

## Alstom Q1 2017/18 orders and sales

- **Order intake of €1.9 billion**
- **Sales of €1.9 billion with organic growth at 5%**
- **2020 objectives confirmed**

**13 July 2017** – Over the first quarter 2017/18 (from 1 April to 30 June 2017), Alstom booked €1.9 billion of orders, compared to €0.9 billion over the same period last year. Sales, at €1.9 billion, were up 5% organically over the first quarter 2017/18.

At €34 billion on 30 June 2017, the backlog provides strong visibility on future sales.

### Key figures

<b>Actual figures</b> <i>(in € million)</i>	<b>2016/17</b> <b>Q1</b>	<b>2017/18</b> <b>Q1</b>	<i>% change</i> <i>reported</i>	<i>% change</i> <i>organic</i>
Orders received	889	1,909	115%	115%
Sales	1,747	1,856	6%	5%

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

*« During this first quarter, commercial momentum was good, with several major awards in all regions especially in North America. Meanwhile, the Group keeps on innovating and unveiled several breakthrough technologies for smarter mobility. Alstom confirms its 2020 objectives. »* said Henri Poupart-Lafarge, Alstom Chairman and Chief Executive Officer.

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## Detailed Review

During the first quarter of 2017/18, Alstom recorded €1,909 million of orders, including two contracts in Canada for almost 100 light rail vehicles, a first metro system contract in Vietnam, contracts for regional trains in Senegal and Germany, a fleet modernisation project in the USA, as well as part of metro system contract for Manila in Philippines.

Sales, at €1,856 million, were up 6% (5% organically) in the first quarter 2017/18 compared to the same period last year. Sales were mainly fuelled by deliveries of regional trains in France and Sweden, high-speed trains in France and Italy, progress of the Riyadh metro system in Saudi Arabia, the PRASA project in South Africa, a maintenance contract in the United Kingdom and the start of Dubai metro system extension in the United Arab Emirates.

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## Main events

In April 2017, Alstom launched several smart mobility technologies to address the evolving needs of both operators and passengers, such as Mastria, the first multimodal supervision solution. Alstom and Airbus also signed a strategic cooperation agreement in the field of cybersecurity.

In June 2017, Alstom obtained ISO 37001 certification for its anti-bribery management system, confirming its commitment to fight corruption.

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## Objectives for 2020 confirmed

By 2020 sales should grow organically by 5% per year.

Adjusted EBIT margin should reach around 7% by 2020 driven by volume, portfolio mix and results of operational excellence actions.

By 2020, Alstom expects c. 100% conversion from net income into free cash flow.

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## About Alstom

*As a promoter of sustainable mobility, Alstom develops and markets systems, equipment and services for the transport sector. Alstom offers a complete range of solutions (from high-speed trains to metros, tramways and e-buses), passenger solutions, customised services (maintenance, modernisation), infrastructure, signalling and digital mobility solutions. Alstom is a world leader in integrated transport systems. The company recorded sales of €7.3 billion and booked €10.0 billion of orders in the 2016/17 fiscal year. Headquartered in France, Alstom is present in over 60 countries and employs 32,800 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.*

## APPENDIX 1A – GEOGRAPHIC BREAKDOWN

<b>Actual figures</b> <i>(in € million)</i>	<b>2016/17</b> <b>Q1</b>	<b>%</b> Contrib.	<b>2017/18</b> <b>Q1</b>	<b>%</b> Contrib.
Europe	377	42%	607	32%
Americas	278	31%	767	40%
Asia / Pacific	222	25%	367	19%
Middle East / Africa	12	1%	168	9%
<b>Orders by destination</b>	<b>889</b>	<b>100%</b>	<b>1,909</b>	<b>100%</b>

<b>Actual figures</b> <i>(in € million)</i>	<b>2016/17</b> <b>Q1</b>	<b>%</b> Contrib.	<b>2017/18</b> <b>Q1</b>	<b>%</b> Contrib.
Europe	1,104	63%	977	53%
Americas	273	16%	340	18%
Asia / Pacific	165	9%	211	11%
Middle East / Africa	205	12%	328	18%
<b>Sales by destination</b>	<b>1,747</b>	<b>100%</b>	<b>1,856</b>	<b>100%</b>

## APPENDIX 1B – PRODUCT BREAKDOWN

<b>Actual figures</b> <i>(in € million)</i>	<b>2016/17</b> <b>Q1</b>	<b>%</b> Contrib.	<b>2017/18</b> <b>Q1</b>	<b>%</b> Contrib.
Rolling stock	280	31%	1,037	54%
Services	400	45%	401	21%
Systems	8	1%	322	17%
Signalling	201	23%	149	8%
<b>Orders by destination</b>	<b>889</b>	<b>100%</b>	<b>1,909</b>	<b>100%</b>

<b>Actual figures</b> <i>(in € million)</i>	<b>2016/17</b> <b>Q1</b>	<b>%</b> Contrib.	<b>2017/18</b> <b>Q1</b>	<b>%</b> Contrib.
Rolling stock	844	48%	830	45%
Services	361	21%	358	19%
Systems	218	12%	384	21%
Signalling	324	19%	284	15%
<b>Sales by destination</b>	<b>1,747</b>	<b>100%</b>	<b>1,856</b>	<b>100%</b>

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

This section presents financial indicators 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 through the use of forward currency sales. Orders are then measured using the spot rate at inception of hedging instruments.

### **Order backlog**

Order backlog represents sales not yet recognised on orders already received.

Order backlog at the end of a financial year is computed as follows:

- order backlog at the beginning of the year;
- plus new orders received during the year;
- less cancellations of orders recorded during the year;
- less sales recognised during the year.

The order backlog is also subject to changes in the scope of consolidation, contract price adjustments and foreign currency translation effects.

### **Adjusted EBIT**

When Alstom's new organisation was implemented, adjusted EBIT ("aEBIT") became 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.

aEBIT corresponds to earning before interests, tax and net result from equity method investments adjusted with the following elements:

- net restructuring expenses (including rationalisation costs);
- tangibles and intangibles impairment;
- capital gains or loss/valuation on investments disposals or controls changes of an entity;
- and 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.

A non-recurring item is a "one-off" exceptional item that is not supposed to be reappearing in following years and that is significant.

Adjusted EBIT margin corresponds to Adjusted EBIT in percentage of sales.

### **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. In particular, free cash flow does not include the 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.

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 regarding the actual amount of cash generated or used by operations.

### **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.