

STRATEGICALLY FOCUSING ON BUSINESS AVIATION

STRENGTHENING THE BALANCE SHEET THROUGH THE SALE OF TRANSPORTATION TO ALSTOM



BOMBARDIER

FEBRUARY 17th, 2020

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

BOMBARDIER

This presentation includes forward-looking statements, which may involve, but are not limited to: statements with respect to our objectives, anticipations and outlook or guidance in respect of various financial and global metrics and sources of contribution thereto, targets, goals, priorities, market and strategies, financial position, market position, capabilities, competitive strengths, credit ratings, beliefs, prospects, plans, expectations, anticipations, estimates and intentions; general economic and business outlook, prospects and trends of an industry; expected growth in demand for products and services; growth strategy, including in the business aircraft aftermarket business; product development, including projected design, characteristics, capacity or performance; expected or scheduled entry-into-service of products and services, orders, deliveries, testing, lead times, certifications and project execution in general; competitive position; expectations regarding progress and completion of challenging Transportation projects and the release of working capital therefrom within the anticipated timeframe; expectations regarding revenue and backlog mix; the expected impact of the legislative and regulatory environment and legal proceedings on our business and operations; strength of capital profile and balance sheet, creditworthiness, available liquidities and capital resources, expected financial requirements and ongoing review of strategic and financial alternatives; the introduction of productivity enhancements, operational efficiencies and restructuring initiatives and anticipated costs, intended benefits and timing thereof; the expected objectives and financial targets underlying our transformation plan and the timing and progress in execution thereof, including the anticipated business transition to growth cycle and cash generation; expectations and objectives regarding debt repayments and refinancing of bank facilities and maturities; and intentions and objectives for our programs, assets and operations. As it relates to the transaction discussed herein, this presentation also contains forward-looking statements with respect to: the expected terms, conditions, and timing for completion thereof; the anticipated proceeds and use thereof and/or consideration therefor, as well as the anticipated benefits of such transaction and their expected impact on our outlook, guidance and targets, operations, infrastructure, opportunities, financial condition and cash on hand, business plan and overall strategy (including our expectation of a deleveraged profile and reshaped capital structure and the removal of CDPQ's preferred equity in Transportation); and the fact that closing of this transaction will be conditioned on certain events occurring, including without limitation the receipt of necessary regulatory approvals, the execution of definitive documentation, receipt of Alstom shareholder approval in respect of the required capital increase and completion of relevant works council consultations.

Forward-looking statements can generally be identified by the use of forward-looking terminology such as "may", "will", "shall", "can", "expect", "estimate", "intend", "anticipate", "plan", "foresee", "believe", "continue", "maintain" or "align", the negative of these terms, variations of them or similar terminology. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of our current objectives, strategic priorities, expectations, outlook and plans, and in obtaining a better understanding of our business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

By their nature, forward-looking statements require management to make assumptions and are subject to important known and unknown risks and uncertainties, which may cause our actual results in future periods to differ materially from forecast results set forth in forward-looking statements. While management considers these assumptions to be reasonable and appropriate based on information currently available, there is risk that they may not be accurate. The assumptions underlying the forward-looking statements made in this presentation in relation to the transaction discussed herein include the following material assumptions: the satisfaction of all closing conditions (including without limitation receipt of regulatory approvals on acceptable terms within commonly experienced time frames, the execution of definitive documentation, receipt of Alstom shareholder approval in respect of the required capital increase and successful completion of relevant works council consultations) and successful completion of such transaction within the anticipated timeframe, the realization of the intended benefits therefrom (including receipt of expected proceeds and intended use thereof) within the anticipated timeframe; the ability of the Company to retain key management and employees during the pendency and following completion of the transaction; the ability of the Company to satisfy its liabilities and meet its financial covenants and debt service obligations during the pendency and following completion of the transaction; the ability of the Company to access the capital markets as needed during the pendency and following completion of the transaction; and fulfillment by the other parties of their respective obligations, commitments and undertakings pursuant to transaction documentation and agreements in principle. In addition, the assumptions underlying the forward-looking statements made in this presentation in relation to the Company's pro forma cash on hand and stronger balance sheet include the satisfaction of all closing conditions (including without limitation receipt of regulatory approvals on acceptable terms within commonly experienced time frames) and successful completion of the sale of our operations in Belfast and Morocco and the sale of the CRJ aircraft program within the anticipated timeframe and receipt of expected proceeds and intended use thereof. For additional information, including with respect to the other assumptions underlying the forward-looking statements made in this presentation, refer to the Strategic Priorities and Guidance and forward-looking statements sections in the applicable reportable segment in the MD&A of the Company's financial report for the fiscal year ended December 31, 2019.

Certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, risks associated with general economic conditions, risks associated with our business environment (such as risks associated with "Brexit", the financial condition of the airline industry, business aircraft customers, and the rail industry; trade policy; increased competition; political instability and force majeure events or global climate change), operational risks (such as risks related to developing new products and services; development of new business and awarding of new contracts; book-to-bill ratio and order backlog; the certification and homologation of products and services; fixed-price and fixed-term commitments and production and project execution, including challenges associated with challenging Transportation projects and the risk that actions and initiatives undertaken by Transportation to move forward and complete such projects may not be successful, and the intended outcome and release of working capital therefrom not being realized, within the timeframe anticipated or at all; pressures on cash flows and capital expenditures based on project-cycle fluctuations and seasonality; risks associated with our ability to successfully implement and execute our strategy, transformation plan, productivity enhancements, operational efficiencies and restructuring initiatives; doing business with partners; inadequacy of cash planning and management and project funding; product performance warranty and casualty claim losses; regulatory and legal proceedings; environmental, health and safety risks; dependence on certain customers, contracts and suppliers; supply chain risks; human resources; reliance on information systems; reliance on and protection of intellectual property rights; reputation risks; risk management; tax matters; and adequacy of insurance coverage), financing risks (such as risks related to liquidity and access to capital markets; retirement benefit plan risk; exposure to credit risk; substantial existing debt and interest payment requirements; certain restrictive debt covenants and minimum cash levels; financing support provided for the benefit of certain customers; and reliance on government support), market risks (such as risks related to foreign currency fluctuations; changing interest rates; decreases in residual values; increases in commodity prices; and inflation rate fluctuations). For more details, see the Risks and uncertainties section in Other in the MD&A of the Company's financial report for the fiscal year ended December 31, 2019. With respect to the transaction discussed herein specifically, certain factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: the failure to receive or delay in receiving regulatory approvals on acceptable terms or at all, the failure to receive or delay in receiving Alstom shareholder approval in respect of the required capital increase and to complete relevant works council consultations, or otherwise satisfy the conditions to the completion of this transaction or delay in completing, and uncertainty regarding the length of time required to complete, such transaction, and all or part of the intended benefits therefrom not being realized and all or part of the anticipated proceeds therefrom not being available to the Company within the anticipated timeframe, or at all; and alternate sources of funding that would be used to replace the anticipated proceeds from such transaction may not be available when needed, or on desirable terms; the failure to enter into definitive documentation for the transaction or the occurrence of an event which would allow the other parties to terminate their respective obligations, commitments and undertakings pursuant to transaction documentation and agreements in principle; changes in the terms of the transaction; the failure by the other parties to fulfill their respective obligations, commitments and undertakings pursuant to transaction documentation and agreements in principle; the Company being unable to satisfy its liabilities and meet its financial covenants and debt service obligations during the pendency and following completion of the transaction; the failure to retain the Company's key management, personnel and clients during the pendency and following completion of the transaction and risks associated with the loss and ongoing replacement of key management and personnel; and the impact of the announcement of the transaction on the Company's relationships with third parties, including potentially resulting in the loss of clients, employees, suppliers, business partners or other benefits and goodwill of the business. There is a risk that a party may terminate its respective obligations under the agreements in principle and Memorandum of Understanding prior to or after definitive binding agreements being entered into, including due to circumstances surrounding the relevant Works Council consultations. There is no certainty, nor can the Company provide any assurance, that the conditions to closing of the proposed transaction will be satisfied or, if satisfied, when they will be satisfied. If the proposed transaction is not completed for any reason, there is a risk that the announcement of such transaction and the dedication of substantial resources of the Company to the completion thereof could have a negative impact on the Company's operating results and business generally, and could have a material adverse effect on the current and future operations, financial condition and prospects of the Company, including the loss of investor confidence in connection with the Company's ability to execute its strategic plan. In addition, failure to complete the proposed transaction for any reason could materially negatively impact the market price of the Company's securities. If the proposed transaction is not completed for any reason, there can be no assurance that management will be successful in its efforts to identify and implement other strategic alternatives that would be in the best interests of the Company and its stakeholders within the context of existing market, regulatory and competitive conditions in the industries in which the Company operates, on favourable terms and timing or at all, and, if implemented, that such actions would have the planned results. We also have incurred significant transaction and related costs in connection with the proposed transaction, and additional significant or unanticipated costs may be incurred. With respect to the forward-looking statements made in this presentation in relation to the Company's pro forma cash on hand and stronger balance sheet, additional factors that could cause actual results to differ materially from those anticipated in the forward-looking statements include, but are not limited to: the failure to receive or delay in receiving regulatory approvals on acceptable terms or at all, or otherwise satisfy the conditions to the completion of the sale of our operations in Belfast and Morocco and the sale of the CRJ aircraft program or delay in completing, and uncertainty regarding the length of time required to complete, such transactions, and all or part of the anticipated proceeds therefrom not being available to the Company within the anticipated timeframe, or at all; and alternate sources of funding that would be used to replace the anticipated proceeds from such transactions may not be available when needed, or on desirable terms. For more details, see the Risks and uncertainties section in Other in the MD&A of the Company's financial report for the fiscal year ended December 31, 2019.

All amounts in this presentation are expressed in U.S. dollars, rounded to the nearest decimal, unless otherwise indicated. Foreign exchange rate of 1.10 for USD to EUR conversion used in this presentation. This presentation should be read in conjunction with the Corporation's 2019 Financial Report. This presentation contains both IFRS and non-GAAP measures. See Caution regarding non-GAAP measures in the Corporation's 2019 Financial Report.



- Alstom to acquire Bombardier Transportation at an Enterprise Value of **US\$8.2B (€7.45B)**
 - ~12x Adjusted EBIT multiple based on a 3-year average from 2016-2018
- Total proceeds of **\$6.4 B to 6.8B**, after deducting for pensions, other net liabilities and closing adjustments
- Net proceeds to Bombardier¹ within a band of **\$4.2B to 4.5B**, including retirement of CDPQ convertible instrument for \$2.1B - \$2.3B
- Significantly reshapes Bombardier's capital structure: *pro forma* net debt targeted at approximately **\$2.5B**
- Strategically focusing on industry-leading Business Aircraft franchise

OVERVIEW

- Memorandum of Understanding between Bombardier, Alstom and CDPQ for the sale of Bombardier Transportation to Alstom
- Stock Purchase Agreement to be executed following Works Councils reviews
- Transaction not subject to any financing conditions
- Subject to Alstom shareholder approval, with largest shareholder¹ irrevocable commitment to vote favorably
- Closing anticipated in H1-2021, subject to regulatory and other approvals

ENTERPRISE VALUE AND PROCEEDS

	<i>In Billion US\$</i>
Enterprise value of €7.45B	\$8.2
Pensions, other net liabilities and closing adjustments	\$(1.4 – 1.8)
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Net proceeds (floor and ceiling)	\$6.4 – 6.8
CDPQ Convertible shares retirement	\$(2.1 – 2.3)
<hr/>	
Net proceeds to Bombardier ² including \$0.55B in Alstom shares ³	\$4.2 - 4.5

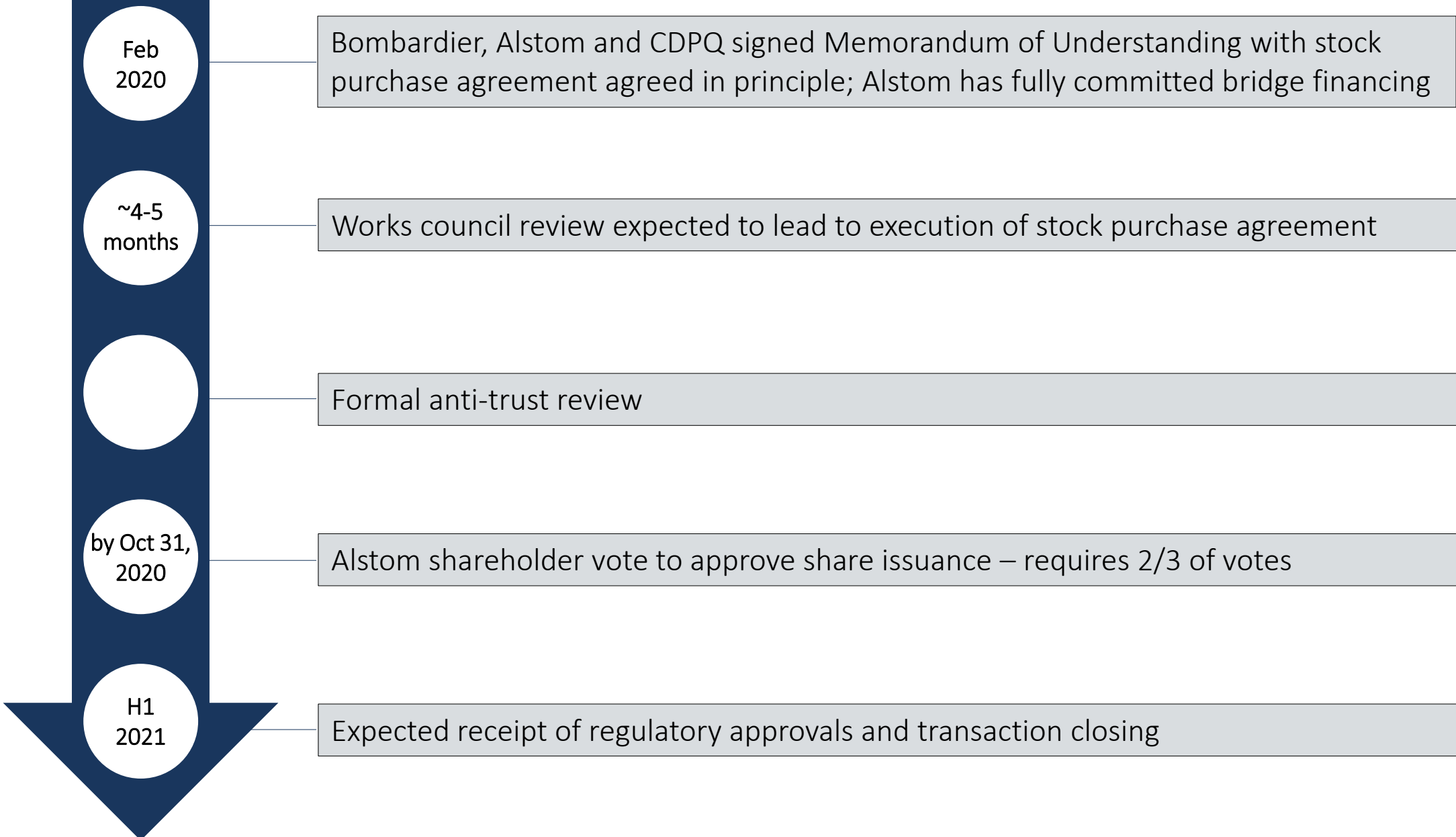
Note: Certain totals may not reconcile due to rounding. Refer to our disclosure on forward-looking statements at the beginning of this presentation.

¹ Bouygues, with approximately 25% of voting rights, has agreed to enter into an agreement to vote in favor of the transaction at the Alstom general meeting to be held for such purpose.

² Subject to closing adjustments, indemnities and EUR to USD exchange rate.

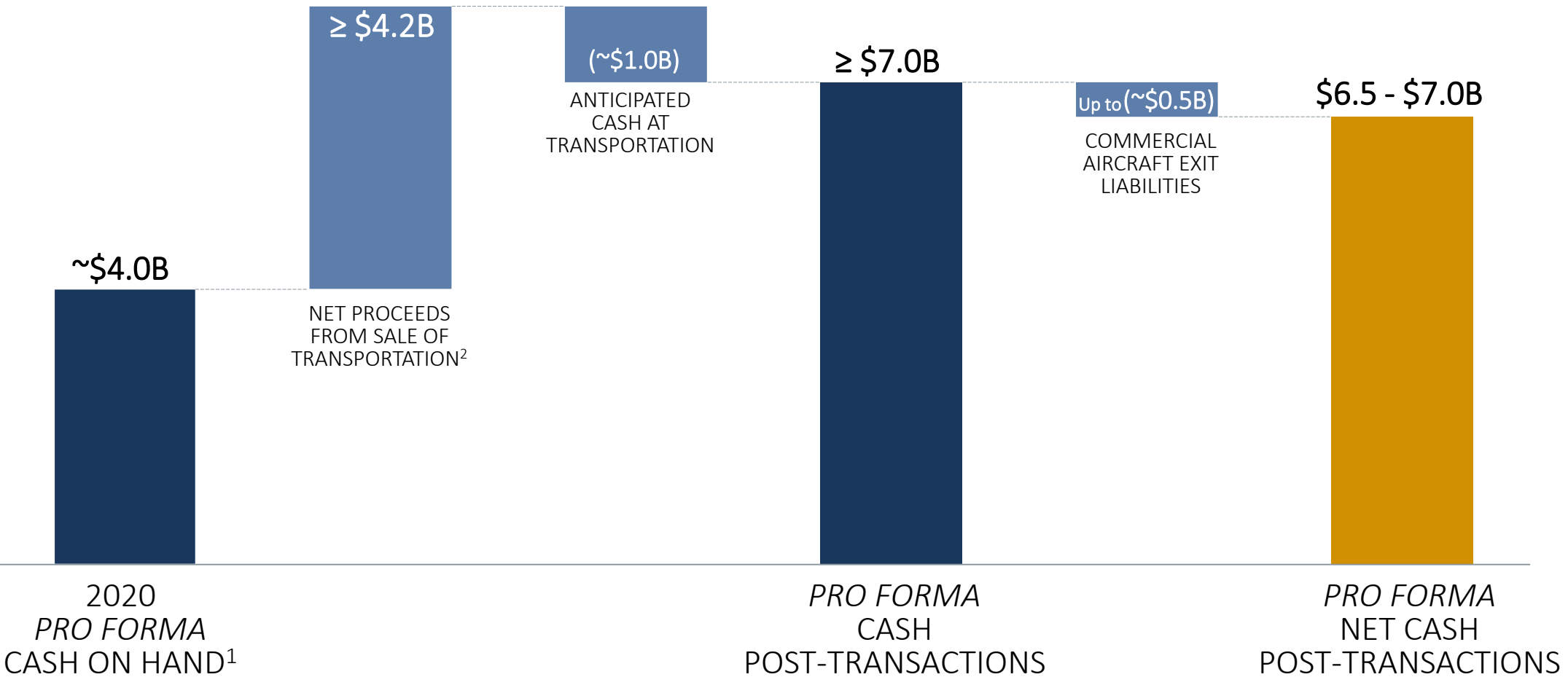
³ Bombardier will use \$550 million of its transaction proceeds to subscribe for newly issued shares of Alstom for a fixed subscription price of 47.50 EUR per Alstom share monetizable after a 3-month lockup post close.

INDICATIVE TRANSACTION TIMELINE



Note: Refer to our disclosure on forward-looking statements at the beginning of this presentation.

TRANSACTION BUILDS A STRONGER CASH POSITION AND RETIRES CDPQ'S PARTICIPATION IN TRANSPORTATION



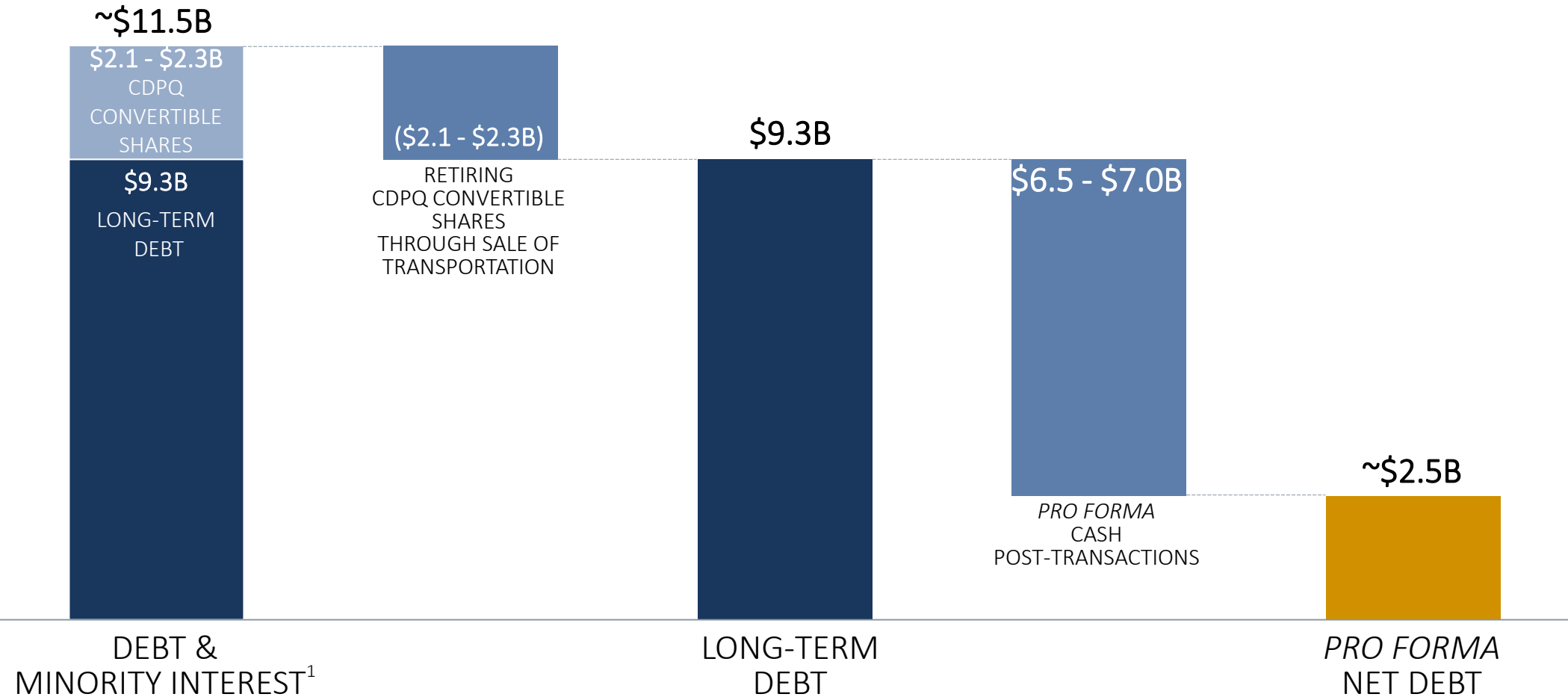
\$6.5 – \$7.0B PRO FORMA NET CASH ON HAND SUPPORTS DELEVERAGING

Note: Pro Forma includes the sale of Transportation, previously announced M&A transactions and 2020 outlook. Certain totals may not reconcile due to rounding. Refer to our disclosure on forward-looking statements at the beginning of this presentation.

¹ Includes 2019 cash on hand of \$2.6B, previously announced M&A transactions closed or expected to close in 2020 for ~\$1.6B and 2020 outlook including, net of RVG payment of ~\$0.2B.

² Subject to closing adjustments, indemnities and EUR to USD exchange rate.

SALE OF TRANSPORTATION RESHAPES AND SIGNIFICANTLY STRENGTHENS BOMBARDIER'S CAPITAL STRUCTURE



PROCEEDS TO BE DIRECTED TOWARDS DEBT REDUCTION

Note: Chart may not be up to scale. Pro Forma includes the sale of Transportation, previously announced M&A transactions and 2020 outlook. Refer to our disclosure on forward-looking statements at the beginning of this presentation.
¹ Based on the CDPQ agreed transaction value, reflecting the minimum return of the instrument.

STRATEGICALLY FOCUSING ON BUSINESS AIRCRAFT



World leader in business Aviation with best-in-class aircraft portfolio
Learjet, Challenger and Global brands



Industry-leading \$14.4B backlog



Well positioned for revenue and earnings growth, through
introduction of large aircraft and service network expansion



One of the largest installed-base with >4,800 aircraft in service, and
an unmatched commitment to customer aftermarket services



More than 18,000 talented and passionate employees

**MARKET LEADING BUSINESS AVIATION FRANCHISE
WITH 30+ YEARS OF INNOVATION**





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