PRESS RELEASE

November 5, 2024

Mitsubishi Heavy Industries Continues Order Intake, Revenue, and Profit Growth in Strong First Half, Raises Full-Year Order Intake Guidance

- Order intake grew YoY in Energy Systems, Plants & Infrastructure Systems, and Logistics, Thermal & Drive Systems segments due to contributions from GTCC and Aero Engines in Energy Systems and Metals Machinery in Plants & Infrastructure Systems.
- Revenue increased YoY in Energy Systems, Plants & Infrastructure Systems, and Aircraft, Defense & Space segments. Revenue growth was especially large in Aircraft & Missile Systems within Defense & Space.
- Business profit showed strong YoY growth in Energy Systems, Plants & Infrastructure Systems, and Aircraft, Defense & Space segments due to positive impact of revenue increases, margin improvements, and yen depreciation.
- Increased full-year order intake guidance mainly due to continued strong demand in Energy Systems segment.

Tokyo – Mitsubishi Heavy Industries, Ltd. (MHI, TSE Code: 7011) announced that order intake rose 7.9% year-on-year to ¥3,383.5 billion in the half year ended September 30, 2024. Revenue rose 11.1% to ¥2,298.1 billion year-on-year, resulting in profit from business activities (business profit) of ¥188.4 billion, an 86.7% increase over the previous fiscal year, which represents a profit margin of 8.2%. Profit attributable to owners of parent (net income) was ¥107.1 billion, an increase of 16.5% year-on-year, with a profit margin of 4.7%. EBITDA was ¥266.2 billion, a 57.7% increase over 1H FY2023, with an EBITDA margin of 11.6%, up 3.4 percentage points year-on-year.

(billion yen, except where otherwise stated)

1H FY2024 Financial Results	1H FY2023	1H FY2024	YoY	YoY%
Order Intake	3,137.0	3,383.5	+246.4	+7.9%
Revenue	2,069.2	2,298.1	+228.8	+11.1%
Profit from Business Activities	100.9	188.4	+87.4	+86.7%
Profit Margin	4.9%	8.2%	+3.3 pts	-
Profit Attributable to Owners of Parent	91.9	107.1	+15.1	+16.5%
Profit Margin	4.4%	4.7%	+0.3 pts	-
EBITDA	168.9	266.2	+97.3	+57.7%
EBITDA Margin	8.2%	11.6%	+3.4 pts	-
FCF	-181.2	-85.7	+95.5	-

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1H FY2024 Financial Results by Segment	Order Intake		Revenue		Business Profit	
	1H FY2024	YoY	1H FY2024	YoY	1H FY2024	YoY
Energy Systems (Energy)	1,306.7	+225.6	832.1	+71.2	103.2	+61.5
Plants & Infrastructure Systems (P&I)	599.4	+176.6	379.1	+12.1	28.1	+12.0
Logistics, Thermal & Drive Systems (LT&D)	657.6	+7.6	632.8	-0.5	26.9	-9.7
Aircraft, Defense & Space (ADS)	802.1	-197.2	431.7	+112.7	44.0	+16.5
Others, Corporate & Eliminations (OC&E)	17.5	+33.8	22.2	+33.2	-13.8	+7.1
Total	3,383.5	+246.4	2,298.1	+228.8	188.4	+87.4

In Energy, order intake increased by ¥225.6 billion YoY as Gas Turbine Combined Cycle (GTCC) and Aero Engines continued to see strong demand. Contracts for nine large frame gas turbine units were concluded in the first half, with the largest YoY growth seen in the Americas. Revenue increased by ¥71.2 billion YoY mainly from large volume in Aero Engines and steady project execution in GTCC and Nuclear Power. Margin improvements in GTCC and Steam Power, together with higher revenue and a rebound from 1H FY2023 one-time expenses in Aero Engines, as well as stable performance in Nuclear Power served to increase segment business profit by ¥61.5 billion YoY.

In P&I, order intake was up ¥176.6 billion YoY due to strength in Metals Machinery, Machinery Systems, and Waste-to-Energy Systems. Revenue grew by ¥12.1 billion as Metals Machinery continued to work through its extensive backlog. Margin improvements in Engineering and Machinery Systems, combined with increased revenue in Metals Machinery helped to raise segment business profit by ¥12.0 billion YoY.

In LT&D, revenue was down ¥0.5 billion YoY due to fewer unit deliveries in Logistics Systems. This issue, combined with additional costs caused by supply chain disruption in Turbochargers resulted in a ¥9.7 billion decline in segment business profit.

In ADS, order intake decreased by ¥197.2 billion YoY in response to extremely large orders volume in 1H FY2023 in Defense & Space. Revenue was up ¥112.7 billion YoY mainly due to growth in Aircraft & Missile Systems in Defense & Space. Higher unit deliveries and positive impact from the depreciation of the yen in Commercial Aircraft also served to increase revenue. The factors affecting revenue also served to raise segment business profit by ¥16.5 billion YoY.

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FY2024 Earnings Forecast

MHI revised its guidance for the period ending March 31, 2025, increasing the target for order intake by ¥200 billion over the previous announcement made August 6, 2024. This was in response to steady progress mainly in Energy. Totals for all other financial indicators remained unchanged, while business profit targets for Energy, P&I, and LT&D were updated.

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FY2024 Earnings Forecast	FY2023 Actual	FY2024 Forecast (Previous)	FY2024 Forecast (Revised)	Revised vs. Previous
Order Intake	6,684.0	5,800.0	**6,000.0**	+200.0
Revenue	4,657.1	4,900.0	4,900.0	-
Profit from Business Activities	282.5	350.0	350.0	-
Profit Margin	6.1%	7.1%	7.1%	-
Profit Attributable to Owners of Parent	222.0	230.0	230.0	-
Profit Margin	4.8%	4.7%	4.7%	-
ROE	11.1%	10%	10%	-
EBITDA	432.6	500.0	500.0	-
EBITDA Margin	9.3%	10.2%	10.2%	-
FCF	200.1	-100.0	-100.0	-
Dividends	20 yen*	22 yen	22 yen	-

*FY2023 Actual dividends (¥200/share) shown here adjusted retroactively to 1/10 of original value to reflect the 10-for-1 stock split effective April 1, 2024.

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FY2024 Earnings Forecast by Segment	Order Intake		Revenue		Business Profit	
	Previous	Revised	Previous	Revised	Previous	Revised
Energy	1,850.0	**2,000.0**	1,750.0	1,750.0	170.0	**180.0**
P&I	900.0	900.0	800.0	800.0	30.0	**40.0**
LT&D	1,350.0	1,350.0	1,350.0	1,350.0	80.0	**60.0**
ADS	1,700.0	1,700.0	950.0	950.0	80.0	80.0
OC&E	0.0	**50.0**	50.0	50.0	-10.0	-10.0
Total	5,800.0	**6,000.0**	4,900.0	4,900.0	350.0	350.0

CFO Message

"In the first half of this fiscal year, MHI continued the strong growth trend started in the first quarter, with order intake, revenue, business profit, and net income all up year-on-year," Hisato Kozawa, MHI Chief Financial Officer commented. Kozawa continued, "In terms of order intake, GTCC and Aero Engines in

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Energy, and Metals Machinery in P&I were stand-outs, enabling YoY orders growth despite the extremely high level achieved during the same period last year in Defense & Space. Revenue was up mainly in Energy and ADS as these segments steadily executed on their large order backlogs. These revenue increases, combined with margin improvements and depreciation of the yen helped us to greatly increase progress toward our business profit guidance of ¥350 billion.”

“Based on our results through September of this year, especially in Energy, we have increased our full-year order intake guidance by ¥200 billion,” Kozawa went on. “We have also updated the business profit forecast for three of our segments in order to reflect the faster progress seen in Energy and P&I, and the slightly lagging performance in LT&D. All other targets have been restated. Looking forward to the remaining two quarters, we aim to outperform current business profit guidance by continuing the strong trends from the first half while effectively controlling one-time expenses.”

Attachment 1: 1H FY2024 Financial Results

- Financial Results

Attachment 2: Presentation Materials of Financial Results

- Presentation Materials

Downloadable PDF of this press release

- Press Release

Note regarding forward looking statements:

Forecasts regarding future performance outlined in these materials are based on judgments made in accordance with information available at the time they were prepared. As such, these projections include risk and uncertainty. Investors are recommended not to depend solely on these projections when making investment decisions. Actual results may vary significantly from these projections due to a number of factors, including, but not limited to, economic trends affecting the Company’s operating environment, fluctuations in the value of the Japanese yen to the U.S. dollar and other foreign currencies, and trends in Japan’s stock markets. The results projected here should not be construed in any way as a guarantee by the Company.

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