

WÄRTSILÄ CORPORATION

DANSKE BANK NAVIGATING THE NORDICS 2017

31.5.2017

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This is Wärtsilä

Net sales by business 1-3/2017



ENERGY SOLUTIONS, 24%

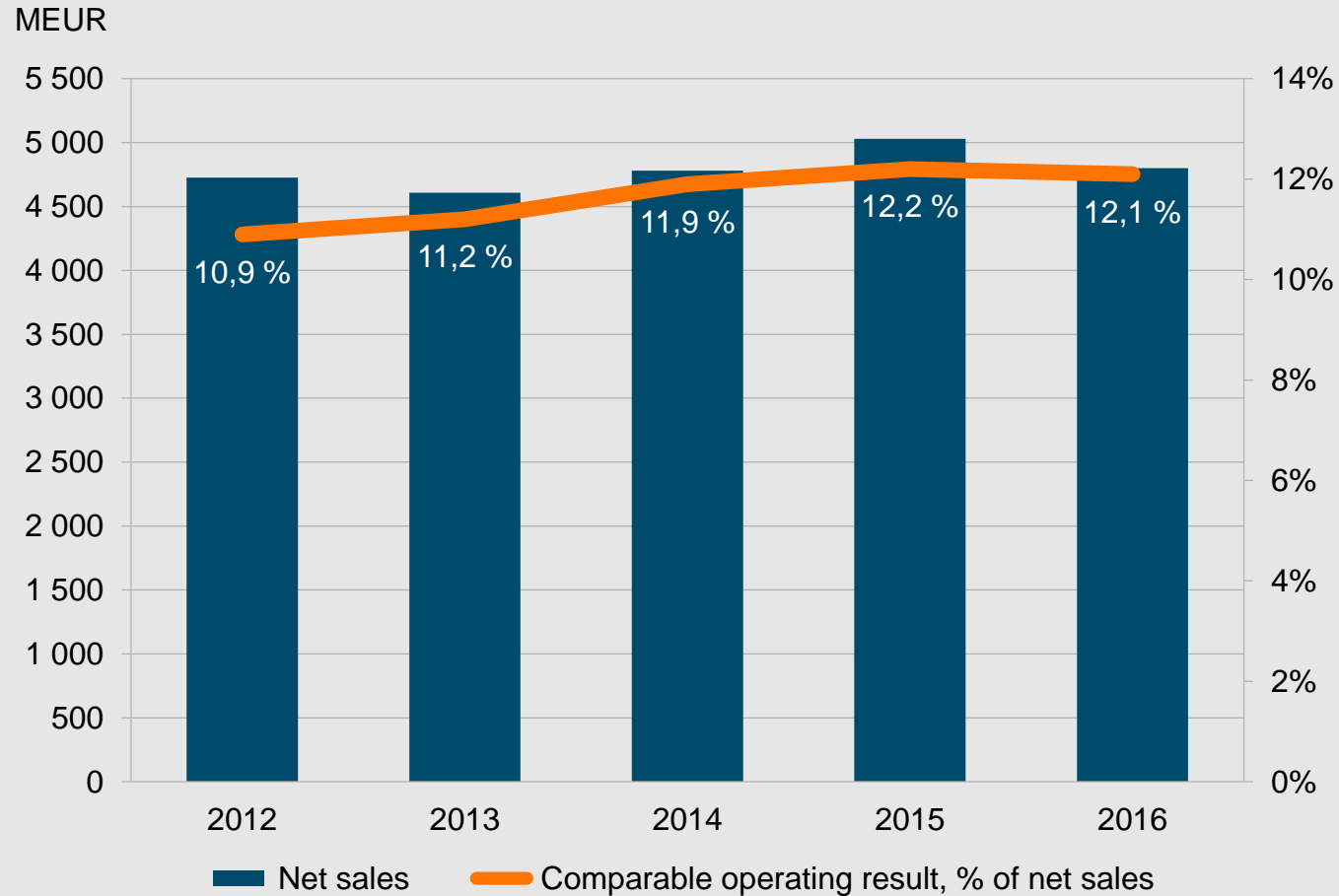


MARINE SOLUTIONS, 28%

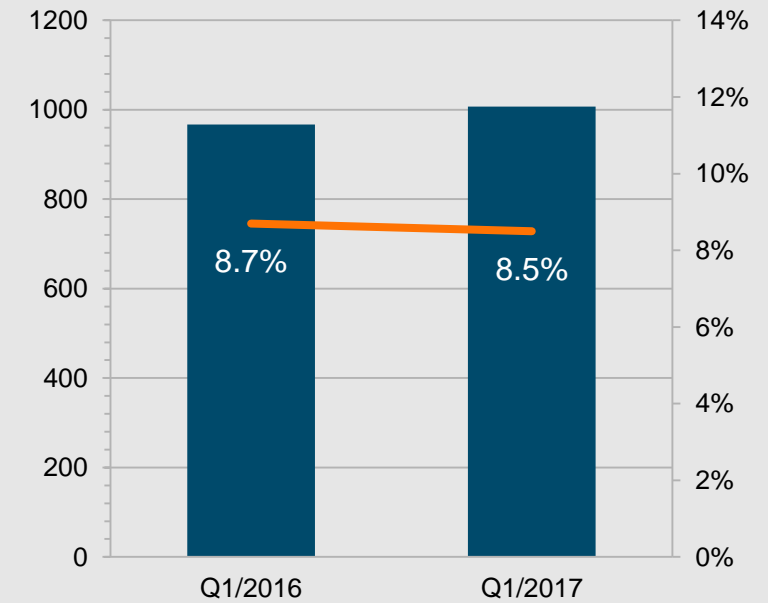
SERVICES, 49%



Net sales and profitability



First quarter development



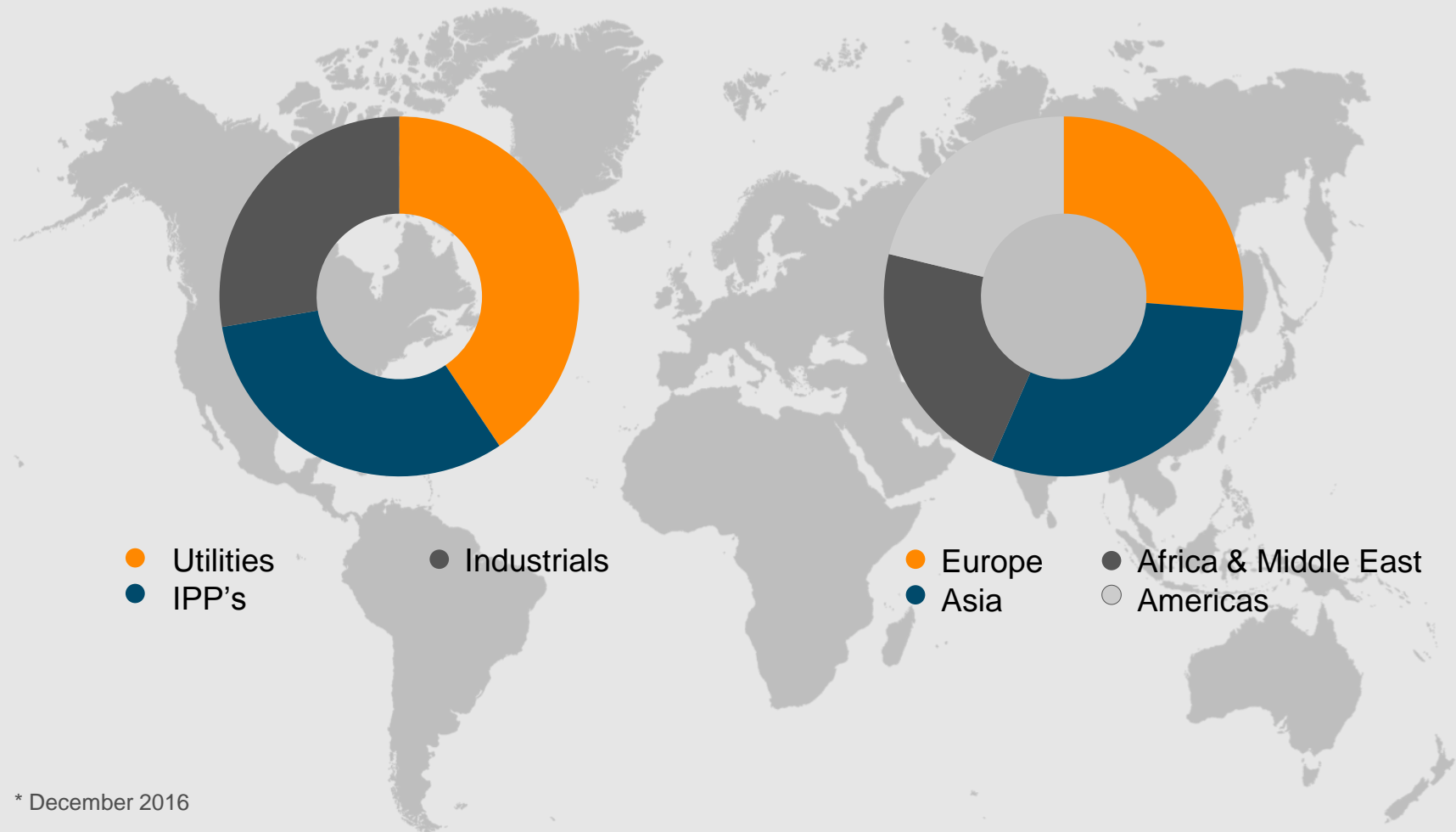
Figures for 2012-2013 include both discontinued and continuing operations.

GROWING ENERGY DEMAND



GLOBAL TRANSPORTATION NEEDS

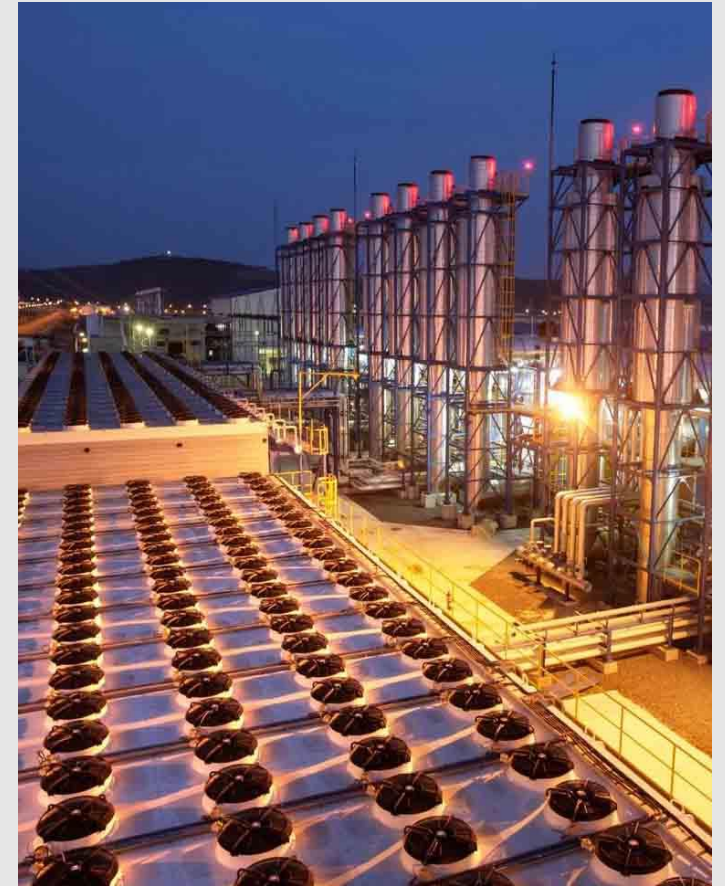
>4,700 power plants in 176 countries



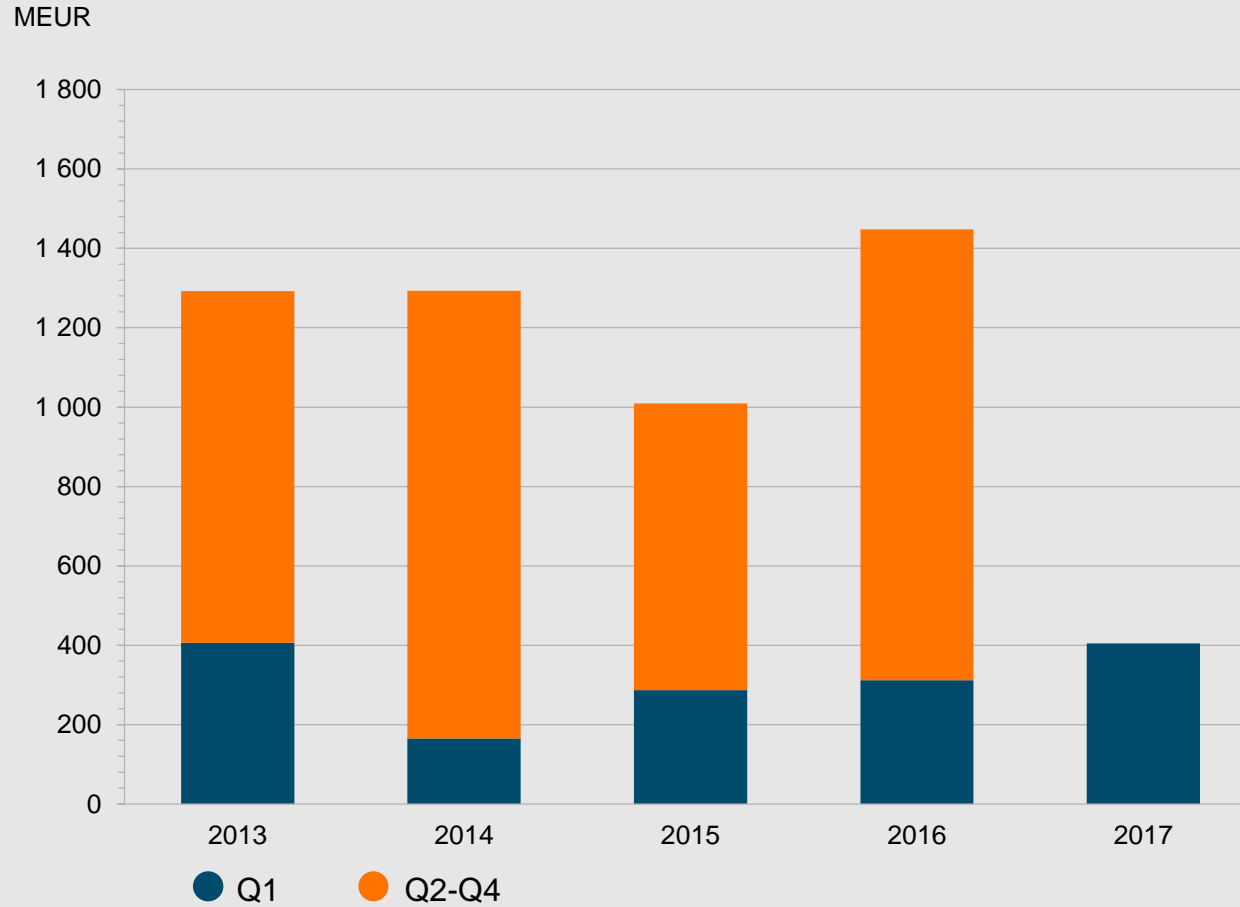
* December 2016

Market trends & drivers

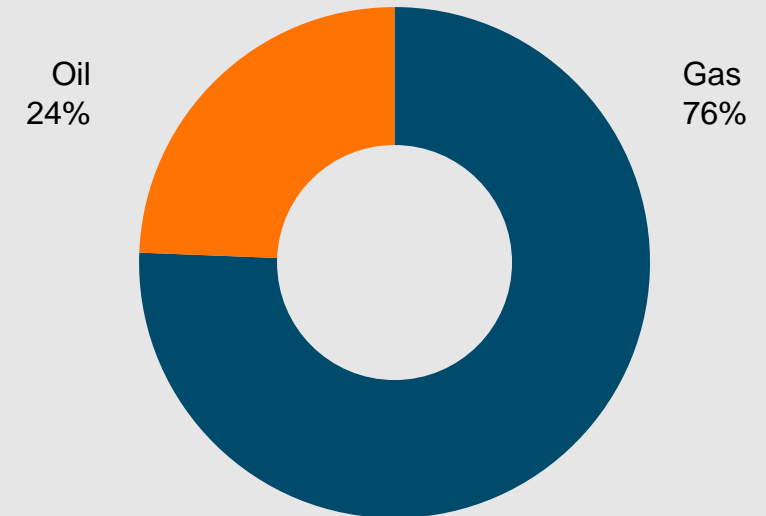
- Economic growth, electrification and increased standard of living
- Growth in sustainable energy and reducing carbon emissions
- Rapid growth of intermittent renewable generation and escalating demand fluctuation
- Natural gas replacing other fossil fuels
- Ageing installed capacity driving investments in new technologies



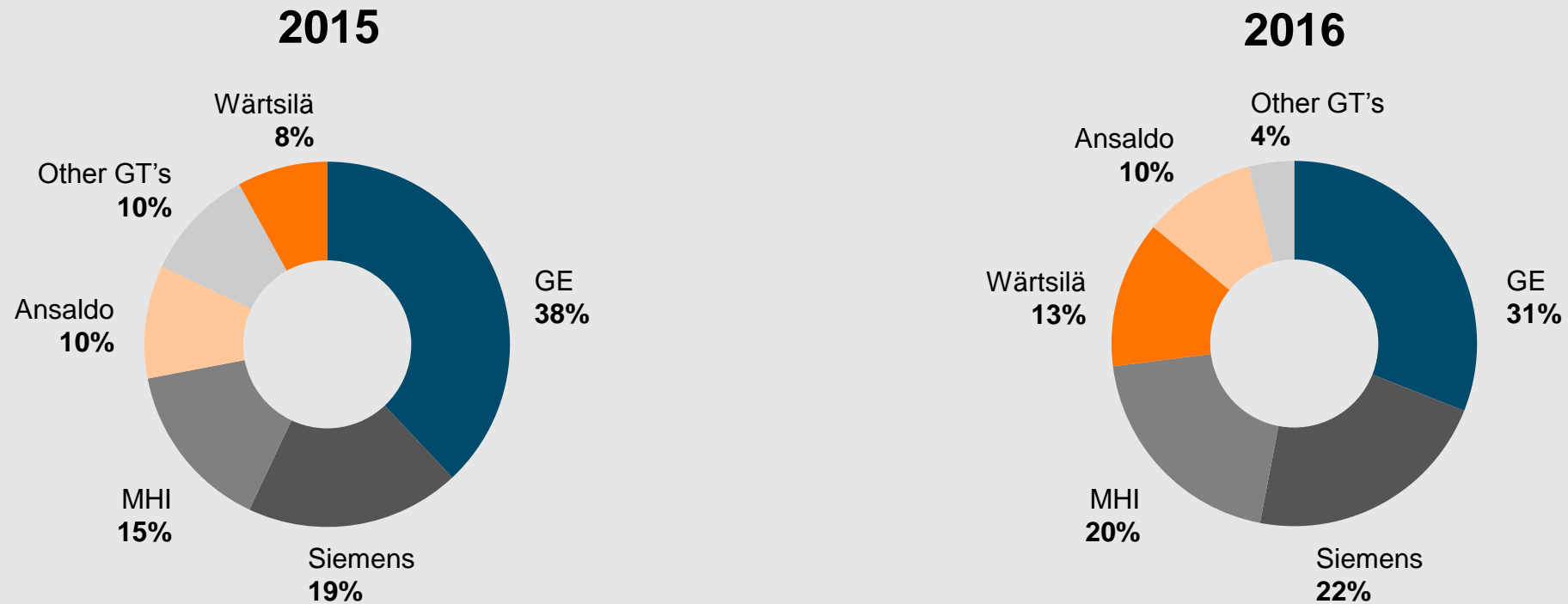
Strong ordering activity in Energy Solutions



First quarter order intake by fuel in MW



Market for gas and liquid fuel power plants, <500 MW



<500 MW market volume: 26.1 GW (26.2)

Market data includes all Wärtsilä power plants and other manufacturers' gas and liquid fuelled gas turbine based power plants with prime movers above 5 MW, as well as estimated output of steam turbines for combined cycles. The data is gathered from the McCoy Power Report. Other combustion engines not included. In engine technology Wärtsilä has a leading position.



LNG INFRASTRUCTURE

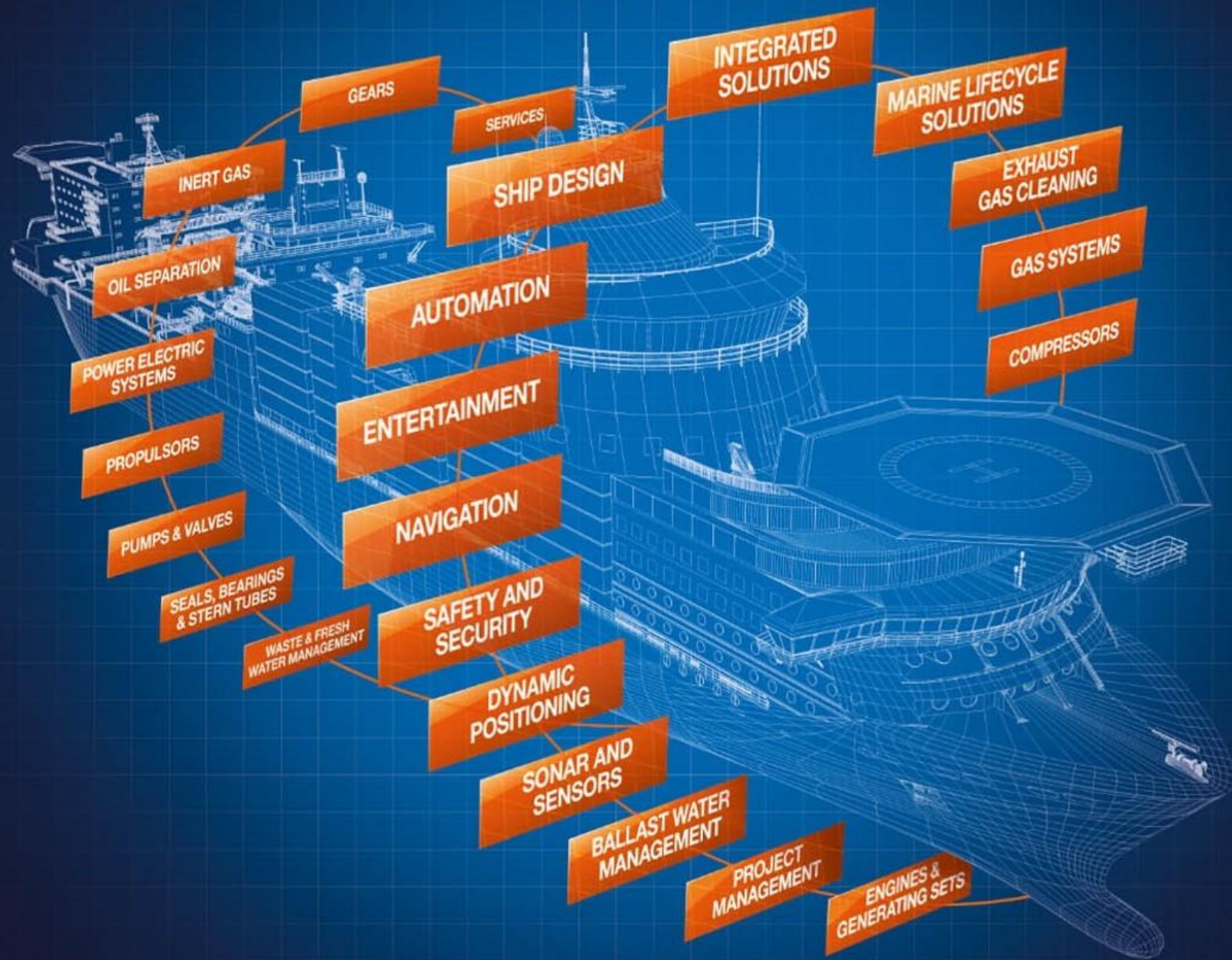
**CAPTURING GROWTH
THROUGH GLOBAL SYSTEMS
INTEGRATION**



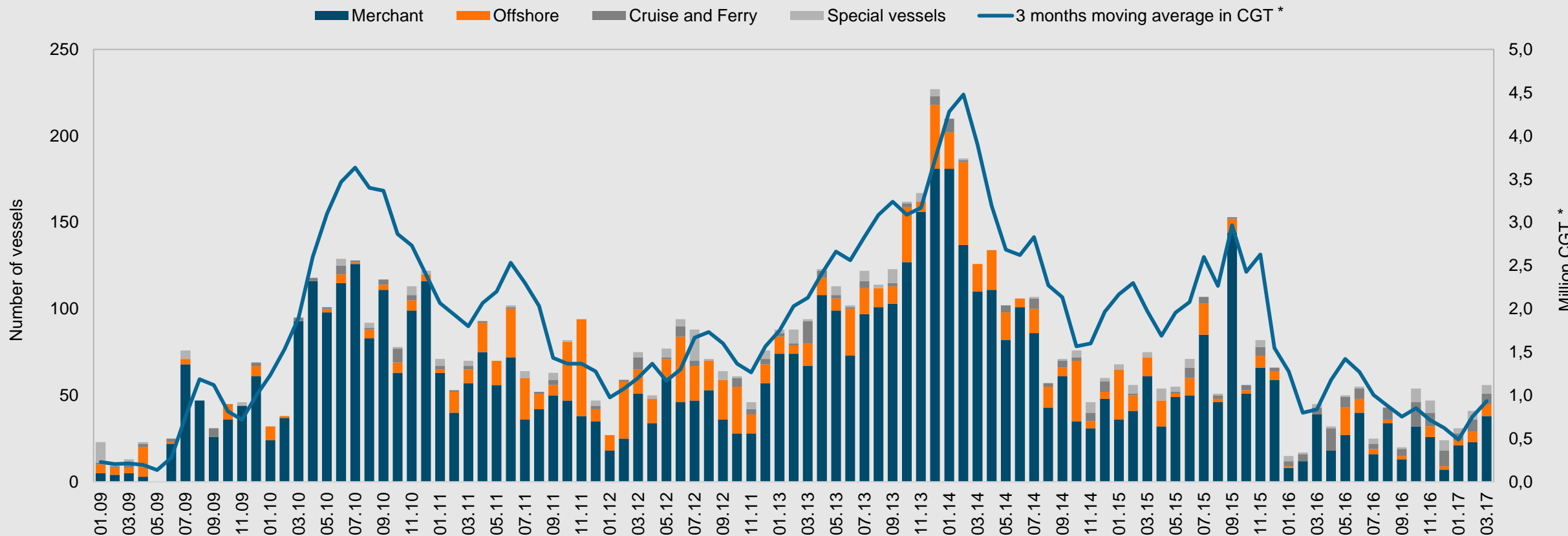
**SOLAR PV, STORAGE &
HYBRID POWER PLANTS**



ENGINE POWER PLANTS



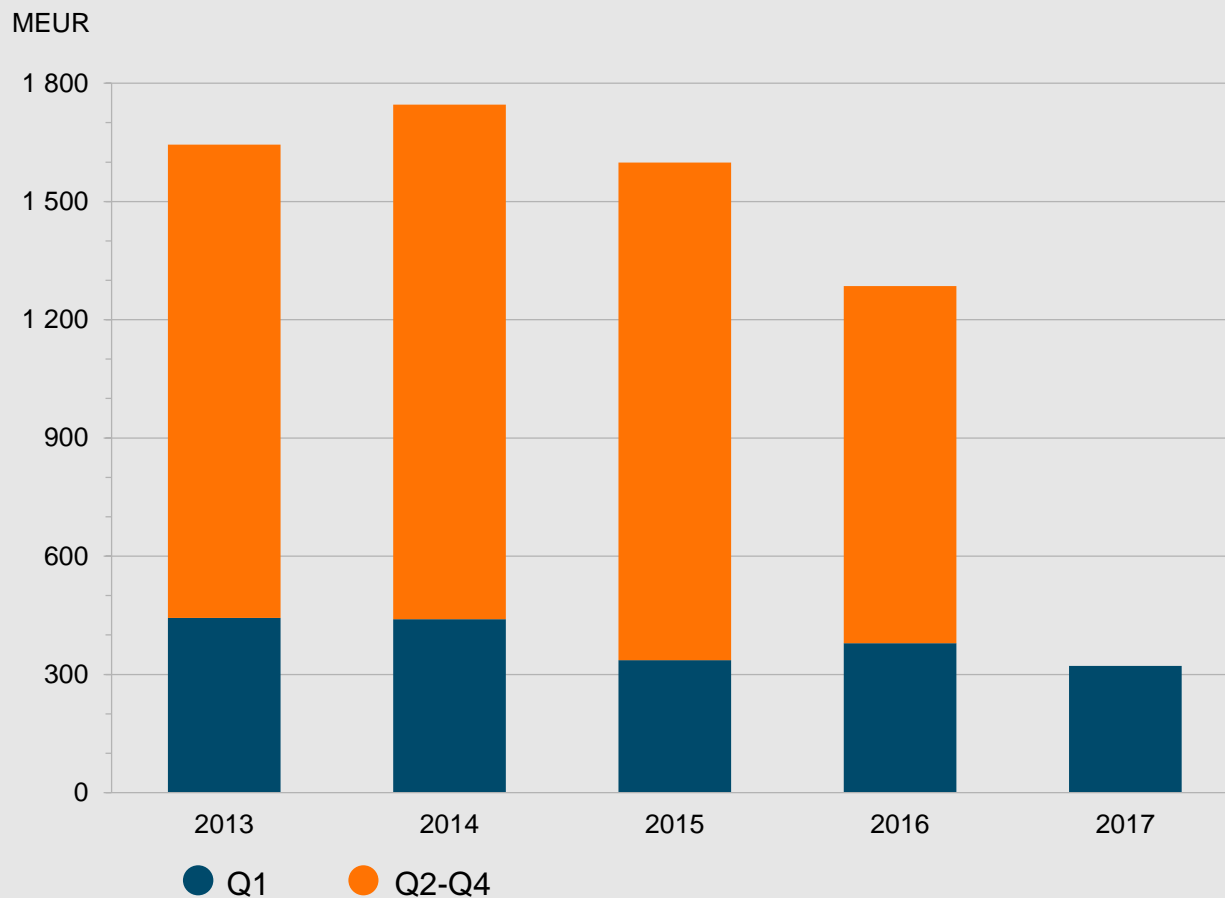
Marine market environment continues to be soft



Source: Clarkson Research Services, figures exclude late contracting

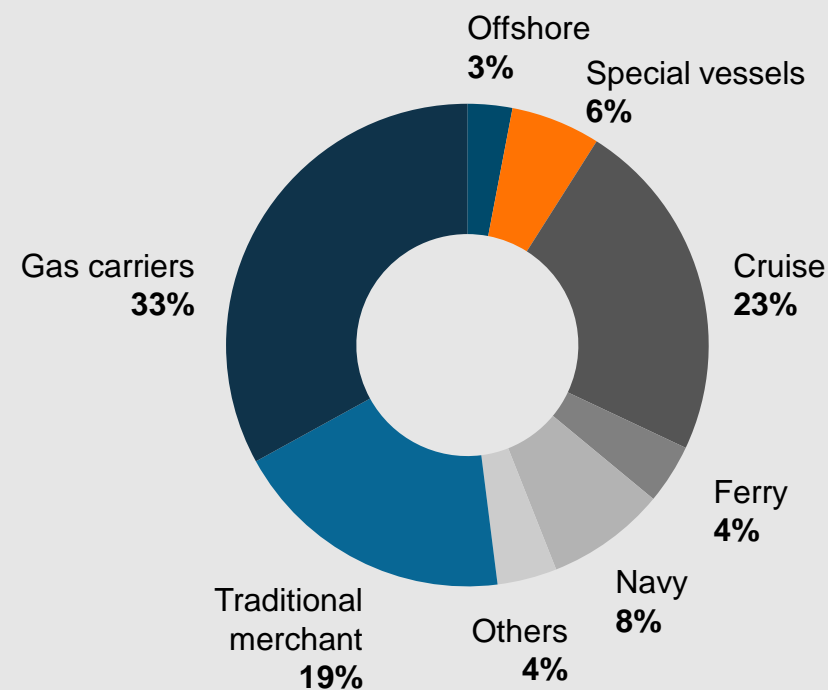
* CGT= gross tonnage compensated with workload

Marine Solutions' order intake satisfactory



First quarter development

Total EUR 322 million (379)



Strategy

LEADER IN

EFFICIENCY

GAS AND DUAL-
FUEL SOLUTIONS

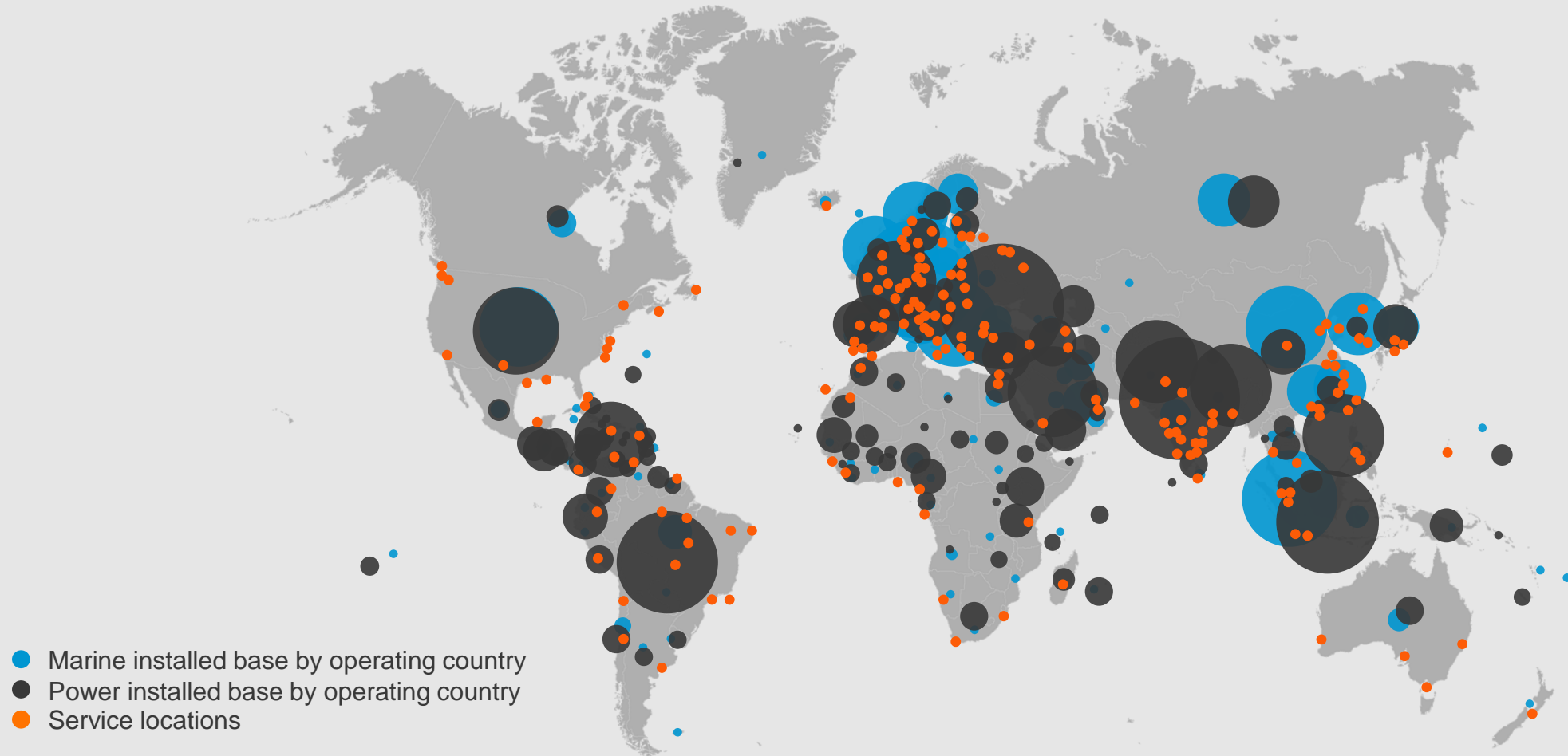
ENVIRONMENTAL
SOLUTIONS



THROUGH
OFFERING

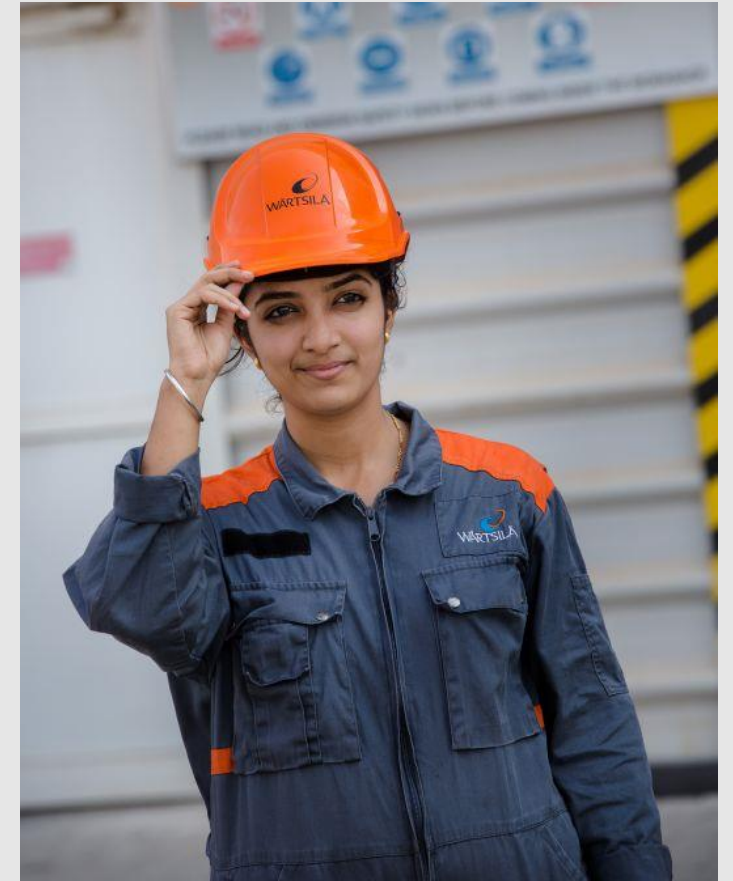
- **Lifecycle solutions** for ship owners and operators
- **Integrated solutions** for the shipbuilding industry, owners and operators
- The best customer value and customer experience in the marine industry

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

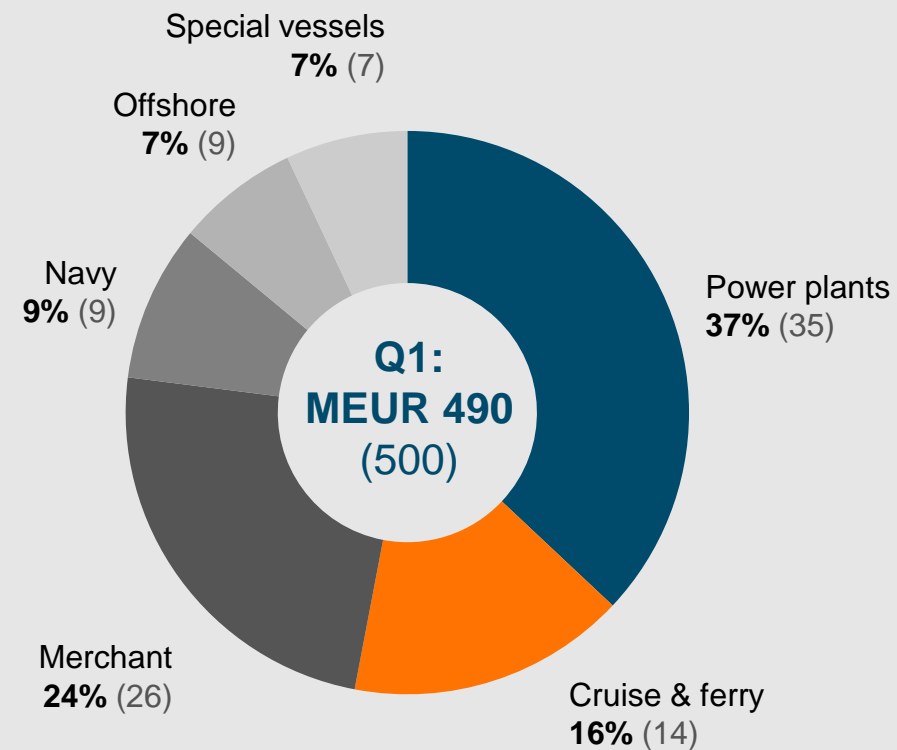
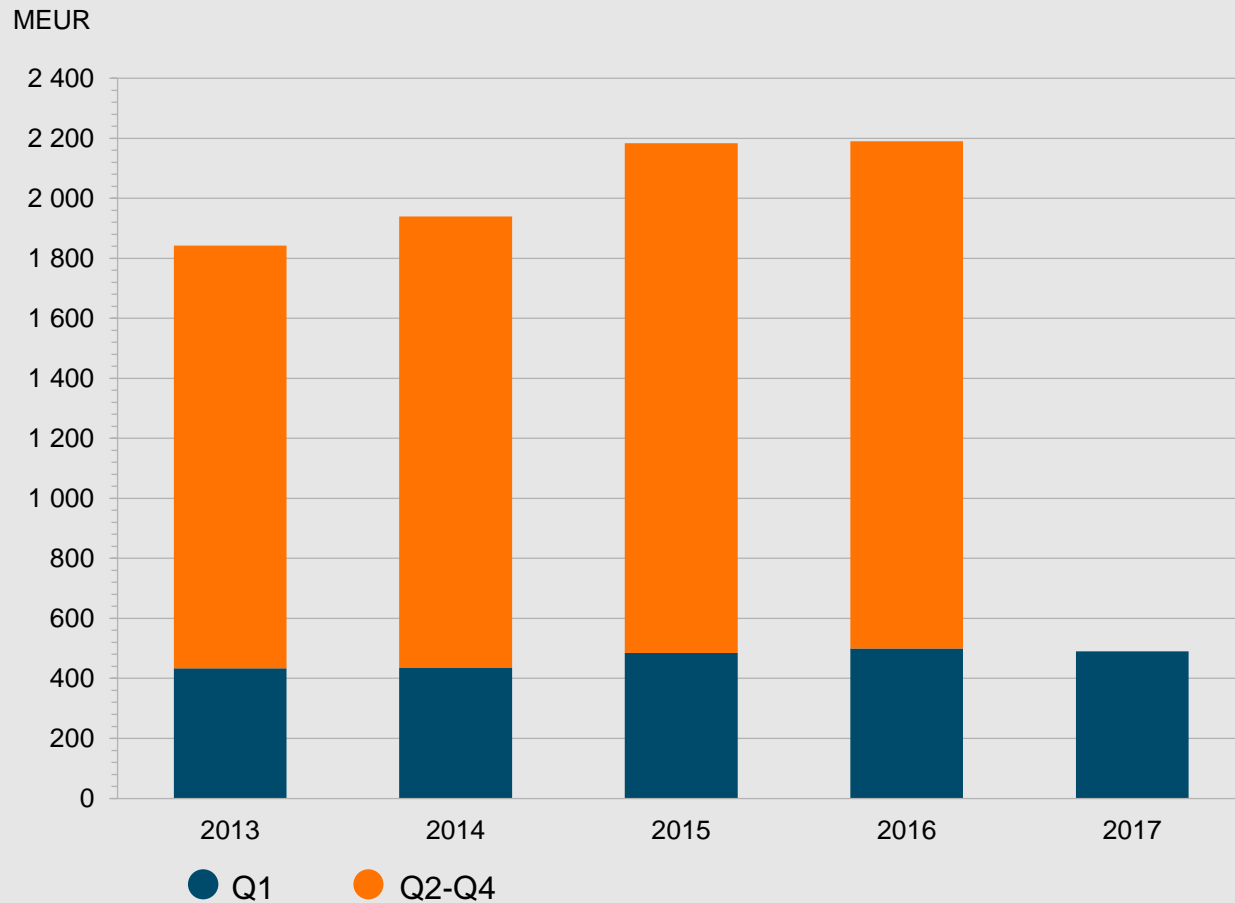


Market trends & drivers

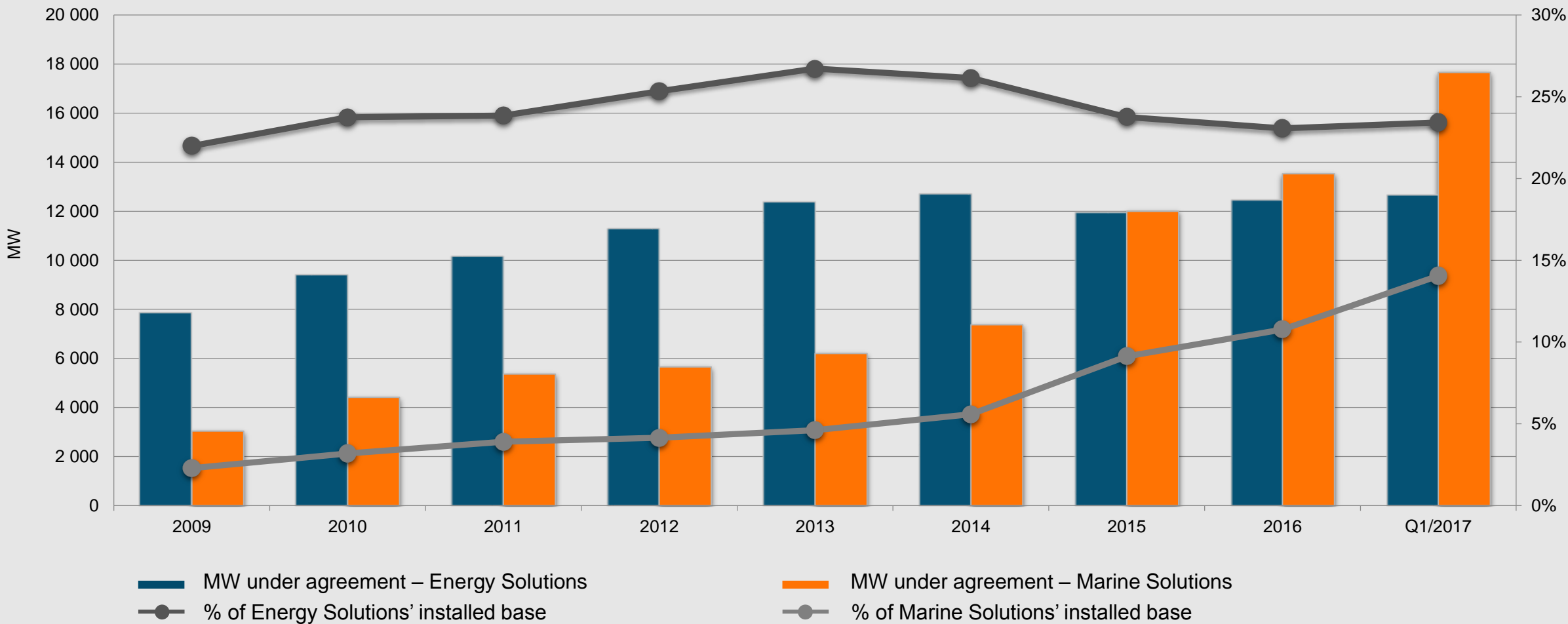
- Installed base development and installation utilisation
- Growing importance of gas as a fuel
- Need for real time monitoring and analytics
- Need to increase uptime and availability
- Focus on efficiency
- New and stricter regulations
- A dynamic global market, but with distinctive segment-specific and local needs



Stable development in Services' net sales



Installed base covered by service agreements



Four clear strategic initiatives for growth

CUSTOMER FIRST



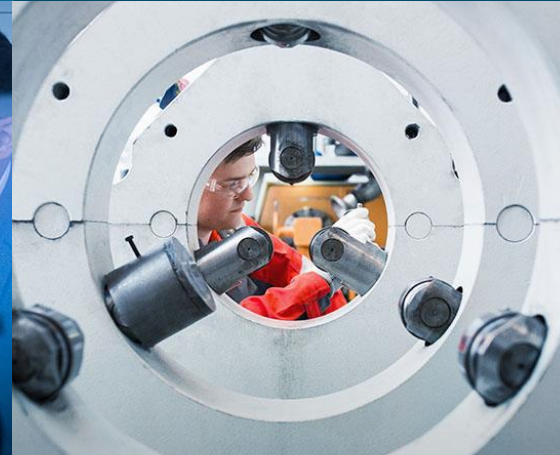
Growth in existing business by improving **customer loyalty**

GO DIGITAL



Growth through optimising **customer performance**

ASSET & LIFECYCLE MANAGEMENT



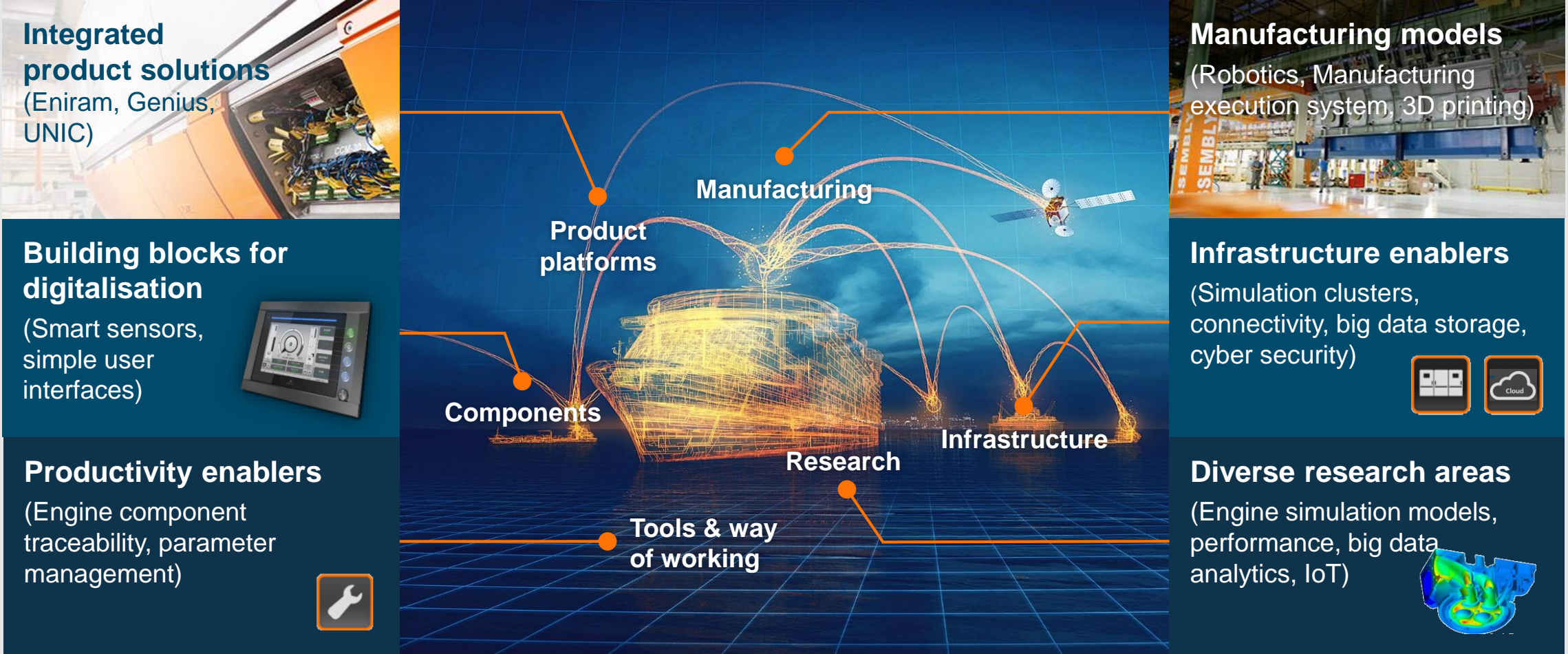
Growth through value-adding **lifecycle services & projects**

NEW CUSTOMER ACCESS



Growth **beyond** the traditional Wärtsilä **installed base**

Wärtsilä's digital transformation



Prospects for 2017

The overall demand for Wärtsilä's services and solutions in 2017 is expected to be relatively unchanged from the previous year. Demand by business area is anticipated to develop as follows:

- Solid in Services with growth opportunities
- Good in Energy Solutions (upgraded from solid)
- Soft in Marine Solutions



Grow faster than global GDP

Focus on strengthening our position in strategic growth markets

Reach 14% profitability

Enhanced performance through continuous improvement

Maintain gearing below 50%

Unleveraged balance sheet supports growth through acquisitions

Dividend $\geq 50\%$ of EPS over the cycle

Committed to providing solid shareholder returns

THANK YOU!

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