PRESS RELEASE

ALSTOM
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Alstom 2019/20 full year results

- **Strong commercial momentum with €9.9 billion of orders, consolidating an industry-leading backlog of €40.9 billion**
- **Sales reaching €8.2 billion, at 2% growth (1% organic), including limited Covid-19 impact at year end**
- **Continued improvement of adjusted EBIT margin at 7.7%**
- **Alstom in Motion strategy deployed as planned in 2019/20**
- **Impact of Covid-19 crisis on 2020/21 to be further assessed**
- **Objective of 5% average annual sales growth over the period 2019/20 – 2022/23 should be slightly impacted, yet 2022/23 objectives of 9% aEBIT margin and above 80% FCF / Net income ratio confirmed**
- **Strong rail market fundamentals driven by sustainable transport needs**

12 May 2020 – Between 1 April 2019 and 31 March 2020, Alstom booked €9.9 billion of orders, consolidating an industry-leading backlog of €40.9 billion. Sales reached €8.2 billion. The book-to-bill ratio was strong at 1.2. The adjusted EBIT increased to €630 million, leading to an adjusted EBIT margin of 7.7%. Net income (from continued operations, group share) amounted to €446 million. 2019/20 fiscal year results are in line with the perspectives for the year set during Alstom's Capital Markets Day last June, although impacted by the Covid-19 pandemic at year end.

Alstom benefits from a very strong balance sheet. During fiscal year 2019/20, free cash flow amounted to €206 million. Net cash amounted to €1,178 million on 31 March 2020. Equity amounted to €3,328 million at 31 March 2020.

In the context of the current crisis, and in a spirit of responsibility towards all its stakeholders, the Board of Directors, in its meeting of May 11, 2020, decided as an exceptional measure not to propose a dividend distribution at the next Shareholders' meeting on July 8.

Key figures

(in € million)	2018/19[1]	2019/20	*% change reported*	*% change organic*
Actual figures				
Orders backlog	40,481	40,903	*1%*	*5%*
Orders received	12,107	9,900	*(18)%*	*(19)%*
Sales	8,072	8,201	*2%*	*1%*
Adjusted EBIT[2]	606	630	*4%*	
Adjusted EBIT margin[2]	7.5%	7.7%		
Net income from continued operations[4], group share	433[3]	446		
Free cash flow	153	206		
Net cash / (debt)	2,325	1,178		
Equity	4,159	3,328		

1 Previous year figures have not been restated to reflect the application of IFRS 16

2 aEBIT adjusted for CASCO contribution in both periods

3 Including impact linked to GE Energy JV put option valuation for €106m

4 Net income Group share, including discontinued operations, is provided in annex

"This fiscal year was the first of our new strategy Alstom in Motion, which was launched last June and is now being deployed throughout the Group. Although considered a stabilisation year, Alstom enjoyed strong commercial momentum in a very dynamic railway market. We won major orders especially in Europe and in Asia-Pacific. In addition, we secured pioneering orders for our green mobility solutions, illustrating the potential of such technologies and the dynamism of the shift to carbon free transportation modes. The continuous improvement in our operational performance demonstrates the Group's focus on profitable growth.
The end of the fiscal year was marked by the unprecedented Covid-19 crisis. Alstom considers the health and safety of its employees and stakeholders as its top priority during this period. We are confident for the resilience of Alstom's business in the mid-term, given the fundamentals of the rail market and in particular, the need for greener mobility." said Henri Poupart-Lafarge, Alstom Chairman and Chief Executive Officer.

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Covid-19 impact and Alstom response

Alstom responded to the crisis caused by the outbreak of Covid-19 by making the health and safety protection of its employees the priority and deploying measures in compliance with guidance from local and international authorities.

The containment resulted in the reduction of activities in most production and maintenance facilities as from the end of the 2019/20 fiscal year. The impact on Alstom's sales in this fiscal year 2019/20 is assessed to be c.€100 million, mostly on rolling stock due to the slowdown of sales recognition during the containment period, and to a lesser extent on services due to train traffic reduction. The identified inefficiencies and incremental costs impacting the cost of sales represent €24 million in fiscal year 2019/20.

The Group has organized itself by putting in place crisis cells at all levels of the organization in order to deal with this unprecedented situation. To mitigate the impact of the temporary reduction of activities while keeping the capabilities to deliver its €40.9 billion backlog, the Group resorted to holiday and part-time work schemes starting March when regulations allow. A comprehensive operational, commercial, cost and cash mitigation plan has been defined and is being implemented. Alstom has started to slowly re-open most of its sites from end of April onwards when the necessary safety conditions were met, with progressive alignment with supply chain needed before partial restart of production early May. In addition, impact on commercial activities and market development is being closely monitored, with a potential delay on tenders.

In addition, on top of its already available substantial amount of cash and cash equivalents, amounting to €2,175 million as of 31 March 2020, and of its undrawn €400 million Revolving Credit Facility (RCF), Alstom has taken additional actions to bolster its liquidity in the context of Covid-19. It secured in April 2020 a €1,750 million short term RCF with a 1-year maturity, a 6-month extension option at the borrower's discretion and another 6-month extension at the lenders' discretion. Liquidity resources stand at €2,575 million as of 31 March 2020 comprising €2,175 million in available cash and cash equivalents and €400 million of fully undrawn credit lines plus the additional €1,750 million under the new short term RCF put in place in April 2020.

Beyond these internal measures, Alstom teams have been committed throughout the world to support the fight against the Covid-19 pandemic, for example by leveraging 3D technology to produce face shields and valves for respirators, and donating masks and other protective equipment to hospitals, local communities and suppliers. Alstom foundation's budget will also increase from €1.5 to €1.9 million euros in 2020/21, partially funded by a decrease of the CEO and executive committee members' remuneration this quarter.

Strategic and business update

This fiscal year 2019/20 is the first year of the Alstom in Motion strategy (AiM) announced by Alstom on June 24 2019, which sets a clear ambition: be the leading global innovative player for a sustainable and smart mobility by 2025. The Group is already progressing on the AiM priorities:

1. **Growth by offering greater value to our customers**

The Group booked €9,900 million of orders in the fiscal year 2019/20. This compares to the exceptional performance of €12,107 million orders last year, which included Avelia Horizon™ for SNCF and Montreal metro orders totalling €4.3 billion. The book-to-bill ratio was strong at 1.2.

Alstom was awarded projects in both Urban and Mainlines segments mainly in Europe, notably additional very high speed trains in France, the renewal of metros of the Ile-de-France region and regional trains in Germany, including an order for iLint™ hydrogen trains, and in Asia Pacific with a combined supply of suburban trains and associated maintenance in Perth, Australia and the Sydney metro extension.

In line with its AiM strategy, Alstom enjoyed an increase in orders in both Services and Signalling, which total 51% of the Group's order intake in the fiscal year 2019/20. In Services, Alstom was awarded the 7-year contract to refurbish and maintain Pendolino™ for Avanti West Coast in the United Kingdom, the maintenance of lines 2 and 4 of the Santiago metro in Chile, as well as the maintenance operations associated with Rolling Stock orders in Perth, Australia and in Germany. In Signalling, commercial successes include the supply of ERTMS[1] to the Paris-Lyon high-speed line, equipping 77 trains in Sweden with ERTMS onboard solutions, the automation of the Marseille metro as well as a service partnership for driverless train control system for the Circle Line in Singapore.

Alstom's backlog amounted to €40,903 million on 31 March 2020, providing strong visibility on future sales and representing the leading backlog in the industry.

In the fiscal year 2019/20, Alstom's total sales reached €8,201 million, up 2% (1% organically).

Although manufacturing activity was impacted by Covid-19 containment measures during the last two weeks of the fiscal year, Rolling Stock sales reached €3,942 million (+14% organic) thanks to the sound execution of large high-speed and regional projects in France, Italy, the Netherlands and Germany, as well as very high speed in the United States. Both Signalling and Services sales amounted to 36% of Alstom sales with Signalling up by +13% organically at €1,489 million, mainly benefiting from on-going projects in India, Europe and AMECA region. Services sales reached €1,469 million, down moderately by 6% organically, due to fully traded contracts in the United States and one-off events last year in the UK, partially offset by other maintenance contracts ramp-up. In addition, services activities were slightly impacted at the end of the fiscal year with reduction of fleet utilisation following containment measures. Systems sales decreased to €1,301 million with an expected ramp-down on Dubai, Lusail and Riyadh systems projects and a fully delivered contract in Panama.

2. Innovation in smarter and greener mobility solutions

Alstom sustained its level of research and development (net costs) at €302 million, i.e. 3.7% of sales, for fiscal year 2019/20.

Alstom strengthened its position as a leading actor in providing comprehensive alternative solutions to diesel pushing towards carbon neutrality. Alstom showed strong commercial momentum for green mobility solutions and now offers all types of traction systems on the market, as well as the full range of emission-free drives, from efficient electric motors to hydrogen fuel-cells and advanced battery traction. Alstom was awarded a second large order in Germany for its Coradia iLint™ hydrogen train, leading to a total of 41 sold trains and the completion of successful tests in Netherlands. In addition, Alstom was awarded its first contract for battery-electric regional trains in Germany for a total of 11 Coradia™ Continental electric regional trains in order to bridge the 80 kilometres of non-electrified

[1] European Rail Traffic Management System

line between the cities of Chemnitz and Leipzig. The new Aptis™ electric bus has also been sold to five French cities (Paris, La Rochelle, Toulon, Strasbourg and Grenoble) with the first delivery made in January 2020 in Strasbourg, and first commercial success in Spain.

Facing mobility evolutions, transport operators are increasingly looking for digital solutions to improve their financial and operational performance. Aware of this trend, Alstom provided a predictive analytics solution to Panama metro operators which improved the "fail to board" by +30% during peak hours thanks to artificial intelligence. In addition, Alstom finalized the co-development of a railway system simulator with the start-up Cosmotech which enables, in tender phase, to simulate energy efficiency and punctuality of a metro system.

In September 2019, a new version of Alstom's Atlas™ European Train Control System (ETCS) has entered service on the Wuppertal suspension railway ("Wuppertaler Schwebebahn") in Germany. This project represents the very first application of ERTMS Level 3 in which train location and integrity are solely supervised by the ETCS equipment onboard the train, hence sparing wayside equipment. It consolidates Alstom's position as a leading player in digital signalling.

3. Efficiency powered by digital

In the fiscal year 2019/20 Alstom's adjusted EBIT reached €630 million, equivalent to an adjusted EBIT margin of 7.7%, as compared to €606 million and 7.5% in the previous fiscal year. The improved operational performance was driven by an increase in revenue combined with industrial efficiency.

In line with AiM efficiency strategy, Alstom moved forward during this year in its business process digitization roadmap with 80% of the group turnover being covered by a group core model SAP solution. The Covid-19 containment measures also showed the digital agility and resiliency of the Group: within a few days, thousands of engineers were able to access very demanding software solutions from home ensuring quasi-complete continuity of engineering.

Alstom is enlarging its Best Cost Country and regional footprint, with the inauguration of its Alstom Ubunye factory in South Africa in October 2019. A significant investment has been made in upskilling employees and installing state-of-the-art equipment such as advanced robot technology. Through the modernisation of Alstom Ubunye, Alstom has established an African rail company with local partners, creating a stronger industrial and commercial base and preparing to serve the increasing demand for rail innovation in Africa.

Finally, Alstom accelerated its Engineering footprint optimisation with 24% of the Engineering workload executed in India in 2019/20, compared to a 30% objective for 2022/23.

Net Income from continued operations (group share) reached €446 million compared to €433 million the previous year, which had several one-off items, of which €106 million linked to the General Electric joint venture transaction.

Earnings per share from continued operations reached €1.99 in fiscal year 2019/20.

4. One Alstom team, agile, inclusive and responsible

Green and smart mobility, encouraged by customer and passenger expectations, is leading to a transformation of the market. Already recognised as an industrial reference in this domain, Alstom's mission is to support the transition towards sustainable transport systems by offering innovative solutions that are efficient throughout their entire life cycle.

As part of its climate strategy, Alstom has continued to progress in achieving its environmental targets set as part of the AiM strategy:

- On the way to reaching 25% reduction of energy consumption in its solutions by 2025[2], Alstom progressed to 20% as of March 2020 (compared to 17% last year),
- Alstom has increased its newly developed solutions with eco-design to 25% in March 2020, with the objective to reach 100% in 2025,
- Finally, Alstom secured 36% share of electricity from renewable sources in its operations, with a target to reach 100% by 2025.

In addition, Alstom is focused on the implementation of its AiM initiatives related to corporate social responsibility, and has been attributed three important recognitions during the fiscal year 2019/20:

- In June 2019, after becoming the first French company to obtain the AFAQ ISO 37001 Anti-bribery certification for France and Europe in 2017, followed by Asia-Pacific in 2018, Alstom obtained certification for its countries of operation in the regions of North America, Middle East & Africa and Latin America.
- In September 2019, Alstom was included in the Dow Jones Sustainability Indices (DJSI) World and Europe for the ninth consecutive year and is now in the 4th percentile of the ranking, attesting to its leading position in sustainable business practices.
- In January 2020, Alstom was certified as a Top Employer Europe by the Top Employers Institute in six countries: France, Spain, Italy, Poland, Belgium and UK.

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Bombardier acquisition update and indicative timetable

Alstom announced on February 17, 2020 that it had signed a Memorandum of Understanding with Bombardier Inc. and Caisse de dépôt et placement du Québec ("CDPQ") in view of the acquisition of Bombardier Transportation.

Alstom's unions indicated they will render their opinion around summer 2020 on the proposed takeover of Bombardier Transportation, according to the "method agreement" reached with management. An EGM vote on the reserved capital increases to CDPQ and Bombardier Inc. and the rights issue should take place no later than October 31, 2020. Subject to the EGM approval, rights issue will take place

[2] compared to 2014 level

between the second semester 2020 and first semester 2021, subject to market conditions, and the reserved capital increases will take place at closing. The syndication of €2.4 billion of Bridge Facilities and a new €1.5 billion Revolving Credit Facility related to the proposed acquisition of Bombardier was completed in April 2020 as planned. The transaction will also be subject to clearance from relevant regulatory authorities and anti-trust authorities. Closing is expected in the first half of 2021.

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Solid balance sheet

During the fiscal year 2019/20, the Group free cash flow was positive at €206 million, impacted as expected by an increase in inventories resulting from the ramp up of large Rolling Stock projects and benefiting from solid project execution and delivery.

The Group had available cash and cash equivalents amounting to €2,175 million as of 31 March 2020. Alstom bond debt amounted to €700m as end of March 2020 after having successfully carried out the issuance of a 7-year €700 million senior unsecured Eurobond at a fixed coupon of 0.25% and reimbursed at maturity a €596 million bond as end of March 2020 and a €283 million bond as end of July 2019.

In April 2020, Alstom secured a €1,750 million short term Revolving Credit Facility (RCF) with a 1-year maturity, a 6-month extension option at the borrower's discretion and another 6-month extension at the lenders' discretion. This additional RCF aims at stepping in for Alstom's €1 billion Negotiable European Commercial Paper programme, should the Commercial Papers market no longer be accessible, in addition to providing an extra liquidity buffer.

These actions substantially bolster the Company's already strong liquidity in the context of Covid-19. Liquidity resources stand at €2,575 million as of 31 March 2020 comprising €2,175 million in available cash and cash equivalents and €400 million of fully undrawn credit lines plus the additional €1,750 million under the new short term RCF put in place in April 2020.

Alstom net cash amounted to €1,178 million on 31 March 2020, compared to €2,325 million on 31 March 2019. Finally, equity stood at €3,328 million at 31 March 2020, compared to €4,159 million on 31 March 2019, in particular as a result of the dividend distribution in July 2019.

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Dividend

In the context of the current crisis, and in a spirit of responsibility towards all its stakeholders, the Board of Directors, in its meeting of May 11, 2020, decided as an exceptional measure not to propose a dividend distribution at the next Shareholders' meeting on July 8.

Alstom would like to point out, however, that this decision is not due to a lack of liquidity.

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Outlook in the context of the Covid-19 pandemic

In 2019/20, Alstom has fully deployed its Alstom in Motion (AiM) strategic plan in order to progressively deliver revenues and margin growth in line with the objectives set in the context of AiM for 2022/23.

However, the Covid-19 crisis is likely to affect negatively the financial performance of the fiscal year 2020/21, including order intake, net income, free cash flow and sales, though it is not possible today to assess precisely its impact.

While a partial restart of production is on-going as of May 12, the Group cannot predict the shape and timing of a recovery during 2020/21 as it depends on the further development of the Covid-19 crisis, the duration of containment measures and the intensity of the economic downturn and market response. After the current crisis, the Group expects a fast recovery of the rail market, sustained by strong fundamentals and the increasing demand for sustainable mobility.

In this context, the objective of a 5% average annual growth rate over the period 2019/20-2022/23 should be slightly impacted by the temporary slowdown of tender activity, yet the 2022/23 objectives of 9% aEBIT margin and of a conversion from net income to free cash flow above 80% are confirmed.

With a strong liquidity position, a demonstrated ability to deliver execution and profitability and the rapid launch of a cost and cash mitigation plan, the Group is confident in its capacity to weather the crisis as well as to capture opportunities in a resilient rail market and contribute to the transition towards sustainable transport systems.

The management report and the consolidated financial statements, as approved by the Board of Directors, in its meeting held on 11 May 2020, are available on Alstom's website at www.alstom.com. These financial statements were audited by the Statutory Auditors whose certification report is in the process of being issued.

In accordance with AFEP-MEDEF recommendations, information related to the remuneration of Alstom's Executive Officer is available on Alstom's website: www.alstom.com, under About us/Corporate Governance/Compensation of Executive Officers.

About Alstom

Leading the way to greener and smarter mobility worldwide, Alstom develops and markets integrated systems that provide the sustainable foundations for the future of transportation. Alstom offers a complete range of equipment and services, from high-speed trains, metros, trams and e-buses to integrated systems, customised services, infrastructure, signalling and digital mobility solutions. Alstom recorded sales of €8.2 billion and booked orders of €9.9 billion in the 2019/20 fiscal year. Headquartered in France, Alstom is present in over 60 countries and employs 38,900 people.

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APPENDIX 1A – GEOGRAPHIC BREAKDOWN

Actual figures *(in € million)*	**FY 2018/19**	% Contrib.	**FY 2019/20**	% Contrib.
Europe	7,337	60%	7,624	77%
Americas	2,155	18%	646	6%
Asia / Pacific	1,429	12%	1,569	16%
Africa / Middle East / Central Asia	1,186	10%	61	1%
Orders by destination	**12,107**	100%	**9,900**	100%

Actual figures *(in € million)*	**FY 2018/19**	% Contrib.	**FY 2019/20**	% Contrib.
Europe	18,212	45%	21,321	52%
Americas	6,297	16%	5,539	14%
Asia / Pacific	5,752	14%	6,120	15%
Africa / Middle East / Central Asia	10,220	25%	7,923	19%
Backlog by destination	**40,481**	100%	**40,903**	100%

Actual figures *(in € million)*	**FY 2018/19**	% Contrib.	**FY 2019/20**	% Contrib.
Europe	4,061	51%	4,675	56%
Americas	1,470	18%	1,280	16%
Asia / Pacific	921	11%	889	11%
Africa / Middle East / Central Asia	1,620	20%	1,357	17%
Sales by destination	**8,072**	100%	**8,201**	100%

APPENDIX 1B – PRODUCT BREAKDOWN

Actual figures *(in € million)*	**FY 2018/19**	% Contrib.	**FY 2019/20**	% Contrib.
Rolling stock	6,078	50%	4,591	46%
Services	3,144	26%	3,315	34%
Systems	1,359	11%	265	3%
Signalling	1,526	13%	1,729	17%
Orders by destination	**12,107**	100%	**9,900**	100%

Actual figures *(in € million)*	**FY 2018/19**	% Contrib.	**FY 2019/20**	% Contrib.
Rolling stock	20,672	51%	20,677	51%
Services	12,779	32%	13,794	33%
Systems	3,311	8%	2,288	6%
Signalling	3,719	9%	4,144	10%
Backlog by destination	**40,481**	100%	**40,903**	100%

Actual figures *(in € million)*	**FY 2018/19**	% Contrib.	**FY 2019/20**	% Contrib.
Rolling stock	3,448	43%	3,942	48%
Services	1,556	19%	1,469	18%
Systems	1,766	22%	1,301	16%
Signalling	1,302	16%	1,489	18%
Sales by destination	**8,072**	100%	**8,201**	100%

APPENDIX 2 – INCOME STATEMENT

Actual figures *(in € million)*	**FY 2018/19***	**FY 2019/20**
Sales	**8,072**	**8,201**
Adjusted Earnings Before Interest and Taxes (aEBIT)**	**606**	**630**
Restructuring charges	(65)	(18)
Other charges	(134)	(67)
Earnings Before Interest and Taxes (EBIT)	**408**	**545**
Financial result	(88)	(76)
Tax result	(70)	(118)
Share in net income of equity investees***	195	102
Minority interests from continued operations	(12)	(7)
Net income – Continued operations – group share***	**433**	**446**
Net income – Discontinued operations****	248	21
Net income – Group share*****	**681**	**467**

*Previous year figures have not been restated to reflect the application of IFRS 16

**aEBIT adjusted for CASCO contribution in both periods Casco JV share of net income for both periods: €36m in 2018/19 and €38m in 2019/20

***Of which GE Energy JV put option valuation impact for €106m in 2018/19

****Mostly linked to GE Energy JV transaction

***** Variation YoY not reflecting Alstom's transport core business, explains why this indicator is in annex and not a "key figure"

APPENDIX 3 – FREE CASH FLOW

Actual figures *(in € million)*	**FY 2018/19***	**FY 2019/20**
EBIT	**408**	**545**
Depreciation and amortisation	194	293
Restructuring variation	15	(12)
Capital expenditure	(207)	(195)
R&D capitalisation	(68)	(79)
Change in working capital	(12)	(249)
Financial cash-out	(90)	(95)
Tax cash-out	(105)	(102)
Other	18	100
Free cash flow	**153**	**206**

* Previous year figures have not been restated to reflect the application of IFRS 16

The Group adopted IFRS 16 "Leases" on 1 April 2019, according to the simplified retrospective approach, without restatement of prior period comparatives. Annual amortization related to the new right-of-use asset amounts to €92 million for the year ended 31 March 2020. The total impact of the IFRS16 lease implementation to the Free Cash Flow reported aggregate is estimated at €84 million over the period (refer to note 2.2.1 "IFRS16 Lease")

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.

Order backlog

Order backlog represents sales not yet recognised from 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.

Order backlog corresponds to the transaction price allocated to the remaining performance obligations, as per IFRS 15 quantitative and qualitative disclosures requirement.

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

When Alstom's new organisation was implemented in 2015, 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.

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), namely the CASCO Joint Venture. The company believes that bringing visibility over a key contributor to the Alstom signalling strategy will provide a fairer and more accurate picture of the overall commercial & operational performance of the Group. This change will also enable more comparability with what similar market players define as being part of their main non-GAAP 'profit' aggregate disclosure.

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 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 in percentage of sales.

The non-GAAP measure adjusted EBIT (aEBIT hereafter) indicator reconciles with the GAAP measure EBIT as follows:

(in € million)	**Full-Year ended 31 March 2019****	**Full-year ended 31 March 2020**
Adjusted Earnings Before Interest and Taxes (aEBIT)*	**606**	**630**
Capital gains / (losses) on disposal of business	60	-
Restructuring costs	(65)	(18)
Impairment loss and other	(158)	(5)
Covid-19 inefficiencies and incremental costs	-	(24)
CASCO contribution reversal	(36)	(38)
Earnings Before Interest and Taxes (EBIT)	**408**	**545**

*aEBIT adjusted for CASCO contribution in both periods
** Previous year figures have not been restated to reflect the application of IFRS 16

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 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)	**FY 2018/19***	**FY 2019/20**
Net cash provided by / (used in) operating activities	**425**	**476**
Capital expenditure (including capitalised R&D costs)	(275)	(274)
Proceeds from disposals of tangible and intangible assets	3	4
Free cash flow	**153**	**206**

* Previous year figures have not been restated to reflect the application of IFRS 16

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.

Net cash/(debt)

The net cash/(debt) is defined as cash and cash equivalents, other current financial assets and non-current financial assets directly associated to liabilities included in financial debt, less financial debt.

(in € million)	**Year ended 31 March 2019**	**Year ended 31 March 2020**
Cash and cash equivalents	3,432	2,175
Other current financial assets	10	45
Financial non-current assets directly associated to financial debt	201	-
Less:		
Current financial debt	1,032	270
Non-current financial debt	286	772
Net cash/(debt) at the end of the period	**2,325**	**1,178**

Due to IFRS 16 implementation at 1 April 2019, the Group has chosen to exclude lease obligations from the net cash/(debt) which results in a change in net cash/(debt) of €(15)m at IFRS 16 first application. From 1 April 2019, the net cash/(debt) is defined as cash and cash equivalents, marketable securities and other current financial asset, less borrowings. Previous year figures have not been restated to reflect the application of IFRS 16. As of Mars 31 2020, impact of the leasing obligations on financial debt amounts to €419m.

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.

	Year ended 31 March 2019*			**Year ended 31 March 2020**		
(in € million)	Actual figures	Exchange rate	Comparable Figures	Actual figures	% Var Act.	% Var Org.
Backlog	40,481	(1,639)	38,842	40,903	1%	5%
Orders	12,107	77	12,184	9,900	(18)%	(19)%
Sales	8,072	55	8,127	8,201	2%	1%

* Previous year figures have not been restated to reflect the application of IFRS 16