

Emerging stronger, Alstom delivers good FY 2022/23 results in a growing Rail market

- **Orders received at €20.7 billion. Book-to-bill ratio at 1.25**
- **Sales at €16.5 billion in 2022/23, up 7%¹ vs. last year**
- **aEBIT² at €852 million, up 11%**
- **Adjusted Net Profit² at €292 million**
- **Free Cash Flow at €199 million**
- **FY 2023/24 outlook:**
 - **aEBIT margin: around 6%**
 - **Free Cash Flow: significantly positive**
- **Mid-term targets to be reached in FY 2025/26:**
 - **aEBIT margin: 8-10%**
 - **Free Cash Flow conversion³ above 80%**

10 May 2023 – Between 1 April 2022 to 31 March 2023, Alstom booked €20.7 billion of orders. Sales were €16.5 billion, in line with the targeted trajectory, resulting in a strong book-to-bill ratio at 1.25. The backlog reached €87.4 billion, providing strong visibility on future sales.

In the fiscal year 2022/23, Alstom's adjusted EBIT was €852 million, equivalent to a 5.2% aEBIT margin. Adjusted net profit was €292 million and free cash flow was €199 million for the full year.

On 31 March 2023, the Group's net debt position stood at €2,135 million, compared to the €2,085 million that the Group reported on 31 March 2022. Alstom benefits from a solid €4,787 million liquidity position and equity amounting to €9,102 million on 31 March 2023.

The Board of Directors, in its meeting of 9 May 2023, decided to propose a dividend distribution of €0.25 per share at the next Shareholders' meeting on 11 July 2023, which corresponds to a 33% payout ratio from the adjusted net profit⁴.

¹ Of which 5% organic growth

² Non - GAAP. See definition in the appendix.

³ From adjusted net profit

⁴ With the option to receive payment in cash or in new shares

“We have delivered a strong commercial performance during this year, with new orders exceeding €20 billion and book-to-bill consistently at 1.25. Market momentum remains very positive with an increasing orders pipeline, and compelling growth prospects in all regions supported by a conducive policy environment focused on the greening of transport. Alstom is emerging stronger operationally from this year as we accelerate our transformation. Of note, we have successfully adapted our model to address the supply chain and electronics headwinds, while delivering against our financial and environmental objectives. We remain committed to our mid-term profitability and cash generation targets, which will be reached in 2025/26.” said **Henri Poupart-Lafarge**, Chairman of the Board of Directors and Chief Executive Officer of Alstom.

Key figures⁵

Actual figures (in € million)	Full year ended 31 March 2022	Full year ended 31 March 2023	% Change Reported	% Change Organic
Orders backlog	81,013	87,387	8%	12%
Orders received ⁶	19,262	20,694	7%	5%
Sales	15,471	16,507	7%	5%
Adjusted EBIT ⁶	767	852	11%	
Adjusted EBIT margin ⁶	5.0%	5.2%		
EBIT before PPA ⁶	275	366		
Adjusted net profit ⁶	(173)	292		
Free Cash Flow	(992)	199		

Strategic and business update

The Group made progress on all four pillars of its Alstom in Motion 2025 strategy in this fiscal year 2022/23.

1. Growth by offering greater value to customers

- **Orders**

During the fiscal year 2022/23, the Group recorded €20.7 billion in orders, with significant commercial success across multiple geographies, notably in Africa/Middle East/Central Asia and in Asia/Pacific, and product lines, mostly in Services. Orders for Services reached a new record level of €6.4 billion, or 31% of the total order intake.

⁵ Geographic and product breakdowns of reported orders and sales are provided in Appendix 1

⁶ Non - GAAP. See definition in the appendix.

In Europe, Alstom recorded €12.8 billion order intake during the fiscal year 2022/23, compared to €12.7 billion over the same period last fiscal year. In Germany, Alstom was awarded a landmark contract to supply 130 Coradia Stream™ High-Capacity electric double-deck trains together with full maintenance for 30 years to Landesanstalt Schienenfahrzeuge Baden-Württemberg (SFBW) for the Baden-Württemberg network, including an option for up to 100 additional trains. With a value of almost €2.5 billion for the firm order, this contract is a positive indication of Alstom's market share ambitions in Germany.

In France, the Group has received orders for 60 additional RER NG trains for the Île-de-France network, representing the first option under a framework contract signed in 2017 and valued at almost €1 billion, and for additional 15 new-generation Avelia Horizon™ very high-speed trains from SNCF Voyageurs.

Alstom also signed a historic agreement with Sweden's national operator SJ to supply 25 Zefiro Express™ electric high-speed trains, with an option of 15 additional trains. In Norway, Norske tog ordered 25 more Coradia™ Nordic regional trains under the landmark framework agreement signed at the end of 2021 together with an initial first order of 30 trains. In Romania, the Group will supply 17 additional Coradia Stream™ inter-regional trains and associated 15 years maintenance services to Romania Railway Reform Authority (ARF).

In the U.K., Alstom has re-aligned the order intake for the train service agreement of Elizabeth line with Transport for London for a 32-year contractual concession period up to 2046, recognizing €1.1bn in the third quarter, and the Group signed a Technical Support and Spares Supply Agreement (TSSSA) with Govia Thameslink Railway (GTR) for a period of five years and five months to align with the duration of GTR's National Rail Contract. And in Spain, the Group has been awarded a contract by Renfe to supply 49 additional Coradia Stream™ high-capacity trains.

In Americas, Alstom reported €2.7 billion order intake, as compared to €4.0 billion over the same period last fiscal year, driven by the award of a contract to provide operations and maintenance services for the Maryland Area Rail Commuter (MARC) Camden and Brunswick Lines and for the Innovia monorail system at Newark Liberty International Airport in the U.S.A., as well as several small contracts. The performance in Americas last year was mainly driven by contracts for the Tren Maya railway project in Mexico, for São Paulo in Brazil and for Metro de Santiago's new Line 7 in Chile.

In Asia/Pacific, the order intake stood at €3.0 billion, as compared to €2.3 billion over the same period last fiscal year. In Australia, Alstom has signed a framework contract with the Department of Transport Victoria for the provision of 100 Flexity™ low-floor Next Generation Trams (NGTs) for the largest urban tram network in the world. Valued at approximately €700 million, the contract includes supply of rolling stock and 15-year maintenance, making this the biggest tram contract in Australia and in the Southern hemisphere. In India, Alstom has been awarded a contract by Madhya Pradesh Metro Rail Corporation Limited (MPMRCL) to deliver 156 Movia™ metro cars with 15 years of comprehensive maintenance and the installation of latest generation of Communications Based Train Control (CBTC) signalling system as well as train control and telecommunication systems, each with seven years of

comprehensive maintenance, for the Bhopal and Indore metro projects. The Group also received a contract from Delhi Metro Rail Corporation (DMRC) to design, manufacture, supply, test and commission 312 standard gauge metro cars for the Delhi Metro Phase IV expansion with maintenance services for 78 cars. In Hong Kong, Alstom was awarded a contract to provide the signalling system for the Lantau Extension project.

In Africa/Middle East/Central Asia, the Group reported €2.2 billion order intake, as compared to €0.3 billion over the same period last fiscal year, mainly driven by a contract in Egypt to supply 55 Metropolis™ trains and 8-year maintenance to National Authority for Tunnels (NAT) for upgrade of Cairo Metro Line 1, valued at €0.9 billion, and an additional order from Kazakhstan Railways (KZT) for the supply of next generation locomotives and related maintenance support. The performance last year was mainly driven by a contract to provide Casa Transports in Morocco with 66 Citadis™ X05 trams.

As of 31 March 2023, the orders backlog stood at €87.4 billion, providing the Group with strong visibility over future sales.

- **Sales**

Alstom's sales amounted to €16.5 billion for the fiscal year 2022/23, representing a growth of 7% on an actual basis and 5% on an organic basis compared with Alstom sales last fiscal year. Sales related to non-performing backlog, corresponding to sales on projects with a negative margin at completion, amounted to €2.3 billion during the fiscal year 2022/23.

Rolling stock sales reached €8.8 billion, representing an increase of 2% on an actual basis, driven by the continued execution of large rolling stock contracts, including the Coradia Stream™ trains in the Netherlands, the Regio 2N regional trains and RER NG double-deck trains for SNCF as well as EMU trains for the Paris Metro for RATP in France and for Trenitalia in Italy, the Barcelona Metro for Transports de Barcelona SA in Spain, the ICE 4 trains and the S-Bahn Stuttgart trains for Deutsche Bahn in Germany, the Aventra™ trains in the United Kingdom and the double-deck M7-type multifunctional coaches for SNCB in Belgium.

On the other hand, large Rolling Stock contracts such as the TWINDEXX double-deck trains for SBB in Switzerland, the Coradia Stream™ trains in Italy and the Nouvelle Automotrice Transilien project for SNCF in France are close to completion, therefore generating lower level of sales as compared to last year.

Services sales stood at €3.8 billion, up 12% versus last year, benefiting from growth in Europe maintenance as well as Train Operations & System Maintenance services in Americas.

In Signalling, Alstom reported €2.4 billion sales, up 7% versus last year, led by a stable execution in Europe and in APAC and a growing performance in Germany.

Systems sales grew 28% on an actual basis and stood at €1.5 billion, reflecting an acceleration in execution on key projects notably Cairo monorail in Egypt, Monorails project in Thailand, as well as the Tren Maya project in Mexico.

- **Divestments**

The Group announced in July 2022 that it has concluded the transfer of business activities related to Bombardier Transportation's contribution to the V300 ZEFIRO very high-speed train to Hitachi Rail. Alstom will continue to honour its obligations under the existing orders for Rolling Stock from Trenitalia and ILSA to ensure a seamless transition.

In August 2022, Alstom also completed the divestment of its Coradia Polyvalent platform, its Reichshoffen production site in France and its TALENT3 platform to CAF.

These milestones signal the completion of the divestment commitments to the European Commission for their clearance of the Alstom/Bombardier Transportation transaction.

2. Innovation by Pioneering Smarter and Greener Mobility for All

During the fiscal year 2022/23, Alstom reached important delivery milestones, and launched a range of initiatives to accelerate its transformation into a more competitive and agile group. The R&D expenses reached €519 million⁷, i.e., 3.1% of sales for the full year, reflecting the Group's continuous investments in innovation, focused on the following areas:

Energy efficiency: Alstom puts a high focus into aerodynamic efficiency to reduce the energy consumption on our high-speed trains. The new Avelia Horizon (known as TGV M) has a resistance reduced by 16% compared with Euroduplex, which accounts for nearly half of the energy consumption at high speed.

Noise reduction: Flexx Curve is an innovative solution to reduce the resistance of the wheels and the noise level in curves. It reduces curve squealing noise by ca. 15 dB and energy consumption in curves by 80%.

Passenger experience: Alstom's smart lighting solution is an intelligent light control system to automatically adjust the interior LED lighting according to the level of natural light, weather, time of the day, season, passenger density. For passengers, it enables to improve their well-being and creates a pleasant ambiance, respecting the human physiological cycle.

Autonomous train: Alstom's ATO technology (Automatic Train Operation) aims at maximising and optimising operations, increasing line capacity, reducing energy consumption and costs, and improving

⁷ Excluding €(61) million of amortisation expenses of the purchase price allocation of Bombardier Transportation.

general service (including comfort and punctuality) for passengers. Several important milestones were reached over the period (for SNCF in particular), both for passenger trains (success of the first tests of autonomous trains without any crew member in the driving cab) and for freight transportation (successful testing of an automatic lateral signalling system and an obstacle detection radar).

Onboard computer: Alstom is ahead of the competition in onboard signalling control function for urban and mainline solutions. Alstom's solution is a dedicated cybersecurity board with remote access for easy diagnostic and updates, enabling space and weight reduction (equipment volume reduced by 60% compared to the previous generation, resulting in up to one more seat for a passenger or more room for the driver).

Green traction: The Group reached three important milestones during 2022/23:

- the entry into full commercial service of the world first hydrogen-powered line in Germany (fully homologated),
- the record distance of 1,175 km without refuelling, exceeding our expectations.
- the validation by the European Commission of the €350 million IPCEI (for more than €5 billion of subsidies) boosting the development of Hydrogen solutions.

Last, the Group has developed the "Innovation Station" (a versatile platform located in strategic areas such as Singapore, Sweden and Tel Aviv) to bring global mobility solutions to local ecosystems and leveraging Alstom's worldwide footprint.

3. Efficiency at scale, Powered by Digital

In the fiscal year 2022/23, Alstom's adjusted EBIT reached €852 million, equivalent to a 5.2% operational margin, as compared to €767 million or a 5.0% operating margin during the same period last fiscal year. The increase was driven from synergies, a favourable evolution on low performing contracts, increased volume and favourable mix, partly offset by the effect of inflation.

Synergies generated €205 million adjusted EBIT over FY 2022/23, versus €102 million last year.

The operational margin percentage was negatively impacted by the €2.3 billion sales traded at zero gross margin, mostly related to legacy Bombardier Transportation projects.

Below adjusted EBIT, Alstom recorded capital loss on disposal of business of €(30) million mainly related to the sale of remedies in the frame of the Bombardier Transportation acquisition, and restructuring and rationalisation charges of €(65)m million mainly related to the adaptation of the means of production, especially in Germany for €(51) million, in France for €(9) million, in Canada for €(2) million and in the United Kingdom for €(2) million.

Integration costs & others before impairment of tangible assets related to PPA amounted to €(249) million, consisting of costs related to the integration of Bombardier Transportation for an amount of

€(181) million, mainly related to our digital suite deployment, €(43) million of legal fees mainly in the context of Bombardier Transportation's integration remedies, and other exceptional expenses for €(25) million.

Taking into consideration restructuring and rationalisation charges, integration costs & others, Alstom's EBIT before amortisation of assets exclusively valued when determining the purchase price allocation ("PPA") stood at €366 million. This compares to €275 million in the same period last fiscal year.

The share in net income from equity investments amounted to €123 million, excluding the amortisation of the purchase price allocation ("PPA") from Chinese joint ventures of €(11) million, compared to €(334) million in the same period last fiscal year, which was impacted by a non-cash impairment charge of €(441) million related to Transmashholding (TMH).

Adjusted net profit, representing the group's combined share of net profit from continued operations excluding PPA net of tax, amounts to €292 million for the fiscal year 2022/23. This compares to an adjusted net profit of €(173) million last fiscal year.

4. One Alstom team - Agile, Inclusive and Responsible

More than ever, decarbonisation is at the heart of Alstom's strategy. The Group is reducing its own direct and indirect emissions (Scope 1 & 2) and is also committed to work with suppliers and customers (Scope 3) to contribute to Net Zero carbon in the mobility sector. Alstom targets have been submitted for validation by the independent Science Based Targets initiative (SBTi) with expected feedback by June 2023.

During the year energy efficiency plans were deployed in all regions and, along with favourable weather conditions, resulted in a reduction in energy consumption of 10.5%, with a particular fall in gas consumption.

The supply of electricity from renewable sources has also been expanded. Alstom implemented a new contract for the supply of electricity from renewable energy source in India and further expanded in France, United Kingdom and Germany to reach 57% of green electricity coverage globally (vs 42% for FY 2021/22).

Altogether, this has led to a reduction of Scope 1 and 2 CO₂ emissions of 22% in 2022/23 versus the previous year.

The Group is in line with its target to reduce energy consumption from its solutions with a 23.4% reduction achieved, compared to 2014 performance. Performance on intensity of Scope 3 emissions from Use of Sold Products is stable, reflecting the mix of solutions and geographies of orders taken in recent years and slow decarbonisation of electricity mix in some geographies. An engagement programme with customers has been started and will be extended in coming years.

Alstom is also engaging with suppliers on Scope 3 and committed to decreasing its CO2 emissions intensity from the supply chain by 30% by 2030.

Regarding Diversity & Inclusion, the Alstom in Motion (AiM) 2025 strategy targets to reach 28% of women managers, engineers and professionals roles by 2025. As of end of March 2023, 23.9% of manager, engineer and professional roles are held by women. Alstom is on a positive trajectory and will continue to accelerate its efforts in the coming months.

In addition, Alstom published for the first-year European Taxonomy-aligned KPIs about Sales, Capex and Opex, pursuing strong analysis initiated last year for the EU Taxonomy-eligibility disclosure. EU Taxonomy-aligned Sales amounted to 59% and ranked Alstom among best in class, confirming the importance of the sector in which Alstom operates in achieving the EU's ambition of carbon neutrality by 2050. The EU Taxonomy purpose is to redirect capital flows towards sustainable activities and help navigate transition to a low carbon economy.

In 2022/23, The Group maintained its presence among the DJSI World and CAC40 ESG index reflecting its strong position and strategy on Sustainability.

Financial structure

The Group's Free Cash Flow stands at €199 million for the fiscal year 2022/23 as compared to €(992) million during last fiscal year. As expected, the cash generation was notably impacted by an unfavourable €(219) million change in working capital compared to €(1,383) million last year; owing to continued industrial ramp-up, project stabilization and provisions consumption.

On 31 March 2023, the Group recorded a net debt position of €(2,135) million, including bonds with supportive maturities and cost profile and no financial covenants.

The Group held €826 million of cash and cash equivalent at the end of March 2023. In addition, Alstom benefits from a strong liquidity with two Revolving Credit Facilities (RCF) for a total of €4,250 million⁸. Both facilities have a one-year extension options remaining at lenders' discretion and are undrawn at 31 March 2023. Both facilities have been successfully extended by 1 year.

With these RCF lines, the level of Commercial Papers outstanding on 31 March 2023 of €248 million and the €41 million drawdown from a short-term bank facility, the Group benefits from solid €4.8 billion liquidity position as of 31 March 2023.

The Group also relies for its bonds and guarantees needs on both uncommitted bilateral lines in numerous countries and a Committed Guarantee Facility Agreement ("CGFA") with sixteen tier one

⁸ €1,750 million Revolving Credit Facility maturing in January 2026. This facility is undrawn as of 31 March 2023. And €2,500 million Revolving Credit Facility maturing on January 2028. This facility is also undrawn as of 31 March 2023.

banks, which was extended to €12.7 billion during this fiscal year in anticipation of the growing market demand.

Moody's has issued a Baa3 rating with a stable outlook, confirming Alstom Investment Grade. This rating change has no impact on Alstom's financial trajectory.

Evolution of the Board of Directors

Alstom's Board of Directors in its meeting of 9 May 2023 decided to submit to the next Shareholders' Meeting of 11 July 2023 the renewal of the terms of office of Mrs. Sylvie Kandé de Beaupuy, Mr. Henri Poupart-Lafarge and Mrs. Sylvie Rucar and the ratification of Mr. Jay Walder, who was co-opted on 15 November 2022. The Board of Directors will also propose the appointment of Bpifrance Investissement, which holds 7.5% of Alstom's share capital as of 10 May 2023, as a new independent Board Member.

Proposed dividend

At the Annual General Meeting on 11 July 2023, the Board of Directors will propose the distribution of a dividend of €0.25 per share. This level corresponds to a pay-out ratio of 33% of adjusted net profit⁹.

Financial trajectory for FY 2023/24

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

- Book to bill ratio above 1
- Sales growth consistent with mid-term guidance: CAGR¹⁰ above 5%
- Adjusted EBIT Margin expected around 6%
- Free Cash Flow generation significantly positive

⁹ With the option to receive payment in cash or in new shares, details of which will be provided in a future press release.

¹⁰ Compound Annual Growth Rate

Mid-term financial trajectory and objectives to be reached in FY 2025/26

Alstom will reach its mid-term adjusted EBIT and Free Cash Flow objectives in FY 2025/26, one year later than previously envisioned, as a result mainly of the new macroeconomic environment in particular the effect of inflation.

- Sales: Between 2020/21 (proforma sales of €14 billion) – and 2025/26, Alstom is aiming at sales Compound Annual Growth Rate over 5% supported by strong market momentum and unparalleled €87.4 billion backlog as of 31 March 2023, securing sales of ca. €38 to 40 billion over the next three years. Rolling stock should grow above market rate, Services and Signalling at high-single digit path.
- Profitability: the adjusted EBIT margin should reach between 8% and 10% from 2025/26 onwards, benefiting from operational excellence initiatives, strong margins on new orders including improved indexation, the completion of the challenging projects in backlog while synergies are expected to deliver €400 million run rate in 2024/25 and €475 - 500 million annually from 2025/26 onwards.
- Free Cash Flow: from 2025/26 onwards, the conversion from adjusted net profit to Free Cash Flow should be over 80%¹¹ 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 Investor Day 2023

Alstom will host virtually an Investor Day on Wednesday 10 May 2023 at 15.00 (CET). Connection details are available on the Alstom website.

The management report and the consolidated financial statements, as approved by the Board of Directors, in its meeting held on 9 May 2023, are available on Alstom's website at www.alstom.com. These financial statements were audited by the Statutory Auditors whose certification report is in the process of being issued.

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¹¹ Subject to short term volatility

About Alstom

Alstom commits to contribute to a low carbon future by developing and promoting innovative and sustainable transportation solutions that people enjoy riding. From high-speed trains, metros, monorails, trams, to turnkey systems, services, infrastructure, signalling and digital mobility, Alstom offers its diverse customers the broadest portfolio in the industry. With its presence in 63 countries and a talent base of over 80,000 people from 175 nationalities, the company focusses its design, innovation, and project management skills to where mobility solutions are needed most. Listed in France, Alstom generated revenues of €16.5 billion for the fiscal year ending on 31 March 2023.

For more information, please visit www.alstom.com

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This press release contains forward-looking statements which are based on current plans and forecasts of Alstom's management. Such forward-looking statements are relevant to the current scope of activity and are by their nature subject to a number of important risks and uncertainty factors (such as those described in the documents filed by Alstom with the French AMF) that could cause actual results to differ from the plans, objectives and expectations expressed in such forward-looking statements. These such forward-looking statements speak only as of the date on which they are made, and Alstom undertakes no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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APPENDIX 1A – GEOGRAPHIC BREAKDOWN

Actual figures <i>(in € million)</i>	FY 2021/22	% Contrib.	FY 2022/23	% Contrib.
Europe	12,745	66%	12,759	61%
Americas	3,970	21%	2,682	13%
Asia/Pacific	2,289	12%	3,028	15%
Middle East/Africa/Central Asia	258	1%	2,225	11%
Orders by destination	19,262	100%	20,694	100%

Actual figures <i>(in € million)</i>	FY 2021/22	% Contrib.	FY 2022/23	% Contrib.
Europe	44,202	55%	49,146	56%
Americas	13,116	16%	13,796	16%
Asia/Pacific	11,622	14%	12,191	14%
Middle East/Africa/Central Asia	12,073	15%	12,254	14%
Backlog by destination	81,013	100%	87,387	100%

Actual figures <i>(in € million)</i>	FY 2021/22	% Contrib.	FY 2022/23	% Contrib.
Europe	9,584	62%	9,936	60%
Americas	2,563	17%	2,843	17%
Asia/Pacific	2,172	14%	2,378	15%
Middle East/Africa/Central Asia	1,152	7%	1,350	8%
Sales by destination	15,471	100%	16,507	100%

APPENDIX 1B – PRODUCT BREAKDOWN

Actual figures <i>(in € million)</i>	FY 2021/22	% Contrib.	FY 2022/23	% Contrib.
Rolling stock	9,801	51%	10,348	50%
Services	4,168	21%	6,394	31%
Systems	2,654	14%	1,008	5%
Signalling	2,639	14%	2,944	14%
Orders by product line	19,262	100%	20,694	100%

Actual figures <i>(in € million)</i>	FY 2021/22	% Contrib.	FY 2022/23	% Contrib.
Rolling stock	40,832	50%	42,806	49%
Services	26,789	33%	30,741	35%
Systems	6,282	8%	6,330	7%
Signalling	7,110	9%	7,510	9%
Backlog by product line	81,013	100%	87,387	100%

Actual figures <i>(in € million)</i>	FY 2021/22	% Contrib.	FY 2022/23	% Contrib.
Rolling stock	8,647	56%	8,784	53%
Services	3,406	22%	3,817	23%
Systems	1,155	7%	1,476	9%
Signalling	2,263	15%	2,430	15%
Sales by product line	15,471	100%	16,507	100%

APPENDIX 2 – INCOME STATEMENT

Actual figures <i>(in € million)</i>	Full Year ended 31 March 2022	Full Year ended 31 March 2023
Sales	15,471	16,507
Adjusted Gross Margin before PPA*	2,148	2,325
Adjusted Earnings Before Interest and Taxes (aEBIT)*	767	852
Restructuring and rationalisation costs	(138)	(65)
Integration, acquisition, and other costs	(209)	(279)
Reversal of net interest in equity investees pick-up	(145)	(142)
EARNING BEFORE INTEREST AND TAXES (EBIT) BEFORE PPA*	275	366
Financial result	(25)	(103)
Tax result	(68)	(70)
Share in net income of equity investees	(334)	123
Minority interests from continued operations	(21)	(24)
Adjusted Net profit	(173)	292
PPA net of tax	(403)	(420)
Net profit – Continued operations, Group share	(576)	(128)
Net profit (loss) from discontinued operations	(5)	(4)
Net profit (Group share)	(581)	(132)

* See definition below

APPENDIX 3 – FREE CASH FLOW

Actual figures <i>(in € million)</i>	Full Year ended 31 March 2022	Full Year ended 31 March 2023
EBIT before PPA	275	366
Depreciation and amortisation ¹	445	441
Restructuring	100	12
Capital expenditure	(303)	(289)
R&D capitalisation	(125)	(142)
Change in Working Capital ²	(1,383)	(219)
JVs dividends	99	114
Financial Cash in / (out)	9	(43)
Tax Cash out	(141)	(130)
Others	32	89
Free Cash Flow	(992)	199

¹ Before PPA

² Change in Working Capital for €(219) million corresponds to the €(167) million changes in working capital resulting from operating activities disclosed in the consolidated financial statements from which the €(12) million variations of restructuring provisions and €(40)m of variation of Tax working capital have been excluded.

APPENDIX 4 - 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

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.

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 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.

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.

Pay-out ratio

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.

Organic basis

This press release 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.

<i>(in € million)</i>	FY 2021/22			FY 2022/23		
	Actual figures	Exchange rate and scope impact	Comparable Figures	Actual figures	% Var Act.	% Var Org.
Backlog	81,013	(2,746)	78,267	87,387	8%	12%
Orders	19,262	522	19,784	20,694	7%	5%
Sales	15,471	181	15,652	16,507	7%	5%