

WÄRTSILÄ CORPORATION

**BANK OF AMERICA MERRILL LYNCH – GLOBAL INDUSTRIALS &
EU AUTOS CONFERENCE**

22 March 2017

Jaakko Eskola, CEO

Wärtsilä's net sales by business 2016



ENERGY SOLUTIONS, 20%

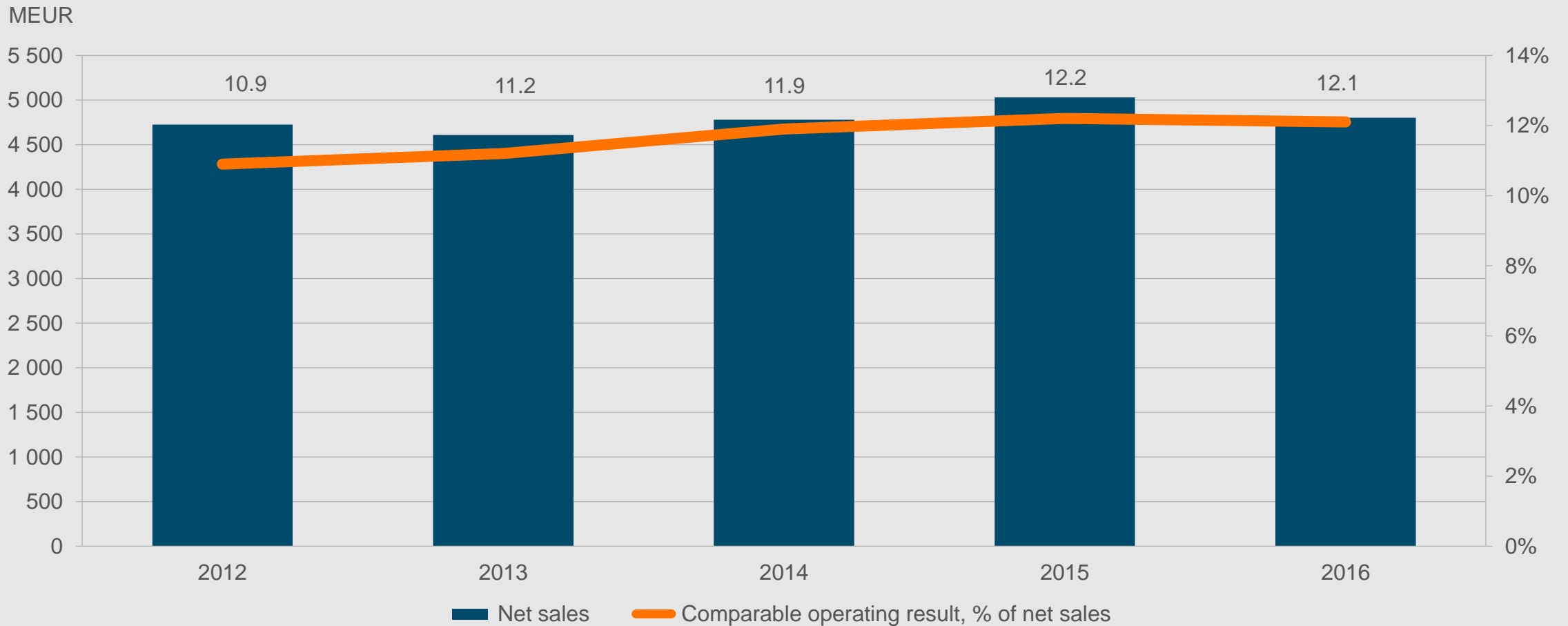


MARINE SOLUTIONS, 35%

SERVICES, 46%



Net sales and profitability



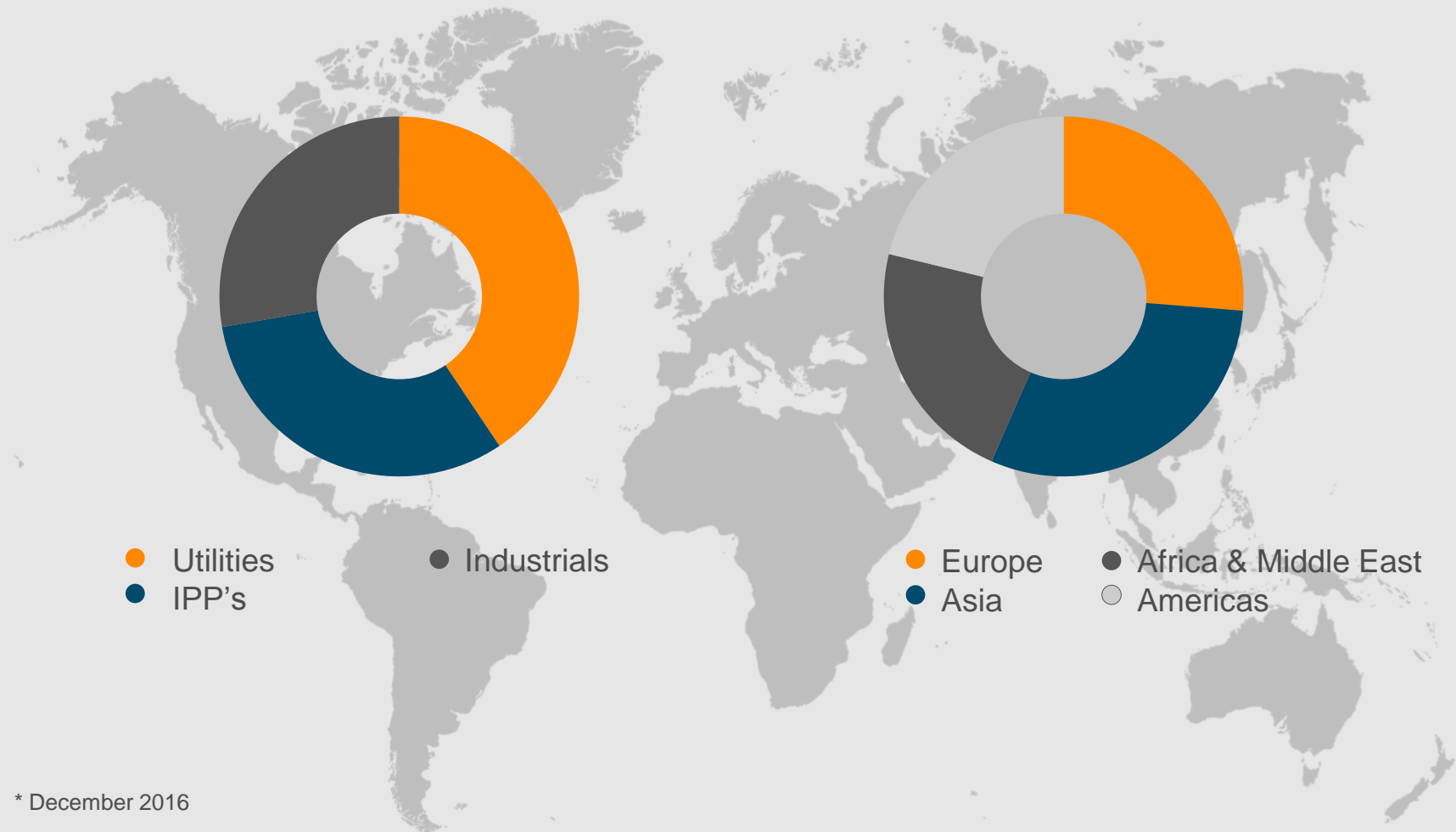
Figures for 2012-2013 include both discontinued and continuing operations.

GROWING ENERGY DEMAND



GLOBAL TRANSPORTATION NEEDS

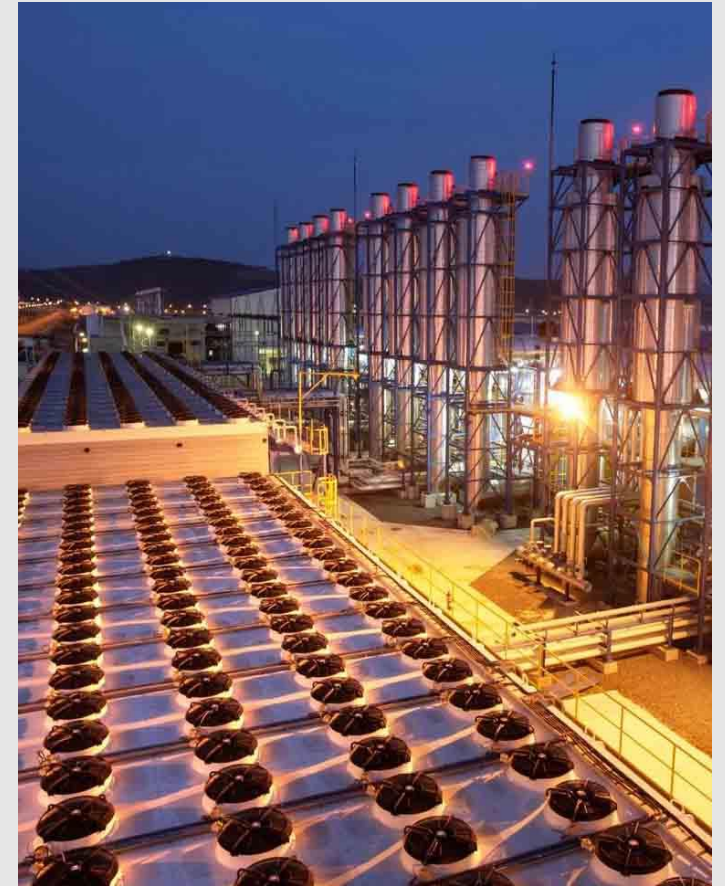
>4,700 power plants in 176 countries



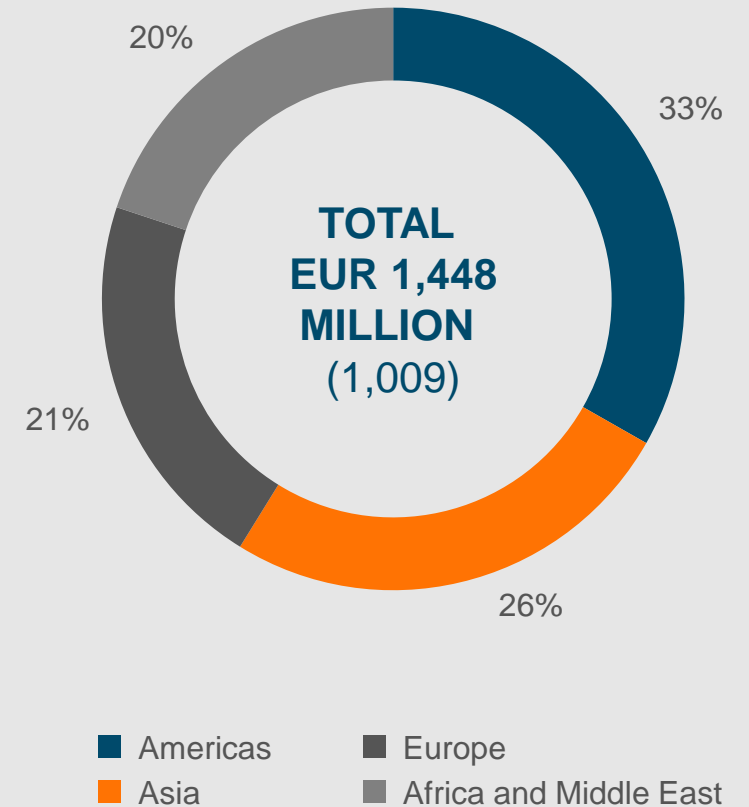
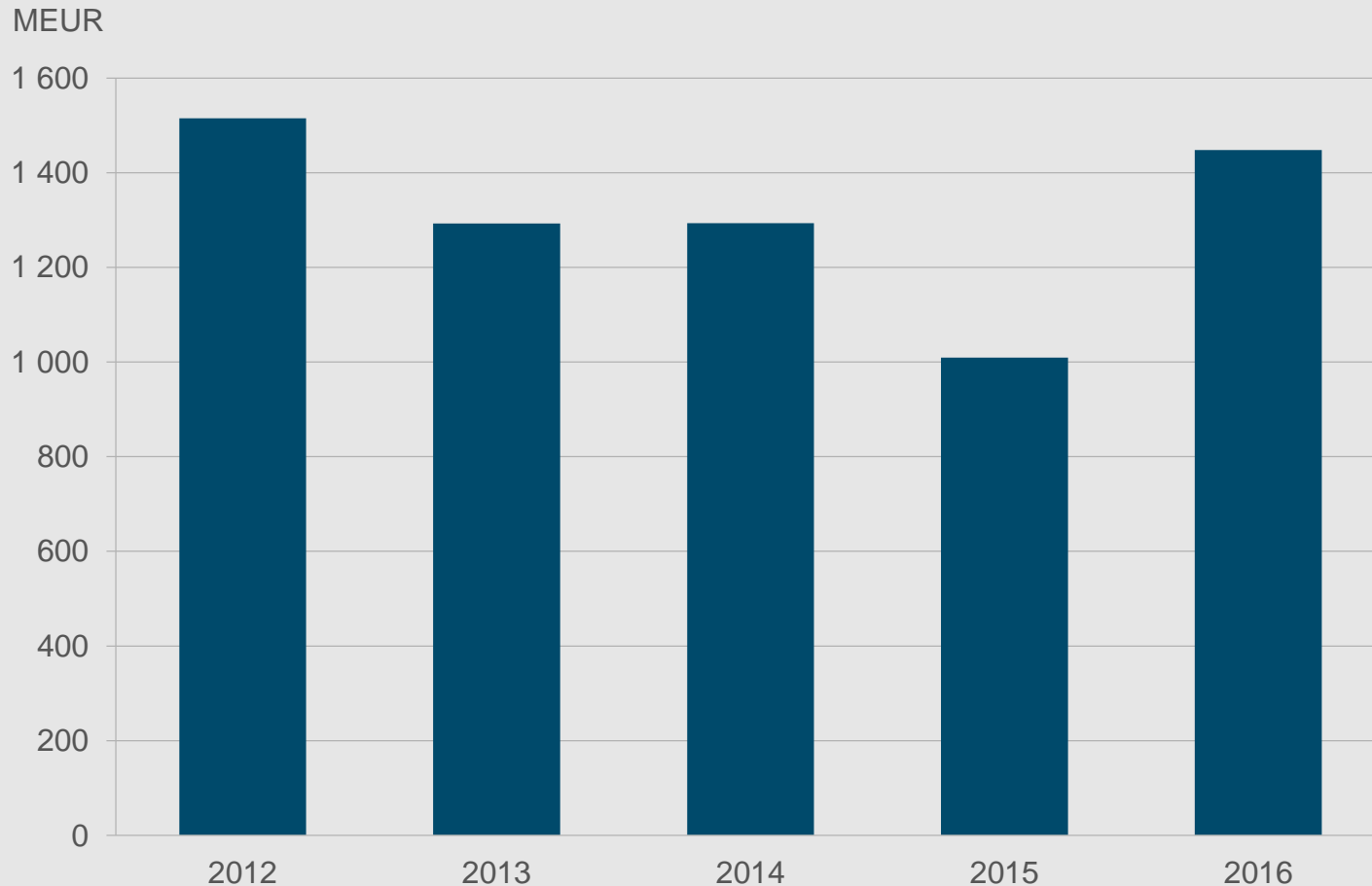
* December 2016

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
- Increasing role of natural gas
- Ageing installed capacity



Strong development in Energy Solutions' order intake





LNG INFRASTRUCTURE

**CAPTURING GROWTH
THROUGH GLOBAL SYSTEMS
INTEGRATION**

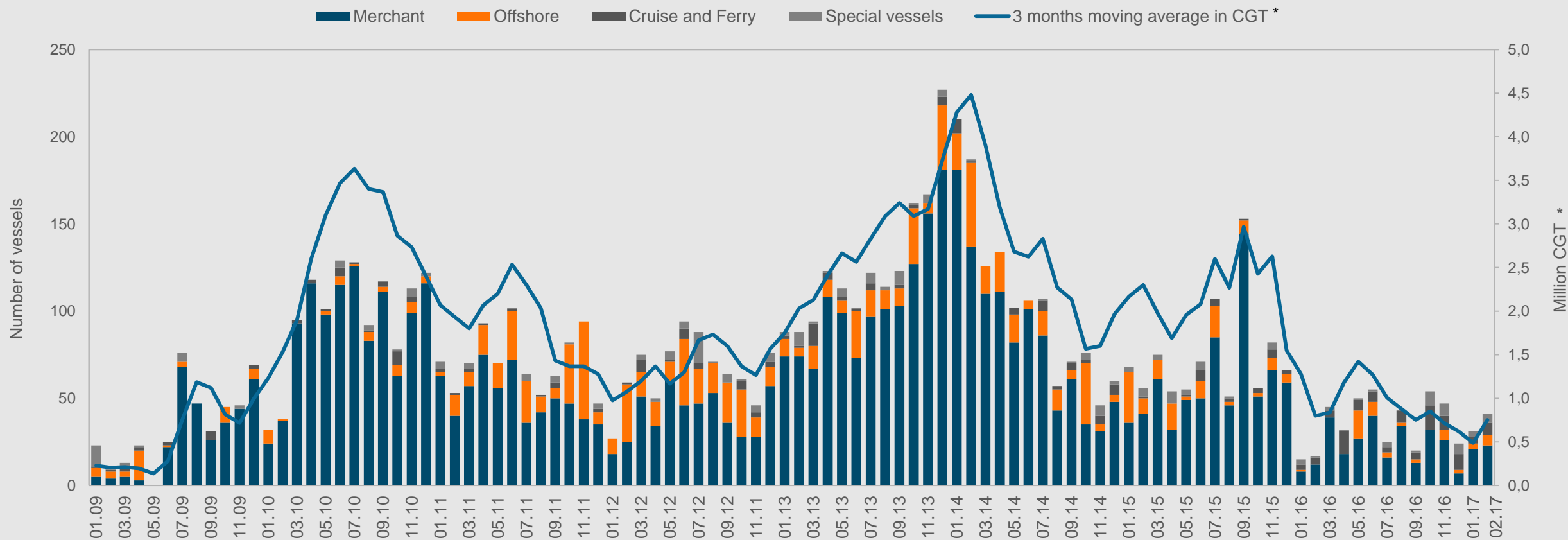


**SOLAR PV AND ENGINE-SOLAR
HYBRID POWER PLANTS**



ENGINE POWER PLANTS

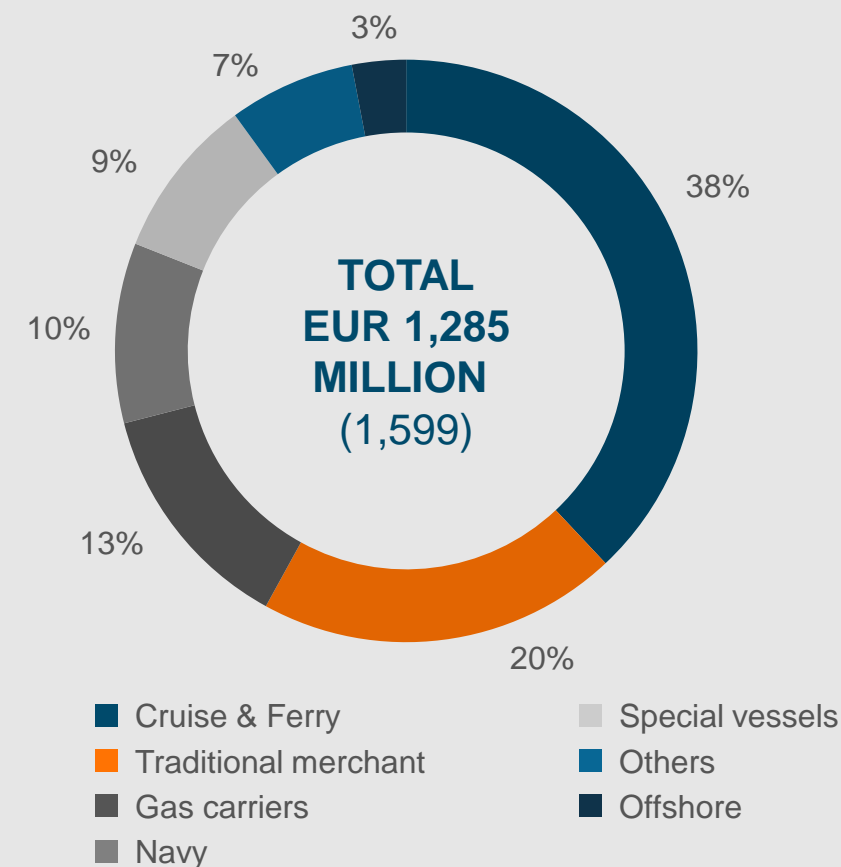
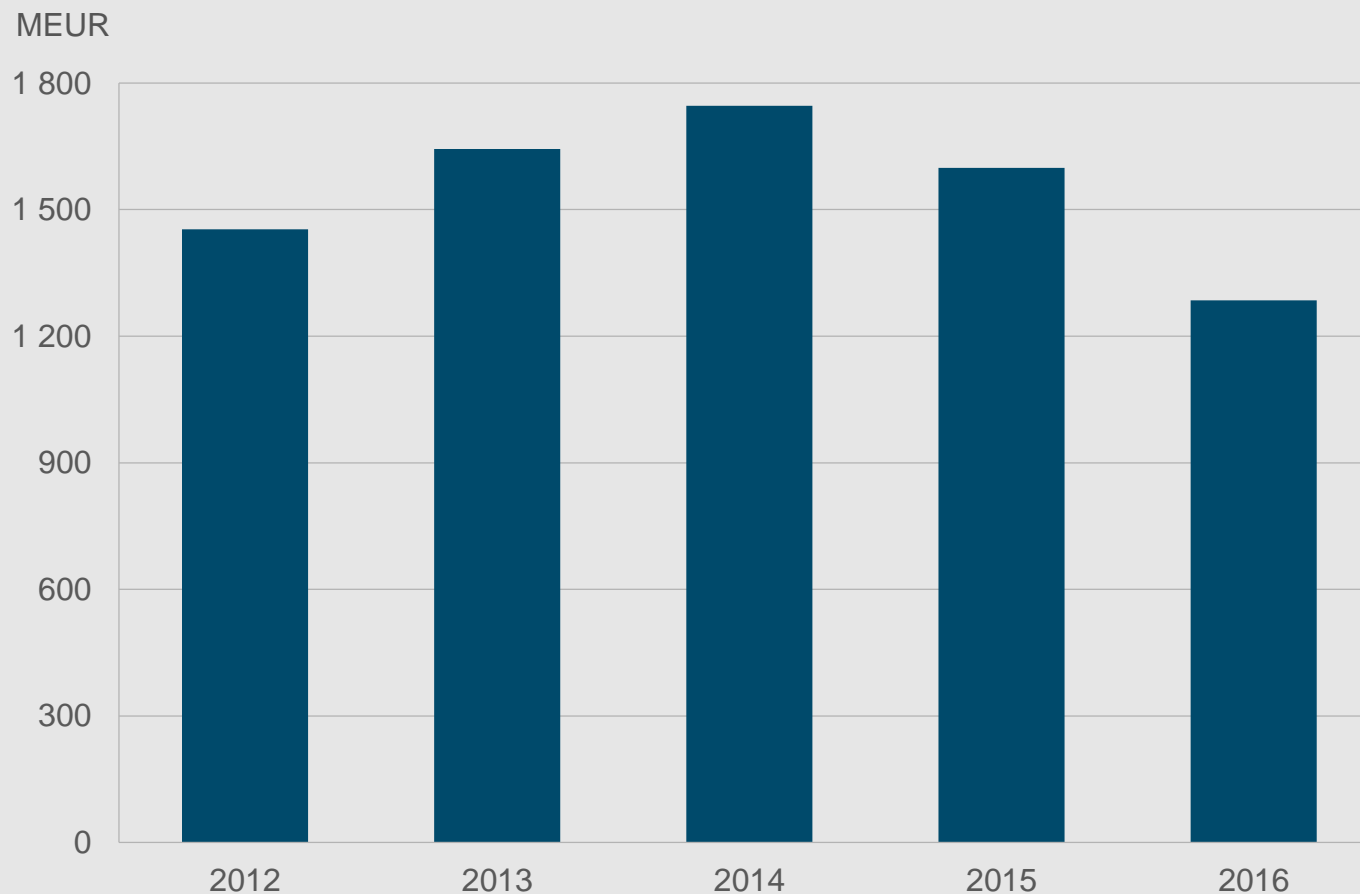
Exceptionally low newbuild vessel orders in 2016

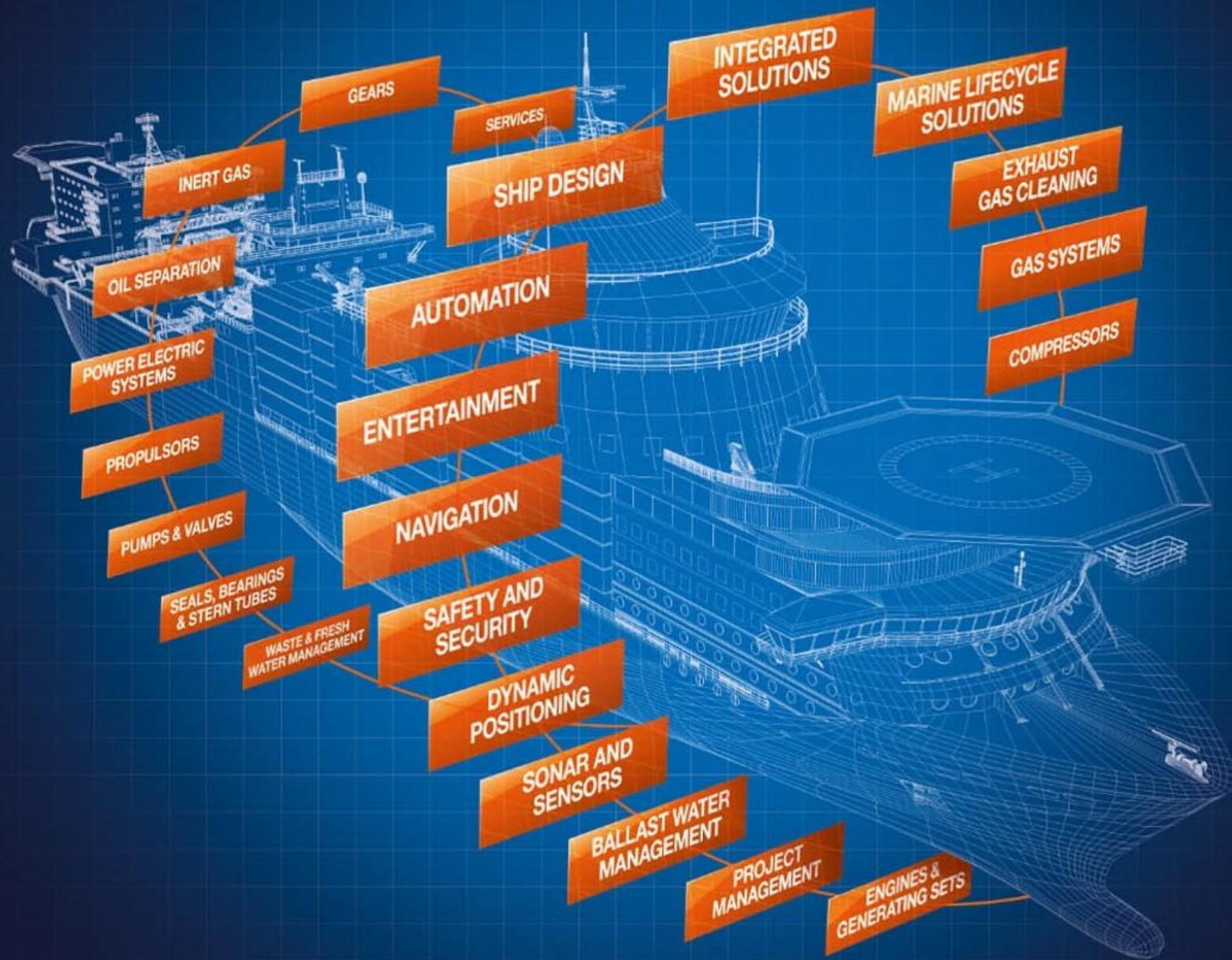


Source: Clarkson Research Services, figures exclude late contracting

* CGT= gross tonnage compensated with workload

Satisfactory order intake in Marine Solutions considering market conditions





Strategy

LEADER IN

EFFICIENCY

GAS AND DUAL-
FUEL SOLUTIONS

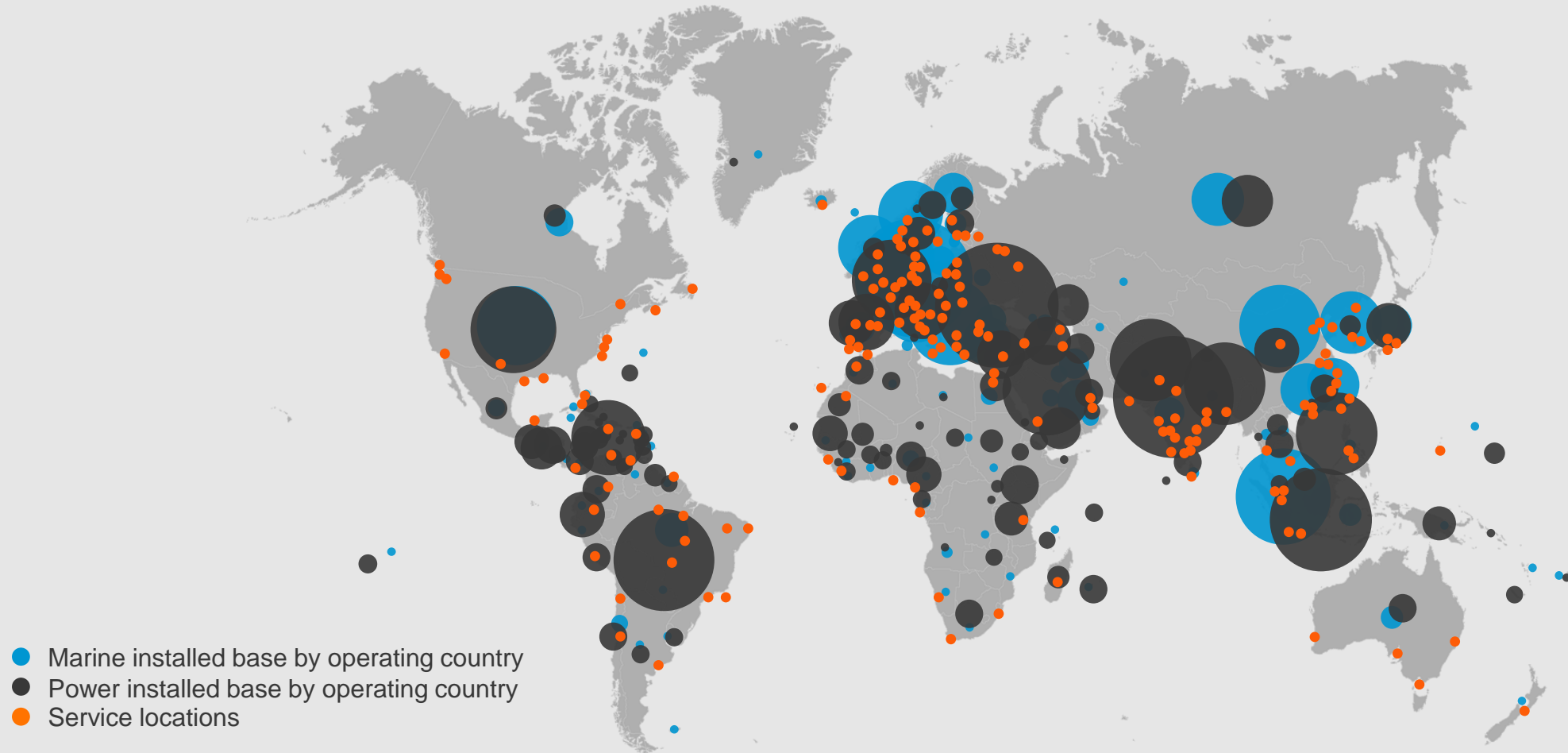
ENVIRONMENTAL
SOLUTIONS



THROUGH
OFFERING

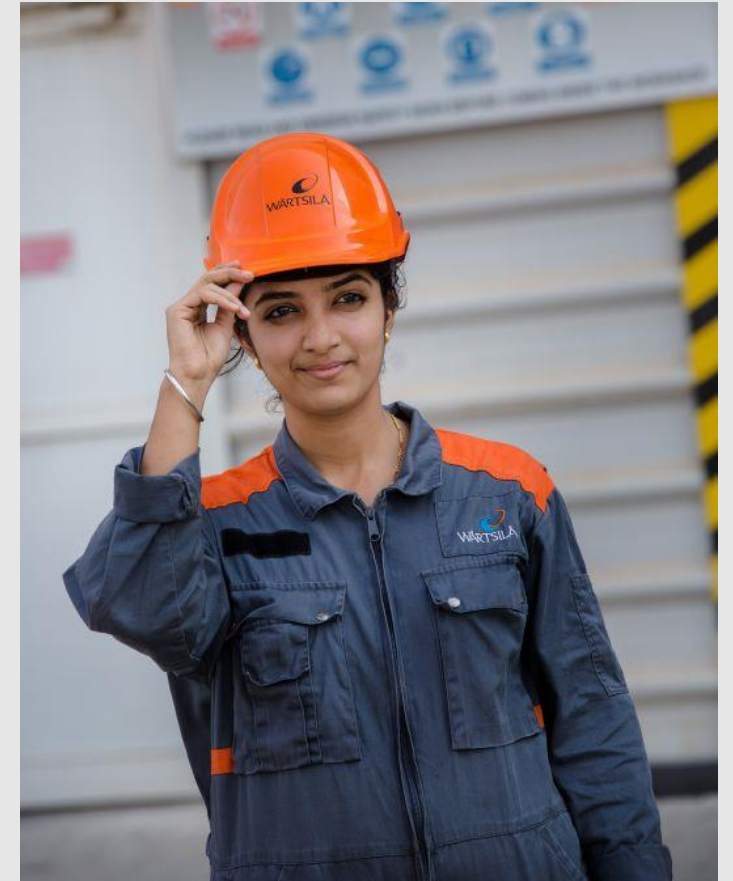
- **Lifecycle solutions** for ship owners and operators
- **Integrated solutions** for the shipbuilding industry, owners and operators
- The best customer value and customer experience in the marine industry

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

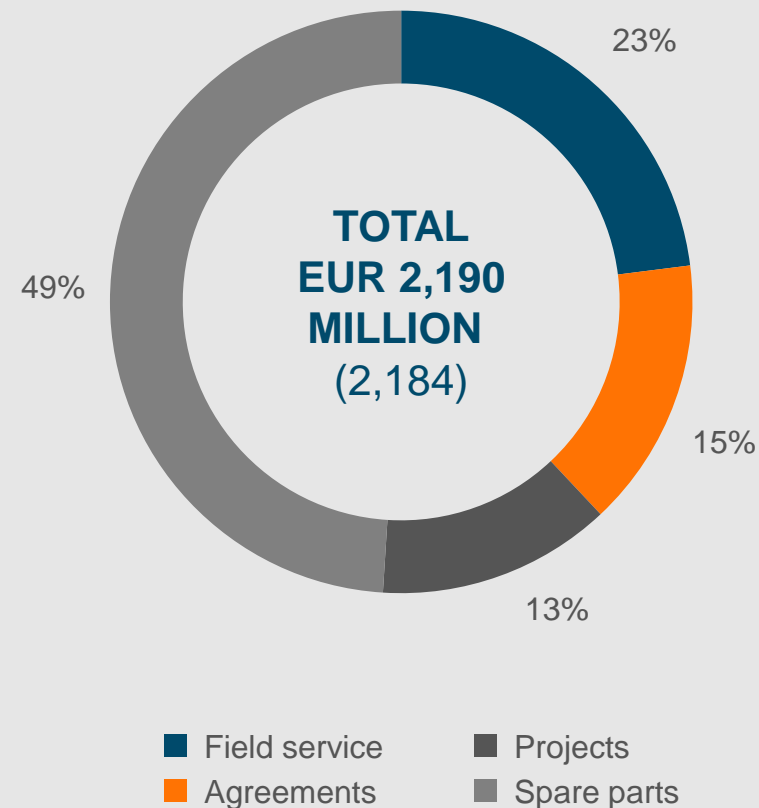
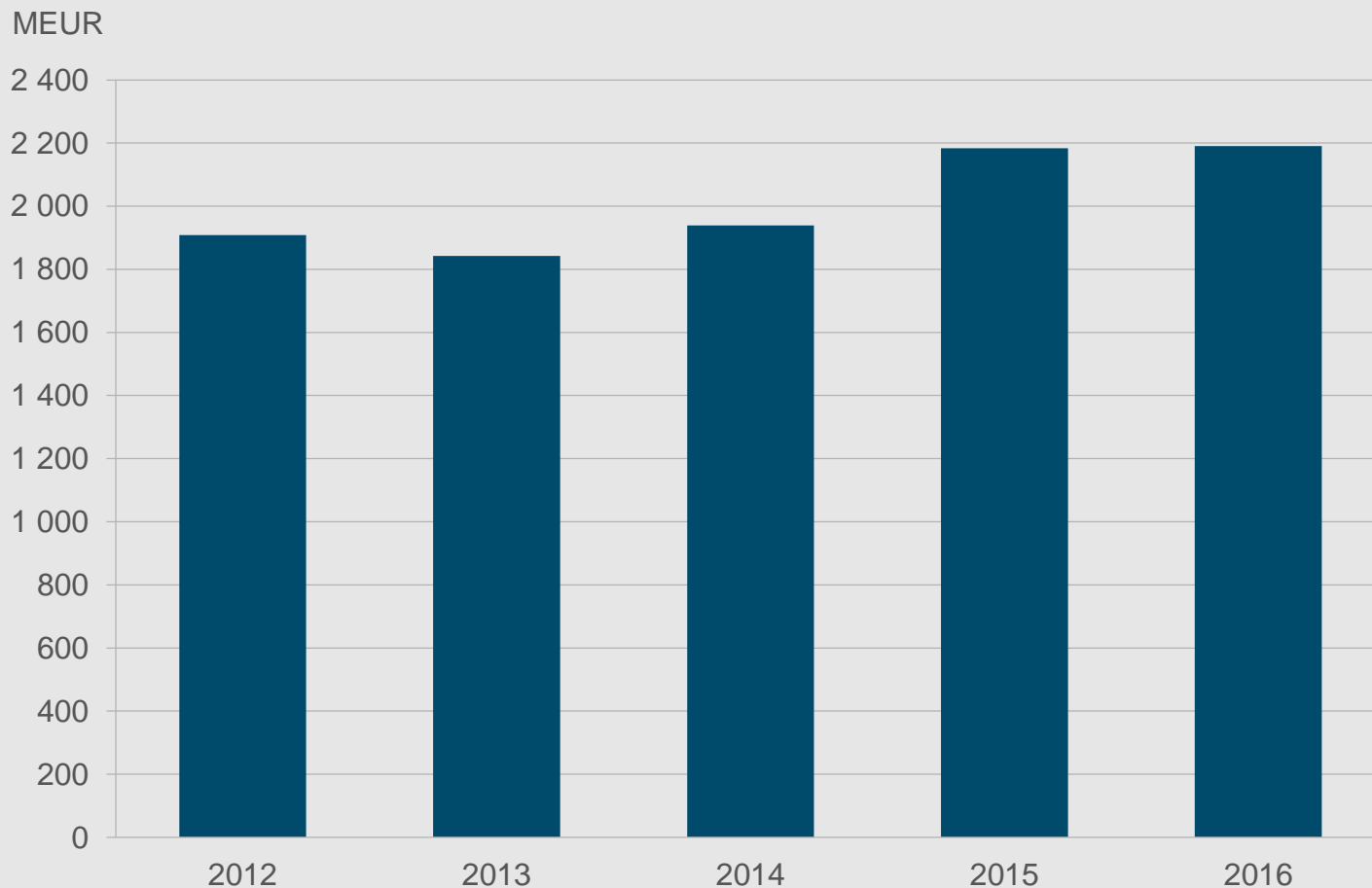


Market trends & drivers

- 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



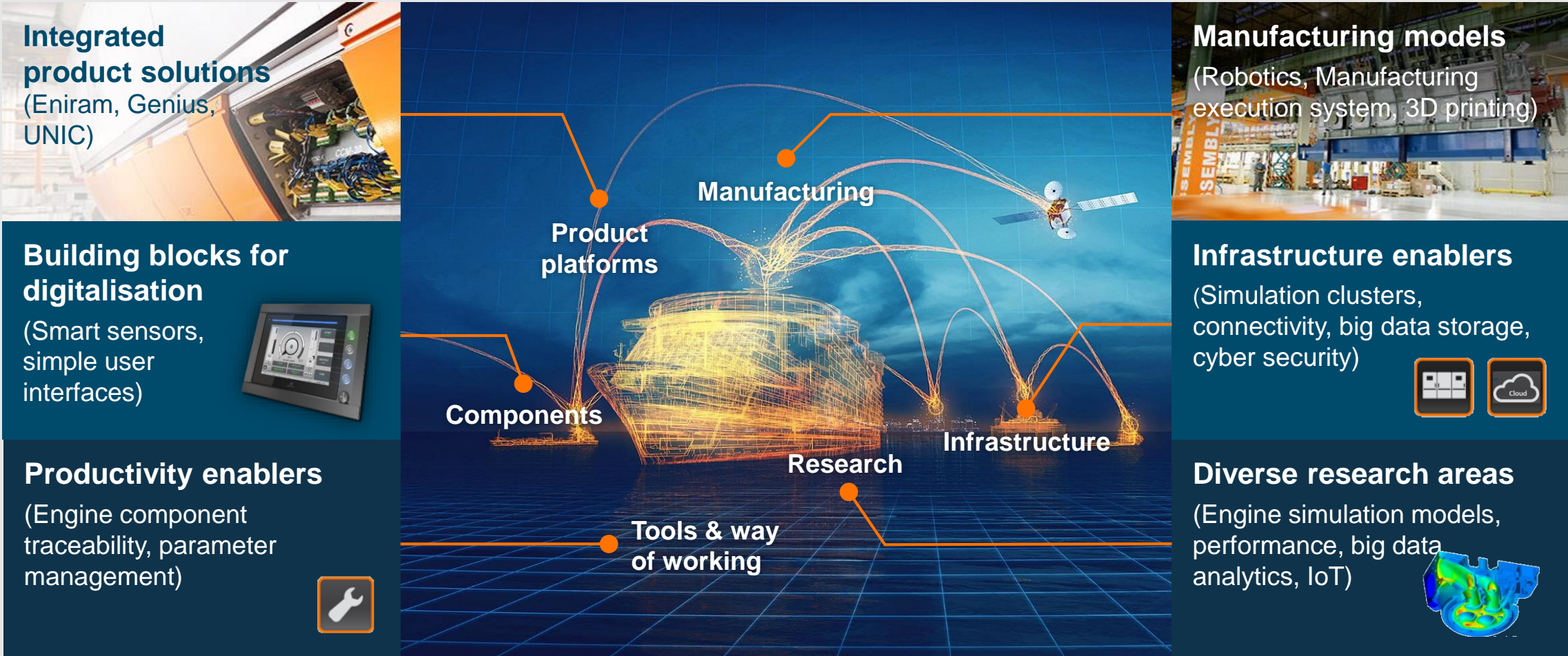
Stable development in Services' net sales



Four clear strategic initiatives for growth

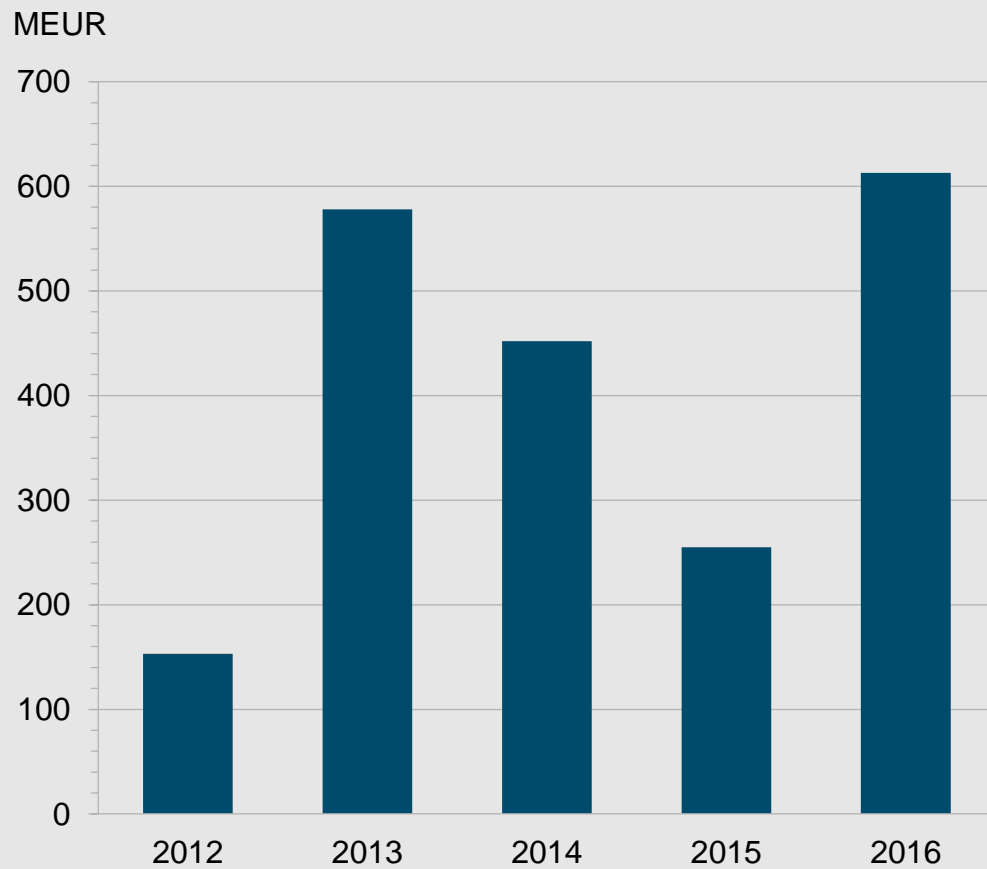
CUSTOMER FIRST	GO DIGITAL	ASSET & LIFECYCLE MANAGEMENT	NEW CUSTOMER ACCESS
			
<p>Growth in existing business by improving customer loyalty</p>	<p>Growth through optimising customer performance</p>	<p>Growth through value-adding lifecycle services & projects</p>	<p>Growth beyond the traditional Wärtsilä installed base</p>

Wärtsilä's digital transformation

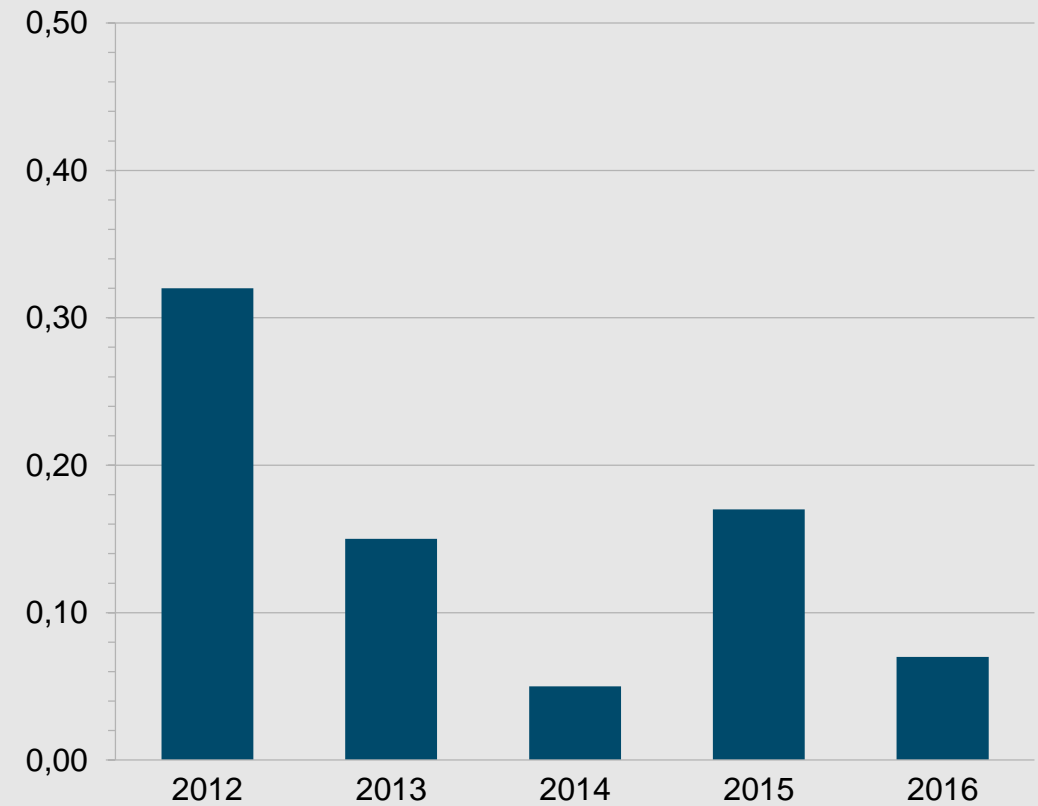


Solid financial position

Operating cash flow



Gearing



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

Committed to providing solid shareholder returns

THANK YOU!

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