Wärtsilä’s net sales by business Q1/2017

- ENERGY SOLUTIONS, 24%
- MARINE SOLUTIONS, 28%
- SERVICES, 49%
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’ net sales development

First quarter development
EUR 490 million (500)

- Power plants: 37% (35)
- Merchant: 24% (26)
- Cruise & ferry: 16% (14)
- Navy: 9% (9)
- Offshore: 7% (9)
- Special vessels: 7% (7)

Q1 Q2-Q4

2013 2014 2015 2016 2017
Strategic focus areas

CUSTOMER FIRST
Growth in existing business by improving customer loyalty

GO DIGITAL
Growth through optimising customer performance

ASSET & LIFECYCLE MANAGEMENT
Growth through value-adding lifecycle services & projects

NEW CUSTOMER ACCESS
Growth beyond the traditional Wärtsilä installed base
Wärtsilä and Carnival Corporation announce strategic partnership

- 12-year agreement
- Ensuring safety and reliability of Carnival’s fleet
- Reducing operational costs
- Wärtsilä provides all engine maintenance and monitoring for fleet of 79 vessels
- Continuous planning together with Carnival
- Performance-based revenue model
- Wärtsilä’s biggest service contract in history

- Digitising fleet operations
**Market trends & drivers**

- Growth in sustainable energy, reducing carbon emissions
- Rapid growth of intermittent renewable generation and escalating demand fluctuation
- Economic growth, electrification and improving standard of living
- Ageing installed capacity driving investments in new technologies
- Natural gas replacing other fossil fuels
- Storage systems needed in order to support renewable intermittent energies
Strong ordering activity in Energy Solutions

First quarter development
Total EUR 405 million (312)

Utilities - 73%
Independent power producers - 19%
Industrials - 8%

First quarter order intake by fuel in MW

- Gas: 76%
- Oil: 24%
CAPTURING GROWTH THROUGH GLOBAL ENERGY SYSTEMS INTEGRATION

LNG INFRASTRUCTURE

ENGINE POWER PLANTS

ENERGY STORAGE INTEGRATION

SOLAR PV AND ENGINE-SOLAR HYBRID POWER PLANTS
The acquisition of Greensmith will enable Wärtsilä to become a global systems integrator

- A US-based leader in intelligent energy storage technology and solutions
- Specialised in energy storage optimization and integration software
- Through the acquisition Wärtsilä expands its footprint in the energy storage market with solutions that combine and optimise different forms of power generation, energy storage and demand side management
Market trends & drivers

- Urbanisation, globalisation and population growth support seaborne trade development
- Technological developments and new breakthroughs create a need for new business models
- Increasing consumption and growing middle class population support demand for cruise sector
- Gas remains an important fuel
Marine market environment continues to be soft

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

First quarter development
Total EUR 322 million (379)

- Gas carriers 33%
- Cruise 23%
- Traditional merchant 19%
- Ferry 4%
- Navy 8%
- Others 4%
- Special vessels 6%
- Offshore 3%

Q1 Q2-Q4

2013 2014 2015 2016 2017
Opportunities through our broad product portfolio and connectivity

WÄRTSILÄ KNOWS GAS

Data generation across the portfolio enabling big data analytics and a full-blown automation, navigation and control system offering

MARINE HYBRID SOLUTIONS

Wärtsilä’s battery/hybrid systems include energy management control, power electronics and battery integrations

Wärtsilä is involved in the whole gas value chain
The overall demand for Wärtsilä’s services and solutions 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 (upgraded from solid)
- Soft 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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