ZKB Swiss Equities Conference 2024

Accelleron introduction

Zurich, November 7, 2024

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Management team presenting today

Daniel Bischofberger
Chief Executive Officer

Michael Daiber
VP Strategy and IR

01

Introducing Accelleron

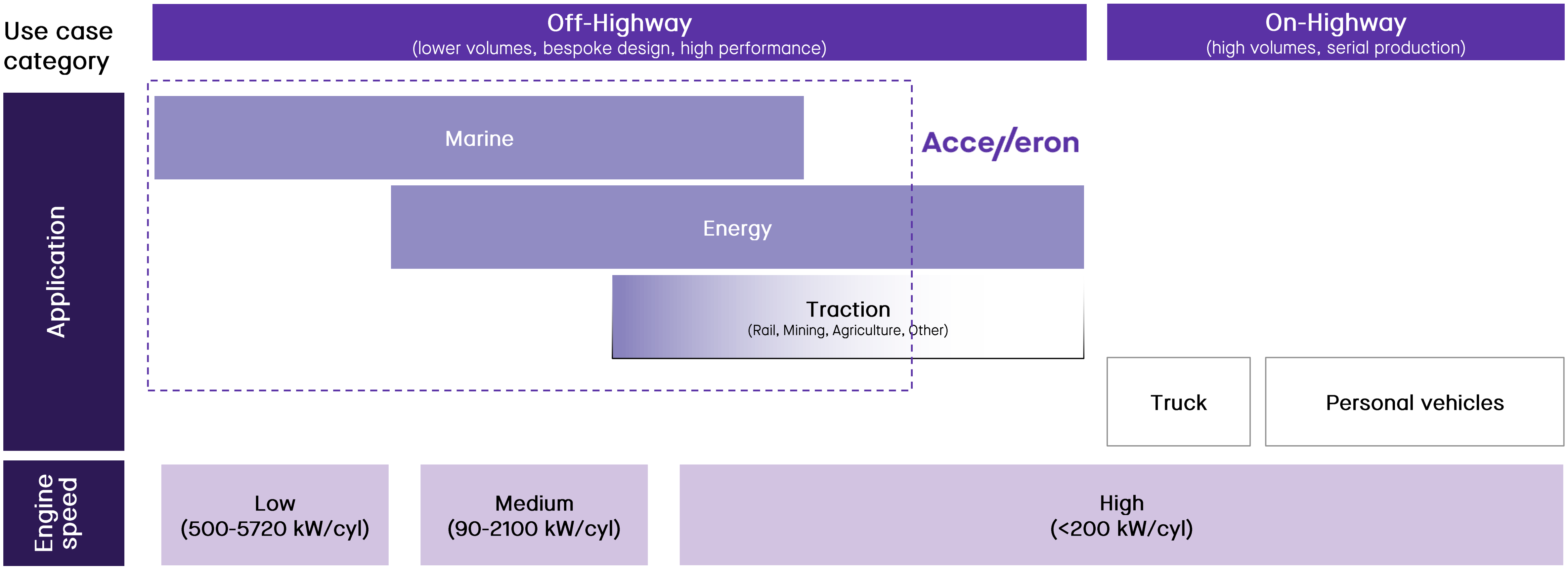
A global leader in high power turbochargers for mission-critical applications

- #1 position across segments
- Industry leading technology offering
- Preferred partner to both OEMs[1] and operators
- >180k turbocharger installed base
- >100 service stations globally
- ~75% recurring service-driven revenues
- Strong cash conversion

Source: Company information, third party analysis and Audited Combined Carve-out Financial Statements

1. OEMs stand for Original Equipment Manufacturers

We are positioned in critical applications and the sustaining segment of the turbocharger market



 Source: Third party and Company analysis

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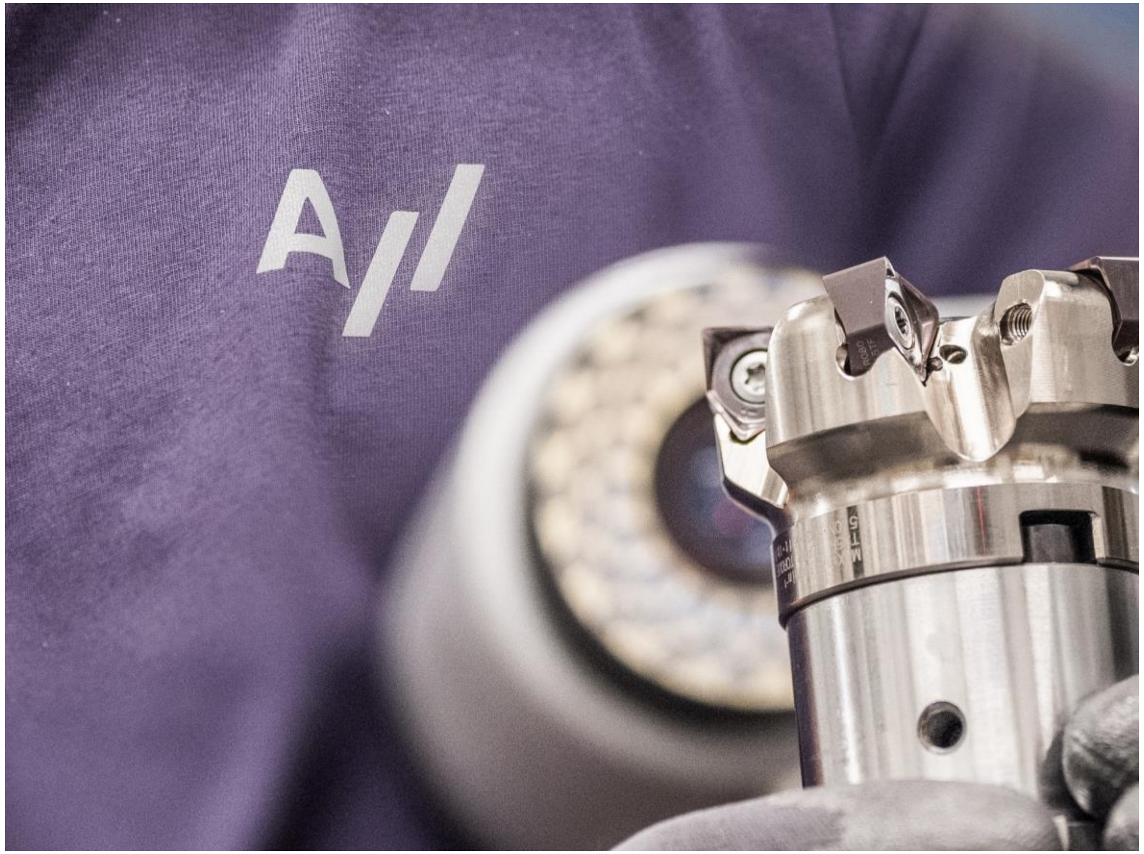
Highlights 2024

Results H1 2024

Strong financial performance for first half of 2024



- Strong **revenue growth of +14.5%** (+6.5% organic, 12.7% nominal)
- Attractive **op. EBITA margin of 25.4%,** resulting from operating leverage and cost management
- **Cash flow conversion of 34%** (17% in H1 2023)
- **Net income** increase to **USD 88.6 million** (+89% YoY)

Highlights of H2 2024

Success with Products, Digital and Financing

Acquisition of OMC2 and TNM

- Accelleron's OMT acquired OMC2, an Italian manufacturer of four-stroke fuel injection components.
- Later this year, Accelleron acquired True North Marine, a Canadian firm specializing in digital weather routing and voyage optimization, to strengthen digital offering.

Launch of CHF 180 million bond

- Accelleron has successfully launched its first CHF 180 million bond.
- The CHF 180 million bond has a 6-year maturity and an annual coupon of 1.375 percent. The proceeds of the bond will be used for general corporate purposes, including refinancing of existing financial indebtedness.

Manufacturing agreement with HD Hyundai Marine Engine

- Accelleron has signed a contract manufacturing agreement with HD Hyundai, through its subsidiary HD Hyundai Marine Engine, for the manufacture of Accelleron's A100-M radial turbochargers in Korea.
- The move strengthens Accelleron's position in the Asian market.

Fuel injection

Acquisition of OMT and OMC2 and market update

Market Development
- Fuel injection market fast-developing, dual-fuel applications increase scope of equipment per engine
- Production capacity main constraint

Strategy
- Defend and expand market leader position in Low-speed applications
- Penetrate Medium-speed with new fuel applications
- Optimize production setup to increase capacity (organically and inorganically)

Acquisition of OMT and OMC2

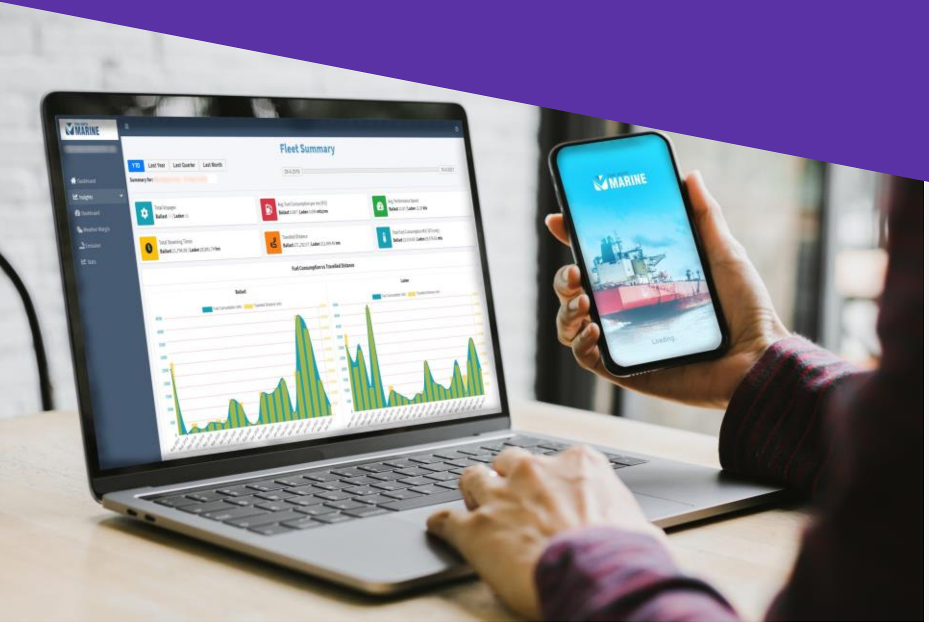
- Manufacturer of high precision fuel injection equipment mainly in marine
- Founded in 1930, so far majority family-owned family with minority shareholders
- 250 Employees mainly in Turin (IT)
- 2022 Revenues EUR 52 million (EBIT Margin above 20%)
- >70% of revenues originate from aftermarket (2022)
- Acquisition of OMC2 in Brescia (IT) in August 2024 to support capacity expansion, especially in Medium-speed

Digital solutions

Acquisition of TNM (True North Marine)

Market Development
- Vessel Performance Optimization is becoming an important driver of decarbonization

Strategy
- Accelerate the journey in marine digitalization and expand Tekomar XPERT in scope and reach



Acquisition of TNM
- TNM's solutions complement Accelleron's Tekomar XPERT marine and Turbo Insights for a combined offering that addresses key aspects of vessel performance
- New advisory services will help ship owners and operators to meet both decarbonization and commercial goals
- Highly skilled team with experience as captains, seafarers and naval engineers

The challenge of decarbonization

Accelleron provides solutions for hard-to-decarbonize sectors

Energy

Combustion engines as a niche <5%

- Approx. 12 billion tons of CO_2e per year (1/3 of global greenhouse gas emissions)
- Wind and solar power require balancing power, e.g. from turbocharged gas engines (in future powered by H_2)
- Local markets and regulations

Accelleron revenues by core end-markets

Marine

Combustion engines as standard >95%

- Approx. 900 million tons of CO_2e per year (~3% of global greenhouse gas emissions)
- Combustion engines remain the long-term standard
- Decarbonization requires CO_2-neutral fuels such as green ammonia, green methanol, natural gas as a transitional technology
- IMO aims for global net zero by 2050
- Transposition into local law advanced within the EU, still under discussion outside the EU

Trends in Marine and Energy

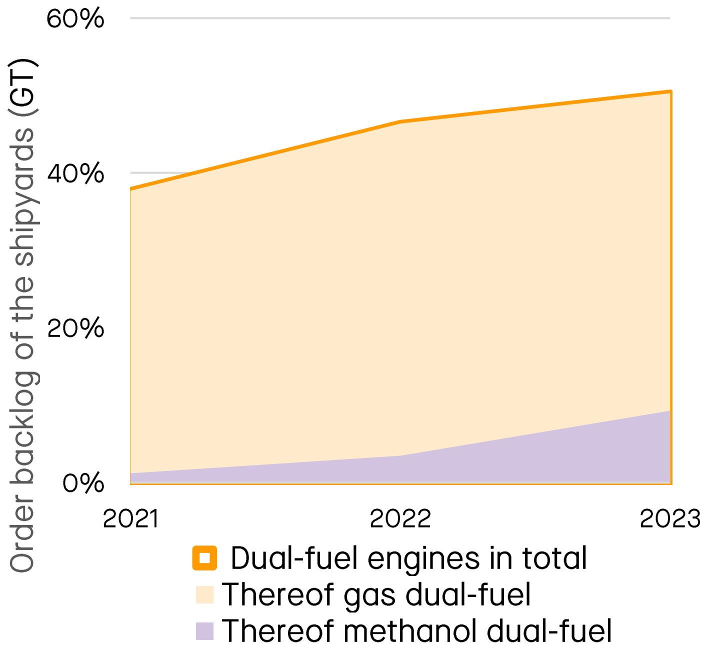
Accelleron provides solutions for hard-to-decarbonize sectors

Decarbonization in Marine		Energy transition and security	
Optimizing operational efficiency	Optimizing asset efficiency	Increasing energy demand	Increasing demand for back-up power
Fuel transition	Upgrades	Increasing demand for balancing power	Distributed power

Changes in the marine market and Accelleron's role

Impact on ship orders although regulations not yet implemented

Order backlog of ships with dual-fuel engines

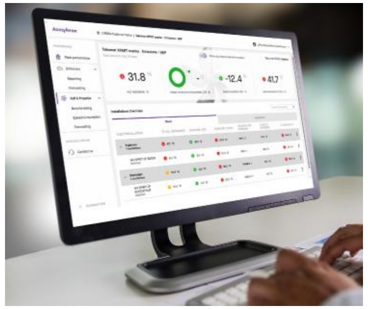


Chances for Accelleron

More dual-fuel engines and stricter emissions regulations mean:

Turbocharger efficiency and flexibility become more important

More and more complex injectors are needed per engine and cylinder



Tekomar and True North Marine create data transparency for measuring and optimizing emissions

1. Source: Clarksons
Status extracted in February of the following year

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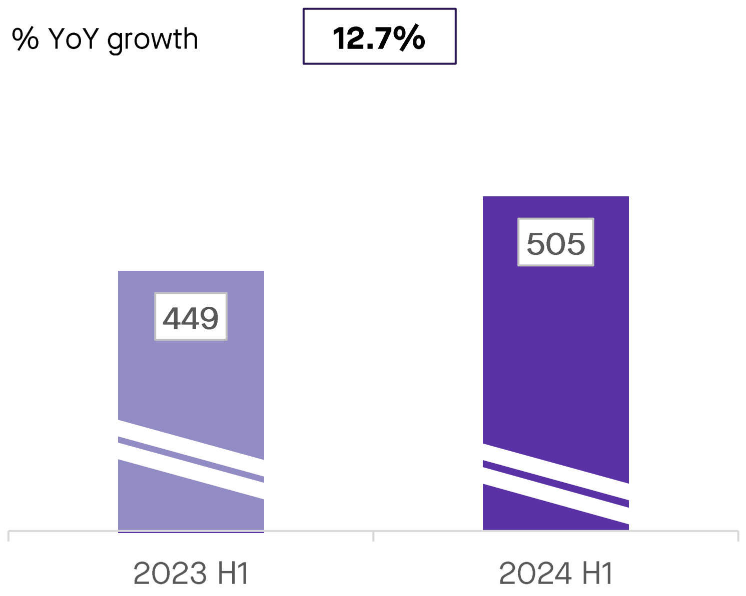
HY financials 2024 and outlook

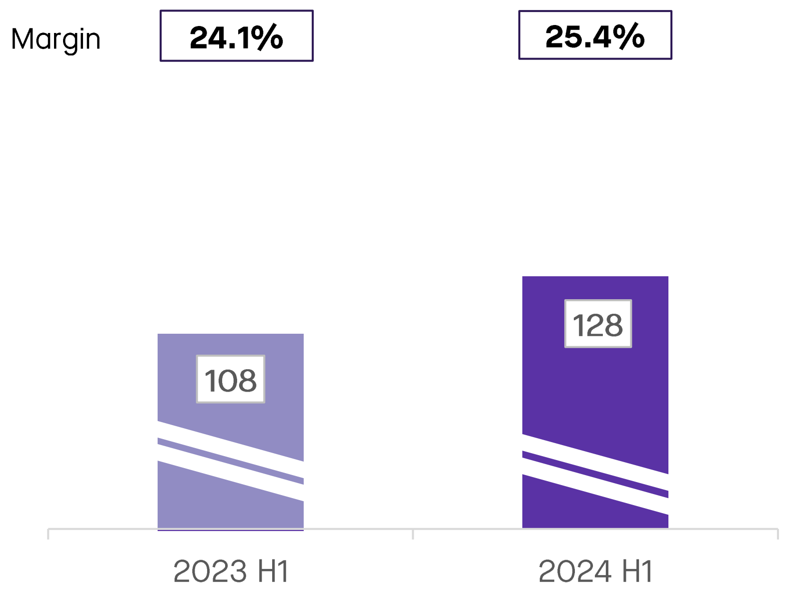
Group Performance

Strong growth and substantial margin accretion

Revenues and growth
$ m



Op. EBITA & margin
$ m



Highlights

Revenues

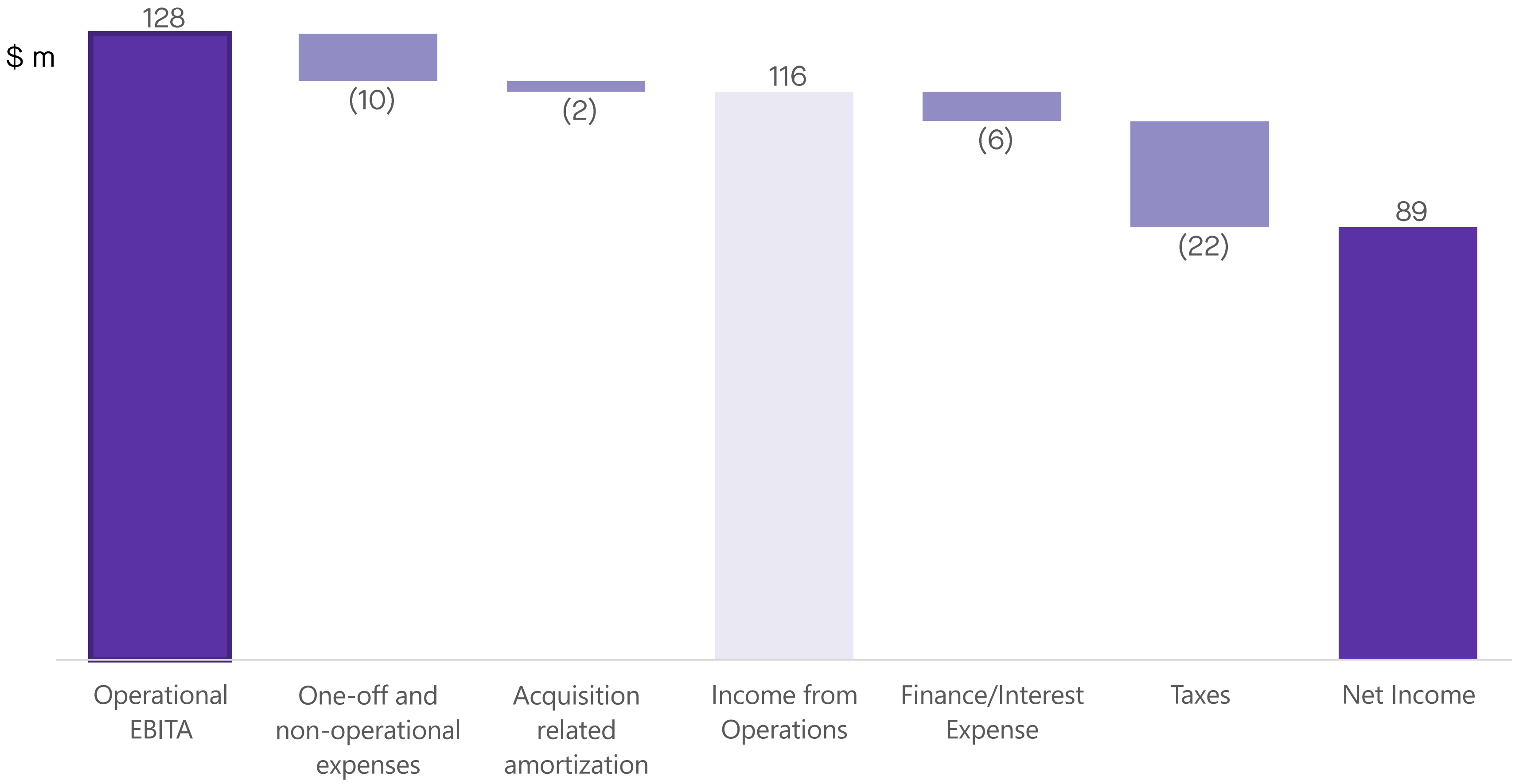
- Good market development in H1.
- Growth driven by continued robust merchant marine new business - and strong medium-speed service business demand.
- Revenue growth +12.7% (14.5% in constant currency or +6.5% organically).
- Successful capacity expansion of OMT fuel injection factory in Torino (revenues of 36 MUSD).

Op. EBITA

- Attractive margin delivered on the back of a healthy operating leverage and effective cost management.
- Ongoing moderate cost inflation offset namely by continued productivity initiatives.

Op. EBITA to Net Income Bridge

Improvement of net income due to reduction of non-operational build-up costs



Key observations

One-off and non-operational costs

- Significantly lower one-off and non-operational costs compared to heavy build up phase in 2023.
- Residual build up activities well on track.
- Guidance for one-off cost remains at ~20 MUSD (excl. amortization & M&A one-offs).

Amortization

- 2.2 MUSD amortization linked to OMT acquisition/intangibles.

Income tax expense

- Income tax rate decreased to 19.6% compared to 20.7% in H1 2023 mainly due to change in jurisdictional profit mix.

Free Cash Flow Conversion

Remaining on track to deliver FY 2024 target

Free cash flow and conversion over net income

$ m	2023 H1	2024 H1
Net income	**47**	**89**
Depreciation & amortization (D&A)	13	16
Change in net working capital and other[1]	(39)	(62)
Net cash provided by operating activities	**21**	**43**
Capital expenditure	(13)	(12)
Other[1]	0	0
Net cash (used in) investing activities	**(13)**	**(12)**
Total free cash flow	**8**	**31**
% conversion over net income	17%	34%

Note: Non-U.S. GAAP financial metric, as defined within the Accelleron Performance measures (accelleron-industries.com) on the Accelleron website.

1 For detailed breakdown, please refer to the "Statements of cash flows".

Note: Numbers might not add up due to rounding

Highlights

- Free cash flow conversion in H1 returns to higher levels than PY, remaining on track to deliver FY2024 target.
- Net working capital increase primarily linked to:
  - Volume driven receivables increase
  - Normalization of throughput/ lower purchasing volumes resulting in payables decrease
- Inventories slightly up vs. FY23 driven by shift of transportation mode from air to sea for a portion of our new business resulting in lower cost & emissions. Normalization of throughput largely offsetting above.
- Capital expenditure reflecting continued investments into Swiss, Chinese and OMT factories.

Financial Guidance 2024

Assuming normalized business environment

	2024	Mid-term[1]
Revenues growth	4-7% (organic[2]) 9-12% incl. acquisitions	2-4% (organic[2])
Operational EBITA margin[2]	~25%	23-26%
Free cash flow conversion[2]	90-100%	90-100%
Net leverage[2]	0.5-1.5x	0.5-1.5x
Dividend policy	In line with FY guidance	Stable to growing dividend[3]

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.

Thank you!

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