ALSTOM’S EQUITY STORY

June 2023
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Summary

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2. The most comprehensive offering in the rail industry p.13

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6. Trajectory p.63

7. Appendix p.68
Executive summary
Alstom’s investment case

A WORLDWIDE LEADER WITH STRONG MARKET SHARES
Rolling stock: #1
Services: #1
Signaling: #2
Turnkey: #1

AN AMBITIOUS STRATEGIC PLAN:
AiM 2025
Leading the way to greener and smarter mobility, worldwide

FINANCIALS TARGETS 25/26
- Book to bill above 1
- Sales CAGR: >5%
- aEbit margin: 8-10%
- FCF/ aNet Income: >80%

A RECOGNIZED CSR CHAMPION
SCOPE 1+2 EMISSIONS1+ *(KTON) 
(22%) vs March 22
ENERGY CONSUMPTION1+ *(GWH) 
(11%) vs March 22
TAXONOMY SALES ALIGNMENT *
59%
% WOMEN IN MANAGEMENT 2*
+70 bps vs March 22

LEADING THE INNOVATION RACE
HYDROGEN
AUTONOMOUS MOBILITY
ENERGY EFFICIENCY
DIGITAL SIGNALLING
PREDICTIVE MAINTENANCE

1. CAGR between Sales proforma FY 2020/21 and FY 2025/26
2. From FY 2025/26 onwards. Subject to short term volatility

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A stable shareholding structure

Distribution of capital (in %)¹

- Caisse de Dépôt et Placement du Quebec: 65%
- Others institutional shareholders: 17.4%
- Bpifrance Investissement: 7.5%
- Employees: 7.5%
- Retail: 2.5%

Stock market indexes

- CAC 40: 9%
- SBF 120: 12%
- EUROSTOXX 600: 5%

By geographic zone (in %)¹

- France: 45%
- North America: 29%
- UK: 9%
- Rest of Europe: 12%
- Rest of the world: 5%

A large international floating base for investors

¹ As of 31 March 2023
Financial performance trajectory

**Sales (€bn)**

- FY 2016/17: 7.3
- FY 2017/18: 7.4
- FY 2018/19: 8.1
- FY 2019/20: 8.2
- FY 2020/21: 8.8
- FY 2021/22: 15.5
- FY 2022/23: 16.5

**Mid-term targets to be reached in FY 2025/26**

- Sales >5% CAGR

**Free cash flow (€m)**

- FY 2016/17: 182
- FY 2017/18: 128
- FY 2018/19: 153
- FY 2019/20: 206
- FY 2020/21 PF: -703
- FY 2021/22: -992
- FY 2022/23: 199

**Adjusted Ebit (€m) and margin (%)**

- FY 2016/17: 421
- FY 2017/18: 426
- FY 2018/19: 7.1%
- FY 2019/20: 7.7%
- FY 2020/21: 7.3%
- FY 2021/22: 5%
- FY 2022/23: 5.2%

**Mid-term targets to be reached in FY 2025/26**

- aEBIT margin 6%

**FY 2023/24 guidance:**

- 0.25
- 0.25
- 0.25

1. Non-GAAP. See definition p.42 of the URD 2021.22
2. No dividend proposed in FY 2020 due to the Bombardier Transportation acquisition. For last year-end.
3. From FY 2025/26 onwards. Subject to short-term volatility

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Alstom’s resilient business model

LEADER POSITION IN A DYNAMIC MARKET
supported by secular trends

BACKLOG OFFERING LONG-TERM VISIBILITY
with improving margin

GLOBAL FOOTPRINT, multi-local supply chain

STRONG SERVICE AND SIGNALLING FRANCHISES
A unique global player thanks to Bombardier Transportation

- **Portfolio complementarity**
  - Rolling stock: E loco, people movers, monorail, advanced components (bogies, traction ..)
  - Services: UK franchise, US operations and maintenance, huge installed fleet
  - Signalling: strong products complementarity

- **Geographical complementarity**
  - UK to invest ~€40bn by 2024
  - DB & Germany to invest ~€86bn by 2030
  - **Significant investment** expected in rail infrastructure
  - Middle-East & Africa rail OEM market CAGR of 4.9%

- **An innovation catalysis**

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**Better pricing power and Terms & Conditions for Alstom**

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1. adjusted EBIT Impact R&D expenses
Quality excellence drives customer confidence and satisfaction

Design for Quality Gates Open
DFQ Backlog – Total Year End

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre Acq</th>
<th>April 2021</th>
<th>March 2022</th>
<th>March 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21-22</td>
<td>-90%</td>
<td>-50%</td>
<td>-42%</td>
<td>-42%</td>
</tr>
</tbody>
</table>

Delivery Quality to Customer
# of Demerits/Unit – Avg Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Pre Acq</th>
<th>April 2021</th>
<th>March 2022</th>
<th>March 2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY21-22</td>
<td>-60%</td>
<td>-45%</td>
<td>-42%</td>
<td>-40%</td>
</tr>
</tbody>
</table>

Leg. AT
Leg. AT + Leg. BT

Customer Net Promoter Score

<table>
<thead>
<tr>
<th>Year</th>
<th># of Surveys</th>
<th>NPS Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY18/19</td>
<td>100</td>
<td>6.5</td>
</tr>
<tr>
<td>FY19/20</td>
<td>150</td>
<td>7.0</td>
</tr>
<tr>
<td>FY20/21</td>
<td>200</td>
<td>7.5</td>
</tr>
<tr>
<td>FY21/22</td>
<td>250</td>
<td>8.0</td>
</tr>
<tr>
<td>FY22/23</td>
<td>300</td>
<td>8.5</td>
</tr>
</tbody>
</table>

NPS Score

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Synergies on-track with announced trajectory

SYNERGIES RUN RATE (IN € MILLION)$^1$

- **Bonds Financing**: 475-500
- **Procurement**: 400
- **Real Estate**: 205
- **Management Overlaps**: 102
- **Footprint**: 202
- **Production Efficiency**: 102
- **Tenders and Best Use of Products**: 102
- **R&D Processes**: 102

**2025/26 SOURCES OF UPLIFT$^2$**

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

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

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Alstom business geared to 8-10% aEBIT and > 80% cash conversion

- Book to bill above 1
- CAGR\(^1\) on Sales above 5%

**FY 2023/24**
- aEBIT ~6%
- FCF significantly positive

**Mid-term targets**
*To be reached in FY 2025/26*
- aEBIT 8 -10%
- FCF > 80% conversion\(^2\)

The Group has based its FY 2023/24 outlook on a central inflation scenario reflecting a consensus of public institutions. The Group also assumes its continuous ability to navigate the supply chain, macro-economic and geopolitical challenges as it has done during FY 2022/23.

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02

The most comprehensive offering in the rail industry
Alstom is the market leader in Rolling Stock & Components

RSC IS A LARGE AND STEADY MARKET

UNIFE accessible market 2022-2024 (WRMS 2022) – Average in € Bn / year

+2.8%\(^1\) €44 bn

- Regional/Commuter
- HS/VHS
- Urban
- Wagens
- Light Rail
- Locomotives

MARKET DRIVERS:
- France Rail Plan
- India budget for rail 23/24
- US acceleration with Jobs & Infra Act
- Europe Diesel replacement

RECENT WINS

AUSTRALIA
100 Flexity™ low-floor Next generation Trams
€700 MILLION

INDIA
312 Metro cars for Delhi Metro Phase IV
€310 MILLION

FRANCE
60 RER NG Commuter trains
€1 BILLION

SPAIN
49 Coradia Stream™ HC trains for RENFE
€370 MILLION

FRANCE
15 Avelia Horizon trains for SNCF
€590 MILLION

KAZAKHSTAN
100 K28A (NG) Locomotives, services & signalling

ALSTOM: A CLEAR RSC MARKET LEADER

RSC Market shares 2020/21-2022/23, in % including turnkey share

- Alstom 35%
- Comp. 1 19%
- Comp. 2 18%
- Comp. 3 8%
- Comp. 4 3%
- Comp. 5 3%

MARKET DRIVERS:
- France Rail Plan
- India budget for rail 23/24
- US acceleration with Jobs & Infra Act
- Europe Diesel replacement

1. CAGR of 2.8 % based on UNIFE accessible rolling stock market 2019-2021 to 2025-2027 period
ALSTOM: a unique global-local presence and capability

ALSTOM #1 IN ALL REGIONS

Rolling Stock & Components Key Sites

+50 Production sites in 22 countries

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Project stabilisation | Task Forces shifting from legacy to early phase projects

TASK FORCES EXPERT GROUPS

- Solve Technical issues
- Enforce Design for Quality & PM standards
- Review all customer requirements, drive configuration management
- Align project scheduling & resources
- Increase quality perception by customers
- Lead contract management, negotiate Extension of Time

Deep dive legacy projects
Stabilise and secure new projects
End of stabilisation robust process
Efficiency and Continuous improvement

April 2021
March 2022
March 2023
March 2024

-26%
-20%
-18%
-1.6

~85 Projects supported
~50 Subject-matter experts
>600 Project Reviews

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Convergence done at Train, Sub-system and Part levels

Focusing today on implementation in tenders

From Day 1

FY 2021/22

FY 2022/23

FY 2023/24

INVENTORY > CONVERGE > RATIONALISE > FURTHER STANDARDIZE

8 platforms, 9 products phased out

**Light Rail**
- Citadis™

**Regional**
- Coradia™

**Urban**
- Innovia™ APM
- Innovia™ monorail
- Metropolis™

**Commuter**
- (Rebranding In progress)

**Locomotive**
- Traxx™

**High-speed**
- Avelia™

Common standardised catalogue: 36 BUY module, 68 make components

- 35 active products
- 20 reference solutions

- 43 active products
- 20 reference solutions

- Migrate to AGATE4

- -47% Converters
- -42% Bogies references
- -50% TCMS references

Integrate commercial teams in adherence governance

Early Spec-in

Drive standardisation in tender phase / maximise leverage of standard solutions

Light Rail
- Citadis™

Regional
- Coradia™

Urban
- Innovia™ APM
- Innovia™ monorail
- Metropolis™

Commuter
- (Rebranding In progress)

Locomotive
- Traxx™

High-speed
- Avelia™

Common standardised catalogue: 36 BUY module, 68 make components

- 35 active products
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Operational performance | Quality on target, focusing on delivery

Defects per unit: -25% on Mar 23

External demerit: -52% on Mar 23

Key open safety issues: -33% on Mar 23 (avg 6 months)

Gate review go on time: ~stable

Supply chain & electronic components challenges mitigated

Manufacturing throughput: +22% on Mar 23

Physical inventory: +7% on Mar 23

Delivery on time: +16% on Mar 23

Engineering on-time: +6% on Mar 23

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RSC turnaround with production ramp-up supporting growth above market

RSC BUSINESS PROFILE

FY 2022/23:
- Backlog 42.8bn€
- Orders 10.3bn€
- Sales 8.8bn€

Typical mid to large contracts:
- From >100m to multi-billion€
- 3 to >5 years

Cash:
- 5 to 10% downpayments
- Negative working capital contribution

RSC product line as key enabler to Services and Systems businesses

PROFITABILITY IMPROVEMENT LEVERS

<table>
<thead>
<tr>
<th>BUSINESS DEVELOPMENT LEVERS</th>
<th>OPERATIONAL LEVERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selectivity</td>
<td>Operational excellence</td>
</tr>
<tr>
<td>Product convergence</td>
<td>Synergies from process standardisation</td>
</tr>
<tr>
<td>Increased % of projects indexed</td>
<td>Digitalisation</td>
</tr>
<tr>
<td>Platforming &amp; Standardisation</td>
<td>Acquisition value capture</td>
</tr>
</tbody>
</table>

HEADWINDS MONITORING

- ELECTRONIC COMPONENT CRISIS
  - Cost premiums
- SUPPLY CHAIN
  - Build a robust and capable railway supply base
- INFLATION (energy, salaries & materials)
  - Continuous mitigation

Progressive margin uplift to high single digit profitability
Services

Metro Elizabeth Line maintenance

Maryland Operations and maintenance
Most extensive rail services portfolio, expertise and footprint

ALL ENCOMPASSING PORTFOLIO

- ROLLING STOCK MAINTENANCE
- PARTS AND COMPONENT OVERHAULS
- ASSET LIFE MANAGEMENT
- TRAIN OPERATIONS AND SYSTEM MAINTENANCE
- DIGITAL SOLUTIONS

CLEAR LEADERSHIP OVER THE RAIL SERVICES MARKET

- 258 SERVICES SITES
- 40+ COUNTRIES
- 1,400+ CONTRACTS
- 16,000+ EMPLOYEES

Sales (B€) based on latest published figures

- ALSTOM: 3.8
- Competitor 1: 2.9
- Competitor 2: 1.6
- Competitor 3: 0.8
- Competitor 4: 0.5

Source: latest annual reports - Excluding China Market

*Accessible Market UNIFE 2025-2027
Business model and evolution (bundle contracts, installed based advantage, small contracts)

SUSTAINABLE BUSINESS WITH WELL BALANCED ORDER INTAKE

Order intake distribution
FY 22-23

- 45% Gardening (Variation orders, extensions, etc)
- 40% Bundled (RSC and/or Turnkey + SER)
- 15% Standalone

Expected CAGR FY 21-22 to 24-25

- 12% Sustained trend to bundle rolling stock and services contracts
- 14% Healthy level of standalone contracts both on Alstom and non-Alstom fleets
- 10% Long term customer intimacy securing continuous gardening sales
Mid-term ambition: 35% of installed base under services contract

150,000 CARS INSTALLED BASE WITH VAST HARVESTING POTENTIAL

TSSSA to open new customers relationship (Singapore – Austria – US – France)

Customer key points:
- Technology access
- End of warranty
- Fleet availability
- Mid-life overhaul required
- Social paradigm

Customer benefits:
- Performance & Budget guaranty
- Obsolescence managed
- Life extension
- Modern / Digital approach

Alstom Installed Base covered by Services contract

- Today: 25%
- Mid-term: 35%

*TSSSA: Technical Support and Spare Supply Agreement

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Service franchise with strong predictability and high-single digit growth

SERVICES
BUSINESS PROFILE

FY2022/23:
• Backlog 30.7bn€
• Orders 6.4bn€
• Sales 3.8bn€

Contracts:
• Long contracts up to 30 years
• Indexation as general rule
• Short-cycle business (parts)

Cash:
• Limited mobilisation payments (depots, capital spares)
• Positive working capital

PROFITABILITY IMPROVEMENT LEVERS

BUSINESS DEVELOPMENT LEVERS

• Bundle offers
• Small orders management focus
• TSSSA opportunities

Harvesting installed base
Improvement of Client Total Cost of Ownership

OPERATIONAL LEVERS

• Local Footprint
• Improvement of fleet availability and reliability
• Low R&D needs
• Scale effect on Data management

ACHIEVED MID-TEENS PROFITABILITY WITH LARGE GROWTH POTENTIAL

HEADWINDS MONITORING

RESOURCES AVAILABILITY
To support growth

SUPPLIERS PERFORMANCE
Localisation, resources availability and on-time performance
Solid signalling market growth with accelerating modal shift as key market driver

**~15 bn€¹**

**STRONG SIGNALLING MARKET GROWTH**

**+~4% CAGR²**

Market boosted by infrastructure plans & ERTMS³ roll-out acceleration

→ Signalling key to increasing capacity on existing lines

→ Enabling modal-shift acceleration towards rail

**ERTMS³ ROLL-OUT ACCELERATING IN EUROPE**

- **30 Bn€ signalling**
  - German roll-out in the coming years
  - Already materializing in orders

- **13 Bn€ signalling**
  - Italy ERTMS roll-out framework attributed

- **FRANCE rail plan**
  - (100bn€ for entire plan, signalling share not yet known)

**& OUTSIDE EUROPE**

- Canada (Toronto)
- Mexico (Tren Maya)
- Australia (New South Wales)
- India (Delhi-Meerut)
- Philippines (NSRC)
- Tanzania
- Turkey (BBYO)

Signalling, a market segment under consolidation around 3 global players

KEY GLOBAL PLAYERS CONSOLIDATING...

- # of global signalling players¹
  - 8 players in 2010
  - 3 players² in 2023

… FAR AHEAD OF REST OF COMPETITION²

- Signalling players revenues overview
  - Global players
  - Other players
  - ~x 5-10 size

… OUTPACING MARKET GROWTH

- Alstom growth vs. Market
  - ~high single digit
  - UNIFE market³
  - ALSTOM⁴

1- Global layers considered >500m€ revenues present in Alstom addressable market
2- Thales/Hitachi Merger expected in 2023
3- Alstom addressable market excl. Japan and China, CAGR 2019-2021 to 2025-2027
4- FY22/23 vs. FY21/22

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Deliver projects locally leveraging a worldwide footprint

LEVERAGE SCALE
WHILE SECURING CUSTOMER INTIMACY

SIGNALLING SOLUTIONS

Application customization

R&D
(Application software & technical platform)

CONCENTRATED FOOTPRINT
developing standard solutions
(~10 key sites)

Deliver & maintain CLOSE TO CUSTOMERS

DELIVER EFFICIENTLY THROUGH
AN UNPARALLELED ENGINEERING FOOTPRINT

Key BCC sites

<table>
<thead>
<tr>
<th>Country</th>
<th>Eng. FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>India</td>
<td>2,700+</td>
</tr>
<tr>
<td>Thailand</td>
<td>500+</td>
</tr>
<tr>
<td>Poland</td>
<td>400+</td>
</tr>
<tr>
<td>Brazil</td>
<td>200+</td>
</tr>
</tbody>
</table>

ACCESS TO LARGE TALENT POOLS
(e.g. IT resources in India...)

50% of engineering hours executed in Best Cost Countries within 3 years
with India at the heart of the footprint

10,000+
ENGINEERS

Alstom key engineering deployment sites
Alstom key R&D sites
Major Joint Ventures

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Signalling franchise set for high-single digit growth

**SIGNALLING BUSINESS PROFILE**

**FY2022/23:**
- Backlog 7.5bn€
- Orders 2.9bn€
- Sales 2.4bn€

**Contracts:**
- Typical small size; < 2 years
- Few > 100m€; 3 - 5 years

**Cash:**
- Low downpayments
- Electronics inventories
- Positive working capital

**PROFITABILITY IMPROVEMENT LEVERS**

**BUSINESS DEVELOPMENT LEVERS**
- Small orders boost
- Selectivity
- High Single Digit growth pattern o/w services fast development
- Harvesting customer long term relationship
- Increased share of contract indexation

**OPERATIONAL LEVERS**
- Increase Best-Cost vs. High-Cost countries engineering content
- Scaling effect on R&D & Convergence roadmap
  - Cost of labor
  - Productivity
  - Access to digital skills
  - Decreasing R&D Intensity

**HEADWINDS MONITORING**

**ELECTRONIC COMPONENT CRISIS**
- Improving, backlog to be delivered

**SUPPLY CHAIN**
- Business continuity favored over cash optimization

**INFLATION**
- (salaries & raw materials)
  - Largely mitigated

---

**FRANCHISE GEARED TO REACH DOUBLE DIGIT PROFITABILITY OVER NEXT 3 YEARS**
Systems commercial success driving double digit growth

INCREASING VISIBLE PIPELINE OF OPPORTUNITIES

Volume of visible & addressable opportunities

<table>
<thead>
<tr>
<th>Year</th>
<th>2018-2022</th>
<th>2023-2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunities</td>
<td>3-6 bn€ /y</td>
<td>8-10 bn€ /y</td>
</tr>
</tbody>
</table>

STRONG ALSTOM POSITIONING

ALSTOM LEADING PLAYER AMONG THE 3 GLOBAL PLAYERS

TOP 3 PLAYERS MARKET SHARE OVER ALSTOM VISIBLE OPPORTUNITIES IN RECENT YEARS
> >65%

“KEEP BEING THE BEST-IN-CLASS SYSTEM PROVIDER TO BE SELECTED AS THE BEST PARTNER”

- Proven delivery track-record
- Unique vertical integration from system level to all key sub-systems
- Technology & competitiveness

SYSTEMS BUSINESS PROFILE

FY2022/23:
- Backlog 6.3bn€
- Orders 1.0bn€
- Sales 1.5bn€

Very large projects business
- Several hundred millions to > €1bn
- 5-7 years execution

Profitable enabler
- Low R&D, low Capex
- Operations and Maintenance enabler

Cash generator
- Well – financed contracts
- Negative working capital

... WITH STRONG HIGH SINGLE DIGIT PROFITABILITY

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03

An Innovation leader
Sustainable Mobility at the heart of Alstom's business

SUSTAINABILITY ISSUES

THE TRAIN IS ONE OF THE LEAST EMITTING MODES OF TRANSPORT

Potential Global Temperature Increases by end of the century

2.5-2.9°C Expected based on current policies & actions
2.6°C Likely to be reached based on current commitments
1.5°C Maximum increase targeted
1.1°C Temperature increase today

Transport generates 27% of CO₂ emissions from energy use

Average GHG emissions for powered transportation modes (gCO₂/pkm)

- Rail: 19 gCO₂/pkm
- Thermal 2 & 3 wheels: 39 gCO₂/pkm
- Bus: 63 gCO₂/pkm
- +1,000 km flights: 123 gCO₂/pkm
- Thermal car: 148 gCO₂/pkm

Accelerating Innovation

GREEN TRACTION

LEVERAGE TECHNOLOGICAL ADVANTAGE

IPCEI on H2

DIGITAL

Cybersecurity
Train autonomy

BEST-IN-CLASS IN ALL GEOGRAPHIES

NEW PLATFORMS

High Speed, Urban

GET READY FOR DEMAND INCREASE

BOOST PORTFOLIO WITH MOST INNOVATIVE SOLUTIONS

R&D investment to reach 3.5% of sales in FY 2023/24
A true pioneer with significant investment capabilities

A sustained R&D effort¹

R&D
c.3.5% of sales

SALES²
by FY 2024/25

10,127 patents and growing

7,100+ digital engineers

… to extend innovation leadership in 3 areas

GREEN MOBILITY
“Lead societies to a low carbon future”

GREEN TRACTION
HYDROGEN

SMART MOBILITY
“Make mobility simple to operate and ride”

ON BOARD COMPUTER
PREDICTIVE MAINTENANCE

INCLUSIVE AND HEALTHIER MOBILITY™
“Create mobility solutions that all people can enjoy riding”

CLEAN SURFACES
PASSENGER EXPERIENCE

1. Covering entire Alstom R&D spend (protect the core, expand the reach, develop the growth engines) 2. Net EBIT Impact R&D expenses
Significant investment in R&D to bring best solutions to our customers

**ENERGY EFFICIENCY**
- Avelia Horizon tests

**PASSENGER EXPERIENCE**
- Smart lighting
- Atlas 400 in Traxx
- Coradia Stream ext.

**GREEN TRACTION**
- H2 distance world record
- OBES for Light Rail
- IPCEI financing H2

**CYBERSECURITY**
- AGATE 4 upgrade

**CORE PRODUCT RANGE COVERAGE**
- OBES for Light Rail
IPCEI H2 financing strengthens Alstom leadership on Green Traction technologies

- **350 M€ subsidies covering 4 projects**

- **H2 Traction Bricks**
- **H2 Power Car**
- **H2 Tender**
- **H2 Shunting**

- Boost H2 solutions development
- About 5 years projects
- Comprehensive program financing including prototypes and pre-series
A sustained pace of innovation introduced in customer projects

ACCELERATE DIGITALIZATION

Implement innovations on a major customer contract

Delhi-Meerut project illustration:
- Most advanced ERTMS solutions
- Hardware/software decoupling in operations

BERTMS Hybrid Level 3
(Delhi Meerut, India)

-40% travel time

CYBERSECURITY BECOMING SYSTEMATIC ON OFFERS
from 20 to 140 live projects over last 5 years

LATEST PRODUCTS GENERATION > DESIGNED FOR CYBERSECURITY
INSTALLED BASE > HARDENING STRATEGY
SERVICES TO CUSTOMERS > SUPPORT CYBER TRANSFORMATION & OPERATIONS

Lead RAILWAY CYBER STANDARDS design
(CENELEC, IEC)
Leverage PARTNERSHIPS

~350 rail CYBER EXPERTS

E18-19 19-20 20-21 21-22 22-23 23-24 24-25

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CSR at the heart of Alstom’s DNA
EU Taxonomy Alignment – our contribution to decarbonisation of transport

Strong results

**Sales**
- Alignment: 59%
- Eligibility: 100%

**CapEx**
- Alignment: 54%
- Eligibility: 100%

**OpEx**
- Alignment: 47%
- Eligibility: 100%

Source: Alstom benchmark based on public disclosure as of April 25, 2023
Four priorities to make the world more sustainable

Enabling decarbonisation of mobility

• Develop energy-efficient and eco-designed solutions leveraging digital technologies
• Lead innovation for energy transition in rail and beyond
• Use renewable energy in our factories to decrease carbon footprint

Acting as a responsible business partner

• Deploy sustainable sourcing as the cornerstone of our value chain
• Achieve the highest standards of integrity

Creating a positive impact on society

• Support local socio-economic development where we are present
• Develop corporate citizenship through community investment and Alstom Foundation projects

Caring For our people

• Position Health & Safety as utmost priority for all, targeting zero severe accidents
• Cultivate inclusion as a key Alstom value focusing on gender and cultural diversity
## Positive progress on Commitments to Society

### KPIs

<table>
<thead>
<tr>
<th>ENABLING decarbonisation of mobility</th>
<th>March 2023</th>
<th>Target March 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy reduction in solutions¹</td>
<td>23.4%</td>
<td>25.0%</td>
</tr>
<tr>
<td>Electricity supply from renewables</td>
<td>57%</td>
<td>100%²</td>
</tr>
<tr>
<td>% of newly-developed solutions eco-designed</td>
<td>65%</td>
<td>100%</td>
</tr>
<tr>
<td>% of circular (recycled) content in newly-developed trains</td>
<td>22.5%</td>
<td>25.0%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CARING for our people</th>
<th>March 2023</th>
<th>Target March 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total recordable injury rate</td>
<td>1.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Learning culture: hours per year and employee</td>
<td>22.2</td>
<td>22.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CREATING a positive impact on society</th>
<th>March 2023</th>
<th>Target March 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beneficiaries per year from local actions and Alstom foundation</td>
<td>299,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Countries with CSR Label (AFNOR)</td>
<td>7</td>
<td>12</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ACTING as a responsible business partner</th>
<th>March 2023</th>
<th>Target March 2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers monitored or assessed on CSR and E&amp;C standards according to their level of risk</td>
<td>74%</td>
<td>100%</td>
</tr>
<tr>
<td>Suppliers trained in sustainability and CSR</td>
<td>202</td>
<td>500</td>
</tr>
</tbody>
</table>

### Several 2025 targets already achieved

1 Compared to 2014
2 By December 2025
Commitment to Net-Zero Carbon in value chain by 2050

Carbon inventory

Scope 1&2
~1% (179 kTCO2e)
- Fossil Fuel
- Electricity

Scope 3 Solutions
~85% (39 MTCO2e)
- Use of Sold Products

Scope 3 Supply Chain
~15% (6.68 MTCO2e)
- Purchased goods & services
- Transportation

The Science Based Targets initiative (SBTi) has approved Alstom’s near-term science-based emissions reduction targets on our direct emissions (Scope 1&2) and our indirect emissions (Scope 3) from Sold Products towards 2030/31.
Outlook of reduction levers towards CO2 targets

**ENABLING DECARBONISATION OF MOBILITY**

<table>
<thead>
<tr>
<th>Scope 3 – Supply chain</th>
<th>Scope 1 &amp; 2 - Alstom sites</th>
<th>Scope 3 – Sold products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moving towards a low carbon Supply chain</td>
<td>Decarbonising our operations</td>
<td>Enabling the transition to sustainable mobility solutions</td>
</tr>
<tr>
<td>Change management</td>
<td>Energy Efficiency of sites</td>
<td>placing energy-efficient electrical rail solutions at the heart of our portfolio</td>
</tr>
<tr>
<td>Suppliers engagement</td>
<td>Renewable Electricity supply</td>
<td>Low carbon technology &amp; circular economy</td>
</tr>
<tr>
<td>Low carbon technology &amp; circular economy</td>
<td>Production renewable electricity</td>
<td>Energy performance &amp; Ecodesign</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Green R&amp;D</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Clients engagement</td>
</tr>
</tbody>
</table>
A glimpse of where Alstom is making difference

Hesop™ reversible substation power converters for reuse of energy from braking mode

Solar panels at Trapaga factory, Spain

World’s first hydrogen-powered Coradia iLint™ train entered passenger service in 2018

On-board battery energy storage systems for new or retrofitted trains for zero emissions on non-electrified lines

Solar panels at Sri City factory, India

Conversion of AGC dual mode trains to battery-electric

Avelia Horizon™ offers more capacity and less energy consumption from eco-design

Metropolis™ metros with high recyclability of all materials and low-weight design

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Caring for our people

Health and Safety, unconditionally

- Committed to zero severe accident and to protecting all employees and contractors
  - Longstanding safety program for high-risk activities
  - Fostering EHS culture through safety training and awareness

- New Health (incl. mental health) and Wellbeing programme roll-out

- Work life balance providing a flexible workplace for everyone

Cultivating diversity and inclusion

- Supporting gender balance, disability inclusion, cultural diversity, (encouraging female hiring, managing attrition, preventing discrimination & harassment etc.)

- Certified GLOBAL Top Employer, and recognised D&I performance

- Committed to providing high quality learning for all employees to grow and develop
Creating a positive impact on society

Investing in local economies

Alstom in North America:
- builds the Next Generation of High-Speed trainsets for the Northeast Corridor of the US (Amtrak project)
- materials from around 200 suppliers in 27 states
- 40% of the $590 million investment went to Small & Disadvantaged Business Enterprises.

Alstom South Africa:
- purchased about €200 million of goods and services over 2021/22
- 79% of which are from South African suppliers (over 500 suppliers)
- >9,000 jobs supported in South Africa.

Contributing to communities
- Local action plans to support charities and education for countries with +200 employees
- 299,000 beneficiaries from local actions and the Alstom Foundation in FY 2022/23

Environmental protection | Access to energy and water | Access to mobility | Economic, social development & support
Acting as a responsible business partner

Value Chain built on shared values through Sustainable procurement

- 60% of Alstom products costs purchased

- Working collaboratively with suppliers to improve CSR performance:
  - 96% of purchase amount covered by suppliers\(^1\) having signed the Ethics and Sustainable Development Charter\(^2\)
  - 62%\(^3\) of total purchase volume covered by online assessments, on-site audits or screening as per level of risks
  - Supplier development through training

- Vigilance plan as per French Law “Duty of Vigilance”

Highest integrity standards

- Focused Ethics and Compliance committee of the Board of Directors

- A broad approach covering competition and corruption risks (code of ethics, training, …)

- Worldwide Ambassador network of 460 E&C ambassadors to spread Alstom’s culture of integrity

- Alstom Alert Procedure allowing any employee or third party to report, according a violation of the Code of Ethics or Alstom rules and policies

1. Suppliers with whom Alstom has a spending exceeding €100,000, excluding the charters included in the general conditions of purchase 2. including EHS and Eco Design strategy.

Renewal ISO 37001 Certificate for all regions until 2023

June 2019
Strong sustainable rating profile by main agencies

- **MSCI**
  - AA rating

- **CDP**
  - B-rating on climate change
  - 72/100 score

- **S&P Global**
  - Industry leader score 19 (lower better)

- **SUSTAINALYTICS**
  - 70/100 score

- **Moody’s ESG Solutions**
  - Platinum rating 74/100 score

- **ecovadis**
  - Prime status with B-rating

Presence in ESG index

- **Member of Dow Jones Sustainability Indices**
  - 12th consecutive year, top 5% in industry

- **Euronext**
  - Member of CAC40 ESG

- **CAC SBT 1.5**
  - Member of the new SBTI ESG index launched in Jan 23

First railway manufacturer to obtain the label 'Committed to CSR' ('Engagé RSE') on ISO 26000 from AFNOR
05

FY 2022/23 Group performance
Market potential confirmed on all product lines: > €220bn until FY 2025/26

- **€36bn AMERICAs**
  - CANADA
    - RER Toronto
    - Urban projects: Quebec, Philadelphia
  - AMERICAs
    - €36bn
    - +3%¹

- **€105bn EUROPE**
  - EUROPE: Rolling stock and ETCS in DACH, Regional trains in Italy, Romania, Nordics
  - €105bn
  - +5%¹

- **€53bn APAC**
  - APAC
    - €53bn
    - x2¹
  - Growth across all countries and product lines
    - Landmark award in Philippines, Dynamic market in India & Australia

- **€26bn AMECA**
  - AMECA
    - €26bn
    - +37%¹
  - LATIN AMERICA
    - Brazil, Mexico
  - AFRICA and MIDDLE EAST
    - Israel, Abijan Metro, Saudi Arabia

- Frame agreements
  > €13bn options to be exercised within frame agreements

Acceleration of market momentum with €120bn of opportunities in the next 18 months

1. Compared to March 2022

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Solid order intake supporting trajectory

ORDERS FY 2022/23 (in €bn)

- > €40bn orders since merger
- Book-to-bill 1.25, backlog above €87bn

- Margin and cash on order intake supporting short and mid-term trajectory
Strong sales progress, driven by Systems and Services

SALES FY 2022/23 (in €bn)

<table>
<thead>
<tr>
<th>Product Lines</th>
<th>FY 2021/22</th>
<th>FY 2022/23</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROLLING STOCK</td>
<td>€15.5</td>
<td>€16.5</td>
<td>+7%</td>
</tr>
<tr>
<td>SERVICES</td>
<td>€3,817m</td>
<td>+12% vs FY 2021/22</td>
<td></td>
</tr>
<tr>
<td>SIGNALLING</td>
<td>€2,430m</td>
<td>+7% vs FY 2021/22</td>
<td></td>
</tr>
<tr>
<td>SYSTEMS</td>
<td>€1,476m</td>
<td>+28% vs FY 2021/22</td>
<td></td>
</tr>
</tbody>
</table>

*Growth across all regions notably from Americas, Asia-Pacific and Africa – Middle-East*
Strong commercial momentum driving sales and aEBIT trajectory

<table>
<thead>
<tr>
<th></th>
<th>FY 2021/22</th>
<th>FY 2022/23</th>
<th>Evolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>15,471</td>
<td>16,507</td>
<td>+7%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>(13,323)</td>
<td>(14,182)</td>
<td>+6%</td>
</tr>
<tr>
<td><strong>Adjusted Gross Margin before PPA(^1)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As a % of sales</td>
<td>2,148</td>
<td>2,325</td>
<td>+20bps</td>
</tr>
<tr>
<td>Research and development expenses before PPA(^2)</td>
<td>(530)</td>
<td>(519)</td>
<td>(2)%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>3.4%</td>
<td>3.1%</td>
<td></td>
</tr>
<tr>
<td>Selling &amp; Administrative expenses</td>
<td>(996)</td>
<td>(1,096)</td>
<td>+10%</td>
</tr>
<tr>
<td>As a % of sales</td>
<td>6.4%</td>
<td>6.6%</td>
<td></td>
</tr>
<tr>
<td>Net interest in equity investees pickup(^3)</td>
<td>145</td>
<td>142</td>
<td>(2)%</td>
</tr>
<tr>
<td><strong>Adjusted EBIT (^1)</strong></td>
<td>767</td>
<td>852</td>
<td>+11%</td>
</tr>
<tr>
<td><strong>Adjusted EBIT margin(^1)</strong></td>
<td>5.0%</td>
<td>5.2%</td>
<td>+20bps</td>
</tr>
</tbody>
</table>

1. Definition in Appendix
2. Excluding €(61) million of amortisation expenses of the purchase price allocation of Bombardier Transportation.
3. Definition in Appendix. This mainly includes Chinese joint ventures.

\(^1\) As a % of sales

\(^2\) As a % of sales

\(^3\) As a % of sales
Profitability bridge FY 2021/22 to FY 2022/23

**aEBIT (in %)**

- **aEBIT FY 2021/22**: 5.0%
- **Synergies**: 60bps
- **Non-performing sales**: 20bps
- **Volume and mix**: 30bps
- **Macro / Inflation**: (90) bps
- **aEBIT FY 2022/23**: 5.2%

In line with guidance provided.
Inflation peak in FY2022/23
Strong action plan in place, impact moderating thereafter

**IMPACT ON MARGIN ON FY 2022/23 AND ONWARDS**

<table>
<thead>
<tr>
<th>FY 2022/23</th>
<th>FY 2023/24</th>
<th>FY 2025/26</th>
</tr>
</thead>
<tbody>
<tr>
<td>90 bps</td>
<td>70 – 80 bps</td>
<td>&lt; 40bps</td>
</tr>
</tbody>
</table>

**MAIN LEVERS**

**Backlog indexation**
- 71% of cost base

**Labor**
- 35% of cost base

**Suppliers (inc. Energy & Raw materials)**
- 65% of cost base

- Continuous increase in backlog indexation
- Salary negotiations completed
- Increasing Best Cost Countries (+7% over next years)
- Deployment of back-to-back with suppliers on indexation
- Energy savings & hedging
## aEBIT to Net Income

### (in € million)

<table>
<thead>
<tr>
<th></th>
<th>FY 2021/22</th>
<th>FY 2022/23</th>
<th>Evolution</th>
</tr>
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<tr>
<td><strong>Adjusted EBIT</strong></td>
<td>767</td>
<td>852</td>
<td>+11%</td>
</tr>
<tr>
<td><strong>Adjusted EBIT margin</strong></td>
<td>5.0%</td>
<td>5.2%</td>
<td>+20bps</td>
</tr>
<tr>
<td>Restructuring and rationalisation costs</td>
<td>(138)</td>
<td>(65)</td>
<td>(53)%</td>
</tr>
<tr>
<td>Integration, acquisition and other costs</td>
<td>(209)</td>
<td>(279)</td>
<td>+33%</td>
</tr>
<tr>
<td>Reversal of net interest in equity investees pickup¹</td>
<td>(145)</td>
<td>(142)</td>
<td>(2)%</td>
</tr>
<tr>
<td><strong>EBIT before PPA and impairment</strong></td>
<td>275</td>
<td>366</td>
<td>+33%</td>
</tr>
<tr>
<td>Financial results</td>
<td>(25)</td>
<td>(103)</td>
<td>x3.1</td>
</tr>
<tr>
<td>Tax results</td>
<td>(68)</td>
<td>(70)</td>
<td>+3%</td>
</tr>
<tr>
<td>Share in net income of equity investees</td>
<td>(334)</td>
<td>123</td>
<td>-</td>
</tr>
<tr>
<td>Minority interests from continued op.</td>
<td>(21)</td>
<td>(24)</td>
<td>+14%</td>
</tr>
<tr>
<td><strong>Adjusted Net profit²</strong></td>
<td>(173)</td>
<td>292</td>
<td>-</td>
</tr>
<tr>
<td>PPA net of tax</td>
<td>(403)</td>
<td>(420)</td>
<td>(4)%</td>
</tr>
<tr>
<td><strong>Net Profit - Continued operations, Group share</strong></td>
<td>(576)</td>
<td>(128)</td>
<td>-</td>
</tr>
</tbody>
</table>

1 This mainly includes Chinese joint-ventures
2 Definition in appendix

- Integration costs €181m
- Legal fees €43m
- Remedies €30m
- FX / hedge and fees + €35m
- Net effect of interest rates + €35m
- ETR 27%
- Stability on Chinese JVs.

FY2021/22: TMH impairment for €441m
Free Cash-flow of c. €200m driven by profit increase

From EBIT* to Free Cash Flow (in € million)

<table>
<thead>
<tr>
<th>Category</th>
<th>Value (€ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT*</td>
<td>441</td>
</tr>
<tr>
<td>D&amp;A</td>
<td>366</td>
</tr>
<tr>
<td>Capex</td>
<td>(289)</td>
</tr>
<tr>
<td>R&amp;D capitalised</td>
<td>(142)</td>
</tr>
<tr>
<td>Change in Working Capital</td>
<td>(219)</td>
</tr>
<tr>
<td>Financial Cash Out</td>
<td>114</td>
</tr>
<tr>
<td>Tax Cash Out</td>
<td>(130)</td>
</tr>
<tr>
<td>JVs dividends</td>
<td>89</td>
</tr>
<tr>
<td>Others, o/w:</td>
<td></td>
</tr>
<tr>
<td>Share-based payments</td>
<td>€66m</td>
</tr>
<tr>
<td>Remedies</td>
<td>€30m</td>
</tr>
<tr>
<td>FY 2022/23 FCF</td>
<td>199</td>
</tr>
</tbody>
</table>

* EBIT Before PPA and impairment

1 Change in Working Capital for €(219)m corresponds to the €(167) million changes in working capital resulting from operating activities disclosed in the consolidated financial statements from which the €(12) million variations of restructuring provisions and €(40)m of variation of Tax working capital have been excluded.
## Working Capital evolution reflecting activity growth

### Table: Working Capital Evolution

<table>
<thead>
<tr>
<th></th>
<th>31 March 2022</th>
<th>31 March 2023</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract assets</td>
<td>3,846</td>
<td>4,533</td>
<td>+687</td>
</tr>
<tr>
<td>Inventories</td>
<td>3,274</td>
<td>3,729</td>
<td>+455</td>
</tr>
<tr>
<td>Contract liabilities</td>
<td>(6,155)</td>
<td>(6,781)</td>
<td>(626)</td>
</tr>
<tr>
<td>Trade payables</td>
<td>(3,323)</td>
<td>(3,640)</td>
<td>(317)</td>
</tr>
<tr>
<td>Trade receivables</td>
<td>2,747</td>
<td>2,670</td>
<td>(77)</td>
</tr>
<tr>
<td>Other current assets/liabilities</td>
<td>(1,972)</td>
<td>(2,175)</td>
<td>(203)</td>
</tr>
</tbody>
</table>

### Working Capital before provisions

<table>
<thead>
<tr>
<th></th>
<th>31 March 2022</th>
<th>31 March 2023</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>As a % of sales</td>
<td>(1,583)</td>
<td>(1,664)</td>
<td>(81)</td>
</tr>
</tbody>
</table>

### Provisions

<table>
<thead>
<tr>
<th></th>
<th>31 March 2022</th>
<th>31 March 2023</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Of which Risks on contracts</td>
<td>(2,403)</td>
<td>(2,221)</td>
<td>+182</td>
</tr>
<tr>
<td></td>
<td>(1,361)</td>
<td>(1,182)</td>
<td>+179</td>
</tr>
</tbody>
</table>

### Working Capital

<table>
<thead>
<tr>
<th></th>
<th>31 March 2022</th>
<th>31 March 2023</th>
<th>Variation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(3,986)</td>
<td>(3,885)</td>
<td>+101l</td>
</tr>
</tbody>
</table>

### Notes

- Overall evolution consistent with activity growth and production ramp-up
- Contract liabilities driven by healthy downpayments
- Other payables €1,439m vs €1,503m as of March 2022
- France change in VAT regulation impacting contract assets, Trade receivables and Other current liabilities, mainly non-cash
- Specific downpayment scheme at €198m vs €471m as of March 2022
- Suppliers with extended payment terms at €303m vs €324m as of March 2022
- Tax factoring €159m vs €167m as of March 2022

1. As per note 16, Total changes in working capital for €101m include €167m changes in working capital resulting from operating activities and €(66)m Others non-cash, mainly Forex.
Sound and stable liquidity position

(IN € MILLION)

4,787

- Undrawn Backstop RCF maturing Jan. 2028 with 1-year extension remaining
- Undrawn Liquidity RCF maturing Jan. 2026 with 1-year extension remaining
- Cash & equivalent
- NeuCP
- Short-term bank facility

31 March 2023

- No financial covenants on any debt
- €248m Neu CP as of March 2023 (vs. €250m as of March 2022 and €357m as of September 2022)

1. Negotiable European Commercial Papers.
2. €1,750 million Revolving Credit, extension at the lenders’ discretion. This facility is undrawn at March 2023 closing. €2,500 million Revolving Credit, extension at the lenders’ discretion. This RCF is a backstop to Neu CP programme.
Net debt evolution (in € million)

<table>
<thead>
<tr>
<th>31 March 2022 Net cash/(debt)</th>
<th></th>
<th>31 March 2023 Net cash/(debt)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(2,085)</td>
<td>FCF</td>
<td>(2,135)</td>
</tr>
<tr>
<td></td>
<td>Dividends (62)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leases (150)</td>
<td>Remedies, FX and others (37)</td>
</tr>
<tr>
<td></td>
<td>199</td>
<td></td>
</tr>
</tbody>
</table>

Net debt evolution (in € million)
Favorable long-term debt profile

OUTSTANDING BONDS (IN € MILLION)

- No financial covenants and fixed coupons on all bonds
- Favorable maturity profile given the current market conditions
- Baa3 rating with stable outlook, with no impact on financial trajectory

POSITIVE IMPACT OF INTEREST RATES

- Net liability reducing from €852m to €607m

Strong commitment of Alstom to Investment Grade rating
Trajectory and outlook
Improved backlog quality consistent with mid-term guidance

Sales from new orders booked since April 2021: €16.5bn
Sales from legacy backlog: €2.3bn
o/w sales trading at zero gross margin²:
- FY Sales 2022/23¹: €1.7bn
- FY Sales 2023/24¹: €1.0bn
- FY Sales 2024/25¹
- FY Sales 2025/26¹

Quality of order intake
- Margin on new orders within 8% - 10% aEBIT range
- Gross Margin in backlog on-track to progress at 50bps per annum

Gradual decrease of legacy backlog
- Ramp-down of low-margin Rolling Stock contracts and expected progressive improvement of legacy backlog contribution

Non-performing sales
- Trajectory of reduction post FY 2023/24 confirmed

Margin trajectory supported by improving backlog quality

Footnotes:
1 Bar chart for illustrative purpose, not at scale
2 Representing sales on projects with a negative margin at completion

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From improved sales mix to improved margin

**aEBIT (in %)**

- **aEBIT FY 2022/23:** 5.2%
- **Synergies:** 50-60 bps
- **Non-performing sales:** 20-30 bps
- **Improved indexation on backlog:** 10-20 bps
- **Volume & mix:** (30-40) bps
- **R&D acceleration:** ~6%
- **aEBIT FY 2023/24:** 80-90 bps
- **Synergies:** 60-70 bps
- **Non-performing sales:** 30-40 bps
- **Improved indexation on backlog:** 80-90 bps
- **Volume & mix, Optimization:** 60-70 bps
- **Mid-term Targets Reached in FY 2025/26:** 8% - 10%
### Cash trajectory – Momentum towards 80% conversion

#### SHORT-TERM DRIVERS

<table>
<thead>
<tr>
<th>Driver</th>
<th>FY 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ aEBIT increase</td>
<td>~€199m€</td>
</tr>
<tr>
<td>+ Reduction of Integration costs</td>
<td></td>
</tr>
<tr>
<td>- Financial and Tax</td>
<td></td>
</tr>
<tr>
<td>- Capex at 2% of sales</td>
<td></td>
</tr>
</tbody>
</table>

#### MID-TERM DRIVERS

<table>
<thead>
<tr>
<th>Driver</th>
<th>FY 2023/24</th>
<th>FY 2025/26</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ aEBIT increase</td>
<td></td>
<td></td>
</tr>
<tr>
<td>+ Reduction of Integration costs</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Working Capital:** ~€900m over 3 years.

- 60% from provisions (including restructuring)
- 40% from operational working capital

---

1 From Adjusted net profit.

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A sound credit profile by Moody’s

Baa3 rating outlook stable

- Last rating action on 2023/05/10:
  - Long term rating Baa3
  - Short-term rating P-3
  - Stable outlook

- Main rating drivers:
  - aEBIT margin
  - Leverage reduction
  - FCF generation and capital structure

Moody’s comments

- About Alstom’s business model: “...Alstom benefits from a defensive business model supported by favourable rail market fundamentals, good geographical and product diversification, a customer base of largely public entities and a record-high order backlog equivalent to five years of sales, which provides good revenue visibility. ...”

- About the rating position: “...Alstom's strong commitment to an investment-grade rating with a track record of a conservative financial policy (...) also support the rating.....”

Alstom is committed to maintain an IG rating
Composition of the Board of Directors

Henri Poupart-Lafarge
Chairman of the Board and Chief Executive Officer

Daniel Garcia Molina
Director representing the employees

Baudouin Prot
Independent Director

Yann Delabrière
Lead Independent Director

Gilles Guilbon
Director representing the employees

Sylvie Rucar
Independent Director

Bi Yong Chungunco
Independent Director

Sylvie Kandé de Beaupuy
Independent Director

Kim Thomassin
Permanent representative of CDPQ

Clotilde Delbos
Independent Director

Frank Mastiaux
Independent Director

Jay Walder
Independent Director

Benoit Raillard
Observer

Independence*: 80 %
Women*: 50 %
Foreign nationalities: 6

* Excluding board members representing employees
FY 2022/23 backlog per regions and product lines

**Backlog breakdown per regions (in € million)**

- **Europe**: €49,146m (56%)
- **Asia Pacific**: €12,191m (14%)
- **Americas**: €13,796m (16%)
- **Africa, Middle East & Central Asia**: €12,254m (14%)

**Backlog breakdown per product line (in € million)**

- **Rolling stock**: €42,806m (49%)
- **Services**: €30,741m (35%)
- **Signalling**: €7,510m (9%)
- **Systems**: €6,330m (7%)
Sales breakdown per regions (in € million)

- **Europe**: €9,936m (60%)
- **Americas**: €2,843m (17%)
- **Asia Pacific**: €2,378m (15%)
- **Africa, Middle East & Central Asia**: €1,350m (8%)

Sales breakdown per product line (in € million)

- **Rolling stock**: €8,784m (53%)
- **Services**: €3,817m (23%)
- **Signalling**: €2,430m (15%)
- **Systems**: €1,476m (9%)
## Sales by currency

<table>
<thead>
<tr>
<th>Currencies</th>
<th>FY 2022/23 as a % of sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>EUR</td>
<td>46.9%</td>
</tr>
<tr>
<td>USD</td>
<td>13.5%</td>
</tr>
<tr>
<td>GBP</td>
<td>12.0%</td>
</tr>
<tr>
<td>AUD</td>
<td>4.9%</td>
</tr>
<tr>
<td>INR</td>
<td>4.7%</td>
</tr>
<tr>
<td>ZAR</td>
<td>2.7%</td>
</tr>
<tr>
<td>SEK</td>
<td>2.6%</td>
</tr>
<tr>
<td>CAD</td>
<td>2.2%</td>
</tr>
<tr>
<td>SGD</td>
<td>1.4%</td>
</tr>
<tr>
<td>CHF</td>
<td>1.2%</td>
</tr>
<tr>
<td>MXN</td>
<td>1.2%</td>
</tr>
<tr>
<td>Currencies below 1% of sales</td>
<td>6.7%</td>
</tr>
</tbody>
</table>
Inflation parameters and mitigation actions

COST STRUCTURE

- Raw material: 7%
  - 67% of suppliers with escalation cap or fix & firm
- Energy: <1%
  - Limited exposure
- Labor: 35%
  - Salary increase negotiations for FY2022/23 completed
- Services: 5%
  - 67% of suppliers with escalation cap or fix & firm
  - Frame contracts signed

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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Equity in € million

- March 2022: 9,024
- Other movements in other comprehensive income: (132)
- Net income: (93)
- Dividends: 137 *
- Capital increase: 66
- Share based payment: 9,102

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

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## Bridge consideration – From Entreprise Value to Equity Value

### (in € million)

<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2022/23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Gross debt, incl. lease obligations</td>
<td>3,579</td>
</tr>
<tr>
<td>Pensions liabilities net of prepaid and deferred tax asset related to pensions</td>
<td>582</td>
</tr>
<tr>
<td>Non controlling interest</td>
<td>105</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>–826</td>
</tr>
<tr>
<td>Other current financial assets</td>
<td>–65</td>
</tr>
<tr>
<td>Other non-current financial assets</td>
<td>–56</td>
</tr>
<tr>
<td>Net deferred tax liability / (asset)</td>
<td>443</td>
</tr>
<tr>
<td>Investments in associates &amp; JVs, excluding Chinese JVs</td>
<td>123</td>
</tr>
<tr>
<td>Non-consolidated Investments</td>
<td>–82</td>
</tr>
<tr>
<td><strong>Bridge</strong></td>
<td>2,671</td>
</tr>
</tbody>
</table>

1. Long-term and short-term debt and Leases (Note 27), excluding the lease to a London metro operator for €119m due to matching financial asset (Notes 15 and 27)
2. As per Note 29 net of €(25)m of deferred tax allocated to accruals for employees benefit costs (Note 8)
3. As per balance sheet
4. As per balance sheet
5. Other non-current assets: Loans to Non-consolidated Investments for €29m and deposit on a US loan for €27m (Notes 15 and 27)
6. Deferred Tax asset and Liabilities - as per balance sheet net of €(25)m of deferred tax allocated to accruals for employees benefit costs (Note 8)
7. JVs - to the extent they are not included in equity pickup / FCF, ie excluding Chinese JVs.
8. Non-consolidated investments as per balance sheet
## Bombardier Transportation PPA provisional amortisation plan

<table>
<thead>
<tr>
<th></th>
<th>As per P&amp;L Booking ¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FY 2020/21</strong></td>
<td>(71)</td>
</tr>
<tr>
<td><strong>FY 2021/22</strong></td>
<td>(428)</td>
</tr>
<tr>
<td><strong>FY 2022/23</strong></td>
<td><strong>(436)</strong></td>
</tr>
<tr>
<td><strong>FY 2023/24</strong></td>
<td>(368)</td>
</tr>
<tr>
<td><strong>FY 2024/25</strong></td>
<td>(373)</td>
</tr>
<tr>
<td><strong>FY 2025/26</strong></td>
<td>(264)</td>
</tr>
<tr>
<td><strong>FY 2026/27</strong></td>
<td>(213)</td>
</tr>
<tr>
<td><strong>FY 2027/28</strong></td>
<td>(203)</td>
</tr>
<tr>
<td><strong>FY 2028/29</strong></td>
<td>(166)</td>
</tr>
<tr>
<td><strong>FY 2029/30</strong></td>
<td>(138)</td>
</tr>
<tr>
<td><strong>FY 2030/31</strong></td>
<td>(107)</td>
</tr>
<tr>
<td><strong>FY 2031/32</strong></td>
<td>(96)</td>
</tr>
<tr>
<td><strong>FY 2032/33</strong></td>
<td>(95)</td>
</tr>
<tr>
<td><strong>Beyond</strong></td>
<td>(189)</td>
</tr>
</tbody>
</table>

Higher than previously forecasted due to impairments in Germany

- The Gross PPA amortisation plan will be subject to FX evolution in future years or subject to potential impairments

---

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 2023

*(in € million)*

<table>
<thead>
<tr>
<th>Total Consolidaed Financial Statements (GAAP)</th>
<th>Adjustments</th>
<th>Total Consolidaed Financial Statements (MD&amp;A view)</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 March 2023</td>
<td>(1) (2) (3) (4)</td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>16,507</td>
<td>355</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>(14,541)</td>
<td>355</td>
</tr>
<tr>
<td>Adjusted Gross Margin before PPA &amp; impairment</td>
<td>1,866</td>
<td>355</td>
</tr>
<tr>
<td>R&amp;D expenses</td>
<td>(580)</td>
<td>61</td>
</tr>
<tr>
<td>Selling expenses</td>
<td>(375)</td>
<td>-</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(721)</td>
<td>-</td>
</tr>
<tr>
<td>Equity pick-up</td>
<td>-</td>
<td>142</td>
</tr>
<tr>
<td>Adjusted EBIT</td>
<td>290</td>
<td>416</td>
</tr>
<tr>
<td>Other income / (expenses)</td>
<td>(363)</td>
<td>29</td>
</tr>
<tr>
<td>Equity pick-up (reversal)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EBIT / EBIT before PPA &amp; impairment</td>
<td>(79)</td>
<td>416</td>
</tr>
<tr>
<td>Financial income (expenses)</td>
<td>(102)</td>
<td>-</td>
</tr>
<tr>
<td>Pre-tax income</td>
<td>(182)</td>
<td>416</td>
</tr>
<tr>
<td>Income tax Charge</td>
<td>(34)</td>
<td>(34)</td>
</tr>
<tr>
<td>Share in net income of equity-accounted investments</td>
<td>112</td>
<td>11</td>
</tr>
<tr>
<td>Net profit (loss) from continued operations</td>
<td>(104)</td>
<td>393</td>
</tr>
<tr>
<td>Net profit (loss) attributable to non controlling interests</td>
<td>(24)</td>
<td>(24)</td>
</tr>
<tr>
<td>Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss)</td>
<td>(128)</td>
<td>393</td>
</tr>
<tr>
<td>Purchase Price Allocation (PPA) &amp; impairment net of corresponding tax effect</td>
<td>-</td>
<td>(4)</td>
</tr>
<tr>
<td>Net profit (loss) from discontinued operations</td>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td>Net profit (Group share)</td>
<td>(132)</td>
<td>(27)</td>
</tr>
</tbody>
</table>

**Adjustments as of 31 March 2023:**

1. Impact of business combinations: amortisation of assets exclusively valued when determining the purchase price allocation (PPA), including net income of equity accounted investments, and including corresponding tax effect;

2. Impact of business combinations: impairment of assets exclusively valued when determining the purchase price allocation (PPA) linked to the restructuring plan in Germany (see Note 2.7 of the financial statements), including corresponding tax effect;

3. Impact of Aptis closure: recategorisation of operational results as non-recurring items following Alstom’s announced and planned discontinuation of Aptis activities;

4. Recategorisation 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 2022

<table>
<thead>
<tr>
<th>(in € million)</th>
<th>Total Consolidated Financial Statements (GAAP)</th>
<th>Adjustments</th>
<th>Total Consolidated Financial Statements (MD&amp;A view)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>31 March 2022</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>15,471</td>
<td>15,471</td>
<td></td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>(13,746)</td>
<td>357</td>
<td>46</td>
</tr>
<tr>
<td>Adjusted Gross Margin before PPA &amp; impairment (*)</td>
<td>1,725</td>
<td>357</td>
<td>46</td>
</tr>
<tr>
<td>R&amp;D expenses</td>
<td>(604)</td>
<td>74</td>
<td></td>
</tr>
<tr>
<td>Selling expenses</td>
<td>(154)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(642)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Equity pick-up</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>EBIT / EBIT before PPA &amp; impairment (*)</td>
<td>125</td>
<td>431</td>
<td>46</td>
</tr>
<tr>
<td>Pre-tax income</td>
<td>(281)</td>
<td>(46)</td>
<td>(20)</td>
</tr>
<tr>
<td>Income tax charge</td>
<td>(181)</td>
<td>431</td>
<td>-</td>
</tr>
<tr>
<td>Share in net income of equity-accounted investments</td>
<td>(347)</td>
<td>13</td>
<td>-</td>
</tr>
<tr>
<td>Net profit (loss) from continued operations</td>
<td>(555)</td>
<td>403</td>
<td>-</td>
</tr>
<tr>
<td>Net profit (loss) attributable to non controlling interests</td>
<td>(27)</td>
<td>(21)</td>
<td></td>
</tr>
<tr>
<td>Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss) (*)</td>
<td>(576)</td>
<td>403</td>
<td>-</td>
</tr>
<tr>
<td>Purchase Price Allocation (PPA) net of corresponding tax effect</td>
<td>-</td>
<td>(403)</td>
<td>-</td>
</tr>
<tr>
<td>Net profit (loss) from discontinued operations</td>
<td>(5)</td>
<td>(5)</td>
<td></td>
</tr>
<tr>
<td>Net profit (Group share)</td>
<td>(581)</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Adjustments as of 31 March 2022:

1. Impact of business combinations: amortisation & impairment of assets exclusively valued when determining the purchase price allocation (PPA), including net income of equity accounted investments, and including corresponding tax effect;

2. Impact of Aptis closure: recategorization of operational results as non-recurring items following Alstom’s announced and planned discontinuance of Aptis activities;

3. Recategorization of other operational costs to non-recurring items – none for the fiscal year 2021/22;

4. Recategorization of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group.
Contract and Completed Contract accounting

Illustration of a theoretical Rolling Stock contract

Design / homologation phase.
Fixed costs spend

Downpayment

Contract Cash curve

Industrial ramp-up

Deliveries, acceptance

Contract liability

Contract asset

Contract Margin recognized at % of Completion (costs to costs)

Completed contract accounting

Warranty provision

Completed contract accruals

Warranty phase
Reliability growth

Provisional Acceptance of last train

Time

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Contract accounting – P&L – Glossary

- **Revenue and Contract Margin** are recognized at the percentage of completion method based on Costs-to-Costs under IFRS15:

  - **Percentage of completion** (PoC) = Costs accumulated to date divided by Costs at completion
  - Cumulative sales to date = Selling Price at completion x PoC.
    - **Period Sales** = Cumulative Sales to date – cumulative sales at end of last period.
  - Contract Margin (CM) to date = CM at completion x PoC.
    - **Period CM** = Cumulative CM to date – cumulative CM at end of last period.

- **Selling Price (SP) and CM at completion** are reviewed for each project at least twice a year:
  - Changes in SP and / or CM at completion are recognized in P&L immediately so that cumulative P&L and related working capital balances (see next slides) always reflect the latest project review estimates.
  - If CM at completion is negative,
    - Losses to date (= negative CM at completion x PoC) are recognized in P&L + (if any) reversal of previously recognized positive margin
    - A provision for contract loss is recognized for the losses to come (provision = Negative CM at completion – Loss recognized to date)
    - At any further project review of a loss-making contract, the evolution of the loss (negative or positive) is immediately recognized in P&L, regardless the nature of the evolution (variation orders, operational improvements / degradations, penalties...).
**Contract Liabilities** are made of
- **Down-payments received** (upfront payment received at inception to finance the contract)
- **Deferred income on contracts**: when cumulative billing of the contract is exceeding cumulative trading (revenue recognized in the income statement) on Cost-to-Cost contracts.

**Contract Assets** are mainly **Unbilled income on contracts**: when cumulative trading (revenue recognized in the income statement) of the contract is exceeding cumulative billing\(^1\) on Cost-to-Cost (CtC) contracts.

- At any time, a contract is either in a **Net Contract Assets** or in a **Net Contract Liability** situation as seen in the illustrative chart.

- When a contract reaches **provisional acceptance of 100% of the quantity of trains as per the contract**, Sales and GM at completion are recognized at 100%, net contract liability is reclassed to **completed contract accruals** (within Other payables) representing activities to be completed after acceptance

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Other Working Capital items - Glossary

• **Inventories** are mainly raw materials and semi-finished goods. They are recognized when goods are received at the factory\(^1\). Inventories are transferred to Contract Assets / liabilities when they exit the warehouse and are entering the assembly line, then allocated to the contract accounting scheme.

• **Current Provisions** — are mainly:
  - **Warranty provisions (about 1/3 of total)** — provision created progressively at the delivery of each train. Mainly spare parts and warranty team at customer site.
  - **Provisions for risks on contracts (about 2/3) include** mainly provisions for contracts losses which are recognized when CM at completion becomes negative, corresponding to the portion of negative margin at completion still to be recognized through the P&L (see previous).

• **Non-Current Provisions** — are mainly for litigations, tax and environmental risks and restructuring provisions.

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\(^1\) Goods receipt triggers recognition of an Accounts Payable.
Other Working Capital items - Glossary

• **Other current operating assets** are mainly:
  • 40 to 50% represent B/S side of financial derivatives and hedged firm commitments not yet turned into a receivable
  • The remainder consists in
    • Taxes (VAT, CIT...)
    • Downpayment to suppliers
    • Prepaid expenses
    • Non-trade receivables

• **Other current operating liabilities** are mainly:
  • **Other payable (about 1/3 of total)** – are mainly completed contract accruals, representative of goods to be delivered or services to be rendered after the 100% provisional acceptance milestone is reached. In particular, reliability growth activities.
  • **Staff and associated liabilities (about 20% of total)** – mostly vacation accruals, social security payables...
  • Derivatives and hedged firm commitments / liability side (**about 1/3 of total**)
  • **AP with extended payment terms**: trade payables supported by the supply chain financing arrangement and exceeding regular payment terms
  • The remainder consists essentially in Taxes payable
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.

- **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.

- **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, Alstom Sifang (Qingdao) Transportation Ltd, Jiangsu ALSTOM NUG Propulsion System Co. Ltd. (former Bombardier NUG Propulsion) and Changchun Changke Alstom Railway Vehicles Company 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 “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.
Appendix - Non-GAAP financial indicators definitions (2/2)

- **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 net profit**

The “Adjusted Net Profit” indicator aims at restating the Alstom’s net profit from continued operations (Group share) to exclude the impact of amortisation & impairment of assets exclusively valued when determining the purchase price allocations (“PPA”) in the context of business combination, net of the corresponding tax effect.

- **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.

- **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 presentation 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.
Contacts & Agenda

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**AGENDA**

11 July 2023  
Shareholders’ assembly

25 July 2023  
Q1 Orders and Sales