Wärtsilä’s net sales by business 2016

- ENERGY SOLUTIONS, 20%
- MARINE SOLUTIONS, 35%
- SERVICES, 46%
Net sales and profitability

Figures for 2012-2013 include both discontinued and continuing operations.
>4,700 power plants in 176 countries
Market trends & drivers

- Economic growth, electrification and increased standard of living
- Growth in sustainable energy and reducing carbon emissions
- Rapid growth of intermittent renewable generation and escalating demand fluctuation
- Increasing role of natural gas
- Ageing installed capacity
Strong development in Energy Solutions’ order intake

- Americas: 20%
- Asia: 33%
- Europe: 21%
- Africa and Middle East: 26%

TOTAL EUR 1,448 MILLION (1,009)
CAPTURING GROWTH THROUGH GLOBAL SYSTEMS INTEGRATION
Exceptionally low newbuild vessel orders in 2016

Source: Clarkson Research Services, figures exclude late contracting
* CGT= gross tonnage compensated with workload
Satisfactory order intake in Marine Solutions considering market conditions

TOTAL EUR 1,285 MILLION (1,599)

- Cruise & Ferry: 38%
- Traditional merchant: 20%
- Gas carriers: 13%
- Navy: 10%
- Special vessels: 9%
- Others: 7%
- Offshore: 3%
- Others: 20%

Marine Solutions

2012: 1,200 MEUR
2013: 1,500 MEUR
2014: 1,800 MEUR
2015: 1,600 MEUR
2016: 1,200 MEUR
Strategy

**LEADER IN**

**EFFICIENCY**

**GAS AND DUAL-FUEL SOLUTIONS**

**ENVIRONMENTAL SOLUTIONS**

**THROUGH OFFERING**

- **Lifecycle solutions** for ship owners and operators
- **Integrated solutions** for the shipbuilding industry, owners and operators
- The best customer value and customer experience in the marine industry
We are where our customers need us to be
11,000 service professionals in 70 countries, 160 locations…
Market trends & drivers

- Installed base development and installation utilisation
- Growing importance of gas as a fuel
- Need for real time monitoring and analytics
- Need to increase uptime and availability
- Focus on efficiency
- New and stricter regulations
- A dynamic global market, but with distinctive segment-specific and local needs
Stable development in Services’ net sales

MEUR


TOTAL EUR 2,190 MILLION (2,184)

- Field service: 49%
- Agreements: 15%
- Projects: 23%
- Spare parts: 13%

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PUBLIC

22 March 2017

Jaakko Eskola
Four clear strategic initiatives for growth

<table>
<thead>
<tr>
<th>CUSTOMER FIRST</th>
<th>GO DIGITAL</th>
<th>ASSET &amp; LIFECYCLE MANAGEMENT</th>
<th>NEW CUSTOMER ACCESS</th>
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</thead>
<tbody>
<tr>
<td>Growth in existing business by improving customer loyalty</td>
<td>Growth through optimising customer performance</td>
<td>Growth through value-adding lifecycle services &amp; projects</td>
<td>Growth beyond the traditional Wärtsilä installed base</td>
</tr>
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</table>
Wärtsilä’s digital transformation

Integrated product solutions
(Eniram, Genius, UNIC)

Building blocks for digitalisation
(Smart sensors, simple user interfaces)

Productivity enablers
(Engine component traceability, parameter management)

Manufacturing models
(Robotics, Manufacturing execution system, 3D printing)

Infrastructure enablers
(Simulation clusters, connectivity, big data storage, cyber security)

Diverse research areas
(Engine simulation models, performance, big data analytics, IoT)

Product platforms

Components

Research

Manufacturing

Infrastructure

Tools & way of working
Solid financial position

**Operating cash flow**

<table>
<thead>
<tr>
<th>Year</th>
<th>MEUR</th>
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<tr>
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<tr>
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<tr>
<td>2015</td>
<td>200</td>
</tr>
<tr>
<td>2016</td>
<td>600</td>
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**Gearing**

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<th>Value</th>
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<td>0,20</td>
</tr>
<tr>
<td>2016</td>
<td>0,10</td>
</tr>
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</table>
Prospects for 2017

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
- Solid in Energy Solutions
- 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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