Annual Financial report

As of 31 March 2024

ALSTOM

Management report on consolidated financial statements,

As of 31 March 2024

ALSTOM

1. Main events of fiscal year ended 31 March 2024

1.1. Sale of North American Signalling Business to Knorr-Bremse AG

On 19 April 2024, Alstom announced that it had entered into a binding agreement with Knorr-Bremse AG, to sell Alstom's North American conventional signalling business for a purchase price of around €630 million.

This transaction is part of the comprehensive company action plan that Alstom announced on 15 November 2023, aimed at reinforcing its leadership position in the rail industry. Closing of the transaction is only subject to customary conditions, including regulatory approval, and is expected to take place as soon as summer 2024.

Proceeds for Alstom at closing, net of expected tax and transaction costs, are expected to be around €620 million.

As of 31 March 2024, the corresponding assets have been classified as Assets Held for Sale in the consolidated Balance Sheet (see Note 9.2).

1.2. "Autumn" restructuring plan

On 15 November 2023, Alstom announced that it was implementing a comprehensive operational, commercial and cost efficiency plan (the "Autumn" plan). The Autumn plan aims at accelerating the third phase of the Bombardier Transportation merger roadmap (optimization). As part of this efficiency plan, Alstom announced an overhead cost reduction initiative of around 1,500 FTE representing close to 10% of total S&A positions. This plan was presented to the employee representation bodies during the second semester, and negotiations are ongoing in view of implementing as from the first semester of the fiscal year 2024/25.

A total cost of €115 million has been booked during the period, with a remaining balance in provision of €110 million in the consolidated Balance Sheet (see Note 22) as of 31 March 2024.

1.3. One Alstom team - Agile, Inclusive and Responsible

Decarbonization is at the heart of Alstom's strategy. The Group is reducing its Scope 1 & 2 emissions reaching 139 ktonCO2e (representing a 39% decrease compared to March 2022), while collaborating with suppliers and customers on reducing its Scope 3 footprint. First results of this collaboration can be seen through the reduction of emissions intensity of sold product reaching 4.0 gCO2e/pass.km (i.e. (13)% compared to March 2022). Alstom CO2e emissions reduction targets had been validated on the 6th of July 2023 by the independent Science Based Targets initiative (SBTi) as in line with requirements to reach Paris Agreement commitments.

The supply of electricity from renewable sources has also been expanded. Alstom signed a significant Power Purchase Agreement focused on solar development in Spain. The solar farm is expected to begin operations early 2025 with a 10-years contract. The project will cover the equivalent of 80% of Alstom's electricity consumption in Europe, so this is a major step in reaching the target of 100% electricity consumption from renewables.

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 2024, 24.7% of manager, engineer and professional roles are held by women. Alstom will continue to accelerate its efforts in the coming months.

Alstom's Corporate Social Responsibility performance is regularly evaluated by various rating agencies; the Group maintained its presence among the CAC40 ESG index for the third consecutive year and the DJSI for the 13th consecutive year. Alstom improved its scoring to ECOVADIS questionnaire with a score of 77/100 and kept AA score with the MSCI agency. In addition, in 2024, Alstom improved its CDP rating, moving from B to A-. Those results reflect Alstom strong position and strategy on Sustainability.

In addition, Alstom published, for the second year European Taxonomy-aligned KPIs about Sales, Capex and Opex, pursuing strong analysis initiated last year. EU Taxonomy-aligned sales amounted to 60% 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.

1.4. Key figures for Alstom in the fiscal year 2023/24

The Group's key performance indicators ("KPIs") for the fiscal year 2023/24 are presented below.

(in € million)	Year ended 31 March 2024	Year ended 31 March 2023	% Variation Mar. 24/ Mar. 23 Actual
Orders Received [1]	18,947	20,694	(8%)
Sales	17,619	16,507	7%
Adjusted Gross Margin before PPA & impairment [1]	2,523	2,325	9%
aEBIT [1]	997	852	17%
aEBIT % [1]	*5.7%*	*5.2%*	
EBIT before PPA & impairment [1]	356	366	
EBIT [4]	(22)	(90)	
Adjusted Net Profit [1][2]	44	292	
Net Profit (Loss) - Group share [3]	(309)	(132)	
Free Cash Flow [1]	(557)	199	

(in € million)	Year ended 31 March 2024	Year ended 31 March 2023	% Variation Mar. 24/ Mar. 23 Actual
Orders Backlog	91,900	87,387	5%
Gross Margin % on backlog [1]	*17.5%*	*16.9%*	
Capital Employed [1]	11,627	11,728	
Net Cash/(Debt) [1]	(2,994)	(2,135)	
Equity	8,778	9,102	

(1) Non - GAAP. See definitions in section 10 ("Definitions of non-GAAP financial indicators").
(2) Based on Net profit (loss) from continuing operations, excluding amortisation expenses of the PPA, net of corresponding tax.
(3) Includes Net profit (loss) from discontinued operations and excl. non-controlling interests.
(4) Includes PPA from Chinese joint ventures counted as share in net income of equity investees in the Notes for €(10) million.

The Group's aEBIT as a percentage of sales increased from 5.2% in the fiscal year 2022/23 to 5.7% in the fiscal year 2023/24, benefiting from synergies of 30bps, a steady reduction of non-performing legacy contracts sales of 30bps, an increased volume and favourable mix of 20bps, partially offset by the negative gross margin impact related to legacy portfolio deviations of (30)bps.

1.5. Organic growth

For comparison purposes, the figures in 1.4 above have been adjusted for foreign exchange variations resulting from the conversion of the original currency to Euro. The below tables show the conversions of prior year actual figures to a like-for-like set of numbers:

(in € million)	Year ended 31 March 2024 Actual figures	Year ended 31 March 2023 Actual figures	Exchange rate and scope impact	Comparable figures	Mar. 24/ Mar. 23 % Var Actual	% Var Org.
Orders Received	18,947	20,694	(336)	20,358	(8)%	(7)%
Sales	17,619	16,507	(395)	16,112	7%	9%

(in € million)	Year ended 31 March 2024 Actual figures	Year ended 31 March 2023 Actual figures	Exchange rate impact	Comparable figures	Mar. 24/ Mar. 23 % Var Actual	% Var Org.
Orders Backlog	91,900	87,387	(275)	87,112	5%	5%

The actual figures for orders received and sales of the fiscal year 2022/23 are restated to reflect March 2024 average rates, March 2023 backlog is restated with March 2024 closing rates of the fiscal year. This restatement showed an appreciation of the Euro against several currencies making up the Alstom portfolio for the fiscal year of 2022/23.

- Orders received were impacted by an unfavourable translation effect mainly due to the appreciation of the Euro (EUR) against the Australian dollar (AUD), the Indian rupee (INR), the US dollar (USD) and the Swedish krona (SEK).
- Sales were mainly impacted by the appreciation of the Euro (EUR) against the US dollar (USD), the Australian dollar (AUD), the South African rand (ZAR), the Indian rupee (INR), the Swedish krona (SEK), the Canadian dollar (CAD) and the British pound sterling (GBP).
- Backlog was significantly impacted by an unfavourable translation effect driven by the depreciation of the South African rand (ZAR), the Egyptian pound (EGP), the Chilean peso (CLP) and the Australian dollar (AUD) against the Euro (EUR). This unfavourable translation effect was partly offset by the appreciation of the British pound sterling (GBP) and the Mexican peso (MXN) against the Euro (EUR).

1.6. Scope of consolidation

SpeedInnov

Through its affiliate SpeedInnov, a joint venture created in 2015 with ADEME, Alstom focused on its 'Very high-speed train of the future' project, aiming to promote a new generation of very high-speed trainset which will reduce acquisition and operating costs by at least 20%, optimize the environmental footprint and develop the commercial offer to improve passenger experience. In this context, Alstom subscribed to a capital increase in this joint venture in an amount of €13.6 million in October 2023 increasing its stake from 75.48% to 76.39% with no change in the consolidation method due to the rights granted to the co-investor as per shareholder agreement, the Group assessed it has "Joint control" over the entity.

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Disposal of TMH

On 14 September 2023, the Office of Foreign Assets Control (OFAC) of the US department of Treasury added JSC Transmashholding (TMH AO) to the Specially Designated Nationals and Blocked Person (SDN) List. TMH AO is the Russian holding company of TMH Group and is 100% owned by TMH Limited.

The Group further assessed potential exposures arising from the new OFAC sanctions and made the decision to sell its stake in TMH Limited.

The transaction was closed early January 2024 for an amount of €75 million, carrying value was nil as result of previous impairment, contributing to the de-risking of the company's portfolio. The sale resulted in a non-cash loss of €(122) million due to the recycling of the €(197) million Currency Translation Adjustment accounted for directly in equity since the acquisition. The net impact of the sale is presented in the line "Share in net income on equity accounted investments" of the consolidated Income Statement as of 31 March 2024.

2. 2024/25 fiscal year outlook

Alstom has the following forecasts for the full 2024/25 fiscal year:

- Book to bill above 1
- Sales organic growth: around 5%
- aEBIT margin around 6.5 %
- Free Cash Flow generation within the €300 million to €500 million range
- Seasonality driving:
    - Negative FCF in the first half within a range of €(300) million to €(500) million
    - Margin development to be more second-half weighted

Underlying outlook assumptions

The forecasts for the fiscal year ending 31 March 2025 presented above have been prepared in accordance with the accounting policies applied in the consolidated financial statements of the Company for the fiscal year ended 31 March 2024. The adjusted EBIT margin and free cash flow are defined in section 10 "Definitions of non-GAAP financial indicators".

These forecasts are based on Alstom's scope of consolidation and on foreign exchange rates available as of 31 March 2024. They are based on the following principal assumptions:

Alstom internal assumptions

- Fiscal year 2024/25 commercial activity will be fostered by market momentum resulting in an increase of the volume of orders received in Alstom's key activities and regions compared to the previous fiscal year.

- Sales improvement in the fiscal year 2024/25 as compared to the fiscal year 2023/24 will primarily come from the execution of the orders backlog.

- Adjusted EBIT margin improvement compared to the fiscal year 2023/24 will stem from several factors. Alstom will benefit from an increase in the volume of activity and will decrease the contribution of non-performing contracts to overall sales. This mix effect is explained by the progress of non-performing contracts and their replacement by contracts with higher margin. In parallel, Alstom will generate savings thanks to the overhead cost reduction plan and will maintain a strict monitoring of research and development costs.

- Standardisation of engineering tools and processes together with design to cost, and optimisation of Alstom's footprint both for engineering and manufacturing, will support the improvement of Alstom's overall performance. In addition, digital transformation, combined with effective discipline in overhead cost management and in indirect procurement, will contribute to the improvement of the adjusted EBIT margin while the integration of Bombardier will end in fiscal year 2024/25.

- Improved cash generation in fiscal year 2024/25 as compared to the fiscal year 2023/24 will mainly come from accelerated deliveries and working capital management, while the 2024/25 downpayments level shall remain consistent with 2023/24 level.

- Balance sheet inorganic deleveraging plan - as described in the subsequent events section 9 - will be fully executed in fiscal year 2024/25.

Macro-economic assumptions

- They exclude any major variations in currency exchange rates of the main countries outside of the Euro-zone in which the Group generates its revenues, compared to the rates in effect as of 31 March 2024.

- They assume an overall stable political environment in areas where Alstom operates or delivers products.

- They assume stabilisation of inflation at levels lower than in 2022 and 2023 in line with inflation forecasts from external agencies (IMF and ECB).

Disclaimer

The above summary of the Group's outlook 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 uncertainties (such as those described in the chapter 4 of the Universal Registration Document 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 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.

The Group has updated its capital allocation priorities

- Priority to deleveraging and maintaining Investment Grade rating
- Dividends policy to be re-evaluated once zero net financial debt is reached
- M&A policy:
    - Pursue bolt-on acquisitions (Innovation, Digital, Services)
    - Dynamic portfolio management

3. Commercial performance

During the fiscal year 2023/24, the Group witnessed significant commercial success across multiple geographies, notably in Europe, Asia/Pacific, Africa & Middle East, and product lines, mostly in Systems, Services and Rolling Stock. Nonetheless, the recorded order intake stood at €18.9 billion, representing a decrease of 8% on an actual basis compared to €20.7 billion in fiscal year 2022/23, mostly driven by the contract awarded last year by Landesanstalt Schienenfahrzeuge Baden Württemberg (SFBW) network in Germany of almost €2.5 billion.

Geographic breakdown **Actual figures** *(in € million)*	**Year ended** **31 March 2024**	% of contrib	**Year ended** **31 March 2023**	% of contrib	**% Variation Mar. 24/ Mar. 23** **Actual**	 **Organic**
Europe	11,326	59%	12,759	61%	(11)%	(11)%
Americas	2,050	11%	2,682	13%	(24)%	(23)%
Asia/Pacific	3,172	17%	3,028	15%	5%	12%
Africa/Middle East/Central Asia	2,399	13%	2,225	11%	8%	10%
ORDERS BY DESTINATION	**18,947**	**100%**	**20,694**	**100%**	**(8)%**	**(7)%**

Product breakdown **Actual figures** *(in € million)*	**Year ended** **31 March 2024**	% of contrib	**Year ended** **31 March 2023**	% of contrib	**% Variation Mar. 24/ Mar. 23** **Actual**	 **Organic**
Rolling stock	6,365	34%	10,348	50%	(38)%	(37)%
Services	6,556	35%	6,394	31%	3%	4%
Systems	3,685	19%	1,008	5%	266%	258%
Signalling	2,341	12%	2,944	14%	(20)%	(19)%
ORDERS BY DESTINATION	**18,947**	**100%**	**20,694**	**100%**	**(8)%**	**(7)%**

In **Europe**, Alstom recorded €11.3 billion of order intake in the fiscal year 2023/24, as compared to € 12.8 billion in the same period last fiscal year.

In the U.K, Alstom has signed an eight-year extension to its Train Services Agreement (TSA) with CrossCountry. The contract extension, valued at around €950 million, further secures this long-term partnership and is evidence of the customer's trust in Alstom.

In France, Alstom will supply île-de-France Mobilités and RATP with 103 new MF19 trainsets, which is the new generation metro on rail, for a total contract value of more than €800 million, 100% financed by Île-de-France Mobilités. This new fleet will replace the existing rolling stock on lines 13, 12 and 8 of the Île-de-France metro as of 2027. The Group also signed a framework contract with Akiem European rolling stock leasing company for 100 Traxx™ Universal multi-system (MS3) locomotives, together with an initial firm order for 65 locomotives. The total amount of the framework agreement is up to €500 million.

In Germany, Alstom was awarded a contract to supply 40 Coradia Stream™ High Capacity electric multiple units together with full maintenance for 30 years to Nahverkehrsverbund Schleswig-Holstein (NAH.SH), valued at close to €900 million, and including an option for up to 55 additional trains with a corresponding full-service package. The Group also signed a contract with RAILPOOL for 50 Traxx™ Universal multi-purpose locomotives.

In Romania, Alstom, as part of a consortium with the civil works companies Gulermak and Arcada, signed a contract with the Cluj-Napoca City Hall for the construction of the Cluj-Napoca Metro Line 1. Alstom's share of this state-of-the-art turnkey project reaches approximately €400 million.

In Italy, Alstom was awarded a contract for the supply of high-speed trains.

The prior period's performance in Europe was mainly driven by significant orders awarded by customers in Germany, France, Sweden, Romania, the U.K., and Spain.

In the **Americas**, Alstom reported €2 billion of order intake in fiscal year 2023/24, as compared to €2.7 billion in fiscal year 2022/23, driven by a contract with the Southeastern Pennsylvania Transportation Authority (SEPTA) in the United States to deliver 130 full low floor electric streetcars for Philadelphia, valued at over €667 million and with options to build an additional 30 streetcars. The Group was also awarded a contract by the Connecticut Department of Transportation (CTDOT) to supply 60 single-level rail coach cars valued at approximately €285 million with options to build an additional 313 cars, as part of CTDOT's coach renewal program for its statewide rail system.

Alstom's performance in the Americas in 2022/23 was mainly driven by the contract award 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.

In **Asia/Pacific**, the order intake stood at €3.2 billion in fiscal year 2023/24, as compared to €3.0 billion in fiscal year 2022/23. In the Philippines, Alstom in consortium with Colas Rail has been awarded a contract by Mitsubishi Corporation to provide an integrated railway system for the extension of the North-South Commuter Railway project (NSCR). Alstom's contract share is worth approximately €1 billion. In Australia, Alstom has been awarded a contract worth around €900 million to maintain the regional rolling stock VLocity and Classic fleets in Victoria, Australia for the next decade.

The performance in Asia/Pacific in fiscal year 2022/23 was driven by significant contracts with the Department of Transport Victoria in Australia, and for the Bhopal and Indore metro projects in India.

In **Africa/Middle East/Central Asia**, the Group reported €2.4 billion of order intake in fiscal year 2023/2024, as compared to €2.2 billion in fiscal year 2022/23. In Israel, Alstom, a member of the TMT Consortium (TLV Metropolitan Tramway Ltd.) and its partners Electra Ltd. & Dan Public Transportation Ltd., have reached financial closure on the contract, awarded in May 2022, to design, build, maintain, and finance the Tel Aviv Metropolitan LRT Green line by Metropolitan Mass Transit System Ltd (NTA). Alstom's share is valued at €858 million. In Saudi Arabia, Alstom signed a more than €500 million contract with The Royal Commission for AlUla (RCU) for AlUla's pioneering battery-powered tramway – the world's longest catenary-free line.

The performance in fiscal year 2023/24 was mainly driven by a contract to supply Metropolis™ trains and maintenance services for upgrading the Cairo Metro Line 1.

In summary, Alstom received the following major orders during the fiscal year 2023/24:

Country	Product	Description
Australia	Services	Ten-year maintenance of the regional rolling stock VLocity and Classic fleets in Victoria.
France	Rolling stock	Supply of 103 new MF19 trainsets île-de-France Mobilités and RATP for lines 13, 12, 8
Germany	Rolling stock / Services	Supply 40 Coradia Stream™ high-capacity electric multiple units and 30 years of full-service maintenance to Nahverkehrsverbund Schleswig-Holstein (NAH.SH).
Israel	Systems / Services	Construction of the Tel Aviv Metropolitan LRT Green line by Metropolitan Mass Transit System Ltd (NTA) as TMT (TLV Metropolitan Tramway Ltd) consortium member
Italy	Rolling stock	Supply of high-speed trains
Philippines	Systems	Supply of an integrated railway system for the extension of the North-South Commuter Railway project
Romania	Systems	Construction of Cluj-Napoca Metro Line 1 turnkey project as part of a consortium with the civil works companies Gulermak and Arcada
Saudi Arabia	Systems	Furnish fully integrated pioneering battery-powered, catenary free tramway system
U.S.A.	Rolling stock	Supply of 130 low floor electric Citadis™ light rail vehicles to Southeastern Pennsylvania Transportation Authority (SEPTA), with options for an additional 30 streetcars
United Kingdom	Services	Eight-year extension to the Train Services Agreement (TSA) with CrossCountry to maintain, overhaul, service and clean 252 vehicles of the CrossCountry fleet.

4. Orders backlog

As of 31 March 2024, the backlog stood at €91.9 billion, providing the Group with strong visibility over future sales. This represents a 5% increase on both an actual basis and on an organic basis as compared to 31 March 2023. The increase of backlog is mostly driven by a book-to-bill ratio of 1.1 and positive contract price adjustments.

The depreciation of several currencies against the Euro (EUR) since March 2023, mainly the South African rand (ZAR) and the Egyptian pound (EGP), negatively impacted backlog for a total amount of €0.3 billion. This mainly affected the backlog of rolling stock products.

Geographic breakdown

Actual figures *(in € million)*	**Year ended 31 March 2024**	% of contrib	**Year ended 31 March 2023**	% of contrib
Europe	52,381	57%	49,146	56%
Americas	12,775	14%	13,796	16%
Asia/Pacific	13,390	15%	12,191	14%
Africa/Middle East/Central Asia	13,354	14%	12,254	14%
BACKLOG BY DESTINATION	**91,900**	**100%**	**87,387**	**100%**

Product breakdown

Actual figures *(in € million)*	**Year ended 31 March 2024**	% of contrib	**Year ended 31 March 2023**	% of contrib
Rolling stock	41,215	45%	42,806	49%
Services	34,257	37%	30,741	35%
Systems	8,682	10%	6,330	7%
Signalling	7,746	8%	7,510	9%
BACKLOG BY DESTINATION	**91,900**	**100%**	**87,387**	**100%**

5. Income statement

5.1. Sales

Alstom's sales amounted to €17.6 billion for the fiscal year 2023/24, representing a growth of 7% on an actual basis and 9% on an organic basis as compared to sales in the same period last fiscal year. Sales related to non-performing legacy contracts, representing sales on projects with a negative margin at completion, amounted to €1.7 billion during the fiscal year 2023/24.

Geographic breakdown					**% Variation Mar. 24/ Mar. 23**	
Actual figures *(in € million)*	**Year ended 31 March 2024**	% of contrib	**Year ended 31 March 2023**	% of contrib	**Actual**	**Organic**
Europe	10,185	58%	9,936	60%	3%	3%
Americas	3,466	19%	2,843	17%	22%	27%
Asia/Pacific	2,424	14%	2,378	15%	2%	8%
Africa/Middle East/Central Asia	1,544	9%	1,350	8%	14%	24%
SALES BY DESTINATION	**17,619**	**100%**	**16,507**	**100%**	**7%**	**9%**

Product breakdown					**% Variation Mar. 24/ Mar. 23**	
Actual figures *(in € million)*	**Year ended 31 March 2024**	% of contrib	**Year ended 31 March 2023**	% of contrib	**Actual**	**Organic**
Rolling stock	9,123	52%	8,784	53%	4%	7%
Services	4,272	24%	3,817	23%	12%	14%
Systems	1,578	9%	1,476	9%	7%	9%
Signalling	2,646	15%	2,430	15%	9%	12%
SALES BY DESTINATION	**17,619**	**100%**	**16,507**	**100%**	**7%**	**9%**

In **Europe**, sales reached €10.2 billion, accounting for 58% of the Group's total sales and representing an increase of 3% on an actual basis compared to fiscal year 2022/23. The increase was mainly driven by the continued execution of large rolling stock contracts, including the Coradia Stream™ trains in the Netherlands, the Regio 2N regional trains, the Avelia™ high-speed trains for SNCF as well as EMU trains for the Paris Metro for RATP in France, the Coradia Stream™ regional trains for Trenitalia in Italy, the ICE 4 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. The ramp-up of Services contracts in the United Kingdom has also been a strong contributor to this growth. On the other hand, large Rolling Stock contracts such as the S-Bahn Stuttgart trains for Deutsche Bahn in Germany and the Francilien suburban trains for SNCF in France are close to completion, therefore generating lower levels of sales as compared to the same period last year.

In the **Americas**, sales stood at €3.5 billion, accounting for 19% of the Group's sales and representing an increase of 22% compared to fiscal year 2022/23 on an actual basis. The increase was mainly driven by the metro cars for BART fleet of the future in San Francisco and Tren Maya project for the National Fund for the Promotion of Tourism in Mexico. The projects of Amtrak high-speed trains in the United States and the light metro system for REM in Canada remain key sales contributors within the region, together with the Metropolis™ trains for São Paulo Metropolitan Train System in Brazil.

In **Asia/Pacific**, sales amounted to €2.4 billion, accounting for 14% of the Group's sales and representing an increase of 2% compared to fiscal year 2022/23 on an actual basis. These sales were driven by the consistent execution of the production of electric locomotives and metro cars in India, the Bombardier movia™ cars for LTA Singapore and the VLocity™ regional trains for The Department of Transport (DoT) in Victoria in Australia.

In **Africa/Middle East/Central Asia**, sales stood at €1.5 billion, contributing to 9% to the Group's total sales and representing an increase of 14% on an actual basis compared to fiscal year 2022/23. The system contract for the Cairo monorail trains in Egypt, the rolling stock contract for the X'Trapolis™ Mega commuter trains in South Africa, as well as the Prima™ freight locos for Kazakh Railways and Azerbaijan Railways, are the main sales contributors within the region.

5.2. Research and development ("R&D")

As of 31 March 2024, research and development gross costs amounted to €(749) million, i.e. 4.3% of sales, reflecting the Group's continuous investment in innovation to develop smarter and greener mobility solutions, in line with the Alstom In Motion strategy which is based on three pillars: Autonomous mobility, Data factory and Mobility orchestration. Net R&D amounted to €(549) million before PPA amortisation.

(in € million)	Year ended 31 March 2024	Year ended 31 March 2023
R&D Gross costs	(749)	(682)
R&D Gross costs (in % of Sales)	*4.3%*	*4.1%*
Funding received [1]	123	103
Net R&D spending	(626)	(579)
Development costs capitalised during the period	178	142
Amortisation expense of capitalised development costs [2]	(101)	(82)
R&D expenses (in P&L)	**(549)**	**(519)**
R&D expenses (in % of Sales)	*3.1%*	*3.1%*

(1) Financing received includes public funding amounting to €84 million at 31 March 2024, compared to €65 million at 31 March 2023.
(2) For the fiscal period ended 31 March 2024, excluding €(60) million of amortisation expenses of the PPA of Bombardier Transportation, compared to €(61) million at 31 March 2023.

Programs funded by IPCEI Hydrogen are ongoing. This important European program allows to further develop the components portfolio needed for hydrogen powered trains, fuel cell powerpacks, batteries and power converters. It supports the development of new hydrogen trains for regional applications, shunting locos and freight, leveraging on the experience collected with Coradia iLint™ regional trains that are now in revenue service.

The development of Avelia range continues. Homologation tests of Avelia Horizon™ are planned in 2024 to enable a start of revenue service in 2025. The development of international configurations is ongoing. Alstom has launched the development of Avelia stream™, addressing the high-speed single deck segment with a first project for Italo.

Based on Citadis™ DNA, Alstom is developing a light rail vehicle addressing the specific aspects of the U.S. market with a focus on passenger experience and the possibility to operate without catenary.

The replacement of our existing range of commuter trains by Adessia™ has been launched to address the U.K. and U.S. markets. This new product range will include EMU, BMU, BEMU and HMU versions to also replace the existing Diesel trains.

Alstom has also further extended the Coradia stream™ range with longer cars and 15kV traction chains (primarily in Germany).

TRAXX™ Multi-system 3 - locomotives is pursuing trial tests and approvals over the course of 2024 to enable it to run on the different European corridors with Alstom ATLAS on-board signalling system. It includes the passenger version which can be operated at 200kph.

Furthermore, large gauge Metro is being redesigned with a focus on energy efficiency and manufacturability to better address the Indian market.

Alstom's services product line is focused on addressing green, sustainable and more efficient operation concepts. Green re-tractioning initiatives include for example the retrofit with hydrogen-fuelled internal combustion engines for locomotives and the ability to provide autonomy for non-electrified lines via the so-called "Last-mile" functionality supported by the IPCEI H2 program.

In addition to the HealthHub™ solution, Alstom continues to develop innovative digital solutions dedicated to operation and maintenance activities to optimise reliability and availability while maximising the useful life of components for sustainability improvement.

Alstom's Signalling Product Line continued work on (a) Onvia Control™ L2 A and Onvia Control™ L2 B European Standard convergence, driving market presence with its integration into the TRAXX platform and securing new contracts for cross-border operations, (b) Onvia Cab™ level 2 and level 3 on-board solutions together with Automatic Train Operation, and (c) footprint expansion with a new contract in Canada. Alstom continued developing CBTC solutions Urbalis Fluence™ (e.g., Nexteo), Urbalis Forward™ (e.g., Cluj Metro, Surat Metro L1&2, Bhopal & Indore Metro) and Urbalis Flo™ (e.g., Delhi Line 7 extension, Metro Santiago de los Caballeros) for metros and tramways, and Urbalis Vision Forward™ for Operational Control Centres, maximising traffic fluidity and orchestrating operations from a distance.

Alstom Signalling also plays a key role in the System and Innovation Pillar by defining a harmonised functional architecture for the rail system including migration paths and regulatory framework as well as contributing to several Flagship projects: MOTIONAL (FP1), R2DATO (FP2) and FUTURE (FP6).

Alstom Innovations continued to develop Autonomous Mobility solutions for Passengers & Freight trains.

Major milestones on the roadmap to achieve GoA4 (Grade of Automation 4) have been successfully passed under real mainline operating conditions on passenger and freight train with SNCF in France, and yard operations in the Netherlands.

Alstom has also made great strides in developing a new SaaS platform that will enhance its global digital offering. The platform streamlines applications integration and deployment in a trusted and future-proof ecosystem. The platform's data exchange and sharing capabilities not only provide enhanced value for Alstom's customers, but also enable Alstom to explore new data-driven use cases and analysis, facilitating integration of new digital services throughout the project lifetime.

Among many different use cases on data-driven features being developed, the one on analysing the quality of train services to ground communication is key to better performance: any lack of real-time radio communication between the train and the back-office signalling system can cause stoppages and disruptions (e.g. through the use of EB, or Emergency Brakes), causing operational delays. To understand the reasons for EBs if any, and anticipate radio issues, Alstom has developed Radioscopy, an AI-based solution, designed to monitor and diagnose issues on CBTC networks. Until now, the solution has been successfully deployed on six different projects, improving radio reliability.

5.3. Operational performance

In the fiscal year 2023/24, Alstom's adjusted EBIT reached €997 million, representing a 5.7% operational margin, as compared to €852 million, or 5.2% in fiscal year 2022/23.

Selling and Administrative costs as a percentage of sales represented 6.3% for the group as compared to 6.6% on an actual basis compared to fiscal year 2022/23.

Over the period, the contribution resulting from the inclusion of the share in net income of the equity-accounted investments, whose activities are considered as part of the operating activities of the Group, amounted to €131 million, decreasing from the €142 million reported in the last fiscal year, impacted by unfavourable exchange rates. The contribution from CASCO Signal Limited joint venture and Alstom Sifang (Qingdao) Transportation Ltd. amounted to €62 million and €30 million respectively, compared to €60 million and €30 million, respectively, in fiscal year 2022/23. The contribution of the remaining joint ventures amounted to €39 million, as compared to €52 million in the same period last year.

5.4. From adjusted EBIT to adjusted net profit

During the fiscal year 2023/24, Alstom recorded restructuring and rationalisation charges of €(147) million mainly related to the reduction of overhead costs for €(115) million (per the "Autumn" plan) and adaptations to the means of production for €(32) million, in particular the United Kingdom for €(14) million, Germany for €(8) million, in France for €(3) million, in Spain for €(3) million and the U.S.A. for €(2) million.

Integration costs, impairment loss and other costs amounted to €(363) million, consisting of costs related to the integration of Bombardier Transportation for an amount of €(142) million, €(118) million related to some legal proceedings and other risks occurring outside the ordinary course of business mainly for two legal proceedings in U.S.A. and Turkey, and for legal fees in the context of Bombardier Transportation's integration remedies, €(30) million related to impairments mainly on write-off of assets due to the exit from Russia, and other exceptional expenses for €(73) million, of which €(36) million of consequential impacts from savings plan initiated in Germany.

Overall, Alstom's other expenses for the fiscal year 2023/24 amounted to €(510) million, a €(166) million increase compared to fiscal year 2022/23.

Taking into consideration restructuring and rationalisation charges, integration costs, impairment loss & others, Alstom's EBIT before amortisation and impairment of assets exclusively valued when determining the PPA stood at €356 million, compared to €366 million in the same period last fiscal year.

Net financial expenses of the period amounted to €(242) million, impacted by higher interest rates and higher average outstanding short term debt, as compared to €(103) million in the same period last fiscal year.

The Group recorded an income tax charge of €(6) million in the fiscal year 2023/24, corresponding to an effective tax rate before PPA of 28%, compared to €(34) million for the same period last fiscal year and an effective tax rate of 27%.

The share in net income from equity investments amounted to €(7) million – excluding the amortisation of the PPA from Chinese joint ventures of €(10) million –, compared to €123 million in the same period last fiscal year. This year amount includes €(122)m resulting from TMH disposal and is compensated with strong performances from CASCO joint venture as well as Alstom Sifang (Qingdao) Transportation Ltd., Jiangsu Alstom NUG Propulsion System Co. Ltd and CRRC Puzhen Alstom Transportation Systems Limited.

Net profit attributable to non-controlling interest totalled €30 million, compared to €24 million in the same period last fiscal year.

Adjusted net profit, representing the group's share of net profit from continued operations excluding PPA and impairment net of tax, amounted to €44 million for the fiscal year 2023/24 compared to an adjusted net profit of €292 million for the fiscal year 2022/23.

5.5. From adjusted net profit to net profit (loss)

During the fiscal year 2023/24, amortisation & impairment of assets exclusively valued when determining the PPA in the context of business combination amounted to €(378) million before tax, compared to €(456) million last year. Positive tax effect associated with the PPA amounts to €27 million, compared to €36 million last year.

The Group's share of net profit (loss) from continued operations including net effect from PPA after tax for €(351) million, stood at €(307) million, compared to €(128) million in the same period last fiscal year.

The net profit (loss) from discontinued operations for the fiscal year 2023/24 amounts to €(2) million. As a result, the Group's Net profit (loss) (Group share) stood at €(309) million for the fiscal year 2023/24, compared to €(132) million last fiscal year.

6. Free Cash Flow

(in € million)	Year ended 31 March 2024	Year ended 31 March 2023
EBIT before PPA	**356**	**366**
Depreciation and amortisation (before PPA)	469	441
JV dividends	310	114
EBITDA before PPA + JV dividends	**1,135**	**921**
Capital expenditure	(307)	(289)
R&D capitalisation	(178)	(142)
Financial and Tax cash-out	(428)	(173)
Other	77	101
Funds from Operations	**299**	**418**
Trade Working Capital Changes (1)	(1,421)	162
Contract Working Capital Changes	565	(381)
FREE CASH FLOW	**(557)**	**199**

(1) Does not include restructuring provisions changes and corporate tax changes - see definition in section 10 ("Definitions of non-GAAP financial indicators").

The Group's Free Cash Flow stands at €(557) million for the fiscal year 2023/24 as compared to €199 million during the same period last fiscal year.

Funds from Operations stand at €299 million, compared to €418 million in the last fiscal year, despite stable EBIT before PPA of €356 million compared to €366 million in the same period last fiscal year. Main variation comes from financial and tax cash-out that reached €(428) million, compared to €(173) million last fiscal year, mainly due to increased interest rates on the Group's short-term debt and fees paid for the Committed Guarantee Facility Agreement ("CGFA") renegotiated in July 2022.

Depreciation and amortisation excluding PPA amounted to €469 million (€837 million including PPA) compared to €441 million in the same period last fiscal year (€886 million including PPA). Right-of-use assets amortisation amounted to €145 million compared to the €132 million for the fiscal year 2022/23.

JV dividends amounted to €310 million compared to €114 million, including receipts as per plan for second half.

In the 2023/24 fiscal year, Alstom spent €(307) million in capital expenditures excluding R&D, as compared to €(289) million in the same period last fiscal year. The Capex program was focused on transformation & productivity-related investments in Europe as well as on the strategy of continuous increase of the industrial capacity in best cost countries such as Poland, Brazil, Hungary, Mexico, Kazakhstan, and India. Alstom continued to invest in energy savings and safety, reinforcing the Company's commitments for sustainable growth.

Cash generation was mainly impacted by an €(856) million change in working capital compared to €(219)million in the same period last fiscal year, mostly due to evolution of Trade Working Capital of which €(294) million change in payables in light of a supply chain enhancement action plan in the last quarter and the reversal effect of the change in law on VAT in France for €(380) million.

The Contract Working Capital is positively impacted by acceleration of deliveries from major contracts and strong collections of down payments:

- Contracts assets (representing ca. 103 days of sales as of March 2024 vs 100 days as of March 2023) increase over the period is consistent with contracts portfolio trading and revenue growth.
- Contracts liabilities increase is notably explained by the level of downpayments received over the second half of FY2023/24.
- Current provisions have been mainly impacted by reduction of provisions for risks on contracts.

	Year ended 31 March 2024	Year ended 31 March 2023
Inventories	3,818	3,729
Trade Payables	(3,444)	(3,640)
Trade Receivables	2,997	2,670
Other Assets / Liabilities	(1,705)	(2,244)
Trade Working Capital (1)	**1,666**	**515**

(1) Does not include restructuring provisions and corporate tax changes - see definition in section 10 ("Definitions of non-GAAP financial indicators").

	Year ended 31 March 2024	Year ended 31 March 2023
Contract Assets	4,973	4,533
Contract Liabilities	(7,995)	(6,781)
Current Provisions	(1,612)	(1,779)
Contract Working Capital	**(4,634)**	**(4,027)**

7. Net Cash/(debt)

At 31 March 2024, the Group recorded a net debt position of €(2,994) million, compared to the €(2,135) million that the group reported on 31 March 2023. This €859 million increase is driven by Free Cash Flow consumption of €(557) million, a €(61) million dividend pay-out, and €(160) million lease evolution.

In addition to its available cash and cash equivalents, amounting to €976 million at 31 March 2024, the Group benefits from strong liquidity with:

- €2.25 billion Revolving Credit Facility maturing in October 2024;
- €1.75 billion Revolving Credit Facility maturing in January 2027;
- €2.5 billion Revolving Credit Facility maturing in January 2029.

The first facility has two six-month extension options remaining at borrowers' discretion. Alstom has an obligation to prepay utilizations of and cancel available commitments under the facility with proceeds from the deleverage plan disclosed in Note 36 of the consolidated financial statements.

The last two facilities have been successfully extended by one year in December 2023. At 31 March 2024, the €1.75 billion RCF line was drawn down for €175 million, while the other two lines remained undrawn.

As per its conservative liquidity policy, the €2.5 billion Revolving Credit Facility serves as a back-up of the Group €2.5 billion Negotiable European Commercial Papers program in place. With these RCF lines (€175 million drawn on the

€1.75 billion RCF at 31 March 2024), the €1.03 billion of Neu CP outstanding at 31 March 2024, the Group benefits from a €6.3 billion liquidity available.

8. Equity

The Group Equity on 31 March 2024 amounted to €8,778 million (including non-controlling interests), from €9,102 million on 31 March 2023, mostly impacted by:

- Net profit/(loss) of €(279) million (Group share);
- Dividend paid in cash of €(63) million;
- Recognition of equity settled share-based payment of €19 million related to Long Term Incentive program.

9. Subsequent events

As announced in November 2023 and reiterated in January 2024, Alstom's Board of Directors is committed to a conservative financial policy and to protect the Group's Investment Grade rating, in particular through a ca. €2 billion inorganic deleveraging plan.

This plan and its execution, which have been unanimously approved by Alstom's Board of Directors on May 7, 2024, has the following components:

- Divestments for ca. €700 million:
  - Sale of TMH for €75 million realized in January 2024;
  - The announced sale of conventional signalling business in North America to Knorr-Bremse AG, which will generate proceeds of ca. €630 million upon closing expected during Summer 2024;
- The issuance of hybrid bonds with 50% equity content for Moody's (1) in an amount of ca. €750 million to be executed no later than September 2024 subject to market conditions and to AMF approval;
- A capital increase with preferential subscription rights in an amount of ca. €1 billion to be executed no later than September 2024 subject to market conditions and to AMF approval.

The ca. €2.4 billion proceeds correspond to ca. €2 billion of deleveraging, mainly due to the hybrid bond's 50% Moody's debt content.

Each of CDPQ (2) and Bpifrance holding respectively 17.4% and 7.5% of Alstom's capital, has declared to the Company its intention to subscribe for its pro-rata share of the capital increase.

In addition, Alstom has entered into a standby underwriting commitment with BNP Paribas, Crédit Agricole Corporate and Investment Bank, J.P. Morgan and Société Générale, acting as Joint Global Coordinators, pursuant to which they have undertaken to underwrite the remainder of the capital raise (i.e. ca. €750 million), subject to the satisfaction of customary conditions precedent.

Circa €1.2 billion of the proceeds of asset disposals and of the capital markets transactions will be used to repay financial debt by September 2024:

- Repayment of Neu CP by €1,033 million;

- Repayment of RCF drawings by €175 million.

The remainder of the proceeds will be invested in highly liquid short-term investment (cash equivalent treatment) and will be earmarked for gross debt reduction at maturity.

Alstom Baa3 long-term issuer rating is reaffirmed, and the outlook will be changed to stable upon successful closing of the hybrid bond issuance and the rights issue.

Alstom will terminate its €2.25 billion credit facility agreement following execution of the deleveraging plan.

(1) 100% equity content as per IFRS accounting standards
(2) Caisse de dépôt et placement du Québec

10. Definitions of non-GAAP financial indicators

This section presents financial indicators used by the Group that are not defined by IFRS or other generally accepted accounting principles.

10.1. 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.

10.2. Book-to-bill

The book-to-bill ratio is the ratio of orders received to the amount of sales traded for a specific period.

10.3. Gross Margin % on backlog

Gross Margin % on backlog is a KPI that presents the expected performance level of firm contracts in backlog. It represents the difference between the sales not yet recognized and the cost of sales not yet incurred from the contracts in backlog. This % is an average of the portfolio of contracts in backlog and is meaningful to project mid- and long-term profitability.

10.4. Adjusted Gross Margin before PPA

Adjusted Gross Margin before PPA is a KPI that presents 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 PPA in the context of business combination as well as significant, non-recurring "one off" items that are not expected to occur again in subsequent years.

10.5. Adjusted EBIT and EBIT before PPA

10.5.1.Adjusted EBIT

Adjusted EBIT ("aEBIT") is a KPI that presents the level of recurring operational performance. This KPI is also aligned with market practice and comparable to the Group's direct competitors.

Since September 2019, Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT even though this component is part of the operating activities of the Group (because there are significant operational flows and/or common project execution associated 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., Jiangsu Alstom NUG Propulsion System Co. Ltd 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 significant, "one-off" exceptional item that is not expected to occur again in subsequent years.

Adjusted EBIT margin corresponds to Adjusted EBIT expressed as a percentage of sales.

10.5.2. 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" KPI aimed at restating its Earnings Before Interest and Taxes ("EBIT") to exclude the impact of amortisation of assets exclusively valued when determining the PPA in the context of business combination. This KPI is also aligned with market practice.

The non-GAAP measure aEBIT and EBIT before PPA KPI reconcile with the GAAP measure EBIT as follows:

(in € million)	Year ended 31 March 2024	Year ended 31 March 2023
Sales	**17,619**	**16,507**
Adjusted Earnings Before Interest and Taxes (aEBIT)	**997**	**852**
aEBIT (in % of Sales)	*5.7%*	*5.2%*
Capital Gains / (losses) on disposal of business	(0)	(30)
Restructuring and rationalisation costs	(147)	(65)
Integration costs, impairment and other	(363)	(249)
Reversal of Net Interest in Equity Investees pick-up	(131)	(142)
EARNING BEFORE INTEREST AND TAXES (EBIT) BEFORE PPA & IMPAIRMENT	**356**	**366**
PPA amortisation & impairment (1)	(378)	(456)
EARNING BEFORE INTEREST AND TAXES (EBIT)	**(22)**	**(90)**

(1) Gross amount before tax.

10.6. Adjusted net profit

The “Adjusted Net Profit” KPI restates Alstom’s net profit from continued operations (Group share) to exclude the impact of amortisation of assets exclusively valued when determining the PPA in the context of business combination, net of the corresponding tax effect.

Adjusted net profit reconciles with the GAAP measure Net profit from continued operations attributable to equity holders (Net profit from continued operations – Group share) as follows:

(in € million)	Year ended 31 March 2024	Year ended 31 March 2023
Adjusted Net Profit	**44**	**292**
Amortization & impairment of assets valued when determining the purchase price allocation	(351)	(420)
NET PROFIT (LOSS) FROM CONTINUED OPERATIONS (GROUP SHARE)	**(307)**	**(128)**

10.7. 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.

A reconciliation of Free Cash Flow and net cash provided by operating activities is presented below:

(in € million)	Year ended 31 March 2024	Year ended 31 March 2023
Net cash provided by / (used in) operating activities	**(82)**	**606**
Of which operating flows provided / (used) by discontinued operations		
Capital expenditure (including capitalised R&D costs)	(485)	(431)
Proceeds from disposals of tangible and intangible assets	8	24
FREE CASH FLOW	**(557)**	**199**

Alstom uses the Free Cash Flow both for internal analysis purposes as well as for external communication as the Group believes it provides accurate insight into the actual amount of cash generated or used by operations.

During the fiscal year 2023/24, the Group Free Cash Flow was at €(557) million compared to €199 million in the same period last fiscal year.

10.8. Capital employed

Capital employed corresponds to assets minus liabilities, each defined as follows:

- Assets: sum of goodwill, intangible assets, property, plant and equipment, equity-accounted investments and other investments, other non-current assets (other than those related to financial debt and to employee defined benefit plans), inventories, costs to fulfil a contract, contract assets, trade receivables and other operating assets;
- Liabilities: sum of non-current and current provisions, contract liabilities, trade payables and other operating liabilities.

At 31 March 2024, capital employed stood at €11,627 million compared to €11,728 million on 31 March 2023.

(in € million)	Year ended 31 March 2024	Year ended 31 March 2023
Non current assets	16,243	16,845
less deferred tax assets	(673)	(596)
less non-current assets directly associated to financial debt	(115)	(108)
Capital employed - non current assets **(A)**	15,455	16,141
Current assets	16,319	14,551
less cash & cash equivalents	(976)	(826)
less other current financial assets	(40)	(92)
Capital employed - current assets **(B)**	15,303	13,633
Current liabilities	19,611	17,643
less current financial debt	(1,316)	(396)
plus non current lease obligations	471	501
less other obligations associated to financial debt	(174)	(144)
plus non current provisions	539	442
Capital employed - liabilities **(C)**	19,131	18,046
CAPITAL EMPLOYED (A)+(B)-(C)	**11,627**	**11,728**

10.9. Net cash/(debt)

The net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial assets, less borrowings. At 31 March 2024, the Group recorded a net cash level of €(2,994) million, as compared to the net cash position of €(2,135) million on 31 March 2023.

(in € million)	**Year ended 31 March 2024**	**Year ended 31 March 2023**
Cash and cash equivalents	976	826
Other current financial assets	40	65
Other non current assets		27
less:		
Current financial debt	1,316	396
Non current financial debt	2,694	2,657
NET CASH/(DEBT) AT THE END OF THE PERIOD	**(2,994)**	**(2,135)**

10.10. Organic basis

Management report on condensed interim consolidated financial statements include KPIs 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.

10.11. Sales by Currency

Currencies	Year ended 31 mars 2024 as a % of Sales
EUR	45.3%
GBP	10.9%
USD	10.0%
CAD	4.9%
INR	4.9%
AUD	4.4%
SEK	2.9%
MXN	2.8%
ZAR	2.7%
BRL	1.7%
KZT	1.2%
SGD	1.2%
Currencies below 1% of sales	7.1%

10.12. Adjusted income statement, EBIT and Adjusted Net Profit

This section presents the reconciliation between the consolidated income statement and the MD&A management view.

(in € million)	Total Consolidated Financial Statements (GAAP)	Adjustments (1)	(2)	(3)	(4)	Total Consolidated Financial Statements (MD&A view)
31 March 2024						
Sales	**17,619**					**17,619**
Cost of Sales	(15,406)	308		2		(15,096)
Adjusted Gross Margin before PPA & impairment [1]	**2,213**	**308**	**-**	**2**	**-**	**2,523**
R&D expenses	(609)	60				(549)
Selling expenses	(383)	-				(383)
Administrative expenses	(725)	-				(725)
Equity pick-up	-				131	131
Adjusted EBIT [1]	**496**	**368**	**-**	**2**	**131**	**997**
Other income / (expenses)	(508)			(2)		(510)
Equity pick-up (reversal)	-	-	-	-	(131)	(131)
EBIT / EBIT before PPA & impairment [1]	**(12)**	**368**	**-**	**-**	**-**	**356**
Financial income (expenses)	(242)					(242)
Pre-tax income	**(254)**	**368**	**-**	**-**	**-**	**114**
Income tax Charge	(6)	(27)	-			(33)
Share in net income of equity-accounted investments	(17)	10				(7)
Net profit (loss) from continued operations	**(277)**	**351**	**-**	**-**	**-**	**74**
Net profit (loss) attributable to non controlling interests (-)	(30)					(30)
Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss) [1]	**(307)**	**351**	**-**	**-**	**-**	**44**
Purchase Price Allocation (PPA) & impairment net of corresponding tax effect	-	(351)				(351)
Net profit (loss) from discontinued operations	(2)					(2)
Net profit (loss) (Group share)	**(309)**	**-**	**-**	**-**	**-**	**(309)**

(1) Non-GAAP indicator, see definition in section 10 ("Definitions of non-GAAP financial indicators").

Adjustments 31 March 2024:

(1) Impact of business combinations: amortisation of assets exclusively valued when determining the PPA, including net income of equity accounted investments, and including corresponding tax effect;

(2) Impact of business combinations: impairment of assets exclusively valued when determining the PPA (see Note 2.4 Use of estimates and 2.5.4 – Business Combinations of the financial statements), including corresponding tax effect;

(3) Impact of Aptis closure: reclassification of operational results as non-recurring items following Alstom's announced and planned discontinuance of Aptis activities;

(4) Reclassification of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group (see section 10.5.1. "Adjusted EBIT")

(in € million)	Total Consolidated Financial Statements (GAAP)	Adjustments				Total Consolidated Financial Statements (MD&A view)
		(1)	(2)	(3)	(4)	
31 March 2023						
Sales	**16,507**					**16,507**
Cost of Sales	(14,541)	355		4		(14,182)
Adjusted Gross Margin before PPA & impairment (1)	**1,966**	**355**	**-**	**4**	**-**	**2,325**
R&D expenses	(580)	61				(519)
Selling expenses	(375)	-				(375)
Administrative expenses	(721)	-				(721)
Equity pick-up	-				142	142
Adjusted EBIT (1)	**290**	**416**	**-**	**4**	**142**	**852**
Other income / (expenses)	(369)		29	(4)		(344)
Equity pick-up (reversal)	-	-	-	-	(142)	(142)
EBIT / EBIT before PPA & impairment (1)	**(79)**	**416**	**29**	**-**	**-**	**366**
Financial income (expenses)	(103)					(103)
Pre-tax income	**(182)**	**416**	**29**	**-**	**-**	**263**
Income tax Charge	(34)	(34)	(2)			(70)
Share in net income of equity-accounted investments	112	11				123
Net profit (loss) from continued operations	**(104)**	**393**	**27**	**-**	**-**	**316**
Net profit (loss) attributable to non controlling interests (-)	(24)					(24)
Net profit (loss) from continued operations (Group share) / Adjusted Net Profit (loss) (1)	**(128)**	**393**	**27**	**-**	**-**	**292**
Purchase Price Allocation (PPA) & impairment net of corresponding tax effect	-	(420)				(420)
Net profit (loss) from discontinued operations	(4)					(4)
Net profit (loss) (Group share)	**(132)**	**(27)**	**27**	**-**	**-**	**(132)**

(1) Non-GAAP indicator, see definition in section 10 ("Definitions of non-GAAP financial indicators").

Adjustments 31 March 2023:

(1) Impact of business combinations: amortisation of assets exclusively valued when determining the PPA, including net income of equity accounted investments, and including corresponding tax effect;

(2) Impact of business combinations: impairment of assets exclusively valued when determining the PPA (see Note 2.4 Use of estimates and 2.5.4 – Business Combinations of the financial statements), including corresponding tax effect;

(3) Impact of Aptis closure: reclassification of operational results as non-recurring items following Alstom's announced and planned discontinuance of Aptis activities;

(4) Reclassification of share in net income of the equity-accounted investments when these are considered to be part of operating activities of the Group (see section 10.5.1. "Adjusted EBIT")

10.13. From Enterprise Value to Equity Value

(in € million)		Year ended 31 March 2024	Year ended 31 March 2023
Total Gross debt, incl. lease obligations	**(1)**	**4,557**	**3,579**
Pensions liabilities net of prepaid and deferred tax asset related to pensions	(2)	777	582
Non controlling interest	(3)	106	105
Cash and cash equivalents	(4)	(976)	(826)
Oher current financial assets	(4)	(40)	(65)
Other non-current financial assets	(5)	(14)	(56)
Net deferred tax liability / (asset)	(6)	(644)	(443)
Investments in associates & JVs, excluding Chinese JVs	(7)	(102)	(123)
Non-consolidated Investments	(8)	(74)	(82)
Bridge		**3,590**	**2,671**

(1) Long-term and short-term debt and Leases (Note 27), excluding the lease to a London metro operator for €98 million due to matching financial asset (Notes 15 and 27);

(2) As per Note 29 (in the Financial Notes) net of €62 million of deferred tax allocated to accruals for employees benefit costs (note 8.2 in the Financial Notes);

(3) As per balance sheet;

(4) As per balance sheet;

(5) Other non-current assets: Loans to non-consolidated Investments for €14 million;

(6) Deferred Tax Assets and Liabilities – as per balance sheet, net of €62 million of deferred tax allocated to accruals for employees benefit costs (note 8.2 in the Financial Notes);

(7) JVs – to the extent they are not included in the share in net income of the equity-accounted investments whose activity are considered as part of the operating activities of the Group/ FCF, ie excluding Chinese JVs;

(8) Non-consolidated investments as per balance sheet.

10.14. Bombardier Transportation PPA amortisation plan

This section presents the amortisation plan of the PPA related to Bombardier Transportation.

(in € million)	Year ended 31 March 2024
Amortisation Plan, as per P&L booking (1)	**(3,148)**
2021	(71)
2022	(428)
2023	(436)
2024	(357)
2025	(373)
2026	(264)
2027	(213)
2028	(203)
2029	(166)
2030	(139)
2031	(107)
2032	(97)
2033	(95)
2034	(47)
Beyond	(151)

(1) Excludes PPA other than related to the purchase of Bombardier Transportation.

10.15. Contract & Trade Working Capital

This section defines the Contract & Trade Working Capital and reconciles with Note 16 in the Financial Notes:

	Year ended 31 March 2024	Year ended 31 March 2023
Inventories (1)	3,818	3,729
Trade Payables	(3,444)	(3,640)
Trade Receivables	2,997	2,670
Other Assets / Liabilities	(1,705)	(2,244)
Trade Working Capital	**1,666**	**515**
Contract Assets	4,973	4,533
Contract Liabilities	(7,995)	(6,781)
Current Provisions	(1,612)	(1,779)
Contract Working Capital	**(4,634)**	**(4,027)**
Corporate Tax	(128)	(207)
Restructuring	(261)	(166)
Published Working Capital	**(3,357)**	**(3,885)**

(1) Inventories movement mainly impacted by €(205) million of reclassification to fixed assets of a fleet of trains which was put on lease during the year (Non-FCF impact).

Contract Working Capital is the sum of:

- Contract Assets & Liabilities, which includes the Customer Down-Payments;
- Current provisions, which includes Risks on contracts and Warranties.

Trade Working Capital is the Working Capital that is not strictly related to contract. It includes all the elements of the working capital but

- Contract Working Capital;
- Income Tax receivables and payables;
- Restructuring provisions.

10.16. Funds From Operations

Funds from Operations "FFO" in the EBIT before PPA to Free Cash Flow statement refers to the Free Cash Flow generated by Operations, before Working Capital variations.

10.17. EBITDA before PPA + JV dividends

EBITDA before PPA plus dividends from joint ventures is the EBIT before PPA, before depreciation and amortisation, with the addition of the dividends received from joint ventures.