WÄRTSILÄ’S AGENDA FOR PROFITABLE GROWTH

Björn Rosengren
President and CEO
We are dedicated to reaching our long-term financial targets

- Grow faster than global GDP
- Reach 14% profitability
- Maintain gearing below 50%
- Dividend of at least 50% of EPS over the cycle
We aim for faster than market growth

Megatrends drive demand for our solutions

Strong presence in growth markets

Opportunities in strategic focus areas

Strengthening market position through acquisitions
But we are impacted by certain short-term challenges

- Uncertainty in the global economy
- Geopolitical tension
- Oil price development and pressure on offshore orders
Impact of oil price developments on our businesses

Power Plants
- Oil importers
- Oil exporters

Ship Power
- Other vessel segments
- Offshore vessels

Services
- Other service
- Offshore service

$/bbl

20.3.2015 $54.54
Continued demand for flexible power generation

OECD electricity consumption

Non-OECD electricity consumption

Source: IEA, BP Statistical review
Power Plants’ strategic goals

Maintain leading position in flexible baseload power plants

Grow strongly in large utility gas power plants

Grow in LNG infrastructure projects

Grow in industrial applications
Ship Power markets: Resilience in specialised vessel contracting

- Slow recovery in the global economy
- Oil price decline increasing pressure in offshore markets
- Positive outlook for cruise and ferry vessels
- Gas fundamentals remain sound
- Environmental regulations create interest in gas driven vessels and environmental solutions

Source: Clarkson Research Services
Growth opportunities in marine markets

Gas and dual-fuel solutions

Broader scope of supply

Efficiency

Environmental solutions
Services brings stability to our cyclical end markets
Installed engine base provides a foundation for growth.
Further developing our Services business

Customer first

Go digital

Asset & lifecycle management

New customer access
Continued innovation is key to future success
Our personnel is our greatest resource

- Attracting, developing and retaining key personnel
- Securing competences and motivation
- Investing in diversity
- Prioritising safety
- Ensuring high ethical standards
Profitability driven by continuous improvement

- Strengthening position and offering in core markets
- Improving Ship Power performance
- Pursuing growth in Services
- Focusing on operational excellence
- End market recovery

2010 10.7%
- Restructuring of manufacturing capacity
- Realignment of support functions
- Continued demand in Services and Power Plants

2012 10.9%
- Improving Services performance
- Transitioning into value based pricing
- Increasing accountability
- Improving efficiency through streamlining
- Contribution from joint ventures
- Divestments of loss making businesses

2014 11.9%

Target 14%
We are dedicated to reaching our long-term financial targets

- Grow faster than global GDP
  Focus on strengthening position in strategic growth markets

- Reach 14% profitability
  Enhanced performance through continuous improvement

- Maintain gearing below 50%
  Unleveraged balance sheet supports growth through acquisitions

- Dividend of at least 50% of EPS over the cycle
  Committed to providing shareholder returns
Thank you!

www.wartsila.com