

Orders and sales for the first nine months of 2022/23

- 9-months order intake at €15.2 billion: sustained commercial momentum, with strong orders in Q3 at €5.2 billion
- Solid 9-months sales at €12.3 billion, up 8%¹ vs. last year, in line with announced growth trajectory
- Full year outlook and mid-term 2024/25 objectives confirmed

25 January 2023 – Over the third quarter of 2022/23 (from 1 October to 31 December 2022), Alstom booked €5.2 billion of orders. The Group’s sales reached €4.2 billion in the quarter.

For the first nine months of 2022/23 (from 1 April to 31 December 2022), Alstom’s order intake reached €15.2 billion. The Group sales increased by 8% over 9 months reaching €12.3 billion, in line with the Group’s targeted trajectory.

The backlog, as of 31 December 2022, settled at €84.6 billion, providing strong visibility on future sales.

Key figures

Actual figures (in € million)	2021/22 9 months	2022/23 9 months	% Change Reported	% Change Organic
Orders received	14,302	15,224	+6%	+3%
Sales	11,359	12,271	+8%	+6%

Geographic and product breakdowns of reported orders and sales are provided in Appendix 1. All figures mentioned in this release are unaudited.

“Alstom’s third quarter was positive. We saw continued commercial momentum, marked by the exercise of new options on several frame agreements, notably in Spain, Ireland and in Kazakhstan. This was coupled by a strong performance in Services, most notably in the UK. The market environment remains positive with customers confirming their investment plans in all regions. Our focus on execution is paying off with sales increasing, in line with our announced trajectory. Confident in the resilience of our business model, we confirm our short and mid-term targets.” said **Henri Poupart-Lafarge**, Alstom Chairman and Chief Executive Officer.

¹ Of which 6% organic growth.

Detailed review

During the third quarter of 2022/23 (from 1 October to 31 December 2022), Alstom recorded €5,152 million in orders, demonstrating a sustained commercial momentum and supporting our trajectory. Over three months, orders for Services, Signalling and Systems reached 58% of the total order intake.

On a regional level, Europe accounted for the majority of the orders, i.e. 55% of the Group total. Alstom was awarded a contract worth nearly €370 million to supply 49 additional Coradia Stream high-capacity trains to Renfe in Spain. These trains supplement the 152 trains already ordered in March 2021. The two orders are totalling a value of €1.8 billion for 201 trains.

Alstom also signed a further order with Irish Rail (IE) for 18 more five-car X'trapolis trains and an extension to the 15-year Technical Support and Spares Supply agreement under the ten-year framework agreement announced in December 2021. This further order, valued at around €160 million, will see 18 battery-electric multiple units (BEMUs) added to the initial firm order of 19 five-car X'trapolis trains signed in 2021.

In the UK, following the successful full completion of the Elizabeth line in London during Q3 and the final acceptance of the last trains, Alstom have re-aligned the order intake in line with the long-term partnership and contract signed in 2014 with Transport for London for a 32-year contractual concession period up to 2046. The value of the Services order recognized in this quarter was €1.1bn.

In Africa/Middle East/Central Asia, the Group received an additional order from Kazakhstan Railways (KTZ) for the supply of next generation locomotives and related maintenance support. This is the 6th batch of options realised from the initial contract signed in 2010.

In the Asia/Pacific region, Alstom has been awarded a contract worth €312 million to design, manufacture, supply, test, commission 312 standard gauge metro cars for Delhi Metro Phase IV expansion, by the Delhi Metro Rail Corporation (DMRC).

Sales were €4,223 million in Q3 2022/23 versus €3,916 million in Q3 2021/22 (+8%). Over 9 months, sales stand at €12,271, up 8% from last year.

Sales in Rolling Stock in the quarter stood at €2,307 million, up 6% versus Q2 2022/23, reflecting projects ramping-up following stabilization efforts. After 9 months, Rolling Stock sales reach €6,667 million, up 3% versus last year.

Signalling sales stood at €1,767 million for the 9 months, up 8% versus last year, in line with announced trajectory.

In Systems, Alstom reported €1,062 million sales for the 9 months, up 29% vs. last year, on the back of the ramp-up in Egypt and Canada notably, and despite the end of some projects during this quarter notably in Saudi Arabia.

Services delivered a sustained performance in Q3 2022/23 and reported €2,775 million of sales over 9 months, up 15% versus last year.

The book-to-bill ratio is 1.2 over the quarter and over 9 months.

Main highlights of the third quarter of 2022/23

During the quarter, Alstom reached important delivery milestones, and launched a range of initiatives to accelerate its transformation into a more competitive and agile group.

❖ Key projects deliveries

In October 2022, Alstom successfully supplied, tested and commissioned the signalling, centralised control and driving modes for Cairo Metro Line 3 – Phase 3A with a total of 4 stations from Attaba to Kit Kat. Cairo Metro Line 3 traffic improvements on phase 3A enables over 30,000 commuters to travel per hour, per direction.

Also in October, Alstom delivered complete infrastructure works for all the six stations of the Haidari-Piraeus extension of Line 3 of the Athens metro network, as member of Avax – Ghella – Alstom consortium. The new extended line with three new stations will serve 130,000 passengers daily. Additionally, Travel time between Port of Piraeus and Venizelos International Airport reduced from 70 to 55 minutes.

In November 2022, Alstom demonstrated the highest grade of automation on a shunting locomotive near Breda, the Netherlands, in partnership with Dutch infrastructure manager ProRail and Belgian rail freight operator Lineas. This grade of automation, known as GoA4, means fully automated starting, driving, stopping, and the handling of unanticipated obstacles or events without the direct involvement of any on-train staff during shunting activities.

In December 2022, Alstom successfully delivered a full turnkey solution for the extension to the PHX Sky Train® automated people mover (APM) system at Phoenix Sky Harbor International Airport, providing airport connections to the light rail train system and the rental car centre. Expanded airport transit provides increased passenger comfort, experience, and connectivity, while reducing passenger wait time and curb side airport congestion.

After the final acceptance of the last trains during the first half of 2022/23, Alstom achieved the full completion of the Elizabeth Line in London during the third quarter 2022/23.

Financial trajectory for FY 2022/23

The Group has based its 2022/23 outlook on a central inflation scenario reflecting a consensus of public institutions. The Group also assumes its continuous ability to navigate the electronics, supply chain and energy challenges as it has done during this first 9 months of fiscal year 2022/23.

- Book to bill ratio above 1
- Sales growth consistent with mid-term guidance
- Adjusted EBIT Margin expected within the 5.1% to 5.3% range
- Free Cash Flow generation expected within the €100m to 300m range.

Mid-term financial trajectory and objectives

The outlook given in connection with Alstom in Motion 2025 is confirmed.

- Market share: By 2024/25, Alstom is aiming to grow its market share by 5 percentage points² by leveraging its unique strategic positioning, supported by its enlarged group momentum and its competitive offering.
- 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 €84.6 billion backlog as of 31 December 2022, securing sales of ca. €36 to 38 billion 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 in 2024/25 and €475 - €500 million annually from 2025/26 onwards.
- Free Cash Flow: from 2024/25 onwards, the conversion from adjusted net profit to Free Cash Flow should be over 80%³ 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's Baa2 rating with negative outlook was maintained by Moody's following the 2022/23 half year results publication.

² In comparison to Alstom's market share in 2020/21

³ Subject to short term volatility

- Alstom is committed to delivering sustained shareholder returns with a dividend pay-out ratio⁴ of between 25% and 35%.⁵

⁴ 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.

⁵ Of adjusted net profit

About Alstom

Leading societies to a low carbon future, Alstom develops and markets mobility solutions that provide sustainable foundations for the future of transportation. 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. 150,000 vehicles in commercial service worldwide attest to the company's proven expertise in project management, innovation, design and technology. In 2021, the company was included in the Dow Jones Sustainability Indices, World and Europe, for the 12th consecutive time. Headquartered in France and present in 70 countries, Alstom employs more than 74,000 people. The Group posted revenues of €15.5 billion for the fiscal year ending on 31 March 2022. Log onto www.alstom.com for more information

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APPENDIX 1A – GEOGRAPHIC BREAKDOWN

Actual figures <i>(in € million)</i>	2021/22 9 months	% Contrib.	2022/23 9 months	% Contrib.
Europe	9,663	68%	9,395	62%
Americas	2,827	20%	1,510	10%
Asia / Pacific	1,636	11%	2,104	14%
Middle East / Africa	176	1%	2,215	14%
Orders by destination	14,302	100%	15,224	100%

Actual figures <i>(in € million)</i>	2021/22 9 months	% Contrib.	2022/23 9 months	% Contrib.
Europe	7,066	62%	7,343	60%
Americas	1,820	16%	2,074	17%
Asia / Pacific	1,579	14%	1,797	15%
Middle East / Africa	895	8%	1,057	8%
Sales by destination	11,359	100%	12,271	100%

APPENDIX 1B – PRODUCT BREAKDOWN

Actual figures <i>(in € million)</i>	2021/22 9 months	% Contrib.	2022/23 9 months	% Contrib.
Rolling stock	7,227	51%	7,648	50%
Services	3,291	23%	5,047	33%
Systems	2,291	16%	853	6%
Signalling	1,493	10%	1,676	11%
Orders by product line	14,302	100%	15,224	100%

Actual figures <i>(in € million)</i>	2021/22 9 months	% Contrib.	2022/23 9 months	% Contrib.
Rolling stock	6,486	57%	6,667	54%
Services	2,420	21%	2,775	23%
Systems	822	7%	1,062	9%
Signalling	1,631	15%	1,767	14%
Sales by product line	11,359	100%	12,271	100%

APPENDIX 2 - 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 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 (formerly Changchun Bombardier).

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/revaluation on investments disposals or controls changes of an entity
- any other non-recurring items, such as some costs incurred to realize business combinations and amortization 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

Following the Bombardier Transportation, 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 minus 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>	Q3 2021/22			Q3 2022/23		
	Actual figures	Exchange rate and scope impact	Comparable Figures	Actual figures	% Var Act.	% Var Org.
Orders	4,576	53	4,629	5,152	+13%	+11%
Sales	3,916	38	3,974	4,223	+8%	+6%