

WÄRTSILÄ CORPORATION

RESULT PRESENTATION 2018

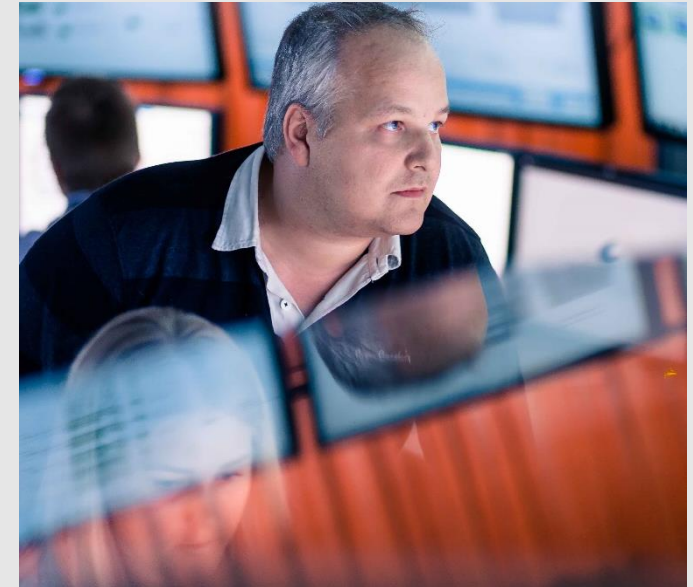
30 January 2019

Jaakko Eskola, President & CEO



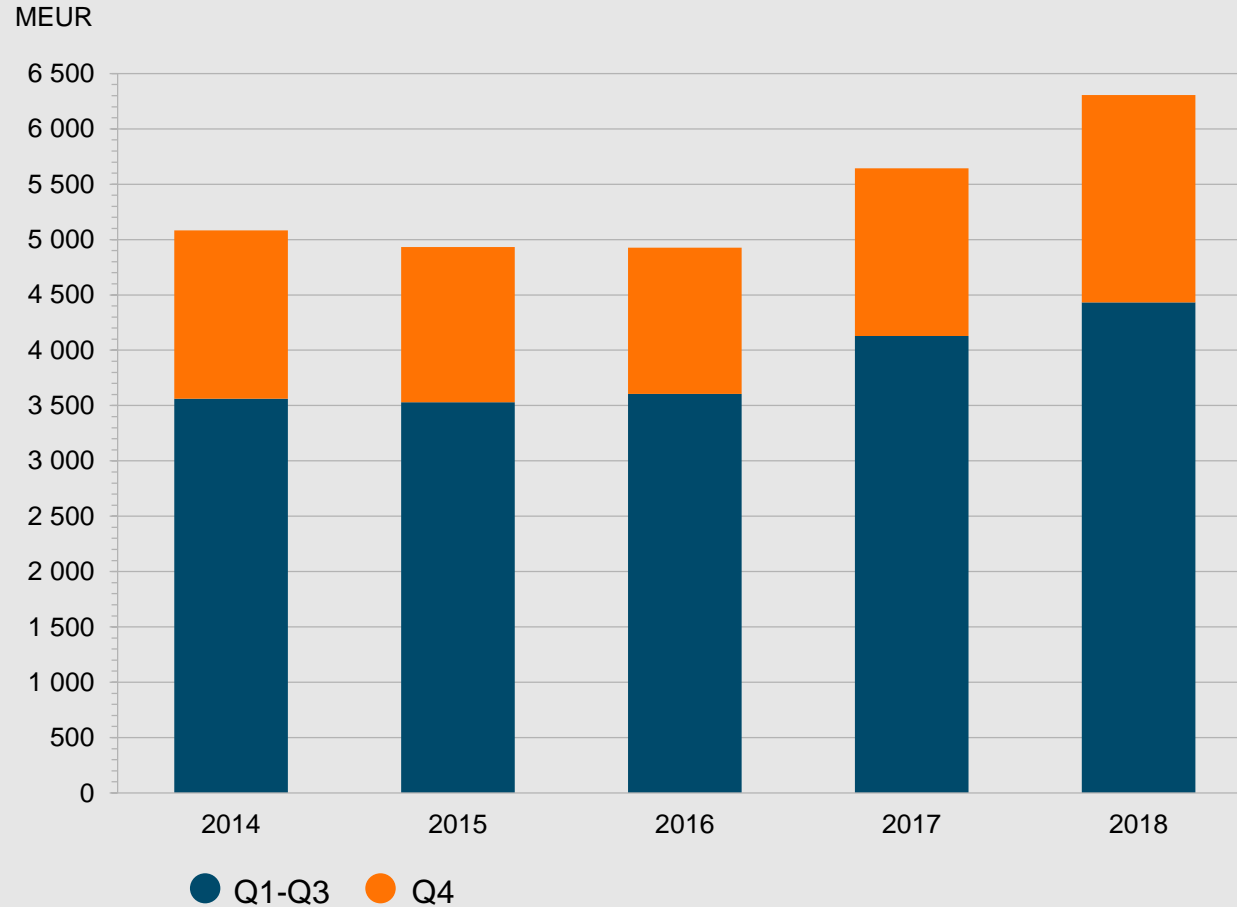
Key financials 2018

- Order intake EUR 6,307 million, +12%
- Order book at the end of the period EUR 6,166 million, +21%
- Net sales EUR 5,174 million, +5%
- Book-to-bill 1.22 (1.15)
- Comparable operating result EUR 577 million (576), which represents 11.2% of net sales (11.7)
- Earnings per share EUR 0.65 (0.63)
- Cash flow from operating activities EUR 470 million (430)
- Dividend proposal EUR 0.48 per share (0.46)



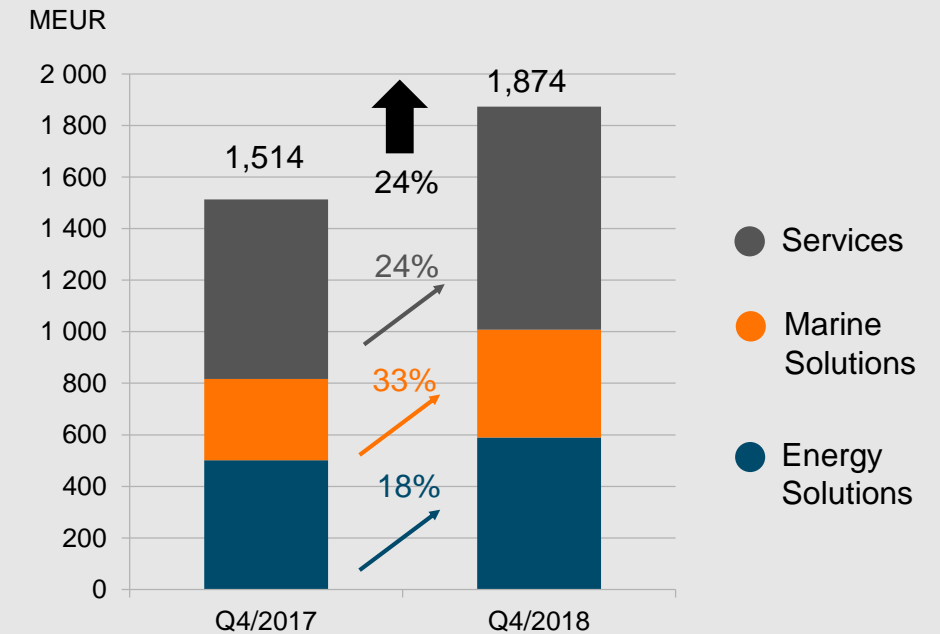
Comparison figures have been restated due to the adoption of IFRS 15.
Share related figures have been calculated based on the new amount of shares.

Positive development in order intake

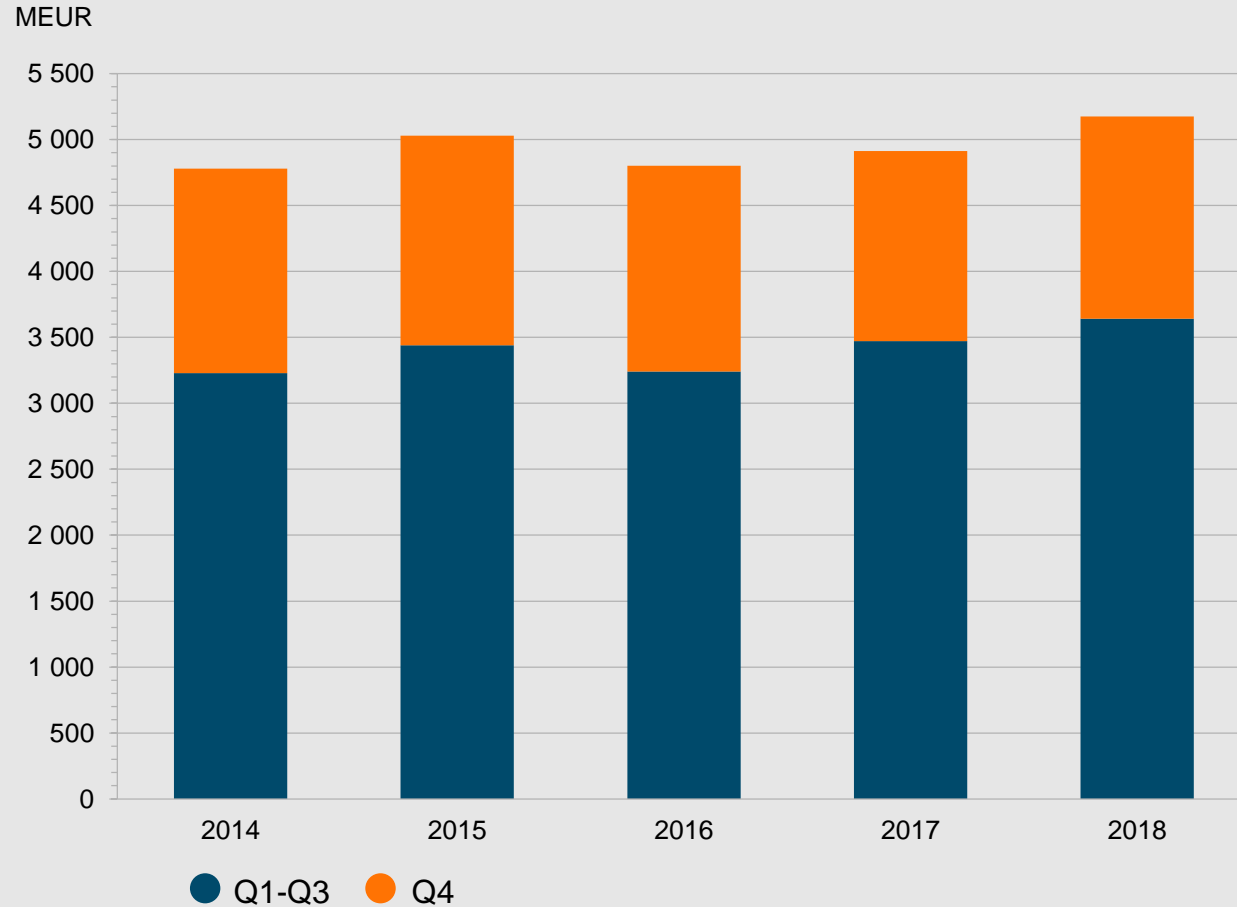


Comparison figures for 2017 have been restated due to the internal reorganisation of service activities.

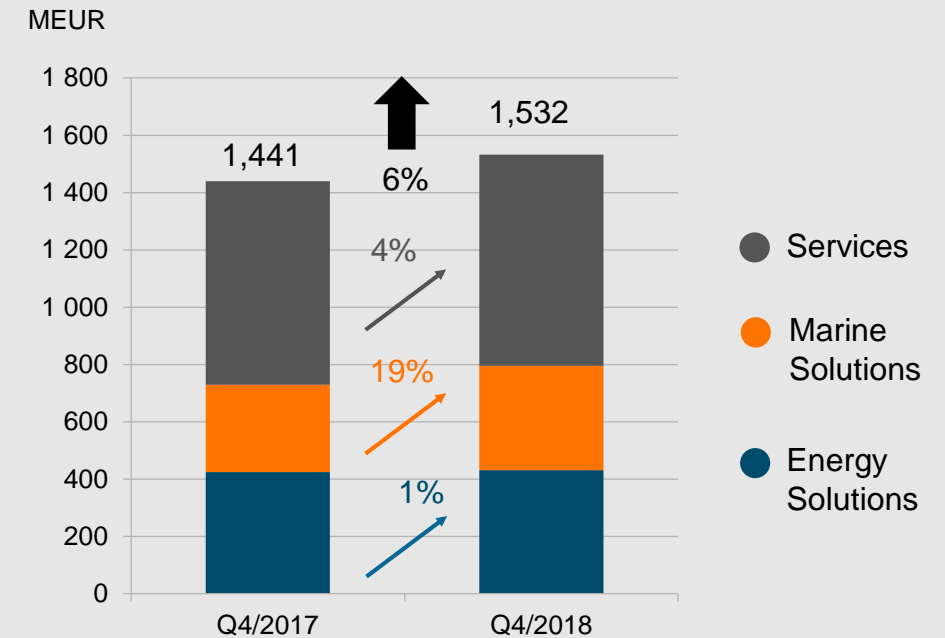
Fourth quarter development



Net sales supported by increased newbuild deliveries

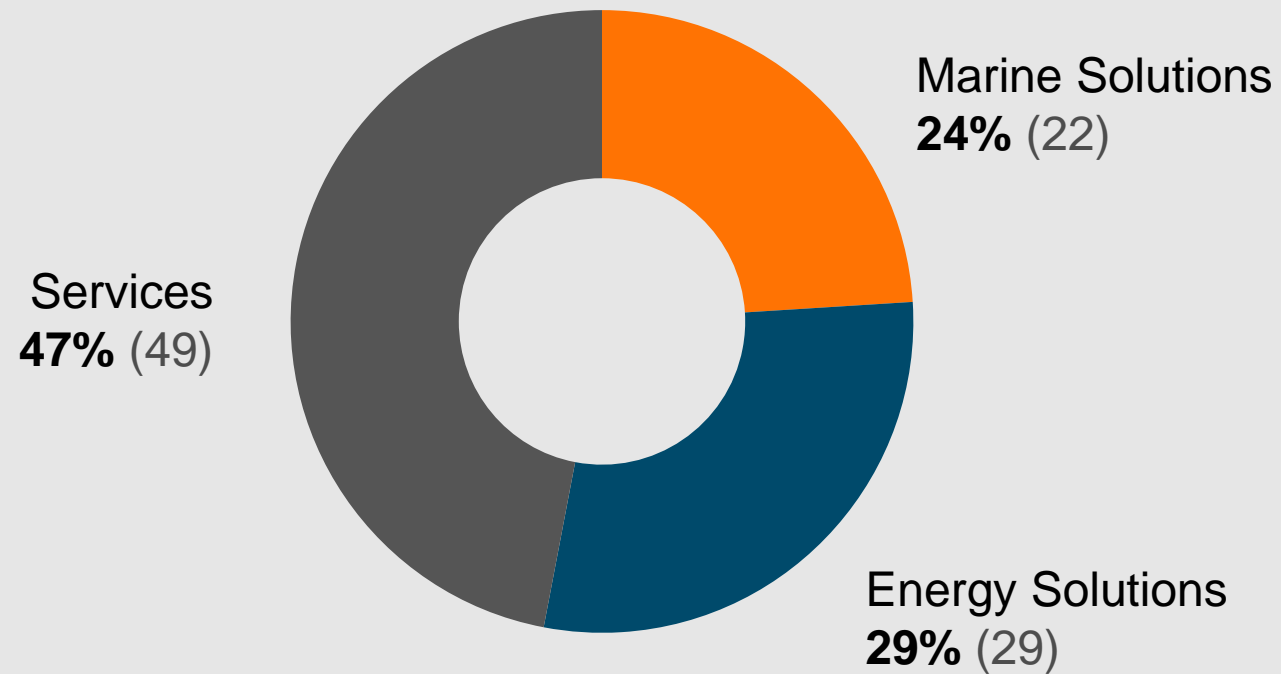


Fourth quarter development



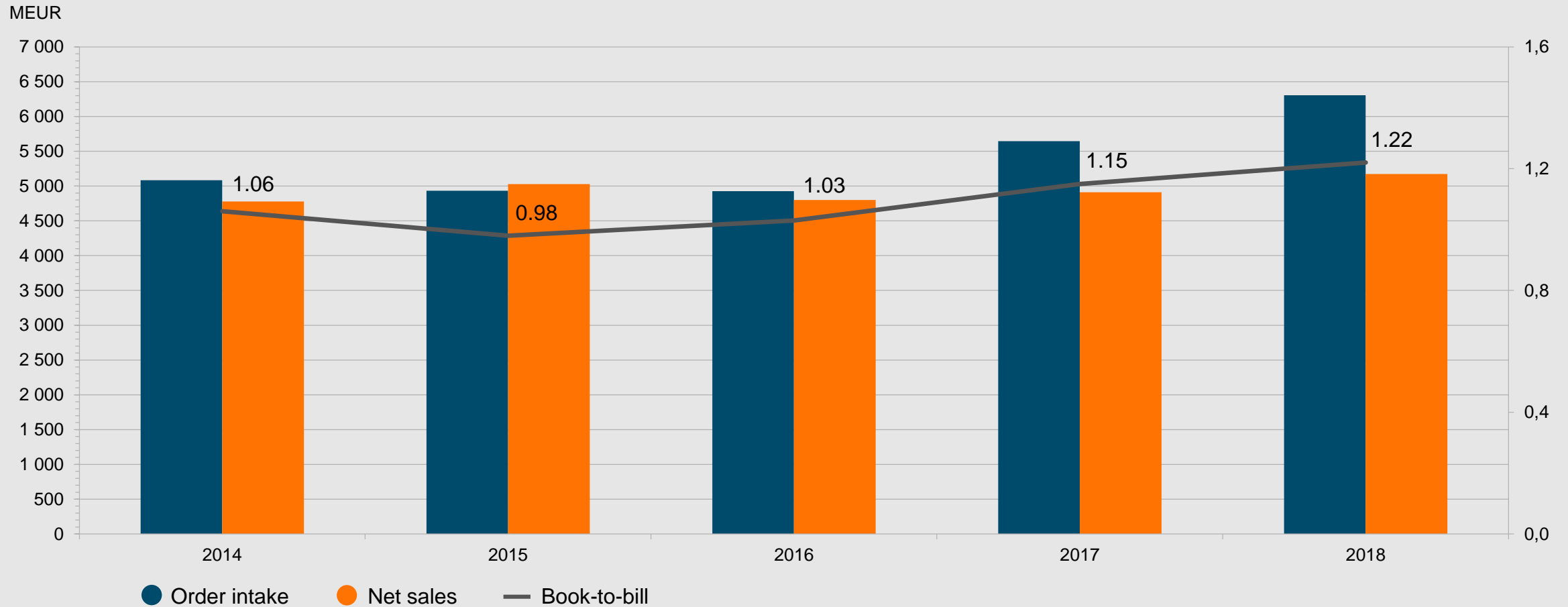
Comparison figures for 2017 have been restated due to the internal reorganisation of service activities and the adoption of IFRS 15.

Net sales by business 2018



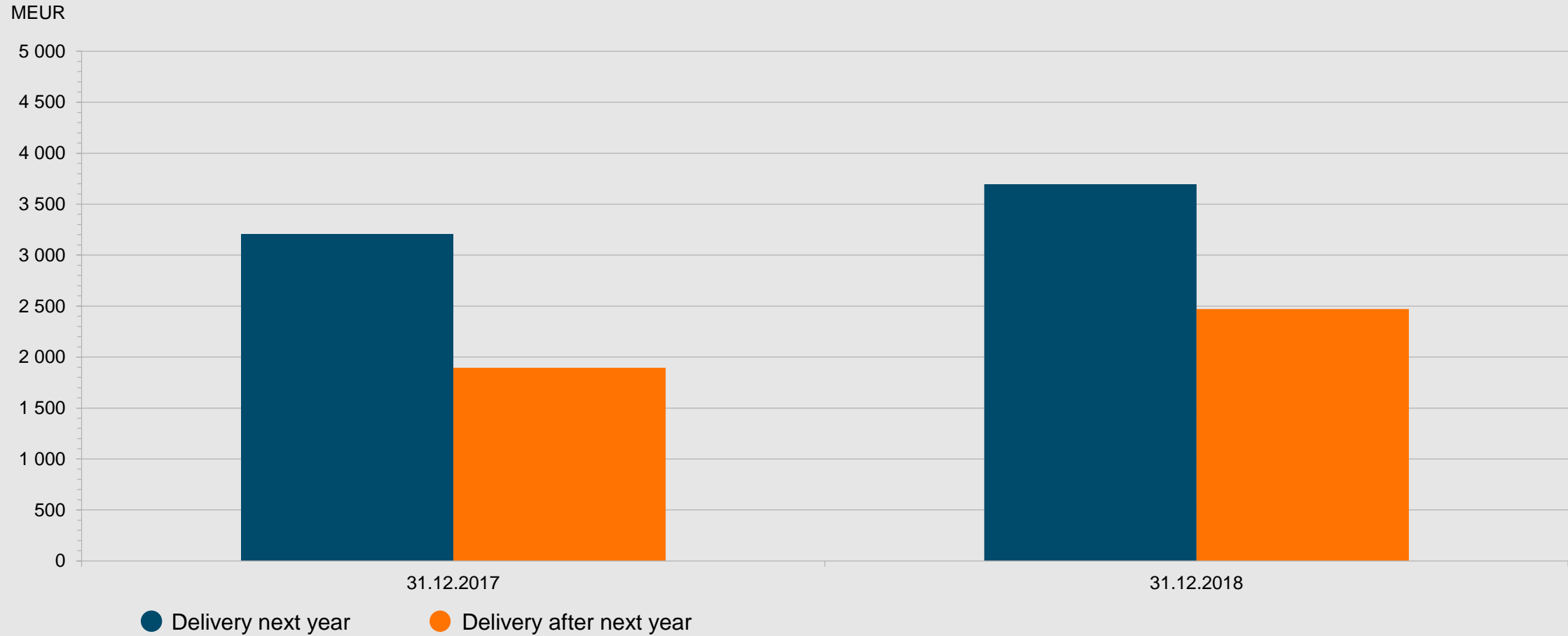
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Book-to-bill



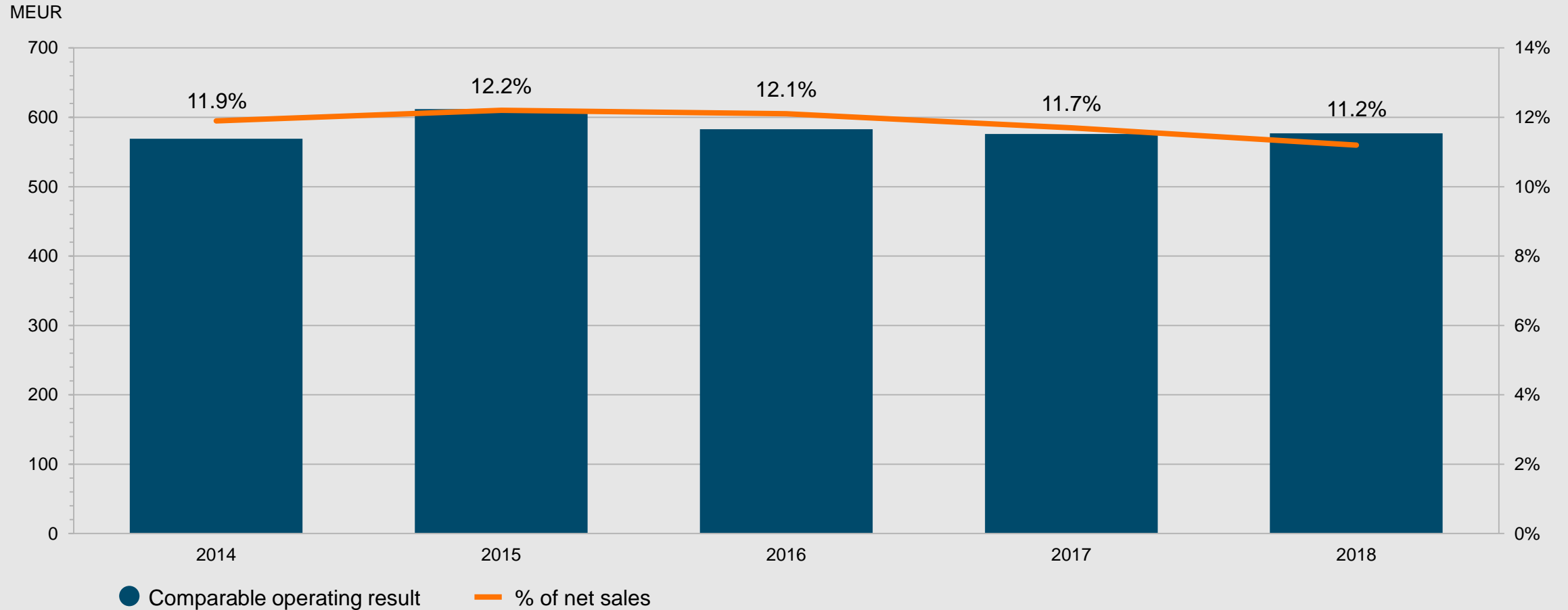
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Order book distribution



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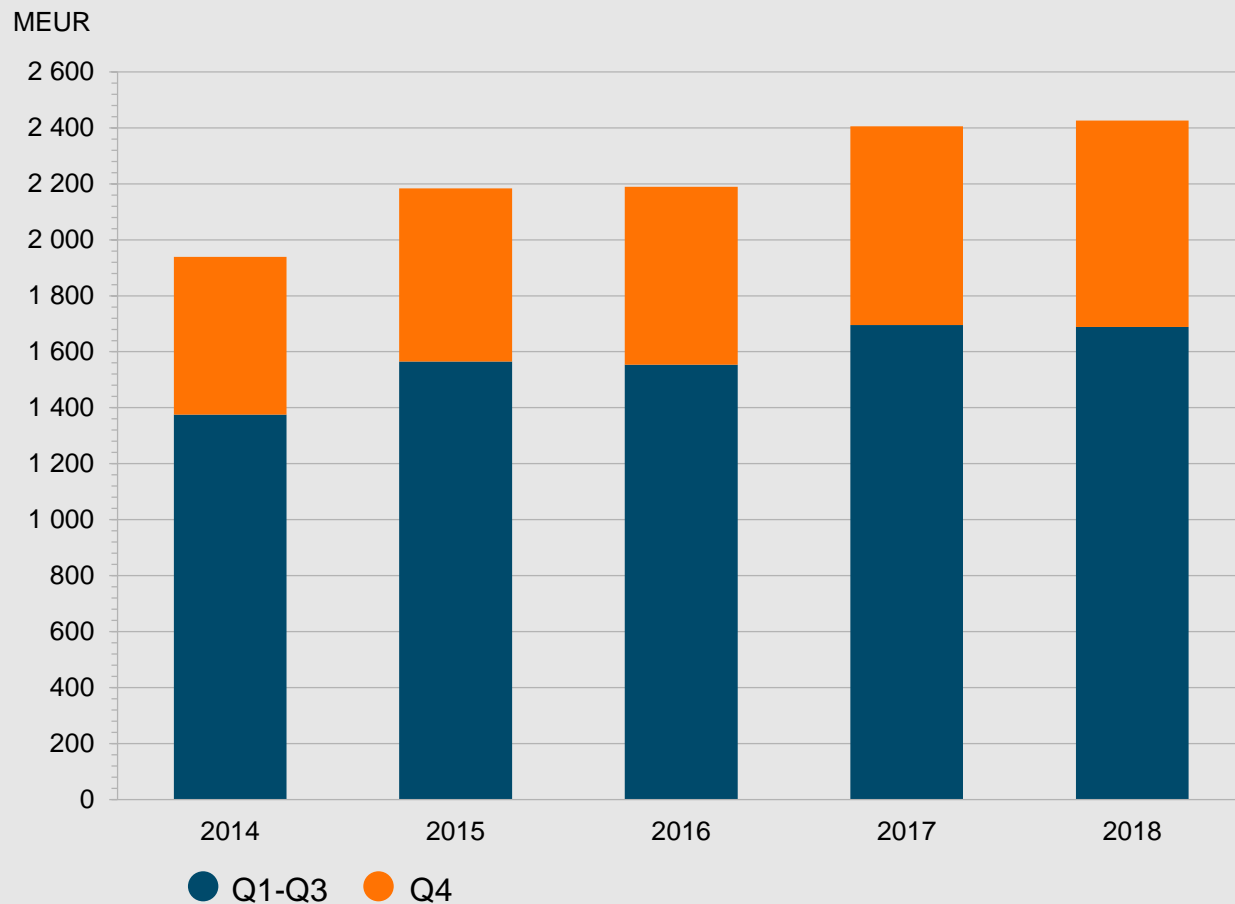
Profitability affected by group sales mix



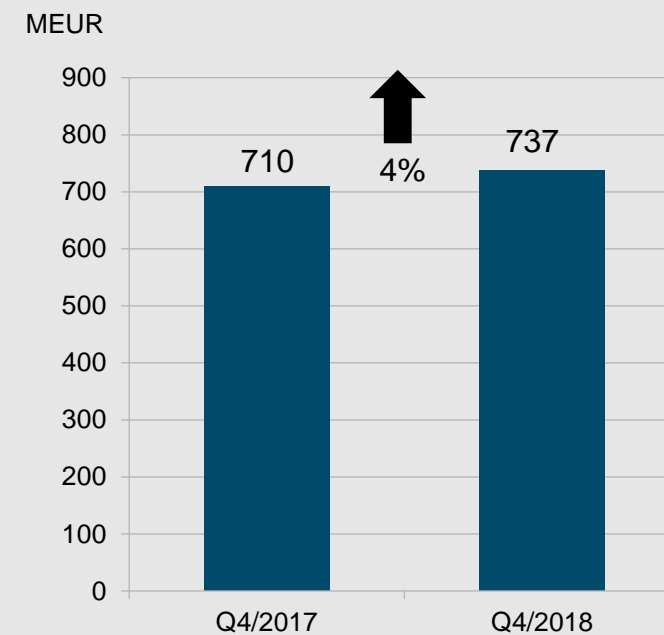
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Solid development in Services' net sales



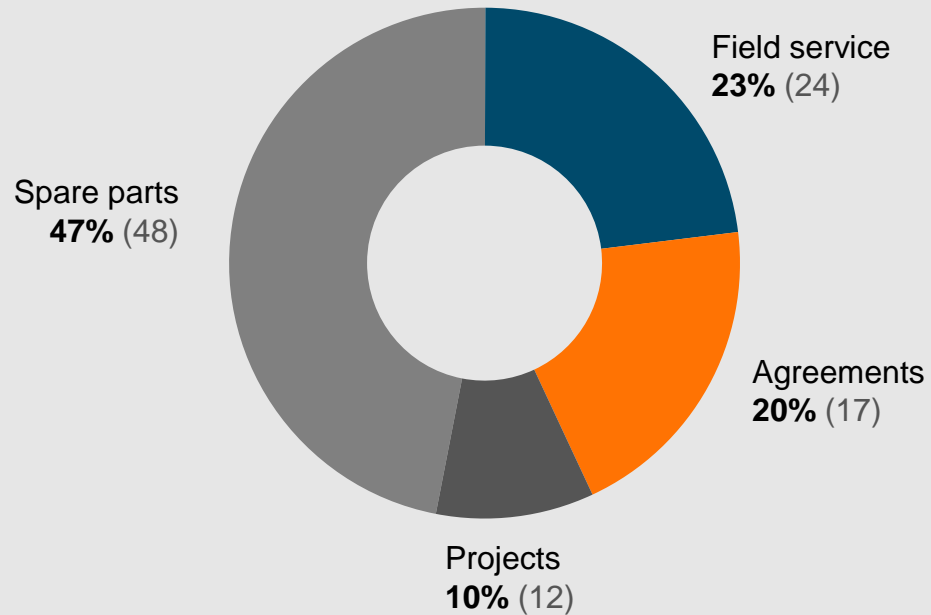
Fourth quarter development



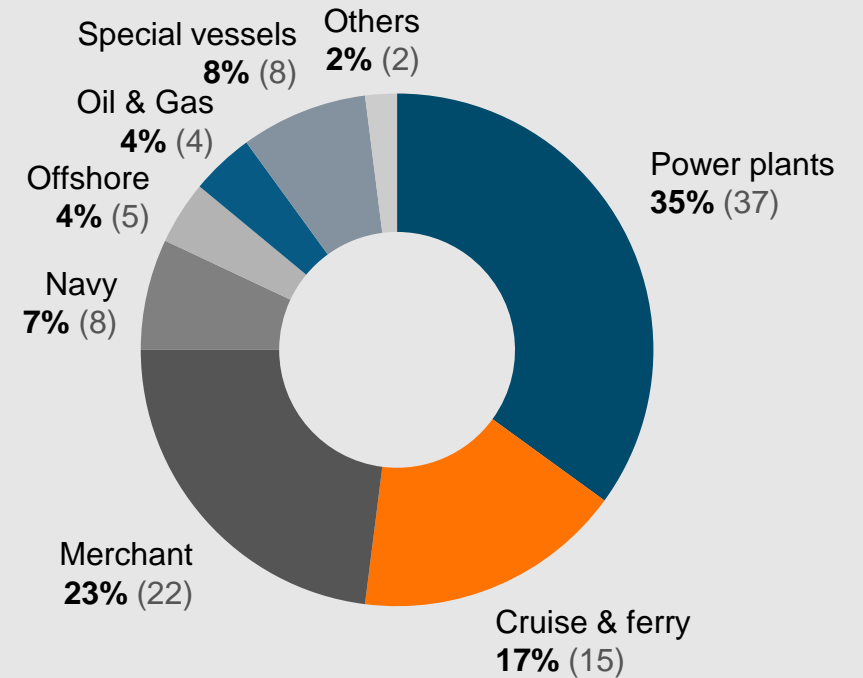
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Net sales distribution 2018

By product area

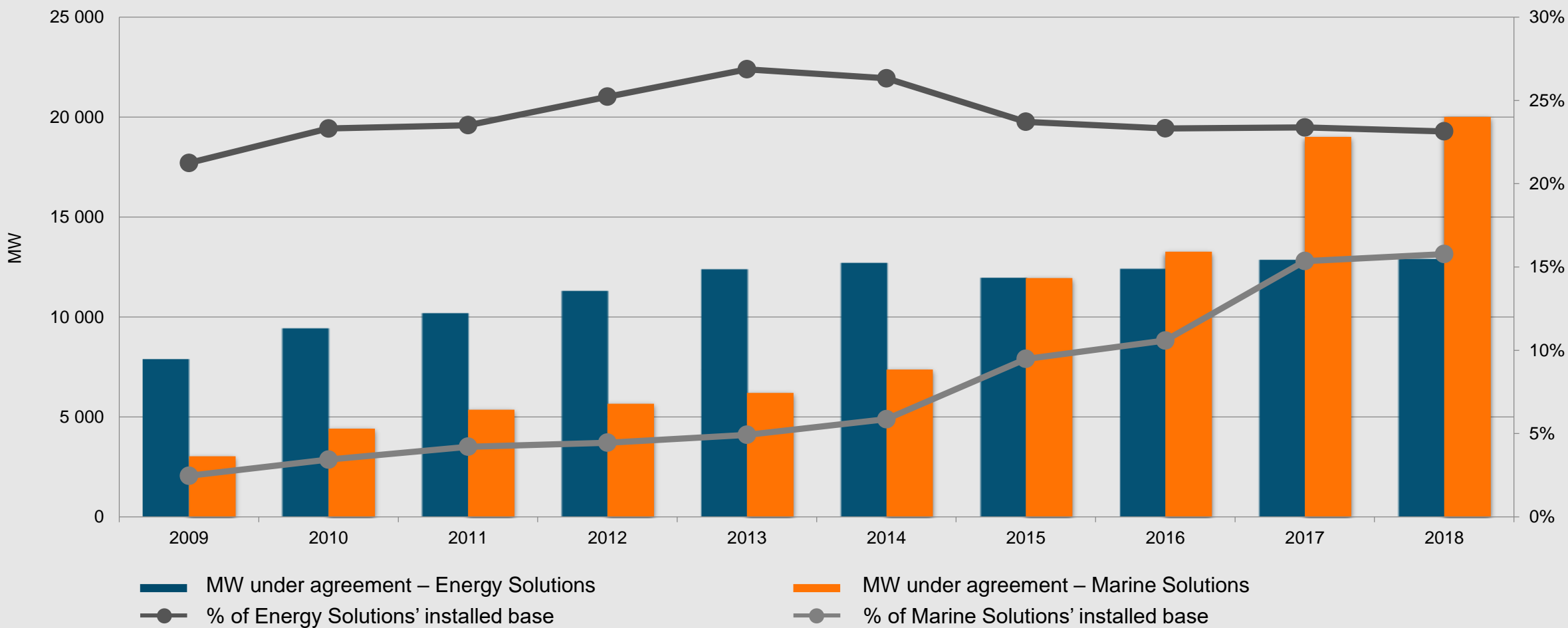


By segment



Total EUR 2,426 million (2,407)

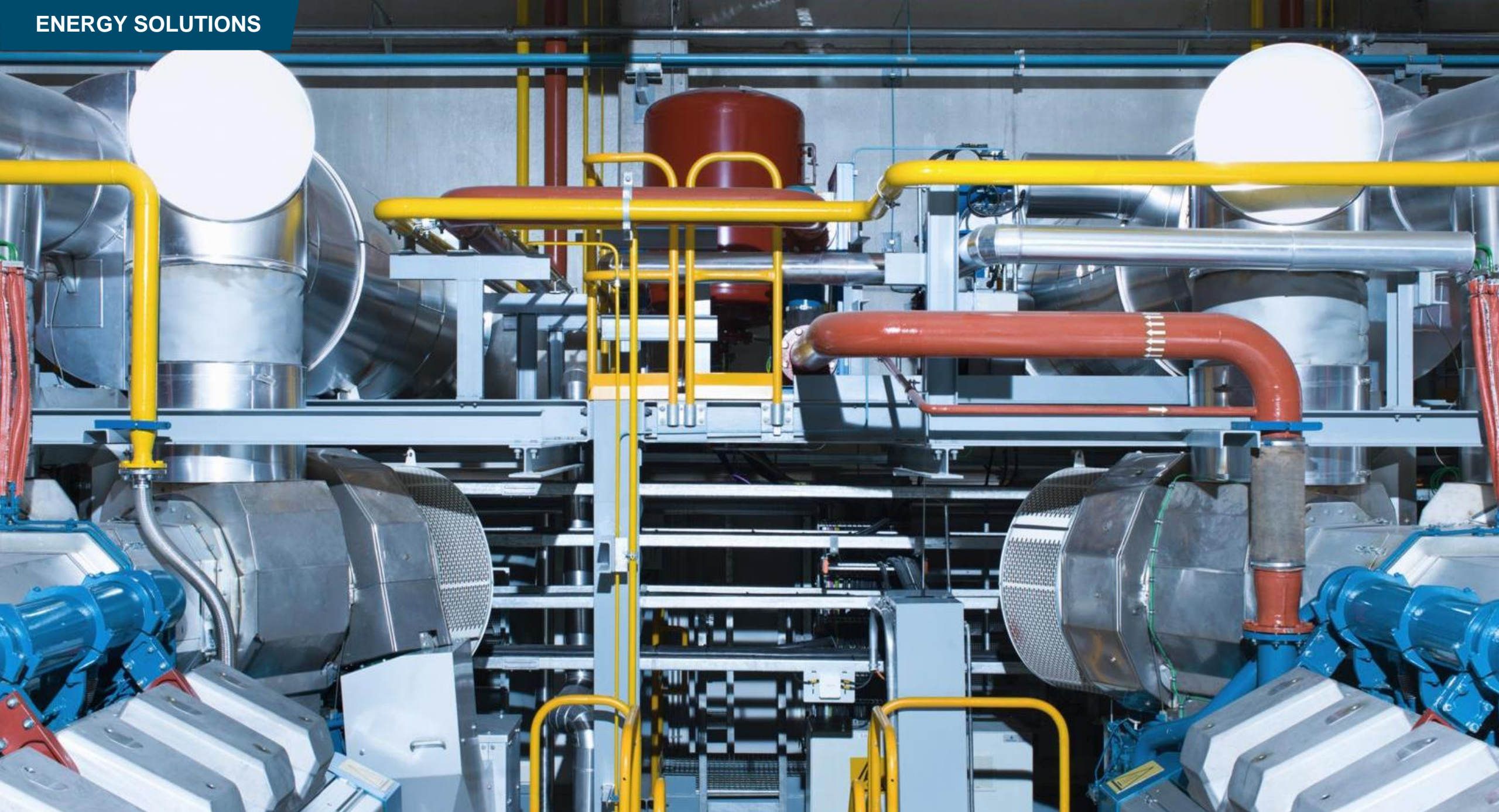
Installed base covered by service agreements



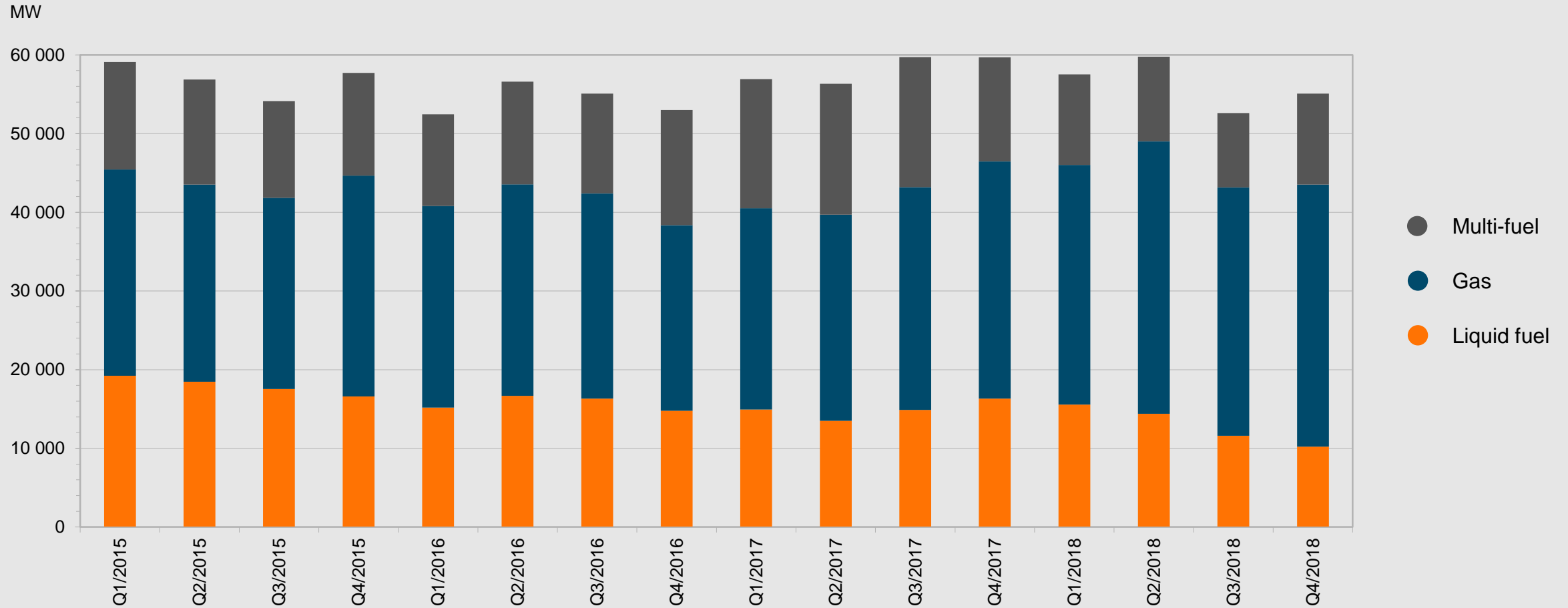
Wärtsilä to operate and maintain a 130 MW power plant in Mexico

- The power plant operates on seven Wärtsilä 50SG gas-fuelled engines.
- Plant predictability and reliability is ensured through the efficiency and flexibility of Wärtsilä's engines, backed by operations, maintenance, and performance agreements.



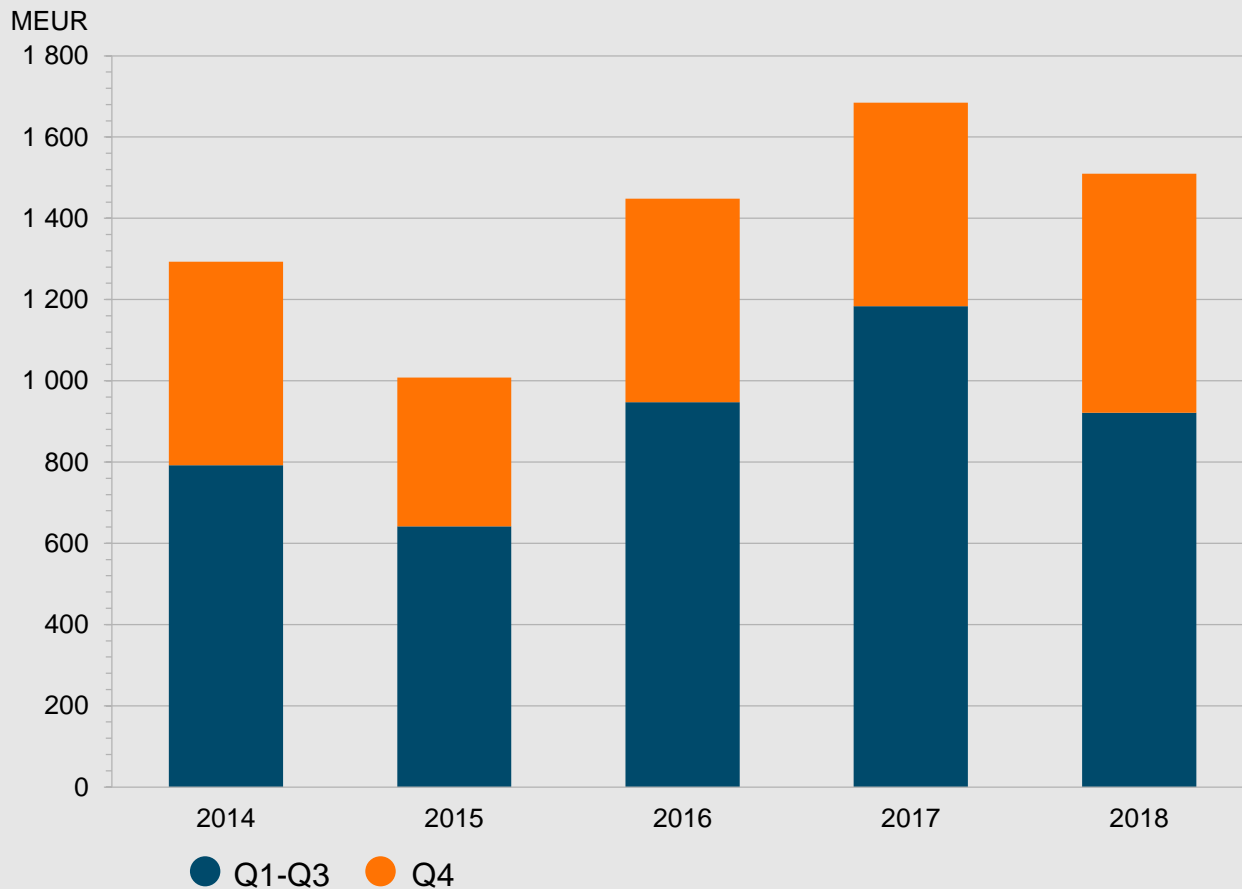


Quotation activity by fuel type

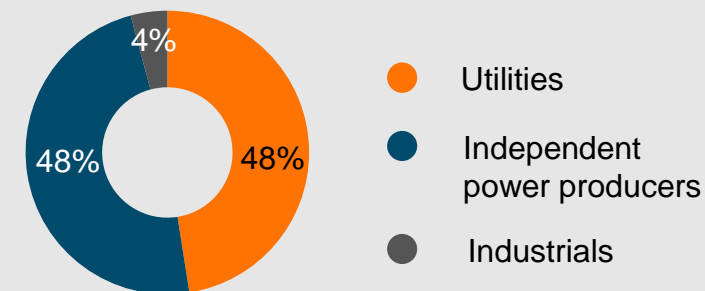


Calculated on a 12 months rolling basis

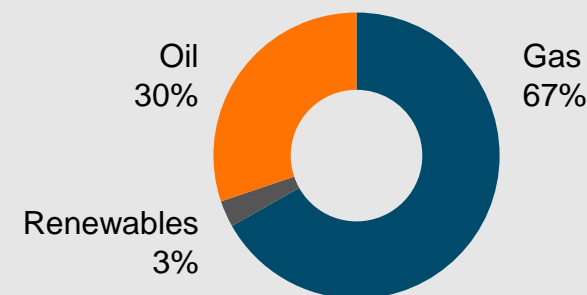
Energy Solutions' order intake affected by slower customer decision-making



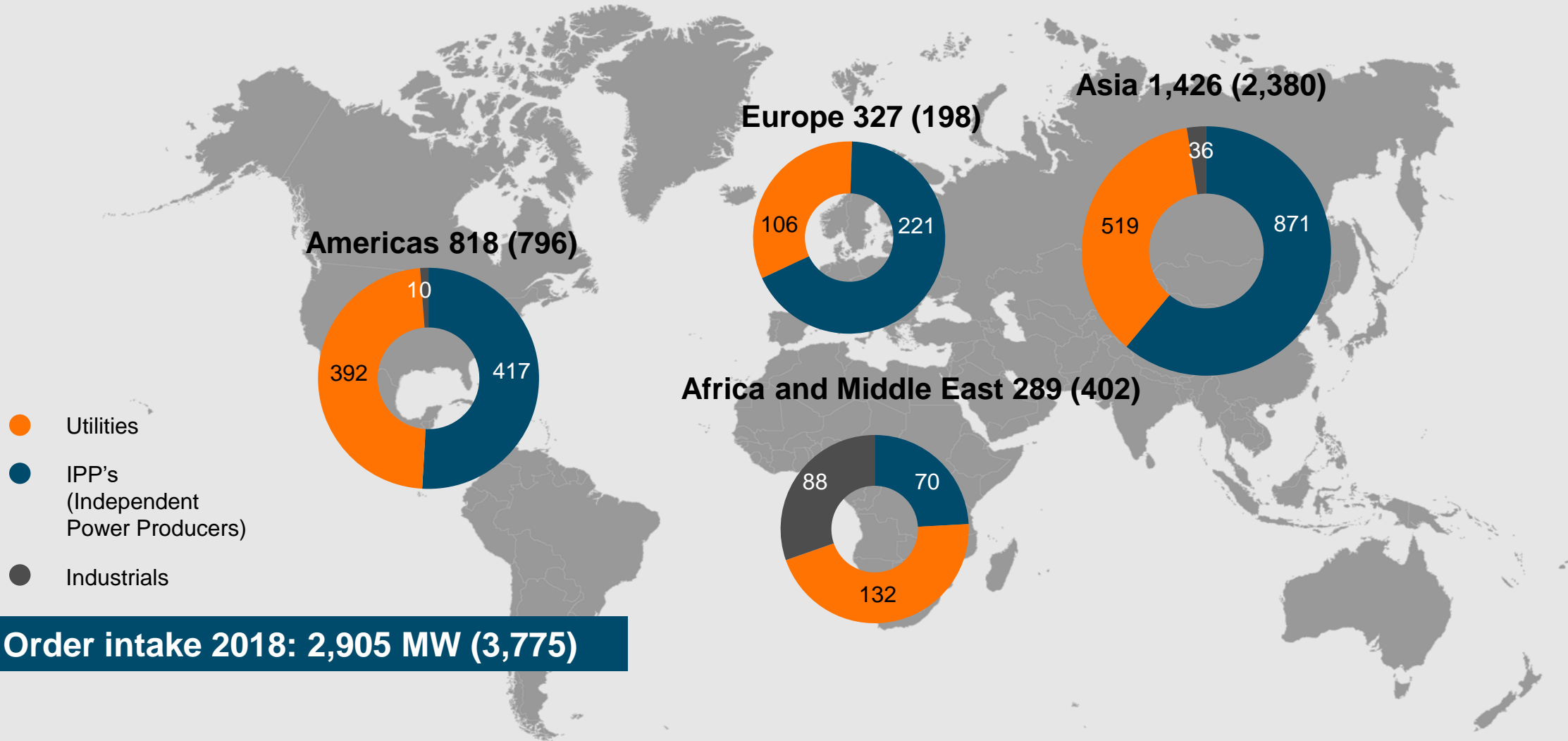
Review period development
Total EUR 1,511 million (1,685)



Review period order intake by fuel in MW



Ordering activity highest in Asia



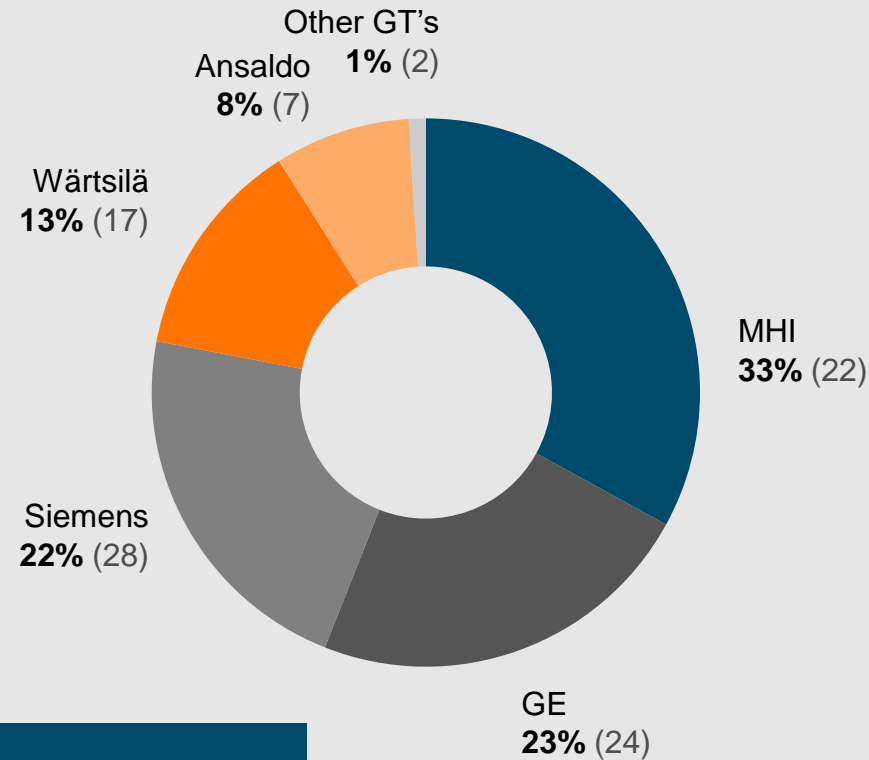
Order intake 2018: 2,905 MW (3,775)

Wärtsilä to supply electricity and district heating for Dresden, Germany

- The 90 MW combined heat and power plant features eight highly efficient and flexible Wärtsilä 31SG engines operating on natural gas.
- The plant will be delivered by Wärtsilä on an EPC basis to DREWAG, Dresden's local utility company.
- Wärtsilä will maintain the plant under a guaranteed asset performance solution for ten years.



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

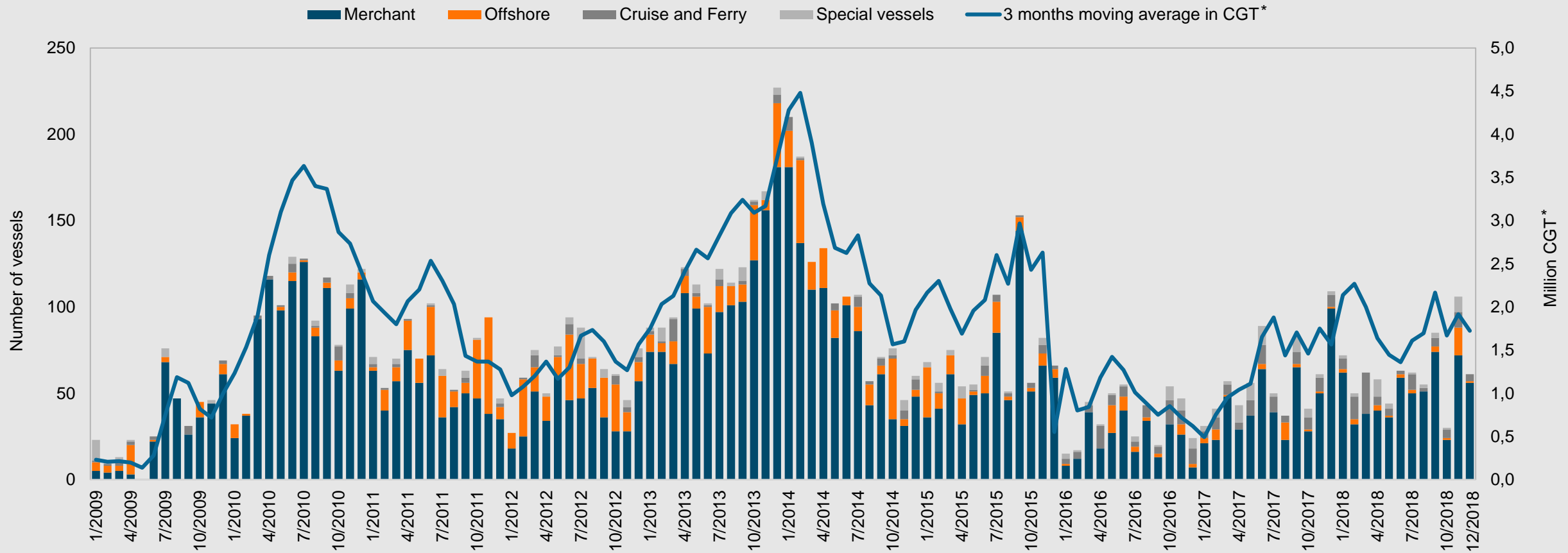


<500 MW market volume: 20.8 GW (20.7)
Total market volume: 40.7 GW (44.2)

Market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous period. 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.



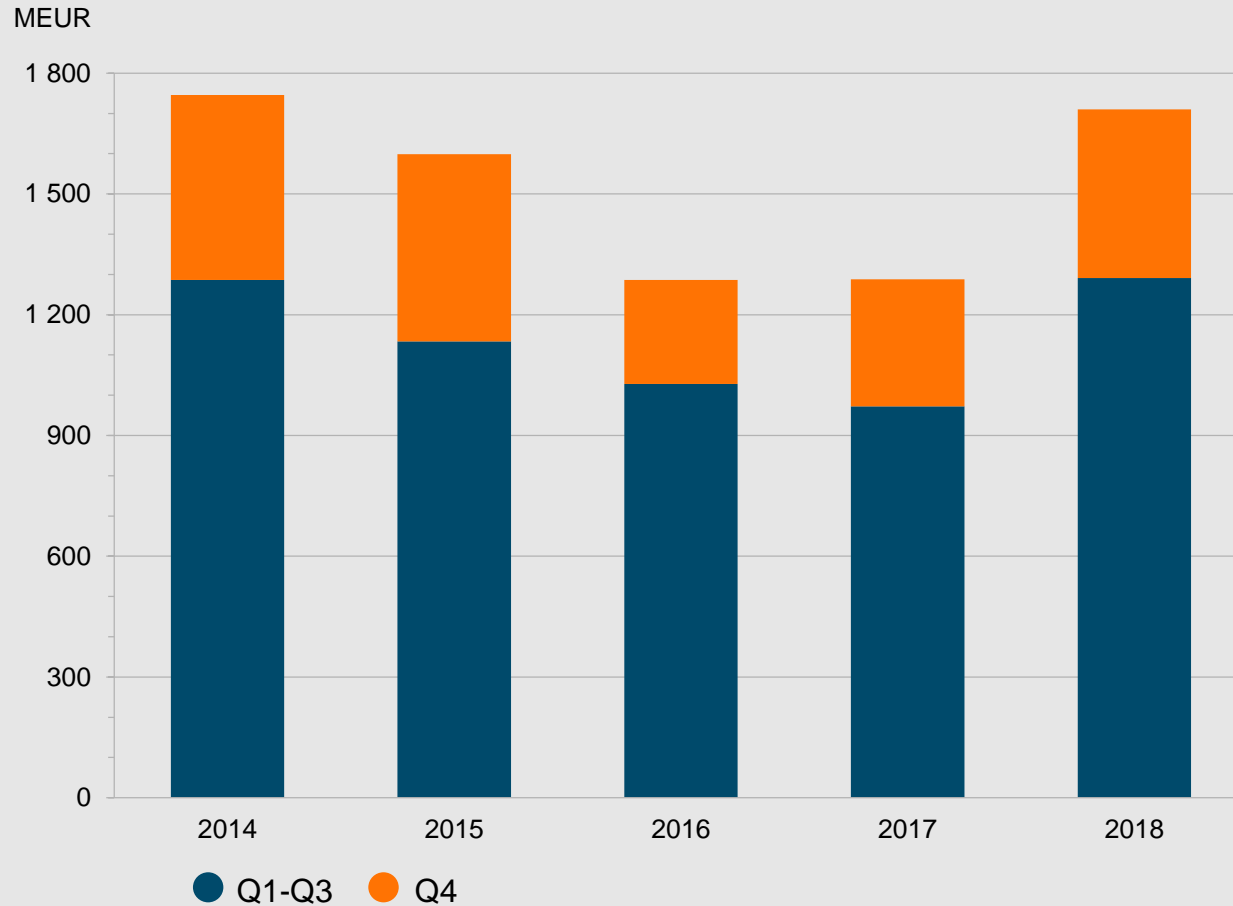
Gradual recovery in vessel contracting



Source: Clarkson Research Services, figures exclude late contracting

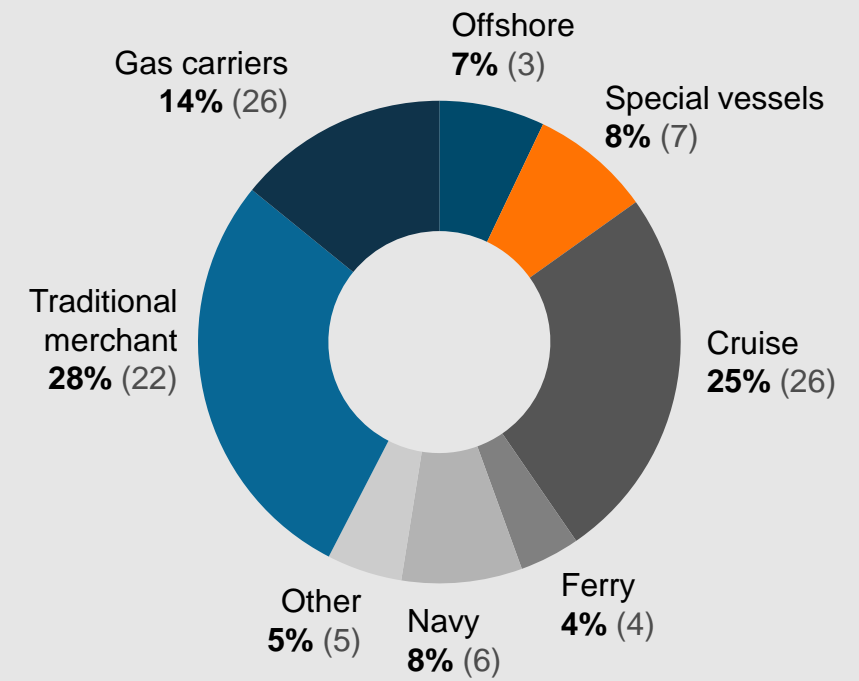
* CGT= gross tonnage compensated with workload

Marine Solutions' order intake boosted by scrubbers and favourable contracting mix



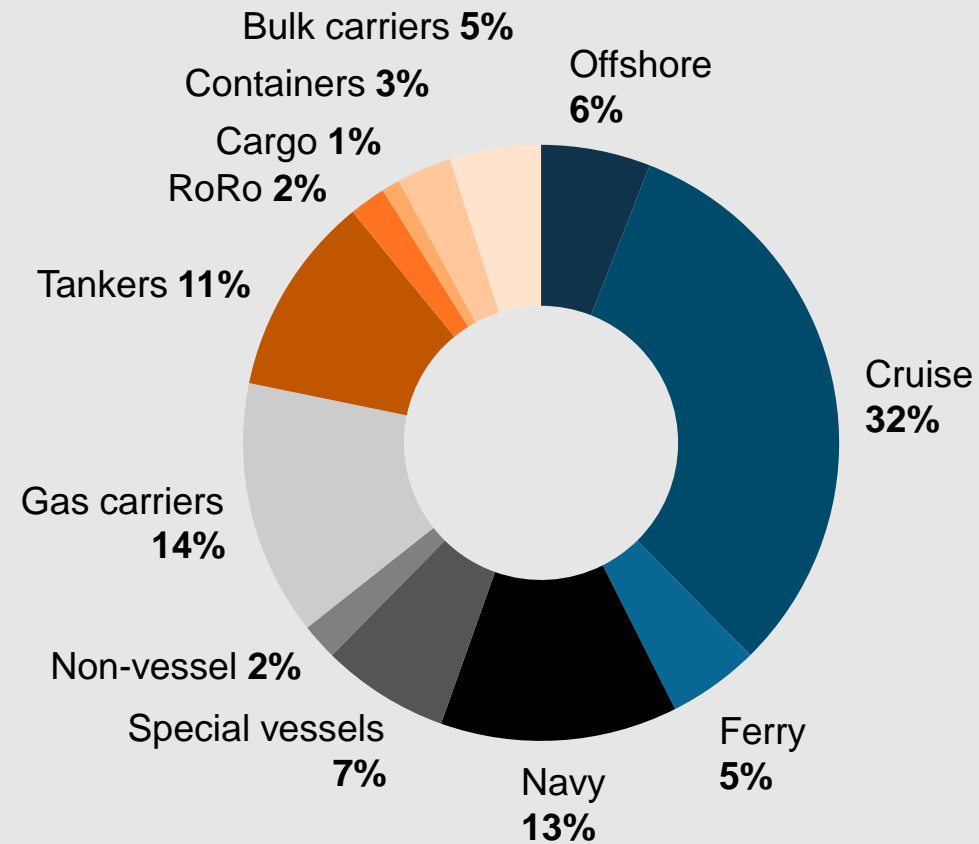
Review period development

Total EUR 1,710 million (1,288)



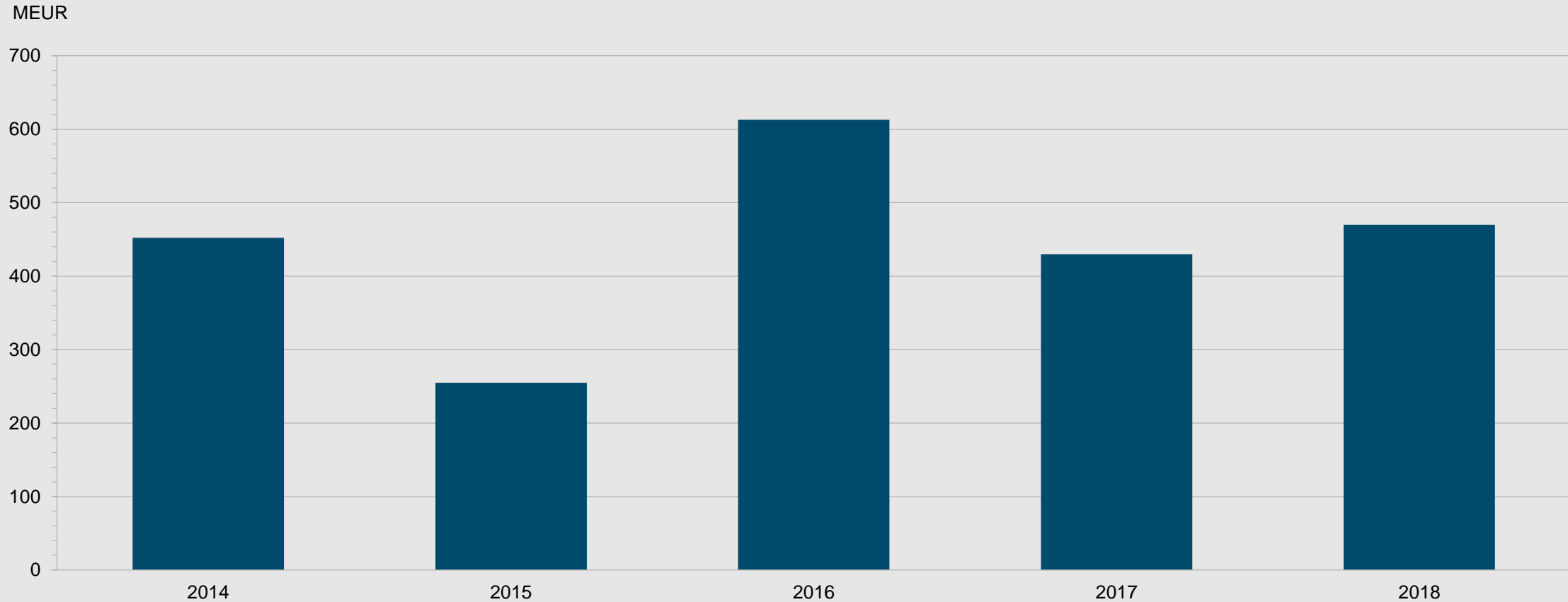
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Marine Solutions' order book 31 December 2018

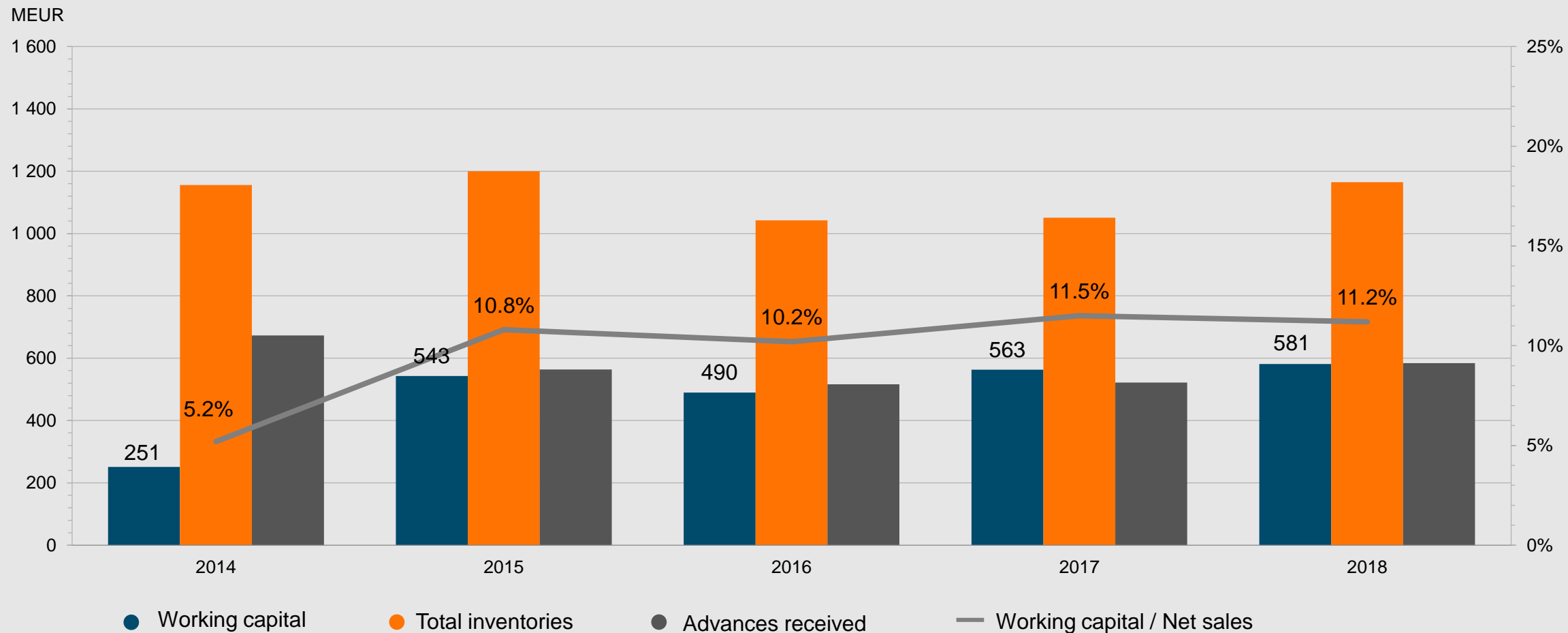




Cash flow from operating activities

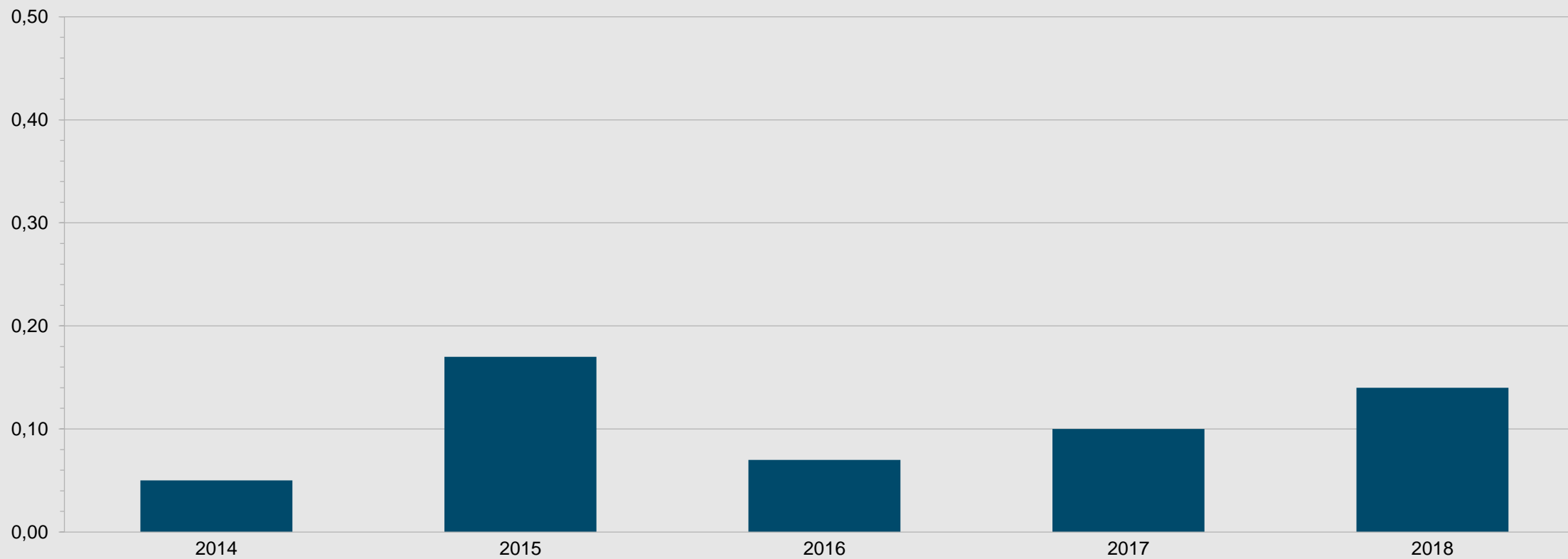


Working capital

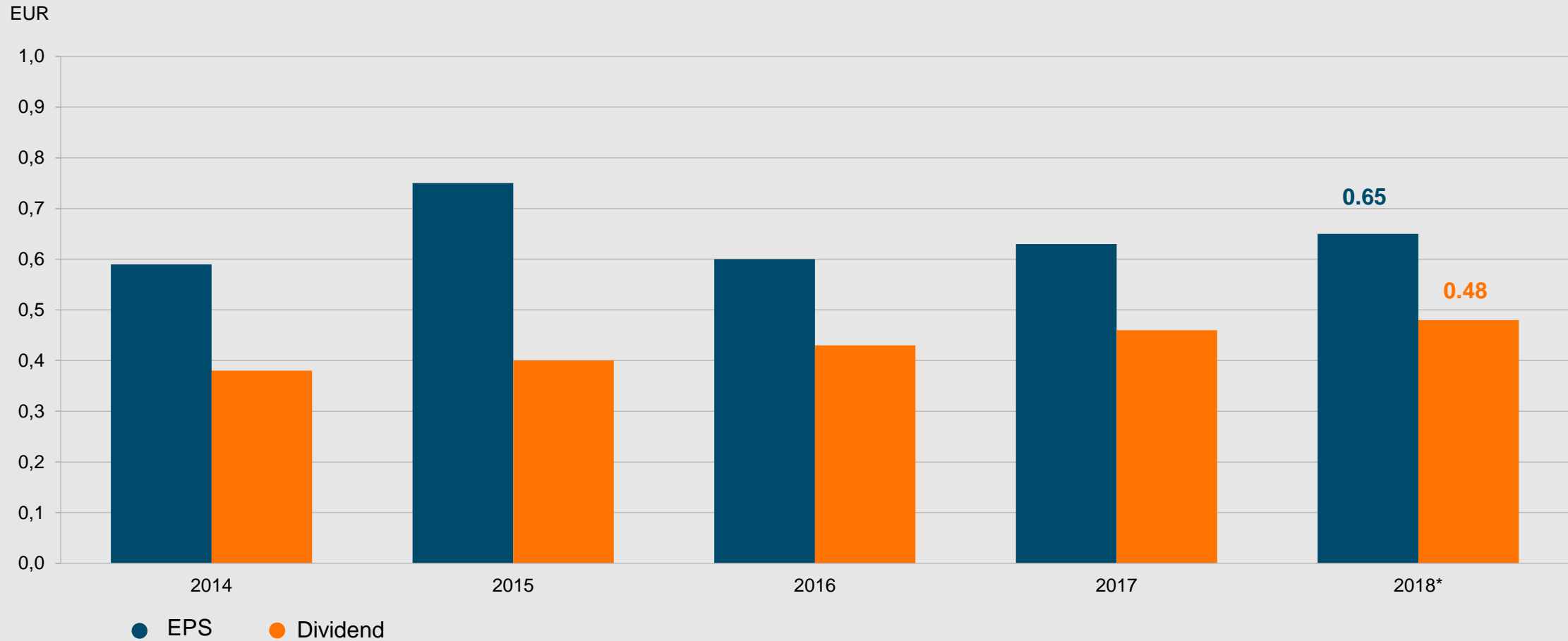


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Gearing



EPS and dividend per share



* Dividend 2018 - Proposal of the Board
Figures have been restated to reflect the new amount of shares.

Wärtsilä to enhance competitiveness by aligning operations globally

- The Group-wide programme emphasises sustainable savings and actions that increase customer value, including:
 - Increased focus on targeted sales activities
 - Developing the agreements-based and “as-a-service” business
 - Reviewing the cost structure
 - Optimising the business portfolio and organisation
- The program is expected to lead to a reduction of approximately 1,200 employees globally
- With these actions Wärtsilä seeks annual savings of EUR 100 million



Prospects for 2019

The demand for Wärtsilä's services and solutions in 2019 is expected to be in line with the previous year.

Demand by business area is anticipated to be as follows:

- Solid in Energy Business
- Solid in Marine Business



THANK YOU

Further information:
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