WÄRTSILÄ CORPORATION
HALF YEAR REPORT JANUARY-JUNE 2019

18 July 2019
Jaakko Eskola, President & CEO
Stable development in net sales, equipment profitability challenging
Order intake **EUR 1,377 million**, -11%
Order book at the end of the period **EUR 6,470 million**, +10%
Net sales **EUR 1,217 million**, -2%
Book-to-bill **1.13** (1.25)
Comparable operating result **EUR 113 million** (123), or **9.3% of net sales** (9.8)
Earnings per share **EUR 0.11** (0.13)
Cash flow from operating activities **EUR -37 million** (41)
Order intake affected by delayed decision-making in energy markets

Second quarter development by business area

- Wärtsilä Energy
- Wärtsilä Marine

Total services order intake

Second quarter 2019 and comparison 2018

Rolling 12m, MEUR

Q317-Q218 1,553
Q417-Q318 1,377
Q118-Q418 1,553
Q218-Q119 1,377
Q318-Q219 Q2 -11%

Order intake affected by delayed decision-making in energy markets
Slight decline in Q2 net sales – positive development in services
Book-to-bill

Rolling 12m, MEUR

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Order intake</th>
<th>Net sales</th>
<th>Book-to-bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q316-Q217</td>
<td>1.06</td>
<td>1.06</td>
<td>1.06</td>
</tr>
<tr>
<td>Q416-Q317</td>
<td>1.08</td>
<td>1.08</td>
<td>1.08</td>
</tr>
<tr>
<td>Q117-Q417</td>
<td>1.15</td>
<td>1.15</td>
<td>1.15</td>
</tr>
<tr>
<td>Q217-Q118</td>
<td>1.15</td>
<td>1.15</td>
<td>1.15</td>
</tr>
<tr>
<td>Q317-Q218</td>
<td>1.20</td>
<td>1.20</td>
<td>1.20</td>
</tr>
<tr>
<td>Q417-Q318</td>
<td>1.17</td>
<td>1.17</td>
<td>1.17</td>
</tr>
<tr>
<td>Q118-Q418</td>
<td>1.22</td>
<td>1.22</td>
<td>1.22</td>
</tr>
<tr>
<td>Q218-Q119</td>
<td>1.18</td>
<td>1.18</td>
<td>1.18</td>
</tr>
<tr>
<td>Q318-Q219</td>
<td>1.15</td>
<td>1.15</td>
<td>1.15</td>
</tr>
</tbody>
</table>
Order book distribution

<table>
<thead>
<tr>
<th></th>
<th>30.6.2018</th>
<th>30.6.2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery current year</td>
<td>2,000</td>
<td>2,500</td>
</tr>
<tr>
<td>Delivery next year or later</td>
<td>1,500</td>
<td>4,000</td>
</tr>
</tbody>
</table>

MEUR
Comparable operating result

Rolling 12m, MEUR

Review period development
MEUR
Cash flow from operating activities

Review period development

MEUR

-25 0 25 50
1-6/2018 1-6/2019

MEUR

2015 2016 2017 2018

0 100 200 300 400 500 600 700

© Wärtsilä
PUBLIC
HALF YEAR REPORT JANUARY-JUNE 2019
18 July 2019
Working capital

**Working capital / 12 months rolling net sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>Working capital</th>
<th>Total inventories</th>
<th>Advances received</th>
<th>Working capital / Net sales*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>251</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>543</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>490</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>563</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>581</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Working capital / 12 months rolling net sales
Gearing

Review period development
Wärtsilä
Marine Business
Vessel contracting declining – mix favouring specialised tonnage

Source: Clarksons, Contracting as per July 5th, 2019
CGT= gross tonnage compensated with workload
Order intake development

QTD, MEUR

Rolling 12m, MEUR

Order intake development by segment:
- Equipment:
  - Cruise & Ferry: 21%
  - Offshore: 3%
  - Navy: 34%
  - Gas carriers: 2%
  - Special Vessels: 19%
  - Merchant: 14%
  - Other: 6%

- Services:
  - Merchant: 25%
  - Others: 11%
  - Special Vessels: 11%
  - Gas carriers: 11%
  - Cruise & Ferry: 13%
  - Navy: 5%
Marine installed base covered by long-term service agreements

Optimised maintenance for Sapura’s six pipe-laying support vessels in Brazil

- The five-year agreement includes asset diagnostics to optimise the time between major repair work and increase the efficiency of the vessels’ operations.
Net sales development

QTD, MEUR

Rolling 12m, MEUR

Second quarter development
EUR 801 million (685)

- Spare parts
- Field service
- Service agreements
- Service projects
- Wärtsilä Marine, equipment
- Wärtsilä Marine total, rolling 12 months

- 24% (28)
- 49% (43)
- 16% (16)
- 4% (6)
- 7% (8)
• Smart voyage planning improves safety, lowers CO₂ emissions, and enables significant savings
• Wärtsilä’s new Navi-Planner solution utilises connectivity and AI to shorten voyage planning and auto-create a route that is safe to sail
Energy investments favouring renewables and flexibility

Gross capacity additions

Flexible capacity additions

Note: Other flexible capacity includes all possible technologies that are not running on baseload excluding peaker gas.

Order intake development

QTD, MEUR

Rolling 12m, MEUR

- Wärtsilä Energy, equipment
- Wärtsilä Energy, services
- Wärtsilä Energy total, rolling 12 months

Equipment order intake by segment

- Utilities: 67%
- Independent Power Producers: 12%
- Industrials: 11%
- Others: 21%

Services order intake by segment

- Utilities: 38%
- Independent Power Producers: 21%
- Industrials: 30%
- Others: 11%
Energy installed base covered by long-term service agreements

Bangladesh’s biggest ever service agreement signed

• Two 7-year service agreements signed for Summit’s 464 MW power plants in Bangladesh
• Contracts designed to ensure maximum availability, optimise operating costs, and enable reliable generation
Orders received for power plants globally

Order intake 1-6/2019:
950 MW (1,636)
Net sales development

QTD, MEUR

Rolling 12m, MEUR

Second quarter development
EUR 416 million (561)

- Spare parts
- Service agreements
- Service projects
- Field service

Wärtsilä Energy, equipment
Wärtsilä Energy, services
Wärtsilä Energy total, rolling 12 months
Market for gas and liquid fuel power plants, <500 MW

Rolling 12m, MW

Market shares are calculated on a 12 months rolling basis. Market data includes all Wärtsilä power plants and other manufacturers’ gas and liquid fuelled gas turbine based power plants with prime movers over 5 MW in size, as well as estimated output of steam turbines for combined cycles. The data is gathered from the McCoy Power Report. The main gas turbine competitors are GE, Siemens, Mitsubishi, and Ansaldo. Other combustion engines not included. In engine technology Wärtsilä has a leading position.
• Wärtsilä will supply a 200 MW flexible, dual-fuel baseload power plant to Cambodia on a fast-track basis
• The plant adds capacity to the grid and enables increased levels of renewable energy to be eventually integrated into the system
The demand for Wärtsilä’s services and solutions in the coming twelve months is expected to be somewhat below that of the previous twelve months (prev. in-line).

Demand by business area is anticipated to be as follows:

• Soft in Wärtsilä Marine Business (prev. solid)
• Soft in Wärtsilä Energy Business (prev. solid)
Further information:
Natalia Valtasaari
Vice President, Investor Relations
Tel. +358 (0) 10 709 5637
E-mail: natalia.valtasaari@wartsila.com