationship, Environmental Emissions and Human rights.

Alstom has also ranked among Corporate Knights' 2024 100 Most Sustainable Corporations in the World.

In December 2023, Alstom and Fundación ONCE renewed their collaboration to continue building accessible and inclusive mobility by bolstering their commitments for the social inclusion of people with disabilities. Fundación ONCE has become a worldwide strategic advisor in terms of inclusiveness and a strategic partner in research, development and innovation.

***

Progress on Alstom's action plan to secure financial targets

During this third quarter, the company has been mobilizing around the operational, commercial, and cost efficiency plan:

- Quality of order intake during Q3 2023/24 provides comfort to continue growing the margin in backlog (+0.5% per year in coming three years)
- After 9 months, Alstom has produced 3,415 cars (compared to 2,998 in 2022/23), continuing to deliver the production ramp-up
- Strong actions have been launched to revert the negative trend on inventory days of sales
- Plan to reduce overhead costs has been announced to employees representatives and is expected to be finalized (sizing, cost, modalities and timeline) and launched by the year-end, with the objective to decrease SG&A costs by ca. 1 percentage point of sales by March 2026.

Reinforce Balance sheet to maintain Investment Grade Rating

Alstom's Board of Directors is committed to maintaining a solid and sustainable Investment Grade rating. It has decided to reinforce the Group's balance-sheet and is targeting a reduction in its net debt position by €2 billion by March 2025.

Existing reference shareholders are supportive of this plan and are working closely with the management to execute it swiftly.

- Assets disposal processes are progressing, which allows confirmation of the announced range of expected proceeds between €0.5 billion and €1.0 billion.
- Equity-like instruments preparation is also in progress, with advisors mandated and underlying business selection and structuration well advanced.
- Feasibility and sizing of a potential capital increase (with pre-emptive rights for shareholders) is being studied in parallel.

Not taken into account in the €2 billion deleveraging plan is the exit of TMH Limited, which was closed early January 2024 for an amount of €75 million, contributing to the de-risking of the company's portfolio, and which was accounted for as asset held for sale as of 30 September 2023. The sale of TMH Limited will result in a non-cash loss of around €(127) million due to the recognition of the €(202) million Currency Translation Adjustment accounted for directly in equity since the acquisition.

Alstom will precise the breakdown of the €2 billion deleveraging plan latest by full-year results release in May 2024.

***

Financial trajectory for FY 2023/24

The Group has based its 2023/24 outlook on a central inflation scenario reflecting a consensus of public institutions. The Group also assumes its continuous ability to navigate supply chain disruptions and macroeconomic and geopolitical challenges as it has done during these first nine months of fiscal year 2023/24.

- Book to bill ratio above 1
- Sales organic growth above 5%
- Adjusted EBIT Margin around 6%
- Free Cash Flow within the range €(500)m - €(750)m

As already announced, the Board will propose to the Shareholders' General Assembly that no dividend will be paid with regards to the fiscal year 2023/24.

***

Mid-term financial trajectory and objectives to be reached in FY 2025/26

- Sales: Between 2020/21 (proforma sales of €14 billion) – and 2025/26, Alstom is aiming at sales Compound Annual Growth Rate over 5% supported by strong market momentum and unparalleled €90.3 billion backlog as of 31 December 2023, securing sales of ca. €38 to €40 billion over the next three years. Rolling Stock should grow above market rate, Services and Signalling at high-single digit path.
- Profitability: the adjusted EBIT margin should reach between 8% and 10% from 2025/26 onwards, benefiting from operational excellence initiatives, strong margins on new orders including improved indexation, the completion of the challenging projects in backlog while synergies are expected to deliver €400 million run rate in 2024/25 and €475 - €500 million annually from 2025/26 onwards.

- Free Cash Flow: from 2025/26 onwards, the conversion from adjusted net profit to Free Cash Flow should be over 80%[1] driven by mid-term stability of trade working capital, stabilisation of CAPEX to around 2% of sales and cash focus initiatives while benefiting from volume and synergies take up.

***

Conference Call

Alstom is pleased to invite you to a conference call presenting its third quarter orders and sales of the fiscal year 2023/24 on Wednesday 24 January 2024 at 08:30 am (Paris time), hosted by Bernard Delpit, Alstom CFO.
A live audiocast will also be available on Alstom's website: Alstom's orders and sales for the third quarter of fiscal year 2023/24.

To participate in the Q&A session (audio only), please use the dial-in numbers below:

- UK +44 (0) 33 0551 0200
- USA +1 786 697 3501
- France +33 (0) 1 7037 7166

Quote ALSTOM to the operator to be transferred to the appropriate conference.

***

1 Subject to short term volatility

About Alstom

Alstom commits to contribute to a low carbon future by developing and promoting innovative and sustainable transportation solutions that people enjoy riding. From high-speed trains, metros, monorails, trams, to turnkey systems, services, infrastructure, signalling and digital mobility, Alstom offers its diverse customers the broadest portfolio in the industry. With its presence in 63 countries and a talent base of over 80,000 people from 175 nationalities, the company focusses its design, innovation, and project management skills to where mobility solutions are needed most. Listed in France, Alstom generated revenues of €16.5 billion for the fiscal year ending on 31 March 2023.
For more information, please visit www.alstom.com

Contacts

Press:
Coralie COLLET - Tel. : +33 (0) 7 63 63 09 62
coralie.collet@alstomgroup.com

Samuel MILLER – Tel. : +33 (0) 6 65 47 40 14
samuel.miller@alstomgroup.com

Thomas ANTOINE - Tel. : +33 (0) 6 11 47 28 60
thomas.antoine@alstomgroup.com

Investor relations :
Martin VAUJOUR – Tel. : +33 (0) 6 88 40 17 57
martin.vaujour@alstomgroup.com

Estelle MATURELL ANDINO – Tel.: +33 (0)6 71 37 47 56
estelle.maturell@alstomgroup.com

ALSTOM
• mobility by nature •

APPENDIX 1A – GEOGRAPHIC BREAKDOWN

Reported figures *(in € million)*	**2022/23 9 months**	% Contrib.	**2023/24 9 months**	% Contrib.
Europe	9,395	62%	8,224	59%
Americas	1,510	10%	1,767	13%
Asia / Pacific	2,104	14%	2,977	21%
Middle East / Africa	2,215	14%	929	7%
Orders by destination	**15,224**	100%	**13,898**	100%

Reported figures *(in € million)*	**2022/23 9 months**	% Contrib.	**2023/24 9 months**	% Contrib.
Europe	7,343	60%	7,391	58%
Americas	2,074	17%	2,516	20%
Asia / Pacific	1,797	15%	1,782	14%
Middle East / Africa	1,057	8%	1,086	8%
Sales by destination	**12,271**	100%	**12,775**	100%

APPENDIX 1B – PRODUCT BREAKDOWN

Reported figures *(in € million)*	**2022/23 9 months**	% Contrib.	**2023/24 9 months**	% Contrib.
Rolling stock	7,648	50%	4,666	34%
Services	5,047	33%	4,943	36%
Systems	852	6%	2,419	17%
Signalling	1,677	11%	1,870	13%
Orders by product line	**15,224**	100%	**13,898**	100%

Reported figures *(in € million)*	**2022/23 9 months**	% Contrib.	**2023/24 9 months**	% Contrib.
Rolling stock	6,667	54%	6,765	53%
Services	2,775	23%	2,981	23%
Systems	1,062	9%	1,118	9%
Signalling	1,767	14%	1,911	15%
Sales by product line	**12,271**	100%	**12,775**	100%

APPENDIX 2 - 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 Key Performance Indicator to present the expected performance level of firmed 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 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.

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" 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 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. (formerly Bombardier Sifang), Bombardier NUG Propulsion System Co. Ltd and Changchun Changke Alstom Railway Vehicles Company Ltd (formerly 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.

EBITDA + JV dividends

EBITDA + JV dividends is the EBIT before PPA, before the depreciation and amortisation, with the addition of the dividends received from the JVs.

Adjusted net profit

Following the Bombardier Transportation, 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 minus 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 to FCF statement refers to the Free Cash Flow generated by Operations, less Working Capital variations.

Trade Working Capital and Contract Working Capital

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

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

Net cash/(debt)

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

Pay-out ratio

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.

Organic basis

This press release includes performance indicators 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.

		Q3 2022/23		**Q3 2023/24**		
(in € million)	**Reported figures**	**Exchange rate and scope impact**	**Organic Figures**	**Reported figures**	**% Var Act.**	**% Var Org.**
Orders	5,152	(28)	5,124	5,451	+5.8%	+6.4%
Sales	4,223	(83)	4,140	4,332	+2.6%	+4.6%

		9 months 2022/23		**9 months 2023/24**		
(in € million)	**Reported figures**	**Exchange rate and scope impact**	**Organic Figures**	**Reported figures**	**% Var Act.**	**% Var Org.**
Orders	15,224	(275)	14,949	13,898	(8.7)%	(7.0)%
Sales	12,271	(370)	11,901	12,775	+4.1%	+7.3%