



# Wärtsilä Corporation

Result presentation 2015, 27 January 2016

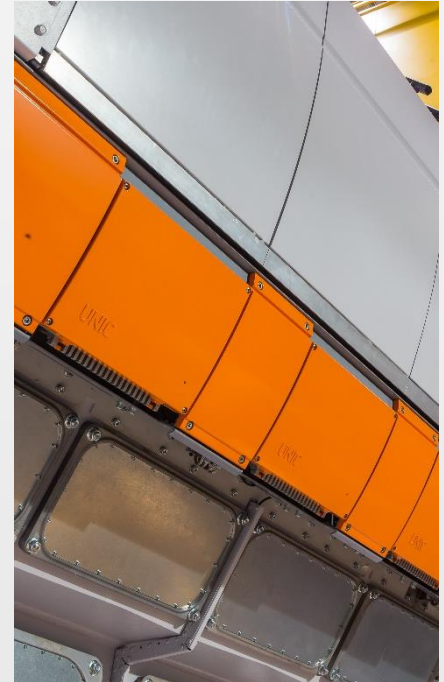
Jaakko Eskola, President & CEO

# Highlights 2015

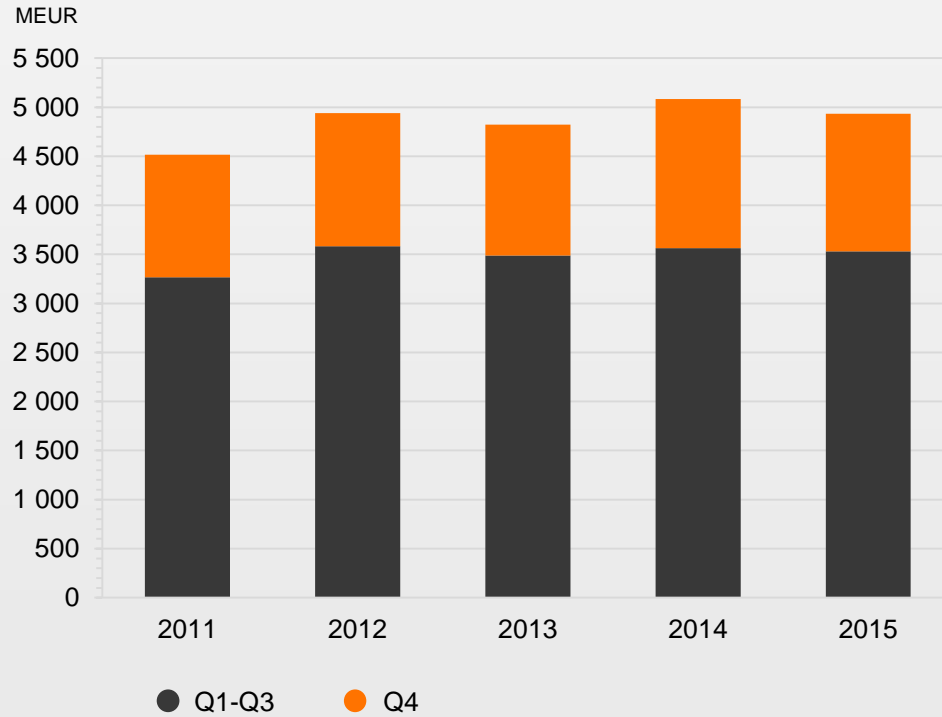
- Order intake EUR 4,932 million, -3%
- Net sales EUR 5,029 million, +5%
- Book-to-bill 0.98 (1.06)
- EBIT EUR 612 million, 12.2% of net sales (EUR 569 million or 11.9%)
- EBITA EUR 643 million, 12.8% of net sales (EUR 594 million or 12.4%)
- Cash flow from operating activities EUR 255 million (452)
- Order book at the end of the period EUR 4,882 million, +8%
- Earnings per share EUR 2.25 (1.76)
- Dividend proposal EUR 1.20 per share

EBIT is shown excluding non-recurring items.

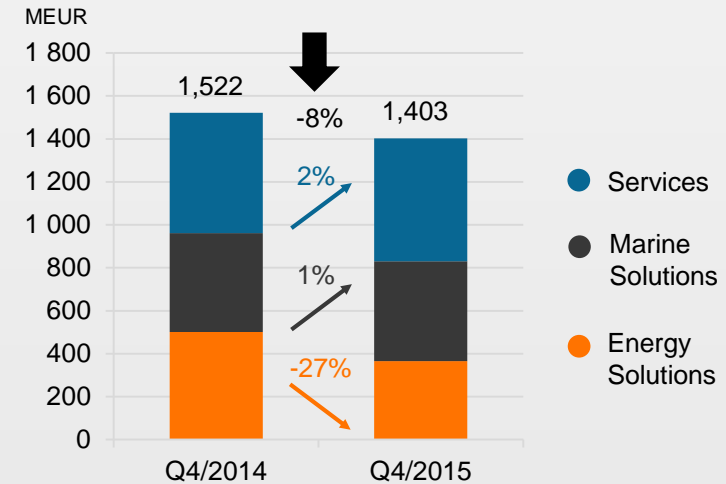
EBITA is shown excluding non-recurring items and purchase price allocation amortisation.



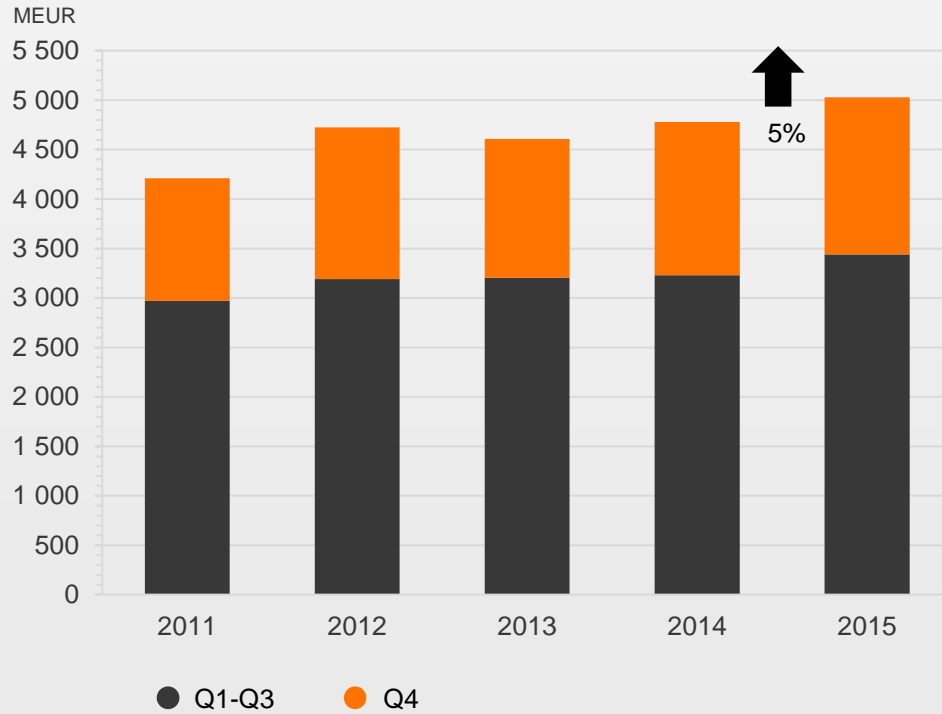
# Year to date order intake supported by Services



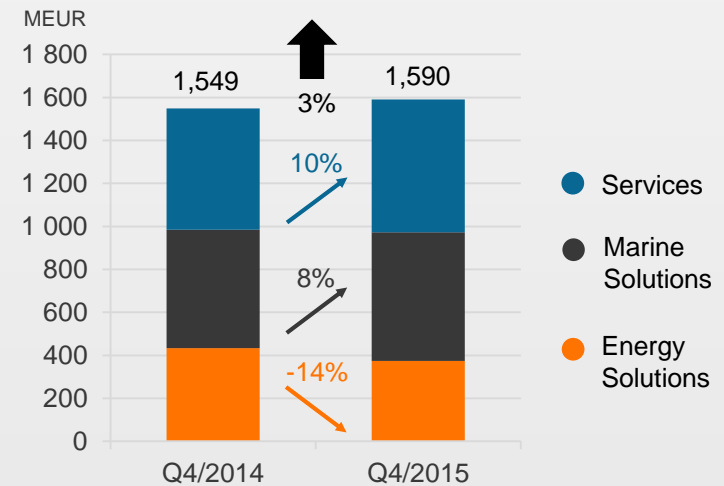
## Fourth quarter development



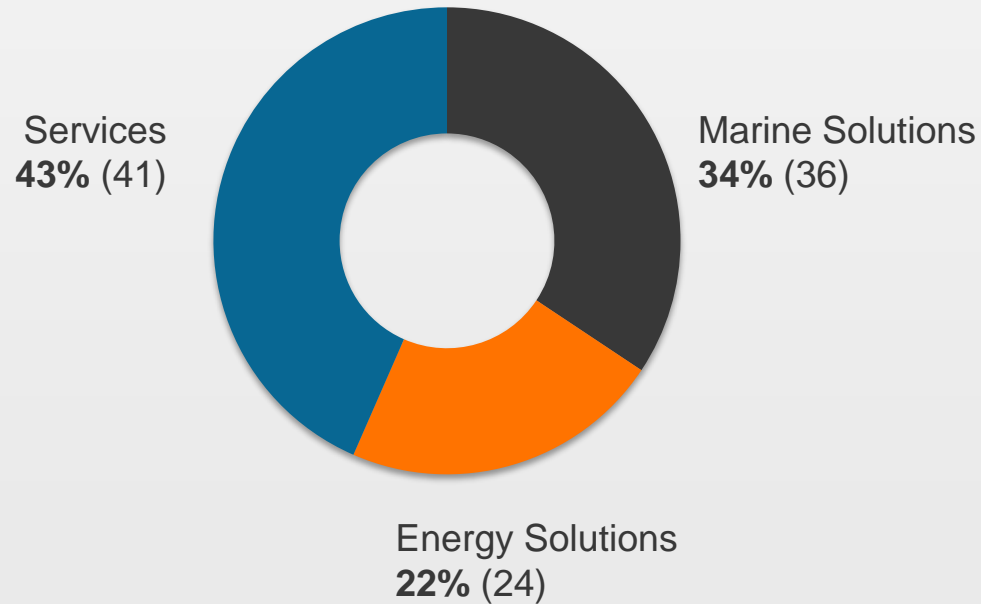
# Net sales developed in line with expectations



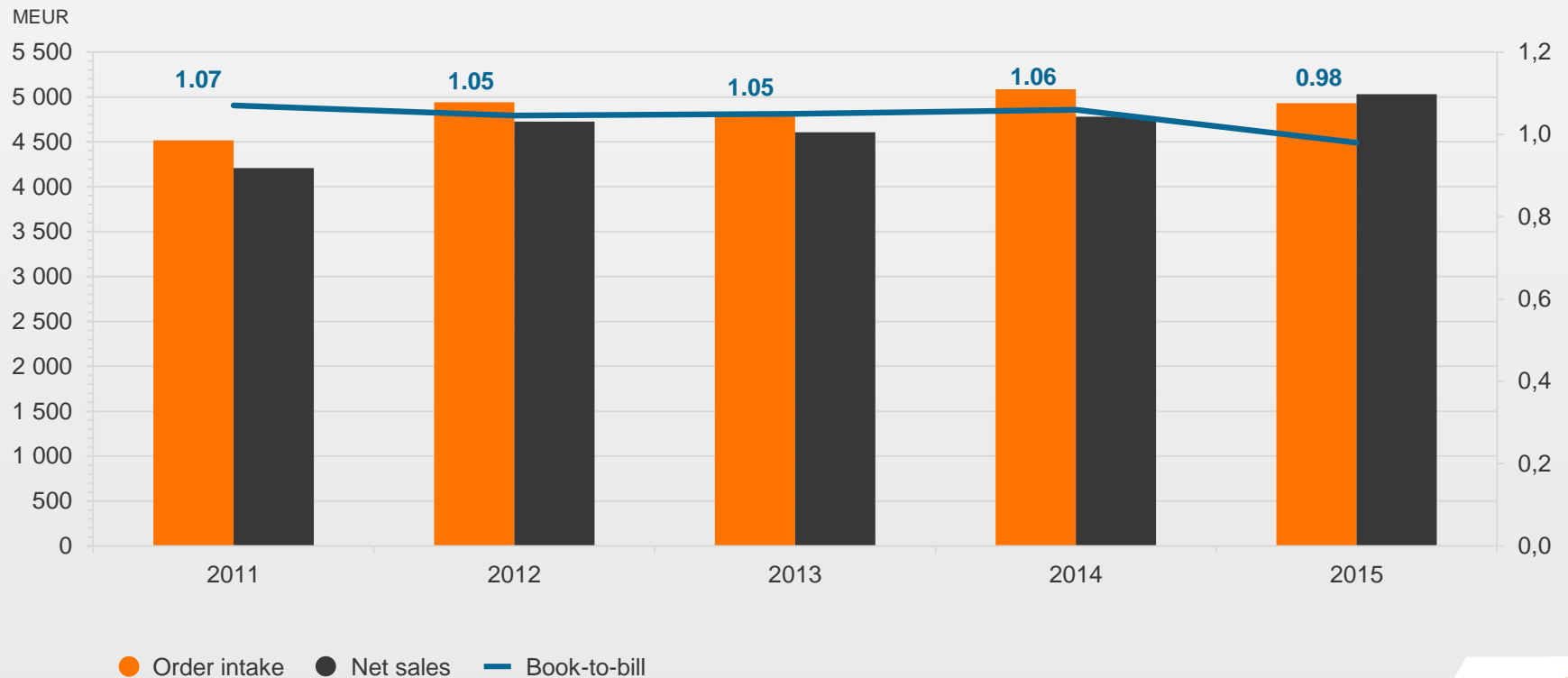
## Fourth quarter development



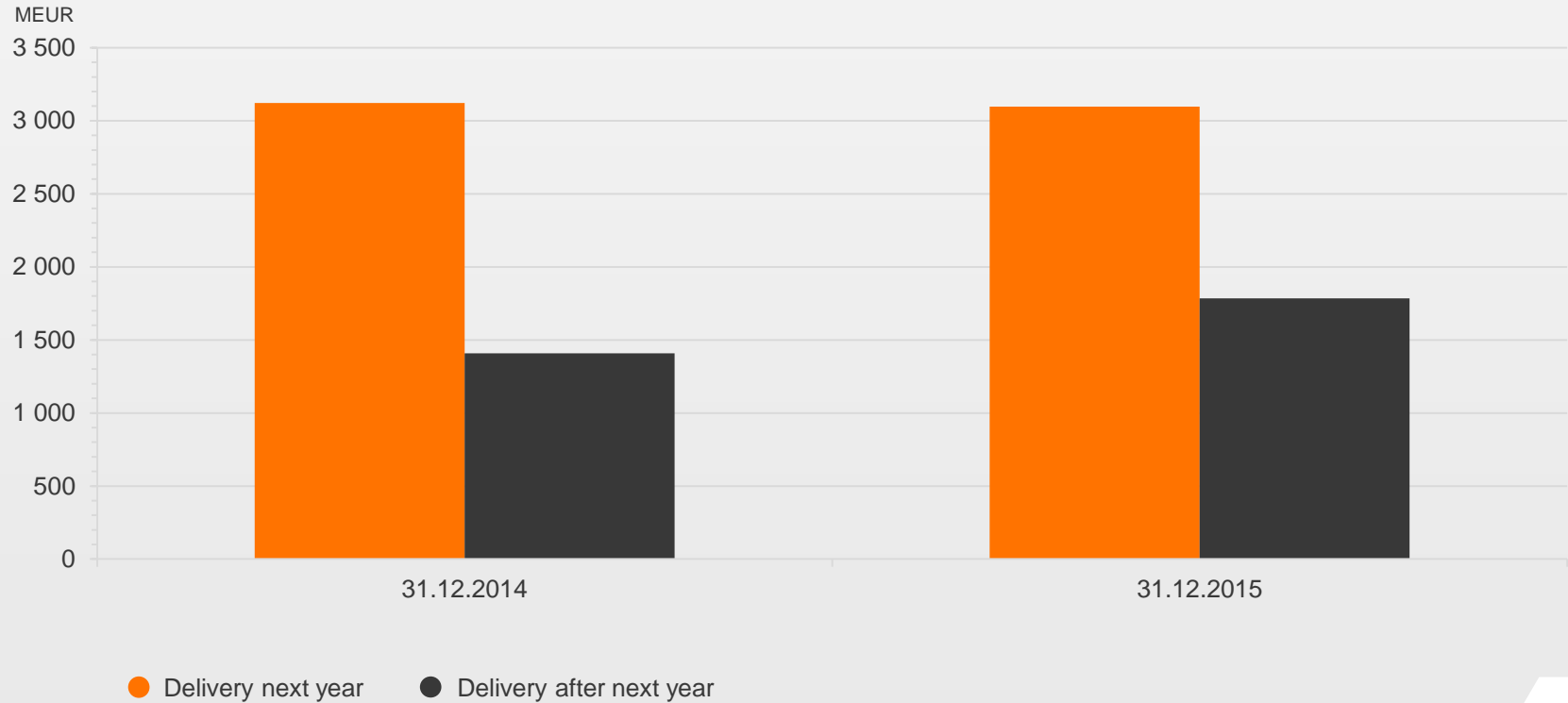
# Net sales by business 2015



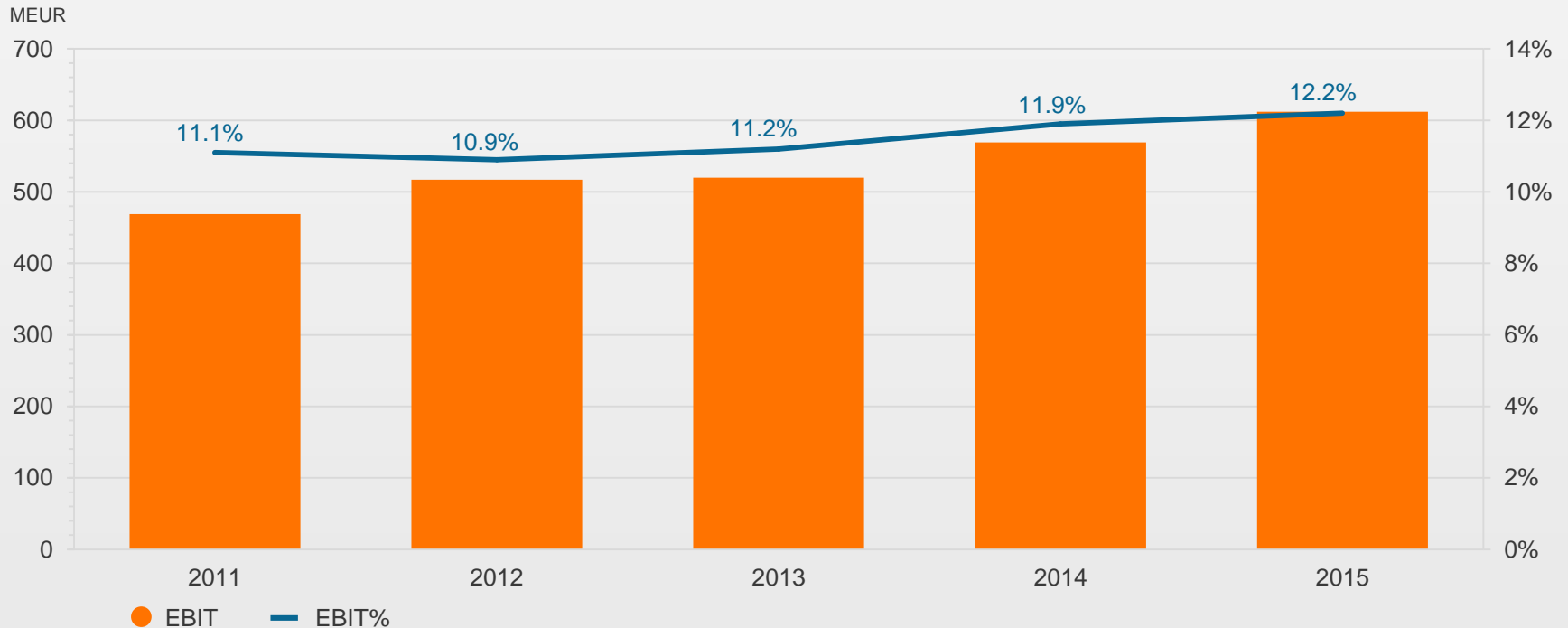
# Book-to-bill ratio



# Order book distribution



# Operating result and profitability



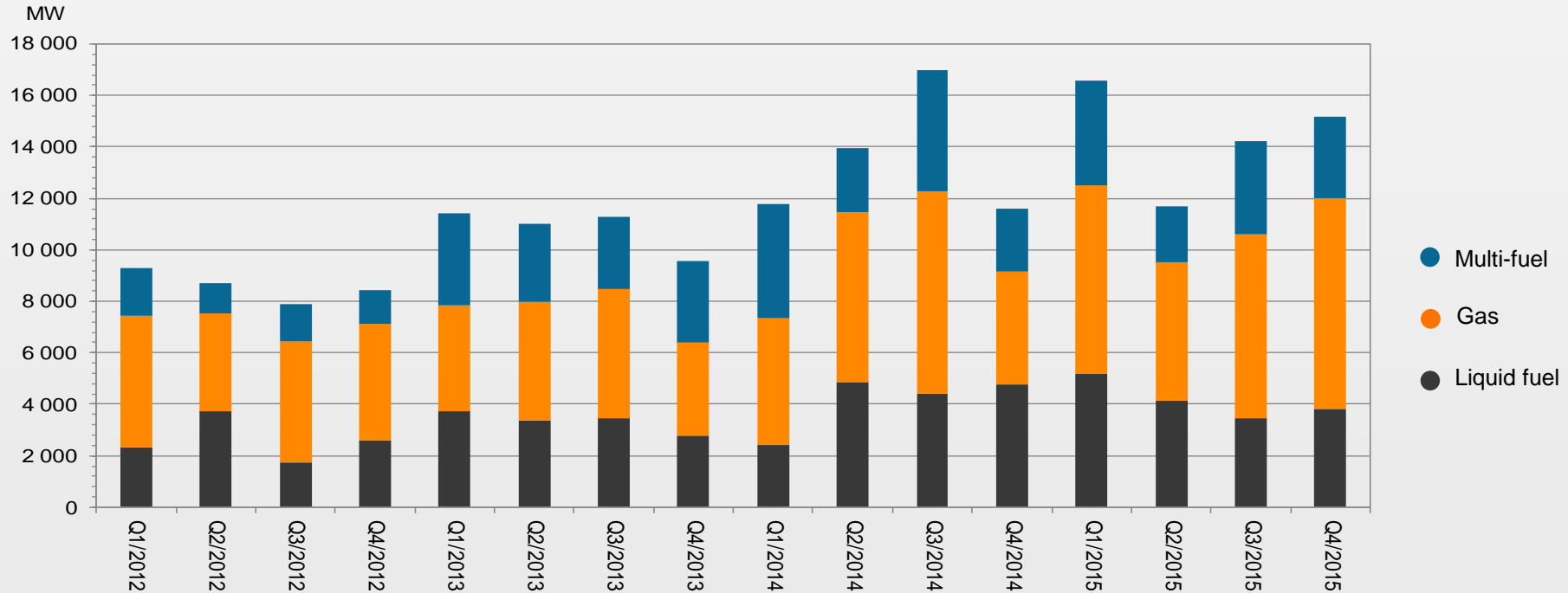
EBIT is shown before non-recurring items. Figures for 2011-2013 include both discontinued and continuing operations.



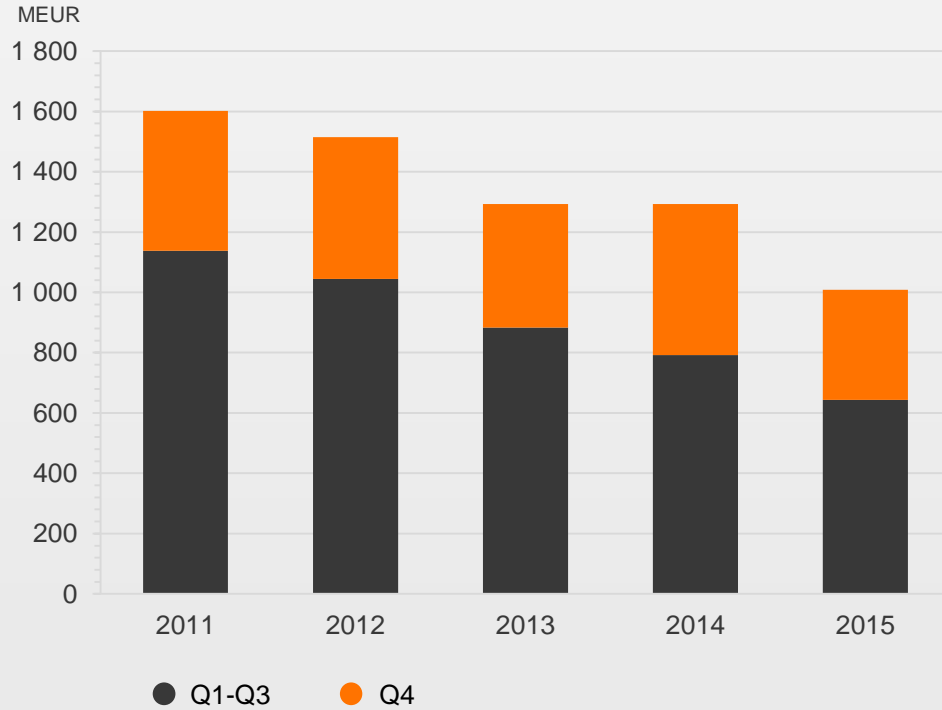
# Energy Solutions



# Energy Solutions' quotation activity on a high level

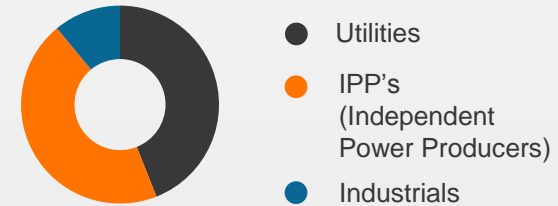


# Energy Solutions' order intake



## Review period development

Total EUR 1,009 million (1,293)

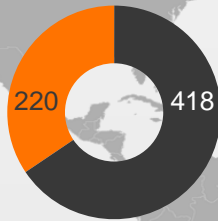


## Review period order intake by fuel in MW

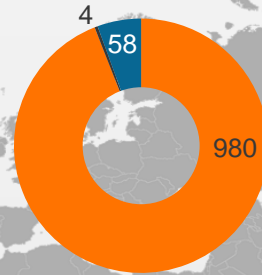


# Energy Solutions' orders globally

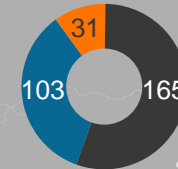
Americas 638 (686)



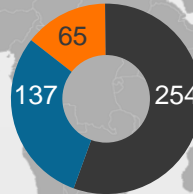
Europe 1,042\* (769)



Asia 299 (394)



Africa and Middle East 457 (639)



- Utilities
- IPP's
- Industrials

Order intake 2015: 2,436 MW (2,489)

\*Turkish owners contributed to the high level of activity in Europe.

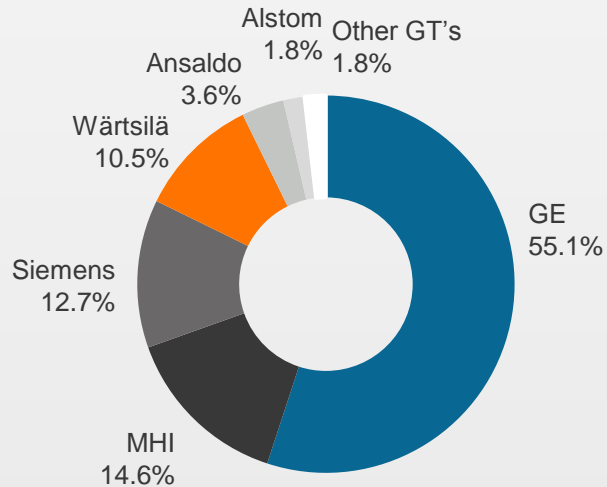
# Enabling the transition to a sustainable power system

The flexibility and efficiency of Wärtsilä's Smart Power Generation power plants is gaining interest in the USA with several orders received for peaking and renewable support power plants during 2015.

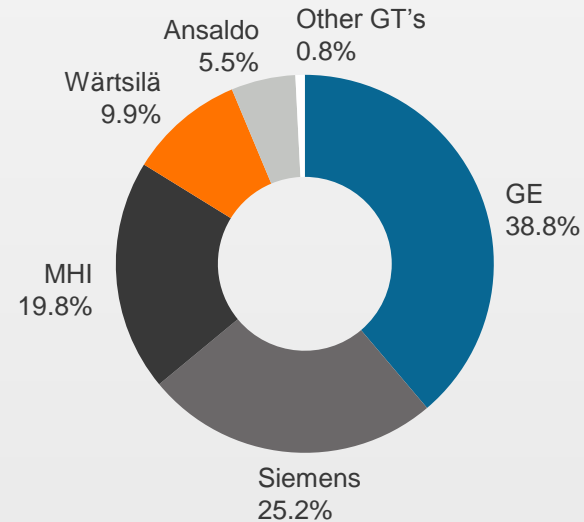


# Market for gas and liquid fuel power plants, <500 MW

1-9/2014



1-9/2015



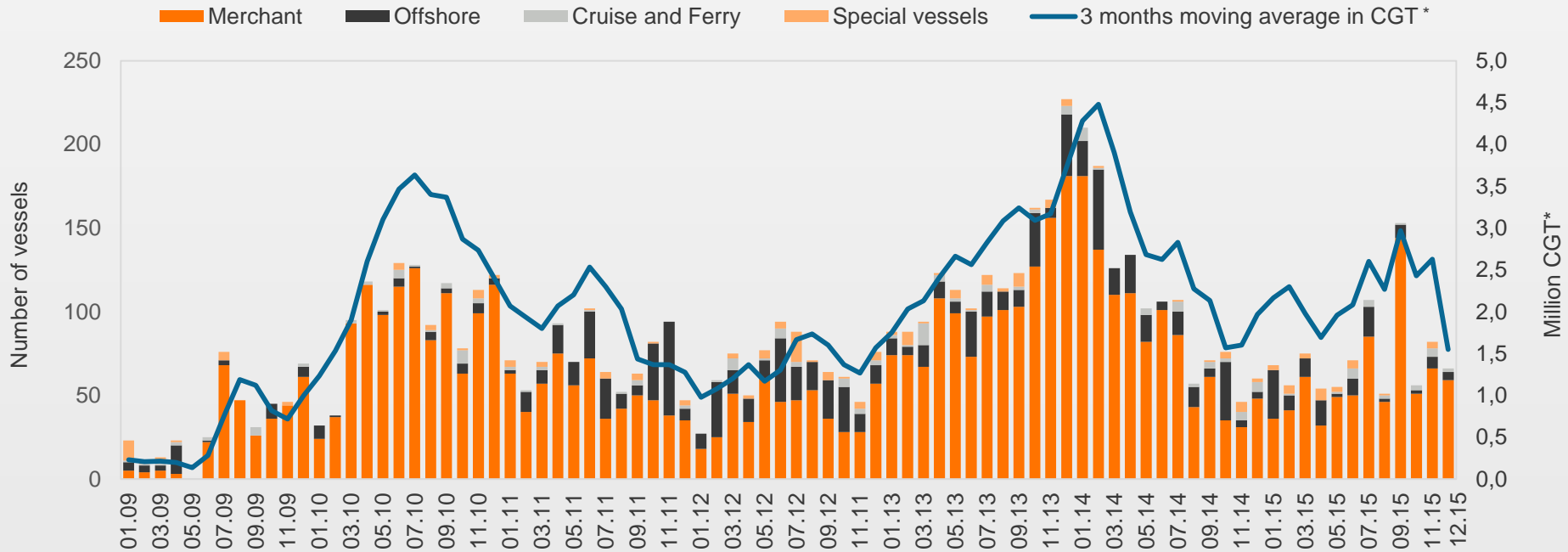
<500 MW market volume: 17.0 GW (16.5), +3%  
Total market volume: 43.9 GW (37.7), +16%

Market data includes all Wärtsilä power plants and other manufacturers' gas and liquid fueled 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.

# Marine Solutions



# Vessel contracting activity remains low

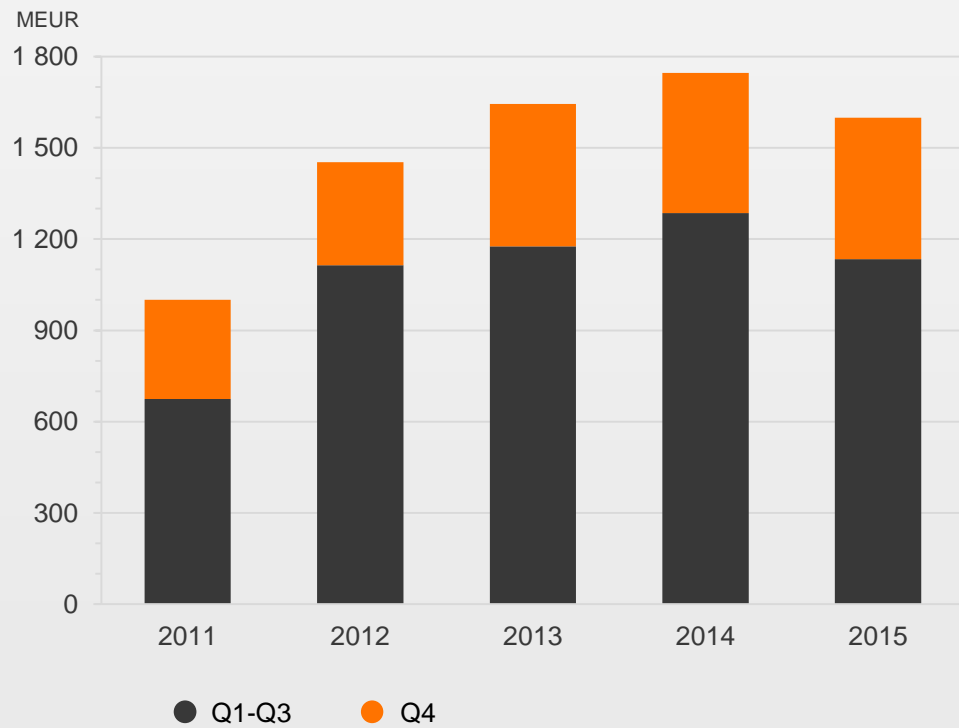


Source: Clarkson Research Services, figures exclude late contracting

\* CGT= gross tonnage compensated with workload

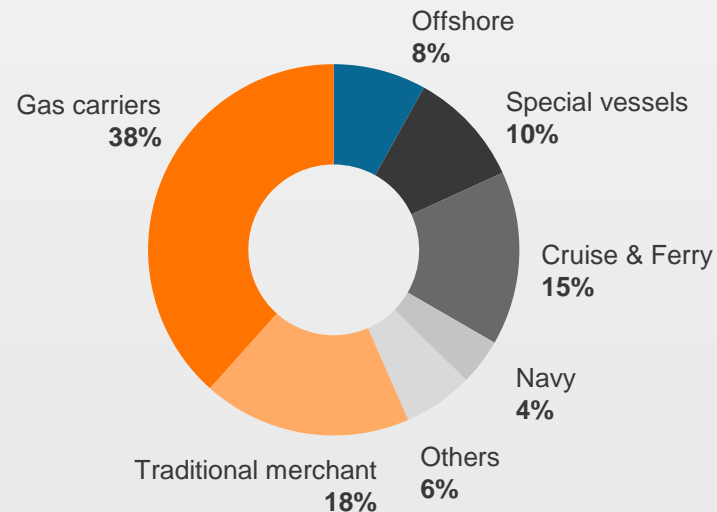


# Marine Solutions' order intake

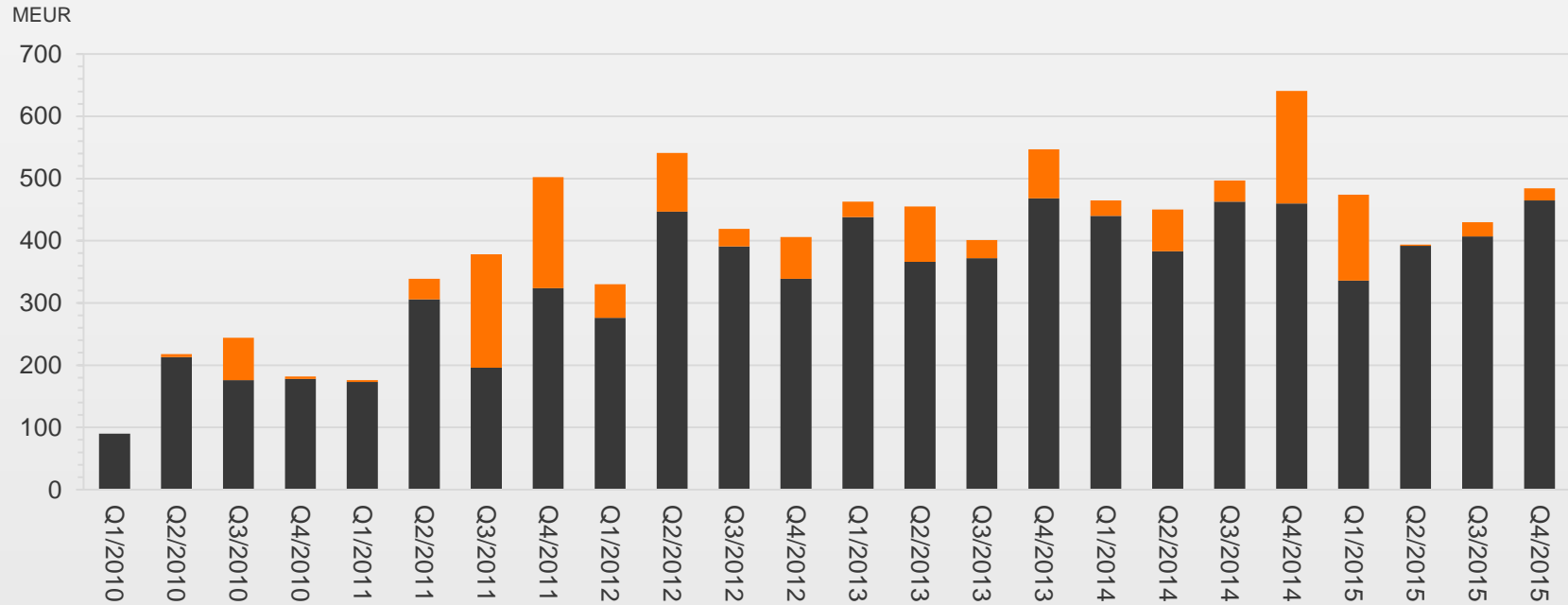


## Review period development

Total EUR 1,599 million (1,746)

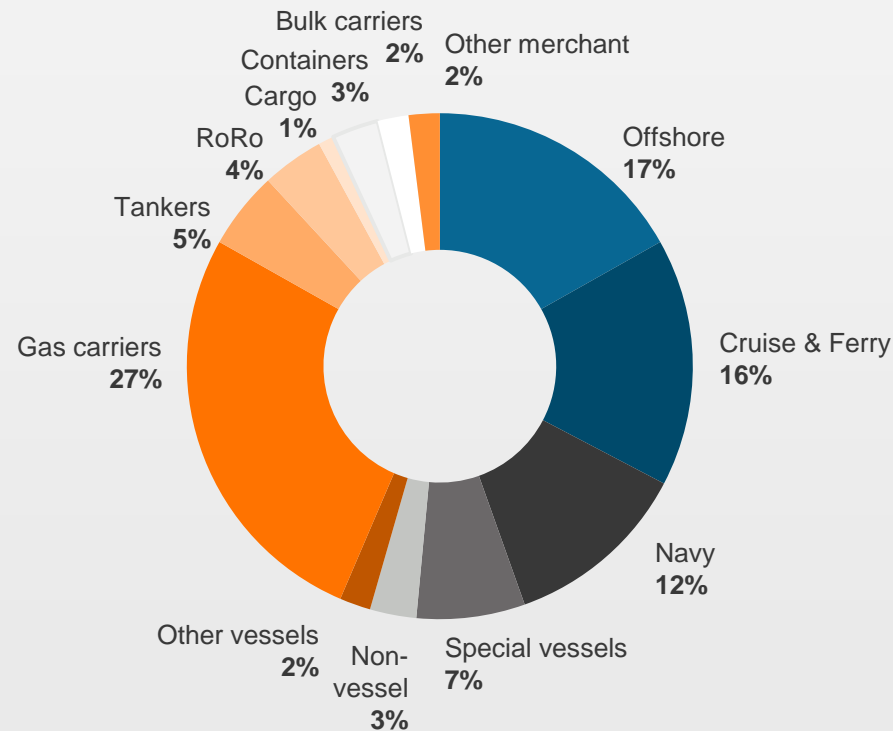


# Joint venture ordering activity



- Marine Solutions order intake
- Joint venture order intake, includes figures from Wärtsilä Hyundai Engine Company Ltd., Wärtsilä Qiyao Diesel Company Ltd. and CSSC Wärtsilä Engine (Shanghai) Co. Ltd.

# Marine Solutions' order book 31 December 2015



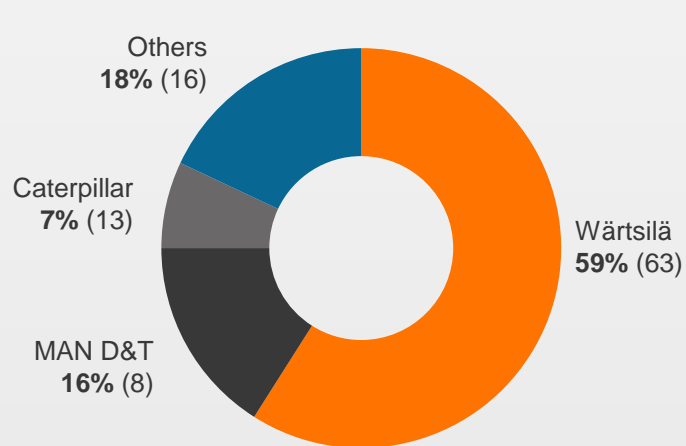
# Marine markets shifting towards gas

Increased environmental awareness and the regulatory environment is driving interest in gas as a marine fuel in the broader marine markets. Wärtsilä's proven gas engine technology and gas handling systems enable us to support our customers with integrated solutions.



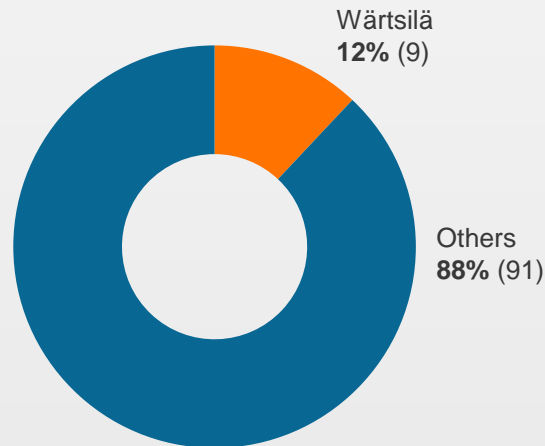
# Strong position in marine engine market

## Medium-speed main engines



Total market volume last 12 months:  
3,246 MW (4,519)

## Auxiliary engines



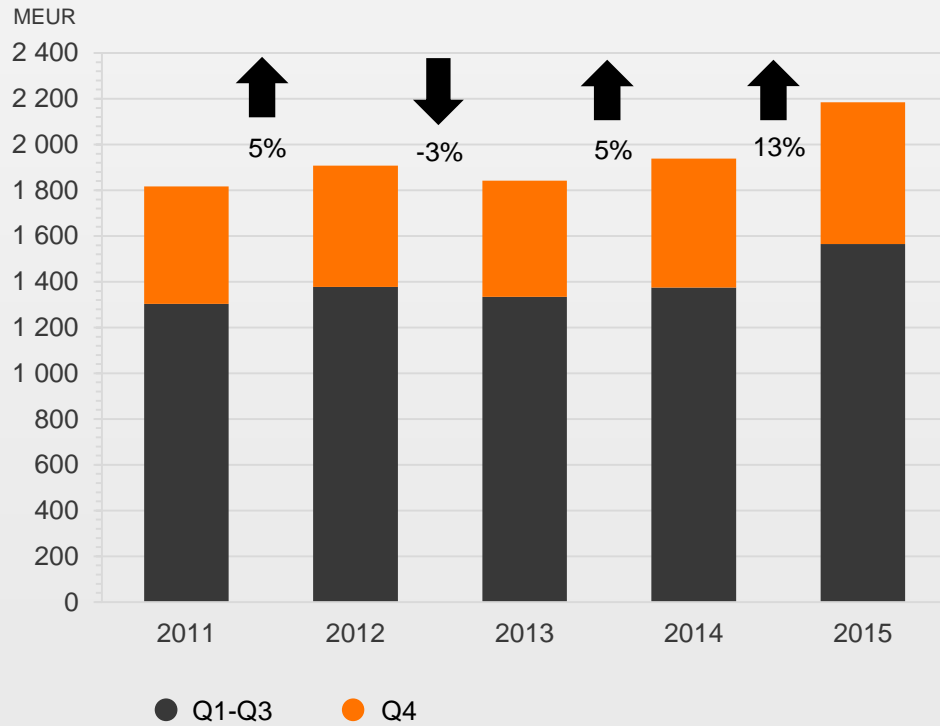
Total market volume last 12 months:  
4,668 MW (3,986)

Wärtsilä's market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous quarter. The calculation is based on Wärtsilä's own data portal.

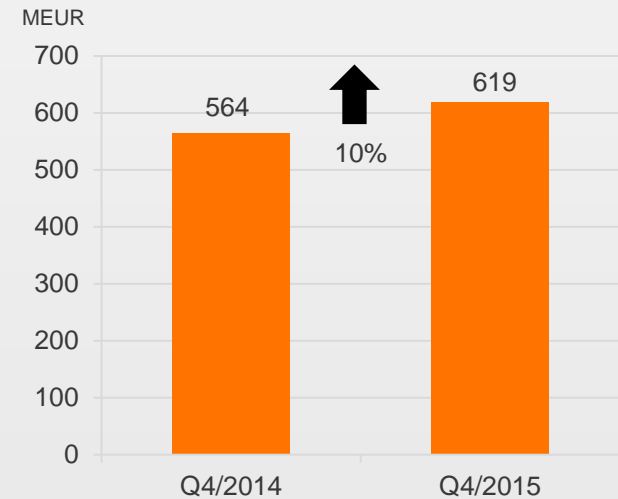
# Services



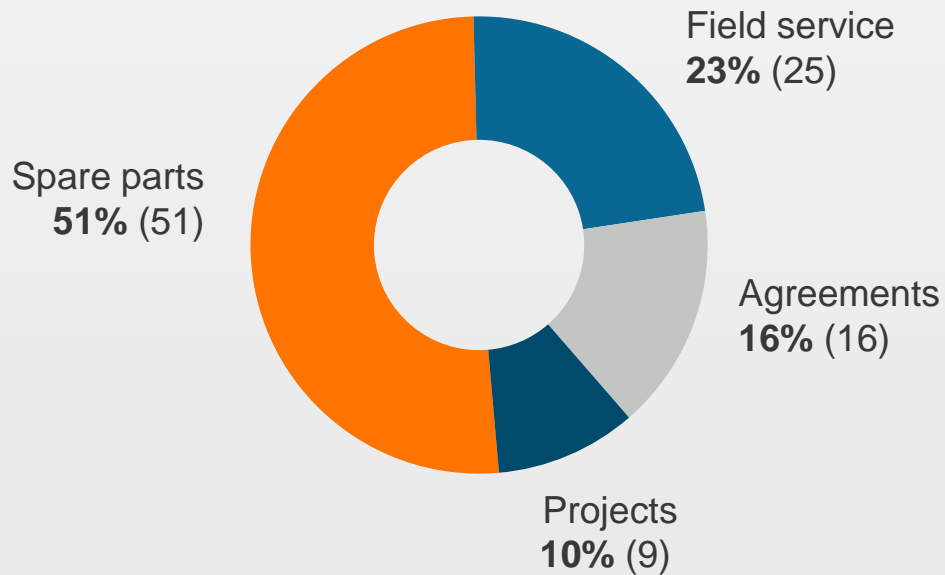
# Services net sales all time high



## Fourth quarter development



# Services net sales distribution 2015



**Total EUR 2,184 million (1,939)**



# Services distribution per business 2015

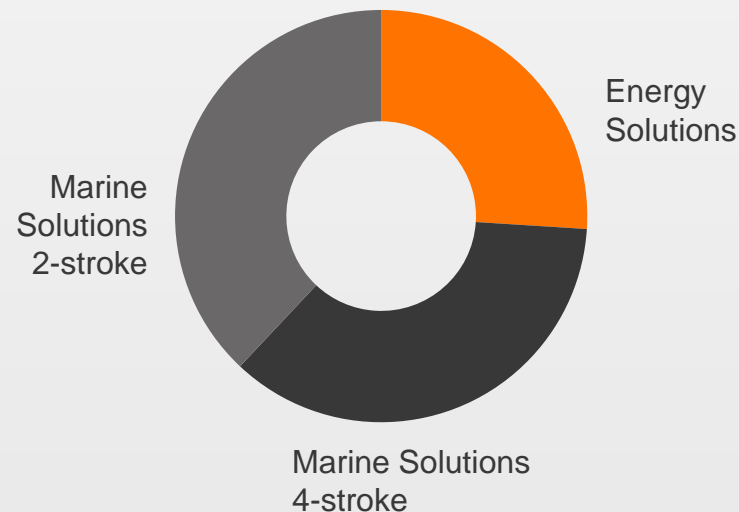
## Net sales

Total EUR 2,184 million

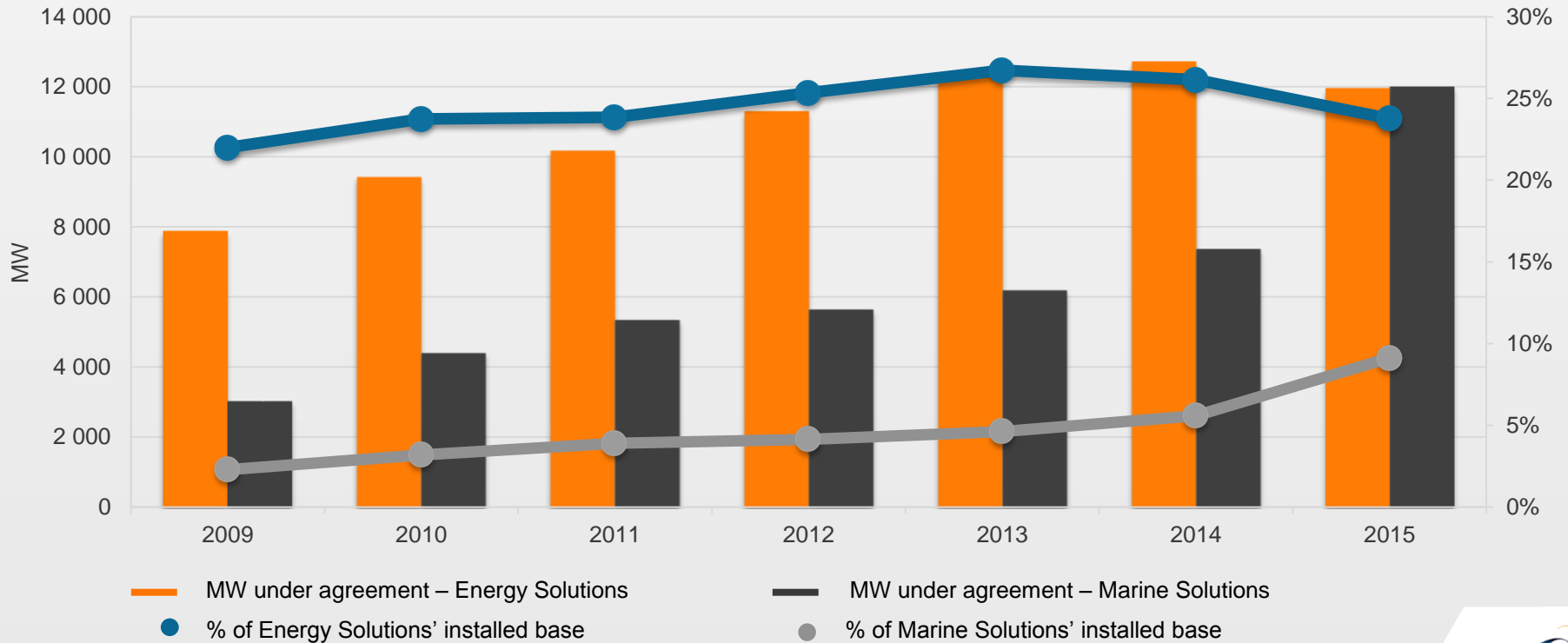


## Installed base

Total 181,000 MW



# Development of service agreements



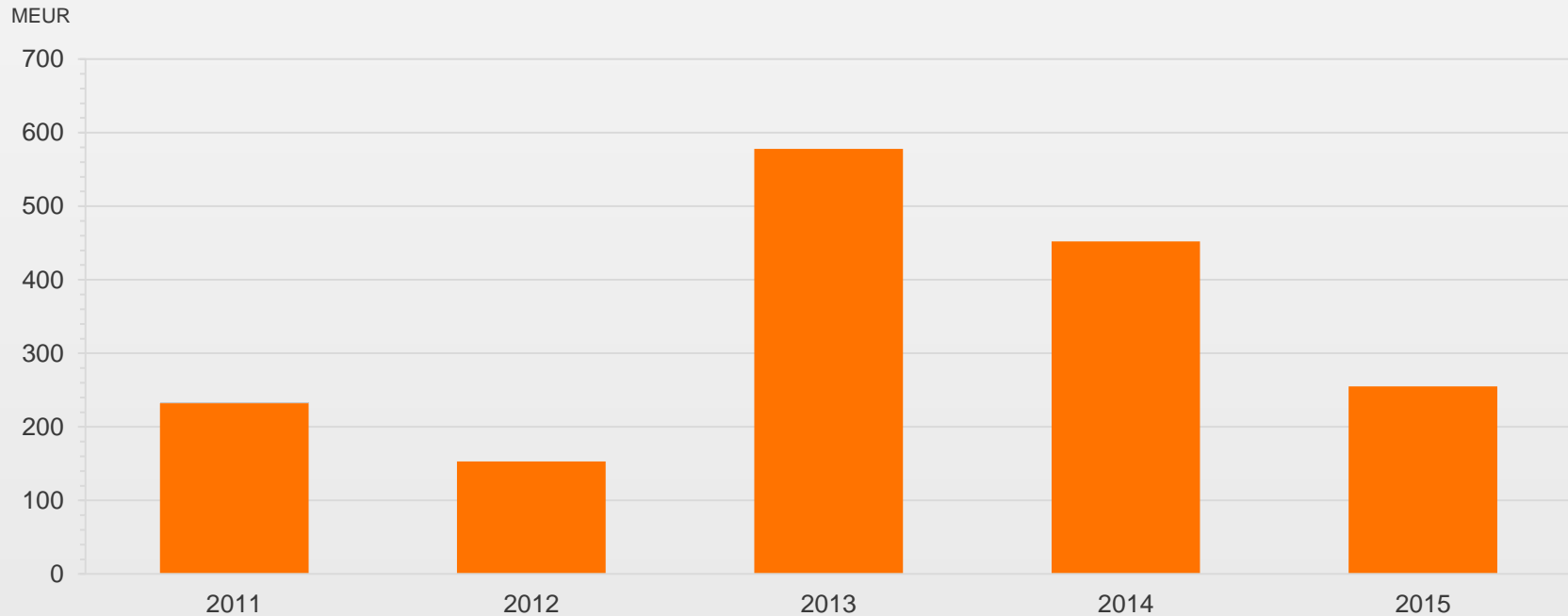
## A lifecycle approach

The focus on optimising maintenance and performance, and the shift to gas based technology in the marine industry is increasing interest in long-term service agreements.

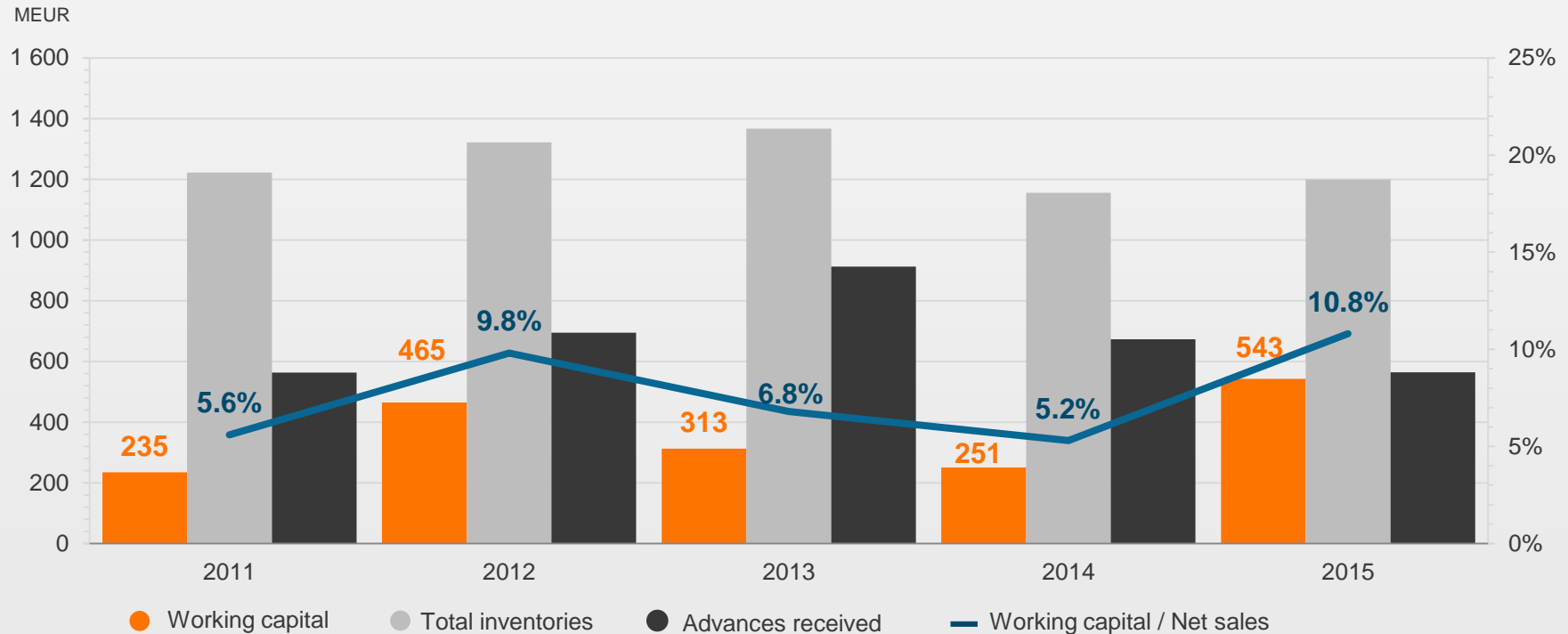


# Financials

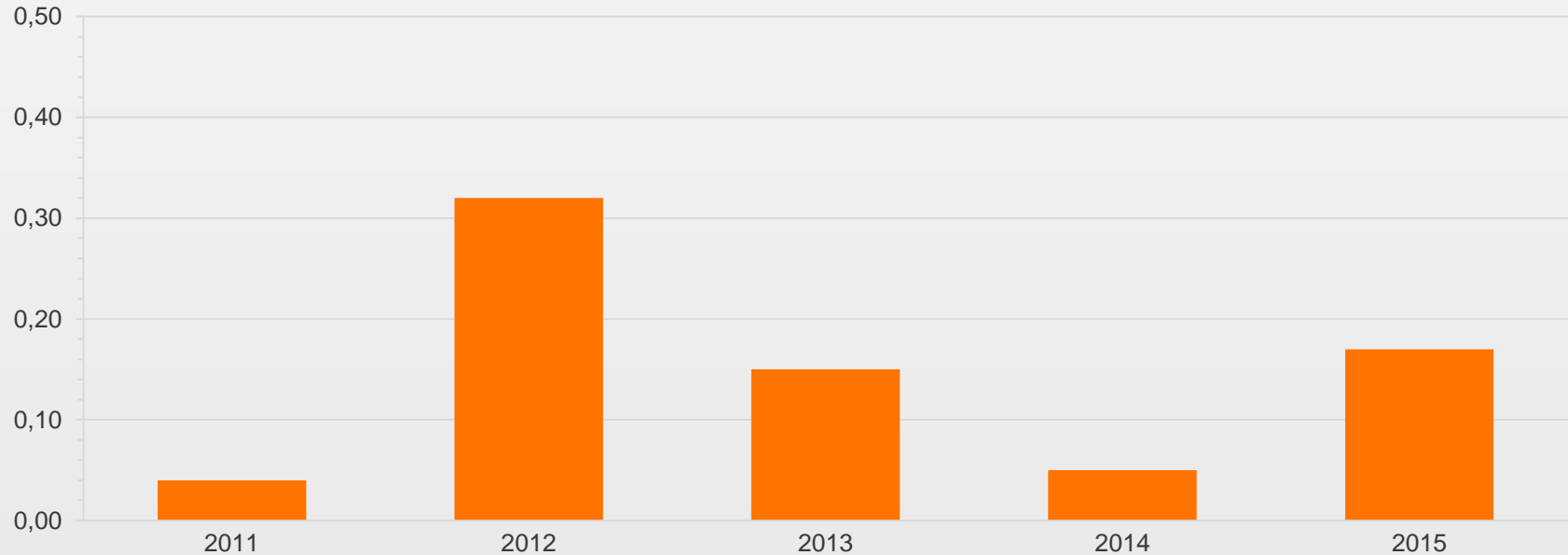
# Cash flow from operating activities



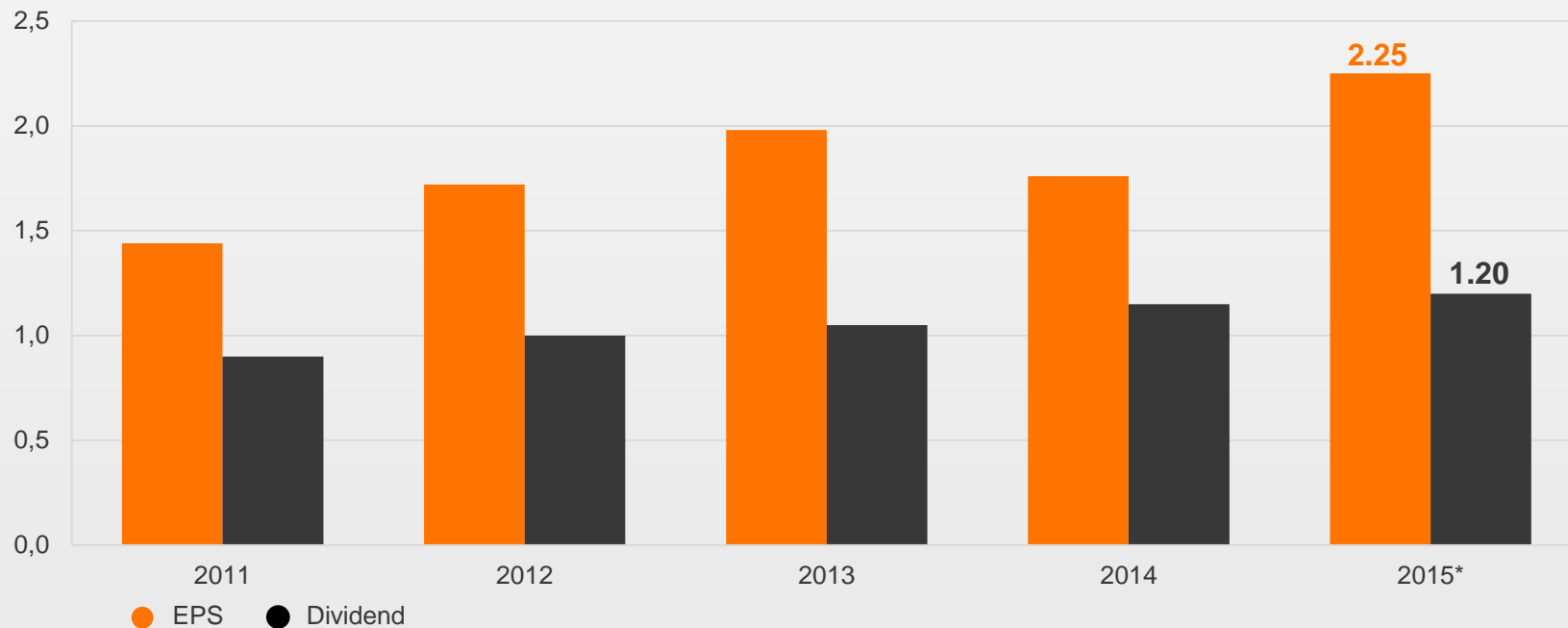
# Working capital affected by timing of power plant deliveries



# Gearing impacted by working capital build up and L-3 MSI acquisition



# EPS and dividend per share



\* Dividend 2015 - Proposal of the Board



# Market outlook



## Energy Solutions

The market for liquid and gas fuelled power generation is expected to remain challenging as economic uncertainty continues. The megatrend towards distributed, flexible, gas-fired power generation continues to gain ground globally.



## Marine Solutions

The outlook for the shipping and shipbuilding markets remains challenging. Oversupply is limiting demand for newbuild vessels and low oil prices continues to impact investments in offshore exploration and development. Gas carrier contracting is expected to remain at a normalised level and the outlook for the cruise and ferry segment remains positive.



## Services

The service market outlook is positive with growth opportunities in selected regions and segments. Customers in both the marine and power plant markets continue to show healthy interest in long-term service agreements.

## Prospects for 2016

Wärtsilä expects its net sales for 2016 to grow by 0-5% and its operational profitability (EBIT% before non-recurring items) to be 12.5-13.0%.

# Wärtsilä's strategy

**GROWING**  
ENERGY DEMAND



**GLOBAL**  
TRANSPORTATION NEEDS

Thank you



**WÄRTSILÄ**

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