

WÄRTSILÄ CORPORATION

CARNEGIE NORDIC CAPITAL GOODS SEMINAR

14.3.2018

Marco Wirén, CFO

THIS IS WÄRTSILÄ

OUR BUSINESS AREAS



Energy Solutions

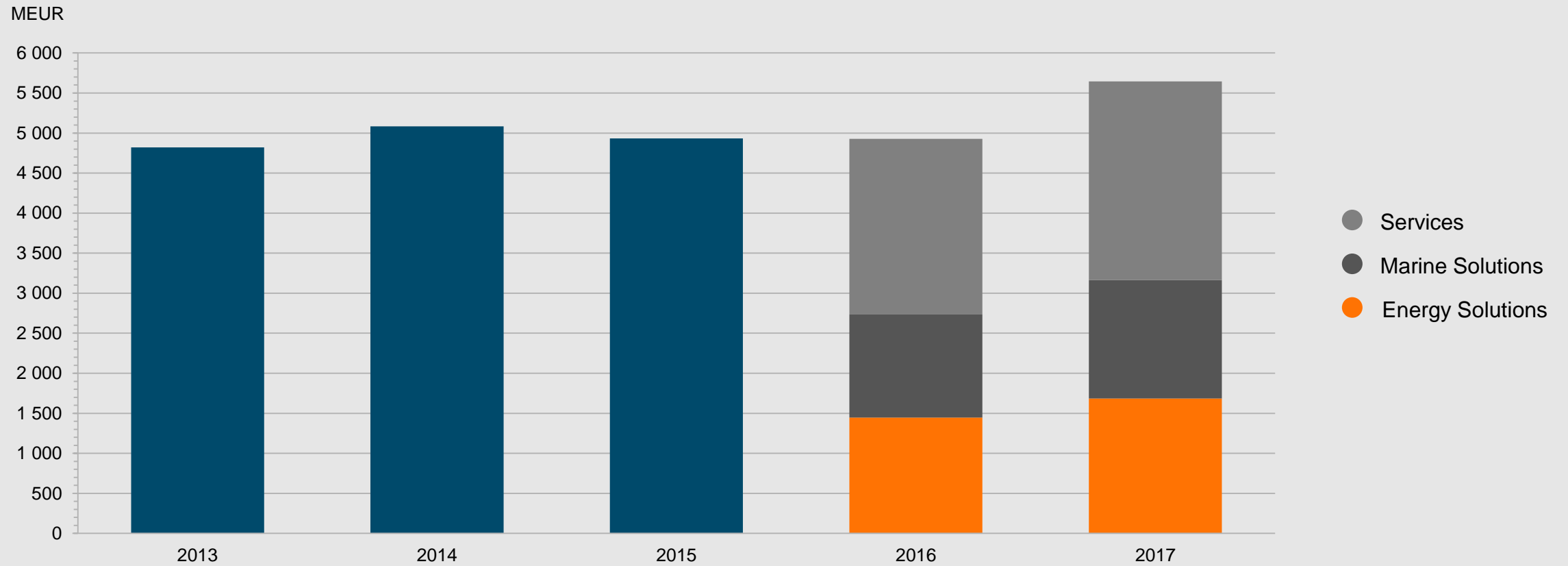


Marine Solutions

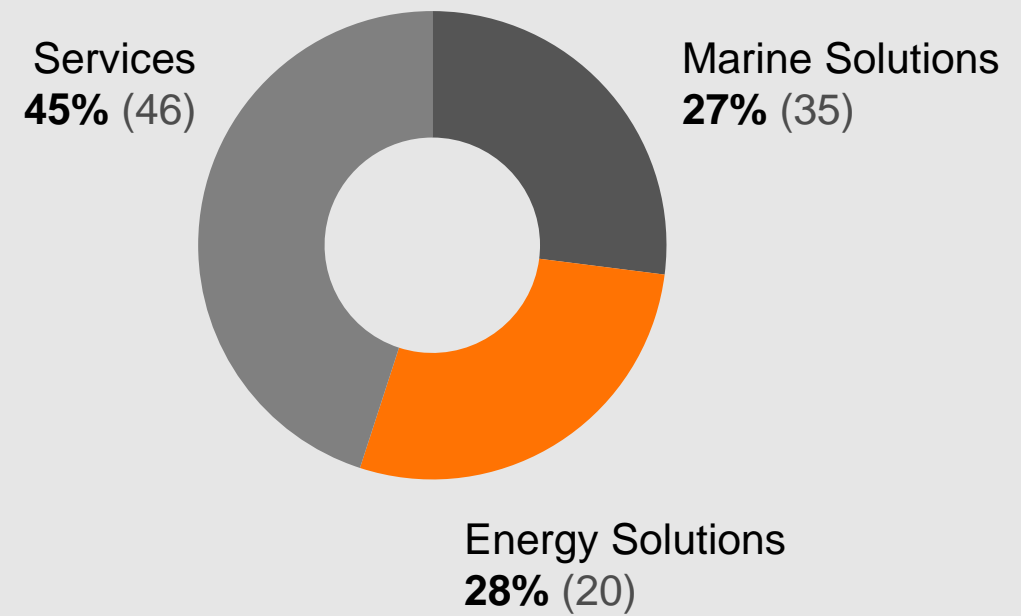
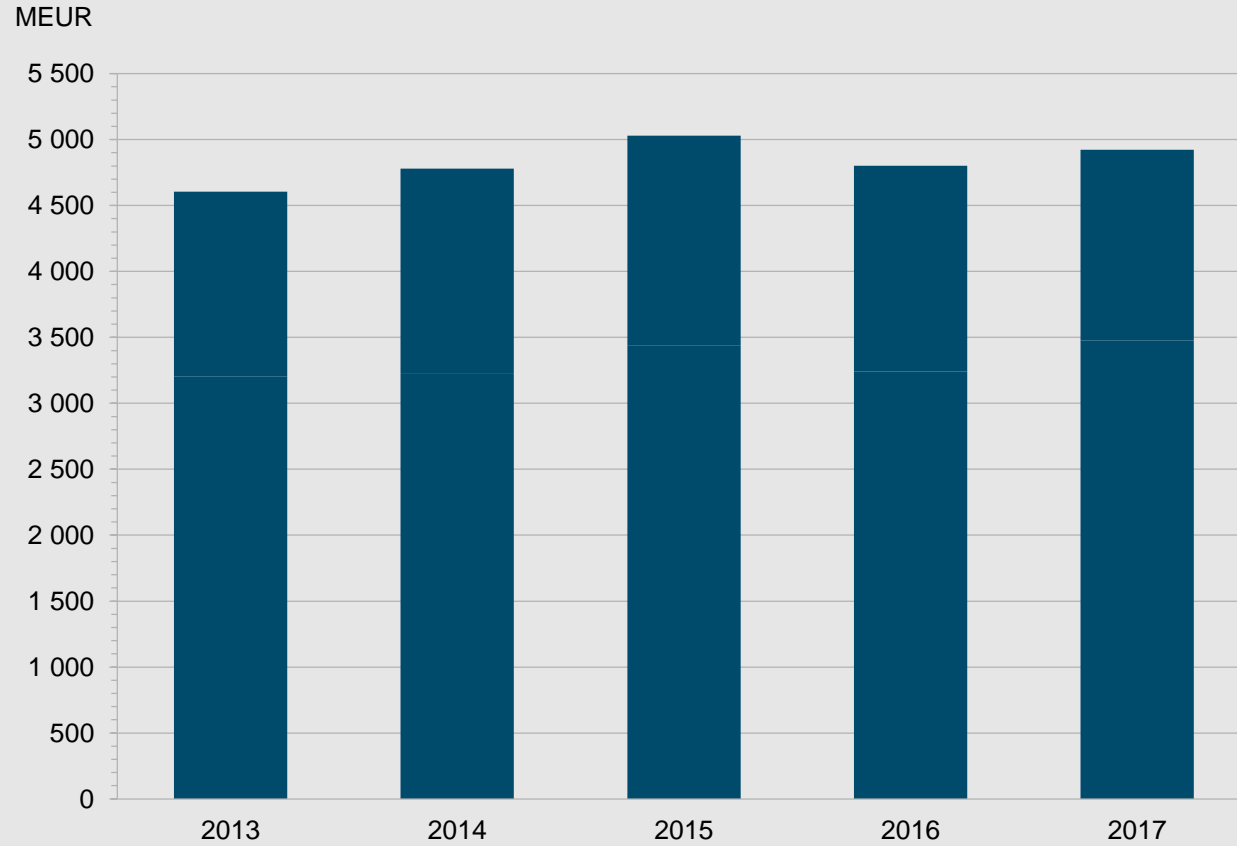


Services

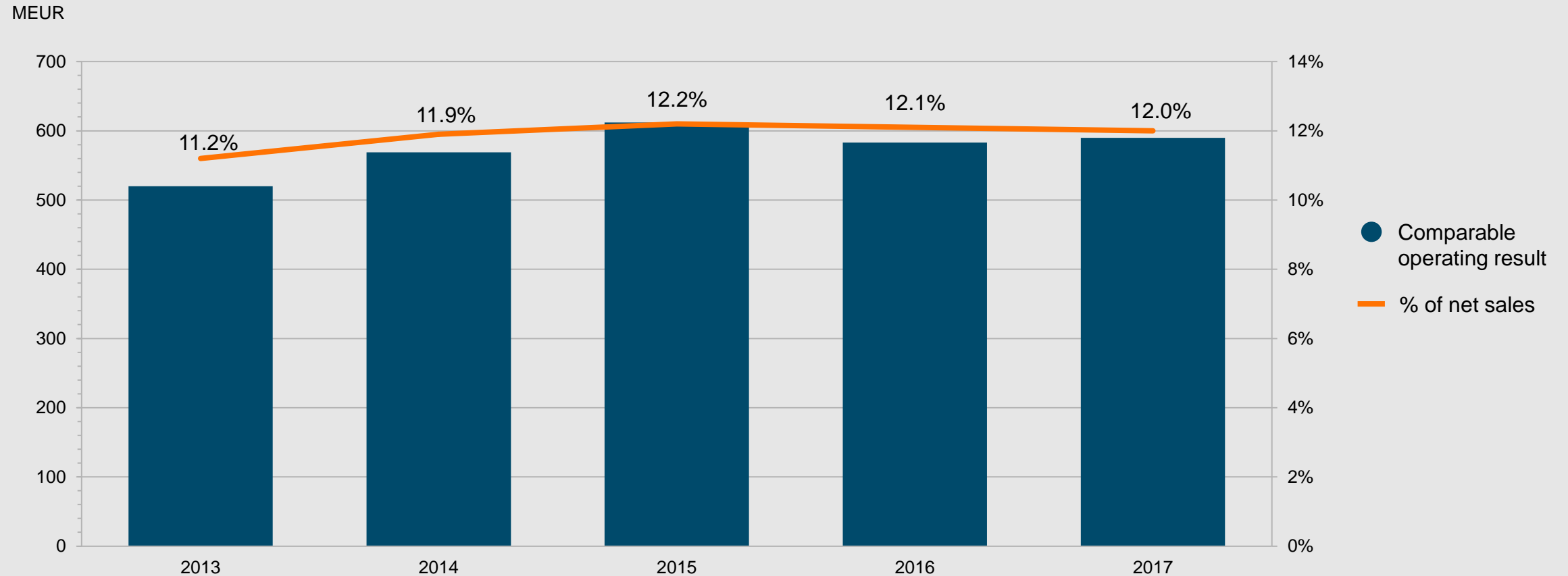
Order intake growth in all businesses



Solid net sales development



Operating result in line with previous year



Items affecting comparability amounted to EUR 19 million (22) in the fourth quarter of 2017 and EUR 37 million (51) during the review period January-December. Figures for 2013 include both discontinued and continuing operations.

ENERGY

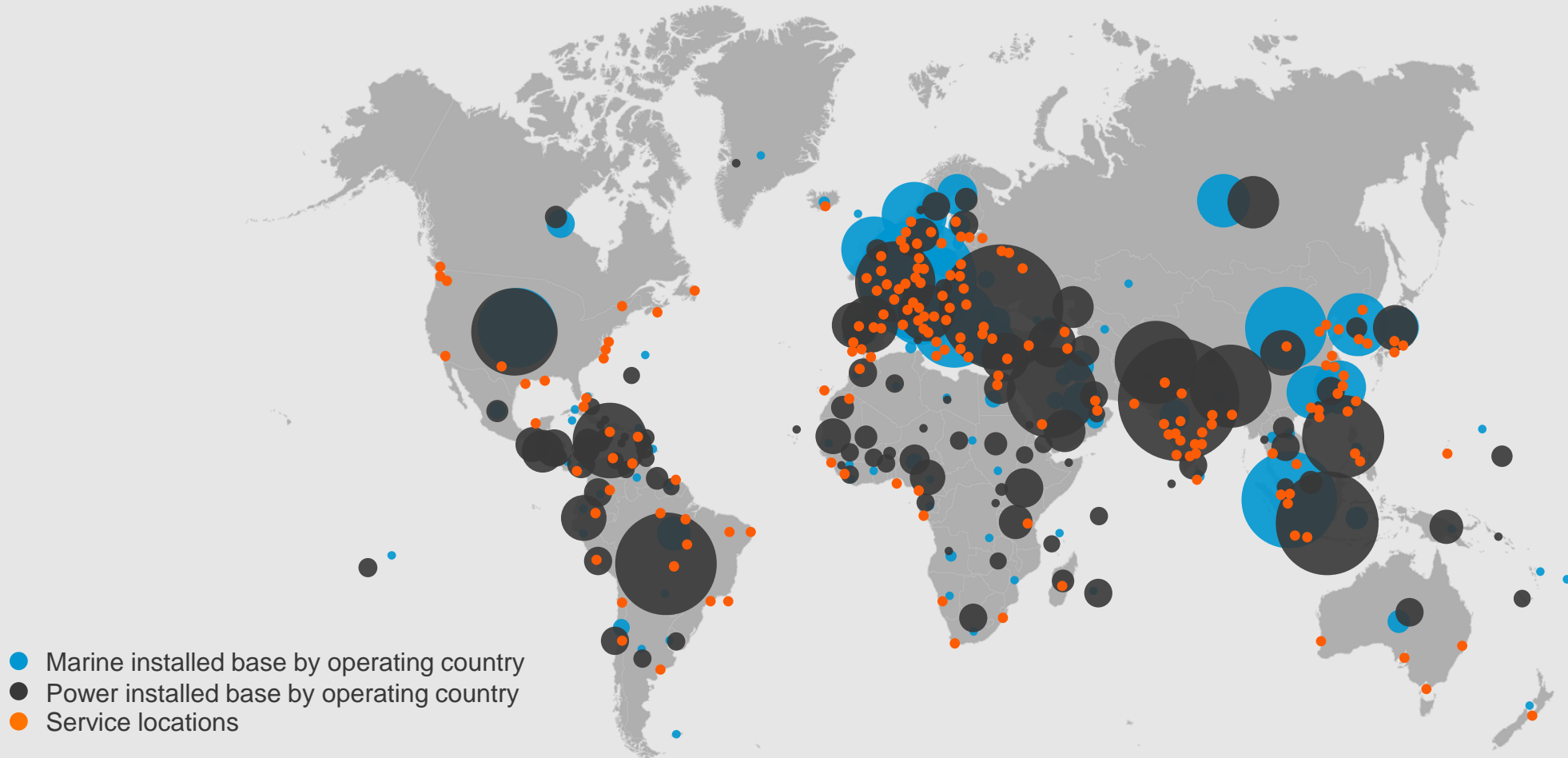
INCREASING DEMAND FOR CLEAN AND FLEXIBLE ENERGY



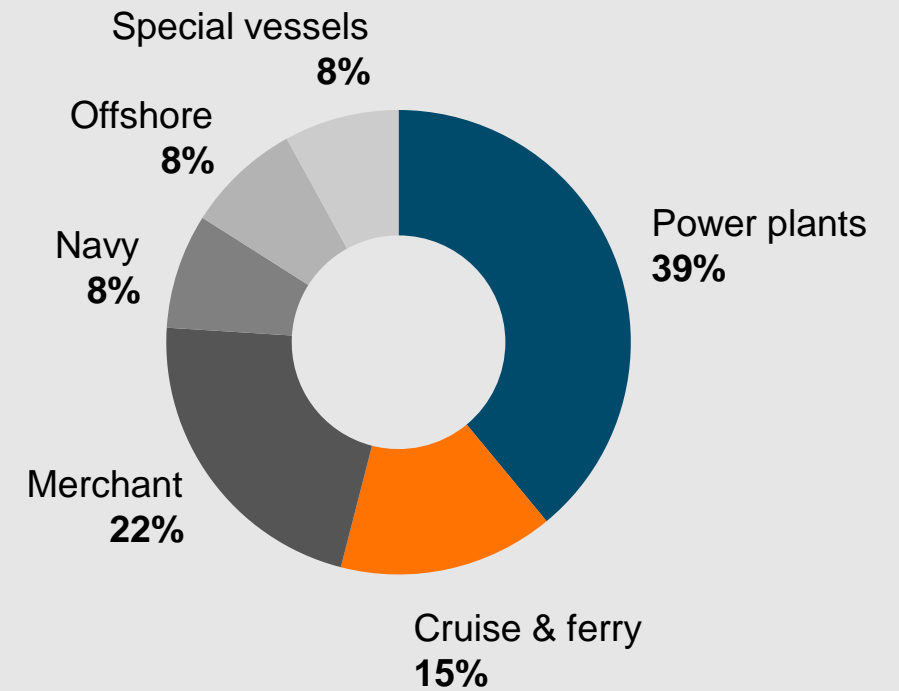
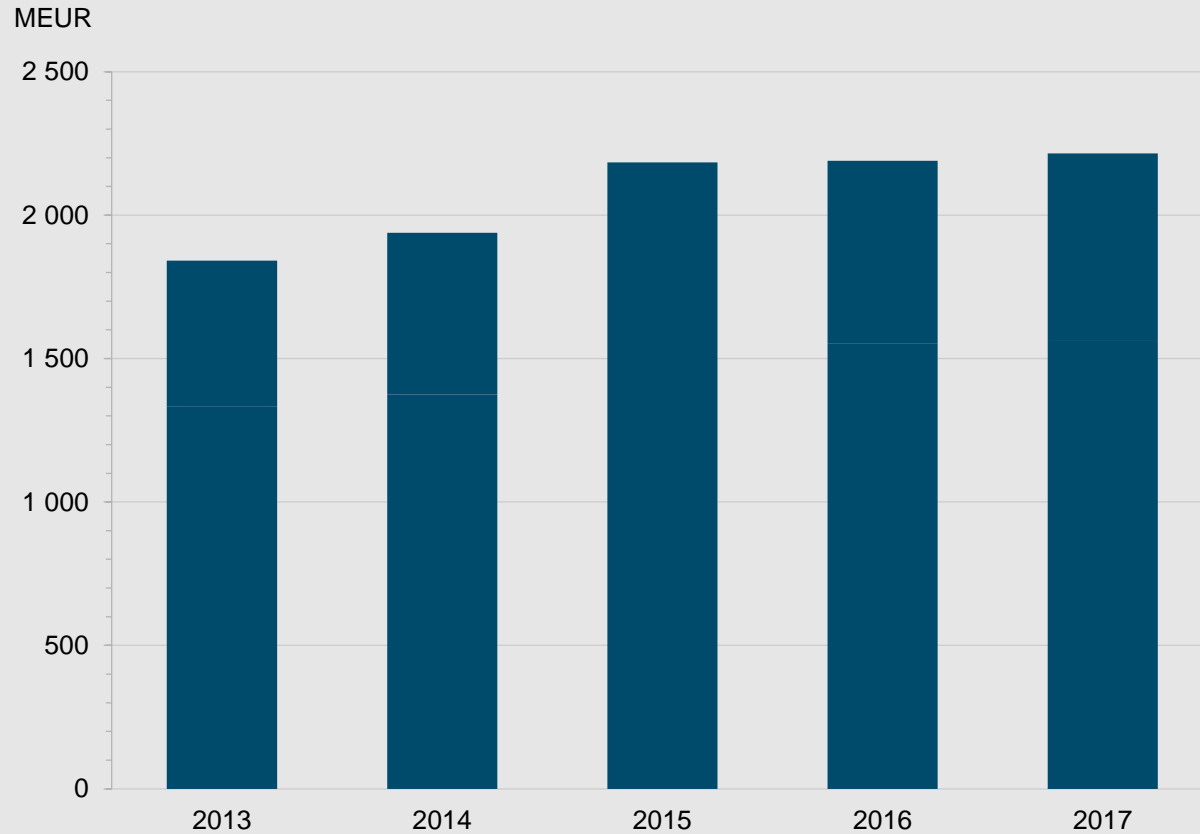
MARINE

DEMAND FOR SMART AND SAFE TRANSPORTATION

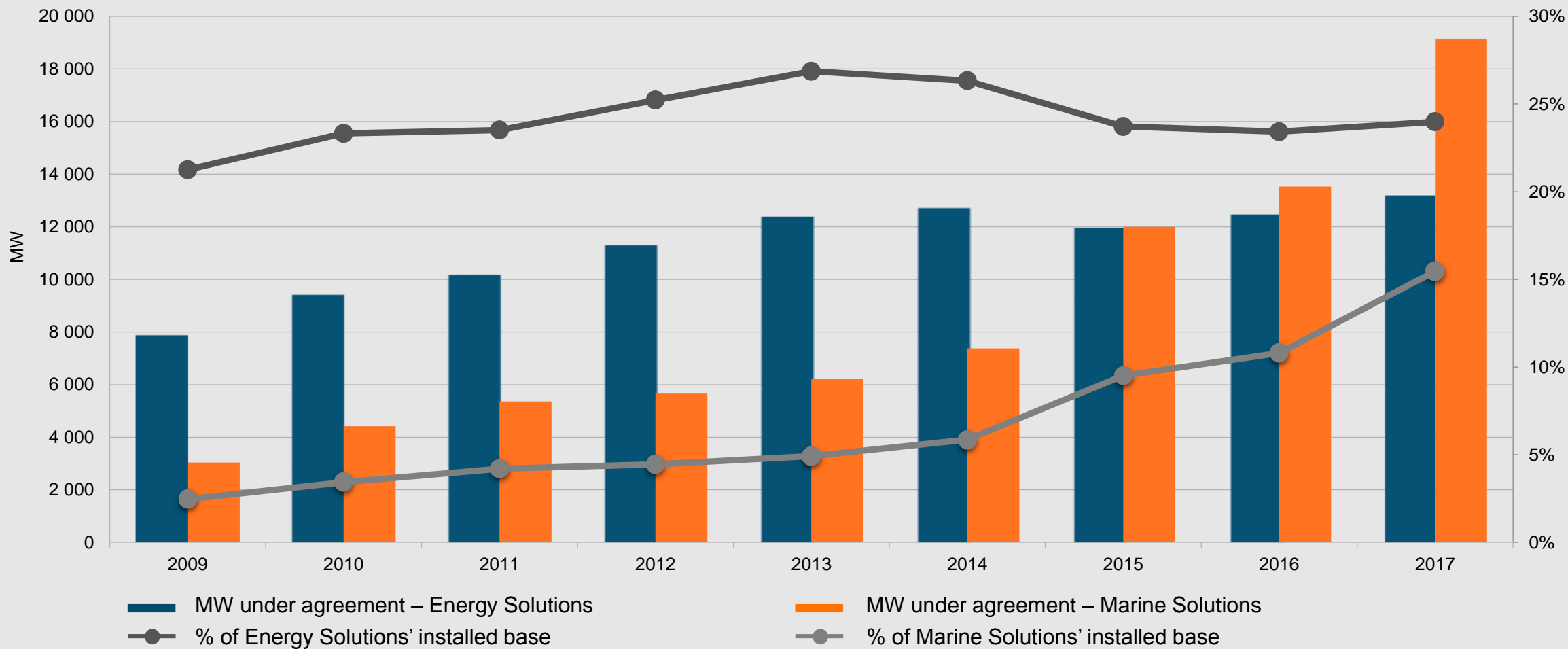
We are where our customers need us to be
11,000 service professionals in 80 countries, 160 locations...



Services' sales development



Installed base covered by service agreements



Strategic focus areas

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**

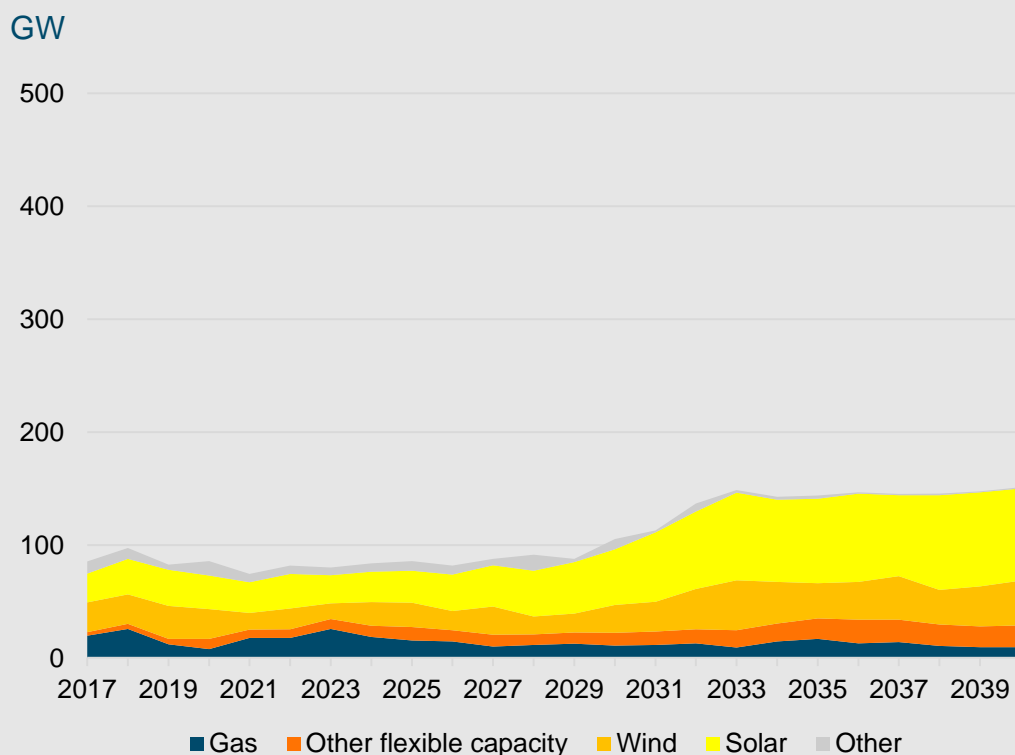
NEW CUSTOMER ACCESS



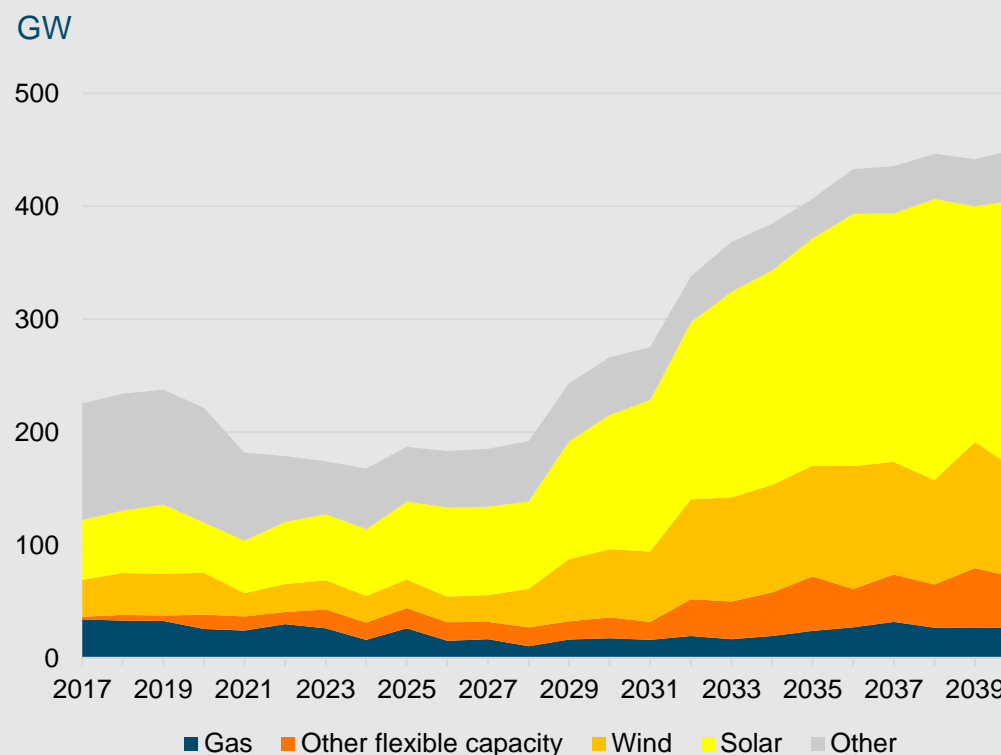
Growth **beyond** the traditional Wärtsilä installed base

Energy markets shifting to renewable power

OECD Gross annual capacity additions



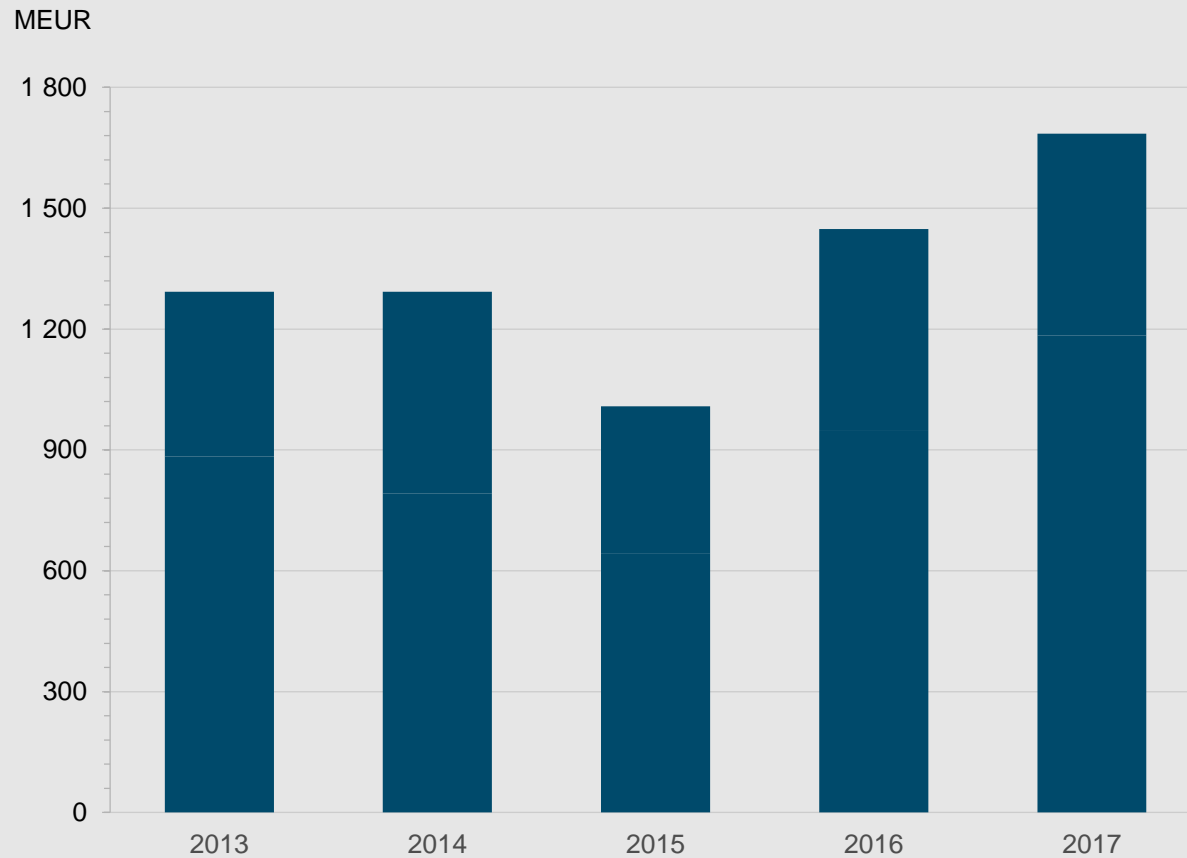
Non-OECD Gross annual capacity additions



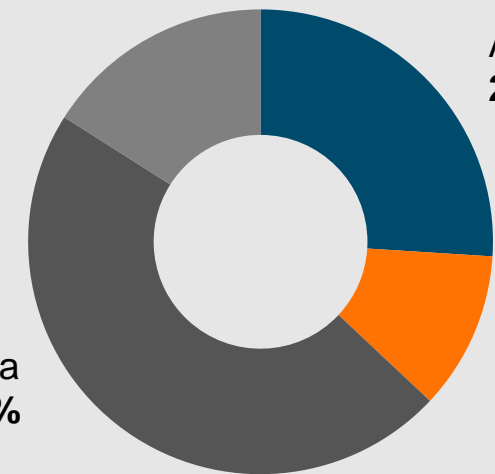
Source: Bloomberg New Energy Outlook 2017

Note: Other flexible capacity includes e.g. gas, batteries and other technologies built for peaking purposes. Others include: coal, oil, nuclear, hydro and other renewables than wind or solar.

Energy Solutions' order intake



Africa and Middle East
16%

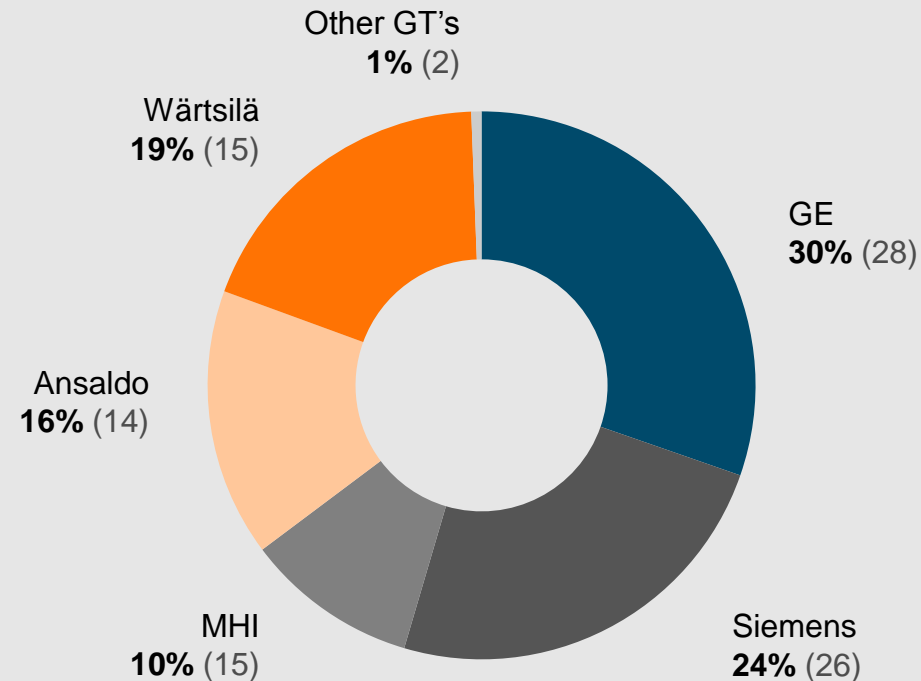


Americas
26%

Europe
11%

Asia
47%

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



<500 MW market volume last 12 months: 20.1 GW (25.2)
Total market volume last 12 months: 46.8 GW (54.9)

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 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

GLOBAL ENERGY SYSTEMS INTEGRATION



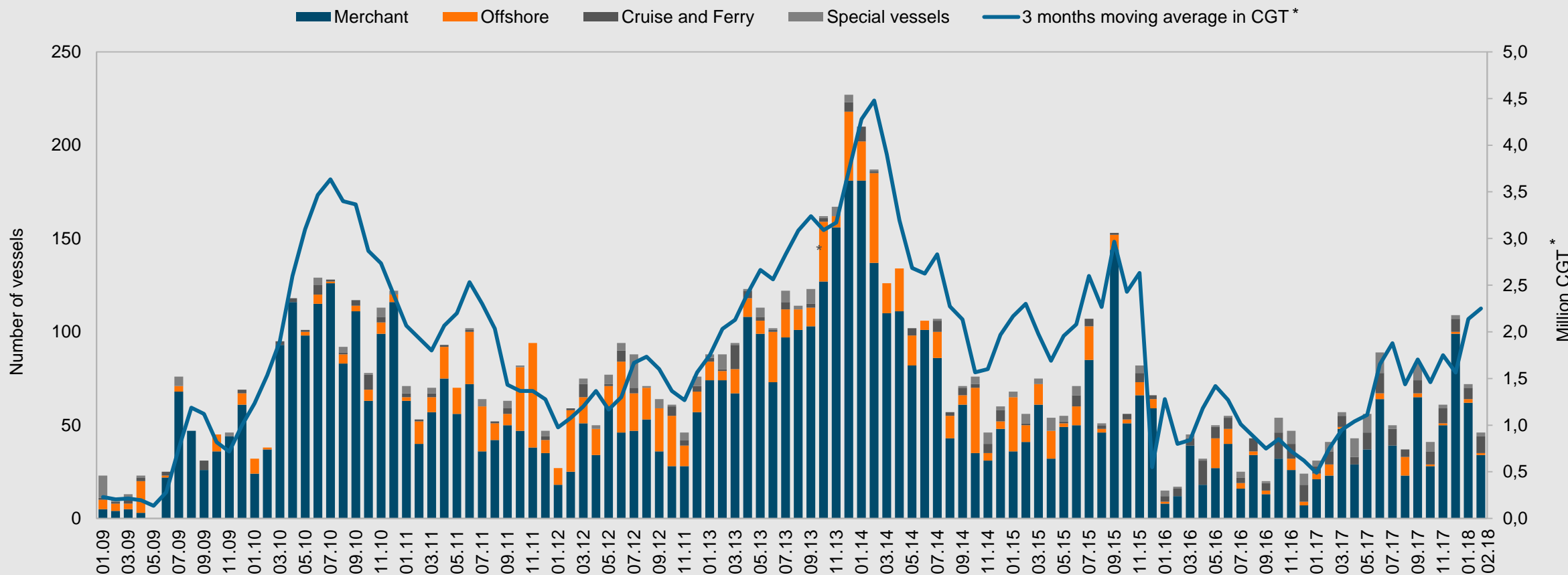
ENGINE POWER PLANTS



ENERGY STORAGE & SOFTWARE

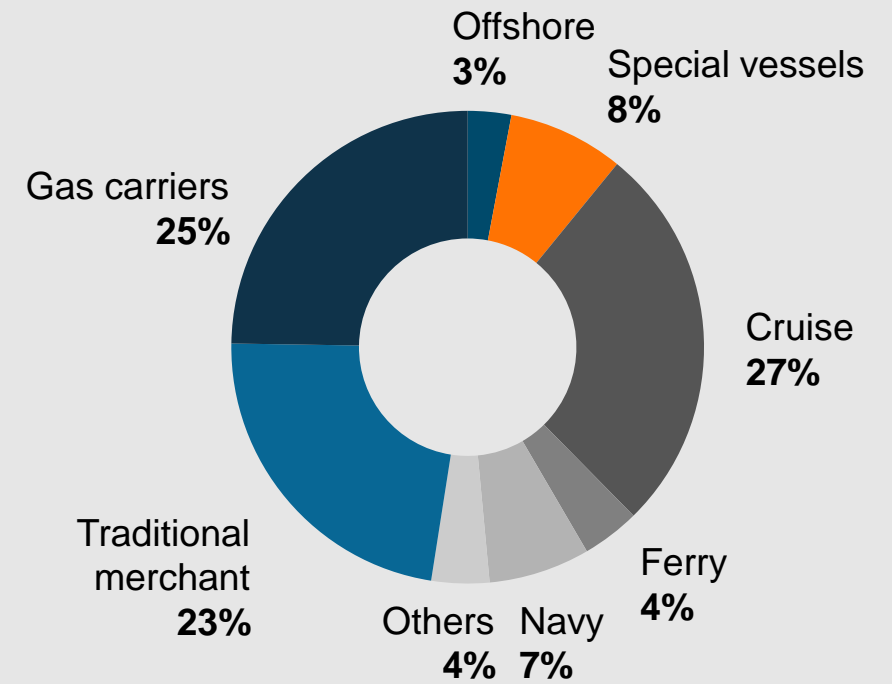
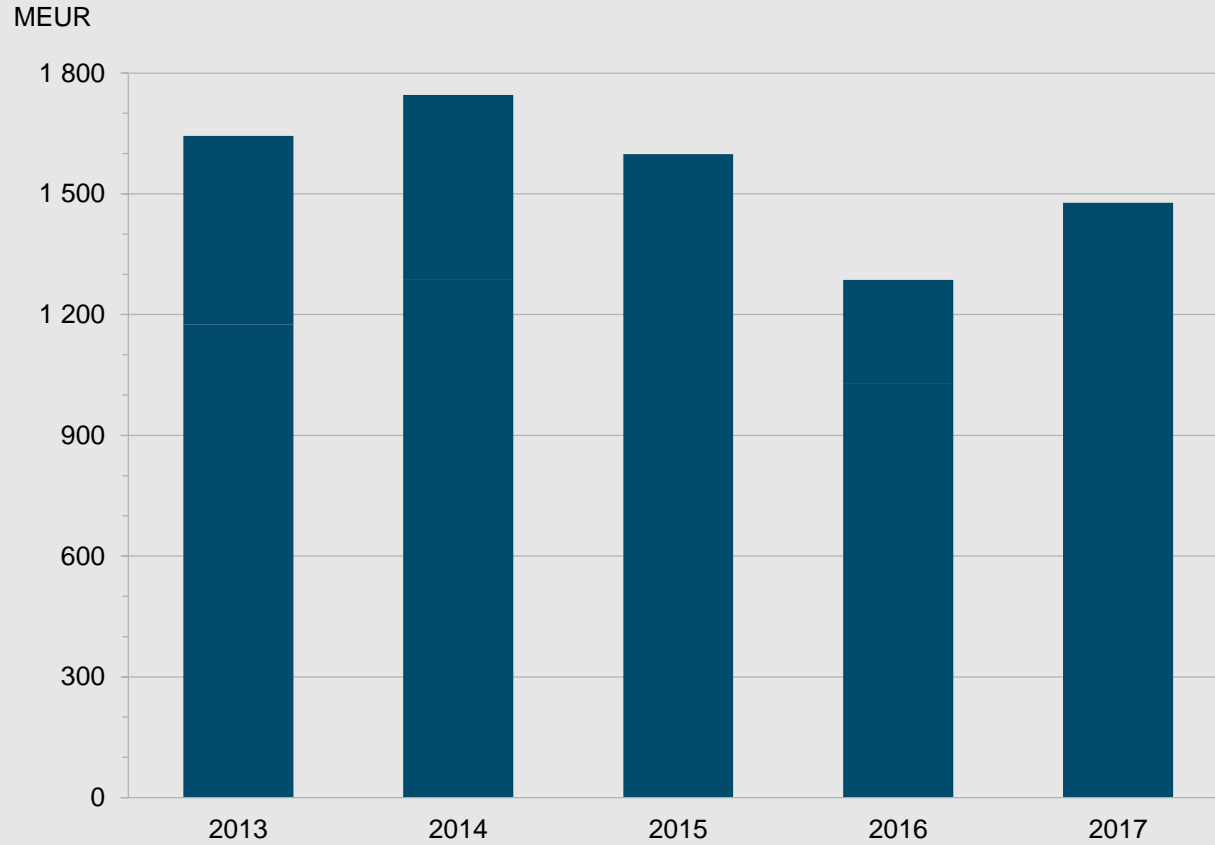
SOLAR PV & HYBRID POWER PLANTS

Vessel contracting development



Source: Clarkson Research Services, figures exclude late contracting
 * CGT= gross tonnage compensated with workload

Marine Solutions' order intake



Developing technologies that enable a Smart Marine future



Products
Solutions
Ship
Ecosystem

Prospects for 2018

The demand for Wärtsilä's services and solutions in 2018 is expected to improve somewhat from the previous year.

Demand by business area is anticipated to be as follows:

- Good in Services
- Good in Energy Solutions
- Solid 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 **≥50%** of EPS over the cycle

Committed to providing solid shareholder returns

THANK YOU!

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