Progressing towards profitable growth

Jaakko Eskola
President & CEO
OUR STRATEGIC GROWTH AGENDA

Well-positioned to benefit from market trends affecting our customers

Focused on fostering a high performance culture committed to continuous improvement, and on leveraging our global presence

Key growth areas defined around global megatrends

Committed to achieving profitable growth
Future energy investments will favor renewable power production

Source: Bloomberg New Energy Finance
Traditional baseload = coal, oil, nuclear, hydro
Other = geothermal, biomass, waste to energy, other REs
Other flexible capacity = demand response and other potential sources
Marine emission regulations are driving a shift towards gas-fuelled vessels

LNG capable fleet

Fleet growth based on current order book

Source: Clarksons Research
Environmental and economic considerations are increasing the focus on efficiency

Voyage cost breakdown of a container ship

- Bunker fuel and consumables 41%
- Handling and stevedoring 45%
- Port and canal 14%

Average OPEX breakdown of a utility power plant

- Fuel 87%
- Operation 6%
- Maintenance 7%

Source: CMA CGM Annual report 2015, data for 2014
OUR STRATEGIC GROWTH AGENDA

Well-positioned to benefit from market trends affecting our customers

Key growth areas defined around global megatrends
- Gas-based technology
- Energy efficient solutions
- Innovative solutions
We are a leader in the gas equipment markets...

Cumulative gas-fuelled vessel deliveries

Market share in gas engine power plants

Other internal combustion engines 23%

Wärtsilä 77%
…which creates growth opportunities for our Services business

Installed base according to fuel type in % of MW

![Bar chart showing installed base from 2010 to 2016 YTD](image-url)

- **4-Stroke - Oil**
- **4-Stroke - Gas**
- **2-Stroke - Oil**

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Improving efficiency is a key cornerstone in our product development
Our new innovations in hybrid solutions increase customer efficiency

Benefits of hybrid solutions:
• Fuel savings and reduced emissions
• Optimised engine operation
• Thermal power generation optimisation
Moving from hardware to software – Our digital journey

- Products equipped with sensors, enabling condition-based monitoring
- Developing our digital service offering
- Expanding our portfolio with software-based products
- Extending data analysis & modelling to external factors
- Creating customer value through optimised performance
Digitalisation increases our overall productivity

Integrated product solutions
(Eniram, Genius, UNIC)

Building blocks for digitalisation
(Smart sensors, simple user interfaces)

Productivity enablers
(Engine component traceability, parameter management)

Manufacturing models
(Robotics, Manufacturing execution system, 3D printing)

Infrastructure enablers
(Simulation clusters, connectivity, big data storage, cyber security)

Diverse research areas
(Engine simulation models, performance, big data analytics, IoT)
Focused on fostering a high performance culture committed to continuous improvement, and on leveraging our global presence. Key growth areas defined around global megatrends. Well-positioned to benefit from market trends affecting our customers.
REACHING OUR FINANCIAL TARGETS THROUGH CONTINUOUS IMPROVEMENT

LEADERSHIP & CONTINUOUS IMPROVEMENT

Value for customers
First time right
Make it visual
Demand driven flow

OPERATIONAL EXCELLENCE
... AND STRENGTHENING OUR HIGH PERFORMANCE CULTURE

Diversity
Building an inclusive company culture

Leadership
Developing excellent leaders with common goals

Continuous development
Ensuring competent and motivated personnel

Over 130 nationalities in 70 countries

Over 55,000 learning days in 2015
... AND STRENGTHENING OUR HIGH PERFORMANCE CULTURE

Safety
Creating a hazard-free working environment

High ethical standards
Ensuring responsible actions and integrity among our people

Quality
Providing the most reliable products and services in our industry

<table>
<thead>
<tr>
<th>Year</th>
<th>Lost Time Injury Frequency</th>
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<tbody>
<tr>
<td>2014</td>
<td>6.3</td>
</tr>
<tr>
<td>2015</td>
<td>2.8</td>
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QUALITY COSTS
-10%

2014 2015
North America:
- Changing energy mix
- Growing installed base
- Opportunities in environmental solutions

Europe:
- Changing energy mix
- LNG infrastructure development
- Significant shipping market
- Opportunities in environmental solutions

Asia:
- Increasing energy demand
- Target market for solar applications
- Significant shipping market, growing cruise industry
- Large installed base
- Local presence through partnerships

South America:
- Increasing energy demand
- Target market for solar applications
- Large installed base

Middle East & Africa:
- Increasing energy demand
- Target market for solar applications
- Growing installed base
WE ARE COMMITTED TO ACHIEVING OUR LONG-TERM FINANCIAL TARGETS

REACH 14% PROFITABILITY
Enhanced performance through continuous improvement

GROW FASTER THAN GLOBAL GDP
Focus on strengthening our position in strategic growth markets

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

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