

# WÄRTSILÄ CORPORATION

## HALF YEAR REPORT JANUARY-JUNE 2019

18 July 2019

Jaakko Eskola, President & CEO



**Stable development in net sales,  
equipment profitability challenging**

Order intake **EUR 1,377 million**, -11%

Order book at the end of the period  
**EUR 6,470 million**, +10%

Net sales **EUR 1,217 million**, -2%

Book-to-bill **1.13** (1.25)

Comparable operating result **EUR 113 million**  
(123), or **9.3% of net sales** (9.8)

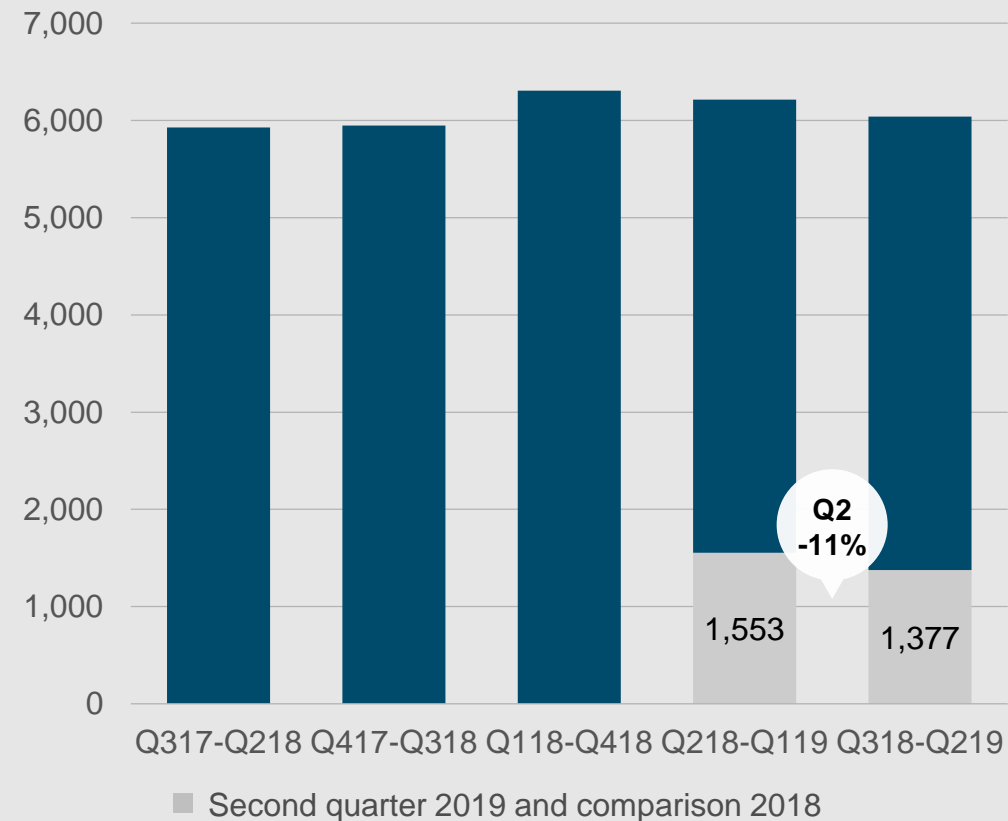
Earnings per share **EUR 0.11** (0.13)

Cash flow from operating activities  
**EUR -37 million** (41)



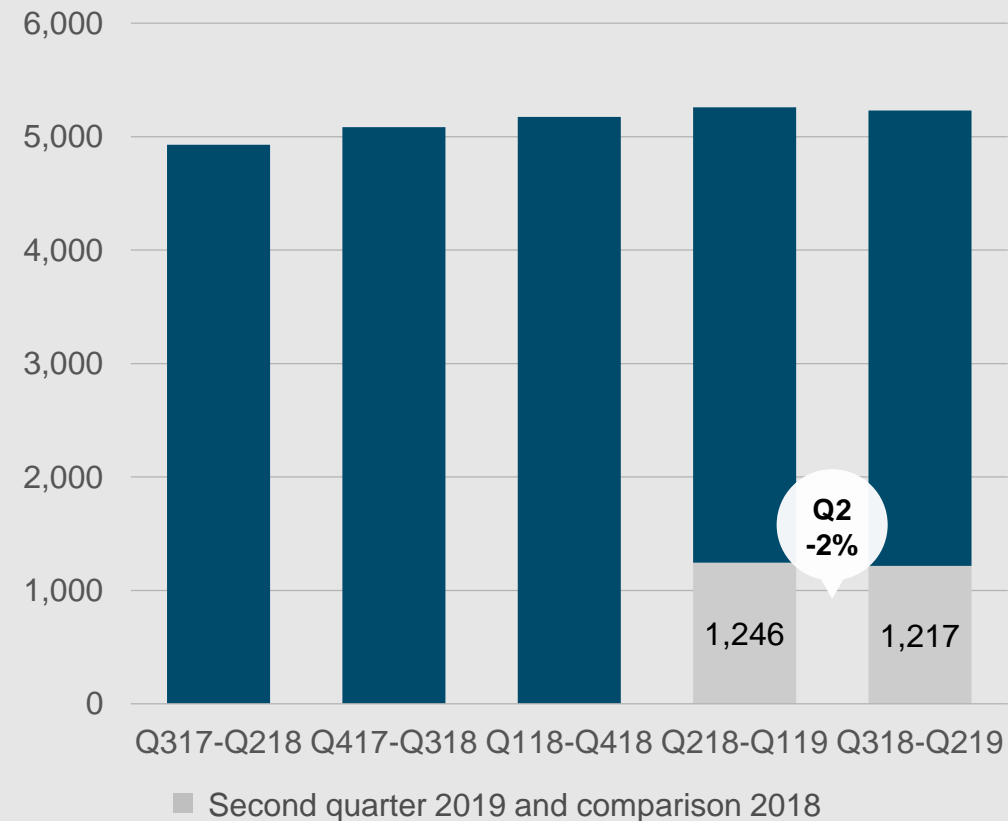
# Order intake affected by delayed decision-making in energy markets

Rolling 12m, MEUR



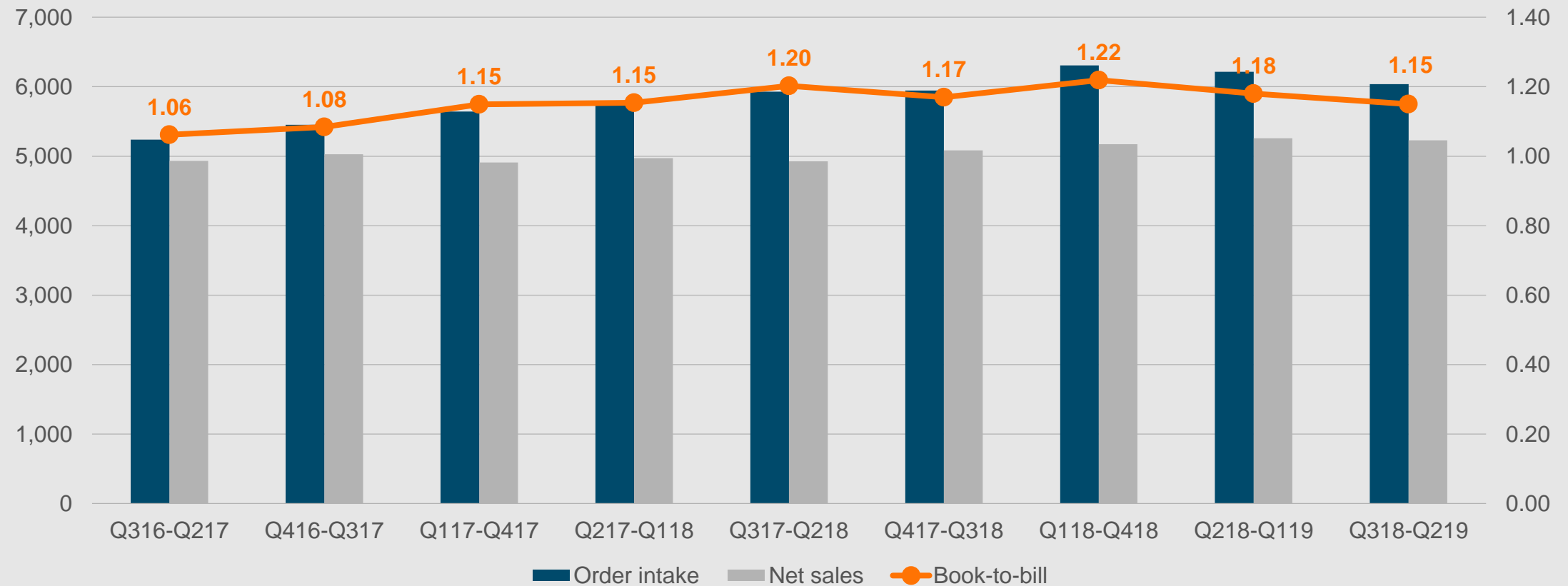
# Slight decline in Q2 net sales – positive development in services

Rolling 12m, MEUR



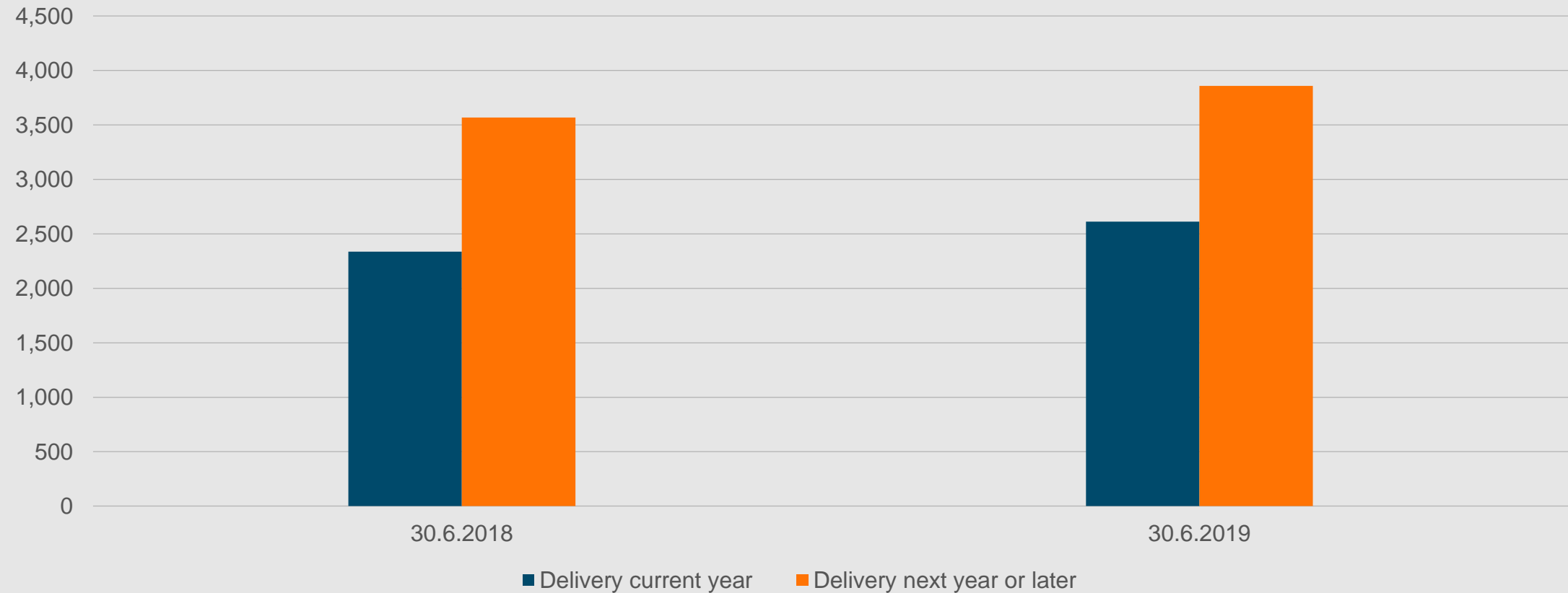
# Book-to-bill

Rolling 12m, MEUR



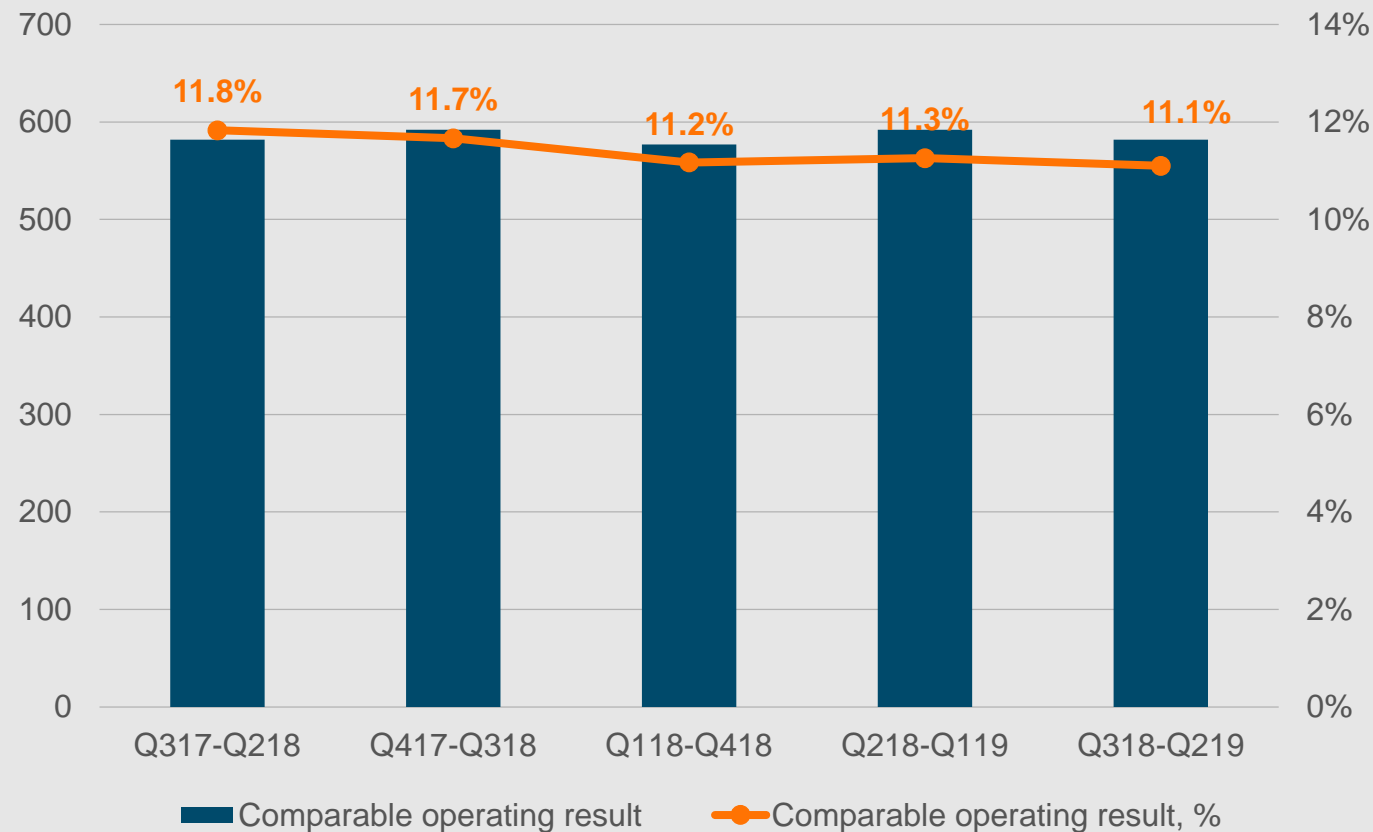
# Order book distribution

MEUR

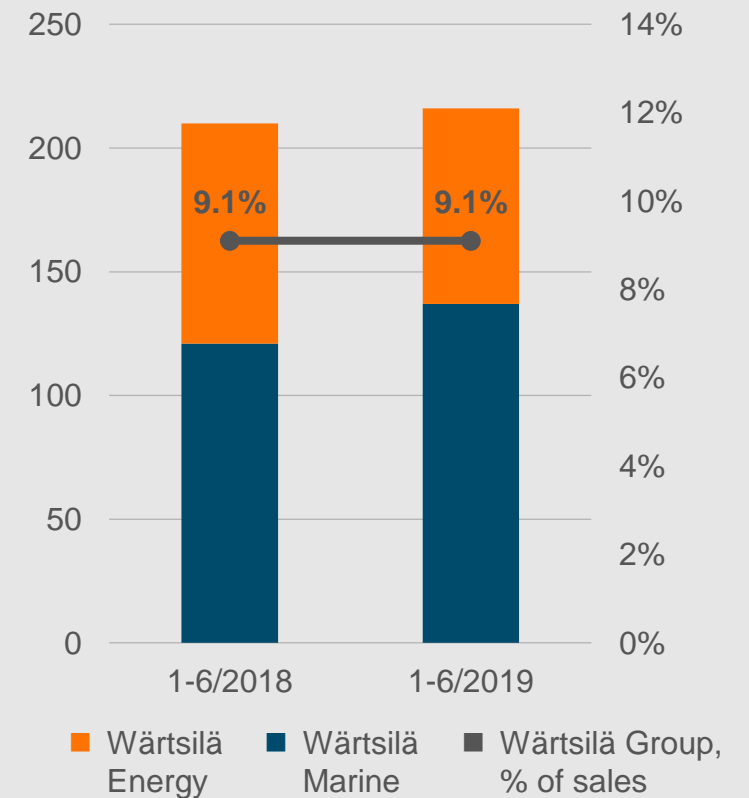


# Comparable operating result

Rolling 12m, MEUR



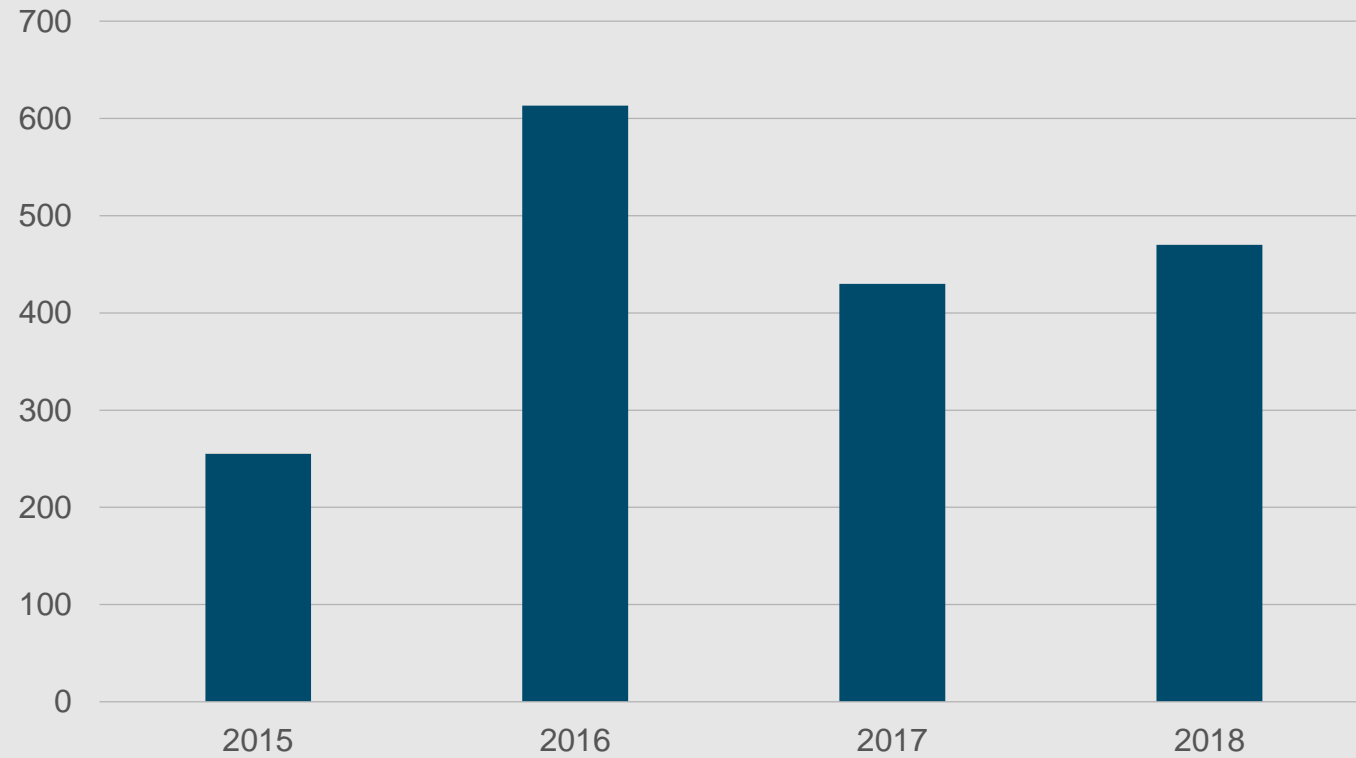
Review period development  
MEUR





# Cash flow from operating activities

MEUR



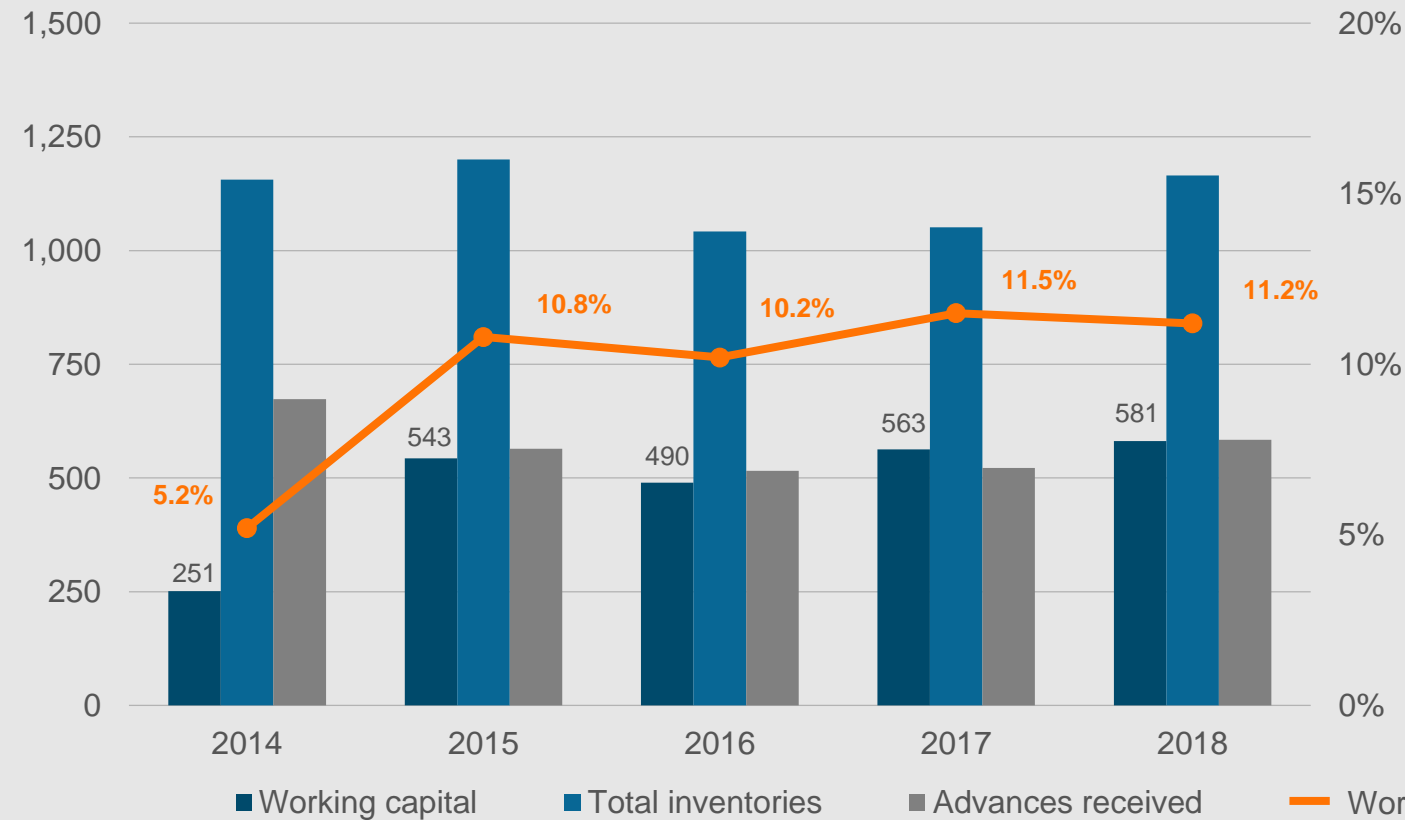
## Review period development

MEUR



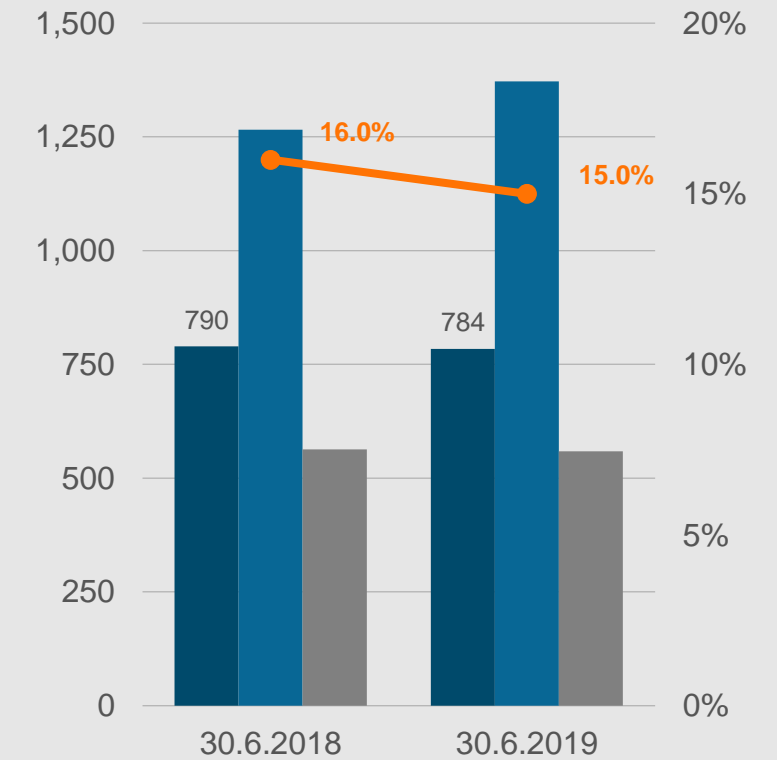
# Working capital

MEUR



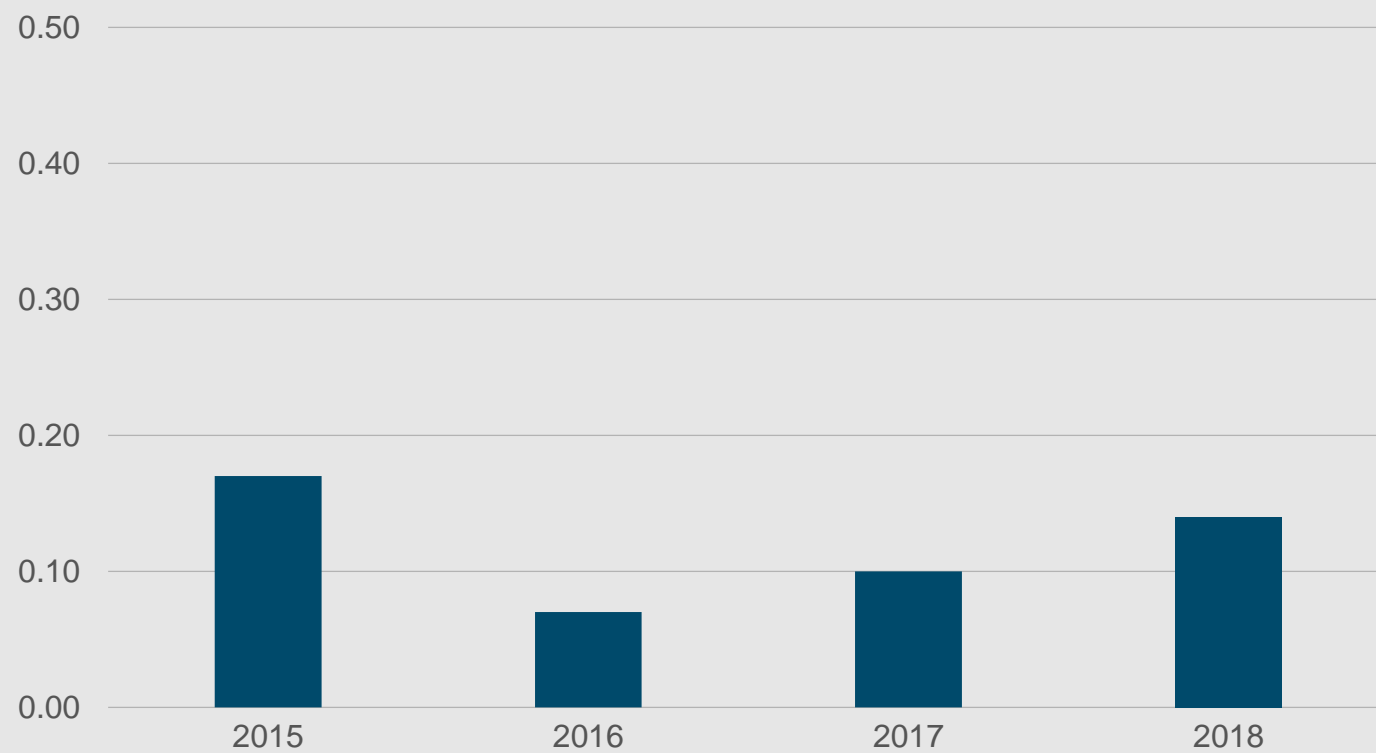
## Review period development

MEUR

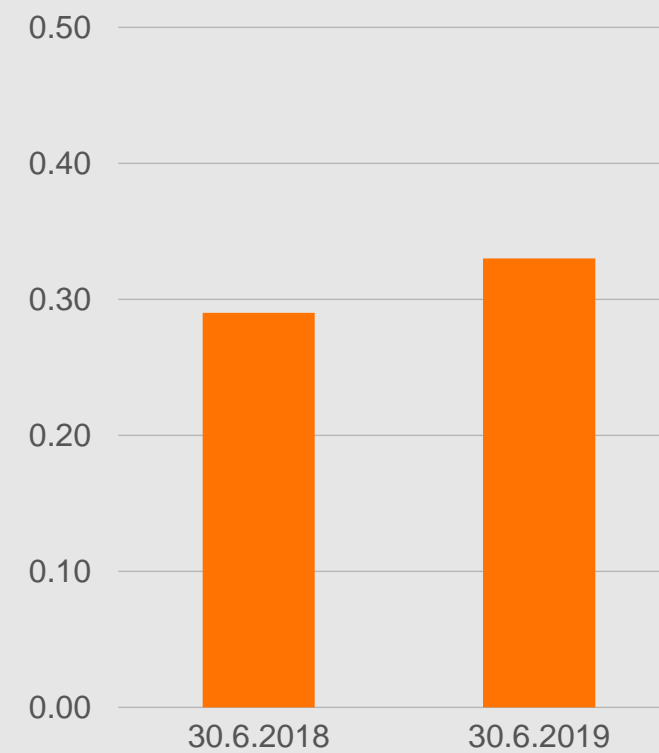


\*Working capital / 12 months rolling net sales

# Gearing



## Review period development

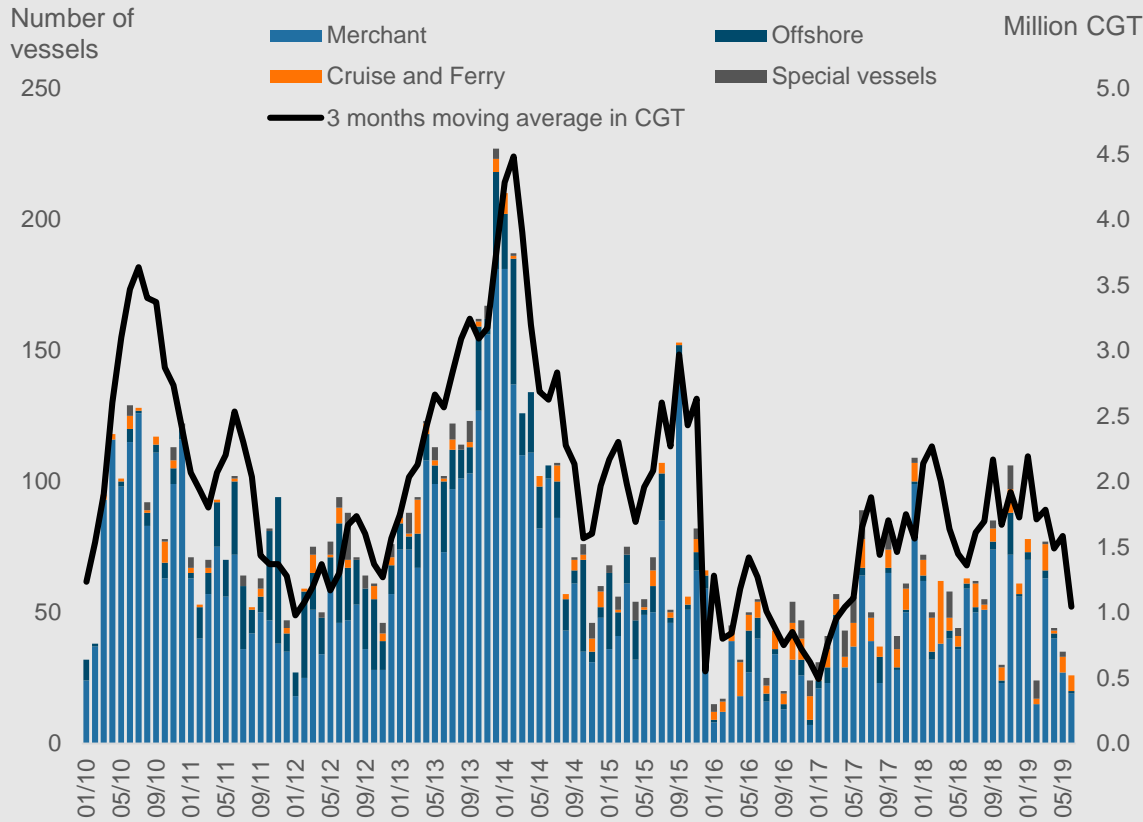


# Wärtsilä Marine Business

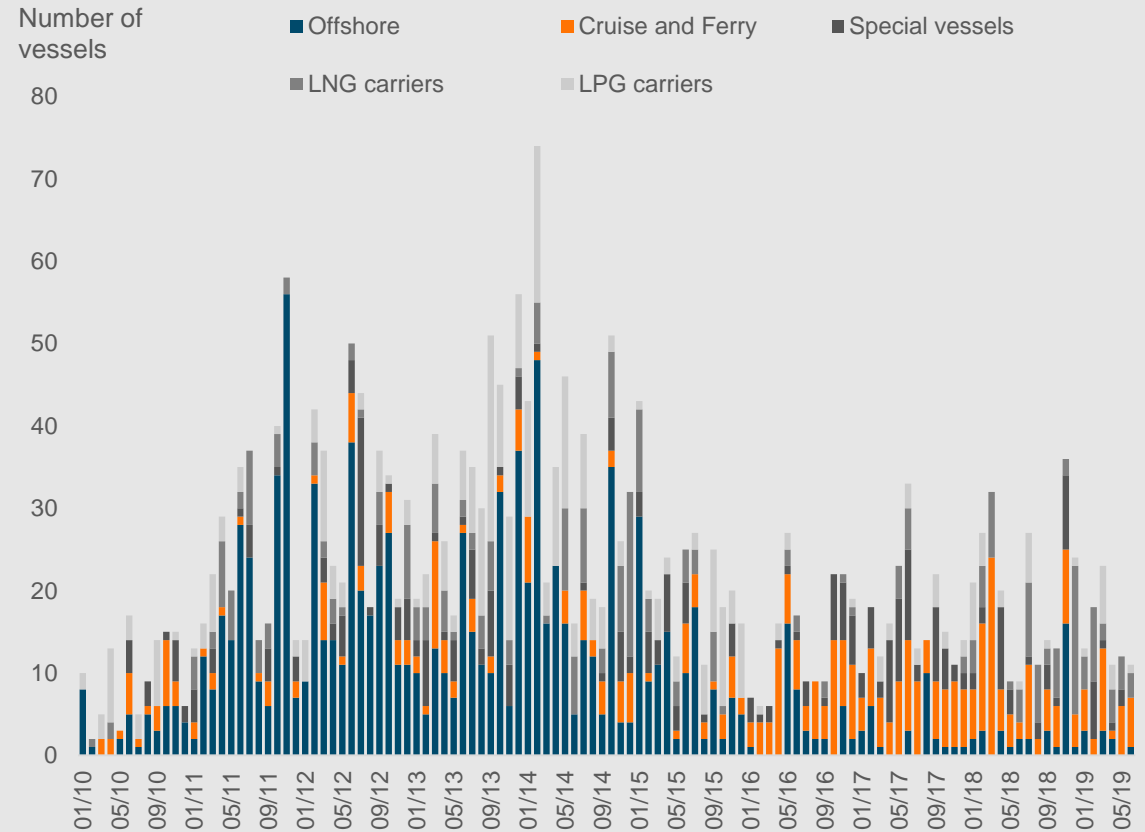


# Vessel contracting declining – mix favouring specialised tonnage

## Total vessel contracting

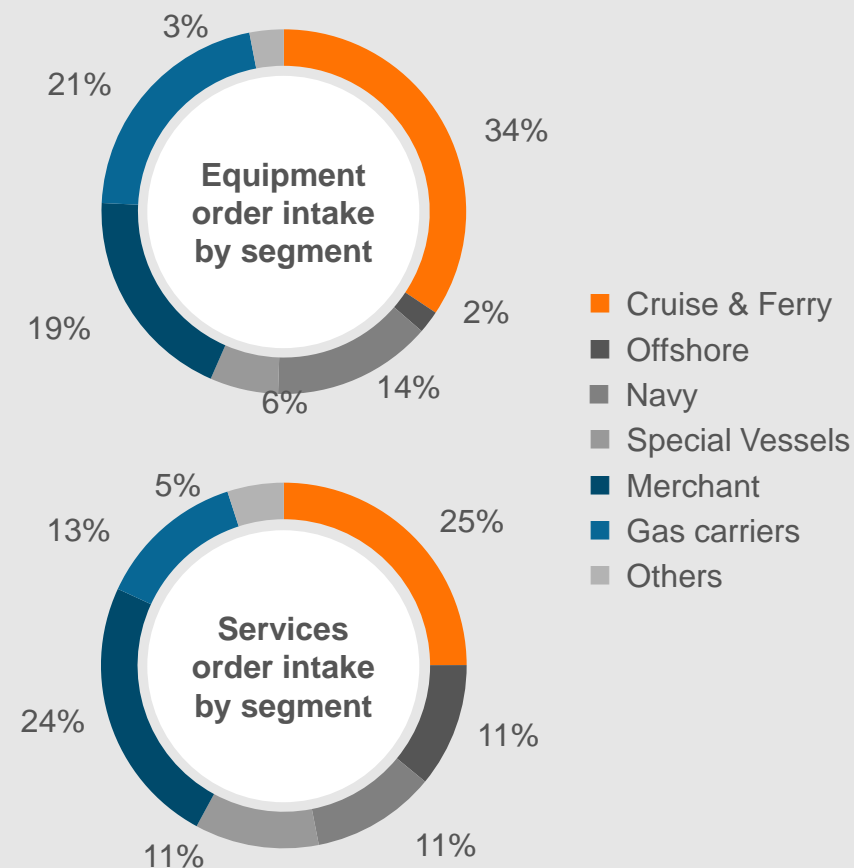
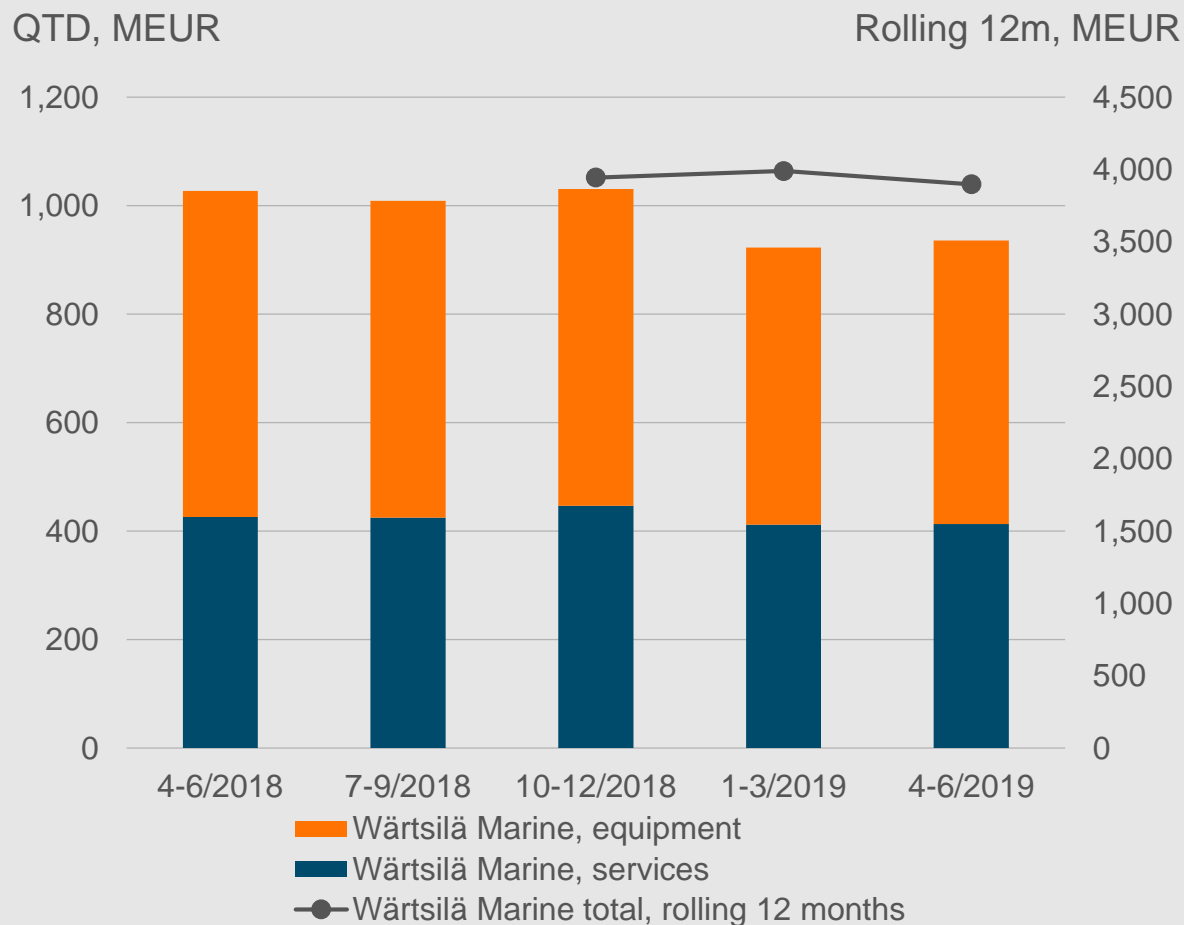


## Specialised tonnage

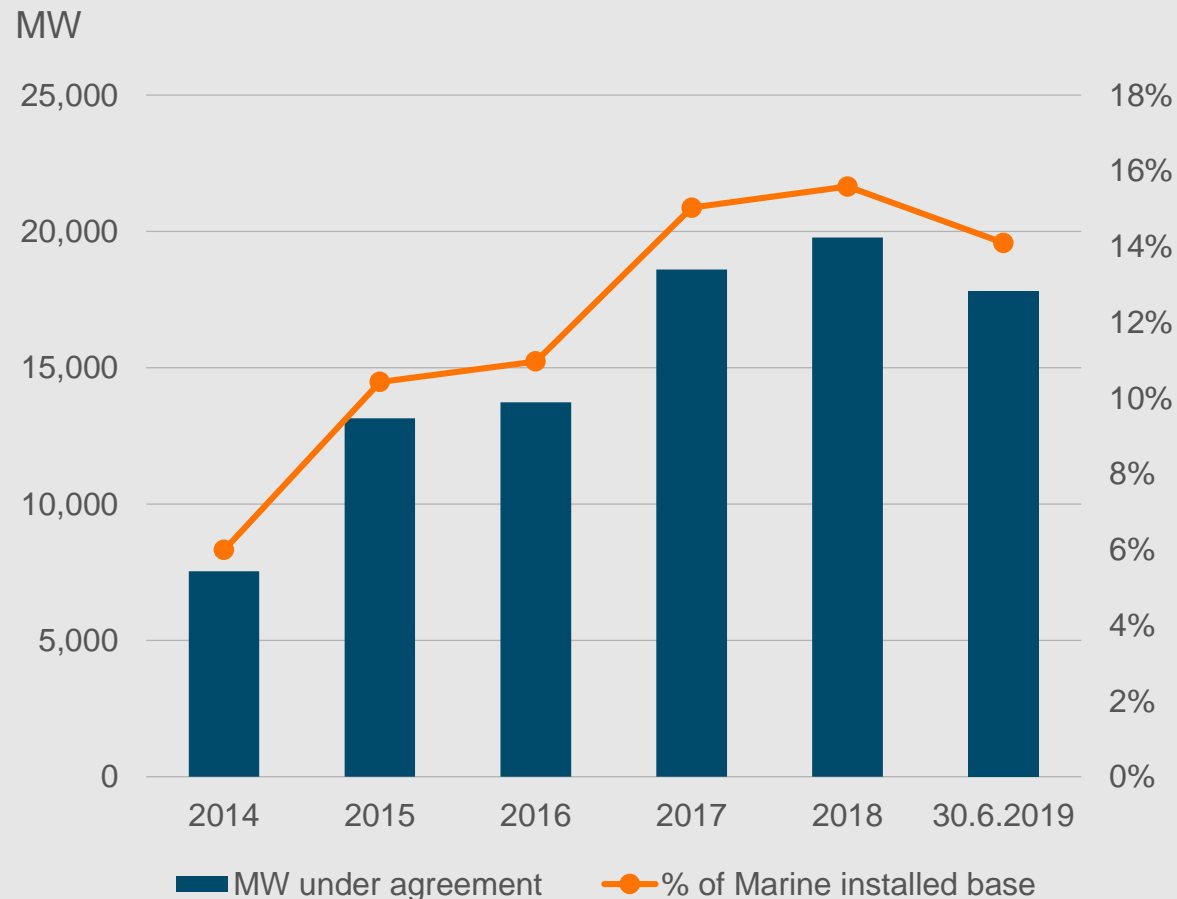


Source: Clarksons, Contracting as per July 5th, 2019  
CGT= gross tonnage compensated with workload

# Order intake development



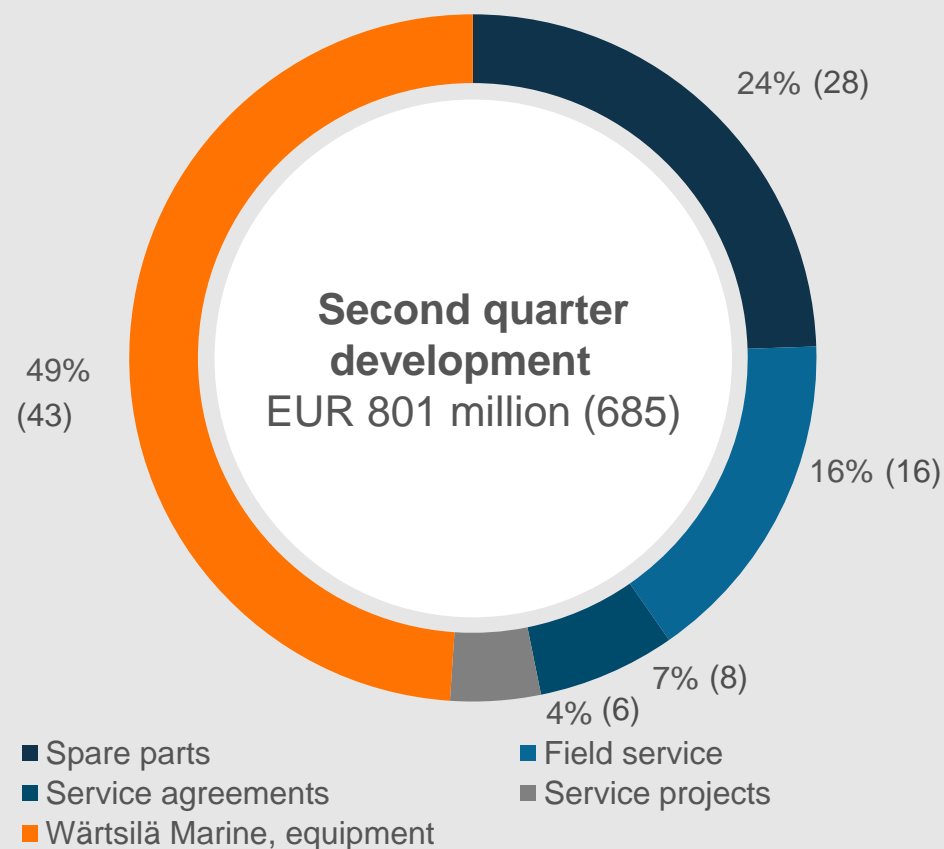
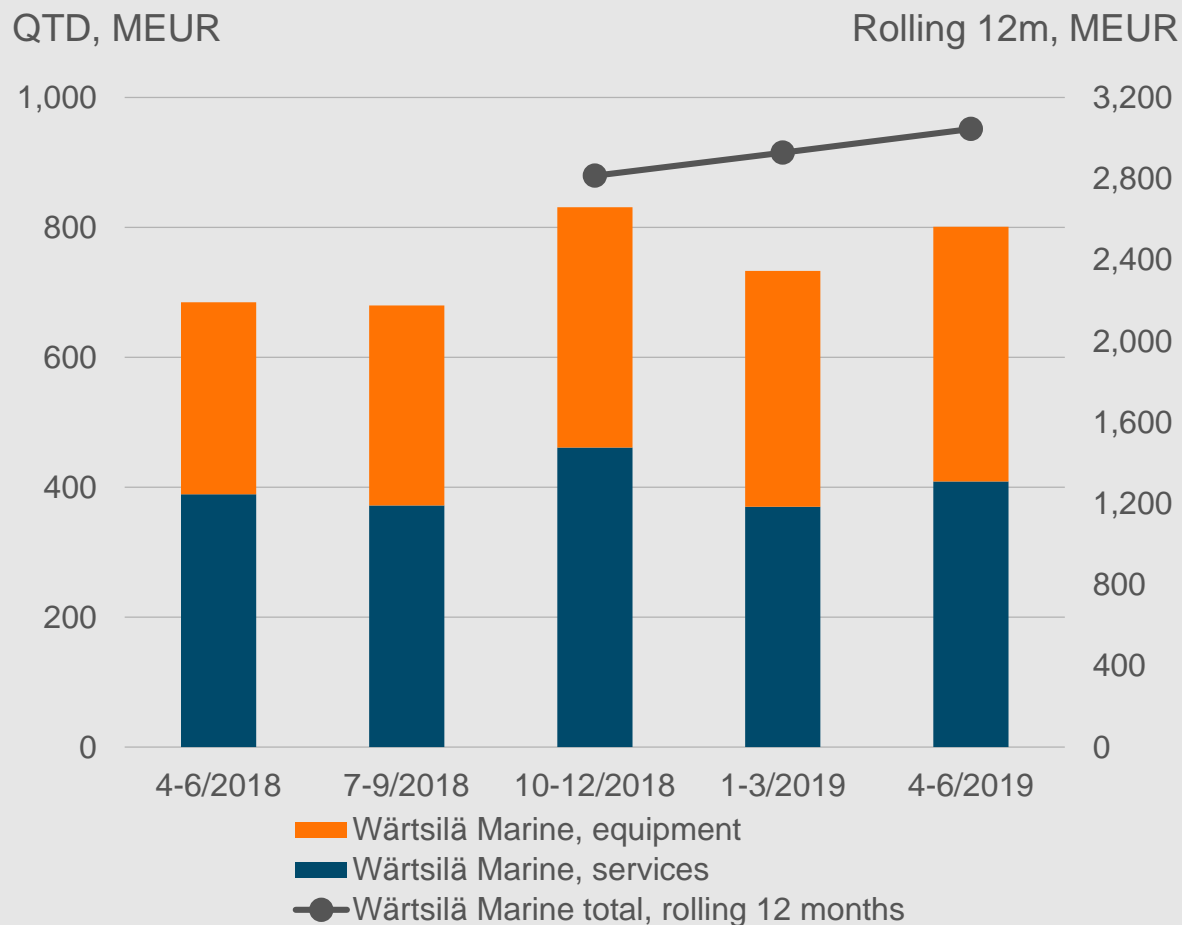
## Marine installed base covered by long-term service agreements



### Optimised maintenance for Sapura's six pipe-laying support vessels in Brazil

- The five-year agreement includes asset diagnostics to optimise the time between major repair work and increase the efficiency of the vessels' operations

# Net sales development





- Smart voyage planning improves safety, lowers CO<sub>2</sub> emissions, and enables significant savings
- Wärtsilä's new Navi-Planner solution utilises connectivity and AI to shorten voyage planning and auto-create a route that is safe to sail

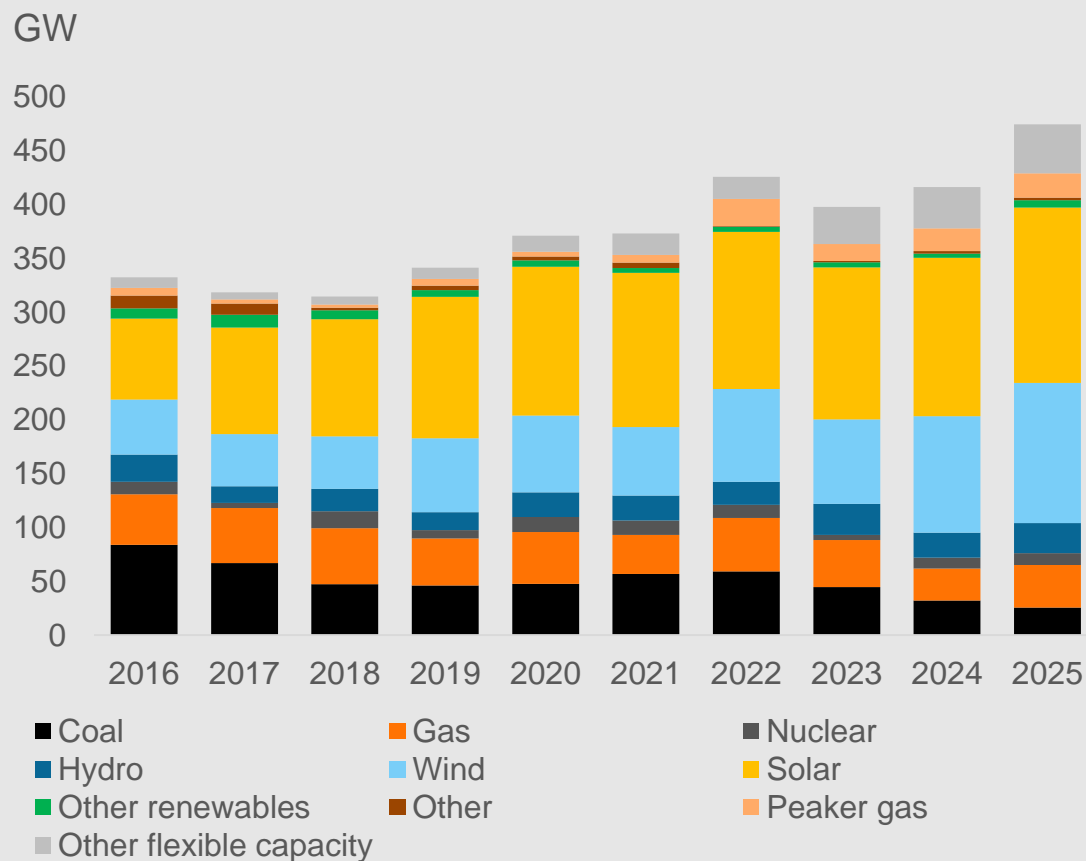




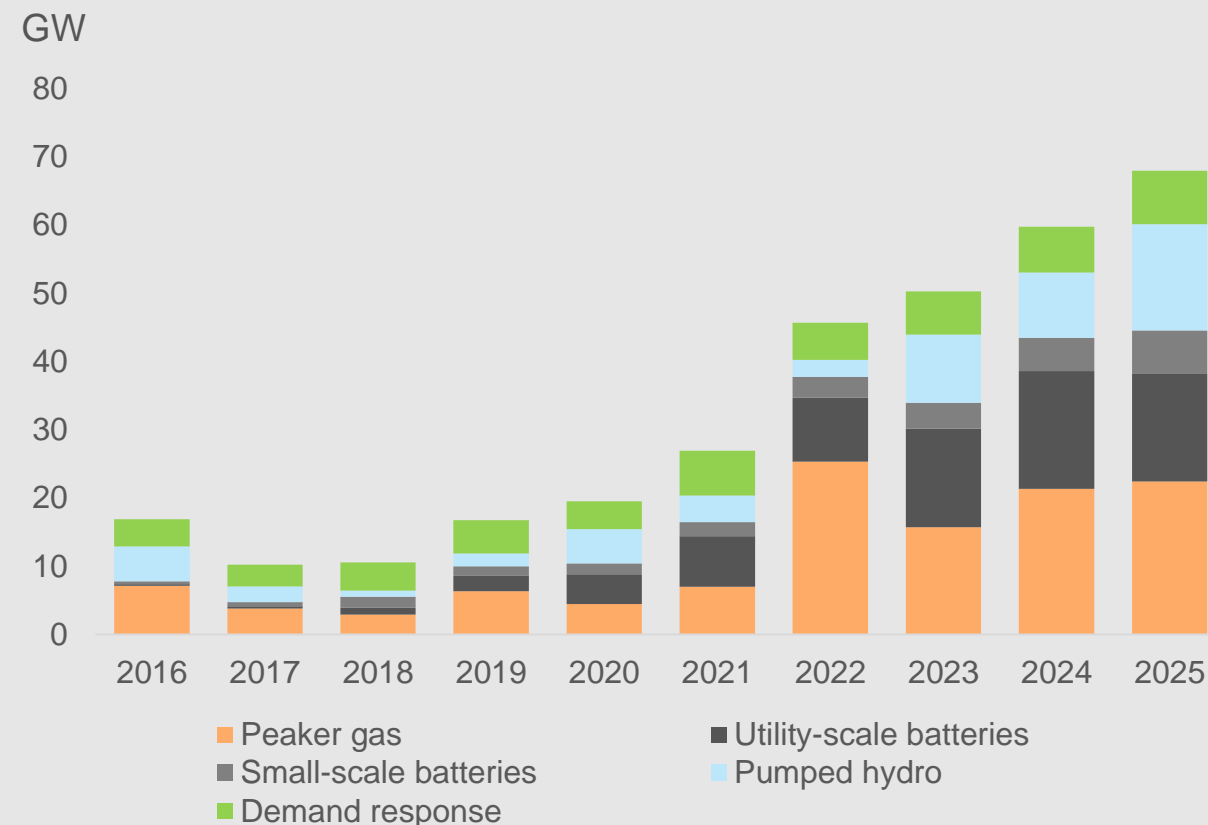
**Wärtsilä**  
**Energy Business**

# Energy investments favouring renewables and flexibility

## Gross capacity additions



## Flexible capacity additions

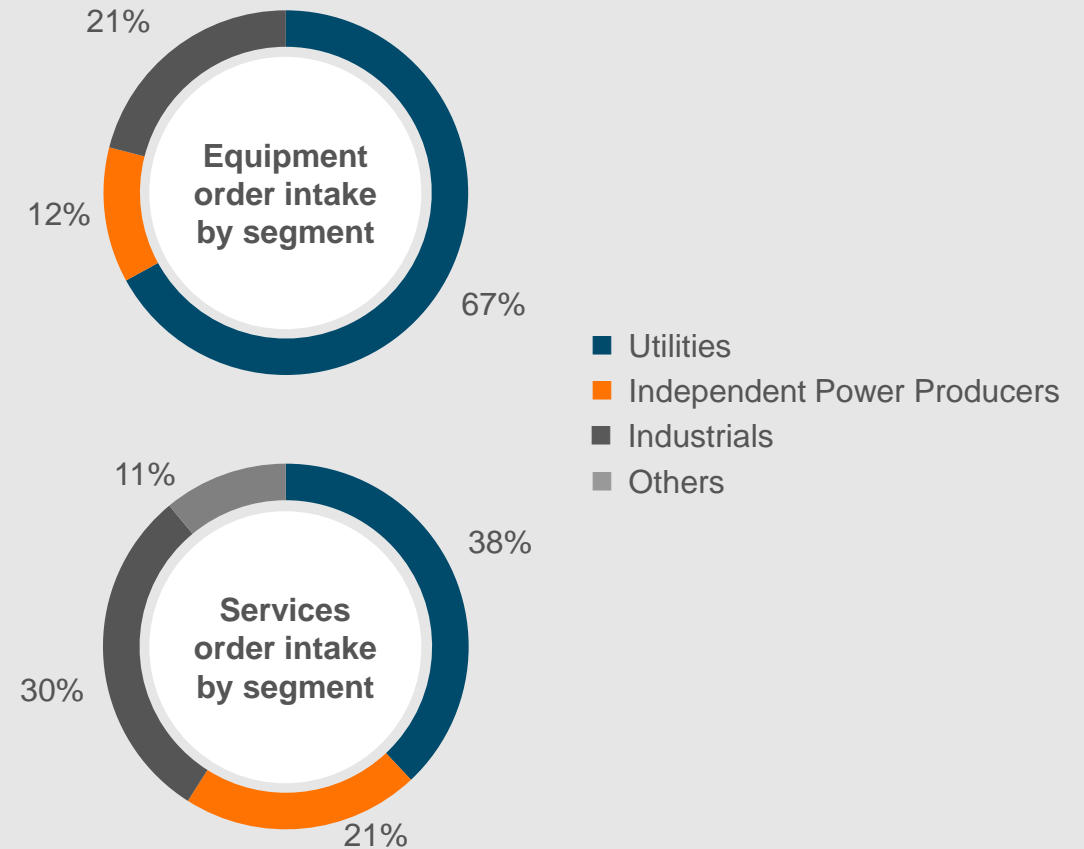
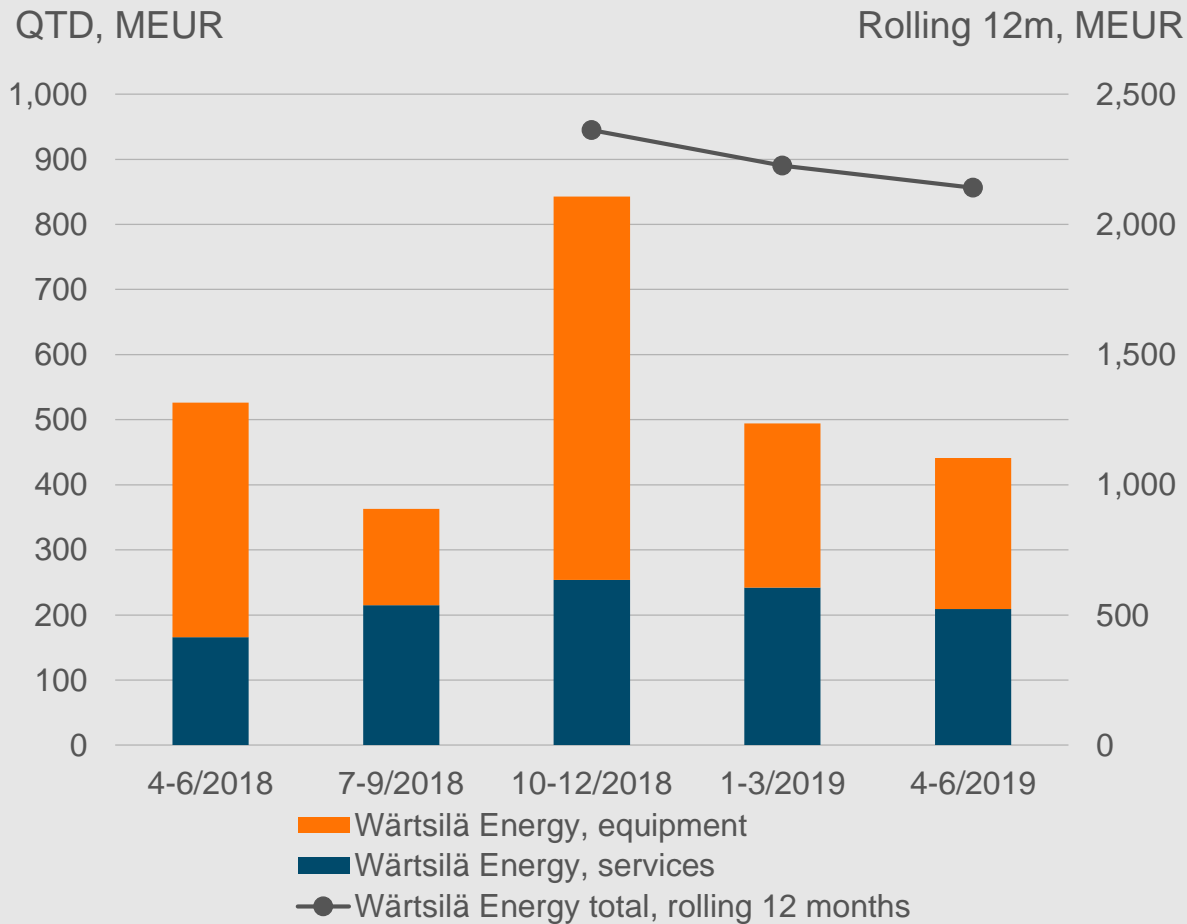


Gross capacity additions. Source: Bloomberg New Energy Outlook 2019.

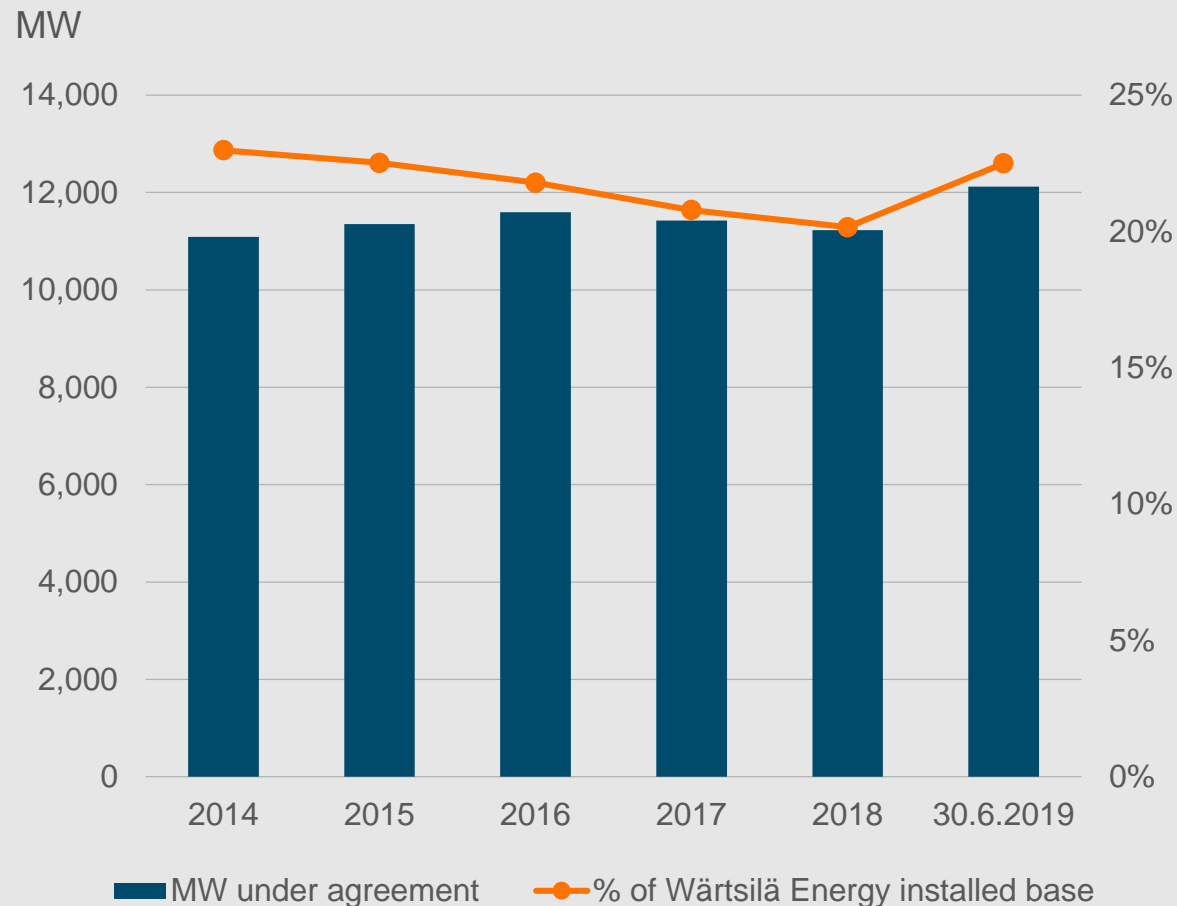
Note: Other flexible capacity includes all possible technologies that are not running on baseload excluding peaker gas.

Flexible capacity additions. Source: Bloomberg New Energy Outlook 2019.

# Order intake development



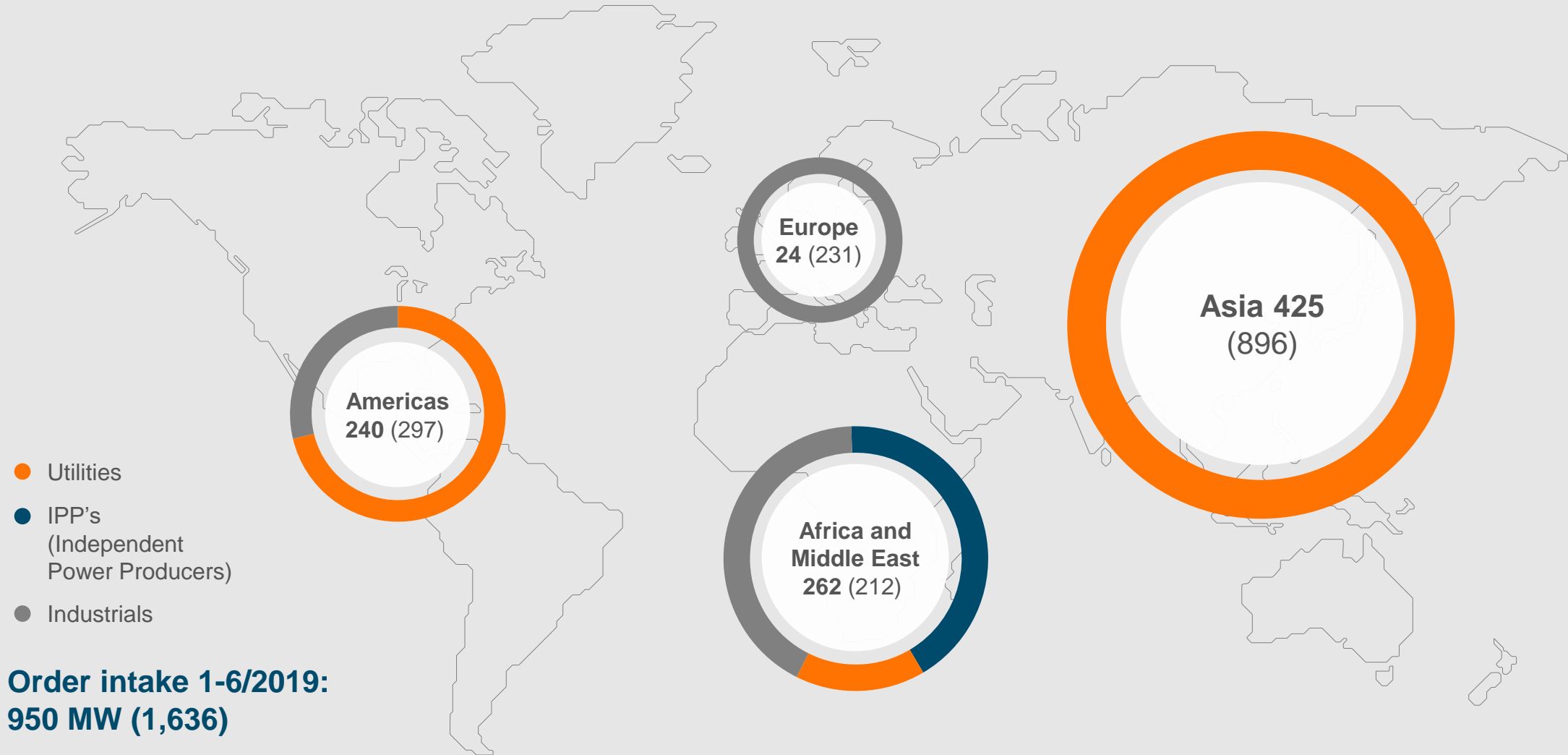
## Energy installed base covered by long-term service agreements



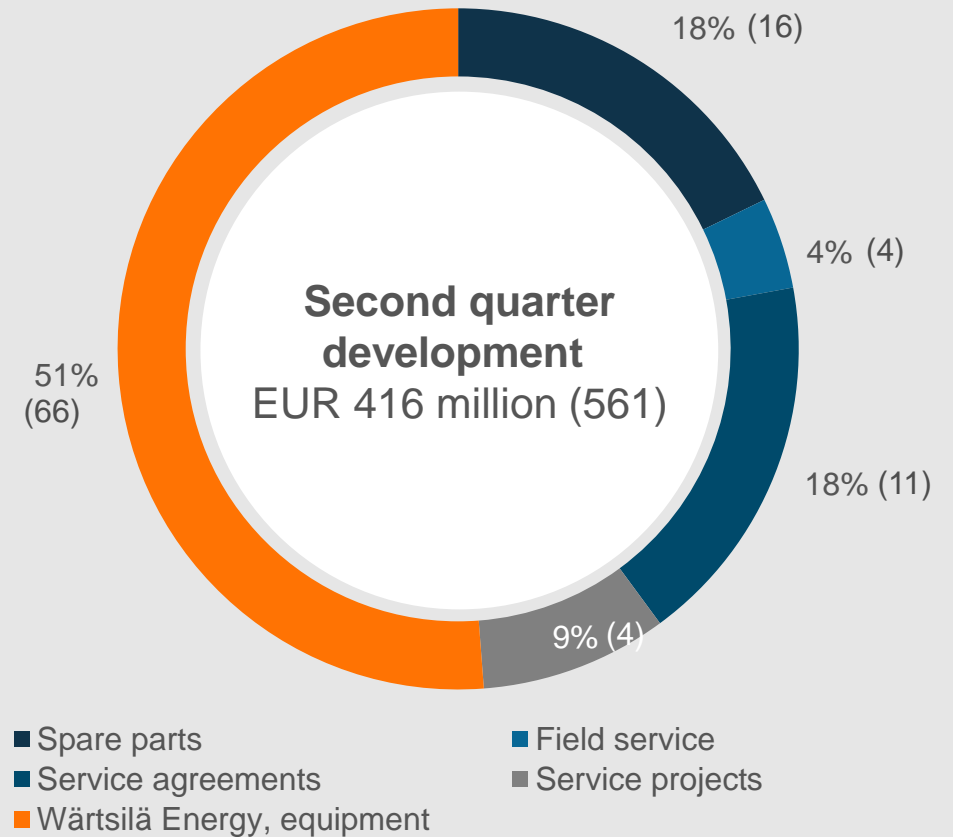
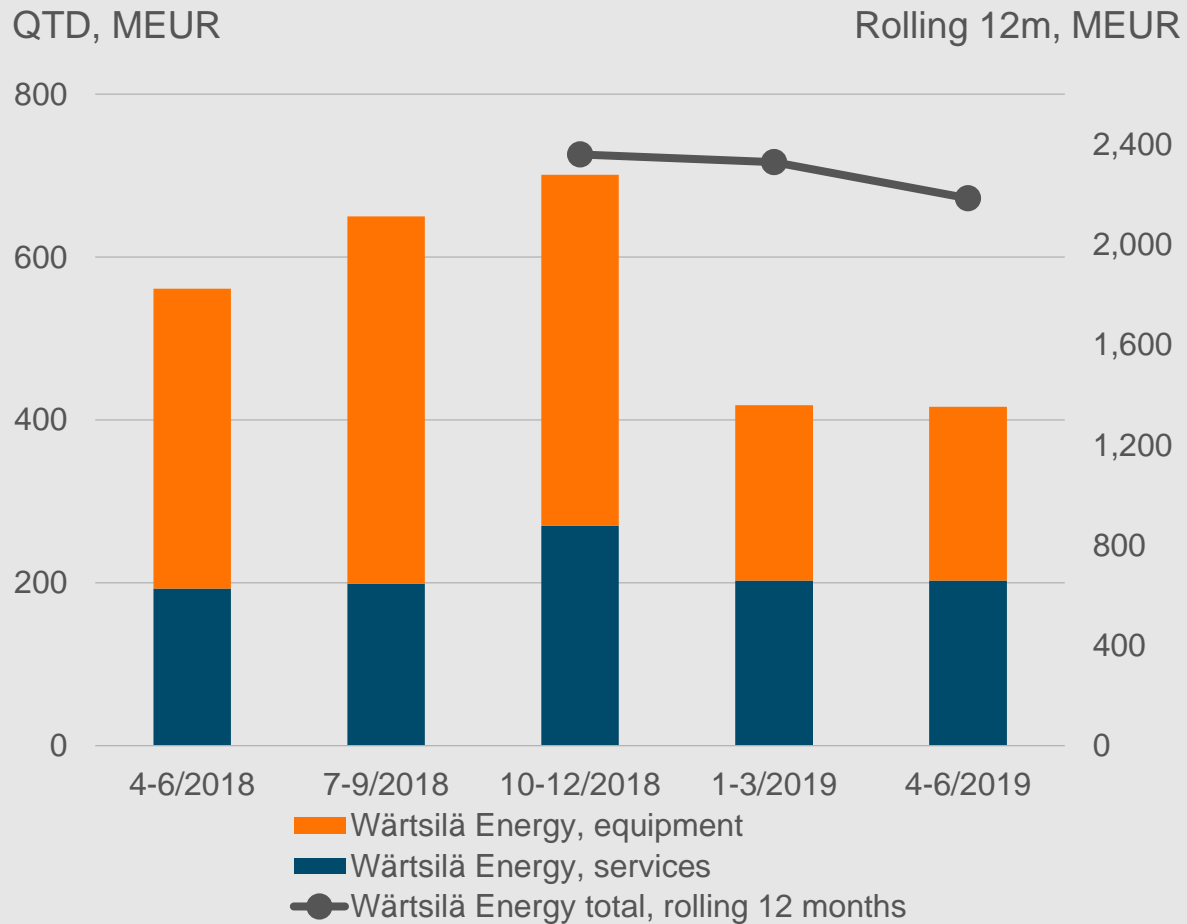
### Bangladesh's biggest ever service agreement signed

- Two 7-year service agreements signed for Summit's 464 MW power plants in Bangladesh
- Contracts designed to ensure maximum availability, optimise operating costs, and enable reliable generation

# Orders received for power plants globally

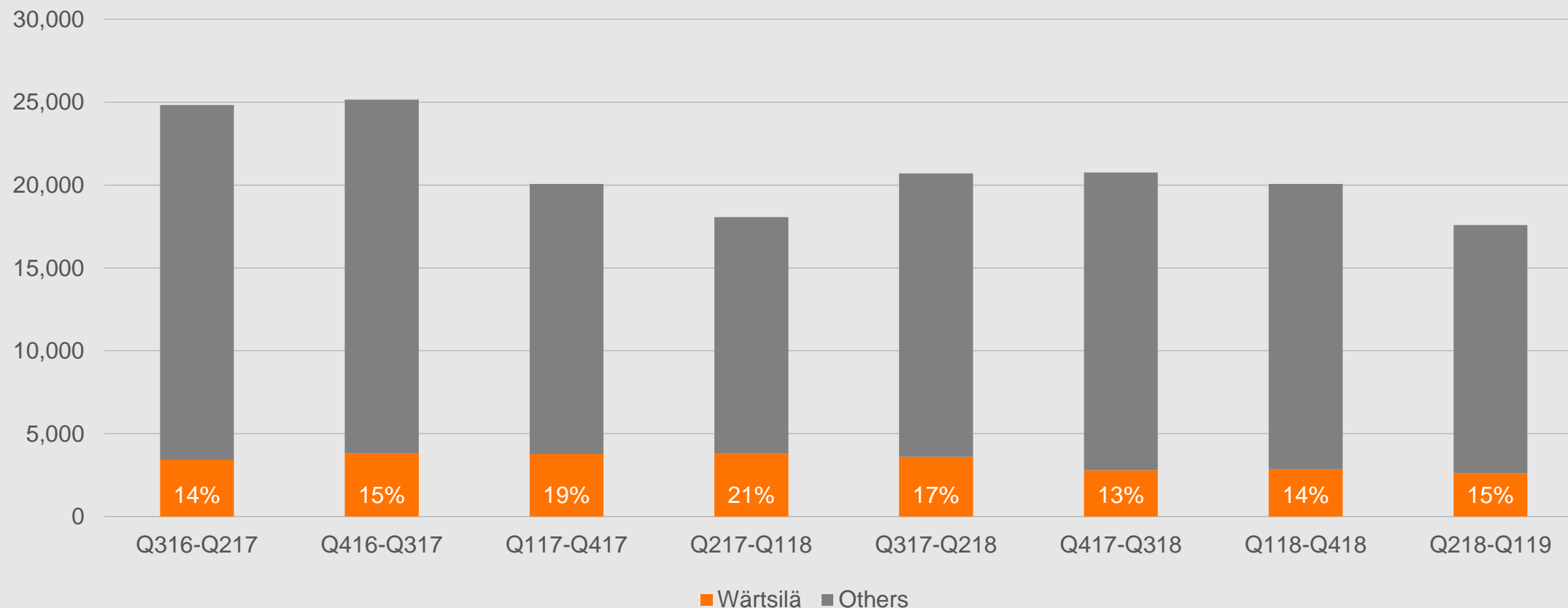


# Net sales development



# 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 will supply a 200 MW flexible, dual-fuel baseload power plant to Cambodia on a fast-track basis
- The plant adds capacity to the grid and enables increased levels of renewable energy to be eventually integrated into the system



The demand for Wärtsilä's services and solutions in the coming twelve months is expected to be somewhat below that of the previous twelve months (prev. in-line).

Demand by business area is anticipated to be as follows:

- Soft in Wärtsilä Marine Business (prev. solid)
- Soft in Wärtsilä Energy Business (prev. solid)



THANK YOU



WÄRTSILÄ

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