

WÄRTSILÄ CORPORATION

INTERIM REPORT JANUARY-MARCH 2019

25 April 2019

Jaakko Eskola, President & CEO



WÄRTSILÄ

ekahau

virta.

VARMA



outokumpu



**Growth in net sales,
good development in
profitability**

Order intake **EUR 1,416 million, -6%**

Order book at the end of the period
EUR 6,330 million, +15%

Net sales **EUR 1,151 million, +8%**

Book-to-bill **1.23 (1.41)**

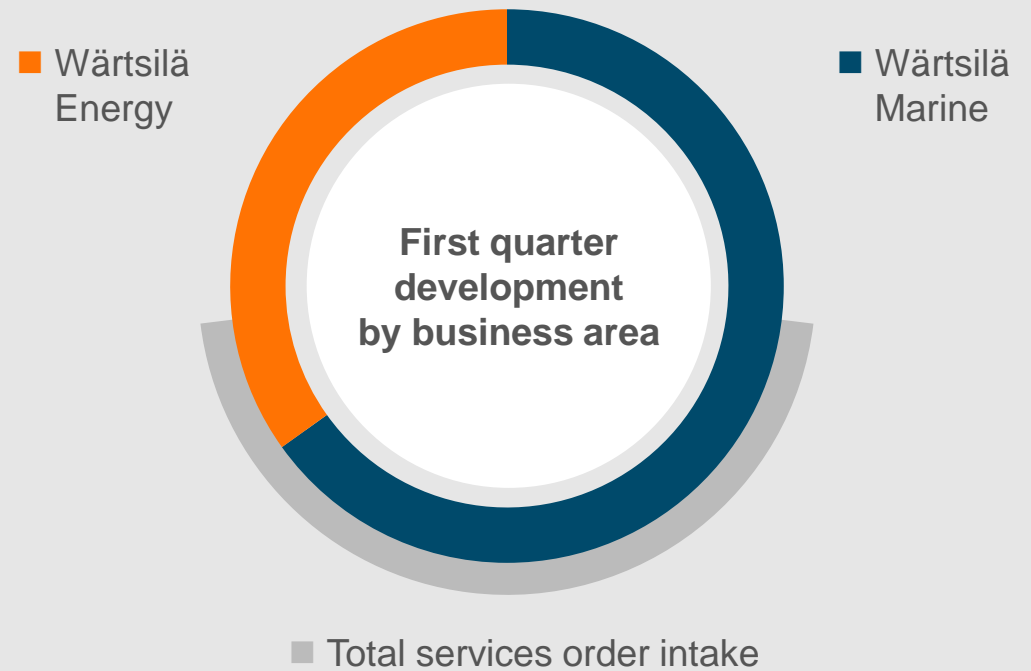
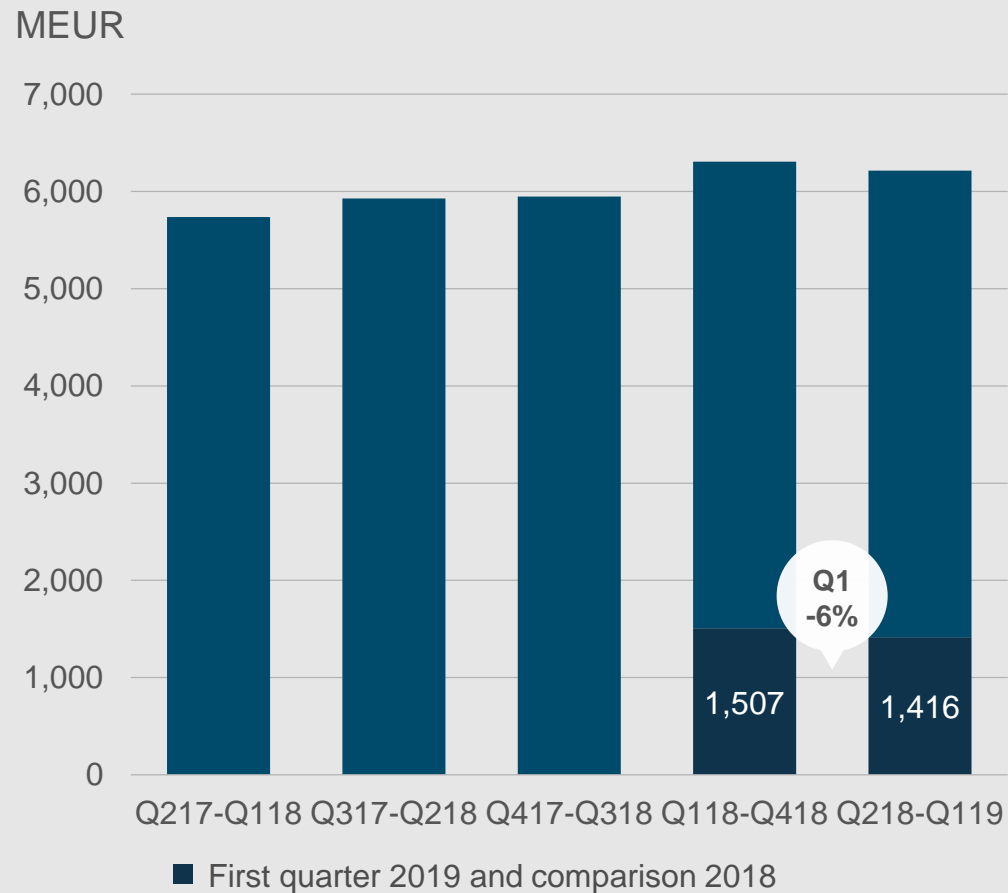
Comparable operating result **EUR 102 million**
(88), or 8.9% of net sales (8.3)

Earnings per share **EUR 0.10 (0.10)**

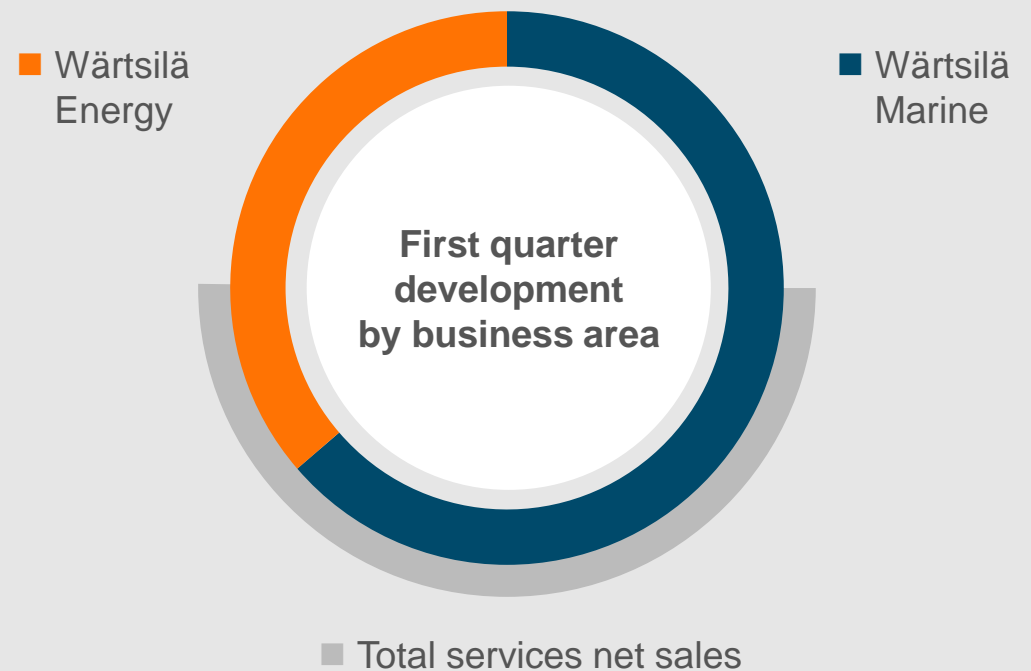
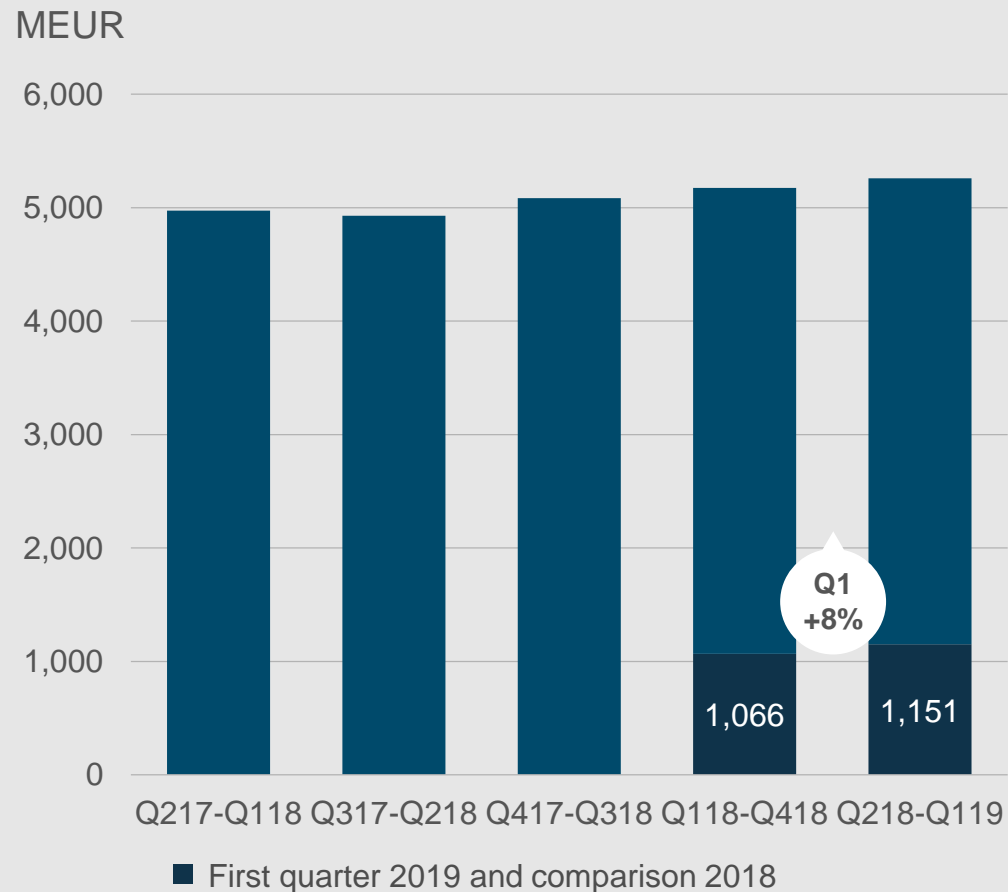
Cash flow from operating activities
EUR 35 million (-42)



Order intake affected by slow decision-making in energy markets

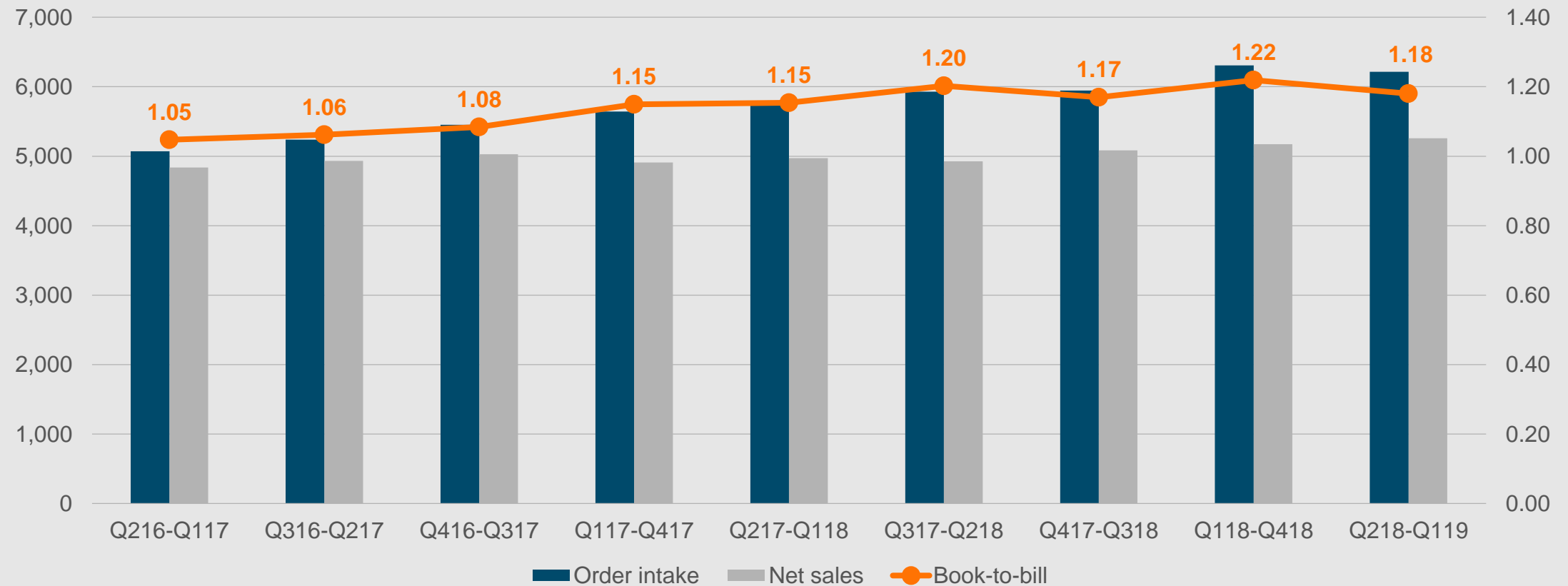


Growth in net sales thanks to higher services volumes and increased marine deliveries

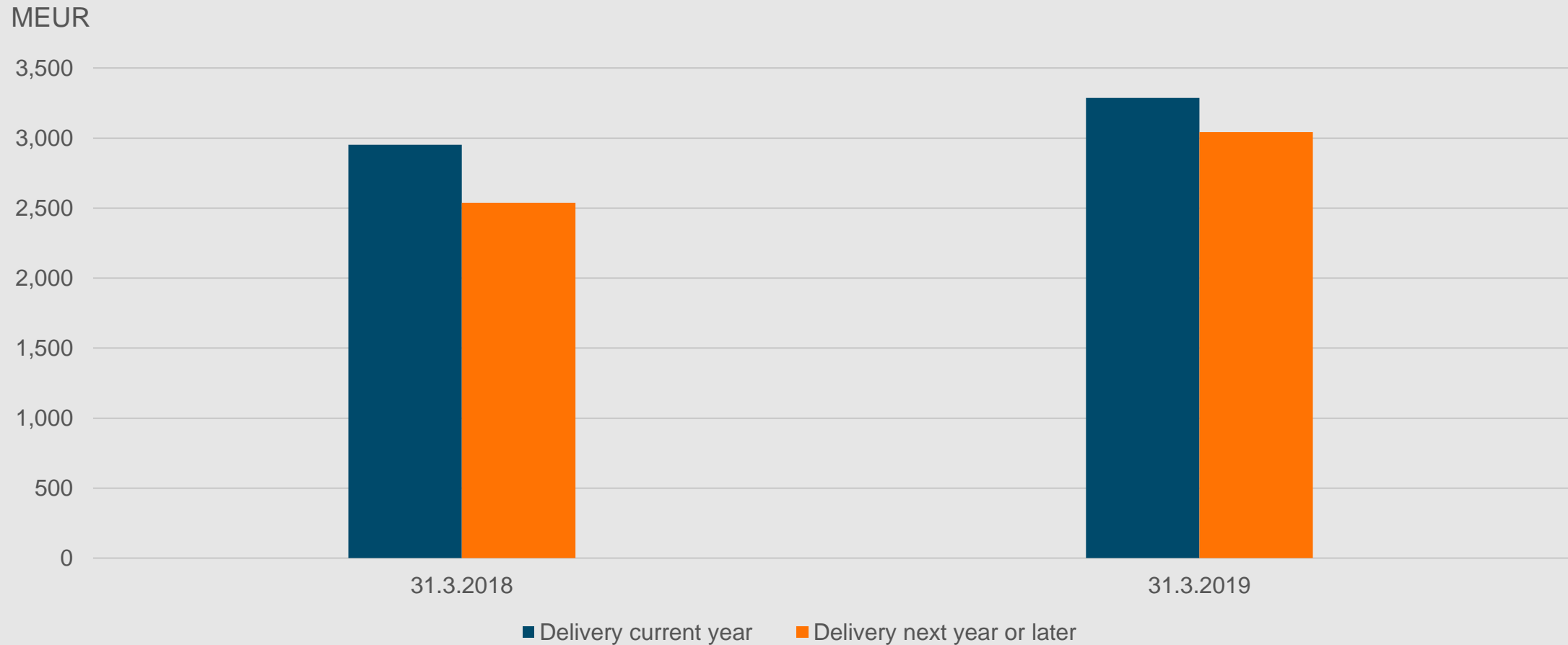


Book-to-bill

Rolling 12m, MEUR

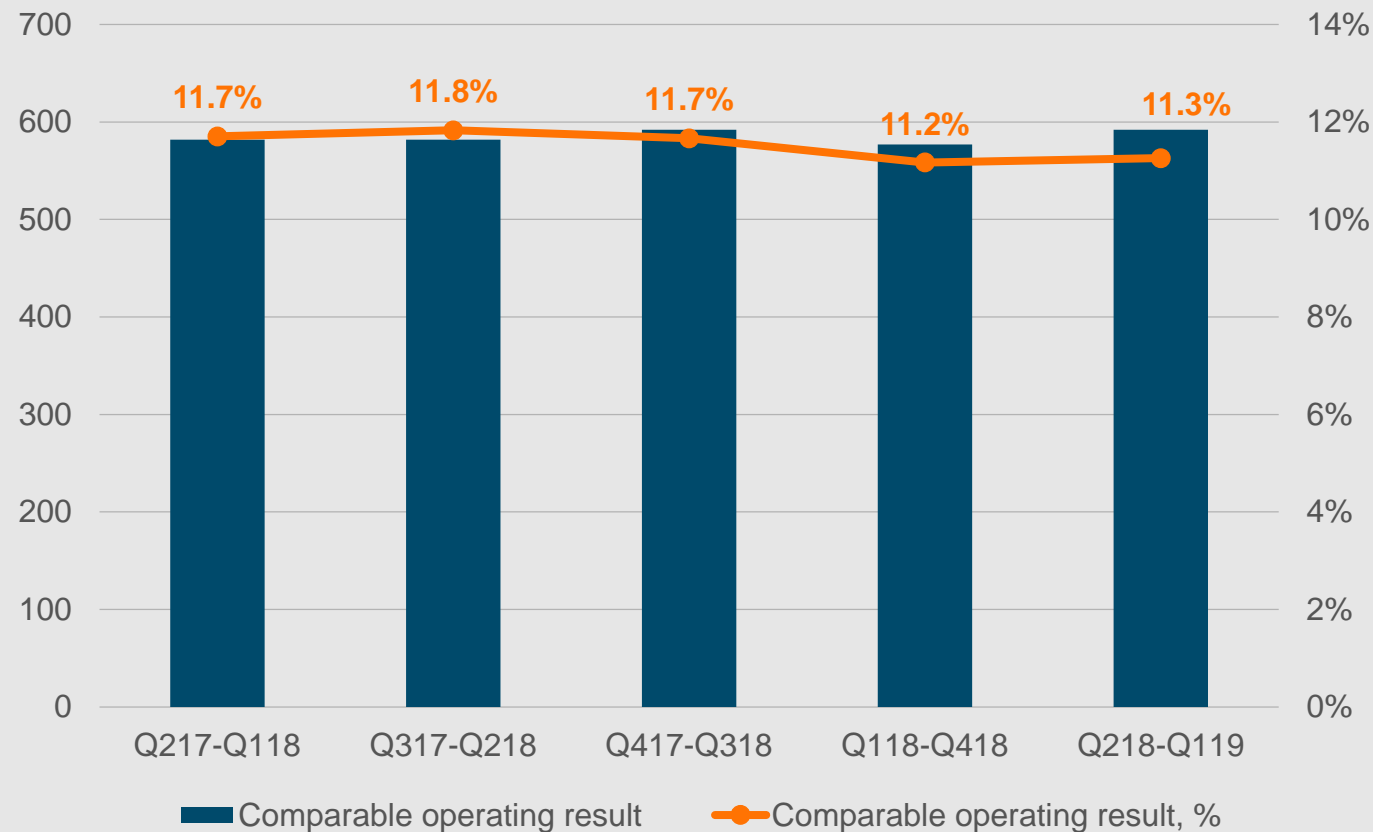


Order book distribution

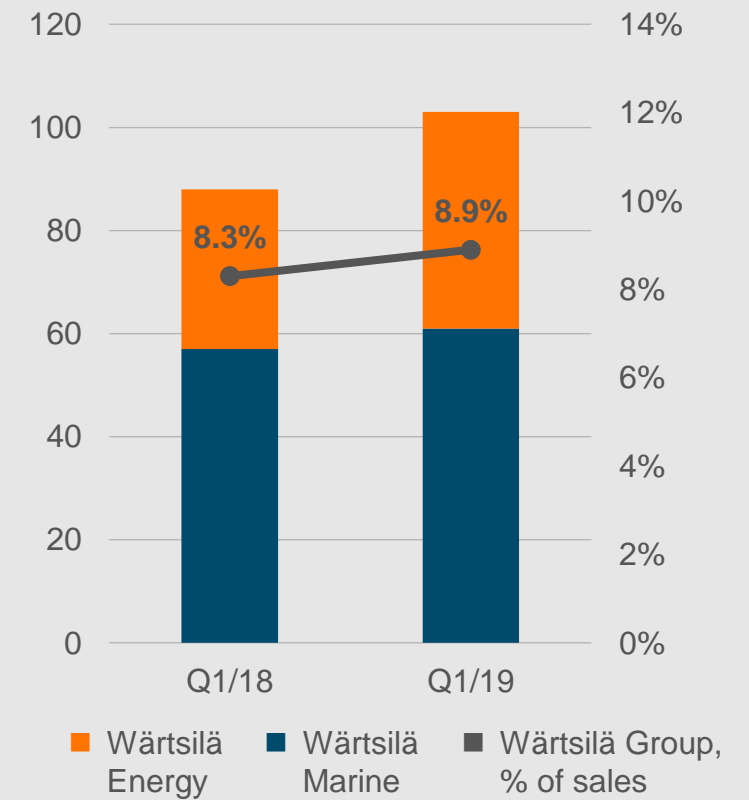


Comparable operating result

Rolling 12m, MEUR

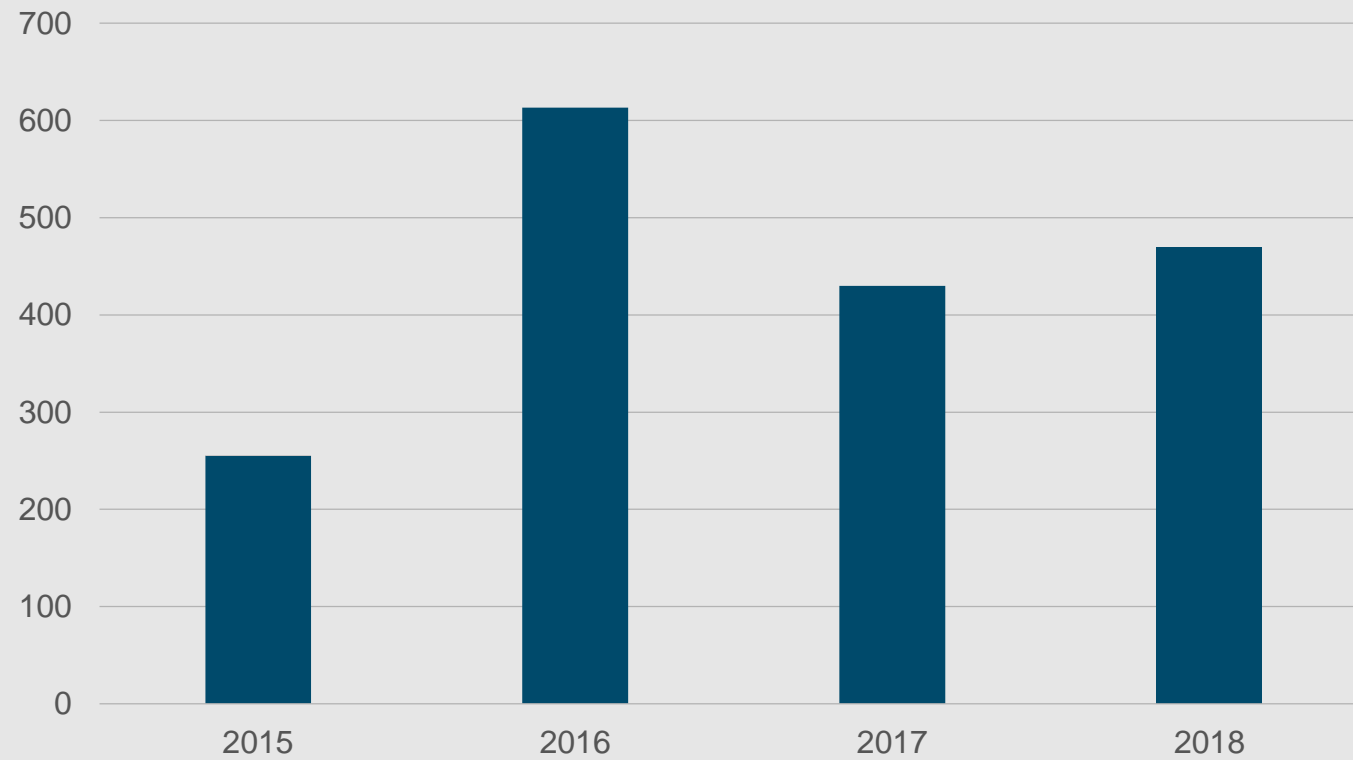


First quarter development
MEUR



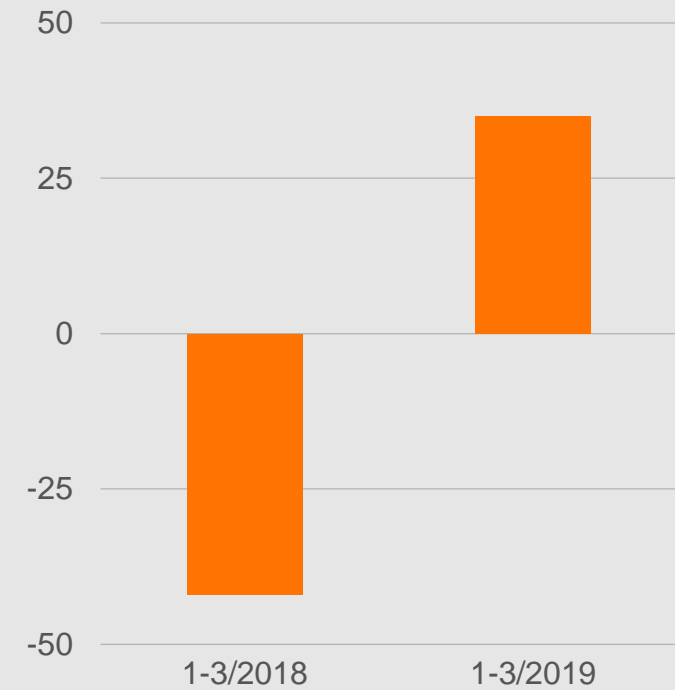
Cash flow from operating activities

MEUR



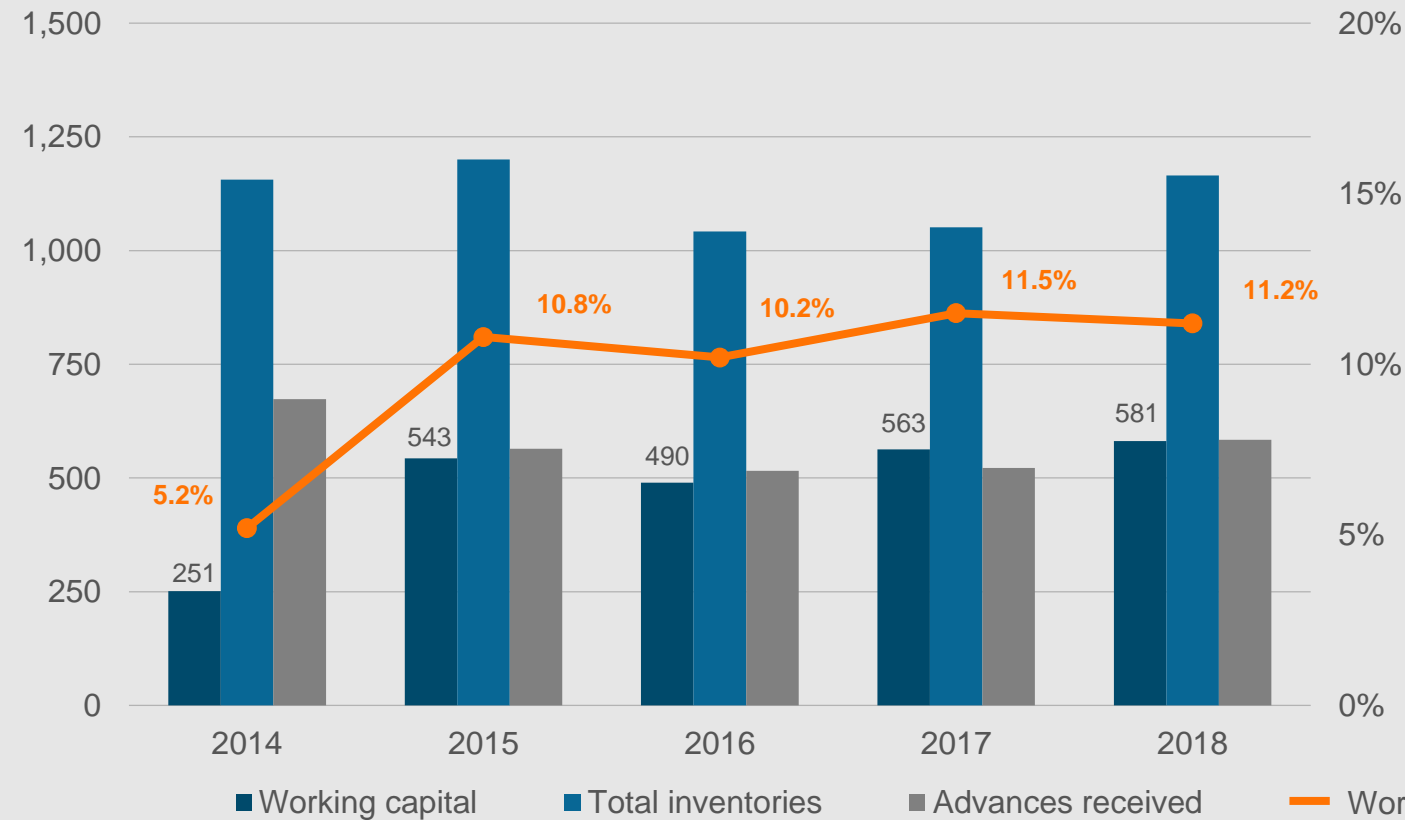
Review period development

MEUR



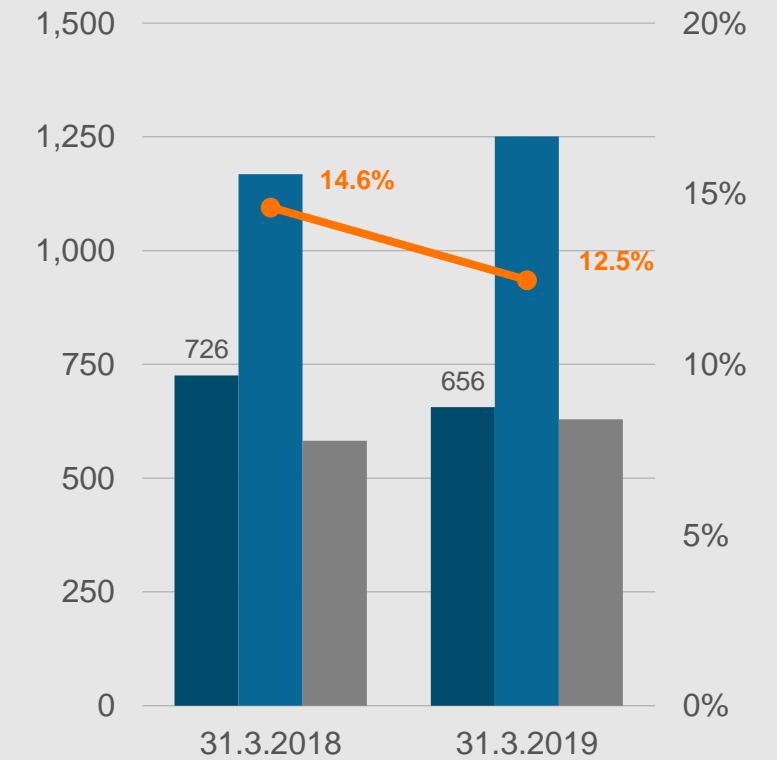
Working capital

MEUR



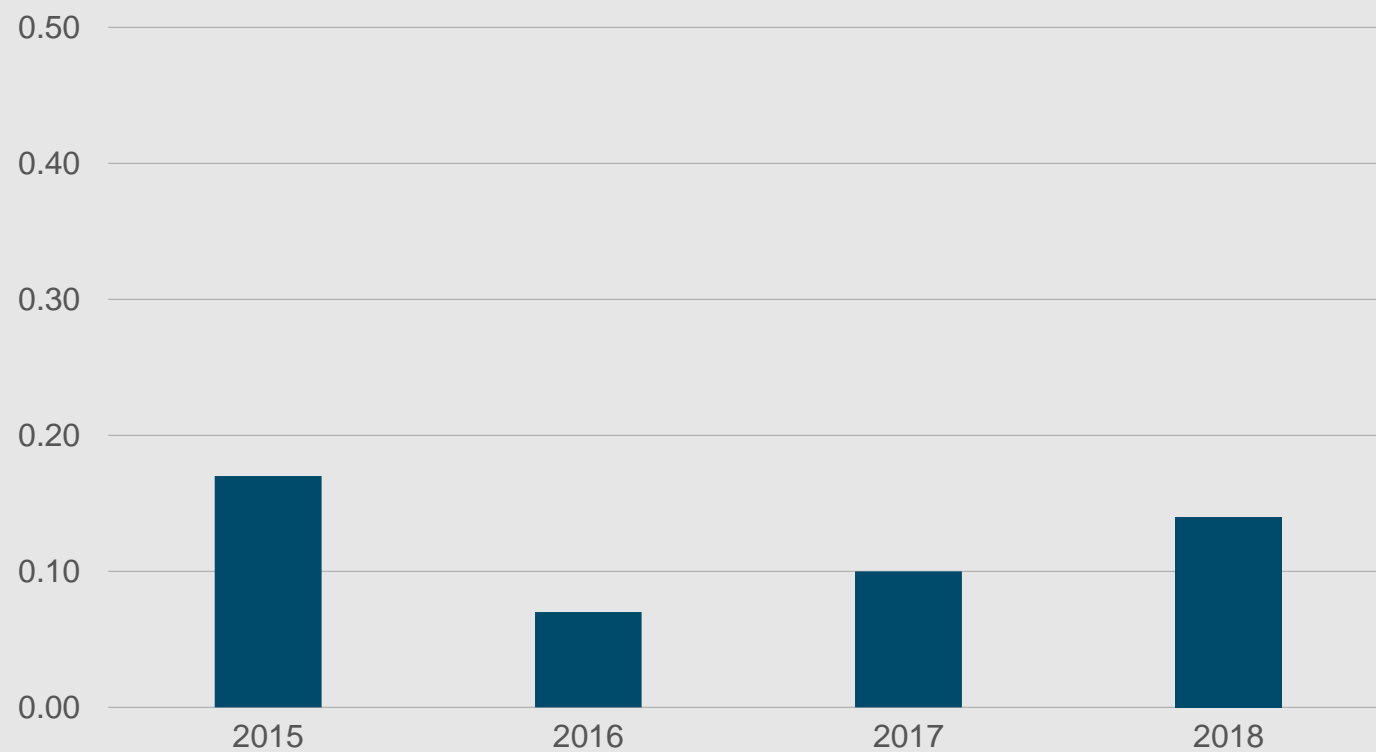
Review period development

MEUR

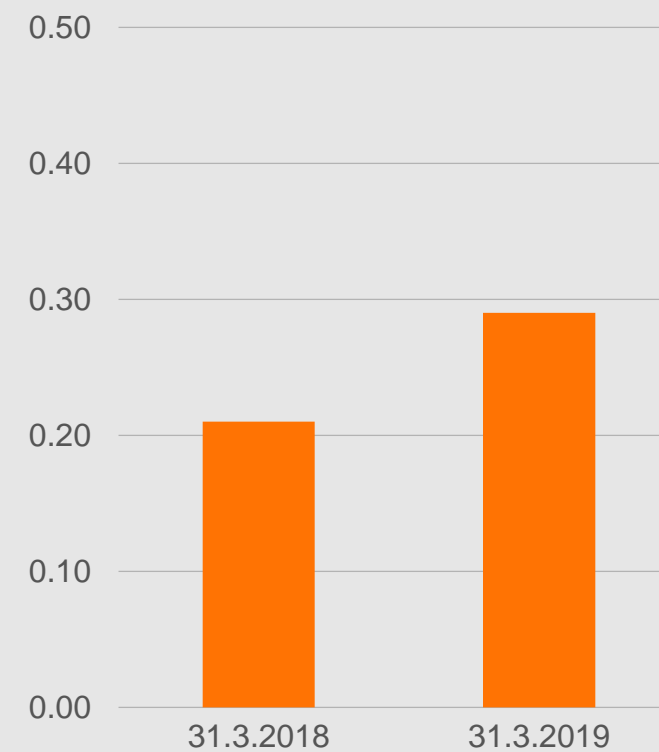


*Working capital / 12 months rolling net sales

Gearing



Review period development

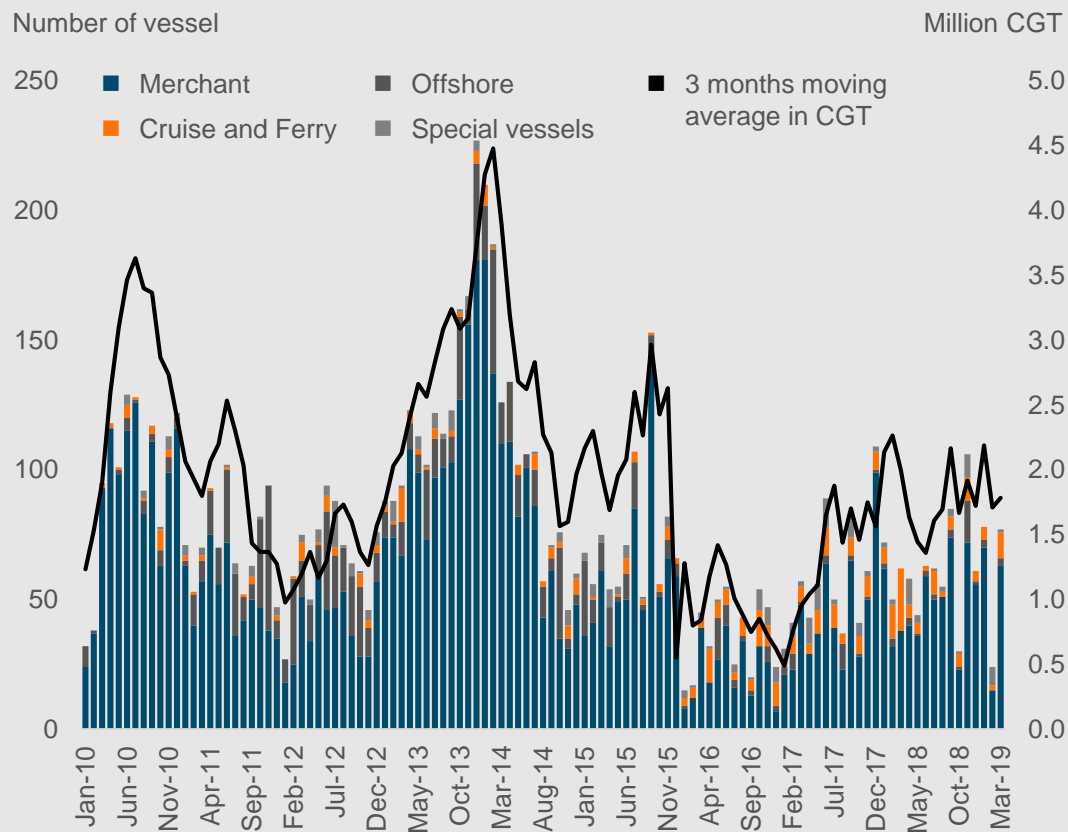


Wärtsilä Marine Business

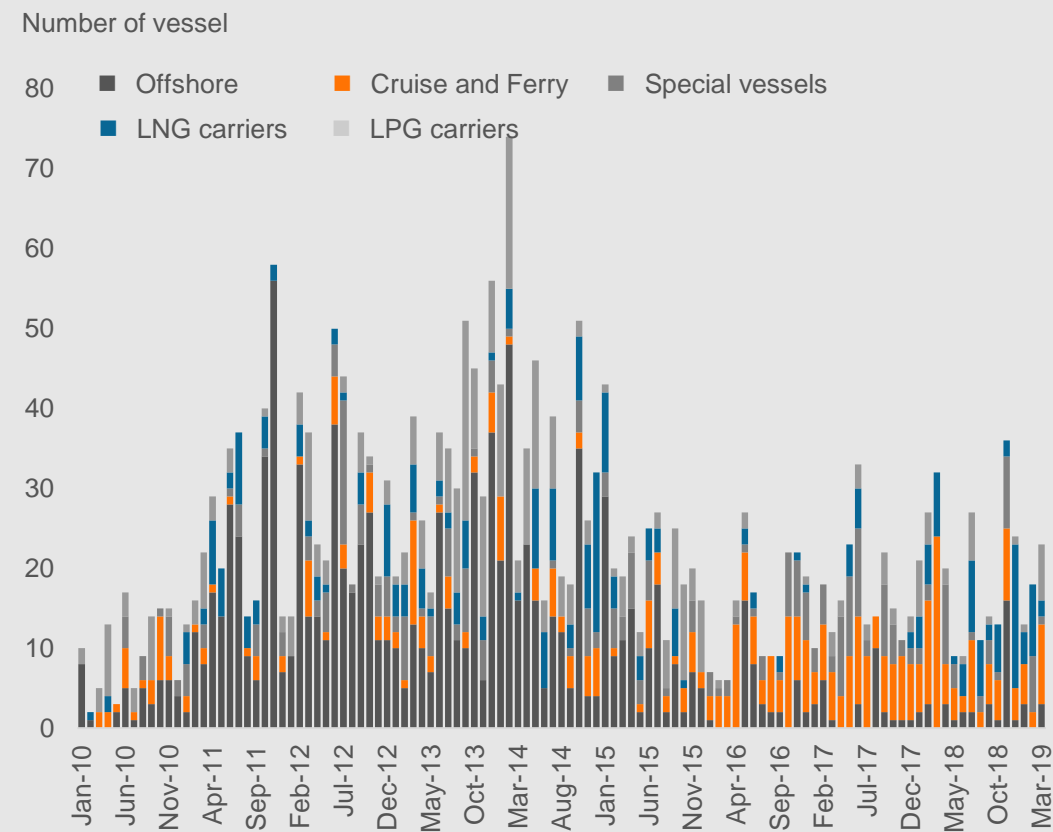


Slow recovery in the marine markets

Total vessel contracting

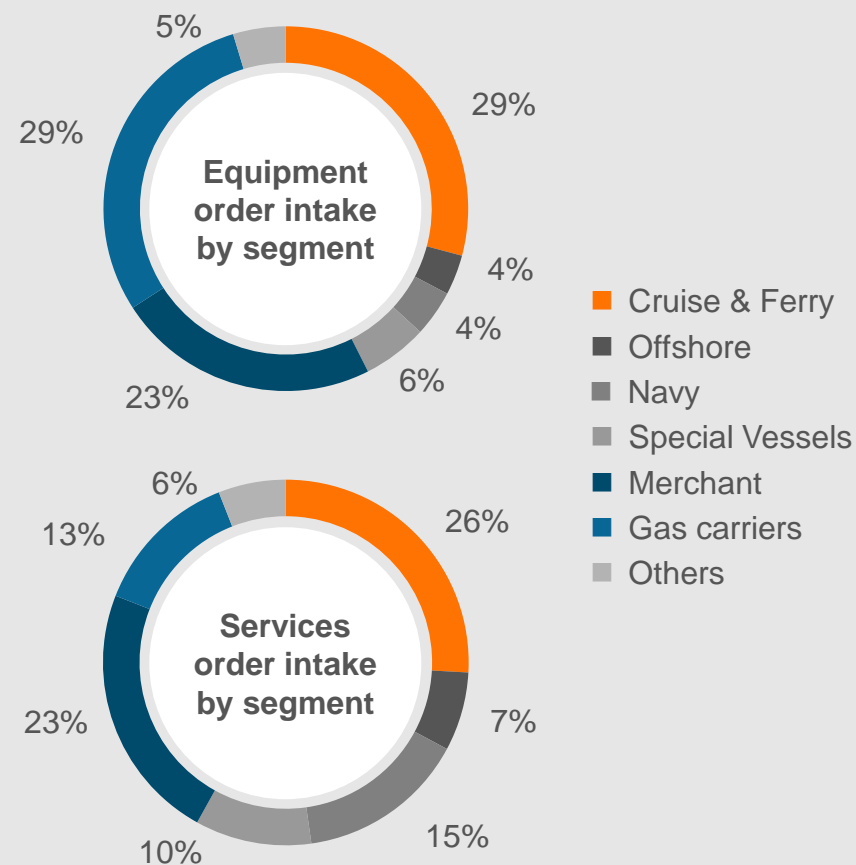
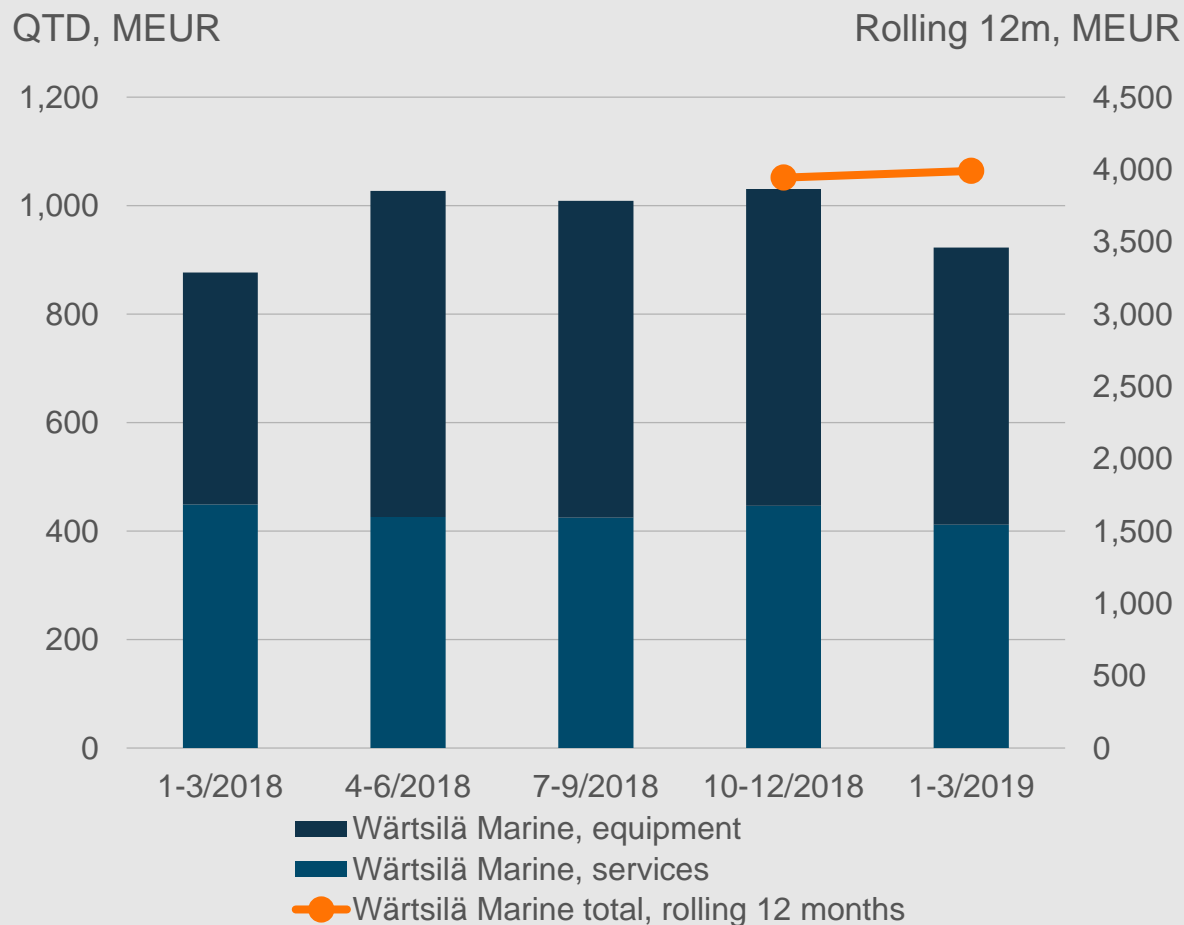


Specialised tonnage

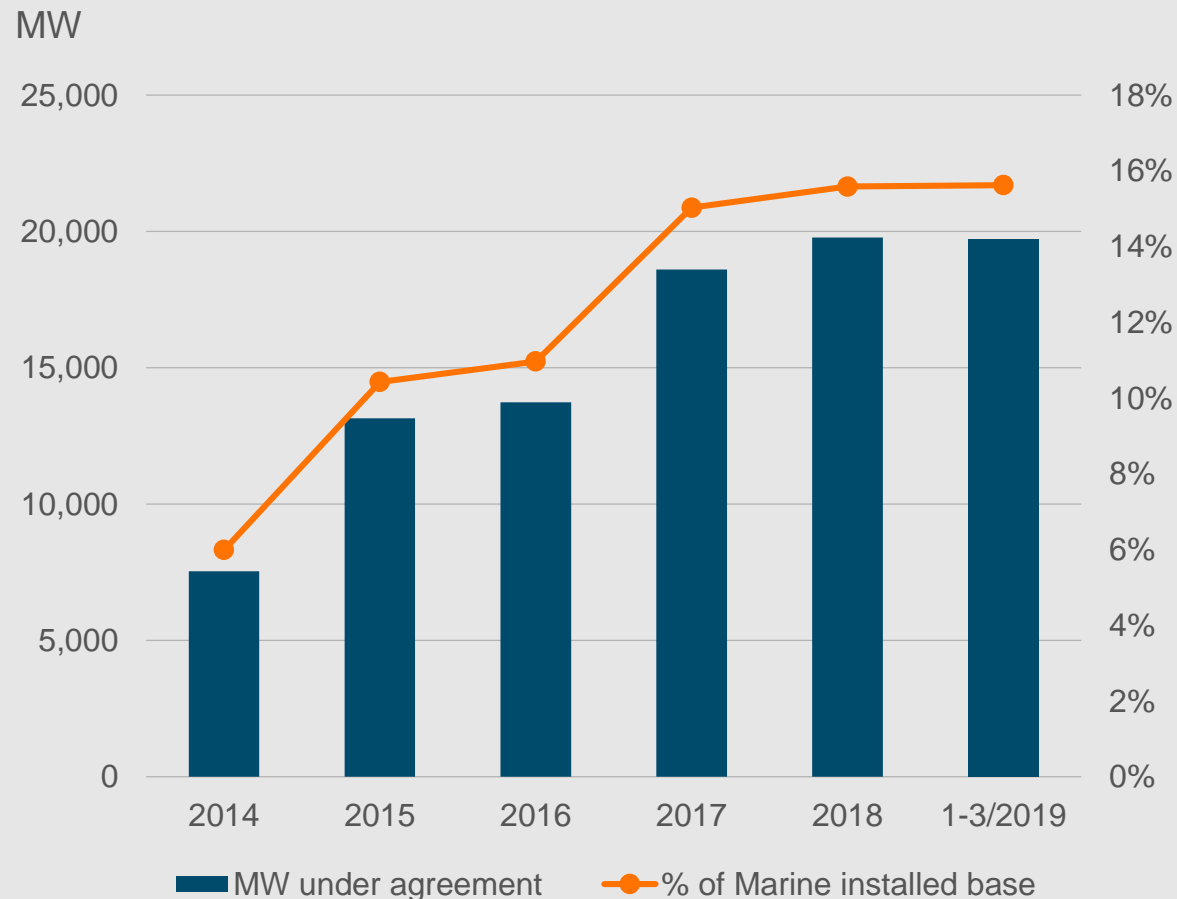


Source: Clarkson Research Services, figures exclude late contracting
CGT= gross tonnage compensated with workload.

Order intake development



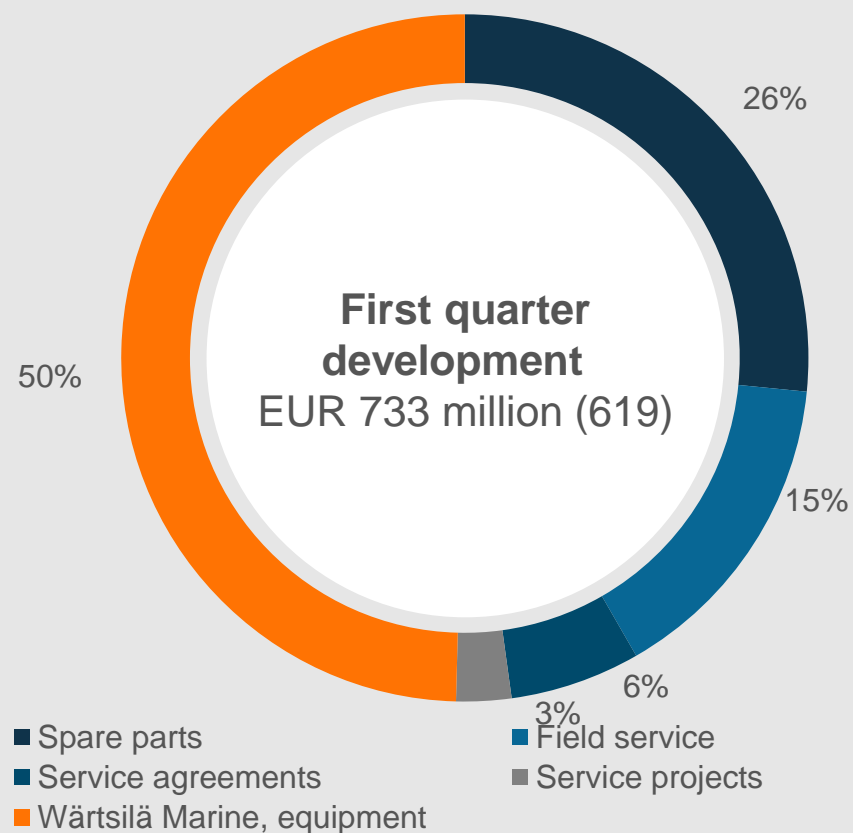
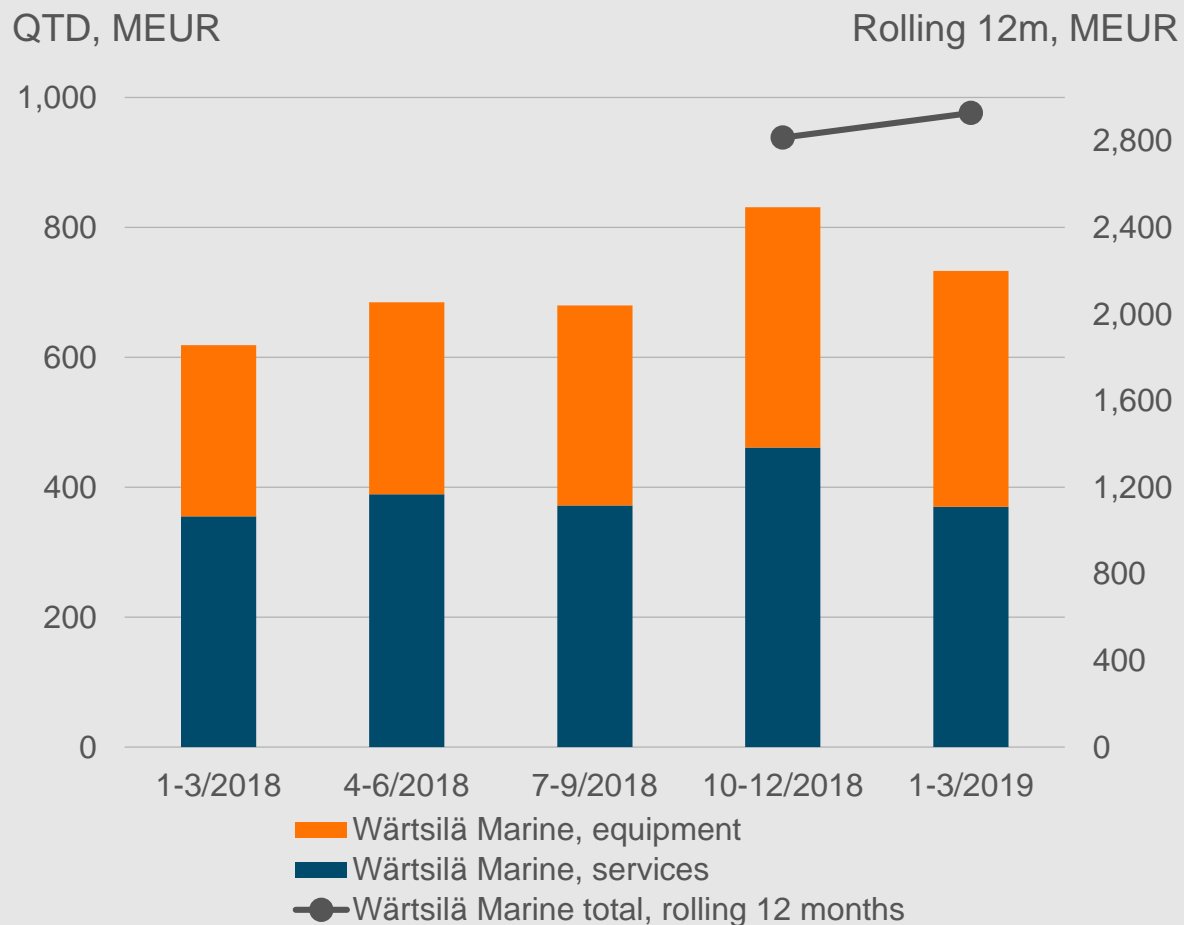
Marine installed base covered by long-term service agreements



Lifecycle solution to provide reliable support to Tokyo LNG Tanker Co.

- The agreement covers scheduled maintenance, dynamic maintenance planning, and spare parts
- Benefits include optimised reliability, fleet availability and eliminating unexpected breakdowns

Net sales development



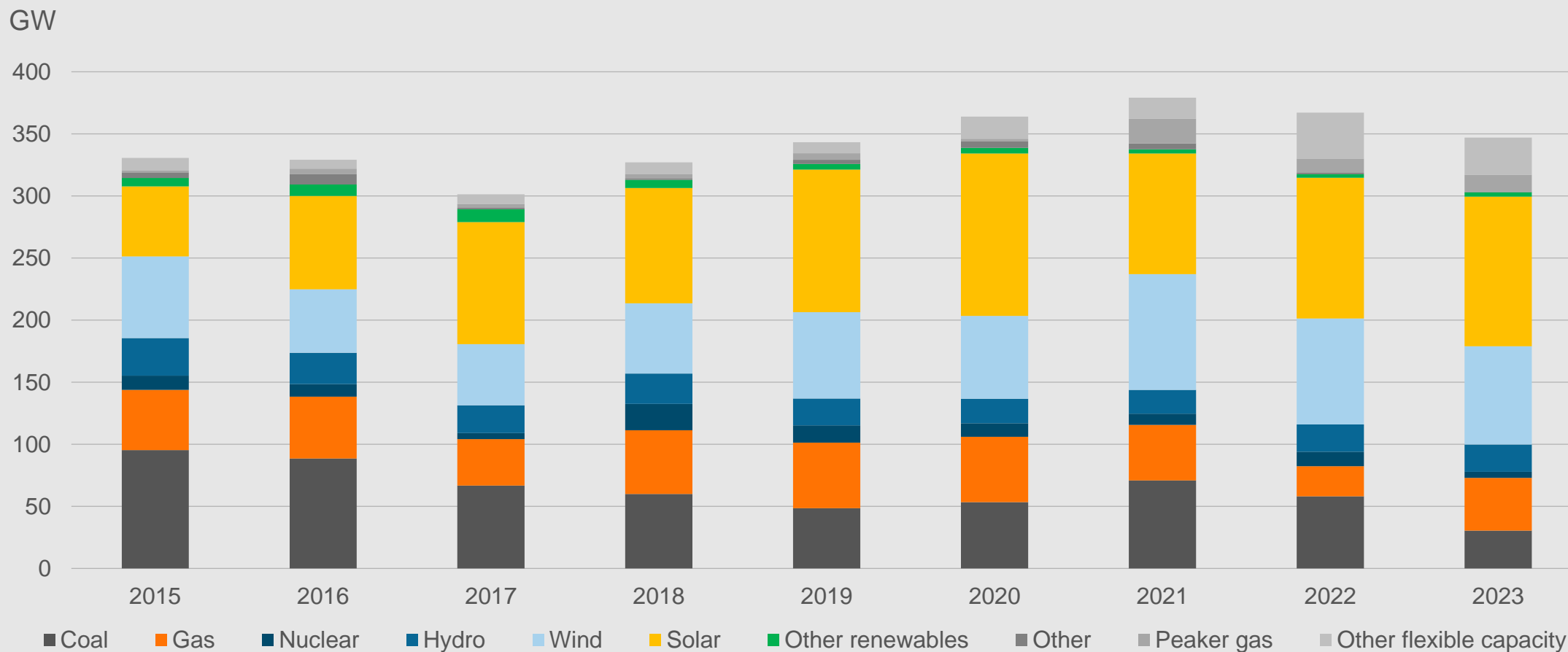
- Wärtsilä's hybrid, dual-fuel solution enables 50% less CO₂
- Predictive maintenance lowers operating costs and improves reliability
- Unique R&D cooperation agreement connects the Wasaline ferry to Wärtsilä's Smart Technology Hub





Wärtsilä Energy Business

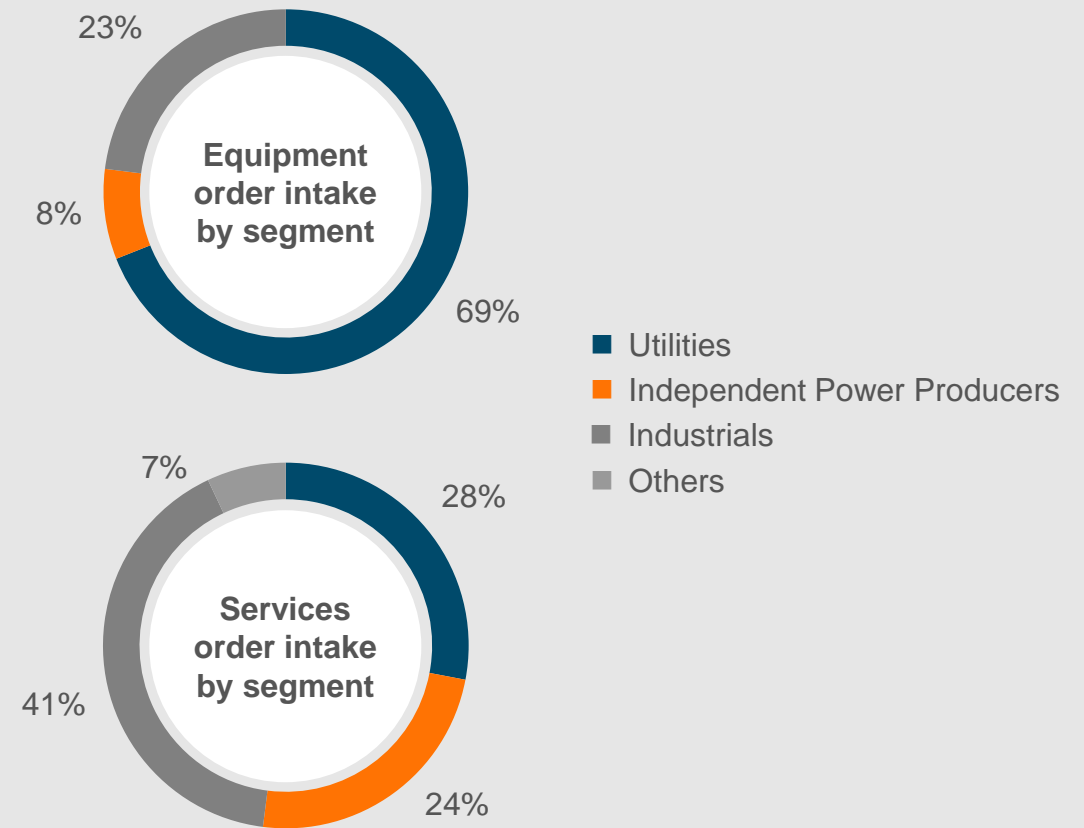
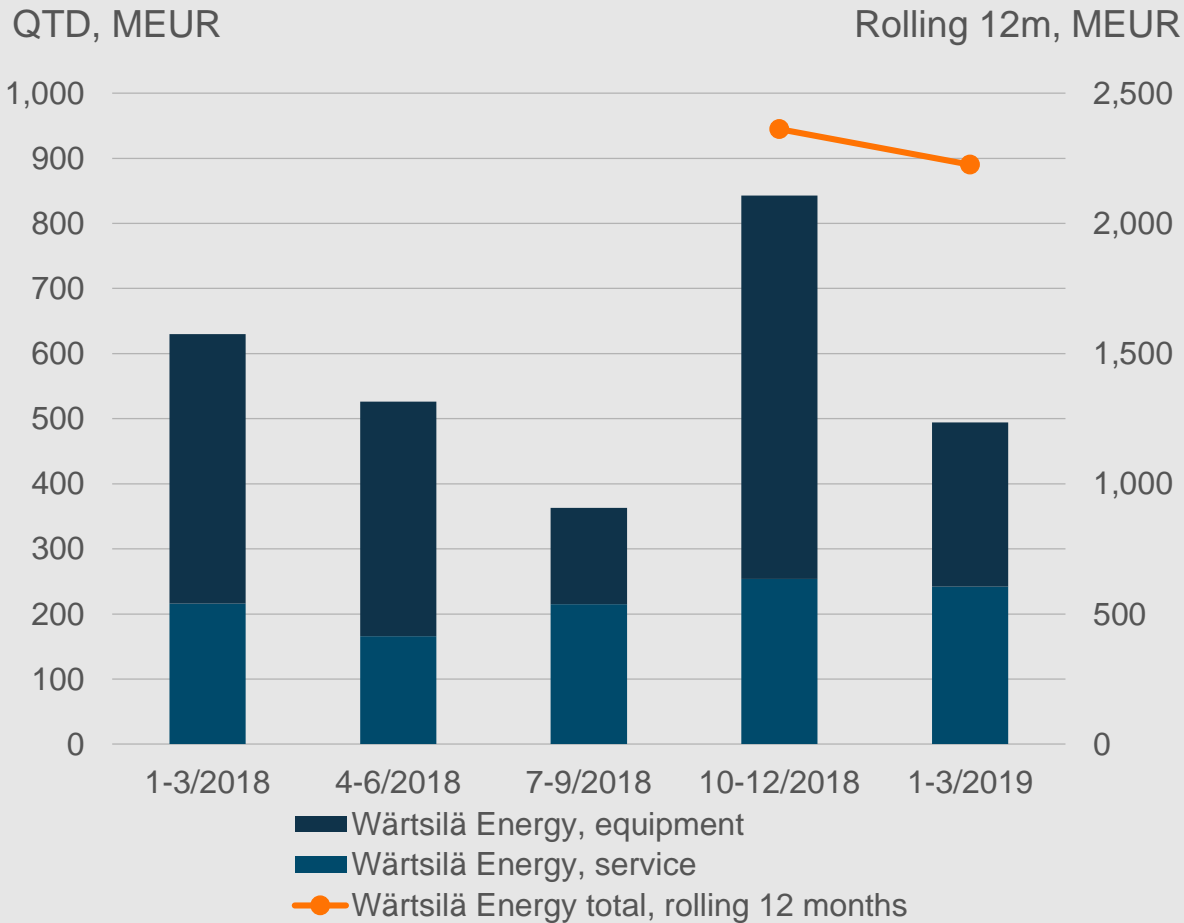
Energy investments favouring renewables and flexibility



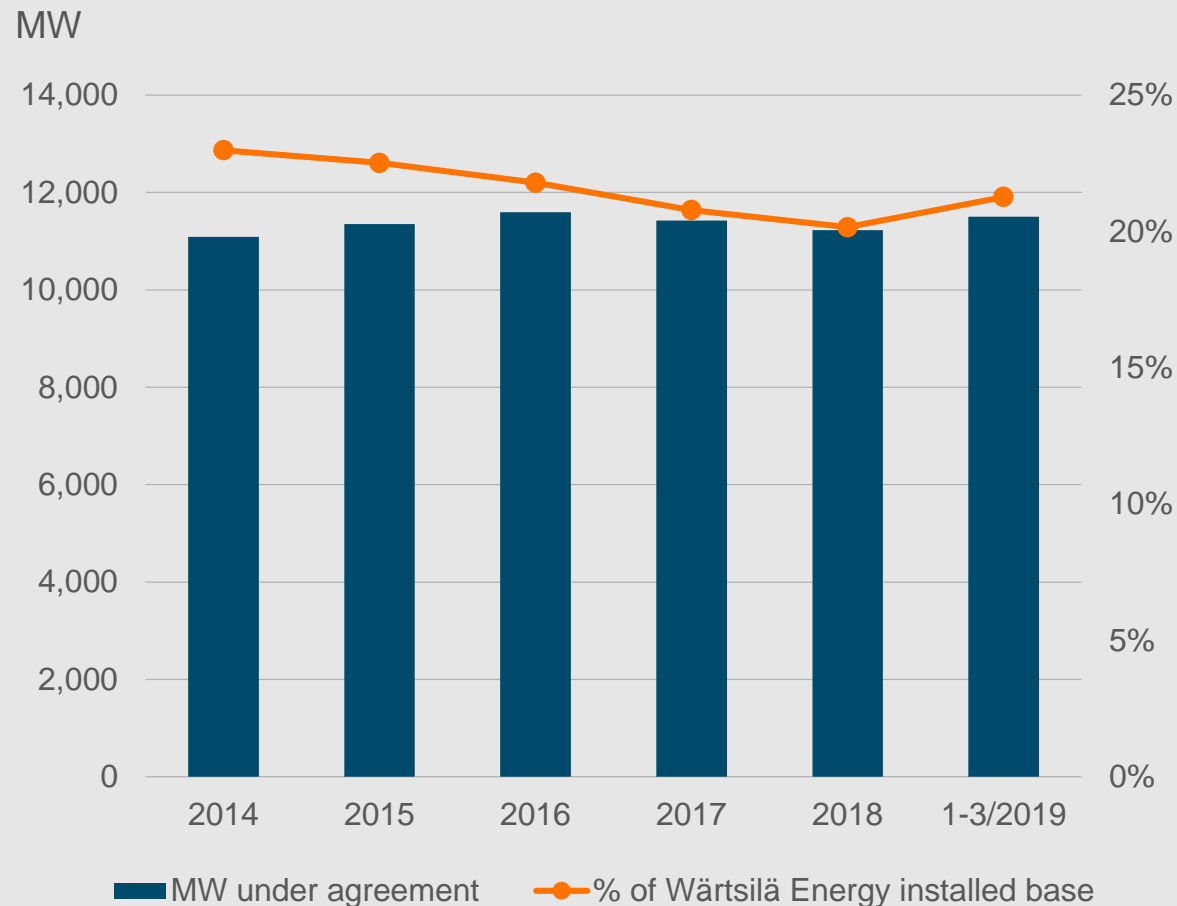
Gross capacity additions. Source: Bloomberg New Energy Outlook 2018.

Note: Other flexible capacity includes all possible technologies that are not running on baseload excluding peaker gas.

Order intake development



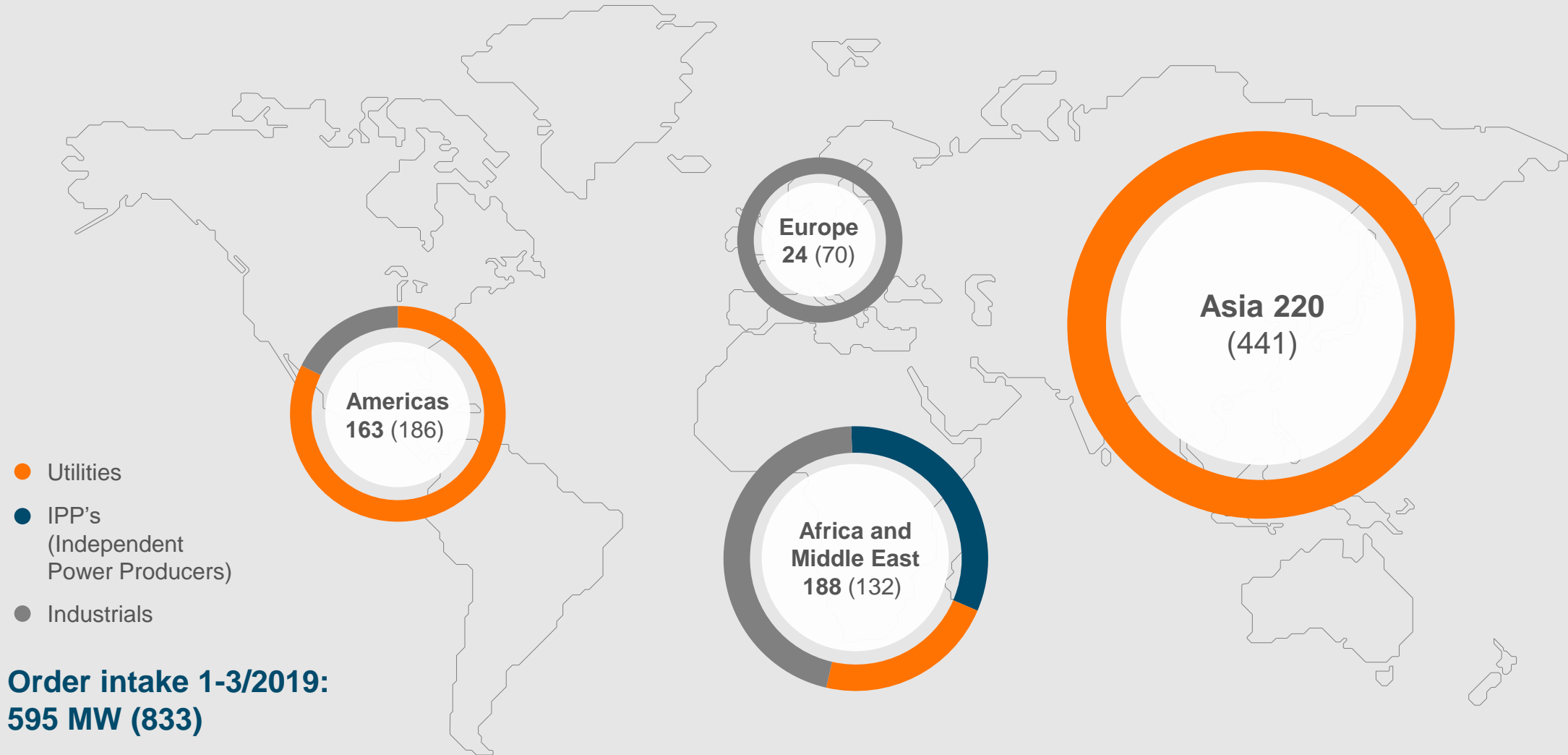
Energy installed base covered by long-term service agreements



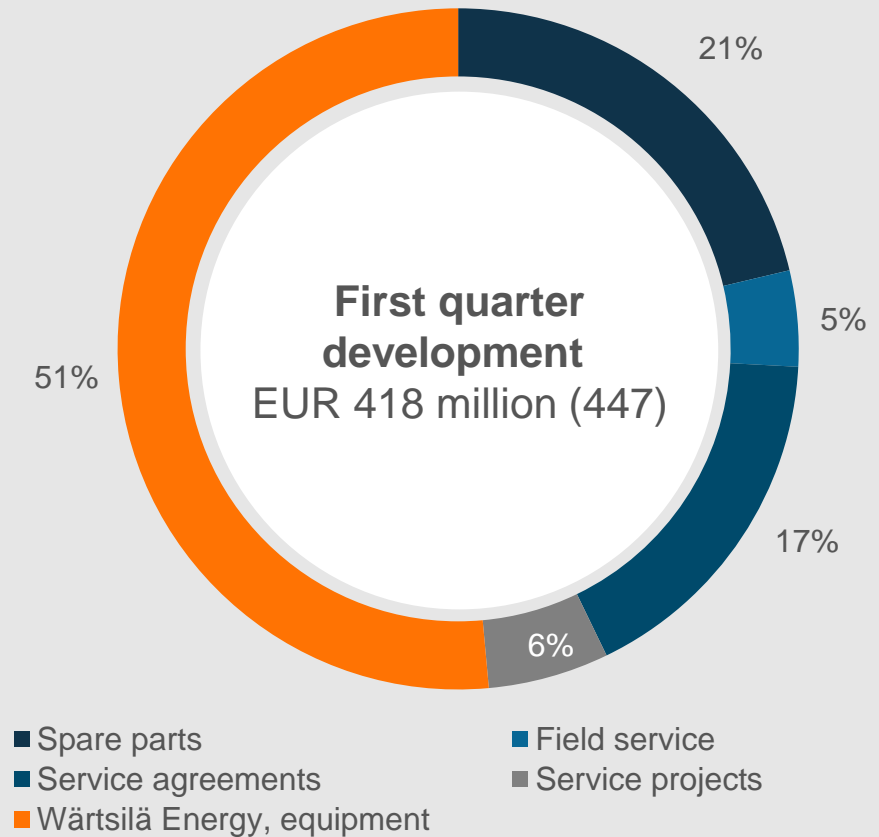
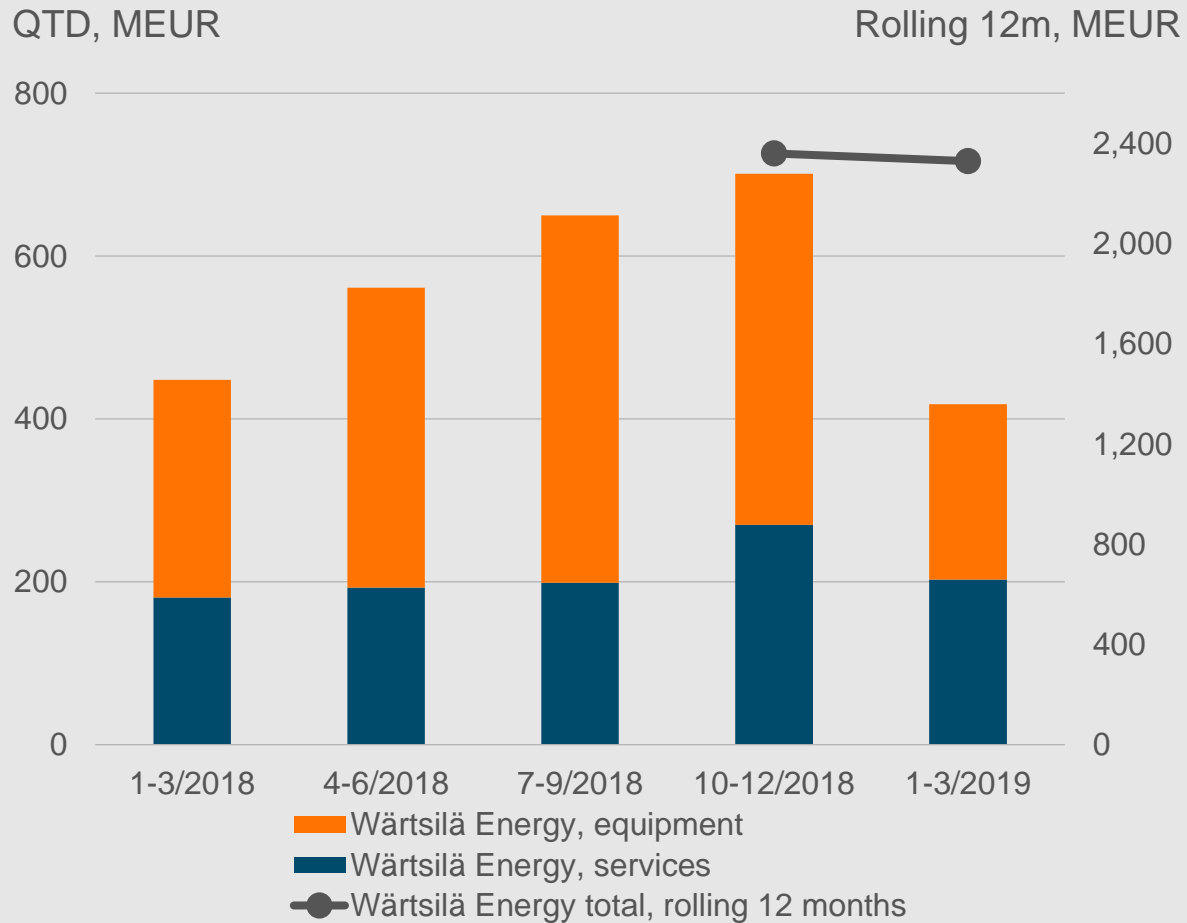
Alleviating the shortage of electricity in Myanmar

- 5-year O&M agreement signed for newly installed 145 MW Kyaukse plant in Myanmar
- Wärtsilä supports the plant in meeting availability guarantees and other obligations

Orders received for power plants globally

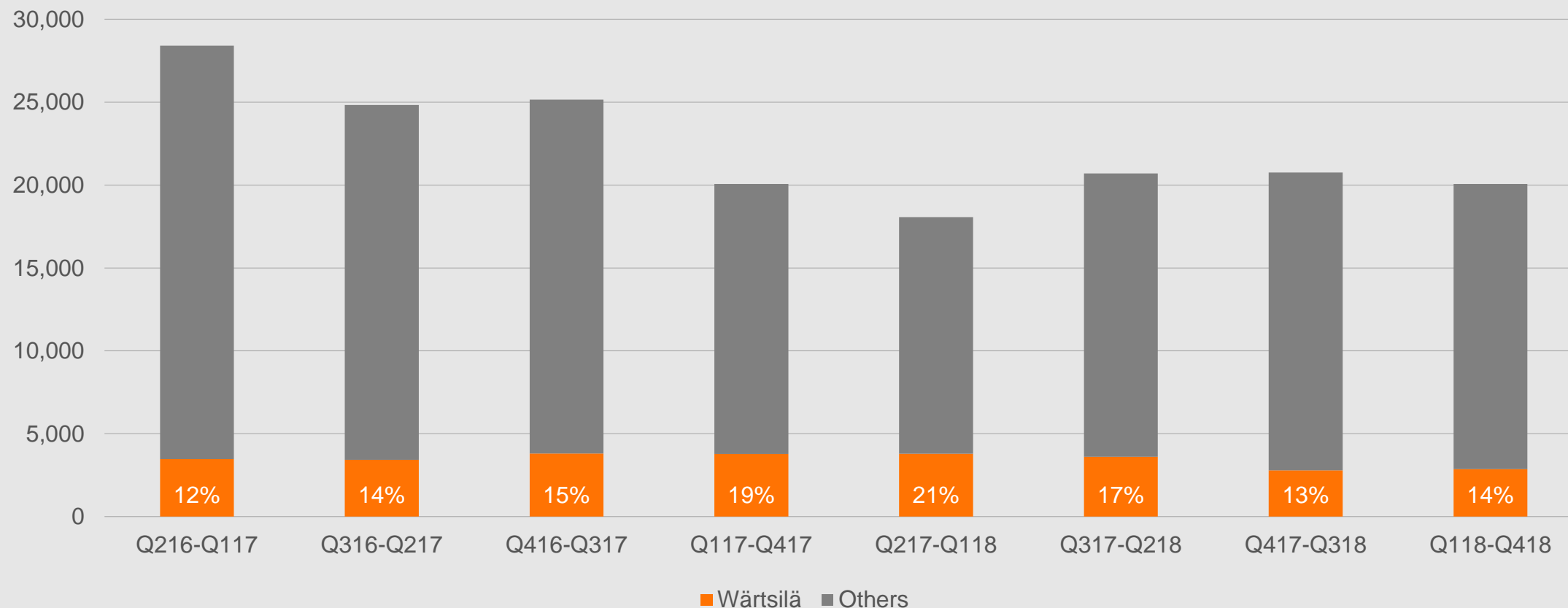


Net sales development



Market for gas and liquid fuel power plants, <500 MW

Rolling 12m, MW



Market shares are calculated on a 12 months rolling basis. Market data includes all Wärtsilä power plants and other manufacturers' gas and liquid fuelled gas turbine based power plants with prime movers over 5 MW in size, as well as estimated output of steam turbines for combined cycles. The data is gathered from the McCoy Power Report. The main gas turbine competitors are GE, Siemens, Mitsubishi, and Ansaldo. Other combustion engines not included. In engine technology Wärtsilä has a leading position.

- Wärtsilä provides funding to Soletair Power Oy, a start-up operating in the field of Power-to-X
- Soletair Power has developed a unique concept for converting CO₂ into synthetic renewable fuel
- Power-to-X is a key building block in the realisation of Wärtsilä's vision for a 100% renewable energy future



The demand for Wärtsilä's services and solutions in the coming 12 months is expected to be in line with the comparative period of the previous year.

Demand by business area is anticipated to be as follows:

- Solid in Wärtsilä Marine Business
- Solid in Wärtsilä Energy Business



THANK YOU



WÄRTSILÄ

Further information:

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