



01

Company overview



[Back to main menu](#)

Letter to shareholders	5
Accelleron at a glance	7
Highlights	8
Strategy	10
Interview with Daniel Bischofberger	12
Interview with Klaus Heim	15
Interview with Annika Parkkonen	17

Dear Shareholders,

In the financial year 2023, Accelleron performed strongly and laid a new foundation for our future prospects: we completed our spin-off to become a standalone business and further improved our resilience and operational robustness. With the acquisition of OMT (Officine Meccaniche Torino) and targeted action to introduce innovations, we strengthened our market position, significantly contributing to the decarbonization journey of the marine and energy industries.



Oliver Riemenschneider
Chairman of the Board of Directors



Daniel Bischofberger
Chief Executive Officer

Strong financial performance and one-off costs in line with guidance

Our financial performance for the first full year as an independent company was strong. Our revenue growth (including OMT) to USD 914.9 million, up 17.2% over the reported prior year and up 15.5% organic¹, demonstrates that we are well positioned to capitalize on market opportunities.

In 2023, we saw a strong operational EBITA margin of 24.4%, and our operating cash flow grew by 8.8%. At the same time, lower net income due to one-off costs related to the build-up activities and higher net debt due to the OMT acquisition were well in line with our expectations.

Actions taken to address supply chain challenges and operational efficiencies were successful, resulting in improved top-line growth and profitability. We also continued to adjust our inventory levels during this period and, thanks to a strong cash collection in the second half of the year, we significantly improved net working capital and consequently free cash flow conversion to 99.2%.

Our net income decreased by USD 19.8 million, or 15.3%, to USD 110.0 million compared to the prior year. This decrease was driven by significantly higher costs, mainly by USD 75.0 million of one-time and other non-operating costs related to the build-up activities.

The separation from ABB was completed fully on schedule. Already in July, the last group of our entities completed their onboarding to Accelleron's Enterprise Resource Planning (ERP) systems.

Seizing the positive momentum in our markets

Looking at our markets, the marine industry has continued to perform well, with a strong pipeline of shipbuilding orders driving increased demand for dual-fuel installations. This trend is a direct response to the new regulations of IMO, the UN International Maritime Organization, which updated the Green House Gas Strategy at the Marine Environmental Committee meeting in July (MEPC80). Zero-carbon emissions are now to be achieved by around 2050, up from the previous target of halving emissions by that date. Additionally, by 2030

emissions need to be 20% lower than in 2008. The updated environmental targets are a positive step for both the industry and Accelleron, supporting trends in new shipbuilding for more dual-fuel engines as well as service retrofits and upgrades for the existing fleet, while also having positive effects on the world's decarbonization efforts.

For the time being, uncertainties about the future impact of these targets on the modernization of the large global active fleet still remain.

The global energy sector is also developing positively, with strong demand for Accelleron products and services specifically from gas-compression facilities in the US. Demand for Accelleron's products and services increased in high-speed power applications, while the service business grew in medium-speed power applications, but without recovery in the product business.

Progress in strategic focus areas

Our corporate purpose of "accelerating sustainability in marine and energy" provides us with clear long-term direction. The decarbonization journey is fundamental to our strategy and future, and in 2023 we intensified our efforts to reduce carbon emissions both for our customers and across our own operations in line with global sustainability goals.

Our continued investment in research and development, particularly also for our turbochargers, has kept us at the forefront of the industry, allowing us to expand fuel capabilities for engine platforms. Accelleron remains the clear technology leader in this area, delivering the highest levels of efficiency across the operating spectrum.

¹ Certain alternative performance measures are used by the Company to evaluate performance. Refer to "Supplemental information" section of this report for a detailed description.

The acquisition of OMT, the market leader in two-stroke fuel injection, was another major milestone for our company. This transaction reinforces our position as the partner of choice for the OEM engine builders and leading innovator in the development of large marine engines and other heavy-duty applications using alternative fuels such as hydrogen, methanol, and ammonia. It also expands our technology and services offering, enabling us to deliver advanced solutions for decarbonization and adaptation to new fuels.

We also expanded our service and digital offerings to ensure efficient engine operation and asset value protection in the context of the IMO Carbon Intensity Indicator (CII) rating for ships. Our focus on emerging business and technology opportunities, particularly in digital solutions, has led to valuable collaborations and investments that will fuel our growth and innovation pipeline.

With this strong role as an enabler of decarbonization, we are also fully committed to reducing our own environmental impacts. To underline our commitment, we have not only linked executive incentives to scope 1 and scope 2 emissions targets, we have also extended them to include indirect emissions across our value chain. By integrating scope 3 emissions into our executive incentive program, we are reinforcing environmental accountability at every level of Accelleron. Our recent commitments to the Science Based Targets initiative and the UN Global Compact underscore this ambition.

Continued investor support

Accelleron's rapid progress has allowed us to propose an increased dividend for 2023 and to review our capital allocation framework for the coming years. We aim to maintain an attractive, stable-to-growing dividend, returning excess cash also through share buybacks. Overall, we are focused on delivering attractive total shareholder returns, have a clear R&D focus on efficiency improvements and decarbonization and remain open to pursuing M&A opportunities, should they create long-term value.

The year under review saw significant changes in our shareholder structure. Large initial shareholders, Investor AB and Cevian, each reduced their shareholdings below the 3% reporting threshold, leading to an even broader shareholder base.

Looking into the future

Overall, we have achieved strategic progress, improved operational excellence and sustainable growth. None of this would have been possible without our talented and dedicated colleagues, who redefined what is possible and have set us up for the future. Thank you!

Looking forward, we are excited about what lies ahead. 2024 is a proud year for both our industry and Accelleron, marking the 100-year anniversary of when Alfred Büchi and Brown, Boveri & Cie (the predecessor to our company) produced and delivered the world's first turbocharger.

While a lot has changed in the past century, our focus on quality, innovation, sustainability and market expansion remains and will drive our success in the years to come.

Enjoy reading our financial and sustainability report and thank you for your continued support and confidence in Accelleron!

Yours sincerely,



Oliver Riemenschneider
Chairman of the Board of Directors

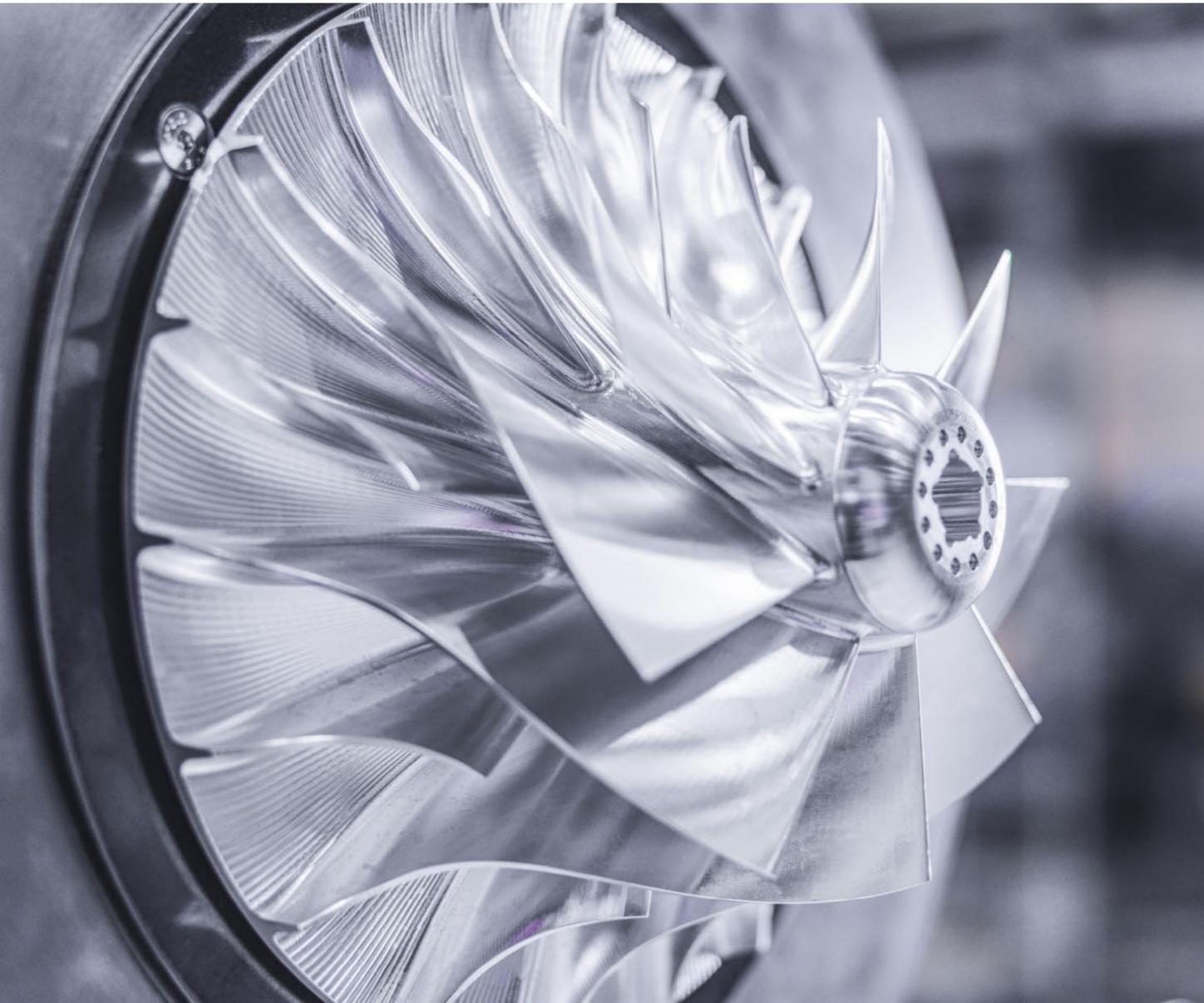


Daniel Bischofberger
Chief Executive Officer

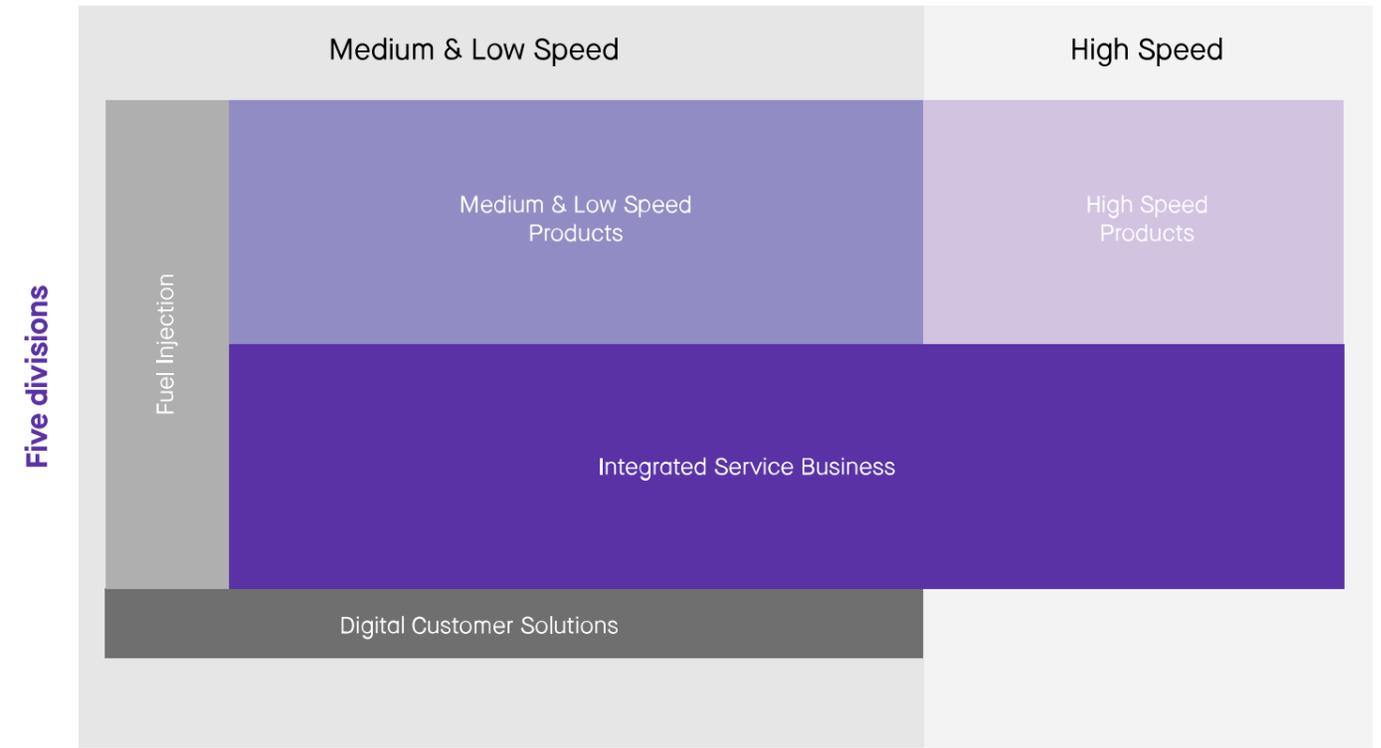


Accelleron at a glance

Accelleron's technology gives engines an extra boost in performance to improve their fuel efficiency and thus reduce their environmental impact by generating fewer emissions. The Company designs, manufactures, sells and services highly customized turbochargers and fuel injection equipment for heavy-duty applications.



Two reporting segments



Accelleron reports its business into two segments: Medium & Low Speed and High Speed. They both cover product business as well as the integrated service business. The service business relies on the value chain of the respective segment's product business, while operating as an overarching global service network. From an operating perspective, the business is organized in five operating divisions: two product divisions, one service division, one Digital Customer Solutions division and the latest addition, Fuel Injection. Digital Customer Solutions and Fuel Injection report into the Medium & Low Speed Segment as their application is primarily related to the Medium & Low Speed segment.

As a focused specialist with a comprehensive product and service range, Accelleron produces heavy-duty turbochargers ranging from 100 kg to 10 metric tons and from 500 kW to 30,000 kW as well as fuel injection equipment for large medium-

and low-speed engines. All main markets from marine and energy to off-highway vehicles are exposed to the megatrends of decarbonization and digitalization, both of which provide vast opportunities.

With its products, Accelleron is the undisputed leader in turbocharging mission-critical applications. The Company's operations are based on a foundation of almost a century of making significant and continuous investments in technology, partnering with original equipment manufacturers (OEMs), end-users and an unrivalled global service network, and a unique service culture that will never let customers down.

Highlights

Q1

100 days on the stock exchange (Baden, Switzerland)

January 16. Accelleron celebrated 100 days on the SIX Swiss Stock Exchange with an event attended by representatives from local government, associations, media, research, education, technology partners, and investors.

Vadodara inauguration (India)

March 24. The Company inaugurated its new facilities in Vadodara with over 100 distinguished guests. This inauguration underlined Accelleron's clear commitment to continue to invest and grow its presence and impact in India.

Annual Report (Baden, Switzerland)

March 29. Accelleron announced its first full year results as a listed company, with revenues and operating profit exceeding expectations.



Oliver Riemenschneider

Daniel Bischofberger

Adrian Grossenbacher

Q2

Annual General Meeting (Baden, Switzerland)

May 9. Accelleron welcomed over 350 shareholders to its first Annual General Meeting. The shareholders approved all the Board's proposals by a large majority and unanimously approved and elected the Board members.

CIMAC Congress and ACCX300-L product launch (Busan, Korea)

June 12 to 16. As a Platinum Sponsor, Accelleron was well represented during the CIMAC Congress in terms of thought leadership, hospitality, and innovation. The Company launched its next-generation low-speed turbocharger, the ACCX300-L, with the theme "Turbocharging reimagined".

Sustainability Report (Baden, Switzerland)

June 30. The Company's first sustainability report emphasized Accelleron's commitment, and accelerating sustainability in Marine & Energy has become the Company's corporate purpose.



Q3

OMT acquisition completed (Turin, Italy)

July 20. Accelleron completed the acquisition of OMT, the world leader in two-stroke fuel injection systems. This consolidated the Company's commitment to growth and innovative solutions for its customers in their transition to zero-carbon fuel technologies.



Q4

Partnership agreements (Germany and Greece)

Early October. Accelleron signed agreements with M.A.C. and Metis Cyberspace to maximize customer value in the use of data in the maritime industry.

1-year-anniversary (worldwide)

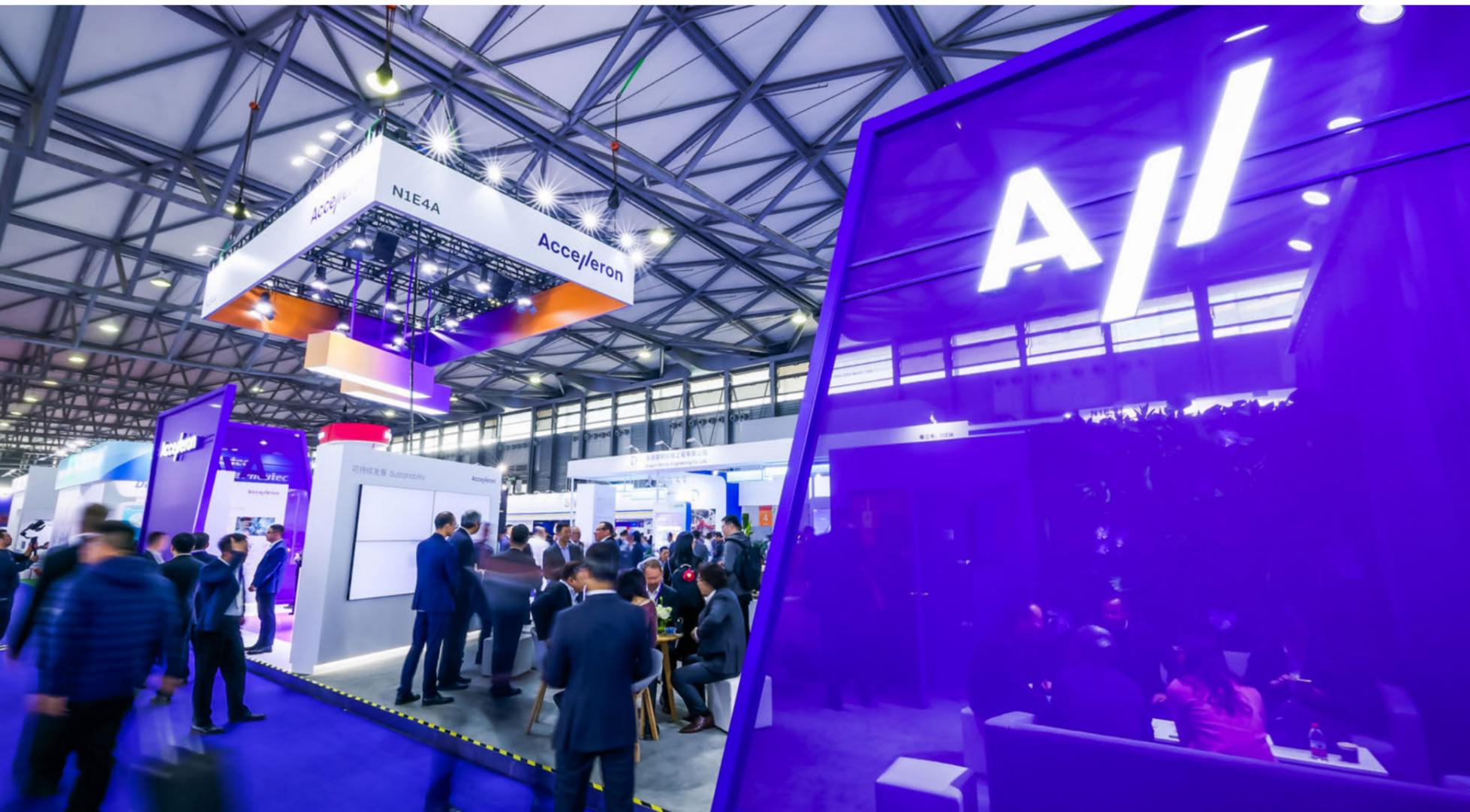
Accelleron celebrated its 1-year-anniversary around the world.

E-fuel survey (Baden, Switzerland)

October 12. In a survey among 200 maritime decision-makers, commissioned by Accelleron, high expectations of the introduction of e-fuels were revealed: 92 percent expect a significant contribution in reducing greenhouse gas emissions and 68 percent expect a competitive advantage through using e-fuels.

Marintec and cooperation agreements (Shanghai, China)

December 5 to 7. At Marintec, Accelleron signed a strategic agreement on decarbonization and low carbon fuels with the China Classification Society and a letter of intent with CCS and CPGC for engine optimization projects.



Higher efficiency, lower emissions and best power density – with today's and tomorrow's fuels

Accelleron's success is based on two main pillars: the Company's best-in-class technology and its global service footprint, caring for our customers with the optimal solution 24/7 all around the world.

Through its technological leadership, Accelleron is the preferred partner for internal combustion engine original equipment manufacturers (OEMs). The Company helps them achieve world-class power densities, up to 25% higher compared to the closest peers, and up to 2% better efficiency, lower emissions and optimal reliability. The recent acquisition of OMT further puts Accelleron at the forefront of development with new zero-carbon fuels. Superior R&D capabilities are the key driver for this: every year Accelleron invests about 6-7% of its annual revenues in R&D – irrespective of the economic cycle.

The second main pillar is the Company's global service network. Every year, Accelleron supports more than 5,000 end customers around the globe by providing more than 500 trained service engineers in over 100 locations. They are supported 24 hours per day 365 days per year from the global spare parts center in Switzerland enabling deliveries in 48 hours at every airport in the world. With its

strong and growing digital capabilities, Accelleron enables remote monitoring, predictive maintenance and digitally enabled business models.

Accelleron is a truly global player. 35.4% of its revenues comes from Europe and 40.9% from Asia, the Middle East and Africa (AMEA), where most of the new ships are built and maintained. In the Americas region, which accounts for 23.7% of its revenues, the major markets are cruise ships, gas compression and power. In the power industry, Accelleron's products are operated in a variety of applications, including base-load power for remote locations, balancing power (e.g. to compensate for fluctuating electricity supply generated from renewables) and back-up power (for the likes of hospitals and data centers).

The largest location in Switzerland covers the key functions that benefit from close cooperation: the global service center, R&D and the European sourcing hub (the main manufacturing site).

Accelleron has further production and sourcing sites in China and India. The OMT factory in Torino, Italy with 260 employees has become the third largest site in the group.

Accelleron cares for its customers

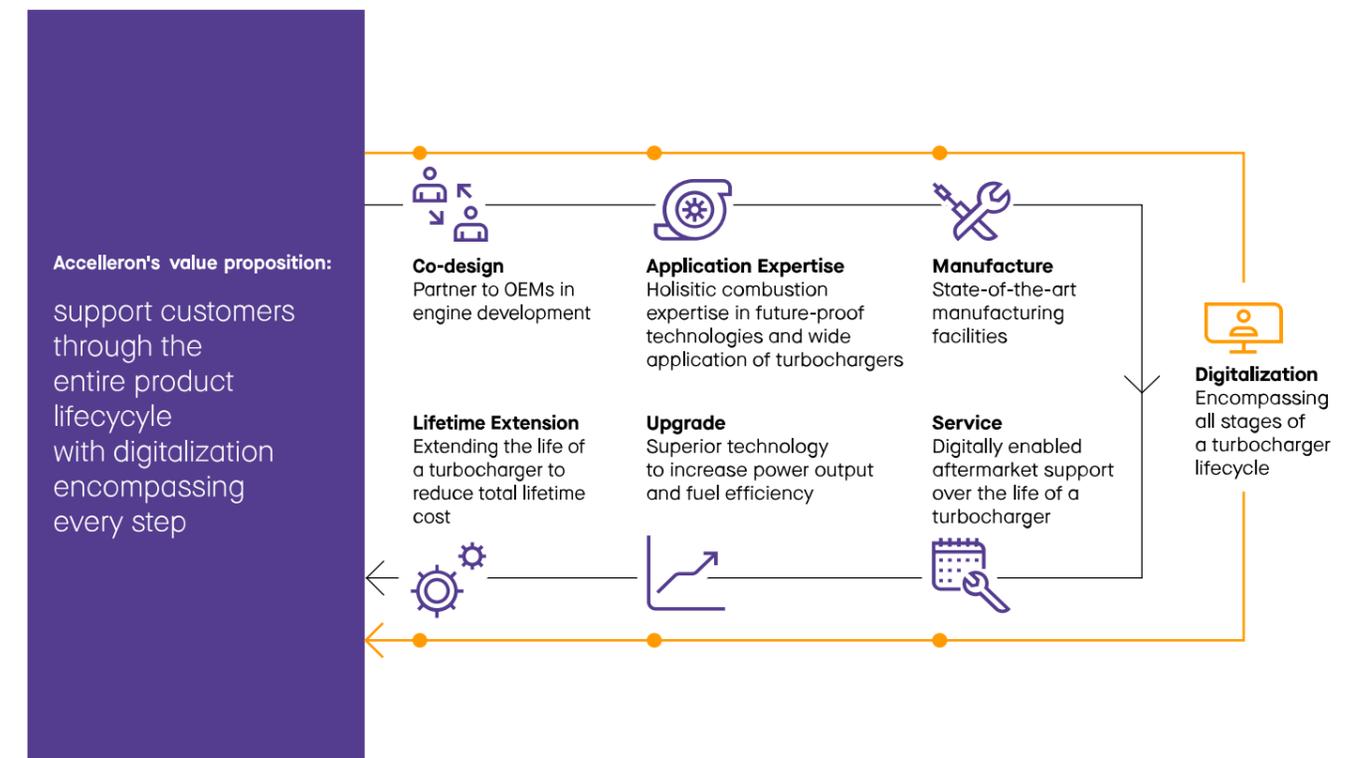
Service is at the very heart of everything the Company does. It starts out by designing turbochargers in close coordination with engine OEMs to develop the best-performing combustion engines. Accelleron's application engineering experts also collaborate closely with OEMs to tailor turbocharger specifications to every single installation. And not only that, they also work to optimize end users' cost of ownership by offering upgrades and lifetime extensions. Digitalization encompasses all steps of a turbocharger's lifecycle, improving transparency and effectiveness both for Accelleron and its customers.

In the market-leading service business, the Company operates its own global sales and service network, which plays a huge role in setting Accelleron apart from its peers. The mission is to offer turbocharging services and solutions that help

the customers be successful in their businesses. Through its own network, Accelleron can provide turbocharger services and spare parts from a single source. This helps Accelleron develop a "full cover" service model for its customers, which includes lifetime service agreements and digital offerings.

Accelerating innovation

The Company's technology and service excellence are all down to 2,800 highly dedicated, skilled and passionate employees, all of whom have clear and aligned goals – reinforcing the Company's competitive leadership position. Accelleron's technological leadership is further enhanced due to best-in-class R&D capabilities and a portfolio of about 120 patent families. The latest example, announced in 2023 is the ACCX300, that reimagines turbocharging for large engines, providing the end-user with higher flexibility in operations, in fuels and in service.





Four growth pillars

Accelleron's strategy is to outgrow its markets and competitors, leveraging the Company's superior products and technology as well as leading market position and service network, all the while continuing to deliver best-in-class margins, cash conversion and capital deployment. The strategy is based on four growth pillars:

1. Increasing the Company's market share in the core markets marine and energy
2. Growing service business by increasing the focus on lifetime service contracts and digital offerings
3. Enabling and supporting its customers in the transitioning to natural gas and green fuels, with the best turbocharging system and the best fuel injection solutions for single fuel engines as well as the growing market of dual fuel applications, e.g. running on diesel and LNG, methanol or ammonia
4. Expanding organically and inorganically into adjacent areas, where Accelleron could stand out thanks to the technical leadership and service network, e.g. software and engine components with high service intensity

Megatrends creating opportunities for Accelleron

All main markets of Accelleron from marine to energy to off-highway vehicles are exposed to the megatrends of decarbonization and digitalization. These megatrends are opening up huge opportunities for Accelleron. Take the marine sector, for example: if the maritime industry was a country, it would be the world's sixth largest CO₂ emitter, just after Japan and before Germany, generating one billion metric tons of CO₂ emissions annually, or 3% of the global CO₂ emissions. Annual fuel consumption is three billion barrels of oil equivalent, similar to the aviation industry's annual fuel consumption.

Turbochargers can bring about a 10% improvement in large engine efficiency, leading to gains in both marine propulsion and in the energy industry. This is equivalent to taking at least 40 million cars off the

road in terms of CO₂ emissions and thereby creating USD 10 to 20 billion in annual fuel savings. In this context, Accelleron turbochargers boost efficiency by up to 2% in comparison to the next best competitor.

To achieve net zero targets in the Company's key markets, using green fuels is a must. Since they cost significantly more, Accelleron's key competitive advantage of higher efficiency turbochargers will be accentuated even further. Already today, Accelleron has a significantly higher market share in turbochargers for natural gas and is a leader in pilot applications in future fuels such as green methanol and hydrogen. For fuel injection equipment dual fuel engines represent a big opportunity as the delivery scope per engine is significantly increasing.

Digital offerings are a continuous requirement. They also have a significant positive impact on the Company itself and its customers' business as they increase the efficiency and transparency of internal business processes and facilitate customers' interactions with the Company. Accelleron has introduced LOREKA, a customer portal, where clients receive all the relevant information about their installed turbocharger base and can interact with the Company around the clock. Digitalization reduces customers' equipment lifecycle costs, whether they are incurred for turbochargers or combustion engines. Accelleron's user-friendly Tekomar XPERT platform provides simple recommendations for improving the performance and emissions not only of engines, but also of hulls and propellers too.

Accelleron is continuously developing digital twins of its turbochargers based on physical modeling and big data. Thanks to the digital twin and sophisticated data analytics capabilities, the Company can offer its customers paid-by-the-hour service agreements with condition-based and predictive maintenance features, all of which cut lifecycle costs and increase uptime.

“Our growth opportunities are closely linked with the global energy transition.”

Accelleron CEO Daniel Bischofberger discusses the achievements and challenges of the financial year 2023 and shares insights on the transformational changes ahead in Marine & Energy.

What is your perspective on 2023?

We made significant progress and performed well as an independent mid-size company, achieving impressive revenues growth of 17.2% (15.5% organic¹). Despite the challenges posed by our separation from ABB, we maintained our non-operational cost for separation and build-up activities within our guidance at USD 81.8 million (excluding OMT USD 75.0 million) and concluded all transitional service agreements with ABB by the end of July.

One clear highlight was the acquisition of OMT in July 2023, which not only strengthens our core and market position, but also underscores our commitment to accelerating decarbonization in marine and energy.

Reflecting on the year, what surprised you most compared to your initial expectations, and what went exactly as you anticipated?

Embarking on this journey for the first time, every carve-out is unique and our experience has been no exception. We defined our purpose and developed our company strategy, but also made significant

operational progress. I'm grateful to our employees for their outstanding work in a challenging year. Our initial expectations, based on no prior experience, naturally differed from reality. The team's flexibility in adapting to these changes, which often involved extra work, has been commendable. A good example of our success on this journey was the record rollout of our new ERP system across 50 countries within 15 months. While the system isn't perfect, we deliberately chose to terminate all transitional service agreements as early as possible. We're now focused on streamlining processes, aiming for a lean approach suitable for a mid-sized company, with a lot of freedom to build our business. We're currently working to reduce overreliance on service providers and suppliers, further improving on-time delivery, handling more tasks internally and simplifying processes.

And financially?

We exceeded expectations. Our strong revenue growth to USD 914.9 million, up +17.2% vs. reported last year, proves that we are on the right track with our market positioning and are well prepared to take advantage of market opportunities. Operational



EBITA increased by an impressive +16.3% and our cash flow from operating activities was up by +8.8%. At the same time, we expected lower net income due to one-off costs related to the spin-off and higher net debt due to the OMT acquisition.

What innovations were seen in 2023 and what can we expect in the near future?

Our growth opportunities are closely linked with the global energy transition, driven by technologies that promote decarbonization. This requires a robust R&D effort, with investments that drive innovation critical to meeting the growing demand for more sustainable technologies and propulsion systems. Current areas of focus include the wider use of low-carbon fuels, the introduction of “green ammonia” in engines, partnering with engine OEMs on full hydrogen combustion, the development of fuel cell charging systems and the advancement of additive manufacturing (3D printing).

Complementing these efforts is the launch of our new ACCX300-L, a next-generation turbocharger line designed for large 2-stroke main propulsion combustion engines. It addresses new challenges in fuel flexibility, offering high efficiency across load ranges and improved service adaptability. Our approach now allows low-speed turbochargers to be serviced not only in dry dock, but also while in port, thanks to our comprehensive coverage concept. In addition, the ACCX300-L's digital capabilities enable remote monitoring, flexible service contracts and optimization of turbocharger performance to improve vessel efficiency. The launch of this new product is planned for the end of 2024.

¹ Certain alternative performance measures are used by the Company to evaluate performance. Refer to “[Supplemental information](#)” section of this report for a detailed description.



We also continue to enhance our existing offerings to ensure they are in line with our commitment to a sustainable and efficient future.

What does the OMT acquisition mean for Accelleron?

OMT shares many similarities, including serving the same OEM engine builders in the marine and engine-building sectors. Two elements are key to engine performance: air, managed by turbochargers, and fuel, managed by injection. Injection is of increasing importance in the decarbonization era, as adapting to new fuels poses greater challenges for fuel injection than for turbocharging. In addition, this business has added value and significant market growth potential due to new fuels that make fuel injection more complex and essential for engines. We expect this market to grow significantly faster than turbocharging, as the proportion of ships ordered with dual-fuel engines (vs. single-fuel engines), which require two independent fuel injection systems per engine, will increase significantly over the next 10 years due to the new IMO target of achieving net-zero by 2050. Recognizing this trend and the resulting potential shortage in industry capacity, we are investing in OMT's capacities to meet the growing demand.

What was the market reaction to the changes at Accelleron in 2023?

There is a lot of uncertainty in the market about the path forward for the energy transition. That is why our customers have had a very positive response to the flexibility of the ACCX300-L, as well as to OMT's fuel injection expertise. We are seeing a significant shift both in the engine and turbocharger sectors, where the primary focus is now on preparing vessels for the adoption of new net-zero fuels like methanol and ammonia. Similarly, in the energy sector, there is a concerted effort to align our strategies with the emergence of hydrogen. All in all, our flexibility and the options we provide have been very well received by customers.

Is the energy transition being driven solely by regulators?

No, all stakeholders are involved. It is the collective responsibility of shipbuilders, engine manufacturers, the fuel industry and their suppliers to meet new regulatory requirements. Recently, the IMO and member countries agreed to an updated IMO Green House Gas Strategy. The next step is to identify the regulatory measures that will enable the industry to reach the targets. These measures will drive energy efficiency and adoption of new fuels – where Accelleron is well positioned to provide solutions to both areas. At Accelleron, we are working to further strengthen ties with key stakeholders in the decarbonization journey.

Were you surprised that the IMO adopted more ambitious decarbonization targets?

Given that the shipping industry contributes 3% of global carbon emissions, there is a clear need to commit to net zero. While the industry previously targeted a 50% reduction, this is no longer acceptable. Despite the challenges, this shift was expected and necessary. It's encouraging that all member states have agreed. Now it's important to establish clear rules and regulations that ensure a level playing field without loopholes so that we can move forward effectively.

Given that ships have a lifespan of 25 to 30 years, does the 2050 deadline seem too soon?

Any realistic approach to this challenge highlights the fact that battery-electric solutions are not deemed suitable for most of merchant marine fleet, especially deep-sea, long-range voyage. The development of new e-fuel or synthetic fuel ecosystems, starting with renewable electricity for electrolysis, is crucial for achieving the 2050 environmental targets. This challenge extends beyond shipping to aviation, fertilizer and steel production, industrial heat and power generation, all of which rely on large-scale green electricity and hydrogen production. With less than 30 years to implement these changes, rapid and decisive action is essential to achieve the 2050 targets, underscoring the need for immediate cross-sector collaboration.

A survey of more than 200 decision-makers that we conducted in the second half of 2023 confirms that the shipping industry, acknowledging the viability of e-fuels, is planning to invest mainly in retrofitting existing vessels as a medium-term strategy. The key challenge is to scale up the production, transport and storage of e-fuels, which will require significant investment in infrastructure. Success in this endeavor requires not only optimizing the regulatory framework and preparing the infrastructure, but also creating a favorable investment climate. Collaboration across industries, governments and international organizations is critical to this complex task.

What stages do you see in the decarbonization process?

We must recognize that transitioning to zero carbon by 2050 is a gradual process, not an immediate transformation. Currently, around 50,000 ships need to be adapted to meet carbon reduction targets, requiring investments in efficiency and biofuel readiness. We can't wait for green e-fuels to become widely available; transitional fuels such as natural gas or blue ammonia, which uses carbon capture technologies to convert fossil ammonia, may be necessary to gradually reduce our carbon footprint. We also need to find solutions for existing ships, given the merchant marine's crucial role in global trade and the impracticality of replacing 50,000 ships quickly. Both short- and long-term solutions are required, considering the current infrastructure.

What steps is Accelleron taking?

Efficiency is becoming increasingly important. This includes adapting to new fuel injection systems that require significant investment. Following our acquisition of OMT, we're investing in a new test center, R&D capabilities and capacity for these injection systems. We're also educating others about the energy transition, emphasizing the importance of understanding the challenges and taking action, not just talking. Our message is clear: it's time to act, and we are committed to meeting these challenges.

How do you view the future in power generation in the coming years?

In power generation, renewables like wind and hydro play a leading role, but the intermittency of their nature requires storage solutions, such as batteries and pumped storage, particularly in places like Switzerland. However, these solutions can't meet the entire demand for power, making a range of balancing strategies essential, with thermal balancing being the most important. Looking ahead, fuels like hydrogen are promising, but there's still much that is up for debate and a lack of clarity about the path forward. This uncertainty hinders investment, so it's crucial for the industry and policymakers to reach an agreement on the way forward.

What role do oil and gas play?

The outlook for gas compression has evolved significantly. Today, it is recognized that we can't abruptly transition from fossil fuels to renewables. Fossil fuels clearly have a role to play. They remain necessary, with gas being a better option than liquid diesel or coal. Investment in gas infrastructure, particularly LNG, is crucial. The limitations of pipelines, highlighted by recent events involving Russia, have shown the need for more flexible gas transportation methods. LNG, which can be transported efficiently, is a solution that should have been adopted 20 years ago. The demand for LNG in sectors like power generation and marine will certainly grow, and it will remain relevant for the next two decades.

How is Accelleron developing in the digital field?

As a mechanical engineering company, we've successfully integrated digital aspects into our products. This includes adding digital features to turbochargers, such as remote monitoring and service contracts based on usage data. We also offer software as a service to help customers optimize ship performance and comply with carbon emission standards, especially for the 50,000 ships that need end-of-life compliance solutions. We're expanding our software suite to become a more comprehensive partner in the discussion of ship performance, focusing not just on turbochargers

and engines but on broader aspects of the ship. This strategic expansion strengthens our position as a key partner for our customers to help them meet the challenges ahead.



Injecting new energy

The fuel injection specialist Officine Meccaniche Torino S.p.A. (OMT) joined the Accelleron Group in the summer of 2023.

The Company's new CEO, Klaus Heim, explains the business and the prospects it offers to Accelleron.

Can you begin by telling us the size of OMT's business, in terms of people and assets?

OMT was a fairly small, family-run business in Italy until the acquisition in 2023. We have around 260 employees, and around 160 of those work on the shop floor of our 40,000-foot factory premises in the industrial zone of Turin, Italy.

A further 80 staff based at the premises, perform all the normal office roles required by a technology developer and manufacturer with an international sales footprint. The remaining employees are in three sales offices – in China, Japan and South Korea.

In 2025, we are planning to build a new technology center a short distance from the Turin factory. We will move the R&D activities and most of our offices into that new building, which will free up space in our existing premises for much-needed extra production space.

What is the business model?

We are one of the leading suppliers of fuel injection systems to the maritime industry, with a particular focus on low and medium-speed engines. Our business model is to develop and supply injection systems for engine OEMs.

In the low-speed segment, leading engine designers like MAN and WinGD largely design their own

engines and fuel injection systems, and sometimes involve us as a partner in development. We are then certified as a supplier to manufacture the components or systems, either directly for these companies or for their licensed engine manufacturers in South Korea, China and Japan.

Another important group of customers are the medium-speed engine OEMs for whom we also provide manufacturing and development services as their first equipment supplier.

Just as for Accelleron, an important segment of OMT's business is aftersales. We manufacture spare parts for the OEMs who have their own spare parts networks or work with appointed distributors. Injection nozzles need to be replaced regularly to maintain performance, meaning the volume of spare parts manufactured is much higher than for new builds. Unlike Accelleron's turbocharger business, we don't need a direct service network – the parts supplied through OEM distribution can be fitted easily enough by the crews onboard.

How will OMT be able to take advantage of Accelleron's presence in service centers across the world?

While there is no need for us to have a service presence across the world, it is useful for us to be able to offer local customer support for our engine OEM customers and their licensees. They

sometimes need support during shop tests or sea trials of their engines, so having a customer support engineer from OMT on the ground is very helpful. Historically, we had to send support personnel from Italy, but now we can team up with Accelleron and utilize the global network to provide local support in countries where our customers build their engines.

How else will OMT be able to improve efficiency thanks to being part of Accelleron?

A good example is shared services. OMT was historically a small, family-run business. A lot of the back office services that are typical in larger organizations – departments such as HR, Communications, Legal and IT – were very stretched or weren't really covered by the existing organization. Being able to take on board all those functions at a best-in-class level from Accelleron both improves operations at OMT and very much lightens the administrative load on the managers at

the company, freeing them up to spend more time managing, leading and planning for the future.

How will Accelleron's involvement boost innovation?

We are already looking at how OMT's digital injector technology can be leveraged and combined with Accelleron's digital offering, like for instance Tekomar XPERT. The target of the collaboration between our technical team and Accelleron's Digital Division is to utilize Accelleron's experience and the existing digital platform to accelerate our own progress in digital products and help us overcome some of the barriers to bringing digital products to market.





Can you describe how digital technology might enhance fuel injection?

In the field of fuel injection systems, the injector is the part that offers clear opportunities for improvement through digital technology. We have developed a micro-sensor placed inside the control valve of the injector to measure the actual pressure. This can be used to monitor and evaluate the combustion process in that the back pressure generated in the injector from the combustion chamber allows us to measure and calculate combustion characteristics.

We can then use this sensor to understand the condition of the atomizer and the needle seat, the injection components most likely to wear. This is the basis for condition-based maintenance. Instead of dictating that a component needs to be replaced based on a certain operating time, the actual condition of the injector or nozzle tip can be calculated from the sensor signals, and it can be replaced at the exact time this is needed before it

causes any problems. There can be dozens of injectors in a ship's engine, so checking them manually is tedious and time-consuming. If we can automate and digitalize these checks, this adds real value by reducing costs for the ship operator.

At the moment, the overwhelming demand from engine OEMs is around decarbonization and the need to provide fuel injection systems for alternative fuels such as ammonia and methanol. It is a new generation of products which can also be enhanced by digital technologies.

OMT will continue to operate independently under its own brand name. What is the thinking behind that?

The mention of "brand name" in your question goes to the heart of the answer: OMT is a well-established name within the marine sector. It has been operating continuously as a fuel injection specialist since 1930, so for 94 years. Everyone in the industry knows who we are, what we do, and

about our expertise and heritage in our segment. The OMT brand therefore carries considerable weight.

In addition, many of our customers prefer our independence as they appreciate not being locked into one supplier at multiple levels. It therefore gives our customers the flexibility they require to make separate decisions when it comes to choosing turbochargers and fuel injection systems. It makes sense to maintain our well-established sales channels and relationships.

At the same time, though, where we do have shared customers, we can leverage our relationship with them as a strategic supplier while we continue operating separately in the market as Accelleron and OMT.

“Our sustainability efforts fully align with our purpose”

Chief Human Resources & Sustainability Officer Annika Parkkonen shares her perspectives on the year 2023 and how sustainability and the people strategy contribute to shaping Accelleron’s future.

What milestones in 2023 would you consider to be the most important from the people perspective?

We started 2023 with a common vision and a common purpose and having that North Star was extremely important. We implemented a sustainability strategy to guide our contribution to ensuring a better future and launched a people strategy with 12 strategic initiatives. Additionally, we achieved full independence from ABB, taking over all processes previously supported by ABB. The transition has been challenging, particularly due to the constant change, but we are adapting and moving forward.

Have people viewed the constant change as an opportunity so far?

Absolutely. A good example is our strong ownership, as we created our own corporate values and had different activities around those values. That gives people a deep understanding of who we want to be and how we want to behave as a company. We also launched our new leadership training, which ensures that we live up to our values. On top of this, we ran a lot of events on the health and safety side, such as a full safety month in November with a strong focus on resilience and mental health. We made it a top priority for our management, who all contributed

to our activities and received very positive feedback from all levels of the company.

How was the safety month organized?

We ran activities around six different themes, with members of the Executive Committee and extended management team then hosting or running these sessions. We had good turnout, and one of the takeaways is that people feel committed to safety. It also shows that management is committed to discussing these issues. We received positive feedback about the dialog being very open and honest and about the fact that we have a culture where people can speak up.

What does speak-up culture look like in practice at Accelleron?

The resilience and well-being training and the leadership training are focused on psychological safety – creating a work environment where people feel safe to be who they are and to speak up about issues that are important to them. However, it is, of course, also very much the responsibility of each leader to create an open and honest environment for their teams to be able speak up. In the event of suspected cases of misconduct, we also have our ethics reporting channels in place, which ensure



anonymity. The channels are sometimes used. It shows that people are willing to raise the issues that concern them. Our integrity team continuously raises awareness of these topics, including through internal communication activities.

How do you generally communicate with employees?

We use various communications channels. For example, in Switzerland we have continued a practice of having an employee breakfast where employees can meet with management. Of course, we also have global and local town halls. Having the opportunity to really interact with colleagues is key. We have also enhanced our information pipeline with more content – from strategic initiatives to local events – on the intranet, our internal social media channel and our bulletin boards.

Did lots of new employees join the company in 2023?

This process of having lots of new employees join began in 2022, but we had a lot of new starters in 2023 as well. Since the spin-off we have welcomed

220 new employees on board, meaning that every 10th role at our company previously didn’t exist or is now filled with a new colleague. We have an average tenure of over 11 years within the company. As part of the change, we also saw colleagues leaving; however the attrition rate has now gone back down to lower levels.

What progress did you see in terms of employer branding, and reaching out to job candidates in 2023?

Our employer brand is now much better established in the market compared to 2022. We have, for example, seen very active social media campaigns and have held several events at different universities and schools. We have started our cooperation with Unitech, a consortium between different universities. There are several high-quality technical universities in Europe from which we now recruit trainees, meaning that we have therefore raised our profile.



The overall results of our employer branding show that we have an average of 30 applications per vacancy, with some of them reaching well over 100 applications, which shows that there is a lot of interest in working for Accelleron.

What are the key elements of Accelleron’s employer value proposition?

Our business has played a role in reducing emissions by increasing the efficiency of turbochargers for more than 100 years. The fact that people can contribute to making the planet a better place to live is an important attraction and retention factor. In addition, our continuous progress in using digital technology and AI offers attractive opportunities. On top of that, our company culture is based on trust, empowerment, quick decision-making processes and internal development opportunities. In 2023, we facilitated internally over 10,000 learning hours, which is something that really sets us apart, I think.

What about other factors?

Recently we have seen some companies dropping remote working and returning to the office. We are keeping our numerous local remote working policies, as one of our key values is trust. We trust that our employees are fully committed to their

work. Of course, we recognize that not all jobs can be done remotely, but we are happy to offer the opportunity to those who can in accordance with local legislation. Remote working is a trust-based solution that is working well for us. Communication has also become more important, as colleagues are not close by and do not often simply meet for coffee anymore.

What progress did Accelleron make on sustainability in 2023?

Our sustainability efforts are in the process of being fully aligned with our purpose, meaning defining and communicating our purpose was an important milestone. This year, we integrated sustainability into our company bonus scheme, making it a mandatory part of our short-term incentive program with a strong focus on mitigating climate change through decarbonization, as reflected in our materiality matrix. We are enhancing employee engagement in sustainability, demonstrated by about 20 global “giving back to community” events, exceeding the target of 15. These events, driven locally and guided globally, not only contribute to communities but also serve as an engagement and retention tool. We focus on highlighting these initiatives to showcase their impact.



What do the sustainability targets look like?

We have defined 13 targets to which we are committed. Further targets are in the process of being defined. When it comes to walking the talk, we are now introducing a sustainability target also to the long-term incentive plan. This target relates to reducing GHG emissions. These emissions are also reflected in our materiality matrix, as we consider climate change a key risk to humanity. Emissions reduction has a weighting of 20%, meaning it is a significant part of the long-term incentive. Looking at scope 3 emissions, particularly in terms of the supply chain, there is still more to be done. However, our team is fully committed to sustainability, and we are making good progress.

Accelleron's employees are international and diverse. How do you manage this diversity or how do you guide this diversity?

Our headquarters boast remarkable diversity, with 46 nationalities represented, including 45% of people from Switzerland and 55% from other places. Our presence in over 50 countries further enriches this diversity, which is an integral part of our DNA. This global environment naturally attracts those seeking diverse workplaces. However, gender diversity remains a challenge, particularly in technology, where women are less represented. We are committed to increasing women's roles, especially in leadership, by 2025. We also established a women's network in Switzerland in 2023 to foster this growth. Our diversity initiatives are primarily local, yet we are looking into expanding female collaboration internationally. In India, our focus shifted from female representation in 2022 to LGBTQ issues in 2023 – a significant step. This involved organizing training sessions and workshops to highlight the topic. We are very happy to see this good work by our Indian team.

What is the outlook in terms of sustainability over the coming years?

Sustainability is an integral part of our business strategy and core product offering, and its importance is expected to grow as stakeholder needs and regulatory demands increase. We want to make continuous progress in our sustainability efforts in line with the regulations, and transparently track and report that progress in a systematic way. Our commitment to the SBTi and the United Nations Global Compact underline our aim. Finally, our customers appreciate our expertise in sustainability, such as our capability to provide the necessary carbon emissions data for our customers. While we are progressing in our own sustainability efforts as a company, sustainability remains as an integral part of our core business offering.

