1st Quarter Fiscal Year 2020/21

16 July 2020

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Rail markets are showing resilience, supported by recent announcements in favour of rail

- **Train operations normalizing , though a more progressive recovery in passenger traffic**

Metro, bus, VHS: normal operation (70%-100%) with ridership between 35% et 60%[1], SNCF expects 80% ridership in summer[2]

Metro of Shenzhen: 84%[3] ridership
Metro of Shangaï: 90%[4] ridership

Metro of New-York: 17% ridership during the first opening phase[5]

DB regio at 90% operation level[6]

Operators supported by governments

CARES Acts providing $25bn for transit

Long term investment plans confirmed

Renfe restarts €2.8bn tenders in rolling stock

Phase 1 of **High Speed 2** confirmed in April 20 (£106bn)

Proposed stimulus packages in favour of sustainable mobility

€750bn additional funding for recovery which need to comply with climate objectives

Possible **ban on airplanes** connections served by train in less than 2h30

€130bn package in favour of sustainable mobility and hydrogen

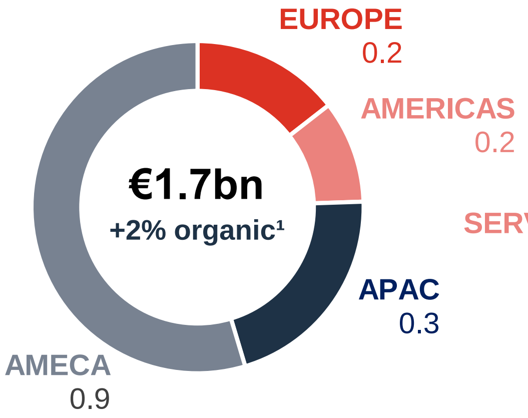
Invest Act: $60bn for rail

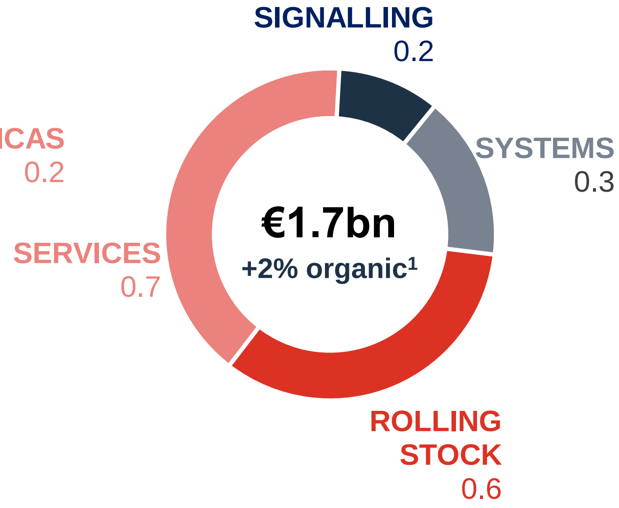
[1] Le Figaro, June 23 2020 [2] AFP July 4th [3] yoy compared to June 2019 (szmc.net) [4] www.shine.cn, June 12 2020 [5] Seattlestimes, June 22 2020 [6] www.deutschebahn.com, May 5th 2020

Sustained order intake despite Covid-19 crisis

Orders at €1.7bn, +2% org.

In billion €





- Sustained commercial activity mainly fueled by large order in AMECA and System order in Taiwan

Tender pipeline remains positive

No order cancellation

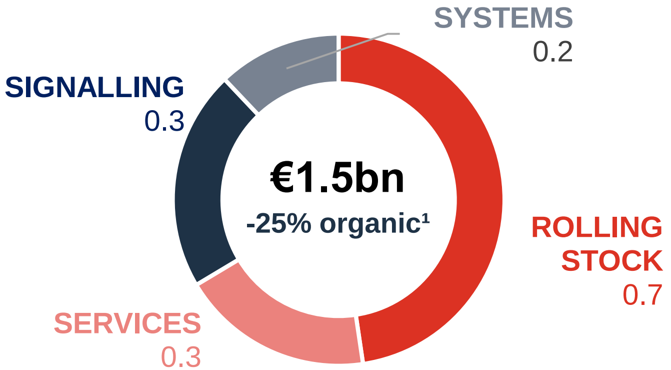
Industry-leading backlog reaching €41.2bn

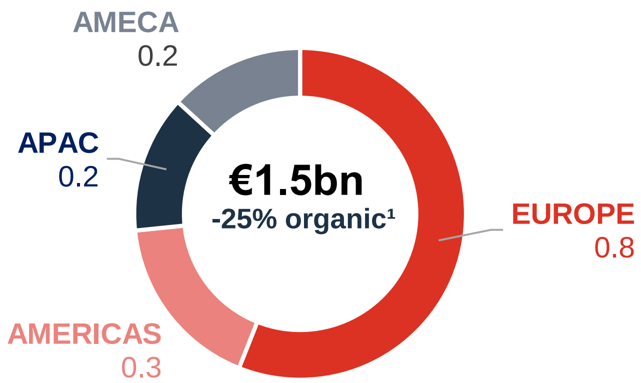
[1] organic basis eliminates the impact of changes in scope of consolidation and changes resulting from the translation of the accounts into Euro following the variation of foreign currencies against the Euro.

As anticipated, Q1 2020/21 volume impacted by containment measures

Sales at €1.5bn, -25% org.

In billion €





Rolling Stock

€718m sales – (25)% organic

- Shutdown of manufacturing sites during containment, operations now close to normalized level

Services

€283m sales – (19)% organic

- Services activity in line with sharp traffic drop in April/May with progressive recovery from mid May onwards

Signalling

€324m sales – (7)% organic

- Difficulties to access sites for component installation during containment

Systems

€182m sales – (50)% organic

- In addition to Covid-19 impact, contracts nearing completion in Dubai and Riyadh and a fully traded contract in Panama

Operations close to normalized level

[1] organic basis eliminates 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.

Bombardier Transportation process progressing

UPDATE

- Alstom's employee representatives to render their opinion around summer 2020
- Clearance process from relevant regulatory authorities and anti-trust authorities progressing nominally with European Commission notified on June 11 and commitments submitted on July 9
- April 2020: bridge facilities of c.€2.4bn with a 2-year duration and Revolving Credit Facility of €1.5bn[1] successfully syndicated and executed

NEXT STEPS

- Share Purchase Agreement signing: H2 CY20
- Alstom EGM: by end October 2020
- Targeted regulatory approvals: H1 CY21
- Rights issue: H2 CY20 – H1 CY21, subject to market conditions
- Expected closing: H1 CY21

1 Replacing Alstom's and Bombardier Transportation's existing RCFs at closing of the acquisition

Takeaways

- Sustained order intake in Q1 2020/21. Sales impacted by Covid-19 environment as expected
- Operations close to normalized level
- Confirmation of outlook provided at 2019/20 Fiscal Year results[1]
- Bombardier Transportation transaction progressing as planned
- Resilient rail markets supported by recent pro-rail announcements

[1] The objective of a 5% average annual growth rate over the period from 2019/20 to 2022/23 should be slightly impacted by the temporary slowdown of tender activity, yet the 2022/23 objectives of 9% aEBIT margin and of a conversion from net income to free cash flow above 80% are confirmed (AiM targets set on an Alstom standalone basis). Crisis is likely to affect negatively the financial performance of the 2020/21 fiscal year

Contacts & Agenda

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AGENDA

10 November 2020

2020/21 H1 Results

Appendix

Appendix 1 - 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.

Order backlog

Order backlog represents sales not yet recognised from orders already received. Order backlog at the end of a financial year is computed as follows:

- order backlog at the beginning of the year;
- plus new orders received during the year;
- less cancellations of orders recorded during the year;
- less sales recognised during the year.

The order backlog is also subject to changes in the scope of consolidation, contract price adjustments and foreign currency translation effects.
Order backlog corresponds to the transaction price allocated to the remaining performance obligations, as per IFRS 15 quantitative and qualitative disclosures requirement.

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 EBIT

When Alstom's new organisation was implemented in 2015, adjusted EBIT ("aEBIT") became 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), namely the CASCO Joint Venture. The company believes that bringing visibility over a key contributor to the Alstom signalling strategy will provide a fairer and more accurate picture of the overall commercial & operational performance of the Group. This change will also enable more comparability with what similar market players define as being part of their main non-GAAP 'profit' aggregate disclosure.

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.

Appendix 1 - Non-GAAP financial indicators definitions

- **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. In particular, 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, other current financial assets and non-current financial assets directly associated to liabilities included in financial debt, less financial debt.

- **Pay-out ratio**

The pay-out ratio is calculated by dividing the amount of the overall dividend with the "Net profit from continuing operations attributable to equity holders of the parent" as presented in the consolidated income statement.

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