WÄRTSILÄ CORPORATION
RESULT PRESENTATION 2018
30 January 2019
Jaakko Eskola, President & CEO
GROWTH IN ORDER INTAKE AND NET SALES
Key financials 2018

- Order intake EUR 6,307 million, +12%
- Order book at the end of the period EUR 6,166 million, +21%
- Net sales EUR 5,174 million, +5%
- Book-to-bill 1.22 (1.15)
- Comparable operating result EUR 577 million (576), which represents 11.2% of net sales (11.7)
- Earnings per share EUR 0.65 (0.63)
- Cash flow from operating activities EUR 470 million (430)
- Dividend proposal EUR 0.48 per share (0.46)

Comparison figures have been restated due to the adoption of IFRS 15. Share related figures have been calculated based on the new amount of shares.
Positive development in order intake

Comparison figures for 2017 have been restated due to the internal reorganisation of service activities.
Net sales supported by increased 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 2018

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Profitability affected by group sales mix

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Solid 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 2018

By product area

- Spare parts: 47% (48)
- Agreements: 20% (17)
- Projects: 10% (12)
- Field service: 23% (24)

By segment

- Power plants: 35% (37)
- Merchant: 23% (22)
- Cruise & ferry: 17% (15)
- Special vessels: 8% (8)
- Oil & Gas: 4% (4)
- Offshore: 4% (5)
- Navy: 7% (8)
- Others: 2% (2)

Total EUR 2,426 million (2,407)
Wärtsilä to operate and maintain a 130 MW power plant in Mexico

- The power plant operates on seven Wärtsilä 50SG gas-fuelled engines.
- Plant predictability and reliability is ensured through the efficiency and flexibility of Wärtsilä’s engines, backed by operations, maintenance, and performance agreements.
Quotation activity by fuel type

Calculated on a 12 months rolling basis.
Energy Solutions’ order intake affected by slower customer decision-making

Review period development
Total EUR 1,511 million (1,685)

Utilities 4%
Independent power producers 48%
Industrials 48%

Review period order intake by fuel in MW
Oil 30%
Gas 67%
Renewables 3%
Ordering activity highest in Asia

Order intake 2018: 2,905 MW (3,775)
Wärtsilä to supply electricity and district heating for Dresden, Germany

- The 90 MW combined heat and power plant features eight highly efficient and flexible Wärtsilä 31SG engines operating on natural gas.
- The plant will be delivered by Wärtsilä on an EPC basis to DREWAG, Dresden’s local utility company.
- Wärtsilä will maintain the plant under a guaranteed asset performance solution for ten years.
Market for gas and liquid fuel power plants, <500 MW

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.

<500 MW market volume: 20.8 GW (20.7)
Total market volume: 40.7 GW (44.2)
Gradual recovery in vessel contracting

Source: Clarkson Research Services, figures exclude late contracting
* CGT= gross tonnage compensated with workload
Marine Solutions’ order intake boosted by scrubbers and favourable contracting mix

Comparison figures for 2017 have been restated due to the internal reorganisation of service activities.
Marine Solutions’ order book 31 December 2018

- Cruise: 32%
- Gas carriers: 14%
- Tankers: 11%
- Gas carriers: 14%
- Non-vessel: 2%
- Special vessels: 7%
- Navy: 13%
- Ferry: 5%
- Offshore: 6%
- Containers: 3%
- Cargo: 1%
- RoRo: 2%
- Bulk carriers: 5%
Cash flow from operating activities

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<th>Year</th>
<th>Cash Flow (MEUR)</th>
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<tr>
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</tr>
<tr>
<td>2018</td>
<td>500</td>
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</tbody>
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Working capital

Comparison figures for 2017 have been restated due to the adoption of IFRS 15.
Gearing
EPS and dividend per share

* Dividend 2018 - Proposal of the Board
Figures have been restated to reflect the new amount of shares.

FINANCIALS
Wärtsilä to enhance competitiveness by aligning operations globally

- The Group-wide programme emphasises sustainable savings and actions that increase customer value, including:
  - Increased focus on targeted sales activities
  - Developing the agreements-based and “as-a-service” business
  - Reviewing the cost structure
  - Optimising the business portfolio and organisation
- The program is expected to lead to a reduction of approximately 1,200 employees globally
- With these actions Wärtsilä seeks annual savings of EUR 100 million
Prospects for 2019

The demand for Wärtsilä’s services and solutions in 2019 is expected to be in line with the previous year.

Demand by business area is anticipated to be as follows:

• Solid in Energy Business
• Solid in Marine Business
THANK YOU

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