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PRESS RELEASE

Alstom's first half 2023/24. Confirming sound market positioning, Alstom takes significant steps to reduce its leverage after negative cash flow.

- **H1 2023/24 key figures in line with 4th October preliminary release**
- **FY 2023/24 outlook:**
  - **Sales organic growth: above 5%**
  - **aEBIT[1] margin: around 6%**
  - **Free Cash Flow within the range €(500m) - €(750m)**
- **Mid-term objectives confirmed**
- **Alstom action plan:**
  - **Commercial and operational efficiency, costs saving plan**
  - **€2 billion balance sheet reinforcement plan**
  - **Simplification of operational setup**

15 November 2023 – In the first half 2023/24 (from 1 April to 30 September 2023), Alstom booked €8.4 billion of orders. The Group sales reached €8.4 billion, resulting in a book-to-bill ratio at 1.0.

The backlog reached €90.1 billion, providing strong visibility on future sales. Gross margin % on backlog[1] reached 17.2% as of 30 September 2023, compared to 16.9% on 31 March 2023.

Alstom's adjusted EBIT[1] was €438 million, equivalent to a 5.2% aEBIT margin. Adjusted net profit[1] was €174 million and free cash flow was €(1,119) million for the half-year.

"The negative free cash flow of Alstom during this first half is a clear call for change. While demand remains sustained, despite some volatility, our commercial performance has been soft. The Bombardier Transportation integration continues to progress. However, the delivery of Aventra program has been more complex than anticipated. Production and sales growth is accelerating. We are undertaking a comprehensive action plan to maintain our investment grade rating and secure our mid-term objectives. Confident in the strength of our backlog and on the solid business foundations of Alstom, I'm fully committed to take-up this challenge." said **Henri Poupart-Lafarge**, Chairman of the Board of Directors and Chief Executive Officer of Alstom.

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Alstom takes new steps to reduce leverage and secure mid-term profit and cash targets

The company is working on a comprehensive operational, commercial, and cost efficiency plan. The plan aims at accelerating the third phase of the Bombardier Transportation merger roadmap (optimization):

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[1] Non – GAAP. See definition in the appendix.

- Continue growing the margin in backlog through quality order intake (+0.5% per year in coming three years),
- Successfully delivering the production ramp-up (currently over 10% increase in cars production per year),
- Improving on-time delivery (back to ex-Alstom level in FY 2024/25),
- Efficiency and working capital discipline, notably through reduction of inventory days of sales (back to 75 days as a mid-term target) and contract assets reduction through improved execution,
- Reducing overhead costs (~1,500 FTE reduction, representing close to 10% of total S&A positions)

Reinforce Balance sheet to maintain Investment Grade Rating

Alstom's Board of Directors is committed to maintaining a solid and sustainable Investment Grade rating. It has therefore decided to reinforce the Group's balance-sheet and is targeting a reduction in its net debt position by €2 billion by March 2025.

Existing reference shareholders are supportive of this plan and are working closely with the management to execute it swiftly.

Depending on market conditions, Alstom is considering a range of transactions to accelerate the company's deleveraging, including:

- An assets disposal program, which has already been launched (generating proceeds of €0.5 billion to €1.0 billion);
- Equity and equity-like issuances, including the refinancing of certain assets;
- A capital increase with pre-emptive rights for shareholders.

The company remains flexible as to the sequencing as well as the rightsizing of such instruments.

On the liquidity side, Alstom has signed on October 31st a new liquidity line of €2.25 billion with a 1st tier international bank as a further step to demonstrate its financial flexibility.

Alstom's top priority is to support credit metrics and bolster the foundations of the Group in order to create enduring shareholder value.

Organization changes to improve accountability and financial discipline

At the next Shareholders' General Meeting in July 2024, the Board will propose Philippe Petitcolin, former CEO of Safran, to be elected as a Board Member, then Chairman of the Board. As a consequence, the role of Chairman and CEO will then be dissociated, and Henri Poupart-Lafarge will keep the CEO role.

Additionally, as part of the third phase of the merger roadmap, the group will engage in an operational organization simplification, to increase accountability. This simplification will be a key lever to drive the FTE reduction mentioned above.

As part of the consequences of the H1 2023/24 cash outflow, a review of the employee incentive scheme has been launched to insert a condition of reaching cash-focused targets for all the 28,000 employees benefiting from the scheme.

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Key figures[2]

Actual figures *(in € million)*	**Half-year ended 30 September 2022**	**Half-year ended 30 September 2023**	*% Change Reported*	*% Change Organic*
Orders received[3]	10,072	8,446	*(16)%*	*(14)%*
Sales	8,048	8,443	*4.9%*	*8.8%*
Adjusted EBIT[3]	397	438	*10%*	
Adjusted EBIT margin[3]	4.9%	5.2%		
EBIT before PPA[3]	200	275		
Adjusted net profit[3]	179	174		
Free Cash Flow	(45)	(1,119)		

(in € million)	**Full year ended 31 March 2023**	**Half-year ended 30 September 2023**	*% Change Reported*	*% Change Organic*
Backlog	87,387	90,080	*3%*	*3%*
Gross margin % on backlog[3]	16.9%	17.2%		

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Strategic and business update

1. Growth by offering greater value to customers

- **Orders**

During the first half of fiscal year 2023/24, the Group recorded €8.4 billion in orders, with commercial success across multiple geographies – notably in Europe, Asia/Pacific and in Americas – and product lines. For the same period last fiscal year, Alstom reported an order intake of €10.1 billion. The (16)%

[2] Geographic and product breakdowns of reported orders and sales are provided in Appendix 1

[3] Non - GAAP. See definition in the appendix.

decrease is mostly driven by last year's landmark contract awarded by Landesanstalt Schienenfahrzeuge Baden Württemberg (SFBW) network in Germany of almost €2.5 billion.

In **Europe**, Alstom recorded €5.2 billion order intake during the first half of fiscal year 2023/24, compared with €6.6 billion over the same period last fiscal year.

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 France, the Group 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 €500 million.

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

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

In **Americas**, Alstom reported €1.5 billion order intake, compared with €0.8 billion over the same period last fiscal year, 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. And the Group was awarded a contract by the Connecticut Department of Transportation (CTDOT) in the United States 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.

In **Asia/Pacific**, the order intake stood at €1.7 billion, stable compared to last fiscal year. In the Philippines, Alstom, in consortium with Colas Rail, has been awarded by Mitsubishi Corporation a contract 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, the Group will build an additional 23 VLocity™ trains in Victoria.

In **Africa/Middle East/Central Asia**, the Group reported €35 million order intake, compared with €1.0 billion over the same period last fiscal year. The performance last year was mainly driven by a contract to supply Metropolis™ trains and maintenance services for upgrade of Cairo Metro Line 1.

As of 30 September 2023, the backlog stood at €90.1 billion, providing the Group with strong visibility over future sales.

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- **Sales**

Alstom's sales amounted to €8.4 billion for the first half of fiscal year 2023/24, representing a growth of 4.9% on an actual basis and a strong 8.8% on an organic basis compared with Alstom sales in the same period last fiscal year. Sales related to non-performing backlog, corresponding to sales on legacy projects with a negative margin at completion, amounted to €1.0 billion during the first half of the fiscal year 2023/24.

Rolling stock sales reached €4.5 billion, representing an increase of 2% on an actual basis and 6% on an organic basis, driven by the ramp-up of some contracts such as the metro cars for BART in the United States and the Metropolis™ trains for São Paulo Metropolitan Train System in Brazil, and the solid level of execution in Europe, India and Kazakhstan.

Services sales stood at €2.0 billion, up 10% on an actual basis and 14% on an organic basis versus last year, benefiting from a strong ramp-up in the UK, in Italy and in the US.

In Signalling, Alstom reported €1.2 billion sales, up 8% on an actual basis and 12% on an organic basis versus last year, led by a consistent execution across all regions, mainly in Europe and in APAC.

Systems sales grew 2% on an actual basis and 5% on an organic basis, and stood at €0.8 billion, driven by a good performance of Turnkey Systems projects in Mexico and Canada.

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2. Innovation by Pioneering Smarter and Greener Mobility for All

During the first half of fiscal year 2023/24, Alstom's net R&D expenses reached €254[4] million, i.e., 3.0% of sales, reflecting the Group's investment in innovation to develop smarter and greener mobility solutions, in line with the Alstom In Motion strategy.

Programs funded by IPCEI [5]Hydrogen have been launched. This innovative European program will allow to further develop the components portfolio needed for hydrogen powered trains, fuel cell powerpacks, batteries and power converters. It will support 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 the Avelia range continues in the Very High-Speed segment. Two pre-serial trainsets of **Avelia Horizon™** pursue dynamic test on the French network. The 320 kph milestone has been reached in September 2023. The development of international configurations is ongoing.

4 Excluding €(30) million of amortisation expenses of the purchase price allocation of Bombardier Transportation as of 30 September 2023

5 Important Projects of Common European Interest

Based on **Citadis™** platform, Alstom is developing a light rail vehicle addressing the specificities of the market in the USA with a focus on passenger experience and the possibility to operate without catenary.

The replacement of **Adessia™** commuter train has been launched to address the U.K. and USA markets. This new product range will include electric, battery and hydrogen versions to also replace the existing Diesel trains.

The other Rolling Stock developments were focused on Alstom **Coradia stream™** range which has been further extended with longer cars and 15kV traction chain (primarily in Germany), and Alstom **TRAXX™ Multi-system 3 - locomotives** with the development of the passenger version at 200kph. The upgrade of large gauge Metros addressing the Indian market is ongoing.

Services product line continues to focus on addressing green, sustainable and more efficient operation concepts like **Green re-tractioning initiatives** and **Health-Hub™**, an innovative solution for operation and maintenance activities.

The Signalling Product Line worked on **Atlas™** European Standard convergence, driving market presence with its integration into TRAXX platform and securing new contracts for cross border operation, **ERTMS*** level 2 and level 3 on-board solution together with Automatic Train Operation, and it continued its footprint expansion with a new contract in Canada with the **ATLAS™** on-board train control solution. Alstom kept on developing CBTC[6] solutions Urbalis **Fluence™** (e.g., Torino Line 1), **Urbalis™ 400™** (e.g., Cluj Metro, Surat Metro L1&2, Bhopal & Indore Metro) and **Cityflo™ 650™** (e.g., Delhi Line 7 extension, Metro Santiago de los Caballeros) for metros and tramways, and **ICONIS™** and **Ebi™Screen™** suites 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 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 cluster continued to develop **Autonomous Mobility** solutions for Passengers & Freight trains.

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3. Profitability

The adjusted EBIT as a percentage of sales has progressed from 4.9% over the first semester of 2022/23 to 5.2% over the first semester of 2023/24, benefiting from synergies for 30bps, a steady reduction of non-performing contracts for 40bps, an increased volume and favourable mix for 50bps, an improved

6 Communication Based Train Control

indexation of our backlog for 20bps, and it was partially offset by R&D acceleration for (30)bps and the negative gross margin impact related to the Aventra program stabilisation costs (80)bps.

Below adjusted EBIT, Alstom recorded restructuring and rationalisation charges of €(7) million.

In conformity with announced reduction trajectory, integration costs, impairment loss & others amounted to €(92) million, mainly consisting of costs related to the integration of Bombardier Transportation for €(65) million, and other exceptional expenses for €(27) million among which legal fees in the context of Bombardier Transportation's integration and remedies costs.

Taking into consideration restructuring and rationalisation charges, capital gains on disposal of business, integration costs, impairment loss & others, Alstom's EBIT before amortisation and impairment of assets exclusively valued when determining the purchase price allocation ("PPA") stood at €275 million. This compares to €200 million in the same period last fiscal year.

The share in net income from equity investments amounted to €53 million, excluding the amortisation of the purchase price allocation ("PPA") from Chinese joint ventures of €(5) million.

Adjusted net profit, representing the group's share of net profit from continued operations excluding PPA net of tax, amounts to €174 million for the first half of fiscal year 2023/24. This compares to an adjusted net profit of €179 million in the same period last fiscal year.

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4. Financial structure

The Group's Free Cash Flow stands at €(1,119) million for the first half of fiscal year 2023/24 as compared to €(45) million during the same period last fiscal year. Cash generation was impacted by an unfavourable €(1,375) million change in working capital compared to €(381) million in the same period last fiscal year; mostly due to degradation of Trade Working Capital of which a €(408) million inventory build-up is the main element, as well as the reversal effect of the change in law on VAT in France for €(380) million. The Contract Working Capital is negatively impacted by the delay of the Aventra program in the UK and the lower-than-expected downpayments in the first semester.

On 30 September 2023, the Group recorded a net debt position of €(3,433) million, including bonds with long maturities and cost profile and no financial covenants.

In addition to its available cash and cash equivalents, amounting to €826 million on 30 September 2023, Alstom benefits from strong liquidity through short term lines. The facilities available on 30 September 2023 for the Group are made of:

- €1.75 billion short term Revolving Credit Facility maturing in January 2026;
- €2.5 billion Revolving Credit Facility maturing in January 2028.

These two facilities have a one-year extension option remaining at lenders' discretion and are undrawn on 30 September 2023.

Considering the €1,370 million of Negotiable European Commercial Papers outstanding and €141 million overdraft, the liquidity available at 30 September 2023 reached €3.6 billion.

On the 31 October 2023, the Group has signed a new €2.25bn liquidity line with a 1st tier international bank as a step to demonstrate its financial flexibility. This facility is not subject to financial covenant, its maturity is October 2024 and has two six-month extensions at the borrowers' discretion.

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5. One Alstom team - Agile, Inclusive and Responsible

More than ever, decarbonization is at the heart of Alstom's strategy. The Group is reducing its own direct and indirect emissions (Scope 1 & 2 at 159kton, reduction of 11% since March 2023) and is also committed to work with suppliers and customers (Scope 3) to contribute to Net Zero carbon in the mobility sector. Alstom CO_2 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 our target of 100% electricity consumption from renewables.

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 3rd consecutive year. Alstom improved is scoring to ECOVADIS questionnaire with a score of 77/100 and kept AA score with MSCI agency. Those results reflect its strong position and strategy on Sustainability.

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Financial trajectory for FY 2023/24

The Group has based its 2023/24 outlook on a central inflation scenario reflecting a consensus of public institutions.
The Group also assumes its continuous ability to navigate the electronics, supply chain and energy challenges as it has done during this first half of fiscal year 2023/24.

- Book to bill ratio above 1
- Sales organic growth above 5%

- Adjusted EBIT Margin around 6%
- Free Cash Flow within the range €(500)m - €(750)m

The Board will propose to the Shareholders' General Assembly in July 2024 that no dividend will be paid with regards to the fiscal year 2023/24.

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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 €90.1 billion backlog as of 30 September 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%[7] driven by mid-term stability of trade 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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Conference Call

Alstom is pleased to invite you to a conference call presenting its half year results for Fiscal Year 2023/24 on Wednesday 15 November at 08:30 am (Paris time), hosted by Henri Poupart-Lafarge, CEO and Bernard Delpit, CFO.

A live audiocast will also be available on Alstom's website: Alstom's Half Year results for FY 2023/24.

To participate in the Q&A session (audio only), please use the dial-in numbers below:

- France: +33 (0) 1 7037 7166
- UK: +44 (0) 33 0551 0200
- USA: +1 212 999 6659
- Canada: 1 866 378 3566 (toll free)

7 Subject to short term volatility

Quote **ALSTOM** to the operator to be transferred to the appropriate conference.

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The Board of Directors met on November 14th, 2023 and reviewed the interim financial statements and the management report as end of September 30th, 2023. The limited review procedures on the condensed interim consolidated financial statements were carried out by the statutory auditors. Their report is currently being prepared. The consolidated financial statements and notes related to this press release are available on the www.alstom.com website.

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

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APPENDIX 1A – GEOGRAPHIC BREAKDOWN

Actual figures *(in € million)*	**H1 2022/23**	% Contrib.	**H1 2023/24**	% Contrib.
Europe	6,571	65%	5,232	62%
Americas	806	8%	1,456	17%
Asia/Pacific	1,687	17%	1,723	21%
Middle East/Africa/Central Asia	1,008	10%	35	0%
Orders by destination	**10,072**	100%	**8,446**	100%

Actual figures *(in € million)*	**H1 2022/23**	% Contrib.	**H1 2023/24**	% Contrib.
Europe	4,788	59%	4,875	57%
Americas	1,352	17%	1,664	20%
Asia/Pacific	1,178	15%	1,165	14%
Middle East/Africa/Central Asia	730	9%	739	9%
Sales by destination	**8,048**	100%	**8,443**	100%

APPENDIX 1B – PRODUCT BREAKDOWN

Actual figures *(in € million)*	**H1 2022/23**	% Contrib.	**H1 2023/24**	% Contrib.
Rolling stock	5,508	55%	3,818	45%
Services	3,038	30%	2,141	26%
Systems	524	5%	1,548	18%
Signalling	1,002	10%	939	11%
Orders by product line	**10,072**	100%	**8,446**	100%

Actual figures *(in € million)*	**H1 2022/23**	% Contrib.	**H1 2023/24**	% Contrib.
Rolling stock	4,360	54%	4,463	52%
Services	1,802	23%	1,986	24%
Systems	734	9%	751	9%
Signalling	1,152	14%	1,243	15%
Sales by product line	**8,048**	100%	**8,443**	100%

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APPENDIX 2 – INCOME STATEMENT

Actual figures *(in € million)*	**Half-Year ended 30 September 2022**	**Half-Year ended 30 September 2023**
Sales	**8,048**	**8,443**
Adjusted Gross Margin before PPA*	**1,060**	**1,165**
Adjusted Earnings Before Interest and Taxes (aEBIT)*	**397**	**438**
Restructuring and rationalisation costs	(6)	(7)
Integration, acquisition and other costs	(116)	(91)
Reversal of net interest in equity investees pick-up	(75)	(65)
EARNING BEFORE INTEREST AND TAXES (EBIT) BEFORE PPA*	**200**	**275**
Financial result	(24)	(98)
Tax result	(48)	(44)
Share in net income of equity investees	62	53
Minority interests from continued operations	(11)	(12)
Adjusted Net profit	**179**	**174**
PPA net of tax	(195)	(173)
Net profit – Continued operations, Group share	**(16)**	**1**
Net profit (loss) from discontinued operations	(5)	-
Net profit (Group share)	**(21)**	**1**

* See definition below

APPENDIX 3 – FREE CASH FLOW

Actual figures *(in € million)*	**Half-Year ended 30 September 2022**	**Half-Year ended 30 September 2023**
EBIT before PPA	**200**	**275**
Depreciation and amortisation[1]	233	211
JVs dividends	97	106
EBITDA before PPA + JVs dividends	**530**	**592**
Capital expenditure	(99)	(86)
R&D capitalisation	(57)	(70).
Financial & Tax cash out	(86)	(164)
Others	48	(15)
Funds from Operations	**336**	**256**
Trade Working Capital changes	(44)	(730)
Contract Working Capital changes	(337)	(645)
Free Cash Flow	**(45)**	**(1,119)**

1 Before PPA

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APPENDIX 4 - 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.

Gross margin % on backlog

Gross Margin % on backlog is a Key Performance Indicator to present the expected performance level of firmed 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.

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 joint-venture for Alstom as well as, following the integration of Bombardier Transportation, Alstom Sifang (Qingdao) Transportation Ltd. (formerly Bombardier Sifang), Bombardier NUG Propulsion System Co. Ltd and Changchun Changke Alstom Railway Vehicles Company Ltd (formerly Changchun Bombardier).
aEBIT corresponds to Earning Before Interests and Tax adjusted for the following elements:

- net restructuring expenses (including rationalization costs)
- tangibles and intangibles impairment
- capital gains or loss/revaluation on investments disposals or controls changes of an entity
- any other non-recurring items, such as some costs incurred to realize business combinations and amortization of an asset exclusively valued in the context of business combination, as well as litigation costs that have arisen outside the ordinary course of business
- and including the share in net income of the operational equity-accounted investments

A non-recurring item is a "one-off" exceptional item that is not supposed to occur again in following years and that is significant.
Adjusted EBIT margin corresponds to Adjusted EBIT expressed as a percentage of sales.

EBITDA + JV dividends

EBITDA + JV dividends is the EBIT before PPA, before the depreciation and amortisation, with the addition of the dividends received from the JVs.

Adjusted net profit

Following the Bombardier Transportation, Alstom decided to introduce the "adjusted net profit" indicator aimed at restating its net profit from continued operations (Group share) to exclude the impact of amortisation of assets exclusively valued when determining the purchase price allocations ("PPA") in the context of business combination, net of the corresponding tax effect. This indicator is also aligned with market practice.

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.

Funds from Operations

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

Trade Working Capital and Contract Working Capital

Trade Working Capital is the Working Capital that is not strictly contractual, hence not included in Project Working Capital. It includes:

- Inventories
- Trade Receivables
- Trade Payables
- Other elements of Working Capital, defined as the sum of Other Current Assets/Liabilities and Non-Current provisions

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

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.

	H1 2022/23			H1 2023/24		
(in € million)	**Actual figures**	**Exchange rate and scope impact**	**Comparable Figures**	**Actual figures**	**% Var Act.**	**% Var Org.**
Orders	10,072	(257)	9,815	8,446	(16)%	(14)%
Sales	8,048	(287)	7,761	8,443	4.9%	8.8%

	Full Year-ended 31 March 2023			Half Year-ended 30 September 2023		
(in € million)	**Actual figures**	**Exchange rate and scope impact**	**Comparable Figures**	**Actual figures**	**% Var Act.**	**% Var Org.**
Backlog	87,387	287	87,674	90,080	3%	3%