

Good progress towards financial targets with improving trend in profitability

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Strong commitment and a clear path to reach our financial targets

1

Key focus on improving profitability

2

Decarbonisation – a key driver for organic growth

3

Clear capital allocation principles

12%

Operating margin

5%

Annual organic growth

<0.5

Gearing

≥50%

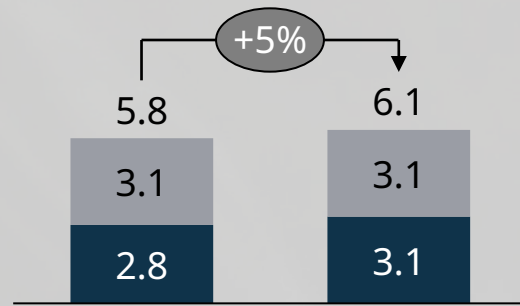
Dividend of earnings

Good financial progress made despite headwinds

Net sales



- Equipment (EURbn)
- Services (EURbn)



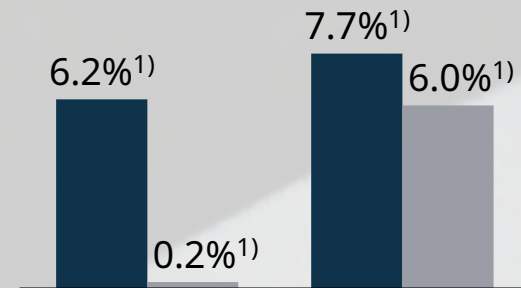
2022 LTM Q3/2023

- Continued growth in services despite uncertainty in the business environment

Profitability



- Comparable operating margin
- Operating margin



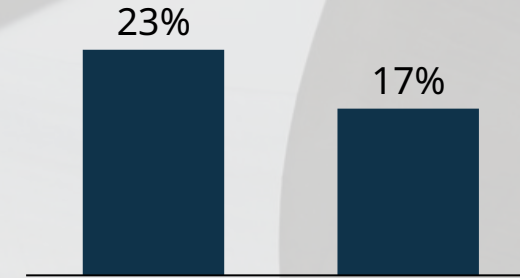
2022 LTM Q3/2023

- Extra ordinary cost inflation²⁾ burdening the LTM result
- 2022 with exceptionally high IAC³⁾ due to Russia exit (EUR ~200m) and ramp down of manufacturing in Trieste, Italy (EUR ~90m)

Capital structure



- Gearing



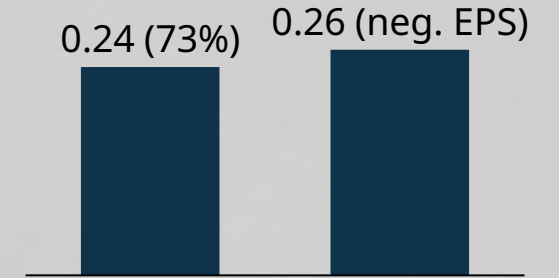
2022 LTM Q3/2023

- Strong financial position - gearing well below 0.5

Dividend



- DPS (EUR)
- (in brackets DPS/EPS ratio)



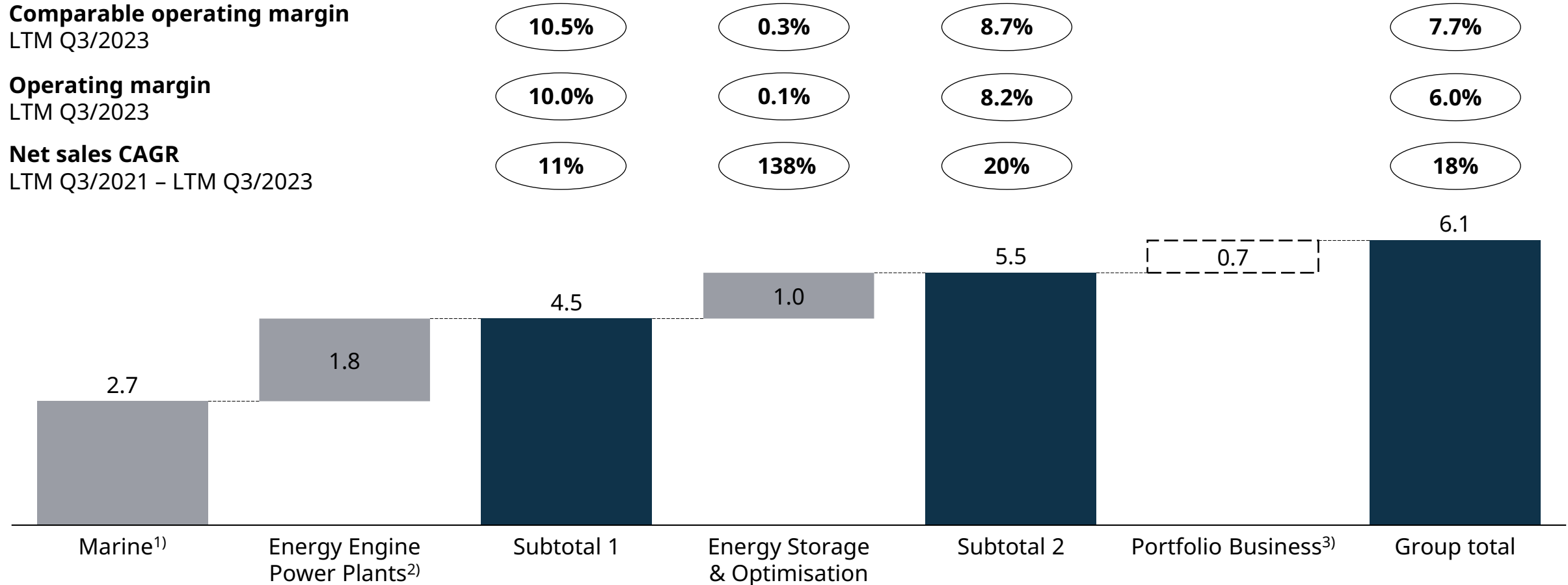
2021 2022

- Dividend paid despite negative EPS in 2022
- 10-year⁴⁾ average DPS/EPS ratio ~70%

1) excluding EUR 40m provision related to Olkiluoto 1 and 2 nuclear projects taken in Q4/2022 (discontinued nuclear business) as well as EUR 19m provision taken for a single sizeable turnkey project in Gas Solutions in Q2/2023 (discontinued turnkey business) 2) EUR 2.2bn of deliveries for 2022 and EUR 1.2bn of deliveries for 2023 3) items affecting comparability 4) excl. 2022

Marine & Energy Engine Power Plants combined have double digit profitability. Energy Storage & Optimisation is now profitable

Group simulation (LTM Q3/2023), net sales EURbn



1) former Marine Power business including Exhaust Treatment & Shaft Line Solutions 2) including services but excluding EUR 40m provision related to Olkiluoto 1 and 2 nuclear projects taken in Q4/2022 (discontinued nuclear business) 3) including Gas Solutions but excluding EUR 19m provision taken for a single sizeable turnkey project in Gas Solutions in Q2/2023 (discontinued turnkey business)

Improving profitability, continuing growth and reiterating clear capital allocation principles

Key focus on improving profitability

- Strong focus on **quality of revenues**
- Increasing the share of wallet by **moving up the service value ladder**
- Active **management of our business portfolio & footprint**
- We continue to take actions to **address our cost structure wherever and whenever needed**
- **Limited additional capex** needed to facilitate profitable growth

Decarbonisation – a key driver for organic growth

- **Industry-leading technology portfolio** well-positioned to shape the decarbonisation of marine and energy
- **Increase of R&D spending** from historical ~3% of net sales to ~4% to **accelerate the decarbonisation technology development**

Value creating M&A

- Current focus **mainly on synergistic bolt-on acquisitions**
- **Clear acquisition criteria:**
 - **Strong fit** with our **strategy**
 - **Alignment** with Group's **financial targets**
 - **Significant share** of **services**

Strong dividends

- Dividend distribution according to our dividend policy: **paying at least 50% of earnings as dividend**

Energy transition and decarbonisation driving our >5% organic growth target

LTM Q3/2023 net sales EUR 6.1bn

Drivers of net sales growth¹⁾

▪ Energy Storage & Optimisation

- Fast growing demand for energy storage and power system optimisation solutions

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▪ Marine newbuild driven by decarbonisation

- Uptake of solutions ready for sustainable fuels, and recovery in passenger and offshore segments

⊕ ⊕

▪ Moving up the service value ladder in Marine and Energy

- Continuous growth in agreement coverage
- Decarbonisation-driven retrofits

⊕

▪ Energy Engine Power Plants new build driven by balancing and baseload

- Gradual shift to renewables
- The focus on offering equipment rather than EPC decreases revenue expectations but improves our risk profile

⊕

▪ Portfolio Business divestments

- Gas Solutions, ANCS, Water & Waste, and Marine Electrical Systems

⊖ ⊖

Share of
absolute growth

1) drivers' consideration includes the transfer of Shaft Line Solutions and Exhaust Treatment to Marine and Gas Solutions to Portfolio Business

Services and decarbonisation key drivers towards 12% operating margin

LTM Q3/2023 operating margin 6.0%¹⁾

Drivers of improved profitability²⁾

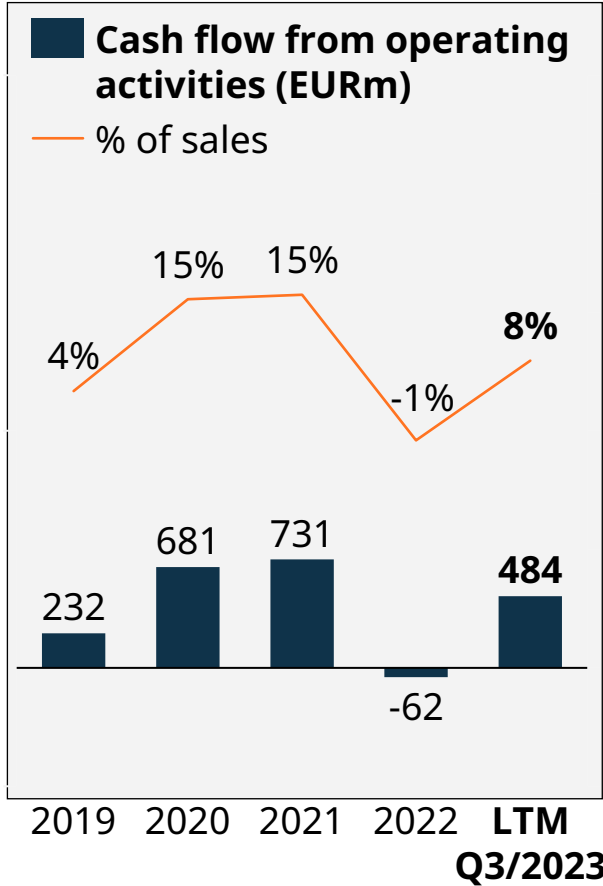
Share of absolute improvements

- Moving up the service value ladder in Marine and Energy ⊕ ⊕ ⊕
- Marine new build driven by decarbonisation ⊕ ⊕
- Energy Engine Power Plants new build driven by balancing and baseload ⊕ ⊕
- Energy Storage & Optimisation ⊕
- Portfolio Business divestments ⊕
- Continuous improvement }
- Cost inflation & related price adjustments } >0

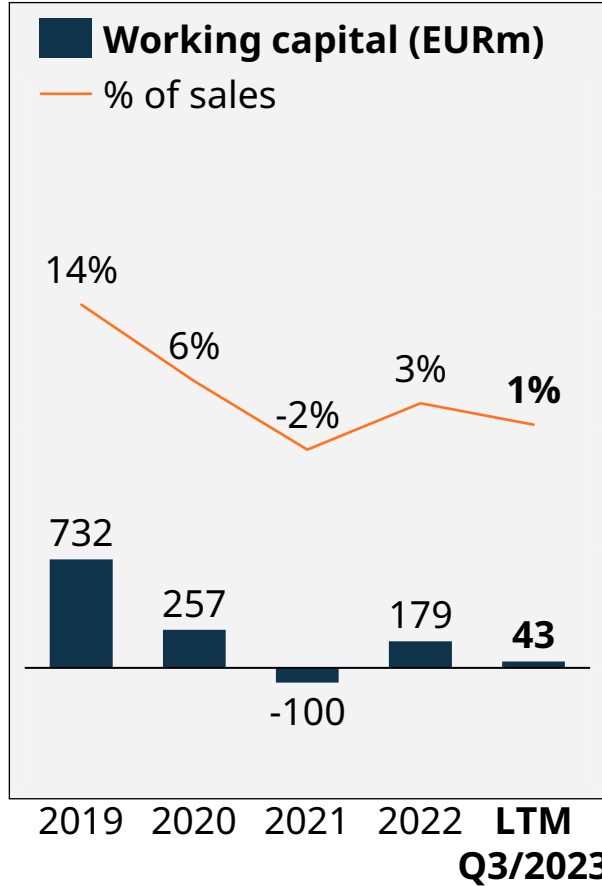
¹⁾ excluding EUR 40m provision related to Olkiluoto 1 and 2 nuclear projects taken in Q4/2022 (discontinued nuclear business) as well as EUR 19m provision taken for a single sizeable turnkey project in Gas Solutions in Q2/2023 (discontinued turnkey business) ²⁾ drivers' consideration includes the transfer of Shaft Line Solutions and Exhaust Treatment to Marine and Gas Solutions to Portfolio Business



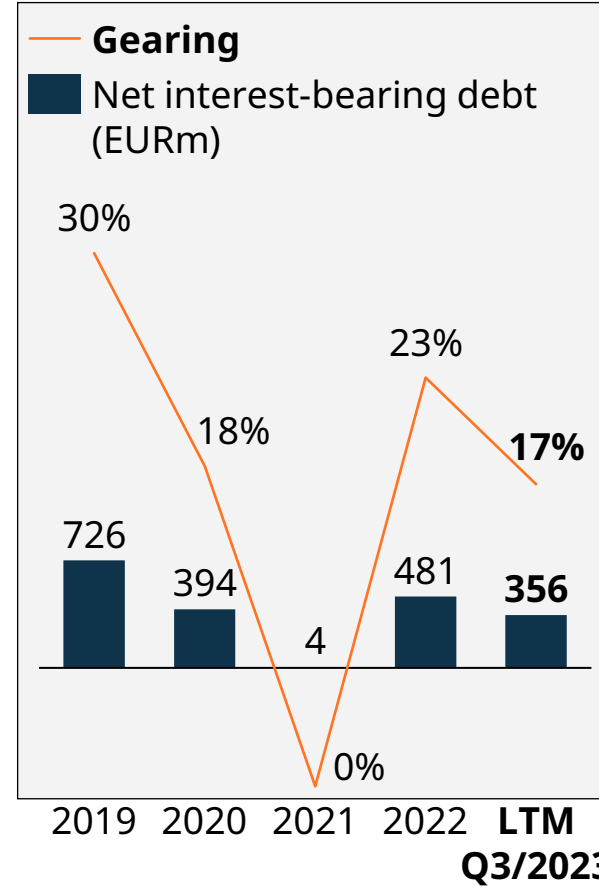
Strong balance sheet and financial position to support strategy execution



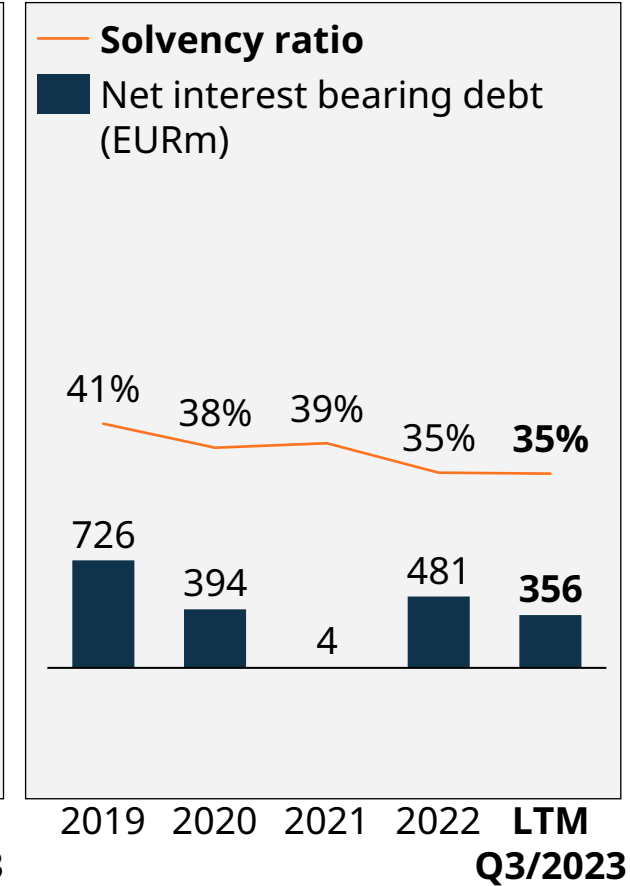
Strong cash flow development from 2022 level



Continued good working capital development



Strength to make strategic investments



Strong commitment and a clear path to reach our financial targets

12%

Operating margin

5%

Annual organic growth

<0.5

Gearing

≥50%

Dividend of earnings

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