Wärtsilä Corporation

Interim Report

January – September 2024

Improved net sales, profitability and cash flow

Unless otherwise stated, the comparison figures in brackets refer to the corresponding period of the previous year.

Highlights from July–September 2024

- Order intake remained stable at EUR 1,803 million (1,787), while the organic growth, which excludes FX impact and the impact of acquisitions and divestments, was 4%
- Service order intake increased by 4% to EUR 874 million (842)
- Net sales increased by 18% to EUR 1,718 million (1,452), while organic growth was 21%
- Book-to-bill amounted to 1.05 (1.23)
- The comparable operating result increased by 41% to EUR 177 million (125), which represents 10.3% of net sales (8.6)
- The operating result increased by 65% to EUR 192 million (117), which represents 11.2% of net sales (8.0)
- Earnings per share increased to 0.24 euro (0.14)
- Cash flow from operating activities increased to EUR 296 million (213)

Highlights from January–September 2024

- Order intake increased by 7% to EUR 5,580 million (5,214), while organic growth was 11%
- Service order intake increased by 6% to EUR 2,805 million (2,644)
- The order book at the end of the period increased by 15% to EUR 7,583 million (6,594)
- Net sales increased by 5% to EUR 4,595 million (4,371), while organic growth was 8%
- Book-to-bill amounted to 1.21 (1.19)
- The comparable operating result increased by 51% to EUR 485 million (320), which represents 10.5% of net sales (7.3)
- The operating result increased by EUR 213 million to EUR 487 million (274), which represents 10.6% of net sales (6.3)
- Earnings per share increased to 0.58 euro (0.28)
- Cash flow from operating activities increased to EUR 770 million (432)

Key figures

MEUR	7–9/2024	7–9/2023	Change	1–9/2024	1–9/2023	Change	2023
Order intake	**1,803**	1,787	1%	**5,580**	5,214	7%	7,070
of which services	**874**	842	4%	**2,805**	2,644	6%	3,519
of which equipment	**929**	946	-2%	**2,776**	2,570	8%	3,550
Order book, end of period				**7,583**	6,594	15%	6,694
Net sales	**1,718**	1,452	18%	**4,595**	4,371	5%	6,015
of which services	**807**	762	6%	**2,473**	2,305	7%	3,148
of which equipment	**911**	690	32%	**2,122**	2,066	3%	2,867
Book-to-bill	**1.05**	1.23		**1.21**	1.19		1.18
Comparable adjusted EBITA*	**181**	130	40%	**499**	336	49%	518
% of net sales	**10.6**	8.9		**10.9**	7.7		8.6
Comparable operating result	**177**	125	41%	**485**	320	51%	497
% of net sales	**10.3**	8.6		**10.5**	7.3		8.3
Operating result	**192**	117	65%	**487**	274	77%	402
% of net sales	**11.2**	8.0		**10.6**	6.3		6.7
Result before taxes	**190**	107	77%	**469**	245	92%	364
Earnings per share (EPS), basic and diluted, EUR	**0.24**	0.14		**0.58**	0.28		0.44
Cash flow from operating activities	**296**	213		**770**	432		822
Net interest-bearing debt, end of period				**-405**	356		35
Gearing				**-0.17**	0.17		0.02
Solvency, %				**36.9**	35.2		37.0

*Comparable adjusted EBITA excludes items affecting comparability and purchase price allocation amortisation.

Wärtsilä presents certain alternative performance measures in accordance with the guidance issued by the European Securities and Markets Authority (ESMA). The definitions of these alternative performance measures are presented in the Calculations of financial ratios section.

Wärtsilä's prospects

Marine

Wärtsilä expects the demand environment for the next 12 months (Q4/2024-Q3/2025) to be better than that of the comparison period.

Energy

Wärtsilä expects the demand environment for the next 12 months (Q4/2024-Q3/2025) to be better than that of the comparison period.

Håkan Agnevall, President & CEO: Sustained positive momentum

"The market environment for Wärtsilä's businesses remained stable during the third quarter of 2024. However, geopolitical risks have amplified in recent months, adding uncertainty to the macroeconomic outlook.

The energy market continued to be influenced by protectionism and elevated geopolitical risks. Despite the uncertainty surrounding the pace of the global energy transition, renewable energy sources have remained dominant in new capacity additions. The increasing need for balancing power to support the growth in renewable energy deployments has resulted in improved demand for engine power plants compared to last year. The grid balancing capabilities of Wärtsilä's engines ensure that customers can maintain a consistent and reliable energy supply while progressing towards decarbonisation. Notably, in September, Wärtsilä announced being contracted to deliver four Wärtsilä 50SG engines to a new power plant for the Kentucky Municipal Energy Agency (KYMEA). The fast-starting engines will offer flexibility and a rapid response to fluctuations in the availability of wind and solar power, thereby protecting KYMEA's members from electricity market price volatility.

In the marine market, geopolitical conflicts continued to affect trade flows around the globe. Sanctions on Russia and attacks on ships in the Red Sea have resulted in longer average shipping distances, higher transportation costs, and delays to global supply chains, driving the need for additional ship capacity. Despite growth in shipyard capacity and output, especially in China but also in South Korea, newbuild shipyard capacity utilisation remains high, indicating that a shortage of yard capacity still exists. The market sentiment for Wärtsilä was positive, with robust momentum in key customer segments for new vessels, while decarbonisation-related retrofits and longer trade routes supported the demand for services. Investments in new ships increased compared to last year with a positive trend in the interest for alternative fuels. In addition to LNG and methanol, ammonia has emerged as a promising alternative fuel as the shipping industry looks for more sustainable options. In August, Wärtsilä announced a landmark deal with Eidesvik to supply the equipment for the conversion of an offshore platform supply vessel to operate with ammonia fuel. The vessel, 'Viking Energy', is set to become the world's first ammonia-fuelled in-service ship in 2026.

Another highlight of the quarter was the signing of a five-year Lifecycle Agreement with Royal Caribbean Group covering 37 cruise ships. Reaching the industry's goal of net-zero operations requires installing the right technical solutions onboard, but it is also crucial to ensure these solutions perform optimally throughout their entire lifetime. Wärtsilä's Lifecycle Agreements provide this assurance and highlight the importance of collaboration in addressing the industry's goals.

Wärtsilä's order intake in the third quarter increased organically by 4%. Service order intake increased driven by good activity levels in Marine. Equipment order intake decreased slightly overall but grew clearly in Engine Power Plants. Equipment orders were lower in Marine, due to a strong comparison period, as well as in Energy Storage & Optimisation where some project closings were deferred to later quarters. The average size of projects in Energy Storage & Optimisation has increased, which has contributed to the lumpiness of the business. Overall, we continue to see growing demand for Energy Storage & Optimisation solutions.

Net sales in the third quarter increased organically by 21%, with growth in both equipment and service. As we have previously communicated, equipment deliveries especially in Energy are tilted towards the second half of the year in 2024. This had a positive impact on equipment net sales in the third quarter. In Marine, the lead times from equipment order intake to net sales are slightly longer, due to the remaining constraints in shipyard capacity and longer shipyard orderbooks.

The comparable operating result increased by 41% to EUR 177 million with a comparable operating margin of 10.3%. The comparable operating result increased in all three businesses. During recent years, Wärtsilä's comparable operating margin percentage has typically reached its high in the fourth quarter of each year. In 2024, we do not expect to see that normal seasonality, given the mix impact from increasing equipment deliveries. However, this is dependent on the volume of equipment deliveries that will be realised in the fourth quarter.

Cash flow from operating activities ended strong and significantly improved to EUR 296 million during the third quarter. The improvement in cash flow was driven mainly by a better operating result. It is important to note that the current negative working capital levels are unusual for our business, and we expect them to normalise going forward. Still, our active work on all elements of working capital has continued and has supported us in keeping working capital at a clearly lower level than the long-term historical average.

In October 2023, we announced a strategic review of Energy Storage & Optimisation to accelerate its profitable growth in a way that benefits customers, employees, and value creation for Wärtsilä shareholders. This review is still ongoing.

We remain optimistic about growth prospects in both of our markets. We expect the demand environment for the coming 12 months to be better than for the comparison period in both Marine and Energy.

Employees are the key to our success. Our recent engagement survey achieved an impressive 88% response rate, and Wärtsilä received excellent ratings in leadership, inclusion, wellbeing, and intent to stay, reflecting a high level of commitment from our people. By relentlessly executing our strategy together, we are adding value to our customers, making a significant impact in our industries, and steadily progressing towards our financial targets."

Orders, net sales and profitability

MEUR	7–9/2024	7–9/2023	Change	1–9/2024	1–9/2023	Change	2023
Order intake	**1,803**	1,787	1%	**5,580**	5,214	7%	7,070
Order book, end of period				**7,583**	6,594	15%	6,694
Net sales	**1,718**	1,452	18%	**4,595**	4,371	5%	6,015
Comparable operating result	**177**	125	41%	**485**	320	51%	497
% of net sales	**10.3**	8.6		**10.5**	7.3		8.3
Operating result	**192**	117	65%	**487**	274	77%	402
% of net sales	**11.2**	8.0		**10.6**	6.3		6.7

Order intake bridge

MEUR	7–9/2024	1–9/2024
2023	**1,787**	**5,214**
Organic	4%	11%
Acquisitions and divestments	0%	0%
FX impact	-3%	-4%
2024	**1,803**	**5,580**

Net sales bridge

MEUR	7–9/2024	1–9/2024
2023	**1,452**	**4,371**
Organic	21%	8%
Acquisitions and divestments	0%	0%
FX impact	-2%	-2%
2024	**1,718**	**4,595**

Development in July–September

Order intake remained stable. Service order intake increased by 4%, supported by good service activity in Marine. Equipment order intake remained stable. Equipment order intake increased in Engine Power Plants but decreased in Energy Storage & Optimisation and Marine.

Net sales increased by 18%. Service net sales increased by 6%, driven by growth in Marine and Energy. Equipment net sales increased by 32%, driven by growth in Energy, Marine and Portfolio Business.

The comparable operating result totalled EUR 177 million (125) or 10.3% of net sales (8.6). The comparable operating result was supported by increases in Marine, Energy and Portfolio Business. **The operating result** amounted to EUR 192 million (117) or 11.2% of net sales (8.0). Items affecting comparability amounted to EUR 15 million (-8) and were mostly related to the restructuring of engine manufacturing in Europe.

Development in January–September

Order intake increased by 7%. Service order intake increased by 6%, driven by growth in Marine. Equipment order intake increased by 8% supported by higher equipment order intake in Marine, Engine Power Plants, and Portfolio Business. Equipment order intake in Energy Storage & Optimisation decreased.

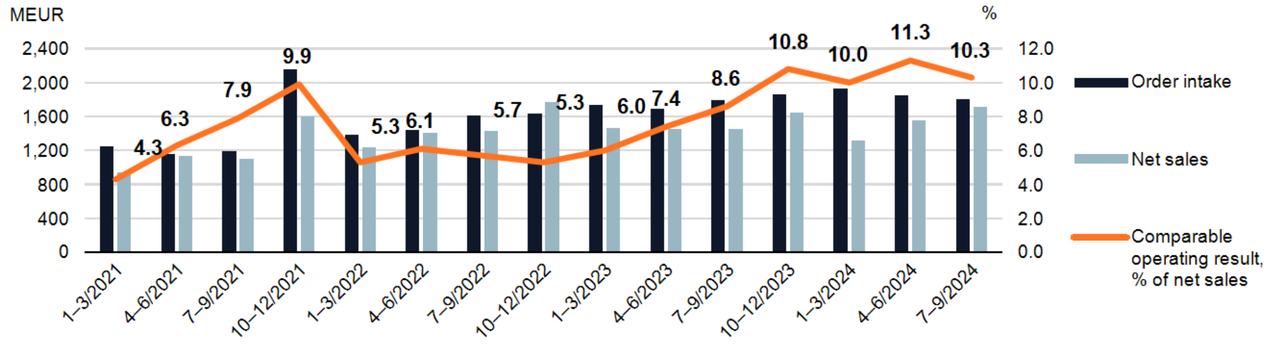
The **order book** at the end of the period increased by 15%. Wärtsilä's current order book for 2024 deliveries is EUR 1,648 million (1,570).

Net sales increased by 5%. Service net sales increased by 7%, supported by growth in Marine, Energy and Portfolio Business. Equipment net sales increased by 3%, supported by Engine Power Plants, Portfolio Business and Marine. Equipment net sales in Energy Storage & Optimisation decreased. Of Wärtsilä's net sales, 55% was EUR denominated and 32% USD denominated, with the remainder being split between several currencies.

The comparable operating result totalled EUR 485 million (320) or 10.5% of net sales (7.3). The comparable operating result was supported by increases in Marine, Energy and Portfolio Business. The **operating result** amounted to EUR 487 million (274) or 10.6% of net sales (6.3). Items affecting comparability amounted to EUR 2 million (-46) and were mostly related to the restructuring of engine manufacturing in Europe.

Financial items amounted to EUR -18 million (-30). Net interest totalled EUR 4 million (-12). The result before taxes amounted to EUR 469 million (245). Taxes amounted to EUR -122 million, implying an effective tax rate of 26.1%. The result for the financial period amounted to EUR 346 million (173). Basic earnings per share totalled 0.58 euro (0.28). Return on investments (ROI) was 20.9% (11.0), while the return on equity (ROE) was 19.7% (9.5).

Quarterly development



Financing, cash flow and capital expenditure

MEUR	7–9/2024	7–9/2023	1–9/2024	1–9/2023	2023
Cash flow from operating activities	**296**	213	**770**	432	822
Working capital			**-501**	43	-169
Net interest-bearing debt, end of period			**-405**	356	35
Gearing			**-0.17**	0.17	0.02
Solvency, %			**36.9**	35.2	37.0
Equity/share, EUR			**4.03**	3.60	3.78

Development in July–September

Cash flow from operating activities amounted to EUR 296 million (213), supported mainly by a better operating result. Working capital totalled EUR -501 million at the end of the period (-420 at the end of previous quarter). Advances received totalled EUR 826 million (850 at the end of the previous quarter).

Development in January–September

Cash flow from operating activities totalled EUR 770 million (432), supported by a better operating result and improved working capital. Working capital totalled EUR -501 million at the end of the period (-169 at the end of 2023). Advances received totalled EUR 826 million (774 at the end of 2023).

Wärtsilä aims to ensure sufficient liquidity at all times through efficient cash management, and by maintaining the availability of sufficient committed and uncommitted credit lines. Refinancing risk is managed by having a balanced and sufficiently long loan portfolio.

Cash and cash equivalents amounted to EUR 1,188 million (819 at the end of 2023). Unutilised committed credit facilities totalled EUR 644 million (644 at the end of 2023).

Wärtsilä's net interest-bearing debt totalled EUR -405 million at the end of the period (35 at the end of 2023). The total amount of short-term debt maturing within the next 12 months is EUR 146 million. Long-term debt amounted to EUR 638 million.

Capital expenditure

Capital expenditure related to intangible assets and property, plant, and equipment amounted to EUR 111 million (98) for the period January–September. Capital expenditure related to acquisitions and investments in securities totalled EUR 0 million (0). Depreciation, amortisation, and impairment amounted to EUR 110 million (148), including depreciation of right-of-use assets of EUR 38 million (37).

In 2024, capital expenditure related to intangible assets and property, plant, and equipment is expected to be at around the same level as depreciation, amortisation, and impairment.

Operating environment

General macro environment

Uncertain global economic outlook

Overall economic growth has remained modest, while geopolitical risks have amplified in recent months, adding uncertainty to the macroeconomic outlook. High interest rates and inflation continued to have an impact, but economic activity has proven to be relatively resilient. Overall economic growth was supported by strong economic activity in the United States and across some emerging economies, while in many advanced economies, especially in Europe, the improvements have been more moderate.

Marine market

Increase in demand for new ships

Seaborne trade flows continued to be heavily impacted by the sanctions on Russia, due to the war in Ukraine, and the attacks on ships in the Red Sea. Conversely, the drought affecting the Panama Canal has eased and operations have gradually returned close to normal levels. The above conflicts have resulted in longer average shipping distances, higher transportation costs, and delays to global supply chains that have driven the need for more ship capacity. Passenger traffic volumes have continued to increase further, driven by continued strength in demand for cruise vacations globally and growth in passenger traffic in the ferry segment.

As a result of the increasing demand for ship capacity, healthy earnings for shipowners, low orderbooks in certain segments, and continued fleet renewal, investments in new ships were clearly above the levels seen in 2023. In total, 1,953 new ship contracts were reported between January -September, compared to 1,356 contracts signed in 2023.

Despite growth in shipyard capacity and output, especially in China but also in South Korea, newbuild shipyard capacity utilisation remains high and shipyard orderbooks remain long, indicating that a shortage of yard capacity still exists. According to Clarksons Research, global shipyard capacity is currently at ~70% of 2011 peak level and could increase to 80-85% by 2030 mainly driven by yard reactivations and expansions in China which has accounted for around three quarters of announced capacity increases since 2021.

The positive trend in interest for alternative fuels continued with 486 orders for alternative fuel capable ships reported between January and September, accounting for 25% (23) of all contracted vessels and 49% (44) of vessel capacity. Uncertainty on the availability and price of sustainable future fuels has partially supported growth in interest for liquified natural gas (LNG). LNG and methanol remain as the two most preferred alternative fuels.

Market sentiment is positive for Wärtsilä's key segments

In the cruise sector, market sentiment remained increasingly positive due to the continued strong demand for cruise vacations. The strong growth in demand and a positive outlook for the sector has resulted in cruise lines placing more orders for new ships. Furthermore, the demand for service was supported by the continued growth in active fleet capacity, as well as interest in efficiency improvements needed to comply with regulations and to improve cost of operations.

In the ferry sector, the appetite for new ship capacity has remained ahead of previous years' levels as ferry operators progress with their fleet renewal programmes. This activity was supported by aging fleets and a gradual continued recovery in economic activity that has positively affected traffic volumes and operator earnings. The demand for service was supported by the growth of the active fleet, and operator interest in improving the efficiency of their fleets.

In the offshore sector, energy prices supported the sentiment in the oil & gas market. The growing demand for offshore assets to support the exploration activity has driven day rates to pass previous record highs, while supporting utilisation rates for existing assets. Newbuild contracting remains limited due to high prices, the cost and availability of finance, and the shortage of yard capacity. Sentiment in the offshore wind sector remained positive, with investments to new capacity driving the demand for dedicated offshore wind assets. The investment appetite for newbuild vessels was mixed, with activity in Construction Service Operation vessels (CSOV) remaining strong while overall activity has declined. The utilisation of existing vessels remained strong, especially outside China, due to the high activity levels for wind turbine installation projects. The demand for service across offshore sub-segments was driven by increases in utilisation and day rates, as well as interest in retrofits to improve the efficiency of assets.

In the LNG carrier sector, market sentiment remained softer than in previous years, due mostly to higher gas storage levels in Europe and milder weather, which negatively impacted the demand for LNG carriers. Growth in the supply of new vessels to the market, which exceeded the growth in demand, also impacted market sentiment. However, the healthy demand for newbuild capacity continued to be driven by further investments in expanding LNG liquefaction capacity, especially for projects linked to Qatar. Service demand increased due to high fleet utilisation levels, and continued interest in service agreements.

In the containership sector, the sentiment has become more positive as trade volumes and rerouting of ships have contributed to higher-than-expected demand for ship capacity. Investment appetite for newbuilds has increased in recent months as shipowners continue to renew their aging fleets. The sentiment in demand for service was supported by the growth in active fleet capacity and earnings, as well as by shipowner interest in retrofits to existing fleets.

Across all the above sectors, the growing pressure to decarbonise operations supported the demand for both newbuilds and service. This has resulted in investments in additional fleet capacity, direct fleet replacements, efficiency upgrades or fuel conversions, and maintenance activities to keep the existing fleet compliant and competitive.

Energy market

Rising protectionism and decreasing inflation impact energy markets
Energy-related macroeconomic development continued to be impacted by protectionism and elevated risks in the geopolitical environment. The impact is mixed: for example, the Inflation Reduction Act has boosted the outlook for clean energy deployment in the USA, while policies such as domestic content requirements or import tariffs, hamper the energy transition. Both approaches have resulted in an uptick in clean energy technology, such as electric vehicles, solar photovoltaics, electrolysers, and battery energy storage.

In the third quarter of 2024, global natural gas prices continued to moderately increase. At the same time, although prices remain sensitive to surprises, high storage levels in Europe helped to protect prices from extreme volatility.

The energy transition continues to advance, with the International Energy Agency (IEA) expecting renewable energy sources to surpass coal as the largest source of power generation in 2025. Additionally, in October 2024 DNV's Energy Transition Outlook predicted that the peak in energy-related emissions would be reached this year, thanks in large part to significantly increased solar deployment.

In engine power plants, newbuild market demand improved compared to 2023. Demand for services remained stable. **In the balancing segment,** the pace of the renewable energy transition continues to be an important demand driver, and demand for balancing power is increasing. In a recent report, the IEA highlighted the role conventional power plants need to play in integrating solar and wind resources, and reciprocating engines stand out for their flexibility in this respect. **The baseload segment** remains a strong source of demand for thermal power. Reciprocating engines are an important provider of baseload generation, particularly in remote locations and other locations where access to grid power is uncertain or time-sensitive, such as data centres. Baseload generation demand is expected to remain stable.

While the macroeconomic environment has made project financing difficult, decreasing inflation and interest rates are expected to encourage investment decisions in the mid- to long-term.

In battery energy storage, demand is closely linked to the increasing share of intermittent renewables in the energy system, which has continued to progress strongly. BloombergNEF forecasts utility-scale battery storage capacity additions to exceed 100 GWh for the first time in 2024, rising to 300 GWh in 2030, while the IEA estimates 400 to 500 GWh of stationary battery storage demand, including utility and small-scale applications, in 2030. As the average size of battery energy storage projects has increased, so has market lumpiness.

Sustainability

Sustainability at the core of Wärtsilä's strategy
With its broad range of technologies and specialised services, Wärtsilä is well positioned to support customers on their decarbonisation journey, as well as in preparing for new regulatory requirements. Wärtsilä's R&D efforts continue to focus on the development of advanced environmental technologies and solutions. Wärtsilä's aim is to be able to provide a product portfolio ready for zero-carbon fuels by 2030, and the company is well on track towards this target. In addition to promoting the transition to carbon neutrality for its customers, the company's goal is to become carbon neutral in its own operations by 2030.

Enhancing safety, diversity and wellbeing is also one of Wärtsilä's long-term sustainability focus themes. Safety is a high priority for Wärtsilä, and the company is committed to creating and maintaining a safe and healthy workplace for its employees and partners. Creating an inclusive culture that drives engagement and performance is one of the priorities of the People Strategy. The company is committed to supporting the UN Global Compact and its ten principles with respect to human rights, labour, the environment, and anti-corruption.

Sustainability performance and highlights from Q3/2024
In August, Wärtsilä announced a contract with the Norwegian shipowner Eidesvik to supply equipment for the conversion of an offshore platform supply vessel to operate with ammonia fuel. The vessel, "Viking Energy", is expected to start operating on ammonia in the first half of 2026, becoming the world's first ammonia-fuelled in-service ship. Ammonia has emerged as a promising alternative fuel as the shipping industry looks for more sustainable fuel options. With the International Maritime Organisation's global regulations setting a clear target for shipping – net zero emissions by mid-century – ammonia will play a significant role in enabling the shipping industry to reduce its emissions.

In addition to ammonia, Wärtsilä's decarbonisation roadmap includes product development for other sustainable future fuels. On the methanol front, Wärtsilä has doubled its testing capacity and capabilities. This increase is due to strong customer demand and it enables accelerated deliveries of engines capable of operating with methanol.

Wärtsilä's preparations for the EU Corporate Sustainability Reporting Directive (CSRD) are proceeding according to plan.

In 2023, Wärtsilä initiated a 4-year health and safety programme, 'Success Through Safety'. As part of this initiative, guidelines for occupational health are being developed. In the third quarter, a new corporate guideline regarding Noise Exposure Management was introduced with the aim to reduce exposure to noise. In addition, the "One Winning Team" safety awareness training roll-out continued, and over 1100 individuals have been trained globally. Wärtsilä is committed to continuing the implementation of this training programme, aiming to have all front-line employees trained by the end of 2025. In Q3, the corporate total recordable injury frequency rate (TRIF) was 2.07 (2.62).

Wärtsilä above sector average in all relevant ESG indices and rankings
Wärtsilä's ratings in the most relevant sustainable development indices and rankings:

Rating	Scale	Wärtsilä score	Sector average	Year
CDP	D- to A	Climate B- Water C	Climate C Water C	2023
Dow Jones*	0 to 100	63**	21	2023
Ecovadis	0 to 100 Bronze to Platinum	65 Silver	N/A	2024
FTSE Russell	1 to 5	3.5	2.2	2023
MSCI	CCC to AAA	AAA	AA	2024
Sustainalytics	100 to 0	24***	29	2024

*Wärtsilä is listed in DJSI Europe **Percentile ranking in the sector: among the best 3% ***ESG risk rating is scored on 0-100 range, with 0 being the highest and 100 the lowest score

Reporting segment: Wärtsilä Marine

Key figures

MEUR	7–9/2024	7–9/2023*	Change	1–9/2024	1–9/2023*	Change	2023*
Order intake	**902**	902	0%	**2,719**	2,417	13%	3,261
of which services	**550**	495	11%	**1,713**	1,506	14%	2,004
of which equipment	**352**	408	-14%	**1,006**	911	10%	1,257
Order book, end of period				**3,289**	2,751	20%	2,808
Net sales	**739**	671	10%	**2,206**	2,041	8%	2,800
of which services	**486**	454	7%	**1,498**	1,370	9%	1,862
of which equipment	**253**	217	17%	**708**	671	5%	938
Comparable operating result	**77**	67	14%	**260**	213	22%	312
% of net sales	**10.4**	10.0		**11.8**	10.4		11.2
Operating result	**91**	60	52%	**264**	219	21%	276
% of net sales	**12.4**	9.0		**12.0**	10.7		9.9

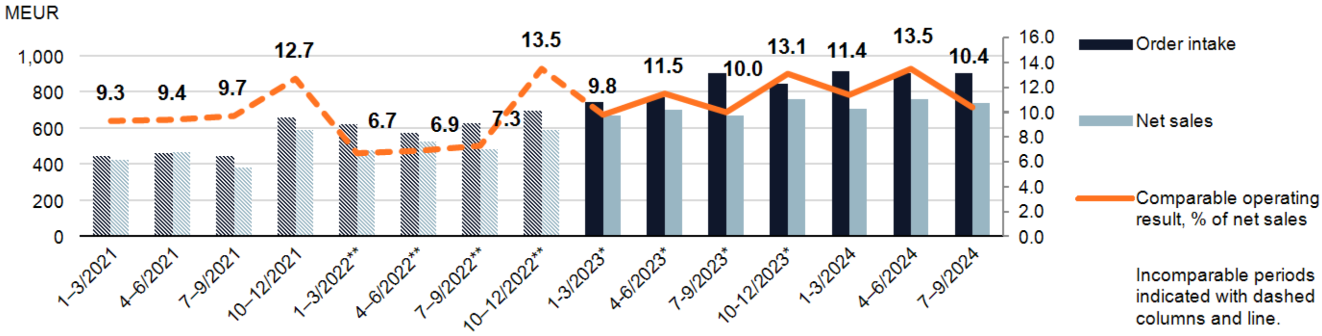
Order intake bridge

MEUR	7–9/2024	1–9/2024
2023*	**902**	**2,417**
Organic	1%	15%
Acquisitions and divestments	0%	0%
FX impact	-1%	-2%
2024	**902**	**2,719**

Net sales bridge

MEUR	7–9/2024	1–9/2024
2023*	**671**	**2,041**
Organic	11%	10%
Acquisitions and divestments	0%	0%
FX impact	-1%	-1%
2024	**739**	**2,206**

Quarterly development



*Restated to reflect the redefined organisational structure as of 1 January 2024, as the Exhaust Treatment and Shaft Line Solutions business units were moved from Marine Systems to Marine Power, and Marine Power changed its name to Marine.
**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 (after the integration into a new business unit)

Financial development in July–September

Order intake remained stable. Service order intake increased by 11%, driven mainly by the merchant and offshore segments. Equipment order intake decreased by 14%. The comparison period was supported by higher equipment orders from the ferry segment.

Net sales increased by 10%. Service net sales increased by 7%, supported mainly by the offshore and ferry segments. Equipment net sales increased by 17%, supported by the merchant and offshore segments.

The **comparable operating result** amounted to EUR 77 million (67) or 10.4% of net sales (10.0). The result was supported by higher service volumes and better operating leverage stemming from increased net sales. The comparable operating margin increased despite a less favourable mix between equipment and services. Items affecting comparability totalled EUR 15 million (-7) and were mainly related to the restructuring of engine manufacturing in Europe.

Financial development in January–September

Order intake increased by 13%. Service order intake increased by 14%, driven mainly by the merchant, navy and ferry segments. Equipment order intake increased by 10%, supported mainly by the special vessel and merchant segments.

Net sales increased by 8%. Service net sales increased by 9%, supported mainly by the offshore and cruise segments. Equipment net sales increased by 5% supported mainly by the merchant segment.

The **comparable operating result** amounted to EUR 260 million (213) or 11.8% of net sales (10.4). The result was supported by higher service volumes and better operating leverage stemming from increased net sales, but negatively impacted by the increased R&D cost to support the development of decarbonisation technology, as well as increased depreciation and amortisation. Items affecting comparability totalled EUR 4 million (6) and were mainly related to the restructuring of engine manufacturing in Europe.

Reporting segment: Wärtsilä Energy

Key figures

MEUR	7–9/2024	7–9/2023	Change	1–9/2024	1–9/2023	Change	2023
Order intake	**553**	679	-19%	**2,032**	2,173	-7%	3,041
of which services	**284**	299	-5%	**930**	975	-5%	1,306
of which equipment	**269**	380	-29%	**1,101**	1,198	-8%	1,735
Order intake, power plants	**500**	418	20%	**1,511**	1,380	9%	1,985
Order intake, energy storage	**53**	261	-80%	**521**	793	-34%	1,056
Order book, end of period				**2,803**	2,620	7%	2,693
Net sales	**804**	613	31%	**1,873**	1,891	-1%	2,610
of which services	**280**	264	6%	**831**	800	4%	1,095
of which equipment	**524**	349	50%	**1,042**	1,091	-4%	1,515
Net sales, power plants	**543**	401	35%	**1,337**	1,235	8%	1,684
Net sales, energy storage	**261**	211	24%	**537**	655	-18%	926
Comparable operating result	**84**	51	64%	**199**	130	54%	219
% of net sales	**10.5**	8.4		**10.6**	6.9		8.4
% of net sales, 12 months rolling, energy storage	**4**	0					1
Operating result	**85**	51	68%	**199**	126	58%	209
% of net sales	**10.6**	8.3		**10.6**	6.7		8.0

Order intake Energy

	7–9/2024	7–9/2023	Change	1–9/2024	1–9/2023	Change
Gas, MW	**215**	83	157%	**639**	345	85%
Oil, MW	**56**	16	253%	**93**	16	481%
Storage, MWh	**411**	1,003	-59%	**2,758**	2,964	-7%
Other*, MW	**0**	-	-	**56**	-	-

*Includes biofuel power plants and solar installations

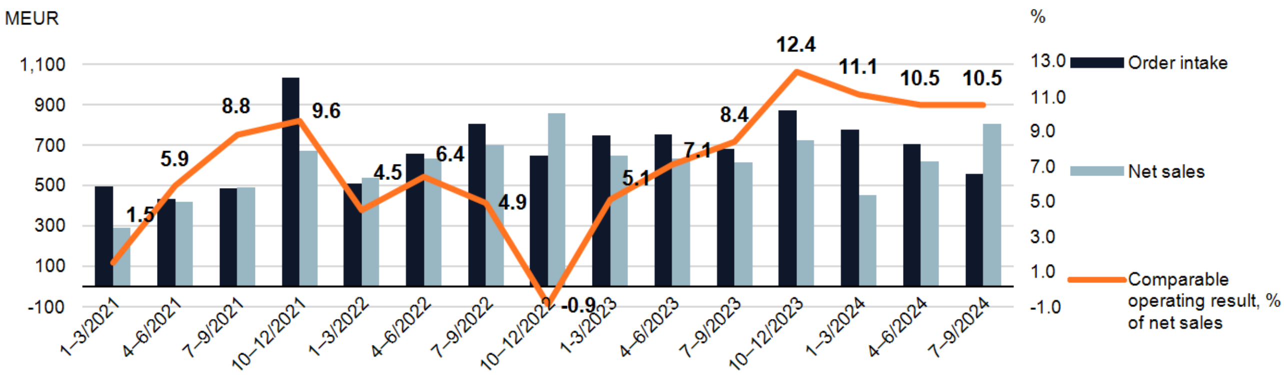
Order intake bridge

MEUR	7–9/2024	1–9/2024
2023	**679**	**2,173**
Organic	-13%	0%
Acquisitions and divestments	0%	0%
FX impact	-5%	-7%
2024	**553**	**2,032**

Net sales bridge

MEUR	7–9/2024	1–9/2024
2023	**613**	**1,891**
Organic	35%	2%
Acquisitions and divestments	0%	0%
FX impact	-4%	-3%
2024	**804**	**1,873**

Quarterly development



Financial development in July–September

Order intake decreased by 19%. Service order intake decreased by 5%, mainly due to the comparison period including a few sizable upgrade projects. Equipment order intake decreased by 29%, attributable to timing of Energy Storage & Optimisation orders, as some project closings were deferred to later quarters. The average size of projects in Energy Storage & Optimisation has increased, which has contributed to the lumpiness of the business. Equipment order intake in Engine Power Plants increased.

Net sales increased by 31%. Service net sales increased by 6%, supported mainly by upgrade projects. Equipment net sales increased by 50%, supported by high Engine Power Plant deliveries during the quarter and increased sales in Energy Storage & Optimisation. In 2024, equipment deliveries and revenue recognition in Energy are tilted towards the second half of the year.

The **comparable operating result** amounted to EUR 84 million (51) or 10.5% of net sales (8.4). The result was supported by improved profitability in Energy Storage & Optimisation, higher service volumes, and better operating leverage stemming from increased net sales. The comparable operating margin in Energy improved clearly despite a negative mix effect.

Financial development in January–September

Order intake decreased by 7%. Service order intake decreased by 5%, due to the comparison period having included a few sizable agreements and upgrade projects. Equipment order intake decreased by 8%, as some project closings in Energy Storage & Optimisation were deferred to later quarters, and as lower battery material prices have had a negative impact on the order intake. Order intake in Engine Power Plants increased driven by improved demand in the balancing segment. More than 80% of the order book at the end of the period consisted of engineered equipment deliveries (EEQ), compared to 40% when going into year 2022.

Net sales remained stable. Services net sales increased by 4%, supported by higher volumes in upgrade projects and spare parts. Equipment net sales decreased by 4%, resulting from lower net sales in Energy Storage & Optimisation. Equipment net sales in Engine Power Plants increased.

The **comparable operating result** amounted to EUR 199 million (130) or 10.6% of net sales (6.9) supported by higher service volumes and improved profitability in both Engine Power Plants and Energy Storage & Optimisation. The comparable operating margin improved, supported by a favourable mix between equipment and services.

Other business activities: Wärtsilä Portfolio Business

Wärtsilä Portfolio Business consists of business units which are run independently with the aim of accelerating performance improvement and unlocking value through divestments or other strategic alternatives. Currently Portfolio Business includes Automation, Navigation & Control Systems (ANCS), Gas Solutions, Marine Electrical Systems and Water & Waste.

Key figures

MEUR	7–9/2024	7–9/2023*	Change	1–9/2024	1–9/2023*	Change	2023*
Order intake	**348**	207	69%	**830**	624	33%	768
of which services	**40**	48	-17%	**161**	162	-1%	209
of which equipment	**308**	158	95%	**669**	462	45%	559
Order book, end of period				**1,491**	1,222	22%	1,192
Net sales	**175**	168	4%	**516**	439	17%	604
of which services	**41**	44	-8%	**144**	135	6%	191
of which equipment	**134**	124	8%	**372**	304	22%	413
Comparable operating result	**16**	7	140%	**25**	-22	213%	-34
% of net sales	**9.0**	3.9		**4.9**	-5.0		-5.7
Operating result	**16**	6	174%	**24**	-70	134%	-83
% of net sales	**8.9**	3.4		**4.6**	-16.0		-13.8

*Restated due to organisational changes

Financial development in July–September

Order intake increased by 69%, driven by good development in the Gas Solutions and Marine Electrical Systems business units. Services order intake decreased by 17%, while equipment order intake increased by 95%.

Net sales increased by 4%, driven by steady development in all business units. Services net sales decreased by 8%, while equipment net sales increased by 8%.

The **comparable operating result** amounted to EUR 16 million (7) or 9.0% of net sales (3.9), particularly due to good development in the Gas Solutions business unit.

Financial development in January–September

Order intake increased by 33%, driven by good development in all business units. Services order intake was stable, while equipment order intake increased by 45%.

Net sales increased by 17%, driven by good development in all business units. Services net sales increased by 6%, while equipment net sales increased by 22%.

The **comparable operating result** amounted to EUR 25 million (-22) or 4.9% of net sales (-5.0). The increase was supported by good development in all business units. Items affecting comparability totalled EUR -1 million (-48).

Risks and business uncertainties

General macro environment

The ongoing war in Ukraine and the conflict in the Middle East have resulted in a range of risks to the demand and supply environment of various commodities globally. The prolonged geopolitical tensions have increased risks related to further global fragmentation and uncertainty to the macroeconomic outlook. Business operations globally are being impacted by continued inflationary pressure, changing trade flows and volumes, tighter monetary policies, concerns over the health of the Chinese economy, rising protectionism, the sanctions in place and planned against Russia, and the rising trade tensions between China and the West. These factors are all contributing to the uncertainty in the projected global economic growth. Further escalation of any of the forementioned factors could result in increased uncertainty over future demand for the equipment and services provided by Wärtsilä. Furthermore, the volatility of the geopolitical environment, and the enforcement of sanctions or embargos, pose a risk to the company’s customer relations and international business activities. With the rapidly growing use of data in shipping and shipbuilding, as well as in the energy markets, cyber threats can potentially result in various forms of financial, operational, or reputational damage to the business. Changes in the regulatory environment, financiers' policies, or market sentiment could negatively impact the availability and cost of financing for Wärtsilä and Wärtsilä’s customers, which could result in a lower demand for Wärtsilä's solutions.

Marine markets

The shipping and shipbuilding markets are under increasing pressure to reduce carbon emissions as a result of regional regulations such as the EU’s Fit for 55, the revised and more ambitious greenhouse gas strategy from the International Maritime Organisation, green financing, and the individual sustainability goals of end-customers. This, coupled with longer trade distances resulting from increased geopolitical tensions and disruptions at key waterways, may lead to increased costs for shipowners and operators that cannot be fully passed on to end customers.

The constraints on shipyard capacity, the development and deployment of sustainable future technologies, a lack of clarity at the global level around decarbonisation-related financial incentives, and the need to find the optimal timing of investments based on financial feasibility and compliance with emission regulations may affect the investment appetite of ship owners and operators. This concerns both newbuilding programmes and the management of existing fleets and may pose a risk of the global shipping fleet not reaching targeted emissions reduction levels.

Ship owners and operators, as well as shipyards, may face risks to their business profitability due to the limited ability or desire of people to travel, a lower demand for goods because of continued high inflation or economic slowdown, as well as higher voyage, operating and financing costs. Highly indebted shipowners, operators or shipyards may not withstand the potential risk of slower than expected growth in demand, higher financing costs or a lowered credit rating.

In the offshore oil and gas industry, uncertainty around the longer-term demand for crude oil, oil price volatility, and the pressure to decarbonise are pushing oil majors to re-evaluate their spending on exploration activities and operational costs. This may lead to lower demand for offshore drilling or support assets, and can hinder newbuild investments due to concerns regarding residual asset values.

Energy markets

The overarching trend in the energy markets is the transition to renewable energy sources, such as wind and solar. The pace of this shift is the principal driver in the growth of battery energy storage and thermal balancing technologies. New technology innovations, as well as the price and availability of fuels and raw materials, affect Wärtsilä’s business. High and volatile gas prices directly impact the relative competitiveness of the portfolio against other generating technologies, especially in thermal baseload plants. Similarly, policies related to the energy and electricity markets have direct and indirect impacts on future energy capacity and the generation mix. For example, energy and climate policies may speed up or delay the energy transition. Recent years have highlighted the impact of geopolitical tensions on energy market policy and investment decisions. Concentrated supply chains in some countries and the tight competitive situation impose direct risks on Energy. Energy commodities and supply chains have been at the heart of trade policies lately, presenting risks for all energy technologies. Competition between and among energy technologies presents price pressure. Uncertainty related to any of the aforementioned factors tends to delay investment decisions.

Legal cases

The Group is a defendant in a number of legal cases that have arisen out of, or are incidental to, the ordinary course of its business. These lawsuits mainly concern issues such as contractual and other liability, labour relations, property damage, and regulatory matters. From time to time, the Group receives claims of different amounts and with varying degrees of substantiation. There is currently one unusually sizeable claim. It is the Group’s policy to provide for amounts related to the claims as well as for litigation and arbitration matters when an unfavourable outcome is probable, and the amount of loss can be reasonably estimated.

The annual report contains a more detailed description of Wärtsilä’s risks and risk management.

Additional information

Decisions taken by the Annual General Meeting

Wärtsilä's Annual General Meeting was held on 7 March 2024 at Messukeskus, Helsinki. The Meeting approved the financial statements for the year 2023, reviewed the Remuneration Report 2023 for Governing Bodies, and discharged the members of the Board of Directors and the company's President & CEO from liability for the financial year 2023.

Decisions taken by the Annual General Meeting can be seen from Wärtsilä's website.

Dividend distribution
The Annual General Meeting approved the Board of Directors' proposal to pay a dividend of EUR 0.32 per share, with the dividend to be paid in two instalments. The first instalment of EUR 0.16 per share was paid on 18 March 2024. The second instalment of EUR 0.16 per share was paid on 18 September 2024.

Shares

In January–September, the number of shares traded on Nasdaq Helsinki was 158,920,899 shares, equivalent to a turnover of EUR 2,643 million. Wärtsilä's shares are also traded on alternative exchanges, including Turquoise, BATS, Chi-X and CBOE DXE. The total trading volume on these alternative exchanges amounted to 72,018,646 shares.

The number of Wärtsilä's shares outstanding as at 30.9.2024 was 589,080,815, and the number of treasury shares was 2,642,575.

Wärtsilä’s interim report January–September 2024

This interim report is prepared in accordance with IAS® Standard 34 (Interim Financial Reporting) using the same accounting policies and methods of computation as in the annual financial statements for 2023, except for the new and amended IFRS® Accounting Standards stated below. All figures in the accounts have been rounded and consequently the sum of individual figures can deviate from the presented sum figure.

This interim report is unaudited.

Use of estimates

Preparation of the financial statements in accordance with the IFRS Accounting Standards requires management to make judgements, estimates, and assumptions that affect the valuation of the reported assets and liabilities, as well as other information, such as contingent assets and liabilities and the recognition of income and expenses in the statement of income. Although these continuously evaluated judgements, estimates, and assumptions are based on management’s past experience and best knowledge of current events and actions, as well as expectations of future events, actual results may differ from the estimates.

For Wärtsilä, the most significant judgements, estimates, and assumptions made by the management relate to, for example, revenue recognition, especially project estimates for long-term projects and agreements, impairment testing, valuation of trade receivables, contract assets and inventories, determining the length of lease terms, defined benefit pension obligations, recognition of warranty provisions and provisions for litigation, and uncertain tax positions. In addition, valuation of assets held for sale requires the use of estimates.

Organisational changes

As of 1 January 2024, business units Exhaust Treatment and Shaft Line Solutions have been transferred from Wärtsilä Marine Systems to Wärtsilä Marine Power, and business unit Gas Solutions has been transferred from Marine Systems to Wärtsilä Portfolio Business. Consequently, Wärtsilä Marine Systems no longer constitutes an organisational unit or a reporting segment, and the name of Marine Power has been changed to Marine.

The segment-related comparison figures for 2023 have been restated to reflect the current organisational structure. The segment-related comparison figures for 2022 (available in Quarterly figures) have not been restated accordingly, they represent the organisational structure as it was at the end of 2023.

Own shares and equity-settled share-based payments

At the beginning of 2024, the total amount of own shares held by the Company was 2,700,000. The shares are to be used for pay-outs under the share-based incentive programmes of Wärtsilä Corporation. During the year, 57,425 own shares were used to settle share-based payments resulting in the total amount of 2,642,575 at the end of the reporting period.

Wärtsilä has long-term incentive schemes, which can be settled in company shares. These contingently issuable ordinary shares and unvested shares are issuable when certain pre-defined conditions in the incentive programmes are met during a timeframe set in the incentive programmes’ conditions. If the settlement were to happen at the reporting date, it would result in issuing 706,783 shares. These shares are considered as potential ordinary shares causing dilutive effect on the EPS.

Number of shares outstanding on 1 January 2024	**589,023,390**
Share-based payments settled in company shares	57,425
Number of shares outstanding on 30 September 2024	**589,080,815**
Weighted average number of shares outstanding during the period	**589,068,659**
Weighted average number of dilutive potential ordinary shares during the period	
Contingently issuable ordinary shares	298,656
Unvested shares	408,127
Weighted average number of shares outstanding during the period to be used in the calculation of diluted EPS	**589,775,442**

New and amended Accounting Standards

In 2024, the Group has adopted the following new and amended Accounting Standards issued by the International Accounting Standards Board (IASB):

Amendments to IAS 1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date. The amendments have no impact on the consolidated financial statements.

Amendments to IFRS 16 Leases specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction. The amendments have no impact on the consolidated financial statements.

Supplier Finance Arrangements amends IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments increase the transparency of supplier finance arrangements and their effects on liabilities, cash flows and exposure to liquidity risk. The amendments merely increase the amount of disclosed information.

Other new or amended Accounting Standards already effective do not have a significant impact on the consolidated financial statements or other disclosures.

Later, the Group will adopt the following new and amended standards issued by IASB:

Lack of Exchangeability* amends IAS 21 The Effects of Changes in Foreign Exchange Rates. The amendment specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. The amendments will have no impact on the consolidated financial statements.

New Accounting Standard IFRS 18 Presentation and Disclosure in Financial Statements* improves the quality of financial reporting by requiring defined subtotals in the statement of profit or loss and disclosure about management-defined performance measures, as well as adding new principles for aggregation and disaggregation of information. The standard merely changes the presentation of disclosed information and increases the amount of disclosed information.

Amendments* to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures clarify that a financial asset or liability is recognised or derecognised on the settlement date, and introduce an option to derecognise financial liabilities settled through electronic payment system at an earlier date if certain criteria is met. The amendments also clarify how to assess the contractual cash flow characteristics of certain financial assets, such as ESG-related, and affect disclosure requirements. The amendments are not expected to have a significant impact on the consolidated financial statements.

Other new or amended Accounting Standards not yet effective are not expected to have a significant impact on the consolidated financial statements or other disclosures.

* Not yet endorsed for adoption by the European Commission as of 30 September 2024.

Condensed statement of income

MEUR	7–9/2024	7–9/2023	1–9/2024	1–9/2023	2023
Net sales	**1,718**	1,452	**4,595**	4,371	6,015
Other operating income	**25**	14	**53**	57	96
Expenses	**-1,512**	-1,316	**-4,051**	-4,007	-5,516
Result from net position hedges	**-5**	-1	**-9**	-6	-9
Depreciation, amortisation and impairment	**-38**	-34	**-110**	-148	-193
Share of result of associates and joint ventures	**4**	2	**8**	6	9
Operating result	**192**	117	**487**	274	402
Financial income and expenses	**-2**	-9	**-18**	-30	-37
Result before taxes	**190**	107	**469**	245	364
Income taxes	**-47**	-25	**-122**	-72	-95
Result for the reporting period	**144**	82	**346**	173	269
Attributable to:					
equity holders of the parent company	**143**	81	**343**	163	258
non-controlling interests	**1**	1	**3**	9	12
	144	82	**346**	173	269
Earnings per share attributable to equity holders of the parent company:					
Earnings per share (EPS), basic and diluted, EUR	**0.24**	0.14	**0.58**	0.28	0.44

Condensed statement of comprehensive income

MEUR	7–9/2024	7–9/2023	1–9/2024	1–9/2023	2023
Result for the reporting period	**144**	82	**346**	173	269
Other comprehensive income, net of taxes:					
Items that will not be reclassified to the statement of income					
Remeasurements of defined benefit liabilities			**-1**		1
Total items that will not be reclassified to the statement of income			**-1**		1
Items that may be reclassified subsequently to the statement of income					
Exchange rate differences on translating foreign operations					
for equity holders of the parent company	**-9**	13	**-1**	-4	-25
for non-controlling interests	**-1**		**-1**	-1	-2
transferred to the statement of income				-11	-11
Associates and joint ventures, share of other comprehensive income		1		-2	-2
Cash flow hedges	**7**	5	**-13**	3	24
Tax on items that may be reclassified to the statement of income	**-3**				-2
Total items that may be reclassified to the statement of income	**-5**	19	**-15**	-15	-19
Other comprehensive income for the reporting period, net of taxes	**-5**	19	**-16**	-15	-17
Total comprehensive income for the reporting period	**139**	102	**330**	158	252
Total comprehensive income attributable to:					
equity holders of the parent company	**138**	102	**328**	159	247
non-controlling interests			**2**	-1	4
	139	102	**330**	158	252

Condensed statement of financial position

MEUR	30.9.2024	30.9.2023	31.12.2023
Non-current assets			
Intangible assets	**1,702**	1,672	1,675
Property, plant and equipment	**308**	303	307
Right-of-use assets	**265**	263	255
Investments in associates and joint ventures	**37**	31	33
Other investments	**17**	19	19
Deferred tax assets	**215**	202	212
Other receivables	**48**	64	51
Total non-current assets	**2,591**	2,553	2,551
Current assets			
Inventories	**1,577**	1,523	1,485
Other receivables	**1,913**	2,032	1,943
Cash and cash equivalents	**1,188**	601	819
Total current assets	**4,677**	4,155	4,247
Assets held for sale	**6**	5	5
Total assets	**7,274**	6,713	6,803
Equity			
Share capital	**336**	336	336
Other equity	**2,036**	1,786	1,888
Total equity attributable to equity holders of the parent company	**2,373**	2,122	2,225
Non-controlling interests	**6**	6	8
Total equity	**2,379**	2,128	2,232
Non-current liabilities			
Lease liabilities	**227**	230	224
Other interest-bearing debt	**411**	563	515
Deferred tax liabilities	**62**	42	69
Other liabilities	**281**	297	318
Total non-current liabilities	**981**	1,132	1,126
Current liabilities			
Lease liabilities	**45**	45	44
Other interest-bearing debt	**100**	123	76
Other liabilities	**3,769**	3,285	3,326
Total current liabilities	**3,915**	3,453	3,445
Total liabilities	**4,896**	4,585	4,571
Total equity and liabilities	**7,274**	6,713	6,803

Condensed statement of cash flows

MEUR	7–9/2024	7–9/2023	1–9/2024	1–9/2023	2023
Cash flow from operating activities:					
Result for the reporting period	**144**	82	**346**	173	269
Adjustments for:					
depreciation, amortisation and impairment	**38**	34	**110**	148	193
financial income and expenses	**2**	9	**18**	30	37
gains and losses on sale of intangible assets and property, plant and equipment and other changes	**2**		**1**	-1	-1
share of result of associates and joint ventures	**-4**	-2	**-8**	-6	-9
income taxes	**47**	25	**122**	72	95
other non-cash flow adjustments	**5**	2	**9**	-17	-4
Cash flow before changes in working capital	**233**	150	**599**	398	581
Changes in working capital	**92**	90	**277**	127	350
Cash flow from operating activities before financial items and taxes	**325**	241	**876**	525	931
Financial items and paid taxes	**-29**	-28	**-106**	-93	-109
Cash flow from operating activities	**296**	213	**770**	432	822
Cash flow from investing activities:					
Investments in shares and acquisitions					-1
Net investments in property, plant and equipment and intangible assets	**-32**	-30	**-104**	-96	-146
Proceeds from sale of shares in subsidiaries, associated companies and other investments	**6**		**6**	7	8
Cash flow from other investing activities	**4**		**4**		
Cash flow from investing activities	**-23**	-30	**-94**	-89	-138
Cash flow from financing activities:					
Repayments to non-controlling interests				-5	-5
Repurchase of own shares				-10	-10
Proceeds from non-current debt		75		176	176
Repayments and other changes in non-current debt	**-19**	-11	**-117**	-222	-321
Changes in current loans and other changes		-86	**-4**	8	8
Dividends paid	**-84**	-66	**-181**	-144	-156
Cash flow from financing activities	**-103**	-88	**-302**	-198	-308
Change in cash and cash equivalents, increase (+)/decrease (-)	**169**	95	**374**	146	375
Cash and cash equivalents at the beginning of the reporting period*	**1,023**	505	**819**	464	464
Exchange rate changes	**-4**		**-5**	-9	-19
Cash and cash equivalents at the end of the reporting period*	**1,188**	601	**1,188**	601	819

* Cash and cash equivalents include the cash and cash equivalents pertaining to assets held for sale.

Condensed statement of changes in equity

	Total equity attributable to equity holders of the parent company						Non-controlling interests	Total equity
MEUR	**Share capital**	**Share premium**	**Translation difference**	**Fair value reserve**	**Remeasurements of defined benefit liabilities**	**Retained earnings**		
Equity on 1 January 2024	**336**	**61**	**-188**	**31**	**-4**	**1,989**	**8**	**2,232**
Total comprehensive income for the reporting period			**-1**	**-13**	**-1**	**343**	**2**	**330**
Transactions with equity holders of the parent company and non-controlling interests								
Dividends paid						**-188**	**-4**	**-193**
Share-based payments						**8**		**8**
Equity on 30 September 2024	**336**	**61**	**-189**	**18**	**-5**	**2,153**	**6**	**2,379**

	Total equity attributable to equity holders of the parent company						Non-controlling interests	Total equity
MEUR	**Share capital**	**Share premium**	**Translation difference**	**Fair value reserve**	**Remeasurements of defined benefit liabilities**	**Retained earnings**		
Equity on 31 December 2022	336	61	-156	9	-5	1,889	12	2,146
Restatement due to IAS 12						1		1
Equity on 1 January 2023	336	61	-156	9	-5	1,891	12	2,148
Total comprehensive income for the reporting period			-12	4		163	3	158
Other changes						-9	-5	-14
Transactions with equity holders of the parent company and non-controlling interests								
Dividends paid						-153	-3	-156
Repurchase of own shares						-10		-10
Share-based payments						3		3
Equity on 30 September 2023	336	61	-167	13	-5	1,885	6	2,128

Segment information

Wärtsilä's reportable segments are Marine and Energy. Furthermore, Wärtsilä reports Portfolio Business as other business activities.

The segment related comparison figures for 2023 have been restated to reflect the current organisational structure.

MEUR	7–9/2024	7–9/2023	1–9/2024	1–9/2023	2023
Net sales					
Marine	**739**	671	**2,206**	2,041	2,800
Energy	**804**	613	**1,873**	1,891	2,610
Portfolio Business	**175**	168	**516**	439	604
Total	**1,718**	1,452	**4,595**	4,371	6,015
Depreciation, amortisation and impairment					
Marine	**-25**	-23	**-74**	-67	-100
Energy	**-9**	-8	**-26**	-24	-33
Portfolio Business	**-3**	-3	**-10**	-56	-60
Total	**-38**	-34	**-110**	-148	-193
Share of result of associates and joint ventures					
Marine	**4**	3	**8**	6	9
Total	**4**	2	**8**	6	9
Operating result					
Marine	**91**	60	**264**	219	276
Energy	**85**	51	**199**	126	209
Portfolio Business	**16**	6	**24**	-70	-83
Total	**192**	117	**487**	274	402
Operating result as a percentage of net sales (%)					
Marine	**12.4**	9.0	**12.0**	10.7	9.9
Energy	**10.6**	8.3	**10.6**	6.7	8.0
Portfolio Business	**8.9**	3.4	**4.6**	-16.0	-13.8
Total	**11.2**	8.0	**10.6**	6.3	6.7
Comparable operating result					
Marine	**77**	67	**260**	213	312
Energy	**84**	51	**199**	130	219
Portfolio Business	**16**	7	**25**	-22	-34
Total	**177**	125	**485**	320	497
Comparable operating result as a percentage of net sales (%)					
Marine	**10.4**	10.0	**11.8**	10.4	11.2
Energy	**10.5**	8.4	**10.6**	6.9	8.4
Portfolio Business	**9.0**	3.9	**4.9**	-5.0	-5.7
Total	**10.3**	8.6	**10.5**	7.3	8.3

Net sales by geographical areas

MEUR	7–9/2024	7–9/2023	1–9/2024	1–9/2023	2023
Europe	**483**	506	**1,459**	1,388	1,954
Asia	**439**	441	**1,195**	1,269	1,678
The Americas	**523**	356	**1,354**	1,273	1,757
Other	**273**	149	**587**	441	627
Total	**1,718**	1,452	**4,595**	4,371	6,015

Service net sales

MEUR	7–9/2024	7–9/2023	1–9/2024	1–9/2023	2023
Marine, service	**486**	454	**1,498**	1,370	1,862
Energy, service	**280**	264	**831**	800	1,095
Portfolio Business, service	**41**	44	**144**	135	191
Total	**807**	762	**2,473**	2,305	3,148

Measures of profit and items affecting comparability

MEUR	7–9/2024	7–9/2023	1–9/2024	1–9/2023	2023
Comparable adjusted EBITA	**181**	130	**499**	336	518
Purchase price allocation amortisation	**-5**	-5	**-14**	-15	-20
Comparable operating result	**177**	125	**485**	320	497
Items affecting comparability:					
Social plan costs	**29**	-5	**28**	-3	-42
Impairment and write-downs		2		-35	-43
Gains and losses on disposal of assets	**2**		**3**	12	11
Other costs	**-16**	-5	**-28**	-19	-21
Items affecting comparability, total	**15**	-8	**2**	-46	-95
Operating result	**192**	117	**487**	274	402

Items affecting comparability include EUR 7 million of net income related to the restructuring of engine manufacturing in Europe and EUR 4 million of income related to sale of other investments, as well as EUR -9 million of other income and other costs.

Assets held for sale

Wärtsilä has classified certain non-current assets relating to ending the 4-stroke engine manufacturing in Trieste, Italy as assets held for sale.

In July 2022, Wärtsilä announced its plan to ramp down manufacturing in Trieste, Italy and to centralise its 4-stroke engine manufacturing in Europe to Vaasa, Finland. Engine manufacturing in Trieste belongs to Marine.

All assets held for sale are valued at the lower of book value or fair value.

Disaggregation of revenue

Revenue from contracts with customers is derived over time and at a point in time from the following revenue types.

Net sales by revenue type and timing of satisfying performance obligations

MEUR	7–9/2024	7–9/2023	1–9/2024	1–9/2023	2023
At a point in time					
Products	**380**	367	**1,183**	1,100	1,475
Goods and services	**164**	164	**517**	496	697
Projects	**517**	363	**1,255**	1,043	1,450
Total	**1,061**	894	**2,955**	2,639	3,622

Over time					
Projects	**475**	383	**1,097**	1,205	1,688
Long-term agreements	**183**	176	**542**	527	705
Total	**657**	558	**1,640**	1,732	2,393
Total	**1,718**	1,452	**4,595**	4,371	6,015

Product sales consist of sales of spare parts and standard equipment, for which the revenue is recognised at a point in time when the control of the product has transferred to the customer, in general upon delivery of the goods.

Goods and services -type of revenue involves short-term field service jobs, including the delivery of a combination of service and equipment. The revenue is recognised at a point in time when the service is rendered.

Projects are of both short- and long-term duration. Depending on the contract terms and the duration of the project, the revenue is recognised at a point in time or over time. In large-scale system or equipment deliveries which require engineering, for example power plants and gas solutions construction contracts, the revenue is recognised over time. Revenue from tailor-made equipment delivery projects is recognised at a point in time when the control of the equipment is transferred, in general upon delivery, and revenue from service-related projects, such as modernisation and upgrade projects is recognised over time.

Long-term agreements include long-term operating and maintenance agreements for which the revenue is recognised over time.

Intangible assets and property, plant and equipment

MEUR	1–9/2024	1–9/2023	2023
Intangible assets			
Carrying amount on 1 January	**1,675**	1,680	1,680
Changes in exchange rates	**9**	7	-3
Acquisitions and disposals		-25	-25
Additions	**60**	60	95
Amortisation and impairment	**-42**	-75	-97
Decreases and reclassifications		26	25
Carrying amount at the end of the reporting period	**1,702**	1,672	1,675
Property, plant and equipment			
Carrying amount on 1 January	**307**	304	304
Changes in exchange rates	**-1**	-1	-2
Acquisitions and disposals		-8	-8
Additions	**51**	38	54
Depreciation and impairment	**-30**	-35	-46
Decreases and reclassifications	**-19**	5	5
Carrying amount at the end of the reporting period	**308**	303	307

Additional impairment testing of cash generating unit Marine Systems

Due to the new organisational structure, Wärtsilä performed an intermediate impairment testing of goodwill during the first quarter of 2024 for cash generating unit (CGU) Marine Systems. As a result of the impairment test, no impairment loss for the CGU was recognised for the reporting period ended 31 March 2024. Going forward, impairment testing of goodwill is only conducted on Marine, Energy and Portfolio Business level, as Marine Systems no longer constitutes an organisational unit nor a reportable segment.

Leases

MEUR	1–9/2024	1–9/2023	2023
Land and buildings, right-of-use assets			
Carrying amount on 1 January	**246**	248	248
Changes in exchange rates	**-1**	-2	-3
Additions	**47**	48	50
Depreciation and impairment	**-34**	-34	-45
Decreases and reclassifications	**-5**	-5	-5
Carrying amount at the end of the reporting period	**254**	254	246
Machinery and equipment, right-of-use assets			
Carrying amount on 1 January	**9**	10	10
Additions	**7**	4	6
Depreciation and impairment	**-4**	-4	-6
Decreases and reclassifications		-1	-1
Carrying amount at the end of the reporting period	**11**	9	9
Lease liabilities			
Carrying amount on 1 January	**268**	266	266
Changes in exchange rates	**-1**	-2	-2
Additions	**49**	52	56
Interest expenses	**-1**	1	2
Payments	**-38**	-36	-48
Other adjustments	**-5**	-5	-6
Carrying amount at the end of the reporting period	**272**	275	268
Amounts recognised in statement of income			
Depreciation and impairment	**-38**	-38	-51
Interest expenses	**-7**	-6	-8
Expense – short-term leases	**-21**	-24	-31
Expense – leases of low-value assets	**-5**	-5	-6
Expense – variable lease payments	**-6**	-7	-9

Gross capital expenditure

MEUR	1–9/2024	1–9/2023	2023
Investments in securities and acquisitions			1
Investments in intangible assets and property, plant and equipment	**111**	98	148
Total	**111**	98	149

Net interest-bearing debt

MEUR	30.9.2024	30.9.2023	31.12.2023
Lease liabilities, non-current	**227**	230	224
Other interest-bearing debt, non-current	**411**	563	515
Lease liabilities, current	**45**	45	44
Other interest-bearing debt, current	**100**	123	76
Total interest-bearing liabilities	**784**	961	858
Interest-bearing receivables		-4	-4
Cash and cash equivalents	**-1,188**	-601	-819
Total interest-bearing assets	**-1,189**	-605	-823
Total net interest-bearing debt	**-405**	356	35

Financial ratios

	1–9/2024	1–9/2023	2023
Earnings per share (EPS), basic and diluted, EUR	**0.58**	0.28	0.44
Equity per share, EUR	**4.03**	3.60	3.78
Solvency ratio, %	**36.9**	35.2	37.0
Gearing	**-0.17**	0.17	0.02
Return on investment (ROI), %	**20.9**	11.0	13.9
Return on equity (ROE), %	**19.7**	9.5	12.3

The financial ratios include assets and liabilities pertaining to assets held for sale.

Personnel

	1–9/2024	1–9/2023	2023
On average	**18,049**	17,629	17,666
At the end of the reporting period	**18,171**	17,696	17,807

Contingent liabilities

MEUR	30.9.2024	30.9.2023	31.12.2023
Mortgages	**10**	10	10
Chattel mortgages and other pledges and securities	**11**	11	13
Total	**21**	21	23
Guarantees and contingent liabilities			
on behalf of Group companies	**1,168**	1,052	997
Nominal amounts of lease liabilities			
Low-value lease liabilities	**13**	10	12
Short-term lease liabilities	**3**	3	4
Leases not yet commenced, but to which Wärtsilä is committed	**16**	12	14
Residual value guarantee	**104**	90	90
Total	**1,304**	1,167	1,117

Nominal values of derivative instruments

MEUR	Total amount	of which closed
Non-deliverable forwards	**4**	
Interest rate swaps	**170**	
Cross currency swaps	**156**	
Foreign exchange forward contracts	**2,102**	**1,131**
Total at the end of the reporting period	**2,433**	**1,131**

In addition, the Group had copper swaps amounting to 1,305 tons.

Fair values

Fair value measurements at the end of the reporting period:

MEUR	Carrying amounts of the statement of financial position items	Fair value
Financial assets		
Other investments (level 3)	**17**	**17**
Other receivables, non-current (level 2)	**1**	**1**
Derivatives (level 2)	**37**	**37**
Financial liabilities		
Interest-bearing debt, non-current (level 2)	**638**	**634**
Derivatives (level 2)	**29**	**29**

Quarterly figures

MEUR	7–9/ 2024	4–6/ 2024	1–3/ 2024	10–12/ 2023	7–9/ 2023	4–6/ 2023	1–3/ 2023	10–12/ 2022	7–9/ 2022
Order intake									
Marine	**902**	**901**	**916**	844	902	771	744		
Marine Power								693	627
Marine Systems								126	89
Energy	**553**	**705**	**774**	868	679	750	744	646	805
Portfolio Business	**348**	**248**	**234**	144	207	166	252	173	95
Total	**1,803**	**1,854**	**1,924**	1,856	1,787	1,687	1,739	1,638	1,616
Order book at the end of the reporting period									
Marine	**3,289**	**3,155**	**3,008**	2,808	2,751	2,535	2,493		
Marine Power								2,273	2,250
Marine Systems								434	499
Energy	**2,803**	**3,120**	**3,033**	2,693	2,620	2,548	2,483	2,376	2,702
Portfolio Business	**1,491**	**1,332**	**1,252**	1,192	1,222	1,165	1,177	823	779
Total	**7,583**	**7,607**	**7,294**	6,694	6,594	6,249	6,153	5,906	6,229
Net sales									
Marine	**739**	**759**	**708**	759	671	701	669		
Marine Power								589	484
Marine Systems								207	159
Energy	**804**	**617**	**452**	720	613	633	645	856	696
Portfolio Business	**175**	**179**	**162**	165	168	120	151	118	94
Total	**1,718**	**1,556**	**1,321**	1,644	1,452	1,454	1,465	1,770	1,433
Share of result of associates and joint ventures	**4**	**3**	**2**	2	2	3	1	3	2
Comparable adjusted EBITA	**181**	**180**	**137**	182	130	113	93	99	87
as a percentage of net sales	**10.6**	**11.6**	**10.4**	11.1	8.9	7.8	6.4	5.6	6.1
Depreciation, amortisation and impairment	**-38**	**-37**	**-35**	-45	-34	-81	-33	-56	-51
Purchase price allocation amortisation	**-5**	**-5**	**-5**	-5	-5	-5	-5	-5	-6
Comparable operating result	**177**	**176**	**132**	177	125	108	88	93	82
as a percentage of net sales	**10.3**	**11.3**	**10.0**	10.8	8.6	7.4	6.0	5.3	5.7
Items affecting comparability, total	**15**	**-8**	**-5**	-49	-8	-42	4	-56	-72
Operating result	**192**	**168**	**127**	128	117	66	92	37	10
as a percentage of net sales	**11.2**	**10.8**	**9.6**	7.8	8.0	4.5	6.3	2.1	0.7
Financial income and expenses	**-2**	**-8**	**-9**	-8	-9	-12	-8	-2	-2
Result before taxes	**190**	**160**	**118**	120	107	53	84	35	7
Income taxes	**-47**	**-43**	**-32**	-24	-25	-24	-23	-7	-4
Result for the reporting period	**144**	**117**	**86**	96	82	30	61	28	3
Earnings per share (EPS), basic and diluted, EUR	**0.24**	**0.20**	**0.14**	0.16	0.14	0.05	0.09	0.05	0.00
Gross capital expenditure	**37**	**39**	**36**	51	31	35	32	49	37
Investments in securities and acquisitions				1					
Cash flow from operating activities	**296**	**216**	**258**	389	213	75	145	51	100
Working capital (WCAP) at the end of the reporting period	**-501**	**-420**	**-329**	-169	43	134	105	179	108

Personnel at the end of the reporting period									
Marine	**10,702**	**10,817**	**10,657**	10,602	10,530	10,441	10,369		
Marine Power								9,157	9,200
Marine Systems								1,584	1,575
Energy	**5,639**	**5,571**	**5,460**	5,430	5,416	5,380	5,342	5,320	5,309
Portfolio Business	**1,830**	**1,835**	**1,792**	1,774	1,750	1,732	2,002	1,520	1,501
Total	**18,171**	**18,224**	**17,909**	17,807	17,696	17,553	17,713	17,581	17,585

The segment related comparison figures for 2023 have been restated to reflect the current organisational structure.

Calculations of financial ratios

Operating result
Net sales + other operating income – expenses – depreciation, amortisation and impairment +/– share of result of associates and joint ventures

Earnings per share (EPS), basic

$$\frac{\text{Result for the reporting period attributable to equity holders of the parent company}}{\text{Number of shares outstanding, average over the reporting period}}$$

Earnings per share (EPS), diluted

$$\frac{\text{Result for the reporting period attributable to equity holders of the parent company}}{\text{Number of shares outstanding, average over the reporting period + number of potential ordinary shares with dilutive effect}}$$

Items affecting comparability
Certain income and expenses are presented as items affecting comparability when they have significant impact on the consolidated statement of income. Items affecting comparability consist of income and expenses, which result from restructuring activities aiming to adjust the capacity of Wärtsilä’s operations. They may also include other income and expenses incurred outside Wärtsilä’s normal course of business, such as impairment charges, acquisition related costs, settlements recorded as a result of legal proceedings with third parties or unforeseen obligations from earlier discontinued businesses.

Comparable operating result
Operating result – items affecting comparability

Comparable adjusted EBITA
Operating result – items affecting comparability – purchase price allocation amortisation

Gross capital expenditure
Investments in securities and acquisitions + investments in intangible assets and property, plant and equipment

Net interest-bearing debt
Non-current and current lease liabilities + non-current and current other interest-bearing debt – interest-bearing receivables – cash and cash equivalents

Equity per share

$$\frac{\text{Equity attributable to equity holders of the parent company}}{\text{Number of shares outstanding at the end of the reporting period}}$$

Solvency ratio

$$\frac{\text{Equity}}{\text{Total equity and liabilities – advances received}} \quad \text{x 100}$$

Gearing

$$\frac{\text{Interest-bearing liabilities – cash and cash equivalents}}{\text{Equity}}$$

Return on investment (ROI)

$$\frac{\text{Result before taxes + interest and other financial expenses}}{\text{Total equity and liabilities – non-interest-bearing liabilities – provisions, average over the reporting period}}$$

Return on equity (ROE)

$$\frac{\text{Result for the reporting period}}{\text{Equity, average over the reporting period}}$$

Order intake
Total amount of orders received during the reporting period to be delivered either during the current reporting period or thereafter.

Order book
The presentation in value of orders that are placed by customers but not yet delivered. For service agreements, only the expected net sales for the next 24 months are included in the order book.

Working capital (WCAP)
(Inventories + trade receivables + current tax receivables + other non-interest-bearing receivables)
– (trade payables + advances received + pension obligations + provisions + current tax liabilities + other non-interest-bearing liabilities – dividend payable)

28 October 2024
Wärtsilä Corporation
Board of Directors