Full-year results 2024

Accelleron performed strongly, establishing the baseline for future growth and profitability

Zurich, March 13, 2025

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Agenda

Full-year results 2024 investor and analyst conference

Agenda

Time (CET)		Topic	Presenter
11:30-12:10	01	Welcome	Daniel Bischofberger (CEO)
	02	Agenda	
	03	Key highlights FY 2024	
	04	Financial review FY 2024	Adrian Grossenbacher (CFO)
	05	Market and outlook 2025	Daniel Bischofberger (CEO)
12:10-12:30		Q&A	
12:30-13:30		Networking lunch	

03

Key highlights FY 2024

FY 2024: Breaking through the USD 1 bn revenue mark

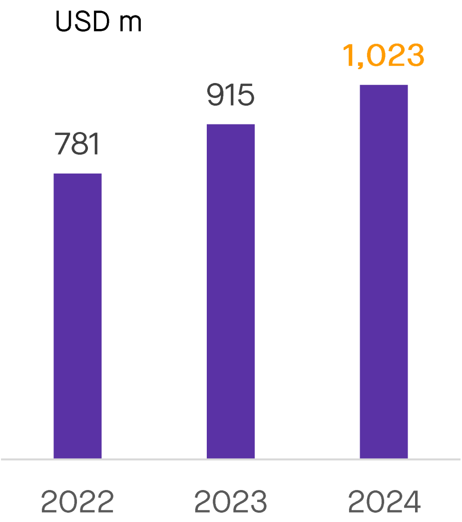
Net income increased by 63%

- Revenues reached USD 1.023 billion (+11.8% year-on-year; +12.9% in constant currency)
- Op. EBITA increased to USD 262 million (+17.4%)
- Op. EBITA margin at 25.6% (+1.2 ppts)
- All build-up activities related to the operation as an independent listed company concluded
- Net income increased to USD 179 million (+63.1%)
- Free cash flow conversion at 99.1%

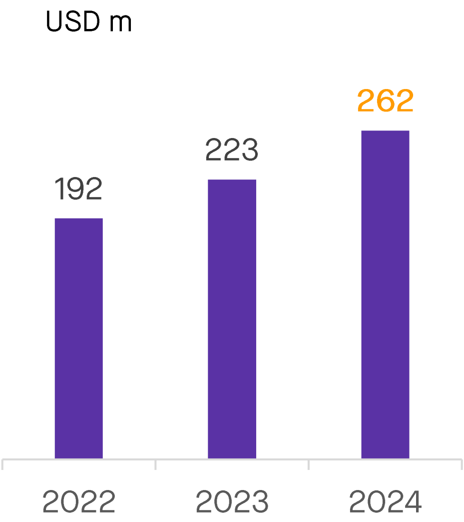
Strong topline growth and increased profitability

Higher net income enables dividend increase of 47%

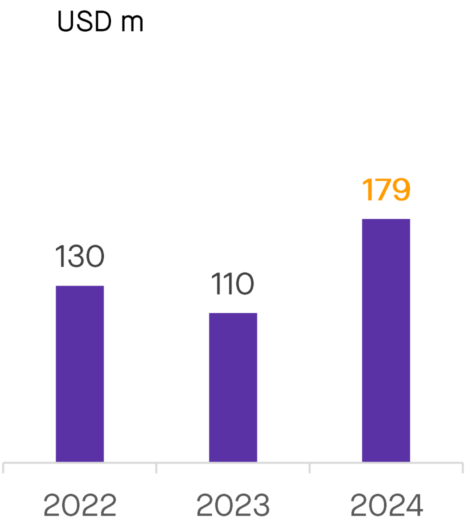
Revenues



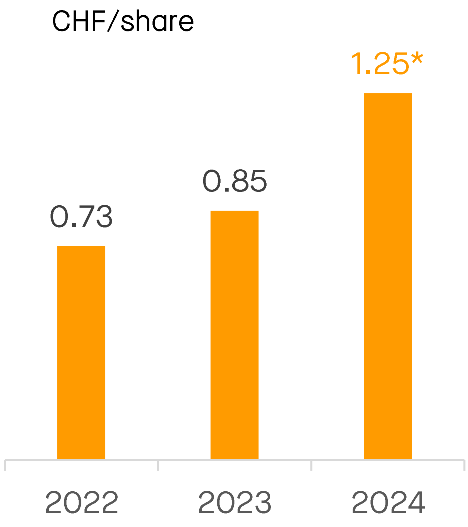
Operational EBITA



Net income



Dividend



* Proposal subject to AGM approval

One anniversary, one bond, two acquisitions

Accelleron celebrated its legacy and invested in the future

100-year anniversary

- 2024 marked 100th anniversary of world's first industrial turbocharger production

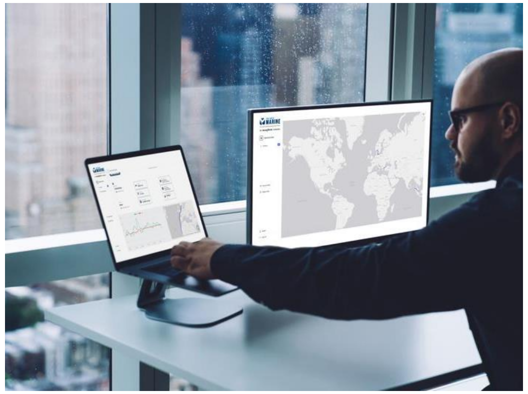
CHF 180 million bond

- First bond issuance
- Six-year maturity
- 1.375 percent coupon
- Proceeds used for general corporate purposes

OMC2 acquisition

- Expanded fuel injection capacity
- 70 employees

TNM acquisition



- Expanded marine digital solutions
- 50 employees
- Ship owners and charterers can reduce, track, and report fuel consumption and emissions

Growing market shares and new revenues

Accelleron benefited from market trends in decarbonization and data centers

LNG-fueled ships

- Roughly 2/3 of market share in all LNG-fueled, low-speed marine engines built in 2024
- LNG fuel reduces nitrogen oxides by 80%, CO_2 by up to 30%
- Almost completely eliminates fine dust and sulfur oxides (SOx) emissions

New service agreements

- More than 60 full-cover service agreements signed in 2024
- Continued evolution: from transactional business (spare parts + labor) to Availability as a Service

EPLO upgrades

- Engine Part-Load Optimization
- Multiple customer agreements
- Shipping operators can cut emissions in existing fleets in a fast and affordable way

Datacenter demand

- Emergency power solutions
- TPX high-speed turbochargers
- 2,600 units sold (2023: 1,300)

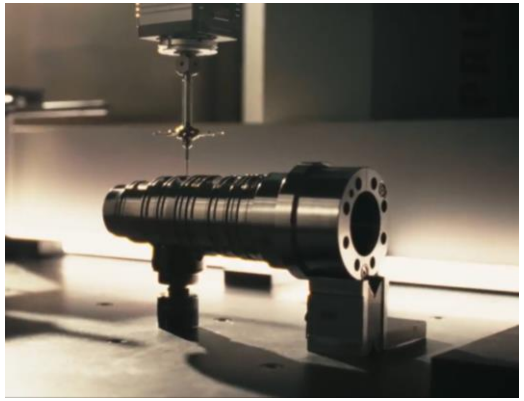
A strong and resilient global value chain

Accelleron is in key markets to meet growing demand and be close to customers

Contract manufacturing South Korea

- Strategic agreement signed with HD Hyundai Marine Engine
- A100-M medium-speed turbocharger production in Korea
- Greater operational flexibility, reduced trade complexities

Fuel injection capacity Italy



- Fuel injection plays key role in decarbonizing marine industry
- High demand for advanced dual fuel systems
- Double-digit increase in OMT output in 2024 thanks to investments in manufacturing capacity and people

Remanufacturing USA

- Remanufacturing of high-speed turbochargers to meet growing demand in gas compression
- Ensures uptime
- Close to customer
- 50 employees

Enhanced production China

- New machine enhances compressor wheel production
- Increased capacity and flexibility supports business expansion
- Serves Chinese market for high-speed, medium-speed and railway applications

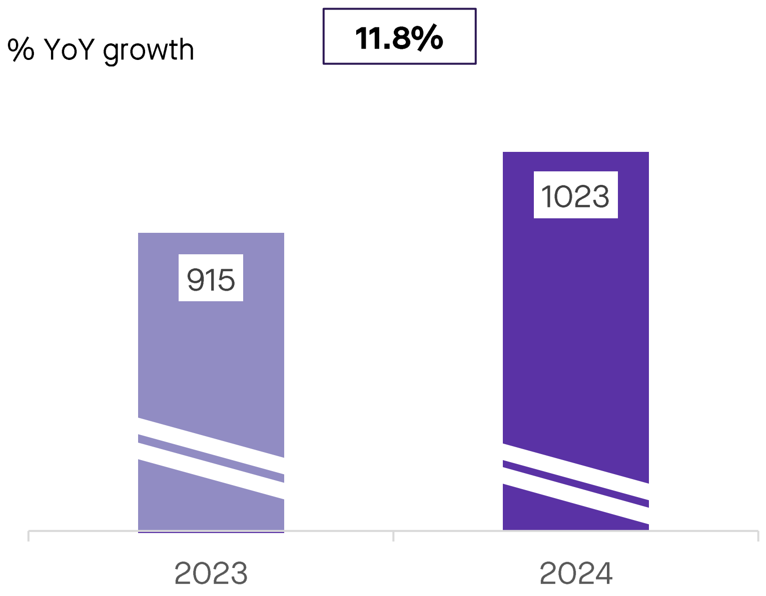
04

Financial review FY 2024

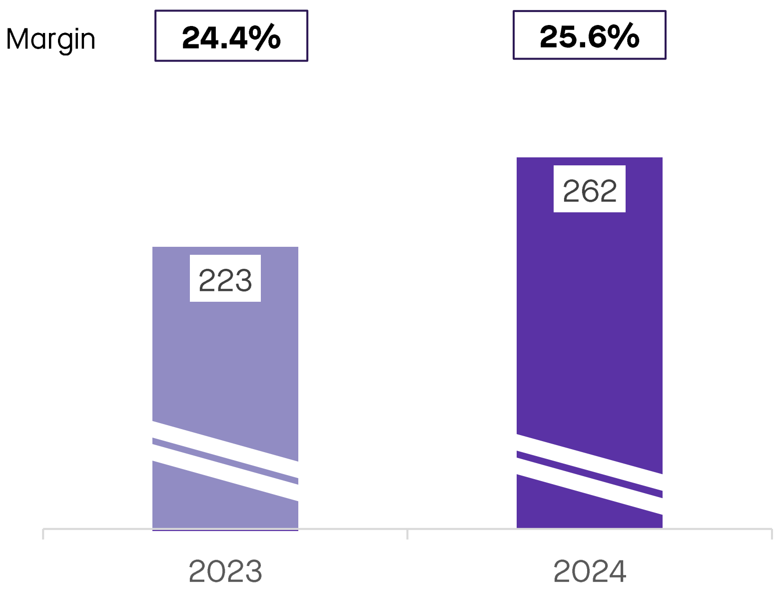
Group performance

Strong revenues and op. EBITA exceeded guidance

Revenues and growth
USD m



Op. EBITA & margin
USD m



Highlights

Revenues

- Positive market momentum throughout the entire year
- Strong demand for marine products and extraordinary demand for services
- Growth driven organically and inorganically
- Revenue growth of 11.8% (+12.9% in constant currency, +7.3% organic)

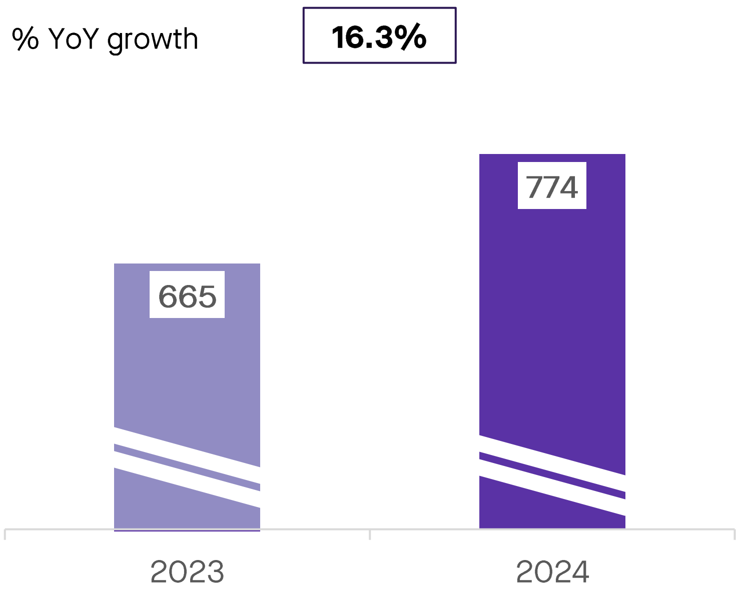
Operational EBITA

- Attractive margin delivered on the back of a healthy operating leverage and effective cost management: up by 120 bps
- Moderate cost inflation largely offset by price increases

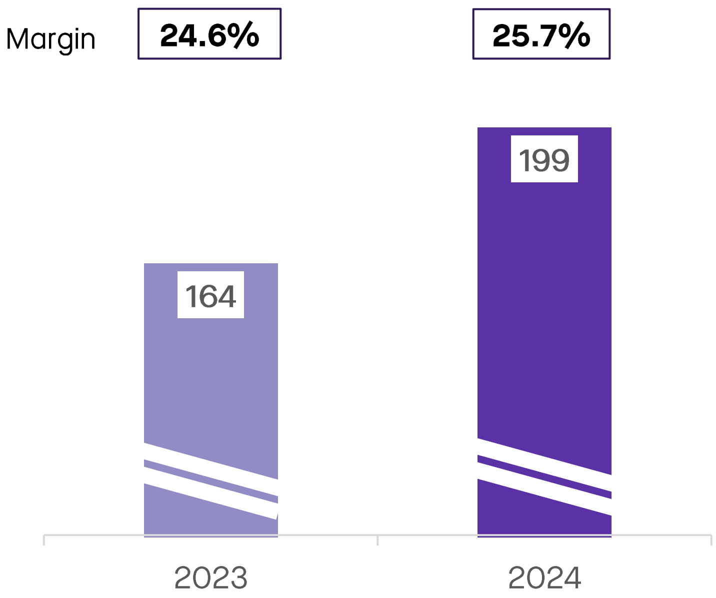
Medium & Low Speed performance

Significant growth and margin expansion

Revenues and growth
USD m



Op. EBITA & margin
USD m



Highlights

Revenues
- Strong demand in merchant marine across entire lifecycle; service business growth supplemented by retrofit solutions
- Opportunities in new-fuel applications
- New-build MS power plants market remained subdued, but service performed well
- Cruise business stable
- Revenue growth of 16.3% (+10.1% organic)
- Increased contribution from OMT, OMC2 and TNM of USD 52.9 million

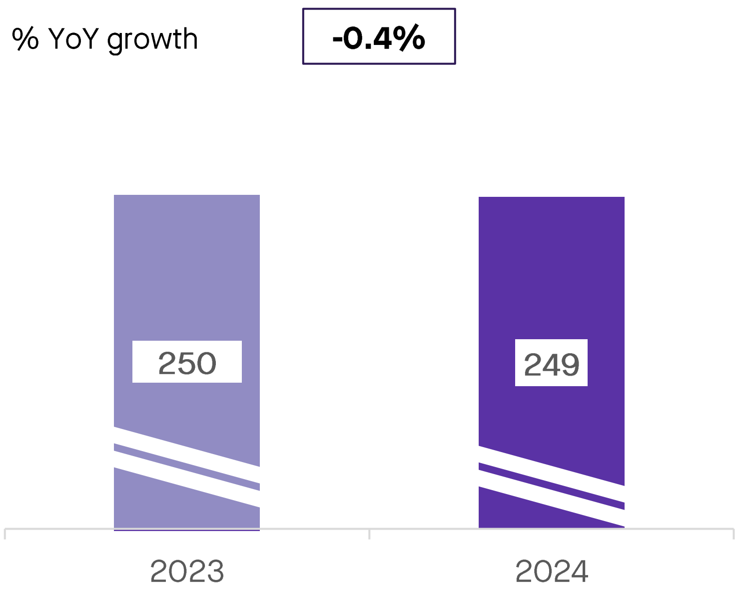
Operational EBITA
- Margin expanded by 110 bps, driven by operating leverage and effective cost management
- Supply chain/throughput normalized.

Note: Numbers might not add up due to rounding

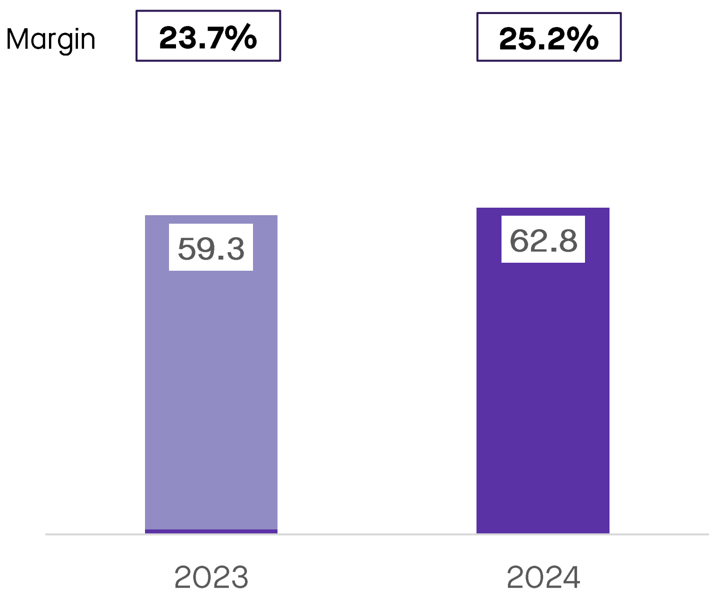
High Speed performance

Substantial margin accretion by 150 basis points

Revenues and growth
USD m



Op. EBITA & margin
USD m



Highlights

Revenues
- Temporary slowdown in US gas compression business as customers reduced their inventories
- Power generation slightly up
- High demand for emergency power solutions for data centers
- Revenue decrease of 0.4% (-0.1% organic)

Operational EBITA
- Substantial margin accretion by 150 bps
- Increase of USD 3.5 million, resulting from effective cost management and beneficial product mix, more than compensated lower indexed-based pricing

 Note: Numbers might not add up due to rounding

Op. EBITA to net income bridge

Concluded build-up supported higher net profit

Key observations

- All build-up activities successfully concluded, incurring non-operational costs of USD 15.8 million – lower than guidance
- Acquisition-related amortization of USD 5.4 million (OMT, OMC2, TNM)
- Finance/Interest expense reflecting
  - Interest expense for credit facility and CHF bond of USD 9.2 million
  - Pension income USD 11.9 million
  - Fair value changes of FX Instruments used to hedge non-operational foreign exchange risks of USD 14.8 million
- Effective tax rate increased to 20.6% (2023: 19.8%), mainly due to a change in jurisdictional profit mix of earnings

 Note: Numbers might not add up due to rounding

Free cash flow

Free cash flow up by USD 69 million

Free cash flow and conversion over net income

USD m	2023	2024
Net income	**110**	**179**
Depreciation & amortization (D&A)	30	36
Change in net working capital and other[1]	5	1
Net cash provided by operating activities	**145**	**216**
Capital expenditure (net)	(36)	(38)
Other[1]	0	0
Net cash (used in) investing activities excl. M&A	**(36)**	**(38)**
Total free cash flow	**109**	**178**
% conversion over net income	99%	99%

1 For a detailed breakdown, please refer to the “Statements of cash flows”.

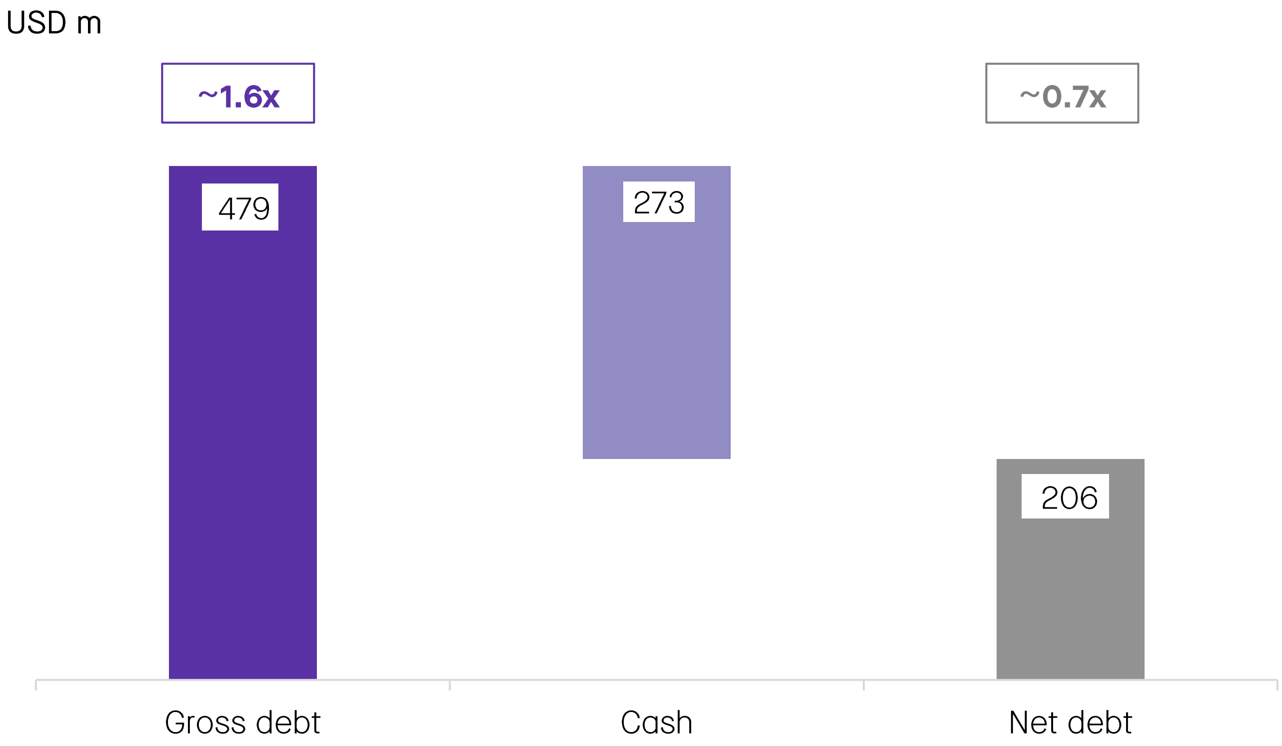
Highlights

- Very strong conversion in H2 of more than 160% propelled full-year conversion to a healthy 99%
- Strong cash collection kept working capital stable despite significant volume growth
- Normalized throughput resulted in lower purchasing volumes, respectively a decrease of payables
- Inventories slightly up vs. FY23, driven by a shift from air to sea transport for a portion of the new business, to reduce costs and emissions
- Capital expenditure reflecting continued investments in Swiss, Italian and Chinese factories to optimize/expand our production capacities

Capital structure

High cash generation resulted in lower net leverage despite two bolt-on acquisitions

Leverage (x LTM operational EBITDA[1] as of 31 Dec. 2024)



Highlights

- Net leverage further down to ~0.7x, despite M&A-related investments of USD 56 million
- Dividend of CHF 1.25 per share to be proposed to AGM
- Dividend payout ratio of 76% of reported net income after minority interests
- Commitment to solid capital structure and effective capital management

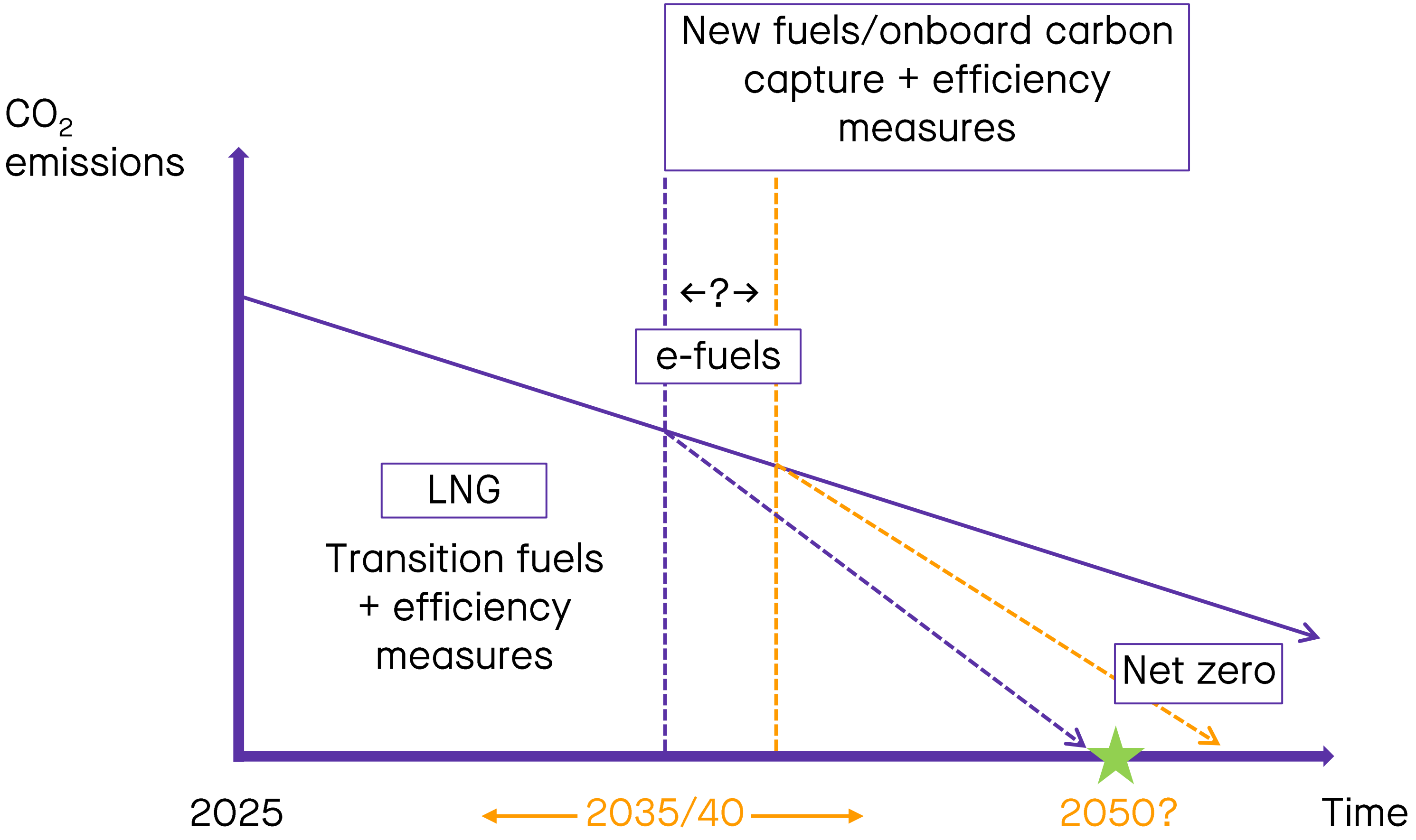
Note: Numbers might not add up due to rounding
1 Corresponding to USD 293 million.
Non-U.S. GAAP financial metric

05

Market and outlook 2025

Decarbonization: It's unclear when new fuels will arrive

Since e-fuel availability is uncertain, LNG is becoming the temporary fuel of choice



Marine decarbonization

- New fuels + efficiency measures are a must to reach net zero
- Unclear when new e-fuels will be available at scale
- Transition fuels (e.g., LNG) + efficiency measures allow for a limited reduction of CO_2 emissions
- Stronger-for-longer gas (LNG): for how long?

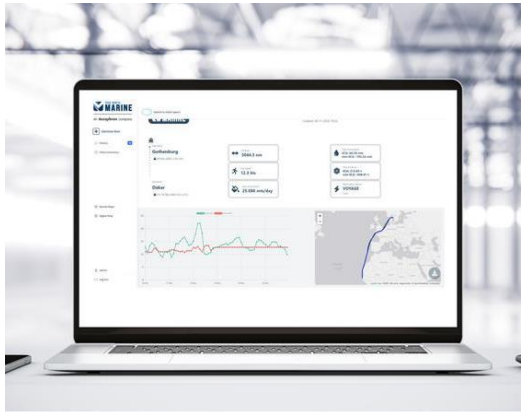
New fuels: Costly with massive infrastructure needs

No silver bullet when it comes to fuel selection to transition to net zero in marine

	Transitional fuels LNG	New fuels Bio and e-methanol	 Blue and e-ammonia
Fuel cost	Low	Very High	High
Availability	Widely available	Only limited bio-methanol available, hardly scalable; e-methanol not available yet	No blue or e-ammonia available yet
Short-term potential	Supports further decarbonization and ensures compliance at least until 2035	Fast enough ramp-up of e-methanol and sufficient availability unlikely short to medium-term	Fast enough ramp-up and sufficient availability of blue and e-ammonia unlikely short to medium-term
Long-term potential	Requires technically and commercially viable onboard carbon capture and storage (CCS); alternatively: retrofitting for new (e-)fuels	Depends on speed of massive infrastructure ramp-up, incl. hydrogen eco-system	

How can the marine industry decarbonize?

Accelleron offers solutions for efficiency measures and new-fuel applications



Operational efficiency

- Measures such as speed optimization, routing, loading
- Low initial investment

Accelleron offers digital solutions like Tekomar XPERT and TNM

Technical efficiency

- Measures such as retrofits, hull and propeller coating
- Requires recurring investments

Accelleron offers retrofits and service agreements

New fuels

- Engines running on new fuels
- Dual fuel engines as bridge through the transition

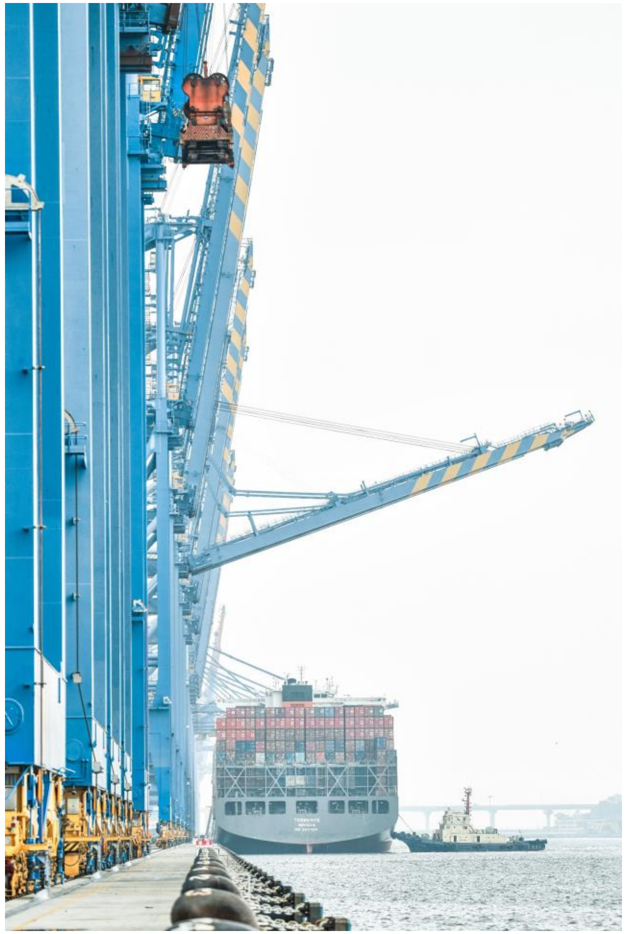
Accelleron offers future fuel-ready turbochargers and fuel injection systems

Marine: Decarbonization drives renewal and retrofits

Opportunities lie in dual fuel vessels, retrofits, and full-cover service agreements

Ship new-build activity

- Decarbonization drives fleet renewal
- Full orderbooks for shipyards and high share of newbuilds for dual fuel capable vessels
- Only moderate shipyard capacity increase expected, esp. in CN
- Opportunity to further increase market share in dual fuel capable vessels

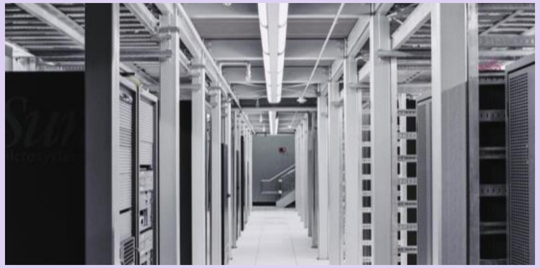


Service activity

- Decarbonization increases interest in retrofits and upgrades
- Digital solutions are an enabler for retrofits and upgrades
- Overall service activity is healthy
- Ship scrapping could increase if Red Sea traffic normalizes
- Opportunity to offer more retrofits and full-cover service agreements

Energy: Trend toward more flexibility and resilience

Opportunities lie in decentralized power generation, data center backup power

	Decentralized power	Backup power
		
Technology	Different technologies viable, one being turbocharged, gas-fueled combustion engines	Diesel-fueled combustion engines
Market trends	Increasing electricity demand and electricity grids at the limit (countries with weak grid infrastructure and/or strongly increased demand)	Growth in data centers as critical infrastructure for AI and streaming
Opportunities	Opportunities for fixed onsite power generation or mobile rental power	Increased demand for backup/emergency power

Outlook 2025

Marine and energy industries

Marine (>50% revenues)

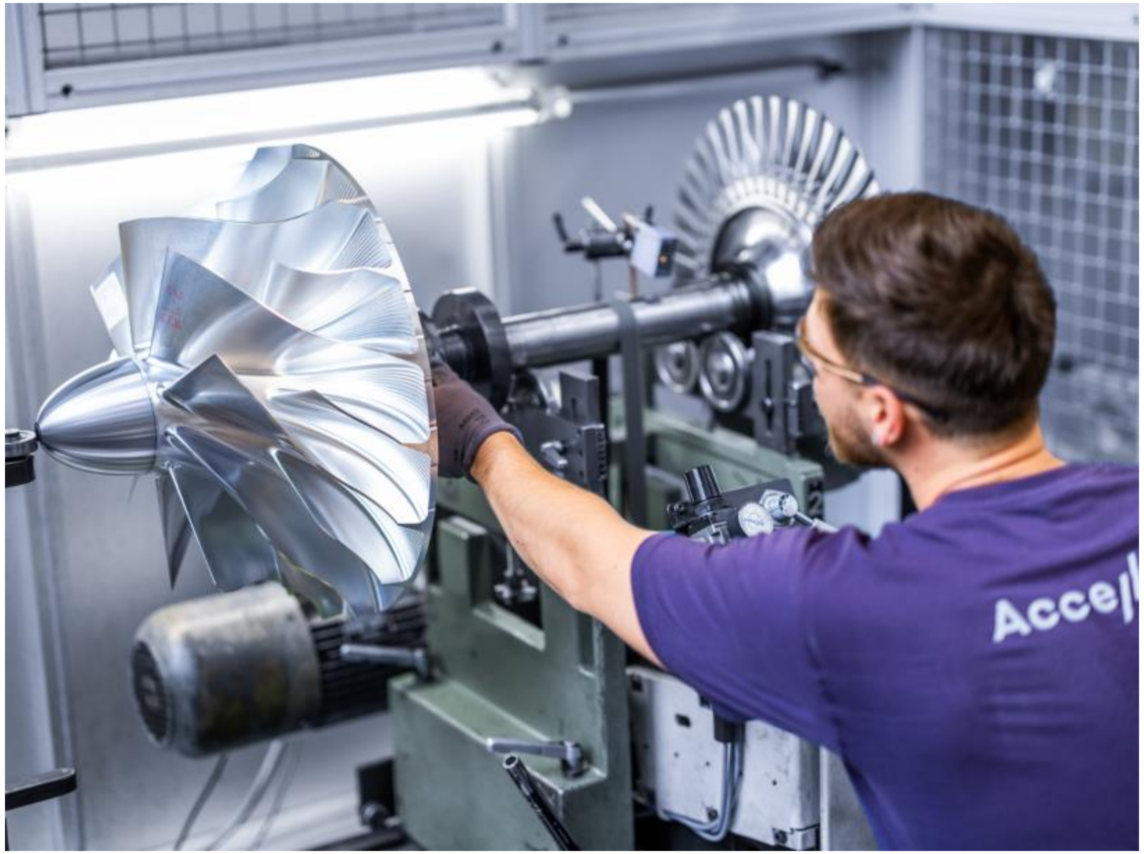
Container	**Tanker/bulker**	**Cruise & ferries**	**Specialized**

Energy (>40% revenues)

Gas compression	**Medium-speed power**	**High-speed gas power**	**Backup power**

Economically and environmentally sustainable growth

Remaining at the forefront of industry advancements



- Continue to invest in R&D, especially for new-fuel applications
- Meet significantly increased demand for advanced fuel injection systems
- Roll out comprehensive marine digital offering
- Strike a balance between ESG criteria, geopolitical climate, and trade complexities to further strengthen the supply chains and footprint

Financial guidance 2025

Geopolitical uncertainties make forward-looking statements difficult

	2025	Mid-term[1]
Revenues growth	4-6% (total revenues)	2-4% (organic[2] revenues)
Operational EBITA margin[2]	25-26%	23-26%

Capital framework unchanged	
Free cash flow conversion[2]	90-100%
Net leverage[2]	0.5-1.5x
Dividend policy	Stable to growing dividend[3]
M&A	Selective and disciplined approach
Share buyback	Return of excess cash unless M&A opportunities materialize

1. Referring to mid-term period of 4-5 years.
2. Non-U.S. GAAP financial metric, as defined https://accelleron-industries.com/investors/performance-measures.
3. Barring unforeseen events. The ability to pay dividends remains subject to the availability of sufficient distributable reserves, as well as certain other legal and contractual restrictions applicable.

Q&A

We are now happy to take your questions

For more, contact:

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