WÄRTSILÄ CORPORATION
HANDELSBANKEN NORDIC LARGE CAP SEMINAR

16 SEPTEMBER 2015
Björn Rosengren, President & CEO
This is Wärtsilä

Energy Solutions, 23%

Marine Solutions, 30%

Services, 47%
Net sales and profitability

Figures shown before nonrecurring restructuring items.
Figures for 2011-2013 and H1/2014 include both discontinued and continuing operations.

Review period development

Net sales
- 2011: 4000 MEUR
- 2012: 4500 MEUR
- 2013: 5000 MEUR
- 2014: 5500 MEUR

EBIT %
- 2011: 11.1%
- 2012: 10.9%
- 2013: 11.2%
- 2014: 11.9%

Figure for 1-6/2014: 10.9%
Figure for 1-6/2015: 10.7%
We aim for faster than market growth

Megatrends drive demand for our solutions

Strong presence in growth markets

Opportunities in strategic focus areas

Strengthening market position through acquisitions
# Actions for reaching our long-term profitability target

<table>
<thead>
<tr>
<th>11.9%</th>
<th>14.0%</th>
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<td><strong>Streamlining</strong></td>
<td><strong>Ensuring competitiveness</strong></td>
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<td>Group efficiency program implemented during 2014</td>
<td>Investing into technological leadership</td>
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<td><strong>Increasing accountability</strong></td>
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<td>Setup of business line driven organisation</td>
<td>Optimising lead times and focusing on continuous process improvement</td>
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<td>Securing value based and market driven pricing</td>
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58 GW of installed power plant capacity in 175 countries

* December 2014
Energy Solutions – market trends & drivers

- Economic growth, electrification and increased standard of living
- Demand for sustainability and reducing carbon emissions
- Rapid growth of intermittent renewable generation and escalating demand fluctuation
- Increasing role of natural gas
- Ageing installed capacity

"The world needs clean, affordable and reliable power generation"
Energy Solutions’ order intake

Review period development
Total EUR 475 million (409)

Review period order intake by fuel in MW

*IPP = Independent Power Producer
Energy Solutions – strategic goals

Maintain leading position in flexible baseload power plants

Grow strongly in large utility gas power plants

Grow in LNG infrastructure projects

Grow in industrial applications
The most complete marine offering on earth
• Marine trade and transportation growth
• Demand for environmental solutions and gas as a marine fuel
• Energy efficiency, operating performance and security
• Investments in exploration and production of offshore oil & gas impacted by oil price development

A dynamic global market, but with distinctive segment-specific and local needs
Vessel contracting activity

Source: Clarkson Research Services, figures exclude late contracting

* CGT= gross tonnage compensated with workload
Marine Solutions’ order intake

Review period development
Total EUR 728 million (823)

- Gas carriers: 34%
- Offshore: 15%
- Special vessels: 10%
- Cruise & Ferry: 18%
- Traditional merchant: 16%
- Others: 4%
- Navy: 3%

Q1-Q2 Q3-Q4

MEUR

- 2011: 900 MEUR (Q1-Q2: 300 MEUR, Q3-Q4: 600 MEUR)
- 2012: 1200 MEUR (Q1-Q2: 400 MEUR, Q3-Q4: 800 MEUR)
- 2013: 1500 MEUR (Q1-Q2: 500 MEUR, Q3-Q4: 1000 MEUR)
- 2014: 1800 MEUR (Q1-Q2: 600 MEUR, Q3-Q4: 1200 MEUR)
- 2015: 1200 MEUR (Q1-Q2: 400 MEUR, Q3-Q4: 800 MEUR)
Acquisition of MSI strengthens our position in automation and electrical systems
A brand new medium-speed Wärtsilä 31 engine launched in June

- The Wärtsilä 31 engine is the industry’s most advanced, powerful, fuel efficient, fuel flexible, and environmentally sound engine
- The engine achieved a Guinness World Records title for the most efficient 4-stroke diesel engine
- Remarkable increases in fuel efficiency and fuel flexibility are matched by significant reductions in maintenance costs
- The engine comes in three alternative versions; diesel, dual-fuel and spark-ignited gas
Growth opportunities in marine markets

Gas and dual-fuel solutions

Broader scope of supply

Efficiency

Environmental solutions
Wärtsilä Services’ global network

11,000 service professionals in 70 countries, 160 locations…

- Marine installed base by operating country
- Power installed base by operating country
- Service locations
Services – market trends & drivers

- Development of installed base and installation utilisation
- Growing importance of gas as a fuel
- Need for real-time data
- Downtime avoidance
- Focus on efficiency
- New and stricter regulations
Services’ net sales

Review period development
Total EUR 1,034 million (903)

- Field service: 24%
- Spare parts: 51%
- Contracts: 17%
- Projects: 7%

Q1-Q2 vs. Q3-Q4
Development of service agreements

MW under agreement – Energy Solutions
MW under agreement – Marine Solutions
% of Energy Solutions’ installed base
% of Marine Solutions’ installed base
Services’ strategic focus areas

CUSTOMER FIRST
We will nourish our partnership with our existing customer base

GO-DIGITAL
We will digitalise our customer engagement

ASSET & LIFECYCLE MANAGEMENT
We will continue to develop and commercialise our portfolio of value-adding services
Wärtsilä expects its net sales for 2015 to grow by 5-10% and its operational profitability (EBIT% before non-recurring items) to be between 12.0-12.5%.

The guidance includes the impact of the L-3 Marine Systems International acquisition.
We are dedicated to reaching our long-term financial targets

- **Grow faster than global GDP**
- **Reach 14% profitability**
- **Maintain gearing below 50%**
- **Dividend of at least 50% of EPS over the cycle**

16 September 2015 Björn Rosengren