

## Alstom's orders and sales for the first three months of 2021/22

- Exceptional order intake of €6.4 billion for Q1 2021/22 including several large orders
- Solid three months of sales at €3.7 billion
- Sustained backlog at €76.8 billion

**20 July 2021** – Over the first quarter of 2021/22 (from 1 April to 30 June 2021), Alstom booked its first fully combined quarterly result with €6.4 billion of orders. The Group's sales reached €3.7 billion. The book-to-bill ratio was very high at 1.74. The backlog, as of 30 June 2021, reached €76.8 billion, providing strong visibility on future sales.

### Key figures

Actual figures (in € million)	2020/21 Q1	2020/21 Q1 proforma	2021/22 Q1	% Change Reported	% Change proforma
Orders received	1,651	3,058	6,439	+290%	+106%
Sales	1,507	2,789	3,701	+146%	+33%

*Geographic and product breakdowns of reported orders and sales are provided in Appendix 1. All figures mentioned in this release are unaudited. Any reference in this document to variations « Pro forma like-for-like», orders and sales, correspond to non-audited financial performance indicators used by the Group that are not defined by accounting standards setters and defined in the appendix.*

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### Detailed review

During the first quarter of 2021/22 (from 1 April to 30 June 2021), Alstom recorded €6,439 million of orders versus €3,058 million in Q1 proforma.

Europe accounted for the majority of the orders, i.e. 71% of the Group total. Of particular note, Alstom won the largest train tender in Danish rail history, with a €2.6 billion frame contract for Danish State Railways including a firm order of 100 Coradia Stream regional trains combined with 15-year full-service maintenance agreement amounting to a value of €1.4 billion. Alstom was also awarded a contract in France for approximately €1.1 billion to provide suburban trains for the Paris area, a systems

contract worth €300 million for Athens Metro Line 4, multiple regional train contracts in Italy and Germany and a strategic signalling contract for the digitalisation of the Stuttgart rail node. The Americas confirmed the positive global market dynamic with more than €1.6 billion of orders including €1 billion on the emblematic Tren Maya railway project in Mexico which bundles systems and services, as well as an upgrade for the Metromover automated people mover system in Miami.

The book-to-bill ratio is 1.74.

Regarding sales, €3,701 million were traded in the first quarter of 2021/22 (from 1 April to 30 June 2021) versus €2,789 million in Q1 2020/21 proforma, which was impacted by the Covid-19 pandemic. The Q1 2021/22 sales were sustained by the solid ramp-up of Rolling Stock projects at €2,164 million. Services delivered €762 million of sales in Q1 2021/22. On Systems, Alstom reported €238 million sales, as anticipated impacted by continued ramp-down of Middle East projects. Signalling sales of €537 million demonstrate a sound level of execution.

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### **Main events of the first quarter of 2021/22.**

#### **❖ Driving smart and green mobility**

Following several successful pilot programs in Europe, the Coradia iLint, world's first hydrogen train, has made its debut in Poland in June 2021 on a test track near Warsaw.

The first trials of the autonomous train prototype led by the consortium between SNCF and its partners Alstom, Bosch, Spirops, Thales and the Railenium Technology Research Institute took place in the Spring. The Regio 2N regional train prototype ran on a commercial track. These new trials are taking place on the national railway network at Busigny (Northern France) and will lead, in the coming months, to semi-autonomous operation in the trial phase. These trials are a key step towards achieving the consortium's ultimate objective: achieving full autonomy by 2023.

In May 2021, Alstom opened new facilities for its 3D printing hub at Santa Perpètua site, in Barcelona. The new facilities will allow the printing of tools for industrial centres and prototypes to validate designs, moulds, and serial parts.

#### **❖ Acquisitions**

In April 2021, the Group acquired France-based hydrogen fuel-cell manufacturer Helion Hydrogen Power. This allows Alstom to draw upon Helion's proven expertise across the entire value chain of high-power fuel cells, from design, development and manufacturing to engineering support and customer training.

In April 2021, Alstom acquired Flertex, a France-based group specialised in the design and manufacture of brake linings for braking systems, expanding and strengthening the Group's expertise in braking systems, a key element in the overall technical performance of trains. It comes only a few months after that of IBRE, a company specialised in the development, manufacture, and supply of cast-iron or steel brake discs.

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### **ESG 2025 targets extended to the new scope – first green guarantee facility signed**

Alstom ESG 2025 targets were disclosed in the Capital Markets Day of July 6, 2021 along the 4 priorities of the Group: Enabling decarbonization of mobility, Caring for our people, Creating a positive impact on society, and Acting as a responsible business partner.

In June, Alstom signed a €400 million Green guarantee facility with BBVA for the issuance of bank guarantees in support of Alstom's commercial contracts which recognizes the Group's contribution to Sustainable Development Goals SDG 9 "Industry, innovation and infrastructure" and SDG 11 "Sustainable Cities and Communities". This very positive first step confirms the relevance of the ambition to lead the way to sustainable and smart mobility.

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### **Confirmation of the financial trajectory disclosed at the Capital Markets Day**

Alstom held a Capital Markets Day on July 6, 2021 during which the Group presented its updated strategy "Alstom in Motion 2025" and its financial trajectory for the next 4 years. The presentation is available on Alstom's website and the financial trajectory in the appendix of this press release.

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Alstom will hold its combined annual Shareholders' Meeting on July 28, 2021. The Shareholders' Meeting will be streamed live in video and in full on the Company's website.

## About Alstom

Leading societies to a low carbon future, Alstom develops and markets mobility solutions that provide the sustainable foundations for the future of transportation. Alstom's product portfolio ranges from high-speed trains, metros, monorail and trams to integrated systems, customised services, infrastructure, signalling and digital mobility solutions. Alstom has 150,000 vehicles in commercial service worldwide. With Bombardier Transportation joining Alstom on January 29, 2021, the enlarged Group's combined proforma revenue amounts to €14 billion for the 12-month period ended March 31, 2021. Headquartered in France, Alstom is now present in 70 countries and employs more than 70,000 people. [www.alstom.com](http://www.alstom.com)

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## APPENDIX 1A – GEOGRAPHIC BREAKDOWN

<b>Actual figures</b> <i>(in € million)</i>	<b>2020/21</b> <b>3 months</b>	<b>%</b> Contrib.	<b>2021/22</b> <b>3 months</b>	<b>%</b> Contrib.
Europe	239	14%	4,559	71%
Americas	165	10%	1,696	26%
Asia / Pacific	345	21%	50	1%
Africa/Middle East/Central Asia	902	55%	134	2%
<b>Orders by destination</b>	<b>1,651</b>	<b>100%</b>	<b>6,439</b>	<b>100%</b>

<b>Actual figures</b> <i>(in € million)</i>	<b>2020/21</b> <b>3 months</b>	<b>%</b> Contrib.	<b>2021/22</b> <b>3 months</b>	<b>%</b> Contrib.
Europe	844	56%	2,323	63%
Americas	262	17%	648	18%
Asia / Pacific	202	14%	467	13%
Africa/Middle East/Central Asia	199	13%	263	7%
<b>Sales by destination</b>	<b>1,507</b>	<b>100%</b>	<b>3,701</b>	<b>100%</b>

## APPENDIX 1B – PRODUCT BREAKDOWN

<b>Actual figures</b> <i>(in € million)</i>	<b>2020/21</b> <b>3 months</b>	<b>%</b> Contrib.	<b>2021/22</b> <b>3 months</b>	<b>%</b> Contrib.
Rolling Stock	553	34%	3,362	52%
Services	668	40%	1,139	18%
Systems	265	16%	1,366	21%
Signalling	165	10%	572	9%
<b>Orders by destination</b>	<b>1,651</b>	<b>100%</b>	<b>6,439</b>	<b>100%</b>

<b>Actual figures</b> <i>(in € million)</i>	<b>2020/21</b> <b>3 months</b>	<b>%</b> Contrib.	<b>2021/22</b> <b>3 months</b>	<b>%</b> Contrib.
Rolling Stock	718	48%	2,164	58%
Services	283	19%	762	21%
Systems	182	12%	238	6%
Signalling	324	21%	537	15%
<b>Sales by destination</b>	<b>1,507</b>	<b>100%</b>	<b>3,701</b>	<b>100%</b>

## **APPENDIX 2: FINANCIAL TRAJECTORY DISCLOSED ON JULY 6, 2021 AND CONFIRMED BY THIS PUBLICATION.**

### **❖ Project stabilization impacting fiscal year 2021/22 Free Cash Flow**

The current fiscal year 2021/22 will be a transition year, focused on the stabilization of the Bombardier Transportation challenging legacy projects. During H1 2021/22 free cash flow is expected to be between (€1.6 billion) and (€1.9 billion) impacted by working capital consumption due to phasing, industrial ramp-up and project stabilization efforts. In H2 2021/22, the Group expects positive free cash flow driven by increased deliveries and operations stabilization. Overall, this should result in significant negative free cash flow in 2021/22.

Thereafter, the Group expects to see yearly positive free cash flow generation towards its mid-term target<sup>1</sup> of over 80%, driven by progressive working capital stabilization.

### **❖ Mid-term financial trajectory and objectives**

- Sales: Between 2020/21 (proforma sales of €14 billion) – and 2024/25, Alstom is aiming at sales Compound Annual Growth Rate over 5% supported by strong market momentum and unparalleled €74.5 billion backlog securing ca. €30 billion of sales over the next three years. Rolling Stock should grow above market rate, Services at solid mid-single digit path and Signalling at high single digit path;
- Profitability: The adjusted EBIT margin should reach between 8% and 10% from 2024/25 onwards, benefiting from operational excellence initiatives, the completion of the challenging projects in backlog while synergies are expected to deliver €400 million run rate between 2024/25 and 2025/26;
- Free Cash Flow: From 2024/25 onwards, the conversion from net income<sup>2</sup> to free cash flow should be over 80%<sup>3</sup> driven by mid-term stability of working capital, stabilisation of CAPEX to around 2% of sales and cash focus initiatives while benefiting from volume and synergies take up;
- Alstom will maintain its disciplined capital allocation focusing on maintaining its investment grade profile while keeping flexibility and ability to pursue growth opportunities through focused bolt-on M&A.
- Alstom is committed to delivering sustained shareholder returns with a dividend pay-out ratio of between 25% and 35%<sup>4</sup>. For fiscal year 2020/21, on the dividend announced on May 11<sup>5</sup>, Alstom's board of directors decided to propose, in its meeting of July 4, to the General Shareholder Assembly a dividend in share or in cash, which is detailed in the notice for the shareholders' meeting.

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<sup>1</sup> Subject to short term volatility

<sup>2</sup> Adjusted net income

<sup>3</sup> Subject to short term volatility

<sup>4</sup> Of adjusted net income

<sup>5</sup> Dividend distribution of €0.25 per share, which corresponds to a 31% payout ratio from the adjusted net profit group share

### **APPENDIX 3 – NON-GAAP FINANCIAL INDICATORS DEFINITIONS**

This section presents financial indicators used by the Group that are not defined by accounting standard setters.

#### **Orders received**

A new order is recognised as an order received only when the contract creates enforceable obligations between the Group and its customer.

When this condition is met, the order is recognised at the contract value.

If the contract is denominated in a currency other than the functional currency of the reporting unit, the Group requires the immediate elimination of currency exposure using forward currency sales. Orders are then measured using the spot rate at inception of hedging instruments.

#### **Book-to-bill ratio**

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

#### **Adjusted EBIT**

Adjusted EBIT (“aEBIT”) is the Key Performance Indicator to present the level of recurring operational performance. This indicator is also aligned with market practice and comparable to direct competitors.

Starting September 2019, Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT when these are considered to be part of the operating activities of the Group (because there are significant operational flows and/or common project execution with these entities).

This mainly includes Chinese joint-ventures, namely CASCO joint-venture for Alstom as well as, following the integration of Bombardier Transportation, Bombardier Sifang (Qingdao) Transportation Ltd., Bombardier NUG Propulsion System Co. Ltd. and Changchun Bombardier Railway Vehicles Company Ltd.

aEBIT corresponds to Earning Before Interests and Tax adjusted for the following elements:

- net restructuring expenses (including rationalization costs);
- tangibles and intangibles impairment;
- capital gains or loss/reevaluation on investments disposals or controls changes of an entity;
- any other non-recurring items, such as some costs incurred to realize 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 in percentage of sales.

#### **Adjusted net profit**

Following the Bombardier Transportation acquisition and with effect from these Fiscal year 2020/21 consolidated financial statements, Alstom decided to introduce the “adjusted net profit” indicator aimed at restating its net profit from continued operations (Group share) to exclude the impact of amortisation of assets exclusively valued

when determining the purchase price allocations (“PPA”) in the context of business combination, net of the corresponding tax effect. This indicator is also aligned with market practice.

### **Free cash flow**

Free Cash Flow is defined as net cash provided by operating activities less capital expenditures including capitalised development costs, net of proceeds from disposals of tangible and intangible assets. 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.

Alstom uses the Free Cash Flow both for internal analysis purposes as well as for external communication as the Group believes it provides accurate insight into the actual amount of cash generated or used by operations.

### **Pay-out ratio**

The payout ratio is calculated by dividing the amount of the overall dividend with the “Adjusted Net profit from continuing operations attributable to equity holders of the parent, group share” as presented in the management report in the consolidated financial statements.

### **Proforma variation**

The “proforma” variations, orders and sales, correspond to the like-for-like variation of Alstom after the acquisition of Bombardier Transportation integrating Bombardier Transportation during the fiscal years prior to their acquisition.

The pre-acquisition financial data used to calculate the “proforma” variations, sales, are extracted from the historical accounts of Alstom and Bombardier Transportation respectively. In order to ensure the comparability of the results, the proforma restatements as presented in chapter 3 of the URD “Unaudited proforma Condensed Financial Information as of March 31, 2021” have been applied. Data related to the commercial performance correspond to orders intake recorded by Alstom and Bombardier Transportation integrating Bombardier Transportation over the comparable periods preceding the acquisition.

These indicators are not presented on an organic basis and, therefore, are not restated in order to eliminate the impact of changes in scope of consolidation and changes resulting from the translation of the accounts into euro following the variation of foreign currencies against the euro.

Sales Q1 2020/21 of Bombardier Transportation were converted at the average quarterly foreign exchange rate EUR/USD of 1/1.1004. Orders received Q1 2020/21 of Bombardier Transportation were converted at the rate EUR/USD of 1/1.1284, communicated in Bombardier Inc Q2 2020 financial report.