

## AD HOC ANNOUNCEMENT PURSUANT TO ART. 53 LR

Half-year results 2023

September 5, 2023

# Accelleron reports increased revenues and higher operational EBITA

- Revenues at USD 448.6 million, +17.1% (20.3% on a constant currency basis)
- Operational EBITA increases by +11.6% to USD 108.0 million
- Operational EBITA margin at 24.1%
- Separation from ABB and build-up activities going according to plan and associated non-operational costs developing as guided

### **Strong momentum on revenue and operational EBITA**

Accelleron, a global leader in heavy-duty turbocharging, is looking back on a positive first half-year of 2023 which offered strong momentum: revenues at USD 448.6 million, year-on-year growth of +17.1% (20.3% on constant currency basis). This was supported by a combination of positive factors in the merchant marine (container, bulker, tanker) and gas compression markets as well as price increases, neither of which are expected to recur to the same extent in the second half of the year.

Operational EBITA grew by a strong +11.6% to reach USD 108.0 million. Operational EBITA margin decreased by 1.2 percentage points to 24.1%, driven in particular by additional expenses resulting from the standalone setup. The ongoing cost inflation in materials, transport and labor was largely offset by price increases.

Net income of USD 46.9 million was 30.2% lower than the previous year and included USD 48.8 million in one-off and other non-operational costs arising from the separation from ABB and set-up activities in the first half of 2023. Higher net working capital driven by strong volume growth and supply chain challenges led to a free cash flow conversion at a low 17.5%.

### **High Speed segment**

Revenues in the High Speed segment increased by USD 18.3 million, or 17.3% (+18.9% on constant currency basis) to USD 123.8 million compared to the previous year. This is primarily linked to a further strengthening in demand related to the gas compression business in the United States, and price increases. Operational EBITA in the High Speed segment increased by USD 9.7 million, or 43.5% to USD 31.9 million compared to the previous year. The increase results from the strong operating leverage which more than offset the additional expenses arising from the standalone setup. Consequently, the operational EBITA margin increased by 4.7 percentage points to 25.8% in the first half of 2023.

### **Medium & Low Speed segment**

Revenues in the Medium & Low Speed segment increased by USD 47.5 million, or 17.1% (+20.9% on constant currency basis) to USD 324.9 million compared to the previous year. This increase mainly results from a further strengthening of demand in the

merchant marine sector as well as price increases compared to the previous year. Operational EBITA in the Medium & Low Speed segment increased by USD 1.6 million, or 2.1% to USD 76.1 million compared to the previous year. The comparatively small increase is largely attributable to supply chain challenges as well as higher standalone costs.

### **OMT acquisition supports growth strategy**

An important milestone for Accelleron's growth strategy is the acquisition of OMT, which was completed on July 20. Acquiring OMT, the market leader in fuel injection for the two-stroke engine sector, reinforces Accelleron's position as a partner of choice and leading innovator in the development of alternative fuel technologies – such as hydrogen, methanol and ammonia – for large marine engines and other heavy-duty applications. Moreover, like turbochargers, fuel injection is a mission-critical component which defines performance and comes with intensive service needs. With dual-fuel engine installations becoming the standard in shipping, we expect significant growth opportunities for fuel injection systems of the kind we offer under the OMT brand.

### **Next-generation turbocharger introduced**

Accelleron continues to invest in a strong innovation pipeline with 6.5% of revenues dedicated to research & development. In June 2023, Accelleron unveiled the next generation of turbochargers for two-stroke main propulsion engines, the X300-L series. The platform-based concept provides improved efficiency over the total load range and easy service. It is complemented by Accelleron's Turbo Insights digital technology, which sets a new benchmark for turbocharging that will offer ship operators flexibility in responding to uncertainty around the fuels they will use and the way they will operate their vessels in the future.

The company's extended technology portfolio, improved service offerings and progress in digitalization will have a long-lasting positive effect on its market penetration. In the first half of 2023, Accelleron continued to expand the coverage of its installed base with service agreements.

### **Management confident on outlook, increasing full year 2023 revenues guidance**

The company expects to reach an organic revenues growth of around 13% (15% including OMT) for the full year. At the same time, the company confirms its profitability (operational EBITA margin) guidance given during the annual press release on March 29 at the lower end of the mid-term guidance of 23 to 26%. Due to strong growth and inefficiencies in the supply chain, the free cash flow conversion is expected to be in the range of 60% to 70% for the full year.

"Accelleron is well positioned to benefit from an exceptionally strong merchant marine business and high demand from the gas compression market," commented Daniel Bischofberger, Chief Executive Officer of Accelleron. "We expect positive market developments in the second half of 2023, but with a more normalized growth trajectory."

The Half-Year Report 2023 and further information are available on the website at [www.acceleron-industries.com/investors/financial-reports/half-year-report-2023](http://www.acceleron-industries.com/investors/financial-reports/half-year-report-2023).



**Accelleron** is a global leader in turbocharging technologies and optimization solutions for 0.5 to 80+ MW engines, helping to provide sustainable, efficient and reliable power to the marine, energy, rail and off-highway sectors. Through its innovative product offerings and research leadership, the company accelerates the decarbonization of the industries it operates in. Accelleron has an installed base of approximately 180,000 turbochargers and a network of more than 100 service stations across 50 countries worldwide ([www.acceleron-industries.com](http://www.acceleron-industries.com)).

(USD in millions)	Six-month period ended June 30		Change in % +/-	Organic <sup>1</sup>
	2023	2022		
Revenues	448.6	383.0	17.1%	20.3%
Gross profit	188.3	178.2	5.7%	
<i>as % of revenues</i>	<i>42.0%</i>	<i>46.5%</i>	<i>-4.5 ppts</i>	
Income from operations	59.3	88.9	-33.3%	
Operational EBITA <sup>1</sup>	108.0	96.8	11.6%	
<i>as % of revenues</i>	<i>24.1%</i>	<i>25.3%</i>	<i>-1.2 ppts</i>	
Net income	46.9	67.2	-30.2%	
<i>as % of revenues</i>	<i>10.5%</i>	<i>17.5%</i>	<i>-7.0 ppts</i>	
Cash flow from operating activities	20.7	38.7	-46.4%	
Free cash flow <sup>1</sup>	8.2	26.2	-68.7%	
Free cash flow conversion <sup>1</sup>	17.5%	39.1%	-21.6 ppts	
Basic earnings per share (USD)	0.46	n/a	n/a	
Net leverage <sup>1</sup>	1.0	n/a	n/a	

<sup>1</sup> Certain alternative performance measures are used by the company to evaluate performance. Please refer to the "Supplemental information" section of the Half-Year Report for a detailed description.

## Key dates 2024

March 27, 2024	Publication of the Annual Report 2023 and Annual Media & Investors Conference
May 7, 2024	Ordinary Annual General Meeting of Shareholders

## Media information

Images and other digital assets are available at [www.acceleron-industries.com](http://www.acceleron-industries.com)

## Accelleron shares

The registered shares of Accelleron Industries AG are listed on SIX Swiss Exchange, Zurich under ticker symbol "ACLN" (ISIN: CH1169360919/Swiss security number: 116936091).

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## Alternative performance measures:

In this press release, we use certain non-U.S. GAAP financial measures and alternative performance measures that are not required by, or presented in accordance with, U.S. GAAP. Accelleron presents non-U.S. GAAP financial measures and alternative performance measures because they are used by management in monitoring the business and because Accelleron believes that these non-U.S. GAAP financial measures and similar measures are frequently used by securities analysts, investors and other interested parties in evaluating companies in its industry. This provides better transparency and year-on-year comparability. A list of the definitions of the non-U.S. GAAP financial measures and alternative performance measures as used by Accelleron in general and in this press release can be found on <https://acceleron-industries.com/investors/performance-measures>.

## Disclaimer

This ad hoc announcement includes forward-looking information and statements, including statements concerning the outlook for Accelleron's businesses. These statements are based on current expectations, estimates and projections about the factors that may affect the company's future performance, including global economic conditions, and the economic conditions of the regions and industries that are major markets for Accelleron. There are numerous risks, uncertainties and other factors, many of which are beyond Accelleron's control, that could cause the company's actual results to differ materially from the forward-looking information and statements made in this announcement and which could affect the company's ability to achieve its stated targets. Although Accelleron believes that its expectations reflected in any such forward-looking statement are based upon reasonable assumptions, it can give no assurance that those expectations will be achieved.