



Half Year Results Fiscal Year 2022/23

16 November 2022

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Agenda

➤ ➤ **H1 2022/23 Highlights**

Henri Poupart-Lafarge, *Chairman and CEO*

➤ ➤ **Financial Results**

Laurent Martinez, *CFO*

➤ ➤ **Trajectory and outlook**

Laurent Martinez, *CFO*

➤ ➤ **Conclusion**

Henri Poupart-Lafarge, *Chairman and CEO*

1



H1 2022/23 Highlights

Henri Poupart-Lafarge
Chairman and CEO

H1 2022/23 - Highlights

STRONG MARKET DEMAND CONFIRMED

SOLID H1 FINANCIAL RESULTS

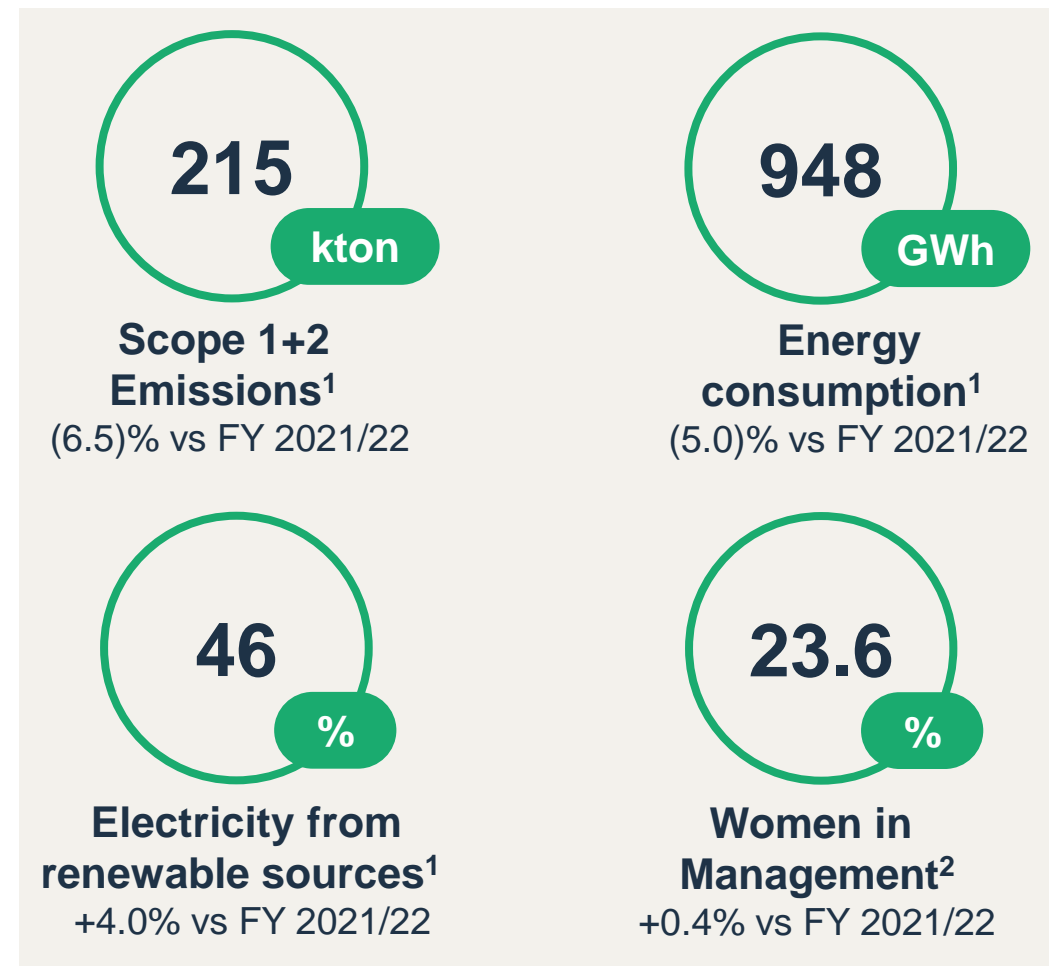
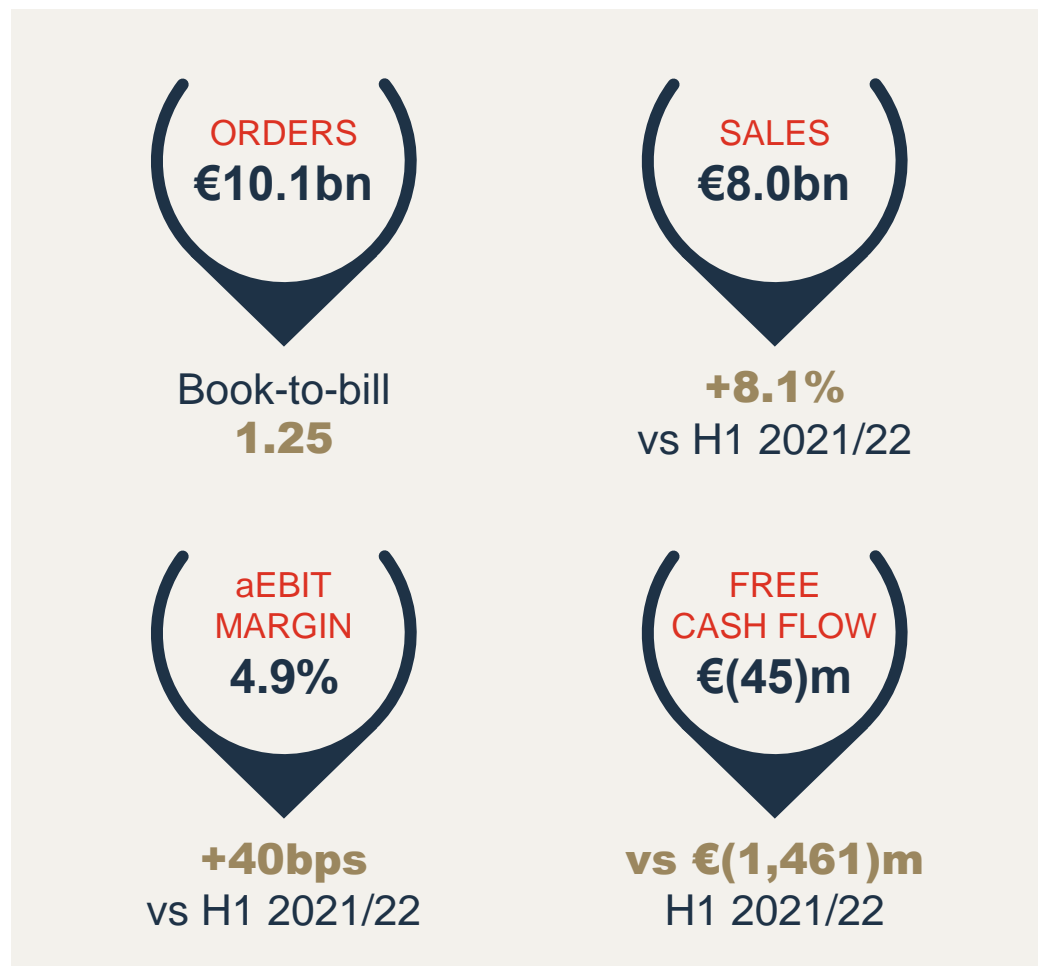
OPERATIONAL TURNAROUND ON-TRACK

FY 2022/23 OUTLOOK

- aEBIT within 5.1% to 5.3% range
- FCF within €100m to €300m range



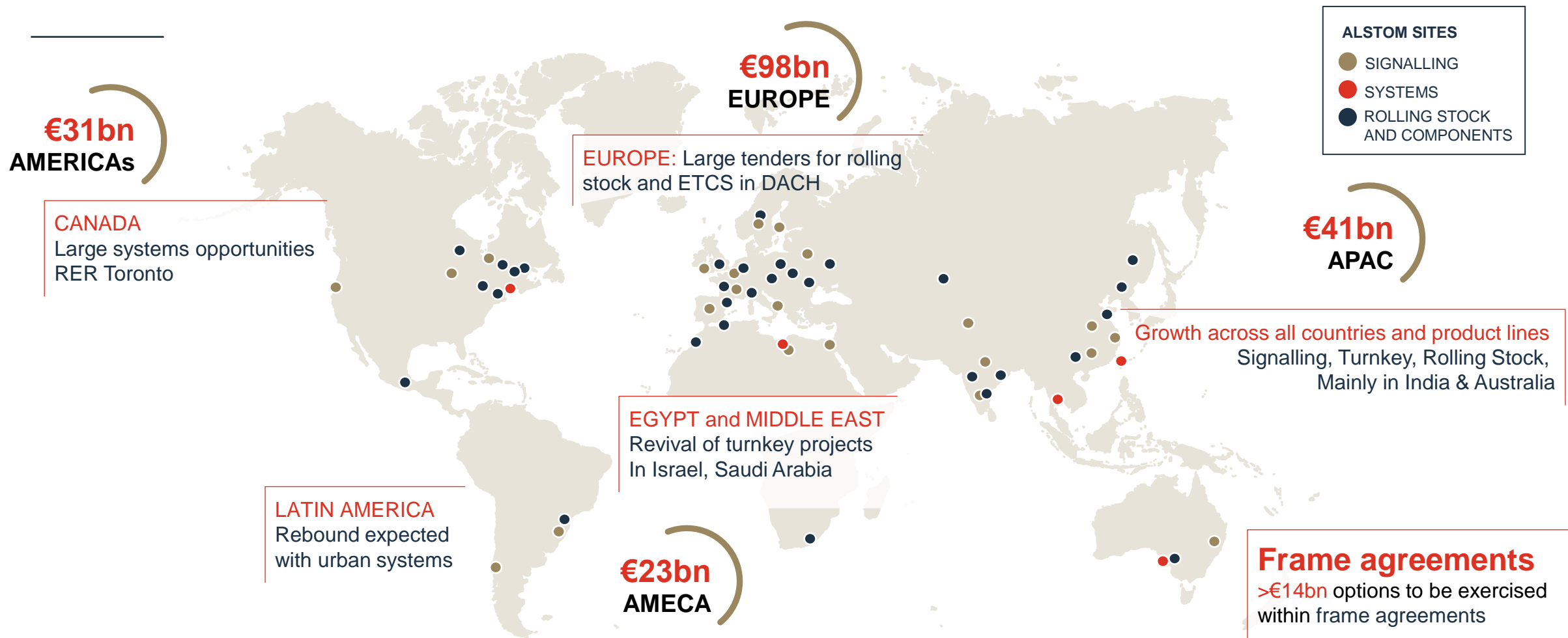
Solid H1 2022/23 results, fully supporting announced trajectory



1. Environmental figures are reported on a calendar year basis: FY 2021/22 corresponds to 2021 calendar year and H1 2022/23 to June 2022 figures. Based on last 12 Rolling Months.

2. Women in Management and professional positions

Market potential confirmed: > €190bn until H1 FY 2025/26

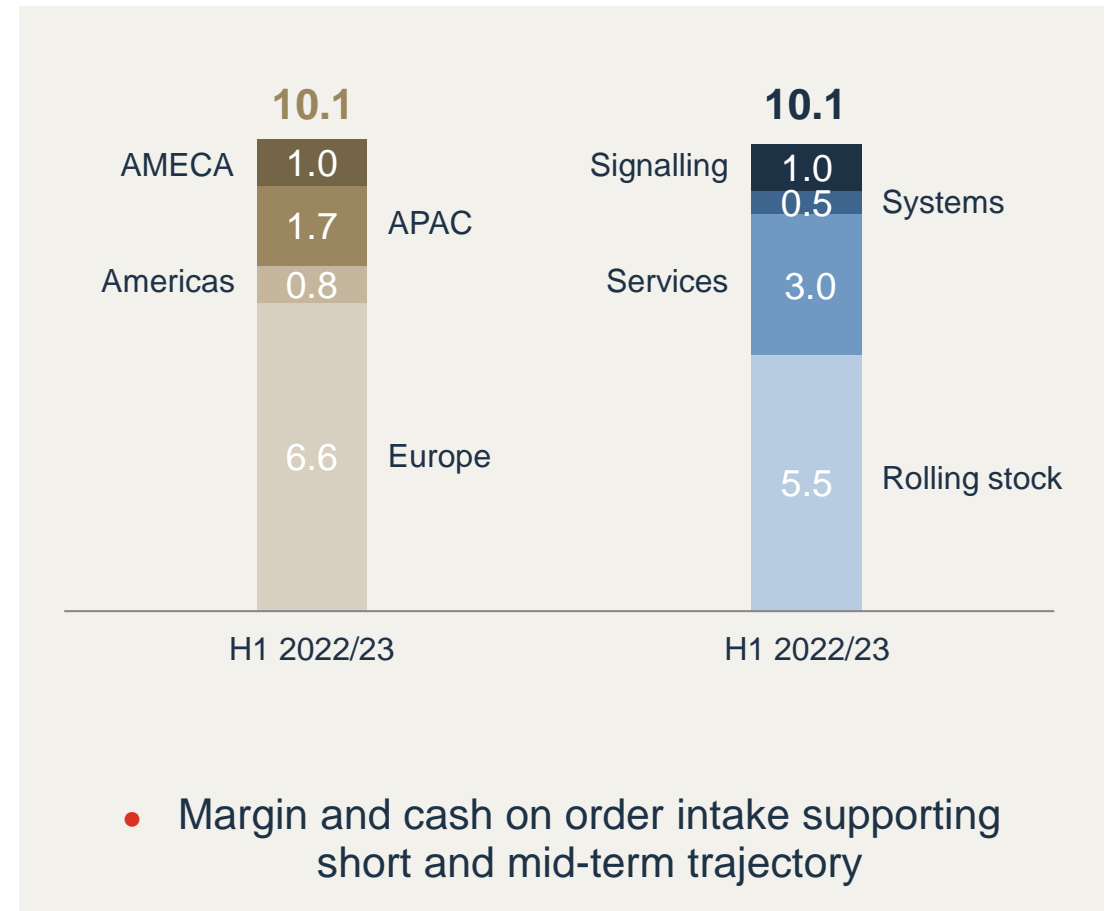
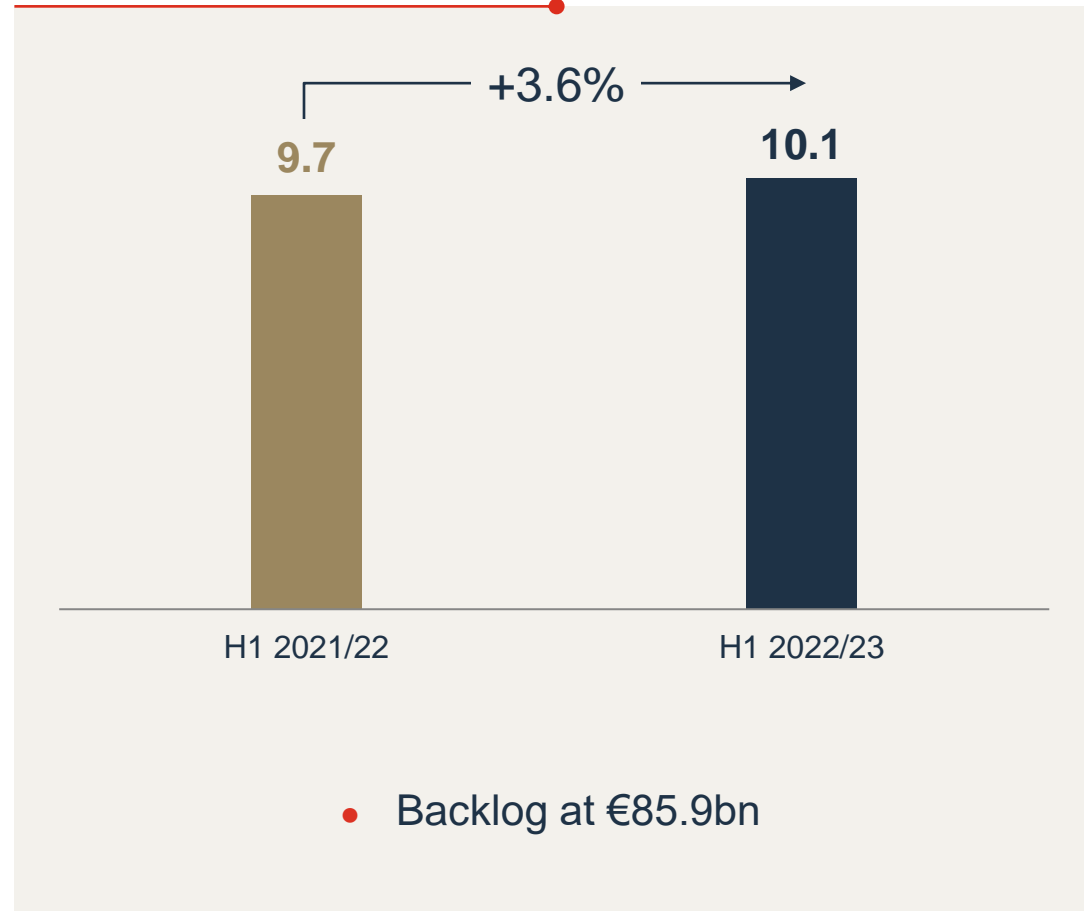


Acceleration of market momentum with €108bn of opportunities in the next 18 months

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Confirmed market momentum

ORDERS H1 2022/23 (in €bn)



Main contracts won in H1 2022/23

€10.1 billion of orders booked in H1 2022/23



CORADIA STREAM™



BaWü (REGIONAL & SERVICES - Germany)



CORADIA EMUs (EMUs & SERVICES - Romania)



FGC CORADIA (REGIONAL & SERVICES - Spain)



High-speed
and very high-speed



SJ250 (HIGH SPEED - Sweden)



SNCF TGVs (VERY HIGH SPEED - France)



Services

€3 Bn
ORDER INTAKE IN H1

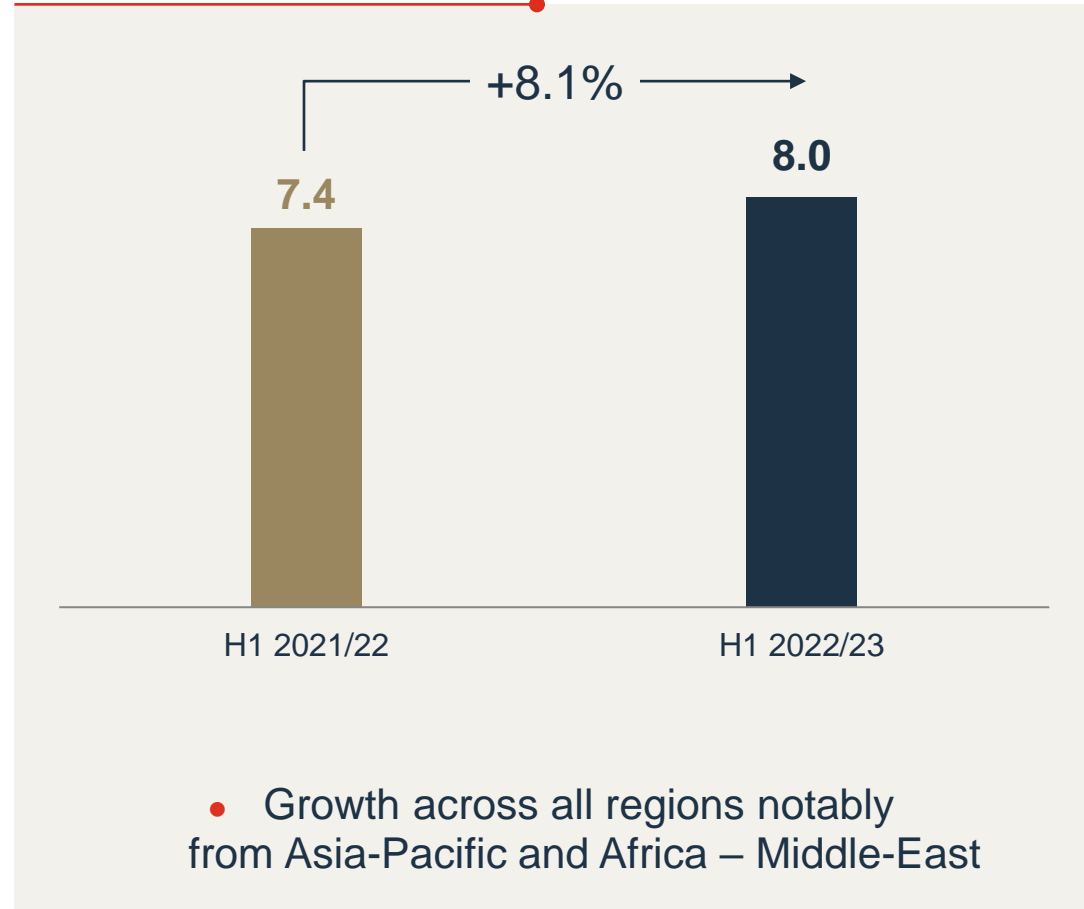


UK GTR (SERVICES – United Kingdom)

- 30 years maintenance on BaWü
- & • 15 years maintenance on Romania
- 15 years maintenance on FGC

Sales progress in line with announced trajectory

SALES H1 2022/23 (in €bn)



H1 2022/23 SALES SPLIT BY PRODUCT LINES



ROLLING STOCK: €4,360m (+2% vs H1 2021/22)
Stabilizing project execution



SERVICES: €1,802m (+16% vs H1 2021/22)
Significant step-up driven by Europe and Americas



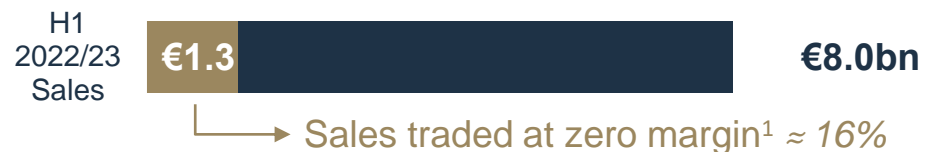
SIGNALLING: €1,152m (+7% vs H1 2021/22)
Stable execution in Europe & APAC, growing in Germany



SYSTEMS: €734m (+41% vs H1 2021/22)
Acceleration in execution (Cairo Monorail, Thailand, Montreal)

Execution under control

NON-PERFORMING SALES EXECUTION AS TARGETED



PROVISIONS FOR RISKS ON CONTRACTS (€m)

Mar 21	Sep 21	Mar 22	Sep 22
1,429	1,444	1,361	1,264

UPDATES DURING H1

- Last two settlement agreements being finalized
- Volume of sales in line with guidance

- Provision consistent with initial position
- Usage of risks on contracts provisions in line with target

Operational execution in line with trajectory

.1. Representing sales on projects with a negative margin at completion.

Integration process - Highlights

92% CRITICAL PROCESSES CONVERGED

Target 100% by March 2023

DIGITAL SUITE DEPLOYMENT

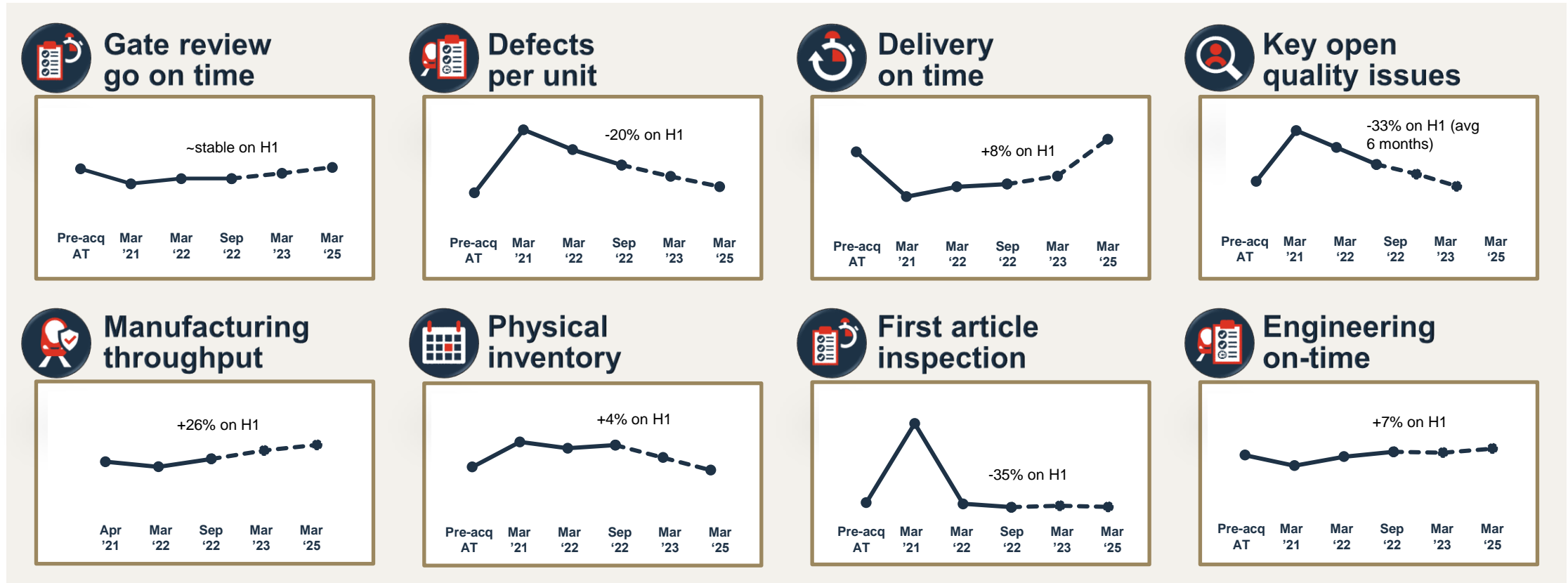
7 countries live

Target 100% by December 2024 (30 countries)

SYNERGIES FY 2022/23 ~ €200m vs €102m last year



Confirmed trajectory on operational performance at H1 2022/23



Operational performance back to nominal by March 2023
Supply chain & electronic components challenges fully mitigated in H1

Alstom is leading the race on Hydrogen

FIRST HYDROGEN TRAIN IN COMMERCIAL SERVICE



DISTANCE RECORD WITHOUT REFUELING



PUBLIC SUPPORT TO BOOST HYDROGEN

IPCEI validated



- €5.4 billion public support
- 4 projects of Alstom selected



€350m subsidies granted

Digital innovations for autonomous mobility

PASSENGER TRAIN PROJECT



- Successful test on track in July 2022

FREIGHT TRAIN PROJECT



- Successful tests with automatic lateral signalling systems and obstacle detection

Progress on Automatic Train Operation (ATO) technology

2



Financial Results

Laurent Martinez
CFO

P&L on-track with FY 2022/23 trajectory

<i>(in € million)</i>	H1 2021/22	H1 2022/23	<i>Evolution</i>
Sales	7,443	8,048	+8.1%
Cost of Sales	(6,494)	(6,988)	+7.6%
Adjusted Gross Margin before PPA¹ <i>As a % of sales</i>	949 12.8%	1,060 13.2%	+40bps
Research and development expenses before PPA ² <i>As a % of sales</i>	(220) 3.0%	(231) 2.9%	+5.0%
Selling & Administrative expenses <i>As a % of sales</i>	(471) 6.3%	(507) 6.3%	+7.6%
Net interest in equity investees pickup ³	77	75	(2.6%)
Adjusted EBIT¹	335	397	+18.5%
Adjusted EBIT margin¹	4.5%	4.9%	+40bps

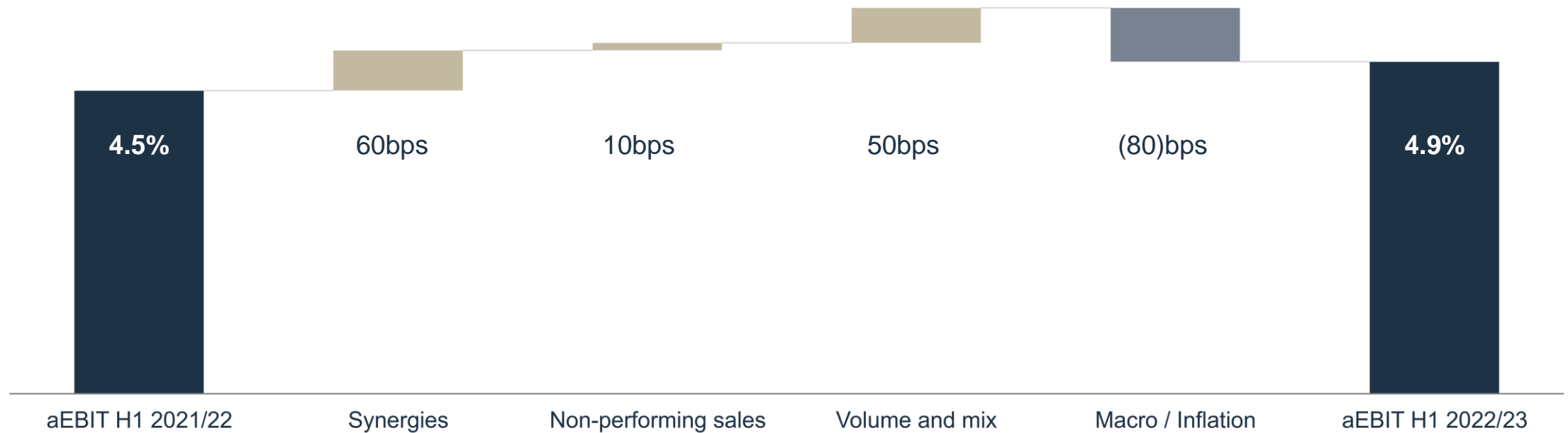
1. Definition in Appendix

2. Excluding €(30) million of amortisation expenses of the purchase price allocation of Bombardier Transportation.

3. Definition in Appendix. This mainly includes Chinese joint-ventures

Profitability bridge H1 2021/22 to H1 2022/23

aEBIT (in %)



aEBIT recovery in line with announced trajectory

Macro / inflation challenges during H1 2022/23

~2/3 of backlog with indexation
~50% of H1 sales

~ 1/3 of backlog without indexation
~50% of H1 sales

Labour costs fixed for 2022/23, Energy costs mostly hedged for 2022/23,
Cost-out measures, Customer negotiations

- Indexation covering raw materials, energy and labour
- ~60% of supplier contracts with fix prices or capped indexation

- ~10% of sales are short-term with price revisions
- Contracts costs factors updated
- ~80% of supplier contracts with fix prices or capped indexation

Marginal positive impact on H1 2022/23

Net negative impact overall of ~80bps on H1 2022/23
90% orders pipeline with indexation

As announced, sustained integration effort during H1

<i>(in € million)</i>	H1 2021/22	H1 2022/23	Evolution
Sales	7,443	8,048	+8.1%
Adjusted EBIT	335	397	+18.5%
Adjusted EBIT margin	4.5%	4.9%	+40bps
Restructuring and rationalisation costs	(47)	(6)	+41
Integration, acquisition and other costs	(32)	(116)	(84)
Reversal of net interest in equity investees pickup ¹	(77)	(75)	+2
EBIT before PPA	179	200	
Financial results	(20)	(24)	(4)
Tax results	(43)	(48)	(5)
Share in net income of equity investees	65	62	(3)
Minority interests from continued op.	(9)	(11)	(2)
Adjusted Net profit²	172	179	
PPA net of tax	(196)	(195)	+1
Net Profit - Continued operations, Group share	(24)	(16)	

Integration cost €64m
Remedies €20m
Legal fees €17m

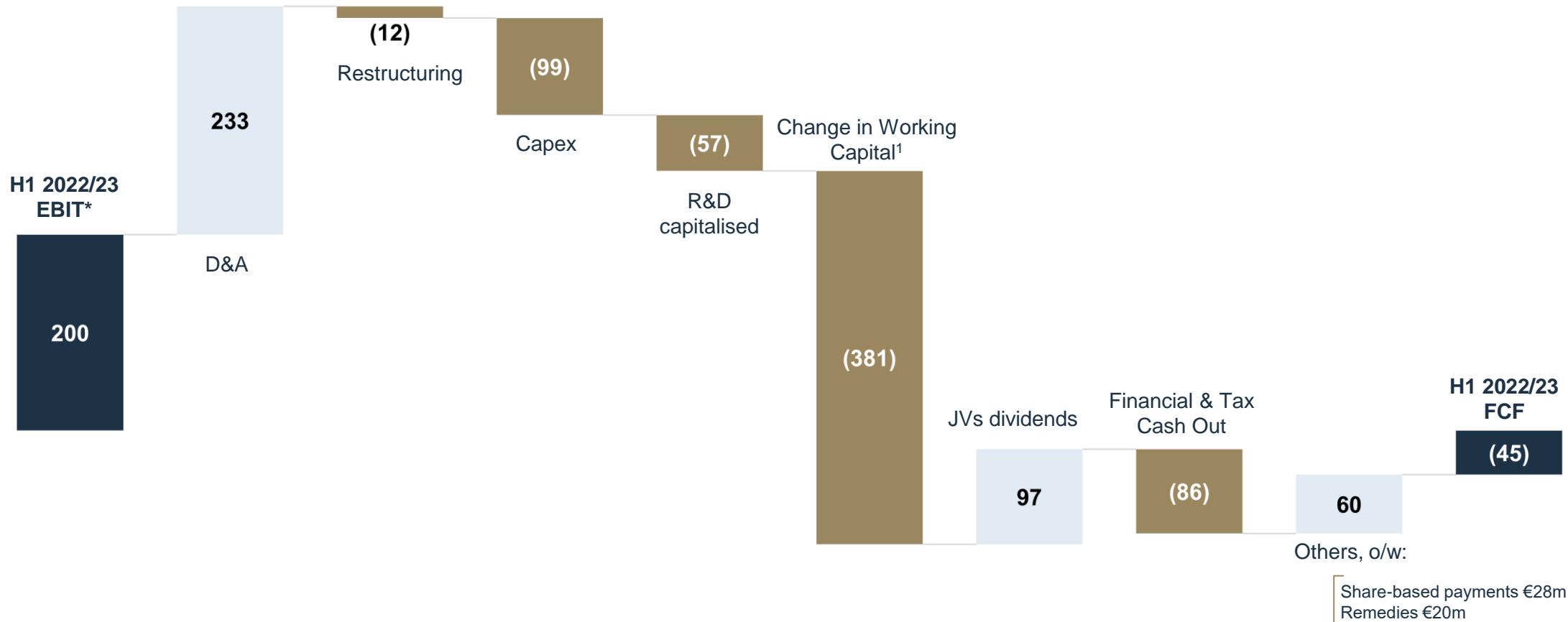
ETR 27%

¹ This mainly includes Chinese joint-ventures

² Definition in appendix

H1 Free Cash Flow close to zero despite expected working capital consumption

From EBIT to Free Cash Flow (in € million)



* EBIT Before PPA

¹ Change in Working Capital for €(381)m corresponds to the €(343) million changes in working capital resulting from operating activities disclosed in the condensed interim consolidated financial statements from which the €12 million variations of restructuring provisions and €(50)m of variation of Tax working capital have been excluded

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Working Capital evolution in line with expectations

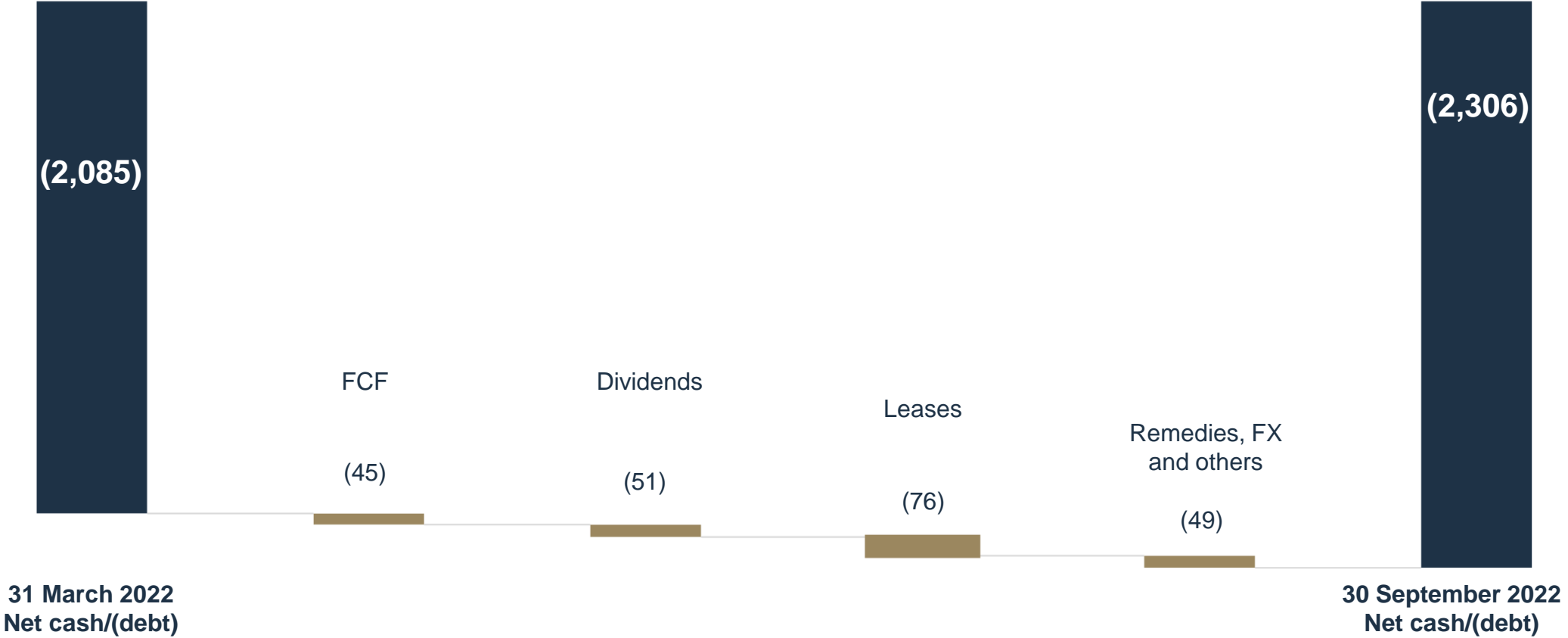
<i>(in € million)</i>	31 March 2022	30 September 2022	Variation
Contract assets	3,846	4,139	293
Contract liabilities	(6,155)	(6,299)	(144)
Inventories	3,274	3,604	330
Trade payables	(3,323)	(3,535)	(212)
Trade receivables	2,747	2,572	(175)
Other current assets/liabilities	(1,972)	(1,897)	75
Working Capital before provisions	(1,583)	(1,416)	167
<i>As a % of sales</i>	<i>(10%)</i>	<i>(9%)</i>	<i>+1%</i>
Provisions	(2,403)	(2,283)	120
<i>Of which Risks on contracts</i>	<i>(1,361)</i>	<i>(1,264)</i>	<i>97</i>
Working Capital	(3,986)	(3,699)	287⁽¹⁾

Specific downpayment scheme €299m vs €471m in March 2022
 Other payables €1,534m vs €1,503m in March 2022
 Suppliers with extended payment terms €348m vs €324m in March 2022
 Tax and VAT receivables €128m vs €167m in March 2022

Of which €144m of provisions application

⁽¹⁾ As per note 15., Total changes in working capital for €287m include €343m changes in operating working capital and €(56)m Others non-cash, mainly changes in working capital resulting from investing activities

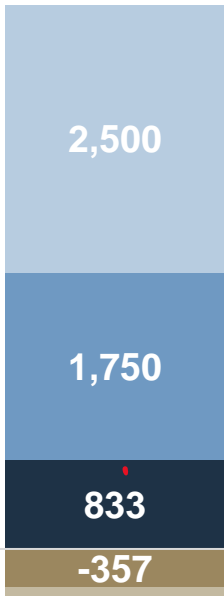
Net debt evolution (in € million)



Sound and stable liquidity position

(IN € MILLION)

4,618



■ Undrawn Backstop RCF maturing Jan. 2027 with two 1-year extension²

■ Undrawn Liquidity RCF maturing Jan. 2025 with two 1-year extension²

■ Cash & equivalent

■ NeuCP¹

■ Short-term bank facility

sep-22

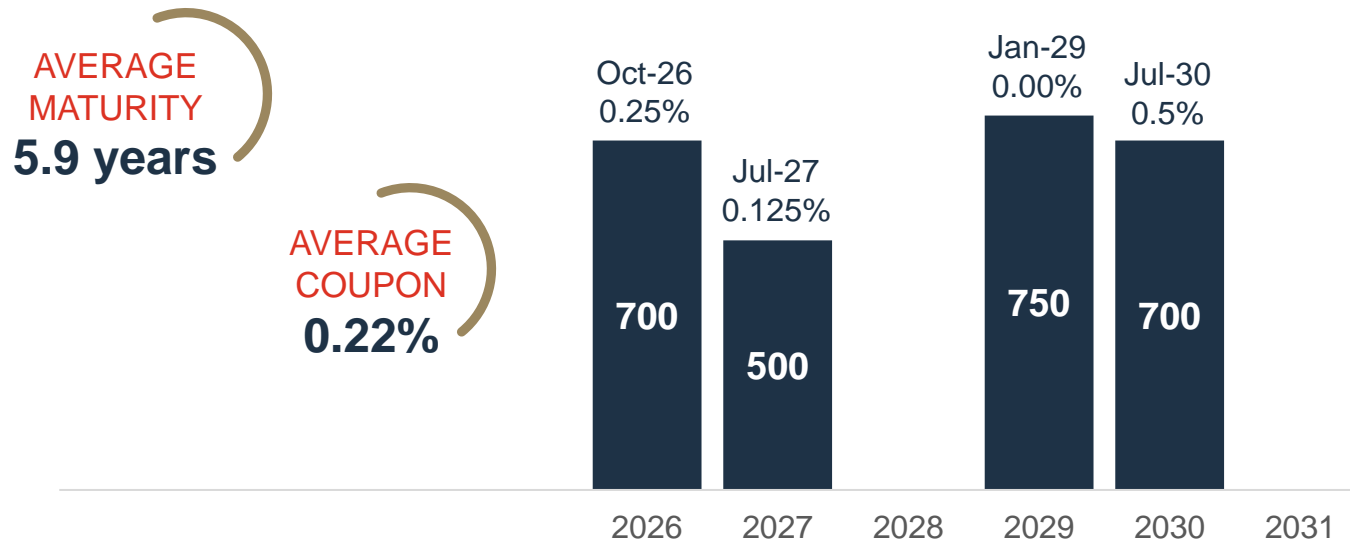
- No financial covenants on any debt
- €357m Neu CP as of September 2022 (vs. €250m as of March 2022 and €750m as of September 2021)

1. Negotiable European Commercial Papers.

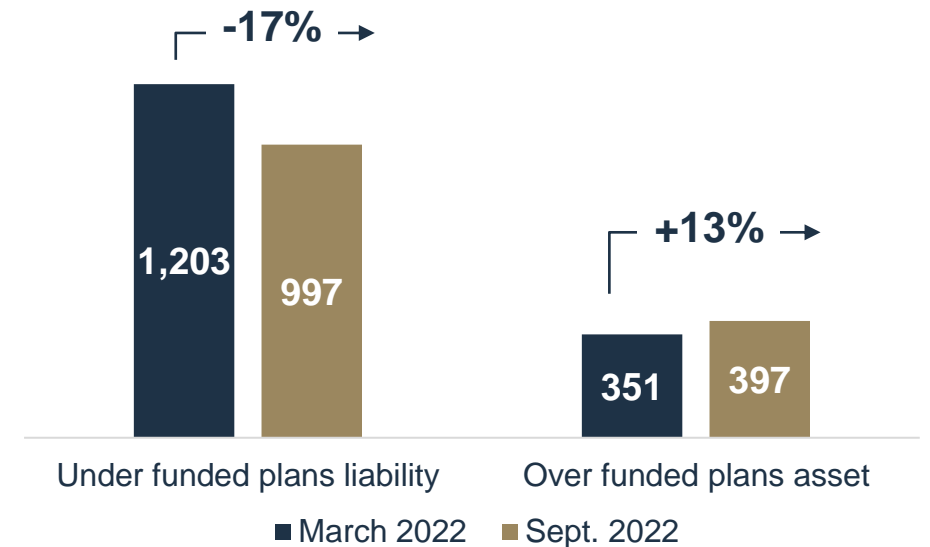
2. €1,750 million Revolving Credit, extension at the lenders' discretion. This facility is undrawn at September closing. €2,500 million Revolving Credit, extension at the lenders' discretion. This RCF is a backstop to Neu CP programme.

Favorable long-term debt profile

OUTSTANDING BONDS (IN € MILLION)



POSITIVE IMPACT OF INTEREST RATES



- No financial covenants and fixed coupons on all bonds
- Favorable maturity profile given the current market conditions

- Net liability reducing from €852m to €600m

Alstom expects no rating action from Moody's following H1 results

3

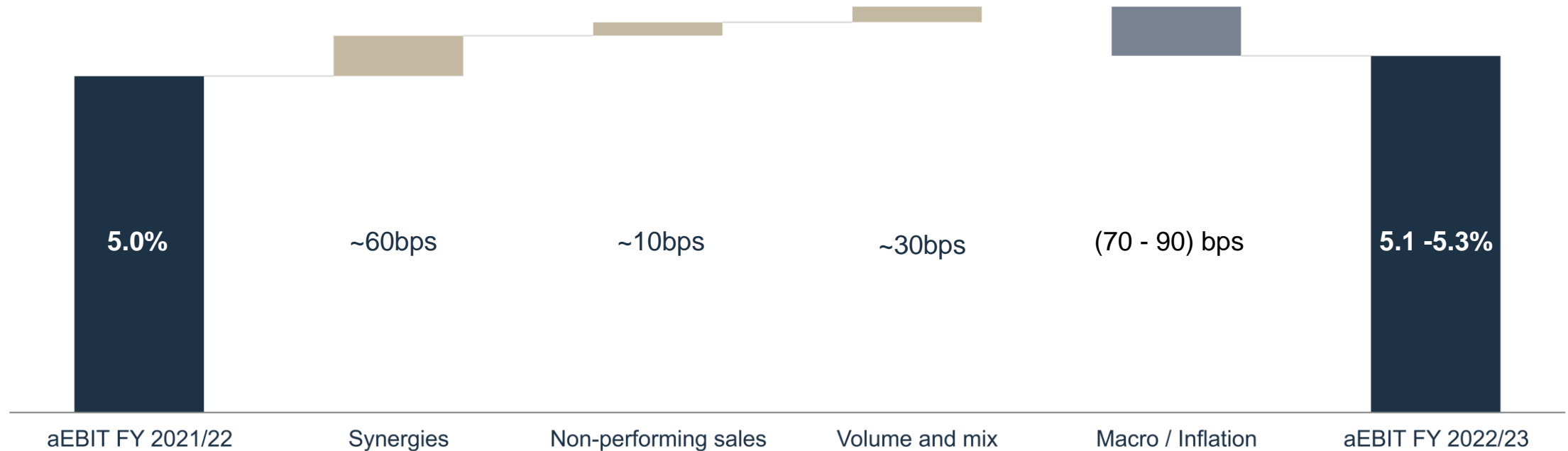


Trajectory and outlook

Laurent Martinez
CFO

Profitability bridge FY 2021/22 to FY 2022/23

aEBIT (in %)



FY 2022/23 outlook confirmed in a range of 5.1% to 5.3%

Free Cash Flow generation confirmed

H1 2022/23 - Free Cash Flow

FY 2022/23 - Free Cash Flow



FY 2022/23 Free Cash Flow outlook confirmed in a range of +€100m to +€300m

4



Conclusion

Henri Poupart-Lafarge
Chairman and CEO

FY 2022/23 outlook specified

Mid-term 2024/25
targets confirmed

- FY 2022/23 Book to bill above 1
- FY 2022/23 Sales growth consistent with mid-term guidance
- aEBIT for FY 2022/23 expected in the 5.1% to 5.3% range
- Free Cash Flow for FY 2022/23 expected in the +€100m to +€300m range

The Group has based its FY 2022/23 outlook on a central inflation scenario reflecting a consensus of public institutions.

The Group also assumes its continuous ability to navigate the electronic components, supply chain and energy challenges as it has done during the first half.

MARKET
SHARE
+5pp¹

SALES
CAGR
>5%²

aEBIT
8-10%³

FCF to Adjusted
Net profit
> 80%⁴

Dividend
payout ratio
25-35%⁵

1. Between 2020/21 and 2024/25 2. CAGR between Sales proforma 2020/21 and 2024/25 3 From 2024/25 onwards 4 From 2024/25 onwards. Subject to short term volatility 5. The pay-out ratio is calculated by dividing the amount of the overall dividend with the "Adjusted net profit from continuing operations attributable to equity holders of the parent, Group share as presented in the management report in the consolidated financial statements.

Alstom's resilient business model - despite challenging environment

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



Contacts & Agenda



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25 January 2023
Q3 2022/23 publication

29 March 2023
Alstom ESG Day

10 May 2023
FY 2022/23 publication
Alstom Investor Day

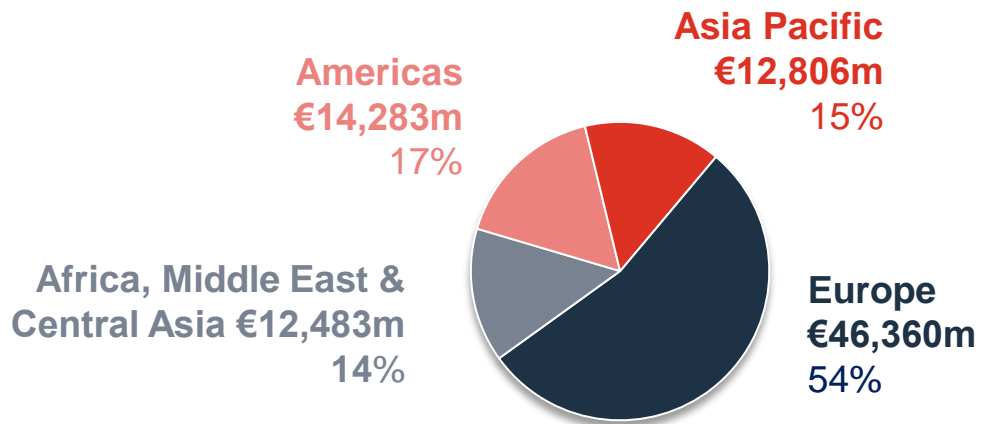
11 July 2023
Shareholders' assembly



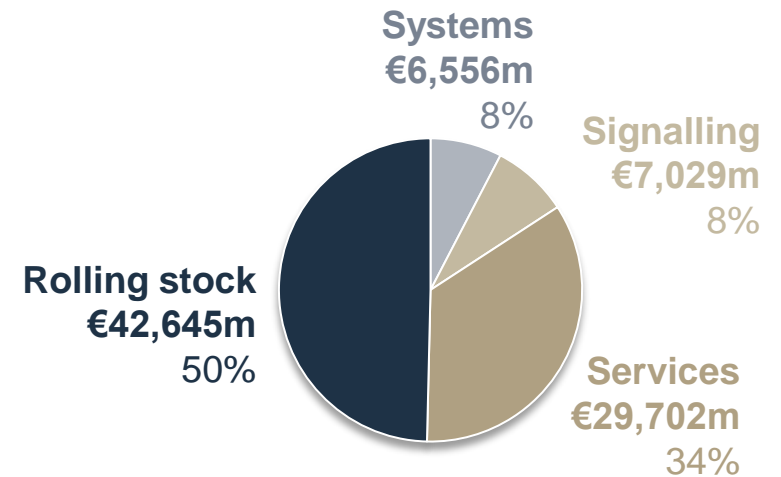
Appendix

H1 2022/23 backlog per regions and product lines

Backlog breakdown per regions (in € million)

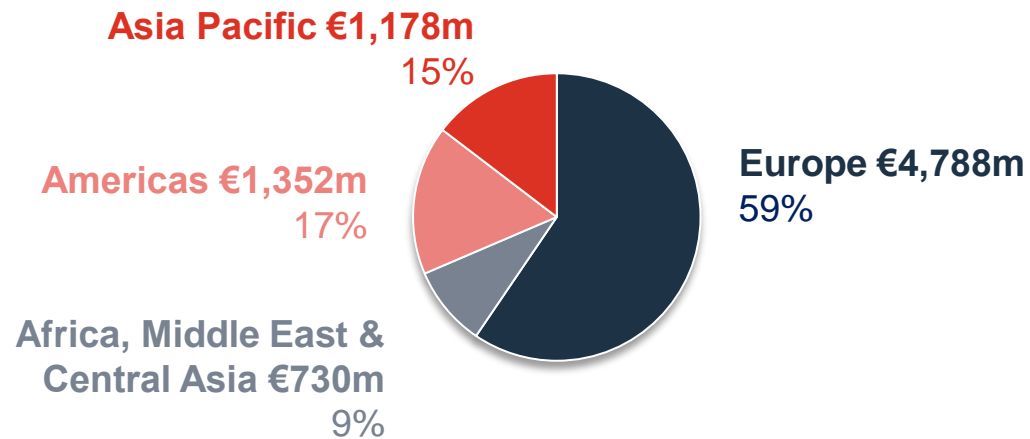


Backlog breakdown per product line (in € million)

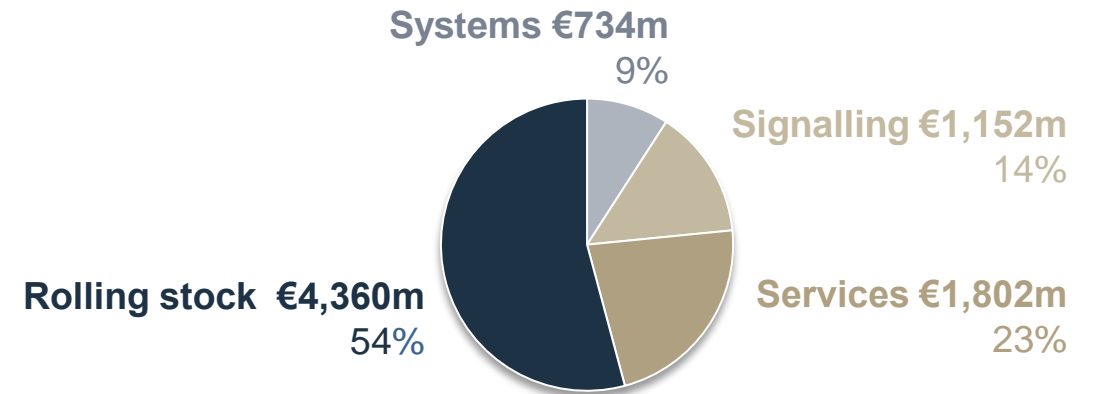


H1 2022/23 Sales per regions and product lines

Sales breakdown per regions (in € million)



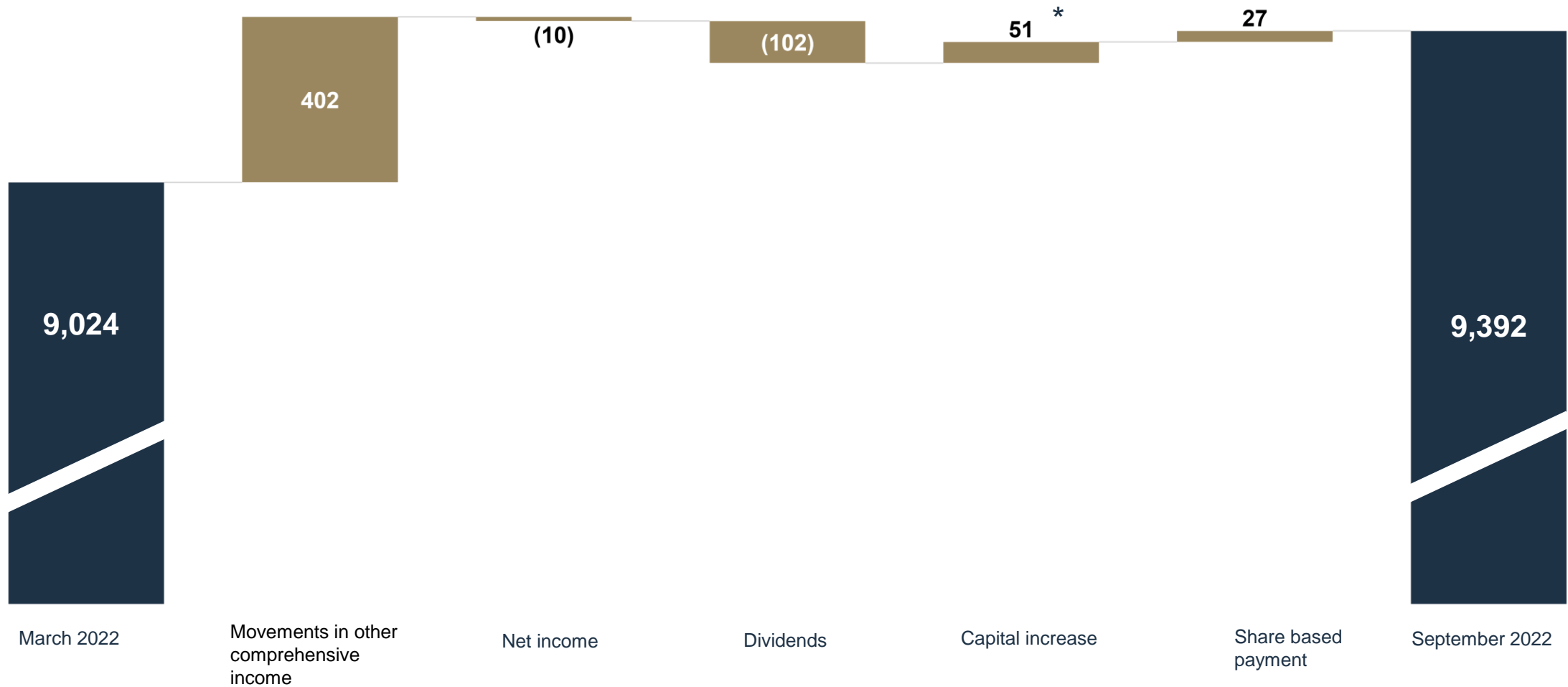
Sales breakdown per product line (in € million)



Sales by currency

<i>Currencies</i>	H1 2022/23 as a % of sales
EUR	48.9%
USD	13.1%
GBP	12.0%
AUD	5.0%
INR	4.5%
ZAR	2.7%
SEK	2.3%
CAD	1.8%
SGD	1.4%
Currencies below 1% of sales	8.3%

Equity in € million



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

Bridge consideration – From Enterprise Value to Equity Value

(in € million)

		H1 2022/23
Total Gross debt, incl. lease obligations	(1)	3 810
Pensions liabilities net of prepaid and deferred tax asset related to pensions	(2)	551
Non controlling interest	(3)	113
Cash and cash equivalents	(4)	(833)
Other current financial assets	(4)	(93)
Other non-current financial assets	(5)	(49)
Net deferred tax liability / (asset)	(6)	(364)
Investments in associates & JVs, excluding Chinese JVs	(7)	(133)
Non-consolidated Investments	(8)	(80)
Bridge		2 922

- (1) Long-term and short-term debt and Leases (Note 20), excluding the lease to a London metro operator for €129m due to matching financial asset (Notes 14 and 20)
- (2) As per Note 22 net of €(49)m of deferred tax allocated to accruals for employees benefit costs
- (3) As per balance sheet
- (4) As per balance sheet
- (5) Other non-current assets: Loans to Non-consolidated Investments for €18m and deposit on a US loan for €31m (Notes 14 and 20)
- (6) Deferred Tax asset and Liabilities - as per balance sheet net of €(49)m of deferred tax allocated to accruals for employees benefit costs
- (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

<i>(in € million)</i>	As per P&L Booking ¹
FY 2020/21	(71)
FY 2021/22	(428)
H1 FY 2022/23	(207)
H2 FY2022/23	(199)
FY 2022/23	(406)
FY 2023/24	(372)
FY 2024/25	(376)
FY 2025/26	(267)
FY 2026/27	(215)
FY 2027/28	(205)
FY 2028/29	(167)
FY 2029/30	(140)
FY 2030/31	(108)
FY 2031/32	(97)
Beyond	(290)

- The Gross PPA amortisation plan will be subject to FX evolution in future years or subject to potential impairments
- Refer to Note 1.1.1 for explanations on amortisation duration

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

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Reconciliation between consolidated income statement and the MD&A management view as of 30 September 2022

<i>(in € million)</i>	Total Consolidated Financial Statements (GAAP)	Adjustments				Total Consolidated Financial Statements (MD & A view)
		(1)	(2)	(3)	(4)	
30 September 2022						
Sales	8,048					8,048
Cost of Sales	(7,168)	178	2			(6,988)
Adjusted Gross Margin before PPA ^(*)	880	178	2	-	-	1,060
R&D expenses	(261)	30				(231)
Selling expenses	(178)					(178)
Administrative expenses	(329)					(329)
Equity pick-up	-				75	75
Adjusted EBIT ^(*)	112	208	2	-	75	397
Other income / (expenses)	(120)		(2)			(122)
Equity pick-up (reversal)	-				(75)	(75)
EBIT / EBIT before PPA ^(*)	(8)	208	-	-	-	200
Financial income (expenses)	(24)					(24)
Pre-tax income	(32)	208	-	-	-	176
Income tax Charge	(29)	(19)				(48)
Share in net income of equity-accounted investments	56	6				62
Net profit (loss) from continued operations	(5)	195	-	-	-	190
Net profit (loss) attributable to non controlling interests (-)	(11)					(11)
Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss) ^(*)	(16)	195	-	-	-	179
Purchase Price Allocation (PPA) net of corresponding tax effect	-	(195)				(195)
Net profit (loss) from discontinued operations	(5)					(5)
Net profit (Group share)	(21)					(21)

Adjustments as of 30 September 2022:

1. Impact of business combinations: amortisation of assets exclusively valued when determining the purchase price allocation (PPA), including corresponding tax effect;
2. Impact of Aptis closure: reclassification of operational results as non-recurring items following Alstom's announced and planned discontinuance of Aptis activities;
3. Reclassification of other operational costs to non-recurring item
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.

Reconciliation between consolidated income statement and the MD&A management view as of 30 September 2021

(in € millions)	Total Etats Financiers Consolidés (GAAP)	Adjustments			Total Adjusted Income Statement (Management View)
		(1)	(2)	(3)	
September 30, 2021					
Sales	7,443				7,443
Cost of sales	(6,694)	179	21		(6,494)
Adjusted Gross Margin before PPA ⁽¹⁾⁽²⁾	749	179	21	-	949
R&D expenses	(258)	38			(220)
Selling expenses	(162)				(162)
Administrative expenses	(309)				(309)
Equity pick-up	-			77	77
Adjusted EBIT ⁽¹⁾⁽²⁾	20	217	21	77	335
Other income / (expenses)	(58)		(21)		(79)
Equity pick-up (reversal)	-			(77)	(77)
EBIT / EBIT before PPA ⁽²⁾	(38)	217	-	-	179
Financial income	6				6
Financial expenses	(26)				(26)
Pre-tax income	(58)	217	-	-	159
Income tax Charge	(22)	(21)			(43)
Share in net income of equity-accounted investments	65				65
Net profit (loss) from continued operations	(15)	196	-	-	181
Net (profit) loss attributable to non controlling interests	(9)				(9)
Net profit (loss) / Adjusted Net Profit (loss) ⁽²⁾	(24)	196	-	-	172
Purchase Price Allocation (PPA)	-	(196)			(196)
Net profit (loss) from discontinued operations	(2)				(2)
Net profit (Group share)	(26)	-	-	-	(26)

Note: (1) figures not reported as such in the income statement

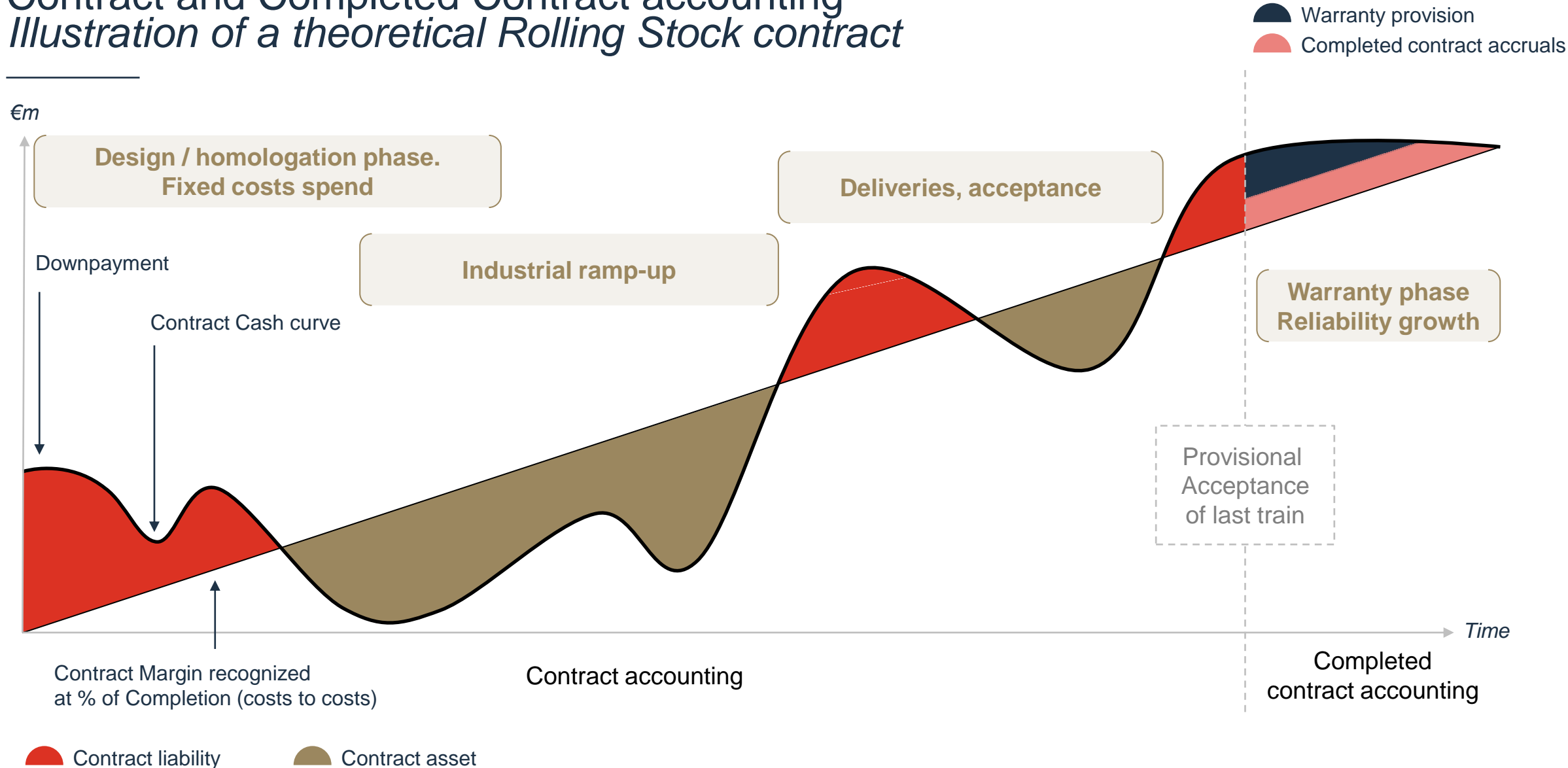
Note: (2) Alternative performance indicator for management reporting only

Adjustments as of 30 September 2021:

1. Impact of business combinations: amortisation of assets exclusively valued when determining the purchase price allocation (PPA), including corresponding tax effect;
2. Impact of Aptis closure: reclassification of operational results as non-recurring items following Alstom's announced and planned discontinuance of Aptis activities;
3. Reclassification of other operational costs to non-recurring item
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.

Contract and Completed Contract accounting

Illustration of a theoretical Rolling Stock contract



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 and Completed contract accounting – Working Capital – Glossary

- **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 billing¹ 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 reclassified to **completed contract accruals** (within Other payables) representing activities to be completed after acceptance

1. Billing triggers reduction of contract asset and recognition of a Receivable.

Other Working Capital items - Glossary

- **Inventories** are mainly **raw materials and semi-finished goods**. They are recognized when goods are received at the factory¹. 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

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 joint-venture for Alstom as well as, following the integration of Bombardier Transportation, Alstom Sifang (Qingdao) Transportation Ltd. (formerly Bombardier Sifang), Bombardier NUG Propulsion System Co. Ltd and Changchun Changke Alstom Railway Vehicles Company Ltd (former Changchun Bombardier

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 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.

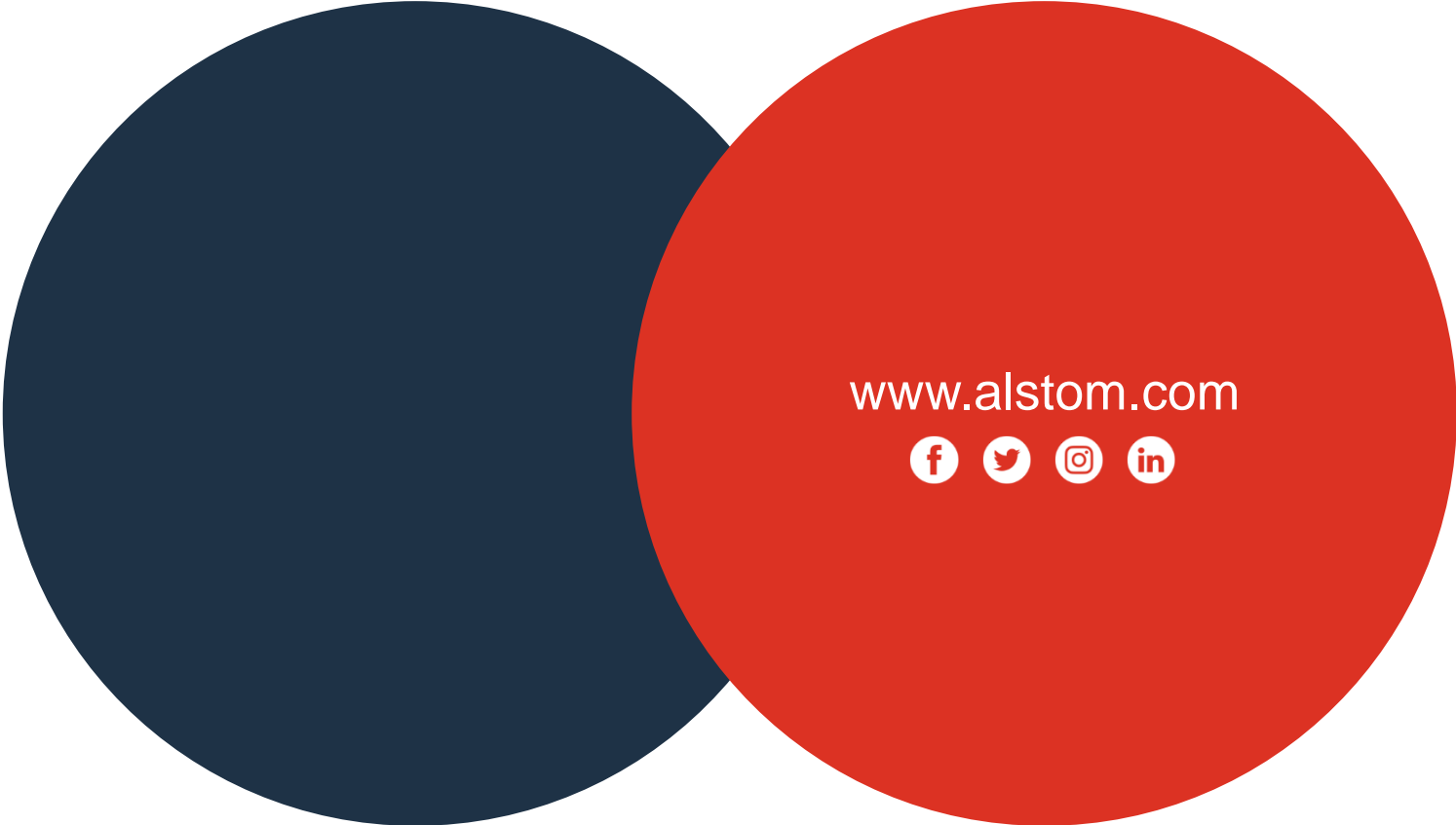
- **Net cash/(debt)**

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.



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