GOOD DEVELOPMENT IN NET SALES
Highlights Q3/2018

• Order intake stable at EUR 1,372 million
• Order book at the end of the period EUR 5,918 million, +16%
• Net sales EUR 1,330 million, +13%
• Book-to-bill 1.03 (1.15)
• Comparable operating result EUR 141 million (131), which represents 10.6% of net sales (11.2)
• Earnings per share EUR 0.17 (0.14)
• Cash flow from operating activities EUR 122 million (150)

Comparison figures have been restated due to the adoption of IFRS 15. EPS figures have been calculated based on the new amount of shares.
Marine Solutions and Services driving order intake

Comparison figures for 2017 have been restated due to the internal reorganisation of service activities.
Net sales boosted by growth in newbuild deliveries

Comparison figures for 2017 have been restated due to the internal reorganisation of service activities and the adoption of IFRS 15.
Net sales by business 1-9/2018

Comparison figures for 2017 have been restated due to the internal reorganisation of service activities and the adoption of IFRS 15.
Book-to-bill

Comparison figures for 2017 have been restated due to the adoption of IFRS 15.
Order book distribution

Comparison figures for 2017 have been restated due to the adoption of IFRS 15.
Comparable operating result affected by the sales mix

Comparison figures for 2017 have been restated due to the adoption of IFRS 15.
Wärtsilä’s Smart Technology Hub to be built in Vaasa, Finland

• The new centre for research, development and production is the latest tangible step in Wärtsilä’s Smart Marine and Smart Energy visions.
• The hub will enable more agile and efficient testing and development of solutions.
• Wärtsilä will invest EUR 83 million in modern testing and production technology for the hub.
Steady development in Services’ net sales

Comparison figures for 2017 have been restated due to the internal reorganisation of service activities and the adoption of IFRS 15.
Net sales distribution 1-9/2018

By product area

- **Spare parts** 48% (49)
- **Agreements** 21% (17)
- **Projects** 9% (11)
- **Field service** 23% (23)

By segment

- **Power plants** 33% (35)
- **Merchant** 24% (23)
- **Cruise & ferry** 18% (17)
- **Others** 2% (2)
- **Special vessels** 7% (7)
- **Oil&Gas** 4% (3)
- **Offshore** 4% (4)
- **Navy** 7% (8)

Total EUR 1,689 million (1,696)
Installed base covered by service agreements

MW


% of Energy Solutions’ installed base

% of Marine Solutions’ installed base

MW under agreement – Energy Solutions

MW under agreement – Marine Solutions
Quotation activity by fuel type

Calculated on a 12 months rolling basis
Energy Solutions’ order intake impacted by postponed investment decisions

Review period development
Total EUR 921 million (1,184)

- Utilities: 6%
- Independent power producers: 50%
- Industrials: 44%

Review period order intake by fuel in MW
- Gas: 60%
- Oil: 37%
- Renewables: 2%
Ordering activity highest in Asia

Order intake 1-9/2018: 1,868 MW (2,856)
Market for gas and liquid fuel power plants, <500 MW

<500 MW market volume: 20.7 GW (18.1)
Total market volume: 44.2 GW (49.8)

Market shares are calculated on a 12 months rolling basis, numbers in brackets are from the end of the previous period. Market data includes all Wärtsilä power plants and other manufacturers’ gas and liquid fuelled gas turbine based power plants with prime movers above 5 MW, as well as estimated output of steam turbines for combined cycles. The data is gathered from the McCoy Power Report. Other combustion engines not included. In engine technology Wärtsilä has a leading position.
Gradual recovery in vessel contracting

Source: Clarkson Research Services, figures exclude late contracting
* CGT= gross tonnage compensated with workload
Marine Solutions’ order intake supported by scrubbers and continued activity in the cruise and ferry segment

Comparison figures for 2017 have been restated due to the internal reorganisation of service activities.
Cash flow from operating activities

MEUR

Review period development

MEUR

2014  2015  2016  2017

1-9/2017  1-9/2018
Working capital

*Working capital / 12 months rolling net sales
Comparison figures for 2017 have been restated due to the adoption of IFRS 15.
Gearing

Review period development
Prospects for 2018

The demand for Wärtsilä’s services and solutions in 2018 is expected to improve somewhat from the previous year.

Demand by business area is anticipated to be as follows:

- Solid in Services (lowered from good)
- Good in Energy Solutions
- Good in Marine Solutions
Wärtsilä redesigns organisation to enhance customer value

• Wärtsilä Marine Business and Wärtsilä Energy Business will cover both new sales and services for the respective markets.

• Forming two business areas aims at:
  • Accelerating growth and the implementation of the Smart Marine and Smart Energy strategies.
  • Strengthening the focus on complete lifecycle solutions tailored to specific market needs.
  • Serving customers more effectively with increased flexibility and faster response times.

• The new organisation will be operational as of 1 January 2019.
THANK YOU

Further information:
Natalia Valtasaari
Director, Investor Relations
Tel. +358 (0) 10 709 5637
E-mail: natalia.valtasaari@wartsila.com