

WÄRTSILÄ CORPORATION

JP MORGAN CAZENOVE
EUROPEAN CAPITAL GOODS CEO CONFERENCE

Jaakko Eskola
President & CEO

Wärtsilä's net sales by business Q1/2017



ENERGY SOLUTIONS, 24%

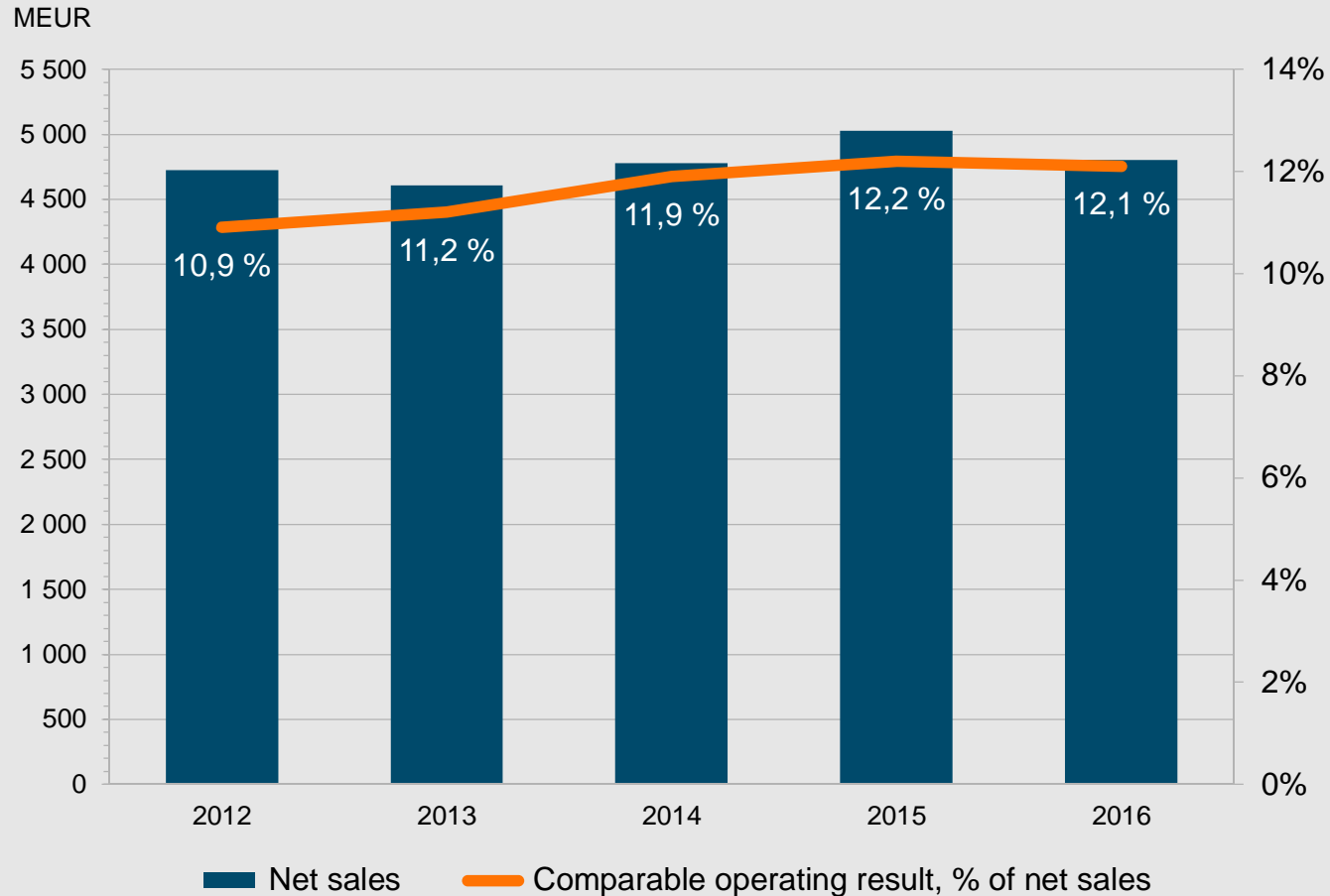


MARINE SOLUTIONS, 28%

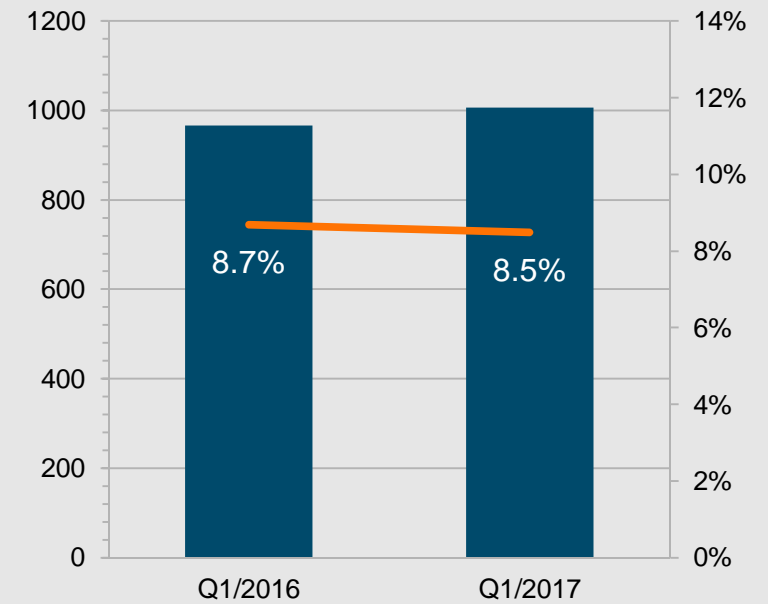
SERVICES, 49%



Net sales and profitability



First quarter development



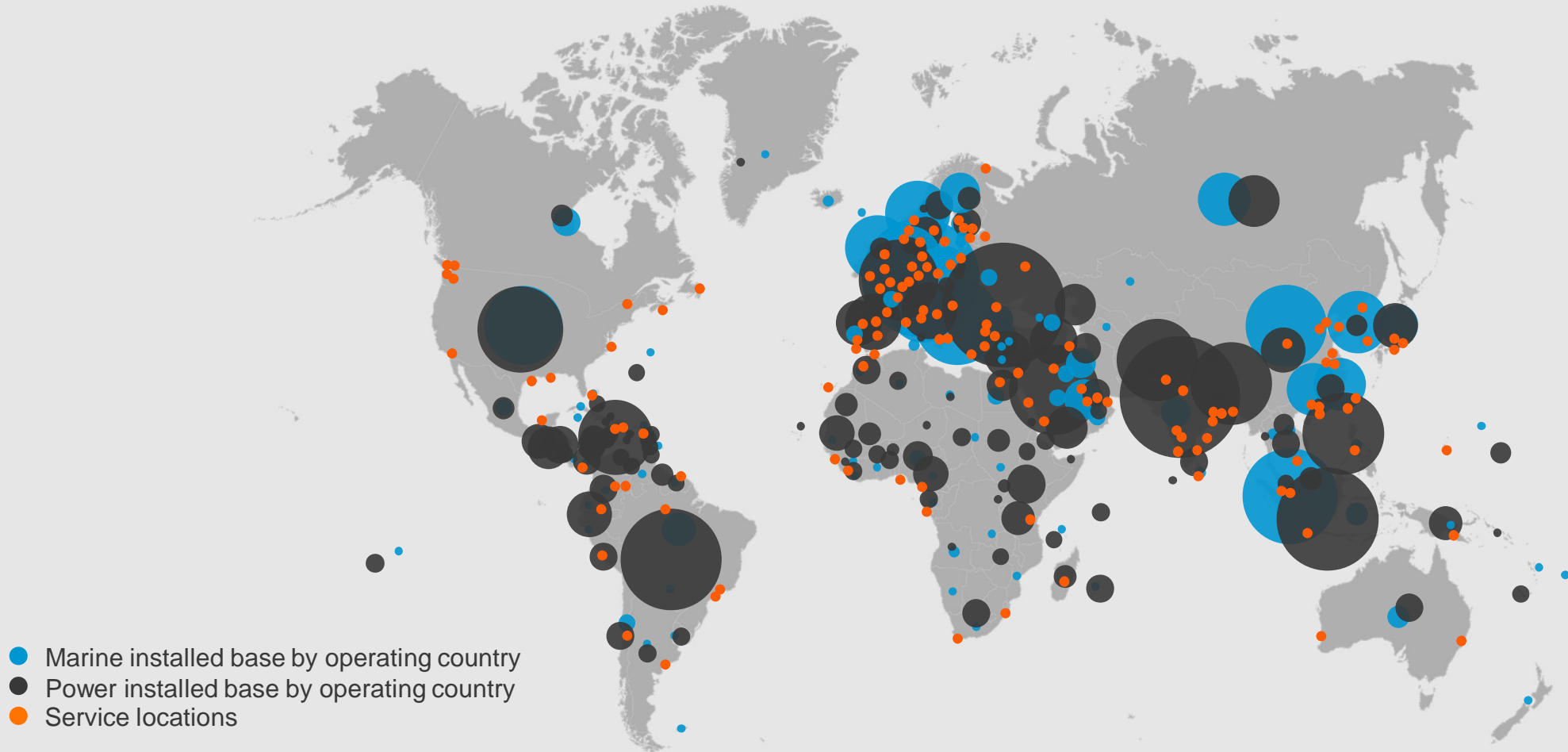
Figures for 2012-2013 include both discontinued and continuing operations.

GROWING ENERGY DEMAND

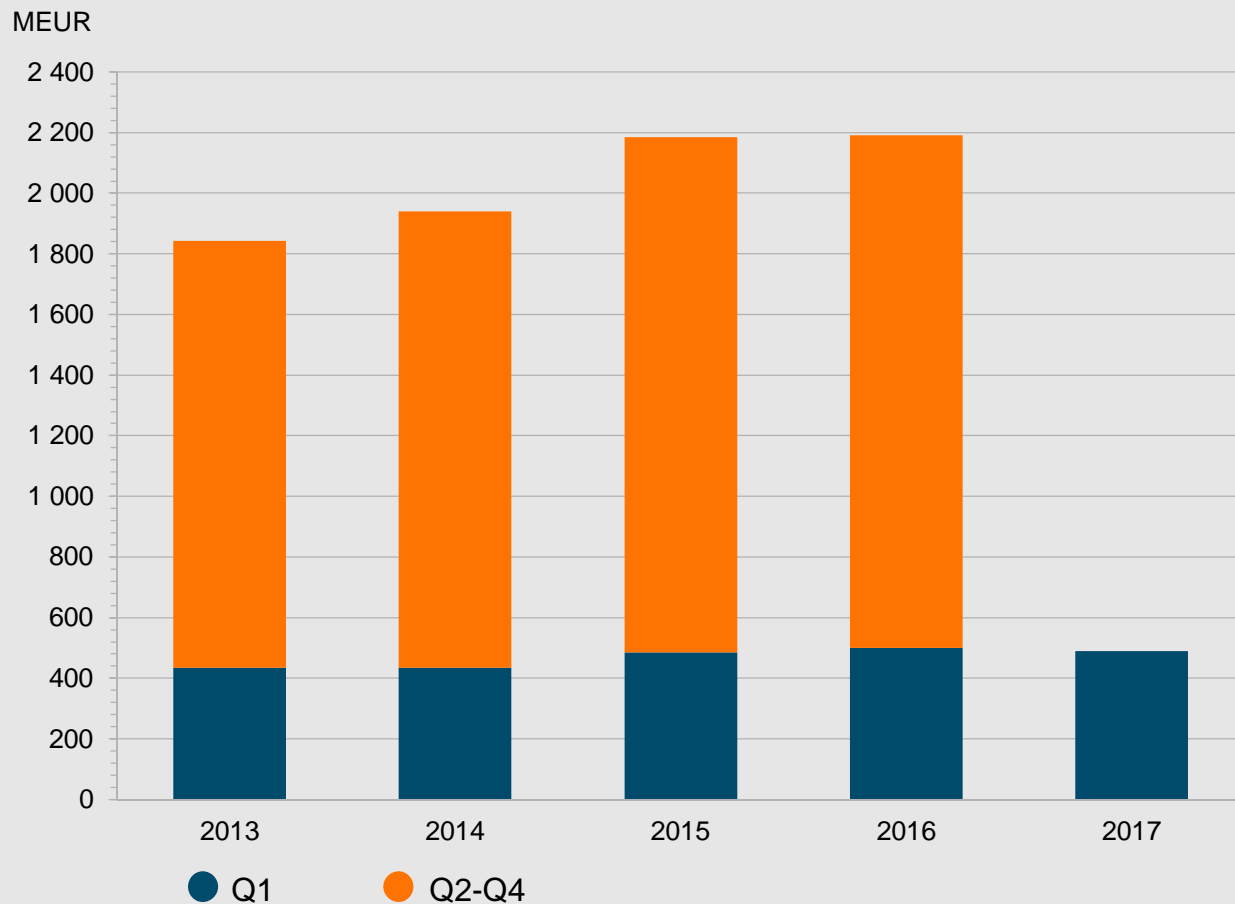


GLOBAL TRANSPORTATION NEEDS

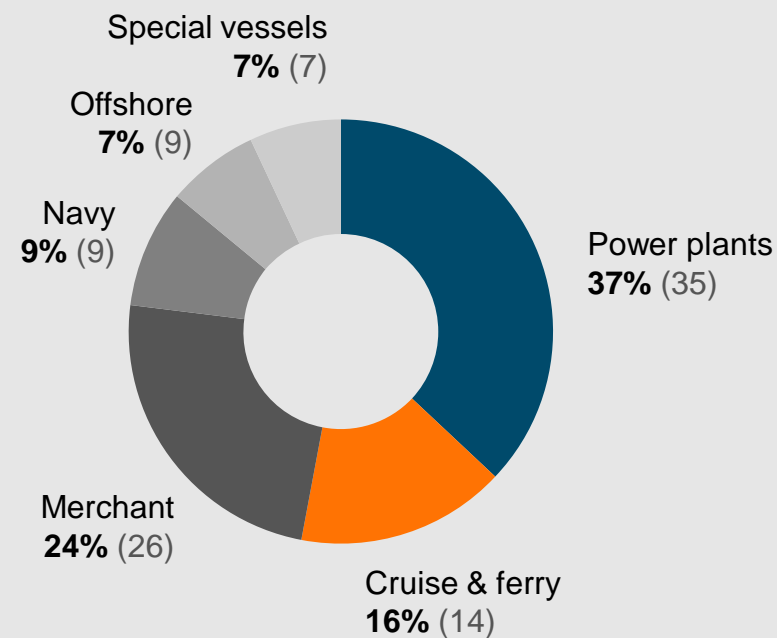
We are where our customers need us to be
11,000 service professionals in 70 countries, 160 locations...



Services' net sales development



First quarter development
EUR 490 million (500)



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

Wärtsilä and Carnival Corporation announce strategic partnership

- 12-year agreement
- Ensuring safety and reliability of Carnival's fleet
- Reducing operational costs
- Wärtsilä provides all engine maintenance and monitoring for fleet of 79 vessels
- Continuous planning together with Carnival
- Performance-based revenue model
- Wärtsilä's biggest service contract in history

- **Digitising fleet operations**

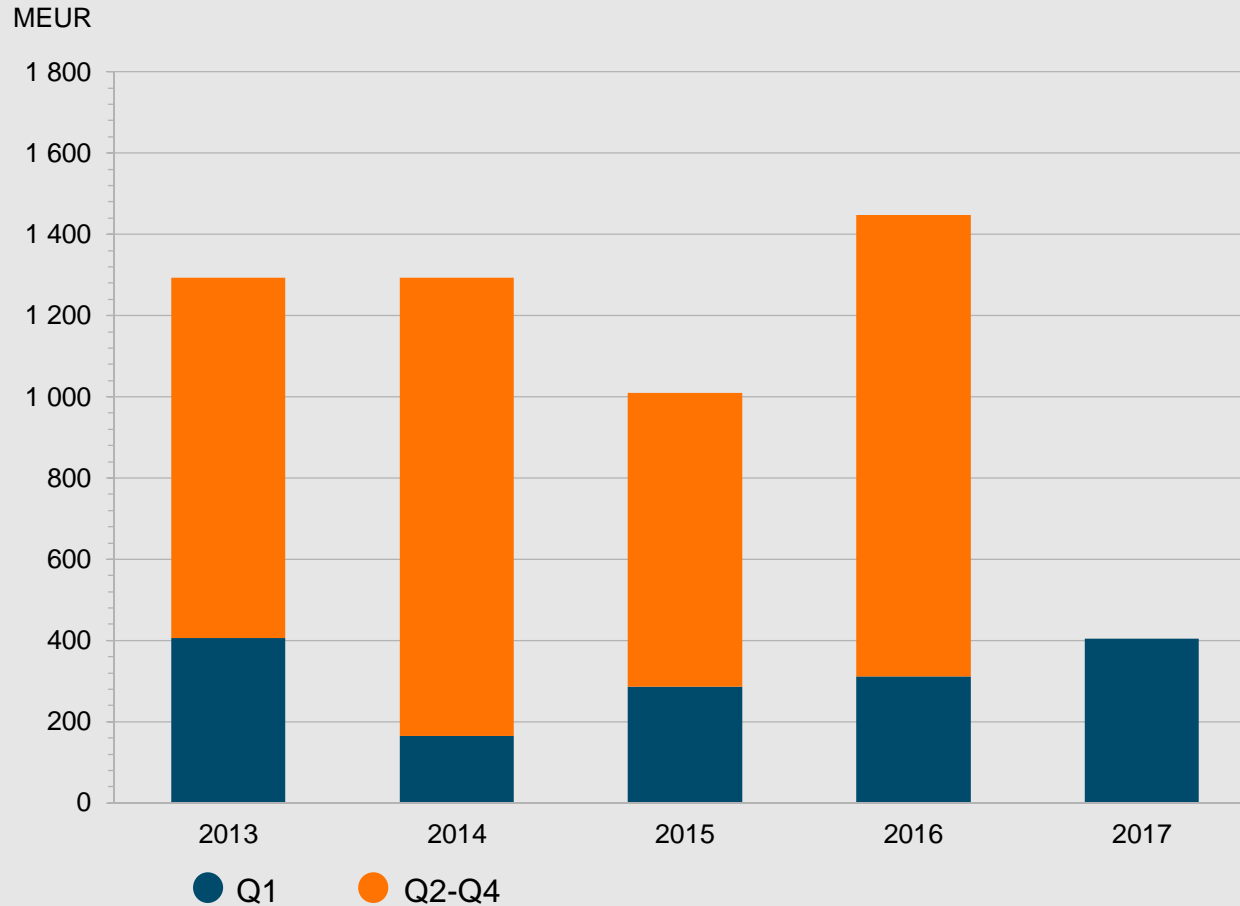


Market trends & drivers

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

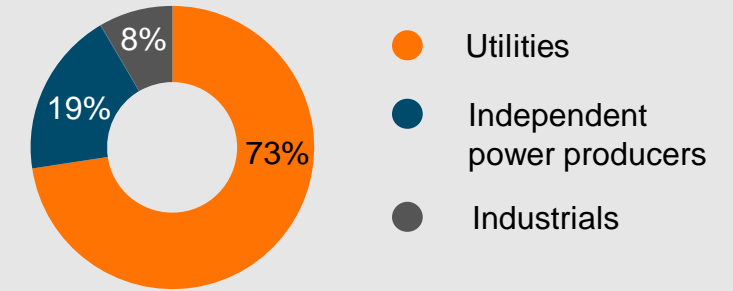


Strong ordering activity in Energy Solutions

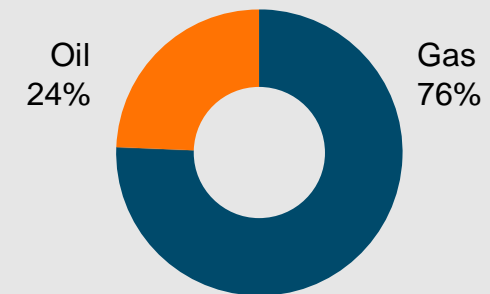


First quarter development

Total EUR 405 million (312)



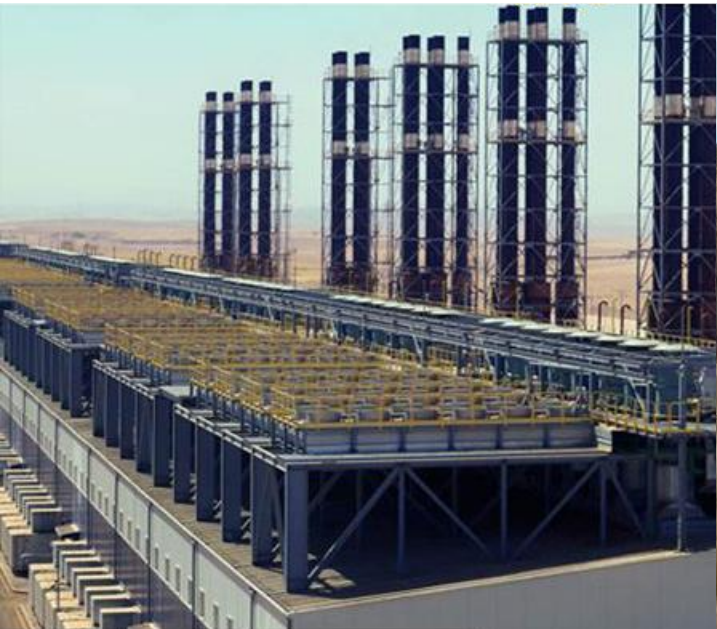
First quarter order intake by fuel in MW





**CAPTURING GROWTH
THROUGH GLOBAL
ENERGY SYSTEMS INTEGRATION**

LNG INFRASTRUCTURE



ENGINE POWER PLANTS



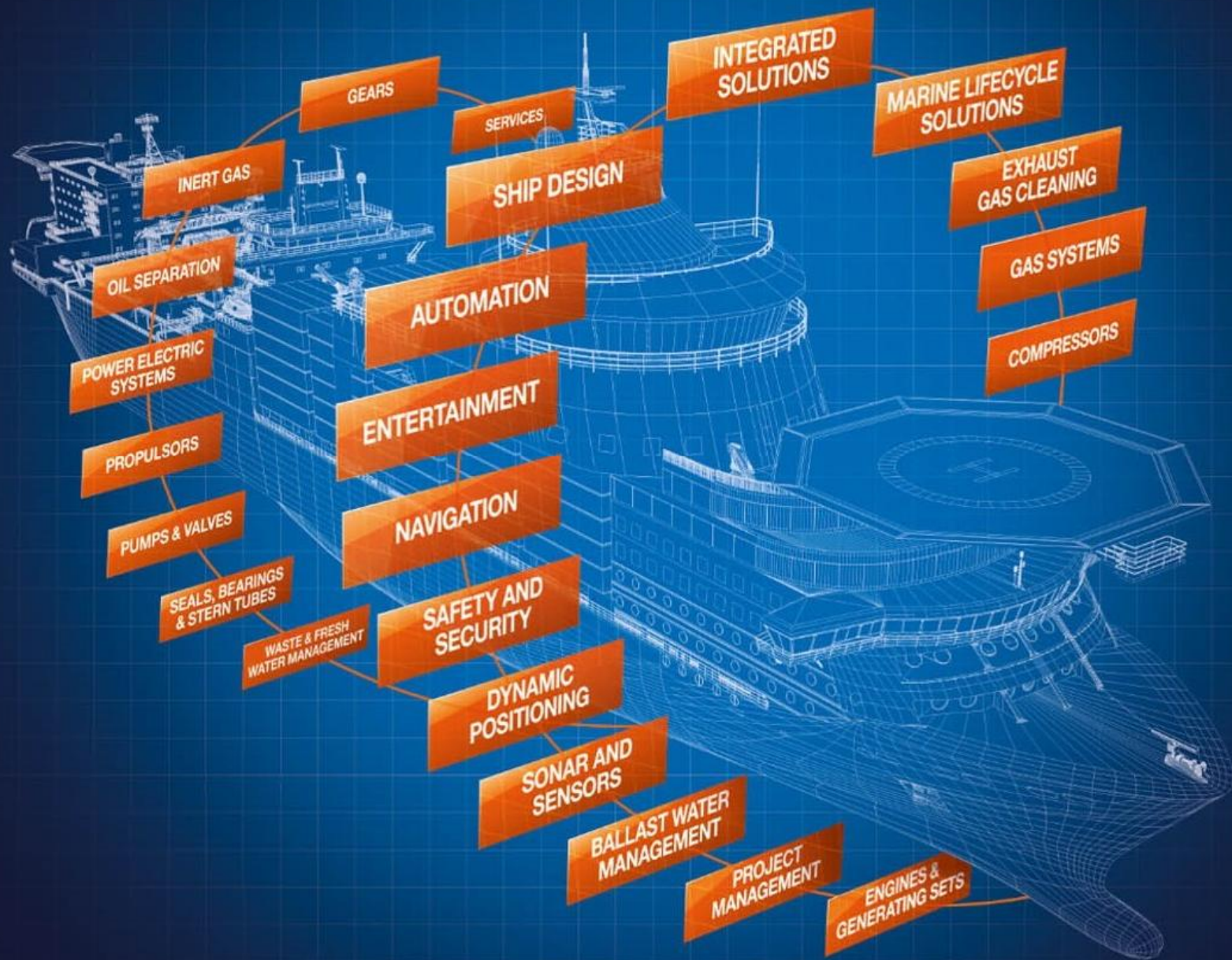
**ENERGY STORAGE
INTEGRATION**



**SOLAR PV AND ENGINE-SOLAR
HYBRID POWER PLANTS**

The acquisition of Greensmith will enable Wärtsilä to become a global systems integrator

- A US-based leader in intelligent energy storage technology and solutions
- Specialised in energy storage optimization and integration software
- Through the acquisition Wärtsilä expands its footprint in the energy storage market with solutions that combine and optimise different forms of power generation, energy storage and demand side management

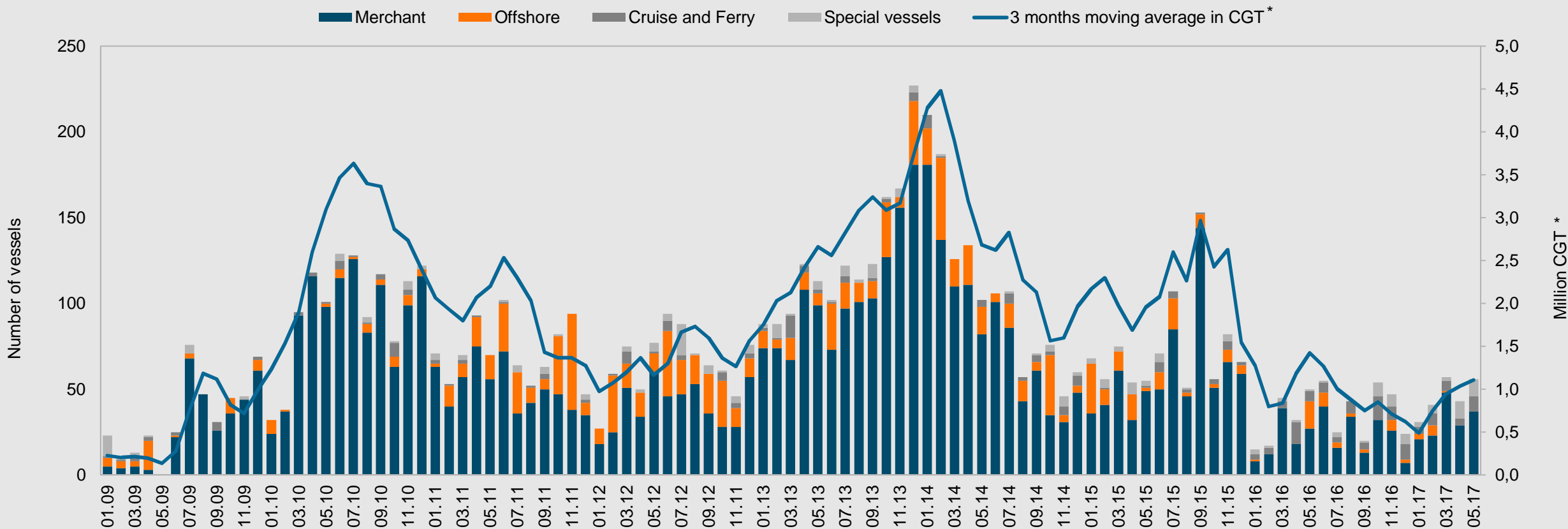


Market trends & drivers

- Urbanisation, globalisation and population growth support seaborne trade development
- Technological developments and new breakthroughs create a need for new business models
- Increasing consumption and growing middle class population support demand for cruise sector
- Gas remains an important fuel



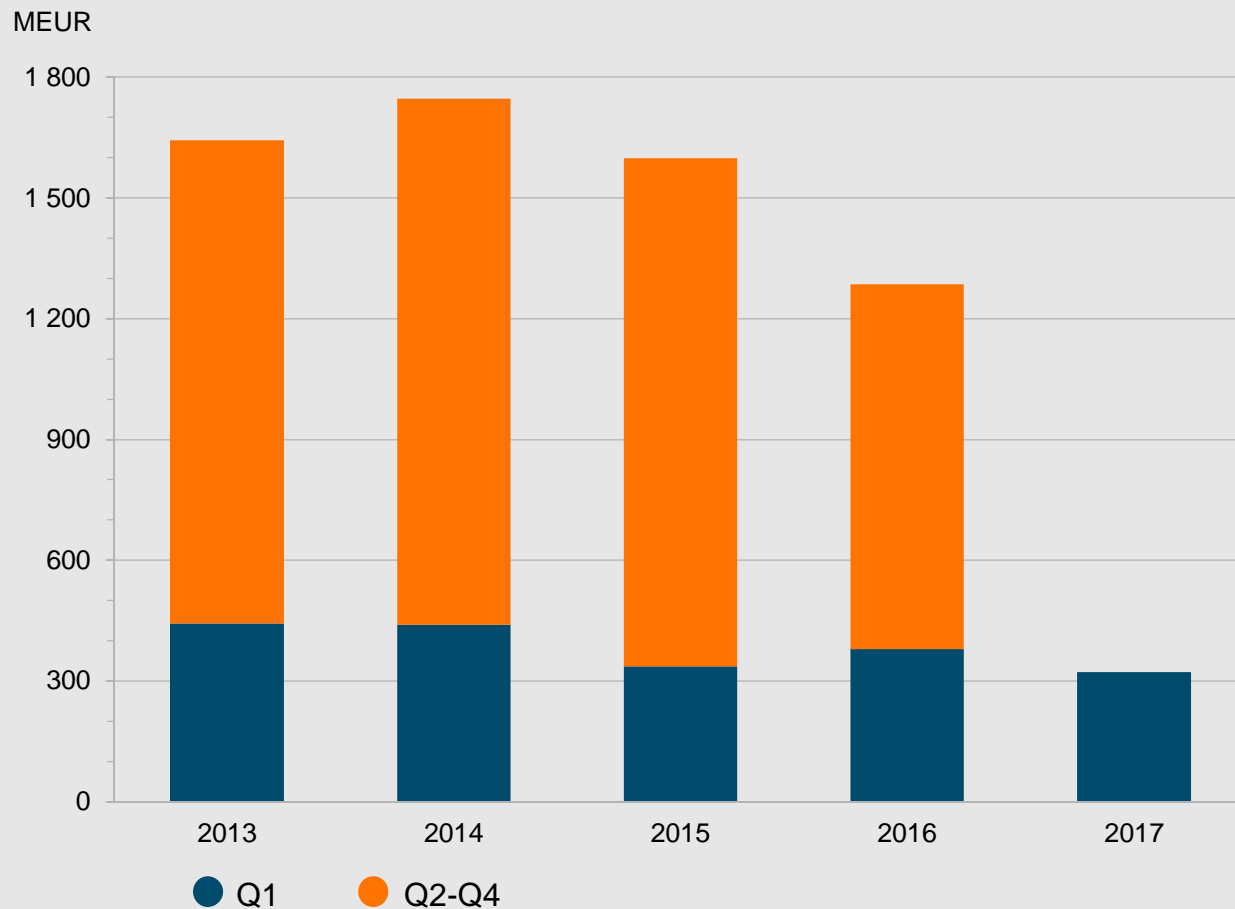
Marine market environment continues to be soft



Source: Clarkson Research Services, figures exclude late contracting

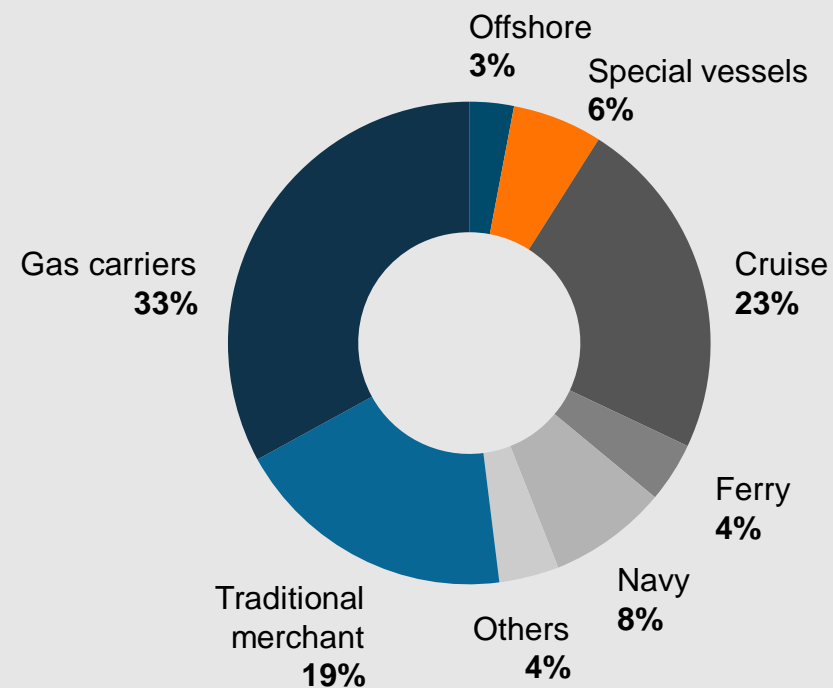
* CGT= gross tonnage compensated with workload

Marine Solutions' order intake satisfactory



First quarter development

Total EUR 322 million (379)



Opportunities through our broad product portfolio and connectivity

WÄRTSILÄ KNOWS GAS



Wärtsilä is involved in the whole **gas value chain**

PORTFOLIO PROVIDES ROBUST SUPPORT FOR DIGITALISATION



Data generation across the portfolio enabling big data analytics and a full-blown automation, navigation and control system offering

MARINE HYBRID SOLUTIONS



Wärtsilä's **battery/hybrid systems** include energy management control, power electronics and battery integrations

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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