

# PRESS RELEASE

February 7, 2023

## Mitsubishi Heavy Industries Achieves YoY Increases in Order Intake, Revenue, Business Profit, and Net Income in Third Quarter

- Order intake, revenue, business profit, and net income increased YoY. Orders and revenue growth particularly driven by continuing strong demand in Gas Turbine Combined Cycle and Logistics Systems businesses.
- Revenue growth, price increases, fixed cost reductions, and foreign exchange effects helped to mitigate negative impact of continuing global inflation on profitability.
- Revised guidance to update business profit in Energy Systems and Aircraft, Defense & Space with full-year company-wide totals unchanged.

**Tokyo** – Mitsubishi Heavy Industries (MHI, TSE Code: 7011) announced that order intake rose 19.0% year-over-year to ¥2,966.1 billion in the third quarter ended December 31, 2022.

Revenue rose 11.1% to ¥2,938.0 billion year-over-year, resulting in business profit<sup>1</sup> of ¥105.2 billion, a 30.3% increase from the previous fiscal year, which represents a profit margin of 3.6%. Net income was ¥66.4 billion, an increase of 32.8% year-over-year, with a profit margin of 2.3%. EBITDA was ¥208.6 billion, a 16.4% increase from FY2021, with a profit margin of 7.1%, up 0.3 percentage points year-over-year.

(billion yen, except where otherwise stated)

	Q1-3 FY2021	Q1-3 FY2022	YoY	YoY%
Order Intake	2,492.3	2,966.1	+473.8	+19.0
Revenue	2,645.3	2,938.0	+292.6	+11.1
Profit from Business Activities	80.8	105.2	+24.4	+30.3
Profit Margin (%)	3.1	3.6	-	-
Profit Attributable to Owners of Parent	50.0	66.4	+16.4	+32.8
Profit Margin (%)	1.9	2.3	-	-
EBITDA	179.2	208.6	+29.3	+16.4
EBITDA Margin (%)	6.8	7.1	-	-
FCF	-148.1	-213.2	-65.1	-

<sup>1</sup> Profit before finance income, finance expenses, and income taxes

Other highlights included orders and revenue growth in Nuclear Power, Aero Engines, HVAC, and Commercial Aviation. YoY improvements in profitability were mainly seen in Energy Systems and Aircraft, Defense & Space resulting from revenue growth in Nuclear Power and Aero Engines as well as foreign exchange effects combined with fixed cost reductions in Commercial Aviation.

### FY2022 Guidance:

MHI revised its guidance for the period ending March 31, 2023, with company-wide totals unchanged from the most recent revision made on November 1, 2022, while updating business profit in Energy Systems and Aircraft, Defense & Space.

(billion yen, except where otherwise stated)

	FY2021 Actual	FY2022 Forecast (Previous)	FY2022 Forecast (Latest)	Latest vs. Previous
Order Intake	4,067.7	4,000.0	4,000.0	-
Revenue	3,860.2	4,100.0	4,100.0	-
Profit from Business Activities	160.2	200.0	200.0	-
Profit Margin (%)	4.2	4.9	4.9	-
Profit Attributable to Owners of Parent	113.5	120.0	120.0	-
Profit Margin (%)	2.9	2.9	2.9	-
ROE (%)	7.7	7.7	7.7	-
EBITDA	292.4	330.0	330.0	-
EBITDA Margin (%)	7.6	8.0	8.0	-
FCF	301.8	-100.0	-100.0	-
Dividends	100 yen	120 yen	120 yen	-

### CFO Message:

“MHI have had a stable first three quarters this fiscal year,” Hisato Kozawa, CFO of MHI commented. “We saw increases in orders and revenue in three out of four reporting segments arising from business expansion and benefits from the depreciation of the yen. Performance was especially strong in GTCC, Nuclear Power, Logistics Systems, and HVAC.” Kozawa continued, “That said, we still have our work cut out for ourselves in the fourth quarter as we work to offset profitability issues caused by a variety of factors such as global inflation using all of the tools available to us. Our goal for this fiscal year is to set the stage for a successful

FY2023, during which we aim to achieve the targets laid out in our 2021 Medium-Term Business Plan.”

Attachment 1: Q1-3 FY2022 Financial Results

- [Financial Results](#)

Attachment 2: Presentation Materials of Q1-3 FY2022 Financial Results

- [Presentation Materials](#)

Downloadable PDF of this press release

- [Press Release](#)

**Note regarding forward looking statements:**

Forecasts regarding future performance as 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 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 yen to the U.S. dollar and other foreign currencies, and Japanese stock market trends. The results projected here should not be construed in any way as a guarantee by the Company.