

## **Key milestone on Alstom's acquisition project of Bombardier Transportation: signed sale and purchase agreement<sup>1</sup> under revised price terms**

- **Net proceeds expected now up to €5.3 bn against a range of €5.8 - €6.2 bn previously agreed**
- **Closing now expected in Q1 2021**

**16 September 2020** – Alstom announced today that it signed the sale and purchase agreement<sup>1</sup> with Bombardier Inc and Caisse de dépôt et placement du Québec (CDPQ) for the acquisition of Bombardier Transportation.

*“The acquisition of Bombardier Transportation represents a transformational change for Alstom. It will enable the Group to accelerate on its strategic roadmap and strengthen its leadership in the context of a dynamic market, at a time where sustainable transportation is at the heart of the global agenda.*

*Bombardier Transportation will bring to Alstom complementary geographical presence to broaden Alstom's commercial reach in key growing markets, strong product complementarities in rolling stock, strategic scale in services and signalling, industrial capacity in key countries, a leading portfolio offering and additional R&D capabilities to invest in green and smart innovation. Alstom will also welcome new talent and expertise, with the arrival of Bombardier Transportation employees.”*, said Henri Poupart-Lafarge Chairman and CEO of Alstom.

Terms of the agreement have been adapted to the current situation. A €300m reduction in the price range has been agreed with Bombardier Inc and CDPQ. Excluding any further downward adjustments linked to the net cash protection mechanism<sup>2</sup>, the price range for the acquisition of 100% of Bombardier Transportation shares will be therefore €5.5bn to €5.9bn<sup>3</sup>.

Alstom considers that the proceeds are likely to amount up to €5.3 bn, based on estimated potential post-closing adjustment and obligations linked to the net cash protection mechanism<sup>2</sup>, compared to the €5.8bn – €6.2bn range communicated on February 17<sup>th</sup>, 2020.<sup>4</sup>

The financing structure remains the same as communicated previously, in particular the size and terms of the rights issue and the reserved capital increases of CDPQ and Bombardier Inc. As announced last February, pursuant to the new terms of the acquisition, CDPQ will become the largest shareholder of Alstom with approximately 18% of the share capital and voting rights.

Alstom is convinced of the strong strategic rationale for the acquisition and is confident in its ability to recover Bombardier Transportation's commercial, operational and profitability potential. Alstom confirms its objectives

<sup>1</sup> Agreement for the Sale and Purchase of the Entire Issued Share Capital of Bombardier Transportation (Investment) UK Limited.

<sup>2</sup> As communicated on February 17<sup>th</sup>, 2020, Bombardier Transportation net cash position at closing will lower purchase price on a Euro-per-Euro basis, should Bombardier Transportation have a negative net cash position as of 31 December 2020

<sup>3</sup> The cash proceeds to Bombardier (excluding the equivalent €500mn linked to the reserved capital increase of Bombardier) will be paid in US dollars at agreed exchange rate EUR/USD of circa 1.1.17 This payment is hedged in USD.

<sup>4</sup> Subject to the same closing account mechanisms

to deliver €400m run rate cost synergies in year 4 to 5 and to restore Bombardier Transportation margin towards standard level in the medium term. The transaction is expected to be double digit EPS accretive in year 2 post closing<sup>5</sup> and to preserve Alstom's strong credit profile with a Baa2 rating.

Alstom's Board of Directors approved these new terms and is confident in Alstom's capacity to deliver strong value creation for all stakeholders through this acquisition.

Following positive progress on antitrust regulation process, the closing of the transaction is now expected for Q1 2021 subject to regulatory approvals and customary closing conditions, with an extraordinary shareholders' meeting to be held on October 29<sup>th</sup> 2020.

### **IMPORTANT NOTICE**

*This press release does not constitute or form part of a prospectus or any offer or invitation for the sale or issue of, or any offer or inducement to purchase or subscribe for, or any solicitation of any offer to purchase or subscribe for any shares or other securities in the Company in France, the United Kingdom, the United States or any other jurisdiction. Any offer of the Company's securities may only be made in France pursuant to a prospectus having received the visa from the AMF or, outside France, pursuant to an offering document prepared for such purpose.*

*This announcement includes forward-looking statements, including but not limited to statements relating to Alstom's and Bombardier's beliefs and expectations regarding the acquisition of Bombardier Transportation by Alstom and expectations regarding the proposed transaction, benefits that would be afforded to customers, benefits that are expected to be obtained as a result of the proposed transaction and the relevant parties' ability to enhance shareholder value through, among other things, the delivery of cost savings and expected synergies. These statements are based on certain assumptions and reflect Alstom's and Bombardier's current expectations. These forward-looking statements may be identified by words such as "expect," "look forward to," "anticipate," "intend," "plan," "believe," "seek," "estimate," "will," "project" or words of similar meaning. Alstom or Bombardier may also make forward-looking statements in other reports, in presentations, in materials delivered to shareholders and in press releases. In addition, Alstom's or Bombardier's representatives may from time to time make oral forward-looking statements. Such statements are based on the current expectations and assumptions of Alstom's and Bombardier's respective management teams, and depend on numerous factors that are beyond Alstom's or Bombardier's control.*

*These forward-looking statements are subject to a number of risks, uncertainties and factors, including but not limited to: the failure of Alstom's shareholders to approve the proposed transaction; the effect of regulatory conditions, if any, imposed by regulatory authorities; the reaction of Alstom's and Bombardier's customers, employees and suppliers to the proposed transaction; the ability to promptly and effectively integrate the business of Bombardier Transportation within of Alstom; the diversion of management time on transaction-related issues; and those risks described in disclosures that have been made or may be made with regulatory authorities such as the French Autorité des marchés financiers (the "AMF") and/or the Autorité des marchés financiers (Québec). Should one or more of these risks or uncertainties materialize, or should underlying expectations or assumptions prove to be incorrect, the actual results, performance, financial condition and*

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<sup>5</sup> Post cost synergies and implementation costs, and before PPA amortization.

*prospects of Alstom or Bombardier may vary materially from those expressed or implied in the relevant forward-looking statements. Neither Alstom nor Bombardier intends, nor assumes any obligation, to update or revise these forward-looking statements in light of subsequent developments, new information or circumstances that differ from those currently anticipated. There can be no assurance that the proposed transaction will be consummated or that the anticipated benefits will be realised. The proposed transaction is subject to various regulatory approvals and the fulfilment of certain conditions, and there can be no assurance that any such approvals will be obtained and/or such conditions will be met.*

*Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.*

***Additional information***

*In connection with the proposed transaction, Alstom may file (i) with the AMF, a prospectus and other relevant documents in connection with the proposed transaction and (ii) if applicable, with the relevant regulatory authorities important documents related to the proposed transaction. INVESTORS AND SECURITY HOLDERS ARE URGED TO CAREFULLY READ ALL RELEVANT DOCUMENTS FILED WITH THE AMF AND THE RELEVANT REGULATORY AUTHORITIES, INCLUDING THE PROSPECTUS WHEN IT BECOMES AVAILABLE, BECAUSE THEY WILL CONTAIN 8 IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION. Investors and security holders may obtain free of charge a copy of the prospectus as well as other documents filed with the authorities (when they are available) at the AMF's website, [www.amf-france.org](http://www.amf-france.org), and the relevant regulatory authorities' websites. Those documents, when filed, may also be obtained free of charge [from Alstom's website at [www.alstom.com](http://www.alstom.com) or by contacting Alstom's Investor Relations team at [investor.relations@alstomgroup.com](mailto:investor.relations@alstomgroup.com).*

## About Alstom

Leading the way to greener and smarter mobility worldwide, Alstom develops and markets integrated systems that provide the sustainable foundations for the future of transportation. Alstom offers a complete range of equipment and services, from high-speed trains, metros, trams and e-buses to integrated systems, customised services, infrastructure, signalling and digital mobility solutions. Alstom recorded sales of €8.2 billion and booked orders of €9.9 billion in the 2019/20 fiscal year. Headquartered in France, Alstom is present in over 60 countries and employs 38,900 people.

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