

## Alstom's orders and sales for the first nine months of 2021/22

- 9-month order intake at €14.3 billion, up 47 percent vs. last year's proforma, with strong €4.6 billion order intake in Q3, and a sustained backlog at €77.8 billion
- 9-month sales at €11.4 billion, up 11 percent vs. last year's proforma, in line with announced growth trajectory. Solid sales of €3.9 billion in Q3.
- Full year outlook and mid-term 2024/25 objectives confirmed

**20 January 2022** – Over the third quarter 2021/22 (from 1 October to 31 December 2021), Alstom booked €4.6 billion of orders. The Group's sales reached €3.9 billion.

For the first nine months of 2021/22 (from 1 April to 31 December 2021), Alstom's order intake reached €14.3 billion. The Group's sales reached €11.4 billion in line with targeted trajectory.

The backlog, on 31 December 2021, reached €77.8 billion and provides strong visibility on future sales.

### Key figures

| Actual figures<br><i>(in € million)</i> | 2020/21 proforma <sup>1</sup> |       |       |       | 2021/22 |       |       | 2020/21 proforma | 2021/22  | % Change Reported | % Change proforma |
|---|-------------------------------|-------|-------|-------|---------|-------|-------|------------------|----------|-------------------|-------------------|
|   | Q1                            | Q2    | Q3    | Q4    | Q1      | Q2    | Q3    | 9 months         | 9 months |                   |                   |
| Orders received                         | 3,058                         | 2,306 | 4,366 | 4,760 | 6,439   | 3,287 | 4,576 | 9,731            | 14,302   | +219%             | +47%              |
| Sales                                   | 2,789                         | 3,747 | 3,712 | 3,727 | 3,701   | 3,742 | 3,916 | 10,248           | 11,359   | +104%             | +11%              |

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

*"Alstom is making solid progress with a strong growth momentum. With our extended scope and portfolio, we continued to win in a strong market environment, driven by large scale investments into sustainable mobility. During the third quarter, Europe was the most dynamic region for Alstom commercially. Our sales have progressed as announced, thanks to production ramp-up and stabilisation of our rolling stock projects and strong performance in Services. The end of this month will mark the one-year anniversary of the Bombardier Transportation acquisition with our integration roadmap fully on track.",* said Henri Poupart-Lafarge, Alstom Chairman and Chief Executive Officer.

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<sup>1</sup> Refer to "Proforma like-for-like new Alstom" definition in appendix for detailed on calculation

## Detailed review

**During the third quarter of 2021/22 (from 1 October to 31 December 2021), Alstom recorded €4,576 million in orders, versus €4,366 million in Q3 2020/21 proforma, with notably strong order intakes in Rolling Stock and Services.** Orders for Services reached a record level of €1,769 million. Over nine months, orders for Services, Signalling and Systems reached 49% of the total order intake.

On a regional level, Europe continues to fuel the growth. Notable orders include the large *High Speed Two (HS2)* contract in the UK for about £1.97 billion for our 50/50 joint-venture with Hitachi for 54 very high-speed trains and 12 years of maintenance. In Romania, the Group recorded the renewal of the full maintenance services for the Bucharest metro fleet over 15 years for a total value of €500 million. In Ireland, Alstom booked a firm order for regional and commuter trains for €270 million as part of a new ten-year frame agreement; in France the Group won an order of 37 new trams for the T1-Line in the Ile-de-France region worth around €130 million as well as an order for our Omneo double-deck trains for €250 million. In Belgium, the Group was awarded a contract for further 98 double-deck M7 train cars for €268 million and in Germany it will supply 17 Coradia Stream trains for the Main-Weser network<sup>2</sup>.

In the Americas region, Alstom signed an overhaul contract in Canada for 94 bi-level commuter railcars for €118m.

Regarding sales, €3,916 million were traded in the third quarter 2021/22 (from 1 October to 31 December 2021) versus €3,712million in Q3 2020/21 proforma. Compared to Q2 2021/22, sales progressed in all product lines, as a consequence of the stabilisation efforts in Rolling Stock and good performance in Services in particular.

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## Main events of the third quarter 2021/22

During the quarter, Alstom launched a range of initiatives to accelerate its transformation towards a more competitive and agile group.

In Morocco, Alstom is investing €10.5 million to build a new production line for on-board transformers in its Fez site. It will be operational in 2023. In Brazil, the Group is investing €14 million in the modernisation of its Taubaté rolling stock factory. Alstom inaugurated a new component manufacturing facility in Coimbatore, India, its largest components manufacturing facility in Asia. The investment in Coimbatore totalled €25 million.

In Europe, Alstom communicated to employee representatives its plan to transform the German organisation with a stronger focus on signalling and services while it will adjust its capacity in some of the German production sites.

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<sup>2</sup> finally booked in Q3 2021/22

As part of its commitments to the European Commission in relation to the acquisition of Bombardier Transportation, the Group announced in November 2021 the sale of the Coradia Polyvalent platform, the Reichshoffen site and the Talent 3 platform to CAF and the transfer of Bombardier Transportation's contribution to the V300 ZEFIRO very high-speed train to Hitachi Rail. Closing of the CAF transaction is expected in H1 2022/23, while the Hitachi transaction could be closed in the first semester of 2022 calendar year.

Alstom successfully refinanced its two Revolving Credit Facilities (RCF) in January 2022. The 5-year main RCF was increased from €1.5 billion to €2.5 billion with a maturity extended to January 2027 and will be a backstop to the Group's €2.5 billion NEU CP program. The €1.75 billion RCF maturity was extended to January 2025. Both facilities have two one-year extension options at lenders' discretion and are currently undrawn. This further reinforcement of the Group's liquidity demonstrates Alstom's commitment to a conservative financial policy and the strong support it benefits from its banking pool.

#### ❖ **Key project deliveries**

In November, Alstom delivered in France the 300<sup>th</sup> trainset of its Omneo 2N platform. This delivery is part of a framework contract signed with SNCF in 2010 and proves the success of this platform in the French regions. Since its commissioning in 2014, this platform has met the various requirements of the public transport authorities thanks to its modularity.

Also, in November, China's first fully automated and driverless elevated monorail entered service in Wuhu and in December the driverless Innovia airport APM entered service at Shenzhen Bao'an International Airport.

In December, Alstom's latest generation of tram, the Citadis X05, entered passenger service in Athens.

#### ❖ **Smart and green mobility**

Alstom, in partnership with Cylus, integrated in its CBTC<sup>3</sup>, an advanced rail threat detection and monitoring solution, in Tel Aviv. CylusOne is a rail-specific, multi-layered, threat detection and monitoring solution powered by advanced Artificial Intelligence and Machine Learning technology. Alstom also reinforced its share in this innovative company's equity by participating in Cylus' Series B capital increase.

In the third quarter 2021/22, Alstom further strengthened its technological leadership in zero-emission solutions. The Group continued to build an eco-system for its hydrogen rail offering: a collaboration agreement with Liebherr – Aerospace & Transportation SAS to optimise hydrogen systems; a partnership with Hynamics, the hydrogen subsidiary of the EDF Group, to optimise the hydrogen refuelling of passenger trains; and an agreement with Hungary's leading oil and gas company MOL to explore use of hydrogen technologies for rail transport in Hungary. The Group also invested a further

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<sup>3</sup> Communications-based train control

€6 million in a fuel cell production unit in its recently acquired Helion Hydrogen Power subsidiary in France.

Thanks to the Group's continuous R&D efforts to decarbonise mobility, Alstom is the preferred partner for operators wishing to decrease their CO2 emissions. In November, Alstom and Eversholt Rail signed an agreement for ten hydrogen trains for the UK's first-ever hydrogen train fleet. The new HMU fleet will be based on the latest evolution of the Alstom Aventra platform and the intention is that final contracts for the fleet will be signed in 2022.

In December, Alstom announced that it would deliver 13 X'trapolis battery trains to Irish Rail as part of the large order from the new ten-year frame agreement in Dublin, Ireland, replacing diesel powered trains. The trains are expected to be operational in 2025.

#### ❖ **One Alstom team Agile, Inclusive and Responsible**

For the eleventh consecutive year, Alstom has been included in the Dow Jones Sustainability Indices (DJSI), World and Europe, attesting to its leadership position in sustainable business practices. The Company reached an overall score of 75 out of 100 in the Corporate Sustainability Assessment and remained in the top 5% of the best scored companies in its industry. Significant improvement has been recorded this year in areas such as Product Stewardship, Materiality, Human Capital Development and Talent Attraction & Retention.

In addition, Alstom has maintained its presence in the well-known A-List of the CDP<sup>4</sup> which recognizes its commitment and achievements contributing to the development of the low-carbon economy.

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#### **Outlook for fiscal year 2021/22**

As the basis for its 2021/22 outlook, the Group assumes neither further disruptions to the world economy, nor significant supply-chain shortages, that would materially impact the Group's ability to deliver products and services.

- Book-to-bill ratio above 1 on the back of a very good visibility on the short-term pipeline
- Sales progression in H2 vs H1 2021/22 as a result of production ramp-up and stabilization efforts
- Progressive recovery of aEBIT
- Free Cash Flow generation as of H2 2021/22 and onwards

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<sup>4</sup> formerly known as the Carbon Disclosure Project

## Mid-term financial trajectory and objectives

### The outlook given in connection with the Capital Markets Day held on 6 July 2021 is confirmed

- Sales: Between 2020/21 (proforma sales of €14 billion) – and 2024/25, Alstom is aiming at sales Compound Annual Growth Rate over 5% supported by strong market momentum and unparalleled €78 billion backlog as of 31 December 2021, securing ca. €30 billion of sales over the next three years. Rolling stock should grow above market rate, Services at solid mid-single digit path and Signalling at high single digit path.
- Profitability: The adjusted EBIT margin should reach between 8% and 10% from 2024/25 onwards, benefiting from operational excellence initiatives, the completion of the challenging projects in backlog while synergies are expected to deliver €400 million run rate between 2024/25 and 2025/26.
- Free Cash Flow: From 2024/25 onwards, the conversion from Adjusted net income to Free Cash Flow should be over 80%<sup>5</sup> driven by mid-term stability of working capital, stabilisation of CAPEX to around 2% of sales, and cash focus initiatives, while benefiting from volume and synergies take up.
- Alstom will maintain its disciplined capital allocation focusing on maintaining its investment grade profile while keeping flexibility and ability to pursue growth opportunities through focused bolt-on M&A.
- Alstom is committed to delivering sustained shareholder returns with a dividend pay-out ratio<sup>6</sup> of between 25% and 35%<sup>7</sup>

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<sup>5</sup> Subject to short term volatility

<sup>6</sup> The pay-out ratio is calculated by dividing the amount of the overall dividend with the “Adjusted net profit from continuing operations attributable to equity holders of the parent, group share” as presented in the management report in the consolidated financial statements.

<sup>7</sup> Of adjusted net income

## About Alstom

Leading societies to a low carbon future, Alstom develops and markets mobility solutions that provide the sustainable foundations for the future of transportation. Alstom's products portfolio ranges from high-speed trains, metros, monorail and trams to integrated systems, customised services, infrastructure, signalling and digital mobility solutions. Alstom has 150,000 vehicles in commercial service worldwide. With Bombardier Transportation joining Alstom on January 29, 2021, the enlarged Group's combined proforma revenue amounts to €14 billion for the 12-month period ended March 31, 2021. Headquartered in France, Alstom is now present in 70 countries and employs more than 70,000 people.

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

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*Any reference in this document to variations «Pro forma like-for-like», on orders and sales, correspond to a combined, non-audited, group vision including Alstom legacy fiscal year 2020/21 for the 9 months and legacy Bombardier Transportation contribution for 9 months of their fiscal year 2020 (April to December 2020) and January 21 and is in line with Alstom accounting methods. The variations calculated using these combined figures exclude any scope and Forex adjustments.*

## APPENDIX 1A – GEOGRAPHIC BREAKDOWN

| <b>Actual figures</b><br><i>(in € million)</i> | <b>2020/21</b><br><b>9 months</b> | <b>%</b><br>Contrib. | <b>2021/22</b><br><b>9 months</b> | <b>%</b><br>Contrib. |
|--|-----------------------------------|----------------------|-----------------------------------|----------------------|
| Europe   | 2,674                             | 59%                  | 9,663                             | 68%                  |
| Americas                                       | 324                               | 7%                   | 2,827                             | 20%                  |
| Asia / Pacific                                 | 611                               | 14%                  | 1,636                             | 11%                  |
| Middle East / Africa                           | 879                               | 20%                  | 176                               | 1%                   |
| <b>Orders by destination</b>                   | <b>4,488</b>                      | <b>100%</b>          | <b>14,302</b>                     | <b>100%</b>          |

| <b>Actual figures</b><br><i>(in € million)</i> | <b>2020/21</b><br><b>9 months</b> | <b>%</b><br>Contrib. | <b>2021/22</b><br><b>9 months</b> | <b>%</b><br>Contrib. |
|--|-----------------------------------|----------------------|-----------------------------------|----------------------|
| Europe   | 3,263                             | 59%                  | 7,066                             | 62%                  |
| Americas                                       | 902                               | 16%                  | 1,820                             | 16%                  |
| Asia / Pacific                                 | 671                               | 12%                  | 1,579                             | 14%                  |
| Middle East / Africa                           | 731                               | 13%                  | 895                               | 8%                   |
| <b>Sales by destination</b>                    | <b>5,567</b>                      | <b>100%</b>          | <b>11,359</b>                     | <b>100%</b>          |

## APPENDIX 1B – PRODUCT BREAKDOWN

| <b>Actual figures</b><br><i>(in € million)</i> | <b>2020/21</b><br><b>9 months</b> | <b>%</b><br>Contrib. | <b>2021/22</b><br><b>9 months</b> | <b>%</b><br>Contrib. |
|--|-----------------------------------|----------------------|-----------------------------------|----------------------|
| Rolling stock                                  | 1,370                             | 30%                  | 7,227                             | 51%                  |
| Services                                       | 1,251                             | 28%                  | 3,291                             | 23%                  |
| Systems  | 847                               | 19%                  | 2,291                             | 16%                  |
| Signalling                                     | 1,020                             | 23%                  | 1,493                             | 10%                  |
| <b>Orders by destination</b>                   | <b>4,488</b>                      | <b>100%</b>          | <b>14,302</b>                     | <b>100%</b>          |

| <b>Actual figures</b><br><i>(in € million)</i> | <b>2020/21</b><br><b>9 months</b> | <b>%</b><br>Contrib. | <b>2021/22</b><br><b>9 months</b> | <b>%</b><br>Contrib. |
|--|-----------------------------------|----------------------|-----------------------------------|----------------------|
| Rolling stock                                  | 2,781                             | 50%                  | 6,486                             | 57%                  |
| Services                                       | 1,013                             | 18%                  | 2,420                             | 21%                  |
| Systems  | 657                               | 12%                  | 822                               | 7%                   |
| Signalling                                     | 1,116                             | 20%                  | 1,631                             | 14%                  |
| <b>Sales by destination</b>                    | <b>5,567</b>                      | <b>100%</b>          | <b>11,359</b>                     | <b>100%</b>          |

## **APPENDIX 2 - NON-GAAP FINANCIAL INDICATORS DEFINITIONS**

This section presents financial indicators used by the Group that are not defined by accounting standard setters.

### **Orders received**

A new order is recognised as an order received only when the contract creates enforceable obligations between the Group and its customer. When this condition is met, the order is recognised at the contract value. If the contract is denominated in a currency other than the functional currency of the reporting unit, the Group requires the immediate elimination of currency exposure using forward currency sales. Orders are then measured using the spot rate at inception of hedging instruments.

### **Book-to-Bill**

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

### **Adjusted EBIT**

Adjusted EBIT (“aEBIT”) is the Key Performance Indicator to present the level of recurring operational performance. This indicator is also aligned with market practice and comparable to direct competitors.

Starting September 2019, Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT when these are considered to be part of the operating activities of the Group (because there are significant operational flows and/or common project execution with these entities). This mainly includes Chinese joint-ventures, namely CASCO joint-venture for Alstom as well as, following the integration of Bombardier Transportation, Bombardier Sifang (Qingdao) Transportation Ltd and Bombardier NUG Propulsion System Co. 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/valuation 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.

### **Free cash flow**

Free Cash Flow is defined as net cash provided by operating activities minus capital expenditures including capitalised development costs, net of proceeds from disposals of tangible and intangible assets. Free Cash Flow does not include any proceeds from disposals of activity.

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

### **Net cash/(debt)**

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



### **Pay-out ratio**

The pay-out ratio is calculated by dividing the amount of the overall dividend with the “Adjusted Net profit from continuing operations attributable to equity holders of the parent, group share” as presented in the management report in the consolidated financial statements.

### **Proforma like-for-like new Alstom**

The "proforma like-for-like New Alstom" variations, orders and sales, correspond to the like-for-like variation of Alstom after the acquisition of Bombardier Transportation integrating Bombardier Transportation over the comparable periods preceding the acquisition. The pre-acquisition financial data used to calculate the "proforma like-for-like New Alstom" variations, sales, are extracted from the historical accounts of Alstom and Bombardier Transportation respectively. In order to ensure the comparability of the results, the proforma restatements as presented in chapter 3 of the URD “Unaudited proforma Condensed Financial Information as of 31 March 2021” have been applied. Data related to the commercial performance correspond to orders intake recorded by Alstom and Bombardier Transportation integrating Bombardier Transportation over the comparable periods preceding the acquisition. These indicators are not presented on an organic basis and, therefore, are not restated in order to 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.

Sales Q1, Q2 and Q3 2020/21 of Bombardier Transportation were converted at the average quarterly foreign exchange rate EUR/USD of 1/1.1004 for Q1 as communicated in Bombardier Inc Q2 2020 financial report; 1/1.1648 for Q2 as communicated in Bombardier Inc Q3 2020 financial report; 1/1.1910 for Q3 as communicated in Bombardier Inc Q4 2020 financial report.

Sales Q4 corresponds to like-for-like variation for Alstom and Bombardier Transportation combined, considering the activity of Bombardier Transportation as a whole until the closing date as of Jan 29<sup>th</sup> 2021 and the Q4 2020/21 of New Alstom which included Alstom legacy Q4 2020/21 and Bombardier Transportation contribution for 2 months (February and March 2021). Bombardier Transportation monthly financial data of January 2021 (unaudited) are extracted from the Bombardier Transportation management account in euros. Financial data post acquisition date is extracted from the historical statements of Alstom and Bombardier Transportation combined, prepared in euros under IFRS.

Orders received Q1, Q2 and Q3 2020/21 of Bombardier Transportation were converted at the quarterly closing foreign exchange rate EUR/USD of 1/1.1284 for Q1 as communicated in Bombardier Inc Q2 2020 financial report; 1/1.1702 for Q2 as communicated in Bombardier Inc Q3 2020 financial report; 1/1.2271 for Q3 as communicated in Bombardier Inc Q4 2020 financial report.

Bombardier Transportation orders for Jan 2021 were extracted from the Bombardier Transportation management account in euros.