WÄRTSILÄ CORPORATION

Baird 2017 Global Industrial Conference

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This is Wärtsilä
Net sales by business 1-9/2017

ENERGY SOLUTIONS, 28%
MARINE SOLUTIONS, 27%
SERVICES, 45%
Net sales and profitability

Figures for 2012-2013 include both discontinued and continuing operations.
We are where our customers need us to be
11,000 service professionals in 70 countries, 160 locations…
Services’ sales development

MEUR

2013 2014 2015 2016 2017

Q1-Q3 Q4

2013: MEUR 1,561 (1,554)

Power plants 39% (38)

Cruise & ferry 15% (13)

Merchant 23% (24)

Offshore 8% (9)

Navy 8% (8)

Special vessels 7% (8)

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Installed base covered by service agreements

MW under agreement – Energy Solutions
% of Energy Solutions’ installed base
MW under agreement – Marine Solutions
% of Marine Solutions’ installed base
12-year strategic partnership with Carnival Corporation

- Ensuring safety and reliability of Carnival's fleet and reduced operational costs
- Scope includes all engine maintenance and monitoring for 79 vessels
- Emphasis on continuous planning together with Carnival and digitising fleet operations
- Performance-based revenue model
>4,700 power plants in 176 countries

* December 2016
Energy Solutions’ order intake

Review period order intake by fuel in MW

- Oil: 51%
- Gas: 49%
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.

- GE: 30% (31)
- Siemens: 19% (24)
- MHI: 14% (15)
- Wärtsilä: 14% (12)
- Other GT's: 4% (4)
- Ansaldo: 19% (15)

<500 MW market volume last 12 months: 24.8 GW (28.4)
Total market volume last 12 months: 54.6 GW (58.0)
CAPTURING GROWTH THROUGH GLOBAL ENERGY SYSTEMS INTEGRATION

LNG INFRASTRUCTURE

ENGINE POWER PLANTS

ENERGY STORAGE INTEGRATION

SOLAR PV, STORAGE & HYBRID POWER PLANTS
Improving conditions in the marine markets

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

Review period development
Total EUR 1,112 million (1,028)

- Cruise: 31%
- Gas carriers: 26%
- Special vessels: 8%
- Offshore: 3%
- Traditional merchant: 17%
- Navy: 8%
- Others: 4%
- Ferry: 3%
Developing technologies that enable a Smart Marine future

- Efficient and reliable remote control and monitoring capabilities are central to the enablement of intelligent shipping
- Wärtsilä recently successfully tested the remote control of ship operations using standard bandwidth onboard satellite communication
- Wärtsilä’s capabilities in intelligent vessel navigation will be enhanced by the acquisition of Guidance Marine
Prospects for 2017 unchanged

The overall development in 2017 is expected to be relatively unchanged from the previous year. Demand by business area is anticipated to develop as follows:

• Solid in Services with growth opportunities
• Good in Energy Solutions
• Solid in Marine Solutions
OUR LONG-TERM FINANCIAL TARGETS

Grow faster than global GDP
Focus on strengthening our position in strategic growth markets

Reach 14% profitability
Enhanced performance through continuous improvement

Maintain gearing below 50%
Unleveraged balance sheet supports growth through acquisitions

Dividend ≥50% of EPS over the cycle
Committed to providing solid shareholder returns
THANK YOU!

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