SMART STRATEGIES DRIVING PROFITABLE GROWTH

Jaakko Eskola, President & CEO
The marine and energy industries are transforming

CLEAN ENVIRONMENT
A future without emissions or pollution

ENERGY INTELLIGENCE
An optimised way of producing and using energy

MARKET SHAPING & INNOVATION
A union of new technology and business models
Smart solutions are the foundation for our long-term value creation
We are accelerating our digital transformation

**ENABLE AND TRANSFORM**
- Culture & competencies
- Operating model & technology
- Data capability

**DEVELOP THE CORE**
- Product development
- Supply chain & logistics
- Sales & marketing
- Customer experience

**GROW THE NEW**
- New business model acquisition
- Corporate venturing approach
- New disruptive business model

**PROFITABLE GROWTH**
Marine market sentiment is cautiously optimistic

- Improving economic outlook
- Increasing demand for LNG
- Regulatory developments
- Emerging technologies
- New business models

Source:Clarksons Platou, Wärtsilä Internal Analysis
OUR SMART MARINE VISION

- Hybrid Ship
- Smart Routing and Voyage Planning
- Remote Emissions & Performance Monitoring
- Efficient & Green Sailing
- Safe & Automated Operations
- Collision Avoidance and Auto-Docking
- Transparent & Coordinated Port Operations
- Real-Time Visibility of Ship ETA and ETD

31 May 2018
Jaakko Eskola
Building on our smart marine competences

- Automation, navigation, and electrical systems
- Voyage optimisation
- Situational awareness
- Navigation, simulation, and traffic control
As energy markets transition to renewables and flexible capacity…

Cumulative installed capacity in OECD countries (GW)

Cumulative installed capacity in non-OECD countries (GW)

Source: Bloomberg New Energy Outlook 2017

Other includes: coal, oil, nuclear, other renewables; Flexible includes: batteries, demand response and other flexible capacity
...we continue to strengthen our position in addressable markets

Source: McCoy Power Report. Includes GT-based gas and liquid-fuelled, <500 MW power plants with prime movers above 5 MW. Includes estimated output of steam turbines for combined cycles (factor 0.5 for industrial turbines, 0.25 for aero). Oil & Gas projects not included. Other combustion engines not included – data not available.
TIPPING POINT
Existing thermal capacity replaced with flexible generation

RENEWABLE BASELOAD
Energy storage becomes affordable, enabling increase in renewable energy

100% RENEWABLE ENERGY
Flexible thermal capacity provides seasonal back-up, daily energy variations managed with storage
Customers’ interest in our new service models is increasing

![Graph showing increasing interest](image-url)

- Total installed base MW
- Installed base under agreement
Our short-term market outlook is improving…

**ENERGY SOLUTIONS**

Good demand outlook due to renewables growth and increasing electricity demand in emerging markets.

**MARINE SOLUTIONS**

Gradual market recovery, despite challenges related to overcapacity and lack of financing. Solid demand outlook.

**SERVICES**

Growth opportunities from long-term agreements and the increasing sophistication of our installed base.

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**Energy Solutions, orders**

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<th>Year</th>
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**Services, sales**

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...and we remain committed to 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

**DELIVER DIVIDEND OF ≥50% OF EPS OVER THE CYCLE**
Committed to providing shareholder returns

3% growth
12.0% profitability
Gearing 10%
Dividend per earnings 70.8%

DEVELOPMENT IN 2017