Full Year Results Fiscal Year 2023/24

8 May 2024

ALSTOM
• mobility by nature •

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Agenda

Highlights
Henri Poupart-Lafarge, *Chairman and Chief Executive Officer*

FY 2023/24 financial results
Bernard Delpit, *Executive Vice-President and Chief Financial Officer*

Trajectory and Outlook
Henri Poupart-Lafarge, *Chairman and Chief Executive Officer*

1

Highlights

Henri Poupart-Lafarge

Chairman and Chief Executive Officer

FY 2023/24 results in line with guidance, with strong H2 cash generation

ORDERS
€18.9bn
Book-to-bill
1.1

SALES
€17.6bn
+7% (o/w 9% org)
vs FY 2022/23

aEBIT
€997m
+17%
vs FY 2022/23

FREE CASH FLOW
€(557)m
vs €199m
FY 2022/23

139 KtonCO2e
Scope 1+2 Emissions[2]
(39)% vs FY 2021/22

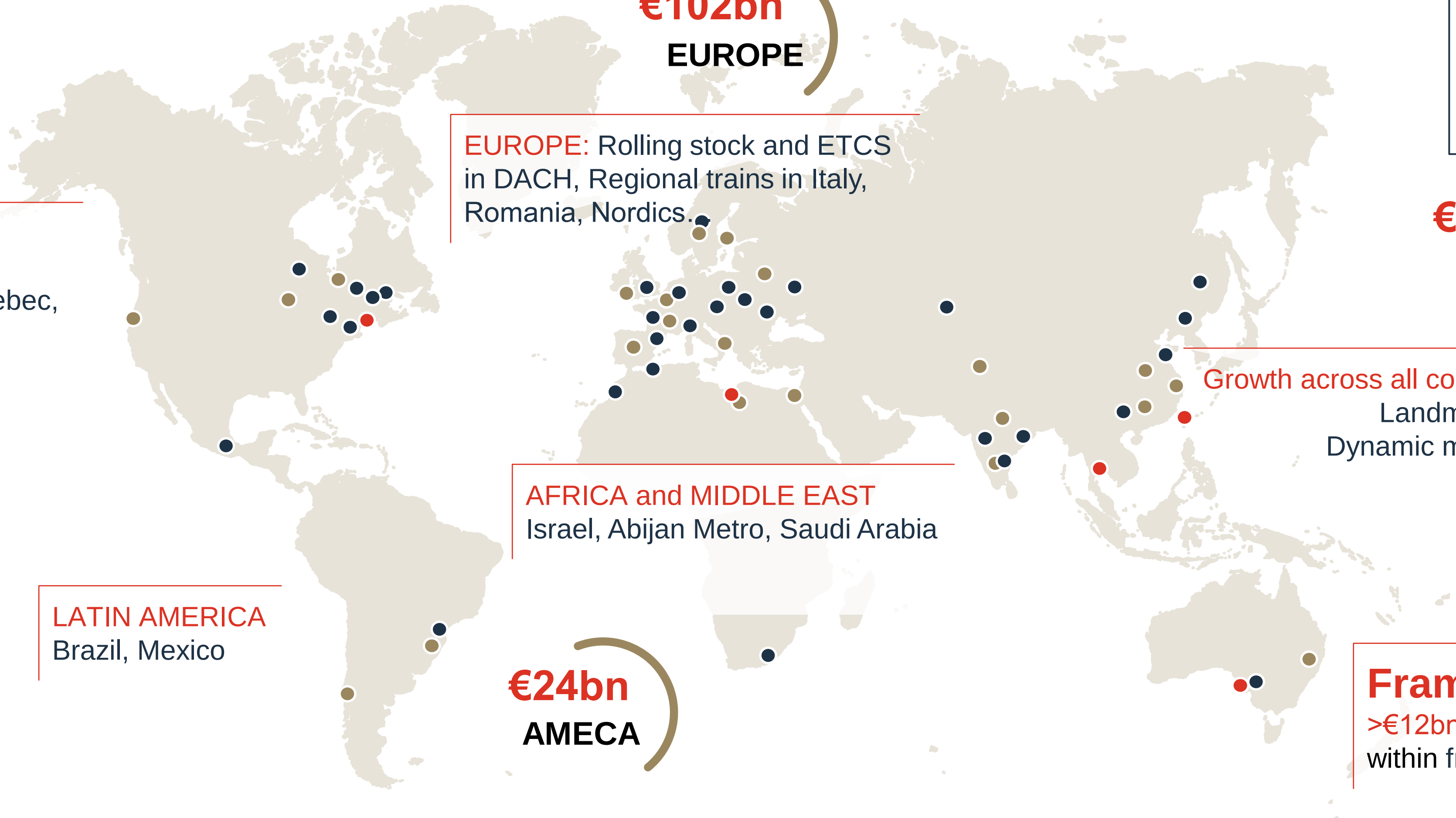
4.0 gCO2e/pass.km
Scope 3 Sold products
(13)% vs FY 2021/22

60 %
Taxonomy alignment on sales[1]
+1% vs FY 2022/23

24.7 %
Women in Management[3]
+0.8bp vs FY 2022/23

1. Figures unaudited
2. Environmental figures are reported on a calendar year basis: FY 2023/24 corresponds to 2023 calendar year. Based on last 12 Rolling Months.
3. Women in management and professional positions

Strong pipeline
~€190bn of three-year project pipeline reflecting selectivity strategy



€43bn
AMERICAS

NORTH AMERICA
RER Toronto
Urban projects: Quebec, Philadelphia

LATIN AMERICA
Brazil, Mexico

€102bn
EUROPE

EUROPE: Rolling stock and ETCS in DACH, Regional trains in Italy, Romania, Nordics.

€24bn
AMECA

AFRICA and MIDDLE EAST
Israel, Abijan Metro, Saudi Arabia

€19bn
APAC

Growth across all countries and product lines
Landmark award in Philippines,
Dynamic market in India & Australia

Frame agreements
>€12bn options to be exercised within frame agreements

H2 marked by major Services and Systems wins

€10.5bn of orders booked in H2 2023/24

Cross Country (MAINTENANCE- United Kingdom)

VLocity (MAINTENANCE- Australia)

AlUla (TRAMWAYS - Saudi Arabia)

Tel Aviv Green Line (TURNKEY- Tel Aviv)

Abidjan Metro (METRO & SYST – Ivory Coast)

MF19 (METRO - France)

Turning operational improvements into accelerated profit and cash generation

Alstom post-merger transformation is delivering results (FY 2023/24 vs FY 2020/21)

External demerit	**Divided by 4**
Manufacturing Throughput (# cars)	**+40%**
On-Time Delivery of rolling stock	**+27pp**
Client Net Promoter Score	**stable high level at 8.4**
Gross Margin in Backlog	**+150bps**

Company focused on securing cash and profit targets over the next three years

Reduce industrial inefficiencies
Reduce SG&A on sales by ~1pp
Reduce Inventories
Optimize indirect spend

Deleveraging plan being executed now

1.

Divestments

US Signalling and TMH

ca. €700m

2.

Equity-like

Hybrid bond

ca. €750m

3.

Capital raise

Rights issue

ca. €1bn

€2.4bn proceeds with €2bn deleveraging effect

2

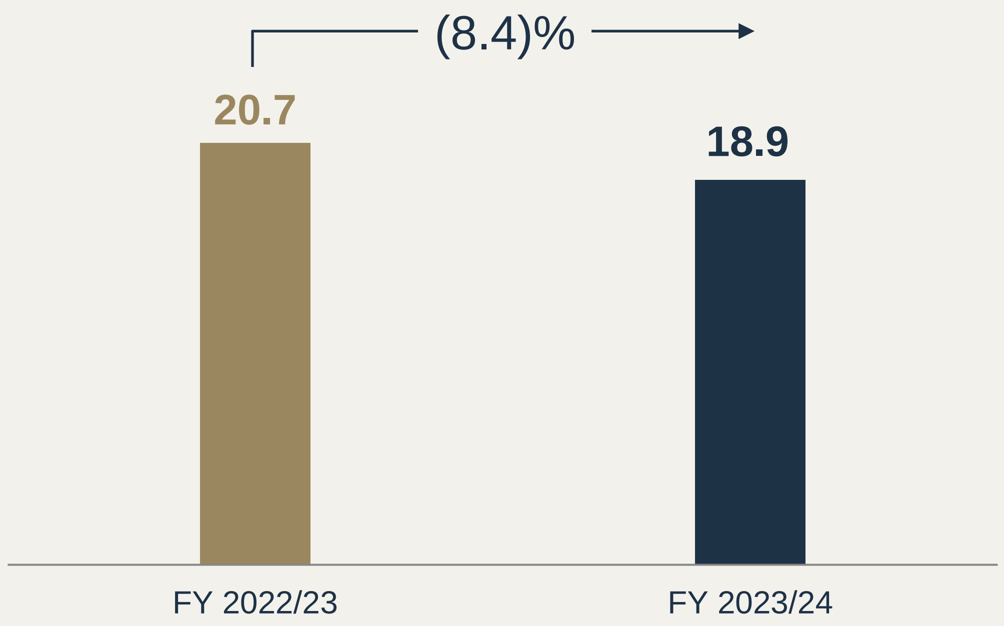
Financial Results

Bernard Delpit

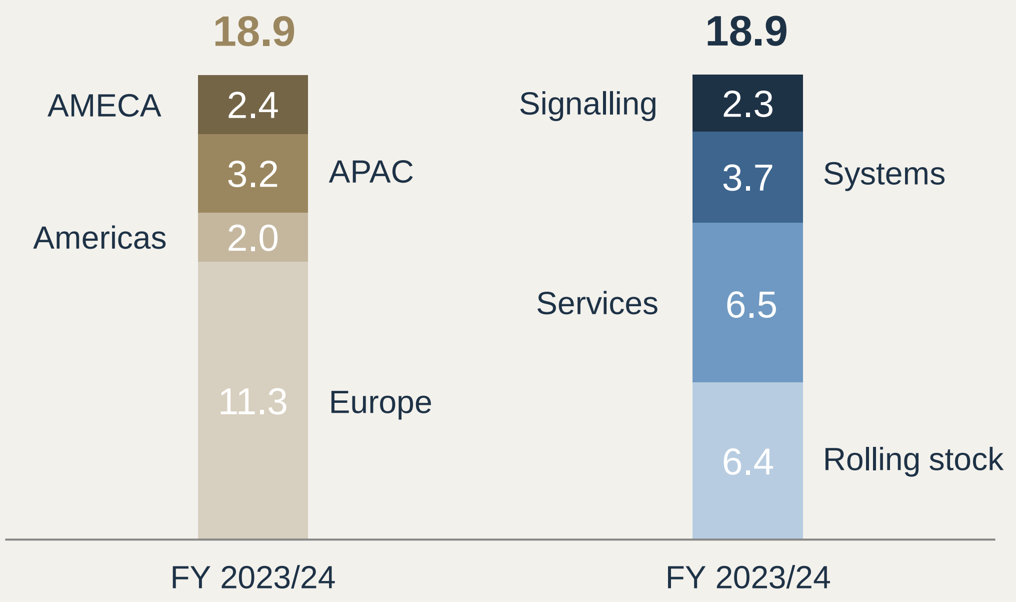
Executive Vice-President &
Chief Financial Officer

Quality order intake supporting trajectory

ORDERS FY 2023/24 (in €bn)



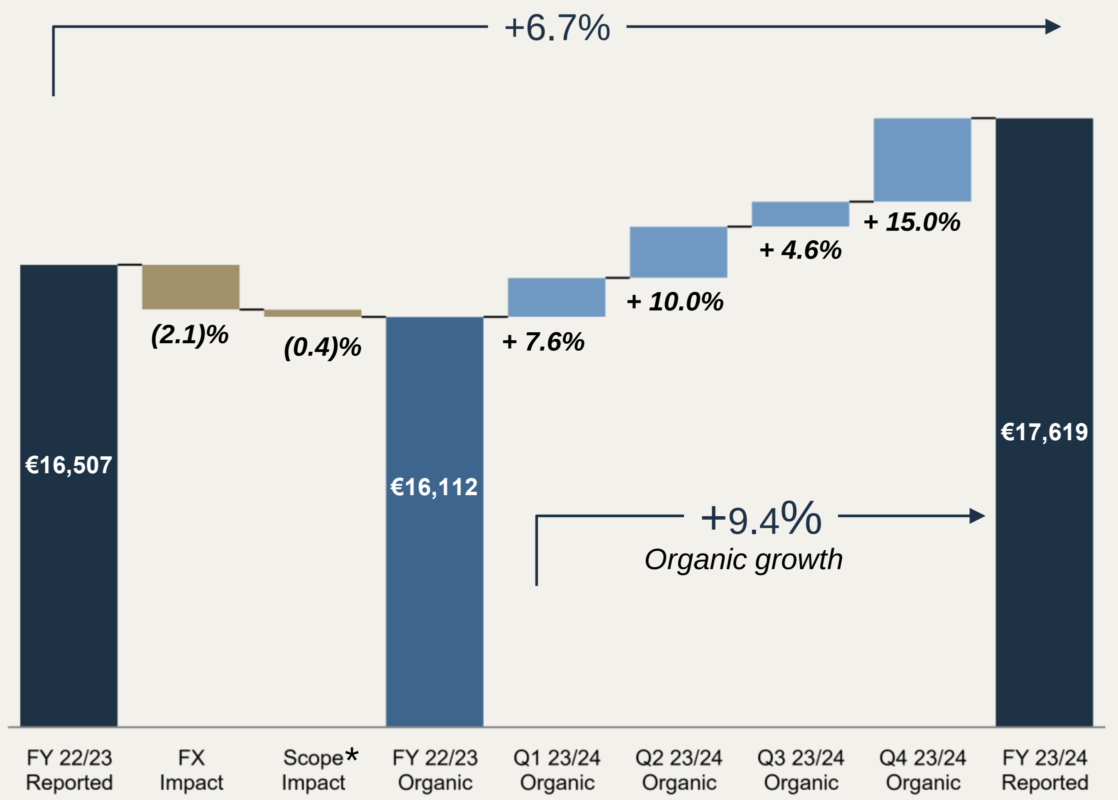
- > €60bn orders since merger
- Book-to-bill 1.1 and backlog at €92bn



- Margin and cash on order intake supporting short and mid-term trajectory

Strong end of the year on organic sales growth

SALES EVOLUTION (in € million)



** Mostly Rolling stock – disposal of Reichshoffen factory in France due to remedies process*

FY 2023/24 SALES SPLIT BY PRODUCT LINES

ROLLING STOCK: **€9,123m**
(+3.9% vs FY 2022/23, o/w 6.5% org)
Ramping up in France, Belgium and the US, solid level of execution in South Africa, India, and Europe

SERVICES: **€4,272m**
(+11.9% vs FY 2022/23, o/w 14.3% org)
Continuous ramp up in the UK, US and Italy, solid level of execution in Canada

SIGNALLING: **€2,646m**
(+8.9% vs FY 2022/23, o/w 11.8% org)
Consistent execution across all region especially in EU and APAC

SYSTEMS: **€1,578m**
(+6.9% vs FY 2022/23, o/w 9.3% org)
Mainly driven by good performance of Turnkey Systems projects in Mexico, Egypt and Canada

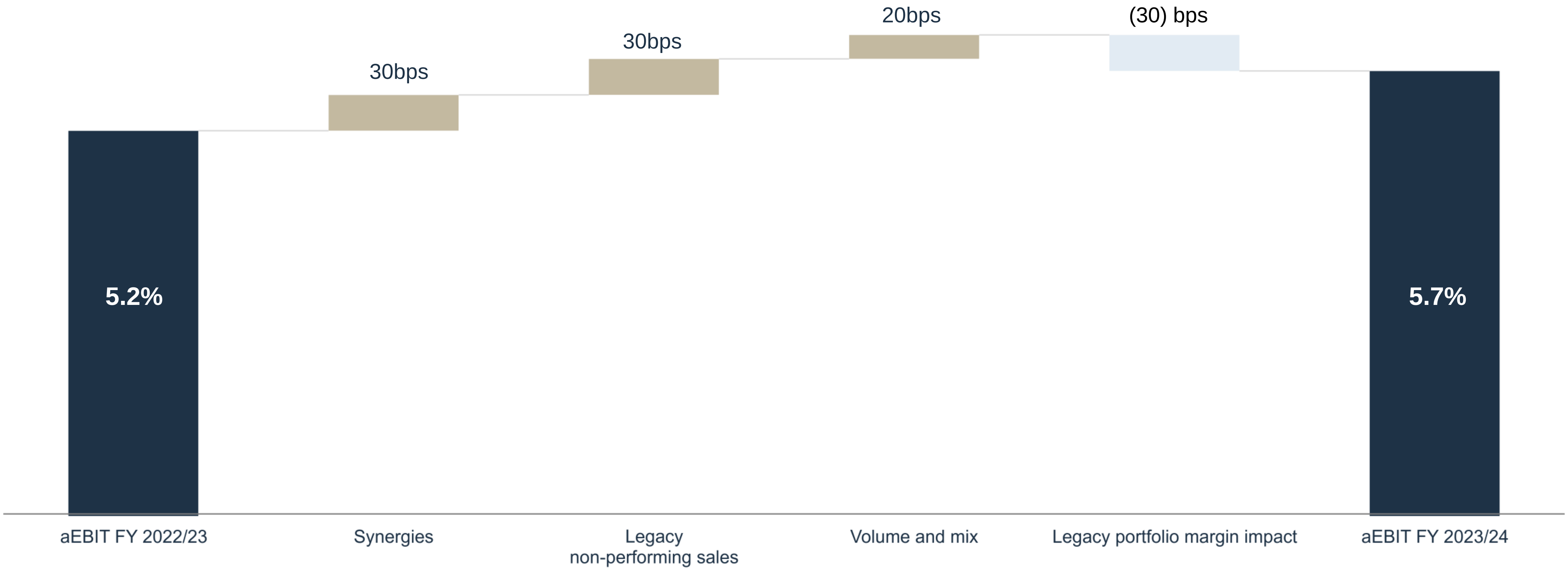
€1bn adjusted EBIT, up 17% year-on-year

(in € million)	FY 2022/23	FY 2023/24	*Evolution*
Sales	**16,507**	**17,619**	*+6.7%*
Cost of Sales	(14,182)	(15,096)	*+6.4%*
Adjusted Gross Margin before PPA[1] *As a % of sales*	**2,325** *14.1%*	**2,523** *14.3%*	*+20bps*
Research and development expenses before PPA[2] *As a % of sales*	(519) *3.1%*	(549) *3.1%*	*+5.8%*
Selling & Administrative expenses *As a % of sales*	(1,096) *6.6%*	(1,108) *6.3%*	*(30)bps*
Net interest in equity investees pickup[3]	142	131	*(7.7)%*
Adjusted EBIT [1]	**852**	**997**	*+17.0%*
Adjusted EBIT margin[1]	***5.2%***	***5.7%***	*+50bps*

1. Definition in Appendix
2. Excluding €(60) million of amortisation expenses of the purchase price allocation of Bombardier Transportation.
3. Definition in Appendix. This mainly includes Chinese joint-ventures

Margin trajectory delivered in line with guidance

aEBIT (in %)



Net income impacted by restructuring, Russia exit and financial costs

(in € million)	FY 2022/23	FY 2023/24	*Evolution*
Sales	**16,507**	**17,619**	*+6.7%*
Adjusted EBIT	**852**	**997**	*+17.0%*
Adjusted EBIT margin	***5.2%***	***5.7%***	*+50bps*
Restructuring and rationalization costs	(65)	(147)	*+126.2%*
Integration, impairments and other costs	(279)	(363)	*+30.1%*
Reversal of net interest in equity investees pickup[1]	(142)	(131)	*(7.7)%*
EBIT before PPA and impairment	**366**	**356**	*(2.7)%*
Financial results	(103)	(242)	*+135.0%*
Tax results	(70)	(33)	*(52.9)%*
Share in net income of equity investees	123	(7)	-
Minority interests from continued op.	(24)	(30)	*(25)%*
Adjusted Net profit[2]	**292**	**44**	-
PPA net of tax	(420)	(351)	*(16.4)%*
Net Profit - Continued operations, Group share	**(128)**	**(307)**	-

Of which SG&A plan €115m
Others: Europe €32m

Integration costs €142m - as per plan
Litigation and legal fees €118m
Consequential impact from restructuring for €36m
Impairments €30m[4], mainly Russia exit

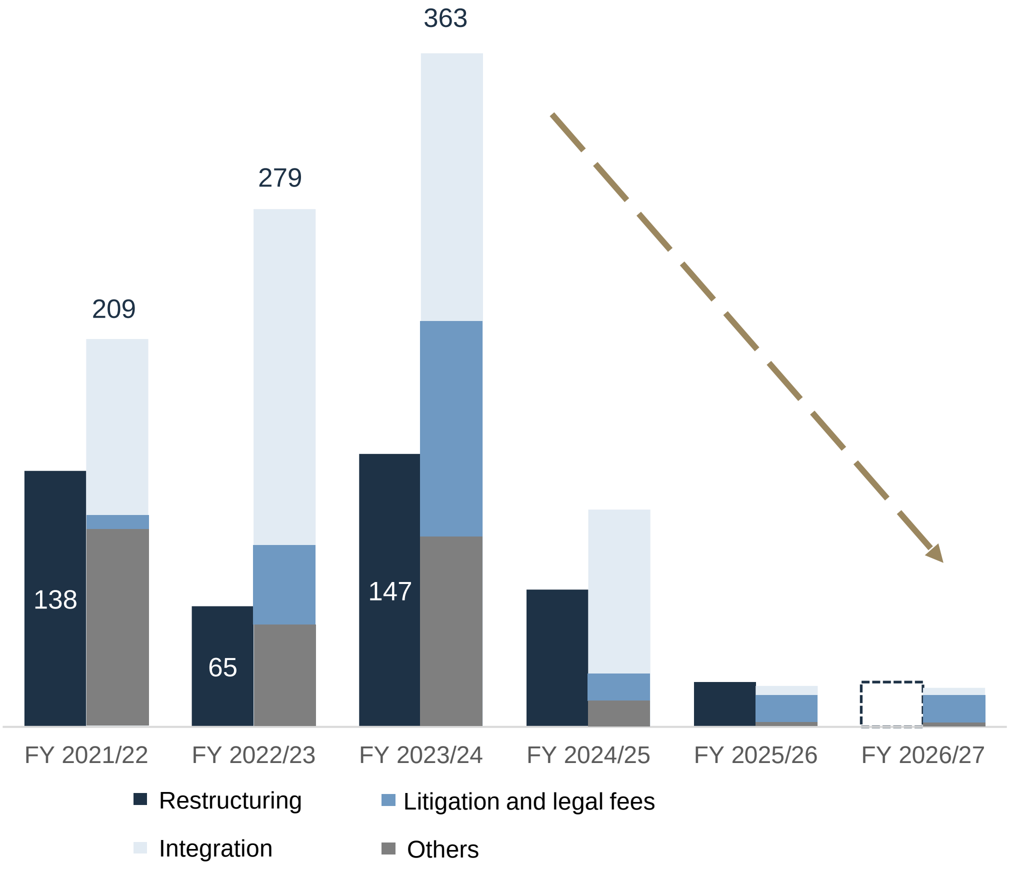
Net interest expense €153m (+€101m vs FY23)
Other financial expenses €89m (+€38m vs FY23)
(of which bank fees+€18m and SFC +€18m[3-4])

Stability on JVs at €115m.
TMH net impact of €(122)m: €75m proceeds from stake sale, and CTA recycling for €(197)m[4]

1 This mainly includes Chinese joint-ventures
2 Definition in appendix
3 Significant Financial Component – non-cash IFRS entry reclassifying the impact of well-financed contracts from Financial result to Gross Margin)
4 Non-cash

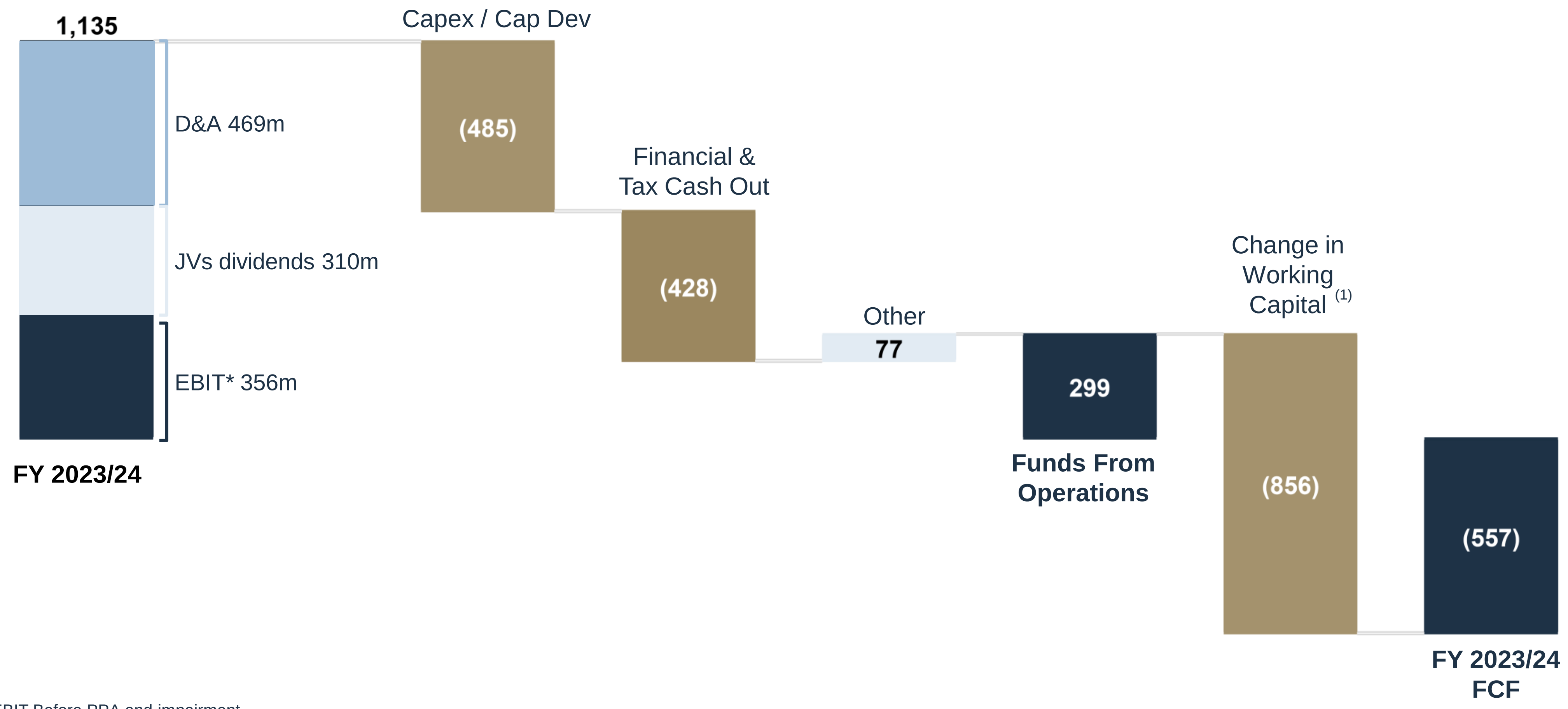
Expecting strong reduction in non-operating expenses from FY 2024/25 onwards

Non-operating expenses expected trajectory (in m€)



Negative FCF in FY 2023/24 due to WC changes and cash interest outflows

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



* EBIT Before PPA and impairment

(1) the total of Change in working capital of the FCF bridge of €(856)m corresponds to the €(841) million changes in working capital resulting from operating activities disclosed in the consolidated financial statements from which the € 93 million variations of restructuring provisions and €(78)m of variation of Tax working capital have been excluded.

Trade Working Capital
Supply chain support, discipline restored on overdues and inventories

(in € million / days of sales)	31 March 2023		31 March 2024	
Inventories[1,2]	3,729	*82*	3,818	*79*
Trade payables	(3,640)	*(81)*	(3,444)	*(71)*
Trade receivables	2,670	*59*	2,997	*62*
Other assets/ liabilities[1]	(2,244)	*(50)*	(1,705)	*(35)*
Trade Working Capital[3,4]	**515**	***11***	**1,666**	***34***

Inventories : leasing of a fleet of trains and supply chain actions to accelerate cycle times

Overdue receivables reduction by €124m year-on-year

Impact of VAT reversal on H1 (other assets / liabilities)

1. Inventories movement mainly impacted by c.(200) million of reclassification to fixed assets of a fleet of finished trains which was put on lease during the year (Non-FCF impact).
2. Inventories excludes impairment of €(410) million in March 23 & €(243) million in March 24, accounted for in other assets/liabilities
3 Definition in appendix
4 Excluding restructuring provisions and corporate tax changes

Contract Working Capital
Acceleration of deliveries and good flow of downpayments

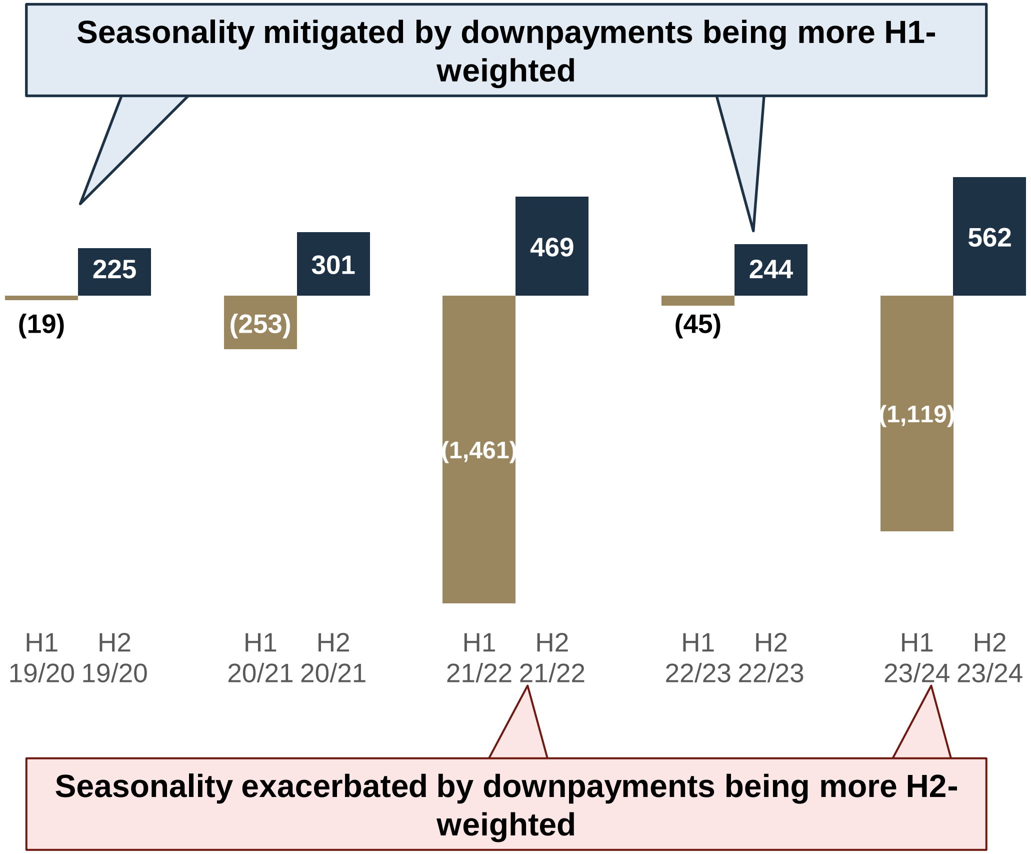
(in € million / days of sales)	**31 March 2023**		**31 March 2024**	
Contract assets	4,533	*100*	4,973	*103*
Contract liabilities	(6,781)	*(150)*	(7,995)	*(166)*
Current provisions *Of which Risks on contracts*	(1,779) *(1,182)*	*(39)*	(1,612) *(981)*	*(33)*
Contract Working Capital[1]	**(4,027)**	***(89)***	**(4,634)**	***(96)***

- Strong deliveries during second half - contract assets turns back to FY 2022/23 level
- Good flow of downpayments during H2
- Provisions on contract risks reduced as planned

1 Definition in appendix

Structural FCF seasonality mitigated or exacerbated by the timing of downpayments

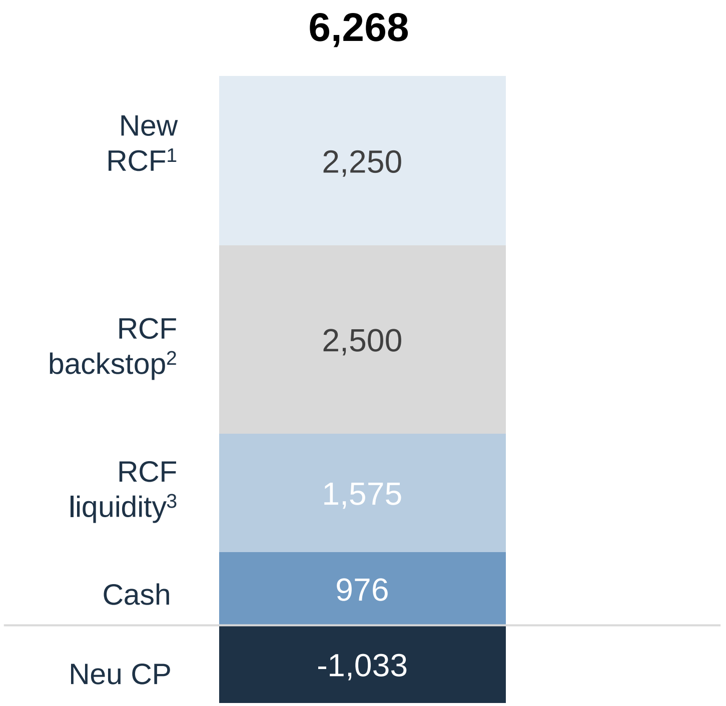
FCF (in € million)



- Structural seasonality on cash-in from progress payments, averaging ~45% in H1 and ~55% in H2 over the last five years, driven by:
  - Lower number of working days during H1 (May and Summer holidays)
  - Factory closures in July / August with lower production and lower trains acceptances
- Phasing of downpayments largely dependent on customers' budgetary timetable and contract signature.

Liquidity reinforced enabling significant headroom for FY 2024/25

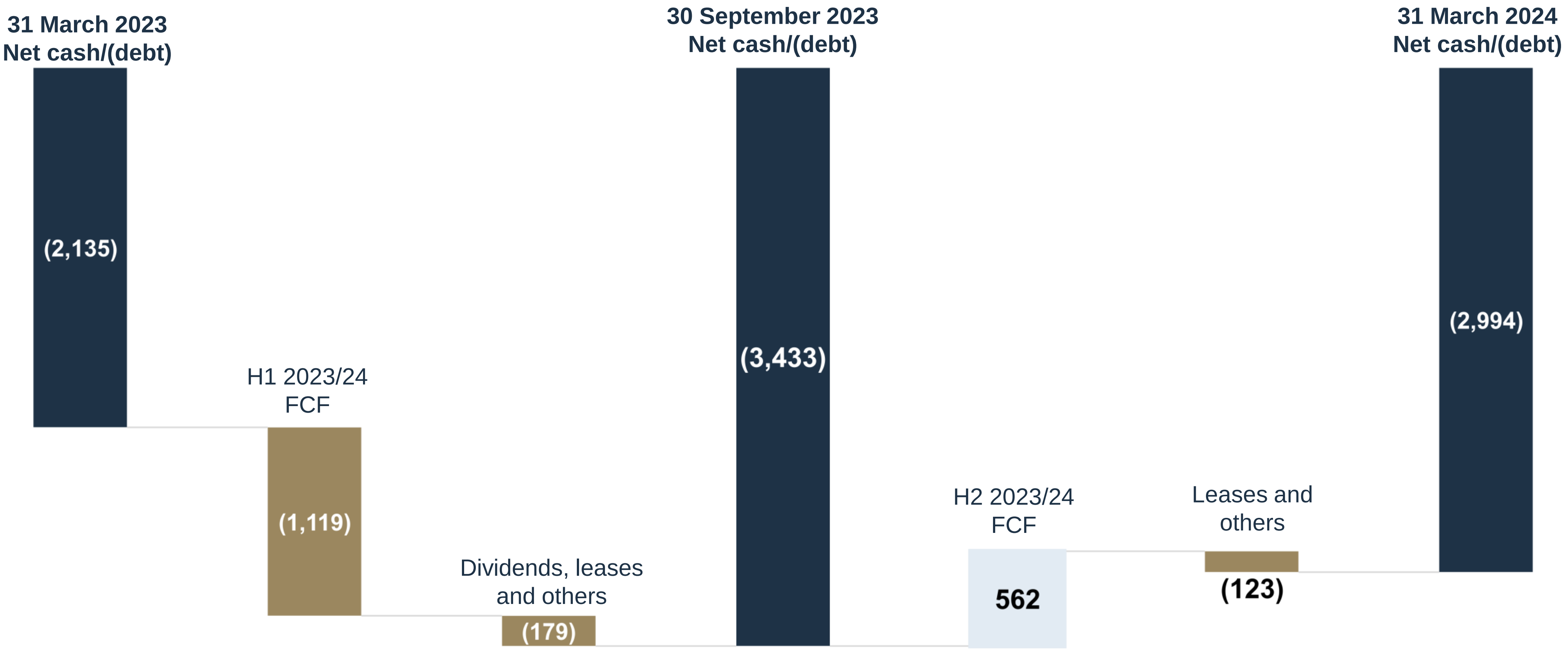
Liquidity as of March 2024 (in €m)



- €1,208m Short-term debt as of March 2024
  - €1,033m NeuCP
  - €175m drawing on liquidity RCF
- No covenant on any debt, including RCFs
- Liquidity of **€6,268m** as of March 2024 composed of:
  - €976m of cash
  - €6,325m of undrawn RCF
  - €(1,033)m of outstanding NeuCP
- €2bn deleveraging plan will:
  - Enable lower recourse to ST debt to manage the working capital swings
  - Trigger the €2,25bn RCF termination

[1] **New RCF** : Undrawn as of Mar-24, maturing Oct-24 with two 6-month extensions remaining at Alstom discretion.
[2] **Backstop RCF** : Undrawn as of Mar-24, maturing Jan-29 with no remaining extensions, 2nd extension successfully executed in Dec-23. Backstop to the €2,5bn NeuCP program.
[3] **Liquidity RCF** : €175m drawn as of Mar-24, maturing in Jan-27 with no remaining extensions, 2nd extension successfully executed in Dec-23.

Strong cash generation in H2



Comprehensive plan – CDPQ and BPI intention to subscribe to RI prorata
IG rating reaffirmed. Outlook change to stable upon Hybrid and RI closing

Deleveraging actions	8 May 2024 breakdown	Proceeds	Use of proceeds
Asset Disposals	✓ US SIG signed **€630m** –closing ~Summer 2024 ✓ TMH delivered **€75m**	**~€700m**	• Repayment of Neu CP: **€1,033m** by September 2024 • Repayment of RCF: **€175m** by September 2024 • Remaining proceeds ca. **€1.2 billion** earmarked to repay gross debt at maturity and kept as cash equivalent
Hybrid	• ca. **€750m hybrid bond** • 50% equity credit by Moody's • Launch near term and no later than Sept 2024*	**~€750m**	
Capital increase	• ca. **€1bn Rights Issue** • CDPQ and BPI to subscribe pro-rata • Standby underwriting commitment • Launch near term and no later than Sept 2024*	**~€1bn**	
	~€2bn deleveraging impact	**~€2.4bn**	

** Depending on market conditions and AMF approval*

3

Trajectory

Henri Poupart-Lafarge
Chairman and Chief Executive Officer

Leading the way to greener and smarter mobility

Our objectives

Restore profitability and best-in-class Operations
to consolidate our position as undisputed leader

Set foundations to become the Rail one-stop-shop reference partner

Our focus areas

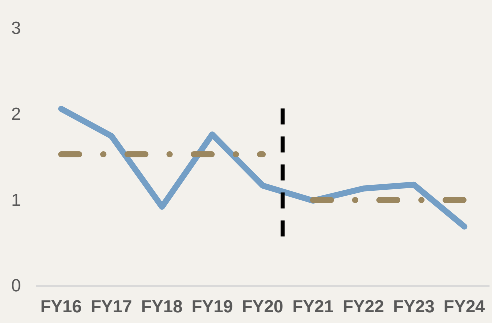
1. Achieve Excellence in Operations
2. Create profitable opportunities in focused markets and segments
3. Establish enduring customer partnerships, boosting services
4. Accelerate innovation and digital for better differentiation

Towards decarbonization of mobility, powered by our People

Rolling stock : turning selectivity into sustainable profit

Selectivity since merger

Rolling Stock Book to Bill



Book-to-bill from **~1.5** to **~1** before / after merger

Margin in backlog improved by **~160bps** since merger

Key additional actions to uplift profitability over next three years

Focus on 13 most attractive countries
- ✓ Clear competitive advantage
- ✓ Concentrating R&D efforts
- ✓ Service / Systems synergies

Enhance commercial discipline
- ✓ Increased target margins by segment
- ✓ Reinforced golden rules
- ✓ Strict contract management

Seamless execution
- ✓ Engineering efficiency through automation and AI tools
- ✓ Execute legacy backlog
- ✓ On-time delivery back to ex-AT levels in FY25

Mid-term expectations

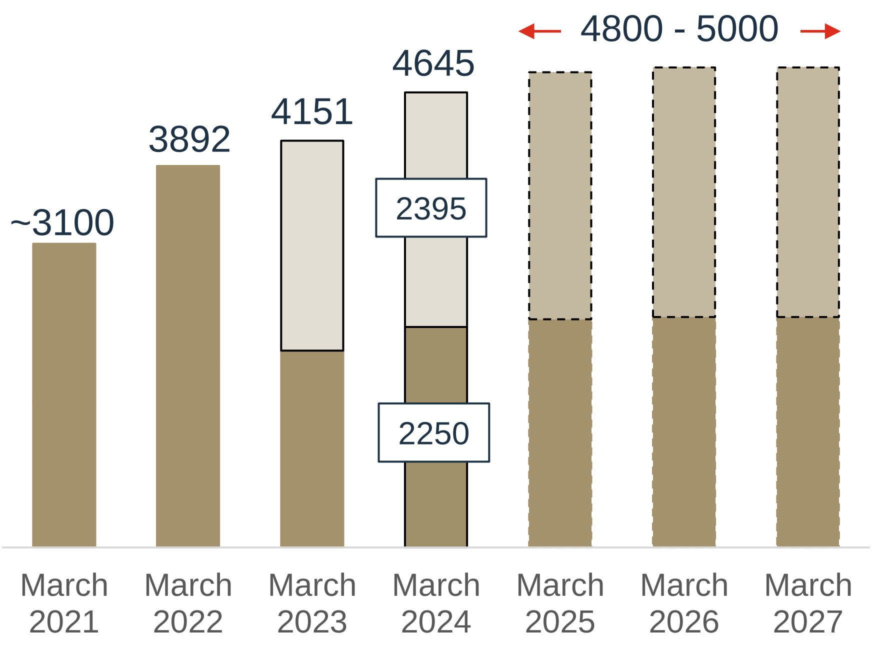
Continue improving Rolling Stock margin in backlog

Rolling Stock profitability uplift to mid-single digit by FY 2026/27

Rolling Stock to consume Contract Working Capital

Industrial optimization and overheads reduction post integration, as the Group stabilizes deliveries to 4,800-5,000 cars per year

Manufacturing Output (#cars)



- 2395 cars delivered over H2

Industrial optimization

€350m restructuring Cash-out in the plan

~1,500 FTE overhead reduction

Mid-term expectations

Reduce industrial inefficiencies on gross margin

Reduce incidence of SG&A on sales by **~1pp**

Bringing Services to the forefront of the Alstom business model

AMBITION

STRATEGIC FOCUS

Consolidate leadership

- Harvest installed base
- Grow short cycle sales
- One-stop shop positioning

Capture new markets

- Cross border and open access in Europe
- Smart and Green modernisation
- Boost Digital Maintenance
- TSSSA to penetrate incumbents' fleets

Enhance industrialization

- Strategic depot footprint capex
- Maintenance performance centres
- Boost Parts business model

Mid-term expectations

Average book-to-bill largely above 1

Share of Services in backlog to match share of Rolling Stock by FY 2026/27

Services Contract Working capital build-up

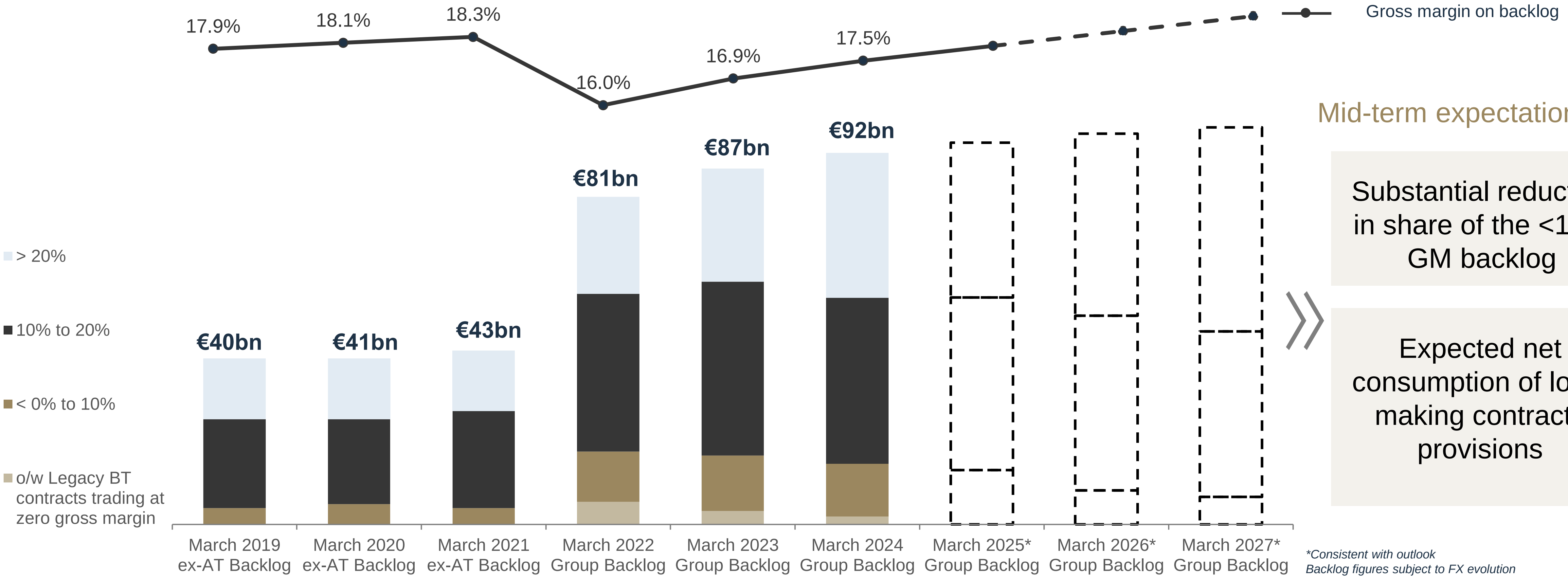
Signalling and Systems - Profitable growth in a concentrated market

Alstom ambition

1 *A MARKET…*		2 **Grow above market**	3 **Improve profitability**
…CONSOLIDATING	*… and GROWING*		
2 *global competitors* **SIEMENS** **HITACHI x THALES**	***SIG*** **4% p.a. growth** *On accessible market*	**Mid to High Single Digit growth** Driven by - Mainline: Germany, - Growth in our home countries - Services uplift - WC build-up	**Sustain Double Digit profitability** Driven by - Improved margins on orders - More efficient R&D
	Turnkey **~8Bn€ p.a.** *X2 versus last 4 years*	**High Single Digit growth** Driven by high market demand over the next 3 years	**From High Single Digit to Double Digit** Improved contract margin on backlog

Strong backlog with confirmed gross margin improvement trajectory

Backlog Stratification – Gross Margin evolution



Mid-term expectations

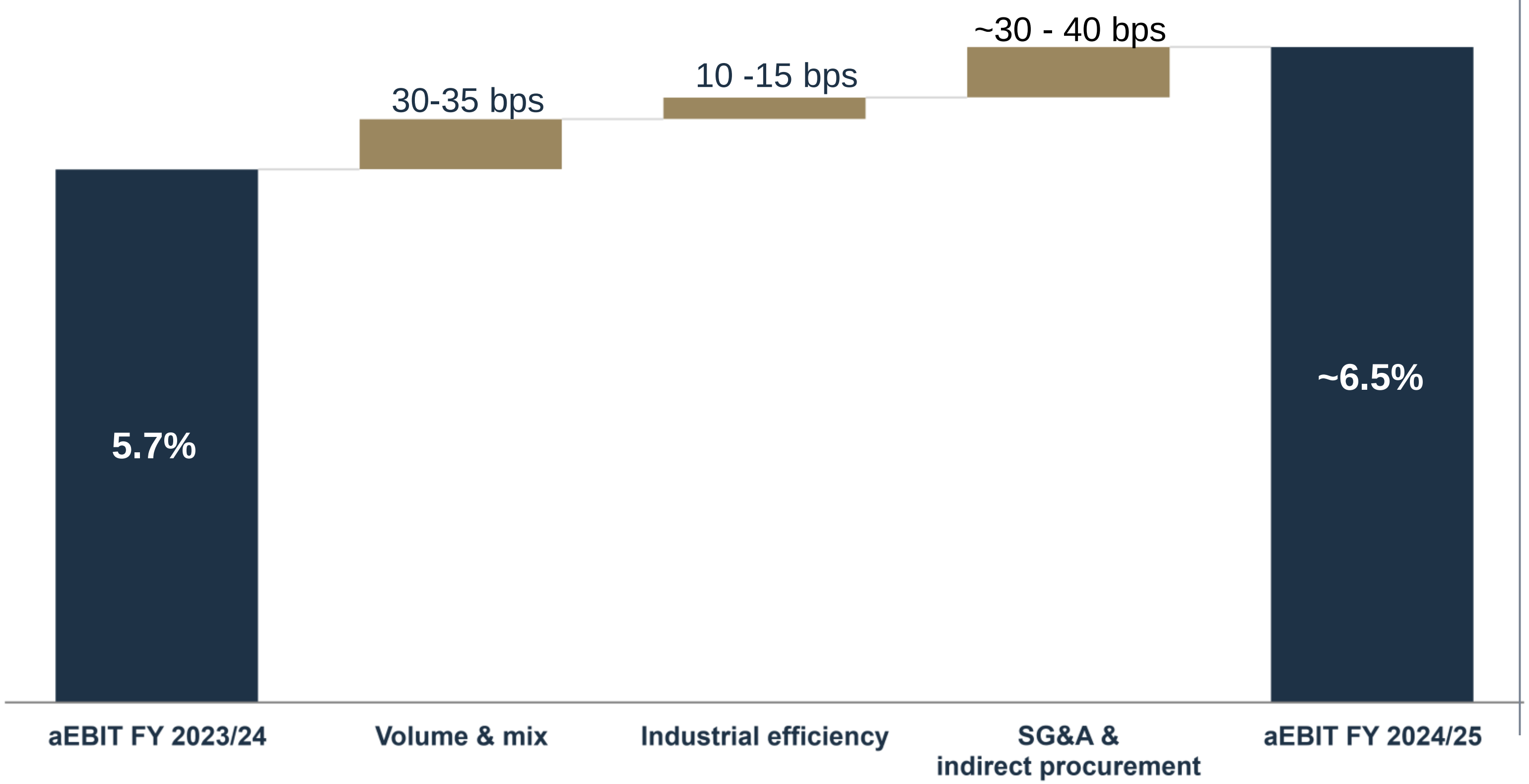
Substantial reduction in share of the <10% GM backlog

Expected net consumption of loss-making contracts provisions

*Consistent with outlook
Backlog figures subject to FX evolution

Non-linear aEBIT margin trajectory with impact of restructuring plan kicking in during second half of FY 2024/25

aEBIT (in %)



Main drivers to 8-10% aEBIT mid- to long-term ambition

- Rolling Stock margin uplift from progressive improvement of margin in backlog
- Reduction of industrial inefficiencies
- Full-year effect of the SG&A plan
- Indirect procurement action plan

Cumulative Free Cash-Flow generation of at least €1.5bn over the next three years

Investments impacting FFO

- Services CAPEX
- Restructuring cash out

Positive FFO drivers

- Strong EBITDA improvement
- Reduction of non-operating expenses

Contract working capital build-up

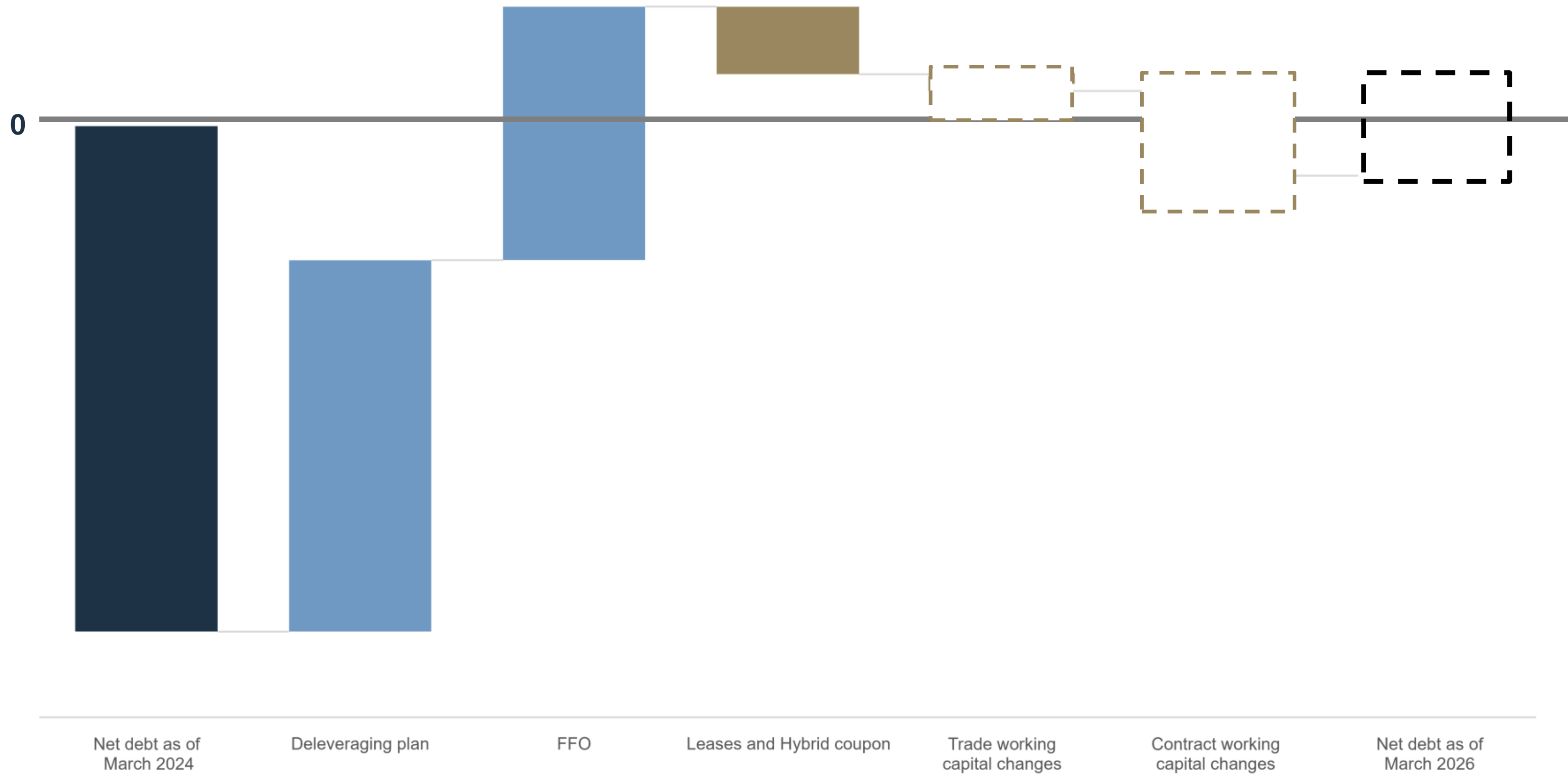
- Rolling Stock backlog stabilization
- Services and Signalling ramp-up
- Consumption of loss-making contract provisions

Positive trade working capital drivers

- Inventories trending to ~75 days

Capital allocation priorities

- Priority to deleverage and maintain Investment Grade rating
- Dividends policy to be re-evaluated once zero net financial debt is reached
- M&A policy:
  - Pursue bolt-on acquisitions (Innovation, Digital, Services)
  - Dynamic portfolio management



Graph not at scale, for illustration purposes

Guidance for FY 2024/25 and mid-term ambitions

Assumptions

- Supportive market demand
- FY 2024/25 downpayments consistent with FY 2023/24
- Balance sheet plan fully executed in FY 2024/25
- End of integration in FY 2024/25

Outlook for FY 2024/25

- Book to bill above 1
- Sales organic growth: around 5%
- aEBIT margin around 6.5 %
- FCF generation €300m to €500m
- Seasonality driving:
  - Negative FCF within a range of €(300)m to €(500)m in H1 2024/25
  - aEBIT margin development to be more H2 weighted

Mid- to long-term ambitions

- Book-to-bill above 1
- Sales average growth ~5% / year
- aEBIT margin within 8-10% range
- FCF conversion trending to 100%* over the cycle

** Of adjusted net profit*

At least €1.5bn cumulative FCF from FY 2024/25 to FY 2026/27

Contacts & Agenda

CONTACTS

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AGENDA

20 June 2024
Combined Annual Shareholders' Meeting

26 July 2024
FY 2024/25 First Quarter Order & Sales Results

Financial Calendar

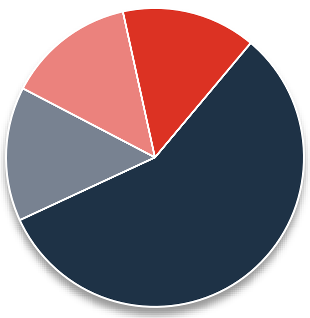
8 - 10 May	FY 23/24 roadshow in London – Kepler Cheuvreux	London, UK
13 - 14 May	FY 23/24 roadshows in NYC and Boston – ODDO	NYC & Boston, USA
14 - 15 May	FY 23/24 roadshows in Paris – BNPP Exane	Paris, France
15 May	Redburn Atlantic's 12th Annual Canada Conference	Toronto, Canada
16 - 17 May	FY 23/24 roadshows in LA, San Diego, San Francisco – Redburn	Los Angeles, San Diego, & San Francisco, USA
23 May	FY 23/24 Milan "virtual" roadshow – Morgan Stanley	Virtual
24 May	FY 23/24 roadshow in Madrid – Santander	Madrid, Spain
27 May	FY 23/24 Middle-East and Japan "virtual" roadshow – Mizuho	Virtual
28 May	Kepler Cheuvreux: One-Stop-Shop Luxembourg	Luxembourg
29 May	FY 23/24 Singapore, Hong Kong, Australia "virtual" roadshow – HSBC	Virtual
30 May	Kepler Cheuvreux: Digital ESG Conference	Virtual
31 May	Fireside chat (virtual) – Kepler Cheuvreux	Virtual
05 Jun	BNPP Exane CEO conference	Paris, France
12 - 13 June	JP Morgan European Capital Goods CEO Conference	London, UK

Q&A session

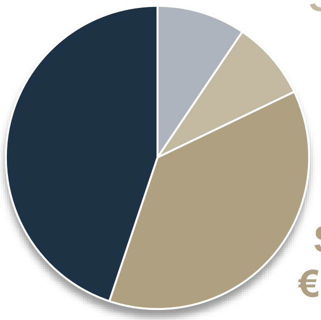
Appendix

FY 2023/24 backlog by region and product line

Backlog breakdown by region (in € million)

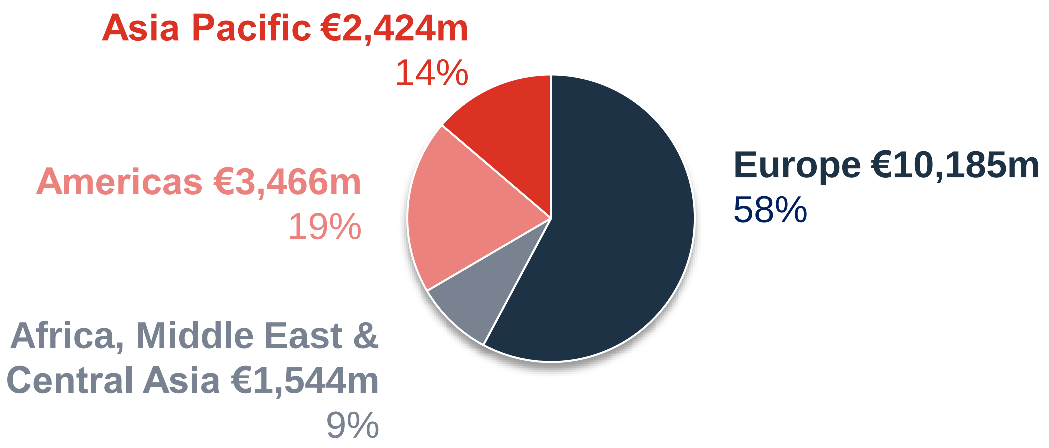


Backlog breakdown by product line (in € million)

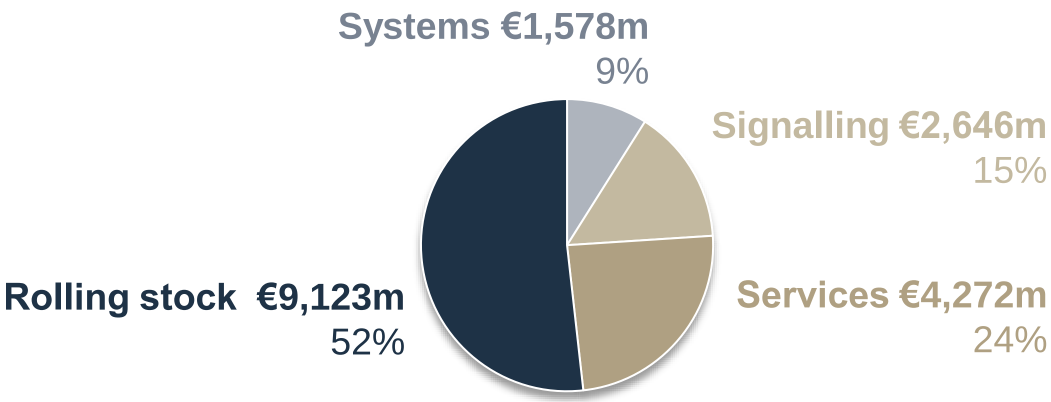


FY 2023/24 Sales by region and product line

Sales breakdown by region (in € million)



Sales breakdown by product line (in € million)



Sales - Reported vs Organic figures by quarter

	FY 2022/23				FY 2023/24			
Reported growth	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rolling Stock	0.5%	3.0%	4.8%	-2.0%	5.5%	-0.7%	-0.2%	11.4%
Services	19.3%	12.0%	13.0%	5.7%	5.2%	15.3%	2.3%	23.9%
Systems	63.0%	22.2%	9.3%	24.0%	-16.0%	22.5%	12.0%	11.2%
Signalling	-1.3%	15.2%	11.0%	4.9%	13.0%	3.6%	8.6%	10.8%
GROUP	**8.1%**	**8.2%**	**7.8%**	**3.0%**	**4.3%**	**5.5%**	**2.6%**	**14.4%**

	FY 2022/23				FY 2023/24			
Organic growth	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rolling Stock	-2.2%	1.6%	4.0%	0.3%	9.1%	3.6%	1.5%	12.3%
Services	14.9%	8.3%	11.1%	7.5%	8.3%	19.7%	4.2%	24.1%
Systems	52.7%	19.1%	0.3%	30.3%	-14.8%	28.0%	15.5%	11.7%
Signalling	-4.3%	10.6%	11.4%	5.5%	17.3%	8.1%	11.4%	11.4%
GROUP	**4.7%**	**5.7%**	**6.3%**	**5.2%**	**7.6%**	**10.0%**	**4.6%**	**15.0%**

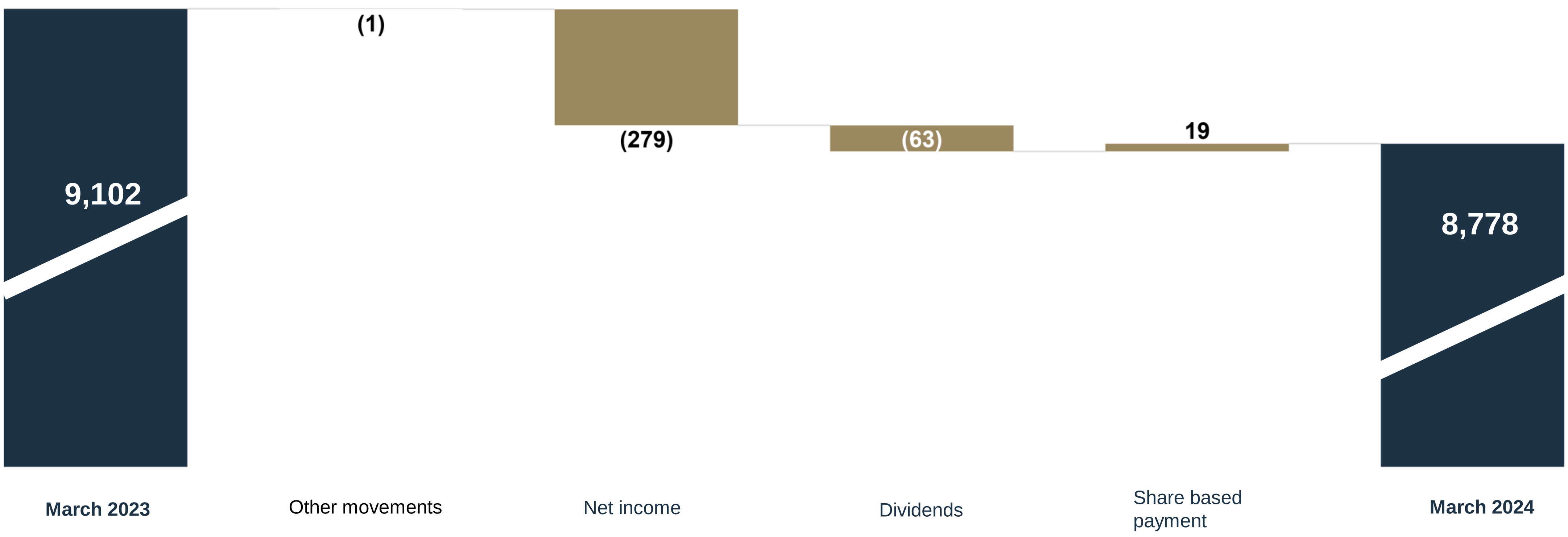
	FY 2022/23				FY 2023/24			
FX Impact	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rolling Stock	2.8%	2.4%	2.2%	-0.4%	-1.8%	-3.5%	-1.7%	-0.8%
Services	3.8%	3.5%	2.3%	-0.6%	-2.0%	-3.6%	-1.8%	-0.2%
Systems	7.1%	2.1%	9.0%	-4.8%	-1.3%	-4.4%	-3.0%	-0.4%
Signalling	3.2%	4.3%	-0.5%	-0.5%	-3.6%	-4.2%	-2.6%	-0.5%
GROUP	**3.3%**	**2.9%**	**2.4%**	**-0.8%**	**-2.0%**	**-3.7%**	**-2.0%**	**-0.6%**

	FY 2022/23				FY 2023/24			
Scope impact	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Rolling Stock	0.0%	-0.9%	-1.4%	-2.0%	-1.5%	-0.7%	0.0%	0.0%
Services	0.0%	0.0%	-0.6%	-1.1%	-0.9%	0.0%	0.0%	0.0%
Systems	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Signalling	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
GROUP	**0.0%**	**-0.5%**	**-0.9%**	**-1.3%**	**-1.0%**	**-0.4%**	**0.0%**	**0.0%**

Sales by currency

Currencies	FY 2023/24 as a % of sales
EUR	45.3%
GBP	10.9%
USD	10.0%
CAD	4.9%
INR	4.9%
AUD	4.4%
SEK	2.9%
MXN	2.8%
ZAR	2.7%
BRL	1.7%
KZT	1.2%
SGD	1.2%
Currencies below 1% of sales	7.1%

Equity in € million

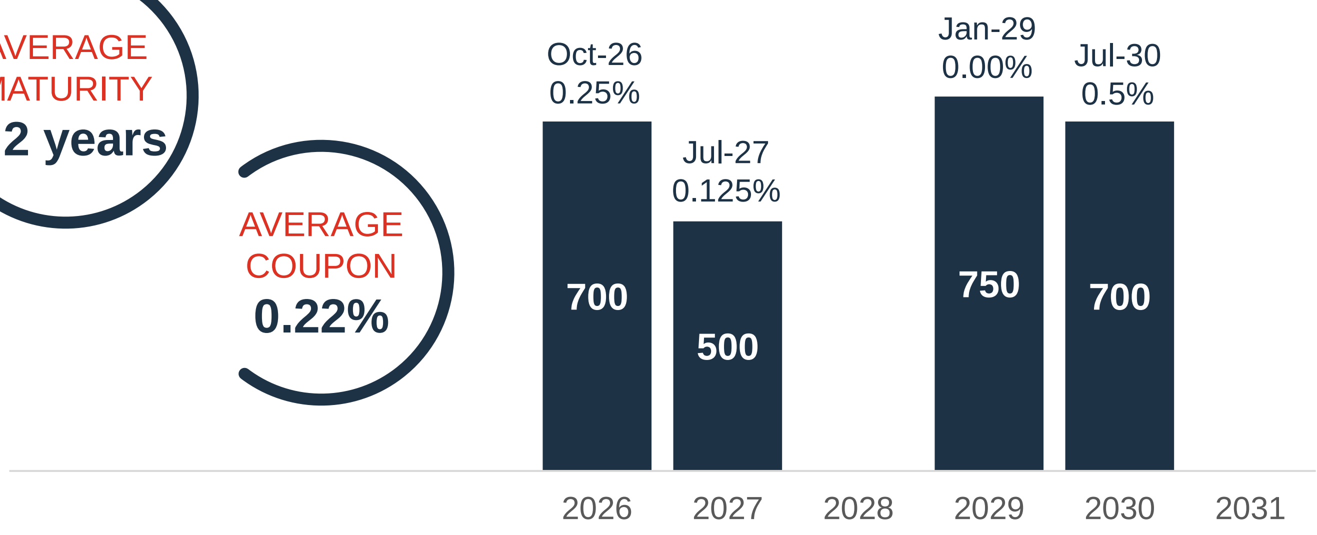


Favorable long-term debt profile and stable pension & leases liabilities

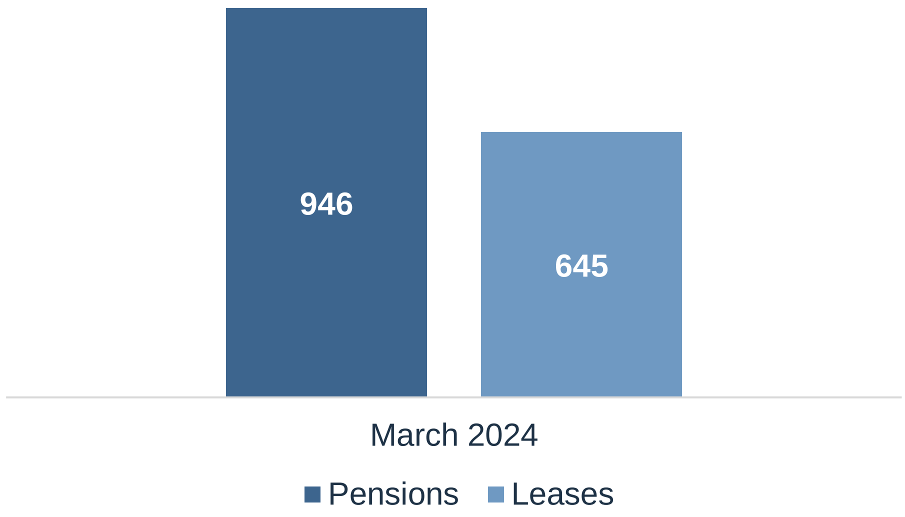
OUTSTANDING BONDS (IN € MILLION)

AVERAGE MATURITY
4.2 years

AVERAGE COUPON
0.22%



PENSIONS & LEASE LIABILITIES



- No financial covenants and fixed coupons on all bonds
- No major redemption before October 2026

Bridge consideration – From Enterprise Value to Equity Value

(in € million)		FY 2023/24
Total Gross debt, incl. lease obligations	(1)	**4,557**
Pension liabilities net of prepaid and deferred tax asset related to pensions	(2)	777
Non controlling interest	(3)	106
Cash and cash equivalents	(4)	(976)
Other current financial assets	(4)	(40)
Other non-current financial assets	(5)	(14)
Net deferred tax liability / (asset)	(6)	(644)
Investments in associates & JVs, excluding Chinese JVs	(7)	(102)
Non-consolidated Investments	(8)	(74)
Bridge		**3,590**

(1) Long-term and short-term debt and Leases (Note 27), excluding the lease to a London metro operator for €98m due to matching financial asset (Notes 15 and 27 in the Financial Notes)
(2) As per Note 29 (in the Financial Notes) net of €62m of deferred tax allocated to accruals for employees benefit costs (note 8.2 in the Financial Notes)
(3) As per balance sheet
(4) As per balance sheet
(5) Other non-current assets: Loans to Non-consolidated Investments for €14m
(6) Deferred Tax asset and Liabilities - as per balance sheet net of €62m of deferred tax allocated to accruals for employees benefit costs (note 8.2 in the Financial Notes)
(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

(in € million)	**As per P&L Booking [1]**
FY 2020/21	(71)
FY 2021/22	(428)
FY 2022/23	(436)
FY 2023/24	(357)
FY 2024/25	(373)
FY 2025/26	(264)
FY 2026/27	(213)
FY 2027/28	(203)
FY 2028/29	(166)
FY 2029/30	(139)
FY 2030/31	(107)
FY 2031/32	(97)
FY 2032/33	(95)
FY 2033/34	(47)
Beyond	(151)

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

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

Reconciliation between consolidated income statement and the MD&A management view as of 31 March 2024

(in € million)	Total Consolidated Financial Statements (GAAP)	Adjustments (1)	(2)	(3)	(4)	Total Consolidated Financial Statements (MD&A view)
31 March 2024						
Sales	**17,619**					**17,619**
Cost of Sales	(15,406)	308		2		(15,096)
Adjusted Gross Margin before PPA & impairment (*)	**2,213**	**308**	**-**	**2**	**-**	**2,523**
R&D expenses	(609)	60				(549)
Selling expenses	(383)	-				(383)
Administrative expenses	(725)	-				(725)
Equity pick-up	-				131	131
Adjusted EBIT (*)	**496**	**368**	**-**	**2**	**131**	**997**
Other income / (expenses)	(508)			(2)		(510)
Equity pick-up (reversal)	-	-	-	-	(131)	(131)
EBIT / EBIT before PPA & impairment (*)	**(12)**	**368**	**-**	**-**	**-**	**356**
Financial income (expenses)	(242)					(242)
Pre-tax income	**(254)**	**368**	**-**	**-**	**-**	**114**
Income tax Charge	(6)	(27)	-			(33)
Share in net income of equity-accounted investments	(17)	10				(7)
Net profit (loss) from continued operations	**(277)**	**351**	**-**	**-**	**-**	**74**
Net profit (loss) attributable to non controlling interests (-)	(30)					(30)
Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss) (*)	**(307)**	**351**	**-**	**-**	**-**	**44**
Purchase Price Allocation (PPA) & impairment net of corresponding tax effect	-	(351)				(351)
Net profit (loss) from discontinued operations	(2)					(2)
Net profit (loss) (Group share)	**(309)**	**-**	**-**	**-**	**-**	**(309)**

Adjustments as of 31 March 2024:

1. Impact of business combinations: amortisation of assets exclusively valued when determining the 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 PPA (see Note 2.4 Use of estimates and 2.5.4 – Business Combinations of the financial statements), including corresponding tax effect;

3. Impact of Aptis closure: reclassification of operational results as non-recurring items following Alstom's announced and planned discontinuance of Aptis activities;

4. Reclassification of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group (see section 10.5.1. "Adjusted EBIT")

Reconciliation between consolidated income statement and the MD&A management view as of 31 March 2023

(in € million)	Total Consolidated Financial Statements (GAAP)	Adjustments (1)	(2)	(3)	(4)	Total Consolidated Financial Statements (MD&A view)
31 March 2023						
Sales	**16,507**					**16,507**
Cost of Sales	(14,541)	355		4		(14,182)
Adjusted Gross Margin before PPA & impairment (*)	**1,966**	**355**	**-**	**4**	**-**	**2,325**
R&D expenses	(580)	61				(519)
Selling expenses	(375)	-				(375)
Administrative expenses	(721)	-				(721)
Equity pick-up	-				142	142
Adjusted EBIT (*)	**290**	**416**	**-**	**4**	**142**	**852**
Other income / (expenses)	(369)		29	(4)		(344)
Equity pick-up (reversal)	-	-	-	-	(142)	(142)
EBIT / EBIT before PPA & impairment (*)	**(79)**	**416**	**29**	**-**	**-**	**366**
Financial income (expenses)	(103)					(103)
Pre-tax income	**(182)**	**416**	**29**	**-**	**-**	**263**
Income tax Charge	(34)	(34)	(2)			(70)
Share in net income of equity-accounted investments	112	11				123
Net profit (loss) from continued operations	**(104)**	**393**	**27**	**-**	**-**	**316**
Net profit (loss) attributable to non controlling interests (-)	(24)					(24)
Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss) (*)	**(128)**	**393**	**27**	**-**	**-**	**292**
Purchase Price Allocation (PPA) & impairment net of corresponding tax effect	-	(420)				(420)
Net profit (loss) from discontinued operations	(4)					(4)
Net profit (loss) (Group share)	**(132)**	**(27)**	**27**	**-**	**-**	**(132)**

Adjustments as of 31 March 2023:

1. Impact of business combinations: amortisation of assets exclusively valued when determining the 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 PPA (see Note 2.4 Use of estimates and 2.5.4 – Business Combinations of the financial statements), including corresponding tax effect;

3. Impact of Aptis closure: reclassification of operational results as non-recurring items following Alstom's announced and planned discontinuance of Aptis activities;

4. Reclassification of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group (see section 10.5.1. "Adjusted EBIT")

Appendix - Non-GAAP financial indicators definitions (1/3)

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 KPI that presents 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 PPA in the context of business combination as well as significant, non-recurring "one off" items that are not expected to occur again in subsequent years

- **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 (2/3)

- **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.

Appendix - Non-GAAP financial indicators definitions (3/3)

- **Gross margin % on backlog**

Gross Margin % on backlog is a KPI that presents the expected performance level of firm 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.

- **EBITDA + JV dividends**

EBITDA before PPA plus dividends from joint ventures is the EBIT before PPA, before depreciation and amortisation, with the addition of the dividends received from joint ventures.

- **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.

- **Contract and Trade Working Capital**

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

Trade Working Capital is the Working Capital that is not strictly related to contract. It includes all the elements of the working capital but

- Contract Working Capital
- Income Tax receivables and payables
- Restructuring provisions

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