

## Alstom's orders and sales for the first three months of 2023/24. Market dynamics and pipeline confirmed.

- Q1 order intake at €3.9 billion
- Book-to-bill above 1 confirmed for FY 2023/24
- Q1 sales at €4.2 billion, up 4.3% vs. last year, of which 7.6% organic, in line with announced growth trajectory
- Full year outlook and mid-term objectives confirmed

**25 July 2023** – Over the first quarter of 2023/24 (from 1 April to 30 June 2023), Alstom booked €3.9 billion of orders. The Group's sales reached €4.2 billion in the quarter, up 4.3% vs. last year, in line with announced growth trajectory.

The backlog, as of 30 June 2023, settled at €87 billion, providing strong visibility on future sales.

### Key figures

Actual figures (in € million)	2022/23 Q1	2023/24 Q1	% Change Reported	% Change Organic
Orders received	5,601	3,875	(30.8)%	(28.9)%
Sales	4,002	4,175	+4.3%	+7.6%

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

*"Alstom's first quarter saw the booking of important Systems contracts in the Philippines and Romania, we also secured a landmark tramways project in Philadelphia, US. The market environment remains positive with a large pipeline of opportunities over the next three years. Our focus on execution has enabled our organic sales to increase in line with our announced trajectory. Confident in the resilience of our business model, we confirm our short and mid-term targets."* said **Henri POUPART-LAFARGE**, Alstom Chairman and Chief Executive Officer.

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### Detailed review

**During the first quarter of 2023/24 (from 1 April to 30 June 2023), Alstom recorded €3,875 million in orders, compared to €5,601 million over the same period last fiscal year.** Last year's performance was mainly driven by a landmark contract awarded by Landesanstalt Schienenfahrzeuge Baden-Württemberg (SFBW) network in Germany for almost €2.5 billion.

Over three months, orders for Services, Signalling and Systems reached 64% of the total order intake.

On a regional level, Europe accounted for 48% of the Group total order intake. Alstom was awarded a contract with the Cluj-Napoca City Hall for the construction of Cluj-Napoca Metro Line 1, in Romania, as part of a consortium with the civil works companies Gulermak and Arcada. The full value of this state-of-the-art turnkey project comes to around €1.8 billion, with Alstom's share reaching approximately €400 million.

In Americas, the Group has signed a contract with the Southeastern Pennsylvania Transportation Authority (SEPTA), to deliver 130 full low floor electric streetcars in Philadelphia valued at over €667 million, with options to build an additional 30 streetcars.

In the Asia/Pacific region, Alstom has been awarded, in a consortium with Colas Rail, by Mitsubishi Corporation a contract to provide an integrated railway system for the extension of the North-South Commuter Railway project (NSCR) in the Philippines. Alstom's contract share is worth approximately €1 billion.

**Sales were €4,175 million in Q1 2023/24 (from 1 April to 30 June 2023) versus €4,002 million in Q1 2022/23 (+4.3%).**

Sales in Rolling Stock in the quarter stood at €2,294 million, up 5.5% versus Q1 2022/23, reflecting a sound level of execution during the quarter notably in Europe, Brazil and Kazakhstan.

Signalling sales stood at €599 million, up 13% versus last year, on the back of a consistent execution across all regions.

In Systems, Alstom reported €326 million sales, down 16% vs. last year, impacted by a few projects ending during this quarter.

Services delivered a sustained performance in the quarter and reported €956 million of sales, up 5.1% versus last year, driven by a good performance of Assets Life Management activity, notably in Italy and North America.

The book-to-bill ratio is 0.93 over the quarter.

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### **Main highlights of the first quarter of 2023/24**

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

❖ **Key projects deliveries**

In June 2023, Alstom announced the entry into passenger service of the MRT Yellow Line in Bangkok. The project delivery, led by Alstom's Turnkey regional hub in Bangkok, included system integration, installation and test and commissioning of the Innovia monorail trains, Cityflo 650 GOA4 driverless signalling, communication systems, power supply and conductor rail, track switches, platform screen doors and depot equipment. Bangkok's first driverless urban line features 30 four-car monorail train sets, fully automated train control and integrated wayside railway systems. Alstom is also delivering the system for the MRT Pink Line, expected to enter service in 2024.

Also in June, the "lumière" tram, from Alstom's Citadis range, has entered commercial service on the new T10 tramway line, which now links La Croix de Berny (Antony) to Jardin Parisien station (Clamart) in 20 minutes, via Châtenay-Malabry and Le Plessis-Robinson, in the south of Paris. This new line, almost 7 km long and serving 13 stations, will accommodate almost 25,000 passengers a day.

❖ **Smart and green mobility**

With its first participation in VivaTech, Alstom established itself as the leader of smart and green mobility. Alstom succeeded in blending its native field of expertise – rail and mobility - with ideas around tech, innovation, agility and sustainability. Alstom's presentation was focused on 3 main areas:

- Artificial Intelligence: From predictive maintenance to optimisation of operation, improved safety and energy consumption,
- Cybersecurity: The cybersecurity portfolio of Alstom is made of several type of offers (consulting services, vulnerability management, cybersecurity enhancement, security monitoring),
- Open Innovation: Alstom's approach to working with start-ups is focused on creating a mutually beneficial relationship. Alstom appeared at VivaTech with a few promising start-ups: SolCold (Energy/nanotech materials), SoWhen (Digital/VR/AI), Poolp (3D printing using plastic waste as raw material).

By staying at the forefront of this evolution, Alstom is pioneering the products and services of the future.

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

Alstom has announced on the 6th of July the validation of its CO2 emissions reduction targets by the SBTi (Science Based Targets initiative) as consistent with levels required to meet the goals of the Paris Agreement (including targets for Scope 1&2 in line with a 1.5°C trajectory).

Furthermore, Alstom signed this quarter a major Power Purchase Agreement focused on solar development in Spain. The solar farm which will be built in Andalusia 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 our target of 100% electricity consumption from renewables.

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### **Financial trajectory for FY 2023/24**

The Group has based its FY 2023/24 outlook on a central inflation scenario reflecting a consensus of public institutions. The Group also assumes its continuous ability to navigate the supply chain, macro-economic and geopolitical challenges as it has done during FY 2022/23.

- Book to bill ratio above 1
- Sales growth consistent with mid-term guidance: CAGR<sup>1</sup> above 5%
- Adjusted EBIT Margin expected around 6%
- Free Cash Flow generation significantly positive

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### **Mid-term financial trajectory and objectives to be reached in FY 2025/26**

- Sales: Between 2020/21 (proforma sales of €14 billion) – and 2025/26, Alstom is aiming at sales Compound Annual Growth Rate over 5% supported by strong market momentum and unparalleled €87 billion backlog as of 30 June 2023, securing sales of ca. €38 to 40 billion over the next three years. Rolling stock should grow above market rate, Services and Signalling at high-single digit path.
- Profitability: the adjusted EBIT margin should reach between 8% and 10% from 2025/26 onwards, benefiting from operational excellence initiatives, strong margins on new orders including improved indexation, the completion of the challenging projects in backlog while synergies are expected to deliver €400 million run rate in 2024/25 and €475 - 500 million annually from 2025/26 onwards.
- Free Cash Flow: from 2025/26 onwards, the conversion from adjusted net profit to Free Cash Flow should be over 80%<sup>2</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.

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<sup>1</sup> Compound Annual Growth Rate

<sup>2</sup> Subject to short term volatility

## About Alstom

Alstom commits to contribute to a low carbon future by developing and promoting innovative and sustainable transportation solutions that people enjoy riding. From high-speed trains, metros, monorails, trams, to turnkey systems, services, infrastructure, signalling and digital mobility, Alstom offers its diverse customers the broadest portfolio in the industry. With its presence in 63 countries and a talent base of over 80,000 people from 175 nationalities, the company focusses its design, innovation, and project management skills to where mobility solutions are needed most. Listed in France, Alstom generated revenues of €16.5 billion for the fiscal year ending on 31 March 2023.

For more information, please visit [www.alstom.com](http://www.alstom.com)

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#### APPENDIX 1A – GEOGRAPHIC BREAKDOWN

<b>Actual figures</b> <i>(in € million)</i>	<b>2022/23</b> <b>3 months</b>	<b>%</b> Contrib.	<b>2023/24</b> <b>3 months</b>	<b>%</b> Contrib.
Europe	3,933	70%	1,850	48%
Americas	405	7%	848	22%
Asia / Pacific	1,235	22%	1,168	30%
Middle East / Africa	28	1%	9	0%
<b>Orders by destination</b>	<b>5,601</b>	<b>100%</b>	<b>3,875</b>	<b>100%</b>

<b>Actual figures</b> <i>(in € million)</i>	<b>2022/23</b> <b>3 months</b>	<b>%</b> Contrib.	<b>2023/24</b> <b>3 months</b>	<b>%</b> Contrib.
Europe	2,412	60%	2,516	60%
Americas	661	17%	772	19%
Asia / Pacific	574	14%	546	13%
Middle East / Africa	355	9%	341	8%
<b>Sales by destination</b>	<b>4,002</b>	<b>100%</b>	<b>4,175</b>	<b>100%</b>

#### APPENDIX 1B – PRODUCT BREAKDOWN

<b>Actual figures</b> <i>(in € million)</i>	<b>2022/23</b> <b>3 months</b>	<b>%</b> Contrib.	<b>2023/24</b> <b>3 months</b>	<b>%</b> Contrib.
Rolling stock	3,013	54%	1,387	36%
Services	1,844	33%	554	14%
Systems	271	5%	1,465	38%
Signalling	473	8%	469	12%
<b>Orders by product line</b>	<b>5,601</b>	<b>100%</b>	<b>3,875</b>	<b>100%</b>

<b>Actual figures</b> <i>(in € million)</i>	<b>2022/23</b> <b>3 months</b>	<b>%</b> Contrib.	<b>2023/24</b> <b>3 months</b>	<b>%</b> Contrib.
Rolling stock	2,175	54%	2,294	55%
Services	909	23%	956	23%
Systems	388	10%	326	8%
Signalling	530	13%	599	14%
<b>Sales by product line</b>	<b>4,002</b>	<b>100%</b>	<b>4,175</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 Gross Margin before PPA**

Adjusted Gross Margin before PPA is a Key Performance Indicator to present the level of recurring operational performance. It represents the sales minus the cost of sales, adjusted to exclude the impact of amortisation of assets exclusively valued when determining the purchase price allocations ("PPA") in the context of business combination as well as non-recurring "one off" items that are not supposed to occur again in following years and are significant.

### **EBIT before PPA**

Following the Bombardier Transportation acquisition and with effect from the fiscal year 2021/22 condensed consolidated financial statements, Alstom decided to introduce the "EBIT before PPA" indicator aimed at restating its Earnings Before Interest and Taxes ("EBIT") to exclude the impact of amortisation of assets exclusively valued when determining the purchase price allocations ("PPA") in the context of business combination. This indicator is also aligned with market practice.

### **Adjusted EBIT**

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

Starting September 2019, Alstom has opted for the inclusion of the share in net income of the equity-accounted investments into the aEBIT when these are considered to be part of the operating activities of the Group (because there are significant operational flows and/or common project execution with these entities). This mainly includes Chinese joint-ventures, namely CASCO, Alstom Sifang (Qingdao) Transportation Ltd, Jiangsu ALSTOM NUG Propulsion System Co. Ltd. (former Bombardier NUG Propulsion) 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 “one-off” exceptional item that is not supposed to occur again in following years and that is significant.

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

#### **Adjusted net profit.**

The “Adjusted Net Profit” indicator aims at restating the Alstom’s net profit from continued operations (Group share) to exclude the impact of amortisation & impairment of assets exclusively valued when determining the purchase price allocations (“PPA”) in the context of business combination, net of the corresponding tax effect.

#### **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.

#### **Pay-out ratio**

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

#### **Organic basis**

This press release includes performance indicators presented on an actual basis and on an organic basis. Figures given on an organic basis eliminate the impact of changes in scope of consolidation and changes resulting from the translation of the accounts into Euro following the variation of foreign currencies against the Euro.

The Group uses figures prepared on an organic basis both for internal analysis and for external communication, as it believes they provide means to analyse and explain variations from one period to another. However, these figures are not measurements of performance under IFRS.



<i>(in € million)</i>	Q1 2022/23			Q1 2023/24	
	Actual figures	Exchange rate and scope impact	Comparable Figures	Actual figures	% Var Act.    % Var Org.
Orders	5,601	152	5,449	3,875	(30.8)%    (28.9)%
Sales	4,002	123	3,879	4,175	+4.3%    +7.6%