

Wärtsilä Corporation Result presentation Q4 2024

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Arjen Berends, CFO

5 February 2025



Strong growth in order intake, net sales and profitability in Q4

- All-time high order book (8,366 MEUR)
- Order intake increased by 34%
- Net sales increased by 13%
- Comparable operating result increased by 18%
- Good progress in services continued:
 - Service order intake increased by 15%
 - Service net sales increased by 12%
- Strong cash flow from operating activities (437 MEUR)





A year of all-time highs: order intake, absolute operating result and cash flow

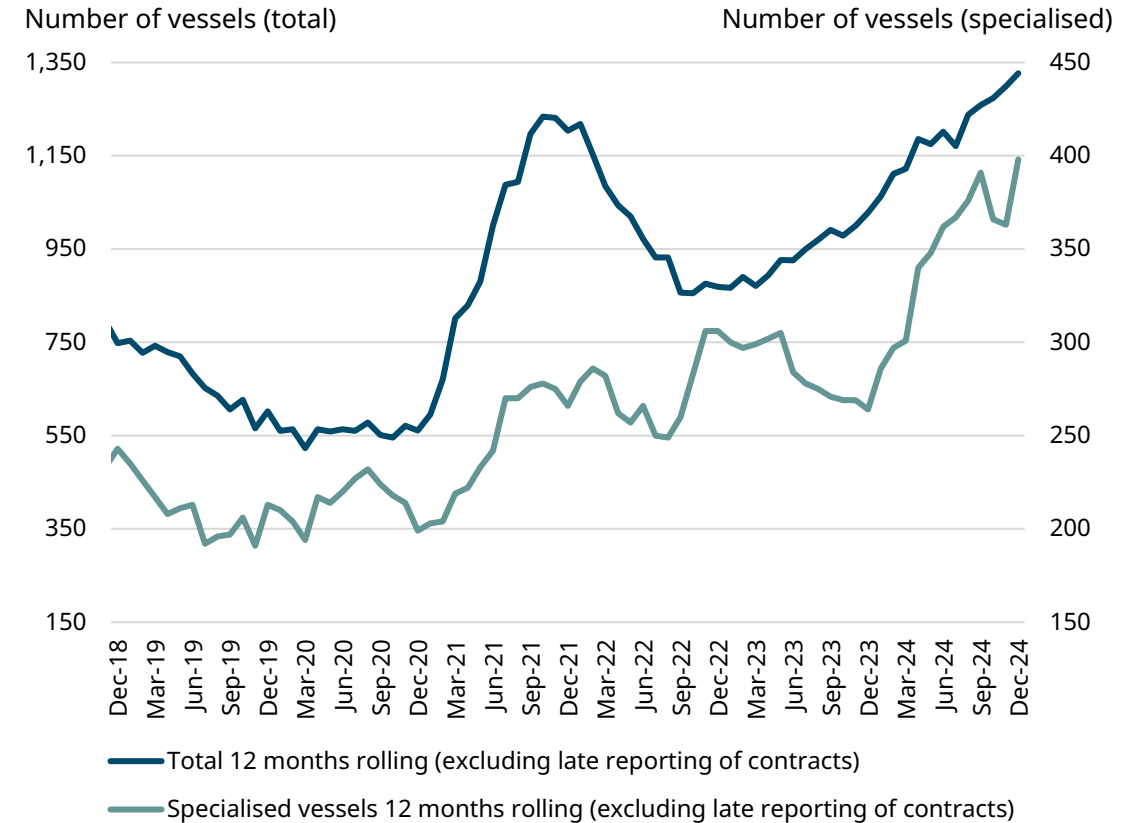
MEUR	10-12/2024	10-12/2023	CHANGE	1-12/2024	1-12/2023	CHANGE
Order intake	2,491	1,856	34%	8,072	7,070	14%
of which services	1,007	876	15%	3,812	3,519	8%
of which equipment	1,484	980	51%	4,260	3,550	20%
Order book				8,366	6,694	25%
of which current year deliveries				5,075	4,208	
Net sales	1,854	1,644	13%	6,449	6,015	7%
of which services	948	843	12%	3,422	3,148	9%
of which equipment	905	800	13%	3,027	2,867	6%
Book-to-bill	1.34	1.13		1.25	1.18	
Comparable operating result	209	177	18%	694	497	39%
% of net sales	11.3	10.8		10.8	8.3	
Operating result	229	128	80%	716	402	78%
% of net sales	12.4	7.8		11.1	6.7	

Marine: market sentiment is positive for Wärtsilä's key segments

Increase in demand for new ships continued

- The number of vessels ordered in the review period increased to 2,765 (1,977 in the corresponding period in 2023), excluding late reporting of contracts.
- Newbuild contracting in 2024 was strong overall, driven by supportive freight market especially due to Red Sea re-routing, and underlying fleet renewal requirements.
- Global shipyard capacity reached its low point in 2020 at ~60% of 2011 peak level, currently being at ~70% of the peak and could increase to 80-85% by 2030, driven by yard reactivations and expansions in China.
- In 2024, 653 orders for new alternative fuel capable ships were reported in 2024, accounting for 24% (23) of all contracted vessels and 49% (43) of contracted vessel gross tonnage.

12 months rolling contracting trend



Source: Clarksons Research, as per 3rd of January 2025 (+100 gt, excluding late reporting of contracts).

12m rolling contracting in chart is based on the numbers taken at the beginning of each month for the previous month, excluding late reporting of contracts.

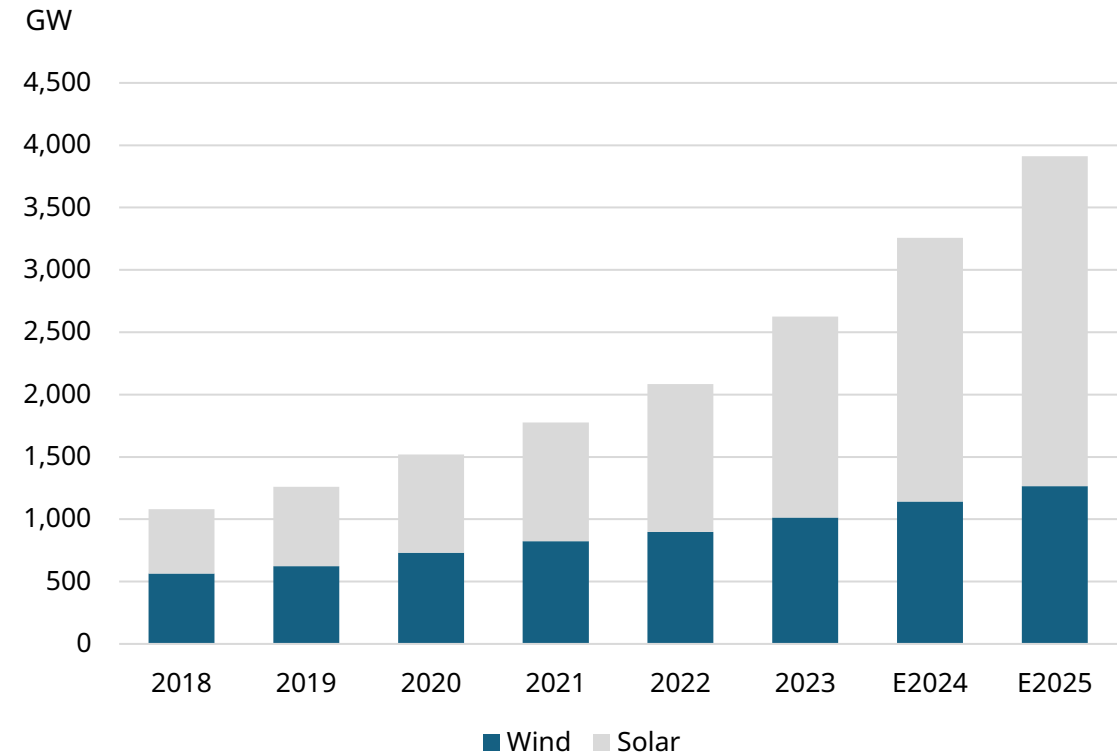
Specialised vessels include LNG carriers, LPG carriers, cruise & ferry, offshore, and special vessels.

Energy: solid long-term market opportunities

The energy transition continued to advance in 2024

- Wind and solar are expected to post record installations in 2024 and 2025. Combined capacity additions from wind and solar are expected to be between 650 GW and 800 GW in 2025 according to IEA and BNEF.
- Energy-related macroeconomic development in 2024 was impacted by elevated risks in the geopolitical environment creating uncertainty and slower decision making.
- In 2024, both thermal balancing and battery energy storage experienced highest levels of market activity to date driven by the increasing share of renewables.
- Data centres present a promising baseload opportunity due to delayed grid connections. According to IEA, additional 45 GW of power capacity are expected to be added for data centres between 2024 and 2027.

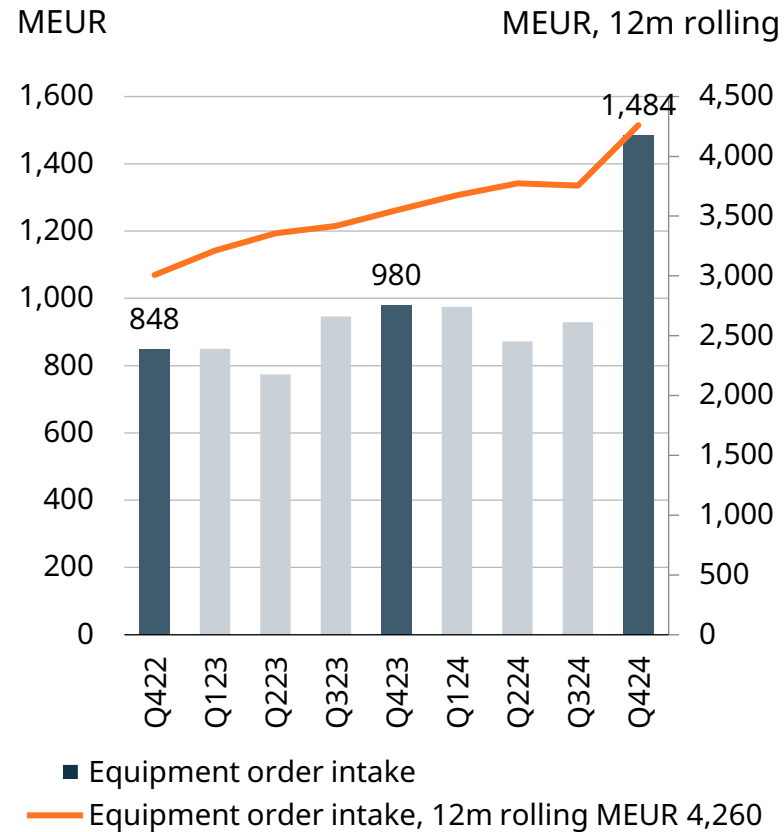
Development on installed wind and solar capacity



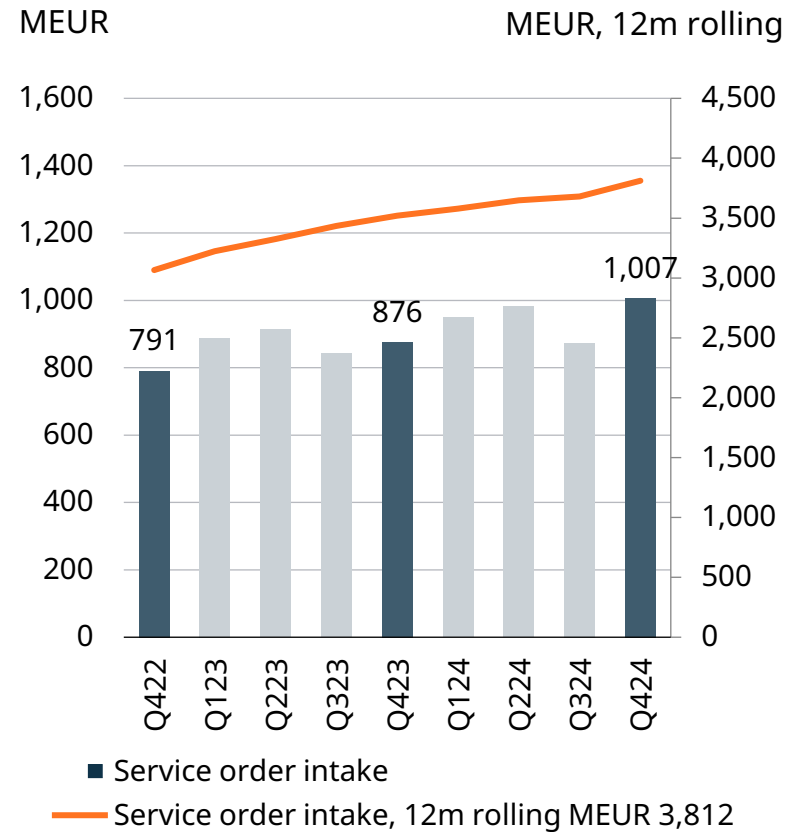
Source: IEA Renewables 2024 - Renewable Energy Progress Tracker

Organic order intake increased by 35%

Equipment



Services



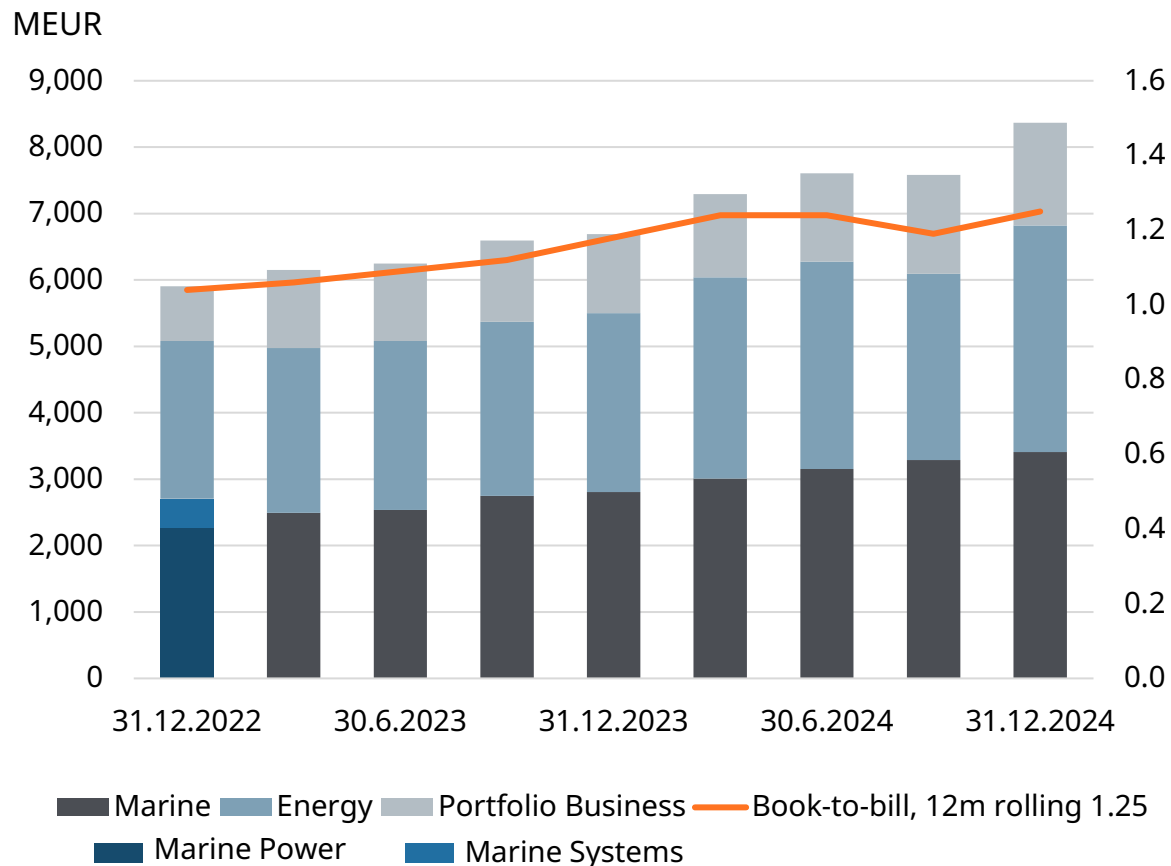
Order intake increased by 34%

Equipment order intake increased by 51%

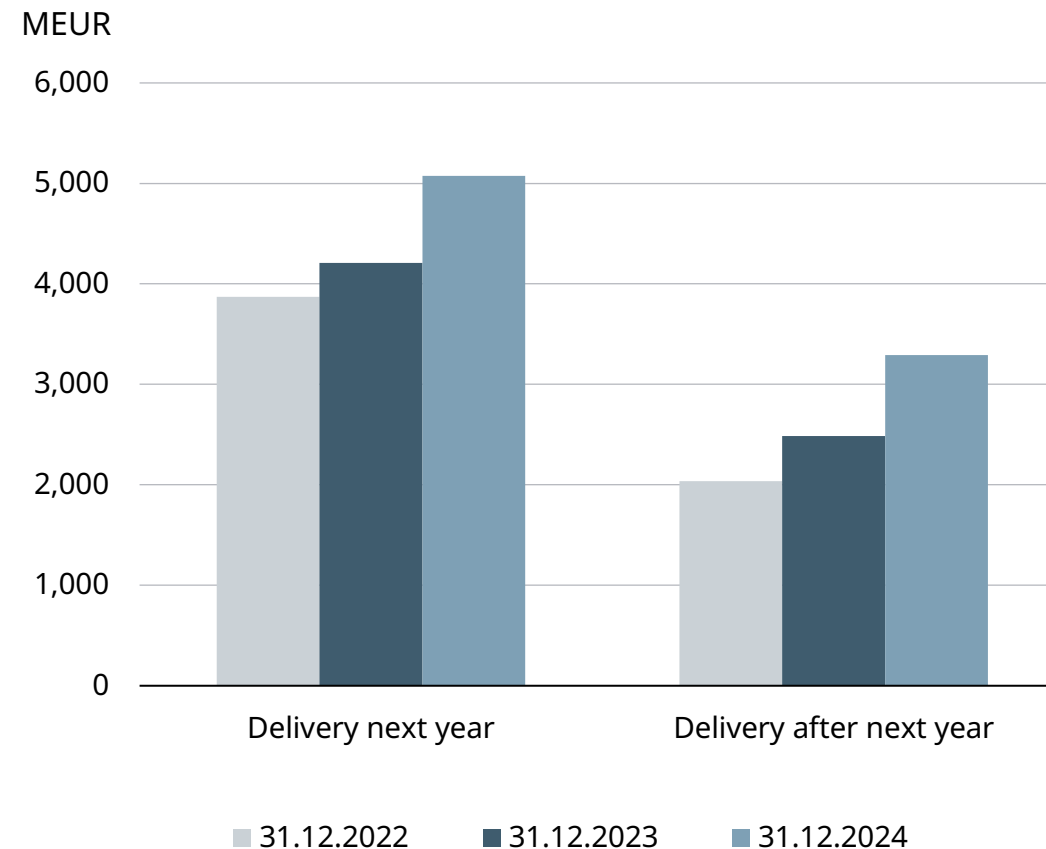
Service order intake increased by 15%

All-time high order book, rolling book-to-bill continues above 1

Order book by business



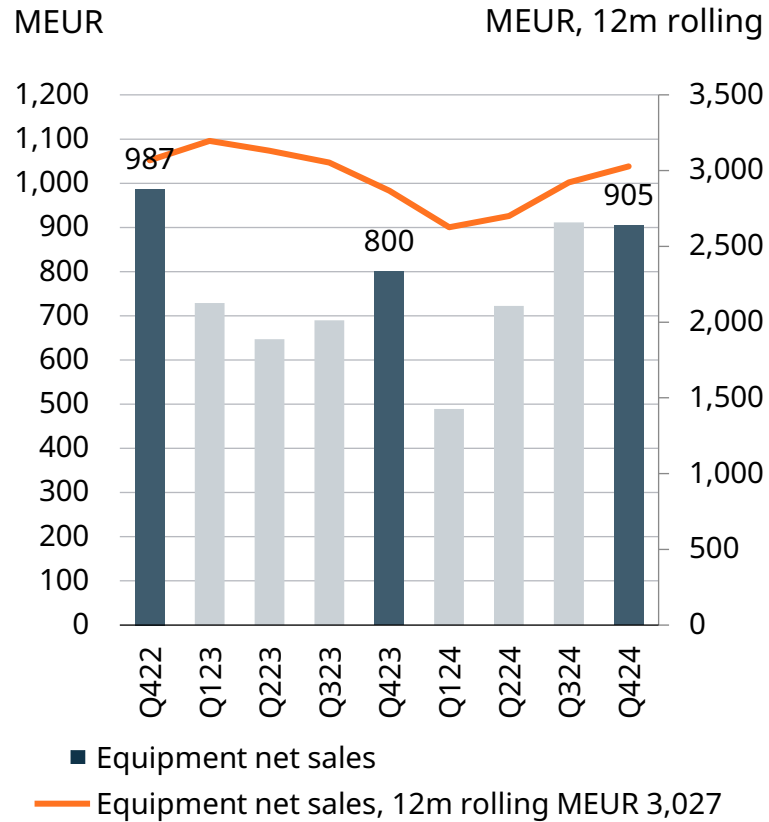
Order book delivery schedule



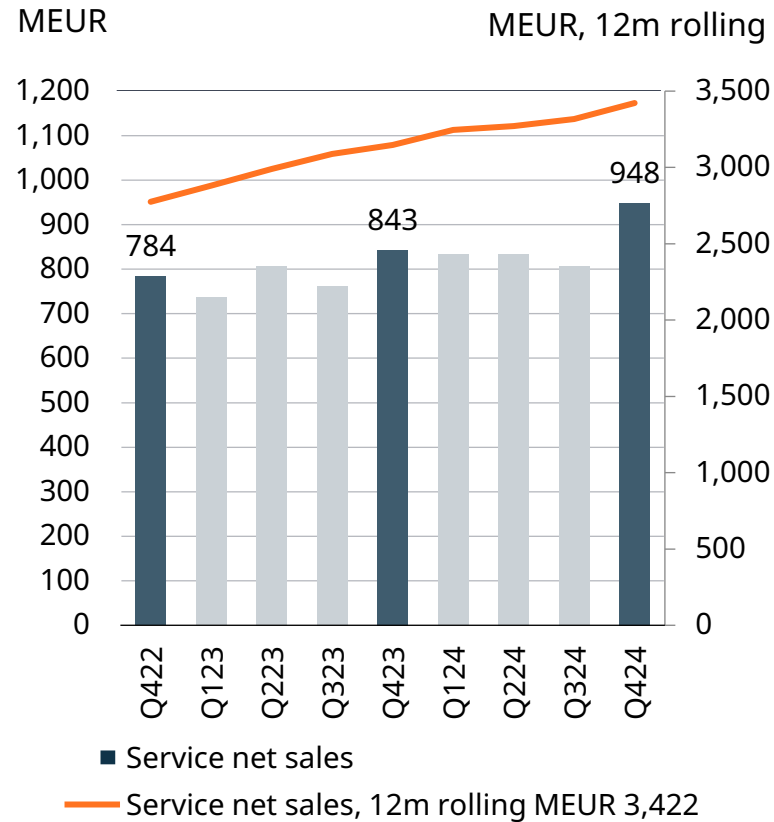
Financial figures for 2023 have been restated to reflect a redefined organisational structure after discontinuation of Marine Systems as a reporting segment as of 1 January 2024. Gas Solutions business unit was moved to Portfolio Business for divestment, and Exhaust Treatment and Shaft Line Solutions business units were moved from Marine Systems to Marine Power and consequently, Marine Power changed its name to Marine as of 1 January 2024. 2022 figures are restated to reflect the redefined organisational change considering the integration of Voyage into Marine Power and moving part of the Voyage business to the Portfolio Business.

Organic net sales increased by 13%

Equipment



Services



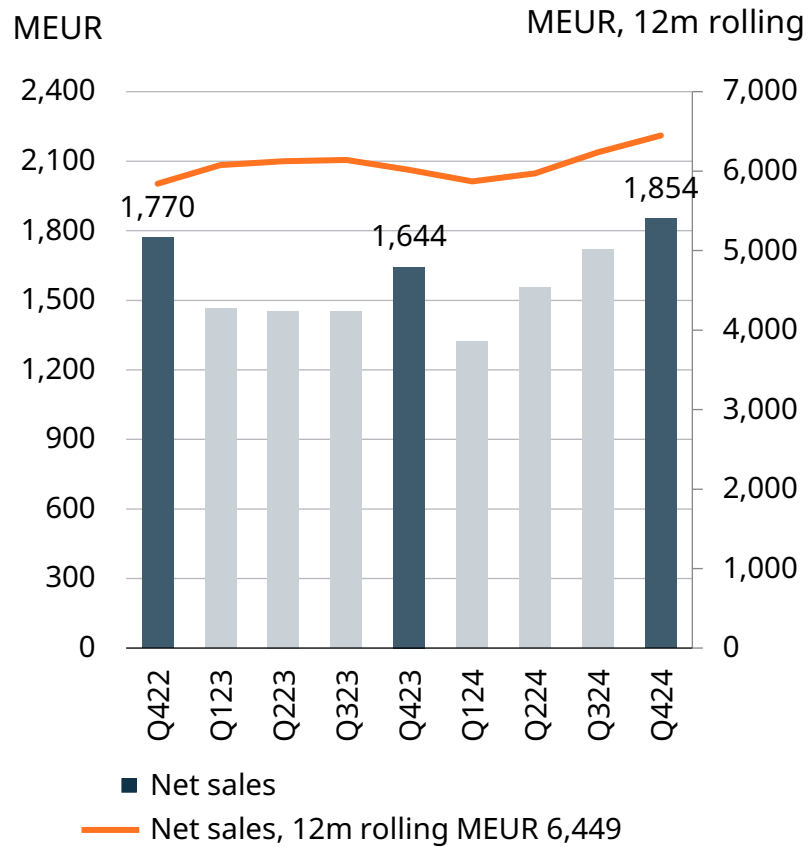
Net sales increased by 13%

Equipment net sales increased by 13%

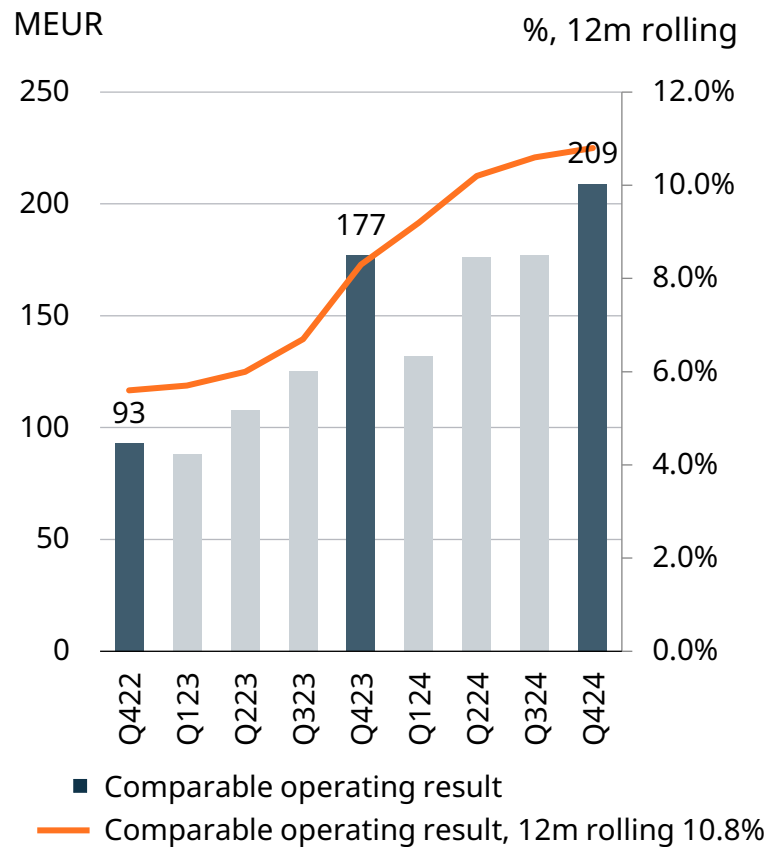
Service net sales increased by 12%

Profitability continued to improve

Net sales



Comparable operating result



Net sales increased by 13%

Comparable operating result increased by 18%

Comparable operating result margin 12m rolling at 10.8% (8.3%)

Technology and partnership highlights

Enabling industry decarbonisation

Wärtsilä engines to power 120 MW plant in Kazakhstan

- Wärtsilä will supply the engineered equipment for a new 120 MW power plant under construction in Kazakhstan.
- The order scope includes six Wärtsilä 46TS-SG gas-fuelled large bore engines, and mechanical and electrical auxiliary equipment. When completed, the project will supply electrical power to oil and gas facilities in the region.
- The fast-starting Wärtsilä engines will provide balancing power to secure reliable energy generation from renewable sources.
- The order was booked by Wärtsilä in Q4 2024.

Wärtsilä propulsion package to power world's largest methanol-ready cement carrier vessel

- Wärtsilä to supply a complete propulsion package consisting of engines and propulsion equipment for a 38,000 DWT methanol-ready cement carrier vessel for NovaAlgoma, a joint venture between the Italian Swiss-based, Nova Marine Group and the Canadian Algoma Central Corporation
- When built, this will be the world's largest vessel of its type, and the first with a methanol-ready notation.
- The order was booked by Wärtsilä in Q4 2024.



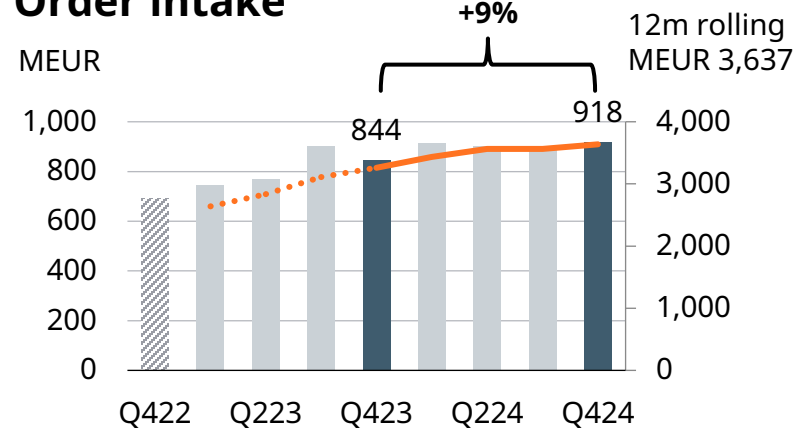
Marine



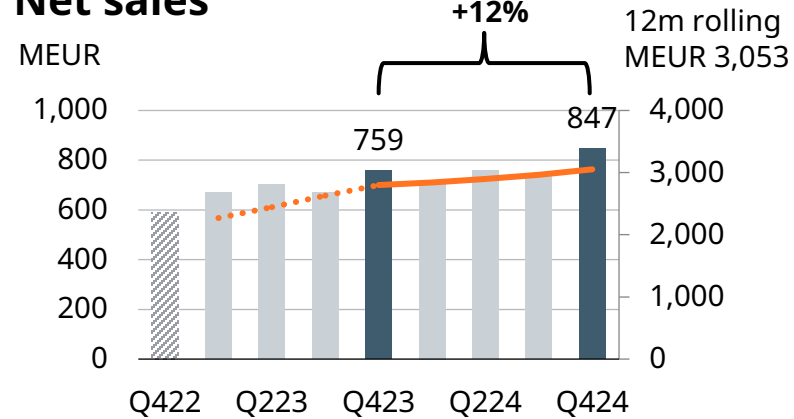
Marine: Good performance continued

Order intake and net sales increased

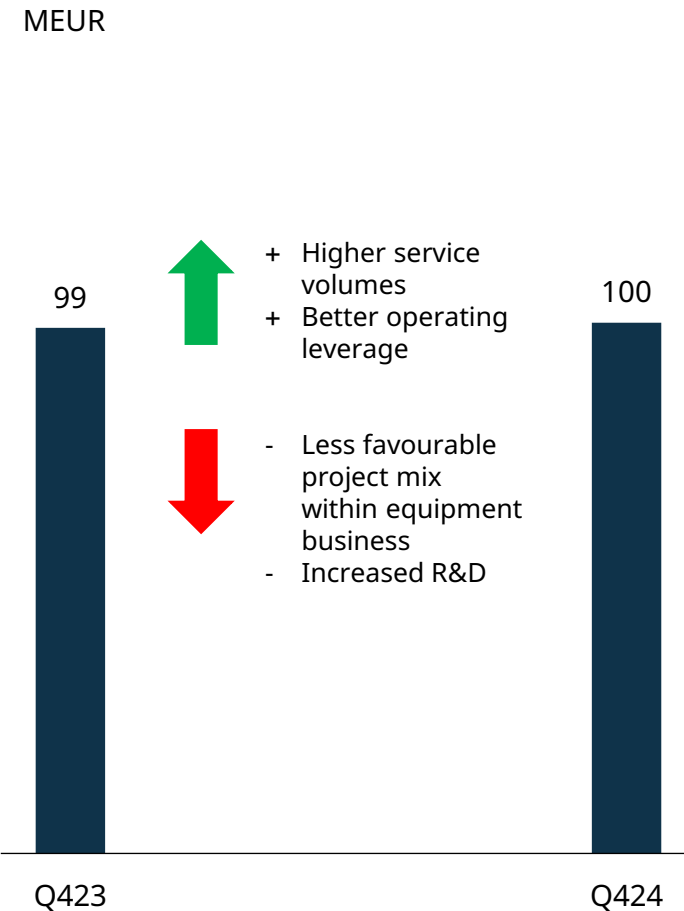
Order intake



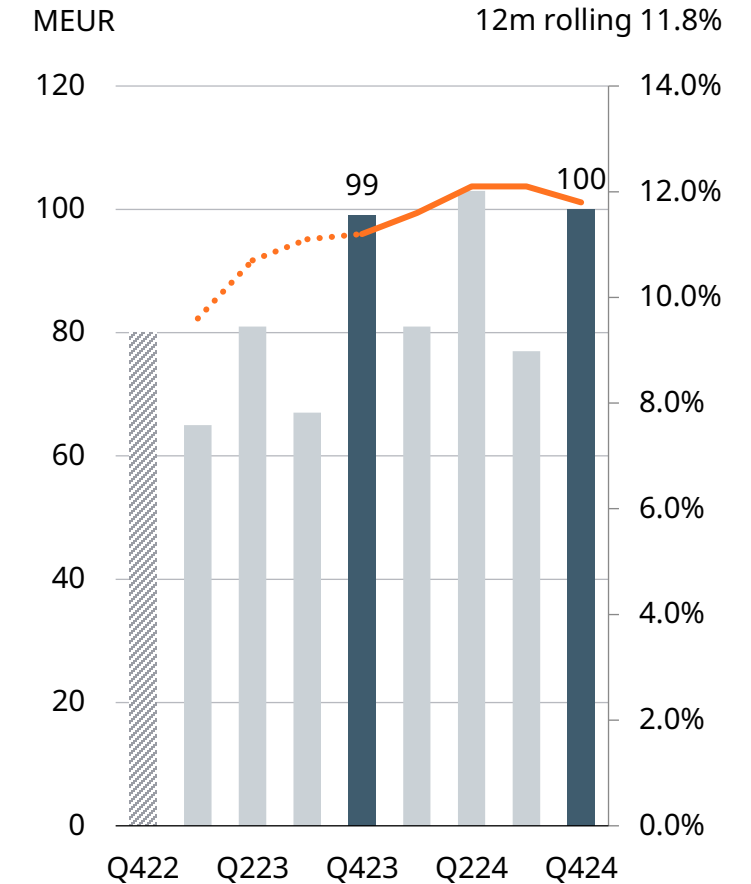
Net sales



Comparable operating result



Comparable operating result



Financial figures for 2023 have been restated to reflect the redefined organisational structure after the discontinuation of Marine Systems as a reporting segment as of 1 January 2024. Exhaust Treatment and Shaft Line Solutions business units were moved from Marine Systems to Marine Power and consequently, Marine Power changed its name to Wärtsilä Marine.

Financial figures for 2022 have been restated to reflect the redefined organisational change considering the integration of Voyage into Marine Power and moving part of the Voyage business to the Portfolio Business.

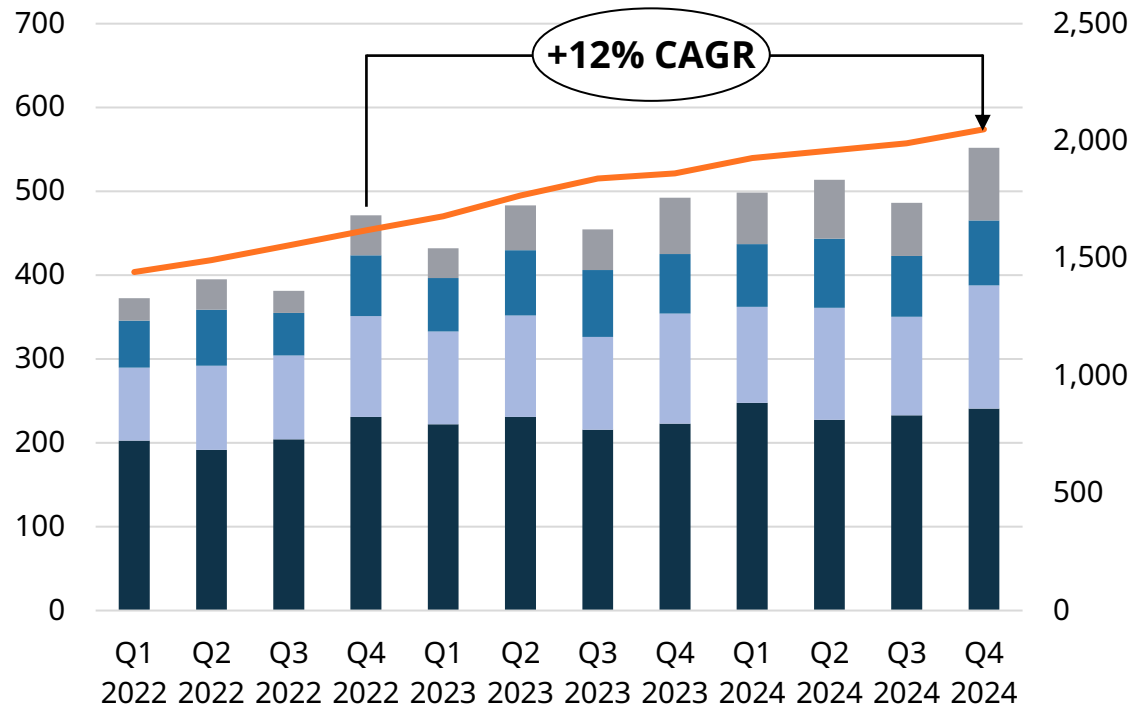
As financial figures prior to 2023 have not been restated to account for the current organisational structure, the non-comparable figures are marked with dashed columns and a dashed line.

Good development in Marine service

Book-to-bill above 1 in all service revenue streams

Marine service, Net sales

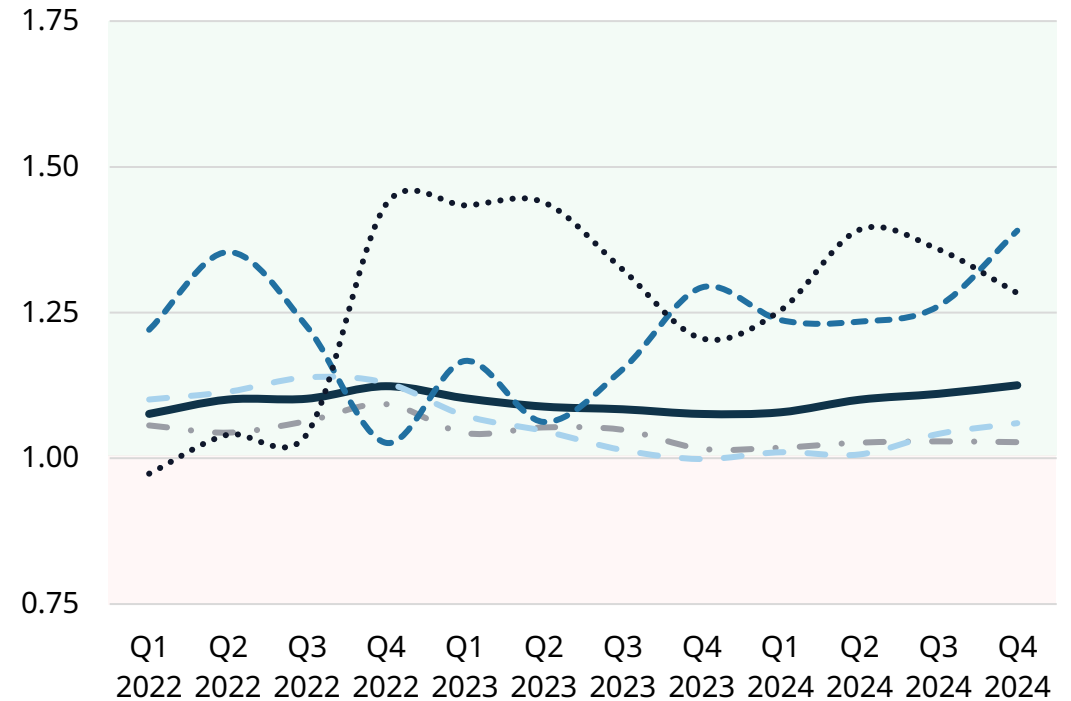
MEUR



- Spare parts
- Service agreements
- Field service
- Retrofits and upgrades
- Net sales, 12m rolling

Marine service, Book-to-bill

12m rolling book-to-bill



- Service, total
- Field service
- Spare parts
- Service agreements
- Retrofits and upgrades

2023 data restated to reflect the redefined organisational structure as of 1 Jan 2024. Figures prior to 2023 are not fully comparable due to organisational changes.

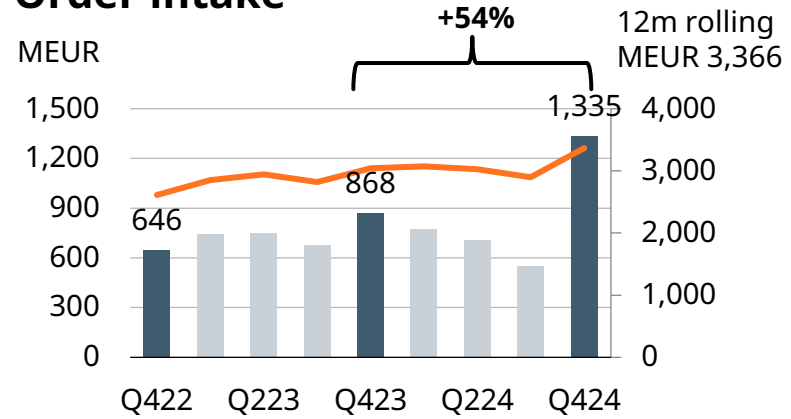
Energy



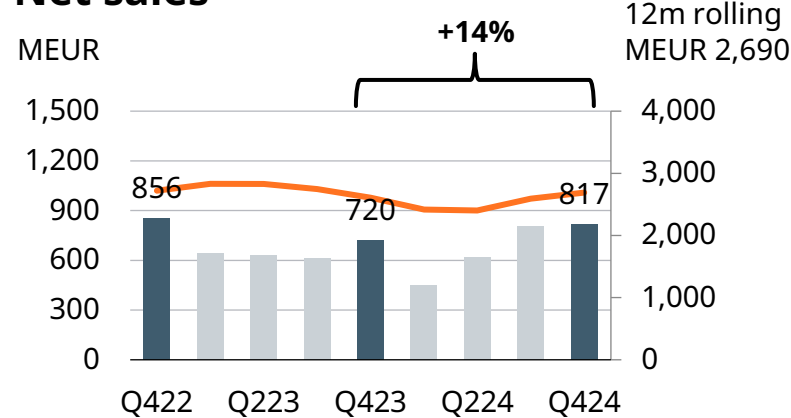
Energy: Comparable operating result increased

Strong growth in order intake both in Engine Power Plants and Energy Storage & Optimisation

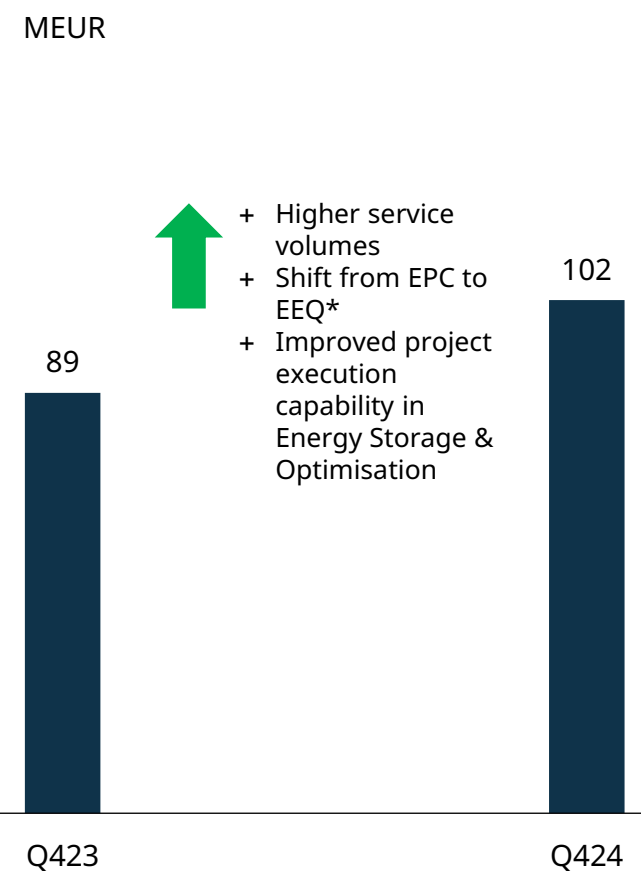
Order intake



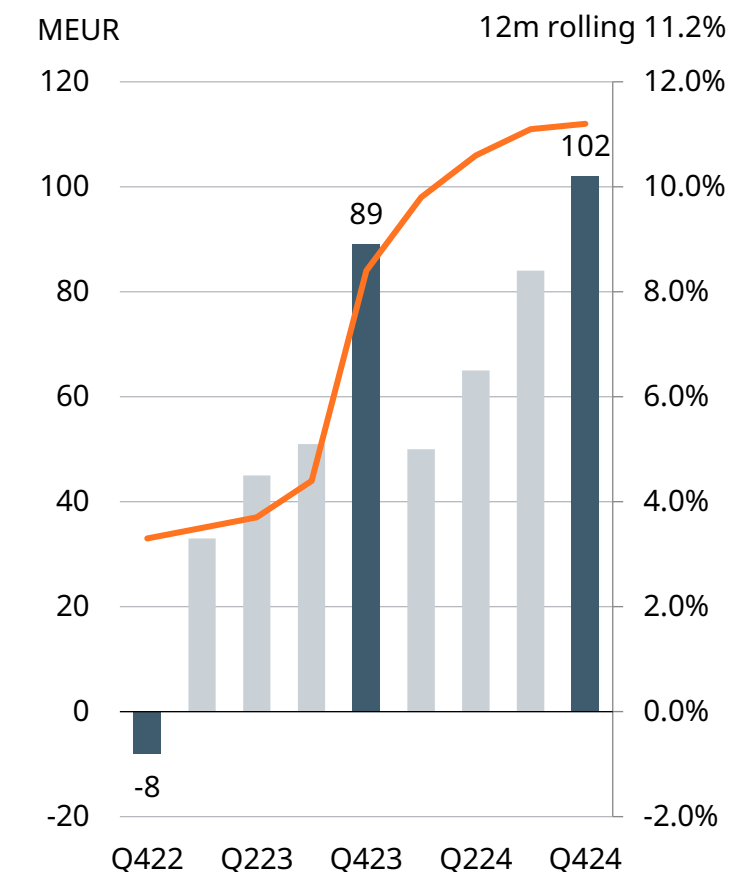
Net sales



Comparable operating result



Comparable operating result

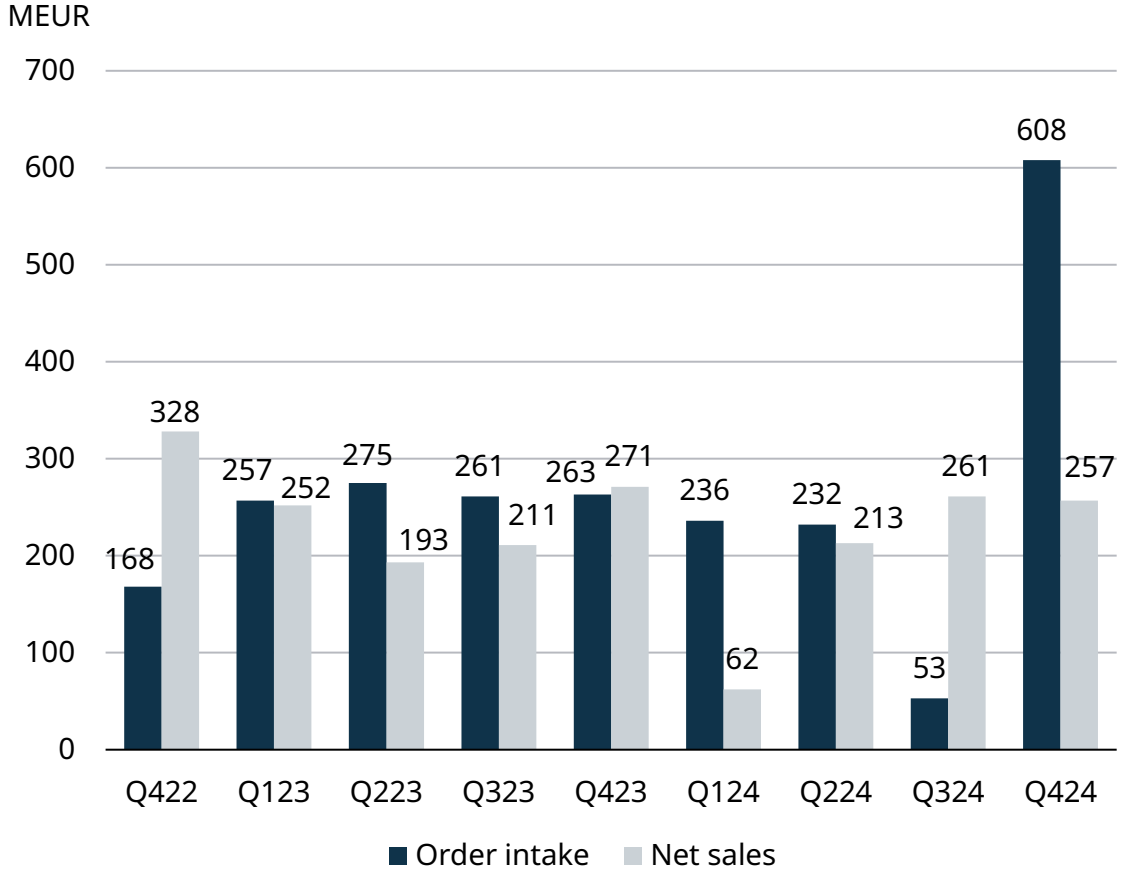


* EPC: Engineering Procurement and Construction, EEQ: Extended Equipment Supply

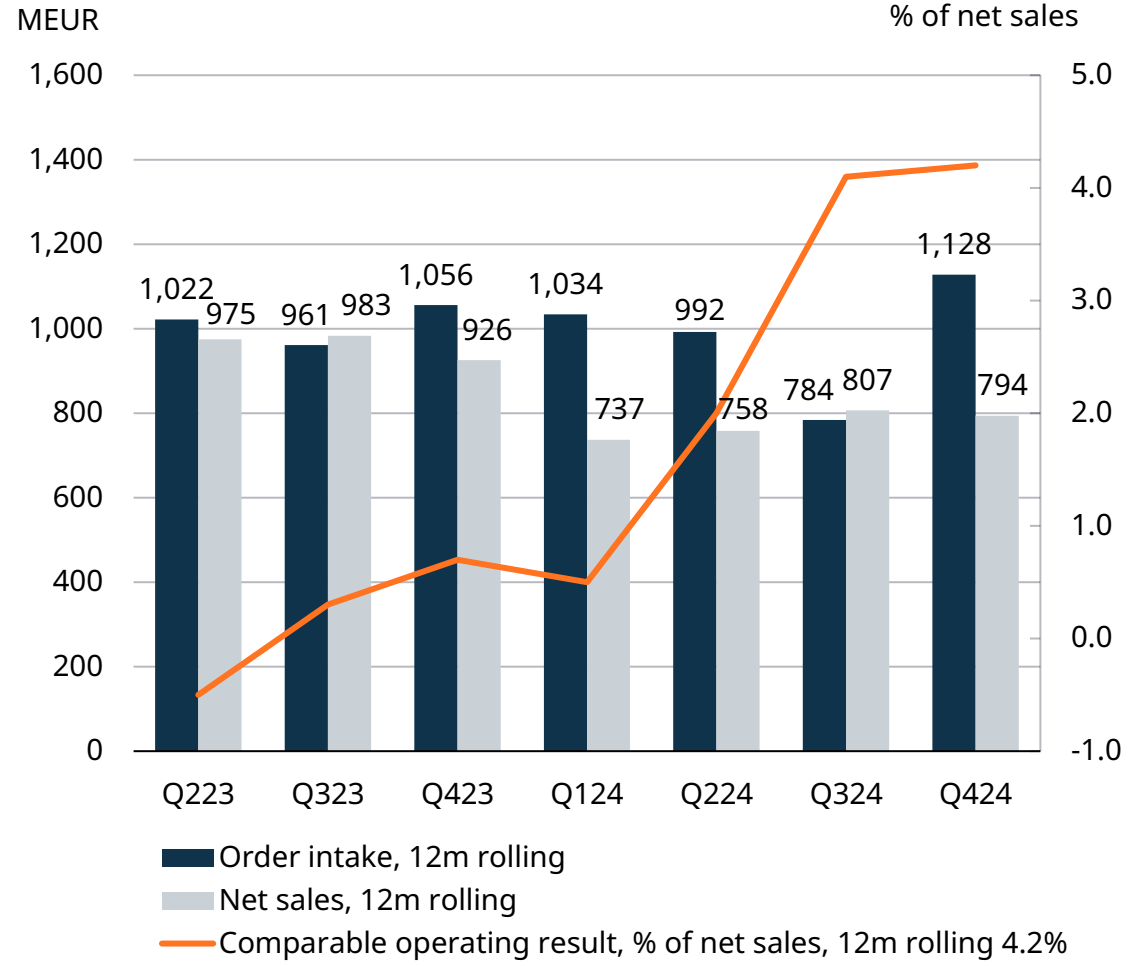


Energy Storage & Optimization: Comparable operating result margin (12m rolling) continued to improve

Quarterly development



Rolling 12 months development

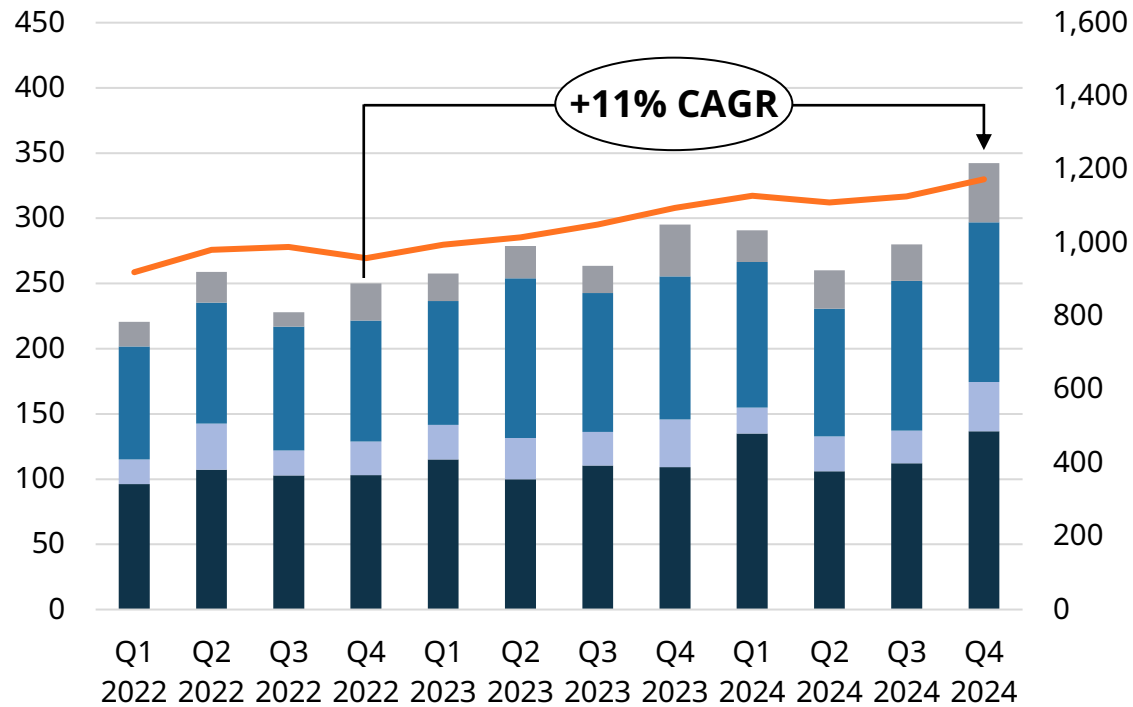


Good development in Energy service

Book-to-bill above 1 in all service revenue streams

Energy service, Net sales

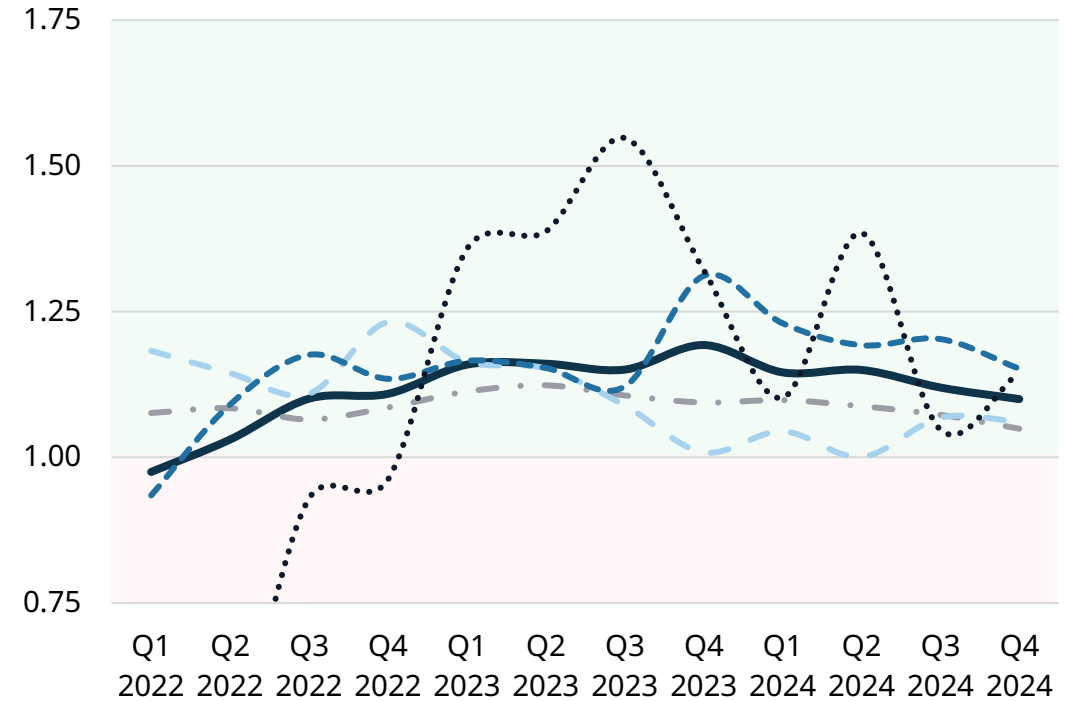
MEUR



- Spare parts
- Service agreements
- Field service
- Retrofits and upgrades
- Net sales, 12m rolling

Energy service, Book-to-bill

12m rolling book-to-bill



- Service, total
- Field service
- Spare parts
- Service agreements
- Retrofits and upgrades

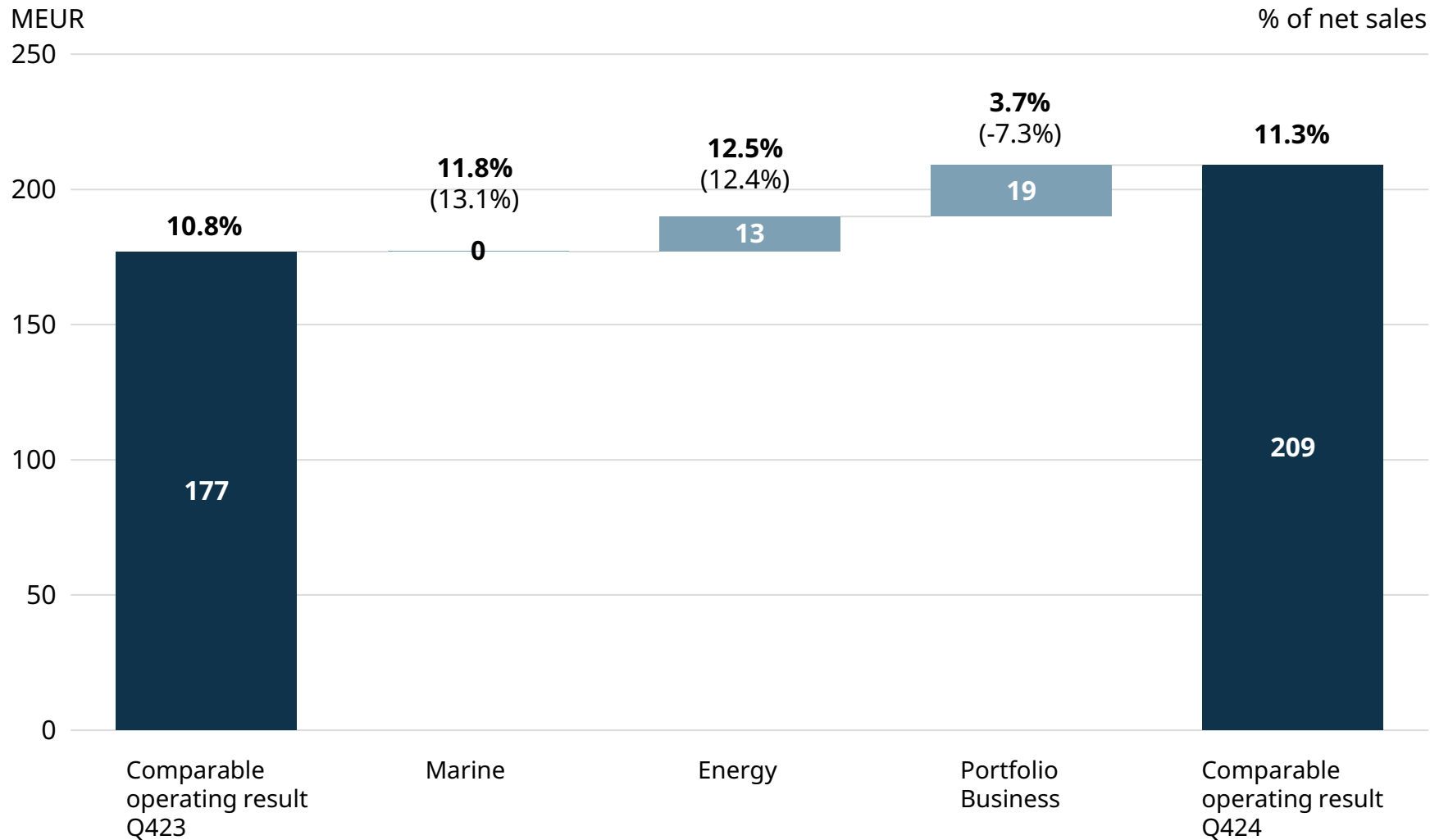


Becoming a more focused company

Wärtsilä to divest its Automation, Navigation and Control System business to Solix

- Wärtsilä has agreed to divest its Automation, Navigation and Control System (ANCS) business to the Swedish investment company Solix Group AB.
- ANCS is a global leader in innovative hardware and software technologies for marine navigation and automation.
- Wärtsilä acquired ANCS in 2015 as part of Marine Systems International. In 2024, the annual revenue of ANCS was close to EUR 230 million.
- Subject to approvals, the transaction is expected to be completed in the second quarter of 2025.

Comparable operating result improved – increase in Energy and Portfolio Business



Comparable operating result increased by 18%

Other key financials

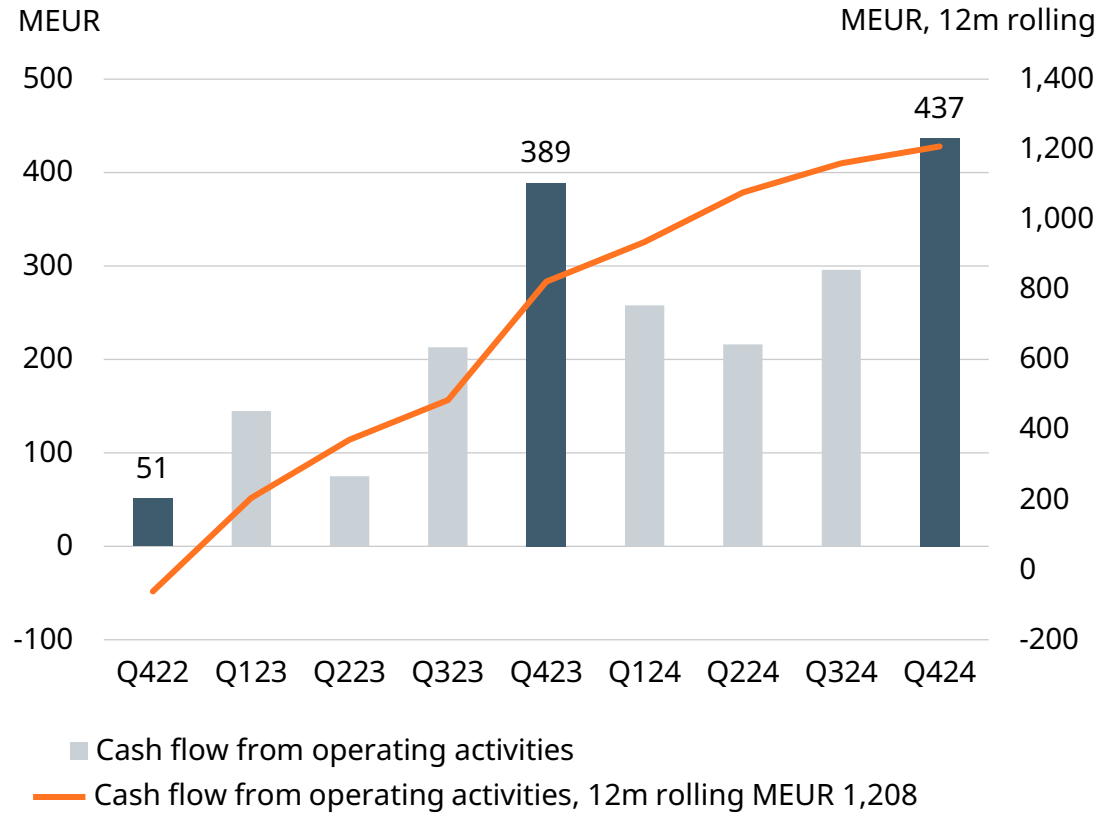


Other key financials: Strong cash flow from operating activities

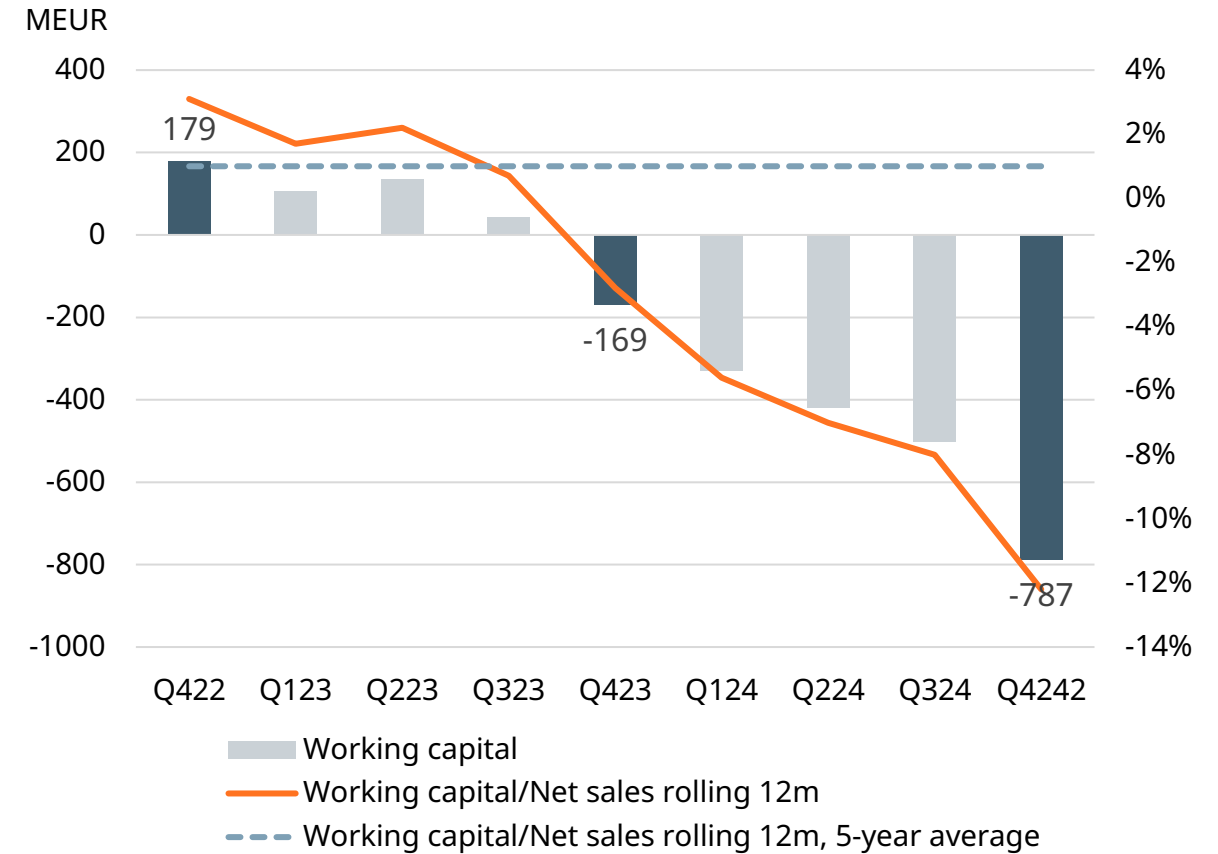
MEUR	10-12/2024	10-12/2023	1-12/2024	1-12/2023
Cash flow from operating activities	437	389	1,208	822
Working capital			-787	-169
Net interest-bearing debt			-777	35
Gearing			-0.31	0.02
Solvency, %			37.4	37.0
Earnings per share (EPS), basic and diluted, EUR	0.27	0.16	0.85	0.44

Strong cash flow from operating activities

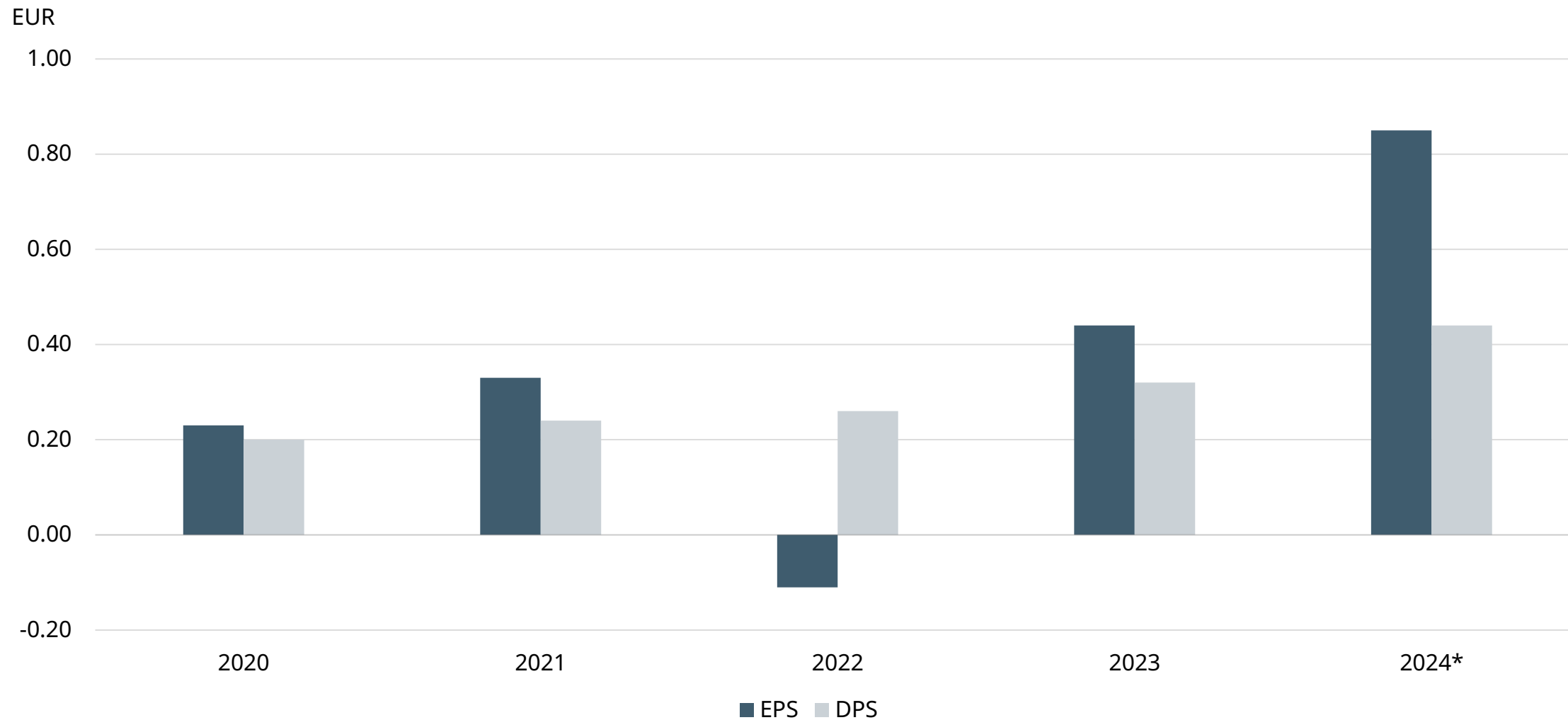
Cash flow from operating activities



Working capital to net sales ratio



Earnings and dividend per share



*Proposal of the Board



Prospects

Marine

- Wärtsilä expects the demand environment for the next 12 months (Q1/2025–Q4/2025) to be better than that of the comparison period.

Energy

- Wärtsilä expects the demand environment for the next 12 months (Q1/2025–Q4/2025) to be better than that of the comparison period.

However, Wärtsilä underlines that the current high external uncertainties make forward looking statements challenging.

Q&A

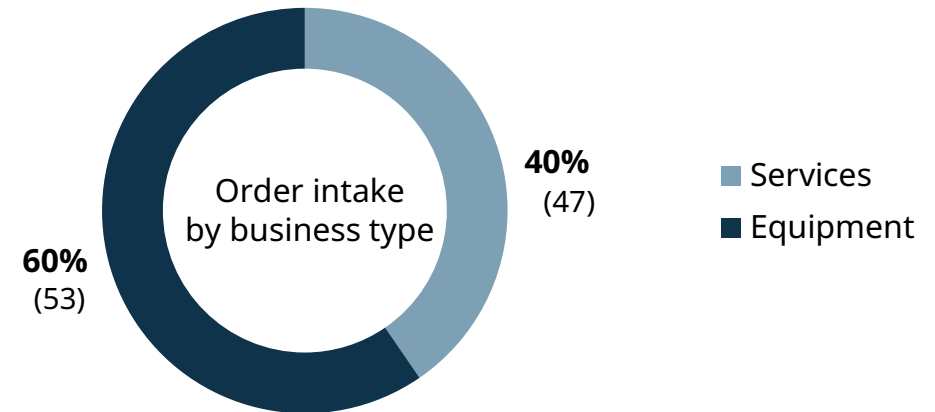
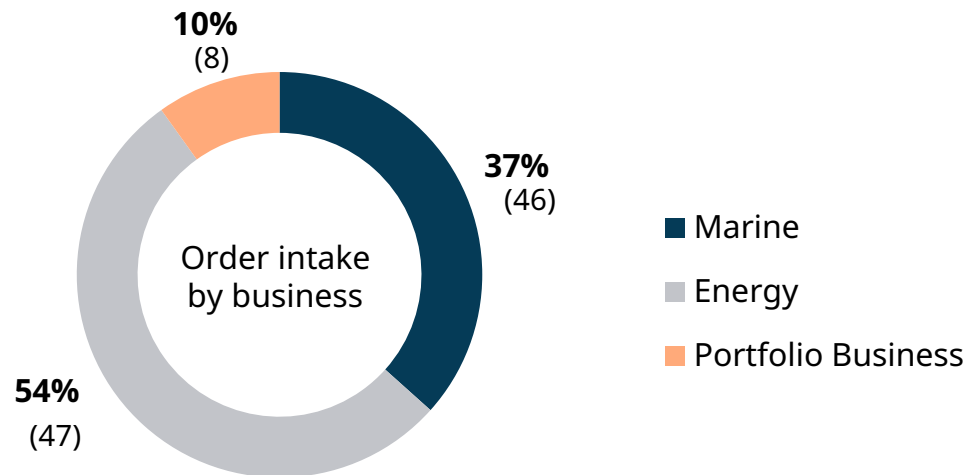


Appendix



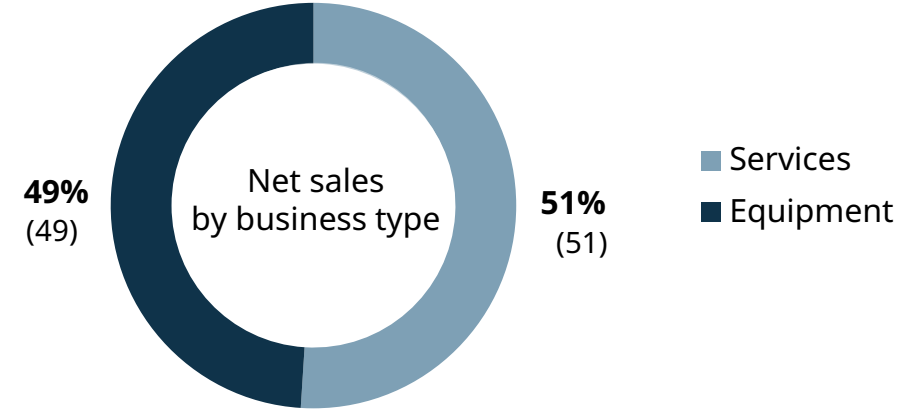
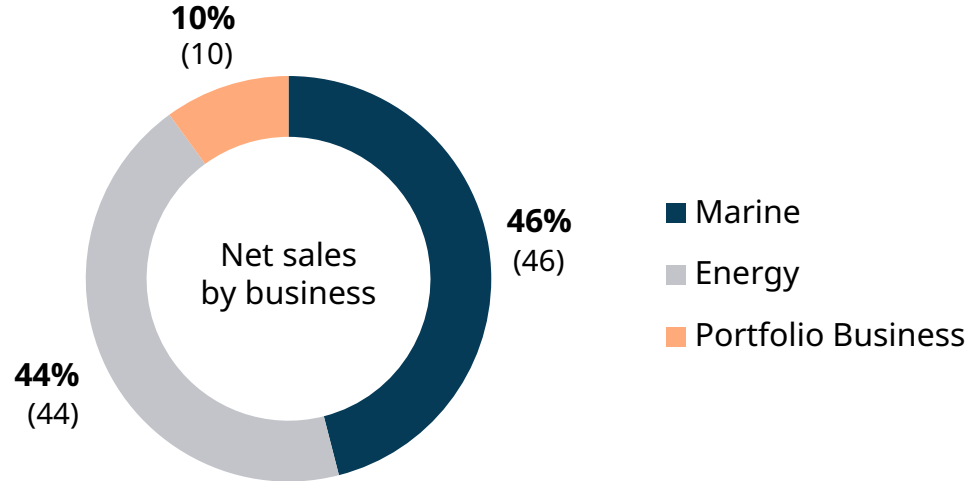
Order intake

Fourth quarter development



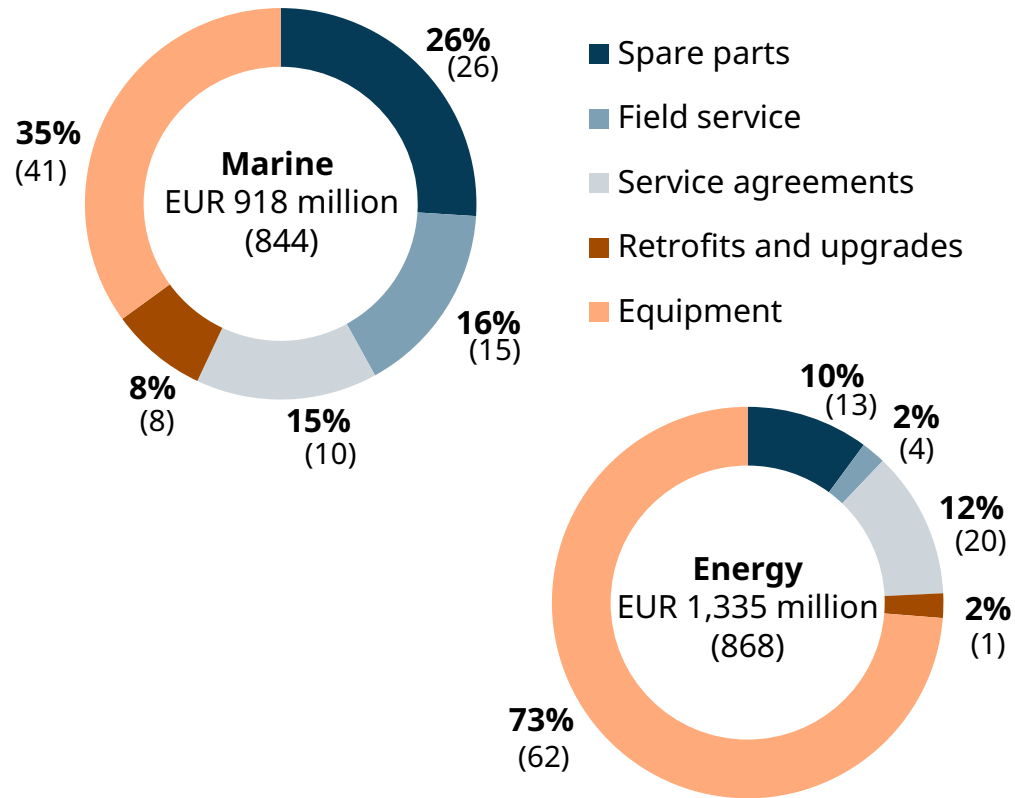
Net sales

Fourth quarter development

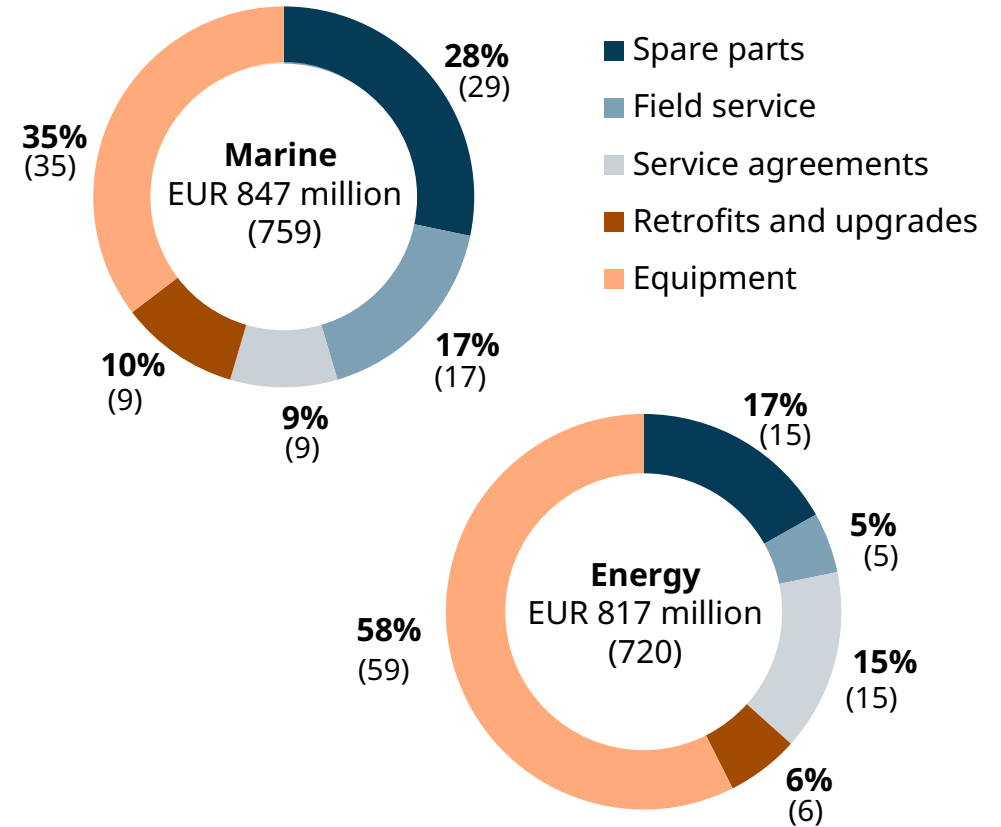


Fourth quarter development by business type

Order intake



Net sales

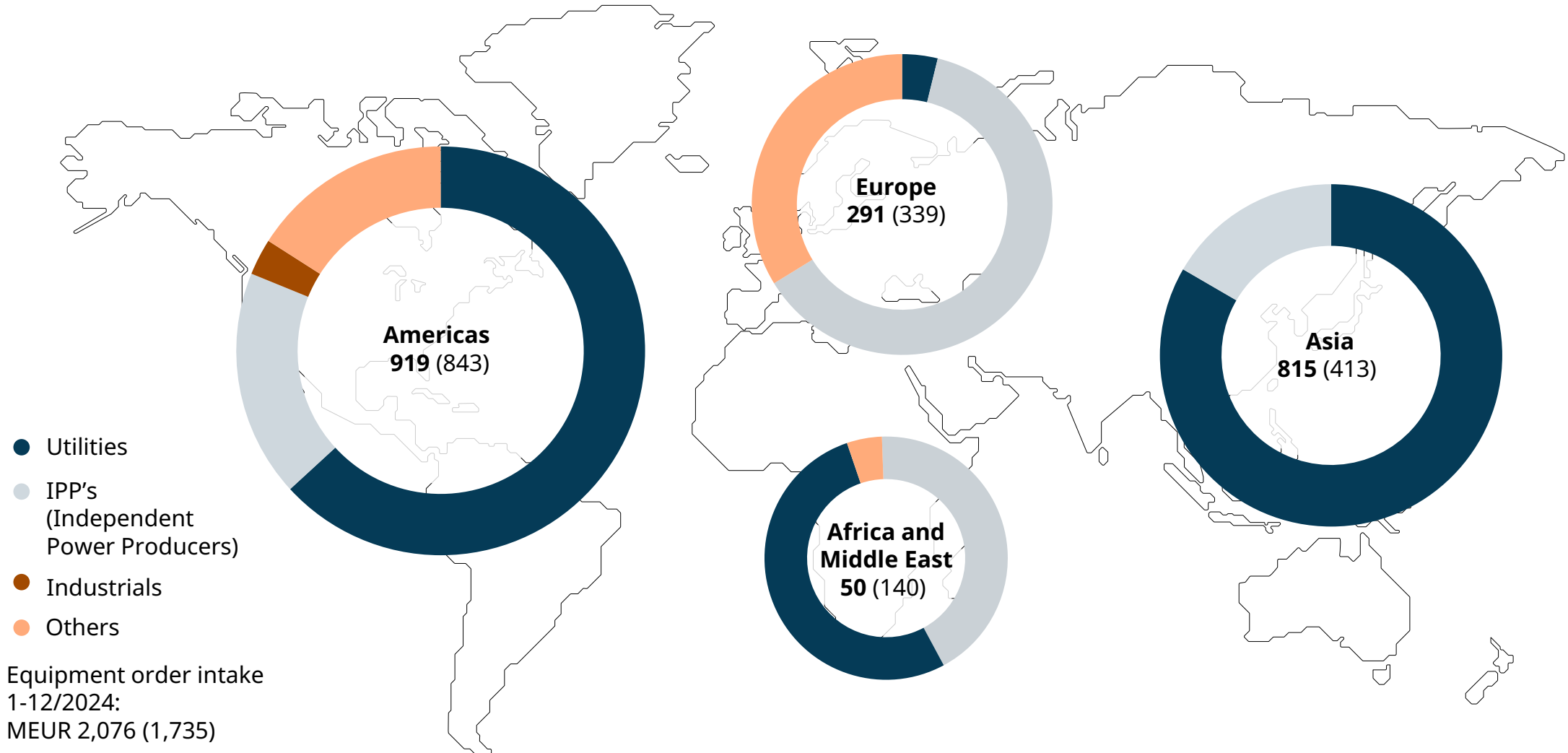


January–December order intake by customer segment

Marine	Gas carriers	Cruise & ferry	Offshore	Navy	Special vessels	Merchant	Other
Equipment	7% (11)	30% (22)	5% (6)	6% (8)	10% (5)	37% (44)	5% (4)
Services	12% (14)	24% (22)	16% (17)	11% (8)	11% (11)	25% (26)	1% (1)
Total	10% (13)	26% (22)	12% (13)	9% (8)	10% (9)	29% (32)	3% (3)

Energy	Utilities	Independent Power Producers	Industrials	Other
Equipment	63% (48)	24% (38)	1% (8)	12% (6)
Services	34% (32)	32% (33)	24% (25)	11% (10)
Total	34% (32)	32% (33)	24% (25)	11% (10)

Orders received for Energy equipment globally





WÄRTSILÄ