



Full year results Fiscal Year 2020/21

11 May 2021

ALSTOM
• mobility by nature •

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- *All data if not specified are reflecting combined group vision including Alstom legacy fiscal year 2020/21 and legacy Bombardier Transportation contribution for 2 months (February and March 2021) and are in line with Alstom accounting methods. Definition are provided at the end of this presentation. Organic change is excluding scope and forex effects, representing Alstom legacy performance only compared to fiscal year 2019/20.*

Agenda

- FY 2020/21 highlights
- Market update
- Business update
- Financial results
- Conclusion

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FY 2020/21 highlights

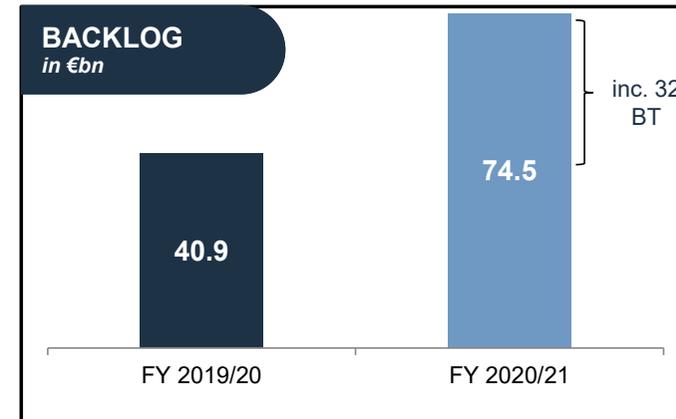
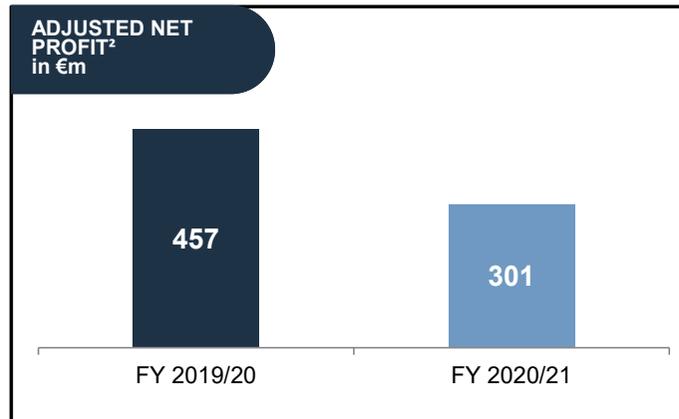
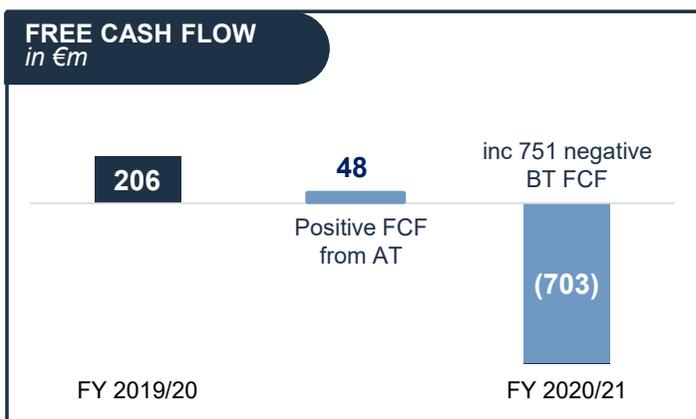
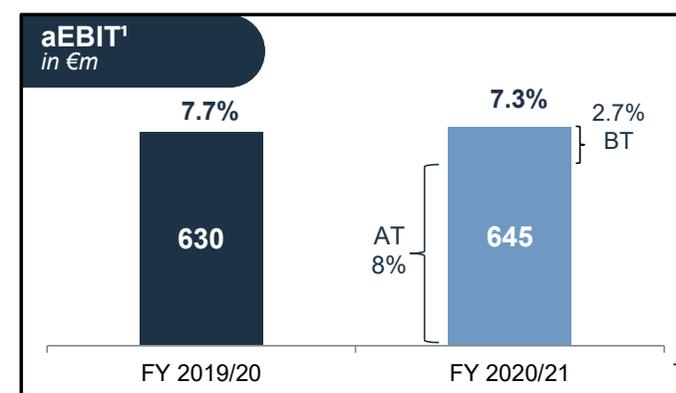
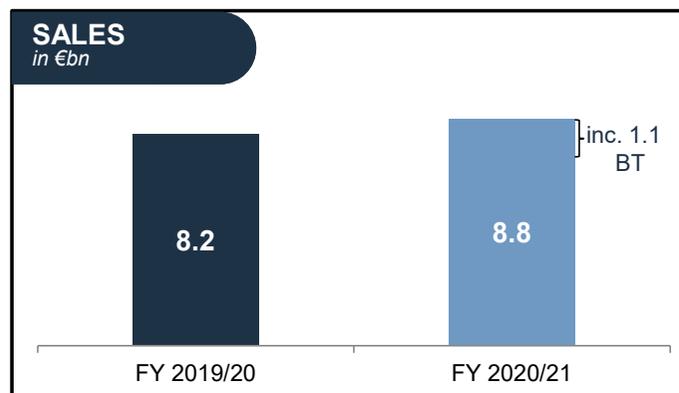
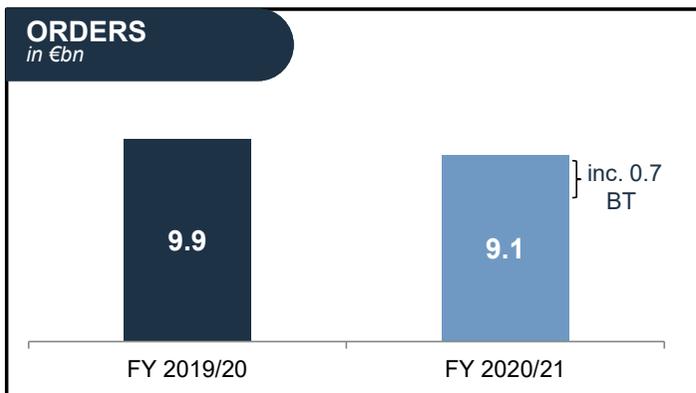
FY 2020/21 key takeaways



- **Alstom results fully in line with 2021 guidance on its legacy perimeter:**
 - Book to bill ratio > 1 with very solid commercial performance in Q4 2020/21
 - Sales at €7.7bn (-4% organically) with a moderate impact from Covid-19 on operations
 - Strong adjusted EBIT margin at 8% supported by very solid project execution
 - Positive Free Cash Flow
- **Bombardier Transportation integration fully on track**
- **Positive market outlook, supported by important stimulus plans worldwide**
- **Strong progress on ESG commitments**

FY 2020/21 key figures

BT = Bombardier Transportation legacy 2 months contribution
 AT = Alstom legacy 12 months



¹ aEBIT includes equity-accounted investments when these are considered to be part of the operating activities of the Group. This mainly includes Chinese Joint Ventures, namely CASCO Joint Venture for Alstom legacy as well as eligible Bombardier Transportation Joint Ventures. ² Following the Bombardier Transportation acquisition and with effect from these Fiscal year 2020/21 consolidated financial statements, 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.

Strong achievements on Alstom¹ ESG roadmap

	2020	Achievements in 2021
	20% ² 36% 25%	<ul style="list-style-type: none"> • 21.7%² of energy reduction in solutions (CO₂) • 60% of electricity supply from renewables • 36% of newly developed solutions eco-designed
	ND 21.4% 6 countries	<ul style="list-style-type: none"> • Total Recordable Injury Rate for employees and contractors at 2.2³ • 22.3% of women in management and professional role • Top employer in 14 countries
	129,000	<ul style="list-style-type: none"> • 203 000 beneficiaries from local country actions and Foundation
	60%	<ul style="list-style-type: none"> • 64% of total purchasing volume evaluated according to CSR and E&C criteria

At the core of Alstom's DNA

¹ Objectives and indicators do not include former Bombardier Transportation yet; ² Compared to 2014; ³ Injury Frequency Rate at 1 until 2020 and TRIR (Total Recordable Injury Rate) from 2020/21 onwards. This is a new AiM indicator which will include Lost-Time Injury and other work-related recordable events;

Integration of Bombardier Transportation (BT) on track

People & Organisation

- ✓ **90% of employees** consider the integration as positive for the Group New N3 organization operational, with whole new organization to be deployed by summer

Customer Satisfaction

- ✓ **600 customers** contacted post acquisition, the vast majority of them being very positive on the acquisition and see the upside potential for their business

Projects

- ✓ **BT Projects deep dive** completed and securisation roadmap launched

Information Systems

- ✓ **More than 30,000 former BT** employees migrated to the Alstom IT environment

€400 million cost synergies annual run rate¹, objective to restore Bombardier Transportation's margin to a standard level in the medium term and double-digit EPS accretion by year 2 confirmed²

1 By the year 4th to 5th post-closing of the acquisition; 2 After cost synergies and implementation costs, and before PPA amortization

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Market update

Positive market outlook, supported by major announcements in favour of rail

Rail increasingly favored by governments and society



European Smart and Sustainable Mobility Strategy: high-speed rail traffic x2 by 2030 and freight x2 by 2050

France bans short-haul domestic flights where a train journey < 2h30 exists



Joint plan issued by DB and the German aviation industry to shift 4.3 million passengers from air to rail

Numerous stimulus packages worldwide



> €50bn of draft national recovery plans¹ related to Rail

H2 national strategies announced by several Member States:

- €7bn by 2030 in Portugal
- €7bn by 2030 in France
- €9bn in Germany
- c.€10bn in Italy



American Jobs Rescue plan with an 8-year programme proposed:

- \$85bn to repair, modernize, expand public transit
- \$80bn to repair and expand passenger rail



Record 21/22 budget of ca. \$15bn² for Indian Railways

UNIFE anticipates 2.3% CAGR in 2017-2023 with strong rebound from 2021 onwards³

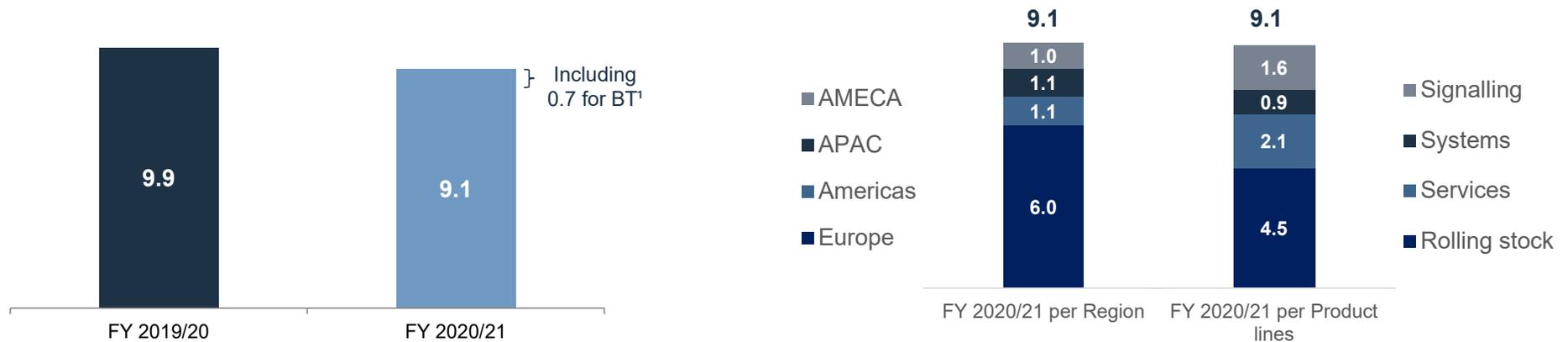
¹ UNIFE and Alstom source ² Rs 1.10 lakh crore ³ UNIFE Market Study 2020, central scenario (V-shape)

3

Business update

Solid order intake for FY 2020/21 on the back of strong commercial momentum in Q4

Orders FY 2020/21 (in €bn)



- Sound commercial activity in all product lines and geographies, with large orders in Europe and North America
- Orders in Signalling and Services above 40% of total order intake
- Very strong Q4 enabling a FY book-to-bill > 1 for Alstom Legacy
- Strong backlog at €74.5 billion

¹ legacy Bombardier Transportation 2 months contribution

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FY 2020/21 main orders



200 multilevel commuter rail cars to Chicago's Metra (US) – c.€650m



Metro system in Toulouse (France) – c.€470m
Next generation digital interlocking for SNCF (France)



34 Coradia Stream™ High Capacity double-decker and **30-year maintenance** for LNVG (Germany) - €760m
64 Tramways in Cologne (Germany) – c.€220m



Largest order ever placed by RENFE
 152 high-capacity trains and 15-year maintenance of 56 trains (Spain) - €1.4bn



234 metro cars for Mumbai Metro Lines 4 & 4A (India) - €220m¹
Delhi Meerut ETCS Mainline Signalling (India) - €106m



Taipei Metro Line 7 extension (Taiwan) - €248m

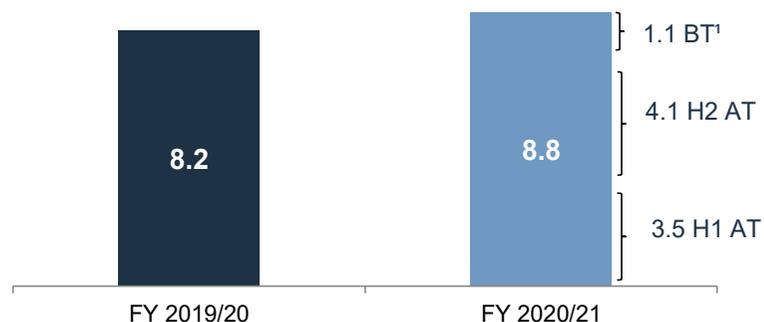
Solid commercial activity in various geographies and for all product lines

¹ former Bombardier Transportation

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FY 2020/21 sales performance reflect moderate Covid-19 impact on operations balanced by solid execution

Sales (in €bn)



- FY 2020/21 sales in line with guidance on Alstom legacy perimeter
- Covid-19 impact on operations essentially in Q1

Sales H2 2020/21 + 4% organic growth YoY (Alstom legacy)



Rolling Stock +6% organic vs H2 LY

- Ramp up of large contracts on-going



Services +9% organic vs H2 LY

- Impact of Covid-19 on train maintenance compensated by one-off renovation contract



Signalling +7 organic vs H2 LY

- Solid growth in H2 2020/21



Systems (17)% organic vs H2 LY

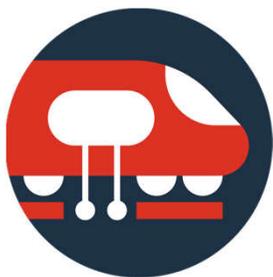
- Anticipated ramp-down

1 BT: legacy Bombardier Transportation 2 months contribution ; AT: legacy AT contribution

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Targeted value-creating bolt-on acquisitions

Strategic components



Braking systems player **IBRE** (France) and
Brake linings player **FLERTEX** (France)¹



High power fuel cells specialist **Helion
Hydrogen Power** (France)¹

Innovative partnership

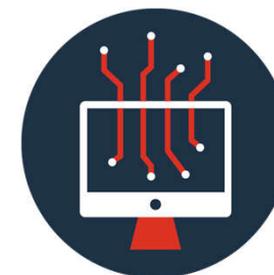


Investment in railway cybersecurity specialist
Cylus (Israël)

Services and Signalling



Services company **Shunter** (Netherlands)



Transit engineering company **B&C Transit**
(United States)

¹ Helion Hydrogen Power and Flertex closed in April 2021

Major milestones in our smarter and greener mobility innovation roadmap

✓ Two new countries ordered their first hydrogen trains



✓ On the way to autonomous trains

- First locomotive run in partial autonomy in France
- Automatic shunting locomotives test in the Netherlands in 2021
- Automatic Train Operation for regional passenger trains test in Germany in early 2023

✓ Commercial milestones in rail network digitization

- Selection by SNCF Réseau to develop its next generation signal interlocking
- Installation of digital interlocking in Coburg for Deutsche Bahn



Stable level of net R&D spending totaling 3.6% over Sales

Alstom pursued its ambition to decarbonate further mobility and impact positively society in 2020/21¹



Emissions reduction targets consistent with Paris Agreement



Exceptional €1.9m budget to better support communities suffering from the Covid-19



60% of electricity supply from renewables, increasing by 24pp

WE'VE HAD OUR SCIENCE-BASED TARGET APPROVED



soft & technical skills training for women in social vulnerability, Panama



Solar panels on Sri City plant

Leadership in ESG confirmed and rewarded with the inclusion in the climate A-list from CDP and for the 10th consecutive year in the DJSI World and Europe

¹ All information in this slide are for Alstom legacy

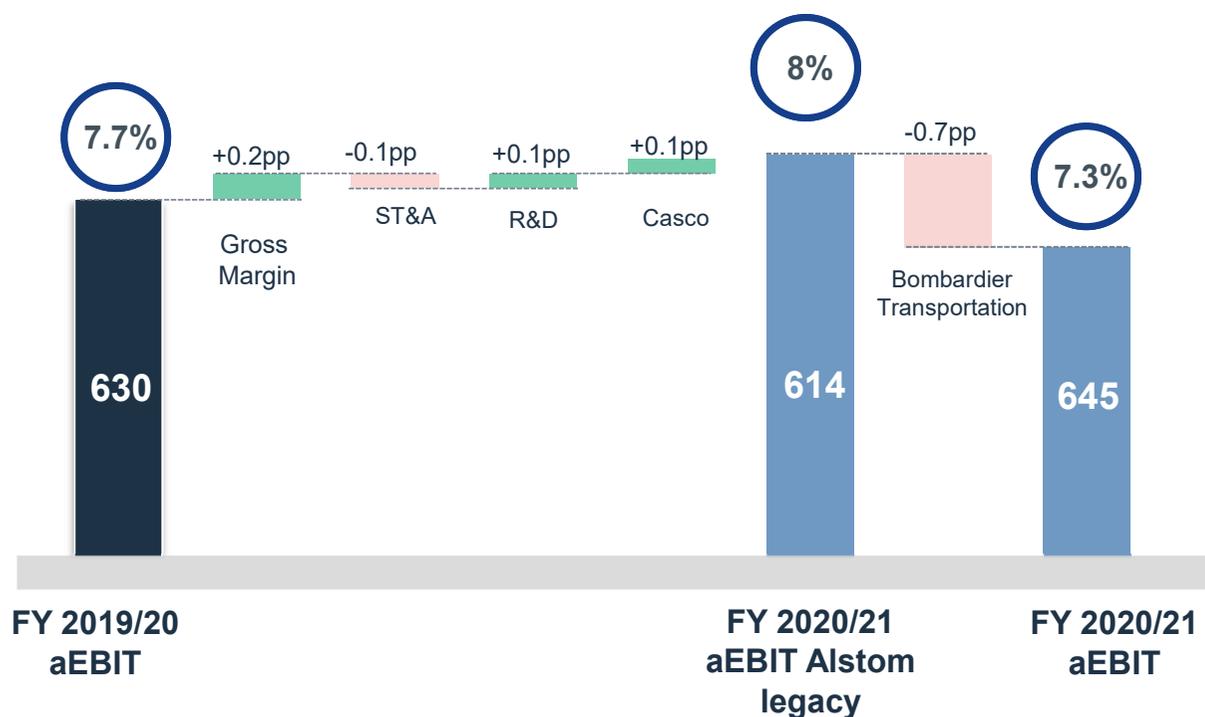
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FY 2020/21 financial results

aEBIT benefits from Gross Margin resilience and controlled SG&A and R&D costs

Adjusted EBIT¹ (in € million)



- Alstom legacy improved backlog profitability and gross margin following strong project execution and operational excellence initiatives
- Controlled SG&A and R&D limiting Covid-19 impact on volume
- Positive contribution of Casco
- Legacy Bombardier Transportation low single digit margin

¹ aEBIT includes Chinese JVs contribution for both periods: €38 million for March 2020 and €50 million for March 2021

Income statement

<i>(in € million)</i>	FY 2019/20	FY 2020/21
Sales	8,201	8,785
Adjusted EBIT¹	630	645
Adjusted EBIT margin	7.7%	7.3%
Restructuring and rationalisation costs	(18)	(14)
Impairments loss, Bombardier Transaction cost and other	5	(213)
Covid-19 inefficiencies and incremental costs	(24)	(68)
Reversal equity pick-up	(38)	(50)
EBIT	545	300
Financial results	(76)	(68)
Tax results	(118)	(63)
Share in net income of equity investees	102	83
Minority interests from continued op.	(7)	(12)
Net Profit – Continued operations, Group share	446	240
PPA ²	11	61
Adjusted net profit	457	301

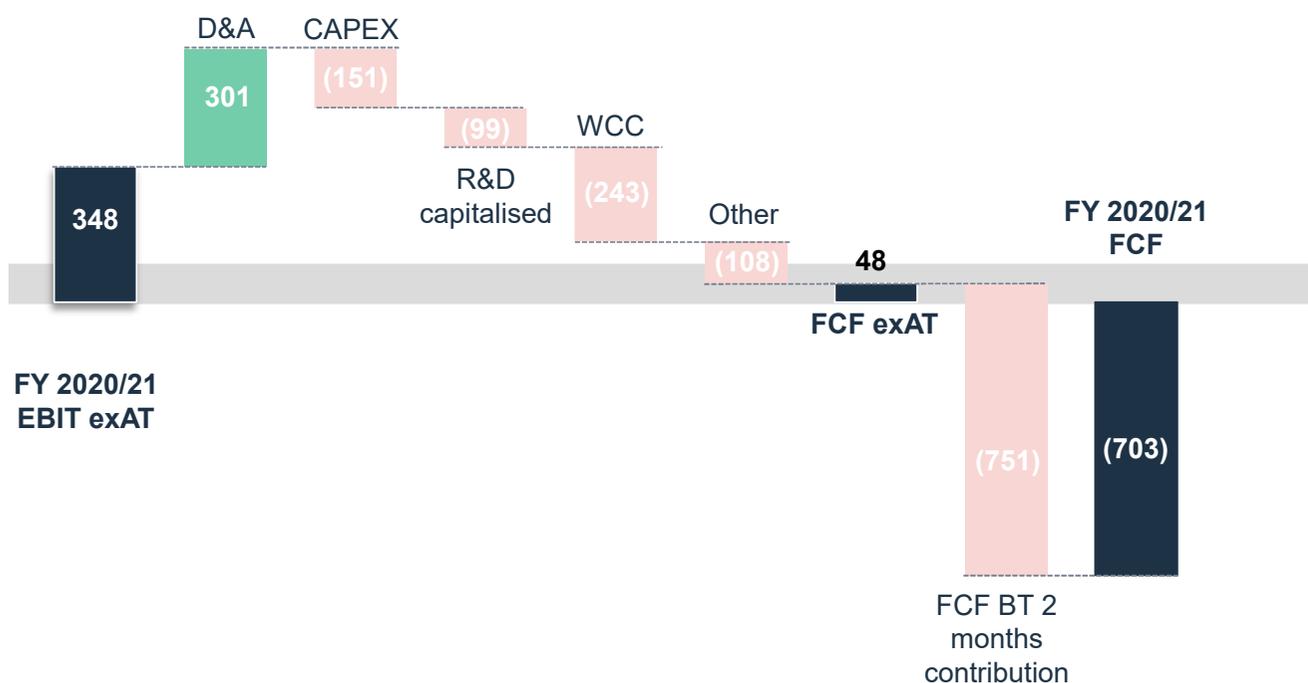
- Other non operating items including:
 - ▶ €117m of Bombardier Transportation (BT) transaction and integration costs
 - ▶ PPA impact of €84m
- Reversal equity pick-up includes mainly Chinese Joints-Ventures (Casco and BT Chinese Joint-Ventures)
- Effective tax rate at 27%

¹ aEBIT includes equity-accounted investments when these are considered to be part of the operating activities of the Group. ² impact of amortization of assets exclusively valued when determining the purchase price allocations including Bombardier Transportation and others, net of the corresponding tax effect

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Ebit to Free Cash Flow

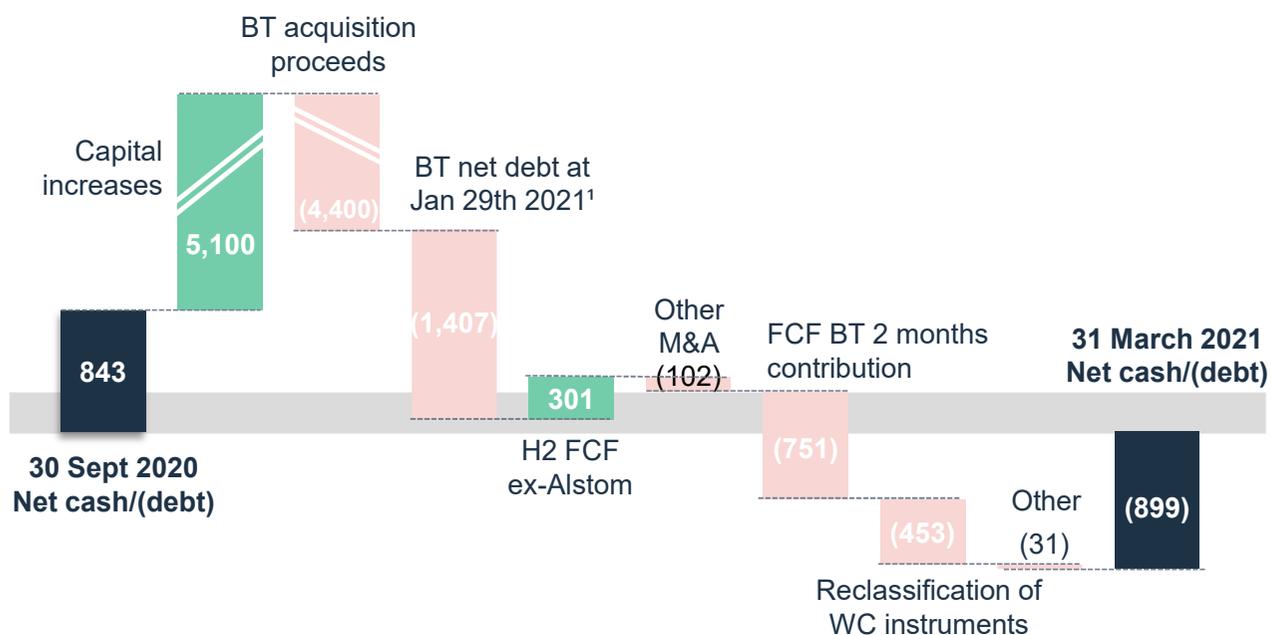
From EBIT to Free Cash Flow (in € million)



- Positive FCF for legacy Alstom
 - Strong FCF H2 at 301m
 - Working capital driven by Rolling Stock ramp up as anticipated
- FCF for legacy Bombardier Transportation impacted by
 - Supplier repayment and partial unwinding of working capital practices
 - Working capital phasing

Evolution of net cash/(debt)

Net cash/(debt) evolution (in € million)



• Net debt evolution driven by :

- ▶ Positive FCF performance from Alstom stand alone
- ▶ BT acquisition impact
- ▶ BT net debt at Jan 29th 2021
- ▶ BT Cash outflow in Feb and March 2021
- ▶ Reclassification of BT working capital instruments into debt (factoring and CAA)

¹ composed of a net cash/(debt) of €(956) million as of Dec 31st 2020 including injections from CDPQ and Bombardier Inc and of a €(451) million free cash flow in January 2021

Bombardier Transportation (BT) project review update

- **Task force** reviewed and assessed 120 former BT legacy projects representing 70% of acquired backlog

- **Stabilization measures implemented:**



▶ Technical and engineering



▶ Industrial and supply chain



▶ Commercial and customer

- **Evolution of provision for risks on contracts – group (in € million)**

March 31 2020	578
Additions / Releases / Applications	(273)
Scope variation adjustments mainly due to Bombardier Transportation's acquisition	1,083
Others	35
March 31 2021	1,423

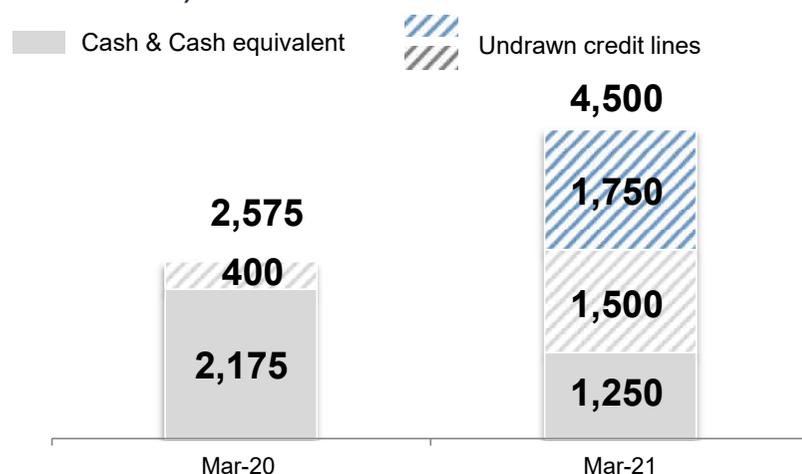
- €451 million provisions already in BT Balance sheet as of Dec 2020² and €632 million additional provisions for risks on BT contracts

¹ mainly due to Bombardier Transportation's acquisition ² \$554m provision for onerous contracts in Note 25 of Bombardier Inc financial reports as of Dec 2020, converted at Dec 31st exchange rate

Liquidity and gross debt

A reinforced liquidity position

(in € million)



- €1,250m cash and cash equivalents as of 31 March 2021
- €1,500m¹ and €1,750m² fully undrawn Revolving Credit Facilities (RCF) replacing Alstom's and Bombardier's existing RCFs in the context of the Covid-19

Bonds outstanding

- Successful 8-year €750m senior bond issuance with 0% fixed coupon in January 2021
- 7-year €700m senior bond outstanding with a 0,25% fixed coupon issued in Oct 2019 and maturing in 2026

Commitment to Baa2 rating

¹ 5-year maturity and two one-year options at the lenders' discretion ² 18-month maturity and two 6-month extensions at the borrower' discretion

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Shareholders distribution

DIVIDEND 2020/21

- Dividend of 0.25€ per share with 31% payout ratio¹ will be proposed to the next shareholders' meeting

¹ The pay-out ratio is calculated by dividing the amount of the overall dividend with the "Adjusted net income" as presented in the management report on the consolidated financial statements

6

Conclusion

Conclusion

FY 2020/21 results

- FY 2020/21 guidance met on all targets for Alstom legacy, on the back of market rebound
- New organisation post- Bombardier acquisition deployed, fully focused on customers satisfaction and operational delivery of €74.5bn backlog
- Positive market dynamic expected from 2021/22 onwards with rail instrumental in recovery plans
- The Alstom outlook will be provided during a Capital Markets Day to be hosted virtually on July 6th 2021

Contacts & Agenda

CONTACTS

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AGENDA

- 6** July 2021
Capital Markets Day
- 27** July 2021
Q1 2021/22 Orders & Sales
- 28** July 2021
Shareholders' assembly

Q&A session





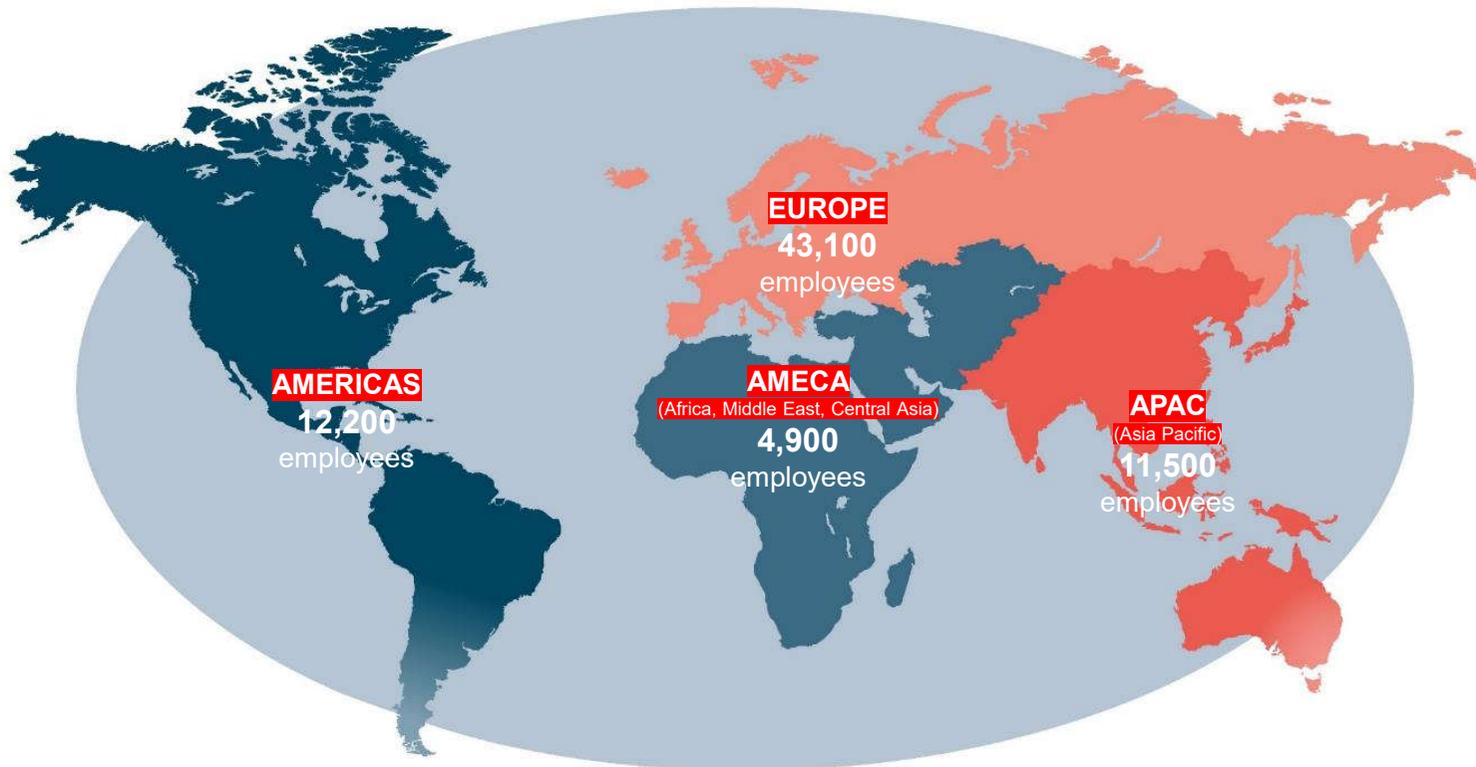
Appendix

Alstom as of March 2021

Over
70,000
employees
worldwide

70
countries

Over
250 sites



17,500
engineers

9,500
patents

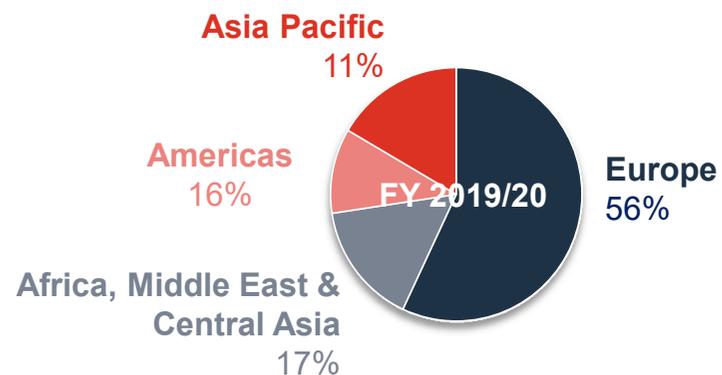
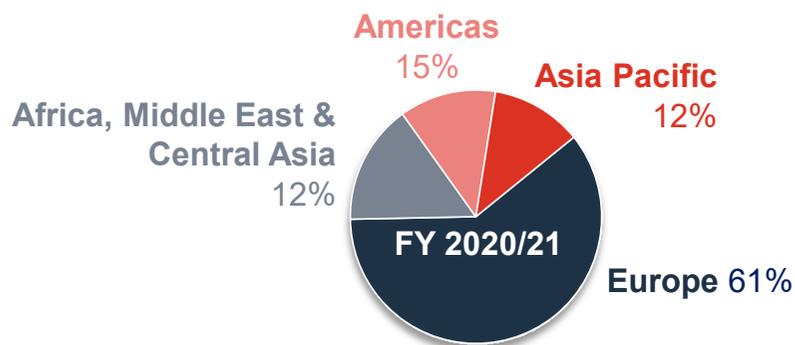
Partner
to over **300**
cities



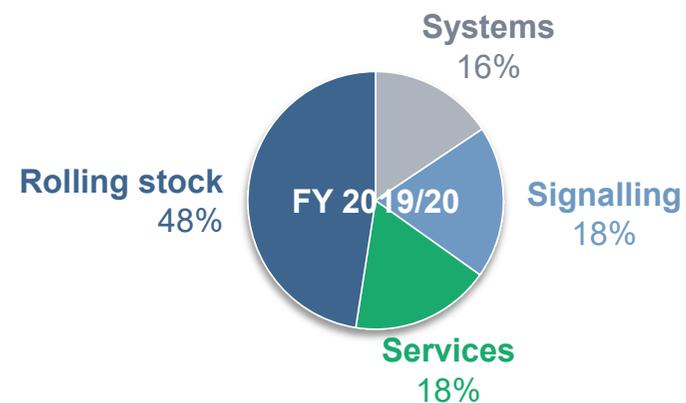
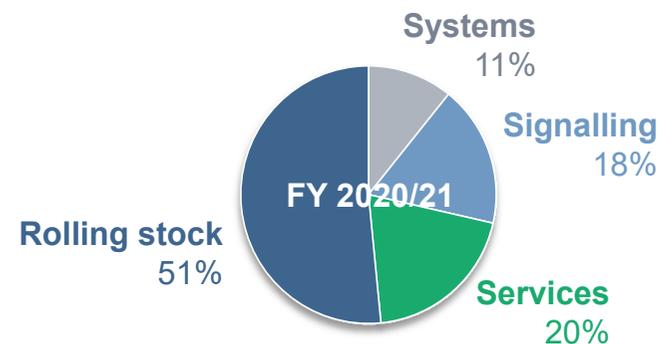
Over **150,000** vehicles
in commercial service

FY 2020/21 Sales per regions and product lines

Sales breakdown per regions

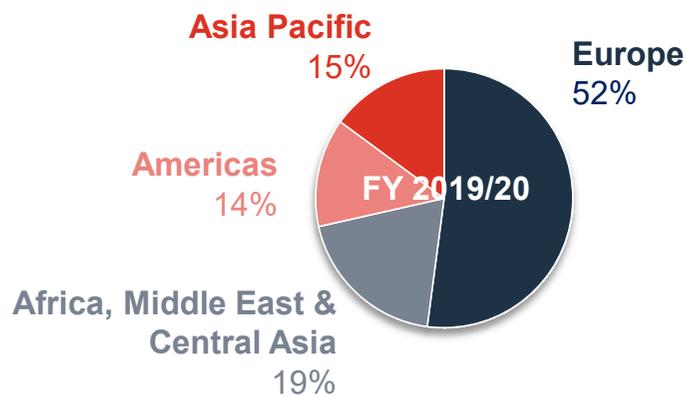
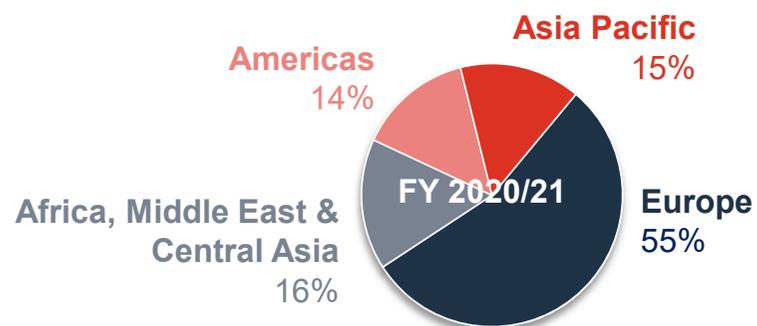


Sales breakdown per product line

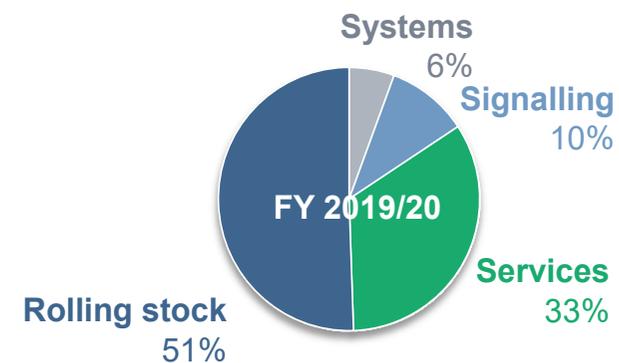
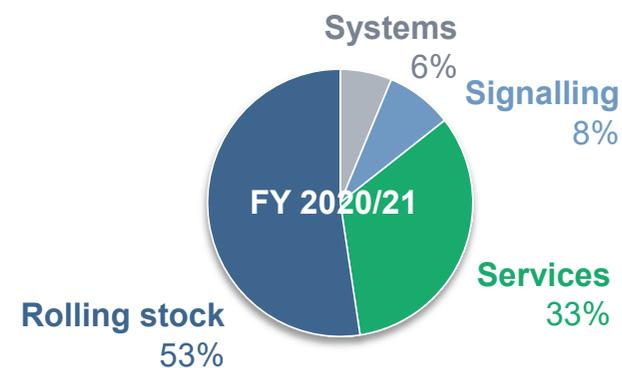


Industry-leading backlog reaching €74.5bn

Backlog breakdown per regions

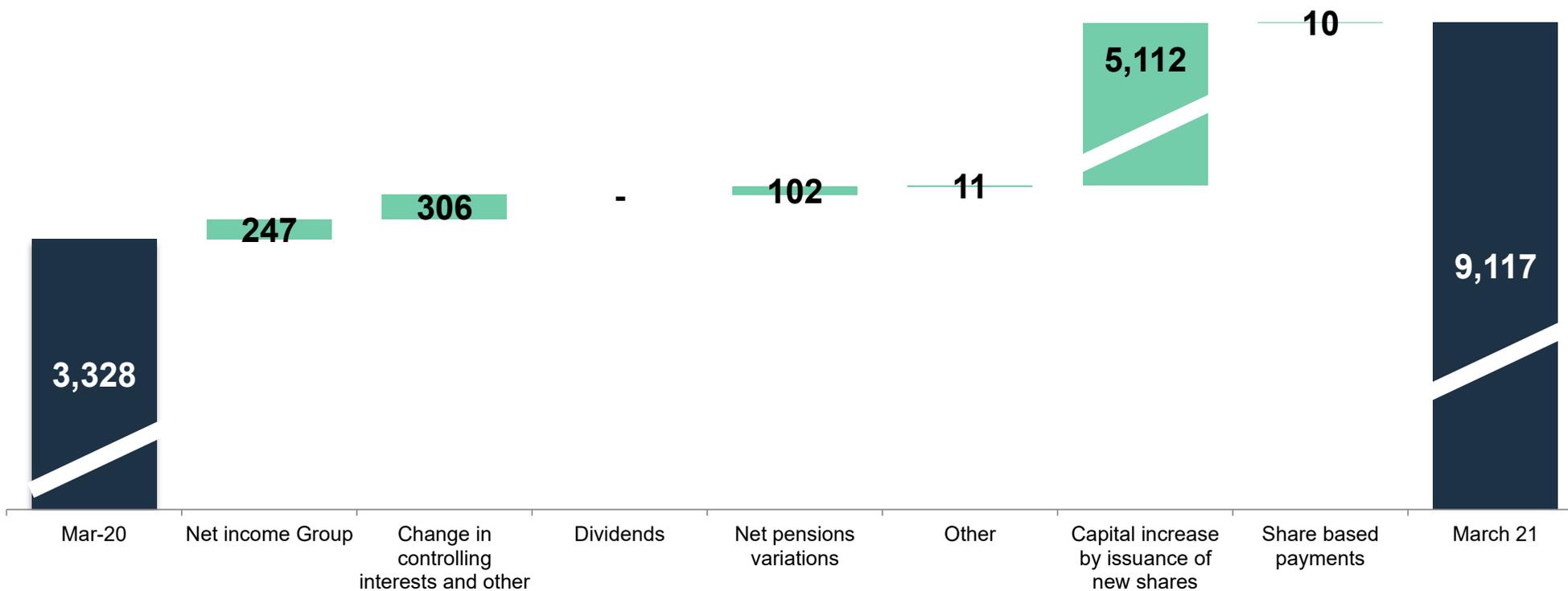


Backlog breakdown per product line



Equity

Equity (in € million)



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**

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, Bombardier Sifang (Qingdao) Transportation Ltd., Bombardier NUG Propulsion System Co. Ltd. and Changchun Bombardier Railway Vehicles Company Ltd.

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/reevaluation 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

- **Adjusted Net Profit**

Following the Bombardier Transportation acquisition and with effect from these Fiscal year 2020/21 consolidated financial statements, 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 amortization 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 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.

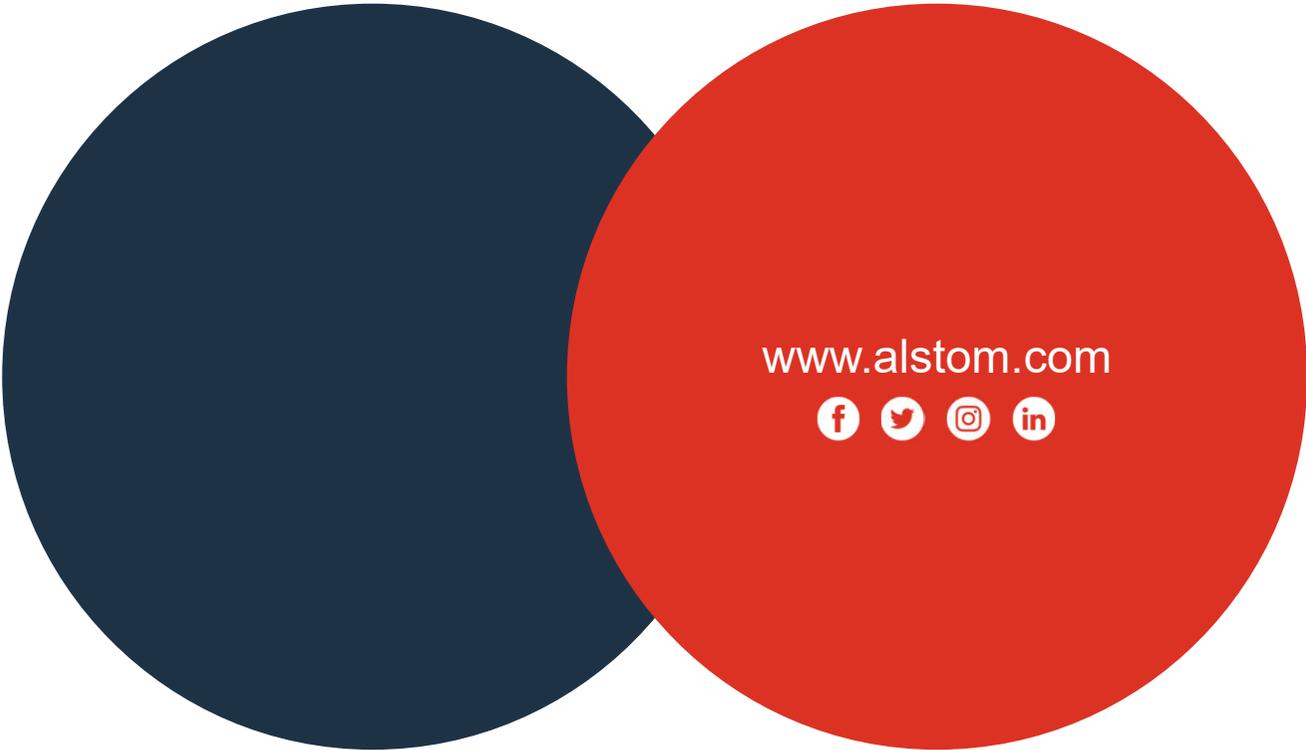
The most directly comparable financial measure to Free Cash Flow calculated and presented in accordance with IFRS is net cash provided by operating activities.

- **Net cash/(debt)**

The net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial asset, less borrowings.

- **Payout ratio**

The payout ratio is calculated by dividing the amount of the overall dividend with the “Adjusted net profit” as presented in the management report in the consolidated financial statements.



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