

# WÄRTSILÄ CORPORATION

**JP MORGAN CAZENOVE  
EUROPEAN CAPITAL GOODS CEO CONFERENCE**

**Jaakko Eskola  
President & CEO**

# Wärtsilä's net sales by business Q1/2016



**ENERGY SOLUTIONS, 14%**

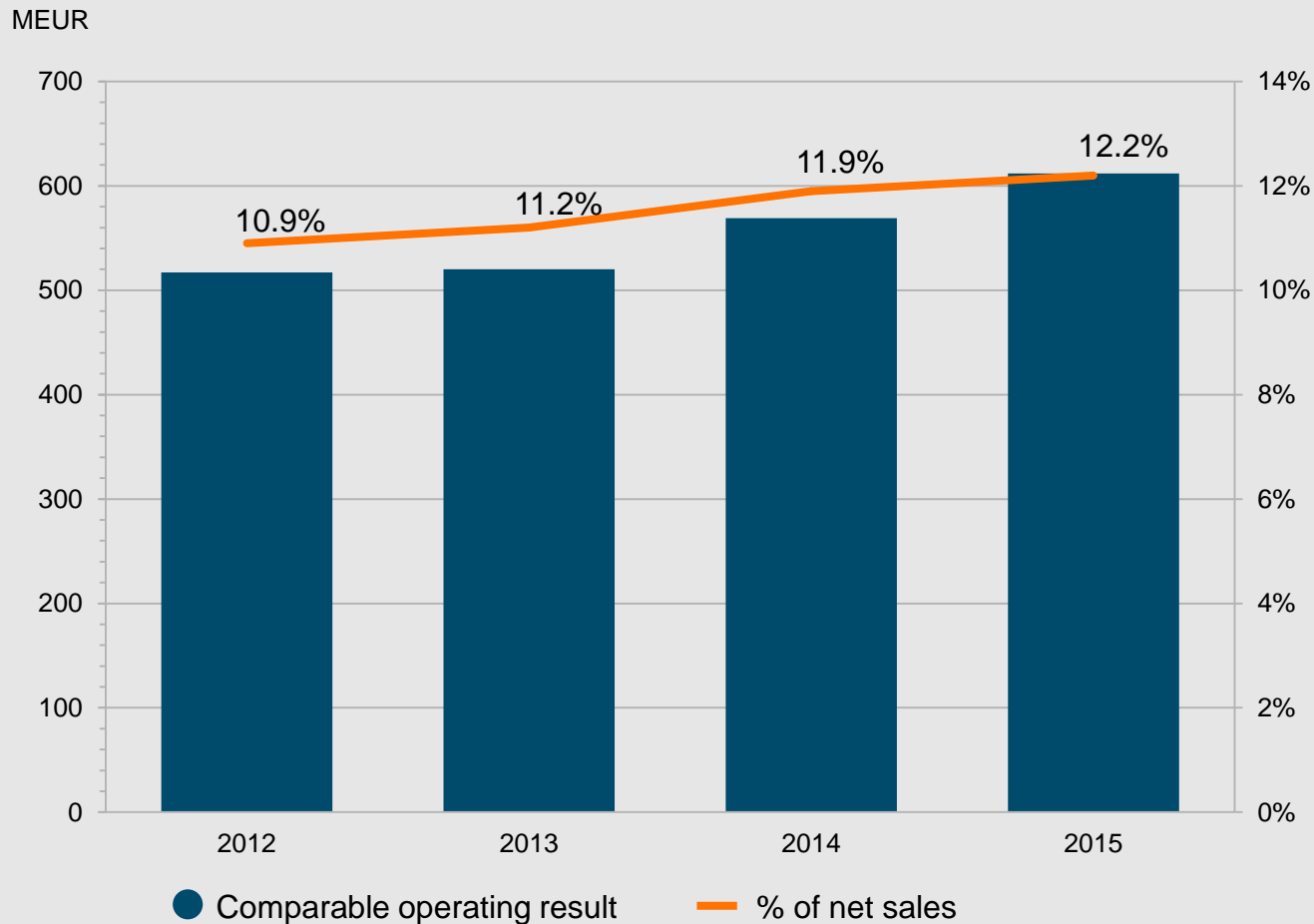


**MARINE SOLUTIONS, 35%**

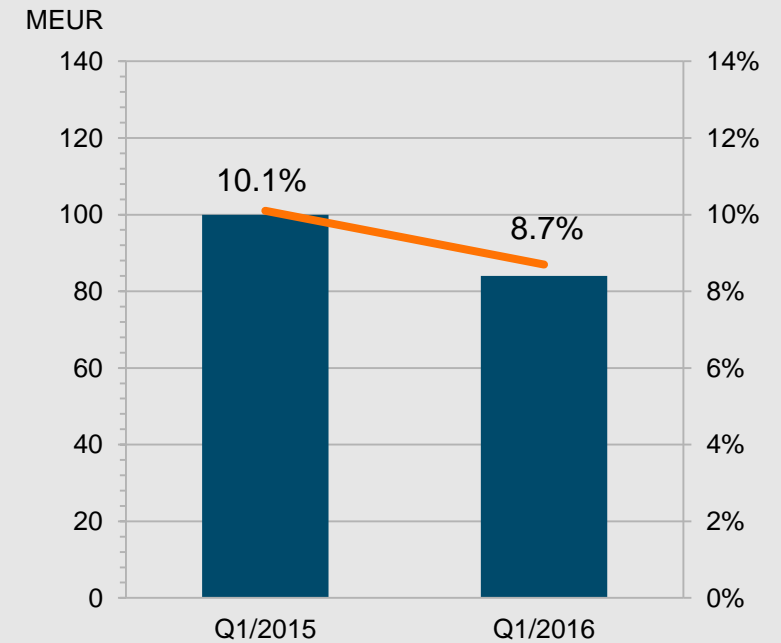
**SERVICES, 52%**



# Operating result and profitability



## First quarter development



Items affecting comparability include restructuring costs of EUR 1 million for Q1 2016 and EUR 25 million for the full year 2015. Figures for 2012-2013 include both discontinued and continuing operations.

# GROWING ENERGY DEMAND

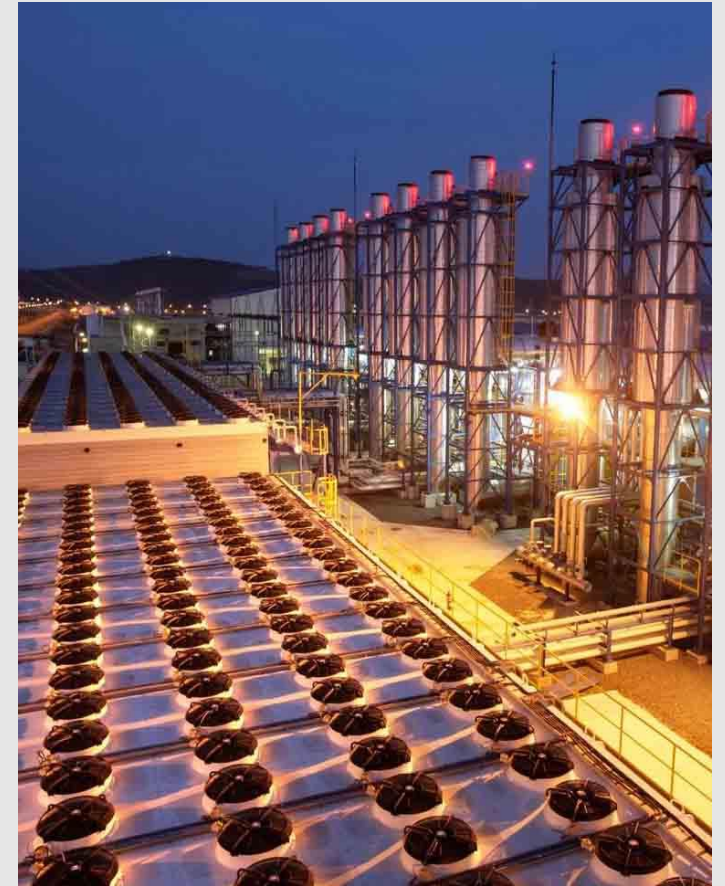


# GLOBAL TRANSPORTATION NEEDS

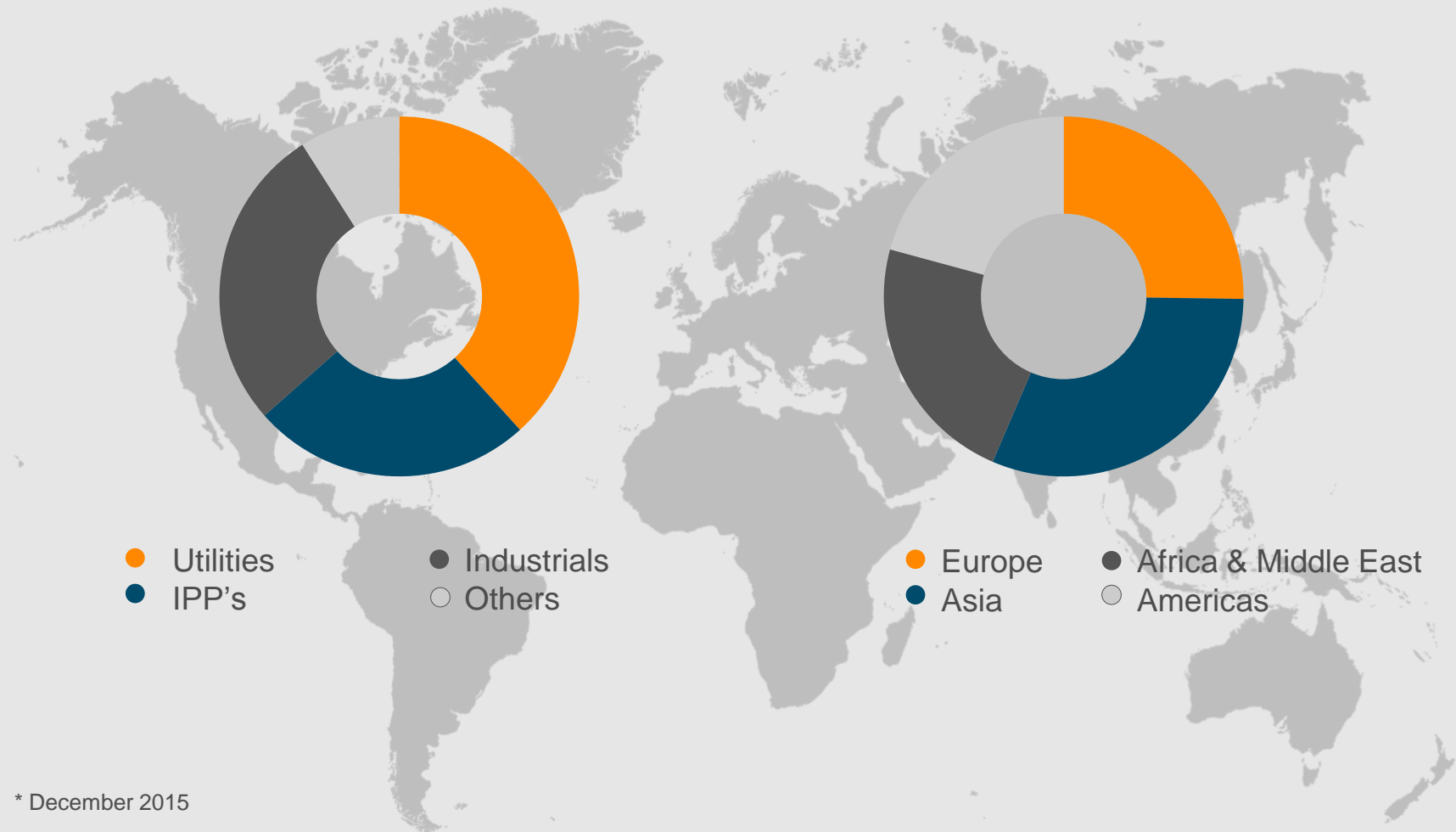
## Market trends & drivers

- Economic growth, electrification and increased standard of living
- Growth in sustainable energy and reducing carbon emissions
- Rapid growth of intermittent renewable generation and escalating demand fluctuation
- Increasing role of natural gas
- Ageing installed capacity

“ **The world needs clean, affordable and reliable power generation** ”

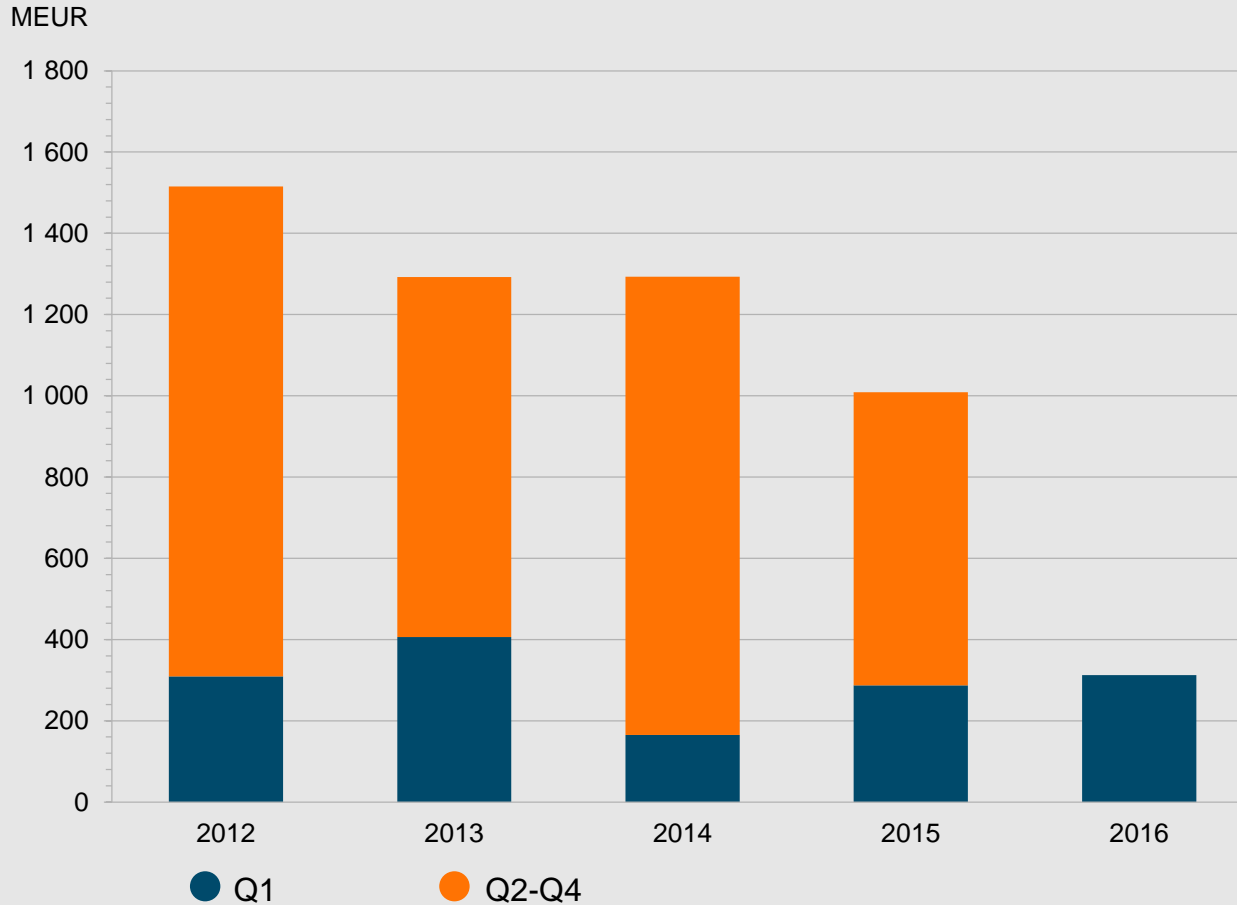


# >4,500 power plants in 175 countries



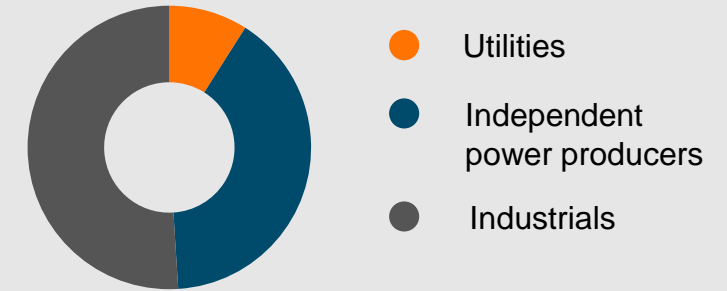
\* December 2015

# Solid power plant ordering activity

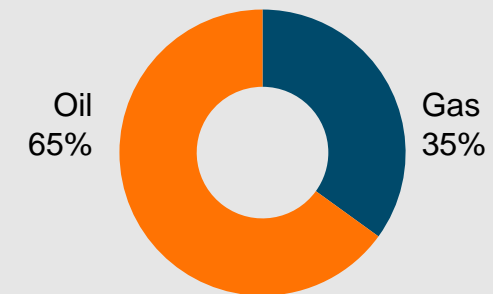


## First quarter development

Total EUR 312 million (287)



## First quarter order intake by fuel in MW



# Wärtsilä enters the utility-scale solar business

Leveraging our global EPC expertise to help our customers reduce carbon emissions by offering hybrid solutions that couple solar PV parks with Smart Power Generation power plants in focus areas such as Africa, the Middle East, the Americas and Southeast Asia.

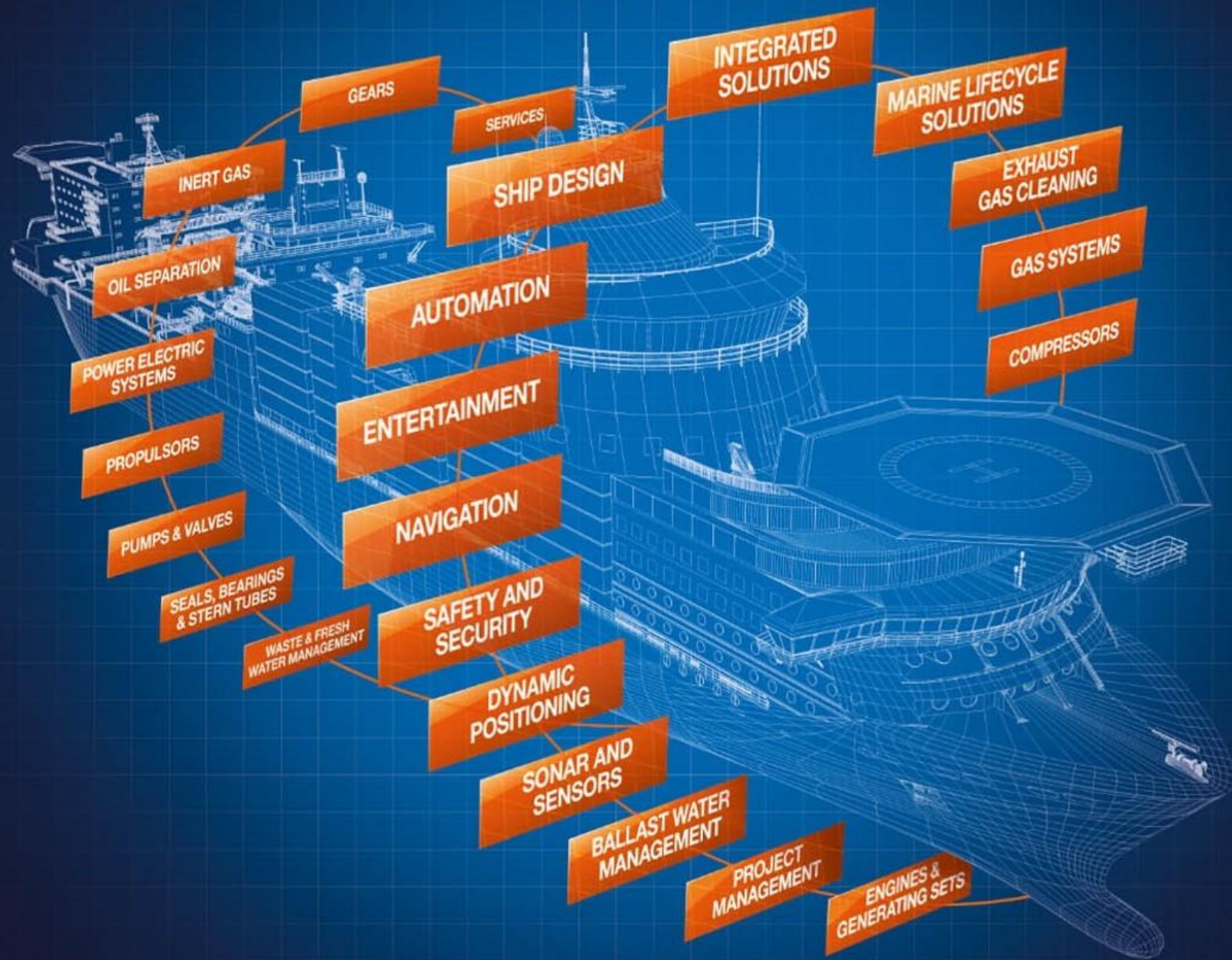




## Strategy

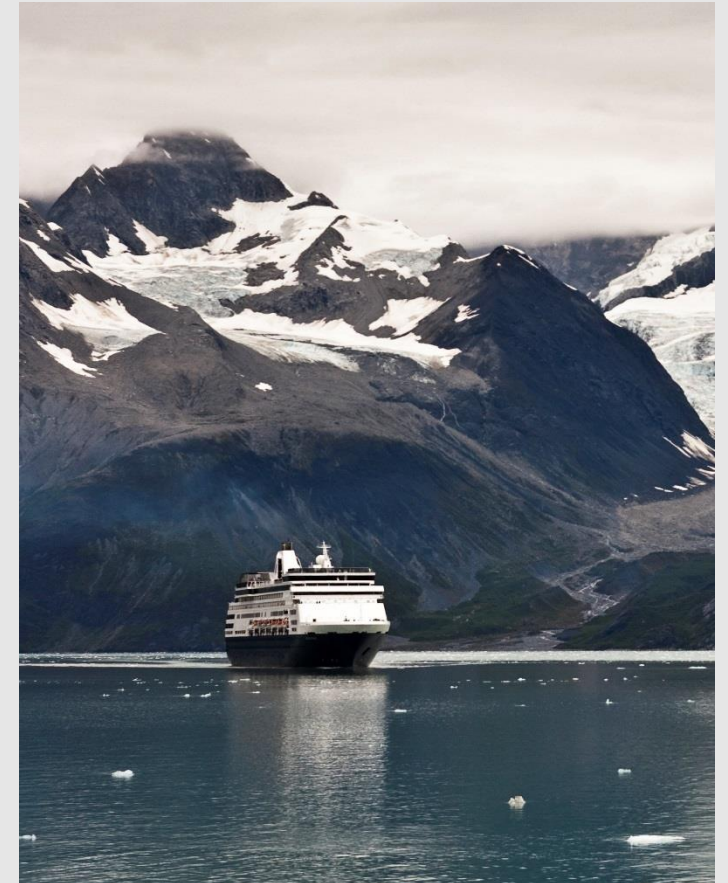
- Grow strongly in large utility gas power plants market by capturing market share from gas turbines
- Maintain our leading position in HFO & dual-fuel power plants
- Gain market share in utility-scale solar PV business with EPC capability
- Grow in the small to medium scale LNG terminal business by introducing a new value proposition to selected markets



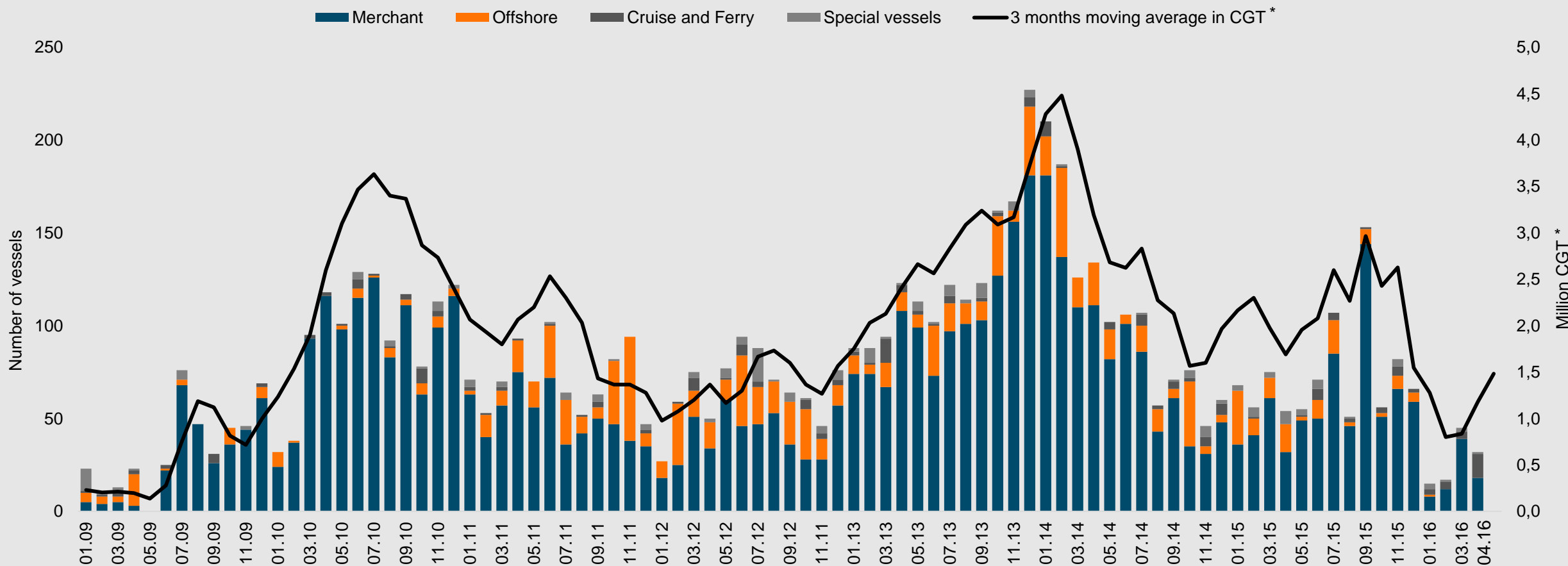


## Market trends & drivers

- Urbanisation, globalisation and population growth support increase in seaborne trade
- Technological developments and new breakthroughs demand faster product development and create new business models
- Increasing consumption and growing middle class population support demand for cruise sector
- Growing energy demand
- Climate change and gas as a fuel



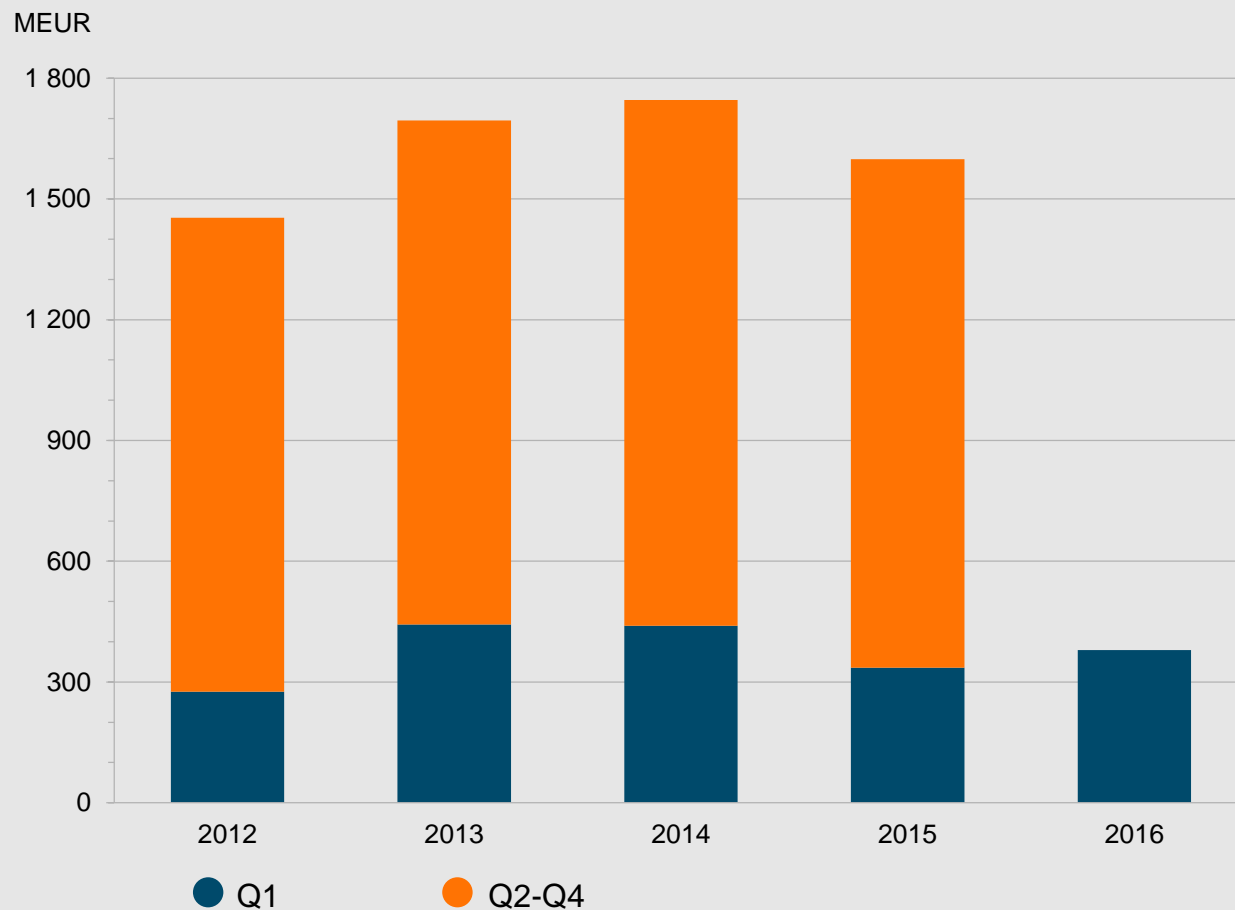
# The demand for new vessels remains limited



Source: Clarkson Research Services, figures exclude late contracting

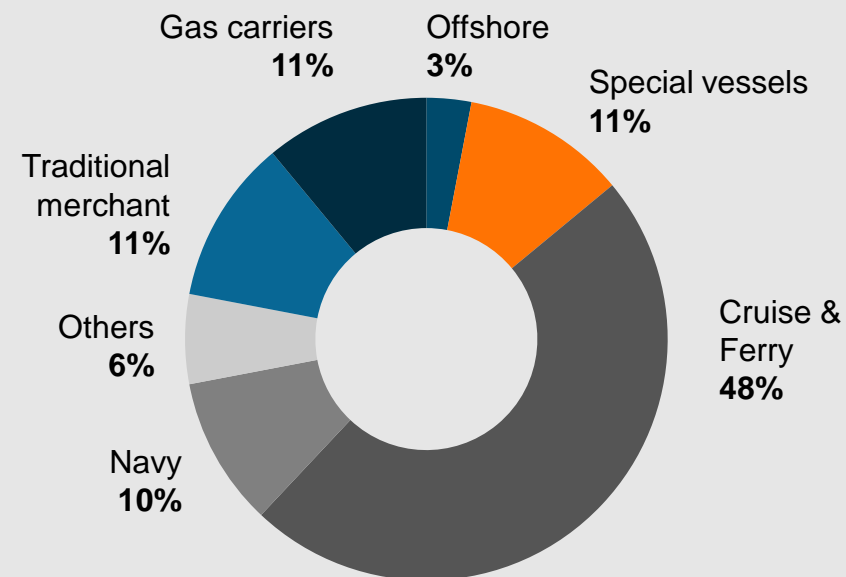
\* CGT= gross tonnage compensated with workload

# Order intake supported by strong activity in Cruise & Ferry



## First quarter development

Total EUR 379 million (336)



# Strategy

LEADER IN

EFFICIENCY

GAS AND DUAL-  
FUEL SOLUTIONS

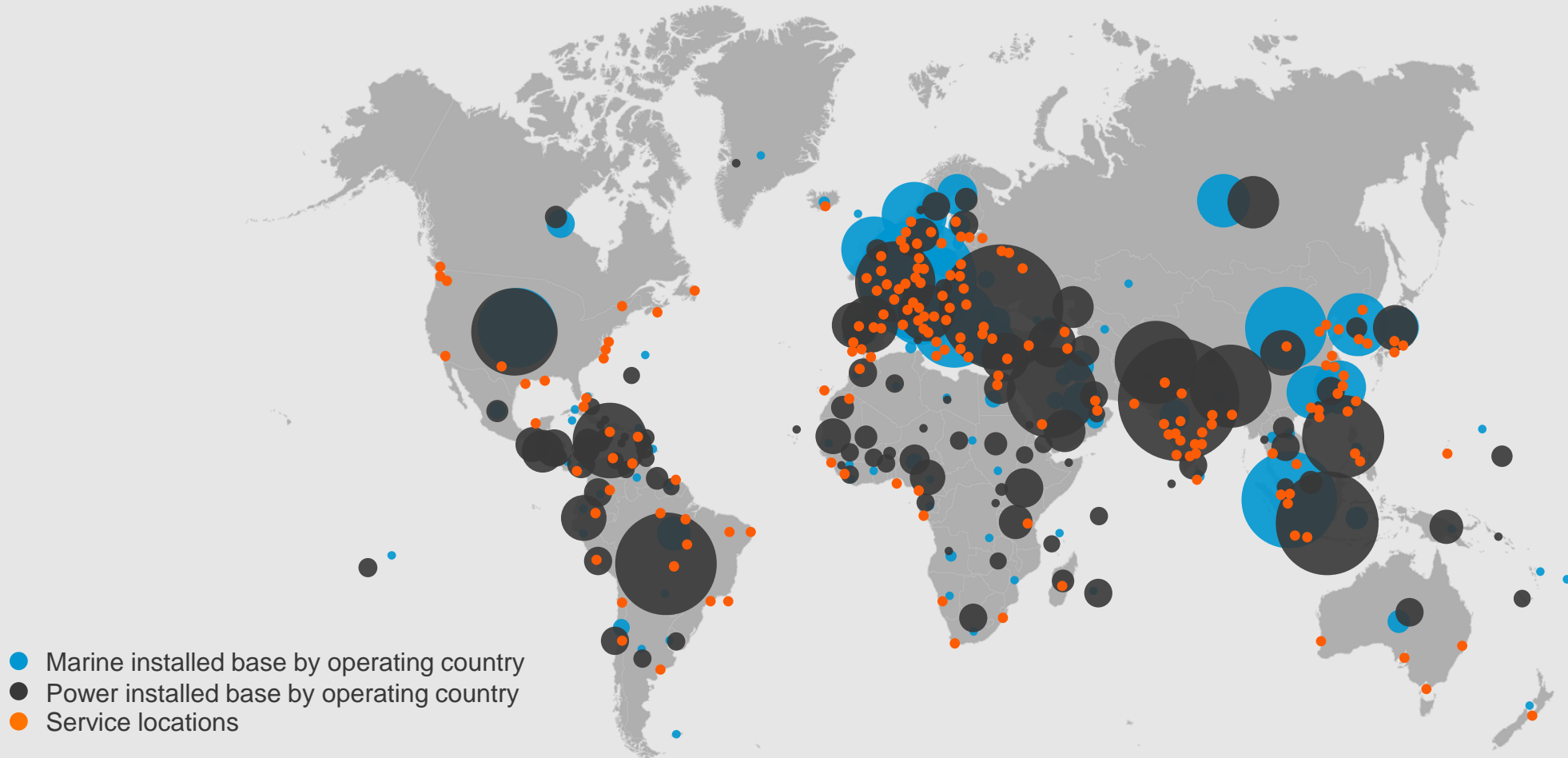
ENVIRONMENTAL  
SOLUTIONS



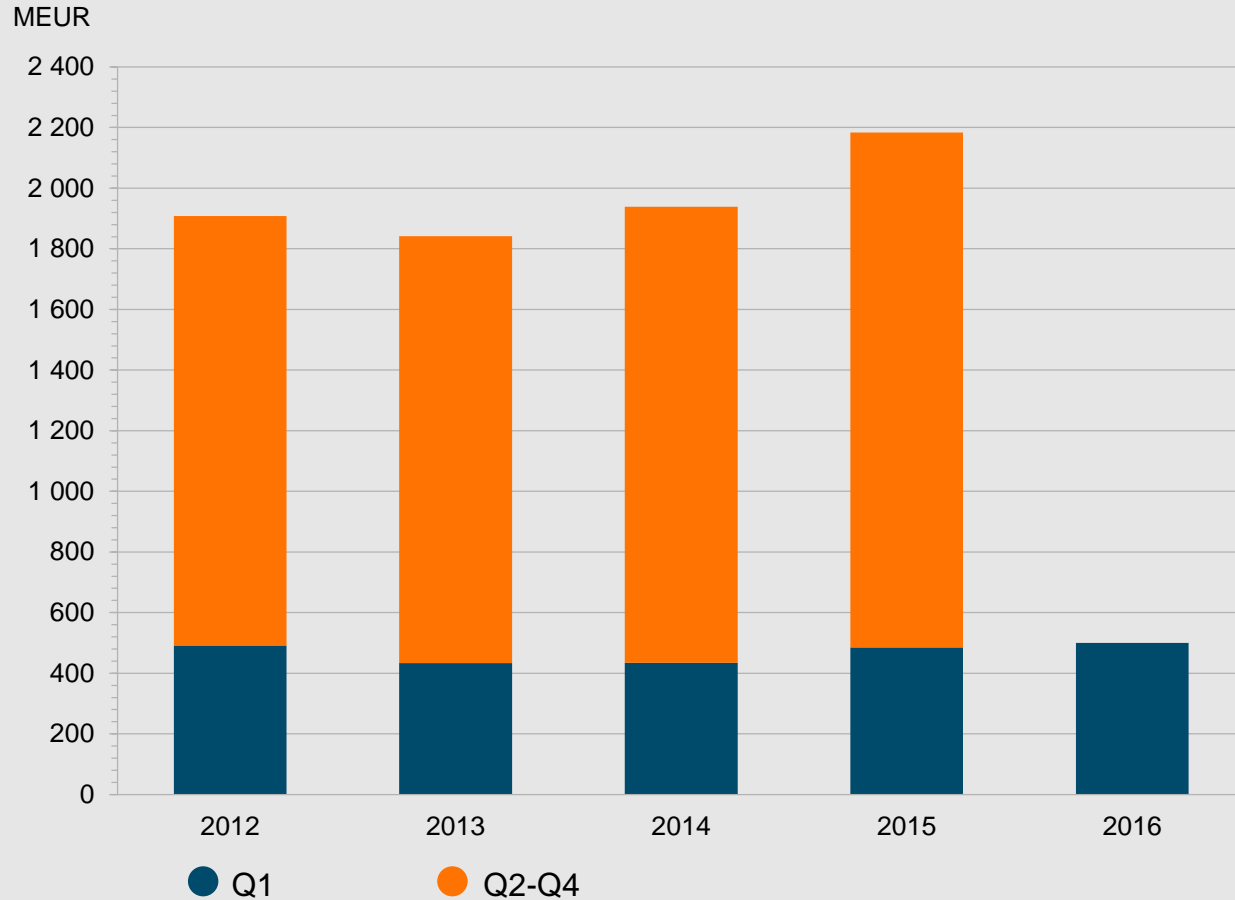
THROUGH  
OFFERING

- **Lifecycle solutions** for ship owners and operators
- **Integrated solutions** for the shipbuilding industry, owners and operators
- The best customer value and customer experience in the marine industry

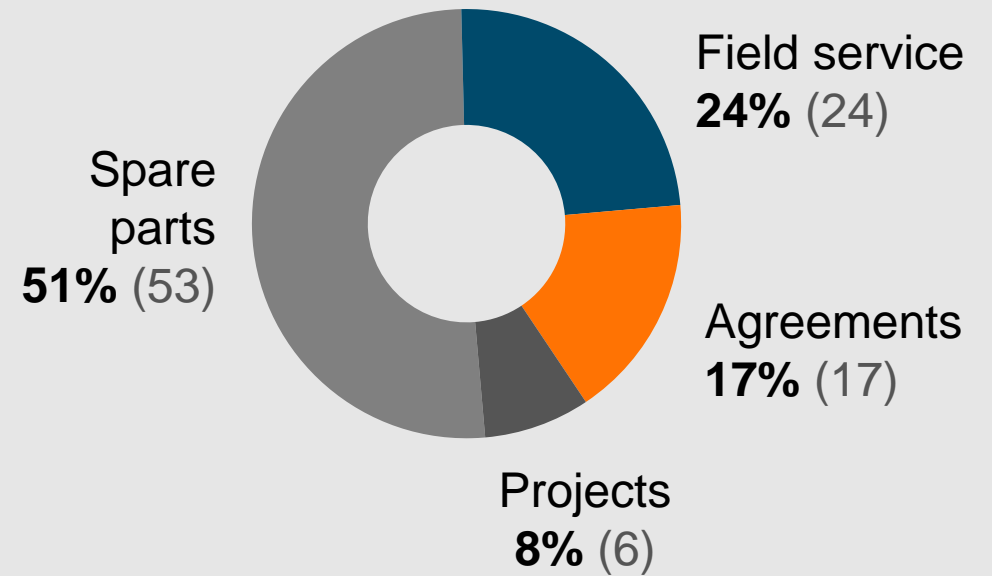
**We are where our customers need us to be**  
**11,000 service professionals in 70 countries, 160 locations...**



# Steady progression in Services net sales



**First quarter development**  
EUR 500 million (485)





## Strategic focus areas



**CUSTOMER FIRST**



**GO DIGITAL**



**ASSET & LIFECYCLE  
MANAGEMENT**

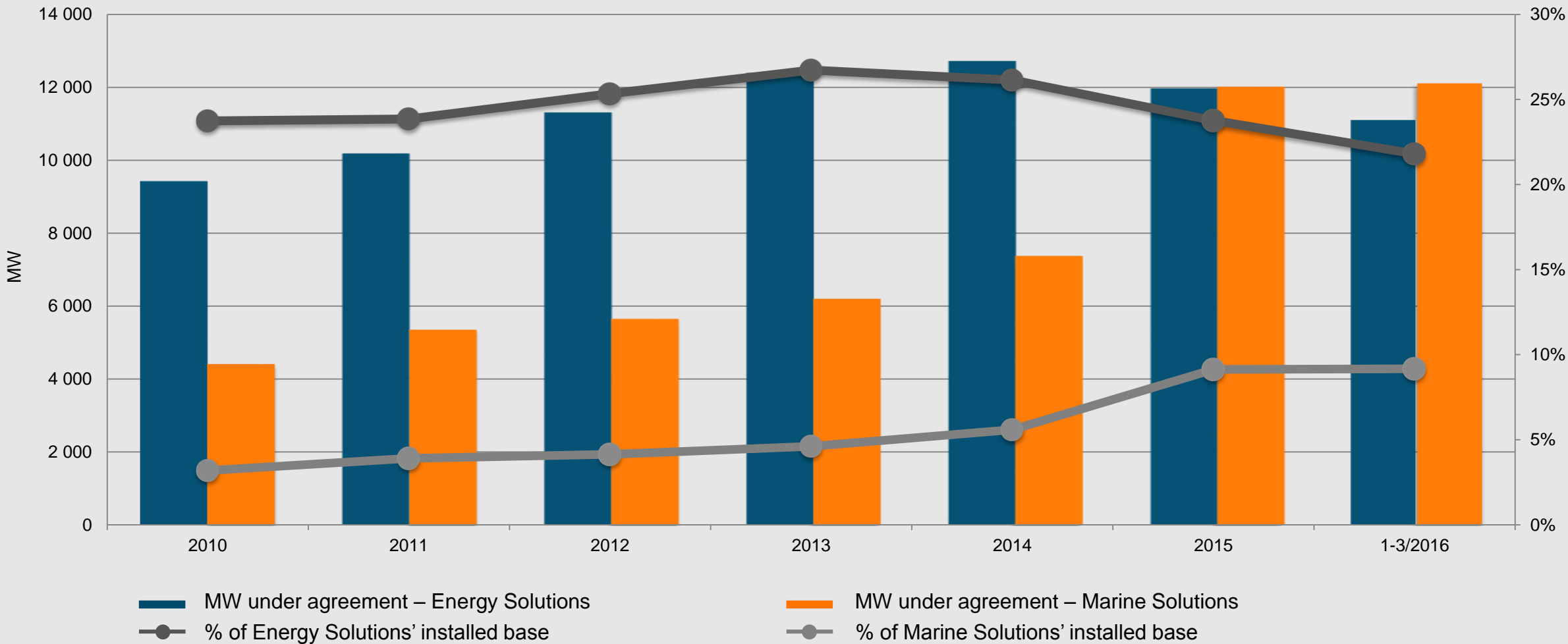


**NEW CUSTOMER  
ACCESS**

### **We will grow by**

- Doing more business with existing customers
- Exploring opportunities within new customer segments by leveraging current competences
- Acquiring businesses in growing markets

# Development of service agreements



# PROSPECTS FOR 2016

Wärtsilä expects its net sales for 2016 to grow by 0-5% and its profitability (comparable operating result as a percent of net sales) to be 12.5-13.0%



# THANK YOU

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